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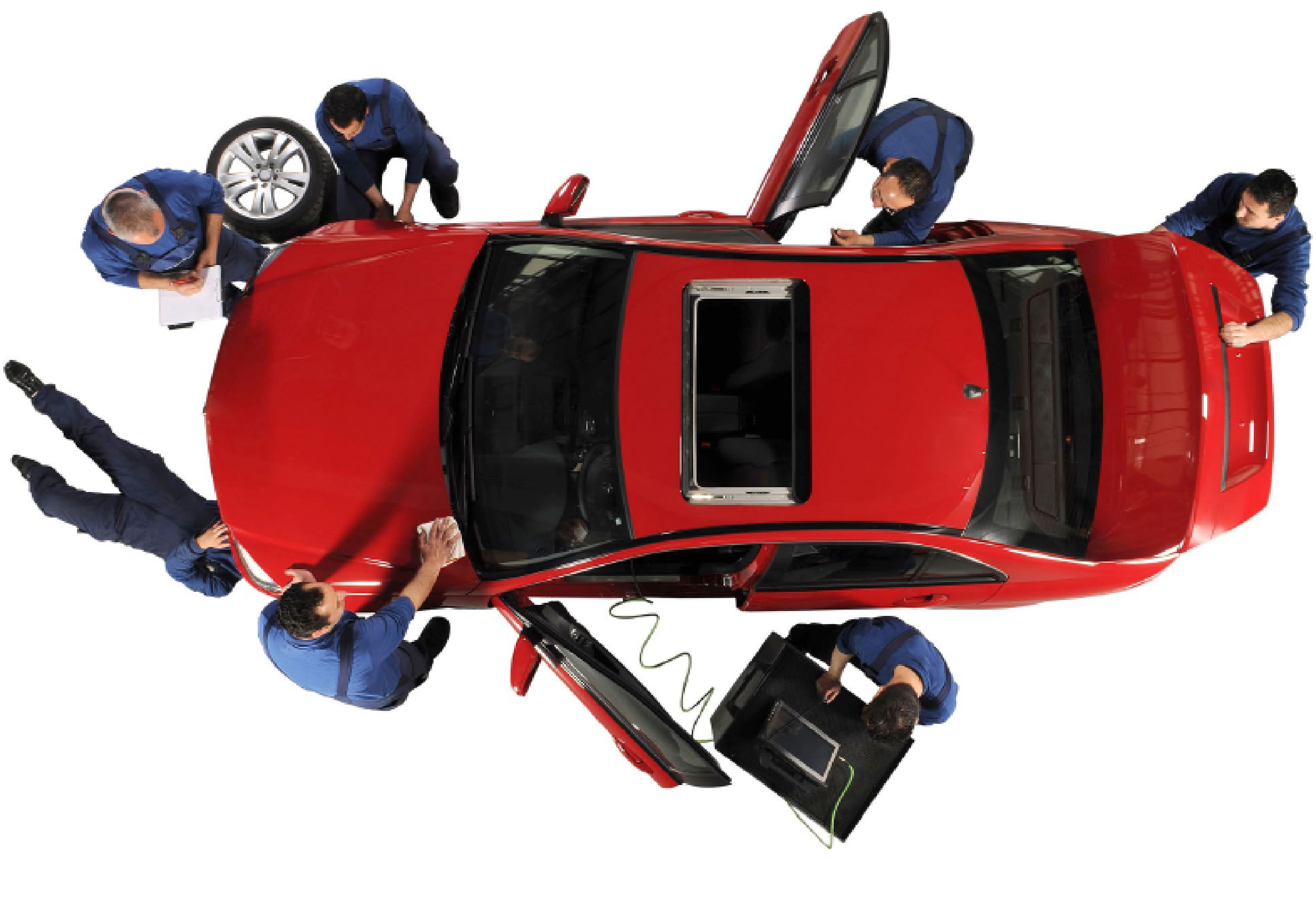
THE POWER OF
TEAMWORK



2019 SECOND QUARTER
INTERIM REPORT

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

UNI-SELECT®

QUARTERLY HIGHLIGHTS

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

	SALES	EBT	ADJUSTED EBT[1]	NET EARNINGS	ADJUSTED EARNINGS[1]
2019	**$456.2**	**$8.5** 1.9%	**$13.9** 3.0%	**$6.3** $0.15/SHARE	**$10.4** $0.25/SHARE
2018	$461.6	$21.0 4.6%	$22.3 4.8%	$17.9 $0.42/SHARE	$18.4 $0.44/SHARE

Adoption of IFRS 16 - Leases:

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 - Leases using the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption as permitted. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018. The 2019 interim condensed consolidated statement of earnings includes reduced rent expenses from the elimination of the classification as operating leases, higher finance costs from the interest expense on lease obligations and higher depreciation of right-of-use assets. Consequently, the Corporation considers that earnings (loss) before income taxes ("EBT") is the preferred comparative measure to explain its results and performance, rather than the EBITDA[1] as previously used. The 2019 interim condensed consolidated financial position includes new long-term assets (right-of-use assets) and liabilities (lease obligations) recognized on January 1, 2019, of $87.6 and $97.0 respectively. To allow a better comparability, financial position ratios and variances should be compared with reconciled figures as at January 1, 2019, instead of December 31, 2018. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

Highlights:

- Annualized savings of $7.8 realized during the quarter in relation to the Performance Improvement Plan ("PIP") ($10.5 since the beginning of the year): $5.3 by the FinishMaster U.S. segment and $2.5 by the Canadian Automotive Group segment. These savings are arising from the optimization of workforce and the integration of 15 company-owned stores (19 since the beginning of the year). Related restructuring and other charges recorded during the quarter amounted to $1.8, and mainly included consulting fees in relation to the optimization of the logistical processes, moving costs, as well as $0.6 of non-cash costs for the write-off of assets.
- Due to the uncertainty and challenging macroeconomics in the U.K., the Corporation is expanding the PIP in The Parts Alliance U.K. segment and will be adjusting the costs structure model of this segment. As well, recent optimization initiatives identified at the FinishMaster U.S. segment are expected to generate further savings. Both segments are expected to generate additional annualized savings totalling $10.0.
- Total net debt[1] decreased by $93.5 during the quarter, stemming from vendor financing activities, as well as from free cash flows of $32.1.
- Consolidated sales amounted to $456.2 for the current quarter. Excluding a foreign currency conversion impact of $11.0 or 2.4%, consolidated sales increased by 1.2% compared to the same quarter last year. Consolidated organic growth[1] for the quarter was $5.6 or 1.2%. The Canadian Automotive Group and the FinishMaster U.S. segments generated organic growth[1] of 5.5% and 0.7% respectively, while The Parts Alliance U.K. segment faced macroeconomic softness and reported a negative organic growth[1] of 3.2%.
- EBT and EBT margin[1] were respectively $8.5 and 1.9% compared to $21.0 and 4.6% last year. Once adjusted for special items and amortization of intangible assets related to The Parts Alliance acquisition, EBT and EBT margin[1] were respectively $13.9 and 3.0% compared to $22.3 and 4.8% last year.
- Net earnings were $6.3 or $0.15 per share, compared to $17.9 or $0.42 per share last year. Once adjusted, earnings[1] were $10.4 or $0.25 per share in 2019 and $18.4 or $0.44 last year.

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[1] This information represents a non-IFRS financial measure. *(Refer to the "Non-IFRS financial measures" section for further details.)*

SELECTED CONSOLIDATED INFORMATION

(in thousands of US dollars, except per share amounts, percentages and otherwise specified)	Second quarters			Six-month periods		
	2019	2018[1]	%	**2019**	2018[1]	%
OPERATING RESULTS						
Sales	**456,175**	461,571	*(1.2)*	**876,212**	883,665	*(0.8)*
EBITDA[3]	**31,734**	35,443	*(10.5)*	**53,090**	62,445	*(15.0)*
EBITDA margin[3]	***7.0%***	*7.7%*		***6.1%***	*7.1%*	
Adjusted EBITDA[3]	**35,808**	35,557	*0.7*	**64,259**	63,177	*1.7*
Adjusted EBITDA margin[3]	***7.8%***	*7.7%*		***7.3%***	*7.1%*	
EBT[2]	**8,540**	21,042	*(59.4)*	**7,243**	33,147	*(78.1)*
EBT margin[2] [3]	***1.9%***	*4.6%*		***0.8%***	*3.8%*	
Adjusted EBT[2] [3]	**13,877**	22,261	*(37.7)*	**20,956**	36,429	*(42.5)*
Adjusted EBT margin[2] [3]	***3.0%***	*4.8%*		***2.4%***	*4.1%*	
Special items	**4,074**	114		**11,169**	732	
Net earnings	**6,318**	17,875	*(64.7)*	**4,985**	28,266	*(82.4)*
Adjusted earnings[3]	**10,422**	18,399	*(43.4)*	**15,472**	30,515	*(49.3)*
Free cash flows[3]	**32,071**	27,863	*15.1*	**51,277**	35,202	*45.7*
COMMON SHARE DATA						
Net earnings	**0.15**	0.42	*(64.3)*	**0.12**	0.67	*(82.1)*
Adjusted earnings[3]	**0.25**	0.44	*(43.2)*	**0.37**	0.72	*(48.6)*
Dividend (C$)	**0.0925**	0.0925		**0.1850**	0.1850	
Book value per share	**12.22**	12.61		**12.22**	12.61	
Number of shares outstanding	**42,387,300**	42,193,742		**42,387,300**	42,193,742	
Weighted average number of outstanding shares	**42,387,300**	42,230,000		**42,387,300**	42,251,785	

	June 30, 2019	**Jan. 1, 2019[4]**	Dec. 31, 2018
FINANCIAL POSITION			
Working capital	**263,843**	237,614	256,365
Total assets	**1,646,966**	1,630,609	1,540,570
Total net debt[3]	**533,594**	515,706	418,703
Total equity	**518,086**	519,930	523,882
Return on average total equity[3]	***2.5%***	*7.0%*	*7.0%*
Adjusted return on average total equity[3]	***6.1%***	*9.1%*	*9.1%*

(1) The Corporation adopted IFRS 16 - Leases on January 1, 2019, using the modified retrospective method and has not restated its comparative amounts of 2018 as permitted. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

(2) With the adoption of IFRS 16 - Leases, the Corporation considers that EBT is the preferred comparative measure to explain its results and performance. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

(3) This information represents a non-IFRS financial measure. *(Refer to the "Non-IFRS financial measures" section for further details.)*

(4) Financial position figures and ratios were reconciled as at January 1, 2019 to take into consideration the adoption of IFRS 16 - Leases. *(Refer to the "Adoption of IFRS 16 - Leases" 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 and six-month period ended June 30, 2019 compared with the quarter and six-month period ended June 30, 2018, as well as its financial position as at June 30, 2019 compared with its financial position as at December 31, 2018 and as at January 1, 2019 for reconciled figures as per the adoption of IFRS 16 - Leases. This report should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the 2018 Annual Report. The information contained in this MD&A takes into account all major events that occurred up to August 7, 2019, the date at which the interim condensed 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.

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.

The interim condensed consolidated financial statements contained in the present MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements (IAS 34 "Interim Financial Reporting"). These financial statements have not been audited by the Corporation's external auditors.

FORWARD-LOOKING STATEMENTS

The MD&A is intended to assist investors in understanding the nature and importance of the results and trends, as well as the risks and uncertainties associated with Uni-Select's operations and financial position. Certain sections of this MD&A contain forward-looking statements within the meaning of securities legislation concerning the Corporation's objectives, projections, estimates, expectations or forecasts.

Forward-looking statements involve known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecasted results. Risks that could cause the results to differ materially from expectations are discussed in the "Risk Management" section included in the 2018 Annual Report. Those risks include, among others, competitive environment, consumer purchasing habits, vehicle fleet trends, general economic conditions and the Corporation's financing capabilities.

There is no assurance as to the realization of the results, performance or achievements expressed or implied by forward-looking statements. Unless required to do so pursuant to applicable securities legislation, Management assumes no obligation as to the updating or revision of forward-looking statements as a result of new information, future events or other changes.

PROFILE AND DESCRIPTION

Uni-Select is a leader in the distribution of automotive refinish and industrial paint and related products in North America, as well as a leader in the automotive aftermarket parts business in Canada and in the UK. Uni-Select is headquartered in Boucherville, Québec, Canada, and its shares are traded on the Toronto Stock Exchange (TSX) under the symbol UNS.

In Canada, Uni-Select supports over 16,000 automotive repair and collision repair shops through a growing national network of more than 1,100 independent customers and over 70 company-owned stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® AND FINISHMASTER® store banner programs. It also supports over 3,900 shops through its automotive repair/installer shop banners, as well as through its automotive refinish banners.

In the United States, Uni-Select, through its wholly-owned subsidiary FinishMaster, Inc., operates a national network of over 190 automotive refinish company-owned stores under the FINISHMASTER banner which services a network of over 30,000 customers annually, of which it is the primary supplier to over 6,800 collision repair centre customers.

In the UK and Ireland, Uni-Select, through its Parts Alliance group of subsidiaries, is a leading distributor of automotive parts supporting over 23,000 customer accounts with a network of over 180 company-owned stores.

ADOPTION OF IFRS 16 - LEASES

The Corporation applied, for the first time, IFRS 16 - Leases that does not require restatement of previous consolidated financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

In January 2016, the IASB issued IFRS 16 - Leases, replacing the current standard on leases (IAS 17). IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease obligation in the consolidated statement of financial position with exemptions permitted for short-term leases and leases of low-value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability (including complexities such as non-lease elements, variable lease payments and options periods), changes the accounting for sale and leaseback arrangements and introduces new disclosure requirements.

The Corporation has applied the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption, as permitted by IFRS 16. Under this approach, the cumulative effect of initially applying IFRS 16 was recognized as an adjustment to the opening balance of retained earnings at the date of the initial application. IFRS 16 has affected primarily the accounting for the Corporation's real estate operating leases. The Corporation has elected to apply the following transitional practical expedients:

- Apply the new standard to contracts that were previously identified as leases applying IAS 17;
- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Account for leases for which the remaining lease term ends within 12 months of the effective date as a short-term lease; and
- Recognize short-term leases and low value asset leases on a straight-line basis as "Other operating expenses" in the consolidated statements of earnings.

