

AUTOCANADA INC.

REPORTS SECOND QUARTER 2017 RESULTS

EDMONTON, Alberta (August 10, 2017) - AutoCanada Inc. (TSX: ACQ), one of Canada's largest, and only publicly traded, multi-location automobile dealership groups, today provided a corporate update and reported its financial results for the three-month and six-month periods ended June 30, 2017.

"Management has undertaken several significant steps over the last number of months toward achieving our strategic goals of broadening our brand portfolio and our geographic footprint," said Steven J. Landry, President & Chief Executive Officer. "We added Alfa Romeo to our brand profile April of this year. The acquisition of Mercedes-Benz Rive-Sud in Montreal not only adds the Mercedes-Benz and Smart brands, but also provides us with a facility in full compliance with brand image standards, adds 28 service bays and is one of only three authorized Mercedes-Benz collision centres in Quebec. We are very pleased with the early results from this store and will continue to pursue similar opportunities in other markets while our discussions continue to enhance our various OEM relationships. In short, we are very committed to organic year-over-year margin growth at our existing stores while generating incremental growth through smart accretive acquisitions. While we have set high performance dealership goals for ourselves, our Q2 operating profit performance is an example of having a strong focus on margin improvement."

Second Quarter Highlights

- Revenue in the quarter was up 6.3% compared with the second quarter of 2016. Operating expenses as a percentage of gross profit declined to 78.5% compared with 80.1% over the same period last year.
- Gross profit was \$143.8 million in the second quarter, compared with \$134.7 million in the same quarter of 2016, with gross profit as a percentage of revenue increasing slightly to 16.1% from 16.0%.
- New vehicle unit sales were 13,429, up 11.0% from the same period in 2016. Revenue from new vehicle sales was \$558.7 million in the quarter, up 12.4% from 2016. New vehicle sales accounted for 62.4% of the Company's total revenue and 26.8% of gross profit versus 59.0% of revenue and 25.5% of gross profit in the second quarter of 2016.
- Used vehicle unit sales were 5,061, down 5.0% from the same quarter last year. Revenue from used vehicle sales was \$182.9 million in the quarter, down 12.1% from last year. Used vehicle sales accounted for 20.4% of the Company's total revenue and 9.1% of gross profit, versus 24.6% of revenue and 10.2% of gross profit in 2016.
- Parts, service and collision repair generated \$114.0 million of revenue in the second quarter, up 13.6% from 2016. This accounted for 12.7% of the Company's total revenue and 39.1% of its gross profit, versus 11.9% of revenue and 39.3% of gross profit in 2016.
- Finance and insurance generated \$39.3 million of revenue in the second quarter, an improvement of 6.6% from 2016. This accounted for 4.5% of the Company's total revenue and 25.0% of its gross profit, reflecting similar numbers from 2016.
- EBITDA attributable to AutoCanada shareholders was \$43.7 million, up 61.4% from last year. Operating profit before other income was \$30.9 million, up 15.5% from last year.
- Adjusted earnings per share were \$0.57. Including a one-time payment of \$9.8 million, net of related expenses and tax, as part of a settlement with an OEM, earnings per share were \$0.91 in 2017.
- The Company renegotiated the terms of one of its credit facilities to match an existing facility and free-up \$20.5 million of working capital.

"There were a number of encouraging signs for the Company this quarter," said Chris Burrows, Chief Financial Officer. "New vehicle sales were up as was revenue from parts, service and collision repair. We continue to focus on managing costs at both the store and corporate level, and that contributed to an improvement in operating profit. While the gains have been incremental to date, they speak to the success of our broader strategy of maintaining operational excellence, continuously managing costs, and capturing market share through accretive acquisitions."

The following table summarizes the Company's results for the quarter ended June 30, 2017:

Consolidated Operational Data	Three months ended June 30		
	2017	2016	% Change
EBITDA attributable to AutoCanada shareholders	43,683	27,072	61.4%
Adjusted EBITDA attributable to AutoCanada shareholders	30,748	29,095	5.7%
Net earnings attributable to AutoCanada shareholders	24,978	14,158	76.4%
Adjusted net earnings attributable to AutoCanada shareholders	15,547	15,523	0.2%
Basic EPS	0.91	0.53	71.7%
Adjusted diluted EPS	0.57	0.57	0.0%
New retail vehicles sold (units)	10,545	9,374	12.5%
New fleet vehicles sold (units)	2,884	2,724	5.9%
New vehicles sold (units)	13,429	12,098	11.0%
Used retail vehicles sold (units)	5,061	5,327	(5.0)%
Total vehicles sold (units)	18,490	17,425	6.1%
Revenue	894,902	842,257	6.3%
Gross Profit	143,823	134,702	6.8%
Gross Profit %	16.1%	16.0%	0.6%
Operating profit before other income	30,926	26,770	15.5%
Operating expenses	112,897	107,932	4.6%
Operating expenses as % of gross profit	78.5%	80.1%	(2.0)%
Free cash flow	10,982	37,922	(71.0)%
Adjusted free cash flow	36,277	21,632	67.7%

*See the Company's Management's Discussion and Analysis for the quarter ended June 30, 2017 for complete footnote disclosures.

