



DRIVING **OPTIMIZATION**



Q1 2021

(Ended March 31, 2021)

Conference Call

May 13, 2021

Forward-Looking Statements



Certain statements made in this presentation are forward-looking statements. These statements include, without limitation, statements relating to the effects and duration of the COVID-19 pandemic, general economic and business conditions, particularly in the context of the COVID-19 pandemic, Uni-Select's business outlook, objectives, plans, strategic priorities, operations, financial performance, financial conditions and results and other statements that are not historical facts. 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 presentation and our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statement will materialize, and we caution you against relying on any of these forward-looking statements.

For additional information with respect to risks and uncertainties, refer to 2020 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 presentation, and Uni-Select does not undertake to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. Forward-looking statements are presented in this presentation for the purpose of assisting investors and others in understanding certain key elements of our expected 2021 financial results, as well as our objectives, strategic priorities and business outlook for 2021, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Basis of presentation: Unless otherwise indicated in this document, all amounts are expressed in millions of US dollars, except per share amounts, percentages and otherwise specified.



MARKET DYNAMICS

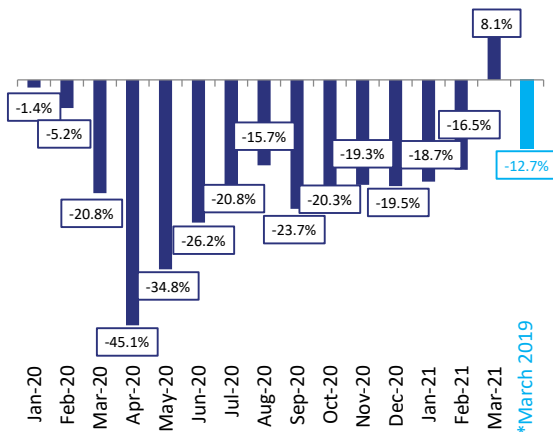
Industry Statistics – UNS Sales Correlated to the Market



Uni-Select sales are correlated to each market in which it operates

United States

% Decrease in CCC's Claim Count
(month over month)

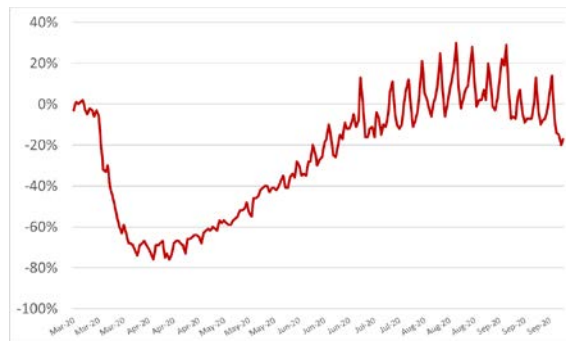


*March 2021 vs March 2019

Source: CCC

Canada

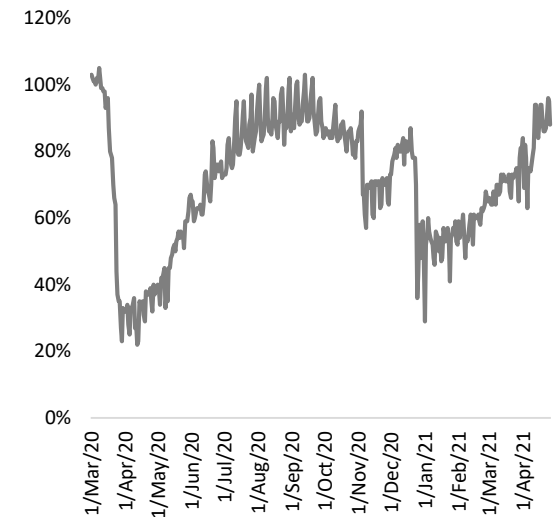
% change in KM driven
relative to 2019



Sources: Waze and EY analysis (last update in Sept.2020)

