



## **Baylin Announces Financial Results for the First Quarter of 2019**

### **Revenue Increase of 32.6% and Adjusted EBITDA Increase of 143%**

#### **Investor Conference Call on May 14, 2019 at 8:00 a.m. ET**

- *Revenue for the first quarter ended March 31, 2019 was \$39.0 million, an increase of \$9.6 million over the prior year period.*
- *Gross profit grew to \$14.3 million in the first quarter of 2019, compared to \$10.6 million in the first quarter of 2018.*
- *Adjusted EBITDA<sup>(2)</sup> was \$3.5 million in the first quarter of 2019, compared to \$1.4 million in the first quarter of 2018.*

TORONTO, CANADA – May 13, 2019 – Baylin Technologies Inc. (TSX: BYL) (the "Company" or "Baylin"), a leading, diversified, global wireless technology management company focused on research, design, development, manufacturing and sales of passive and active radio frequency products and services, today announced its financial results for the three months ended March 31, 2019. All amounts are stated in Canadian dollars unless otherwise indicated.

#### **QUARTERLY HIGHLIGHTS**

Key highlights for the three months ended March 31, 2019 include the following:

- Revenue grew to \$39.0 million in the first quarter of 2019, an increase of \$9.6 million or 32.6% over the first quarter of 2018.
- Gross profit was \$14.3 million in the first quarter of 2019, an increase of \$3.8 million over the first quarter of 2018. Gross margin<sup>(3)</sup> was 36.7% in the first quarter of 2019 compared to 35.9% in the prior year period.
- Adjusted EBITDA<sup>(2)</sup> was \$3.5 million in the first quarter of 2019 compared to \$1.4 million in the first quarter of 2018. Adjusted EBITDA for the first quarter of 2019 excludes certain non-recurring and one-time expenses of \$0.5 million which were primarily expenses related to the acquisition of Advantech Wireless and Alga Microwave.
- Cash on hand at March 31, 2019 was \$12.4 million, a reduction of \$8.4 million from December 31, 2018. The decrease was primarily due to: (i) an increase in non-cash working capital; (ii) payment of the Alga facility renovations and other capital expenditures; (iii) interest expense; (iv) cash taxes; and, (v) an earnout payment made to the vendors of Alga Microwave Inc.

"We are pleased with the Company's progress in the first quarter of 2019. The Company's revenue base has continued to diversify with revenue from the acquisitions of Advantech Wireless and Alga Microwave, completed in 2018", stated Randy Dewey, Baylin's President and Chief Executive Officer. "Gross margin<sup>(3)</sup> improved compared to the first quarter of 2018 but was somewhat lower than anticipated due to sales mix as well as certain costs incurred in our facility in Quebec, costs which we do not expect to incur during the balance of fiscal 2019", added Mr. Dewey.

"We successfully completed a refinancing of a \$33 million term loan in March 2019 with proceeds of a new credit facility with Royal Bank of Canada and HSBC Bank of Canada. Although we incurred a

prepayment penalty of approximately \$1 million, we expect to significantly reduce interest expense going forward with a reduction of approximately \$1.3 million in the first year subsequent to closing of the financing”, stated Michael Wolfe, Baylin’s Chief Financial Officer.

## SELECTED FINANCIAL INFORMATION

Selected financial information of the Company is summarized below for the periods indicated:

	Three Months Ended March 31,		Year Ended
	2019	2018	December 31,
			2018
	\$	\$	\$
Revenue	39,033	29,438	136,214
Gross Profit	14,331	10,562	50,841
Loss before income taxes	(5,432)	(4,470)	(10,624)
Income tax expense (recovery)	469	137	(5,180)
Net loss	(5,901)	(4,607)	(5,444)
Basic and diluted loss per share	(\$0.19)	(\$0.14)	(\$0.13)
EBITDA <sup>(1)</sup>	3,029	(2,043)	2,733
Adjusted EBITDA <sup>(2)</sup>	3,514	1,446	15,293
Current assets	78,337	54,752	79,937
Total assets	171,595	115,241	170,517
Current liabilities	44,950	26,429	35,077
Non-current liabilities	50,496	32,580	53,613
Total liabilities	95,446	59,009	88,690

(1) See “Non-GAAP Measures”. EBITDA refers to earnings before interest, income taxes, depreciation and amortization.

(2) See “Non-GAAP Measures”. Adjusted EBITDA refers to operating income (loss) plus depreciation and amortization plus non-recurring items.

(3) See “Non-GAAP Measures”. Gross margin which refers to gross profit divided by revenue.

A copy of the Company’s unaudited interim condensed consolidated financial statements for the three months ended March 31, 2019 and corresponding management’s discussion and analysis (the “MD&A”) are available under the Company’s SEDAR profile on [www.sedar.com](http://www.sedar.com).

## OUTLOOK

Management expects that engineering operations will continue to accelerate in Canada for traditional DAS, small cell, base station antenna (“BSA”), satellite connectivity products and 5G applications in 2019. Management is expecting revenue growth as these new products hit the market.

Management will continue to focus on controlling spending, optimizing manufacturing efficiencies and managing liquidity in 2019 in an effort to improve upon the margin gains achieved over the last several years.

## INVESTOR CONFERENCE CALL

Baylin will hold a conference call on May 14, 2019 at 8:00 a.m. (ET) to discuss its financial results for the three months ended March 31, 2019. The call will be hosted by Randy Dewey, President and Chief Executive Officer, Michael Wolfe, Chief Financial Officer and Daniel Kim, Executive Vice President of Corporate Development. All interested parties are invited to participate using the dial-in details provided below.

**Date:** May 14, 2019  
**Time:** 8:00 a.m. (ET)  
**Dial-in Number:** 888-231-8191 or 647-427-7450  
**Conference ID#:** 9869647

**Webcast:** <https://event.on24.com/wcc/r/1924928/FC6D73A7F73D3D720B5E286D764324B2>

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute "forward-looking statements" that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Company, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "predicts," "potential," "targeted," "plans," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. The forward-looking statements in this press release include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans, objectives and expectations. These statements reflect the Company's current views regarding future events and operating performance and are based on information currently available to the Company as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that the Company's results of operations and business outlook are subject to significant risk, volatility and uncertainty. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's Annual Information Form dated March 13, 2019 which is available on the Company's profile at [www.sedar.com](http://www.sedar.com). All of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Unless required by applicable securities law, the Company does not intend and does not assume any obligation to update these forward-looking statements.

## **NON-GAAP MEASURES**

This press release includes a number of measures that are not prescribed by Canadian generally accepted accounting principles ("GAAP") and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. While management of the Company believes that non-GAAP measures are helpful supplemental information, they should not be considered in isolation as an alternative to net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with GAAP. See "Non-GAAP Measures" on page 2 of the MD&A for further information.

## **ABOUT BAYLIN**

Baylin Technologies Inc. (TSX: BYL) is a diversified leading global wireless technology management company. Baylin focuses on research, design, development, manufacturing and sales of passive and active radio-frequency products and services. Baylin aspires to meet its customers' needs and anticipate the direction of the market. For further information, please visit [www.baylintech.com](http://www.baylintech.com).

For further information please contact Investor relations: [investor.relations@baylintech.com](mailto:investor.relations@baylintech.com)