



**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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## DOREL REPORTS STRONG SECOND QUARTER

- Dorel Sports posts record operating profit
- Dorel Home records best ever quarter for revenue
- Dorel Juvenile segment sales and earnings affected by protracted store closures in many markets
- Significant inventory and debt reductions

**Montréal, August 10, 2020** — Dorel Industries Inc. (TSX: DII.B, DII.A) today announced results for the second quarter and six months ended June 30, 2020. Second quarter revenue was US\$724.0 million, compared to US\$670.0 million, up 8.1% from the same period a year ago. Reported net income was US\$11.1 million or US\$0.34 per diluted share, compared to US\$2.8 million or US\$0.09 per diluted share last year. Adjusted net income<sup>1</sup> was US\$15.6 million or US\$0.48 per diluted share, compared to US\$6.3 million or US\$0.19 per diluted share last year.

Revenue for the six months was flat at US\$1.3 billion. Reported net loss was US\$46.7 million or US\$1.44 per diluted share, compared to US\$5.5 million or US\$0.17 per diluted share a year ago. First half adjusted net income was US\$2.0 million or US\$0.06 per diluted share, compared to US\$12.1 million or US\$0.37 per diluted share a year ago.

“Dorel’s overall revenues have recovered sharply from the initial negative effects of COVID-19 with strong performances in two of our three segments. Dorel Sports and Dorel Home benefitted from increased demand for its products as consumers sought bicycles and home furnishing products during the prolonged lockdown periods. Increased sales of in-stock items allowed both segments to reduce inventory to record low levels. Dorel Juvenile remained challenged through the first half of the quarter, hurt by continuing store closures in many of its markets, a situation which began reversing as more stores reopened during the latter part of the period. Our divisions did an excellent job of reducing costs and holding discretionary spending and as a result, selling expenses were down considerably. Our balance sheet has improved significantly from year-end with significant reductions in inventories and overall debt. I am extremely grateful to our employees worldwide who demonstrated their clear commitment to Dorel by directly contributing to our lower costs in the second quarter and who continued working at our facilities under enhanced safety protocols,” commented Dorel President & CEO, Martin Schwartz.

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

<b>Summary of Financial Information (unaudited)</b>			
Second Quarters Ended June 30,			
All figures in thousands of US \$, except per share amounts			
	<b>2020</b>	<b>2019</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>%</b>
Revenue	723,953	669,982	8.1%
Net income	11,132	2,796	298.1%
Per share - Basic	0.34	0.09	277.8%
Per share - Diluted	0.34	0.09	277.8%
Adjusted net income <sup>1</sup>	15,648	6,317	147.7%
Per share - Basic <sup>1</sup>	0.48	0.19	152.6%
Per share - Diluted <sup>1</sup>	0.48	0.19	152.6%
Number of shares outstanding –			
Basic weighted average	32,488,106	32,443,758	
Diluted weighted average	32,878,768	32,798,069	

<b>Summary of Financial Information (unaudited)</b>			
Six Months Ended June 30,			
All figures in thousands of US \$, except per share amounts			
	<b>2020</b>	<b>2019</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>%</b>
Revenue	1,304,708	1,295,542	0.7%
Net loss	(46,689)	(5,477)	(752.5%)
Per share - Basic	(1.44)	(0.17)	(747.1%)
Per share - Diluted	(1.44)	(0.17)	(747.1%)
Adjusted net income <sup>1</sup>	2,043	12,108	(83.1%)
Per share - Basic <sup>1</sup>	0.06	0.37	(83.8%)
Per share - Diluted <sup>1</sup>	0.06	0.37	(83.8%)
Number of shares outstanding –			
Basic weighted average	32,487,117	32,441,549	
Diluted weighted average	32,487,117	32,441,549	

