INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter and six-month period ended June 30, 2022, compared with the quarter and six-month period ended June 30, 2021

UNI-SELECT®

HIGHLIGHTS

HIGHLIGHTED RESULTS IN THE SECOND QUARTER OF 2022

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

2022

SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET EARNINGS	ADJUSTED NET EARNINGS[1]
$444,326	$48,591	$51,265	$22,783	$25,618
ORGANIC GROWTH[1] 10.8%	10.9% OF SALES	11.5% OF SALES	DILUTED EPS $0.46	DILUTED ADJUSTED EPS[1] $0.51

2021

SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET LOSS	ADJUSTED NET EARNINGS[1]
$416,412	$488	$37,006	$(20,253)	$10,914
ORGANIC GROWTH[1] 28.5%	0.1% OF SALES	8.9% OF SALES	DILUTED EPS $(0.48)	DILUTED ADJUSTED EPS[1] $0.24

Solid and improving financial position:

- As at June 30, 2022, long-term debt amounted to $311,640 compared to $337,386 as at December 31, 2021; total net debt[1] amounted to $291,411, representing a decrease of $17,819 compared to December 31, 2021, from strong operational results and sound working capital management. Compared to June 30, 2021, total net debt[1] decreased by $56,896.
- As at June 30, 2022, total net debt to adjusted EBITDA[1] was 1.65x, significantly improved compared to 2.76x at the end of the second quarter of 2021 and 2.11x as at December 31, 2021.

Compared to the second quarter of 2021:

- Sales increased by $27,914 or 6.7% to $444,326. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $17,027 or 4.1%, sales increased by 44,941 or 10.8%. Organic growth[1] was 10.8%, with all three segments reporting positive organic growth[1] for the quarter, mainly from the impact of price increases.
- EBITDA[1] increased to $48,591 or 10.9% of sales, compared to $488 or 0.1% of sales. Adjusted EBITDA[1] increased by 38.5% to $51,265 or 11.5% of sales, compared to $37,006 or 8.9% of sales, as a result of sustained strong gross margins, timing of rebates and scaling of payroll and operating expenses offsetting certain inflationary costs.
- Net earnings were $22,783 or $0.46 per diluted common share, compared to net loss of $20,253 and $0.48 per diluted common share. Adjusted net earnings[1] were $25,618 or $0.51 per diluted common share compared to $10,914 or $0.24 per diluted common share. The improvement in net earnings was driven by increased sales and gross margins, as well as by lower interest costs as a result of the credit facility amendments completed during 2021 and lower debt levels.

[1] This is a non-GAAP financial measure. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. *Refer to the "Non-GAAP Financial Measures" section for further details.*

HIGHLIGHTED RESULTS IN THE SIX-MONTH PERIOD OF 2022

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

2022

SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET EARNINGS	ADJUSTED NET EARNINGS[1]
$853,928	$76,818	$96,504	$30,522	$46,865
ORGANIC GROWTH[1] 11.2%	9.0% OF SALES	11.3% OF SALES	DILUTED EPS $0.63	DILUTED ADJUSTED EPS[1] $0.94

2021

SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET LOSS	ADJUSTED NET EARNINGS[1]
$786,531	$25,244	$66,971	$(20,040)	$15,962
ORGANIC GROWTH[1] 6.2%	3.2% OF SALES	8.5% OF SALES	DILUTED EPS $(0.47)	DILUTED ADJUSTED EPS[1] $0.38

Compared to the six-month period of 2021:

- Sales increased by $67,397 or 8.6% to $853,928. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $20,209 or 2.6%, sales increased by $87,606 or 11.2%. Organic growth[1] was 11.2%,with all three segments reporting positive organic growth[1] for the period, mainly from the impact of price increases.
- EBITDA[1] increased by 204.3% to $76,818, or 9.0% of sales, compared to $25,244 or 3.2% of sales. Adjusted EBITDA[1] increased by 44.1% to $96,504 or 11.3% of sales, compared to $66,971 or 8.5% of sales, as a result of sustained strong gross margins, timing of rebates and scaling of payroll and operating expenses offsetting certain inflationary costs.
- Net earnings were $30,522 or $0.63 per diluted common share, compared to net loss of $20,040 or $0.47 per diluted common share. Adjusted net earnings[1] were $46,865 or $0.94 diluted per common share compared to adjusted net earnings[1] of $15,962 or $0.38 diluted per common share. The improvement in net earnings was driven by increased sales and gross margins, as well as by lower interest costs as a result of the credit facility amendments completed during 2021 and lower debt levels.

[1] This is a non-GAAP financial measure. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. *Refer to the "Non-GAAP Financial Measures" section for further details.*

PRELIMINARY COMMENTS TO MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION OF MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's discussion and analysis ("MD&A") discusses the Corporation's operating results and cash flows for the quarter and six-month period ended June 30, 2022, compared with the quarter and six-month period ended June 30, 2021, as well as its financial position as at June 30, 2022, compared with its financial position as at December 31, 2021. This MD&A should be read in conjunction with the audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2021. The information contained in this MD&A takes into account all major events that occurred up to August 4, 2022, the date at which the Condensed Interim Consolidated Financial Statements and MD&A were approved and authorized for issuance by the Corporation's Board of Directors. It presents the existing Corporation's status and business as per Management's best knowledge as at that date.

Unless otherwise indicated and as hereinafter provided, all financial information in this MD&A as well as the Corporation's unaudited Condensed Interim Consolidated Financial Statements for the second quarter ended June 30, 2022, have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook - Accounting under Part I, which incorporates International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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

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

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

FORWARD-LOOKING INFORMATION

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

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

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

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

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

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

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

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

COMPLIANCE WITH GAAP

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

PROFILE AND DESCRIPTION

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

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

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

In the U.K., Uni-Select, through GSF Car Parts, is a major distributor of automotive parts supporting over 20,000 customer accounts with a network of over 180 company-operated stores.

SELECTED INTERIM CONSOLIDATED INFORMATION

(in thousands of US dollars, except per share amounts, percentages and otherwise specified)	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
OPERATING RESULTS						
Sales	**444,326**	416,412	*6.7*	**853,928**	786,531	*8.6*
EBITDA[1]	**48,591**	488	*9,857.2*	**76,818**	25,244	*204.3*
EBITDA margin[1]	***10.9%***	*0.1%*		***9.0%***	*3.2%*	
Adjusted EBITDA[1]	**51,265**	37,006	*38.5*	**96,504**	66,971	*44.1*
Adjusted EBITDA margin[1]	***11.5%***	*8.9%*		***11.3%***	*8.5%*	
EBT[1]	**30,339**	(23,697)	*228.0*	**40,116**	(23,190)	*273.0*
EBT margin[1]	***6.8%***	*(5.7%)*		***4.7%***	*(2.9%)*	
Adjusted EBT[1]	**34,029**	13,950	*143.9*	**61,902**	20,779	*197.9*
Adjusted EBT margin [1]	***7.7%***	*3.4%*		***7.2%***	*2.6%*	
Change in estimate related to inventory obsolescence	**—**	20,600		**10,927**	20,600	
Stock-based compensation	**2,613**	2,869		**7,532**	4,652	
Special items	**61**	13,049		**1,227**	16,475	
Net earnings (loss)	**22,783**	(20,253)	*212.5*	**30,522**	(20,040)	*252.3*
Adjusted net earnings[1]	**25,618**	10,914	*134.7*	**46,865**	15,962	*193.6*
Cash flows from operating activities	**50,753**	43,282	*17.3*	**58,556**	42,742	*37.0*
Free cash flow[1]	**43,066**	41,032	*5.0*	**44,981**	34,873	*29.0*
COMMON SHARE DATA						
Basic earnings (loss) per common share	**0.52**	(0.48)	*208.3*	**0.70**	(0.47)	*248.9*
Diluted earnings (loss) per common share	**0.46**	(0.48)	*195.8*	**0.63**	(0.47)	*234.0*
Basic adjusted net earnings per common share[1]	**0.59**	0.26	*126.9*	**1.08**	0.38	*184.2*
Diluted adjusted net earnings per common share[1]	**0.51**	0.24	*112.5*	**0.94**	0.38	*147.4*
Book value per common share	**12.12**	11.04		**12.12**	11.04	
Number of common shares outstanding (in thousands)[2]	**43,526**	42,387		**43,526**	42,387	
Weighted average number of outstanding common shares						
Basic (in thousands)	**43,513**	42,387		**43,480**	42,387	
Diluted (in thousands)	**52,545**	42,387		**52,451**	42,387	
Diluted adjusted (in thousands)	**52,545**	51,729		**52,451**	42,387	

(1) This information represents a non-GAAP financial measure. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. *Refer to "Non-GAAP financial measures" section for further details.*

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

	As at June 30,	As at December 31,
	2022	2021
FINANCIAL POSITION	**$**	$
Current net assets	**214,581**	215,599
Total assets	**1,324,127**	1,300,817
Long-term debt, including the current portion	**311,640**	337,386
Total net debt[1]	**291,411**	309,230
Credit facilities (including revolving and term loans)	**206,585**	235,384
Convertible debentures	**78,416**	78,327
Total Shareholders' equity	**527,537**	495,965
Return on average total Shareholders' equity[1]	***10.3 %***	*0.2%*
Adjusted return on average total Shareholders' equity[1]	***15.3 %***	*9.3%*

[1] This information represents a non-GAAP financial measure. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. *Refer to "Non-GAAP financial measures" section for further details.*

NON-GAAP FINANCIAL MEASURES

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

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

Organic growth	This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, the loss of sales from the consolidation of company-operated stores, exchange-rate fluctuations and when necessary, the variance in the number of billing days. This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. Organic growth is based on what management regards as reasonable and may not be comparable to other corporations' organic growth. *Refer to the "Sales" sub-section under "Analysis of Interim Consolidated Financial Results" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP. For quantitative reconciliations by segment, refer to respective sub-sections under "Analysis of Financial Results by Segment".*

EBITDA, adjusted EBITDA, EBITDA margin and adjusted EBITDA margin	EBITDA represents net earnings (loss) excluding depreciation and amortization, net financing costs and income tax expense (recovery). EBITDA margin is a percentage corresponding to the ratio of EBITDA to sales. EBITDA and EBITDA margin should not be considered by an investor as an alternative to GAAP financial measures or to the statement of cash flows. Adjusted EBITDA contains certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include, among other things, restructuring and other charges, stock-based compensation expenses, write-off of assets as well as change in estimate related to inventory obsolescence. Adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales. The Corporation uses EBITDA and adjusted EBITDA as well as their corresponding margins to assess its performance and of its business segments. Management believes these non-GAAP measures, in addition to GAAP measures, provide users with an enhanced understanding of its operating results and increase the transparency of its core results as well as of its segments. Management also believes these measures provide better comparability of its results from one period to another. The Corporation's definition of EBITDA, adjusted EBITDA and their corresponding margins is unlikely to be comparable to similar measures presented by other entities. *Refer to the "EBITDA" sub-section under "Analysis of Interim Consolidated Financial Results" for quantitative reconciliations to the most directly comparable measures calculated in accordance with GAAP. For quantitative reconciliations by segment, refer to respective sub-sections under "Analysis of Financial Results by Segment". Refer to Note 14 in the Condensed Interim Consolidated Financial Statements for further information.*
EBT, adjusted EBT, EBT margin and adjusted EBT margin	EBT represents net earnings (loss) excluding income tax expense (recovery) and EBT margin is a percentage corresponding to the ratio of EBT to sales. EBT and EBT margin should not be considered by an investor as an alternative to GAAP financial measures or to the statement of cash flows as a measure of liquidity. Adjusted EBT contains certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include restructuring and other charges, stock-based compensation expenses, change in estimate related to inventory obsolescence, as well as amortization of intangible assets related to The Parts Alliance acquisition (now known as GSF Car Parts). Adjusted EBT margin is a percentage corresponding to the ratio of adjusted EBT to sales. The Corporation uses EBT and adjusted EBT as well as their respective margins to assess its performance and of its business segments. Management believes these non-GAAP measures, in addition to GAAP measures, provide users with an enhanced understanding of its operating results and increase the transparency of its core results as well as of its segments. Management also believes these measures provide better comparability of its results from one period to another. The Corporation's definition of EBT, adjusted EBT and their corresponding margins is unlikely to be comparable to similar measures presented by other entities. *Refer to the "EBT" sub-section under "Analysis of Interim Consolidated Financial Results" for quantitative reconciliations to the most directly comparable measures calculated in accordance with GAAP. For quantitative reconciliations by segment, refer to respective sub-sections under "Analysis of Financial Results by Segment". Refer to Note 14 in the Condensed Interim Consolidated Financial Statements for further information.*

Adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted)	Adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) contain certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include, net of income taxes, restructuring and other charges, stock-based compensation expenses, change in estimate related to inventory obsolescence, as well as amortization of intangible assets related to The Parts Alliance acquisition (now known as GSF Car Parts). For diluted adjusted net earnings, adjusted net earnings are further adjusted for the after-tax interest on the convertible debentures. The exclusion of these items does not indicate that they are non-recurring. The Corporation uses adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) to assess its performance. Management believes these non-GAAP measures, in addition to GAAP measures, provide users enhanced understanding of its operating results and increase the transparency of its core results. Management also believes these measures provide better comparability of its results from one period to another. The Corporation's definition of adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) is unlikely to be comparable to similar measures presented by other entities. *Refer to the "Net Earnings (Loss) and Net Earnings (Loss) Per Common Share" sub-section under "Analysis of Interim Consolidated Financial Results" for quantitative reconciliations to the most directly comparable measures calculated in accordance with GAAP.*
Free cash flow	This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: net acquisitions of property and equipment, net advances to merchant members and incentives granted to customers, as well as net acquisitions and development of intangible assets. Management believes this non-GAAP cash flow measure to be an indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. Management considers this measure to provide investors a perspective on its ability to generate liquidity, after making capital investments required to support business operations and long-term value creation. Free cash flow is not a measure of liquidity that is consistent with GAAP. It is not intended to be regarded as an alternative to GAAP financial performance measures or to the statement of cash flows as a measure of liquidity. The Corporation's definition of free cash flows is unlikely to be comparable to similar measures presented by other entities. *Refer to the "Free Cash Flows" sub-section under "Cash Flows" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*
Total net debt and total net debt to adjusted EBITDA ratio	Total net debt represents the sum of the revolving credit facility, term facilities, lease obligations (including the portion due within a year), net of deferred financing costs and cash. Total net debt excludes convertible debentures since they are convertible into common shares of the Corporation. *Refer to Note 11 to the Condensed Interim Consolidated Financial Statements for further details.* Total net debt to adjusted EBITDA ratio represents total net debt divided by the trailing last four quarters adjusted EBITDA. This ratio is used by management to evaluate the Corporation's financial leverage, capital structure and financing strategies. Total net debt to adjusted EBITDA ratio is not a measure established in accordance with GAAP. It is not intended to be used as an alternative to GAAP measures or the balance sheet to evaluate its financial position. The Corporation's definition of total net debt to adjusted EBITDA ratio is unlikely to be comparable to similar measures presented by other entities. *Refer to the "Long-term Financial Policies and Guidelines" sub-section under "Capital Structure" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*

Total Shareholders' equity and convertible debentures	This measure corresponds to the sum of the Shareholders' equity and the convertible debentures. Convertible debentures are presented as liability in the Interim Consolidated Statements of Financial Position but classified as equity in the calculation of this measure. *Refer to the "Long-term Financial Policies and Guidelines" sub-section under "Capital Structure" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*
Total net debt to total net debt, total Shareholders' equity and convertible debentures ratio	This ratio corresponds to total net debt (as defined above) divided by the sum of total net debt, total Shareholders' equity and convertible debentures. *Refer to the "Long-term Financial Policies and Guidelines" sub-section under "Capital Structure" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*
Long-term debt to total Shareholders' equity and convertible debentures ratio	This ratio corresponds to long-term debt, including the portion due within a year *(as shown in Note 11 to the Condensed Interim Consolidated Financial Statements)*, divided by total Shareholders' equity and convertible debentures. *Refer to the "Long-term Financial Policies and Guidelines" sub-section under "Capital Structure" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*
Return on average total Shareholders' equity ratio	This ratio corresponds to the trailing last four quarters net earnings, divided by average total Shareholders' equity. *Refer to the "Long-term Financial Policies and Guidelines" sub-section under "Capital Structure" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*
Adjusted return on average total Shareholders' equity ratio	This ratio corresponds to the trailing last four quarters adjusted net earnings (as defined above) to which the amortization of intangible assets related to GSF Car Parts U.K. acquisition is added back divided by average total Shareholders' equity. *Refer to the "Long-term Financial Policies and Guidelines" sub-section under "Capital Structure" for a quantitative reconciliation to the most directly comparable measure calculated in accordance with GAAP.*

ANALYSIS OF INTERIM CONSOLIDATED FINANCIAL RESULTS

SALES

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
FinishMaster U.S.	**186,465**	171,261	**359,221**	329,464
Canadian Automotive Group	**161,037**	145,267	**290,801**	260,429
GSF Car Parts U.K.	**96,824**	99,884	**203,906**	196,638
Sales	**444,326**	416,412	**853,928**	786,531
		%		*%*
Sales variance	**27,914**	***6.7***	**67,397**	***8.6***
Translation effect of the Canadian dollar and the British pound	**17,027**	***4.1***	**20,209**	***2.6***
Impact of number of billing days	**1,529**	***0.4***	**1,976**	***0.3***
Loss of sales from the consolidation of company-operated stores	**387**	***0.1***	**873**	***0.1***
Acquisitions	**(1,959)**	***(0.5)***	**(2,637)**	***(0.4)***
Consolidated organic growth	**44,898**	***10.8***	**87,818**	***11.2***

SECOND QUARTERS

Consolidated sales increased by $27,914 or 6.7% to $444,326. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $17,027 or 4.1%, consolidated sales increased by $44,941 or 10.8%, compared to the same quarter in 2021, essentially driven by organic growth, with all three segments reporting positive organic growth, ranging between 8.9% and 13.8% for the quarter.

Organic growth of 10.8% was driven primarily by the impact of price increases.

SIX-MONTH PERIODS

Consolidated sales increased by $67,397 or 8.6% to $853,928. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $20,209 or 2.6%, consolidated sales increased by $87,606 or 11.2%, compared to the six-month period last year, mainly driven by organic growth, with all three segments reporting positive organic growth, ranging between 9.0% and 13.1% for the six-month period.

Organic growth of 11.2% was driven primarily by the impact of price increases.

GROSS MARGIN

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Gross margin	**150,913**	111,058	**278,689**	227,691
In % of sales	***34.0%***	*26.7%*	***32.6%***	*28.9%*
Change in estimate related to inventory obsolescence [(1)]	**—**	20,600	**10,927**	20,600
Adjusted gross margin	**150,913**	131,658	**289,616**	248,291
In % of sales	***34.0%***	*31.6%*	***33.9%***	*31.6%*

(1) During the first quarter of 2022, the Corporation reviewed the estimates in relation to its inventory provisions. As a result, a one-time obsolescence expense of $10,927 was recognized in the Canadian Automotive Group segment (during the second quarter of 2021, a one-time obsolescence expense of $20,600 was recognized in the FinishMaster U.S. segment, mainly as a result of a refresh of underlying product consumption). *Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.*

SECOND QUARTERS

Excluding the 4.9% impact resulting from the 2021 change in estimate related to inventory obsolescence, adjusted gross margin, as a percentage of sales, increased by 2.4%, compared to the corresponding quarter last year, driven largely by favourable timing of vendor rebates, price increases and product mix.

SIX-MONTH PERIODS

Excluding the impact from the change in estimate related to inventory obsolescence affecting both years, adjusted gross margin, as a percentage of sales, increased by 2.3%, compared to the corresponding period last year, driven largely by favourable timing of vendor rebates, price increases and product mix.

SALARIES AND EMPLOYEE BENEFITS

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Salaries and employee benefits	**71,625**	69,380	**140,527**	131,855
In % of sales	***16.1%***	*16.7%*	***16.5%***	*16.8%*
Stock-based compensation[(1)]	**2,613**	2,869	**7,532**	4,652
Adjusted salaries and employee benefits	**69,012**	66,511	**132,995**	127,203
In % of sales	***15.5%***	*16.0%*	***15.6%***	*16.2%*

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

SECOND QUARTERS

Adjusted salaries and employee benefits, as a percentage of sales, improved by 0.5% compared to the same quarter last year, mainly attributable to scaling benefits from higher sales, offsetting the impact of higher aggregate labour costs.

SIX-MONTH PERIODS

Adjusted salaries and employee benefits, as a percentage of sales, improved by 0.6%, compared to the corresponding period last year, mainly attributable to scaling benefits from higher sales, offsetting the impact of higher aggregate labour costs.

OTHER OPERATING EXPENSES

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Other operating expenses	**30,636**	28,141	**60,117**	54,117
In % of sales	***6.9%***	*6.8%*	***7.0%***	*6.9%*

SECOND QUARTERS

Other operating expenses, as a percentage of sales, increased by 0.1%, compared to the same quarter last year. This variance is mainly explained by inflationary fuel and utility costs, higher repair costs due to new fleet replacement delays, opening of new stores in the U.K. as well as small acquisitions in Canada.

This was partially offset by scaling benefits from higher sales, as well as operational initiatives.

SIX-MONTH PERIODS

Other operating expenses, as a percentage of sales, increased by 0.1%, compared to the same period last year. This variance is mainly explained by inflationary fuel and utility costs, higher repair costs due to new fleet replacement delays, opening of new stores in the U.K. as well as small acquisitions in Canada.

This was partially offset by scaling benefits from higher sales, lower professional fees, as well as operational initiatives.

SPECIAL ITEMS

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

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Restructuring and other charges related to improvement plans	**—**	3,381	**553**	5,109
Other special items	**61**	9,668	**674**	11,366
	61	13,049	**1,227**	16,475

Restructuring and other charges related to the improvement plans

The Corporation recognized no restructuring and other charges for the quarter and $553 for the six-month period ended June 30, 2022 ($3,381 and $5,109 respectively in 2021). For the six-month period, these charges include $1,018, primarily related to the rebranding of GSF Car Parts and inventory transfer costs, partially offset by the reversal of previously impaired long-term assets ($2,190 in 2021 mostly comprising consulting fees related to the optimization of the logistical processes and inventory transfer costs). *Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.*

Other special items

During the quarter and six-month period ended June 30, 2022, the Corporation recognized charges totaling $61 and $674 respectively mainly for the settlement of certain severance agreements and retention bonuses ($9,668 and $11,366 in 2021).

EBITDA

The following is a reconciliation of EBITDA and adjusted EBITDA.

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Net earnings (loss)	**22,783**	(20,253)		**30,522**	(20,040)	
Income tax expense (recovery)	**7,556**	(3,444)		**9,594**	(3,150)	
Net financing costs	**4,658**	8,884		**9,198**	17,762	
Depreciation and amortization	**13,594**	15,301		**27,504**	30,672	
EBITDA	**48,591**	488	*9,857.2*	**76,818**	25,244	*204.3*
EBITDA margin	***10.9%***	*0.1%*		***9.0%***	*3.2%*	
Change in estimate related to inventory obsolescence	**—**	20,600		**10,927**	20,600	
Stock-based compensation	**2,613**	2,869		**7,532**	4,652	
Special items	**61**	13,049		**1,227**	16,475	
Adjusted EBITDA	**51,265**	37,006	*38.5*	**96,504**	66,971	*44.1*
Adjusted EBITDA margin	***11.5%***	*8.9%*		***11.3%***	*8.5%*	

SECOND QUARTERS

EBITDA margin for the second quarter of 2022 was 10.9%, or an increase of 10.8% compared to the same quarter in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, the adjusted EBITDA margin for the second quarter of 2022 was 11.5%, an increase of 2.6% compared to the same quarter in 2021. The increase is the result of sustained strong gross margins, which include higher rebates in all three business segments, improved operational performance, scaling of payroll and operating expenses, offset by certain inflationary costs, including fuel and wages, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and small acquisitions in Canada.

SIX-MONTH PERIODS

EBITDA margin for the six-month period of 2022 was 9.0%, or an increase of 5.8% compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, the adjusted EBITDA margin for the six-month period of 2022 was 11.3%, an increase of 2.8%, compared to the same period in 2021. The increase is the result of sustained strong gross margins, which include higher rebates in all three business segments, improved operational performance, scaling of payroll and operating expenses, offset by certain inflationary costs, including fuel and wages, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and small acquisitions in Canada.

