LITHIA & driveway
NYSE:LAD

Quarterly Letter from Bryan DeBoer

FALL 2023

Hello, Lithia & Driveway Associates,

Autumn is an ideal time of year to reflect on our journey, celebrate how far we've come, and to plan for a strong finish. To date, we've enjoyed robust network growth—both within the U.S. and abroad—as our omnichannel approach continues to expand market share. As we enter the back half of our 2025 Plan to achieve $50 billion in annual revenue, I'm pleased to say the company's engine is built for acceleration!

As you *Take Personal Ownership* of your AOPs (Annual Operating Plans) in the coming weeks, I'd like to share with you *why* we are industry trailblazers and how the Plan's operational focuses and Consumer Optionality apply to your everyday drive to *Earn Customers for Life*.

Consumers Desire Different Experiences & So Do We

The traditional retail model is changing, and today's consumers want speed, convenience, and simplicity in their vehicle-ownership experiences. So, we must clearly position ourselves as a modern retailer that will meet consumers *wherever, whenever,* and *however* they desire.

This is why **Driveway** is a guiding light to the 2025 Plan and beyond—we're combining the muscle of our core businesses (the stores) with the ease of an ecommerce, at-home experience. Driveway allows us to access 50 times more customers than our traditional model! With every store acquisition, we're strengthening our talented teams, flexing our physical footprint, and boosting our vast inventory.

Consumers are looking for optionality, and we're here to do that!

The Industry Evolves & So Do We

The shift to electrification and alternate-fuel vehicles is here to stay. That's why we created the **GreenCars** website to be an industry-leading education resource that helps more consumers investigate sustainable mobility options. In fact, every month we know that approximately 1,000 consumers who purchase a vehicle from us have visited the website as part of their journey.

In addition, as more companies adopt sustainability practices, GreenCars is taking the lead in launching several carbon-reduction initiatives and an annual companywide **GreenCars Sustainability Award**.

Read about Award

Another vital lane for pursuing the Plan is **network diversification**. That's why we are exploring new transportation-related territories (think Air Stream and Harley-Davidson). As we continue to consolidate the largest retail network globally and gain scale, we increase our ability to benefit all stores, large and small. Our goal is to offer the widest array of products and services throughout the vehicle-ownership lifecycle.

Nearly all industry peers are following our lead.

You Go the Extra Mile & So Do We

You often go the extra mile to serve your customers, engage with your communities, and increase store and team performance. In turn, we strive to provide you with a welcoming workplace, an enjoyable career, and a healthy work/life balance. (For those of you based in the United States, remember **Benefits Open Enrollment** is November 1–15. We have a comprehensive Total Rewards package for you to review.)

Lithia & Driveway has been growing since 1946, and we want that legacy of growth to continue for future generations. That's why we continue to change and stay nimble. By making adjustments, we are ready when the customer is ready.

Plan for 2024

Lastly, when you begin working on your AOP, keep in mind how you can contribute to the Plan and our mission, *Growth Powered by People*. Consider how you are growing within the framework of each of our four core values. Propose new ways you and your teams can grow professionally. Share how you think Lithia & Driveway can evolve by embracing innovative ideas and emerging trends.

Consumer Optionality ignites opportunities to grow!

Thank you, everyone, and *Have Fun!*



Bryan DeBoer