Under the new standard, the Corporation recognized new assets (right-of-use assets) and liabilities (lease obligations) of $87,628 and $97,003 ($22,538 in the current portion of long-term debt and $74,465 in the long-term debt), respectively, as well as deferred tax assets of $1,636. The following table presents a reconciliation of the elements impacted by IFRS 16 as part of the interim condensed consolidated statement of financial position as at January 1, 2019:

	Jan. 1, 2019	**IFRS 16 adjustment**	**Dec. 31, 2018**
Trade and other receivables	248,507	775	247,732
Total current assets	812,202	775	811,427
Property and equipment	171,584	87,628	83,956
Deferred tax assets	17,506	1,636	15,870
TOTAL ASSETS	1,630,609	90,039	1,540,570
Trade and other payables	531,380	(1,296)	532,676
Balance of purchase price, net	3,580	(482)	4,062
Provision for restructuring charges	2,939	(1,234)	4,173
Current portion of long-term debt	26,768	22,538	4,230
Total current liabilities	574,588	19,526	555,062
Long-term debt	497,068	74,465	422,603
TOTAL LIABILITIES	1,110,679	93,991	1,016,688
TOTAL EQUITY	519,930	(3,952)	523,882
TOTAL LIABILITIES AND EQUITY	1,630,609	90,039	1,540,570

The following table presents reconciliation of lease obligations as at January 1, 2019:

	Jan. 1, 2019
Minimum lease payments under operating contracts as at December 31, 2018	**160,193**
Practical expedients for:	
Short-term leases	**(1,262)**
Low-value asset leases	**(1,393)**
Leases commencing in 2019	**(39,117)**
Lease-type obligations (service components)	**(10,216)**
Effect from discounting at the incremental borrowing rate as of January 1, 2019	**(11,202)**
Lease obligations recognized due to initial application of IFRS 16 as at January 1, 2019	**97,003**

The lease obligations were discounted at the borrowing rate as at January 1, 2019, in line with transition methodology selected by the Corporation. The weighted average discount rate was 5.0%.

The new disclosure requirements of IFRS 16 partially impacted the information described under notes 2 and 3 of the audited annual consolidated financial statements for the year ended December 31, 2018. The following sections were modified as follows:

Basis of presentation - Use of accounting estimates and judgments

Leases: At inception of a contract, the Corporation uses judgment in determining whether the contract is, or contains, a lease.

Significant accounting policies – Property and equipment

Property and equipment is measured at its cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to acquiring the asset and preparing the asset for its intended use. The cost less residual value of the property and equipment is depreciated over the estimated useful lives in accordance with the following methods and periods:

	Methods	Periods / Rate
Paving	Diminishing balance	8%
Buildings	Straight-line and diminishing balance	30 to 50 years / 5%
Right-of-use assets - Buildings	Straight-line	Lease term
Furniture and equipment	Straight-line and diminishing balance	4 to 10 years / 20%
Computer equipment and system software	Straight-line and diminishing balance	3 to 5 years / 30%
Automotive equipment	Straight-line and diminishing balance	4 to 5 years / 30%
Right-of-use assets - Vehicles	Diminishing balance	30%
Leasehold improvements	Straight-line	Lease term[(1)]

(1) Excluding renewal options for additional periods, if any.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Significant accounting policies – Leases

In general, leases are recognized as a right-of-use asset and a corresponding lease obligation. On initial recognition, assets acquired under leases are recorded in “Property and equipment” at the lower of the fair value of the asset and the present value of the minimum lease payments. A corresponding liability is recorded as a lease obligation within “Long-term debt”. In subsequent periods, the asset is depreciated over the estimated useful life and interest on the obligation is recorded in “Finance costs, net” in the consolidated statements of earnings.

For exceptions, such as short-term leases and leases of low value assets, leased asset and its corresponding lease obligation are not recognized in the Corporation’s consolidated statements of financial position. Payments made under these leases are recognized in net earnings on a straight-line basis over the term of the lease.

FINANCIAL IMPACTS AND COMPARABILITY

The elected method adopted for the transition to IFRS 16 - Leases implies that 2018 consolidated financial statements have not been restated. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018.

The 2019 interim condensed consolidated statement of earnings includes reduced rent expenses from the elimination of the classification as operating leases, higher finance costs from the interest expense on lease obligations and higher depreciation of right-of-use assets. Consequently, the Corporation considers that EBT is the preferred comparative measure to explain its results and performance, rather than EBITDA as previously used.

The following table summarizes the 2018 annual and quarterly EBT and adjusted EBT[1] by segment:

	Twelve-month period	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
FinishMaster U.S.					
EBT	**56,100**	6,813	16,721	17,125	15,441
EBT margin[1]	***6.8%***	*3.3%*	*7.8%*	*8.1%*	*7.7%*
Special items	**1,693**	1,693	-	-	-
Adjusted EBT[1]	**57,793**	8,506	16,721	17,125	15,441
Adjusted EBT margin[1]	***7.0%***	*4.2%*	*7.8%*	*8.1%*	*7.7%*
Canadian Automotive Group					
EBT	**16,473**	3,122	6,225	6,944	182
EBT margin[1]	***3.3%***	*2.5%*	*4.7%*	*5.0%*	*0.2%*
Special items	**3,346**	3,346	-	-	-
Adjusted EBT[1]	**19,819**	6,468	6,225	6,944	182
Adjusted EBT margin[1]	***3.9%***	*5.3%*	*4.7%*	*5.0%*	*0.2%*
The Parts Alliance U.K.					
EBT	**17,962**	(77)	4,298	6,459	7,282
EBT margin[1]	***4.3%***	*(0.1%)*	*4.2%*	*5.8%*	*6.6%*
Special items	**1,230**	1,230	-	-	-
Adjusted EBT[1]	**19,192**	1,153	4,298	6,459	7,282
Adjusted EBT margin[1]	***4.6%***	*1.2%*	*4.2%*	*5.8%*	*6.6%*
Corporate Office and Others					
EBT	**(45,858)**	(12,710)	(12,862)	(9,486)	(10,800)
Special items	**8,320**	2,376	5,212	114	618
Amortization of intangible assets related to the acquisition of The Parts Alliance	**5,142**	1,299	1,293	1,105	1,445
Adjusted EBT[1]	**(32,396)**	(9,035)	(6,357)	(8,267)	(8,737)
Consolidated					
EBT	**44,677**	**(2,852)**	**14,382**	**21,042**	**12,105**
EBT margin[1]	***2.6%***	***(0.7%)***	***3.2%***	***4.6%***	***2.9%***
Special items	**14,589**	**8,645**	**5,212**	**114**	**618**
Amortization of intangible assets related to the acquisition of The Parts Alliance	**5,142**	**1,299**	**1,293**	**1,105**	**1,445**
Adjusted EBT[1]	**64,408**	**7,092**	**20,887**	**22,261**	**14,168**
Adjusted EBT margin[1]	***3.7%***	***1.7%***	***4.7%***	***4.8%***	***3.4%***

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

The 2019 interim condensed consolidated financial position includes new long-term assets (right-of-use assets) and liabilities (lease obligations) recognized on January 1, 2019, of $87,628 and $97,003 respectively. To facilitate comparability with last year's figures, financial position ratios and variances should be compared with reconciled figures as at January 1, 2019, instead of December 31, 2018.

NON-IFRS FINANCIAL MEASURES

The information included in this report contains certain financial measures that are inconsistent with IFRS. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS 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 IFRS.

Organic growth(1)	This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, the erosion of sales resulting from the PIP, 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. Determining the rate of organic growth, based on findings that Management regards as reasonable, may differ from the actual rate of organic growth.
EBITDA(1), adjusted EBITDA(1) and proforma adjusted EBITDA(1)	EBITDA represents net earnings excluding finance costs, depreciation and amortization and income taxes. This measure is a financial indicator of a corporation's ability to service and incur debt. It should not be considered by an investor as an alternative to sales or net earnings, as an indicator of operating performance or cash flows, or as a measure of liquidity, but as additional information. Adjusted EBITDA excludes certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include, among other things, restructuring and other charges, severance and retention bonuses related to Management changes as well as net transaction charges related to The Parts Alliance acquisition. Proforma adjusted EBITDA subtracts from adjusted EBITDA the rent expenses included in the measurement of lease obligations. It represents adjusted EBITDA pre-adoption of IFRS 16 – Leases.
EBITDA margin(1), adjusted EBITDA margin(1) and proforma 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. Proforma adjusted EBITDA margin is a percentage corresponding to the ratio of proforma adjusted EBITDA to sales.
Adjusted EBT(2), adjusted earnings and adjusted earnings per share(1)	Management uses adjusted EBT, adjusted earnings and adjusted earnings per share to assess EBT, net earnings and net earnings per share from operating activities, excluding certain adjustments, net of income taxes for adjusted earnings and adjusted earnings per share, which may affect the comparability of the Corporation's financial results. Management considers that these measures facilitate the analysis and provide a better understanding of the Corporation's operational performance, following the adoption of IFRS 16 - Leases. The intent of these measures is to provide additional information. These adjustments include, among other things, restructuring and other charges, severance and retention bonuses related to Management changes as well as amortization of intangible assets related to The Parts Alliance acquisition. Management considers The Parts Alliance acquisition as transformational. The exclusion of these items does not indicate that they are non-recurring.
EBT margin(1) (2) and adjusted EBT margin(1) (2)	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.

Free cash flows[3]	This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: changes in working capital items, acquisitions of property and equipment and difference between amounts paid for post-employment benefits and current period expenses. Uni-Select considers the free cash flows to be a good indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth in working capital, pay dividends, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. The free cash flows exclude certain variances in working capital items (such as trade and other receivables, inventory and trade and other payables) and 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[4]	This measure consists of long-term debt, including the portion due within a year *(as shown in note 11 to the interim condensed consolidated financial statements)*, net of cash. Starting January 1, 2019, the total net debt includes new lease obligations arising from the adoption of IFRS 16 - Leases, for which the initial amount recorded was $97,003.
Total net debt to total net debt and total equity ratio[4]	This ratio corresponds to total net debt divided by the sum of total net debt and total equity.
Long-term debt to total equity ratio[4]	This ratio corresponds to long-term debt, including the portion due within a year *(as shown in note 11 to the interim condensed consolidated financial statements)*, divided by the total equity.
Funded debt to adjusted EBITDA[4]	This ratio corresponds to total net debt to adjusted EBITDA. For comparability purposes, new lease obligations arising from the adoption of IFRS 16 - Leases on January 1, 2019, are prorated to reflect the period of earnings reported under IFRS 16 - Leases.
Return on average total equity[4]	This ratio corresponds to net earnings, divided by average total equity.
Adjusted return on average total equity[4]	This ratio corresponds to adjusted earnings[1] to which the amortization of intangible assets related to The Parts Alliance acquisition is added back divided by average total equity.

(1) Refer to the "Analysis of consolidated results" section for a quantitative reconciliation from the non-IFRS financial measures to the most directly comparable measure calculated in accordance with IFRS.

(2) With the adoption of IFRS 16 - Leases, the Corporation considers that EBT is the preferred comparative measure to explain its results and performance. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

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

(4) Refer to the "Capital structure" section for further details.

UPDATE ON THE PERFORMANCE IMPROVEMENT PLAN

During the second half of 2017, the Corporation launched the 20/20 initiative to improve efficiency in all operational segments.

Considering the evolving market conditions faced in 2018, the Corporation decided to further align the cost structure with this new reality. As a result, the Corporation launched the 25/20 Plan in November 2018, which complemented the 20/20 initiative. This plan, affecting all segments, consists of headcount reduction and the integration of locations, as well as optimizing the supply chain logistics.

In January 2019, the Board of Directors and Management initiated the development of a broad performance improvement and rightsizing plan for the FinishMaster U.S. segment with the objective of realigning its operations to address changing market conditions, including ongoing consolidation by national accounts and pricing pressures. This plan is expected to generate additional annualized hard cost savings of $10,000 by the end of 2019 through the consolidation of company-owned stores (approximately $5,000), optimization (approximately $4,500) and spending reductions (approximately $500). The company-owned stores to be integrated are expected to produce marginal sales erosion since the strategy is to transfer sales activities to nearby locations, optimizing the logistical processes and costs efficiency.

The 25/20 Plan and the FinishMaster U.S. segment performance improvement and rightsizing plan combined together are now referred to as the Performance Improvement Plan ("PIP") of the Corporation.

Due to the uncertainty and challenging macroeconomics in the U.K., the Corporation decided in July 2019 to expand the PIP in The Parts Alliance U.K. segment and, as a result, will be adjusting the costs structure model and productivity of this segment. These initiatives are expected to generate $5,000 annualized savings. As well, recent optimization initiatives identified at the FinishMaster U.S. segment are expected to generate annualized savings of $5,000, in addition to the $10,000 mentioned above.

Through this plan and initiatives, the Corporation now expects to generate annualized cost savings of $45,000 by the end of 2020 (from $35,000), of which, more than 60% has been realized as at June 30, 2019. Since the beginning of the year, the Corporation realized annualized savings of $10,500, mainly from the FinishMaster U.S. and the Canadian Automotive Group segments.

The total one-time cash cost of implementing the PIP has therefore been revised and is now expected to be $16,500 (from $13,500), mainly for severance, consulting fees and moving costs. The Corporation is also expecting to write down certain assets of approximately $4,000, mainly for the FinishMaster U.S. segment. During the six-month period of 2019, the Corporation recognized restructuring and other charges totalling $7,961, of which, $3,326 is non-cash for the write-down of assets. *(Refer to the "Analysis of consolidated results" section for further details.)*

During the six-month period, the Corporation reduced its workforce and integrated 19 company-owned stores. In addition, to optimize its logistical processes, the Corporation has integrated three smaller distribution centres into two larger ones, permitting increased competitiveness and efficiency. These new distribution centres were operational during the first quarter of 2019.

