
AUTOCANADA REPORTS 2017 ANNUAL AND FOURTH QUARTER RESULTS

EDMONTON, Alberta (March 15, 2018) - AutoCanada Inc. (TSX: ACQ), a leading Canadian multi-location automobile dealership group, today reported its financial results for the three and twelve-months ended December 31, 2017.

- 2017 annual revenue reaches new threshold exceeding \$3 billion
- 2017 annual basic earnings per share of \$2.11
- 3rd straight quarter of same store revenue and gross profit growth
- Added two new brands to the portfolio

“This was a very good year for AutoCanada and we continue to strengthen our foundation for future growth,” said Steven J. Landry, President & Chief Executive Officer. “In 2017, we established new relationships with two OEMs, adding our first Mercedes-Benz and Mazda dealerships to our portfolio. We also cemented our relationship with General Motors, allowing us to exercise voting control over GM dealerships for the first time. These changes are key to our long-term success as they enable new acquisition opportunities, the cornerstone of our growth agenda.”

2017 Full Year Highlights

- Revenue was \$3.1 billion, up 7.3% compared with 2016. Revenue from same stores was up 2.0% year-over-year.
- Sales of new vehicles were 43,773 in the year, up 9.3% over the prior year. Revenue from the sale of new vehicles was \$1.8 billion, up 10.6% from 2016. New vehicles accounted for 58.9% of the Company’s total revenue and 25.3% of gross profit versus 57.2% of revenue and 24.3% of gross profit in 2016.
- Sales of used vehicles were 19,379 in 2017, down 1.0% from last year. Revenue from used vehicle sales was \$716.0 million, down 1.3% from the prior year. Used vehicles accounted for 23.1% of the Company’s total revenue and 8.4% of gross profit, versus 25.1% of revenue and 9.7% of gross profit in 2016.
- Parts, service and collision repair generated \$416.7 million of revenue, up 8.8% from 2016. This accounted for 13.4% of the Company’s total revenue and 41.3% of its gross profit, versus 13.2% of revenue and 41.4% of gross profit in 2016.
- Finance and insurance generated \$141.3 million of revenue, an improvement of 8.6% from 2016. This accounted for 4.6% of the Company’s total revenue and 25.0% of its gross profit, up from 4.5% of revenue and 24.6% of profit in 2016.
- Gross profit was \$518.6 million, up 6.7% compared with 2016, with gross profit as a percentage of revenue relatively flat at 16.7% from 16.8%.
- EBITDA attributable to AutoCanada shareholders increased by \$17.3 million or 18.3% to \$111.8 million from \$94.5 million in the prior year.
- Operating expenses were \$426.3 million as a percentage of gross profit improved to 82.2% from 82.4% in 2016.

- The Company generated net earnings attributable to AutoCanada shareholders of \$57.8 million (\$42.7 million on an adjusted basis), or \$2.11 per share (\$1.56 adjusted) versus \$2.6 million in 2016 (\$39.9 million adjusted) or \$0.09 per share (\$1.46 adjusted).

Fourth Quarter Highlights

- Revenue was \$733.1 million, up 16.5% compared with the fourth quarter of 2016. Same store revenue growth was up 11.1% in the fourth quarter of this year.
- New vehicle sales were 9,822, up 16.3% from same period in 2016. Revenue from the sale of new vehicles was \$417.6 million, up 20.0% from same period in 2016. The sale of new vehicles accounted for 57.0% of the Company's total revenue and 24.0% of gross profit versus 55.3% of revenue and 21.4% of gross profit in the fourth quarter of 2016.
- Used vehicle sales were 4,653, up 4.3% from the same quarter last year. Revenue from the sale of used vehicles sales was \$175.3 million, up 11.1% from same time last year. The sale of used vehicles accounted for 23.4% of the Company's total revenue and 6.0% of gross profit, versus 21.4% of revenue and 8.6% of gross profit in the fourth quarter of 2016.
- Parts, service and collision repair generated \$107.2 million of revenue, up 16.1% from same time 2016. This accounted for 14.6% of the Company's total revenue and 45.5% of its gross profit, versus 14.7% of revenue and 45.3% of gross profit in the same quarter of 2016.
- Finance and insurance generated \$33.0 million of revenue, an improvement of 6.1% from same period in 2016. This accounted for 4.5% of the Company's total revenue and 24.5% of its gross profit, down from 4.9% of revenue and 24.6% of profit in the fourth quarter of 2016.
- Gross profit was \$125.2 million, up 7.2% compared with the same quarter in 2016, with gross profit as a percentage of revenue decreasing to 17.1% from 18.6%.
- EBITDA attributable to AutoCanada shareholders increased by \$2.9 million or 11.3% to \$28.1 million from \$25.3 million same time last year.
- Operating profit of \$26.5 million is up 27.7% from 20.7 million in the fourth quarter of 2016.
- Operating expenses were \$104.6 million, as a percentage of gross profit were up to 83.6% from 83.4% over the same period in 2016.
- The Company generated net earnings attributable to AutoCanada shareholders of \$17.1 million (\$8.9 million on an adjusted basis), or \$0.62 per share (\$0.33 adjusted) versus \$13.8 million in 2016 (\$7.5 million adjusted) or \$0.50 per share (\$0.28 adjusted).

