



DOREL JUVENILE

Maxi-Cosi
Quinny
Tiny Love
Safety 1st
Bébé Confort
Cosco
Infanti

DOREL SPORTS

Cannondale
Schwinn
Caloi
GT
Mongoose
KidTrax

DOREL HOME

Dorel Home Products
Cosco Home & Office
Ameriwood
Dorel Living
Signature Sleep
Little Seeds

EXCHANGES

TSX: DII.B, DII.A

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C O M M U N I Q U É

Dorel Provides Update on Going-Private Transaction and Confirms Outlook

Montréal, December 21, 2020 – Dorel Industries Inc. (TSX: DII.B, DII.A) (“**Dorel**” or “**we**”) previously announced a plan of arrangement (the “**Arrangement**”) in which a buyer group (the “**Buyer Group**”) led by an affiliate (the “**Purchaser**”) of funds managed by Cerberus Capital Management, L.P. will acquire all of Dorel’s issued and outstanding shares, other than shares owned by Martin Schwartz, Alan Schwartz, Jeffrey Schwartz, Jeff Segel and certain members of their respective immediate families (collectively, the “**Family Shareholders**”), at a price of C\$14.50 in cash per share (the “**Consideration**”).

The Consideration to be received by Dorel shareholders, other than the Family Shareholders (the “**Public Shareholders**”), represents a premium of:

- 233% to Dorel’s share price (C\$4.35) on February 20, 2020, the date which preceded a five-day market correction related to the COVID-19 pandemic;
- 32% to the C\$11.02 closing price of Dorel’s Class B Subordinate Voting Shares on the Toronto Stock Exchange (“**TSX**”) on September 4, 2020, the date on which the Buyer Group was granted exclusivity; and
- 19% to the 60-day volume weighted average trading price of Dorel’s Class B Subordinate Voting Shares on the TSX for the period ended October 30, 2020.

The Consideration is all cash, which provides Public Shareholders with certainty and immediate liquidity. By contrast, Dorel has historically experienced limited trading liquidity, which makes it difficult for Public Shareholders to realize meaningful liquidity through the public markets on which Dorel’s shares trade.

As Public Shareholders consider their vote on the Arrangement, Dorel would like to provide further clarification regarding certain elements of the Arrangement and confirm its previously-disclosed outlook.

- The intent to privatize Dorel and the formation of a Special Committee to oversee the privatization process began before the COVID-19 pandemic. While Dorel’s business has benefited from tailwinds related to the COVID-19 pandemic in recent quarters, the environment ahead remains uncertain. The recent share price recovery and improved cash flow profile resulted in materially higher offers to purchase the shares of Dorel than were received at the outset of the privatization process in the spring of 2020 and to a significant premium compared to the trading price of Dorel’s shares prior to the COVID-19 pandemic.

- As we disclosed on November 6, 2020 in our third quarter earnings press release, as we entered the fourth quarter, the visibility on earnings was more difficult and the then-expected second wave of the COVID-19 pandemic was beginning to have a significant impact, particularly in Europe. Since then, the second wave has spread to other markets, where it is also expected to have a significant impact. As we previously reported, the COVID-19 pandemic has adversely affected, and is expected to further adversely affect, global economies, which may have an adverse effect on our business.
- In addition to these unknowns, all three of our segments are continuing to deal with known and increasing challenges, creating delays and incremental costs across the supply chain which we expect will extend into 2021:
 - A scarcity of container availability out of Asia is disrupting our supply chain and impacting our ability to satisfy customer demand, which remains strong for the Sports and Home segments. Critical shipments are being made at very high shipping rates while others are delayed, resulting in a material increase in container costs and negatively impacting our costs and profitability;
 - The Chinese Yuan (RMB) has risen in value against the U.S. dollar by approximately 7% since July 1, 2020. With the majority of our supply being sourced from China and invoiced in U.S. dollars, this has resulted in price increases by our suppliers; and
 - Bicycle and furniture factories in Asia, as well as their suppliers, are running at full capacity, further limiting our ability to negotiate pricing on our purchases.
- We confirm the statement in our third quarter earnings press release that the fourth quarter will be challenging and that our fourth quarter adjusted operating profit will likely decrease to levels similar to those of the prior year's fourth quarter. Further, we believe that the challenges we face in the fourth quarter will continue in the first quarter of 2021 and may continue thereafter.
- The Consideration to be received by the Public Shareholders (C\$14.50 in cash per share) is fair, supported by an independent formal valuation from TD Securities Inc. and fairness opinions from TD Securities and BMO Nesbitt Burns Inc. TD Securities concluded that the fair market value of the shares ranged from C\$14.00 to C\$17.00 per share, and not the fair market value range quoted by certain shareholders.
- The shares held by the Family Shareholders will be exchanged for an indirect equity interest in the Purchaser which is based on an implied per share value of C\$14.50, the same as the Consideration to be received by Public Shareholders. This equity interest represents, in the aggregate, approximately 26.7% of the common equity in the Purchaser immediately after the completion of the Arrangement and the issuance of additional debt and preferred stock to fund the Arrangement. The opportunity for the Family Shareholders to share in future profits above and beyond that percentage is available only in the event certain performance conditions are satisfied. There is no certainty this will occur.

