

ITURAN PRESENTS ITS SECOND QUARTER 2023 RESULTS

*Record revenue contributed from recent strong subscriber growth
Net subscriber growth in Q2 2023 of 47,000*

AZOUR, Israel – August 15, 2023 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the second quarter of 2023.

Highlights of the Second Quarter of 2023

- Net subscriber growth of 47,000: net increase in aftermarket of 45,000 and net increase in OEM of 2,000;
- Record revenue of \$81.6 million, an increase of 11% year-over-year;
- Net income of \$12.2 million, an increase of 40% year-over-year;
- EBITDA of \$21.8 million, up 12% year-over-year;
- Generated \$17.5 million in quarterly operating cash flow;
- Declared dividend of \$3.0 million and continued share buy-back program totaling \$3.5 million in the quarter;

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are very pleased with the results of the second quarter of 2023, especially with our highest level of quarterly revenue in our history and highest net income and EBITDA levels in over four years. The solid results are due to the accelerated subscriber growth we have seen in recent quarters which has contributed to our strong results. Furthermore, even given this strong growth, we have been able to continue to demonstrate very strong cash generation, reporting our highest ever operating cash flow in a six month period of almost \$35 million.”

“As our recent partnership with Santander Bank demonstrates, we are experiencing growing interest for our value-added telematic services from the car financing sector in Latin America. Our strong momentum adds to our optimism for continued growth in the coming quarters and we expect that the positive trends will continue through 2023 and beyond.”

Second Quarter 2023 Results

Revenues for the second quarter of 2023 were a record \$81.6 million, an increase of 11% compared with revenues of \$73.4 million in the second quarter of 2022. The appreciation of the US dollar over the past year, versus the local currencies in the various geographies in which Ituran operates impacted the revenues as reported in US dollars. In local currency terms, second quarter revenue grew by 15% compared with that of the second quarter of last year.

72% of revenues were from location-based service subscription fees and 28% were from product revenues.

Revenues from subscription fees were a record \$59.2 million, an increase of 13% over the second quarter 2022 revenues. In local currency terms, second quarter subscription fee revenue grew by 17% compared with that of the second quarter of last year.

The subscriber base amounted to 2,162,000 as of June 30, 2023. This represents an increase of 47,000 net over that of the end of the prior quarter, and a net increase of 190,000 year-over-year. During the quarter, there was an increase of 45,000 net in the aftermarket subscriber base and an increase of 2,000 net in the OEM subscriber base.

Product revenues were \$22.5 million, an increase of 7% compared with that of the second quarter of last year.

Gross profit for the quarter was \$38.7 million (47.4% of revenues), a 14% increase compared with gross profit of \$33.8 million (46.1% of revenues) in the second quarter of last year.

The gross margin in the quarter on subscription revenues was 57.3%, compared with 56.8% in the second quarter of last year. The gross margin on products was 21.0% in the quarter, compared with 19.6% in the second quarter of last year.

Operating income for the quarter was \$16.6 million (20.4% of revenues), an increase of 15% compared with an operating income of \$14.4 million (19.7% of revenues) in the second quarter of last year. In local currency terms, second quarter operating income grew by 18% compared with that of the second quarter of last year.

EBITDA for the quarter was \$21.8 million (26.7% of revenues), an increase of 12% compared with EBITDA of \$19.4 million (26.5% of revenues) in the second quarter of last year. In local currency terms, second quarter EBITDA grew by 15% compared with that of the second quarter of last year.

Financial income for the quarter was \$0.3 million, compared with financial expenses of \$1.4 million in the second quarter of last year. In the second quarter of last year, there was a financial loss due to the devaluation of SaverOne, an early-stage public company in which Ituran holds equity.

Net income for the second quarter of 2023 was \$12.2 million (15.0% of revenues) or diluted earnings per share of \$0.61, an increase of 40% compared to \$8.7 million (11.9% of revenues) or diluted earnings per share of \$0.43 in the second quarter of last year. In local currency terms, second quarter net income grew by 44% compared with that of the second quarter of last year.

Cash flow from operations for the second quarter of 2023 was \$17.5 million.

On the balance sheet, as of June 30, 2023, the Company had cash, including marketable securities, of \$34.5 million and debt of \$4.5 million, amounting to a net cash position of \$30.0 million. This is compared with cash, including marketable securities, of \$28.2 million and debt of \$12.2 million, amounting to a net cash position of \$16.0 million, as of the end of 2022.

Dividend

For the second quarter of 2023, a dividend of \$3.0 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 announced in 2019. On February 23, 2023, the Board of Directors made the decision to increase the buy-back program by a further \$10 million. As of June 30, 2023, there is remaining under the buy-back program \$8.6 million.

In the second quarter, under the program, Ituran purchased 156,138 shares for a total of \$3.5 million.

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, August 15, 2023 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, financing industries 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

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