



**INVESTOR  
PRESENTATION**

March 2019

# 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," "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 national new car sales levels;
- 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 all projections;
- Anticipated integration, success and growth of acquired stores;
- Anticipated ability to capture additional market share;
- Anticipated ability to find accretive acquisitions;
- Expected revenues from acquired stores;
- Anticipated synergies, ability to increase ownership and ability to monetize our investment in Shift;
- Anticipated additions of dealership locations to our portfolio in the future;
- Anticipated availability of liquidity from our unfinanced operating real estate;
- Anticipated levels of capital expenditures in the future; 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 economic and financial conditions (both nationally and locally);
- changes in customer demand, our relationship with, and the financial and operational stability of, vehicle manufacturers and other suppliers;
- risks associated with our indebtedness (including available borrowing capacity, compliance with financial covenants and ability to refinance or repay indebtedness on favorable terms);
- the adequacy of our cash flow and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level;
- disruptions to our technology network including computer systems and software, as well as natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of our operating systems, structures, facilities or equipment; and
- government regulations, legislation and others 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 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. 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 gross profit, adjusted pre-tax 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 release. 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.

# INTRODUCTION

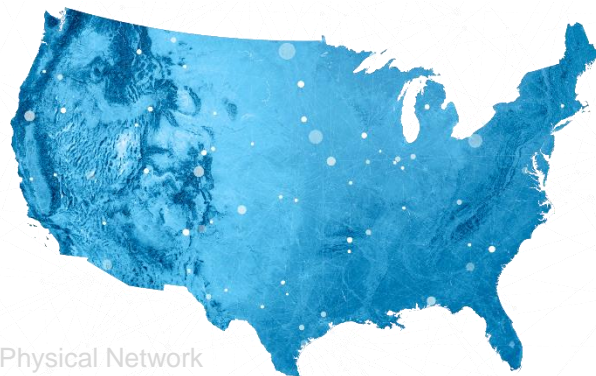
Profiting from the modernization occurring in personal transportation

A high-performing growth company powered by people and innovation.

Physical Network  
Virtual Network +  

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Dominant Market  
Share (\$\$)



Physical Network



Virtual Network

# OPPORTUNITY

## Market is massive and highly fragmented

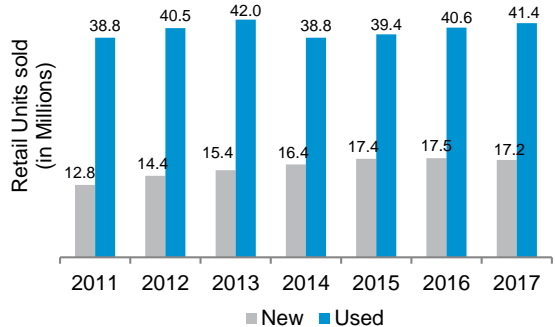
### Over \$1 Trillion Market

- 17mm new vehicle units
- 40mm used vehicle units

### Highly Fragmented Industry

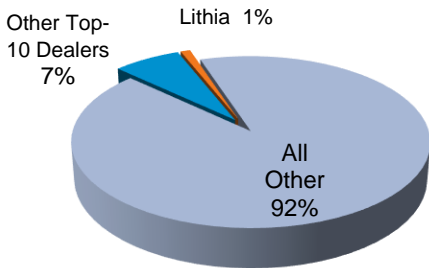
- Over 18,000 dealerships,
- 10 largest dealers own ~8%

## RELATIVE MARKET SIZE



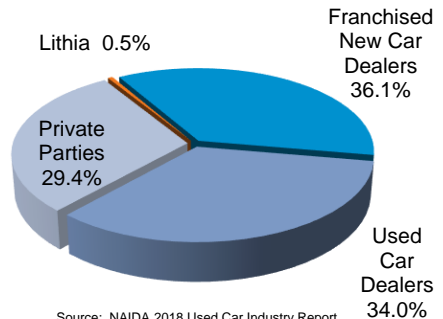
Source: NAIDA 2018 Used Car Industry Report, and Stephens Year End industry reports

## FRANCHISED DEALER MARKET SHARE



Source: NADA DATA 2018 Midyear Report, Automotive News Top 150 Dealership Groups 2017

## USED MARKET SHARE



Source: NAIDA 2018 Used Car Industry Report

HIGHLIGHTS



**#294** on the **Fortune 500**  
**One of the largest auto retailers in the U.S.**  
 (#3 by adj. EBITDA / #4 by revenue)



