



Investor Presentation

FEBRUARY 2024

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 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 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

Profitably Modernizing an Industry

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

HIGHLIGHTS



Strategy

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



Track Record*

- 10-year Revenue Growth CAGR: 23%
- 10-year Total Shareholder Return CAGR: 25%
- 10-year EPS Growth CAGR: 24%



Target

- 100% national coverage
- Highly profitable with significant cash flows



LAD



Used Car Retailer

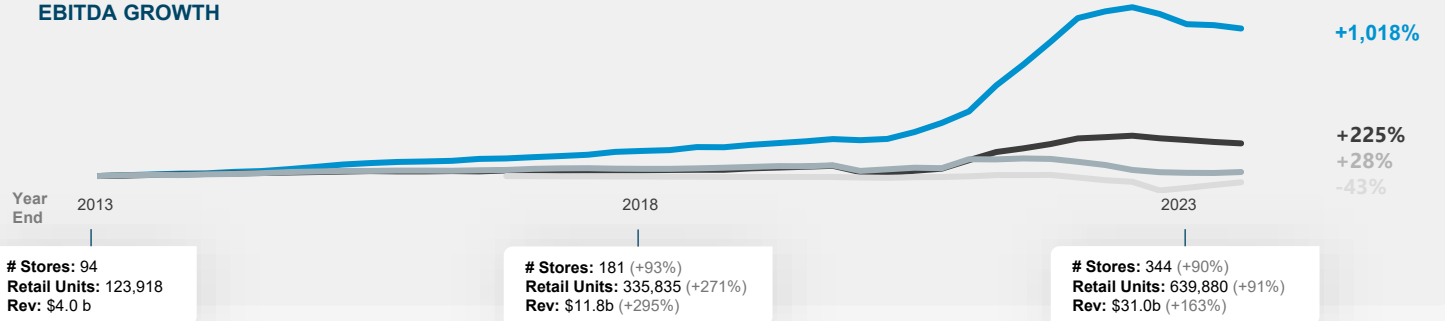


New Franchise Dealers

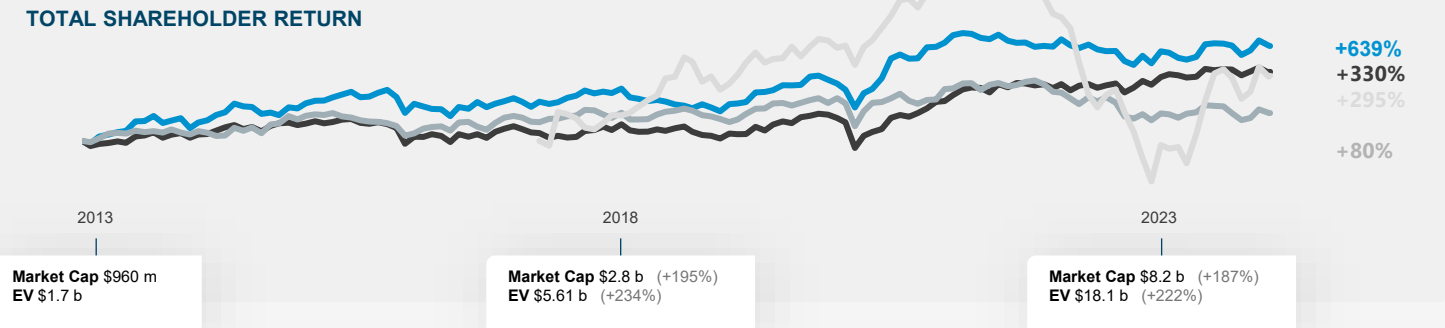


E-Commerce Auto Retailer

EBITDA GROWTH



TOTAL SHAREHOLDER RETURN

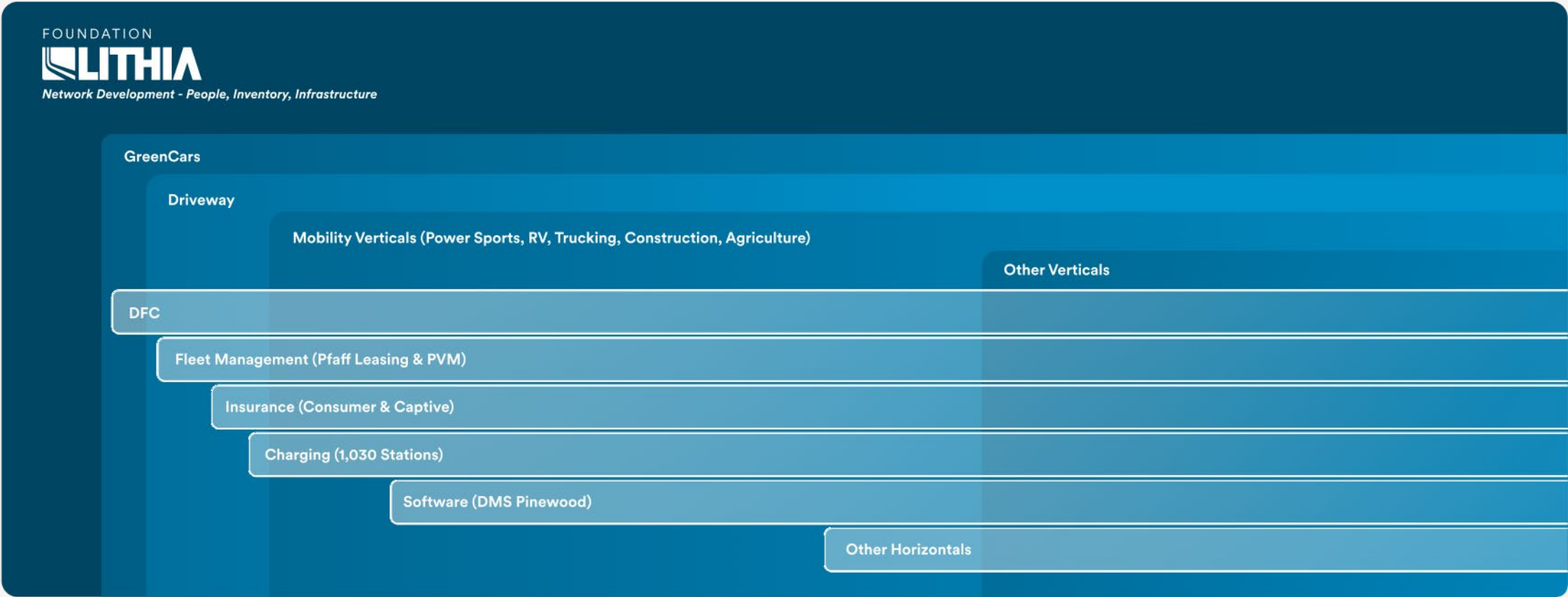
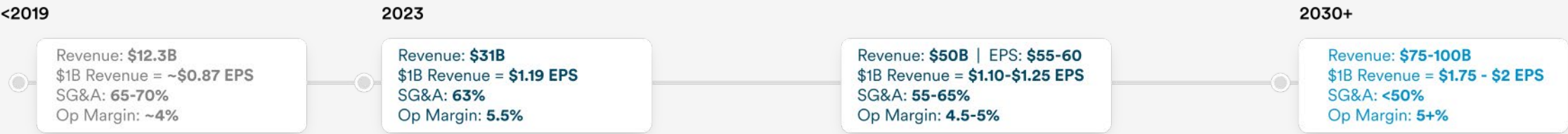


Source: Bloomberg. Groups have been indexed on a logarithmic scale starting at 100 on 03/31/2013 for TTM EBITDA growth and 01/31/2013 for Total Shareholder Return. | **New Franchise Dealers:** Asbury, AutoNation, Group 1, Penske, Sonic ; **Used Car Retailer:** CarMax ; **E-Commerce:** Carvana.
 *10-year CAGRs starting fiscal year end 2013 through fiscal year end 2023
 Stores, Retail Units, Rev, Market Cap and Enterprise Value (EV) growth rates between 2013 - 2018 and 2018 - 2023

LAD Strategy Design

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 CONSUMER ECOSYSTEM

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

03 OPERATIONAL EXCELLENCE

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

04 GROWTH & SCALE

Disciplined M&A generating strong returns and convenient consumer accessibility

05 ADJACENCIES

Transformative, systematic expansion creating diversification and leveraging strengths

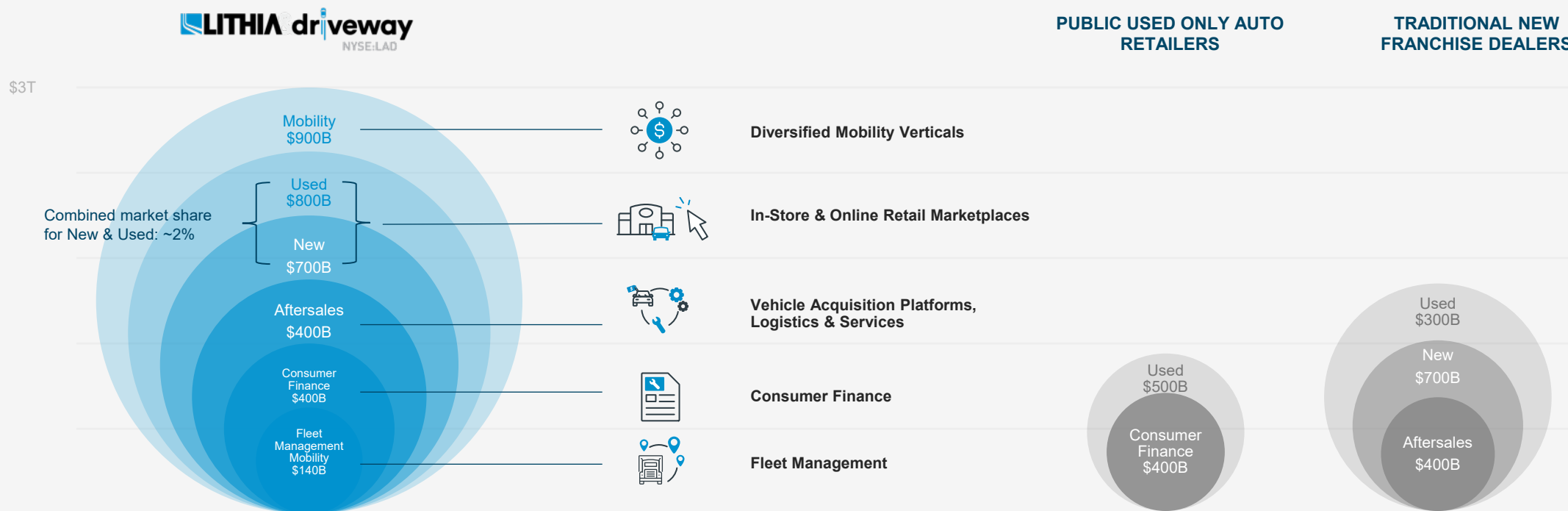
06 PREMIER RETAILER

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



Strategic Omnichannel Ecosystem

Wherever, Whenever, However



CUSTOMER EXPERIENCE

- Customer portal, easy access to variety of offerings
- Omni-channel with in-store and online solutions
- Creating infectious customer loyalty



