Investor/Analyst Conference Call
LKQ to Acquire Stahlgruber GmbH

December 11, 2017

Forward Looking Statement

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

Forward-looking statements include, but are not limited to, statements regarding our 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 may be 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 potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by our forward-looking statements include, among others, the expected timetable for completing the transaction; the receipt of regulatory approvals for the transaction without unexpected delays or conditions; the failure to realize, or delays in realizing, growth projections, synergies and cost-savings from the transaction; competitive responses to the transaction; and the risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2016 and any of our subsequent Quarterly Reports on Form 10-Q. These reports are available on our investor relations website at lkqcorp.com and on the SEC website at sec.gov.

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.

Agenda

- Strategic Rationale – Nick Zarcone, President and Chief Executive Officer
- Stahlgruber Overview - John Quinn, Chief Executive Officer of LKQ Europe
- Financial Overview - Varun Laroyia, Executive Vice President and Chief Financial Officer
- Q & A

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

Transaction Highlights

- Acquiring Stahlgruber GmbH, a leading German wholesale distributor for passenger car parts, tools, capital equipment and accessories as well as related services
- Acquisition will create first truly Pan-European parts wholesale footprint by linking additional EU countries with LKQ's existing footprint
- €1.6 billion of sales in 2017 estimate ("2017E")
- €1.5 billion purchase price; ~10x EBITDA(1), net of NPV of estimated future tax benefit, inclusive of expected synergies
- Accretive to Adjusted EPS in year 1
- Experienced, accomplished and committed senior management team
- Significant combined free cash flow generation
- Expect Q1/Q2 2018 close

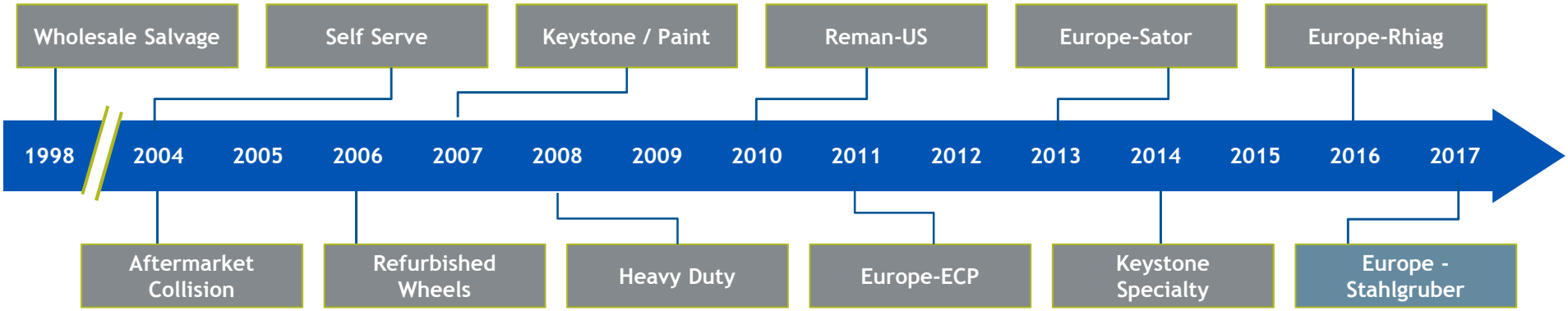
Note: Stahlgruber financials as per German GAAP; EBITDA and EPS figures are subject to change based on final conversion to US GAAP statements and calculation under LKQ's Adjusted EBITDA and EPS presentation.
(1) Stahlgruber EBITDA represents 2017E adjusted for €20mm of estimated annual synergies. The purchase price is net of the present value of tax benefit (€38mm). See the Appendix for a reconciliation of Stahlgruber's EBITDA (non-GAAP measure).

LKQ Corporation

LKQ Corporation

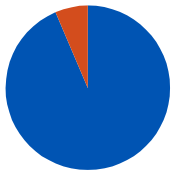
Strategic Rationale and Market Overview

LKQ's Evolution



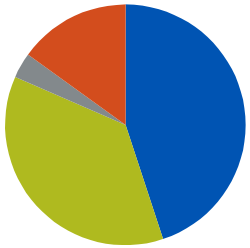
2003

Total Revenue $328mm



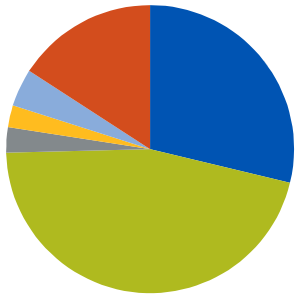
2007

Total Revenue $1.11B



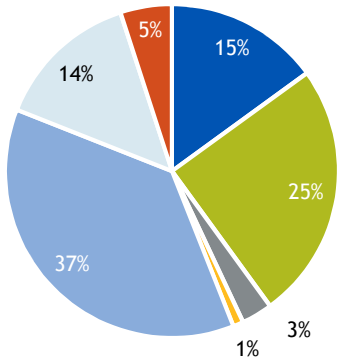
2011

Total Revenue $3.27B



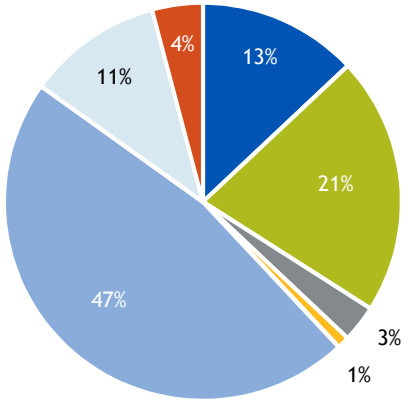
2017(1)

