

# Accelerating Profitable Growth

Uni-Select TSX: UNS  
April, 2016



**Shifting Gears.**  
**Driving Growth.**



## FORWARD-LOOKING INFORMATION

- The information provided in this presentation contains some forward-looking information, which includes 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 Annual Report filed by Uni-Select with the Canadian securities commissions. The forward-looking information contained herein is made as of the date of this presentation, and Uni-Select does not undertake to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.



# WELCOME AND INTRODUCTION

## Objectives

- Provide insights on Uni-Select strategy and vision following the disposition of the US automotive parts distribution activities
- Highlight Uni-Select's position and way forward
- Discuss our M&A and growth strategy





## OUR EXECUTIVE TEAM



**Henry Buckley**  
President and  
Chief Executive Officer



**Gary O'Connor**  
President and  
Chief Operating Officer  
Automotive Canada



**Steve Arndt**  
President and  
Chief Operating Officer  
FinishMaster



**Eric Bussi res**  
Chief Financial Officer



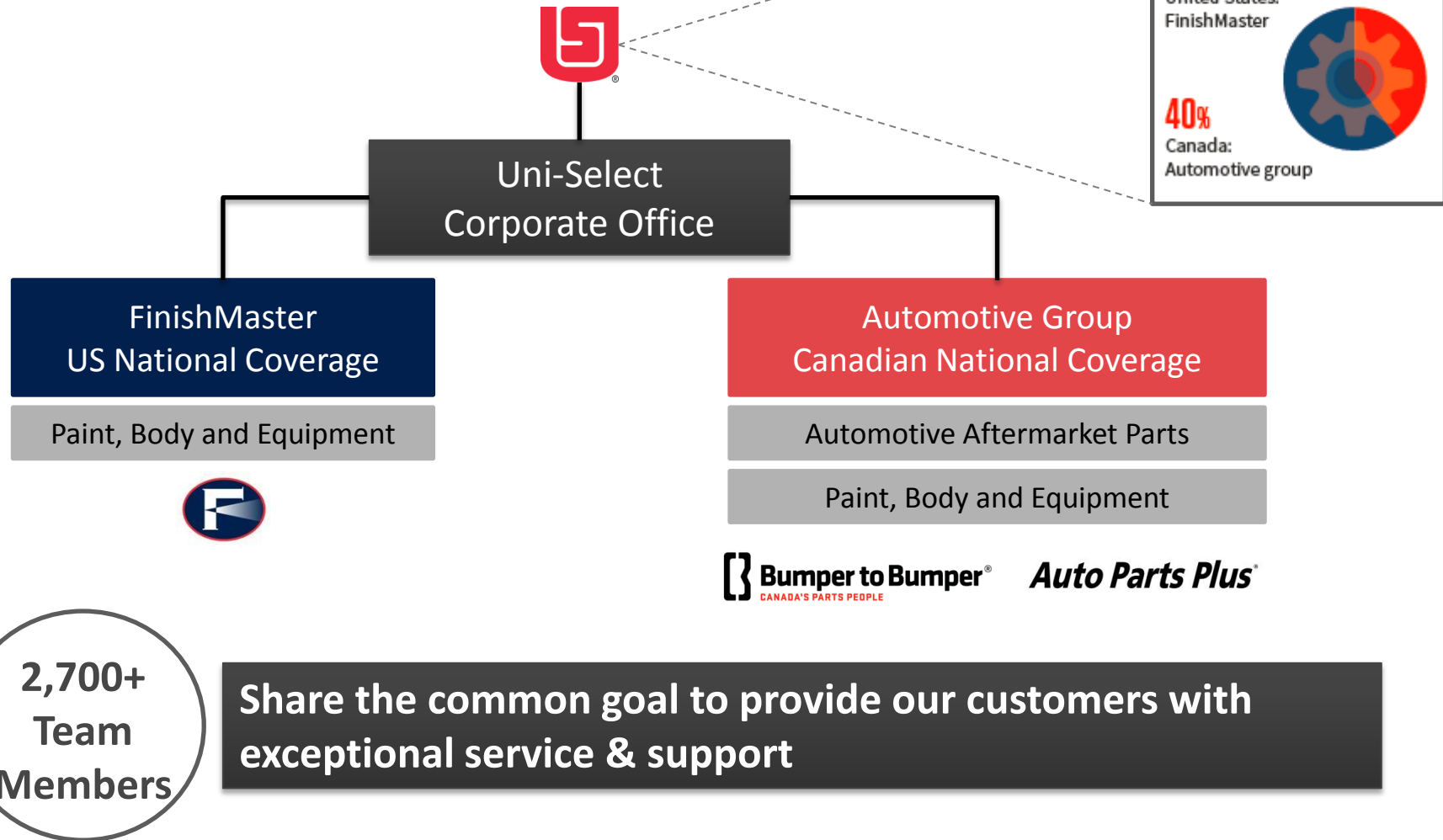
**Annie Hotte**  
Chief People Officer



**Louis Juneau**  
Chief Legal Officer &  
Corporate Secretary



# UNI-SELECT TODAY





## HIGHLIGHTS

# 2015

*All figures are in US\$*

**\$96.6M**  
Adj. EBITDA <sup>(1)</sup>  
or 7.1% of sales

**\$1.1B <sup>(1)</sup>**  
Pro Forma  
Revenues

**≈229**  
Corporate  
Stores

**≈1,150**  
Independent  
Automotive  
wholesaler  
customers

**13**  
Distribution  
centres

<sup>(1)</sup> Refer to the Appendix 1 at the end of this presentation.



# TRANSFORMATIONAL EVENTS - 2015

- On February 9, 2015, Uni-Select entered into an agreement to sell its US automotive parts distribution activities for approximately US\$340 million, based on the net tangible book value of assets.
  - Uni-Select completed this transaction on June 1<sup>st</sup>, 2015.
- **Transaction benefits for Uni-Select:**
  - Allowing Uni-Select to be fully committed to accelerate profitable growth and invest in two high potential markets – FinishMaster and Canadian Automotive Group
  - Lighter cost structure to rapidly seize acquisitions/growth opportunities
  - Strengthening of balance sheet and complete reimbursement of debt







