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WITH  
THE BEST**



# **ACQUISITION OF THE PARTS ALLIANCE**

Investor Presentation

June 1, 2017

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**Important notice:** This presentation does not constitute an offer to sell or a solicitation of an offer to buy any security in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

**Forward-looking statement:** This presentation contains forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this presentation are forward-looking information. Such statements and information may be identified by looking for words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intends”, “should”, “plans”, “predicts”, “potential”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof or other comparable terminology. Such forward-looking information includes, without limitation, statements with respect to: the anticipated timing and closing of the proposed acquisition, the benefits that may accrue to Uni-Select and its shareholders as a consequence of the proposed acquisition, the pro forma capitalization of the combined company, accretion resulting from the proposed acquisition, growth prospects for the UK automotive aftermarket parts market, prospects for growth for Uni-Select into the larger European market, expectations regarding timing of post-acquisition deleveraging and the entering into of the additional financing arrangements for the proposed acquisition. Actual events or results may differ materially.

The forward-looking information is based on certain key expectations and assumptions made by Uni-Select, including completion of the proposed acquisition on terms set out in the share purchase agreement and satisfaction of all conditions to closing, the ongoing performance of The Parts Alliance business, the ability to retain key employees of The Parts Alliance, the ability to generate synergies consistent with management’s expectations and the absence of undisclosed costs or liabilities associated with the acquisition. Although Uni-Select believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information since no assurance can be given that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, failure to close the proposed acquisition, failure to realize the benefits of the proposed acquisition, potential undisclosed liabilities associated with the proposed acquisition, direct distribution by parts suppliers to customers, decreased demand for products of The Parts Alliance, increased indebtedness of the combined company following the completion of the proposed acquisition, the risk that The Part Alliance business will be adversely impacted during the pendency of the proposed acquisition, litigation involving The Parts Alliance industry and economic-related risks, the impact of the announcement of the acquisition of The Parts Alliance’s relationship with third parties, including commercial counterparties economic climate, decreased financial strength of suppliers, proliferation of replacement parts, inflation, fuel price fluctuations, exchange rate fluctuations, interest rate fluctuations, risks relating to Uni-Select’s business model and strategy and implementation of acquired businesses. Readers are cautioned that the foregoing list is not exhaustive. For additional information with respect to risks and uncertainties, refer to the Annual Report filed by Uni-Select with the Canadian securities commissions.

To the extent any forward-looking information in this presentation constitutes future-oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential benefits of the proposed acquisition and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information contained herein is made as of the date of this presentation, and Uni-Select undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

# Disclaimer

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**Non-IFRS (Non-UK GAAP) Measures:** The information included in this presentation (and the attached appendix) contains certain measures that are not recognized measures under IFRS or with United Kingdom Generally Accepted Accounting Principles (UK GAAP). Non-IFRS or non-UK GAAP financial measures do not have any standardized meaning prescribed by IFRS or UK GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. Such measures are used to provide investors with supplemental measures of the operating performance of Uni-Select and Parts Alliance that may not otherwise be apparent when relying solely on IFRS (UK GAAP) financial measures. The financial measures that are not determined in accordance with IFRS and UK GAAP in this presentation (and the attached appendix) are expressly qualified by this cautionary statement.

Additionally, the estimated adjusted EBITDA and run rate adjusted EBITDA contributions from Parts Alliance are based on the financial statements of Parts Alliance, which were prepared in accordance with UK GAAP and converted to United States dollars at average historical exchange rates on an annual basis but no assurance can be given that these expectations will prove to be correct and such figures should not be unduly relied upon. Readers are also cautioned that the financial results of Parts Alliance have not been reconciled to IFRS and may be subject to adjustment.

**Basis of presentation:** Unless otherwise indicated in this document, all amounts are expressed in millions of US dollars, except per share amounts, percentages and otherwise specified. £ converted to US dollars at currency exchange rate using average rate over the period mentioned throughout this presentation.

# Agenda

- Transaction Overview
- Transaction Rationale
- Financial Considerations
- Conclusion

