UNI-SELECT®

Press Release

For immediate distribution

Uni-Select Inc. Reports 2021 Fourth Quarter and Full Year Highlights and Financial Results

ANNUAL HIGHLIGHTS:

- **Consolidated sales of $1,612.8 million, up $141.0 million or 9.6%, driven by organic growth[(1)] of 6.0% from increased demand and continued market recovery from the COVID-19 pandemic; and**
- **Total long-term debt reduction of $87.2 million compared to last year; Net debt[(1)] reduction of $61.0 million compared to last year, driven by strong operating results, working capital management and capital discipline.**

Boucherville (Québec), February 18, 2022– Uni-Select Inc. (TSX: UNS) (**"Uni-Select"** or **"Corporation"**) today reported its financial results for the fourth quarter ended December 31, 2021.

"We ended the year on a very strong note with 2021 sales up almost 10% year-over-year, adjusted EBITDA of $147 million and net earnings back in positive territory. These results reflect the successful implementation of operational improvements, significant savings on borrowing costs and the dedication and relentless efforts of all our team members," stated Brian McManus, Executive Chair and Chief Executive Officer of Uni-Select.

"In 2021, we generated cash flow[(1)] from operating activities of $114 million, which we used to make strategic investments to grow our business as well as reduce our total net debt[(1)] to $309 million, its lowest level since 2017, ending the period with a leverage ratio of 2.11.

Based on what we currently see, we expect modest improvement in sales and higher adjusted EBITDA and adjusted EPS in 2022 compared to 2021. This assumes more intense inflationary pressures and supply chain and labor challenges. These factors are expected to be mitigated by a more optimized cost structure and lower financing costs as we continue to reinvest in the business and drive operational improvements in our three business units. Looking to the future, and making use of our improved balance sheet, we are beginning to consider strategic acquisition opportunities," concluded Mr. McManus.

FOURTH QUARTER HIGHLIGHTS (Compared to the Fourth Quarter of 2020):

- Consolidated sales of $400.2 million, up 9.3%, driven by organic growth[(1)] of 7.5% primarily resulting from increased demand and prices as global markets continue to recover from the COVID-19 pandemic;
- EBITDA[(1)] increased 45.9% to $31.3 million or 7.8% of sales from $21.5 million or 5.9% of sales in 2020, as a result of improvements in gross margin due to volume and enhanced scaling of payroll and operating expenses; Adjusted EBITDA[(1)] increased 47.2% to $37.4 million or 9.4% of sales;
- Basic EPS of $0.21, up $0.33; Basic adjusted EPS[(1)] of $0.36, up $0.37 due to increased sales, enhanced scaling of operating costs as a result of disciplined operational performance and lower interest costs as a result of the credit facility amendments completed during 2021; and
- Total net debt to adjusted EBITDA[(1)] ratio of 2.11, driven by strong operating results, continued focus on working capital management and capital discipline.

TWELVE-MONTHS HIGHLIGHTS (Compared to the Twelve-Month Period of 2020):

- Consolidated sales of $1,612.8 million, up 9.6%, driven by organic growth[(1)] of 6.0% primarily a result of increased demand and price increases as global markets continue to recover from the COVID-19 pandemic, offsetting fewer billing days;
- EBITDA[(1)] increased 42.1% to $91.9 million or 5.7% of sales from $64.6 million or 4.4% of sales in 2020, as a result of an improvement in gross margin and scaling of operating costs; Adjusted EBITDA[(1)] increased 58.1% to $146.7 million or 9.1% of sales; and
- Basic EPS of $0.02, up $0.76; Basic adjusted EPS[(1)] of $1.14, up $1.26 due to increased sales, enhanced scaling of operating costs as a result of disciplined operational performance and lower interest costs as a result of the credit facility amendments completed during 2021 and lower debt levels.

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(1) This is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for further details.

CONSOLIDATED FINANCIAL RESULTS

During the year, the Corporation updated its definition of adjusted EBITDA, adjusted EBT, adjusted earnings and basic adjusted earnings (loss), and is now excluding stock-based compensation. Management believes this new definition better reflects its core operational performance. Accordingly, comparative figures were adjusted to reflect this change, including certain ratios such as total net debt to adjusted EBITDA. *(Refer to the "Non-GAAP Financial Measures" section for further details.)*

The following table presents selected consolidated information:

	Fourth Quarters Ended December 31,			Twelve-Month Periods Ended Dec. 31,		
(in thousands of US dollars, except per share amounts, percentages and otherwise specified)	**2021** **$**	2020 $	%	**2021** **$**	2020 $	%
OPERATING RESULTS						
Sales	**400,175**	366,246	*9.3*	**1,612,800**	1,471,816	*9.6*
EBITDA[1]	**31,312**	21,457	*45.9*	**91,882**	64,643	*42.1*
EBITDA margin[1]	***7.8 %***	*5.9 %*		***5.7 %***	*4.4 %*	
Adjusted EBITDA[1]	**37,433**	25,425	*47.2*	**146,695**	92,791	*58.1*
Adjusted EBITDA margin[1]	***9.4 %***	*6.9 %*		***9.1 %***	*6.3 %*	
EBT[1]	**10,311**	(2,521)	*509.0*	**1,803**	(35,304)	*105.1*
EBT margin[1]	***2.6 %***	*(0.7)%*		***0.1 %***	*(2.4)%*	
Adjusted EBT[1]	**19,209**	2,512	*664.7*	**62,748**	(3,010)	*2,184.7*
Adjusted EBT margin[1]	***4.8 %***	*0.7 %*		***3.9 %***	*(0.2)%*	
Change in estimate related to inventory obsolescence	**1,019**	—		**21,619**	—	
Stock-based compensation	**5,177**	1,525		**11,380**	3,980	
Special items	**(75)**	2,443		**21,814**	24,168	
Net earnings (loss)	**9,008**	(5,075)	*277.5*	**895**	(31,531)	*102.8*
Adjusted earnings (loss)[1]	**15,678**	(292)	*5,469.2*	**48,885**	(4,901)	*1,097.4*
Free cash flows[1]	**19,624**	46,061	*(57.4)*	**91,452**	122,276	*(25.2)*
COMMON SHARE DATA						
Basic earnings (loss) per share	**0.21**	(0.12)	*271.8*	**0.02**	(0.74)	*102.8*
Diluted earnings (loss) per share	**0.20**	(0.12)	*267.0*	**0.02**	(0.74)	*102.7*
Basic adjusted earnings (loss) per share[1]	**0.36**	(0.01)	*3,756.5*	**1.14**	(0.12)	*1,021.0*
Number of shares outstanding *(in thousands)*[3]	**43,582**	42,387		**43,582**	42,387	
Weighted average number of outstanding shares						
Basic *(in thousands)*	**43,781**	42,387		**42,904**	42,387	
Diluted *(in thousands)*	**52,302**	42,387		**43,064**	42,387	

	As at December 31,	
	2021 **$**	2020 $
FINANCIAL POSITION		
Total net debt[1]	**309,230**	370,252
Credit facilities (including revolving and term loans) at nominal value	**235,384**	318,379
Convertible debentures	**78,327**	87,728

(1) This is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for further details.

(2) On April 20, 2020, the Board decided to suspend dividend payments.

(3) The outstanding number of shares corresponds to the issued common shares less the shares in the Share Trust.

FOURTH QUARTER RESULTS

Compared to the Fourth Quarter of 2020:

Consolidated sales of $400.2 million for the quarter increased by 9.3%, mainly driven by organic growth of 7.5% and favorable Canadian and British currency fluctuations, offsetting the adverse effect of fewer billing days. Consolidated organic growth continued to improve in the quarter reflecting the global market recovery.

The Corporation generated EBITDA of $31.3 million for the quarter, which was mainly impacted by stock-based compensation of $5.2 million primarily due to the Corporation's share price appreciation, as well as by a change in estimate related to inventory obsolescence of $1.0 million. Adjusted EBITDA and adjusted EBITDA margin increased by $12.0 million and 2.5% respectively to $37.4 million and 9.4% of sales, from $25.4 million and 6.9% of sales in 2020. This performance was largely driven by additional vendor rebates in all segments. Furthermore, the quarter benefited from scaling benefits linked to organic growth and a streamlined cost structure. These elements were, in part, offset by a higher level of expenses during the current quarter of 2021, as the fourth quarter of 2020 benefited from government assistance programs, lower labor costs due to temporary employee furloughs and temporary closure of company-operated stores in response to the reduced demand effects of the pandemic. The current quarter of 2021 also had higher short-term incentive expenses, due to operational performance.

Net earnings for the quarter increased by $14.1 million to $9.0 million and adjusted earnings increased by $16.0 million to $15.7 million from an adjusted loss of $(0.3) million in 2020. This performance is primarily attributable to increased sales, better scaling on operating costs as a result of disciplined operational performance, lower interest costs as a result of the credit facility amendments completed during both the second and the fourth quarters of 2021 and lower debt levels.

