INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter and nine-month period ended September 30, 2022, compared with the quarter and nine-month period ended September 30, 2021

UNI-SELECT®

HIGHLIGHTS

HIGHLIGHTED RESULTS FOR THE THIRD QUARTER OF 2022

(In thousands of US dollars, except percentages, per share amounts and otherwise specified)

	SALES	EBITDA[1]	ADJUSTED EBITDA[1]	NET EARNINGS	ADJUSTED NET EARNINGS[1]
2022	**$452,680**	**$47,614**	**$49,256**	**$22,417**	**$24,259**
	ORGANIC GROWTH[1] 9.8%	10.5% OF SALES	10.9% OF SALES	DILUTED EPS $0.45	DILUTED ADJUSTED EPS[1] $0.48
2021	$426,094	$35,326	$42,294	$11,927	$17,248
	ORGANIC GROWTH[1] 3.9%	8.3% OF SALES	9.9% OF SALES	DILUTED EPS $0.25	DILUTED ADJUSTED EPS[1] $0.36

Solid and improving financial position:

- As at September 30, 2022, long-term debt amounted to $301,455 compared to $337,386 as at December 31, 2021; total net debt[1] amounted to $264,443, representing a decrease of $44,787 compared to December 31, 2021, from strong operational results and sound working capital management offsetting capital required on acquisitions. Compared to September 30, 2021, total net debt[1] decreased by $50,490.
- As at September 30, 2022, total net debt to adjusted EBITDA ratio[1] was 1.44x, significantly improved from 2.34x at the end of the third quarter of 2021 and 2.11x as at December 31, 2021.
- In August 2022, the Corporation entered into an amendment to the existing credit agreement extending its term to November 30, 2026.

Compared to the third quarter of 2021:

- Sales increased by $26,586 or 6.2% to $452,680. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $23,048 or 5.4%, sales increased by $49,634 or 11.6%. Organic growth[1] was 9.8%, with all three segments reporting positive organic growth[1] for the quarter, mainly from price increases.
- EBITDA[1] increased to $47,614 or 10.5% of sales, compared to $35,326 or 8.3% of sales. Adjusted EBITDA[1] increased by 16.5% to $49,256 or 10.9% of sales, compared to $42,294 or 9.9% of sales, as a result of price increases, rebates and scaling of payroll and operating expenses offsetting certain inflationary costs.
- Net earnings were $22,417 or $0.45 per diluted common share, compared to $11,927 and $0.25 per diluted common share. Adjusted net earnings[1] were $24,259 or $0.48 per diluted common share compared to $17,248 or $0.36 per diluted common share. The improvement in adjusted net earnings[1] was driven by price increases, as well as lower interest costs as a result of credit facility amendments and lower debt levels.

Growth initiative:

- In August 2022, the Corporation acquired all the shares of Maslack Supply Limited and related real estate properties for a total purchase price of CAD$52,250.

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

HIGHLIGHTED RESULTS FOR THE NINE-MONTH PERIOD OF 2022

(In thousands of US dollars, except percentages, per share amounts and otherwise specified)

2022

SALES	EBITDA[(1)]	ADJUSTED EBITDA[(1)]	NET EARNINGS	ADJUSTED NET EARNINGS[(1)]
$1,306,608	**$124,432**	**$145,760**	**$52,939**	**$71,124**
ORGANIC GROWTH[(1)] 10.7%	9.5% OF SALES	11.2% OF SALES	DILUTED EPS $1.07	DILUTED ADJUSTED EPS[(1)] $1.42

2021

SALES	EBITDA[(1)]	ADJUSTED EBITDA[(1)]	NET LOSS	ADJUSTED NET EARNINGS[(1)]
$1,212,625	$60,570	$109,265	$(8,113)	$33,210
ORGANIC GROWTH[(1)] 5.4%	5.0% OF SALES	9.0% OF SALES	DILUTED EPS $(0.19)	DILUTED ADJUSTED EPS[(1)] $0.78

Compared to the nine-month period of 2021:

- Sales increased by $93,983 or 7.8% to $1,306,608. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $43,353 or 3.6%, sales increased by $137,336 or 11.4%. Organic growth[(1)] was 10.7%, with all three segments reporting positive organic growth[(1)] for the period, mainly from price increases.
- EBITDA[(1)] increased by 105.4% to $124,432, or 9.5% of sales, compared to $60,570 or 5.0% of sales. Adjusted EBITDA[(1)] increased by 33.4% to $145,760 or 11.2% of sales, compared to $109,265 or 9.0% of sales, as a result of price increases, rebates, product mix and scaling of payroll and operating expenses offsetting certain inflationary costs.
- Net earnings were $52,939 or $1.07 per diluted common share, compared to net loss of $8,113 or $0.19 per diluted common share. Adjusted net earnings[(1)] were $71,124 or $1.42 diluted per common share compared to $33,210 or $0.78 diluted per common share. The improvement in adjusted net earnings[(1)] was driven by price increases, as well as lower interest costs as a result of credit facility amendments and lower debt levels.

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

PRELIMINARY COMMENTS TO MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIS OF PRESENTATION OF MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's discussion and analysis ("MD&A") discusses the Corporation's operating results and cash flows for the quarter and nine-month period ended September 30, 2022, compared with the quarter and nine-month period ended September 30, 2021, as well as its financial position as at September 30, 2022, compared with its financial position as at December 31, 2021. This MD&A should be read in conjunction with the audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2021. The information contained in this MD&A takes into account all major events that occurred up to November 3, 2022, the date at which the Condensed Interim Consolidated Financial Statements and MD&A were approved and authorized for issuance by the Corporation's Board of Directors. It presents the existing Corporation's status and business as per Management's best knowledge as at that date.

Unless otherwise indicated and as hereinafter provided, all financial information in this MD&A as well as the Corporation's unaudited Condensed Interim Consolidated Financial Statements for the third quarter ended September 30, 2022, have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook - Accounting under Part I, which incorporates International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Additional information on Uni-Select, including the audited Consolidated Financial Statements and the Corporation's Annual Information Form, is available on the SEDAR website at sedar.com.

In this MD&A, "Uni-Select" or the "Corporation" refers, as the case may be, to Uni-Select Inc. and its subsidiaries.

Unless otherwise indicated, the financial data presented in this MD&A, including tabular information, is expressed in thousands of US dollars, except per share amounts, percentages, number of shares and otherwise specified. Comparisons are presented in relation to the comparable periods of the prior year.

FORWARD-LOOKING INFORMATION

Certain statements made in this MD&A are forward-looking information within the meaning of Canadian securities laws. All such forward-looking information is made and disclosed in reliance upon the "safe harbour" provisions of applicable Canadian securities laws.

Forward-looking information includes all information and statements regarding Uni-Select's intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking statements often, but not always, use words such as "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", "predict", "project", "aim", "seek", "strive", "potential", "continue", "target", "may", "might", "could", "should", and similar expressions and variations thereof.

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

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

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

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

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

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

PROFILE AND DESCRIPTION

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

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

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

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

SELECTED INTERIM CONSOLIDATED INFORMATION

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

	As at September 30,	As at December 31,
	2022	2021
FINANCIAL POSITION	**$**	$
Current net assets	**205,219**	215,599
Total assets	**1,359,805**	1,300,817
Long-term debt, including the current portion	**301,455**	337,386
Total net debt[1]	**264,443**	309,230
Credit facilities (including revolving and term loans)	**203,590**	235,384

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

(2) The outstanding number of shares corresponds to the issued common shares less the treasury shares in the Share Trust. *Refer to "Capital Structure" section for further details.*

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

NON-GAAP MEASURES

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

OTHER FINANCIAL MEASURES

CAPITAL MANAGEMENT MEASURES	SUPPLEMENTARY FINANCIAL MEASURES
Total net debt	Organic growth

The section below presents definitions of non-GAAP and other financial measures as required by National Instrument 52-112 and their reconciliation to the most directly comparable GAAP measures, per their order of appearance in this MD&A.

Organic growth

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

This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market.

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

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

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

EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin

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

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

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

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

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

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

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

EBT, EBT margin, adjusted EBT and adjusted EBT margin

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

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

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

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

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

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

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

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

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

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

NON-GAAP AND OTHER FINANCIAL MEASURES (CONTINUED)

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

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

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

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

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

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

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

NON-GAAP AND OTHER FINANCIAL MEASURES (CONTINUED)

Free cash flow

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

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

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

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

Available liquidity

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

The following table reconciles the available liquidity:

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

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

Total net debt and total net debt to adjusted EBITDA ratio

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

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

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

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

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

(2) *Refer to the "Selected quarterly consolidated financial information" section for more information on the results of each of the last eight quarters.*

ANALYSIS OF INTERIM CONSOLIDATED FINANCIAL RESULTS

SALES AND ORGANIC GROWTH [1]

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

	Third Quarters Ended September 30,		**Nine-Month Periods Ended Sept. 30,**	
	2022	2021	**2022**	2021
	$	$	**$**	$
Sales	**452,680**	426,094	**1,306,608**	1,212,625
		%		%
Sales variance	**26,586**	***6.2***	**93,983**	***7.8***
Organic growth	**41,727**	***9.8***	**129,488**	***10.7***

THIRD QUARTERS

Consolidated sales increased by $26,586 or 6.2% to $452,680. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $23,048 or 5.4%, consolidated sales increased by $49,634 or 11.6%, compared to the same quarter in 2021, driven by organic growth from all three segments ranging between 7.8% and 15.3% for the quarter, as well as, to a lesser extent, by acquisitions.

Organic growth of 9.8% was driven primarily by price increases.

NINE-MONTH PERIODS

Consolidated sales increased by $93,983 or 7.8% to $1,306,608. Excluding the impact of unfavourable fluctuation of the British pound and the Canadian dollar against the US dollar of $43,353 or 3.6%, consolidated sales increased by $137,336 or 11.4%, compared to the nine-month period last year, mainly driven by organic growth, with all three segments reporting positive organic growth ranging between 8.7% and 13.3% for the nine-month period.

Organic growth of 10.7% was driven primarily by price increases.

GROSS MARGIN

	Third Quarters Ended September 30,		**Nine-Month Periods Ended Sept. 30,**	
	2022	2021	**2022**	2021
	$	$	**$**	$
Gross margin	**151,654**	136,950	**430,343**	364,641
In % of sales	***33.5%***	*32.1%*	***32.9%***	*30.1%*

THIRD QUARTERS

Gross margin, as a percentage of sales, increased by 1.4%, compared to the corresponding quarter last year, driven largely by price increases, rebates and product mix.

NINE-MONTH PERIODS

Gross margin, as a percentage of sales, increased by 2.8%, compared to the corresponding period last year. Excluding the impact from the change in estimate related to inventory obsolescence[1] affecting both years, gross margin, as a percentage of sales, increased by 2.0%, compared to the corresponding period last year, driven largely by price increases, rebates and product mix.

(1) During the first quarter of 2022, the Corporation reviewed the estimates in relation to its inventory provisions. As a result, a one-time obsolescence expense of $10,927 was recognized in the Canadian Automotive Group segment (during the second quarter of 2021, a one-time obsolescence expense of $20,600 was recognized in the FinishMaster U.S. segment, mainly as a result of a refresh of underlying product consumption). *Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.*

SALARIES AND EMPLOYEE BENEFITS

	Third Quarters Ended September 30,		**Nine-Month Periods Ended Sept. 30,**	
	2022	2021	**2022**	2021
	$	$	**$**	$
Salaries and employee benefits	**71,140**	67,258	**211,667**	199,113
In % of sales	***15.7%***	*15.8%*	***16.2%***	*16.4%*

THIRD QUARTERS

Salaries and employee benefits, as a percentage of sales, improved by 0.1% compared to the same quarter last year, mainly attributable to scaling benefits from higher sales, offsetting the impact of higher aggregate labour costs, acquisitions in Canada and greenfield store openings in the U.K.

NINE-MONTH PERIODS

Salaries and employee benefits, as a percentage of sales, improved by 0.2% compared to the corresponding period last year. Excluding impact of higher stock-based compensation [1], salaries and employee benefits, as a percentage of sales, improved by 0.4%, mainly attributable to scaling benefits from higher sales, offsetting the impact of higher aggregate labour costs, acquisitions in Canada and greenfield store openings in the U.K.

(1) The variance in stock-based compensation for the nine-month period is due to the appreciation of the common share price, additional grants and the performance of the Corporation. *Refer to Note 9 in the Condensed Interim Consolidated Financial Statements for further details.*

OTHER OPERATING EXPENSES

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Other operating expenses	**32,900**	28,952	**93,017**	83,069
In % of sales	***7.3%***	*6.8%*	***7.1%***	*6.9%*

THIRD QUARTERS

Other operating expenses, as a percentage of sales, increased by 0.5%, compared to the same quarter last year. This variance is mainly explained by inflationary fuel and utility costs, higher repair costs due to fleet replacement delays, opening of new stores in the U.K. as well as acquisitions in Canada.

This was partially offset by scaling benefits from higher sales, as well as operational initiatives.

NINE-MONTH PERIODS

Other operating expenses, as a percentage of sales, increased by 0.2%, compared to the same period last year. This variance is mainly explained by inflationary fuel and utility costs, higher repair costs due to fleet replacement delays, opening of new stores in the U.K. as well as acquisitions in Canada.

