

ITURAN LOCATION AND CONTROL LTD. PRESENTS RESULTS FOR THE THIRD QUARTER OF 2021

AZOUR, Israel – November 16, 2021 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the third quarter of 2021.

Highlights of the third quarter of 2021

- 25,000 net subscriber growth: net increase in aftermarket of 21,000 and net increase in OEM of 4,000;
- Revenues of \$65.7 million, an increase of 9% year-over-year;
- Net income was \$7.3 million, compared with \$9.3 million last year;
- Adjusted net income (excluding the non-cash financial impact related to SaverOne's change in public market value) was \$9.6 million versus \$6.0 million last year;
- EBITDA of \$18.5 million, up 23% year-over-year;
- Generated \$11.5 million in quarterly operating cash flow;
- Declared dividend of \$3 million; Continued share buy-back program totaling \$1.9 million;

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are very pleased with our results, especially with the continued strong growth in our after-market subscriber base and the return to growth in the OEM base. Furthermore, the strong operating leverage in our business model enabled us to bring a 9% increase in revenue to a 23% increase in EBITDA.”

Continued Mr. Sheratzky, “As the global recovery continues, we see a solid recovery in car sales in our markets which is leading to increased demand for our services. In particular, the Corona slowdown created many new opportunities for us, one of which we identified was the second-hand car market. We are providing our services to some key financing providers in Latin America, allowing them to reduce the loan risk by tracking the car and the driver behaviour. We see this as a growth engine that could significantly accelerate our subscriber growth in the second half of 2022 and beyond. More generally, we continue to focus on enhancing our growth by adding additional offerings and services, in particular, by taking advantage of the synergies across all our geographies. Looking ahead, our recent above-average subscriber-base growth throughout 2021 positions us exceptionally well to maintain our profitable growth in 2022 and beyond.”

Third quarter 2021 Results

Revenues for the third quarter of 2021 were \$65.7 million, an increase of 9% compared with revenues of \$60.3 million in the third quarter of 2020.

74% of revenues were from location-based service subscription fees and 26% were from product revenues.

Revenues from subscription fees were \$48.3 million, an increase of 9% over third quarter 2020 revenues.

The subscriber base amounted to 1,837,000 as of September 30, 2021. This represents an increase of 25,000 net over that of the end of the prior quarter, and an increase of 85,000 since the end of the third quarter of last year. During the quarter, there was both an increase of 21,000 in the aftermarket subscriber base and an increase of 4,000 in the OEM subscriber base.

Product revenues were \$17.4 million, an increase of 10% compared with that of the third quarter of 2020.

Gross profit for the quarter was \$31.9 million (48.5% of revenues), a 16% increase compared with gross profit of \$27.4 million (45.4% of revenues) in the third quarter of 2020.

The gross margin in the quarter on subscription revenues was 55.8%, compared with 54.9% in the third quarter of 2020. The gross margin on products was 28.3% in the quarter, compared with 18.6% in the third quarter of 2020.

Operating income for the quarter was \$13.9 million (21.1% of revenues), an increase of 32% compared with an operating income of \$10.5 million (17.5% of revenues) in the third quarter of last year.

EBITDA for the quarter was \$18.5 million (28.1% of revenues), an increase of 23% compared with an EBITDA of \$15.0 million (24.9% of revenues) in the third quarter of last year.

Financial expense for the quarter was \$2.7 million compared with a financial income of \$2.8 million income in the third quarter of last year. The financial expenses were impacted significantly by the change in market capitalisation on the Tel Aviv Stock Exchange of Saver-One, one of Ituran's early-stage mobility investments.

Net income for the third quarter of 2021 was \$7.3 million (11.1% of revenues) or diluted earnings per share of \$0.35, compared with \$9.3 million (15.4% of revenues) or diluted earnings per share of \$0.45.

Adjusted net income for the third quarter of 2021, which excludes the non-cash financial impact related to Saver One was \$9.6 million (or 14.6% of revenues) or diluted earnings per share of \$0.46 compared with \$6.0 million (or 10.0% of revenues) or diluted earnings per share of \$0.29.

Cash flow from operations for the third quarter of 2021 was \$11.5 million.

As of September 30, 2021, the Company had cash, including marketable securities, of \$67.0 million and debt of \$34.6 million, amounting to a net cash of \$32.4 million. This is compared with cash, including marketable securities, of \$78.8 million and debt of \$54.5 million, amounting to a net cash of \$24.3 million, as of December 31, 2020.

Dividend

For the third quarter of 2021, a dividend of \$3.0 million was declared. This is in line with the Board's current policy of issuing at least \$3 million on a quarterly basis.

Buy Back

On August 4, 2021, Ituran announced that its Board of Directors made the decision to continue executing on the \$19 million remainder of a \$25 million share buy-back program that was first announced in 2019. The buy back program commenced on August 25, 2021. The share repurchases, if any, are funded by available cash and repurchases of Ituran's ordinary shares under SEC Rule 10b-18 terms.

Under the renewed program, Ituran purchased 71,000 shares for a total of \$1.9 million until the end of September 30, 2021.

Conference Call Information

The Company will also be hosting a conference call later today, November 16, 2021 at 9am Eastern Time.

On the call, management will review and discuss the results, and will be available to answer investor questions.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls a few minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1 866 860 9642
ISRAEL Dial-in Number: 03 918 0609
INTERNATIONAL Dial-in Number: +972 3 918 0609

at:
9:00am Eastern Time, 6:00am Pacific Time, 4:00pm Israel Time

For those unable to listen to the live call, a replay of the call will be available from the day after the call in the investor relations section of Ituran's website.

Certain statements in this press release are "forward-looking statements" within the meaning of the Securities Act of 1933, as amended. These forward-looking statements include, but are not limited to, our plans, objectives, expectations and intentions and other statements contained in this report that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates" or words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which



are beyond our control. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors, as well as factors related to the global COVID-19 pandemic.

About Ituran

Ituran is a leader in the emerging mobility technology field, providing value-added location-based services, including a full suite of services for the connected-car. Ituran offers Stolen Vehicle Recovery, fleet management as well as mobile asset location, management & control services for vehicles, cargo and personal security for the retail, insurance industry and car manufacturers. Ituran is the largest OEM telematics provider in Latin America. Its products and applications are used by customers in over 20 countries. Ituran is also the founder of the Tel-Aviv based DRIVE startup incubator to promote the development of smart mobility technology.

Ituran's subscriber base has been growing significantly since the Company's inception to approaching 2 million subscribers using its location based services with a market leading position in Israel and Latin America. Established in 1995, Ituran has approximately 3,000 employees worldwide, with offices in Israel, Brazil, Argentina, Mexico, Ecuador, Columbia, India, Canada and the United States.

For more information, please visit Ituran's website, at: www.ituran.com

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