

Q4 2020

(Ended December 31, 2020)

Conference Call

February 19, 2021

TRANSFORMING FOR THE FUTURE

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

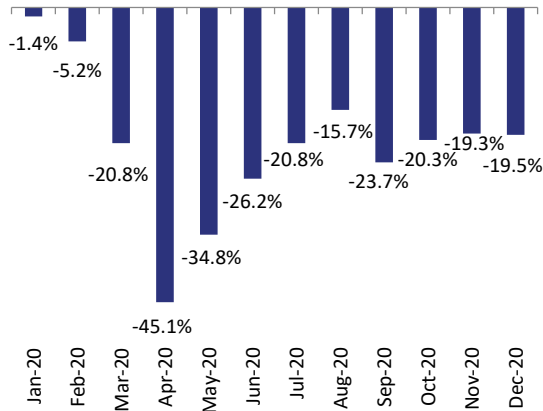
Industry Statistics – UNS Sales Correlated to the Market



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

United States

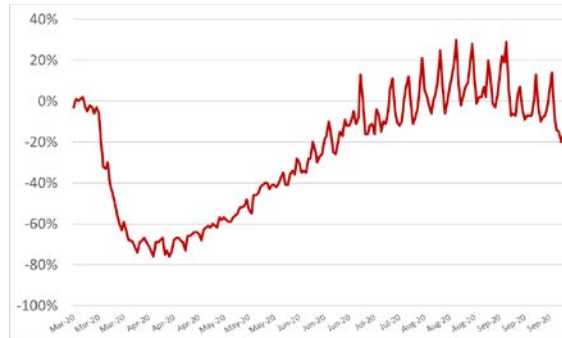
% Decrease in CCC's Claim Count
(month over month)



