AUTOCANADA (TSX:ACQ)

INVESTOR PRESENTATION

November 2024

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

Forward-Looking Statement

Certain statements contained in this investor presentation are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation. We hereby provide cautionary statements identifying important factors that could cause actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “projection”, “vision”, “goals”, “objective”, “target”, “schedules”, “outlook”, “anticipate”, “expect”, “estimate”, “could”, “should”, “plan”, “seek”, “may”, “intend”, “likely”, “will”, “believe”, “shall” and similar expressions) and the financial outlook with respect to the transformation plan are not historical facts and are forward-looking and may involve estimates and assumptions and are subject to risks, uncertainties and other factors some of which are beyond our control and difficult to predict.Forward-looking statements and financial outlook in this investor presentation include: AutoCanada’s future financial position and expected run-rate operational expense savings from the transformation plan. Forward-looking statements and financial outlook provide information about management’s expectations and plans for the future and may not be appropriate for other purposes. Forward looking statements and financial outlook are based on various assumptions, and expectations that AutoCanada believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove correct. Those assumptions and expectations are based on information currently available to AutoCanada, including information obtained from third-party consultants and other third-party sources, and the historic performance of AutoCanada’s businesses. AutoCanada cautions that the assumptions used to prepare such forward-looking statements and financial outlook, including AutoCanada’s expected run-rate operational expense savings through the transformation plan, could prove to be incorrect or inaccurate. This financial outlook is disclosed to assist current and future shareholders to evaluate the effectiveness of AutoCanada’s transformation plan and readers are cautioned that it may not be suitable for any other purpose.The expected run-rate operational expense savings are based on the assumptions that staffing optimization, improved store efficiencies and productivity gains, and consolidation of operations will decrease labour and overhead costs. Additional key assumptions or risk factors with respect to achieving the operational expense savings include successful execution, no overruns in one-time restructuring costs incurred in connection with the transformation plan, economic stability, and other external factors. In addition to the significant assumptions referred to in this paragraph, refer to “Forwarding-Looking Statements” within Section 1 Reader Advisories and Forward-Looking Statements and Section 12 Risk Factors of the MD&A for a detailed review of significant business risks affecting AutoCanada.In preparing the forward-looking statements and financial outlook, AutoCanada considered numerous economic, market and operational assumptions, including key assumptions listed under Section 3 Market and Financial Outlook of the MD&A.The forward-looking statements and financial outlook are also subject to the risks and uncertainties set forth below. By their very nature, forward-looking statements involve numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, AutoCanada’s actual performance and financial results may vary materially from those estimates and expectations contemplated, expressed or implied in the forward-looking statements. These risks and uncertainties include risks relating to failure to realize expected cost-savings, cost overruns in one-time restructuring expenses, compliance with laws and regulations, reduced customer demand, operational risks, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) the MD&A under Section 12 Risk Factors and (ii) AutoCanada’s most recent Annual Information Form for the year-ended December 31, 2023 (the "AIF"). The preceding list of assumptions, risks and uncertainties is not exhaustive.Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements and financial outlook. Therefore, any such forward-looking statements and financial outlook are qualified in their entirety by reference to the factors discussed throughout this investor presentation and in the MD&A.Details of the Company’s material forward-looking statements are included in the Company’s most recent AIF. The AIF and other documents filed with securities regulatory authorities (accessible through the SEDAR website (www.sedarplus.ca) describe the risks, material assumptions, and other factors that could influence actual results and which are incorporated herein by reference.When relying on our forward-looking statements and financial outlook to make decisions with respect to AutoCanada, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking statements and financial outlook are provided as of the date of this investor presentation and, except as required by law, AutoCanada does not undertake to update or revise such statements to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking statements or financial outlook.

Non-GAAP and Other Financial Measures

This investor presentation contains certain financial measures that do not have any standardized meaning prescribed by 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 GAAP, as indicators of our performance. We provide these additional non-GAAP measures (“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 is not an earnings measures recognized by GAAP and does not have standardized meanings prescribed by GAAP. Investors are cautioned that this 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 13. “NON-GAAP AND OTHER FINANCIAL MEASURES” and section 14. “NON-GAAP AND OTHER FINANCIAL MEASURE RECONCILIATIONS” of the Company’s Management’s Discussion & Analysis for the three and nine-month period ended September 30, 2024 ("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).