# OUR BUSINESS - THE STRENGTH OF OUR NETWORK

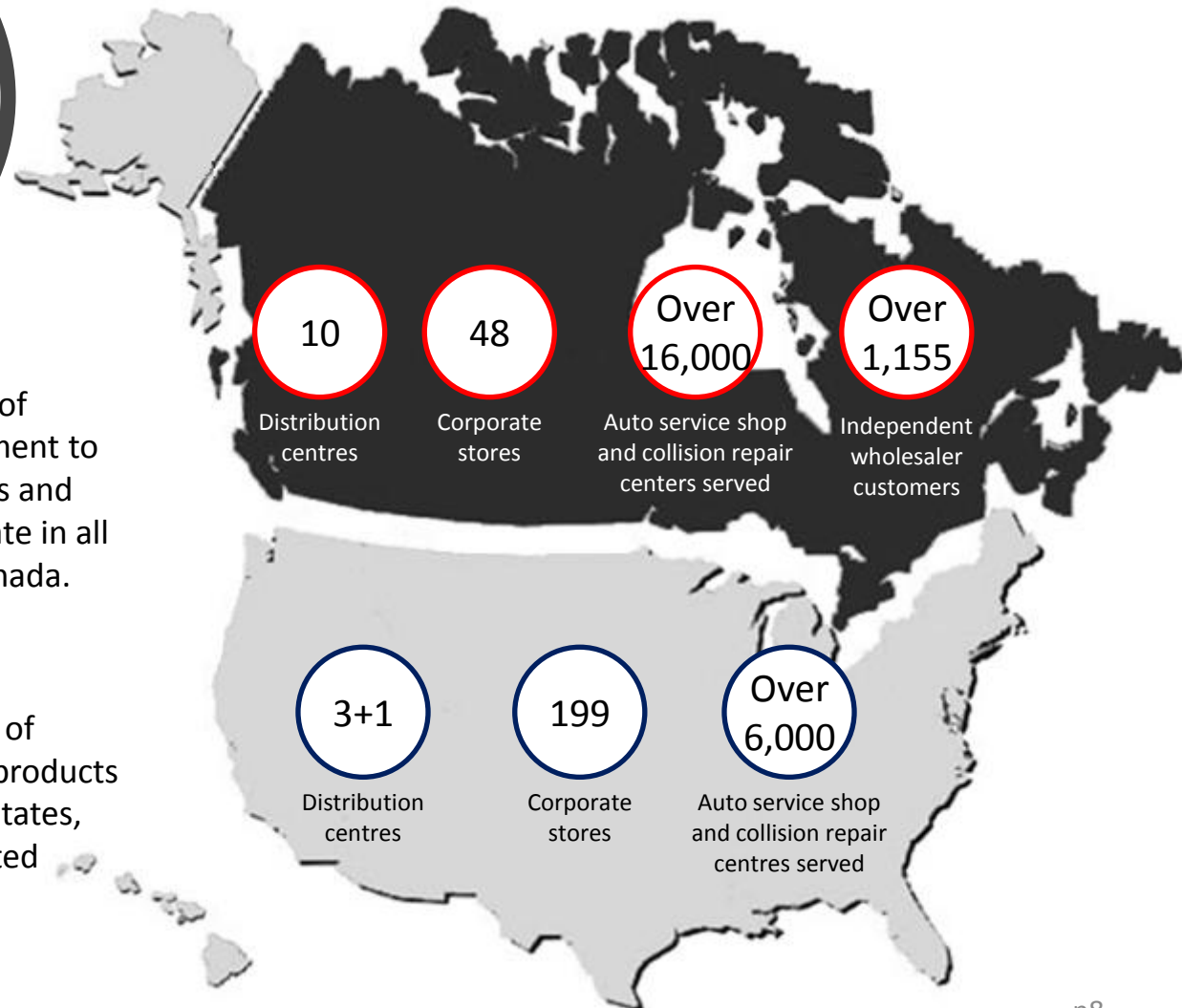


## Automotive Canada

Canada's leader in the distribution of automotive parts, tools and equipment to the aftermarket, industrial products and paint & related products. We operate in all provinces and territories across Canada.

## FinishMaster

Largest North American distributor of automotive and industrial refinish products and equipment. We operate in 31 states, from coast to coast, across the United States.







# OUR STRATEGY

- Accelerate Profitable Growth
- Balanced – Organic and Acquisitive Growth
- Two standalone operating businesses and a small corporate office
- Continue to attract, retain and develop the best team in the business
- **FinishMaster:**
  - Organic Growth (4-6%)
  - Grow market share
  - Extend geographic coverage
  - Build density in core markets
- **Automotive Canada:**
  - Organic growth – low to mid single digits
  - Continue to support and grow our independent jobbers community
  - Acquire and grow our corporate store presence across the country under the banner:





# THE STRENGTH OF OUR NETWORK

## FinishMaster

North America's leading independent automotive paint distributor  
{Automotive and Industrial Paint & Related products}



**FINISHMASTER®**  
Automotive & Industrial Paint

## Automotive Canada

Canada's leading automotive aftermarket supplier  
{Automotive aftermarket parts, Industrial products and Paint & Related products}

### Corporate stores & Independent wholesalers



**Auto Parts Plus®**

Coming soon!



**FINISHMASTER®**  
Automotive & Industrial Paint



### Repair shops / Installer - Banners



### Collision repair centre - Banners





# OUR DISTRIBUTION CENTER NETWORK



## Automotive Canada

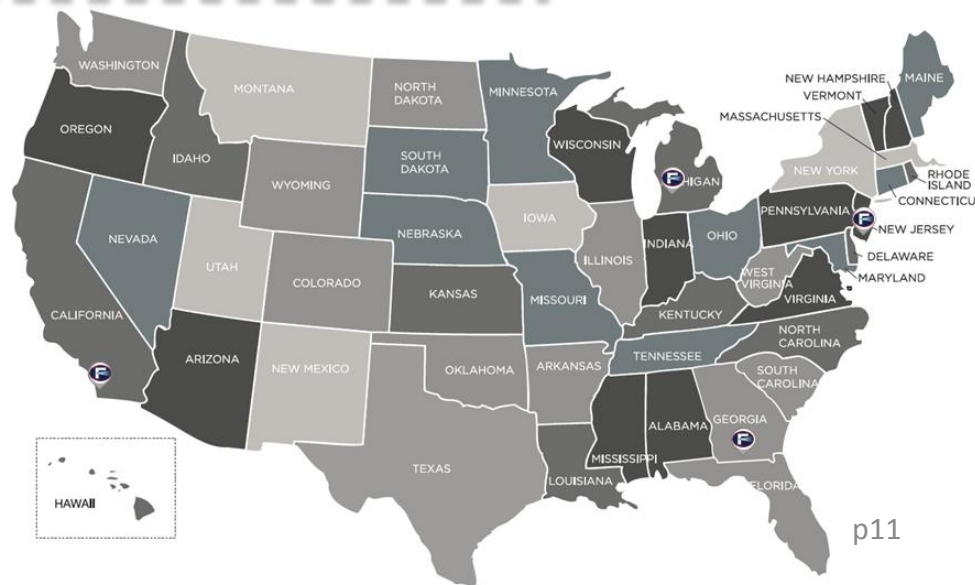
- Coquitlam (BC)
- Calgary (AB)
- Edmonton (AB)
- Saskatoon (SK)
- Winnipeg (MB)
- Brampton (ON)
- Halton Hills (ON)
- Boucherville (QC)
- Laval (QC)
- Moncton (NB)

