



AUTOCANADA 2020 ANNUAL GENERAL MEETING

JUNE 25, 2020

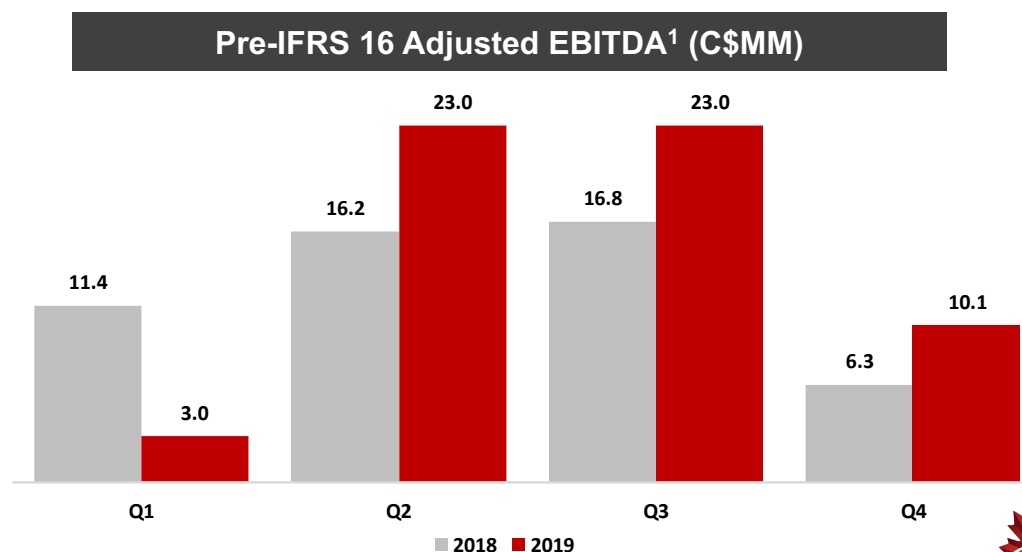
Forward-Looking Statements

Certain information contained in this presentation looks forward in time and deals with other than historical or current facts for AutoCanada Inc. (“AutoCanada” or the “Company”). The use of any of the words “could”, “expect”, “believe”, “will”, “projected”, “estimated”, “anticipated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company’s current belief or assumptions as to the outcome and timing of such future events. In particular, forward-looking statements in this presentation include, but are not limited to, references to the Company’s growth strategies and anticipated cost reductions. Although the Company believes that the expectations reflected by the forward-looking statements in this presentation are reasonable, these statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Actual future results may differ materially. The Company’s annual information form for the year ended December 31, 2019 and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

2019 Performance – Significant Progress Against Key Priorities

Operationalize Go Forward Plan

- From Q2 2019 through Q4 2019, we significantly moved the needle on our AEBITDA run rate, establishing and optimizing our initiatives
 - Finance and Insurance (F&I)**
 - Project 50 (Used Cars)**
 - Special Finance**
 - Collision Centres**
 - Business Development Centre (BDC)**
 - Export / Wholesale**
- U.S. operations stabilized – breakeven performance in H2

