

Attention Business/Financial Editors:

Evertz Technologies Limited exceeds Half Billion in Annual Revenue in Fiscal 2024.

Burlington, June 19, 2024, 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, 2024.

Fiscal 2024 Highlights

- Record revenue of \$514.6 million an increase of 13% or \$60.0 million from the prior year
- Reoccurring software, services and other software of \$188.9 million, representing 37% of total revenue
- International revenue of \$176.6 million, an increase of 50% or \$59.1 million from the prior year
- Earnings from operations of \$100.4 million
- Net earnings of \$71.0 million for the year, an increase of 10% from the prior year
- Fully diluted earnings per share of \$0.91 for the year

Fourth Quarter 2024 Highlights

- Quarterly revenue of \$122.8 million
- Earnings from operations of \$19.6 million
- Net earnings of \$13.9 million for the quarter
- Fully diluted earnings per share of \$0.18 for the quarter
- Cash and cash equivalents of \$86.3 million

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q4'24</u>	<u>Q4'23</u>	<u>YE'24</u>	<u>YE'23</u>
Revenue	\$ 122,770	\$ 128,919	\$ 514,616	\$ 454,578
Gross margin	72,655	76,646	302,443	268,258
Earnings from operations	19,541	30,467	100,396	95,628
Net earnings	13,861	18,551	71,027	64,555
Fully-diluted earnings per share	\$ 0.18	\$ 0.24	\$ 0.91	\$ 0.84
Fully-diluted shares	77,310,309	76,164,716	77,044,858	76,200,428

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

	<u>YE ' 24</u>	<u>YE ' 23</u>
Cash and cash equivalents	\$ 86,325	\$ 12,468
Working capital	201,437	171,428
Total assets	484,722	436,652
Shareholders' equity	263,267	243,099

Revenue

For the quarter ended April 30, 2024, revenues were \$122.8 million compared to revenues of \$128.9 million for the quarter ended April 30, 2023. For the quarter, revenues in the United States/Canada region were \$96.5 million, a decrease of \$1.5 million, compared to \$98.0 million in the same quarter last year. The International region had revenues of \$26.3 million compared to \$30.9 million in the same quarter last year.

For the year ended, April 30, 2024, sales were \$514.6 million (including \$325.7 million in hardware and \$188.9 million in reoccurring software, services and other software) compared to sales of \$454.6 million (including \$281.2 million in hardware and \$173.4 million in reoccurring software, services and other software) for the year ended April 30, 2023. For the year, revenues in the United States/Canada region were \$338.0 million, an increase of \$0.9 million compared to \$337.1 million in the prior year. The International region had revenues of \$176.6 million compared to \$117.5 million, an increase of \$59.1 million from the prior year.

Gross Margin

For the quarter ended April 30, 2024, gross margin was \$72.7 million as compared to \$76.6 million in the same quarter last year. Gross margin percentage was approximately 59.2% as compared to 59.5% in the quarter ended April 30, 2023.

For the year ended April 30, 2024, gross margin was \$302.4 million as compared to \$268.3 million for the year ended April 30, 2023. Gross margin percentage was approximately 58.8% as compared to 59.0% for the prior year.

Earnings

For the quarter ended April 30, 2024, net earnings were \$13.9 million as compared to \$18.6 million in the corresponding period last year.

For the year ended April 30, 2024, net earnings were \$71.0 million as compared to \$64.6 million in the corresponding period last year.

For the quarter ended April 30, 2024, earnings per share on a fully-diluted basis were \$0.18 as compared to \$0.24 in the corresponding period last year.

For the year ended April 30, 2024, earnings per share on a fully-diluted basis were \$0.91 as compared to \$0.84 in the same period in 2023.

Operating Expenses

For the quarter ended April 30, 2024, selling and administrative expenses were \$20.1 million as compared to \$17.5 million for the quarter ended April 30, 2023.

For the year ended April 30, 2024, selling and administrative expenses were \$72.3 million as compared to \$61.5 million for the year ended April 30, 2023.

For the quarter ended April 30, 2024, gross research and development expenses were \$36.7 million as compared to \$29.9 million for the quarter ended April 30, 2023.

For the year ended April 30, 2024, gross research and development expenses were \$134.8 million as compared to \$117.1 million for the year ended April 30, 2023.

Liquidity and Capital Resources

The Company's working capital as at April 30, 2024 was \$201.4 million as compared to \$171.4 million on April 30, 2023.

Cash was \$86.3 million as at April 30, 2024 as compared to \$12.5 million on April 30, 2023.

Cash generated from operations was \$34.2 million for the quarter ended April 30, 2024 as compared to \$25.9 million cash generated for the quarter ended April 30, 2023. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$19.6 million from operations for the quarter ended April 30, 2024 compared to \$26.7 million for the same period last year.

