Press Release

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Uni-Select Inc. Reports 2019 Second Quarter Financial Results and Quarterly Highlights:

- **Performance Improvement Plan ("PIP") update:**
  - **Realized annualized savings of $7.8 million from the integration of 15 company-owned stores and the optimization of workforce; and**
  - **Identified further optimization initiatives expected to generate an additional $10.0 million in annualized savings;**
- **Total net debt[1] down $93.5 million;**
- **Sales of $456.2 million, up 1.2% organically[1];**
- **EBT[2] of $8.5 million compared to $21.0 million in 2018; adjusted EBT[1][2] and adjusted EBT margin[1][2] of $13.9 million and 3.0% compared to $22.3 million and 4.8% in 2018;**
- **EPS of $0.15 compared to $0.42 for 2018; adjusted EPS[1] of $0.25 versus $0.44 for 2018; and**
- **Guidance maintained.**

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

Boucherville (Québec), August 7, 2019 – Uni-Select Inc. (TSX:UNS) (**"Uni-Select"** or **"Corporation"**) today reported its financial results for the second quarter ended June 30, 2019.

"I am pleased with the strong performance of the Canadian Automotive Group and by the execution of the Performance Improvement Plan at FinishMaster U.S. The Parts Alliance U.K. is operating in a difficult environment and we are actively focusing on our cost structure and margins," said Brent Windom, President and Chief Executive Officer, Uni-Select Inc. and President and Chief Operating Officer, Canadian Automotive Group.

"We continue to work on our Performance Improvement Plan and Strategic Alternatives Review, and we are pleased with the results obtained by our Canadian operations in the execution of optimization initiatives. With regards to FinishMaster U.S., the execution of the PIP is on track with 11 company-owned stores integrated this quarter and we are now confident to realize more savings than originally anticipated. In the U.K., the operating context is challenging with the uncertainty surrounding Brexit, and we are therefore implementing initiatives to reduce our cost base. We fully expect the combination of these actions to lead to tangible benefits in the second half of the year. As a result, we are reiterating our guidance for 2019," concluded Mr. Windom.

OPERATIONAL OVERVIEW

Performance Improvement Plan

In January 2019, the Board of Directors and Management initiated the development of a broad performance improvement and rightsizing plan for the FinishMaster U.S. segment with the objective of realigning its operations to address changing market conditions, including ongoing consolidation by national accounts and pricing pressures. This plan is expected to generate additional annualized hard cost savings of $10.0 million by the end of 2019, through the consolidation of company-owned stores (approximately $5.0 million), optimization (approximately $4.5 million) and spending reductions (approximately $0.5 million). The company-owned stores to be integrated are expected to produce marginal sales erosion since the strategy is to transfer sales activities to nearby locations, optimizing the logistical processes and cost efficiency.

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(1) Non-IFRS financial measures. Refer to the "Non-IFRS financial measures" section for further details.

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

The 25/20 Plan and the FinishMaster U.S. segment performance improvement and rightsizing plan combined together are now referred to as the PIP.

Due to the uncertainty and challenging macroeconomics in the U.K., the Corporation decided in July 2019 to expand the PIP in The Parts Alliance U.K. segment and, as a result, will be adjusting the cost structure model and productivity of this segment. These initiatives are expected to generate $5.0 million annualized savings. As well, recent optimization initiatives at the FinishMaster U.S. segment are expected to generate savings of $5.0 million, in addition to the $10.0 million mentioned above. Through this plan and initiatives, the Corporation now expects to generate annualized cost savings of $45.0 million by the end of 2020 (from $35.0 million), of which, more than 60% has been realized as at June 30, 2019. In addition to the savings realized in 2018, the Corporation realized annualized savings of $10.5 million since the beginning of the year, mainly from the FinishMaster U.S. and the Canadian Automotive Group segments.

The one-time total cash cost of implementing the PIP has therefore been revised and is now expected to be $16.5 million (from $13.5 million), mainly for severance, consulting fees and moving costs. The Corporation is also expecting to write down certain assets of approximately $4.0 million, mainly for the FinishMaster U.S. segment. During the six-month period of 2019, the Corporation recognized restructuring and other charges totalling $8.0 million, of which, $3.3 million is non-cash for the write-down of assets.

