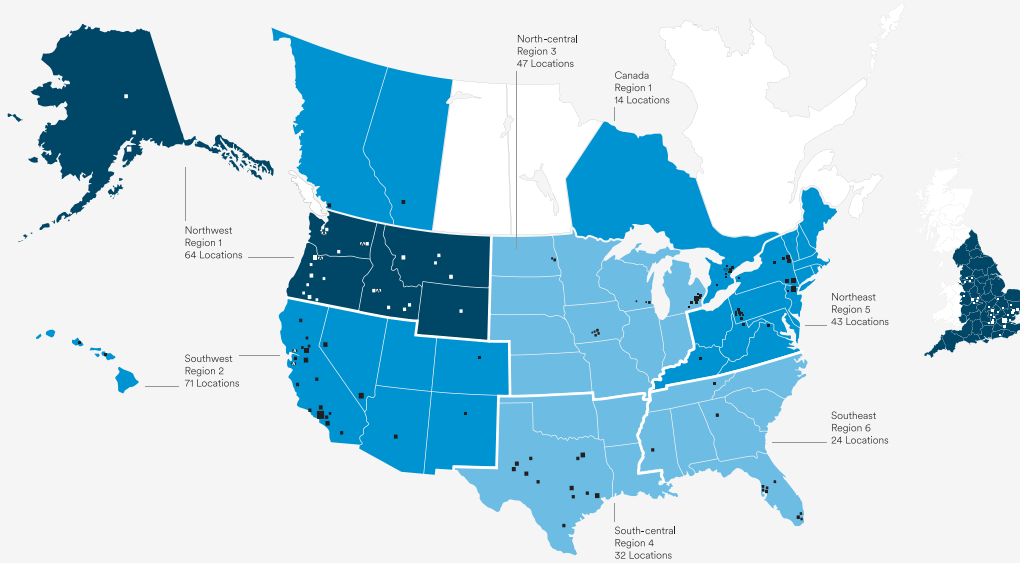


LITHIA & DRIVEWAY | Q1 2023

Company Highlights



Miles to Reach

~235mi

To reach 95% of US population

OEM Brands

50

Stores

330+

Vehicles

70,000+

Sales (2022)

\$28b+



10-Year EPS CAGR (annual)

58%



Q1 23 10-Q | Liquidity and Capital Resources

\$1.4b



Largest New & Used Auto Retailer (by revenue)

#1



2025 PLAN

\$55-60

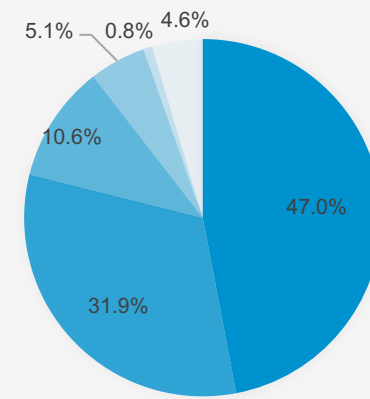
EPS

\$50b

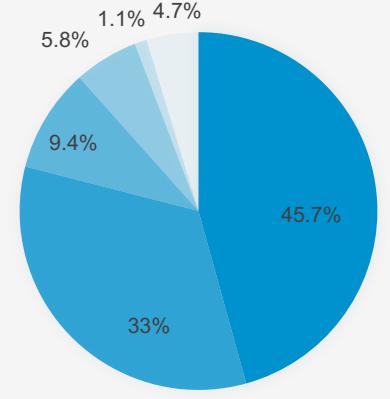
Revenues

DIVERSIFIED BUSINESS MIX

- NEW
- USED
- SERVICE, BODY & PARTS
- USED VEHICLE WHOLESALE
- FLEET & OTHER
- F&I



Q1 23



Q1 22

Unit Sales

145,938

TOTAL Q4 22

Q1 23



NEW: 67,796
USED: 78,142

Q1 22

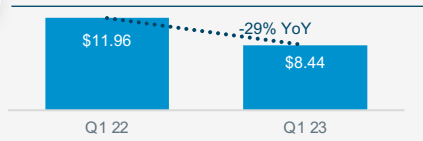


NEW: 64,942
USED: 73,689

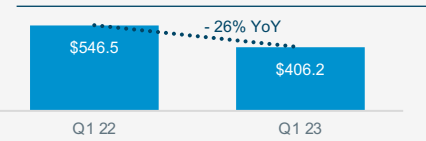
FINANCIAL RESULTS



Profitability (Adjusted EPS)



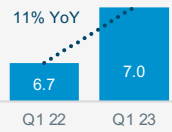
Adjusted EBITDA (millions)



