Forward Looking Statements

Statements and information in this presentation that are not 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 outlook, guidance, expectations, beliefs, hopes, intentions and strategies. These statements are subject to a number of risks, uncertainties, assumptions and other factors including those identified below. All forward-looking statements are based on information available to us at the time the statements are made. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should not place undue reliance on our forward-looking statements. Actual events or results may differ materially from those expressed or implied in the forward-looking statements. The risks, uncertainties, assumptions and other factors that could cause actual results to differ from the results predicted or implied by our forward-looking statements include the factors disclosed 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 in 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.
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.
## Operating Unit Overview

### North America
- **Collision**
  - Aftermarket automotive products
  - Automotive glass distribution
  - 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
Operating Segments
Large & Fragmented US Market

Automotive Repair Market
$213 bn

Do It For Me (DIFM)
$165 bn

DIY (1)
$48 bn

Collision
$40 bn

Collision Parts
$22 bn

Labor
$18 bn

Mechanical
$125 bn

Collision Parts (Wholesale)
$15 bn

Markup
$7 bn

Mechanical Parts
$68 bn

Mechanical (Wholesale)
$46 bn

Markup
$22 bn

Market Opportunity – $61 billion

2014 Collision Trends.
(1) * Do It Yourself ecommerce only.
Collision Products, a $15 Billion Industry

New OEM Manufacturers 64%

Insurance Companies (Indirect Customers)

Repair Shop

Recycled OEM 12%

Aftermarket 18%

Refurbished & Optional OE Products 6%

Alternative parts = 36% of parts costs

Source: CCC Information Services - Crash Course 2015.
## Clear Value Proposition

...and Improved Cycle Time for Repairs

<table>
<thead>
<tr>
<th></th>
<th>2015 Chrysler Town &amp; Country</th>
<th>2006 Chevrolet Silverado</th>
<th>2012 Chevrolet Malibu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New OEM</td>
<td>$380</td>
<td>$5,896</td>
<td>$335</td>
</tr>
<tr>
<td>Remanufactured</td>
<td>$261</td>
<td>$2,069</td>
<td>$209</td>
</tr>
<tr>
<td>Recycled OEM</td>
<td>$85</td>
<td>$1,090</td>
<td>$175</td>
</tr>
<tr>
<td>New A/M</td>
<td>N/A</td>
<td>N/A</td>
<td>$209</td>
</tr>
<tr>
<td>Average Savings</td>
<td>55%</td>
<td>73%</td>
<td>59%</td>
</tr>
</tbody>
</table>

**Note:** Parts price only - excludes labor.
Shift Toward Alternative Parts Usage

Average Parts Used Per Claim

<table>
<thead>
<tr>
<th>Year</th>
<th>OEM</th>
<th>Alternative Parts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **OEM**
  - 2011: 5.8
  - 2012: 6.5
  - 2013: 2.2
  - 2014: 2.9

- **Alternative Parts**
  - 2011: 6.5
  - 2012: 2.2
  - 2013: 2.9
  - 2014: 8.0

- **Total**
  - 2011: 12.1%
  - 2012: 31.8%
  - 2013: 17.5%

Over 20 million vehicle claims

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

Age & Size of U.S. Car Parc

Number of Vehicles (In Millions)

Source: Experian vehicles in operation; Projections-Bank of America Merrill Lynch, 1/9/17.
Crash Avoidance Systems Growing...

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

Source: CCC Information Services Inc.
Fleet penetration is slow

Source: Highway Loss Data Institute

Average age of US Car Parc is 11.4 years

Source: Progressive
Europe - Market Observations

- Large Car Parc
- Fragmented Industry
- "Country Champion" in Key Markets
- DIFM Focused
- Low Collision APU
- Supplier Segmentation
Large European Market

Automotive Repair Market
€198B

Do It For Me (DIFM)
€188B

DIY (1)
€10B

Collision
€30B

Collision Parts
€22B

Labor
€8B

Collision (Wholesale)
€14B

Markup
€8B

Mechanical
€158B

Mechanical Parts
€120B

Labor
€38B

Mechanical (Wholesale)
€78B

Markup
€42B

Retail Price

Parts & Labor

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.
Highly Fragmented with many “Country Champions”

