UNI-SELECT®

Press Release

For immediate distribution

Uni-Select Inc. Reports Second Quarter 2020 Financial Results and Highlights:

- **Implementation of the Continuous Improvement Plan ("CIP"), to further improve productivity and efficiency of all three businesses, resulting in annualized savings of $14.0 million realized during the quarter;**
- **Sales of $302.5 million, down 33.7% reflecting a lower demand, a direct effect of the COVID-19 pandemic ("COVID-19");**
- **EBITDA(1) of $(2.7) million versus $31.7 million in 2019; adjusted EBITDA(1) of $14.8 million compared to $35.8 for the corresponding quarter last year, impacted by COVID-19;**
- **EPS of $(0.57) versus $0.15 in 2019; adjusted EPS(1) of $(0.23) versus $0.25 in 2019;**
- **$12.9 million generated in free cash flows(1); and**
- **Total net debt down $24.7 million from effective cash management compensating the effects of COVID-19 on operations.**

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

Boucherville (Québec), July 30, 2020 – Uni-Select Inc. (TSX: UNS) (**"Uni-Select"** or **"Corporation"**) today reported its financial results for the second quarter ended June 30, 2020.

"We are pleased with our second quarter results as they were better than we expected given the difficult operating environment caused by the pandemic. The temporary measures we put in place for business continuity, in response to COVID-19, better aligned our cost structure with the current state of the market while allowing us to continue to serve our customers with the highest standards. Furthermore, the execution of our cash preservation plan allowed us to successfully maximize our liquidity and financial flexibility," said Brent Windom, President and Chief Executive Officer of Uni-Select Inc.

"In the quarter, we implemented our Continuous Improvement Plan to ensure that we are strategically positioned for recovery and growth post-COVID-19. Through this plan, we expect to generate annualized cost savings of about $28 million by the end of 2020, of which $14 million has been realized in the second quarter, mostly through headcount reduction. It's important to note that these savings are measured against the first quarter of 2020. In addition, we renegotiated our debt, providing access to additional liquidity on more flexible financial terms and conditions, optimized our inventory levels and reduced our debt on a sequential basis.

We are confident in the sustainability of our business and our ability to maintain our market position in this challenging period. At this stage, we anticipate a faster recovery from the auto parts aftermarket and a slower recovery in the refinish market. While we are encouraged by month-over-month improvements, market conditions remain volatile. We have the financial flexibility to execute our business plan and will prioritize debt reduction in our capital allocation strategy," concluded Mr. Windom.

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

UPDATE ON THE CONTINUOUS IMPROVEMENT PLAN

The Corporation is pursuing a continuous improvement plan, which is currently accelerated to allow the Corporation to be strategically positioned for recovery and growth post-COVID 19. This plan, announced on June 22, 2020, is based on a long-term approach to further improve the productivity and efficiency of all segments, while ensuring that customer needs remain the focus. The main objectives of the plan are to ensure that customers are served to the highest standards, that operations and service model are positioned to meet the long-term demands and expectations of the markets in which they operate, and that the Corporation continues to be a strong market leader, while ensuring a safe and healthy environment for all parties. To accomplish these objectives, an in-depth review of operations was undertaken by each segment's respective team, resulting in a number of key initiatives, including the way customers are served, rightsizing where required, automation and optimizing supply chain logistics. The execution of the CIP started in June 2020 and will continue over the next several months.

Through this plan, the Corporation expects to generate annualized cost savings of about $28.0 million to $30.0 million by the end of 2020, measured against the first quarter of 2020. As at June 30, 2020, $14.0 million has been realized, mostly from workforce reduction which occurred at the end of June 2020.

The total cash cost of implementing the CIP is expected to be $13.8 million, mainly for severance and closing costs as part of rightsizing activities. The Corporation is also expecting to write down certain assets of approximately $6.2 million. During the current quarter of 2020, the Corporation recognized restructuring and other charges in relation to the CIP totalling $16.9 million, of which, $6.2 million is non-cash for the write-down of assets.

