

Uni-Select reports solid first quarter financial results for 2016

- \$264.0 million in sales, up 3.2% organically and up 10.8% in total (excluding divestitures);
- EBITDA margin⁽¹⁾ reaches 8.2%, up from an adjusted EBITDA margin of 4.7%;
- Net earnings⁽¹⁾ reach \$11.5 million, up 14.5% from adjusted earnings of \$10.0 million;
- EPS⁽¹⁾ reach \$0.53, up 12.8% from an adjusted EPS of \$0.47;
- 5 business acquisitions completed in Q1, adding 26 stores to growing network;
- Corporation announces two-for-one stock split of all Common Shares; and
- Quarterly dividend increases to C\$0.17 from C\$0.16⁽²⁾.

(1) No adjustment to EBITDA, net earnings and EPS in the current quarter.

(2) On a pre-stock split basis.

Unless otherwise indicated in this press release, all amounts are expressed in US dollars.

Boucherville (Québec), April 27, 2016 – Uni-Select Inc. (TSX:UNS), a leader in the distribution of automotive refinish and industrial paint and related products across North America, as well as in the automotive aftermarket parts business in Canada, today reported strong financial results for the first quarter ended March 31, 2016.

"I am extremely pleased with our team's performance in Q1 and the solid start to the year. Both FinishMaster and the Canadian Automotive Group achieved positive organic growth and improved profitability. Our teams continue to be focused on a balanced growth strategy; organic and select acquisitive growth" said Henry Buckley, President and Chief Executive Officer of Uni-Select." Despite the impact of the declining Canadian dollar and the economic slowdown in the Prairies, we enter the second quarter with solid momentum. We continue to be highly focused on profitable growth and the integration of our acquisitions."

The 2016 results in dollars vary compared to last year's figures, since the first quarter of 2015 included three months of operations from the net assets of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc., sold on June 1, 2015 ("sale of the net assets")

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

	THREE-MONTH PERIOD	
	2016	2015
Sales	264,030	411,685
EBITDA	21,703	(122,265)
Adjusted EBITDA	21,703	19,491
Adjusted EBITDA margin	8.2%	4.7%
Net earnings (loss)	11,483	(82,282)
Adjusted earnings	11,483	10,033
Earnings (loss) per share	0.53	(3.88)
Adjusted earnings per share	0.53	0.47

FIRST QUARTER RESULTS

(All percentage increases and decreases represent year-over-year changes for the first quarter of 2016 compared to the first quarter of 2015, unless otherwise noted.)

Consolidated sales for the first quarter reached \$264.0 million, a 35.9% decrease mainly due to the sale of the net assets in 2015. Excluding sales from the net assets sold, consolidated sales grew 10.8% compared to the same period last year. Additional sales from recent business acquisitions and organic growth exceeded the impact of the declining Canadian dollar, which alone penalized sales by \$8.5 million or 3.6%.

On an organic basis, consolidated sales grew by 3.2%, fuelled primarily by the recruitment of new customers in the paint and related products segment, combined with the results of the development of a customer-centric strategy in the automotive products segment.

The Corporation generated an EBITDA and an adjusted EBITDA of \$21.7 million for the first quarter of 2016, compared to a negative EBITDA of \$122.3 million and adjusted EBITDA of \$19.5 million last year. The EBITDA margin and adjusted EBITDA margin grew to 8.2%, up 3.5 points when compared to the adjusted EBITDA margin of 2015, driven by the sale of net assets bearing a lower margin compared to the remaining operations, as well as by a combination of strategic buying, accretive business acquisitions and lower stock-based compensation expenses in relation to the stock price. They were partially offset by negative synergies following the sale of net assets, predominantly related to the enterprise resource planning system.

Net earnings grew to \$11.5 million from a net loss of \$82.3 million last year, while adjusted earnings increased by 14.5%. Earnings per share and adjusted earnings per share both reached \$0.53 compared to a loss per share of \$3.88 and adjusted earnings per share of \$0.47 in 2015.

As indicated above, the Corporation's results are presented in US dollars. Once converted to Canadian dollars, adjusted earnings per share reached C\$0.73 for the first quarter of 2016, up 25.9% compared to C\$0.58 for the same quarter in 2015.

Segmented Results

The paint and related products segment recorded sales of \$173.4 million, up 17.3% from 2015, or up 4.2% organically, namely as a result of the recruitment of new customers. The segment EBITDA margin reached 12.0%, up 1.1 point from last year. This performance is notably attributable to higher gross profit margin due to strategic buying and accretive business acquisitions partially offset by customer mix.

