

**Uni-Select reports its first quarter of 2018 driven by The Parts Alliance contribution:**

- Sales up 42.0% to \$422.1 million of which The Parts Alliance contribution represented \$110.0 million or 37.0%;
- Solid organic growth <sup>(1)</sup> of 5.9% from the Canadian operations;
- EBITDA <sup>(1)</sup> of \$27.0 million up 16.5%; Adjusted EBITDA <sup>(1)</sup> of \$27.6 million up 19.2%;
- EBITDA margin <sup>(1)</sup> at The Parts Alliance UK of 8.7%;
- EPS of \$0.25, Adjusted EPS <sup>(1)</sup> up 11.5% to \$0.29; and
- Reiterating 2018 annual guidance.

*Unless otherwise indicated in this press release, all amounts are expressed in thousands of US dollars, except per share amounts and percentages.*

**Boucherville (Québec), May 3, 2018** – Uni-Select Inc. (TSX:UNS) today reported its financial results for the first quarter ended March 31, 2018.

“Overall our first quarter results were in line with our expectations when considering the seasonality of our business. For the quarter, revenues increased by 42.0% and EBITDA by 16.5% when compared to last year fuelled by the UK acquisition,” said Henry Buckley, President and Chief Executive Officer of Uni-Select.

“The Parts Alliance continued its strategy of network expansion by opening four greenfields and generated an EBITDA margin of 8.7% in a seasonally strong quarter, as expected. The Canadian business demonstrated robust organic growth of 5.9% and generated an EBITDA margin in line with last year, representative of its seasonally softest quarter of the year. Finally, FinishMaster continued to face some headwinds as it rebuilds sales momentum, with early signs of success as a result of winning new business volume.”

“Looking forward, considering first quarter results, our business outlook in the U.K. and in Canada and the progressive improvement expected at FinishMaster throughout 2018, we are confident to achieve our consolidated guidance for the year,” concluded Mr. Buckley.

**For further information about the Corporation’s use of the non-IFRS measures identified in this press release, refer to “Non-IFRS financial measures” section.**

	THREE-MONTH PERIODS	
	2018	2017
Sales	422,094	297,200
EBITDA <sup>(1)</sup>	27,002	23,173
<i>EBITDA margin <sup>(1)</sup></i>	6.4%	7.8%
Adjusted EBITDA <sup>(1)</sup>	27,620	23,173
<i>Adjusted EBITDA margin <sup>(1)</sup></i>	6.5%	7.8%
Net earnings	10,391	10,998
Adjusted earnings <sup>(1)</sup>	12,116	10,998
Earnings per share	0.25	0.26
Adjusted earnings per share <sup>(1)</sup>	0.29	0.26

<sup>(1)</sup> Non-IFRS financial measures. Refer to the “Non-IFRS financial measures” section for further details.

## **FIRST QUARTER RESULTS**

Consolidated sales for the first quarter were \$422.1 million, a 42.0% increase compared to the same quarter last year, driven by the sales generated from recent business acquisitions, adding sales of \$121.6 million or 40.9%, of which The Parts Alliance UK segment represents \$110.0 million or 37.0%. The Canadian Automotive Group segment delivered a solid organic growth of 5.9% offsetting the performance of the FinishMaster US segment, which is reporting negative organic growth of 2.8%.

The Corporation generated an EBITDA and EBITDA margin of \$27.0 million and 6.4%, respectively. Once adjusted for net transaction charges related to The Parts Alliance acquisition, EBITDA was \$27.6 million (6.5% of sales) for the quarter, compared to \$23.2 million (7.8% of sales) in 2017, an increase of 19.2%. The adjusted EBITDA margin decreased by 130 basis points and was affected by a revenue mix impact and lower special buys in the FinishMaster US segment as well as by integration efforts to optimize the growing network of company-owned stores in the Canadian Automotive Group segment. These impacts were partially compensated by savings resulting from the 20/20 initiative as well as by an improved cost absorption at the Parts Alliance UK segment benefiting from its peak season.