Source: CCC

Canada

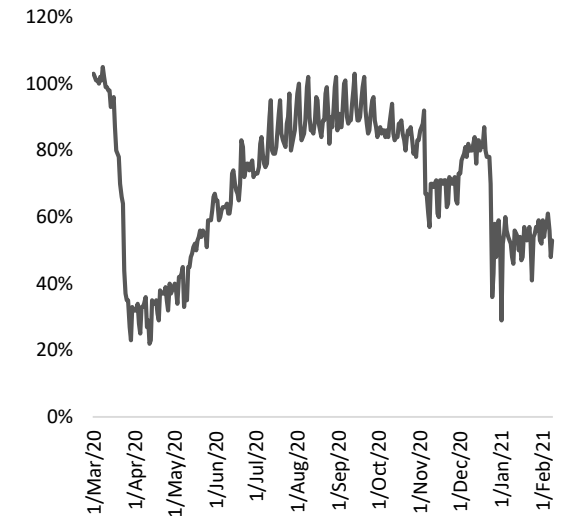
% change in KM driven
relative to 2019



Sources: Waze and EY analysis

United Kingdom

Car Use (GB)
relative to previous year

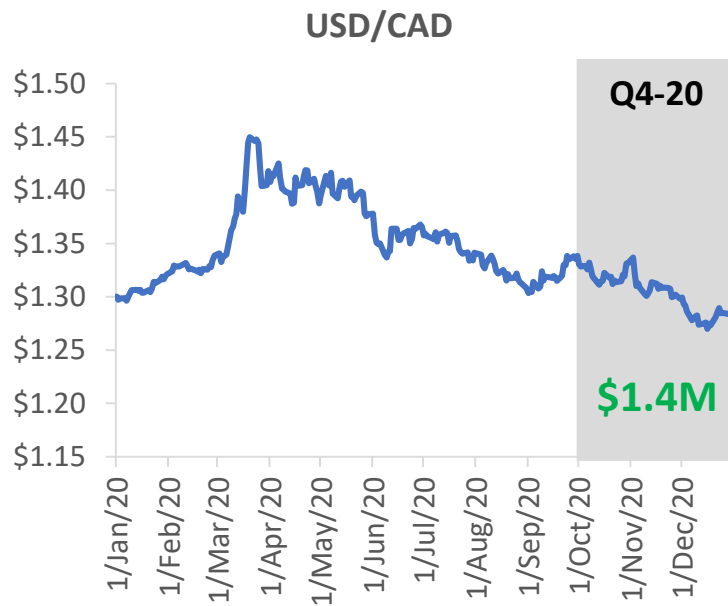


Source: UK Government statistics office

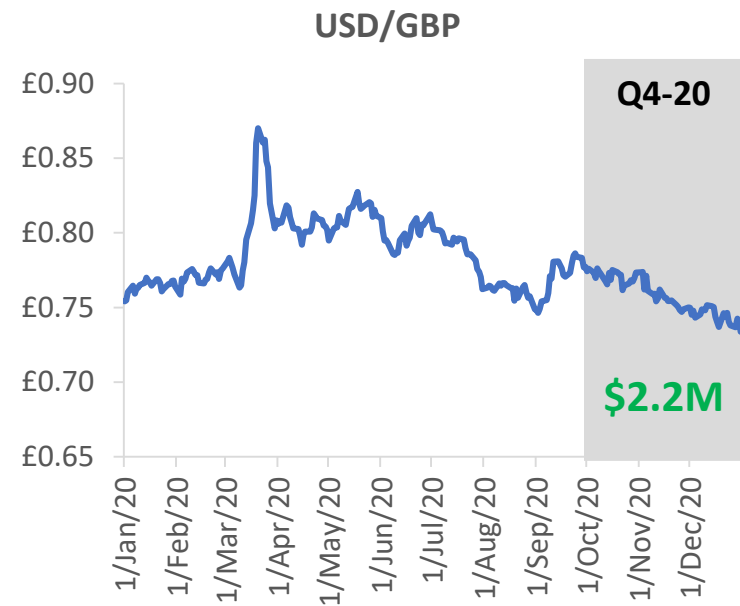
Foreign Exchange – Positive Impact on Q4 Sales



The value of the U.S. dollar depreciated in Q4 compared to the Canadian dollar and the British Pound which resulted in higher overall sales for Uni-Select



YTD 2020 translation impact: (\$4.4M)



YTD 2020 translation impact: \$2.8M

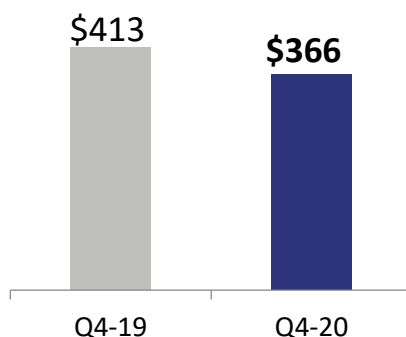
Source: Yahoofinance



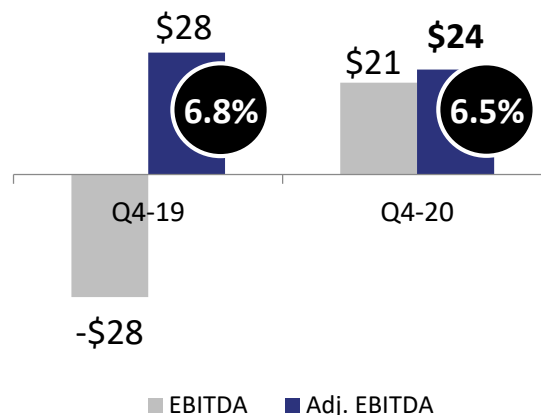
Q4 & 2020 HIGHLIGHTS

Stable Q4-20 Results

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



**Q4 Organic Growth⁽¹⁾
(12.0%) or (\$49M)**

**Adj. EBITDA % in line with LY
\$24M or 6.5%**

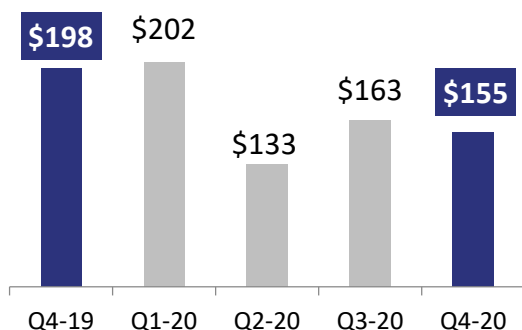
- **Sales var. (11.2%):**
(-) Slower recovery in FM
(+) CAG performance
- **Organic growth⁽¹⁾ improved sequentially from (31.9%) in Q2-20**
- **Adj. EBITDA⁽¹⁾ var. (14.4%) but margin similar to last year at 6.5%:**
(-) Absorption of costs & vendor incentives
(+) Savings realized from CIP⁽²⁾ & cost control
(+) Government subsidies in the U.K. of \$1.0 M
- **394 stores : integrated 1 store in Q4, acquired 2 stores**

(1) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section of the 2020 MD&A for further details.

