

Accelerating Profitable Growth

Uni-Select TSX: UNS
Q4 2016 Conference Call
February 9, 2017



Preliminary Comments

Forward-looking information: The information provided in this presentation contains some forward-looking information, which includes certain risks and uncertainties, and may cause the final results to be significantly different from those listed or implied within this presentation. 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 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.

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.

2-for-1 stock split of common shares: Effected on May 11, 2016 for shareholders of record as at May 6, 2016 to increase the number of shares outstanding and enhance affordability to investors. To reflect the effect of the stock split, information pertaining to the number of common shares has been retroactively restated.

Q4 2016 - Financial Highlights (YoY)

- Total Sales reached \$291.0 million, up 12.3%; FinishMaster US up 17.7%; Automotive Canada up 4.3%
- EBITDA ⁽¹⁾ increased by 2.5% to \$24.6 million; adjusted EBITDA ⁽¹⁾ increased by 26.6% to \$25.4 million. Adjusted EBITDA margin ⁽¹⁾ reached 8.7%
- Net Earnings were \$12.7 million or \$0.30 per share; adjusted earnings ⁽¹⁾ up 18.3% from \$11.0 million to \$13.1 million or \$0.31 per share
- 16 stores added through 4 business acquisitions (3 in Canada and 1 in the US) and 1 greenfield in the US
- Quarterly dividend of C\$0.085



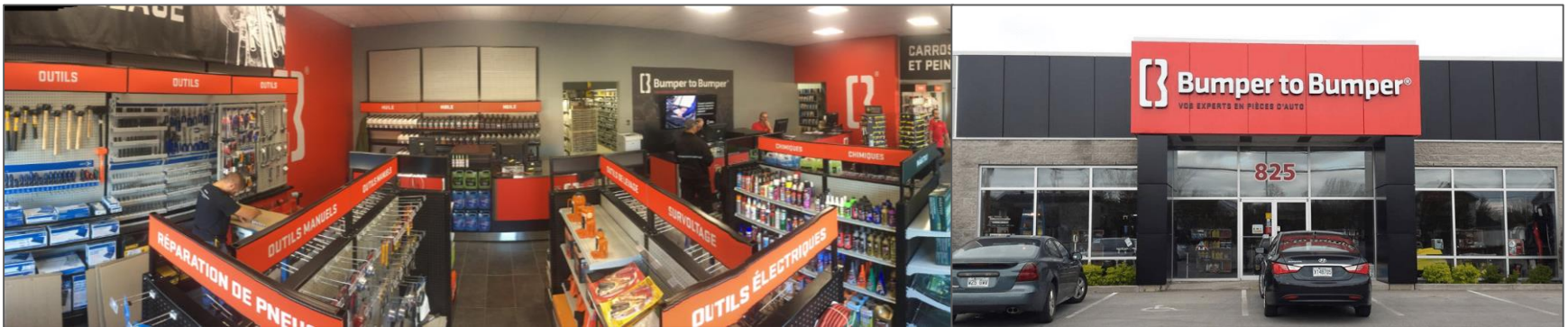
2016 – Key accomplishments

- Total sales of \$1,197.3 million, up 13.4% when excluding sales from net assets sold
- Acquired 14 businesses, 7 at FinishMaster US and 7 at Automotive Canada, adding approximately \$175M on an annual basis to Uni-Select
- Added 62 stores in total, 46 at FinishMaster US, including a greenfield, and 16 at Automotive Canada, while integrating 12 stores at FinishMaster US
- 205 stores in the US and 54 stores in Canada as at December 31, 2016
- Launched BUMPER TO BUMPER® and FINISHMASTER® brand as well as the deployment of the POS at Automotive Canada
- Build the best team in the business by attracting and retaining the best talent



Q4 2016 - Current Initiatives

- **FinishMaster USA – solid quarter**
 - Successfully integrating acquisitions
 - One paint supplier product line changeover underway
 - Organic growth excluding the changeover: approx. +4.1% in the current quarter
 - Strong acquisition pipeline
- **Automotive Canada – growing and building the foundation**
 - Organic growth +1.0%, modest rebound in the Prairies
 - BUMPER TO BUMPER store brand conversion – independent and corporate progressing very well
 - Good progress on corporate store integration – POS system currently being deployed
 - Added 4 FINISHMASTER locations through 2 business acquisitions
 - Strong acquisition pipeline