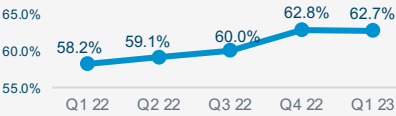
Revenue

\$28+

2022 Revenue (billions)

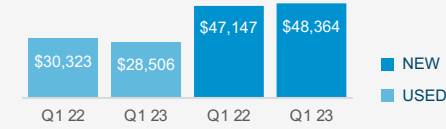


Adjusted SG&A (% of Gross Profit)

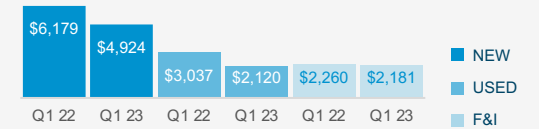


QUARTERLY UNIT ECONOMICS

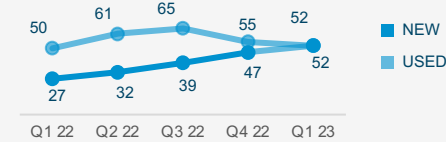
Average Selling Price (Q1 YoY - New & Used)



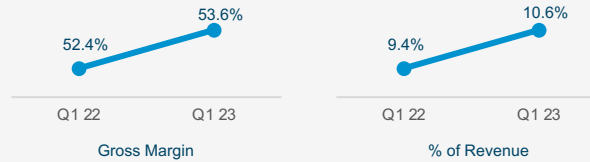
Gross Profit per Unit (Q1 YoY - New, Used, F&I)



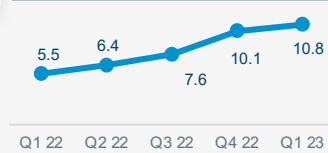
Days' Supply Outstanding (DSO)



Service, Body & Parts



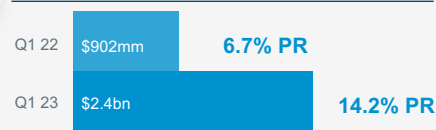
Avg. Monthly Unique Visitors (LAD Online, millions)



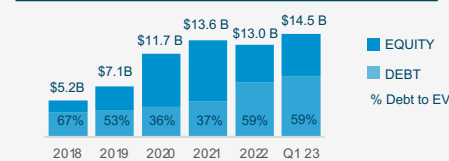
Units Online (inventory)



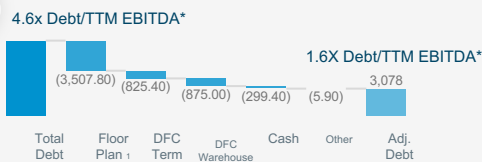
DFC Portfolio Size & Penetration Rate (PR)



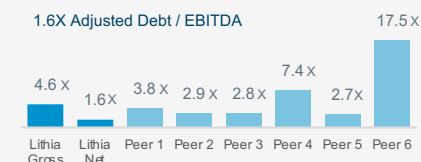
Enterprise Value (EV) to Debt



Adjusted Debt



Total Debt/EBITDA



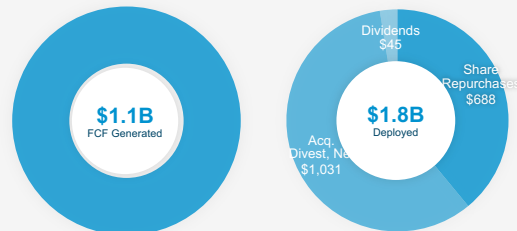
*Assumes trailing 12-month EBITDA

Bloomberg estimates assume current portion of LT debt in adj. debt number

Growth M&A Metrics



Capital Deployment (2022)

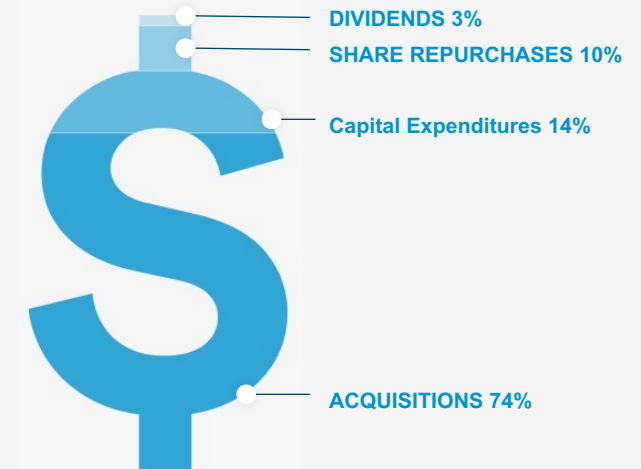


Share Repurchase (2022)



