Forward Looking Statements & Non-GAAP Financial Measures

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, 2017 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.

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.
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:50AM to 10:00AM</td>
<td>Opening Remarks-Joe Boutross</td>
</tr>
<tr>
<td>10:00AM to 10:30AM</td>
<td>Company Overview, Strategy &amp; Key Priorities-Nick Zarcone</td>
</tr>
<tr>
<td>10:30AM to 10:45AM</td>
<td>Wholesale North America-Justin Jude</td>
</tr>
<tr>
<td>10:45AM to 11:00AM</td>
<td>Specialty-Bill Rogers</td>
</tr>
<tr>
<td>11:00AM to 11:30AM</td>
<td>Wholesale Europe-John Quinn</td>
</tr>
<tr>
<td>11:30AM to 12:00PM</td>
<td>Q&amp;A</td>
</tr>
<tr>
<td>12:00PM to 12:45PM</td>
<td>Lunch</td>
</tr>
<tr>
<td>12:45PM to 1:15PM</td>
<td><strong>Moderator:</strong> Aldo Carabino, CFO, LKQ Europe</td>
</tr>
<tr>
<td></td>
<td>• Sinon Galvin, CEO Sator</td>
</tr>
<tr>
<td></td>
<td>• Jiri Novak, CEO-Central &amp; Eastern Europe (CEE)</td>
</tr>
<tr>
<td></td>
<td>• Martin Gray, CEO Euro Car Parts</td>
</tr>
<tr>
<td></td>
<td>• Paolo Vuillermin, CEO-Italy &amp; Switzerland</td>
</tr>
<tr>
<td></td>
<td>• Ferdinando Imhof, Vice President, Supply Chain-LKQ Europe</td>
</tr>
<tr>
<td>1:15PM to 1:45PM</td>
<td>Financial Overview-Varun Laroyia</td>
</tr>
<tr>
<td>1:45PM to 2:00PM</td>
<td>Q&amp;A</td>
</tr>
<tr>
<td>2:00PM to 2:15PM</td>
<td>T2 Overview-Martin Gray &amp; Steve Horne</td>
</tr>
<tr>
<td>2:15PM to 4:00PM</td>
<td>Tour T2</td>
</tr>
</tbody>
</table>
Nick Zarcone — President & Chief Executive Officer
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.
Consistent Business Model

- Industry Leading Management
- Niche & Fragmented Markets
- High Fulfillment Rates
- Synergy & Leverage Opportunities
- Attractive Adjacent Markets
- Sustainable Growth & Margin Expansion

Brands: LKQ, Keystone, STAHLEGRUBER, RHIAG, Euro Car Parts, Sator Holding
New Nashville Operations Center

554 Employees

- HR: 22
- Ops Support: 24
- Marketing, eComm: 31
- Supply Chain: 72
- IT: 184
- Finance: 221
Bangalore Operations Center

By Line of Business
- Wholesale: NA 300
- ECP: 73
- PGW: 11
- Specialty: 171
- Global: 29

By Department
- Accounts Receivable: 110
- Salvage Procurement: 100
- Accounts Payable: 85
- Catalog: 82
- Pricing & Analytics: 76
- Order Quoting: 51
- IT: 46
- Finance: 10
- HR & Admin: 10
- Tax: 7
- Other: 7

* 584 people at March 31, 2018.
Key Strategic Pillars

Grow
Diversified Offerings

Expand
Global Footprint

Adapt
To Evolving Technology

Rationalize
Asset Base

GEAR Forward!
Grow Customer Offerings

- “One More Part on the Truck”
- Related Customer Services
Expand The Global Footprint

- Europe
- China
- Rest of Asia
Adapt to Evolving Technology

- Connectivity
- ADAS
- Autonomous
- Electric Vehicles
- Ride Sharing
- The Amazon of All Things
Rationalize the Asset Base

- Drive Higher Operating Margins
- Effectively Manage Working Capital
- Focus CapEx on Key Growth and Productivity initiatives
- Improve ROA/ROIC
Key Near Term Priorities

- Organic Growth
- Margin Improvement
- Stahlgruber Integration
- Talent Acquisition
LKQ’s Growth Strategy

LKQ Growth Strategy

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

Expansion into New Product Areas
- Pittsburgh Glass Works
  - Automotive glass
- Keystone Automotive Operations
  - Specialty vehicle parts
- ATK
  - Remanufactured engines & transmissions
- Akzo Nobel
  - US paint distribution

Expansion into New Markets
- Euro Car Parts
  - United Kingdom & ROI
- Sator
  - Netherlands, Belgium, Luxembourg & France
- Rhiag
  - Italy & 9 other European countries
- Stahlgruber
  - Germany & Eastern Europe
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

**Strong Brands**

- Keystone Automotive Operations, Inc.
- Auto Kelly
- Cross Canada
- Grupo RHIAG
- PGW Autoglass
- Grupo RHIAG
- Keystone Auto Parts
- Euro Car Parts
- Warn Industries

An LKQ Company

**ANY PART FOR ANY CAR**
## Track Record of Successful M&A Integration

<table>
<thead>
<tr>
<th>Date: October 2011</th>
<th>Date: May 2013</th>
<th>Date: March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At Acquisition:</strong></td>
<td><strong>At Acquisition:</strong></td>
<td><strong>At Acquisition:</strong></td>
</tr>
<tr>
<td>§ Revenue: £272 million</td>
<td>§ Revenue: €288 million</td>
<td>§ Revenue: €947 million</td>
</tr>
<tr>
<td>§ Operated 89 branches in the U.K.</td>
<td>§ Operated through 11 distribution centers</td>
<td>§ Operated through 247 distribution centers and 10 warehouses</td>
</tr>
<tr>
<td>§ Broad product line of 114,000 SKUs</td>
<td>§ Broad product line of 150,000+ SKUs</td>
<td>§ Major presence in 8 Eastern European countries</td>
</tr>
<tr>
<td>§ 120,000+ commercial customers</td>
<td>§ Served 6,000+ customers</td>
<td>§ Served 100,000+ professional clients</td>
</tr>
<tr>
<td><strong>Post Acquisition:</strong></td>
<td><strong>Post Acquisition:</strong></td>
<td><strong>Post Acquisition:</strong></td>
</tr>
<tr>
<td>§ UK branch network more than tripled</td>
<td>§ Added 26 businesses in the Benelux region</td>
<td>§ Opened 65 new branches</td>
</tr>
<tr>
<td>§ Introduced collision, paint and specialty products</td>
<td>§ Converted majority of Sator to two-step distribution model</td>
<td>§ Completed 3 complementary acquisitions</td>
</tr>
<tr>
<td>§ Invested £80 million to open state of the art 1 million sq. ft. distribution center</td>
<td>§ Business has grown to become the leading parts distribution business in Belgium</td>
<td>§ 2017 Revenue: €1,116 million (+18% since acquisition)</td>
</tr>
<tr>
<td>§ 2017 Revenue: £1,221 million (+349% since acquisition)</td>
<td>§ 2017 Revenue: €669 million (+132% since acquisition)</td>
<td></td>
</tr>
</tbody>
</table>

* Source: Company filings & investor presentations.
## LKQ’s M&A Scorecard

<table>
<thead>
<tr>
<th>Year</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>2017</td>
<td>6</td>
<td>16</td>
<td>0</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>2016</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>2015</td>
<td>4</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>2014</td>
<td>9</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>2013</td>
<td>10</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>2012</td>
<td>22</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td><strong>58</strong></td>
<td><strong>54</strong></td>
<td><strong>13</strong></td>
<td><strong>6</strong></td>
<td><strong>131</strong></td>
</tr>
</tbody>
</table>
**Key Takeaways**

### Leading Positions in Large Markets
- Largest participant in each geography 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 core market

### Clear Value Proposition
- Parts offerings helps control 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

---

**Leading Player** | **Growing Markets** | **Diversified Revenue Base** | **Demonstrated Performance**
Justin Jude — Senior Vice President of North America Operations
North America

2017 Revenue: $4.8B
Employees: 19,800
DIFM Locations: 290 Aftermarket Warehouses; 130 Dismantling Yards
DIY Locations: 76 Self-Service Locations

#1 Provider of:
- Recycled & aftermarket collision parts
- Recycled & remanufactured engines and transmissions
- Wholesale auto replacement glass

... And significant opportunity for further growth
A Great Stable of Brands

COLLISION
- Aftermarket
- Salvage
- Paint (PBE)
- Glass

Distributor of:
- PPG
- 3M
- Lesonal
- Sikkens
- Wanda
- Axalta

Self-Serve:
- LKQ

MECHANICAL
- Aftermarket
- Salvage

Self-Serve:
- LKQ

HEAVY TRUCK
Opportunity for Continued Growth

- Automotive Repair Market: $243B
  - Do It For Me (DIFM): $194B
    - DIY: $49B
  - Collision: $46B
    - Collision Parts: $25B
    - Collision (Wholesale): $17B
    - Markup: $8B
  - Mechanical: $148B
    - Mechanical Parts: $81B
    - Mechanical (Wholesale): $54B
    - Markup: $27B
  - Labor: $21B
  - Mechanical Labor: $67B

Retail Price
Parts & Labor

Market Opportunity - $71B

Source: AAIA Factbook, 27th Edition 2018; 2016 data is estimated, excludes tires. Data is U.S. only.
Direct Repair Programs Continue to Grow

Over the past years the enrollment in DRPs have grown. We expect this trend to continue in the future.