The following table summarizes the annualized impacts as at June 30, 2019:

	Expected	**Realized**		
	By the end of 2020	As at Dec. 2018	**During 2019**	**As at June 2019**
Annualized cost savings	45,000	18,700	10,500	29,200
Restructuring and other charges:				
Restructuring charges[(1)]	9,500	5,055	1,985	7,040
Other charges as incurred[(2)]	7,000	1,213	2,650	3,863
Non-cash costs related to the write-down of assets	4,000	-	3,326	3,326
	20,500	6,268	7,961	14,229
Net capital expenditures[(3)]	7,000	5,509	715	6,224

(1) Mainly severance and termination benefits.
(2) Primarily comprising consulting fees related to the optimization of the logistical processes and moving costs.
(3) Includes the proceeds from the sale of one building and tenant incentives.

As at June 30, 2019, a provision for restructuring charges of $3,009 is presented as current liabilities in the Corporation's consolidated statement of financial position. *(Refer to note 4 in the interim condensed consolidated financial statements for further details.)*

ANALYSIS OF CONSOLIDATED RESULTS

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 - Leases using the modified retrospective transition approach and did not restate comparative amounts for the year prior to its adoption as permitted. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018. The 2019 interim condensed consolidated statement of earnings includes reduced rent expenses from the elimination of the classification as operating leases, higher finance costs from the interest expense on lease obligations and higher depreciation of right-of-use assets. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

SALES

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
FinishMaster U.S.	**212,249**	210,954	**416,759**	412,333
Canadian Automotive Group	**143,445**	139,572	**256,558**	250,241
The Parts Alliance U.K.	**100,481**	111,045	**202,895**	221,091
Sales	**456,175**	461,571	**876,212**	883,665
		%		*%*
Sales variance	**(5,396)**	***(1.2)***	**(7,453)**	***(0.8)***
Conversion effect of the Canadian dollar and the British pound	**11,012**	***2.4***	**23,557**	***2.6***
Number of billing days	**3,866**	***0.8***	**6,866**	***0.8***
Erosion of sales resulting from the PIP	**150**	**-**	**150**	**-**
Acquisitions	**(4,056)**	***(0.8)***	**(7,230)**	***(0.8)***
Consolidated organic growth	**5,576**	***1.2***	**15,890**	***1.8***

SECOND QUARTERS

Consolidated sales for the quarter, when compared to the same quarter last year, were impacted by the conversion effect of the Canadian dollar and the British pound into the US dollar of $11,012 or 2.4% due to softer currencies, as well as by the impact of a different number of billing days of $3,866 or 0.8%. Excluding the effect of the currencies, consolidated sales increased by 1.2% during the quarter.

The consolidated organic growth of $5,576 or 1.2% was principally generated by the Canadian Automotive Group and the FinishMaster U.S. segments, respectively reporting organic growth of 5.5% and 0.7%. The Parts Alliance U.K. segment faced macroeconomic challenges during the quarter and reported a negative organic growth of 3.2%.

SIX-MONTH PERIODS

Consolidated sales for the six-month period, when compared to the corresponding period last year, were impacted by the conversion effect of the Canadian dollar and the British pound into the US dollar of $23,557 or 2.6% due to softer currencies, as well as by a different number of billing days of $6,866 or 0.8%. Excluding the effect of the currencies, consolidated sales increased by 1.8% for the six-month period.

For the six-month period, the Canadian Automotive Group and the FinishMaster U.S. segments, respectively reported organic growth of 5.1% and 1.9%, offsetting the negative organic growth of 2.2% at The Parts Alliance U.K. segment.

GROSS MARGIN

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Gross margin	**145,416**	151,562	**280,961**	294,331
In % of sales	***31.9%***	*32.8%*	***32.1%***	*33.3%*

SECOND QUARTERS

The gross margin, as a percentage of sales, decreased by 90 basis points, compared to the same quarter in 2018, mainly due to pricing pressure and an evolving customer mix in the FinishMaster U.S. segment. The performance of The Parts Alliance U.K. segment had an important impact as well, with a lower volume of sales and an unfavourable product mix that affected volume rebates.

These impacts were, in part, offset by additional rebates in the Canadian Automotive Group segment in relation to a higher volume of sales, as well as by a favourable distribution channels mix from the growing weighting of the network of company-owned stores with higher margins.

SIX-MONTH PERIODS

The gross margin, as a percentage of sales, decreased by 120 basis points, compared to the same period in 2018, mainly due to the same factors mentioned in the quarter.

EMPLOYEE BENEFITS

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Employee benefits	**79,487**	79,148	**158,102**	160,648
In % of sales	***17.4%***	*17.1%*	***18.0%***	*18.2%*

SECOND QUARTERS

Employee benefits, as a percentage of sales, increased by 30 basis points, compared to the same quarter in 2018, essentially from the opening of greenfields, which requires new resources and affects employee benefits, as a percentage of sales, until reaching the optimized operational level, as well as by recent business acquisitions, until their full integration. In addition, a charge resulting from the equity swap instruments associated with the stock-based compensation was recorded during the period.

These elements were partially offset by benefits from the PIP, as well as a reduction of the short-term and long-term compensation across the Corporation due to the performance and the price of the stock.

SIX-MONTH PERIODS

Employee benefits, as a percentage of sales, improved by 20 basis points, compared to the same period in 2018, mainly from a reduction of the long-term compensation across the Corporation, a superior absorption of fixed payroll related to additional volume from overall organic growth, as well as benefits from the PIP.

These elements were partially offset by the opening of greenfields and recent business acquisitions, affecting employee benefits, as a percentage of sales, until their optimization.

OTHER OPERATING EXPENSES

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Other operating expenses	**30,121**	36,857	**58,600**	70,506
In % of sales	***6.6%***	*8.0%*	***6.7%***	*8.0%*

SECOND QUARTERS

Other operating expenses, as a percentage of sales, decreased by 140 basis points, compared to the same quarter in 2018, principally in relation to the adoption of IFRS 16 - Leases on January 1, 2019, significantly reducing the rent expenses that represents approximately 150 basis points.

Once the impact of the adoption of IFRS 16 - Leases is excluded, the remaining variance is mainly explained by the opening of greenfields and recent business acquisitions, which are affecting the other operating expenses, as a percentage of sales, until they reached their optimized operational level.

These impacts were compensated by gains on foreign exchange recognized during the period and are resulting from the fluctuation of the Canadian currency, as opposed to losses recognized during the same period last year.

SIX-MONTH PERIODS

Other operating expenses, as a percentage of sales, decreased by 130 basis points, compared to the same period in 2018, principally in relation to the adoption of IFRS 16 - Leases on January 1, 2019, significantly reducing the rent expenses that represents approximately 140 basis points.

Once the impact of the adoption of IFRS 16 - Leases is excluded, the other operating expenses, as a percentage of sales, remained relatively stable overall, and are related to the same elements mentioned in the quarter.

SPECIAL ITEMS

Special items comprise expenses which do not reflect the Corporation's core performance or where their separate presentation will assist readers of the interim condensed consolidated financial statements in understanding the Corporation's results for the period. Special items are detailed as follows:

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Restructuring and other charges related to the PIP	**1,768**	-	**7,961**	-
Review of strategic alternatives	**2,306**	-	**3,208**	-
Net transaction charges related to The Parts Alliance acquisition	**-**	114	**-**	732
	4,074	114	**11,169**	732

Restructuring and other charges related to the PIP

In January 2019, the Corporation announced a broad performance improvement and rightsizing plan for the FinishMaster U.S. segment, which mainly consists of headcount reduction and the consolidation of locations, while optimizing the supply chain. The 25/20 Plan announced during the fourth quarter of 2018 and the FinishMaster U.S. segment performance improvement and rightsizing plan combined together are now referred to as the "Performance Improvement Plan" of the Corporation.

The Corporation recognized for the quarter and the six-month period ended June 30, 2019, restructuring and other charges totalling $1,768 and $7,961 respectively. These charges are detailed as follows:

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Restructuring charges(1)	**-**	-	**1,985**	-
Other charges as incurred(2)	**1,121**	-	**2,650**	-
Non-cash costs related to the write-down of assets	**647**	-	**3,326**	-
	1,768	-	**7,961**	-

(1) Mainly severance and termination benefits.
(2) Primarily comprising consulting fees related to the optimization of the logistical processes and moving costs.

Review of strategic alternatives

On September 18, 2018, the Corporation announced Management changes with the immediate departure and replacement of its President and Chief Executive Officer, and the President and Chief Operating Officer of FinishMaster, Inc., which lead to the review of strategic alternatives. The Corporation recognized during the quarter and the six-month period ended June 30, 2019, charges totalling $2,306 and $3,208 respectively, mainly composed of retention bonuses and consulting fees related to the review of strategic alternatives.

Net transaction charges related to The Parts Alliance acquisition

In connection with The Parts Alliance acquisition completed in August 2017, the Corporation recognized transaction charges totalling $732 for the six-month period ended June 30, 2018. These charges included acquisition costs of $278 and other charges related to the acquisition of $454.

EBITDA

Following the adoption of IFRS 16 - Leases, the Corporation considers that EBT is the preferred comparative measure to explain its results and performance, rather than EBITDA as previously used. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

The following reconciliation of the proforma adjusted EBITDA has been prepared for illustrative and informative purposes only.

	Second quarters			**Six-month periods**		
	2019	2018	%	**2019**	2018	%
Net earnings	**6,318**	17,875		**4,985**	28,266	
Income tax expense	**2,222**	3,167		**2,258**	4,881	
Depreciation and amortization	**15,756**	9,472		**31,624**	19,406	
Finance costs, net	**7,438**	4,929		**14,223**	9,892	
EBITDA	**31,734**	35,443	*(10.5)*	**53,090**	62,445	*(15.0)*
EBITDA margin	***7.0%***	*7.7%*		***6.1%***	*7.1%*	
Special items	**4,074**	114		**11,169**	732	
Adjusted EBITDA	**35,808**	35,557	*0.7*	**64,259**	63,177	*1.7*
Adjusted EBITDA margin	***7.8%***	*7.7%*		***7.3%***	*7.1%*	
Rent expenses included in the measurement of lease obligations(1)	**(6,948)**	-		**(13,880)**	-	
Proforma adjusted EBITDA	**28,860**	35,557	*(18.8)*	**50,379**	63,177	*(20.3)*
Proforma adjusted EBITDA margin	***6.3%***	*7.7%*		***5.7%***	*7.1%*	

(1) Includes new leases contracted over the last 12 months for the expansion of company-owned stores and distribution centres.

FINANCE COSTS, NET

	Second quarters		**Six-month periods**	
	2019	2018	**2019**	2018
Finance costs, net	**7,438**	4,929	**14,223**	9,892
In % of sales	***1.6%***	*1.1%*	***1.6%***	*1.1%*

SECOND QUARTERS

The increase in finance costs, compared to the same quarter in 2018, is attributable, in part, to the interest expense on lease obligations, representing 30 basis points; essentially the result of the adoption of IFRS 16 - Leases on January 1, 2019, combined with new leases contracted over the last 12 months for the expansion of company-owned stores and distribution centres. As well, the higher average debt resulted in higher borrowing costs.

SIX-MONTH PERIODS

The increase in finance costs, compared to the same period in 2018, refers to the same factors affecting the quarter. The impact of interest expenses on lease obligations represents 40 basis points.

(Refer to note 5 in the interim condensed consolidated financial statements for further details.)

DEPRECIATION AND AMORTIZATION

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Depreciation and amortization	**15,756**	9,472	**31,624**	19,406
In % of sales	***3.5%***	*2.1%*	***3.6%***	*2.2%*

SECOND QUARTERS

The increase in depreciation and amortization, compared to the same quarter in 2018, is attributable to the depreciation of right-of-use assets, representing 130 basis points; essentially the result of the adoption of IFRS 16 - Leases on January 1, 2019, combined with new leases contracted over the last 12 months for the expansion of company-owned stores and distribution centres.

SIX-MONTH PERIODS

The increase in depreciation and amortization, compared to the same period in 2018, refers to the same factor affecting the quarter. The impact of the depreciation of right-of-use assets represents 130 basis points.

(Refer to note 5 in the interim condensed consolidated financial statements for further details.)

EBT

Following the adoption of IFRS 16 - Leases, the Corporation considers that EBT is the preferred comparative measure to explain its results and performance, rather than EBITDA as previously used. *(Refer to the “Adoption of IFRS 16 - Leases” section for further details.)*

	Second quarters			Six-month periods		
	2019	2018	*%*	**2019**	2018	*%*
Net earnings	**6,318**	17,875		**4,985**	28,266	
Income tax expense	**2,222**	3,167		**2,258**	4,881	
EBT	**8,540**	21,042	*(59.4)*	**7,243**	33,147	*(78.1)*
EBT margin	***1.9%***	*4.6%*		***0.8%***	*3.8%*	
Special items	**4,074**	114		**11,169**	732	
Amortization of intangible assets related to the acquisition of The Parts Alliance	**1,263**	1,105		**2,544**	2,550	
Adjusted EBT	**13,877**	22,261	*(37.7)*	**20,956**	36,429	*(42.5)*
Adjusted EBT margin	***3.0%***	*4.8%*		***2.4%***	*4.1%*	

SECOND QUARTERS

The adjusted EBT margin decreased by 180 basis points, compared to the same quarter in 2018. This variance is mainly explained by pricing pressure and evolving customer mix in the FinishMaster U.S. segment, as well as reduced volume of sales at The Parts Alliance U.K. segment, impacting buying conditions. In addition, the adjusted EBT margin is impacted by the opening of greenfields until they reach their optimized operational level. As well, the quarter was impacted by higher borrowing costs, in relation to the debt level.

These elements were partially compensated by higher volume rebates in the Canadian Automotive Group segment, as well as overall savings realized in relation to the PIP and reduced short-term and long-term compensation. For the same quarter last year, the Corporation was affected by losses on foreign exchange currencies, while recording gains this quarter.