Total Revenue $9.42B



PF 2017(2)

Total Revenue $11.3B



Recycled Products | Aftermarket NA | Self Service Parts | Heavy Truck Parts | European Operations | Specialty | Other

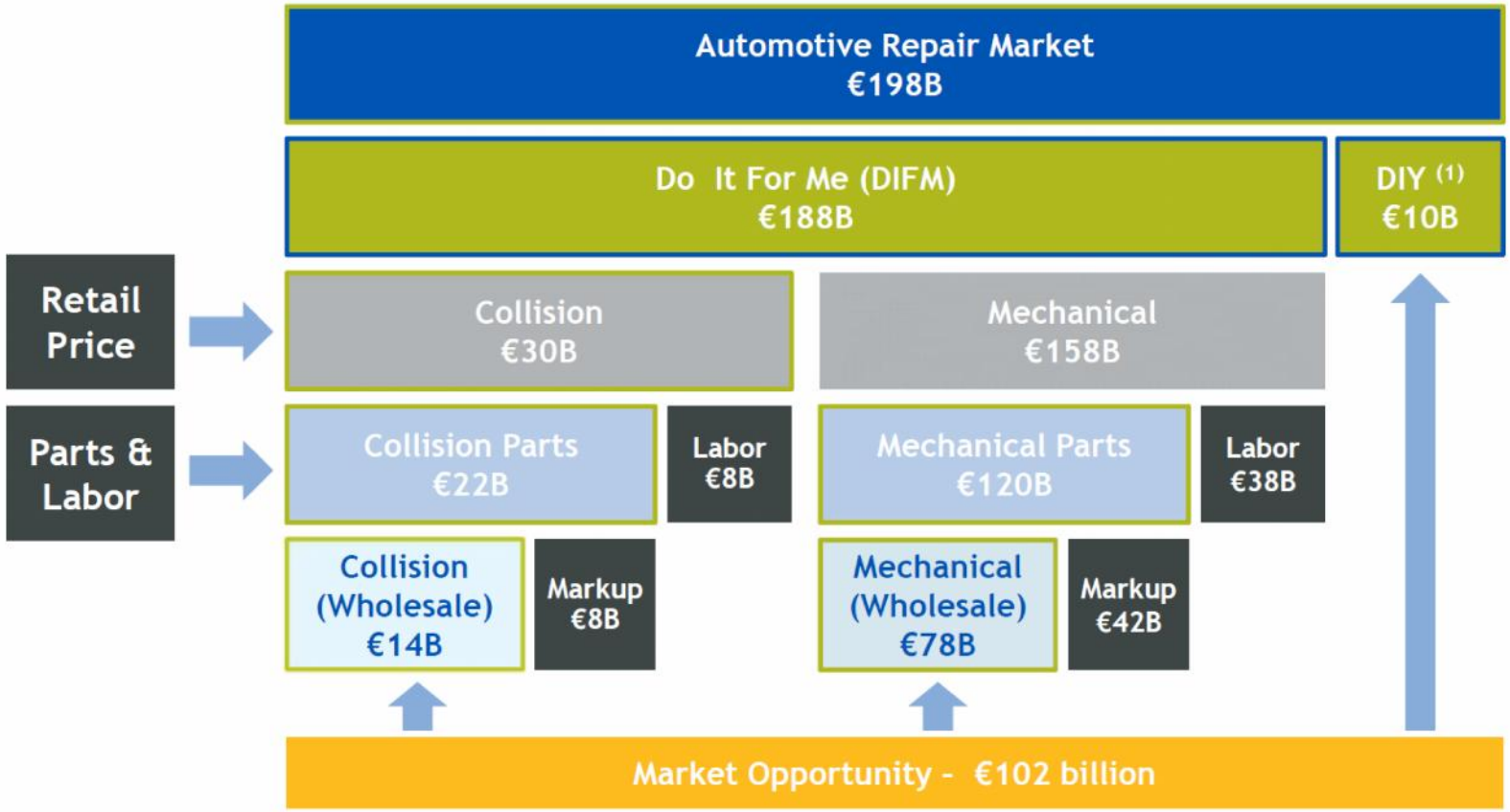
Note: Stahlgruber financials as per German GAAP; Revenue is subject to change based on final conversion to US GAAP statements.
EUR / USD exchange rate of 1.179.
(1) LTM as of 09/30/2017.
(2) Pro forma for 2017E revenue of Stahlgruber (included in European Operations).

