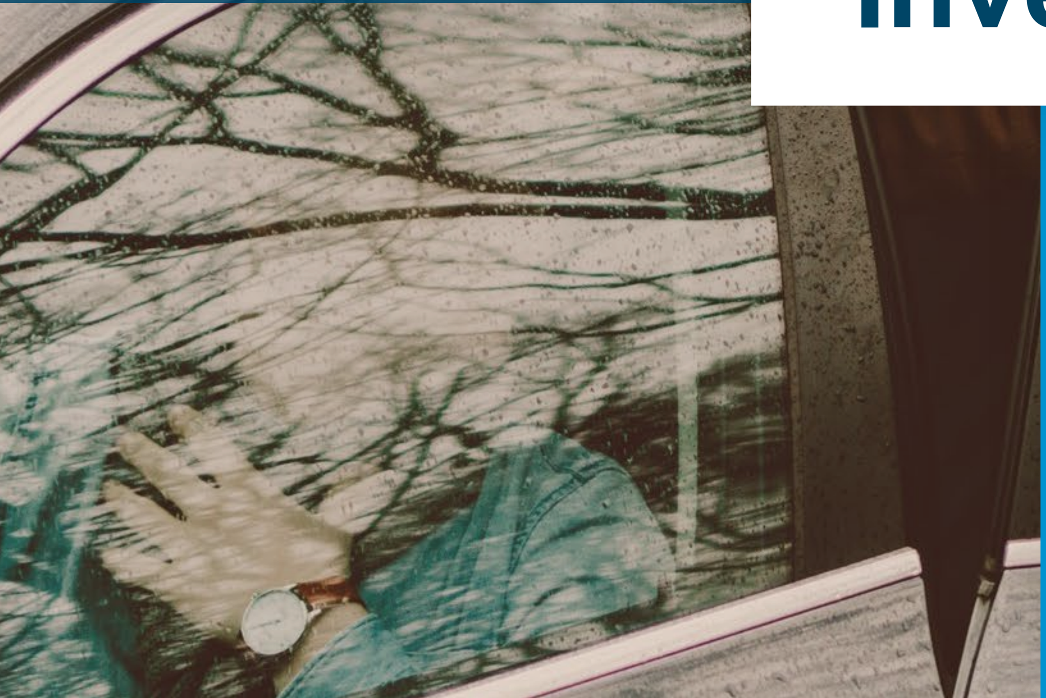
LITHIA & driveway
NYSE:LAD

Investor Presentation



OCTOBER 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 achieving our 2025 Plan and related targets;
- The growth, expansion, make-up 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 ("SG&A") as a percentage of gross profit and any projections;
- Our anticipated financial condition and liquidity, including from our cash and the future availability of 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 and targets for customer retention, growth, market position, operations, 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 regional or global public health issues, 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 completive 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 II, 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.

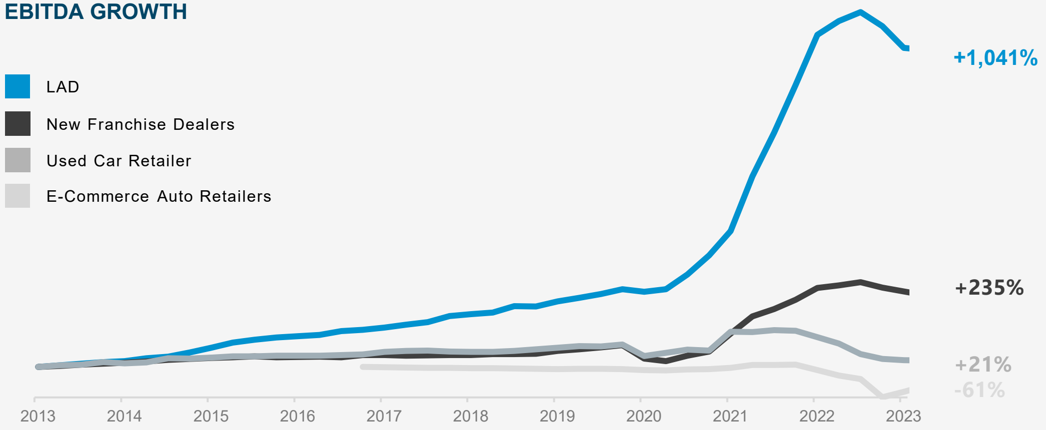
Non-GAAP Financial Measures

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 margin, 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.

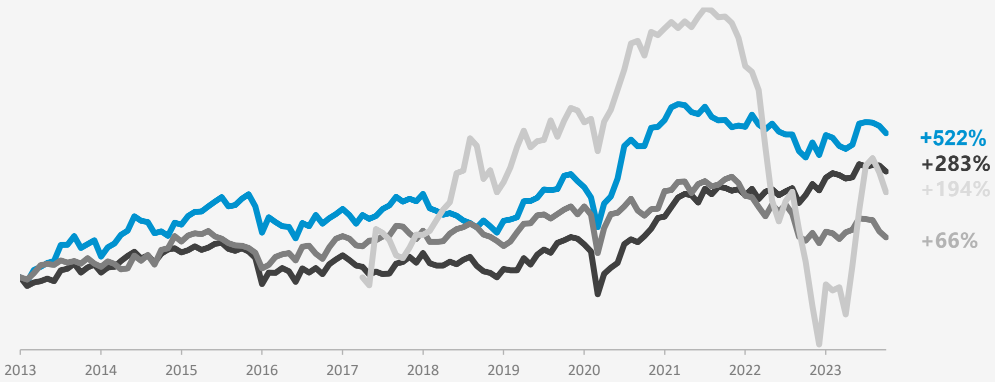
Lithia & Driveway

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

- #145 in 2023 of the Fortune 500
- #9 10-year revenue growth, 24% CAGR*
- 20% 10-year Total Shareholder Return CAGR*
- 31% 10-year EPS Growth CAGR*

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

*10 year CAGRs and TSR through December 31, 2022 for Fortune 500 rankings
Source: Bloomberg (10/18/2023). 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

1946

Walt DeBoer founded Lithia Motors in 1946 as a Chrysler-Plymouth-Dodge dealership in Ashland, Oregon.

1996

Walt's son Sid took over the business in 1968 and grew it to include 5 locations and 19 franchises in Southern Oregon. In December 1996, the collection of dealerships was transformed into Lithia Motors Inc., **a publicly traded company (NYSE: LAD).**

2012

In May 2012, Bryan DeBoer became CEO, accelerating company growth. That same year, we **launched our captive finance company**, now known as DFC.

2014

In October, **completed the acquisition of DCH Auto Group**, adding ~$2.3bn in annualized revenue. One of the largest deals between dealership groups in history.

2019

In July 2020, LAD announces the 5-year plan.

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

2022

LAD becomes one of the largest automotive retailers in North America based on revenues. **Enterprise value ~$13BN at the end of 2022.**