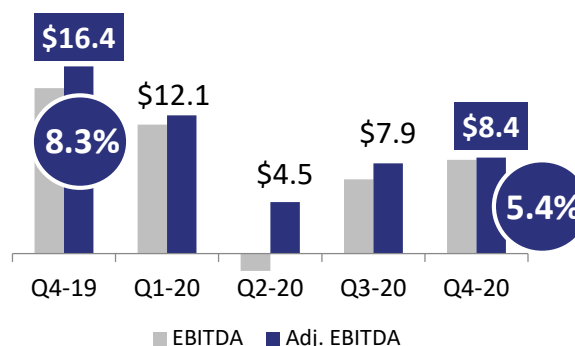
(2) Continuous Improvement Plan

FM – In Line With Slower Market Recovery

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



**Q4 Organic Growth⁽¹⁾
(22.0%) or (\$44M)**

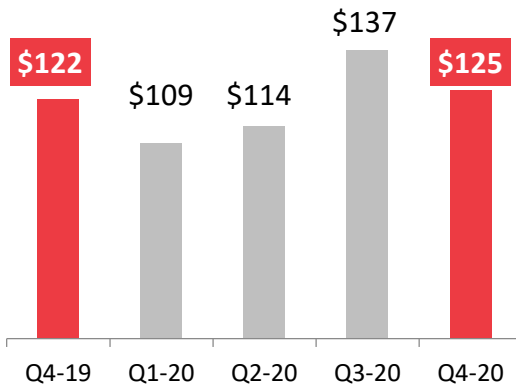
**Q4 Adj. EBITDA
\$8.4M or 5.4%**

- Sales down (22.0%) due to the impact from the market mainly due to COVID-19
- Organic growth⁽¹⁾ improved sequentially from (36.6%) in Q2-20
- Adj. EBITDA margin⁽¹⁾ pressure due to:
 - (-) Fixed cost absorption
 - (-) Lower rebates
 - (-) Customer mix
 - (+) Savings from CIP
- Integrated 1 store in Q4-20; integrated 33 stores in 2020; ending 2020 with 147 stores

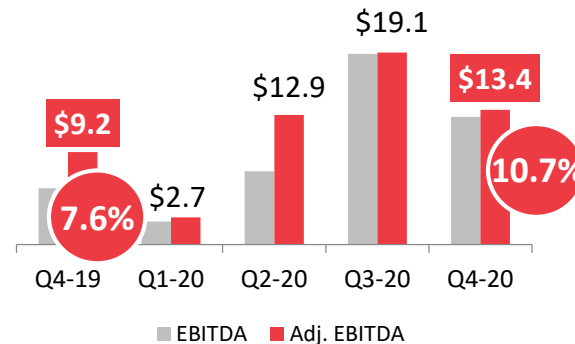
(1) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section of the 2020 MD&A for further details.

CAG – Continued Improvements in Results

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



Q4 Organic Growth⁽¹⁾
flat

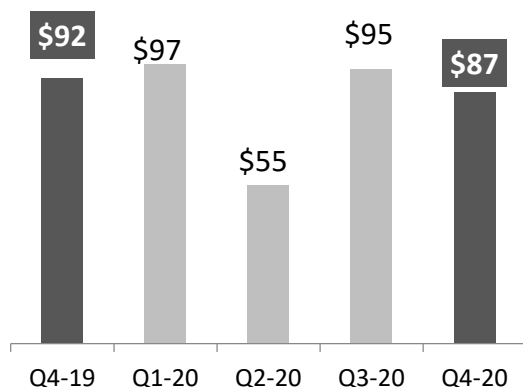
Q4 Adj. EBITDA%
\$13.4M or 10.7%

(1) This information represents a non-IFRS financial measure. Refer to the “Non-IFRS financial measures” section of the 2020 MD&A for further details.

