

## **ITURAN PRESENTS RECORD SUBSCRIBER GROWTH IN ITS RESULTS FOR THE FOURTH QUARTER & FULL YEAR OF 2021**

***44,000 net subscriber adds & double-digit revenue and EBITDA growth for Q4 & FY 2021***

**AZOUR, Israel – March 7, 2022** – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the fourth quarter of 2021.

### **Highlights of full year 2021**

- Number of subscribers reached 1,881,000 at year-end;
- Revenue of \$270.9 million, an increase of 10% year-over-year;
- EBITDA of \$72.7 million, an increase of 56% year-over-year;
- Generated \$55.8 million in full year operating cash flow;
- Year-end net cash and marketable securities of \$23.3 million;

### **Highlights of the fourth quarter of 2021**

- 44,000 net subscriber growth: net increase in aftermarket of 50,000 and net decrease in OEM of 6,000;
- Revenues of \$70.4 million, an increase of 11% year-over-year;
- Net income was \$9.6 million, an increase of 40% year-over-year;
- EBITDA of \$18.9 million, up 14% year-over-year;
- Generated \$16.0 million in quarterly operating cash flow;
- Declared dividend of \$3 million and continued share buy-back program totaling \$5.41 million in the quarter;

### **Subscriber Growth Forecast in 2022**

Management increases its subscriber base growth expectations to between 140,000 to 160,000, net over full year 2022.

### **Management Comment**

**Eyal Sheratzky, Co-CEO of Ituran said,** “We are very pleased with our results and solid end to a strong year of growth in our subscriber base. While our traditional business continued to perform well, the acceleration in our subscriber growth was driven by the strong headway we made with our new growth engines, including UBI, finance customers, car rental companies, and growth in the United States.”

**Continued Mr. Sheratzky,** “We continue to focus on enhancing our growth via the addition of new offerings and services, penetrating new market segments while taking advantage of the synergies across all our geographies. Looking ahead, our well-above average subscriber-base growth throughout 2021 positions us exceptionally well to build on our profitable growth in 2022 and beyond.”

## **Fourth quarter 2021 Results**

**Revenues** for the fourth quarter of 2021 were \$70.4 million, an increase of 11% compared with revenues of \$63.6 million in the fourth quarter of 2020.

69% of revenues were from location-based service subscription fees and 31% were from product revenues.

Revenues from subscription fees were \$48.8 million, an increase of 7% over fourth quarter 2020 revenues.

The subscriber base amounted to 1,881,000 as of December 31, 2021. This represents an increase of 44,000 net over that of the end of the prior quarter, and an increase of 113,000 year-over-year. During the quarter, there was an increase of 50,000 in the aftermarket subscriber base and a decrease of 6,000 in the OEM subscriber base.

Product revenues were \$21.6 million, an increase of 21% compared with that of the fourth quarter of 2020.

**Gross profit** for the quarter was \$33.4 million (47.5% of revenues), a 13% increase compared with gross profit of \$29.5 million (46.4% of revenues) in the fourth quarter of 2020.

The gross margin in the quarter on subscription revenues was 56.1%, compared with 54.5% in the fourth quarter of 2020. The gross margin on products was 28.2% in the quarter, compared with 25.6% in the fourth quarter of 2020.

**Operating income** for the quarter was \$14.2 million (20.2% of revenues), an increase of 17% compared with an operating income of \$12.1 million (19.0% of revenues) in the fourth quarter of last year.

**EBITDA** for the quarter was \$18.9 million (26.9% of revenues), an increase of 14% compared with an EBITDA of \$16.6 million (26.1% of revenues) in the fourth quarter of last year.

**Financial expense** for the quarter was \$0.8 million compared with a financial expense of \$2.2 million in the fourth quarter of last year.

**Net income** for the fourth quarter of 2021 was \$9.6 million (13.6% of revenues) or diluted earnings per share of \$0.46, compared with \$6.8 million (10.7% of revenues) or diluted earnings per share of \$0.33.

**Cash flow from operations** for the fourth quarter of 2021 was \$16.0 million.

## **Full Year 2021 Results**

Revenues for 2021 was \$270.9 million, 10% above the \$245.6 million reported in 2020.

70% of revenues were from location-based service subscription fees and 30% were from product revenues.

Revenues from subscription fees were \$189.6 million, representing an increase of 4% over the same period last year.

Product revenues were \$81.2 million, representing an increase of 30% compared with the same period last year.

Gross profit for the year was \$126.5 million (46.7% of revenues). This represents an increase of 9% compared with gross profit of \$115.5 million (47.0% of revenues) in 2020. The gross margin in the year on subscription revenues was 55.3%, compared with 55.5% in 2020. The gross margin on products was 26.6%, compared with 22.2% in 2020.

Operating profit for 2021 was \$54.6 million (20.2% of revenues) an increase of 96% compared with operating profit of \$27.8 million (11.3% of revenues) in 2020. In 2020, there was an impairment charge of \$14.2 million. Excluding the impairment charge, in 2021, the operating profit increased by 30%.

EBITDA for 2021 was \$72.7 million (26.8% of revenues), an increase of 56% compared to \$46.7 million (19.0% of revenues) in 2020.

Net income in 2021 was \$34.3 million (12.6% of revenues) or fully diluted earnings per share of \$1.65, an increase of 113% compared with net income of \$16.1 million (6.6% of revenues) or fully diluted earnings per share of \$0.77 in 2020. In 2020, there was an impairment charge of \$13.5 million. Excluding the impairment charge, in 2021, the net profit increased by 16%.

Cash flow from operations for the year was \$55.8 million.

As of December 31, 2021, the Company had cash, including marketable securities, of \$54.7 million and debt of \$31.4 million, amounting to a net cash of \$23.3 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 fourth 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. Share repurchases, were funded by available cash and repurchases of Ituran's ordinary shares under SEC Rule 10b-18 terms.

In the fourth quarter, under the renewed program, Ituran purchased 208,000 shares for a total of \$5.4 million. During 2021, a total of 280,000 were purchased, totaling \$7.3 million.

## **Conference Call Information**

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**The Company will also be hosting a conference call later today, March 7, 2022 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

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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](http://www.ituran.com)

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