



**PRESS RELEASE**  
FOR IMMEDIATE RELEASE

**Savaria Announces Third Quarter Results -  
Revenue is up 73% and Adjusted EBITDA is up 68%**

**Laval, Quebec, November 8, 2017** – Savaria Corporation (TSX: SIS), one of North America's leaders in the accessibility industry, discloses its results for its third quarter ended September 30, 2017.

**Highlights:**

Savaria delivered unprecedented results in the 3<sup>rd</sup> quarter through business acquisitions and growth of its existing business.

**Quarter ended September 30, 2017**

- Record revenue of \$56.1 million, up \$23.7 million or 72.9%;
- Record gross margin of \$19.9 million, up \$8.7 million or 78.1%;
- Record operating income of \$6.9 million, up \$2.1 million or 42.5%;
- Record adjusted EBITDA<sup>(1)</sup> of \$9.6 million, up \$3.9 million or 67.9%;
- Increase of 10 cents or 38.5% of the dividend per share, on an annual basis; dividend now paid monthly rather than quarterly;
- Acquisition of a 27,000-square-foot building in Toronto, Ontario to consolidate the Toronto area *Adapted Vehicles* segment under one roof;
- Conclusion of an agreement for the acquisition of the assets of Visilift LLC ("Visilift") on August 24, 2017.

**Nine months ended September 30, 2017**

- Record revenue of \$126.4 million, up \$37.6 million or 42.4%;
- Record gross margin of \$43.9 million, up \$14.4 million or 49%;
- Record operating income of \$16 million, up \$3.6 million or 28.9%;
- Record adjusted EBITDA<sup>(1)</sup> of \$21.6 million, up \$6.7 million or 45.4%.

(in thousands, except per-share amounts and percentages – Unaudited)	Quarters Ended September 30,			Nine Months Ended September 30,		
	2017	2016	Change	2017	2016	Change
Revenue	<b>\$56,095</b>	\$32,440	72.9%	<b>\$126,355</b>	\$88,742	42.4%
Gross margin	<b>\$19,904</b>	\$11,173	78.1%	<b>\$43,872</b>	\$29,435	49%
<i>% of revenue</i>	<b>35.5%</b>	34.4%	<i>n/a</i>	<b>34.7%</b>	33.2%	<i>n/a</i>
Net income	<b>\$4,812</b>	\$3,415	40.9%	<b>\$10,913</b>	\$8,561	27.5%
<i>% of revenue</i>	<b>8.6%</b>	10.5%	<i>n/a</i>	<b>8.6%</b>	9.6%	<i>n/a</i>
Earnings per share – diluted	<b>\$0.11</b>	\$0.09	22.2%	<b>\$0.27</b>	\$0.24	12.5%
Adjusted EBITDA <sup>(1)</sup>	<b>\$9,604</b>	\$5,721	67.9%	<b>\$21,578</b>	\$14,838	45.4%
<i>% of revenue</i>	<b>17.1%</b>	17.6%	<i>n/a</i>	<b>17.1%</b>	16.7%	<i>n/a</i>
Adjusted EBITDA per share – diluted	<b>\$0.23</b>	\$0.15	53.3%	<b>\$0.53</b>	\$0.42	26.2%

- (1) Earnings before interest, taxes, depreciation, amortization, realized and unrealized business acquisition costs, the value adjustment on acquired inventories and compensation expense on share options granted (see section Compliance with International Financial Reporting Standards)

## **A Word from the President**

*“This is the first quarter that represents the revenue of Savaria combined with our new Span segment. We are happy to show total revenue of \$56 million for the quarter, an increase of 73% over Q3 2016, with adjusted EBITDA showing a 68% increase over the same quarter last year. Span reported \$22 million in revenue and \$3.2 million of adjusted EBITDA in the quarter for an EBITDA-to-sales ratio of 14.7%. Bed sales were strong contributing to an improved Span EBITDA,”* declared Marcel Bourassa, President and Chief Executive Officer of Savaria.

*“The accessibility division had an increase of 12% in elevator unit sales compared to Q3 2016, slightly exceeding the Corporation’s objective of 10% growth, forecast alongside an aging population demographic. The adjusted EBITDA margin was 17% for quarter 3, a result of strong manufacturing process and dedicated employees.*

*“Savaria is aggressively ramping up on two important product lines: the Monarch ceiling lift and the Vuelift home elevator (following the acquisition of Visilift’s assets). The Monarch ceiling lift product line now includes a fixed lift and a track system well suited for both residential and institutional markets and will be distributed by Span in the North American market through their sales force of 33 representatives. The Vuelift is an exceptional luxury home elevator finished in glass or acrylic and is positioned to reach new high-end clients on a worldwide basis adding incremental sales starting in 2018. The combined revenue of these two product lines is forecast to be \$10 million in 2018, tripling to \$30 million in 2019.*

*“We continue to look for quality acquisitions with our strong balance sheet,”* concluded Mr. Bourassa.