DEPRECIATION AND AMORTIZATION

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Depreciation and amortization	**13,594**	15,301	**27,504**	30,672
In % of sales	***3.1%***	*3.7%*	***3.2%***	*3.9%*

SECOND QUARTERS

Depreciation and amortization expenses, as a percentage of sales, decreased by 0.6%, compared to the same quarter last year, driven primarily by the scaling benefits associated with higher sales as well as capital discipline with respect to new investments.

SIX-MONTH PERIODS

Depreciation and amortization expenses, as a percentage of sales, decreased by 0.7%, compared to the same period last year, driven primarily by the scaling benefits associated with higher sales, as well as capital discipline with respect to new investments.

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

NET FINANCING COSTS

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Net financing costs	**4,658**	8,884	**9,198**	17,762
In % of sales	***1.0%***	*2.1%*	***1.1%***	*2.3%*

SECOND QUARTERS

Net financing costs decreased by $4,226 or 1.1% of sales, compared to the same quarter last year, reflecting reduced borrowing costs following the amendments to the Corporation's credit facility completed during 2021, as well as lower average debt levels.

SIX-MONTH PERIODS

Net financing costs decreased by $8,564 or 1.2% of sales, compared to the same period last year, reflecting reduced borrowing costs following the amendments to the Corporation's credit facility completed during 2021, as well as lower average debt levels.

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

EBT

The following is a reconciliation of EBT and adjusted EBT:

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Net earnings (loss)	**22,783**	(20,253)		**30,522**	(20,040)	
Income tax expense (recovery)	**7,556**	(3,444)		**9,594**	(3,150)	
EBT	**30,339**	(23,697)	*228.0*	**40,116**	(23,190)	*273.0*
EBT margin	***6.8%***	*(5.7%)*		***4.7%***	*(2.9%)*	
Change in estimate related to inventory obsolescence	**—**	20,600		**10,927**	20,600	
Stock-based compensation	**2,613**	2,869		**7,532**	4,652	
Special items	**61**	13,049		**1,227**	16,475	
Amortization of intangible assets related to the acquisition of GSF Car Parts	**1,016**	1,129		**2,100**	2,242	
Adjusted EBT	**34,029**	13,950	*143.9*	**61,902**	20,779	*197.9*
Adjusted EBT margin	***7.7%***	*3.4%*		***7.2%***	*2.6%*	

SECOND QUARTERS

EBT improved by $54,036 or 12.5% of sales, compared to the same quarter in 2021. Excluding the impacts associated with the change in estimate related to inventory obsolescence, stock-based compensation, special items expenses and amortization of intangibles assets related to the acquisition of GSF Car Parts, adjusted EBT improved by $20,079 or 4.3% of sales, compared to the same quarter in 2021, as a result of increased sales, rebates, improved operational performance and lower financing costs.

SIX-MONTH PERIODS

EBT improved by $63,306 or 7.6% of sales, compared to the same period in 2021. Excluding the impacts associated with the change in estimate related to inventory obsolescence, stock-based compensation, special items expenses and amortization of intangibles assets related to the acquisition of GSF Car Parts, adjusted EBT improved by $41,123 or 4.6% of sales compared to the same period in 2021, as a result of increased sales, rebates, improved operational performance and lower financing costs.

INCOME TAX EXPENSE (RECOVERY)

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Income tax expense (recovery)	**7,556**	(3,444)	**9,594**	(3,150)
Income tax rate	***24.9%***	*14.5%*	***23.9%***	*13.6%*

SECOND QUARTERS

The income tax rate was 24.9% for the second quarter of 2022.

For the same quarter last year, the income tax rate was affected by the net impact of a change in the enacted tax rate in the U.K. (from 19.0% to 25.0%) which was partially offset by the favourable impact of the reversal of a tax contingency provisions. Excluding these two items, the income tax rate would have been 22.9% for the quarter.

SIX-MONTH PERIODS

The income tax rate was 23.9% for the period of 2022, reflecting the geographic taxable income and tax rate.

For the same period last year, the income tax rate was affected by the net impact of a change in the enacted tax rate in the U.K. (from 19.0% to 25.0%) which was partially offset by the favourable impact of the reversal of a tax contingency provisions. Excluding these two items, the income tax rate would have been 22.2% for the period.

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

NET EARNINGS (LOSS) AND NET EARNINGS (LOSS) PER COMMON SHARE

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

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Net earnings (loss)	**22,783**	(20,253)	*212.5*	**30,522**	(20,040)	*252.3*
Change in estimate related to inventory obsolescence, net of taxes	**—**	16,274		**8,031**	16,274	
Stock-based compensation, net of taxes	**1,975**	2,125		**5,633**	3,442	
Special items, net of taxes	**37**	9,830		**978**	12,446	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**823**	944		**1,701**	1,846	
Net tax impact of changes in rates and reversal of a contingency provision	**—**	1,994		**—**	1,994	
Adjusted net earnings	**25,618**	10,914	*134.7*	**46,865**	15,962	*193.6*
Conversion impact of convertible debentures, net of taxes [(1)]	**1,190**	1,382		**2,387**	—	
Net earnings considered for diluted adjusted net earnings per common share	**26,808**	12,296	*118.0*	**49,252**	15,962	*208.6*
Basic net earnings (loss) per common share	**0.52**	(0.48)	*208.3*	**0.70**	(0.47)	*248.9*
Change in estimate related to inventory obsolescence, net of taxes	**—**	0.39		**0.19**	0.39	
Stock-based compensation, net of taxes	**0.05**	0.05		**0.13**	0.08	
Special items, net of taxes	**—**	0.23		**0.02**	0.29	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**0.02**	0.02		**0.04**	0.04	
Net tax impact of changes in rates and reversal of a contingency provision	**—**	0.05		**—**	0.05	
Basic adjusted net earnings per common share	**0.59**	0.26	*126.9*	**1.08**	0.38	*184.2*
Conversion impact of convertible debentures, net of taxes [(1)]	**(0.08)**	(0.02)		**(0.14)**	—	
Diluted adjusted net earnings per common share	**0.51**	0.24	*112.5*	**0.94**	0.38	*147.4*

(1) For the six-month period ended June 30, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive.

SECOND QUARTERS

Net earnings increased by $43,036, compared to the same quarter in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation, special items expenses, amortization of intangibles assets related to the acquisition of GSF Car Parts and the net tax impact of change in rates and reversal of a contingency provision, adjusted net earnings increased by $14,704, compared to the same quarter in 2021. This performance was driven by higher sales and rebates as well as improved overall operational performance, including reduced net financing costs, net of income tax expense.

SIX-MONTH PERIODS

Net earnings increased by $50,562, compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation, special items expenses, amortization of intangibles assets related to the acquisition of GSF Car Parts and the net tax impact of change in rates and reversal of a contingency provision, adjusted net earnings increased by $30,903, compared to the same period in 2021. This performance was driven by higher sales and rebates as well as improved overall operational performance, including reduced net financing costs, net of income tax expense.

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

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
Weighted average number of common shares outstanding for basic net earnings (loss) per common share	**43,513**	42,387	**43,480**	42,387
Conversion impact of convertible debentures (1)	**8,106**	9,211	**8,106**	—
Impact of stock options (2)	**351**	130	**400**	—
Impact of dilutive deferred share units ("DSUs")	**199**	—	**100**	—
Impact of dilutive restricted share units ("RSUs")	**375**	—	**364**	—
Weighted average number of common shares outstanding for diluted net earnings (loss) per common share	**52,545**	51,729	**52,451**	42,387

(1) For the six-month period ended June 30, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive.

(2) For the six-month period ended June 30, 2022, options to acquire 28,091 common shares were excluded from the calculation of diluted net earnings per common share as the strike price of the options was higher than the average market price of the shares (1,722,736 were excluded for the second quarter of 2021 as the conversion impact would result in a reduction of the loss per share and 1,722,736 were excluded for the six-month period as the strike price of the options was higher than the average market price of the shares).

SELECTED QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

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

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

	2022		2021				2020	
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
	$	$	$	$	$	$	$	$
Sales								
FinishMaster U.S.	**186,465**	172,756	167,788	174,872	171,261	158,203	154,657	163,490
Canadian Automotive Group	**161,037**	129,764	135,961	144,489	145,267	115,162	124,908	137,240
GSF Car Parts U.K.	**96,824**	107,082	96,426	106,733	99,884	96,754	86,681	94,622
	444,326	409,602	400,175	426,094	416,412	370,119	366,246	395,352
EBITDA	**48,591**	28,227	31,312	35,326	488	24,756	21,457	30,780
EBITDA margin	***10.9%***	*6.9%*	*7.8%*	*8.3%*	*0.1%*	*6.7%*	*5.9%*	*7.8%*
Adjusted EBITDA	**51,265**	45,239	37,430	42,294	37,006	29,965	25,425	33,799
Adjusted EBITDA margin	***11.5%***	*11.0%*	*9.4%*	*9.9%*	*8.9%*	*8.1%*	*6.9%*	*8.5%*
EBT	**30,339**	9,777	10,311	14,682	(23,697)	507	(2,521)	6,800
EBT margin	***6.8%***	*2.4%*	*2.6%*	*3.4%*	*(5.7%)*	*0.1%*	*(0.7%)*	*1.7%*
Adjusted EBT	**34,029**	27,873	19,209	22,763	13,950	6,829	2,512	10,861
Adjusted EBT margin	***7.7%***	*6.8%*	*4.8%*	*5.3%*	*3.4%*	*1.8%*	*0.7%*	*2.7%*
Change in estimate related to inventory obsolescence	**—**	10,927	1,019	—	20,600	—	—	—
Stock-based compensation	**2,613**	4,919	5,177	1,554	2,869	1,783	1,525	515
Special items	**61**	1,166	(75)	5,414	13,049	3,426	2,443	2,504
Net earnings (loss)	**22,783**	7,739	9,008	11,927	(20,253)	213	(5,075)	4,454
Adjusted net earnings (loss)	**25,618**	21,247	15,675	17,248	10,914	5,048	(292)	7,916
Basic net earnings (loss) per common share	**0.52**	0.18	0.21	0.28	(0.48)	0.01	(0.12)	0.11
Basic adjusted net earnings (loss) per common share	**0.59**	0.49	0.36	0.40	0.26	0.12	(0.01)	0.19
Diluted net earnings (loss) per common share	**0.46**	0.17	0.20	0.25	(0.48)	0.01	(0.12)	0.11
Diluted adjusted net earnings (loss) per common share	**0.51**	0.43	0.32	0.36	0.24	0.12	(0.01)	0.19
Average exchange rate for earnings (CAD$)	***0.78:$1***	*0.79:$1*	*0.80:$1*	*0.79:$1*	*0.77:$1*	*0.77:$1*	*0.77:$1*	*0.75:$1*
Average exchange rate for earnings (£)	***1.26:$1***	*1.34:$1*	*1.38:$1*	*1.38:$1*	*1.32:$1*	*1.32:$1*	*1.32:$1*	*1.29:$1*

ANALYSIS OF FINANCIAL RESULTS BY SEGMENT

SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

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

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

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

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

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

OPERATING RESULTS—FINISHMASTER U.S.

Sales

	Second Quarters Ended June 30,		**Six-Month Periods Ended June 30,**	
	2022	2021	**2022**	2021
	$	$	**$**	$
Sales	**186,465**	171,261	**359,221**	329,464
		%		*%*
Sales variance and organic growth	**15,204**	***8.9***	**29,757**	***9.0***

SECOND QUARTERS

Both sales growth and organic growth were 8.9%, compared to the same quarter last year, driven by price increases.

SIX-MONTH PERIODS

Both sales growth and organic growth were 9.0%, compared to the same period last year, driven by price increases.