# Transaction Overview



<b>Acquisition &amp; Purchase Price</b>	<ul style="list-style-type: none"> <li>• Uni-Select has agreed to acquire 100% of PA Topco Limited doing business as The Parts Alliance, a UK leader in the distribution of automotive aftermarket parts, for a transaction value of approximately £205 million (US\$265 million), on a cash-free debt-free basis.</li> </ul>
<b>Financing Structure</b>	<p>Fully-funded debt transaction including:</p> <ul style="list-style-type: none"> <li>• US\$100 million through new term facility;</li> <li>• US\$ 165 million drawings under upsized US\$ 525 million operating facility;</li> <li>• Uni-Select entered into a hedging instrument to secure the consideration to be paid in US dollar equivalent</li> </ul>
<b>Expected Financial Impact</b>	<ul style="list-style-type: none"> <li>• Estimated sales run rate of £280 million representing over 20% of Uni-Select’s combined top line;</li> <li>• Expected to be immediately accretive to sales, adjusted EBITDA<sup>(1)</sup> and adjusted EPS<sup>(1)</sup>;</li> <li>• Estimated run rate adjusted EBITDA<sup>(1)</sup> of £21 million;</li> <li>• Estimated purchase price multiple of 9.7X on a run rate adjusted EBITDA<sup>(1)</sup>;</li> <li>• Combined leverage (funded debt to adjusted EBITDA ratio<sup>(1)</sup>) of approximately 3.5X.</li> </ul>
<b>Approvals and Closing</b>	<ul style="list-style-type: none"> <li>• Approved by the Board of Directors of Uni-Select &amp; shareholders of The Parts Alliance;</li> <li>• Subject to regulatory approval;</li> <li>• Closing expected in Q3 2017.</li> </ul>

<sup>(1)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the “Non-IFRS (non-UK GAAP) measures” section and the attached appendix for further details.

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# This transaction is the result of a thorough strategic analysis

## 1 Look outside North America

- To access a new market with high consolidation potential
- To create a third growth pillar for Uni-Select
- To achieve geographic diversification and improve the business risk profile



## 2 Select the UK automotive aftermarket parts market as point of entry

- Fourth largest European market, worth £4.1 billion per year
- One of the most fragmented in Europe, with significant potential for consolidation
- Expected to see continued growth, driven mostly by growing and ageing UK car park
- Natural cultural fit

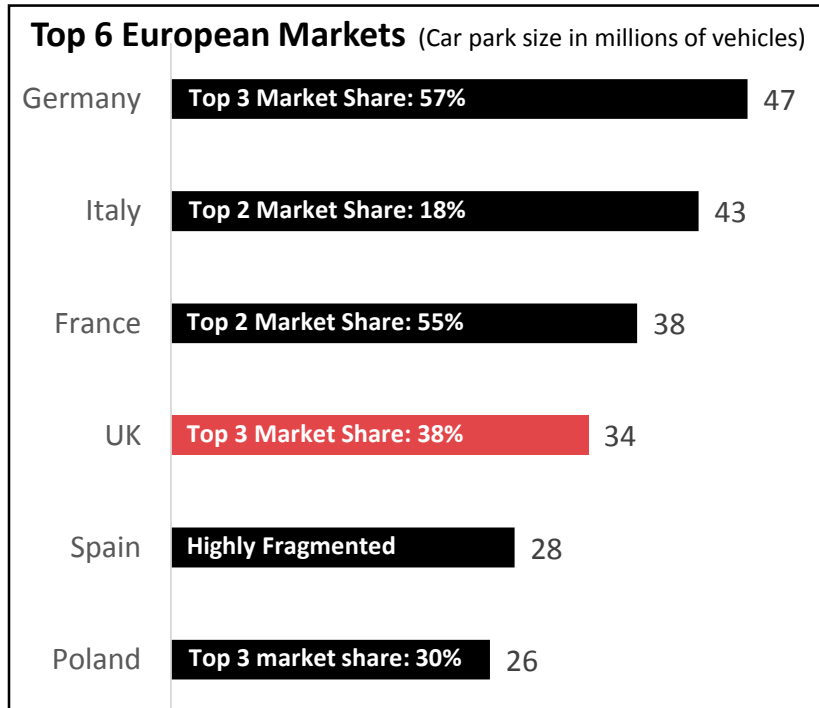


## 3 Target attributes

- Leading UK distributor, with national footprint and significant operational scale (one of only two major players)
- Demonstrated ability to grow organically and through acquisitions
- Similar core business profile with similar supply base
- Sales and people driven culture
- Focused on growing business through the corporate store network and independent affiliated customers