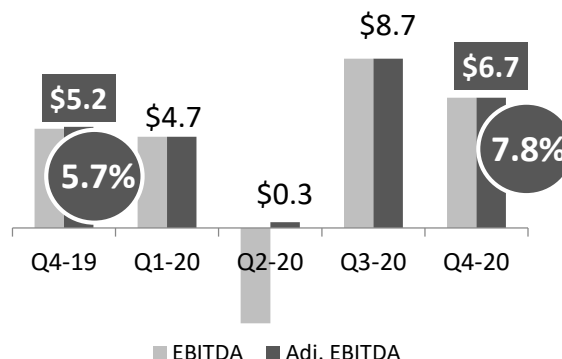
- Sales returned to 2019 run rate despite COVID-19:
(+) Acquisitions
(+) FX
- Organic growth⁽¹⁾ was flat
- Adj. EBITDA⁽¹⁾ var. +44.6%:
(+) Savings from CIP, delivering sustained improvement in productivity
(+) Timing of vendor rebates
(+) FX gains vs losses last year
(+) Migrated 17 stores on single POS system
- Acquired 2 stores in Q4-20 for a total of 5 for 2020; integrated 4 stores ending 2020 with 76 stores

TPA – Stable Q4-20 Results

Sales (M\$)



EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



**Q4 Organic Growth⁽¹⁾
(6.0%)**

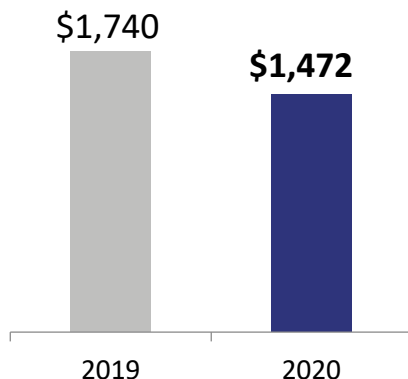
**Best Q4 Adj. EBITDA%
\$6.7M or 7.8%**

- **Sales var. (5.8%):**
(-) Impact from COVID-19
(-) Integration of stores
(+) FX
- **Organic growth⁽¹⁾ in line with Q3**
- **Adj. EBITDA⁽¹⁾ var. +29.1%:**
(+) Savings from CIP, delivering improvement in productivity
(+) Governmental occupancy subsidies of \$1.0M
(+) Migrated 36 stores on single POS system
(-) Fixed cost absorption
- **Integrated 8 stores in 2020, ending the year at 171 stores**

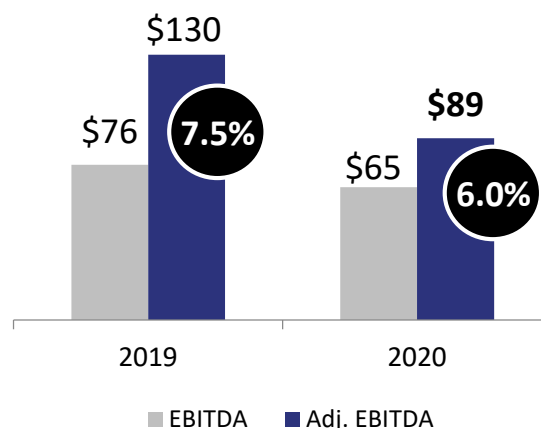
(1) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section of the 2020 MD&A for further details.

2020 – Solid Recovery in the 2nd Half

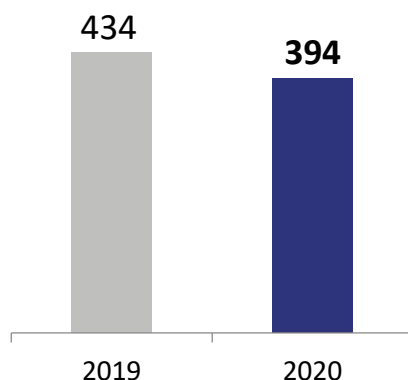
Sales (M\$)



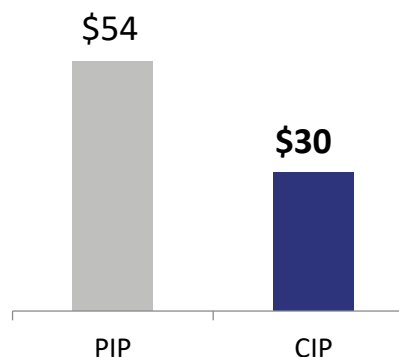
EBITDA⁽¹⁾ & Adj. EBITDA⁽¹⁾ (M\$)



Stores



CI initiatives (M\$)



(1) This information represents a non-IFRS financial measure. Refer to the “Non-IFRS financial measures” section of the 2020 MD&A for further details.

