



Investor Presentation



APRIL 2023

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.

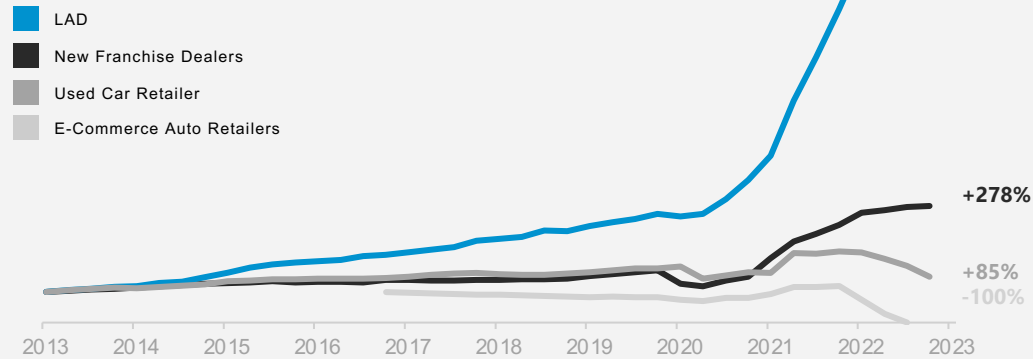
Non-GAAP Financial Measures

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.

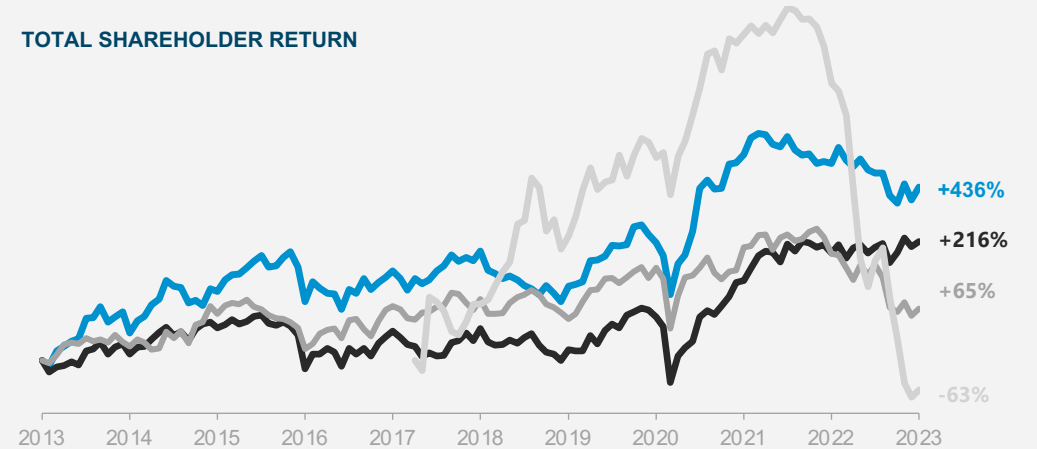
Lithia & Driveway

The pragmatic disrupter with a proven multifaceted success strategy, uniquely and competitively leading the modernization of personal transportation by providing consumers solutions wherever, whenever, and however they desire.

EBITDA GROWTH



TOTAL SHAREHOLDER RETURN



- Diverse synergistic portfolio of businesses
- Complete ownership lifecycle attachment
- 100% participation in \$2 trillion+ market



- #158 in 2022 of the Fortune 500
- #10 10-year revenue growth, 23% CAGR*
- #16 10-year Total Shareholder Return, 31% CAGR*
- #16 10-year EPS Growth, 32% CAGR*



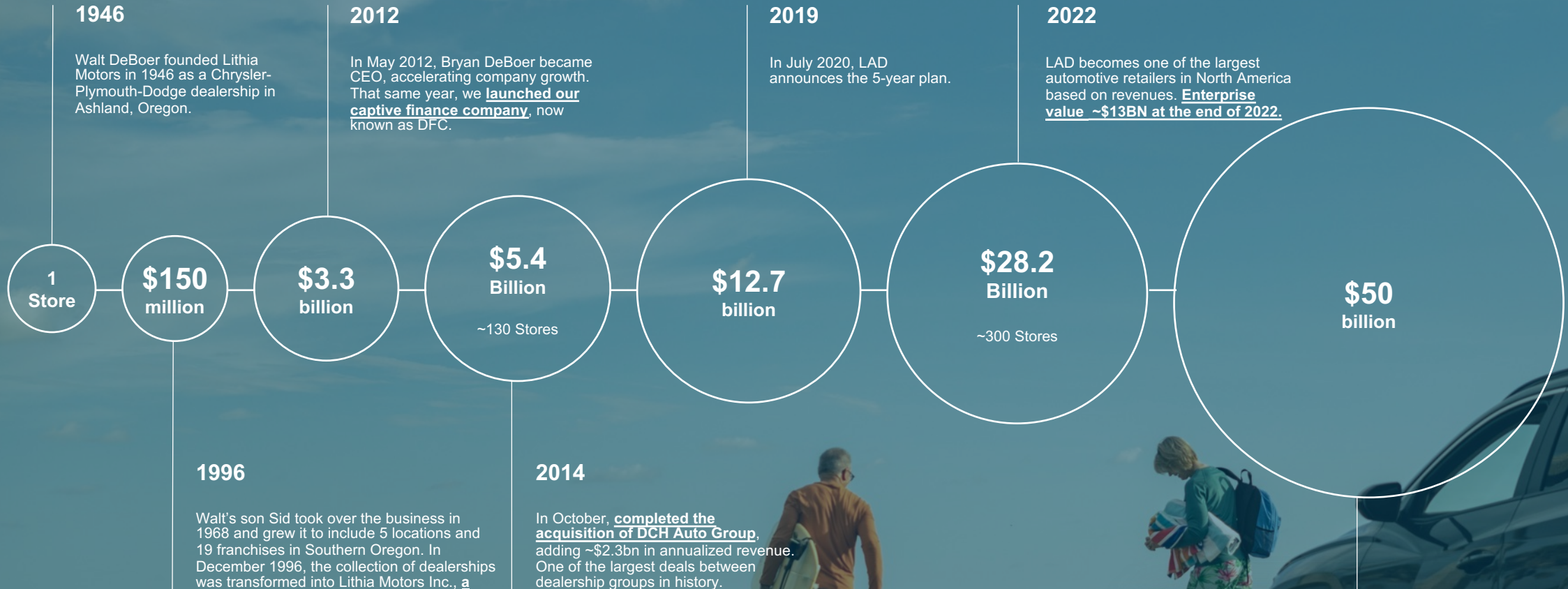
- 100% national coverage
- Proven expansion execution
- Highly profitable with significant cash flows

*10 year CAGRs and TSR through December 31, 2021

Source: Bloomberg (01/13/2023). Groups have been indexed on a logarithmic scale starting at 100 on 03/31/2013 for TTM EBITDA growth and 01/31/2013 for Total Shareholder Return.

New Franchise Dealers: Asbury, AutoNation, Group 1, Penske, Sonic ; Used Car Retailer: CarMax ; E-Commerce: Carvana.

LAD Over the Years



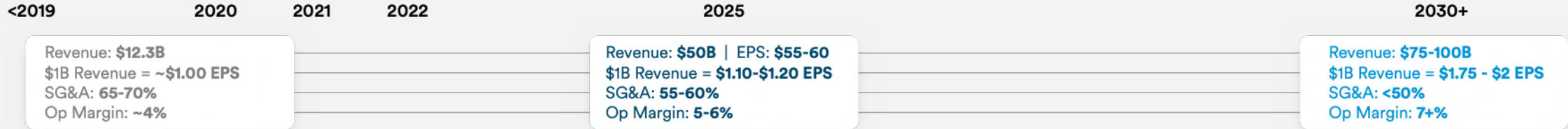
Lithia begins moving into urban centers, redesigning platform towards customer focus, diversification across verticals and horizontal segments optionality, diversification.

2025 Plan
\$50 billion in revenue

LAD Strategy Overview

KEY

- Verticals – Consumer Growth (REV)
- Horizontals – Consumer Synergies (EPS)



Key Strategic Highlights



Profitably Modernizing an Industry

Building a profitable platform with the ability to respond to changing consumer and industry trends.

01 LARGEST RETAIL INDUSTRY

Early stages of consolidation and modernization. Variety of brands, financing solutions, leasing, repair & maintenance options

02 OPERATIONAL EXCELLENCE

Building a diversified and highly adaptable model. Management team in place for over a decade

03 GROWTH & SCALE

Disciplined M&A generating strong returns and convenient consumer accessibility

04 CONSUMER OPTIONALITY

Offerings for all aspects of vehicle ownership for the entire lifecycle with omni-channel solutions

05 ADJACENCIES

Transformative, systematic expansion leveraging strengths vertically and horizontally