**10**  
**distribution**  
**centres**

**3+1**  
**distribution**  
**centres**

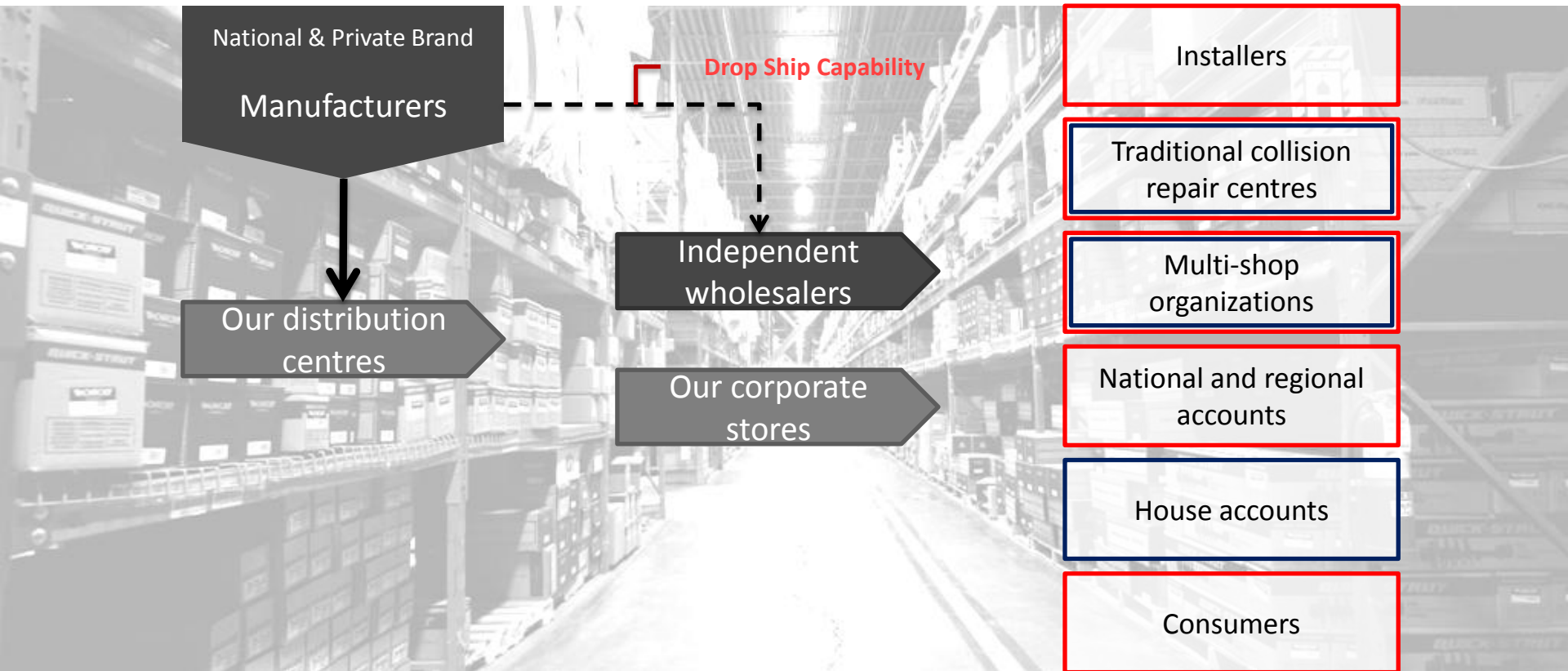
## FinishMaster

- Mira Loma (CA)
- Grand Rapids (MI)
  - Adel (GA)
- Moorestown (NJ)  
(Under construction)





# WE ARE THE DISTRIBUTION LINK BETWEEN MANUFACTURERS AND THE MARKETPLACE



Automotive Canada

FinishMaster





# FINISHMASTER

{Automotive and Industrial Paint & Related Products}

## Collision repair centres turning to FinishMaster

FinishMaster is dedicated to meeting your shop's needs:

- Inventory management program
- Customized, efficient procedures
- Multiple ordering options
- Scaled reporting systems
- Technical resources
- Support for waterborne paint needs





# Automotive Canada

**{Automotive aftermarket parts, Industrial products and Paint & Related Products}**

## Comprehensive business solutions for independent wholesalers in Canada

Uni-Select gives its customers the power to deliver competitive service to installers:

- Dual sourcing model
- Single-platform technology
- Reputed banner programs
- Connectivity solutions
- National and regional accounts
- Loyalty programs



## Growing network of corporate stores

- Currently 48 corporate stores
- All to be under “Bumper to Bumper” brand



## Supporting the growth of auto service centres

Uni-Select helps shops manage their business their way while benefitting from the power of a network:

- Flexible program options
- Effective product distribution
- Technical and business training
- Comprehensive warranty coverage
- Loyalty programs







# AUTOMOTIVE REFINISH LEADER IN CANADA

Uni-Select sells Automotive and Industrial paint and related products across Canada through independent jobbers and corporate stores.

## Part of the largest network of collision repair centres

- Through Carrossier ProColor and CSN Collision & Glass, a network of over 300 collision repair shops, carefully selected based on quality criteria.
- National service agreements with insurance providers.
- Dedicated, well-trained technicians who expertly restore vehicles to pre-accident specifications.

## Uni-Select owns the franchise for collision repair facilities in Québec

**Carrossier  
ProColor**

152 branches



71 branches

## Coming soon – FinishMaster Canada



**FINISHMASTER®**  
Automotive & Industrial Paint





## PRODUCTS AND BRANDS

More than **2 million** automotive products available

Almost **30,000** automotive paint and related products

- Exceptional product breadth
- Top “national” brand manufacturers
- Select private brand offer
- Optimizing the supply chain to deliver “high fill rates”





## COMPLIMENTARY PRIVATE BRAND OFFER

- Uni-Select's private-label product offering provides excellent quality at competitive price

### Automotive Canada

### FinishMaster

**WORLD PARTS®**

**AUTO EXTRA**

**cooling™  
DEPOT**

**MÄKTIG™**

**SMART®**  
*Our wheels are always turning.*

High-quality friction products, coated brake discs, constant velocity assembly, waterpumps, and ignition products

Economical products with entry-level features, for under-the-hood and under-the-car categories

High-quality, competitively priced temperature control components for heating, ventilation and air conditioning systems

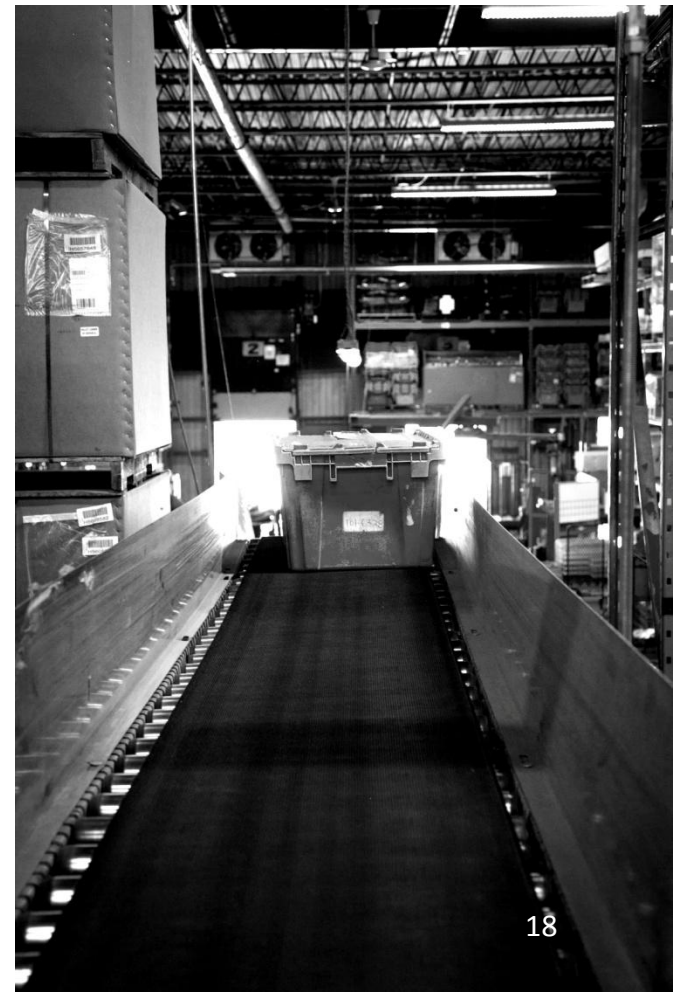
Launched in 2014, Mäktig features premium tools, equipment, and safety products for professional service centres