1 Store

$150 million

$3.3 billion

$5.4 Billion
~130 Stores

$12.7 billion

$28.2 Billion
~300 Stores

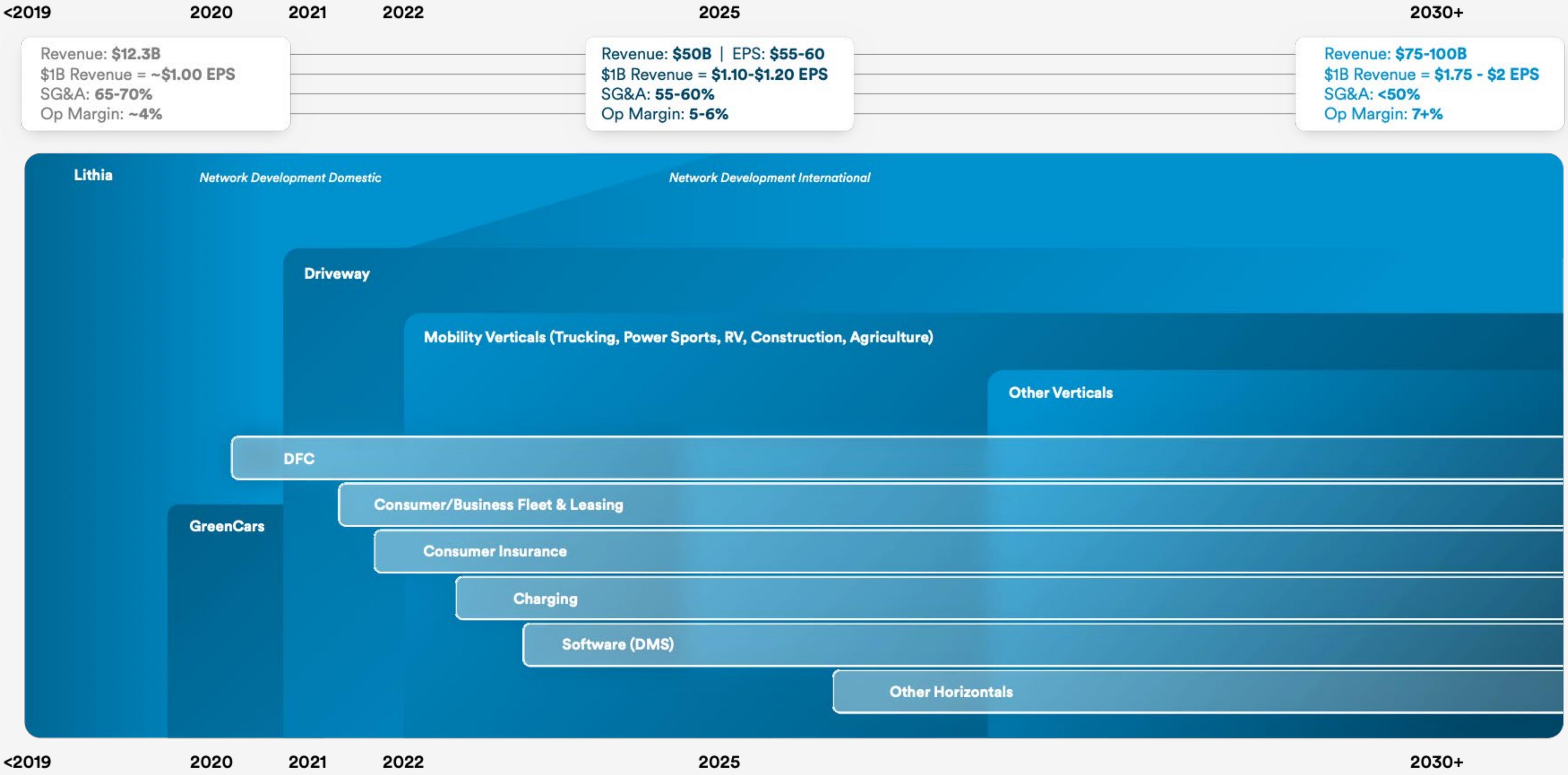
$50 billion

2025 Plan

$50 billion in revenue

LAD Strategy Overview

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



LAST UPDATED: 2/14/23

Key Strategic Highlights

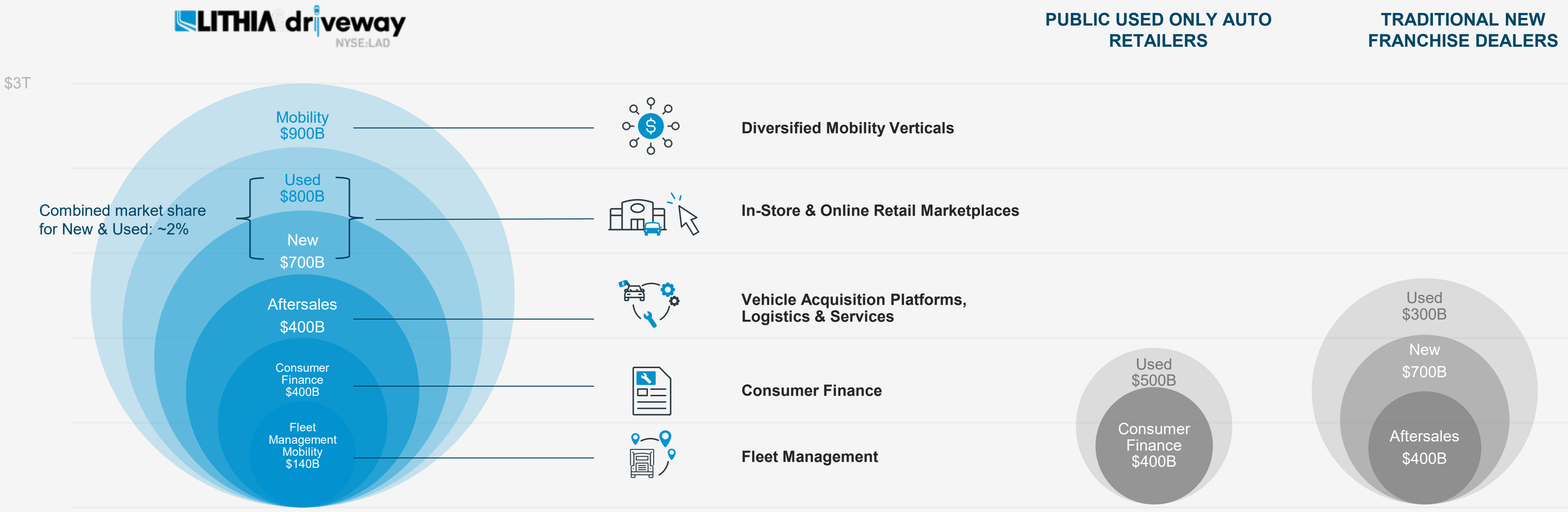
Profitably Modernizing an Industry

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

01 LARGEST RETAIL INDUSTRY

Over $3 Trillion in Revenue Across Industries



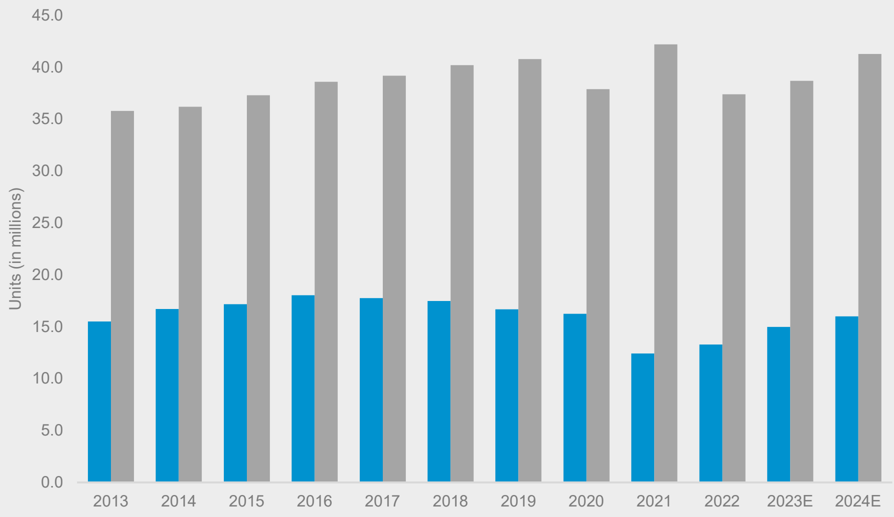
Proven consolidator in large, highly fragmented addressable markets

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

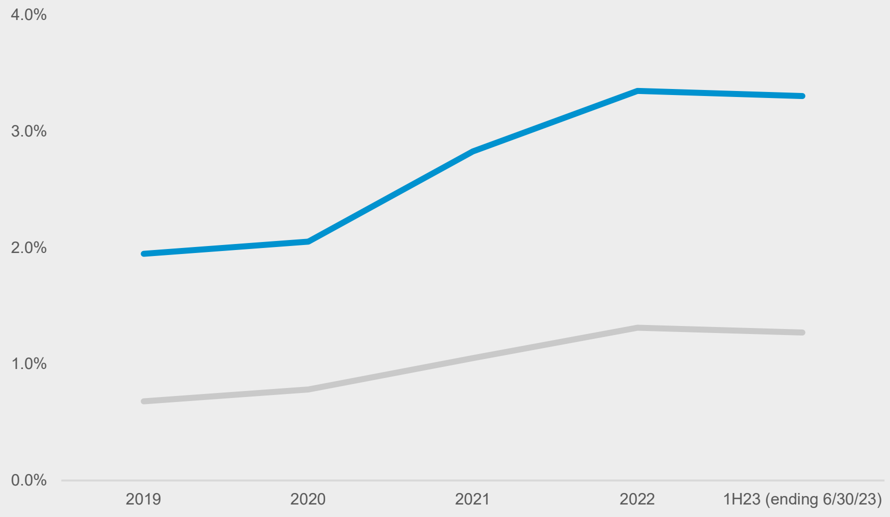
US Light Vehicle New & Used SAAR



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 approached supports steady, consistent growth.

LAD US Market Share[1]



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.