Aftersales

- Convenient mobile service offerings
- Online scheduling with pick up/drop off options
- Factory-trained technicians servicing all makes and models



Shop, Sell & Trade

- Knowledgeable associates
- Vast new and used vehicle selection
- Offerings for all affordability levels



Financing

- Financing expertise
- Vast lender network, including DFC
- Full-spectrum financing solutions with monthly customer touchpoints



Software

- Integrated experience for customers and associates
- Customized offerings for consumers
- Flexible systems, seamless integration



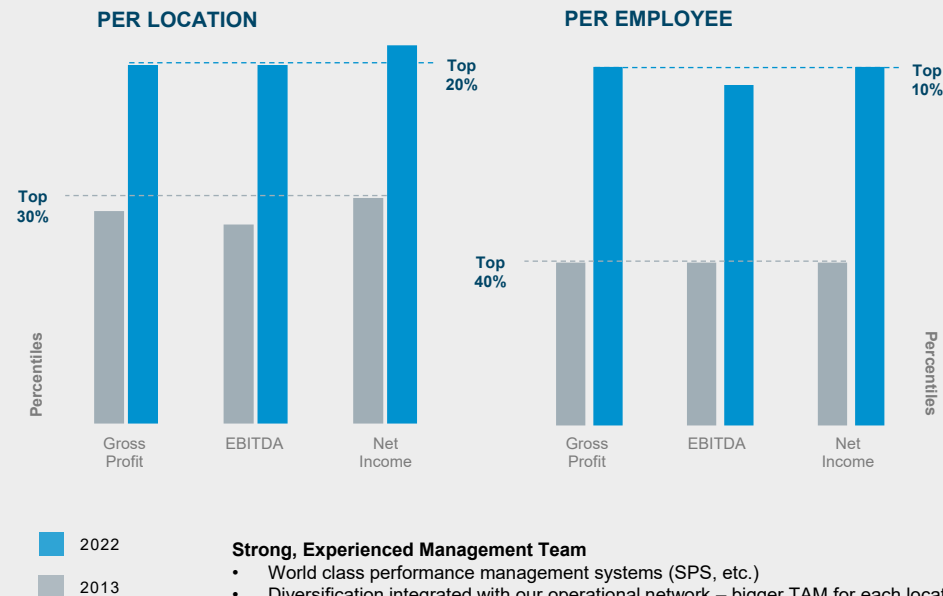
Other Adjacencies

- Provides additional offerings and expands potential customers
- Potential adjacencies: fleet management, consumer insurance, RVs, power sports & more



Operating Results and Efficiency

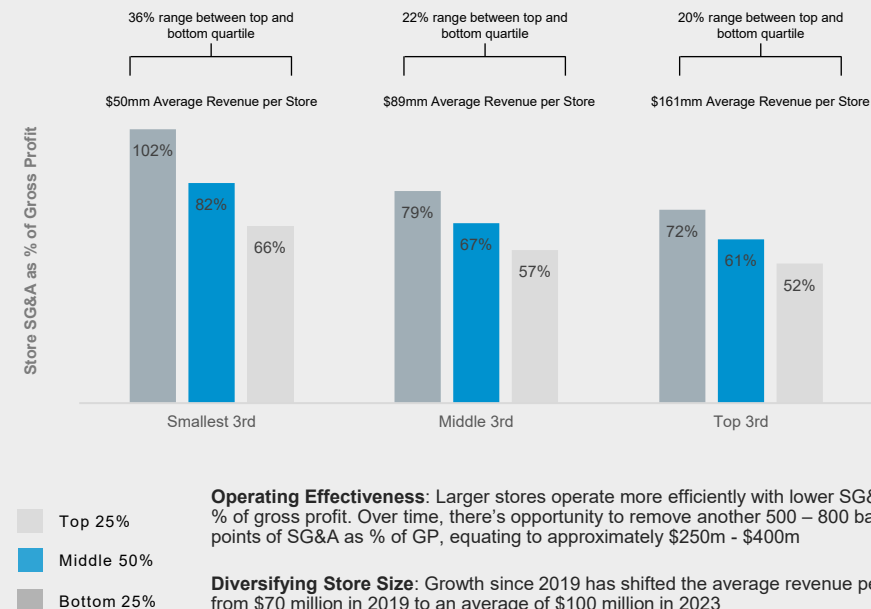
Competitive Advantage – LAD vs Brick & Mortar Retailers¹



Strong, Experienced Management Team

- World class performance management systems (SPS, etc.)
- Diversification integrated with our operational network – bigger TAM for each location
- Competitive advantage – Lithia vs. retail brick and mortar retailers
 - Top 20% of per location
 - Top 10% per employee

2023 Vehicle Operations SG&A Performance at a Store Level



Operating Effectiveness: Larger stores operate more efficiently with lower SG&A as a % of gross profit. Over time, there's opportunity to remove another 500 – 800 basis points of SG&A as % of GP, equating to approximately \$250m - \$400m

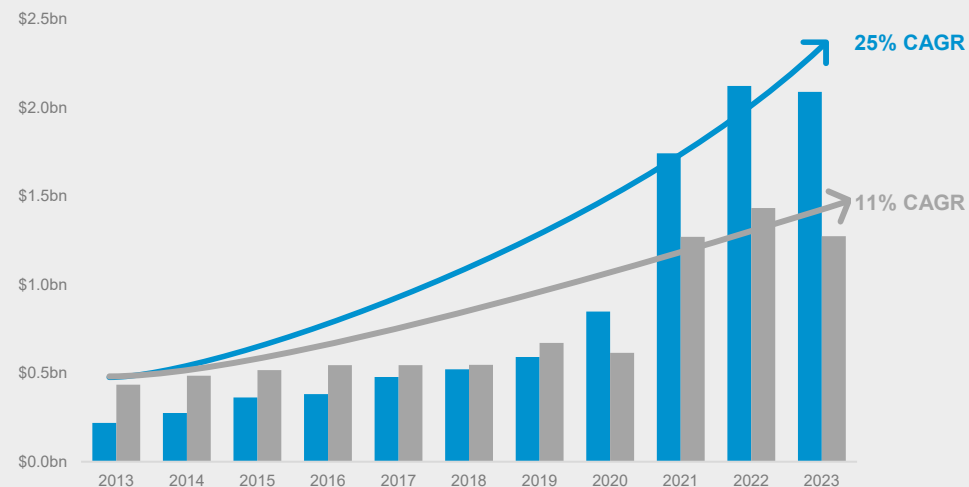
Diversifying Store Size: Growth since 2019 has shifted the average revenue per store from \$70 million in 2019 to an average of \$100 million in 2023

¹Source: Bloomberg. Lithia Percentile Rank compared to retailers: Auto Parts: Advance Auto Parts, O'Reilly, AutoZone | Clothing & Apparel: TJX, The Gap, Ross, Burlington, Lululemon | Cosmetics: Ulta | Department Stores: Macy's, Kohl's | Dollar Stores: Dollar General, Dollar Tree | Electronics: Best Buy | Home Improvement: Tractor Supply, Lowe's, Home Depot | Sporting Goods: Dick's | Supercenters: Costco, Target. |

Regenerative Growth Engine

LAD Growth Strategy vs. Peer Share Buyback Strategy

Free Cash Flow Generation (EBITDA)

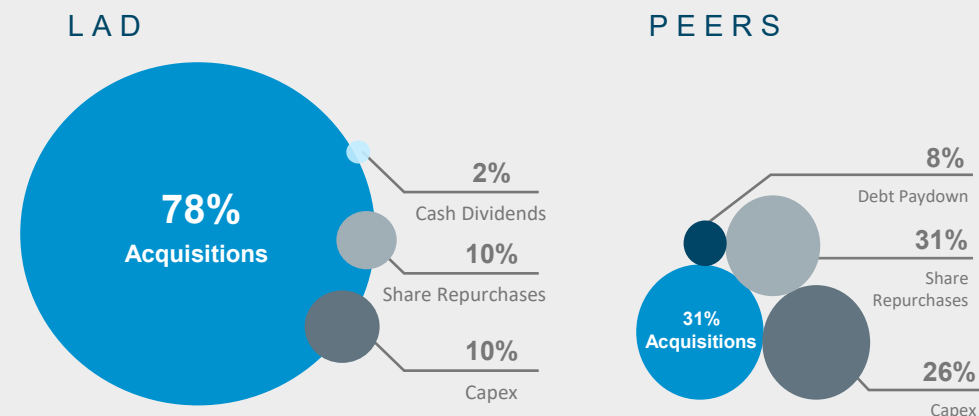


■ LAD
■ PEERS

Takeaway:

- Generates free cash flow through all economic cycles
- Proven integrator of accretive acquisitions; further growing cash flows
- Strategy creates exponential cash flow growth over time on absolute and relative terms

Capital Allocation



LAD's Allocation Strategy

- LAD has directed 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
- Share repurchases at parity to acquisitions at current valuations
- In 2023, we allocated \$34m to share repurchases at an average price of \$241 per share

Source: Bloomberg. PEERS: Asbury, AutoNation, Group 1, Penske, Sonic ; EBITDA based on full year results from 2013 – 2022 and most recent earnings available for 2023

LAD EBITDA based on results from 2013-2023 equal to Income before income taxes + Floor plan interest expense + Other interest expense + DFC interest expense + Depreciation and amortization.