## Dorel Sports

All figures in thousands of US \$

Second Quarters Ended June 30 (unaudited)					
	2020		2019		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	285,636		241,029		18.5%
Gross profit	67,423	23.6%	49,771	20.6%	35.5%
Operating profit	26,841	9.4%	10,095	4.2%	165.9%
Adjusted operating profit <sup>1</sup>	27,148	9.5%	10,095	4.2%	168.9%

All figures in thousands of US \$

Six Months Ended June 30 (unaudited)					
	2020		2019		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	473,824		425,573		11.3%
Gross profit	103,244	21.8%	89,030	20.9%	16.0%
Operating profit	26,230	5.5%	14,596	3.4%	79.7%
Adjusted operating profit <sup>1</sup>	26,620	5.6%	14,596	3.4%	82.4%

The segment maintained its positive momentum with the fifth consecutive quarter of growth with record profitability. Revenue was US\$285.6 million, up US\$44.6 million, or 18.5%, from last year. Excluding the impact of varying foreign exchange rates, organic revenue<sup>1</sup> improved approximately 21.1%. The strong performance was at the Cycling Sports Group (CSG) and Pacific Cycle divisions, offset by declines at Caloi as revenue decreased primarily due to prolonged COVID-19 imposed store closures in Brazil.

There was a spike in demand for all types of bicycles which rose dramatically and was maintained throughout the quarter as consumers sought a healthy escape from weeks of COVID-19 lockdowns. Online sales were particularly strong with purchasing activities shifting to e-commerce at the height of the pandemic. Sales were limited by a lack of supply of certain models despite Asian suppliers re-opening in February. As a consequence, on-hand inventory dropped considerably, contributing to Dorel's overall inventory reduction in the quarter. Six-month revenue was US\$473.8 million, an increase of US\$48.3 million, or 11.3%, from prior year.

Operating profit was US\$26.8 million compared to US\$10.1 million last year. Excluding restructuring costs, adjusted operating profit was US\$27.1 million, an increase of US\$17.1 million, or 168.9%, from prior year. Operating profit for both CSG and Pacific Cycle was up strongly, driven by the increased demand in bicycles while Caloi registered an operating loss due to a number of factors, including sustained store closures and the shut down of its factory through April and May. Six-month operating profit was US\$26.2 million compared to US\$14.6 million a year ago. Excluding restructuring costs, adjusted operating profit was US\$26.6 million, up US\$12.0 million, or 82.4%, from last year.

### Dorel Sports outlook

Based on current trends, demand for bicycles is expected to remain strong through the summer season. On-going supply constraints will limit sales, but expectations are that third quarter revenues and adjusted operating profit will continue to be strong. The current volatility in the bicycle industry caused by the pandemic, changes in current demand levels and possibly in the seasonality of bicycle sales, is making visibility beyond the third quarter more difficult to determine.

## Dorel Home

All figures in thousands of US \$

Second Quarters Ended June 30 (unaudited)					
	2020		2019		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	260,674		207,448		25.7%
Gross profit	34,785	13.3%	29,552	14.2%	17.7%
Operating profit	18,608	7.1%	14,071	6.8%	32.2%
Adjusted gross profit <sup>1</sup>	37,015	14.2%	29,552	14.2%	25.3%
Adjusted operating profit <sup>1</sup>	21,383	8.2%	14,071	6.8%	52.0%

All figures in thousands of US \$

Six Months Ended June 30 (unaudited)					
	2020		2019		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	458,086		418,212		9.5%
Gross profit	59,285	12.9%	59,193	14.2%	0.2%
Operating profit	28,898	6.3%	28,524	6.8%	1.3%
Adjusted gross profit <sup>1</sup>	61,515	13.4%	59,193	14.2%	3.9%
Adjusted operating profit <sup>1</sup>	31,673	6.9%	28,524	6.8%	11.0%

Dorel Home posted its best quarter ever, with both record revenue and adjusted operating profit. Revenue for the second quarter rose to US\$260.7 million, an increase of US\$53.2 million or 25.7%. E-commerce sales grew significantly, representing 68% of total segment gross sales, compared to 60% in the prior year. The quarter began strongly as consumers, subject to lockdowns and working remotely, chose to shop for items to improve their homes. Initial purchases were for Dorel's home office and entertainment products, but as the quarter proceeded, sales of most of the segment's value-priced categories increased, driven mainly by bed and futon sales. As with Dorel Sports, inventory levels were drastically reduced, and supply issues did limit sales of some items. Six-month revenue totaled US\$458.1 million, an increase of US\$39.9 million, or 9.5%, from prior year.

