

Attention Business/Financial Editors:

Evertz Technologies reports Fiscal 2021 results for the Year ended April 30, 2021.

Burlington, June 17, 2021, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the fourth quarter and year ended April 30, 2021.

Fiscal 2021 Highlights

- Revenue of \$342.9 million
- Earnings from operations before foreign exchange (“FX”) of \$72.8 million
- Net earnings of \$42.0 million for the year
- Fully diluted earnings per share of \$0.55 for the year
- Completed investment in DDSports, Inc. (Shottracker)
- Completed acquisition of EaseLive AS, a direct to consumer interactive graphics company
- Completed strategic asset acquisition of iconic Studer audio brand, technology and related assets from Harman International

Fourth Quarter 2021 Highlights

- Quarterly revenue of \$93.3 million
- Earnings from operations before foreign exchange of \$19.2 million
- Net earnings of \$9.8 million for the quarter
- Fully diluted earnings per share of \$0.13 for the quarter

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q4'21</u>	<u>Q4'20</u>	<u>YE'21</u>	<u>YE'20</u>
Revenue	\$ 93,293	\$ 92,167	\$ 342,888	\$ 436,592
Gross margin	55,558	52,053	199,424	248,376
Earnings from operations	14,055	21,400	57,986	92,558
Earnings from operations before FX	19,166	15,279	72,847	89,074
Net earnings	9,810	16,038	41,960	69,172
Fully-diluted earnings per share	\$ 0.13	\$ 0.21	\$ 0.55	\$ 0.90
Fully-diluted shares	76,646,831	76,415,396	76,403,894	76,642,787

Selected Financial Information  
 Consolidated Balance Sheet Data  
 (in thousands of dollars)

	<u>YE ' 21</u>	<u>YE '20</u>
Cash and cash equivalents	\$ 108,771	\$ 75,025
Working capital	214,515	223,720
Total assets	451,793	443,673
Shareholders' equity	292,734	295,012

Revenue

For the quarter ended April 30, 2021, revenues were \$93.3 million compared to revenues of \$92.2 million for the quarter ended April 30, 2020. For the quarter, revenues in the United States/Canada region were \$63.6 million, an increase of \$4.9 million, compared to \$58.7 million in the same quarter last year. The International region had revenues of \$29.7 million compared to \$33.5 million in the same quarter last year.

For the year ended, April 30, 2021, sales were \$342.9 million, compared to sales of \$436.6 million for the year ended April 30, 2020. For the year, revenues in the United States/Canada region were \$222.7 million compared to \$289.0 million in the prior year. The International region had revenues of \$120.2 million compared to \$147.6 million in the prior year.

Gross Margin

For the quarter ended April 30, 2021, gross margin was \$55.6 million as compared to \$52.1 million in the same quarter last year. Gross margin percentage was approximately 59.6% as compared to 56.5% in the quarter ended April 30, 2020.

For the year ended April 30, 2021, gross margin was \$199.4 million as compared to \$248.4 million for the year ended April 30, 2020. Gross margin percentage was approximately 58.2% as compared to 56.9% for the prior year.

Earnings

For the quarter ended April 30, 2021, net earnings were \$9.8 million as compared to \$16.0 million in the corresponding period last year.

For the year ended April 30, 2021, net earnings were \$42.0 million as compared to \$69.2 million in the corresponding period last year.

For the quarter ended April 30, 2021, earnings per share on a fully-diluted basis were \$0.13 as compared to \$0.21 in the corresponding period last year.

For the year ended April 30, 2021, earnings per share on a fully-diluted basis were \$0.55 as compared to \$0.90 in the same period in 2020.

### Operating Expenses

For the quarter ended April 30, 2021, selling and administrative expenses were \$13.0 million as compared to \$15.4 million for the quarter ended April 30, 2020.

For the year ended April 30, 2021, selling and administrative expenses were \$49.4 million as compared to \$67.6 million for the year ended April 30, 2020.

For the quarter ended April 30, 2021, gross research and development expenses were \$22.5 million as compared to \$21.2 million for the quarter ended April 30, 2020.

For the year ended April 30, 2021, gross research and development expenses were \$80.2 million as compared to \$90.8 million for the year ended April 30, 2020.

### Liquidity and Capital Resources

The Company's working capital as at April 30, 2021 was \$214.5 million as compared to \$223.7 million on April 30, 2020.

Cash was \$108.8 million as at April 30, 2021 as compared to \$75.0 million on April 30, 2020.

Cash generated from operations was \$33.6 million for the quarter ended April 30, 2021 as compared to \$47.1 million cash generated for the quarter ended April 30, 2020. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$12.4 million from operations for the quarter ended April 30, 2021 compared to \$21.6 million for the same period last year.

Cash provided by operations was \$101.0 million for the 2021 fiscal year as compared to cash provided by operations of \$109.3 million for the 2020 fiscal year. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$59.0 million from operations for fiscal 2021 as compared to \$87.7 million for fiscal 2020.