United Kingdom

Car Use (GB)
relative to pre- COVID-19

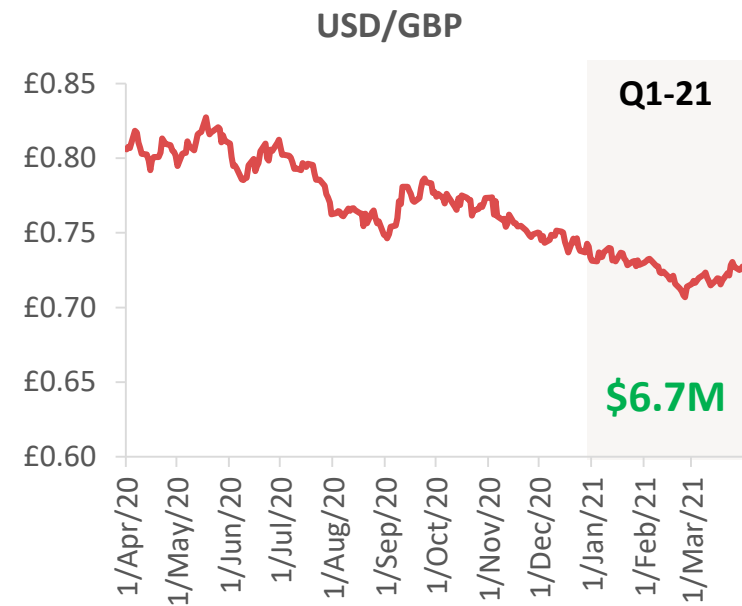
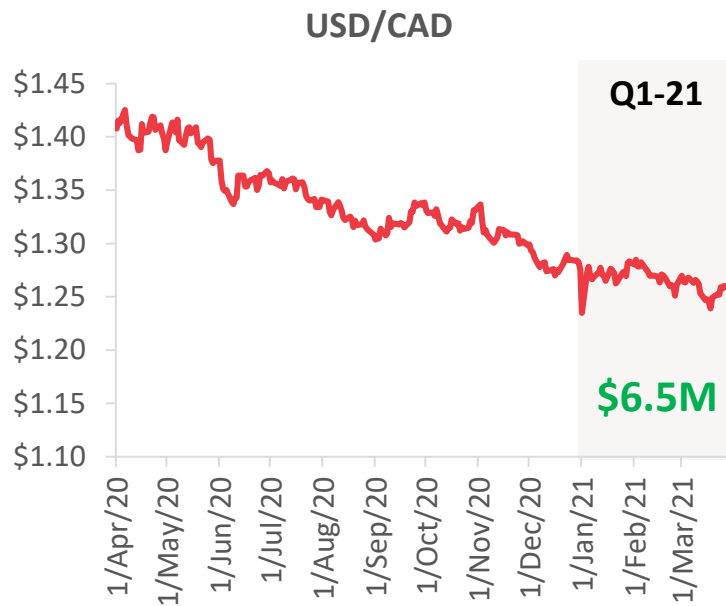


Source: UK Government statistics office

Foreign Exchange – Positive Impact on Q1 Sales



The value of the U.S. dollar depreciated in Q1 compared to the Canadian dollar and the British pound which resulted in higher overall sales for Uni-Select