Capital allocation calculated as a percent of total uses of capital. Based on 3.5-year average results between 2020-2022 and semi-annual results for 1H23 (JP Morgan Banking).

Peers: Asbury, AutoNation, Group 1, Penske, Sonic | Values in charts rounded and may not add to 100

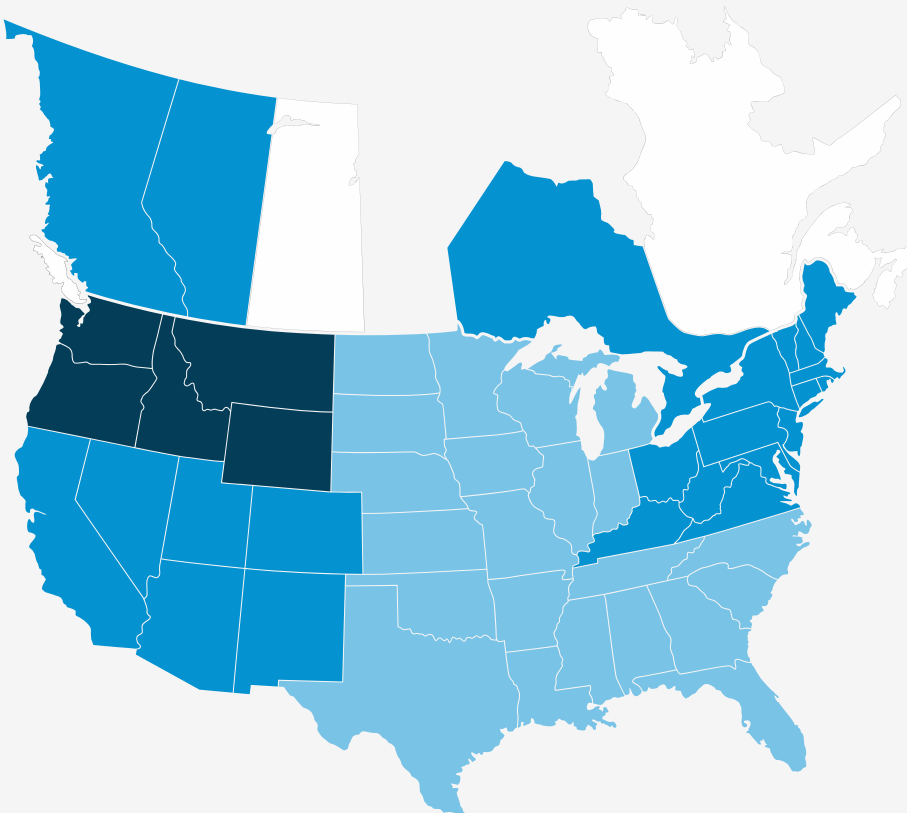


Leveraging Growth & Scale

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.



- 90% Reach, 100-mile Density
- 90% Reach, 200-mile Density
- 90% Reach, 300-mile Density



United Kingdom
Region 8
170 Locations

~230mi

Miles to Reach 95% of U.S.

51

OEM Brands

473

Stores Globally

90,000+

Vehicles in Inventory

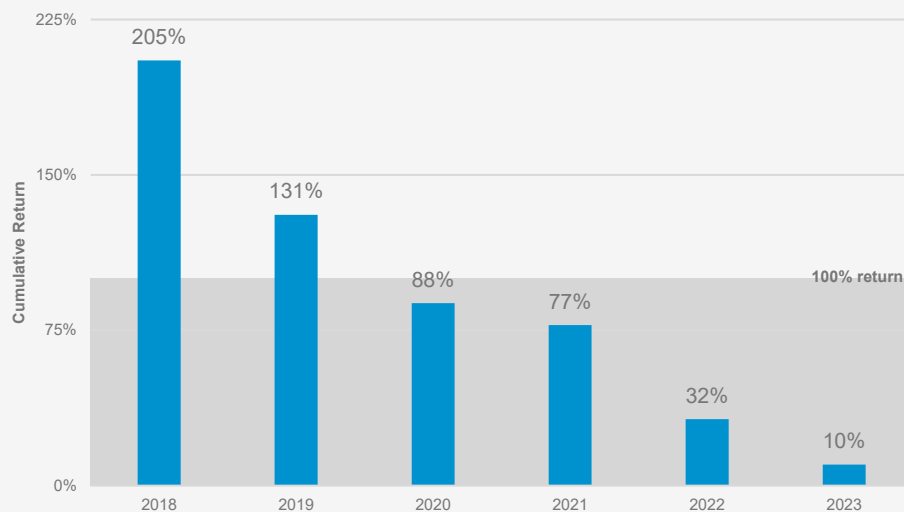
\$2.1b

EBITDA 2023



Mergers & Acquisitions

HISTORICAL RETURNS BY VINTAGE

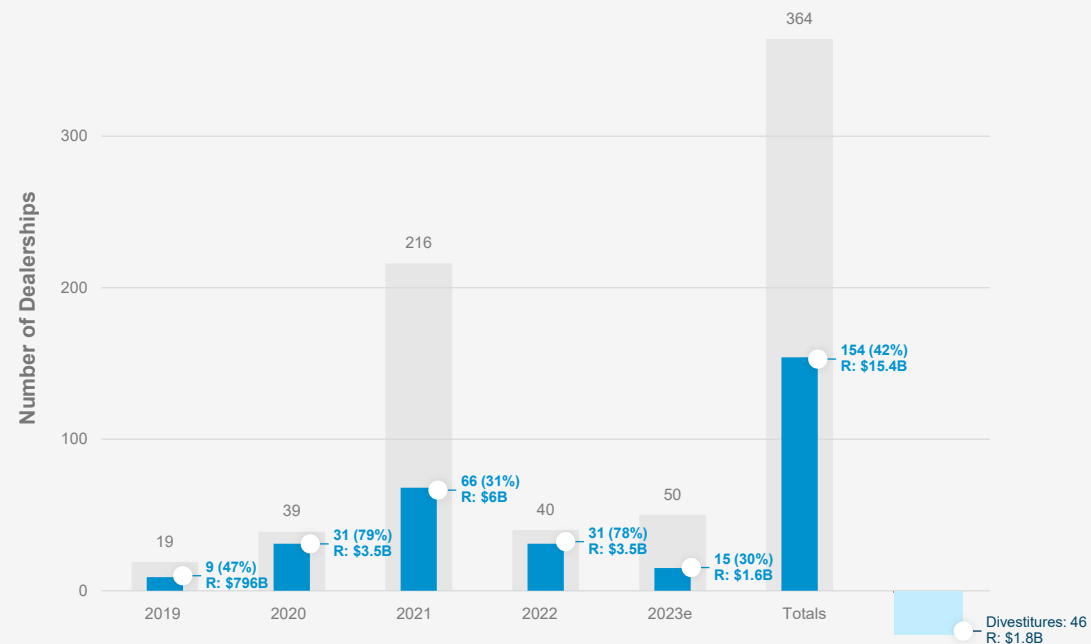


Cumulative Returns from acquisition date to end of 2023¹

- **Low Risk** – Highly fragmented market; decentralized culture empowers local leadership
- **Track-Record** – Consistent history of acquiring and integrating stores
- **Valuation Discipline** – Consistent hurdle rate framework; cash flow accretive
- **Returns** – 95% success rate, consistently achieving over 25% return rate

¹Note cumulative returns represents total net income from date of acquisition to 2023 divided by total intangibles [goodwill plus franchise value, cash paid at time of purchase].

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, \$4.5B average annual revenues acquired internationally over the last 4 years.
- 100% success rate on acquisitions as of 2023

Source: Haig Partners, Automotive News, Lithia Motors Inc. | Transaction volume may fluctuate as more buying and selling activity becomes available. | Total Private: 280 in 2019, 305 in 2020, 491 in 2021, 594 in 2022, 427 in 2023.