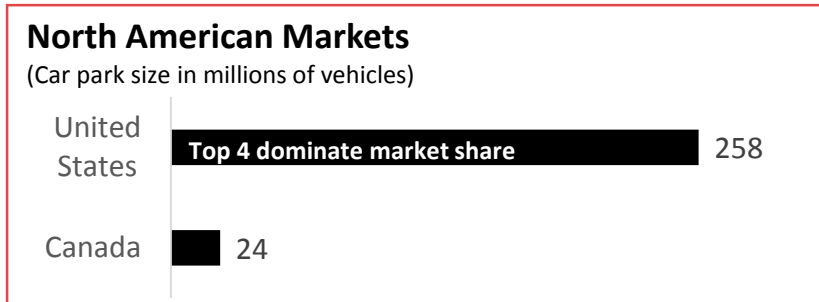
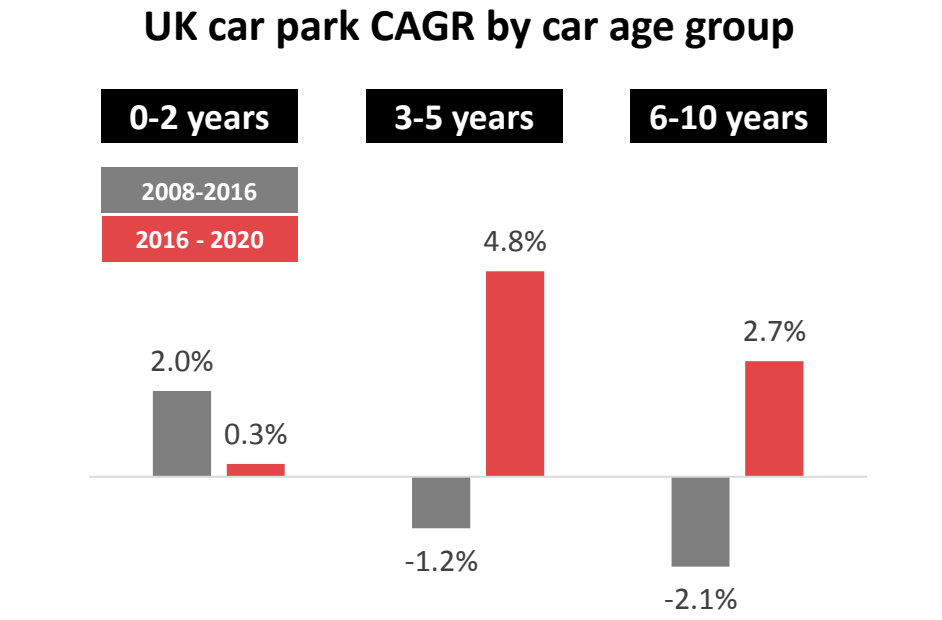
# Large and Growing UK Automotive Aftermarket Parts Market



## Positive Market Dynamics

- **Increasing car park age**  
Older cars drive demand for aftermarket parts
- **Mandatory regulations**  
UK Ministry of Transport (MOT) regulations impose a thorough inspection on all cars reaching 3 years of age

## Average age of UK car park will increase in the next 4 years



Sources: UK Driver & Vehicle Licensing Agency. Society of Motor Manufacturers and Traders, PriceWaterhouseCoopers  
Sources: Digital Auto Care FactBook 2016 and DesRosiers Automotive Consultants, inc.



# The Parts Alliance Overview

## A Profitable Growth Company

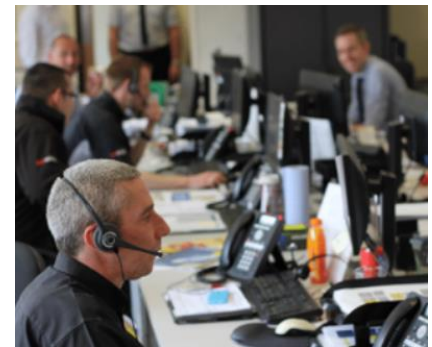
- Proven growth platform with 2-year revenue CAGR of 37%
- Strong M&A and Organic growth track record and strong organic growth
- 2-year adjusted EBITDA<sup>(1)</sup> CAGR of 89%

## Core Business

- Leading UK distributor of automotive aftermarket parts
- Operates a nationwide network of 161 corporate stores with centralized core functions such as Procurement, IS/IT, Marketing, Finance and HR
- Focused on growing business with both independent affiliated customers and corporate stores
- Operates 2 distribution centres

## Key Attributes

- National branch network covering close to 85% of UK (including partners)
- Portfolio of 10 strong regional brands with a loyal customer base
- Proprietary operating technologies that enable best-in-class customer service and sales efficiencies
- Offering a combination of top national parts brands and own private label brands



<sup>(1)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the “Non-IFRS (non-UK GAAP) measures” section and the attached appendix for further details.