This was partially offset by scaling benefits from higher sales, lower professional fees, as well as operational initiatives.

SPECIAL ITEMS

Special items comprise elements which do not reflect the Corporation's core performance or of which their separate presentation will assist users of the Condensed Interim Consolidated Financial Statements in understanding the Corporation's results for the period. Special items are detailed as follows:

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Restructuring and other charges related to improvement plans	**—**	2,413	**553**	7,522
Other special items	**—**	3,001	**674**	14,367
	—	5,414	**1,227**	21,889

Restructuring and other charges related to the improvement plans

The Corporation recognized no restructuring and other charges for the quarter and $553 for the nine-month period ended September 30, 2022 ($2,413 and $7,522 respectively in 2021). For the nine-month period, these charges include $1,018, primarily related to the rebranding of GSF Car Parts and inventory transfer costs, partially offset by the reversal of previously impaired long-term assets ($2,337 in 2021 mostly comprising consulting fees related to the optimization of the logistical processes and inventory transfer costs). *Refer to Note 4 in the Condensed Interim Consolidated Financial Statements for further details.*

Other special items

During the quarter and nine-month period ended September 30, 2022, the Corporation recognized charges totaling nil and $674 respectively mainly for the settlement of certain severance agreements and retention bonuses ($3,001 and $14,367 in 2021).

EARNINGS BEFORE NET FINANCING COSTS, DEPRECIATION AND AMORTIZATION AND INCOME TAXES ("EBITDA [(1)]"), EBITDA MARGIN [(1)], ADJUSTED EBITDA [(1)] AND ADJUSTED EBITDA MARGIN [(1)]

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

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	*%*	**$**	$	*%*
EBITDA	**47,614**	35,326	*34.8*	**124,432**	60,570	*105.4*
EBITDA margin	***10.5%***	*8.3%*		***9.5%***	*5.0%*	
Adjusted EBITDA	**49,256**	42,294	*16.5*	**145,760**	109,265	*33.4*
Adjusted EBITDA margin	***10.9%***	*9.9%*		***11.2%***	*9.0%*	

THIRD QUARTERS

EBITDA margin for the third quarter of 2022 was 10.5%, or an increase of 2.2% compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, the adjusted EBITDA margin for the third quarter of 2022 was 10.9%, an increase of 1.0% compared to the same quarter in 2021. The increase is the result of price increases, rebates, product mix, improved operational performance and scaling of payroll and operating expenses, offset by certain inflationary costs, including fuel and wages, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and acquisitions in Canada.

NINE-MONTH PERIODS

EBITDA margin for the nine-month period of 2022 was 9.5%, or an increase of 4.5% compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, the adjusted EBITDA margin for the nine-month period of 2022 was 11.2%, an increase of 2.2%, compared to the same period in 2021. The increase is the result of price increases, rebates, product mix, improved operational performance and scaling of payroll and operating expenses, offset by certain inflationary costs, including fuel and wages, as well as the timing of certain expenses incurred with respect to new store openings in the U.K. and acquisitions in Canada.

DEPRECIATION AND AMORTIZATION

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Depreciation and amortization	**13,164**	14,777	**40,668**	45,449
In % of sales	***2.9%***	*3.5%*	***3.1%***	*3.7%*

THIRD QUARTERS

Depreciation and amortization expenses, as a percentage of sales, decreased by 0.6%, compared to the same quarter last year, driven primarily by the scaling benefits associated with higher sales as well as capital discipline with respect to new investments.

NINE-MONTH PERIODS

Depreciation and amortization expenses, as a percentage of sales, decreased by 0.6%, compared to the same period last year, driven primarily by the scaling benefits associated with higher sales, as well as capital discipline with respect to new investments.

(Refer to Note 5 in the Condensed Interim Consolidated Financial Statements for further details.)

NET FINANCING COSTS

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Net financing costs	**4,770**	5,867	**13,968**	23,629
In % of sales	***1.1%***	*1.4%*	***1.1%***	*1.9%*

THIRD QUARTERS

Net financing costs decreased by $1,097 or 0.3% of sales, compared to the same quarter last year, reflecting reduced borrowing costs following amendments to the Corporation's credit facility, as well as lower average debt levels.

NINE-MONTH PERIODS

Net financing costs decreased by $9,661 or 0.8% of sales, compared to the same period last year, reflecting reduced borrowing costs following amendments to the Corporation's credit facility, as well as lower average debt levels.

(Refer to Note 5 in the Condensed Interim Consolidated Financial Statements for further details.)

EARNINGS (LOSS) BEFORE INCOME TAXES ("EBT [1]"), EBT MARGIN [1], ADJUSTED EBT [1] AND ADJUSTED EBT MARGIN [1]

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

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	*%*	**$**	$	*%*
EBT	**29,680**	14,682	*102.2*	**69,796**	(8,508)	*920.4*
EBT margin	***6.6%***	*3.4%*		***5.3%***	*(0.7%)*	
Adjusted EBT	**32,071**	22,763	*40.9*	**93,973**	43,542	*115.8*
Adjusted EBT margin	***7.1%***	*5.3%*		***7.2%***	*3.6%*	

THIRD QUARTERS

EBT improved by $14,998 or 3.2% of sales, compared to the same quarter in 2021. Excluding the impacts associated with stock-based compensation, special items expenses and amortization of intangibles assets related to the acquisition of GSF Car Parts, adjusted EBT improved by $9,308 or 1.8% of sales, compared to the same quarter in 2021, as a result of price increases, improved operational performance, as well as lower depreciation, amortization and financing costs.

NINE-MONTH PERIODS

EBT improved by $78,304 or 6.0% of sales, compared to the same period in 2021. Excluding the impacts associated with the change in estimate related to inventory obsolescence, stock-based compensation, special items expenses and amortization of intangibles assets related to the acquisition of GSF Car Parts, adjusted EBT improved by $50,431 or 3.6% of sales compared to the same period in 2021, as a result of price increases, improved operational performance, as well as lower depreciation, amortization and financing costs.

INCOME TAX EXPENSE (RECOVERY)

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Income tax expense (recovery)	**7,263**	2,755	**16,857**	(395)
Effective tax rate	***24.5%***	*18.8%*	***24.2%***	*4.6%*

THIRD QUARTERS

The effective tax rate was 24.5% for the third quarter of 2022, reflecting the geographic taxable income and tax rate.

For the same quarter last year, the effective tax rate of 18.8% benefited from more favourable geographic income mix and tax rate as well as from the benefits of our global financing structure.

NINE-MONTH PERIODS

The effective tax rate was 24.2% for the period of 2022, reflecting the geographic taxable income and tax rate.

For the same period last year, the effective tax rate was 4.6% owing primarily to the benefits of our global financing structure as well as the one-time impact of the the release of certain tax provisions, offset by the one-time impact of a change in the enacted tax rate in the U.K.

(Refer to Note 5 in the Condensed Interim Consolidated Financial Statements for further details.)

NET EARNINGS (LOSS), BASIC NET EARNINGS (LOSS) PER COMMON SHARE, DILUTED NET EARNINGS (LOSS) PER COMMON SHARE, ADJUSTED NET EARNINGS[1], BASIC ADJUSTED NET EARNINGS PER COMMON SHARE [1], AND DILUTED ADJUSTED NET EARNINGS PER COMMON SHARE [1]

[1] Adjusted net earnings, as well as basic and diluted adjusted net earnings per share represent non-GAAP or other financial measures. Non-GAAP and other financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. *Refer to "Non-GAAP and other financial measures" section for reconciliation and further details.*

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	*%*	**$**	$	*%*
Net earnings (loss)	**22,417**	11,927	*88.0*	**52,939**	(8,113)	*752.5*
Basic net earnings (loss) per common share	**0.51**	0.28	*82.1*	**1.22**	(0.19)	*742.1*
Diluted net earnings (loss) per common share	**0.45**	0.25	*80.0*	**1.07**	(0.19)	*463.2*
Adjusted net earnings	**24,259**	17,248	*40.6*	**71,124**	33,210	*114.2*
Basic adjusted net earnings per common share	**0.56**	0.40	*40.0*	**1.63**	0.78	*109.0*
Diluted adjusted net earnings per common share	**0.48**	0.36	*33.3*	**1.42**	0.78	*82.1*

THIRD QUARTERS

Net earnings increased by $10,490, compared to the same quarter in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation, special items expenses and amortization of intangible assets related to the acquisition of GSF Car Parts, adjusted net earnings increased by $7,011, compared to the same quarter in 2021. This performance was driven by price increases, as well as improved overall operational performance, including reduced depreciation, amortization and net financing costs, net of income tax expense.

NINE-MONTH PERIODS

Net earnings increased by $61,052, compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation, special items expenses, amortization of intangible assets related to the acquisition of GSF Car Parts and the net tax impact of change in rates and reversal of a contingency provision, adjusted net earnings increased by $37,914, compared to the same period in 2021. This performance was driven by price increases, as well as improved overall operational performance, including reduced depreciation, amortization and net financing costs, net of income tax expense.

SELECTED QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

The Corporation's sales follow seasonal patterns. Sales are typically stronger during the second and third quarters for the FinishMaster U.S. and the Canadian Automotive Group segments, and during the third and fourth quarters for the GSF Car Parts U.K. segment. Sales are also impacted by business acquisitions as well as by the translation effect of the Canadian dollar and the British pound into the US dollar.

The following table summarizes the main financial information drawn from the interim consolidated financial reports for each of the last eight quarters.

	2022			2021				2020
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
	$	$	$	$	$	$	$	$
Sales								
FinishMaster U.S.	**189,068**	186,465	172,756	167,788	174,872	171,261	158,203	154,657
Canadian Automotive Group	**160,160**	161,037	129,764	135,961	144,489	145,267	115,162	124,908
GSF Car Parts U.K.	**103,452**	96,824	107,082	96,426	106,733	99,884	96,754	86,681
	452,680	444,326	409,602	400,175	426,094	416,412	370,119	366,246
EBITDA (1)	**47,614**	48,591	28,227	31,312	35,326	488	24,756	21,457
EBITDA margin (1)	***10.5%***	*10.9%*	*6.9%*	*7.8%*	*8.3%*	*0.1%*	*6.7%*	*5.9%*
Adjusted EBITDA (1)	**49,256**	51,265	45,239	37,430	42,294	37,006	29,965	25,425
Adjusted EBITDA margin (1)	***10.9%***	*11.5%*	*11.0%*	*9.4%*	*9.9%*	*8.9%*	*8.1%*	*6.9%*
EBT (1)	**29,680**	30,339	9,777	10,311	14,682	(23,697)	507	(2,521)
EBT margin (1)	***6.6%***	*6.8%*	*2.4%*	*2.6%*	*3.4%*	*(5.7%)*	*0.1%*	*(0.7%)*
Adjusted EBT (1)	**32,071**	34,029	27,873	19,209	22,763	13,950	6,829	2,512
Adjusted EBT margin (1)	***7.1%***	*7.7%*	*6.8%*	*4.8%*	*5.3%*	*3.4%*	*1.8%*	*0.7%*
Change in estimate related to inventory obsolescence	**—**	—	10,927	1,019	—	20,600	—	—
Stock-based compensation	**1,642**	2,613	4,919	5,177	1,554	2,869	1,783	1,525
Special items	**—**	61	1,166	(75)	5,414	13,049	3,426	2,443
Net earnings (loss)	**22,417**	22,783	7,739	9,008	11,927	(20,253)	213	(5,075)
Adjusted net earnings (loss) (1)	**24,259**	25,618	21,247	15,675	17,248	10,914	5,048	(292)
Basic net earnings (loss) per common share	**0.51**	0.52	0.18	0.21	0.28	(0.48)	0.01	(0.12)
Basic adjusted net earnings (loss) per common share (1)	**0.56**	0.59	0.49	0.36	0.40	0.26	0.12	(0.01)
Diluted net earnings (loss) per common share	**0.45**	0.46	0.17	0.20	0.25	(0.48)	0.01	(0.12)
Diluted adjusted net earnings (loss) per common share (1)	**0.48**	0.51	0.43	0.32	0.36	0.24	0.12	(0.01)
Average exchange rate for earnings (CAD$)	***0.77:$1***	*0.78:$1*	*0.79:$1*	*0.80:$1*	*0.79:$1*	*0.81:$1*	*0.79:$1*	*0.77:$1*
Average exchange rate for earnings (£)	***1.18:$1***	*1.26:$1*	*1.34:$1*	*1.38:$1*	*1.38:$1*	*1.40:$1*	*1.38:$1*	*1.32:$1*

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ANALYSIS OF FINANCIAL RESULTS BY SEGMENT

SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

FinishMaster U.S.:	distribution of automotive refinish and industrial coatings and related products representing FinishMaster, Inc. in the U.S. market.
Canadian Automotive Group:	distribution of automotive aftermarket parts, including refinish and industrial coatings and related products, through Canadian networks.
GSF Car Parts U.K.:	distribution of automotive original equipment manufacturer (“OEM”) and aftermarket parts, serving local and national customers across the U.K.
Corporate Office and Others:	head office expenses and other expenses mainly related to the financing structure.

The profitability measures employed by the Corporation for assessing segment performance are EBT and adjusted EBT.

OPERATING RESULTS—FINISHMASTER U.S.

The following table shows the main financial and performance indicators of the FinishMaster U.S. segment.