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



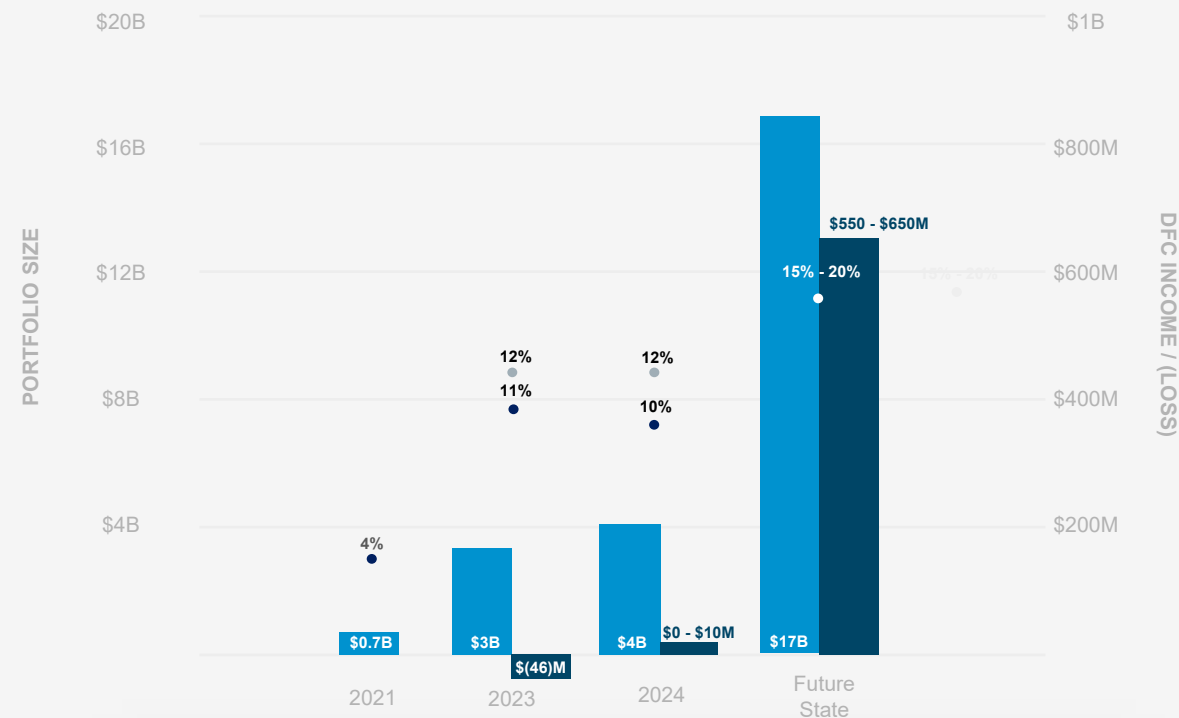
Key Business Highlights

- 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

Captive finance returns are consistent through business cycles, diversifying LAD earnings streams

2024 assumptions

- Breakeven profitability, still negatively impacted by CECL headwinds and lack of seasoning
- Initial expansion into leasing
- Net interest margin increasing above 400bps
- SG&A approaching 1%
- Decreasing provision rate

Future State assumptions

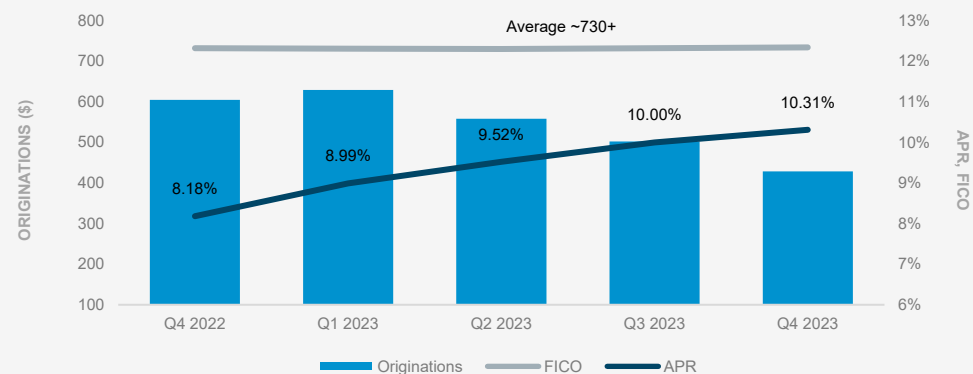
- Portfolio fully seasoned
- LAD attained \$50 billion US revenue base
- Full deployment of loan and lease offerings across all material geographies and verticals

- Global Penetration Rate
- US Penetration Rate

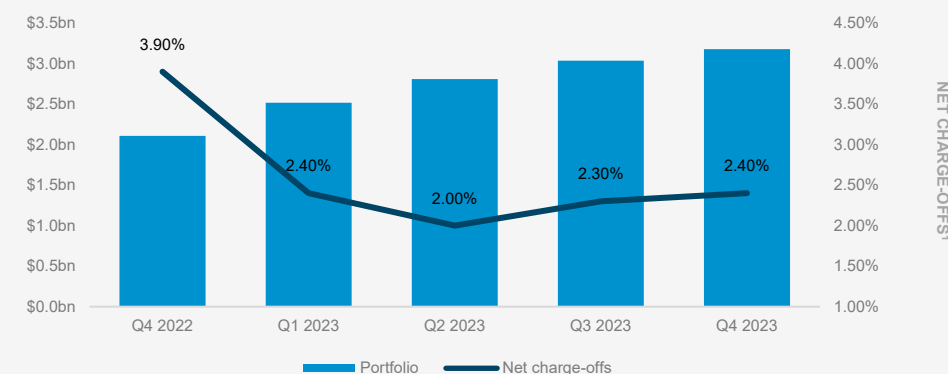


Driveway Finance Corporation (DFC)

UNDERWRITING METRICS



PORTFOLIO SIZE



Disciplined Credit Risk Strategy

Underwriting: Tightening loan-level NPV hurdle rates

Risk management: Increasing down payment requirements

Data: Enhancing credit models with alternative data sources

Credit Losses: Expect net charge-off levels to peak in 1H 2024

Progressing Toward Capital Self-Sufficiency

ABS: Developing track record as seasoned issuer in ABS market through quarterly issuances

Warehouse: \$1.75 BN in warehouse capacity with staggered maturities in 2025 and 2026

Operations: Growing portfolio generates significant cash through recurring principal, interest payments, & early pay-offs

YoY Improvement in ABS Deal Structure

Compared to LADAR 23-1² transaction, LADAR 24-1 reflects material structural improvements, improving capital efficiency.

- Weighted average APR % increased 220bps
- Yield supplement overcollateralization³ decreased by 600bps
- Portfolio life net charge-offs (CNL) assumed by Moody's decreased 150bps
- Initial overcollateralization requirement decreased by 320bps

¹ Annualized net charge-offs as a percentage of total average managed receivables. | ² LADAR YY-# - ABS offering by year/offering number issued by DFC. | ³ Yield supplement overcollateralization are additional funds required in deal structure in instances where the weighted average APR of the collateral is insufficient to provide investors with a desired level of excess spread.

Future Growth

Diversified. Dynamic. Profitable.

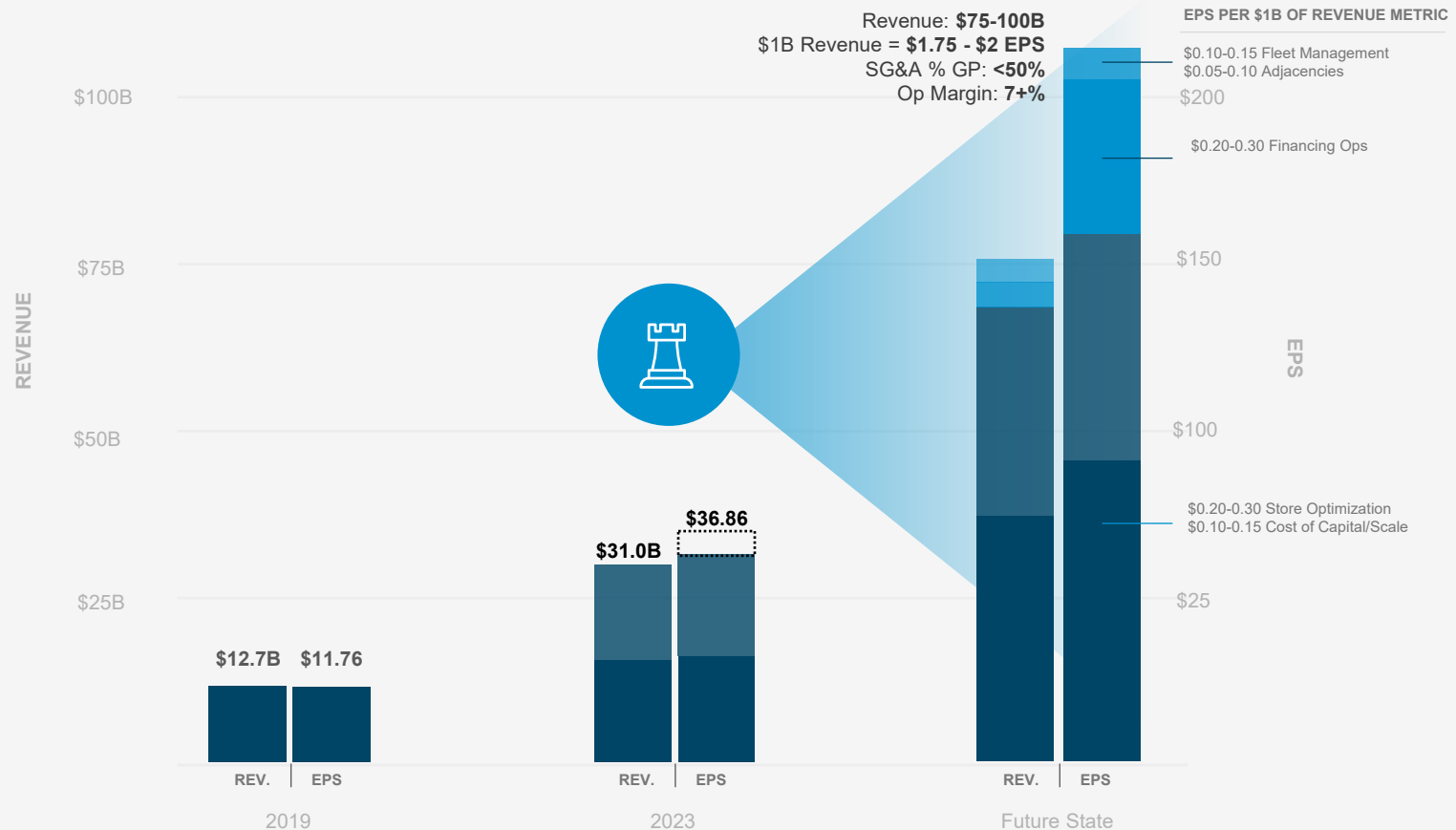
We're leveraging our platform for growth & scale in revenue and EPS.