Sales for the automotive products segment reached \$90.6 million, from \$263.8 million in the prior year. Excluding the impact on sales related to the net assets sold, sales increased by 0.2% compared to 2015; organic growth and sales from recent business acquisitions exceeded the weaker Canadian dollar which had an impact of \$8.5 million on sales or 9.4%. Segment organic sales grew 1.5% in the first quarter driven by the customer-centric strategy and were partially offset by the challenging economic conditions in the Prairies. Excluding the impact of the Prairies, organic growth is at 5.3% for the quarter. EBITDA and adjusted EBITDA for the automotive products segment amounted to \$4.6 million in the first quarter, compared to a negative EBITDA of \$130.1 million and adjusted EBITDA of \$6.7 million last year. The adjusted EBITDA margin reached 5.1%, a 2.6-point increase from 2.5% in 2015, a performance attributable to the sale of the net assets, which had a lower EBITDA margin than the ongoing operations, combined with product mix and accretive business acquisitions.

2-FOR-1 STOCK SPLIT

The Board of Directors of the Corporation has approved on April 27, 2016 a 2-for-1 stock split of its Common Shares to increase the number of shares outstanding and enhance affordability to investors. This stock split is subject to obtaining the final approval of the Toronto Stock Exchange ("TSX").

The record date of the stock split will be Friday, May 6, 2016 at 5 p.m., and the payment date will be Wednesday, May 11, 2016, at which time the Corporation's transfer agent, Computershare Trust Company of Canada ("Computershare"), will promptly send shareholders of record a physical share certificate representing one additional Common Share for each Common Share held at such record date. In addition, Computershare will electronically issue the appropriate number of Common Shares to CDS & Co. for distribution to the non-registered beneficial shareholders resulting in the brokerage account of beneficial owners being automatically updated to reflect the stock split. Shareholders do not need to take any action in order to receive additional shares under this stock split.

The TSX has determined to implement due bill trading in connection with the stock split. A due bill is an entitlement attached to listed securities undergoing a material corporate action, such as a stock split. In this instance, anyone purchasing a Common Share of Uni-Select during the period commencing two trading days before the record date (Wednesday, May 4, 2016) and ending on the payment date (Wednesday, May 11, 2016) inclusively ("Due Bill Period"), shall receive a payable right. Any trades that are executed on the TSX during the Due Bill Period will be identified to ensure purchasers of Uni-Select's Common Shares receive the entitlement.

The Common Shares will commence trading on an "ex-distribution" basis on Thursday, May 12, 2016, as of which date purchases Uni-Select's Common Shares will no longer have an attaching entitlement. The due bill redemption is estimated to be Tuesday, May 17, 2016.

DIVIDENDS

On April 27, 2016, the Uni-Select Board of Directors declared a dividend of C\$0.17 per share (on a pre-stock split basis) payable on July 19, 2016 to shareholders of record on June 30, 2016, representing an increase of 6.2% over the Corporation's previous quarterly dividend payment. This dividend is an eligible dividend for tax purposes.

CONFERENCE CALL

Uni-Select will host a conference call to discuss its first quarter results for 2016 on April 28, 2016 at 8 AM (EDT). To join the conference, dial 1 866 696-5910 followed by 2686549.

A recording of the conference call will be available from 10 AM (EDT) on April 28, 2016 until 11:59 PM (EDT) on May 9, 2016. To access the replay, dial 1 800 408-3053 followed by 2596890.

ABOUT UNI-SELECT

Uni-Select is a leader in the distribution of automotive refinish and industrial paint and related products across North America, as well as in the automotive aftermarket parts business in Canada. Its over 2,800 team members, spread across a network of 13 distribution centres and over 245 corporate stores, are dedicated to supplying its customers the right products, at the right place, and when they need them. Uni-Select also offers advanced solutions and first-rate service to enable its customers' success. In the United States, FinishMaster, Inc., a subsidiary of Uni-Select, operates a network of automotive refinish corporate stores from coast to coast under the FinishMaster banner and supports more than 6,000 collision repair centre customers. Uni-Select's Canadian automotive aftermarket parts and automotive refinish business supports a growing national network of more than 1,150 independent customers and corporate stores, several of which operate under Uni-Select store banner programs including Auto Parts Plus®, Auto Plus® and Bumper to Bumper®. In Canada, Uni-Select supports over 3,900 shops and stores through its automotive repair/installer shop banners Auto Select®, Uni-Pro®, and SAX (Select Auto Xpert), as well as through its automotive refinish banner, Carrossier ProColor®. Uni-Select is headquartered in Boucherville, Québec, Canada, and its shares are traded on the Toronto Stock Exchange (TSX) under the symbol UNS.

