



ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES

ITURAN LOCATION AND CONTROL LTD. PRESENTS RECORD RESULTS FOR THE FIRST QUARTER 2017

Record quarterly results: revenue of \$57m, net profit of \$13m & EBITDA of \$17m

AZOUR, Israel – May 27, 2017 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the first quarter ended March 31, 2017.

Highlights of the First Quarter of 2017

- Net subscribers adds in the quarter amounting to 25 thousand;
- Revenue of \$57.1 million, up 21% year-over-year;
- Gross margins of 49.2% and operating margins at 24.2%;
- Net profit of \$13 million, up 83% year-over-year; EBITDA of \$17.0 million or 29.8% of revenues;
- Generated \$3.1 million in operating cash flow;
- Dividend of \$5 million declared for the quarter;

First Quarter 2017 Results

Revenues for the first quarter of 2017 were \$57.1 million, representing an increase of 21% from revenues of \$47.2 million in the first quarter of 2016. 70% of revenues were from location based service subscription fees and 30% were from product revenues.

Revenues from subscription fees increased by 24% over the same period last year. The growth was driven primarily due to the increase in the subscriber base, which expanded from 985,000 as of March 31, 2016, to 1,082,000 as of March 31, 2017.

Product revenues increased by 15% compared with the same period last year.

Gross profit for the first quarter of 2017 was \$28.1 million (49.2% of revenues), an increase of 18% compared with \$23.8 million (50.4% of revenues) in the first quarter of 2016. The gross margin in the quarter on subscription fees improved to 66.1% compared with 65.1% in the same period last year. The gross margin in the quarter on products was 10.6% compared with 19.0% in the same period last year. The lower margin on products was due to the specific mix of product sales in the first quarter.

Operating profit for the first quarter of 2017 was a record \$13.8 million (24.2% of revenues), an increase of 20% compared with an operating profit of \$11.5 million (24.4% of revenues) in the first quarter of 2016.

During the quarter, share in affiliates, net was an income of \$4 million versus a loss of \$0.7 million in the same quarter of last year. The majority was due to a capital gain from an investment round at Bringg, one of Ituran's early stage mobility technology companies and Ituran's joint venture in Brazil, Ituran Road Track, made a positive contribution.

EBITDA for the quarter was a record \$17.0 million (29.8% of revenues), an increase of 21% compared to an EBITDA of \$14.1 million (29.9% of revenues) in the first quarter of 2016.



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Net profit was a record \$13.0 million in the first quarter of 2017 (22.8% of revenues) or fully diluted EPS of \$0.62, an increase of 83% compared with a net profit of \$7.1 million (15.0% of revenues) or fully diluted EPS of \$0.34 in the first quarter of 2016.

Cash flow from operations for the quarter was a record \$3.1 million.

As of March 31, 2017, the Company had net cash, including marketable securities, of \$26.9 million or \$1.28 per share. This is compared with \$31.5 million or \$1.50 per share as at December 31, 2016.

Dividend

For the first quarter of 2017, a dividend of \$5 million was declared in line with the Company's stated current policy of issuing at least \$5 million as a dividend on a quarterly basis.

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “Our first quarter 2017 results represent an excellent start to 2017 with very strong revenue growth, driven primarily by the solid growth in our subscriber base, which has returned to the higher-end of our typical range. Our end-markets in Israel and Brazil continue to demonstrate strength through ongoing demand and interest in our products and solutions.”

Continued Mr. Sheratzky, “In the first quarter, we generated a capital gain from one of our early stage technology holdings, Bringg. We are also one of the founders of the DRIVE startup incubator and innovation center in Tel Aviv to promote the development of smart mobility technology, together with Mayer, Hertz, Honda and Volvo. We see mobility technology as the next frontier of major technological advancement in the coming decade, and we intend to cement ourselves in a central role in this sphere. We are very excited in what the future holds for Ituran.”



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Conference Call Information

The Company will also be hosting a conference call later today, May 17, 2017 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: 1 888 407 2553
ISRAEL Dial-in Number: 03 918 0644
CANADA Dial-in Number: 1 888 604 5839
INTERNATIONAL Dial-in Number: +972 3 918 0644
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.

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. Its products and applications are used by customers in over 20 countries.

Ituran's subscriber base has been growing significantly since the Company's inception to over 1 million subscribers using its location based services with a market leading position in Israel and Brazil. Established in 1995, Ituran has over 1,500 employees worldwide, with offices in Israel, Brazil, Argentina and the United States.

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