Forward Looking Statements

Statements and information included in this presentation that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are made pursuant to the “safe harbor” provisions of such Act.

Forward-looking statements include, but are not limited to statements regarding our expectations, intentions, beliefs and strategies regarding the future, including statements regarding trends, cyclical and changes in the markets we sell into; strategic direction; changes to procurement processes; the cost of compliance with environmental and other laws; expected tax rates; planned capital expenditures; liquidity positions; ability to generate cash from continuing operations; the potential impact of adopting new accounting pronouncements; expected financial results, including revenue and profitability; obligations under our retirement plans; savings or additional costs from business integrations and cost containment programs; and the adequacy of accruals.

All forward-looking statements we make are based on information available to us at the time the statements are made, and we assume no obligation to update any forward-looking statements, except as may be required by law. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by our forward-looking statements include, among others, changes in federal or state laws or regulations that affect our business, changes in the types of replacement parts that insurance carriers will accept, fluctuations in the prices of metals, as well as the risks and uncertainties included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2015 and any of our subsequent Quarterly Reports on Form 10-Q. These reports are available on our investor relations website at lkqcorp.com and on the SEC website at sec.gov.
# Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:20 AM</td>
<td>Welcome, Safe Harbor / Opening Remarks</td>
<td>Joe Boutross</td>
</tr>
<tr>
<td>8:20 AM</td>
<td>Company Direction &amp; Strategy, Market Overview</td>
<td>Rob Wagman</td>
</tr>
<tr>
<td></td>
<td>Acquisition &amp; Development</td>
<td>Walter Hanley</td>
</tr>
<tr>
<td>9:45 AM</td>
<td>Q&amp;A</td>
<td></td>
</tr>
<tr>
<td>10:00 AM</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>10:15 AM</td>
<td>Wholesale - Europe</td>
<td>John Quinn, Martin Gray, Sinon Galvin</td>
</tr>
<tr>
<td></td>
<td>Specialty</td>
<td>Bill Rogers</td>
</tr>
<tr>
<td></td>
<td>Financial Overview</td>
<td>Nick Zarcone</td>
</tr>
<tr>
<td>11:30 AM</td>
<td>Q&amp;A</td>
<td></td>
</tr>
<tr>
<td>12:00 PM</td>
<td>Closing Remarks</td>
<td></td>
</tr>
<tr>
<td>12:15 PM</td>
<td>Lunch</td>
<td></td>
</tr>
</tbody>
</table>
Rob Wagman
President & Chief Executive Officer
Rob Wagman Background

- Started in our industry in 1987 as an Account Executive for Copart Auto Auctions

- From April 1995 to October 1998 Mr. Wagman was the Outside Sales Manager of Triplett Auto Parts, Inc., a recycled auto parts company that LKQ acquired in July 1998; Triplett was LKQ’s first acquisition

- From October 1998 Mr. Wagman managed our insurance company relationships, and from February 2004, added to his responsibilities the oversight of our aftermarket product operations

- Vice President of Insurance Services and Aftermarket Operations in August 2005

- Senior Vice President of Operations—Wholesale Parts Division - August 2009 to January 1, 2011

- President and Co-Chief Executive Officer from January 1, 2011 to January 1, 2012

- Elected to our Board of Directors on November 7, 2011

- Became our President and Chief Executive Officer on January 1, 2012
Mission & Strategic Initiatives

Mission Statement
To be the leading global value-added distributor of vehicle parts and accessories by offering our customers the most comprehensive, available and cost effective selection of part solutions while building strong partnerships with our employees and the communities in which we operate.

Guiding Principles
- Integrity & Ethics
- Customer First
- Humility
- Team Centric

Strategic Initiatives
- Broaden Product Offerings in each segment
- Create Pan European Platform

Performance Priorities
- Organic Growth
- Margin Expansion
- Network Leverage
- One-Stop-Shop
- High Fulfilment Rates

Performance Priorities
- GROW LONG TERM REVENUE 10% Annually
- GROW EPS 15% Annually
- ORGANIC REVENUE GROWTH (1) 6% to 8% Annually

(1) Parts & services.
Consistent Segment Business Models

- Large & Fragmented Markets
- High Fulfillment Rates
- Tuck-in Acquisitions Synergies & Leverage Opportunities
- Sustainable Organic Growth & Margin Expansion
- Attractive Adjacent Markets
- Industry Leading Management

An LKQ Company

LKQ Corporation

Keystone Automotive Operations, Inc.

Any part for any car
LKQ’s Evolution

- Total Revenue 1998: $328M
- Total Revenue 2004: $1.11B
- Total Revenue 2005: $3.27B
- Total Revenue 2007: $7.2B

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$328M</td>
</tr>
<tr>
<td>2004</td>
<td>$1.11B</td>
</tr>
<tr>
<td>2005</td>
<td>$3.27B</td>
</tr>
<tr>
<td>2007</td>
<td>$7.2B</td>
</tr>
</tbody>
</table>

- Recycled Products 2015: 18%
- Aftermarket NA 2015: 29%
- Self Service-Parts 2015: 15%
- Heavy Truck-Parts 2015: 28%
- Specialty 2015: 7%
- European Operations 2015: 7%
- Specialty 2011: 7%
- Other 2011: 2%
- Specialty 2007: 7%
- Other 2007: 2%
- Specialty 2003: 7%
- Other 2003: 2%

(1) Pending.
Operating Unit Overview

North America
- Collision
  - Aftermarket automotive products
  - Recycled & Refurbished
- Mechanical
  - Recycled engines & transmissions
  - Remanufactured Engines

Europe
- Mechanical
  - 175,000+ small part SKUs
  - Brakes, filters, hoses, belts, etc.
- Collision (limited)
  - Aftermarket (UK)
  - Recycled (Sweden)

Specialty
- Performance products
- Appearance & accessories
- RV, trailer & other
- Specialty wheels & tires
Favorable Industry Dynamics

**Mechanical Replacement Products Market Shift**
- Mechanical replacement products shifted to 80% from 20% alternative products over a thirty year period

**Carriers Influence Collision Repairs**
- Shift to alternative collision parts driven by:
  - Need to reduce the cost of claims
  - Increased availability of recycled OEM parts
  - Improved quality of aftermarket parts
  - Broader aftermarket product offering

**Mechanical Products Transitioned to Alternative**

- New OEM: 80% (Approximate)
- Alternative Parts: 20% (Approximate)

- New OEM: 20%
- Alternative Parts: 80%

**Alternative Parts Utilization**

- 2000: 23%
- 2007: 31%
- 2014: 36%

Source: AAIA, CCC Information Services, Inc. and Mitchell International.
Shift Toward Alternative Parts Usage

Average Parts Used Per Claim

- **OEM**
  - 2010: 5.8
  - 2011: 6.4
  - 2012: 2.1
  - 2013: 2.8
  - 2014: 7.9
  - 2015: 9.2
  - **Average Change**: 10.3%

- **Alternative Parts**
  - 2010: 5.8
  - 2011: 6.4
  - 2012: 2.1
  - 2013: 2.8
  - 2014: 7.9
  - 2015: 9.2
  - **Average Change**: 33.3%

- **Total**
  - 2010: 5.8
  - 2011: 6.4
  - 2012: 2.1
  - 2013: 2.8
  - 2014: 7.9
  - 2015: 9.2
  - **Average Change**: 16.4%

Source: CCC Information Services Inc.
LKQ’s “Sweet Spot” is Growing

Age & Size of US Car Parc

Data assumes oldest vehicles are retired first in each year (not a precise assumption).
Driven to Distraction

“People did not drive as well (in 2015) as they did the year before. I personally believe that distracted driving … went up a fair amount.”

*Warren Buffet interview CNBC 2/29/2016*

State Farm posts auto loss of $4.4B in 2015

*Repairer Driven News, February 26, 2016*
Crash Avoidance Systems Growing... But Impact will Be Very Slow

U.S. EIA Energy Outlook 2014
Light Duty Vehicle Sales by Energy Use

CCC estimates a 10.3% impact to losses in next 15 years

Source: CCC Information Services Inc.
Calendar Year Features Reach 95% of Registered Vehicle Fleet With and Without Mandate

LKQ’s Global Exposure to Collision (1)

Collision Exposure in 2003 > 80%

in 2015 < 30%

(1) Based on Pro Forma 2015 Revenue, includes PGW and Rhiag.
The T2 Site

- 90K tonnes of soil moved
- 778K square feet warehouse with mezzanine
- 80K tones of concrete poured
- 3K tonnes of steel used
- Main build contractor Winvic
- Automation and fit out: TGW
Rhiag Company Overview

• Rhiag is the leading automotive mechanical parts distributor in Italy operating in the independent aftermarket segment and the second largest market participant in Switzerland.

• The Company has a major presence in Eastern Europe with operations in the Czech Republic, Slovakia, Hungary, Ukraine, Romania, Poland & Bulgaria.

• Customer portfolio is characterized by a low degree of concentration. Italy & Switzerland distribution networks operate under a 3 step model & Eastern Europe under a 2 step model.

• From 2012 - 2014 Rhiag experienced average sales growth of 6.4% & average Adjusted EBITDA margin (1) of 11.4%.

Source: Rhiag Company Presentation November 2015 and Rhiag Company information as provided in Rhiag VDR.
(1) See appendix for reconciliation of Rhiag’s Adjusted EBITDA (non-GAAP measure).
Rhiag Strategic Rationale

- Establishes LKQ as the clear #1 Player in Europe & Accelerates our Pan-European Strategy
- Enhances our Global Diversification Strategy with New Large Addressable Markets
- Attractive Market Structure (fragmented, professional repair focused)
- Numerous Common Suppliers with Existing European Operations
- Experienced & Accomplished Senior Management Team
- Attractive Distribution Footprint
- Demonstrated Above Market Growth with Identifiable Opportunities to Accelerate
- Attractive & Consistent EBITDA Margin
- Low Penetration of Alternative Collision Parts
Pittsburgh Glass Works LLC ("PGW" or the "Company") is the leading North American manufacturer, supplier and distributor of automotive glass products—#1 in OEM with approximately 20 global customers across 78 platforms—#2 in aftermarket serving over 7,000 customers.

- Worldwide, low-cost manufacturing footprint integrated across global supply chain.
- Platform company with numerous value creation opportunities.

Global Manufacturing and Distribution Footprint

- Facilities in Mexico and China are partially-owned JVs.
- Management’s estimates.
- U.S. distributed share.