FORWARD-LOOKING INFORMATION

The information provided in this press release may include some forward-looking information, which could include certain risks and uncertainties, which may cause the final results to be significantly different from those listed or implied within this news release. For additional information with respect to risks and uncertainties, refer to the Annual Report filed by Uni-Select with the Canadian securities commissions. 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.

ADDITIONAL INFORMATION

The Management's Discussion and Analysis (MD&A), interim consolidated financial statements and related notes for the first quarter of 2016 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.

- 30 -

CONTACT INFORMATION

Eric Bussi eres | Chief Financial Officer
Tel. 450 641-6958 | investorrelations@uniselect.com

NON-IFRS FINANCIAL MEASURES

The information included in this press release contains certain 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 business acquisitions, sales and disposals of stores, net assets sold, exchange-rate fluctuations and when necessary, the variance in the number of billing days. 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, equity income 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, impairment and transaction charges related to the sale of net assets and costs related to the closure and disposal of stores. 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, equity income, acquisitions of property and equipment and difference between amounts paid for post-employment benefits and current year 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 variations 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 statement of cash flows. Therefore, it should not be considered as an alternative to the consolidated statement 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.

RECONCILIATION OF NON-IFRS MEASURES

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

	Three-month period		
	2016	2015	%
Net earnings (loss)	11,483	(82,282)	
Income tax expense (recovery)	6,889	(46,111)	
Equity income	-	(125)	
Depreciation and amortization	2,834	3,982	
Finance costs, net	497	2,271	
EBITDA	21,703	(122,265)	
Restructuring and other charges	-	5,026	
Impairment and transaction charges related to the sale of net assets	-	134,002	
Expenses related to the network optimization and to the closure and disposal of stores ⁽¹⁾	-	2,728	
Adjusted EBITDA	21,703	19,491	11.3
<i>Adjusted EBITDA margin</i>	8.2%	4.7%	

⁽¹⁾ Consist primarily of handling and freight expenses required to relocate inventory.

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

	Three-month period		
	2016	2015	%
Net earnings (loss) attributable to shareholders, as reported	11,483	(82,282)	
Restructuring and other charges, net of taxes	-	3,668	
Impairment and transaction charges related to the sale of net assets, net of taxes	-	86,676	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	1,971	
Adjusted earnings	11,483	10,033	14.5
Net earnings (loss) per share attributable to shareholders, as reported	0.53	(3.88)	
Restructuring and other charges, net of taxes	-	0.16	
Impairment and transaction charges related to the sale of net assets, net of taxes	-	4.10	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	0.09	
Adjusted earnings per share	0.53	0.47	12.8

The effect of the declining Canadian dollar has no impact on earnings per share for the quarter compared to the same period of 2015.

UNI-SELECT INC.

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of US dollars, except per share amounts, unaudited)	Quarter ended	
	March 31,	
	2016	2015
Sales	264,030	411,685
Purchases, net of changes in inventories	183,966	287,931
Gross margin	80,064	123,754
Employee benefits	39,709	70,206
Other operating expenses	18,652	36,785
Restructuring and other charges	-	5,026
Impairment and transaction charges related to the sale of net assets	-	134,002
Earnings (loss) before finance costs, depreciation and amortization, equity income and income taxes	21,703	(122,265)
Finance costs, net	497	2,271
Depreciation and amortization	2,834	3,982
Earnings (loss) before equity income and income taxes	18,372	(128,518)
Equity income	-	125
Earnings (loss) before income taxes	18,372	(128,393)
Income tax expense (recovery)	6,889	(46,111)
Net earnings (loss) attributable to shareholders	11,483	(82,282)
Earnings (loss) per share (basic and diluted)	0.53	(3.88)
Weighted average number of common shares outstanding (in thousands)		
Basic	21,509	21,220
Diluted	21,621	21,220

UNI-SELECT INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Quarter ended	
	March 31,	
	2016	2015
Net earnings (loss)	11,483	(82,282)
Other comprehensive income (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 \$21 in 2015)	-	(56)
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to earnings (net of income tax of \$44 in 2015)	-	120
Unrealized exchange gains on the translation of financial statements to the presentation currency	12,303	2,516
Unrealized exchange losses on the translation of debt designated as a hedge of net investments in foreign operations	-	(14,146)
	12,303	(11,566)
Items that will not subsequently be reclassified to net earnings (loss):		
Remeasurements of long-term employee benefit obligations (net of income tax of \$152 (\$235 in 2015))	396	(639)
Total other comprehensive income (loss)	12,699	(12,205)
Comprehensive income (loss) attributable to shareholders	24,182	(94,487)

