Press Release

For immediate release

Uni-Select Inc. reports Q4 and full year 2018 results:

- **Sales up 1.1% to $419.5 million in Q4 and up 21.0% to $1,752.0 million for 2018, driven by the full-year contribution of The Parts Alliance UK segment and organic growth;**
- **Consolidated organic growth(1) of 2.3% in Q4 and 1.5% for 2018 with organic growth(1) in all 3 segments for the 2018 full year;**
- **EBITDA(1) of $12.8 million for Q4 and $104.9 million for 2018; adjusted EBITDA(1) of $21.4 million for Q4, down 23.4% and of $119.5 million for 2018, up 1.7%;**
- **EPS of $(0.06) for Q4 and of $0.86 for 2018, adjusted EPS(1) of $0.13 for Q4 and $1.22 for 2018;**
- **Launched a Performance Improvement and Rightsizing Plan of the FinishMaster US segment operations with expected annualized savings of $10 million by the end of 2019 in response to changing market conditions.**
- **Continued to generate savings from the 25/20 Plan implemented in late 2017.**
- **Initiated search for a new President and CEO.**

Unless otherwise indicated in this press release, all amounts are expressed in thousands of US dollars, except per share amounts and percentages.

Boucherville (Québec), February 20,2019 – Uni-Select Inc. (TSX:UNS) (**"Uni-Select"** or **"Corporation"**) today reported its financial results for the fourth quarter and the year ended December 31, 2018.

Uni-Select is reporting 2018 sales of $1,752.0 million compared to 2017 sales of $1,448.3 million driven by the full-year contribution of The Parts Alliance UK segment and the strength of organic growth in all three business segments. The Corporation reported adjusted 2018 EBITDA of $119.5 million compared to adjusted 2017 EBITDA of $117.5 million, an increase of 1.7%. Fourth quarter adjusted EBITDA was $21.4 million, down 23.4% from $28.0 million in the fourth quarter 2017. Adjusted earnings per share for the 2018 year amounted to $1.22 versus adjusted earnings per share of $1.32 in 2017.

"Uni-Select's Board of Directors and management are aligned with shareholders in the common goal of enhancing long-term value. Over the past year, we have pursued and delivered on several parallel initiatives aimed at improving operating and financial performance of the Corporation, such as our 25/20 Plan which has provided favourable results. We intend to build on this success," stated André Courville, Interim President and CEO of Uni-Select. "While 2018 was a year in which we faced challenges, we generated higher sales and adjusted EBITDA, primarily related to The Parts Alliance acquisition and cost savings from our 25/20 Plan. Our adjusted EBITDA margins nevertheless remained under pressure in the US at FinishMaster."

"In light of changing market conditions, the Board of Directors, in collaboration with management, also initiated an in-depth review of the US operations along with the development of a broad Performance Improvement and Rightsizing Plan, thereby realigning the business model to adapt to a new market reality and positioning the business for long-term success," said Michelle Cormier, Chair of the Board of Directors.

(1) Non-IFRS financial measures. Refer to the "Non-IFRS financial measures" section for further details.

2018 OPERATIONAL OVERVIEW:

In 2018, Uni-Select opened 15 greenfield company-owned stores; integrated 14 company-owned stores while selling one; and added 21 new company-owned stores through two business acquisitions — all contributing to increased revenues for the year.

In addition, the Corporation entered into an amended and restated credit agreement providing for a $100.0 million upsizing of its unsecured long-term revolving credit facility through the conversion and immediate cancellation of the unsecured term facility outstanding balance.

25/20 Plan

A little more than a year ago, the Corporation announced its 20/20 cost savings initiative to generate annual recurring savings of $20.0 million by 2020 across all three business units. Based on the success of the program, we increased our target, as of the third quarter of 2018, to $25.0 million by 2020. As at December 31, 2018, we have realized $18.7 million in annual savings under this plan.

FinishMaster US Segment Performance Improvement and Rightsizing Plan

In January 2019, the Board of Directors and management initiated the development of a broad performance improvement plan for its US operations with the objective of realigning FinishMaster US to address changing market conditions, including ongoing consolidation by national accounts and pricing pressures. This plan, which is expected to generate additional annualized savings of $10.0 million by the end of 2019, focuses on the following four streams:

- Consolidation of company-owned stores;
- Optimization;
- Margin recovery; and
- Spending reductions.

The development and implementation of the Performance Improvement and Rightsizing Plan is being led by Rob Molenaar, who has significant industry-specific and restructuring expertise including deep knowledge of the automotive refinish space with over 25 years of experience at one of the largest global paint manufacturers. He has also been a member of the Uni-Select Board of Directors since 2017. Chris Adams, President and COO of FinishMaster US, will continue to focus on sales and marketing as well as day-to-day operations of the FinishMaster US segment, reporting to the Interim CEO. Mr. Molenaar reports to the Interim CEO and to the Board of Directors.