**Selected Market Players**

- LKQ—Central and Eastern Europe, Italy, the Netherlands and the United Kingdom
- Alliance Automotive—France, Germany and the United Kingdom
- On 12/1/2016 LKQ acquired a 26.5% equity interest in Mekonomen AB

**Selected Pan European Platforms**

- LKQ
- Alliance Automotive
- On 12/1/2016 LKQ acquired a 26.5% equity interest in Mekonomen AB

Source: Company filings, press releases, FactSet, Orbis and CapitalIQ.
LKQ’s European Operations

- Leading distributor of automotive aftermarket mechanical parts in the UK
- Nearly 55,000 commercial customers
- 3 National Distribution Centers totaling 1.2M square feet
- 18 regional hubs, 212 branches, 14 paint distribution locations

- Leading distributor of automotive aftermarket mechanical parts in the Benelux
- Proprietary, best-in-class online ordering technology for local distributors & repair shops
- 11 distribution centers & 94 branches

- Rhiag is the leading automotive aftermarket mechanical parts distributor in Italy, The Czech Republic & Slovakia; #2 or #3 position in 6 other countries in Central & Eastern Europe
- Italy & Switzerland distribution networks operate under a 3 step model & Eastern Europe under a 2 step model
- Rhiag utilizes a network of 11 regional HUBs and 11 DC’s and 290 local branches, distributing product to over 57,000 professional customers.

Opportunities for Procurement & Back Office Synergies
LKQ’s European Footprint
Specialty Overview

- Leading distributor and marketer of specialty aftermarket equipment, accessories, and products in North America
- Critical link between 800+ suppliers and approximately 20,000 customers selling over 250,000 total SKUs supported by a highly technical sales force
- Diverse product segments: truck and off-road; speed and performance; recreational vehicle; towing; wheels, tires and performance handling; and miscellaneous accessories
- Best-in-class logistics and distribution network with approximately 1,000,000 annual deliveries and ability to serve over 97% of dealer / jobber customers next-day

Specialty Directly Addressable Market (1)

- Accessory and Appearance $3.13B (28%)
- Performance Products $3.99B (36%)
- RV and Towing $1.37B (12%)
- Wheels, Tires & Suspension $2.65B (24%)
Consistent Business Model and Strategy

- Industry Leading Management
- Niche and Fragmented Markets
- High Fulfillment Rates
- Synergy and Leverage Opportunities
- Sustainable Growth and Margin Expansion
- Attractive Adjacent Markets
Financial Overview
History of Strong Organic Growth

Organic Revenue Growth Rates⁽¹⁾

(1) Parts and services only.
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
Historical Financial Performance

**Revenue**

- 2011: $3,270
- 2012: $4,123
- 2013: $5,063
- 2014: $6,740
- 2015: $7,193
- 2016: $8,584

**Segment EBITDA***

- 2011: $424
- 2012: $515
- 2013: $629
- 2014: $791
- 2015: $855
- 2016: $1,005

**Cash Flow/Capex**

- 2011: $212
- 2012: $86
- 2013: $88
- 2014: $90
- 2015: $141
- 2016: $170

**Leverage**

- 2011: 2.3x
- 2012: 2.2x
- 2013: 2.1x
- 2014: 2.4x
- 2015: 1.9x
- 2016: 2.7x

*Segment EBITDA is a non-GAAP measure. Refer to page 36 for reconciliation*
2016 Consolidated Results

**Q4 2016**

- **Continuing operations**
  - Q4 2015 Diluted EPS: $0.31
  - Q4 2016 Diluted EPS: $0.31
  - Change: 0.0%

- **Discontinued operations**
  - Q4 2015 Diluted EPS: $0.03
  - Q4 2016 Diluted EPS: $0.26
  - Change: 233%

**2016**

- **Continuing operations**
  - 2015 Diluted EPS: $1.38
  - 2016 Diluted EPS: $1.50
  - Change: 6.5%

- **Discontinued operations**
  - 2015 Diluted EPS: $1.38
  - 2016 Diluted EPS: $0.03
  - Change: 133%