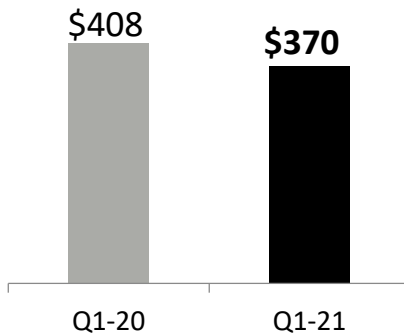
Source: Yahoofinance



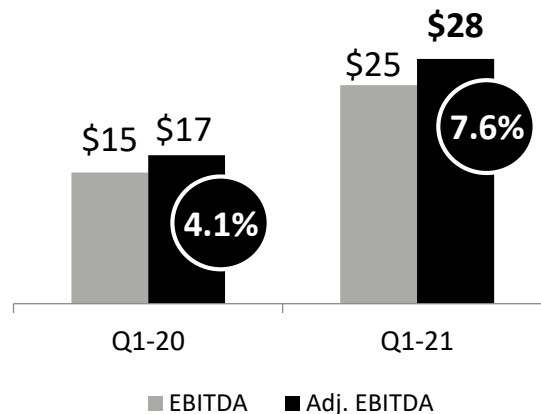
Q1 2021 HIGHLIGHTS

Conso - Strong Start to the Year

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



Organic Growth⁽¹⁾
(10.2%) / (\$42M)

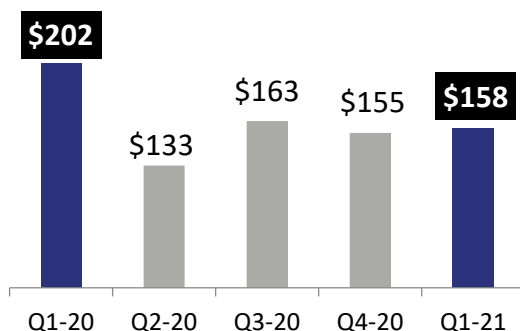
Adj. EBITDA %⁽¹⁾
+350bps

(1) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section at the end of this presentation for further details.

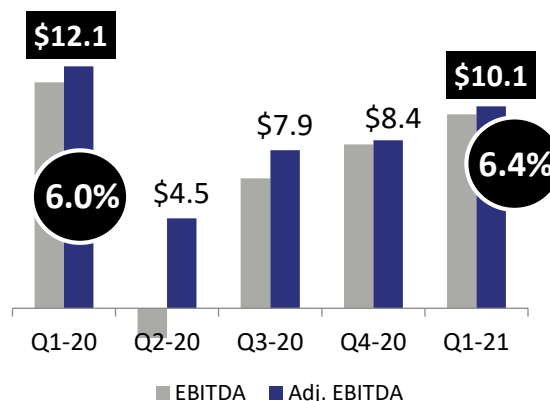
- **Sales var. (9.2%) mainly due to COVID-19:**
 - (+) CAG performance
 - (+) FX
 - (-) Slower recovery in the refinish market
 - (-) Billing days
- **Organic growth⁽¹⁾ in line with second half of 2020**
- **Adj. EBITDA⁽¹⁾ var. +68% and margin up 350bps:**
 - (+) Improvement plans & cost control
 - (+) Improved gross margins in CAG & TPA & reversal of bad debt
 - (+) LY FX losses & one-time charge totalling \$4.5M
- **Limited total net debt increase due to strong cash collection and proactive cash management**

FM – Slower Market Recovery

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



Organic Growth⁽¹⁾
(18.6%) / (\$38M)

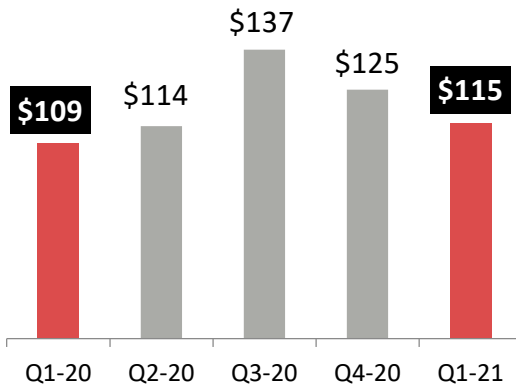
Adj. EBITDA%⁽¹⁾
+40bps

- Slower sales recovery due to COVID-19 impact on the market
- Organic growth⁽¹⁾ in line with the CCC data in the geographies in which FM operates
- Adj. EBITDA margin⁽¹⁾ increased 40bps:
 - (+) Improvement plans & cost control
 - (+) Partial reversal of bad debt
 - (+) LY one-time charge
 - (-) Fixed cost absorption
- Ended Q1-21 with 147 stores, no change vs Q4-20