LKQ Corporation

Strategic Rationale for Acquisition of Stahlgruber

- Confirms LKQ as a leading independent wholesale distributor in Europe
- Entry into Germany, Europe's largest automotive aftermarket, with a market leading company
- Opportunities to create significant synergies:
  - Improved procurement due to scale
  - Creates a contiguous footprint among LKQ's continental European operations allowing for improved logistics and infrastructure optimization
  - Exchange of best practices between respective local management teams
- Straightforward integration process
  - Strong management team, committed to stay post-closing
  - Large degree of supplier overlap should reduce integration risk
  - LKQ is experienced with cross cultural, multinational integrations
  - Planned financing structure expected to include a long-term bond and equity issuance that should improve LKQ's FCF profile

European Market Overview



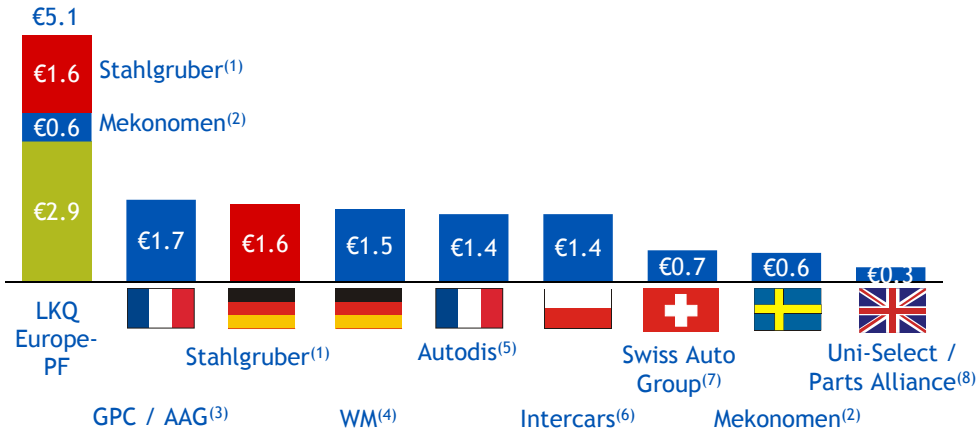
- Large car parc
- Fragmented industry
- Dominated by country champions
- Low penetration of alternative collision parts

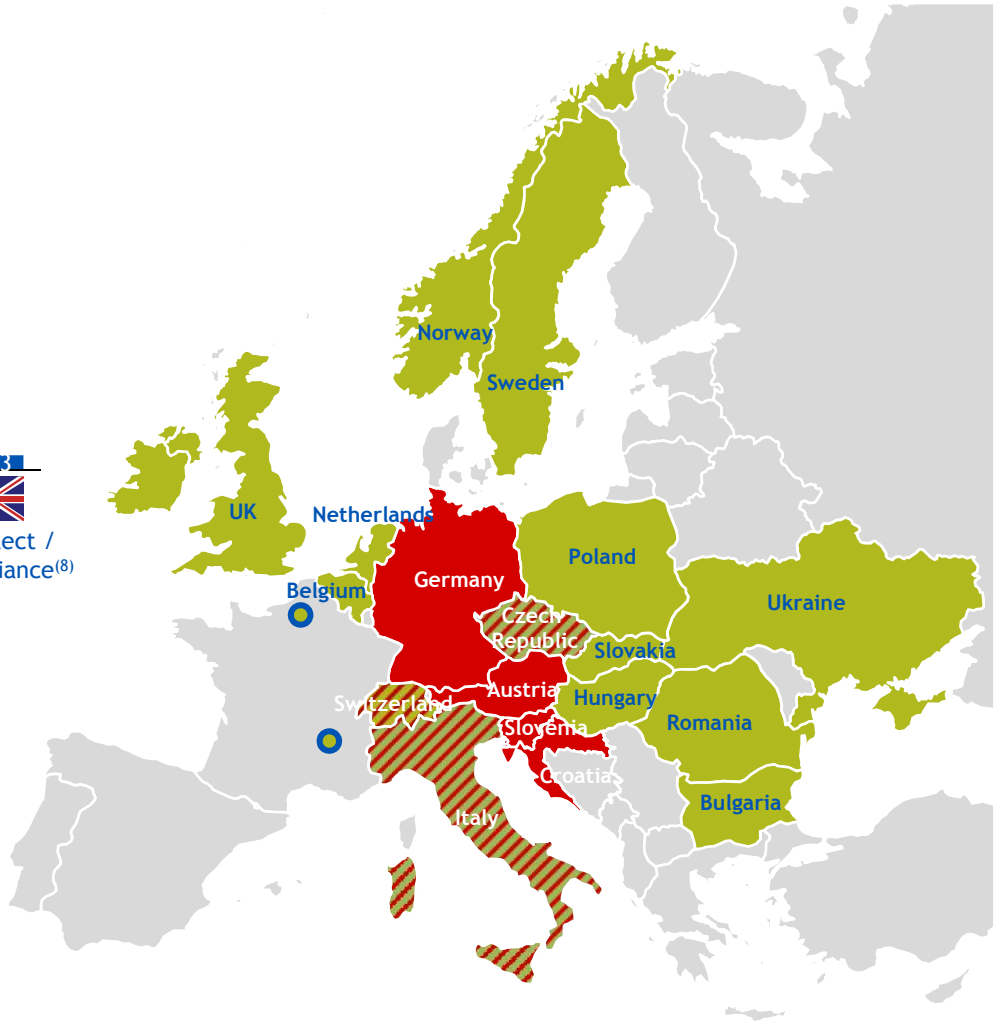
- Professional repairer focused
- Segmented by the suppliers
- Focused on mechanical parts

Source: 2014 Datamonitor; Management estimates.
Note: All € in millions; Excludes VAT and sales taxes.
(1) Do It Yourself e-commerce only.