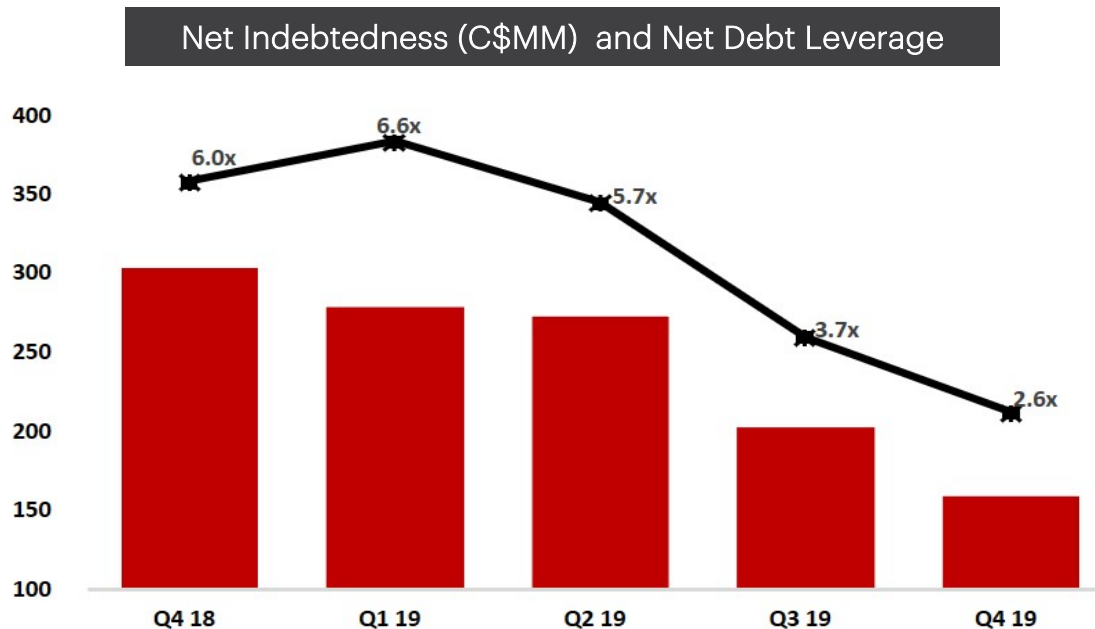


¹ Pre-IFRS 16 Adjusted EBITDA is used here for comparative purposes, as 2018 was reported on a Pre-IFRS 16 basis.

2019 Performance – Significant Progress Against Key Priorities

Reset the Balance Sheet – Debt and Leverage

- Reduced net debt by \$145 million year over year
 - Sale-leasebacks
 - Underperforming dealership divestitures
 - Working Capital management
 - Strong operations performance
- Year end net debt leverage of 2.6x



Systematic Transformation of New Operational Methodology Since Fall of 2018

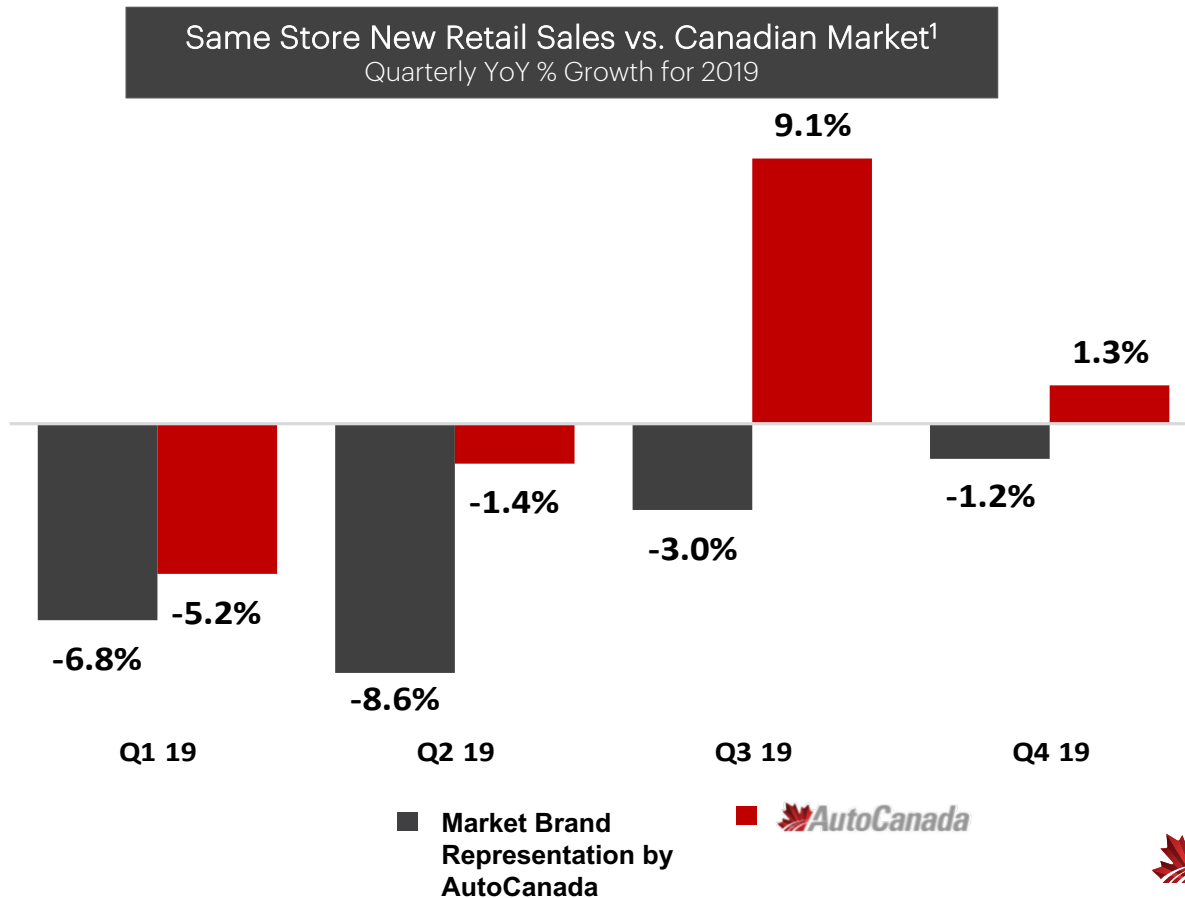
	Prior Philosophy ⁽¹⁾	Current
Business Segment Focus	<ul style="list-style-type: none">Primarily focused on new vehicle sales	<ul style="list-style-type: none">✓ Continued focus on New Vehicle Sales<ul style="list-style-type: none">Enhanced OEM alignment✓ Enhanced focus on Used Vehicle Sales, F&I, PS&CR✓ Dedicated teams in place for all segments✓ U.S.: Focus on business profitability
Dealership Management	<ul style="list-style-type: none">Decentralized, considerable autonomy at dealership levelHead office focused on support and admin functions	<ul style="list-style-type: none">✓ Coordinated approach as an automotive group✓ Platform support structure aligned with OEMs✓ Collaborative management of dealership performance based on 10-day sprints
Growth Strategy	<ul style="list-style-type: none">Growth through acquisition	<ul style="list-style-type: none">✓ Focus on building strong foundation<ul style="list-style-type: none">Optimize existing operations profitabilityStrong balance sheet, target leverage of 2.5x - 3.0x✓ Growth through acquisition

