



PRESS RELEASE
FOR IMMEDIATE RELEASE

Savaria's Revenue Up 61% and Adjusted EBITDA Up 50% for Second Quarter of 2018

Laval, Quebec, August 8, 2018 – Savaria Corporation (TSX: SIS), one of North America's leaders in the accessibility industry, discloses results for its second quarter ended June 30, 2018.

Highlights:

Second quarter 2018 results, including Revenue, Operating income and Adjusted EBITDA reached unprecedented levels.

Quarter ended June 30, 2018

- Revenue of \$64.2 million, up \$24.4 million or 61.2%;
- Gross margin of \$21.7 million, up \$8.6 million or 65.4%;
- Operating income of \$8.7 million, up \$4.2 million or 94.1%;
- Net earnings of \$6.4 million, up \$3.6 million or 131%;
- Adjusted EBITDA⁽¹⁾ of \$10.1 million, up \$3.4 million or 49.8%.

Six months ended June 30, 2018

- Revenue of \$120.8 million, up \$49.3 million or 69%;
- Gross margin of \$40.4 million, up \$16.5 million or 68.7%;
- Operating income of \$14.2 million, up \$5.1 or 55.5%;
- Net earnings of \$10.1 million, up \$4 million or 66.3%;
- Adjusted EBITDA⁽¹⁾ of \$18 million, up \$6.1 million or 50.6%.

(in thousands, except per-share amounts and percentages - unaudited)	Quarters Ended June 30,			Six Months Ended June 30,		
	2018	2017	Change	2018	2017	Change
Revenue	\$64,235	\$39,841	61.2%	\$120,827	\$71,504	69%
Gross margin	\$21,702	\$13,123	65.4%	\$40,431	\$23,968	68.7%
<i>% of revenue</i>	33.8%	32.9%	n/a	33.5%	33.5%	n/a
Net income	\$6,376	\$2,764	131%	\$10,148	\$6,101	66.3%
<i>% of revenue</i>	9.9%	6.9%	n/a	8.4%	8.5%	n/a
Earnings per share – diluted	\$0.14	\$0.07	100%	\$0.23	\$0.16	43.8%
Adjusted EBITDA ⁽¹⁾	\$10,106	\$6,745	49.8%	\$18,030	\$11,974	50.6%
<i>% of revenue</i>	15.7%	16.9%	n/a	14.9%	16.7%	n/a
Adjusted EBITDA per share – diluted	\$0.23	\$0.17	35.3%	\$0.42	\$0.31	35.5%

⁽¹⁾ Earnings before interest, taxes, depreciation, amortization, realized and unrealized business acquisition costs, the value adjustment on acquired inventories, stock-based compensation, proceeds from insurance claim and gain on financial instrument (see section Compliance with International Financial Reporting Standards)

A Word from the President

“The second quarter of 2018 met our expectations with record-setting revenue of \$64 million and adjusted EBITDA of \$10 million. Our adjusted EBITDA-to-revenue represents 15.7%, meeting our goal. The Accessibility segment delivered an on-target 10% residential elevator unit growth over Q2 of 2017, while solid bookings in Q2 foretell strong revenue in the last two quarters of 2018. As of June 30, 2018, we successfully transferred our production line of ceiling lift products destined for the U.S. market to Greenville, South Carolina, which will enable us to deliver more efficiently. Adding to this, we are also in process to assemble and distribute our K2 straight stairlift using our Greenville facility. The Canadian market will continue to receive these products from Magog, Quebec and Brampton, Ontario, respectively” declared Marcel Bourassa, President and Chief Executive Officer of Savaria.

“We have an impressive portfolio of new business in development that meets our strategic plan of adding sales territories, distribution channels and products. Both our ceiling lift product line and our new Vuelift glass elevator are building new sales opportunities, while our Greenville Span-America location provides us with an important U.S. manufacturing facility. In the ever-changing marketplace, our strategic acquisitions provide us the needed flexibility to optimize growth. Our recent agreement to acquire Garaventa Accessibility AG will deliver a much-needed west coast presence and will provide new opportunities in European markets along with added strength for the Asia-Australia market,” concluded Mr. Bourassa.

Outlook 2018

Factoring in the benefits of the acquisition of Master Lifts that was completed in December 2017, as well as our new Vuelift elevators, we forecast revenue of approximately \$268 M and adjusted EBITDA in a range of \$42.5-\$44.5 M for fiscal 2018. These forecasts do not include the acquisition of H.E.S. in April 2018 nor the impact of any acquisitions that might take place in the remainder of 2018.

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 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 around 66% 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

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 June 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 June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income	\$6,376	\$2,764	\$10,148	\$6,101
Plus:				
Interest expense	813	152	1,219	334
Income tax expense	2,216	1,510	3,551	2,657
Depreciation of fixed assets	709	444	1,359	812
Amortization of intangible assets	1,203	211	2,395	398
Less:				
Interest income	155	146	158	263
EBITDA	\$11,162	\$4,935	\$18,514	\$10,039
Plus:				
Stock-based compensation	295	212	510	298
Business acquisition costs, realized and unrealized	763	1,263	1,120	1,302
Value adjustment on acquired inventories	-	335	-	335
Less:				
Proceeds from insurance claim	1,611	-	1,611	-
Gain on financial instrument	503	-	503	-
Adjusted EBITDA	\$10,106	\$6,745	\$18,030	\$11,974
Diluted weighted average number of common shares outstanding	44,496	40,641	43,342	39,140
Adjusted EBITDA per share - diluted	\$0.23	\$0.17	\$0.42	\$0.31