Source: Morgan Stanley, Bloomberg
[1] US Market Share is based on Lithia's US-only sales, divided by IHS registration data within our operating markets

Operating Results and Efficiency

Vehicle Operations Income

$M	2020	2021	2022
Vehicle operations revenue	$13,126.5	$22,831.7	$28,187.8
Vehicle operations gross profit	2,224.3	4,259.0	5,152.5
Vehicle operations SG&A	(1,559.5)	(2,567.9)	(3,259.8)
Floor plan interest expense	(34.4)	(22.3)	(38.8)
Vehicle operations income	**$630.9**	**$1,673.5**	**$1,855.6**
Vehicle Operations SG&A as a % of gross profit excluding internal charges	*66%*	*57%*	*60%*

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

Vehicle Operations SG&A: Selling, general and administrate 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

Opportunity to add over $125mm in profit by improving operations

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

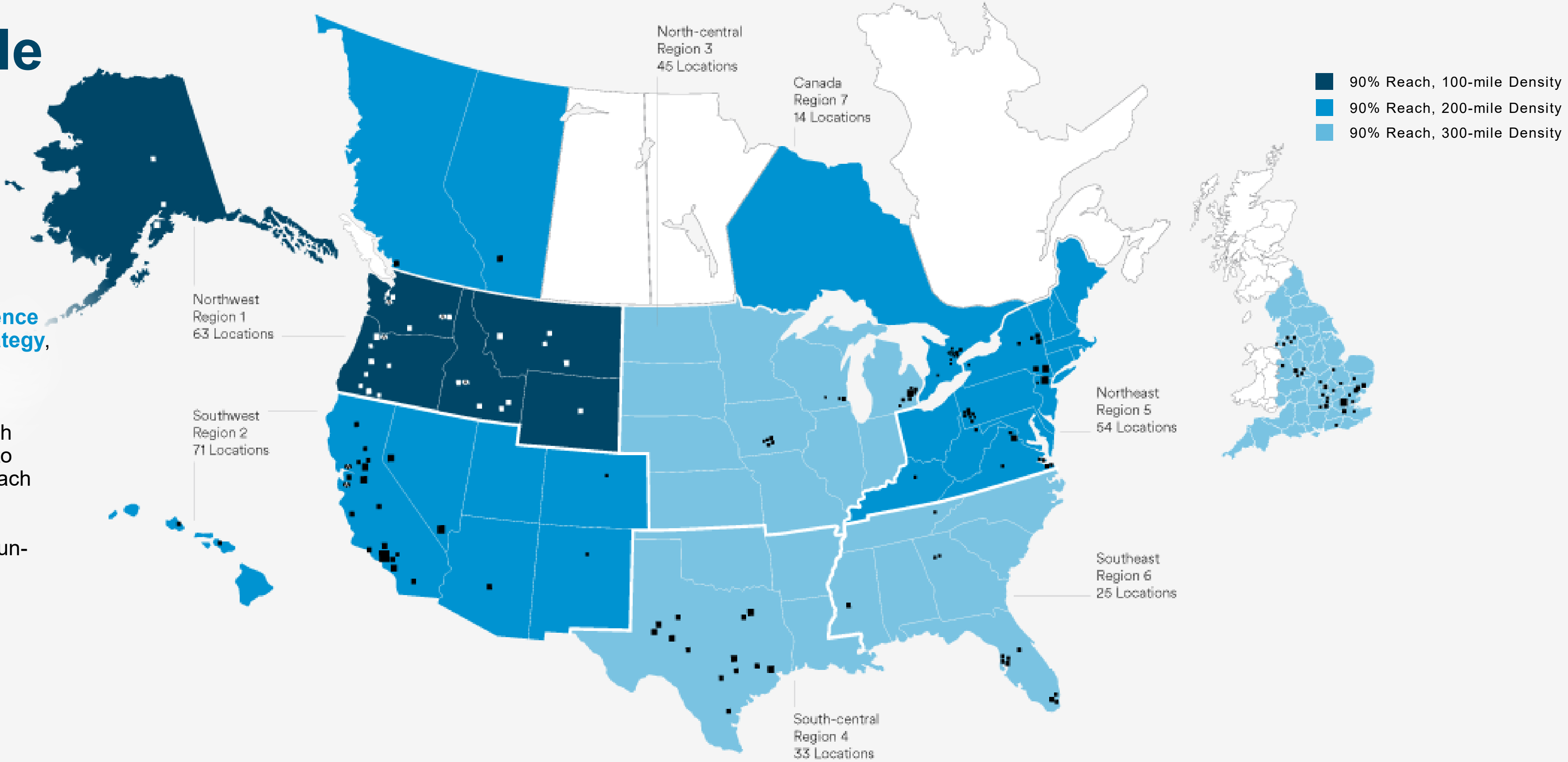
Diversifying Store Size: Growth since 2019 has shifted the average revenue per store from $70 million in 2019 to an average of over $100 million in 2022

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.

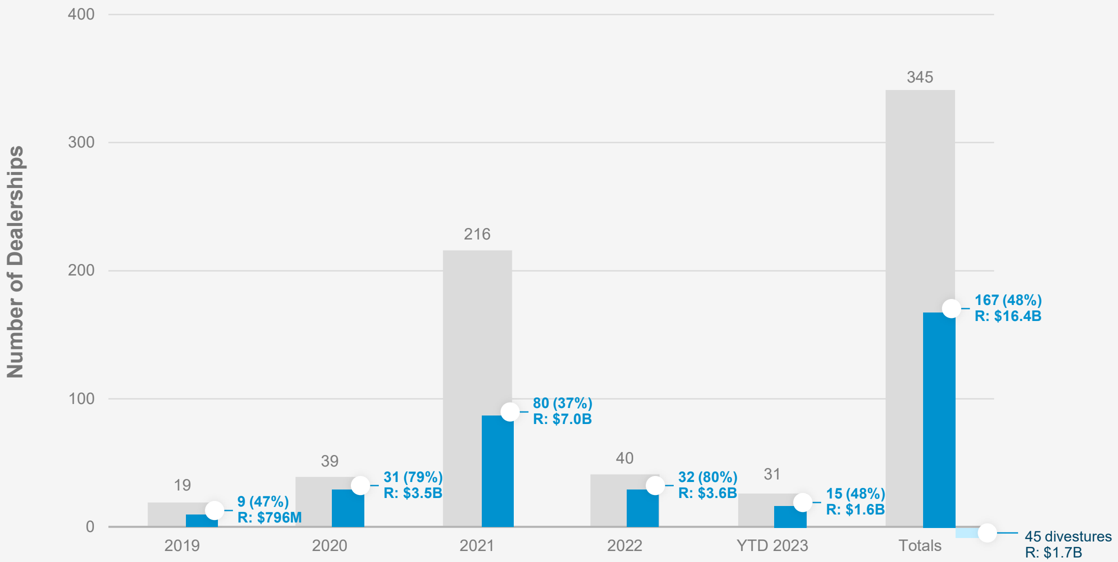
As a result, our annualized revenue run-rate is greater than $30 billion.



~225mi	45+	340+	85,000+	$1.6b
Miles to Reach 95% of Nation	OEM Brands	Stores Worldwide	Vehicles in Inventory	EBITDA (YTD 2023)

Mergers & Acquisitions

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

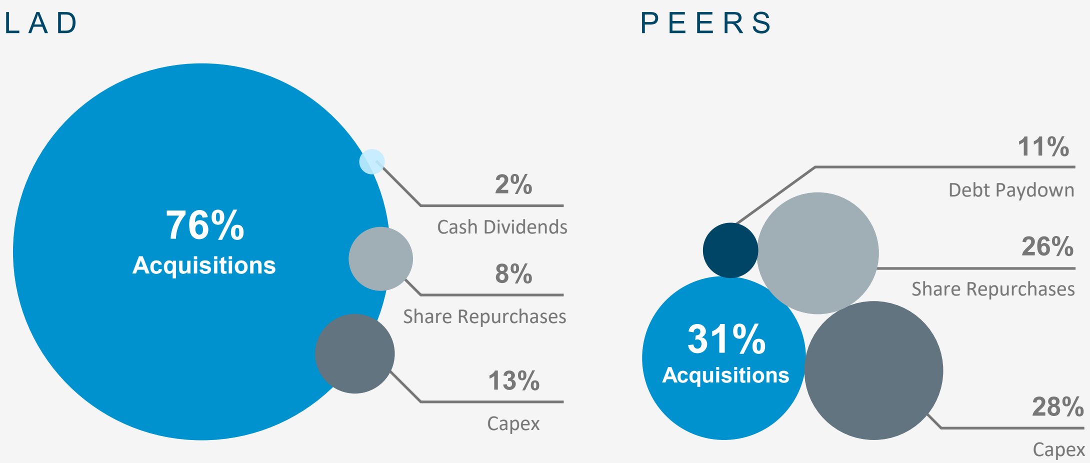


LAD %
Public

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.
- 98% success rate on acquisitions as of Q2 2023

Source: Haig Partners, Automotive News, Lithia Motors Inc.
Total Private: 280 in 2019, 305 in 2020, 491 in 2021, 567 in 2022 (2019 – 2022 Total 1,643).