Net earnings and adjusted earnings were respectively \$10.4 million and \$12.1 million. Adjusted earnings increased by 10.2% compared to the same quarter last year and mainly resulted from the Parts Alliance UK segment's contribution and the reduction of the Corporation income tax rate for its US operations. These elements were partially offset by additional finance costs as well as depreciation and amortization, all related to recent business acquisitions and investments in capital.

### **Segmented Results**

The FinishMaster US segment recorded sales of \$201.4 million, up 0.8% from the same quarter in 2017, supported by recent business acquisitions representing a growth of \$7.3 million or 3.6% and compensating the negative organic growth. However, starting in the second quarter, the FinishMaster US segment will benefit from winning new business volume. This is expected to progressively offset the impact of the first quarter by the end of the third quarter. EBITDA for this segment was \$19.9 million, compared to \$23.3 million in 2017. The EBITDA margin decrease of 180 basis points is the result of lower special buys in the current quarter and an evolving customer mix as a result of recent business acquisitions that have more MSOs and for which discounts are more significant. These elements were partially compensated by savings arising from the 20/20 initiative, with the integration of 3 stores and the alignment of employee benefits and operating expenses to its evolving cost-to-serve model.

Sales for the Canadian Automotive Group segment were \$110.7 million, compared to \$97.5 million in 2017, an increase of approximately 13.5%, the result of a solid organic growth of 5.9% stemming from sales to independent customers as well as from sales through its growing network of company-owned stores, the impact of the Canadian dollar on its conversion to US dollar and recent business acquisitions. The EBITDA margin of the current quarter was slightly below last year, mainly due to the internalization of the servers, which was a favorable one-time saving in 2017 compared to the current quarter, as well as integration efforts to optimize its growing network of company-owned stores, which included severance. These elements were partially counterbalanced by higher volume rebates, improving the gross margin of the current quarter compared to the corresponding quarter last year.

The Parts Alliance UK segment recorded sales of \$110.0 million and EBITDA of \$9.6 million (8.7% of sales). The peak season of this segment, which typically covers the first and the second quarters, is enabling the leverage of its cost base. Further supported by cost actions taken during the last quarter of 2017, the result was an EBITDA margin of 8.7% for the current quarter, in contrast to the 4.0% recorded in the fourth quarter of 2017. As part of its growth strategy, this segment opened 6 greenfields since the beginning of the year.

### **DIVIDENDS**

On May 3, 2018, the Uni-Select Board of Directors declared a quarterly dividend of C\$0.0925 per share payable on July 17, 2018 to shareholders of record as at June 30, 2018. This dividend is an eligible dividend for income tax purposes.

## OUTLOOK

The information included within this section contains guidance for Uni-Select in 2018:

Uni-Select	
Consolidated adjusted EBITDA margin	7.2% - 8.2%
Consolidated organic sales growth	2.25% - 4.0%
Consolidated effective tax rate	22.0% - 24.0%

  

Segment	Organic Sales Growth
FinishMaster US	2.0% - 4.0%
Canadian Automotive Group	2.5% - 4.0%
The Parts Alliance UK	3.0% - 4.0%

The above-mentioned information is related to the 2018 financial year and may differ from quarter to quarter due to seasonality.

## Other

As well, Uni-Select anticipates investments between \$26.0 million and \$29.0 million on vehicle fleet, hardware equipment, software and others.

## CONFERENCE CALL

Uni-Select will host a conference call to discuss its first quarter results for 2018 on May 3, 2018 at 8:00 AM Eastern. To join the conference, dial 1 866 865-3087 (or 1 647 427-7450 for International calls).

A recording of the conference call will be available from 11:00 AM Eastern on May 3, 2018 until 11:59 PM Eastern on June 3, 2018. To access the replay, dial 1 855 859-2056 followed by 7386647.

A live webcast of the quarterly results conference call will also be accessible through the "[Investors](#)" section of our website at uniselect.com where a replay will also be archived. Listeners should allow ample time to access the webcast and supporting slides.

## ABOUT UNI-SELECT

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

In Canada, Uni-Select supports over 16,000 automotive repair and collision repair shops through a growing national network of more than 1,100 independent customers and over 60 company-owned stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® AND FINISHMASTER® store banner programs. It also supports over 3,900 shops and stores through its automotive repair/installer shop banners, as well as through its automotive refinish banners.