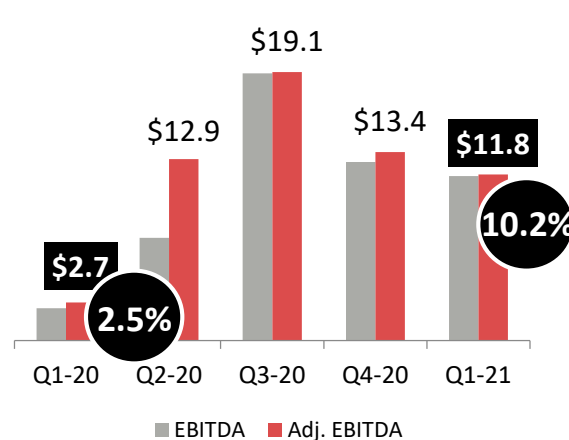
(1) This information represents a non-IFRS financial measure. Refer to the “Non-IFRS financial measures” section at the end of this presentation for further details.

CAG – Robust & Sustained Results

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



Organic Growth⁽¹⁾

+0.3% / +\$0.3M

Adj. EBITDA⁽¹⁾

+770bps

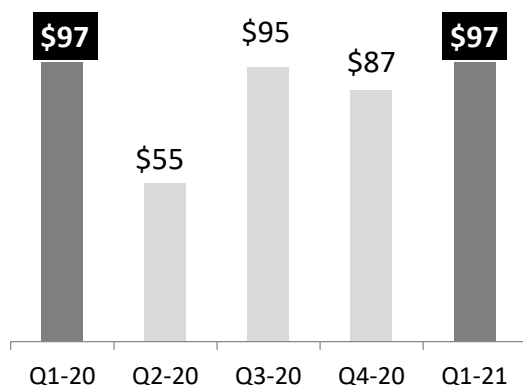
(1) This information represents a non-IFRS financial measure. Refer to the “Non-IFRS financial measures” section at the end of this presentation for further details.

- **Sales increased 5.7%:**
 - (+) FX
 - (+) Acquisitions
 - (-) Billing days
- **Organic growth⁽¹⁾ was 0.3%:**
 - (+) Performance of DCs
 - (-) Lower volume of sales in network of stores
- **Adj. EBITDA⁽¹⁾ margin +770bps:**
 - (+) Improvement plans & cost control
 - (+) Improved gross margin
 - (+) FX gains vs losses last year: +230bps
- **Ended Q1-21 with 76 stores, no change vs Q4-20**

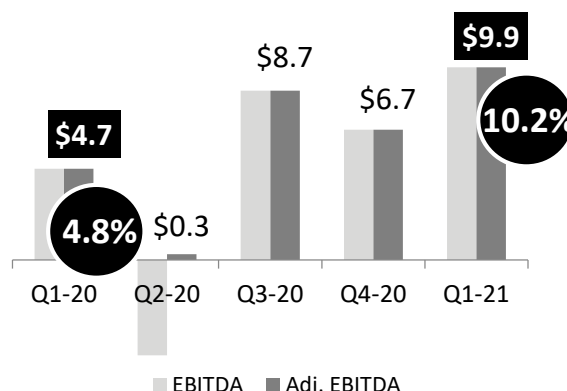
TPA – Sustained Improvements in Results



Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



Organic Growth⁽¹⁾
(4.5%) / (\$4M)