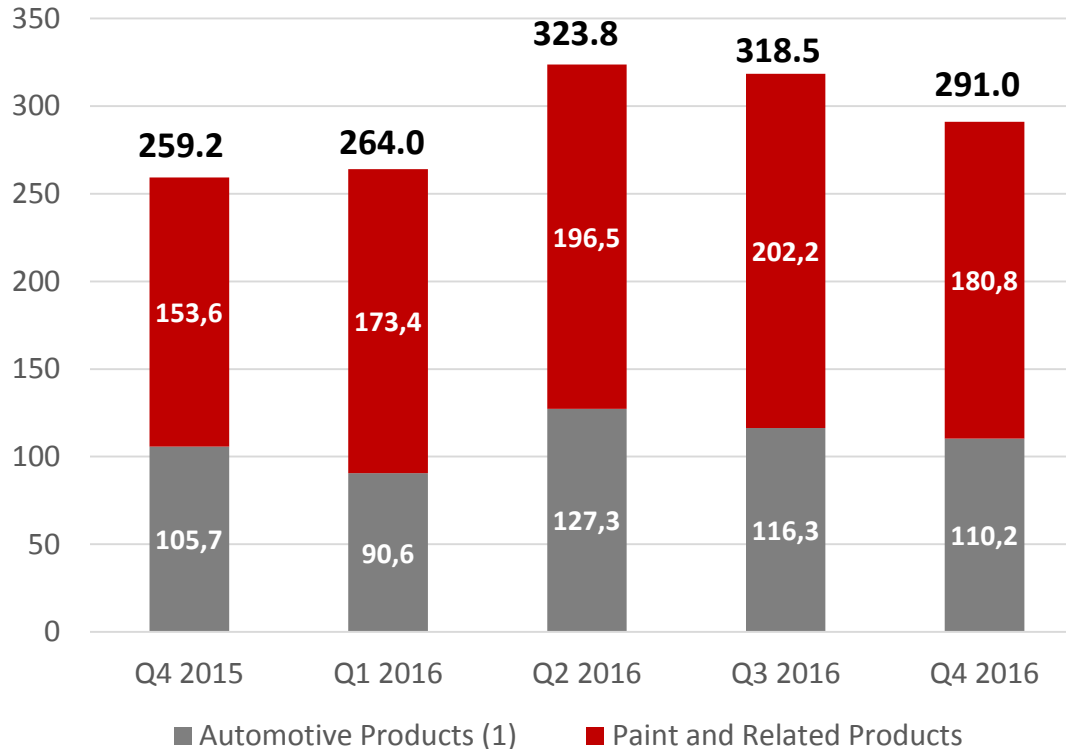
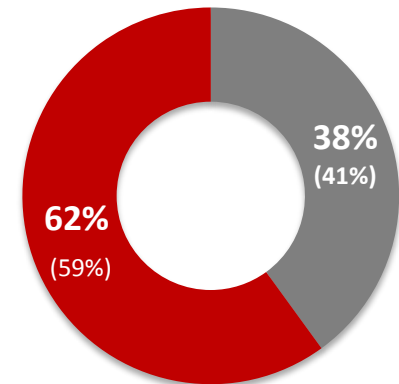
Q4 2016 - Total Sales by Business Segment

Q4 2016 HIGHLIGHTS (YoY)

- Total Sales up 12.3% to \$291.0 million
- Paint and Related Products segment sales reached \$180.8 million up 17.7% due to acquisitions as well as net customer recruitment and existing customer growth, exceeding the impact of the product line changeover
- Canadian Automotive rose to \$110.2 million increasing 4.3% mainly from business acquisitions

