

LKQ Corporation's 2018 Investor Day Presentation

May 31, 2018



Joseph P. Boutross — Vice President, Investor Relations

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.

Agenda

9:50AM to 10:00AM	Opening Remarks-Joe Boutross
10:00AM to 10:30AM	Company Overview, Strategy & Key Priorities-Nick Zarcone
10:30AM to 10:45AM	Wholesale North America-Justin Jude
10:45AM to 11:00AM	Specialty-Bill Rogers
11:00AM to 11:30AM	Wholesale Europe-John Quinn
11:30AM to 12:00PM	Q&A
12:00PM to 12:45PM	Lunch
12:45PM to 1:15PM	**Moderator: Aldo Carabino, CFO, LKQ Europe** • *Sinon Galvin, CEO Sator* • *Jiri Novak, CEO-Central & Eastern Europe (CEE)* • *Martin Gray, CEO Euro Car Parts* • *Paolo Vuillermin, CEO-Italy & Switzerland* • *Ferdinando Imhof, Vice President, Supply Chain-LKQ Europe*
1:15PM to 1:45PM	Financial Overview-Varun Laroyia
1:45PM to 2:00PM	Q&A
2:00PM to 2:15PM	T2 Overview-Martin Gray & Steve Horne
2:15PM to 4:00PM	Tour T2

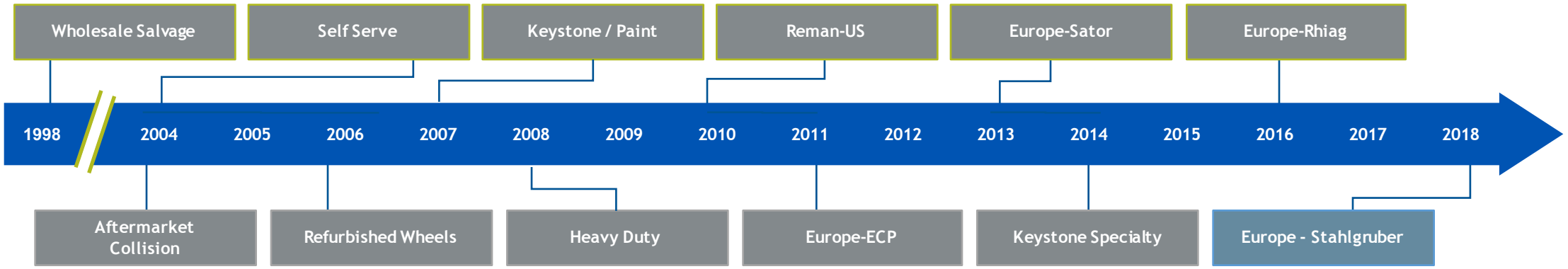


Nick Zarcone — President & Chief Executive Officer

Our Mission Statement

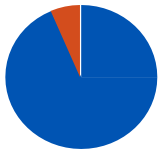
> To be the leading global value-added distributor of vehicle parts and accessories by offering our customers the most comprehensive, available and cost effective selection of part solutions while building strong partnerships with our employees and the communities in which we operate.

LKQ's Evolution



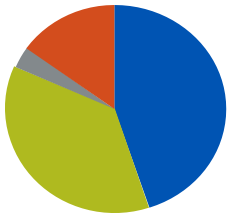
2003

Total Revenue $328 million



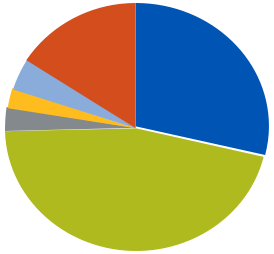
2007

Total Revenue $1.11 billion



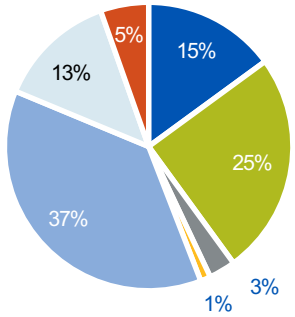
2011

Total Revenue $3.27 billion



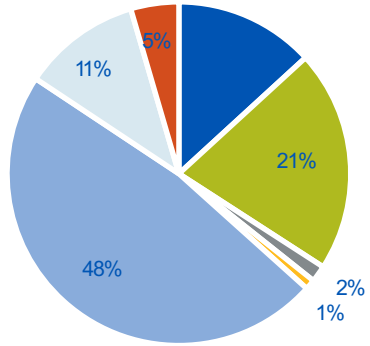
2017(1)

Total Revenue $9.74 billion



PF 2017(2)

Total Revenue $11.55 billion



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

Note: Assumes EUR/USD exchange rate of 1.20 (as of 12/31/17) for Stahlgruber adjustments (See Currency Presentation on page 1)
(1) LKQ 2017 as reported
(2) Pro forma for 2017E Stahlgruber