Operating profit was US\$18.6 million compared to US\$14.1 million last year. Excluding restructuring costs, adjusted operating profit was US\$21.4 million, up US\$7.3 million or 52.0%. Warehouse and distribution costs improved year-over-year, helped by record sales and efficiencies resulting from inventory reductions. Second quarter inventory dropped to US\$108.1 million, representing decreases of US\$109.9 million and US\$76.9 million from prior year and 2019 year-end levels respectively. Operating profit for the six months was basically flat at US\$28.9 million, compared to last year's US\$28.5 million. Excluding restructuring costs, six-month adjusted operating profit was US\$31.7 million, an increase of US\$3.1 million, or 11.0%, from last year.

### Dorel Home outlook

Sales in July were consistent with sales in June, which moderated slightly from the exceptionally high levels in the first two months of the quarter. We expect this trend to continue into the third quarter and as a result, revenues and operating profit are expected to be strong. At current demand levels, inventory shortages could constrain sales in the short term, but despite this, the outlook for Dorel Home remains very positive.

## Dorel Juvenile

All figures in thousands of US \$

Second Quarters Ended June 30 (unaudited)					
	2020		2019		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	177,643		221,505		(19.8%)
Gross profit	42,491	23.9%	58,086	26.2%	(26.8%)
Operating (loss) profit	(1,224)	(0.7%)	2,350	1.1%	(152.1%)
Adjusted gross profit <sup>1</sup>	42,577	24.0%	59,043	26.7%	(27.9%)
Adjusted operating profit <sup>1</sup>	950	0.5%	6,596	3.0%	(85.6%)

All figures in thousands of US \$

Six Months Ended June 30 (unaudited)					
	2020		2019		Change
	\$	% of rev.	\$	% of rev.	%
Revenue	372,798		451,757		(17.5%)
Gross profit	88,703	23.8%	119,219	26.4%	(25.6%)
Operating loss	(47,433)	(12.7%)	(4,758)	(1.1%)	(896.9%)
Adjusted gross profit <sup>1</sup>	88,789	23.8%	120,607	26.7%	(26.4%)
Adjusted operating (loss) profit <sup>1</sup>	(909)	(0.2%)	13,885	3.1%	(106.5%)

Second quarter revenue was US\$177.6 million, down US\$43.9 million, or 19.8%, from last year. Excluding the impact of varying foreign exchange rates, organic revenue decreased approximately 16.8%. COVID-19 began affecting the segment's earnings in February, with the most severe impact in April. With the exception of the U.S., where major customers remained open throughout the pandemic, most markets were negatively impacted by retail store closures. In those markets as stores re-opened in May, sales began recovering, a trend that continued into June. The exception is in Chile and Peru where Dorel-owned retail stores were closed for most of the quarter, and many remain closed. Sales were good in Brazil considering the negative impact the COVID-19 pandemic is currently having on the economy in South America, with over 80% of sales in the quarter made online. Six-month revenue was US\$372.8 million, a decrease of US\$79.0 million or 17.5% from last year.