Segmented Fourth Quarter Results

The FinishMaster U.S. segment reported sales of $167.8 million, organically increasing by 8.5%. This segment reported organic growth for a third consecutive quarter, stimulated by the market recovery across its operations. EBITDA was $15.4 million for the quarter, compared to $8.2 million in 2020. Adjusted EBITDA and adjusted EBITDA margin improved by $7.2 million and 3.9% respectively to $15.6 million and 9.3% of sales, from $8.4 million and 5.4% of sales in 2020. This performance was driven by higher sales volume and rebates, increasing gross margin and improving fixed cost absorption. During the same quarter in 2020, this segment was affected by lower rebates in relation to the optimization of the inventory levels. Starting in the third quarter of 2020, this segment has reported improved adjusted EBITDA in each quarter over the comparable quarter in the prior year, both in dollar and as a percentage of sales, as a result of measures put in place and a broader market recovery.

The Canadian Automotive Group segment reported sales of $136.0 million, an increase of 8.8% supported by organic growth of 5.5%, from higher demand and price increases during the current quarter as well as the appreciation of the Canadian dollar, offset by the adverse effect of a fewer number of billing days. This segment reported EBITDA of $14.7 million for the quarter, compared to $12.7 million in 2020. Adjusted EBITDA and adjusted EBITDA margin increased by $3.3 million and 1.6% respectively to $16.8 million or 12.4% of sales, from $13.5 million or 10.8% of sales in 2020. The variance is mainly explained by additional vendor rebates, product mix and price increases, which were partially offset by foreign exchange losses while the fourth quarter of 2020 benefited from foreign exchange gains, as well as by higher short-term payroll incentive expenses, in line with the operating performance of the segment.

The GSF Car Parts U.K. segment reported sales of $96.4 million, an increase of 11.2%, mainly driven by organic growth of 8.6% and a strong British pound against the US dollar during the current quarter of 2021. Organic growth of the U.K. segment continued to improve during the quarter and sales were in line with 2019. This segment reported EBITDA of $6.5 million for the quarter, compared to $6.7 million in 2020. Adjusted EBITDA and adjusted EBITDA margin increased by $0.7 million and decreased by 0.1%, respectively, to $7.4 million and 7.6% of sales, from $6.7 million and 7.7% of sales in 2020. This improvement is attributable to additional sales volume, increasing gross margin due to higher vendor rebates and improved fixed cost absorption. Furthermore, the fourth quarter of 2020 benefited from government occupancy subsidies of $1.0 million or 1.2% of sales. Starting in the third quarter of 2020, this segment has reported improved adjusted EBITDA in each quarter over the comparable quarter in the prior year in dollar terms.

TWELVE-MONTH PERIOD RESULTS

Compared to the Twelve-Month Period of 2020:

Consolidated sales increased by $141.0 million or 9.6% to $1,612.8 million for the period, mainly driven by organic growth of 6.0% as the markets in which the Corporation operates, continue to recover from the COVID-19 pandemic and the favorable fluctuations of the British and the Canadian currencies. This performance offsets the adverse impact of fewer billing days and the expected sales loss from the consolidation of company-operated stores.

The Corporation reported EBITDA of $91.9 million for the period, which was impacted by a change in estimates of $21.6 million related to inventory obsolescence primarily in the FinishMaster U.S. segment, special items of $21.8 million, mainly for severance related to changes to executive leadership, as well as stock-based compensation of $11.4 million primarily as a result of the strong appreciation of the Corporation's share price. Adjusted EBITDA and adjusted EBITDA margin increased by $53.9 million and 2.8% respectively to $146.7 million and 9.1% of sales, from $92.8 million and 6.3% of sales in 2020. This performance resulted from improved gross margins due to additional volume rebates and price increases, a streamlined cost structure, as well as an improved fixed cost absorption related to organic growth. Furthermore, the results of the twelve-month period benefited from improved collection of receivables while additional bad debt expense was recorded during 2020. These elements were partially offset by a higher overall level of expenses related to the sales recovery and by higher short-term payroll incentives due to operational performance, while the same period of 2020 benefited from temporary employee furloughs and closure of company operated-stores in response to the reduced demand effects of the pandemic. In 2020, the Corporation also benefited from governmental assistance programs that were offset by additional obsolescence.

The Corporation reported net earnings of $0.9 million for the current period compared to a net loss of $(31.5) million in 2020. Adjusted earnings for the current period increased by $53.8 million to $48.9 million from an adjusted loss of $(4.9) million in 2020.

This improvement in adjusted earnings was driven by higher volume of sales and improved overall operational performance, including reduced net financing costs as a result of the amendments to the credit facility completed during the year 2021 and lower debt levels.

