

Attention Business/Financial Editors:

Evertz Technologies reports record \$121 Million revenue for the Third Quarter ended January 31, 2019.

Burlington, March 13, 2019, 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, 2019.

Third Quarter 2019 Highlights

- Record quarterly revenue of \$120.9 million, up 21% from the prior year
- US/Canada revenue up 17% to \$81.5 million from the prior year
- International revenue up 32% to \$39.5 million from the prior year
- Net earnings of \$21.9 million for the quarter, up 50% from the prior year
- Fully diluted earnings per share of \$0.28 for the quarter, up 47% from the prior year
- Acquisition of Quintech Electronics and Communications Inc., a world class provider of RF solutions and products

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q3 '19</u>	<u>Q3 '18</u>
Revenue	\$ 120,942	\$ 99,574
Gross margin	67,697	55,979
Earnings from operations	28,168	17,035
Net earnings	21,935	14,656
Fully-diluted earnings per share	\$ 0.28	\$ 0.19
Fully-diluted shares	76,528,720	76,502,893

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q3 '19</u>	<u>YE '18</u>
Cash and marketable securities	\$ 104,166	\$ 94,184
Working capital	278,600	264,514
Total assets	453,702	421,115
Shareholders' equity	347,138	329,227

Revenue

For the quarter ended January 31, 2019, revenues were \$120.9 million, compared to revenues of \$99.6 million for the quarter ended January 31, 2018. For the quarter, revenues in the United States/Canada region were \$81.5 million an increase of 17% compared to \$69.7 million in the same quarter last year. The International region had revenues of \$39.5 million and increase of 32%, compared to \$29.8 million in the same quarter last year.

Gross Margin

For the quarter ended January 31, 2019, gross margin was \$67.7 million as compared to \$56.0 million in the same quarter last year. Gross margin percentage was approximately 56.0% as compared to 56.2% in the quarter ended January 31, 2018.

Earnings

For the quarter ended January 31, 2019, net earnings were \$21.9 million as compared to \$14.7 million in the corresponding period last year.

For the quarter ended January 31, 2019, earnings per share on a fully-diluted basis were \$0.28 as compared to \$0.19 in the corresponding period last year.

Operating Expenses

For the quarter ended January 31, 2019, selling and administrative expenses were \$17.6 million as compared to \$15.8 million for the quarter ended January 31, 2018.

For the quarter ended January 31, 2019, gross research and development expenses were \$21.6 million as compared to \$20.3 million for the quarter ended January 31, 2018.

Liquidity and Capital Resources

The Company's working capital as at January 31, 2019 was \$278.6 million as compared to \$264.5 million on April 30, 2018.

Cash and marketable securities were \$104.2 million as at January 31, 2019 as compared to \$94.2 million on April 30, 2018.

Cash generated from operations was \$48.1 million for the quarter ended January 31, 2019 as compared to \$50.7 million for the quarter ended January 31, 2018. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$22.9 million from operations for the quarter ended January 31, 2019 compared to \$12.9 million for the same period last year.

For the quarter, the Company used \$9.5 million from investing activities which was principally driven by the business acquisition of Quintech Electronics and Communications Inc. for \$6.6 million and capital equipment of \$2.9 million.

For the quarter ended, the Company used cash in financing activities of \$13.9 million which was principally a result of the payment of dividends of \$13.8 million.

Shipments and Backlog

At the end of February 2019, purchase order backlog was in excess of \$77 million and shipments during the month of February 2019 were \$24 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on March 13, 2019 of \$0.18 per share.

The dividend is payable to shareholders of record on March 22, 2019 and will be paid on or about March 29, 2019.

Selected Consolidated Financial Information

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

	Three month period ended January 31,		Nine month period ended January 31,	
	2019	2018	2019	2018
Revenue	\$ 120,942	\$ 99,574	\$ 336,311	\$ 309,844
Cost of goods sold	53,245	43,595	145,678	135,952
Gross margin	67,697	55,979	190,633	173,892
Expenses				
Selling and administrative	17,570	15,846	49,864	47,699
General	2,142	1,451	5,550	5,918
Research and development	21,571	20,301	63,974	59,787
Investment tax credits	(2,136)	(2,480)	(6,072)	(7,781)
Foreign exchange loss (gain)	382	3,826	(1,528)	9,188
	39,529	38,944	111,788	114,811
Earnings before undemoted	28,168	17,035	78,845	59,081
Finance income	295	234	964	509
Finance costs	(152)	(154)	(661)	(359)
Other income and expenses	1,081	2,089	1,221	2,043
Earnings before income taxes	29,392	19,204	80,369	61,274
Provision for (recovery of) income taxes				
Current	8,033	6,555	21,527	18,925
Deferred	(576)	(2,007)	(1,035)	(2,928)
	7,457	4,548	20,492	15,997
Net earnings for the period	\$ 21,935	\$ 14,656	\$ 59,877	\$ 45,277
Net earnings attributable to non-controlling interest	241	124	564	381
Net earnings attributable to shareholders	21,694	14,532	59,313	44,896
Net earnings for the period	\$ 21,935	\$ 14,656	\$ 59,877	\$ 45,277
Earnings per share				
Basic	\$ 0.28	\$ 0.19	\$ 0.78	\$ 0.59
Diluted	\$ 0.28	\$ 0.19	\$ 0.78	\$ 0.59
Consolidated Balance Sheet Data			As at	As at
			January 31, 2019	April 30, 2018
Cash and cash equivalents	\$	88,883	\$	94,184
Inventory	\$	173,695	\$	168,070
Working capital	\$	278,600	\$	264,514
Total assets	\$	453,702	\$	421,115
Shareholders' equity	\$	347,138	\$	329,227
Number of common shares outstanding:				
Basic		76,519,746		76,481,746
Fully-diluted		79,177,246		78,722,746
Weighted average number of shares outstanding:				
Basic		76,505,007		76,211,007
Fully-diluted		76,519,383		76,347,750

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 13, 2019 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 6108276.

For those unable to listen to the live call, a rebroadcast will also be available until April 12, 2019. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 6108276.

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".