In the United States, Uni-Select, through its wholly-owned subsidiary FinishMaster, Inc., operates a national network of over 200 automotive refinish company-owned stores under the FINISHMASTER banner which services a network of over 30,000 customers annually, of which it is the primary supplier to over 6,800 collision repair centre customers.

In the UK and Ireland, Uni-Select, through its Parts Alliance group of subsidiaries, is a leading distributor of automotive parts supporting over 23,000 customer accounts with a network of close to 200 locations including over 170 company-owned stores.

## **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

Certain statements made in this press release are forward-looking statements. These statements include, without limitation, statements relating to our 2018 financial guidance (including, without limitation, adjusted EBITDA margin and organic sales by business unit) and other statements that are not historical facts. Forward-looking statements are typically identified by the words *assumption, goal, guidance, objective, outlook, project, strategy, target* and other similar expressions or future or conditional verbs such as *aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive* and *will*. All such forward-looking statements are made pursuant to the “safe harbour” provisions of applicable Canadian securities laws.

Forward-looking statements are, by their very nature, subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which may cause expressed expectations to be significantly different from those listed or implied within this press release and our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statement will materialize and we caution you against relying on any of these forward-looking statements. The forward-looking information contained herein is made as of the date of this press release, and Uni-Select does not undertake to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. Forward-looking statements are presented in this press release for the purpose of assisting investors and others in understanding certain key elements of our expected 2018 financial results, as well as our objectives, strategic priorities and business outlook for 2018, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

## **MATERIAL ASSUMPTIONS**

A number of economic, market, operational and financial assumptions were made by Uni-Select in preparing its forward-looking statements contained in this press release, including, but not limited to:

### **Economic Assumptions:**

- Economic conditions in Canada, the United States and the United Kingdom will remain stable;
- The current negotiations for the exit of the United Kingdom from European Union do not result in economic uncertainty;
- Interest rates expected to slightly increase in 2018;
- Canadian dollar and the British pound are expected to remain at, or around, near current levels. Further fluctuations may be impacted by the degree of strength of the US dollar, interest rates and changes in commodity prices.

### **Market Assumptions:**

Our 2018 forward-looking statements also reflect various market assumptions, in particular:

- New-car sales in the three business segments are expected to be similar in 2018 to those of 2017;
- For all 3 operational segments, fuel costs at the pump are not expected to increase significantly beyond current levels; distance travelled and accident rates to remain within those experienced in 2017;
- No material, operational or competitive consequence resulting from changes in regulations or the insurance market affecting the automotive aftermarket businesses.

### **Operational and Financial Assumptions:**

The 2018 forward-looking statements are also based on various internal operational and financial assumptions, including, but not limited to:

- Maintaining market share in the 3 operational segments;
- Uni-Select will be able to realize efficiency gains in its cost structure to support the profitability and cash flow generation expected from its 20/20 initiative;

- The revenue mix between Uni-Select’s operations and within its 3 operational segments will not materially change from anticipated levels;
- No introduction of disruptive technologies during the year;
- No significant change in the buying conditions beyond current levels;
- It is important to note that organic sales and EBITDA margin of the business segments are affected by seasonality and are impacting the consolidated results:
  - **FinishMaster US** tends to have softer first and fourth quarters, with its third quarter being the strongest;
  - **Canadian Automotive Group** tends to have softer first and fourth quarters than second and third quarters; and
  - **The Parts Alliance UK** tends to have softer third and fourth quarters than first and second quarters;
- No significant acquisition; and
- Guidance is based on current accounting standards and policies including Uni-Select non-IFRS measures.

The foregoing assumptions, although considered reasonable by Uni-Select on May 3, 2018, may prove to be inaccurate. Accordingly, our actual results could differ materially from our expectations set forth in this press release.