Select Automotive Glass Capabilities

- Windshields
- Sidelites
- Backlites
- Roof Panels

North American Automotive Glass Competitive Landscape

- OEM: Market Size: $2.3 billion
- Aftermarket: Market Size: $1.2 billion

Market Leading Auto Glass

- OEM or ARG Presence
- Other countries served

Other countries served:

- Mexico
- Europe
- China
- North America
PGW Strategic Rationale

- Fills a meaningful void in the LKQ product offering worldwide
- Only pure-play automotive glass provider in North America
- Leading competitive position in a large and growing global market
- Positioned to capitalize on industry trends toward the use of innovative, higher value applications
- Significant customer overlap with existing collision related activities; strong cross selling opportunities
- Integration/synergy potential between respective NA aftermarket distribution and warehousing networks
- Strong and experienced management team
- Opportunity to grow organically and through further acquisitions
- Solid margins, organic growth, and excellent cash flow dynamics
- Strong barriers to entry
Key Takeaways

**Leading Positions in Large Markets**
- Largest participant in each market served
- Scale provides purchasing leverage and depth of inventory
- European & Specialty expansion drives diversification
- Opportunities for new locations & adjacent markets remain in all segments

**Diversified Revenue Stream**
- Global balance with Pan-European footprint
- Multiple end markets
- Broad parts segment exposure
- Self funded growth

**Expanding Alternative Parts Usage**
- Increasing availability of quality aftermarket and recycled products
- Distribution network and inventory levels allow higher fulfillment rates
- Expanding number of vehicles comprising “sweet spot” in our target market

**Clear Value Proposition**
- Insurers focused on controlling repair costs
- Alternative products offer savings of 20% - 50% of OEM parts repairs
- LKQ represents the best partner for the insurance companies

**Solid Financial Metrics**
- History of delivering organic revenue growth & EBITDA expansion
- Strong FCF generation supports growth
- Diversified capital structure
- Limited near-term structured debt repayments & ample liquidity

**Market Leader**

**Growing Markets**

**Diversified Revenue Base**

**Demonstrated Performance**
Walter Hanley Background

• Walter P. Hanley joined us in December 2002 as our Vice President of Development, Associate General Counsel and Assistant Secretary; in December 2005, he became our Senior Vice President of Development

• Mr. Hanley served as Senior Vice President, General Counsel and Secretary of Midwestern riverboat gaming companies from July 1996 until August 2002

• Mr. Hanley served as Vice President and Associate General Counsel of a venture capital firm from May 1995 until February 1998 and as Associate General Counsel of Discovery Zone, Inc. from March 1993 until May 1995

• Prior to March 1993, Mr. Hanley practiced corporate and securities law with the law firm of Bell, Boyd & Lloyd LLP (now known as K&L Gates LLP)
LKQ’s Growth Strategy

Share Gains in Existing Markets
- Greenfield expansion projects:
  - Warehouse capacity
  - Dismantling facilities
- Consolidation within existing markets through the acquisition of smaller competitors (Stag & Parts Channel)
- Additional market penetration

Expansion into New Product Areas
- Pittsburgh Glass Works (pending)
  - Automotive glass
- Keystone Automotive Operations
  - Specialty vehicle parts
- Euro Car Parts
  - Aftermarket hard parts
- Akzo Nobel
  - US paint distribution

Expansion into New Markets
- Rhiag (pending)
  - Italy & 9 other European countries
- Sator
  - Netherlands, Belgium, Luxembourg & France
- Euro Car Parts & 5 paint distributors
  - United Kingdom
LKQ’s Acquisition Philosophies

- Markets where we can be #1 or #2
- Strong and experienced management
- Opportunities for growth & synergies
- Financial returns
  - IRR (mid-teens over 10 years)
  - ROIC (10 years’ average >10%)
- Integrity
- Criteria in new markets
  - Among the leaders in the market
  - High fulfillment rates
  - Consistent with LKQ culture
  - Excellent management team that will stay post closing
- Criteria in existing markets
  - “Tuck in” companies
  - High synergies
  - Additional capacity
- Substantial experience integrating acquisitions
### LKQ’s M&A Scorecard

<table>
<thead>
<tr>
<th></th>
<th>North American Wholesale Businesses</th>
<th>European Wholesale Businesses</th>
<th>Self Service Retail Businesses</th>
<th>Specialty Vehicle Aftermarket Businesses</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015</strong></td>
<td>4</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>9</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td>10</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td>22</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td>17</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62</strong></td>
<td><strong>29</strong></td>
<td><strong>16</strong></td>
<td><strong>3</strong></td>
<td><strong>110</strong></td>
</tr>
</tbody>
</table>
LKQ’s Experienced Internal Development Team

• Four full-time employees who work on acquisitions
• Smaller transactions pre-screened by regional management
• Support from experienced in-house attorneys
• Regular interaction with senior management
• Internal personnel assist with financial & operational due diligence and implement integration
• Engaged a financial advisor to represent LKQ on only 2 of 229 completed development transactions
LKQ’s Acquisition Process

1. Identify target and interact with owner
2. Execute confidentiality agreement
3. Review target’s financials and other information
4. Meet target’s management and tour its facilities
5. Evaluate potential synergies and prepare Pro Forma
6. LKQ management decides to submit proposal

7. Negotiate definitive transaction documents
8. Perform detailed due diligence review of target
9. Finalize Pro Forma and obtain internal approvals
10. Execute nonbinding letter of intent with owner
11. Consume acquisition
12. Integrate business into LKQ
A. REVENUE

Year 1  
5 Years Average  
10 Years Average  

51,674  
58,258  
68,110

B. R.O.I.

Year 1  
5 Years Average  
10 Years Average  

7.7%  
12.5%  
16.2%

C. PAYBACK PERIOD / NPV

Simple Cash Flow. (in years)  
Discounted Cash Flow (in years)  
10 Year Discounted Cash Flow  
NPV of all Cash Flows  

7.2  
8.6  
9,903  
73,007

D. ANALYSIS OF ACQUISITION PRICE

Purchase Price  
Net Assets Value  
Acquisition Costs  
Goodwill  

53,000  
(16,547)  
100  
36,553

Goodwill - Multiple of 1 Year Revenue  
Purchase Price as multiple of trailing EBITDA  
Purchase Price as multiple of Year 1 EBITDA  
Purchase Price as multiple of Year 2 EBITDA  

0.71  
8.1  
6.1  
4.7

E. PRETAX AFTER ACQUISITION COSTS

Pretax Income--1st Year  
Pretax Income--5th year  
Pretax Income--5 yr Avg.  
Pretax Income--10th year  
Pretax Income--10 yr Avg.  

9.4%  
17.8%  
15.1%  
22.1%  
18.2%

F. CAPITAL EXPENDITURES

Acquired  
Year 1  
Year 5  
5 Year Average  

1,591  
1,350  
350  
550

Working Capital  

14,956  
0  
1,188  
872

G. I.R.R.

18.2%

H. KEY ASSUMPTIONS:

Initial Investment  
Cash Flow (% of 1st Yr Rev)  
Capital Expenditures (% of Avg. Cash Flow)  
Cash/Debt Interest Rate  
Discount Rate  
WACC  
Goodwill  
% of Goodwill Deemed to be Intangibles  
Intangibles Amortization Period (in years)  
Average Annual Revenue Growth  

53,100  
7.6%  
16.5%  
6.0%  
7.0%  
10.0%  
0.5%  
20  
6.0%

I. EPS ACCRETION

GAAP  
First 12 months  
Second 12 months  

$ 0.014  
$ 0.022

Adjusted  
First 12 months  
Second 12 months  

$ 0.014  
$ 0.022
## Pending Transactions

<table>
<thead>
<tr>
<th></th>
<th>PGW</th>
<th>Rhiaq Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Announced</strong></td>
<td>February 29, 2016</td>
<td>December 22, 2015</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$1.07 billion (TTM 10/13/15)</td>
<td>€882.4 million (TTM 9/30/15)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$105 million (TTM 10/31/15)</td>
<td>€103.2 million (TTM 9/30/15)</td>
</tr>
<tr>
<td><strong>Enterprise Value</strong></td>
<td>$635 million</td>
<td>€1.0375 billion</td>
</tr>
<tr>
<td><strong>Multiple</strong></td>
<td>EV / Adjusted Trailing EBITDA: 6.0x</td>
<td>EV / Adjusted Trailing EBITDA: 10.6x</td>
</tr>
<tr>
<td><strong>Expected Closing</strong></td>
<td>Q2 2016</td>
<td>Q2 2016</td>
</tr>
</tbody>
</table>
Key Takeaways

- Target businesses in existing markets, new product areas and new markets
- Continue to improve strategies, philosophies and processes
- Maintain disciplined approach
- Opportunities abound
Justin Jude
Senior Vice President of Operations
Wholesale Parts Division
Justin Jude Background

• Joined LKQ in February 2004

• Vice President - Supply Chain  
  March 2008 to February 2011

• Vice President - Information Systems (North America)  
  February 2011 to May 2014

• President of Keystone Automotive Operations, Inc., our specialty automotive business  
  from June 2014 to July 2015

• 18+ years industry experience
North America

2015 Revenue: $4.1B

Employees: 17,080

DIFM Locations: 171 Aftermarket Warehouses;
130 Dismantling Yards

DIY Locations: 78 Self-Service Locations

#1

- Provider of recycled and aftermarket collision parts
- Provider of recycled and remanufactured engines and transmissions

Recycled (DIFM)

Aftermarket (DIFM)

Self-Serve (DIY)
Pick Your Part (DIY)

- Vehicles sourced from:
  - Auctions
  - Towing companies
  - Charitable donations
  - Public
- Customer pulls parts
- Vehicles organized by brand
- 78 locations in North America
- Procured 471,000 vehicles in 2015
- 7.6M visitors in 2015
- Majority of revenue is scrap & other commodities
Large & Fragmented US Market

Automotive Repair Market
$213B

Do It For Me (DIFM)
$165B

DIY(1)
$48B

Retail Price

Collision
$40B

Collision Parts
$22B

Collision (Wholesale)
$15B

Markup $7B

Labor $18B

Market Opportunity - $61B

2014 Collision Trends.
(1) Do It Yourself ecommerce only.
### Competitive Dynamics

#### Customers
- Body Shops
- Tire and wheel shops
- Big Box retailers
- Internet Sites (e-tailers)
- Mechanical repair shops
- Retail / DIY

#### Suppliers
- A/M
  - Taiwan manufacturers
  - US manufacturers
  - US distributors
- Full-serve
  - Auctions
  - Insurance Direct
  - Consumers (walk-ins)

