

2026 Lithia & Driveway Plan



Growth Powered by People

In 2026, Lithia & Driveway (LAD) proudly celebrates 80 years of doing business. From a single store in 1946 to the world's largest automotive retailer today, this journey has been powered by one thing above all else—our people. You are the fuel behind our success and the reason *Growth Powered by People* is more than just our mission; it's how we do business.

As we look ahead, we remain focused on earning Loyalty, igniting Potential, and driving Growth—all in service of reaching full store and department potential.

To energize and execute this ambitious growth strategy, the Lithia & Driveway Partners Group (LPG) recognizes outstanding leadership performances across key operational categories that directly impact our bottom line. LPG is for everyone and achieving LPG status is the company's highest operational honor, recognizing leaders who deliver results while living our values.

If we believe in the vision and stay open-minded, the possibilities are endless for 2026 and beyond.

Loyalty

Think “Auto Done Easy”

We're here to make Auto Done Easy across all our LAD stores because it captures the heart of what we do—creating simple, transparent, and convenient customer experiences throughout the vehicle-ownership lifecycle.

Earning loyalty requires us to show up every day—heads up, engaged, and focused on exceeding customer expectations—so we continue to *Earn Customers for Life*. To help us inspire new and repeat customer relationships, consider the following insights:

- **Simple, Transparent & Convenient**

How are we simplifying our processes and creating more choice and optionality for customers?

- **Exceed Expectations**

Are we smiling, being proactive, and going above and beyond to provide solutions?

LAD Plan Summary within the Four Core Values

Our key focus is to leverage our people, strategy, adjacencies, and scale to expand and strengthen customer experiences to reach our full potential:



Earn Customers for Life

Build loyalty with exceptionally memorable experiences



Take Personal Ownership

Be bold, reach high, be yourself, and try new things



Improve Constantly

Challenge yourself, and each other, to find new ways to create memorable experiences while reaching potential



Have Fun!

Interact and engage to drive future growth and celebrate wins

- **Customer Retention**

How are we leveraging our strategy and adjacencies—DFC, Driveway.com, GreenCars, and more—to create exceptional end-to-end experiences?

- **Team Member Engagement**

How do we *Take Personal Ownership* of the experiences we deliver? (Engaged, loyal employees create loyal customers.)

Potential

Ignite Profit Potential

We reach potential when we focus on year-over-year growth and achieving full potential at every store and in every department. By growing revenue by 10%—while boldly leading the industry’s transformation on improving productivity—we’ll create both shareholder and team member value. This is achievable through our people, our strategy, and our scale.

Key levers to unlock potential include:

- **Aftersales**—Aftersales deliver significantly higher profit margins than vehicle sales. What opportunities exist to find and attract more customers to drive greater performance?
- **Used Vehicles**—We raised the bar last year. How can we continue to *Improve Constantly* with sourcing, pricing, and execution?
- **Costs**—Doing more with less matters. Where can we reduce costs while increasing productivity and performance?

Growth

Leverage our People, Growth Strategy & Adjacencies

Growth Powered by People happens when we stay humble, nimble, and solutions-oriented, meeting customers wherever, whenever, and however they choose to engage. By growing our people and fully leveraging our strategy and adjacencies, we expand market share and create more ways to serve customers.

Our key adjacencies include:

- **Driveway.com & GreenCars**—Digital experiences help make buying and selling cars more simple for customers. If a car isn’t on your lot for a customer, check out Driveway.com! Can we provide our customers with more optionality when buying or servicing a car?
- **DFC**—When we finance car loans via our captive finance company, we make three times the profit. How can we guide more customers to the DFC family?
- **My Driveway**—This is a powerful ownership portal for every Lithia & Driveway customer that brings convenience, connection, and serious empowerment. It starts with every customer becoming a free user, and it only takes a few minutes. Are we clearly demonstrating this value to customers?

Over the past eight decades, we’ve built a retail model that champions entrepreneurial leadership, *Growth Powered by People*, and a strategy that creates profit, potential, and possibilities. I can’t wait to see how far we will climb in 2026.



Believe in what we can do together!
Let's Roll!

A handwritten signature in black ink, appearing to read "Bryan DeBoer".

Bryan DeBoer
President & Chief Executive Officer

Summary of 2025 Accomplishments

In 2025, Lithia & Driveway continued to earn loyalty, ignite potential, and drive growth by executing simple, transparent, and convenient experiences. Here are the results of *Growth Powered by People*:

- **First Global Culture Poll:** 86% participation and 82% engagement globally; in North America, 93% participation (up 11% from 2023) and 84% engagement (up 2% from 2023)—reinforcing our momentum as a culture powered by people
- **3-Year Total Share Return:** +54%
- **5-Year Operating Profit CAGR*:** +18%
- **5-Year EPS CAGR:** +13%
- **Auto Performance KPI Averages:** Improved to 3.7 from 3.9
- **Store Network:** Acquired 13 stores, adding \$2.4B in revenue; completed planned divestitures in the UK; and improved reach to within 200 miles of 95% of the US
- **Network Brand & Geographic Diversification:** No single manufacturer accounted for more than 12% of our revenue
- **My Driveway Consumer Portal:** Added 588K new accounts and 130 new features to the site, giving LAD customers more control of their experience and increasing interactions
- **Driveway.com & GreenCars:** Contributed over \$607M in annualized revenues, averaging 1.7M monthly unique visitors while reducing marketing spend per retail unit by 40%
- **Pinewood Technologies:** North American JV achieved a \$86M gain from the exchange of PinewoodAI publicly traded stock
- **Wheels:** A 7% investment establishes LAD as a shareholder of the largest fleet management company in North America, opening pathways for massive operational and customer synergies
- **Capital Structure:** Supported growth and kept a strong balance sheet with expanded US credit facility from \$6B to \$6.5B, ABS warehouse-line capacity to \$2B, and completed three ABS offerings totaling \$1.7B
- **Stock Repurchases:** 11.4% (3M shares) at an average price of \$313
- **Generated Free Cash Flow:** \$1.2B, and increased our stock dividends by 5%
- **Return on Equity:** 12.8%
- **Investor Relations:** Improved analyst ratings from 65% buy to 79% buy, with no sell recommendations

Highlights

\$37.6B

Annual Revenue

Up from \$36.2B in 2024

+23%

5-Year Revenue CAGR

Retail Peer Group 20 up 7%

\$33.46

Earnings per Share (EPS)

A 16% increase over 2024

\$5B

DFC Portfolio

Achieved 15% penetration rate and grew profitability to \$60M

+3%

Same-Store Revenue

Retail Peer Group 20 up 1%

68.7%

SG&A% of Gross Profit

Auto Peer Group 6 was 69.6%

*CAGR stands for “Compound Annual Growth Rate” and indicates how an investment grows.

NOTE: Amounts are based on fiscal year same store (FY SS) and/or by Peer Group.