The 25/20 Plan and the FinishMaster US Segment Performance Improvement and Rightsizing Plan combined together, will now be referred to as the "**Performance Improvement Plan"** of the Corporation, with targeted annualized savings of $35.0 million.

Update on Strategic Review Process

In September 2018, the Board made management changes and announced the formation of a Special Committee of independent members of the Board to oversee a review of strategic alternatives. The Special Committee, the Board and management continue to actively review, analyze and evaluate a comprehensive range of alternatives with the goal of maximizing value for our shareholders. Given the nature of the process, the Corporation does not intend to provide further updates until such time as the Board approves a definitive transaction or strategic alternative, or otherwise determines that further disclosure is appropriate. There are no guarantees that the review of strategic alternatives will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

Initiated President and CEO Search

As the Corporation progresses in the strategic alternatives review, the Board of Directors also initiated a search for a new President and CEO of Uni-Select and mandated the firm Egon Zehnder International Inc. to lead the search. The search is being performed in parallel with the strategic alternatives review and all scenarios relative to that process remain under consideration. During this period, André Courville will continue to act as Interim President and CEO.

DETAILED FINANCIAL RESULTS

See below for a detailed table of fourth quarter and 2018 financial results. For further information about the Corporation's use of the non-IFRS measures identified in this press release, refer to "Non-IFRS financial measures" section.

	FOURTH QUARTERS		TWELVE-MONTH PERIODS	
	2018	**2017**	**2018**	**2017**
Sales	419,455	414,978	1,751,965	1,448,272
EBITDA [(1)]	12,783	25,854	104,940	110,752
EBITDA margin [(1)]	*3.0%*	*6.2%*	*6.0%*	*7.6%*
Special items	8,645	2,130	14,589	6,780
Adjusted EBITDA [(1)]	21,428	27,984	119,529	117,532
Adjusted EBITDA margin [(1)]	*5.1%*	*6.7%*	*6.8%*	*8.1%*
Net earnings (loss)	(2,363)	8,721	36,497	44,616
Adjusted earnings [(1)]	5,430	11,613	51,473	55,097
Earnings (loss) per share	(0.06)	0.21	0.86	1.06
Adjusted earnings per share [(1)]	0.13	0.27	1.22	1.30

(1) Non-IFRS financial measures. Refer to the "Non-IFRS financial measures" section for further details.

FOURTH QUARTER RESULTS

Consolidated sales for the fourth quarter were $419.5 million, a 1.1% increase compared to the same quarter last year, driven by organic sales of 2.3%, generated mainly by the FinishMaster US segment and The Parts Alliance UK segment. The organic growth was partially offset by the foreign exchange rate conversion for the Canadian Automotive Group and The Parts Alliance UK segments and by timing in the Canadian Automotive Group segment related to many installers and jobbers being closed two additional days during the holiday season.

The Corporation generated EBITDA and EBITDA margin of $12.8 million and 3.0%, respectively, compared to $25.9 million and 6.2% in 2017 and were impacted by special items of $8.6 million, including restructuring and other charges. Adjusted EBITDA was $21.4 million (5.1% of sales) for the quarter, compared to $28.0 million (6.7% of sales) in 2017, a decrease of $6.6 million. The adjusted EBITDA margin decreased by 160 basis points mainly due to pricing pressure and evolving customer mix in the FinishMaster US segment.

The net earnings (loss) and adjusted earnings were respectively $(2.4) million and $5.4 million, compared to $8.7 million and $11.6 million in 2017. Adjusted earnings decreased by $6.2 million compared to the same quarter last year, due to the lower adjusted EBITDA mentioned above, additional finance costs as well as higher depreciation and amortization, related to investments in capital.

Segmented Fourth Quarter Results

The FinishMaster US segment is reporting organic growth for a third consecutive quarter with sales of $203.4 million, up 2.3% from the same quarter in 2017. This performance is attributable to the efforts of the sales team in driving growth by developing business volume and onboarding new accounts. EBITDA was $11.7 million, compared to $19.6 million for the comparable quarter of 2017. Excluding special items for restructuring and other charges, adjusted EBITDA was $13.4 million compared to $19.6 million for the same quarter last year. The adjusted EBITDA margin decrease of 330 basis points is the result of pricing pressure and evolving customer mix impacting the gross margin during the quarter. This element was partially compensated by savings arising from the 25/20 Plan, including the integration of one company-owned store during the current quarter, the alignment of employee benefits to its evolving cost-to-serve model and an improved absorption of fixed costs resulting from organic growth initiatives.