#### **MATERIAL RISKS**

Important risk factors that could cause our assumptions and estimates to be inaccurate and actual results of events to differ materially from those expressed in, or implied by, our forward-looking statements, including our 2018 financial guidance, are listed below. The realization of our forward-looking statements, including our ability to meet our 2018 financial guidance, essentially depends on our business performance which, in turn, is subject to many risks. Accordingly, readers are cautioned that any of the following risks could have a material adverse effect on our forward-looking statements. These risks include, but are not limited to economic climate, changes in legislation or government regulations or policies, inflation, distance travelled, growth in vehicle fleet, products supply and inventory management, distribution by the manufacturer directly to consumers, technology, environmental risks, legal and tax risks, risks related to Uni-Select’s business model and strategy, integration of acquired business, competition, business and financial systems, human resources, liquidity risk, credit risk, foreign exchange risk and interest rates.

For additional information with respect to risks and uncertainties, refer to the Annual Report filed by Uni-Select with the Canadian securities commissions.

#### **ADDITIONAL INFORMATION**

The Management’s Discussion and Analysis (MD&A), consolidated financial statements and related notes for the first quarter of 2018 are available in the “[Investors](#)” section on the Corporation’s website at [uniselect.com](http://uniselect.com) as well as on SEDAR at [sedar.com](http://sedar.com). The Corporation’s Annual Report may also be found on these websites as well as other information related to Uni-Select, including its Annual Information Form.

#### **CONTACT INFORMATION**

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## NON-IFRS FINANCIAL MEASURES

The information included in this Press release contains certain financial measures that are inconsistent with IFRS. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other entities.

**Organic growth** – This measure consists of quantifying the increase in pro forma consolidated sales between two given periods, excluding the impact of acquisitions, sales and disposals of 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. Determining the rate of organic growth, based on findings that Management regards as reasonable, may differ from the actual rate of organic growth.

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

**Adjusted EBITDA, adjusted earnings and adjusted earnings per share** – Management uses adjusted EBITDA, adjusted earnings and adjusted earnings per share to assess EBITDA, net earnings and net earnings per share from operating activities, excluding certain adjustments, net of income taxes (for adjusted earnings and adjusted earnings per share), which may affect the comparability of the Corporation's financial results. Management considers that these measures are more representative of the Corporation's operational performance and more appropriate in providing additional information. These adjustments include, among other things, restructuring and other charges as well as net transaction charges, amortization of the premium on foreign currency options and amortization of intangible assets related to The Parts Alliance acquisition. The Management consider The Parts Alliance acquisition as transformational. The exclusion of these items does not indicate that they are non-recurring.

**EBITDA margin and adjusted EBITDA margin** – The EBITDA margin is a percentage corresponding to the ratio of the EBITDA to sales. The adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.

**Free cash flows** - This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: changes in working capital items, acquisitions of property and equipment and difference between amounts paid for post-employment benefits and current period expenses. Uni-Select considers the free cash flows to be a good indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth in working capital, pay dividends, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. The free cash flows exclude certain variances in working capital items (such as trade and other receivables, inventory and trade and other payables) and other funds generated and used according to the consolidated statements of cash flows. Therefore, it should not be considered as an alternative to the consolidated statements of cash flows, or as a measure of liquidity, but as additional information.

The following table presents a reconciliation of organic growth.

	First quarters	
	2018	2017
<i>FinishMaster US</i>	201,379	199,702
<i>Canadian Automotive Group</i>	110,669	97,498
<i>The Parts Alliance UK</i>	110,046	-
<b>Sales</b>	<b>422,094</b>	<b>297,200</b>
		%
<b>Sales variance</b>	<b>124,894</b>	<b>42.0</b>
Conversion effect of the Canadian dollar	(4,800)	(1.6)
Number of billing days	1,657	0.5
Acquisitions and others	(121,644)	(40.9)
<b>Consolidated organic growth</b>	<b>107</b>	<b>0.0</b>

## NON-IFRS FINANCIAL MEASURES (CONTINUED)

The following table presents a reconciliation of EBITDA and adjusted EBITDA.

