

ITURAN SURPASSES 2 MILLION SUBSCRIBERS AND PRESENTS RESULTS FOR THE THIRD QUARTER OF 2022

Increases outlook for after-market subscriber growth: expect annual run rate of approximately 180,000-200,000

AZOUR, Israel – November 21, 2022 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the third quarter of 2022.

Highlights of the Third Quarter of 2022

- Growth in total subscribers to approximately 2,020,000: net increase in aftermarket of 50,000 and net decrease in OEM of 2,000;
- Revenues of \$72.7 million, an increase of 11% year-over-year;
- Net income of \$10.1 million, an increase of 38% compared with \$7.3 million in the third quarter of last year;
- EBITDA of \$19.6 million, compared with \$18.5 million in the third quarter of last year, up 6% year-over-year;
- Generated \$11.4 million in quarterly operating cash flow;
- Declared dividend of \$3.0 million; purchased \$2.0 million under share buy-back program during the quarter;

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are very proud to have crossed this significant milestone for our company of 2 million subscribers. Over the past four quarters our subscriber growth has accelerated dramatically and is the culmination of many years effort in adding new and attractive products and services, focused on bringing value and meeting our customer’s needs. In only three quarters of 2022, we added 140,000 new subscribers, putting us well ahead of our annual target of between 140,000 and 160,000. As we move into 2023, it is clear that we are growing our after-market subscribers at a faster rate than we have historically. Based on the recent run-rate, we are happy to increase our expectations for the growth rate of our global after-market subscriber base ahead, now expecting 180,000 to 200,000, net new subscribers-adds annually.”

Continued Mr. Sheratzky, “We are also very happy with our financial results showing continued solid growth in revenue and profitability. The strong growth in our subscriber base is beginning to be expressed in our subscriber revenue growth, which in local currencies showed a 13% year-over-year growth and we expect this trend to continue well into the next year. We also demonstrated our highest subscriber gross margin in over two years, demonstrating that the operating leverage in our business is becoming more apparent.”

Added Mr. Sheratzky, “The ongoing strong profitability and cash generation enable us to share the rewards of our continued success with shareholders. In addition to our regular dividend payment of \$3 million per quarter, we purchased a further \$2 million in shares under our share buy-back program, targeting increased shareholder value.”

Third quarter 2022 Results

Revenues for the third quarter of 2022 were \$72.7 million, an increase of 11% compared with revenues of \$65.7 million in the third quarter of 2021. 73% of revenues were from location-based service subscription fees and 27% were from product revenues.

Revenues from subscription fees were \$53.1 million, an increase of 10% over third quarter 2021 revenues. The strong appreciation of the US dollar versus the currencies in the geographies that Ituran operates over the past year, impacted the revenues as reported in US dollars. In local currency terms, third quarter revenue grew by 13% compared with that of the third quarter of last year.

The subscriber base amounted to 2,020,000 as of September 30, 2022. This represents an increase of approximately 48,000 net over that of the end of the prior quarter. During the quarter, there was an increase of 50,000 in the aftermarket subscriber base and a decrease of 2,000 in the OEM subscriber base.

Product revenues were \$19.5 million, an increase of 12% compared with that of the third quarter of 2021. In local currency terms, third quarter revenue grew by 16% compared with that of the third quarter of last year.

Gross profit for the quarter was \$34.6 million (47.6% of revenues), a 7% increase compared with gross profit of \$32.2 million (49.0% of revenues) in the third quarter of 2021.

The gross margin in the quarter on subscription revenues improved to 57.2%, compared with 56.5% in the third quarter of 2021.

The gross margin on products was 21.5% in the quarter, compared with 28.3% in the third quarter of 2021. The product margin continues to be somewhat impacted by the higher components' prices due to the global shortage of electronic components as well as the product sales mix sold in the quarter. As the shortage of components has begun to ease towards the end of the current year, Ituran expects to record a general trend of improvement in product gross margins during the fourth quarter of 2022 and in 2023.

Operating income for the quarter was \$14.7 million (20.2% of revenues), an increase of 6% compared with \$13.9 million (21.1% of revenue) in the third quarter of last year. In local currency terms, third quarter operating income grew by 9% compared with that of the third quarter of last year.

EBITDA for the quarter was \$19.6 million (27.0% of revenues), an increase of 6% compared with \$18.5 million (28.1% of revenues) in the third quarter of last year. In local currency terms, third quarter EBITDA grew by 9% compared with that of the third quarter of last year.

Financial expense for the quarter was \$0.7 million compared with a financial expense of \$2.7 million in the third quarter of last year. In the third quarter of 2021, it is noted that the financial expense was impacted by the change in market capitalization of one of Ituran's publicly-listed early-stage mobility investments.

Net income for the third quarter of 2022 was \$10.1 million (13.9% of revenues) or earnings per share of \$0.49, compared with \$7.3 million (11.1% of revenues) or earnings per share of \$0.35 in the third quarter of last year.

Cash flow from operations for the third quarter of 2022 was \$11.4 million.

As of September 30, 2022, the Company had cash, including marketable securities, of \$30.5 million and debt of \$16.0 million, amounting to a net cash of \$14.5 million. This is compared with cash, including marketable securities, of \$54.7 million and debt of \$31.4 million, amounting to a net cash of \$23.3 million, as of December 31, 2021.

Dividend

For the third quarter of 2022, 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 decided to continue executing the remainder of a \$25 million share buy-back program that was first announced in 2019. Under the current buy-back program, 79,816 shares amounting to \$2.0 million was purchased in the third quarter of 2022 and approximately \$6 million remains under the current program.

The share repurchases, if any, will be funded by available cash and repurchases of Ituran's ordinary shares will be made based on SEC Rule 10b-18 terms.

Conference Call Information

The Company will also be hosting a conference call later today, November 21, 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

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 over 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

Company Contact

Udi Mizrahi

udi_m@ituran.com

Deputy CEO & VP Finance, Ituran
(Israel) +972 3 557 1348

International Investor Relations

Ehud Helft

ituran@ekgir.com

EK Global Investor Relations
(US) +1 212 378 8040