

Savaria Presents the Best Quarter in Its History Revenues of \$94 million compared to \$64 million in 2018 Adjusted EBITDA of \$14.4 million compared to \$10 million in 2018

Laval, Québec, Canada, August 14, 2019 – Savaria Corporation (“Savaria”) (TSX: SIS), one of the global leaders in the accessibility industry, announces today its results for the second quarter 2019 ended on June 30, 2019.

Quarter ended June 30, 2019 Highlights

- Revenue for the quarter was \$94.0M, up \$29.8M or 46.3% compared to Q2 2018.
- Gross margin was \$32.0M, up \$10.3M or 47.6% compared to Q2 2018.
- Adjusted EBITDA¹ stood at \$14.4M, up \$4.3M, or 43.0% compared to Q2 2018.
- Adjusted EBITDA margin¹ stood at 15.3% compared to 15.6% in Q2 2018. As anticipated, the decrease in adjusted EBITDA margin was mainly due to the blending of Garaventa Lift’s operations, acquired in Q3 2018, which has a higher structural cost base with Savaria’s legacy operations. Excluding Garaventa Lift and the favourable impact related to the adoption of IFRS 16 – Leases, adjusted EBITDA margin stood at 17.4%.
- Garaventa Lift’s adjusted EBITDA margin stood at 9.4%, compared to 7.3% in Q1 2019, in line with ongoing integration efforts.
- Adjusted net earnings¹ for the quarter stood at \$6.2M, up 8.0% compared to Q2 2018. On a per share basis, it stood at \$0.13, flat, compared to the same period in 2018.
- Net earnings for the quarter were \$5.5M, or \$0.11 per share, on a diluted basis, down 13.9% and 21.4%, respectively, compared to Q2 2018, due mainly to a one-time favourable insurance claim settlement of \$1.6M in 2018.
- On April 24, 2019, the Corporation completed a bought deal private placement financing consisting of 5,000,000 common shares at a price of \$14.15 per share, for gross proceeds totalling \$70.8M.
- On June 18, 2019, Savaria announced it had entered into an agreement to acquire all of the outstanding shares of Silvalea Ltd and its sister company D-ansermed Ltd, a manufacturer of patient transfer slings and accessories, based in Newton Abbot, UK, for approximately \$7.8M (£4.6M). The transaction was completed on July 1, 2019.

in thousands of dollars, except per-share amounts and percentages – Unaudited	Q2			YTD		
	2019	2018	Change	2019	2018	Change
Revenue	\$ 93,992	\$ 64,235	46.3%	\$ 181,469	\$ 120,827	50.2%
Gross margin	\$ 32,040	\$ 21,702	47.6%	\$ 59,094	\$ 40,431	46.2%
% of revenue	34.1%	33.8%	n/a	32.6%	33.5%	n/a
Adjusted net earnings ¹	\$ 6,207	\$ 5,747	8.0%	\$ 9,877	\$ 9,776	1.0%
% of revenue	6.6%	8.9%	n/a	5.4%	8.1%	n/a
Adjusted net earnings per share – diluted	\$ 0.13	\$ 0.13	-	\$ 0.21	\$ 0.23	(8.7)%
Adjusted EBITDA ¹	\$ 14,360	\$ 10,040	43.0%	\$ 24,748	\$ 17,938	38.0%
% of revenue	15.3%	15.6%	n/a	13.6%	14.8%	n/a
Adjusted EBITDA per share – diluted	\$ 0.30	\$ 0.23	30.4%	\$ 0.53	\$ 0.41	29.3%

¹ Non-IFRS measures are described in the “Glossary” section of the MD&A

A Word from the President

"We succeeded to reach our best quarter in the Corporation's history for both revenue and adjusted EBITDA at \$94 million in revenue and adjusted EBITDA of \$14.4 million, up 46% and 43% respectively over Q2 2018," declared Marcel Bourassa, President and Chief Executive Officer of Savaria.

"The integration of our recent acquisitions has been our unrelenting focus for many months and this helped us attain an adjusted EBITDA to revenue ratio of 15.3% in the second quarter, in line with expectations and on track to achieve our margin target for the full year. We have made good progress with efficiency gains in productivity, overall labour and materials, and feel confident to be able to continue these trends throughout the remainder of the year and into 2020.

"As we near the one-year anniversary of our acquisition of Garaventa Lift, it is important to recall that we purchased the company based on an annual adjusted EBITDA of \$8.3 million. In the first 6 months of 2019, which include the seasonally weak Q1, Garaventa Lift has delivered an adjusted EBITDA of \$5.3 million. This improvement is a testament to the hard work and collaboration between the Savaria and Garaventa Lift management teams.

"Finally, with our strong balance sheet, we remain well-positioned to evaluate potential acquisitions that align with our business strategy," concluded Mr. Bourassa.

Outlook 2019

With results to date in line with expectations, management remains confident in its ability to deliver on plan for 2019, and as such, reiterates its previously disclosed full year outlook of \$385M to \$400M in revenue and \$55M to \$60M in adjusted EBITDA.

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), 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, 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.

Q2-2019 Results Webcast and conference call on August 15, 2019, at 8:30 a.m. (EDT)

Savaria will host a conference call on Thursday, August 15, 2019 at 8:30 a.m. Eastern Time with financial analysts to discuss results of the second quarter ended June 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/2063085/F4122BBF557DB63722BF8DE143B03A2A>

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

For further information:

Mauro Ferrara, CPA, CA
Chief Financial Officer

mferrara@savaria.com
1.800.931.5655, ext. 227

Marcel Bourassa
President and Chief Executive Officer

mbourassa@savaria.com
1.800.661.5112

savaria.com

facebook.com/savariabettermobility

twitter.com/Mobilityforlife