Segmented Twelve-Month Period Results

The FinishMaster U.S. segment reported sales of $672.1 million, an increase of 2.8%, driven by organic growth of 3.6%, or $23.6 million, in part offset by a lower number of billing days. This segment reported EBITDA of $31.3 million for the period, which was impacted by a change in estimates related to inventory obsolescence, special items and stock-based compensation, totaling $24.1 million. Adjusted EBITDA and adjusted EBITDA margin increased by $22.4 million and 3.2% respectively to $55.4 million and 8.2% of sales, from $32.9 million and 5.0% of sales in 2020. This performance is attributable to additional vendor incentives and price increases, cost reduction initiatives, including workforce optimization, company-operated store consolidation, diligent control of overall discretionary expenses and a partial reversal of bad debt provision due to improved collection. During the twelve-month period last year, this segment was affected by additional inventory obsolescence and bad debt expenses.

The Canadian Automotive Group segment reported sales of $540.9 million, an increase of 11.4%, driven by the appreciation of the Canadian dollar and organic growth of 4.2%. The organic increase in sales was the result of a higher demand and price increases. This segment reported EBITDA of $59.9 million for the period, which was impacted by stock-based compensation, special items and a change in estimate related to inventory obsolescence. Adjusted EBITDA and adjusted EBITDA margin increased by $15.3 million and 1.8% respectively to $63.5 million and 11.7% of sales, from $48.2 million and 9.9% of sales in 2020. This performance is mainly attributable to additional vendor rebates, product mix and price increases. These elements were partially offset by higher short-term incentive expenses, due to the operating performance of the segment. Furthermore, the twelve-month period of 2020 benefited from government payroll subsidies of $3.3 million.

The GSF Car Parts U.K. segment reported sales of $399.8 million, an increase of 20.2%, mainly from organic growth of 13.1% and a strong British pound against the US dollar during the year 2021, exceeding the unfavorable variance in the number of billing days and the expected sales loss resulting from the consolidation of company-operated stores. This segment reported EBITDA of $32.8 million for the period, which was mainly impacted by special items and stock-based compensation. Adjusted EBITDA and adjusted EBITDA margin increased by $16.3 million and 3.0% respectively to $36.8 million and 9.2% of sales, from $20.5 million and 6.2% of sales in 2020. This improvement was driven by additional sales volume, as well as improved gross margin from higher vendor rebates and price increases. During the twelve-month period of 2020, results were affected by additional reserves for inventory obsolescence and bad debt, which were specific to the economic slowdown in the U.K.

AMENDMENT CREDIT FACILITY

In December 2021, the Corporation entered into a second amended and restated credit agreement. Under this agreement, the aggregate amount available under the credit facility was reduced to $400,000 (plus an accordion feature of $200,000) through the conversion into one single secured long-term revolving credit facility, and immediate cancellation, of the outstanding secured term facilities.

CONFERENCE CALL

Uni-Select will host a conference call to discuss its fourth-quarter and annual results for 2021 on February 18, 2022, at 8:00 AM Eastern. To join the conference, dial 1 888 390-0549 (or 1 416 764-8682 for international calls).

A recording of the conference call will be available from 11:30 AM Eastern on February 18, 2022, until 11:59 PM Eastern on March 18, 2022. To access the replay, dial 1 888 390-0541 followed by 630730#.

A webcast of the quarterly results conference call will also be accessible through the "Investors" section of our website at uniselect.com where a replay will also be archived. Listeners should allow ample time to access the webcast and supporting slides.

ABOUT UNI-SELECT

With over 4,800 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 75 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 170 company-operated stores. www.uniselect.com

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements made in this press release 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. In addition, statements with respect to management expectations in terms of sales, adjusted EBITDA and adjusted EPS for 2022 constitute forward-looking information and financial outlook within the meaning of Canadian securities laws.

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 this press release 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 press release is made as of the date hereof and Uni-Select disclaims any intention or obligation to publicly update or revise any forward-looking statements, 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 press release, 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 and should not be relied upon as necessarily being indicative future financial results.

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 our 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.

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NON-GAAP FINANCIAL MEASURES

The information included in this Press release contains certain financial measures that are inconsistent with GAAP. Non-GAAP 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. The Corporation is of the opinion that users of its Press release may analyze its results based on these measurements. The following presents performance measures used by the Corporation which are not defined by GAAP.

Organic growth – This measure consists of quantifying the increase in consolidated 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, the variance in the number of billing days. This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. Organic growth is based on what management regards as reasonable and may not be comparable to other corporations' organic growth.