06 PREMIER RETAILER

Dynamic retailer responsive to consumer trends and driving profitability

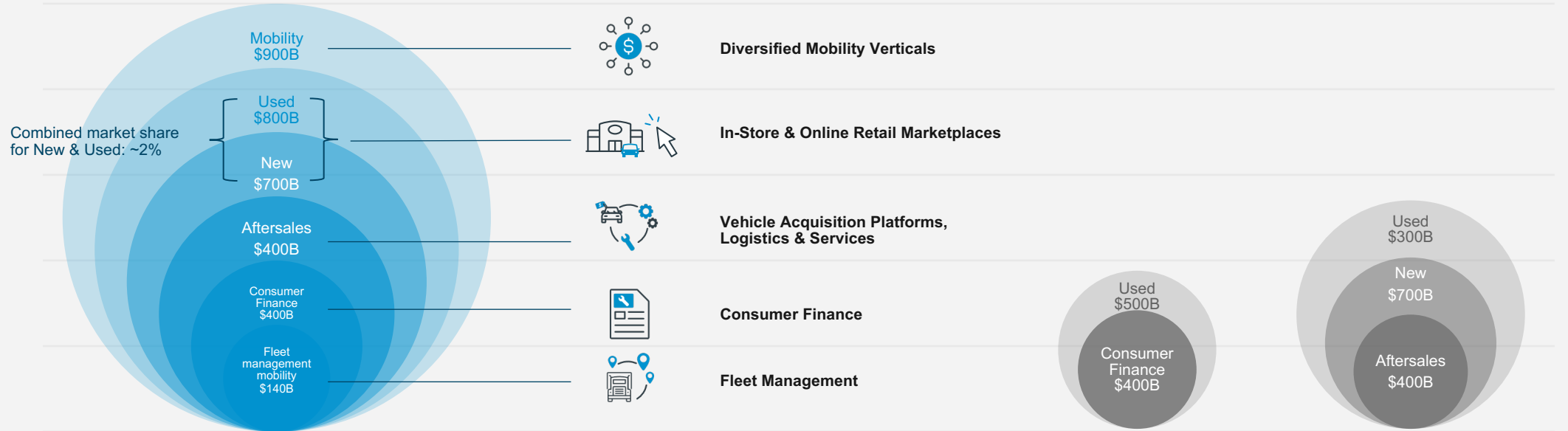
Over \$3 Trillion in Revenue Across Industries



PUBLIC USED ONLY AUTO RETAILERS

TRADITIONAL NEW FRANCHISE DEALERS

\$3T



Proven consolidator in large, highly fragmented addressable markets

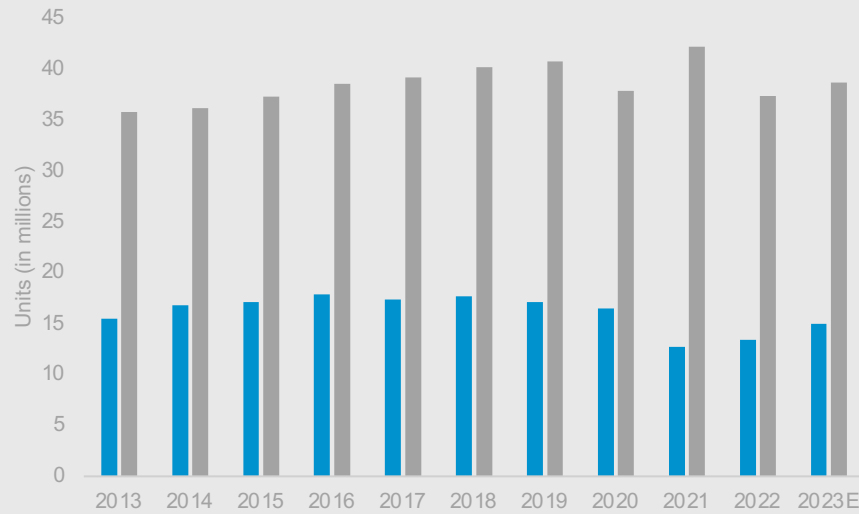
Used vehicles: Assumes traditional new franchise dealers target 0-5 year old used vehicles.
 Public used only retailers target 0-10 year old used vehicles.
 Aftersales: Assume traditional new franchise dealer addressable market limited by utilization of only OEM parts and represents 50% of the market

Source: IHS-Markit 2019 US vehicle registration, Auto care association.
 Diversified Mobility Verticals: TTM Sales 2022 -_Marine Max, Rush Enterprise, Velocity Vehicle Group, Camping World, Blue Compass International Expansion: Bilia, Lookers, AutoCanada, Inchcape, Vertu Motors, Pendragon



SAAR and Market Share

US Light Vehicle New & Used SAAR

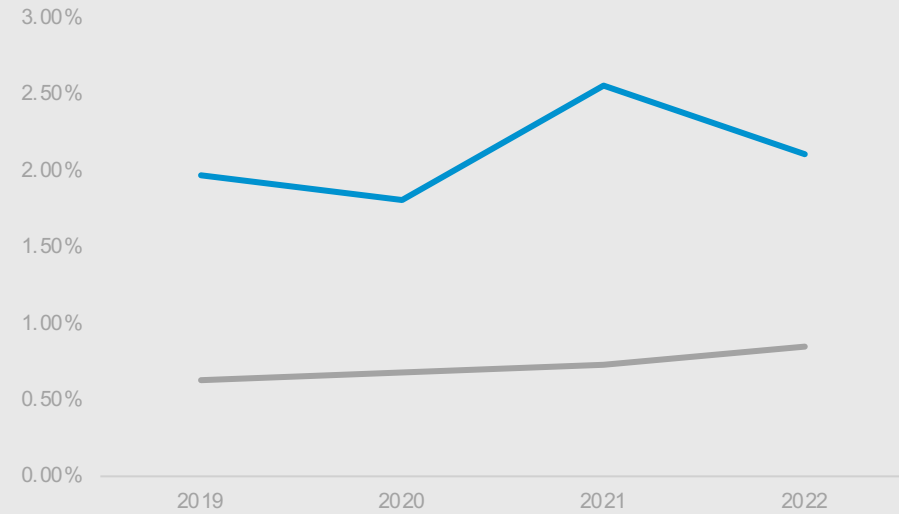


■ New
■ Used

Unit growth: US vehicle market is approximately 65 million units. Since 2020, the unit growth has been challenged due COVID-19 and evolving consumer spending trends.

Consolidation Opportunity: Competition, digitization, EV infrastructure and movement towards direct-to-consumer models supports the consolidation trend. LAD targets stores in markets with constructive geographies and consumer profiles. Low cost of capital and a proven disciplined approach supports steady, consistent growth.

LAD US Market Share



■ New
■ Used

Market share: LAD continues to expand its market share across North America. Our operating results and customer service scorecards are amongst the best in the market, giving us the ability to acquire stores in markets complimentary to our existing footprint.



Operating Results and Efficiency

Vehicle Operations Income

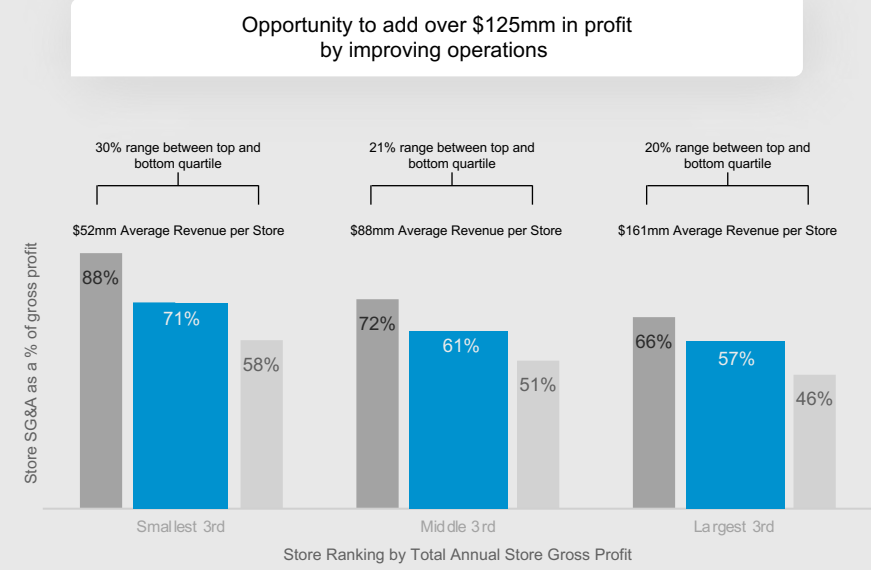
\$M	2020	2021	2022
Vehicle operations revenue	\$13,126.5	\$22,831.7	\$28,231.5
Vehicle operations gross profit	2,225	4,263.9	5,154.3
Vehicle operations SG&A	(1,559.6)	(2,568.0)	(3,260.8)
Floor plan interest expense	<u>(34.4)</u>	<u>(22.3)</u>	<u>(38.8)</u>
Vehicle operations income	\$630.9	\$1,673.5	\$1,855.6
<i>Vehicle Operations SG&A as a % of gross profit excluding internal charges</i>	66%	56%	60%

Vehicle Operations Income: Income generated by our network of store locations and ecommerce platforms

Vehicle Operations SG&A: Selling, general and administrative expenses of our stores locations and ecommerce platforms including internal, intercompany fees charged by our Corporate entities

Significant Growth: Over the past three years, we have doubled our platform in size from under \$13 billion in revenues to over \$28 billion, while growing vehicle operating income nearly 170%

2022 Vehicle Operations SG&A Performance at a Store Level



- Top 25%
- Middle 50%
- Bottom 25%

Operating Effectiveness: Larger stores operate more efficiently with a store SG&A as a % of gross profit averaging below 60%; smaller stores operate on average above 60% in current market conditions

Diversifying Store Size: Growth since 2019 has shifted the average revenue per store from \$70 million in 2019 to an average of over \$100 million in 2022

