



DOREL JUVENILE

Maxi-Cosi

Quinny

Tiny Love

Safety 1st

Bébé Confort

Cosco

Infanti

DOREL SPORTS

Cannondale

Schwinn

Caloi

GT

Mongoose

KidTrax

DOREL HOME

Dorel Home Products

Cosco Home & Office

Ameriwood

Dorel Living

Signature Sleep

Little Seeds

EXCHANGES

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C O M M U N I Q U É

DOREL INDUSTRIES INC. SUSPENDS DIVIDEND

Increased U.S. tariffs a major factor

Montréal, October 1, 2019 — Dorel Industries Inc. (TSX: DII.B; DII.A) today announced that the impact of increased U.S. imposed tariffs as well as a review of the preliminary third quarter results have prompted Dorel's Board of Directors to suspend its dividend. The dividend declared on August 2, 2019 is not affected and will be paid on October 2, 2019. This past May, a second round of increases on Chinese imports, including furniture, bicycles and other goods, brought tariffs to 25%. This is having a much greater impact on the business than the original implementation of 10% introduced a year ago.

"The impact of the increase on Dorel businesses was still unclear at the end of the second quarter. We raised prices midway through the third quarter and this has had several negative consequences. Not all competitors nor retailers raised prices at the same time or rate. Retailers have also changed their buying routines. New price points have caused some consumers to opt for different items creating a considerable product mix imbalance. As well, elevated warehousing costs are still being incurred as the shift in demand has delayed our inventory balancing program. The net result of these challenges is that Dorel Home's expected gross margin improvement from first half levels will be delayed to the beginning of 2020," explained Dorel President & CEO, Martin Schwartz.

Another factor affecting the third quarter is that some of Dorel's large U.S. customers have delayed Christmas 2019 deliveries to the beginning of the fourth quarter. In addition, the recent rise in value of the U.S. dollar has had a negative impact on Dorel's Sports and Juvenile segments as major currencies that affect Dorel's financial results dropped between 3% and 8%.

Tariffs have also impacted Dorel Sports' mass merchant business. Although sales have remained strong, the mix has been negative, and gross margins are lower. Sales in the independent bicycle dealer (IBD) and Sporting Goods channels have remained strong and the outlook remains positive.

"It is prudent to suspend the dividend until the chaotic market conditions created by tariffs are normalized," concluded Dorel President & CEO, Martin Schwartz.

Dorel further announced that it has amended its senior secured revolving credit facilities and term loan. The amendment is intended to facilitate compliance by Dorel with its financial covenants under the credit facilities.

Dorel will announce third quarter results on November 8, 2019.

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 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.

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.