INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the first quarter ended March 31, 2022, compared with the first quarter ended March 31, 2021

UNI-SELECT®

HIGHLIGHTS

HIGHLIGHTED RESULTS IN THE FIRST QUARTER OF 2022

(In thousands of US dollars, except percentages, per share amounts and otherwise specified)

2022

SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET EARNINGS	ADJUSTED NET EARNINGS[1]
$409,602	**$28,227**	**$45,239**	**$7,739**	**$21,247**
ORGANIC GROWTH[1] 11.6%	6.9% OF SALES	11.0% OF SALES	DILUTED EPS $0.17	DILUTED ADJUSTED EPS[1] $0.43

2021

SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET EARNINGS	ADJUSTED NET EARNINGS[1]
$370,119	$24,756	$29,965	$213	$5,048
ORGANIC GROWTH[1] (10.2)%	6.7% OF SALES	8.1% OF SALES	DILUTED EPS $0.01	DILUTED ADJUSTED EPS[1] $0.12

Solid and improving financial position:

- As at March 31, 2022, long-term debt amounted to $359,924 compared to $337,386 as at December 31, 2021; total net debt[1] amounted to $327,216, representing an increase of $17,986 compared to December 31, 2021, as strong results from operations were offset by seasonal investments in working capital. Compared to March 31, 2021, total net debt[1] decreased by $56,161.
- As at March 31, 2022, total net debt to adjusted EBITDA[1] was 2.02x, significantly improved compared to 3.65x at the end of the first quarter of 2021.

Compared to the first quarter of 2021:

- Sales increased by 10.7%, driven by organic growth[1] of 11.6%, with all three segments reporting positive organic growth[1] for the quarter, mainly from increased demand and of price increases. Organic growth[1] was partially offset by unfavourable currency conversion effects.
- EBITDA[1] increased by 14.0% to $28,227 or 6.9% of sales, compared to $24,756 or 6.7% of sales, as a result of sustained strong gross margins, and scaling of payroll and operating expenses offsetting certain inflationary costs . Adjusted EBITDA[1] increased by 51.0% to $45,239 or 11.0% of sales, compared to $29,965 or 8.1% of sales.
    - Having recorded $12,093 of one-time charges in the first quarter of 2022, mainly for a change in estimate related to inventory obsolescence and restructuring costs, Management anticipates that the bulk of one-time charges for 2022 have been completed.
- Net earnings were $7,739 or $0.17 per diluted common share, compared to net earnings of $213 and $0.01 per diluted common share. Adjusted net earnings[1] were $21,247 or $0.43 per diluted common share compared to $5,048 or $0.12 per diluted common share. The improvement in net earnings was driven by increased sales and scaling from improved operating expenses, as well as by lower interest costs as a result of the credit facility amendments completed during 2021 and lower debt levels.

[1] This is a non-GAAP financial measure. (Refer to the "Non-GAAP Financial Measures" section for further details)

PRELIMINARY COMMENTS TO MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION OF MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's discussion and analysis ("MD&A") discusses the Corporation's operating results and cash flows for the quarter ended March 31, 2022, compared with the quarter ended March 31, 2021, as well as its financial position as at March 31, 2022, compared with its financial position as at December 31, 2021. This MD&A should be read in conjunction with the audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2021. The information contained in this MD&A takes into account all major events that occurred up to May 4, 2022, the date at which the Condensed Interim Consolidated Financial Statements and MD&A were approved and authorized for issuance by the Corporation's Board of Directors. It presents the existing Corporation's status and business as per Management's best knowledge as at that date.

Unless otherwise indicated and as hereinafter provided, all financial information in this MD&A as well as the Corporation's unaudited Condensed Interim Consolidated Financial Statements for the first quarter ended March 31, 2022, have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook - Accounting under Part I, which incorporates International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Additional information on Uni-Select, including the audited Consolidated Financial Statements and the Corporation's Annual Information Form, is available on the SEDAR website at sedar.com.

In this MD&A, "Uni-Select" or the "Corporation" refers, as the case may be, to Uni-Select Inc. and its subsidiaries.

Unless otherwise indicated, the financial data presented in this MD&A, including tabular information, is expressed in thousands of US dollars, except per share amounts, percentages, number of shares and otherwise specified. Comparisons are presented in relation to the comparable periods of the prior year.

FORWARD-LOOKING INFORMATION

Certain statements made in this MD&A are forward-looking information within the meaning of Canadian securities laws. All such forward-looking information is made and disclosed in reliance upon the "safe harbour" provisions of applicable Canadian securities laws.

Forward-looking information includes all information and statements regarding Uni-Select's intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking statements often, but not always, use words such as "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", "predict", "project", "aim", "seek", "strive", "potential", "continue", "target", "may", "might", "could", "should", and similar expressions and variations thereof.

Forward-looking information is based on Uni-Select's perception of historic trends, current conditions and expected future developments, as well as other assumptions, both general and specific, that Uni-Select believes are appropriate in the circumstances. Such information is, by its very nature, subject to inherent risks and uncertainties, many of which are beyond the control of Uni-Select, and which give rise to the possibility that actual results could differ materially from Uni-Select's expectations expressed in, or implied by, such forward-looking information. Uni-Select cannot guarantee that any forward-looking information will materialize, and we caution readers against relying on any forward-looking information.

These risk and uncertainties include, but are not restricted to: risks associated with the COVID-19 pandemic, reduced demand for our products, disruptions of our supplier relationships or of our suppliers' operations or supplier consolidation, disruption of our customer relationships, competition in the industries in which we do business, security breaches, information security malfunctions or integration issues, the demand for e-commerce and failure to provide adequate e-commerce solutions, retention of employees, labor costs, union activities and labor and employment laws, failure to realize benefits of acquisitions and other strategic transactions, product liability claims, credit risk, loss of right to operate at key locations, failure to implement business initiatives, failure to maintain effective internal controls, macro-economic conditions such as unemployment, inflation, changes in tax policies and uncertain credit markets, operations in foreign jurisdictions, inability to service our debt or fulfill financial covenants, litigation, legislation or government regulation or policies, compliance with environmental laws and regulations, compliance with privacy laws, global climate change, changes in accounting standards, share price fluctuations, corporate social responsibility and reputation and activist investors as well as other risks identified or incorporated by reference in Uni-Select's MD&A for the year ended December 31, 2021 and in other documents that we make public, including our filings with the Canadian Securities Administrators (on SEDAR at www.sedar.com).

Unless otherwise stated, the forward-looking information contained in this MD&A is made as of the date hereof and Uni-Select disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. While we believe that our assumptions on which the forward-looking information is based were reasonable as at the date of this MD&A, readers are cautioned not to place undue reliance on the forward-looking information.

Furthermore, readers are reminded that forward-looking information is presented for the sole purpose of assisting investors and others in understanding Uni-Select's expected financial results, as well as our objectives, strategic priorities and business outlook and our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Further information on the risks that could cause our actual results to differ significantly from our current expectations may be found in the section titled "Risk Management" of Uni-Select's MD&A for the year ended December 31, 2021, which is incorporated by reference in this cautionary statement.

We also caution readers that the above-mentioned risks and the risks disclosed in our MD&A for the year ended December 31, 2021, and other documents and filings are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also have a material adverse effect on our business, operating results, cash flows and financial condition.

COMPLIANCE WITH GAAP

The information included in this report contains certain financial measures that are inconsistent with GAAP. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures presented by other entities. The Corporation considers that users of its MD&A may analyze its results based on these measurements. *(Refer to section "Non-GAAP financial measures" for further details.)*

PROFILE AND DESCRIPTION

With over 5,000 employees in Canada, the U.S. and the U.K., Uni-Select is a leader in the distribution of automotive refinish and industrial coatings and related products in North America, as well as a leader in the automotive aftermarket parts business in Canada and in the U.K. Uni-Select is headquartered in Boucherville, Québec, Canada, and its shares are traded on the Toronto Stock Exchange under the symbol UNS.

In Canada, Uni-Select supports over 16,000 automotive repair and collision repair shops and more than 4,000 shops through its automotive repair/installer shop banners and automotive refinish banners. Its national network includes over 1,000 independent customer locations and more than 80 company-operated stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® and FINISHMASTER® store banner programs.

In the United States, Uni-Select, through its wholly-owned subsidiary FinishMaster, Inc., operates a national network of over 145 automotive refinish company-operated stores under the FINISHMASTER® banner, which supports over 30,000 customers annually.

In the U.K., Uni-Select, through GSF Car Parts, is a major distributor of automotive parts supporting over 20,000 customer accounts with a network of over 170 company-operated stores.

SELECTED INTERIM CONSOLIDATED INFORMATION

	First Quarters Ended March 31,		
	2022	2021	
(in thousands of US dollars, except per share amounts, percentages and otherwise specified)	**$**	$	%
OPERATING RESULTS			
Sales	**409,602**	370,119	*10.7*
EBITDA[1]	**28,227**	24,756	*14.0*
EBITDA margin[1]	***6.9%***	*6.7%*	
Adjusted EBITDA[1]	**45,239**	29,965	*51.0*
Adjusted EBITDA margin[1]	***11.0%***	*8.1%*	
EBT[1]	**9,777**	507	*1,828.4*
EBT margin[1]	***2.4%***	*0.1%*	
Adjusted EBT[1]	**27,873**	6,829	*308.2*
Adjusted EBT margin [1]	***6.8%***	*1.8%*	
Change in estimate related to inventory obsolescence	**10,927**	—	
Stock-based compensation	**4,919**	1,783	
Special items	**1,166**	3,426	
Net earnings	**7,739**	213	*3,533.3*
Adjusted net earnings[1]	**21,247**	5,048	*320.9*
Free cash flow[1]	**1,915**	(6,159)	*131.1*
COMMON SHARE DATA			
Basic net earnings per common share	**0.18**	0.01	*1,700.0*
Diluted net earnings per common share	**0.17**	0.01	*1,600.0*
Basic adjusted net earnings per common share[1]	**0.49**	0.12	*308.3*
Diluted adjusted net earnings per common share[1]	**0.43**	0.12	258.3
Book value per common share	**11.66**	11.45	
Number of common shares outstanding (in thousands)[2]	**43,512**	42,387	
Weighted average number of outstanding common shares			
Basic (in thousands)	**43,446**	42,387	
Diluted (in thousands)	**51,990**	42,387	

	As at March 31,	As at December 31,
	2022	2021
	$	$
FINANCIAL POSITION		
Current net assets	**238,416**	215,599
Total assets	**1,337,721**	1,300,817
Total net debt[1]	**327,216**	309,230
Credit facilities (including revolving and term loans)	**252,766**	235,384
Convertible debentures	**80,389**	78,327
Total Shareholders' equity	**507,453**	495,965
Return on average total Shareholders' equity[1]	***1.7%***	*0.2%*
Adjusted return on average total Shareholders' equity[1]	***12.4%***	*9.3%*

(1) This information represents a non-GAAP financial measure. (Refer to "Non-GAAP financial measures" section for further details.)

(2) The outstanding number of shares corresponds to the issued common shares less the treasury shares in the Share Trust (Refer to "Capital Structure" section for further details).

NON-GAAP FINANCIAL MEASURES

The information included in this MD&A contains certain financial measures that are inconsistent with GAAP. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. The Corporation is of the opinion that users of its MD&A may analyze its results based on these measurements.

The following table presents performance measures used by the Corporation which are not defined by GAAP.