Business Mix

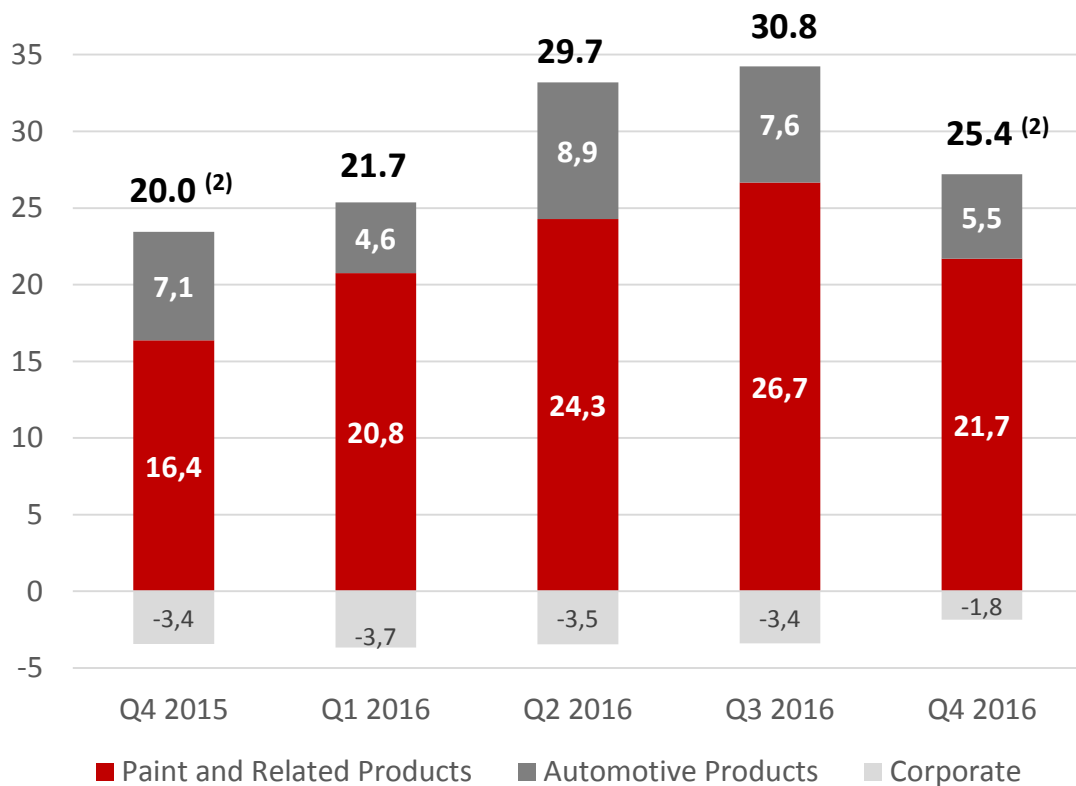
Total Sales Q4 2016 vs (Q4 2015)



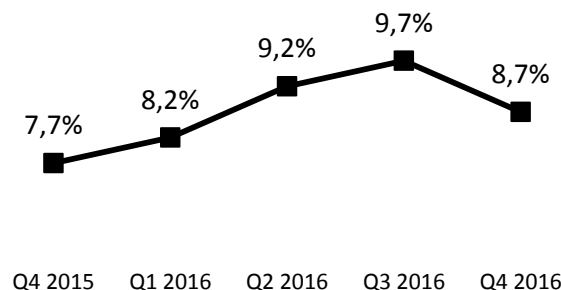
Q4 2016 – Adjusted EBITDA ⁽¹⁾ by Business Segment

YTD & Q4 2016 HIGHLIGHTS (YoY)

- Q4 adjusted EBITDA ⁽¹⁾ was up 26.6% due to higher contribution from the Paint and Related Products segment
- Q4 adjusted EBITDA margin ⁽¹⁾ increased by 100 bps due to optimized buying conditions
- YTD adjusted EBITDA ⁽¹⁾ of \$107.6million; adjusted EBITDA margin ⁽¹⁾ at 9.0%



