

Attention Business/Financial Editors:

Evertz Technologies reports record Revenue in Fiscal 2016.

Burlington, June 8, 2016, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the fourth quarter and year ended April 30, 2016.

Fiscal 2016 Highlights

- Record annual revenue of \$381.6 million, up 5% year over year
- United States / Canada region revenue, up 6% to \$216.0 million from the prior year
- Net earnings of \$70.9 million for the year, up 7% year over year
- Fully diluted earnings per share of \$0.94, up 8% from the prior year

Fourth Quarter 2016 Highlights

- Revenue of \$96.4 million, up 5% from the same quarter in the prior year
- International revenue up 8% to \$45.1 million from the prior year
- Earnings from operations before FX of \$23.1 million, up 9% year over year
- Net earnings were \$8.3 million or \$0.11 per share for the quarter, inclusive of a foreign exchange (“FX”) loss of \$11.8 million

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except earnings per share and share data)

	<u>Q4'16</u>	<u>Q4'15</u>	<u>YE'16</u>	<u>YE'15</u>
Revenue	\$ 96,367	\$ 91,977	\$ 381,550	\$ 363,606
Gross margin	55,024	52,728	217,378	206,131
Earnings from operations	11,311	14,583	96,433	88,504
Earnings from operations before FX	23,125	21,296	93,795	87,093
Net earnings	8,279	11,154	70,886	66,410
Fully-diluted earnings per share	\$ 0.11	\$ 0.15	\$ 0.94	\$ 0.87
Fully-diluted shares	74,725,908	75,073,524	74,843,493	75,033,398

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>YE ' 16</u>	<u>YE ' 15</u>
Cash and cash equivalents	\$ 123,102	\$ 100,681
Working capital	314,912	294,895
Total assets	448,314	426,162
Shareholders' equity	366,205	353,471

### Revenue

For the quarter ended April 30, 2016, revenues were \$96.4 million as compared to revenues of \$92.0 million for the quarter ended April 30, 2015. For the quarter, revenues in the United States/Canada region were \$51.2 million as compared to \$50.0 million in the same quarter last year. The International region had revenues of \$45.1 million compared to \$41.9 million in the same quarter last year.

For the year ended April 30, 2016, sales were \$381.6 million, an increase of \$18.0 or 5% as compared to sales of \$363.6 million for the prior year. For the year, revenues in the United States/Canada region were \$216.0 million as compared to \$204.5 million in the prior year. The International region had revenues of \$165.5 million compared to \$159.2 million in the prior year.

### Gross Margin

For the quarter ended April 30, 2016 gross margin was \$55.0 million as compared to \$52.7 million in the same quarter last year. Gross margin percentage was approximately 57.1% as compared to 57.3% in the quarter ended April 30, 2015.

For the year ended April 30, 2016 gross margin was \$217.4 million as compared to \$206.1 million for the year ended April 30, 2015. Gross margin percentage was approximately 57.0% for the year ended April 30, 2016 as compared to 56.7% for the prior year.

### Earnings

For the quarter ended April 30, 2016 net earnings were \$8.3 million as compared to \$11.2 million in the corresponding period last year.

For the year ended April 30, 2016 net earnings were \$70.9 million as compared to \$66.4 million in the corresponding period last year.

For the quarter ended April 30, 2016, earnings per share on a fully-diluted basis were \$0.11 as compared to \$0.15 in the corresponding period last year.

For the year ended April 30, 2016, earnings per share on a fully-diluted basis were \$0.94 as compared to \$0.87 in the same period in 2015.

### Operating Expenses

For the quarter ended April 30, 2016 selling and administrative expenses were \$16.2 million as compared to \$15.5 million for the quarter ended April 30, 2015.

For the year ended April 30, 2016, selling and administrative expenses were \$61.0 as compared to \$58.8 million for the year ended April 30, 2015.

For the quarter ended April 30, 2016 gross research and development expenses decreased by \$0.3 million or 2% as compared to the corresponding period in 2015. Gross research and development expenses represented approximately 17.9% of revenue for the quarter ended April 30, 2016.

For the year ended April 30, 2016 gross research and development expenses increased by \$2.6 million or 4% as compared to the prior year. Research and development expenses represented approximately 17.5% of sales.

#### Liquidity and Capital Resources

The Company's working capital as at April 30, 2016 was \$314.9 million as compared to \$294.9 million on April 30, 2015.

Cash and cash equivalents were \$123.1 million as at April 30, 2016 as compared to \$100.7 million on April 30, 2015.

Cash generated from operations was \$10.1 million for the quarter ended April 30, 2016 as compared to cash used of \$1.6 million for the quarter ended April 30, 2015. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$12.7 million from operations for the quarter ended April 30, 2016 compared to \$12.3 million for the same period last year.

Cash provided by operations was \$91.2 million for the 2106 fiscal year as compared to cash provided by operations of \$54.4 million for the 2015 fiscal year. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$85.5 million from operations for fiscal 2016 as compared to \$78.7 million for fiscal 2015.

For the quarter, the Company used \$0.8 million in investing activities largely a result of purchases in capital assets.

For the year, the Company used \$3.9 million in investing activities, largely a result of purchases of capital assets.

For the quarter ended, the Company used cash in financing activities of \$13.2 million which was principally a result of the payment of dividends of \$13.4 million.