Sales for the Canadian Automotive Group segment were $122.5 million, compared to $123.0 million in 2017, a decrease of 0.5%, reflecting the impact of a weaker Canadian dollar and negative organic growth of 0.5% that were compensated by sales from recent acquisitions and a higher number of billing days. EBITDA for this segment was $5.9 million compared to $6.3 million for the same quarter last year. Excluding special items for restructuring and other charges of $3.3 million, adjusted EBITDA was $9.3 million compared to $6.3 million for the same quarter last year. The adjusted EBITDA margin increase of 250 basis points compared to the same quarter in 2017 is mainly attributable to additional vendor rebates for annual performance. This element was partially offset by foreign exchange losses due to the weaker Canadian dollar and the ongoing integration efforts to optimize company-owned stores, including the 25/20 Plan, store rebranding, store processes and implementation of a new point of sale (POS) system.

The Parts Alliance UK segment recorded sales of $93.6 million, an increase of 0.6% compared to the same quarter last year and reported organic growth of 2.8%. The organic growth was driven by the recent opening of company-owned stores, expanding our footprint in the UK and providing a superior service platform for national accounts. EBITDA for this segment was $2.4 million compared to $3.7 million for the same quarter last year. Excluding special items for restructuring and other charges, adjusted EBITDA was $3.6 million compared to $3.7 million last year. The adjusted EBITDA margin decreased slightly by 20 basis points compared to the same quarter in 2017 and is mainly attributable to additional employee benefits in relation to acquisitions and to the opening of company-owned stores.

TWELVE-MONTH PERIOD RESULTS

Consolidated sales for the twelve-month period were $1,752.0 million, a 21.0% increase compared to the same period last year, driven by sales generated from business acquisitions of $287.0 million or 19.8%, mainly from The Parts Alliance UK segment. Consolidated organic growth was 1.5%, reflecting the impact of sales' initiatives and company-owned stores openings.

The Corporation generated EBITDA and EBITDA margin of $104.9 million and 6.0%, respectively, compared to $110.8 million and 7.6% last year. Adjusted EBITDA was $119.5 million (6.8% of sales) for the period, compared to $117.5 million (8.1% of sales) in 2017. The adjusted EBITDA margin decreased by 130 basis points, primarily due to pricing pressure and evolving customer mix impacting the gross margin in the FinishMaster US segment as well as the integration efforts undertaken to optimize the network of company-owned stores in the Canadian Automotive Group segment. These impacts were partially compensated for by savings resulting from the 25/20 Plan and improved cost absorption at The Parts Alliance UK segment benefiting from a full twelve-month period of operations.

Net earnings and adjusted earnings were respectively $36.5 million and $51.5 million, compared to $44.6 million and $55.1 million last year. Adjusted earnings decreased by 6.6% compared to the same period last year and resulted mainly from additional financial costs associated with a higher average level of debt and by additional depreciation and amortization, mostly related to business acquisitions and investments in capital. These elements were partially offset by lower income tax, mainly related to the lower statutory rates in the US.

Segmented Twelve-Month Period Results

The FinishMaster US segment recorded sales of $830.0 million, up 1.9% from the same period in 2017, supported by organic growth of $11.2 million or 1.4% as well as business acquisitions representing a growth of $7.3 million or 0.9%. The organic growth is resulting from sales initiatives, customer investments and the opening of two company-owned stores. EBITDA for this segment was $74.3 million, compared to $91.3 million in 2017. Excluding special items, adjusted EBITDA was $76.0 million compared to $91.3 million. The adjusted EBITDA margin decrease of 200 basis points is the result of pricing pressure and evolving customer mix impacting the gross margin, partially offset by headcount reductions from 25/20 initiatives. During the year 2018, five company-owned stores were integrated as part of this plan.

Sales for the Canadian Automotive Group segment were $503.8 million, compared to $484.9 million in 2017, an increase of 3.9%, resulting from business acquisitions, a higher number of billing days and organic growth. Organic growth of 0.5% for the period is principally a result of various initiatives to drive growth amidst softer market conditions. EBITDA for this segment was $28.6 million, compared to $31.2 million in 2017. Excluding special items, adjusted EBITDA was $32.0 million compared to $31.2 million. Adjusted EBITDA margin decreased slightly by 10 basis points as a result of integration efforts undertaken to optimize and integrate our growing network of company-owned stores, foreign exchange losses due to the weaker Canadian dollar as well as internalization of servers, which was a favourable one-time cost saving in 2017. These elements were partially offset by higher volume rebates and reduction in performance-based compensation. During the year, six company-owned stores were integrated, and one was sold as part of the 25/20 Plan.

