UNI-SELECT®

Press Release

For immediate distribution

Uni-Select Inc. Reports 2022 Third Quarter and Nine-Month Highlights and Financial Results

THIRD QUARTER HIGHLIGHTS (Compared to the Third Quarter of 2021):

- **Consolidated sales of $452.7 million, up $26.6 million or 6.2%; Up 11.6% excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar; Organic growth[(1)] of 9.8% with all three segments reporting positive organic growth[(1)];**
- **Total net debt[(1)] reduction of $50.5 million; Total net debt to adjusted EBITDA ratio[(1)] down to 1.44x driven by strong operating results and sound working capital management, offsetting capital deployed on acquisitions.**

Boucherville (Québec), November 4, 2022 – Uni-Select Inc. (TSX: UNS) (**"Uni-Select"** or **"Corporation"**) today reported its financial results for the third quarter ended September 30, 2022.

"We are pleased by our third quarter results which reflect the ongoing efforts of our teams to deliver impactful operational improvements to drive our business forward. During the quarter, we realized organic growth[(1)] across all of our business, generated meaningful cash flow, and achieved higher EBITDA[(1)] compared to Q3 2021 despite unfavorable currency translation effects. During the quarter, we also completed the acquisition of Maslack, the most significant acquisition for Uni-Select since we began our turnaround in Q2 2021," said Brian McManus, Executive Chair and Chief Executive Officer of Uni-Select.

"Notwithstanding the persisting currency translation impact and labor and inflation challenges, our focus on operational excellence and cost discipline should still yield modest year-over-year improvement in the fourth quarter of 2022. In the near term, we aim to drive organic growth[(1)] through volume gains and deliver synergies from recent acquisitions. Our solid financial position and ongoing capital discipline also enables us to capitalize on further acquisition opportunities to strengthen our market position. As we look out to 2023, we anticipate these factors to produce higher adjusted EBITDA[(1)] and adjusted EPS[(1)] compared to 2022," concluded Mr. McManus.

THIRD QUARTER HIGHLIGHTS (Compared to the Third Quarter of 2021):

- Consolidated sales of $452.7 million, up $26.6 million or 6.2%; Up 11.6% excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar; Organic growth[(1)] of 9.8% with all three segments reporting positive organic growth[(1)];
- EBITDA[(1)] increased to $47.6 million or 10.5% of sales from $35.3 million or 8.3% of sales; Adjusted EBITDA[(1)] increased 16.5% to $49.3 million or 10.9% of sales, compared to $42.3 million or 9.9% of sales;
- Net earnings of $22.4 million or $0.45 per diluted common share, an increase of $10.5 million or $0.20 per diluted common share; Adjusted net earnings[(1)] of $24.3 million or $0.48 per diluted common share, an increase of $7.1 million or $0.12 per diluted common share; and
- Total net debt[(1)] reduction of $50.5 million; Total net debt to adjusted EBITDA ratio[(1)] down to 1.44x driven by strong operating results and sound working capital management offsetting capital deployed on acquisitions.

NINE-MONTH HIGHLIGHTS (Compared to the Nine-Month Period of 2021):

- Consolidated sales of $1,306.6 million, up $94.0 million or 7.8%; Up 11.4% excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar; Organic growth[(1)] of 10.7% with all three segments reporting positive organic growth[(1)];
- EBITDA[(1)] increased 105.4% to $124.4 million or 9.5% of sales from $60.6 million or 5.0% of sales; Adjusted EBITDA[(1)] increased 33.4% to $145.8 million or 11.2% of sales, compared to $109.3 million or 9.0% of sales; and
- Net earnings of $52.9 million or $1.07 per diluted common share, an increase of $61.0 million or $1.26 per diluted common share; Adjusted net earnings[(1)] of $71.1 million or $1.42 per diluted common share, an increase of $37.9 million or $0.64 per diluted common share.