The number of workshops in DRP have grown

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Shops in DRP Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>44%</td>
</tr>
<tr>
<td>2011</td>
<td>58%</td>
</tr>
<tr>
<td>2013</td>
<td>62%</td>
</tr>
<tr>
<td>2015</td>
<td>70%</td>
</tr>
<tr>
<td>2017</td>
<td>72%</td>
</tr>
</tbody>
</table>

The majority of workshops are affiliated with 4 or more DRP programs

<table>
<thead>
<tr>
<th>Number of DRP Affiliations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>17%</td>
</tr>
<tr>
<td>Two</td>
<td>6%</td>
</tr>
<tr>
<td>Three</td>
<td>13%</td>
</tr>
<tr>
<td>Four</td>
<td>25%</td>
</tr>
<tr>
<td>Five</td>
<td>11%</td>
</tr>
<tr>
<td>Six to Nine</td>
<td>14%</td>
</tr>
<tr>
<td>Ten +</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: Body Shop Business.
Favorable Collision Market Trends - US

- Independent collision repair locations on the decline - 24% in last 10 years
- Large MSOs have grown to 24.6% of all US body shop revenue in 2016 - up from 9.1% in 2006
- LKQ wins with the MSOs & Insurance Carriers

Multi-Shop Operators & Carriers We Serve
LKQ’s Collision Sweet Spot is Growing

Source: Experian vehicles in operation as of 12/31/17; SAAR projections, Bank of America Merrill Lynch 1/8/18
Continual Part Proliferation & Inflation

Cost per Part and Number of Parts 2013 - 2017

- Cost per Part CAGR: 1.0%
- Parts per Claim: 2.2%

Number of Parts: 8.9, 9.2, 9.5, 9.7, 9.7
Cost per Part: 116.9, 118, 119.2, 120.6, 121.8

Parts Cost per Repairable Claim

- CAGR 3.2%
- 2013: $1,040
- 2014: $1,086
- 2015: $1,132
- 2016: $1,170
- 2017: $1,182

Source: CCC Information Services
A Clear Value Proposition

...and Improved Cycle Time for Repairs & an even greater margin for shops....

<table>
<thead>
<tr>
<th>Parts</th>
<th>2013 Honda Accord</th>
<th>2012 Toyota Corolla</th>
<th>2014 Chevrolet Silverado</th>
</tr>
</thead>
<tbody>
<tr>
<td>New OEM</td>
<td>$612</td>
<td>$228</td>
<td>$2,699</td>
</tr>
<tr>
<td>Remanufactured</td>
<td>N/A</td>
<td>$199</td>
<td>$2,299</td>
</tr>
<tr>
<td>Recycled OEM</td>
<td>$440</td>
<td>$182</td>
<td>$1,150</td>
</tr>
<tr>
<td>New A/M</td>
<td>$434</td>
<td>$173</td>
<td>N/A</td>
</tr>
<tr>
<td>Average Savings</td>
<td>29%</td>
<td>20%</td>
<td>36%</td>
</tr>
</tbody>
</table>

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

- Highly fragmented space
- 20X size of next competitor
- Strong management team
- Strong logistics & footprint
- Consistent nationwide coverage and warranty
- Industry leading fill-rates
  - Aftermarket: Competitor: 65%  LKQ: 95%
  - Salvage
    - Competitor: 25%
    - LKQ Single Site: 35%
    - LKQ Region: 75%

Distribution & Wholesale North America Footprint
### Key Initiatives

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Organic Revenue Growth**     | - Favorable collision tailwinds  
- Expansion of product offerings  
- Monitoring opportunity of ADAS and EV |
| **Gross Margin Improvement**   | - Further optimizing aftermarket pricing  
- Automated salvage product pricing  
- Continual improvement on our salvage procurement |
| **Integration**                | - PGW:  
  - Anticipate complete integration in next 24 months  
  - Fully internalized IT & Administration  
  - Consolidated Point of Sale system for our salvage & aftermarket reps |
| **Operating Leverage**         | - Mitigate rising freight  
- Roadnet - Phase 2  
- Increased use of our centralized back office operations  
- Heavy focus on employee retention & talent recruitment |

**Strong organic revenue & EBITDA improvement from initiatives**
Efficient & Scalable Salvage Procurement

Salvage auction cars are loaded into bid database AUTOMATED BY LKQ

Won cars are towed to respective yards and dismantled.

BID & SELECTION

LKQ PROPRIETARY BIDDING SYSTEM BID-X

Sub Optimal Vehicle

Vehicle Validation through Established Vehicle VIN Databases

OPTIMAL VEHICLE

Sub Optimal Parts

OPTIMAL PARTS

BID Statistics

Maximum Bid .......... $2,700.00

<table>
<thead>
<tr>
<th>PART</th>
<th>IC Number</th>
<th>BID VALUE</th>
<th>DAMAGE LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENG</td>
<td>09535</td>
<td>$3,750.00</td>
<td>20%</td>
</tr>
<tr>
<td>TRA</td>
<td>01420</td>
<td>$730.00</td>
<td>60%</td>
</tr>
<tr>
<td>CRR</td>
<td>00195B</td>
<td>$0.00</td>
<td>100%</td>
</tr>
<tr>
<td>RAX</td>
<td>00212C</td>
<td>$1,212.50</td>
<td>10%</td>
</tr>
</tbody>
</table>

Determine Market Value of Parts to Generate a Targeted Bid Price for the Vehicle.

Bid value determined by supply, demand, variation, & condition.
Investing in Our People

- Health Care
- Charitable Support
- Retirement
- Education
- PTO
Summary

- Only national provider with delivering a clear value proposition
- Industry still highly fragmented - opportunity for further consolidation
- Favorable trends in our markets expected to yield a 3-5% organic growth
- Heavily invest into our people to improve retention
- Short term steps being taken to get back to historical operating margins
  Longer term leverage improvements of 10-20bps / year expected
Bill Rogers — Senior Vice President of Specialty
Segment Overview

2017 Sales: $1.3B
Employees: 3,000+
Customers: 20K+
Suppliers: 800+
Stocking SKUs: 185K+
Locations: 7 DCs, 45 Cross Docks, 13+ Call Centers, plus...

Our Focus is on Profitable Growth!

North America
Wholesale Distributor

- Specialty aftermarket (SEMA) Products
- Parts & accessories to Independent RV Dealers

Financial Performance

CAGR
North America Wholesale Distributor

“Everything you need, when you need it”
Company Brands

Strong and growing mix of RV and Auto brands!
Manufactured Brands

#1 Off-Road Winch & Recovery Brand

- Based in Clackamas, OR
- 1st Vertical Upstream Acquisition as a platform and part of a long term growth strategy

Must have brand for off-road enthusiasts!
Special Relationship Brands

Helps establish us as The Avenue to customer base
All the Most Recognized Brands

One Stop Shop for everything needed
**Competitive Advantages**

- **Logistics Network**
  - North America - best coverage, next day
  - Late cut off times, 99.9% fill rate
  - Big & Bulky items
  - Company Fleet and Drivers (560 Cube Vans, 90 TT)
  - Best e-tailer service option

- **Inventory**
  - Biggest ($320M)
  - Deepest (185K stocking SKU's)

- **Transaction Processing**
  - Daily relationship with customers (36K cust. loc.)
  - Customer Care (1.4M calls, 400K emails, etc)
  - AR / AP (4M Invoices, 800K Payments)

- **Product Data Set**
  - Best Data in the industry
  - most accurate YMM lookup
  - going to mobile w/ VIN & License Plate lookup

- **Sales Team**
  - Outside (60)
  - Inside (160)
  - Customer Support (60)
  - Customer Service (50)

- **Technology**
  - e-Keystone / Via (B2B)
  - Topline (DMS)
  - Magnifinder (service parts)
  - PartsVIA (click 2 Mortar)

---

**Very difficult to duplicate!**
Logistics Advantage Illustration

**Monday Afternoon**
- 3 PM: Construction worker in Eau Claire, WI visits local jobber and orders toolbox
- 4:30 PM: Toolbox picked and placed in holding area
- 6:30 PM: Tractor trailer leaves Kansas City, KS distribution center
- 5:30 PM: Toolbox loaded onto tractor trailer
- 6 PM: Toolbox loaded onto tractor trailer
- 7 AM: Cube van packed, leaves La Crosse cross-dock
- 2 PM: Toolbox installed on truck, less than 24 hours after order
- 4 PM: Jobber calls Keystone Call Center in Dallas, TX to identify and order correct part

**Tuesday Morning**
- 12 PM: Friendly driver, who knows jobber well, delivers toolbox
- 3:30 AM: Tractor trailer arrives at La Crosse cross-dock; unloading begins immediately
- 7 AM: Cube van packed, leaves La Crosse cross-dock

**Order to delivery in less than 24 hours!**

- **START:** ORDER PLACED
- **END:** TOOLBOX INSTALLED

- **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
Leading Macro Indicators

- New Vehicle Sales (6 year CAGR)
  - Overall: 5.1%
  - Pickups: 7.6%
  - Work Vans: 9.4%
  - Muscle: 5.7%
  - Jeep: 6.2%
  
  Sweet spot vehicles outpacing overall

- RV Unit Shipments (6 year CAGR)
  - Total RV Units: 12.2%
  
  Record years for RV Industry

- Seasonally Adjusted Unemployment Rate
  - Currently Very Low
  
  Strong employment drives vehicle accessory sales

Sustained macro environment will drive normal sustained organic growth rates
Vehicle Accessorization

- **Muscle Cars** — Mustang, Camaro, Corvette, Charger, Challenger, WRX, etc. Multiple Speed & Performance Categories

- **Utility Vans** — Transit, ProMaster, Express, Sprinter, NV, etc. Multiple Contractor, Cargo Management and mobile electronics Categories

- **Pickups** — F-Series, RAM, Silverado, Colorado, Sierra, Tundra, Tacoma, Titan, etc. Huge selection of products from most categories.

