

AUTOCANADA REPORTS 2018 FIRST QUARTER RESULTS

Edmonton, Alberta, May 3, 2018 - AutoCanada Inc. ("AutoCanada" or the "Company") (TSX:ACQ), a leading North American multi-location automobile dealership group, today reported its financial results for the three month period ended March 31, 2018.

- Same store Revenue up 4.6% to \$562.1 million
- Same store Gross Profit of \$95.5 million up 1.0%
- Same store total vehicle sales of 11,407 units up 3.1%

"This was a significant quarter for AutoCanada, completing our largest acquisition in corporate history" said Steven J. Landry, President & Chief Executive Officer. "With the Grossinger Auto Group acquisition, we added over \$500 million in annual revenue with a well-established business, gained four new brands and a cluster of dealerships in a major urban market offering a mix of domestic, import and luxury vehicles. It further diversified our geographical weighting while, broadening our mix into a new region. We have now closed the deal and have been working with the teams in Chicago and Bloomington on the integration process. The acquisition moves our dealership count to 68, representing 27 brands."

2018 First Quarter Highlights

- Same store revenue of \$562.1 million, up 4.6% in the first quarter of this year from the same period last year. Total revenue of \$620.5 million, down 2.9% compared with the first quarter of 2017.
- Same store gross profit was \$95.5 million, up 1.0% compared with the same quarter in 2017, with total gross profit of \$104.3, down as a percentage of revenue decreasing to 16.8% from 17.5%.
- Same store unit sales and revenue from new vehicle sales were up 3.9% and 4.1%, respectively, year over year. The same-store positive performance was driven by increases in both volume and average revenue per vehicle sold. Total new vehicle sales were 8,140, down 4.3% from the same period in 2017. Total revenue from the sale of new vehicles was \$338.0 million, down 4.4% from the same period in 2017. The sale of new vehicles accounted for 54.5% of the Company's total revenue and 22.5% of gross profit versus 55.3% of revenue and 22.9% of gross profit in the first quarter of 2017.
- For same store, unit sales and revenue from used vehicle sales were up 1.9% and 1.1%, respectively, year over year. Total used vehicle sales were 4,527, largely flat compared with the same quarter last year. Total revenue from the sale of used vehicles sales was \$157.9 million, down 4.5% from same time last year. The sale of used vehicles accounted for 25.4% of the Company's total revenue and 8.2% of gross profit, versus 25.9% of revenue and 10.7% of gross profit in the first quarter of 2017.
- Same store parts, service and collision repair revenue grew by 11.8%. While the number of service and collision repair orders completed in the quarter declined year over year, the average price of those orders went up, driving an overall increase in revenue for this segment. Total parts, service and collision repair generated \$95.9 million of revenue, up 5.7% from same time 2017. This accounted for 15.5% of the Company's total revenue and 43.6% of its gross profit, up from 14.2% of revenue and 42.4% of gross profit in the same quarter of 2017.
- On the same-store basis, revenue from finance and insurance grew by 9.0% and by 6.6% per retail vehicle sold. Total finance and insurance generated \$28.7 million of revenue, a decrease of 2.3% from same period in 2017. This accounted for 4.6% of the Company's total revenue and 25.7% of its gross profit, flat from 4.6% of revenue and up from 24.0% of profit in the first quarter of 2017.
- Operating expenses were \$95.8 million, down 2.4% from the same period last year. Operating

expenses as a percentage of gross profit were up to 91.8% from 87.9% over the same period in 2017.

- EBITDA attributable to AutoCanada shareholders increased by 11.0% to \$15.7 million from same time last year.
- The Company generated net earnings attributable to AutoCanada shareholders of \$4.8 million (\$4.8 million on an adjusted basis), or \$0.18 per share (\$0.18 adjusted) versus \$3.7 million in 2017 (\$4.6 million adjusted) or \$0.13 per share (\$0.17 adjusted).

“Our same store performance was very good, with improvements in every part of the business. The combination of growing the business through acquisitions while improving our operating performance of existing dealerships shows our strategy is working and gives us good reason to be optimistic.” said Chris Burrows, Senior Vice-President and Chief Financial Officer.

The following table summarizes the Company's results for the quarter ended March 31, 2018:

