

**WINNING  
WITH  
THE BEST**



# RBC Annual Industrial/Transport Conference

May 16, 2017



# PRELIMINARY COMMENTS

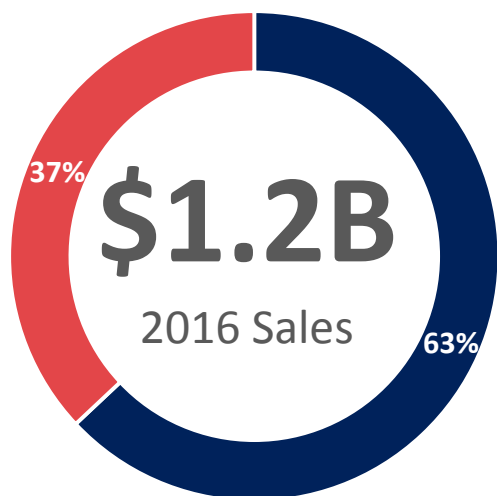
**Forward-looking statement:** The information provided in this presentation contains some forward-looking statements, which include certain risks and uncertainties, and may cause the final results to be significantly different from those listed or implied within this presentation. For additional information with respect to risks and uncertainties, refer to the 2016 Annual Report filed by Uni-Select with the Canadian securities commissions. The forward-looking statements contained herein are made as of the date of this presentation, and Uni-Select does not undertake to publicly update such forward-looking statements to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

**Basis of presentation:** Unless otherwise indicated in this document, all amounts are expressed in millions of US dollars, except per share amounts, percentages and otherwise specified.

**2-for-1 stock split of common shares:** Effected on May 11, 2016 for shareholders of record as at May 6, 2016 to increase the number of shares outstanding and enhance affordability to investors. To reflect the effect of the stock split, information pertaining to the number of common shares has been retroactively restated.

# UNI-SELECT – AT A GLANCE

Founded in 1968, Uni-Select is the leader in the distribution of automotive refinish and industrial paint and related product in North America, as well as a leader in the automotive aftermarket parts business in Canada



■ FinishMaster U.S. ■ Canadian Automotive Group

| KEY INFORMATION  | Fiscal year ending December 31, 2016 |
|--|--------------------------------------|
| Adjusted EBITDA (US\$ million) <sup>(1)</sup>              | 108                                  |
| Adjusted EBITDA margin (%) <sup>(1)</sup>                  | 9.0%                                 |
| Adjusted net Earnings per share (US\$) <sup>(1)</sup>      | 1.38                                 |
| Number of share outstanding (weighted average)             | 42.4 million                         |
| Market Capitalization (C\$ billion)                        | 1.2                                  |
| Total Assets (US\$ million)                                | 977                                  |
| Adjusted return on average total equity (%) <sup>(1)</sup> | 12.9%                                |
| Team members   | ~ 3,000                              |

<sup>(1)</sup> Refer to the Non-IFRS financial measures in the 2016 Annual Report.

# A LEADER IN LARGE AND GROWING MARKETS

## KEY MARKET DRIVERS

- **More vehicles on the road:** Sales of new vehicles are at an all-time high in Canada and in the US combined, reaching \$19.5 million in 2016 from \$13 million in 2010
- **Vehicle age remains at all-time high:** The average age of vehicles has never been higher in North America with nearly 10 years in Canada and over 11 years in the United States
- **Consumers are holding on their vehicles much longer:** 24 months longer than they did in the early 2000's
- **Miles driven back to record levels:** US miles driven by consumers rose to over 3.2 trillion miles in 2016 due mainly to lower gas prices and increased time spent in vehicles

Sources: Federal Highway Administration, IHS Automotive, DesRosiers Automotive Consultants, Digital Auto Care Fact Book 2016