M&A ALLOCATION

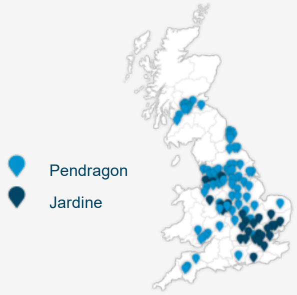


LAD's Allocation Strategy
- LAD has direct capital towards growth and expansion compared to our peers
- Aim for leverage ratios in range of 2-3X, with goal of achieving IG rating over time
- In 2022, we repurchased 2.4 mm shares at an average price of $276 per share or ~8% of the float

Notes: Capital allocation figures based on average annual results between the period of 2019-2022 and semi-annual results for YTD 1H23 (JP Morgan Banking).
Peers—Autonation, Asbury, Sonic, Group 1, Penske
Values in charts rounded and may not add to 100

Transformative Partnership

Strategic partnership with Pinewood Technologies; expansion into fleet management; acquisition of $4.5 billion (£3.6 billion) in annualized revenues



Strategic partnership with **innovative**, cloud-based technology platform with Pinewood Technologies

- **UK Technology Platform**: migration towards single DMS/CRM platform (Pinewood) across continental Europe
- **Technology Expansion**: JV with Pinewood to rollout solution to North America; estimated TAM of $2.6 billion

New adjacency increasing **diversification** with fleet management

- **Expansion**: organically develop fleet leasing and contract hire solutions for businesses; experienced Pendragon Vehicle Management (PVM) team
- **Complementary adjacency**: diversification into higher margin business with low execution risk

Synergistic **expansion** of existing UK presence combining Jardine Motors Group with Stratstone, Evans Halshaw and CarStore

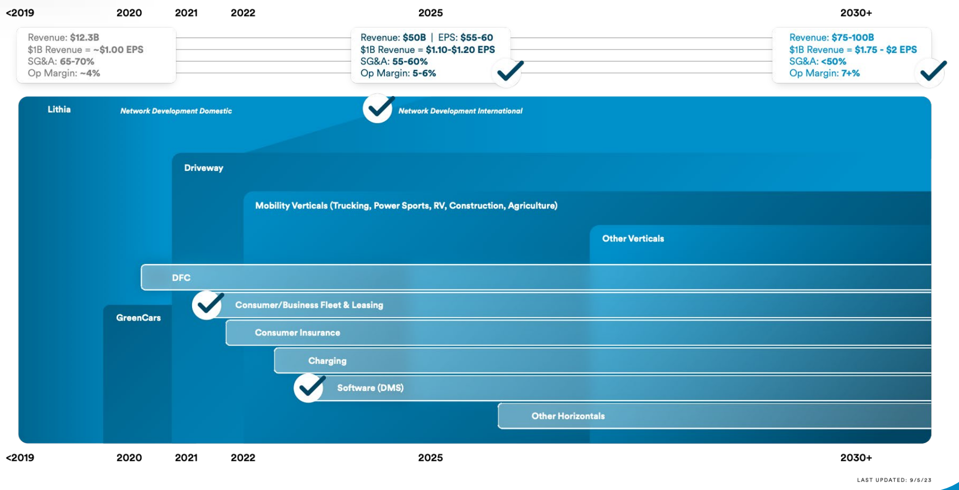
- **Expanded footprint**: grow geographic and brands, deepen relationships across OEMs globally
- **Omnichannel**: network foundation to roll out offering to UK market

Progressing the LAD Strategy

Transaction provides a transformative partnership and crucial step to executing our long-term growth plans:

- Estimated annualized revenues of $38+ billion USD post-transaction; rounds out UK expansion
- New adjacency synergistically leveraging network with PVM
- Accelerating technology solution innovation with strategic partnership

✓ Pendragon Acquisition



TRANSACTION OVERVIEW

INNOVATION

- 16.7% equity in Pinewood Technologies plc:
  - Strategic partnership to grow digital platform in Europe, Asia and Middle East
  - Commitment to convert existing UK stores to Pinewood technology platform
- JV to bring technology solutions to North America:
  - Combines expertise to bring innovative technology solutions to the North American automotive retail market

DIVERSIFICATION

- 100% acquisition of PVM:
  - Fleet management business with complete range of fleet leasing and management solutions
  - Capital efficient business with strong returns

EXPANSION

- 100% acquisition of UK motors business:
  - Over 160 retail locations and 7,900 team members in England, Scotland and Wales; £3.6 billion in annualized revenues
  - Represented by consumer brands Stratstone, Evans Halshaw and CarStore
  - Combined UK presence expected to represent 3.6% new vehicle market share

Transaction total to be £397 million and repayment of outstanding net debt funded using existing balance sheet capacity

Expected close in Q4 2023

Consumer Optionality & Lifecycle

POWERED BY	BRAND	CONSUMER EXPERIENCE	PRODUCTS & SERVICES
Personnel, Facilities, Inventory, Technology	LITHIA	Omnichannel	Shop; Sell; After Sales; Financing Solutions/Subscriptions
Distribution, Transparency, Simple, Convenience	driveway	Online	
Learning Resources	GREENCARS	Education; Marketplace	
Data & Innovation, Vertical Integration	dfc	Captive Finance	Finance
Consumer Mobility Solutions	Mobility Verticals	Transportation Solutions	RVs, Motorbikes, Power Sports, Fleet Management

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: ~13 million MUVs across all digital channels each month during Q3 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

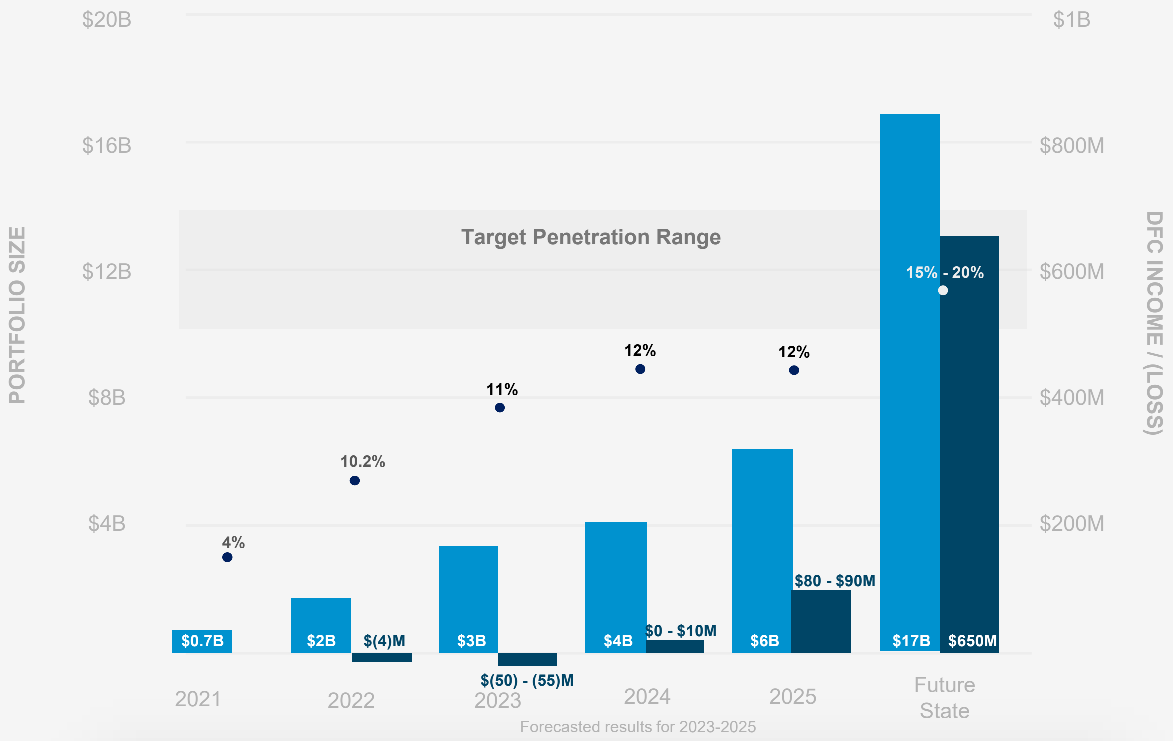
- Full credit spectrum lender
- Focus on prime FICO portfolio profile
- Maximizing risk-adjusted cash flows

