



DOREL JUVENILE

Maxi-Cosi

Tiny Love

Safety 1st

BebeConfort

Cosco

Infanti

DOREL HOME

Dorel Home Products

Cosco Home & Office

Ameriwood

Dorel Living

Signature Sleep

Little Seeds

EXCHANGES

TSX: DII.B, DII.A

CONTACTS:

Saint Victor Investments Inc

Rick Leckner

(514) 245-9232

Dorel Industries Inc.

Jeffrey Schwartz

(514) 934-3034

Dorel Reports Fourth Quarter and 2022 Year-End Results

- **Lower U.S. sales the main cause of lower earnings in both segments**
- **Dorel Juvenile revenues increase in other markets**
- **Cost environment continuing to improve**

Montréal, March 13, 2023 — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the fourth quarter and year ended December 30, 2022.

Fourth quarter revenue from continuing operations was US\$340.3 million, down 21.8%, from US\$435.3 million a year ago. Reported net loss from continuing operations for the quarter was US\$41.4 million or US\$1.27 per diluted share compared to US\$29.6 million or US\$0.91 per diluted share a year ago. Adjusted net loss¹ from continuing operations was US\$39.8 million or US\$1.22 per diluted share compared to US\$12.0 million or US\$0.37 per diluted share in the fourth quarter a year ago.

Revenue for the full year from continuing operations was US\$1.57 billion, down 10.7%, from US\$1.76 billion the previous year. Reported net loss from continuing operations was US\$118.9 million or US\$3.65 per diluted share, compared to US\$111.8 million or US\$3.44 per diluted share the previous year. Adjusted net loss¹ from continuing operations for the year was US\$111.0 million or US\$3.41 per diluted share, compared to US\$82.7 million or US\$2.54 per diluted share in 2021.

“Fourth quarter performance was disappointing. Dorel Home sales volumes decreased markedly as our major retail partners continued to reduce ordering overall. In addition, excess inventory across the industry means we, as well as our competition, are discounting prices to move higher cost inventory, further pressuring profitability. This combination of less favourable pricing and significantly reduced overhead absorption at our facilities due to the lower sales, severely reduced earnings. Substantial cost cutting and inventory reductions have been implemented which will start to help earnings going forward. The picture is brighter at Dorel Juvenile where things are moving in the right direction. However, major U.S. retail customers continued to curtail orders, and therefore segment sales declined despite a generally positive point-of-sale performance. While the quarter was soft, Juvenile is in a recovery mode with positive signs, particularly in Europe. Several new products were launched during the quarter, and we have gained market share in a number of key juvenile categories. Inflation and potential recession pressures continue to weigh on the economy, however Dorel’s opening price point products have traditionally proved popular with consumers during these periods,” stated Dorel CEO & President, Martin Schwartz.

¹ This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section “Definition and reconciliation of non-GAAP financial ratios and measures” in this press release.

Summary of Financial Information (unaudited)			
Fourth Quarters Ended December 30,			
All figures in thousands of US \$, except per share amounts			
	2022	2021	Change
	\$	\$	%
<u>CONTINUING OPERATIONS</u>			
Revenue	340,261	435,269	(21.8%)
Net loss	(41,352)	(29,589)	(39.8%)
Per share - Basic	(1.27)	(0.91)	(39.6%)
Per share - Diluted	(1.27)	(0.91)	(39.6%)
Adjusted net loss ⁽¹⁾	(39,796)	(11,950)	(233.0%)
Per share - Diluted ⁽¹⁾	(1.22)	(0.37)	(229.7%)
Number of shares outstanding –			
Basic weighted average	32,537,617	32,508,515	
Diluted weighted average	32,537,617	32,508,515	

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section “Definition and reconciliation of non-GAAP financial ratios and measures” in this press release.

Summary of Financial Information (unaudited)			
Years Ended December 30,			
All figures in thousands of US \$, except per share amounts			
	2022	2021	Change
	\$	\$	%
<u>CONTINUING OPERATIONS</u>			
Revenue	1,570,274	1,758,705	(10.7%)
Net loss	(118,913)	(111,835)	(6.3%)
Per share - Basic	(3.65)	(3.44)	(6.1%)
Per share - Diluted	(3.65)	(3.44)	(6.1%)
Adjusted net loss ⁽¹⁾	(110,961)	(82,713)	(34.2%)
Per share - Diluted ⁽¹⁾	(3.41)	(2.54)	(34.3%)
Number of shares outstanding –			
Basic weighted average	32,536,991	32,505,967	
Diluted weighted average	33,383,404	32,505,967	

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section “Definition and reconciliation of non-GAAP financial ratios and measures” in this press release.