Organic growth[(1)]	This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, the loss of sales from the consolidation of company-operated stores, exchange-rate fluctuations and when necessary, the variance in the number of billing days. This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. Organic growth is based on what management regards as reasonable and may not be comparable to other corporations' organic growth.
EBITDA[(1)] **and adjusted EBITDA**[(1)]	EBITDA represents net earnings (loss) excluding depreciation and amortization, net financing costs and income tax expense (recovery). 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 contains certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include, among other things, restructuring and other charges, stock-based compensation expenses, write-off of assets as well as change in estimate related to inventory obsolescence.
EBITDA margin[(1)] **and adjusted EBITDA margin**[(1)]	EBITDA margin is a percentage corresponding to the ratio of EBITDA to sales. Adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.
EBT[(1)]**, adjusted EBT**[(1)]**, adjusted net earnings (loss)**[(1)]**, basic adjusted net earnings (loss) per common share**[(1)] **and diluted adjusted net earnings (loss) per common share**[(1)]	Management uses adjusted net earnings before taxes "EBT", adjusted net earnings (loss), basic adjusted net earnings (loss) per common share and diluted adjusted net earnings (loss) per common share to assess earnings before taxes, net earnings (loss) and net earnings (loss) per common share from core operating activities, containing certain adjustments, net of income taxes for adjusted net earnings (loss) and adjusted net earnings (loss) per common share, which may affect the comparability of the Corporation's financial results. Management considers that these measures facilitate the analysis and understanding of the Corporation's operational performance. The intent of these measures is to provide additional information. These adjustments include, among other things, restructuring and other charges, stock-based compensation expenses, change in estimate related to inventory obsolescence, write-off of deferred financing costs, as well as amortization of intangible assets related to The Parts Alliance acquisition (now known as GSF Car Parts). For diluted adjusted net earnings, adjusted net earnings are further adjusted for the after-tax interest on the convertible debentures. The exclusion of these items does not indicate that they are non-recurring.
EBT margin[(1)] **and adjusted EBT margin**[(1)]	EBT margin is a percentage corresponding to the ratio of EBT to sales. Adjusted EBT margin is a percentage corresponding to the ratio of adjusted EBT to sales.

NON-GAAP FINANCIAL MEASURES (CONTINUED)

Free cash flow[2]	This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: net acquisitions of property and equipment, net advances to merchant members and incentives granted to customers, as well as net acquisitions and development of intangible assets. Uni-Select considers the free cash flow to be an indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. The free cash flow exclude certain other funds generated and used according to the consolidated statements of cash flows. Therefore, it should not be considered as an alternative to the consolidated statements of cash flows, or as a measure of liquidity, but as additional information.
Total net debt[3]	This measure corresponds to the sum of the revolving credit facility, term facilities, lease obligations (including the portion due within a year), net of deferred financing costs and cash. *(Refer to Note 11 to the Condensed Interim Consolidated Financial Statements for further details.)*
Total net debt to total net debt and total Shareholders' equity ratio[3]	This ratio corresponds to total net debt (as defined above) divided by the sum of total net debt, convertible debentures and total equity.
Long-term debt to total Shareholders' equity ratio[3]	This ratio corresponds to long-term debt, including the portion due within a year *(as shown in Note 11 to the Condensed Interim Consolidated Financial Statements)*, divided by the sum of convertible debentures and total equity.
Total net debt to adjusted EBITDA ratio[3]	This ratio corresponds to total net debt (as defined above) divided by adjusted EBITDA.
Return on average total Shareholders' equity ratio[3]	This ratio corresponds to net earnings, divided by average total Shareholders' equity.
Adjusted return on average total Shareholders' equity ratio[3]	This ratio corresponds to adjusted net earnings[1] to which the amortization of intangible assets related to GSF Car Parts U.K. acquisition is added back divided by average total Shareholders' equity.

(1) Refer to the "Analysis of Interim Consolidated Financial Results" section for a quantitative reconciliation from the non-GAAP financial measures to the most directly comparable measure calculated in accordance with GAAP.

(2) Refer to the "Cash Flows" section for a quantitative reconciliation from the non-GAAP measures to the most directly comparable measure calculated in accordance with GAAP.

(3) Refer to the "Capital Structure" section for further details.

ANALYSIS OF INTERIM CONSOLIDATED FINANCIAL RESULTS

SALES

	First Quarters Ended March 31,	
	2022	2021
	$	$
FinishMaster U.S.	**172,756**	158,203
Canadian Automotive Group	**129,764**	115,162
GSF Car Parts U.K.	**107,082**	96,754
Sales	**409,602**	370,119
		%
Sales variance	**39,483**	***10.7***
Translation effect of the Canadian dollar and the British pound	**3,169**	***0.9***
Impact of number of billing days	**479**	***0.1***
Loss of sales from the consolidation of company-operated stores	**485**	***0.1***
Acquisitions	**(675)**	***(0.2)***
Consolidated organic growth	**42,941**	***11.6***

FIRST QUARTERS

Consolidated sales increased by 10.7% compared to the same quarter in 2021, driven by organic growth of 11.6%, with all three segments reporting positive organic growth, ranging between 9.2% and 14.8% for the quarter. This was driven primarily by increased demand and the impact of price increases. Organic growth was partially offset by unfavourable currency conversion effects. Consolidated organic growth continued to improve, reflecting the global market recovery from the COVID-19 pandemic.

GROSS MARGIN

	First Quarters Ended March 31,	
	2022	2021
	$	$
Gross margin	**127,776**	116,633
In % of sales	***31.2%***	*31.5%*
Change in estimate related to inventory obsolescence [1]	**10,927**	—
Adjusted gross margin	**138,703**	116,633
In % of sales	***33.9%***	*31.5%*

[1] During the first quarter of 2022, the Corporation conducted a review of estimates relating to its inventory provision in the Canadian Automotive Group segment. As a result of this review and change in estimate, a one-time obsolescence expense of $10,927 was recognized. *(Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.)*

FIRST QUARTERS

Excluding the 2.7% impact resulting from the change in estimate related to inventory obsolescence, adjusted gross margin, as a percentage of sales, increased by 2.4%, compared to the corresponding quarter last year, driven largely by additional vendor rebates on purchases, product mix and price increases.

SALARIES AND EMPLOYEE BENEFITS

	First Quarters Ended March 31,	
	2022	2021
	$	$
Salaries and employee benefits	**68,902**	62,475
In % of sales	***16.8%***	*16.9%*
Stock-based compensation[1]	**4,919**	1,783
Adjusted salaries and employee benefits	**63,983**	60,692
In % of sales	***15.6%***	*16.4%*

(1) The variance in stock-based compensation is due to the appreciation of the common share price, additional grants and the performance of the Corporation. (Refer to Note 9 in the Condensed Interim Consolidated Financial Statements for further details.)

FIRST QUARTERS

Adjusted salaries and employee benefits, as a percentage of sales, improved by 0.8% compared to the same quarter last year. This decrease is mainly attributable to scaling benefits from higher sales, despite the furlough benefits realized in 2021 as the Corporation responded to the COVID-19 pandemic.

OTHER OPERATING EXPENSES

	First Quarters Ended March 31,	
	2022	2021
	$	$
Other operating expenses	**29,481**	25,976
In % of sales	***7.2%***	*7.0%*

FIRST QUARTERS

Other operating expenses, as a percentage of sales, increased by 0.2%, compared to the same quarter last year. This variance is mainly explained by higher delivery costs related to inflation on fuel and energy, occupancy costs, the opening of new stores in the U.K. as well as a small acquisition in Canada.

These elements were partially offset by improved fixed cost absorption from higher sales, lower professional fees, as well as operational and automation initiatives.

SPECIAL ITEMS

Special items comprise elements which do not reflect the Corporation's core performance or of which their separate presentation will assist users of the Condensed Interim Consolidated Financial Statements in understanding the Corporation's results for the period. Special items are detailed as follows:

	First Quarters Ended March 31,	
	2022	2021
	$	$
Restructuring and other charges related to improvement plans	**553**	1,728
Other special items	**613**	1,698
	1,166	3,426

Restructuring and other charges related to the improvement plans
The Corporation recognized restructuring and other charges totaling $553 for the quarter ended March 31, 2022 ($1,728 in 2021). These charges include $1,018, primarily related to the rebranding of GSF Car Parts and inventory transfer costs, partially offset by the reversal of previously impaired long-term assets ($1,728 in 2021 mostly comprising consulting fees related to the optimization of the logistical processes and inventory transfer costs). *(Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.)*

Other special items
During the quarter ended March 31, 2022, the Corporation recognized charges totaling $613 mainly for the settlement of certain severance agreements and retention bonuses ($1,698 in 2021).

EBITDA

The following is a reconciliation of EBITDA and adjusted EBITDA.

	First Quarters Ended March 31,		
	2022	2021	
	$	$	%
Net earnings	**7,739**	213	
Income tax expense	**2,038**	294	
Net financing costs	**4,540**	8,878	
Depreciation and amortization	**13,910**	15,371	
EBITDA	**28,227**	24,756	*14.0*
EBITDA margin	***6.9%***	*6.7%*	
Change in estimate related to inventory obsolescence	**10,927**	—	
Stock-based compensation	**4,919**	1,783	
Special items	**1,166**	3,426	
Adjusted EBITDA	**45,239**	29,965	*51.0*
Adjusted EBITDA margin	***11.0%***	*8.1%*	

FIRST QUARTERS

EBITDA margin for the first quarter of 2022 was 6.9%, or an increase of 0.2% compared to the same quarter in 2021. EBITDA was impacted by the one-time change in estimate related to inventory obsolescence in the Canadian Automotive Group of $10,927 and higher stock-based compensation expense related to an increase in the price of our common shares, partially offset by lower special items expenses. Once these elements are excluded, the adjusted EBITDA margin for the first quarter of 2022 was 11.0%, an increase of 2.9% compared to the same quarter in 2021. The increase is the result of sustained strong gross margins, which includes rebates from all three business segments, improved operational performance, scaling of payroll and operating expenses, offset by inflationary pressures on fuel and energy, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and a small acquisition in Canada.

DEPRECIATION AND AMORTIZATION

	First Quarters Ended March 31,	
	2022	2021
	$	$
Depreciation and amortization	**13,910**	15,371
In % of sales	***3.4%***	*4.2%*

FIRST QUARTERS

Depreciation and amortization expenses, as a percentage of sales, decreased by 0.8%, compared to the same quarter last year, driven mainly by the scaling benefits associated with higher sales as well as capital discipline over new investments.

(Refer to Note 5 in the Condensed Interim Consolidated Financial Statements for further details.)

NET FINANCING COSTS

	First Quarters Ended March 31,	
	2022	2021
	$	$
Net financing costs	**4,540**	8,878
In % of sales	***1.1%***	*2.4%*

FIRST QUARTERS

Net financing costs decreased by $4,338 or 1.3% of sales, compared to the same quarter last year, reflecting the reduced borrowing costs following the amendments to the credit facility completed during 2021, as well as lower average debt levels.

(Refer to Note 5 in the Condensed Interim Consolidated Financial Statements for further details.)

EBT

The following is a reconciliation of EBT and adjusted EBT:

	First Quarters Ended March 31,		
	2022	2021	
	$	$	%
Net earnings	**7,739**	213	
Income tax expense	**2,038**	294	
EBT	**9,777**	507	1,828.4
EBT margin	***2.4%***	*0.1%*	
Change in estimate related to inventory obsolescence	**10,927**	—	
Stock-based compensation	**4,919**	1,783	
Special items	**1,166**	3,426	
Amortization of intangible assets related to the acquisition of GSF Car Parts	**1,084**	1,113	
Adjusted EBT	**27,873**	6,829	308.2
Adjusted EBT margin	***6.8%***	*1.8%*	

FIRST QUARTERS

EBT improved by $9,270 or 2.3% of sales, compared to the same quarter in 2021 and was impacted by a one-time change in estimate related to inventory obsolescence in the Canadian Automotive Group of $10,927 and higher stock-based compensation expense related to an increase in the price of our common shares, partially offset by lower special item expenses. Excluding these items, adjusted EBT improved by $21,044 or 5.0% of sales, compared to the same quarter in 2021 as a result of increased sales, rebates, improved operational performance and lower financing costs. During the first quarter of 2021, the Corporation benefited from bad debt reversal and governmental subsidies for its occupancy costs.