"We continued our momentum in the second half and ended the year strongly," said Chris Burrows, Senior Vice-President and Chief Financial Officer. "Performance across the business was very good in the fourth quarter, and we saw double-digit year-over-year revenue growth at our same stores. With the market poised for another good year of new vehicle sales, we believe 2018 holds great promise for AutoCanada."

The following table summarizes the Company's results for the quarter and year ended December 31, 2017:

Consolidated Operational Data	Three months ended December 31			Year ended December 31		
	2017	2016	% Change	2017	2016	% Change
EBITDA attributable to AutoCanada shareholders ^{1,2}	28,127	25,260	11.3%	111,812	94,486	18.3%
Adjusted EBITDA attributable to AutoCanada shareholders ^{1,2}	21,880	19,038	14.9%	95,410	88,809	7.4%
Net earnings attributable to AutoCanada shareholders ^{1,2}	17,089	13,785	24.0%	57,844	2,596	2128.2%
Adjusted net earnings attributable to AutoCanada shareholders ^{1,2}	8,935	7,536	18.6%	42,665	39,926	6.9%
Basic EPS	0.62	0.50	24.0%	2.11	0.09	2244.4%
Adjusted diluted EPS ²	0.33	0.27	22.2%	1.55	1.45	6.9%
Weighted average number of shares - Basic	27,389,167	27,353,431	0.1%	27,379,193	27,350,555	0.1%
Weighted average number of shares - Diluted	27,498,724	27,469,439	0.1%	27,473,995	27,455,686	0.1%
New retail vehicles sold (units)	8,444	7,590	11.3%	36,076	32,991	9.4%
New fleet vehicles sold (units)	1,378	859	60.4%	7,697	7,041	9.3%
Used retail vehicles sold (units)	4,653	4,463	4.3%	19,379	19,561	-0.9%
Total vehicles sold	14,475	12,912	12.1%	63,152	59,593	6.0%
Revenue	733,060	629,274	16.5%	3,101,560	2,891,581	7.3%
Gross Profit	125,210	116,785	7.2%	518,629	486,133	6.7%
Gross Profit %	17.1%	18.6%	-8.2%	16.7%	16.8%	-0.5%
Operating expenses	104,626	97,397	7.4%	426,253	400,417	6.5%
Operating expenses % of Gross Profit	83.6%	83.4%	0.2%	82.2%	82.4%	-0.3%
Operating Profit	26,505	20,761	27.7%	118,969	40,912	190.8%
Free cash flow	29,496	23,424	25.9%	72,213	96,288	-25.0%
Adjusted free cash flow	15,996	13,133	21.8%	90,786	68,566	32.4%
Same Store New retail vehicles sold (units)	7,196	6,845	5.1%	31,402	30,422	3.2%
Same Store New fleet vehicles sold (units)	1,349	808	67.0%	7,600	6,932	9.6%
Same Store Used retail vehicles sold (units)	4,051	4,162	-2.7%	17,233	18,560	-7.1%
Same Store Total vehicles sold	12,596	11,815	6.6%	56,235	55,914	0.6%
Same Store Revenue	647,099	582,368	11.1%	2,784,999	2,730,659	2.0%
Same Store Gross Profit	110,249	108,683	1.4%	467,030	459,984	1.5%
Same Store Gross Profit %	17.0%	18.7%	-8.7%	16.8%	16.8%	-0.4%

*See the Company's Management's Discussion and Analysis for the quarter ended December 31, 2017 for complete footnote disclosures.

Outlook

The Canadian vehicle market established a new record for sales in 2017, surpassing the previous record set in 2016. Sales topped two million for the first time, with SUVs and trucks accounting for close to 7 out of 10 new vehicles sold in the country. Early projections for 2018 speak of a strong Canadian market continuing - the economy is doing well and interest rates continue to be low, but are expected to increase. For AutoCanada, a strong economy with low unemployment provides a healthy macro environment while the preference for trucks and SUVs sits well with the Company's current product mix.