Note: Percentage growth is calculated based on continuing operations

* Adjusted Diluted EPS is a non-GAAP measure. Refer to page for reconciliation
### 2016 Revenue Growth

#### Revenue Changes by Source:

<table>
<thead>
<tr>
<th></th>
<th>Organic</th>
<th>Acquisition</th>
<th>Foreign Exchange</th>
<th>Total(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>2.9%</td>
<td>7.3%</td>
<td>(0.2)%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>7.2%</td>
<td>47.1%</td>
<td>(7.9)%</td>
<td>46.4%</td>
</tr>
<tr>
<td>Specialty</td>
<td>6.9%</td>
<td>6.8%</td>
<td>(0.3)%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Parts and Services</td>
<td>4.8%</td>
<td>19.0%</td>
<td>(2.5)%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>(11.2)%</td>
<td>3.1%</td>
<td>(0.2)%</td>
<td>(8.2)%</td>
</tr>
<tr>
<td>Total</td>
<td>3.7%</td>
<td>18.0%</td>
<td>(2.4)%</td>
<td>19.3%</td>
</tr>
</tbody>
</table>

- ECP organic revenue growth for parts and services was 8.1%. Revenue growth for branches open more than 12 months was 6.6% and collision parts revenue growth was 15.4%
- Sator organic revenue growth for parts and services was 4.5%
- Unfavorable F/X impact on European revenue of $158 million; European constant currency parts and services revenue growth of 54.3%(2)
- European acquisition growth was $939 million, of which $848 million was generated by Rhiag (acquired March 18, 2016)
- On December 18, 2016, LKQ entered into a definitive agreement to sell its OEM glass manufacturing business. The ARG business of PGW that is part of continuing operations generated $209 million of revenue YTD 2016, which is reflected in North America acquisition revenue
- Decreases in Other Revenue primarily attributable to decrease in the price of scrap steel and other metals. Scrap steel prices were 3.3% lower YOY in YTD 2016. Additionally there was a decrease in volume attributable to the sale of our precious metals business late in the second quarter of 2015

(1) The sum of the individual revenue change components may not equal the total percentage due to rounding

(2) Constant Currency is a non-GAAP measure. Refer to constant currency reconciliation on page 35
2016 Capital Allocation - Continuing operations

- Operating cash flows:
  - Increase driven primarily by higher cash earnings in 2016
  - $88M net cash outflow from operating assets and liabilities due mainly to an increase of $51M of receivables and a $64M increase in inventory partially offset by an increase of $19M in payables
- Acquisitions and other investing activities include $2.0B of cash used to acquire Rhiag and PGW, including $0.5B of Rhiag debt paid off after closing and a $181M investment in the Mekonomen Group. Also invested $183M related to purchases of property and equipment
- Financing activities include borrowings on our revolving credit facility to fund acquisitions and proceeds from the issuance of our senior notes. We expect to use $310 million of cash proceeds from the sale of the OEM business to repay revolver borrowings
Effective borrowing rate for Q4 2016 was 2.8%
Key Return Metrics

Return on Equity

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>13.7%</td>
</tr>
<tr>
<td>2012</td>
<td>14.4%</td>
</tr>
<tr>
<td>2013</td>
<td>14.5%</td>
</tr>
<tr>
<td>2014</td>
<td>14.9%</td>
</tr>
<tr>
<td>2015</td>
<td>14.5%</td>
</tr>
<tr>
<td>2016</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Return on Invested Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on Invested Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10.9%</td>
</tr>
<tr>
<td>2012</td>
<td>10.5%</td>
</tr>
<tr>
<td>2013</td>
<td>10.9%</td>
</tr>
<tr>
<td>2014</td>
<td>10.8%</td>
</tr>
<tr>
<td>2015</td>
<td>10.9%</td>
</tr>
<tr>
<td>2016</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

(*) Amortization of intangibles has been excluded from the calculation of Return on Invested Capital
## Guidance 2017