The Parts Alliance UK segment recorded sales of $418.2 million, an increase of 181.2%, as the figures of last year only included sales since the acquisition closing date of August 7, 2017. Organic growth of 5.3% was driven primarily by the opening of company-owned stores. EBITDA for this segment was $27.1 million, compared to $6.0 million in 2017. Excluding special items, adjusted EBITDA was $28.3 million compared to $6.0 million. The adjusted EBITDA margin increase of 280 basis points is the result of cost actions taken during the last quarter of 2017 to improve productivity, as well as from an improved absorption of fixed costs from consolidating a full twelve months of operations. The opening of company-owned stores impacted the adjusted EBITDA margin by approximately 40 basis points for the period.

DIVIDENDs

On February 20, 2019, the Uni-Select Board of Directors declared a quarterly dividend of C$0.0925 per share payable on April 16, 2019 to shareholders of record as at March 31, 2019. This dividend is an eligible dividend for income tax purposes.

ACTUAL RESULTS COMPARED TO 2018 GUIDANCE

Our annual results met our previously communicated ranges for 2018 guidance on organic growth and adjusted EBITDA.

	Guidance	**Actual**
Consolidated adjusted EBITDA margin	6.75% - 7.25%	6.8%
Consolidated organic sales growth	0.8% - 2.6%	1.5%
Consolidated effective tax rate	22.0% - 24.0%	18.3%

Segment	**Organic Sales Growth**	
	Guidance	**Actual**
FinishMaster US	0.5% - 2.0%	1.4%
Canadian Automotive Group	0.0% - 1.5%	0.5%
The Parts Alliance UK	6.0% - 8.0%	6.0% *

* On a stand-alone basis (2018 sales compared to a full 12 months of 2017)

"The Board of Directors and I would like to thank all stakeholders, including our employees, management team, shareholders, suppliers and customers for their ongoing support. We encountered many unforeseen challenges over the past year, but we have put in place plans to mitigate their impact and position the Corporation to address a changing environment," concluded Mr. Courville.

OUTLOOK

The information included within this section contains guidance for Uni-Select in 2019, excluding any potential impact from the review of strategic alternatives and does not take into consideration new accounting standards coming into force in 2019, particularly with respect to IFRS 16 on leases.

The Corporation recognizes that certain factors and uncertainties have impacted results for 2018 and will continue to provide a prudent view of 2019 guidance.

Uni-Select	
Consolidated adjusted EBITDA margin	5.75% - 6.75%
Consolidated organic sales growth	1.25% - 3.25%

The above-mentioned information is related to the 2019 financial year and may differ from quarter to quarter due to seasonality.

As well, Uni-Select anticipates investments between $25.0 million and $30.0 million in 2019 on capital leases for vehicle fleet, hardware equipment, software and others.

For 2019, on a consolidated basis, we anticipate revenues to increase modestly and profitability to decrease, mainly due to the FinishMaster US segment. More specifically, the overall results from the Canadian Automotive Group segment are expected to be more favourable when compared to last year, considering the planned integration of some company-owned stores and distribution centres as well as the contribution of the 18 company-owned stores from the acquisition in November 2018 of Autochoice Parts and Paints Limited. For The Parts Alliance UK segment, while we expect results for 2019 to improve over 2018, as we pursue our strategy to open greenfield company-owned stores and develop the UK market, the next few months are expected to be somewhat more volatile as a result of the uncertainty surrounding Brexit. As for the FinishMaster US segment, 2019 is expected to remain a challenging year since the benefits related to the performance improvement plan should start to materialize in the latter part of the year. Our guidance for 2019 takes these factors and uncertainties into consideration.

CONFERENCE CALL

Uni-Select will host a conference call to discuss its fourth quarter results for 2018 on February 20, 2019, at 8:00 AM Eastern. To join the conference, dial 1 866 865-3087 (or 1 647 427-7450 for International calls).

A recording of the conference call will be available from 11:00 AM Eastern on February 20, 2019, until 11:59 PM Eastern on March 20, 2019. To access the replay, dial 1 855 859-2056 followed by 4785999.

A live 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

Uni-Select is a leader in the distribution of automotive refinish and industrial paint and related products in North America, as well as a leader in the automotive aftermarket parts business in Canada and in the UK. Uni- Select is headquartered in Boucherville, Québec, Canada, and its shares are traded on the Toronto Stock Exchange (TSX) under the symbol UNS.

In Canada, Uni-Select supports over 16,000 automotive repair and collision repair shops through a growing national network of more than 1,100 independent customers and over 70 company-owned stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® AND FINISHMASTER® store banner programs. It also supports over 3,900 shops through its automotive repair/installer shop banners, as well as through its automotive refinish banners.

In the United States, Uni-Select, through its wholly-owned subsidiary FinishMaster, Inc., operates a national network of over 200 automotive refinish company-owned stores under the FINISHMASTER banner which services a network of over 30,000 customers annually, of which it is the primary supplier to over 6,800 collision repair centre customers.