Capital Market Profile

Stock Quote and Capitalization Table

- Ticker: ACQ-TSX
- Recent Share Price: $15.12[1]
- 52 Week Hi/Lo: $27.44/$13.75[1]
- Shares Outstanding: 23.2 M[1]
- Float: 58.9%[1]
- Market Cap: $350.0[1]
- Total Net Funded Debt: $479.7 M[2]
- Enterprise Value: $829.7M[3]
- Revolving Floorplan Facility: $1.2 B
- GICS Classification: Consumer Discretionary

Analyst Coverage

Trevor Reynolds, Acumen Capital	Krista Friesen, CIBC Capital Markets
Chris Murray, ATB Capital Markets	David O'Campo, Cormark Securities
Tamy Chen, BMO Capital Markets	Maxim Sytchev, National Bank Financial
Luke Hanna, Canaccord Genuity	Sabahat Khan, RBC Capital Markets

[1] *Priced as of market close on November 13, 2024*
[2] *As of September 30, 2024*
[3] *As of September 30, 2024, includes operating leases*

Who We Are

One of Canada's largest dealer groups offering a full range of products, services and brands:

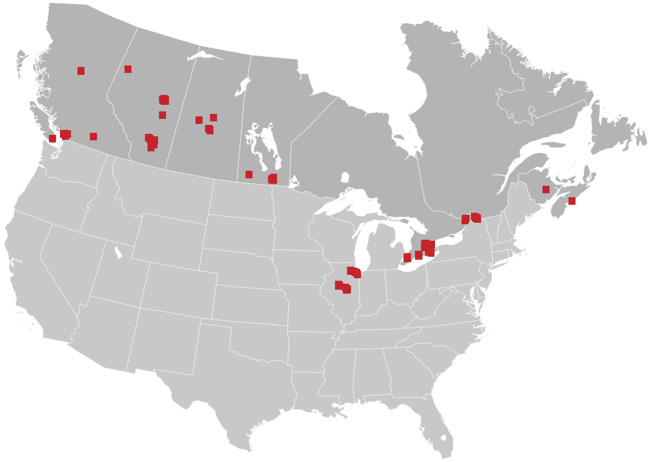
- NEW LIGHT VEHICLE - 83 OEM Franchises Selling 28 Automotive Brands in 8 Canadian Provinces & 1 U.S. State.
- USED LIGHT VEHICLE – Used car retail operations across franchise dealerships, used car dealerships, wholesale auction and export.
- PARTS & SERVICE - Over 1,300 Service Bays[1] performing repair, maintenance and warranty work to OEM standards.
- COLLISION REPAIR – A network of 27 collision shops equipped to repair vehicles using the latest technology, OEM parts and procedures.
- FINANCE & INSURANCE - Provider of third-party finance, insurance, and extended warranty products to finance and protect personal vehicle ownership.

$6.1B Revenue[1] TTM

$149M Adjusted EBITDA[1,2] TTM

40k New Vehicles[1,2] Retailed TTM

58k Used Vehicles[1,2] Retailed TTM



[1] Trailing twelve months ("TTM") ended September 30, 2024
[2] See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these Non-GAAP Measures and supplementary financial measures

Management Team

- ~100 years combined experience in automotive, technology, business transformation and M&A.
- Executive Chairman holds ~10.2% interest in ACQ, combined with equity ownership by other management team members, ensures alignment with shareholders.

	ACQ Tenure	Experience	Biography
Paul Antony Executive Chairman	May 2018	25+ years	Founder, CEO and Chairman of CARPROOF Corporation, an auto data software company.
Samuel Cochrane Chief Financial Officer	June 2024	20+ years	Most recently CFO of Telit Cinterion, an IoT solutions provider, and prior thereto, CFO at Sierra Wireless (NASDAQ:SWIR, TSX:SW), an IoT solutions provider, and CFO at Avigilon (TSX:AVO), a video surveillance and analytics company.
Peter Hong Chief Strategy Officer & General Counsel	August 2018	25+ years	Previously Senior Partner with Davies Ward Phillips & Vineberg LLP, Mr. Hong was one of Canada's leading M&A lawyers.
Jeffrey Thorpe President North America	April 2022	25+ years	Previously a Market President with AutoNation, providing direct leadership over automotive dealership operations in Colorado, Minnesota, Chicago, Cleveland, Northern California, and Los Angeles.

