Management's Discussion and Analysis

of Financial Conditions and Results of Operations

For the three months ended March 31, 2022
All figures in US dollars

This Interim Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements for Dorel Industries Inc. ("Dorel" or "the Company") as at and for the three months ended March 31, 2022 and the Company's audited consolidated financial statements and MD&A as at and for the year ended December 30, 2021. This MD&A is based on reported earnings prepared in accordance with International Financial Reporting Standards ("IFRS"), using the US dollar as the reporting currency.

The Company's condensed consolidated interim financial statements have been prepared using the same accounting policies as described in Note 4 of the Company's audited consolidated financial statements for the year ended December 30, 2021. The condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements. Certain information and footnote disclosures normally included in consolidated annual financial statements prepared in accordance with IFRS were omitted or condensed where such information is not considered material to the understanding of the Company's condensed consolidated interim financial statements.

*Quarterly reports, the annual report and supplementary information filed with the Canadian securities regulatory authorities can be found online at **www.sedar.com**, as well as on the Company's corporate website at **www.dorel.com**.*

Note that there have been no significant changes with regards to the "Corporate Overview", "Operating Segments", "Contractual Obligations", "Off-Balance Sheet Arrangements", or "Financial Instruments", to those outlined in the Company's 2021 annual MD&A as filed with the Canadian securities regulatory authorities on March 10, 2022. As such, they are not repeated herein. The information in this MD&A is current as of May 5, 2022.

Certain totals, subtotals and percentages may not agree due to rounding.

1. SIGNIFICANT EVENTS IN 2022

Definitive agreement to sell Dorel Sports

On October 11, 2021, the Company entered into a definitive agreement to sell its Sports segment to Pon Holdings B.V., a Dutch mobility group, for total consideration of $810.0 million in cash, payable to Dorel at closing. The sale was subject to customary closing conditions, including receipt of applicable regulatory approvals and the absence of any material adverse changes with respect to Dorel Sports until closing. The sale was not subject to any financing conditions. The transaction consisted of the sale by Dorel of 100% of the shares of its indirect wholly owned subsidiary companies comprising its Sports segment as well as certain related assets. Refer to Note 4 – Assets Held for Sale and Discontinued Operation in our condensed consolidated interim financial statements for more details.

On January 4, 2022, the Company completed the sale of the Sports segment for $810.0 million (subject to post-closing adjustments) of which $35.0 million is being held in escrow to cover post-closing adjustments. Dorel used part of the proceeds for payment of a special dividend of $12.00 per share and to repay long-term debts.

The transaction resulted in a gain of $267.6 million reflected in income from discontinued operation, net of tax for the three months ended March 31, 2022. Transaction and other costs related to the sale of the Sports segment in the amount of $51.9 million were recorded in the year ended December 30, 2021.

For clarity, continuing operations for the three months ended March 31, 2022 include financial results of Dorel Home and Dorel Juvenile as well as the corporate cost structure supporting the segments. As such, continuing operations should not be interpreted as representing the future results of Dorel Home and Dorel Juvenile following the sale of Dorel Sports.

Details of the impact of the transaction:

	January 4, 2022
Proceeds	810,000
Post-closing adjustments	(21,038)
Net proceeds (1)	788,962
Derecognition of assets, liabilities and CTA:	
Deconsolidation of Cash and cash equivalents related to the Sports segment	(26,145)
Trade accounts receivable	(173,493)
Inventories	(303,823)
Property, plant and equipment	(29,961)
Right-of-use assets	(65,578)
Intangible assets	(204,505)
Other	(40,498)
Total assets previously classified as assets held for sale	(817,858)
Trade and other payables	236,406
Lease liabilities	71,544
Non-convertible debenture	19,307
Other	47,010
Total liabilities previously classified as liabilities directly associated with the assets held for sale	374,267
Reclassification of CTA upon the sale of the Sports segment	(51,657)
Gain on sale of the Sports segment	267,569

(1) From the net proceeds of $788,962, $758,962 has been received before March 31, 2022.

Special Dividend

On January 4, 2022, following the closing of the sale of its Sports segment, Dorel's Board of Directors declared a special dividend of $12.00 per share on Dorel's outstanding Class "B" Subordinate Voting Shares, Class "A" Multiple Voting Shares, Deferred Share Units, cash-settled Restricted Share Units and cash-settled Performance Share Units, representing an aggregate amount of $396.6 million. The special dividend declared on the outstanding Class "B" Subordinate Voting Shares and Class "A" Multiple Voting Shares in the amount of $390.6 million was paid on February 1, 2022 to shareholders of record as at the close of business on January 18, 2022. A total of 193,259 DDSUs and 405,920 EDSUs were issued for dividend equivalents related to the special dividend declared on the deferred share units, representing an aggregate amount of $6.0 million.

Normal Course Issuer Bid ("NCIB")

On January 4, 2022, the Toronto Stock Exchange ("TSX") approved Dorel's NCIB. Under the NCIB, Dorel may purchase for cancellation a maximum of 1,891,222 Class "B" Subordinate Voting Shares, representing 10% of the 18,912,225 Class "B" Subordinate Voting Shares forming the public float. The shares may be purchased through the facilities of the TSX and on alternative trading systems in Canada over the twelve-month period from January 6, 2022 to January 5, 2023, or until such earlier time as the bid is completed or terminated at the option of the Company.

Any shares purchased by Dorel under the NCIB will be at the market price of the shares at the time of such purchases. The actual number of Class "B" Subordinate Voting Shares that may be purchased and the timing of any such purchases will be determined by Dorel. Any purchases made by Dorel pursuant to the NCIB will be made in accordance with the rules and policies of the TSX. During the three months ended March 31, 2022, the Company purchased a total of 69,600 Class "B" Subordinate Voting Shares for a total cash consideration of $0.5 million.

Repayment of the senior unsecured notes

On January 4, 2022, following the sale of its Sports segment, the Company used a portion of the proceeds received to completely reimburse the balance of the senior unsecured notes, including a prepayment fee of $6.4 million recognized in finance expenses in the three months ended March 31, 2022.