EBITDA and EBT

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
EBITDA	**18,809**	(7,737)	*343.1*	**37,391**	1,922	*1,845.4*
EBITDA margin	***10.1%***	*(4.5%)*		***10.4%***	*0.6%*	
Change in estimate related to inventory obsolescence[1]	**—**	20,600		**—**	20,600	
Stock-based compensation	**962**	473		**1,908**	486	
Special items	**—**	369		**79**	827	
Adjusted EBITDA	**19,771**	13,705	*44.3*	**39,378**	23,835	*65.2*
Adjusted EBITDA margin	***10.6%***	*8.0%*		***11.0%***	*7.2%*	
EBT	**13,425**	(13,611)	*198.6*	**26,343**	(10,292)	*356.0*
EBT margin	***7.2%***	*(7.9%)*		***7.3%***	*(3.1%)*	
Change in estimate related to inventory obsolescence[1]	**—**	20,600		**—**	20,600	
Stock-based compensation	**962**	473		**1,908**	486	
Special items	**—**	369		**79**	827	
Adjusted EBT	**14,387**	7,831	*83.7*	***28,330***	*11,621*	*143.8*
Adjusted EBT margin	***7.7%***	*4.6%*		***7.9%***	*3.5%*	

(1) During the second quarter of 2021, the Corporation conducted a detailed analysis on inventory and inventory provision methodologies across all segments. Following a review of the underlying assumptions used, a one-time obsolescence expense of $20,600 was recognized in this segment, mainly as a result of a refresh of underlying product consumption. *Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.*

SECOND QUARTERS

EBITDA margin and EBT margin improved by 14.6% and 15.1% respectively, compared to the same quarter in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA margin and adjusted EBT margin improved by 2.6% and 3.1% respectively, compared to the same quarter last year. Margin improvements resulted from additional vendor rebates, price increases and higher sales, driving scaling benefits, offsetting higher delivery cost.

SIX-MONTH PERIODS

EBITDA margin and EBT margin improved by 9.8% and 10.4% respectively, compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBT margins improved by 3.8% and 4.4% respectively, compared to the same period last year. Margin improvements resulted from additional vendor rebates, price increases and higher sales, driving scaling benefits, offsetting higher delivery cost and bad debt expenses.

OPERATING RESULTS—CANADIAN AUTOMOTIVE GROUP

Sales

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Sales	**161,037**	145,267	**290,801**	260,429
		%		*%*
Sales variance	**15,770**	***10.9***	**30,372**	***11.7***
Translation effect of the Canadian dollar	**6,213**	***4.3***	**6,317**	***2.4***
Acquisitions	**(1,959)**	***(1.4)***	**(2,637)**	***(1.0)***
Organic growth	**20,024**	***13.8***	**34,052**	***13.1***

SECOND QUARTERS

Sales increased by 10.9% compared to the same quarter in 2021, largely driven by organic growth of 13.8% and, to a lesser extent, acquisitions over the last twelve months, partially offset by an unfavourable fluctuation of the Canadian dollar against the US dollar during the second quarter of 2022.

The increase in organic sales was mainly driven by price increases.

SIX-MONTH PERIODS

Sales increased by 11.7%, compared to the corresponding period of 2021, largely driven by organic growth of 13.1% and, to a lesser extent, acquisitions over the last twelve months, partially offset by an unfavourable fluctuation of the Canadian dollar against the US dollar.

The increase in organic sales was mainly driven by price increases.

EBITDA and EBT

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
EBITDA	**25,557**	17,201	*48.6*	**31,015**	28,941	*7.2*
EBITDA margin	***15.9%***	*11.8%*		***10.7%***	*11.1%*	
Change in estimate related to inventory obsolescence[1]	**—**	—		**10,927**	—	
Stock-based compensation	**409**	211		**1,613**	491	
Special items	**—**	453		**(439)**	473	
Adjusted EBITDA	**25,966**	17,865	*45.3*	**43,116**	29,905	*44.2*
Adjusted EBITDA margin	***16.1%***	*12.3%*		***14.8%***	*11.5%*	
EBT	**20,790**	12,136	*71.3*	**21,745**	19,022	*14.3*
EBT margin	***12.9%***	*8.4%*		***7.5%***	*7.3%*	
Change in estimate related to inventory obsolescence[1]	**—**	—		**10,927**	—	
Stock-based compensation	**409**	211		**1,613**	491	
Special items	**—**	453		**(439)**	473	
Adjusted EBT	**21,199**	12,800	*65.6*	**33,846**	19,986	*69.3*
Adjusted EBT margin	***13.2%***	*8.8%*		***11.6%***	*7.7%*	

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

SECOND QUARTERS

EBITDA margin and EBT margin improved by 4.1% and 4.5%, compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin for the current quarter improved by 3.8% and adjusted EBT margin improved by 4.4%, compared to the same quarter last year. These increases are mainly attributable to additional vendor rebates, price increases and higher sales, driving scaling benefits, as well as reversal of bad debt expenses incurred in prior periods.

These benefits were slightly offset by foreign exchange losses as opposed to gains for the same quarter last year.

SIX-MONTH PERIODS

EBITDA margin decreased by 0.4% and EBT margin increased by 0.2%, compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA margin for the six-month period of 2022 improved by 3.3% and the adjusted EBT by 3.9% compared to 2021. These increases are mainly attributable to additional vendor rebates, price increases and higher sales, driving scaling benefits. These benefits were slightly offset by foreign exchange losses as opposed to gains for the same period last year.

OPERATING RESULTS—GSF CAR PARTS U.K.

Sales

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Sales	**96,824**	99,884	**203,906**	196,638
		%		*%*
Sales variance	**(3,060)**	***(3.1)***	**7,268**	***3.7***
Translation effect of the British pound	**10,814**	***10.8***	**13,892**	***7.1***
Impact of number of billing days	**1,529**	***1.6***	**1,976**	***1.0***
Loss of sales from the consolidation of company-operated stores	**387**	***0.4***	**873**	***0.4***
Organic growth	**9,670**	***9.7***	**24,009**	***12.2***

SECOND QUARTERS

Sales decreased by $3,060 or 3.1% to $96,824. Excluding the impact of unfavourable fluctuation of the British pound against the US dollar of $10,814 or 10.8% during the second quarter of 2022, sales increased by $7,754 or 7.7%, compared to the same quarter last year, mainly driven by organic growth of 9.7%, offsetting an unfavourable variance in the number of billing days.

Organic growth continued to improve in the quarter from price increases as well as from the contribution of recently opened greenfield stores, which represents about half of the organic growth.

During the second quarter of 2022, GSF Car Parts U.K. opened seven greenfield stores as part of its growth strategy, bringing the count to nine since the beginning of the year.

SIX-MONTH PERIODS

Sales increased by $7,268 or 3.7% to $203,906. Excluding the impact of unfavourable fluctuation of the British pound against the US dollar during the six-month period of 2022, sales increased by $21,160 or 10.8%, compared to the same period last year, mainly driven by organic growth of 12.2%, offsetting an unfavourable variance in the number of billing days.

The increase in organic growth was mainly driven by price increases and the contribution of nine greenfield stores opened since the beginning of the year.

EBITDA and EBT

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	*%*	**$**	$	*%*
EBITDA	**7,514**	5,562	*35.1*	**17,152**	15,459	*11.0*
EBITDA margin	***7.8%***	*5.6%*		***8.4%***	*7.9%*	
Stock-based compensation	**517**	119		**894**	194	
Special items	**—**	2,759		**913**	2,759	
Adjusted EBITDA	**8,031**	8,440	*(4.8)*	**18,959**	18,412	*3.0*
Adjusted EBITDA margin	***8.3%***	*8.4%*		***9.3%***	*9.4%*	
EBT	**3,323**	578	*474.9*	**8,811**	5,474	*61.0*
EBT margin	***3.4%***	*0.6%*		***4.3%***	*2.8%*	
Stock-based compensation	**517**	119		**894**	194	
Special items	**—**	2,759		**913**	2,759	
Adjusted EBT	**3,840**	3,456	*11.1*	**10,618**	8,427	*26.0*
Adjusted EBT margin	***4.0%***	*3.5%*		***5.2%***	*4.3%*	

SECOND QUARTERS

EBITDA margin improved by 2.2% and EBT margin improved by 2.8%, compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin decreased by 0.1% and adjusted EBT margin improved by 0.5%, compared to the same quarter in 2021. Margins were affected by inflationary fuel and utility costs, higher repair costs due to new fleet replacement delays, as well as higher payroll costs. This was partially offset by higher sales and rebates in the second quarter of 2022, driving scaling benefits. The second quarter of 2021 benefited from governmental occupancy subsidies of $363.

The 2022 adjusted EBT margin also benefited from higher sales over depreciation expense, driving additional scaling benefits.

SIX-MONTH PERIODS

EBITDA margin improved by 0.5% and EBT margin improved by 1.5%, compared to the same period in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin decreased by 0.1% and adjusted EBT margin improved by 0.9%, compared to the same period in 2021. Margins were affected by inflationary fuel and utility costs, higher repair costs due to new fleet replacement delays, as well as higher payroll costs. This was partially offset by higher sales and rebates, driving scaling benefits. The six-month period of 2021 benefited from governmental occupancy subsidies of $752.

The 2022 adjusted EBT margin also benefited from higher sales over depreciation expense, driving additional scaling benefits.

OPERATING RESULTS—CORPORATE OFFICE AND OTHERS

	Second Quarters Ended June 30,			Six-Month Periods Ended June 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
EBITDA	**(3,289)**	(14,538)	*77.4*	**(8,740)**	(21,078)	*58.5*
Stock-based compensation	**725**	2,066		**3,117**	3,481	
Special items	**61**	9,468		**674**	12,416	
Adjusted EBITDA	**(2,503)**	(3,004)	*16.7*	**(4,949)**	(5,181)	*4.5*
EBT	**(7,199)**	(22,800)	*68.4*	**(16,783)**	(37,394)	*55.1*
Stock-based compensation	**725**	2,066		**3,117**	3,481	
Special items	**61**	9,468		**674**	12,416	
Amortization of intangible assets related to the acquisition of GSF Car Parts	**1,016**	1,129		**2,100**	2,242	
Adjusted EBT	**(5,397)**	(10,137)	*46.8*	**(10,892)**	(19,255)	*43.4*

SECOND QUARTERS

The Corporate Office and Others segment reported an increase in EBITDA of $11,249, compared to the corresponding quarter last year. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA improved by $501, essentially due to foreign exchange gains in 2022, as opposed to losses during the same quarter last year.

Adjusted EBT improved by $4,740, due to lower interest on long-term debt as a result of the amendments to the credit facility completed during 2021, combined with lower debt levels.

SIX-MONTH PERIODS

The Corporate Office and Others segment reported an increase in EBITDA of $12,338, compared to the corresponding period last year. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA improved by $232, mainly due to lower professional fees, offset by higher variable compensation expense as a result of improved business performance.

Adjusted EBT improved by $8,363, due to lower interest on long-term debt as a result of the amendments to the credit facility completed during 2021, combined with lower debt levels.

CASH FLOWS

OPERATING ACTIVITIES

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows from operating activities	**50,753**	43,282	**58,556**	42,742

SECOND QUARTERS

For the second quarter of 2022, cash flows generated from operating activities totalled $50,753, compared to $43,282 for the second quarter of 2021. This increase is attributable to improved operational earnings and lower borrowing costs offset by a lower release of working capital.

SIX-MONTH PERIODS

For the six-month period of 2022, cash flows generated from operating activities totalled $58,556, compared to $42,742 for the same period in 2021. This increase is attributable to improved operational earnings, lower borrowing costs offset by a larger investment in working capital as the 2021 period benefited from the right-sizing of the balance sheet.

INVESTING ACTIVITIES

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows used in investing activities	**(12,683)**	(2,286)	**(22,689)**	(8,179)

SECOND QUARTERS

For the second quarter of 2022, cash flows used in investing activities totalled $12,683, compared to $2,286 for the second quarter of 2021. This increase is mainly attributable to a business acquisition in the Canadian Automotive Group segment and greenfield openings in the GSF Car Parts U.K. segment.

SIX-MONTH PERIODS

For the six-month period of 2022, cash flows used in investing activities totalled $22,689, compared to $8,179 for the same period in 2021. This increase is mainly attributable to business acquisitions in the Canadian Automotive Group segment and greenfield openings in the GSF Car Parts U.K. segment.

FINANCING ACTIVITIES

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows used in financing activities	**(49,188)**	(44,182)	**(41,873)**	(56,949)

SECOND QUARTERS

For the second quarter of 2022, cash flows used in financing activities totalled $49,188, compared to $44,182 for the second quarter of 2021. This increase is mainly attributable to higher net repayments in 2022 of the Corporation’s credit facility.

