



# AUTOCANADA (TSX:ACQ)

INVESTOR PRESENTATION

NOVEMBER 2023

# Forward-Looking Statements and Non-GAAP and Other Financial Measures

## 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 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; future operating results of acquired dealerships; the successful integration of such dealerships into AutoCanada’s business; the growth of the Company’s collision and RightRide divisions; and the potential continued impacts of the coronavirus (COVID-19) pandemic on the Company’s business operations. 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, 2022 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedarplus.ca](http://www.sedarplus.ca)) 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 and Other Financial Measures

This investor presentation contains certain financial measures that do not have any standardized meaning prescribed by Canadian 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, financing activities, cash and cash equivalents, and indebtedness determined in accordance with Canadian GAAP, as indicators of our performance. We provide these additional non-GAAP measures, capital management measures, and supplementary financial measures to assist investors in determining our ability to generate earnings and cash provided by (used in) operating activities and to provide additional information on how these cash resources are used.

Adjusted EBITDA, adjusted EBITDA margin, and free cash flow are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Investors are cautioned that these non-GAAP measures should not replace net earnings or loss (as determined in accordance with GAAP) as an indicator of the Company’s performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Company’s methods of calculating referenced non-GAAP measures may differ from the methods used by other issuers. Therefore, these measures may not be comparable to similar measures presented by other issuers.

Section 14. NON-GAAP AND OTHER FINANCIAL MEASURES and section 15. NON-GAAP AND OTHER FINANCIAL MEASURE RECONCILIATIONS of the Company’s Management’s Discussion & Analysis for the three-month and nine-month periods ended September 30, 2023 (“MD&A”) is hereby incorporated by reference for further information regarding the composition and reconciliation of these measures (accessible through the SEDAR website at [www.sedarplus.ca](http://www.sedarplus.ca)).

AUTOCANADA OVERVIEW

# A Leader Within the Personal Transportation Ecosystem

- Dynamic, diversified and consumer-centric business model offering a full range of products, services and brands across a variety of channels.
  - **NEW LIGHT VEHICLE** - 83 OEM Franchises Selling 28 Automotive Brands in 8 Canadian Provinces & 1 US State.
  - **USED LIGHT VEHICLE** - Innovative omni-channel approach across Franchise Dealerships, Used Car Dealerships, Wholesale Auction, Export, and E-Commerce.
  - **PARTS, SERVICE & COLLISION** - Over 1,300 Service & Collision Bays<sup>1</sup> ensuring optimal vehicle safety for customers via OEM parts and procedures.
  - **FINANCE & INSURANCE** - Best in class provider of third-party finance, insurance, and extended warranty products to facilitate and protect customer vehicle ownership.

**\$6.3B**

Revenue<sup>1</sup> TTM

**\$256M**

Adjusted EBITDA<sup>1,2</sup> TTM

**28**

Automotive Brands<sup>1</sup>

**1.1M**

Service & Collision Repair Orders<sup>1,2</sup> TTM

**65**

OEM Franchises across Canada<sup>1,3</sup>

**18**

OEM Franchises in Illinois, U.S.<sup>1</sup>

**15**

RightRide/Independent Used Car Dealerships<sup>1</sup>

**27**

Collision Centers<sup>1</sup>

**39k**

New Retail Vehicles<sup>1,2</sup> Sold TTM

**64k**

Used Retail Vehicles<sup>1,2</sup> Sold TTM

<sup>1</sup> As at September 30, 2023

<sup>2</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these non-GAAP and supplementary financial measures

<sup>3</sup> Opening a GM dealership in Maple Ridge in Q1 2024

## The Only Publicly Listed Automotive Dealership Group In Canada

### Stock Quote and Capitalization Table

Ticker: TSX:ACQ	Market Cap: \$632.8 M <sup>1</sup>
Last Price: \$26.80 <sup>1</sup>	Net Debt: \$442.1 M <sup>2</sup>
52 Week Hi/Lo: \$30.80/\$15.14 <sup>1</sup>	Enterprise Value: \$1,074.9 M <sup>1</sup>
Shares Outstanding: 23.6 M <sup>1</sup>	Revolving Floorplan Facility: \$1,101.0 M <sup>2</sup>
Float: 55.6% <sup>1</sup>	GICS Classification: Consumer Discretionary

<sup>1</sup>Priced as of market close on November 8, 2023

<sup>2</sup>As of September 30, 2023

### Analyst Coverage

Acumen Capital	Trevor Reynolds
ATB Capital Markets	Chris Murray
BMO Capital Markets	Tamy Chen
Canaccord Genuity	Luke Hannan
CIBC Capital Markets	Krista Friesen
Cormark Securities	David Ocampo
National Bank Financial	Maxim Sytchev
RBC Capital Markets	Sabahat Khan
Scotiabank	Michael Doumet

Company Profile

# Diversified Brand Mix With Cross Border and Coast-to-Coast Operations

Geographically Diversified with a Healthy Brand Mix



High-Performing Dealerships

2022 Dealership Awards	Dealership
Overall BMW Retailer of the Year Ranked #1	BMW Montreal MINI Montreal
Overall BMW Retailer of the Year Ranked #2	BMW Laval
Overall BMW Retailer of the Year Ranked #3	MINI Laval
General Motors Certified Pre-Owned #1 Dealer in Canada	Saskatoon Motor Products
Cadillac Certified Pre-Owned #1 Dealers in Western Region	McNaught Buick Cadillac GMC
Ford President's Diamond Club Award	Rose City Ford
Hyundai Platinum Signature Certification	Grande Prairie Hyundai
Volkswagen Canada Wolfsburg Crest Club Winners	Grande Prairie Volkswagen St. James Volkswagen Chilliwack Volkswagen

- Revenue diversified across geographies, with ~49%<sup>1</sup> of revenue being generated in Alberta and Ontario
- Recent acquisitions have increased AutoCanada's exposure across almost all major brands