Stahlgruber is a Natural Strategic Fit for LKQ

(€ revenue in billions)





Source: Company filings and websites; Amounts are approximate.
Stahlgruber financials as per German GAAP; Revenue is subject to change based on final conversion to US GAAP statements.
EUR / USD exchange rate of 1.179, 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) FY2017E.
(2) September 2017 TTM; LKQ acquired 26.5% equity interest in Mekonomen in Dec 2016.
(3) Estimated; Acquired by GPC in September 2017.
(4) FY2015; Per company website.
(5) Estimated; Excludes AD Polska revenue.
(6) LTM 9/30/16; Per company website.
(7) September 2016 TTM; Per company website.
(8) FY ended 04/30/2017; Acquired by Uni-Select in June 2017.

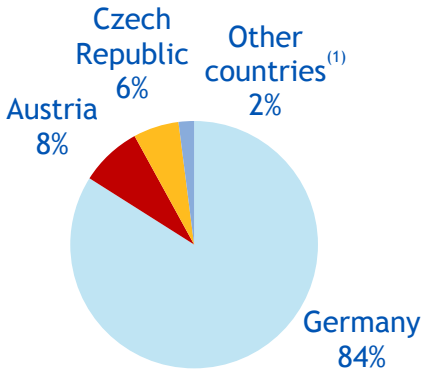
Stahlgruber Overview

Stahlgruber Company Overview

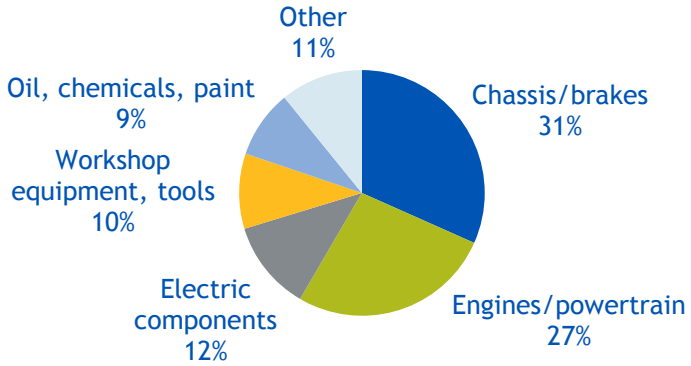
- Major German wholesale distributor for passenger car parts, tools, capital equipment and accessories as well as related services
- Expected to generate €1.6 billion in sales and €128 million in EBITDA[2] in 2017E
- Also a leader in adjacent European countries (Czech Republic and Austria)
- Additional operations in Slovenia, Croatia, Italy and Switzerland
- Customer portfolio is characterized by a low degree of concentration, with top 10 customers representing ~8% of 2016 sales
- From 2014A-2017E, Stahlgruber is expected to deliver strong compound annual revenue growth of 6.9% and EBITDA[2] margin in 2017E of 7.9%