The Board of Directors of Dorel, acting on the unanimous recommendation of the Special Committee, comprised of Dorel's six independent directors, unanimously recommends that Public Shareholders vote FOR the Arrangement. Public Shareholders are encouraged to vote well before the deadline of 5:00 p.m. (eastern time) on Friday, January 8, 2021 and are urged to read Dorel's management information circular dated December 3, 2020, which is available under Dorel's profile on SEDAR at www.sedar.com and on Dorel's website at www.dorel.com. Information on the Arrangement, including updated FAQs and important documents, is also available at www.dorel.com.

Dorel shareholders with questions on how to vote should contact Kingsdale Advisors, Dorel's strategic shareholder advisor and proxy solicitation agent, at 1-888-823-4343 (toll-free within North America) or at 1-416-867-2272 (outside of North America) or by email at contactus@kingsdaleadvisors.com.

Advisors

Kingsdale Advisors is acting as strategic shareholder and communications advisor to Dorel.

About Dorel Industries Inc.

Dorel Industries Inc. (TSX: DII.B, DII.A) is a global organization, operating three distinct businesses in juvenile products, bicycles and home products. Dorel's strength lies in the diversity, innovation and quality of its products as well as the superiority of its brands. Dorel Juvenile's powerfully branded products include global brands Maxi-Cosi, Quinny and Tiny Love, complemented by regional brands such as Safety 1st, Béb  Confort, Cosco and Infanti. Dorel Sports brands include Cannondale, Schwinn, GT, Mongoose, Caloi and IronHorse. Dorel Home, with its comprehensive e-commerce platform, markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US \$2.6 billion and employs approximately 8,000 people in facilities located in 25 countries worldwide.

Caution Regarding Forward-Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. More particularly and without limitation, this press release contains forward-looking statements and information regarding the completion of the Arrangement. Except as may be required by Canadian securities laws, Dorel does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from Dorel's expectations expressed in or implied by such forward-looking statements. As a result, Dorel cannot guarantee that any forward-looking statements will materialize, or if any of them do, what benefits Dorel will derive from them.

Although Dorel believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct, that the Arrangement will be completed or that it will be completed on the terms and conditions contemplated in this press release. Accordingly, investors and others are cautioned that undue reliance should not be placed on any forward-looking statements.

Risks and uncertainties inherent in the nature of the Arrangement include, without limitation, the failure of the parties to obtain the necessary shareholder, regulatory and court approvals or to otherwise satisfy the conditions for the completion of the Arrangement; failure of the parties to obtain such approvals or satisfy such conditions in a timely manner; significant transaction costs or unknown liabilities; the ability of the Board of Directors to consider and approve, subject to compliance by Dorel with its obligations under the Arrangement Agreement, a superior proposal for Dorel; the failure to realize the expected benefits of the Arrangement; and general economic conditions. Failure to obtain the necessary shareholder, regulatory and court approvals, or the failure of the parties to otherwise satisfy the conditions for the completion of the Arrangement or to complete the Arrangement, may result in the Arrangement not being completed on the proposed terms or at all. In addition, if the Arrangement is not completed, and Dorel continues as an independent entity, there are risks that the announcement of the proposed Arrangement and the dedication of substantial resources by Dorel to the completion of the Arrangement could have an impact on its business and strategic relationships, including with future and prospective employees, customers, suppliers and partners, operating results and activities in general, and could have a material adverse effect on its current and future operations, financial condition and prospects. Furthermore, the failure by Dorel to comply with the terms of the Arrangement Agreement entered into with the Purchaser may, in certain circumstances, result in it being required to pay a fee to the Buyer Group, the result of which could have a material adverse effect on its financial position and results of operations and its ability to fund growth prospects and current operations. Consequently, Dorel cautions readers not to place undue reliance on the forward-looking statements and information contained in this press release.

No Offer or Solicitation

This announcement is for informational purposes only and does not constitute an offer to purchase or a solicitation of an offer to sell Dorel shares.