Senior secured asset based revolving credit facility (ABL facility)

On January 4, 2022, following the sale of its Sports segment, the Company amended the ABL facility to reduce the total availability to $300.0 million. On May 3, 2022, the Company amended its ABL facility agreement to extend the term until June 11, 2026.

COVID-19 update

During the first quarter of 2022, global economies and financial markets continued to be impacted by new variants of COVID-19. Government authorities around the world have maintained the actions taken since the start of the pandemic in an effort to slowdown the spread of these COVID-19 variants. These actions include measures such as the closure of non-essential businesses, lockdowns and social distancing as countries around the world continue their vaccination campaigns in an effort to reach herd immunity status. Dorel's focus remains to closely monitor its cash position and control its spending, while managing its inventory levels in line with the unprecedented change in demand behavior since the COVID-19 pandemic started. While some of Dorel's products remain in high demand, sales of other products suffered from the lockdown of many countries.

Refer to the "Operating results" section for further details of the impact on Dorel's business during the three months ended March 31, 2022.

2. OPERATING RESULTS

All tabular figures are in thousands of US dollars, except per share amounts.

a) Non-GAAP financial ratios and measures

Dorel uses non-GAAP financial ratios and measures to assess our operating performance and liquidity. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. In this MD&A, we and certain investors and analysts use non-GAAP financial ratios and measures including adjusted gross profit, adjusted gross margin, adjusted operating profit (loss), adjusted net income (loss) from continuing operations, adjusted diluted earnings (loss) per share from continuing operations, and organic revenue growth (decline) and adjusted organic revenue growth (decline) to measure our performance and financial condition from one period to the next, which excludes the variation caused by certain adjustments that could potentially distort the analysis of trends in our operating performance, and because we believe such measures provide meaningful information to investors and analysts on the Company's financial condition and financial performance. Dorel also uses non-GAAP financial ratios and measures including total debt, debt-to-equity ratio and free cash flow.

We refer the reader to section entitled "Definition and reconciliation of non-GAAP financial ratios and measures" in this MD&A for the definition and complete reconciliation of all non-GAAP financial ratios and measures used and presented by Dorel to the most directly comparable IFRS measures.

b) First quarter operating results

	First Quarters Ended			
	March 31, 2022	March 31, 2021 [5]	Variation $	%
CONTINUING OPERATIONS				
Revenue	**428,035**	438,553	(10,518)	(2.4)%
Cost of sales	**355,850**	353,002	2,848	0.8%
Gross profit	**72,185**	85,551	(13,366)	(15.6)%
Selling expenses	**32,761**	30,026	2,735	9.1%
General and administrative expenses	**46,049**	38,947	7,102	18.2%
Research and development expenses	**6,309**	8,016	(1,707)	(21.3)%
Impairment loss (reversal) on trade accounts receivable	**111**	(195)	306	n.m.
Restructuring costs	**2,418**	9,668	(7,250)	(75.0)%
Operating loss	**(15,463)**	(911)	(14,552)	n.m.
Adjusted operating (loss) profit [1]	**(13,045)**	8,757	(21,802)	(249.0)%
Finance expenses	**12,633**	6,973	5,660	81.2%
Loss before income taxes	**(28,096)**	(7,884)	(20,212)	(256.4)%
Income taxes (recovery) expense	**(878)**	4,963	(5,841)	n.m.
Net loss from continuing operations	**(27,218)**	(12,847)	(14,371)	(111.9)%
Adjusted net loss from continuing operations [1]	**(24,837)**	(3,360)	(21,477)	(639.2)%
Basic loss per share from continuing operations	**(0.84)**	(0.40)	(0.44)	(110.0)%
Diluted loss per share from continuing operations	**(0.84)**	(0.40)	(0.44)	(110.0)%
Adjusted diluted loss per share from continuing operations [1]	**(0.76)**	(0.10)	(0.66)	(660.0)%
DISCONTINUED OPERATION				
Income from discontinued operation, net of tax	**261,713**	15,574	246,139	n.m.
Net income	**234,495**	2,727	231,768	n.m.
Basic earnings per share	**7.20**	0.08	7.12	n.m.
Diluted earnings per share	**7.03**	0.08	6.95	n.m.
Weighted average number of shares - Basic	**32,557,326**	32,505,121	n/a	n/a
Weighted average number of shares - Diluted	**33,370,495**	32,862,813	n/a	n/a
Gross margin [2]	**16.9%**	19.5%	n/a	(260) bp
Selling expenses as a percentage of revenue [3]	**7.7%**	6.8%	n/a	90 bp
General and administrative expenses as a percentage of revenue [4]	**10.8%**	8.9%	n/a	190 bp

n.m. = not meaningful

n/a = not applicable

bp = basis point

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this MD&A.

(2) Gross margin is defined as gross profit divided by revenue.

(3) Selling expenses as a percentage of revenue is defined as selling expenses divided by revenue.

(4) General and administrative expenses as a percentage of revenue is defined as general and administrative expenses divided by revenue.

(5) Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 4 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

c) Restructuring costs – Continuing operations

The details of restructuring costs of continuing operations are presented below:

	First Quarters Ended	
	March 31, 2022	March 31, 2021
Employee severance and termination benefits	**1,354**	599
Loss on disposal of a subsidiary	**-**	8,576
Loss on disposal of assets held for sale	**-**	172
Curtailment gain on net pension defined benefit liabilities	**(28)**	(32)
Other associated costs	**1,092**	353
Total restructuring costs recorded within a separate line in the condensed consolidated interim income statements (1)	**2,418**	9,668
(1) Includes non-cash amounts of	**(28)**	8,716

Restructuring costs

For the three months ended March 31, 2022, the Company recorded total restructuring costs from continuing operations of $2.4 million (2021 – $9.7 million), all of which were recorded as restructuring costs as a separate line within the condensed consolidated interim income statements. All of the restructuring costs pertain to the Dorel Juvenile segment.

These restructuring costs are mainly related to employee severance and termination benefits and other associated costs.