EBITDA and adjusted EBITDA – EBITDA represents net earnings (loss) excluding depreciation and amortization, net financing costs and income tax expense (recovery). This measure is a financial indicator of a corporation's ability to service and incur debt. It should not be considered by an investor as an alternative to sales or net earnings, as an indicator of operating performance or cash flows, or as a measure of liquidity, but as additional information.

Adjusted EBITDA 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.

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

EBT, adjusted EBT, adjusted earnings and adjusted earnings per share – Management uses adjusted earnings before taxes "**EBT**", adjusted earnings (loss) and adjusted earnings (loss) per share to assess earnings before taxes, net earnings (loss) and net earnings (loss) per share from core operating activities, containing certain adjustments, net of income taxes for adjusted earnings(loss) and adjusted earnings (loss) per share, which may affect the comparability of the Corporation's financial results. Management considers that these measures facilitate the analysis and understanding of the Corporation's operational performance. The intent of these measures is to provide additional information.

These adjustments include, among other things, restructuring and other charges, stock-based compensation expenses, change in estimate related to inventory obsolescence, write-off of deferred financing costs, as well as amortization of intangible assets related to The Parts Alliance acquisition (now known as GSF Car Parts). The exclusion of these items does not indicate that they are non-recurring.

EBT margin and adjusted EBT margin –EBT margin is a percentage corresponding to the ratio of EBT to sales. Adjusted EBT margin is a percentage corresponding to the ratio of adjusted EBT to sales.

Free cash flows – This measure corresponds to the cash flows from operating activities according to the consolidated statements of cash flows adjusted for the following items: 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. Uni-Select considers the free cash flows 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.

The free cash flows exclude certain other funds generated and used according to the consolidated statements of cash flows. Therefore, it should not be considered as an alternative to the consolidated statements of cash flows, or as a measure of liquidity, but as additional information.

Total net debt – This measure corresponds to 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 to adjusted EBITDA ratio – This ratio corresponds to total net debt (as defined above) divided by adjusted EBITDA.

NON-GAAP FINANCIAL MEASURES (CONTINUED)

The following is a reconciliation of organic growth.

	Fourth Quarters Ended December 31,		Twelve-Month Periods Ended Dec. 31,	
	2021	2020	**2021**	2020
	$	$	**$**	$
FinishMaster U.S.	**167,788**	154,657	**672,124**	653,720
Canadian Automotive Group	**135,961**	124,908	**540,879**	485,388
GSF Car Parts U.K.	**96,426**	86,681	**399,797**	332,708
Sales	**400,175**	366,246	**1,612,800**	1,471,816
		%		*%*
Sales variance	**33,929**	***9.3***	**140,984**	***9.6***
Translation effect of the Canadian dollar and the British pound	**(6,981)**	***(1.9)***	**(60,911)**	***(4.1)***
Impact of number of billing days	**1,089**	***0.3***	**9,023**	***0.6***
Loss of sales from the consolidation of company-operated stores	**—**	**—**	**1,185**	***0.1***
Acquisitions	**(520)**	***(0.2)***	**(2,659)**	***(0.2)***
Consolidated organic growth	**27,517**	***7.5***	**87,622**	***6.0***

The following is a reconciliation of EBITDA and adjusted EBITDA.

	Fourth Quarters Ended December 31,			Twelve-Month Periods Ended Dec. 31,		
	2021	2020		**2021**	2020	
	$	$	*%*	**$**	$	*%*
Net earnings (loss)	**9,008**	(5,075)		**895**	(31,531)	
Income tax expense (recovery)	**1,303**	2,554		**908**	(3,773)	
Net financing costs	**6,595**	9,087		**30,224**	37,350	
Depreciation and amortization	**14,406**	14,891		**59,855**	62,597	
EBITDA	**31,312**	21,457	*45.9 %*	**91,882**	64,643	*42.1 %*
EBITDA margin	***7.8 %***	*5.9 %*		***5.7 %***	*4.4 %*	
Change in estimate related to inventory obsolescence	**1,019**	—		**21,619**	—	
Stock-based compensation	**5,177**	1,525		**11,380**	3,980	
Special items	**(75)**	2,443		**21,814**	24,168	
Adjusted EBITDA	**37,433**	25,425	*47.2 %*	**146,695**	92,791	*58.1 %*
Adjusted EBITDA margin	***9.4 %***	*6.9 %*		***9.1 %***	*6.3 %*	

The following is a reconciliation of EBT and adjusted EBT.