- Sales var. (15.4%) due to the pandemic
 - Decline correlated with the markets in which we operate
 - Autoparts businesses recovered more rapidly than refinish business
- Adj. EBITDA⁽¹⁾ var. (31.6%) but mitigated impact on margin:
 - Business continuity plan
 - PIP⁽²⁾ & CIP initiatives
- **Network:** integrated 45 stores and acquired 5 stores, ending the year with 394 stores
- **CIP initiatives:** over \$30M in 2020

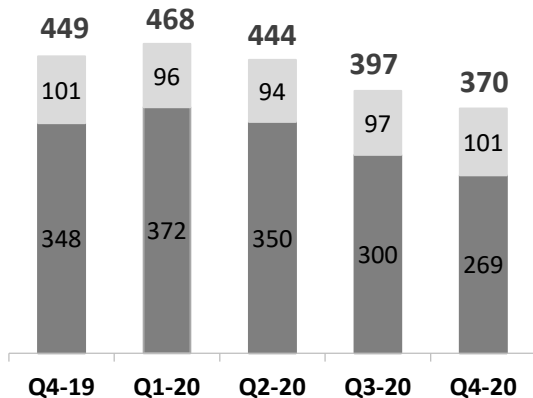
(2) Performance Improvement Plan



Q4 2020 LIQUIDITY & CAPITAL RESOURCES

Reduced Debt Significantly

Total Net Debt⁽¹⁾

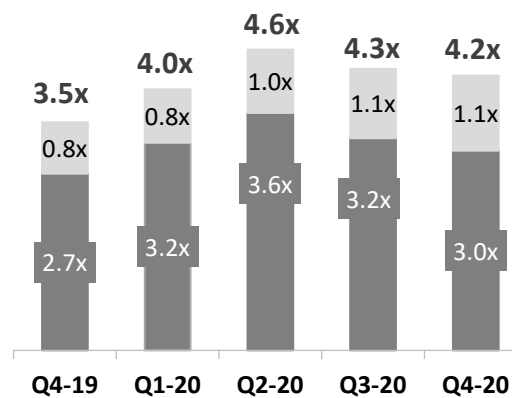


■ IFRS 16 Lease obligations
■ Total net debt excluding IFRS 16 Lease obligations

Debt Reduction vs 2019

\$79M

Total Net Debt to Adj. EBITDA⁽¹⁾



■ IFRS 16 Lease obligations
■ Total net debt excluding IFRS 16 Lease obligations

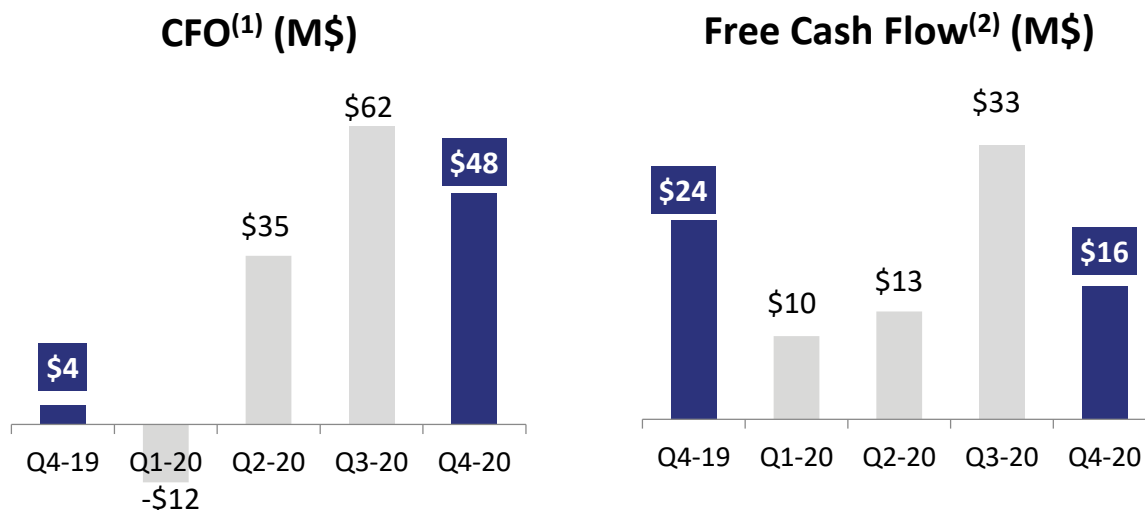
