

Attention Business/Financial Editors:

Evertz Technologies reports Record Quarterly Revenue for the First Quarter Ended July 31, 2017.

Burlington, September 12, 2017, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the first quarter ended July 31, 2017.

First Quarter 2018 Highlights

- Record quarterly revenue of \$109.0 million, up 25% from the prior year
- US/Canada revenue up 25% to \$65.4 million for the quarter
- International revenue up 25% to \$43.6 million for the quarter
- Earnings from operations before foreign exchange of \$26.4 million, up 45% year over year
- Net earnings of \$13.2 million for the quarter, inclusive of a foreign exchange loss of \$8.2 million
- Fully diluted earnings per share of \$0.17 for the quarter

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q1 '18</u>	<u>Q1 '17</u>
Revenue	\$ 109,009	\$ 87,026
Gross margin	61,161	49,866
Earnings from operations before foreign exchange	26,416	18,186
Earnings from operations	18,172	24,790
Net earnings	13,192	18,623
Fully-diluted earnings per share	\$ 0.17	\$ 0.25
Fully-diluted shares	76,019,562	74,798,052

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q1 '18</u>	<u>YE '17</u>
Cash and cash equivalents	\$ 72,788	\$ 54,274
Working capital	265,982	264,586
Total assets	422,244	410,568
Shareholders' equity	320,903	317,830

Revenue

For the quarter ended July 31, 2017, revenues were \$109.0 million, up 25% or \$22.0 million as compared to revenues of \$87.0 million for the quarter ended July 31, 2016. For the quarter, revenues in the United States/Canada region were \$65.4 million, up 25% or \$13.3 million as compared to \$52.1 million in the same quarter last year. The International region had revenues of \$43.6 million, up 25% or \$8.7 million as compared to \$34.9 million in the same quarter last year.

Gross Margin

For the quarter ended July 31, 2017 gross margin was \$61.2 million as compared to \$49.9 million in the same quarter last year. Gross margin percentage was approximately 56.1% as compared to 57.3% in the quarter ended July 31, 2016.

Earnings

For the quarter ended July 31, 2017 net earnings were \$13.2 million as compared to \$18.6 million in the corresponding period last year.

For the quarter ended July 31, 2017, earnings per share on a fully-diluted basis were \$0.17 as compared to \$0.25 in the corresponding period last year.

Operating Expenses

For the quarter ended July 31, 2017 selling and administrative expenses were \$15.8 million as compared to \$14.9 million for the quarter ended July 31, 2016.

For the quarter ended July 31, 2017 gross research and development expenses were \$19.3 million as compared to \$17.5 million for the quarter ended July 31, 2016.

Liquidity and Capital Resources

The Company's working capital as at July 31, 2017 was \$266.0 million as compared to \$264.6 million on April 30, 2017.

Cash and cash equivalents were \$72.8 million as at July 31, 2017 as compared to \$54.3 million on April 30, 2017.

Cash generated from operations was \$32.2 million for the quarter ended July 31, 2017 as compared to cash generated of \$19.9 million for the quarter ended July 31, 2016. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$15.5 million from operations for the quarter ended July 31, 2017 compared to \$19.5 million for the same period last year.

For the quarter, the Company used \$3.1 million in investing activities largely a result of purchases in capital assets.

For the quarter ended, the Company used cash in financing activities of \$9.7 million which was principally a result of the payment of dividends of \$14.2 million, partially offset by the issuance of Capital Stock pursuant to the Company's Stock Option Plan of \$4.6 million.

Shipments and Backlog

At the end of August 2017, purchase order backlog was in excess of \$81 million and shipments during the month of August 2017 were \$30 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on September 12, 2017 of \$0.18 per share.

The dividend is payable to shareholders of record on September 22, 2017 and will be paid on or about September 29, 2017.

Selected Consolidated Financial Information

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

	Three months ended July 31, 2017	Three months ended July 31, 2016
Revenue	\$ 109,009	\$ 87,026
Cost of goods sold	47,848	37,160
Gross margin	\$ 61,161	\$ 49,866
Expenses		
Selling and administrative	15,827	14,886
General	2,097	1,950
Research and development	19,272	17,493
Investment tax credits	(2,451)	(2,649)
Foreign exchange loss (gain)	8,244	(6,604)
	42,989	25,076
Earnings before undernoted	\$ 18,172	\$ 24,790
Finance income	101	316
Finance costs	(48)	(53)
Other income and expenses	29	69
Earnings before income taxes	\$ 18,254	\$ 25,122
Provision for (recovery of) income taxes		
Current	5,855	8,672
Deferred	(793)	(2,173)
	\$ 5,062	\$ 6,499
Net earnings for the period	\$ 13,192	\$ 18,623
Net earnings attributable to non-controlling interest	114	230
Net earnings attributable to shareholders	13,078	18,393
Net earnings for the period	\$ 13,192	\$ 18,623
Earnings per share:		
Basic	\$ 0.17	\$ 0.25
Diluted	\$ 0.17	\$ 0.25
Consolidated Balance Sheet Data	As at July 31, 2017	As at April 30, 2017
Cash and cash equivalents	\$ 72,788	\$ 54,274
Inventory	\$ 177,524	\$ 178,208
Working capital	\$ 265,982	\$ 264,586
Total assets	\$ 422,244	\$ 410,568
Shareholders' equity	\$ 320,903	\$ 317,830
Number of common shares outstanding:		
Basic	76,070,746	75,742,746
Fully-diluted	78,633,246	78,621,246
Weighted average number of shares outstanding:		
Basic	75,905,270	75,040,113
Fully-diluted	76,019,562	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 September 12, 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 3219951.

For those unable to listen to the live call, a rebroadcast will also be available until October 12, 2017. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 3219951.

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".