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

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

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

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

Update on Strategic Review Process

In September 2018, the Board announced the formation of a Special Committee of independent members of the Board to oversee a review of strategic alternatives. As was indicated at the outset of this process, we have not determined a definitive schedule. However, we are diligently working on such review of strategic alternatives and, concurrently, taking concrete actions to improve our business model through the PIP.

Given the nature of the process, the Corporation does not intend to provide further updates until such time as the Board approves a definitive transaction or strategic alternative, or otherwise determines that further disclosure is appropriate. There are no guarantees that the review of strategic alternatives will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

FINANCIAL RESULTS

Adoption of IFRS 16 - Leases

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

The following table presents selected consolidated information:

	SECOND QUARTERS		SIX-MONTH PERIODS	
	2019	2018	2019	2018
Sales	456,175	461,571	876,212	883,665
EBITDA [(1)]	31,734	35,443	53,090	62,445
EBITDA margin [(1)]	*7.0%*	*7.7%*	*6.1%*	*7.1%*
Adjusted EBITDA [(1)]	35,808	35,557	64,259	63,177
Adjusted EBITDA margin [(1)]	*7.8%*	*7.7%*	*7.3%*	*7.1%*
EBT	8,540	21,042	7,243	33,147
EBT margin [(1)]	*1.9%*	*4.6%*	*0.8%*	*3.8%*
Adjusted EBT [(1)]	13,877	22,261	20,956	36,429
Adjusted EBT margin [(1)]	*3.0%*	*4.8%*	*2.4%*	*4.1%*
Special items	4,074	114	11,169	732
Net earnings	6,318	17,875	4,985	28,266
Adjusted earnings [(1)]	10,422	18,399	15,472	30,515
Earnings per share	0.15	0.42	0.12	0.67
Adjusted earnings per share [(1)]	0.25	0.44	0.37	0.72

(1) Non-IFRS financial measures. Refer to the "Non-IFRS financial measures" section for further details.

SECOND QUARTER RESULTS

Consolidated sales of $456.2 million for the second quarter, when compared to the same quarter last year, were affected by a foreign currency conversion impact amounting to $11.0 million or 2.4%, as well as by the impact of a different number of billing days of $3.9 million or 0.8%. Consolidated organic growth for the quarter was $5.6 million or 1.2%. The Canadian Automotive Group and the FinishMaster U.S. segments generated organic growth of 5.5% and 0.7% respectively, while The Parts Alliance U.K. segment faced macroeconomic challenges and reported a negative organic growth of 3.2%.

The Corporation generated adjusted EBT and adjusted EBT margin of $13.9 million and 3.0%, respectively, compared to $22.3 million and 4.8% in 2018. This variance is mainly attributable to the compression of the gross margin in the FinishMaster U.S. segment, and to a reduced volume of sales in The Parts Alliance U.K. segment, impacting rebates. Furthermore, adjusted EBT margin is affected by the recent opening of greenfields and distribution centres, as well as by higher borrowing costs. However, they were partially compensated by higher volume rebates from the Canadian Automotive Group segment, overall savings realized from the PIP and reduced short-term and long-term compensation due to the overall performance.

Net earnings and adjusted earnings were respectively $6.3 million and $10.4 million, compared to $17.9 million and $18.4 million in 2018. Adjusted earnings decreased by $8.0 million compared to the same quarter last year, due to a lower adjusted EBT and a change in the proposed U.S. tax regulations announced in December 2018.

Segmented Second Quarter Results

The FinishMaster U.S. segment is reporting organic growth for a fifth consecutive quarter. Sales are up 0.7% organically compared to the same quarter in 2018. This performance is attributable to the sales team efforts on driving growth, while navigating through a restructuring and the consolidation of 11 company-owned stores. EBT was $10.4 million, compared to $17.1 million for the corresponding quarter of 2018. Adjusted EBT was $11.6 million or 5.5% of sales compared to $17.1 million or 8.1% of sales for the same quarter last year, a decrease of 260 basis points attributable to the compression of the gross margin from the combination of an evolving customer mix and pricing pressure. They were partially compensated by an improved absorption of fixed costs related to organic growth and by realized benefits from the PIP.