Consolidated Operational Data	Three months ended March 31		
	2018	2017	% Change
EBITDA attributable to AutoCanada shareholders ^{1,2}	15,694	14,136	11.0%
Adjusted EBITDA attributable to AutoCanada shareholders ^{1,2}	15,689	15,514	1.1%
Net earnings attributable to AutoCanada shareholders ^{1,2}	4,832	3,678	31.4%
Adjusted net earnings attributable to AutoCanada shareholders ^{1,2}	4,832	4,602	5.0%
Basic EPS	0.18	0.13	38.5%
Adjusted diluted EPS ²	0.18	0.17	5.9%
New retail vehicles sold (units)	6,664	6,753	-1.3%
New fleet vehicles sold (units)	1,476	1,755	-15.9%
New vehicles sold (units)	8,140	8,508	-4.3%
Used retail vehicles sold (units)	4,527	4,547	-0.4%
Total vehicles sold (units)	12,667	13,055	-3.0%
Revenue	620,485	639,027	-2.9%
Gross Profit	104,344	111,627	-6.5%
Gross Profit %	16.8%	17.5%	-3.9%
Operating expenses	95,781	98,170	-2.4%
Operating expenses as % of gross profit	91.8%	87.9%	4.4%
Operating Profit	15,906	15,638	1.7%
Free cash flow ²	(14,388)	621	-2416.9%
Adjusted free cash flow ²	3,721	15,217	-75.5%

*See the Company's Management's Discussion and Analysis for the quarter ended March 31, 2018 for complete footnote disclosures.

Outlook

New vehicle sales in Canada began 2018 at a stronger pace than 2017's record breaking year. While many do not expect that trend to continue throughout 2018 (as March figures showed their first year-over-year decline), the year is expected to be strong by historical standards. The shift to higher margin light trucks and SUVs has also continued, with light trucks accounting for 71.8% of vehicle sales in Canada, thus far in 2018.

First quarter US new vehicle sales are up more than 80,000 units over 2017, as sales were helped by a strong economy with low unemployment and continued OEM incentives. Light trucks accounted for more than two-thirds of vehicle sales in the quarter.

Through a series of recent acquisitions, AutoCanada's regional weighting has shifted outside of Alberta, though the province continues to play an important part in the Company's results.

Subsequent to the first quarter of 2018, the Company closed the previously announced acquisition of the Illinois-based Grossinger Auto Group. This acquisition has added a well-established business to AutoCanada's network and is expected to be accretive to the Company's earnings. It has brought new valuable OEM relationships and broadened AutoCanada's geographical reach and brand diversification through adding a combination of domestic, import and luxury dealerships to its portfolio.

The Company believes its capital allocation strategy and funds, including bank credit agreements in place, are flexible and efficient, and provide enough capacity for operating and capital expenditures, as well as corporate (e.g. acquisitions) purposes for the foreseeable future.

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 May 3, 2018, the Board declared a quarterly eligible dividend of \$0.10 per common share on AutoCanada's outstanding Class A common shares, payable on June 15, 2018 to shareholders of record at the close of business on May 31, 2018.

SELECTED QUARTERLY FINANCIAL 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)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Income Statement Data								
New vehicles	338,016	417,626	497,711	558,682	353,540	348,107	444,482	497,025
Used vehicles	157,901	175,251	192,473	182,913	165,408	157,724	179,582	208,016
Parts, service and collision repair	95,893	107,156	104,816	113,983	90,735	92,310	95,585	100,317
Finance, insurance and other	28,675	33,027	39,571	39,324	29,344	31,133	33,529	36,899
Revenue	620,485	733,060	834,571	894,902	639,027	629,274	753,178	842,257
New vehicles	23,473	30,033	36,806	38,555	25,590	25,042	31,578	34,410
Used vehicles	8,562	7,563	11,140	13,095	11,940	10,064	12,950	13,758
Parts, service and collision repair	45,533	56,915	53,806	56,306	47,284	52,957	47,676	52,957
Finance, insurance and other	26,776	30,699	36,218	35,867	26,813	28,722	30,733	33,577
Gross profit	104,344	125,210	137,969	143,823	111,627	116,785	122,937	134,702
Gross Profit %	16.8%	17.1%	16.5%	16.1%	17.5%	18.6%	16.3%	16.0%
Operating expenses	95,781	104,626	110,560	112,897	98,170	97,397	99,041	107,932
Operating expenses as a % of gross profit	91.8%	83.6%	80.1%	78.5%	87.9%	83.4%	80.6%	80.1%
Operating profit ²	15,906	26,505	30,287	46,539	15,638	20,761	(28,776)	28,442
(Recovery) impairment of intangible assets and goodwill	-	(816)	-	-	-	-	54,096	-
Net earnings (loss) attributable to AutoCanada shareholders	4,832	17,089	12,100	24,977	3,678	13,785	(32,619)	14,158
Adjusted net earnings attributable to AutoCanada shareholders ^{2,4}	4,832	8,935	13,581	15,547	4,602	7,536	10,327	15,523
EBITDA attributable to AutoCanada shareholders ²	15,694	28,127	25,827	43,722	14,136	25,260	23,842	27,072
EBITDA attributable to AutoCanada shareholders as a % of sales ²	2.5%	3.8%	3.1%	4.9%	2.7%	4.5%	3.6%	3.7%
Free cash flow ²	(14,388)	29,496	31,114	10,982	621	23,424	30,897	37,922
Adjusted free cash flow ²	3,721	15,996	23,296	36,277	15,217	13,133	27,766	21,632
Basic earnings per share	0.18	0.62	0.44	0.91	0.13	0.50	(1.19)	0.53
Diluted earnings per share	0.18	0.62	0.44	0.91	0.13	0.50	(1.19)	0.53
Basic adjusted earnings per share ^{2,4}	0.18	0.33	0.50	0.57	0.17	0.28	0.38	0.57
Diluted adjusted earnings per share ^{2,4}	0.18	0.33	0.10	0.57	0.17	0.27	0.38	0.57
Dividends declared per share	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Operating Data								
Vehicles (new and used) sold ³	12,667	14,475	17,132	18,490	13,055	12,912	15,955	17,425
New vehicles sold ³	8,140	9,822	12,014	13,429	8,508	8,449	10,983	12,098
New retail vehicles sold ³	6,664	8,444	10,334	10,545	6,753	7,590	8,949	9,374
New fleet vehicles sold ³	1,476	1,378	1,680	2,884	1,755	859	2,034	2,724
Used retail vehicles sold ³	4,527	4,653	5,118	5,061	4,547	4,463	4,972	5,327
# of service and collision repair orders completed ³	180,429	224,006	220,669	228,872	197,069	217,418	209,912	227,446
Absorption rate ²	84%	90%	87%	87%	82%	86%	89%	90%
# of dealerships at period end	54	58	57	57	56	55	53	53
# of same stores dealerships ¹	49	49	48	47	47	44	33	27
# of service bays at period end	906	999	977	977	949	928	898	898
Same stores revenue growth ¹	4.6%	11.1%	2.9%	0.1%	(7.1)%	(10.0)%	(9.2)%	(3.2)%
Same stores gross profit growth ¹	1.0%	1.4%	6.3%	1.1%	(1.2)%	(5.8)%	(11.0)%	(5.3)%