INCOME TAX EXPENSE

	First Quarters Ended March 31,	
	2022	2021
	$	$
Income tax expense	**2,038**	294
Income tax rate	***20.8%***	*58.0%*

FIRST QUARTERS

The income tax rate was 20.8% for the current quarter of 2022, representing a decrease of 37.2%, compared to the same quarter of 2021, which is mainly attributable to the impact of temporary taxable timing differences as a result of higher earnings in the first quarter of 2022 compared to the same period in 2021.

(Refer to Note 5 in the Condensed Interim Consolidated Financial Statements for further details.)

NET EARNINGS AND NET EARNINGS PER COMMON SHARE

The following is a reconciliation of net earnings, adjusted net earnings and net earnings considered for diluted adjusted net earnings per common share:

	First Quarters Ended March 31,		
	2022	2021	
	$	$	%
Net earnings	**7,739**	213	*3,533.3*
Change in estimate related to inventory obsolescence, net of taxes	**8,031**	—	
Stock-based compensation, net of taxes	**3,658**	1,317	
Special items, net of taxes	**941**	2,616	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**878**	902	
Adjusted net earnings	**21,247**	5,048	*320.9*
Conversion impact of convertible debentures, net of taxes [1]	**1,197**	—	
Net earnings considered for diluted adjusted net earnings per common share	**22,444**	5,048	*344.6*
Basic net earnings per common share	**0.18**	0.01	*1,700.0*
Change in estimate related to inventory obsolescence, net of taxes	**0.19**	—	
Stock-based compensation, net of taxes	**0.08**	0.03	
Special items, net of taxes	**0.02**	0.06	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**0.02**	0.02	
Basic adjusted net earnings per common share	**0.49**	0.12	*308.3*
Conversion impact of convertible debentures, net of taxes [1]	**(0.06)**	—	
Diluted adjusted net earnings per common share	**0.43**	0.12	*258.3*

The following table presents a reconciliation of the weighted average number of common shares outstanding (in thousands) for diluted adjusted net earnings per common share:

	First Quarters Ended March 31,	
	2022	2021
Weighted average number of common shares outstanding for basic net earnings per common share	**43,446**	42,387
Conversion impact of convertible debentures [1]	**8,106**	—
Impact of stock options [2]	**438**	—
Weighted average number of common shares outstanding for diluted adjusted net earnings per common share	**51,990**	42,387

(1) For the quarter ended March 31, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive. For the purpose of calculating diluted net earnings per common shares, the after-tax effect of interest on convertible debentures recognized in the quarter was excluded.

(2) For the quarter ended March 31, 2022, options to acquire 60,322 common shares (1,244,163 in 2021) were excluded from the calculation of diluted net earnings per common share as the strike price of the options was higher than the average market price of the shares.

FIRST QUARTERS

Net earnings increased by $7,526, compared to the same quarter in 2021, impacted by a one-time change in estimate related to inventory obsolescence in the Canadian Automotive Group net of tax of $8,031, higher stock-based compensation expense related to an increase in the price of our common shares, and partially offset by lower special item expenses. Once these elements are excluded, adjusted net earnings increased by $16,199, compared to the same quarter in 2021, driven by higher sales and rebates as well as improved overall operational performance, including reduced net financing costs, net of income tax expense. The first quarter of 2021 benefited from temporary furloughs, bad debt reversal and governmental subsidies for its occupancy costs.

SELECTED QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

The Corporation's sales follow seasonal patterns. Sales are typically stronger during the second and third quarters for the FinishMaster U.S. and the Canadian Automotive Group segments, and during the first and second quarters for the GSF Car Parts U.K. segment. Sales are also impacted by business acquisitions as well as by the translation effect of the Canadian dollar and the British pound into the US dollar. Since April 2020, all quarters have been affected by the COVID-19 pandemic, in particular the second quarter of 2020.

The following table summarizes the main financial information drawn from the interim consolidated financial reports for each of the last eight quarters.

	2022	2021				2020		
	First Quarter $	Fourth Quarter $	Third Quarter $	Second Quarter $	First Quarter $	Fourth Quarter $	Third Quarter $	Second Quarter $
Sales								
FinishMaster U.S.	**172,756**	167,788	174,872	171,261	158,203	154,657	163,490	133,374
Canadian Automotive Group	**129,764**	135,961	144,489	145,267	115,162	124,908	137,240	114,299
GSF Car Parts U.K.	**107,082**	96,426	106,733	99,884	96,754	86,681	94,622	54,861
	409,602	400,175	426,094	416,412	370,119	366,246	395,352	302,534
EBITDA	**28,227**	31,312	35,326	488	24,756	21,457	30,780	(2,674)
EBITDA margin	***6.9%***	*7.8%*	*8.3%*	*0.1%*	*6.7%*	*5.9%*	*7.8%*	*(0.9)%*
Adjusted EBITDA	**45,239**	37,433	42,294	37,006	29,965	25,425	33,799	15,982
Adjusted EBITDA margin	***11.0%***	*9.4%*	*9.9%*	*8.9%*	*8.1%*	*6.9%*	*8.5%*	*5.3%*
EBT	**9,777**	10,311	14,682	(23,697)	507	(2,521)	6,800	(30,967)
EBT margin	***2.4%***	*2.6%*	*3.4%*	*(5.7)%*	*0.1%*	*(0.7)%*	*1.7%*	*(10.2)%*
Adjusted EBT	**27,873**	19,209	22,763	13,950	6,829	2,512	10,861	(11,308)
Adjusted EBT margin	***6.8%***	*4.8%*	*5.3%*	*3.4%*	*1.8%*	*0.7%*	*2.7%*	*(3.7)%*
Change in estimate related to inventory obsolescence	**10,927**	1,019	—	20,600	—	—	—	—
Stock-based compensation	**4,919**	5,177	1,554	2,869	1,783	1,525	515	1,141
Special items	**1,166**	(75)	5,414	13,049	3,426	2,443	2,504	17,515
Net earnings (loss)	**7,739**	9,008	11,927	(20,253)	213	(5,075)	4,454	(24,169)
Adjusted net earnings (loss)	**21,247**	15,678	17,248	10,914	5,048	(292)	7,916	(8,811)
Basic net earnings (loss) per common share	**0.18**	0.21	0.28	(0.48)	0.01	(0.12)	0.11	(0.57)
Basic adjusted net earnings (loss) per common share	**0.49**	0.36	0.40	0.26	0.12	(0.01)	0.19	(0.21)
Diluted net earnings (loss) per common share	**0.17**	0.20	0.25	(0.48)	0.01	(0.12)	0.11	(0.57)
Diluted adjusted net earnings (loss) per common share	**0.43**	0.32	0.36	0.24	0.12	(0.01)	0.19	(0.21)
Average exchange rate for earnings (CAD$)	***0.79:$1***	*0.80:$1*	*0.79:$1*	*0.81:$1*	*0.77:$1*	*0.77:$1*	*0.75:$1*	*0.72:$1*
Average exchange rate for earnings (£)	***1.34:$1***	*1.38:$1*	*1.38:$1*	*1.40:$1*	*1.32:$1*	*1.32:$1*	*1.29:$1*	*1.24:$1*

ANALYSIS OF FINANCIAL RESULTS BY SEGMENT

SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

FinishMaster U.S.: distribution of automotive refinish and industrial coatings and related products representing FinishMaster, Inc. in the U.S. market.

Canadian Automotive Group: distribution of automotive aftermarket parts, including refinish and industrial coatings and related products, through Canadian networks.

GSF Car Parts U.K.: distribution of automotive original equipment manufacturer ("OEM") and aftermarket parts, serving local and national customers across the U.K.

Corporate Office and Others: head office expenses and other expenses mainly related to the financing structure.

The profitability measure employed by the Corporation for assessing segment performance is adjusted EBT.

OPERATING RESULTS—FINISHMASTER U.S.

Sales

	First Quarters Ended March 31,	
	2022	2021
	$	$
Sales	**172,756**	158,203
		%
Sales variance and organic growth	**14,553**	***9.2***

FIRST QUARTERS

Both sales growth and organic growth were 9.2%, compared to the same quarter last year. FinishMaster U.S. reported positive organic growth for a fourth consecutive quarter, driven by a general market recovery and price increases.

EBITDA and EBT

	First Quarters Ended March 31,		
	2022	2021	
	$	$	*%*
EBITDA	**18,582**	9,659	*92.4*
EBITDA margin	***10.8%***	*6.1%*	
Stock-based compensation	**946**	13	
Special items	**79**	458	
Adjusted EBITDA	**19,607**	10,130	*93.6*
Adjusted EBITDA margin	***11.3%***	*6.4%*	
EBT	**12,918**	3,319	*289.2*
EBT margin	***7.5%***	*2.1%*	
Stock-based compensation	**946**	13	
Special items	**79**	458	
Adjusted EBT	**13,943**	3,790	*267.9*
Adjusted EBT margin	***8.1%***	*2.4%*	

FIRST QUARTERS

EBITDA margin and EBT margin improved by 4.7% and 5.4% respectively, compared to the same quarter in 2021, impacted by higher stock-based compensation expense primarily related to an increase in the price of our common shares, and partially offset by lower special item expenses. Once these elements are excluded, adjusted EBITDA margin and adjusted EBT margin increased by 4.9% and 5.7% respectively, compared to the same quarter last year, benefiting from higher sales and rebates from higher purchases. Additionally, this segment benefited from improved fixed cost absorption which offset higher delivery cost and bad debt expenses.

OPERATING RESULTS—CANADIAN AUTOMOTIVE GROUP

Sales

	First Quarters Ended March 31,	
	2022	2021
	$	$
Sales	**129,764**	115,162
		%
Sales variance	**14,602**	***12.7***
Translation effect of the Canadian dollar	**130**	***0.1***
Acquisitions	**(675)**	***(0.6)***
Organic growth	**14,057**	***12.2***

FIRST QUARTERS

Sales increased by 12.7% compared to the same quarter in 2021, largely driven by organic growth of 12.2% and, to a lesser extent, acquisitions over the last twelve months.

The increase in organic sales was mainly driven by higher demand and price increases that began during the third quarter of 2021 and continued into the first quarter of 2022.

EBITDA and EBT

	First Quarters Ended March 31,		
	2022	2021	
	$	$	%
EBITDA	**5,458**	11,740	*(53.5)*
EBITDA margin	***4.2%***	*10.2%*	
Change in estimate related to inventory obsolescence[(1)]	**10,927**	—	
Stock-based compensation	**1,204**	280	
Special items	**(439)**	20	
Adjusted EBITDA	**17,150**	12,040	*42.4*
Adjusted EBITDA margin	***13.2%***	*10.5%*	
EBT	**955**	6,886	*(86.1)*
EBT margin	***0.7%***	*6.0%*	
Change in estimate related to inventory obsolescence[(1)]	**10,927**	—	
Stock-based compensation	**1,204**	280	
Special items	**(439)**	20	
Adjusted EBT	**12,647**	7,186	*76.0*
Adjusted EBT margin	***9.7%***	*6.2%*	

(1) During the first quarter of 2022, the Corporation conducted a review of estimates relating to its inventory provision in the Canadian Automotive Group segment. As a result of this review and change in estimates, a one-time obsolescence expense of $10,927 was recognized. *(Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.)*

FIRST QUARTERS

EBITDA margin and EBT margin decreased by 6.0% and 5.3%, compared to the same quarter in 2021, impacted by a one-time change in estimate charge of $10,927 to inventory and higher stock-based compensation expense primarily related to an increase in the price of our common shares, partially offset by lower special items expenses. Once these elements are excluded, adjusted EBITDA margin for the current quarter increased by 2.7% and adjusted EBT margin increased by 3.5%, compared to the same quarter last year. These increases are mainly attributable to additional vendor rebates, as well as higher sales, driving scaling benefits.