Dorel Home

All figures in thousands of US \$

Fourth Quarters Ended December 30 (unaudited)					
	2022		2021		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	151,338		230,740		(34.4%)
Gross profit	(2,049)	(1.4%)	20,892	9.1%	(109.8%)
Operating (loss) profit	(18,274)		4,316		n.m.
Adjusted operating (loss) profit ⁽¹⁾	(18,274)		4,638		n.m.

n.m. = not meaningful

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

All figures in thousands of US \$

Years Ended December 30 (unaudited)					
	2022		2021		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	760,083		914,344		(16.9%)
Gross profit	48,982	6.4%	106,590	11.7%	(54.0%)
Operating (loss) profit	(18,510)		40,268		n.m.
Adjusted operating (loss) profit ⁽¹⁾	(18,510)		40,590		n.m.

n.m. = not meaningful

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

Revenue for the fourth quarter was US\$151.3 million, down US\$79.4 million, or 34.4%, from US\$230.7 million last year. Consumer demand remained soft, compounded by major retail customers reducing orders to bring down their own in-stock inventory levels. This situation affected both retail store and on-line sales. For the full year, revenue was US\$760.1 million, down US\$154.3 million, or 16.9%.

Fourth quarter operating loss was US\$18.3 million compared to an operating profit of US\$4.3 million last year. Adjusted operating loss¹ for the quarter was also US\$18.3 million versus an adjusted operating profit¹ of US\$4.6 million for the fourth quarter a year ago. The primary reason for the operating profit decline was the lower sales causing poor overhead absorption rates. Margins were further reduced by higher board and freight costs, as well as by industry-wide promotional pricing, designed to reduce inventories by stimulating sales. Inventory at Dorel Home has been reduced by 19% since its peak in May. The inventory transition process is continuing as less expensive supply replaces the previous high cost landed merchandise. Also, lower inventories significantly decreased demurrage and detention fees. Operational improvements at the segment's distribution centers also reduced overall warehouse and distribution costs. For the full year, the operating loss was US\$18.5 million, compared to an operating profit of US\$40.3 million a year ago. Adjusted operating loss¹ for the full year was also US\$18.5 million, compared to an adjusted operating profit¹ of US\$40.6 million last year.

Dorel Juvenile

All figures in thousands of US \$

Fourth Quarters Ended December 30 (unaudited)					
	2022		2021		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	188,923		204,529		(7.6%)
Gross profit	30,650	16.2%	27,744	13.6%	10.5%
Operating loss	(23,501)		(26,676)		11.9%
Adjusted gross profit ⁽¹⁾	30,650		41,807		(26.7%)
Adjusted operating loss ⁽¹⁾	(21,865)		(8,908)		(145.5%)

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

All figures in thousands of US \$

Years Ended December 30 (unaudited)					
	2022		2021		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	810,191		844,361		(4.0%)
Gross profit	156,031	19.3%	187,781	22.2%	(16.9%)
Operating loss	(59,110)		(29,729)		(98.8%)
Adjusted gross profit ⁽¹⁾	156,031		201,844		(22.7%)
Adjusted operating loss ⁽¹⁾	(50,665)		(6)		n.m.

n.m. = not meaningful

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

Fourth quarter revenue was US\$188.9 million, down US\$15.6 million, or 7.6%, from US\$204.5 million last year. Organic revenue¹ decreased 3.2% year-over-year after removing the impact of varying foreign exchange rates. While point-of-sale of Dorel's product categories remained generally positive, as in the third quarter, retailers in the U.S. continued to reduce orders in the attempt to lower their overall inventories. This accounted for the organic sales decline versus last year, partially offset by increases in other markets. Europe in particular showed strong revenue growth versus prior year in almost all markets. Canada, Brazil and Mexico also improved from last year. Several new products were shipped in the quarter, with the U.S. launching new Maxi-Cosi and Safety 1st car seats as well as a new MonBebe wagon stroller. Full year revenue decreased to US\$810.2 million, down US\$34.2 million, or 4.0%, from US\$844.4 million the prior year, but organically actually increased slightly.