The following table summarizes the annualized impacts as at June 30, 2020:

	Expected	Realized
	By the end of 2020	**As at June 30, 2020**
Annualized cost savings	28,000	**14,000**
Restructuring and other charges:		
Restructuring charges (1)	10,500	**10,407**
Write-down of assets (2)	6,200	**6,155**
Other charges as incurred (3)	3,300	**352**
	20,000	**16,914**

(1) Mainly severance and closing costs as part of rightsizing activities.

(2) Mainly impairment of property and equipment.

(3) Primarily comprising stores' operational costs and moving costs.

FINANCIAL RESULTS

The following table presents selected consolidated information:

	SECOND QUARTERS		SIX-MONTH PERIODS	
	2020	**2019**	**2020**	**2019**
Sales	302,534	456,175	710,218	876,212
EBITDA(1)	(2,674)	31,734	12,406	53,090
EBITDA margin (1)	*(0.9%)*	*7.0%*	*1.7%*	*6.1%*
Adjusted EBITDA(1)	14,841	35,808	31,627	64,259
Adjusted EBITDA margin (1)	*4.9%*	*7.8%*	*4.5%*	*7.3%*
EBT	(30,967)	8,540	(39,583)	7,243
EBT margin (1)	*(10.2%)*	*1.9%*	*(5.6%)*	*0.8%*
Adjusted EBT(1)	(12,449)	13,877	(18,324)	20,956
Adjusted EBT margin (1)	*(4.1%)*	*3.0%*	*(2.6%)*	*2.4%*
Special items	17,515	4,074	19,221	11,169
Net earnings (loss)	(24,169)	6,318	(30,910)	4,985
Adjusted earnings (loss)(1)	(9,655)	10,422	(13,956)	15,472
Earnings (loss) per share	(0.57)	0.15	(0.73)	0.12
Adjusted earnings (loss) per share(1)	(0.23)	0.25	(0.33)	0.37

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

SECOND QUARTER RESULTS

Consolidated sales of $302.5 million for the second quarter decreased by 33.7%, when compared to the same quarter in 2019, reflecting negative organic growth of 31.9%, unfavourable fluctuations of the Canadian and British currencies, as well as the expected erosion from the integration of company-owned stores over the last twelve months. The global spread of COVID-19 affected all segments. However, the Corporation's sales performance was better than expected with sales steadily increasing month after month during the quarter, with June sales closing at over 85% compared to the same month last year. As a result, sales for the second quarter of 2020 exceeded the internal forecast set in late March in response to the uncertainty surrounding the pandemic.

The Corporation generated an EBITDA of $(2.7) million and an EBT of $(31.0) million for the quarter, which were impacted by special items for restructuring and other charges related to the CIP of $16.9 million, as well as charges for the review of strategic alternatives of $0.6 million. Once adjusted, the EBITDA and the EBITDA margin were $14.8 million and 4.9%, respectively, compared to $35.8 million and 7.8% in 2019 whereas, the EBT and the EBT margin were $(12.4) million and (4.1)%, respectively, compared to $13.9 million and 3.0% in 2019. These adjusted margins were mainly impacted by the lower volume of sales attributable to COVID-19, resulting in lower gross margins, reduced fixed costs absorption and additional reserves totalling $6.3 million for obsolescence and bad debt. In addition, lower vendor incentives resulting from the optimization of inventory in all three segments, mainly in the FinishMaster U.S. segment contributed to the decline of the adjusted margins. These elements were partially compensated by furloughs, reduction of working hours, cost control measures, as well as overall savings realized from the Performance Improvement Plan ("PIP"). In addition, the adjusted EBT margin was affected by a loss of $3.6 million on debt extinguishment.

The net loss and adjusted loss for the current quarter were respectively $24.2 million and $9.7 million, compared to net earnings and adjusted earnings of $6.3 million and $10.4 million in 2019. Adjusted earnings (loss) decreased by $20.1 million compared to the same quarter last year, due to lower adjusted EBT, as explained above, and a different income tax rate.