These benefits were slightly offset by bad debt expenses as opposed to a bad debt reversal for the same quarter last year.

OPERATING RESULTS—GSF CAR PARTS U.K.

Sales

	First Quarters Ended March 31,	
	2022	2021
	$	$
Sales	**107,082**	96,754
		%
Sales variance	**10,328**	***10.7***
Translation effect of the British pound	**3,039**	***3.1***
Impact of number of billing days	**479**	***0.5***
Loss of sales from the consolidation of company-operated stores	**485**	***0.5***
Organic growth	**14,331**	***14.8***

FIRST QUARTERS

Sales increased by 10.7%, compared to the same quarter last year, mainly driven by organic growth of 14.8%, offsetting an unfavourable fluctuation of the British pound against the US dollar during the first quarter of 2022.

Organic growth continued to improve in the quarter from higher demand and price increases.

During the first quarter of 2022, GSF Car Parts U.K. opened two greenfield company-owned stores as part of its growth strategy. The impact on sales is not yet significant.

EBITDA and EBT

	First Quarters Ended March 31,		
	2022	2021	
	$	$	*%*
EBITDA	**9,638**	9,897	*(2.6)*
EBITDA margin	***9.0%***	*10.2%*	
Stock-based compensation	**377**	75	
Special items	**913**	—	
Adjusted EBITDA	**10,928**	9,972	*9.6*
Adjusted EBITDA margin	***10.2%***	*10.3%*	
EBT	**5,488**	4,896	*12.1*
EBT margin	***5.1%***	*5.1%*	
Stock-based compensation	**377**	75	
Special items	**913**	—	
Adjusted EBT	**6,778**	4,971	*36.4*
Adjusted EBT margin	***6.3%***	*5.1%*	

FIRST QUARTERS

EBITDA margin decreased by 1.2% and EBT margin remained at 5.1%, compared to the same quarter in 2021, impacted by higher stock-based compensation expense primarily related to an increase in the price of our common shares and higher special items expenses in relation to the rebranding. Once these elements are excluded, adjusted EBITDA margin decreased by 0.1% and adjusted EBT margin increased by 1.2%, compared to the same quarter in 2021. The first quarter of 2021 benefited from governmental occupancy subsidies of $389. This was offset by higher sales and rebates in the first quarter of 2022, driving scaling benefits.

OPERATING RESULTS—CORPORATE OFFICE AND OTHERS

	First Quarters Ended March 31,		
	2022	2021	
	$	$	%
EBITDA	**(5,451)**	(6,540)	*16.7*
Stock-based compensation	**2,392**	1,415	
Special items	**613**	2,948	
Adjusted EBITDA	**(2,446)**	(2,177)	*(12.4)*
EBT	**(9,584)**	(14,594)	*34.3*
Stock-based compensation	**2,392**	1,415	
Special items	**613**	2,948	
Amortization of intangible assets related to the acquisition of GSF Car Parts	**1,084**	1,113	
Adjusted EBT	**(5,495)**	(9,118)	*39.7*

FIRST QUARTERS

The Corporate Office and Others segment reported an increase in EBITDA of $1,089, compared to the corresponding quarter last year, due to lower special items expenses, partially offsetting higher stock-based compensation expense, primarily related to an increase in the price of our common shares. Once these items are excluded, the adjusted EBITDA decreased by $269, mainly due to higher variable compensation expense as a result of improved business performance, offset by lower professional fees.

Adjusted EBT improved by $3,623, due to lower interest on long-term debt as a result of the amendments to the credit facility completed during 2021, combined with lower debt levels.

CASH FLOWS

OPERATING ACTIVITIES

	First Quarters Ended March 31,	
	2022	2021
	$	$
Cash flows from (used in) operating activities	**7,803**	(540)

FIRST QUARTERS

For the first quarter of 2022, cash flows generated from operating activities totalled $7,803, compared to a use of $540 for the first quarter of 2021. This increase is attributable to higher net earnings and lower borrowing costs offset by an increase in working capital for the purchase of inventory to mitigate supply challenges.

INVESTING ACTIVITIES

	First Quarters Ended March 31,	
	2022	2021
	$	$
Cash flows used in investing activities	**(10,006)**	(5,893)

FIRST QUARTERS

For the first quarter of 2022, cash flows used from investing activities totalled $10,006, compared to $5,893 for the first quarter of 2021. This increase is mainly attributable to a business acquisition in the Canadian Automotive Group segment and greenfield openings in the GSF Car Parts U.K. segment.

FINANCING ACTIVITIES

	First Quarters Ended March 31,	
	2022	2021
	$	$
Cash flows from (used in) financing activities	**7,315**	(12,767)

FIRST QUARTERS

For the first quarter of 2022, cash flow generated from financing activities totalled $7,315, compared to a use of $12,767 for the first quarter of 2021. This increase is mainly attributable to repayments in 2021 of the Corporations's credit facility.

FREE CASH FLOW

	First Quarters Ended March 31,	
	2022	2021
	$	$
Cash flows from (used in) operating activities	**7,803**	(540)
Advances to merchant members and incentives granted to customers	**(2,564)**	(4,687)
Reimbursement of advances to merchant members and liquidation proceeds of incentives granted to customers returned	**1,208**	716
Acquisitions of property and equipment	**(3,672)**	(1,220)
Proceeds from disposal of property and equipment	**430**	246
Acquisitions and development of intangible assets	**(1,290)**	(674)
Free cash flow	**1,915**	(6,159)

FIRST QUARTERS

The Corporation generated a higher level of free cash flow in the first quarter of 2022 as compared to the first quarter of 2021, driven primarily by higher net earnings. This was partially offset by higher level of investments in property and equipment as well as certain software investments.

FINANCING

LONG-TERM DEBT AND CREDIT FACILITIES

	Maturity	Effective interest rate	**Current portion**	**As at March 31,**	As at December 31,
				2022	2021
			$	**$**	$
Revolving credit facility, variable rates [1]	2025	1.85% to 4.45%	**—**	**252,766**	235,384
Deferred financing costs	-	-	**—**	**(647)**	(603)
Lease obligations - vehicles, variable rates	2022 to 2026	0.50% to 4.28%	**1,904**	**3,352**	4,071
Lease obligations - buildings, variable rates	2022 to 2033	1.32% to 7.66%	**25,475**	**104,453**	98,526
Others	-	-	**—**	**—**	8
			27,379	**359,924**	337,386
Current portion of long-term debt				**27,379**	27,015
Long-term debt				**332,545**	310,371

(1) As at March 31, 2022, a principal amount of $161,026 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($209,496 as at December 31, 2021).

Revolving credit facility

As at March 31, 2022, the Corporation has available liquidity of approximately $174,000, plus an accordion feature of $200,000 ($186,000, plus an accordion feature of $200,000 as at December 31, 2021). Available liquidity is subject to financial covenants.

Letters of credit issued under the revolving facility

As at March 31, 2022, $5,970 of letters of credit have been issued ($6,346 as at December 31, 2021).

CONVERTIBLE DEBENTURES

The table below indicates the movement in the liability component:

	First Quarter Ended March 31,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**78,327**	87,728
Conversion into common shares	**—**	(10,795)
Accreted interest	**326**	1,348
Effects of fluctuations in exchange rates	**1,736**	46
	80,389	78,327

VENDOR FINANCING PROGRAM

The Corporation benefits from a vendor financing program. Under this program, financial institutions make discounted accelerated payments to suppliers, and the Corporation makes payment to the financial institutions according to the new extended payment term agreed.

As at March 31, 2022, Uni-Select benefited from additional deferred payments of accounts payable in the amount of $32,150 and used $41,433 of the program ($29,196 and $40,786 respectively as at December 31, 2021). These amounts are presented in “Trade and other payables” in the Interim Consolidated Statements of Financial Position. This program is available upon the Corporation’s request and may be modified by either party. As at March 31, 2022, the authorized limit with applicable financial institutions was $100,000.

FINANCIAL INSTRUMENTS

Derivative financial instruments – hedge of foreign exchange risk

The Corporation enters into forward contracts in order to mitigate the foreign exchange risks mainly related to future forecasted purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at March 31, 2022, are as follows:

Currencies (sold/bought)	Maturity	Average rate (1)	Notional amount (2)
			$
CAD/USD	Up to January 2023	0.79	9,854
GBP/USD	Up to December 2022	1.35	8,581
GBP/EUR	Up to September 2022	1.18	3,131

(1) Rates are expressed as the number of units of the currency bought for one unit of currency sold.

(2) Exchange rates as at March 31, 2022, were used to translate amounts in foreign currencies.

The Corporation also enters into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its US-dollar-denominated revolving credit facility into Canadian dollars. The consolidated cross-currency interest rate swaps outstanding as at March 31, 2022, are as follows:

Receive - Notional	Receive - Rate	Pay - Notional	Pay - Rate	Maturity
CAD$60,000	1.8525%	USD$49,600	1.8466%	April 2022

The short-term cross-currency interest rate swaps are not designated for hedge accounting and are measured at fair value at the end of each period. Fair value variances are recognized in the Interim Consolidated Statements of Net Earnings, and are presented under “Other operating expenses”, with a corresponding asset or liability for derivative financial instruments in the Interim Consolidated Statements of Financial Position. Pursuant to these agreements, the Corporation generates offsetting cash flows related to the underlying position with respect to the amount and timing of forecasted foreign currency transactions. The net effect to the short-term cross-currency interest rate swaps partly offset fluctuations in currency rates impacting the foreign exchange gains/losses resulting from long-term debts in currencies other than the respective functional currencies of the Corporation.

Derivative financial instruments used in cash flow hedges - hedge of interest rate risk

During the fourth quarter of 2021, the Corporation entered into interest rate swap agreements for total nominal amount of $100,000 to hedge the variable interest cash flows on a portion of the Corporation's revolving credit facility. Until their maturity, these agreements fix the interest rate of the notional amount to 1.146%.

CAPITAL STRUCTURE

LONG-TERM FINANCIAL POLICIES AND GUIDELINES

Guided by its low-asset-base-high-utilization philosophy, the Corporation's strategy is to monitor the following ratios to ensure flexibility in the capital structure:

– Total net debt to total net debt and total Shareholders' equity;

– Long-term debt to total Shareholders' equity ratio;

– Total net debt to adjusted EBITDA ratio; and

– Adjusted return on average total Shareholders' equity.

These ratios are not required for banking commitments but represent the ones that the Corporation considers pertinent to monitor and to ensure flexibility in the capital structure. (Refer to the "Non-GAAP Financial Measures" section for further details about the calculation.)

Furthermore, Management continuously monitors its working capital items to improve the cash conversion cycle, in particular, on optimizing inventory levels, ensuring timely cash collection and actively managing payment terms, including through the vendor financing program.

The following table presents the components used in the calculation of debt and equity ratios:

	As at March 31,	As at December 31,
	2022	2021
	$	$
Cash	**32,708**	28,156
Long-term debt (per long-term debt schedule above)	**359,924**	337,386
Total net debt (long-term debt minus cash)	**327,216**	309,230
Convertible debentures	**80,389**	78,327
Total Shareholders' equity	**507,453**	495,965
Total Shareholders' equity (including convertible debentures)(1)	**587,842**	574,292

The following table presents debt and equity ratios:

	As at March 31,	As at December 31,
	2022	2021
	%	%
Total net debt to total net debt and total Shareholders' equity ratio(1)	***35.8%***	*35.0%*
Long-term debt to total Shareholders' equity ratio(1)	***61.2%***	*58.7%*
Total net debt to adjusted EBITDA ratio	***2.02x***	*2.11x*
Return on average total Shareholders' equity ratio	***1.7%***	*0.2%*
Adjusted return on average total Shareholders' equity ratio	***12.4%***	*9.3%*

(1) Convertible debentures are presented as liability in the Interim Consolidated Statements of Financial Position but classified as equity in the calculation of these ratios.