AutoCanada will continue to add a wide range of new brands and dealerships in new and growing markets. New vehicle sales continue to be the initial touchpoint for building and growing customer relationships, including resale of trade-ins, sale of third-party service or insurance products and recurring service and repair business. Each of the Company's business segments experienced gains in the fourth quarter and throughout 2017, with the exception of a slight downturn of used vehicle sales over the year.

The Company's continued focus on operational excellence resulted in enhanced dealership performance in 2017 and should continue to lead to further improvement in 2018. The Company's multi-location model serves a diversified geographic customer and revenue base while its cluster strategy enables other scalable benefits. The Company's operations continue to be decentralized while it centralizes administration and strategy. It is able to provide strong support to its dealership network through brand team platforms, which are better positioned to meet the needs of both dealers and OEMs. The brand team platform approach had its first full year of operation in 2017 and the Company saw same store sales and profitability both increase.

Growth will continue to be driven by the Company's acquisition strategy. Two single dealership businesses were acquired in 2017, each adding a new OEM relationship (Mercedes-Benz and Mazda) and both joining a cluster of dealerships in the same urban market (Montreal). The Company also strengthened its relationship with General Motors in 2017, a move that should help foster further growth over the long term. A Public Company Master Agreement (PCMA) permits AutoCanada's direct ownership and voting control of GM Canada dealerships for the first time. On January 2, 2018, the Company closed an agreement with CanadaOne Auto Group, a company controlled by Pat Priestner, the Company's former CEO and founder. As part of that agreement, AutoCanada assumed control of five of the nine dealerships where it held a majority equity stake with no voting rights and CanadaOne bought AutoCanada's interest in the remaining four. Related to this agreement, AutoCanada will see decreases to Revenue, Gross Profit and Unit sales figures, given its divestiture of the four dealerships.

Acquiring new dealerships and effectively integrating them is key to AutoCanada's long-term success. The Company has made significant progress and will continue to look for further incremental improvements related to integration, operating efficiencies and deeper IT and analytical capabilities across its entire network of dealerships. AutoCanada is actively looking to replace General Motors volume and net earnings through GM acquisitions.

In addition to acquisitions, the Company pursues opportunistic growth through planned capital projects, such as new dealership facilities, current dealership expansion and imaging requirements, and select open point opportunities. As at December 31, 2017, the Company has earmarked \$142.7 million for contemplated future capital projects.

While the Auto industry is experiencing disruption including electric vehicles, ride sharing, autonomous vehicles and car ride service providers, AutoCanada considers these changes in the industry to be positive. The Company has indicated to our OEM partners that we are prepared to pilot any new trends in the disruption looking for opportunities to improve customer sales and service interaction digitally and at our dealerships.

Dividends

Management reviews the Company's financial results on a monthly basis. The Board of Directors reviews the financial results periodically to determine whether a dividend shall be paid based on a number of factors with a goal to efficiently allocate capital to fuel AutoCanada's future growth while also rewarding and sharing the company's success with our shareholders.

On February 23, 2018 the Board declared a quarterly eligible dividend of \$0.10 per common share on AutoCanada's outstanding Class A common shares, payable on March 15, 2018 to shareholders of record at the close of business on March 1, 2018.

For purposes of the enhanced dividend tax credit rules contained in the Income Tax Act (Canada) (the "ITA") and any corresponding provincial and territorial tax legislation, all dividends paid by AutoCanada or any of its subsidiaries in 2010 and thereafter are designated as "eligible dividends" (as defined in 89(1) of the ITA), unless otherwise indicated. Please consult with your own tax advisor for advice with respect to the income tax consequences to you of AutoCanada Inc. designating dividends as "eligible dividends".

SELECTED QUARTERLY INFORMATION

The following table shows the unaudited results of the Company for each of the eight most recently completed quarters. The results of operations for these periods are not necessarily indicative of the results of operations to be expected in any given comparable period.