*effective only on the date issued: February 23, 2017*

<table>
<thead>
<tr>
<th>($ in millions excluding EPS)</th>
<th>Full Year 2016 Actual</th>
<th>Full Year 2017 Guidance$^{(1)}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth, Parts and Services</td>
<td>4.8%</td>
<td>4.0%-6.0%</td>
</tr>
<tr>
<td>Adjusted Net Income- continuing operations$^{(2)}</td>
<td>$522</td>
<td>$560-$590</td>
</tr>
<tr>
<td>Adjusted Diluted EPS- continuing operations$^{(2)}</td>
<td>$1.69</td>
<td>$1.80-$1.90</td>
</tr>
<tr>
<td>Capital Expenditures- continuing operations</td>
<td>$183</td>
<td>$200-$225</td>
</tr>
<tr>
<td>Cash Flow from Operations - continuing operations</td>
<td>$571</td>
<td>$610-$640</td>
</tr>
</tbody>
</table>

---

$^{(1)}$ Guidance for 2017 is based on current conditions and excludes the impact of restructuring and acquisition related expenses, excess tax benefits and deficiencies from stock based payments, losses on debt extinguishment and amortization expense related to acquired intangibles. In addition, it excludes gains or losses (including changes in fair value of contingent consideration liabilities) and capital spending related to acquisitions or divestitures. Our forecasted results for our U.K. and other international operations were calculated using current foreign exchange rates for the remainder of the year. Full year 2016 actual figures for Adjusted Net Income and Adjusted Diluted EPS were calculated using the same methodology as the 2017 guidance. Organic revenue guidance refers only to parts and services revenue. LKQ updated its guidance on February 23, 2017, and it is only effective on the date of issuance. It is LKQ’s policy to comment on its annual guidance only when the company issues its quarterly press releases with financial results. LKQ has no obligation to update this guidance.

$^{(2)}$ See page 41 for reconciliation of forecasted adjusted net income and forecasted adjusted diluted earnings per share.
2017 Adjusted Diluted EPS Guidance Bridge

* Reflects midpoint of Adjusted Diluted EPS guidance range
Why Invest in LKQ?

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
Appendix - Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Included with this presentation are reconciliations of each non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP.
Appendix 1 - Constant Currency Reconciliation

- The following unaudited table reconciles consolidated revenue growth for Parts & Services to constant currency revenue growth for the same measure:

<table>
<thead>
<tr>
<th>Parts &amp; Services</th>
<th>Three Months Ended December 31, 2016</th>
<th>Year Ended December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consolidated</td>
<td>Europe</td>
</tr>
<tr>
<td>Revenue Growth as reported</td>
<td>23.5%</td>
<td>60.0%</td>
</tr>
<tr>
<td>Less: Currency impact</td>
<td>(3.8%)</td>
<td>(12.9%)</td>
</tr>
<tr>
<td>Revenue growth at constant currency</td>
<td>27.3%</td>
<td>72.9%</td>
</tr>
</tbody>
</table>

- We have presented the growth of our revenue on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP financial measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency revenue information provides valuable supplemental information regarding our growth, consistent with how we evaluate our performance, as this statistic removes the translation impact of exchange rate fluctuations, which are outside of our control and do not reflect our operational performance. Constant currency revenue results are calculated by translating prior year revenue in local currency using the current year’s currency conversion rate. This non-GAAP financial measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Our use of this term may vary from the use of similarly-titled measures by other issuers due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation. In addition, not all companies that report revenue growth on a constant currency basis calculate such measure in the same manner as we do and, accordingly, our calculations are not necessarily comparable to similarly-named measures of other companies and may not be appropriate measures for performance relative to other companies.
# Appendix 2- Reconciliation of Net Income to EBITDA and Segment EBITDA

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Three Months Ended December 31**</th>
<th>Year Ended December 31**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Net income</td>
<td>$86.3</td>
<td>$95.1</td>
</tr>
<tr>
<td>Subtract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss) income from discontinued operations, net of tax</td>
<td>(10.0)</td>
<td>—</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>$96.3</td>
<td>$95.1</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>56.2</td>
<td>33.5</td>
</tr>
<tr>
<td>Interest Expense, Net</td>
<td>23.7</td>
<td>13.1</td>
</tr>
<tr>
<td>Loss on debt extinguishment*</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>47.3</td>
<td>42.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$223.5</td>
<td>$184.1</td>
</tr>
<tr>
<td>Subtract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on bargain purchase</td>
<td>8.2</td>
<td>—</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated subsidiaries</td>
<td>(0.1)</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Gains on foreign exchange contracts - acquisition related</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>6.9</td>
<td>6.8</td>
</tr>
<tr>
<td>Inventory step-up adjustment - acquisition related</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration liabilities</td>
<td>—</td>
<td>0.1</td>
</tr>
<tr>
<td>Total Segment EBITDA</td>
<td>$222.3</td>
<td>192.9</td>
</tr>
<tr>
<td>EBITDA as a percentage of revenue</td>
<td>10.4%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Segment EBITDA as a percentage of revenue</td>
<td>10.3%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

