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 REPORTS FIRST QUARTER 2019 RESULTS

- Dorel Sports gaining momentum
- Dorel Juvenile begins restructuring program and reverses weakness of past three quarters
- Dorel Home's e-commerce sales continue to grow
- Dorel has entered into a commitment letter for long-term financing

Montréal, May 10, 2019 — Dorel Industries Inc. (TSX: DII.B, DII.A) today released results for the first quarter ended March 31, 2019. Revenue was US$625.6 million compared to US$642.3 million a year ago. Reported net loss was US$8.3 million, or US$0.26 per diluted share, compared to net income of US$4.7 million or US$0.14 per diluted share last year. The first quarter of 2019 includes US$14.4 million of pre-tax restructuring charges, US$14.1 million after tax within Dorel Juvenile, compared to US$1.1 million, US$0.8 million after tax in the prior year.

Excluding these amounts, adjusted net income, was US$5.8 million or US$0.18 per diluted share compared to US$5.5 million or US$0.17 per diluted share for the first quarter of 2018. The prior year also included an impairment loss on trade accounts receivable of US$12.5 million, or US$0.29 per diluted share related to the liquidation of Toys"R"Us in the U.S. Without this impact, adjusted net income for the first quarter of 2018 was US$14.9 million or US$0.46 per diluted share.

"Despite not exceeding prior year earnings, we are encouraged by the progress being made across our business segments. The wide-ranging actions we are taking to respond to the changing needs of our consumers and to re-build shareholder value are gaining traction. Dorel Home continued its revenue growth trajectory and Dorel Juvenile rebounded strongly from its poor performance over the past three quarters. Dorel Sports' Cycling Sports Group (CSG) businesses had a very good quarter in all of its markets, with only Pacific Cycle showing declines at mass, a trend that has already reversed in April," commented Dorel President & CEO, Martin Schwartz.

"We are actively working on the restructuring program announced in March to optimize Dorel as a more focused global consumer products company. Decisive actions are either underway or under consideration at Dorel Juvenile which is restructuring operations in several markets in order to re-assert its position as the world's leading juvenile products company. Plans include simplifying and streamlining the organization and further building competencies in an omni-channel world where consumers are increasingly digitally engaged. We are confident the measures this year and next will bring the desired results."

Non-GAAP Financial Measures

The Company is presenting adjusted financial information, excluding restructuring and other costs, as it believes this provides a more meaningful comparison of its core business performance between the periods presented. These announced items are detailed in the attached tables of this press release. Contained within this press release are reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

Summary of Financial Information (unaudited)			
Three Months Ended March 31,			
All figures in thousands of US $, except per share amounts			
	2019	**2018** (1)	**Change**
	$	**$**	**%**
Total revenue	625,560	642,286	(2.6%)
Net income (loss)	(8,273)	4,729	(274.9%)
Per share - Basic	(0.26)	0.15	(273.3%)
Per share - Diluted	(0.26)	0.14	(285.7%)
Adjusted net income	5,791	5,542	4.5%
Per share - Basic	0.18	0.17	5.9%
Per share - Diluted	0.18	0.17	5.9%
Number of shares outstanding –			
Basic weighted average	32,439,340	32,438,446	
Diluted weighted average	32,439,340	32,704,857	

(1) The Company has initially applied IFRS 16 as at December 31, 2018. Under the transition method chosen, comparative information is not restated.

Dorel Home

All figures in thousands of US $

Three Months Ended March 31 (unaudited)					
	2019		**2018** (1)		**Change**
	$	**% of rev.**	**$**	**% of rev.**	**%**
Total revenue	210,764		192,262		9.6%
Gross profit	29,641	14.1%	33,993	17.7%	(12.8%)
Operating profit	14,453	6.9%	16,267	8.5%	(11.2%)

(1) The Company has initially applied IFRS 16 as at December 31, 2018. Under the transition method chosen, comparative information is not restated.

First quarter revenue grew US$18.5 million or 9.6% to US$210.8 million. The organic revenue increase was approximately 9.9% excluding the impact of foreign exchange rate changes year-over-year. E-commerce sales grew strong double digits, more than replacing reduced brick and mortar sales, and represented 59% of total segment gross sales compared to 52% in the prior year. Branded product sales have continued to grow steadily.