**#14** 5-year Total  
**Shareholder Return on the Fortune 500 in 2017**  
 (#1 in 2015, #2 in 2016)



**80% National Coverage**  
 with 182 centers, powered  
 by 15,000 employees



**70,000** Owned vehicle  
**inventory available online**  
 (second-largest owned vehicle marketplace)



**\$9.98** 2018 adjusted EPS

HISTORY

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



1 store

\$150mm

\$3.3bn

\$5.4bn

\$11.8bn  
 (2018)

**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

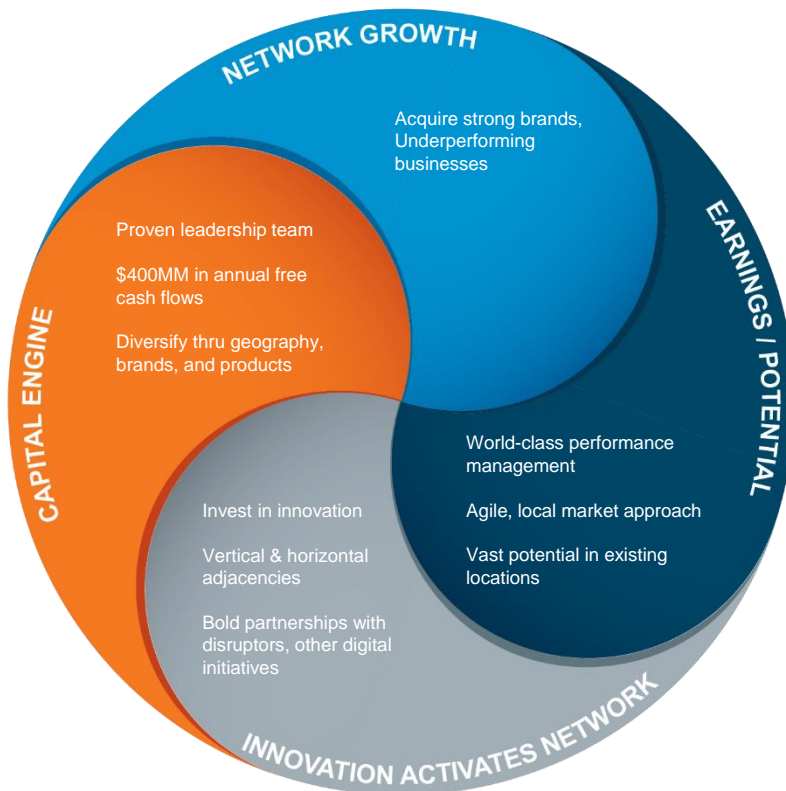
**2014**  
 In October, completed the acquisition of DCH Auto Group, adding ~\$2.3bn in annualized revenue, one of the largest deals between dealership groups in history

TODAY

Lithia is one of the largest, strongest returning and most diversified public automotive retailers in North America

# PATH TO \$15.00 EARNINGS PER SHARE

Scaling and innovating personal transportation solutions



# NETWORK GROWTH

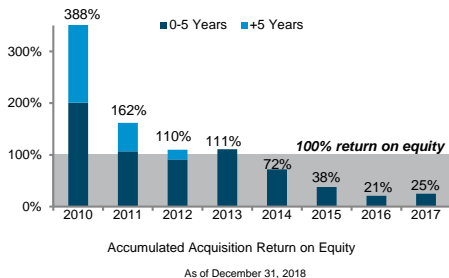
Acquire strong brands underperforming their potential



- Continually scale nationwide footprint
- Regularly monitor 2,600 specific acquisition targets
- Disciplined investing 15% - 20%+ after tax ROE requirement
- 3x-5x Ent. Value/EBITDA