# A LEADER IN LARGE AND GROWING MARKETS

## FINISHMASTER US

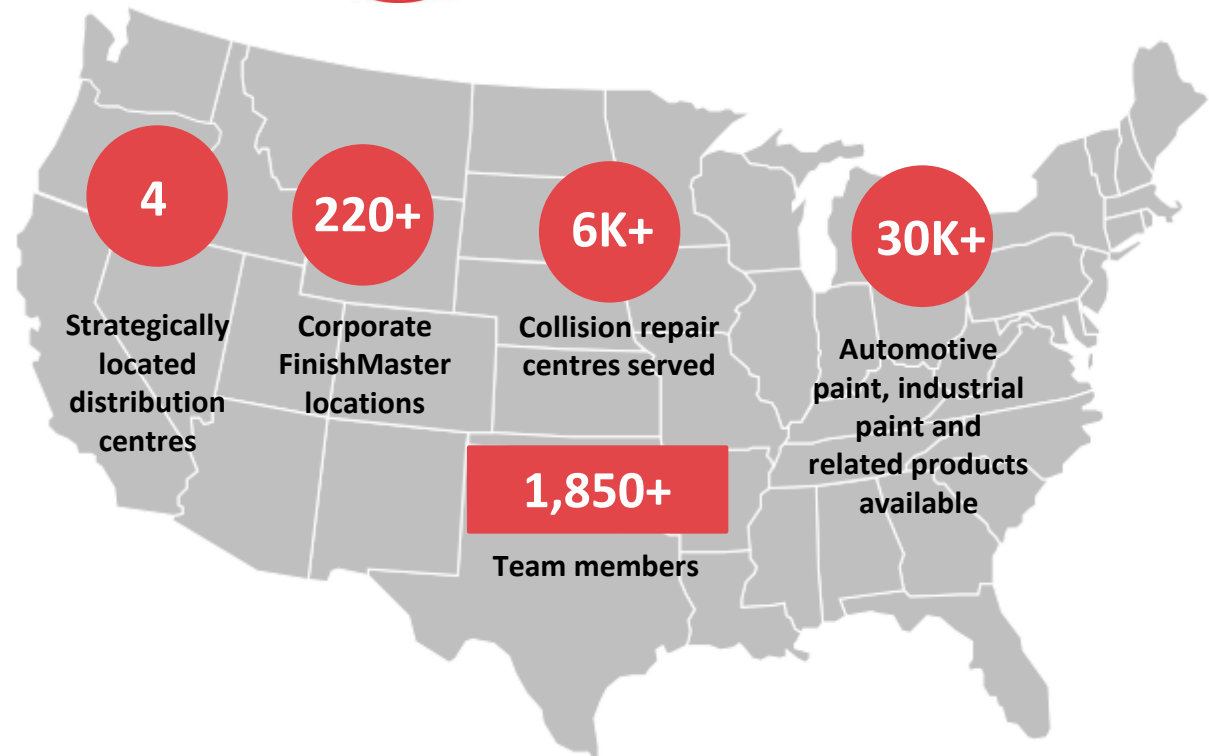
Largest North American distributor of automotive and industrial refinish products and equipment. We operate in 33 states, from coast to coast, across the United States

**32%** market share of the US \$2.7B Automotive Paint and Paint Material Market in the United States

**Number One** in the US



**FINISHMASTER®**  
Automotive & Industrial Paint



# A LEADER IN LARGE AND GROWING MARKETS

## FINISHMASTER US

### Expanding Geographic Coverage & Building Market Density

- First branch in Portland Oregon, a greenfield location
- First two locations in the State of Alaska
- Expanding footprint in New Jersey and Massachusetts
- Adding coverage in California, Nevada and Arizona with FinishMaster's largest acquisition to date (D'Angelos)

### # of US Stores



|                       |            |
|-----------------------|------------|
| Beginning of Q1 2017  | 204        |
| Acquisitions          | 18         |
| Integrated            | (3)        |
| Greenfield opening    | 1          |
| <b>End of Q1 2017</b> | <b>220</b> |

### Initiatives to Increase Organic Growth

- **Product:** SMART® private brand expansion to cover over 80% of common repair processes
- **Customer experience:** Dedicated customer segment teams and sales process, new e-commerce website
- **Market development :** US Industrial Coatings growth initiatives



