



# Acquisition of Autopoint Group

*Doubles Ontario Footprint, Adds Highly Attractive Mix of New OEM Brands*

DECEMBER 1, 2021

 **AutoCanada**

# Forward-Looking Statements

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## *Forward-Looking Statement*

*Certain information contained in this presentation is forward-looking information within the meaning of applicable Canadian securities legislation. The use of any of the words “could”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on current belief or assumptions of AutoCanada Inc. (“AutoCanada” or the “Company”) 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 operations and performance of the Company; the future operating results of the acquired dealerships, the successful integration of the acquired dealerships into AutoCanada’s platform, the growth opportunities at the acquired dealerships and the growth opportunities for our collision and RightRide divisions; the Company’s milestones, key priorities and future intentions and results of the Go Forward Plan; the financial results and financial condition of the Company; the Company’s future sales revenue and profitability; the Company’s general strategic and growth strategies, including with respect to the Used Digital Retail Strategy; the market and expected developments in the retail automotive industry; and the potential continued impacts of the coronavirus (COVID-19) pandemic on the Company’s business operations and events that interrupt vehicle or parts supply to AutoCanada’s OEMs. Although the Company believes that the expectations reflected by the forward-looking statements presented 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 annual information form for the year ended December 31, 2020 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://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.*

## *Non-GAAP Measures*

*This presentation contains certain financial measures that do not have any standardized meaning prescribed by Canadian generally accepted accounting principles (“GAAP”). Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net earnings (loss) or to cash provided by (used in) operating, investing, and financing activities determined in accordance with Canadian GAAP, as indicators of the Company’s performance. The Company provides these measures to assist investors in determining its ability to generate earnings and cash provided by (used in) operating activities and to provide additional information on how these cash resources are used. The following “Non-GAAP Measures” are defined in the Company’s annual MD&A: Adjusted EBITDA, Free Cash Flow and Net Indebtedness.*

# Autopoint Group Acquisition

1

**Strategic acquisition provides strong brand and geographic diversification, adding 11 dealerships and six brands across the high-growth Southwestern Ontario market**

- Honda, Acura and Kia new to AutoCanada brand portfolio

2

**Acquisition doubles AutoCanada's Ontario footprint**

3

**Significant opportunities for growth**

4

**Attractive mix of premier assets – dealerships acquired include:**

**London, ON**

- London Honda
- London Kia
- South London Nissan
- London Infiniti

**Guelph / Brantford /  
Waterloo, ON**

- Waterloo Honda
- Guelph Kia
- Brantford Honda

**Hamilton, ON**

- Acura of Hamilton
- Hamilton Kia
- Plaza Nissan
- Subaru of Hamilton

# Autopoint Overview

*Provides significant brand and geographic diversification in high-growth markets*

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- Dealership group operating for over 17 years across Southwestern Ontario
- Generates annual **revenue of over \$345 million** from 11 dealerships selling and servicing six different brands, and **adds ~8%** to AutoCanada's consolidated revenue base
- **9,000+** new and used retail vehicles sold annually, **adding ~14%** to retail units sold
- Adds **three new brands** to Canadian Operations – Honda, Acura, Kia
- Doubles AutoCanada Ontario footprint, provides diversification from Alberta
- Well managed, top tier dealerships with talented operating group
- Aligns with our disciplined M&A strategy and criteria



# Transaction Highlights

**Complementary brand mix** – adds highly attractive brands to Canadian operations

- Increases Import Canadian revenue brand mix from 25% to 32%

**Doubles Ontario geographic footprint** - increases store count from 7 to 18, and increases Ontario mix of consolidated revenue from 12% to 19%

**Adds \$345 + Million in Revenue** – with large volume, award-winning dealerships in a high growth market

**Significant growth opportunities** driven by implementing AutoCanada playbook

- Optimize F&I opportunity
- Increase used to new retail units ratio
- Grow collision division to match the acquired footprint
- Expand RightRide presence with increased dealership footprint