UNI-SELECT INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars, unaudited)	Attributable to shareholders					
	Share capital	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance, December 31, 2014	87,238	2,424	1,687	428,497	(6,850)	512,996
Net loss	-	-	-	(82,282)	-	(82,282)
Other comprehensive loss	-	-	-	(639)	(11,566)	(12,205)
Comprehensive loss	-	-	-	(82,921)	(11,566)	(94,487)
Contributions by and distributions to shareholders:						
Issuance of shares	99	-	-	-	-	99
Convertible debentures redemption	-	-	(1,687)	1,687	-	-
Dividends	-	-	-	(2,522)	-	(2,522)
Stock-based compensation	-	553	-	-	-	553
	99	553	(1,687)	(835)	-	(1,870)
Balance, March 31, 2015	87,337	2,977	-	344,741	(18,416)	416,639
Balance, December 31, 2015	97,864	3,588	-	371,997	(36,471)	436,978
Net earnings	-	-	-	11,483	-	11,483
Other comprehensive income	-	-	-	396	12,303	12,699
Comprehensive income	-	-	-	11,879	12,303	24,182
Contributions by and distributions to shareholders:						
Repurchase of shares	(1,177)	-	-	(11,611)	-	(12,788)
Issuance of shares	593	-	-	-	-	593
Dividends	-	-	-	(2,517)	-	(2,517)
Stock-based compensation	-	276	-	-	-	276
	(584)	276	-	(14,128)	-	(14,436)
Balance, March 31, 2016	97,280	3,864	-	369,748	(24,168)	446,724

UNI-SELECT INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Quarter ended	
	March 31,	
	2016	2015
OPERATING ACTIVITIES		
Net earnings (loss)	11,483	(82,282)
Non-cash items:		
Restructuring and other charges	-	5,026
Impairment and transaction charges related to the sale of net assets	-	134,002
Finance costs, net	497	2,271
Depreciation and amortization	2,834	3,982
Income tax expense (recovery)	6,889	(46,111)
Amortization of incentives granted to customers	3,150	2,939
Other non-cash items	(878)	2,835
Changes in working capital items	(29,408)	(35,187)
Interest paid	(274)	(2,718)
Income taxes paid	(2,782)	(4,365)
Cash flows used in operating activities	(8,489)	(19,608)
INVESTING ACTIVITIES		
Business acquisitions	(50,943)	(10,312)
Net balance of purchase price	(156)	(275)
Advances to merchant members and incentives granted to customers	(4,565)	(3,196)
Reimbursement of advances to merchant members	473	1,121
Dividends received from equity investments	-	401
Net acquisitions of property and equipment	(1,598)	(5,025)
Net acquisitions and development of intangible assets	(494)	(1,281)
Cash flows used in investing activities	(57,283)	(18,567)
FINANCING ACTIVITIES		
Increase in long-term debt	9,683	84,932
Repayment of long-term debt	(11,629)	(1,107)
Convertible debenture redemption	-	(41,713)
Net decrease in merchant members' deposits in the guarantee fund	(383)	(71)
Repurchase of shares	(12,788)	-
Issuance of shares	593	99
Dividends paid	(2,378)	(2,659)
Cash flows from (used in) financing activities	(16,902)	39,481
Effects of fluctuations in exchange rates on cash	504	(40)
Net increase in cash	(82,170)	1,266
Cash, beginning of period	91,432	107
Cash, end of period	9,262	1,373

UNI-SELECT INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)

March 31, Dec. 31,

2016 2015

ASSETS

Current assets:

Cash	9,262	91,432
Trade and other receivables	141,014	127,402
Income taxes receivable	7,649	11,053
Inventory	277,281	269,900
Prepaid expenses	8,453	12,671
Total current assets	443,659	512,458

Investments and advances to merchant members

15,065 14,082

Property and equipment

32,734 30,304

Intangible assets

65,620 65,355

Goodwill

198,745 157,270

Deferred tax assets

54,352 55,681

TOTAL ASSETS

810,175 835,150

LIABILITIES

Current liabilities:

Trade and other payables	245,368	274,512
Provision for restructuring and other charges	2,587	3,983
Dividends payable	2,628	2,485
Current portion of long-term debt and merchant members' deposits in the guarantee fund	2,620	2,704
Total current liabilities	253,203	283,684

Long-term employee benefit obligations

17,489 18,033

Long-term debt

86,224 87,722

Merchant members' deposits in the guarantee fund

5,515 5,531

Deferred tax liabilities

1,020 3,202

TOTAL LIABILITIES

363,451 398,172

EQUITY

Share capital	97,280	97,864
Contributed surplus	3,864	3,588
Retained earnings	369,748	371,997
Accumulated other comprehensive loss	(24,168)	(36,471)

TOTAL EQUITY

446,724 436,978

TOTAL LIABILITIES AND EQUITY

810,175 835,150