#### Competition
- E-Tailers
- Big Box retailers
- OEM dealers
- Wholesale distributors
- Single site recyclers
- Associations

#### Dynamics
- Consolidation of body shops / MSOs
- Regulatory
Who Are Our DIFM Customers?

• **Body Shop**
  – Hoods, fenders, lights (New & Used)
  – PBE: Paint, Body & Equipment

• **Mechanical Repair Centers**
  – Engines (remanufactured and recycled)
  – Transmissions (remanufactured and recycled)
  – Radiators (new and recycled)

• **Indirectly, Insurance Companies**

• **Over 250K unique customers**

• **11M+ deliveries in 2015**
Clear Value Proposition

### Parts Price Comparison

<table>
<thead>
<tr>
<th>Part Type</th>
<th>2008 Chevrolet Corvette</th>
<th>2006 Chevrolet Silverado</th>
<th>2005 Honda Accord</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheel</td>
<td>$995</td>
<td>$3,499</td>
<td>$610</td>
</tr>
<tr>
<td>Engine</td>
<td>$454</td>
<td>$2,454</td>
<td>$272</td>
</tr>
<tr>
<td>Bumper Cover</td>
<td>$425</td>
<td>$1,450</td>
<td>$345</td>
</tr>
<tr>
<td>New A/M</td>
<td>$354</td>
<td>N/A</td>
<td>$231</td>
</tr>
</tbody>
</table>

**Average Savings**

- 55%
- 39%
- 49%

...and Improved Cycle Time for Repairs

Note: Parts price only - excludes labor.
Regional Distribution Improves Fulfilment

- Highly fragmented space
- 20X size of next competitor
- Consistent nationwide coverage and warranty
- Strong management team
- Strong logistics & footprint
- Industry leading fill-rates
  - Aftermarket: 95%
  - Salvage
    - Competitor: 25%
    - LKQ Single Site: 35%
    - LKQ Region: 75%
Wholesale North America Operational Regions

Every Major Market Has Similar Network as Atlanta Was Showing
Regional Distribution Improves Fulfillment

Corapeake Collision Center places an order for a recycled bumper cover with LKQ Norfolk before 1 PM.
Aftermarket Procurement

- 14,500 containers imported in 2015 (15% increase YoY)
- High SKU proliferation (14% / 85%) on 100K active SKUs
- Taiwan consolidation
- Hub & Spoke Distribution Method
- Platinum Plus Branding
- Full High Quality Coverage
  - CAPA Certified parts
  - NSF Certified parts
  - Leads to “Promise of Protection”
- **Exclusive** items via licensing agreements with Ford, GM & Chrysler
Salvage Procurement

- Buying recently centralized with 87 procurement specialists
- 105 Full Service vehicle dismantling facilities; 25 Heavy Duty truck facilities
- 288K vehicles processed in 2015
- Planned 4% increase in 2016
- $30M in OE Collision Parts
- Evolving proprietary technology

Suggested Bid $725.00
Winning Bid $625.00
Projected Revenue $2,005.00
Margin $(1) $895.00
Margin % 45%

(1) Other costs added: Pool fees = $180; Dismantling labor = 230; Tow = 575.
Maximizing Recycled Parts Sales

- High
- Medium
- Low

Vehicle Year

3-10 Years

Mechanical

Sheet Metal
Case Study - “Project Marks”

- Acquired in 2012
- 12 locations with revenue of $50M
- HR & Payroll converted in first 30 days
- “Best” vendor standardized in first 30 days resulting in quick margin enhancement
- Administrative back office (A/R and A/P) absorbed in second month
- 7 locations consolidated into existing LKQ sites within 5 months achieving headcount reduction and facility savings over $4M annualized
- Achieved targeted multiple of 4.7 by year 2

### Project Marks Project Summary

<table>
<thead>
<tr>
<th>Annual Savings</th>
<th>Facility &amp; Warehousing</th>
<th>920,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Headcount Reduction</td>
<td>2,479,400</td>
</tr>
<tr>
<td></td>
<td>Routes-Truck Operating Costs</td>
<td>296,250</td>
</tr>
<tr>
<td></td>
<td>Product Handling Costs</td>
<td>402,200</td>
</tr>
<tr>
<td></td>
<td>Catalogue</td>
<td>102,000</td>
</tr>
<tr>
<td></td>
<td>System Maintenance</td>
<td>14,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>4,213,850</strong></td>
</tr>
</tbody>
</table>

|                | Trailing Adjusted EBITDA | 6,528,000 |
|                | Adjusted EBITDA w/Synergies | 10,741,850 |
Productivity Initiatives

• Procurement of aftermarket parts, supplies and freight
• Sales Force Effectiveness
• Route Optimization
• Moving to a lean / functional culture
Alix Partners

• Full team from Alix Partners on site since July

• Areas of focus
  – Aftermarket Parts
  – Logistics
  – IT / Telecom
  – General Supplies

• Extensive analysis of spend in each category

• Joined LKQ team on multiple vendor visits to Taiwan

• Implemented numerous RFPs

• Significant potential savings identified
Procurement Savings

• Corrugated boxes:
  – Savings through combining volume → standardizing design → quick pay discounts

<table>
<thead>
<tr>
<th>Size</th>
<th>Volume</th>
<th>Original Pricing</th>
<th>New Pricing</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 x 07 x 10</td>
<td>708,388</td>
<td>$1.20</td>
<td>$0.36</td>
<td>70%; $606,900</td>
</tr>
</tbody>
</table>

• Office Supplies:
  – Savings though combining volume → shorter payment terms:

    8.5 x 11 Copy Paper → w/ 2% quick pay discount, savings $51,503
# Sales Force Effectiveness

<table>
<thead>
<tr>
<th>Where We Were</th>
<th>Where We Want to Be</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sales and Operations combined</td>
<td>• Separate and distinct Sales Organization</td>
</tr>
<tr>
<td>• Fragmented business units which lacked consistency across selling activities</td>
<td>• Three separate roles focused on the customer</td>
</tr>
<tr>
<td>• Selling was primarily an order taking function</td>
<td>– Sales - increasing share of wallet</td>
</tr>
<tr>
<td>• Sales people handling non-sales related activities</td>
<td>– Customer Support - order takers</td>
</tr>
<tr>
<td>• Sales organization divided between salvage, aftermarket and PBE</td>
<td>– Customer Service - returns / account tasks</td>
</tr>
<tr>
<td>• Customers spent too much time on hold</td>
<td>• Geographic based sales teams with account ownership and accountability</td>
</tr>
<tr>
<td></td>
<td>• National call routing regardless of geography to the proper customer support group</td>
</tr>
<tr>
<td></td>
<td>• Consistent KPI’s for each role to drive productivity, growth and service level</td>
</tr>
</tbody>
</table>

**Inconsistent Customer Experience, Not Focused on Customer Growth**
Sales Force Effectiveness

- Changing the culture
- Key Performance Indicators
  - Total talk time
  - # of Outbound calls
  - Hours of coaching time
  - Formal evaluation process
- Weekly Team Meetings
- Everyone works for LKQ - Salvage, Aftermarket and PBE

Focus on the Customer Experience, Gaining Better Visibility Around Customer Penetration
Reduce Call Volume → 47 Million Calls in 2015
E-Commerce Revenue (B2B or B2B2C)

Revenue of Electronic Orders by Partner

Trending for a 150% Increase Year over Year
Route Optimization Project

• Selected RoadNet as core operating platform
• Completed significant IT integration
• Completed rollout in Florida as a test market in Q4 2015
• Currently implementing rollout in the Southeast
• Plan to complete national rollout by Q3 2016
• Primary goals are to:
  – Reduce miles driven (save fuel, maintenance, etc.)
  – Improve driver productivity (one more delivery each day)
  – Improve customer service (vehicle tracking / delivery ETA)
## Key Takeaways

<table>
<thead>
<tr>
<th>Strength</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear value pricing proposition</td>
<td>• High quality at a fraction of the cost with growing demand</td>
</tr>
<tr>
<td>Broad coverage via high fill rates and extensive network</td>
<td>• Allows continual organic growth</td>
</tr>
<tr>
<td></td>
<td>• Difficult &amp; expensive to replicate</td>
</tr>
<tr>
<td>Highly fragmented space</td>
<td>• Further consolidation via tuck-in acquisitions</td>
</tr>
<tr>
<td>Broad and deep IT department</td>
<td>• Continual efficiencies</td>
</tr>
<tr>
<td></td>
<td>• Allows for quick reaction to market trends</td>
</tr>
<tr>
<td>Evolving culture → Sales effectiveness and drive to leverage spend</td>
<td>• Increase share of wallet from customers</td>
</tr>
<tr>
<td></td>
<td>• Large cost savings available</td>
</tr>
</tbody>
</table>

Larger Size Enables Economies of Scale that Our Competitors Don’t Have
John Quinn
Chief Executive Officer &
Managing Director of European Operations
John Quinn Background

• 6.5 years with LKQ, started as CFO in 2009, March last year, moved to CEO Europe, look after European operations, live in London, UK

• First job ever (in high school) was selling auto parts at Canadian Tire

• Bachelor of Commerce, MBA and CPA

• Out of school worked four years at Ford in the glass division

• Worked in the waste industry in Canada, Europe and the US in both operational and financial roles for three or four different companies, around 20 years

• The UK is my 7th career move and second time in Europe
European Operations - High Level Overview

- With Rhiag Europe will be roughly 1/3 of LKQ (excludes PGW European operations)
- Primary focus on mechanical parts (such as brakes, filters, batteries, alternators)
- Young operation for LKQ - started in 2011, still a work-in-progress
- Many areas of the market not covered by LKQ (geographically and product)
- Segment EBITDA margins 10.4% - lower than company average of 11.9% but improving

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Segment EBITDA</th>
<th>EBITDA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>$1,995</td>
<td>$201</td>
<td>10.1%</td>
</tr>
<tr>
<td>Rhiag</td>
<td>971</td>
<td>107</td>
<td>11.0%</td>
</tr>
<tr>
<td>Pro Forma with Rhiag</td>
<td>$2,966</td>
<td>$308</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

Note: Financial information reflects FY 2015 for LKQ, LTM 9/30/15 for Rhiag.
European Operations

- Leading distributor of automotive aftermarket mechanical parts in the UK
- Nearly 55,000 commercial customers
- 3 National distribution centers totaling 1.2M sq. ft.
- 17 regional hubs, 199 branches, 19 paint distribution locations
- Achieved total organic growth of 8.9% in Q4 2015; organic growth for branches open more than 12 months was 6.8% for Q4 2015

- Leading distributor of automotive aftermarket mechanical parts in the Benelux
- Proprietary, best-in-class online ordering technology for local distributors & repair shops
- Opportunity for meaningful purchasing synergies with Euro Car Parts
- 11 distribution centers & 86 branches
European Strategy

To create shareholder value through the scale benefits which we expect to flow from being the first pan-European distributor of replacement auto parts.