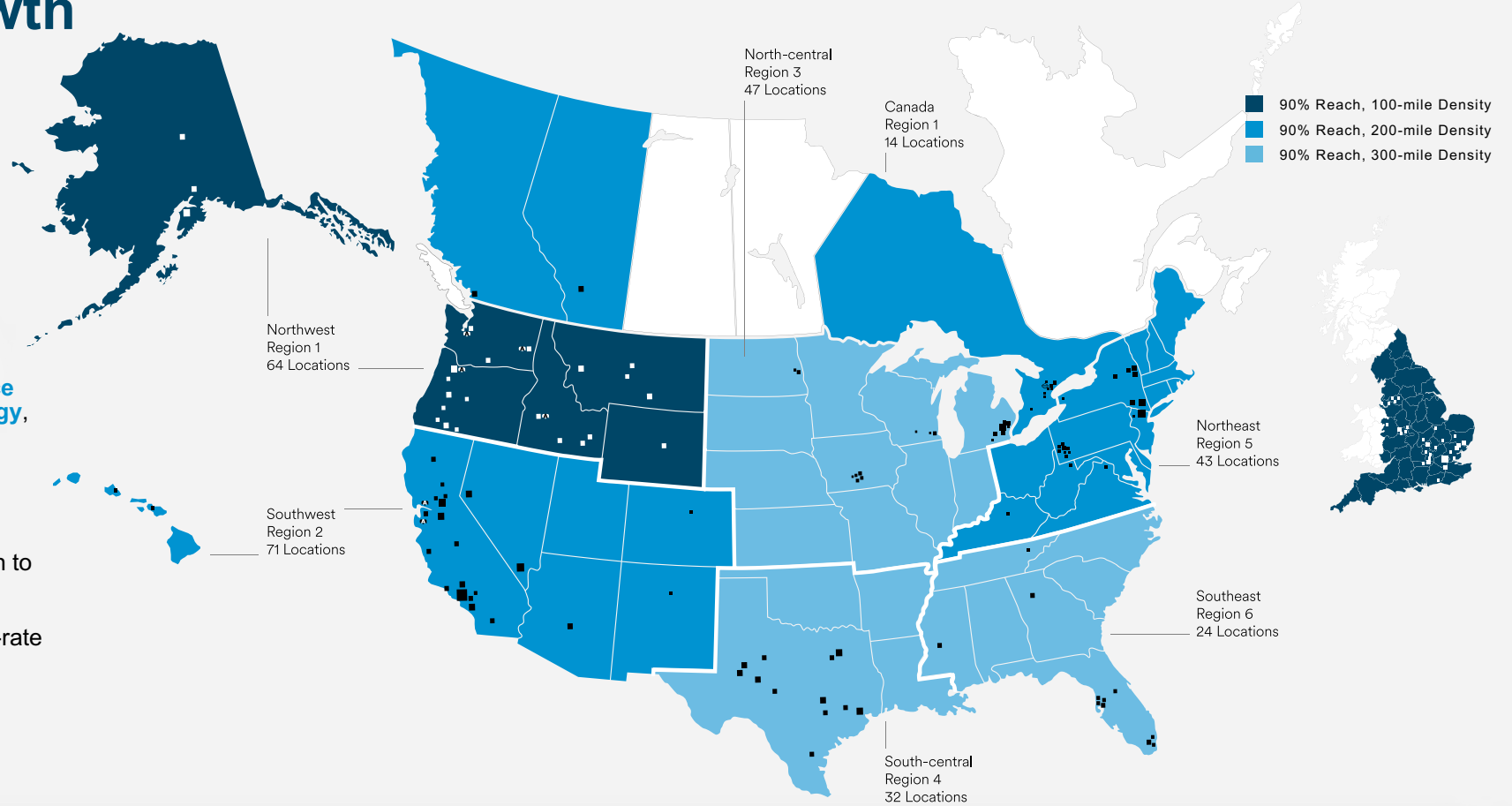


Leveraging Growth & Scale

With a focus on **consumer convenience** and a **disciplined, proven M&A strategy**, LAD is reducing the distance to our customers.

National network works in tandem with eCommerce tools such as Driveway to increase consumer optionality and reach to customers.

As a result, our annualized revenue run-rate is approaching \$30 billion.



~235mi

Miles to Reach 90% of Nation

50

OEM Brands

330+

Stores

70,000+

Vehicles in Inventory

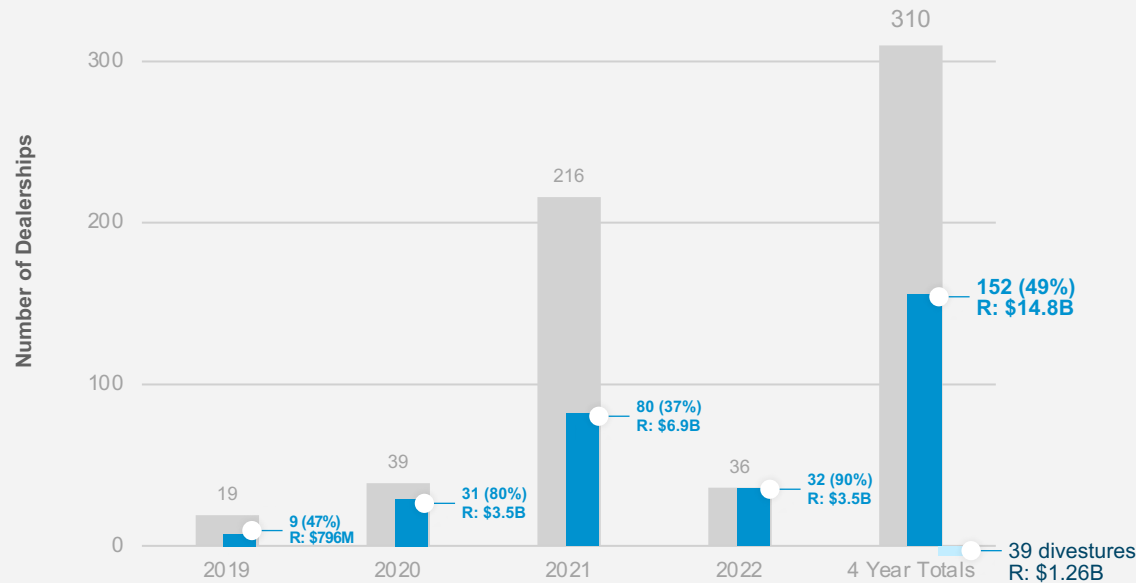
\$2 billion¹

Annual EBITDA



Mergers & Acquisitions

U.S. PUBLIC DEALERSHIP TRANSACTIONS & ANNUALIZED REVENUES (R) ACQUIRED



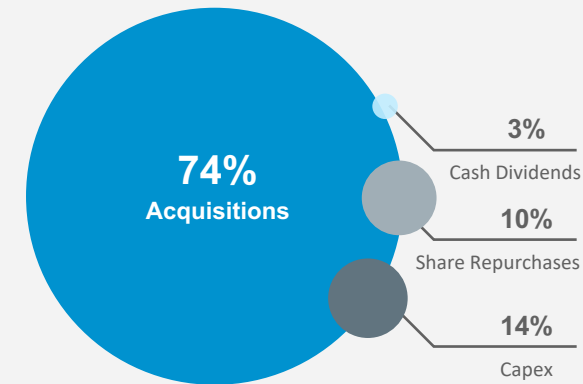
- LAD %
- Public

Acquisitions

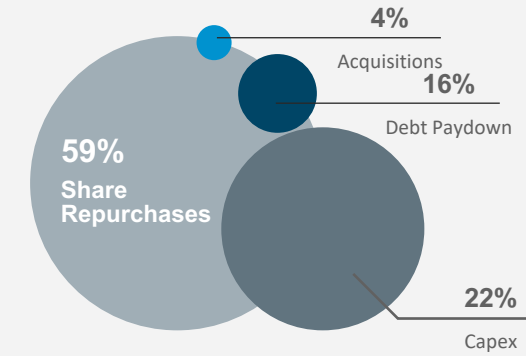
- LAD is making up a large portion of public acquisitions each year. As a result, \$3.7B average annual revenues acquired over the last 4 years.
- 95% success rate on acquisitions as of Q1 2023

M&A ALLOCATION

LAD



PEERS



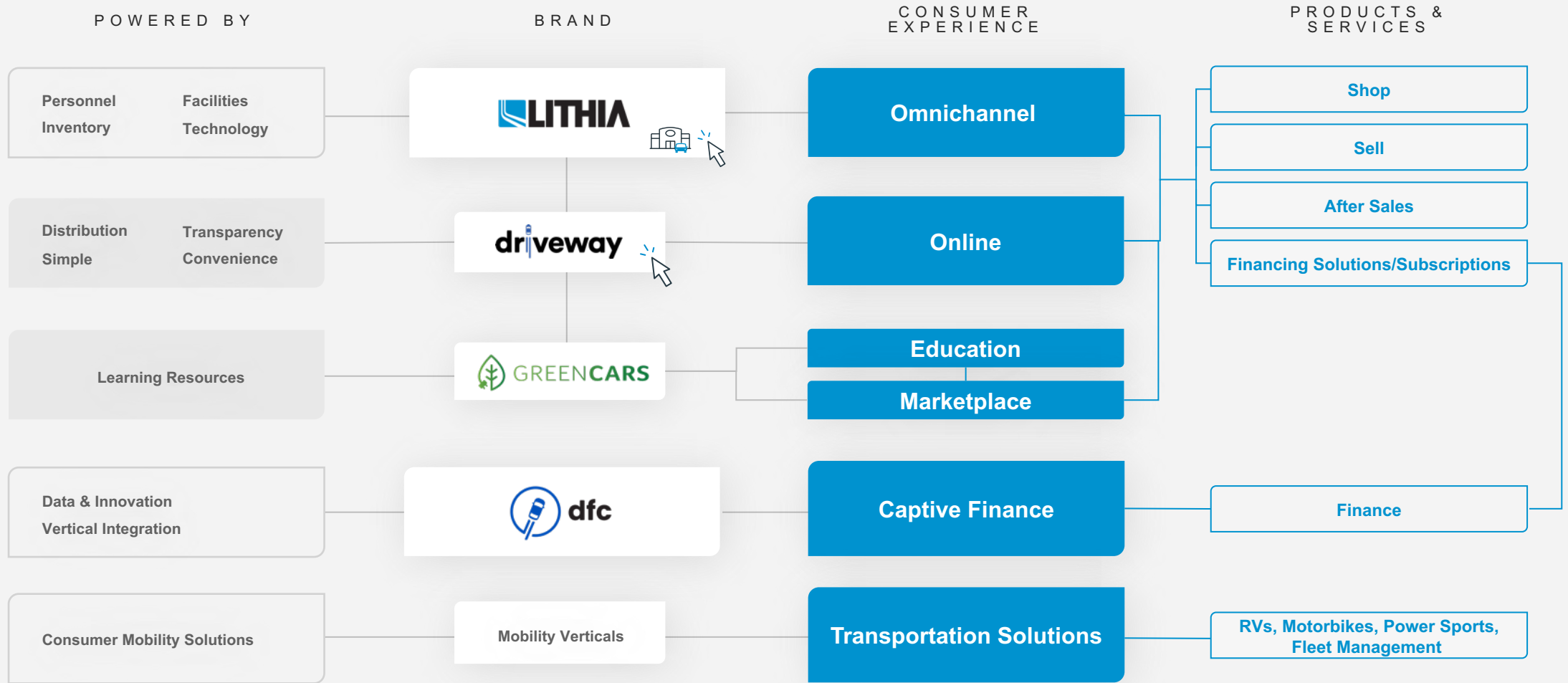
LAD's Allocation Strategy

- LAD has direct capital towards growth and expansion compared to our peers
- Aim for leverage ratios in range of 2-3X, with goal of achieving IG rating over time
- In 2022, we repurchased 2.4 mm shares at an average price of \$276 per share or ~8% of the float

Source: Haig Partners, Automotive News, Lithia Motors Inc.
Total Private: 280 in 2019, 305 in 2020, 491 in 2021, 501 in 2022, 4 Year Total 1577.