	Fourth Quarters Ended December 31,			Twelve-Month Periods Ended Dec. 31,		
	2021	2020		**2021**	2020	
	$	$	*%*	**$**	$	*%*
Net earnings (loss)	**9,008**	(5,075)		**895**	(31,531)	
Income tax expense (recovery)	**1,303**	2,554		**908**	(3,773)	
EBT	**10,311**	(2,521)	*509.0 %*	**1,803**	(35,304)	*105.1 %*
EBT margin	***2.6 %***	*(0.7)%*		***0.1 %***	*(2.4)%*	
Change in estimate related to inventory obsolescence	**1,019**	—		**21,619**	—	
Stock-based compensation	**5,177**	1,525		**11,380**	3,980	
Special items	**(75)**	2,443		**21,814**	24,168	
Amortization of intangible assets related to the acquisition of GSF Car Parts	**1,089**	1,065		**4,444**	4,146	
Write-off of deferred financing costs	**1,688**	—		**1,688**	—	
Adjusted EBT	**19,209**	2,512	*664.7 %*	**62,748**	(3,010)	*2,184.7 %*
Adjusted EBT margin	***4.8 %***	*0.7 %*		***3.9 %***	*(0.2)%*	

NON-GAAP FINANCIAL MEASURES (CONTINUED)

The following is a reconciliation of adjusted earnings (loss).

	Fourth Quarters Ended December 31,			Twelve-Month Periods Ended Dec. 31,		
	2021	2020		**2021**	2020	
	$	$	%	**$**	$	%
Net earnings (loss)	**9,008**	(5,075)	*277.5 %*	**895**	(31,531)	*102.8 %*
Change in estimate related to inventory obsolescence, net of taxes	**764**	—		**16,379**	—	
Stock-based compensation, net of taxes	**3,858**	1,116		**8,457**	2,931	
Special items, net of taxes	**(79)**	2,976		**16,285**	19,546	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**882**	691		**3,630**	4,153	
Write-off of deferred financing costs, net of taxes	**1,245**	—		**1,245**	—	
Net tax impact of changes in rates and reversal of a contingency provision	**—**	—		**1,994**	—	
Adjusted earnings (loss)	**15,678**	(292)	*5,469.2 %*	**48,885**	(4,901)	*1,097.4 %*
Basic earnings (loss) per share	**0.21**	(0.12)	*271.8 %*	**0.02**	(0.74)	*102.8 %*
Change in estimate related to inventory obsolescence, net of taxes	**0.02**	—		**0.38**	—	
Stock-based compensation, net of taxes	**0.09**	0.03		**0.20**	0.07	
Special items, net of taxes	**(0.01)**	0.06		**0.38**	0.45	
Amortization of intangible assets related to the acquisition of GSF Car Parts, net of taxes	**0.02**	0.02		**0.08**	0.10	
Write-off of deferred financing costs, net of taxes	**0.03**	—		**0.03**	—	
Net tax impact of changes in rates and reversal of a contingency provision	**—**	—		**0.05**	—	
Basic adjusted earnings (loss) per share	**0.36**	(0.01)	*3,756.5 %*	**1.14**	(0.12)	*1,021.0 %*

The following table presents a reconciliation of free cash flows.

In June 2021, the Corporation reviewed its definition of free cash flows to better reflect the amount of funds available to manage growth, repay debt, reinvest in the Corporation and capitalize on various market opportunities that arise. Accordingly, the comparative figures presented below were adjusted.

	Fourth Quarters Ended December 31,		Twelve-Month Periods Ended Dec. 31,	
	2021	2020	**2021**	2020
	$	$	**$**	$
Cash flows from operating activities	**28,462**	48,341	**114,069**	132,613
Advances to merchant members and incentives granted to customers	**(3,558)**	(1,844)	**(13,118)**	(7,412)
Reimbursement of advances to merchant members	**520**	953	**4,897**	3,485
Acquisitions of property and equipment	**(5,097)**	(1,479)	**(11,056)**	(5,932)
Proceeds from disposal of property and equipment	**283**	1,044	**1,152**	1,813
Acquisitions and development of intangible assets	**(986)**	(954)	**(4,492)**	(2,291)
Free cash flows	**19,624**	46,061	**91,452**	122,276

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF NET EARNINGS (LOSS)