Gross profit was 14.1%, down 360 basis points year-over-year. A significant factor in the decline was distribution cost increases from carrying higher inventory that was stocked in anticipation of higher U.S. tariffs in January. A less favourable sales mix and higher promotional activity also lowered margins. Gross margins have improved steadily since January based on an improved mix and as the cost of carrying excess inventory dissipates. As a result, first quarter operating profit decreased US$1.8 million or 11.2% to US$14.5 million from US$16.3 million last year. Prior year operating profit included a US$2.1 million impairment loss on trade accounts receivable from Toys“R”Us.

Dorel Juvenile

All figures in thousands of US $

Three Months Ended March 31 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	230,252		243,337		(5.4%)
Gross profit	61,133	26.6%	68,887	28.3%	(11.3%)
Operating profit (loss)	(7,108)	(3.1%)	2,633	1.1%	(370.0%)
Adjusted gross profit	61,564	26.7%	68,887	28.3%	(10.6%)
Adjusted operating profit	7,289	3.2%	3,725	1.5%	95.7%

(1) The Company has initially applied IFRS 16 as at December 31, 2018. Under the transition method chosen, comparative information is not restated.

Organic revenue for the first quarter decreased approximately 0.6% when excluding the impact of foreign exchange rate changes year-over-year, which were significantly less favourable compared to last year, and despite the loss of sales to Toys“R”Us in the prior year. 2018 first quarter sales and operating profit from Toys“R”Us were US$7.0 million and US$1.5 million respectively. Revenue in the first quarter, including the impact of foreign exchange rates, decreased by US$13.1 million or 5.4% to US$230.3 million.

In the U.S., point-of-sale (POS) revenue increased, but a significant customer reduced orders to lower their on-hand inventories, which decreased overall sales slightly below prior year. In Chile, sales increased slightly due to an increase of 15% in same store sales at Dorel-owned retail locations. This was partially offset by the lower store count in 2019 versus prior year and decreased sales to wholesale. In Europe, sales were below prior year, but were at their highest level since last year’s first quarter, reversing the weakness of the past three quarters. Also offsetting the decrease in Europe was increased sales to third parties from the Dorel Juvenile China factory and at Dorel Juvenile Colombia with the sale of inventory to a local distributor because of the decision to change the local business model.

First quarter operating loss was US$7.1 million compared to an operating profit of US$2.6 million last year. Excluding restructuring and other costs, adjusted operating profit was US$7.3 million compared to US$3.7 million a year ago. A significant impact to operating profit in 2019 versus prior year was less favourable foreign exchange rate changes that had a net negative impact of approximately US$3.0 million. When excluding also the 2018 impairment loss on trade accounts receivable from Toys“R”Us of US$3.8 million, adjusted operating profit for the 2019 quarter was US$7.3 million compared to US$7.5 million a year ago.

Dorel Juvenile Restructuring Update

During the first quarter, Dorel Juvenile initiated a new restructuring program across several regions. The overriding objective is to simplify the organization and optimize its global footprint. These changes will also identify and prioritize opportunities that will improve Dorel’s competitive position in the marketplace.

The following areas of opportunity have been identified. In Europe, the objective is to streamline the organization and better leverage its scale of operations by adopting technologies and processes that allow for the centralization of certain operating activities. In Latin America, Dorel has divested from its juvenile distribution operations based in Colombia and Panama, with supply continuing through a local distributor. In addition, certain lines of business have been identified to be exited in Chile and Peru and certain senior management positions will be consolidated. In Asia, further efficiencies and savings initiatives are anticipated, enabled partly by investments in technology already in place. In addition, the China domestic sales organization is being re-oriented to sell directly to the consumer and is exiting unprofitable product lines and customer arrangements.