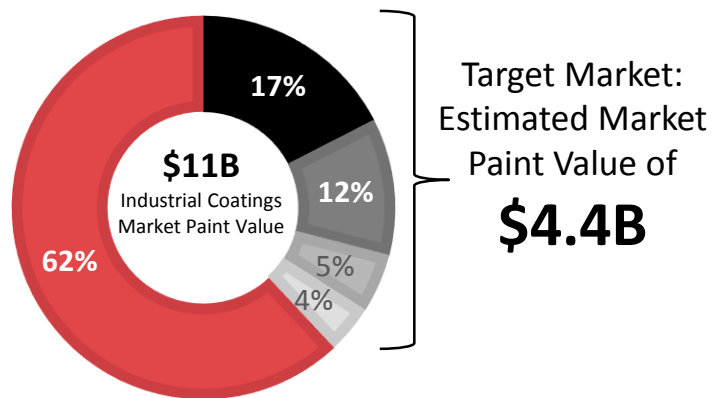
### Operational Efficiencies Initiatives

- **Distribution:** Improved efficiencies with New Jersey DC
- **Integration:** Integrate acquisitions and capture synergies

<sup>1</sup> of the common repair processes in a body shop, excluding paint

# A LEADER IN LARGE AND GROWING MARKETS

## FINISHMASTER US



- General Industrial
- Powder
- Maintenance
- Protective Coatings
- Non-targeted segments

### Tapping into US Industrial Coatings Market

Engaging in four primary industrial segments

- FinishMaster US Industrial Coatings revenues of ~\$60 million
- A fragmented market with good M&A opportunities
- Forecasted segments growth rate of 2% per year
- Higher volume and slightly lower margin rates vs. refinish market
- Other market segment opportunities in the future

### Current Initiatives

- New senior leader with fully-dedicated industrial sales team utilizing existing infrastructures to service customer base
- Eight target markets across US
- Vendor selection completed for these segments

