

Engine Capital Issues Presentation Highlighting the Case for Boardroom Change at Lyft and Opportunities for Meaningful Value Creation

Details the Board's Numerous Governance and Capital Allocation Shortcomings, Including a Dual-Class Share Structure, Staggered Board, Unsustainable Level of Dilution, and Unoptimized Balance Sheet

Highlights its Director Candidates' Substantial Public Company Board Experience, Capital Allocation Expertise, and Track Records of Value Creation

Believes Lyft Should Immediately Implement a \$750 Million Accelerated Share Repurchase Program, Eliminate the Dual-Class Share Structure, and De-Stagger the Board

Files Definitive Proxy Statement and Urges Shareholders to Vote FOR Alan L. Bazaar and Daniel B. Silvers on the BLUE Universal Proxy Card as Replacements for Directors Sean Aggarwal and Betsey Stevenson

NEW YORK--(BUSINESS WIRE)--Engine Capital LP (together with its affiliates, "Engine" or "we"), which owns approximately one percent of the outstanding common shares of Lyft, Inc. (NASDAQ: LYFT) ("Lyft" or the "Company"), today released [a presentation](#) that details the need for governance and capital allocation enhancements at Lyft. Engine has also filed a definitive proxy statement with the U.S. Securities and Exchange Commission.

As a reminder, Engine is seeking to elect two highly qualified and independent candidates – Alan L. Bazaar and Daniel B. Silvers – to the Company's Board of Directors (the "Board") because Engine believes they have the requisite corporate governance and capital allocation expertise to create long-term value for Lyft shareholders.

Highlights from [the presentation](#) include:

- **Engine's multiple attempts to work constructively with Lyft to strengthen the Board were met by entrenched directors who rejected Engine's highly qualified candidates without even meeting with them.**
- The current Board lacks public company experience and financial sophistication. **Seven of the Company's 10 directors have never served on another public company board besides Lyft.**
- **Lyft's capital structure is completely unoptimized, with net cash of \$831 million (pro forma of its recent acquisition) and a very cash flow generative business model.** Engine recommends the Board immediately implement a \$750 million accelerated share repurchase program.

- In addition to maintaining a **dual-class share structure that gives Lyft’s co-founders (who own just ~2.3% of the Company) ~30% voting power**, the Board has several other governance issues, including **staggered elections**, a **supermajority vote requirement to adopt, amend, or repeal bylaws**, the **inability of shareholders to act by written consent or call special meetings**, and **no resignation policy for when directors fail to receive a majority of investors’ votes**.
- Lead Independent Director and Nominating and Corporate Governance Committee Chair **Sean Aggarwal** and Nominating and Corporate Governance Committee member **Betsey Stevenson** have **overseen negative total returns** during their tenures, **lack financial sophistication** based on their track records at Lyft, and **support the dual-class share structure**.
- Engine’s nominees – who have cumulatively served on 16 public company boards and who have exemplary track records of significant value creation – would advocate for **eliminating the Company’s dual-class share structure, de-staggering the Board, optimizing the balance sheet, reassessing equity compensation practices to reduce dilution**, and **exploring all strategic alternatives**.

About Engine Capital

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

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