For the year ended April 30, 2016, the Company used cash in financing activities of \$59.4 which was principally a result of the payment of dividends of \$54.2 million and the repurchase of Capital Stock costing \$9.4 million, partially offset by the issuance of Capital Stock pursuant to the Company's Stock Option Plan of \$4.4 million.

#### Shipments and Backlog

At the end of May 2016, purchase order backlog was in excess of \$69 million and shipments during the month of May 2016 were \$21 million.

#### Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on June 8, 2016 of \$0.18 per share.

The dividend is payable to shareholders of record on June 17, 2016 and will be paid on or about June 24, 2016.

## Selected Consolidated Financial Information

(in thousands of dollars, except earnings per share and percentages)

	Three month periods ended		Twelve month periods ended	
	April 30,		April 30,	
	2016	2015	2016	2015
Revenue	\$ 96,367	\$ 91,977	\$ 381,550	\$ 363,606
Cost of goods sold	41,343	39,249	164,172	157,475
Gross margin	55,024	52,728	217,378	206,131
Gross margin %	57.1%	57.3%	57.0%	56.7%
Expenses				
Selling and administrative	16,236	15,526	60,986	58,833
General	1,460	1,368	6,200	6,136
Research and development	17,284	17,623	66,892	64,332
Investment tax credits	(3,081)	(3,085)	(10,495)	(10,263)
Foreign exchange loss (gain)	11,814	6,713	(2,638)	(1,411)
	43,713	38,145	120,945	117,627
	11,311	14,583	96,433	88,504
Finance income	317	227	772	830
Finance costs	(84)	(64)	(534)	(240)
Other income and expenses	(237)	160	124	325
Earnings before income taxes	11,307	14,906	96,795	89,419
Provision for (recovery of) income taxes				
Current	1,270	4,817	24,582	25,154
Deferred	1,758	(1,065)	1,327	(2,145)
	3,028	3,752	25,909	23,009
Net earnings for the period	\$ 8,279	\$ 11,154	\$ 70,886	\$ 66,410
Net earnings attributable to non-controlling interest	\$ 182	\$ 228	\$ 667	\$ 910
Net earnings attributable to shareholders	8,097	10,926	70,219	65,500
Net earnings for the period	\$ 8,279	\$ 11,154	\$ 70,886	\$ 66,410
Earnings per share				
Basic	\$ 0.11	\$ 0.15	\$ 0.94	\$ 0.88
Diluted	\$ 0.11	\$ 0.15	\$ 0.94	\$ 0.87

	April 30, 2016		April 30, 2015		April 30, 2014
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 123,102	\$	100,681	\$	101,956
Trade and other receivables	97,435		95,403		87,981
Prepaid expenses	6,307		8,426		4,704
Inventories	155,957		154,259		134,561
Income tax receivable	4,256		-		1,735
	387,057		358,769		330,937
Property, Plant and Equipment	42,971		49,080		51,831
Goodwill	18,286		18,313		18,269
Intangible assets	-		-		243
	\$ 448,314	\$	426,162	\$	401,280
<b>Liabilities</b>					
Current liabilities					
Trade and other payables	\$ 49,815	\$	44,265	\$	44,888
Provisions	3,563		2,229		1,624
Deferred revenue	18,529		15,427		10,096
Current portion of long term debt	238		254		415
Income tax payable	-		1,699		-
	72,145		63,874		57,023
Long term debt	888		996		1,372
Deferred taxes	5,545		4,432		6,468
	78,578		69,302		64,863
<b>Equity</b>					
Capital stock	100,483		95,708		92,931
Share based payment reserve	13,835		12,418		10,217
Accumulated other comprehensive income	1,567		3,077		2,966
Retained earnings	250,320		242,268		227,364
	251,887		245,345		230,330
Total equity attributable to shareholders	366,205		353,471		333,478
Non-controlling interest	3,531		3,389		2,939
	369,736		356,860		336,417
	\$ 448,314	\$	426,162	\$	401,280

## Forward-Looking Statements

The report contains forward-looking statements reflecting Evertz's objectives, estimates and expectations. Such forward looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "project", "continue" and other similar terminology of a forward-looking nature or negatives of those terms.

Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors. Accordingly, there are or will be a number of significant factors which could cause the Company's actual results, performance or achievements, or industry results to be materially different from any future results performance or achievements expressed or implied by such forward-looking statements.

## Conference Call

The Company will hold a conference call with financial analysts to discuss the results on June 8, 2016 at 5:00 p.m. (EDT). Media and other interested parties are invited to join the conference call in listen-only mode. The conference call may be accessed by dialing 416-849-1967 or toll-free (North America) 1-866-253-4709.

For those unable to listen to the live call, a rebroadcast will also be available until July 8, 2016. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 5006431.

## About Evertz

Evertz Technologies Limited (TSX: ET) designs, manufactures and markets video and audio infrastructure solutions for the television, telecommunications and new-media industries. The Company's solutions are purchased by content creators, broadcasters, specialty channels and television service providers to support their increasingly complex multi-channel digital and high definition television ("HDTV") and next generation high bandwidth low latency IP network environments and by telecommunications and new-media companies. The Company's products allow its customers to generate additional revenue while reducing costs through the more efficient signal routing, distribution, monitoring and management of content as well as the automation of previously manual processes.