Industry Overview

Over 3,700 OEM Franchise Dealerships in Canada[1]

- 1.6 million New Vehicles[1]
- 2.9 million Used Vehicles[1]
- CAD$211.7 billion Total Sales[2]

Over 18,300 OEM Franchise Dealerships in the U.S.[3]

- 13.8 million New Vehicles[4]
- 36.2 million Used Vehicles[5]
- USD$800.0 billion Total Sales[4]

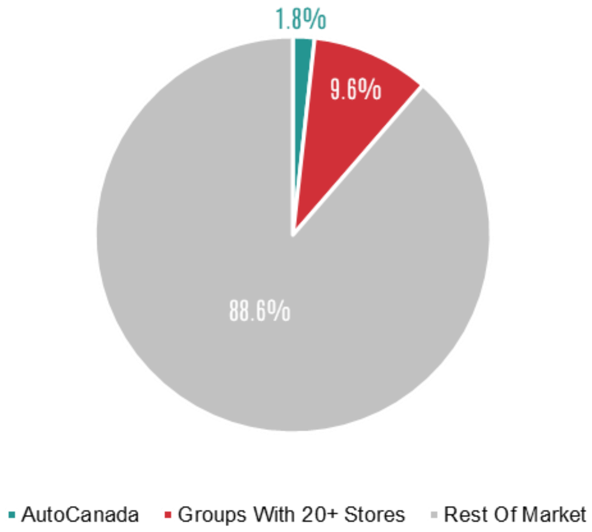
Over 4,150 collision repair shops in Canada[6]

- $2.4 billion Total Sales[6]

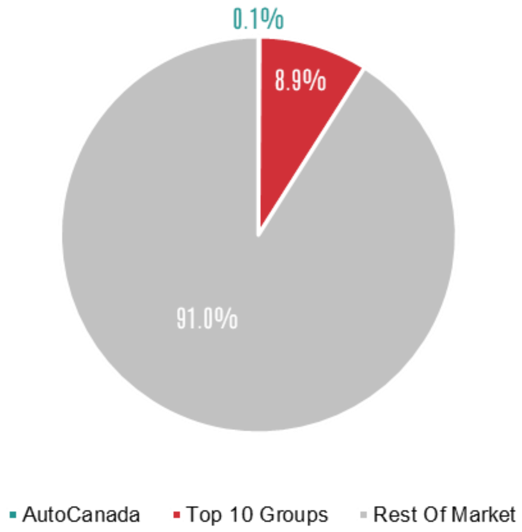
Over 31,000 collision repair shops in the U.S.[6]

- US$44.8 billion Total Sales[6]

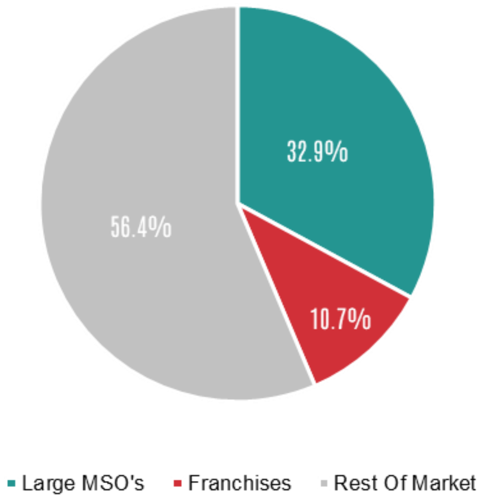
NEW VEHICLE MARKET CANADA[7]



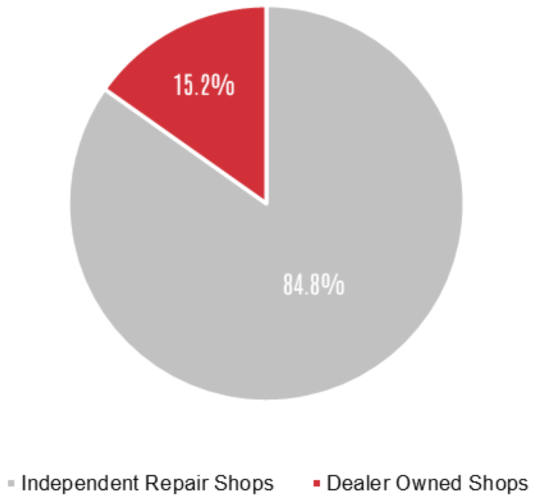
NEW VEHICLE MARKET U.S.[7]