Total costs related to these restructuring initiatives are currently estimated to be between US$25.0 and US$30.0 million and are expected to be incurred in 2019 and 2020. The majority of these estimated costs are for employee severance and related costs. Of this estimated range of costs, US$14.1 million was recorded in the first quarter. Annualized cost savings of between US$12.0 to US$15.0 million are expected once the restructuring activities are completed in 2020, of which approximately US$5.0 million will be realized in 2019.

Dorel Sports

All figures in thousands of US $

Three Months Ended March 31 (unaudited)					
	2019		2018 [(1)]		Change
	$	% of rev.	$	% of rev.	%
Total revenue	184,544		206,687		(10.7%)
Gross profit	39,259	21.3%	45,688	22.1%	(14.1%)
Operating profit (loss)	4,501	2.4%	(774)	(0.4%)	681.5%

(1) The Company has initially applied IFRS 16 as at December 31, 2018. Under the transition method chosen, comparative information is not restated.

First quarter revenue decreased by US$22.1 million or 10.7% to US$184.5 million. Excluding foreign exchange rate changes year-over-year and the divesture of the performance apparel line of business, organic revenue decreased by approximately 5.2%. Operating profit was US$4.5 million compared to an operating loss of US$0.8 million last year. The prior year's first quarter included a US$6.6 million impairment loss recorded on Toys"R"Us trade accounts receivable and a US$1.5 million operating profit related to Toys"R"Us shipments prior to the U.S. bankruptcy.

Excluding the impact of foreign exchange and the performance apparel line of business divestiture, CSG posted higher sales in all major markets. This was driven by new products and increased sales of e-bikes in Europe and growth in the U.S. independent bike dealers (IBD) channel, challenging the industry's negative trend. In Brazil, Caloi revenue grew significant double digits in local currency due to several factors, including a better mix, sales to the country's bike sharing program and price increases implemented last year. The bulk of the operating profit in the quarter was derived from CSG, which posted its fourth consecutive quarter of improvement, excluding impairment losses on intangible assets and property, plant and equipment, and restructuring and other costs, with the Cannondale line demonstrating excellent momentum.

Offsetting CSG improvement was Pacific Cycle which accounted for most of the revenue decline and reduced the increase in operating profit for the segment as a whole. This was due to high retailer inventory remaining from the fourth quarter and poor weather in certain regions. April sales have rebounded with strong POS at all retailers. This will be reflected in the second quarter results as two-thirds of the first quarter revenue loss in the mass channel was already recouped in April.

Long-term Debt Update

Dorel is in the process of refinancing its US$120.0 million convertible debentures maturing on November 30, 2019. To that end, Dorel entered into a commitment letter with an institutional lender on May 9, 2019 for an issuance by Dorel of senior unsecured notes in an amount of US$175.0 million, of which US$125.0 million will be drawn on closing. Dorel would be able to draw down the additional US$50.0 million after closing with the consent of the lender. Dorel intends to use the proceeds from the first tranche of senior unsecured notes to repay its US$120.0 million convertible debentures.

Closing of the senior unsecured notes is conditional upon a number of factors, including preparation of definitive documentation acceptable to Dorel and the institutional lender, completion of due diligence to the satisfaction of the lender and other standard conditions. Dorel cannot provide any assurance that the senior note transaction will be completed on a timely basis or at all.

On March 8, 2019, Dorel amended its revolving bank loans and term loan agreement to facilitate compliance with its covenants in light of the last twelve months' results of operations, and to permit additional financing from other lenders to refinance and repay the convertible debentures. The amendment also extends the maturity date to July 1, 2021 if the convertible debentures are repaid or refinanced by May 30, 2019. On May 8, 2019, Dorel again amended its revolving bank loans and term loan agreement to extend their maturity date to the earlier of (i) July 1, 2021 and (ii) July 31, 2019 if the convertible debentures have not been repaid or refinanced, in cash or in shares of the Company, by that date. If the convertible debentures have not been repaid or refinanced, the maturity date of the revolving bank loans and term loan remains July 31, 2019. Given that the convertible debentures have not yet been repaid or refinanced, the convertible debentures, revolving bank loans and term loan were all classified as current as at March 31, 2019.