# Strategic Fit and Business Synergies



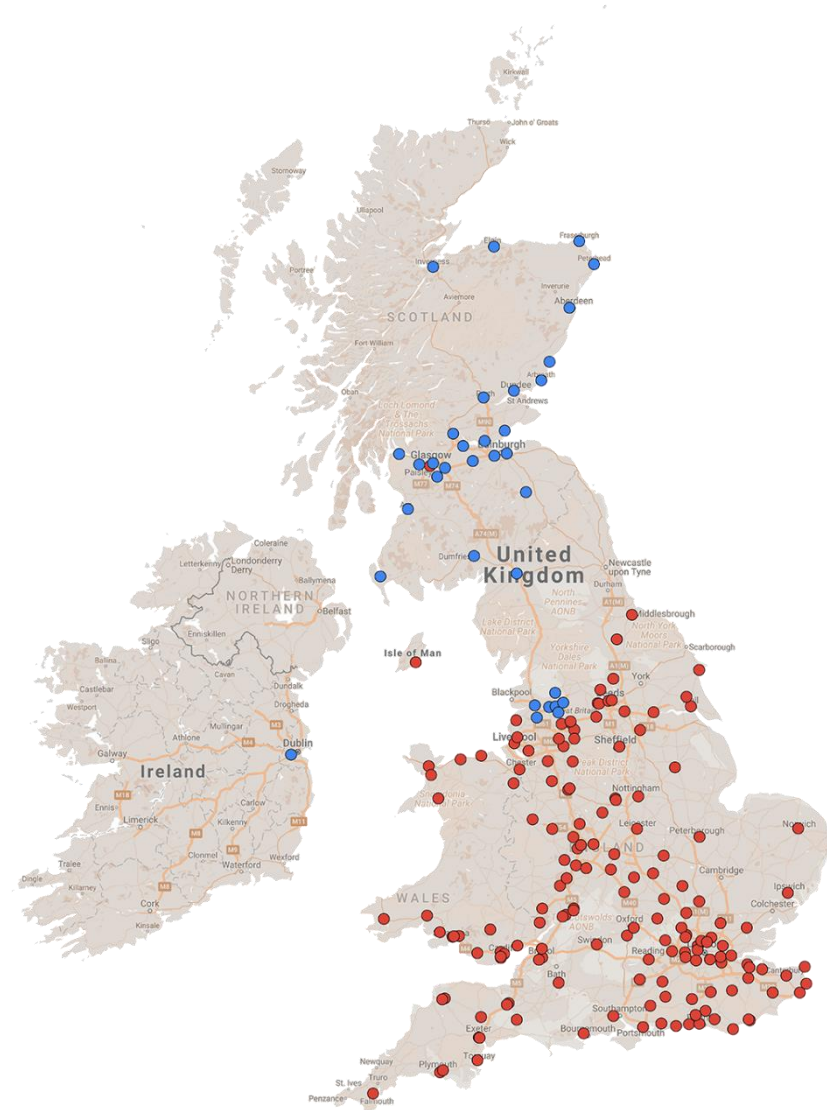
<p><b>National Leadership</b></p>	<ul style="list-style-type: none"> <li>• #1 Paint, Body &amp; Equipment Distributor in the USA – circa 30% market share</li> <li>• #2 Automotive Aftermarket Parts Distributor in Canada and the leading PBE Distributor in Canada – circa 19% market share</li> </ul>	<p>#2 Automotive Aftermarket Distributor in the UK – circa 7% market share of £4.1B market, including affiliates</p>
<p><b>Solid M&amp;A Track Record</b></p>	<p>34 acquisitions since 2015</p>	<p>7 acquisitions generating &gt; £120M since 2014</p>
<p><b>Broad Network of Independents and Corporate Stores</b></p>	<ul style="list-style-type: none"> <li>• <b>Canada:</b> 1,100 independent customer locations, 56 corporate stores and 10 distribution centres serving 16,000+ automotive &amp; collision repair shops</li> <li>• <b>USA:</b> 220 corporate stores and 4 distribution centres serving 6,000+ collision repair centres as the primary supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Network of close to 200 locations including 161 corporate stores</li> <li>• Serving more than 23,000 repair centres</li> <li>• 2 distribution centres</li> </ul>



# The Parts Alliance Network – Branch Locations

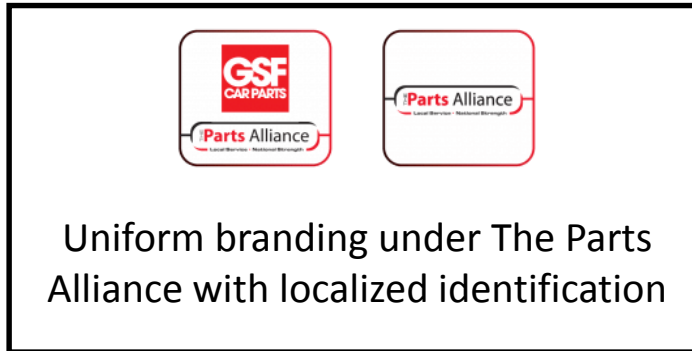
- Network of close to 200 locations including 161 corporate stores
- Serving more than 23,000 repair centres
- 2 distribution centres
- 1,000+ service vehicles