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Sales	**189,068**	174,872		**548,289**	504,336	
Sales variance	**14,196**	*8.1%*		**43,953**	*8.7%*	
Organic growth [(1)]	**14,196**	*8.1%*		**43,953**	*8.7%*	
EBITDA [(1)]	**19,478**	13,971	*39.4*	**56,869**	15,893	*257.8*
EBITDA margin [(1)]	***10.3%***	*8.0%*		***10.4%***	*3.2%*	
Adjusted EBITDA [(1)]	**20,105**	15,937	*26.2*	**59,483**	39,772	*49.6*
Adjusted EBITDA margin [(1)]	***10.6%***	*9.1%*		***10.8%***	*7.9%*	
EBT [(1)]	**13,889**	8,105	*71.4*	**40,232**	(2,187)	*1,939.6*
EBT margin [(1)]	***7.3%***	*4.6%*		***7.3%***	*(0.4%)*	
Adjusted EBT [(1)]	**14,516**	10,071	*44.1*	**42,846**	21,692	*97.5*
Adjusted EBT margin [(1)]	***7.7%***	*5.8%*		***7.8%***	*4.3%*	

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THIRD QUARTERS

Both sales growth and organic growth were 8.1%, compared to the same quarter last year, driven by price increases.

EBITDA margin improved by 2.3% compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin improved by 1.5%, compared to the same quarter last year, from additional vendor rebates, price increases and higher sales, driving scaling benefits, offsetting higher delivery cost.

EBT margin improved by 2.7% compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBT margin improved by 1.9%, compared to the same quarter last year, essentially for the same reasons as the adjusted EBITDA.

NINE-MONTH PERIODS

Both sales growth and organic growth were 8.7%, compared to the same period last year, driven by price increases.

EBITDA margin improved by 7.2% compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA improved by 2.9%, compared to the same period last year, from additional vendor rebates, price increases and higher sales, driving scaling benefits, offsetting higher delivery cost and bad debt expenses, as oppose to recovery in 2021.

EBT margin improved by 7.7% compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBT margins improved by 3.5%, compared to the same period last year, essentially for the same reasons as the adjusted EBITDA.

OPERATING RESULTS—CANADIAN AUTOMOTIVE GROUP

The following table shows the main financial and performance indicators of the Canadian Automotive Group.

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Sales	**160,160**	144,489		**450,961**	404,918	
Sales variance	**15,671**	*10.8%*		**46,043**	*11.4%*	
Organic growth [(1)]	**11,208**	*7.8%*		**45,203**	*11.2%*	
EBITDA [(1)]	**20,967**	16,229	*29.2*	**51,982**	45,170	*15.1*
EBITDA margin [(1)]	***13.1%***	*11.2%*		***11.5%***	*11.2%*	
Adjusted EBITDA [(1)]	**21,102**	16,782	*25.7*	**64,218**	46,687	*37.6*
Adjusted EBITDA margin [(1)]	***13.2%***	*11.6%*		***14.2%***	*11.5%*	
EBT [(1)]	**16,477**	11,298	*45.8*	**38,222**	30,320	*26.1*
EBT margin [(1)]	***10.3%***	*7.8%*		***8.5%***	*7.5%*	
Adjusted EBT [(1)]	**16,612**	11,851	*40.2*	**50,458**	31,837	*58.5*
Adjusted EBT margin [(1)]	***10.4%***	*8.2%*		***11.2%***	*7.9%*	

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THIRD QUARTERS

Sales increased by 10.8% compared to the same quarter in 2021. Excluding the impact of unfavourable fluctuation of the Canadian dollar against the US dollar of $5,400 or 3.7% during the third quarter of 2022, sales increased by $21,071 or 14.5%, compared to the same quarter last year, driven by organic growth of 7.8% and acquisitions over the last twelve months representing 6.7%. The increase in organic growth was mainly driven by price increases.

EBITDA margin improved by 1.9%, compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin for the current quarter improved by 1.6%, compared to the same quarter last year, from price increases, favourable product mix and higher sales, driving scaling benefits. This was partially offset by transaction costs related to recent acquisitions and foreign currency losses due to the depreciation of the Canadian dollar during the quarter.

EBT margin improved by 2.5% compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBT margin for the current quarter improved by 2.2%, compared to the same quarter last year,

NINE-MONTH PERIODS

Sales increased by 11.4%, compared to the corresponding period of 2021. Excluding the impact of unfavourable fluctuation of the Canadian dollar against the US dollar of $11,800 or 2.9% during the nine-month period of 2022, sales increased by $57,843 or 14.3%, compared to the same period last year, largely driven by organic growth of 11.2% and, to a lesser extent, acquisitions over the last twelve months representing 3.1%. The increase in organic growth was mainly driven by price increases.

EBITDA margin improved by 0.3% compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBITDA margin for the nine-month period of 2022 improved by 2.7%, compared to 2021, from price increases, favourable product mix and higher sales, driving scaling benefits. This was partially offset by transaction costs related to recent acquisitions and foreign currency losses due to the depreciation of the Canadian dollar during the period.

EBT margin improved by 1.0%, compared to the same period in 2021. Excluding impacts of change in estimate related to inventory obsolescence, stock-based compensation and special items expenses, adjusted EBT margin for the nine-month period of 2022 improved by 3.3% compared to 2021, mainly for the same factors as the adjusted EBITDA.

OPERATING RESULTS—GSF CAR PARTS U.K.

The following table shows the main financial and performance indicators of the GSF Car Parts U.K. segment.

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	%	**$**	$	%
Sales	**103,452**	106,733		**307,358**	303,371	
Sales variance	**(3,281)**	*(3.1%)*		**3,987**	*1.3%*	
Organic growth [(1)]	**16,323**	*15.3%*		**40,332**	*13.3%*	
EBITDA [(1)]	**9,307**	10,818	*(14.0)*	**26,459**	26,277	*0.7*
EBITDA margin [(1)]	***9.0%***	*10.1%*		***8.6%***	*8.7%*	
Adjusted EBITDA [(1)]	**9,543**	11,045	*(13.6)*	**28,502**	29,457	*(3.2)*
Adjusted EBITDA margin [(1)]	***9.2%***	*10.3%*		***9.3%***	*9.7%*	
EBT [(1)]	**5,591**	6,289	*(11.1)*	**14,402**	11,763	*22.4*
EBT margin [(1)]	***5.4%***	*5.9%*		***4.7%***	*3.9%*	
Adjusted EBT [(1)]	**5,827**	6,516	*(10.6)*	**16,445**	14,943	*10.1*
Adjusted EBT margin [(1)]	***5.6%***	*6.1%*		***5.4%***	*4.9%*	

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

THIRD QUARTERS

Sales decreased by $3,281 or 3.1% to $103,452. Excluding the impact of unfavourable fluctuation of the British pound against the US dollar of $17,648 or 16.5% during the third quarter of 2022, sales increased by $14,367 or 13.4%, compared to the same quarter last year, mainly driven by organic growth of 15.3%, offsetting an unfavourable variance in the number of billing days.

The increase in organic growth was mainly driven by price increases, the contribution of recently opened greenfield stores, which represents about half of the organic growth, as well as click and collect orders.

During the third quarter of 2022, GSF Car Parts U.K. opened one greenfield store as part of its growth strategy, bringing the count to ten since the beginning of the year.

EBITDA margin decreased by 1.1% compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin decreased by 1.1%, compared to the same quarter in 2021, affected by inflationary fuel and utility costs, higher repair costs due to fleet replacement delays, as well as higher payroll costs. This was partially offset by higher sales driving scaling benefits, as well as rebates.

EBT margin decreased by 0.5%, compared to the same quarter in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBT margin decreased by 0.5%, compared to the same quarter in 2021, for the same reasons as adjusted EBITDA. Adjusted EBT margin also benefited from higher sales over depreciation expense, driving additional scaling benefits.

NINE-MONTH PERIODS

Sales increased by $3,987 or 1.3% to $307,358. Excluding the impact of unfavourable fluctuation of the British pound against the US dollar of $31,553 or 10.4% during the nine-month period of 2022, sales increased by $35,540 or 11.7%, compared to the same period last year, mainly driven by organic growth of 13.3%, offsetting an unfavourable variance in the number of billing days.

The increase in organic growth was mainly driven by price increases and the contribution of ten greenfield stores opened since the beginning of the year.

EBITDA margin decreased by 0.1% compared to the same period in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA margin decreased by 0.4%, compared to the same period in 2021, affected by inflationary fuel and utility costs, higher repair costs due to fleet replacement delays, as well as higher payroll costs. This was partially offset by higher sales driving scaling benefits, as well as rebates. The nine-month period of 2021 benefited from governmental occupancy subsidies of $752.

EBT margin improved by 0.8%, compared to the same period in 2021. Excluding impacts of stock-based compensation and special items expenses, adjusted EBT margin improved by 0.5%, compared to the same period in 2021, from higher sales driving scaling benefits, rebates, as well as lower depreciation charges. This was partially offset by inflationary fuel and utility costs, higher repair costs due to fleet replacement delays, as well as higher payroll costs. The nine-month period of 2021 benefited from governmental occupancy subsidies of $752.

OPERATING RESULTS—CORPORATE OFFICE AND OTHERS

The following table shows the main financial and performance indicators of the Corporate Office and Others segment.

	Third Quarters Ended September 30,			Nine-Month Periods Ended Sept. 30,		
	2022	2021		**2022**	2021	
	$	$	*%*	**$**	$	*%*
EBITDA [(1)]	**(2,138)**	(5,692)	*62.4*	**(10,878)**	(26,770)	*59.4*
Adjusted EBITDA [(1)]	**(1,494)**	(1,470)	*(1.6)*	**(6,443)**	(6,651)	*3.1*
EBT [(1)]	**(6,277)**	(11,010)	*43.0*	**(23,060)**	(48,404)	*52.4*
Adjusted EBT [(1)]	**(4,884)**	(5,675)	*13.9*	**(15,776)**	(24,930)	*36.7*

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THIRD QUARTERS

Corporate Office and Others segment EBITDA increased by $3,554, compared to the corresponding quarter last year. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA decreased by $24, due to a higher level of professional fees, as well as higher variable compensation expense as a result of improved business performance. These elements were offset by foreign exchange gains in 2022, related to derivative financial instruments carried at fair value.

EBT improved by $4,733 compared to the corresponding quarter last year. Excluding impacts of stock-based compensation and special items expenses, adjusted EBT improved by $791, due to the same factors as adjusted EBITDA, as well as lower interest on long-term debt as a result of amendments to the credit facility, combined with lower debt levels.

NINE-MONTH PERIODS

The Corporate Office and Others segment EBITDA increased by $15,892, compared to the corresponding period last year. Excluding impacts of stock-based compensation and special items expenses, adjusted EBITDA improved by $208, mainly due to foreign exchange gains in 2022, related to derivative financial assets carried at fair value. This was offset by higher variable compensation expense as a result of improved business performance.

EBT improved by $25,344 compared to the corresponding period last year. Excluding impacts of stock-based compensation and special items expenses, adjusted EBT improved by $9,154, due to the same factors as adjusted EBITDA, as well as lower interest on long-term debt as a result of amendments to the credit facility, combined with lower debt levels.

CASH FLOWS

OPERATING ACTIVITIES

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows from operating activities	**74,627**	42,865	**133,183**	85,607

THIRD QUARTERS

For the third quarter of 2022, cash flows generated from operating activities totalled $74,627, compared to $42,865 for the third quarter of 2021. This increase is attributable to improved operational earnings, sound working capital management and lower stock-based compensation paid.

NINE-MONTH PERIODS

For the nine-month period of 2022, cash flows generated from operating activities totalled $133,183, compared to $85,607 for the same period in 2021. This increase is attributable to improved operational earnings and lower borrowing costs.

INVESTING ACTIVITIES

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows used in investing activities	**(50,551)**	(8,114)	**(73,240)**	(16,293)

THIRD QUARTERS

For the third quarter of 2022, cash flows used in investing activities totalled $50,551, compared to $8,114 for the third quarter of 2021. This increase is mainly attributable to the business acquisition of Maslack Supply Limited in the Canadian Automotive Group segment.

NINE-MONTH PERIODS

For the nine-month period of 2022, cash flows used in investing activities totalled $73,240, compared to $16,293 for the same period in 2021. This increase is mainly attributable to business acquisitions in the Canadian Automotive Group segment and greenfield store openings in the GSF Car Parts U.K. segment.

FINANCING ACTIVITIES

	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Cash flows used in financing activities	**(5,811)**	(43,487)	**(47,684)**	(100,436)

THIRD QUARTERS

For the third quarter of 2022, cash flows used in financing activities totalled $5,811, compared to $43,487 for the third quarter of 2021. This decrease is mainly attributable to lower net repayments in 2022 of the Corporation’s credit facility.

NINE-MONTH PERIODS

For the nine-month period of 2022, cash flows used in financing activities totalled $47,684, compared to $100,436 for the same period in 2021. This decrease is mainly attributable to lower net repayments in 2022 of the Corporation’s credit facility.

FREE CASH FLOW

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	Third Quarters Ended September 30,		Nine-Month Periods Ended Sept. 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Free cash flow	**67,159**	36,955	**112,140**	71,828

THIRD QUARTERS

The Corporation generated a higher level of free cash flow in the third quarter of 2022 as compared to the third quarter of 2021, driven primarily by higher net earnings and sound working capital management. This was partially offset by a higher level of customer investments.