Notes: Capital allocation figures based on average results between 2019-2022, JP Morgan Banking.
Peers—Autonation, Asbury, Sonic, Group 1, Penske
Values in charts rounded and may not add to 100

Consumer Optionality & Lifecycle





Strategic Omnichannel Infrastructure



Consumer Optionality

Infrastructure of omnichannel options provides consumer optionality wherever, whenever, and however they desire.

In-Person | Online | Flexible | Simple | Transparent | Convenient



In-Network Option

- Customer Service
- Transaction Speed
- Localization
- Network Integration
- Data-Driven
- High Performance
- Team
- Procure
- Finance
- Ship



Driveway Shop

- New & Used
- Nationwide
- Inventory
- Negotiation Free



Driveway Sell/Trade

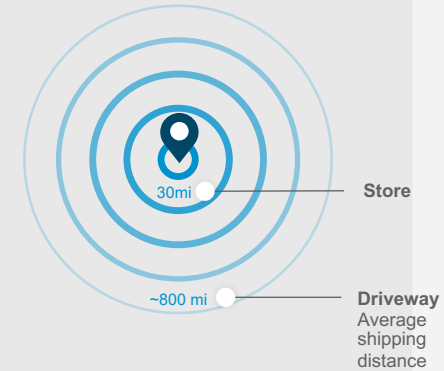
- Immediate Payment
- Home Pick Up
- Instant Cash Offer



Service

- Home Pick Up & Drop Off
- Free Loaner Vehicles
- Warranties

Average Distance to Customers



Digital Revenues: \$5 billion across Lithia channels (TTM)

Online Traffic: >10 million MUVs across all digital channels each month during Q1 23

Omnichannel: Leveraging national retail footprint for sales and distribution



Driveway Finance Corporation (DFC)



Business Proposition

- Serving LAD customers through:
- Variety of financing options
 - Integration throughout Lithia platform



Portfolio Design

- Full credit spectrum lender
- Focus on prime FICO portfolio profile
- Maximizing risk-adjusted cash flows



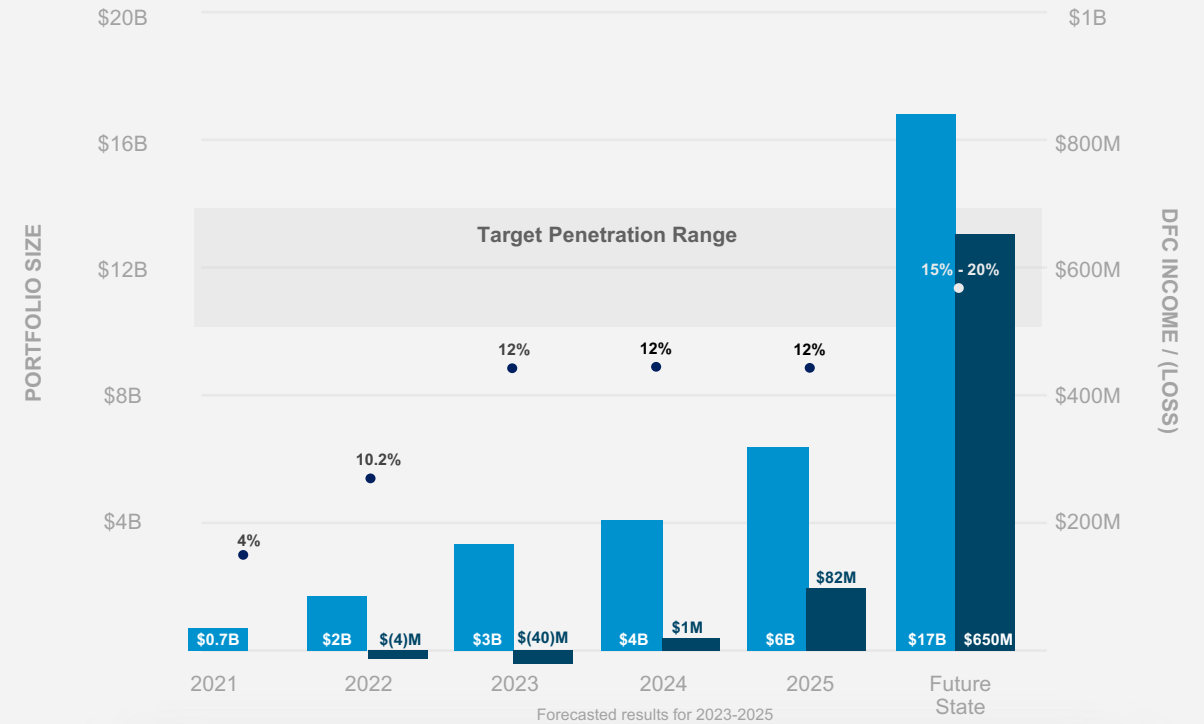
Key Business Highlights

- Market opportunity of approximately 450,000+
- DFC loans are ~3X profitable vs. third-party loans
- Targeting penetration rate of 15-20% of retail units sold



Focus on Consumers

- To mitigate consumer economic stress, DFC is:
- Leveraging position at top of funnel
 - Moving up in credit quality curve



Transformative Profitability Differentiation, at maturity

DFC drives profitability with core business, diversifying earnings through the business cycle

¹DFC receivable targets assume portion of portfolio are sold through portfolio and forward sale agreements.
² Forecasted periods and Future State assume net interest margin on loans originated increasing to between 400 – 600 bps. Forecasted amounts also reflect prospective change in definition of DFC income effective March 1, 23 to include net charge-offs in provision expense and capture the impact of spread compression on recently originated loans

- Portfolio Size¹
- DFC Income/ (Loss)²
- Penetration Rate

2023 KPI's

- **Size:** Average loan \$30,000
- **Coupon:** 8.5-10.5%
- **Term:** 6 years, loss ratio of 2.5%
- **Credit quality:** >50% accounts FICO 720+
- **Portfolio:** 70% used / 30% new mix

2025 & Beyond

Diversified. Dynamic. Profitable.

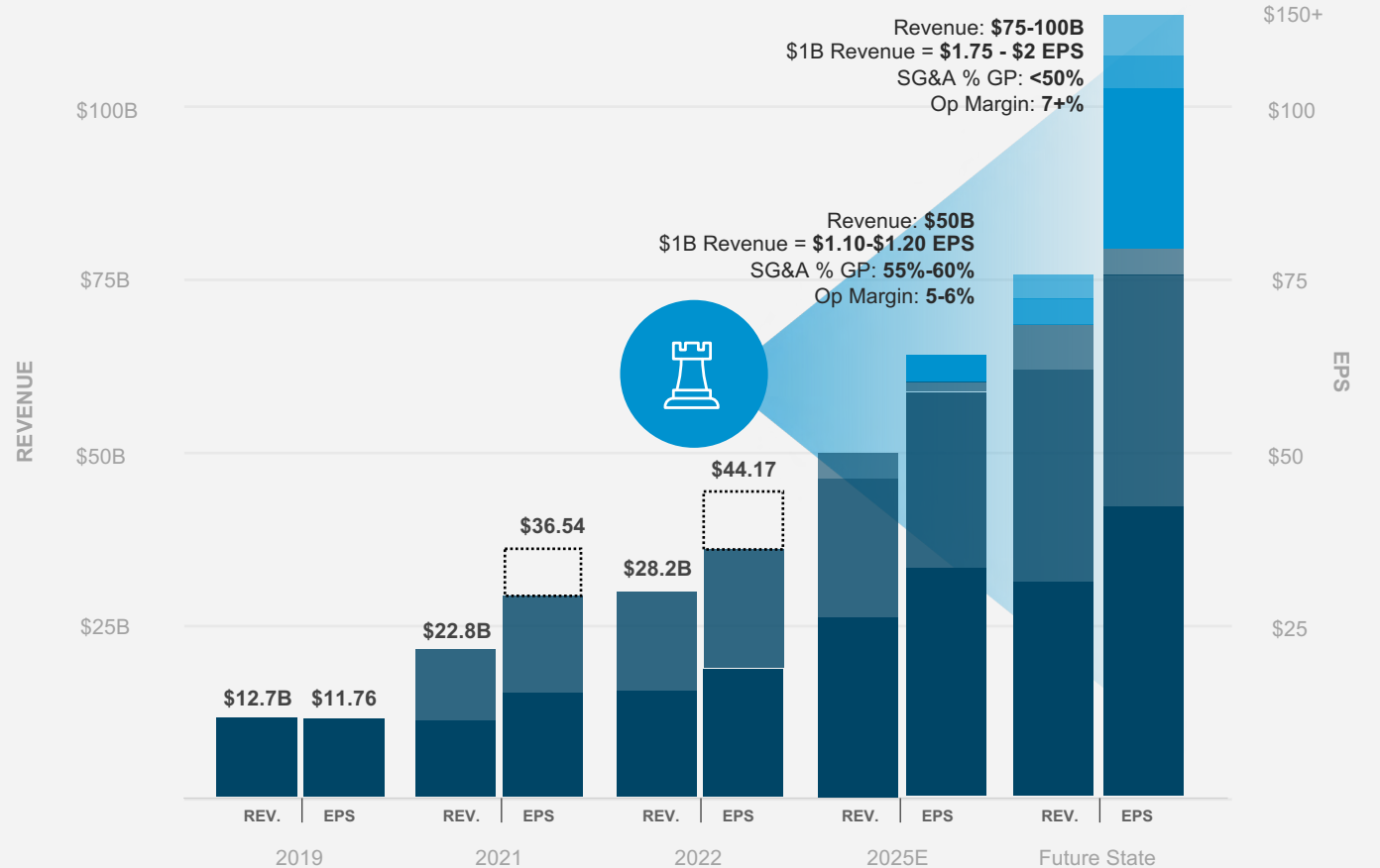
We're leveraging our platform for growth & scale in revenue and EPS.