Source: Orr & Boss, 2016



# CANADIAN AUTOMOTIVE GROUP

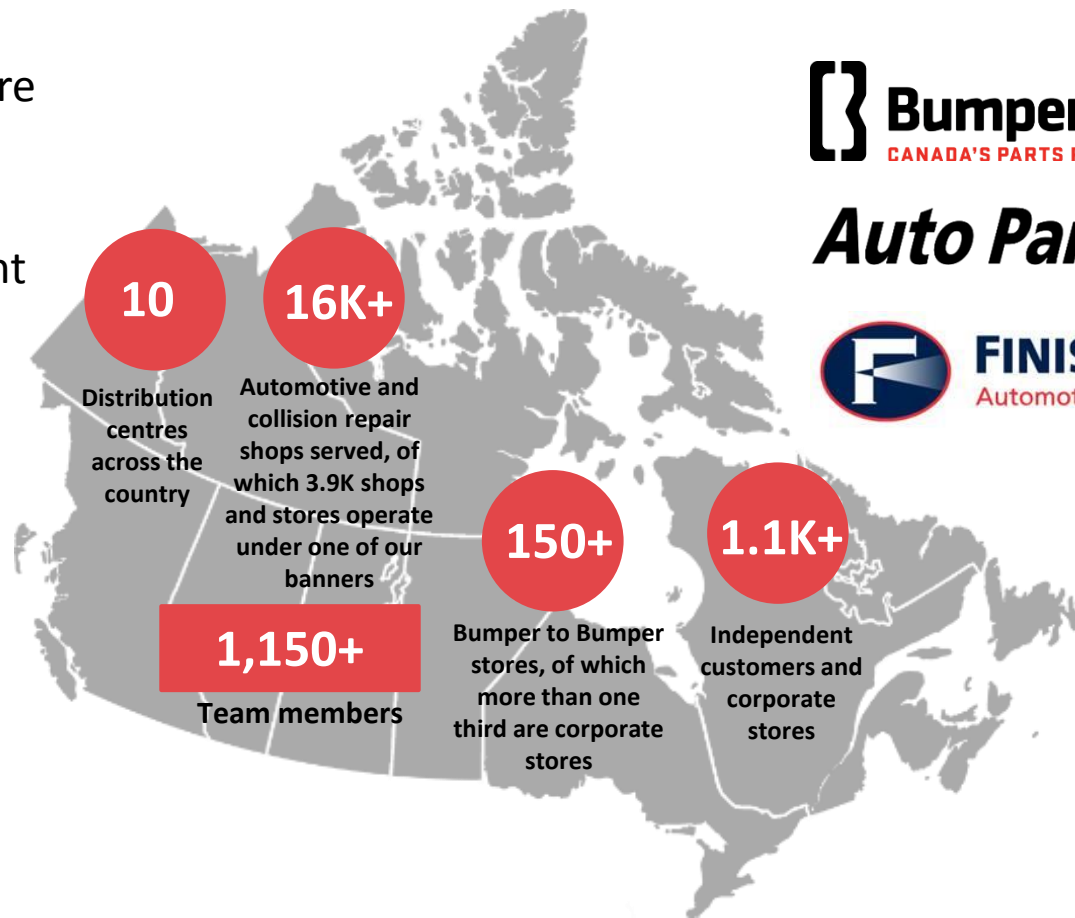
## AUTOMOTIVE AFTERMARKET PARTS

A leader in the distribution of automotive aftermarket parts, tools and equipment, industrial and paint & related products. We operate across Canada.

**20%** market share  
of the C\$2.6B  
warehouse  
distribution segment  
in the Canadian  
automotive  
aftermarket

**Number  
Two**

In Canada



**Bumper to Bumper**<sup>®</sup>  
CANADA'S PARTS PEOPLE

**Auto Parts Plus**<sup>®</sup>

**FINISHMASTER**<sup>®</sup>  
Automotive & Industrial Paint



# CANADIAN AUTOMOTIVE GROUP



## AUTOMOTIVE AFTERMARKET PARTS

### Canadian Independent Customers and Corporate Stores

- Total sales were up 7.6% in Q1 2017 driven by accretive business acquisitions
- Positive organic sales growth of 3.4%, excluding one independent member loss
- Overall, net new number of customer gains in Q1 2017
- Bumper to Bumper brand and program rollout going very well

### Building Foundation and Platform to Grow

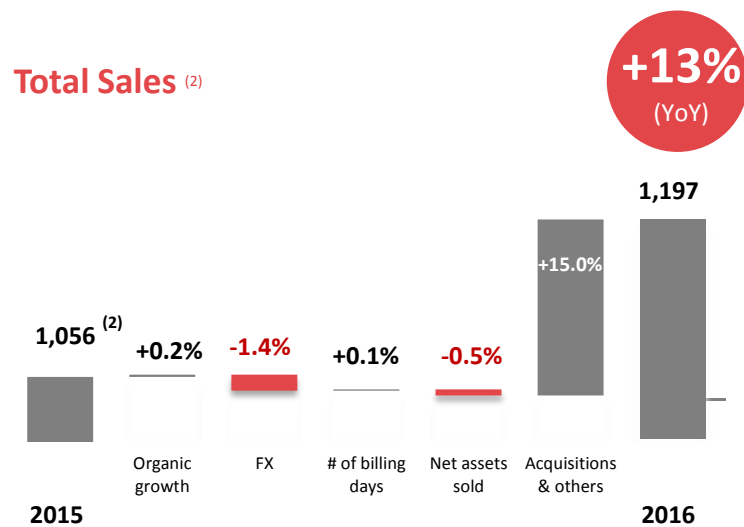
- Corporate store conversion in line with target of completing the majority in 2017
- *PartsWatch* Jobber management system roll-out underway and to continue throughout 2017
- Actively integrating acquisitions with a strong M&A pipeline for Bumper to Bumper and FinishMaster expansion

| # of Canadian Corporate Stores |  Bumper to Bumper®<br><small>CANADA'S PARTS PEOPLE</small> |  FINISHMASTER®<br><small>Automotive &amp; Industrial Paint</small> | Total     |
|--------------------------------|--|---|-----------|
| Beginning of Q1 2017           | 47   | 7   | 54        |
| Acquisitions                   | 2  | -   | 2         |
| <b>End of Q1 2017</b>          | <b>49</b>  | <b>7</b>  | <b>56</b> |