NINE-MONTH PERIODS

The Corporation generated a higher level of free cash flow during the nine-month period of 2022 compared to the nine-month period of 2021, driven primarily by higher net earnings and lower borrowing costs. This was mainly offset by higher level of investments for greenfield store openings in the GSF Car Parts U.K. segment and a higher level of customer investments.

FINANCING

LONG-TERM DEBT AND CREDIT FACILITIES

	Maturity	Effective interest rate	Current portion	As at September 30,	As at December 31,
				2022	2021
			$	**$**	$
Revolving credit facility, variable rates [(1)]	2026	3.05% to 4.27%	—	**203,590**	235,384
Deferred financing costs	—	—	—	**(896)**	(603)
Lease obligations - vehicles, variable rates	2022 to 2027	0.50% to 4.28%	**1,421**	**2,310**	4,071
Lease obligations - buildings, variable rates	2022 to 2033	1.32% to 7.66%	**24,244**	**96,451**	98,526
Others	—	—	—	**—**	8
			25,665	**301,455**	337,386
Current portion of long-term debt				**25,665**	27,015
Long-term debt				**275,790**	310,371

(1) As at September 30, 2022, a principal amount of $138,675 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($209,496 as at December 31, 2021).

Revolving credit facility

In August 2022, the Corporation entered into a first amendment to the existing second amended and restated credit agreement to extend the maturity of the revolving credit facility from June 30, 2025 to November 30, 2026. The aggregate amount available under the revolving credit facility remained $400,000 (plus an accordion feature of $200,000). The revolving credit facility is secured by a first ranking lien on all of the Corporation's assets. It can be repaid at any time without penalty and is available in Canadian dollars, US dollars, Euros or British pounds.

As a result of the interest rate benchmark reform, the Corporation partially amended the applicable variable interest rates referenced under the credit agreement. Starting on August 15, 2022, the rates are based on either SOFR, Euro Libor, SONIA, banker's acceptances, US base rate or prime rates (Libor, Euro Libor, SONIA, banker's acceptances, US base rate or prime rates as of December 31, 2021) plus applicable margins.

Letters of credit issued under the revolving facility

As at September 30, 2022, $4,970 of letters of credit have been issued ($6,346 as at December 31, 2021).

Available liquidity

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As at September 30, 2022, the Corporation has available liquidity of $228,452, plus an accordion feature of $200,000 ($186,426, plus an accordion feature of $200,000 as at December 31, 2021). Available liquidity is subject to financial covenants.

CONVERTIBLE DEBENTURES

In August 2022, CAD$3,400 of the convertible debentures of the Corporation were converted into 250,552 common shares at a price of CAD$13.57 per share, which reduced the aggregate principal amount of issued convertible senior subordinated unsecured debentures to CAD$106,600. The equity component of the convertible debentures was reduced by $(224) accordingly (net of income taxes of $81). The table below indicates the movement in the liability component:

	Nine-Month Period Ended September 30,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**78,327**	87,728
Conversion into common shares	**(2,400)**	(10,795)
Accreted interest	**977**	1,348
Effects of fluctuations in exchange rates	**(5,219)**	46
	71,685	78,327

VENDOR FINANCING PROGRAM

The Corporation benefits from a vendor financing program. Under this program, financial institutions make discounted accelerated payments to suppliers, and the Corporation makes payment to the financial institutions according to the new extended payment term agreed.

As at September 30, 2022, Uni-Select used $46,621 of the program ($40,786 as at December 31, 2021). This amount is presented in “Trade and other payables” in the Interim Consolidated Statements of Financial Position. This program is available upon the Corporation’s request and may be modified by either party. As at September 30, 2022, the authorized limit with applicable financial institutions was $115,000.

FINANCIAL INSTRUMENTS

Derivative financial instruments – hedge of foreign exchange risk
The Corporation enters into forward contracts in order to mitigate the foreign exchange risks mainly related to future forecasted purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at September 30, 2022, are as follows:

Currencies (sold/bought)	Maturity	Average rate (1)	Notional amount (2)
			$
CAD/USD	Up to July 2023	0.73	47,810
GBP/USD	Up to December 2022	1.30	3,132
GBP/EUR	Up to December 2022	1.16	1,688

(1) Rates are expressed as the number of units of the currency bought for one unit of currency sold.

(2) Exchange rates as at September 30, 2022, were used to translate amounts in foreign currencies.

The Corporation also enters into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its US-dollar-denominated revolving credit facility into Canadian dollars. The consolidated cross-currency interest rate swaps outstanding as at September 30, 2022, are as follows:

Maturity	Notional payable (CAD$)	Notional receivable (USD$)	Receive - Rate	Pay - Rate
October 2022	80,300	61,600	4.2704%	4.6950%

The short-term cross-currency interest rate swaps are not designated for hedge accounting and are measured at fair value at the end of each period. Fair value variances are recognized in the Interim Consolidated Statements of Net Earnings (Loss), and are presented under “Other operating expenses”, with a corresponding asset or liability for derivative financial instruments in the Interim Consolidated Statements of Financial Position. Pursuant to these agreements, the Corporation generates offsetting cash flows related to the underlying position with respect to the amount and timing of forecasted foreign currency transactions. The net effect to the short-term cross-currency interest rate swaps partly offset fluctuations in currency rates impacting the foreign exchange gains/losses resulting from long-term debts in currencies other than the respective functional currencies of the Corporation.

Derivative financial instruments used in cash flow hedges - hedge of interest rate risk
During the fourth quarter of 2021, the Corporation entered into interest rate swap agreements for total nominal amount of $100,000 to hedge the variable interest cash flows on a portion of the Corporation's revolving credit facility. Until their maturity, these agreements fix the interest rate of the notional amount to 1.146%.

CAPITAL STRUCTURE

LONG-TERM FINANCIAL POLICIES AND GUIDELINES

To evaluate the Corporation's financial leverage, capital structure and financing strategies, management uses the Total net debt to adjusted EBITDA ratio. This information represents a non-GAAP or other financial measure. Non-GAAP and other financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. *Refer to "Non-GAAP and other financial measures" section for reconciliation and further details.*

This ratio is not required for banking commitments but the Corporation considers pertinent to monitor and to ensure flexibility in the capital structure.

	As at September 30,	As at December 31,
	2022	2021
Total net debt to adjusted EBITDA ratio	***1.44x***	*2.11x*

Total net debt to adjusted EBITDA ratio improved by 0.67x due to improved profitability combined with a reduced level of total net debt.

Management continuously monitors its working capital items to improve the cash conversion cycle, in particular, on optimizing inventory levels, ensuring timely cash collection and actively managing payment terms, including through the vendor financing program.

BANK COVENANTS

For purposes of compliance, the Corporation regularly monitors the requirements of its bank covenants to ensure they are met. As at September 30, 2022, the Corporation met all the requirements.

SHARE CAPITAL

	Nine-Month Periods Ended September 30,			
		2022		2021
	Number of shares	**$**	Number of shares	$
Common shares issued and fully paid				
Balance, beginning of period	**43,792,680**	**116,051**	42,387,300	100,244
Conversion of convertible debentures into common shares (1)	**250,552**	**2,705**	1,105,380	12,202
Exercise of stock options (2)	**170,494**	**3,744**	300,000	3,605
	44,213,726	**122,500**	43,792,680	116,051
Treasury shares (3)				
Balance, beginning of period	**(210,300)**	**(4,169)**	—	—
Purchases of common shares (4)	**(218,823)**	**(4,091)**	—	—
Exercise of RSUs	**22,427**	**426**	—	—
	(406,696)	**(7,834)**	—	—
Total outstanding common shares	**43,807,030**		43,792,680	

(1) Refer to "Convertible Debentures section" for further details.

(2) The weighted average price of the issued common shares was CAD$27.88 in 2022.

(3) During the fourth quarter of 2021, the Corporation established a Share Trust with an independent trustee that purchases common shares in the secondary market and holds them in trust for the benefit of 2022 PSU Plan and/or RSU Plan participants. The Share Trust is used to deliver common shares for the settlement of PSUs and/or RSUs under both the 2022 PSU Plan and RSU Plan (refer to "Stock-based Compensation" section for further details). Common shares purchased by the Share Trust are accounted for as treasury stock.

(4) The weighted average price of the purchase of common shares was CAD$23.55 in 2022.

As at November 3, 2022, 43,807,030 common shares were outstanding, corresponding to 44,213,726 issued common shares less 406,696 treasury shares in the Share Trust.

Assuming the exercise of all 668,091 outstanding options and the redemption of all 327,903 deferred share units, 339,702 performance share units and 330,815 restricted share units as well as the conversion of all 7,855,564 remaining convertible debentures as at November 3, 2022, there would have been 53,329,105 common shares issued and outstanding on a fully diluted basis as at that date.

STOCK-BASED COMPENSATION

The Corporation’s stock-based compensation plans include an equity-settled stock option plan as well as a cash-settled legacy 2013 Performance Share Unit Plan ("2013 PSU Plan").

During the fourth quarter of 2021, the Corporation initially amended and restated its Restricted Share Unit Plan ("RSU Plan") to allow for the settlement of RSUs in cash or common shares purchased in the secondary market, at the discretion of the Board of Directors, using the Share Trust (refer to "Share Capital" section for further details). Awards under the RSU Plan may be settled by either equity-settled or cash-settled units.

During the first quarter of 2022, the Corporation adopted a new Performance Share Unit plan ("2022 PSU Plan") to allow for the settlement of performance share units ("PSUs") in cash or common shares, at the discretion of the Board of Directors, using the Share Trust (refer to "Share Capital" section for further details) or newly issued common shares. Under the 2022 PSU Plan, a total of 1,500,000 common shares have been reserved for issuance. As well, the Corporation amended and restated its Deferred Share Unit Plan ("DSU Plan") to allow for the settlement of DSUs in cash or common shares at the discretion of the Board of Directors, using newly issued common shares. Under the DSU Plan, a total of 600,000 common shares have been reserved for issuance.

Stock option plan

The Corporation has a stock option plan for management employees and officers. Following the amendment of the plan during the first quarter of 2022, a total of 2,915,227 common shares have been reserved for issuance (3,400,000 in 2021). Under the plan, the options are granted at the average closing price of the Corporation’s common shares on the TSX for the five trading days preceding the grant date. Options granted vest in or over a period of three years plus one day following the date of issuance and are exercisable over a period of no greater than seven years.

A summary of the Corporation’s stock option plan for the quarters ended September 30, 2022 and 2021 is presented as follows:

				As at September 30,
	2022		2021	
	Number of options	**Weighted average exercise price (CAD$)**	Number of options	Weighted average exercise price (CAD$)
Outstanding, beginning of period	**1,153,221**	**14.71**	1,244,163	15.52
Granted	**—**	**—**	690,000	14.34
Exercised	**(425,305)**	**13.30**	(300,000)	12.34
Forfeited	**(59,825)**	**22.15**	(480,942)	17.77
Outstanding, end of period	**668,091**	**14.94**	1,153,221	14.71

For the stock option plan, the following compensation expenses were recorded in “Net earnings (loss)”, with the corresponding amounts recorded in “Contributed surplus”:

	Third Quarters Ended September 30,		**Nine-Month Periods Ended September 30,**	
	2022	2021	**2022**	2021
Contributed surplus	**90**	68	**621**	256

DSU Plan, RSU Plan and 2022 PSU Plan

I. Equity-settled Plans

Under the DSU Plan, the compensation expense is recognized at grant date. Under the 2022 PSU Plan and the RSU Plan, the compensation expense is recognized over the vesting period. Compensation expense of equity-settled DSUs, PSUs and RSUs are based on the fair value of the awards, which is determined using the stock price of the Corporation's common share at the grant date. The corresponding amounts are recorded in "Contributed surplus".

The variances in the Corporation's outstanding numbers of equity-settled DSUs, PSUs and RSUs are detailed as follows:

			Nine-Month Periods Ended September 30,			
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**—**	**—**	**334,907**	—	—	—
Modified to equity-settled awards	**322,496**	**—**	**—**	—	—	—
Granted	**10,823**	**415,989**	**63,111**	—	—	—
Redeemed	**(5,416)**	**—**	**(22,427)**	—	—	—
Forfeited	**—**	**(76,287)**	**(44,776)**	—	—	—
	327,903	**339,702**	**330,815**	—	—	—

The amounts recorded in "Contributed surplus" for equity-settled DSUs, PSUs and RSUs are detailed as follows:

			Third Quarters Ended September 30,			
			2022			2021
	DSU	**PSU**	**RSU**	**DSU**	**PSU**	**RSU**
Contributed surplus	**3**	**6**	**573**	—	—	—

			Nine-Month Periods Ended September 30,			
			2022			2021
	DSU	**PSU**	**RSU**	**DSU**	**PSU**	**RSU**
Contributed surplus	**7,626**	**1,011**	**578**	—	—	—

II. Cash-settled Plans

The variances in the Corporation's outstanding numbers of cash-settled DSUs, PSUs and RSUs are detailed as follows:

			Nine-Month Periods Ended September 30,			
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**330,300**	**295,799**	**251,270**	398,807	521,857	736,408
Granted	**45,862**	**—**	**24,103**	110,781	380,034	545,208
Redeemed	**(53,666)**	**(32,219)**	**(164,254)**	(156,977)	—	(309,559)
Forfeited	**—**	**(66,415)**	**—**	—	(610,034)	(386,402)
Modified to equity-settled awards	**(322,496)**	**—**	**—**	—	—	—
	—	**197,165**	**111,119**	352,611	291,857	585,655

CAPITAL STRUCTURE (CONTINUED)

The corresponding compensation liabilities are presented in the Interim Consolidated Statements of Financial Position as follows:

			As at September 30, 2022
			$
	DSU	**PSU**	**RSU**
Current portion of long-term employee benefit obligations [1]	**—**	**3,156**	**649**
Long-term employee benefit obligations	**—**	**2,004**	**663**
	—	**5,160**	**1,312**

			As at December 31, 2021
			$
	DSU	PSU	RSU
Current portion of long-term employee benefit obligations [1]	640	318	1,959
Long-term employee benefit obligations	5,480	2,272	—
	6,120	2,590	1,959

[1] The current portion of long-term employee benefit obligations is presented as “Trade and other payables”.