For the quarter, the Company used \$4.1 million for investing activities.

For the year, the Company used \$18.6 million in investing activities which was principally driven by the acquisition of capital equipment of \$9.6 million and investment in DDSports Inc. (Shottracker) for \$7.8 million.

For the quarter ended, the Company used cash in financing activities of \$15.2 million which was principally a result of the payment of dividends of \$13.8 million.

For the year ended April 30, 2021, the Company used cash in financing activities of \$49.4 million which was principally a result of the payment of dividends of \$41.6 million.

### Shipments and Backlog

At the end of May 2021, purchase order backlog was in excess of \$138 million and shipments during the month of May 2021 were \$27 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on June 17, 2021 of \$0.18 per share.

The dividend is payable to shareholders of record on June 25, 2021 and will be paid on or about July 2, 2021.

## Selected Consolidated Financial Information

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

	Three month period ended		Twelve month period ended	
	April 30,		April 30,	
	2021	2020	2021	2020
Revenue	\$ 93,293	\$ 92,167	\$ 342,888	\$ 436,592
Cost of goods sold	37,735	40,114	143,464	188,216
Gross margin	55,558	52,053	199,424	248,376
Expenses				
Selling and administrative	12,987	15,400	49,413	67,597
General	1,287	824	3,896	3,509
Research and development	22,516	21,202	80,187	90,827
Investment tax credits	(2,942)	(1,558)	(13,042)	(7,595)
Share based compensation	2,545	906	6,123	4,964
Foreign exchange loss (gain)	5,110	(6,121)	14,861	(3,484)
	41,503	30,653	141,438	155,818
Earnings before undemoted	14,055	21,400	57,986	92,558
Finance income	66	181	687	1,077
Finance costs	(516)	(470)	(1,709)	(1,845)
Share of net loss of Investment in Associate	(531)	-	(531)	-
Other income and expenses	(157)	(134)	(588)	169
Earnings before income taxes	12,917	20,977	55,845	91,959
Provision for (recovery of) income taxes				
Current	6,459	4,232	17,369	22,304
Deferred	(3,352)	707	(3,484)	483
	3,107	4,939	13,885	22,787
Net earnings for the period	\$ 9,810	\$ 16,038	\$ 41,960	\$ 69,172
Net earnings attributable to non-controlling interest	(144)	138	202	565
Net earnings attributable to shareholders	9,954	15,900	41,758	68,607
Net earnings for the period	\$ 9,810	\$ 16,038	\$ 41,960	\$ 69,172
Earnings per share				
Basic	\$ 0.13	\$ 0.21	\$ 0.55	\$ 0.90
Diluted	\$ 0.13	\$ 0.21	\$ 0.55	\$ 0.90

	April 30, 2021		April 30, 2020		April 30, 2019
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 108,771	\$	75,025	\$	104,583
Marketable securities	-		-		4,023
Trade and other receivables	76,785		90,631		81,498
Contract assets	2,821		7,864		22,348
Prepaid expenses	6,559		9,003		9,045
Inventories	152,699		161,985		171,271
Income tax receivable	-		-		708
	347,635		344,508		393,476
Property, plant and equipment					
Property, plant and equipment	44,799		47,794		48,887
Right-of-use assets	23,570		28,823		-
Goodwill	21,140		20,771		20,716
Intangible assets	4,476		1,573		1,952
Investment in Associate	6,869		-		-
Deferred income taxes	3,304		204		1,566
	\$ 451,793	\$	443,673	\$	466,597
<b>Liabilities</b>					
Current liabilities					
Trade and other payables	\$ 66,727	\$	62,231	\$	63,647
Provisions	4,069		5,031		4,171
Deferred revenue	58,047		45,076		42,843
Current portion of long term debt	-		238		294
Current portion of lease obligations	4,122		4,400		-
Income tax payable	155		3,812		-
	133,120		120,788		110,955
Long term debt					
Long term debt	-		-		239
Long term redemption liability	2,523		-		-
Long term lease obligations	21,245		25,465		-
	156,888		146,253		111,194
<b>Equity</b>					
Capital stock	143,605		143,915		139,865
Share based payment reserve	9,514		8,279		8,245
Accumulated other comprehensive income	(1,062)		1,032		1,729
Retained earnings	140,677		141,786		203,284
	139,615		142,818		205,013
Total equity attributable to shareholders	292,734		295,012		353,123
Non-controlling interest	2,171		2,408		2,280
	294,905		297,420		355,403
	\$ 451,793	\$	443,673	\$	466,597

## 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 June 17, 2021 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 647-490-5367 or toll-free (North America) 1-800-367-2403, access code 8321777.

For those unable to listen to the live call, a rebroadcast will also be available until July 17, 2021. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 8321777.

## 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".