- People-first operational culture driving high customer retention and strong relationships with the OEMs, as evidenced by numerous dealership awards

<sup>1</sup>For the fiscal year ended December 31, 2022

# Company History



**2006**  
 IPO as an income fund with 17 dealerships, lead by the Founder

**2010**  
 Acquires its first store in Ontario

**2009**  
 Completes conversion to a corporation and ends the year with 22 locations

**2014**  
 Acquires 20 stores bringing total store count to 48

**2013**  
 Begins the year with 25 stores and acquires 3 stores

**2016**  
 Steven Landry is appointed CEO

**2018**  
 Acquisition of 14 stores in Illinois in Q2; Paul Antony appointed Executive Chairman and begins turnaround in Q3  
 Adj. EBITDA<sup>1</sup> \$50.7 MM;  
 Net Debt to EBITDA 6.0x

**2017**  
 Ends the year with 58 dealerships and 17 collision centers

**2021**  
 Acquisition of AutoPoint Group adds 11 stores

**2023**  
 AutoCanada Today – 83 franchised dealerships and 27 collision centers  
 Adj. EBITDA<sup>1</sup> TTM \$256M;  
 Total Net Funded Debt to EBITDA<sup>2</sup> 2.18x

<sup>1</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these non-GAAP financial measures  
<sup>2</sup> Total net funded debt to EBITDA is calculated using a bank definition of EBITDA that cannot be directly derived from financial information available within the Company's consolidated financial statements.

Management Team With Proven Track Record Driving Vision & Strategy

# Recently Expanded Leadership Team



**Paul Antony**

Executive Chairman  
Joined May 2018

Founder, CEO and Chairman of CARPROOF Corporation, an auto data software company. Under Paul's leadership, CARPROOF was recognized by Deloitte as a Best Managed Organization for several consecutive years and awarded Fast 50 & 500 Fastest growing tech companies in Canada and North America



**Azim Lalani**

Chief Financial Officer  
Joined March 2023

Over 25 years of financial experience with senior management roles in several public and private real estate and operating companies with responsibility for financial reporting, treasury, corporate finance, taxation, investor relations & risk management.

Previously serving as Chief Financial Officer at American Hotel Income Properties REIT LP



**Peter Hong**

Chief Strategy Officer & General Counsel  
Joined August 2018

Previously Senior Partner with Davies Ward Phillips & Vineberg LLP. Mr. Hong was one of Canada's leading M&A lawyers, with over 20 years of experience dealing with some of Canada's most complex M&A, securities and finance transactions, and advising public companies and their boards on strategic and governance matters.



**Jeffrey Thorpe**

President, North America  
Joined April 2022

Previously, Mr. Thorpe was with AutoNation, the largest automotive retailer in North America for 24 years. He most recently held the position of Market President at AutoNation, providing direct leadership over automotive dealership operations in Colorado, Minnesota, Chicago, Cleveland, Northern California, and Los Angeles. During his extensive tenure at AutoNation, Mr. Thorpe established himself as an effective leader that builds and mentors strong teams and people.



**Brian Feldman**

Chief Operating Officer  
Joined April 2022

Mr. Feldman has a proven track record of success over his 18 years of experience with AutoNation, where he most recently held the position of Senior Director of Sales, overseeing national sales processes and pricing. He previously held Senior Director roles at AutoNation, responsible for Wholesale Parts Sales, Operations Strategy, and eCommerce Retail Operations. During his tenure with AutoNation, Mr. Feldman revolutionized sales, marketing, training, and business development.



**Drew Forret**

Chief Administrative and Transformation Officer  
Joined October 2023

Mr. Forret is responsible for the HR, IT, Information Management, Financial Planning and Analysis, and Real Estate operations at AutoCanada. Prior to AutoCanada, Drew was the COO/CFO at Voices, the largest global online marketplace matching voice over talent with clients that have voice over needs. Before joining Voices, Drew was the COO/CFO at CarProof Corporation. Mr. Forret has over 20 years experience in strategic planning, general management, HR and financial operations, and execution of M&A process.

25+ Years of Experience



CARPROOF

25+ Years of Experience



25+ Years of Experience

DAVIES

25+ Years of Experience

AutoNation

20+ Years of Experience

AutoNation

20+ Years of Experience

CARPROOF

# Environment, Social & Governance (ESG) Overview

*Focus on areas that positively impact our business and society*

We are committed to responsible business practices and driving continuous improvement of our operations and our relationships with our employees and the communities in which we live and work.

We recently published our inaugural ESG report, which can be found on our website at [investors.autocan.ca](https://investors.autocan.ca)



## Environment

- We offer a variety of hybrid and electric-powered vehicles which generate far fewer emissions into the atmosphere.
- Our new and renovated facilities are outfitted with energy efficient design including LED lighting, automatic-sensor enabled lighting, and high-efficiency HVAC systems.



## People

- We strive to provide our employees with competitive compensation, meaningful and challenging work, **an engaging and collaborative environment**, recognition for performance, and opportunities for growth and advancement.
- We offer a broad range of **training and development programs** for our top talent to build bench strength, promote succession planning, and enhance skill development.



## Community

- Our employees are committed to supporting the communities we serve, as we believe community involvement and charitable giving enrich our local neighbourhoods.
- Initiatives include employee volunteer opportunities and partnerships with local food banks, homeless shelters, hospitals, school districts, sports teams, children's charities, and animal rescue organizations.



## Governance

- We consider good governance to be central to ensuring effective and efficient operations.
- 14% women on the Board of Directors.
- Board has oversight of ESG strategy and implementation.
- Our Diversity policy recognizes the many benefits arising from employee and Board diversity, including a broader pool of high-quality employees, improving employee retention, accessing different perspectives and ideas and benefiting.