Adjusted EBITDA Margin ⁽¹⁾

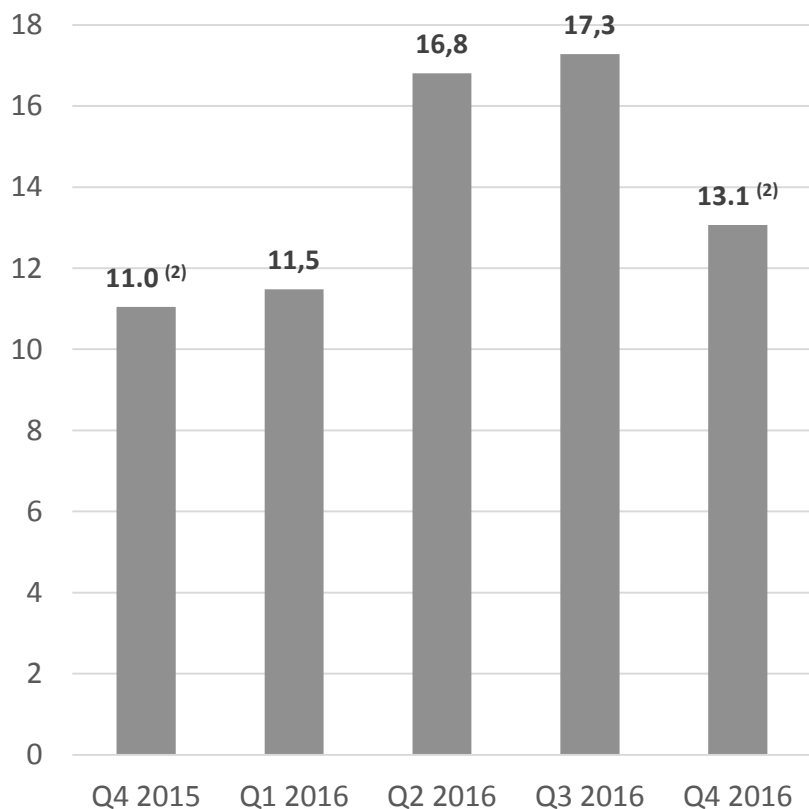


Q4 2016 – Adjusted Earnings ⁽¹⁾ & Adjusted EPS ⁽¹⁾

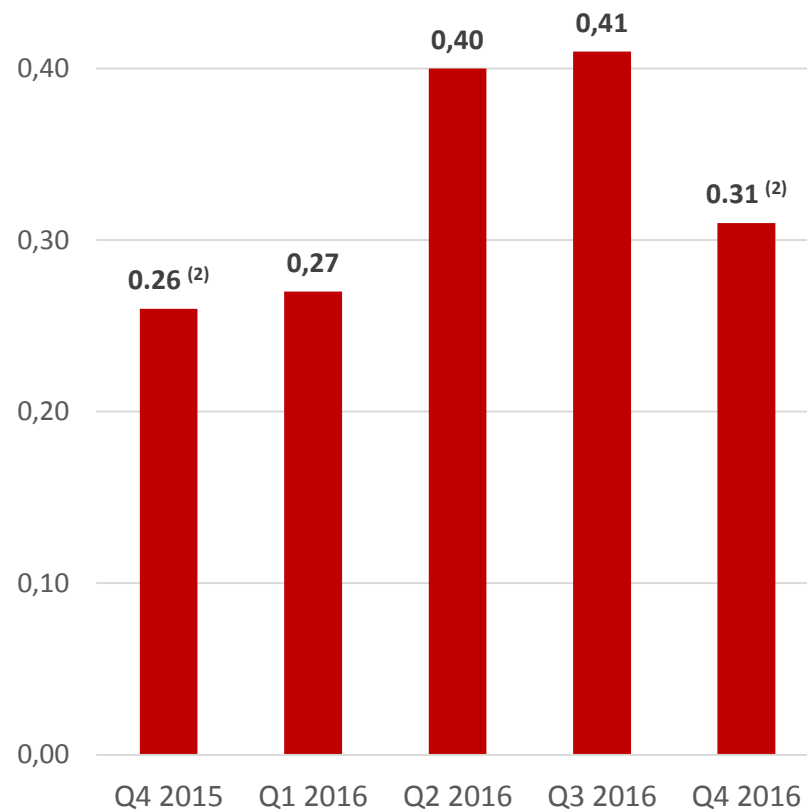
+18.3% (YoY)

+19.2% (YoY)

■ Adjusted earnings (1)



■ Adjusted earnings per Share (1)(3)