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

INTERIM CONSOLIDATED FINANCIAL RESULTS

The following table presents selected interim consolidated information:

(in thousands of US dollars, except per share amounts, percentages and otherwise specified)	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
OPERATING RESULTS						
Sales	**452,680**	426,094	*6.2*	**1,306,608**	1,212,625	*7.8*
EBITDA[1]	**47,614**	35,326	*34.8*	**124,432**	60,570	*105.4*
EBITDA margin[1]	***10.5%***	*8.3%*		***9.5%***	*5.0%*	
Adjusted EBITDA[1]	**49,256**	42,294	*16.5*	**145,760**	109,265	*33.4*
Adjusted EBITDA margin[1]	***10.9%***	*9.9%*		***11.2%***	*9.0%*	
EBT[1]	**29,680**	14,682	*102.2*	**69,796**	(8,508)	*920.4*
EBT margin[1]	***6.6%***	*3.4%*		***5.3%***	*(0.7%)*	
Adjusted EBT[1]	**32,071**	22,763	*40.9*	**93,973**	43,542	*115.8*
Adjusted EBT margin [1]	***7.1%***	*5.3%*		***7.2%***	*3.6%*	
Change in estimate related to inventory obsolescence	**—**	—		**10,927**	20,600	
Stock-based compensation	**1,642**	1,554		**9,174**	6,206	
Special items	**—**	5,414		**1,227**	21,889	
Net earnings (loss)	**22,417**	11,927	*88.0*	**52,939**	(8,113)	*752.5*
Adjusted net earnings [1]	**24,259**	17,248	*40.6*	**71,124**	33,210	*114.2*
Cash flows from operating activities	**74,627**	42,865	*74.1*	**133,183**	85,607	*55.6*
Free cash flow[1]	**67,159**	36,955	*81.7*	**112,140**	71,828	*56.1*
COMMON SHARE DATA						
Basic earnings (loss) per common share	**0.51**	0.28	*82.1*	**1.22**	(0.19)	*742.1*
Diluted earnings (loss) per common share	**0.45**	0.25	*80.0*	**1.07**	(0.19)	*663.2*
Basic adjusted net earnings per common share[1]	**0.56**	0.40	*40.0*	**1.63**	0.78	*109.0*
Diluted adjusted net earnings per common share[1]	**0.48**	0.36	*33.3*	**1.42**	0.78	*82.1*
Number of common shares outstanding *(in thousands)*[2]	**44,620**	43,793		**44,620**	43,793	
Weighted average number of outstanding common shares						
Basic *(in thousands)*	**43,529**	43,042		**43,536**	42,608	
Diluted *(in thousands)*	**52,631**	51,988		**52,560**	42,608	
Diluted adjusted *(in thousands)*	**52,631**	51,988		**52,560**	42,662	

	As at September 30,	As at December 31,
	2022	2021
	$	$
FINANCIAL POSITION		
Long-term debt, including the current portion	**301,455**	337,386
Total net debt[1]	**264,443**	309,230
Credit facilities (including revolving and term loans)	**203,590**	235,384
Convertible debentures	**71,685**	78,327

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

(2) The outstanding number of shares corresponds to the issued common shares less the treasury shares in the Share Trust.

THIRD QUARTER RESULTS

Compared to the Third Quarter of 2021:

Consolidated sales increased by $26.6 million or 6.2% to $452.7 million. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $23.0 million or 5.4%, consolidated sales increased by $49.6 million or 11.6%, compared to the same quarter in 2021, essentially driven by organic growth, with all three segments reporting positive organic growth, ranging between 7.8% and 15.3% for the quarter. Consolidated organic growth of 9.8% was driven primarily by price increases.

The Corporation generated EBITDA of $47.6 million for the quarter. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin increased by $7.0 million and 1.0% respectively to $49.3 million and 10.9% of sales, from $42.3 million and 9.9% of sales in 2021. The increase is the result of price increases, rebates, improved operational performance, and scaling of payroll and operating expenses, offset by certain inflationary costs, including fuel and wages, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and acquisitions in Canada.

Net earnings for the quarter increased by $10.5 million to $22.4 million. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation, special items expenses and amortization of intangibles assets related to the acquisition of GSF Car Parts, adjusted net earnings increased by $7.1 million to $24.3 million from $17.2 million in 2021. This performance is primarily attributable to price increases, as well as improved overall operational performance, including reduced net financing costs, net of income tax expense.