## 1. Scale and Durability Provides Opportunity For Margin Expansion and Sustainable Growth

- Transportation solutions addressing the full lifecycle of consumer mobility and allowing operations to adjust to changing market conditions.
- Project Elevate will bolster operations by maximizing gross profit, optimizing the cost structure, and modernizing corporate infrastructure.
- Opportunity to significantly close the gap to peer profitability.

## 2. Ample Growth Potential In Large and Fragmented Market

- Total Addressable Market >\$850 BB with fragmented ownership of franchise dealerships and collision centers in both Canada and the US.
- Project Elevate will supercharge accretion from acquisitions by creating a scalable platform.
- AutoCanada is the only publicly traded dealer group in Canada with deep bench strength to support expansion in both Canada and the US.

## 3. Strong Focus On Shareholder Value Creation

- Disciplined capital allocation strategy focused on long-term shareholder returns.
- Free cash flow generation supports return of capital and reinvestment in the business through growth initiatives.
- Since 2018 AutoCanada has returned ~\$140 MM in the form of share buybacks and has deployed ~\$400 MM on M&A.



# Large and Fragmented Market Provides Ample Growth Potential

> 3,700 OEM Franchise Dealerships in Canada<sup>1</sup>

- 1.5 MM New Vehicles<sup>1</sup>
- 2.9MM Used Vehicles<sup>1</sup>
- CAD\$197.9 MM Total Sales<sup>2</sup>

> 18,000 OEM Franchise Dealerships in the U.S.<sup>3</sup>

- 13.8 MM New Vehicles<sup>4</sup>
- 36.2 MM Used Vehicles<sup>5</sup>
- US\$800.0 BB Total Sales<sup>4</sup>

> 4,150 collision repair shops in Canada<sup>6</sup>

- \$2.4 BB Total Sales<sup>6</sup>

> 31,000 collision repair shops in the U.S.<sup>6</sup>

- US\$38.6 BB Total Sales<sup>6</sup>

<sup>1</sup> Source: DesRosiers Automotive Consultants Inc., 2022

<sup>2</sup> Source: Statistics Canada, 2022

<sup>3</sup> Source: Urban Science, July 1, 2023

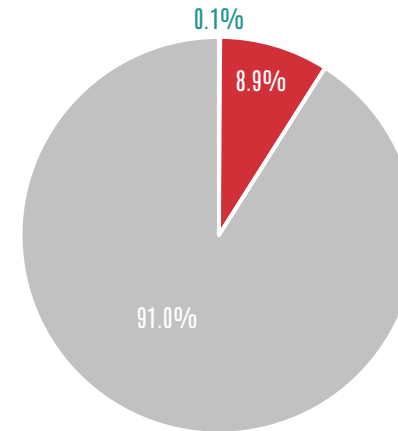
<sup>4</sup> Source: United States Department of Transportation, 2021 and 2022

<sup>5</sup> Source: Cox Automotive, 2022 estimate

<sup>6</sup> Source: The Romans Group, 2021

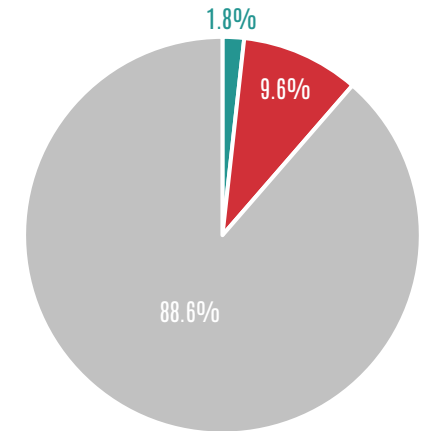
<sup>7</sup> Source: Compilation of publicly available store count information, 2023

NEW VEHICLE MARKET U.S.<sup>7</sup>



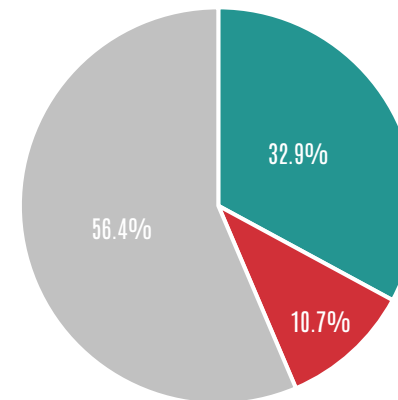
■ AutoCanada ■ Top 10 Groups ■ Rest Of Market

NEW VEHICLE MARKET CANADA<sup>7</sup>



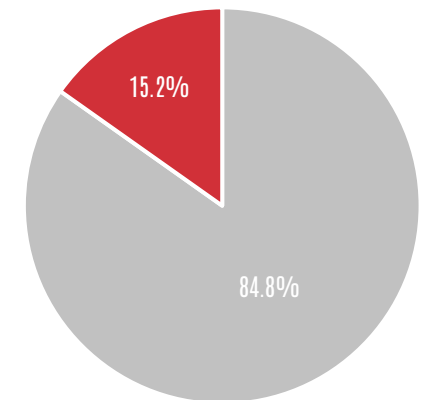
■ AutoCanada ■ Groups With 20+ Stores ■ Rest Of Market

COLLISION REPAIR MARKET U.S. & CANADA<sup>6</sup>



■ Large MSO's ■ Franchises ■ Rest Of Market

COLLISION REPAIR MARKET U.S. & CANADA<sup>6</sup>



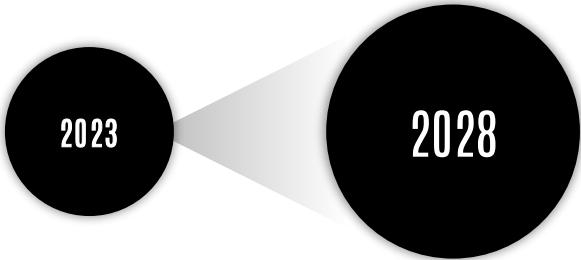


■ Independent Repair Shops ■ Dealer Owned Shops



PROJECT ELEVATE

# AutoCanada Has Considerable Runway For Growth

Accretive growth through M&A with the objective of accelerating shareholder value creation.