Sales for the Canadian Automotive Group segment were $143.4 million, an increase of 2.8% from 2018, fuelled by organic growth of 5.5% and by the contribution of business acquisitions, exceeding the effect of the Canadian dollar on its conversion to the US dollar and a different number of billing days. The organic growth is attributable to improved loyalty programs, growing customers, promotion of private brands, as well as timing in sales of paint, body and equipment. EBT for this segment was $10.6 million, up 53.0% from 2018. The adjusted EBT was $11.2 million or 7.8% of sales, compared to $6.9 million or 5.0% of sales, an increase of 280 basis points attributable to a different timing in rebates and to an improved performance of company-owned stores, stimulated by the optimization initiatives recently implemented.

Sales for The Parts Alliance U.K. segment were $100.5 million. Once adjusted for the effect of the British pound on its conversion to the US dollar, sales decreased by 4.2% compared to the same quarter last year. This variance is mainly attributable to a negative organic growth of 3.2% and a different number of billing days. EBT and adjusted EBT for this segment were $(1.4) million or (1.4)% of sales, compared to $6.5 million or 5.8% of sales for the same quarter last year. The variance is mainly due to a lower volume of sales, impacting rebates and reducing the absorption of fixed costs. In addition, the EBT margin is affected by recent investments in greenfields and the opening of a distribution centre, both of which will reach their optimal productivity levels within 12 to 24 months after their openings.

SIX-MONTH PERIOD RESULTS

Consolidated sales of $876.2 million for the six-month period, when compared to the same period last year, were impacted by the conversion effect of the Canadian dollar and the British pound into the US dollar and by a different number of billing days. Consolidated organic growth for the six-month period was $15.9 million or 1.8%. The Canadian Automotive Group and the FinishMaster U.S. segments generated organic growth of 5.1% and 1.9% respectively, while The Parts Alliance U.K. segment faced macroeconomic challenges and reported a negative organic growth of 2.2%.

The Corporation generated adjusted EBT and adjusted EBT margin of $21.0 million and 2.4%, respectively, compared to $36.4 million and 4.1% in 2018. This variance is mainly attributable to the compression of the gross margin in the FinishMaster U.S. segment, and to a reduced volume of sales in The Parts Alliance U.K. segment, impacting volume rebates. Furthermore, the adjusted EBT margin was affected by the opening of greenfields and distribution centres, as well as by higher borrowing costs. They were partially compensated by higher volume rebates from the Canadian Automotive Group segment, overall savings realized from the PIP and reduced short-term and long-term compensation due to the overall performance.

Net earnings and adjusted earnings were respectively $5.0 million and $15.5 million, compared to $28.3 million and $30.5 million in 2018. Adjusted earnings decreased by $15.0 million compared to the same period last year, due to a lower adjusted EBT and a change in the proposed U.S. tax regulations announced in December 2018.

Segmented Six-Month Period Results

The FinishMaster U.S. segment is reporting a growth in sales of 1.1%, compared to the same period in 2018, resulting from the organic growth of 1.9%, partially offset by the impact of a different number of billing days. This performance is essentially attributable to the sales team initiatives. EBT was $14.1 million, compared to $32.6 million for the corresponding period of 2018. Adjusted EBT was $20.6 million or 4.9% of sales compared to $32.6 million or 7.9% of sales for the same period last year, a decrease of 300 basis points attributable to the compression of the gross margin from the combination of an evolving customer mix and pricing pressure. They were partially compensated by an improved absorption of fixed costs related to organic growth and by realized benefits from the PIP. Initiatives as part of the PIP are ongoing, as planned, with the integration of 14 company-owned stores during the six-month period and generated $5.7 million annualized saving.

The Canadian Automotive Group segment is reporting a growth in sales of 2.5% compared to the same period in 2018. This growth is supported by organic growth of 5.1% and the contribution of business acquisitions, exceeding the effect of the Canadian dollar on its conversion to the US dollar and a different number of billing days. Reported organic growth is attributable to initiatives focused on customer service, as well as timing in sales of paint, body and equipment. EBT for this segment was $13.3 million, up 86.5% from 2018. Adjusted EBT was $14.8 million or 5.8% of sales, compared to $7.1 million or 2.8% of sales, an increase of 300 basis points attributable to a different timing in rebates and an improved performance of the company-owned stores, stimulated by the optimization initiatives recently implemented.