Adj. EBITDA%⁽¹⁾
+540bps

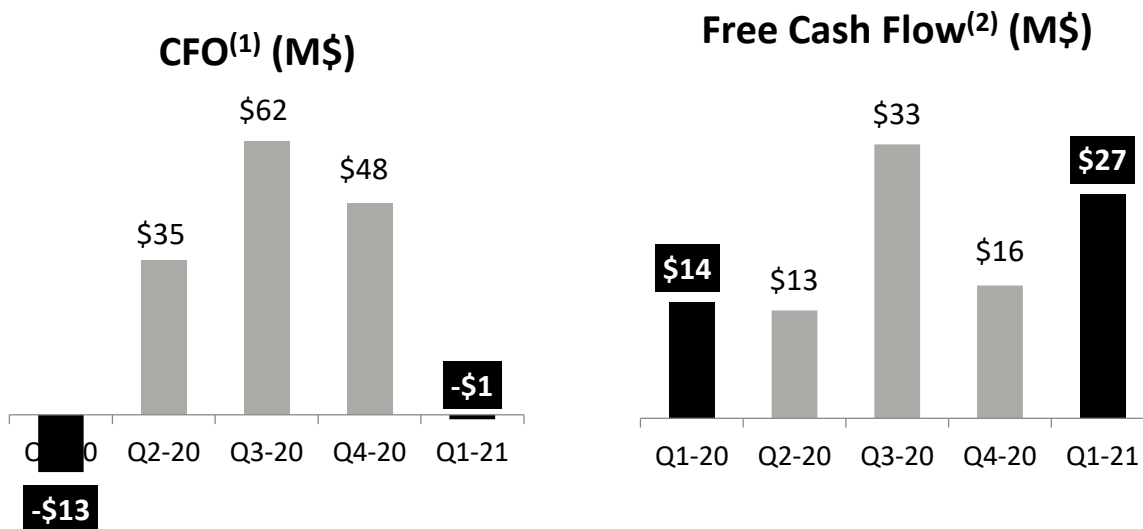
- **Sales var. +0.2%:**
(+) FX
(-) Impact from COVID-19
(-) Billing days
- **Organic growth⁽¹⁾ in line with second half of 2020**
- **Adj. EBITDA⁽¹⁾ margin up 540bps:**
(+) Improvement plans & cost control
(+) Improved gross margin
(-) Fixed cost absorption
- **Completed the UK branch transition to one single POS system**
- **Ended Q1-21 with 171 stores, no change vs Q4-20**

(1) This information represents a non-IFRS financial measure. Refer to the “Non-IFRS financial measures” section at the end of this presentation for further details.



Q1 2021 LIQUIDITY & CAPITAL RESOURCES

Doubled FCF⁽²⁾ on Higher Profitability



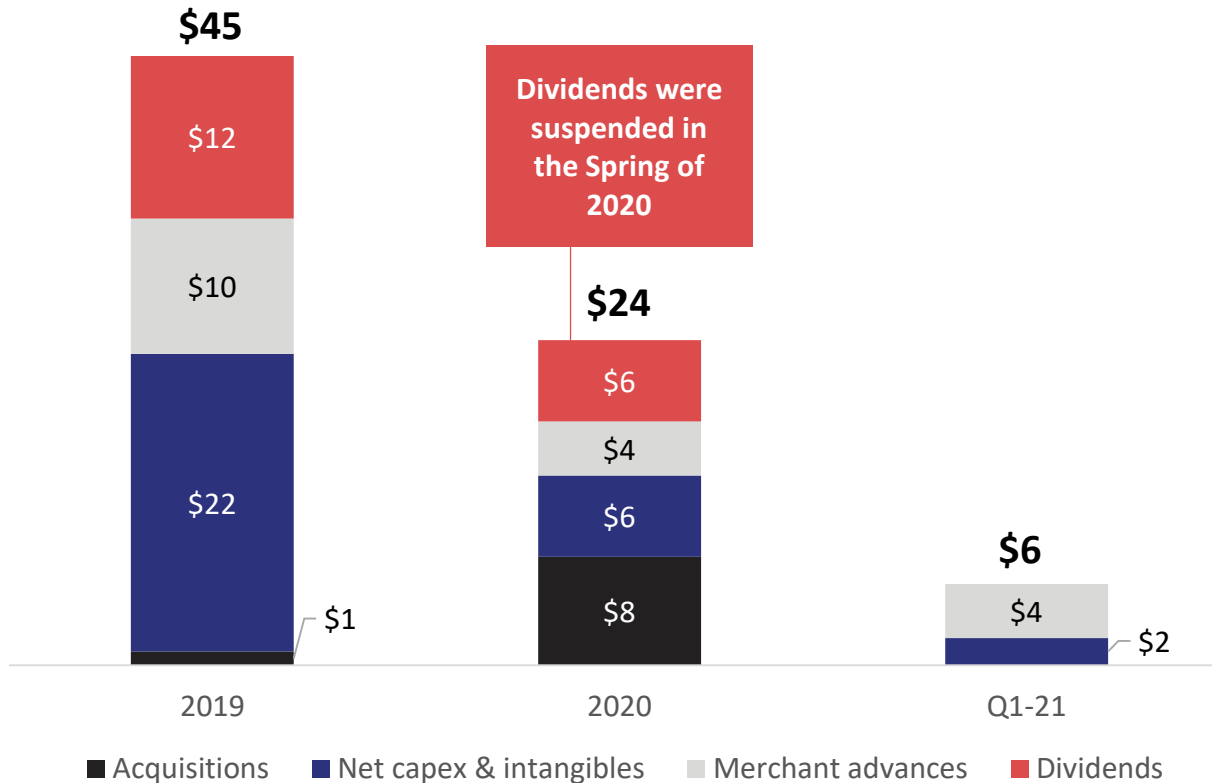
Better than expected WC
(\$28M)