# Autopoint Expands AutoCanada's Platform Across Southwestern Ontario

*Well-managed dealership group located in high growth markets*

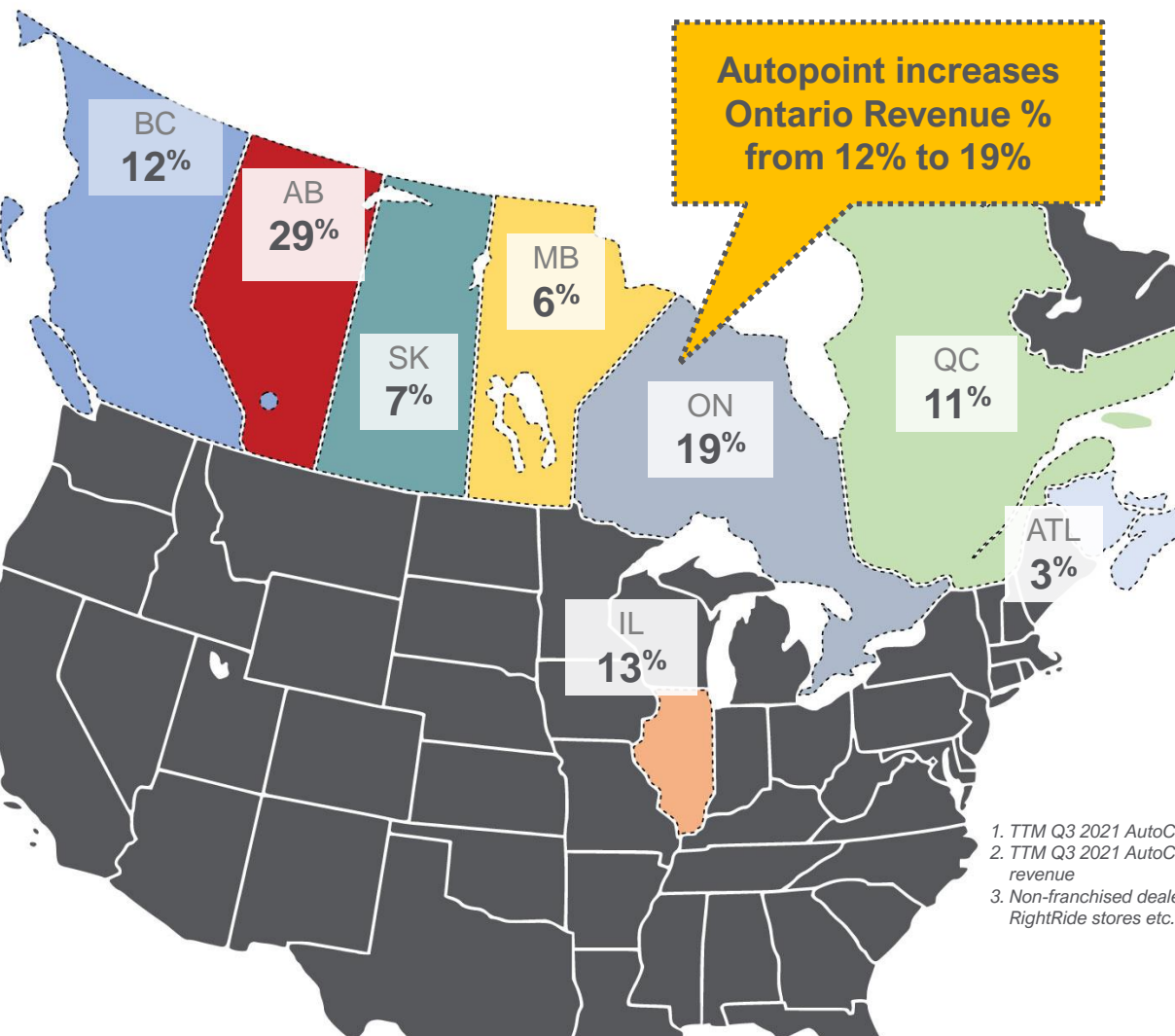
Operates across three general regions: London, Guelph / Brantford / Waterloo, and Hamilton



# Enhanced Revenue Diversity Across Brands and Geographies

Grows consolidated revenue from \$4.3 billion<sup>1</sup> to \$4.7 billion<sup>2</sup>

## % of AutoCanada Revenue by Region <sup>2</sup>



## AUTOCANADA CANADIAN PRO FORMA REVENUE MIX<sup>2</sup>

Segment	Segment %	Brand	Brand Revenue %
Import	32%	Acura	1%
		Honda	4%
		Hyundai	8%
		Infiniti	1%
		Kia	2%
		Mazda	1%
		Nissan	6%
		Subaru	1%
Domestic	44%	Volkswagen	8%
		Stellantis	33%
		Ford	2%
		GM	9%
Luxury	16%	Mercedes	5%
		BMW/MINI	9%
		Audi	2%
Non-OEM <sup>3</sup>	8%	Other	8%