Segmented Third Quarter Results

The FinishMaster U.S. segment reported sales of $189.1 million, with organic growth of 8.1%, driven by price increases. EBITDA was $19.5 million for the quarter compared to $14.0 million in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin improved by $4.2 million and 1.5% respectively to $20.1 million and 10.6% of sales, from $15.9 million and 9.1% of sales in 2021. This performance was driven by additional vendor rebates, price increases and higher sales, driving scaling benefits, offsetting higher delivery cost .

The Canadian Automotive Group segment reported sales of $160.2 million. Excluding the impact of unfavourable fluctuation of the Canadian dollar against the US dollar of $5.4 million or 3.7% during the third quarter of 2022, sales increased by $21.1 million or 14.5%, compared to the same quarter last year, driven by organic growth of 7.8% and acquisitions over the last twelve months representing 6.7%. The increase in organic growth was mainly driven by price increases. This segment reported EBITDA and EBITDA margin of $21.0 million and 13.1% respectively for the quarter compared to $16.2 million and 11.2% in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin improved by $4.3 million and 1.6% respectively to $21.1 million or 13.2% of sales, from $16.8 million or 11.6% of sales in 2021. This increase is mainly attributable to price increases and product mix, and higher sales, driving scaling benefits, offset by transactions costs related to recent acquisitions and foreign currency losses due to the depreciation of the Canadian dollar during the quarter.

The GSF Car Parts U.K. segment reported sales of $103.5 million. Excluding the impact of unfavourable fluctuation of the British pound against the US dollar of $17.6 million or 16.5% during the third quarter of 2022, sales increased by $14.4 million or 13.4%, mainly driven by organic growth of 15.3%, offsetting an unfavourable variance in the number of billing days. The increase in organic growth was mainly driven by price increases, the contribution of recently opened greenfield stores, which represents about half of the organic growth, as well as click and collect orders. This segment reported EBITDA and EBITDA margin of $9.3 million and 9.0% respectively for the quarter compared to $10.8 million and 10.1% in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin decreased by $1.5 million and 1.1% respectively to $9.5 million and 9.2% of sales, from $11.0 million and 10.3% of sales in 2021. This variance is mainly attributable to inflationary fuel and utility costs, higher repair costs due to new fleet replacement delays, as well as higher payroll costs. This was partially offset by higher sales and rebates in the third quarter of 2022, driving scaling benefits.

NINE-MONTH PERIOD RESULTS

Compared to the Nine-Month Period of 2021:

Consolidated sales of $1,306.6 million for the nine-month period increased by $94.0 million or 7.8%. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $43.4 million or 3.6%, consolidated sales increased by $137.4 million or 11.4%, driven by organic growth with all three segments reporting positive organic growth, ranging between 8.7% and 13.3% for the nine-month period. Consolidated organic growth of 10.7% was driven primarily by price increases.

The Corporation reported EBITDA of $124.4 million for the period. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin increased by $36.5 million and 2.2% respectively to $145.8 million and 11.2% of sales, from $109.3 million and 9.0% of sales in 2021. This performance is the result of price increases, rebates, improved operational performance, scaling of payroll and operating expenses, offset by certain inflationary costs, including fuel and wages, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and acquisitions in Canada.

Net earnings for the nine-month period increased by $61.0 million to $52.9 million. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation, special items expenses, amortization of intangibles assets related to the acquisition of GSF Car Parts and the net tax impact of change in rates and reversal of a contingency provision, adjusted net earnings for the current period increased by $37.9 million to $71.1 million from $33.2 million in 2021. This performance is primarily attributable to price increases as well as improved overall operational performance, including reduced net financing costs, net of income tax expense.

Segmented Nine-Month Period Results

The FinishMaster U.S. segment reported sales of $548.3 million, with organic growth of 8.7%, or $44.0 million, driven by price increases. EBITDA was $56.9 million for the period, compared to $15.9 million in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin improved by $19.7 million and 2.9% respectively to $59.5 million and 10.8% of sales, from $39.8 million and 7.9% of sales in 2021. This performance was driven by additional vendor rebates, price increases and higher sales, driving scaling benefits, offsetting higher delivery cost and bad debt expenses.