	First quarters		
	2018	2017	%
<b>Net earnings</b>	<b>10,391</b>	10,998	
Income tax expense	1,714	5,787	
Depreciation and amortization	9,934	4,802	
Finance costs, net	4,963	1,586	
<b>EBITDA</b>	<b>27,002</b>	23,173	16.5
<i>EBITDA margin</i>	<b>6.4%</b>	7.8%	
Net transaction charges related to The Parts Alliance acquisition	618	-	
<b>Adjusted EBITDA</b>	<b>27,620</b>	23,173	19.2
<i>Adjusted EBITDA margin</i>	<b>6.5%</b>	7.8%	

The following table presents a reconciliation of adjusted earnings and adjusted earnings per share.

	First quarters		
	2018	2017	%
Net earnings	10,391	10,998	(5.5)
Net transaction charges related to The Parts Alliance acquisition, net of taxes	555	-	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	1,170	-	
<b>Adjusted earnings</b>	<b>12,116</b>	10,998	10.2
Earnings per share	0.25	0.26	(3.8)
Net transaction charges related to The Parts Alliance acquisition, net of taxes	0.01	-	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	0.03	-	
<b>Adjusted earnings per share</b>	<b>0.29</b>	0.26	11.5

The following table presents a reconciliation of free cash flows.

	First quarters	
	2018	2017
<b>Cash flows from (used in) operating activities</b>	<b>(30,284)</b>	2,125
Changes in working capital	41,135	20,292
	10,851	22,417
Acquisitions of property and equipment	(3,929)	(1,219)
Difference between amounts paid for post-employment benefits and current period expenses	(201)	(104)
<b>Free cash flows</b>	<b>6,721</b>	21,094

# UNI-SELECT INC.

## CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of US dollars, except per share amounts, unaudited)	Quarters ended	
	March 31,	
	2018	2017
<b>Sales</b>	<b>422,094</b>	297,200
Purchases, net of changes in inventories	<b>279,325</b>	203,283
Gross margin	<b>142,769</b>	93,917
Employee benefits	<b>79,886</b>	48,565
Other operating expenses	<b>35,263</b>	22,179
Net transaction charges related to The Parts Alliance acquisition	<b>618</b>	-
Earnings before finance costs, depreciation and amortization and income taxes	<b>27,002</b>	23,173
Finance costs, net	<b>4,963</b>	1,586
Depreciation and amortization	<b>9,934</b>	4,802
Earnings before income taxes	<b>12,105</b>	16,785
Income tax expense	<b>1,714</b>	5,787
<b>Net earnings</b>	<b>10,391</b>	10,998
<b>Earnings per share</b> (basic and diluted)	<b>0.25</b>	0.26
<b>Weighted average number of common shares outstanding</b> (in thousands)		
Basic	<b>42,274</b>	42,247
Diluted	<b>42,355</b>	42,414

# UNI-SELECT INC.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Quarters ended	
	March 31,	
	2018	2017
<b>Net earnings</b>	<b>10,391</b>	10,998
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 \$353)	<b>1,027</b>	-
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to earnings (net of income tax of \$36)	<b>104</b>	-
Unrealized exchange gains on the translation of financial statements to the presentation currency	<b>15,544</b>	1,862
Unrealized exchange losses on the translation of debt designated as a hedge of net investments in foreign operations	<b>(11,455)</b>	-
	<b>5,220</b>	1,862
Items that will not subsequently be reclassified to net earnings:		
Remeasurements of long-term employee benefit obligations (net of income tax of \$37 (\$16 in 2017))	<b>(118)</b>	68
Total other comprehensive income	<b>5,102</b>	1,930
<b>Comprehensive income</b>	<b>15,493</b>	12,928

# UNI-SELECT INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars, unaudited)	Attributable to shareholders				Total equity
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	
<b>Balance, December 31, 2016</b>	96,924	4,260	401,420	(30,242)	472,362
Net earnings	-	-	10,998	-	10,998
Other comprehensive income	-	-	68	1,862	1,930
Comprehensive income	-	-	11,066	1,862	12,928
Contributions by and distributions to shareholders:					
Issuance of common shares	380	-	-	-	380
Dividends	-	-	(2,715)	-	(2,715)
Stock-based compensation	-	185	-	-	185
	380	185	(2,715)	-	(2,150)
<b>Balance, March 31, 2017</b>	97,304	4,445	409,771	(28,380)	483,140
<b>Balance, December 31, 2017</b>	97,585	5,184	432,470	(17,262)	517,977
Net earnings	-	-	10,391	-	10,391
Other comprehensive income (loss)	-	-	(118)	5,220	5,102
Comprehensive income	-	-	10,273	5,220	15,493
Contributions by and distributions to shareholders:					
Dividends	-	-	(3,093)	-	(3,093)
Stock-based compensation	-	482	-	-	482
	-	482	(3,093)	-	(2,611)
<b>Balance, March 31, 2018</b>	97,585	5,666	439,650	(12,042)	530,859

