

Attention Business/Financial Editors:

Evertz Technologies reports Record Revenue for Fiscal 2017.

Burlington, June 13, 2017, 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, 2017.

Fiscal 2017 Highlights

- Record annual revenue of \$384.4 million
- US/Canada revenue up 6% to \$229.1 million for the year
- Net earnings of \$69.8 million for the year
- Fully diluted earnings per share of \$0.92 for the year
- Dividends paid of \$137.5 million including a special dividend of \$83.1 million

Fourth Quarter 2017 Highlights

- Record quarterly revenue of \$106.7 million, up 11% from the prior year
- US/Canada revenue up 13% to \$57.9 million for the quarter
- International revenue up 8% to \$48.9 million for the quarter
- Net earnings of \$20.7 million for the quarter
- Fully diluted earnings per share of \$0.27 for the quarter

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q4'17</u>	<u>Q4'16</u>	<u>YE'17</u>	<u>YE'16</u>
Revenue	\$ 106,734	\$ 96,367	\$ 384,432	\$ 381,550
Gross margin	60,044	55,024	218,144	217,378
Earnings from operations	27,513	11,311	92,608	96,433
Net earnings	20,685	8,279	69,773	70,886
Fully-diluted earnings per share	\$ 0.27	\$ 0.11	\$ 0.92	\$ 0.94
Fully-diluted shares	75,825,621	74,725,908	75,374,204	74,843,493

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>YE ' 17</u>	<u>YE ' 16</u>
Cash and cash equivalents	\$ 54,274	\$ 123,102
Working capital	264,586	314,912
Total assets	410,568	448,314
Shareholders' equity	317,830	366,205

Revenue

For the quarter ended April 30, 2017, revenues were \$106.7 million, up 11% or \$10.3 million as compared to revenues of \$96.4 million for the quarter ended April 30, 2016. For the quarter, revenues in the United States/Canada region were \$57.9 million, up 13% or \$6.7 million as compared to \$51.2 million in the same quarter last year. The International region had revenues of \$48.9 million, up 8% or \$3.8 million as compared to \$45.1 million in the same quarter last year.

For the year ended April 30, 2017, sales were \$384.4 million, an increase of \$2.8 million or 1% as compared to sales of \$381.6 million for the prior year. For the year, revenues in the United States/Canada region were \$229.1 million as compared to \$216.0 million in the prior year. The International region had revenues of \$155.4 million compared to \$165.5 million in the prior year.

Gross Margin

For the quarter ended April 30, 2017 gross margin was \$60.0 million as compared to \$55.0 million in the same quarter last year. Gross margin percentage was approximately 56.3% as compared to 57.1% in the quarter ended April 30, 2016.

For the year ended April 30, 2017 gross margin was \$218.1 million as compared to \$217.4 million for the year ended April 30, 2016. Gross margin percentage was approximately 56.7% for the year ended April 30, 2017 as compared to 57.0% for the prior year.

Earnings

For the quarter ended April 30, 2017 net earnings were \$20.7 million as compared to \$8.3 million in the corresponding period last year.

For the year ended April 30, 2017 net earnings were \$69.8 million as compared to \$70.9 million in the corresponding period last year.

For the quarter ended April 30, 2017, earnings per share on a fully-diluted basis were \$0.27 as compared to \$0.11 in the corresponding period last year.

For the year ended April 30, 2017, earnings per share on a fully-diluted basis were \$0.92 as compared to \$0.94 in the same period in 2016.

Operating Expenses

For the quarter ended April 30, 2017 selling and administrative expenses were \$16.4 million as compared to \$16.2 million for the quarter ended April 30, 2016.

For the year ended April 30, 2017, selling and administrative expenses were \$62.1 million as compared to \$61.0 million for the year ended April 30, 2016.

For the quarter ended April 30, 2017 gross research and development expenses were \$19.9 million as compared to \$17.3 million for the quarter ended April 30, 2016.

For the year ended April 30, 2017 gross research and development expenses were \$73.7 million as compared to \$66.9 million for the year ended April 30, 2016.

Liquidity and Capital Resources

The Company's working capital as at April 30, 2017 was \$264.6 million as compared to \$314.9 million on April 30, 2016.

Cash and cash equivalents were \$54.3 million as at April 30, 2017 as compared to \$123.1 million on April 30, 2016.

Cash generated from operations was \$6.0 million for the quarter ended April 30, 2017 as compared to cash generated of \$10.1 million for the quarter ended April 30, 2016. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$23.8 million from operations for the quarter ended April 30, 2017 compared to \$12.7 million for the same period last year.

