



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

CONTACTS:

Saint Victor Investments Inc

Rick Leckner

(514) 245-9232

Dorel Industries Inc.

Jeffrey Schwartz

(514) 934-3034

C O M M U N I Q U É

DOREL REPORTS STRONG 2021 FIRST QUARTER RESULTS

- Dorel Sports delivers 8th consecutive quarter of revenue growth
- Dorel Home operating profit up significantly
- Dorel Juvenile improves bottom line despite COVID-19 challenges
- Rising freight and raw material costs to require price increases through the year

Montréal, May 7, 2021 — Dorel Industries Inc. (TSX: DII.B, DII.A) today released results for the first quarter ended March 31, 2021. Revenue was US\$708.9 million, up 22.1% compared to US\$580.8 million a year ago. Reported net income was US\$2.7 million or US\$0.08 per diluted share, compared to a reported net loss of US\$57.8 million or US\$1.78 per diluted share last year. Adjusted net income¹ was US\$12.2 million or US\$0.37 per diluted share compared to an adjusted net loss¹ of US\$13.6 million or US\$0.42 per diluted share a year ago.

“Dorel had an excellent first quarter, exceeding our expectations and ending with a superb month of March as U.S. government stimulus cheques were an added catalyst to the growth in revenue. COVID-19 related store closures persisted in a number of Dorel Juvenile’s markets, notably parts of Europe, South America and Canada, yet the segment posted another quarter of improved adjusted operating profit¹ as new products resonated well and margins improved. The sale of Dorel Juvenile’s China major manufacturing facility closed at the end of the quarter and the transition thus far has been smooth. Both Dorel Sports and Dorel Home continued to benefit from strong consumer demand for their products, with further growth limited only by available supply. Our solid quarter is a tribute to our teams who did an excellent job of mitigating severe supply chain difficulties. Continuing cost increases in all segments for freight and commodities, as well as ocean container availability, will continue to create significant pressures. We will have to offset this with price increases through the rest of this year,” stated Dorel President & CEO, Martin Schwartz.

¹ This is a non-GAAP financial measure. Please refer to the “Non-GAAP financial measures” section at the end of this press release.

Summary of Financial Information (unaudited)			
Three Months Ended March 31,			
All figures in thousands of US \$, except per share amounts			
	2021	2020	Change
	\$	\$	%
Revenue	708,862	580,755	22.1%
Net income (loss)	2,727	(57,821)	N/A
Per share - Basic	0.08	(1.78)	N/A
Per share - Diluted	0.08	(1.78)	N/A
Adjusted net income (loss) ¹	12,214	(13,605)	N/A
Per share - Basic ¹	0.38	(0.42)	N/A
Per share - Diluted ¹	0.37	(0.42)	N/A
Number of shares outstanding –			
Basic weighted average	32,505,121	32,486,138	
Diluted weighted average	32,862,813	32,486,138	

Dorel Sports

All figures in thousands of US \$

Three Months Ended March 31 (unaudited)					
	2021		2020		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	270,309		188,188		43.6%
Gross profit	61,899	22.9%	35,821	19.0%	72.8%
Operating profit (loss)	21,803	8.1%	(611)	(0.3%)	N/A
Adjusted operating profit (loss) ¹	21,803	8.1%	(528)	(0.3%)	N/A

Continued momentum in all three divisions resulted in the eighth consecutive quarter of revenue growth. First quarter revenue increased to US\$270.3 million, an increase of US\$82.1 million, or 43.6%, from US\$188.2 million last year. Excluding the impact of foreign exchange rates year-over-year, organic revenue improved by approximately 41.5%. The demand for bicycles continued unabated, as people continue to choose cycling for physical activity and leisure. The segment overcame supply chain challenges characterized by a lack of shipping availability out of Asia and shortages of bicycle components, major headwinds that will continue going forward. Cycling Sports Group's gains were driven by significant double-digit growth in almost all countries as demand for Cannondale models was unprecedented. Pacific Cycle's revenues increased in line with retail POS throughout the quarter but saw contraction in core margins due to ongoing cost headwinds. Demand was strong for Caloi in all channels with product mix improvement and growth in both IBD sales and e-commerce. However, supply shortages resulted in a slight sales decline in Brazil.