SIX-MONTH PERIODS

For the six-month period of 2022, cash flows used in financing activities totalled $41,873, compared to $56,949 for the same period in 2021. This decrease is mainly attributable to lower net repayments in 2022 of the Corporation’s credit facility.

FREE CASH FLOW

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows from operating activities	**50,753**	43,282	**58,556**	42,742
Advances to merchant members and incentives granted to customers	**(3,820)**	(2,465)	**(6,384)**	(7,152)
Reimbursement of advances to merchant members and liquidation proceeds of incentives granted to customers returned	**1,396**	3,040	**2,604**	3,756
Acquisitions of property and equipment	**(4,387)**	(2,166)	**(8,059)**	(3,386)
Proceeds from disposal of property and equipment	**527**	319	**957**	565
Acquisitions and development of intangible assets	**(1,403)**	(978)	**(2,693)**	(1,652)
Free cash flow	**43,066**	41,032	**44,981**	34,873

SECOND QUARTERS

The Corporation generated a higher level of free cash flow in the second quarter of 2022 as compared to the second quarter of 2021, driven primarily by higher net earnings. This was partially offset by a smaller release of working capital, higher level of investments for greenfield openings in the GSF Car Parts U.K. segment as well as a generally higher level of customer investments.

SIX-MONTH PERIODS

The Corporation generated a higher level of free cash flow during the six-month period of 2022 compared to the six-month period of 2021, driven primarily by higher net earnings. This was mainly offset by a larger investment in working capital, higher level of investments for greenfield openings in the GSF Car Parts U.K. segment as well as software development to support automation initiatives.

FINANCING

LONG-TERM DEBT AND CREDIT FACILITIES

	Maturity	Effective interest rate	Current portion	As at June 30,	As at December 31,
				2022	2021
			$	**$**	$
Revolving credit facility, variable rates [1]	2025	2.20% to 5.70%	**—**	**206,585**	235,384
Deferred financing costs	—	—	**—**	**(598)**	(603)
Lease obligations - vehicles, variable rates	2022 to 2026	0.50% to 4.28%	**1,627**	**2,680**	4,071
Lease obligations - buildings, variable rates	2022 to 2033	1.32% to 7.66%	**25,557**	**102,973**	98,526
Others	—	—	**—**	**—**	8
			27,184	**311,640**	337,386
Current portion of long-term debt				**27,184**	27,015
Long-term debt				**284,456**	310,371

(1) As at June 30, 2022, a principal amount of $151,513 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($209,496 as at December 31, 2021).

Revolving credit facility

As at June 30, 2022, the Corporation has available liquidity of approximately $208,000, plus an accordion feature of $200,000 ($186,000, plus an accordion feature of $200,000 as at December 31, 2021). Available liquidity is subject to financial covenants.

Letters of credit issued under the revolving facility

As at June 30, 2022, $4,970 of letters of credit have been issued ($6,346 as at December 31, 2021).

CONVERTIBLE DEBENTURES

The table below indicates the movement in the liability component:

	Six-Month Period Ended June 30,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**78,327**	87,728
Conversion into common shares	**—**	(10,795)
Accreted interest	**652**	1,348
Effects of fluctuations in exchange rates	**(563)**	46
	78,416	78,327

VENDOR FINANCING PROGRAM

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

As at June 30, 2022, Uni-Select benefited from additional deferred payments of accounts payable in the amount of $34,253 and used $44,824 of the program ($29,196 and $40,786 respectively as at December 31, 2021). These amounts are presented in “Trade and other payables” in the Interim Consolidated Statements of Financial Position. This program is available upon the Corporation’s request and may be modified by either party. As at June 30, 2022, the authorized limit with applicable financial institutions was $115,000.

FINANCIAL INSTRUMENTS

Derivative financial instruments – hedge of foreign exchange risk
The Corporation enters into forward contracts in order to mitigate the foreign exchange risks mainly related to future forecasted purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at June 30, 2022, are as follows:

Currencies (sold/bought)	Maturity	Average rate (1)	Notional amount (2)
			$
CAD/USD	Up to April 2023	0.79	11,816
GBP/USD	Up to December 2022	1.31	8,706
GBP/EUR	Up to December 2022	1.16	4,556

(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, 2022, were used to translate amounts in foreign currencies.

The Corporation also enters into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its US-dollar-denominated revolving credit facility into Canadian dollars. The consolidated cross-currency interest rate swaps outstanding as at June 30, 2022, are as follows:

Maturity	Notional payable (CAD$)	Notional receivable (USD$)	Receive - Rate	Pay - Rate
July 2022	60,000	47,300	2.7740%	2.9975%

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

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

CAPITAL STRUCTURE

LONG-TERM FINANCIAL POLICIES AND GUIDELINES

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

- Total net debt to total net debt and total Shareholders’ equity;
- Long-term debt to total Shareholders’ equity ratio;
- Total net debt to adjusted EBITDA ratio; and
- Adjusted return on average total Shareholders’ equity.

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

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

CAPITAL STRUCTURE (CONTINUED)

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

	As at June 30,	As at December 31,
	2022	2021
	$	$
Long-term debt, including the current portion [1]	**311,640**	337,386
Cash	**20,229**	28,156
Total net debt	**291,411**	309,230
Total Shareholders' equity	**527,537**	495,965
Convertible debentures	**78,416**	78,327
Total Shareholders' equity and convertible debentures	**605,953**	574,292
Total net debt, total Shareholders' equity and convertible debentures	**897,364**	883,522
Total Shareholders' equity - current period	**527,537**	495,965
Total Shareholder's equity - comparable period last year	**467,856**	474,055
Average total Shareholders' equity	**497,697**	485,010

(1) *Refer to Note 11 to the Condensed Interim Consolidated Financial Statements for further details.*

The following table presents a reconciliation of debt ratios:

	As at June 30,	As at December 31,
	2022	2021
	$	$
Total net debt	**291,411**	309,230
Total net debt, total Shareholders' equity and convertible debentures	**897,364**	883,522
Total net debt to total net debt, total Shareholders' equity and convertible debentures ratio	***32.5%***	*35.0%*
Long-term debt, including the current portion [1]	**311,640**	337,386
Total Shareholders' equity and convertible debentures	**605,953**	574,292
Long-term debt to total Shareholders' equity and convertible debentures ratio	***51.4%***	*58.7%*
Total net debt	**291,411**	309,230
Adjusted EBITDA - trailing last four quarters [2]	**176,228**	146,695
Total net debt to adjusted EBITDA ratio	***1.65x***	*2.11x*

(1) *Refer to Note 11 to the Condensed Interim Consolidated Financial Statements for further details.*

(2) *Refer to the "Selected quarterly consolidated financial information" section for more information on the results of each of the last eight quarters.*

The following table presents a reconciliation of equity ratios:

	As at June 30, 2022	As at December 31, 2021
	$	$
Net Earnings - trailing last four quarters [1]	**51,457**	895
Average total Shareholders' equity	**497,697**	485,010
Return on average total Shareholders' equity ratio	***10.3%***	*0.2%*
Adjusted Net Earnings - trailing last four quarters [1]	**79,788**	48,885
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes - trailing last four quarters	**3,485**	3,630
Adjusted Net Earnings, excluding amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes - trailing last four quarters	**76,303**	45,255
Average total Shareholders' equity	**497,697**	485,010
Adjusted return on average total Shareholders' equity ratio	***15.3%***	*9.3%*

(1) *Refer to the "Selected quarterly consolidated financial information" section for more information on the results of each of the last eight quarters.*

The level of debt decreased during the six-month period ended June 30, 2022, driven by improved profitability and capital discipline.

Total net debt to total net debt and total Shareholders' equity ratio decreased by 2.5%, due to improved profitability, allowing debt reduction and contributing to shareholder's value.

Long-term debt to total Shareholders' equity ratio decreased by 7.3%, due to the combined effect of reduced level of long-term debt and increased shareholder's equity.

Total net debt to adjusted EBITDA ratio improved by 0.46x, due to improved profitability combined with a reduced level of total net debt.

Adjusted return on average total Shareholders' equity ratio improved by 6.0%, mainly from the overall improved operational performance, resulting in higher adjusted net earnings.

BANK COVENANTS

For purposes of compliance, the Corporation regularly monitors the requirements of its bank covenants to ensure they are met. As at June 30, 2022, the Corporation met all the requirements.

SHARE CAPITAL

Issuance of common shares
During the six-month period ended June 30, 2022, the Corporation issued 148,088 common shares (none during the same period of 2021) upon the exercise of stock options for a total increase in share capital of $3,101. The weighted average price of the issued common shares was CAD$26.51 for the period.

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

During the six-month period ended June 30, 2022, the Share Trust purchased 218,823 Uni-Select Inc. common shares (none during the same period of 2021) for a cash consideration of $4,091. The weighted average price of the purchase of common shares was CAD$23.55 for the period. During the same period, 13,931 common shares were transferred or sold by the Share Trust in connection with the vesting and redemption of RSUs.

Common shares
As at June 30, 2022, 43,525,576 common shares were outstanding (43,582,380 as at December 31, 2021), corresponding to 43,940,768 issued common shares less 415,192 treasury shares in the Share Trust (43,792,680 issued common shares less 210,300 treasury shares in the Share Trust as at December 31, 2021).

As at August 4, 2022, 43,525,576 common shares were outstanding, corresponding to 43,940,768 issued common shares less 415,192 treasury shares in the Share Trust.

Assuming the exercise of all 718,091 outstanding options and the redemption of all 328,774 deferred share units, 387,950 performance share units and 354,959 restricted share units as well as the conversion of all 8,106,116 convertible debentures as at August 4, 2022, there would have been 53,421,466 common shares issued and outstanding on a fully diluted basis as at that date.

STOCK-BASED COMPENSATION

The Corporation's stock-based compensation plans include an equity-settled stock option plan as well as a cash-settled legacy 2013 Performance Share Unit Plan ("2013 PSU Plan").

During the fourth quarter of 2021, the Corporation initially amended and restated its Restricted Share Unit Plan ("RSU Plan") to allow for the settlement of RSUs in cash or common shares purchased in the secondary market, at the discretion of the Board of Directors, using the Share Trust (refer to "Share Capital" section for further details). Awards under the RSU Plan may be settled by either equity-settled or cash-settled units.

During the first quarter of 2022, the Corporation adopted a new Performance Share Unit plan ("2022 PSU Plan") to allow for the settlement of performance share units ("PSUs") in cash or common shares, at the discretion of the Board of Directors, using the Share Trust (refer to "Share Capital" section for further details) or newly issued common shares. Under the 2022 PSU Plan, a total of 1,500,000 common shares have been reserved for issuance. As well, the Corporation amended and restated its Deferred Share Unit Plan ("DSU Plan") to allow for the settlement of DSUs in cash or common shares at the discretion of the Board of Directors, using newly issued common shares. Under the DSU Plan, a total of 600,000 common shares have been reserved for issuance.

Stock option plan

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

For the six-month period ended June 30, 2022, no options were granted to management employees and officers of the Corporation (690,000 options for 2021, with an average exercise price of CAD$14.34). During the six-month period, 402,899 options were exercised (no options for 2021) and 32,231 options were forfeited (211,427 options for 2021).

As at June 30, 2022, options granted for the issuance of 718,091 common shares (1,722,736 common shares as at June 30, 2021) were outstanding under the Corporation's stock option plan.

For the quarter and six-month period ended June 30, 2022, compensation expense of $175 and $531 respectively ($68 and $256 for 2021) was recorded in "Net earnings (loss)", with the corresponding amounts recorded in "Contributed surplus".

DSU Plan, RSU Plan and 2022 PSU Plan

I. Equity-settled Plans

Under the DSU Plan, the compensation expense is recognized at grant date. Under the 2022 PSU Plan and the RSU Plan, the compensation expense is recognized over the vesting period. Compensation expense of equity-settled DSUs, PSUs and RSUs are based on the fair value of the awards, which is determined using the stock price of the Corporation's common share at the grant date. The corresponding amounts are recorded in "Contributed surplus".