The Canadian Automotive Group segment reported sales of $451.0 million, an increase of 11.4%. Excluding the impact of unfavourable fluctuation of the Canadian dollar against the US dollar of $11.8 million or 2.9% during the nine-month period of 2022, sales increased by $57.8 million or 14.3%, compared to the same period last year, largely driven by organic growth of 11.2% and, to a lesser extent, acquisitions over the last twelve months representing 3.1%. The increase in organic growth was mainly driven by price increases. This segment reported EBITDA and EBITDA margin of $52.0 million and 11.5% respectively for the period compared to $45.2 million and 11.2% in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin improved by $17.5 million and 2.7% respectively to $64.2 million and 14.2% of sales, from $46.7 million and 11.5% of sales in 2021. This increase is mainly attributable to price increases and product mix, and higher sales, driving scaling benefits, offset by transactions costs related to recent acquisitions and foreign currency losses due to the depreciation of the Canadian dollar.

The GSF Car Parts U.K. segment reported sales of $307.4 million, an increase of 1.3%. Excluding the impact of the unfavourable fluctuation of the British pound against the US dollar of $31.6 million or 10.4% during the nine-month period of 2022, sales increased by $35.5 million or 11.7%, mainly driven by organic growth of 13.3%, offsetting an unfavourable variance in the number of billing days. The increase in organic growth was mainly driven by price increases and the contribution of recently opened greenfield stores. This segment reported EBITDA and EBITDA margin of $26.5 million and 8.6% respectively for the period compared to $26.3 million and 8.7% in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA and adjusted EBITDA margin decreased by $1.0 million and 0.4% respectively to $28.5 million and 9.3% of sales, from $29.5 million and 9.7% of sales in 2021. This variance in adjusted EBITDA margin is mainly attributable to inflationary fuel and utility costs, higher repair costs due to new fleet replacement delays, as well as higher payroll costs. This was partially offset by higher sales and rebates in the period of 2022, driving scaling benefits. The nine-month period of 2021 benefited from governmental occupancy subsidies of $0.8 million.

CONFERENCE CALL

Uni-Select will host a conference call to discuss its results for the third quarter of 2022 on November 4, 2022, at 8:00 AM Eastern Time. To join the conference, dial 1 888 390-0549 (or 1 416 764-8682 for international calls).

A recording of the conference call will be available from 11:30 AM Eastern Time on November 4, 2022, until 11:59 PM Eastern Time on December 4, 2022. To access the replay, dial 1 888 390-0541 followed by 837559#.

A 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 5,200 employees in Canada, the U.S. and the U.K., Uni-Select is a leader in the distribution of automotive refinish and industrial coatings and related products in North America, as well as a leader in the automotive aftermarket parts business in Canada and in the U.K. Uni-Select is headquartered in Boucherville, Québec, Canada, and its shares are traded on the Toronto Stock Exchange under the symbol UNS.

In Canada, Uni-Select supports over 16,000 automotive repair and collision repair shops and more than 4,000 shops through its automotive repair/installer shop banners and automotive refinish banners. Its national network includes over 1,000 independent customer locations and more than 95 company-operated stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® and FINISHMASTER® store banner programs.

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

In the U.K., Uni-Select, through GSF Car Parts, is a major distributor of automotive parts supporting over 20,000 customer accounts with a network of over 175 company-operated stores.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements made in this press release are forward-looking information within the meaning of Canadian securities laws. All such forward-looking information is made and disclosed in reliance upon the “safe harbour” provisions of applicable Canadian securities laws.

Forward-looking information includes all information and statements regarding Uni-Select's intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking statements often, but not always, use words such as "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", "predict", "project", "aim", "seek", "strive", "potential", "continue", "target", "may", "might", "could", "should", and similar expressions and variations thereof. In addition, statements with respect to management expectations in terms of sales, adjusted EBITDA, adjusted EPS or other financial results for 2022 constitute forward-looking information and financial outlook within the meaning of Canadian securities laws.

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

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

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

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

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

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

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NON-GAAP AND OTHER FINANCIAL MEASURES

The financial information included in the Corporation's documents contains certain performance measures that are inconsistent with GAAP ("non-GAAP and other financial measures"). Non-GAAP and other financial measures are mainly derived from the consolidated financial statements, but do not have any standardized meaning prescribed by GAAP. The Corporation considers that users may analyze its results based on these measurements, but they should not be used in isolation or as a substitute for financial measures prepared under GAAP.