2016A Revenue

By Geography



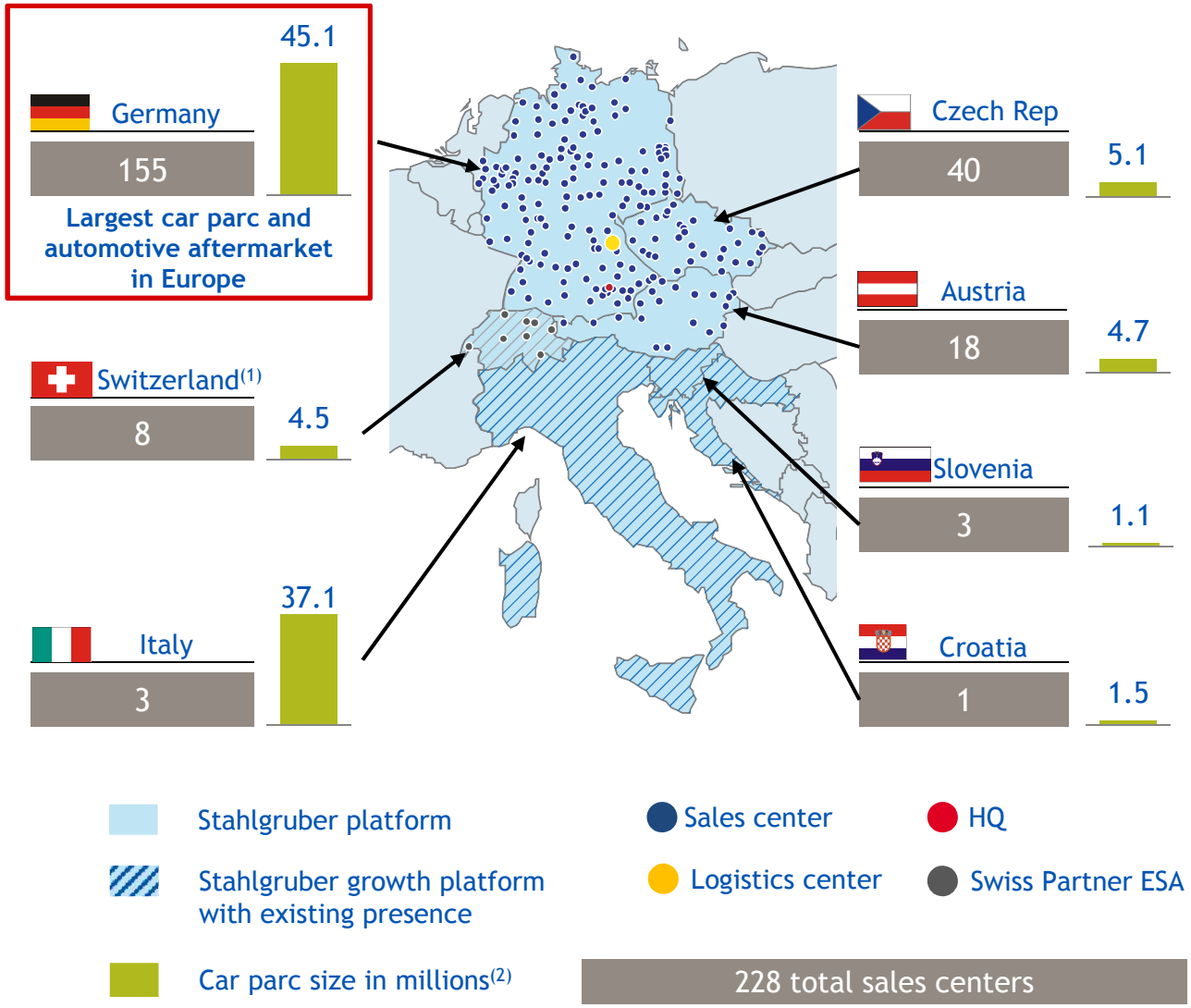
By Product Category



Note: Stahlgruber financials as per German GAAP; Amounts are subject to change based on final conversion to US GAAP statements.
Source: Stahlgruber Company Information.
(1) Other countries include Slovenia, Croatia, Switzerland and Italy.
(2) See the Appendix for a reconciliation of Stahlgruber's EBITDA (non-GAAP measure).

Stahlgruber's Operating Presence and Key Markets

- Offers more than 500,000 products
- Key products include
  - Chassis/brakes
  - Engines/powertrain
  - Electric components
  - Workshop equipment, tools
- Owns an advanced logistics center, strategically located in Germany, fulfilling up to 100,000 orders per day
- Long-tenured management team expected to continue with the business
  - CSO, Heinz Rieker, with Stahlgruber since 1994
  - COO, Andrej Jerman, with Stahlgruber since 1987
  - CFO, Werner Maier, with Stahlgruber since 2006



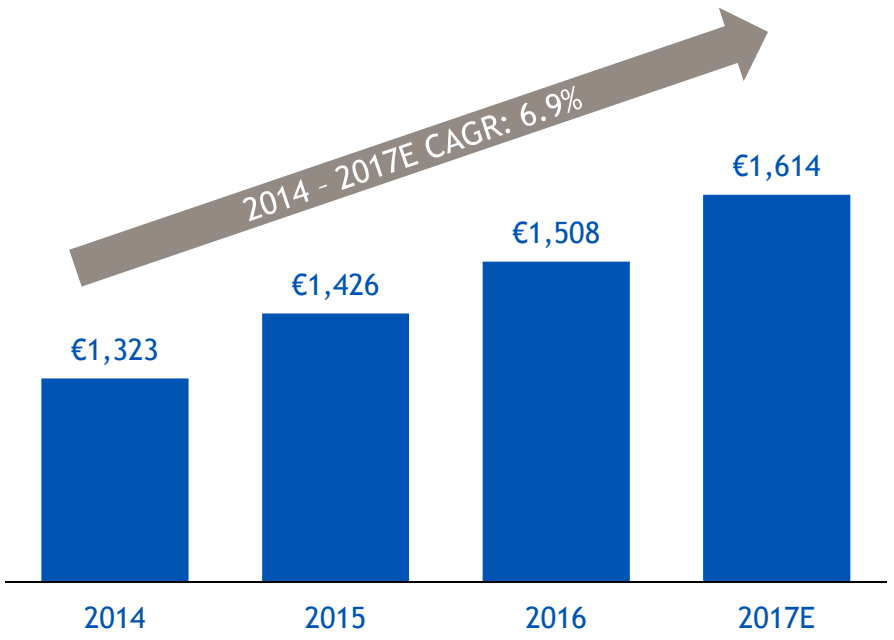
Source: Stahlgruber management presentation, Eurostat.
(1) Operated by Stahlgruber's Swiss strategic partner ESA.
(2) Eurostat passenger car number in 2015, except Italy 2014.