Segmented Second Quarter Results

The FinishMaster U.S. segment reported sales of $133.4 million for the quarter, a decrease of 37.2% compared to 2019, mainly affected by COVID-19, as well as by the expected erosion from the integration of company-owned stores within the last twelve months. Sales are now showing encouraging signs, with steady growth month over month, following a sharp decrease in April. This segment reported an EBITDA of $(1.5) million and an EBT of $(8.7) million. Once adjusted for expenses related to the CIP, EBITDA was $4.5 million or 3.3% of sales, compared to $19.0 million or 8.9% of sales in 2019. On the other hand, adjusted EBT was $(2.7) million or (2.0)% of sales, compared to $11.6 million or 5.5% of sales in 2019. Adjusted margins decreased respectively by 560 basis points and 750 basis points, in large part due to COVID-19, resulting in a lower volume of sales and gross profits, a reduced absorption of fixed costs, as well as additional inventory obsolescence and bad debt expenses. Furthermore, the segment earned lower rebates in relation to the optimization of inventory. These elements were partially compensated by furloughs, as well as by the reduction of working hours and discretionary expenses, to align with the current state of operations. The quarter also benefitted from savings realized in relation to the improvement plan. This segment further aligned its workforce at the end of the quarter, resulting in annualized savings of approximately $5.8 million.

Sales for the Canadian Automotive Group segment were $114.3 million, compared to $143.4 million in 2019, a decrease of 20.3%, reflecting a lower demand, a direct effect of COVID-19, as well as the depreciation of the Canadian currency. Sales are now showing encouraging signs, with steady growth month over month, following the sharp decrease recorded in April. This segment reported an EBITDA of $7.3 million and an EBT of $2.2 million. Once adjusted for expenses related to the CIP, EBITDA was $12.9 million or 11.3% of sales, compared to $16.6 million or 11.6% of sales in 2019. On the other hand, adjusted EBT was $7.8 million or 6.8% of sales, compared to $11.2 million or 7.8% of sales in 2019. Adjusted margins decreased respectively by 30 basis points and 100 basis points, in large part due to lower volume rebates, as well as to a lesser absorption of fixed costs resulting from a reduced level of sales in relation to COVID-19. Furthermore, the adjusted margins were penalized by additional bad debt expense, while the second quarter of 2019 benefitted from additional volume rebates and incentives. These elements were partially compensated by measures put in place to mitigate the effects of COVID-19, such as furloughs, reduced working hours and discretionary expenses. As well, the quarter benefitted from savings related to the improvement plan. This segment further aligned its workforce at the end of the quarter, resulting in annualized savings of approximately $8.2 million.

The Parts Alliance U.K. segment recorded sales of $54.9 million, a decrease of 45.4% compared to the same quarter last year. This variance is attributable to COVID-19, the depreciation of the British pound, and the expected erosion resulting from the integration of company-owned stores within the last twelve months. On a positive note, following the sharp decrease recorded in April, sales are now showing encouraging signs, with steady growth month over month. This segment reported an EBITDA of $(4.9) million and an EBT of $(9.6) million. Once adjusted for expenses related to the CIP, EBITDA was $0.3 million or 0.6% of sales, compared to $3.1 million or 3.0% of sales in 2019. On the other hand, adjusted EBT was $(4.4) million or (7.9)% of sales, compared to $(1.4) million or (1.4)% of sales in 2019. Adjusted margins decreased respectively by 240 basis points and 650 basis points, in large part due to COVID-19, resulting in lower volume of sales and gross profits, a reduced absorption of fixed costs, additional bad debt expense, as well as in a lower level of rebates. These elements were partially compensated by furloughs, reduced working hours and discretionary expenses, aligning the cost structure with the level of activity. Additionally, this segment benefitted from savings resulting from the improvement plan and from COVID-19-specific governmental subsidies of about $0.7 million in relation to occupancy costs.

SIX-MONTH PERIOD RESULTS

Consolidated sales of $710.2 million for the period decreased by 18.9%, when compared to the same period in 2019, mainly affected by negative organic growth of 18.3%, unfavourable fluctuations of the Canadian and British currencies, as well as by the expected erosion from the integration of company-owned stores over the last twelve months. These items were partially compensated by one additional billing day and business acquisitions. The performance of the second quarter, affected by COVID-19, weighted on the six-month period. However, sales gradually recovered starting in May, permitting the Corporation to reopen certain company-owned stores, with more than 80% in operation as at June 30, 2020.