High-quality abrasives, wipes, marking products, body fillers & putties, buffing, aerosol, painting supplies, safety products, tools & equipment



## DEDICATED TO EFFICIENT CUSTOMER SERVICE

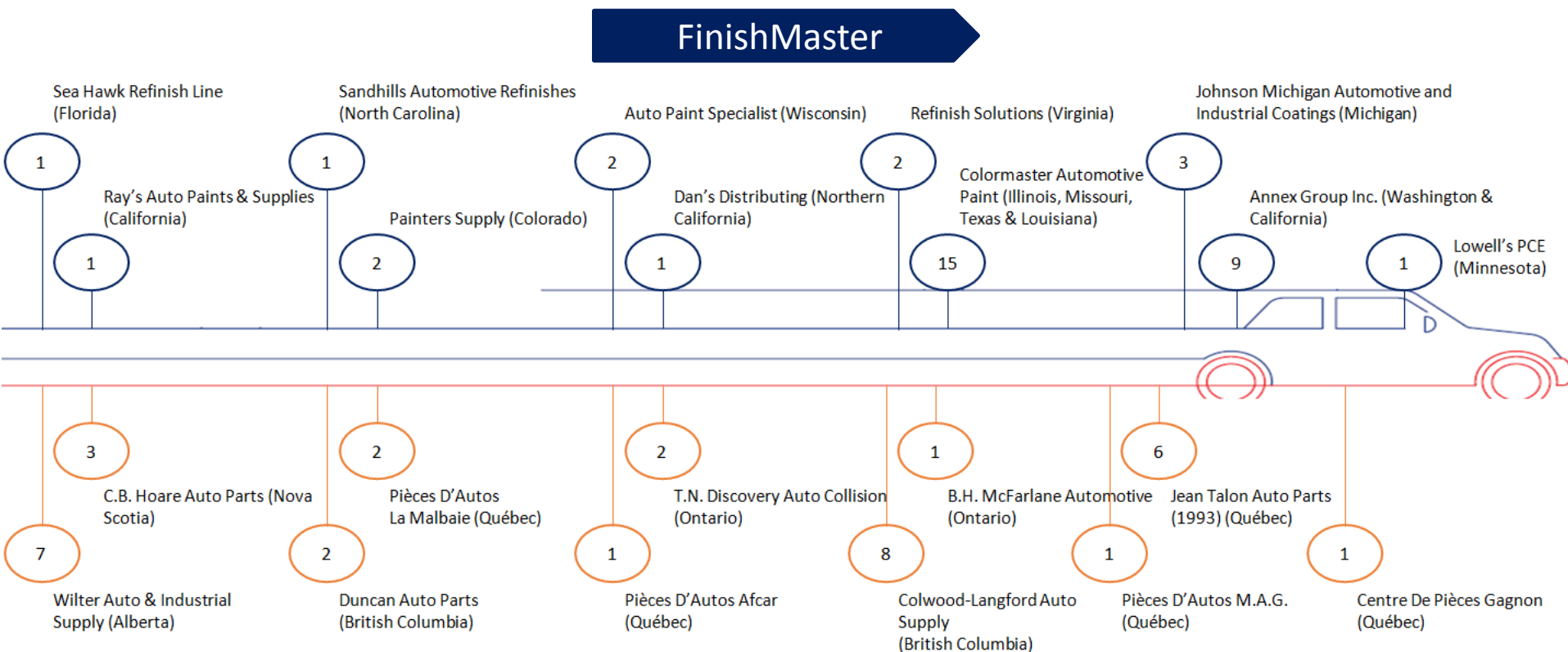
- Uni-Select's culture prioritizes external and internal customer service
- Continuous improvement mindset supported by formal programs
- **Powerful systems**
  - Inventory visibility and management
  - Order accuracy
  - Integrated processes
- **Customized delivery**
  - Overnight delivery
  - DC pick-ups
  - Relays between DCs
  - Direct shipment from suppliers in Canada





# RECENT ACQUISITIONS

Since February 2015, we have acquired **22** businesses in both Canada and the United States, which represents **72** new corporate stores. We are also pleased to welcome over **600** new team members within our Uni-Select family.

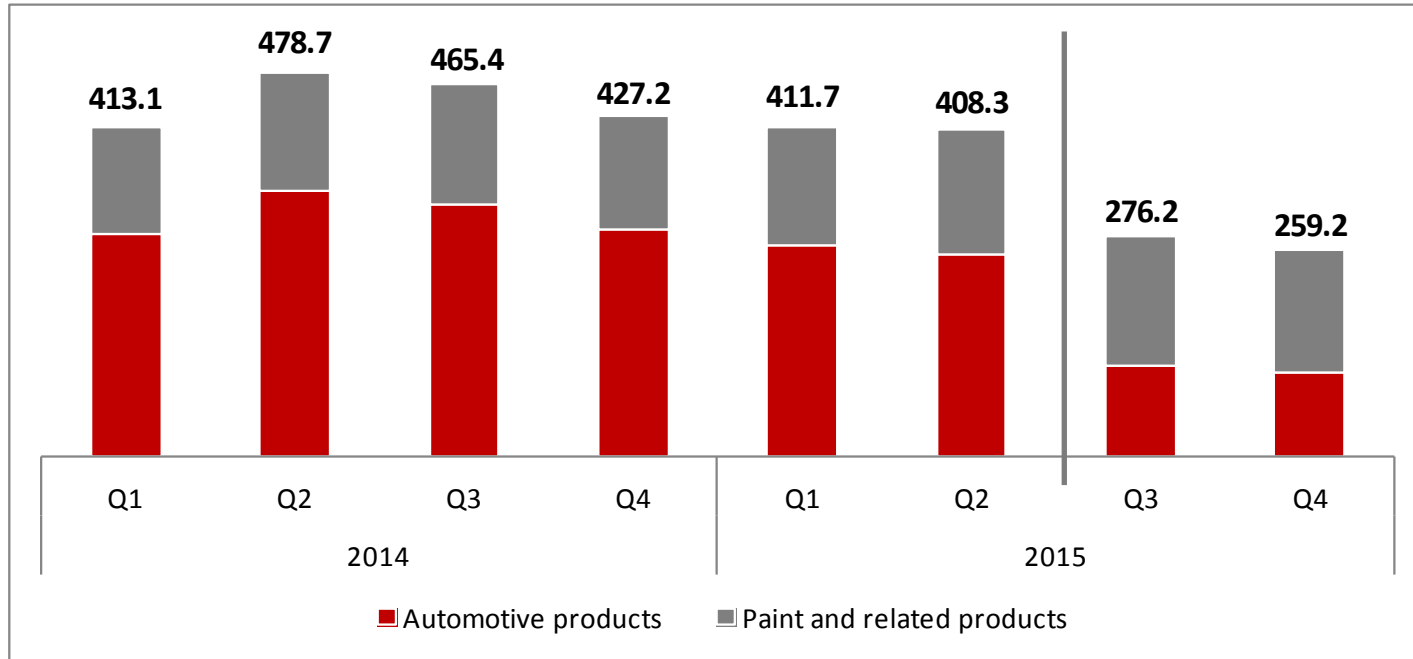




## 4<sup>th</sup> QUARTER ENDED DECEMBER 31<sup>st</sup>

*In millions US\$*

### SALES BY SEGMENT\*



**Note: Due to seasonality, Q1 & Q4 are typically slower quarters while Q2 & Q3 are our strongest**

*\* 2015 includes five months of operations of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc.*