- Core
- Network Expansion
- Driveway/GreenCars
- DFC
- Fleet Management
- Mobility
- New Horizontals/ Verticals
- Elevated GPUs



Competitive Advantage

- ✓ Diversified business lines
- ✓ Full spectrum consumer transportation
- ✓ Close proximity to end markets
- ✓ In-store & omni-channel buying options
- ✓ Transportation Solutions
Sales, sourcing, service, financing, insurance, fleet management
- ✓ Capital engine - \$2+ BN EBITDA
 - M&A
 - Reinvestments
 - Share buybacks and dividends
 - 2-3x leverage





Appendix

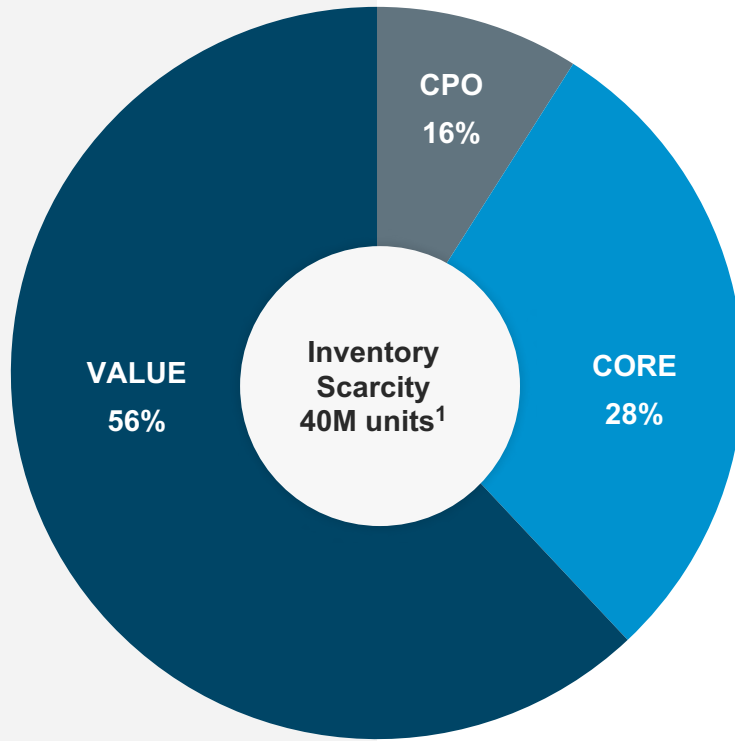
Inventory, Strategies, History,
Future, & More



Used Vehicle Marketplace

Addressing largest proportion of used vehicle TAM of any retailer

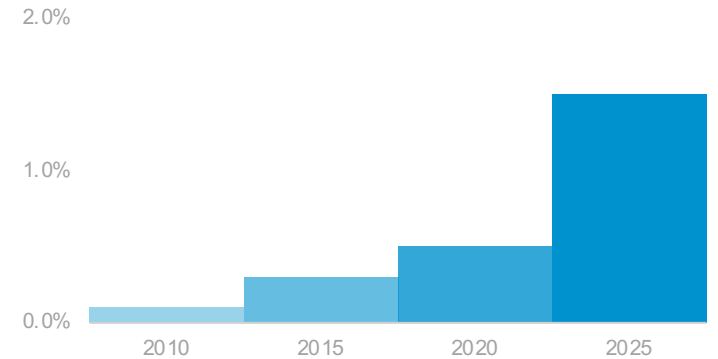
- Inventory procurement and reconditioning are critical. Network growth supercharges ability to procure, distributed network allows it turn faster
- LAD retails 0 to 20-year-old vehicles
- Value autos are highest gross margin %, turns fastest in normalized environment
- 85% of consumers with an average of \$5,433 disequity at pre-pandemic values



Q1 2023 Same Store Metrics²

	Average Selling Price	% Mix	ROI
CPO	\$33,832	14%	68%
Core	\$29,787	60%	58%
Value Autos	\$16,535	19%	116%

Projected LAD Market Share³



¹ TTM IHS used vehicle registration data for the period ended December 31, 2022 grouped by vehicle age (CPO 0-3 years, Core 4-8 years, Value Autos 9+ years)

² Q1 2023 non-GAAP actual results. ROI defined as (GPU / Cost of Sales) x (365 / Days to Turn)

³ 2010, 2015, and 2020 calculated as Lithia used vehicle retail units sold divided by U.S. annual used unit sales. 2025 estimates based on internal forecasts with an assumption of 40 million U.S. used unit sales.



Driveway | Auto done easy.

Fully Proprietary New Car Shopping Experience

Integrates applicable incentives and rebates for **transparent** upfront pricing.

Real Time Payment

First in market offering, pays consumers instantly when selling a car to Driveway, no more waiting for the check to clear.



2.4M

Average monthly unique visitors Q1 2023



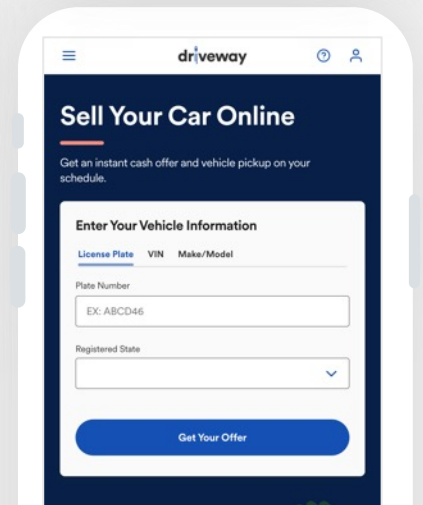
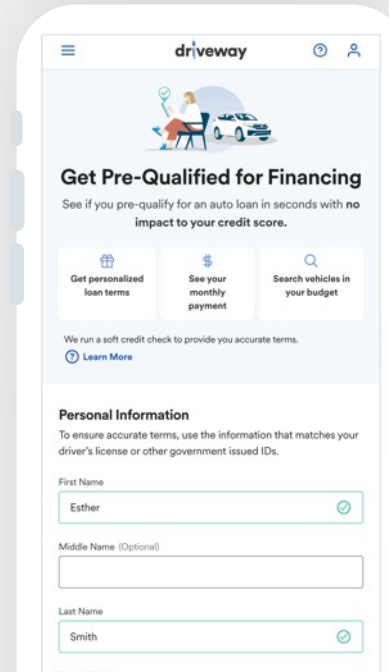
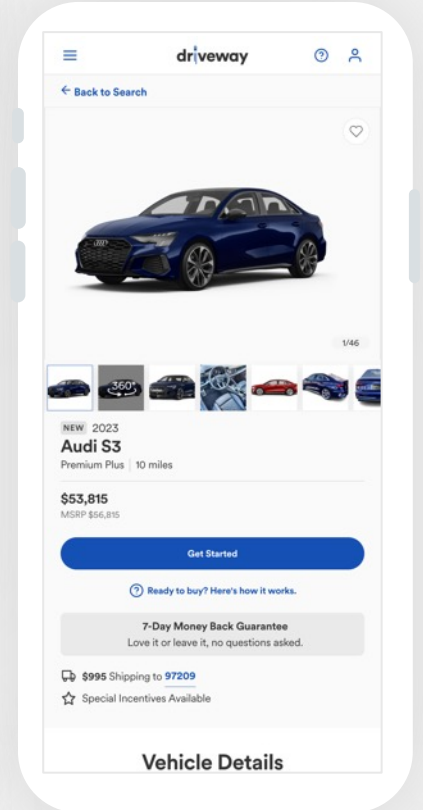
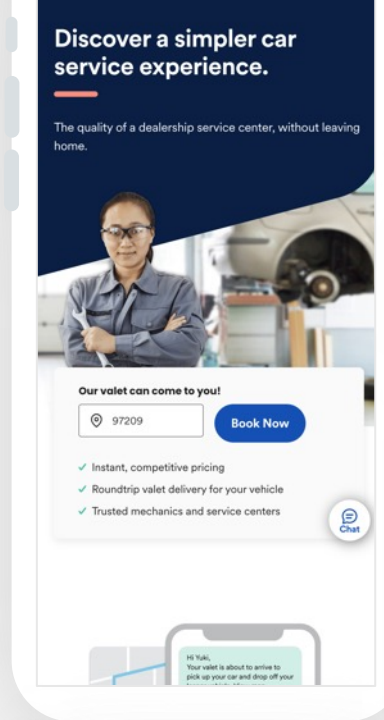
791