Stahlgruber Is A Consistent Performer

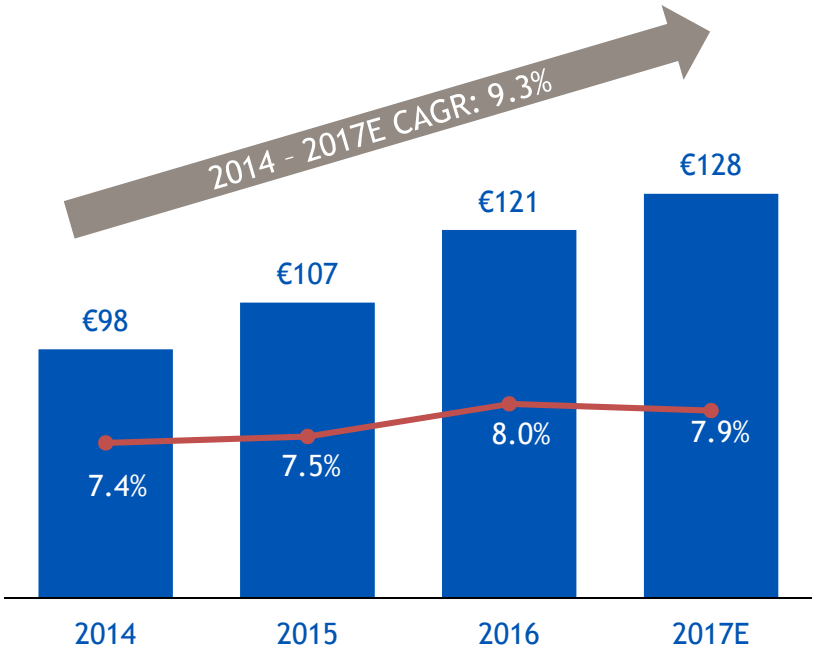
- Consistent Revenue and EBITDA growth each year
- Healthy and stable margin profile

(€ in millions)

Revenue



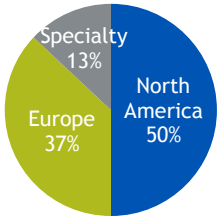
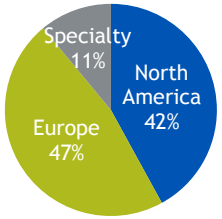
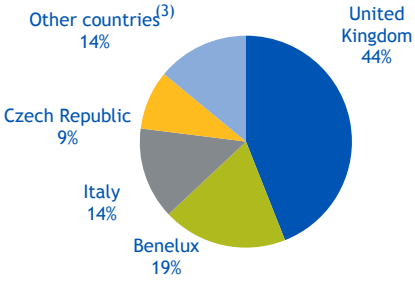
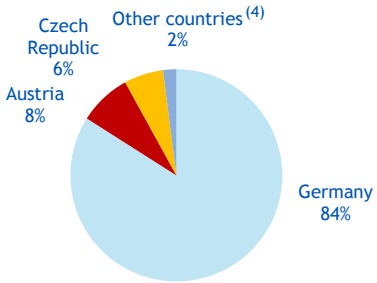
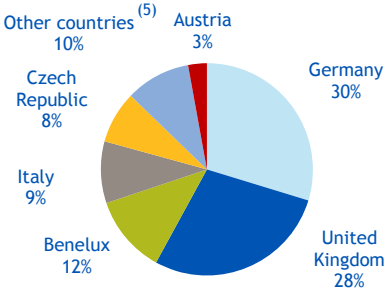
EBITDA (Margin %)



Note: Stahlgruber financials as per German GAAP; Amounts are subject to change based on final conversion to US GAAP statements.
See the Appendix for a reconciliation of Stahlgruber's EBITDA (non-GAAP measure).

LKQ Corporation

Summary Combined Profile

	LKQ Corporation (1)	STAHLGRUBER (2)	LKQ Corporation + STAHLGRUBER
Revenue	$9.4B	$1.9B	$11.3B
EBITDA(6)	$1.1B	$151M	$1.2B
Revenue Contribution			
European Revenue	$3.4B	$1.9B	$5.3B
European EBITDA	$305M	$151M	$456M
European Revenue Contribution			
Footprint/Platform	• European operations began with the acquisition of Euro Car Parts (ECP) in October 2011 • Entered continental Europe with the acquisition of Sator Holding in May 2013 • Further expansion into Eastern Europe with the acquisition of Rhiag in March 2016	• Market presence in Germany, Czech Republic and Austria with an emerging presence in Switzerland, Italy, Slovenia and Croatia	• Combination confirms LKQ as the leading independent wholesale distributor in Europe

Note: Stahlgruber financials as per German GAAP; Amounts are subject to change based on final conversion to US GAAP statements.
EUR / USD exchange rate of 1.179
(1) LTM as of 09/30/2017.
(2) Stahlgruber revenue and EBITDA includes non-controlling interest. Amounts reflect 2017E.
(3) Other countries include Republic of Ireland, Slovakia, Hungary, Romania, Ukraine, Bulgaria, Poland and Switzerland.
(4) Other countries include Slovenia, Croatia, Switzerland and Italy.
(5) Other countries include Republic of Ireland, Slovakia, Hungary, Romania, Ukraine, Bulgaria, Poland, Slovenia, Croatia and Switzerland.
(6) See the Appendix for a reconciliation of LKQ's and Stahlgruber's EBITDA (non-GAAP measure).