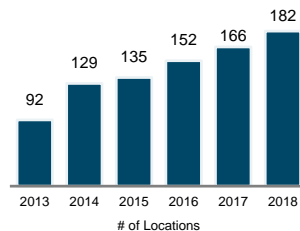
## HISTORICAL RETURNS

### Over 80% Success Rate



## EXPANDING OUR RETAIL NETWORK

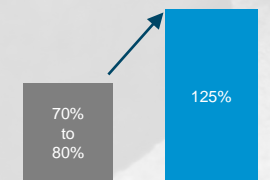
### 24% 5-year Revenue CAGR



# EARNINGS POTENTIAL

Acquire strong brands underperforming their potential

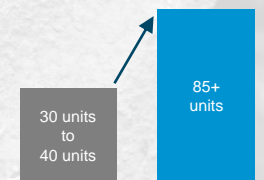
## New Vehicle Earnings Potential



Pre-acquisition Target

*(improve to 125% of OEM Market Share Responsibility "MSR")*

## Used Vehicle Earnings Potential



Pre-acquisition Target

*(Units per store per month)*

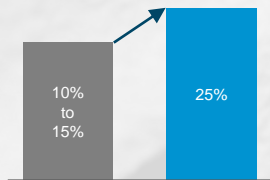
## F&I Earnings Potential



Pre-acquisition Target

*(Gross profit per unit)*

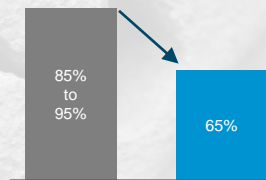
## Parts & Service Potential



Pre-acquisition Target

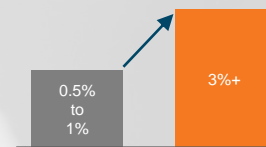
*(improve service retention above OEM Customer Service Responsibility "CSR")*

## Reduce SG&A to Gross Profit



Pre-acquisition Target

## Pre-tax Profit Margin

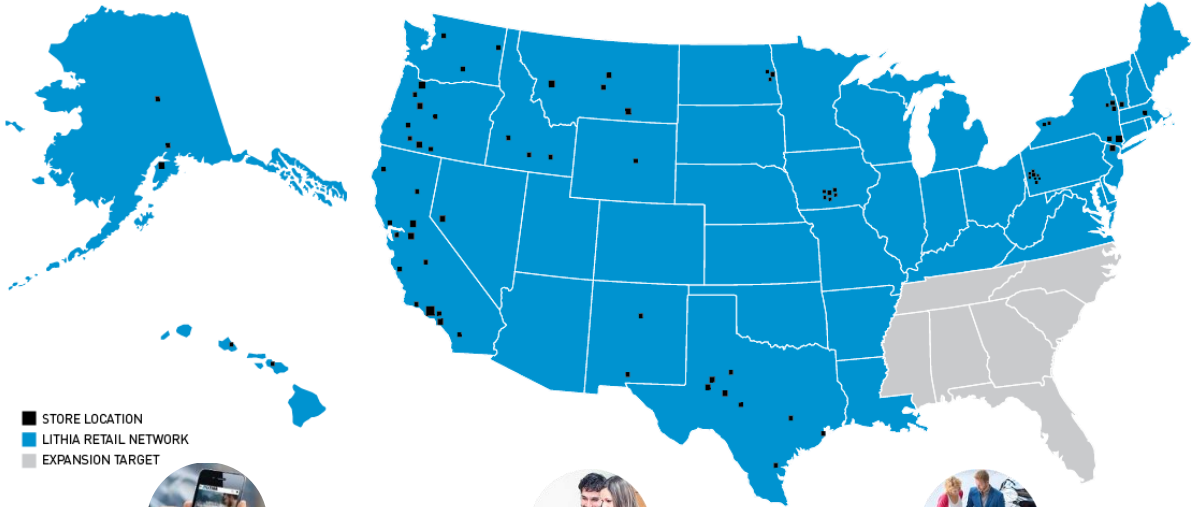


Pre-acquisition Target



# INNOVATION ACTIVATES NETWORK

Digital solutions that touch 80% of the United States



## FREEDOM

Online or in person, providing a simple, transparent and **flexible experience**



## SELECTION

70,000 owned vehicles available on the **2<sup>nd</sup> largest owned online marketplace**



## CHOICE

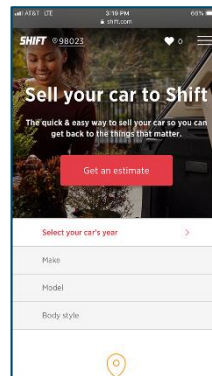
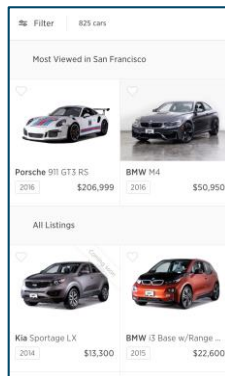
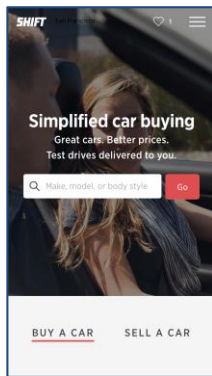
Enabling customers to shop **wherever, whenever, and however** they desire