SIX-MONTH PERIODS

The adjusted EBT margin decreased by 170 basis points, compared to the same period in 2018. This variance is mainly explained by the same factors mentioned in the quarter.

INCOME TAX EXPENSE

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Income tax expense	**2,222**	3,167	**2,258**	4,881
Income tax rate	***26.0%***	*15.1%*	***31.2%***	*14.7%*

SECOND QUARTERS

The variance of the income tax rate, compared to the same quarter in 2018, is mainly attributable to the change in the expected tax benefit related to a financing structure as a result of the December 20, 2018, U.S. proposed regulations, as well as the impact of the difference in tax rates from foreign jurisdictions and the different geographic “Earnings (loss) before income taxes.”

SIX-MONTH PERIODS

The variance of the income tax rate, compared to the same period in 2018, is mainly attributable to the same factors aforementioned in the quarter.

(Refer to note 5 in the interim condensed consolidated financial statements for further details.)

NET EARNINGS AND EARNINGS PER SHARE

	Second quarters			Six-month periods		
	2019	2018	*%*	**2019**	2018	*%*
Net earnings	**6,318**	17,875	*(64.7)*	**4,985**	28,266	*(82.4)*
Special items, net of taxes	**3,055**	(371)		**8,375**	184	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	**1,049**	895		**2,112**	2,065	
Adjusted earnings	**10,422**	18,399	*(43.4)*	**15,472**	30,515	*(49.3)*
Earnings per share	**0.15**	0.42	*(64.3)*	**0.12**	0.67	*(82.1)*
Special items, net of taxes	**0.07**	(0.01)		**0.20**	-	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	**0.02**	0.02		**0.05**	0.05	
Adjusted earnings per share	**0.25**	0.44	*(43.2)*	**0.37**	0.72	*(48.6)*

SECOND QUARTERS

Adjusted earnings, compared to the same quarter in 2018, decreased by $7,977 or 43.4%, mainly resulting from a lower adjusted EBT, and a change in the proposed U.S. tax regulations announced on December 20, 2018, which are expected to impact the benefits from a financing structure.

SIX-MONTH PERIODS

Adjusted earnings, compared to the same period in 2018, decreased by $15,043 or 49.3%, affected by the same factors mentioned in the quarter.

CONSOLIDATED QUARTERLY OPERATING RESULTS

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

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

	2019		2018				2017	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Sales								
United States	**212,249**	204,510	203,440	214,209	210,954	201,379	198,956	206,495
Canada	**143,445**	113,113	122,460	131,128	139,572	110,669	123,023	133,612
United Kingdom[1]	**100,481**	102,414	93,555	103,508	111,045	110,046	92,999	55,700
	456,175	420,037	419,455	448,845	461,571	422,094	414,978	395,807
EBITDA	**31,734**	21,356	12,783	29,712	35,443	27,002	25,854	32,181
EBITDA margin	***7.0%***	*5.1%*	*3.0%*	*6.6%*	*7.7%*	*6.4%*	*6.2%*	*8.1%*
Adjusted EBITDA	**35,808**	28,451	21,428	34,924	35,557	27,620	27,984	33,915
Adjusted EBITDA margin	***7.8%***	*6.8%*	*5.1%*	*7.8%*	*7.7%*	*6.5%*	*6.7%*	*8.6%*
EBT[2]	**8,540**	(1,297)	(2,852)	14,382	21,042	12,105	10,891	18,880
EBT margin[2]	***1.9%***	*(0.3%)*	*(0.7%)*	*3.2%*	*4.6%*	*2.9%*	*2.6%*	*4.8%*
Adjusted EBT[2]	**13,877**	7,079	7,092	20,887	22,261	14,168	14,400	22,767
Adjusted EBT margin[2]	***3.0%***	*1.7%*	*1.7%*	*4.7%*	*4.8%*	*3.4%*	*3.5%*	*5.8%*
Special items	**4,074**	7,095	8,645	5,212	114	618	2,130	1,734
Net earnings (loss)	**6,318**	(1,333)	(2,363)	10,594	17,875	10,391	8,721	11,159
Adjusted earnings	**10,422**	5,050	5,430	15,528	18,399	12,116	11,613	15,851
Basic earnings (loss) per share	**0.15**	(0.03)	(0.06)	0.25	0.42	0.25	0.21	0.26
Adjusted basic earnings per share	**0.25**	0.12	0.13	0.37	0.44	0.29	0.27	0.37
Diluted earnings (loss) per share	**0.15**	(0.03)	(0.06)	0.25	0.42	0.25	0.21	0.26
Dividends declared per share (C$)	***0.0925***	*0.0925*	*0.0925*	*0.0925*	*0.0925*	*0.0925*	*0.0925*	*0.0925*
Average exchange rate for earnings (C$)	***0.75:$1***	*0.75:$1*	*0.76:$1*	*0.77:$1*	*0.77:$1*	*0.79:$1*	*0.79:$1*	*0.80:$1*
Average exchange rate for earnings (£)	***1.29:$1***	*1.30:$1*	*1.29:$1*	*1.30:$1*	*1.36:$1*	*1.39:$1*	*1.33:$1*	*1.31:$1*

(1) Sales since the completion of the acquisition on August 7, 2017.

(2) With the adoption of IFRS 16 - Leases, the Corporation considers that EBT is the preferred comparative measure to explain its results and performance. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

ANALYSIS OF RESULTS BY SEGMENT

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 - Leases using the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption as permitted. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018. The 2019 interim condensed consolidated statement of earnings includes reduced rent expenses from the elimination of the classification as operating leases, higher finance costs from the interest expense on lease obligations and higher depreciation of right-of-use assets. Consequently, the Corporation considers that EBT is the preferred comparative measure to explain the results and performance of the segments, rather than EBITDA as previously used. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

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

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

The Parts Alliance 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.

OPERATING RESULTS—FINISHMASTER U.S.

Sales

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Sales	**212,249**	210,954	**416,759**	412,333
		%		*%*
Sales variance	**1,295**	***0.6***	**4,426**	***1.1***
Number of billing days	**-**	**-**	**3,221**	***0.8***
Erosion of sales resulting from the PIP	**150**	***0.1***	**150**	***0.0***
Organic growth	**1,445**	***0.7***	**7,797**	***1.9***

SECOND QUARTERS

The FinishMaster U.S. segment is reporting an increase in sales of 0.6%, compared to the same quarter last year, essentially from organic growth, and largely compensating for a marginal erosion of sales resulting from the consolidation of company-owned stores, as part of the PIP.

This segment is reporting organic growth for a fifth consecutive quarter, attributable to the sales team efforts on driving growth by developing business volume and the on-boarding of new customer accounts, while navigating through a restructuration and the consolidation of 11 company-owned stores.

SIX-MONTH PERIODS

The FinishMaster U.S. segment is reporting a growth in sales of 1.1%, compared to the same period last year, resulting from organic growth, which was partially offset by the impact of a different number of billing days.

The 1.9% of organic growth reported by this segment for the six-month period is essentially attributable to the sales team initiatives.

EBT

	Second quarters			Six-month periods		
	2019	2018	*%*	**2019**	2018	*%*
EBT	**10,425**	17,125	*(39.1)*	**14,105**	32,566	*(56.7)*
EBT margin	***4.9%***	*8.1%*		***3.4%***	*7.9%*	
Special items	**1,168**	-		**6,481**	-	
Adjusted EBT	**11,593**	17,125	*(32.3)*	**20,586**	32,566	*(36.8)*
Adjusted EBT margin	***5.5%***	*8.1%*		***4.9%***	*7.9%*	

SECOND QUARTERS

The adjusted EBT margin decreased by 260 basis points when compared to the same quarter last year. This variance is mainly attributable to compression of the gross margin from the combination of an evolving customer mix and pricing pressure. The customer mix impact resulted from a shift towards the national account customers, for which discounts are more significant. As well, the quarter was affected by unfavourable health claims experience.

These elements were partially compensated by an improved absorption of fixed costs in relation to organic growth and by realized benefits from the PIP.

As part of the PIP, and in addition to the integration of company-owned stores, the FinishMaster U.S. segment is progressing with an organizational alignment, aiming to optimize its cost structure to its evolving model.

SIX-MONTH PERIODS

The adjusted EBT margin decreased by 300 basis points when compared to the same period last year, essentially affected by the same factors mentioned in the quarter.

The in-depth review initiated in January 2019 to address and align the business model to changing market conditions, consists of headcount reduction, closure of company-owned stores as well as a review of the organizational structure, in addition to the reduction of costs initiated in 2018. These initiatives are ongoing, as planned, with the integration of 14 company-owned stores and $5,700 of annualized savings realized during the six-month period.

OPERATING RESULTS—CANADIAN AUTOMOTIVE GROUP

Sales

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Sales	**143,445**	139,572	**256,558**	250,241
		%		*%*
Sales variance	**3,873**	***2.8***	**6,317**	***2.5***
Conversion effect of the Canadian dollar	**5,149**	***3.7***	**10,775**	***4.3***
Number of billing days	**2,192**	***1.5***	**1,991**	***0.8***
Acquisitions	**(3,510)**	***(2.5)***	**(6,209)**	***(2.5)***
Organic growth	**7,704**	***5.5***	**12,874**	***5.1***

SECOND QUARTERS

Sales for this segment, once adjusted for the effect of the Canadian dollar on its conversion to the US dollar, increased by 6.5%, compared to the same quarter in 2018. This increase was fuelled by organic growth of 5.5% and the contribution of business acquisitions of 2.5%, exceeding the effect of a different number of billing days.

Organic growth reported by this segment for the quarter is attributable to improved loyalty programs, growing customers, the promotion of private brands, as well as timing in sales of paint, body and equipment.

SIX-MONTH PERIODS

Sales for this segment, once adjusted for the effect of the Canadian dollar on its conversion to the US dollar, increased by 6.8%, compared to the corresponding six-month period in 2018. This increase was driven by organic growth of 5.1% and the contribution of business acquisitions of 2.5%, exceeding the effect of a different number of billing days.

Organic growth reported by this segment for the six-month period is attributable to initiatives focused on customer service, as well as timing in sales of paint, body and equipment.

EBT

	Second quarters			Six-month periods		
	2019	2018	*%*	**2019**	2018	*%*
EBT	**10,623**	6,944	*53.0*	**13,290**	7,126	*86.5*
EBT margin	***7.4%***	*5.0%*		***5.2%***	*2.8%*	
Special items	**600**	-		**1,480**	-	
Adjusted EBT	**11,223**	6,944	*61.6*	**14,770**	7,126	*107.3*
EBT margin	***7.8%***	*5.0%*		***5.8%***	*2.8%*	

SECOND QUARTERS

The adjusted EBT margin improved by 280 basis points, compared to the same quarter in 2018, benefiting from the performance of company-owned stores, stimulated by the initiatives of optimization recently implemented as part of the PIP, as well as from a different timing in rebates. Furthermore, this segment benefited from a gain on foreign exchange, while a loss was recorded last year.

SIX-MONTH PERIODS

The adjusted EBT margin improved by 300 basis points, compared to the same period in 2018, essentially affected by the same factors mentioned in the quarter.

In relation to the PIP, the Canadian Automotive Group segment integrated the distribution centres in Saskatoon and Calgary into a larger one in Calgary, which started operating during the first quarter of 2019. In addition, this segment opened a superstore in the Montréal metropolitan area and integrated one company-owned store. These initiatives are permitting optimized services and supply chain processes.

OPERATING RESULTS—THE PARTS ALLIANCE U.K.

Sales

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Sales	**100,481**	111,045	**202,895**	221,091
		%		*%*
Sales variance	**(10,564)**	***(9.5)***	**(18,196)**	***(8.2)***
Conversion effect of the British pound	**5,863**	***5.3***	**12,782**	***5.8***
Number of billing days	**1,674**	***1.5***	**1,654**	***0.7***
Acquisitions	**(546)**	***(0.5)***	**(1,021)**	***(0.5)***
Organic growth	**(3,573)**	***(3.2)***	**(4,781)**	***(2.2)***

SECOND QUARTERS

Sales for this segment, once adjusted for the effect of the British pound on its conversion to the US dollar, decreased by 4.2% compared to the same quarter last year. This variance is attributable to a negative organic growth of 3.2% and a different number of billing days, which were, in part, compensated by the contribution of business acquisitions.

Organic growth for the segment was impacted by macroeconomic challenges in the U.K. as well as by the loss of a sales contract in the last quarter of 2018. These elements were partially compensated by the contribution of recently opened greenfields. The Parts Alliance U.K. segment is focusing its efforts on initiatives to stimulate sales, which include growing web sales and signing new national accounts.

SIX-MONTH PERIODS

Sales for this segment, once adjusted for the effect of the British pound on its conversion to the US dollar, decreased by 2.4% compared to the same period last year. This variance is attributable to a negative organic growth of 2.2% and a different number of billing days, which were, in part, compensated by the contribution of business acquisitions.

Organic growth for the segment was impacted by lower sales of electrical products as a result of a mild winter in contrast to a hard winter last year, by the loss of a sales contract in the last quarter of 2018, as well as by macroeconomic challenges and the uncertainty of Brexit. These elements were partially compensated by the contribution of recently opened greenfields. During the six-month period, three greenfields were opened, for a total of 18 since its acquisition, expanding the footprint in the U.K.

EBT

	Second quarters			Six-month periods		
	2019	2018	*%*	**2019**	2018	*%*
EBT	**(1,379)**	6,459	*(121.4)*	**941**	13,741	*(93.2)*
EBT margin	***(1.4%)***	*5.8%*		***0.5%***	*6.2%*	

SECOND QUARTERS

The EBT margin decreased by 720 basis points, compared to the same quarter in 2018. This variance is mainly due to the lower volume of sales and rebates, associated with a different number of billing days, impacting the absorption of fixed costs. In addition, the EBT margin is affected by recent investments in the expansion and optimization of the network. New and expanded locations are expected to affect the EBT margin until reaching the optimized operational level, which may vary between 12 and 24 months.