Operating loss for the quarter was US\$1.2 million compared to an operating profit of US\$2.4 million last year. Excluding restructuring costs, adjusted operating profit was US\$1.0 million, down US\$5.6 million, or 85.6%, from prior year. As business slowed, significant effort was made to reduce expenses in people costs and discretionary spending across the segment, partially mitigating the substantial sales reduction in the quarter. Six-month operating loss was US\$47.4 million compared to US\$4.8 million a year ago. Dorel Juvenile Europe recorded a first quarter impairment loss on goodwill of US\$43.1 million as it revised its assumptions on projected earnings and cash flows. Excluding impairment loss on goodwill and restructuring costs, six-month adjusted operating loss was US\$0.9 million, compared to an adjusted operating profit of US\$13.9 million, a decrease of US\$14.8 million, or 106.5%, from last year.

### Dorel Juvenile outlook

Dorel Juvenile revenues started to improve in May and June, and this trend continued into July. Sales at retail in the major markets of Europe and the U.S. are above last year. However, South America has rebounded less strongly. Chile and Peru remain well below normal levels due to retail locations which are still closed and have limited e-commerce options. Overall, the segment is expected to continue to improve its adjusted operating profit in the second half.

## Other

Cash flow provided from operating activities in the quarter was US\$120.0 million, of which US\$116.5 million was from inventory reductions, though going forward inventories are expected to rise as current levels are too low to support future growth and meet increased consumer demand.

For the second quarter ended June 30, 2020, Dorel's effective tax rate was 57.2% compared to 63.7% for the same period last year. Excluding income taxes on restructuring costs, Dorel's second quarter adjusted tax rate<sup>1</sup> was 49.9% in 2020 compared with 47.1% in 2019. For the six months ended June 30, 2020, Dorel's effective tax rate was (65.2)% compared to 317.4% for the same period last year. Excluding income taxes on impairment loss on goodwill and restructuring costs, Dorel's year-to-date adjusted tax rate was 90.5% in 2020 compared with 42.8% in 2019. The main causes of the variation in the effective and adjusted tax rates year-over-year for the second quarter and the six months were largely due the non-recognition of tax benefits related to tax losses and temporary differences, the changes in the jurisdictions in which the Company generated its income and management's reassessment of the recoverability of deferred tax assets in light of the potential impact of the COVID-19 pandemic on the Company's business. The variation in the effective tax rate year-over-year for the six months is also explained by the impact of the non-deductible impairment loss recorded on goodwill during the first quarter.

## Outlook

"Two of our three business segments have benefitted financially during the impact of the COVID-19 pandemic. Consumers have chosen Dorel for its bicycle and home furnishing purchases, selecting our leading brands and outstanding product value. Our advanced capabilities in e-commerce have allowed us to reliably and efficiently deliver to our end consumers in all three of our segments," commented Dorel President & CEO, Martin Schwartz.

"In the short-term this should continue, but there are many unknowns and risks going forward. The impact of the slowing economy and higher unemployment and how this will impact our consumers is difficult to measure at this time. The possibility of worsening economic conditions brought on by a second Coronavirus wave means current shopping habits could change yet again.

Finally, I want to re-iterate to all our employees how grateful we are to them during this period. We continue to place employee safety as our top priority," concluded Mr. Schwartz.

## Conference Call

Dorel Industries Inc. will hold a conference call to discuss these results tomorrow, August 11, 2020 at 9:00 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 5155159 on your phone. This recording will be available on Tuesday, August 11, 2020 as of 12:00 P.M. until 11:59 P.M. on Tuesday, August 18, 2020.

**Complete condensed consolidated interim financial statements as at June 30, 2020 will be available on the Company's website, [www.dorel.com](http://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, Béb  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 8,900 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 and adjusted organic revenue

Organic revenue:	Revenue growth compared to the previous period, excluding the impact of varying foreign exchange rates
Adjusted organic revenue:	Revenue growth compared to the previous period, excluding the impact of varying foreign exchange rates and the impact of the divestment of the performance apparel line of business (Sugoi)

Dorel believes that these measures provide 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:	Operating profit excluding impairment loss on goodwill and restructuring costs
Adjusted income before income taxes:	Income 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 the Company 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 the Company'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.