Fourth quarter operating loss was US\$23.5 million, compared to US\$26.7 million a year ago. Excluding restructuring costs, adjusted operating loss¹ was US\$21.9 million, compared to US\$8.9 million a year ago. The U.S. accounted for the majority of the segment's adjusted earnings decline due to lower sales, the significant impact of higher input and distribution costs, as well as high-cost inventory adjustments. Despite the sales improvements, Europe incurred losses slightly higher than prior year as higher product costs and less favourable exchange rates versus prior year impacted earnings, though the weakening U.S. dollar in the fourth quarter did ease the negative foreign exchange impact experienced through the first three quarters. Full year operating loss was US\$59.1 million compared to US\$29.7 million in 2021. The year-to-date adjusted operating loss¹

was US\$50.7 million, compared to breakeven a year ago. Foreign exchange losses were one of the most important components of the loss for the year.

Outlook

“The retail environment remained challenging through the fourth quarter, particularly in the U.S., as we expected and disclosed in our third quarter outlook. Orders from our retail partners have not picked up as they remain very cautious in the current soft consumer environment and are focusing on carefully managing their inventories and cash flow”, commented Dorel President & CEO, Martin Schwartz.

“This is even more pronounced at Dorel Home due to lower overall demand for many of their product categories. As the Home segment strives to rebuild sales volumes, efforts continue to further reduce inventories and move out existing high-cost items as aggressively as financially possible while also implementing additional cost cutting initiatives. The transition to new lower cost inventory will take time, so the timing of improved earnings in the segment in the short-term is difficult to predict.

“Despite Dorel Juvenile’s poor results in the fourth quarter, we are upbeat about our ability to return to profitability. Point-of-sale for our product categories is strong and we are seeing market share gains as we start the year. Juvenile is also facing the issue of transitioning out of higher cost inventory in an aggressive marketplace, but consumer demand for our products coupled with a lower cost environment and a more favourable foreign exchange environment should translate into positive earnings by the second quarter.

“Dorel has always fared well against the competition with our wide diversity of opening price point products when consumers trade down in difficult economic times. Coupled with a lower cost environment we expect Dorel to be on the path to recovery through 2023,” concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results on Tuesday, March 14, 2023 at 11:00 A.M. Eastern Time. Interested parties can join the call by dialing 1-888-396-8049. The conference call can also be accessed via live webcast at <http://www.dorel.com>. If you are unable to call in at this time, you may access a recording of the meeting by calling 1-877-674-7070 and entering the passcode 738710 on your phone. This recording will be available on Tuesday, March 14, 2023 as of 2:30 P.M. until 11:59 P.M. on Tuesday, March 21, 2023.

Consolidated financial statements as at December 30, 2022 will be available on the Company's website, www.dorel.com, and will be available through the SEDAR website.

Profile

Dorel Industries Inc. (TSX: DII.B, DII.A) is a global organization, operating two distinct businesses in juvenile products 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, Safety 1st and Tiny Love, complemented by regional brands such as BebeConfort, Cosco, Mother’s Choice and Infanti. Dorel Home, with its comprehensive e-commerce platform, markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US\$1.6 billion and employs approximately 4,000 people in facilities located in twenty-two 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. Except as may be required by Canadian securities laws, the Company 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, including statements regarding the impact of the macro-economic environment, including the duration and magnitude of the COVID-19 pandemic, the ability to control resurgences and new variants worldwide and other recent macro-economic events and conditions, including inflationary pressures, changes in consumer spending, exchange rate fluctuations and increases in interest rates on the Company’s business, financial position and operations, and are based on several assumptions which give rise to the possibility that actual results could differ materially from the Company’s expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved. As a result, the Company cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits the Company will derive from them. Forward-looking statements are provided in this press release for the purpose of giving information about management’s current expectations and plans and allowing investors and others to get a better understanding of the Company’s operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this press release are based on a number of assumptions that the Company believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from the Company’s expectations expressed in or implied by the forward-looking statements include:

- general economic and financial conditions, including those resulting from the current high inflationary environment;
- changes in applicable laws or regulations;
- changes in product costs and supply channels, including disruption of the Company’s supply chain resulting from the macro-economic environment;
- foreign currency fluctuations, including high levels of volatility in foreign currencies with respect to the US dollar reflecting uncertainties related to the macro-economic environment;
- customer and credit risk, including the concentration of revenues with a small number of customers;
- costs associated with product liability;
- changes in income tax legislation or the interpretation or application of those rules;
- the continued ability to develop products and support brand names;
- changes in the regulatory environment;
- outbreak of public health crises, such as the COVID-19 pandemic, that could adversely affect global economies and financial markets, resulting in an economic downturn which could be for a prolonged period of time and have a material adverse effect on the demand for the Company’s products and on its business, financial condition and results of operations;
- the effect of international conflicts on the Company’s sales, including the ongoing Russia-Ukraine war;
- continued access to capital resources, including compliance by the Company with all of the terms and conditions under its ABL facility, and the related costs of borrowing, all of which may be adversely impacted by the macro-economic environment;
- failures related to information technology systems;
- changes in assumptions in the valuation of goodwill and other intangible assets and any future decline in market capitalization;
- there being no certainty that the Company will declare any dividend in the future;
- increased exposure to cybersecurity risks as a result of remote work by the Company’s employees;
- the Company’s ability to protect its current and future technologies and products and to defend its intellectual property rights;
- potential damage to the Company’s reputation; and
- the effect of climate change on the Company.