The Corporation's definitions of non-GAAP and other financial measures are based on what management regards as reasonable and are unlikely to be comparable to similar measures presented by other entities.

NON-GAAP MEASURES

NON-GAAP FINANCIAL MEASURES	NON-GAAP RATIOS
EBITDA	EBITDA margin
Adjusted EBITDA	Adjusted EBITDA margin
EBT	EBT margin
Adjusted EBT	Adjusted EBT margin
Adjusted net earnings	Adjusted net earnings per common share - basic and diluted
Free cash flow	Total net debt to adjusted EBITDA ratio
Available liquidity	

OTHER FINANCIAL MEASURES

CAPITAL MANAGEMENT MEASURES	SUPPLEMENTARY FINANCIAL MEASURES
Total net debt	Organic growth

The section below presents definitions of non-GAAP and other financial measures as required by National Instrument 52-112 and their reconciliation to the most directly comparable GAAP measures.

Organic growth

This measure consists of quantifying the increase in sales between two given periods, excluding the impact of acquisitions, the loss of sales from the consolidation of company-operated stores, exchange-rate fluctuations and when necessary, 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.

The following tables reconcile sales to organic growth by segment and on a consolidated basis:

								Third Quarters Ended September 30,
	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.			Total
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$
Sales	**189,068**	174,872	**160,160**	144,489	**103,452**	106,733	**452,680**	426,094
		%		%		%		%
Sales variance	**14,196**	***8.1***	**15,671**	***10.8***	**(3,281)**	***(3.1)***	**26,586**	***6.2***
Translation effect of the Canadian dollar and the British pound	**—**	**—**	**5,400**	***3.7***	**17,648**	***16.5***	**23,048**	***5.4***
Impact of number of billing days	**—**	**—**	**—**	**—**	**1,540**	***1.5***	**1,540**	***0.4***
Loss of sales from the consolidation of company-operated stores	**—**	**—**	**—**	**—**	**416**	***0.4***	**416**	***0.1***
Net acquisitions	**—**	**—**	**(9,863)**	***(6.7)***	**—**	**—**	**(9,863)**	***(2.3)***
Organic growth	**14,196**	***8.1***	**11,208**	***7.8***	**16,323**	***15.3***	**41,727**	***9.8***

	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Total Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$
Sales	**548,289**	504,336	**450,961**	404,918	**307,358**	303,371	**1,306,608**	1,212,625
		%		%		%		%
Sales variance	**43,953**	***8.7***	**46,043**	***11.4***	**3,987**	***1.3***	**93,983**	***7.8***
Translation effect of the Canadian dollar and the British pound	**—**	**—**	**11,800**	***2.9***	**31,553**	***10.4***	**43,353**	***3.6***
Impact of number of billing days	**—**	**—**	**—**	**—**	**3,504**	***1.2***	**3,504**	***0.2***
Loss of sales from the consolidation of company-operated stores	**—**	**—**	**—**	**—**	**1,288**	***0.4***	**1,288**	***0.1***
Net acquisitions	**—**	**—**	**(12,640)**	***(3.1)***	**—**	**—**	**(12,640)**	***(1.0)***
Organic growth	**43,953**	***8.7***	**45,203**	***11.2***	**40,332**	***13.3***	**129,488**	***10.7***

EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin

EBITDA represents Earnings before net financing costs, depreciation and amortization and income taxes per Condensed Interim Consolidated Financial Statements.

EBITDA margin is a percentage corresponding to the ratio of EBITDA to sales.

Adjusted EBITDA contains certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include, among other things, restructuring and other charges, stock-based compensation expenses, write-off of assets as well as change in estimate related to inventory obsolescence. Adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.

The Corporation uses EBITDA and adjusted EBITDA as well as their corresponding margins to assess its performance and of its business segments. Management believes these non-GAAP and other financial measures, in addition to GAAP measures, provide users with an enhanced understanding of its operating results and increase the transparency of its core results as well as of its segments. Management also believes these measures provide better comparability of its results from one period to another.