▶ Opportunity Is Significant	▶ Target Regions And End Markets	▶ Disciplined, Flexible M&A	▶ Realizing Synergies						
 <p><b>2023</b> → <b>2028</b></p> <p>Target adding 10-15 stores on average annually over the next five years.</p> <p><b>GOAL</b></p> <p>To be Canada's Preeminent Dealer Group.</p>	<p>Targeting OEM Franchise Dealerships and Certified Collision Centers across both Canadian and U.S. markets</p> 	<p>Focus on <b>high-ROI transactions</b></p> <p><b>Diversification</b> of the business by geography and brand</p> <p>Unique ability to provide sellers with <b>tax-efficient transaction structures</b> to assist with estate planning</p> <p><b>Flexible consideration</b> – all-cash; all-stock; cash-stock mix</p>	<p>Improving operations in newly acquired stores will boost transaction ROIs significantly</p> <div data-bbox="1872 654 2446 782">  <p><b>Top-line synergies</b>      <b>Cost synergies</b></p> </div> <table border="0"> <tr> <td data-bbox="1898 821 2127 878"><b>F&amp;I:</b> Leading GPUs</td> <td data-bbox="2165 821 2420 878"><b>Removal of duplicative costs</b></td> </tr> <tr> <td data-bbox="1898 906 2127 992"><b>Used volume:</b> Leading used-to-new<sup>1,2</sup> (1.65x)</td> <td data-bbox="2165 935 2420 992"><b>Additional purchasing power</b></td> </tr> <tr> <td data-bbox="1898 1021 2127 1106"><b>Fixed Operations:</b> Increased OEM Parts Sales</td> <td data-bbox="2165 1049 2420 1106"><b>Standardized Processes &amp; Technology Integration</b></td> </tr> </table>	<b>F&amp;I:</b> Leading GPUs	<b>Removal of duplicative costs</b>	<b>Used volume:</b> Leading used-to-new <sup>1,2</sup> (1.65x)	<b>Additional purchasing power</b>	<b>Fixed Operations:</b> Increased OEM Parts Sales	<b>Standardized Processes &amp; Technology Integration</b>
<b>F&amp;I:</b> Leading GPUs	<b>Removal of duplicative costs</b>								
<b>Used volume:</b> Leading used-to-new <sup>1,2</sup> (1.65x)	<b>Additional purchasing power</b>								
<b>Fixed Operations:</b> Increased OEM Parts Sales	<b>Standardized Processes &amp; Technology Integration</b>								

**AutoCanada has spent over \$400 MM on 23 dealership and collision center acquisitions since 2018.**

<sup>1</sup> As at September 30, 2023 TTM

<sup>2</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding this supplementary financial measure

# AutoCanada Growth Pillars

## New Light Vehicle

**39% TTM Sales**  
**20% TTM Gross Profit**

- OEM Franchise Dealerships are local monopolies with inventory supply at the store level set by manufacturers.
- New light vehicle prices have risen at +1.4% CAGR<sup>1,2</sup> over the last 30 years.
- Rapid acceleration in automotive technology and consumer demand for higher base models and trim packages support strong pricing trends over the long term.

## Used Light Vehicle

**43% TTM Sales**  
**11% TTM Gross Profit**

- Used light vehicle sales are counter cyclical and benefit from periods of limited new light vehicle supply.
- The market is unconstrained by OEM inventory allocation policies and can be served in physical stores as well as online, thereby offering considerable long term growth potential.
- Technological advancements in automotive support a strong used car market.

## Parts, Service & Collison

**12% TTM Sales**  
**37% TTM Gross Profit**

- New, used and F&I sales act as a lead generator for repair orders and parts sales
- New light vehicle supply shortages of the last 3 years combined with technological advancements are tailwinds for demand and average price per repair order
- Recession resilient with demand influenced by kilometers driven and synergies with dealerships in cross-selling for repairable and non-repairable accidents.

## Finance & Insurance

**6% TTM Sales**  
**32% TTM Gross Profit**

- Completes the customer ecosystem providing high margin sales opportunities on both new and used vehicles.
- Is a lead generator for Parts and Service repair opportunities under warranty.
- High value opportunity to offer solutions online and for revenue synergies from future dealerships acquisitions.

<sup>1</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding this supplementary financial measure

<sup>2</sup> U.S. Bureau of labor statistics, 2022

## Data Analytics

Multiple Value Creation Pillars to Drive Enterprise Value

# PROJECT ELEVATE



## Maximize Gross Profit

- Ensure optimal capture of all revenue generating opportunities in our stores.
- Implement best practices to reduce performance variance across the platform.
- Modernize Canadian automotive retail for consumers.



## Optimize Cost Structure

- Deepened focus on fiscal discipline and operational efficiency.
- Do more with less to increase productivity and eliminate wasted time and resources.
- Realize economies of scale through centralized financial planning and analysis.



## Modernize Corporate Infrastructure

- Investment in people, process, and technology to enable scalable cost efficiencies.
- Improved forecasting, budgeting and disclosure via upgraded finance infrastructure.
- Human Resource and dealership technology and security upgrades to support platform growth.

**OPPORTUNITY:**

Substantially close the gap to peer profitability by the end of 2025, creating a scalable platform for enhanced accretive growth through industry consolidation.

## Enhance Used Vehicle Sourcing & Speed To Market

Lack of new inventory and corresponding new sales volume has created a shortage of used inventory.

- 10 We Buy Your Car's (WBYC's) per Store/Month + 10 Equity Mining per Store/Month = 15,600 units per year.
- Internally sourced units average GPU ~\$2,400 vs ~\$300 for externally sourced and sell on average in 22 days vs. 37 days for externally sourced.
- The dealer group that reinvents used acquisition strategy is the dealer group that will win.