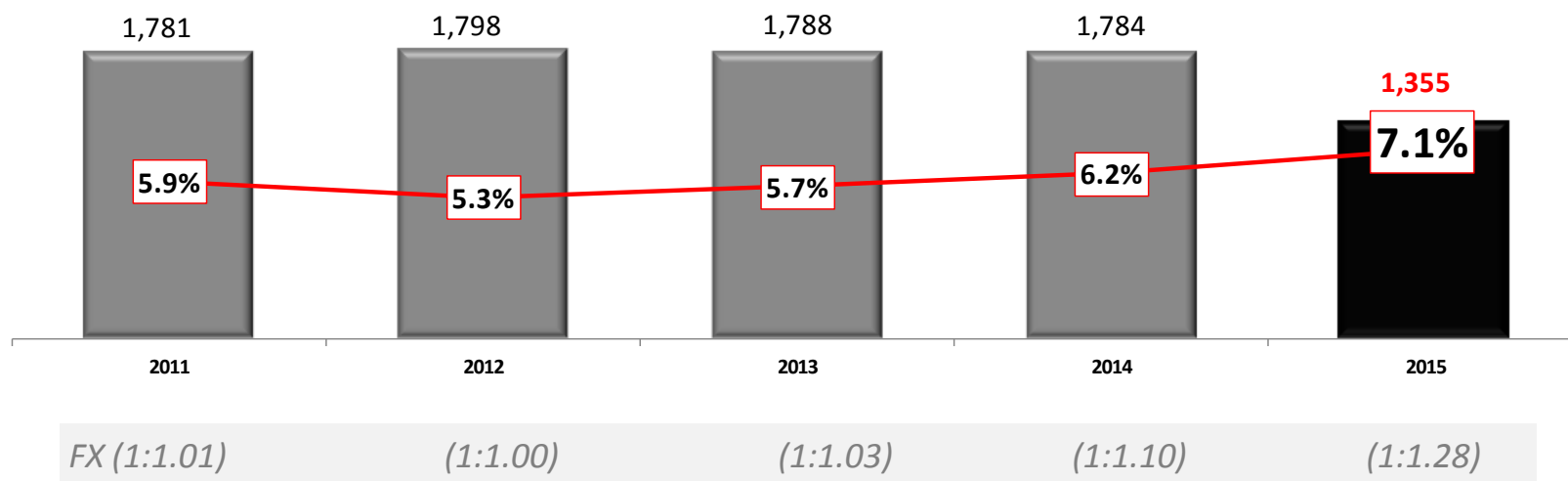




# FISCAL YEAR FINANCIAL HIGHLIGHTS

## SALES & ADJUSTED EBITDA MARGIN <sup>(1)</sup>

*In millions US\$*



*2015 sales Include five months of operations of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc. sold on June 1<sup>st</sup>, 2015*

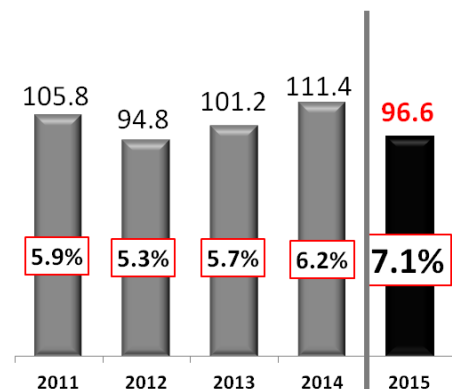
<sup>(1)</sup> Refer to the Appendix 1 at the end of this presentation.