Leverage Ratio, excl. IFRS

3.0x

- **Reduced total net debt by \$79M compared to 2019 due to:**
 - Efficient controls over working capital elements
 - Cost control and productivity gains translating into improved operating cash flow
- **Leverage ratio increased from 3.5x in 2019 to 4.2x in 2020 due to:**
 - Negative impact of COVID-19 on adjusted EBITDA

(1) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section of the 2020 MD&A for further details. This measure consists of long-term debt, including the portion due within a year (as shown in note 18 in the 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.

Generated Strong Cash Flow



Improved WC in 2020
+\$57M

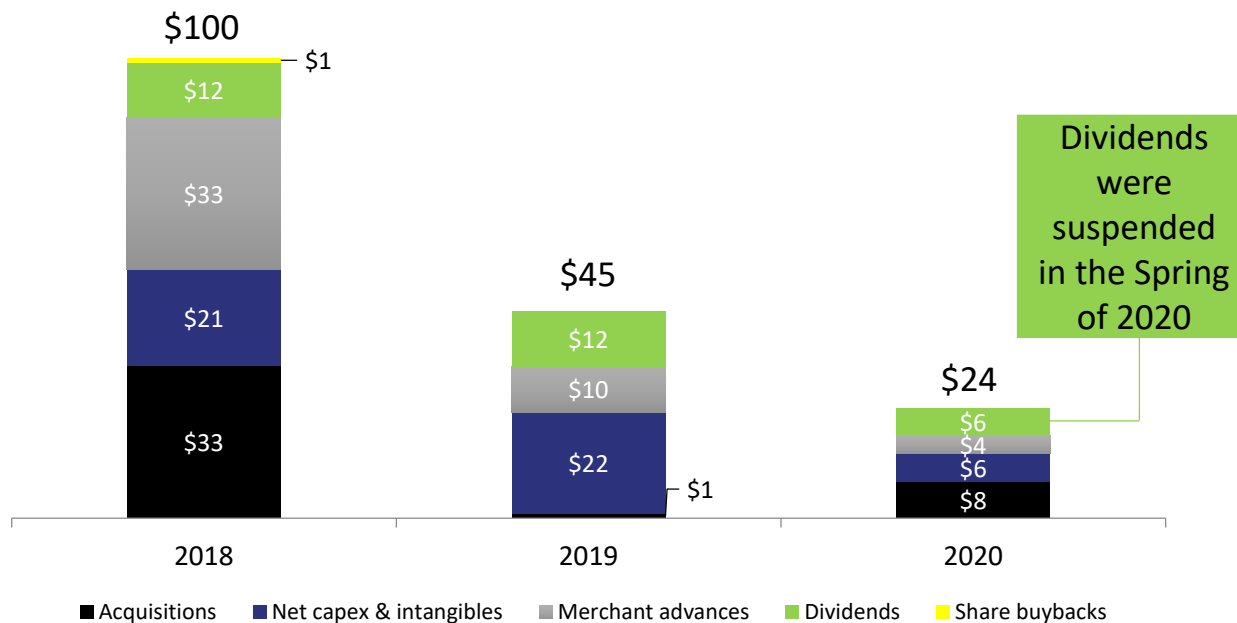
(1) Cash flow from operations

(2) This information represents a non-IFRS financial measure. Refer to the "Non-IFRS financial measures" section of the 2020 MD&A for further details.