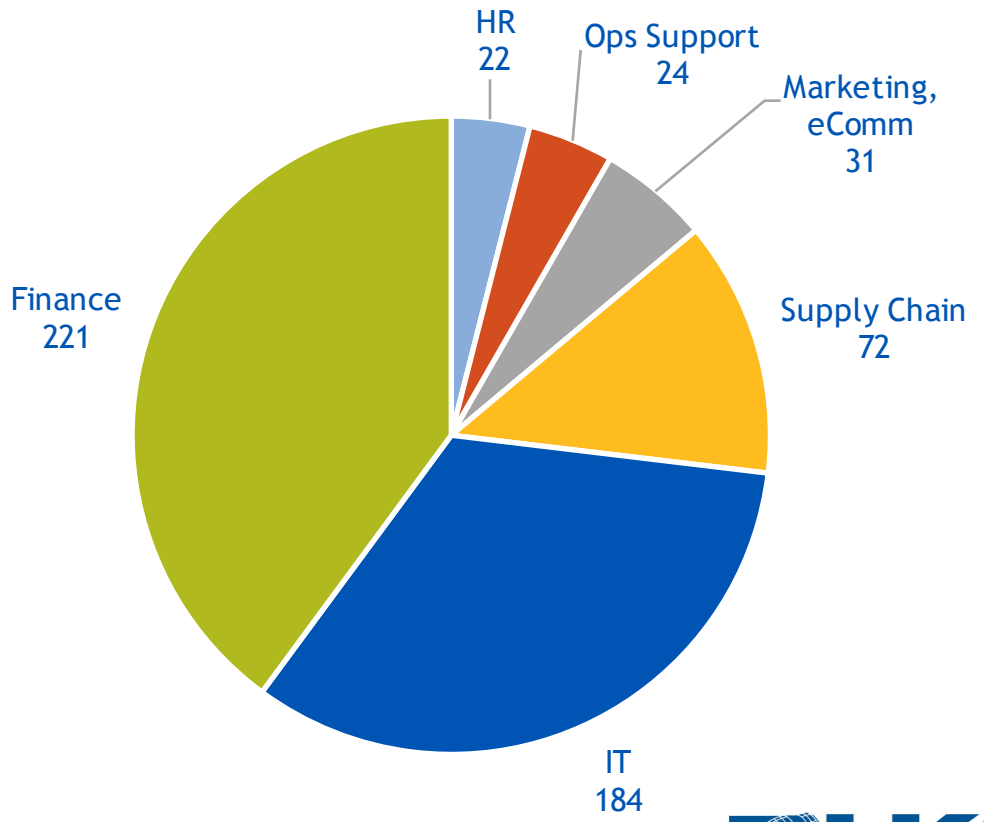
Consistent Business Model



New Nashville Operations Center

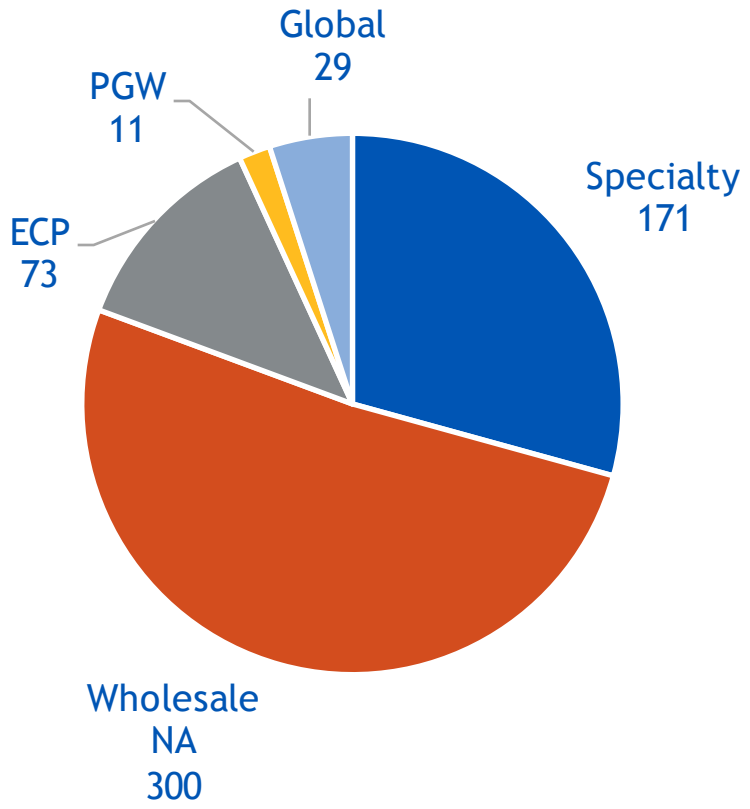


554 Employees



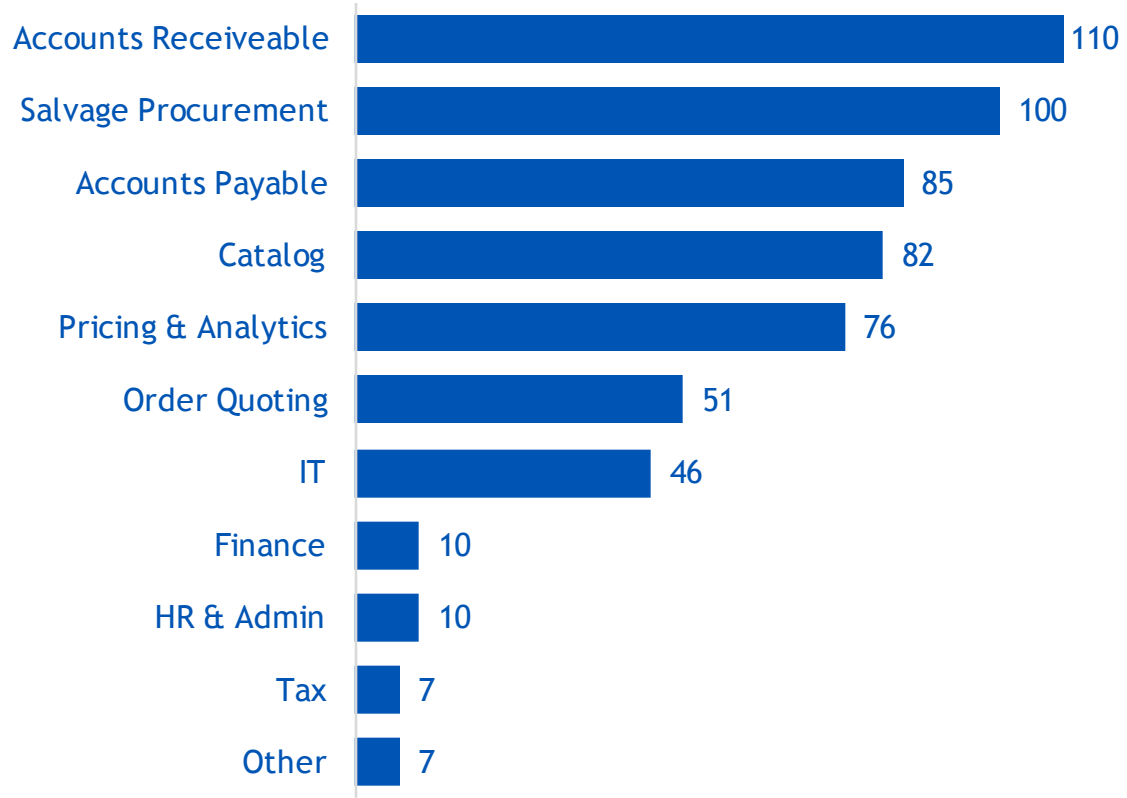
Bangalore Operations Center

By Line of Business



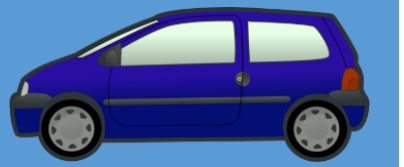
* 584 people at March 31, 2018.

