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:
MaisonBrison Communications
Rick Leckner
(514) 731-0000

Dorel Industries Inc.
Jeffrey Schwartz
(514) 934-3034

C O M M U N I Q U É

DOREL REPORTS STRONG SECOND QUARTER REVENUE

- **Dorel Sports delivers top and bottom-line gains, driven by CSG's 5th consecutive quarter of growth**
- **Dorel Home records substantial year-over-year top-line growth**
- **Dorel Juvenile organic revenue up 5.6%**

Montréal, August 2, 2019 — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the second quarter and six months ended June 30, 2019. Second quarter revenue was US$670.0 million, compared to US$623.2 million, up 7.5% from the same period a year ago. Reported net income was US$2.8 million or US$0.09 per diluted share, compared to a reported net loss of US$14.8 million or US$0.46 per diluted share last year. Adjusted net income was US$6.3 million or US$0.19 per diluted share, compared to US$12.7 million or US$0.39 per diluted share in 2018.

Revenue for the six months was US$1.30 billion, an increase of 2.4% compared to US$1.27 billion last year. Reported net loss was US$5.5 million or US$0.17 per diluted share, compared to US$10.0 million or US$0.31 per diluted share a year ago. First half adjusted net income was US$12.1 million or US$0.37 per diluted share, compared to US$18.2 million or US$0.56 per diluted share a year ago. The prior year included a first quarter impairment loss on trade accounts receivable of US$9.4 million after tax related to the liquidation of Toys"R"Us in the U.S. Without this impact, adjusted net income for the six months of 2018 was US$27.6 million or US$0.85 per diluted share.

"We are encouraged that, without exception, all our businesses have produced top-line growth. U.S. tariffs imposed on China-sourced goods and its impact on retail price points have created uncertainty on customers' buying decisions as well as on supply chain and inventory planning processes. The chaotic market conditions have resulted in margin pressure, particularly at Dorel Home and in the mass channel at Dorel Sports. Despite this, Dorel Home has done an exceptional job of growing its top line and is now focused on inventory and margin improvement. New product launches at Dorel Sports have delivered excellent results and we remain encouraged going forward, particularly with the on-going success at Cycling Sports Group (CSG). Dorel Juvenile was ahead of last year and there has been progress in Europe, however work is continuing to drive down costs and return the segment to the proper level of profitability," commented Dorel President & CEO, Martin Schwartz.

Non-GAAP Financial Measures

The Company is presenting adjusted financial information, excluding impairment loss on intangible assets, 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)
Second Quarters Ended June 30,
All figures in thousands of US $, except per share amounts

	2019	2018 (1)	Change
	$	$	%
Total revenue	669,982	623,244	7.5%
Net income (loss)	2,796	(14,768)	118.9%
Per share - Basic	0.09	(0.46)	119.6%
Per share - Diluted	0.09	(0.46)	119.6%
Adjusted net income	6,317	12,656	(50.1%)
Per share - Basic	0.19	0.39	(51.3%)
Per share - Diluted	0.19	0.39	(51.3%)
Number of shares outstanding –			
Basic weighted average	32,443,758	32,438,446	
Diluted weighted average	32,798,069	32,438,446	

Summary of Financial Information (unaudited)
Six Months Ended June 30,
All figures in thousands of US $, except per share amounts

	2019	2018 (1)	Change
	$	$	%
Total revenue	1,295,542	1,265,530	2.4%
Net loss	(5,477)	(10,039)	45.4%
Per share - Basic	(0.17)	(0.31)	45.2%
Per share - Diluted	(0.17)	(0.31)	45.2%
Adjusted net income	12,108	18,198	(33.5%)
Per share - Basic	0.37	0.56	(33.9%)
Per share - Diluted	0.37	0.56	(33.9%)
Number of shares outstanding –			
Basic weighted average	32,441,549	32,438,446	
Diluted weighted average	32,441,549	32,438,446	

(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 $

Second Quarters Ended June 30 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	207,448		181,296		14.4%
Gross profit	29,552	14.2%	30,552	16.9%	(3.3%)
Operating profit	14,071	6.8%	16,906	9.3%	(16.8%)

All figures in thousands of US $

Six Months Ended June 30 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	418,212		373,558		12.0%
Gross profit	59,193	14.2%	64,545	17.3%	(8.3%)
Operating profit	28,524	6.8%	33,173	8.9%	(14.0%)

(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 revenue was a record for the second quarter, increasing US$26.2 million, or 14.4%, to US$207.4 million. Organic revenue, excluding the impact of foreign exchange rate changes year-over-year, was up 14.6%. Excluding price increases necessitated by new U.S. imposed tariffs, the organic increase was 11.9%. E-commerce sales grew 25.5%, representing 60% of total segment sales, compared to 56% last year. Underlining Dorel Home's success in growing the top line, even brick and mortar sales rose, increasing US$5.7 million from the prior year. CosmoLiving and Novogratz branded product sales also continued to grow. Six-month revenue was up by US$44.7 million, or 12.0%, to US$418.2 million.

