Quarterly Letter from Bryan DeBoer

WINTER 2024

Hello,

Looking back on 2023, I'm so impressed with how your energy is igniting *Growth Powered by People*. Last year, we boasted a 10% increase in our annual revenue, increasing from $28 billion in 2022 to $31 billion. New acquisitions added $3.8 billion in annualized revenues, while DFC, Driveway, and GreenCars continue to enhance our customer offerings. Great job, everyone! As always, more exciting milestones lie ahead.

The Lithia & Driveway (LAD) Plan for 2024

By working together, our combined efforts laid the groundwork for 2024 to be the **Year of Execution**. This year's LAD Plan reveals how our growth strategy is accelerating from a foundation-building to an executing phase.

Read the 2024 LAD Plan!

Robust Retail Network Development

The 2024 LAD Plan relies heavily on our extensive retail network. In 2023, we welcomed the following:

- **In the US:** Wade Ford in Georgia, Hill Country Honda in Texas, and Priority Auto Group in Virginia
- **In Canada:** Acura franchise in Thornhill, Ontario
- **In the UK:** Jardine Motors Group and two BMW stores in Maidstone and Tunbridge Wells

In addition, we recently purchased Pendragon, the UK's third-largest automotive dealership group, acquiring its motor and fleet management divisions and forming a strategic partnership with Pinewood Technologies, a dealer management system (DMS) platform, and the future backbone of Lithia & Driveway's ecosystem.

Outstanding Performances

As our network thrives under the LAD Plan, we know store and personal performances are key to evolving the customer experience through optionality, simplicity, and convenience.

- The Lithia Partners Group (LPG) Program is our north star for high performance, with aspirations for all our stores to achieve partner-level status. Please join me in congratulating each of our 2023 LPG winners!

  See Who Won LPG Status

- We couldn't execute our LAD Plan without strong leadership across all levels of the organization. As an example, I'd like to give Tina Miller, our chief financial officer, a *Have Fun* shout-out for being named the 2023 Barbara Cox Woman of the Year for outstanding leadership in the automotive industry and community engagement.

Evolving Customer Experience

The 2024 LAD Plan's focus on our unique ecosystem of stores, digital platforms, and diverse selection of products and services will boost our ability to *Earn Customers for Life*. The Plan details how we will leverage a customer experience centered on value creation and lifelong loyalty, while increasing market share and profitability.

This coming year holds promise and possibilities for the company—and it's with humble confidence that I say we're poised to continue delighting our customers and growing together.

Join me in the journey ahead!



Bryan DeBoer
President & CEO