In the UK and Ireland, Uni-Select, through its Parts Alliance group of subsidiaries, is a leading distributor of automotive parts supporting over 23,000 customer accounts with a network of over 180 company-owned stores.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements made in this press release are forward-looking statements. These statements include, without limitation, statements relating to our 2019 financial guidance (including, without limitation, adjusted EBITDA margin and organic sales by segment) and other statements that are not historical facts. Forward-looking statements are typically identified by the word's *assumption, goal, guidance, objective, outlook, project, strategy, target* and other similar expressions or future or conditional verbs such as *aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive* and *will.* 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 press release 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. The forward-looking information contained herein is made as of the date of this press release, and Uni-Select does not undertake to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws. Forward-looking statements are presented in this press release for the purpose of assisting investors and others in understanding certain key elements of our expected 2019 financial results, as well as our objectives, strategic priorities and business outlook for 2019, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

MATERIAL ASSUMPTIONS

A number of economic, market, operational and financial assumptions were made by Uni-Select in preparing its forward-looking statements contained in this press release, including, but not limited to:

Economic Assumptions:

- Economic conditions in Canada, the United States and the United Kingdom will remain stable;
- The current negotiations for the exit of the United Kingdom from European Union do not result in further economic uncertainty (i.e.: no hard Brexit);
- Interest rates expected to slightly increase in 2019;
- The Canadian dollar and the British pound are expected to remain at, or around, near current levels. Further fluctuations may be impacted by the degree of strength of the US dollar, interest rates and changes in commodity prices.

Market Assumptions:

Our 2019 forward-looking statements also reflect various market assumptions, in particular:

- New-car sales in the three operational segments are expected to be similar in 2019 to those of 2018;
- For all three operational segments, fuel costs at the pump are not expected to increase significantly beyond current levels; distance traveled and accident rates to remain within those experienced in 2018;
- No material, operational or competitive consequence resulting from changes in regulations or the insurance market affecting the automotive aftermarket businesses.

Operational and Financial Assumptions:

The 2019 forward-looking statements are also based on various internal operational and financial assumptions, including, but not limited to:

- Maintaining market share in the three operational segments;
- Uni-Select will be able to realize efficiency gains in its cost structure to support the profitability and cash flow generation expected from its Performance Improvement Plan (which is measured against the second quarter of 2018 for the FinishMaster US and the Canadian Automotive Group segments while The Parts Alliance UK segment is measured against the third quarter of 2017);
- The revenue mix between Uni-Select's operations and within its three operational segments will not materially change from anticipated levels;
- The revenue mix at FinishMaster US will not change significantly from current anticipated levels;
- No introduction of disruptive technologies during the year;
- No significant change in the buying conditions beyond what is currently anticipated;
- It is important to note that sales and EBITDA margins of the operational segments are affected by seasonality and are impacting the consolidated results:
    - **FinishMaster US** tends to have softer first and fourth quarters than second and third quarters;
    - **Canadian Automotive Group** tends to have softer first and fourth quarters than second and third quarters; and
    - **The Parts Alliance UK** tends to have softer third and fourth quarters than first and second quarters;
- No significant acquisition; and
- Guidance is based on current accounting standards and policies including Uni-Select non-IFRS measures and are currently before the impact of IFRS-16.

The foregoing assumptions, although considered reasonable by Uni-Select on the date of this press release, may prove to be inaccurate. Accordingly, our actual results could differ materially from our expectations set forth in this press release.

MATERIAL RISKS

Important risk factors that could cause our assumptions and estimates to be inaccurate and actual results of events to differ materially from those expressed in, or implied by, our forward-looking statements, including our 2019 financial guidance, are listed below. The realization of our forward-looking statements, including our ability to meet our 2019 financial guidance, essentially depends on our business performance which, in turn, is subject to many risks. Accordingly, readers are cautioned that any of the following risks could have a material adverse effect on our forward-looking statements. These risks include, but are not limited to economic climate, changes in legislation or government regulations or policies, inflation, distance traveled, growth in vehicle fleet, products supply and inventory management, distribution by the manufacturer directly to consumers, technology, environmental risks, legal and tax risks, risks related to Uni-Select's business model and strategy, integration of acquired business, competition, business and financial systems, human resources, liquidity risk, credit risk, foreign exchange risk and interest rates.

For additional information with respect to risks and uncertainties, refer to the Annual Report filed by Uni-Select with the Canadian securities commissions.

ADDITIONAL INFORMATION

The Management's Discussion and Analysis (MD&A), consolidated financial statements and related notes for the fourth quarter and twelve-month period of 2018 are available in the "Investors" section on the Corporation's website at uniselect.com as well as on SEDAR at sedar.com. The Corporation's Annual Report may also be found on these websites as well as other information related to Uni-Select, including its Annual Information Form.

