

ITURAN PRESENTS THIRD QUARTER 2023 RESULTS

*Growth in subscriber revenue from continued subscriber growth leading to record EBITDA
Net subscriber growth in Q3 2023 of 48,000*

AZOUR, Israel – November 27, 2023 – Ituran Location and Control Ltd. (NASDAQ: ITRN), today announced its consolidated financial results for the third quarter of 2023.

Highlights of the Third Quarter of 2023

- Strong net subscriber growth of 48,000: a net increase in aftermarket of 45,000 and a net increase in OEM of 3,000;
- Revenue of \$81.1 million, a 12% improvement year-over-year;
- Net income grew to \$12.5 million, an increase of 24% year-over-year;
- EBITDA reached \$22.5 million, a 15% increase year-over-year;
- Operating cash flow was reported at \$20.5 million;
- The Company declared a dividend of \$5 million and the share buyback in the quarter was \$1.9 million, reflecting the company's robust financial position.

Management Comment

Eyal Sheratzky, Co-CEO of Ituran said, “We are pleased with our third quarter results. The accelerated subscriber growth we have seen in recent quarters continued in the third quarter and contributed to our highest ever level of subscriber revenues. In the fourth quarter, we expect subscriber growth of between 30,000 and 35,000, which is somewhat impacted by a lack of new car sales in Israel specifically, because of the war that started near the start of the fourth quarter. However, our well-over 2 million global subscriber base, which are consistently using our services on an ongoing monthly basis, provides us with continued long-term stability and growth, as well as significant resilience. We look forward to continued solid performance for the foreseeable future.”

Continued Mr. Sheratzky, “We are very pleased to share the fruits of our ongoing profitable growth and reward our loyal shareholders for their long-term support of our company. We therefore increased our regular dividend payout starting from this quarter to \$5 million.”

Third Quarter 2023 Results

Revenue for the third quarter of 2023 was \$81.1 million, a 12% increase compared with revenues of \$72.7 million in the third quarter of 2022. In local currency terms, third quarter revenues grew by 13% compared with that of the third quarter of last year.

74% of revenues were from location-based service subscription fees and 26% were from product revenues.

Revenues from subscription fees were a record \$60.2 million, an increase of 13% over the third quarter 2022 revenues. In local currency terms, third quarter subscription fee revenue grew by 14% compared with that of the third quarter of last year.

The subscriber base amounted to 2,210,000 as of September 30, 2023. This represents an increase of 48,000 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 3,000 net in the OEM subscriber base.

Product revenues were \$20.9 million, an increase of 7% compared with that of the third quarter of last year.

Gross profit for the quarter was \$39.4 million (48.6% of revenues), a 14% increase compared with gross profit of \$34.6 million (47.6% of revenues) in the third quarter of last year.

The gross margin in the quarter on subscription revenues was 58.5%, compared with 57.2% in the third quarter of last year. The gross margin on products was 20.3% in the quarter, compared with 21.5% in the third quarter of last year.

Operating income for the quarter was \$16.9 million, or 20.8% of revenues, reflecting a 15% increase year-over-year. In local currency terms, third quarter operating income grew at the same level at 15% year-over-year.

EBITDA for the quarter was \$22.5 million (27.8% of revenues), an increase of 15% compared with EBITDA of \$19.6 million (27.0% of revenues) in the third quarter of last year. In local currency terms, third quarter EBITDA grew by 14% compared with that of the third quarter of last year.

Financial expenses for the quarter were \$0.1 million, compared with financial expenses of \$0.7 million in the third quarter of last year.

Net income for the third quarter of 2023 was \$12.5 million (15.4% of revenues) or diluted earnings per share of \$0.63, an increase of 24% compared to \$10.1 million (13.9% of revenues) or diluted earnings per share of \$0.49 in the third quarter of last year. In local currency terms, third quarter net income grew at the same level of 24% year-over-year.

Cash flow from operations for the third quarter of 2023 was \$20.5 million.

On the balance sheet, as of September 30, 2023, the Company had cash, including marketable securities, of \$40.0 million and debt of \$2.0 million, amounting to a net cash position of \$38.0million. 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

The Board of Directors declared that starting from the third quarter of 2023, the Company would return to its former dividend policy which had been in place and continued until the fourth quarter of 2019, prior to the Corona shutdown. The former dividend policy, and dividend policy going forward from the current quarter, calls for the issuance of a \$5.0 million dividend per quarter. This represents a 67% increase from the more recent policy of a \$3.0 million dividend per quarter.

Buy Back

On August 23, 2022, Ituran announced that its Board of Directors made the decision to continue executing on the \$25 million share buy-back program that was originally announced in 2019 and on February 23, 2023, the Board of Directors made the decision to increase the buy-back program by a further \$10 million. As of September 30, 2023, there is remaining under the buy-back program \$6.7 million. Share repurchases are funded by available cash and repurchases of Ituran's ordinary shares under SEC Rule 10b-18 terms.

In the third quarter, under the program, Ituran purchased 73,000 shares for a total of \$1.9 million.

Conference Call Information

The Company will also be hosting a conference call later today, November 27, 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, 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

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