



Savaria Corporation (SISXF)

Updated May 16th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	\$13.62	5 Year Annual Expected Total Return:	-1.8%	Market Cap:	\$1.00 B
Fair Value Price:	\$8.40	5 Year Growth Estimate:	4.0%	Ex-Dividend Date:	05/30/2025 ¹
% Fair Value:	162%	5 Year Valuation Multiple Estimate:	-9.2%	Dividend Payment Date:	06/09/2025
Dividend Yield:	2.9%	5 Year Price Target	\$10.22	Years Of Dividend Growth:	12 ²
Dividend Risk Score:	D	Sector:	Industrials	Rating:	Hold

Overview & Current Events

Savaria Corporation, founded in 1979, is a leading provider of mobility solutions, specializing in accessibility products such as stairlifts, home and commercial elevators, platform lifts, and medical beds. Headquartered in Canada, Savaria serves a growing market of elderly and physically challenged individuals. The company has expanded significantly over the years, both organically and through acquisitions, positioning itself as a key player in the accessibility market. The company pays dividends on a monthly basis since 2017. It reports its financials in CAD. All figures in this report have been converted to USD unless otherwise noted. The stock trades at a market cap of \$1.00 billion.

On May 7th, 2025, Savaria reported its Q1 results for the period ending March 31st, 2025. Revenues increased by 5.2% to \$158.57 million. This growth was driven by organic revenue growth of 0.8% and a 3.3% positive impact from foreign exchange fluctuations, with the acquisition of Matot contributing positively.

Gross profit was \$59.94 million, a 10.4% increase year-over-year, resulting in a gross margin of 37.8%. Operating income rose by 19.8% to \$15.29 million, while Adjusted EBITDA grew 17.2% to \$29.27 million USD, with a margin of 18.5%. Net income was \$8.99 million, or \$0.12 per share, compared to \$8.37 million, or \$0.12 per share, in Q1 2024. For the year, IFRS EPS was \$0.69. For FY2025, we believe the company can achieve adjusted EPS of \$0.70, excluding non-cash items.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$0.20	\$0.25	\$0.37	\$0.29	\$0.41	\$0.41	\$0.15	\$0.41	\$0.43	\$0.47	\$0.70	\$0.85
DPS	\$0.13	\$0.17	\$0.17	\$0.27	\$0.33	\$0.37	\$0.39	\$0.37	\$0.39	\$0.37	\$0.39	\$0.47
Shares³	32.4	35.9	40.6	44.4	48.7	50.9	62.2	64.5	66.5	71.7	72.0	77.0

In the years between 2015 and 2017, Savaria's EPS grew steadily, particularly driven by its expansion into new markets and the strengthening of its Accessibility and Patient Care segments. The jump in 2017 to \$0.37 was notable, as Savaria benefitted from the Visilift acquisition, which helped it tap into the luxury residential elevator market. The dip in 2018 was mainly attributed to one-time hurdles, including supply chain issues and integration costs linked to the acquisitions of Garaventa Lift and Handicare, both of which led to higher operational expenses. Despite these headwinds, Savaria regained momentum with EPS increases in the following years, despite the pandemic's impact on the market.

From 2022 onwards, EPS growth reflects the operational synergies from the Handicare acquisition, some manufacturing efficiencies, and product diversification. The integration of Handicare and the expansion into global markets were solid drivers of this growth, as Savaria gained market leadership in both accessibility and patient care products.

Looking forward, Savaria's EPS growth could moderate to a more stable pace as the company focuses on consolidating its acquisitions and driving organic growth, with challenges like supply chain disruptions and inflation potentially

¹ Estimated dates based on past dividend dates.

² In local currency (CAD).

³ Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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impacting margins. For this reason, we forecast that EPS will grow at a CAGR of 4% through 2030. We have applied the same rate to our dividend growth estimate. Note that the company has increased its dividend for 12 consecutive years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	---	---	---	---	27.9	25.5	80.5	31.7	30.7	27.9	19.5	12.0
Avg. Yld.	---	---	---	---	2.9%	3.5%	3.2%	2.8%	3.0%	2.8%	2.9%	4.6%

Savaria's valuation has fluctuated notably over the years, mainly due to its wild swings in earnings, which in turn, are largely linked to one-off items. Today, shares trade at roughly 19.5 times our EPS estimate for fiscal 2025, excluding any such extraordinary items. We appreciate Savaria's earnings growth trajectory and recession-resilient bossiness model. Still, we believe shares should be priced at a lower multiple given our modest growth projections.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	65%	68%	46%	93%	80%	90%	260%	90%	91%	79%	56%	56%