Create customer connections and help them with technological changes to ensure we are their primary parts supplier.
Europe - Market Observations

- Large car parc
- Fragmented industry
- Often there is a “country champion”
- In transition from 3-step to 2-step distribution
- Professional repairer focused
- Segmented by the suppliers (local conditions / currencies)
- Focused on mechanical parts
- Low penetration of alternative collision parts with ~7% APU across Europe
- Lower tax rate than US
Large European Market

Automotive Repair Market  €198B

Do It For Me (DIFM)  €188B

DIY (1)  €10B

Retail Price

Parts & Labor

Collision  €30B

Collision Parts  €22B

Collision (Wholesale)  €14B

Collision (Wholesale)  Markup  €8B

Mechanical  €158B

Mechanical Parts  €120B

Mechanical (Wholesale)  Markup  €42B

Labor  €8B

Labor  €38B

Market Opportunity - €102 billion

Source: 2014 Datamonitor; Management estimates.
Note: All € in millions; Excludes VAT and sales taxes.
(1) Do It Yourself e-commerce only.
US Has Large Aftermarket Mechanical Parts Distributors - Europe is Fragmented

<table>
<thead>
<tr>
<th>USA (1)</th>
<th>Europe (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name</td>
<td>Revenue</td>
</tr>
<tr>
<td>AutoZone</td>
<td>$10.2</td>
</tr>
<tr>
<td>Advance Auto Parts</td>
<td>$9.3</td>
</tr>
<tr>
<td>Genuine Parts Company</td>
<td>$8.1</td>
</tr>
<tr>
<td>O’Reilly Automotive</td>
<td>$7.8</td>
</tr>
<tr>
<td><strong>Big 4</strong></td>
<td><strong>$35.4B</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Big 10</strong></td>
<td><strong>$13.4B</strong></td>
</tr>
</tbody>
</table>

(1) Last 12 months as 30th September 2015.
(2) Based on the last financial information available.
(3) Pro Forma 2015 including Rhiag.
Examples of “Country Champions” and Fragmentation

Selected Market Players

LKQ—Central and Eastern Europe, Italy, the Netherlands and the United Kingdom
Alliance Automotive—France, Germany and the United Kingdom
Mekonomen—Denmark, Finland, Norway and Sweden

Selected Pan European Platforms
- LKQ—Central and Eastern Europe, Italy, the Netherlands and the United Kingdom
- Alliance Automotive—France, Germany and the United Kingdom
- Mekonomen—Denmark, Finland, Norway and Sweden

Source: Company filings, press releases, FactSet, Orbis and CapitalIQ.
## Rhiag’s Operating Presence and Position

<table>
<thead>
<tr>
<th>Country</th>
<th>Branches</th>
<th>Central Warehouses</th>
<th>Customers Served</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Italy</strong></td>
<td>19</td>
<td>1</td>
<td>&gt;8,400</td>
</tr>
<tr>
<td><strong>Of which Hubs:</strong></td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Czech Republic</strong></td>
<td>111</td>
<td>2</td>
<td>&gt;49,000</td>
</tr>
<tr>
<td><strong>Switzerland</strong></td>
<td></td>
<td>2</td>
<td>&gt;1,800</td>
</tr>
<tr>
<td><strong>Slovakia</strong></td>
<td>42</td>
<td></td>
<td>&gt;12,600</td>
</tr>
<tr>
<td><strong>Other EE Countries</strong> (1)</td>
<td>75</td>
<td></td>
<td>&gt;28,900</td>
</tr>
</tbody>
</table>

Source: Company information. (1) Bulgaria, Hungary, Poland, Romania and Ukraine.
LKQ’s Pan-European Footprint Post Rhiag

Source: Company information.
Benefits of Scale

• Lower procurement costs
  – OES brands (volume)
  – Private label brands (margin)
• Reduced logistics and warehousing
  – e.g. Asian sourcing
  – e.g. long tail products
• Improved overhead costs
  – Offshoring
  – Cataloguing
• Brand economies of scale
• Vendor financing programs
• Roughly 1/3 of LKQ’s revenue base (with Rhiag)

• Large, fragmented market

• Further consolidation likely (by us and others)

• Currently market leader - c. $3 billion Pro Forma revenue - approximately 50% larger than #2

• Seeking additional first mover advantages through lower costs structures and marketing benefits

• LKQ will look to add additional geographies and product lines to the portfolio

• Well on our way, but much opportunity remains
Martin Gray
Chief Executive Officer-Euro Car Parts
Martin Gray Background

• Promoted to UK CEO in 2013
• Joined Euro Car Parts as People Director in 2008
• 1999 - 2008 Managing Director & Group Board Director, Caudwell Group (Mobile Phone Retail & Distribution); Revenue $3.5B, 14,000 employees; Sold in 2006 for $2.2B
• Previous experience Retail & Hospitality Management including Safeway & Heritage Hotels Group
ECP - “Any Part for Any Car”

- UK Number 1 ~ 218 Branches
- 4 times larger than our nearest competitor
- 92% coverage across the UK within a 30 min drive
- 9,000 Colleagues - Strong Leadership Team
- Revenue has more than tripled last 5 years ($420M in 2010 to $1,382M in 2015, 27% CAGR)
- Profit more than fivefold growth last 5 years ($28M in 2010 to $158M in 2015, 41% CAGR)

(1) Includes 19 paint distribution branches & 17 regional hubs.
How We Got Here …

- **1978**: Sukhpal opens first branch
- **1984**: Specialist programmes created
- **1995**: Pioneering move into “all makes”
- **2010**: First NDC opens
- **2011**: Integration
- **2013**: Paint & Collision
- **2014**: One Team One Number
- **2015**: 218,900
- **2016**: 218,900

**Timeline**:
- **1978**: $420M
- **1984**: $545M
- **1995**: $982M
- **2010**: $1,322M
- **2015**: $1,382M+

**2016**

218,900
Today - Multi-Channel Business

- Retail
- E-Commerce
- National Networks
- Roadside Recovery
- Independent Garages
- Bodyshops

Today - Multi-Channel Business

- Retail
- E-Commerce
- National Networks
- Roadside Recovery
- Independent Garages
- Bodyshops
The Future - Distributor / “Enabler”

- “END TO END” SUPPORT SERVICES SUITE FOR TRADE
- MAXIMIZE OUR EFFICIENCY & COST REDUCTION PROGRAMMES
- UNPARALLELED SERVICE TO NATIONAL NETWORK CUSTOMERS
- SEAMLESS OMNI-CHANNEL RETAIL EXPERIENCE
- UNIQUE “ONE STOP SHOP” PROPOSITION

TO BE INDEPENDENTLY ACKNOWLEDGED AS BEING A “PLEASURE TO DEAL WITH”

#1 PULLING FORWARD
ECP Trade Segment

- 55,000 trade customers
- S.M.R. (Service Maintenance Repair) ~ 62% of UK total Collision / Coatings ~ 15% of UK total
- OE brands from worlds leading parts & paint manufacturers
  – Supported by own-brand value alternatives
- In-house catalogue “Top Cat” via Automotive Data Services
  – 1 of only 5 companies licenced in the UK to hold & use DVLA vehicle registration marks
- Unrivalled Workshop Solutions offer
  (Tools & Capital Equipment for Garages and Bodyshops)
  – Tripled our Workshop Solutions proposition in the last 3 years, full end to end solutions including building prep, CAD design, installation, technical support and full back up and servicing (now circa $28M+ revenue)
- Integrated on-line ordering and real-time, fully integrated ERP and MI System
- UK’s best incentives & loyalty programmes
- Work Referral from B2C Websites
ECP Trade Segment

- Our new Autofirst Network Garage Concept
- Payment Assist - helping manage unexpected payments
- Technician Tool Club - helping spread the cost of tools
- Subsidised Training in ECP and 3rd Party Training Centres
- Large branches 10,000 sq. ft. + including mezzanine
  - Large Customer / Retail Areas
  - $1M stock at trade, 18,000 SKUs, minimum 25 staff
- Industry leading deliveries - SLA’s from 30 minutes
- 3 National Distribution Centres (93 000 m2) with 180,000 live stocked parts (SKUs)
  - 100,000+ Deliveries Per Day; 2,750 delivery vehicles (all Branches receive 6 overnight Stock deliveries a week)
- 3 Emergency Support Daily deliveries from 17 Regional “Hub” Branches
- Branches profiled for 85% of all demands, regional hubs hold 97% of all demands supported by NDC to deliver 99.3% of daily requests
ECP Trade Segment - Collision & Coatings

- 15% of total UK Revenue
- UK’s only integrated Bodyshop proposition of paint, panels, parts, consumables and equipment.  
  – Expanded Range of Products and Brands give Full Choice of Price and Quality
- The panel and bumper range was launched under the brand of “Platinum Plus” with the aim of differentiating the brand from other aftermarket products 
  – All product within this brand are independently certified
- Major Share of UK Paint Market. Growing share of insurance-funded panels, bumpers, lighting & parts markets
- Customers can now buy mechanical, collision, paint & consumables single point, single invoice
- 20 Collision Centres opened within new ECP hub sites 
  – Creating specialist coatings & collision knowledge located in one place
- Collective focus on Body-shop and SMR (Service / Maintenance / Repair)
- Retail paint proposition launching via ECP branches
- Recycled / Green parts programme commenced
- 4 IMI accredited training centres
• Ecommerce & counter / shop sales combined = 11% of UK total Revenue
• Ecommerce turnover has quadrupled over the last 3 years
  – Now circa $100M pa business
• 4 million visits per month on the eurocarparts.com site alone
• 10 x larger than next competitor, 150,000 orders per month (B2C)
• Marketplace Integration on Amazon, eBay (UK, IE, France, Germany)
• Bespoke Build Capability (Halfords, RAC)
• 70% of our Ecommerce sales are “Click & Collect”, collected via the network
  – Reducing costs, improving margin and increasing “Average Invoice Value”
  – 1 million C&C orders processed 2015
• Same day deliveries
• Imminent launch of “Order & Collect”
• “Repairanycar.com” & “Fit if for me” propositions
• Expansion into high value accessories & leisure products
ECP Retail Segment - Shops & Counters