The level of debt increased during the quarter ended March 31, 2022, due to seasonality, severance and stock-based compensation settlement as well as investments such as a business acquisition and the opening of greenfield.

Total net debt to total net debt and total Shareholders' equity ratio deteriorated by 0.8%, mainly due to the seasonal increase in total net debt.

Long-term debt to total Shareholders' equity ratio increased by 2.5%, mainly due to the higher level of long-term debt.

Total net debt to adjusted EBITDA ratio improved by 0.09x, due to improved profitability, offsetting a higher level of total net debt.

Adjusted return on average total Shareholders' equity ratio improved by 3.1%, mainly from the overall improved operational performance, resulting in higher adjusted net earnings.

BANK COVENANTS

For purposes of compliance, the Corporation regularly monitors the requirements of its bank covenants to ensure they are met. As at March 31, 2022, the Corporation met all the requirements.

SHARE CAPITAL

Issuance of common shares
During the quarter ended March 31, 2022, the Corporation issued 148,088 common shares (none during the same period of 2021) upon the exercise of stock options for a total increase in share capital of $3,101. The weighted average price of the issued common shares was CAD$26.51 for the period.

Share Trust
During the fourth quarter of 2021, the Corporation established a Share Trust with an independent trustee that purchases common shares in the secondary market and holds them in trust for the benefit of 2022 PSU Plan and RSU Plan participants. The Share Trust will be used to deliver common shares for the settlement of PSUs and RSUs under both the 2022 PSU Plan and RSU Plan (refer to "Stock-Based Compensation" section for further details). Common shares purchased by the Share Trust are accounted for as treasury stock.

During the quarter ended March 31, 2022, the Share Trust purchased 218,823 Uni-Select Inc. common shares (none during the same period of 2021) for a cash consideration of $4,091. The weighted average price of the purchase of common shares was CAD$23.55 for the period.

Common shares
As at March 31, 2022, 43,511,645 common shares were outstanding (43,582,380 as at December 31, 2021), corresponding to 43,940,768 issued common shares less 429,123 treasury shares in the Share Trust (43,792,680 issued common shares less 210,300 treasury shares in the Share Trust as at December 31, 2021).

As at May 4, 2022, 43,511,645 common shares were outstanding, corresponding to 43,940,768 issued common shares less 429,123 treasury shares in the Share Trust.

Assuming exercise of all outstanding options of 750,322 and conversion of convertible debentures of 8,106,117 as at May 4, 2022, there would have been 52,368,084 common shares issued and outstanding on a fully diluted basis as at May 4, 2022.

STOCK-BASED COMPENSATION

The Corporation’s stock-based compensation plans include equity-settled plans consisting of a stock option plan and a Restricted Share Unit Plan ("RSU Plan") as well as two cash-settled plans consisting of a Deferred Share Unit Plan ("DSU Plan") and a legacy 2013 Performance Share Unit Plan ("2013 PSU Plan").

During the first quarter of 2022, the Corporation entered into a new Performance Share Unit plan ("2022 PSU Plan") to allow for the settlement of performance share units ("PSU") in cash or common shares purchased in the secondary market, at the discretion of the Board of Directors, using the Share Trust (refer to "Share Capital" section for further details).

Equity-settled plans

I. Stock option plan for management employees and officers

The Corporation has a stock option plan for management employees and officers (the “stock option plan”). Following the amendment of the plan during the first quarter of 2022, a total of 2,915,227 common shares have been reserved for issuance (3,400,000 in 2021). Under the plan, the options are granted at the average closing price of the Corporation’s common shares on the TSX for the five trading days preceding the grant date. Options granted vest in or over a period of three years plus one day following the date of issuance and are exercisable over a period of no greater than seven years.

For the quarter ended March 31, 2022, 402,899 options were exercised (none in 2021).

As at March 31, 2022, options granted for the issuance of 750,322 common shares (1,244,163 common shares as at March 31, 2021) were outstanding under the Corporation's stock option plan.

For the quarter ended March 31, 2022, compensation expense of $356 ($188 for 2021) was recorded in “Net earnings”, with the corresponding amounts recorded in “Contributed surplus”.

II. 2022 PSU Plan

Under the 2022 PSU Plan, the compensation expense is accrued over the vesting period based on the fair value of the awards at grant date. The fair value of equity-settled PSUs is determined using the stock price of the Corporation's common share at the grant date.

For the quarter ended March 31, 2022, 385,989 PSUs were granted and a compensation expense of $492 was recorded in “Net earnings”, with the corresponding amounts recorded in “Contributed surplus”.

CAPITAL STRUCTURE (CONTINUED)

III. RSU Plan

For the quarter ended March 31, 2022, 83,214 restricted share units ("RSU") were granted and 12,682 RSUs were forfeited (none in 2021 since the RSU Plan was modified from cash-settled to equity-settled during the fourth quarter of 2021). During the period, a compensation expense of $66 was recorded in “Net earnings”, with the corresponding amounts recorded in “Contributed surplus”.

As at March 31, 2022, RSUs granted for the issuance of 492,955 treasury shares (421,923 treasury shares as at December 31, 2021) were outstanding under the Corporation's RSU Plan.

Cash-settled plans

The variances in the Corporation’s outstanding numbers of deferred share units ("DSU") granted under the DSU Plan, PSUs granted under the 2013 PSU Plan and RSUs (prior to the amendment of the RSU Plan) are detailed as follows:

						First Quarters Ended March 31,
			2022			2021
	DSU	**PSU**	**RSU** [(1)]	DSU	PSU	RSU
Outstanding, beginning of period	**330,300**	**295,799**	**164,254**	398,807	521,857	736,408
Granted	**45,862**	**—**	**—**	82,041	376,968	376,968
Redeemed	**(53,666)**	**—**	**(164,254)**	—	—	—
Forfeited	**—**	**(33,499)**	**—**	—	(48,703)	—
	322,496	**262,300**	**—**	480,848	850,122	1,113,376

(1) The remaining 164,254 RSUs of 2021 were related to a departure that occurred prior to the amendment and restatement of the RSU Plan and were therefore settled in cash during the first quarter of 2022.

The compensation expense of each plan was recorded in the Interim Consolidated Statements of Net Earnings as follows:

						First Quarters Ended March 31,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**2,128**	**1,877**	**—**	967	—	930

The corresponding compensation liabilities are presented in the Interim Consolidated Statements of Financial Position as follows:

		As at March 31, 2022
		$
	DSU	**PSU**
Current portion of long-term employee benefit obligations [(1)]	**—**	**576**
Long-term employee benefit obligations	**7,763**	**3,978**
	7,763	**4,554**

			As at December 31, 2021
			$
	DSU	PSU	RSU
Current portion of long-term employee benefit obligations [(1)]	640	318	1,959
Long-term employee benefit obligations	5,480	2,272	—
	6,120	2,590	1,959

(1) As at March 31, 2022, the compensation liability associated with 27,361 PSUs was recorded under "Trade and other payables" (53,666 DSUs, 48,178 PSUs and 164,254 RSUs as at December 31, 2021).

FINANCIAL POSITION

During the quarter ended March 31, 2022, the financial position, when compared to December 31, 2021, was mostly impacted by the translation effect of the Canadian dollar and the British pound into the US dollar, special items and a change in estimate, as well as business acquisitions.

The following table shows an analysis of selected items from the Consolidated Statements of Financial Position:

	As at March 31, 2022	As at December 31, 2021	Impact of translation CAD$/US$ and £/US$	Special items and change in estimate	Impact of business acquisitions	Net variances
	$	$	$	$	$	$
Current assets and liabilities						
Trade and other receivables	**200,333**	195,490	35	—	866	3,942
Inventory	**361,095**	343,759	100	(10,927)	1,808	26,355
Trade and other payables	**326,736**	328,122	(181)	(2,849)	584	1,060
Long-term assets and liabilities						
Property and equipment	**154,536**	147,654	(112)	465	1,311	5,218
Intangible assets	**169,000**	171,814	(1,135)	(1,084)	1,042	(1,637)
Goodwill	**342,816**	339,910	(510)	—	3,416	—
Net derivative financial instruments (including short-term portion)	**4,302**	293	—	—	52	3,957
Long-term employee benefit obligations	**15,819**	20,360	408	3,743	—	(8,692)

Explanations for net variances:

Trade and other receivables: The increase is mainly attributable to higher sales during the current quarter.

Inventory: The increase is mainly attributable to seasonality, price increases, new store openings in the U.K. and certain purchases made in advance to mitigate supply chain delays.

Trade and other payables: The decrease is mainly attributable to the payment of annual incentives, including rebates to customers.

Property and equipment: The increase is mainly explained by investment for the opening of greenfield and Information technology projects related to productivity initiatives.

Net derivative financial instruments: The increase is mainly attributable to the interest rate swaps on long-term debt.

Long-term employee benefit obligations: The variance reflects the recognition of actuarial gains following changes in financial assumptions.

RISK MANAGEMENT

The Corporation is subject to a variety of risks and uncertainties and is affected by a number of factors that may have a material adverse effect on our business, operating results, cash flows and financial condition, including the risks identified in the section titled "Risk Management" of Uni-Select's MD&A for the year ended December 31, 2021 which are incorporated by reference in this MD&A, and in other documents we make public, including our filings with the Canadian Securities Administrators (on SEDAR at www.sedar.com). No significant change occurred during the quarter ended March 31, 2022 with respect to the risks identified in Uni-Select's MD&A for the year ended December 31, 2021. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of our common shares.

SIGNIFICANT ACCOUNTING POLICIES

FUTURE ACCOUNTING CHANGES

The significant accounting policies followed in the Condensed Interim Consolidated Financial Statements are the same as those applied in the audited Annual Consolidated Financial Statements of the Corporation for the year ended December 31, 2021.

Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's Condensed Interim Consolidated Financial Statements, if any, are provided in the Corporation's audited Annual Consolidated Financial Statements for the year ended December 31, 2021. Certain amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted earlier by the Corporation. These new standards and interpretations are not expected to have a material impact on the Corporation's Condensed Interim Consolidated Financial Statements.

EXCHANGE RATE DATA

The following table sets forth information about exchange rates based upon rates expressed as US dollars per comparative currency unit:

	First Quarters Ended March 31,	
	2022	2021
	$	$
Average for the period (to translate the statements of net earnings (loss))		
Canadian dollar	**0.79**	0.79
British pound	**1.34**	1.38

	As at March 31,	As at December 31,
	2022	2021
Period end (to translate the statements of financial position)		
Canadian dollar	**0.80**	0.78
British pound	**1.32**	1.35

As the Corporation uses the US dollar as its reporting currency in its consolidated financial statements and in this document, unless otherwise indicated, results from its Canadian operations and its U.K. operations are translated into US dollars using the average rate for the period. Variances and explanations related to fluctuations in the foreign exchange rate, and the volatility of the Canadian dollar and the British pound are therefore related to the translation in US dollars of the Corporation's results for its Canadian and U.K. operations and do not have an economic impact on its performance since most of the Corporation's consolidated sales and expenses are received or denominated in the functional currency of the markets in which it does business. Accordingly, the sensitivity of the Corporation's results to fluctuations in foreign exchange rates is economically limited.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation has established and maintains disclosure controls and procedures designed to provide reasonable assurance that material information relating to the Company is made known to the Executive Chair and Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which annual and interim filings are prepared, and that information required to be disclosed by the Corporation in its annual fillings, interim filings or other reports filed or submitted by the Corporation under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The Corporation has also established and maintains internal control over financial reporting, as defined under National Instrument 52-109. The Corporation's internal control over financial reporting is a process designed under the supervision of the Executive Chair and Chief Executive Officer and the Chief Financial Officer, and effected by management and other key personnel of the Corporation, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Management evaluated, under the supervision of and with the participation of the Executive Chair and Chief Executive Officer and the Chief Financial Officer, the effectiveness of the Company's internal controls over financial reporting as at March 31, 2022, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013).