(In thousands of US dollars, except per share amounts)	Fourth Quarters Ended December 31,		Years Ended December 31,	
	2021	2020	**2021**	2020
	unaudited	unaudited	**audited**	audited
	$	$	**$**	$
Sales	**400,175**	366,246	**1,612,800**	1,471,816
Purchases, net of changes in inventories	**271,319**	255,859	**1,119,303**	1,037,741
Gross margin	**128,856**	**110,387**	**493,497**	434,075
Salaries and employee benefits	**69,090**	61,899	**268,203**	235,996
Other operating expenses	**28,529**	24,588	**111,598**	109,268
Special items	**(75)**	2,443	**21,814**	24,168
Earnings before net financing costs, depreciation and amortization and income taxes	**31,312**	21,457	**91,882**	64,643
Depreciation and amortization	**14,406**	14,891	**59,855**	62,597
Net financing costs	**6,595**	9,087	**30,224**	37,350
Earnings (loss) before income taxes	**10,311**	(2,521)	**1,803**	(35,304)
Income tax expense (recovery)	**1,303**	2,554	**908**	(3,773)
Net earnings (loss)	**9,008**	(5,075)	**895**	(31,531)
Earnings (loss) per share				
Basic	**0.21**	(0.12)	**0.02**	(0.74)
Diluted	**0.20**	(0.12)	**0.02**	(0.74)
Weighted average number of common shares outstanding (in thousands)				
Basic	**43,781**	42,387	**42,904**	42,387
Diluted	**52,302**	42,387	**43,064**	42,387

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands of US dollars)	Fourth Quarters Ended December 31,		Years Ended December 31,	
	2021	2020	**2021**	2020
	unaudited	unaudited	**audited**	audited
	$	$	**$**	$
Net earnings (loss)	**9,008**	(5,075)	**895**	(31,531)
Other comprehensive income (loss)				
Items that will subsequently be reclassified to net earnings (loss):				
Effective portion of changes in the fair value of cash flow hedges (net of income tax of $45 and $48 respectively for the quarter and the year ($14 and $191 in 2020))	**126**	(38)	**134**	(530)
Net change in the fair value of derivative financial instruments designated as cash flow hedges transferred to net earnings (loss) (net of income tax of $11 and $129 respectively for the quarter and the year ($57 and $158 in 2020))	**38**	155	**365**	437
Unrealized exchange gains (losses) on the translation of financial statements to the presentation currency	**574**	7,903	**(2,180)**	4,104
Unrealized exchange gains on the translation of debt designated as a hedge of net investments in foreign operations	**(752)**	4,903	**284**	1,798
	(140)	12,961	**(1,397)**	5,809
Items that will not subsequently be reclassified to net earnings (loss):				
Remeasurements of long-term employee benefit obligations (net of income tax of $570 and $3,299 respectively for the quarter and the year ($212 and $2,154 in 2020))	**(1,581)**	589	**9,150**	(5,974)
Total other comprehensive income (loss)	**(1,595)**	13,512	**7,753**	(165)
Comprehensive income (loss)	**7,413**	8,437	**8,648**	(31,696)

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of US dollars, audited)	Common shares	Treasury shares	Contributed surplus	Equity component of the convertible debentures	Retained earnings	Accumulated other comprehensive loss	Total
	$	$	$	$	$	$	$
Balance as at December 31, 2019	100,244	—	6,724	8,232	418,624	(26,830)	506,994
Net loss	—	—	—	—	(31,531)	—	(31,531)
Other comprehensive income (loss)	—	—	—	—	(5,974)	5,809	(165)
Comprehensive income (loss)	—	—	—	—	(37,505)	5,809	(31,696)
Contributions by and distributions to shareholders:							
Dividends	—	—	—	—	(2,923)	—	(2,923)
Stock-based compensation	—	—	1,680	—	—	—	1,680
	—	—	1,680	—	(2,923)	—	(1,243)
Balance as at December 31, 2020	100,244	—	8,404	8,232	378,196	(21,021)	474,055
Net earnings	**—**	**—**	**—**	**—**	**895**	**—**	**895**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**9,150**	**(1,397)**	**7,753**
Comprehensive income (loss)	**—**	**—**	**—**	**—**	**10,045**	**(1,397)**	**8,648**
Contributions by and distributions to shareholders:							
Conversion of convertible debentures into common shares	**12,202**	**—**	**—**	**(988)**	**—**	**—**	**11,214**
Acquisition of shares by Share Trust	**—**	**(4,169)**	**—**	**—**	**—**	**—**	**(4,169)**
Issuance of common shares	**2,993**	**—**	**—**	**—**	**—**	**—**	**2,993**
Transfer upon exercise of stock options	**612**	**—**	**(612)**	**—**	**—**	**—**	**—**
Stock-based compensation	**—**	**—**	**3,224**	**—**	**—**	**—**	**3,224**
	15,807	**(4,169)**	**2,612**	**(988)**	**—**	**—**	**13,262**
Balance as at December 31, 2021	**116,051**	**(4,169)**	**11,016**	**7,244**	**388,241**	**(22,418)**	**495,965**