- **SUV/CUV** — Explorer, Grand Cherokee, Tahoe, Equinox, Rav4, CRV, Rogue, etc. Cargo Management, Vehicle Protection, Mobile Electronics, etc. categories.

Majority of Vehicles types are Opportunity Areas

### The TJ / JK’97- ’17 Wrangler Market

#### Million on the Road

<table>
<thead>
<tr>
<th></th>
<th>TJ</th>
<th>2D JK</th>
<th>4D JK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Registered</td>
<td>693K</td>
<td>440K</td>
<td>1MM</td>
</tr>
</tbody>
</table>

#### Are Modified

<table>
<thead>
<tr>
<th></th>
<th>TJ</th>
<th>2D JK</th>
<th>4D JK</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Modified</td>
<td>62%</td>
<td>63%</td>
<td>62%</td>
</tr>
</tbody>
</table>

#### Million Modified

<table>
<thead>
<tr>
<th></th>
<th>TJ</th>
<th>2D JK</th>
<th>4D JK</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Modified</td>
<td>62%</td>
<td>63%</td>
<td>62%</td>
</tr>
</tbody>
</table>

The count of total registered TJ and JK Wranglers is based on Experian Auto Counts estimates based on U.S. vehicle registrations as of 6/30/17.

* Jeeps are a huge influencer

* Per SEMA, April 18.
Jeeps* are highly accessorized

- 68% Purchase their first accessory within three months of acquiring their Jeep.

- 71% of all purchased parts are installed by Jeep owners.

- 87% indicates they are more likely to change one part at a time (vs. all mods at once).

- Off-Roaders are more likely to report purchasing this category.

- Jeep accessorizers typically begin modifying quickly after purchase, making changes piecemeal rather than in batches. Of course, off-road enthusiasts add parts that make tackling trails and difficult terrain easier.

% of Accessorizers Purchasing Parts / Accessories by Category

- Exterior: 65%
- Interior: 61%
- Wheels / Tires: 61%
- Chemicals & Cleaning Products: 50%
- Lighting: 48%
- Tops: 42%
- Suspension / Braking / Steering: 40%
- Mobile Electronics: 34%
- Towing & Storage: 26%
- Safety Products: 25%
- Intake / Fuel / Exhaust: 24%
- Drivetrain: 17%
- Engine: 14%

* Per SEMA, April 18.
M&A Growth Strategy

- **Distribution**
  - Expand within existing Automotive Space
  - Move into adjacent spaces (towing, powersports, fleet, etc.)
  - Global businesses opening up new markets

- **Critical Brands**
  - Continue to pursue “marquis” brands within existing markets
  - Focus on complementary capabilities (manufacturing, design, etc.)

- **Technology / Service**
  - Pursue additional value added service business (like Topline DMS)

Many opportunities within existing platform
### Key Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
</table>
| **New Product Lines**                          | - New product lines through the same distribution (target $25M/year)  
- New products within existing lines  
- New services                                                                 |
| **New Customers**                              | - New customers (Jobbers, Dealers, Retailers, Installers), existing markets  
- New customers in adjacent space markets (e.g. Trailering, Hard Parts)                                                          |
| **Increased Customer Penetration**             | - Drive new and existing lines into new and existing customers (e.g. selling crossover truck accessory products to RV Dealers)          |
| **Company / Exclusive Brands**                 | - Pursue a greater percentage of business with proprietary products                                                                     |
| **Lead the Industry in online selling fulfillment** | - The best solution to drop ship selling  
- Drive new Parts Via program (click to mortar)                                                                                       |

**Market leading Management Team poised to deliver**
Summary

- Strong leadership position in the markets we serve
- Multiple competitive advantages that are very difficult to duplicate
- Very favorable macro economic environment
- Very strong team driving market leadership initiatives aimed at profitable growth
- Sound business strategy to expand organically & M&A
John S. Quinn — Chief Executive Officer & Managing Director
LKQ European Operations
Objectives

Understanding the European Market & Our Market Opportunity
Overview of LKQ’s European Operations
LKQ’s European Strategy
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

Markup
€8B

Labor
€8B

Mechanical
€158B

Mechanical Parts
€120B

Mechanical
(Wholesale)
€78B

Markup
€42B

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.
<table>
<thead>
<tr>
<th></th>
<th>Europe (*)</th>
<th>LKQ Europe(*)</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (in millions)</td>
<td>570.5</td>
<td>385.4</td>
<td>323.1</td>
</tr>
<tr>
<td>Countries (EU 28 countries + EFTA + Ukraine + Bosnia &amp; Herzegovina)</td>
<td>33</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Languages 24 officially recognised</td>
<td>13</td>
<td>1 (official)</td>
<td></td>
</tr>
<tr>
<td>Currencies</td>
<td>15</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>GDP (in $)</td>
<td>$17.6 T</td>
<td>$11.2 T</td>
<td>$18.6 T</td>
</tr>
<tr>
<td>GDP per capita (in $)</td>
<td>$30.7 K</td>
<td>$28.9 K</td>
<td>$57.4 K</td>
</tr>
<tr>
<td>Vehicles in operation (2015 in millions)</td>
<td>312</td>
<td>207</td>
<td>263</td>
</tr>
</tbody>
</table>

\* Europe includes only European Union Countries (28 members) and EFTA states (European Free Trade Association) plus Bosnia & Herzegovina & Ukraine
\*\* Includes all European countries where LKQ has a presence (including Germany as a result of the Stahlgruber acquisition) plus Bosnia & Herzegovina and Ukraine

Source: Demographic data from "World Bank Open Data"; vehicles in use in Europe data from "OICA". Data for vehicle in operation for us from U.S. Department of Transportation, Federal Highway Administration, Highway Statistics.
European Economic & Trading Areas

**European Union**
28-nation single market of free trade and shared regulation; includes "free movement" of goods, services, capital and people

**Euro Zone**
19 countries using the euro currency

**European Economic Area** provides access to single market in exchange for payments; has "emergency brake" on free movement of people

**European Free Trade Association**
Free-trade zone and network of agreements with other countries

**Customs Union**
Circulates goods without duties, has uniform system for handling imports

**Schengen Area**
26-country passport-free travel zone

No GDP figures available for Liechtenstein and Malta. Channel Islands and the Isle of Man are part of the Customs Union (No GDP figures available). Sources: EU, ETRA, The World Bank.
Comparing Western & Eastern Europe

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Western Europe</th>
<th>Eastern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market growth</td>
<td>&lt;3%</td>
<td>&gt;6%</td>
</tr>
<tr>
<td>Average Age Car parc</td>
<td>~ 9 years</td>
<td>~ 15 years</td>
</tr>
<tr>
<td>Number of cars (/1000 inh.)</td>
<td>~ 600</td>
<td>~ 500</td>
</tr>
</tbody>
</table>

### Observations / Comments
- CEE region growing much faster than average
- Car parc age inversely related to GDP per person
- Cars (often) “Move from West to East”
- Distributor fragmentation often higher (and margins lower) in the fast growth markets
- Further consolidation likely

Putting LKQ in the path of growth
LKQ's European Footprint with Stahlgruber

Source: Company filings and websites; Amounts are approximate.

EUR / PLN exchange rate of 4.21, EUR / GBP exchange rate of 0.89, EUR / SEK exchange rate of 9.88, EUR / CHF exchange rate of 1.16.