Outlook

New vehicle sales are on track to set a record in Canada this year as the economy, business investment and historically low interest rates all contribute to the positive outlook. Sales exceeded one million units for the first time ever in the first half of the year and, despite the Bank of Canada raising its overnight rate in July, the contributing factors for January to June performance are expected to continue throughout the balance of the year, fueling a strong second half of sales.

While the macro climate bodes well for AutoCanada, the Company's new vehicle sales do not always mirror the national trends. This is in part owing to the current geographical over-weighting in western Canada (and particularly Alberta) and in part due to the brand mix not being a direct comparable to the brand mix in national sales. It is for both of these reasons that the Company continues to pursue its dual diversification strategy of broadening its geographical footprint while expanding the number of brands offered.

The Company also continues to look to enhance its used vehicle sales, its parts, service and collision repair business and its sales of financing and insurance products, each of which contributes to the total revenue and profitability of AutoCanada. The improvement in new vehicle sales often leads to improvements in each of these other parts of the Company's business.

We remain keenly focused on making further progress on integration, continuous improvements in efficiencies and deepening our IT and analytical capabilities across AutoCanada's network of dealerships and at the corporate office. Acquiring new dealerships and effectively integrating them is key to our long-term success. Same store results, reflecting the performance of dealerships that have been owned for at least two full years since acquisition or opening, is an important metric to assess how well we are doing at integration. Same store sales saw a slight uptick in

the second quarter, with revenue up 0.1% and gross profit up 1.1%. Since the end of the second quarter last year, twenty stores have transitioned into our same store count, leaving only ten stores not yet part of the count. Only one new store will be added to the same-store category in each of the next two quarters, so while cost control will continue to be an important focus for the Company, integrating new stores is not expected to have as much of an impact on the Company's performance in the near term.

Dealership relocations and expansions are important steps to provide long-term earnings sustainability and improvements in overall profitability for growing locations. Our capital expenditure on relocations and expansions in 2017 continue on track. By the end of the second quarter, we invested \$10.3 million in dealership relocations and expansions of a planned \$29.9 million investment this year. The Company has identified approximately \$65.3 million in capital costs that it may incur in order to expand or renovate various current locations through to the end of 2021. Our five-year total capital plan is \$124.7 million for contemplated future capital projects.

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 August 10, 2017, the Board declared a quarterly eligible dividend of \$0.10 per common share on AutoCanada's outstanding Class A shares, payable on September 15, 2017 to shareholders of record at the close of business on August 31, 2017.

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)	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Income Statement Data								
New vehicles	558,682	353,540	348,107	444,482	497,025	363,181	368,242	471,018
Used vehicles	182,913	165,408	157,724	179,582	208,016	180,108	167,100	179,270
Parts, service and collision repair	113,983	90,735	92,310	95,585	100,317	94,721	102,220	93,139
Finance, insurance and other	39,324	29,344	31,133	33,529	36,899	28,862	34,752	37,778
Revenue	894,902	639,027	629,274	753,178	842,257	666,872	672,314	781,205
New vehicles	38,555	25,590	25,042	31,578	34,410	27,267	27,482	34,300
Used vehicles	13,095	11,940	10,064	12,950	13,758	10,420	10,326	10,949
Parts, service and collision repair	56,306	47,284	52,957	47,676	52,957	47,669	51,760	48,336
Finance, insurance and other	35,867	26,813	28,722	30,733	33,577	26,353	34,354	35,088
Gross profit	143,823	111,627	116,785	122,937	134,702	111,709	123,922	128,673
Gross Profit %	16.1%	17.5%	18.6%	16.3%	16.0%	16.8%	18.4%	16.5%
Operating expenses	112,897	98,170	97,397	99,041	107,932	96,047	101,310	100,824
Operating expenses as a % of gross profit	78.5%	87.9%	83.4%	80.6%	80.1%	86.0%	81.8%	78.4%
Net earnings (loss) attributable to AutoCanada shareholders	24,978	3,678	13,785	(32,619)	14,158	7,272	(7,361)	11,690
Adjusted net earnings attributable to AutoCanada shareholders	15,547	4,602	7,536	10,327	15,523	6,253	8,610	12,535
EBITDA attributable to AutoCanada shareholders	43,683	14,136	25,260	23,842	27,072	18,312	23,353	26,379
EBITDA attributable to AutoCanada shareholders as a % of Sales	4.8%	2.7%	4.5%	3.6%	3.7%	3.2%	3.5%	3.8%
Free cash flow	10,982	621	23,424	30,897	37,922	4,045	9,066	14,995
Adjusted free cash flow	36,277	15,217	13,133	27,766	21,632	6,035	8,078	18,951
Basic earnings per share	0.91	0.13	0.50	(1.19)	0.53	0.27	(0.29)	0.48
Diluted earnings per share	0.91	0.13	0.50	(1.19)	0.53	0.27	(0.29)	0.47
Basic adjusted earnings per share	0.57	0.17	0.28	0.38	0.57	0.23	0.34	0.51
Diluted adjusted earnings per share	0.57	0.17	0.27	0.38	0.57	0.23	0.34	0.51
Operating Data								
Vehicles (new and used) sold	18,490	13,055	12,912	15,955	17,425	13,301	14,150	17,086
New vehicles sold	13,429	8,508	8,449	10,983	12,098	8,502	9,210	12,018
New retail vehicles sold	10,545	6,753	7,590	8,949	9,374	7,078	8,016	9,985
New fleet vehicles sold	2,884	1,755	859	2,034	2,724	1,424	1,194	2,033
Used retail vehicles sold	5,061	4,547	4,463	4,972	5,327	4,799	4,940	5,068
# of service and collision repair orders completed	228,872	197,069	217,418	209,912	227,446	209,194	230,772	202,692
Absorption rate	87%	82%	86%	89%	90%	83%	93%	91%
# of dealerships at period end	57	56	55	53	53	53	54	50
# of same stores dealerships	47	47	44	33	27	27	28	26
# of service bays at period end	977	949	928	898	898	898	912	862
Same stores revenue growth	0.1%	(7.1)%	(10.0)%	(9.2)%	(3.2)%	(3.1)%	(12.1)%	(6.9)%
Same stores gross profit growth	1.1%	(1.2)%	(5.8)%	(11.0)%	(5.3)%	(5.5)%	(14.3)%	(14.1)%