Gross margins were pressured by increases in ocean and domestic freight, rising costs of raw materials and bicycle components and the impact of a weakening USD versus the Chinese Yuan. Despite these increases, gross profit margin improved by 390 basis points to 22.9% from 19.0% in 2020 due to the favorable volume absorption on the increase in units shipped and positive foreign exchange impacts in international markets. As result of higher sales and better margins, first quarter operating profit was US\$21.8 million, compared with an operating loss of US\$0.6 million last year. Excluding restructuring costs, first quarter adjusted operating profit¹ was US\$21.8 million, compared with an adjusted operating loss¹ of \$0.5 million last year.

Dorel Home

All figures in thousands of US \$

Three Months Ended March 31 (unaudited)					
	2021		2020		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	228,698		197,412		15.8%
Gross profit	31,388	13.7%	24,500	12.4%	28.1%
Operating profit	14,837	6.5%	10,290	5.2%	44.2%

First quarter revenue was US\$228.7 million, up US\$31.3 million, or 15.8%, from US\$197.4 million last year. E-commerce sales increased, but as a percentage of total gross sales represented 57% of revenue, compared to 64% in 2020 with brick-and-mortar sales up markedly versus last year. Sales increased in most categories and branded sales continued their increase as Little Seeds, QE, Cosmo, Novogratz and the new Mr. Kate collection all combined to exceed prior year sales substantially. Though not significant for the segment as a whole, sales in Europe continue to increase and resources have been added to expand opportunities outside of the UK into mainland Europe.

Growth in most categories and a positive mix of products contributed to higher operating profit. In addition, lower warehouse and operational costs versus last year resulted in a first quarter operating profit of US\$14.8 million, an increase of US\$4.5 million, or 44.2% from US\$10.3 million last year.

Dorel Juvenile

All figures in thousands of US \$

Three Months Ended March 31 (unaudited)					
	2021		2020		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	209,855		195,155		7.5%
Gross profit	54,163	25.8%	46,212	23.7%	17.2%
Operating loss	(7,575)	(3.6%)	(46,209)	(23.7%)	83.6%
Adjusted operating profit (loss) ¹	2,093	1.0%	(1,859)	(1.0%)	N/A

Despite facing COVID-19 restrictions in many of its markets, first quarter revenue was US\$209.9 million, up US\$14.7 million, or 7.5%, from US\$195.2 million last year. Excluding the impact of foreign exchange rates, year-over-year organic revenue improved by approximately 5.0%. European sales declined slightly from prior year as some regions re-entered lockdowns which limited sales at traditional retail. This was partially offset by increased e-commerce sales. Delayed shipments out of Asia compounded the situation, resulting in out of stock for certain products. U.S. sales were strong with gains in all product categories, most significantly in car seats, as consumers began to shop for mobility products with travel becoming more common. In Brazil, a strong double-digit sales increase resulted from continued e-commerce dominance and a gradual recovery in brick-and-mortar as stores began reopening in major cities. Despite forced closures of company-owned stores in Chile, sales in local currency increased, as the proportion of e-commerce sales continues to rise.

Higher sales and improved gross margins resulted in adjusted operating profit¹ of US\$2.1 million, an improvement of US\$4.0 million when compared to an adjusted operating loss¹ of US\$1.9 million a year ago. First quarter operating loss was US\$7.6 million, compared to last year's operating loss of US\$46.2 million. This includes restructuring costs of US\$9.7 million in 2021, principally made up of a US\$8.6 million non-cash loss on the sale of the China facility. Note that the prior year first quarter operating loss included an impairment loss on goodwill of US\$43.1 million and restructuring costs of US\$1.2 million.