The Corporation generated an EBITDA of $12.4 million and an EBT of $(39.6) million for the period. These were impacted by special items for restructuring and other charges related to the improvement plan of $18.1 million, as well as charges for the review of strategic alternatives of $1.1 million. Once adjusted, the EBITDA and the EBITDA margin were $31.6 million and 4.5%, respectively, compared to $64.3 million and 7.3% in 2019. The adjusted EBT and the adjusted EBT margin were $(18.3) million and (2.6)%, respectively, compared to $21.0 million and 2.4% in 2019. As was the case for the quarter, the six-month period reflects the effect of COVID-19 and lower vendor incentives resulting from the optimization of inventory. Additionally, the recognition of foreign exchange losses due to the depreciation of the Canadian and the British currencies, as well as a one-time charge, both recognized during the first quarter of 2020, contributed to the decline of the adjusted EBITDA and EBT margins. These elements, combined with additional reserves for obsolescence and bad debt, recorded during the second quarter of 2020, represent $11.2 million or approximately 130 basis points. In addition, the adjusted EBT margin was affected by a loss on debt extinguishment recorded during the second quarter.

The net loss and adjusted loss for the period were respectively $30.9 million and $14.0 million, compared to net earnings and adjusted earnings of $5.0 million and $15.5 million in 2019. Adjusted earnings (loss) decreased by $29.4 million compared to the same period last year, due to lower adjusted EBT, as explained above, and a different income tax rate.

Segmented Six-Month Period Results

The FinishMaster U.S. segment reported sales of $335.6 million for the period, a decrease of 19.5% compared to 2019. Sales were mainly affected by COVID-19, as well as by the expected erosion of sales resulting from the integration of company-owned stores, which were partially compensated by one additional billing day. This segment reported an EBITDA of $9.8 million and an EBT of $(4.7) million. Once adjusted for special items, EBITDA was $16.6 million or 4.9% of sales, compared to $35.4 million or 8.5% of sales in 2019. The adjusted EBT was $2.0 million or 0.6% of sales, compared to $20.6 million or 4.9% of sales in 2019. Adjusted margins decreased respectively by 360 basis points and 430 basis points, in part due to COVID-19 and lower vendor incentives resulting from the optimization of inventory, as well as to a one-time charge recorded during the first quarter. These elements were partially compensated by cost control measures, as well as by benefits from the improvement plan. The initiatives, in relation to the improvement plan, allow this segment to adjust its cost base to the level of sales, as well as to face difficult market conditions in the U.S. due to COVID-19 and competition.

Sales for the Canadian Automotive Group segment were $223.2 million, compared to $256.6 million in 2019, a decrease of 13.0%, reflecting the effect of COVID-19, as well as the depreciation of the Canadian currency. These elements were partially compensated by the contribution of one additional billing day and business acquisitions. This segment reported an EBITDA of $9.6 million and an EBT of $(0.9) million. Once adjusted for special items, EBITDA was $15.6 million or 7.0% of sales, compared to $25.3 million or 9.9% of sales in 2019. The adjusted EBT was $5.2 million or 2.3% of sales, compared to $14.8 million or 5.8% of sales in 2019. Adjusted margins decreased respectively by 290 basis points and 350 basis points, due to, as for the quarter, the impact of COVID-19, while the corresponding period of 2019 benefitted from additional volume rebates and incentives, as well as from the ProColor program, which was sold during the third quarter of 2019. Furthermore, both margins were penalized by foreign exchange losses due to the depreciation of the Canadian dollar, mostly arising during the first quarter of 2020. These elements were partially compensated by cost control measures, as well as by benefits from the improvement plan.