The variances in the Corporation's outstanding numbers of equity-settled DSUs, PSUs and RSUs are detailed as follows:

						Six-Month Periods Ended June 30,
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**—**	**—**	**334,907**	—	—	—
Modified to equity-settled awards	**322,496**	**—**	**—**	—	—	—
Granted	**6,278**	**394,989**	**62,111**	—	—	—
Redeemed	**—**	**—**	**(13,931)**	—	—	—
Forfeited	**—**	**(7,039)**	**(28,128)**	—	—	—
	328,774	**387,950**	**354,959**	—	—	—

II. Cash-settled Plans

The variances in the Corporation's outstanding numbers of cash-settled DSUs, PSUs and RSUs are detailed as follows:

	Six-Month Periods Ended June 30,					
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**330,300**	**295,799**	**251,270**	398,807	521,857	736,408
Granted	**45,862**	**—**	**22,103**	98,639	376,968	521,840
Redeemed	**(53,666)**	**(32,219)**	**(164,254)**	(30,240)	—	(115,567)
Forfeited	**—**	**(56,979)**	**—**	—	(427,034)	(249,246)
Modified to equity-settled awards	**(322,496)**	**—**	**—**	—	—	—
	—	**206,601**	**109,119**	467,206	471,791	893,435

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

	As at June 30, 2022		
			$
	DSU	**PSU**	**RSU**
Current portion of long-term employee benefit obligations	**—**	**3,136**	**—**
Long-term employee benefit obligations	**—**	**1,859**	**904**
	—	**4,995**	**904**

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

III. Compensation expense

The compensation expense of both equity-settled and cash-settled plans was recorded in the Interim Consolidated Statements of Net Earnings (Loss) as follows:

	Second Quarters Ended June 30,					
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**(133)**	**1,726**	**845**	2,240	—	1,455
Special items	**—**	**—**	**—**	343	—	2,455
	(133)	**1,726**	**845**	2,583	—	3,910

	Six-Month Periods Ended June 30,					
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**1,995**	**4,095**	**911**	3,207	—	2,385
Special items	**—**	**—**	**—**	343	—	2,455
	1,995	**4,095**	**911**	3,550	—	4,840

FINANCIAL POSITION

During the six-month period ended June 30, 2022, the financial position, when compared to December 31, 2021, was mostly impacted by the translation effect of the Canadian dollar and the British pound into the US dollar, special items and a change in estimate, as well as business acquisitions.

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

	As at June 30, 2022	As at December 31, 2021	Impact of translation CAD$/US$ and £/US$	Special items and change in estimate	Impact of business acquisitions	Net variances
	$	$	$	$	$	$
Current assets and liabilities						
Trade and other receivables	**210,895**	195,490	(6,775)	—	1,783	20,397
Inventory	**371,340**	343,759	(11,286)	(10,927)	3,954	45,840
Trade and other payables	**357,911**	328,122	(12,603)	(803)	596	42,599
Long-term assets and liabilities						
Property and equipment	**152,295**	147,654	(5,950)	465	1,772	8,354
Intangible assets	**160,258**	171,814	(6,550)	(2,100)	1,042	(3,948)
Goodwill	**337,603**	339,910	(8,068)	—	5,761	—
Net derivative financial instruments (including short-term portion)	**8,776**	293	(131)	—	—	8,614
Long-term employee benefit obligations	**1,478**	20,360	179	(5,079)	—	(13,982)

Explanations for net variances:

Trade and other receivables: The increase is mainly attributable to seasonality and higher sales.

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

Trade and other payables: The increase is mainly related to inventory variation.

Property and equipment: The increase is mainly explained by investment for the opening of greenfields and information technology projects.

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

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

SUBSEQUENT EVENT

On July 25, 2022, the Corporation entered into a definitive agreement to acquire all the shares of Maslack Supply Limited and related real estate properties. The acquisition closed on August 2, 2022 for a total purchase price of CAD$52,250.

RISK MANAGEMENT

The Corporation is subject to a variety of risks and uncertainties and is affected by a number of factors that may have a material adverse effect on our business, operating results, cash flows and financial condition, including the risks identified in the section titled "Risk Management" of Uni-Select's MD&A for the year ended December 31, 2021 which are incorporated by reference in this MD&A, and in other documents we make public, including our filings with the Canadian Securities Administrators (on SEDAR at www.sedar.com). No significant change occurred during the six-month period ended June 30, 2022 with respect to the risks identified in Uni-Select's MD&A for the year ended December 31, 2021. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of our common shares.

SIGNIFICANT ACCOUNTING POLICIES

FUTURE ACCOUNTING CHANGES

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

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

EXCHANGE RATE DATA

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

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Average for the period (to translate the statements of net earnings (loss))				
Canadian dollar	**0.78**	0.81	**0.79**	0.80
British pound	**1.26**	1.40	**1.30**	1.39

	As at June 30,	As at December 31,
	2022	2021
Period end (to translate the statements of financial position)		
Canadian dollar	**0.78**	0.78
British pound	**1.21**	1.35

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

The Corporation has also established and maintains internal control over financial reporting, as defined under National Instrument 52-109. The Corporation's internal control over financial reporting is a process designed under the supervision of the Executive Chair and Chief Executive Officer and the Chief Financial Officer, and effected by management and other key personnel of the Corporation, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Management evaluated, under the supervision of and with the participation of the Executive Chair and Chief Executive Officer and the Chief Financial Officer, the effectiveness of the Company's internal controls over financial reporting as at December 31, 2021, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013).

During the period beginning on April 1, 2022 and ended June 30, 2022, no change in the Corporation's internal controls over financial reporting occurred that materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

/s/ Brian McManus

Brian McManus

Executive Chair and Chief Executive Officer

/s/ Anthony Pagano

Anthony Pagano

Chief Financial Officer

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Quarters Ended June 30, 2022 and June 30, 2021
(Unaudited, expressed in thousands of US dollars, unless otherwise noted)

INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS)

(In thousands of US dollars, except per share amounts, unaudited)	Note	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Sales		**444,326**	416,412	**853,928**	786,531
Purchases, net of changes in inventories	4	**293,413**	305,354	**575,239**	558,840
Gross margin		**150,913**	111,058	**278,689**	227,691
Salaries and employee benefits		**71,625**	69,380	**140,527**	131,855
Other operating expenses		**30,636**	28,141	**60,117**	54,117
Special items	4	**61**	13,049	**1,227**	16,475
Earnings before net financing costs, depreciation and amortization and income taxes		**48,591**	488	**76,818**	25,244
Depreciation and amortization	5	**13,594**	15,301	**27,504**	30,672
Net financing costs	5	**4,658**	8,884	**9,198**	17,762
Earnings (loss) before income taxes		**30,339**	(23,697)	**40,116**	(23,190)
Income tax expense (recovery)	5	**7,556**	(3,444)	**9,594**	(3,150)
Net earnings (loss)		**22,783**	(20,253)	**30,522**	(20,040)
Net earnings (loss) per common share	6				
Basic		**0.52**	(0.48)	**0.70**	(0.47)
Diluted		**0.46**	(0.48)	**0.63**	(0.47)
Weighted average number of common shares outstanding (in thousands)	6				
Basic		**43,513**	42,387	**43,480**	42,387
Diluted		**52,545**	42,387	**52,451**	42,387

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Note	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Net earnings (loss)		**22,783**	(20,253)	**30,522**	(20,040)
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 $500 and $1,776 respectively for the quarter and six-month period ($1 and $3 in 2021))		**1,281**	(3)	**4,857**	8
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (net of income tax of $26 and $90 respectively for the quarter and six-month period ($58 and $118 in 2021))	5	**74**	154	**250**	316
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency		**(14,926)**	73	**(22,021)**	1,131
Unrealized exchange gains (losses) on the translation of debt designated as a hedge of net investments in foreign operations		**(1,261)**	3,355	**3,607**	4,780
		(14,832)	3,579	**(13,307)**	6,235
Items that will not subsequently be reclassified to net earnings:					
Remeasurements of long-term employee benefit obligations (net of income tax of $1,400 and $3,753 respectively for the quarter and six-month period ($274 and $2,650 in 2021))		**3,883**	(759)	**10,410**	7,350
Total other comprehensive income (loss)		**(10,949)**	2,820	**(2,897)**	13,585
Comprehensive income (loss)		**11,834**	(17,433)	**27,625**	(6,455)

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of US dollars, unaudited)	Note	Common shares	Treasury shares	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive loss	Total
		$	$	$	$	$	$	$
Balance as at December 31, 2020		100,244	—	8,404	8,232	378,196	(21,021)	474,055
Net loss		—	—	—	—	(20,040)	—	(20,040)
Other comprehensive income		—	—	—	—	7,350	6,235	13,585
Comprehensive income (loss)		—	—	—	—	(12,690)	6,235	(6,455)
Contributions by and distributions to shareholders:								
Stock-based compensation	9	—	—	256	—	—	—	256
Balance as at June 30, 2021		100,244	—	8,660	8,232	365,506	(14,786)	467,856
Balance as at December 31, 2021		**116,051**	**(4,169)**	**11,016**	**7,244**	**388,241**	**(22,418)**	**495,965**
Net earnings		**—**	**—**	**—**	**—**	**30,522**	**—**	**30,522**
Other comprehensive income (loss)		**—**	**—**	**—**	**—**	**10,410**	**(13,307)**	**(2,897)**
Comprehensive income (loss)		**—**	**—**	**—**	**—**	**40,932**	**(13,307)**	**27,625**
Contributions by and distributions to shareholders:								
Acquisition of treasury shares by Share Trust	12	**—**	**(4,091)**	**—**	**—**	**—**	**—**	**(4,091)**
Transfer upon exercise of stock options	12	**3,101**	**—**	**(4,227)**	**—**	**—**	**—**	**(1,126)**
Transfer upon exercise of restricted share units	12	**—**	**266**	**(266)**	**—**	**—**	**—**	**—**
Stock-based compensation	9	**—**	**—**	**9,164**	**—**	**—**	**—**	**9,164**
		3,101	**(3,825)**	**4,671**	**—**	**—**	**—**	**3,947**
Balance as at June 30, 2022		**119,152**	**(7,994)**	**15,687**	**7,244**	**429,173**	**(35,725)**	**527,537**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Note	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
OPERATING ACTIVITIES					
Net earnings (loss)		**22,783**	(20,253)	**30,522**	(20,040)
Adjustment for:					
Special items and others	4	**61**	33,649	**12,154**	37,075
Depreciation and amortization	5	**13,594**	15,301	**27,504**	30,672
Net financing costs	5	**4,658**	8,884	**9,198**	17,762
Income tax expense (recovery)	5	**7,556**	(3,444)	**9,594**	(3,150)
Amortization and reserves related to incentives granted to customers		**3,846**	3,921	**7,411**	8,601
Stock-based compensation		**2,613**	2,869	**7,532**	4,652
Gains on derivative financial instruments		**(2,504)**	(130)	**(1,475)**	(501)
Gains on disposal of property and equipment		**(330)**	(113)	**(650)**	(214)
Other items		**(241)**	113	**(175)**	(377)
Changes in working capital items	7	**5,331**	15,020	**(31,647)**	(11,881)
Stock-based compensation paid		**(671)**	(1,668)	**(3,360)**	(1,668)
Interest paid		**(5,496)**	(9,611)	**(8,316)**	(16,517)
Income tax recovered (paid)		**(447)**	(1,256)	**264**	(1,672)
Cash flows from operating activities		**50,753**	43,282	**58,556**	42,742
INVESTING ACTIVITIES					
Business acquisitions	8	**(4,993)**	—	**(9,405)**	—
Net balance of purchase price		**—**	—	**—**	(58)
Cash held in escrow		**—**	—	**294**	—
Advances to merchant members and incentives granted to customers		**(3,820)**	(2,465)	**(6,384)**	(7,152)
Reimbursement of advances to merchant members and liquidation proceeds of incentives granted to customers returned		**1,396**	3,040	**2,604**	3,756
Acquisitions of property and equipment		**(4,387)**	(2,166)	**(8,059)**	(3,386)
Proceeds from disposal of property and equipment		**527**	319	**957**	565
Acquisitions and development of intangible assets		**(1,403)**	(978)	**(2,693)**	(1,652)
Other provisions paid		**(3)**	(36)	**(3)**	(252)
Cash flows used in investing activities		**(12,683)**	(2,286)	**(22,689)**	(8,179)
FINANCING ACTIVITIES					
Increase in long-term debt	7	**2,198**	36,221	**129,436**	39,014
Repayment of long-term debt	7	**(51,366)**	(80,495)	**(167,384)**	(95,617)
Net increase (decrease) in merchant members' deposits in the guarantee fund		**(20)**	92	**166**	(346)
Acquisition of treasury shares by Share Trust	12	**—**	—	**(4,091)**	—
Cash flows used in financing activities		**(49,188)**	(44,182)	**(41,873)**	(56,949)
Effects of fluctuations in exchange rates on cash		**(1,361)**	125	**(1,921)**	418
Net decrease in cash		**(12,479)**	(3,061)	**(7,927)**	(21,968)
Cash, beginning of period		**32,708**	35,472	**28,156**	54,379
Cash, end of period		**20,229**	32,411	**20,229**	32,411