- CFO and FCF⁽¹⁾ increased due to improved profitability
- Managed working capital proactively:
 - Strong cash collection efforts
 - Active inventory management

(1) Cash flow from operations

(2) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section at the end of this presentation for further details.

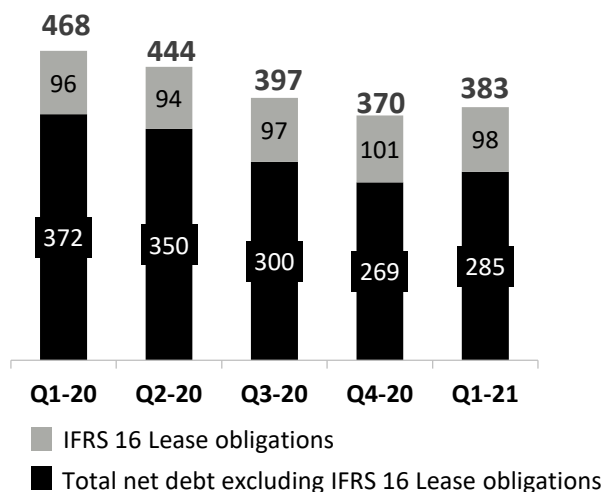
Managed Capital Investments



- In Q1-21 we invested:
(+) Capex \$2M
(+) Merchant advances \$4M
- 2021 capex investment is phased towards the second half of the year