These elements were, in part, compensated by a reduction in the performance-based remuneration.

As part of the PIP and to adapt its business model to macroeconomic challenges, The Parts Alliance U.K. segment is putting in place initiatives to optimize its cost structure and improve productivity. Annualized savings of $5,000 are expected for the second half of 2019.

SIX-MONTH PERIODS

The EBT margin decreased by 570 basis points, compared to the same period in 2018, globally for the same factors stated in the quarter.

The new national distribution centre, situated in the heart of the U.K. and inaugurated during the first quarter of 2019 as part of the PIP, is now functional, allowing the ability to grow while improving efficiency.

OPERATING RESULTS—CORPORATE OFFICE AND OTHERS

	Second quarters			Six-month periods		
	2019	2018	*%*	**2019**	2018	*%*
EBT	**(11,129)**	(9,486)	*(17.3)*	**(21,093)**	(20,286)	*(4.0)*
Special items	**2,306**	114		**3,208**	732	
Amortization of intangible assets related to the acquisition of The Parts Alliance	**1,263**	1,105		**2,544**	2,550	
Adjusted EBT	**(7,560)**	(8,267)	*8.6*	**(15,341)**	(17,004)	*9.8*

SECOND QUARTERS

The variance, compared to the same quarter in 2018, is mainly attributable to lower professional fees as well as to lower charges related to long-term compensation, which are affected by the price of the common shares and by the performance of the Corporation. A loss on foreign exchange currencies on loans was recorded last year.

These elements were partially offset by higher borrowing costs from a higher average debt as well as by a charge resulting from the equity swap instruments associated with stock-based compensation.

SIX-MONTH PERIODS

The variance, compared to the same period in 2018, is mainly explained by the same factors mentioned in the quarter.

CASH FLOWS

OPERATING ACTIVITIES

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Cash flows from operating activities	**97,176**	38,865	**27,689**	8,581

SECOND QUARTERS

The variance in cash flows from operating activities, compared to the same quarter in 2018, is mainly resulting from the timing of vendor financing transactions, positively impacting trade and other payables compared to the same quarter last year. Furthermore, 2019 cash flows from operating activities benefitted from a reduction in inventory and in corporate tax instalments.

SIX-MONTH PERIODS

The variance in cash flows from operating activities, compared to the same period in 2018, is mainly explained by a reduction in inventory and in corporate tax instalments, which were, in part, compensated by large payments through the vendor financing program during the first quarter of 2019.

INVESTING ACTIVITIES

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Cash flows used in investing activities	**(9,019)**	(22,435)	**(17,020)**	(37,397)

SECOND QUARTERS

The decrease in cash outflows used in investing activities, compared to the same quarter in 2018, resulted from the lower level of customer investment and business acquisitions during the current quarter.

These elements were partially offset by an increase in capital expenditures related to the opening of new distribution centres and greenfields.

SIX-MONTH PERIODS

The decrease in cash outflows used in investing activities, compared to the same period in 2018, resulted from the lower level of customer investment and business acquisitions during the current period, as well as the proceeds from the sale of a building in 2019.

These elements were partially offset by an increase in capital expenditures related to the opening of new distribution centres and greenfields.

FINANCING ACTIVITIES

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Cash flows from (used in) financing activities	**(86,141)**	(11,827)	**(11,814)**	21,193

SECOND QUARTERS

The variance in cash flows used in financing activities, compared to the same quarter in 2018, is mainly explained by a favourable timing of the vendor financing transactions, as mentioned above, allowing a greater reimbursement of the credit facility in 2019.

SIX-MONTH PERIODS

The variance in cash flows from financing activities, compared to the same period in 2018, is mainly explained by a lower level of customer investment and business acquisitions in 2019, allowing a partial repayment of the credit facility.

FREE CASH FLOWS

	Second quarters		Six-month periods	
	2019	2018	**2019**	2018
Cash flows from operating activities	**97,176**	38,865	**27,689**	8,581
Changes in working capital	**(59,460)**	(8,188)	**35,561**	33,565
	37,716	30,677	**63,250**	42,146
Acquisitions of property and equipment	**(5,651)**	(2,698)	**(11,714)**	(6,627)
Difference between amounts paid for post-employment benefits and current period expenses	**6**	(116)	**(259)**	(317)
Free cash flows	**32,071**	27,863	**51,277**	35,202

SECOND QUARTERS

The increase in free cash flows, compared to the same quarter in 2018, is explained by the lower level of income tax instalments in 2019, partially offset by additional capital investments for the new distribution centres, as part of the PIP, and for greenfields.

SIX-MONTH PERIODS

The improvement in free cash flows, compared to the same period in 2018, is essentially explained by the same factors mentioned in the quarter.

FINANCING

LONG-TERM DEBT AND CREDIT FACILITIES

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 - Leases using the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption as permitted. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018. The 2019 interim condensed consolidated financial position includes new liabilities (lease obligations) of $97,003 recognized on January 1, 2019. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

The following table presents the composition of the long-term debt:

	Maturity	Effective interest rate	**Current portion**	**June 30,**	Jan. 1,	Dec. 31,
				2019	2019	2018
Revolving credit facility, variable rates(1) (2)	2023	2.919% to 7.750%	-	**423,100**	414,741	414,741
Lease obligations—vehicles, variable rates	-	-	4,021	**10,686**	11,987	11,987
Lease obligations—buildings, variable rates(3)	-	-	23,927	**106,672**	97,003	-
Others	2021	-	4	**9**	11	11
			27,952	**540,467**	523,742	426,739
Instalments due within a year				**27,952**	26,674	4,136
Long-term debt				**512,515**	497,068	422,603

(1) As at June 30, 2019, a nominal amount of $427,081 was used under the Corporation's revolving credit facility ($418,220 as at December 31, 2018). The difference with the carrying amount presented above is composed of deferred financing costs.

(2) As at June 30, 2019, a principal amount of $290,842 of the revolving credit and term facilities was designated as a hedge of net investments in foreign operations ($302,865 as at December 31, 2018).

(3) Refer to the "Adoption of IFRS 16 - Leases" section for further details.

Credit facilities

The Corporation currently has access, for its needs, to a $625,000 unsecured long-term revolving credit facility, as well as a $20,000 letter of credit facility, both with a maturity date of June 30, 2023.

As at June 30, 2019, the unused portion, subject to financial covenants, amounted to $198,000 ($207,000 as at December 31, 2018).

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 full payment to the financial institutions according to the new extended payment term agreements with suppliers.

As at June 30, 2019, Uni-Select benefited from additional deferred payments of accounts payable in the amount of $193,753 and used $270,965 of the program ($213,478 and $291,582 respectively as at December 31, 2018). The authorized limit with the financial institutions is $300,000. These amounts are presented in “Trade and other payables” in the condensed consolidated statements of financial position. This program is available upon the Corporation’s request and may be modified by either party.

FINANCIAL INSTRUMENTS

Derivative financial instruments—hedge of foreign exchange risk

The Corporation entered into forward contracts in order to mitigate the foreign exchange risks mainly related to purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at June 30, 2019, are as follows:

Currencies (sold/bought)	Maturity	Average rate[(1)]	Notional amount [(2)]
CAD/USD	Up to December 2019	0.76	11,785
GBP/USD	Up to August 2019	1.31	1,937

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

(2) Exchange rates as at June 30, 2019, were used to translate amounts in foreign currencies.

The Corporation also entered into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its Canadian-dollar-denominated revolving credit facility into US dollars. The consolidated cross-currency interest rate swap agreements outstanding as at June 30, 2019, are as follows:

Receive - Notional	Receive - Rate	Pay - Notional	Pay - Rate	Maturity
C$35,000	4.421%	US$26,300	5.151%	July 2019

These 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 consolidated statements of earnings, and are presented under “Other operating expenses”, with a corresponding asset or liability for derivative financial instruments in the 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

The Corporation entered into various swap agreements to hedge the variable interest cash flows on a portion of the Corporation’s revolving credit facility and term loan for total nominal amounts of $55,000 for interest rate swaps denominated in US dollars ($67,500 in 2018), and £70,000 for interest rate swaps denominated in British pounds (same in 2018). Until their respective maturities, these agreements are fixing the interest cash flows between 1.745% and 1.760% for interest rate swaps denominated in US dollars, and to 0.955% for interest rate swaps denominated in British pounds.

Derivative financial instruments—hedge of share-based payments cost

In 2016, the Corporation entered into equity swap agreements in order to manage the market price risk of its common shares. As at June 30, 2019, the equity swap agreements covered the equivalent of 364,277 common shares of the Corporation (same as at December 31, 2018).

CAPITAL STRUCTURE

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 - Leases using the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption as permitted. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018. The 2019 interim condensed consolidated financial position includes new liabilities (lease obligations) recognized on January 1, 2019, of $97,003. To allow a better comparability, financial position ratios and variances should be compared with reconciled figures as at January 1, 2019, when applicable, instead of December 31, 2018. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

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 equity;
- Long-term debt to total equity ratio;
- Funded debt to adjusted EBITDA ratio;
- Adjusted return on average total equity; and
- Dividend payout ratio based on the adjusted earnings of the previous year converted in Canadian dollars.

	June 30, 2019	Jan. 1, 2019	Dec. 31, 2018
Components of debt ratios:			
Long-term debt	**540,467**	523,742	426,739
Total net debt	**533,594**	515,706	418,703
Total equity	**518,086**	519,930	523,882
Debt ratios[1]:			
Total net debt to total net debt and total equity ratio	***50.7%***	*49.8%*	*44.4%*
Long-term debt to total equity ratio	***104.3%***	*100.7%*	*81.5%*
Funded debt to adjusted EBITDA ratio[2]	***3.98***	*3.50*	*3.50*
Return on average total equity	***2.5%***	*7.0%*	*7.0%*
Adjusted return on average total equity	***6.1%***	*9.1%*	*9.1%*
Dividend payout ratio	***22.2%***	*21.9%*	*21.9%*

(1) 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.

(2) For comparability purposes, new lease obligations arising from the adoption of IFRS 16 - Leases on January 1, 2019, are prorated to reflect the period of earnings reported under IFRS 16 - Leases.

Management continuously monitors its working capital items to improve the cash conversion cycle, in particular, on optimizing inventory levels in all business segments.

Variances in debt ratios, when compared with reconciled figures as at January 1, 2019, are principally attributable to a higher level of debt resulting from additional lease obligations in relation to new distribution centres and greenfields, as well as from large payments of trade payables during the first quarter.

The variance of the adjusted return on average total equity is essentially resulting from lower adjusted earnings.

BANK COVENANTS

For purposes of compliance, the Corporation regularly monitors the requirements of its bank covenants to ensure they are met. As at June 30, 2019, the Corporation met all the requirements.

DIVIDENDS

On May 2, 2019, the Corporation declared the second quarterly dividend of 2019 of C$0.0925, paid on July 16, 2019, to shareholders of record as of June 30, 2019.

On August 7, 2019, the Corporation declared the third quarterly dividend of 2019 of C$0.0925, payable on October 15, 2019, to shareholders of record as of September 30, 2019.

These dividends are eligible dividends for income tax purposes.

INFORMATION ON CAPITAL STOCK

As of June 30, 2019, 42,387,300 common shares were outstanding (same as at December 31, 2018).

Repurchase and cancellation of shares

During the six-month period ended June 30, 2019, there was no common share repurchase or cancellation.

During the six-month period ended June 30, 2018, 92,696 common shares were repurchased in connection with the normal course issuer bid announced in April 2018. The shares were repurchased for a cash consideration of $1,422 including a share repurchase and cancellation premium of $1,232 applied as a reduction of retained earnings.

Issuance of shares

During the six-month period ended June 30, 2019, there was no common share issued. During the six-month period ended June 30, 2018, the Corporation issued 12,626 common shares at the exercise of stock options for a cash consideration of $138. The weighted average price of the exercise of stock options was C$15.32 for the period.

STOCK-BASED COMPENSATION

Common share stock option plan for management employees and officers

For the six-month period ended June 30, 2019, 207,169 options were granted to management employees and officers of the Corporation (181,679 options for 2018), with an average exercise price of C$19.17 (C$28.61 in 2018). During the six-month period, no options were exercised (12,626 options for 2018) and no options were forfeited or expired (37,640 options for 2018). As at June 30, 2019, options granted for the issuance of 748,663 common shares (1,037,772 common shares as at June 30, 2018) were outstanding under the Corporation's stock option plan. For the quarter and six-month period ended June 30, 2019, compensation expense of $80 and $209 ($328 and $805 respectively in 2018) was recorded in the "Net earnings", with the corresponding amounts recorded in "Contributed surplus".

Deferred share unit ("DSU") plan

For the six-month period ended June 30, 2019, the Corporation granted 88,658 DSUs (35,690 DSUs for 2018) and 27,346 DSUs were redeemed (12,810 DSUs for 2018). Compensation expense (reversal) of $208 and $103 ($297 and $(333) respectively in 2018) was recorded during the quarter and six-month period ended, and 211,780 DSUs were outstanding as at June 30, 2019 (176,217 DSUs as at June 30, 2018). As at June 30, 2019, the compensation liability was $1,977 ($2,114 as at December 31, 2018) and the fair value of the equity swap agreement was a liability of $2,199 (liability of $1,332 as at December 31, 2018).

Performance share unit ("PSU") plan

For the six-month period ended June 30, 2019, the Corporation granted 173,839 PSUs (135,709 PSUs for 2018) and redeemed 27,680 PSUs (97,704 PSUs for 2018). Compensation expense (reversal) of nil and $(144) ($455 and $(119) respectively in 2018) was recorded during the quarter and six-month period, and 306,262 PSUs were outstanding as at June 30, 2019 (311,000 PSUs as at June 30, 2018). As at June 30, 2019, there was no compensation liability ($317 as at December 31, 2018) and the fair value of the equity swap agreement was a liability of $2,925 (liability of $1,726 as at December 31, 2018).