- A genuine ‘one stop shop’ for all motoring parts and accessory requirements
- Brand new experience in-store
  - Dedicated trade, retail and click & collect areas
  - Clear customer journey
- Integrated marketing
- Sunday opening in 45 branches
- Specialist management and staff
- High growth, high margin segment
## ECP Retail Segment - E-Commerce Platforms

### RETAIL
- **B2C**
  - eurocarparts.com
  - eurocarparts.fr
  - eurocarparts.de
  - carparts4less.co.uk

### TRADE
- **B2B**
  - trade.eurocarparts.com
  - autowork-online.co.uk
  - repairanycar.com

### PARTNER
- **B2B2C**
  - racshop.com
  - halfords.com

### MARKETPLACE
- **B2C**
  - eBay.co.uk
  - amazon.co.uk
ECP National Account Segment

• 10% of UK total revenue
• Tripled our National Account business in 3 years, providing the only true ‘one stop shop’
• 100% UK Coverage, full point-of-sale control, central billing & management info
• Complete solutions, not just a parts supplier
  – Garage Equipment, Paint, Body shop & Air Con programmes, Product training, Waste Disposal and Stock Management
• Customer Types:
  – Fastfit & autocentre chains
  – Franchised dealer groups
  – Roadside assistance
  – Car & light truck fleets
  – Daily rental & leasing fleets
  – Bodyshop Chains
  – Motor insurers & claims managers
  – Warranty insurers
  – Concept networks & B2B Aggregators
Euro Car Parts T2 Rationale

- **Supports business growth**
  - In Logistics this means increased throughput and storage requirement

- **Supports business integration**
  - Total proposition under one roof e.g. paints, e-comm, mechanical parts

- **More efficient logistics**
  - Reduced double handling & transport costs
  - Higher pick rates & improved reliability (less reliance on availability of people in a tight labour market)

- **Improved service levels to the branch network**
  - Better order fill, stock accuracy and timeliness ultimately improving product availability at Branches

- **Better for suppliers**
  - Single delivery location
  - Improved Turnaround times for their vehicles

- **Future proofing has been at the core of our thinking, i.e. flexible growth options for the site**
  - Stingray Automation Scalability 50%
  - Fast Tote Pick Scalability 100%
  - Pick Tower Scalability 200%
  - Despatch Buffer Scalability 33%
Euro Car Parts T2 Rationale

- Semi-automated site
  - Automation, only where it makes sense (i.e. we get a good ROI from the automation supporting the faster moving products)

- Size of warehouse
  - Capable of housing NDC, Bonehill and 3PL (third party logistics, i.e. external companies) storage requirements
  - Allows for forecast growth up to 2021 and beyond

- T1 will be re-purposed as a collision repair site (replacing Swadlincote)
  - Providing headroom for growth beyond 2021
Key Takeaways

- UK Number One ~ 92% coverage across the UK within a 30 min drive time
- New NDC (T2) will allow us to leverage best in class capability
- Trade “Category killer” proposition, via support services suite
- Seamless omni-channel retail experience
- Additional UK organic growth and acquisition potential
- Further efficiency & cost reduction opportunities
- Strong, experienced and ambitious leadership team
Sinon Galvin
Chief Executive Officer-Sator
Sinon Galvin Background

• Joined LKQ’s acquisition team in October 1998
• From Jan 2000 until Feb 2011 was LKQ’s Vice President in charge of Information Technology and systems development
• From Mar 2011 until July 2014 was Vice President of Revenue Optimization and International Projects
• CEO - Sator since August 1, 2014
• Prior to joining LKQ:
  – CEO - Pacific Waste Management based in Sydney Australia
  – Board member of publicly traded Waste Management NZ
  – Led the mobilization of Hong Kong’s Enviropace chemical waste treatment facility
  – Various operating roles in US, Europe and Asia
• BBA - Loyola (Chicago), MBA - University of Pennsylvania
Sator Today...

2015 Sales: €500+ million

Customers: 25K+

Suppliers: 3K+

Stocking SKUs: 175K+

Locations: 86 Branches, 11 Distribution / Rapid Fulfillment Centers in 3 countries

#1 Benelux
Distributor / Wholesaler

• Hybrid NL distributor / wholesaler
  Traditional distributor BE, LU, FR

• Best in class electronic platform

• Widest and deepest product range

Leading Distributor in Benelux Market, Best in Class Platform
Sator Offers Superior Services to Its Business Partners

- Catalogue covering 20,000 different autotypes
- Several types of autotype identification (VIN, license plate, KBA, typeschein, CNIT)

Sator’s Business Platform

- Catalog
- Technical data
- Concepts
- Logistical services
- Market research

Own Concepts

- Check list
- Labor times
- Recall
- Modification
- Wire diagram
- Motor mgt info
- Manuals
- Tips and Tricks

Close Cooperation

- PARTSNet
- mijngrossier.nl
- mijngarage.nl
- Topmec
- VAKGARAGE
- Profile Tyrecenter
- Bosch Service
- anwb

Market Mirror

Logistical services

Concepts

Technical data

Catalog

Sator’s Business Platform

Market research

Own Concepts

Close Cooperation

Logistical services

Concepts
Sator - Automotive Academy...
Training for Today and Tomorrow
Sator - Platform is the Key...
Sator - Leading an Industry Transition

Legacy Network
Orderlines (p.a.)
  In-bound  1 + Million
  Out-bound 13 + Million

Legacy Network
Deliveries (p.a.)
  Nightly  420k+
  Same Day 700k+

Branch Network
Deliveries (daily)
  Customers  4k+
  Orderlines 21k+

2013 Locations
- Primary DC for specific product lines in Nancy
- Replaced Fulfillment Center (RFC)
- Subcontracted Cloud Facility
- Amsterdam
- Brussels
- Liege
- Mons
- Namur
- Nancy
- Tiel

2014 / 2015 Locations
- Primary DC for specific product lines in Nancy
- Replaced Fulfillment Center (RFC)
- 2014 New RFC
- 3W14 and 3W15 locations
- 2014 / 2015 locations
- Partners

2014 / 2015 Locations and Partners
- Primary DC for specific product lines in Nancy
- Replaced Fulfillment Center (RFC)
- 2014 New RFC
- 3W14 and 3W15 locations
- 2014 / 2015 locations
- Partners
Sator - Footprint / Margin Driver

Traditional

Modular

Robot Crane

Only "true" loading decks
Sator - France

**French Market**
- **Repair Shops**
  - Independent: 14k+
  - Integrated: 10k+
  - **Total**: 40k+
  - 50% belong to a network (Bosch, AD, etc...)

**Paris Market**
- **% of France**
  - Population: 18%
  - Car Parc: 20%
  - GDP: 30%
- Less than 2% of France (12,012 km²)

**French Market**
- **Wholesalers**
  - Companies: 2,500+
  - Locations: 4,000+

**Paris Market**
- **Wholesalers**
  - Companies: 450+
  - Locations: 600+

**French Market**
- **Dominated by**
  - Alliance GA: 1.2 bil+
  - AD France: 1.2 bil+

- **Existing Sator Operation**
- **Future entry:** "A question of when, not if"


• Netherlands Business acquisition phase largely complete. Occasional acquisition as partners seek exit or opportunistic deal presents itself.

• Netherlands is a powerhouse with opportunity for significant margin improvement as logistics network is re-designed

• Belgium will provide consistent market growth and will naturally migrate towards the hybrid model.

• France will be our top line growth market for the rest of the decade, but faces stiff headwinds from 2 dominant competitors with lion’s share of the market.
Bill Rogers - Specialty

Education:
• BS Computer Science / MBA / Six Sigma - Lean

Company Experience:
• GE - 13 years multiple locations and businesses
• Textron - 7 years multiple locations Industrial / Aircraft business
• Armstrong - 3 years Building Materials business
• Keystone Automotive Operations - last 6 years

Functional Experience:
• Information Technology
• Materials Management
• Sourcing
• Logistics
• Category Management
• General Management
About Specialty

2015 Sales: $1.05B
Customers: 20K+
Suppliers: 800+
Stocking SKUs: 175K+
Locations: 53 facilities in 30 states, 3 provinces

#1 North America Wholesale Distributor

- Specialty Aftermarket (SEMA) Products
- Parts & accessories to independent RV Dealers

Major Player in Two Markets with Further Potential to Grow

Directly Addressable Market (1)

- RV, Trailer & Other
  - $1.4
  - 13%
- Performance Products
  - $4.0
  - 36%
- Accessory & Appearance Products
  - $3.1
  - 28%
- Wheels, Tires & Suspension
  - $2.6
  - 23%

(1) Estimated based on industry estimates of product types, estimated splits between manufacturers and WDs/Retailers, and our participation in the product type.
Key Strengths

- Critical link between fragmented suppliers and customers
- Best-in-class logistics and distribution network; serve over 98% of jobber customers next day
- Management and infrastructure in place to aggressively pursue growth
- Successful track record of rapid expansion into adjacent markets
- Strong financial performance

(1) Margin Drivers plus Centralized Pricing Function and MAP / UPP Programs.
## What We Do and How It Helps

<table>
<thead>
<tr>
<th>Competitive Advantages</th>
<th>Enabling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilize 7 LARGE Warehouses (2.3M sq. ft. with RF technology) and multiple cross-docks to deliver next day</td>
<td>• Higher fill rates</td>
</tr>
<tr>
<td>We own &amp; operate our own fleet of tractor trailers and cube vans</td>
<td>• Later cut off times - 5 PM+</td>
</tr>
<tr>
<td></td>
<td>• Big and bulky parts delivery</td>
</tr>
<tr>
<td>Our warehouses are interconnected by our trailers</td>
<td>• Access to all ~2.3M sq. ft. of our inventory</td>
</tr>
<tr>
<td>Our drivers deliver the product themselves</td>
<td>• Less product damage</td>
</tr>
<tr>
<td></td>
<td>• Our drivers pick-up returns</td>
</tr>
</tbody>
</table>

Our Delivery Network Enables Many of Our Service Benefits
Many Blurred Lines in the Marketplace

Customers:
- Jobbers
- Dealers
- Retailers
- e-tailers

Suppliers:
- Manufacturers
- OE’s
- Niche Distributors

Competition:
- Wholesale Distributors
- Manufacturers Direct
- Retailers
- Wobbers (Jobber/WD)