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CONTACT INFORMATION

Pierre Boucher, CPA, CMA
Jennifer McCaughey, CFA
MaisonBrison Communications
Tel.: (514) 731-0000
pierre@maisonbrison.com
jennifer@maisonbrison.com
investorrelations@uniselect.com

NON-IFRS FINANCIAL MEASURES

The information included in this Press release 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. The Corporation is of the opinion that users of its Press release may analyze its results based on these measurements. The following presents performance measures used by the Corporation which are not defined by IFRS.

Organic growth – This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, 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 – This measure 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, 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 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, severance and retention bonuses related to Management changes as well as net transaction charges, amortization of the premium on foreign currency options and 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.

EBITDA margin and adjusted EBITDA margin – The EBITDA margin is a percentage corresponding to the ratio of the EBITDA to sales. The adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.

Free cash flows – This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: changes in working capital items, 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.

Total net debt - This measure consists of long-term debt, including the portion due within a year, net of cash.

Funded debt to adjusted EBITDA - This ratio corresponds to total net debt to adjusted EBITDA.

The following table presents a reconciliation of organic growth.

	Fourth quarters		Twelve-month periods	
	2018	2017	**2018**	2017
FinishMaster US	**203,440**	198,956	**829,982**	814,639
Canadian Automotive Group	**122,460**	123,023	**503,829**	484,934
The Parts Alliance UK	**93,555**	92,999	**418,154**	148,699
Sales	**419,455**	414,978	**1,751,965**	1,448,272
		%		*%*
Sales variance	**4,477**	***1.1***	**303,693**	***21.0***
Conversion effect of the Canadian dollar and the British pound	**7,201**	***1.7***	**3,219**	***0.2***
Number of billing days	**235**	***0.0***	**1,866**	***0.1***
Acquisitions	**(2,208)**	***(0.5)***	**(287,039)**	***(19.8)***
Consolidated organic growth	**9,705**	***2.3***	**21,739**	***1.5***

NON-IFRS FINANCIAL MEASURES (CONTINUED)

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

	Fourth quarters			Twelve-month periods		
	2018	2017	%	**2018**	2017	%
Net earnings (loss)	**(2,363)**	8,721		**36,497**	44,616	
Income tax expense (recovery)	**(489)**	2,170		**8,180**	22,002	
Depreciation and amortization	**10,265**	9,977		**39,702**	29,647	
Finance costs, net	**5,370**	4,986		**20,561**	14,487	
EBITDA	**12,783**	25,854	*(50.6)*	**104,940**	110,752	*(5.2)*
EBITDA margin	***3.0%***	*6.2%*		***6.0%***	*7.6%*	
Special items	**8,645**	2,130		**14,589**	6,780	
Adjusted EBITDA	**21,428**	27,984	*(23.4)*	**119,529**	117,532	*1.7*
Adjusted EBITDA margin	***5.1%***	*6.7%*		***6.8%***	*8.1%*	

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

	Fourth quarters			Twelve-month periods		
	2018	2017	*%*	**2018**	2017	*%*
Net earnings (loss)	**(2,363)**	8,721	*(127.1)*	**36,497**	44,616	*(18.2)*
Special items, net of taxes	**6,741**	1,773		**10,811**	6,613	
Amortization of the premium on foreign currency options, net of taxes	**-**	-		**-**	2,003	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	**1,052**	1,119		**4,165**	1,865	
Adjusted earnings	**5,430**	11,613	*(53.2)*	**51,473**	55,097	*(6.6)*
Earnings (loss) per share	**(0.06)**	0.21	*(128.6)*	**0.86**	1.06	*(18.9)*
Special items, net of taxes	**0.16**	0.04		**0.26**	0.15	
Amortization of the premium on foreign currency options, net of taxes	**-**	-		**-**	0.05	
Amortization of intangible assets related to the acquisition of The Parts Alliance, net of taxes	**0.03**	0.02		**0.10**	0.04	
Adjusted earnings per share	**0.13**	0.27	*(51.9)*	**1.22**	1.30	*(6.2)*

The following table presents a reconciliation of free cash flows.

