



PRESS RELEASE
FOR IMMEDIATE RELEASE

**Savaria Announces Another Record Quarter -
Revenue is up 30% and Adjusted EBITDA is up 29%**

Laval, Quebec, August 10, 2017 – Savaria Corporation (TSX: SIS), one of North America’s leaders in the accessibility industry, discloses its results for its second quarter ended June 30, 2017.

Highlights:

Second quarter 2017 results, including revenue, gross margin and adjusted EBITDA⁽¹⁾, reached unprecedented levels.

Quarter ended June 30, 2017

- Record revenue of \$39.1 million, up \$9 million or 30.1%;
- Record gross margin of \$13.1 million, up \$3.3 million or 34%;
- Operating income of \$4.5 million, up \$616,000 or 16%;
- Record adjusted EBITDA of \$6.5 million, up \$1.5 million or 28.8%;
- Acquisition of Span-America Medical Systems, Inc. (« Span ») on June 16, 2017.

Six months ended June 30, 2017

- Record revenue of \$70.3 million, up \$14 million or 24.8%;
- Record gross margin of \$24 million, up \$5.7 million or 31.2%;
- Record operating income of \$9.1 million, up \$1.5 million or 20.2%;
- Record adjusted EBITDA of \$11.6 million, up \$2.7 million or 29.9%.

(in thousands, except per-share amounts and percentages – Unaudited)	Quarters Ended June 30,			Six Months Ended June 30,		
	2017	2016	Change	2017	2016	Change
Revenue	\$39,134	\$30,086	30.1%	\$70,260	\$56,302	24.8%
Gross margin	\$13,123	\$9,795	34%	\$23,968	\$18,262	31.2%
<i>% of revenue</i>	33.5%	32.6%	<i>n/a</i>	34.1%	32.4%	<i>n/a</i>
Net income	\$2,764	\$2,763	-%	\$6,101	\$5,146	18.6%
<i>% of revenue</i>	7.1%	9.2%	<i>n/a</i>	8.7%	9.1%	<i>n/a</i>
Earnings per share – diluted	\$0.07	\$0.08	(12.5)%	\$0.16	\$0.15	6.7%
Adjusted EBITDA	\$6,533	\$5,074	28.8%	\$11,637	\$8,958	29.9%
<i>% of revenue</i>	16.7%	16.9%	<i>n/a</i>	16.6%	15.9%	<i>n/a</i>
Adjusted EBITDA per share – diluted	\$0.16	\$0.14	14.3%	\$0.29	\$0.26	11.5%

⁽¹⁾ Earnings before interest, taxes, depreciation, amortization and business acquisition costs (see section *Compliance with International Financial Reporting Standards*)

A Word from the President

“Our second quarter marked key achievements for Savaria in its quest to be the North American leader in the mobility industry. Revenue reached \$39 million, representing an increase of 30% over the second quarter of 2016. Adjusted EBITDA hit \$6.5 million, an increase of 29% over the same quarter in 2016. The revenue increase was driven by a 18% increase in residential elevator sales and the sales of 37 inclined platform lifts for a Bus Rapid Transit in Wuhan, China, by our division in Huizhou. This contract was extended to include 10 more lifts that will be installed in July 2017. Excluding the sales coming from Span acquisition, the sales increase would have been 19 %”, declared Marcel Bourassa, President and Chief Executive Officer of Savaria.

“A major milestone for Savaria was the successful acquisition of Span that closed on June 16, 2017. This initiative yields two key benefits for Savaria: firstly, it adds medical beds and therapeutic surfaces to the Savaria portfolio of products and secondly, it provides a strong distribution network in both the home care and long-term care markets for Savaria’s new line of patient lift products.

“With a strong balance sheet and solid operating results, Savaria strives to continue its excellent organic growth while seeking out opportunities to grow through additional acquisitions,” 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 adjusts 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.

Dividend

As per the Corporation’s dividend policy, the Board of Directors has declared a dividend of 6.5 cents (\$0.065) per common share for the second quarter of 2017. The dividend is payable on September 5, 2017, to shareholders of record of the Corporation at the close of business on August 21, 2017. This is an eligible dividend within the meaning of the *Income Tax Act*.

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, as well as elevators for home and commercial use. 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 principal plants are located in Laval and Magog (Quebec), Brampton and Beamsville (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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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 June 30, 2017 will be available shortly on Savaria’s website and on SEDAR (www.sedar.com).

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

(in thousands of dollars – Unaudited)	Quarters Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	\$2,764	\$2,763	\$6,101	\$5,146
Plus:				
Interest expense	152	195	334	391
Income tax expense	1,510	1,054	2,657	1,931
Depreciation of fixed assets	444	295	812	620
Amortization of intangible assets	211	172	398	340
Less:				
Interest income	146	61	263	126
EBITDA	\$4,935	\$4,418	\$10,039	\$8,302
Business acquisition costs, realized and unrealized	1,263	656	1,263	656
Value adjustment on acquired inventories	335	-	335	-
Adjusted EBITDA	\$6,533	\$5,074	\$11,637	\$8,958
Diluted weighted average number of common shares outstanding	40,641	35,087	39,140	34,451
Adjusted EBITDA per share - diluted	\$0.16	\$0.14	\$0.29	\$0.26