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

- Portfolio Size[1]
- Financing Ops Income/(Loss)[2]
- Penetration Rate

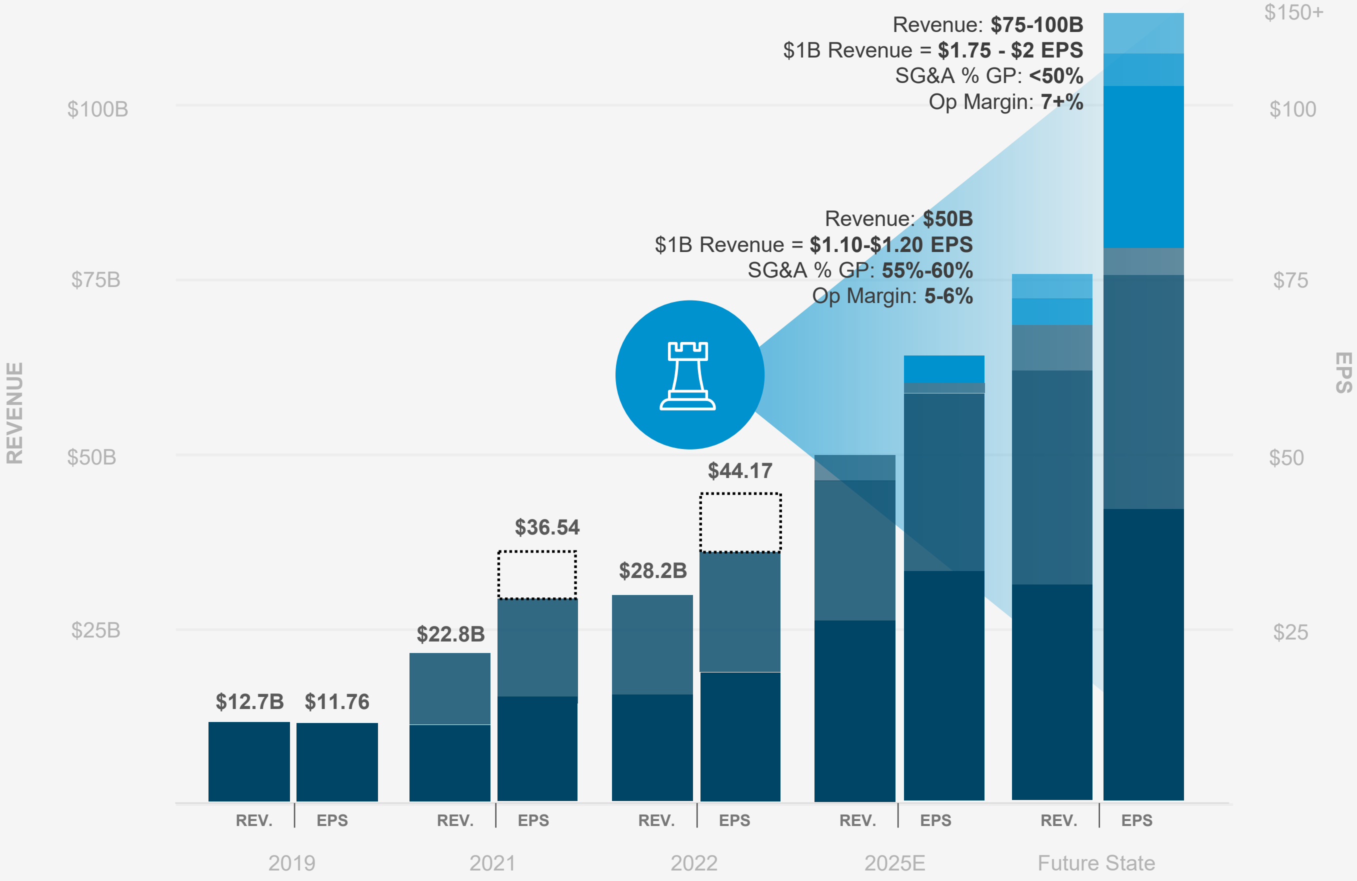
2023 KPI's
- **Size**: Average loan $30,000
- **Coupon**: 8.5-10.5%
- **Term**: 6 years, loss ratio of 2.5%
- **Credit quality**: >50% accounts FICO 720+
- **Portfolio**: 70% used / 30% new mix

[1]DFC 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, 2023 to include net charge-offs in provision expense and capture the impact of spread compression on recently originated loans

2025 & Beyond

Diversified. Dynamic. Profitable.

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



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

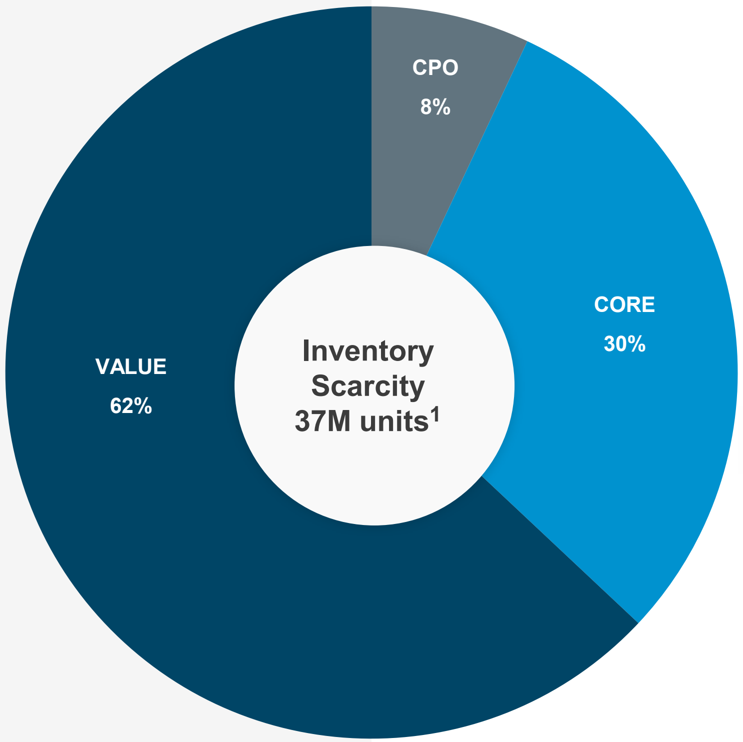
Appendix

Inventory, Strategies, History, Future, & More

Used Vehicle Marketplace

Addressing largest proportion of used vehicle TAM of any retailer

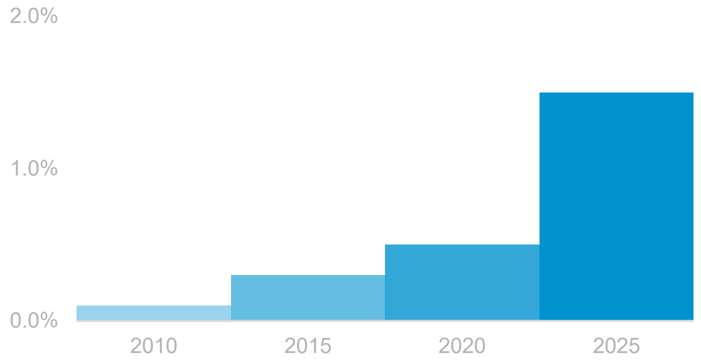
- Inventory procurement and reconditioning are critical. Network growth supercharges ability to procure, distributed network allows it turn faster
- LAD retails 0 to 20-year-old vehicles
- Value autos are highest gross margin %, turns fastest in normalized environment
- ~80% of consumers with an average of $5,600 disequity at pre-pandemic values



Q3 2023 Same Store Metrics[2]

	Average Selling Price	% Mix	ROI
CPO	$33,941	15%	66%
Core [4]	$30,170	64%	45%
Value Autos	$16,086	21%	155%

Projected LAD Market Share[3]



[1] TTM IHS used vehicle registration data for the period starting June 30, 2023 grouped by vehicle age (CPO 0-3 years, Core 4-8 years, Value Autos 9+ years)
[2] 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.
[4] Core includes vehicles with less than 40,000 miles.

driveway

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.