These and other risk factors that could cause actual results to differ materially from expectations expressed in or implied by the forward-looking statements are discussed in the Company's annual MD&A and Annual Information Form filed with the applicable Canadian securities regulatory authorities. The risk factors set out in the previously mentioned documents are expressly incorporated by reference herein in their entirety.

The Company cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's business, financial condition, or results of operations. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

All figures in the tables below are in thousands of US \$, except per share amounts.

Consolidated Results

	Fourth Quarters Ended				Years Ended			
	Dec 30, 2022	Dec 30, 2021	Variation \$	%	Dec 30, 2022	Dec 30, 2021	Variation \$	%
CONTINUING OPERATIONS								
Revenue	340,261	435,269	(95,008)	(21.8)%	1,570,274	1,758,705	(188,431)	(10.7)%
Cost of sales	311,660	386,633	(74,973)	(19.4)%	1,365,261	1,464,334	(99,073)	(6.8)%
Gross profit	28,601	48,636	(20,035)	(41.2)%	205,013	294,371	(89,358)	(30.4)%
Adjusted gross profit ⁽¹⁾	28,601	62,699	(34,098)	(54.4)%	205,013	308,434	(103,421)	(33.5)%
Selling expenses	31,757	31,683	74	0.2%	126,770	125,293	1,477	1.2%
General and administrative expenses	28,877	33,178	(4,301)	(13.0)%	141,780	139,798	1,982	1.4%
Research and development expenses	7,857	6,274	1,583	25.2%	26,758	28,878	(2,120)	(7.3)%
Impairment (reversal) loss on trade accounts receivable	(795)	(351)	(444)	(126.5)%	239	(308)	547	n.m.
Restructuring costs	1,636	4,027	(2,391)	(59.4)%	8,445	15,982	(7,537)	(47.2)%
Operating loss	(40,731)	(26,175)	(14,556)	(55.6)%	(98,979)	(15,272)	(83,707)	n.m.
Adjusted operating (loss) profit ⁽¹⁾	(39,095)	(8,085)	(31,010)	(383.5)%	(90,534)	14,773	(105,307)	n.m.
Finance expenses	6,771	8,075	(1,304)	(16.1)%	28,999	38,268	(9,269)	(24.2)%
Loss before income taxes	(47,502)	(34,250)	(13,252)	(38.7)%	(127,978)	(53,540)	(74,438)	(139.0)%
Income taxes (recovery) expense	(6,150)	(4,661)	(1,489)	(31.9)%	(9,065)	58,295	(67,360)	n.m.
Net loss from continuing operations	(41,352)	(29,589)	(11,763)	(39.8)%	(118,913)	(111,835)	(7,078)	(6.3)%
Adjusted net loss from continuing operations ⁽¹⁾	(39,796)	(11,950)	(27,846)	(233.0)%	(110,961)	(82,713)	(28,248)	(34.2)%
Basic loss per share from continuing operations	(1.27)	(0.91)	(0.36)	(39.6)%	(3.65)	(3.44)	(0.21)	(6.1)%
Diluted loss per share from continuing operations	(1.27)	(0.91)	(0.36)	(39.6)%	(3.65)	(3.44)	(0.21)	(6.1)%
Adjusted diluted loss per share from continuing operations ⁽¹⁾	(1.22)	(0.37)	(0.85)	(229.7)%	(3.41)	(2.54)	(0.87)	(34.3)%
DISCONTINUED OPERATION								
Income from discontinued operation, net of tax	398	9,951	(9,553)	(96.0)%	254,876	80,211	174,665	217.8%
Net (loss) income	(40,954)	(19,638)	(21,316)	(108.5)%	135,963	(31,624)	167,587	n.m.
Basic (loss) earnings per share	(1.26)	(0.60)	(0.66)	(110.0)%	4.18	(0.97)	5.15	n.m.
Diluted (loss) earnings per share	(1.26)	(0.60)	(0.66)	(110.0)%	4.07	(0.97)	5.04	n.m.
Weighted average number of shares - Basic	32,537,617	32,508,515	n/a	n/a	32,536,991	32,505,967	n/a	n/a
Weighted average number of shares - Diluted	32,537,617	32,508,515	n/a	n/a	33,383,404	32,505,967	n/a	n/a
Gross margin ⁽²⁾	8.4%	11.2%	n/a	(280) bp	13.1%	16.7%	n/a	(360) bp
Adjusted gross margin ⁽¹⁾	8.4%	14.4%	n/a	(600) bp	13.1%	17.5%	n/a	(440) bp
Selling expenses as a percentage of revenue ⁽³⁾	9.3%	7.3%	n/a	200 bp	8.1%	7.1%	n/a	100 bp
General and administrative expenses as a percentage of revenue ⁽⁴⁾	8.5%	7.6%	n/a	90 bp	9.0%	7.9%	n/a	110 bp
n.m. = not meaningful								
n/a = not applicable								
bp = basis point								
(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.								
(2) Gross margin is defined as gross profit divided by revenue.								
(3) Selling expenses as a percentage of revenue is defined as selling expenses divided by revenue.								
(4) General and administrative expenses as a percentage of revenue is defined as general and administrative expenses divided by revenue.								