Dynamics:
- Pricing Policies
- Online Selling
- Groups
- Consolidation
Growth Strategy

- Increasing Customers
  - Adjacent Spaces (e.g. RV, trailering, etc.)
  - Channels
  - Alliances / Associations

- Deeper Penetration
  - New Lines
  - New Products
  - Services
  - Delivery Expansion

- Expanding Geography
  - East to West
  - Canada
  - RoW

- Driving Initiatives
  - Private Label
  - E-Commerce Solutions
  - Crossover

- Organic and M&A

Supported by Operational Efficiency Initiatives
Results of Our Strategy in Action

- **2010**
  - 4 DCs, 24 CDs
  - <$500M

- **2015**
  - 6 DCs, 47 CDs
  - >$1B

- **202?**
  - 9 DCs, 65 CDs
  - >$2B

### Speed & Performance

### Truck & Automotive Accessories

- Towing Products
- RV Parts & Accessories

### Objective is for Annual Double-Digit Growth
Key considerations are:

1) People - full associate review / changes

2) Customers - complete analysis - tie to DCs / Inventory, take and incorporate feedback

3) Logistics - capacity analysis, timing consideration, DC by DC Migration

4) Sales - training on systems and team building

5) Systems - process and systems review - selected “Best of the Best” across both companies - shift to solution

Stag Parkway example

12 DCs integrated into existing network in 12 months

Integration Completed Within 12 Months; 30%+ Benefit on Pure Operating Cost
Consumer Types

Outdoorsman | Fleet / Oil & Gas | Gearhead | Off-Roader | RV’er

Soccer Mom | Street Truck | Contractor | Tuner | Lifestyle

Diverse Array of Enthusiast and End-User Segments
# Product Overview by Market Segment

<table>
<thead>
<tr>
<th>RV</th>
<th>Towing</th>
<th>Truck &amp; Off-Road</th>
<th>Wheels and Tires</th>
<th>Speed &amp; Performance</th>
<th>Accessories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awnings</td>
<td>Receiver Hitches</td>
<td>5th Wheels</td>
<td>Winches</td>
<td>Wheels</td>
<td>Air Intakes</td>
</tr>
<tr>
<td>Satellites</td>
<td></td>
<td>Electrical</td>
<td>Toolboxes</td>
<td>Tires</td>
<td>Superchargers</td>
</tr>
<tr>
<td>Accessories</td>
<td></td>
<td>Weight Distribution and Goosenecks</td>
<td>Tonneaus</td>
<td>Performance Handling</td>
<td>Exhaust</td>
</tr>
<tr>
<td>Axles</td>
<td></td>
<td>Suspension</td>
<td></td>
<td>Performance Parts</td>
<td>Performance Parts</td>
</tr>
</tbody>
</table>

## Market Consists of a Diverse Range of Consumers & Products
Leading & Recognized Brands

Top Brands from Across all Market Segments
**Marketing Support**

**Events**
- Each year, Keystone hosts the BIG Shows, which marry suppliers and customers in the largest buying event in the Automotive Aftermarket.

**Digital Marketing**
- We leverage technology to reach our customers through E-Commerce, digital communication tools and social media.

**Publications**
- Keystone produces a variety of retail and wholesale focused publications designed specifically to educate and influence purchases.

**Programs**
- The Keystone vehicle wrap program turns our delivery fleet into hundreds of mobile billboards, promoting the products and brands of over 30 suppliers.
# Training and Education

## Facilities

Top-Notch Learning Centers in Dallas and Exeter, PA

## Nationally Recognized Trade Shows

The largest actual Automotive Accessory and RV Parts selling shows in North America

- **The Expo**
  - New Orleans Convention Center

- **The Big Show East**
  - Washington, DC Convention Center

- **The Big Show West**
  - Gaylord Texan
Keystone’s Next Day Delivery Network
Best-in-Class Distribution Network

- 800+ Specialty Aftermarket Suppliers
- X Supplier or 3rd Party Trailers
- 7 Distribution Centers
- 70+ Tractor Trailer Fleet
- 46 Cross Docks
- 400+ Delivery Fleet
- 20k+ Customers/Jobbers

Where’s My Truck?

Proven Process Founded on Continuous Improvement
Order Fulfillment Illustration

**Monday Afternoon**

6:30 PM: Tractor trailer leaves Kansas City, KS distribution center

5 PM: “Pick ticket” created

5:30 PM: Toolbox picked and placed in holding area

6 PM: Toolbox loaded onto tractor trailer

3 PM: Construction worker in Eau Claire, WI visits local jobber and orders Weather Guard toolbox

4 PM: Jobber calls Keystone Call Center in Dallas, TX to identify and order correct part

**Tuesday Morning**

2 PM: Toolbox installed on truck less than 24 hours after order

12 PM: Friendly driver, who knows jobber well, delivers toolbox

7 AM: Cube van packed, leaves La Crosse cross-dock

3:30 AM: Tractor trailer arrives at La Crosse cross-dock; unloading begins immediately

Proven Process Founded on Continuous Improvement

425 miles driven on a typical route

80 toolbox weight in lbs.

$95 estimated cost to deliver via third party

20 hours from jobber call to delivery
Private Label Initiative

Lots of Runway for Higher Margin Private Label
E-Commerce Programs

**B2B - Existing**
eKeystone.com/ ViaNTP.com

**C2M - NEW**
Click to Mortar

**B2C - Existing**
Streetside Auto / Microsites / Marketplaces / Supplier Sites

---

**New E-Commerce Strategy**
- Existing programs provide the ability to service core customers and the flexibility of expanding it’s presence in new channels
- New C2M program unites Suppliers and Customers with consumer direct model including pick up in store and installation

- Work with Manufactures on capability to take orders online and offer delivery options
- Parcel shipment or LTL to a residential address
- Pick-up at a local participating Dealer
- Pick-up with installation pre-purchased

---

Each Manufacturer Dealer has a defined geography based on zip code

---

Leveraging KAO Strengths in a Changing Retail Environment
Penetration of existing lines into new customers
- Provides an opportunity for the RV dealer to expand and differentiate
- Initial product focus has been on functional, easy to understand accessory products
- Second wave focuses more on creating a Truck Accessory presence within an RV Dealership

**Crossover Product Opportunities**

**Products**
- Floor Liners
- Tonneau Covers
- Tool Boxes
- Bed Liners
- Cargo Management
- Tuners
- Exhaust

**Brands**
- Weathertech
- Extang
- Weathergard
- Dee Zee
- Dee Zee
- Magnaflow
- Edge

Leveraging Automotive Knowledge into the RV Space
Operational Efficiency

- State-of-the-art phone system allows interoperability among 9 call centers
- RF technology in all DCs and cross-dock ensuring delivery accuracy and tracking
- Network optimization process that adjusts network and run schedules on a dynamic basis
- Best search / lookup tool in the industry
- Returns processing (standard processes at each DC) - 90+% back to stock
- Transaction process improvement (back office, accounting, data, etc.)

Leverage

- Sales per employee up 7% since 2013
- Call volume up 5% vs. PY while dropping abandonment rate
- Bigger / Deeper Inventories - 90+% fill rates - 95+% with xfers, 99.61% accuracy
- More runs equal customer benefits - increased routes and stops by 38% since 2013
- Purchasing - standard centralized process; added 61 new organic lines since 2014
- Data management process and team are applied to new products and lines
- Dynamic marketing & promotion process applied to new suppliers and customers

Expansion and Continuous Improvement Turn Opportunities into Results
**Key Takeaways**

- Very strong, experienced team
- Critical link between many suppliers and customers
- Partnered with strong brands as well as proprietary brands
- Demonstrated ability to grow organically and through acquisition
- Strong integration process yielding revenue, cost synergies
- Ability to manage high volume of transactions and continually improve efficiencies
- Platform offers multiple adjacency opportunities

Scalable Platform Poised for Continued Growth
Nick Zarcone Background

• Joined LKQ in March 2015

• Previously CFO of Baird

• 25 years of Investment Banking experience with Baird and Kidder, Peabody focused on Capital Raising and M&A activities for growth oriented corporations

• Led Baird Teams that were involved in 7 major LKQ transactions including the IPO (2003), two follow-on equity offerings (2005 & 2007) and the acquisitions of Keystone Industries (2007), Euro Car Parts (2011), Sator (2013), and Keystone Automotive Operations (2014)

• B.S. (Illinois) and MBA (University of Chicago)
## LKQ - Current Snapshot (1)

### Revenue
- Total Revenue: $7,193
  - 58% North America
  - 64% Europe
  - 28% Specialty
  - 14% Specialty

### Segment EBITDA
- North America: 13%
- Europe: 23%
- Specialty: 64%

### Adjusted Net Income
- Total: $459

### Adjusted EPS
- Total: $1.49

### Total Debt (2)
- Total: $1,600

### Equity
- Total: $3,115

### Market Capitalization (3)
- Total: $9,295

### Credit Rating (4)
- Ba1 / BB

---

1. All amounts as of 12/31/15 or for the year then ended unless otherwise indicated. See the Appendix for reconciliations of non-GAAP measures.
2. Total debt excludes debt issuance costs.
Revenue

($ in billions)


$3.3 $4.1 $5.1 $6.7 $7.2 $9.2

CAGR: 29.6%

(1) Pro Forma 2015 reflects a full year impact of Rhiag and PGW acquisitions. Financial information reflects FY 2015 for LKQ, LTM 9/30/15 for Rhiag and LTM 10/31/15 for PGW. See the Appendix for reconciliations of non-GAAP measures.
History of Strong Organic Growth

Organic Revenue Growth Rates

- 2011: 7.9%
- 2012: 6.0%
- 2013: 11.0%
- 2014: 9.0%
- 2015: 7.0%

(1) Parts and services only.
Adjusted EBITDA (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$424</td>
</tr>
<tr>
<td>2012</td>
<td>$515</td>
</tr>
<tr>
<td>2013</td>
<td>$629</td>
</tr>
<tr>
<td>2014</td>
<td>$791</td>
</tr>
<tr>
<td>2015</td>
<td>$855</td>
</tr>
<tr>
<td>PF 2015</td>
<td>$1,066</td>
</tr>
</tbody>
</table>

(1) Represents (i) LKQ Adjusted EBITDA and (ii) Adjusted EBITDA as defined by Rhiaq and PGW with LTM results further adjusted by LKQ. See the Appendix for reconciliations of non-GAAP measures.