3.25M

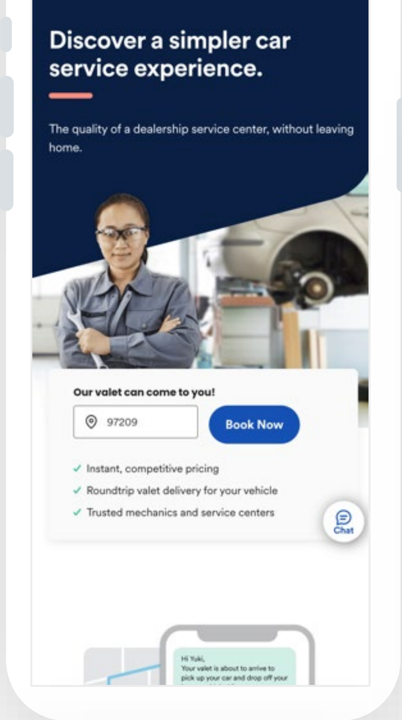
Average monthly unique visitors Q3 2023

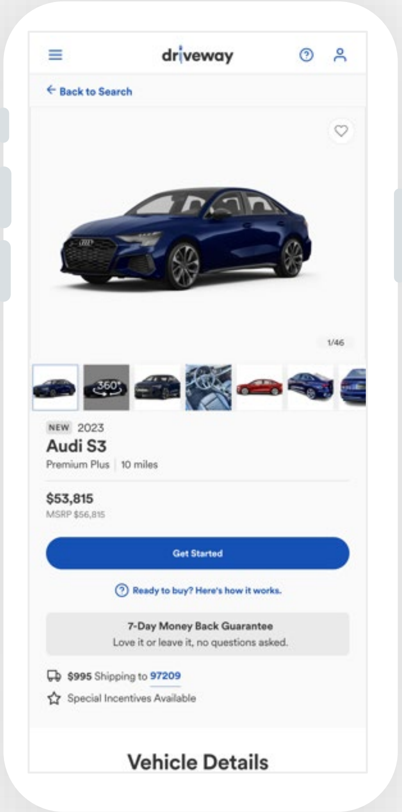
775+

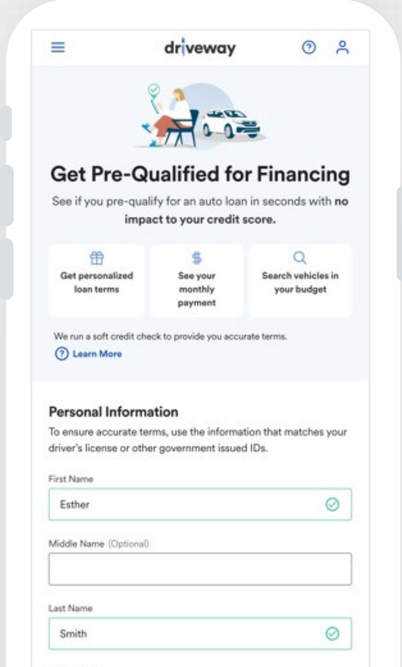
Average shipping distance in miles

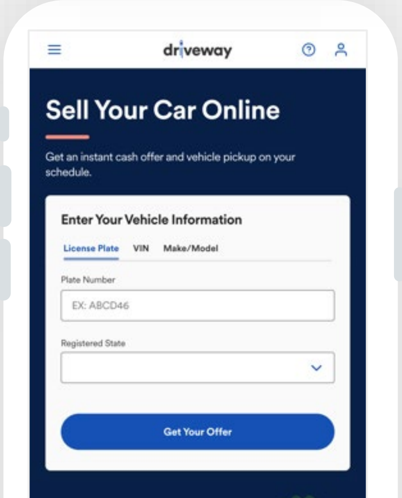
4.3

Average Google review score out of 5 stars









GreenCars | everything in one place

GREENCARS

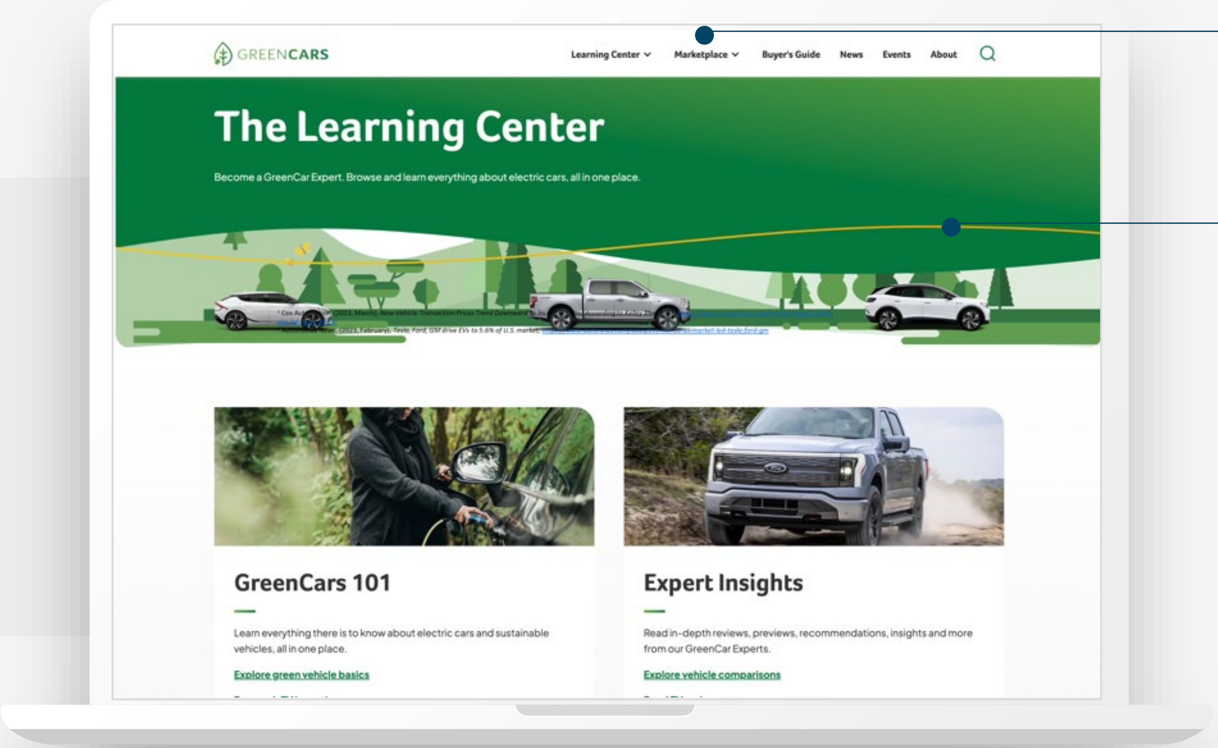
Accelerate the adoption of more sustainable vehicles, while capturing growth

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.

~625k MUVs
Average monthly unique visitors Q3 2023

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

$55,436 [1]
Average selling price for BEVs in first half 2023

6.5% Light Vehicle Sales[1]
attributed to BEVs in first half 2023

1 Cox Automotive Mid-Year Review, (June 2023)

Competitive Advantages

Lower cost network with higher margin businesses

	Lithia & Driveway NYSE:LAD	Carvana	CarMax	AVG. TRADITIONAL NEW FRANCHISE RETAILERS
Revenue ($mm)	$28,188	$13,604	$29,685	$20,147
Net Income (Loss) ($mm)	$1,251	$(1,587)	$485	$919
Network Cost as a % of gross profit[1]	79%	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]	$57,189	$(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)

dfc

Financing Operations Income

Three Months Ended September 30,

$M	2023	%[1]	2022	%[1]
Net Interest Margin	$29.9	3.8	$19.5	4.8
Provision expense[2]	(23.1)	(3.0)	(14.5)	(3.6)
Financing Ops Income / (Loss)	**(4.4)**	**(0.6)**	**(4.6)**	**(1.1)**

Nine Months Ended September 30,

$M	2023	2022
Allowance at beginning of period	$69.3	$25.0
Charge-offs	(79.1)	(36.3)
Recoveries	35.6	12.2
Initial allowance for purchased credit-deteriorated loans	2.3	—
Provision expense	74.9	51.5
Allowance at end of period	**103.0**	**52.4**

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-offs[2] and depreciation on vehicles leased via operating leases and directly-related expenses

Illustrative Example of Contribution of a single quarter's originations

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**
Hypothetical net income from 3rd party finance reserve	7.5	1.4	0.0	0.0	0.0	0.0	7.5
Incremental income earned by DFC (undiscounted)							**3.4x**

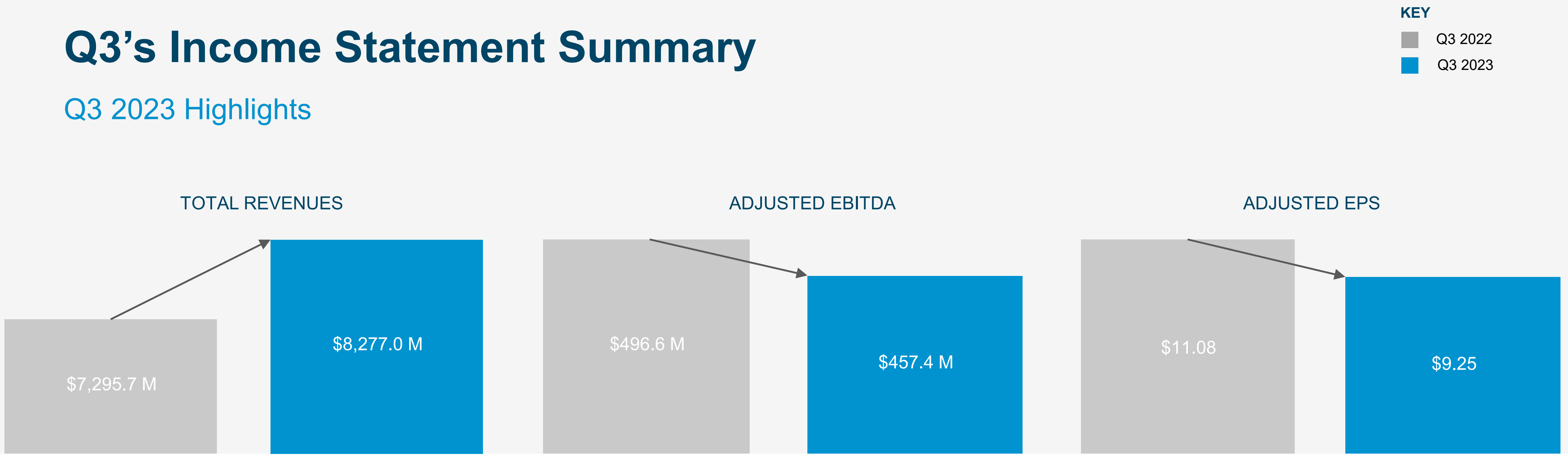
Static Pool Assumptions: 9% APR, 6% Cost of Funds, 2.5% Cumulative Net Loss, 1% SG&A as a % of receivables, 2% prepayment rate, 50% recovery rate,

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

Q3's Income Statement Summary

Q3 2023 Highlights



COMMENTARY

- Decreased total revenue by -1.1%
- Decrease in gross profit by -8.2%
- Decrease in adjusted earnings per share by -16.5%
- Decrease in adjusted EBITDA -7.9%