COLLISION REPAIR MARKET CANADA[6]



COLLISION REPAIR MARKET U.S.[6]



1 Source: DesRosiers Automotive Consultants Inc., 2022 and 2023
2 Source: Statistics Canada, 2023
3 Source: Urban Science, December 31, 2023
4 Source: United States Department of Transportation, 2021 and 2022
5 Source: Cox Automotive, 2022 estimate
6 Source: The Romans Group, 2022
7 Source: Compilation of publicly available store count information, 2023

Consolidated Results

For the three-months ended September 30, 2024

C$ M unless noted	Q3 2024	Q3 2023	% Change	YTD 2024	YTD 2023	% Change
Revenue	1,627.9	1,657.4	-1.8%	4,649.8	4,953.0	-6.1%
Gross Profit	265.0	290.2	-8.7%	744.0	863.9	-13.9%
Operating Expense	216.1	223.8	-3.4%	649.7	644.4	0.8%
Floorplan Expense	-18.6	-17.6	5.7%	-58.2	-48.8	19.3%
Finance Costs	-42.8	-38.1	12.3%	-116.1	-106.7	8.8%
Net Income (loss) for the period attributable to AutoCanada Shareholders	6.0	19.9	-69.8%	-30.7	70.3	-143.7%
Basic Earnings Per Share	**$ 0.26**	**$ 0.84**	**-69.0%**	**-$ 1.31**	**$ 2.98**	**-144.0%**
Adjusted EBITDA[1]	**53.2**	**66.7**	**-20.2%**	**102.2**	**205.8**	**-50.3%**

- Q3 2024 reflected softer market conditions in Canada, with macroeconomic headwinds pressuring GPU's across the industry, and continued challenges in the US business.
- Canadian operations saw flat Q3 revenue at $1.4 billion, with gross profit down 4.7% to $240.7 million and adjusted EBITDA down 5.6% to $61.2 million. New vehicle sales grew 4.5%, but used sales fell 5.5% due to inventory issues, while a 20% decline in new vehicle GPU and a 2.1% decline in F&I GPU offset strong growth in collision and modest growth in parts and service. Higher flooring costs further impacted EBITDA.
- Operational challenges in the U.S. business led to a 13.2% year-over-year drop in Q3 revenue to $188.2 million, a 35.4% decrease in gross profit to $24.3 million, and an adjusted EBITDA loss of $8.0 million compared to a $1.9 million gain in Q3 2023, with declines in new, used, and F&I GPU offsetting a 4.8% rise in parts and service gross profit.
- During Q3 2024 the strategic review of non-core assets progressed, resulting in the divestment of two Stellantis dealerships and restructuring of RightRide operations, including the closure of seven unprofitable locations. Additionally, tighter restrictions on discretionary spending and hiring were imposed in September, and all acquisition and capital return initiatives were paused.
- These initiatives will have a modest impact on profitability while AutoCanada refines and executes its transformation plan in partnership with Bain & Company during 2025.

1 See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these Non-GAAP Measures and supplementary financial measures

Segment Results

For the three-months ended September 30, 2024

C$ M unless noted	Q3/2024		% Change	
	Revenue	Gross Profit	Revenue	Gross Profit
New Vehicle	718.7	47.3	6.7%	-21.6%
Used Vehicle	614.6	21.8	-10.9%	-31.7%
Parts & Service	170.0	92.5	1.7%	2.7%
Collision Repair	31.5	17.5	8.6%	24.1%
Finance & Insurance	93.1	85.9	-4.8%	-8.5%
Total	**1,627.9**	**265.0**	**-1.8%**	**-8.7%**