The following tables reconcile the EBITDA to adjusted EBITDA by segment and on a consolidated basis:

	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total Third Quarters Ended September 30,	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	**2021**	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
EBITDA	**19,478**	13,971	**20,967**	16,229	**9,307**	10,818	**(2,138)**	(5,692)	**47,614**	35,326
EBITDA margin	***10.3%***	*8.0%*	***13.1%***	*11.2%*	***9.0%***	*10.1%*	***—%***	*—%*	***10.5%***	*8.3%*
Stock-based compensation	**627**	39	**135**	67	**236**	227	**644**	1,221	**1,642**	1,554
Special items	**—**	1,927	**—**	486	**—**	—	**—**	3,001	**—**	5,414
Adjusted EBITDA	**20,105**	15,937	**21,102**	16,782	**9,543**	11,045	**(1,494)**	(1,470)	**49,256**	42,294
Adjusted EBITDA margin	***10.6%***	*9.1%*	***13.2%***	*11.6%*	***9.2%***	*10.3%*	***—%***	*—%*	***10.9%***	*9.9%*

									Nine-Month Periods Ended September 30,	
	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	**2021**	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
EBITDA	**56,869**	15,893	**51,982**	45,170	**26,459**	26,277	**(10,878)**	(26,770)	**124,432**	60,570
EBITDA margin	***10.4%***	*3.2%*	***11.5%***	*11.2%*	***8.6%***	*8.7%*	***—%***	*—%*	***9.5%***	*5.0%*
Change in estimate related to inventory obsolescence	**—**	20,600	**10,927**	—	**—**	—	**—**	—	**10,927**	20,600
Stock-based compensation	**2,535**	525	**1,748**	558	**1,130**	421	**3,761**	4,702	**9,174**	6,206
Special items	**79**	2,754	**(439)**	959	**913**	2,759	**674**	15,417	**1,227**	21,889
Adjusted EBITDA	**59,483**	39,772	**64,218**	46,687	**28,502**	29,457	**(6,443)**	(6,651)	**145,760**	109,265
Adjusted EBITDA margin	***10.8%***	*7.9%*	***14.2%***	*11.5%*	***9.3%***	*9.7%*	***—%***	*—%*	***11.2%***	*9.0%*

EBT, EBT margin, adjusted EBT and adjusted EBT margin

EBT represents Earnings (loss) before income taxes per Interim consolidated statement of earnings and for segments EBT represents Segment income (loss) reported per note 14 in the Condensed Interim Consolidated Financial Statements. EBT margin is a percentage corresponding to the ratio of EBT to sales.

Adjusted EBT contains certain adjustments, which may affect the comparability of the Corporation's financial results. These adjustments include restructuring and other charges, stock-based compensation expenses, change in estimate related to inventory obsolescence, as well as amortization of intangible assets related to The Parts Alliance acquisition (now known as GSF Car Parts). Adjusted EBT margin is a percentage corresponding to the ratio of adjusted EBT to sales.

The Corporation uses EBT and adjusted EBT as well as their respective margins to assess its performance and of its business segments. Management believes these non-GAAP and other financial measures, in addition to GAAP measures, provide users with an enhanced understanding of its operating results and increase the transparency of its core results as well as of its segments. Management also believes these measures provide better comparability of its results from one period to another.

The following tables reconcile the EBT to adjusted EBT by segment and on a consolidated basis:

									Third Quarters Ended September 30,	
	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	**2021**	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
EBT	**13,889**	8,105	**16,477**	11,298	**5,591**	6,289	**(6,277)**	(11,010)	**29,680**	14,682
EBT margin	***7.3%***	*4.6%*	***10.3%***	*7.8%*	***5.4%***	*5.9%*	***—%***	*—%*	***6.6%***	*3.4%*
Stock-based compensation	**627**	39	**135**	67	**236**	227	**644**	1,221	**1,642**	1,554
Special items	**—**	1,927	**—**	486	**—**	—	**—**	3,001	**—**	5,414
Amortization of intangible assets related to the acquisition of GSF Car Parts	**—**	—	**—**	—	**—**	—	**749**	1,113	**749**	1,113
Adjusted EBT	**14,516**	10,071	**16,612**	11,851	**5,827**	6,516	**(4,884)**	(5,675)	**32,071**	22,763
Adjusted EBT margin	***7.7%***	*5.8%*	***10.4%***	*8.2%*	***5.6%***	*6.1%*	***—%***	*—%*	***7.1%***	*5.3%*