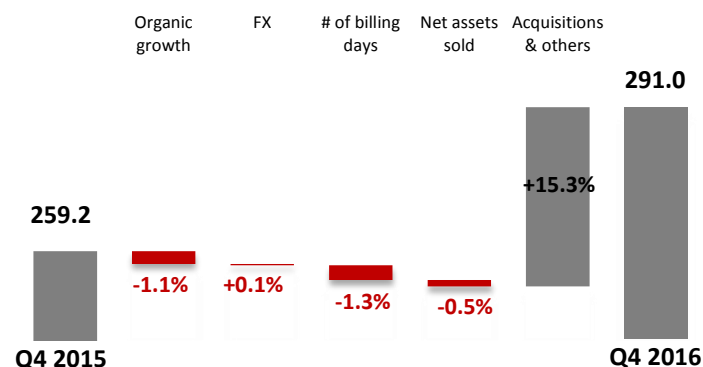
YTD 2016 - Operating Results Highlights

			% Revenue	
	Q4 16	Q4 15	Q4 16	Q4 15
Sales	291.0	259.2		
Sales from net assets sold	-	-		
Gross margin	92.6	77.5	31.8%	29.9%
Employee benefits	45.0	42.3	15.5%	16.3%
Other operating expenses	23.8	11.9	8.2%	4.6%
EBITDA ⁽¹⁾	24.6	24.0	8.5%	9.3%
Adjusted EBITDA ⁽¹⁾	25.4	20.0	8.7%	7.7%

			% Revenue	
	YR 16	YR 15	YR 16	YR 15
Sales	1,197.3	1,355.4		
Sales from net assets sold	-	(299.3)		
Gross margin	366.6	402.6	30.6%	29.7%
Employee benefits	175.6	213.7	14.7%	15.8%
Other operating expenses	84.9	92.0	7.1%	6.8%
EBITDA ⁽¹⁾	106.8	(53.3)	8.9%	n.a.
Adjusted EBITDA ⁽¹⁾	107.6	96.6	9.0%	7.1%

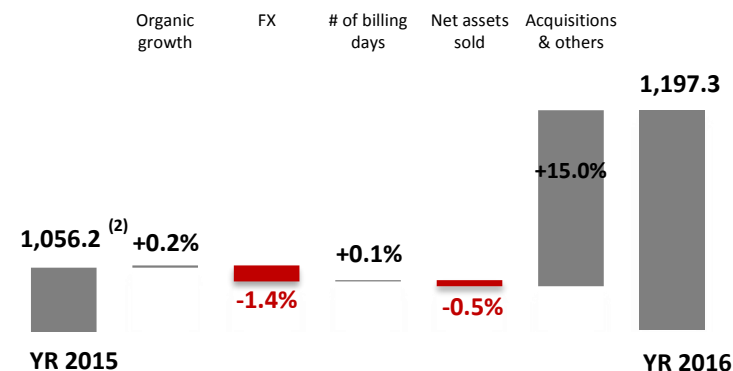
Sales Variance - Q4 16

+12.3% (YoY)