# INNOVATING WITH **SHIFT**

Additional digital fulfillment platform; virtual dealership

## COMPANY HIGHLIGHTS

- Simple consumer-centric buying and selling experience
- World-class engineering and design team headquartered in Silicon Valley
- Efficient, low-cost model providing test drives, delivery and pick up at home or work
- Dynamic logistics platform to maximize value of inventory
- Poised for rapid, nationwide expansion



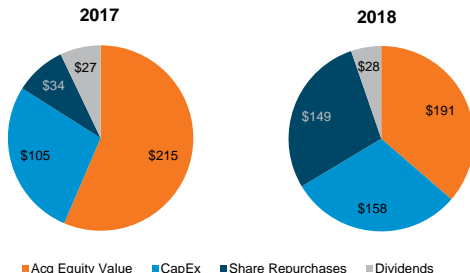
# CAPITAL ENGINE

## Prudent stewards of capital

### CAPITAL ALLOCATION STRATEGY

- Growth investment prioritization:
  - Core value-based auto dealership acquisitions
  - Innovation initiatives through:
    - Driving improvements in existing business
    - Vertical and horizontal adjacencies to our current business
    - Strategic investment and collaboration with bold disruptors

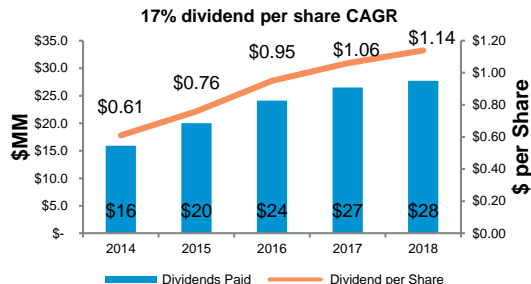
### USES OF CAPITAL



### DIVIDEND & SHARE REPURCHASE PHILOSOPHY

- Return cash to shareholders through dividend, and repurchase shares opportunistically

### DIVIDENDS PAID





# APPENDIX

# 2013 – 2018 INCOME STATEMENT SUMMARY

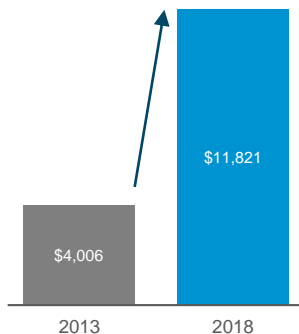
## COMMENTARY

- Double-digit 5-year Compound Annual Growth Rates:
  - Revenues: **24.2%**
  - Gross Profit: **23.0%**
  - Adjusted Diluted EPS: **20.1%**

## Q4 2018 HIGHLIGHTS

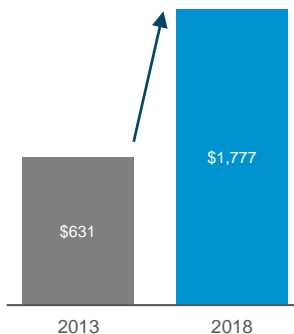
Revenue (\$MM)

**24.2% CAGR**



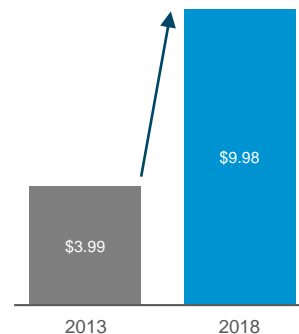
Gross Profit (\$MM)

**23.0% CAGR**



Adjusted Diluted EPS

**20.1% CAGR**



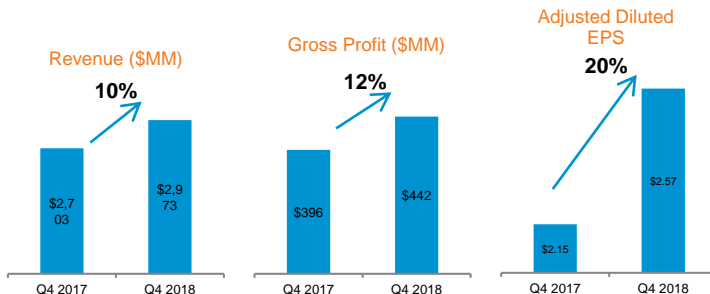
Note: See appendix for reconciliation of adjusted diluted EPS