- New vehicle revenue rose due to an increase in new retail vehicle sales. However, gross profit and profit margins declined as the market for new vehicles normalized, inventory supply improved, and the sales mix shifted toward lower-priced units.
- Used vehicle performance was challenged by lower sales volumes, limited inventory availability, and softer demand. Additionally, cross-border wholesale exports, which benefited from a stronger market in the prior year, saw reduced activity.
- Parts & Service revenue benefited from customers prioritizing repairs over purchasing new vehicles, driven by the current inflationary and high-interest rate environment.
- Collision repair volume increased due to higher insurance referrals from new direct repair agreements with insurance providers and heightened demand supported by additional OEM certifications. Although there was increased hail activity in Q3 2024, repair cycle times extended, with completions anticipated in Q4 2024.
- F&I performance was affected by a reduction in retail vehicle sales volumes. F&I gross profit per unit and profit margins declined as more customers opted for non-dealer financing, resulting in a higher proportion of less profitable deals.

1 See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these Non-GAAP Measures and supplementary financial measures

Operating Expenses

For the three-months ended September 30, 2024

C$ M unless noted	Q3 2024	Q3 2023	% Change	YTD 2024	YTD 2023	% Change
Employee Costs	129.7	139.7	-7.2%	395.2	417.8	-5.4%
Administrative Costs	68.8	67.1	2.5%	202.6	197.9	2.4%
Expected Credit Losses on Trade and Other Receivables	0.5	0.4	25.0%	2.1	1.3	61.5%
Facility Lease Costs	1.6	1.2	33.3%	3.8	3.7	2.7%
Depreciation of Right-of-use Assets	9.0	8.3	8.4%	26.4	24.8	6.5%
Depreciation of Property and Equipment	6.4	6.8	-6.3%	19.1	18.6	2.7%
Amortization of Intangible Assets	0.1	0.4	-75.0%	0.4	0.4	0.0%
Total Operating Expenses	**216.1**	**223.8**	**-3.5%**	**649.7**	**664.4**	**-2.2%**
Operating Expense % of Gross Profit[1]	**81.5%**	**77.1%**	**4.4%**	**87.3%**	**76.9%**	**10.4%**

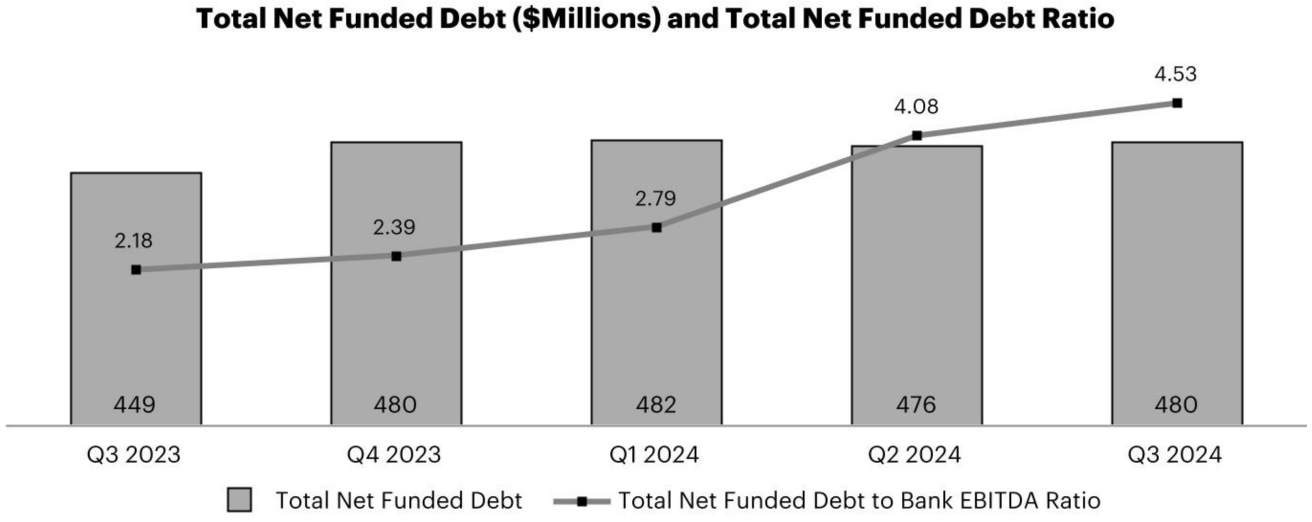
- Overall operating expenses declined due to reduced variable employee costs, which aligned with lower gross profits and associated commissions, along with stricter hiring and discretionary spending controls.
- Despite a 3.5% decrease in total operating expenses, the operating expense ratio rose from 77.1% in Q3 2023 to 81.5% in Q3 2024, driven by an 8.7% year-over-year drop in gross profit.
- Management remains committed to reducing operating expenses and has implemented immediate measures to enhance oversight and cut costs company-wide, including tighter controls on discretionary spending and hiring beginning in September 2024.
- In collaboration with Bain & Company, the Company will implement a series of operational improvements to streamline costs and enhance profitability in the coming quarters.