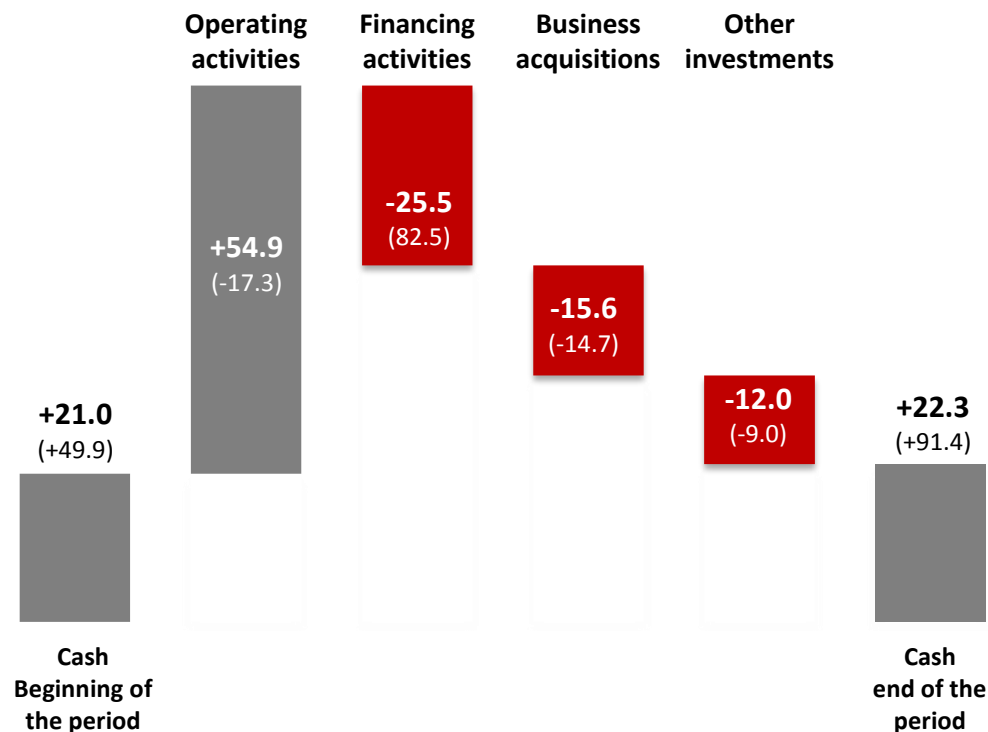


Sales Variance - YR 16 ⁽²⁾

+13.4% (YoY)



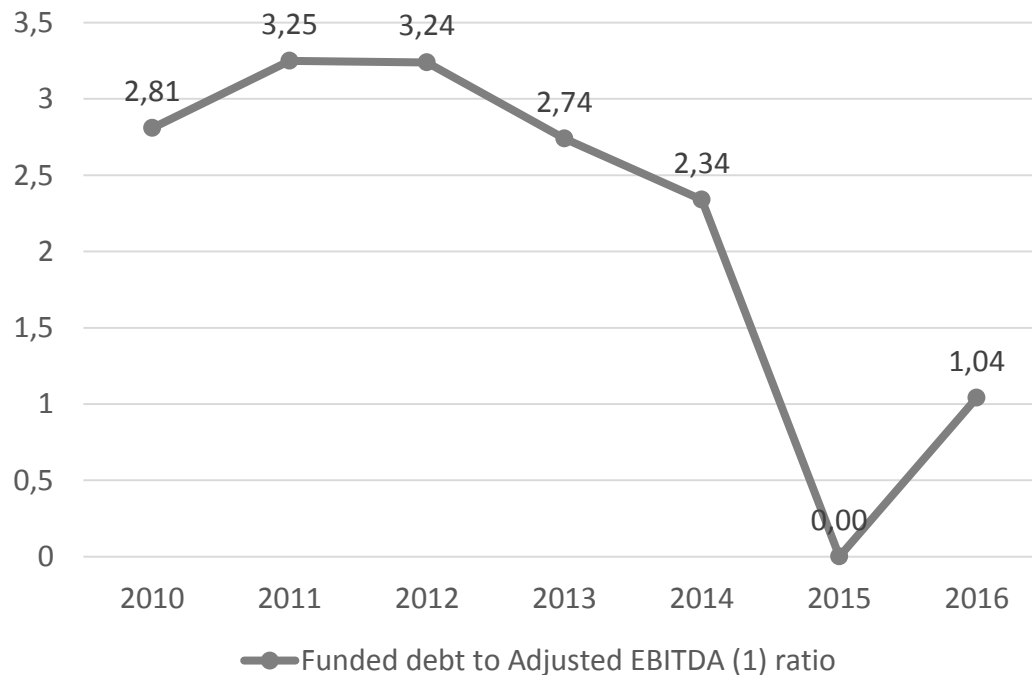
Q4 2016 – Sources and uses of funds (vs. Q4 2015)



Q4 2016 HIGHLIGHTS (YoY)

- Free cash flow increased by \$1.5 million or 7.7% compared to last year
- Operating activities totaled \$54.9 million, a \$72.2 million improvement compared to Q4 2015
- Financing activities mainly related to reimbursement of the credit facility

Leverage Profile as of December 31, 2016



STRONG FINANCIAL POSITION

- Strong free cash flow following the sale of US automotive parts distribution business in 2015
- Over \$280 million available from the credit facilities