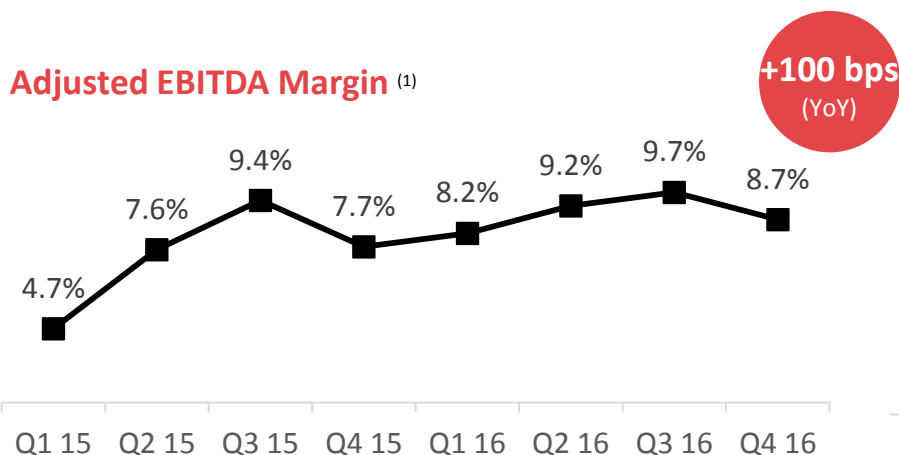
# FY 2016 - SOLID OPERATIONAL RESULTS

|                                |         |         | % Revenue |       |
|--------------------------------|---------|---------|-----------|-------|
|                                | 2016    | 2015    | 2016      | 2015  |
| Total Sales                    | 1,197.3 | 1,355.4 |           |       |
| Sales from net assets sold     | -       | (299.3) |           |       |
| Gross margin                   | 366.6   | 402.6   | 30.6%     | 29.7% |
| Employee benefits              | 175.6   | 213.7   | 14.7%     | 15.8% |
| Other operating expenses       | 84.9    | 92.0    | 7.1%      | 6.8%  |
| EBITDA <sup>(1)</sup>          | 106.8   | (53.3)  | 8.9%      | n.a.  |
| Adjusted EBITDA <sup>(1)</sup> | 107.6   | 96.6    | 9.0%      | 7.1%  |

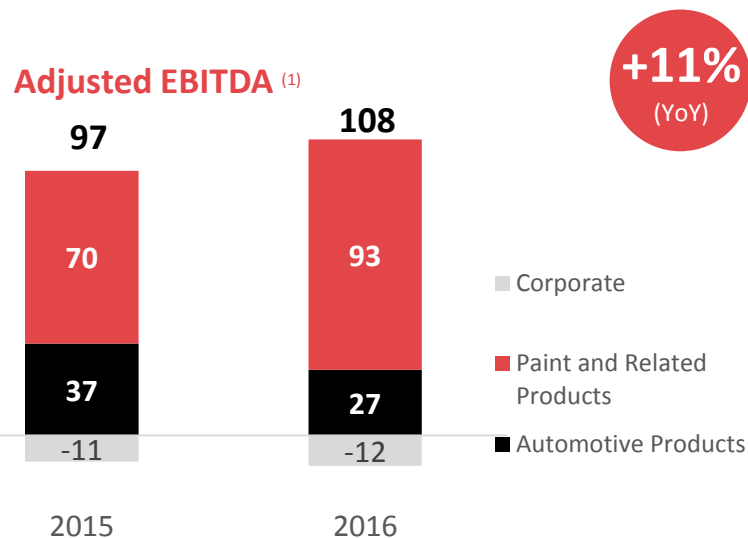
## Total Sales <sup>(2)</sup>



## Adjusted EBITDA Margin <sup>(1)</sup>



## Adjusted EBITDA <sup>(1)</sup>



<sup>(1)</sup> Refer to the Non-IFRS financial measures in the 2016 Annual Report.

