

ITURAN PRESENTS RECORD AFTER-MARKET SUBSCRIBER GROWTH IN ITS RESULTS FOR THE FIRST QUARTER OF 2022

Added 43,000 net subscribers and presents 7% growth in revenue & 13% growth in EBITDA

AZOUR, Israel – May 24, 2022 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the first quarter of 2022.

Highlights of the first quarter of 2022

- 43,000 net subscriber growth: net increase in aftermarket of 59,000 and net decrease in OEM of 16,000 with total number of subscribers at 1,924,000 at quarter-end;
- Revenues of \$72.1 million, an increase of 7% year-over-year;
- Net income was \$8.7 million, an increase of 6% year-over-year;
- EBITDA of \$19.3 million, up 13% year-over-year;
- Generated \$7.0 million in quarterly operating cash flow;
- Declared dividend of \$0.14 per share (approximately \$3 million) and continued the share buy-back program starting on April 1, 2022.

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are pleased with the financial results and the very solid start to 2022, demonstrating a real recovery in our aftermarket business across all our geographies as well as the contribution from some of our new growth engines: including UBI, finance customers and car rental companies. What I am most pleased about is the very solid growth in our subscriber base which strengthens our expectations of adding between 140 and 160 thousand net subscribers in 2022. Our subscriber base is expected to cross the two million customers mark during this year and I am very proud of soon reaching this milestone. I look forward to reaping the fruits of our continued growth in the upcoming quarters.”

First Quarter 2022 Results

Revenues for the first quarter of 2022 were \$72.1 million, an increase of 7% compared with revenues of \$67.4 million in the first quarter of 2021.

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

Revenues from subscription fees were \$50.2 million, an increase of 10% over first quarter 2021 revenues.

The subscriber base amounted to 1,924,000 as of March 31, 2022. This represents an increase of 43,000 net over that of the end of the prior quarter, and an increase of 136,000 year-over-year. During the quarter, there was an increase of 59,000 in the aftermarket subscriber base and a decrease of 16,000 in the OEM subscriber base.

Product revenues were \$21.8 million, an increase of 0.5% compared with that of the first quarter of 2021.

Gross profit for the quarter was \$33.3 million (46.2% of revenues), a 9% increase compared with gross profit of \$30.7 million (45.5% of revenues) in the first quarter of 2021.

The gross margin in the quarter on subscription revenues was 55.9%, compared with 55.1% in the first quarter of 2021. The gross margin on products was 23.7% in the quarter, compared with 25.4% in the first quarter of 2021, and the product margin was somewhat impacted due to the product sales mix as well as increased spot prices of components due to the global shortage.

Operating income for the quarter was \$14.4 million (19.9% of revenues), an increase of 12% compared with an operating income of \$12.8 million (19.0% of revenues) in the first quarter of last year.

EBITDA for the quarter was \$19.3 million (26.7% of revenues), an increase of 13% compared with an EBITDA of \$17.1 million (25.4% of revenues) in the first quarter of last year.

Financial expense for the quarter was \$2.6 million compared with a financial expense of \$1.0 million in the first quarter of last year. The increase in financial expense in the quarter was primarily due to the fall in the public market value of Ituran's early-stage company holding, *SaverOne*, which amounted \$2.4 million in the current quarter.

Net income for the first quarter of 2022 was \$8.7 million (12.1% of revenues) or diluted earnings per share of \$0.43, compared with \$8.3 million (12.3% of revenues) or diluted earnings per share of \$0.40.

Cash flow from operations for the first quarter of 2022 was \$7.0 million.

As of March 31, 2022, the Company had cash, including marketable securities, of \$45.2 million and short and long-term bank credit of \$26.5 million, amounting to a net cash of \$18.7 million. This is compared with cash, including marketable securities, of \$54.7 million and short and long-term bank credit of \$31.4 million, amounting to a net cash of \$23.3 million, as of December 31, 2021.

Dividend

For the first quarter of 2022, a dividend of \$0.14 per diluted share (approximately \$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. Share repurchases, were funded by available cash and repurchases of Ituran's ordinary shares under SEC Rule 10b-18 terms. In 2022, the share buyback was renewed on April 1.

Conference Call Information

The Company will also be hosting a conference call later today, May 24, 2022 at 10am 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:
10:00am Eastern Time, 7:00am Pacific Time, 5:00pm 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 approximately 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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