* Loss on debt extinguishment is considered a component of interest in calculating EBITDA
** The sum of the individual components may not equal the total due to rounding
Appendix 2- EBITDA and Segment EBITDA Reconciliation

We have presented EBITDA solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our operating performance and the value of our business. We calculate EBITDA as net income excluding discontinued operations, depreciation, amortization, interest (which includes loss on debt extinguishment) and income tax expense. EBITDA provides insight into our profitability trends and allows management and investors to analyze our operating results with and without the impact of discontinued operations, depreciation, amortization, interest (which includes loss on debt extinguishment) and income tax expense. We believe EBITDA is used by investors, securities analysts and other interested parties in evaluating the operating performance and the value of other companies, many of which present EBITDA when reporting their results.

We have presented Segment EBITDA solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our segment profit and loss. We calculate Segment EBITDA as EBITDA excluding restructuring and acquisition related expenses, change in fair value of contingent consideration liabilities, other acquisition related gains and losses and equity in earnings of unconsolidated subsidiaries. Our chief operating decision maker, who is our Chief Executive Officer, uses Segment EBITDA as the key measure of our segment profit or loss. We use Segment EBITDA to compare profitability among our segments and evaluate business strategies. We also consider Segment EBITDA to be a useful financial measure in evaluating our operating performance, as it provides investors, securities analysts and other interested parties with supplemental information regarding the underlying trends in our ongoing operations. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment’s percentage of consolidated revenue.

EBITDA and Segment EBITDA should not be construed as an alternatives 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 or Segment EBITDA information calculate EBITDA or Segment EBITDA in the same manner as we do and, accordingly, our calculations are not necessarily comparable to similarly named measures of other companies and may not be an appropriate measure for performance relative to other companies.
Appendix 3- Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>Three Months Ended December 31*</th>
<th>Year Ended December 31*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$86.3</td>
<td>$464.0</td>
</tr>
<tr>
<td>Subtract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss) income from discontinued operations, net of tax</td>
<td>(10.0)</td>
<td>7.9</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>$96.3</td>
<td>$456.1</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>6.9</td>
<td>37.8</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>—</td>
<td>26.7</td>
</tr>
<tr>
<td>Amortization of acquired intangibles</td>
<td>23.6</td>
<td>81.7</td>
</tr>
<tr>
<td>Inventory step-up adjustment - acquisition related</td>
<td>—</td>
<td>3.6</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration liabilities</td>
<td>—</td>
<td>0.2</td>
</tr>
<tr>
<td>Gains on foreign exchange contracts - acquisition related</td>
<td>—</td>
<td>(18.3)</td>
</tr>
<tr>
<td>Gain on bargain purchase</td>
<td>(8.2)</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Excess tax benefit from stock-based payments</td>
<td>—</td>
<td>(11.4)</td>
</tr>
<tr>
<td>Tax effect of adjustments</td>
<td>(10.6)</td>
<td>(45.6)</td>
</tr>
<tr>
<td>Adjusted net income from continuing operations**</td>
<td>$108.1</td>
<td>$522.5</td>
</tr>
</tbody>
</table>

*The sum of the individual components may not equal the total due to rounding.
** Shown as first line on following page to complete reconciliation.
# Appendix 3- Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS cont.