III. Compensation expense

The compensation expense of both equity-settled and cash-settled plans was recorded in the Interim Consolidated Statements of Net Earnings (Loss) as follows:

						Third Quarters Ended September 30,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**153**	**434**	**965**	830	700	348
Special items	**—**	**—**	**—**	124	—	728
	153	**434**	**965**	954	700	1,076

						Nine-Month Periods Ended September 30,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**2,148**	**4,529**	**1,876**	4,037	700	2,733
Special items	**—**	**—**	**—**	467	—	3,183
	2,148	**4,529**	**1,876**	4,504	700	5,916

FINANCIAL POSITION

During the nine-month period ended September 30, 2022, the financial position, when compared to December 31, 2021, was mostly impacted by the translation effect of the Canadian dollar and the British pound into the US dollar, special items and a change in estimate, as well as business acquisitions.

The following table shows an analysis of selected items from the Consolidated Statements of Financial Position:

	As at September 30, 2022	As at December 31, 2021	Impact of translation CAD$/US$ and £/US$	Special items and change in estimate	Impact of business acquisitions	Net variances
	$	$	$	$	$	$
Current assets and liabilities						
Trade and other receivables	**209,350**	195,490	(17,593)	—	8,140	23,313
Inventory	**390,232**	343,759	(27,198)	(10,927)	16,972	67,626
Trade and other payables	**402,032**	328,122	(32,910)	(1,256)	8,197	99,879
Net income tax payable (receivable) and deferred	**9,488**	(12,472)	(1,037)	(5,991)	301	28,687
Long-term assets and liabilities						
Property and equipment	**158,166**	147,654	(14,814)	515	17,565	7,246
Intangible assets	**150,122**	171,814	(12,956)	(2,849)	1,295	(7,182)
Goodwill	**340,617**	339,910	(19,195)	—	19,902	—
Net derivative financial instruments (including short-term portion)	**17,699**	293	(740)	—	—	18,146
Long-term employee benefit obligations	**5,411**	20,360	(328)	(4,789)	—	(9,832)

Explanations for net variances:

Trade and other receivables: The increase is mainly attributable to seasonality and higher sales.

Inventory: The increase is mainly attributable to price increases, special buys, certain purchases made in advance to mitigate supply chain delays and new store openings in the U.K..

Trade and other payables: The increase is mainly related to inventory variation as well as expended term of payment on special buys.

Net income tax payable (receivable) and deferred: The increase is mainly related to increased profitability.

Property and equipment: The increase is mainly explained by lease renegotiation, investment for the opening of greenfield stores, vehicle fleet renewal and further investments in current distribution centres.

Intangible assets: The decrease is attributable to amortization of the period exceeding administrative support software investments.

Net derivative financial instruments: The increase is attributable to fair value gains on interest rate swaps on long-term debt, cross-currency interest rate swaps, and foreign exchange forward contracts. *(For more information about financial instrument, refer to Note 13 in the Condensed Interim Consolidated Financial Statements for further details.)*

Long-term employee benefit obligations: The decrease reflects the recognition of actuarial gains following changes in financial assumptions.

RISK MANAGEMENT

The Corporation is subject to a variety of risks and uncertainties and is affected by a number of factors that may have a material adverse effect on our business, operating results, cash flows and financial condition, including the risks identified in the section titled "Risk Management" of Uni-Select's MD&A for the year ended December 31, 2021 which are incorporated by reference in this MD&A, and in other documents we make public, including our filings with the Canadian Securities Administrators (on SEDAR at www.sedar.com). No significant change occurred during the nine-month period ended September 30, 2022 with respect to the risks identified in Uni-Select's MD&A for the year ended December 31, 2021. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of our common shares.

SIGNIFICANT ACCOUNTING POLICIES

FUTURE ACCOUNTING CHANGES

The significant accounting policies followed in the Condensed Interim Consolidated Financial Statements are the same as those applied in the audited Annual Consolidated Financial Statements of the Corporation for the year ended December 31, 2021, except for the change in accounting policy described in note 9 of the Condensed Interim Consolidated Financial Statements.

Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation's Condensed Interim Consolidated Financial Statements, if any, are provided in the Corporation's audited Annual Consolidated Financial Statements for the year ended December 31, 2021. Certain amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted earlier by the Corporation. These new standards and interpretations are not expected to have a material impact on the Corporation's Condensed Interim Consolidated Financial Statements.

EXCHANGE RATE DATA

The following table sets forth information about exchange rates based upon rates expressed as US dollars per comparative currency unit:

	Third Quarters Ended September 30,		**Nine-Month Periods Ended Sept. 30,**	
	2022	2021	**2022**	2021
Average for the period (to translate the statements of net earnings (loss))				
Canadian dollar	**0.77**	0.79	**0.78**	0.80
British pound	**1.18**	1.38	**1.26**	1.38

	As at September 30,	As at December 31,
	2022	2021
Period end (to translate the statements of financial position)		
Canadian dollar	**0.73**	0.78
British pound	**1.11**	1.35

As the Corporation uses the US dollar as its reporting currency in its consolidated financial statements and in this document, unless otherwise indicated, results from its Canadian operations and its U.K. operations are translated into US dollars using the average rate for the period. Variances and explanations related to fluctuations in the foreign exchange rate, and the volatility of the Canadian dollar and the British pound are therefore related to the translation in US dollars of the Corporation's results for its Canadian and U.K. operations and do not have an economic impact on its performance since most of the Corporation's consolidated sales and expenses are received or denominated in the functional currency of the markets in which it does business. Accordingly, the sensitivity of the Corporation's results to fluctuations in foreign exchange rates is economically limited.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation has established and maintains disclosure controls and procedures designed to provide reasonable assurance that material information relating to the Company is made known to the Executive Chair and Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which annual and interim filings are prepared, and that information required to be disclosed by the Corporation in its annual fillings, interim filings or other reports filed or submitted by the Corporation under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The Corporation has also established and maintains internal control over financial reporting, as defined under National Instrument 52-109. The Corporation's internal control over financial reporting is a process designed under the supervision of the Executive Chair and Chief Executive Officer and the Chief Financial Officer, and effected by management and other key personnel of the Corporation, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Management evaluated, under the supervision of and with the participation of the Executive Chair and Chief Executive Officer and the Chief Financial Officer, the effectiveness of the Company's internal controls over financial reporting as at December 31, 2021, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013).

During the period beginning on July 1, 2022 and ended September 30, 2022, no change in the Corporation's internal controls over financial reporting occurred that materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

/s/ Brian McManus

Brian McManus

Executive Chair and Chief Executive Officer

/s/ Anthony Pagano

Anthony Pagano

Chief Financial Officer

Approved by the Board of Directors on November 3, 2022.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Quarters Ended September 30, 2022 and September 30, 2021
(Unaudited, expressed in thousands of US dollars, unless otherwise noted)

INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS)

(In thousands of US dollars, except per share amounts, unaudited)	Note	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Sales		**452,680**	426,094	**1,306,608**	1,212,625
Purchases, net of changes in inventories	4	**301,026**	289,144	**876,265**	847,984
Gross margin		**151,654**	136,950	**430,343**	364,641
Salaries and employee benefits		**71,140**	67,258	**211,667**	199,113
Other operating expenses		**32,900**	28,952	**93,017**	83,069
Special items	4	**—**	5,414	**1,227**	21,889
Earnings before net financing costs, depreciation and amortization and income taxes		**47,614**	35,326	**124,432**	60,570
Depreciation and amortization	5	**13,164**	14,777	**40,668**	45,449
Net financing costs	5	**4,770**	5,867	**13,968**	23,629
Earnings (loss) before income taxes		**29,680**	14,682	**69,796**	(8,508)
Income tax expense (recovery)	5	**7,263**	2,755	**16,857**	(395)
Net earnings (loss)		**22,417**	11,927	**52,939**	(8,113)
Net earnings (loss) per common share	6				
Basic		**0.51**	0.28	**1.22**	(0.19)
Diluted		**0.45**	0.25	**1.07**	(0.19)
Weighted average number of common shares outstanding (in thousands)	6				
Basic		**43,529**	43,042	**43,536**	42,608
Diluted		**52,631**	51,988	**52,560**	42,608

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of US dollars, unaudited)	Note	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Net earnings (loss)		**22,417**	11,927	**52,939**	(8,113)
Other comprehensive 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 $812 and $2,588 respectively for the quarter and nine-month period ($0 and $3 in 2021))		**2,321**	—	**7,178**	8
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (net of income tax of $6 and $84 respectively for the quarter and nine-month period ($0 and $118 in 2021))	5	**(5)**	11	**245**	327
Unrealized exchange losses on the translation of financial statements to the presentation currency		**(16,105)**	(3,885)	**(38,126)**	(2,754)
Unrealized exchange gains (losses) on the translation of debt designated as a hedge of net investments in foreign operations		**(5,155)**	(3,744)	**(1,548)**	1,036
		(18,944)	(7,618)	**(32,251)**	(1,383)
Items that will not subsequently be reclassified to net earnings:					
Remeasurements of long-term employee benefit obligations (net of income tax of $1,071 and $2,682 respectively for the quarter and nine-month period ($1,219 and $3,869 in 2021))	10	**(2,971)**	3,381	**7,439**	10,731
Total other comprehensive income (loss)		**(21,915)**	(4,237)	**(24,812)**	9,348
Comprehensive income		**502**	7,690	**28,127**	1,235

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of US dollars, unaudited)	Note	Common shares	Treasury shares	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive loss	Total
		$	$	$	$	$	$	$
Balance as at December 31, 2020		100,244	—	8,404	8,232	378,196	(21,021)	474,055
Net loss		—	—	—	—	(8,113)	—	(8,113)
Other comprehensive income (loss)		—	—	—	—	10,731	(1,383)	9,348
Comprehensive income (loss)		—	—	—	—	2,618	(1,383)	1,235
Contributions by and distributions to shareholders:								
Conversion of convertible debentures into common shares	11	12,202	—	—	(988)	—	—	11,214
Issuance of common shares	12	2,993	—	—	—	—	—	2,993
Transfer upon exercise of stock options		612	—	(612)	—	—	—	—
Stock-based compensation	9	—	—	256	—	—	—	256
		15,807	—	(356)	(988)	—	—	14,463
Balance as at September 30, 2021		116,051	—	8,048	7,244	380,814	(22,404)	489,753
Balance as at December 31, 2021		**116,051**	**(4,169)**	**11,016**	**7,244**	**388,241**	**(22,418)**	**495,965**
Net earnings		—	—	—	—	**52,939**	—	**52,939**
Other comprehensive income (loss)		—	—	—	—	**7,439**	**(32,251)**	**(24,812)**
Comprehensive income (loss)		—	—	—	—	**60,378**	**(32,251)**	**28,127**
Contributions by and distributions to shareholders:								
Conversion of convertible debentures into common shares	11	**2,705**	—	—	**(224)**	—	—	**2,481**
Acquisition of treasury shares by Share Trust	12	—	**(4,091)**	—	—	—	—	**(4,091)**
Net transfer upon exercise of stock options	12	**3,744**	—	**(5,102)**	—	—	—	**(1,358)**
Transfer upon exercise of restricted share units	12	—	**426**	**(426)**	—	—	—	—
Stock-based compensation	9	—	—	**9,836**	—	—	—	**9,836**
		6,449	**(3,665)**	**4,308**	**(224)**	—	—	**6,868**
Balance as at September 30, 2022		**122,500**	**(7,834)**	**15,324**	**7,020**	**448,619**	**(54,669)**	**530,960**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars, unaudited)	Note	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
OPERATING ACTIVITIES					
Net earnings (loss)		**22,417**	11,927	**52,939**	(8,113)
Adjustment for:					
Special items and others	4	**—**	5,414	**12,154**	42,489
Depreciation and amortization	5	**13,164**	14,777	**40,668**	45,449
Net financing costs	5	**4,770**	5,867	**13,968**	23,629
Income tax expense (recovery)	5	**7,263**	2,755	**16,857**	(395)
Amortization and reserves related to incentives granted to customers		**3,419**	3,894	**10,830**	12,495
Stock-based compensation		**1,642**	1,556	**9,174**	6,206
Gains on derivative financial instruments		**(5,677)**	(606)	**(7,152)**	(1,107)
Gains on disposal of property and equipment		**(177)**	(231)	**(827)**	(445)
Other items		**(26)**	(1,440)	**(201)**	(1,815)
Changes in working capital items	7	**31,198**	8,879	**(449)**	(3,002)
Stock-based compensation paid		**(150)**	(4,130)	**(3,510)**	(5,798)
Interest paid		**(2,854)**	(4,693)	**(11,170)**	(21,210)
Income tax paid		**(362)**	(1,104)	**(98)**	(2,776)
Cash flows from operating activities		**74,627**	42,865	**133,183**	85,607
INVESTING ACTIVITIES					
Business acquisitions	8	**(40,296)**	(1,501)	**(49,701)**	(1,501)
Business disposal	8	**376**	—	**376**	—
Net balance of purchase price		**—**	(555)	**—**	(613)
Cash held in escrow		**(3,116)**	(214)	**(2,822)**	(214)
Proceeds from sale of investment		**—**	396	**—**	396
Advances to merchant members and incentives granted to customers		**(4,117)**	(2,408)	**(10,501)**	(9,560)
Reimbursement of advances to merchant members and liquidation proceeds of incentives granted to customers returned		**1,348**	621	**3,952**	4,377
Acquisitions of property and equipment		**(4,482)**	(2,573)	**(12,541)**	(5,959)
Proceeds from disposal of property and equipment		**348**	304	**1,305**	869
Acquisitions and development of intangible assets		**(565)**	(1,854)	**(3,258)**	(3,506)
Other provisions paid		**(47)**	(330)	**(50)**	(582)
Cash flows used in investing activities		**(50,551)**	(8,114)	**(73,240)**	(16,293)
FINANCING ACTIVITIES					
Increase in long-term debt	7	**76,557**	38,454	**205,993**	77,468
Repayment of long-term debt	7	**(82,341)**	(84,718)	**(249,725)**	(180,335)
Net increase (decrease) in merchant members' deposits in the guarantee fund		**(27)**	(216)	**139**	(562)
Issuance of common shares	12	**—**	2,993	**—**	2,993
Acquisition of treasury shares by Share Trust	12	**—**	—	**(4,091)**	—
Cash flows used in financing activities		**(5,811)**	(43,487)	**(47,684)**	(100,436)
Effects of fluctuations in exchange rates on cash		**(1,482)**	(453)	**(3,403)**	(35)
Net increase (decrease) in cash		**16,783**	(9,189)	**8,856**	(31,157)
Cash, beginning of period		**20,229**	32,411	**28,156**	54,379
Cash, end of period		**37,012**	23,222	**37,012**	23,222