<sup>(2)</sup> Excludes sales from net assets sold.

# Q1 2017 HIGHLIGHTS – FINANCIAL RESULTS

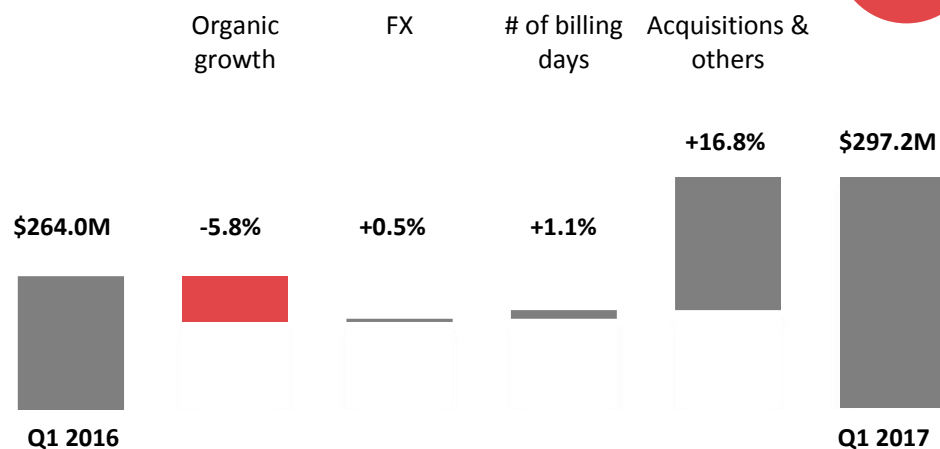
| (Millions of \$ )        | % Revenue |       |       |       |
|--------------------------|-----------|-------|-------|-------|
|                          | Q1 17     | Q1 16 | Q1 17 | Q1 16 |
| Total Sales              | 297.2     | 264.0 |       |       |
| Gross margin             | 93.9      | 80.1  | 31.6% | 30.3% |
| Employee benefits        | 48.6      | 39.7  | 16.3% | 15.0% |
| Other operating expenses | 22.2      | 18.7  | 7.5%  | 7.1%  |
| EBITDA <sup>(1)</sup>    | 23.2      | 21.7  | 7.8%  | 8.2%  |

## Q1 2017 HIGHLIGHTS (YoY)

- Q1 2017 sales were up 13% following business acquisitions
- Positive organic growth, excluding product line changeover and one independent member loss
- EBITDA <sup>(1)</sup> rose by 6.8% from accretive business acquisitions and improved buying conditions in the quarter