Other

The carrying amounts of the revolving bank loans and term loan have been presented in the current portion of long-term debt in the statement of financial position as at December 30, 2020 and March 31, 2021 because the maturity of the underlying Credit Agreement is in less than 12 months from the reporting date. During the fourth quarter of 2020, the Company was in the process of refinancing its current revolving bank loans and term loan with a syndicated asset-based lending facility at market terms which the Company expects to conclude in the second quarter of 2021.

On March 31, 2021, the Company completed the sale of its juvenile products manufacturing facility in Zhongshan, China, for gross proceeds of US\$51.0 million, which were received during the first quarter and incurred a loss of US\$8.6 million recorded within restructuring costs. The disposal of this manufacturing facility is in line with the main objective pursued by the restructuring program initiated in 2019 of optimizing its global footprint.

Finance expenses decreased by US\$6.4 million to US\$8.9 million during the first quarter compared to US\$15.3 million in 2020. The decrease is mainly explained by a decrease in interest on long-term debt of US\$3.4 million due to lower average debt balances year-over-year and the loss on debt modification of US\$3.7 million recorded during the first quarter of 2020 in connection with the modification of the senior unsecured notes agreement.

In its continuing objective of enhancing corporate governance, Dorel's Board of Directors has created the new positions of Co-Chairs of the Board. Responsibilities will be shared by independent members, Norman Steinberg and Maurice Tousson. The position of Lead Director is no longer required.

Outlook

"In the first quarter, we overcame significant headwinds and each of our three segments outperformed our expectations upon which our guidance was issued at the end of fiscal 2020. Strong sales of our products offset supply chain challenges out of Asia and we delivered substantial earnings improvement. However, looking forward, higher input costs and supply chain issues are expected to pressure earnings for all our businesses," commented Dorel President & CEO, Martin Schwartz.

"Dorel Sports' sales remain very strong and the second quarter is expected to be similar in earnings to prior year. Demand remains high, and sales are expected to be at a record level. Bike component availability will remain an on-going issue.

"Dorel Home demand also remains strong, but we expect earnings to be lower than prior year second quarter as higher input costs will pressure margins until we are able to implement needed price increases.

"In Juvenile, the second quarter is expected to be significantly better than prior year which was heavily impacted by the COVID-19 pandemic. We continue to deal with COVID-19 in 2021 and this is limiting sales in the key markets of Europe, Chile/Peru and Canada. This has continued into April, and May will likely be similar. This is being offset by better sales in other markets, but overall is limiting our expected performance. In addition to the higher costs on imports, Dorel Juvenile's domestic manufacturing capabilities in North America and Europe are also not immune to higher costs, with car seat resin double what it was for most of last year.

"The combination of supply chain challenges and cost increases are an issue for all industries worldwide and are unprecedented in the history of Dorel. Though we believe we can overcome most of these challenges through a combination of higher sales, cost reductions and price increases, they do pose a risk to our earnings going forward," concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, May 7, 2021 at 1:00 P.M. Eastern Time. Interested parties can join the call by dialing 1-888-440-3307. 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 1-800-770-2030 and entering the passcode 4231183 on your phone. This recording will be available on Friday, May 7, 2021 as of 4:00 P.M. until 11:59 P.M. on Friday, May 14, 2021.

Condensed consolidated interim financial statements as at March 31, 2021 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 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, B  b   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\$2.7 billion and employs approximately 8,200 people in facilities located in twenty-five countries worldwide.

Non-GAAP Financial Measures

Dorel is presenting in this press release certain non-GAAP financial measures, as described below. These non-GAAP financial measures do not have a standardized meaning prescribed by International Financial Reporting Standards (IFRS) and therefore are unlikely to be comparable to similar measures presented by other issuers. These non-GAAP financial 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 measures to the most directly comparable financial measures calculated in accordance with IFRS.

The terms and the definitions of the non-GAAP financial measures contained in this press release are as follows:

Organic revenue

Organic revenue:	Revenue growth compared to the previous period, excluding the impact of varying foreign exchange rates
------------------	--

Dorel believes that this measure provides investors with a better comparability of its revenue trends by providing revenue growth on a consistent basis between the periods presented.