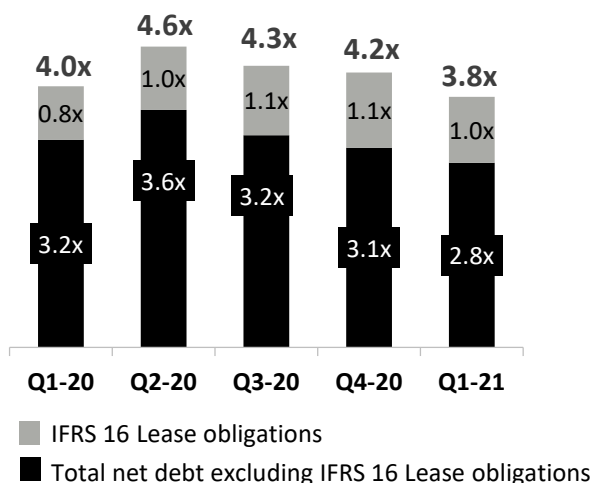
Reduced Leverage Ratio

Total Net Debt⁽¹⁾



Debt Increase Limited to
+\$13M

Total Net Debt to Adj. EBITDA⁽¹⁾



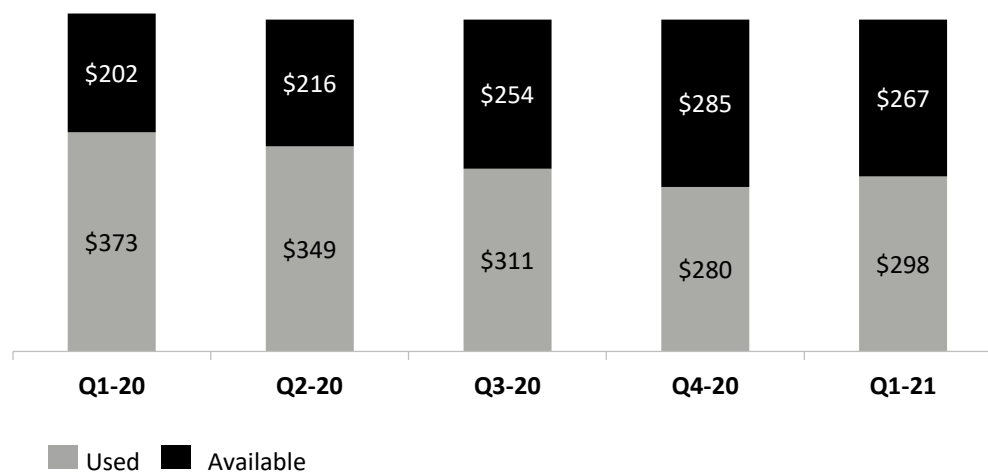
Reduced Leverage Ratio
40bps

- Total net debt only increased slightly compared to Q4-20 due to:
 - Proactive working capital management
 - Improved profitability
- Leverage ratio decreased to 3.8x in Q1-21 from 4.2x in Q4-20 due to:
 - Improved profitability relative to increase in total net debt

(1) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section at the end of this presentation for further details. This measure consists of long-term debt, including the portion due within a year (as shown in note 12 in the interim condensed consolidated financial statements), net of cash. For avoidance of doubt, it excludes letters of credit and the convertible debentures which are considered equity for ratio purposes.

Ample Liquidity

Available Liquidity (M\$)



Total Available Liquidity⁽¹⁾

\$267M

(1) Total Available Liquidity= Total credit facility – outstanding revolving credit facility – term facility – letters of credit + cash, except for Q4-19 where the Corporation benefitted from a separate letter of credit facility

- Total available liquidity including cash net of letter of credits, is \$267M as at Q1-21
- In compliance with all covenants as at Q1-21



2021 OUTLOOK

2021 Outlook



Q2-21 Consolidated Sales

- April consolidated organic growth higher than LY; however Q2 overall organic sales are expected to be lower than Pre- COVID (2019) level
- The Refinish/PBE markets continue to improve but will continue to be behind previous COVID-19 levels for the short & medium term

2021 Consolidated Profitability

- Adj. EBITDA & % expected to improve over 2020
- Lower government subsidies
- Benefits from continuous improvement initiatives
- Net finance costs in line with 2020, excluding the loss on debt extinguishment
- Tax rate between 20% and 22%

2021 - Business Segments

- **FM sales:** 2021 sales expected to be up over 2020. Market recovery is expected on a regional basis. National and MSO sales are currently recovering faster than independent channel
- **CAG & TPA:** 2021 sales expected to be up over 2020

2021 - Cash Flow & Debt

- Capex for maintenance: ~\$12M
- Capex for development: \$10M-\$16M
- Customer investments: \$14M -\$16M
- Expect total net debt to rise marginally in Q2-21 vs Q1-21
- Objective is to finish 2021 at a similar debt level to Q4-20, with an improved leverage ratio

There remains regional uncertainty in some markets related to the pandemic and the slower recovery in the refinish market, therefore, the following Outlook is based on certain assumptions and visibility as of today.