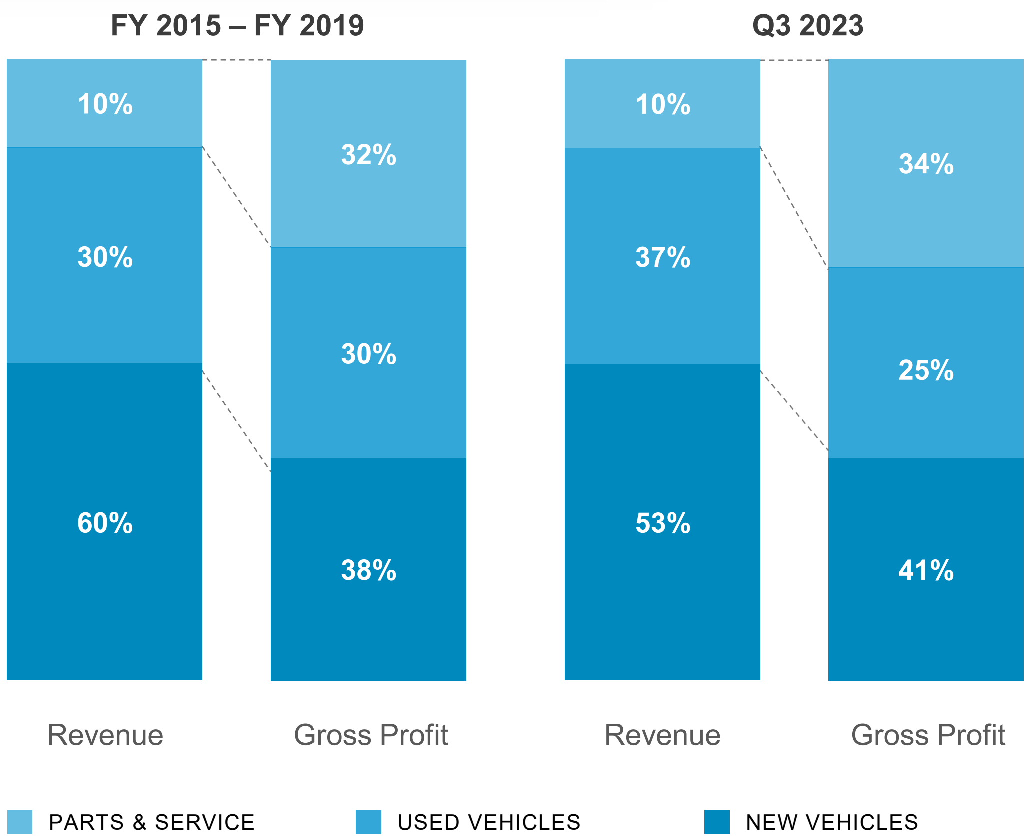
SAME STORE YEAR-OVER-YEAR COMPARISON VS. Q3 2022

	REVENUE	GROSS PROFIT
New Vehicle	5.5%	(22.3)%
Used Vehicle Retail	(8.1)%	(18.8)%
F&I	(3.3)%	(3.3)%
Service, Body and Parts	4.3%	6.6%
TOTAL	**(1.1)%**	**(8.2)%**

Resilient Business Model

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

Business Mix New and Used Revenue / Gross Profit includes F&I



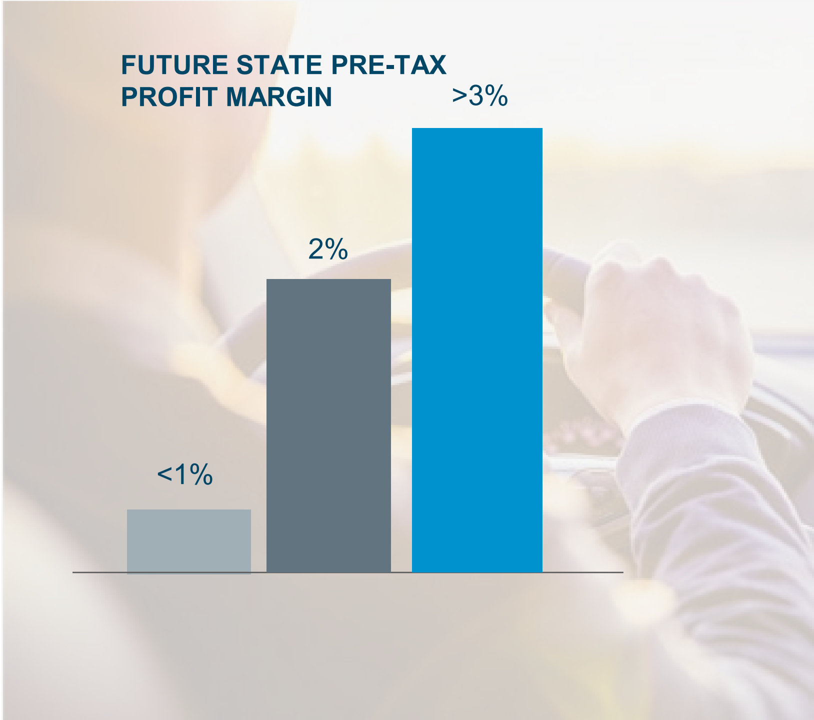
New Vehicle Mix

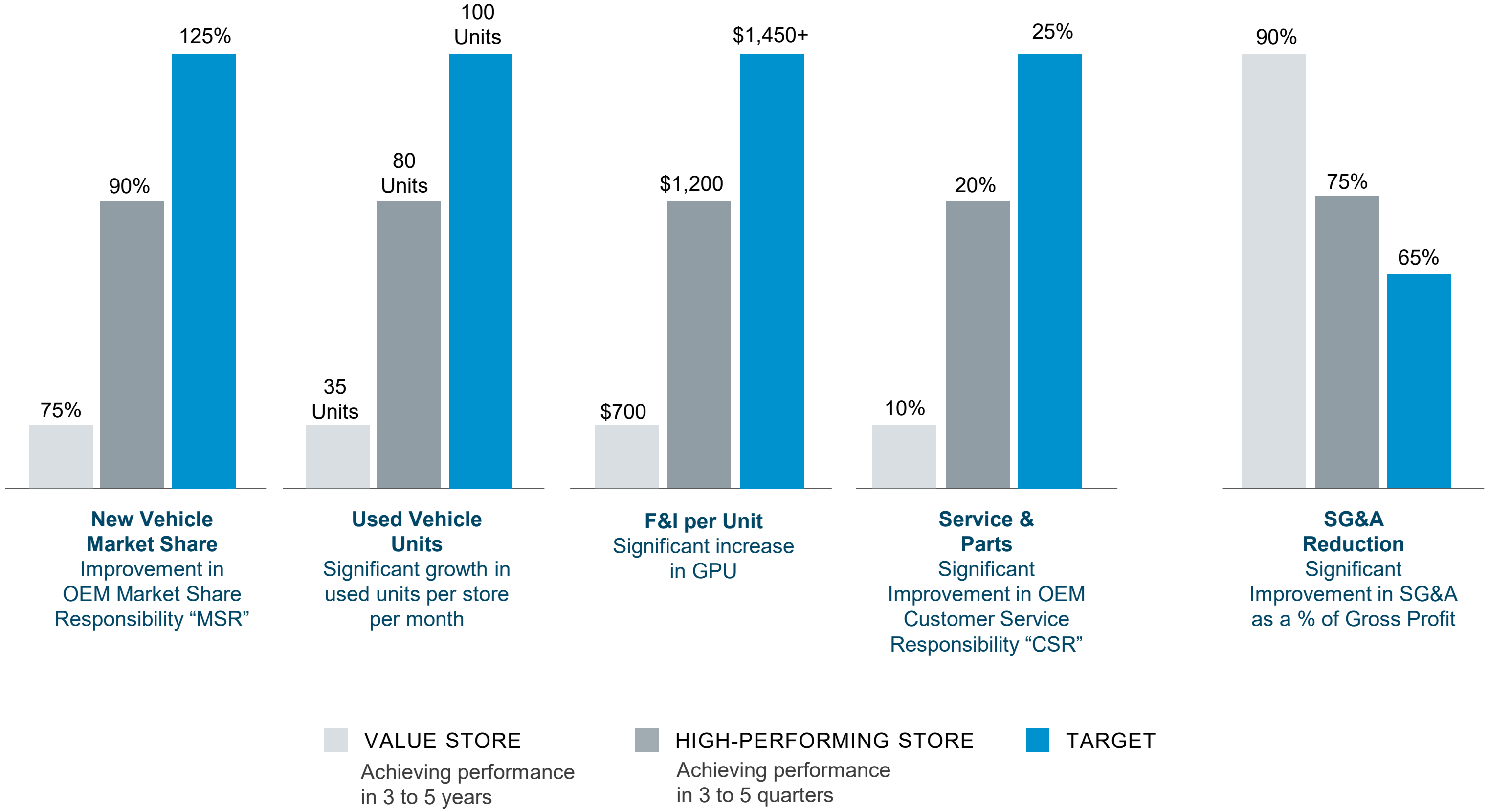
Segment	Segment %	Brand	Brand Revenue	Brand Unit Sales
Import	45%	Toyota	13%	15%
		Honda	13%	17%
		Hyundai	5%	7%
		Subaru	5%	6%
		KIA	3%	4%
		Nissan	1%	2%
		Other Imports [1]	5%	7%
Domestic	28%	Stellantis	12%	10%
		Ford	9%	8%
		GM	6%	5%
		Other Domestic [2]	1%	0%
Luxury	27%	BMW/MINI	7%	4%
		Mercedes	4%	4%
		Audi	3%	1%
		Lexus	3%	2%
		Porsche	4%	4%
		Acura	2%	2%
		Jaguar/Land Rover	2%	1%
		Other Luxury [3]	2%	1%