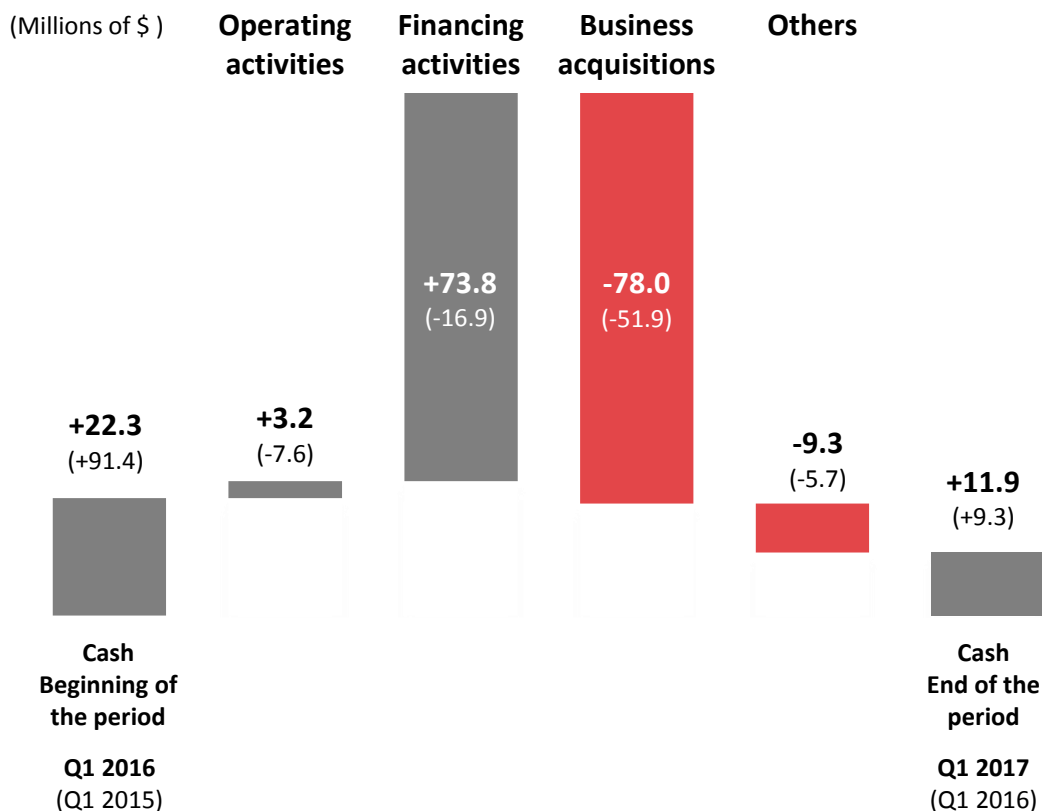
## SALES VARIANCE- Q1 2017

**+13%**  
(YoY)



<sup>(1)</sup> This information represents a non-IFRS financial measure. (Refer to the “Non-IFRS financial measures” section of the 2017 first quarter interim report for further details.)

# Q1 2017 – SOURCES AND USES OF FUNDS (vs. Q1 2016)



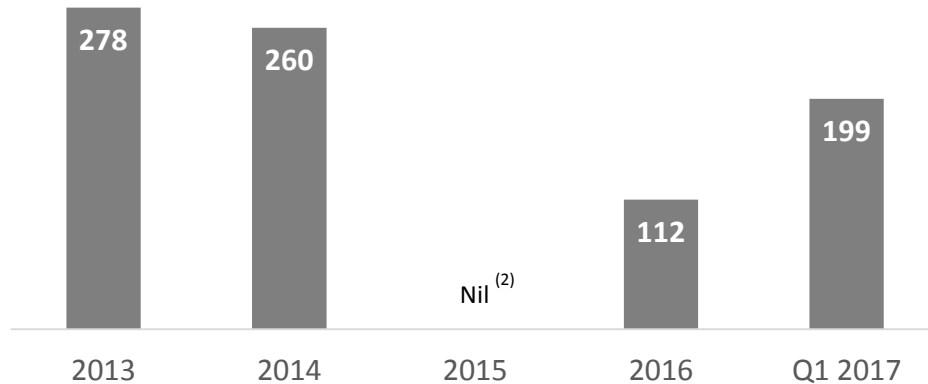
## Q1 2017 HIGHLIGHTS (YoY)

- Operating activities totaled \$3 million, an \$11 million improvement from Q1 2016
- Financing activities reached \$74 million mainly related to long-term debt
- Business acquisitions amounted to \$78 million (including some funding in the escrow account) from \$52 million last year mainly due to larger size of acquisitions
- Free cash flows grew by 14% to \$22.2 million, fueled by operating income of newly-acquired businesses