The Parts Alliance U.K. segment recorded sales of $151.4 million, a decrease of 25.4% compared to the same period last year. This variance is attributable to COVID-19, the depreciation of the British pound and the expected erosion resulting from the integration of company-owned stores within the last twelve months. These elements were partially compensated by one additional billing day. This segment reported an EBITDA of $(0.2) million and an EBT of $(9.9) million. Once adjusted for special items, EBITDA was $5.0 million or 3.3% of sales compared to $10.2 million or 5.1% of sales for the same period last year. The adjusted EBT was $(4.7) million or (3.1)% of sales compared to $0.9 million or 0.5% of sales in 2019. Adjusted margins decreased respectively by 180 basis points and 360 basis points affected by the COVID-19, as well as by a lower level of rebates, as a result of reduced purchases. These elements were partially compensated by cost control measures and savings in relation to improvement plans. Since the beginning of 2020, this segment implemented certain initiatives, aligning its organizational structure and integrating company-owned stores.

CONFERENCE CALL

Uni-Select will host a conference call to discuss its second-quarter results for 2020 on July 30, 2020, at 8:00 AM Eastern. To join the conference, dial 1 888 231-8191 (or 1 647 427-7450 for international calls).

A recording of the conference call will be available from 11:30 AM Eastern on July 30, 2020, until 11:59 PM Eastern on August 30, 2020. To access the replay, dial 1 855 859-2056 followed by 8256416.

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

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 (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 75 company-owned 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 175 automotive refinish company-owned stores under the FINISHMASTER® banner, which supports over 30,000 customers annually and is the primary supplier to more than 5,500 collision repair centre customers.

In the U.K. and Ireland, Uni-Select, through its Parts Alliance group of subsidiaries, is a major distributor of automotive parts supporting over 23,000 customer accounts with a network of over 175 company-owned stores. www.uniselect.com

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements made in this press release are forward-looking statements. 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. Forward-looking statements in this press release include statements relating to our expectation as to the expected cost savings resulting from the Continuous Improvement Plan, productivity, efficiency and right-sizing initiatives and the expected timing of those savings and related costs, and our ability to face the ongoing economic uncertainty. 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. In particular, Uni-Select is facing significant impacts on its business as a result of the COVID-19 pandemic. The COVID-19 pandemic has resulted in a major decline in economic activity in North America and the United Kingdom resulting in a decline in demand for Uni-Select's products and services, reduced workplace productivity resulting from government-ordered business closures and enhanced health and safety measures and compromised business continuity of certain of Uni-Select's stores, suppliers, customers and/or partners. The duration and extent of the impact of the COVID-19 pandemic on Uni-Select's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken in various jurisdictions to contain or treat the outbreak. These impacts could in turn, amongst other things, negatively impact Uni-Select's liquidities and/or its ability to remain in compliance with covenants under its indebtedness. Risks and uncertainties to which the forward-looking statements are subject also include the risk factors described in the Corporation's Management's Discussion & Analysis for the year ended December 31, 2019, under the heading "Risk Management" available on www.sedar.com as well as on Uni-Select's website at www.uniselect.com. 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.

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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 from the integration of company-owned 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 and 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, charges related to the review of strategic alternatives, impairment loss on goodwill, as well as net gain on business disposal.

EBITDA margin and 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.

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 the best understanding of the Corporation's operational performance. The intent of these measures is to provide additional information.

These adjustments include, among other things, restructuring and other charges, charges related to the review of strategic alternatives, impairment loss on goodwill, net gain on business disposal, 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.

Total net debt to adjusted EBITDA – This ratio corresponds to total net debt divided by adjusted EBITDA.

NON-IFRS FINANCIAL MEASURES (CONTINUED)

The following table presents a reconciliation of organic growth.