Dorel Home

	Fourth Quarters Ended				Years Ended			
	Dec 30, 2022	Dec 30, 2021	Variation		Dec 30, 2022	Dec 30, 2021	Variation	
			\$	%			\$	%
Revenue	151,338	230,740	(79,402)	(34.4)%	760,083	914,344	(154,261)	(16.9)%
Cost of sales	153,387	209,848	(56,461)	(26.9)%	711,101	807,754	(96,653)	(12.0)%
Gross profit	(2,049)	20,892	(22,941)	(109.8)%	48,982	106,590	(57,608)	(54.0)%
Selling expenses	6,964	7,662	(698)	(9.1)%	27,648	27,334	314	1.1%
General and administrative expenses	7,971	7,566	405	5.4%	34,657	33,911	746	2.2%
Research and development expenses	1,291	1,156	135	11.7%	5,190	4,774	416	8.7%
Impairment reversal on trade accounts receivable	(1)	(130)	129	99.2%	(3)	(19)	16	84.2%
Restructuring costs	-	322	(322)	(100.0)%	-	322	(322)	(100.0)%
Operating (loss) profit	(18,274)	4,316	(22,590)	n.m.	(18,510)	40,268	(58,778)	n.m.
Adjusted operating (loss) profit ⁽¹⁾	(18,274)	4,638	(22,912)	n.m.	(18,510)	40,590	(59,100)	n.m.
Gross margin ⁽²⁾	(1.4)%	9.1%	n/a	(1050) bp	6.4%	11.7%	n/a	(530) bp
Selling expenses as a percentage of revenue ⁽³⁾	4.6%	3.3%	n/a	130 bp	3.6%	3.0%	n/a	60 bp
General and administrative expenses as a percentage of revenue ⁽⁴⁾	5.3%	3.3%	n/a	200 bp	4.6%	3.7%	n/a	90 bp

n.m. = not meaningful

n/a = not applicable

bp = basis point

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

(2) Gross margin is defined as gross profit divided by revenue.

(3) Selling expenses as a percentage of revenue is defined as selling expenses divided by revenue.

(4) General and administrative expenses as a percentage of revenue is defined as general and administrative expenses divided by revenue.