Gross profit for the second quarter was 14.2%, down 270 basis points from prior year. The impact of new U.S. tariffs that negatively affected gross margins in the first quarter, continued into the second quarter with higher warehousing costs on higher inventory levels, less profitable pricing and product mix, as well as elevated promotional costs to drive revenue growth. Inventories were at a record high in anticipation of strong back-to-school sales in the third quarter and are higher in dollar terms due to higher cost valuations from increased tariffs. A plan has been implemented to increase margins and reduce inventories by the end of the year and eliminate excess warehouse costs. Operating profit decreased US$2.8 million, or 16.8%, to US$14.1 million. Six-month operating profit was down US$4.6 million, or 14.0%, to US$28.5 million. Prior year first quarter 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 $

Second Quarters Ended June 30 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	221,505		217,435		1.9%
Gross profit	58,086	26.2%	56,002	25.8%	3.7%
Operating profit (loss)	2,350	1.1%	(22,425)	(10.3%)	110.5%
Adjusted gross profit	59,043	26.7%	56,089	25.8%	5.3%
Adjusted operating profit	6,596	3.0%	3,610	1.7%	82.7%

All figures in thousands of US $

Six Months Ended June 30 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	451,757		460,772		(2.0%)
Gross profit	119,219	26.4%	124,889	27.1%	(4.5%)
Operating loss	(4,758)	(1.1%)	(19,792)	(4.3%)	76.0%
Adjusted gross profit	120,607	26.7%	124,976	27.1%	(3.5%)
Adjusted operating profit	13,885	3.1%	7,335	1.6%	89.3%

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

Second quarter recorded revenue grew by US$4.1 million, or 1.9%, to US$221.5 million. Organic revenue improved by 5.6% with the most significant contribution from Europe. There was also organic sales growth in North America, Brazil and Chile, where same store retail sales have rebounded from a difficult 2018 to record increases in the low double digits. Six-month recorded revenue has decreased US$9.0 million, or 2.0%, to US$451.8 million, and organic revenue has increased by 2.5%.

R&D initiatives resulted in the launch of several new products throughout the quarter in multiple categories. The roll out of some products was moved up by several months as improvements in speed-to-market are continuing. There are important new product launches scheduled for the second half of the year, including some in the growing multi-age car seat category in Europe.

Operating profit was US$2.4 million compared to an operating loss of US$22.4 million last year. Excluding impairment loss on intangible assets, restructuring and other costs, adjusted operating profit was US$6.6 million compared to US$3.6 million in 2018. Several divisions contributed to the improvement, with the progress in Chile, improvement in Europe and increased shipments from the China factory to Dorel customers in the U.S. adding significantly to the improved results. The higher US dollar against almost all currencies reduced earnings in certain markets, but for the segment overall, the impact was neutral as the weaker Chinese currency offset these negative impacts. Six-month operating loss was US$4.8 million versus US$19.8 million in the prior year. Excluding impairment loss on intangible assets, restructuring and other costs, adjusted operating profit was US$13.9 million compared to US$7.3 million in 2018. Prior year first quarter operating profit included a US$3.8 million impairment loss on trade accounts receivable from Toys“R”Us.

The Dorel Juvenile restructuring program, initiated last quarter, is continuing with expectations in line with previous estimates. Total costs related to these segment-wide efforts remain estimated at US$25.0 to US$30.0 million, with the majority incurred this year and next. US$4.2 million was recorded in the second quarter and US$18.3 million year-to-date. Annualized cost savings of US$12.0 million to US$15.0 million are anticipated once the restructuring program is completed, of which approximately US$5.0 million will be realized this year.

