

## Attention Business/Financial Editors:

Evertz Technologies reports \$121 Million revenue for the quarter ended January 31, 2020.

Burlington, March 11, 2020, 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, 2020.

### Third Quarter 2020 Highlights

- Quarterly revenue of \$121.2 million
- Quarterly revenue in the International region of \$51.7 million, an increase of 31% from the prior year
- Net earnings of \$19.4 million for the quarter
- Fully diluted earnings per share of \$0.25 for the quarter

### Selected Financial Information

#### Consolidated Statement of Earnings Data

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

	<u>Q3 ' 20</u>	<u>Q3 ' 19</u>
Revenue	\$ 121,226	\$ 120,942
Gross margin	67,849	67,697
Earnings from operations	26,206	28,168
Net earnings	19,401	21,935
Fully-diluted earnings per share	\$ 0.25	\$ 0.28
Fully-diluted shares	76,780,796	76,528,720

### Selected Financial Information

#### Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q3 ' 20</u>	<u>YE '19</u>
Cash and cash equivalents	\$ 51,653	\$ 104,583
Working capital	224,966	282,521
Total assets	437,338	466,597
Shareholders' equity	296,228	353,123

### Revenue

For the quarter ended January 31, 2020, revenues were \$121.2 million, an increase of \$0.3 million compared to revenues of \$120.9 million for the quarter ended January 31, 2019. For the quarter, revenues in the United States/Canada region were \$69.5 million compared to \$81.5 million in the same quarter last year. The International region had revenues of \$51.7 million, an increase of \$12.2 million compared to \$39.5 million in the same quarter last year.

### Gross Margin

For the quarter ended January 31, 2020, gross margin was \$67.8 million as compared to \$67.7 million in the same quarter last year. Gross margin percentage was approximately 56.0% as compared to 56.0% in the quarter ended January 31, 2019.

### Earnings

For the quarter ended January 31, 2020, net earnings were \$19.4 million as compared to \$21.9 million in the corresponding period last year.

For the quarter ended January 31, 2020, earnings per share on a fully-diluted basis were \$0.25 as compared to \$0.28 in the corresponding period last year.

### Operating Expenses

For the quarter ended January 31, 2020, selling and administrative expenses were \$17.9 million as compared to \$17.6 million for the quarter ended January 31, 2019.

For the quarter ended January 31, 2020, gross research and development expenses were \$24.0 million as compared to \$21.6 million for the quarter ended January 31, 2019.

### Liquidity and Capital Resources

The Company's working capital as at January 31, 2020 was \$225.0 million as compared to \$282.5 million on April 30, 2019.

Cash and cash equivalents were \$51.7 million as at January 31, 2020 as compared to \$104.6 million on April 30, 2019.

Cash generated from operations was \$67.3 million for the quarter ended January 31, 2020 as compared to \$48.1 million for the quarter ended January 31, 2019. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$23.7 million from operations for the quarter ended January 31, 2020 compared to \$22.9 million for the same period last year.

For the quarter, the Company used \$2.8 million for investing activities.

For the quarter ended, the Company used cash in financing activities of \$18.8 million which was principally a result of the payment of dividends of \$13.8 million.

Shipments and Backlog

At the end of February 2020, purchase order backlog was in excess of \$93 million and shipments during the month of February 2020 were \$39 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on March 11, 2020 of \$0.18 per share.

The dividend is payable to shareholders of record on March 20, 2020 and will be paid on or about March 27, 2020.

## 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,	
	2020	2019	2020	2019
Revenue	\$ 121,226	\$ 120,942	\$ 344,425	\$ 336,311
Cost of goods sold	53,377	53,245	148,102	145,678
Gross margin	67,849	67,697	196,323	190,633
Expenses				
Selling and administrative	17,863	17,570	52,197	49,864
General	927	897	2,685	2,398
Research and development	23,993	21,571	69,625	63,974
Investment tax credits	(2,056)	(2,136)	(6,037)	(6,072)
Share based compensation	1,186	1,245	4,058	3,152
Foreign exchange (gain) loss	(270)	382	2,637	(1,528)
	41,643	39,529	125,165	111,788
Earnings before undemoted	26,206	28,168	71,158	78,845
Finance income	84	295	896	964
Finance costs	(511)	(152)	(1,375)	(661)
Other income and expenses	162	1,081	303	1,221
Earnings before income taxes	25,941	29,392	70,982	80,369
Provision for (recovery of) income taxes				
Current	6,798	8,033	18,072	21,527
Deferred	(258)	(576)	(224)	(1,035)
	6,540	7,457	17,848	20,492
Net earnings for the period	\$ 19,401	\$ 21,935	\$ 53,134	\$ 59,877
Net earnings attributable to non-controlling interest	143	241	427	564
Net earnings attributable to shareholders	19,258	21,694	52,707	59,313
Net earnings for the period	\$ 19,401	\$ 21,935	\$ 53,134	\$ 59,877
Earnings per share				
Basic	\$ 0.25	\$ 0.28	\$ 0.69	\$ 0.78
Diluted	\$ 0.25	\$ 0.28	\$ 0.69	\$ 0.78
Consolidated Balance Sheet Data			As at	As at
			January 31, 2020	April 30, 2019
Cash and marketable securities	\$	51,653	\$	108,606
Inventory	\$	168,626	\$	171,271
Working capital	\$	224,966	\$	282,521
Total assets	\$	437,338	\$	466,597
Shareholders' equity	\$	296,228	\$	353,123
Number of common shares outstanding:				
Basic		76,601,646		76,545,246
Fully-diluted		78,170,646		77,958,746
Weighted average number of shares outstanding:				
Basic		76,666,791		76,510,417
Fully-diluted		76,745,929		76,529,799

## 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 11, 2020 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 9767391.

For those unable to listen to the live call, a rebroadcast will also be available until April 10, 2020. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 9767391.

## 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".