1 See "NON-GAAP AND OTHER FINANCIAL MEASURES" for further information regarding these Non-GAAP Measures and supplementary financial measures

Financial Leverage

As at September 30, 2024

C$ M unless noted	September 2024	December 2023
Revolving Term Facilities	182.0	186.2
Senior Unsecured Notes	346.1	345.4
Other Funded Debt	21.7	18.3
Total Funded Debt	**549.7**	**549.9**
Less: Allowable Cash Netting	70.0	69.8
Total Net Funded Debt[1]	**479.7**	**480.1**
Total Net Funded Debt to Bank EBITDA [1]	**4.5x**	**2.4x**



- On September 27, 2024, the Company announced an amendment to its senior credit facility that offers additional covenant headroom for the period from September 30, 2024 to September 30, 2025.
- This amendment provides the Company with enhanced financial flexibility to support its transformation plan over the next 12 months, focusing on cost reduction, portfolio optimization, and deleveraging.
- The company had $184 million outstanding on its $375 million revolving credit facility as of the end of September 2024, with a total net funded debt to bank EBITDA covenant ratio of 4.5x
- All M&A and return of capital initiatives are paused, and management is actively reviewing strategic alternatives for all non-core and underperforming assets.

1 Total net funded debt and total net funded debt to bank EBITDA is calculated using a bank definition of other funded debt and EBITDA that cannot be directly derived from financial information available within the Company's consolidated financial statements.

Recent Events & Outlook

Outlook:

- The Canadian automotive industry continues to be impacted by elevated prices, a softening labor market, and higher interest rates. While recent rate cuts may ease affordability pressures over time, lingering inflation is expected to steer Canadian consumers toward less expensive vehicles in the near term.
- Furthermore, there remains an oversupply of new light vehicle inventory in key brands in the Company's Canadian dealerships, and structural issues continue to challenge the US operations.
- Management anticipates the fourth-quarter sales and gross profit will reflect these trends, as well as typical fourth quarter seasonality.
- Heightened restrictions on discretionary spending and hiring implemented in September are expected to have a modest positive impact on profitability in the coming quarters, while management executes its transformation plan with Bain & Company Inc.
- Subsequent the third quarter, AutoCanada formally initiated this transformation plan, beginning with four pilot dealerships in Western Canada. Although the process is still in its early stages, management anticipates realizing at least $100 million in annualized run-rate operational expense savings by the end of 2025. [1]
- The expected run-rate operational expense savings are based on the assumptions that staffing optimization, improved store efficiencies and productivity gains, and consolidation of operations will decrease labour and overhead costs.
- As AutoCanada navigates challenging business dynamics, the company remains focused on strategic realignment and disciplined execution to build resilience, reduce leverage, enhance profitability, and secure a foundation for sustainable growth.

1 This financial outlook is disclosed to assist current and future shareholders to evaluate the effectiveness of AutoCanada's transformation plan and readers are cautioned that it may not be suitable for any other purpose. The expected run-rate operational expense savings are based on the assumptions that staffing optimization, improved store efficiencies and productivity gains, and consolidation of operations will decrease labour and overhead costs. Additional key assumptions or risk factors with respect to achieving the operational expense savings include successful executions, no overruns in one-time restructuring costs incurred in connection with the transformation plan, economic stability, and other external factors. In addition to the significant assumptions referred to in this paragraph, refer to "Forwarding-Looking Statements: within Section 1 Reader Advisories and Forward-Looking Statements and Section 12 Risk Factors for a detailed review of significant business risks affecting AutoCanada.

AutoCanada

For further information, please contact:
Samuel Cochrane, Chief Financial Officer
Email: scochrane@autocan.ca