Financial Overview

Transaction Summary

Structure and Consideration

- €1.5 billion in total consideration
- Represents Net EV / 2017E EBITDA[(1)]: ~10x, net of NPV of estimated future tax benefit, inclusive of expected synergies
- Transaction expected to be financed with intended debt offerings, existing facilities, cash on hand and ~8m LKQ shares
- Significant combined free cash flow generation

Combined Financial Metrics

- $11.3 billion in pro forma 09/30/2017 LTM Revenue; pro forma EBITDA $1.2 billion
- Anticipating approximately €20 million of annual cost synergies
- Expected to be accretive to Adjusted EPS in year 1

Effect on:	GAAP EPS	Adjusted EPS[(2,3)]
Year 1	($0.01) – $0.01	$0.14 – $0.16
Year 2	$0.04 – $0.06	$0.17 – $0.19

Approvals and Closing

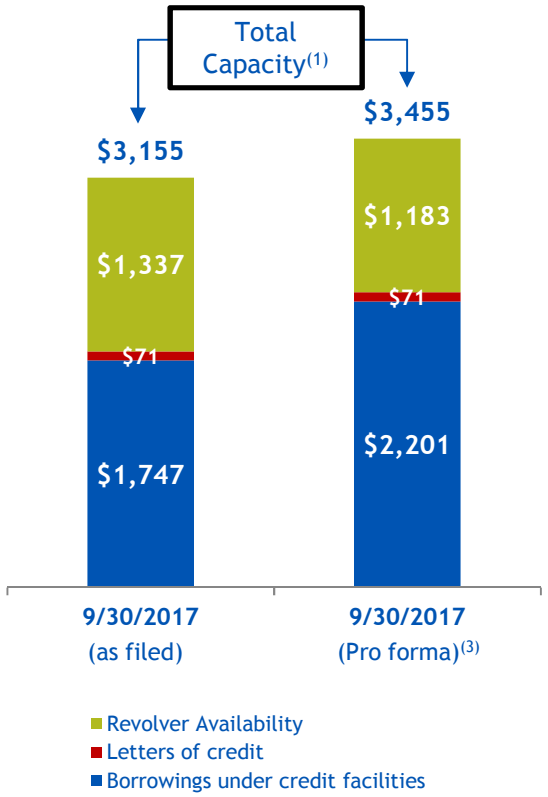
- The transaction has been approved by the Boards of both companies
- Subject to regulatory approvals
- Expected to close in Q1/Q2 2018

Note: Stahlgruber financials as per German GAAP; EBITDA and EPS figures are subject to change based on final conversion to US GAAP statements and calculation under LKQ's Adjusted EBITDA and EPS presentation.
Assumes EUR/USD exchange rate of 1.179.
(1) Stahlgruber EBITDA represents 2017E adjusted for €20mm of estimated annual synergies. The purchase price is net of present value of tax benefit (€38mm). See the Appendix for a reconciliation of Stahlgruber's EBITDA (non-GAAP measure).
(2) Value of intangibles and subsequent impact of amortization is highly indicative and will be finalized in accordance with US GAAP accounting within one year of closing. All numbers are estimates / approximations.
(3) Differences between GAAP and Adjusted EPS relate to expected after tax amortization of intangibles of $48mm ($0.15 per share) for Year 1 and $42mm ($0.13 per share) for Year 2.

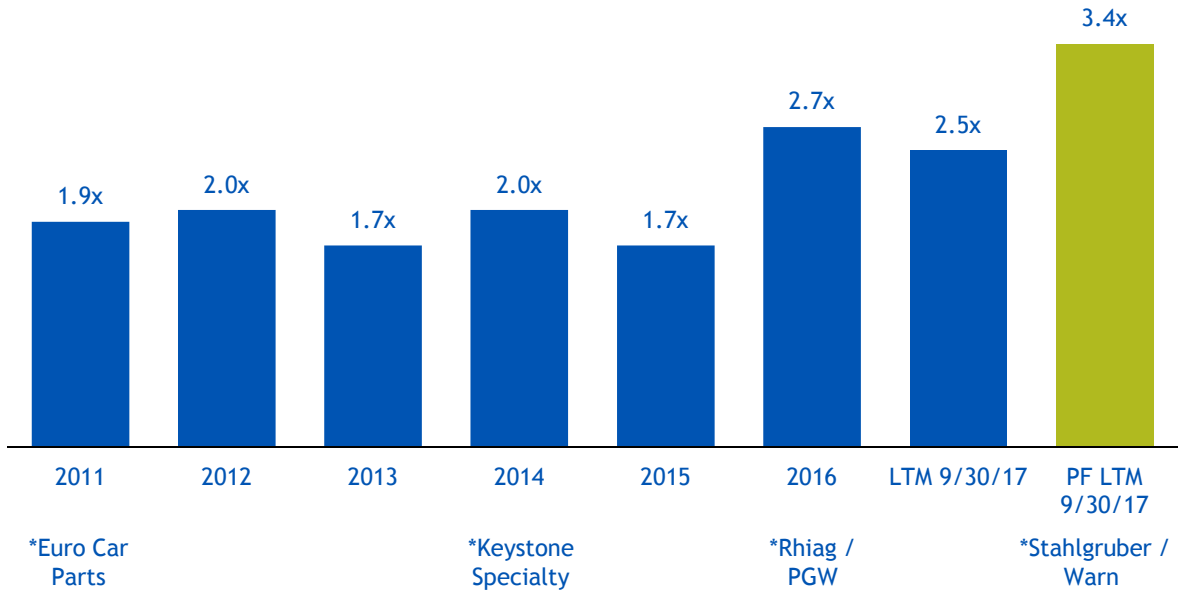
LKQ Has Demonstrated Ability to Deleverage Following Significant Transactions