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>Three Months Ended December 31*</th>
<th>Year Ended December 31*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted net income from continuing operations</strong></td>
<td>$108.1</td>
<td>$105.6</td>
</tr>
<tr>
<td>(Loss) income from discontinued operations, net of tax</td>
<td>(10.0)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjustments - discontinued operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>3.1</td>
<td>—</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>26.7</td>
<td>—</td>
</tr>
<tr>
<td>Inventory step-up adjustment – acquisition related</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tax effect of adjustments</td>
<td>(8.0)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted net income</strong></td>
<td>$119.9</td>
<td>$105.6</td>
</tr>
<tr>
<td>Weighted average diluted common shares outstanding</td>
<td>310,120</td>
<td>308,028</td>
</tr>
</tbody>
</table>

**Diluted earnings per share:**

- **Continuing operations**
  - 2016: $0.31
  - 2015: $0.31
  - 2016*: $1.47
  - 2015: $1.38

- **Discontinued operations**
  - 2016: (0.03)
  - 2015: —
  - 2016*: 0.03
  - 2015: —

- **Net income**
  - 2016: $0.28
  - 2015: $0.31
  - 2016*: $1.50
  - 2015: $1.38

**Adjusted diluted earnings per share:**

- **Continuing operations**
  - 2016: $0.35
  - 2015: $0.34
  - 2016*: $1.69
  - 2015: $1.49

- **Discontinued operations**
  - 2016: 0.04
  - 2015: —
  - 2016*: 0.11
  - 2015: —

- **Net income**
  - 2016: $0.39
  - 2015: $0.34
  - 2016*: $1.80
  - 2015: $1.49

*The sum of the individual components may not equal the total due to rounding.
We have presented Adjusted Net Income and its components and Adjusted Diluted Earnings per Share as we believe these measures are useful for evaluating the core operating performance of our business across reporting periods and in analyzing the company’s historical operating results. We define Adjusted Net Income and Adjusted Diluted Earnings per Share as Net Income and Diluted Earnings per Share adjusted to eliminate the impact of restructuring and acquisition related expenses, loss on debt extinguishment, amortization expense related to acquired intangibles, the change in fair value of contingent consideration liabilities, other acquisition-related gains and losses, excess tax benefits and deficiencies from stock-based payments, impairment losses, and any tax effect of these adjustments. The tax effect of these adjustments is calculated using the effective tax rate for the applicable period or for certain discrete items the specific tax expense or benefit for the adjustment. These financial measures are used by management in its decision making and overall evaluation of operating performance of the company and are included in the metrics used to determine incentive compensation for our senior management. Adjusted Net Income and Adjusted Diluted Earnings per Share should not be construed as alternatives to Net Income or Diluted Earnings per Share as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report Adjusted Net Income and Adjusted Diluted Earnings per Share calculate such measures in the same manner as we do and, accordingly, our calculations are not necessarily comparable to similarly-named measures of other companies and may not be appropriate measures for performance relative to other companies.
# Appendix 4- Forecasted EPS reconciliation*

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>Minimum Guidance</th>
<th>Maximum Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations</td>
<td>$505</td>
<td>$535</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of acquired intangibles</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Tax effect of adjustments</td>
<td>(30)</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Adjusted net income - continuing operations</strong></td>
<td><strong>$560</strong></td>
<td><strong>$590</strong></td>
</tr>
<tr>
<td>Weighted average diluted common shares outstanding</td>
<td>311</td>
<td>311</td>
</tr>
<tr>
<td>Diluted earnings per share - continuing operations</td>
<td>$1.63</td>
<td>$1.72</td>
</tr>
<tr>
<td>Adjusted diluted earnings per share - continuing operations</td>
<td>$1.80</td>
<td>$1.90</td>
</tr>
</tbody>
</table>

We have presented forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations in our financial guidance. Refer to the discussion of Adjusted Net Income and Adjusted Diluted Earnings per Share for details on the calculation of these non-GAAP financial measures. In the calculation of forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations, we included estimates of income from continuing operations, amortization of acquired intangibles for the full fiscal year 2017 and the related tax effect; we did not estimate amounts for any other components of the calculation for the year ending December 31, 2017.