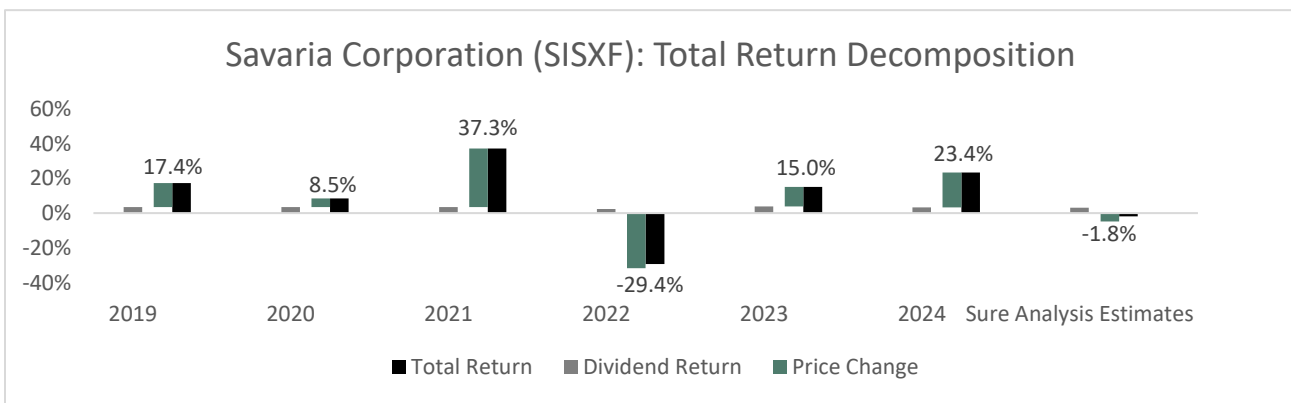
Savaria's commitment to quality is reflected in its broad portfolio of accessibility products, from stairlifts to elevators, designed for safety and reliability. The company has a competitive advantage through its global presence, operational synergies from acquisitions like Handicare and Garaventa Lift, and its ability to innovate in product offerings, such as the Vuelift panoramic elevator.

Savaria has proven to be recession-resilient as well, notably during the Great Financial Crisis, when its essential mobility products continued to see strong demand despite economic challenges. Similarly, during the COVID-19 pandemic, its products remained crucial for aging individuals looking to maintain independence at home, leading to sustained sales. The company's focus on affordable, necessity-based mobility solutions positions it well to weather economic downturns, with the aging global population further ensuring demand stability. For these reasons, we believe the dividend is safe.

Final Thoughts & Recommendation

We like Savaria for its leadership in the growing accessibility market, strong competitive advantages from acquisitions like Handicare, and proven resilience during economic downturns. Its essential products, powered by aging population trends, provide stability and long-term growth potential. However, we unsure whether Savaria has sustain its past growth rates in the following years. For these reasons, we forecast the possibility of underwhelming (potentially even negative) returns over the medium term. However, we rate the stock a hold due to its noteworthy dividend growth track record and attractive frequency of payouts.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	75	90	142	221	282	265	527	607	620	633
Gross Profit	23	31	49	72	94	91	172	196	212	235
Gross Margin	31.0%	33.9%	34.8%	32.7%	33.5%	34.5%	32.6%	32.2%	34.2%	37.1%
SG&A Exp.	14	16	30	50	65	60	133	142	156	173
D&A Exp.	1	2	5	8	11	13	39	38	36	38
Operating Profit	9	14	19	22	29	30	39	53	56	62
Operating Margin	11.9%	15.2%	13.2%	10.2%	10.3%	11.2%	7.4%	8.8%	9.1%	9.8%
Net Profit	7	9	15	14	19	20	9	27	28	35
Net Margin	9.4%	10.3%	10.5%	6.2%	6.9%	7.5%	1.7%	4.5%	4.5%	5.6%
Free Cash Flow	3	11	9	10	16	32	33	54	44	73
Income Tax	3	4	1	5	4	6	7	9	9	13

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	69	94	175	295	336	355	871	818	830	776
Cash & Equivalents	21	38	6	8	30	42	50	33	41	25
Accounts Receivable	8	9	18	32	34	31	76	67	77	68
Inventories	13	18	31	51	55	59	101	106	108	102
Goodwill & Int. Ass.	7	9	81	135	146	148	519	478	474	440
Total Liabilities	33	32	65	149	129	136	530	484	417	376
Accounts Payable	7	9	13	22	18	18	67	55	59	59
Long-Term Debt	12	13	31	74	40	40	298	270	210	167
Shareholder's Equity	35	62	110	146	207	219	341	334	414	401
LTD/E Ratio	0.35	0.21	0.28	0.51	0.19	0.18	0.87	0.81	0.51	0.42

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	10.7%	11.4%	11.1%	5.8%	6.2%	5.7%	1.5%	3.2%	3.4%	4.4%
Return on Equity	21.0%	19.1%	17.3%	10.6%	11.0%	9.3%	3.3%	8.0%	7.5%	8.7%
ROIC	15.2%	15.2%	13.7%	7.5%	8.3%	7.8%	2.0%	4.4%	4.6%	5.9%
Shares Out.	32.4	35.9	40.6	44.4	48.7	50.9	62.2	64.5	66.5	71.7
Revenue/Share	2.30	2.52	3.49	4.97	5.79	5.20	8.47	9.40	9.32	8.83
FCF/Share	0.10	0.31	0.22	0.23	0.32	0.62	0.53	0.84	0.67	1.02

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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