During the period beginning on January 1, 2022 and ended March 31, 2022, no change in the Corporation's internal controls over financial reporting occurred that materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

/s/ Brian McManus

Brian McManus

Executive Chair and Chief Executive Officer

/s/ Anthony Pagano

Anthony Pagano

Chief Financial Officer

Approved by the Board of Directors on May 4, 2022.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Quarters Ended March 31, 2022 and March 31, 2021
(Unaudited, expressed in thousands of US dollars, unless otherwise noted)

INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS

(In thousands of US dollars, except per share amounts, unaudited)	Note	First Quarters Ended March 31,	
		2022	2021
		$	$
Sales		**409,602**	370,119
Purchases, net of changes in inventories	4	**281,826**	253,486
Gross margin		**127,776**	116,633
Salaries and employee benefits		**68,902**	62,475
Other operating expenses		**29,481**	25,976
Special items	4	**1,166**	3,426
Earnings before net financing costs, depreciation and amortization and income taxes		**28,227**	24,756
Depreciation and amortization	5	**13,910**	15,371
Net financing costs	5	**4,540**	8,878
Earnings before income taxes		**9,777**	507
Income tax expense	5	**2,038**	294
Net earnings		**7,739**	213
Net earnings per common share	6		
Basic		**0.18**	0.01
Diluted		**0.17**	0.01
Weighted average number of common shares outstanding (in thousands)	6		
Basic		**43,446**	42,387
Diluted		**51,990**	42,387

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Note	First Quarters Ended March 31,	
		2022	2021
		$	$
Net earnings		**7,739**	213
Other comprehensive income			
Items that will subsequently be reclassified to net earnings:			
Effective portion of changes in the fair value of cash flow hedges (net of income tax of $1,276 ($4 in 2021))		**3,576**	11
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (net of income tax of $64 ($60 in 2021))	5	**176**	162
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency		**(7,095)**	1,058
Unrealized exchange gains on the translation of debt designated as a hedge of net investments in foreign operations		**4,868**	1,425
		1,525	2,656
Items that will not subsequently be reclassified to net earnings:			
Remeasurements of long-term employee benefit obligations (net of income tax of $2,353 ($2,924 in 2021))		**6,527**	8,109
Total other comprehensive income		**8,052**	10,765
Comprehensive income		**15,791**	10,978

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of US dollars, unaudited)	Note	Common shares	Treasury shares	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive loss	Total
		$	$	$	$	$	$	$
Balance as at December 31, 2020		100,244	—	8,404	8,232	378,196	(21,021)	474,055
Net earnings		—	—	—	—	213	—	213
Other comprehensive income		—	—	—	—	8,109	2,656	10,765
Comprehensive income		—	—	—	—	8,322	2,656	10,978
Contributions by and distributions to shareholders:								
Stock-based compensation	9	—	—	188	—	—	—	188
Balance as at March 31, 2021		100,244	—	8,592	8,232	386,518	(18,365)	485,221
Balance as at December 31, 2021		**116,051**	**(4,169)**	**11,016**	**7,244**	**388,241**	**(22,418)**	**495,965**
Net earnings		—	—	—	—	**7,739**	—	**7,739**
Other comprehensive income		—	—	—	—	**6,527**	**1,525**	**8,052**
Comprehensive income		—	—	—	—	**14,266**	**1,525**	**15,791**
Contributions by and distributions to shareholders:								
Acquisition of treasury shares by Share Trust	12	—	**(4,091)**	—	—	—	—	**(4,091)**
Transfer upon exercise of stock options	12	**3,101**	—	**(4,227)**	—	—	—	**(1,126)**
Stock-based compensation	9	—	—	**914**	—	—	—	**914**
		3,101	**(4,091)**	**(3,313)**	—	—	—	**(4,303)**
Balance as at March 31, 2022		**119,152**	**(8,260)**	**7,703**	**7,244**	**402,507**	**(20,893)**	**507,453**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Note	First Quarters Ended March 31,	
		2022	2021
		$	$
OPERATING ACTIVITIES			
Net earnings		**7,739**	213
Adjustment for:			
Special items and others	4	**12,093**	3,426
Depreciation and amortization	5	**13,910**	15,371
Net financing costs	5	**4,540**	8,878
Income tax expense	5	**2,038**	294
Amortization and reserves related to incentives granted to customers		**3,565**	4,680
Stock-based compensation		**4,919**	1,783
Other items		**775**	(962)
Changes in working capital items	7	**(36,978)**	(26,901)
Stock-based compensation paid		**(2,689)**	—
Interest paid		**(2,820)**	(6,906)
Income tax recovered (paid)		**711**	(416)
Cash flows from (used in) operating activities		**7,803**	(540)
INVESTING ACTIVITIES			
Business acquisition	8	**(4,412)**	—
Net balance of purchase price		**—**	(58)
Cash held in escrow		**294**	—
Advances to merchant members and incentives granted to customers		**(2,564)**	(4,687)
Reimbursement of advances to merchant members and liquidation proceeds of incentives granted to customers returned		**1,208**	716
Acquisitions of property and equipment		**(3,672)**	(1,220)
Proceeds from disposal of property and equipment		**430**	246
Acquisitions and development of intangible assets		**(1,290)**	(674)
Other provisions paid		**—**	(216)
Cash flows used in investing activities		**(10,006)**	(5,893)
FINANCING ACTIVITIES			
Increase in long-term debt	7	**127,238**	2,793
Repayment of long-term debt	7	**(116,018)**	(15,122)
Net increase (decrease) in merchant members' deposits in the guarantee fund		**186**	(438)
Acquisition of treasury shares by Share Trust	12	**(4,091)**	—
Cash flows from (used in) financing activities		**7,315**	(12,767)
Effects of fluctuations in exchange rates on cash		**(560)**	293
Net increase (decrease) in cash		**4,552**	(18,907)
Cash, beginning of period		**28,156**	54,379
Cash, end of period		**32,708**	35,472

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)	Note	As at March 31,	As at December 31,
		2022	2021
ASSETS	11	**$**	$
Current assets:			
Cash		**32,708**	28,156
Cash held in escrow		**214**	503
Trade and other receivables		**200,333**	195,490
Income taxes receivable		**2,834**	4,502
Inventory	4	**361,095**	343,759
Prepaid expenses		**9,601**	6,324
Derivative financial instruments	13	**218**	75
Total current assets		**607,003**	578,809
Investments, advances to merchant members and other assets		**22,072**	23,565
Property and equipment		**154,536**	147,654
Intangible assets		**169,000**	171,814
Goodwill		**342,816**	339,910
Derivative financial instruments	13	**5,279**	223
Deferred tax assets		**37,015**	38,842
TOTAL ASSETS		**1,337,721**	1,300,817
LIABILITIES			
Current liabilities:			
Trade and other payables		**326,736**	328,122
Balance of purchase price, net		**2,666**	43
Provision for restructuring charges	4	**363**	1,060
Income taxes payable		**10,133**	6,872
Current portion of long-term debt and merchant members' deposits in the guarantee fund		**27,494**	27,108
Derivative financial instruments	13	**1,195**	5
Total current liabilities		**368,587**	363,210
Long-term employee benefit obligations		**15,819**	20,360
Long-term debt	11	**332,545**	310,371
Convertible debentures	11	**80,389**	78,327
Merchant members' deposits in the guarantee fund		**5,781**	5,492
Balance of purchase price		**400**	—
Other provisions		**3,258**	3,092
Deferred tax liabilities		**23,489**	24,000
TOTAL LIABILITIES		**830,268**	804,852
TOTAL SHAREHOLDERS' EQUITY		**507,453**	495,965
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,337,721**	1,300,817

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars, except per share amounts, percentages and otherwise specified) (unaudited)

1 - GOVERNING STATUTE AND NATURE OF OPERATIONS

Uni-Select Inc. (“Uni-Select”) is a corporation domiciled in Canada and incorporated under the Business Corporations Act (Québec). Uni-Select is the parent company of a group of entities, which includes Uni-Select and its subsidiaries as well as its structured entity (collectively, the “Corporation”). The Corporation is a distributor of automotive aftermarket parts and automotive refinish and industrial coatings. The Corporation’s registered office is located at 170 Industriel Blvd., Boucherville, Québec, Canada.

These Condensed Interim Consolidated Financial Statements present the operations and financial position of the Corporation and all of its subsidiaries, as well as its structured entity.

The Corporation’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol UNS.

2 - BASIS OF PRESENTATION

Statement of compliance

The Corporation prepares its Condensed Interim Consolidated Financial Statements in accordance with generally accepted accounting principles in Canada (“GAAP”) as set out in the CPA Canada Handbook – Accounting under Part I, which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements. As permitted under IAS 34 “Interim Financial Reporting”, these Interim Consolidated Financial Statements constitute a condensed set of financial statements, as the Corporation does not present all the notes to consolidated financial statements included in its Annual Consolidated Financial Statements. These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Corporation’s audited Annual Consolidated Financial Statements for the year ended December 31, 2021.

The Board of Directors approved and authorized for issuance these Condensed Interim Consolidated Financial Statements on May 4, 2022.

Basis of measurement

These Condensed Interim Consolidated Financial Statements have been prepared on the historical cost basis except for derivative financial instruments, which are measured at fair value, provisions, which are measured based on the best estimates of the expenditures required to settle the obligation and the post-employment benefit obligations, which are measured at the present value of the defined benefit obligations and reduced by the fair value of plan assets.

Functional and presentation currency

Items included in the financial statements of each of the Corporation’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Corporation’s functional currencies are the US dollar for entities located in the United States, the Canadian dollar for entities located in Canada and the British pound for entities located in the United Kingdom. These Condensed Interim Consolidated Financial Statements are presented in US dollars, which is the Corporation’s presentation currency.

Seasonality of interim operations

Sales of the Corporation follow seasonal patterns. Sales are typically stronger during the second and the third quarters for FinishMaster U.S. and the Canadian Automotive Group segments, and during the first and the second quarters for GSF Car Parts U.K. segment. Sales are also impacted by business acquisitions as well as the conversion effect of the Canadian dollar and the British pound into the US dollar.

As such, the operating results for any interim period are not necessarily indicative of full-year performance. Refer to note 14 for further details on segmented information.

Use of accounting estimates and judgments

The most significant uses of judgment, estimates and assumptions are described in the Corporation’s audited Annual Consolidated Financial Statements for the year ended December 31, 2021, except for the modifications resulting from IFRS first time adoption as described in note 3, if any.

3 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the Condensed Interim Consolidated Financial Statements are the same as those applied in the audited Annual Consolidated Financial Statements of the Corporation for the year ended December 31, 2021, except for the change in accounting policy described in note 9.

Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation’s Condensed Interim Consolidated Financial Statements, if any, are provided in the Corporation’s audited Annual Consolidated Financial Statements for the year ended December 31, 2021. Certain amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted earlier by the Corporation. These new standards and interpretations are not expected to have a material impact on the Corporation’s Condensed Interim Consolidated Financial Statements.

4 - SPECIAL ITEMS AND OTHERS

Special items and others comprise elements which do not reflect the Corporation's core performance or of which their separate presentation will assist users of the Condensed Interim Consolidated Financial Statements in understanding the Corporation's results for the period. Special items and others are detailed as follows:

	First Quarters Ended March 31,	
	2022	2021
	$	$
Change in estimate related to inventory obsolescence	**10,927**	—
Restructuring and other charges related to improvement plans	**553**	1,728
Other special items	**613**	1,698
Special items	**1,166**	3,426
Special items and others	**12,093**	3,426

Change in estimate related to inventory obsolescence
During the first quarter of 2022, the Corporation conducted a review of estimates relating to its inventory provision. As a result of this review and change in estimates, a one-time obsolescence expense of $10,927 was recognized in "Purchases, net of changes in inventories". This change in estimate was accounted for prospectively.