	Second quarters		Six-month periods	
	2020	2019	**2020**	2019
FinishMaster U.S.	**133,374**	212,249	**335,573**	416,759
Canadian Automotive Group	**114,299**	143,445	**223,240**	256,558
The Parts Alliance U.K.	**54,861**	100,481	**151,405**	202,895
Sales	**302,534**	456,175	**710,218**	876,212
		%		*%*
Sales variance	**(153,641)**	***(33.7)***	**(165,994)**	***(18.9)***
Conversion effect of the Canadian dollar and the British pound	**5,760**	***1.2***	**7,830**	***0.9***
Number of billing days	**-**	**-**	**(6,867)**	***(0.8)***
Erosion of sales from the integration of company-owned stores	**3,050**	***0.7***	**5,949**	***0.6***
Acquisitions	**(513)**	***(0.1)***	**(1,076)**	***(0.1)***
Consolidated organic growth	**(145,344)**	***(31.9)***	**(160,158)**	***(18.3)***

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

	Second quarters			Six-month periods		
	2020	2019	*%*	**2020**	2019	*%*
Net earnings (loss)	**(24,169)**	6,318		**(30,910)**	4,985	
Income tax expense (recovery)	**(6,798)**	2,222		**(8,673)**	2,258	
Depreciation and amortization	**15,895**	15,756		**32,489**	31,624	
Finance costs, net	**12,398**	7,438		**19,500**	14,223	
EBITDA	**(2,674)**	31,734	*(108.4)*	**12,406**	53,090	*(76.6)*
EBITDA margin	***(0.9%)***	*7.0%*		***1.7%***	*6.1%*	
Special items	**17,515**	4,074		**19,221**	11,169	
Adjusted EBITDA	**14,841**	35,808	*(58.6)*	**31,627**	64,259	*(50.8)*
Adjusted EBITDA margin	***4.9%***	*7.8%*		***4.5%***	*7.3%*	

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

	Second quarters			Six-month periods		
	2020	**2019**	*%*	**2020**	2019	*%*
Net earnings (loss)	**(24,169)**	6,318		**(30,910)**	4,985	
Income tax expense (recovery)	**(6,798)**	2,222		**(8,673)**	2,258	
EBT	**(30,967)**	8,540	*(462.6)*	**(39,583)**	7,243	*(646.6)*
EBT margin	***(10.2%)***	*1.9%*		***(5.6%)***	*0.8%*	
Special items	**17,515**	4,074		**19,221**	11,169	
Amortization of intangible assets related to the acquisition of The Parts Alliance	**1,003**	1,263		**2,038**	2,544	
Adjusted EBT	**(12,449)**	13,877	*(189.7)*	**(18,324)**	20,956	*(187.4)*
Adjusted EBT margin	***(4.1%)***	*3.0%*		***(2.6%)***	*2.4%*	

NON-IFRS FINANCIAL MEASURES (CONTINUED)

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

	Second quarters			Six-month periods		
	2020	2019	*%*	**2020**	2019	*%*
Net earnings (loss)	**(24,169)**	6,318	*(482.5)*	**(30,910)**	4,985	*(720.1)*
Special items, net of taxes	**13,390**	3,055		**14,661**	8,375	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	**1,124**	1,049		**2,293**	2,112	
Adjusted earnings (loss)	**(9,655)**	10,422	*(192.6)*	**(13,956)**	15,472	*(190.2)*
Earnings (loss) per share	**(0.57)**	0.15	*(480.0)*	**(0.73)**	0.12	*(708.3)*
Special items, net of taxes	**0.31**	0.07		**0.35**	0.20	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	**0.03**	0.02		**0.05**	0.05	
Adjusted earnings (loss) per share	**(0.23)**	0.25	*(192.0)*	**(0.33)**	0.37	*(189.2)*

The following table presents a reconciliation of free cash flows.

	Second quarters		Six-month periods	
	2020	2019	**2020**	2019
Cash flows used in operating activities	**34,877**	97,176	**24,102**	27,689
Changes in working capital	**(20,422)**	(59,460)	**6,863**	35,561
	14,455	37,716	**30,965**	63,250
Acquisitions of property and equipment	**(1,248)**	(5,651)	**(5,710)**	(11,714)
Difference between amounts paid for post-employment benefits and current period expenses	**(275)**	6	**(554)**	(259)
Free cash flows	**12,932**	32,071	**24,701**	51,277