# Q4' 18 INCOME STATEMENT SUMMARY

## COMMENTARY

- Increased revenue 10% and adjusted EPS 20%
- Increased total gross profit 12%
- Increased total same store gross profit 3%
- 33<sup>rd</sup> consecutive quarter of positively trended results

## Q4 2018 HIGHLIGHTS



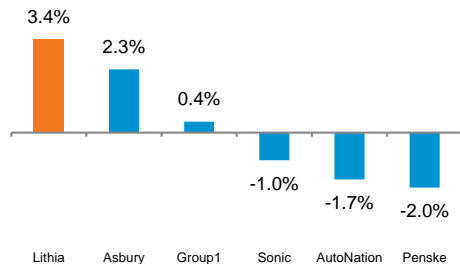
Note: See appendix for reconciliation of adjusted diluted EPS

## SAME STORE QUARTER-OVER-QUARTER GROWTH

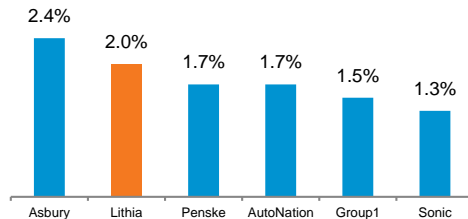
	Revenue	Gross Profit
New vehicles	(4)%	(14)%
Used retail vehicles	10%	12%
F&I	3%	3%
Service, parts and body	6%	13%
<b>Total</b>	<b>1%</b>	<b>3%</b>

# Q4'18 PEER COMPARISON

## SAME STORE GROSS PROFIT GROWTH



## ADJUSTED NET PROFIT MARGIN (as reported)



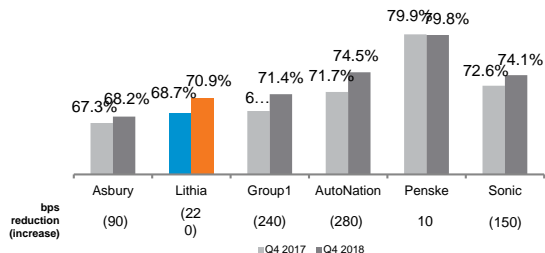
Note: See appendix for reconciliation of adjusted net profit margin.

## SAME STORE SALES GROWTH

	LAD	ABG	AN	SAH	GPI	PAG
New Vehicles	(4.0%)	3.0%	(7.0%)	(6.7%)	(5.2%)	(6.0%)
Used Vehicles	10.3%	6.7%	0.8%	9.9%	6.3%	5.0%
F&I	3.1%	2.7%	0.5%	10.9%	6.0%	0.7%
SB&P	5.5%	4.7%	1.9%	(0.4%)	2.1%	3.9%
<b>Total</b>	<b>1.0%</b>	<b>3.8%</b>	<b>(3.8%)</b>	<b>(0.4%)</b>	<b>(1.3%)</b>	<b>(0.9%)</b>

Note: Group1 results reflect US only performance

## ADJUSTED SG&A AS A % OF GROSS PROFIT (as reported)



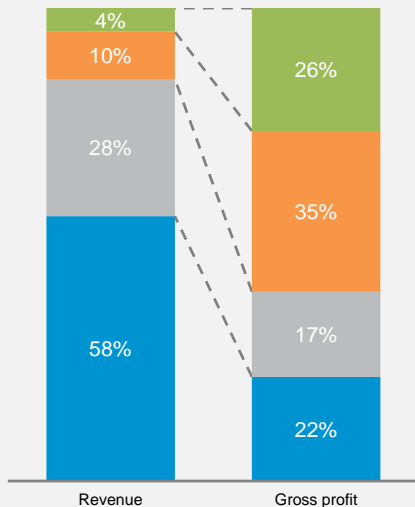
Note: See appendix for reconciliation of LAD adjusted SG&A.; Group1 results reflect US only performance