- Vehicle Ops¹
- Adjacencies
- Network Expansion
- Elevated GPUs
- DFC



Competitive Advantage

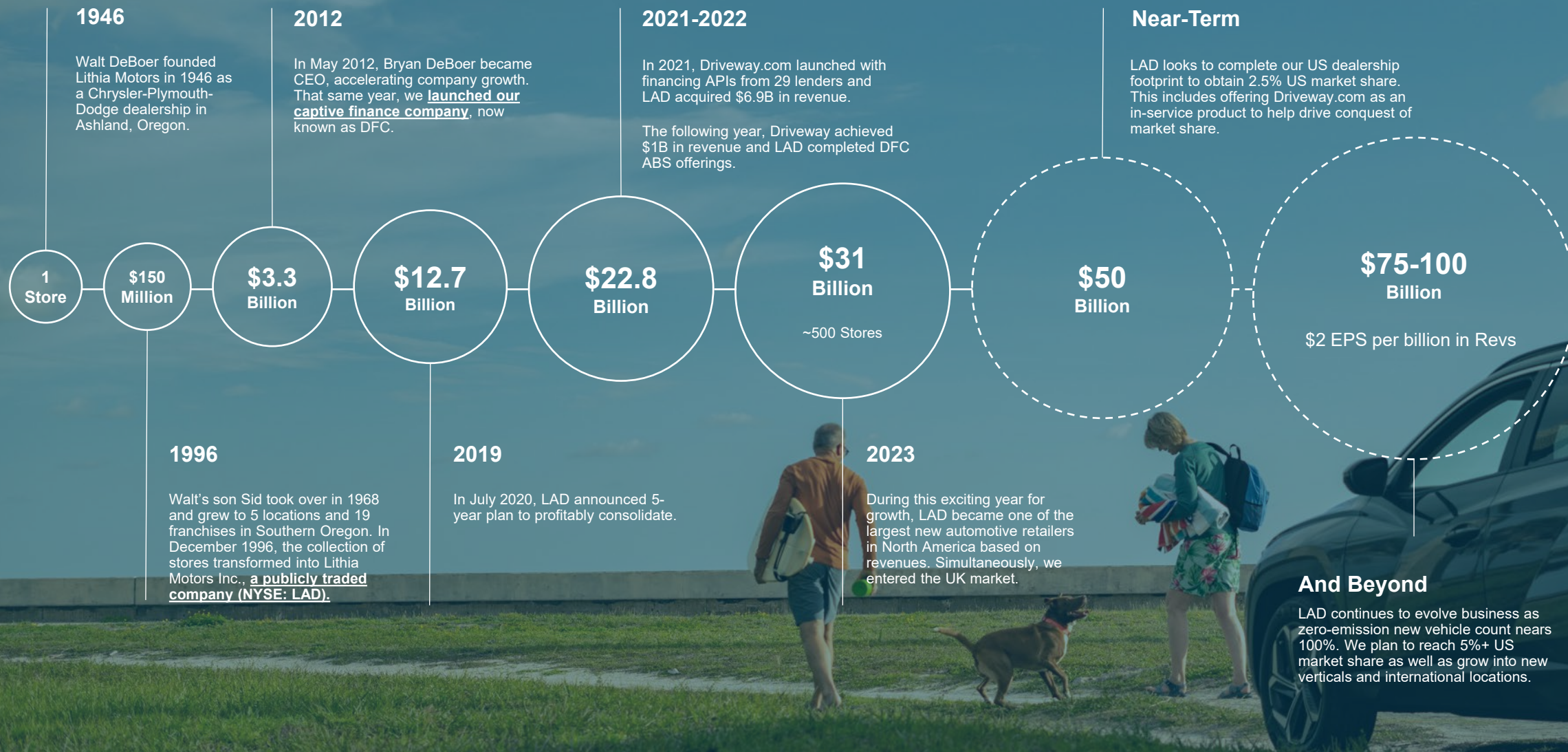
- ✓ Diversified business lines
- ✓ Full spectrum consumer transportation
- ✓ Close proximity to end markets
- ✓ In-store & omni-channel buying options
- ✓ Transportation Solutions
 - Sales, sourcing, service, financing, insurance, fleet management
- ✓ Capital engine - \$2+ BN EBITDA
 - M&A
 - Reinvestments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



¹Includes results from Driveway and GreenCars

LAD Over the Years

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.





Appendix

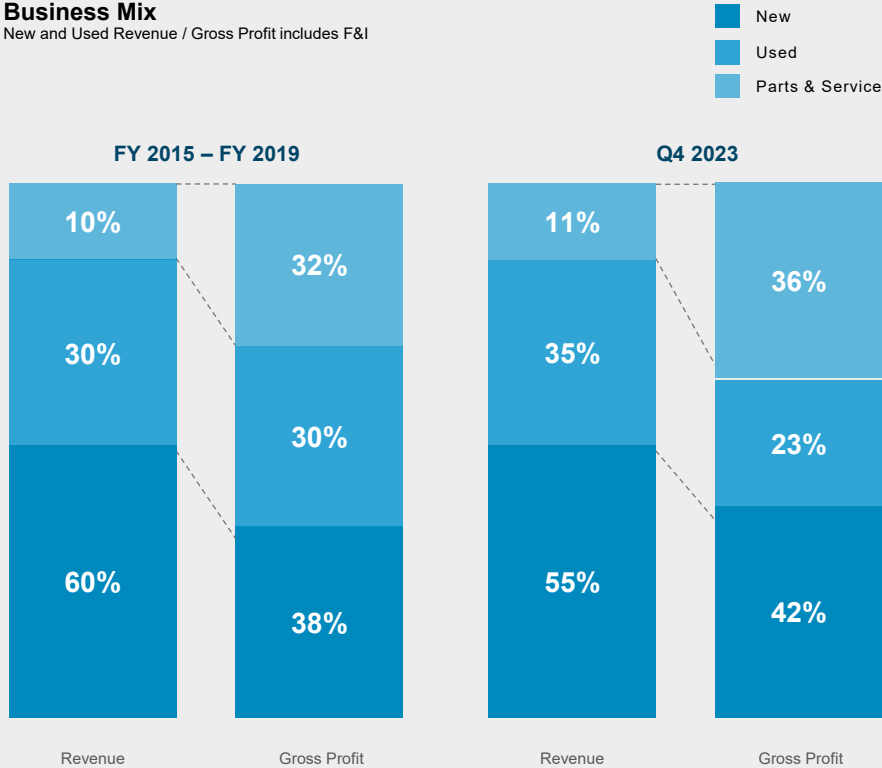
Inventory, Strategies, History,
Future, & More

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	14%	17%
		Honda	13%	18%
		Hyundai	6%	7%
		Subaru	4%	6%
		KIA	2%	4%
		Nissan	1%	1%
		Other Imports ¹	5%	4%
Domestic	26%	Stellantis	10%	8%
		Ford	9%	8%
		GM	6%	6%
		Other Domestic ²	1%	1%
Luxury	29%	BMW/MINI	8%	6%
		Mercedes	5%	3%
		Audi	4%	3%
		Lexus	3%	3%
		Porsche	3%	1%
		Acura	2%	2%
		Jaguar/Land Rover	2%	1%
		Other Luxury ³	2%	1%

For the three-months ending December 31, 2023,

¹ Other import brands include VW and Mazda

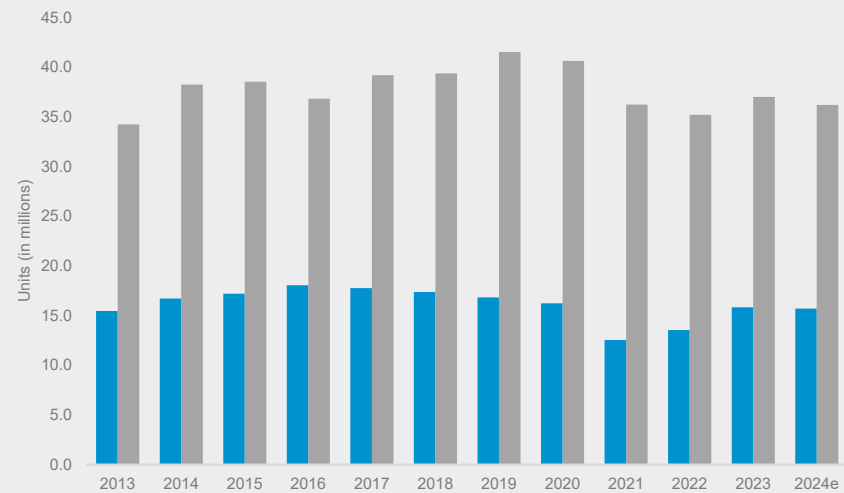
² Other domestic brands include Harley-Davidson, Airstream

³ Other luxury brands include Infiniti, Lamborghini, Genesis, Volvo, Rolls-Royce, McLaren, Bentley, Ferrari, Maserati, Aston Martin, INEOS, Pagani



SAAR and Market Share

US Light Vehicle New & Used SAAR¹

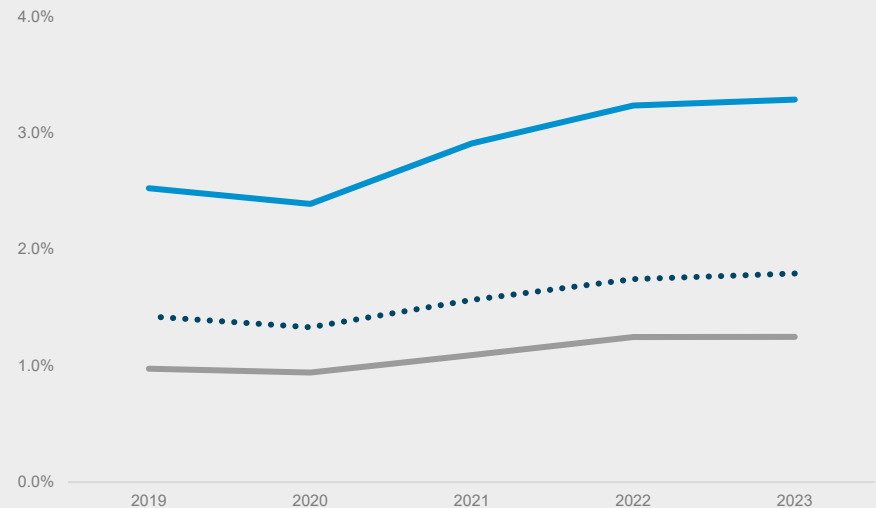


■ New
■ Used

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 Share²



■ New
■ Used
■ Blended

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.