(in thousands of dollars, except Gross Profit %, Earnings per share, and Operating Data)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Income Statement Data								
New vehicles	417,626	497,711	558,682	353,540	348,107	444,482	497,025	363,181
Used vehicles	175,251	192,473	182,913	165,408	157,724	179,582	208,016	180,108
Parts, service and collision repair	107,156	104,816	113,983	90,735	92,310	95,585	100,317	94,721
Finance, insurance and other	33,027	39,571	39,324	29,344	31,133	33,529	36,899	28,862
Revenue	733,060	834,571	894,902	639,027	629,274	753,178	842,257	666,872
New vehicles	30,033	36,806	38,555	25,590	25,042	31,578	34,410	27,267
Used vehicles	7,563	11,140	13,095	11,940	10,064	12,950	13,758	10,420
Parts, service and collision repair	56,915	53,805	56,306	47,284	52,957	47,676	52,957	47,669
Finance, insurance and other	30,699	36,218	35,867	26,813	28,722	30,733	33,577	26,353
Gross profit	125,210	137,969	143,823	111,627	116,785	122,937	134,702	111,709
Gross Profit %	17.1%	16.5%	16.1%	17.5%	18.6%	16.3%	16.0%	16.8%
Operating expenses	104,626	110,560	112,897	98,170	97,397	99,041	107,932	96,047
Operating expenses as a % of gross profit	83.6%	80.1%	78.5%	87.9%	83.4%	80.6%	80.1%	86.0%
Operating profit ²	26,505	30,287	46,539	15,638	20,761	(28,776)	28,442	20,483
Impairment (recovery) of intangible assets and goodwill	(816)	-	-	-	-	54,096	-	-
Net earnings (loss) attributable to AutoCanada shareholders	17,089	12,100	24,977	3,678	13,785	(32,619)	14,158	7,272
Adjusted net earnings attributable to AutoCanada shareholders ^{2,4}	8,935	13,581	15,547	4,602	7,536	10,327	15,523	6,253
EBITDA attributable to AutoCanada shareholders ²	28,127	25,827	43,722	14,136	25,260	23,842	27,072	18,312
EBITDA % of Sales ²	3.8%	3.1%	4.9%	2.7%	4.5%	3.6%	3.7%	3.2%
Free cash flow ²	29,496	31,114	10,982	621	23,424	30,897	37,922	4,045
Adjusted free cash flow ²	15,996	23,296	36,277	15,217	13,133	27,766	21,632	6,035
Basic earnings per share	0.62	0.44	0.91	0.13	0.50	(1.19)	0.53	0.27
Diluted earnings per share	0.62	0.44	0.91	0.13	0.50	(1.19)	0.53	0.27
Basic adjusted earnings per share ^{2,4}	0.33	0.50	0.57	0.17	0.28	0.38	0.57	0.23
Diluted adjusted earnings per share ^{2,4}	0.33	0.50	0.57	0.17	0.27	0.38	0.57	0.23
Dividends declared per share	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25
Operating Data								
Vehicles (new and used) sold ³	14,475	17,132	18,490	13,055	12,912	15,955	17,425	13,301
New vehicles sold ³	9,822	12,014	13,429	8,508	8,449	10,983	12,098	8,502
New retail vehicles sold ³	8,444	10,334	10,545	6,753	7,590	8,949	9,374	7,078
New fleet vehicles sold ³	1,378	1,680	2,884	1,755	859	2,034	2,724	1,424
Used retail vehicles sold ³	4,653	5,118	5,061	4,547	4,463	4,972	5,327	4,799
# of service and collision repair orders completed ³	224,006	220,669	228,872	197,069	217,418	209,912	227,446	209,194
Absorption rate ²	90%	87%	87%	82%	86%	89%	90%	83%
# of dealerships at period end	58	57	57	56	55	53	53	53
# of same store dealerships ¹	49	48	47	47	44	33	27	27
# of service bays at period end	999	977	977	949	928	898	898	898
Same store revenue growth ¹	11.1%	2.9%	0.1%	(7.1)%	(10.0)%	(9.2)%	(3.2)%	(3.1)%
Same store gross profit growth ¹	1.4%	6.3%	1.1%	(1.2)%	(5.8)%	(11.0)%	(5.3)%	(5.5)%

*See the Company's Management's Discussion and Analysis for the quarter ended December 31, 2017 for complete footnote disclosures.

The following tables summarize the results for the quarter and year ended December 31, 2017 on a same store basis by revenue source and compares these results to the same period in 2017.

