

Attention Business/Financial Editors:

Evertz Technologies reports results for the Third Quarter ended January 31, 2018.

Burlington, March 1, 2018, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the third quarter ended January 31, 2018.

Third Quarter 2018 Highlights

- Third quarter revenue of \$99.6 million, up 9% from the prior year
- US/Canada revenue up 23% to \$69.7 million for the quarter
- Net earnings of \$14.7 million for the quarter, inclusive of a foreign exchange (“FX”) loss of \$3.8 million
- Fully diluted earnings per share of \$0.19 for the quarter, up 46% from prior year

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q3'18</u>	<u>Q3 '17</u>
Revenue	\$ 99,574	\$ 91,080
Gross margin	55,979	51,123
Earnings from operations before foreign exchange	20,861	16,696
Earnings from operations	17,035	12,419
Net earnings	14,656	9,705
Fully-diluted earnings per share	\$ 0.19	\$ 0.13
Fully-diluted shares	78,620,746	78,521,246

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q3 '18</u>	<u>YE '17</u>
Cash and cash equivalents	\$ 98,224	\$ 54,274
Working capital	277,552	264,586
Total assets	424,545	410,568
Shareholders' equity	334,372	317,830

Revenue

For the quarter ended January 31, 2018, revenues were \$99.6 million, up 9% or \$8.5 million as compared to revenues of \$91.1 million for the quarter ended January 31, 2017. For the quarter, revenues in the United States/Canada region were \$69.7 million, up 23% or \$12.9 million as compared to \$56.8 million in the same quarter last year. The International region had revenues of \$29.8 million, compared to \$34.3 million in the same quarter last year.

Gross Margin

For the quarter ended January 31, 2018 gross margin was \$56.0 million as compared to \$51.1 million in the same quarter last year. Gross margin percentage was approximately 56.2% as compared to 56.1% in the quarter ended January 31, 2017.

Earnings

For the quarter ended January 31, 2018 net earnings were \$14.7 million as compared to \$9.7 million in the corresponding period last year.

For the quarter ended January 31, 2018, earnings per share on a fully-diluted basis were \$0.19 as compared to \$0.13 in the corresponding period last year.

Operating Expenses

For the quarter ended January 31, 2018 selling and administrative expenses were \$15.8 million as compared to \$15.5 million for the quarter ended January 31, 2017.

For the quarter ended January 31, 2018 gross research and development expenses were \$20.3 million as compared to \$18.5 million for the quarter ended January 31, 2017.

Liquidity and Capital Resources

The Company's working capital as at January 31, 2018 was \$277.6 million as compared to \$264.6 million on April 30, 2017.

Cash and cash equivalents were \$98.2 million as at January 31, 2018 as compared to \$54.3 million on April 30, 2017.

Cash generated from operations was \$50.7 million for the quarter ended January 31, 2018 as compared to \$25.9 million for the quarter ended January 31, 2017. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$12.9 million from operations for the quarter ended January 31, 2018 compared to \$13.4 million for the same period last year.

For the quarter, the Company generated \$2.6 million from investing activities which was principally driven by proceeds from disposal of property, plant and equipment of \$6.1 million partially offset by the purchase in capital assets of \$3.6 million.

For the quarter ended, the Company used cash in financing activities of \$8.9 million which was principally a result of the payment of dividends of \$13.8 million, partially offset by the issuance of Capital Stock pursuant to the Company's Stock Option Plan of \$4.9 million.

Shipments and Backlog

At the end of February 2018, purchase order backlog was in excess of \$76 million and shipments during the month of February 2018 were \$20 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on March 1, 2018 of \$0.18 per share.

The dividend is payable to shareholders of record on March 9, 2018 and will be paid on or about March 16, 2018.

Selected Consolidated Financial Information

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

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2018	2017	2018	2017
Revenue	\$ 99,574	\$ 91,080	\$ 309,844	\$ 277,698
Cost of goods sold	43,595	39,957	135,952	119,598
Gross margin	55,979	51,123	173,892	158,100
Expenses				
Selling and administrative	15,846	15,529	47,699	45,704
General	1,451	2,567	5,918	6,534
Research and development	20,301	18,484	59,787	53,757
Investment tax credits	(2,480)	(2,153)	(7,781)	(7,213)
Foreign exchange loss (gain)	3,826	4,277	9,188	(5,777)
	38,944	38,704	114,811	93,005
Earnings before undemoted	17,035	12,419	59,081	65,095
Finance income	234	658	509	1,438
Finance costs	(154)	(74)	(359)	(196)
Other income and expenses	2,089	(225)	2,043	(188)
Earnings before income taxes	19,204	12,778	61,274	66,149
Provision for (recovery of) income taxes				
Current	6,555	2,550	18,925	18,191
Deferred	(2,007)	523	(2,928)	(1,130)
	4,548	3,073	15,997	17,061
Net earnings for the period	\$ 14,656	\$ 9,705	\$ 45,277	\$ 49,088
Net earnings attributable to non-controlling interest	124	68	381	475
Net earnings attributable to shareholders	14,532	9,637	44,896	48,613
Net earnings for the period	\$ 14,656	\$ 9,705	\$ 45,277	\$ 49,088
Earnings per share				
Basic	\$ 0.19	\$ 0.13	\$ 0.59	\$ 0.65
Diluted	\$ 0.19	\$ 0.13	\$ 0.59	\$ 0.65
Consolidated Balance Sheet Data			As at	As at
			January 31, 2018	April 30, 2017
Cash and cash equivalents	\$	98,224	\$	54,274
Inventory	\$	173,091	\$	178,208
Working capital	\$	277,552	\$	264,586
Total assets	\$	424,545	\$	410,568
Shareholders' equity	\$	334,372	\$	317,830
Number of common shares outstanding:				
Basic		76,481,746		75,742,746
Fully-diluted		78,620,746		78,621,246
Weighted average number of shares outstanding:				
Basic		76,338,379		75,040,113
Fully-diluted		76,502,893		75,374,204

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 March 1, 2018 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 647-794-1827 or toll-free (North America) 1-888-297-0356, access code 2589625.

For those unable to listen to the live call, a rebroadcast will also be available until March 31, 2018. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 2589625.

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 efficient signal routing, distribution, monitoring and management of content as well as the automation and orchestration of more streamlined and agile workflow processes on premise and in the "Cloud".