● Corporate Stores    ● Associate Members



# Product Lines and National & Private Brands

## Corporate Stores



## Affiliated Partners

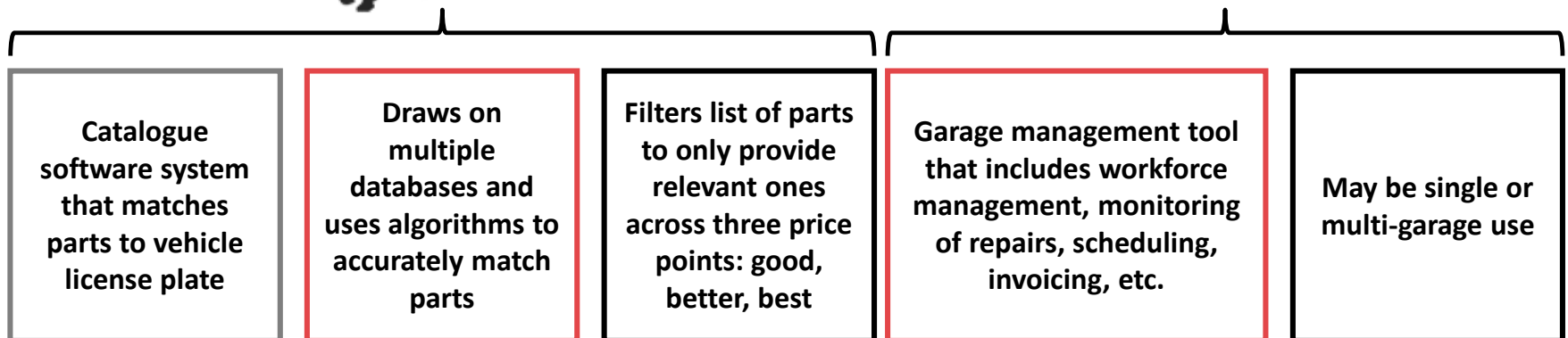


## Private Brands



# Proprietary Customer-Focused Technology

- The Parts Alliance’s ability to outperform competitors is largely built upon the technology platform that the business has developed.
- Today, The Parts Alliance has a comprehensive technological platform that enables the company to differentiate itself on the market.
- Allicat, and the new phone system, allows sales advisors to quickly and easily process customer enquires and provides highly accurate product and sales advice.
- Advisors report that Allicat is more user friendly, quicker and has better information on parts than alternative systems.
- E-commerce through Autosessive and Allicat online.





# A Seasoned Management Team



**Peter Sephton**  
**Chief Executive Officer**

- 16+ years as President of EMEA, Brady Corporation (listed on NYSE)
- 4 years as CEO at The Parts Alliance



**Andrew Field**  
**Chief Information Officer**

- 18 years of industry experience and with The Parts Alliance
- Co-founder of DDS (provider of innovative technology systems to the The Parts Alliance)



**Neil Croxson**  
**Chief Financial Officer**

- 12 years as CFO, UK and Northern Europe at Rexel (distributor of electrical and datacomm components)
- 2 years as CFO at The Parts Alliance



**Johnny West**  
**Managing Director of the GSF Group**

- 12 years progressing through various roles at GSF (acquired by The Parts Alliance in 2015)



**Steve McCann**  
**Chief Operating Officer, The Parts Alliance branded store group**

- 15+ years of industry experience
- 11 years at The Parts Alliance
- EMEA Director at Arvin Corporation (automotive parts)