*See the Company's Management's Discussion and Analysis for the quarter ended June 30, 2017 for complete footnote disclosures.

The following tables summarizes the results for the quarter ended June 30, 2017 on a same store basis by revenue source and compares these results to the same period in 2016.

Same Store Revenue and Vehicles Sold

(in thousands of dollars)	Three Months Ended June 30		
	2017	2016	% Change
Revenue Source			
New vehicles - Retail	382,664	358,597	6.7%
New vehicles - Fleet	98,308	93,749	4.9%
Total New vehicles	480,972	452,346	6.3%
Used vehicles - Retail	105,351	122,548	(14.0)%
Used vehicles - Wholesale	54,951	71,034	(22.6)%
Total Used vehicles	160,302	193,582	(17.2)%
Finance, insurance and other	34,764	33,689	3.2%
Subtotal	676,038	679,617	(0.5)%
Parts, service and collision repair	95,966	91,240	5.2%
Total	772,004	770,857	0.1%
New retail vehicles sold (units)	8,914	8,435	5.7%
New fleet vehicles sold (units)	2,618	2,559	2.3%
Used retail vehicles sold (units)	4,411	4,883	(9.7)%
Total	15,943	15,877	0.4%
Total vehicles retailed (units)	13,325	13,318	0.1%

Same Store Gross Profit and Profit Percentage

(in thousands of dollars)	Three Months Ended June 30				
	Gross Profit			Gross Profit %	
	2017	2016	% Change	2017	2016
Revenue Source					
New vehicles - Retail	31,758	29,794	6.6%	8.3%	8.3%
New vehicles - Fleet	1,510	1,736	(13.0)%	1.5%	1.9%
Total New vehicles	33,268	31,530	5.5%	6.9%	7.0%
Used vehicles - Retail	9,833	11,292	(12.9)%	9.3%	9.2%
Used vehicles - Wholesale	1,996	1,190	67.7%	3.6%	1.7%
Total Used vehicles	11,829	12,482	(5.2)%	7.4%	6.4%
Finance, insurance and other	31,495	30,694	2.6%	90.6%	91.1%
Subtotal	76,592	74,706	2.5%	11.3%	11.0%
Parts, service and collision repair	47,886	48,382	(1.0)%	49.9%	53.0%
Total	124,478	123,088	1.1%	16.1%	16.0%

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 June 30, 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 ended June 30, 2017 will be held on August 11, 2017 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: <http://investors.autocan.ca/Q22017>

About AutoCanada

AutoCanada is one of Canada's largest multi-location automobile dealership groups, currently operating 57 franchised dealerships, comprised of 65 franchises, in eight provinces and has over 4,500 employees. AutoCanada currently sells Chrysler, Dodge, Jeep, Ram, FIAT, Alfa Romeo, Chevrolet, GMC, Buick, Cadillac, Infiniti, Nissan, Hyundai, Subaru, Mitsubishi, Audi, Volkswagen, Kia, Mercedes-Benz, Smart, BMW, and MINI branded vehicles. In 2016 with \$2.9 billion in revenue, our dealerships sold approximately 60,000 vehicles and processed approximately 864,000 service and collision repair orders in our 928 service bays.

Dealerships generate their revenue from the following four inter-related business operations: new vehicle sales; used vehicle sales; parts, service and collision repair; and finance and insurance. While new vehicle sales are the most important source of revenue, they generally result in lower gross profits than parts, service and collision repair operations and finance and insurance sales. Overall gross profit margins increase as revenues from higher margin operations increase relative to revenues from lower margin operations. The Company earns fees for arranging financing on new and used vehicle purchases on behalf of third parties. Under agreements with retail financing sources, the Company is required to collect and provide accurate financial information, which if not accurate, may require us to be responsible for the underlying loan provided to the consumer.

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