FINANCIAL POSITION

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 - Leases using the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption as permitted. As a result, the 2019 interim condensed consolidated financial statements present significant variances when compared to 2018. The 2019 interim condensed consolidated financial position includes new long-term assets (right-of-use assets) and liabilities (lease obligations) recognized on January 1, 2019, of $87,628 and $97,003 respectively. To allow a better comparability, financial position variances should be compared with reconciled figures as at January 1, 2019, instead of December 31, 2018. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

During the period, the financial position, when compared to January 1, 2019, due to the adoption of IFRS 16 - Leases, has been impacted by business acquisitions and the conversion effect of the Canadian dollar and the British pound into the US dollar.

The following table shows an analysis of selected items from the consolidated statements of financial position:

	June 30, 2019	Jan. 1, 2019	Dec. 31, 2018	Impact of business acquisitions	Impact on conversion C$/US$ and £/US$	Net variances
Short-term						
Trade and other receivables	**278,451**	248,507	247,732	39	4,030	25,875
Inventory	**507,986**	524,335	524,335	326	5,767	(22,442)
Trade and other payables	**515,535**	531,380	532,676	-	6,730	(22,575)
Long-term						
Investments and advances to merchant members	**41,113**	46,039	46,039	-	202	(5,128)
Intangibles assets	**202,753**	210,331	210,331	-	1,077	(8,655)
Long-term employee benefit obligations	**21,213**	12,799	12,799	-	621	7,793
Long-term debt (including short-term portion)	**540,467**	523,742	426,739	1,427	2,988	12,310

Explanations for net variances:

Trade and other receivables: The increase is mostly related to seasonality.

Inventory: The decrease is attributable to the FinishMaster U.S. segment selling year-end additional inventory, which was required to benefit from annual performance rebates. This element was partially offset by seasonality in the Canadian Automotive Group segment combined with a lower volume of sales than expected at The Parts Alliance U.K. segment.

Trade and other payables: The decrease is mainly resulting from large payments of trade payables as part of the vendor financing program during the first quarter.

Investments and advances to merchant members: The reduction is mainly explained by the amortization of customer investments combined with reimbursements from customers, which exceeded new investments.

Intangible assets: The decrease is attributable to the amortization exceeding the additions of the period.

Long-term employee benefit obligations: Remeasurements during the period resulted in the recognition of actuarial losses.

Long-term debt: The variance is mainly explained by the large payments for the vendor financing payables mentioned above, which required additional funding from the credit facility as well as to additional lease obligations for new locations.

RISK MANAGEMENT

In the normal course of business, the Corporation is exposed to a variety of risks and uncertainties that may have a material and adverse impact on its business activities, operating results, cash flows and financial position. The Corporation continuously maintains and updates its system of analysis and controls on operational, strategic and financial risks to manage and implement activities with the objective of mitigating the main risks mentioned in the 2018 Annual Report.

No significant change occurred during the six-month period with respect to these risks.

MODIFICATIONS TO SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CHANGES ADOPTED IN 2019

The Corporation applied, for the first time, IFRS 16 - Leases. *(Refer to the "Adoption of IFRS 16 - Leases" section for further details.)*

FUTURE ACCOUNTING CHANGES

Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's interim condensed consolidated financial statements is provided in the Corporation's audited consolidated financial statements for the year ended December 31, 2018. Certain other new standards and interpretations have been issued but had no material impact on the Corporation's interim condensed 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:

	Second quarters		**Six-month periods**	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Average for the period (to translate the statement of earnings)				
Canadian dollar	**0.75**	0.77	**0.75**	0.78
British pound	**1.29**	1.36	**1.29**	1.38
			June 30, 2019	Dec. 31, 2018
Period end (to translate the statement of financial position)				
Canadian dollar			**0.76**	0.73
British pound			**1.27**	1.27

As the Corporation uses the US dollar as its reporting currency in its interim condensed 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.

EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation are responsible for the implementation and maintenance of disclosure controls and procedures, and of the internal control over financial reporting, as provided for in National Instrument 52–109 regarding the Certification of Disclosure in Issuers' Annual and Interim Filings. They are assisted in this task by the Disclosure Committee, which is comprised of members of the Corporation's senior management.

DISCLOSURE CONTROLS AND PROCEDURES

Uni-Select has pursued its evaluation of disclosure controls and procedures in accordance with the NI 52–109 guidelines. As at June 30, 2019, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are properly designed and effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Uni-Select has continued its evaluation of the effectiveness of internal controls over financial reporting as at June 30, 2019, in accordance with the NI 52–109 guidelines. This evaluation enabled the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer to conclude that internal controls over financial reporting were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the interim condensed consolidated financial statements in accordance with IFRS.

During the six-month period ended June 30, 2019, 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.

OUTLOOK

A discussion of management's expectations as to our outlook for the 2019 year is included in our press release announcing the 2019 second-quarter results, under the section Outlook. The press release is available on SEDAR website at sedar.com and under the "Investors - Newsroom" section of our corporate website at uniselect.com.

Brent Windom
President and Chief Executive Officer

Eric Bussières
Executive Vice President and Chief Financial Officer

Approved by the Board of Directors on August 7, 2019.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019 (unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of US dollars, except per share amounts, unaudited)	Note	Quarters ended June 30,		Six-month periods ended June 30,	
		2019	2018	**2019**	2018
Sales		**456,175**	461,571	**876,212**	883,665
Purchases, net of changes in inventories		**310,759**	310,009	**595,251**	589,334
Gross margin		**145,416**	151,562	**280,961**	294,331
Employee benefits		**79,487**	79,148	**158,102**	160,648
Other operating expenses		**30,121**	36,857	**58,600**	70,506
Special items	4	**4,074**	114	**11,169**	732
Earnings before finance costs, depreciation and amortization and income taxes		**31,734**	35,443	**53,090**	62,445
Finance costs, net	5	**7,438**	4,929	**14,223**	9,892
Depreciation and amortization	5	**15,756**	9,472	**31,624**	19,406
Earnings before income taxes		**8,540**	21,042	**7,243**	33,147
Income tax expense	5	**2,222**	3,167	**2,258**	4,881
Net earnings		**6,318**	17,875	**4,985**	28,266
Earnings per share (basic and diluted)	6	**0.15**	0.42	**0.12**	0.67
Weighted average number of common shares outstanding (in thousands)	6				
Basic		**42,387**	42,230	**42,387**	42,252
Diluted		**42,387**	42,282	**42,387**	42,319

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Quarters ended June 30,		Six-month periods ended June 30,	
	2019	2018	**2019**	2018
Net earnings	**6,318**	17,875	**4,985**	28,266
Other comprehensive income (loss)				
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 $94 and $256 for the quarter and six-month period ($99 and $254 respectively in 2018))	**(280)**	(287)	**(741)**	740
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (net of income tax of $25 and $53 for the quarter and six-month period ($3 and $39 respectively in 2018))	**(74)**	8	**(155)**	112
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency	**(9,148)**	(13,073)	**(3,340)**	2,471
Unrealized exchange gains (losses) on the translation of debt designated as a hedge of net investments in foreign operations (no income tax for both the quarter and the six-month period (same in 2018))	**6,445**	(88)	**9,115**	(11,543)
	(3,057)	(13,440)	**4,879**	(8,220)
Items that will not subsequently be reclassified to net earnings:				
Remeasurements of long-term employee benefit obligations (net of income tax of $898 and $2,122 for the quarter and the six-month period ($294 and $257 respectively in 2018))	**(2,558)**	864	**(6,040)**	746
Total other comprehensive loss	**(5,615)**	(12,576)	**(1,161)**	(7,474)
Comprehensive income	**703**	5,299	**3,824**	20,792

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to shareholders				
(In thousands of US dollars, unaudited)	**Note**	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	**Total equity**
Balance, December 31, 2017		97,585	5,184	432,470	(17,262)	517,977
Net earnings		-	-	28,266	-	28,266
Other comprehensive income (loss)		-	-	746	(8,220)	(7,474)
Comprehensive income (loss)		-	-	29,012	(8,220)	20,792
Contributions by and distributions to shareholders:						
Repurchase and cancellation of common shares	12	(190)	-	(1,232)	-	(1,422)
Issuance of common shares	12	138	-	-	-	138
Transfer upon exercise of stock option		32	(32)	-	-	-
Dividends		-	-	(6,122)	-	(6,122)
Stock-based compensation	9	-	805	-	-	805
		(20)	773	(7,354)	-	(6,601)
Balance, June 30, 2018		97,565	5,957	454,128	(25,482)	532,168
Balance, December 31, 2018		**100,244**	**6,005**	**457,455**	**(39,822)**	**523,882**
IFRS 16 adjustment	3	-	-	**(4,944)**	**992**	**(3,952)**
Balance, January 1, 2019		**100,244**	**6,005**	**452,511**	**(38,830)**	**519,930**
Net earnings		**-**	**-**	**4,985**	**-**	**4,985**
Other comprehensive income (loss)		**-**	**-**	**(6,040)**	**4,879**	**(1,161)**
Comprehensive income (loss)		**-**	**-**	**(1,055)**	**4,879**	**3,824**
Contributions by and distributions to shareholders:						
Dividends		**-**	**-**	**(5,877)**	**-**	**(5,877)**
Stock-based compensation	9	**-**	**209**	**-**	**-**	**209**
		-	**209**	**(5,877)**	**-**	**(5,668)**
Balance, June 30, 2019		**100,244**	**6,214**	**445,579**	**(33,951)**	**518,086**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Note	Quarters ended June 30,		Six-month periods ended June 30,	
		2019	2018	**2019**	2018
OPERATING ACTIVITIES					
Net earnings		**6,318**	17,875	**4,985**	28,266
Non-cash items:					
Special items	4	**4,074**	114	**11,169**	732
Finance costs, net	5	**7,438**	4,929	**14,223**	9,892
Depreciation and amortization	5	**15,756**	9,472	**31,624**	19,406
Income tax expense	5	**2,222**	3,167	**2,258**	4,881
Amortization and reserves related to incentives granted to customers		**4,981**	3,877	**10,315**	7,985
Other non-cash items		**914**	412	**2,557**	(527)
Changes in working capital items	7	**59,460**	8,188	**(35,561)**	(33,565)
Interest paid		**(6,691)**	(4,879)	**(12,711)**	(9,250)
Income taxes recovered (paid)		**2,704**	(4,290)	**(1,170)**	(19,239)
Cash flows from operating activities		**97,176**	38,865	**27,689**	8,581
INVESTING ACTIVITIES					
Business acquisitions		**-**	-	**(294)**	-
Net balance of purchase price		**(177)**	(3,102)	**(1,133)**	(5,798)
Advances to merchant members and incentives granted to customers		**(4,902)**	(18,240)	**(9,285)**	(27,170)
Reimbursement of advances to merchant members		**2,397**	2,191	**3,994**	3,035
Acquisitions of property and equipment		**(5,651)**	(2,698)	**(11,714)**	(6,627)
Proceeds from disposal of property and equipment		**217**	283	**2,585**	583
Acquisitions and development of intangible assets		**(826)**	(761)	**(1,054)**	(1,312)
Other provisions paid		**(77)**	(108)	**(119)**	(108)
Cash flows used in investing activities		**(9,019)**	(22,435)	**(17,020)**	(37,397)
FINANCING ACTIVITIES					
Increase in long-term debt		**18,566**	29,392	**114,225**	97,913
Repayment of long-term debt	7	**(101,781)**	(37,009)	**(120,007)**	(69,624)
Net increase (decrease) in merchant members' deposits in the guarantee fund		**6**	182	**(147)**	446
Repurchase and cancellation of shares	12	**-**	(1,422)	**-**	(1,422)
Issuance of shares	12	**-**	138	**-**	138
Dividends paid		**(2,932)**	(3,108)	**(5,885)**	(6,258)
Cash flows from (used in) financing activities		**(86,141)**	(11,827)	**(11,814)**	21,193
Effects of fluctuations in exchange rates on cash		**(179)**	(583)	**(18)**	(19)
Net increase (decrease) in cash		**1,837**	4,020	**(1,163)**	(7,642)
Cash, beginning of period		**5,036**	19,010	**8,036**	30,672
Cash, end of period		**6,873**	23,030	**6,873**	23,030

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)	Note	**Jun. 30,**	Jan. 1,	Dec. 31,
		2019	2019	2018
ASSETS			(note 3)	
Current assets:				
Cash		**6,873**	8,036	8,036
Cash held in escrow		**3,616**	3,591	3,591
Trade and other receivables		**278,451**	248,507	247,732
Income taxes receivable		**22,179**	16,789	16,789
Inventory		**507,986**	524,335	524,335
Prepaid expenses		**12,794**	10,502	10,502
Derivative financial instruments	13	**136**	442	442
Total current assets		**832,035**	812,202	811,427
Investments and advances to merchant members		**41,113**	46,039	46,039
Property and equipment	8	**175,417**	171,584	83,956
Intangible assets		**202,753**	210,331	210,331
Goodwill		**374,252**	372,007	372,007
Derivative financial instruments	13	**-**	940	940
Deferred tax assets		**21,396**	17,506	15,870
TOTAL ASSETS		**1,646,966**	1,630,609	1,540,570
LIABILITIES				
Current liabilities:				
Trade and other payables		**515,535**	531,380	532,676
Balance of purchase price, net		**2,583**	3,580	4,062
Provision for restructuring charges	4	**3,009**	2,939	4,173
Income taxes payable		**10,393**	3,987	3,987
Dividends payable		**2,992**	2,876	2,876
Current portion of long-term debt and merchant members' deposits in the guarantee fund		**28,044**	26,768	4,230
Derivative financial instruments	13	**5,636**	3,058	3,058
Total current liabilities		**568,192**	574,588	555,062
Long-term employee benefit obligations		**21,213**	12,799	12,799
Long-term debt	11	**512,515**	497,068	422,603
Merchant members' deposits in the guarantee fund		**5,494**	5,424	5,424
Balance of purchase price		**1,260**	1,212	1,212
Other provisions		**1,307**	1,424	1,424
Derivative financial instruments	13	**336**	-	-
Deferred tax liabilities		**18,563**	18,164	18,164
TOTAL LIABILITIES		**1,128,880**	1,110,679	1,016,688
TOTAL EQUITY		**518,086**	519,930	523,882
TOTAL LIABILITIES AND EQUITY		**1,646,966**	1,630,609	1,540,570

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED 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 duly incorporated and governed by the Business Corporations Act (Québec). Uni-Select is the parent company of a group of entities, which includes Uni-Select and its subsidiaries (collectively, the “Corporation”). The Corporation is a major distributor of automotive products and paint and related products for motor vehicles. The Corporation’s registered office is located at 170 Industriel Blvd., Boucherville, Québec, Canada.