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)	Note	As at June 30, 2022	As at December 31, 2021
ASSETS	11	**$**	$
Current assets:			
Cash		**20,229**	28,156
Cash held in escrow		**125**	503
Trade and other receivables		**210,895**	195,490
Income taxes receivable		**2,200**	4,502
Inventory	4	**371,340**	343,759
Prepaid expenses		**9,338**	6,324
Derivative financial instruments	13	**1,511**	75
Total current assets		**615,638**	578,809
Investments, advances to merchant members and other assets		**20,582**	23,565
Property and equipment		**152,295**	147,654
Intangible assets		**160,258**	171,814
Goodwill		**337,603**	339,910
Derivative financial instruments	13	**7,265**	223
Deferred tax assets		**30,486**	38,842
TOTAL ASSETS		**1,324,127**	1,300,817
LIABILITIES			
Current liabilities:			
Trade and other payables		**357,911**	328,122
Balance of purchase price, net		**2,644**	43
Provision for restructuring charges	4	**—**	1,060
Income taxes payable		**13,210**	6,872
Current portion of long-term debt and merchant members' deposits in the guarantee fund		**27,292**	27,108
Derivative financial instruments	13	**—**	5
Total current liabilities		**401,057**	363,210
Long-term employee benefit obligations		**1,478**	20,360
Long-term debt	11	**284,456**	310,371
Convertible debentures	11	**78,416**	78,327
Merchant members' deposits in the guarantee fund		**5,602**	5,492
Balance of purchase price		**389**	—
Other provisions		**2,983**	3,092
Deferred tax liabilities		**22,209**	24,000
TOTAL LIABILITIES		**796,590**	804,852
TOTAL SHAREHOLDERS' EQUITY		**527,537**	495,965
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,324,127**	1,300,817

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1 - GOVERNING STATUTE AND NATURE OF OPERATIONS

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

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

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

2 - BASIS OF PRESENTATION

Statement of compliance

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

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

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

Basis of measurement

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

Functional and presentation currency

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

Seasonality of interim operations

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

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

Use of accounting estimates and judgments

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

3 - SIGNIFICANT ACCOUNTING POLICIES

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

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

4 - SPECIAL ITEMS AND OTHERS

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

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Change in estimate related to inventory obsolescence	**—**	20,600	**10,927**	20,600
Restructuring and other charges related to improvement plans	**—**	3,381	**553**	5,109
Other special items	**61**	9,668	**674**	11,366
Special items	**61**	13,049	**1,227**	16,475
Special items and others	**61**	33,649	**12,154**	37,075

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

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

	Six-Month Period Ended June 30,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**26,847**	21,652
Change in estimate [1]	**10,927**	21,619
Charges recognized during the period	**401**	940
Write-off	**(1,986)**	(17,291)
Effects of fluctuations in exchange rates	**(987)**	(73)
	35,202	26,847

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

Restructuring and other charges related to the improvement plans
The Corporation recognized no restructuring and other charges for the quarter and $553 for the six-month period ended June 30, 2022 ($3,381 and $5,109 respectively in 2021). For the six-month period, these charges include $1,018, primarily related to the rebranding of GSF Car Parts and inventory transfer costs, partially offset by the reversal of previously impaired long-term assets ($2,190 in 2021 mostly comprising consulting fees related to the optimization of the logistical processes and inventory transfer costs).

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

	Six-Month Period Ended June 30,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**1,060**	3,246
Change in estimate	**—**	(863)
Provision used during the period	**(1,042)**	(1,360)
Effects of fluctuations in exchange rates	**(18)**	37
	—	1,060

Other special items
During the quarter and six-month period ended June 30, 2022, the Corporation recognized charges totaling $61 and $674 respectively mainly for the settlement of certain severance agreements and retention bonuses ($9,668 and $11,366 in 2021).

5 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS)

Depreciation and amortization

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Depreciation of property and equipment	**2,897**	3,678	**5,871**	7,699
Depreciation of right-of-use assets	**6,422**	6,816	**12,995**	13,347
Amortization of intangible assets	**4,275**	4,807	**8,638**	9,626
	13,594	15,301	**27,504**	30,672

Net financing costs

	Note	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Interest on long-term debt		**1,596**	4,956	**2,944**	10,095
Interest on lease obligations		**1,201**	1,334	**2,383**	2,695
Interest on convertible debentures		**1,293**	1,527	**2,595**	3,007
Accreted interest on convertible debentures	11	**326**	354	**652**	696
Amortization of financing costs	7	**49**	233	**84**	467
Net interest expense on the long-term employee benefit obligations	10	**110**	177	**220**	324
Reclassification of realized losses on derivative financial instruments designated as cash flow hedges to net earnings		**100**	212	**340**	434
Interest on merchant members' deposits in the guarantee fund and others		**20**	104	**39**	73
		4,695	8,897	**9,257**	17,791
Interest income from merchant members and others		**(37)**	(13)	**(59)**	(29)
		4,658	8,884	**9,198**	17,762

Income tax expense (recovery)

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

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Income taxes at the Corporation's statutory tax rate - 26.5% (26.5% in 2021)	**8,040**	(6,280)	**10,631**	(6,145)
Effect of foreign tax rate differences	**(371)**	952	**(734)**	1,034
Changes in tax rates (1)	**—**	3,642	**—**	3,642
Contingency provision reversal	**—**	(1,648)	**—**	(1,648)
Benefit of financing structure	**(347)**	(338)	**(698)**	(685)
Non-deductible expenses	**277**	235	**328**	488
Others	**(43)**	(7)	**67**	164
Income taxes at the Corporation's effective tax rate	**7,556**	(3,444)	**9,594**	(3,150)
Effective tax rate	***24.9 %***	*14.5 %*	***23.9 %***	*13.6 %*

The year-over-year variance in effective tax rate is mainly attributable to the prior year's reversal of contingency provision as well as the prior year's impact of the changes in tax rates, both of which had a significant impact on the tax rate in the prior year and quarter. In addition, the prior year's lower earnings before tax caused the dollar value of the various rate reconciliation items to be higher in proportion to the earnings before tax than in the current year.

6 - NET EARNINGS (LOSS) PER COMMON SHARE

The following table presents a reconciliation of basic and diluted “Net earnings (loss) per common share”:

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
Net earnings (loss) considered for basic net earnings (loss) per common share	**22,783**	(20,253)	**30,522**	(20,040)
Conversion impact of convertible debentures (1)	**1,190**	—	**2,387**	—
Net earnings (loss) considered for diluted net earnings (loss) per common share	**23,973**	(20,253)	**32,909**	(20,040)
Weighted average number of issued common shares	**43,940,768**	42,387,300	**43,890,042**	42,387,300
Weighted average number of treasury shares in Share Trust	**(427,427)**	—	**(410,147)**	—
Weighted average number of common shares outstanding for basic net earnings (loss) per common share	**43,513,341**	42,387,300	**43,479,895**	42,387,300
Conversion impact of convertible debentures (1)	**8,106,116**	—	**8,106,116**	—
Impact of stock options (2)	**351,340**	—	**400,138**	—
Impact of dilutive deferred share units ("DSUs")	**199,099**	—	**100,099**	—
Impact of dilutive restricted share units ("RSUs")	**374,651**	—	**364,498**	—
Weighted average number of common shares outstanding for diluted net earnings (loss) per common share	**52,544,547**	42,387,300	**52,450,746**	42,387,300
Net earnings (loss) per common share				
Basic	**$0.52**	($0.48)	**$0.70**	($0.47)
Diluted	**$0.46**	($0.48)	**$0.63**	($0.47)

(1) For both the quarter and six-month period ended June 30, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive.

(2) For the six-month period ended June 30, 2022, options to acquire 28,091 common shares were excluded from the calculation of diluted net earnings per common share as the strike price of the options was higher than the average market price of the shares (1,722,736 were excluded for the second quarter of 2021 as the conversion impact would result in a reduction of the loss per share and 1,722,736 were excluded for the six-month period as the strike price of the options was higher than the average market price of the shares).

7 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in working capital items

The changes in working capital items are detailed as follows:

	Note	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Trade and other receivables		**(17,338)**	(9,416)	**(29,831)**	(13,747)
Inventory		**(19,485)**	4,088	**(45,840)**	1,204
Prepaid expenses		**(39)**	(1,991)	**(3,338)**	(3,183)
Trade and other payables		**42,540**	22,509	**48,404**	4,233
Provision for restructuring charges	4	**(347)**	(170)	**(1,042)**	(388)
		5,331	15,020	**(31,647)**	(11,881)

As at June 30, 2022, acquisition of property and equipment of $1,491 ($591 as at June 30, 2021) remained unpaid and did not have an impact on cash. There were no unpaid intangible assets as at June 30, 2022 ($776 as at June 30, 2021).

Repayment of long-term debt

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

	Note	Six-Month Period Ended June 30,
		2022
		$
Balance, beginning of period		**337,386**
Increase in long-term debt		**129,436**
Repayment of long-term debt		**(167,384)**
Increase in lease obligations		**19,883**
Leases obligations acquired through business combinations	8	**538**
Non-cash changes in lease obligations		**(234)**
Amortization of financing costs	5	**84**
Effects of fluctuations in exchange rates		**(8,069)**
		311,640

For the six-month period ended June 30, 2022, repayment of long-term debt includes cash outflows for leases totaling $14,172 ($14,824 in 2021).

8 - BUSINESS COMBINATIONS

During the six-month period ended June 30, 2022, the Corporation acquired the net assets of one company and the shares of another company, both operating in Canada. These companies were acquired in the normal course of business. The total purchase price of the acquisitions of $12,528 was preliminarily allocated to the acquired assets and liabilities based on their fair value and includes a balance of purchase price of $3,123.

The primary factor that gave rise to the recognition of goodwill was the earnings capacity of the acquired business in excess of the net tangible and intangible assets acquired. Since its acquisition date, the acquired company generated total sales of $4,201 and net earnings of $204.

As at June 30, 2022, the following aggregate fair value amounts were recognized for each class of the acquired company's net assets at the date of acquisition: trade and other receivables for $1,783, inventory for $3,986, property and equipment for $1,774, goodwill for $5,761, customer relationships of $1,042, trade and other payables of $1,023, lease obligations – buildings for $538, deferred tax liabilities of $289 and other net assets for $32. For tax purposes, goodwill is expected to be deductible.

The Corporation is currently assessing the estimated fair values of certain assets acquired through business combination during 2022, mainly intangible assets, to finalize the purchase price allocation over the identifiable net assets acquired and goodwill. As permitted by IFRS, the Corporation expects to finalize the purchase price allocation within a year from the date of acquisition.

9 - STOCK-BASED COMPENSATION

The Corporation's stock-based compensation plans include an equity-settled stock option plan as well as a cash-settled legacy 2013 Performance Share Unit Plan ("2013 PSU Plan").

During the fourth quarter of 2021, the Corporation initially amended and restated its Restricted Share Unit Plan ("RSU Plan") to allow for the settlement of RSUs in cash or common shares purchased in the secondary market, at the discretion of the Board of Directors, using the Share Trust (refer to note 12 for further details). Awards under the RSU Plan may be settled by either equity-settled or cash-settled units.