(1) 2017E
(2) LKQ acquired 26.5% equity interest in Mekonomen in Dec 2016, FY 2017.
(3) Acquired by GPC in September 2017, estimated.
(4) FY2015 as per company website.
(5) Estimated. Excludes AD Polska revenue.
(6) Per company website, September 2016 TTM.
(7) Acquired by Uni Select in June 2017, UK GAAP, FY ended 04/30/2017.
LKQ European Overview
Summary Combined Profile LKQ & Stahlgruber

<table>
<thead>
<tr>
<th>Revenue</th>
<th>LKQ</th>
<th>€10.1 billion</th>
<th>Stahlgruber</th>
<th>€1.8 billion</th>
<th>€11.9 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>LKQ</td>
<td>€1.1 billion</td>
<td>Stahlgruber</td>
<td>€173 million</td>
<td>€1.3 billion</td>
</tr>
</tbody>
</table>

Revenue Contribution

- **European Revenue**
  - €3.9 billion
- **European EBITDA**
  - €316 million

European Revenue Contribution

- United Kingdom: 42%
- Germany: 90%
- Other countries: 15%

Footprint/Platform

- **Europe**: Beginning operations in October 2011
- **Europe**: Entered continental Europe with the acquisition of Sator in May 2013
- **Europe**: Further expansion into Eastern Europe with the acquisition of Rhiag in March 2016

- **Other countries**: France, Sweden, Republic of Ireland, Slovakia, Hungary, Romania, Ukraine, Bulgaria, Poland and Switzerland
- **Other countries**: Slovenia, Croatia, Switzerland and Italy

Market presence in Germany and Austria with an emerging presence in Switzerland, Italy, Slovenia and Croatia

Combination confirms LKQ as the leading independent wholesale distributor of aftermarket auto parts in Europe

Note:

- LKQ financials as per US GAAP. Amounts are subject to change based on final conversion to US GAAP statements. EUR / USD exchange rate of 1.20 (as of 31/12/17)
- Stahlgruber financials as per German GAAP. Amounts are subject to change based on final conversion to US GAAP statements. EUR / USD exchange rate of 1.20 (as of 31/12/17)
- Stahlgruber revenue and EBITDA includes non-controlling interest. Amounts reflect 2017E and includes €20 million in synergies. EBITDA is a non-GAAP measure. See Appendix for reconciliation of non-GAAP measure.
- Other countries include France, Sweden, Republic of Ireland, Slovakia, Hungary, Romania, Ukraine, Bulgaria, Poland and Switzerland.
- Other countries include Slovenia, Croatia, Switzerland and Italy.
European EBITDA Trends

- **Margin trend drivers**
  - Andrew Page (October 2016)
  - AD Poland (August 2017)
  - T2 (January 2016 possession)
  - Mix (faster growth in lower margin markets, CEE in particular)
  - Other

- **Challenges**
  - Overcoming the mix issue
  - Dilutive impact of Stahlgruber (c. 8% today)

- **Why confident in 10% (or higher)**
  - Eliminate temporary pressures
  - Benefits of integration and strategic initiatives

---

### Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue*</th>
<th>Segment EBITDA* (1)</th>
<th>Segment EBITDA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,995</td>
<td>$201</td>
<td>10.1%</td>
</tr>
<tr>
<td>2016</td>
<td>$2,920</td>
<td>$284</td>
<td>9.7%</td>
</tr>
<tr>
<td>2017</td>
<td>$3,637</td>
<td>$319</td>
<td>8.8%</td>
</tr>
<tr>
<td>2018 Q1</td>
<td>$1,040</td>
<td>$76</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

(1) Stahlgruber revenue and EBITDA includes non-controlling interest. Amounts reflect 2017E and includes €20 million in synergies. EBITDA is a non-GAAP measure. See Appendix for reconciliation of non-GAAP measure.
Potential Effects on Margins of Proposed Initiatives

This slide represents ranges of potential effects on Segment EBITDA margins of proposed initiatives in Europe. There can be no assurance that the indicated potential effects will be realized. In addition, the realization of one or more effects may be dependent on the realization of one or more other effects and should not be viewed as guidance by the Company.

- The slide is solely for hypothetical illustration of the possible outcomes of proposed initiatives.
- The slide does not include the effects of new acquisitions completed in the period nor the costs to implement the ERP.
- The slide does not include the dilution effect of the Stahlgruber acquisition.

Potential effects on Segment EBITDA Margin

- T2 (incl. recovery exceptional costs)
- AP rationalization
- European procurement
- Catalogue/BAAS
- Logistics
- BackOffice

ERP is a key enabler
LKQ European Strategy
Strategy

- Maximize the existing footprint
  - Integration
  - Leveraging the current scale
- Create an environment that addresses the evolving market
  - Reacting to the trends
  - Creating an environment that makes LKQ the first choice for customers
- Acquisitions which fit the LKQ criteria
Margin Improvement Roadmap – Europe (1)

**Today**
- Business not integrated
- Operate independently with or little/no common process or functions
- Excess long tail inventory

**Future State**
- Rationalized procurement
- Rationalized ERP landscape
- Optimized back-office infrastructure
- Growth of private label offerings
- Further in-roads into leveraging warehousing and distribution network

**Opportunity in 3-5 Years**

**Acquisitions**
- ECP
- Sator
- Rhiag Italy/Switzerland
- Rhiag CEE
- Stahlgruber

**-$5.7 Billion Revenue Today (2)**

**200-300 bps Opportunity**
## Procurement

### Phase I
- New level of negotiation (Pan-European) in addition to existing ones
- Cross trading

### Phase II
- Cover up to 50% of total European direct spend with Pan-European agreements
- Private labels rationalization & sourcing
- Streamline the product portfolio

### Phase III
- Focus on indirect spend
- Harmonize & centralize procurement activities
- Direct purchases from suppliers’ plants
European Initiatives

Ensure a competitive advantage by creating an “environment” that will place LKQ & its customers in the path to take advantage of the evolving market. Examples:

<table>
<thead>
<tr>
<th>Market Trend</th>
<th>LKQ Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>More complex cars / parts proliferation</td>
<td>▪ Best in class catalogue</td>
</tr>
<tr>
<td></td>
<td>▪ Customer training</td>
</tr>
<tr>
<td></td>
<td>▪ Concepts</td>
</tr>
<tr>
<td>Trend towards fleets</td>
<td>Expanded fleet offering</td>
</tr>
<tr>
<td>E-commerce</td>
<td>Lever ECP experience to other markets</td>
</tr>
<tr>
<td>Big data</td>
<td>Establishment of data as a service programme</td>
</tr>
</tbody>
</table>

Making LKQ indispensable to its customers
European Catalogue Development (EMDM)

With primary goal to manage one single source for car parts application

**Project Scope for European Master Data Manager (EMDM)**

- Manage a European vehicle park specification (VSPEC) for LKQE companies in every country (country specific)
- Vehicle look up & filtering of parts, technical data repair times.
- Manage a “Master ref.” (Key reference & unique link of a part to the vehicle) in order to improve: Quality, Efficiency, Supplier X-refs & OE X-ref
- Central data maintenance with a European governance structure
- Centralized data conversions (Tecdoc, OE, manufacturers)
- Centralized maintenance & quality improvement of existing data

**The Envisioned Outcome**

- Best in class data quality by:
  - Centralizing data maintenance
  - Improving data quality by using “Direct Data Supply” (DDS)
  - Creating category champions structure
  - Leveraging the experience within the group

- Cost reduction by:
  - Centralised data sourcing
  - Centralised data maintenance
  - Reduction of returns

- Revenue Improvements by
  - Range gap analysis per country/company
  - First to market strategy
EMDM Implementation Led to Higher Growth

New catalogue identified gaps in “Product Groups” (PG) where stock was available but not linked to all vehicles it would fit. Products identified with additional links grew on average 9.5% faster than the PG’s as a whole.

Growth in parts with new links identified vs. average rates

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Change % for PG WITH NO Gap Report Review</th>
<th>Change % for PG WITH Gap Report Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flywheel Module Kit</td>
<td>+8.17%</td>
<td>+14.30%</td>
</tr>
<tr>
<td>Concentric Slave Cylinder</td>
<td>+8.28%</td>
<td>+17.49%</td>
</tr>
<tr>
<td>Clutch Kit</td>
<td>+0.55%</td>
<td>+11.28%</td>
</tr>
<tr>
<td>3PC Clutch with CSC</td>
<td>+6.01%</td>
<td>+14.45%</td>
</tr>
<tr>
<td>Oil Filter</td>
<td>+2.27%</td>
<td>+13.04%</td>
</tr>
<tr>
<td>Fuel Filter</td>
<td>+5.73%</td>
<td>+21.90%</td>
</tr>
<tr>
<td>Air Filter</td>
<td>(3.54%)</td>
<td>(6.40%)</td>
</tr>
<tr>
<td>Turbo Charger</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Benefits include:
- Additional sales
- Lower returns
- Reinforce reputation of most accurate / reliable supplier
- Lower costs (once rolled out across Europe)

Realized Benefit

+3.23%

+9.49 Percent point

12.70%
Mechanic Training

GARAGE EQUIPMENT AND TRAINING CENTRE

- More price levels (ECONOMY/MIDDLE/TOP)
- Professional presentation and training
- Fully functional workshop with professional service
- Large selection of training courses for all garage owners
- Over 1500 people trained annually
- Professional team of qualified trainers, dedicated technical support team a specialized sales representatives
Garage Branding & Concepts