For the three-months ending September 30, 2023,
[1] Other import brands include VW and Mazda
[2] Other domestic brands include Harley-Davidson, Airstream
[3] Other luxury brands include Infiniti, Lamborghini, Genesis, Volvo, Rolls-Royce, McLaren, Bently, Ferrari, Maserati, Aston Martin, INEOS, Pagani

Acquired Business Earnings Opportunities

Acquiring strong brands and grow profits





Supplemental Information

2023 Quarterly Income Statement

$M	Q3	Q2	Q1	FY2023
New Vehicles	$3,885.8	$4,014.7	$3,278.9	$11,179.5
Used Vehicles	2,620.2	2,455.1	2,227.5	7,302.8
Wholesale Used Vehicles	316.1	403.9	356.7	1,082.4
Finance and Insurance	349.4	337.9	318.3	1,005.6
Service Body and Parts	838.0	804.4	736.3	2,378.8
Fleet and Other	267.5	95.5	56.1	418.9
Total Revenues	**$8,277.0**	**$8,111.5**	**$6,973.8**	**$23,368.0**
New Vehicles	$358.9	$387.2	$333.8	$1,079.9
Used Vehicles	189.0	212.7	165.7	567.4
Wholesale Used Vehicles	(6.0)	(0.7)	(2.8)	(9.5)
Finance and Insurance	349.4	337.9	318.3	1,005.6
Service Body and Parts	462.8	443.9	394.4	1,301.1
Fleet and Other	17.3	4.2	2.1	23.7
Gross Profit	**$1,314.2**	**$1,385.1**	**$1,211.5**	**$3,968.2**
Finance Operations Income	(4.4)	(18.7)	(20.8)	(43.8)
SG&A	850.8	842.2	764.4	2,458.1
Depreciations and Amortization	50.8	48.4	47.3	146.4
Operating Income	**$465.3**	**$475.8**	**$379.0**	**$1,319.9**
Floor Plan Interest Expense	(40.2)	(34.7)	(27.7)	(102.6)
Other Interest Expense	(58.5)	(43.9)	(39.0)	(141.5)
Other Income (expense) net	(5.3)	9.8	2.0	6.8
Income Before Taxes	**$361.3**	**$407.0**	**$314.3**	**$1,082.6**
Income Tax Expense	(96.4)	(105.9)	(84.7)	(287.0)
Net Income	264.9	301.1	233.3	795.6
Net Income attributable to non-controlling interests	(3.4)	(3.9)	(0.9)	(8.3)
Net Income attributable to LAD	**$261.5**	**$297.2**	**$228.7**	**$787.3**

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	9,425.0
Wholesale Used Vehicle	336.0	363.2	382.4	385.8	1,425.2
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**	**$28,187.8**
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 Vehicle	(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**

Supplemental Information

2023 Adjusted non-GAAP Income Statement

	YTD 2023	Net disposal loss (gain) on sale of stores			Investment loss (gain)			Insurance Reserves			Acquisition expenses			Contract Buyouts		YTD 2023
$M, except for per share amounts	As Reported	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q3	Adjusted
Selling, general and administrative	2,458.1	7.2	1.0	23.1	—	—	—	(0.1)	(2.4)	(4.6)	(1.3)	(4.5)	(4.8)	(10.1)	(4.2)	2,457.5
Operating income	1,319.9	(7.2)	(1.0)	(23.1)	—	—	—	0.1	2.4	4.6	1.3	4.5	4.8	10.1	4.2	1,320.5
Other income (expense), net	6.8	—	—	—	0.5	(1.2)	0.7	—	—	—	—	—	—	—	—	6.6
Income before income taxes	1,082.6	(7.2)	(1.0)	(23.1)	0.5	(1.2)	0.7	0.1	2.4	4.6	1.3	4.5	4.8	10.1	4.2	1,083.0
Income tax (provision) benefit	(287.0)	1.9	0.4	6.1	—	—	—	—	(0.6)	(1.2)	(0.2)	(0.5)	(0.8)	(2.7)	(1.1)	(285.8)
Net income	$795.6	(5.3)	(0.6)	(17.0)	0.5	(1.2)	0.7	0.1	1.8	3.4	1.1	4.0	4.0	7.4	3.1	$797.2
Net income attributable to non-controlling interests	(8.3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(8.3)
Net income attributable to LAD	**$787.3**	**(5.3)**	**(0.6)**	**(17.0)**	**0.5**	**(1.2)**	**0.7**	**0.1**	**1.8**	**3.4**	**1.1**	**4.0**	**4.0**	**7.4**	**3.1**	**$788.9**
Diluted earnings per share	$28.54	$(0.19)	$(0.02)	$(0.62)	$0.02	$(0.05)	$0.03	$—	$0.06	$0.12	$0.04	$0.14	$0.15	$0.27	$0.11	$28.61
Diluted share count	27.6															

Supplemental Information

2022 Adjusted non-GAAP Income Statement

	YTD 12/31/22	Net disposal loss (gain) on sale of stores				Investment loss (gain)				Insurance Reserves	Acquisition expenses				YTD 12/31/22
$M, except for per share amounts	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	795.6	1,261.6	1,062.7	470.3	271.5
Add: Flooring interest expense	102.6	38.8	22.3	34.4	72.8
Add: Other interest expense	141.5	129.1	103.4	71.6	58.8
Add: Financing operations interest expense	125.5	52.2	4.8	1.5	1.8
Add: Income tax expense	287.0	468.4	422.1	178.2	103.9
Add: Depreciation and amortization	146.4	163.2	124.8	92.3	82.4
Add: Financing operations depreciation expense	6.3	9.5	2.5	—	—
EBITDA	$1,604.9	$2,122.8	$1,742.6	$848.3	$591.2
Less: Flooring interest expense	(102.6)	(38.8)	(22.3)	(34.4)	(72.8)
Less: Financing operations interest expense	(125.5)	(52.2)	(4.8)	(1.5)	(1.8)
Less: Used vehicle line of credit interest	(11.2)	(9.6)	(0.1)	(0.5)	(5.5)
Add: Acquisition expenses	10.5	15.0	20.2	3.1	2.5
Add (Less): Loss (Gain) on divestitures & investments	(31.6)	(26.8)	66.4	(60.4)	(9.7)
Add: Reserve adjustments	7.1	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	14.4	—	—	—	—
Adjusted EBITDA	$1,366.0	$2,015.3	$1,820.0	$768.6	$516.1
Total Debt	9,784.5	7,647.5	4,599.5	3,927.9	3,537.4
Less: Temporary paydown on flooring	—	—	—	(113.4)	—
Less: Floor plan related debt	(3,984.8)	(2,993.8)	(1,690.1)	(1,797.2)	(2,216.6)
Less: Financing operations related debt	(2,054.9)	(1,352.2)	(407.6)	(39.0)	—
Less: Unrestricted cash	(146.9)	(168.1)	(153.0)	(160.1)	(84.0)
Less: Availability on used vehicle and service loaner facility	(66.8)	(17.9)	(267.4)	(491.0)	(239.8)
Net Debt	$3,531.1	$3,115.5	2,081.4	$1,357.2	$997.0

Driving Positive Change

GOAL 1

Public Education

Engage the public on the benefits of electric vehicles and hybrids

GOAL 2

EV Charging Network

Expand EV charging network to alleviate range anxiety

GOAL 3

Green Experiences

Grow sustainable business practices

GOAL 4

Bright Ideas

Develop employee knowledge, creativity, and participation surrounding sustainability

GOAL 5

Energy Efficiency

Support facilities in applying energy-efficient standards

Environment

Social

Governance

Our employees and stakeholders look to our Board of Directors and management to set the tone and promote a culture of integrity and transparency.

GOAL 6

Employee Health & Well-Being

Provide avenues for employee health and well-being

GOAL 7

Training & Professional Development

Encourage internal promotions, training, and promote growth opportunities

GOAL 8

Diversity & Inclusion

Continue to reflect the diversity of our customers within our workforce

GOAL 9

Diverse Leadership

Increase the diversity to better reflect a variety of experiences and perspectives

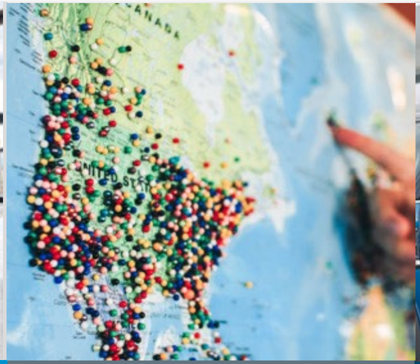
GOAL 10

Community Involvement

Increase nonprofit volunteerism and financial support

Corporate Responsibility Website > | SASB Disclosure > | GRI Disclosure >

LAD's History & Path Forward



2020

Announces 5-Year Plan to profitably consolidate the automotive industry

Acquires $3.5B in revenues

2021

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

2022

$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

2025

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

2030

OEMs expect that 40 to 50% of new vehicles retailed will be zero-emission, constituting 10% of vehicles in operation[1]

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

2035

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

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.

[1]Reuters, (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/

Thank You