LAD Acquires $210 million in Luxury Revenue in the Strategically Important Washington DC Area

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MEDFORD, Ore. - Lithia & Driveway (NYSE: LAD), today announced it has acquired Sterling Luxury Group (Sterling Motorcars) in Loudoun County Virginia, one of the most affluent counties in the United States. The transaction includes BMW and Mini of Sterling, as well as Rolls-Royce Motor Cars, Lamborghini and McLaren brands, adding three new premium luxury brands to its portfolio. These additions further increase our brand selection and broadest national network in the industry, now reaching over 95% of the United States.

The Sterling acquisition marks their entry into the strategically important Mid-Atlantic portion of the country, LAD's first location in Virginia and another top 10 metropolitan market. "Entering our seventh top 10 market in the country further enables LAD to conveniently and affordably serve our customers throughout their complete ownership lifecycle," said Bryan DeBoer, Lithia & Driveway's President and CEO. "This acquisition accelerates our unique omni-channel strategy and takes us one large step closer to achieving the year one network growth aspiration of our five-year 50/50 plan."

The transaction is expected to add $225 million in annualized revenue, bringing LAD's total network expansion to over $3.4 billion in revenue to-date in 2020. Lithia & Driveway financed this transaction using capital recently raised in concurrent equity and debt offerings that closed in early October.

"Sterling Motorcars is a high-performing fixture in the Washington D.C./Beltway corridor and is well-respected for the exceptional customer service and attention to detail they provide their clientele," said LAD's President and CEO Bryan DeBoer. "This is a very important milestone for Lithia and expands our national footprint in the mid-Atlantic. We are excited to welcome their team to the Lithia Motors family."

About Lithia & Driveway:

LAD 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. LAD'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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