GARAGE CONCEPTS

- Professional network of more than 800, high-quality services in the Czech Republic and Slovakia branded in AUTO KELLY AUTOSERVIS and ELIT PARTNER logos
- Our own garage concept
- Strict criteria for participating
- Thoroughly prepared motivation programme for partners, sales, and service support
- Regular monthly and seasonal promotions
- Ideal balance of quality, value and speed of repair
- The perfect solution for the end customer/motorist

Garage Concepts / Network
UK

Professional network in Italy
CAR FLEET SERVICE

- Service brings effective solution for car maintenance for:
  - Small or medium companies with rolling stock up to 200 vehicles
  - Big and international companies with rolling stock over 200 vehicles
  - Insurance and leasing companies (VIP service including call center for their customers)
- Demonstrable cost reduction of vehicle service compared to authorized garages
- Service of all brands in one
- Warranty does not affect in case of guarantee service
- System of centralized customer billing
- System of centralized inspection of realized repairs and approval of repairs
- Famous customers like LeasePlan, Česká Pošta, ALD Automotive, G4S, Arval, Business Lease, Generali Insurance, Hertz, Schindler, Sixt, Hochtief etc.
- Business volume for 2017 approximately 10,8 mil EUR so it means 6,000 EUR / month / garage (extra job)
- 5x Fleet Awards 2012 – 2016
E-Commerce

USER FRIENDLY E-SHOP

- The most visited e-shop for spare parts and accessories
- 60,000 visits per day
- Online software solution for workshops, distributors, and motorists
- Graphical search of OE parts, VIN search
- Technical information and interactive schemes
- Clear product overview
- Call centre — customer help desk
- My Garage — unique online platform for users to purchase parts
Business Analytics as a Service

Creating data-driven culture & fact-based management to drive decisions & actions

To champion the enterprise’s use of insight & action to drive business strategy, reduce risk, optimize performance, & increase value for LKQ's customers, the company, its shareholders, & its team members

- Create a road map to narrow data requirements into manageable areas
- Define resources & infrastructure, technologies required to deliver the meaningful insight
- Define the clear vision, strategy for analytics
- Identify clear objective, problems formulated in business strategic questions for which we need answers
- Identify priority level for each question to determine the things that matter the most
- Work together with world-leading academics to develop the skills, ideas & resources needed to exploit the opportunities offered by the explosion in digital data.
Current Progress with ECP Proof of Concept Phase

Executing pilots to measure the improvements rate post Implementation

Product Customer Revenue Optimisation & introduction of mechanism to reduce excessive profit leakage:
- Price elasticity of volume model & price elasticity of catalogue conversion rate for new price calculation, currently 2 pilots in the execution phase. Implementation April 2018.
- Excessive profit leakage based on coefficient of variance & models to control discounting activity, 2 separate pilots in the execution phase. Implementation April

Branch Profile Optimisation, (1) new branch profile suggestion and (2) New to range product suggestions
(1) Branch stock profile optimisation based on 3 separate pilot executions, identified growth rate post implementation of 51%
(2) New to range product introduction, 2 separate pilot executions, identified growth rate post implementation of 146%

New Customer Profile classification, over 177,000 separate customer segmentation
- Customer Behavioural Analysis based on Revenue, Margin, Order frequency & Product Variety
- Defining customer based on their business nature following Standard Industry Classification Yellow Page
- Defining customer product & vehicle specialist based on catalogue search patterns
- Defining customer product quality preference

New Sale Adviser classification to identify key elements that distinguish top performing sales adviser & branch sales manager
- Supporting HR team in talent investment programme
- Data-driven insight to predict turnover
- Reduce new hire failure rates
- Manage poor performers
Aldo Carabino — Chief Financial Officer, Europe
Sinon Galvin — Chief Executive Officer, Sator
Sator Overview

Key Statistics — Netherlands
- Branch Count: 91 wholesalers, 5 DC / RFC
- Car Park: 8.4 M
- Average of Age Car Park: 9.8
- Population: 17.1 M
- Number of Employees: 2,700

Key Statistics — Belgium
- Branch Count: 22 wholesalers, 2 DC / RFC
- Car Park: 5.8 M
- Average of Age Car Park: 7.4
- Population: 11.3 M
- Number of Employees: 525

Key Statistics — France
- Branch Count: 0 wholesales, 3 DC / RFC
- Car Park: 32.1 M
- Average of Age Car Park: 8.8
- Population: 67.2 M
- Number of Employees: 75

Locations

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>BE</th>
<th>FR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main DC / RFC</td>
<td>5</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Owned Branches</td>
<td>91</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>Partner Branches</td>
<td>58</td>
<td>35</td>
<td>0</td>
</tr>
</tbody>
</table>
Segment Evolution

Sales Channel by Country

2013 - Acquisition Year

- France
- Belgium

- Netherlands

Last Year - 2017

- France
- Belgium
- Netherlands

3-Step

2-Step

2013 2014 2015 2016 2017

Post-Acquisition Efficiency Curve

* NL, BE, FR counted as full year

* NCC counted as full year
Margin Improvement

- 5 significant warehouses all within 90 km of each other
- 3 Step & 2 Step vehicles crossing paths
- 7 back office structures (w/ BCC included)

Configurations:
- Centralized DC
- Same Day Service Integration
- ERP Consolidation

Key Locations:
- Amsterdam
- Hoewelaken
- Schiedam (HQ)
- Vilvoorde
- Venlo

Distance: 90 km (56 mi)
Key Initiatives — Integration LKQ Belgium

- Acquired distributor network on July 3, 2017
  - EUR 130M turnover; 19 branches
- Hybrid of 3 step & 2 step
- Defined business model
- Introduction of Full Fource Partner concept for 3 step
- LKQ Coatings Belgium introduced October 2017
- ERP integration in 2018
- Alignment with Benelux logistic model
Central & Eastern Europe

Key Statistics – CEE

- 8 countries, 373 branches, 11 warehouses
- Car parc: 50M cars with an average age 15 + years
- Population: 140M
- Languages: Challenging complexity - Czech (CZK), Slovak (EUR), Ukrainian (UAH), Polish (PLN), Hungarian (HUF), Romanian (RON), Bulgarian (BGN) and Bosnian (BAM); 6 of 8 countries members of EU (except Ukraine and Bosnia and Herzegovina)
- Number of Employees: 4,572

Multinational Footprint

Number of Branches (373) / Number of Warehouses (11)
Growing Markets

**CEE region:** Fast growing, but low margin environment

- Stable developed countries, mostly members of the European Union
- Strong GDP growth across the region
- Very low unemployment, growing salaries and purchase power
- Old car parc, aged cars coming from West to East
- Number of cars per capita is growing, but still significantly lower than in Western Europe
- Highly fragmented markets with many “Country Champions”
- Price-oriented, low margin business compared to Western Europe
- The market leader in the Czech Republic and Slovakia, one of the market leaders in Ukraine, Poland, Bosnia, Hungary and Romania, presence also in Bulgaria

**New branches**

- Perspective to further increase number of branches - growing CEE markets give opportunity to increase revenues
- 30-40 branches are opened each year + 68 branches were acquired in 2017 (AD Poland)
- Low upfront capex to open a branch - 50k - 80k € in average
- Break-even typically in 12-18 months
- Turn to fully profitable branch after 2 - 3 years
Martin Gray — Chief Executive Officer, Euro Car Parts
ECP UK & ROI — Key Statistics

Key Statistics — UK

- 222 ECP Branches, 8 Paint & Bodyshop Branches & 4DCs
- 89 Andrew Page Branches
- Arleigh Group-9 branches & 3 Central Warehouses
- Car parc: 37.7M cars with an average age of 8.1 years
- Population: 66.5M
- Languages: English (92.3% first language)
- Number of Employees: 11,198

Key Statistics — Republic of Ireland (ROI)

- 25 Branches including 1 Paint & 2 Hubs
- Car parc: 2M cars with an average age of 8.7 years
- Population: 4.8M
- Languages: English, Gaelic
- Number of employees: 237

Branches:
- ECP
- Regional Hubs
- ECP Team PR Reilly
- Andrew Page
- Arleigh

Distribution centres:
1. Tamworth - T1, T2 & Swadlincote
2. Milton Keynes Paint & Distribution
3. Dublin
40 Years in the Making

- 1978: Sukhpal Singh opens first branch
- 1984: Euro Car Parts is born
- 1995: Pioneering move to more males
- 2010: First National Distribution Centre opens
- 2011: Acquired by LKQ Corporation
- 2013: Click and Collect launched
- 2014: Paint and collision acquisitions form LKQ Coatings
- 2015: Same Day Delivery launched
- 2016: Acquire Autoclimate
- 2017: 1 million sq ft, 165,000 product lines, 210,000 parts shipped every night
- 2018: Arleigh acquire AquaFax

On track to reach 6 million Ecommerce visits a month
Key Margin Drivers

- **T2**
  - Completion of warehouse consolidations (Swadlincote, Bone Hill & AP - Markham Vale)
  - Flow through of legacy cost in inventory
  - Further productivity improvements

- **Andrew Page**
  - Optimise product portfolio/range/availability and improved logistics (T2)

- **ROI**
  - Complete branch roll-out/conversion to larger sites & leverage ECP back-office capability

- **Other**
  - Additional cost controls/efficiencies - lean logistics programme, organisational design
  - Capture/leverage benefits from European initiatives
  - Grow complementary adjacencies: Ecommerce/”Onimcom”, Retail/Leisure & Garage Concepts
  - Completion of ERP upgrade & elimination of related costs
  - Business Analytics (Big Data) - revenue & inventory optimisation, sales advisor behaviors
Business Analytics: Executing Pilots to Measure the Improvements

(1) Branch stock profile optimisation based on 3 separate pilots; identified growth rate post implementation of 51% which generated additional revenue for branch between 2-3% in the pilot.