Cash generated by operations was \$144.7 million for the 2024 fiscal year as compared to cash provided by operations of \$53.8 million for the 2023 fiscal year. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$95.4 million from operations for fiscal 2024 as compared to \$91.5 million for fiscal 2023.

For the quarter, the Company used \$3.3 million for investing activities.

For the year, the Company used \$2.3 million in investing activities which was principally driven by the acquisition of property, plant and equipment for \$9.6 million and partly offset by the disposal of instruments held for trading for \$7.2 million.

For the quarter ended, the Company used cash in financing activities of \$15.0 million which was principally a result of the payment of dividends of \$14.8 million.

For the year ended April 30, 2024, the Company used cash in financing activities of \$70.2 million which was principally a result of the payment of dividends of \$58.6 million.

Shipments and Backlog

At the end of May 2024, purchase order backlog was in excess of \$295 million and shipments during the month of May 2024 were \$32 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on June 19, 2024 of \$0.195 per share.

The dividend is payable to shareholders of record on July 2, 2024 and will be paid on or about July 10, 2024.

Selected Consolidated Financial Information

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

	Three month period ended April 30,		Twelve month period ended April 30,	
	2024	2023	2024	2023
Revenue	\$ 122,770	\$ 128,919	\$ 514,616	\$ 454,578
Cost of goods sold	50,115	52,273	212,173	186,320
Gross margin	72,655	76,646	302,443	268,258
Expenses				
Selling and administrative	20,114	17,521	72,274	61,518
General	1,284	1,323	4,672	4,704
Research and development	36,719	29,867	134,843	117,127
Investment tax credits	(4,114)	(3,503)	(14,708)	(13,415)
Share based compensation	1,244	1,223	5,120	4,662
Foreign exchange gain	(2,133)	(252)	(154)	(1,966)
	53,114	46,179	202,047	172,630
Earnings before undemoted	19,541	30,467	100,396	95,628
Finance income	577	91	1,661	376
Finance costs	(311)	(2,290)	(1,353)	(3,718)
Net loss on investments through profit and loss	-	(3,277)	(2,704)	(5,364)
Other income and expenses	(238)	930	(642)	888
Earnings before income taxes	19,569	25,921	97,358	87,810
Provision for (recovery of) income taxes				
Current	5,563	8,521	26,044	25,066
Deferred	145	(1,151)	287	(1,811)
	5,708	7,370	26,331	23,255
Net earnings for the period	\$ 13,861	\$ 18,551	\$ 71,027	\$ 64,555
Net earnings attributable to non-controlling interest	97	128	857	523
Net earnings attributable to shareholders	13,764	18,423	70,170	64,032
Net earnings for the period	\$ 13,861	\$ 18,551	\$ 71,027	\$ 64,555
Earnings per share				
Basic	\$ 0.18	\$ 0.24	\$ 0.92	\$ 0.84
Diluted	\$ 0.18	\$ 0.24	\$ 0.91	\$ 0.84

	April 30, 2024	April 30, 2023	April 30, 2022
Assets			
Current assets			
Cash and cash equivalents	\$ 86,325	\$ 12,468	\$ 33,902
Trade and other receivables	84,350	106,871	100,020
Contract assets	12,554	11,032	6,398
Prepaid expenses	11,179	10,319	5,930
Inventories	206,154	202,479	177,268
	400,562	343,169	323,518
Property, plant and equipment	34,384	34,730	37,877
Right-of-use assets	20,432	20,396	24,637
Goodwill	21,352	21,333	21,033
Intangible assets	1,098	2,125	3,317
Investments	-	8,160	5,474
Deferred income taxes	6,894	6,739	5,123
	\$ 484,722	\$ 436,652	\$ 420,979
Liabilities			
Current liabilities			
Bank indebtedness	\$ -	\$ 5,928	\$ -
Trade and other payables	63,249	75,521	68,405
Provisions	4,946	5,104	7,379
Deferred revenue	119,597	69,827	74,267
Current portion of lease obligations	4,296	4,060	4,088
Current portion of redemption liability	3,811	3,711	3,423
Income tax payable	3,226	7,590	7,009
	199,125	171,741	164,571
Long term lease obligations	18,920	18,827	22,760
	218,045	190,568	187,331
Equity			
Capital stock	145,721	143,344	143,502
Share based payment reserve	19,246	14,697	10,893
Accumulated other comprehensive income	1,197	(2,402)	(4,093)
Retained earnings	97,103	87,460	80,636
	98,300	85,058	76,543
Total equity attributable to shareholders	263,267	243,099	230,938
Non-controlling interest	3,410	2,985	2,710
	266,677	246,084	233,648
	\$ 484,722	\$ 436,652	\$ 420,979

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 19, 2024 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 289-514-5100 or toll-free (North America) 1-800-717-1738.

For those unable to listen to the live call, a rebroadcast will also be available until July 21, 2023. The rebroadcast can be accessed at 289-819-1325 or toll-free 1-888-660-6264. The pass code for the rebroadcast is 11656#.

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".