Dorel Juvenile segment

Sale of a manufacturing facility in Zhongshan, China

On March 31, 2021, the Company completed the sale of its juvenile products manufacturing facility in Zhongshan, China, for gross proceeds of $51.0 million, which were received in 2021. Disposition-related costs of this transaction amounted to $1.4 million and were recorded in the loss on disposal of subsidiaries within restructuring costs. The loss on disposal of a subsidiary within restructuring costs of $8.6 million also includes the effect of the reclassification of a loss on CTA for an amount of $10.7 million presented in the statements of comprehensive income. The Company continued to consolidate revenues and expenses of this subsidiary until March 31, 2021.

The disposal of this manufacturing facility was in line with the main objective pursued by the restructuring program initiated in 2019 of optimizing Dorel Juvenile segment's global footprint.

2021 Restructuring Plan

In the fourth quarter of 2021, a new restructuring program was approved for the Dorel Juvenile United States and European markets. In the United States, several operating divisions have been combined into one organization. The expected principal benefits of this change will be in the sales and marketing area where process harmonization and the creation of a more nimble organization is expected to reduce costs and bring efficiencies. In Europe, with the successful conclusion of the first phase of restructuring that was initiated in 2019, further cost saving opportunities have been identified enabled by the supplier new product co-development program and the consolidation of manufacturing into one European factory. As a result, restructuring costs of $2.4 million were recorded for these initiatives, consisting mostly of employee severance and termination benefits for $1.4 million and other associated costs for $1.0 million.

d) Selected financial information

The table below shows selected financial information for the eight most recently completed quarters ended:

	2022	2021				2020		
	March 31	Dec 30	Sept 30	June 30 *restated (1)*	March 31 *restated (1)*	Dec 30 *restated (1)*	Sept 30 *restated (1)*	June 30 *restated (1)*
Revenue from continuing operations	428,035	435,269	437,236	447,647	438,553	439,020	447,798	438,317
Net (loss) income from continuing operations	(27,218)	(29,589)	(68,022)	(1,377)	(12,847)	(13,331)	9,284	(6,756)
Per share - Basic	(0.84)	(0.91)	(2.09)	(0.04)	(0.40)	(0.41)	0.29	(0.21)
Per share - Diluted	(0.84)	(0.91)	(2.09)	(0.04)	(0.40)	(0.41)	0.28	(0.21)
Net income (loss)	234,495	(19,638)	(36,951)	22,238	2,727	(22,879)	26,165	11,132
Per share - Basic	7.20	(0.60)	(1.14)	0.68	0.08	(0.70)	0.81	0.34
Per share - Diluted	7.03	(0.60)	(1.14)	0.67	0.08	(0.70)	0.80	0.34

(1) Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 4 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

For the third quarter of 2021, the decrease in revenue from continuing operations compared to the third quarter of 2020 was in Dorel Home partly offset by Dorel Juvenile. The decrease in net income from continuing operations in the third quarter of 2021 was mainly due to the tax and interest recorded on the transfer of certain assets following the judgment of Luxembourg Administrative Court, and to the lower gross profit dollars from the lower gross profit in percentage of revenue.

For the fourth quarter of 2021, the increase in net loss from continuing operations compared to the fourth quarter of 2020 was mainly due to a decrease in the gross profit in both Dorel Home and Dorel Juvenile. This decrease was partly offset by a decrease in general and administrative expenses, in research and development expenses, and in income taxes expense.

For the first quarter of 2022, the increase in net income compared to the first quarter of 2021 is mainly due to the gain on sale of the Sports segment in the amount of $267.6 million.

e) Consolidated operating review – Continuing operations

Revenue, organic revenue and adjusted organic revenue growth:

	First Quarters Ended March 31,											
	Consolidated				**Dorel Home**				**Dorel Juvenile**			
	2022		2021[1]		**2022**		2021		**2022**		2021	
	$	**%**	$	%	**$**	**%**	$	%	**$**	**%**	$	%
Revenue of the period	**428,035**		438,553		**211,466**		228,698		**216,569**		209,855	
Revenue of the comparative period	**(438,553)**		(392,567)		**(228,698)**		(197,412)		**(209,855)**		(195,155)	
Revenue (decline) growth	**(10,518)**	**(2.4)**	45,986	11.7	**(17,232)**	**(7.5)**	31,286	15.8	**6,714**	**3.2**	14,700	7.5
Impact of varying foreign exchange rates	**6,232**	**1.4**	(5,313)	(1.3)	**86**	**-**	(373)	(0.1)	**6,146**	**2.9**	(4,940)	(2.5)
Organic revenue (decline) growth [2]	**(4,286)**	**(1.0)**	40,673	10.4	**(17,146)**	**(7.5)**	30,913	15.7	**12,860**	**6.1**	9,760	5.0
Impact of acquired businesses	**(6,883)**	**(1.6)**	-	-	**(6,883)**	**(3.0)**	-	-	**-**	**-**	-	-
Impact of the sale of divisions	**5,311**	**1.2**	-	-	**-**	**-**	-	-	**5,311**	**2.8**	-	-
Adjusted organic revenue (decline) growth [2]	**(5,858)**	**(1.4)**	40,673	10.4	**(24,029)**	**(10.5)**	30,913	15.7	**18,171**	**8.9**	9,760	5.0

(1) Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods.

(2) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this MD&A.

Revenue

For the first quarter of 2022, Dorel's revenue declined by $10.5 million, or 2.4%, to $428.0 million compared to a year ago. Adjusted organic revenue declined by approximately 1.4%, after removing the impact of varying foreign exchange rates year-over-year, prior year revenue from the Zhongshan, China manufacturing facility that was disposed of in the first quarter last year, and the current year revenue from Notio Living that was acquired in November 2021. The revenue and adjusted organic revenue decline was in Dorel Home offset in part by the improvement in Dorel Juvenile. Dorel Juvenile revenue and adjusted organic revenue improvement was in all markets except Canada, Brazil, and China. In Dorel Home, the revenue and adjusted organic revenue decline was mainly due to lower e-commerce sales.