The variances in the provision for inventory obsolescence are detailed as follows:

	First Quarter Ended March 31,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**26,847**	21,652
Change in estimate [(1)]	**10,927**	21,619
Charges recognized during the period	**912**	940
Write-off	**(591)**	(17,291)
Effects of fluctuations in exchange rates	**(26)**	(73)
	38,069	26,847

(1) In 2021, a one-time obsolescence expense of $21,619 was recognized in "Purchases, net of changes in inventories", mainly as a result of a refresh of underlying product consumption.

Restructuring and other charges related to the improvement plans

The Corporation recognized restructuring and other charges totaling $553 for the quarter ended March 31, 2022 ($1,728 in 2021). These charges include $1,018, primarily related to the rebranding of GSF Car Parts and inventory transfer costs, partially offset by the reversal of previously impaired long-term assets ($1,728 in 2021 mostly comprising consulting fees related to the optimization of the logistical processes and inventory transfer costs).

The variances in the provision for restructuring charges are detailed as follows:

	First Quarter Ended March 31,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**1,060**	3,246
Change in estimate	**—**	(863)
Provision used during the period	**(695)**	(1,360)
Effects of fluctuations in exchange rates	**(2)**	37
	363	1,060

Other special items
During the quarter ended March 31, 2022, the Corporation recognized charges totaling $613 mainly for the settlement of certain severance agreements and retention bonuses ($1,698 in 2021).

5 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS

Depreciation and amortization

	First Quarters Ended March 31,	
	2022	2021
	$	$
Depreciation of property and equipment	**2,974**	4,021
Depreciation of right-of-use assets	**6,573**	6,531
Amortization of intangible assets	**4,363**	4,819
	13,910	15,371

Net financing costs

	Note	First Quarters Ended March 31,	
		2022	2021
		$	$
Interest on long-term debt		**1,348**	5,139
Interest on lease obligations		**1,182**	1,361
Interest on convertible debentures		**1,302**	1,480
Accreted interest on convertible debentures	11	**326**	342
Amortization of financing costs	7	**35**	234
Net interest expense on the long-term employee benefit obligations	10	**110**	147
Reclassification of realized losses on derivative financial instruments designated as cash flow hedges to net earnings		**240**	222
Interest on merchant members' deposits in the guarantee fund and others		**19**	(31)
		4,562	8,894
Interest income from merchant members and others		**(22)**	(16)
		4,540	8,878

Income tax expense

The following table presents the reconciliation of income taxes at the combined Canadian statutory income tax rates applicable in the jurisdictions in which the Corporation operates to the amount of reported income taxes in the Interim Consolidated Statements of Net Earnings:

	First Quarters Ended March 31,	
	2022	2021
	$	$
Income taxes at the Corporation's statutory tax rate - 26.5% (26.5% in 2021)	**2,591**	135
Effect of foreign tax rate differences	**(363)**	82
Benefit of financing structure	**(351)**	(347)
Non-deductible expenses	**51**	253
Others	**110**	171
Income taxes at the Corporation's effective tax rate	**2,038**	294
Effective tax rate	***20.8 %***	*58.0 %*

The year-over-year variance in effective tax rate is mainly attributable to the prior year's lower earnings before tax which caused the dollar value of the various rate reconciliation items to be significantly higher in proportion to the earnings before tax than in the current quarter.

6 - NET EARNINGS PER COMMON SHARE

The following table presents a reconciliation of basic and diluted net earnings per common share:

	First Quarters Ended March 31,	
	2022	2021
Net earnings considered for basic net earnings per common share	**7,739**	213
Conversion impact of convertible debentures [(1)]	**1,197**	—
Net earnings considered for diluted net earnings per common share	**8,936**	213
Weighted average number of issued common shares	**43,838,752**	42,387,300
Weighted average number of treasury shares in Share Trust	**(392,656)**	—
Weighted average number of common shares outstanding for basic net earnings per common share	**43,446,096**	42,387,300
Conversion impact of convertible debentures [(1)]	**8,106,117**	—
Impact of stock options [(2)]	**437,728**	—
Weighted average number of common shares outstanding for diluted net earnings per common share	**51,989,941**	42,387,300
Net earnings per common share		
Basic	**$0.18**	$0.01
Diluted	**$0.17**	$0.01

(1) For the quarter ended March 31, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive. For the purpose of calculating diluted net earnings per common shares, the after-tax effect of interest on convertible debentures recognized in the quarter was excluded.

(2) For the quarter ended March 31, 2022, options to acquire 60,322 common shares (1,244,163 in 2021) were excluded from the calculation of diluted net earnings per common share as the strike price of the options was higher than the average market price of the shares.

7 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in working capital items
The changes in working capital items are detailed as follows:

	Note	First Quarters Ended March 31,	
		2022	2021
		$	$
Trade and other receivables		**(12,493)**	(4,331)
Inventory		**(26,355)**	(2,884)
Prepaid expenses		**(3,299)**	(1,192)
Trade and other payables		**5,864**	(18,276)
Provision for restructuring charges	4	**(695)**	(218)
		(36,978)	(26,901)

As at March 31, 2022, acquisition of property and equipment and intangible assets of $1,184 and $456 respectively ($412 and $350 as at March 31, 2021) remained unpaid and did not have an impact on cash.

7 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Repayment of long-term debt

The following table presents reconciliation between the opening and closing balances in the Interim Consolidated Statements of Financial Position for "Long-term debt", including the "Current portion of long-term debt" (refer to note 11 for further details):

	Note	First Quarter Ended March 31,
		2022
		$
Balance, beginning of period		337,386
Increase in long-term debt		127,238
Repayment of long-term debt		(116,018)
Increase in lease obligations		12,062
Leases obligations acquired through business combinations	8	205
Non-cash changes in lease obligations		(151)
Amortization of financing costs	5	35
Effects of fluctuations in exchange rates		(833)
		359,924

For the quarter ended March 31, 2022, repayment of long-term debt includes cash outflows for leases totaling $7,134 ($9,607 in 2021).

8 - BUSINESS COMBINATION

During the quarter ended March 31, 2022, the Corporation acquired the shares of one company operating in Canada. That company was acquired in the normal course of business. The total cost of the acquisition of $7,396 was preliminarily allocated to the acquired assets and liabilities based on their fair value and includes a balance of purchase price of $2,984.

The primary factor that gave rise to the recognition of goodwill was the earnings capacity of the acquired business in excess of the net tangible and intangible assets acquired. Since its acquisition date, the acquired company generated total sales of $756 and net earnings of $16.

As at March 31, 2022, the following aggregate fair value amounts were recognized for each class of the acquired company's net assets at the date of acquisition: trade and other receivables for $866, inventory for $1,808, property and equipment for $1,311, goodwill for $3,416, customer relationships of $1,042, trade and other payables of $584, lease obligations – buildings for $205, deferred tax liabilities of $289 and other net assets for $31. For tax purposes, goodwill is expected to be deductible.

The Corporation is currently assessing the estimated fair values of certain assets acquired through business combination over the last three quarters, mainly intangible assets, to finalize the purchase price allocation over the identifiable net assets acquired and goodwill. As permitted by IFRS, the Corporation expects to finalize the purchase price allocation within a year from the date of acquisition.

9 - STOCK-BASED COMPENSATION

The Corporation's stock-based compensation plans include equity-settled plans consisting of a stock option plan and a Restricted Share Unit Plan ("RSU Plan") as well as two cash-settled plans consisting of a Deferred Share Unit Plan ("DSU Plan") and a legacy 2013 Performance Share Unit Plan ("2013 PSU Plan").

During the first quarter of 2022, the Corporation entered into a new Performance Share Unit plan ("2022 PSU Plan") to allow for the settlement of performance share units ("PSU") in cash or common shares purchased in the secondary market, at the discretion of the Board of Directors, using the Share Trust (refer to note 12 for further details).

Equity-settled plans

I. Stock option plan for management employees and officers

The Corporation has a stock option plan for management employees and officers (the "stock option plan"). Following the amendment of the plan during the first quarter of 2022, a total of 2,915,227 common shares have been reserved for issuance (3,400,000 in 2021). Under the plan, the options are granted at the average closing price of the Corporation's common shares on the TSX for the five trading days preceding the grant date. Options granted vest in or over a period of three years plus one day following the date of issuance and are exercisable over a period of no greater than seven years.

For the quarter ended March 31, 2022, 402,899 options were exercised (none in 2021).

As at March 31, 2022, options granted for the issuance of 750,322 common shares (1,244,163 common shares as at March 31, 2021) were outstanding under the Corporation's stock option plan.

9 - STOCK-BASED COMPENSATION (CONTINUED)

For the quarter ended March 31, 2022, compensation expense of $356 ($188 for 2021) was recorded in “Net earnings”, with the corresponding amounts recorded in “Contributed surplus”.

II. 2022 PSU Plan

Under the 2022 PSU Plan, the compensation expense is accrued over the vesting period based on the fair value of the awards at grant date. The fair value of equity-settled PSUs is determined using the stock price of the Corporation's common share at the grant date.

For the quarter ended March 31, 2022, 385,989 PSUs were granted and a compensation expense of $492 was recorded in “Net earnings”, with the corresponding amounts recorded in “Contributed surplus”.

III. RSU Plan

For the quarter ended March 31, 2022, 83,214 restricted share units ("RSU") were granted and 12,682 RSUs were forfeited (none in 2021 since the RSU Plan was modified from cash-settled to equity-settled during the fourth quarter of 2021). During the period, a compensation expense of $66 was recorded in “Net earnings”, with the corresponding amounts recorded in “Contributed surplus”.

As at March 31, 2022, RSUs granted for the issuance of 492,955 treasury shares (421,923 treasury shares as at December 31, 2021) were outstanding under the Corporation's RSU Plan.

Cash-settled plans

The variances in the Corporation’s outstanding numbers of deferred share units ("DSU") granted under the DSU Plan, PSUs granted under the 2013 PSU Plan and RSUs (prior to the amendment of the RSU Plan) are detailed as follows:

						First Quarters Ended March 31,
			2022			2021
	DSU	**PSU**	**RSU [1]**	DSU	PSU	RSU
Outstanding, beginning of period	**330,300**	**295,799**	**164,254**	398,807	521,857	736,408
Granted	**45,862**	**—**	**—**	82,041	376,968	376,968
Redeemed	**(53,666)**	**—**	**(164,254)**	—	—	—
Forfeited	**—**	**(33,499)**	**—**	—	(48,703)	—
	322,496	**262,300**	**—**	480,848	850,122	1,113,376

(1) The remaining 164,254 RSUs of 2021 were related to a departure that occurred prior to the amendment and restatement of the RSU Plan and were therefore settled in cash during the first quarter of 2022.

The compensation expense of each plan was recorded in the Interim Consolidated Statements of Net Earnings as follows:

						First Quarters Ended March 31,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**2,128**	**1,877**	**—**	967	—	930

The corresponding compensation liabilities are presented in the Interim Consolidated Statements of Financial Position as follows:

		As at March 31, 2022
		$
	DSU	**PSU**
Current portion of long-term employee benefit obligations [1]	**—**	**576**
Long-term employee benefit obligations	**7,763**	**3,978**
	7,763	**4,554**

			As at December 31, 2021
			$
	DSU	PSU	RSU
Current portion of long-term employee benefit obligations [1]	640	318	1,959
Long-term employee benefit obligations	5,480	2,272	—
	6,120	2,590	1,959

(1) As at March 31, 2022, the compensation liability associated with 27,361 PSUs was recorded under "Trade and other payables" (53,666 DSUs, 48,178 PSUs and 164,254 RSUs as at December 31, 2021).