(2) Pro Forma 2015 reflects a full year impact of Rhiaq and PGW acquisitions. Financial information reflects FY 2015 for LKQ, LTM 9/30/15 for Rhiaq and LTM 10/31/15 for PGW.
Adjusted EPS (1)

CAGR: 22.9%

2011: $0.75
2012: $0.90
2013: $1.09
2014: $1.35
2015: $1.49
PF 2015: $1.71

(1) Adjusted Diluted EPS excludes the impact of restructuring and acquisition related expenses, net of tax; losses of debt extinguishment, net of tax; changes in the fair value of contingent consideration liabilities; and amortization of acquired intangibles, net of tax. See the Appendix for reconciliations of non-GAAP measures.

(2) Pro Forma 2015 reflects a full year impact of Rhiag and PGW acquisitions. Financial information reflects FY 2015 for LKQ, LTM 9/30/15 for Rhiag and LTM 10/31/15 for PGW.
Cash Flow / Capex

- Operating Cash Flow:
  - 2011: $212
  - 2012: $206
  - 2013: $428
  - 2014: $371
  - 2015: $530

- Capital Spending:
  - 2011: $86
  - 2012: $88
  - 2013: $90
  - 2014: $141
  - 2015: $170

CAGR: 25.7%
## Financial Policy

### Focus on Free Cash Flow Generation
- Organic revenue growth of ≥ 6.0%
- Margin expansion in each business
- Working capital management

### Maintain Liquidity
- Cash balances
- Revolver capacity
- Sufficient maturity of bank facility ≥ 18 months
- Term out bank debt with longer dated notes

### Retain Capital in Business
- Capital spending to support organic growth
- Tuck-in acquisitions with synergies
- Larger strategic platform additions where justified while preserving strong balance sheet

### Maintain Reasonable Debt Levels
- Pre-payable debt structure
- Near-term target <3x Net Debt/EBITDA
- Mid-term target ~2x Net Debt/EBITDA

### Manage Interest Rate Risk
- Target 60% of debt with a fixed rate
  - Fixed coupons
  - Interest rate swaps

---

LKQ’s Business Strength and Financial Metrics Will Evolve into an Investment Grade Profile
2015 Capital Allocation

- **Beginning Cash 12/31/14:** $115
- **Operating Cash Flow:** $530
- **Capex:** ($170)
- **Acquisitions & Other Investing Activities:** ($160)
- **Financing:** ($224)
- **F/X:** ($4)
- **Ending Cash 12/31/15:** $87

($ in millions)
All Free Cash Flow Has Been Reinvested to Support Growth of the Business
Net Working Capital (1)

Working Capital Requirements are Consistent and Reflective of a Wholesale Distributor

(1) Net Working Capital = Receivables, Net + Inventory - Accounts Payable.
Capital Expenditures

Capital Spending is Highly Discretionary and Has Been Largely Used to Support of LKQ’s Growth
2015 Capital Expenditures by Asset Type

- Machinery & Equipment: 40%
- Leasehold Improvements: 19%
- Vehicles: 16%
- Technology: 10%
- Buildings & Land: 12%
- All Other: 3%
Historical ROIC Trends

LKQ ROIC (3)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC</th>
<th>NOPAT</th>
<th>Invested Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10.9%</td>
<td>$0.2</td>
<td>$10.6%</td>
</tr>
<tr>
<td>2012</td>
<td>10.5%</td>
<td>$0.3</td>
<td>$10.2%</td>
</tr>
<tr>
<td>2013</td>
<td>10.9%</td>
<td>$0.3</td>
<td>$10.6%</td>
</tr>
<tr>
<td>2014</td>
<td>10.8%</td>
<td>$0.6</td>
<td>$10.2%</td>
</tr>
<tr>
<td>2015</td>
<td>10.9%</td>
<td>$0.5</td>
<td>$10.4%</td>
</tr>
</tbody>
</table>

NOPAT (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>NOPAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$0.2</td>
</tr>
<tr>
<td>2012</td>
<td>$0.3</td>
</tr>
<tr>
<td>2013</td>
<td>$0.3</td>
</tr>
<tr>
<td>2014</td>
<td>$0.4</td>
</tr>
<tr>
<td>2015</td>
<td>$0.5</td>
</tr>
</tbody>
</table>

Organic Acquisitions

<table>
<thead>
<tr>
<th>Year</th>
<th>Organic</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$0.5</td>
<td>$1.7</td>
</tr>
<tr>
<td>2012</td>
<td>$0.8</td>
<td>$2.0</td>
</tr>
<tr>
<td>2013</td>
<td>$1.2</td>
<td>$2.1</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>$2.2</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>$2.4</td>
</tr>
</tbody>
</table>

(1) NOPAT = (Pretax Income - Interest Expense, Net) x (1 - Tax Rate).
(2) Invested Capital = Equity + Debt - Cash.
(3) ROIC = NOPAT / 5 Quarter Average of Invested Capital.
# ROIC Anatomy of a Hypothetical Acquisition

## Assumptions:

- **EBITDA**: $12.0
- **Purchase Price (6x EBITDA)**: $72.0
- **Revenue Growth**: 6.0%
- **EBITDA Margin**: 12.0%

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$100.0</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>12.0</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Taxes (@ 35%)</strong></td>
<td>3.5</td>
</tr>
<tr>
<td><strong>NOPAT</strong></td>
<td><strong>$6.5</strong></td>
</tr>
<tr>
<td><strong>Purchase Price</strong></td>
<td>$72.0</td>
</tr>
<tr>
<td><strong>Additional Investment in Working Capital &amp; Growth Capex</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Invested Capital</strong></td>
<td>$72.0</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>9.0%</td>
</tr>
</tbody>
</table>

**ROIC in Early Years After Acquisition Lags the Expected Long Term Return**
LKQ Weighted Average Cost of Capital

<table>
<thead>
<tr>
<th>Cost of Equity</th>
<th>Cost of Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free rate (1)</td>
<td>2.7%</td>
</tr>
<tr>
<td>LKQ relevered equity beta (2)</td>
<td>1.16</td>
</tr>
<tr>
<td>Market risk premium (3)</td>
<td>6.2%</td>
</tr>
<tr>
<td>Size premium (3)</td>
<td>0.9%</td>
</tr>
<tr>
<td>LKQ Cost of Equity</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

LKQ Weighted Average Cost of Capital: 8.5%

<table>
<thead>
<tr>
<th>Debt / Enterprise Value</th>
<th>WACC</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>8.8%</td>
</tr>
<tr>
<td>25%</td>
<td>8.5%</td>
</tr>
<tr>
<td>30%</td>
<td>8.3%</td>
</tr>
<tr>
<td>35%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

(1) 20-year treasury yield as of 12/31/2015.
(2) LKQ’s weekly equity returns relative to the market return for the 3 year period ended 1/6/2016; relevered to reflect Pro Forma capital structure including January 29, 2016 amendment to the credit agreement, Rhiag and PGW acquisitions.
(4) Weighted average interest rate for 2015.
(5) LKQ’s 2015 effective tax rate.
(6) Debt/equity split reflects market value of equity at 12/31/15 combined with Pro Forma debt balances reflecting January 29, 2016 amendment to the credit agreement, Rhiag and PGW acquisitions.
(7) Equity beta relevered to reflect adjusted capital structure.
## Capitalization (1)

### Capitalization

<table>
<thead>
<tr>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>$1,600 34%</td>
</tr>
<tr>
<td>Stockholders' Equity</td>
<td>$3,115 66%</td>
</tr>
<tr>
<td><strong>Total Capitalization</strong></td>
<td><strong>$4,715 100%</strong></td>
</tr>
</tbody>
</table>

### Pro Forma Liquidity (3)

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Availability under credit facilities (3)</td>
</tr>
<tr>
<td><strong>Total Liquidity</strong></td>
</tr>
</tbody>
</table>

### Corporate Credit Ratings (4)

<table>
<thead>
<tr>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Ba1</th>
<th>BB</th>
<th>Negative</th>
<th>Stable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

(1) All amounts as of 12/31/15 unless otherwise indicated.
(2) Debt excludes debt issuance costs.
(3) Pro Forma 12/31/15 includes the effects of the January 29, 2016 amendment to the credit agreement and the pending acquisitions of Rhiag and PGW.
(4) As of 3/4/16.
Debt and Interest Rate Trends

(1) Total outstanding debt excludes debt issuance costs.
Net Leverage Per Bank Covenants

- Net leverage per bank covenants is defined as (Net Debt) / (EBITDA). See the definition of Net Debt and EBITDA in the credit agreement filed with the SEC for further details.

- Pro Forma 12/31/15 includes the effects of the January 29, 2016 amendment to the credit agreement and the pending acquisitions of Rhiag and PGW.
Liquidity

Credit Facility

- Revolver Availability (1)
  - 12/31/2015: $2,261 million
  - PF 12/31/15 (2): $3,200 million

Pro Forma Debt Maturity Profile

- Revolver (3)
- Letters of Credit
- Term Loan
- Senior Notes

(1) Revolver availability includes our revolving credit facilities.
(2) Pro Forma 12/31/15 includes the effects of the January 29, 2016 amendment to the credit agreement and the pending acquisitions of Rhiag and PGW.
(3) Assumes $848 million of Target Debt is paid down with revolver borrowings.
Finance Takeaways

Diversified Revenue Stream

Attractive Return on Capital

Excellent Organic Growth

Invest to Support Growth

Significant Cash Flow Generation

Strong Balance Sheet

LKQ has the Capacity to Achieve Long-Term Revenue Growth of 10% & EPS Growth of 15%
Mission & Strategic Initiatives

Mission Statement
To be the leading global value-added distributor of vehicle parts and accessories by offering our customers the most comprehensive, available and cost effective selection of part solutions while building strong partnerships with our employees and the communities in which we operate.