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

## Reconciliation of non-GAAP financial measures

### Organic revenue and adjusted organic revenue:

	Second Quarters Ended June 30,							
	Consolidated		Dorel Home		Dorel Juvenile		Dorel Sports	
	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Revenue growth (decline)	<b>8.1</b>	7.5	<b>25.7</b>	14.4	<b>(19.8)</b>	1.9	<b>18.5</b>	7.4
Impact of varying foreign exchange rates	<b>2.0</b>	2.1	<b>0.1</b>	0.2	<b>3.0</b>	3.7	<b>2.6</b>	2.0
Organic revenue growth (decline)	<b>10.1</b>	9.6	<b>25.8</b>	14.6	<b>(16.8)</b>	5.6	<b>21.1</b>	9.4
Impact of the divestment of the performance apparel line of business (SUGOI)	-	0.6	-	-	-	-	-	1.7
Adjusted organic revenue growth (decline)	<b>10.1</b>	10.2	<b>25.8</b>	14.6	<b>(16.8)</b>	5.6	<b>21.1</b>	11.1

	Six Months Ended June 30,							
	Consolidated		Dorel Home		Dorel Juvenile		Dorel Sports	
	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Revenue growth (decline)	<b>0.7</b>	2.4	<b>9.5</b>	12.0	<b>(17.5)</b>	(2.0)	<b>11.3</b>	(1.3)
Impact of varying foreign exchange rates	<b>1.9</b>	2.5	<b>0.1</b>	0.1	<b>3.0</b>	4.5	<b>2.5</b>	2.6
Organic revenue growth (decline)	<b>2.6</b>	4.9	<b>9.6</b>	12.1	<b>(14.5)</b>	2.5	<b>13.8</b>	1.3
Impact of the divestment of the performance apparel line of business (SUGOI)	-	0.7	-	-	-	-	-	1.9
Adjusted organic revenue growth (decline)	<b>2.6</b>	5.6	<b>9.6</b>	12.1	<b>(14.5)</b>	2.5	<b>13.8</b>	3.2

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

**Dorel Consolidated**

<b>Second Quarters Ended June 30,</b>										
	<b>2020</b>					<b>2019</b>				
	<b>Reported</b>	% of revenue	Restructuring costs	<b>Adjusted</b>	% of revenue	<b>Reported</b>	% of revenue	Restructuring costs	<b>Adjusted</b>	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	<b>723,953</b>	100.0	-	<b>723,953</b>	100.0	<b>669,982</b>	100.0	-	<b>669,982</b>	100.0
Cost of sales	<b>579,254</b>	80.0	(2,316)	<b>576,938</b>	79.7	<b>532,573</b>	79.5	(957)	<b>531,616</b>	79.3
GROSS PROFIT	<b>144,699</b>	20.0	2,316	<b>147,015</b>	20.3	<b>137,409</b>	20.5	957	<b>138,366</b>	20.7
Selling expenses	<b>41,969</b>	5.8	-	<b>41,969</b>	5.8	<b>56,197</b>	8.4	-	<b>56,197</b>	8.4
General and administrative expenses	<b>50,309</b>	6.9	-	<b>50,309</b>	6.9	<b>47,452</b>	7.1	-	<b>47,452</b>	7.1
Research and development expenses	<b>7,792</b>	1.1	-	<b>7,792</b>	1.1	<b>9,576</b>	1.4	-	<b>9,576</b>	1.4
Impairment loss on trade accounts receivable	<b>3,520</b>	0.5	-	<b>3,520</b>	0.5	<b>456</b>	0.1	-	<b>456</b>	0.1
Restructuring costs	<b>2,940</b>	0.4	(2,940)	-	-	<b>3,289</b>	0.4	(3,289)	-	-
OPERATING PROFIT	<b>38,169</b>	5.3	5,256	<b>43,425</b>	6.0	<b>20,439</b>	3.1	4,246	<b>24,685</b>	3.7
Finance expenses	<b>12,185</b>	1.7	-	<b>12,185</b>	1.7	<b>12,733</b>	1.9	-	<b>12,733</b>	1.9
INCOME BEFORE INCOME TAXES	<b>25,984</b>	3.6	5,256	<b>31,240</b>	4.3	<b>7,706</b>	1.2	4,246	<b>11,952</b>	1.8
Income taxes expense	<b>14,852</b>	2.1	740	<b>15,592</b>	2.1	<b>4,910</b>	0.8	725	<b>5,635</b>	0.9
<i>Tax rate</i>	<b>57.2%</b>			<b>49.9%</b>		<b>63.7%</b>			<b>47.1%</b>	
NET INCOME	<b>11,132</b>	1.5	4,516	<b>15,648</b>	2.2	<b>2,796</b>	0.4	3,521	<b>6,317</b>	0.9
<b>EARNINGS PER SHARE</b>										
Basic	<b>0.34</b>		0.14	<b>0.48</b>		<b>0.09</b>		0.10	<b>0.19</b>	
Diluted	<b>0.34</b>		0.14	<b>0.48</b>		<b>0.09</b>		0.10	<b>0.19</b>	
<b>SHARES OUTSTANDING</b>										
Basic - weighted average	<b>32,488,106</b>			<b>32,488,106</b>		<b>32,443,758</b>			<b>32,443,758</b>	
Diluted - weighted average	<b>32,878,768</b>			<b>32,878,768</b>		<b>32,798,069</b>			<b>32,798,069</b>	