Shares Outstanding Average Price Available

Target Uses of Capital (average for 2019 – 2022)



Disclosure

Forward-Looking Statements

Certain statements in this presentation, and at times made by our officers and representatives, constitute forward-looking statements within the meaning of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Generally, you can identify forward-looking statements by terms such as "project", "outlook", "target", "may", "will", "would", "should", "seek", "expect", "plan", "intend", "forecast", "anticipate", "believe", "estimate", "predict", "potential", "likely", "goal", "strategy", "future", "maintain", and "continue" or the negative of these terms or other comparable terms. Examples of forward-looking statements in this presentation include, among others, statements regarding:

- *Future market conditions, including anticipated car and other sales levels and the supply of inventory;*
- *Our business strategy and plans, including our 2025 Plan and related targets;*
- *The growth, expansion and success of our network, including our finding accretive acquisitions and acquiring additional stores;*
- *Annualized revenues from acquired stores;*
- *The growth and performance of our Driveway e-commerce home solution and Driveway Finance Corporation ("DFC"), their synergies and other impacts on our business and our ability to meet Driveway and DFC-related targets;*
- *The impact of sustainable vehicles and other market and regulatory changes on our business;*
- *Our capital allocations and uses and levels of capital expenditures in the future;*
- *Expected operating results, such as improved store performance, continued improvement of selling, general and administrative expenses as a percentage of gross profit and any projections;*
- *Our anticipated financial condition and liquidity, including from our cash and the future availability on our credit facilities, unfinanced real estate and other financing sources;*
- *Our continuing to purchase shares under our share repurchase program;*
- *Our compliance with financial and restrictive covenants in our credit facilities and other debt agreements;*
- *Our programs and initiatives for employee recruitment, training, and retention; and*
- *Our strategies for customer retention, growth, market position, financial results and risk management.*

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity and development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements in this presentation. Therefore, you should not rely on any of these forward-looking statements. The risks and uncertainties that could cause actual results to differ materially from estimated or projected results include, without limitation:

- *Future national and local economic and financial conditions, including as a result of the COVID-19 pandemic, inflation and governmental programs and spending;*
- *The market for dealerships, including the availability of stores to us for an acceptable price;*
- *Changes in customer demand, our relationship with, and the financial and operational stability of, OEMs and other suppliers;*
- *Changes in the competitive landscape, including through technology and our ability to deliver new products, services and customer experiences and a portfolio of in-demand and available vehicles;*
- *Risks associated with our indebtedness, including available borrowing capacity, interest rates, compliance with financial covenants and ability to refinance or repay indebtedness on favorable terms;*
- *The adequacy of our cash flows and other conditions which may affect our ability to fund capital expenditures, obtain favorable financing and pay our quarterly dividend at planned levels;*
- *Disruptions to our technology network including computer systems, as well as natural events such as severe weather, or man-made or other disruptions of our operating systems, facilities or equipment;*
- *Government regulations and legislation; and*
- *The risks set forth throughout "Part 11, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in "Part I, Item 1A. Risk Factors" of our most recent Annual Report on Form 10-K and in "Part II, Item 1A. Risk Factors" of our Quarterly Reports on Form 10-Q, and from time to time in our other filings with the SEC.*

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by law, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures such as adjusted net income and diluted earnings per share, adjusted SG&A as a percentage of revenue and gross profit, adjusted operating profit as a percentage of revenue and gross profit, adjusted pre-tax margin and net profit margin, EBITDA, adjusted EBITDA, leveraged EBITDA and adjusted total debt. Non-GAAP measures do not have definitions under GAAP and may be defined differently by and not comparable to similarly titled measures used by other companies. As a result, we review any non-GAAP financial measures in connection with a review of the most directly comparable measures calculated in accordance with GAAP. We caution you not to place undue reliance on such non-GAAP measures, but also to consider them with the most directly comparable GAAP measures. We present cash flows from operations in the attached tables, adjusted to include the change in non-trade floor plan debt to improve the visibility of cash flows related to vehicle financing. As required by SEC rules, we have reconciled these measures to the most directly comparable GAAP measures in the attachments to this presentation. We believe the non-GAAP financial measures we present improve the transparency of our disclosures; provide a meaningful presentation of our results from core business operations, because they exclude items not related to core business operations and other non-cash items; and improve the period-to-period comparability of our results from core business operations. These presentations should not be considered an alternative to GAAP measures.