By Department



Key Strategic Pillars

Grow



Diversified Offerings

Expand



Global Footprint

Adapt



To Evolving Technology

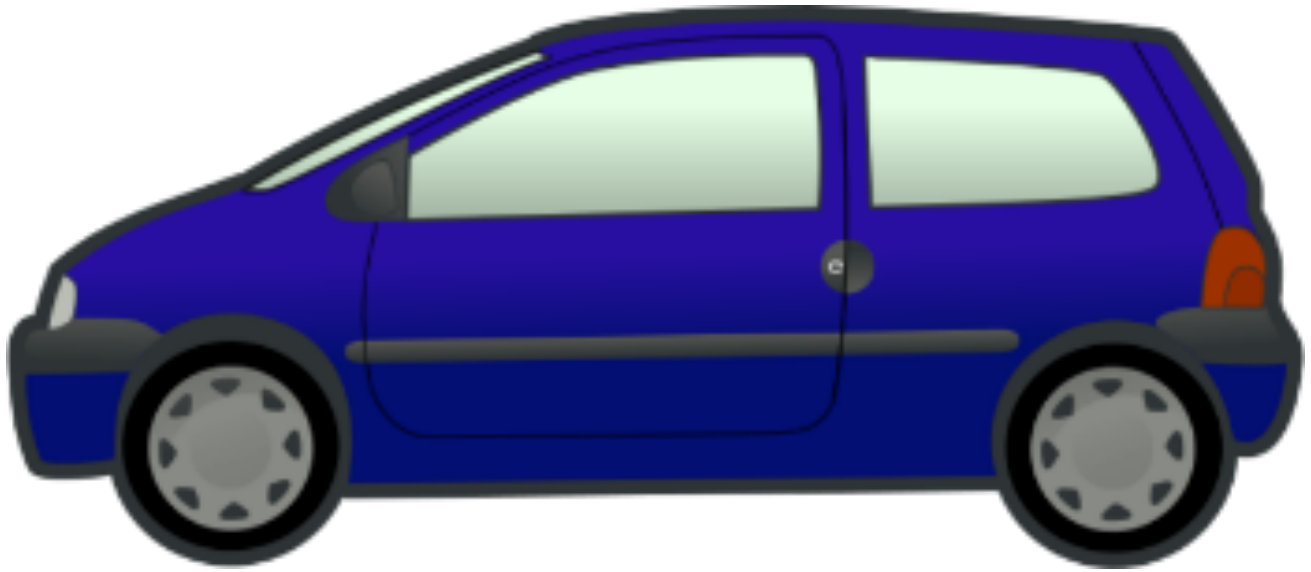
Rationalize



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

Strong Brands



- **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**

Track Record of Successful M&A Integration

Date: October 2011

At Acquisition:

- Revenue: £272 million
- Operated 89 branches in the U.K.
- Broad product line of 114,000 SKUs
- 120,000+ commercial customers

Post Acquisition:

- UK branch network more than tripled
- Introduced collision, paint and specialty products
- Invested £80 million to open state of the art 1 million sq. ft. distribution center
- 2017 Revenue: £1,221 million (+349% since acquisition)

Date: May 2013

At Acquisition:

- Revenue: €288 million
- Operated through 11 distribution centers
- Broad product line of 150,000+ SKUs
- Served 6,000+ customers

Post Acquisition:

- Added 26 businesses in the Benelux region
- Converted majority of Sator to two-step distribution model
- Business has grown to become the leading parts distribution business in Belgium
- 2017 Revenue: €669 million (+132% since acquisition)

Date: March 2016

At Acquisition:

- Revenue: €947 million
- Operated through 247 distribution centers and 10 warehouses
- Major presence in 8 Eastern European countries
- Served 100,000+ professional clients

Post Acquisition:

- Opened 65 new branches
- Completed 3 complementary acquisitions
- 2017 Revenue: €1,116 million (+18% since acquisition)

* Source: Company filings & investor presentations.

LKQ's M&A Scorecard

Business Acquisitions					
	North American Wholesale Businesses	European Wholesale Businesses	Self Service Retail Businesses	Specialty Vehicle Aftermarket Businesses	Total
2017	6	16	0	3	25
2016	7	10	0	0	17
2015	4	12	1	1	18
2014	9	9	2	2	22
2013	10	7	2	0	19
2012	22	0	8	0	30
	58	**54**	**13**	**6**	**131**

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

LKQ OEM Recycled · Aftermarket by Keystone

OEM Recycled (DIFM)

KEYSTONE An LKQ Company

Aftermarket (DIFM)

LKQ Pick Your Part Self Service Auto Parts

Self-Serve (DIY)

A Great Stable of Brands

COLLISION

Aftermarket

Keystone

Platinum Plus

Salvage

LKQ OEM Recycled • Aftermarket by Keystone

Self-Serve:

LKQ Pick Your Part Self Service Auto Parts

Paint (PBE)

Platinum Refinish Series

Distributor of:

PPG, 3M, Lesonal, Sikkens, Wanda, Axalta

Glass

PGW Auto Glass

MECHANICAL

Aftermarket

ATK High Performance Engines

Platinum Pro

Salvage

LKQ OEM Recycled • Aftermarket by Keystone

ATK High Performance Engines

Self-Serve:

