

Attention Business/Financial Editors:

Evertz Technologies reports results for the Third Quarter Ended January 31, 2017.

Burlington, March 1, 2017, 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, 2017.

Quarter Highlights

- Revenue of \$91.1 million
- US/Canada revenue up 6% to \$56.8 million for the quarter
- Net earnings of \$9.7 million for the quarter, inclusive of a foreign exchange loss of \$4.3 million
- 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>Q3'17</u>	<u>Q3'16</u>
Revenue	\$ 91,080	\$ 99,754
Gross margin	51,123	56,991
Earnings from operations	12,419	33,031
Earnings from operations before foreign exchange	16,696	25,658
Net earnings	9,705	24,390
Fully-diluted earnings per share	\$ 0.13	\$ 0.32
Fully-diluted shares	78,521,246	78,715,246

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q3 ' 17</u>	<u>YE ' 16</u>
Cash and cash equivalents	\$ 64,094	\$ 123,102
Working capital	255,605	314,912
Total assets	384,354	448,314
Shareholders' equity	308,034	366,205

Revenue

For the quarter ended January 31, 2017, revenues were \$91.1 million as compared to revenues of \$99.8 million for the quarter ended January 31, 2016. For the quarter, revenues in the United States/Canada region were \$56.8 million, an increase of 6% as compared to \$53.6 million in the same quarter last year. The International region had revenues of \$34.3 million as compared to \$46.2 million for the quarter ended January 31, 2016.

Gross Margin

For the quarter ended January 31, 2017 gross margin was \$51.1 million as compared to \$57.0 million in the same quarter last year. Gross margin percentage was approximately 56.1% as compared to 57.1% in the quarter ended January 31, 2016.

Earnings

For the quarter ended January 31, 2017 net earnings were \$9.7 million as compared to \$24.4 million in the corresponding period last year.

For the quarter ended January 31, 2017 earnings per share on a fully-diluted basis were \$0.13, compared to \$0.32 in the corresponding period last year.

Operating Expenses

For the quarter ended January 31, 2017 selling and administrative expenses were \$15.5 million as compared to \$15.1 million for the quarter ended January 31, 2016.

For the quarter ended January 31, 2017 gross research and development expenses were \$18.5 million as compared to \$17.2 million in the corresponding period in 2016.

Liquidity and Capital Resources

The Company's working capital as at January 31, 2017 was \$255.6 million as compared to \$314.9 million on April 30, 2016.

Cash and cash equivalents were \$64.1 million as at January 31, 2017 as compared to \$123.1 million on April 30, 2016.

Cash generated from operations was \$25.9 million for the quarter ended January 31, 2017 as compared to cash generated of \$49.6 million for the quarter ended January 31, 2016. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$13.4 million from operations for the quarter ended January 31, 2017 compared to \$29.8 million for the same period last year.

For the quarter, the Company used \$4.2 million in investing activities largely a result of purchases in capital assets.

For the quarter ended, the Company used cash from financing activities of \$92.2 million which was a result of the payment of dividends of \$96.7 million, partially offset by the issuance of capital stock for \$4.5 million.

Shipments and Backlog

At the end of February 2017, purchase order backlog was in excess of \$103 million and shipments during the month of February 2017 were \$21 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on March 1, 2017 of \$0.18 per share.

The dividend is payable to shareholders of record on March 10, 2017 and will be paid on or about March 17, 2017.

Selected Consolidated Financial Information

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

	Three month period ended January 31,		Nine month period ended January 31,	
	2017	2016	2017	2016
Revenue	\$ 91,080	\$ 99,754	\$ 277,698	\$ 285,183
Cost of goods sold	39,957	42,763	119,598	122,829
Gross margin	51,123	56,991	158,100	162,354
Expenses				
Selling and administrative	15,529	15,121	45,704	44,750
General	2,567	1,502	6,534	4,740
Research and development	18,484	17,229	53,757	49,608
Investment tax credits	(2,153)	(2,519)	(7,213)	(7,414)
Foreign exchange loss (gain)	4,277	(7,373)	(5,777)	(14,452)
	38,704	23,960	93,005	77,232
Earnings before undemoted	12,419	33,031	65,095	85,122
Finance income	658	117	1,438	455
Finance costs	(74)	(128)	(196)	(450)
Other income and expenses	(225)	211	(188)	361
Earnings before income taxes	12,778	33,231	66,149	85,488
Provision for (recovery of) income taxes				
Current	2,550	7,344	18,191	23,312
Deferred	523	1,497	(1,130)	(431)
	3,073	8,841	17,061	22,881
Net earnings for the period	\$ 9,705	\$ 24,390	\$ 49,088	\$ 62,607
Net earnings attributable to non-controlling interest	68	165	475	485
Net earnings attributable to shareholders	9,637	24,225	48,613	62,122
Net earnings for the period	\$ 9,705	\$ 24,390	\$ 49,088	\$ 62,607
Earnings per share				
Basic	\$ 0.13	\$ 0.33	\$ 0.65	\$ 0.83
Diluted	\$ 0.13	\$ 0.32	\$ 0.65	\$ 0.83
Consolidated Balance Sheet Data	As at January 31, 2017		As at April 30, 2016	
Cash and cash equivalents	\$	64,094	\$	123,102
Inventory	\$	172,694	\$	155,957
Working capital	\$	255,605	\$	314,912
Total assets	\$	384,354	\$	448,314
Shareholders' equity	\$	308,034	\$	366,205
Number of common shares outstanding:				
Basic		75,715,246		74,188,746
Fully-diluted		78,521,246		78,595,246
Weighted average number of shares outstanding:				
Basic		75,530,630		74,360,423
Fully-diluted		75,666,776		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 March 1, 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) 1-866-253-4709, access code 4849338.

For those unable to listen to the live call, a rebroadcast will also be available until March 31, 2017. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 4849338.

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.