# RESILIENT BUSINESS MODEL

Profitable business with diversified product mix and multiple earnings streams

## LITHIA BUSINESS MIX

■ New vehicles ■ Used vehicles ■ Parts and service ■ F&I



Note: Revenue and gross profit mix for the three-months ended December 31, 2018

## NEW VEHICLE REVENUE BY BRAND

### LITHIA NEW VEHICLE UNIT MIX

Import	53%	Toyota	19%
		Honda	16%
		Subaru	10%
		Nissan	4%
		Other Import*	4%
Domestic	30%	Chrysler	15%
		GM	8%
		Ford	7%
Luxury	17%	BMW/Mini	5%
		Mercedes	4%
		Acura	3%
		Audi	2%
		Lexus	2%
		Porsche	1%

\*Other import includes VW, Hyundai, and Kia  
Mix as of the three-months ended December 30, 2018



# SUPPLEMENTAL INFORMATION

## 2018 Quarterly Income Statement

\$M	Q4	Q3	Q2	Q1	YTD 2018
New vehicle	\$1,688.3	1,733.0	1,726.8	1,454.7	\$6,602.8
Used vehicle	753.4	805.9	804.1	715.6	3,079.0
Wholesale used vehicles	78.1	92.0	85.3	76.0	331.3
Finance and insurance	112.8	121.1	114.5	106.5	454.8
Service, body and parts	313.9	311.3	311.4	285.7	1,222.3
Fleet and other	26.7	28.7	54.4	21.2	131.2
<b>Total Revenues</b>	<b>2973.2</b>	<b>3,092.0</b>	<b>3,096.5</b>	<b>2,659.7</b>	<b>11,821.4</b>
New vehicles	95.8	100.9	101.5	87.0	385.1
Retail used vehicles	75.8	86.3	87.1	73.6	322.9
Wholesale used vehicles	1.3	1.4	1.9	0.9	5.5
Finance and insurance	112.8	121.1	114.5	106.5	454.8
Service, body and parts	154.1	154.4	153.7	138.4	600.7
Fleet and other	2.1	2.1	2.0	1.7	8
<b>Gross Profit</b>	<b>441.9</b>	<b>466.2</b>	<b>460.7</b>	<b>408.1</b>	<b>1,777.0</b>
Asset Impairments	1.3	-	-	-	1.3
SG&A	313.4	309.0	333.4	297.5	1,253.3
Depreciation and Amortization	20.1	19.6	18.8	16.9	75.4
<b>Operating Income</b>	<b>107.1</b>	<b>137.6</b>	<b>108.6</b>	<b>93.8</b>	<b>447.0</b>
Floor plan interest expense	17.2	16.0	15.6	13.5	62.3
Other interest expense	15.4	15.0	13.8	11.8	56.0
Other (income) expense, net	(3.5)	(2.4)	(1.7)	(1.4)	(8.8)
<b>Income (loss) before taxes</b>	<b>78.0</b>	<b>109.0</b>	<b>80.8</b>	<b>69.8</b>	<b>337.5</b>
Income tax expense	18.1	15.9	20.1	17.7	71.8
<b>Net Income</b>	<b>\$59.9</b>	<b>93.1</b>	<b>60.7</b>	<b>52.1</b>	<b>\$265.7</b>

# SUPPLEMENTAL INFORMATION

## 2018 Adjusted Income Statement Details

	YTD 12/31/2018	Reserve Adjustments	Asset Impairment	Acquisition expenses	Tax attributes*			Gain on sale of store		YTD 12/31/2018
	As Reported	Q2	Q4	Q2	Q2	Q3	Q4	Q3	Q4	Adjusted
<i>\$M, except for per share amounts</i>										
Selling, general and administrative	\$1,253.3	(1.5)	-	(3.3)	-	-	-	15.7	(0.3)	\$1,263.9
Income from operations	\$447.0	1.5	1.3	3.3	-	-	-	(15.7)	0.3	\$437.7
Income before income taxes	\$337.5	1.50	1.3	3.3	-	-	-	(15.7)	0.3	\$328.2
Income taxes	(71.8)	(0.4)	(0.3)	(0.9)	(1.4)	(12.9)	(0.5)	4.1	(0.1)	(84.2)
Net income	\$265.7	1.1	1.0	2.4	(1.4)	(12.9)	(0.5)	(11.6)	0.2	\$244.0
Diluted net income per share	\$10.86	0.05	0.04	0.10	(0.06)	(0.53)	(0.02)	(0.47)	0.01	\$9.98
Diluted share count	24.5									

\*Due to the significant level of share repurchase activity in 2018, the YTD diluted EPS impact of adjustments may differ from reported QTD diluted EPS impact of adjustments.