*The sum of the individual components may not equal the total due to rounding
## Appendix 5- Adjusted Net Income and EPS Reconciliation for Quarterly Continuing Operations

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>Q4 2016*</th>
<th>Q3 2016*</th>
<th>Q2 2016*</th>
<th>Q1 2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$2,150.4</td>
<td>$2,207.3</td>
<td>$2,304.8</td>
<td>$1,921.5</td>
</tr>
<tr>
<td>Gross margin</td>
<td>$830.0</td>
<td>$855.4</td>
<td>$905.8</td>
<td>$760.4</td>
</tr>
<tr>
<td>Operating income</td>
<td>$161.9</td>
<td>$183.4</td>
<td>$232.4</td>
<td>$185.7</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>$96.3</td>
<td>$109.8</td>
<td>$137.8</td>
<td>$112.2</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>6.9</td>
<td>6.9</td>
<td>9.1</td>
<td>14.8</td>
</tr>
<tr>
<td>Loss of debt extinguishment</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>26.7</td>
</tr>
<tr>
<td>Amortization of acquired intangibles</td>
<td>23.6</td>
<td>25.0</td>
<td>24.3</td>
<td>8.9</td>
</tr>
<tr>
<td>Inventory step-up adjustment - acquisition related</td>
<td>—</td>
<td>—</td>
<td>3.6</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration liabilities</td>
<td>—</td>
<td>0.1</td>
<td>—</td>
<td>0.1</td>
</tr>
<tr>
<td>Gains on foreign exchange contracts - acquisition related</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(18.3)</td>
</tr>
<tr>
<td>Gain on Bargain Purchase</td>
<td>(8.2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Excess tax benefit from stock-based payments</td>
<td>—</td>
<td>(5.0)</td>
<td>(2.0)</td>
<td>(4.4)</td>
</tr>
<tr>
<td>Tax effect of adjustments</td>
<td>(10.6)</td>
<td>(11.1)</td>
<td>(12.8)</td>
<td>(11.1)</td>
</tr>
<tr>
<td><strong>Adjusted net income from continuing operations</strong></td>
<td><strong>$108.1</strong></td>
<td><strong>$125.8</strong></td>
<td><strong>$159.9</strong></td>
<td><strong>$128.7</strong></td>
</tr>
</tbody>
</table>

Weighted average diluted common shares outstanding

|                        | 310,120  | 310,036  | 309,778  | 309,193  |

Diluted earnings per share - continuing operations

|                        | $0.31    | $0.35    | $0.45    | $0.36    |

Adjusted diluted earnings per share - continuing operations

|                        | $0.35    | $0.41    | $0.52    | $0.42    |

*The sum of the individual components may not equal the total due to rounding
## Appendix 6- Revenue and Segment EBITDA by segment

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Three Months Ended December 31*</th>
<th>Year Ended December 31*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>% of revenue</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>$1,113.5</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>779.3</td>
<td></td>
</tr>
<tr>
<td>Specialty</td>
<td>258.7</td>
<td></td>
</tr>
<tr>
<td>Eliminations</td>
<td>(1.2)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$2,150.4</td>
<td></td>
</tr>
<tr>
<td><strong>Segment EBITDA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>$139.7</td>
<td>12.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>63.5</td>
<td>8.2%</td>
</tr>
<tr>
<td>Specialty</td>
<td>19.1</td>
<td>7.4%</td>
</tr>
<tr>
<td><strong>Total Segment EBITDA</strong></td>
<td>$222.3</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

We have presented Segment EBITDA solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our segment profit and loss. We calculate Segment EBITDA as EBITDA excluding restructuring and acquisition related expenses, change in fair value of contingent consideration liabilities, other acquisition related gains and losses and equity in earnings of unconsolidated subsidiaries. EBITDA, which is the basis for Segment EBITDA, is calculated as net income excluding discontinued operations, depreciation, amortization, interest (which includes loss on debt extinguishment) and income tax expense. Our chief operating decision maker, who is our Chief Executive Officer, uses Segment EBITDA as the key measure of our segment profit or loss. We use Segment EBITDA to compare profitability among our segments and evaluate business strategies. We also consider Segment EBITDA to be a useful financial measure in evaluating our operating performance, as it provides investors, securities analysts and other interested parties with supplemental information regarding the underlying trends in our ongoing operations. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment’s percentage of consolidated revenue.

*The sum of the individual components may not equal the total due to rounding.