### GOAL

*Improve used GPU by establishing best in class used vehicle sourcing and sales operations by the end of 2025.*

Days To Sell	GPU
0-30	\$2,389
31-60	\$1,922
61-90	\$733
91-120	(\$119)
121-150	(\$509)
151-180	(\$683)

Q3 2023 Used Sales Data

# Maximize Gross Profit

## F&I Best Practices & Fixed Operations Optimization

Performance bandwidth in F&I GPU<sup>1,2</sup> at the store level currently has significant dispersion between high and low, with ~45% of dealerships below average.

### GOAL

Get all locations to average by the end of 2025 by leveraging industry leading data analytics and in house training to decrease bandwidth dispersion.

Performance bandwidth in customer pay gross profit per repair order<sup>1</sup> currently has significant dispersion, with ~45% of dealerships below average.

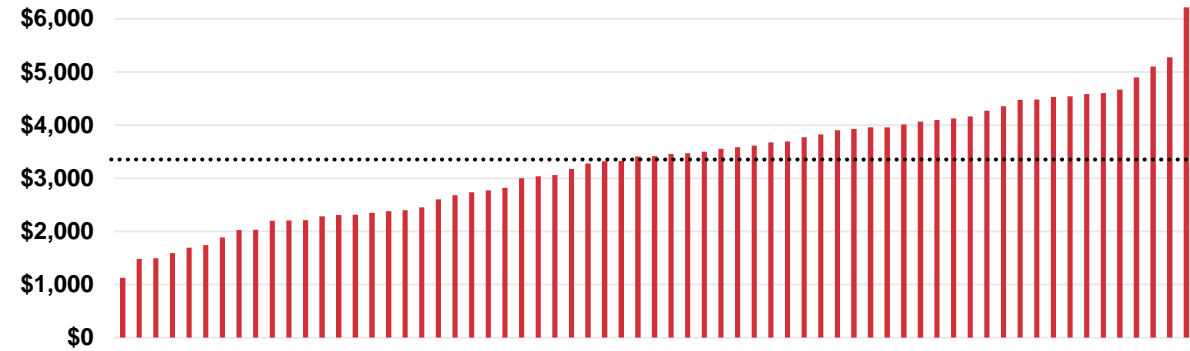
### GOAL

Get all locations to average by the end of 2025 by implementing AutoCanada Service Playbook and Xtime automotive service experience platform software to decrease bandwidth dispersion across locations.

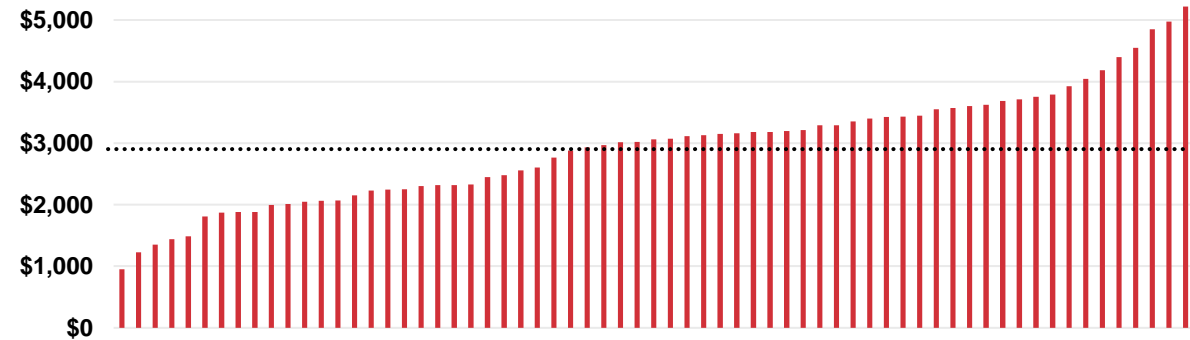
<sup>1</sup> As at September 30, 2023

<sup>2</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these supplementary financial measures

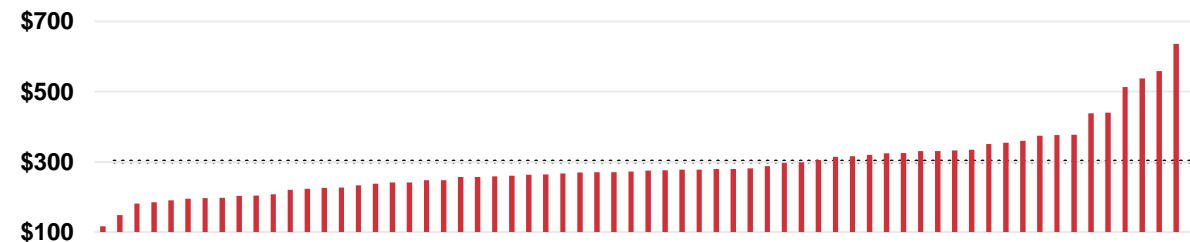
F&I GPU<sup>2</sup> NEW BY STORE<sup>1</sup>



F&I GPU<sup>2</sup> USED BY STORE<sup>1</sup>



CUSTOMER PAY GROSS PER REPAIR ORDER<sup>1,2</sup>



## Modernizing Canadian Automotive Retail

- AutoCanada and Kijiji strategic partnership includes the integration of consumer solutions developed by AutoCanada. These solutions include providing Kijiji's users with the ability to purchase F&I products online from AutoCanada, as well as an online Instant Cash Offer (ICO) option for the vehicle.
- Kijiji has 11.8 MM unique visitors per month with 1.4 MM for sale by owner cars listed for sale annually, and a consumer base that is presently unserved by ICO and F&I products and services.

### GOAL

Create Canada's first scalable omni-channel used car retailer, leveraging scale and best in class F&I and reconditioning capabilities to maximize used market share, as well as penetration in high margin parts and F&I sales.