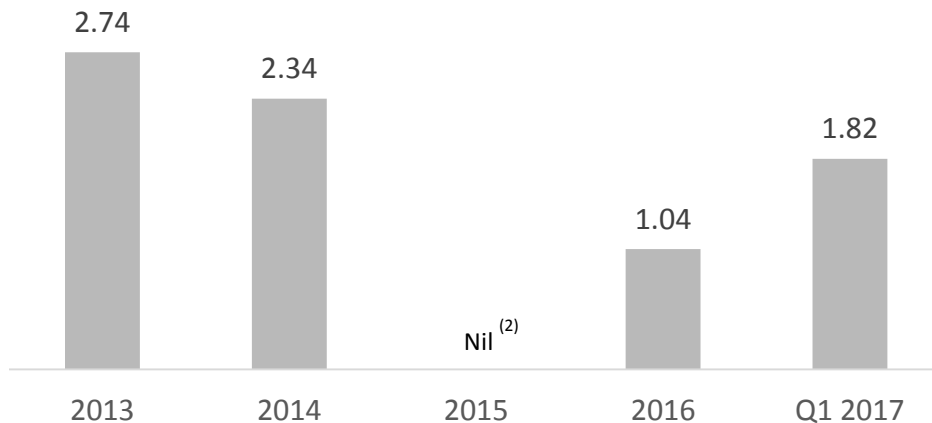
# STRONG FINANCIAL POSITION

(Millions of \$ )

## Total net debt<sup>(1)</sup> (end of the period)



## Funded debt to Adjusted EBITDA<sup>(1)</sup> ratio



## Q1 2017 HIGHLIGHTS

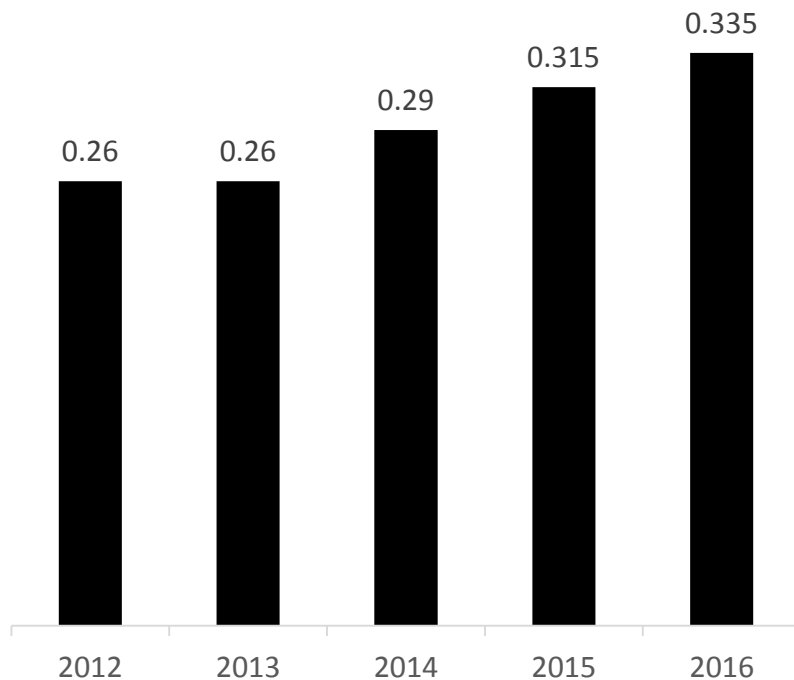
- Total net debt<sup>(1)</sup> outstanding was \$199 million with an unused credit facility of \$208 million
- Net debt increased by \$87 million in Q1 2017 mainly for business acquisitions and, to a lesser extent, some capital investments and advances to members and customers
- Leverage ratio of funded debt to adjusted EBITDA<sup>(1)</sup> of 1.82X at quarter end

<sup>(1)</sup> This information represents a non-IFRS financial measure. (Refer to the "Non-IFRS financial measures" section of the 2017 first quarter interim report for further details.)

<sup>(2)</sup> Strong free cash flow following the sale of US automotive parts distribution business in 2015.

# COMMITMENT TO SHARE VALUE CREATION

Dividend per share (C\$)



## RISING DIVIDEND IN 2017

- Quarterly dividend payment of C\$0.085 per share in Q1 2017
- Announcing a quarterly dividend increase of 8.8% to C\$0.0925 per share in Q2 2017
- Strong financial position to pursue organic growth initiatives and M&A activities



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