LKQ Pick Your Part Self Service Auto Parts

HEAVY TRUCK

LKQ Heavy Truck

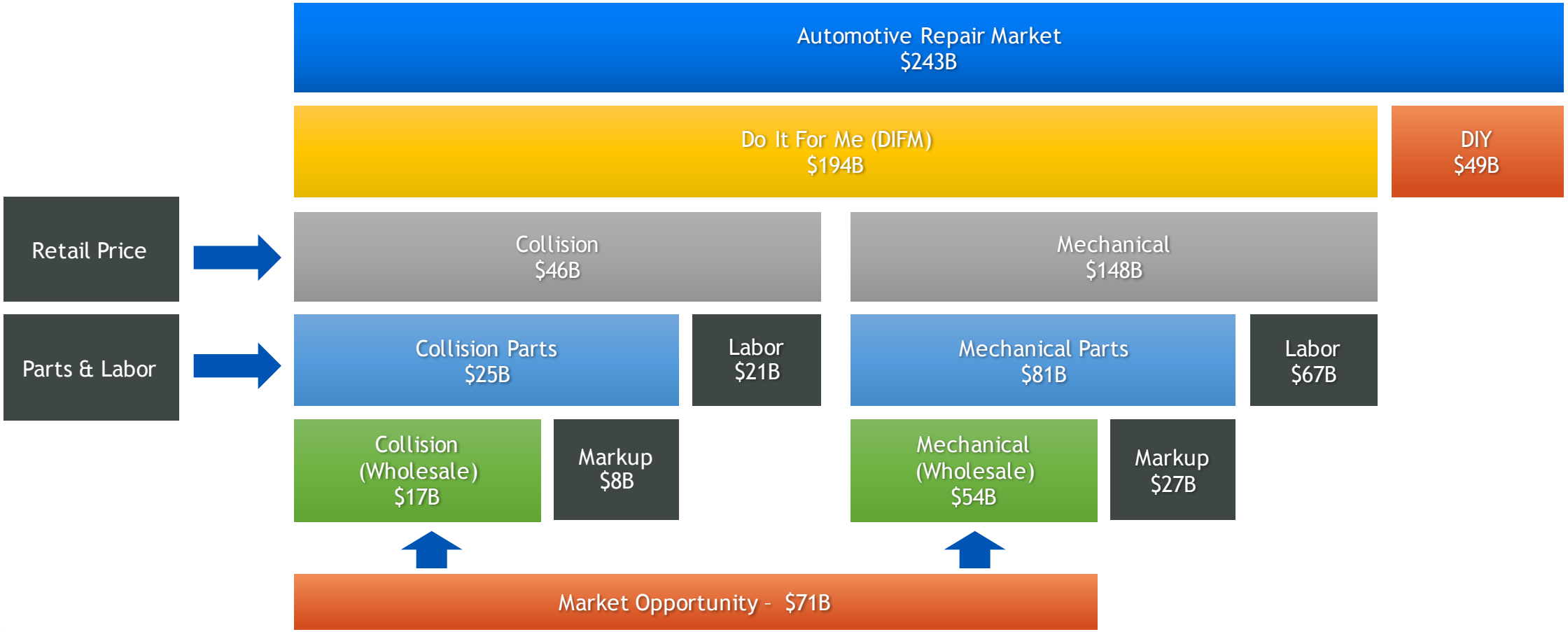
Platinum HD

LKQ PROUD

24

LKQ Corporation

Opportunity for Continued Growth

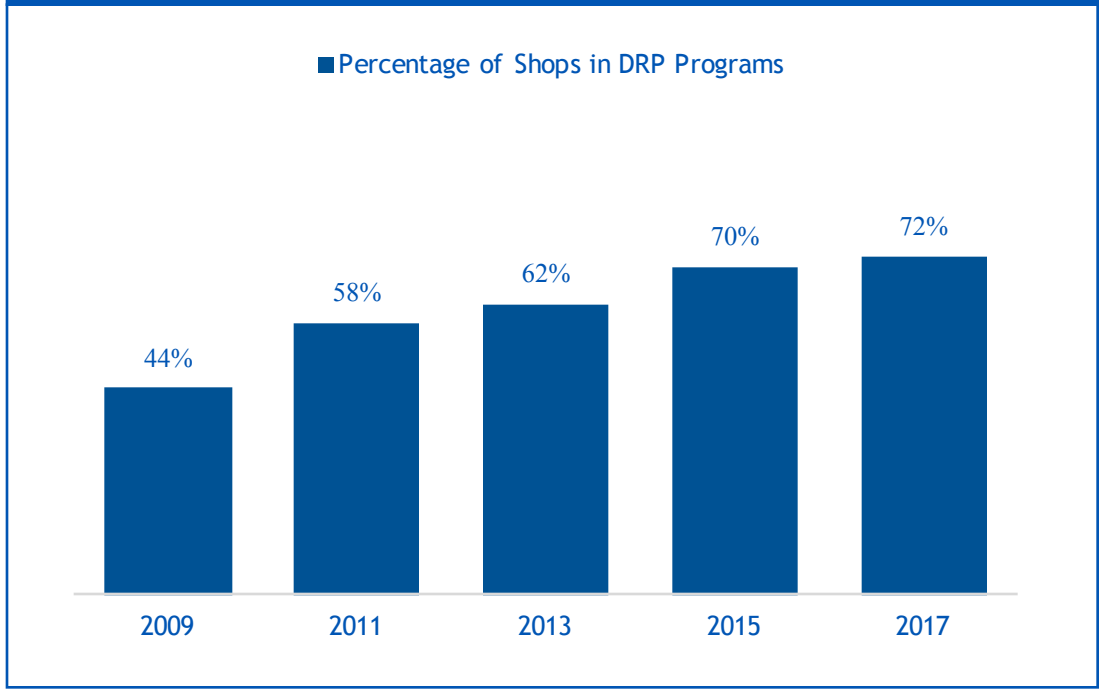


Source: AAIA Factbook, 27th Edition 2018; 2016 data is estimated, excludes tires. Data is U.S. only