Dorel Sports

All figures in thousands of US $

Second Quarters Ended June 30 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	241,029		224,513		7.4%
Gross profit	49,771	20.6%	47,789	21.3%	4.1%
Operating profit (loss)	10,095	4.2%	(3,282)	(1.5%)	407.6%
Adjusted gross profit	49,771	20.6%	49,373	22.0%	0.8%
Adjusted operating profit	10,095	4.2%	7,955	3.5%	26.9%

All figures in thousands of US $

Six Months Ended June 30 (unaudited)					
	2019		2018 (1)		Change
	$	% of rev.	$	% of rev.	%
Total revenue	425,573		431,200		(1.3%)
Gross profit	89,030	20.9%	93,477	21.7%	(4.8%)
Operating profit (loss)	14,596	3.4%	(4,056)	(0.9%)	459.9%
Adjusted gross profit	89,030	20.9%	95,061	22.0%	(6.3%)
Adjusted operating profit	14,596	3.4%	7,181	1.7%	103.3%

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

Second quarter results reflected successful new model bicycle launches and continued strength at CSG and Caloi. Revenue grew US$16.5 million, or 7.4%, to US$241.0 million. Excluding foreign exchange rate fluctuations year-over-year and the divesture of the performance apparel business last year, organic revenue increased 11.1%. Six-month revenue decreased US$5.6 million, or 1.3%, to US$425.6 million due to first quarter softness in Pacific Cycle's mass merchant business.

CSG posted high single-digit organic growth, with continued success in Europe, driven by the e-bike category including the new Tesoro Neo X and Synapse Neo. The U.S. independent bike dealers (IBD) channel saw solid growth thanks to Cannondale launches such as the Treadwell, Topstone and EVO. Introductions of the model year 20 line-up were earlier than prior years and have received exceptional reviews from both the bicycle media and riders. Caloi was solid with low double-digit organic growth on the back of success in sales to Brazil's bike sharing program and a better mix due to Cannondale's growth. Pacific Cycle reversed the first quarter sales decline with double-digit revenue growth due to a strong sales recovery at retail, both at brick and mortar and on-line.

Reported and adjusted operating profit for the quarter was US$10.1 million compared to the prior year's operating loss of US$3.3 million and adjusted operating profit of US$8.0 million, excluding restructuring and other costs. CSG recorded significant growth in adjusted operating profit with its multiple successful new product launches. Partially offsetting this increase was lower adjusted operating profit at Pacific Cycle, principally due to the negative impacts of U.S. tariffs on its China based supply. First half reported and adjusted operating profit was US$14.6 million compared to an operating loss of US$4.1

million and an adjusted operating profit of US$7.2 million, excluding restructuring and other costs. The first quarter of 2018 included a US$6.6 million impairment loss on trade accounts receivable from Toys“R”Us.

Other

During the second quarter and six months ended June 30, 2019, the Company’s reported effective tax rates were 63.7% and 317.4% respectively compared to 35.9% and 44.1% for the same periods in the prior year. Excluding income taxes on impairment loss on intangible assets, restructuring and other costs, the Company’s second quarter and six-month adjusted tax rates were 47.1% and 42.8% respectively in 2019 compared to 11.0% and 10.8% in 2018. Considering the significant impairment losses recorded during the fourth quarter of 2018, the Company was unable to recognize certain tax benefits related to tax losses and temporary differences. This resulted in an increase in the reported effective tax rates for both periods compared to prior year. The balance of the increase in the reported effective tax rate and in the adjusted effective tax rate is due to changes in the jurisdictions in which the Company generated its income. The Company expects that for the full year its annual adjusted tax rate to be between 30% and 35%.

Finance expenses increased by US$4.7 million to US$12.7 million during the second quarter and by US$7.3 million to US$23.1 million year-to-date. The increase is due mainly to interest expense on lease liabilities from the adoption of IFRS 16, for which the prior year figures were not restated. In addition, the 2019 increase includes higher average borrowings and higher average market interest rates, as well as a US$0.7 million loss recorded in the second quarter resulting from the early redemption of Dorel’s convertible debentures.

Second quarter inventory levels were a record high. This was due to a combination of more goods on hand to meet anticipated higher sales as well as an estimated US$20 million increase in the cost of inventories due to the additional tariffs imposed during the quarter. Several initiatives are currently underway to reduce inventories to more acceptable levels with the objective of a US$50 million reduction by year-end.

Quarterly dividend

Dorel’s Board of Directors declared a 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 October 2, 2019 to shareholders of record as at the close of business on August 30, 2019.

