



PRESS RELEASE
FOR IMMEDIATE RELEASE

**Savaria Presents Record Revenue of \$72 Million for
Third Quarter of 2018**

Laval, Québec, Canada, November 14, 2018 – Savaria Corporation (“Savaria”) (TSX: SIS), one of the global leaders in the accessibility industry, announces results for its third quarter ended September 30, 2018.

Highlights:

On August 31, 2018, Savaria acquired all of the issued and outstanding shares of Garaventa Accessibility AG (“Garaventa”). The combination of Savaria and Garaventa will create an industry leader with a global foot print, a broad distribution network and one of the most comprehensive portfolios of accessibility products in the market today.

Third quarter ended September 30, 2018

- Record revenue of \$72.1 million, up \$15.1 million or 26.5%;
- Gross margin of \$23.9 million, up \$4 million or 20.2%;
- Operating income before other expenses of \$7.5 million, up \$0.4 million or 5.6%; and
- Adjusted EBITDA⁽¹⁾ of \$9.7 million, up \$0.1 million or 0.9%.

Nine months ended September 30, 2018

- Record revenue of \$192.9 million, up \$64.4 million or 50.1%;
- Gross margin of \$64.4 million, up \$20.5 million or 46.7%;
- Operating income before other expenses of \$21.2 million, up \$3.7 million or 21%; and
- Adjusted EBITDA⁽¹⁾ of \$27.7 million, up \$6.1 million or 28.5%.

(in thousands, except per-share amounts and percentages - unaudited)	Quarters Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
Revenue	\$72,089	\$56,988	26.5%	\$192,916	\$128,492	50.1%
Gross margin	\$23,928	\$19,904	20.2%	\$64,359	\$43,872	46.7%
<i>% of revenue</i>	33.2%	34.9%	<i>n/a</i>	33.4%	34.1%	<i>n/a</i>
Adjusted EBITDA ⁽¹⁾	\$9,695	\$9,604	0.9%	\$27,725	\$21,578	28.5%
<i>% of revenue</i>	13.4%	16.9%	<i>n/a</i>	14.4%	16.8%	<i>n/a</i>
Adjusted EBITDA per share – diluted	\$0.21	\$0.23	(8.7)%	\$0.63	\$0.54	16.7%

⁽¹⁾ Earnings before interest, taxes, depreciation, amortization, realized and unrealized business acquisition costs, the value adjustment on acquired inventories, stock-based compensation, provision for restructuring costs of Garaventa’s operations in China, proceeds from insurance claim and gain on financial instrument (see section below “Compliance with International Financial Reporting Standards”).

A Word from the President

"I am very satisfied with our record revenue of \$72 million for our third quarter, a 26.5% increase over last year's \$57 million. Reaching this level of sales puts us on track for our goal of \$285 million for 2018 and \$400 million for 2019," declared Marcel Bourassa, President and Chief Executive Officer of Savaria.

"Even though our adjusted EBITDA of \$9.7 million is similar to our third quarter of 2017, a series of actions across many divisions of Savaria have been taken to increase the profitability, including:

- Consolidating operations in China by reorganizing and moving Garaventa China (Shanghai) operations to the Savaria China facility in Huizhou;*
- Completing the set-up of ceiling lift assembly at Span-America in Greenville, South Carolina, USA, exclusively for distribution in the US market;*
- Procurement of a new laser fabrication machine at Garaventa Canada's Surrey, British Columbia plant;*
- Additional staffing at our Savaria Brampton, Ontario plant aimed at increasing production;*
- Successfully crash-testing a new short-floor wheelchair conversion design for the Toyota Sienna minivan;*
- Additional marketing for our Vuelift luxury glass elevator as well as increased spending on digital marketing for North America; and*
- Development of a new cloud-based ordering system for our ceiling lift sales through our Span-America division.*

"These initiatives are all aimed at meeting our 2019 revenue and EBITDA goals. Our EBITDA for fiscal 2019 is forecast between \$60 and \$62 million, with \$400 million in revenue.

