

ITURAN PRESENTS ITS FIRST QUARTER 2023 RESULTS

Net subscriber growth in Q1 2023 of 49,000

Expects current strong subscriber net adds to contribute to accelerated revenue growth in 2023

AZOUR, Israel – May 24, 2023 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the first quarter of 2023.

Highlights of the first quarter of 2023

- Net subscriber growth of 49,000: net increase in aftermarket of 44,000 and net increase in OEM of 5,000;
- Revenues of \$79.5 million, an increase of 10% year-over-year;
- Net income of \$11.4 million, an increase of 30% year-over-year;
- EBITDA of \$20.8 million, up 8% year-over-year;
- Generated \$17.4 million in quarterly operating cash flow;
- Declared dividend of \$3 million and continued share buy-back program totaling \$1.2 million in the quarter;

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are very pleased with the results of the first quarter of 2023. The year has begun on a strong note and the accelerated subscriber growth we witnessed last year is starting to make its mark on our financial results. We experienced record subscriber revenues in the quarter with record subscriber gross margins and also saw our highest quarterly net income and EBITDA in over four years. Our success stems from introducing valuable new products and services that cater to our customer’s mobility needs, while leveraging the synergies of our 2 million-plus ongoing subscribers across all the regions in which we operate.”

“We are seeing an increase in interest in Latin America from car manufacturers, as well as from financing firms. We are increasingly optimistic for the upcoming quarters and expect that the positive trends we are currently experiencing will continue through 2023 and beyond.”

First Quarter 2023 Results

Revenues for the first quarter of 2023 were \$79.5 million, an increase of 10.3% compared with revenues of \$72.1 million in the first quarter of 2022.

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

Revenues from subscription fees were \$55.8 million, an increase of 11% over the first quarter 2022 revenues.

The subscriber base amounted to 2,115,000 as of March 31, 2023. This represents an increase of 49,000 net over that of the end of the prior quarter, and a net increase of 191,000 year-over-year.

During the quarter, there was an increase of 44,000 net in the aftermarket subscriber base and an increase of 5,000 net in the OEM subscriber base.

Product revenues were \$23.7 million, an increase of 8% compared with that of the first quarter of last year.

Gross profit for the quarter was \$36.7 million (46.2% of revenues), a 10% increase compared with gross profit of \$33.3 million (46.2% of revenues) in the first quarter of last year.

The gross margin in the quarter on subscription revenues was 58.1%, compared with 55.9% in the first quarter of last year. The gross margin on products was 18.2% in the quarter, compared with 23.7% in the first quarter of last year.

Operating income for the quarter was \$15.9 million (20.0% of revenues), an increase of 11% compared with an operating income of \$14.4 million (19.9% of revenues) in the first quarter of last year.

EBITDA for the quarter was \$20.8 million (26.2% of revenues), an increase of 8% compared with an EBITDA of \$19.3 million (26.7% of revenues) in the first quarter of last year.

Financial expenses for the quarter were \$0.2 million compared with financial expenses of \$2.6 million in the first quarter of last year. In the first quarter of last year there was a large financial loss due to the devaluation of SaverOne, an early stage public company in which Ituran holds equity.

Net income for the first quarter of 2023 was \$11.4 million (14.3% of revenues) or diluted earnings per share of \$0.56, compared to \$8.7 million (12.1% of revenues) or diluted earnings per share of \$0.43 in the first quarter of last year.

Cash flow from operations for the first quarter of 2023 was \$17.4 million.

On the balance sheet, as of March 31, 2023, the Company had cash, including marketable securities, of \$33.5 million and debt of \$9.2 million, amounting to a net cash of \$24.3 million. This is compared with cash, including marketable securities, of \$28.2 million and debt of \$12.2 million, amounting to a net cash of \$16.0 million, as of December 31, 2022.

Dividend

For the first quarter of 2023, a dividend of \$3 million was declared.

Buy Back

On August 23, 2022, 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. On February 23, 2023, the Board of Directors made the decision to increase the buy back by a further \$10 million.

In the first quarter, under the program, Ituran purchased 54,000 shares for a total of \$1.2 million. There is remaining under the buy back program approximately \$12 million, as of March 31, 2023.

Share repurchases, were funded by available cash and repurchases of Ituran's ordinary shares under SEC Rule 10b-18 terms.

Conference Call Information

The Company will also be hosting a conference call later today, May 24, 2023 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 2,700 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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