Guiding Principles
- Integrity & Ethics
- Customer First
- Humility
- Team Centric

Strategic Initiatives
- Broaden Product Offerings in each segment
- Create Pan European Platform

Performance Priorities
- Organic Growth
- Margin Expansion
- Network Leverage
- One-Stop-Shop
- High Fulfilment Rates

Growth Objectives:
- Long Term Revenue: 10% Annually
- EPS: 15% Annually
- Organic Revenue Growth: (1) 6% to 8% Annually

(1) Parts & Services.
Appendix
The following unaudited table reflects Pro Forma 2015 revenue and adjusted EBITDA for LKQ Corporation:

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>LKQ Corporation</td>
<td>$7,192,633</td>
<td>$854,529</td>
</tr>
<tr>
<td>Rhiag</td>
<td>970,640</td>
<td>106,920</td>
</tr>
<tr>
<td>PGW</td>
<td>1,066,400</td>
<td>105,000</td>
</tr>
<tr>
<td>Total Pro Forma</td>
<td>$9,229,673</td>
<td>$1,066,449</td>
</tr>
</tbody>
</table>

Notes: Financial information reflects FY 2015 for LKQ, LTM 9/30/15 for Rhiag and LTM 10/31/15 for PGW. Assumes EUR / USD exchange rate of $1.10. See other appendices for reconciliations of Adjusted EBITDA for LKQ, Rhiag and PGW.
The following unaudited table reconciles Net Income to EBITDA and Adjusted EBITDA for LKQ Corporation:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended December 31,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>$423,223</td>
<td>$381,519</td>
<td>$311,623</td>
<td>$261,225</td>
<td>$210,264</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>128,192</td>
<td>125,437</td>
<td>86,463</td>
<td>70,165</td>
<td>54,505</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>57,342</td>
<td>63,947</td>
<td>50,825</td>
<td>31,215</td>
<td>22,447</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>-</td>
<td>324</td>
<td>2,795</td>
<td>-</td>
<td>5,345</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>219,703</td>
<td>204,264</td>
<td>164,204</td>
<td>147,942</td>
<td>125,507</td>
</tr>
<tr>
<td><strong>Earnings before interest, taxes, depreciation and amortization (EBITDA)</strong></td>
<td>$828,460</td>
<td>$775,491</td>
<td>$615,910</td>
<td>$510,547</td>
<td>$418,068</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>19,511</td>
<td>14,806</td>
<td>10,173</td>
<td>2,751</td>
<td>7,590</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration liabilities</td>
<td>454</td>
<td>(1,851)</td>
<td>2,504</td>
<td>1,643</td>
<td>(1,408)</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated subsidiaries</td>
<td>(6,104)</td>
<td>(2,105)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$854,529</td>
<td>$790,551</td>
<td>$628,587</td>
<td>$514,941</td>
<td>$424,250</td>
</tr>
<tr>
<td>Revenue</td>
<td>$7,192,633</td>
<td>$6,740,064</td>
<td>$5,062,528</td>
<td>$4,122,930</td>
<td>$3,269,862</td>
</tr>
<tr>
<td>Adjusted EBITDA as a % of revenue</td>
<td>11.9%</td>
<td>11.7%</td>
<td>12.4%</td>
<td>12.5%</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

We provide a reconciliation of Net Income to EBITDA and Adjusted EBITDA as we believe it offers investors, securities analysts and other interested parties useful information regarding our results of operations because it assists in analyzing our performance and the value of our business. EBITDA provides insight into our profitability trends, and allows management and investors to analyze our operating results with and without the impact of depreciation, amortization, interest and income tax expense. We believe EBITDA is used by securities analysts, investors, and other interested parties in evaluating companies, many of which present EBITDA when reporting their results. EBITDA should not be construed as an alternative to operating income, net income or net cash provided by (used in) operating activities, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report EBITDA information calculate EBITDA in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly named measures of other companies and may not be an appropriate measure for performance relative to other companies.

Adjusted EBITDA is presented as a supplemental measure of our performance that management believes is useful for evaluating and comparing our operating activities across reporting periods. Adjusted EBITDA excludes restructuring and acquisition related expenses, change in fair value of contingent consideration liabilities and equity in earnings of unconsolidated subsidiaries.
## Adjusted EBITDA Reconciliation - Rhiag

The following unaudited table reconciles Net Income to EBITDA and Adjusted EBITDA for Rhiag:

<table>
<thead>
<tr>
<th>Rhiag</th>
<th>Trailing 12 Months September 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>€13,264</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>39,497</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>41,019</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>1,626</td>
</tr>
<tr>
<td><strong>Earnings before interest, taxes, depreciation and amortization (EBITDA)</strong></td>
<td><strong>€95,406</strong></td>
</tr>
<tr>
<td>Add:</td>
<td></td>
</tr>
<tr>
<td>Non-recurring items and restructuring costs</td>
<td>7,794</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA - Rhiag management</strong></td>
<td><strong>€103,200</strong></td>
</tr>
<tr>
<td>Due diligence adjustments</td>
<td>(6,000)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>€97,200 (1)</strong></td>
</tr>
<tr>
<td>Revenue</td>
<td>€882,400</td>
</tr>
<tr>
<td>Adjusted EBITDA as % of Revenue</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

The above table reconciles Net Income as determined under International Financial Reporting Standards (IFRS) to EBITDA and Adjusted EBITDA and was derived from Rhiag's financial reports as provided to LKQ. Rhiag management discloses Adjusted EBITDA in its financial reports as a supplemental measure to provide users additional insight into the operating performance of the business. Rhiag management has informed LKQ that Rhiag's Adjusted EBITDA includes revenues, net of direct costs of sales, cost of sales, distribution costs, administrative costs, and excludes non-recurring items and restructuring costs. Adjusted EBITDA is not a recognized measure under International Financial IAS / IFRS adopted by the European Union.

(1) As a result of information learned during LKQ's due diligence process, Adjusted EBITDA as originally reported by Rhiag for the trailing twelve months ended September 30, 2015 has been reduced by approximately €6 million.
The following unaudited table reconciles Net Income to EBITDA and Adjusted EBITDA for PGW:

<table>
<thead>
<tr>
<th>PGW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trailing 12 Months</strong></td>
</tr>
<tr>
<td><strong>October 31, 2015</strong></td>
</tr>
<tr>
<td><strong>Net income</strong> $25,400</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong> 34,800</td>
</tr>
<tr>
<td><strong>Interest expense, net</strong> 30,200</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong> 300</td>
</tr>
<tr>
<td><strong>Earnings before interest, taxes, depreciation and amortization (EBITDA)</strong> $90,700</td>
</tr>
<tr>
<td><strong>Add:</strong></td>
</tr>
<tr>
<td><strong>Non-recurring items and restructuring costs</strong> 18,100</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA - PGW management</strong> $108,800</td>
</tr>
<tr>
<td><strong>Due diligence adjustments</strong> (3,800) (1)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong> $105,000</td>
</tr>
<tr>
<td><strong>Revenue</strong> $1,066,400</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA as % of Revenue</strong> 9.8%</td>
</tr>
</tbody>
</table>

The above table reconciles Net Income as determined under US GAAP to EBITDA as presented by PGW management. Adjusted EBITDA excludes certain non-recurring items and restructuring costs that are viewed by PGW management as not reflective of the core business’ operating trends (e.g. start-up costs related to a new production line, incremental costs related to down time for significant repair work). Adjusted EBITDA as presented by PGW management should not be viewed as an alternative to operating income, net income or net cash provided by (used in) operating activities, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report EBITDA information calculate EBITDA in the same manner as PGW does and accordingly, the calculation is not necessarily comparative to similarly named measures. Going forward, Adjusted EBITDA will be determined using the LKQ methodology and thus may not be comparable to the PGW amount presented above.

(1) As a result of information learned during LKQ’s due diligence process, Adjusted EBITDA as originally reported by PGW for the trailing twelve months ended October 31, 2015 has been adjusted by approximately $3.8 million.
Adjusted EPS Reconciliation

The following unaudited table reconciles Net Income and Diluted Earnings per Share to Adjusted Net Income and Adjusted Diluted Earnings per Share, respectively:

<table>
<thead>
<tr>
<th>(in thousands, except per share data)</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$423,223</td>
<td>$381,519</td>
<td>$311,623</td>
<td>$261,225</td>
<td>$210,264</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses, net of tax</td>
<td>12,770</td>
<td>9,661</td>
<td>6,587</td>
<td>1,741</td>
<td>4,753</td>
</tr>
<tr>
<td>Loss on debt extinguishment, net of tax</td>
<td>-</td>
<td>214</td>
<td>1,808</td>
<td>-</td>
<td>3,347</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration liabilities</td>
<td>454</td>
<td>(1,851)</td>
<td>2,504</td>
<td>1,643</td>
<td>(1,408)</td>
</tr>
<tr>
<td>Amortization of acquired intangibles, net of tax</td>
<td>22,111</td>
<td>22,513</td>
<td>9,015</td>
<td>6,042</td>
<td>4,941</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$458,558</td>
<td>$412,056</td>
<td>$331,537</td>
<td>$270,651</td>
<td>$221,897</td>
</tr>
<tr>
<td>Weighted average diluted common shares outstanding</td>
<td>307,496</td>
<td>306,045</td>
<td>304,131</td>
<td>300,693</td>
<td>296,750</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$1.38</td>
<td>$1.25</td>
<td>$1.02</td>
<td>$0.87</td>
<td>$0.71</td>
</tr>
<tr>
<td>Adjusted diluted earnings per share</td>
<td>$1.49</td>
<td>$1.35</td>
<td>$1.09</td>
<td>$0.90</td>
<td>$0.75</td>
</tr>
</tbody>
</table>

We provide a reconciliation of Net Income and Diluted Earnings per Share ("EPS") to Adjusted Net Income and Adjusted Diluted EPS as we believe it offers investors, securities analysts and other interested parties useful information regarding our results of operations because it assists in analyzing our performance and the value of our business. Adjusted Net Income and Adjusted Diluted EPS are presented as supplemental measures of our performance that management believes are useful for evaluating and comparing our operating activities across reporting periods. In all periods presented, the Company defines Adjusted Net Income and Adjusted Diluted EPS as Net Income and Diluted EPS adjusted to eliminate the impact of restructuring and acquisition related expenses, net of tax; loss on debt extinguishment, net of tax; the change in fair value of contingent consideration liabilities; and amortization of acquired intangibles, net of tax. Adjusted Net Income and Adjusted Diluted EPS should not be construed as alternatives to Net Income or Diluted EPS as determined in accordance with accounting principles generally accepted in the United States. In addition, because not all companies use identical calculations, this presentation of Adjusted Net Income and Adjusted Diluted EPS may not be comparable to similarly titled measures of other companies.

We modified our calculations of Adjusted Net Income and Adjusted Diluted EPS from prior periods by excluding the after tax impact of amortization of acquired intangibles. We believe that amortization of acquired intangibles is non-operational in nature and may create comparability issues between periods in the results of our core operations. With the pending Rhiag and PGW transactions and several of our large recent acquisitions, the annual amortization expense recorded in our financial statements is increasing. Amortization of intangible assets may be inconsistent in amount and frequency and is significantly affected by the timing and size of our acquisitions.