Gross profit and gross margin

Gross profit for the first quarter decreased by $13.4 million, or 15.6%, compared to last year. Gross margin at 16.9% in the first quarter, declined by 260 basis points from 19.5% in 2021. The decline in the first quarter was in both Dorel Home and Dorel Juvenile. In Dorel Home the margin decline was due to higher warehouse costs, ocean freight costs, and increased board and overseas finished goods costs. In Dorel Juvenile, the decline was mainly due to increased container freight costs and higher input costs overall. In addition, margins were negatively impacted by the component shortage in the U.S. that led to lower manufacturing activity and less factory overhead absorption.

Selling expenses

Selling expenses for the first quarter increased by $2.7 million, or 9.1%, to $32.8 million and increased by 90 basis points as a percentage of revenue. The increase was due to increased advertising and marketing costs to support the business in both Dorel Home and Dorel Juvenile. In addition, the increase is explained by increased commissions from higher sales and higher people costs from the full re-opening of the company owned stores in South America in Dorel Juvenile.

General and administrative expenses

General and administrative expenses at $46.0 million increased in the first quarter by $7.1 million, or 18.2% compared with the prior year. The increase was mainly driven by higher product liability costs in both Dorel Home and Dorel Juvenile. In addition, corporate expenses increased due to foreign exchange losses, offset in part by lower professional fees.

Research and development expenses

Research and development expenses declined in the quarter by $1.7 million, or 21.3%, to $6.3 million and is mainly due to lower people costs in Dorel Juvenile in line with its recent restructuring activities.

Impairment loss (reversal) on trade accounts receivable

Impairment loss (reversal) on trade accounts receivable remained comparable to last year's first quarter.

Operating loss

For the first quarter, Dorel reported an operating loss of $15.5 million compared to $0.9 million in 2021. Excluding restructuring costs, adjusted operating profit decreased by $21.8 million, or 249.0%, to an adjusted operating loss of $13.0 million. The decreases in the operating profit and adjusted operating profit were mainly due to the decrease in gross profit as well as the increase in overall operating expenses as detailed above.

Finance expenses

Details of finance expenses are summarized below:

	First Quarters Ended			
	March 31, 2022	March 31, 2021 *restated (1)*	Variation $	%
Interest on long-term debt - including effect of cash flow hedge related to the interest rate swaps and the accreted interest related to long-term debt bearing interest at fixed rates	**4,966**	4,769	197	4.1%
Interest on lease liabilities	**912**	1,199	(287)	(23.9)%
Amortization of deferred financing costs	**-**	190	(190)	(100.0)%
Prepayment fee on reimbursement of the senior unsecured notes	**6,375**	-	6,375	100.0%
Other interest	**380**	815	(435)	(53.4)%
Finance expenses from continuing operations	**12,633**	6,973	5,660	81.2%

(1) Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 4 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

Finance expenses increased by $5.7 million to $12.6 million during the first quarter compared to last year. The increase is mainly explained by the prepayment fee on the reimbursement of the senior unsecured notes in the amount of $6.4 million following the sale of Dorel Sports. Please refer to Note 6 – Long-Term Debt in the condensed consolidated interim financial statements.

Income taxes (recovery) expenses

For the first quarter ended March 31, 2022, the Company's effective tax rate was 3.1% compared to (63.0%) for the same period in the prior year. As a multi-national company, Dorel is resident in numerous countries and therefore subject to different tax rates in those various tax jurisdictions and by the interpretation and application of tax laws, as well as the application of income tax treaties between various countries. As such, significant variations can occur from year-to-year and between quarters within a given year. The effective tax rate for the first quarter ended March 31, 2022 was primarily impacted by the non-recognition of tax benefits related to tax losses and temporary differences. The effective tax rate for the three months ended March 31, 2021 was primarily impacted by the permanent differences including various impacts related to the sale of its juvenile products manufacturing facility in Zhongshan, net of the recovery arising from the use of unrecorded tax benefits.

The variation year-over-year for the three months ended March 31, 2022 and 2021 results from changes in the jurisdictions in which the Company generated its income.

On January 26, 2021, the Company announced its intention to appeal a decision of the Luxembourg Administrative Tribunal received on January 22, 2021 with respect to taxation on the transfer of certain assets in connection with an internal corporate reorganization that took place in 2015. The Company considered that the transfer of assets was not taxable and initiated its appeal process on February 26, 2021. On October 28, 2021, the Luxembourg Administrative Court confirmed on appeal the previously-announced decision of the Luxembourg Administrative Tribunal to the effect that one of Dorel's wholly-owned subsidiaries owes $64.2 million (EUR $54.6 million) in tax including interest. As a result of the judgment of the Luxembourg Administrative Court, the Company recognized an income tax expense of $52.6 million related to this decision in the fourth quarter of 2021. In January 2022, the Company paid the remaining cash balance due to the Luxembourg tax authorities.

Net loss from continuing operations

During the first quarter of 2022, the net loss from continuing operations was $27.2 million, or $0.84 per diluted share compared with $12.8 million, or $0.40 per diluted share in 2021. Excluding restructuring costs, adjusted net loss from continuing operations for the quarter was $24.8 million, or $0.76 per diluted share compared to $3.4 million, or $0.10 per diluted share a year ago.

f) Segmented operating review

Segmented figures are presented in Note 13 of the Company's condensed consolidated interim financial statements. Further reporting segment detail is presented below.

Dorel Home

	First Quarters Ended			
	March 31, 2022	March 31, 2021	Variation $	%
Revenue	**211,466**	228,698	(17,232)	(7.5)%
Cost of sales	**188,268**	197,310	(9,042)	(4.6)%
Gross profit	**23,198**	31,388	(8,190)	(26.1)%
Selling expenses	**6,962**	6,329	633	10.0%
General and administrative expenses	**9,443**	9,041	402	4.4%
Research and development expenses	**1,266**	1,101	165	15.0%
Impairment (reversal) loss on trade accounts receivable	**(8)**	80	(88)	n.m.
Operating profit	**5,535**	14,837	(9,302)	(62.7)%
Gross margin (1)	**11.0%**	13.7%	n/a	(270) bp
Selling expenses as a percentage of revenue (2)	**3.3%**	2.8%	n/a	50 bp
General and administrative expenses as a percentage of revenue (3)	**4.5%**	4.0%	n/a	50 bp

n.m. = not meaningful

n/a = not applicable

bp = basis point

(1) Gross margin is defined as gross profit divided by revenue.