**Joanne Warren**  
**Group Human Resources Manager**

- 15+ years at The Parts Alliance
- Held various roles in the business

## Key Support Functions

Supply Chain

Product Management

Information Technology

Finance









Sales

Branch Operations

Human Resources

**A strong team delivering Balanced Growth – Organic & Acquisitive**

# Management Team completed 7 acquisitions over the last 4 years representing more than £120M in sales

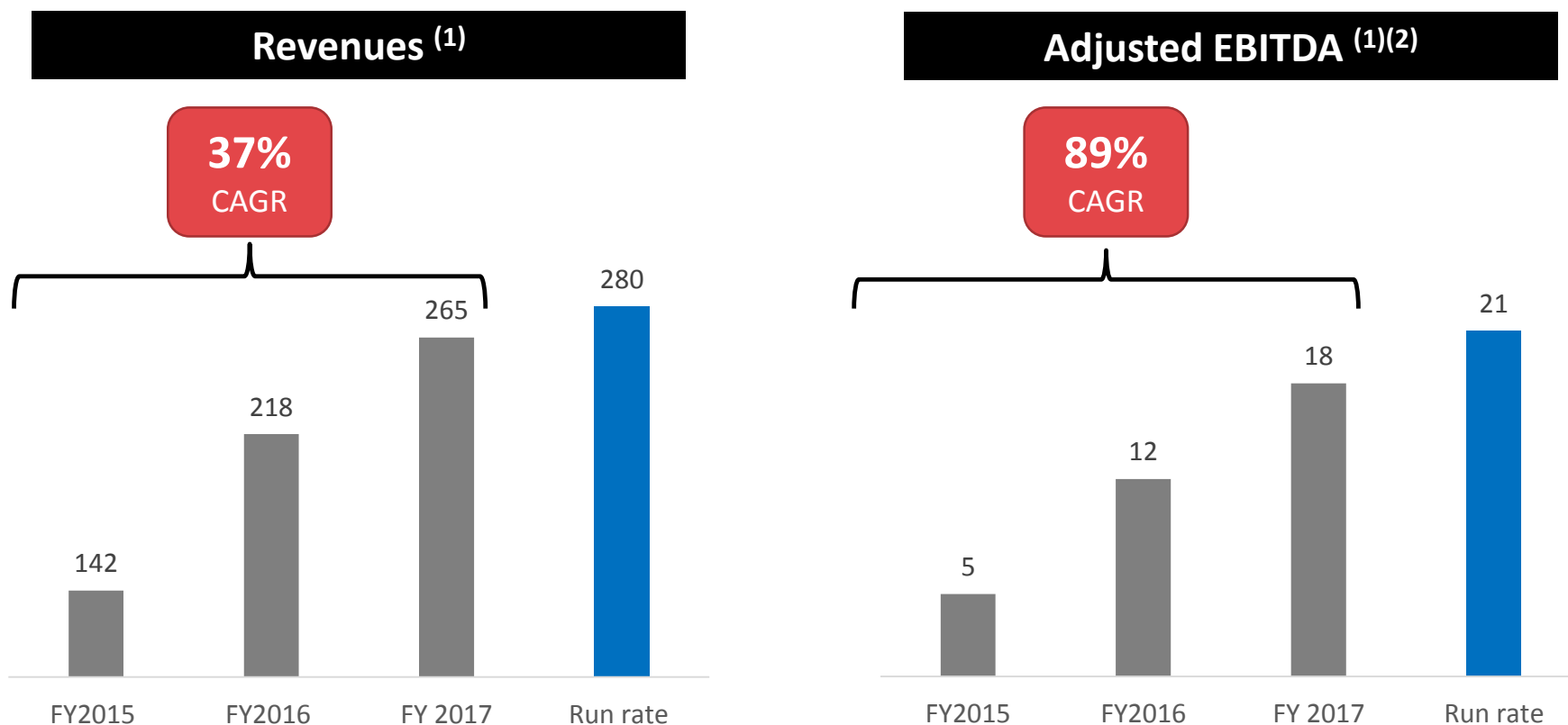
	2014	2015	2016	2017			
	  			 			
Locations	4	15	12	69	6	3	4

Has been acting as a key consolidator of this market over the past 4 years

The Parts Alliance is regarded by potential UK targets as a winning consolidation platform

# Proven ability to grow earnings faster than revenues by optimizing existing business and realizing synergies

The Parts Alliance financial track record *(in millions of £ and in UK GAAP)*



<sup>(1)</sup> 2015 and 2016 have been audited, while 2017 and non-IFRS measures have not been audited.

<sup>(2)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the "Non-IFRS (non-UK GAAP) measures" section and the attached appendix for further details.



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# Combined View of Uni-Select Post-Acquisition



Unaudited - In millions of US dollars (except percentages and otherwise specified)	IFRS	UK GAAP		Combined <sup>(3)</sup>
	LTM 03/31/2017	FY ended 04/30/2017 (2)		
Sales	\$1,230.5	\$342.5	£264.9	\$1,573.0
EBITDA <sup>(1)</sup>	\$108.3	\$20.9	£16.1	\$129.2
Adjusted EBITDA <sup>(1)</sup>	\$109.1	\$23.0	£17.8	\$132.1
Adj. EBITDA margin <sup>(1)</sup>	8.9%	6.7%		8.4%
Estimated total net debt	\$199.0	-		\$464.0 <sup>(4)</sup>
Funded debt to adjusted EBITDA <sup>(1)</sup> ratio	1.82	-		3.51
Unused credit facility	\$208.0	-		\$168.0
<u>Number of:</u>				
Stores	276	161		437
Distribution centres	14	2		16
Customer accounts	22,000	23,000		45,000

<sup>(1)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the “Non-IFRS (non-UK GAAP) measures” section for further details.