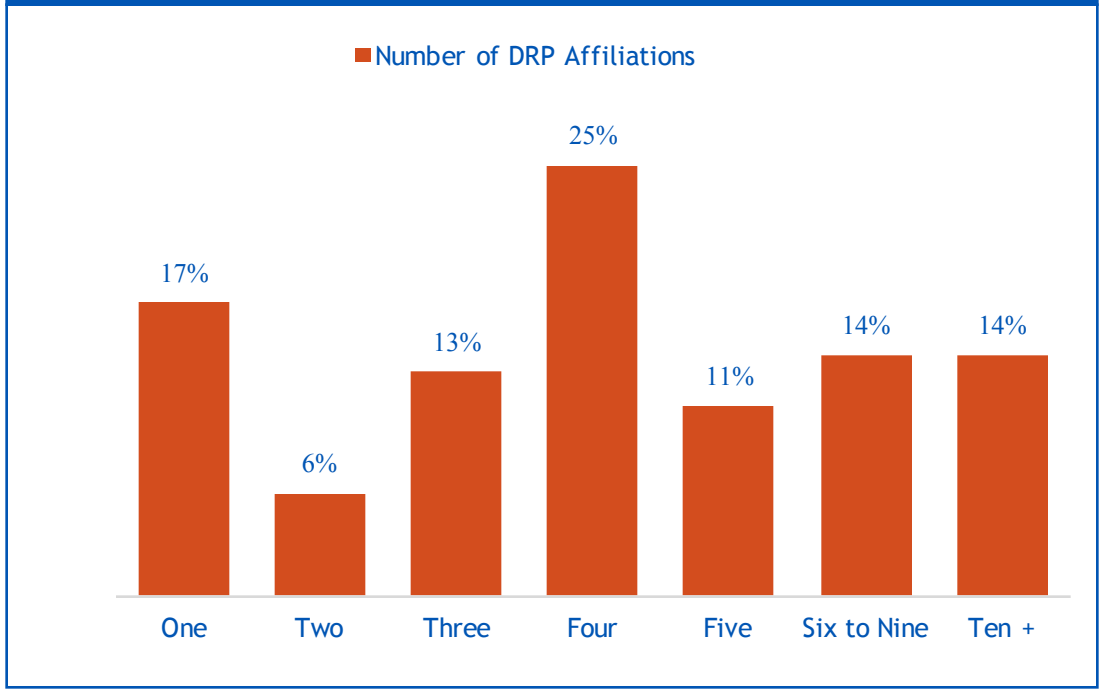
Direct Repair Programs Continue to Grow

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



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

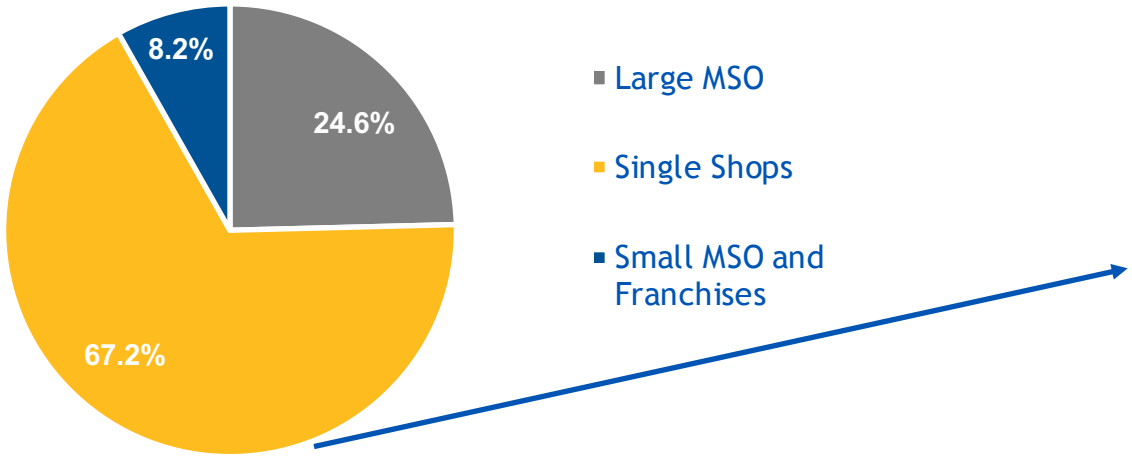


Source: Body Shop Business.