## **Outlook 2017**

Factoring in the benefits of the acquisition of Premier Lifts that was completed in February 2017 and of Span in June 2017, the Corporation maintains its forecast of revenue to approximately \$187 million and adjusted EBITDA to a range of \$29.5-\$30.5 million for the twelve-month period ending December 31, 2017, excluding any new acquisitions.

**Savaria Corporation** (savaria.com) is one of North America’s leaders in the accessibility industry. It provides accessibility solutions for the physically challenged to increase their comfort, their mobility and their independence. Its product line is one of the most comprehensive on the market. Savaria designs, manufactures, distributes and installs accessibility equipment, such as stairlifts for straight and curved stairs, vertical and inclined wheelchair lifts, elevators for home and commercial use, as well as patient lifts. Following its recent acquisition, Savaria also manufactures and markets a comprehensive selection of pressure management products for the medical market, medical beds for the long-term care market, mattress overlays and foam pillows for the retail market and certain products for the industrial market, primarily foam products. In addition, Savaria converts and adapts vehicles to be wheelchair accessible. It also operates a network of franchisees and corporate stores through which new and recycled accessibility equipment is sold. Factoring in its most recent acquisition, Savaria will record around 70% of its revenue outside Canada, primarily in the United States. It operates a sales network of some 400 retailers in North America and employs some 800 people. Its plants are located in Laval and Magog (Quebec), Brampton, Beamsville and Toronto (Ontario), Greenville (South Carolina) and Huizhou (China).

## **Compliance with International Financial Reporting Standards (“IFRS”)**

The information appearing in this press release has been prepared in accordance with IFRS. However, the Corporation uses EBITDA, adjusted EBITDA and adjusted EBITDA per share for analysis purposes to measure its financial performance. These measures have no standardized definitions in accordance with IFRS and are therefore regarded as non-IFRS measures. These measures may therefore not be comparable to similar measures reported by other companies. Reconciliation between net income for the period and EBITDA, adjusted EBITDA and adjusted EBITDA per share is provided in the *Reconciliation of EBITDA, adjusted EBITDA and adjusted EBITDA per share with Net Income* section below.

## Cautionary Notice Regarding Forward-Looking Statements

Certain information in this press release may constitute “forward-looking statements” regarding Savaria, including, without being limited thereto, understanding of the elements that might affect the Corporation’s future, relating to its financial or operating performance, the costs and schedule of future acquisitions, supplementary capital expenditure requirements and legislative matters. Most frequently, but not invariably, forward-looking statements are identified by the use of such terms as “plan”, “expect”, “should”, “could”, “budget”, “expected”, “estimated” “forecast”, “intend”, “anticipate”, “believe”, variants thereof (including negative variants) or statements that certain events, results or shares “could”, “should” or “will” occur or be achieved. Such statements involve known and unknown risks, uncertainties and other factors liable to cause Savaria’s actual results, performance or achievements to differ materially from those set forth in or underlying the forward-looking statements. Such factors notably include general, economic, competitive, political and social uncertainties. Although Savaria has attempted to identify the key elements liable to cause actual measures, events or results to differ from those described in the forward-looking statements, other factors could have an impact on the reality and produce unexpected results. The forward-looking statements contained herein are valid at the date of this press release. As there can be no assurance that these forward-looking statements will prove accurate, actual future results and events could differ materially from those anticipated therein. Accordingly, readers are strongly advised not to unduly rely on these forward-looking statements.

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### For further information:

Hélène Bernier, CPA, CA  
Vice President, Finance  
1-800-931-5655, ext. 248  
helene.bernier@savaria.com

Marcel Bourassa  
President and Chief Executive Officer  
1-800-661-5112  
marcel.bourassa@savaria.com

[www.savaria.com](http://www.savaria.com)

Facebook: <https://www.facebook.com/savariabettermobility>

Twitter: <https://twitter.com/Mobilityforlife>

Reconciliation of EBITDA, adjusted EBITDA and adjusted EBITDA per share with net income is provided below. Complete financial statements and the management’s report for quarter ended September 30, 2017 will be available shortly on Savaria’s website and on SEDAR ([www.sedar.com](http://www.sedar.com)).

### Reconciliation of EBITDA, adjusted EBITDA and adjusted EBITDA per share with Net Income

(in thousands, except per-share amounts– Unaudited)	Quarters Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income	\$4,812	\$3,415	\$10,913	\$8,561
Plus:				
Interest expense	400	247	734	638
Income tax expense	1,386	1,512	4,043	3,443
Depreciation of fixed assets	774	336	1,586	956
Amortization of intangible assets	1,662	179	2,060	519
Less:				
Interest income	16	112	279	238
EBITDA	\$9,018	\$5,577	\$19,057	\$13,879
Compensation expense on share options granted	276	94	574	253
Business acquisition costs, realized and unrealized	199	50	1,501	706
Value adjustment on acquired inventories	111	-	446	-
Adjusted EBITDA	\$9,604	\$5,721	\$21,578	\$14,838
Diluted weighted average number of common shares outstanding	42,101	37,676	40,126	35,546
Adjusted EBITDA per share - diluted	\$0.24	\$0.15	\$0.54	\$0.42