These interim condensed consolidated financial statements present the operations and financial position of the Corporation and all of its subsidiaries.

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

2 - BASIS OF PRESENTATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“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 report. The significant accounting policies followed in these interim condensed 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, 2018, except for the changes in accounting policies as described in note 3. These interim condensed consolidated financial statements should be read in conjunction with the Corporation’s audited annual consolidated financial statements for the year ended December 31, 2018.

The Board of Directors approved and authorized for issuance these interim condensed consolidated financial statements on August 7, 2019.

Basis of measurement

These interim condensed 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 interim condensed 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. Typically, sales are 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 The Parts Alliance U.K. segment. 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 consolidated financial statements for the year ended December 31, 2018, except for the modifications resulting from IFRS first time adoption as described in note 3.

3 - MODIFICATIONS TO SIGNIFICANT ACCOUNTING POLICIES

Accounting changes adopted in 2019

The Corporation applied, for the first time, IFRS 16 "Leases" that does not require restatement of previous consolidated financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

Leases

In January 2016, the IASB issued IFRS 16 "Leases", replacing the current standard on leases (IAS 17). IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease obligation in the consolidated statement of financial position with exemptions permitted for short-term leases and leases of low-value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability (including complexities such as non-lease elements, variable lease payments and options periods), changes the accounting for sale and leaseback arrangements and introduces new disclosure requirements.

The Corporation has applied the modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption, as permitted by IFRS 16. Under this approach, the cumulative effect of initially applying IFRS 16 was recognized as an adjustment to the opening balance of retained earnings at the date of the initial application. IFRS 16 has affected primarily the accounting for the Corporation's real estate operating leases. The Corporation has elected to apply the following transitional practical expedients:

- Apply the new standard to contracts that were previously identified as leases applying IAS 17;
- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Account for leases for which the remaining lease term ends within 12 months of the effective date as a short-term lease; and
- Recognize short-term leases and low-value asset leases on a straight-line basis as "Other operating expenses" in the consolidated statements of earnings.

Under the new standard, the Corporation recognized new assets (right-of-use assets) and liabilities (lease obligations) of $87,628 and $97,003 ($22,538 in the current portion of long-term debt and $74,465 in the long-term debt), respectively, as well as deferred tax assets of $1,636. The following table presents a reconciliation of the elements impacted by IFRS 16 as part of the interim condensed consolidated statement of financial position as at January 1, 2019:

	Jan. 1, 2019	**IFRS 16 adjustment**	**Dec. 31, 2018**
Trade and other receivables	248,507	775	247,732
Total current assets	812,202	775	811,427
Property and equipment	171,584	87,628	83,956
Deferred tax assets	17,506	1,636	15,870
TOTAL ASSETS	1,630,609	90,039	1,540,570
Trade and other payables	531,380	(1,296)	532,676
Balance of purchase price, net	3,580	(482)	4,062
Provision for restructuring charges	2,939	(1,234)	4,173
Current portion of long-term debt	26,768	22,538	4,230
Total current liabilities	574,588	19,526	555,062
Long-term debt	497,068	74,465	422,603
TOTAL LIABILITIES	1,110,679	93,991	1,016,688
TOTAL EQUITY	519,930	(3,952)	523,882
TOTAL LIABILITIES AND EQUITY	1,630,609	90,039	1,540,570

The following table presents reconciliation of lease obligations as at January 1, 2019:

	January 1, 2019
Minimum lease payments under operating contracts as at December 31, 2018	**160,193**
Practical expedients for:	
Short-term leases	**(1,262)**
Low-value asset leases	**(1,393)**
Leases commencing in 2019	**(39,117)**
Lease-type obligations (service components)	**(10,216)**
Effect from discounting at the incremental borrowing rate as of January 1, 2019	**(11,202)**
Lease obligations recognized due to initial application of IFRS 16 as at January 1, 2019	**97,003**

The lease obligations were discounted at the borrowing rate as at January 1, 2019, in line with transition methodology selected by the Corporation. The weighted average discount rate was 5.0%.

The new disclosure requirements of IFRS 16 partially impacted the information described under notes 2 and 3 of the audited annual consolidated financial statements for the year ended December 31, 2018. The following sections were modified as follows:

Basis of presentation - Use of accounting estimates and judgments

Leases: At the inception of a contract, the Corporation uses judgment in determining whether the contract is, or contains, a lease.

Significant accounting policies – Property and equipment

Property and equipment is measured at its cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to acquiring the asset and preparing the asset for its intended use. The cost less residual value of the property and equipment is depreciated over the estimated useful lives in accordance with the following methods and periods:

	Methods	Periods / Rate
Paving	Diminishing balance	8%
Buildings	Straight-line and diminishing balance	30 to 50 years / 5%
Right-of-use assets - Buildings	Straight-line	Lease term
Furniture and equipment	Straight-line and diminishing balance	4 to 10 years / 20%
Computer equipment and system software	Straight-line and diminishing balance	3 to 5 years / 30%
Automotive equipment	Straight-line and diminishing balance	4 to 5 years / 30%
Right-of-use assets - Vehicles	Diminishing balance	30%
Leasehold improvements	Straight-line	Lease term (1)

(1) Excluding renewal options for additional periods, if any.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Significant accounting policies – Leases

In general, leases are recognized as a right-of-use asset and a corresponding lease obligation. On initial recognition, assets acquired under leases are recorded in “Property and equipment” at the lower of the fair value of the asset and the present value of the minimum lease payments. A corresponding liability is recorded as a lease obligation within “Long-term debt”. In subsequent periods, the asset is depreciated over the estimated useful life and interest on the obligation is recorded in “Finance costs, net” in the consolidated statements of earnings.

For exceptions, such as short-term leases and leases of low-value assets, leased assets and their corresponding lease obligation are not recognized in the Corporation’s consolidated statements of financial position. Payments made under these leases are recognized in net earnings on a straight-line basis over the term of the lease.

Future accounting changes

Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation’s interim condensed consolidated financial statements is provided in the Corporation’s audited consolidated financial statements for the year ended December 31, 2018. Certain other new standards and interpretations have been issued but had no material impact on the Corporation’s interim condensed consolidated financial statements.

4 - SPECIAL ITEMS

Special items comprise expenses which do not reflect the Corporation's core performance or where their separate presentation will assist users of the interim condensed consolidated financial statements in understanding the Corporation's results for the period. Special items are detailed as follows:

	Quarters ended June 30,		Six-month periods ended June 30,	
	2019	2018	**2019**	2018
Restructuring and other charges related to the Performance Improvement Plan	**1,768**	-	**7,961**	-
Review of strategic alternatives	**2,306**	-	**3,208**	-
Net transaction charges related to The Parts Alliance acquisition	**-**	114	**-**	732
	4,074	114	**11,169**	732

Restructuring and other charges related to the Performance Improvement Plan

In January 2019, the Corporation announced a broad performance improvement and rightsizing plan for the FinishMaster U.S. segment, which mainly consists of headcount reduction and the consolidation of locations, while optimizing the supply chain. The 25/20 Plan announced during the fourth quarter of 2018 and the FinishMaster U.S. segment performance improvement and rightsizing plan combined together are now referred to as the "Performance Improvement Plan" ("PIP") of the Corporation.

The Corporation recognized for the quarter and the six-month period ended June 30, 2019, restructuring and other charges totalling $1,768 and $7,961 respectively. These charges are detailed as follows:

	Quarters ended June 30,		Six-month periods ended June 30,	
	2019	2018	**2019**	2018
Restructuring charges (1)	**-**	-	**1,985**	-
Other charges as incurred (2)	**1,121**	-	**2,650**	-
Non-cash costs related to the write-down of assets	**647**	-	**3,326**	-
	1,768	-	**7,961**	-

(1) Mainly severance and termination benefits.

(2) Primarily comprising consulting fees related to the optimization of the logistical processes and moving costs.

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

	Six-month period ended June 30,	Year ended December 31,
	2019	2018
Balance, beginning of period, December 31	**4,173**	-
Plus: IFRS 16 adjustment (note 3)	**(1,234)**	-
Balance, beginning of period, January 1	**2,939**	-
Restructuring charges recognized during the period	**1,985**	5,055
Provision used during the period	**(1,991)**	(848)
Effects of fluctuations in exchange rates	**76**	(34)
Balance, end of period	**3,009**	4,173

Review of strategic alternatives

On September 18, 2018, the Corporation announced Management changes with the immediate departure and replacement of its President and Chief Executive Officer, and the President and Chief Operating Officer of FinishMaster, Inc., which lead to the review of strategic alternatives. The Corporation recognized during the quarter and the six-month period ended June 30, 2019, charges totalling $2,306 and $3,208 respectively, mainly composed of retention bonuses and consulting fees related to the review of strategic alternatives.

Net transaction charges related to The Parts Alliance acquisition

In connection with The Parts Alliance acquisition completed in August 2017, the Corporation recognized transaction charges totalling $732 for the six-month period ended June 30, 2018. These charges included acquisition costs of $278 and other charges related to the acquisition of $454.

5 - INFORMATION INCLUDED IN CONSOLIDATED EARNINGS

Finance costs, net

	Quarters ended June 30,		**Six-month periods ended June 30,**	
	2019	2018	**2019**	2018
Interest on long-term debt	**5,628**	4,438	**10,444**	8,750
Interest on lease obligations	**1,496**	101	**3,221**	236
Amortization of financing costs	**248**	244	**441**	488
Net interest expense on the long-term employee benefit obligations	**135**	127	**243**	257
Reclassification of realized losses (gains) on derivative financial instruments designated as cash flow hedges to net earnings	**(99)**	11	**(208)**	151
Interest on merchant members' deposits in the guarantee fund and others	**90**	46	**197**	89
	7,498	4,967	**14,338**	9,971
Interest income from merchant members and others	**(60)**	(38)	**(115)**	(79)
	7,438	4,929	**14,223**	9,892

Depreciation and amortization

	Quarters ended June 30,		**Six-month periods ended June 30,**	
	2019	2018	**2019**	2018
Depreciation of property and equipment	**3,984**	3,768	**7,877**	7,412
Depreciation of right-of-use assets	**6,853**	1,015	**13,922**	2,149
Amortization of intangible assets	**4,919**	4,689	**9,825**	9,845
	15,756	9,472	**31,624**	19,406

Income taxes

For the quarter and six-month period ended June 30, 2019, the income tax expense was $2,222 and $2,258 ($3,167 and $4,881 respectively in 2018), and the corresponding tax rate was 26.0% and 31.2% (15.1% and 14.7% in 2018). The variation year-over-year is mainly attributable to the change in the expected tax benefit related to a financing structure as a result of the December 20, 2018, U.S. proposed regulations, as well as the impact of the difference in tax rates from foreign jurisdictions and the different geographic "Earnings before income taxes".

6 - EARNINGS PER SHARE

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

	Quarters ended June 30,		**Six-month periods ended June 30,**	
	2019	2018	**2019**	2018
Net earnings considered for basic and diluted earnings per share	**6,318**	17,875	**4,985**	28,266
Weighted average number of common shares outstanding for basic earnings per share	**42,387,300**	42,230,000	**42,387,300**	42,251,785
Impact of the stock options (1)	**-**	51,912	**-**	67,110
Weighted average number of common shares outstanding for diluted earnings per share	**42,387,300**	42,281,912	**42,387,300**	42,318,895
Earnings per share basic and diluted	**0.15**	0.42	**0.12**	0.67

(1) For both the quarter and six-month period ended June 30, 2019, options to acquire 748,663 common shares (844,214 for both periods in 2018) were excluded from the calculation of diluted earnings per share as the strike price of the options was higher than the average market price of the shares.

7 - INFORMATION INCLUDED IN CONSOLIDATED CASH FLOWS

Changes in working capital items

The changes in working capital items are detailed as follows:

	Quarters ended June 30,		Six-month periods ended June 30,	
	2019	2018	**2019**	2018
Trade and other receivables	**(18,468)**	(23,900)	**(25,604)**	(33,597)
Inventory	**8,217**	158	**22,442**	(8,439)
Prepaid expenses	**(796)**	(73)	**(2,336)**	(2,992)
Trade and other payables	**71,467**	32,003	**(28,072)**	11,463
Provision for restructuring and other charges (note 4)	**(960)**	-	**(1,991)**	-
	59,460	8,188	**(35,561)**	(33,565)

Repayment of long-term debt

For the six-month period ended June 30, 2019, repayment of long-term debt includes cash outflow for leases totalling $11,969 ($10,608 for 2018).

