LITHIA driveway
NYSE:LAD

Quarterly Letter from Bryan DeBoer

SUMMER2024

Hello, Lithia & Driveway Leaders & Teams,

Our teams consistently overcome unanticipated turns in the road, staying nimble and positive—ultimately paving the way to new opportunities for growth within our entrepreneurial culture.

Building on this "can do" attitude, let's continue to find ways to cultivate high performance, customize the Customer Experience, and accelerate potential so we *Improve Constantly* and rise together towards 2025 and beyond.

Cultivate High Performance

No matter your role—be it in our stores or the Home Office—now's the time to place all our attention on performance. In this Year of Execution, it's imperative that we demonstrate superior performance in our store operations and the greater company ecosystem. This means that our customers receive unparalleled, personalized solutions on their terms—not ours!

I challenge each of you to evaluate, retool, and elevate your own strategies to power our forward motion using our core values as inspiration:



Earn Customers For Life

- Execute an exceptional vehicle-ownership experience to promote customer loyalty, goodwill, and word-of-mouth support.
- Welcome and solve consumer desires (and needs) with amazing face-to-face experiences, evolving technology—like Driveway, DFC, or GreenCars—and incremental innovation within store operations.



Take Personal Ownership

- Seize every chance to buy, sell, and service vehicles by leveraging our Omnichannel Ecosystem, which will soon also include a new customer portal (stay tuned as more details are coming soon).
- Lead by example to boost your team's morale and productivity.



Improve Constantly

- Create real-time, personalized customer experiences by thinking outside the box.
- Look for sustainable avenues to save energy and cut costs. (Check out the Store Sustainability Resource Center.)



Have Fun

- Celebrate wins—big and small—to reflect on how far we've come. Lithia & Driveway recently landed its best-ever ranking of #140 on the 2024 list of Fortune 500 companies! Plus, in June, we debuted in the Memphis, Tennessee market by welcoming two terrific new stores from the Sunrise Auto Group.

Remain Nimble

At Lithia & Driveway, the key to excelling in all environments and circumstances centers on the Customer Experience, where we execute—and perfect—personal mobility solutions to meet consumers wherever, whenever, and however they desire. We do that best by quickly adjusting and pivoting when challenges and changes affect our customers' ecosystem.

For example, looking in the rearview mirror, your creativity navigating the CDK disruption was nothing short of miraculous—THANK YOU! While I know it wasn't fun, we shifted quickly to meet current consumer needs, returning to past methods of manually writing retail contracts and repair orders. Clearly, this experience also emphasized our industry's need for another cloud-based solution—such as United Kingdom–based Pinewood Technologies, a strategic partnership we completed in 2024.

Manage Performance, Gain Potential

Now that we're on the other side of 2024's earlier challenges, it's time to recalibrate back to our core in-store competence by managing our performance towards department benchmarks and using the Store Performance Scorecard (SPS) as our North Star to guide our action plans. After all, fueling performance is the very essence of Growth Powered by People.

We *Have Fun* when we innovate our Customer Experience to be more convenient, connected, and concise. During our year-end AOP (annual operating plan) process, we'll concentrate on store potential and develop a roadmap to get there within a two-year timeframe. Jumpstart this process by asking how you're truly reaching your personal, department's, and store's potential. Then, transform your ideas into actions.

To bolster this performance-management effort, we've made some strategic shifts in our executive leadership. I'm excited to announce that Adam Chamberlain has been promoted to Chief Operating Officer & Executive Vice President, Chris Holzshu has moved to Executive Vice President for Corporate Development, and Dianna du Preez has transitioned into the Chief Customer Officer role. These executive-level changes are designed to amplify performance across all levels of our organization.

Your relentless resiliency and bold leadership are key to our purposeful journey towards 2025 and beyond. With each of you onboard—increasing performance and improving the Customer Experience—we're heading in the right direction. Thank you for living our core values and mission every day.

Let's Go Far!

Bryan DeBoer
President & CEO