Lithia Motors Announces the Addition of $1.4 billion in Revenues from the Keyes Automotive Group in Southwest Region

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MEDFORD, Ore. - Lithia Motors & Driveway (NYSE: LAD) today announced it has acquired $1.4 billion in revenue (9 locations) from the Keyes Automotive Group, consisting of some of the most coveted brands, Mercedes, Audi, Lexus, Toyota & Hyundai. The move rounds out the Company's presence in Southern California, the largest car market in the country, while also entering Phoenix, Arizona, Lithia's sixth top ten market in the United States.

Keyes Automotive is among the largest and most successful dealer groups in the country with 21,600 new vehicles and 10,350 used units sold in 2019. It is currently ranked #1 in the nation for average store revenue across all its dealerships with the Mercedes Benz, Lexus and Audi stores all ranking in the Top 10 nationally in sales volume for each respective brand. These franchises complement Lithia's national footprint to provide a wide range of vehicles to consumers throughout the Southwest. Lithia has the broadest coast-to-coast automotive retail network in the nation, reaching over 92% of the United States.

"The Keyes acquisition adds approximately 800 new customer care associates and expands the reach of our omni-channel strategy into new markets. Growing our network with new vehicle locations increases our competitive advantage to procure used vehicle inventory and provides the ability to complete in-home and in-network solutions to our customers throughout their entire vehicle ownership lifecycle," said Lithia Motors President and CEO Bryan DeBoer. This acquisition brings Lithia's total network expansion to over $3.2 billion in annualized revenue thus far in 2020 and adds over 600,000 annual paying-customer experiences and brand impressions to the Lithia and Driveway family. Lithia Motors financed this transaction using capital recently raised in concurrent equity and debt offerings that closed in early October.

"The leadership teams at Keyes Automotive are among the best in the business, having successfully operated and grown a family-owned business for over 50 years," said Bryan DeBoer. "We are delighted to welcome this exceptional group to the Lithia Motors team and look forward to tremendous success together in the coming years."

About Lithia Motors:
Lithia Motors, Inc. is a growth company powered by people and innovation with a 5-year plan to profitably consolidate the largest retail sector in the country. They are a leading provider of personal transportation solutions in the United States and are among the fastest-growing companies in the Fortune 500 (#6 on 10-Year EPS Growth, #4 10-Year TSR in 2020). By providing a wide array of products throughout the entire lifecycle of the consumer's vehicle ownership experience, they build magnetic brand loyalty. Operational excellence is achieved by focusing the business on convenient and transparent consumer experiences supported by proprietary data science to increase market share, consumer loyalty and team performance. Lithia's omni-channel strategy will continue to pragmatically disrupt the industry by leveraging experienced teams, vast owned inventories, technology, and physical network. By purchasing strong businesses, they further strengthen this network, leveraging their national digital home channel Driveway and building upon their massive regenerating capital engine. Together, these endeavors create a unique and compelling high-growth strategy that provides transportation solutions wherever, whenever, and however consumers desire.

Sites:
www.lithiamotors.com
www.lithiainvestorrelations.com
www.lithiacareers.com
www.driveway.com

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