Outlook

“The organic revenue growth in the first half of the year is expected to continue into the second half, with year-over-year increases in all three of our segments. Dorel Home is in the process of improving gross margins. This, coupled with higher sales, is expected to result in higher second half adjusted operating profit. Dorel Juvenile’s steady progress is anticipated to continue through the year and should deliver improved adjusted operating profit versus prior year, with all major divisions contributing. Dorel Sports, led by strong revenue and earnings at CSG, is expected to deliver further sales and adjusted operating profit growth for the segment in the second half. Inventory management will be a key focus through the balance of the year with a targeted reduction of at least US$50 million by year-end,” commented Dorel President & CEO, Martin Schwartz.

“The most significant risk going forward remains the impact of U.S. tariffs on certain Chinese made goods. This could have an impact on consumer demand, our retail customers’ purchasing behaviour and the economy overall. A strengthening US dollar also remains a risk for Dorel Juvenile and Dorel Sports. We are diligently managing these issues,” concluded Mr. Schwartz.

Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results today, August 2, 2019 at 11:30 A.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 5679257 on your phone. This recording will be available on Friday, August 2, 2019 as of 2:30 P.M. until 11:59 P.M. on Friday, August 9, 2019.

Complete condensed consolidated interim financial statements as at June 30, 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; 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 impairment loss on intangible assets, 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)

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Reconciliation of non-GAAP financial measures:

	Second Quarters ended June 30,									
	2019					2018(1)				
	Reported	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue	**Reported**	% of revenue	Impairment loss on intangible assets, restructuring and other costs	**Adjusted**	% of revenue
	$	%	$	**$**	%	**$**	%	$	**$**	%
TOTAL REVENUE	**669,982**	100.0	-	**669,982**	100.0	**623,244**	100.0	-	**623,244**	100.0
Cost of sales	**532,573**	79.5	(957)	**531,616**	79.3	**488,901**	78.4	(1,671)	**487,230**	78.2
GROSS PROFIT	**137,409**	20.5	957	**138,366**	20.7	**134,343**	21.6	1,671	**136,014**	21.8
Selling expenses	**56,197**	8.4	-	**56,197**	8.4	**58,825**	9.4	-	**58,825**	9.4
General and administrative expenses	**47,452**	7.1	-	**47,452**	7.1	**46,190**	7.4	-	**46,190**	7.4
Research and development expenses	**9,576**	1.4	-	**9,576**	1.4	**8,637**	1.4	-	**8,637**	1.4
Impairment loss on trade and other receivables	**456**	0.1	-	**456**	0.1	**132**	-	-	**132**	-
Restructuring and other costs	**3,289**	0.4	(3,289)	**-**	-	**11,408**	1.8	(11,408)	**-**	-
Impairment loss on intangible assets	**-**	-	-	**-**	-	**24,193**	4.0	(24,193)	**-**	-
OPERATING PROFIT (LOSS)	**20,439**	3.1	4,246	**24,685**	3.7	**(15,042)**	(2.4)	37,272	**22,230**	3.6
Finance expenses	**12,733**	1.9	-	**12,733**	1.9	**8,009**	1.3	-	**8,009**	1.3
INCOME (LOSS) BEFORE INCOME TAXES	**7,706**	1.2	4,246	**11,952**	1.8	**(23,051)**	(3.7)	37,272	**14,221**	2.3
Income taxes expense (recovery)	**4,910**	0.8	725	**5,635**	0.9	**(8,283)**	(1.3)	9,848	**1,565**	0.3
Tax rate	***63.7%***			***47.1%***		***35.9%***			***11.0%***	
NET INCOME (LOSS)	**2,796**	0.4	3,521	**6,317**	0.9	**(14,768)**	(2.4)	27,424	**12,656**	2.0
EARNINGS (LOSS) PER SHARE										
Basic	**0.09**		0.10	**0.19**		**(0.46)**		0.85	**0.39**	
Diluted	**0.09**		0.10	**0.19**		**(0.46)**		0.85	**0.39**	
SHARES OUTSTANDING										
Basic - weighted average	**32,443,758**			**32,443,758**		**32,438,446**			**32,438,446**	
Diluted - weighted average	**32,798,069**			**32,798,069**		**32,438,446**			**32,721,216**	

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

Reconciliation of non-GAAP financial measures:

	Six Months Ended June 30,									
	2019					2018(1)				
	Reported	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue	**Reported**	% of revenue	Impairment loss on intangible assets, restructuring and other costs	**Adjusted**	% of revenue
	$	%	$	**$**	%	**$**	%	$	**$**	%
TOTAL REVENUE	**1,295,542**	100.0	-	**1,295,542**	100.0	**1,265,530**	100.0	-	**1,265,530**	100.0
Cost of sales	**1,028,100**	79.4	(1,388)	**1,026,712**	79.2	**982,619**	77.6	(1,671)	**980,948**	77.5
GROSS PROFIT	**267,442**	20.6	1,388	**268,830**	20.8	**282,911**	22.4	1,671	**284,582**	22.5
Selling expenses	**108,911**	8.4	-	**108,911**	8.4	**117,788**	9.3	-	**117,788**	9.3
General and administrative expenses	**96,088**	7.5	-	**96,088**	7.5	**99,410**	7.9	-	**99,410**	7.9
Research and development expenses	**19,149**	1.5	-	**19,149**	1.5	**18,061**	1.4	-	**18,061**	1.4
Impairment loss on trade and other receivables	**452**	-	-	**452**	-	**13,161**	1.0	-	**13,161**	1.0
Restructuring and other costs	**17,255**	1.2	(17,255)	**-**	-	**12,500**	1.0	(12,500)	**-**	-
Impairment loss on intangible assets	**-**	-	-	**-**	-	**24,193**	2.0	(24,193)	**-**	-
OPERATING PROFIT (LOSS)	**25,587**	2.0	18,643	**44,230**	3.4	**(2,202)**	(0.2)	38,364	**36,162**	2.9
Finance expenses	**23,068**	1.8	-	**23,068**	1.8	**15,770**	1.2	-	**15,770**	1.2
INCOME (LOSS) BEFORE INCOME TAXES	**2,519**	0.2	18,643	**21,162**	1.6	**(17,972)**	(1.4)	38,364	**20,392**	1.7
Income taxes expense (recovery)	**7,996**	0.6	1,058	**9,054**	0.7	**(7,933)**	(0.6)	10,127	**2,194**	0.3
Tax rate	***317.4%***			***42.8%***		***44.1%***			***10.8%***	
NET INCOME (LOSS)	**(5,477)**	(0.4)	17,585	**12,108**	0.9	**(10,039)**	(0.8)	28,237	**18,198**	1.4
EARNINGS (LOSS) PER SHARE										
Basic	**(0.17)**		0.54	**0.37**		**(0.31)**		0.87	**0.56**	
Diluted	**(0.17)**		0.54	**0.37**		**(0.31)**		0.87	**0.56**	
SHARES OUTSTANDING										
Basic - weighted average	**32,441,549**			**32,441,549**		**32,438,446**			**32,438,446**	
Diluted - weighted average	**32,441,549**			**32,793,698**		**32,438,446**			**32,706,551**	

(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:

	Second Quarters Ended June 30,									
	2019					2018[1]				
	Reported	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue	**Reported**	% of revenue	Impairment loss on intangible assets, restructuring and other costs	**Adjusted**	% of revenue
	$	%	$	**$**	%	**$**	%	$	**$**	%
TOTAL REVENUE	**221,505**	100.0	-	**221,505**	100.0	**217,435**	100.0	-	**217,435**	100.0
Cost of sales	**163,419**	73.8	(957)	**162,462**	73.3	**161,433**	74.2	(87)	**161,346**	74.2
GROSS PROFIT	**58,086**	26.2	957	**59,043**	26.7	**56,002**	25.8	87	**56,089**	25.8
Selling expenses	**27,377**	12.4	-	**27,377**	12.4	**28,606**	13.2	-	**28,606**	13.2
General and administrative expenses	**18,032**	8.1	-	**18,032**	8.1	**17,902**	8.1	-	**17,902**	8.1
Research and development expenses	**6,825**	3.1	-	**6,825**	3.1	**6,233**	2.9	-	**6,233**	2.9
Impairment loss (reversal) on trade and other receivables	**213**	0.1	-	**213**	0.1	**(262)**	(0.1)	-	**(262)**	(0.1)
Restructuring and other costs	**3,289**	1.4	(3,289)	**-**	-	**1,755**	0.8	(1,755)	**-**	-
Impairment loss on intangible assets	**-**	-	-	**-**	-	**24,193**	11.2	(24,193)	**-**	-
OPERATING PROFIT (LOSS)	**2,350**	1.1	4,246	**6,596**	3.0	**(22,425)**	(10.3)	26,035	**3,610**	1.7