									Nine-Month Periods Ended September 30,	
	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	**2021**	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
EBT	**40,232**	(2,187)	**38,222**	30,320	**14,402**	11,763	**(23,060)**	(48,404)	**69,796**	(8,508)
EBT margin	***7.3%***	*(0.4%)*	***8.5%***	*7.5%*	***4.7%***	*3.9%*	***—%***	*—%*	***5.3%***	*(0.7%)*
Change in estimate related to inventory obsolescence	**—**	20,600	**10,927**	—	**—**	—	**—**	—	**10,927**	20,600
Stock-based compensation	**2,535**	525	**1,748**	558	**1,130**	421	**3,761**	4,702	**9,174**	6,206
Special items	**79**	2,754	**(439)**	959	**913**	2,759	**674**	15,417	**1,227**	21,889
Amortization of intangible assets related to the acquisition of GSF Car Parts	**—**	—	**—**	—	**—**	—	**2,849**	3,355	**2,849**	3,355
Adjusted EBT	**42,846**	21,692	**50,458**	31,837	**16,445**	14,943	**(15,776)**	(24,930)	**93,973**	43,542
Adjusted EBT margin	***7.8%***	*4.3%*	***11.2%***	*7.9%*	***5.4%***	*4.9%*	***—%***	*—%*	***7.2%***	*3.6%*

Adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted)

Adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) contain certain adjustments, which may affect the comparability of the Corporation’s financial results. These adjustments include, net of income taxes, restructuring and other charges, stock-based compensation expenses, change in estimate related to inventory obsolescence, as well as amortization of intangible assets related to The Parts Alliance acquisition (now known as GSF Car Parts).

For diluted adjusted net earnings, adjusted net earnings are further adjusted for the after-tax interest on the convertible debentures. The exclusion of these items does not indicate that they are non-recurring.

The Corporation uses adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) to assess its performance. Management believes these non-GAAP measures, in addition to GAAP measures, provide users enhanced understanding of its operating results and increase the transparency of its core results. Management also believes these measures provide better comparability of its results from one period to another.

NON-GAAP AND OTHER FINANCIAL MEASURES (CONTINUED)

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

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Net earnings (loss)	**22,417**	11,927	*88.0*	**52,939**	(8,113)	*752.5*
Change in estimate related to inventory obsolescence, net of taxes	**—**	(659)		**8,031**	15,615	
Stock-based compensation, net of taxes	**1,235**	1,159		**6,868**	4,601	
Special items, net of taxes	**—**	3,919		**978**	16,365	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**607**	902		**2,308**	2,748	
Net tax impact of changes in rates and reversal of a contingency provision	**—**	—		**—**	1,994	
Adjusted net earnings	**24,259**	17,248	*40.6*	**71,124**	33,210	*114.2*
Conversion impact of convertible debentures, net of taxes [1]	**1,158**	1,279		**3,544**	—	
Net earnings considered for diluted adjusted net earnings per common share	**25,417**	18,527	*37.2*	**74,668**	33,210	*124.8*
Basic net earnings (loss) per common share	**0.51**	0.28	*82.1*	**1.22**	(0.19)	*742.1*
Change in estimate related to inventory obsolescence, net of taxes	**—**	(0.02)		**0.19**	0.37	
Stock-based compensation, net of taxes	**0.03**	0.03		**0.15**	0.11	
Special items, net of taxes	**—**	0.09		**0.02**	0.38	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**0.02**	0.02		**0.05**	0.06	
Net tax impact of changes in rates and reversal of a contingency provision	**—**	—		**—**	0.05	
Basic adjusted net earnings per common share	**0.56**	0.40	*40.0*	**1.63**	0.78	*109.0*
Conversion impact of convertible debentures, net of taxes [1]	**(0.08)**	(0.04)		**(0.21)**	—	
Diluted adjusted net earnings per common share	**0.48**	0.36	*33.3*	**1.42**	0.78	*82.1*

[1] For the nine-month period ended September 30, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive.