**Six Months Ended June 30,**

	2020					2019				
	Reported	% of revenue	Impairment loss on goodwill and restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	<b>1,304,708</b>	100.0	-	<b>1,304,708</b>	100.0	<b>1,295,542</b>	100.0	-	<b>1,295,542</b>	100.0
Cost of sales	<b>1,053,476</b>	80.7	(2,316)	<b>1,051,160</b>	80.6	<b>1,028,100</b>	79.4	(1,388)	<b>1,026,712</b>	79.2
GROSS PROFIT	<b>251,232</b>	19.3	2,316	<b>253,548</b>	19.4	<b>267,442</b>	20.6	1,388	<b>268,830</b>	20.8
Selling expenses	<b>89,427</b>	6.9	-	<b>89,427</b>	6.9	<b>108,911</b>	8.4	-	<b>108,911</b>	8.4
General and administrative expenses	<b>91,137</b>	7.0	-	<b>91,137</b>	7.0	<b>96,088</b>	7.5	-	<b>96,088</b>	7.5
Research and development expenses	<b>17,534</b>	1.3	-	<b>17,534</b>	1.3	<b>19,149</b>	1.5	-	<b>19,149</b>	1.5
Impairment loss on trade accounts receivable	<b>6,527</b>	0.5	-	<b>6,527</b>	0.5	<b>452</b>	-	-	<b>452</b>	-
Restructuring costs	<b>4,248</b>	0.4	(4,248)	-	-	<b>17,255</b>	1.2	(17,255)	-	-
Impairment loss on goodwill	<b>43,125</b>	3.3	(43,125)	-	-	-	-	-	-	-
OPERATING (LOSS) PROFIT	<b>(766)</b>	(0.1)	49,689	<b>48,923</b>	3.7	<b>25,587</b>	2.0	18,643	<b>44,230</b>	3.4
Finance expenses	<b>27,494</b>	2.1	-	<b>27,494</b>	2.1	<b>23,068</b>	1.8	-	<b>23,068</b>	1.8
(LOSS) INCOME BEFORE INCOME TAXES	<b>(28,260)</b>	(2.2)	49,689	<b>21,429</b>	1.6	<b>2,519</b>	0.2	18,643	<b>21,162</b>	1.6
Income taxes expense	<b>18,429</b>	1.4	957	<b>19,386</b>	1.4	<b>7,996</b>	0.6	1,058	<b>9,054</b>	0.7
Tax rate	<b>(65.2)%</b>			<b>90.5%</b>		<b>317.4%</b>			<b>42.8%</b>	
NET (LOSS) INCOME	<b>(46,689)</b>	(3.6)	48,732	<b>2,043</b>	0.2	<b>(5,477)</b>	(0.4)	17,585	<b>12,108</b>	0.9
(LOSS) EARNINGS PER SHARE										
Basic	<b>(1.44)</b>		1.50	<b>0.06</b>		<b>(0.17)</b>		0.54	<b>0.37</b>	
Diluted	<b>(1.44)</b>		1.50	<b>0.06</b>		<b>(0.17)</b>		0.54	<b>0.37</b>	
SHARES OUTSTANDING										
Basic - weighted average	<b>32,487,117</b>			<b>32,487,117</b>		<b>32,441,549</b>			<b>32,441,549</b>	
Diluted - weighted average	<b>32,487,117</b>			<b>32,885,165</b>		<b>32,441,549</b>			<b>32,793,698</b>	