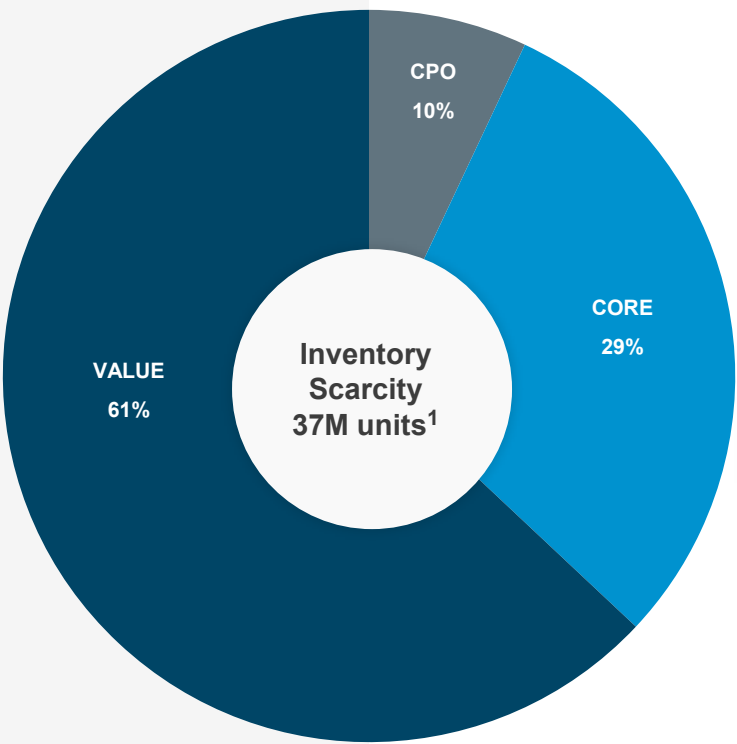
¹ Source: Cox Automotive

² Based on Lithia's US-only sales divided by IHS registration data. Accounts for periods within our operating markets. Adjusted for periods where Lithia owned stores.

Used Vehicle Marketplace

Addressing largest proportion of used vehicle TAM of any retailer

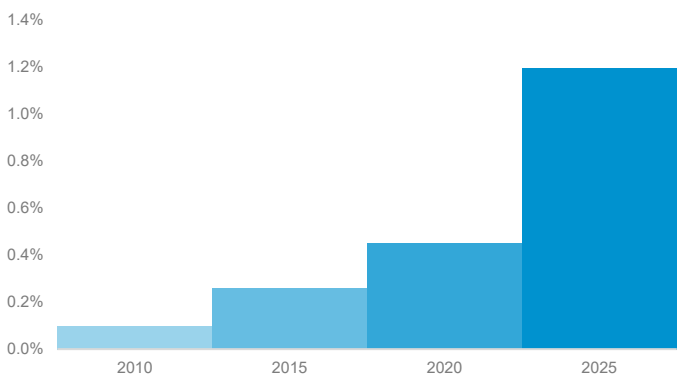
- Inventory procurement and reconditioning are critical. Network growth supercharges ability to procure, distributed network allows it turn faster
- LAD retails 0 to 20-year-old vehicles
- Value autos are highest gross margin %, turns fastest in normalized environment
- ~85% of total consumers with an average of \$5,900 disequity at pre-pandemic values
- ~70% of LAD's used vehicle inventory procured from consumers



Q4 2023 Same Store Metrics²

	Average Selling Price	% Mix	ROI
CPO	\$32,407	15%	59%
Core ⁴	\$29,630	64%	36%
Value Autos	\$15,790	20%	129%

Projected LAD Market Share³



¹ TTM IHS used vehicle registration data 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.

Omnichannel Solutions

Fully Proprietary New Car Shopping Experience with Driveway

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.



11.5M

Average monthly unique visitors 2023 across all digital channels¹

38k

Total internet sales



775+

Average shipping distance in miles 2023²



4.4

Average Google review score out of 5 stars 2023²

¹Includes Lithia stores and associated digital channels, Driveway, and GreenCars. ²Driveway metrics.

Discover a simpler car service experience.

The quality of a dealership service center, without leaving home.



Our valet can come to you!

97209

Book Now

- ✓ Instant, competitive pricing
- ✓ Roundtrip valet delivery for your vehicle
- ✓ Trusted mechanics and service centers



GREENCARS

Buyer's Guide

Filter

Sort

Showing 1517 of 1517 results



2024 BMW i4

i4 sDrive40

Battery Electric

Total range: 307 mi. Est. price: \$76,000



Performance 8.00

Affordability 6.00

Sustainability 10.00



2024 Nissan LEAF

LEAF S

Battery Electric

Total range: 149 mi. Est. price: \$29,300



Performance 5.50

Affordability 9.50

Sustainability 10.00



2024 Cadillac Lyriq

Lyriq Tech

Battery Electric

Total range: 314 mi. Est. price: \$60,500



Performance 8.00

Affordability 7.00

Sustainability 10.00



2024 BMW i4

i4 sDrive40

Battery Electric

Total range: 307 mi. Est. price: \$76,000



98101



1 of 1 Photos

Share

Save



New 2024 Honda Accord EX

6 views in the past 7 days

Located at Honda of Salem

Location Details

Website

Highlighted Features

- Lane departure
- Automatic temperature control
- Emergency communication system
- Power moonroof
- Wireless phone connectivity
- Exterior parking camera rear
- Front dual zone A/C

driveway

Sell Your Car Online

Get an instant cash offer and vehicle pickup on your schedule.

Enter Your Vehicle Information

License Plate VIN Make/Model

Plate Number

EX: ABCD46

Registered State

Get Your Offer

GreenCars | everything in one place



Accelerate the adoption of more sustainable vehicles, while capturing growth

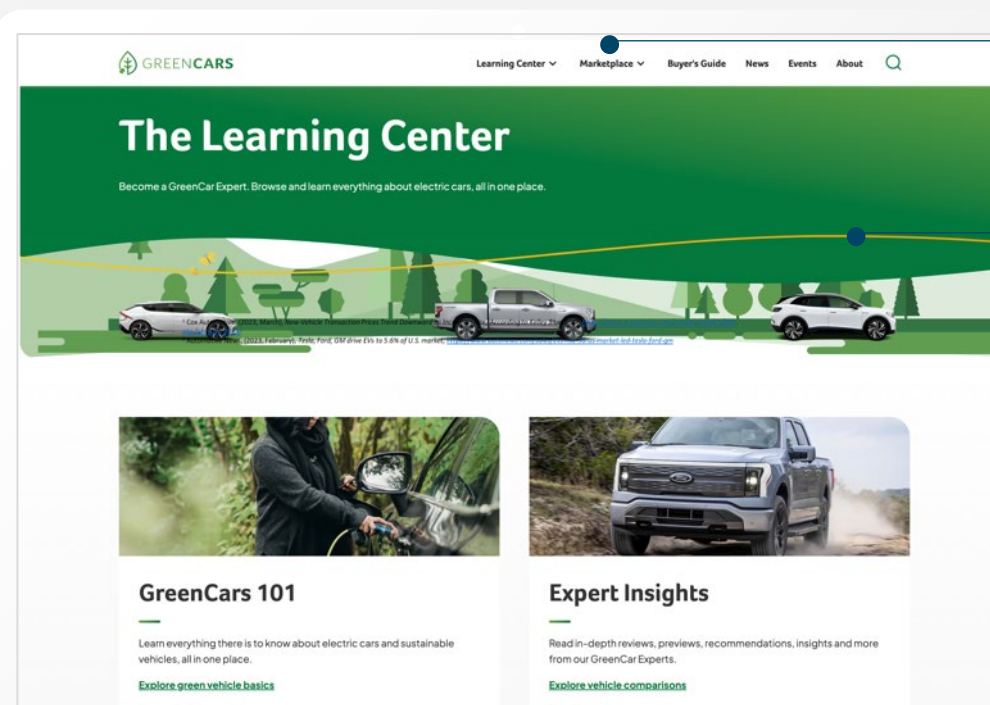


Business Proposition

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.