"Our third quarter saw strong revenue from our core business, residential elevators. We manufactured 402 residential elevators in comparison with 348 in third quarter 2017. This is an increase of 15.5%. Excluding our acquisitions of Garaventa, Master Lifts and H.E.S., revenue grew 12.6% over last year with EBITDA hitting 22.3% of revenue.

"Our strong balance sheet allows us to continue to study strategic acquisitions focused on adding sales territory or new products. With approximately 1,400 employees, 640,000 square feet of factory space from our 9 facilities, 500 dealers and 28 sales offices, we have taken a new global position in the accessibility business. I wish to thank our employees and dealers for their ongoing support and commitment to Savaria group," concluded Mr. Bourassa.

Outlook 2018

Having closed the acquisition of Garaventa, Savaria is now forecasting revenue of \$285 million and adjusted EBITDA in a range of \$44 to \$45 million for 2018. For 2019, Savaria forecasts revenue of \$400 million and adjusted EBITDA in a range of \$60 to \$62 million, excluding any new acquisitions.

Savaria Corporation (savaria.com) is one of the global 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 ceiling lifts. It 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. In addition, Savaria converts and adapts vehicles to be wheelchair accessible. Savaria records approximately 75% of its revenue outside of Canada, primarily in the United States. It operates a sales network of some 500 dealers worldwide and 28 direct sales offices in North America, Europe (Switzerland, Germany, Italy, Czech Republic and Poland), Australia and China. Savaria employs approximately 1,400 people globally and its plants are located in Canada: Laval and Magog (Québec), Brampton, Beamsville and Toronto (Ontario) and Surrey (British Columbia), in the United States at Greenville (South Carolina), in Huizhou (China) and in Milan (Italy).

Compliance with International Financial Reporting Standards (“IFRS”)

The information appearing in this press release has been prepared in accordance with IFRS. However, Savaria 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

The statements set forth in this press release, which describe Savaria’s objectives, projections, estimates, expectations or forecasts, may constitute forward-looking statements within the meaning of securities legislation. Positive or negative verbs such as “will”, “plan”, “evaluate”, “estimate”, “believe”, “expect” and other related expressions are used to identify such statements. Savaria would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results, or the measures it adopts, could differ materially from those indicated or underlying these statements, or could have an impact on the degree of realization of a particular projection. Major factors that may lead to a material difference between Savaria’s actual results and the projections or expectations set forth in the forward-looking statements include the effects of the integration of acquired businesses and the ability to achieve projected synergies, fluctuations in margins, competition, exchange rate variations, and such other risks as described in detail from time to time in documents filed by Savaria with securities regulatory authorities in Canada. Unless otherwise required by applicable securities laws, Savaria disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking information in this press release is based on information available as of the date of the release.

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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 the quarter ended September 30, 2018 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, except per-share amounts - unaudited)	Quarters Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	\$2,754	\$4,812	\$12,902	\$10,913
Plus:				
Interest expense	868	399	2,087	733
Income tax expense	1,534	1,386	5,085	4,043
Depreciation of fixed assets	903	774	2,262	1,586
Amortization of intangible assets	1,149	1,662	3,544	2,060
Less:				
Interest income	343	16	501	279
EBITDA	\$6,865	\$9,017	\$25,379	\$19,056
Plus:				
Stock-based compensation	389	277	899	575
Business acquisition costs, realized and unrealized	887	199	2,007	1,501
Value adjustment on acquired inventories	-	111	-	446
Provision for restructuring costs of Garaventa's operations in China	1,554	-	1,554	-
Less:				
Proceeds from insurance claim	-	-	1,611	-
Gain on financial instrument	-	-	503	-
Adjusted EBITDA	\$9,695	\$9,604	\$27,725	\$21,578
Diluted weighted average number of common shares outstanding	45,726	42,101	44,071	40,126
Adjusted EBITDA per share - diluted	\$0.21	\$0.23	\$0.63	\$0.54