Quarterly Letter from Bryan DeBoer

SUMMER 2025

Hello, Lithia & Driveway Leaders & Teams,

I hope summer is treating you all well, and the first half of the year was everything you had aspired for. As we roll into the second half, our "LPG" strategy to earn **L**oyalty, ignite **P**otential, and drive future **G**rowth are top of mind. You are the foundation of our success, and I'm very grateful for all you do to help us exceed customer expectations by meeting them wherever, whenever, and however they desire.

Earn Loyalty

No matter where you are within the organization, *Earning Customers for Life* is foundational to who we are and what we do. *Growth Powered by People* starts with you and the welcoming, enthusiastic, and helpful environment we all create. This allows us to focus on a customer-first mindset that is flexible, responsive, and most importantly, memorable.

Now more than ever, your interactions, skills, personalities, and love for cars and our customers exemplify these three simple words: AUTO DONE EASY. LAD's ecosystem is fully built and you play a vital role in keeping it running strong. Through our omnichannel offerings, we're able to provide customers with more simple and transparent experiences that empower them to buy, sell, and service their vehicle, their way.

When you help elevate the customer experience with solutions and optionality—such as with Driveway Finance Corporation (DFC) or with aftersales products and services—you increase the number of meaningful touchpoints we have with customers. This builds loyalty and grows market share. Loyalty thrives when we provide rewarding, exceptional interactions.

Ignite Potential

As we focus on how to perform at our highest possible level, let's keep the "10-10-10" year-over-year growth at the forefront of our minds and measurements. That means discovering road maps and inspiration to increase new-and-used vehicle sales, and aftersales, by 10% or more. (Two-thirds of net profit comes from aftersales!)

You can also boost potential with a tenacious effort to reduce costs incrementally and find effective operational efficiencies. Driving high performance starts with setting lofty goals—and creating belief—for yourself, and for each department and store. Together, we'll steadily ignite potential for the rest of 2025 and beyond.

Drive Growth

Growing our top line through great customer experiences is the easiest way to increase market share and help reach our potential. To *Improve Constantly*, we can all leverage the power of the LAD ecosystem and its competitive and distinctive advantages, including:

- **A vast store network** with its talented teams, inviting showrooms, expert service shops, and diversified vehicle inventory.
- **Customer-centric digital technologies**, such as the My Driveway portal that allows customers to manage their entire vehicle-ownership experience; Driveway, which offers ease and convenience in the buy-sell-service experience; and GreenCars, a consumer resource for learning about (and purchasing) hybrid and electric vehicles.
- **Industry adjacencies** that increase customer optionality with a wide range of mobility-related products and services—for example, DFC, our auto-financing company; Airstream's iconic trailers; or Harley Davidson's distinctive motorcycles.

As part of our growth model, we continue to develop our network with high-quality acquisitions. In June, we added Mercedes-Benz of Collierville (Tennessee) and Mercedes-Benz of Jackson (Mississippi) to our growing network of the best people in the industry. A warm welcome to our new stores, and let's tee up for a busy second half of the year!

By believing in our vision and living our core values, we can accelerate the momentum we attained in the last quarter. In Quarter 2, for the second year in a row, we achieved a year-over-year increase of 30% in earnings per share. These results reveal the power of our LPG strategy contributing to profitability as our digital brands continue to attract and retain customers, and our growing number of acquisitions and strategic partnerships bolster customer optionality and engagement.

Because of your passion for people and cars—and your dedication to *Growth Powered by People*—Lithia & Driveway is now ranked **#124** on the 2025 list of Fortune 500 companies and we're the largest global automotive retailer! Great job!

Let's have an amazing second half of 2025 and show the world what we're made of.

Stay Nimble & Humbly Confident!



Bryan DeBoer