The screenshot displays a Kijiji advertisement for a 2018 Mercedes-Benz GLA 250. The car is shown in a dark color, and the listing includes a price of \$33,880 and a 'Postad' button. Below the car image is a 'sonnet INSURANCE' banner with a 'GET A QUOTE ON THIS CAR NOW!' button. The listing details include 'Overview' with sections for Condition (Used), Kilometres (125,000), Body (SUV, 4.5 doors, Black), and Performance (4-Cylinder 2.0L 221 Hp, Automatic 8-Speed, All Wheel Drive). A 'Description' section follows, and at the bottom are two promotional banners: 'Get financing & warranty for this car with RightRide™' and 'Considering selling your car? Get a free car valuation & cash offer'.



## Focus On ROI Across The Platform

### Creating A Growth Oriented, Cost-Effective Organization

Drawing on the collective experience of the executive team to execute a multi-year cost transformation, substantially closing the gap to peer profitability over the next three years, while continuing to support long term growth.

### Centralized Shared Services

Centralized procurement, identifying and removing wasteful spending, and improving utilization of resources through dedicated Financial Planning & Analysis, enhanced Marketing, and improved Loaner Fleet Management.

#### GOAL

*Drive better productivity and reduce employee costs, while improving retention of high performers. Realize economies of scale with vendors, eliminate wasteful spending, and improve productivity across the organization.*



## Creating Economies of Scale

### Geographic Leadership

Platform Vice Presidents reorganized by geography to allow local managers to foster strong collaborative teams and tailor their approach to the local market to improve underperforming stores, maximize inventory positioning, develop bench strength for the future, and always meet the needs and demands of local customers.

### AutoCanada University

Propagating best practices through high caliber training throughout the organization and development of internal universities.

### IT Upgrades

IT Modernization is underway to replace dated hardware, upgrade software and systems at each store and reduce operational risk. Financial and Human Resource software modernization to improve internal controls and management reporting.

#### GOAL

*Create a scalable centralized shared services platform that will unlock unrealized synergies, supporting future growth while minimizing operational and financial risk.*



The background is a dark, semi-transparent overlay on a light-colored image. The image shows a calendar with the months 'January' and 'February' visible, and a bar chart with blue and red bars. A pen is also visible in the lower part of the image. The text 'FINANCIAL REVIEW' is centered in a white, bold, sans-serif font, enclosed in a thin orange rectangular border.

# FINANCIAL REVIEW

# Q3 2023 Results Overview

## Third Quarter Results

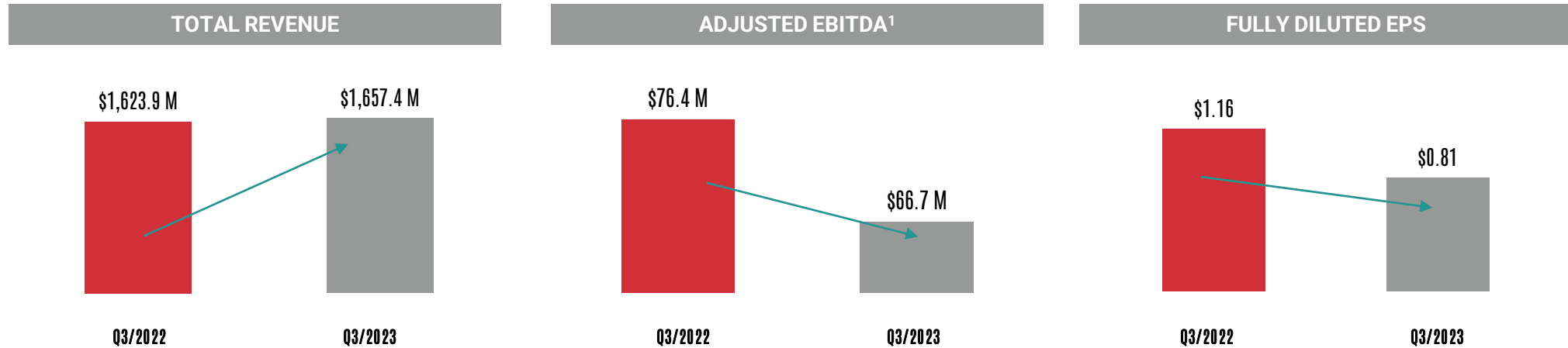
(\$M, unless otherwise noted)	Q3 2023	Q3 2022	Change
Consolidated Revenue	1,657.4	1,623.9	+2.1%
Gross Profit % <sup>1</sup>	17.5%	16.8%	+0.7 pts
Adjusted EBITDA <sup>1</sup>	66.7	76.4	-12.6%
Adjusted EBITDA <sup>1</sup> %	4.0%	4.7%	-0.7 pts
Used to New Ratio <sup>1</sup>	1.60	1.89	-15.5%
Total Net Funded Debt	449	365	+23%
Total Net Funded Debt to Bank EBITDA Leverage Ratio	2.2x	1.5x	+0.7x

<sup>1</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these non-GAAP and supplementary financial measures

# Q3 2023 Results Overview

*Income Statement Highlights* ■ Q3/2022 ■ Q3/2023

Financial Review



## COMMENTARY

- Increased total revenue 2.1% y/y
- Increased gross profit 6.1% y/y
- Decreased Adjusted EBITDA<sup>1</sup> by 12.6% y/y
- Decreased Fully Diluted EPS 30.2% y/y

	Growth Q3/23 vs. Q3/22	
	Revenue	Gross Profit
New Vehicle	20.8%	2.6%
Used Vehicle	-14.5%	-2.3%
Parts, Service & Collision Repair	21.2%	17.4%
F&I	0.4%	0.4%
Total	2.1%	6.1%

<sup>1</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these non-GAAP measures