## Dorel Sports

Second Quarters Ended June 30,										
	2020					2019				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	285,636	100.0	-	285,636	100.0	241,029	100.0	-	241,029	100.0
Cost of sales	218,213	76.4	-	218,213	76.4	191,258	79.4	-	191,258	79.4
GROSS PROFIT	67,423	23.6	-	67,423	23.6	49,771	20.6	-	49,771	20.6
Selling expenses	18,744	6.6	-	18,744	6.6	21,832	9.0	-	21,832	9.0
General and administrative expenses	18,167	6.3	-	18,167	6.3	16,135	6.7	-	16,135	6.7
Research and development expenses	1,290	0.5	-	1,290	0.5	1,477	0.6	-	1,477	0.6
Impairment loss on trade accounts receivable	2,074	0.7	-	2,074	0.7	232	0.1	-	232	0.1
Restructuring costs	307	0.1	(307)	-	-	-	-	-	-	-
OPERATING PROFIT	26,841	9.4	307	27,148	9.5	10,095	4.2	-	10,095	4.2

  

Six Months Ended June 30,										
	2020					2019				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	473,824	100.0	-	473,824	100.0	425,573	100.0	-	425,573	100.0
Cost of sales	370,580	78.2	-	370,580	78.2	336,543	79.1	-	336,543	79.1
GROSS PROFIT	103,244	21.8	-	103,244	21.8	89,030	20.9	-	89,030	20.9
Selling expenses	37,369	7.9	-	37,369	7.9	41,187	9.7	-	41,187	9.7
General and administrative expenses	32,255	6.9	-	32,255	6.9	30,670	7.2	-	30,670	7.2
Research and development expenses	2,502	0.5	-	2,502	0.5	2,699	0.6	-	2,699	0.6
Impairment loss (reversal) on trade accounts receivable	4,498	0.9	-	4,498	0.9	(122)	-	-	(122)	-
Restructuring costs	390	0.1	(390)	-	-	-	-	-	-	-
OPERATING PROFIT	26,230	5.5	390	26,620	5.6	14,596	3.4	-	14,596	3.4

## Dorel Home

Second Quarters Ended June 30,										
	2020					2019				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	260,674	100.0	-	260,674	100.0	207,448	100.0	-	207,448	100.0
Cost of sales	225,889	86.7	(2,230)	223,659	85.8	177,896	85.8	-	177,896	85.8
GROSS PROFIT	34,785	13.3	2,230	37,015	14.2	29,552	14.2	-	29,552	14.2
Selling expenses	5,965	2.3	-	5,965	2.3	6,923	3.3	-	6,923	3.3
General and administrative expenses	8,501	3.2	-	8,501	3.2	7,273	3.5	-	7,273	3.5
Research and development expenses	973	0.4	-	973	0.4	1,274	0.6	-	1,274	0.6
Impairment loss on trade accounts receivable	193	0.1	-	193	0.1	11	-	-	11	-
Restructuring costs	545	0.2	(545)	-	-	-	-	-	-	-
OPERATING PROFIT	18,608	7.1	2,775	21,383	8.2	14,071	6.8	-	14,071	6.8