Cash provided by operations was \$64.5 million for the 2017 fiscal year as compared to cash provided by operations of \$91.2 million for the 2016 fiscal year. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$81.1 million from operations for fiscal 2017 as compared to \$85.5 million for fiscal 2016.

For the quarter, the Company used \$3.2 million in investing activities largely a result of purchases in capital assets.

For the year, the Company used \$11.2 million in investing activities, largely a result of purchases of capital assets.

For the quarter ended, the Company used cash in financing activities of \$13.3 million which was principally a result of the payment of dividends of \$13.6 million.

For the year ended April 30, 2017, the Company used cash in financing activities of \$119.0 million which was principally a result of the payment of dividends of \$137.5 million, including a special dividend of \$83.1 million, partially offset by the issuance of Capital Stock pursuant to the Company's Stock Option Plan of \$18.7 million.

Shipments and Backlog

At the end of May 2017, purchase order backlog was in excess of \$93 million and shipments during the month of May 2017 were \$36 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on June 13, 2017 of \$0.18 per share.

The dividend is payable to shareholders of record on June 23, 2017 and will be paid on or about June 30, 2017.

Selected Consolidated Financial Information

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

	Three month period ended		Twelve month period ended	
	April 30,		April 30,	
	2017	2016	2017	2016
Revenue	\$ 106,734	\$ 96,367	\$ 384,432	\$ 381,550
Cost of goods sold	46,690	41,343	166,288	164,172
Gross margin	60,044	55,024	218,144	217,378
Expenses				
Selling and administrative	16,431	16,236	62,135	60,986
General	2,417	1,460	8,951	6,200
Research and development	19,942	17,284	73,699	66,892
Investment tax credits	(2,149)	(3,081)	(9,362)	(10,495)
Foreign exchange (gain) loss	(4,110)	11,814	(9,887)	(2,638)
	32,531	43,713	125,536	120,945
Earnings before undemoted	27,513	11,311	92,608	96,433
Finance income	(117)	317	1,321	772
Finance costs	(46)	(84)	(242)	(534)
Other income and expenses	47	(237)	(141)	124
Earnings before income taxes	27,397	11,307	93,546	96,795
Provision for (recovery of) income taxes				
Current	6,969	1,270	25,160	24,582
Deferred	(257)	1,758	(1,387)	1,327
	6,712	3,028	23,773	25,909
Net earnings for the period	\$ 20,685	\$ 8,279	\$ 69,773	\$ 70,886
Net earnings attributable to non-controlling interest	138	182	613	667
Net earnings attributable to shareholders	20,547	\$ 8,097	69,160	70,219
Net earnings for the period	\$ 20,685	\$ 8,279	\$ 69,773	\$ 70,886
Earnings per share				
Basic	\$ 0.27	\$ 0.11	\$ 0.92	\$ 0.94
Diluted	\$ 0.27	\$ 0.11	\$ 0.92	\$ 0.94

	April 30, 2017		April 30, 2016		April 30, 2015
Assets					
Current assets					
Cash and cash equivalents	\$ 54,274	\$	123,102	\$	100,681
Trade and other receivables	111,664		97,435		95,403
Prepaid expenses	4,075		6,307		8,426
Inventories	178,208		155,957		154,259
Income tax receivable	-		4,256		-
	348,221		387,057		358,769
Property, Plant and Equipment	44,152		42,971		49,080
Goodwill	18,195		18,286		18,313
	\$ 410,568	\$	448,314	\$	426,162
Liabilities					
Current liabilities					
Trade and other payables	\$ 50,321	\$	49,815	\$	44,265
Provisions	3,817		3,563		2,229
Deferred revenue	28,272		18,529		15,427
Current portion of long term debt	280		238		254
Income tax payable	945		-		1,699
	83,635		72,145		63,874
Long term debt	733		888		996
Deferred taxes	4,427		5,545		4,432
	88,795		78,578		69,302
Equity					
Capital stock	124,695		100,483		95,708
Share based payment reserve	10,091		13,835		12,418
Accumulated other comprehensive income	747		1,567		3,077
Retained earnings	182,297		250,320		242,268
	183,044		251,887		245,345
Total equity attributable to shareholders	317,830		366,205		353,471
Non-controlling interest	3,943		3,531		3,389
	321,773		369,736		356,860
	\$ 410,568	\$	448,314	\$	426,162

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 13, 2017 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 647-793-2625 or toll-free (North America) 1-888-297-0356, access code 8673665.

For those unable to listen to the live call, a rebroadcast will also be available until July 13, 2017. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 8673665.

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 and ultra-high definition television ("HDTV" and "UHD") 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.