1. TTM Q3 2021 AutoCanada revenue

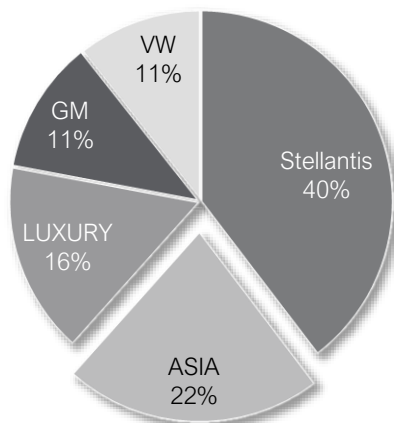
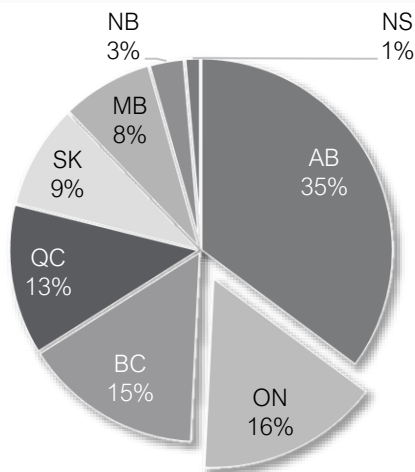
2. TTM Q3 2021 AutoCanada revenue combined with FY2020 Autopoint revenue and FY2020 Crystal Lake revenue

3. Non-franchised dealership revenue - including stand-alone collision centres, Used Digital stores and RightRide stores etc.

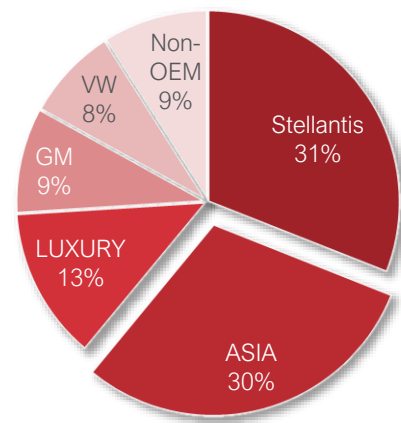
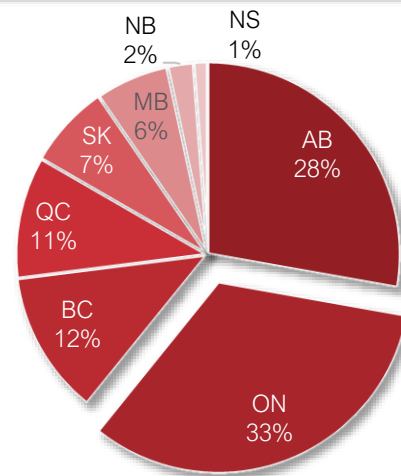
# Acquisition Represents Strong Geographic & Brand Diversification

*Increases Ontario's Canadian units retailed mix from 16% to 33%*

**FY 2020 Canadian Units  
Retailed Mix<sup>1</sup>**



**Pro Forma Canadian Units  
Retailed Mix<sup>1,2</sup>**



## Notes

- (1) Data includes franchise dealerships and does not include any contributions by the go-forward divisions or any potential synergies expected to be realized post-transaction.
- (2) Captures Autopoint Group, Haldimand and Mark Wilson's FY2020 results,



# Summary of Key Facts

## Transaction Scope

- Strategic acquisition of Autopoint Group including;
  - 11 dealerships
  - 6 brands, including 3 new brands to AutoCanada
- Provides premier assets in high-growth markets

## Financial Impact

- Adds over \$345 million in annualized revenue

## Financing

- Funded from drawdown of credit facility
- Expected to be accretive to 2022 earnings

## Strategic Rationale



Attractive portfolio of top performing dealerships in high growth markets



Significant brand and geographic diversification



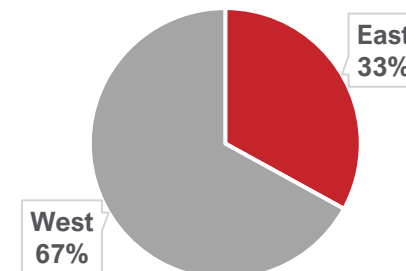
Growth opportunities driven by implementing AutoCanada playbook



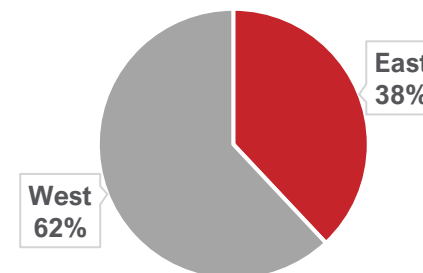
Returns well exceed our cost of capital and moves us forward on platform diversification

## Geographic Diversification

### Current Canadian Revenue<sup>1</sup>



### Pro Forma Canadian Revenue<sup>2</sup>



<sup>1</sup>TTM Q3 2021 AutoCanada Canadian Operations revenue  
<sup>2</sup>TTM Q3 2021 AutoCanada Canadian Operations combined with Autopoint FY2020 revenue



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