

Attention Business/Financial Editors:

Evertz Technologies reports results for the Second Quarter Ended October 31, 2016 and Special Dividend.

Burlington, December 1, 2016, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the second quarter ended October 31, 2016.

Quarter Highlights

- Revenue of \$99.6 million, up 14% sequentially
- US/Canada revenue up 20% to \$62.3 million sequentially
- Net earnings of \$20.8 million for the quarter
- Fully diluted earnings per share of \$0.27 for the quarter
- Cash and cash equivalents in excess of \$133 million
- Discovery Communications partners with Evertz for first-of-its-kind “Cloud” playout on Amazon Web Services
- Special dividend declared of \$1.10 per common share

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q2'17</u>	<u>Q2'16</u>
Revenue	\$ 99,592	\$ 100,560
Gross margin	57,111	57,534
Earnings from operations	27,886	26,715
Net earnings	20,760	19,619
Fully-diluted earnings per share	\$ 0.27	\$ 0.26
Fully-diluted shares	75,140,335	74,795,927

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q2 ' 17</u>	<u>YE ' 16</u>
Cash and cash equivalents	\$ 133,359	\$ 123,102
Working capital	338,445	314,912
Total assets	464,091	448,314
Shareholders' equity	390,323	366,205

Revenue

For the quarter ended October 31, 2016, revenues were \$99.6 million as compared to revenues of \$100.6 million for the quarter ended October 31, 2015. For the quarter, revenues in the United States/Canada region were \$62.3 million, an increase of 2% as compared to \$61.2 million in the same quarter last year. The International region had revenues of \$37.3 million as compared to \$39.3 million for the quarter ended October 31, 2015.

Gross Margin

For the quarter ended October 31, 2016 gross margin was \$57.1 million as compared to \$57.5 million in the same quarter last year. Gross margin percentage was approximately 57.3% as compared to 57.2% in the quarter ended October 31, 2015.

Earnings

For the quarter ended October 31, 2016 net earnings were \$20.8 million as compared to \$19.6 million in the corresponding period last year.

For the quarter ended October 31, 2016 earnings per share on a fully-diluted basis were \$0.27, compared to \$0.26 in the corresponding period last year.

Operating Expenses

For the quarter ended October 31, 2016 selling and administrative expenses were \$15.3 million as compared to \$14.8 million for the quarter ended October 31, 2015.

For the quarter ended October 31, 2016 gross research and development expenses were \$17.8 million as compared to \$16.1 million in the corresponding period in 2015.

Liquidity and Capital Resources

The Company's working capital as at October 31, 2016 was \$338.4 million as compared to \$314.9 million on April 30, 2016.

Cash and cash equivalents were \$133.4 million as at October 31, 2016 as compared to \$123.1 million on April 30, 2016.

Cash generated from operations was \$12.6 million for the quarter ended October 31, 2016 as compared to cash generated of \$23.7 million for the quarter ended October 31, 2015. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$24.4 million from operations for the quarter ended October 31, 2016 compared to \$22.2 million for the same period last year.

For the quarter, the Company used \$2.4 million in investing activities largely a result of purchases in capital assets.

For the quarter ended, the Company generated cash from financing activities of \$0.1 million which was principally a result of the issuance of capital stock for \$13.7 million, partially offset by the payment of dividends of \$13.5 million.

Shipments and Backlog

At the end of November 2016, purchase order backlog was in excess of \$72 million and shipments during the month of November 2016 were \$39 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on December 1, 2016 of \$0.18 per share.

The dividend is payable to shareholders of record on December 12, 2016 and will be paid on or about December 19, 2016.

Special Dividend

Evertz Board of Directors declared a special dividend on December 1, 2016 of \$1.10 per common share, payable on December 19, 2016 to shareholders of record on December 12, 2016.

The special dividend reflects both the strong long-term operating performance of the company and its solid balance sheet, thereby enabling a distribution of cash over and above what is considered necessary to meet known commitments and maintain adequate reserves.

Selected Consolidated Financial Information

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

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2016	2015	2016	2015
Revenue	\$ 99,592	\$ 100,560	\$ 186,618	\$ 185,429
Cost of goods sold	42,481	43,026	79,641	80,066
Gross margin	57,111	57,534	106,977	105,363
Expenses				
Selling and administrative	15,289	14,827	30,175	29,629
General	2,017	1,643	3,967	3,238
Research and development	17,780	16,127	35,273	32,379
Investment tax credits	(2,411)	(2,411)	(5,060)	(4,895)
Foreign exchange (gain) loss	(3,450)	633	(10,054)	(7,079)
	29,225	30,819	54,301	53,272
Earnings before undernoted	27,886	26,715	52,676	52,091
Finance income	464	180	780	338
Finance costs	(69)	(200)	(122)	(322)
Other income and expenses	(32)	188	37	150
Earnings before income taxes	28,249	26,883	53,371	52,257
Provision for (recovery of) income taxes				
Current	6,969	7,995	15,641	15,968
Deferred	520	(731)	(1,653)	(1,928)
	7,489	7,264	13,988	14,040
Net earnings for the period	\$ 20,760	\$ 19,619	\$ 39,383	\$ 38,217
Net earnings attributable to non-controlling interest	177	133	407	320
Net earnings attributable to shareholders	20,583	19,486	38,976	37,897
Net earnings for the period	\$ 20,760	\$ 19,619	\$ 39,383	\$ 38,217
Earnings per share				
Basic	\$ 0.28	\$ 0.26	\$ 0.52	\$ 0.51
Diluted	\$ 0.27	\$ 0.26	\$ 0.52	\$ 0.51
Consolidated Balance Sheet Data				
		As at		As at
		October 31, 2016		April 30, 2016
Cash and cash equivalents	\$	133,359	\$	123,102
Inventory	\$	165,233	\$	155,957
Working capital	\$	338,445	\$	314,912
Total assets	\$	464,091	\$	448,314
Shareholders' equity	\$	390,323	\$	366,205
Number of common shares outstanding:				
Basic		75,348,496		74,188,746
Fully-diluted		78,587,246		78,595,246
Weighted average number of shares outstanding:				
Basic		74,463,363		74,360,423
Fully-diluted		75,001,329		74,843,493

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 December 1, 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 647-793-2625 or toll-free (North America) 1-844-254-9270, access code 2269957 (NEW).

For those unable to listen to the live call, a rebroadcast will also be available until January 1, 2017. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 2269957.

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.