Dorel Juvenile

	Fourth Quarters Ended				Years Ended			
	Dec 30, 2022	Dec 30, 2021	Variation		Dec 30, 2022	Dec 30, 2021	Variation	
			\$	%			\$	%
Revenue	188,923	204,529	(15,606)	(7.6)%	810,191	844,361	(34,170)	(4.0)%
Cost of sales	158,273	176,785	(18,512)	(10.5)%	654,160	656,580	(2,420)	(0.4)%
Gross profit	30,650	27,744	2,906	10.5%	156,031	187,781	(31,750)	(16.9)%
Adjusted gross profit ⁽¹⁾	30,650	41,807	(11,157)	(26.7)%	156,031	201,844	(45,813)	(22.7)%
Selling expenses	24,590	23,852	738	3.1%	98,385	97,291	1,094	1.1%
General and administrative expenses	22,153	21,966	187	0.9%	86,501	80,744	5,757	7.1%
Research and development expenses	6,566	5,118	1,448	28.3%	21,568	24,104	(2,536)	(10.5)%
Impairment (reversal) loss on trade accounts receivable	(794)	(221)	(573)	(259.3)%	242	(289)	531	n.m.
Restructuring costs	1,636	3,705	(2,069)	(55.8)%	8,445	15,660	(7,215)	(46.1)%
Operating loss	(23,501)	(26,676)	3,175	11.9%	(59,110)	(29,729)	(29,381)	(98.8)%
Adjusted operating loss ⁽¹⁾	(21,865)	(8,908)	(12,957)	(145.5)%	(50,665)	(6)	(50,659)	n.m.
Gross margin ⁽²⁾	16.2%	13.6%	n/a	260 bp	19.3%	22.2%	n/a	(290) bp
Adjusted gross margin ⁽¹⁾	16.2%	20.4%	n/a	(420) bp	19.3%	23.9%	n/a	(460) bp
Selling expenses as a percentage of revenue ⁽³⁾	13.0%	11.7%	n/a	130 bp	12.1%	11.5%	n/a	60 bp
General and administrative expenses as a percentage of revenue ⁽⁴⁾	11.7%	10.7%	n/a	100 bp	10.7%	9.6%	n/a	110 bp

n.m. = not meaningful

n/a = not applicable

bp = basis point

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

(2) Gross margin is defined as gross profit divided by revenue.

(3) Selling expenses as a percentage of revenue is defined as selling expenses divided by revenue.

(4) General and administrative expenses as a percentage of revenue is defined as general and administrative expenses divided by revenue.

Definition and Reconciliation of Non-GAAP Financial Ratios and Measures

Dorel is presenting in this press release certain non-GAAP financial ratios and measures, as described below. These non-GAAP financial ratios and measures do not have a standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. These non-GAAP financial ratios and measures should not be considered in isolation or as a substitute for a measure prepared in accordance with IFRS. Contained within this press release are reconciliations of the non-GAAP financial ratios and measures to the most directly comparable financial measures calculated in accordance with IFRS.

Dorel believes that the non-GAAP financial ratios and measures used in this press release provide investors with additional information to analyze its results and to measure its financial performance by excluding the variation caused by certain items that Dorel believes do not reflect its core business performance and provides better comparability between the periods presented. Excluding these items does not imply they are necessarily non-recurring. The non-GAAP financial measures are also used by management to assess Dorel's financial performance and to make operating and strategic decisions.

Adjustments to non-GAAP financial ratios and measures

As noted above, certain of our non-GAAP financial measures and ratios exclude the variation caused by certain adjustments that affect the comparability of Dorel's financial results and could potentially distort the analysis of trends in its business performance. Adjustments which impact more than one non-GAAP financial ratio and measure are explained below.

Restructuring costs

Restructuring costs are comprised of costs directly related to significant exit activities, including the sale of manufacturing facilities, closure of businesses, reorganization, optimization, transformation, and consolidation to improve the competitive position of the Company in the marketplace and to reduce costs and bring efficiencies, and acquisition-related costs in connection with business acquisitions. Restructuring costs are included as an adjustment of adjusted gross profit, adjusted gross margin, adjusted operating profit (loss) from continuing operations, adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share from continuing operations. Restructuring costs were respectively \$1.6 million and \$8.4 million for the fourth quarter and year ended December 30, 2022 (2021 - \$18.0 million and \$30.0 million). Refer to the section "Restructuring costs – Continuing operations" in the MD&A for more details.

Impact of acquired businesses

The impact of acquired businesses is included as an adjustment of adjusted organic revenue growth (decline). Revenue from acquired businesses is adjusted during the first year of operation in order to get a better comparison of revenue from year-to-year. Revenue from acquired businesses were respectively \$4.6 million and \$24.5 million for the fourth quarter and year ended December 30, 2022 and were all related to the acquisition of Notio Living by Dorel Home.

Impact of the sale of divisions

The impact of the sale of divisions is included as an adjustment of adjusted organic revenue growth (decline). Revenue from the sale of divisions is adjusted during the year after the disposal in order to get a better comparison of revenue from year-to-year. Revenue from the sale of divisions was \$5.5 million for the year ended December 30, 2021 (none for the fourth quarter ended December 30, 2021) and was all related to the disposal of the manufacturing facilities in Zhongshan, China and Huangshi, China by Dorel Juvenile.