(2) Used data to identify parts not stocked for which there was customer demand. Pilot converted to c. 0.5% incremental revenue.

(3) Sales Advisor Behaviours: By implementing a floor price on specific products we can reduce cases of discounting by almost 200% and improved margin by c. 0.25%.
Paolo Vuillermin – CEO, LKQ Italy & Switzerland
## Key Statistics — Italy

- 3 Central Warehouses, 17 Branches; 3 step model
- Car park: 32.6M cars and 4M Light Trucks
- Population: 61M
- Languages: Italian
- Number of Employees: 609

## Key Statistics — Switzerland

- 2 Central Warehouses, No branches; 2 & 3 step model
- Car park: 4.5M cars
- Population: 8.4M
- Languages: German, French, Italian, Romansh
- Number of Employees: 103
As result of knowledge sharing among the best practices of LKQ’s companies in Europe there will be an acceleration in changing our business model paradigm (most in Italy)

1. Launch of a new platform B2C on line: Ricambia (go live 29th of May 2018)

2. Acquisition of our best customers: integrate in the distribution chain 15 shops/year and increase new shops opening through the acquired vehicle
   - Mechanical and collision parts (2 step)
   - Paint business (2step)

3. Develop a new partnership agreement with the best customer that want remain independent:
   - 70% loyalty in the first 24 months
   - Special dedicated services (logistics, technical assistance, sell out for garages)
   - Best prices
Ferdinando Imhof — Vice President, Supply Chain
LKQ European Operations
European Supply Chain

FACT:
- LKQ has the **broadest footprint** and the most **purchasing power** in Europe

VISION:
- Use our scale to maximize our **procurement, supply chain and backend operations**, to improve margins and underpin our **acquisition strategy**

STRATEGY:
- **Partner with our top c. 100 strategic suppliers**, to obtain **unmatched economic and supply conditions**
- **Streamline** the “long tail” of **minor product suppliers** (1,000+), enabling us to focus on a smaller group of pan-European suppliers with enhanced trading conditions
- **Leverage private label** volumes to obtain substantial price improvements and define business opportunities for local vehicle parc and market conditions
- Create an exceptionally **lean LKQ supply chain**
Our approach is to balance short term achievements with more structural activities to pave the way for longer term success.

<table>
<thead>
<tr>
<th>INITIATIVE</th>
<th>PURPOSE</th>
<th>ACHIEVEMENTS &amp; GOALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign overall European Contracts with strategic Suppliers</td>
<td>Obtain additional rebates, cash discounts, warranty allowances</td>
<td>40% of annual purchasing now covered, 50% targeted</td>
</tr>
<tr>
<td>Develop cross-trading</td>
<td>Exploit price difference savings</td>
<td>Ongoing: plan is to double current volume</td>
</tr>
<tr>
<td>Streamline private label purchasing</td>
<td>Launch European tenders, increase margins</td>
<td>Targeting 25% of our 2018 private label volume</td>
</tr>
<tr>
<td>Reduce number of small local suppliers</td>
<td>Reduce costs, increase margins</td>
<td>Pilot program on four lines with €20m+ annual purchasing</td>
</tr>
<tr>
<td>Obtain deliveries directly from factories</td>
<td>Cut logistical costs and improve our purchasing prices</td>
<td>Ongoing discussions with three pilot suppliers</td>
</tr>
<tr>
<td>Develop procurement IT portal</td>
<td>Support all purchasing activities</td>
<td>Complete sharing of SKU info &amp; prices: visibility to allow benchmarking and cross-trading</td>
</tr>
<tr>
<td>Streamline supply chain operations</td>
<td>Optimize TWC, increase service level, reduce lost sales &amp; costs</td>
<td>Targeting 200 Service Level Agreements with suppliers</td>
</tr>
<tr>
<td>Focus on indirect spend</td>
<td>Cost synergies, increase transparency, electronic invoicing, future centralization</td>
<td>Partnership with COUPA, implementation in the UK will start in June</td>
</tr>
</tbody>
</table>

...of our actions to establish & maintain a unique competitive edge in the European AM.
Varun Laroyia — EVP & Chief Financial Officer
## LKQ — Current Snapshot

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>TTM Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$10,115</td>
</tr>
<tr>
<td>Segment EBITDA (1)</td>
<td>$1,122</td>
</tr>
<tr>
<td>Total Debt (2)</td>
<td>$3,339</td>
</tr>
<tr>
<td>Equity</td>
<td>$4,419</td>
</tr>
<tr>
<td>Market Capitalization (3)</td>
<td>$9,469</td>
</tr>
<tr>
<td>Credit Rating (4)</td>
<td>Ba2 / BB</td>
</tr>
</tbody>
</table>

### Third Party Revenue
- North America: 49%
- Europe: 38%
- Specialty: 13%

### Segment EBITDA (1)
- North America: 59%
- Europe: 28%
- Specialty: 13%

---

(1) Segment EBITDA is a non-GAAP measure. See the Appendix for reconciliations of non-GAAP measures.
(2) Debt as of 3/31/18, excluding debt issuance costs.
(3) Based on 5/29/18 closing price of $30.58 and 3/31/18 outstanding shares.
(4) As of 5/22/18.
Revenue

($ in billions)


CAGR (2): 17.7%

(1) TTM Q1 2018, including 2017 estimated Stahlgruber revenue as per German GAAP, less €100 million estimated revenue for the Stahlgruber Czech Republic business.
(2) CAGR based on actual results only.
Segment EBITDA (1)

Segment EBITDA is a non-GAAP measure. See the Appendix for reconciliations of non-GAAP measures.

(2) TTM Q1 2018, including 2017 estimated Stahlgruber EBITDA and €20 million of estimated synergies, less €4 million estimated EBITDA for the Stahlgruber Czech Republic business. See the Appendix for reconciliations of non-GAAP measures.

(3) CAGR based on actual results only.
Adjusted Diluted EPS (1)

CAGR (3): 14.6%

(1) Adjusted Diluted EPS is a non-GAAP measure. See the Appendix for reconciliations of non-GAAP measures.

(2) Reflects midpoint of Adjusted Diluted EPS guidance range. Does not include the pending Stahlgruber acquisition announced in December 2017. Guidance is subject to change after the transaction closes. See the Appendix for guidance details.

(3) CAGR based on actual results only.
Operating Cash Flows / Capex (1)

Continuing operations only.

Reflects midpoint of operating cash flows and capital expenditures guidance ranges. Effective only on April 26, 2018, the date of the Q1 2018 LKQ Corporation Earnings Conference Call. Does not include the pending Stahlguber acquisition announced in December 2017. Guidance is subject to change after the transaction closes.
### TTM Q1 2018 Cash Flows Profile (1)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash 3/31/17</td>
<td>$265</td>
</tr>
<tr>
<td>Operating Cash Flows</td>
<td>$492</td>
</tr>
<tr>
<td>Financing</td>
<td>$96</td>
</tr>
<tr>
<td>Acquisitions &amp; Other Investing Activities</td>
<td>($433)</td>
</tr>
<tr>
<td>Capex</td>
<td>($197)</td>
</tr>
<tr>
<td>F/X</td>
<td>$23</td>
</tr>
<tr>
<td>Ending Cash 3/31/18</td>
<td>$246</td>
</tr>
</tbody>
</table>

(1) Continuing operations only.
5 Year Cash Flows Profile (2013-2017) (1)

(1) Continuing operations only.
Risk Management

- Maintain sufficient liquidity and flexibility to sustain business through a downturn

Economic Cycle

- While difficult to accurately predict, forward looking metrics exist. While no business is recession proof, the LKQ model is largely recession resistant.

Capital Allocation - Guiding Principles

1. M&A likely to represent best risk-adjusted use of capital over the long-term. Though difficult to predict timing of when attractive opportunities come to market.