- **Q4 CFO var. +44M:**
(+) working capital
(-) interest payment on convertible debenture
- **Q4 FCF⁽²⁾ var. (8M):**
(-) interest payment on convertible debenture
(-) lower operating results
(+) lower capex
- **2020 CFO var. +99M:**
(+) working capital
(-) lower operating results
(-) timing of vendor financing
- **2020 FCF⁽²⁾ var. (33M):**
(-) lower profitability
(+) lower capex

Managed Capital Investments

As part of our cash conservation plan, we kept our capital deployment to a minimum. In 2020 we invested modestly in Capex and merchant advances and made two tuck-in acquisitions

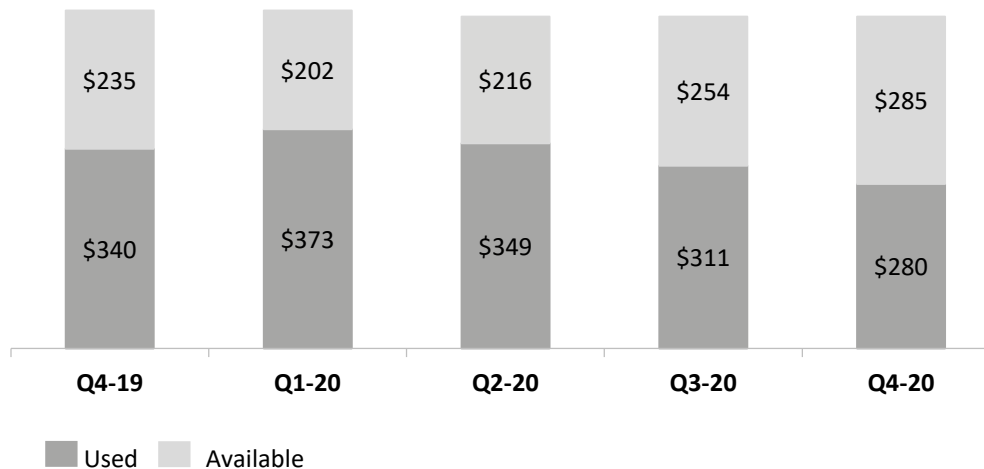


- 2020 capital deployment reduced by almost 50%:

- (-) Capex down \$16M
- (-) Merchant advances down \$6M
- (-) Dividends down \$6M
- (+) Acquisitions up \$7M

Maintained Sufficient Liquidity

Available Liquidity (M\$)



Total Available Liquidity⁽¹⁾

\$285M

(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 \$285M as at Q4-20
- Improved available liquidity progressively since Q1 by \$82M
- Increased liquidity by \$50M compared to Q4-19
- In compliance with all covenants as at Q4-20

In Compliance With Covenants



As at December 31, 2020, Uni-Select is in compliance with all its covenants

Selected Credit Agreement Covenants⁽¹⁾

	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23
Liquidity	>\$35M	>\$35M	>\$35M	>\$35M	>\$35M	>\$35M				
Minimum EBITDA	>\$0M	>\$0M	>\$20M	>\$25M						
Total Net Debt / EBITDA Ratio					<4.5:1.0	<4.5:1.0	<4.0:1.0	<4.0:1.0	<3.5:1.0	<3.75:1.0
EBITDA / Interest Expense Ratio					>2.5:1.0	>2.5:1.0	>2.5:1.0	>2.5:1.0	>3.0:1.0	>3.00:1.0

(1) Please refer to Credit Agreement on Sedar for a list and description of all covenants, calculation and definitions of EBITDA and Total Net Debt.



2021 OUTLOOK

2021 Outlook



There is significant uncertainty in the market related to the pandemic, the Brexit overhang and the ongoing structural changes in the refinish market in the U.S., therefore, the following Outlook is based on certain assumptions and visibility as of today.