Six Months Ended June 30,										
	2020					2019				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	458,086	100.0	-	458,086	100.0	418,212	100.0	-	418,212	100.0
Cost of sales	398,801	87.1	(2,230)	396,571	86.6	359,019	85.8	-	359,019	85.8
GROSS PROFIT	59,285	12.9	2,230	61,515	13.4	59,193	14.2	-	59,193	14.2
Selling expenses	11,672	2.5	-	11,672	2.5	13,285	3.2	-	13,285	3.2
General and administrative expenses	15,696	3.4	-	15,696	3.4	14,791	3.6	-	14,791	3.6
Research and development expenses	2,161	0.5	-	2,161	0.5	2,442	0.6	-	2,442	0.6
Impairment loss on trade accounts receivable	313	0.1	-	313	0.1	151	-	-	151	-
Restructuring costs	545	0.1	(545)	-	-	-	-	-	-	-
OPERATING PROFIT	28,898	6.3	2,775	31,673	6.9	28,524	6.8	-	28,524	6.8

## Dorel Juvenile

Second Quarters Ended June 30,										
	2020					2019				
	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	177,643	100.0	-	177,643	100.0	221,505	100.0	-	221,505	100.0
Cost of sales	135,152	76.1	(86)	135,066	76.0	163,419	73.8	(957)	162,462	73.3
GROSS PROFIT	42,491	23.9	86	42,577	24.0	58,086	26.2	957	59,043	26.7
Selling expenses	17,233	9.7	-	17,233	9.7	27,377	12.4	-	27,377	12.4
General and administrative expenses	17,612	10.0	-	17,612	10.0	18,032	8.1	-	18,032	8.1
Research and development expenses	5,529	3.1	-	5,529	3.1	6,825	3.1	-	6,825	3.1
Impairment loss on trade accounts receivable	1,253	0.7	-	1,253	0.7	213	0.1	-	213	0.1
Restructuring costs	2,088	1.1	(2,088)	-	-	3,289	1.4	(3,289)	-	-
OPERATING (LOSS) PROFIT	(1,224)	(0.7)	2,174	950	0.5	2,350	1.1	4,246	6,596	3.0

Six Months Ended June 30,										
	2020					2019				
	Reported	% of revenue	Impairment loss on goodwill and restructuring costs	Adjusted	% of revenue	Reported	% of revenue	Restructuring costs	Adjusted	% of revenue
	\$	%	\$	\$	%	\$	%	\$	\$	%
REVENUE	372,798	100.0	-	372,798	100.0	451,757	100.0	-	451,757	100.0
Cost of sales	284,095	76.2	(86)	284,009	76.2	332,538	73.6	(1,388)	331,150	73.3
GROSS PROFIT	88,703	23.8	86	88,789	23.8	119,219	26.4	1,388	120,607	26.7
Selling expenses	40,287	10.8	-	40,287	10.8	54,287	12.0	-	54,287	12.0
General and administrative expenses	34,824	9.2	-	34,824	9.2	38,004	8.4	-	38,004	8.4
Research and development expenses	12,871	3.5	-	12,871	3.5	14,008	3.1	-	14,008	3.1
Impairment loss on trade accounts receivable	1,716	0.5	-	1,716	0.5	423	0.1	-	423	0.1
Restructuring costs	3,313	0.9	(3,313)	-	-	17,255	3.9	(17,255)	-	-
Impairment loss on goodwill	43,125	11.6	(43,125)	-	-	-	-	-	-	-
OPERATING (LOSS) PROFIT	(47,433)	(12.7)	46,524	(909)	(0.2)	(4,758)	(1.1)	18,643	13,885	3.1