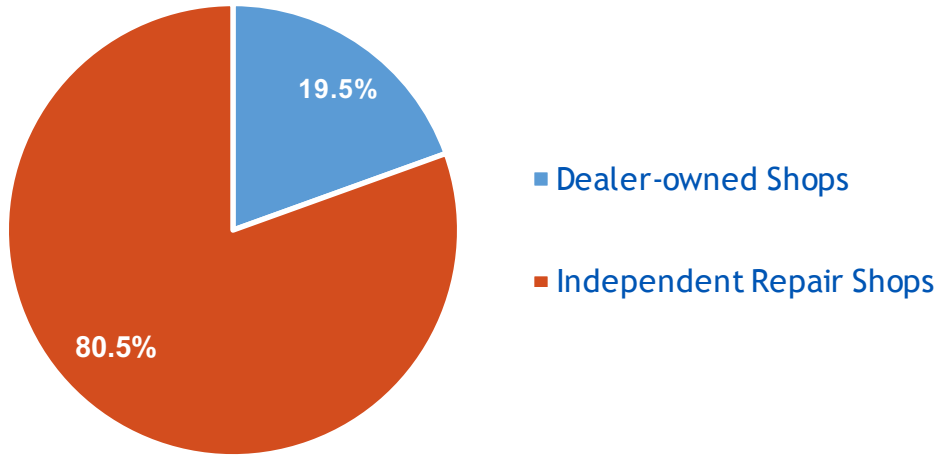
Favorable Collision Market Trends - US

- 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

Total Body Shop Revenue - US



Non-MSO/MLO Body Shop Revenue - US

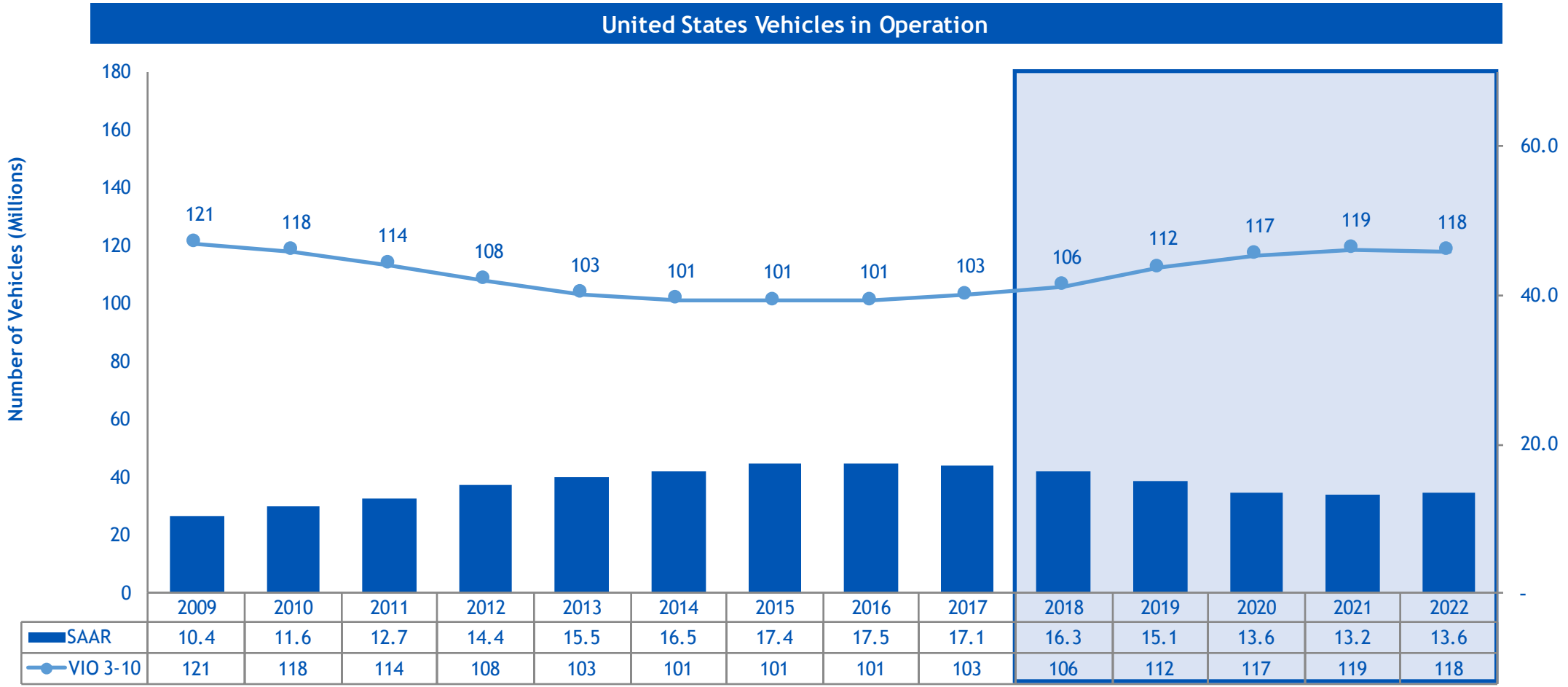


Source: The Romans Group, "Advancing Our Insights Into the 2016 Collision Repair Marketplace."

Multi-Shop Operators & Carriers We Serve



LKQ's Collision Sweet Spot is Growing



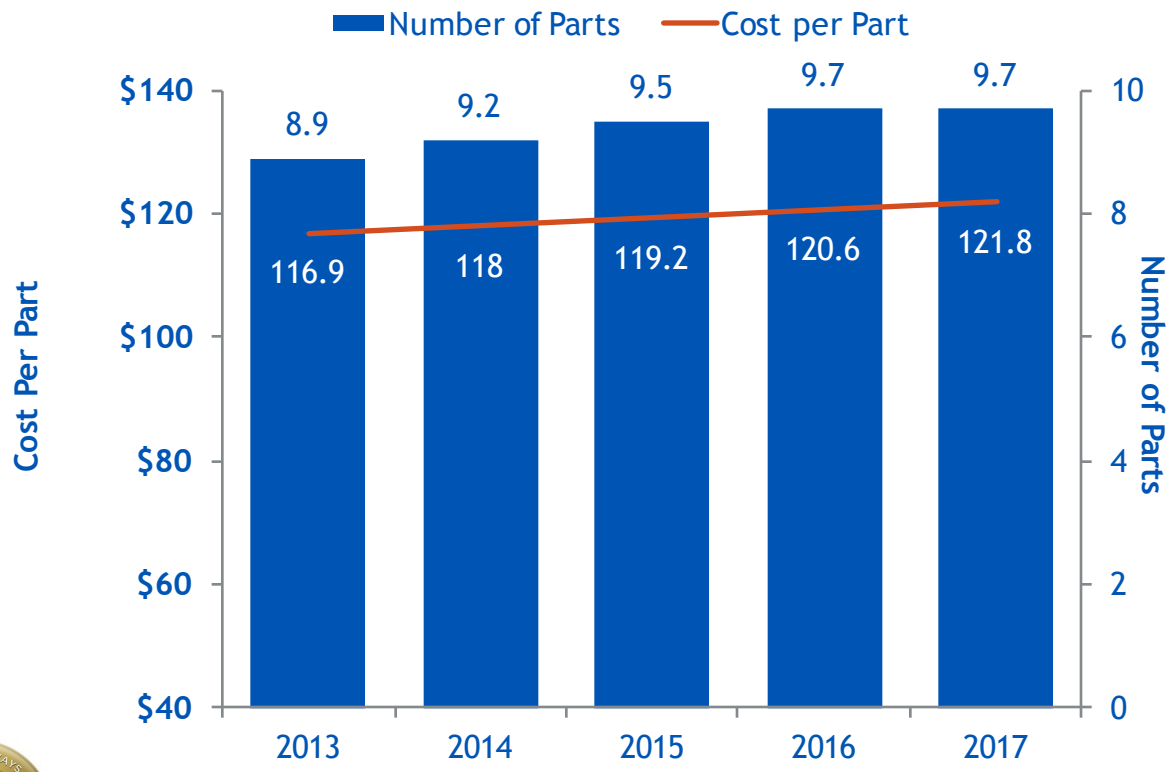
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SAAR	10.4	11.6	12.7	14.4	15.5	16.5	17.4	17.5	17.1	16.3	15.1	13.6	13.2	13.6
VIO 3-10	121	118	114	108	103	101	101	101	103	106	112	117	119	118