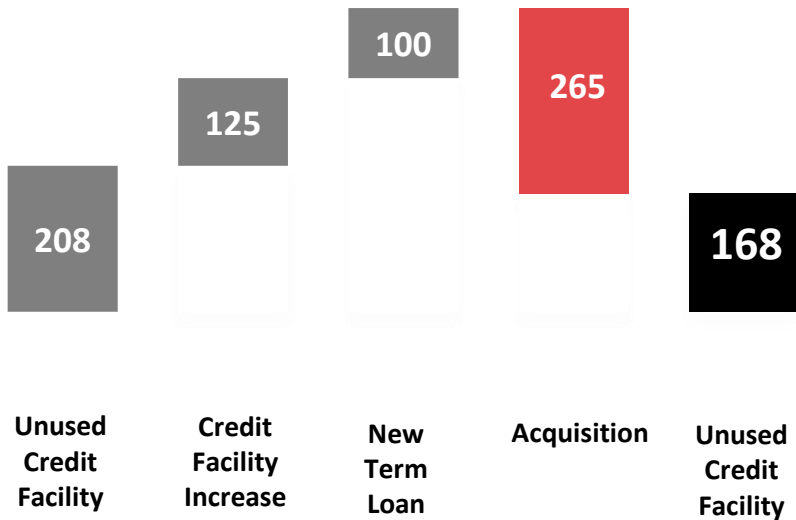
<sup>(2)</sup> All reported £ figures have been converted to US dollars at the rate of 1.29.

<sup>(3)</sup> The historical information of The Parts Alliance was prepared in accordance with UK GAAP. Accordingly, readers are cautioned that such results have not been reconciled to IFRS and may be subject to adjustment.

<sup>(4)</sup> This amount includes the additional debt required for the Transaction.

# Transaction Financing

(Millions of US\$)



- Fully-funded debt transaction of US\$265 million, including:
  - US\$100 million through a new term facility; and
  - Up to US\$525 million operating facility.
- Opening leverage ratio at signing anticipated to be approximately 3.5X funded debt to adjusted EBITDA <sup>(1)</sup>
- Strong operating cash flows allow for rapid deleveraging

<sup>(1)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the “Non-IFRS (non-UK GAAP) measures” section and the attached appendix for further details.

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## In Summary

- 1 Uni-Select conducted a thorough strategic analysis to identify a third growth pillar.
- 2 The UK automotive aftermarket is a promising market to diversify and grow into.
- 3 The Parts Alliance with 7% market share has an opportunity to rapidly grow in a fragmented and consolidating UK market.
- 4 The largely fragmented European market could lead to further European growth in the future.
- 5 The Parts Alliance is a perfect fit with its experienced Management Team and acquisition & integration track record.

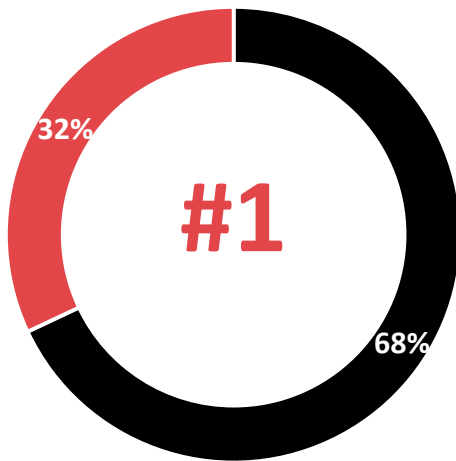
# Three pillars to drive Uni-Select's growth through market consolidation and organically



Canadian Automotive Group

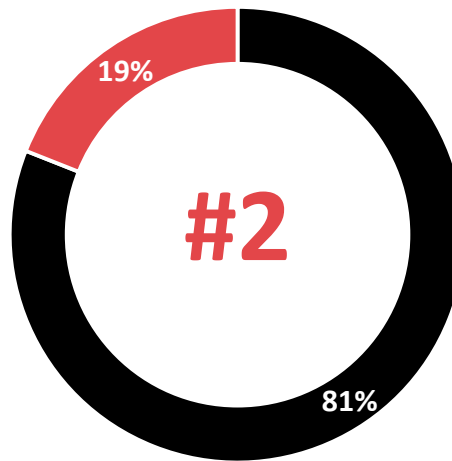


UNS Market Share (%)