(2) Selling expenses as a percentage of revenue is defined as selling expenses divided by revenue.

(3) General and administrative expenses as a percentage of revenue is defined as general and administrative expenses divided by revenue.

Dorel Home’s first quarter revenue declined by $17.2 million, or 7.5%, to $211.5 million from $228.7 million last year. Adjusted organic revenue, after removing the variations of foreign exchange rates year-over-year and the impact of the acquisition of Notio Living which closed in November 2021, declined by 10.5%. The decrease in revenue is mainly explained by overall reduced e-commerce sales. In addition, Dorel Home’s revenue from the direct import business in the first quarter was lower as a result of the supply chain disruptions that continue to persist. Last year’s revenue benefitted from the strong demand created in response to consumer needs, and in particular home office furniture, during the prolonged stay-at-home period.

Gross profit for the first quarter decreased by $8.2 million, or 26.1%, compared to last year’s first quarter. Gross margin, at 11.0% in the first quarter, declined by 270 basis points from last year’s first quarter. The first quarter decline was due to higher warehouse costs, significantly increased ocean freight costs, and substantially increased board and overseas finished goods costs.

Selling expenses for the first quarter were higher by $0.6 million, or 10.0%, compared to last year’s first quarter, representing an increase of 50 basis points as a percentage of revenue. The increase in the quarter is mainly explained by the increased costs from the Notio Living acquisition as well as increased promotional expenses to support the direct-to-consumer business.

General and administrative expenses for the first quarter were higher by $0.4 million, or 4.4%, compared to last year’s first quarter, representing an increase of 50 basis points as a percentage of revenue. The increase in the quarter is mainly explained by the increased costs from the Notio Living acquisition as well as increased product liability insurance costs.

Research and development expenses remained comparable to last year’s first quarter.

Similarly, the impairment (reversal) loss on trade accounts receivable also remained comparable to last year’s first quarter.

Dorel Home’s operating profit declined by $9.3 million, or 62.7% for the quarter to $5.5 million from $14.8 million last year. The decline was mainly due to the decline in revenue and lower gross margin in percentage of revenue, as detailed above.

Dorel Juvenile

	First Quarters Ended			
	March 31, 2022	March 31, 2021	Variation $	%
Revenue	**216,569**	209,855	6,714	3.2%
Cost of sales	**167,582**	155,692	11,890	7.6%
Gross profit	**48,987**	54,163	(5,176)	(9.6)%
Selling expenses	**25,615**	23,590	2,025	8.6%
General and administrative expenses	**28,257**	21,840	6,417	29.4%
Research and development expenses	**5,043**	6,915	(1,872)	(27.1)%
Impairment loss (reversal) on trade accounts receivable	**119**	(275)	394	n.m.
Restructuring costs	**2,418**	9,668	(7,250)	(75.0)%
Operating loss	**(12,465)**	(7,575)	(4,890)	(64.6)%
Adjusted operating (loss) profit (1)	**(10,047)**	2,093	(12,140)	n.m.
Gross margin (2)	**22.6%**	25.8%	n/a	(320) bp
Selling expenses as a percentage of revenue (3)	**11.8%**	11.2%	n/a	60 bp
General and administrative expenses as a percentage of revenue (4)	**13.0%**	10.4%	n/a	260 bp

n.m. = not meaningful

n/a = not applicable

bp = basis point

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this MD&A.

(2) Gross margin is defined as gross profit divided by revenue.

(3) Selling expenses as a percentage of revenue is defined as selling expenses divided by revenue.

(4) General and administrative expenses as a percentage of revenue is defined as general and administrative expenses divided by revenue.

Dorel Juvenile's first quarter revenue increased by $6.7 million, or 3.2%, to $216.6 million from $209.9 million last year. Adjusted organic revenue, improved by approximately 8.9%, after removing the impact of varying foreign exchange rates year-over-year and prior year revenue from the Zhongshan, China manufacturing facility that was disposed of at the end of the first quarter last year. The most significant contributor to the revenue increase was the U.S. market, principally from sales of travel systems, strollers and infant health product categories. This more than offset lower car seat sales that were limited by component shortages stemming from supply chain issues from Asia.

Europe continued to suffer slightly from lack of key items, but the situation has greatly improved from the second half of last year and revenues were slightly better than prior year in local currency. In Chile and Peru, sales increased as all company owned retail stores were open unlike last year's first quarter. The decline in Canada was due to severe product shortages due to supply chain issues, while Brazil was impacted by a slowdown in orders from certain key retailers due to high in-stock inventory levels. China domestic sales were lower due to the planned downsizing of that operation.

Gross profit for the first quarter decreased by $5.2 million, or 9.6%, compared to last year's first quarter. First quarter gross margin was 22.6%, representing a decline of 320 basis points from 25.8% last year. The declines in the first quarter were mainly due to increased container freight costs and higher input costs overall. In addition, margins were negatively impacted by the component shortage in the U.S. that led to lower manufacturing activity and less factory overhead absorption. Price increases are in place in all markets, though timing limited their positive impact with greater benefit to come going forward.

Selling expenses in the first quarter increased by $2.0 million, or 8.6%, to $25.6 million, representing an increase of 60 basis points as a percentage of revenue. The increase in selling expenses is explained mainly by higher marketing costs to support the business, increased commissions from higher sales and higher people costs from the full re-opening of the company owned stores in South America.

General and administrative expenses for the first quarter increased by $6.4 million, or 29.4%, to $28.3 million, representing an increase of 260 basis points as a percentage of revenue. The increase is mainly due to higher product liability costs.

Research and development expenses decreased in the quarter by $1.9 million, or 27.1% compared to last year. The decrease in the quarter was mainly due to lower people costs in line with its recent restructuring activities.

Impairment loss (reversal) on trade accounts receivables remained comparable to last year's first quarter.

Restructuring costs decreased by $7.3 million compared to last year's first quarter. The decrease is mainly attributable to the restructuring plan that was initiated in a prior year and completed in 2021. Refer to "Restructuring costs" within the operating section for further details.