~887k MUVs

Average monthly unique visitors Q4 2023



~500 models & 30+ brands

Evaluated in the GreenCars Buyer's Guide



\$50,051¹

Average selling price for BEVs in Q4 2024

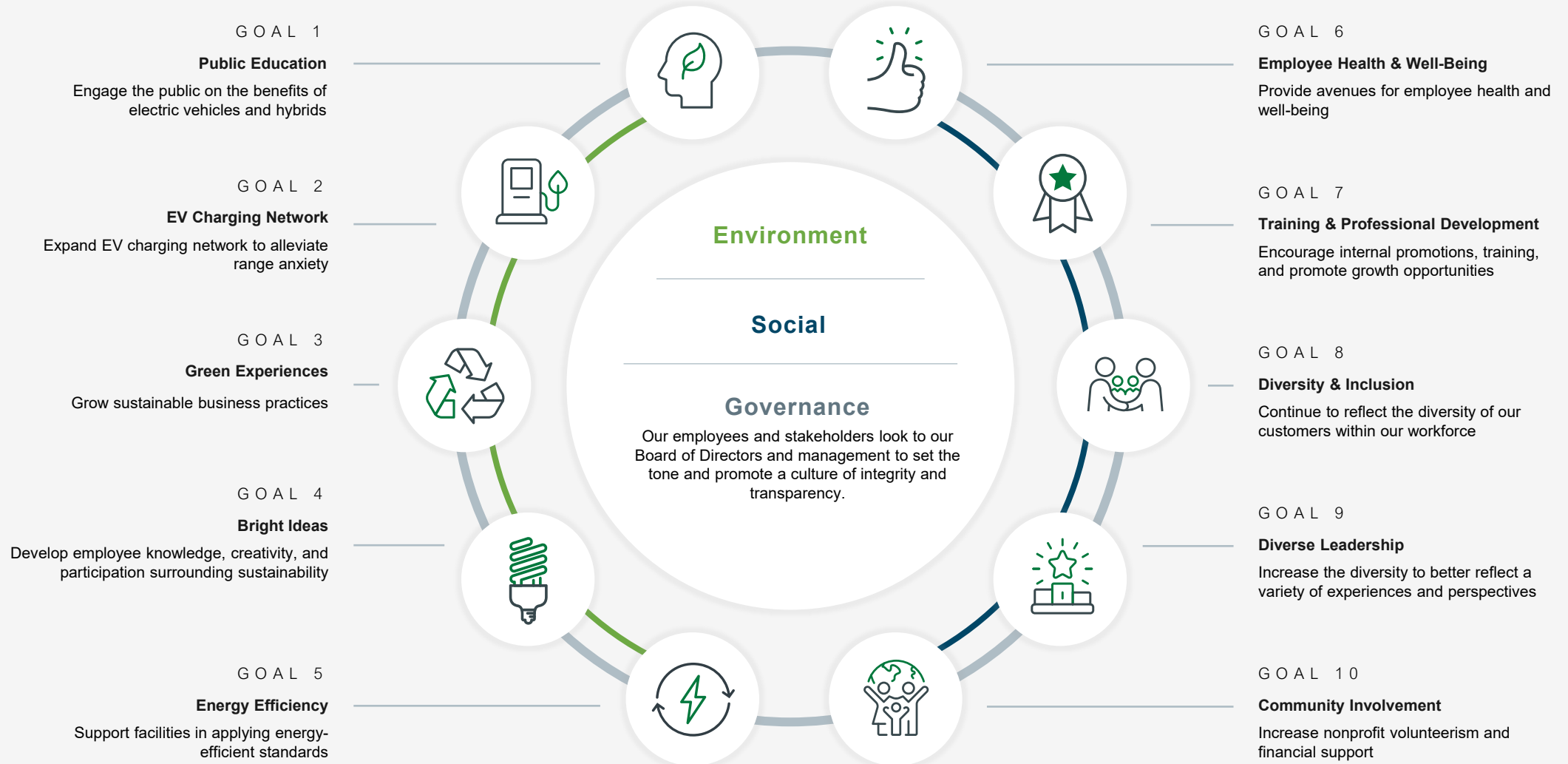


8% of Light Vehicle Sales¹

attributed to BEVs in Q4 2023

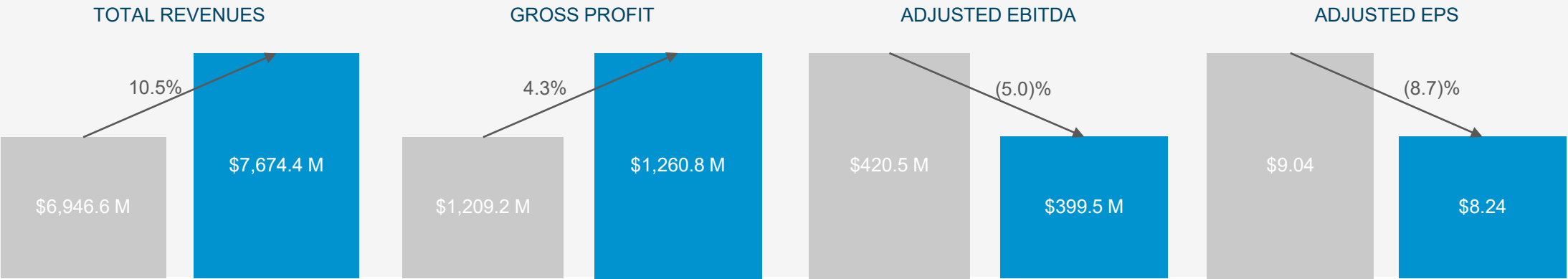
¹ Cox Automotive Industry Insights (January 2024)

Driving Positive Change



Q4's Income Statement Summary

KEY
■ Q4 2022
■ Q4 2023



SAME STORE YEAR-OVER-YEAR COMPARISON VS. Q4 2022

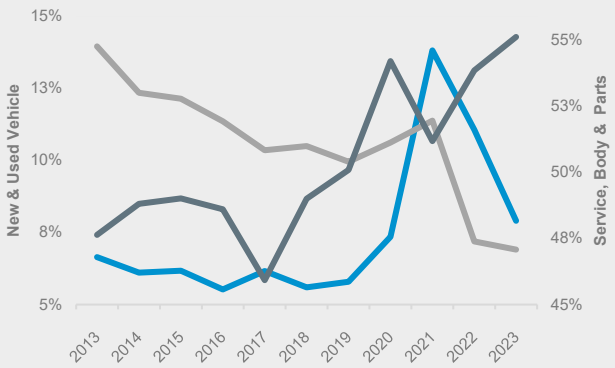
	REVENUE	GROSS PROFIT
New vehicle retail	10.1%	(22.2)%
Used vehicle retail	(10.8)%	(15.6)%
Finance and insurance	1.5%	1.5%
Service, body and parts	2.7%	4.8%
Totals	(2.0)%	(6.1)%



Revenues, Profitability - Through the Cycle

Current expectations near cycle lows, margin of safety in implied outlook

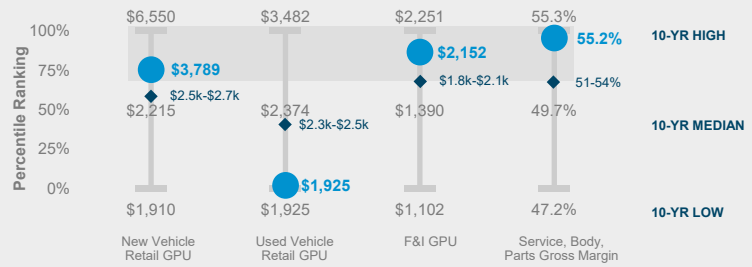
Same Store Gross Margins



New
SB&P
Used

- Margins continue to normalize across segments.
- Improvement in New vehicle SAAR will help used vehicle supply over the next several quarters. We expect this to help normalize Used margins over time.
- As used vehicle SAAR remains below historical levels, Service, Body and parts margins are likely to persist at higher levels for longer.

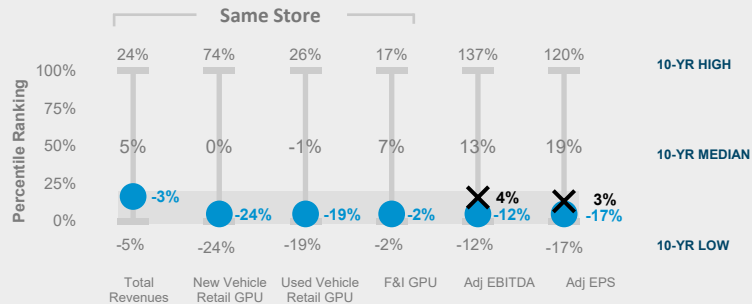
Quarterly Same Store Gross Profit ¹



- We expect Margins to continue normalizing as New and Used vehicle SAAR return to their historical levels. In the near term, this will result in same store sales growth in the LSD – MSD %.
- Used margins are set to improve over time as trade ins and affordability improve, and we remain well positioned for a tailwind.

● 2023
◆ Normalized GPUs³

Annual Same Store Growth Rates ²



- Near term expectations are for continued deceleration in unit economics, cashflow, and earnings.
- Relative to history, expectations are near their historic lows, with improvement in SAAR and lower rates expected in the coming quarters.

● 2023
✗ 2024 Bloomberg Consensus

¹ Source: Lithia Motors. Percentile ranking based on Quarterly Same Store results starting 1Q13 and ending 4Q23
² Source: Lithia Motors, Bloomberg. Percentile ranking based on Annual Same Store results starting 2013 and ending 2023. Full year 2024 analyst estimates as of 2/9/24
³ Assumes steady state estimates based on LAD targets