	Fourth quarters		Twelve-month periods	
	2018	2017	**2018**	2017
Cash flows from operating activities	**13,398**	45,471	**94,579**	124,005
Changes in working capital	**8,953**	(23,234)	**5,163**	(14,583)
	22,351	22,237	**99,742**	109,422
Acquisitions of property and equipment	**(8,675)**	(5,224)	**(19,391)**	(13,658)
Difference between amounts paid for post-employment benefits and current period expenses	**41**	(147)	**(449)**	(104)
Free cash flows	**13,717**	16,866	**79,902**	95,660

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of US dollars, except per share amounts)	Quarters ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
	(unaudited)	(unaudited)	**(audited)**	(audited)
Sales	**419,455**	414,978	**1,751,965**	1,448,272
Purchases, net of changes in inventories	**284,852**	274,991	**1,176,796**	983,198
Gross margin	**134,603**	139,987	**575,169**	465,074
Employee benefits	**75,412**	75,469	**308,546**	236,684
Other operating expenses	**37,763**	36,534	**147,094**	110,858
Special items	**8,645**	2,130	**14,589**	6,780
Earnings before finance costs, depreciation and amortization and income taxes	**12,783**	25,854	**104,940**	110,752
Finance costs, net	**5,370**	4,986	**20,561**	14,487
Depreciation and amortization	**10,265**	9,977	**39,702**	29,647
Earnings (loss) before income taxes	**(2,852)**	10,891	**44,677**	66,618
Income tax expense (recovery)	**(489)**	2,170	**8,180**	22,002
Net earnings (loss)	**(2,363)**	8,721	**36,497**	44,616
Earnings (loss) per share				
Basic	**(0.06)**	0.21	**0.86**	1.06
Diluted	**(0.06)**	0.21	**0.86**	1.05
Weighted average number of common shares outstanding (in thousands)				
Basic	**42,301**	42,274	**42,254**	42,261
Diluted	**42,301**	42,420	**42,419**	42,430

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars)	Quarters ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
	(unaudited)	(unaudited)	**(audited)**	(audited)
Net earnings (loss)	**(2,363)**	8,721	**36,497**	44,616
Other comprehensive income (loss)				
Items that will subsequently be reclassified to net earnings:				
Effective portion of changes in the fair value of cash flow hedges (net of income tax of $120 and $208 for the quarter and the year ($2 and $24 respectively in 2017))	**(353)**	(1)	**603**	(70)
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (net of income tax of $22 and $15 for the quarter and the year ($27 and $42 respectively in 2017))	**(62)**	84	**44**	123
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency	**(3,210)**	3,907	**(7,376)**	12,685
Unrealized exchange gains (losses) on the translation of debt designated as a hedge of net investments in foreign operations (no income tax for both the quarter and the year (net of income tax of $514 and $36 respectively in 2017))	**(10,519)**	(3,172)	**(15,831)**	242
	(14,144)	818	**(22,560)**	12,980
Items that will not subsequently be reclassified to net earnings (loss):				
Remeasurements of long-term employee benefit obligations (net of income tax of $396 and $620 for the quarter and the year ($567 and $613 respectively in 2017))	**(1,146)**	(1,655)	**1,801**	(1,749)
Total other comprehensive income (loss)	**(15,290)**	(837)	**(20,759)**	11,231
Comprehensive income (loss)	**(17,653)**	7,884	**15,738**	55,847

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders				
(In thousands of US dollars, audited)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	**Total equity**
Balance, December 31, 2016	96,924	4,260	401,420	(30,242)	472,362
Net earnings	-	-	44,616	-	44,616
Other comprehensive income (loss)	-	-	(1,749)	12,980	11,231
Comprehensive income	-	-	42,867	12,980	55,847
Contributions by and distributions to shareholders:					
Issuance of common shares	661	-	-	-	661
Dividends	-	-	(11,817)	-	(11,817)
Stock-based compensation	-	924	-	-	924
	661	924	(11,817)	-	(10,232)
Balance, December 31, 2017	97,585	5,184	432,470	(17,262)	517,977
Net earnings	**-**	**-**	**36,497**	**-**	**36,497**
Other comprehensive income (loss)	**-**	**-**	**1,801**	**(22,560)**	**(20,759)**
Comprehensive income (loss)	**-**	**-**	**38,298**	**(22,560)**	**15,738**
Contributions by and distributions to shareholders:					
Repurchase and cancellation of common shares	**(190)**	**-**	**(1,232)**	**-**	**(1,422)**
Issuance of common shares	**2,331**	**-**	**-**	**-**	**2,331**
Transfer upon exercise of stock options	**518**	**(518)**	**-**	**-**	**-**
Dividends	**-**	**-**	**(12,081)**	**-**	**(12,081)**
Stock-based compensation	**-**	**1,339**	**-**	**-**	**1,339**
	2,659	**821**	**(13,313)**	**-**	**(9,833)**
Balance, December 31, 2018	**100,244**	**6,005**	**457,455**	**(39,822)**	**523,882**