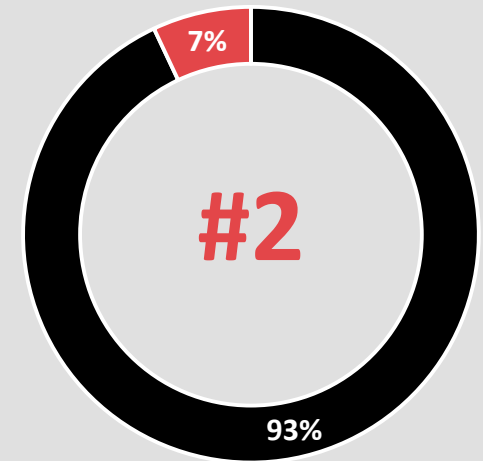
US\$2.7B

Automotive Paint and Paint  
Material Market



C\$2.6B

Warehouse Distribution Segment in  
the Canadian Automotive Market



£4.1B

UK Aftermarket  
Automotive Parts Industry

Robust acquisition pipeline in all three key markets

## Appendix

# The Parts Alliance Historical Data

(Under UK GAAP - in thousands of £)	Fiscal periods ended April 30,		
	2017	2016	2015
	Unaudited	Audited	Audited
<b>Net loss</b>	(5,965)	(4,680)	(9,783)
Income tax expense (recovery)	2,234	(2,110)	(272)
Depreciation and amortization	5,831	5,755	3,898
Finance costs, net	14,045	11,391	8,553
<b>EBITDA <sup>(2)</sup></b>	16,145	10,356	2,396
Non-recurring adjustments <sup>(1)</sup>	1,630	1,531	2,452
<b>Adjusted EBITDA <sup>(2)</sup></b>	17,775	11,887	4,848
<i>Adjusted EBITDA margin <sup>(2)</sup></i>	6.7%	5.4%	3.4%
<b>Sales</b>	264,885	218,459	142,228

<sup>(1)</sup> These adjustments are mainly related to recent business acquisitions such as professional fees, integration and acquisition costs.

<sup>(2)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the “Non-IFRS (non-UK GAAP) measures” section for further details.



# Combined Financial Information

<b>(Unaudited - in thousands of US dollars)</b>			
	Uni-Select Inc. IFRS LTM (03/31/2017)	PA Topco Limited UK GAAP Fiscal YR <sup>(2)</sup> (04/30/2017)	<b>Combined LTM <sup>(4)</sup></b>
<b>Net earnings (loss)</b>	57,780	(7,714)	<b>50,066</b>
Income tax expense (recovery)	27,035	2,889	<b>29,924</b>
Depreciation and amortization	17,930	7,540	<b>25,470</b>
Finance costs, net	5,573	18,161	<b>23,734</b>
<b>EBITDA <sup>(3)</sup></b>	<b>108,318</b>	<b>20,875</b>	<b>129,193</b>
Non-recurring adjustments <sup>(1)</sup>	780	2,108	<b>2,888</b>
<b>Adjusted EBITDA <sup>(3)</sup></b>	<b>109,098</b>	<b>22,984</b>	<b>132,082</b>
<i>Adjusted EBITDA margin <sup>(3)</sup></i>	<i>8.9%</i>	<i>6.7%</i>	<b>8.4%</b>
<b>Sales</b>	<b>1,230,489</b>	<b>342,503</b>	<b>1,572,992</b>

<sup>(1)</sup> For Uni-Select Inc., these adjustments are related to the restructuring as well as additional liabilities incurred in 2016 in connection to the sale of net assets closed in June 2015. For PA Topco Limited, these adjustments are mainly related to recent business acquisitions such as professional fees, integration and acquisition costs.

<sup>(2)</sup> All reported £ figures have been converted to US dollars at the rate of 1.29.

<sup>(3)</sup> Non-IFRS (non-UK GAAP) measures. Refer to the “Non-IFRS (non-UK GAAP) measures” section for further details.

<sup>(4)</sup> The historical information of The Parts Alliance was prepared in accordance with UK GAAP. Accordingly, readers are cautioned that such results have not been reconciled to IFRS and may be subject to adjustment.

# NON-IFRS (NON- UK GAAP) MEASURES

- **EBITDA** – this measure represents net earnings excluding finance costs, depreciation and amortization as well as income taxes.
- **Adjusted EBITDA** – this measure represents EBITDA as defined above excluding certain items which may affect the comparability of the entity financial results. Such items may include, among other things, restructuring and other charges, additional liabilities incurred in 2016 in connexion to the sale of net assets closed in June 2015 and costs related to business acquisitions. The exclusion of these items does not indicate that they are non-recurring.
- **Adjusted EBITDA margin** – the adjusted EBITDA margin is a percentage corresponding to the ratio of adjusted EBITDA to sales.
- **Funded debt to adjusted EBITDA ratio** – is defined as the long-term debt, including the portion due within a year, net of cash, divided by adjusted EBITDA.
- **Run rate adjusted EBITDA** – is defined as adjusted EBITDA of The Parts Alliance adjusted for full-year contribution from various completed acquisitions, synergies and costs savings initiatives of The Parts Alliance, including a recent acquisition closed during May 2017.
- **Adjusted EPS** – is defined as net earnings per share from operating activities excluding certain adjustments, net of income taxes, which may affect the comparability of the Corporation financial results. Such items may include, among other things, restructuring and other charges, additional liabilities incurred in 2016 in connexion to the sale of net assets closed in June 2015, costs related to business acquisitions and finance costs. The exclusion of these items does not indicate that they are non-recurring.