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

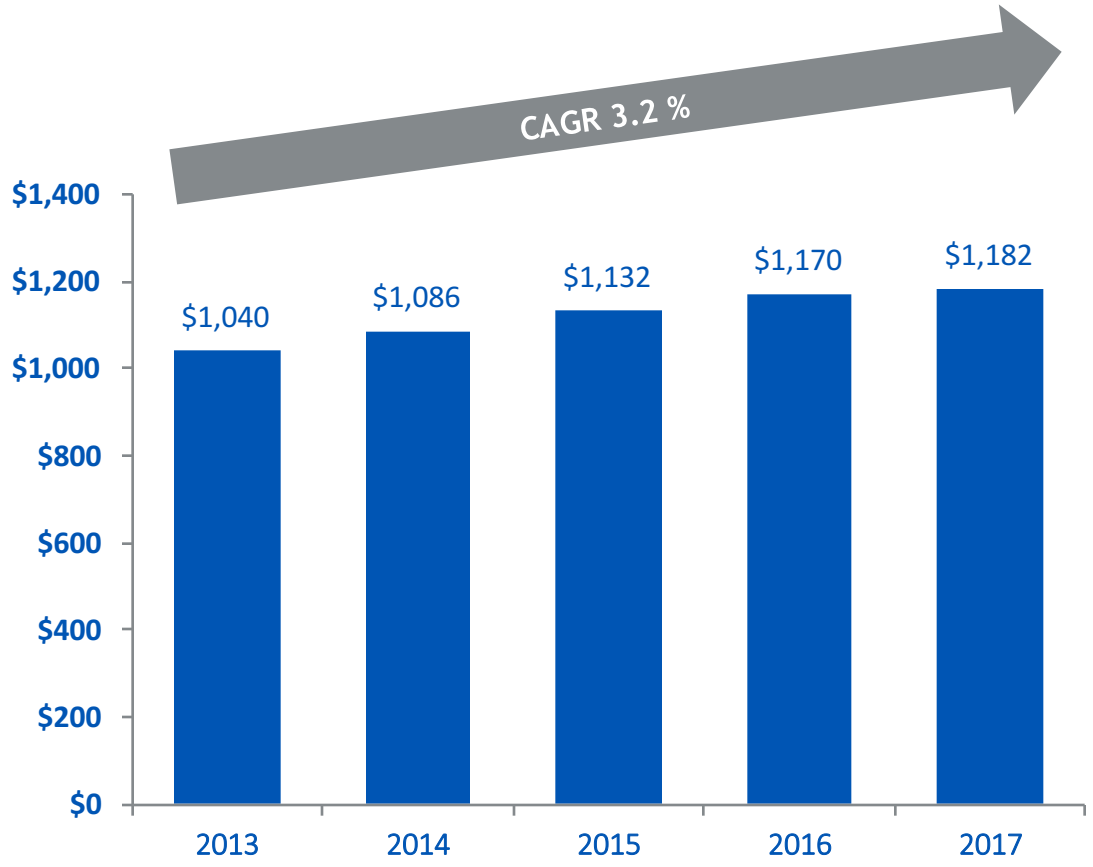
Continual Part Proliferation & Inflation

Cost per Part and Number of Parts 2013 - 2017

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

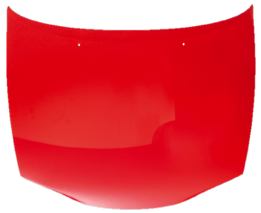


Parts Cost per Repairable Claim



Source: CCC Information Services

A Clear Value Proposition







	2013 Honda Accord **Hood**	2012 Toyota Corolla **Headlamp**	2014 Chevrolet Silverado **Transmission**
New OEM	$612	$228	$2,699
Remanufactured	N/A	$199	$2,299
Recycled OEM	$440	$182	$1,150
New A/M	$434	$173	N/A
Average Savings	**29%**	**20%**	**36%**