8 - PROPERTY AND EQUIPMENT

	Land and paving	Buildings	Right-of-use assets - Buildings	Furniture and equipment	Computer equipment and system software	Automotive equipment	Right-of-use assets - Vehicles	Leasehold improvements	**Total**
Cost	6,257	23,530	-	39,715	34,849	22,141	25,242	23,984	175,718
Accumulated depreciation	(420)	(9,501)	-	(21,707)	(23,794)	(10,157)	(13,562)	(12,621)	(91,762)
Net book value, end of year 2018	5,837	14,029	-	18,008	11,055	11,984	11,680	11,363	83,956
Plus: IFRS 16 adjustment (note 3)									
Cost [(1)]	-	-	170,210	-	-	-	-	1,582	171,792
Accumulated depreciation	-	-	(84,164)	-	-	-	-	-	(84,164)
Total net adjustment	-	-	86,046	-	-	-	-	1,582	87,628
Cost	6,257	23,530	170,210	39,715	34,849	22,141	25,242	25,566	347,510
Accumulated depreciation	(420)	(9,501)	(84,164)	(21,707)	(23,794)	(10,157)	(13,562)	(12,621)	(175,926)
Net book value, January 1, 2019	5,837	14,029	86,046	18,008	11,055	11,984	11,680	12,945	171,584
Additions	-	47	18,780	4,715	2,434	2,017	927	1,125	30,045
Impairment (note 4)	-	(20)	(2,780)	(259)	(49)	-	-	(218)	(3,326)
Disposals	(517)	(1,405)	(656)	(123)	(45)	(391)	(170)	(4)	(3,311)
Depreciation (note 5)	(22)	(383)	(12,101)	(1,682)	(2,305)	(2,251)	(1,821)	(1,234)	(21,799)
Effects of fluctuations in exchange rates	98	251	1,082	266	180	41	52	254	2,224
Balance, June 30, 2019	5,396	12,519	90,371	20,925	11,270	11,400	10,668	12,868	175,417
Cost	5,856	22,637	187,057	44,577	37,318	22,184	25,415	26,454	371,498
Accumulated depreciation	(460)	(10,118)	(96,686)	(23,652)	(26,048)	(10,784)	(14,747)	(13,586)	(196,081)
Net book value, June 30, 2019	**5,396**	**12,519**	**90,371**	**20,925**	**11,270**	**11,400**	**10,668**	**12,868**	**175,417**

(1) Included in the cost as at the transition date, January 1, 2019, is an impairment of $1,184 related to the restructuring previously accounted for as onerous leases as at December 31, 2018.

9 - STOCK-BASED COMPENSATION

Common share stock option plan for management employees and officers

For the six-month period ended June 30, 2019, 207,169 options were granted to management employees and officers of the Corporation (181,679 options for 2018), with an average exercise price of C$19.17 (C$28.61 in 2018). During the six-month period, no options were exercised (12,626 options for 2018) and no options were forfeited or expired (37,640 options for 2018). As at June 30, 2019, options granted for the issuance of 748,663 common shares (1,037,772 common shares as at June 30, 2018) were outstanding under the Corporation's stock option plan. For the quarter and six-month period ended June 30, 2019, compensation expense of $80 and $209 ($328 and $805 respectively in 2018) was recorded in the "Net earnings", with the corresponding amounts recorded in "Contributed surplus".

Deferred share unit ("DSU") plan

For the six-month period ended June 30, 2019, the Corporation granted 88,658 DSUs (35,690 DSUs for 2018) and 27,346 DSUs were redeemed (12,810 DSUs for 2018). Compensation expense (reversal) of $208 and $103 ($297 and $(333) respectively in 2018) was recorded during the quarter and six-month period, and 211,780 DSUs were outstanding as at June 30, 2019 (176,217 DSUs as at June 30, 2018). As at June 30, 2019, the compensation liability was $1,977 ($2,114 as at December 31, 2018) and the fair value of the equity swap agreement was a liability of $2,199 (liability of $1,332 as at December 31, 2018).

Performance share unit ("PSU") plan

For the six-month period ended June 30, 2019, the Corporation granted 173,839 PSUs (135,709 PSUs for 2018) and redeemed 27,680 PSUs (97,704 PSUs for 2018). Compensation expense (reversal) of nil and $(144) ($455 and $(119) respectively in 2018) was recorded during the quarter and six-month period, and 306,262 PSUs were outstanding as at June 30, 2019 (311,000 PSUs as at June 30, 2018). As at June 30, 2019, there was no compensation liability ($317 as at December 31, 2018) and the fair value of the equity swap agreement was a liability of $2,925 (liability of $1,726 as at December 31, 2018).

10 - POST-EMPLOYMENT BENEFIT OBLIGATIONS

For the quarter and six-month period ended June 30, 2019, the employee benefits expense related to the Corporation's defined-benefit pension plans was $487 and $977 ($659 and $1,332 for 2018), and the net interest expense of $135 and $243 ($127 and $257 respectively in 2018) was recorded in "Finance costs, net". Employee benefits expense of $1,264 and $2,407 ($1,085 and $2,120 respectively in 2018) related to the Corporation's defined-contribution pension plans was also recognized for the same respective periods.

11 - LONG-TERM DEBT AND CREDIT FACILITIES

	Maturity	Effective interest rate	Current portion	**Jun. 30, 2019**	Jan. 1, 2019	Dec. 31, 2018
Revolving credit facility, variable rates (1) (2)	2023	2.919% to 7.750%	-	**423,100**	414,741	414,741
Lease obligations - vehicles, variable rates	-	-	4,021	**10,686**	11,987	11,987
Lease obligations - buildings, variable rates (3)	-	-	23,927	**106,672**	97,003	-
Others	2021	-	4	**9**	11	11
			27,952	**540,467**	523,742	426,739
Instalments due within a year				**27,952**	26,674	4,136
Long-term debt				**512,515**	497,068	422,603

(1) As at June 30, 2019, a nominal amount of $427,081 was used under the Corporation's revolving credit facility ($418,220 as at December 31, 2018). The difference with the carrying amount presented above is composed of deferred financing costs.

(2) As at June 30, 2019, a principal amount of $290,842 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($302,865 as at December 31, 2018).

(3) See note 3 for further details following the adoption of IFRS 16.

Letter of credit facility

As at June 30, 2019, $7,137 of letters of credit have been issued ($7,337 as at December 31, 2018).

12 - SHARE CAPITAL

Repurchase and cancellation of shares

During the six-month period ended June 30, 2019, there was no common share repurchase or cancellation.

During the six-month period ended June 30, 2018, 92,696 common shares were repurchased in connection with the normal course issuer bid announced in April 2018. The shares were repurchased for a cash consideration of $1,422 including a share repurchase and cancellation premium of $1,232 applied as a reduction of retained earnings.

Issuance of shares

During the six-month period ended June 30, 2019, there was no common share issued. During the six-month period ended June 30, 2018, the Corporation issued 12,626 common shares at the exercise of stock options for a cash consideration of $138. The weighted average price of the exercise of stock options was C$15.32 for the period.

As of June 30, 2019, 42,387,300 common shares were outstanding (same as at December 31, 2018).

Dividends

A total of C$0.0925 per common share was declared by the Corporation for the quarter ended June 30, 2019 (C$0.0925 for 2018). A total of C$0.1850 per common share was declared by the Corporation for the six-month period ended June 30, 2019 (C$0.1850 for 2018).

13 - FINANCIAL INSTRUMENTS

The classification of financial instruments as well as their carrying amounts and fair values are summarized as follows:

		June 30, 2019			January 1, 2019		December 31, 2018	
		Carrying amount	**Fair value**		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets (liabilities) carried at amortized cost								
Cash		**6,873**	**6,873**		8,036	8,036	8,036	8,036
Cash held in escrow		**3,616**	**3,616**		3,591	3,591	3,591	3,591
Trade receivables (1)		**257,670**	**257,670**		227,996	227,996	227,221	227,221
Advances to merchant members	**Level 2**	**2,032**	**2,032**	Level 2	2,511	2,511	2,511	2,511
Trade and other payables (1)		**(499,277)**	**(499,277)**		(513,409)	(513,409)	(514,705)	(514,705)
Balance of purchase price, net (1)		**(3,843)**	**(3,843)**		(4,792)	(4,792)	(5,274)	(5,274)
Dividends payable		**(2,992)**	**(2,992)**		(2,876)	(2,876)	(2,876)	(2,876)
Long-term debt (except lease obligations and financing costs)	**Level 2**	**(427,090)**	**(427,090)**	Level 2	(418,231)	(418,231)	(418,231)	(418,231)
Merchant members' deposits in the guarantee fund	**Level 2**	**(5,586)**	**(5,586)**	Level 2	(5,518)	(5,518)	(5,518)	(5,518)
Financial assets (liabilities) carried at fair value								
Derivative financial instruments								
Foreign exchange forward contracts	**Level 2**	**(32)**	**(32)**	Level 2	442	442	442	442
Cross-currency interest rate swaps	**Level 2**	**(415)**	**(415)**	Level 2	-	-	-	-
Interest rate swaps – Short-term (2)	**Level 2**	**71**	**71**	Level 2	940	940	940	940
Interest rate swaps – Long-term (2)	**Level 2**	**(336)**	**(336)**	Level 2	-	-	-	-
Equity swap agreements	**Level 2**	**(5,124)**	**(5,124)**	Level 2	(3,058)	(3,058)	(3,058)	(3,058)

(1) See note 3 for further details following the adoption of IFRS 16.

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

The fair value of the equity swap agreements was determined using share prices quoted in the active market adjusted for the credit risk added by the financial institutions.

Fair value hierarchy

Financial instruments measured at fair value in the 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.

Derivative financial instruments – hedge of foreign exchange risk

The Corporation entered into forward contracts in order to mitigate the foreign exchange risks mainly related to purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at June 30, 2019, are as follows:

Currencies (sold/bought)	Maturity	Average rate (1)	Notional amount (2)
CAD/USD	Up to December 2019	0.76	11,785
GBP/USD	Up to August 2019	1.31	1,937

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

(2) Exchange rates as at June 30, 2019, were used to translate amounts in foreign currencies.

The Corporation also entered into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its Canadian-dollar-denominated revolving credit facility into US dollars. The consolidated cross-currency interest rate swap agreements outstanding as at June 30, 2019, are as follows:

Receive - Notional	Receive - Rate	Pay - Notional	Pay - Rate	Maturity
C$35,000	4.421%	US$26,300	5.151%	July 2019

These 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 consolidated statements of earnings, and are presented under "Other operating expenses", with a corresponding asset or liability for derivative financial instruments in the 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

The Corporation entered into various swap agreements to hedge the variable interest cash flows on a portion of the Corporation's revolving credit facility and term loan for total nominal amounts of $55,000 for interest rate swaps denominated in US dollars ($67,500 in 2018), and £70,000 for interest rate swaps denominated in British pounds (same in 2018). Until their respective maturities, these agreements are fixing the interest cash flows between 1.745% and 1.760% for interest rate swaps denominated in US dollars, and to 0.955% for interest rate swaps denominated in British pounds.

Derivative financial instruments – hedge of share-based payments cost

In 2016, the Corporation entered into equity swap agreements in order to manage the market price risk of its common shares. As at June 30, 2019, the equity swap agreements covered the equivalent of 364,277 common shares of the Corporation (same as at December 31, 2018).

14 - SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

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

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

The Parts Alliance 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).

Following the adoption of IFRS 16 (note 3), the Corporation considers that the "Earnings before income taxes" is the preferred comparative measure to assess the performance of the segments, rather than the "Earnings before finance costs, depreciation and amortization and income taxes" as previously used.

Quarters ended June 30,

	FinishMaster U.S.		Canadian Automotive Group		The Parts Alliance U.K.		Corporate Office and Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Sales	**212,249**	210,954	**143,445**	139,572	**100,481**	111,045	**-**	-	**456,175**	461,571
Segment income (loss) (1)	**11,593**	17,125	**11,223**	6,944	**(1,379)**	6,459	**(8,823)**	(9,372)	**12,614**	21,156
Special items (note 4)	**1,168**	-	**600**	-	**-**	-	**2,306**	114	**4,074**	114
Segment income (loss) reported (2)	**10,425**	17,125	**10,623**	6,944	**(1,379)**	6,459	**(11,129)**	(9,486)	**8,540**	21,042
Income tax expense									**2,222**	3,167
Net earnings									**6,318**	17,875

Six-month periods ended June 30,

	FinishMaster U.S.		Canadian Automotive Group		The Parts Alliance U.K.		Corporate Office and Others		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Sales	**416,759**	412,333	**256,558**	250,241	**202,895**	221,091	**-**	-	**876,212**	883,665
Segment income (loss) (1)	**20,586**	32,566	**14,770**	7,126	**941**	13,741	**(17,885)**	(19,554)	**18,412**	33,879
Special items (note 4)	**6,481**	-	**1,480**	-	**-**	-	**3,208**	732	**11,169**	732
Segment income (loss) reported (2)	**14,105**	32,566	**13,290**	7,126	**941**	13,741	**(21,093)**	(20,286)	**7,243**	33,147
Income tax expense									**2,258**	4,881
Net earnings									**4,985**	28,266

(1) The chief operating decision maker uses primarily one measure of profit to make decisions and assess performance, being earnings before income taxes plus special items.

(2) Per consolidated statements of 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:

	Quarters ended June 30,		Six-month periods ended June 30,	
	2019	2018	**2019**	2018
Sales				
United States	**212,249**	210,954	**416,759**	412,333
Canada	**143,445**	139,572	**256,558**	250,241
United Kingdom	**100,481**	111,045	**202,895**	221,091
	456,175	461,571	**876,212**	883,665

				June 30, 2019
	United States	**Canada**	**United Kingdom**	**Total**
Property and equipment	**52,657**	**63,251**	**59,509**	**175,417**
Intangible assets with definite useful lives	**98,116**	**25,816**	**42,222**	**166,154**
Intangible assets with indefinite useful lives	**7,900**	**-**	**28,699**	**36,599**
Goodwill	**201,951**	**57,985**	**114,316**	**374,252**

				January 1, 2019
	United States	Canada	United Kingdom	Total
Property and equipment [(1)]	61,353	48,799	61,432	171,584
Intangible assets with definite useful lives	102,834	26,234	44,666	173,734
Intangible assets with indefinite useful lives	7,900	-	28,697	36,597
Goodwill	201,951	55,743	114,313	372,007

				December 31, 2018
	United States	Canada	United Kingdom	Total
Property and equipment	25,460	26,206	32,290	83,956
Intangible assets with definite useful lives	102,834	26,234	44,666	173,734
Intangible assets with indefinite useful lives	7,900	-	28,697	36,597
Goodwill	201,951	55,743	114,313	372,007

(1) See note 3 for further details following the adoption of IFRS 16.

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