Outperformed Canadian New Retail Market – Four Consecutive Quarters

Proven Ability to Outperform in New Vehicle Sales

AutoCanada Outperforming the Canadian New Vehicle Market

- AutoCanada outperformed the Canadian new vehicle market despite somewhat weaker conditions in 2019
 - New initiatives put in place provides opportunity to continue outperformance



¹Source: DesRosiers Automotive Consultants

Q1 2020 Performance

- Record revenues in first two months of the year combined; earnings tracking with strong YoY improvement
- Outperformed Canadian New Retail market for fifth consecutive quarter
- U.S. operations AEBITDA improved against prior year
- Refinancing of senior unsecured debentures and renewal of syndicated credit facility
 - Tenor of net debt improved from 13 months to 4 years
 - We exited the quarter with strongest balance sheet in recent history



**Q1 20 Adjusted EBITDA of \$5.7 million compared to \$11.5 million in the prior year;
Decline driven by impact of COVID-19 in the last two weeks of March**

Managing Through COVID-19 - Enhancing Agility and Financial Flexibility

Focus on preserving cash and strengthening the business

- Net Debt reduction of approximately \$20 -\$25 million anticipated for Q2 2020 as compared to Q1 2020

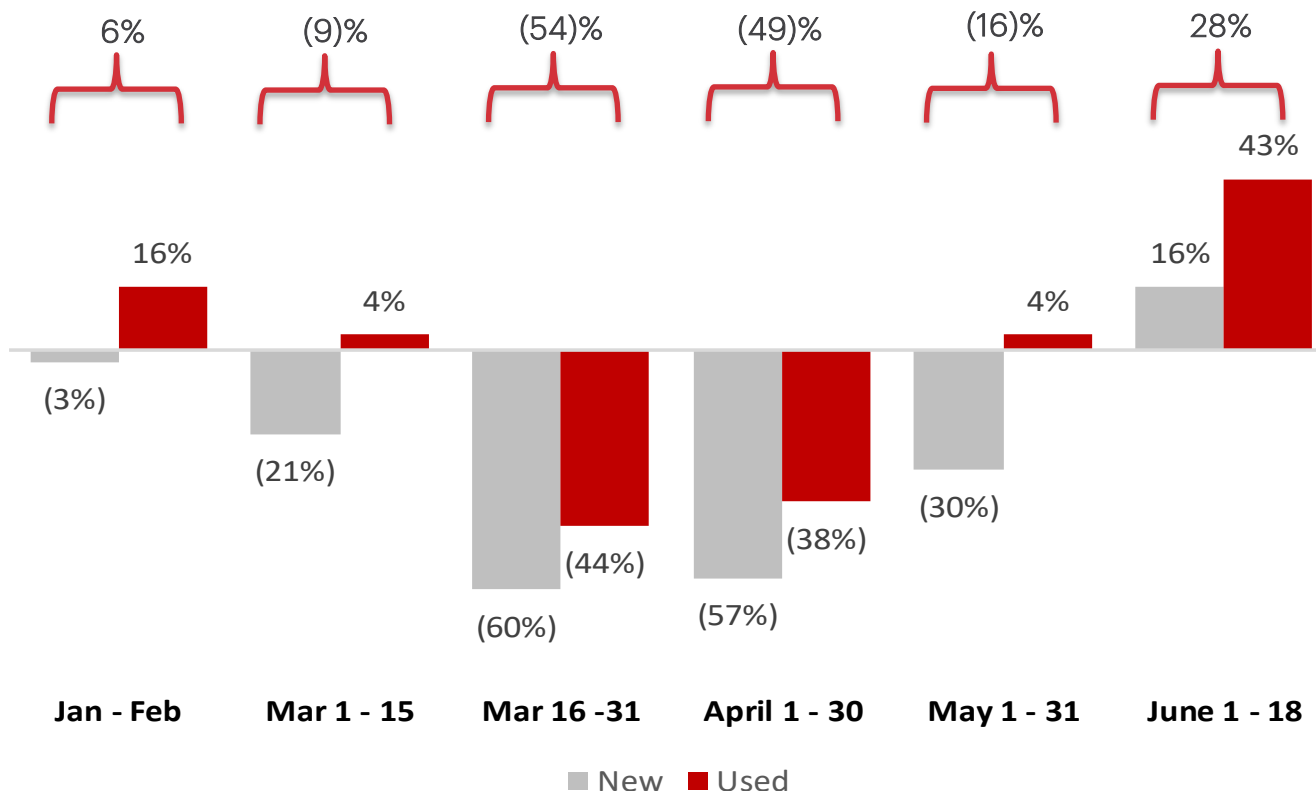
✓ Amended Credit Facility	<ul style="list-style-type: none">• Covenant relief through to Q2 2021
✓ Lower G&A and Corporate Costs	<ul style="list-style-type: none">• Employee layoffs – at peak of COVID-19 situation, laid off +40% of workforce• Benefit of bias to variable cost structure; reduced discretionary spending
✓ Reduced Capital Expenditures	<ul style="list-style-type: none">• Reduced capital spend to ~\$12 million, down ~\$15M from 2 year average
✓ Suspension of Dividend	<ul style="list-style-type: none">• Suspension represents ~\$11 million in annualized cash savings; ~\$8 million for 2020
✓ Non-Core Asset Portfolio	<ul style="list-style-type: none">• Non-core assets valued at ~\$13 million; \$1.1 million realized in Q1 2020
✓ Government Subsidies	<ul style="list-style-type: none">• Canadian Wage Subsidy Program to deliver ~\$25 million impact in Q2 2020• U.S. Loan Program delivers ~\$7 million cash in Q2 2020, with opportunity for forgiveness
✓ Hedging Actions	<ul style="list-style-type: none">• Restructure of ~1/3rd of interest rate swap portfolio to drive +\$2 million cash savings

Well Positioned to Capitalize on Recovery

Steady Improvements Since Onset of COVID-19

2020 Canadian Retail Vehicle Unit Count YoY % Change

- Favourable trending since end of April, showing positive and significant growth in June to date



2019 Dealership Accomplishments

2019



Recent Dealership Accomplishments

MAY 2021



#1  **MAPLE RIDGE** in Western Canada
CHRYSLER JEEP DODGE

#2  **CROSSTOWN** in Western Canada
CHRYSLER DODGE JEEP RAM

#3  **CAPITAL** in Western Canada
CHRYSLER DODGE JEEP RAM

#1  **MONCTON** in Atlantic Canada
CHRYSLER JEEP DODGE

#1  **WELLINGTON** in Southern Ontario
CHRYSLER DODGE JEEP RAM

#1  **MANN-NORTHWAY** General Motors Dealership in Saskatchewan
CHEVROLET BUICK GMC CADILLAC

#1   **NORTHLAND** Volkswagen Dealership in Alberta & #2 in all of Canada
VOLKSWAGEN

#5  Dealership in all of Ontario



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THANK YOU

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