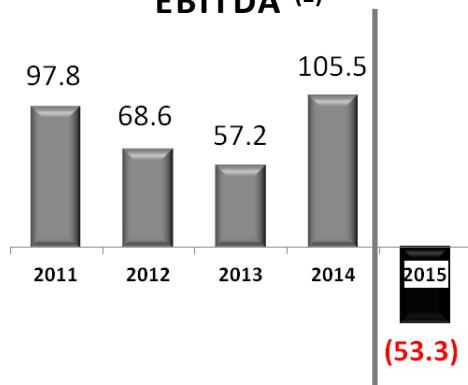
# FISCAL YEAR FINANCIAL HIGHLIGHTS

*In millions US\$, except per share amounts*

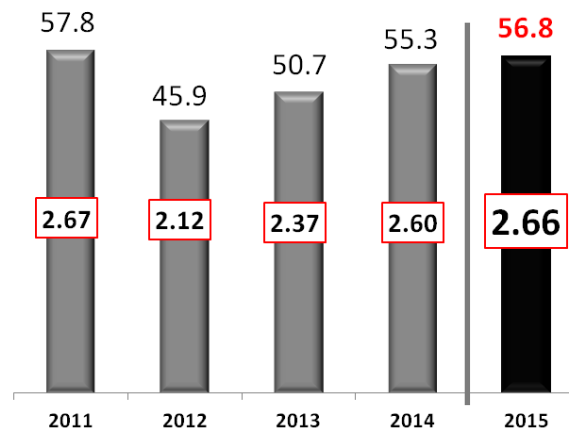
## ADJUSTED EBITDA <sup>(1)</sup>



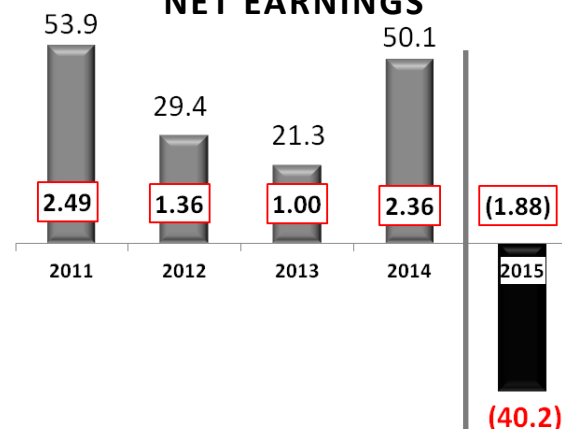
## EBITDA <sup>(1)</sup>



## ADJUSTED EARNINGS <sup>(1)</sup>



## NET EARNINGS

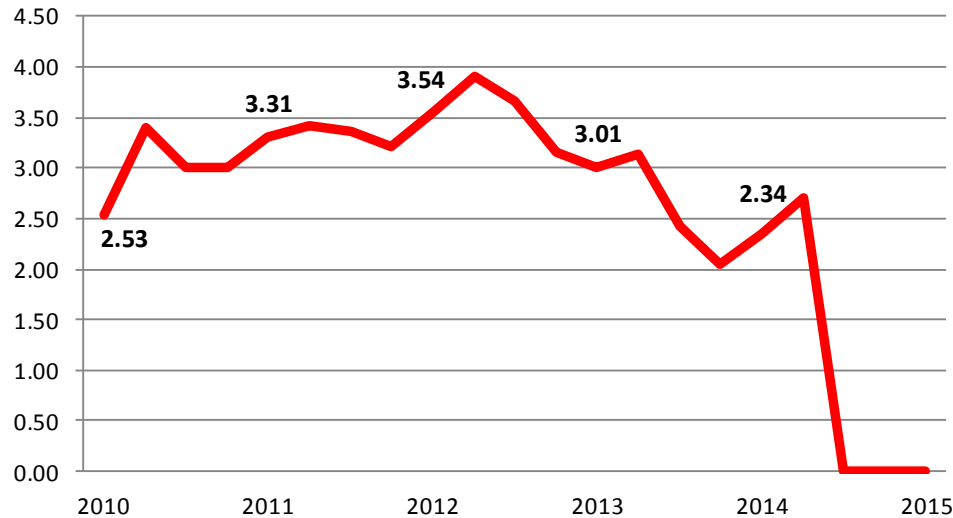


In 2015, following the disposition of the USA automotive operations, the corporation took a non cash write-off of \$123.1M, incurred \$21.8M of transaction related costs, \$5.3M of net restructuring charges but received a net cash proceeds of \$321M.

<sup>(1)</sup> Refer to the Appendix 1 at the end of this presentation.



## LEVERAGE PROFILE



- \$400M revolving credit facility, June 2019
- \$20M letter of credit facility, June 2017
- EBITDA growth and strong free cash flow following the sale of US automotive parts distribution business giving us the flexibility to support and accelerate our growth strategy
- Strong financial health
- Share repurchase under NCIB
- Continued dividend growth



# WHY INVEST IN UNI-SELECT

- Positive Market Fundamentals
  - Continued vehicle sales growth in North America
  - 5-year record in the average number of kilometers driven in North America
  - Near-lowest average retail gas prices per gallon/liter in North America over the last 5 years
  - Average age of vehicles in Canada and the US continue to increase over 9.2 years and 11.4 years respectively
  - US unemployment rate at lowest point in the last 24 months
- Leadership positions in both market segments
- A dynamic and experienced leadership team
- Issuing dividends for 28 consecutive years
- Strong Balance Sheet
- Poised for more growth and well positioned to seize strategic opportunities that arise

## Outlook (2016 Guidance)

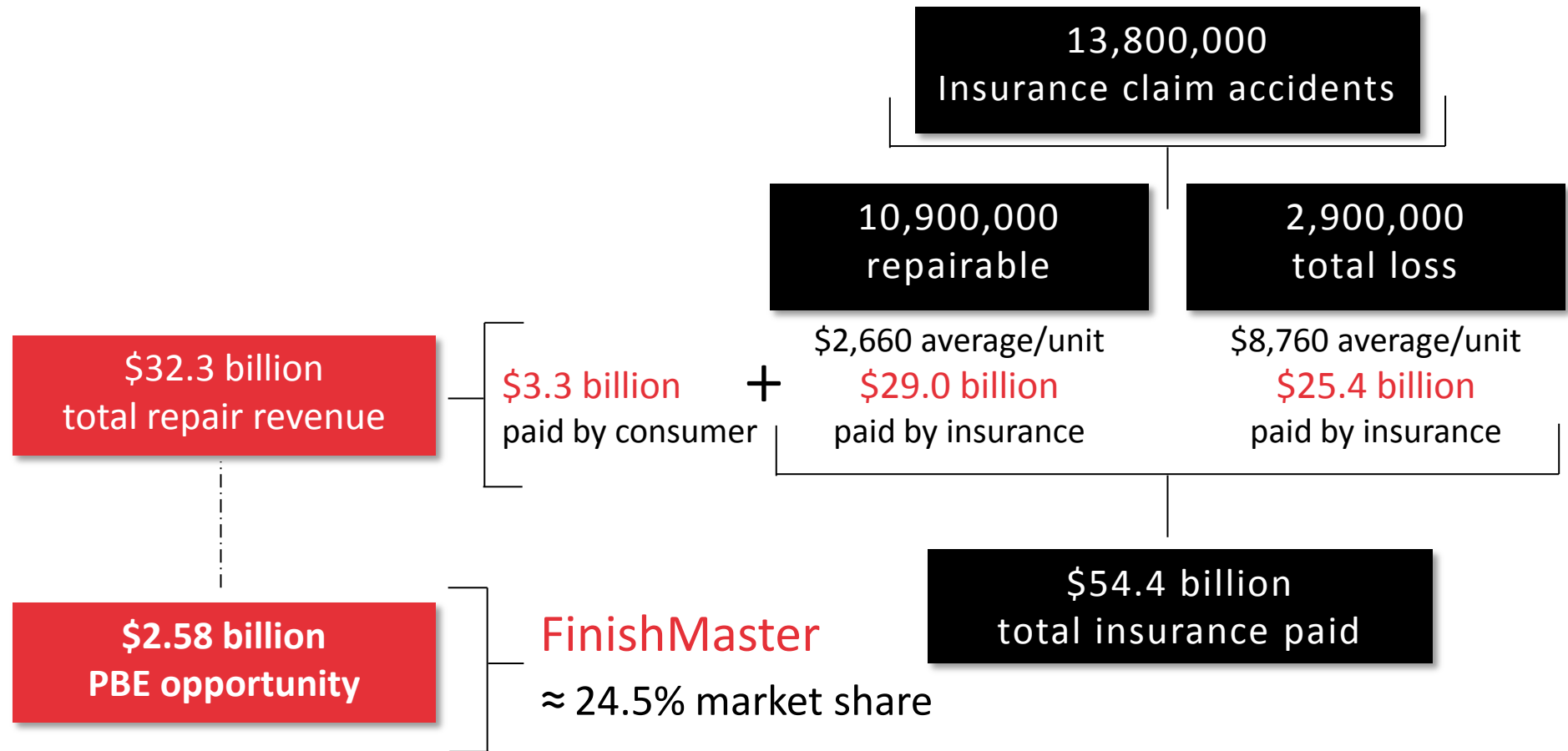
- Sales – US \$1.15B
- EBITDA Margin – 7.5% to 8.5% for the year
- CAPEX – US \$20M