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars, unaudited)	Note	As at September 30,	As at December 31,
		2022	2021
ASSETS	11	**$**	$
Current assets:			
Cash		**37,012**	28,156
Cash held in escrow		**3,037**	503
Trade and other receivables		**209,350**	195,490
Income taxes receivable		**719**	4,502
Inventory	4	**390,232**	343,759
Prepaid expenses		**6,115**	6,324
Derivative financial instruments	13	**6,805**	75
Total current assets		**653,270**	578,809
Investments, advances to merchant members and other assets		**20,425**	23,565
Property and equipment		**158,166**	147,654
Intangible assets		**150,122**	171,814
Goodwill		**340,617**	339,910
Derivative financial instruments	13	**10,894**	223
Deferred tax assets		**26,311**	38,842
TOTAL ASSETS		**1,359,805**	1,300,817
LIABILITIES			
Current liabilities:			
Trade and other payables		**402,032**	328,122
Balance of purchase price, net		**3,373**	43
Provision for restructuring charges	4	**—**	1,060
Income taxes payable		**16,885**	6,872
Current portion of long-term debt and merchant members' deposits in the guarantee fund		**25,761**	27,108
Derivative financial instruments	13	**—**	5
Total current liabilities		**448,051**	363,210
Long-term employee benefit obligations		**5,411**	20,360
Long-term debt	11	**275,790**	310,371
Convertible debentures	11	**71,685**	78,327
Merchant members' deposits in the guarantee fund		**5,248**	5,492
Balance of purchase price		**365**	—
Other provisions		**2,662**	3,092
Deferred tax liabilities		**19,633**	24,000
TOTAL LIABILITIES		**828,845**	804,852
TOTAL SHAREHOLDERS' EQUITY		**530,960**	495,965
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,359,805**	1,300,817

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

1 - GOVERNING STATUTE AND NATURE OF OPERATIONS

Uni-Select Inc. (“Uni-Select”) is a corporation domiciled in Canada and incorporated under the Business Corporations Act (Québec). Uni-Select is the parent company of a group of entities, which includes Uni-Select and its subsidiaries as well as its structured entity (collectively, the “Corporation”). The Corporation is a distributor of automotive aftermarket parts and automotive refinish and industrial coatings. The Corporation’s registered office is located at 170 Industriel Blvd., Boucherville, Québec, Canada.

These Condensed Interim Consolidated Financial Statements present the operations and financial position of the Corporation and all of its subsidiaries, as well as its structured entity.

The Corporation’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol UNS.

2 - BASIS OF PRESENTATION

Statement of compliance

The Corporation prepares its Condensed Interim Consolidated Financial Statements in accordance with generally accepted accounting principles in Canada (“GAAP”) as set out in the CPA Canada Handbook – Accounting under Part I, which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements. As permitted under IAS 34 “Interim Financial Reporting”, these Interim Consolidated Financial Statements constitute a condensed set of financial statements, as the Corporation does not present all the notes to consolidated financial statements included in its Annual Consolidated Financial Statements. These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Corporation’s audited Annual Consolidated Financial Statements for the year ended December 31, 2021.

The Board of Directors approved and authorized for issuance these Condensed Interim Consolidated Financial Statements on November 3, 2022.

Basis of measurement

These Condensed Interim Consolidated Financial Statements have been prepared on the historical cost basis except for derivative financial instruments, which are measured at fair value, provisions, which are measured based on the best estimates of the expenditures required to settle the obligation and the post-employment benefit obligations, which are measured at the present value of the defined benefit obligations and reduced by the fair value of plan assets.

Functional and presentation currency

Items included in the financial statements of each of the Corporation’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Corporation’s functional currencies are the US dollar for entities located in the United States, the Canadian dollar for entities located in Canada and the British pound for entities located in the United Kingdom. These Condensed Interim Consolidated Financial Statements are presented in US dollars, which is the Corporation’s presentation currency.

Seasonality of interim operations

Sales of the Corporation follow seasonal patterns. Sales are typically stronger during the second and third quarters for the FinishMaster U.S. and the Canadian Automotive Group segments, and during the third and fourth quarters for the GSF Car Parts U.K. segment. Sales are also impacted by business acquisitions as well as by the translation effect of the Canadian dollar and the British pound into the US dollar.

As such, the operating results for any interim period are not necessarily indicative of full-year performance. Refer to note 14 for further details on segmented information.

Use of accounting estimates and judgments

The most significant uses of judgment, estimates and assumptions are described in the Corporation’s audited Annual Consolidated Financial Statements for the year ended December 31, 2021, except for the modifications resulting from IFRS first time adoption as described in note 3, if any.

3 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the Condensed Interim Consolidated Financial Statements are the same as those applied in the audited Annual Consolidated Financial Statements of the Corporation for the year ended December 31, 2021, except for the change in accounting policy described in note 9.

Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation’s Condensed Interim Consolidated Financial Statements, if any, are provided in the Corporation’s audited Annual Consolidated Financial Statements for the year ended December 31, 2021. Certain amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted earlier by the Corporation. These new standards and interpretations are not expected to have a material impact on the Corporation’s Condensed Interim Consolidated Financial Statements.

4 - SPECIAL ITEMS AND OTHERS

Special items and others comprise elements which do not reflect the Corporation's core performance or of which their separate presentation will assist users of the Condensed Interim Consolidated Financial Statements in understanding the Corporation's results for the period. Special items and others are detailed as follows:

	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Change in estimate related to inventory obsolescence	**—**	—	**10,927**	20,600
Restructuring and other charges related to improvement plans	**—**	2,413	**553**	7,522
Other special items	**—**	3,001	**674**	14,367
Special items	**—**	5,414	**1,227**	21,889
Special items and others	**—**	5,414	**12,154**	42,489

Change in estimate related to inventory obsolescence
During the first quarter of 2022, the Corporation conducted a review of estimates relating to its inventory provision. As a result of this review and change in estimates, a one-time obsolescence expense of $10,927 was recognized in "Purchases, net of changes in inventories". This change in estimate was accounted for prospectively.

The variances in the provision for inventory obsolescence are detailed as follows:

	Nine-Month Period Ended September 30,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**26,847**	21,652
Change in estimate [(1)]	**10,927**	21,619
Charges recognized during the period	**363**	940
Write-off	**(4,164)**	(17,291)
Effects of fluctuations in exchange rates	**(2,693)**	(73)
	31,280	26,847

(1) In 2021, a one-time obsolescence expense of $21,619 was recognized in "Purchases, net of changes in inventories", mainly as a result of a refresh of underlying product consumption.

Restructuring and other charges related to the improvement plans
The Corporation recognized no restructuring and other charges for the quarter and $553 for the nine-month period ended September 30, 2022 ($2,413 and $7,522 respectively in 2021). For the nine-month period, these charges include $1,018, primarily related to the rebranding of GSF Car Parts and inventory transfer costs, partially offset by the reversal of previously impaired long-term assets ($2,337 in 2021 mostly comprising consulting fees related to the optimization of the logistical processes and inventory transfer costs).

The variances in the provision for restructuring charges are detailed as follows:

	Nine-Month Period Ended September 30,	Year Ended December 31,
	2022	2021
	$	$
Balance, beginning of period	**1,060**	3,246
Change in estimate	**—**	(863)
Provision used during the period	**(1,042)**	(1,360)
Effects of fluctuations in exchange rates	**(18)**	37
	—	1,060

Other special items
During the quarter and nine-month period ended September 30, 2022, the Corporation recognized charges totaling nil and $674 respectively mainly for the settlement of certain severance agreements and retention bonuses ($3,001 and $14,367 in 2021).

5 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS)

Depreciation and amortization

	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Depreciation of property and equipment	**2,923**	3,536	**8,794**	11,235
Depreciation of right-of-use assets	**6,219**	6,537	**19,214**	19,884
Amortization of intangible assets	**4,022**	4,704	**12,660**	14,330
	13,164	14,777	**40,668**	45,449

Net financing costs

	Note	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Interest on long-term debt		**2,075**	2,248	**5,019**	12,343
Interest on lease obligations		**1,184**	1,281	**3,567**	3,976
Interest on convertible debentures		**1,250**	1,403	**3,845**	4,410
Accreted interest on convertible debentures	11	**325**	338	**977**	1,034
Amortization of financing costs	7	**54**	306	**138**	773
Net interest expense on the long-term employee benefit obligations	10	**108**	172	**328**	496
Reclassification of realized losses (gains) on derivative financial instruments designated as cash flow hedges to net earnings		**(11)**	11	**329**	445
Interest on merchant members' deposits in the guarantee fund and others		**20**	110	**59**	183
		5,005	5,869	**14,262**	23,660
Interest income from merchant members and others		**(235)**	(2)	**(294)**	(31)
		4,770	5,867	**13,968**	23,629

Income tax expense (recovery)

The following table presents the reconciliation of income taxes at the combined Canadian statutory income tax rates applicable in the jurisdictions in which the Corporation operates to the amount of reported income taxes in the Interim Consolidated Statements of Net Earnings (Loss):

	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Income taxes at the Corporation's statutory tax rate - 26.5% (26.5% in 2021)	**7,865**	3,890	**18,496**	(2,255)
Effect of foreign tax rate differences	**(532)**	(1,062)	**(1,266)**	(28)
Changes in tax rates	**—**	—	**—**	3,642
Contingency provision reversal	**—**	100	**—**	(1,548)
Benefit of financing structure	**—**	(347)	**(698)**	(1,032)
Adjustments in relation to prior years	**(510)**	—	**(510)**	—
Non-deductible expenses	**245**	165	**573**	653
Others	**195**	9	**262**	173
Income taxes at the Corporation's effective tax rate	**7,263**	2,755	**16,857**	(395)
Effective tax rate	***24.5 %***	*18.8 %*	***24.2 %***	*4.6 %*

The year-over-year variance in effective tax rate for the nine-month period is mainly attributable to the prior year's reversal of contingency provision as well as the prior year's impact of the changes in tax rates, both of which had a significant impact on the tax rate in the prior year. The year-over-year variance in effective tax rate for the quarter is mainly attributable to the distribution of the earnings before income taxes in the jurisdictions in which the corporation operates.