# UNI-SELECT INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Quarters ended	
	March 31,	
	2018	2017
<b>OPERATING ACTIVITIES</b>		
Net earnings	10,391	10,998
Non-cash items:		
Finance costs, net	4,963	1,586
Depreciation and amortization	9,934	4,802
Income tax expense	1,714	5,787
Amortization and reserves related to incentives granted to customers	4,108	3,543
Other non-cash items	(939)	(25)
Changes in working capital items	(41,135)	(20,292)
Interest paid	(4,371)	(1,229)
Income taxes paid	(14,949)	(3,045)
Cash flows from (used in) operating activities	(30,284)	2,125
<b>INVESTING ACTIVITIES</b>		
Business acquisitions	-	(66,082)
Net balance of purchase price	(2,696)	(3,405)
Cash held in escrow	-	(8,477)
Advances to merchant members and incentives granted to customers	(8,930)	(7,604)
Reimbursement of advances to merchant members	844	1,328
Acquisitions of property and equipment	(3,929)	(1,219)
Proceeds from disposal of property and equipment	300	-
Acquisitions and development of intangible assets	(551)	(829)
Cash flows used in investing activities	(14,962)	(86,288)
<b>FINANCING ACTIVITIES</b>		
Increase in long-term debt	68,521	116,494
Repayment of long-term debt	(32,615)	(40,181)
Net increase (decrease) in merchant members' deposits in the guarantee fund	264	(196)
Issuance of common shares	-	380
Dividends paid	(3,150)	(2,726)
Cash flows from financing activities	33,020	73,771
Effects of fluctuations in exchange rates on cash	564	11
Net decrease in cash	(11,662)	(10,381)
Cash, beginning of period	30,672	22,325
Cash, end of period	19,010	11,944

# UNI-SELECT INC.

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)

March 31, Dec. 31,

2018 2017

### ASSETS

#### Current assets:

Cash	19,010	30,672
Cash held in escrow	2,174	8,147
Trade and other receivables	249,133	236,811
Income taxes receivable	32,786	29,279
Inventory	466,792	458,354
Prepaid expenses	13,328	10,196
<b>Total current assets</b>	<b>783,223</b>	<b>773,459</b>

Investments and advances to merchant members

33,218 30,628

Property and equipment

77,861 78,644

Intangible assets

233,399 231,365

Goodwill

371,945 372,119

Derivative financial instruments

1,609 -

Deferred tax assets

9,606 10,174

### TOTAL ASSETS

**1,510,861 1,496,389**

### LIABILITIES

#### Current liabilities:

Trade and other payables	428,246	446,370
Balance of purchase price, net	6,665	15,469
Income taxes payable	7,470	16,831
Dividends payable	3,032	3,110
Current portion of long-term debt and merchant members' deposits in the guarantee fund	28,999	37,098
<b>Total current liabilities</b>	<b>474,412</b>	<b>518,878</b>

Long-term employee benefit obligations

17,209 20,985

Long-term debt

458,589 411,585

Merchant members' deposits in the guarantee fund

5,666 5,543

Balance of purchase price, net

3,058 2,944

Other provisions

1,383 1,331

Derivative financial instruments

3,066 1,041

Deferred tax liabilities

16,619 16,105

### TOTAL LIABILITIES

**980,002 978,412**

### EQUITY

Share capital	97,585	97,585
Contributed surplus	5,666	5,184
Retained earnings	439,650	432,470
Accumulated other comprehensive loss	(12,042)	(17,262)

### TOTAL EQUITY

**530,859 517,977**

### TOTAL LIABILITIES AND EQUITY

**1,510,861 1,496,389**