Average shipping distance in miles



4.2

Average Google review score out of 5 stars



GreenCars | everything in one place



Accelerate the adoption of more sustainable vehicles, while capturing growth

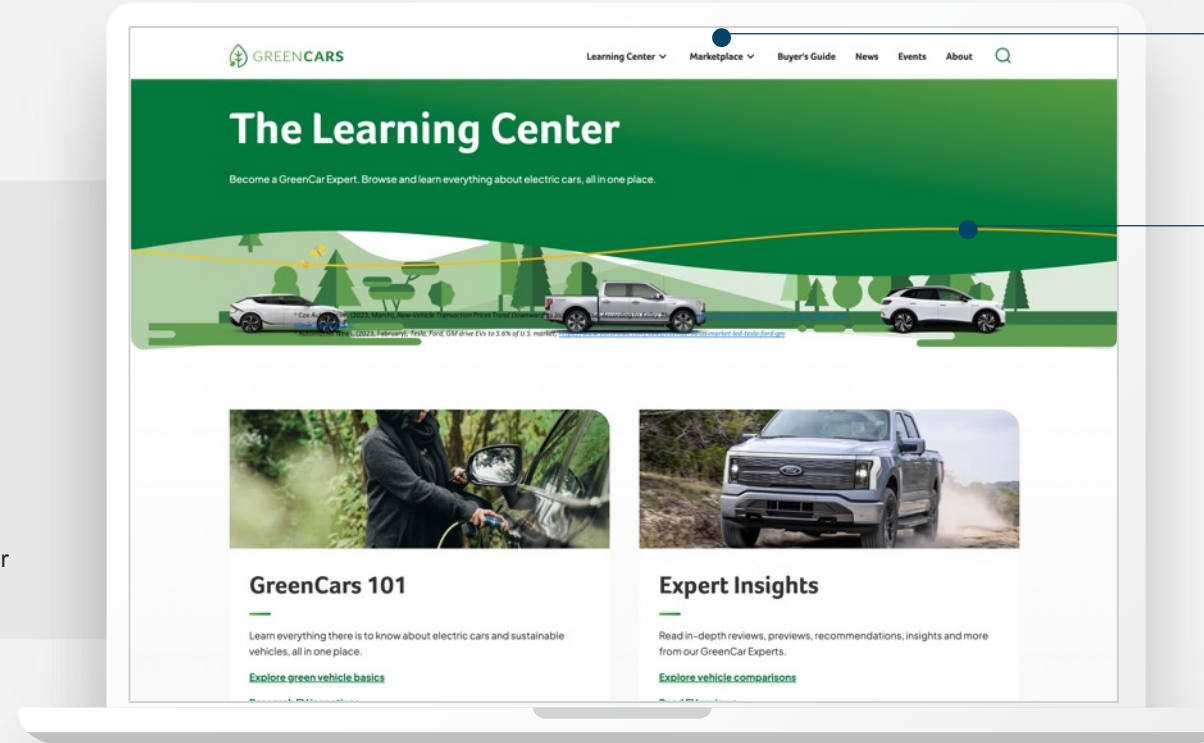


Business Proposition

Engage our teams internally and across the stores to embrace the sustainable vehicle revolution.

Educate consumers and the public about sustainable vehicles.

Expand LAD's share of the market by selling more green vehicles through a seamless path to purchase – whenever and however consumers want



Marketplace

Powered by Driveway, the marketplace accelerates a net-zero world with the largest selection

Learning Center

Everything you need to learn and research sustainable vehicles, all in one place.



426,582
Average monthly unique visitors Q1 2023



~500 models & 30+ brands
Evaluated in the GreenCars Buyer's Guide



\$58,385¹
Average selling price for BEVs in Feb. 2023






5.6%² BEVs
Accounted for of all light-vehicle registrations in 2022

¹ Cox Automotive, (2023, March), New-Vehicle Transaction Prices Trend Downward as Incentives Rise, According to Kelley Blue Book
² Automotive News, (2023, February), Tesla, Ford, GM drive EVs to 5.6% of U.S. market

Competitive Advantages

Lower cost network with higher margin businesses

	 LITHIA driveway NYSE:LAD	 CARVANA	 CARMAX [®]	AVG. TRADITIONAL NEW FRANCHISE RETAILERS
Revenue (\$mm)	\$28,232	\$13,604	\$29,685	\$20,147
Net Income (Loss) (\$mm)	\$1,262	\$(1,587)	\$485	\$919
Network Cost as a % of gross profit ¹	77%	303%	142%	81%
Capex as % of gross profit	6%	41%	15%	6%
Gross profit / employee ²	\$235,538	\$75,060	\$91,447	\$212,110
Net income / employee ²	\$57,673	\$(95,602)	\$15,831	\$48,852
Reconditioning locations ³	265	17	108	212
% of used inventory procured from consumers ⁴	~70%	~70%	~70%	Mixed
Pure E-Commerce offering?	✓	✓	✓	Varies
Finance company?	✓	✓	✓	Varies
Addresses full consumer lifecycle?	✓	NA	NA	✓
	Year Ended 12/31/2022	Year Ended 12/31/2022	Year Ended 02/28/2023	Year Ended 12/31/2022

¹ Includes Property and Equipment and ROU assets based on most recent annual company filings.

² Employee count is disclosed in most recent annual company filings. Lithia & Driveway employee count is on a full-time basis, which may differ from other groups reporting a mix of full and part time employees.

³ Reconditioning Locations based on 2022 annual company for Lithia, Carvana, and Traditional New Franchise Retailers. CarMax Reconditioning locations based on 2023 annual company filing.

⁴ % of inventory procured from consumers as of most recent information disclosed.

Financing Operations Income (Loss)



Financing Operations Income

	Three Months Ended March 31			
	2023	% ⁽¹⁾	2022	% ⁽¹⁾
\$M				
Net Interest Margin	\$16.4	2.7	\$18.6	8.1
Provision expense ²	(26.3)	(4.3)	(3.7)	(1.6)
Financing Ops Income / (Loss)	(20.8)	(3.4)	5.0	2.2

	As of March 31	
	2023	2022
\$M		
Allowance at beginning of period	\$69.3	\$25.0
Charge-offs	(24.8)	(10.3)
Recoveries	11.4	4.3
Provision expense	26.3	10.4
Allowance at end of period	82.2	29.4

Financing Ops Income (Loss) Definition:

Interest, fee, and lease income generated by DFC and Pfaff Leasing's portfolio of auto loan and lease receivables,

reduced by:

net of interest expense associated with the debt utilized to fund the lending, provision for estimated loan and lease losses that includes the effect of net charge-offs² and depreciation on vehicles leased via operating leases and directly-related expenses

Contribution of Q1/2023 Originations by Year

Front loaded CECL expense drives near-term headwind to results as portfolio scales

\$M	2023	% ⁽¹⁾	2024	% ⁽¹⁾	2025	% ⁽¹⁾	Lifetime
Net Interest Margin	\$17.2	3.1	\$14.2	3.1	\$11.2	3.1	\$58.0
Provision Expense	(15.0)	(2.7)	0.0	0.0	0.0	0.0	(15.0)
SG&A Expense	(5.5)	(1.0)	(4.5)	(0.8)	(3.5)	(0.6)	(17.8)
Financing Operations Income / (Loss)	(3.3)	(0.6)	9.7	1.8	7.7	1.4	25.2
<i>Hypothetical net income from 3rd party finance reserve</i>	7.5	1.4	0.0	0.0	0.0	0.0	7.5
<i>Incremental income earned by DFC (undiscounted)</i>							3.4x

Static Pool Assumptions: 9% APR, 6% Cost of Funds, 2.5% Cumulative Net Loss, 1% SG&A as a % of receivables, 2% prepayment rate, 50% recovery rate,

Incremental Profitability Assumptions: \$600 million originations, \$30,000 average loan size, \$500 average third party finance reserve, 25% commission rate

¹ Annualized percentage of total average managed finance receivables

² Effective January 1, 2023, the definition of Provision Expense was changed prospectively to include the effect of net charge-offs

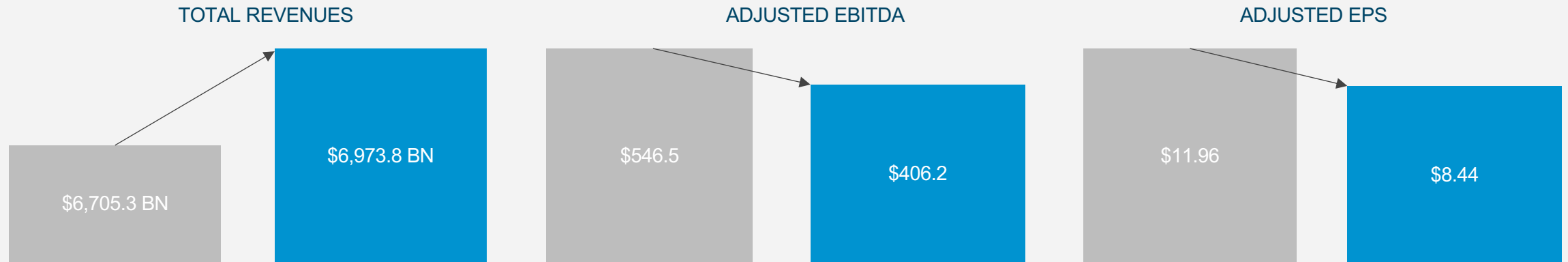
Q1's Income Statement Summary

KEY

■ Q1 2022

■ Q1 2023

Q1 2023 Highlights



COMMENTARY

- Increased total revenue by +4.0%
- Decrease in gross profit by -5.2%
- Decrease in adjusted earnings per share by -29%
- Decrease in adjusted EBITDA by -26%