2. If no attractive growth opportunities, then priority is to de-lever.

3. Opportunistic stock buy-back potential in a low leverage scenario and/or market dislocation as flexibility of action aligns well with future growth of the business.
## Financial Policy

**Focus on Free Cash Flow Generation**
- Strong organic growth
- Margin expansion in each business
- Working capital management

**Maintain Liquidity**
- Cash balances
- Revolver capacity
- Sufficient maturity of bank facility (c. 5 years)
- Term out bank debt with longer dated notes

**Retain Capital to Grow the 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**
- Target Net Debt / EBITDA between 3x-4x in the near to mid term

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

---

*LKQ has a long history of generating strong free cash flow and deleveraging*
Trade Working Capital up by ~250 bps as the business has grown and European footprint expanded

(1) Trade Working Capital = Receivables, Net + Inventories - Accounts Payable, calculated as a 5-quarter average.
Key Return Metrics

Return on Equity

Return on Invested Capital (1)

(1) Amortization of acquired intangibles has been excluded from the calculation of Return on Invested Capital.
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>Pre-tax cost of debt (4)</td>
</tr>
<tr>
<td>LKQ relevered equity beta (2)</td>
<td>Tax rate (5)</td>
</tr>
<tr>
<td>Market risk premium (3)</td>
<td>LKQ After-tax Cost of Debt</td>
</tr>
<tr>
<td>Size premium (3)</td>
<td></td>
</tr>
<tr>
<td>LKQ Cost of Equity</td>
<td></td>
</tr>
<tr>
<td>% Equity (6)</td>
<td></td>
</tr>
<tr>
<td>10.2%</td>
<td>69%</td>
</tr>
<tr>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>1.08</td>
<td></td>
</tr>
<tr>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>69%</td>
<td></td>
</tr>
</tbody>
</table>

**LKQ Weighted Average Cost of Capital: 8.1%**

<table>
<thead>
<tr>
<th>Sensitivity to Changes in Ratio of Debt to Enterprise Value (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debt / Enterprise Value</strong></td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>25%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>35%</td>
</tr>
</tbody>
</table>

(1) 20-year treasury yield as of 5/18/18.
(2) LKQ’s levered equity beta calculated as the average of the 1, 2, and 5 year beta; relevered to reflect pro forma capital structure for April 2018 issuance of Euro Notes (2026/28) and other impacts from pending Stahlgruber acquisition. See note (6) for further information about debt/equity split.
(3) Duff & Phelps 2017.
(4) Estimated cost for 10-year debt.
(5) LKQ’s estimated effective tax rate for 2018.
(6) Debt/equity split reflects: (1) market value of equity, calculated as 309.6 million shares outstanding at 3/31/2018 plus pro forma issuance of 8,055,569 shares for pending Stahlgruber acquisition, multiplied by closing share price of $30.58 on 5/29/2018; and (2) net debt as 3/31/2018, excluding impact of debt issuance costs, pro forma adjusted for the April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for pending Stahlgruber acquisition.
(7) Equity beta relevered to reflect adjusted capital structure.
# Capitalization & Liquidity

All amounts as of 3/31/18 unless otherwise indicated.

## Pro Forma Capitalization

<table>
<thead>
<tr>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt (2)</td>
<td>$4,648</td>
</tr>
<tr>
<td>Stockholders’ Equity (3)</td>
<td>$4,665</td>
</tr>
<tr>
<td><strong>Total Capitalization</strong></td>
<td><strong>$9,313</strong></td>
</tr>
</tbody>
</table>

## Pro Forma Liquidity

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Availability under credit facilities (4)</td>
</tr>
<tr>
<td><strong>Total Liquidity</strong></td>
</tr>
</tbody>
</table>

## Corporate Credit Ratings (5)

<table>
<thead>
<tr>
<th>Moody's</th>
<th>Ba2</th>
<th>S&amp;P</th>
<th>BB</th>
<th>Stable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Stable</td>
</tr>
</tbody>
</table>

---

1. All amounts as of 3/31/18 unless otherwise indicated.
2. Debt excludes debt issuance costs; pro forma adjusted for impacts from April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition.
3. Pro forma adjusted for issuance of 8,055,569 shares for pending Stahlgruber acquisition at closing share price of $30.58 on 5/29/18.
4. Net of $65 million letters of credit; pro forma adjusted for impact of estimated revolver borrowings for the pending Stahlgruber acquisition.
5. As of 5/22/18.
Debt & Interest Rate Trends

(1) Total outstanding debt excludes debt issuance costs.
(2) Weighted average borrowing rate is calculated based on a TTM basis.
(3) As of and for the TTM ended Q1 2018, adjusted to reflect April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition. Weighted average borrowing rate was calculated assuming the Stahlgruber transaction occurred on 4/1/17.

On a pro forma basis (3), >75% of our debt would have been fixed at 3/31/18.
Net Leverage (1)

Net leverage is calculated as total debt, excluding the impact of capitalized debt issuance costs, less cash, and divided by Segment EBITDA. See the Appendix for reconciliations of non-GAAP measures.

(2) Includes impact of Keystone Specialty acquisition.

(3) Includes impacts of Rhiag and PGW acquisitions.

(4) Pro forma adjusted Q1 2018 as follows: (1) Net debt adjusted to reflect the April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition; (2) Segment EBITDA adjusted to include estimated 2017 EBITDA for Stahlgruber, plus €20 million in estimated synergies, less €4 million estimated EBITDA for the Czech Republic business. See the Appendix for reconciliations of non-GAAP measures.
Leverage & Liquidity

Pro Forma adjusted Q1 2018 as follows: (1) Net debt adjusted to reflect the April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition; (2) Segment EBITDA adjusted to include estimated 2017 EBITDA for Stahlgruber, plus €20 million in estimated synergies, less €4 million estimated EBITDA for the Czech Republic business.

Net leverage is calculated as total debt, excluding the impact of capitalized debt issuance costs, less cash, and divided by Segment EBITDA. See the Appendix for reconciliations of non-GAAP measures.

Total capacity includes our term loans and revolving credit facilities.

(1) Pro forma adjusted Q1 2018 as follows: (1) Net debt adjusted to reflect the April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition; (2) Segment EBITDA adjusted to include estimated 2017 EBITDA for Stahlgruber, plus €20 million in estimated synergies, less €4 million estimated EBITDA for the Czech Republic business.
(2) Net leverage is calculated as total debt, excluding the impact of capitalized debt issuance costs, less cash, and divided by Segment EBITDA. See the Appendix for reconciliations of non-GAAP measures.
(3) Total capacity includes our term loans and revolving credit facilities.
Pro Forma Debt Maturity Profile (1)

(1) Total debt as of 3/31/18, excluding debt issuance costs; pro forma adjusted for impacts from April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition.
LKQ’s Investment Thesis

**Market Position**
- Unparalleled customer & geographic diversity
- Market leadership in all three reporting segments:
  - North America
  - Europe
  - Specialty

**Cash Generation & Strong Balance Sheet**
- Proven record of generating substantial cash flow
- Cash generation supports profitable growth strategy (organic & acquisition)
- Ability to de-lever rapidly
- No near term maturities

**Revenue & Earnings Growth**
- Proven record of delivering organic revenue growth and consistent earnings growth
- Diversity of reporting segments provides opportunity for further growth and driving operating leverage
T2 Overview

Martin Gray — Chief Executive Officer, Euro Car Parts
Steve Horne — Chief Operating Officer, Euro Car Parts
As the biggest national customer, we get a good feel for how ECP is doing across the country. In Q1 2018 we have seen significant improvement, with availability and service levels being good with fewer issues being raised through our network. This is improving even further in recent weeks and now we are over the teething issues of T2 integration, I am excited about us moving onto the next stage to really optimize our partnership moving even further forward together.”

Dan Williams, Procurement Director Halfords

2017 saw a time when ECP moved distribution to their new T2 NDC which at times had a negative impact on stock availability to the RAC Patrols for the first time in our five years of trading with each other. Laser focus was put on trying to identify issues and reasons behind the problems created by the transition into T2. ECP stocked branches and the NDC to unprecedented levels to ensure RAC’s drastically increased demand profile matched what was needed to be held at branch level and we are pleased to say that the availability issues have not re-occurred and ECP/T2 is back to firing on all cylinders once again.

Darren Walker, Head of Roadside Supply Chain RAC
Why ‘T2’?

- T1 designed to sustain ECP up to a turnover of circa £350m
- Sites therefore acquired in Bonehill & Swadlincote
- Running multiple sites is inefficient - 6.2% from sub 5%
- Property & people in the area, ‘golden triangle’ are scarce
- 2013 a suitable 775,000 sq. ft. site became available
- Potential to boost productivity by nearly four times in automated zones (400 items hourly versus 120)
- Returning investment three years
Did You Know?

90,000 tonnes of soil was removed to build the T2 foundations

80,000 tonnes of concrete was poured, the equivalent of 660,000 wheel barrows full

The T1 warehouse would fit in the footprint of the T2 mezzanine

8 football pitches would fit into the footprint of T2

It would take 1.4 million litres of water to fill up

3,000 tonnes of steel went into the build - the same weight as 235 double decker buses

Our NDC delivery fleet travels c. 32,000 miles daily - the same distance as going around the world

The T2 late shift walk more than 7,000km each night - the equivalent of 178 marathons
January 2015
Base building of the site begins

July 2016
Base build & fit out complete

May 2017
Commissioning complete, system handover

May - July 2017
ECP system testing
Timescales & Milestones

July - December 2017
ECP & ROI branches migrated to T2 for stock picking & customer ordering. Bonehill site closed December 2017

May - June 2018
All Andrew Page branches migrating to T2 for stock picking & customer ordering

May - June 2018
Swadlincote migrated to repurposed T1 site
Swadlincote to close July 2018

Moving forward...
Where We Are Now?