Adjusted gross profit and adjusted gross margin

Adjusted gross profit is calculated as gross profit excluding the impact of restructuring costs. Adjusted gross margin is a non-GAAP ratio and is calculated as adjusted gross profit divided by revenue. Dorel uses adjusted gross profit and adjusted gross margin to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel also uses adjusted gross profit and adjusted gross margin on a segment basis to measure its performance at the segment level. Dorel excludes this item because it affects the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use the adjusted gross profit and adjusted gross margin to measure the business performance of the Company as a whole and at the segment level from one period to the next, without the variation caused by the impact of the restructuring costs. Excluding this item does not imply it is necessarily non-recurring. These ratios and measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

	Fourth Quarters Ended		Years Ended	
	Dec 30, 2022	Dec 30, 2021	Dec 30, 2022	Dec 30, 2021
From continuing operations				
Gross profit	28,601	48,636	205,013	294,371
Adjustment for:				
Restructuring costs recorded within gross profit	-	14,063	-	14,063
Adjusted gross profit	28,601	62,699	205,013	308,434
Adjusted gross margin ⁽¹⁾	8.4%	14.4%	13.1%	17.5%

(1) This is a non-GAAP financial ratio and it is calculated as adjusted gross profit divided by revenue.

	Fourth Quarters Ended		Years Ended	
	Dec 30, 2022	Dec 30, 2021	Dec 30, 2022	Dec 30, 2021
Dorel Juvenile				
Gross profit	30,650	27,744	156,031	187,781
Adjustment for:				
Restructuring costs recorded within gross profit	-	14,063	-	14,063
Adjusted gross profit	30,650	41,807	156,031	201,844
Adjusted gross margin ⁽¹⁾	16.2%	20.4%	19.3%	23.9%

(1) This is a non-GAAP financial ratio and it is calculated as adjusted gross profit divided by revenue.

Adjusted operating profit (loss) from continuing operations

Adjusted operating profit (loss) from continuing operations is calculated as operating profit (loss) from continuing operations excluding the impact of restructuring costs. Adjusted operating profit (loss) from continuing operations also excludes impairment loss on goodwill. Management uses adjusted operating profit (loss) from continuing operations to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel also uses adjusted operating profit (loss) on a segment basis to measure its performance at the segment level. Dorel excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use the adjusted operating profit (loss) from continuing operations to measure the business performance of the Company as a whole and at the segment level from one period to the next, without the variation caused by the impact of the restructuring costs and impairment loss on goodwill. Excluding these items does not imply they are necessarily non-recurring. This measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to a similar measure presented by other companies.

	Fourth Quarters Ended		Years Ended	
	Dec 30, 2022	Dec 30, 2021	Dec 30, 2022	Dec 30, 2021
From continuing operations				
Operating loss from continuing operations	(40,731)	(26,175)	(98,979)	(15,272)
Adjustment for:				
Total restructuring costs	1,636	18,090	8,445	30,045
Adjusted operating (loss) profit from continuing operations	(39,095)	(8,085)	(90,534)	14,773

	Fourth Quarters Ended		Years Ended	
	Dec 30, 2022	Dec 30, 2021	Dec 30, 2022	Dec 30, 2021
Dorel Home				
Operating (loss) profit	(18,274)	4,316	(18,510)	40,268
Adjustment for:				
Restructuring costs	-	322	-	322
Adjusted operating (loss) profit	(18,274)	4,638	(18,510)	40,590

	Fourth Quarters Ended		Years Ended	
	Dec 30, 2022	Dec 30, 2021	Dec 30, 2022	Dec 30, 2021
Dorel Juvenile				
Operating loss	(23,501)	(26,676)	(59,110)	(29,729)
Adjustment for:				
Restructuring costs	1,636	17,768	8,445	29,723
Adjusted operating loss	(21,865)	(8,908)	(50,665)	(6)

Adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share from continuing operations

Adjusted net income (loss) from continuing operations is calculated as net income (loss) from continuing operations excluding the impact of restructuring costs and impairment loss on goodwill, as well as income taxes expense (recovery) relating to the adjustments above. Adjusted diluted earnings (loss) per share from continuing operations is a non-GAAP ratio and is calculated as adjusted net income (loss) from continuing operations divided by the weighted average number of diluted shares. Management uses adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share from continuing operations to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use the adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share to measure the business performance of the Company from one period to the next. Excluding these items does not imply they are necessarily non-recurring. These measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