SAME STORE QUARTER-OVER-QUARTER COMPARISON VS. Q1 2022

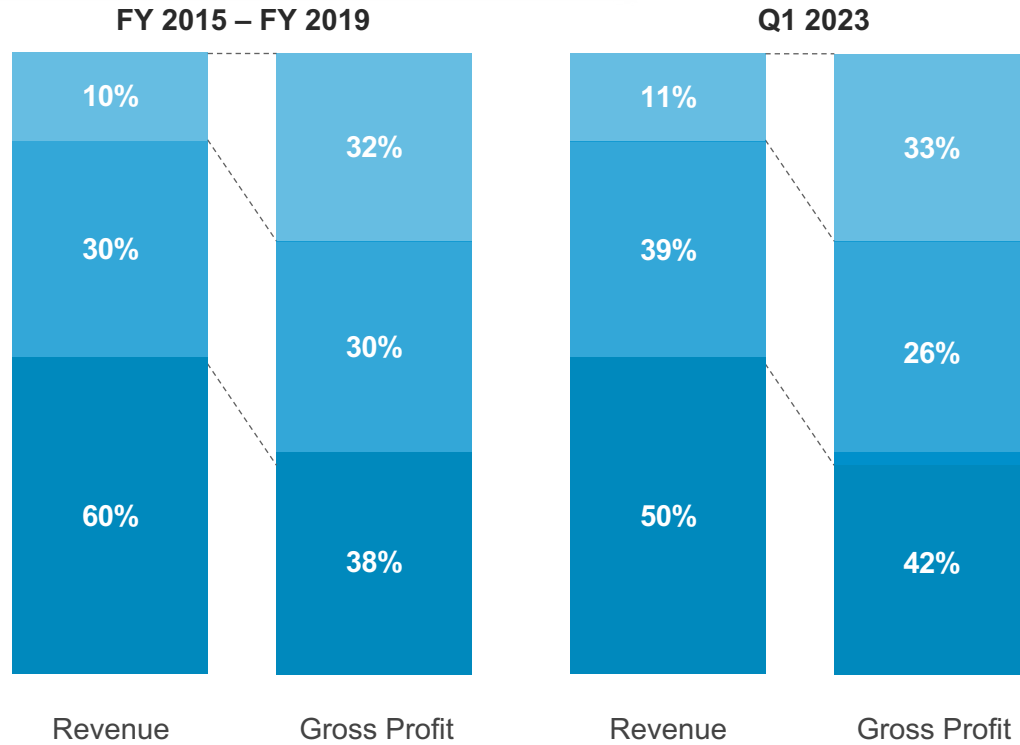
	REVENUE	GROSS PROFIT
New Vehicle	(3.2)%	(24.7)%
Used Vehicle Retail	(8.9)%	(32.0)%
F&I	(6.8)%	(6.8)%
Service, Body and Parts	9.4%	10.7%
TOTAL	(5.1)%	(13.3)%

Resilient Business Model

Profitable business with diversified brand mix, geographic mix and multiple earnings streams

Business Mix

New and Used Gross profit includes F&I



■ PARTS & SERVICE
 ■ USED VEHICLES
 ■ NEW VEHICLES

New Vehicle Mix

Segment	Segment %	Brand	Brand Revenue	Brand Unit Sales
Import	43%	Toyota	12%	16%
		Honda	12%	14%
		Hyundai	6%	8%
		Subaru	5%	8%
		KIA	3%	4%
		Nissan	2%	2%
		Other Imports ¹	2%	3%
Domestic	29%	Stellantis	13%	11%
		Ford	10%	9%
		GM	6%	6%
		BMW/MINI	8%	6%
		Mercedes	5%	3%
Luxury	28%	Audi	4%	3%
		Lexus	3%	3%
		Porsche	2%	1%
		Acura	2%	2%
		Jaguar/Land Rover	1%	1%
		Other Luxury ²	2%	2%

For the three-months ending March 31, 2023, excluding Q1 2023 acquisitions

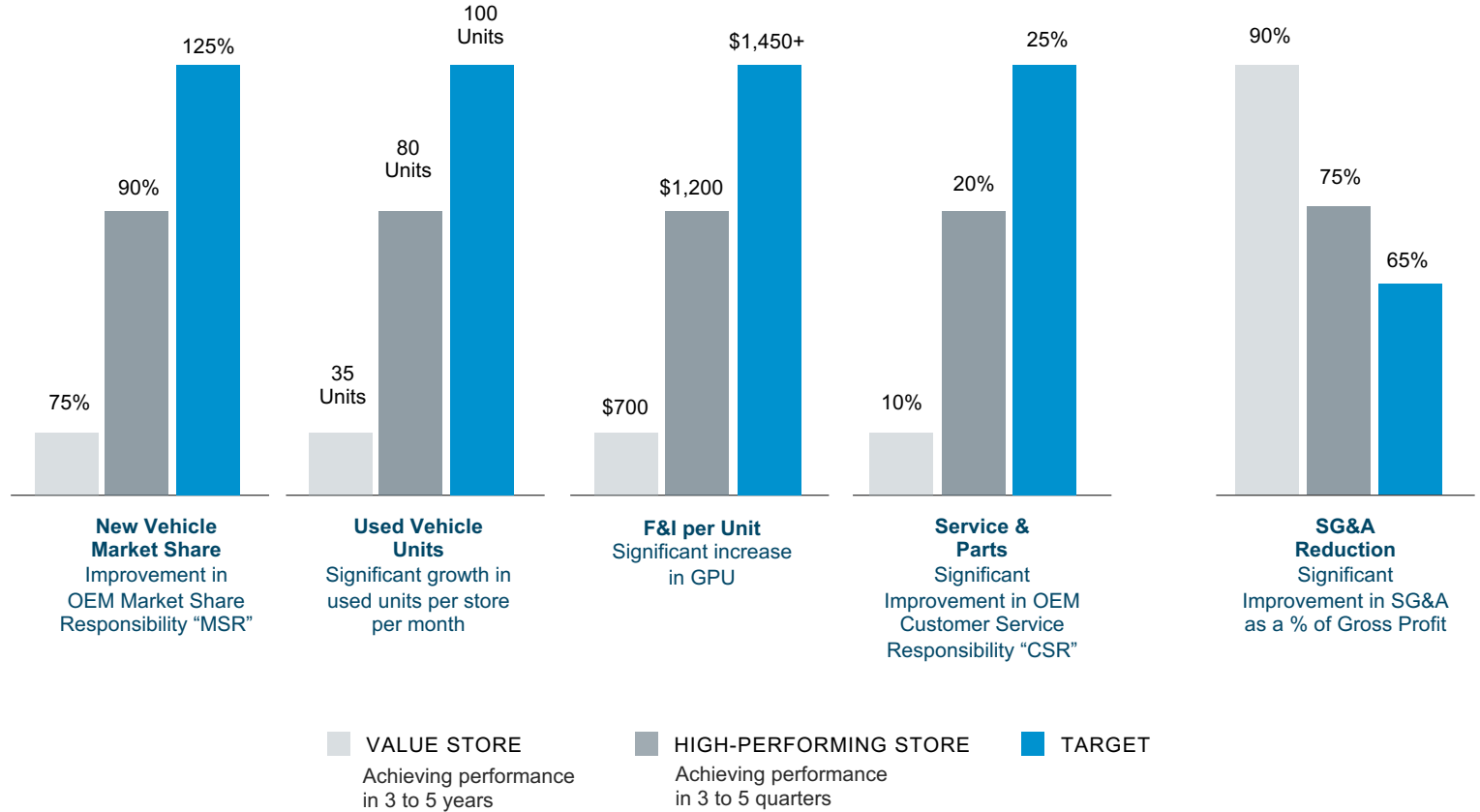
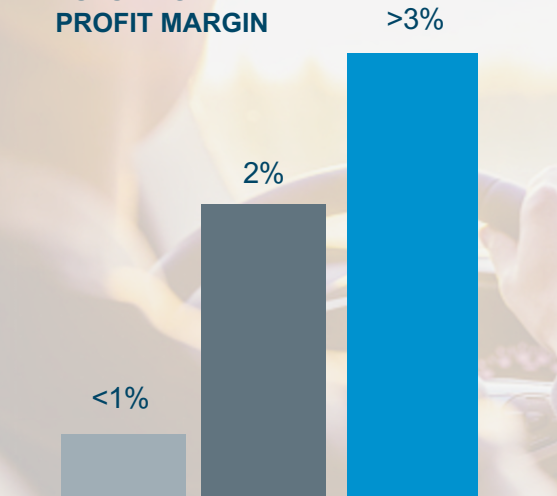
¹ Other import brands include VW and Mazda

² Other luxury brands include Infiniti, Lamborghini, Genesis, Volvo, Rolls-Royce, McLaren, Bentley, Ferrari, Maserati, Aston Martin

Acquired Business Earnings Opportunities

Acquiring strong brands and grow profits

FUTURE STATE PRE-TAX PROFIT MARGIN



Supplemental Information

2023 Quarterly Income Statement

\$M	Q4	Q3	Q2	Q1	YTD'2023
New Vehicle				\$3,278.9	\$3,278.9
Used Vehicle				2,227.5	2,227.5
Wholesale Used Vehicles				356.7	356.7
Finance and Insurance				318.3	318.3
Service Body and Parts				736.3	736.3
Fleet and Other				56.1	56.1
Total Revenues				\$6,973.8	\$6,973.8
New Vehicle				\$333.8	\$333.8
Used Vehicle				165.7	165.7
Wholesale Used Vehicles				(2.8)	(2.8)
Finance and Insurance				318.3	318.3
Service Body and Parts				394.4	394.4
Fleet and Other				2.1	2.1
Gross Profit				\$1,211.5	\$1,211.5
Financing Operations Income				\$(20.8)	\$(20.8)
SG&A				764.4	764.4
Depreciation and Amortization				47.3	47.3
Operating Income				\$379.0	\$379.0
Floor Plan Interest Expense				\$(27.7)	\$(27.7)
Other Interest Expense				(39.0)	(39.0)
Other Income (expense), net				2.0	2.0
Income before Taxes				\$314.3	\$314.3
Income Tax Expense				\$(84.7)	\$(84.7)
Net Income				233.3	233.3
Net Income attributable to non-controlling interests				(0.9)	(0.9)
Net Income attributable to LAD				\$228.7	\$232.4