*See the Company's Management's Discussion and Analysis for the quarter ended March 31, 2018 for complete footnote disclosures.

The following tables summarize the results for the quarter and year ended March 31, 2018 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 March 31		
	2018	2017	% Change
Revenue Source			
New vehicles – Retail	245,958	243,468	1.0%
New vehicles – Fleet	59,298	49,680	19.4%
Total New vehicles	305,256	293,148	4.1%
Used vehicles – Retail	103,136	99,979	3.2%
Used vehicles – Wholesale	41,220	42,752	-3.6%
Total Used vehicles	144,356	142,731	1.1%
Finance, insurance and other	27,141	24,892	9.0%
Subtotal	476,753	460,771	3.5%
Parts, service and collision repair	85,398	76,402	11.8%
Total	562,151	537,173	4.6%
New retail vehicles sold (units)	5,902	5,752	2.6%
New fleet vehicles sold (units)	1,454	1,331	9.2%
Used retail vehicles sold (units)	4,051	3,977	1.9%
Total	11,407	11,060	3.1%
Total vehicles retailed (units)	9,953	9,729	2.3%

Same Store Gross Profit and Profit Percentage

(in thousands of dollars)	Three Months Ended March 30				
	Gross Profit			Gross Profit %	
	2018	2017	% Change	2018	2017
Revenue Source					
New vehicles - Retail	19,988	20,042	-0.3%	8.1%	8.2%
New vehicles - Fleet	1,120	1,585	-29.3%	1.9%	3.2%
Total New vehicles	21,108	21,627	-2.4%	6.9%	7.4%
Used vehicles - Retail	7,148	9,088	-21.3%	6.9%	9.0%
Used vehicles - Wholesale	814	1,137	-28.4%	2.0%	2.7%
Total Used vehicles	7,962	10,225	-22.1%	5.5%	7.2%
Finance, insurance and other	25,348	22,756	11.4%	93.4%	91.4%
Subtotal	54,418	54,608	-0.3%	11.4%	11.9%
Parts, service and collision repair	41,100	39,993	2.8%	48.1%	52.3%
Total	95,518	94,601	1.0%	17.0%	17.6%

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 March 31, 2018, 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: Operating profit; EBITDA; Adjusted EBITDA; Adjusted Net Earnings and Adjusted Net Earnings per Share; EBIT; Free Cash Flow; Adjusted Free Cash Flow; Absorption Rate; Average Capital Employed; Adjusted 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 ended March 31, 2018 will be held on May 4 at 6:30am Mountain Time (8:30am Eastern). To participate in the conference call, please dial 1.888.231.8191 (Canada and USA) 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/Q12018/>

About AutoCanada

AutoCanada, a leading North American multi-location automobile dealership group currently operating 68 franchised dealerships, comprised of 27 brands, in eight provinces in Canada as well as a group in Illinois, USA and has over 4,200 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, MINI, Volvo, Toyota, Lincoln and Honda 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 generating revenue in excess of C\$3 billion.

Forward Looking Statements

Certain statements contained in the MD&A 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", "shall" 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 www.sedar.com and the Company's website at www.autocan.ca.

For further information contact:

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