TTM Q3 Adjusted EBITDA<sup>1</sup> of \$256 million

# Q3 2023 Results Continued

## TTM Canadian Business Mix Highlights

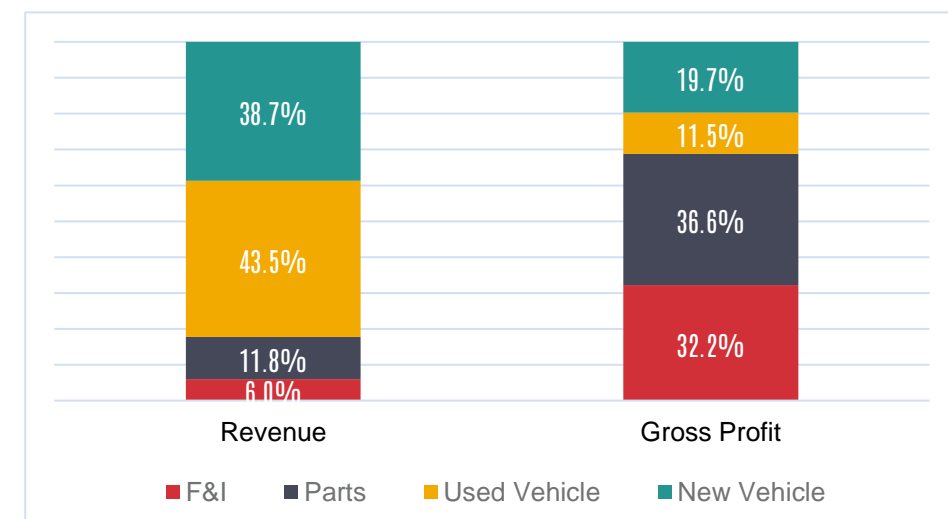
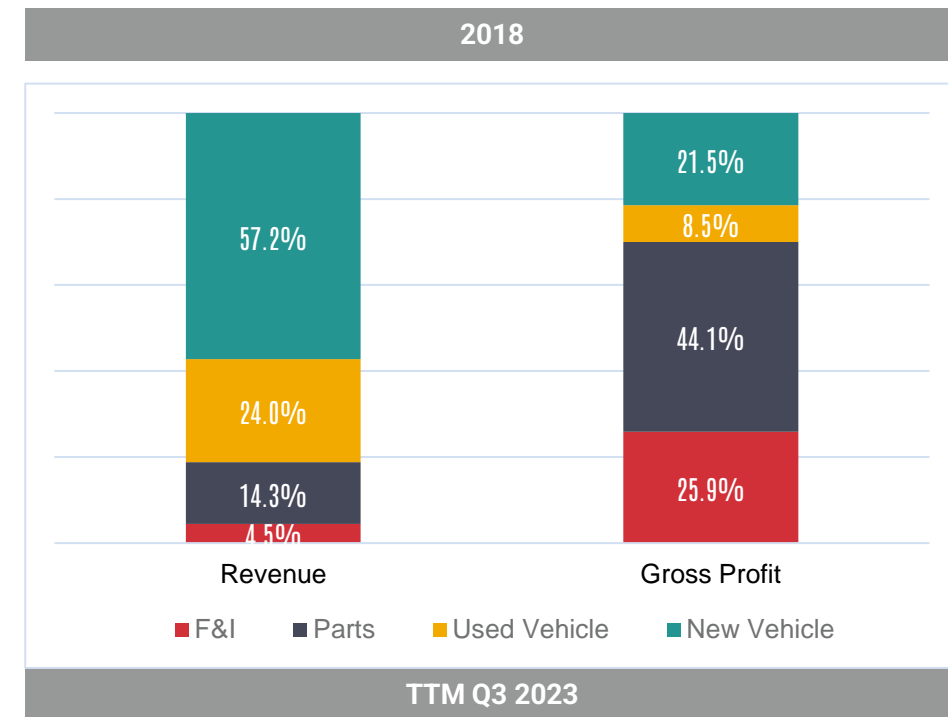
Segment	Brand	Segment Revenue %	Revenue %	Segment Retail Unit %	Retail Unit Sales %
<b>Import</b>	Honda	<b>31%</b>	5%	<b>40%</b>	7%
	Hyundai		9%		11%
	Kia		2%		3%
	Nissan		5%		7%
	Volkswagen		7%		8%
	Other Imports		3%		4%
<b>Domestic</b>	Ford	<b>40%</b>	3%	<b>36%</b>	3%
	GM		10%		10%
	Stellantis		27%		23%
<b>Luxury</b>	Audi	<b>17%</b>	2%	<b>13%</b>	2%
	BMW/MINI		9%		6%
	Mercedes		4%		4%
	Porsche		2%		1%
	Collision/RightRide/Used Digital <sup>1</sup>		<b>12%</b>		12%

### COMMENTARY

- Stellantis offering ample new inventory
- Consumers are price sensitive impacting sales mix
- Sold 1.6<sup>2</sup> used cars for each new car sold vs. 1.9<sup>2</sup> in Q3/22
- Improved F&I penetration a notable benefit to gross profit

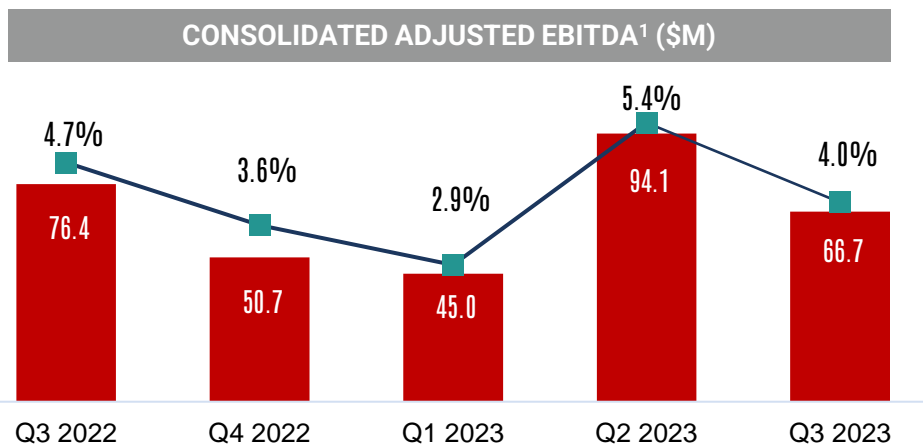
<sup>1</sup> Non-franchised dealership revenue – including stand-alone collision centres, Used Digital stores and RightRide stores