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(In thousands of US dollars, except per share amounts, unaudited)	Quarters ended June 30,		Six-month periods ended June 30,	
	2020	2019	**2020**	2019
Sales	**302,534**	456,175	**710,218**	876,212
Purchases, net of changes in inventories	**216,579**	310,759	**501,486**	595,251
Gross margin	**85,955**	145,416	**208,732**	280,961
Salaries and benefits	**45,153**	79,487	**117,318**	158,102
Other operating expenses	**25,961**	30,121	**59,787**	58,600
Special items	**17,515**	4,074	**19,221**	11,169
Earnings (loss) before finance costs, depreciation and amortization and income taxes	**(2,674)**	31,734	**12,406**	53,090
Finance costs, net	**12,398**	7,438	**19,500**	14,223
Depreciation and amortization	**15,895**	15,756	**32,489**	31,624
Earnings (loss) before income taxes	**(30,967)**	8,540	**(39,583)**	7,243
Income tax expense (recovery)	**(6,798)**	2,222	**(8,673)**	2,258
Net earnings (loss)	**(24,169)**	6,318	**(30,910)**	4,985
Earnings (loss) per share (basic and diluted)	**(0.57)**	0.15	**(0.73)**	0.12
Weighted average number of common shares outstanding (in thousands)				
Basic and diluted	**42,387**	42,387	**42,387**	42,387

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands of US dollars, unaudited)	Quarters ended June 30,		Six-month periods ended June 30,	
	2020	2019	**2020**	2019
Net earnings (loss)	**(24,169)**	6,318	**(30,910)**	4,985
Other comprehensive loss				
Items that will subsequently be reclassified to net earnings (loss):				
Effective portion of changes in the fair value of cash flow hedges (net of income tax of $54 and $155 for the quarter and six-month period ($94 and $256 respectively in 2019))	**(149)**	(280)	**(430)**	(741)
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (loss) (net of income tax of $42 and $52 for the quarter and six-month period ($25 and $53 respectively in 2019))	**116**	(74)	**144**	(155)
Unrealized exchange losses on the translation of financial statements to the presentation currency	**(4,255)**	(9,148)	**(11,855)**	(3,340)
Unrealized exchange gains (losses) on the translation of debt designated as a hedge of net investments in foreign operations	**6,828**	6,445	**(2,848)**	9,115
	2,540	(3,057)	**(14,989)**	4,879
Items that will not subsequently be reclassified to net earnings (loss):				
Remeasurements of long-term employee benefit obligations (net of income tax of $2,063 and $2,875 for the quarter and the six-month period ($898 and $2,122 respectively in 2019))	**(5,720)**	(2,558)	**(7,974)**	(6,040)
Total other comprehensive loss	**(3,180)**	(5,615)	**(22,963)**	(1,161)
Comprehensive income (loss)	**(27,349)**	703	**(53,873)**	3,824

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders					
(In thousands of US dollars, unaudited)	Share capital	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive income (loss)	**Total equity**
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
Balance, December 31, 2019	**100,244**	**6,724**	**8,232**	**418,624**	**(26,830)**	**506,994**
Net loss	**-**	**-**	**-**	**(30,910)**	**-**	**(30,910)**
Other comprehensive loss	**-**	**-**	**-**	**(7,974)**	**(14,989)**	**(22,963)**
Comprehensive loss	**-**	**-**	**-**	**(38,884)**	**(14,989)**	**(53,873)**
Contributions by and distributions to shareholders:						
Dividends	**-**	**-**	**-**	**(2,923)**	**-**	**(2,923)**
Stock-based compensation	**-**	**1,199**	**-**	**-**	**-**	**1,199**
	-	**1,199**	**-**	**(2,923)**	**-**	**(1,724)**
Balance, June 30, 2020	**100,244**	**7,923**	**8,232**	**376,817**	**(41,819)**	**451,397**