- Stock holding currently £85m
- Serves 220+ branches in the UK & ROI six days per week overnight
- Daily throughput 220,000 items inbound & 220,000 outbound
- Service levels are 99.7%
- Picking rate of 400+ in the automation areas
- Exited Swadlincote & Bonehill, T1 - Collision & Coatings on track
- Andrew Page distributed from T2
What You Will See Today?

- Inbound
- Wide aisle
- Fast pallet
- Miniload
- Stingray GTP
- Fast tote
- Pick tower
- Robot
- Outbound
- VNA
- Wide aisle
- Decant
- Inbound
Appendix
## Reconciliation of Net Income to EBITDA and Segment EBITDA*

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year Ended December 31*</th>
<th>TTM Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>Net income</td>
<td>$311.6</td>
<td>$381.5</td>
</tr>
<tr>
<td>Subtract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributable to noncontrolling interest</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net income attributable to LKQ stockholders</td>
<td>$311.6</td>
<td>$381.5</td>
</tr>
<tr>
<td>Subtract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) from discontinued operations</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net income from continuing operations attributable to LKQ stockholders</td>
<td>$311.6</td>
<td>$381.5</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>86.5</td>
<td>125.4</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>50.8</td>
<td>63.9</td>
</tr>
<tr>
<td>Loss on debt extinguishment**</td>
<td>2.8</td>
<td>0.3</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>164.2</td>
<td>204.3</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$615.9</td>
<td>$775.5</td>
</tr>
<tr>
<td>Subtract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in (loss) earnings of unconsolidated subsidiaries</td>
<td>—</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Gains on foreign exchange contracts - acquisition related</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gains on bargain purchases</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>10.2</td>
<td>14.8</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>2.5</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Segment EBITDA</td>
<td>$628.6</td>
<td>$790.6</td>
</tr>
<tr>
<td><strong>EBITDA as a percentage of revenue</strong></td>
<td>12.2%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Segment EBITDA as a percentage of revenue</td>
<td>12.4%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

* The sum of the individual components may not equal the total due to rounding
** Loss on debt extinguishment is considered a component of interest in calculating EBITDA
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 noncontrolling interest, 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 noncontrolling interest, 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 and underlying trends in our ongoing operations. 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. 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 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 appropriate measures for performance relative to other companies.
# EBITDA Reconciliation - Stahlgruber

<table>
<thead>
<tr>
<th>(in € millions)</th>
<th>Year Ended December 31*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>€63.9</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>20.9</td>
</tr>
<tr>
<td>Financial result (interest)</td>
<td>5.8</td>
</tr>
<tr>
<td>Taxes on income</td>
<td>37.7</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>€128.2</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>1,614</td>
</tr>
<tr>
<td><strong>EBITDA as a percentage of revenue</strong></td>
<td>7.9%</td>
</tr>
</tbody>
</table>

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

Note: Stahlgruber financials as per German GAAP; Amounts are subject to change based on final conversion to US GAAP Statements. Amounts include €100 million and €4 million of estimated revenue and EBITDA, respectively, for the Czech Republic business, which acquisition is subject to regulatory approval and therefore excluded from pro forma LKQ/Stahlgruber combined financial results within this presentation.

The above table reconciles Net Income as determined under German GAAP to EBITDA and was derived from Stahlgruber financial information provided to LKQ. We provide a reconciliation of Net Income to EBITDA as we believe it offers investors, securities analysts and other interested parties useful information regarding Stahlgruber’s results of operations because it assists in analyzing its performance and the value of its business. EBITDA provides insight into profitability trends and allows management and investors to analyze operating results without the impact of depreciation, amortization interest and income tax expense. 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.
## Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS from Continuing Operations

(in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>311.6</td>
<td>381.5</td>
<td>423.2</td>
<td>464.0</td>
<td>530.2</td>
</tr>
<tr>
<td><strong>Subtract:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributable to noncontrolling interest</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(3.5)</td>
</tr>
<tr>
<td><strong>Net income attributable to LKQ stockholders</strong></td>
<td>311.6</td>
<td>381.5</td>
<td>423.2</td>
<td>464.0</td>
<td>533.7</td>
</tr>
<tr>
<td><strong>Subtract:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) from discontinued operations</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7.9</td>
<td>(6.7)</td>
</tr>
<tr>
<td><strong>Net income from continuing operations attributable to LKQ stockholders</strong></td>
<td>311.6</td>
<td>381.5</td>
<td>423.2</td>
<td>456.1</td>
<td>540.5</td>
</tr>
<tr>
<td><strong>Adjustments - continuing operations attributable to LKQ stockholders:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of acquired intangibles</td>
<td>13.8</td>
<td>34.5</td>
<td>33.8</td>
<td>81.7</td>
<td>97.4</td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>10.2</td>
<td>14.8</td>
<td>19.5</td>
<td>37.8</td>
<td>19.7</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>2.8</td>
<td>0.3</td>
<td>–</td>
<td>26.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Inventory step-up adjustment - acquisition related</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration liabilities</td>
<td>2.5</td>
<td>(1.9)</td>
<td>0.5</td>
<td>0.2</td>
<td>(4.2)</td>
</tr>
<tr>
<td>Gains on foreign exchange contracts - acquisition related</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(18.3)</td>
<td>–</td>
</tr>
<tr>
<td>Losses (gains) on bargain purchases</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(8.2)</td>
<td>(3.9)</td>
</tr>
<tr>
<td>U.S. tax law change 2017</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(22.2)</td>
<td>–</td>
</tr>
<tr>
<td>Excess tax benefit from stock-based payments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(11.4)</td>
<td>(8.0)</td>
</tr>
<tr>
<td><strong>Tax effect of adjustments</strong></td>
<td>(9.4)</td>
<td>(17.2)</td>
<td>(18.4)</td>
<td>(45.6)</td>
<td>(40.6)</td>
</tr>
<tr>
<td><strong>Adjusted net income from continuing operations attributable to LKQ stockholders</strong></td>
<td>$331.5</td>
<td>$412.1</td>
<td>$458.6</td>
<td>$522.5</td>
<td>$582.7</td>
</tr>
<tr>
<td>Weighted average diluted common shares outstanding</td>
<td>304,131</td>
<td>306,045</td>
<td>307,496</td>
<td>309,784</td>
<td>310,649</td>
</tr>
<tr>
<td>Diluted earnings per share from continuing operations attributable to LKQ stockholders:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>$1.02</td>
<td>$1.25</td>
<td>$1.38</td>
<td>$1.47</td>
<td>$1.74</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$1.09</td>
<td>$1.35</td>
<td>$1.49</td>
<td>$1.69</td>
<td>$1.88</td>
</tr>
</tbody>
</table>

*The sum of the individual components may not equal the total due to rounding.*
We have presented Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations Attributable to LKQ Stockholders as we believe these measures are useful for evaluating the core operating performance of our continuing business across reporting periods and in analyzing the company’s historical operating results. We define Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations Attributable to LKQ Stockholders as Net Income and Diluted Earnings per Share adjusted to eliminate the impact of noncontrolling interest, discontinued operations, restructuring and acquisition related expenses, 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, adjustments to the estimated tax reform provisions recorded in 2017 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 from Continuing Operations Attributable to LKQ Stockholders 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 from Continuing Operations Attributable to LKQ Stockholders 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.
**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><strong>Net income from continuing operations attributable to LKQ stockholders</strong></td>
<td>$611</td>
<td>$641</td>
</tr>
<tr>
<td><strong>Adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of acquired intangibles</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Restructuring and acquisition related expenses</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Excess tax benefit from stock-based payments</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Tax effect of adjustments</td>
<td>(27)</td>
<td>(27)</td>
</tr>
<tr>
<td><strong>Adjusted net income from continuing operations attributable to LKQ stockholders</strong></td>
<td>$685</td>
<td>$715</td>
</tr>
</tbody>
</table>

| **Weighted average diluted common shares outstanding** | 312             | 312              |

| **Diluted EPS from continuing operations attributable to LKQ stockholders:** |                  |                  |
| U.S. GAAP                       | $1.96            | $2.06            |
| Non-GAAP (Adjusted)             | $2.20            | $2.30            |

*Effective only on April 26, 2018, the date of the Q1 2018 LKQ Corporation Earnings Conference Call.

Does not include the pending Stahlgruber acquisition announced in December 2017. Guidance is subject to change after the transaction closes.

We have presented forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations Attributable to LKQ Stockholders in our financial guidance. Refer to the discussion of Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations Attributable to LKQ Stockholders 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 Attributable to LKQ Stockholders, we included estimates of income from continuing operations attributable to LKQ stockholders, amortization of acquired intangibles for the full fiscal year 2018 and the related tax effect; we included for all other components the amounts incurred as of March 31, 2018.

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