10 - POST-EMPLOYMENT BENEFIT OBLIGATIONS

For the quarter ended March 31, 2022, the salaries and employee benefits expense related to the Corporation's defined-benefit pension plans was $440 ($548 in 2021), and the net interest expense of $110 ($147 in 2021) was recorded in "Net financing costs" (note 5). Benefit expenses of $1,088 ($1,141 in 2021) related to the Corporation's defined-contribution pension plans was also recognized for the same period.

11 - LONG-TERM DEBT, CREDIT FACILITIES AND CONVERTIBLE DEBENTURES

	Maturity	Effective interest rate	**Current portion**	**As at March 31,**	As at December 31,
				2022	2021
			$	**$**	$
Revolving credit facility, variable rates [1]	2025	1.85% to 4.45%	—	**252,766**	235,384
Deferred financing costs	-	-	—	**(647)**	(603)
Lease obligations - vehicles, variable rates	2022 to 2026	0.50% to 4.28%	**1,904**	**3,352**	4,071
Lease obligations - buildings, variable rates	2022 to 2033	1.32% to 7.66%	**25,475**	**104,453**	98,526
Others	-	-	—	**—**	8
			27,379	**359,924**	337,386
Current portion of long-term debt				**27,379**	27,015
Long-term debt				**332,545**	310,371

(1) As at March 31, 2022, a principal amount of $161,026 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($209,496 as at December 31, 2021).

Letters of credit issued under the revolving facility
As at March 31, 2022, $5,970 of letters of credit have been issued ($6,346 as at December 31, 2021).

Short-term leases, variable lease payments and leases of low-value assets
For the quarter ended March 31, 2022, expenses for short-term leases, variable lease payments and leases of low-value assets were totaling $165, $311 and $103 ($257, $321 and $147 in 2021). These charges were recorded in "Other operating expenses".

Convertible debentures
The table below indicates the movement in the liability component:

	Note	**First Quarter Ended March 31,**	Year Ended December 31,
		2022	2021
		$	$
Balance, beginning of period		**78,327**	87,728
Conversion into common shares		**—**	(10,795)
Accreted interest	5	**326**	1,348
Effects of fluctuations in exchange rates		**1,736**	46
		80,389	78,327

12 - SHARE CAPITAL

Issuance of common shares
During the quarter ended March 31, 2022, the Corporation issued 148,088 common shares (none during the same period of 2021) upon the exercise of stock options for a total increase in share capital of $3,101. The weighted average price of the issued common shares was CAD$26.51 for the period.

Share Trust
During the fourth quarter of 2021, the Corporation established a Share Trust with an independent trustee that purchases common shares in the secondary market and holds them in trust for the benefit of 2022 PSU Plan and RSU Plan participants. The Share Trust will be used to deliver common shares for the settlement of PSUs and RSUs under both the 2022 PSU Plan and RSU Plan (refer to note 9 for further details). Common shares purchased by the Share Trust are accounted for as treasury stock.

During the quarter ended March 31, 2022, the Share Trust purchased 218,823 Uni-Select Inc. common shares (none during the same period of 2021) for a cash consideration of $4,091. The weighted average price of the purchase of common shares was CAD$23.55 for the period.

As at March 31, 2022, 43,511,645 common shares were outstanding (43,582,380 as at December 31, 2021), corresponding to 43,940,768 issued common shares less 429,123 treasury shares in the Share Trust (43,792,680 issued common shares less 210,300 treasury shares in the Share Trust as at December 31, 2021).

13 - FINANCIAL INSTRUMENTS

Fair value hierarchy

Financial instruments measured at fair value in the Interim Consolidated Statements of Financial Position are classified according to the following hierarchy:

Level 1: consists of measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: consists of measurement techniques mainly based on inputs, other than quoted prices (included within Level 1), that are observable either directly or indirectly in the market; and

Level 3: consists of measurement techniques that are not mainly based on observable market data.

The carrying amounts and fair values of financial instruments by level of hierarchy, other than those where the carrying amount is a reasonable approximation of fair value, are summarized as follows:

		As at March 31, 2022		As at December 31, 2021	
			$		$
		Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets carried at amortized cost					
Advances to merchant members	**Level 2**	**410**	**410**	469	469
Financial liabilities carried at amortized cost					
Long-term debt (except lease obligations and financing costs)	**Level 2**	**252,766**	**252,766**	235,392	235,392
Convertible debentures	**Level 2**	**80,389**	**81,547**	78,327	83,055
Merchant members' deposits in the guarantee fund	**Level 2**	**5,896**	**5,896**	5,585	5,585
Financial assets (liabilities) carried at fair value					
Derivative financial instruments					
Foreign exchange forward contracts (1)	**Level 2**	**124**	**124**	70	70
Cross-currency interest rate swaps	**Level 2**	**(1,101)**	**(1,101)**	—	—
Interest rate swaps – Long-term (2)	**Level 2**	**5,279**	**5,279**	223	223

(1) As at March 31, 2022, the foreign exchange forward contracts include an asset position of $218 and a liability position of $94 (asset position of $75 and liability position of $5 as at December 31, 2021).

(2) Derivatives designated in a hedge relationship.

Financial assets (liabilities) carried at amortized cost

The fair value of the advances to merchant members is equivalent to their carrying value as these instruments are bearing interests that reflect current market conditions for similar instruments.

The fair value of the long-term debt (except lease obligations and financing costs) has been determined by calculating the present value of the interest rate spread that exists between the actual credit facilities and the rate that would be negotiated with the economic conditions at the reporting date. The fair value of long-term debt approximates its carrying value as the effective interest rates applicable to the Corporation's credit facilities reflect current market conditions.

The fair value of the convertible debentures was determined by calculating the present value of the interest rate spread that exists between the actual convertible debentures and the rate that would be negotiated with the economic conditions at the reporting date.

The fair value of the merchant members' deposits in the guarantee fund is equivalent to their carrying value since their interest rates are comparable to market rates.

Financial assets (liabilities) carried at fair value

The fair value of the foreign exchange forward contracts was determined using exchange rates quoted in the active market adjusted for the credit risk added by the financial institutions.

The fair value of the cross-currency interest rate swaps was determined using interest rates and exchange rates quoted in the active market adjusted for the credit risk added by the financial institutions.

The fair value of the interest rate swaps was determined using interest rates quoted in the active market adjusted for the credit risk added by the financial institutions.

Derivative financial instruments – hedge of foreign exchange risk

The Corporation enters into forward contracts in order to mitigate the foreign exchange risks mainly related to future forecasted purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at March 31, 2022, are as follows:

Currencies (sold/bought)	Maturity	Average rate (1)	Notional amount (2)
			$
CAD/USD	Up to January 2023	0.79	9,854
GBP/USD	Up to December 2022	1.35	8,581
GBP/EUR	Up to September 2022	1.18	3,131

(1) Rates are expressed as the number of units of the currency bought for one unit of currency sold.

(2) Exchange rates as at March 31, 2022, were used to translate amounts in foreign currencies.

The Corporation also enters into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its US-dollar-denominated revolving credit facility into Canadian dollars. The consolidated cross-currency interest rate swaps outstanding as at March 31, 2022, are as follows:

Receive - Notional	Receive - Rate	Pay - Notional	Pay - Rate	Maturity
CAD$60,000	1.8525%	USD$49,600	1.8466%	April 2022

The short-term cross-currency interest rate swaps are not designated for hedge accounting and are measured at fair value at the end of each period. Fair value variances are recognized in the Interim Consolidated Statements of Net Earnings, and are presented under “Other operating expenses”, with a corresponding asset or liability for derivative financial instruments in the Interim Consolidated Statements of Financial Position. Pursuant to these agreements, the Corporation generates offsetting cash flows related to the underlying position with respect to the amount and timing of forecasted foreign currency transactions. The net effect to the short-term cross-currency interest rate swaps partly offset fluctuations in currency rates impacting the foreign exchange gains/losses resulting from long-term debts in currencies other than the respective functional currencies of the Corporation.

Derivative financial instruments used in cash flow hedges - hedge of interest rate risk

During the fourth quarter of 2021, the Corporation entered into interest rate swap agreements for total nominal amount of $100,000 to hedge the variable interest cash flows on a portion of the Corporation's revolving credit facility. Until their maturity, these agreements fix the interest rate of the notional amount to 1.146%.

14 - SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

FinishMaster U.S.: distribution of automotive refinish and industrial coatings and related products representing FinishMaster, Inc. in the U.S. market;

Canadian Automotive Group: distribution of automotive aftermarket parts, including refinish and industrial coatings and related products, through Canadian networks;

GSF Car Parts U.K.: distribution of automotive original equipment manufacturer and aftermarket parts, serving local and national customers across the United Kingdom; and

Corporate Office and Others: head office expenses and other expenses mainly related to the financing structure.

The profitability measure employed by the Corporation for assessing segment performance is segment income (loss).

										First Quarters Ended March 31,
	FinishMaster U.S.		**Canadian Automotive Group**		**GSF Car Parts U.K.**		**Corporate Office and Others**		**Total**	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Sales	**172,756**	158,203	**129,764**	115,162	**107,082**	96,754	**—**	—	**409,602**	370,119
Segment income (loss) [(1)]	**13,943**	3,790	**12,647**	7,186	**6,778**	4,971	**(5,495)**	(9,118)	**27,873**	6,829
Stock-based compensation [(2)]	**946**	13	**1,204**	280	**377**	75	**2,392**	1,415	**4,919**	1,783
Special items	**79**	458	**(439)**	20	**913**	—	**613**	2,948	**1,166**	3,426
Other adjustments [(3)]	**—**	—	**10,927**	—	**—**	—	**1,084**	1,113	**12,011**	1,113
Segment income (loss) reported [(4)]	**12,918**	3,319	**955**	6,886	**5,488**	4,896	**(9,584)**	(14,594)	**9,777**	507
Income tax expense									**2,038**	294
Net earnings									**7,739**	213

(1) The chief operating decision maker uses primarily one measure of profit to make decisions and assess performance, being Earnings before income taxes plus stock-based compensation, special items and certain other adjustments.

(2) Mainly composed of compensation expenses related to the stock-based compensation plans (note 9) as well as the fluctuations in the fair value of the equity swap agreements, if any.

(3) Composed of a change in estimate related to inventory obsolescence (note 4) and the amortization on intangibles assets related to the acquisition of The Parts Alliance (now known as GSF Car Parts).

(4) Per Interim Consolidated Statements of Net Earnings, corresponds to "Earnings before income taxes".

14 - SEGMENTED INFORMATION (CONTINUED)

The Corporation operates in the United States, Canada and the United Kingdom. The primary financial information per geographic location is as follows:

	First Quarters Ended March 31, 2022	First Quarters Ended March 31, 2021
	$	$
Sales		
United States	**172,756**	158,203
Canada	**129,764**	115,162
United Kingdom	**107,082**	96,754
	409,602	370,119

As at March 31, 2022	**United States**	**Canada**	**United Kingdom**	**Total**
	$	**$**	**$**	**$**
Property and equipment	**40,366**	**61,369**	**52,801**	**154,536**
Intangible assets with definite useful lives	**74,296**	**24,574**	**32,510**	**131,380**
Intangible assets with indefinite useful lives	**7,900**	**—**	**29,720**	**37,620**
Goodwill	**201,951**	**67,679**	**73,186**	**342,816**

As at December 31, 2021	United States	Canada	United Kingdom	Total
	$	$	$	$
Property and equipment	42,560	53,804	51,290	147,654
Intangible assets with definite useful lives	75,667	23,222	34,517	133,406
Intangible assets with indefinite useful lives	7,900	—	30,508	38,408
Goodwill	201,951	62,830	75,129	339,910