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Quarters ended June 30,		Six-month periods ended June 30,	
	2020	2019	**2020**	2019
OPERATING ACTIVITIES				
Net earnings (loss)	**(24,169)**	6,318	**(30,910)**	4,985
Non-cash items:				
Special items	**17,515**	4,074	**19,221**	11,169
Finance costs, net	**12,398**	7,438	**19,500**	14,223
Depreciation and amortization	**15,895**	15,756	**32,489**	31,624
Income tax expense (recovery)	**(6,798)**	2,222	**(8,673)**	2,258
Amortization and reserves related to incentives granted to customers	**3,966**	4,981	**9,735**	10,315
Other non-cash items	**5,056**	914	**5,336**	2,557
Changes in working capital items	**20,422**	59,460	**(6,863)**	(35,561)
Interest paid	**(10,604)**	(6,691)	**(14,548)**	(12,711)
Income taxes recovered (paid)	**1,196**	2,704	**(1,185)**	(1,170)
Cash flows from operating activities	**34,877**	97,176	**24,102**	27,689
INVESTING ACTIVITIES				
Business acquisition	**-**	-	**(4,482)**	(294)
Business disposal	**-**	-	**258**	-
Net balance of purchase price	**55**	(177)	**41**	(1,133)
Cash held in escrow	**747**	-	**747**	-
Advances to merchant members and incentives granted to customers	**(877)**	(4,902)	**(4,322)**	(9,285)
Reimbursement of advances to merchant members	**536**	2,397	**1,392**	3,994
Acquisitions of property and equipment	**(1,248)**	(5,651)	**(5,710)**	(11,714)
Proceeds from disposal of property and equipment	**289**	217	**420**	2,585
Acquisitions and development of intangible assets	**(247)**	(826)	**(751)**	(1,054)
Other provisions paid	**(131)**	(77)	**(188)**	(119)
Cash flows used in investing activities	**(876)**	(9,019)	**(12,595)**	(17,020)
FINANCING ACTIVITIES				
Increase in long-term debt	**507,999**	18,566	**542,960**	114,225
Repayment of long-term debt	**(524,623)**	(101,781)	**(542,253)**	(120,007)
Net increase (decrease) in merchant members' deposits in the guarantee fund	**226**	6	**51**	(147)
Dividends paid	**(2,786)**	(2,932)	**(5,803)**	(5,885)
Cash flows used in financing activities	**(19,184)**	(86,141)	**(5,045)**	(11,814)
Effects of fluctuations in exchange rates on cash	**372**	(179)	**(1,230)**	(18)
Net increase (decrease) in cash	**15,189**	1,837	**5,232**	(1,163)
Cash, beginning of period	**25,751**	5,036	**35,708**	8,036
Cash, end of period	**40,940**	6,873	**40,940**	6,873

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)	June 30, 2020	Dec. 31, 2019
ASSETS		
Current assets:		
Cash	**40,940**	35,708
Cash held in escrow	**5**	1,654
Trade and other receivables	**200,126**	250,861
Income taxes receivable	**5,032**	2,712
Inventory	**364,819**	516,169
Prepaid expenses	**10,471**	10,331
Total current assets	**621,393**	817,435
Investments and advances to merchant members	**31,143**	36,831
Property and equipment	**149,835**	171,420
Intangible assets	**184,352**	197,751
Goodwill	**326,416**	333,030
Deferred tax assets	**36,969**	29,927
TOTAL ASSETS	**1,350,108**	1,586,394
LIABILITIES		
Current liabilities:		
Trade and other payables	**258,711**	448,530
Balance of purchase price, net	**28**	97
Provision for restructuring charges	**10,783**	3,227
Income taxes payable	**6,275**	8,603
Dividends payable	**-**	3,002
Current portion of long-term debt and merchant members’ deposits in the guarantee fund	**27,471**	28,678
Derivative financial instruments	**3,260**	3,328
Total current liabilities	**306,528**	495,465
Long-term employee benefit obligations	**28,025**	16,902
Long-term debt	**457,133**	456,173
Convertible debentures	**81,186**	84,505
Merchant members’ deposits in the guarantee fund	**5,401**	5,587
Balance of purchase price	**510**	477
Other provisions	**1,160**	1,503
Derivative financial instruments	**717**	315
Deferred tax liabilities	**18,051**	18,473
TOTAL LIABILITIES	**898,711**	1,079,400
TOTAL EQUITY	**451,397**	506,994
TOTAL LIABILITIES AND EQUITY	**1,350,108**	1,586,394