6 - NET EARNINGS (LOSS) PER COMMON SHARE

The following table presents a reconciliation of basic and diluted “Net earnings (loss) per common share”:

	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
	2022	2021	**2022**	2021
Net earnings (loss) considered for basic net earnings (loss) per common share	**22,417**	11,927	**52,939**	(8,113)
Conversion impact of convertible debentures (1)	**1,158**	1,279	**3,544**	—
Net earnings (loss) considered for diluted net earnings (loss) per common share	**23,575**	13,206	**56,483**	(8,113)
Weighted average number of issued common shares	**43,940,768**	43,041,503	**43,946,198**	42,607,764
Weighted average number of treasury shares in Share Trust	**(411,461)**	—	**(410,618)**	—
Weighted average number of common shares outstanding for basic net earnings (loss) per common share	**43,529,307**	43,041,503	**43,535,580**	42,607,764
Conversion impact of convertible debentures (1)	**8,002,628**	8,682,836	**8,071,241**	—
Impact of stock options (2)	**420,374**	263,366	**416,811**	—
Impact of dilutive deferred share units ("DSUs")	**328,774**	—	**177,162**	—
Impact of dilutive restricted share units ("RSUs")	**350,059**	—	**359,358**	—
Weighted average number of common shares outstanding for diluted net earnings (loss) per common share	**52,631,142**	51,987,705	**52,560,152**	42,607,764
Net earnings (loss) per common share				
Basic	**$0.51**	$0.28	**$1.22**	($0.19)
Diluted	**$0.45**	$0.25	**$1.07**	($0.19)

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

(2) For the third quarter of 2021, options to acquire 113,221 common shares were excluded from the calculation of diluted net earnings per common share as the conversion impact would result in a reduction of the loss per share. For the nine-month period ended September 30, 2021, options to acquire 1,153,221 common shares were excluded from the calculation of diluted net earnings per common share as the strike price of the options was higher than the average market price of the shares.

7 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in working capital items

The changes in working capital items are detailed as follows:

	Note	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
		2022	2021	**2022**	2021
		$	$	**$**	$
Trade and other receivables		**(2,806)**	(5,651)	**(32,637)**	(19,398)
Inventory		**(21,786)**	7,983	**(67,626)**	9,187
Prepaid expenses		**3,034**	3,042	**(304)**	(141)
Trade and other payables		**52,756**	3,583	**101,160**	7,816
Provision for restructuring charges	4	**—**	(78)	**(1,042)**	(466)
		31,198	8,879	**(449)**	(3,002)

As at September 30, 2022, acquisitions of property and equipment and intangible assets of $1,031 and $175 respectively ($791 and $299 as at September 30, 2021) remained unpaid and did not have an impact on cash.

Repayment of long-term debt

The following table presents reconciliation between the opening and closing balances in the Interim Consolidated Statements of Financial Position for “Long-term debt”, including the “Current portion of long-term debt” (refer to note 11 for further details):

	Note	Nine-Month Period Ended September 30,
		2022
		$
Balance, beginning of period		**337,386**
Increase in long-term debt		**205,993**
Repayment of long-term debt		**(249,725)**
Increase in lease obligations		**23,432**
Leases obligations acquired through business combinations	8	**1,493**
Non-cash changes in lease obligations		**(532)**
Amortization of financing costs	5	**138**
Effects of fluctuations in exchange rates		**(16,730)**
		301,455

For the nine-month period ended September 30, 2022, repayment of long-term debt includes cash outflows for leases totaling $20,872 ($22,144 in 2021).

8 - BUSINESS COMBINATIONS

Business acquisitions
During the nine-month period ended September 30, 2022, the Corporation acquired the net assets of one company as well as the shares of two companies, all operating in Canada. These companies were acquired in the normal course of business. The total purchase price of the acquisitions of $53,743 was preliminarily allocated to the acquired assets and liabilities based on their fair value and includes a balance of purchase price of $4,042, partially held in escrow for $3,116.

The primary factor that gave rise to the recognition of goodwill was the earnings capacity of the acquired business in excess of the net tangible and intangible assets acquired. Since their respective acquisition date, the acquired companies generated total sales of $17,050 and net earnings of $1,027. In connection with the acquisitions, the Corporation incurred $750 of acquisition costs, which were expensed as "Other operating expenses" through the Interim Consolidated Statements of Net Earnings (Loss).

As at September 30, 2022, the following aggregate fair value amounts were recognized for each class of the acquired company's net assets at the date of acquisition:

	As at September 30, 2022		
	Maslack Supply Limited	**Other acquisitions**	**Total**
	$	**$**	**$**
Trade and other receivables	**6,306**	**1,777**	**8,083**
Inventory	**13,162**	**4,295**	**17,457**
Property and equipment	**15,872**	**1,784**	**17,656**
Goodwill (1)	**14,525**	**5,653**	**20,178**
Customer relationships	**—**	**987**	**987**
Trade and other payables	**(7,785)**	**(1,113)**	**(8,898)**
Lease obligations – buildings	**(955)**	**(538)**	**(1,493)**
Deferred tax liabilities	**—**	**(301)**	**(301)**
Other net assets	**19**	**55**	**74**
Total purchase price of the acquisitions	**41,144**	**12,599**	**53,743**
Balance of purchase price	**(3,116)**	**(926)**	**(4,042)**
	38,028	**11,673**	**49,701**

(1) For tax purposes, goodwill is expected to be deductible.

The Corporation is currently assessing the estimated fair values of certain assets acquired through business combination during 2022, mainly intangible assets, to finalize the purchase price allocation over the identifiable net assets acquired and goodwill. As permitted by IFRS, the Corporation expects to finalize the purchase price allocation within a year from the date of acquisition.

Business disposal
During the third quarter of 2022, the Corporation sold the net assets of a corporate store operating in Ontario (Canada) for $841, of which $465 is receivable as at September 30, 2022. The net assets, mainly composed of inventory, were sold at a price approximating their market fair value and generated marginal gains during the period ended on September 30, 2022.

9 - STOCK-BASED COMPENSATION

The Corporation's stock-based compensation plans include an equity-settled stock option plan as well as a cash-settled legacy 2013 Performance Share Unit Plan ("2013 PSU Plan").

During the fourth quarter of 2021, the Corporation initially amended and restated its Restricted Share Unit Plan ("RSU Plan") to allow for the settlement of RSUs in cash or common shares purchased in the secondary market, at the discretion of the Board of Directors, using the Share Trust (refer to note 12 for further details). Awards under the RSU Plan may be settled by either equity-settled or cash-settled units.

During the first quarter of 2022, the Corporation adopted a new Performance Share Unit plan ("2022 PSU Plan") to allow for the settlement of performance share units ("PSUs") in cash or common shares, at the discretion of the Board of Directors, using the Share Trust (refer to note 12 for further details) or newly issued common shares. Under the 2022 PSU Plan, a total of 1,500,000 common shares have been reserved for issuance. As well, the Corporation amended and restated its Deferred Share Unit Plan ("DSU Plan") to allow for the settlement of DSUs in cash or common shares at the discretion of the Board of Directors, using newly issued common shares. Under the DSU Plan, a total of 600,000 common shares have been reserved for issuance.

Stock option plan

The Corporation has a stock option plan for management employees and officers. Following the amendment of the plan during the first quarter of 2022, a total of 2,915,227 common shares have been reserved for issuance (3,400,000 in 2021). Under the plan, the options are granted at the average closing price of the Corporation's common shares on the TSX for the five trading days preceding the grant date. Options granted vest in or over a period of three years plus one day following the date of issuance and are exercisable over a period of no greater than seven years.

A summary of the Corporation's stock option plan for the quarters ended September 30, 2022 and 2021 is presented as follows:

				As at September 30,
	2022		2021	
	Number of options	**Weighted average exercise price (CAD$)**	Number of options	Weighted average exercise price (CAD$)
Outstanding, beginning of period	**1,153,221**	**14.71**	1,244,163	15.52
Granted	**—**	**—**	690,000	14.34
Exercised	**(425,305)**	**13.30**	(300,000)	12.34
Forfeited	**(59,825)**	**22.15**	(480,942)	17.77
Outstanding, end of period	**668,091**	**14.94**	1,153,221	14.71

For the stock option plan, the following compensation expenses were recorded in "Net earnings (loss)", with the corresponding amounts recorded in "Contributed surplus":

	Third Quarters Ended September 30,		**Nine-Month Periods Ended September 30,**	
	2022	2021	**2022**	2021
Contributed surplus	**90**	68	**621**	256

DSU Plan, RSU Plan and 2022 PSU Plan

I. Equity-settled Plans

Under the DSU Plan, the compensation expense is recognized at grant date. Under the 2022 PSU Plan and the RSU Plan, the compensation expense is recognized over the vesting period. Compensation expense of equity-settled DSUs, PSUs and RSUs are based on the fair value of the awards, which is determined using the stock price of the Corporation's common share at the grant date. The corresponding amounts are recorded in "Contributed surplus".

The variances in the Corporation's outstanding numbers of equity-settled DSUs, PSUs and RSUs are detailed as follows:

						Nine-Month Periods Ended September 30,
	2022			2021		
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**—**	**—**	**334,907**	—	—	—
Modified to equity-settled awards	**322,496**	**—**	**—**	—	—	—
Granted	**10,823**	**415,989**	**63,111**	—	—	—
Redeemed	**(5,416)**	**—**	**(22,427)**	—	—	—
Forfeited	**—**	**(76,287)**	**(44,776)**	—	—	—
	327,903	**339,702**	**330,815**	—	—	—

The amounts recorded in "Contributed surplus" for equity-settled DSUs, PSUs and RSUs are detailed as follows:

						Third Quarters Ended September 30,
			2022			2021
	DSU	**PSU**	**RSU**	**DSU**	**PSU**	**RSU**
Contributed surplus	**3**	**6**	**573**	—	—	—

						Nine-Month Periods Ended September 30,
			2022			2021
	DSU	**PSU**	**RSU**	**DSU**	**PSU**	**RSU**
Contributed surplus	**7,626**	**1,011**	**578**	—	—	—

II. Cash-settled Plans

The variances in the Corporation's outstanding numbers of cash-settled DSUs, PSUs and RSUs are detailed as follows:

						Nine-Month Periods Ended September 30,
			2022			2021
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Outstanding, beginning of period	**330,300**	**295,799**	**251,270**	398,807	521,857	736,408
Granted	**45,862**	**—**	**24,103**	110,781	380,034	545,208
Redeemed	**(53,666)**	**(32,219)**	**(164,254)**	(156,977)	—	(309,559)
Forfeited	**—**	**(66,415)**	**—**	—	(610,034)	(386,402)
Modified to equity-settled awards	**(322,496)**	**—**	**—**	—	—	—
	—	**197,165**	**111,119**	352,611	291,857	585,655

The corresponding compensation liabilities are presented in the Interim Consolidated Statements of Financial Position as follows:

			As at September 30, 2022 $
	DSU	**PSU**	**RSU**
Current portion of long-term employee benefit obligations [(1)]	**—**	**3,156**	**649**
Long-term employee benefit obligations	**—**	**2,004**	**663**
	—	**5,160**	**1,312**

			As at December 31, 2021 $
	DSU	PSU	RSU
Current portion of long-term employee benefit obligations [(1)]	640	318	1,959
Long-term employee benefit obligations	5,480	2,272	—
	6,120	2,590	1,959

(1) The current portion of long-term employee benefit obligations is presented as "Trade and other payables".

III. Compensation expense

The compensation expense of both equity-settled and cash-settled plans was recorded in the Interim Consolidated Statements of Net Earnings (Loss) as follows:

						Third Quarters Ended September 30,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**153**	**434**	**965**	830	700	348
Special items	**—**	**—**	**—**	124	—	728
	153	**434**	**965**	954	700	1,076

						Nine-Month Periods Ended September 30,
			2022			2021
			$			$
	DSU	**PSU**	**RSU**	DSU	PSU	RSU
Salaries and employee benefits	**2,148**	**4,529**	**1,876**	4,037	700	2,733
Special items	**—**	**—**	**—**	467	—	3,183
	2,148	**4,529**	**1,876**	4,504	700	5,916

10 - POST-EMPLOYMENT BENEFIT OBLIGATIONS

For the quarter and nine-month period ended September 30, 2022, the salaries and employee benefits expense related to the Corporation's defined benefit pension plans was $427 and $1,303 respectively ($551 and $1,663 in 2021), and the net interest expense of $108 and $328 ($172 and $496 in 2021) was recorded in "Net financing costs" (note 5). Benefit expenses of $1,158 and $3,421 ($1,167 and $3,502 in 2021) related to the Corporation's defined-contribution pension plans was also recognized for the same respective periods.

During the third quarter of 2022, the Corporation purchased a qualifying annuity buy-in insurance contract of CAD$36,329 on behalf of the Canadian defined benefit plans. As at September 30, 2022, it resulted in a decrease of the plan assets and a corresponding loss of $1,427, net of taxes, was recorded in "Remeasurements of long-term employee benefit obligations" on the Interim Consolidated Statements of Comprehensive Income. The fair value of annuity buy-in insurance contracts fluctuates based on changes in the associated defined benefit obligation. These values are unquoted due to the use of the significant unobservable inputs used in deriving these assets' fair values.

11 - LONG-TERM DEBT, CREDIT FACILITIES AND CONVERTIBLE DEBENTURES

	Maturity	Effective interest rate	**Current portion**	**As at September 30,**	As at December 31,
				2022	2021
			$	**$**	$
Revolving credit facility, variable rates (1)	2026	3.05% to 4.27%	—	**203,590**	235,384
Deferred financing costs	—	—	—	**(896)**	(603)
Lease obligations - vehicles, variable rates	2022 to 2027	0.50% to 4.28%	**1,421**	**2,310**	4,071
Lease obligations - buildings, variable rates	2022 to 2033	1.32% to 7.66%	**24,244**	**96,451**	98,526
Others	—	—	—	**—**	8
			25,665	**301,455**	337,386
Current portion of long-term debt				**25,665**	27,015
Long-term debt				**275,790**	310,371

(1) As at September 30, 2022, a principal amount of $138,675 of the revolving credit facility was designated as a hedge of net investments in foreign operations ($209,496 as at December 31, 2021).

