



## **ITURAN LOCATION AND CONTROL LTD. AND ITS SUBSIDIARIES**

### **ITURAN LOCATION AND CONTROL LTD. PRESENTS RECORD RESULTS FOR THE THIRD QUARTER 2017**

*Added 25,000 subscribers in the quarter leading to record revenue of \$61.6 million*

**AZOUR, Israel** –November 15, 2017 – Ituran Location and Control Ltd. (NASDAQ: ITRN, TASE: ITRN), today announced its consolidated financial results for the third quarter ended September 30, 2017.

#### **Highlights of the third quarter of 2017**

- Net subscribers adds in the quarter amounted to 25 thousand;
- Record revenue of \$61.6 million, up 17% year-over-year;
- Gross margins of 49.6% and operating margins at 22.6%;
- Net profit of \$10.5 million, up 29% year-over-year;
- Generated \$11.9 million in operating cash flow;
- Dividend of \$5 million declared for the quarter;

#### **Third Quarter 2017 Results**

Revenues for the third quarter of 2017 were \$61.6 million, representing an increase of 17% from revenues of \$52.8 million in the third quarter of 2016. 71% of revenues were from location based service subscription fees and 29% were from product revenues.

Revenues from subscription fees increased by 18% over the same period last year. The growth was driven primarily due to the increase in the subscriber base, which expanded from 1,035,000 as of September 30, 2016, to 1,137,000 as of September 30, 2017.

Product revenues increased by 14% compared with the same period last year.

Gross profit for the third quarter of 2017 was \$30.5 million (49.6% of revenues), an increase of 16% compared with \$26.4 million (50.0% of revenues) in the third quarter of 2016. The gross margin in the quarter on subscription fees improved to 66.7% compared with 65.7% in the same period last year. The gross margin in the quarter on products was 7.2% compared with 12.7% in the same period last year. The lower margin on products during the quarter was due to the mix of product sales in the quarter.

Operating profit for the third quarter of 2017 was \$13.9 million (22.6% of revenues), an increase of 20% compared with an operating profit of \$11.6 million (21.9% of revenues) in the third quarter of 2016.

EBITDA for the quarter was \$17.4 million (28.3% of revenues), an increase of 19% compared to an EBITDA of \$14.6 million (27.7% of revenues) in the third quarter of 2016.

Net profit was \$10.5 million in the third quarter of 2017 (17.1% of revenues) or fully diluted EPS of \$0.50, an increase of 29% compared with a net profit of \$8.2 million (15.4% of revenues) or fully diluted EPS of \$0.39 in the third quarter of 2016.

Cash flow from operations for the quarter was \$11.9 million.



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As of September 30, 2017, the Company had net cash, including marketable securities, of \$35.2 million or \$1.68 per share. This is compared with \$31.5 million or \$1.50 per share as at December 31, 2016.

### **Dividend**

For the third 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,** "We presented another solid quarter with record revenue up 17% and net profit up 29% over last year. The ongoing expansion in our subscriber base is the primary driver of our revenue growth, and we see ongoing demand and interest in our services and solutions. In Brazil in particular, IRT also continues to perform well and is increasingly contributing to our profit. In India, we have started working closely with Lumax Technologies. We see strong potential in this untapped region for telematic services, which gives Ituran access to a phenomenal market with over 200 million registered cars. As we have shown in Brazil, we can successfully enter new markets, leveraging our technology and building a long-term growth engine, with the goal of ultimately establishing ourselves as market leaders."

### **Conference Call Information**

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**The Company will also be hosting a conference call later today, November 15, 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 0664**  
**CANADA Dial-in Number: 1 888 604 5839**  
**INTERNATIONAL Dial-in Number: +972 3 918 0664**

**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.



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*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**

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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, India and the United States.

### **Company Contact**

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### **International Investor Relations**

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