Same Store Revenue and Vehicles Sold

(in thousands of dollars)	Three Months Ended December 31			Year Ended December 31		
	2017	2016	% Change	2017	2016	% Change
New vehicles - Retail	305,414	263,304	16.0%	1,320,350	1,279,471	3.2%
New vehicles - Fleet	60,883	55,818	9.1%	320,444	274,973	16.5%
Total New vehicles	366,297	319,122	14.8%	1,640,794	1,554,444	5.6%
Used vehicles - Retail	108,508	104,085	4.2%	451,736	459,887	(1.8)%
Used vehicles - Wholesale	48,866	43,149	13.2%	196,014	230,598	(15.0)%
Total Used vehicles	157,374	147,234	6.9%	647,750	690,485	(6.2)%
Finance, insurance and other	30,367	29,409	3.3%	129,979	123,567	5.2%
Subtotal	554,038	495,765	11.8%	2,418,523	2,368,496	2.1%
Parts, service and collision repair	93,061	86,603	7.5%	366,476	362,163	1.2%
Total	647,099	582,368	11.1%	2,784,999	2,730,659	2.0%
New retail vehicles sold	7,196	6,845	5.1%	31,402	30,422	3.2%
New fleet vehicles sold	1,349	808	67.0%	7,600	6,932	9.6%
Used retail vehicles sold	4,051	4,162	(2.7)%	17,233	18,560	(7.1)%
Total	12,596	11,815	6.6%	56,235	55,914	0.6%
Total vehicles retailed	11,247	11,007	2.2%	48,635	48,982	(0.7)%

Same Store Gross Profit and Profit Percentage

Revenue Source (in thousands of dollars)	Three Months Ended December 31				
	Gross Profit			Gross Profit %	
	2017	2016	% Change	2017	2016
New vehicles - Retail	24,008	21,389	12.2%	7.9%	8.1%
New vehicles - Fleet	1,677	1,580	6.1%	2.8%	2.8%
Total New vehicles	25,685	22,969	11.8%	7.0%	7.2%
Used vehicles - Retail	6,588	8,220	(19.9)%	6.1%	7.9%
Used vehicles - Wholesale	1,088	1,146	(5.1)%	2.2%	2.7%
Total Used vehicles	7,676	9,366	(18.0)%	4.9%	6.4%
Finance, insurance and other	27,748	26,755	3.7%	91.4%	91.0%
Subtotal	61,109	59,090	3.4%	11.0%	11.9%
Parts, service and collision repair	49,140	49,593	(0.9)%	52.8%	57.3%
Total	110,249	108,683	1.4%	17.0%	18.7%

MD&A and Financial Statements

Information included in this press release is a summary of results. It should be read in conjunction with AutoCanada's consolidated financial statements and management's discussion and analysis for the quarter ended December 31, 2017, which can be found on the company's website at www.autocan.ca or on www.sedar.com.

Non-GAAP Measures

This press release 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, and financing activities determined in accordance with Canadian GAAP, as indicators of our performance. We provide these 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. The following "Non-GAAP Measures" are defined in the annual MD&A: EBITDA; Adjusted EBITDA; Adjusted Net Earnings and Adjusted Net Earnings per Share; EBIT; Free Cash Flow; Adjusted Free Cash Flow; Adjusted Average Capital Employed; Absorption Rate; Average Capital Employed; Return on Capital Employed; and Adjusted Return on Capital Employed.

Conference Call

A conference call to discuss the results for the quarter and year ended December 31, 2017 will be held on March 16, 2018 at 9:00 am MT (11:00 am ET). To participate in the conference call, please dial 1.888.231.8191 approximately 10 minutes prior to the call.

This conference call will also be webcast live over the internet and can be accessed by all interested parties at the following URL: <https://www.autocan.ca/investors/Q42017/>.

About AutoCanada

AutoCanada is Canada's largest multi-location automobile dealership group by volume, currently operating 54 franchised dealerships, comprised of 62 franchises, in eight provinces and has over 3,500 employees. AutoCanada currently sells Chrysler, Dodge, Jeep, Ram, FIAT, Alfa Romeo, Chevrolet, GMC, Buick, Cadillac, Infiniti, Nissan, Hyundai, Subaru, Mitsubishi, Audi, Volkswagen, Kia, Mazda, Mercedes-Benz, Smart, BMW and MINI branded vehicles. In 2017, our dealerships sold approximately 63,000 vehicles and processed approximately 870,000 service and collision repair orders in our 999 service bays.

Additional information about AutoCanada Inc. is available at www.sedar.com and the Company's website at www.autocan.ca.

Forward Looking Statements

Certain statements contained in management's discussion and analysis 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 our 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" and similar expressions 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. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Therefore, any such forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this document.

The Company's Annual Information Form 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.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Additional Information

Additional information about AutoCanada is available at the Company's website at www.autocan.ca and www.sedar.com.

For further information contact:

Christopher Burrows
Senior Vice-President & Chief Financial Officer
Phone: 780.509.2808
Email: cburrows@autocan.ca