11 - LONG-TERM DEBT, CREDIT FACILITIES AND CONVERTIBLE DEBENTURES (CONTINUED)

Revolving credit facility
In August 2022, the Corporation entered into a first amendment to the existing second amended and restated credit agreement to extend the maturity of the revolving credit facility from June 30, 2025 to November 30, 2026. The aggregate amount available under the revolving credit facility remained $400,000 (plus an accordion feature of $200,000). The revolving credit facility is secured by a first ranking lien on all of the Corporation's assets. It can be repaid at any time without penalty and is available in Canadian dollars, US dollars, Euros or British pounds.

As a result of the interest rate benchmark reform, the Corporation partially amended the applicable variable interest rates referenced under the credit agreement. Starting on August 15, 2022, the rates are based on either SOFR, Euro Libor, SONIA, banker's acceptances, US base rate or prime rates (Libor, Euro Libor, SONIA, banker's acceptances, US base rate or prime rates as of December 31, 2021) plus applicable margins.

Letters of credit issued under the revolving facility
As at September 30, 2022, $4,970 of letters of credit have been issued ($6,346 as at December 31, 2021).

Short-term leases, variable lease payments and leases of low-value assets
For the quarter ended September 30, 2022, expenses for short-term leases, variable lease payments and leases of low-value assets were totaling $224, $275 and $98 ($152, $278 and $122 in 2021). For the nine-month period ended September 30, 2022, these expenses were respectively totaling $553, $886 and $318 ($605, $932 and $379 in 2021). These charges were recorded in "Other operating expenses".

Convertible debentures
In August 2022, CAD$3,400 of the convertible debentures of the Corporation were converted into 250,552 common shares at a price of CAD$13.57 per share, which reduced the aggregate principal amount of issued convertible senior subordinated unsecured debentures to CAD$106,600. The equity component of the convertible debentures was reduced by $(224) accordingly (net of income taxes of $81). The table below indicates the movement in the liability component:

	Note	**Nine-Month Period Ended September 30,**	Year Ended December 31,
		2022	2021
		$	$
Balance, beginning of period		**78,327**	87,728
Conversion into common shares		**(2,400)**	(10,795)
Accreted interest	5	**977**	1,348
Effects of fluctuations in exchange rates		**(5,219)**	46
		71,685	78,327

12 - SHARE CAPITAL

	Nine-Month Periods Ended September 30,			
	2022		2021	
	Number of shares	**$**	Number of shares	$
Common shares issued and fully paid				
Balance, beginning of period	**43,792,680**	**116,051**	42,387,300	100,244
Conversion of convertible debentures into common shares (1)	**250,552**	**2,705**	1,105,380	12,202
Exercise of stock options (2)	**170,494**	**3,744**	300,000	3,605
	44,213,726	**122,500**	43,792,680	116,051
Treasury shares (3)				
Balance, beginning of period	**(210,300)**	**(4,169)**	—	—
Purchases of common shares (4)	**(218,823)**	**(4,091)**	—	—
Exercise of RSUs	**22,427**	**426**	—	—
	(406,696)	**(7,834)**	—	—
Total outstanding common shares	**43,807,030**		43,792,680	

(1) Refer to note 11 for further details.

(2) The weighted average price of the issued common shares was CAD$27.88 in 2022.

(3) During the fourth quarter of 2021, the Corporation established a Share Trust with an independent trustee that purchases common shares in the secondary market and holds them in trust for the benefit of 2022 PSU Plan and/or RSU Plan participants. The Share Trust is used to deliver common shares for the settlement of PSUs and/or RSUs under both the 2022 PSU Plan and RSU Plan (refer to note 9 for further details). Common shares purchased by the Share Trust are accounted for as treasury stock.

(4) The weighted average price of the purchase of common shares was CAD$23.55 in 2022.

13 - FINANCIAL INSTRUMENTS

Fair value hierarchy
Financial instruments measured at fair value in the Interim Consolidated Statements of Financial Position are classified according to the following hierarchy:

Level 1: consists of measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: consists of measurement techniques mainly based on inputs, other than quoted prices (included within Level 1), that are observable either directly or indirectly in the market; and
Level 3: consists of measurement techniques that are not mainly based on observable market data.

The carrying amounts and fair values of financial instruments by level of hierarchy, other than those where the carrying amount is a reasonable approximation of fair value, are summarized as follows:

		As at September 30, 2022		As at December 31, 2021	
			$		$
		Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets carried at amortized cost					
Advances to merchant members	**Level 2**	**465**	**465**	469	469
Financial liabilities carried at amortized cost					
Long-term debt (except lease obligations and financing costs)	**Level 2**	**203,590**	**203,590**	235,392	235,392
Convertible debentures	**Level 2**	**71,685**	**64,662**	78,327	83,055
Merchant members' deposits in the guarantee fund	**Level 2**	**5,344**	**5,344**	5,585	5,585
Financial assets carried at fair value					
Derivative financial instruments					
Foreign exchange forward contracts [(1)]	**Level 2**	**3,320**	**3,320**	70	70
Cross-currency interest rate swaps	**Level 2**	**3,485**	**3,485**	—	—
Interest rate swaps – Long-term [(2)]	**Level 2**	**10,894**	**10,894**	223	223

(1) As at December 31, 2021, the foreign exchange forward contracts include an asset position of $75 and liability position of $5.

(2) Derivatives designated in a hedge relationship.

Financial assets (liabilities) carried at amortized cost
The fair value of the advances to merchant members is equivalent to their carrying value as these instruments are bearing interests that reflect current market conditions for similar instruments.

The fair value of the long-term debt (except lease obligations and financing costs) has been determined by calculating the present value of the interest rate spread that exists between the actual credit facilities and the rate that would be negotiated with the economic conditions at the reporting date. The fair value of long-term debt approximates its carrying value as the effective interest rates applicable to the Corporation's credit facilities reflect current market conditions.

The fair value of the convertible debentures was determined by calculating the present value of the interest rate spread that exists between the actual convertible debentures and the rate that would be negotiated with the economic conditions at the reporting date.

The fair value of the merchant members' deposits in the guarantee fund is equivalent to their carrying value since their interest rates are comparable to market rates.

Financial assets carried at fair value
The fair value of the foreign exchange forward contracts was determined using exchange rates quoted in the active market adjusted for the credit risk added by the financial institutions.

The fair value of the cross-currency interest rate swaps was determined using interest rates and exchange rates quoted in the active market adjusted for the credit risk added by the financial institutions.

The fair value of the interest rate swaps was determined using interest rates quoted in the active market adjusted for the credit risk added by the financial institutions.

Derivative financial instruments – hedge of foreign exchange risk
The Corporation enters into forward contracts in order to mitigate the foreign exchange risks mainly related to future forecasted purchases in currencies other than the respective functional currencies of the Corporation. The consolidated forward contracts outstanding as at September 30, 2022, are as follows:

Currencies (sold/bought)	Maturity	Average rate [1]	Notional amount [2]
			$
CAD/USD	Up to July 2023	0.73	47,810
GBP/USD	Up to December 2022	1.30	3,132
GBP/EUR	Up to December 2022	1.16	1,688

(1) Rates are expressed as the number of units of the currency bought for one unit of currency sold.

(2) Exchange rates as at September 30, 2022, were used to translate amounts in foreign currencies.

The Corporation also enters into short-term cross-currency interest rate swap agreements in order to synthetically convert a portion of its US-dollar-denominated revolving credit facility into Canadian dollars. The consolidated cross-currency interest rate swaps outstanding as at September 30, 2022, are as follows:

Maturity	Notional payable (CAD$)	Notional receivable (USD$)	Receive - Rate	Pay - Rate
October 2022	80,300	61,600	4.2704%	4.6950%

The short-term cross-currency interest rate swaps are not designated for hedge accounting and are measured at fair value at the end of each period. Fair value variances are recognized in the Interim Consolidated Statements of Net Earnings (Loss), and are presented under "Other operating expenses", with a corresponding asset or liability for derivative financial instruments in the Interim Consolidated Statements of Financial Position. Pursuant to these agreements, the Corporation generates offsetting cash flows related to the underlying position with respect to the amount and timing of forecasted foreign currency transactions. The net effect to the short-term cross-currency interest rate swaps partly offset fluctuations in currency rates impacting the foreign exchange gains/losses resulting from long-term debts in currencies other than the respective functional currencies of the Corporation.

Derivative financial instruments used in cash flow hedges - hedge of interest rate risk
During the fourth quarter of 2021, the Corporation entered into interest rate swap agreements for total nominal amount of $100,000 to hedge the variable interest cash flows on a portion of the Corporation's revolving credit facility. Until their maturity, these agreements fix the interest rate of the notional amount to 1.146%.

14 - SEGMENTED INFORMATION

The Corporation is providing information on four reportable segments:

FinishMaster U.S.: distribution of automotive refinish and industrial coatings and related products representing FinishMaster, Inc. in the U.S. market;

Canadian Automotive Group: distribution of automotive aftermarket parts, including refinish and industrial coatings and related products, through Canadian networks;

GSF Car Parts U.K.: distribution of automotive original equipment manufacturer and aftermarket parts, serving local and national customers across the United Kingdom; and

Corporate Office and Others: head office expenses and other expenses mainly related to the financing structure.

The profitability measure employed by the Corporation for assessing segment performance is segment income (loss).

Third Quarters Ended September 30,

	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Sales	**189,068**	174,872	**160,160**	144,489	**103,452**	106,733	**—**	—	**452,680**	426,094
Segment income (loss) [1]	**14,516**	10,071	**16,612**	11,851	**5,827**	6,516	**(4,884)**	(5,675)	**32,071**	22,763
Stock-based compensation [2]	**627**	39	**135**	67	**236**	227	**644**	1,221	**1,642**	1,554
Special items	**—**	1,927	**—**	486	**—**	—	**—**	3,001	**—**	5,414
Other adjustments [3]	**—**	—	**—**	—	**—**	—	**749**	1,113	**749**	1,113
Segment income (loss) reported [4]	**13,889**	8,105	**16,477**	11,298	**5,591**	6,289	**(6,277)**	(11,010)	**29,680**	14,682
Income tax expense									**7,263**	2,755
Net earnings									**22,417**	11,927

Nine-Month Periods Ended September 30,

	FinishMaster U.S.		Canadian Automotive Group		GSF Car Parts U.K.		Corporate Office and Others		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Sales	**548,289**	504,336	**450,961**	404,918	**307,358**	303,371	**—**	—	**1,306,608**	1,212,625
Segment income (loss) [1]	**42,846**	21,692	**50,458**	31,837	**16,445**	14,943	**(15,776)**	(24,930)	**93,973**	43,542
Stock-based compensation [2]	**2,535**	525	**1,748**	558	**1,130**	421	**3,761**	4,702	**9,174**	6,206
Special items	**79**	2,754	**(439)**	959	**913**	2,759	**674**	15,417	**1,227**	21,889
Other adjustments [3]	**—**	20,600	**10,927**	—	**—**	—	**2,849**	3,355	**13,776**	23,955
Segment income (loss) reported [4]	**40,232**	(2,187)	**38,222**	30,320	**14,402**	11,763	**(23,060)**	(48,404)	**69,796**	(8,508)
Income tax expense (recovery)									**16,857**	(395)
Net earnings (loss)									**52,939**	(8,113)

(1) The chief operating decision maker uses primarily one measure of profit to make decisions and assess performance, being Earnings (loss) before income taxes plus stock-based compensation, special items and certain other adjustments.

(2) Mainly composed of compensation expenses related to the stock-based compensation plans (note 9) as well as the fluctuations in the fair value of the equity swap agreements, if any.

(3) Composed of a change in estimate related to inventory obsolescence (note 4) and the amortization on intangibles assets related to the acquisition of The Parts Alliance (now known as GSF Car Parts).

(4) Per Interim Consolidated Statements of Net Earnings (Loss), corresponds to "Earnings (loss) before income taxes".

14 - SEGMENTED INFORMATION (CONTINUED)

The Corporation operates in the United States, Canada and the United Kingdom. The primary financial information per geographic location is as follows:

	Third Quarters Ended September 30,		Nine-Month Periods Ended September 30,	
	2022	2021	**2022**	2021
Sales	**$**	$	**$**	$
United States	**189,068**	174,872	**548,289**	504,336
Canada	**160,160**	144,489	**450,961**	404,918
United Kingdom	**103,452**	106,733	**307,358**	303,371
	452,680	426,094	**1,306,608**	1,212,625

				As at September 30, 2022
	United States	**Canada**	**United Kingdom**	**Total**
	$	**$**	**$**	**$**
Property and equipment	**43,010**	**69,043**	**46,113**	**158,166**
Intangible assets with definite useful lives	**70,543**	**20,984**	**25,722**	**117,249**
Intangible assets with indefinite useful lives	**7,900**	**—**	**24,973**	**32,873**
Goodwill	**201,951**	**77,169**	**61,497**	**340,617**

				As at December 31, 2021
	United States	Canada	United Kingdom	Total
	$	$	$	$
Property and equipment	42,560	53,804	51,290	147,654
Intangible assets with definite useful lives	75,667	23,222	34,517	133,406
Intangible assets with indefinite useful lives	7,900	—	30,508	38,408
Goodwill	201,951	62,830	75,129	339,910