	Fourth Quarters Ended		Years Ended	
	Dec 30, 2022	Dec 30, 2021	Dec 30, 2022	Dec 30, 2021
Net loss from continuing operations	(41,352)	(29,589)	(118,913)	(111,835)
Adjustment for:				
Total restructuring costs	1,636	18,090	8,445	30,045
Income taxes recovery relating to the above-noted adjustments	(80)	(451)	(493)	(923)
Adjusted net loss from continuing operations	(39,796)	(11,950)	(110,961)	(82,713)
Basic loss per share from continuing operations	(1.27)	(0.91)	(3.65)	(3.44)
Diluted loss per share from continuing operations	(1.27)	(0.91)	(3.65)	(3.44)
Adjusted diluted loss per share from continuing operations ⁽¹⁾	(1.22)	(0.37)	(3.41)	(2.54)

(1) This is a non-GAAP financial ratio and it is calculated as adjusted net income (loss) from continuing operations divided by weighted average number of diluted shares.

Organic revenue growth (decline) and adjusted organic revenue growth (decline)

Organic revenue growth (decline) is calculated as revenue growth (decline) compared to the previous period, excluding the impact of varying foreign exchange rates. Adjusted organic revenue growth (decline) is calculated as revenue growth (decline) compared to the previous period, excluding the impact of varying foreign exchange rates and the impact of the acquired businesses for the first year of operation and the sale of divisions. Management modified the calculation of the adjusted organic revenue growth (decline) to remove revenue from acquired businesses for the first year of operation in order to get a better comparison of revenue from year-to-year. Management uses organic revenue growth (decline) and adjusted organic revenue growth (decline) to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use organic revenue growth (decline) and adjusted organic revenue growth (decline) to measure the business performance of the Company as a whole and at the segment level from one period to the next. Excluding these items does not imply they are necessarily non-recurring. These measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

	Fourth Quarters Ended December 30,											
	Consolidated				Dorel Home				Dorel Juvenile			
	2022		2021		2022		2021		2022		2021	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue of the period	340,261		435,269		151,338		230,740		188,923		204,529	
Revenue of the comparative period	(435,269)		(439,020)		(230,740)		(234,110)		(204,529)		(204,910)	
Revenue decline	(95,008)	(21.8)	(3,751)	(0.9)	(79,402)	(34.4)	(3,370)	(1.4)	(15,606)	(7.6)	(381)	(0.2)
Impact of varying foreign exchange rates	10,276	2.3	(1,156)	(0.2)	1,308	0.6	(237)	(0.1)	8,968	4.4	(919)	(0.4)
Organic revenue decline ⁽¹⁾	(84,732)	(19.5)	(4,907)	(1.1)	(78,094)	(33.8)	(3,607)	(1.5)	(6,638)	(3.2)	(1,300)	(0.6)
Impact of acquired businesses	(4,560)	(1.0)	-	-	(4,560)	(2.0)	-	-	-	-	-	-
Impact of the sale of divisions	-	-	6,380	1.4	-	-	-	-	-	-	6,380	3.2
Adjusted organic revenue (decline) growth ⁽¹⁾	(89,292)	(20.5)	1,473	0.3	(82,654)	(35.8)	(3,607)	(1.5)	(6,638)	(3.2)	5,080	2.6

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.

	Years Ended December 30,											
	Consolidated				Dorel Home				Dorel Juvenile			
	2022		2021		2022		2021		2022		2021	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue of the period	1,570,274		1,758,705		760,083		914,344		810,191		844,361	
Revenue of the comparative period	(1,758,705)		(1,717,702)		(914,344)		(934,362)		(844,361)		(783,340)	
Revenue (decline) growth	(188,431)	(10.7)	41,003	2.4	(154,261)	(16.9)	(20,018)	(2.1)	(34,170)	(4.0)	61,021	7.8
Impact of varying foreign exchange rates	40,210	2.3	(34,763)	(2.0)	3,512	0.4	(1,873)	(0.2)	36,698	4.3	(32,890)	(4.2)
Organic revenue (decline) growth ⁽¹⁾	(148,221)	(8.4)	6,240	0.4	(150,749)	(16.5)	(21,891)	(2.3)	2,528	0.3	28,131	3.6
Impact of acquired businesses	(24,469)	(1.4)	-	-	(24,469)	(2.7)	-	-	-	-	-	-
Impact of the sale of divisions	5,547	0.3	22,459	1.3	-	-	-	-	5,547	0.7	22,459	3.1
Adjusted organic revenue (decline) growth ⁽¹⁾	(167,143)	(9.5)	28,699	1.7	(175,218)	(19.2)	(21,891)	(2.3)	8,075	1.0	50,590	6.7

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this press release.