	Six Months Ended June 30,									
	2019					2018[1]				
	Reported	% of revenue	Restructuring and other costs	**Adjusted**	% of revenue	**Reported**	% of revenue	Impairment loss on intangible assets, restructuring and other costs	**Adjusted**	% of revenue
	$	%	$	**$**	%	**$**	%	$	**$**	%
TOTAL REVENUE	**451,757**	100.0	-	**451,757**	100.0	**460,772**	100.0	-	**460,772**	100.0
Cost of sales	**332,538**	73.6	(1,388)	**331,150**	73.3	**335,883**	72.9	(87)	**335,796**	72.9
GROSS PROFIT	**119,219**	26.4	1,388	**120,607**	26.7	**124,889**	27.1	87	**124,976**	27.1
Selling expenses	**54,287**	12.0	-	**54,287**	12.0	**59,380**	12.9	-	**59,380**	12.9
General and administrative expenses	**38,004**	8.4	-	**38,004**	8.4	**41,357**	9.0	-	**41,357**	9.0
Research and development expenses	**14,008**	3.1	-	**14,008**	3.1	**13,121**	2.8	-	**13,121**	2.8
Impairment loss on trade and other receivables	**423**	0.1	-	**423**	0.1	**3,783**	0.8	-	**3,783**	0.8
Restructuring and other costs	**17,255**	3.9	(17,255)	**-**	-	**2,847**	0.6	(2,847)	**-**	-
Impairment loss on intangible assets	**-**	-	-	**-**	-	**24,193**	5.3	(24,193)	**-**	-
OPERATING PROFIT (LOSS)	**(4,758)**	(1.1)	18,643	**13,885**	3.1	**(19,792)**	(4.3)	27,127	**7,335**	1.6

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

Dorel Sports

Reconciliation of non-GAAP financial measures:

	Second Quarters Ended June 30,									
	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	**241,029**	100.0	-	**241,029**	100.0	**224,513**	100.0	-	**224,513**	100.0
Cost of sales	**191,258**	79.4	-	**191,258**	79.4	**176,724**	78.7	(1,584)	**175,140**	78.0
GROSS PROFIT	**49,771**	20.6	-	**49,771**	20.6	**47,789**	21.3	1,584	**49,373**	22.0
Selling expenses	**21,832**	9.0	-	**21,832**	9.0	**23,397**	10.4	-	**23,397**	10.4
General and administrative expenses	**16,135**	6.7	-	**16,135**	6.7	**16,302**	7.3	-	**16,302**	7.3
Research and development expenses	**1,477**	0.6	-	**1,477**	0.6	**1,358**	0.6	-	**1,358**	0.6
Impairment loss on trade and other receivables	**232**	0.1	-	**232**	0.1	**361**	0.2	-	**361**	0.2
Restructuring and other costs	**-**	-	-	**-**	-	**9,653**	4.3	(9,653)	**-**	-
OPERATING PROFIT (LOSS)	**10,095**	4.2	-	**10,095**	4.2	**(3,282)**	(1.5)	11,237	**7,955**	3.5

	Six Months Ended June 30,									
	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	**425,573**	100.0	-	**425,573**	100.0	**431,200**	100.0	-	**431,200**	100.0
Cost of sales	**336,543**	79.1	-	**336,543**	79.1	**337,723**	78.3	(1,584)	**336,139**	78.0
GROSS PROFIT	**89,030**	20.9	-	**89,030**	20.9	**93,477**	21.7	1,584	**95,061**	22.0
Selling expenses	**41,187**	9.7	-	**41,187**	9.7	**45,086**	10.4	-	**45,086**	10.4
General and administrative expenses	**30,670**	7.2	-	**30,670**	7.2	**32,661**	7.5	-	**32,661**	7.5
Research and development expenses	**2,699**	0.6	-	**2,699**	0.6	**2,807**	0.7	-	**2,807**	0.7
Impairment loss (reversal) on trade and other receivables	**(122)**	-	-	**(122)**	-	**7,326**	1.7	-	**7,326**	1.7
Restructuring and other costs	**-**	-	-	**-**	-	**9,653**	2.3	(9,653)	**-**	-
OPERATING PROFIT (LOSS)	**14,596**	3.4	-	**14,596**	3.4	**(4,056)**	(0.9)	11,237	**7,181**	1.7

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