Credit Facility

($ in millions)



Historical Net Leverage Profile Over Time(2)



(1) Total capacity includes term loans and revolving credit facilities. Includes $300mm increase in revolver capacity from December 1, 2017 amendment to the credit facility.
(2) Based on bank covenant definitions; See credit agreement filed with our 2016 Form 10-K for details on the calculation of the net leverage ratio.
(3) Additional financing for the acquisition is expected to be obtained from sources other than the Credit Facility.

LKQ Corporation

Key Takeways

- Consistent with LKQ's growth and acquisition strategy in Europe
  - Markets where LKQ can be #1 or #2
  - Maintains our discipline on operational profile and financial return metrics
  - Enhances our global diversification strategy with new large addressable markets and market leading positions
  - Experienced, accomplished and committed senior management team
- Europe is a large, fragmented addressable market with attractive fundamentals
  - Aging car parc, increasing complexity and sophistication of parts
- Solidifies LKQ's pan-European distribution strategy
  - Germany adds a strategic hub for our European operations
  - Stahlgruber footprint will link countries where we are operating and create growth opportunities
- Synergy potential through highly complementary geographic footprint and product portfolio
- Attractive financial metrics

LKQ Corporation

Appendix

EBITDA Reconciliation - Stahlgruber

(€ in millions)	FY 2014	FY 2015	FY 2016	FY 2017E
Net income	€46.7	€59.3	€61.7	€65.8
Taxes on income	(24.8)	(22.0)	(34.2)	(31.3)
Financial result (interest)	(10.8)	(8.8)	(6.7)	(8.2)
Depreciation & amortization	(15.9)	(17.4)	(18.2)	(23.0)
EBITDA	€98.4	€107.5	€120.8	€128.2
EBITDA as a % of revenue	**7.4%**	**7.5%**	**8.0%**	7.9%

Note: Stahlgruber financials as per German GAAP; Amounts are subject to change based on final conversion to US GAAP statements.
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 our results of operations because it assists in analyzing our performance and the value of our business. EBITDA provides insight into our profitability trends and allows management and investors to analyze our operating results 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 provide by (used in) operating activities, as determined in accordance with accounting principles generally accepted in the United States.

LKQ Corporation

Adjusted EBITDA Reconciliation - LKQ Corporation

	Fiscal Year	9 Months Ended		LTM
($ in thousands)	2016	2016	2017	09/30/17
Net income	$463,975	$377,644	$409,573	$495,904
Subtract:				
Income (loss) from discontinued operations, net of tax	7,852	17,819	(4,531)	(14,498)
Income from continuing operations	456,123	359,825	414,104	510,402
Add:				
Depreciation and amortization	191,433	137,168	159,178	213,443
Depreciation and amortization - cost of goods sold	6,901	5,002	7,330	9,229
Interest expense, net	87,682	64,002	73,806	97,486
Loss on debt extinguishment	26,650	26,650	—	—
Provision for income taxes	220,566	173,225	206,206	253,547
EBITDA	989,355	765,872	860,624	1,084,107
Subtract:				
Equity in earnings (loss) of unconsolidated subsidiaries	(592)	(519)	3,878	3,805
Gains on foreign exchange contracts - acquisition related	18,342	18,342	—	—
Gains on bargain purchases	8,207	—	3,990	12,197
Add:				
Restructuring and acquisition related expenses	37,762	30,814	10,371	17,319
Inventory step-up adjustment - acquisition related	3,614	3,614	—	—
Change in fair value of contingent consideration liabilities	206	176	37	67
Segment EBITDA	$1,004,980	$782,653	$863,164	$1,085,491

Source: LKQ Form 10-K and 10-Q filings

We provide a reconciliation of Net Income to EBITDA as we believe it offers investors, securities analysts and other interested parties useful information regarding our results of operations because it assists in analyzing our performance and the value of our business. EBITDA provides insight into our profitability trends and allows management and investors to analyze our operating results 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 provide by (used in) operating activities, as determined in accordance with accounting principles generally accepted in the United States.

LKQ Corporation