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

2022 Quarterly Income Statement

\$M	Q4	Q3	Q2	Q1	FY'2022
New Vehicle	\$3,275.1	\$3,306.9	\$3,250.7	\$3,061.8	\$12,894.5
Used Vehicle	2,229.5	2,465.8	2,496.7	2,234.5	9,426.4
Wholesale Used Vehicles	336.0	363.2	382.4	385.8	1,467.5
Finance and Insurance	308.4	333.3	330.4	313.2	1,285.4
Service Body and Parts	716.2	712.2	682.6	627.8	2,738.8
Fleet and Other	125.0	114.3	97.3	82.2	418.9
Total Revenues	\$6990.2	\$7,295.7	\$7,240.1	\$6,705.3	\$28,231.5
New Vehicle	364.2	403.8	410.4	401.3	\$1,579.7
Used Vehicle	162.1	201.3	238.3	223.8	825.4
Wholesale Used Vehicles	(15.3)	(11.6)	3.8	7.8	(15.4)
Finance and Insurance	308.4	333.3	330.4	313.2	1,285.4
Service Body and Parts	386.3	384.2	363.5	329.0	1,463
Fleet and Other	3.5	3.3	4.3	3.1	14.3
Gross Profit	\$1,209.2	\$1,314.2	\$1,350.8	\$1,278.1	\$5,152.4
Financing Operations Income	(7.7)	(4.6)	3.3	4.9	(4.1)
SG&A	753.4	754.0	796.8	739.9	3,044.1
Depreciation and Amortization	48.2	40.5	38.0	36.5	163.2
Operating Income	399.9	\$515.2	\$519.3	\$506.7	\$1,941.1
Floor Plan Interest Expense	(19.3)	(10.7)	(3.8)	(4.9)	(38.8)
Other Interest Expense	(38.3)	(36.3)	(28.3)	(26.2)	(129.1)
Other Income (expense), net	(6.2)	(12.4)	(18.9)	(5.8)	(43.2)
Income before Taxes	336.2	\$455.7	\$468.3	\$469.8	\$1,730.0
Income Tax Expense	(86.3)	(125.4)	(130.6)	(126.2)	(468.4)
Net Income	249.9	330.3	337.7	343.6	1,261.6
Net Income attributable to non-controlling interests	(2.2)	(0.7)	(6.3)	(1.4)	(10.6)
Net Income attributable to LAD	\$247.7	\$329.6	\$331.4	\$342.2	\$1,251.0

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

2023 Adjusted non-GAAP Income Statement

\$M, except for per share amounts	YTD 2023	Net disposal loss (gain) on sale of stores	Investment loss (gain)	Insurance Reserves	Acquisition expenses	Vendor Contract Buyouts	YTD 2023
	As Reported	Q1	Q1	Q1	Q1	Q1	Adjusted
Selling, general and administrative	\$764.4	\$7.2	–	\$(0.1)	\$(1.3)	\$(10.1)	\$760.1
Operating income	379.0	(7.2)	–	0.1	1.3	10.1	383.3
Other income (expense), net	2.0	–	0.5	–	–	–	2.5
Income before income taxes	314.3	(7.2)	0.5	0.1	1.3	10.1	319.1
Income tax (provision) benefit	(84.7)	1.9	–	–	(0.2)	(2.7)	(85.7)
Net income	\$229.6	\$(5.3)	\$0.5	\$0.1	\$1.1	\$7.4	\$233.4
Net income attributable to non-controlling interests	\$(0.9)	–	–	–	–	–	(0.9)
Net income attributable to LAD	\$228.7	\$(5.3)	\$0.5	\$0.1	\$1.1	\$7.4	\$232.5
Diluted earnings per share	\$8.30	\$(0.19)	\$0.02	–	\$0.04	\$0.27	\$8.44
Diluted share count	27.5						

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

2022 Adjusted non-GAAP Income Statement

\$M, except for per share amounts	YTD 12/31/22	Net disposal loss (gain) on sale of stores					Investment loss (gain)				Insurance Reserves	Acquisition expenses				YTD 12/31/22
	As Reported	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Q1	Q2	Q3	Q4	Adjusted	
Selling, general and administrative	3,044.1	10.0	3.1	36.5	16.4	–	–	–	–	(4.9)	(6.6)	(1.5)	(2.0)	(5.0)	3,090.2	
Operating income	1,941.1	(10.0)	(3.1)	(36.5)	(16.4)	–	–	–	–	4.9	6.6	1.5	2.0	5.0	1,895.0	
Other income (expense), net	(43.2)	–	–	–	–	14.9	18.1	(0.3)	6.5	–	–	–	–	–	(4.0)	
Income before income taxes	1,730.0	(10.0)	(3.1)	(36.5)	(16.4)	14.9	18.1	(0.3)	6.5	4.9	6.6	1.5	2.0	5.0	1,723.1	
Income tax (provision) benefit	(468.4)	2.6	0.9	9.8	5.9	–	–	–	–	(1.3)	(1.9)	(0.5)	1.9	(3.5)	(454.6)	
Net income	1,261.6	(7.4)	(2.2)	(26.7)	(10.5)	14.9	18.1	(0.3)	6.5	3.6	4.7	1.0	3.9	1.5	1,268.5	
Net income attributable to non-controlling interests	(10.6)	–	–	–	–	–	–	–	–	–	–	–	–	–	(10.6)	
Net income attributable to LAD	\$1,251	(7.4)	(2.2)	(26.7)	(10.5)	14.9	18.1	(0.3)	6.5	3.6	4.7	1.0	3.9	1.5	\$1,257.9	
Diluted earnings per share	\$44.17	(0.26)	(0.08)	(0.95)	(0.37)	0.53	0.64	(0.01)	0.23	0.13	0.16	0.03	0.14	0.05	\$44.42	
Diluted share count	28.3															

* Sum of QTD may not equal YTD due to rounding

Supplemental Information

EBITDA, Adjusted EBITDA, and Net Debt

\$M	YTD'2023	FY'2022	FY'2021	FY'2020	FY'2019
Net Income attributable to LAD	\$229.6	\$1,261.6	\$1,062.7	\$470.3	\$271.5
Add: Flooring interest expense	\$27.7	38.8	22.3	34.4	72.8
Add: Other interest expense	\$39.0	129.1	103.4	71.6	58.8
Add: Financing operations interest expense	\$37.5	52.2	4.8	1.5	1.8
Add: Income tax expense	\$84.7	468.4	422.1	178.2	103.9
Add: Depreciation and amortization	\$47.3	163.2	124.8	92.3	82.4
Add: Financing operations depreciation expense	\$2.3	9.5	2.5	—	—
EBITDA	\$468.1	\$2,122.8	\$1,742.6	\$848.3	\$591.2
Less: Flooring interest expense	(27.7)	(38.8)	(22.3)	(34.4)	(72.8)
Less: Financing operations interest expense	(37.5)	(52.2)	(4.8)	(1.5)	(1.8)
Less: Used vehicle line of credit interest	(1.5)	(9.6)	(0.1)	(0.5)	(5.5)
Add: Acquisition expenses	1.3	15.0	20.2	3.1	2.5
Add (Less): Loss (Gain) on divestitures & investments	(6.7)	(26.8)	66.4	(60.4)	(9.7)
Add: Reserve adjustments	0.1	4.9	5.8	6.1	9.5
Add: Loss on redemption of senior notes	—	—	10.3	—	—
Add: Asset impairments	—	—	1.9	7.9	2.6
Add: Vendor contract buyouts	10.1	—	—	—	—
Adjusted EBITDA	\$406.2	\$2,015.3	\$1,820.0	\$768.6	\$516.1
Total Debt	\$8,591.5	\$7,647.5	\$4,599.5	\$3,927.9	\$3,537.4
Less: Temporary paydown on flooring	—	—	—	(113.4)	—
Less: Floor plan related debt	(3,507.8)	(2,993.8)	(1,690.1)	(1,797.2)	(2,216.6)
Less: Financing operations related debt	(1,700.4)	(1,352.2)	(407.6)	(39.0)	—
Less: Cash and cash equivalents	(299.4)	(246.7)	(174.8)	(162.4)	(84.0)
Less: Availability on used vehicle and service loaner facility	(5.9)	(17.9)	(267.4)	(491.0)	(239.8)
Net Debt	\$3,078.0	\$3,036.9	\$2,059.6	\$1,324.9	\$997.1

LAD's History & Path Forward



Announces 5-Year Plan to profitably consolidate the automotive industry

Acquires \$3.5B in revenues

The statements for 2022 through 2035 are forward-looking plans, targets and projections based on expectations, goals and assumptions by our management and are subject to a number of risks and uncertainties that could cause actual results to differ materially. Please see disclosure on slide 2.

¹Reuters, (2021, August), U.S. Automakers to say they aspire up to 50% of EV sales by 2030 - sources, <https://www.reuters.com/business/autos-transportation/us-automakers-say-they-aspire-up-50-ev-sales-by-2030-sources-2021-08-04/>

Launches national brand, Driveway, providing proprietary ecommerce digital home solutions nationwide with in-home pickup and delivery and end-to-end buying experience with financing APIs from 29 lenders

Acquires \$6.9B in revenues and makes first international acquisition

Initial Driveway Finance ABS offering

Elevated GPUs provide additional flexibility on e-commerce and DFC growth trajectory

\$1 billion in Driveway revenue and completes additional Driveway Finance ABS offerings

Driveway begins nationwide brand marketing

Acquires \$2 to 4 billion in revenues, building network in regions 3 and 6

Advances overlay of horizontals on dealership business

Completes build out of US dealership footprint

Driveway platform targets 300,000 vehicles available for sale, distributed among 6 regions

Generating \$3 billion EBITDA annually, furthers international expansion and begins expansion into new verticals

Explores overlay of horizontals on new verticals

~2.5% US market share

OEMs expect that 40 to 50% of new vehicles retailed will be zero-emission, constituting 10% of vehicles in operation¹

Driveway in-home service offering drives conquest of market share and incremental retention of service customers

Verticals and international progressing

Progressing towards ~5% US market share

LAD continues to evolve as percentage of new vehicles retailed that are zero-emission nears 100%

Some manufacturer relationships transition to agency model

5%+ US market share

Thank You