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of US dollars)	Fourth Quarters Ended December 31,		Years Ended December 31,	
	2021	2020	**2021**	2020
	unaudited	unaudited	**audited**	audited
	$	$	**$**	$
OPERATING ACTIVITIES				
Net earnings (loss)	**9,008**	(5,075)	**895**	(31,531)
Adjustment for:				
Special items and others	**944**	2,443	**43,433**	24,168
Depreciation and amortization	**14,406**	14,891	**59,855**	62,597
Net financing costs	**6,595**	9,087	**30,224**	37,350
Income tax expense (recovery)	**1,303**	2,554	**908**	(3,773)
Amortization and reserves related to incentives granted to customers	**3,021**	4,021	**15,516**	18,182
Other items	**4,662**	1,142	**1,703**	3,216
Changes in working capital items	**(5,298)**	31,093	**(8,300)**	54,268
Interest paid	**(5,555)**	(12,128)	**(26,765)**	(30,837)
Income taxes recovered (paid)	**(624)**	313	**(3,400)**	(1,027)
Cash flows from operating activities	**28,462**	48,341	**114,069**	132,613
INVESTING ACTIVITIES				
Business acquisitions	**—**	(2,987)	**(1,501)**	(7,662)
Business disposal	**—**	—	**—**	258
Net balance of purchase price	**—**	112	**(613)**	112
Cash held in escrow	**—**	(1,448)	**(214)**	(701)
Proceeds from sale of investment	**—**	—	**396**	—
Advances to merchant members and incentives granted to customers	**(3,558)**	(1,844)	**(13,118)**	(7,412)
Reimbursement of advances to merchant members	**520**	953	**4,897**	3,485
Acquisitions of property and equipment	**(5,097)**	(1,479)	**(11,056)**	(5,932)
Proceeds from disposal of property and equipment	**283**	1,044	**1,152**	1,813
Acquisitions and development of intangible assets	**(986)**	(954)	**(4,492)**	(2,291)
Other provisions paid	**(375)**	79	**(957)**	(252)
Cash flows used in investing activities	**(9,213)**	(6,524)	**(25,506)**	(18,582)
FINANCING ACTIVITIES				
Increase in long-term debt	**12,448**	11,558	**89,916**	554,680
Repayment of long-term debt	**(22,661)**	(18,917)	**(202,996)**	(645,334)
Net increase (decrease) in merchant members' deposits in the guarantee fund	**47**	70	**(515)**	283
Issuance of common shares	**—**	—	**2,993**	—
Acquisition of shares by Share Trust			**(4,169)**	—
Dividends paid	**—**	—	**—**	(5,803)
Cash flows used in financing activities	**(10,166)**	(7,289)	**(114,771)**	(96,174)
Effects of fluctuations in exchange rates on cash	**20**	1,249	**(15)**	814
Net increase (decrease) in cash	**9,103**	35,777	**(26,223)**	18,671
Cash, beginning of year	**23,222**	18,602	**54,379**	35,708
Cash, end of year	**32,325**	54,379	**28,156**	54,379

UNI-SELECT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US dollars)	As at December 31,	
	2021	2020
	audited	audited
ASSETS	**$**	$
Current assets:		
Cash	**28,156**	54,379
Cash held in escrow	**503**	1,475
Trade and other receivables	**195,490**	188,808
Income taxes receivable	**4,502**	2,025
Inventory	**343,759**	368,992
Prepaid expenses	**6,324**	9,520
Derivative financial instruments	**75**	—
Total current assets	**578,809**	625,199
Investments, advances to merchant members and other assets	**23,565**	27,106
Property and equipment	**147,654**	155,071
Intangible assets	**171,814**	186,863
Goodwill	**339,910**	340,328
Derivative financial instruments	**223**	—
Deferred tax assets	**38,842**	40,705
TOTAL ASSETS	**1,300,817**	1,375,272
LIABILITIES		
Current liabilities:		
Trade and other payables	**328,122**	313,600
Balance of purchase price, net	**43**	1,796
Provision for restructuring charges	**1,060**	3,246
Income taxes payable	**6,872**	8,359
Current portion of long-term debt and merchant members’ deposits in the guarantee fund	**27,108**	28,406
Derivative financial instruments	**5**	4,579
Total current liabilities	**363,210**	359,986
Long-term employee benefit obligations	**20,360**	28,337
Long-term debt	**310,371**	396,289
Convertible debentures	**78,327**	87,728
Merchant members’ deposits in the guarantee fund	**5,492**	6,041
Other provisions	**3,092**	1,395
Deferred tax liabilities	**24,000**	21,441
TOTAL LIABILITIES	**804,852**	901,217
TOTAL SHAREHOLDERS’ EQUITY	**495,965**	474,055
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**1,300,817**	1,375,272