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars)	Quarters ended December 31,		Years ended December 31,	
	2018	2017	**2018**	2017
	(unaudited)	(unaudited)	**(audited)**	(audited)
OPERATING ACTIVITIES				
Net earnings (loss)	**(2,363)**	8,721	**36,497**	44,616
Non-cash items:				
Special items	**14,589**	-	**14,589**	(523)
Finance costs, net	**5,370**	4,986	**20,561**	14,487
Depreciation and amortization	**10,265**	9,977	**39,702**	29,647
Income tax expense (recovery)	**(489)**	2,170	**8,180**	22,002
Amortization and reserves related to incentives granted to customers	**4,773**	4,294	**17,193**	16,581
Other non-cash items	**(3,348)**	(630)	**(2,884)**	269
Changes in working capital items	**(8,953)**	23,234	**(5,163)**	14,583
Interest paid	**(4,777)**	(5,547)	**(18,681)**	(10,371)
Income taxes paid	**(1,669)**	(1,734)	**(15,415)**	(7,286)
Cash flows from operating activities	**13,398**	45,471	**94,579**	124,005
INVESTING ACTIVITIES				
Business acquisitions	**(23,670)**	(7,219)	**(23,670)**	(348,490)
Net balance of purchase price	**(249)**	(1,982)	**(7,082)**	(7,935)
Cash held in escrow	**(1,670)**	2,423	**(1,670)**	(5,108)
Premium on foreign currency options paid	**-**	-	**-**	(6,631)
Proceeds from disposal of foreign exchange options	**-**	-	**-**	6,174
Advances to merchant members and incentives granted to customers	**(5,442)**	(7,310)	**(38,858)**	(28,257)
Reimbursement of advances to merchant members	**2,007**	1,349	**6,282**	5,737
Acquisitions of property and equipment	**(8,675)**	(5,224)	**(19,391)**	(13,658)
Proceeds from disposal of property and equipment	**702**	378	**1,589**	824
Acquisitions and development of intangible assets	**(1,165)**	(1,785)	**(3,269)**	(4,614)
Other provisions paid	**(16)**	-	**(124)**	-
Cash flows used in investing activities	**(38,178)**	(19,370)	**(86,193)**	(401,958)
FINANCING ACTIVITIES				
Increase in long-term debt	**63,029**	15,613	**271,541**	450,860
Repayment of long-term debt	**(39,083)**	(67,256)	**(291,126)**	(154,090)
Net increase (decrease) in merchant members' deposits in the guarantee fund	**(186)**	(19)	**328**	(117)
Repurchase and cancellation of shares	**-**	-	**(1,422)**	-
Issuance of common shares	**1,235**	-	**2,331**	661
Dividends paid	**(3,016)**	(3,120)	**(12,246)**	(11,637)
Cash flows from (used in) financing activities	**21,979**	(54,782)	**(30,594)**	285,677
Effects of fluctuations in exchange rates on cash	**(214)**	(3)	**(428)**	623
Net increase (decrease) in cash	**(3,015)**	(28,684)	**(22,636)**	8,347
Cash, beginning of period	**11,051**	59,356	**30,672**	22,325
Cash, end of period	**8,036**	30,672	**8,036**	30,672

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, audited)	December 31,	
	2018	2017
ASSETS		
Current assets:		
Cash	**8,036**	30,672
Cash held in escrow	**3,591**	8,147
Trade and other receivables	**247,732**	236,811
Income taxes receivable	**16,789**	29,279
Inventory	**524,335**	458,354
Prepaid expenses	**10,502**	10,196
Derivative financial instruments	**442**	-
Total current assets	**811,427**	773,459
Investments and advances to merchant members	**46,039**	30,628
Property and equipment	**83,956**	78,644
Intangible assets	**210,331**	231,365
Goodwill	**372,007**	372,119
Derivative financial instruments	**940**	-
Deferred tax assets	**15,870**	10,174
TOTAL ASSETS	**1,540,570**	1,496,389
LIABILITIES		
Current liabilities:		
Trade and other payables	**532,676**	446,370
Balance of purchase price, net	**4,062**	15,469
Provision for restructuring charges	**4,173**	-
Income taxes payable	**3,987**	16,831
Dividends payable	**2,876**	3,110
Current portion of long-term debt and merchant members' deposits in the guarantee fund	**4,230**	37,098
Derivative financial instruments	**3,058**	-
Total current liabilities	**555,062**	518,878
Long-term employee benefit obligations	**12,799**	20,985
Long-term debt	**422,603**	411,585
Merchant members' deposits in the guarantee fund	**5,424**	5,543
Balance of purchase price	**1,212**	2,944
Other provisions	**1,424**	1,331
Derivative financial instruments	**-**	1,041
Deferred tax liabilities	**18,164**	16,105
TOTAL LIABILITIES	**1,016,688**	978,412
TOTAL EQUITY	**523,882**	517,977
TOTAL LIABILITIES AND EQUITY	**1,540,570**	1,496,389