# MARKET DATA



# U.S. COLLISION REPAIR MARKET (2014)



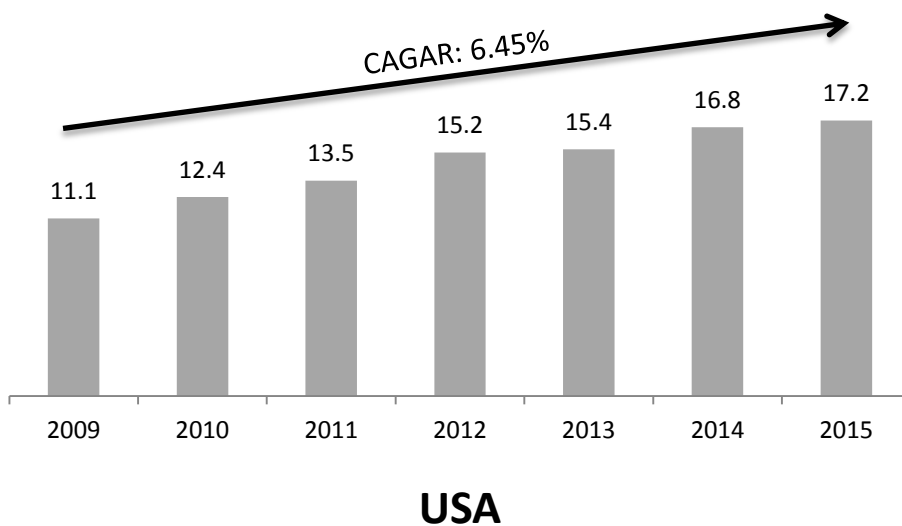
Source: The Romans Group LLC



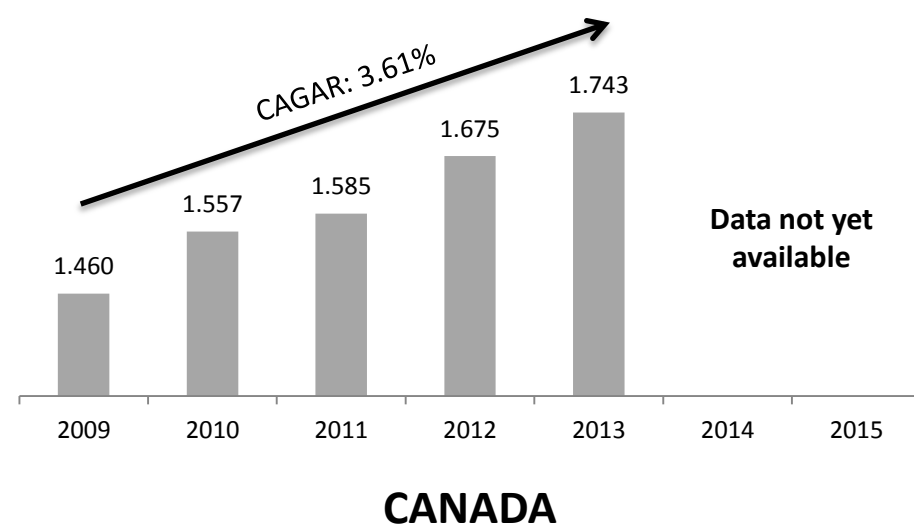


# SALES OF NEW VEHICLES

*In thousands*



Source: Ward's Automotive Group



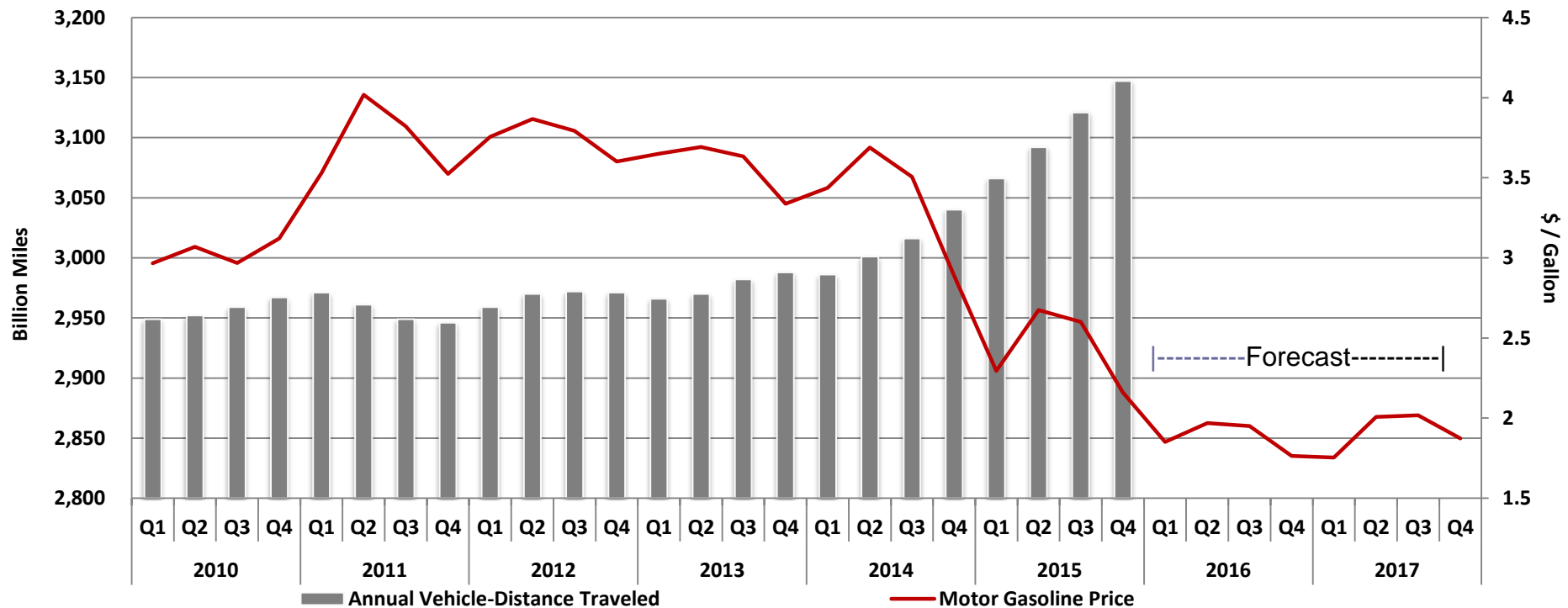
Source: AIA 2014 Outlook Study

- New light vehicle registrations continue to grow at an interesting pace



# MILES TRAVELED AND AVERAGE GASOLINE PRICE PER GALLON

2010-2015 Miles Traveled (Billion)  
2010-2017 Average Gasoline (\$ per gallon)