Valuation Framework

Implied Valuation Inputs

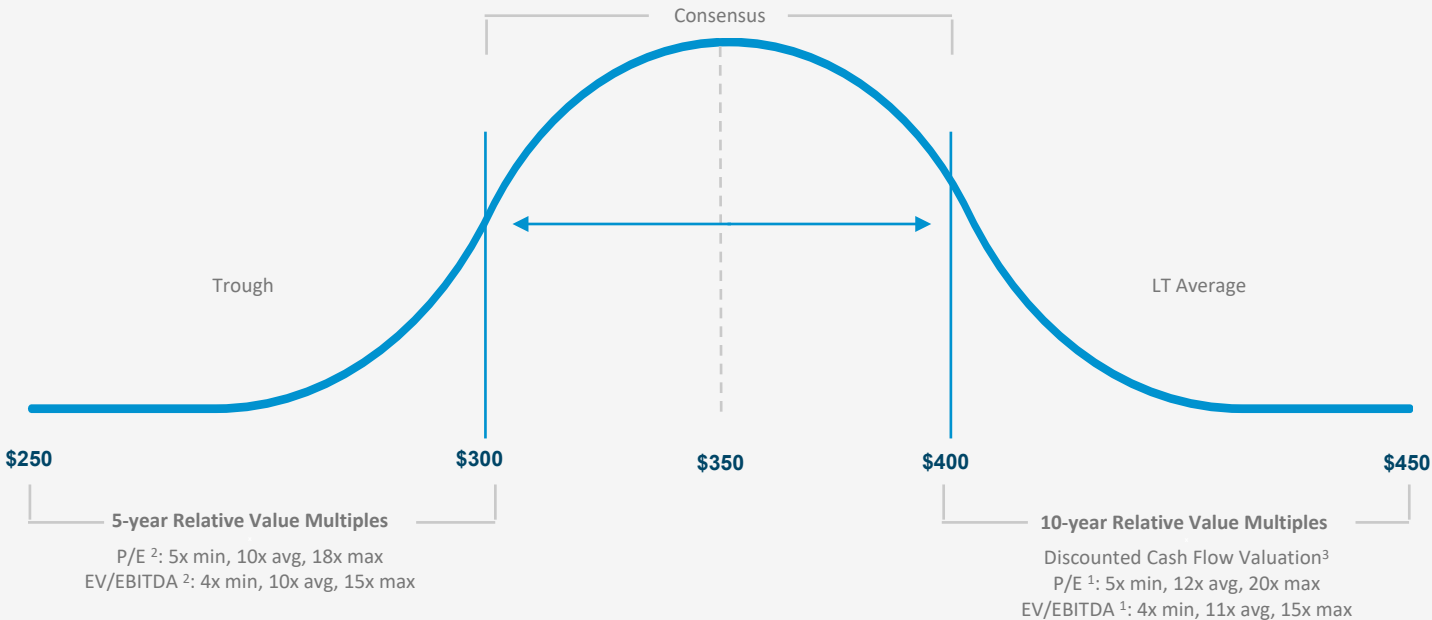
- Shares trading at a discount on relative and absolute multiples
- High visibility in cash flow outlook provides a margin of error
- Increased scale and balanced capital allocation has resulted in a ROE greater than 15% over the past decade
- Long term growth set to improve with normalizing inventory, interest rates, and incentives. Flexible balance sheet options
- Current expectations discount trough margins, multiples, and a higher cost of capital

Source: Bloomberg, S&P Capital IQ Pro

¹ Lithia 10-year averages calculated from 2013 through 2023

² Lithia 5-year averages calculated from 2018 through 2023.

³ 7-year DCF based on Bloomberg and S&P Capital IQ Pro estimates. Assumes an approximate 7.5% WACC, EV/EBITDA of 6.5x – 7.0x, and a 1% terminal growth rate.



Supplemental Information

2023 Quarterly Income Statement

\$M	Q4	Q3	Q2	Q1	FY2023
New vehicle retail	\$3,974.8	\$3,885.8	\$4,014.7	\$3,278.9	\$15,154.2
Used vehicle retail	2,267.5	2,620.2	2,455.1	2,227.5	9,570.2
Used vehicle wholesale	242.9	316.1	403.9	362.4	1,325.3
Finance and insurance	331.5	349.4	337.9	318.3	1,337.0
Service, body and parts	818.3	838.0	804.4	736.3	3,197.1
Fleet and other	39.4	267.5	95.4	56.0	458.5
Total Revenues	\$7,674.4	\$8,277.0	\$8,111.4	\$6,979.5	\$31,042.3
New vehicle retail	\$314.3	\$358.9	\$387.2	\$333.8	\$1,394.1
Used vehicle retail	154.1	189.0	212.8	165.7	721.4
Used vehicle wholesale	(8.9)	(6.0)	(0.7)	(2.8)	(18.4)
Finance and insurance	331.5	349.4	337.9	318.3	1,337.0
Service, body and parts	450.3	462.8	443.9	394.4	1,751.4
Fleet and other	19.5	17.3	4.2	2.1	43.4
Gross Profit	\$1,260.8	\$1,371.3	\$1,385.3	\$1,211.5	\$5,228.9
Finance operations Income	(2.1)	(4.4)	(18.6)	(20.8)	(45.9)
Selling, general, and administrative	836.8	850.8	842.0	765.2	3,294.8
Depreciations and Amortization	49.4	50.8	49.1	46.6	195.8
Operating Income	\$372.5	\$465.3	\$475.7	\$378.9	\$1,692.4
Floor Plan Interest Expense	48.3	40.2	34.7	27.7	150.9
Other Interest Expense	59.7	58.5	43.8	39.1	201.2
Other Income (expense) net	15.2	(5.3)	9.8	2.2	22.0
Income before income taxes	\$279.7	\$361.3	\$407.0	\$314.3	\$1,362.3
Income tax provision	63.5	96.4	105.9	84.7	350.6
Net Income	216.2	264.9	301.0	229.6	1,011.7
Net Income attributable to non-controlling interests	(2.7)	(3.4)	(3.9)	(0.9)	(10.9)
Net Income attributable to LAD	\$213.5	\$261.5	\$297.2	\$228.7	\$1,000.8

Supplemental Information

2022 Quarterly Income Statement

\$M	Q4	Q3	Q2	Q1	FY'2022
New vehicle retail	\$3,275.1	\$3,306.9	\$3,250.7	\$3,061.8	\$12,894.5
Used vehicle retail	2,228.1	2,465.8	2,496.7	2,234.5	9,425.0
Used vehicle wholesale	293.7	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	\$6,946.5	\$7,295.7	\$7,240.1	\$6,705.3	\$28,187.8
New vehicle retail	364.2	403.8	410.4	401.3	\$1,579.7
Used vehicle retail	162.1	201.3	238.3	223.8	825.4
Used vehicle wholesale	(15.4)	(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	3.6	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
Finance operations Income	(7.7)	(4.6)	3.3	4.9	(4.0)
Selling, general, and administrative	753.4	754.0	796.8	739.9	3,044.1
Depreciations 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	(6.1)	(12.4)	(18.9)	(5.8)	(43.2)
Income before income taxes	336.2	\$455.7	\$468.3	\$469.8	\$1,730.0
Income tax provision	(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	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q3	Q4	Adjusted
Selling, general and administrative	3,294.8	7.2	1.0	23.2	(0.2)	—	—	—	—	(0.1)	(2.4)	(4.6)	1.7	(1.3)	(4.5)	(4.8)	(16.6)	(10.1)	(4.2)	—	3,279.1
Operating income	1,692.4	(7.2)	(1.0)	(23.2)	0.2	—	—	—	—	0.1	2.4	4.6	(1.7)	1.3	4.5	4.8	16.6	10.1	4.2	—	1,708.1
Other income (expense), net	22.0	—	—	—	—	0.4	(1.2)	0.7	1.9	—	—	—	—	—	—	—	—	—	—	—	23.7
Income before income taxes	1,362.3	(7.2)	(1.0)	(23.2)	0.2	0.4	(1.2)	0.7	1.9	0.1	2.4	4.6	(1.7)	1.3	4.5	4.8	16.6	10.1	4.2	—	1,379.7
Income tax (provision) benefit	(350.6)	1.9	0.4	6.2	(0.3)	—	—	—	(4.0)	—	(0.6)	(1.2)	0.5	(0.2)	(0.5)	(0.8)	0.6	(2.7)	(1.1)	—	(352.6)
Net income	\$1,011.7	(5.3)	(0.6)	(17.0)	(0.1)	0.4	(1.2)	0.7	(2.1)	0.1	1.8	3.4	(1.2)	1.0	4.0	4.0	17.2	7.4	3.1	—	\$1,027.1
Net income attributable to non-controlling interests	(10.9)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(10.9)
Net income attributable to LAD	\$1,000.8	(5.3)	(0.6)	(17.0)	(0.1)	0.4	(1.2)	0.7	(2.1)	0.1	1.8	3.4	(1.2)	1.0	4.0	4.0	17.2	7.4	3.1	—	\$1,016.2
Diluted earnings per share	\$36.29	\$(0.19)	\$(0.02)	\$(0.62)	\$—	\$0.02	\$(0.05)	\$0.02	\$(0.08)	\$—	\$0.06	\$0.12	\$(0.04)	\$0.04	\$0.14	\$0.15	\$0.62	\$0.27	\$0.11	\$—	\$36.86
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	FY'2023	FY'2022	FY'2021	FY'2020	FY'2019
Net Income attributable to LAD	1,011.7	1,261.6	1,062.7	470.3	271.5
Add: Flooring interest expense	150.9	38.8	22.3	34.4	72.8
Add: Other interest expense	201.2	129.1	103.4	71.6	58.8
Add: Financing operations interest expense	170.5	52.2	4.8	1.5	1.8
Add: Income tax expense	350.6	468.4	422.1	178.2	103.9
Add: Depreciation and amortization	195.8	163.2	124.8	92.3	82.4
Add: Financing operations depreciation expense	8.4	9.5	2.5	—	—
EBITDA	\$2,089.1	\$2,122.8	\$1,742.6	\$848.3	\$591.2
Less: Flooring interest expense	(150.9)	(38.8)	(22.3)	(34.4)	(72.8)
Less: Financing operations interest expense	(170.5)	(52.2)	(4.8)	(1.5)	(1.8)
Less: Used vehicle line of credit interest	(19.6)	(9.6)	(0.1)	(0.5)	(5.5)
Add: Acquisition expenses	27.2	15.0	20.2	3.1	2.5
Add (Less): Loss (Gain) on divestitures & investments	(29.5)	(26.8)	66.4	(60.4)	(9.7)
Add: Reserve adjustments	5.4	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	14.3	—	—	—	—
Adjusted EBITDA	\$1,765.5	\$2,015.3	\$1,820.0	\$768.6	\$516.1
Total Debt	10,900.5	7,647.5	4,599.5	3,927.9	3,537.4
Less: Temporary paydown on flooring	—	—	—	(113.4)	—
Less: Floor plan related debt	(4,538.3)	(2,993.8)	(1,690.1)	(1,797.2)	(2,216.6)
Less: Financing operations related debt	(2,292.6)	(1,352.2)	(407.6)	(39.0)	—
Less: Unrestricted cash	(825.0)	(168.1)	(153.0)	(160.1)	(84.0)
Less: Availability on used vehicle and service loaner facility	(25.5)	(17.9)	(267.4)	(491.0)	(239.8)
Net Debt	\$3,219.1	3,115.0	2,081.4	1,357.2	997.0

Thank You