Other

The Company's reported effective tax rate was (59.5%) in the first quarter of 2019 compared to 6.9% in 2018. Excluding income taxes on restructuring and other costs, the Company's adjusted tax rate was 37.1% in 2019 compared with 10.2% in 2018. The main causes of the variation in the reported and adjusted tax rates year-over-year are largely due to the non-recognition of tax benefits related to tax losses and temporary differences and changes in the jurisdictions in which the Company generated its income. The Company is stating that for the full year it expects its annual adjusted tax rate to be between 28% and 32%.

The increase in corporate expenses of US$1.4 million over prior year includes a year-over-year increase in costs of US$2.6 million due mainly to unrealized foreign exchange losses on the revaluation of certain monetary balance sheet values.

At Dorel's upcoming Annual General Meeting, two independent Board members do not intend to stand for re-election. The Board of Directors of Dorel is committed to maintaining a majority of independent directors and is actively seeking two new independent members to join the Board.

Quarterly Dividend

Dorel's Board of Directors declared its quarterly dividend of US$0.15 per share on the outstanding number of the Company's Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares, Deferred Share Units, cash-settled Restricted Share Units and cash-settled Performance Share Units. The dividend is payable on July 3, 2019 to shareholders of record as at the close of business on May 31, 2019.

Outlook

"Overall first quarter results are not indicative of our expectations for the full year which is for higher sales and improved adjusted operating profit overall. Dorel Home continues to increase sales versus last year and margins are expected to improve in the second half. For Dorel Juvenile, second quarter and full year revenues and adjusted operating profit are expected to exceed prior year results with the most significant contributions from improvements in Europe and Chile," commented Dorel President & CEO, Martin Schwartz.

"April has been a very good month for all three Dorel Sports divisions with strong POS at the mass level already making up for much of the first quarter decrease at Pacific Cycle. The segment's successful April is significant as it sets the tone for the important spring season and we are now seeing clear signs of improvement not only in mass, but also in the IBD and sporting goods channels. Therefore, our expectations for Dorel Sports are for increased revenues and adjusted operating profit for both the second quarter and the year.

"We are confident in delivering improved adjusted operating profit for the year, although the currency risk of a strong US dollar in the various geographies where we operate and economic uncertainty as a result of possible increased tariffs on Chinese made goods imported into the United States are a risk," concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, May 10, 2019 at 1:00 P.M. Eastern Time. Interested parties can join the call by dialing 1-877-223-4471. 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 1-800-585-8367 and entering the passcode 1584705 on your phone. This recording will be available on Friday, May 10, 2019 as of 4:00 P.M. until 11:59 P.M. on Friday, May 17, 2019.

Complete condensed consolidated interim financial statements as at March 31, 2019 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, 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$2.6 billion and employs approximately 9,200 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 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 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; foreign currency fluctuations; customer and credit risk, including the concentration of revenues with 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; continued access to capital resources, including compliance with covenants, and the related costs of borrowing; debt refinancing; failure 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's current dividend policy will be maintained. 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 Management Discussion and Analysis and Annual Information Form filed with the applicable Canadian securities regulatory authorities. The risk factors outlined in the previously-mentioned documents are specifically incorporated herein by reference.

Forward-looking statements made in this press release related to the expected financial information for 2019 do not take into consideration the impact of adopting IFRS 16, *Leases*, on December 31, 2018.

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.

Non-GAAP financial measures

As a result of restructuring and other costs incurred in 2019 and 2018, the Company is including in this press release the following non-GAAP financial measures: “adjusted cost of sales”, “adjusted gross profit”, “adjusted operating profit”, “adjusted income before income taxes”, “adjusted income taxes expense”, “adjusted tax rate”, “adjusted net income” and “adjusted earnings per basic and diluted share”. The Company believes that this results in a more meaningful comparison of its core business performance between the periods presented. These non-GAAP financial measures do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Contained within this press release are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