Operating loss was $12.5 million during the first quarter compared to $7.6 million last year. Excluding restructuring costs, adjusted operating profit declined by $12.1 million to an adjusted operating loss of $10.0 million from an adjusted operating profit of $2.1 million last year. The decline in operating profit and adjusted operating profit in the quarter is mainly explained by the decrease in gross profit dollars from the lower gross margin in percentage of revenue as well as the overall increased operating expenses as detailed above.

3. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

a) Selected information from the statement of financial position

	March 31, 2022	December 30, 2021
Assets		
Current assets	**774,933**	709,883
Assets held for sale	**-**	817,896
	774,933	1,527,779
Non-current assets	**347,233**	323,289
Total assets	**1,122,166**	1,851,068
Liabilities		
Current liabilities	**404,872**	465,172
Liabilities directly associated with assets held for sale	**-**	369,806
	404,872	834,978
Non-current liabilities	**338,598**	547,090
Equity	**378,696**	469,000

Compared to December 30, 2021, Dorel's total current assets decreased mainly as a result of:

- a decrease in assets held for sale in the amount of $817.9 million following the completion of the sale of Dorel Sports;
- partly offset by an increase in other assets from the recording of the funds in escrow related to the sale of Dorel Sports;
- also partly offset by an increase in inventories of $37.9 million of which $22.5 million was a planned increase in Dorel Juvenile to mitigate the risks from supply chain disruptions and $15.4 million was in Dorel Home mainly from the Notio Living acquisition.

Compared to December 30, 2021, Dorel's total non-current assets increased mainly as a result of:

- an increase in right-of-use assets in the amount of $32.7 million from the reassessment of lease terms;
- partly offset by the depreciation and amortization of $15.7 million recorded during the three months ended March 31, 2022.

Compared to December 30, 2021, Dorel's total current liabilities decreased mainly as a result of:

- a decrease in liabilities directly associated with assets held for sale in the amount of $369.8 million following the completion of the sale of Dorel Sports;
- a decrease in trade and other payables in the amount of $24.2 million from the timing of payments to suppliers; and
- a decrease in income taxes payable of $39.0 million mainly from the payment of the income taxes following the judgment of Luxembourg Administrative Court.

Compared to December 30, 2021, Dorel's total non-current liabilities decreased mainly as a result of:

- a decrease in long-term debt in the amount of $231.2 million from the proceeds received from the completion of the sale of Dorel Sports;
- partly offset by an increase in lease liabilities in the amount of $32.7 million from the reassessment of lease terms.

b) Debt-to-equity ratio

	March 31, 2022	Dec 30, 2021
Long-term debt	**206,894**	438,337
Bank indebtedness	**3,061**	3,783
Total debt	**209,955**	442,120
Equity	**378,696**	469,000
Debt-to-equity ratio (1)	**0.55**	0.94

(1) This is a non-GAAP financial ratio with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this MD&A.

The decrease in the debt-to-equity ratio compared to December 30, 2021 is mainly due to the overall lower debt levels. The decrease in Dorel's debt levels is as a result of the reimbursement of long-term debt from the use of a portion of the proceeds from the sale of the Dorel Sports.

c) Cash flow

	First Quarters Ended		
	March 31, 2022	March 31, 2021	Variation $
Cash flow provided by (used in):			
Operating activities	**(100,808)**	(8,120)	(92,688)
Financing activities	**(638,119)**	(28,238)	(609,881)
Investing activities	**726,256**	47,958	678,298
Effect of foreign currency exchange rate changes on cash and cash equivalents	**(7,074)**	863	(7,937)
Net (decrease) increase in cash and cash equivalents	**(19,745)**	12,463	(32,208)

Cash flow used in operating activities

For the first quarter of 2022, cash flow used in operating activities was $100.8 million compared to $8.1 million in 2021, which represents an increase in cash used in operating activities of $92.7 million. The increase in the cash flow used in operating activities compared to 2021 is mainly explained by the overall lower contribution from earnings from continuing operations in 2022, by a net negative change in balances related to operations due to the increased level of accounts receivable and inventories, and a decrease in trade and other payables. The increase in inventories was a planned increase in Dorel Juvenile to mitigate the risks from supply chain disruptions and in Dorel Home mainly from the Notio Living acquisition. In addition, the increase in the cash flow used in operations is from the payment of the income taxes in the first quarter following the judgment of Luxembourg Administrative Court.

Free cash flow

	March 31, 2022	March 30, 2021	Variation
Cash used in operating activities	**(100,808)**	(8,120)	(92,688)
Less:			
Dividends paid	**(390,642)**	-	(390,642)
Shares repurchased	**(499)**	-	(499)
Additions to property, plant and equipment	**(4,857)**	(2,757)	(2,100)
Disposals of property, plant and equipment	**37**	28	9
Additions to intangible assets	**(1,741)**	(2,563)	822
Net proceeds on sale of assets held for sale	**-**	2,250	(2,250)
Gross proceeds on sale of a subsidiary	**-**	51,000	(51,000)
Net proceeds on sale of the Sports segment	**758,962**	-	758,962
Free cash flow (1)	**260,452**	39,838	220,614

(1) This is a non-GAAP financial ratio or measure with no standardized meaning prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Definition and reconciliation of non-GAAP financial ratios and measures" in this MD&A.

Cash flow used in financing activities

When compared to 2021, cash flow used in financing activities increased by $609.9 million to $638.1 million for the first quarter of 2022. The increase is mainly explained by the repayment of long-term debt in the amount of $231.0 million and the payment of the special dividend in the amount of $390.6 million from the proceeds of the sale of Dorel Sports.

Cash flow provided by investing activities

Cash flow provided by investing activities increased by $678.3 million to $726.3 million in 2022. The increase is mainly explained by the net proceeds from the sale of Dorel Sports in the amount of $759.0 million. Last year's cash flow provided by investing activities included the gross proceeds on the sale of Dorel's juvenile manufacturing facility in Zhongshan, China in the amount of $51.0 million.