# SUPPLEMENTAL INFORMATION

## 2017 Adjusted Income Statement Details

	YTD 12/31/2017	OEM settlements	Gain on sale of store	Reserve adjustments		Acquisition expenses		Tax act	YTD 12/31/2017
	As Reported	Q1	Q4	Q2	Q3	Q2	Q3	Q4	Adjusted
<b>\$M, except for per share amounts</b>									
Selling, general and administrative	\$1,049.4	-	5.1	(3.9)	(1.7)	(2.2)	(3.5)	-	\$1,043.2
Income from operations	409.0	-	(5.1)	3.9	1.7	2.2	3.5	-	415.1
Other income (expense), net	12.2	(9.1)	-	-	-	-	-	-	3.1
Income before income taxes	\$347.1	(9.1)	(5.1)	3.9	1.7	2.2	3.5	-	\$344.1
Income taxes	(101.9)	3.4	2.5	(1.3)	(0.9)	(0.8)	(1.4)	(32.9)	(133.2)
Net income	\$245.2	(5.7)	(2.6)	2.6	0.8	1.3	2.1	(32.9)	\$210.9
Diluted net income per share	\$9.75	(0.23)	(0.10)	0.11	0.03	0.05	0.09	(1.31)	\$8.39
Diluted share count	25.1								

# SUPPLEMENTAL INFORMATION

## 2016 Adjusted Income Statement Details

	YTD 12/31/2016	Gain on sale of stores	Equity investment fair valuation adjustment				Legal reserve adjustment		Tax attribute	YTD 12/31/2016
	As Reported	Q1	Q1	Q2	Q3	Q4	Q1	Q4	Q4	Adjusted
<b>\$M, except for per share amounts</b>										
Asset impairments	\$14.0	-	(3.5)	(3.5)	(3.5)	(3.5)	-	-	-	-
Selling, general and administrative	899.6	1.1	-	-	-	-	(1.9)	(2.0)	-	896.8
Income from operations	338.4	(1.1)	3.5	3.5	3.5	3.5	1.9	2.0	-	355.2
Other income	(6.1)	-	2.1	2.1	2.1	2.0	-	-	-	2.2
Income before income taxes	\$283.5	(1.1)	5.5	5.6	5.6	5.6	1.9	2.0	-	\$308.6
Income taxes	(86.4)	0.4	(5.9)	(6.9)	(7.6)	(8.2)	(0.7)	(2.5)	(1.3)	(119.1)
Net income	\$197.1	(0.7)	(0.4)	(1.3)	(2.0)	(2.6)	1.2	(0.5)	(1.3)	\$189.5
Diluted net income per share	\$7.72	(0.03)	(0.01)	(0.05)	(0.08)	(0.11)	0.05	(0.02)	(0.05)	\$7.42
Diluted share count	25.5									

# SUPPLEMENTAL INFORMATION

## 2015 Adjusted Income Statement Details

	YTD 12/31/2015	Gain on sale of stores		Asset impairment		Transition Agreement	Equity Investment				YTD 12/31/2015
	As Reported	Q1	Q2	Q2	Q4	Q3	Q1	Q2	Q3	Q4	Adjusted
<b>\$M, except for per share amounts</b>											
Asset impairments	\$20.1	—	—	(2.0)	(1.6)	—	(4.1)	(4.1)	(4.1)	(4.2)	—
Selling, general and administrative	811.2	3.3	2.6	—	—	(18.3)	—	—	—	—	798.8
Income from operations	302.7	(3.3)	(2.6)	2.0	1.6	18.3	4.1	4.1	4.1	4.2	335.2
Other income	(1.0)	—	—	—	—	—	1.7	1.7	1.7	1.8	5.9
Income from continuing operations before income taxes	\$262.7	(3.3)	(2.6)	2.0	1.6	18.3	5.8	5.9	5.9	5.8	\$302.1
Income taxes	(79.7)	1.1	1.3	(0.8)	(0.6)	(6.5)	(7.2)	(7.7)	(7.4)	(8.5)	(116.1)
Net income from continuing operations	\$183.0	(2.3)	(1.3)	1.2	1.0	11.8	(1.4)	(1.8)	(1.5)	(2.7)	\$186.0
Diluted earnings per share from continuing operations	\$6.91	(0.09)	(0.05)	0.05	0.03	0.45	(0.05)	(0.07)	(0.06)	(0.10)	\$7.02
Diluted share count	26.5										