Q4 2016 – Summary

- Solid revenue and adjusted EBITDA ⁽¹⁾ growth driven by accretive business acquisitions
- Adjusted EBITDA margin ⁽¹⁾ reached 9.0%, a 100 basis point improvement from last year's comparable adjusted EBITDA
- Cash flows of \$54.9M generated by operating activities compared to 17.3M cash used last year
- Adjusted earnings ⁽¹⁾ rose to \$13.1 million or \$0.31 per share, up 19.2% from last year
- Quarterly dividend payment of C\$0.085 per share

Outlook

- **FinishMaster US**

- Focus on continued profitable growth through organic growth and select accretive acquisitions
- Integrate and capture synergies
- Launching organic growth initiatives in the industrial paint market

- **Automotive Canada**

- Focus on continued profitable growth through organic growth and select accretive acquisitions for both BUMPER TO BUMPER® and FINISHMASTER CANADA®
- Profitable growth with both independent customers and corporate stores
- Build the foundation to integrate corporate stores and capture synergies

- **Deliver shareholder value now and for the long term**





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NON-IFRS FINANCIAL MEASURES

Definitions

The information included in this presentation 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.

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.

Reconciliation of EBITDA and adjusted EBITDA

	Fourth quarter			Twelve-month period		
	2016	2015	%	2016	2015	%
Net earnings (loss)	12,695	13,941		58,265	(40,221)	
Income tax expense (recovery)	5,487	5,213		28,137	(32,814)	
Equity loss	-	629		-	533	
Depreciation and amortization	5,224	3,334		15,962	13,174	
Finance costs, net	1,164	853		4,484	6,006	
EBITDA	24,570	23,970		106,848	(53,322)	
Restructuring and other charges	(746)	1,932		(746)	5,328	
Impairment and transaction charges related to the sale of net assets	-	(2,578)		-	144,968	
Additional liabilities related to the sale of net assets ⁽¹⁾	1,526	-		1,526	-	
Net gains on the purchase of the remaining interests in joint ventures ⁽²⁾	-	(3,301)		-	(3,301)	
Expenses related to the network optimization and to the closure and disposal of stores ⁽³⁾	-	-		-	2,930	
Adjusted EBITDA	25,350	20,023	26.6	107,628	96,603	11.4
Adjusted EBITDA margin	8.7%	7.7%		9.0%	7.1%	

⁽¹⁾ These liabilities are related to additional worker compensation insurance claims for former employees of Uni-Select USA, Inc. and Beck/Arnley Worldparts, Inc. sold on June 1, 2015, for which the Corporation remains liable after the disposition.

⁽²⁾ Net gains were generated by revaluating the fair value of non-controlling equity interest in the acquirees that were held immediately before obtaining control.

⁽³⁾ Consist primarily of handling and freight expenses required to relocate inventory.

Reconciliation of adjusted earnings and adjusted earnings per share

	Fourth quarter			Twelve-month period		
	2016	2015	%	2016	2015	%
Net earnings (loss) attributable to shareholders, as reported	12,695	13,941		58,265	(40,221)	
Restructuring and other charges, net of taxes	(539)	1,406		(539)	4,026	
Impairment and transaction charges related to the sale of net assets, net of taxes	-	(2,058)		-	93,529	
Additional liabilities related to the sale of net assets, net of taxes	912	-		912	-	
Net gains on the purchase of the remaining interests in joint ventures, net of taxes	-	(2,245)		-	(2,245)	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	-		-	1,750	
Adjusted earnings	13,068	11,044	18.3	58,638	56,839	3.2
Earnings (loss) per share attributable to shareholders, as reported	0.30	0.33		1.37	(0.94)	
Restructuring and other charges, net of taxes	(0.01)	0.03		(0.01)	0.10	
Impairment and transaction charges related to the sale of net assets, net of taxes	-	(0.05)		-	2.18	
Additional liabilities related to the sale of net assets, net of taxes	0.02	-		0.02	-	
Net gains on the purchase of the remaining interests in joint ventures, net of taxes	-	(0.05)		-	(0.05)	
Expenses related to the network optimization and to the closure and disposal of stores, net of taxes	-	-		-	0.04	
Adjusted earnings per share	0.31	0.26	19.2	1.38	1.33	3.8