Q1-21 Consolidated Sales

- January consolidated organic growth stands at -12%, with FM at -15%, CAG at -7% and TPA at -10%
- Temporary supply chain issues are expected to continue in the 1st half of 2021
- The Refinish/PBE markets will continue to be behind previous COVID levels for the medium term

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 Consolidated Profitability

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

2021 - Cash Flow & Debt

- Capex for maintenance: ~\$12M
- Capex for development: \$10M-\$16M
- Customer investments: \$14M-\$16M
- Expect total net debt to rise in Q1-21 vs Q4-20 due to seasonality, re-stocking and payments of rebates to our members
- Objective is to finish 2021 at similar debt level of Q4, 2020 with improved leverage ratio

Historical Impact of Seasonality on UNS Results



While the impact of COVID-19 has temporarily distorted the typical seasonality of UNS's results, Q1-21 is still expected to be soft

The below historical 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	STRONG	SOFT	SOFT



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-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.

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, 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.

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 18 to the 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				
	Fourth quarters		Twelve-month periods	
	2020	2019	2020	2019
<i>FinishMaster US</i>	154.7	198.3	653.7	830.8
<i>Canadian Automotive Group</i>	124.9	122.3	485.4	516.1
<i>The Parts Alliance UK</i>	86.7	92.0	332.7	392.7
Sales	366.2	412.6	1,471.8	1,739.6
		(in %)		(in %)
Sales variance	(46.4)	(11.2)	(267.8)	(15.4)
Conversion effect of the Canadian dollar and the British pound	(3.6)	(0.9)	1.6	0.1
Number of billing days	0.5	0.1	(6.3)	(0.4)
Erosion of sales from the integration of company-owned stores	1.5	0.3	9.8	0.6
Acquisitions	(1.3)	(0.3)	(3.4)	(0.2)
Consolidated organic growth	(49.3)	(12.0)	(266.1)	(15.3)

Note: Numbers may not add exactly due to rounding.

Non-IFRS Financial Measures (cont'd)

Reconciliation of EBITDA						
	Fourth quarters			Twelve-month periods		
	2020	2019	%	2020	2019	%
Net earnings (loss)	(5.1)	(49.4)		(31.5)	(19.8)	
Income tax expense (recovery)	2.6	(2.1)		(3.8)	2.5	
Depreciation and amortization	14.9	16.0		62.6	64.2	
Finance costs, net	9.1	7.5		37.4	29.7	
EBITDA	21.5	(28.0)	176.6	64.6	76.5	(15.5)
<i>EBITDA margin</i>	<i>5.9%</i>	<i>(6.8%)</i>		<i>4.4%</i>	<i>4.4%</i>	
Special items	2.4	55.9		24.2	53.5	
Adjusted EBITDA	23.9	27.9	(14.4)	88.8	129.9	(31.6)
<i>Adjusted EBITDA margin</i>	<i>6.5%</i>	<i>6.8%</i>		<i>6.0%</i>	<i>7.5%</i>	

Note: Numbers may not add exactly due to rounding.

Non-IFRS Financial Measures (cont'd)

Reconciliation of Adjusted Earnings and Adjusted EPS						
	Fourth quarters			Twelve-month periods		
	2020	2019	%	2020	2019	%
Net loss	(5.1)	(49.4)	89.7	(31.5)	(19.8)	(58.9)
Special items, net of taxes	3.0	53.1		19.5	46.8	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	0.7	0.9		4.2	3.9	
Adjusted earnings (loss)	(1.4)	4.6	(130.9)	(7.8)	30.8	(125.4)
Loss per share	(0.12)	(1.17)	89.7	(0.74)	(0.47)	(57.4)
Special items, net of taxes	0.07	1.26		0.46	1.11	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	0.02	0.02		0.10	0.09	
Adjusted earnings (loss) per share	(0.03)	0.11	(127.3)	(0.18)	0.73	(124.7)

Note: Numbers may not add exactly due to rounding.

Non-IFRS Financial Measures (cont'd)

Reconciliation of Free Cash Flows				
	Fourth quarters		Twelve-month periods	
	2020	2019	2020	2019
Cash flows from operating activities	48.3	3.5	132.6	33.3
Changes in working capital	(31.5)	26.1	(54.3)	94.0
Acquisitions of property and equipment	(1.5)	(5.4)	(5.9)	(21.6)
Difference between amounts paid for post-employment benefits and current period expenses	0.5	(0.1)	(0.1)	-
Free cash flows	15.8	24.1	72.3	105.7

Note: Numbers may not add exactly due to rounding.

