

Savaria Announces Third Quarter Results Revenues up 33.8% and Adjusted EBITDA up 57.1%

Laval, Québec, Canada, November 13, 2019 – Savaria Corporation (“Savaria”) (TSX: SIS), one of the global leaders in the accessibility industry, announces today its results for the third quarter 2019 ended on September 30, 2019.

Highlights of the Quarter ended September 30, 2019

- Revenue for the quarter was \$96.4M, up \$24.3M or 33.8% compared to Q3 2018.
- Gross margin was \$32.1M, up \$8.2M or 34.3% compared to Q3 2018.
- Adjusted EBITDA¹ was \$15.7M, up \$5.7M, or 57.1% compared to Q3 2018.
- Adjusted EBITDA margin¹ stood at 16.2% compared to 13.8% in Q3 2018. Excluding the favourable impact related to the adoption of IFRS 16 – Leases, adjusted EBITDA margin was 15.5%.
- Garaventa Lift’s adjusted EBITDA margin stood at 11.8%, compared to 9.4% in Q2 2019, in line with ongoing integration efforts.
- Patient Handling adjusted EBITDA margin stood at 15.2%, compared to 9.1% in Q3 2018, in line with expectations and mainly due to a better product mix, continued cost containment efforts and to management’s decision to exit Span’s low margin custom products market segment, effective Q3 2019.
- Adjusted net earnings¹ for the quarter were \$8.1M, up 78.8% compared to Q3 2018. On a per share basis, it stood at \$0.17, up 70.0% compared to the same period in 2018.
- Net earnings for the quarter were \$7.8M, or \$0.16 per share, on a diluted basis, up 184.2% and 166.7%, respectively, compared to Q3 2018.
- On September 30, 2019, the Corporation completed a sale and leaseback transaction pertaining to its Surrey, British Columbia operating plant, netting proceeds of \$28.4M.

in thousands of dollars, except per-share amounts and percentages – Unaudited	Q3			YTD		
	2019	2018	Change	2019	2018	Change
Revenue	\$ 96,434	\$ 72,089	33.8%	\$ 277,903	\$ 192,916	44.1%
Gross margin	\$ 32,134	\$ 23,928	34.3%	\$ 91,228	\$ 64,359	41.7%
% of revenue	33.3%	33.2%	n/a	32.8%	33.4%	n/a
Adjusted net earnings ¹	\$ 8,066	\$ 4,511	78.8%	\$ 17,943	\$ 14,287	25.6%
% of revenue	8.4%	6.3%	n/a	6.5%	7.4%	n/a
Adjusted net earnings per share	\$ 0.17	\$ 0.10	70.0%	\$ 0.38	\$ 0.33	15.2%
Adjusted EBITDA ¹	\$ 15,652	\$ 9,963	57.1%	\$ 40,400	\$ 27,901	44.8%
% of revenue	16.2%	13.8%	n/a	14.5%	14.5%	n/a
Adjusted EBITDA per share	\$ 0.31	\$ 0.22	40.9%	\$ 0.85	\$ 0.65	30.8%

¹ Non-IFRS measures are described in the ‘Glossary’ section of the MD&A

A Word from the President

"It is a pleasure to present to our shareholders strong results for the third quarter of 2019. Revenue reached \$96.4 million and adjusted EBITDA \$15.7 million, representing increases of over 33% and 57%, respectively, over the same period in 2018. We met our goal of attaining an adjusted EBITDA to revenue ratio of over 16% for the quarter, stemming mainly from our on-going integration of Garaventa Lift and the decision to exit Span's custom products business," declared Mr. Bourassa, President and Chief Executive Officer of Savaria.

"Revenue from our Accessibility segment grew organically by 8.3% during the quarter, bolstered by shipments of Savaria's core residential elevators from its Brampton facility, which increased by 13% compared to Q3 2018.

"Furthermore, two new products in particular offer us incremental growth opportunities. In early 2020, the Vuelift panoramic elevator will be available in a new smaller configuration to suit the needs of the European market and broader retrofit market globally. In addition, our acquisition of Silvalea earlier this year is opening up new opportunities for us to sell ceiling lifts and slings, particularly in North America. Savaria has now begun to manufacture slings in its Greenville, South Carolina facility, and will continue to expand its sling operations throughout 2020.

"The sale and lease-back transaction pertaining to our Vancouver production plant netted \$28.4 million, allowing us to reduce our net interest-bearing debt to less than \$15 million. This, in turn, gives us the flexibility to invest up to \$125 million without exceeding a net interest-bearing debt to adjusted EBITDA ratio of 2 times.

"Finally, our 1,500 employees around the world continue to work hard to deliver the best products and service for our customers, and I thank them for their ongoing dedication to Savaria," concluded Mr. Bourassa.

Outlook 2019

At the three-quarter year mark, the Corporation now forecasts 2019 full year revenue to range between \$370M and \$380M. The decrease in revenue from previously disclosed outlook is mainly due to the Corporation's decision to exit from Span's custom products market segment which had a more pronounced impact than anticipated. As well, flat organic growth within Span's US medical business, lower Adapted Vehicles segment revenue, and focus put upon the integration of Garaventa Lift throughout the year, also had an impact.

However, the aforementioned decision to exit Span's lower margin custom products business, combined with realized synergies from the integration of Garaventa Lift, and continued cost containment efforts, have enabled the Corporation to significantly improve its consolidated adjusted EBITDA margin profile. As a result, despite the lower anticipated revenue, the Corporation remains confident in its ability to achieve its full year \$55M to \$60M adjusted EBITDA guidance, albeit at the lower end of the range.

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 and elevators for home and commercial use. It also manufactures and markets a comprehensive selection of pressure management products for the medical market, medical beds for the long-term care market, as well as an extensive line of medical equipment and solutions for the safe handling of patients. In addition, Savaria converts and adapts vehicles to be wheelchair accessible. The Corporation operates a sales network of dealers worldwide and direct sales offices in North America, Europe (Switzerland, Germany, Italy, Czech Republic and Poland), United Kingdom, Australia and China. Savaria employs approximately 1,500 people globally and its plants are located across Canada in Laval and Magog (Québec), Brampton, Beamsville and Toronto (Ontario) and Surrey (British Columbia), in the United States at Greenville (South Carolina), in Huizhou (China), in Milan (Italy) and in Newton Abbot (UK).

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, adjusted EBITDA margin, adjusted EBITDA per share, adjusted net earnings and adjusted net earnings 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. Additional details for these non-IFRS measures can be found in Savaria's MD&A, which is posted on Savaria's website at www.savaria.com, and filed with SEDAR at www.sedar.com.

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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Q3-2019 Results Webcast and conference call on November 14, 2019, at 8:30 a.m. (EST)

Savaria will host a conference call on Thursday, November 14, 2019 at 8:30 a.m. Eastern Time with financial analysts to discuss results of the third quarter ended September 30, 2019. Investors and members of the media are invited to participate on a listen-only basis.

Conference call access:

Local Dial-in Numbers: 647.427.7450 or 514.807.9895

North American Toll Free Number: 1.888.231.8191

Webcast URL (EN): <https://event.on24.com/wcc/r/2131049/0319B92C7482A57747D6878FDCC08913>

A link to the replay of the webcast will be available on the Corporation's website at www.savaria.com.

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