Other financial information prepared under IFRS adjusted to exclude impairment loss on goodwill and restructuring costs

Adjusted cost of sales:	Cost of sales excluding restructuring costs
Adjusted gross profit:	Gross profit excluding restructuring costs
Adjusted operating profit (loss):	Operating profit (loss) excluding impairment loss on goodwill and restructuring costs
Adjusted income (loss) before income taxes:	Income (loss) before income taxes excluding impairment loss on goodwill and restructuring costs
Adjusted income taxes expense:	Income taxes expense excluding the tax impact relating to impairment loss on goodwill and restructuring costs
Adjusted tax rate:	Tax rate excluding the tax impact relating to impairment loss on goodwill and restructuring costs

Adjusted net income (loss):	Net income (loss) excluding impairment loss on goodwill and restructuring costs, net of taxes
Adjusted earnings (loss) per basic and diluted share:	Earnings (loss) per basic and diluted share calculated on the basis of adjusted net income (loss)

Dorel believes that the adjusted financial information provides investors with additional information to measure its financial performance by excluding certain items that Dorel believes do not reflect its core business performance and provides better comparability between the periods presented. Accordingly, Dorel believes that the adjusted financial information will assist investors in analyzing its financial results and performance. The adjusted financial information is also used by management to assess Dorel's financial performance and to make operating and strategic decisions.

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, 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, including statements regarding the impact of the COVID-19 pandemic on Dorel'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 Dorel'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, Dorel cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits Dorel 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 Dorel'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 Dorel believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from Dorel's expectations expressed in or implied by the forward-looking statements include:

- general economic conditions;
- changes in product costs and supply channels, including disruption of Dorel's supply chain resulting from the COVID-19 pandemic;
- foreign currency fluctuations, including high levels of volatility in foreign currencies with respect to the US dollar reflecting uncertainties related to the COVID-19 pandemic;
- 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 current 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 Dorel's products and on its business, financial condition and results of operations;
- continued access to capital resources, including compliance by Dorel with financial covenants under its senior unsecured notes, revolving bank loans and term loan agreements, and the related costs of borrowing, all of which may be adversely impacted by the COVID-19 pandemic;
- failures related to information technology systems;
- changes in assumptions in the valuation of goodwill and other intangible assets and future decline in market capitalization; and
- there being no certainty that Dorel will declare any dividend in the future.

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 Dorel'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.

Dorel cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to Dorel or that Dorel currently deems to be immaterial may also have a material adverse effect on Dorel'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.

-30-

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

Reconciliation of non-GAAP financial measures

Organic revenue:

	Three Months Ended March 31,							
	Consolidated		Dorel Home		Dorel Juvenile		Dorel Sports	
	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%	%	%
Revenue growth (decline)	22.1	(7.2)	15.8	(6.3)	7.5	(15.2)	43.6	2.0
Impact of varying foreign exchange rates	(1.6)	1.2	(0.1)	-	(2.5)	1.2	(2.1)	2.3
Organic revenue growth (decline)	20.5	(6.0)	15.7	(6.3)	5.0	(14.0)	41.5	4.3

Other financial information prepared under IFRS adjusted to exclude impairment loss on goodwill and restructuring costs:

Dorel Consolidated

	Three Months Ended March 31,									
	2021					2020				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Impairment loss on goodwill and restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	708,862	100.0	-	708,862	100.0	580,755	100.0	-	580,755	100.0
Cost of sales	561,412	79.2	-	561,412	79.2	474,222	81.7	-	474,222	81.7
GROSS PROFIT	147,450	20.8	-	147,450	20.8	106,533	18.3	-	106,533	18.3
Selling expenses	50,797	7.2	-	50,797	7.2	47,458	8.2	-	47,458	8.2
General and administrative expenses	57,493	8.1	-	57,493	8.1	40,828	7.0	-	40,828	7.0
Research and development expenses	9,223	1.3	-	9,223	1.3	9,742	1.7	-	9,742	1.7
Impairment (reversal) loss on trade accounts receivable	(623)	(0.1)	-	(623)	(0.1)	3,007	0.5	-	3,007	0.5
Restructuring costs	9,668	1.4	(9,668)	-	-	1,308	0.2	(1,308)	-	-
Impairment loss on goodwill	-	-	-	-	-	43,125	7.4	(43,125)	-	-
OPERATING PROFIT (LOSS)	20,892	2.9	9,668	30,560	4.3	(38,935)	(6.7)	44,433	5,498	0.9
Finance expenses	8,899	1.2	-	8,899	1.2	15,309	2.6	-	15,309	2.6
INCOME (LOSS) BEFORE INCOME TAXES	11,993	1.7	9,668	21,661	3.1	(54,244)	(9.3)	44,433	(9,811)	(1.7)
Income taxes expense	9,266	1.3	181	9,447	1.4	3,577	0.7	217	3,794	0.6
Tax rate	77.3%			43.6%		(6.6)%			(38.7)%	
NET INCOME (LOSS)	2,727	0.4	9,487	12,214	1.7	(57,821)	(10.0)	44,216	(13,605)	(2.3)
EARNINGS (LOSS) PER SHARE										
Basic	0.08		0.30	0.38		(1.78)		1.36	(0.42)	
Diluted	0.08		0.29	0.37		(1.78)		1.36	(0.42)	
SHARES OUTSTANDING										
Basic - weighted average	32,505,121			32,505,121		32,486,138			32,486,138	
Diluted - weighted average	32,862,813			32,862,813		32,486,138			32,486,138	

Dorel Sports

Three Months Ended March 31,										
	2021					2020				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	270,309	100.0	-	270,309	100.0	188,188	100.0	-	188,188	100.0
Cost of sales	208,410	77.1	-	208,410	77.1	152,367	81.0	-	152,367	81.0
GROSS PROFIT	61,899	22.9	-	61,899	22.9	35,821	19.0	-	35,821	19.0
Selling expenses	20,771	7.7	-	20,771	7.7	18,625	9.9	-	18,625	9.9
General and administrative expenses	18,546	6.9	-	18,546	6.9	14,088	7.5	-	14,088	7.5
Research and development expenses	1,207	0.4	-	1,207	0.4	1,212	0.6	-	1,212	0.6
Impairment (reversal) loss on trade accounts receivable	(428)	(0.2)	-	(428)	(0.2)	2,424	1.3	-	2,424	1.3
Restructuring costs	-	-	-	-	-	83	-	(83)	-	-
OPERATING PROFIT (LOSS)	21,803	8.1	-	21,803	8.1	(611)	(0.3)	83	(528)	(0.3)

Dorel Juvenile

Three Months Ended March 31,										
	2021					2020				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Impairment loss on goodwill and restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	209,855	100.0	-	209,855	100.0	195,155	100.0	-	195,155	100.0
Cost of sales	155,692	74.2	-	155,692	74.2	148,943	76.3	-	148,943	76.3
GROSS PROFIT	54,163	25.8	-	54,163	25.8	46,212	23.7	-	46,212	23.7
Selling expenses	23,590	11.2	-	23,590	11.2	23,054	11.8	-	23,054	11.8
General and administrative expenses	21,840	10.4	-	21,840	10.4	17,212	8.9	-	17,212	8.9
Research and development expenses	6,915	3.3	-	6,915	3.3	7,342	3.8	-	7,342	3.8
Impairment (reversal) loss on trade accounts receivable	(275)	(0.1)	-	(275)	(0.1)	463	0.2	-	463	0.2
Restructuring costs	9,668	4.6	(9,668)	-	-	1,225	0.6	(1,225)	-	-
Impairment loss on goodwill	-	-	-	-	-	43,125	22.1	(43,125)	-	-
OPERATING (LOSS) PROFIT	(7,575)	(3.6)	9,668	2,093	1.0	(46,209)	(23.7)	44,350	(1,859)	(1.0)