Sales for The Parts Alliance U.K. segment were $202.9 million. Once adjusted for the effect of the British pound on its conversion to the US dollar, sales decreased by 2.4% compared to the same period last year. This variance is mainly attributable to a negative organic growth of 2.2% and a different number of billing days. EBT and adjusted EBT for this segment were $0.9 million or 0.5% of sales, compared to $13.7 million or 6.2% of sales for the same period last year. The variance is mainly due to a lower volume of sales, impacting rebates and the absorption of fixed costs. In addition, the adjusted EBT margin is impacted by recent investments in greenfields and the opening of a distribution centre, both of which will reach their optimal productivity levels within 12 to 24 months after their openings.

DIVIDENDS

On August 7, 2019, the Uni-Select Board of Directors declared a quarterly dividend of C$0.0925 per share payable on October 15, 2019, to shareholders of record as at September 30, 2019. This dividend is an eligible dividend for income tax purposes.

OUTLOOK

The information included within this section contains guidance for Uni-Select in 2019, excluding any potential impact from the review of strategic alternatives.

The Corporation recognizes that certain factors and uncertainties have impacted results for 2018 and will continue to provide a prudent view of 2019 guidance.

Uni-Select guidance maintained	
Consolidated organic sales growth	1.25% - 3.25%
Consolidated adjusted EBITDA margin	7.5% - 8.5%
Consolidated adjusted EBT margin	2.5% - 3.5%
Tax rate	23.0% - 25.0%

The above-mentioned information is related to the 2019 financial year and may differ from quarter to quarter due to seasonality.

As well, Uni-Select anticipates investments between $25.0 million and $30.0 million in 2019 on right-of-use assets relative for vehicle fleet, hardware equipment, software and others. These figures exclude additions from right-of-use assets for real estate.

For 2019, on a consolidated basis, we anticipate revenues to increase modestly and profitability to decrease, mainly due to the FinishMaster U.S. segment. More specifically, the overall results from the Canadian Automotive Group segment are expected to be more favourable when compared to last year, considering the planned integration of some company-owned stores and distribution centres, as well as the contribution of the 18 company-owned stores from the acquisition in November 2018 of Autochoice Parts and Paints Limited. With The Parts Alliance U.K., being affected by the current uncertainty surrounding Brexit, we now expect 2019 to remain difficult for the remainder of the year and will be adjusting the cost structure model and productivity starting in the third quarter of 2019. We will, however, continue to optimize our network and selectively open greenfield company-owned stores to foster our presence in the U.K. market. As for the FinishMaster U.S. segment, 2019 is expected to remain a challenging year, since benefits related to the PIP should start to materialize in the second part of the year. Our guidance for 2019 takes these factors and uncertainties into consideration.

CONFERENCE CALL

Uni-Select will host a conference call to discuss its second-quarter results for 2019 on August 7, 2019, at 8:00 AM Eastern. To join the conference, dial 1-866-865-3087 (or 1-647-427-7452 for International calls).

A recording of the conference call will be available from 11:00 AM Eastern on August 7, 2019, until 11:59 PM Eastern on September 7, 2019. To access the replay, dial 1-855-859-2056 followed by 8696021.

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 70 company-owned stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® AND FINISHMASTER® store banner programs. It also supports over 3,900 shops through its automotive repair/installer shop banners, as well as through its automotive refinish banners.

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

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

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 2019 financial guidance (including, without limitation, adjusted EBITDA margins, adjusted EBT margins and consolidated organic growth) and other statements that are not historical facts. Forward-looking statements are typically identified by the word's *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 2019 financial results, as well as our objectives, strategic priorities and business outlook for 2019, 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 and the United States remain stable;
- The current negotiations for the exit of the United Kingdom from the European Union do not result in further economic uncertainty (i.e.: no hard Brexit);
- Interest rates expected to stay neutral in 2019;
- The 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 2019 forward-looking statements also reflect various market assumptions, in particular:

- New-car sales in 2019 in the three operational segments will not be materially different from those of 2018;
- For all three 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 2018;
- 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 2019 forward-looking statements are also based on various internal operational and financial assumptions, including, but not limited to:

- Maintaining market share in the three 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 PIP (which is measured against the second quarter of 2018 for the Canadian Automotive Group segment and against the third quarter of 2017 for The Parts Alliance U.K. segment. For the most recent $15 million PIP for FinishMaster U.S., we are using the fourth quarter of 2018 as the starting point;
- The revenue mix between Uni-Select's operations and within its three operational segments will not materially change from anticipated levels;
- The revenue mix at FinishMaster U.S. will not change significantly from current anticipated levels;
- No introduction of disruptive technologies during the year;
- No significant change in the buying conditions beyond what is currently anticipated;
- It is important to note that sales and EBT margins of the operational segments are affected by seasonality and are impacting the consolidated results:
  - **FinishMaster U.S.** tends to have softer first and fourth quarters than second and third quarters;
  - **Canadian Automotive Group** tends to have softer first and fourth quarters than second and third quarters; and
  - **The Parts Alliance U.K.** tends to have softer third and fourth quarters than first and second quarters. Although this year, with the current political and economic context, the profiling may be impacted;
- 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 the date of this press release, 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 2019 financial guidance, are listed below. The realization of our forward-looking statements, including our ability to meet our 2019 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 second quarter of 2019 are available in the "Investors" section on the Corporation's website at uniselect.com as well as on SEDAR at 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.

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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. The Corporation is of the opinion that users of its Press release may analyze its results based on these measurements. The following presents performance measures used by the Corporation which are not defined by IFRS.

Organic growth – This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, the erosion of sales resulting from the PIP, exchange-rate fluctuations and when necessary, the variance in the number of billing days. This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. Determining the rate of organic growth, based on findings that Management regards as reasonable, may differ from the actual rate of organic growth.

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

Adjusted EBITDA excludes certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include, among other things, restructuring and other charges, severance and retention bonuses related to Management changes as well as net transaction charges related to The Parts Alliance acquisition.

Proforma adjusted EBITDA subtracts from adjusted EBITDA the rent expenses included in the measurement of lease obligations. It represents adjusted EBITDA pre-adoption of IFRS 16 – Leases.

EBITDA margin, adjusted EBITDA margin and proforma adjusted EBITDA margin – EBITDA margin is a percentage corresponding to the ratio of EBITDA to sales. Adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales. Proforma adjusted EBITDA margin is a percentage corresponding to the ratio of proforma adjusted EBITDA to sales.

Adjusted EBT, adjusted earnings and adjusted earnings per share – Management uses adjusted EBT, adjusted earnings and adjusted earnings per share to assess EBT, net earnings and net earnings per share from operating activities, excluding certain adjustments, net of income taxes for adjusted earnings and adjusted earnings per share, which may affect the comparability of the Corporation's financial results. Management considers that these measures facilitate the analysis and provide a better understanding of the Corporation's operational performance, following the adoption of IFRS 16 - Leases. The intent of these measures is to provide additional information.

These adjustments include, among other things, restructuring and other charges, severance and retention bonuses related to Management changes as well as amortization of intangible assets related to The Parts Alliance acquisition. Management considers The Parts Alliance acquisition as transformational. The exclusion of these items does not indicate that they are non-recurring.

EBT margin and adjusted EBT margin – EBT margin is a percentage corresponding to the ratio of EBT to sales. Adjusted EBT margin is a percentage corresponding to the ratio of adjusted EBT to sales.

Free cash flows – This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: changes in working capital items, acquisitions of property and equipment and difference between amounts paid for post-employment benefits and current period expenses. Uni-Select considers the free cash flows to be a good indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth in working capital, pay dividends, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise.

The free cash flows exclude certain variances in working capital items (such as trade and other receivables, inventory and trade and other payables) and other funds generated and used according to the consolidated statements of cash flows. Therefore, it should not be considered as an alternative to the consolidated statements of cash flows, or as a measure of liquidity, but as additional information.

Total net debt – This measure consists of long-term debt, including the portion due within a year, net of cash. Starting January 1, 2019, the total net debt includes new lease obligations arising from the adoption of IFRS 16 - Leases, for which the initial amount recorded was $97,003.

Funded debt to adjusted EBITDA – This ratio corresponds to total net debt to adjusted EBITDA. For comparability purposes, new lease obligations arising from the adoption of IFRS 16 - Leases on January 1, 2019, are prorated to reflect the period of earnings reported under IFRS 16 - Leases.

NON-IFRS FINANCIAL MEASURES (CONTINUED)

The following table presents a reconciliation of organic growth.

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

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

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

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

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

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

NON-IFRS FINANCIAL MEASURES (CONTINUED)

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

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

The following table presents a reconciliation of free cash flows.

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

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF EARNINGS

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

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

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

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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