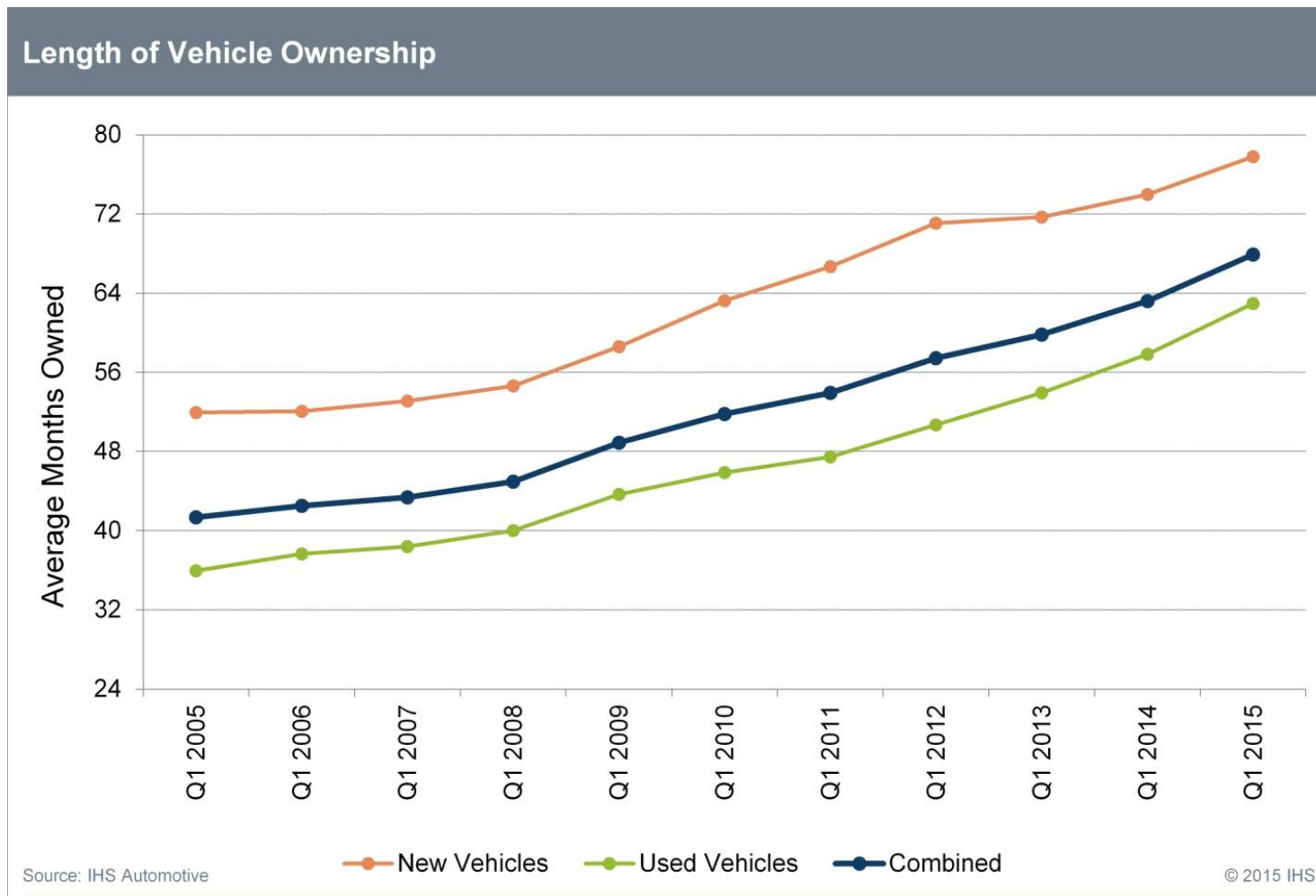
Sources:

<http://www.eia.gov/forecasts/steo/realprices/>

[https://www.fhwa.dot.gov/policyinformation/travel\\_monitoring/tvt.cfm](https://www.fhwa.dot.gov/policyinformation/travel_monitoring/tvt.cfm)



# LENGTH OF VEHICLE OWNERSHIP

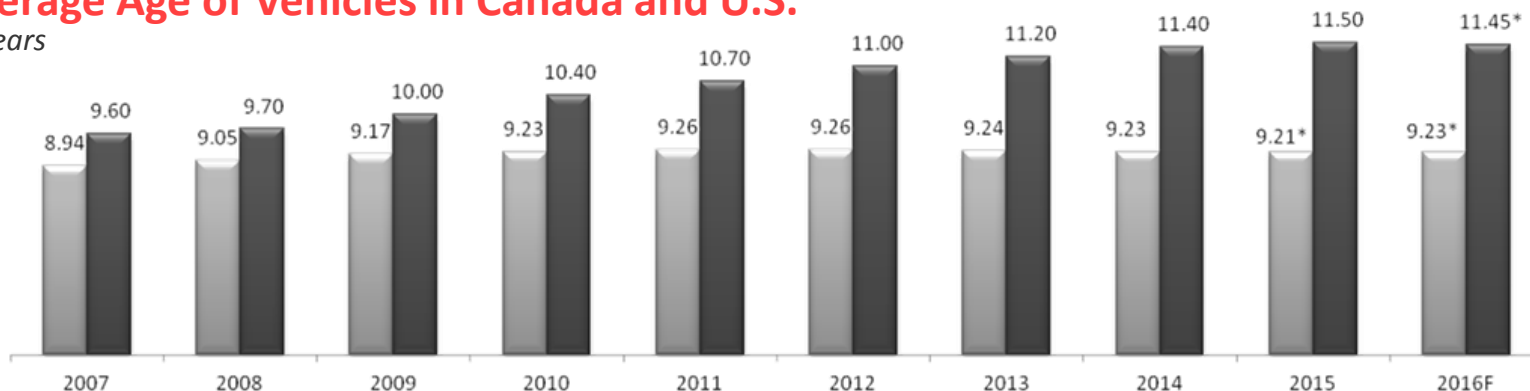




# AVERAGE AGE AND TOTAL LIGHT VEHICLES IN NORAM

## Average Age of Vehicles in Canada and U.S.

In years



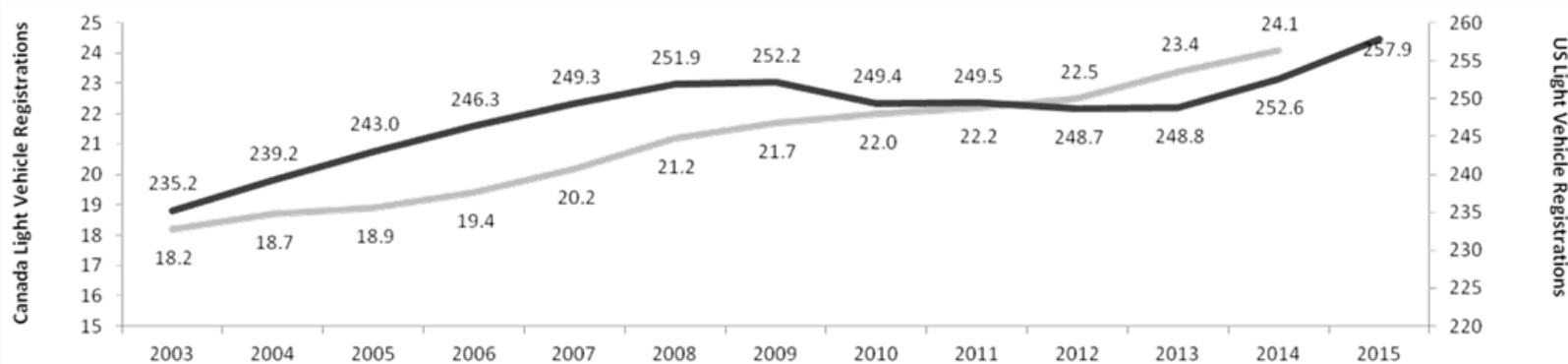
### Sources:

- 2014 Outlook Study
- www.polk.com (Average age calculated from IHS Automotive, driven by Polk's NVPP database as of January 2014)

\* Forecast

## Total Light Vehicles in Canada and U.S.

In millions



### Sources:

- Digital Auto Care FactBook 2016

Canada  
US



**[www.uniselect.com](http://www.uniselect.com)**



# APPENDIX





## APPENDIX 1: NON-IFRS FINANCIAL MEASURES

### EBITDA

- This measure represents net earnings excluding finance costs, depreciation and amortization, equity income and income taxes. This measure is a financial indicator of a corporation's ability to service and incur debt. It should not be considered by an investor as an alternative to sales or net earnings, as an indicator of operating performance or cash flows, or as a measure of liquidity, but as additional information.

### Adjusted EBITDA and Adjusted Earnings :

- 2015 excludes, among other things, impairment and transaction charges related to the assets sold as well as restructuring and other charges

### Adjusted EBITDA margin:

- The adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.

### Pro Forma Revenues:

- Pro Forma excluding five months of Uni-Select USA, Inc. and Beck/Arnely Worldparts, Inc. sold on June 1st 2015. Reported Revenue \$1.4B