# SUPPLEMENTAL INFORMATION

## 2014 Adjusted Income Statement Details

	YTD 12/31/2014	Disposal Gain	Reserve adjustments	Equity Investment	Acquisition expenses			Tax Attribute			YTD 12/31/2014
	As Reported	Q2	Q1	Q4	Q2	Q3	Q4	Q2	Q3	Q4	Adjusted
<b>\$M, except for per share amounts</b>											
Asset impairments	\$1.9	-	-	(1.9)	-	-	-	-	-	-	-
Selling, general and administrative	\$563.2	-	(3.9)	-	(0.2)	(0.9)	(0.8)	-	-	-	\$557.4
Income from operations	\$231.9	-	3.9	1.9	0.2	0.9	0.8	-	-	-	\$239.6
Other income	\$3.2			1.2							\$4.4
Income from continuing operations before income taxes	\$210.5	-	3.9	3.0	0.2	0.9	0.8	-	-	-	\$219.3
Income taxes	(\$75.0)	-	(1.5)	(6.5)	(0.1)	(0.3)	(0.3)	(0.1)	(0.2)	(0.6)	(84.6)
Net income from continuing operations	\$135.5	-	2.4	(3.5)	0.1	0.6	0.5	(0.1)	(0.2)	(0.6)	\$134.7
Net income from discontinued operations	\$3.2	(3.5)	-	-	-	-	-	-	-	-	(\$0.3)
Net income	\$138.7	(3.5)	2.4	(3.5)	0.1	0.6	0.5	(0.1)	(0.2)	(0.6)	\$134.4
Diluted earnings per share from continuing operations	\$5.14	-	0.09	(0.13)	-	0.02	0.02	-	(0.01)	(0.02)	\$5.11
Diluted earnings per share from discontinued operations	\$0.12	(0.13)	-	-	-	-	-	-	-	-	(\$0.01)
Diluted earnings per share	\$5.26	(0.13)	0.09	(0.13)	-	0.02	0.02	-	(0.01)	(0.02)	\$5.10
Diluted share count	26.4										

# SUPPLEMENTAL INFORMATION

## EBITDA and Adjusted EBITDA

\$M	FY 2018	FY 2017	FY 2016
Net income	\$265.7	\$245.2	\$197.1
Add: other interest expense	56.0	34.8	23.2
Add: income taxes	71.8	101.9	86.4
Add: depreciation and amortization	75.4	57.7	49.3
<b>EBITDA</b>	<b>\$468.9</b>	<b>\$439.6</b>	<b>\$356.0</b>
Less: used vehicle line of credit interest	\$(2.9)	(2.7)	(3.7)
Less: gain on sale of stores	(15.4)	(5.1)	(1.1)
Add: asset impairments	1.3	-	14.0
Add: equity investment fair value adjustment	-	-	8.3
Less: OEM legal settlement	-	(9.1)	-
Add: acquisition expenses	3.3	5.7	-
Add: reserve adjustments	1.5	5.6	3.9
<b>Adjusted EBITDA</b>	<b>\$456.7</b>	<b>\$434.0</b>	<b>\$377.4</b>

# SHIFT INNOVATION PARTNERSHIP



## SYNERGIES

<b>TECHNOLOGY</b>	Franchise and location driven	Online and consumer driven	Wherever, whenever, however consumers desire
<b>DATA</b>	12 million vehicle transaction records	Algorithmic procurement and pricing	Fast, personalized, transparent experiences
<b>INVENTORY</b>	2 <sup>nd</sup> largest, owned online inventory	Direct from consumer procurement utilizing AI	The destination vehicle marketplace
<b>CAPITAL</b>	\$350 million in free cash flow annually	Focus on methodical growth and technology investment	Allows Shift to quickly expand
<b>RELATIONSHIPS</b>	Strong vendor and lender partnerships	Deep Silicon Valley network	Accelerating innovation; expanding revenue and profit opportunities
<b>PEOPLE</b>	Expertise selling and servicing vehicles	World-class engineering and design team	Freedom for consumers; improved operations
<b>NETWORK</b>	Reach 80% of the US same day	Easily scalable, asset light model	Leverage and expand fulfillment network