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

Reconciliation of non-GAAP financial measures

	Three Months Ended March 31,									
	2019					2018[1]				
	Reported	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue	**Reported**	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue
	$	%	$	**$**	%	**$**	%	$	**$**	%
TOTAL REVENUE	**625,560**	100.0	-	**625,560**	100.0	**642,286**	100.0	-	**642,286**	100.0
Cost of sales	**495,527**	79.2	(431)	**495,096**	79.1	**493,718**	76.9	-	**493,718**	76.9
GROSS PROFIT	**130,033**	20.8	431	**130,464**	20.9	**148,568**	23.1	-	**148,568**	23.1
Selling expenses	**52,714**	8.4	-	**52,714**	8.4	**58,963**	9.2	-	**58,963**	9.2
General and administrative expenses	**48,636**	7.9	-	**48,636**	7.9	**53,220**	8.2	-	**53,220**	8.2
Research and development expenses	**9,573**	1.5	-	**9,573**	1.5	**9,424**	1.5	-	**9,424**	1.5
Impairment loss (reversal) on trade and other receivables	**(4)**	-	-	**(4)**	-	**13,029**	2.0	-	**13,029**	2.0
Restructuring and other costs	**13,966**	2.2	(13,966)	**-**	-	**1,092**	0.2	(1,092)	**-**	-
OPERATING PROFIT	**5,148**	0.8	14,397	**19,545**	3.1	**12,840**	2.0	1,092	**13,932**	2.2
Finance expenses	**10,335**	1.6	-	**10,335**	1.6	**7,761**	1.2	-	**7,761**	1.2
INCOME (LOSS) BEFORE INCOME TAXES	**(5,187)**	(0.8)	14,397	**9,210**	1.5	**5,079**	0.8	1,092	**6,171**	1.0
Income taxes expense	**3,086**	0.5	333	**3,419**	0.6	**350**	0.1	279	**629**	0.1
Tax rate	***(59.5%)***			***37.1%***		***6.9%***			***10.2%***	
NET INCOME (LOSS)	**(8,273)**	(1.3)	14,064	**5,791**	0.9	**4,729**	0.7	813	**5,542**	0.9
EARNINGS (LOSS) PER SHARE										
Basic	**(0.26)**		0.44	**0.18**		**0.15**		0.02	**0.17**	
Diluted	**(0.26)**		0.44	**0.18**		**0.14**		0.03	**0.17**	
SHARES OUTSTANDING										
Basic - weighted average	**32,439,340**			**32,439,340**		**32,438,446**			**32,438,446**	
Diluted - weighted average	**32,439,340**			**32,755,152**		**32,704,857**			**32,704,857**	

(1) The Company has initially applied IFRS 16 as at December 31, 2018. Under the transition method chosen, comparative information is not restated.

Dorel Juvenile

Reconciliation of non-GAAP financial measures

	Three Months Ended March 31,									
	2019					2018[1]				
	Reported	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue	**Reported**	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue
	$	%	$	**$**	%	**$**	%	$	**$**	%
TOTAL REVENUE	**230,252**	100.0	-	**230,252**	100.0	**243,337**	100.0	-	**243,337**	100.0
Cost of sales	**169,119**	73.4	(431)	**168,688**	73.3	**174,450**	71.7	-	**174,450**	71.7
GROSS PROFIT	**61,133**	26.6	431	**61,564**	26.7	**68,887**	28.3	-	**68,887**	28.3
Selling expenses	**26,910**	11.7	-	**26,910**	11.7	**30,774**	12.6	-	**30,774**	12.6
General and administrative expenses	**19,972**	8.6	-	**19,972**	8.6	**23,455**	9.7	-	**23,455**	9.7
Research and development expenses	**7,183**	3.1	-	**7,183**	3.1	**6,888**	2.8	-	**6,888**	2.8
Impairment loss on trade and other receivables	**210**	0.1	-	**210**	0.1	**4,045**	1.7	-	**4,045**	1.7
Restructuring and other costs	**13,966**	6.2	(13,966)	**-**	-	**1,092**	0.4	(1,092)	**-**	-
OPERATING PROFIT (LOSS)	**(7,108)**	(3.1)	14,397	**7,289**	3.2	**2,633**	1.1	1,092	**3,725**	1.5

(1) The Company has initially applied IFRS 16 as at December 31, 2018. Under the transition method chosen, comparative information is not restated.