<sup>2</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these supplementary financial measures

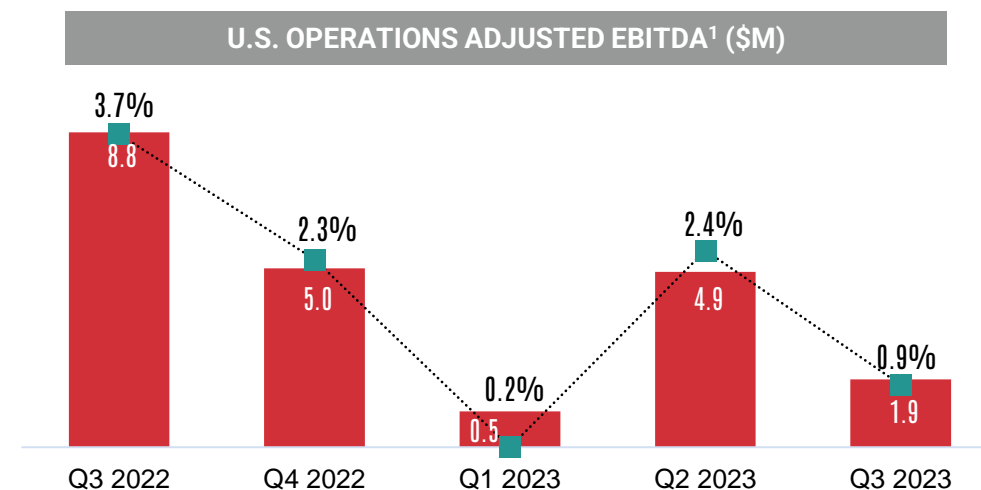
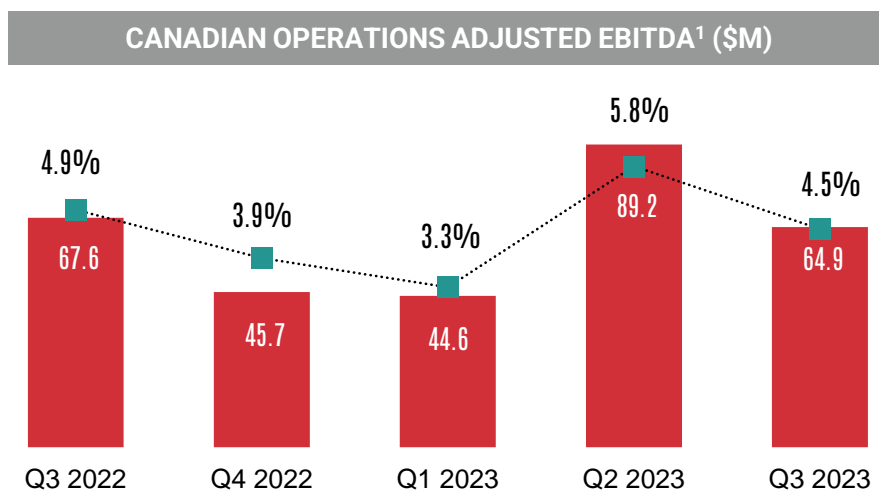


# Q3 2023 Results Continued

Geographic Mix Highlights ◆ Adjusted EBITDA Margin<sup>1</sup> ■ Adjusted EBITDA<sup>1</sup>



TTM Consolidated Adjusted EBITDA <sup>1</sup>	\$256 million
TTM Canadian Operations Adjusted EBITDA <sup>1</sup>	\$244 million
TTM U.S. Operations Adjusted EBITDA <sup>1</sup>	\$12 million

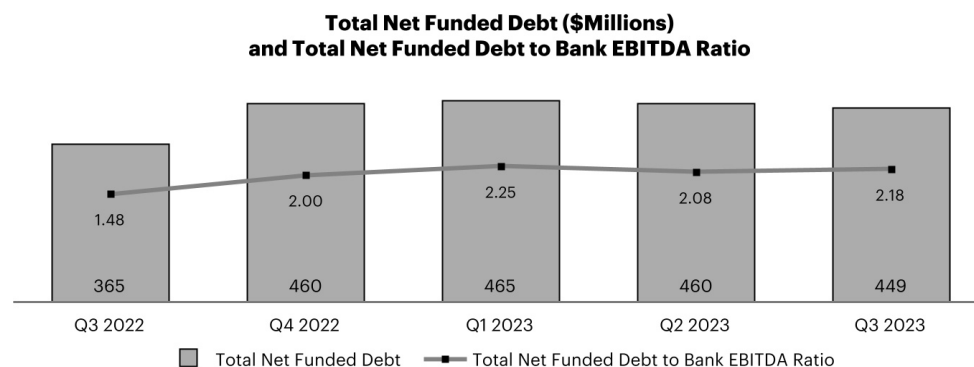


<sup>1</sup> See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these non-GAAP measures

# Leverage Profile

**Total Net Funded Debt to Bank EBITDA Leverage Ratio of 2.18**

## DISCIPLINED MANAGEMENT OF LEVERAGE



## TOTAL NET FUNDED DEBT Q3 2023

(\$millions)

Revolving term facility - Credit Facility	164.2
Senior Unsecured Notes	345.2
Other funded debt according to Credit Facility	7.1
<b>Total Funded Debt</b>	<b>516.5</b>
Less: Allowable Cash Netting according to Credit Facility	67.1
<b>Total Net Funded Debt</b>	<b>449.4</b>
Bank EBITDA (TTM)	206.4
<b>Total Net Funded Debt to Bank EBITDA ratio</b>	<b>2.18x</b>





Canada



**THANK YOU**