4. CRITICAL ACCOUNTING ESTIMATES

While preparing the condensed consolidated interim financial statements for the three months ended March 31, 2022, management continued to exercise judgment in connection with the potential impact of the COVID-19 pandemic on the Company's reported assets, liabilities, revenue and expenses, and on the related disclosures, using estimates and assumptions which are subject to significant uncertainties. The extent to which COVID-19 will impact the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted at this time. These future developments include the duration, severity and scope of the COVID-19 outbreak, the measures taken by various government authorities to contain it and the reaction of the general public to, and compliance with, such containment measures. Accordingly, actual results could differ materially from the pandemic-related estimates and assumptions made by management in the preparation of the condensed consolidated interim financial statements.

5. FUTURE ACCOUNTING CHANGES

New standards and amendments to existing standards have been issued by the IASB, which are mandatory but not yet effective for the three months ended March 31, 2022. The new standards and amendments have not been applied in preparing the condensed consolidated interim financial statements. The extent of the impact of adoption of the new standards and amendments has not yet been determined for all of them but is not expected to have a material impact.

6. OTHER INFORMATION

The designation, number and amount of each class and series of Dorel's shares outstanding as of May 4, 2022 are as follows:

- An unlimited number of preferred shares without nominal or par value, issuable in series and fully paid;
- An unlimited number of Class "A" Multiple Voting Shares without nominal or par value, convertible at any time at the option of the holder into Class "B" Subordinate Voting Shares on a one-for-one basis; and
- An unlimited number of Class "B" Subordinate Voting Shares without nominal or par value, convertible into Class "A" Multiple Voting Shares, under certain circumstances, if an offer is made to purchase the Class "A" shares.

Details of the issued and outstanding shares are as follows:

Class "A"		Class "B"		Total
Number	**$('000)**	**Number**	**$('000)**	**$('000)**
4,149,365	1,748	28,367,188	203,712	205,460

Outstanding Deferred Share Units, cash-settled Restricted Share Units and cash-settled Performance Share Units are disclosed in Note 10 of Dorel's condensed consolidated interim financial statements. There were no significant changes to these values in the period between the quarter-end and the date of the preparation of this MD&A.

7. DISCLOSURE CONTROLS AND PROCEDURES, AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the first quarter ended March 31, 2022, Dorel has made no change that has materially affected or is likely to materially affect Dorel's internal controls over financial reporting.

Limitation on scope of design

The Company has limited the scope of its disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") to exclude controls, policies and procedures of a business acquired not more than 365 days before the last day of the period covered by the annual filing. The Company elected to exclude the Notio Living business acquired as allowed by National Instrument 52-109.

The table below presents the summary of financial information included in the Company's condensed consolidated interim financial statements for the excluded controls related to the acquired business:

Notio Living Selected financial information from the income statement	**December 31, 2021 - March 31, 2022**
Revenue	6,883
Operating profit	216

Notio Living Selected financial information from the statement of financial position	**As at March 31, 2022**
Total current assets	13,325
Total non-current assets	4,493
Total current liabilities	6,250
Total non-current liabilities	3,825

8. CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this MD&A may constitute “forward-looking statements” within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, the Company 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 the Company’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 the Company’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, the Company cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits the Company will derive from them. Forward-looking statements are provided in this MD&A for the purpose of giving information about management’s current expectations and plans and allowing investors and others to get a better understanding of the Company’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 MD&A are based on a number of assumptions that the Company believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from the Company’s expectations expressed in or implied by the forward-looking statements include:

- general economic conditions;
- changes in applicable laws or regulations;
- changes in product costs and supply channels, including disruption of the Company’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 the Company’s products and on its business, financial condition and results of operations;
- the effect of international conflicts on the Company’s sales;
- continued access to capital resources, including compliance by the Company with all of the terms and conditions under its ABL facility, 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 the Company 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 the Company’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.

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

9. DEFINITION AND RECONCILIATION OF NON-GAAP FINANCIAL RATIOS AND MEASURES

Dorel is presenting in this MD&A certain non-GAAP financial ratios and measures, as described below. These non-GAAP financial ratios and measures do not have a standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. These non-GAAP financial ratios and measures should not be considered in isolation or as a substitute for a measure prepared in accordance with IFRS. Contained within this MD&A are reconciliations of the non-GAAP financial ratios and measures to the most directly comparable financial measures calculated in accordance with IFRS.

Dorel believes that the non-GAAP financial ratios and measures used in this MD&A provide investors with additional information to analyze its results and to measure its financial performance by excluding the variation caused by certain items that Dorel believes do not reflect its core business performance and provides better comparability between the periods presented. Excluding these items does not imply they are necessarily non-recurring. The non-GAAP financial measures are also used by management to assess Dorel's financial performance and to make operating and strategic decisions.

Adjustments to non-GAAP financial ratios and measures

As noted above, certain of our non-GAAP financial measures and ratios exclude the variation caused by certain adjustments that affect the comparability of Dorel's financial results and could potentially distort the analysis of trends in its business performance. Adjustments which impact more than one non-GAAP financial ratio and measure are explained below.

Restructuring costs

Restructuring costs are comprised of costs directly related to significant exit activities, including the sale of manufacturing facilities, closure of businesses, reorganization, optimization, transformation, and consolidation to improve the competitive position of the Company in the marketplace and to reduce costs and bring efficiencies, and acquisition-related costs in connection with business acquisitions. Restructuring costs are included as an adjustment of adjusted gross profit, adjusted gross margin, adjusted operating profit (loss) from continuing operations, adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share from continuing operations. Restructuring costs were $2.4 million for the three months ended March 31, 2022 (2021 - $9.7 million). Refer to the section “Restructuring costs – Continuing operations” in this MD&A for more details.

Impact of acquired businesses

The impact of acquired businesses is included as an adjustment of adjusted organic revenue growth (decline). Revenue from acquired businesses is adjusted during the first year of operation in order to get a better comparison of revenue from year-to-year. Revenue from acquired businesses was $6.9 million for the three months ended March 31, 2022 and was all related to the acquisition of Notio Living by Dorel Home.