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

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
Weighted average number of common shares outstanding for basic net earnings (loss) per common share	**43,529**	43,042	**43,536**	42,608
Conversion impact of convertible debentures [1]	**8,003**	8,683	**8,071**	—
Impact of stock options [2]	**420**	263	**417**	54
Impact of dilutive deferred share units ("DSUs")	**329**	—	**177**	—
Impact of dilutive restricted share units ("RSUs")	**350**	—	**359**	—
Weighted average number of common shares outstanding for diluted net earnings (loss) per common share	**52,631**	51,988	**52,560**	42,662

[1] For the nine-month period ended September 30, 2021, the conversion impact of convertible debentures was excluded from the calculation of diluted net earnings per common share as the conversion impact was anti-dilutive.

[2] For the third quarter of 2021, options to acquire 113 common shares were excluded from the calculation of diluted net earnings per common share as the conversion impact would result in a reduction of the loss per share. For the nine-month period ended September 30, 2021, options to acquire 1,153 common shares were excluded from the calculation of diluted net earnings per common share as the strike price of the options was higher than the average market price of the shares.

Free cash flow

This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: net acquisitions of property and equipment, net advances to merchant members and incentives granted to customers, as well as net acquisitions and development of intangible assets.

Management believes this non-GAAP cash flow measure to be an indicator of financial strength and of operating performance because it shows the amount of funds available to manage growth, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. Management considers this measure, in addition to GAAP measures, to provide investors a perspective on its ability to generate liquidity, after making capital investments required to support business operations and long-term value creation.

The following table reconciles cash flows from operating activities to free cash flow:

	Third Quarters Ended September 30,		**Nine-Month Periods Ended Sept. 30,**	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows from operating activities	**74,627**	42,865	**133,183**	85,607
Advances to merchant members and incentives granted to customers	**(4,117)**	(2,408)	**(10,501)**	(9,560)
Reimbursement of advances to merchant members and liquidation proceeds of incentives granted to customers returned	**1,348**	621	**3,952**	4,377
Acquisitions of property and equipment	**(4,482)**	(2,573)	**(12,541)**	(5,959)
Proceeds from disposal of property and equipment	**348**	304	**1,305**	869
Acquisitions and development of intangible assets	**(565)**	(1,854)	**(3,258)**	(3,506)
Free cash flow	**67,159**	36,955	**112,140**	71,828

Available liquidity

This measure, representing cash plus amounts available under the revolving facility in respect of financial covenants, is considered useful by the Corporation to evaluate its ability to meet its short-term liquidity needs as well as to support its growth. Available liquidity is subject to compliance with various covenants contained in the credit facility agreement.

The following table reconciles the available liquidity:

	As at September 30,	As at December 31,
	2022	2021
	$	$
Amount available under the revolving credit facility [1]	**400,000**	400,000
Amount used under the revolving credit facility[1]	**(203,590)**	(235,384)
Letters of credit issued [1]	**(4,970)**	(6,346)
Cash	**37,012**	28,156
Available liquidity	**228,452**	186,426

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

NON-GAAP AND OTHER FINANCIAL MEASURES (CONTINUED)

Total net debt and total net debt to adjusted EBITDA ratio

Total net debt represents the sum of the revolving credit facility, term facilities, lease obligations (including the portion due within a year), net of deferred financing costs and cash. Total net debt excludes convertible debentures since they are convertible into common shares of the Corporation. Refer to Note 11 to the Condensed Interim Consolidated Financial Statements for further details.

Total net debt to adjusted EBITDA ratio represents total net debt divided by the trailing last four quarters adjusted EBITDA. This ratio is used by management to evaluate the Corporation's financial leverage, capital structure and financing strategies.

The following table presents a reconciliation of the components and the calculation of Total net debt to adjusted EBITDA ratio:

	As at September 30,	As at December 31,
	2022	2021
	$	$
Long-term debt, including the current portion [1]	**301,455**	337,386
Cash	**37,012**	28,156
Total net debt	**264,443**	309,230
Adjusted EBITDA - trailing last four quarters [2]	**183,190**	146,695
Total net debt to adjusted EBITDA ratio	***1.44x***	*2.11x*

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

(2) Refer to the "Selected quarterly consolidated financial information" section of the Interim Management Discussion and Analysis for more information on the results of each of the last eight quarters.