During the first quarter of 2022, the Corporation adopted a new Performance Share Unit plan ("2022 PSU Plan") to allow for the settlement of performance share units ("PSUs") in cash or common shares, at the discretion of the Board of Directors, using the Share Trust (refer to note 12 for further details) or newly issued common shares. Under the 2022 PSU Plan, a total of 1,500,000 common shares have been reserved for issuance. As well, the Corporation amended and restated its Deferred Share Unit Plan ("DSU Plan") to allow for the settlement of DSUs in cash or common shares at the discretion of the Board of Directors, using newly issued common shares. Under the DSU Plan, a total of 600,000 common shares have been reserved for issuance.

Stock option plan

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

For the six-month period ended June 30, 2022, no options were granted to management employees and officers of the Corporation (690,000 options for 2021, with an average exercise price of CAD$14.34). During the six-month period, 402,899 options were exercised (no options for 2021) and 32,231 options were forfeited (211,427 options for 2021).

As at June 30, 2022, options granted for the issuance of 718,091 common shares (1,722,736 common shares as at June 30, 2021) were outstanding under the Corporation's stock option plan.

For the quarter and six-month period ended June 30, 2022, compensation expense of $175 and $531 respectively ($68 and $256 for 2021) was recorded in "Net earnings (loss)", with the corresponding amounts recorded in "Contributed surplus".

DSU Plan, RSU Plan and 2022 PSU Plan

I. Equity-settled Plans

Under the DSU Plan, the compensation expense is recognized at grant date. Under the 2022 PSU Plan and the RSU Plan, the compensation expense is recognized over the vesting period. Compensation expense of equity-settled DSUs, PSUs and RSUs are based on the fair value of the awards, which is determined using the stock price of the Corporation's common share at the grant date. The corresponding amounts are recorded in "Contributed surplus".

The variances in the Corporation's outstanding numbers of equity-settled DSUs, PSUs and RSUs are detailed as follows:

						Six-Month Periods Ended June 30,
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**—**	**—**	**334,907**	—	—	—
Modified to equity-settled awards	**322,496**	**—**	**—**	—	—	—
Granted	**6,278**	**394,989**	**62,111**	—	—	—
Redeemed	**—**	**—**	**(13,931)**	—	—	—
Forfeited	**—**	**(7,039)**	**(28,128)**	—	—	—
	328,774	**387,950**	**354,959**	—	—	—

9 - STOCK-BASED COMPENSATION (CONTINUED)

II. Cash-settled Plans

The variances in the Corporation's outstanding numbers of cash-settled DSUs, PSUs and RSUs are detailed as follows:

						Six-Month Periods Ended June 30,
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**330,300**	**295,799**	**251,270**	398,807	521,857	736,408
Granted	**45,862**	**—**	**22,103**	98,639	376,968	521,840
Redeemed	**(53,666)**	**(32,219)**	**(164,254)**	(30,240)	—	(115,567)
Forfeited	**—**	**(56,979)**	**—**	—	(427,034)	(249,246)
Modified to equity-settled awards	**(322,496)**	**—**	**—**	—	—	—
	—	**206,601**	**109,119**	467,206	471,791	893,435

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

			As at June 30, 2022
			$
	DSU	**PSU**	**RSU**
Current portion of long-term employee benefit obligations	**—**	**3,136**	**—**
Long-term employee benefit obligations	**—**	**1,859**	**904**
	—	**4,995**	**904**

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

III. Compensation expense

The compensation expense of both equity-settled and cash-settled plans was recorded in the Interim Consolidated Statements of Net Earnings (Loss) as follows:

						Second Quarters Ended June 30,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**(133)**	**1,726**	**845**	2,240	—	1,455
Special items	**—**	**—**	**—**	343	—	2,455
	(133)	**1,726**	**845**	2,583	—	3,910

						Six-Month Periods Ended June 30,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**1,995**	**4,095**	**911**	3,207	—	2,385
Special items	**—**	**—**	**—**	343	—	2,455
	1,995	**4,095**	**911**	3,550	—	4,840

10 - POST-EMPLOYMENT BENEFIT OBLIGATIONS

For the quarter and six-month period ended June 30, 2022, the salaries and employee benefits expense related to the Corporation's defined-benefit pension plans was $436 and $876 respectively ($564 and $1,112 in 2021), and the net interest expense of $110 and $220 ($177 and $324 in 2021) was recorded in "Net financing costs" (note 5). Benefit expenses of $1,175 and $2,263 ($1,194 and $2,335 in 2021) related to the Corporation's defined-contribution pension plans was also recognized for the same respective periods.

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

	Maturity	Effective interest rate	**Current portion**	**As at June 30,**	As at December 31,
				2022	2021
			$	**$**	$
Revolving credit facility, variable rates [1]	2025	2.20% to 5.70%	**—**	**206,585**	235,384
Deferred financing costs	—	—	**—**	**(598)**	(603)
Lease obligations - vehicles, variable rates	2022 to 2026	0.50% to 4.28%	**1,627**	**2,680**	4,071
Lease obligations - buildings, variable rates	2022 to 2033	1.32% to 7.66%	**25,557**	**102,973**	98,526
Others	—	—	**—**	**—**	8
			27,184	**311,640**	337,386
Current portion of long-term debt				**27,184**	27,015
Long-term debt				**284,456**	310,371

[1] As at June 30, 2022, a principal amount of $151,513 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($209,496 as at December 31, 2021).

Letters of credit issued under the revolving facility
As at June 30, 2022, $4,970 of letters of credit have been issued ($6,346 as at December 31, 2021).

Short-term leases, variable lease payments and leases of low-value assets
For the quarter ended June 30, 2022, expenses for short-term leases, variable lease payments and leases of low-value assets were totaling $164, $300 and $117 ($196, nil and $599 in 2021). For the six-month period ended June 30, 2022, these expenses were respectively totaling $329, $611 and $220 ($453, $321 and $746 in 2021). These charges were recorded in "Other operating expenses".

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

	Note	**Six-Month Period Ended June 30,**	Year Ended December 31,
		2022	2021
		$	$
Balance, beginning of period		**78,327**	87,728
Conversion into common shares		**—**	(10,795)
Accreted interest	5	**652**	1,348
Effects of fluctuations in exchange rates		**(563)**	46
		78,416	78,327

12 - SHARE CAPITAL

Issuance of common shares

During the six-month period ended June 30, 2022, the Corporation issued 148,088 common shares (none during the same period of 2021) upon the exercise of stock options for a total increase in share capital of $3,101. The weighted average price of the issued common shares was CAD$26.51 for the period.

Share Trust

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

During the six-month period ended June 30, 2022, the Share Trust purchased 218,823 Uni-Select Inc. common shares (none during the same period of 2021) for a cash consideration of $4,091. The weighted average price of the purchase of common shares was CAD$23.55 for the period. During the same period, 13,931 common shares were transferred or sold by the Share Trust in connection with the vesting and redemption of RSUs.

Common shares

As at June 30, 2022, 43,525,576 common shares were outstanding (43,582,380 as at December 31, 2021), corresponding to 43,940,768 issued common shares less 415,192 treasury shares in the Share Trust (43,792,680 issued common shares less 210,300 treasury shares in the Share Trust as at December 31, 2021).

13 - FINANCIAL INSTRUMENTS

Fair value hierarchy

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

- Level 1: consists of measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: consists of measurement techniques mainly based on inputs, other than quoted prices (included within Level 1), that are observable either directly or indirectly in the market; and
- Level 3: consists of measurement techniques that are not mainly based on observable market data.

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

		As at June 30, 2022		As at December 31, 2021	
			$		$
		Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets carried at amortized cost					
Advances to merchant members	**Level 2**	**720**	**720**	469	469
Financial liabilities carried at amortized cost					
Long-term debt (except lease obligations and financing costs)	**Level 2**	**206,585**	**206,585**	235,392	235,392
Convertible debentures	**Level 2**	**78,416**	**71,529**	78,327	83,055
Merchant members' deposits in the guarantee fund	**Level 2**	**5,710**	**5,710**	5,585	5,585
Financial assets carried at fair value					
Derivative financial instruments					
Foreign exchange forward contracts (1)	**Level 2**	**833**	**833**	70	70
Cross-currency interest rate swaps	**Level 2**	**678**	**678**	—	—
Interest rate swaps – Long-term (2)	**Level 2**	**7,265**	**7,265**	223	223

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

(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.

13 - FINANCIAL INSTRUMENTS (CONTINUED)

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

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

Financial assets carried at fair value

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

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

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

Derivative financial instruments – hedge of foreign exchange risk

The Corporation enters into forward contracts in order to mitigate the foreign exchange risks mainly related to future forecasted purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at June 30, 2022, are as follows:

Currencies (sold/bought)	Maturity	Average rate [(1)]	Notional amount [(2)]
			$
CAD/USD	Up to April 2023	0.79	11,816
GBP/USD	Up to December 2022	1.31	8,706
GBP/EUR	Up to December 2022	1.16	4,556

(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, 2022, were used to translate amounts in foreign currencies.

The Corporation also enters into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its US-dollar-denominated revolving credit facility into Canadian dollars. The consolidated cross-currency interest rate swaps outstanding as at June 30, 2022, are as follows:

Maturity	Notional payable (CAD$)	Notional receivable (USD$)	Receive - Rate	Pay - Rate
July 2022	60,000	47,300	2.7740%	2.9975%

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

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

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

14 - SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

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

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

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

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

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

Second Quarters Ended June 30,

	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Sales	**186,465**	171,261	**161,037**	145,267	**96,824**	99,884	**—**	—	**444,326**	416,412
Segment income (loss) (1)	**14,387**	7,831	**21,199**	12,800	**3,840**	3,456	**(5,397)**	(10,137)	**34,029**	13,950
Stock-based compensation (2)	**962**	473	**409**	211	**517**	119	**725**	2,066	**2,613**	2,869
Special items	**—**	369	**—**	453	**—**	2,759	**61**	9,468	**61**	13,049
Other adjustments (3)	**—**	20,600	**—**	—	**—**	—	**1,016**	1,129	**1,016**	21,729
Segment income (loss) reported (4)	**13,425**	(13,611)	**20,790**	12,136	**3,323**	578	**(7,199)**	(22,800)	**30,339**	(23,697)
Income tax expense (recovery)									**7,556**	(3,444)
Net earnings (loss)									**22,783**	(20,253)

Six-Month Periods Ended June 30,

	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Sales	**359,221**	329,464	**290,801**	260,429	**203,906**	196,638	**—**	—	**853,928**	786,531
Segment income (loss) (1)	**28,330**	11,621	**33,846**	19,986	**10,618**	8,427	**(10,892)**	(19,255)	**61,902**	20,779
Stock-based compensation (2)	**1,908**	486	**1,613**	491	**894**	194	**3,117**	3,481	**7,532**	4,652
Special items	**79**	827	**(439)**	473	**913**	2,759	**674**	12,416	**1,227**	16,475
Other adjustments (3)	**—**	20,600	**10,927**	—	**—**	—	**2,100**	2,242	**13,027**	22,842
Segment income (loss) reported (4)	**26,343**	(10,292)	**21,745**	19,022	**8,811**	5,474	**(16,783)**	(37,394)	**40,116**	(23,190)
Income tax expense (recovery)									**9,594**	(3,150)
Net earnings (loss)									**30,522**	(20,040)

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

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

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

(4) Per Interim Consolidated Statements of Net Earnings (Loss), corresponds to “Earnings (loss) 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:

	Second Quarters Ended June 30,		Six-Month Periods Ended June 30,	
	2022	2021	**2022**	2021
Sales	**$**	$	**$**	$
United States	**186,465**	171,261	**359,221**	329,464
Canada	**161,037**	145,267	**290,801**	260,429
United Kingdom	**96,824**	99,884	**203,906**	196,638
	444,326	416,412	**853,928**	786,531

				As at June 30, 2022
	United States	**Canada**	**United Kingdom**	**Total**
	$	**$**	**$**	**$**
Property and equipment	**43,016**	**57,968**	**51,311**	**152,295**
Intangible assets with definite useful lives	**72,433**	**23,416**	**29,058**	**124,907**
Intangible assets with indefinite useful lives	**7,900**	**—**	**27,451**	**35,351**
Goodwill	**201,951**	**68,051**	**67,601**	**337,603**

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

15 - SUBSEQUENT EVENT

On July 25, 2022, the Corporation entered into a definitive agreement to acquire all the shares of Maslack Supply Limited and related real estate properties. The acquisition closed on August 2, 2022 for a total purchase price of CAD$52,250.