Impact of the sale of divisions

The impact of the sale of divisions is included as an adjustment of adjusted organic revenue growth (decline). Revenue from the sale of divisions is adjusted during the year after the disposal in order to get a better comparison of revenue from year-to-year. Revenue from the sale of divisions was $5.3 million for the three months ended March 31, 2021 and was all related to the disposal of the manufacturing facility in Zhongshan, China by Dorel Juvenile.

Adjusted gross profit and adjusted gross margin

Adjusted gross profit is calculated as gross profit excluding the impact of restructuring costs. Adjusted gross margin is a non-GAAP ratio and is calculated as adjusted gross profit divided by revenue. Dorel uses adjusted gross profit and adjusted gross margin to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel also uses adjusted gross profit and adjusted gross margin on a segment basis to measure its performance at the segment level. Dorel excludes this item because it affects the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use the adjusted gross profit and adjusted gross margin to measure the business performance of the Company as a whole and at the segment level from one period to the next, without the variation caused by the impact of the restructuring costs. Excluding this item does not imply it is necessarily non-recurring. These ratios and measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

There are no adjusted gross profit and adjusted gross margin for the three months ended March 31, 2022 and 2021.

Adjusted operating profit (loss) from continuing operations

Adjusted operating profit (loss) from continuing operations is calculated as operating profit (loss) from continuing operations excluding the impact of restructuring costs. Adjusted operating profit (loss) from continuing operations also excludes impairment loss on goodwill. Management uses adjusted operating profit (loss) from continuing operations to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel also uses adjusted operating profit (loss) on a segment basis to measure its performance at the segment level. Dorel excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use the adjusted operating profit (loss) from continuing operations to measure the business performance of the Company as a whole and at the segment level from one period to the next, without the variation caused by the impact of the restructuring costs and impairment loss on goodwill. Excluding these items does not imply they are necessarily non-recurring. This measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to a similar measure presented by other companies.

	First Quarters Ended	
From continuing operations	**March 31, 2022**	March 31, 2021 (1)
Operating loss from continuing operations	**(15,463)**	(911)
Adjustment for:		
Total restructuring costs	**2,418**	9,668
Adjusted operating (loss) profit from continuing operations	**(13,045)**	8,757

(1) Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 4 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

	First Quarters Ended	
Dorel Juvenile	**March 31, 2022**	March 31, 2021
Operating loss	**(12,465)**	(7,575)
Adjustment for:		
Restructuring costs	**2,418**	9,668
Adjusted operating (loss) profit	**(10,047)**	2,093

Adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share from continuing operations

Adjusted net income (loss) from continuing operations is calculated as net income (loss) from continuing operations excluding the impact of restructuring costs and impairment loss on goodwill, as well as income taxes expense (recovery) relating to the adjustments above. Adjusted diluted earnings (loss) per share from continuing operations is a non-GAAP ratio and is calculated as adjusted net income (loss) from continuing operations divided by the weighted average number of diluted shares. Management uses adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share from continuing operations to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use the adjusted net income (loss) from continuing operations and adjusted diluted earnings (loss) per share to measure the business performance of the Company from one period to the next. Excluding these items does not imply they are necessarily non-recurring. These measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

	First Quarters Ended	
	March 31, 2022	March 31, 2021 (2)
Net loss from continuing operations	**(27,218)**	(12,847)
Adjustment for:		
Total restructuring costs	**2,418**	9,668
Income taxes recovery relating to the above-noted adjustments	**(37)**	(181)
Adjusted net loss from continuing operations	**(24,837)**	(3,360)
Basic loss per share from continuing operations	**(0.84)**	(0.40)
Diluted loss per share from continuing operations	**(0.84)**	(0.40)
Adjusted diluted loss per share from continuing operations (1)	**(0.76)**	(0.10)

(1) This is a non-GAAP financial ratio and it is calculated as adjusted net income (loss) from continuing operations divided by weighted average number of diluted shares.

(2) Dorel Sports was classified as a discontinued operation as of September 30, 2021. As a result, the results of operations have been restated for comparative periods. Refer to Note 4 - Assets Held for Sale and Discontinued Operation in the condensed consolidated interim financial statements for more details.

Organic revenue growth (decline) and adjusted organic revenue growth (decline)

Organic revenue growth (decline) is calculated as revenue growth (decline) compared to the previous period, excluding the impact of varying foreign exchange rates. Adjusted organic revenue growth (decline) is calculated as revenue growth (decline) compared to the previous period, excluding the impact of varying foreign exchange rates and the impact of the acquired businesses for the first year of operation and the sale of divisions. Management modified the calculation of the adjusted organic revenue growth (decline) to remove revenue from acquired businesses for the first year of operation in order to get a better comparison of revenue from year-to-year. Management uses organic revenue growth (decline) and adjusted organic revenue growth (decline) to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. Dorel excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. Certain investors and analysts use organic revenue growth (decline) and adjusted organic revenue growth (decline) to measure the business performance of the Company as a whole and at the segment level from one period to the next. Excluding these items does not imply they are necessarily non-recurring. These measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

Refer to the reconciliation of organic revenue growth (decline) and adjusted organic revenue growth (decline) on page 8.

Total debt and debt-to-equity ratio
Total debt is defined as long-term debt (including any current portion) and bank indebtedness. Dorel uses total debt to calculate the debt-to-equity ratio. Management and certain investors and analysts use total debt and the debt-to-equity ratio to measure the financial leverage of Dorel. These measures do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to a similar measure presented by other companies.

Refer to the reconciliation of total debt and debt to equity ratio on page 15.

Free cash flow
The free cash flow is defined as cash provided by (used in) operating activities less dividends paid, shares repurchased, acquisition of businesses, additions to property, plant and equipment, net of subsidy received, additions to intangible assets, including disposals of property, plant and equipment, net proceeds on sale of assets held for sale and gross proceeds on sale of subsidiaries. Dorel considers free cash flow to be an important indicator of the financial strength and performance of its business because it shows how much cash is available after capital expenditures to repay debt and to reinvest in its business, to pursue business acquisitions, and/or to redistribute to its shareholders. Certain investors and analysts use the free cash flow measure to value a business and its underlying assets. This measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to a similar measure presented by other companies.

Refer to the reconciliation of free cash flow on page 16.