



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

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C O M M U N I Q U É

DOREL SIGNS DEFINITIVE AGREEMENT TO SELL SPORTS SEGMENT TO PON HOLDINGS FOR USD \$810 MILLION

- Strategic transaction expected to unlock significant shareholder value
- Dorel expects to use net proceeds to strengthen its balance sheet, return capital to shareholders and for general corporate purposes
- Sale expected to close before the end of the first quarter of 2022

Montréal, October 11, 2021 — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced that it has entered into a definitive agreement to sell Dorel Sports, its bicycle segment, to Pon Holdings B.V., a Dutch mobility group, for US \$810 million in cash, representing approximately CAD \$1 billion, payable to Dorel at closing.

Dorel expects to use the net proceeds from the sale of approximately US \$735 million (subject to closing adjustments) to reduce indebtedness, return capital to shareholders and for general corporate purposes. The sale of Dorel Sports is expected to close before the end of the first quarter of 2022. Dorel intends to announce specific details regarding the use of the net proceeds from the sale at the time of closing.

The sale has been unanimously approved by Dorel's Board of Directors and is subject to customary closing conditions, including receipt of applicable regulatory approvals and the absence of any material adverse changes with respect to Dorel Sports until closing. The sale is not subject to any financing conditions. The transaction will consist of the sale by Dorel of 100% of the shares of its indirect wholly owned subsidiary companies comprising Dorel Sports as well as certain related assets. Under applicable corporate law, the transaction is not subject to approval by Dorel's shareholders.

"Acting on feedback from our shareholders, Dorel embarked on a thorough review of strategic alternatives earlier this year. Our objective has consistently been to create value for our shareholders. The divestiture of Dorel Sports represents a unique opportunity to unlock value by capitalizing on strong demand for scaled assets in the bicycle segment," said Martin Schwartz, Dorel President and CEO. "On behalf of the Board of Directors, I extend my sincere thanks to the entire Dorel Sports team for their outstanding efforts over the years. Dorel Sports has been an important part of our organization since 2004 and we are very proud of the global success it has achieved. While making the decision to sell Dorel Sports has been difficult, we are confident that this transaction represents full value for Dorel shareholders," Mr. Schwartz added.

Value Surfacing for Dorel Shareholders

The definitive sale agreement with Pon Holdings follows a strategic review and a competitive sales process. Dorel believes that the 100% cash transaction will crystalize significant proceeds and will unlock the full value of the Dorel Sports business for Dorel shareholders. Dorel further believes that the interest in Dorel Sports expressed during the robust sales process reflects the excellent work by the Dorel Sports team to improve profitability, gain new customers and enhance the operating structure and cost profile of Dorel Sports.

Next Chapter for Dorel

The agreement to sell Dorel Sports marks an exciting new chapter for Dorel. Dorel believes that the sale of Dorel Sports will strengthen Dorel's balance sheet, allow Dorel to focus on generating profits from its remaining businesses, substantially accelerate Dorel's ability to deleverage the business and position Dorel to grow its Home and Juvenile businesses both organically and through value-accretive tuck-in acquisitions. Going forward, Dorel will focus its energy and resources on continuing to deliver value to shareholders by accelerating growth and driving margin expansion in its market-leading Home and Juvenile businesses. With a stronger balance sheet after the close of this transaction, an industry-leading portfolio of brands and products, strong customer demand and growing end-markets, Dorel believes it will continue to compete from a position of strength.

"Dorel is committed to taking a disciplined approach to value creation as it sees significant upside in both its Home and Juvenile businesses and will look to replicate the success it has achieved with Dorel Sports to create additional value for shareholders. To be clear, at this time, we are not pursuing a monetization of our Home and Juvenile segments. We see opportunities to drive top-line growth as well as initiatives to reduce our overall cost structure to improve our cash-flow generation at both segments," said Martin Schwartz. "We have the right management and strategy in place at both businesses to drive strong results in the medium-term. We will re-assess our strategy as required. While we may retain some capital from the sale of Dorel Sports for potential reinvestment opportunities, we currently intend to reduce financial leverage and return capital to shareholders," Mr. Schwartz added.

Near-Term Challenges in Home and Juvenile Segments

As in many industries, the uncertainty of supply remains a key concern for Dorel's Home and Juvenile businesses. The demand for container freight continues to push up costs and is hindering Dorel's ability to meet continuing strong consumer demand for its products. In addition, the effect of the COVID-19 pandemic in various parts of the world and labour availability for Dorel and its stakeholders are factors with which Dorel is contending. Dorel's ability to successfully manage these issues with its vendor and retailer partners will be vital to its ability to deliver in the future. In the Home and Juvenile segments, inflation and a highly stressed supply chain are forcing Dorel to reduce its outlook from that in its August 6, 2021 press release.

Dorel will announce its third quarter, 2021 results on November 5th, 2021, prior to the opening of financial markets.

Advisors

Baird Global Investment Banking and BMO Capital Markets are acting as financial advisors and Fasken Martineau DuMoulin LLP as legal counsel to Dorel and Lazard is acting as financial advisor and Goodmans as legal advisor to Pon Holdings in connection with the sale of Dorel Sports.

Profile

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, Bébé 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\$2.8 billion and employs approximately 8,200 people in facilities located in twenty-five 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 laws, including, without limitation, statements regarding the proposed sale of Dorel Sports to Pon Holdings B.V. and the use of the proceeds from such sale, including possible return of capital to shareholders. Such forward-looking statements are subject to important risks and uncertainties including, without limitation, approval of the proposed sale of Dorel Sports by applicable governmental authorities, satisfaction or waiver of closing conditions contemplated by the Share Purchase Agreement with Pon Holdings, changes in applicable laws or regulations, and decisions by Dorel concerning the use of the net proceeds from the proposed sale of Dorel Sports. The completion of the proposed sale of Dorel Sports to Pon Holdings is subject to certain conditions, termination rights and other risks and uncertainties. Accordingly, there can be no assurance that the proposed sale of Dorel Sports to Pon Holdings will occur or that it will occur at the time or on the terms and conditions currently contemplated, nor can there be any assurance as to the benefits that Dorel will derive, or as to the use of the net proceeds, including possible return of capital to shareholders, from the proposed sale. 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.