Seasonality of UNS Results

While the impact of COVID-19 has temporarily distorted the typical seasonality of UNS's results, Q2-21 is expected to be strong given weak Q2-20 comparables

The seasonality might be impacted in the future due to market volatility created by COVID-19

	Q1	Q2	Q3	Q4
FinishMaster	SOFT	STRONG	STRONG	SOFT
CAG	SOFT	STRONG	STRONG	SOFT
TPA	STRONG	SOFTER (than pre-COVID historical)	STRONGER (than pre-COVID historical)	SOFT

Shift of MOT
mandatory
testing from
Q2 to Q3

APPENDIX

Non-IFRS Financial Measures

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

Organic growth

This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, the erosion of sales from the integration of company-operated 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.

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.

Non-IFRS Financial Measures (cont'd)

Adjusted earnings and adjusted earnings per share

Adjusted earnings and adjusted earnings per share represent net earnings excluding certain adjustments, net of income taxes, which may affect the comparability of the Corporation's financial results. Management considers that these measures facilitate the analysis and provide a better understanding of the Corporation's operational performance. The intent of these measures is to provide additional information.

These adjustments include, among other things, restructuring and other charges 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.

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.

Non-IFRS Financial Measures (cont'd)



Total net debt

This measure consists of long-term debt, including the portion due within a year (as shown in note 12 to the interim condensed consolidated financial statements), net of cash.

Total net debt to adjusted EBITDA

This ratio corresponds to total net debt to adjusted EBITDA.

Non-IFRS Financial Measures (cont'd)

Reconciliation of Consolidated Organic Growth		
	First quarters	
	2021	2020
<i>FinishMaster US</i>	158.2	202.2
<i>Canadian Automotive Group</i>	115.2	108.9
<i>The Parts Alliance UK</i>	96.8	96.5
Sales	370.1	407.7
		(in %)
Sales variance	(37.6)	(9.2)
Conversion effect of the Canadian dollar and the British pound	(13.2)	(3.2)
Number of billing days	9.0	2.2
Erosion of sales from the integration of company-operated stores	0.8	0.2
Acquisitions	(0.6)	(0.2)
Consolidated organic growth	(41.7)	(10.2)

Note: Numbers may not add exactly due to rounding.

Non-IFRS Financial Measures (cont'd)

Reconciliation of EBITDA			
	First quarters		
	2021	2010	%
Net earnings (loss)	0.2	(6.7)	
Income tax expense (recovery)	0.3	(1.9)	
Finance costs, net	8.9	7.1	
Depreciation and amortization	15.4	16.6	
EBITDA	24.8	15.1	64.2
<i>EBITDA margin</i>	<i>6.7%</i>	<i>3.7%</i>	
Special items	3.4	1.7	
Adjusted EBITDA	28.2	16.8	67.9
<i>Adjusted EBITDA margin</i>	<i>7.6%</i>	<i>4.1%</i>	

Note: Numbers may not add exactly due to rounding.

Non-IFRS Financial Measures (cont'd)

Reconciliation of Adjusted Earnings and Adjusted EPS			
	First quarters		
	2021	2020	%
Net earnings (loss)	0.2	(6.7)	103.2
Special items, net of taxes	2.6	1.3	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	0.9	1.2	
Adjusted earnings (loss)	3.7	(4.3)	186.7
Earnings (loss) per share	0.01	(0.16)	106.3
Special items, net of taxes	0.06	0.03	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	0.02	0.03	
Adjusted earnings (loss) per share	0.09	(0.10)	190.0

Note: Numbers may not add exactly due to rounding.

Non-IFRS Financial Measures (cont'd)

Reconciliation of Free Cash Flows		
	First quarters	
	2021	2020
Cash flows used in operating activities	(0.5)	(12.7)
Changes in working capital	28.4	29.2
Acquisitions of property and equipment	(1.2)	(2.6)
Difference between amounts paid for post-employment benefits and current period expenses	0.8	(0.3)
Free cash flows	27.4	13.7

Note: Numbers may not add exactly due to rounding.



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