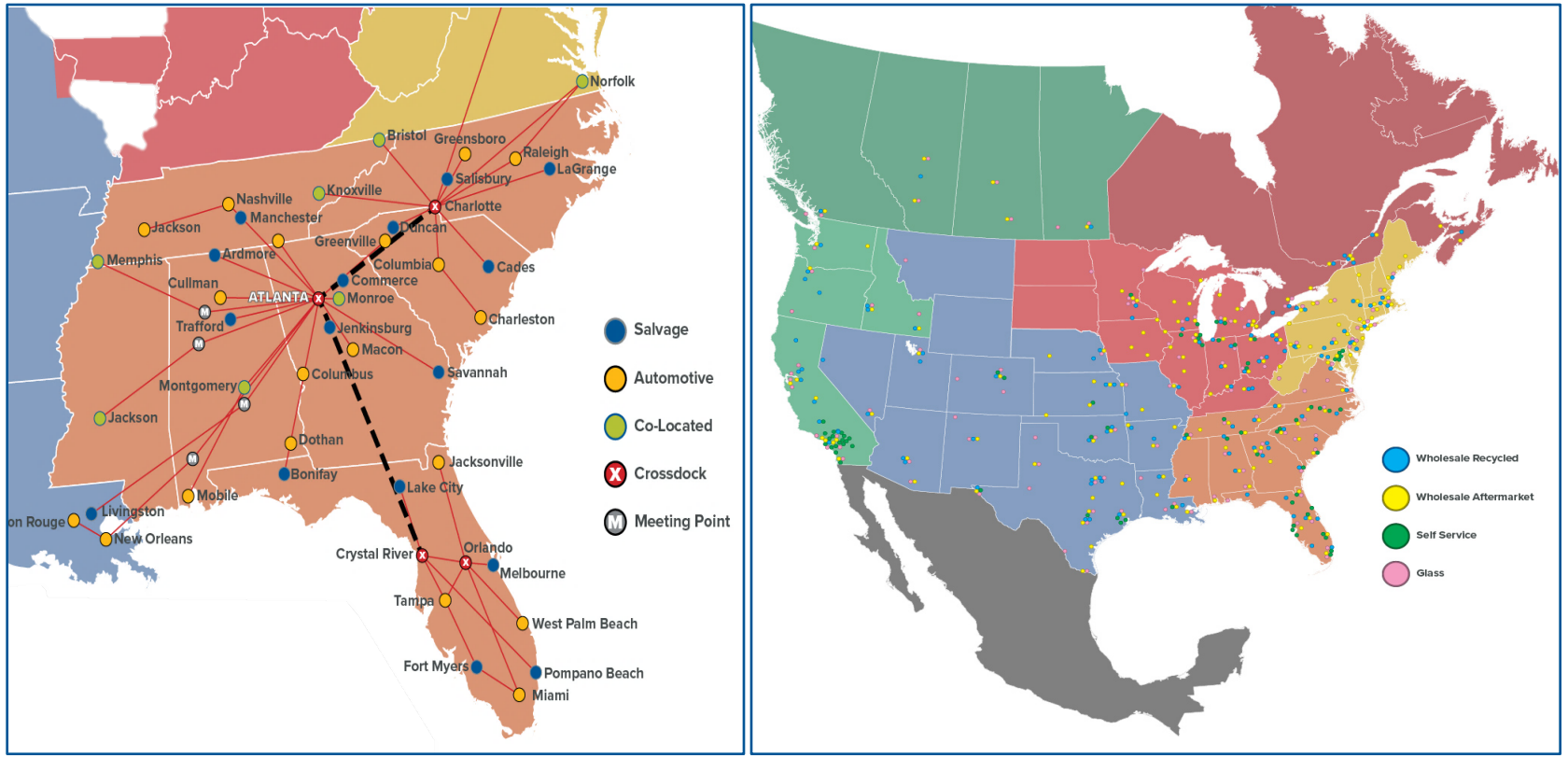
…and Improved Cycle Time for Repairs & an even greater margin for shops….

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

Organic Revenue Growth of 3-5% over next 5 years	▪ 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

AUCTION



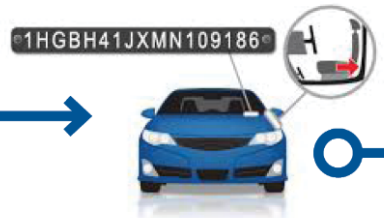
Salvage auction cars are loaded into bid database
AUTOMATED BY LKQ

BID & SELECTION

LKQ PROPRIETARY BIDDING SYSTEM **BID-X**

Sub Optimal Vehicle

OPTIMAL VEHICLE



Vehicle Validation through Established Vehicle VIN Databases

Sub Optimal Parts

OPTIMAL PARTS

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

SELECT | DETERMINED | SELECT

PART	IC Number	BID VALUE	DAMAGE LEVEL
ENG	09535	$3,750.00	20%
TRA	01420	$730.00	60%
CRR	00195B	$0.00	100%
RAX	00212C	$1,212.50	10%

Bid value determined by supply, demand, variation, & condition.

BID Statistics

Maximum Bid $2,700.00

# of Parts Selected 31
Bid Value..... $5,363.02
Estimated COGS..... 50.25%
Estimated Margin..... $2,663.02



Won cars are towed to respective yards and dismantled.

Investing in Our People



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

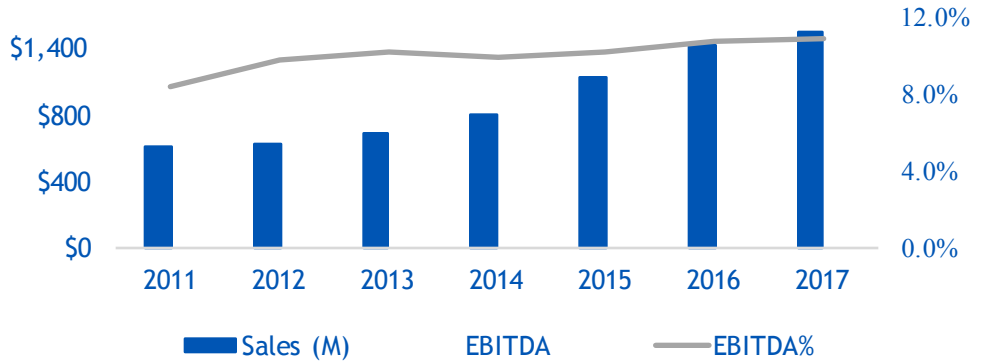


Bill Rogers — Senior Vice President of Specialty

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…

Financial Performance



	Sales (M)	EBITDA
CAGR	*13.4%*	*18.5%*

#1 North America
Wholesale Distributor

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

Keystone Automotive Operations, Inc.

ntpstag — A Division of Keystone Automotive Operations

"Everything you need, when you need it"

Our Focus is on Profitable Growth!

Company Brands

TRAILFX



CCI COAST TO COAST INTERNATIONAL

HUSKY TOWING PRODUCTS



FX PRODUCTS



SPEEDFX



POWERHOUSE INVERTER GENERATORS





Faulkner®



SUSPENSIONPRO®

FXWHEELS®

DURAFLEX SANITATION

AquaPro



ProEFX CUSTOM ACCESSORIES

CP Products

Arcon



Tote-N-Stor™

VENTMATE®

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)	• Auto • RV • Nat'l Retail • Canada / Export
▪ Technology	• e-Keystone / Via (B2B) • Topline (DMS)	• Magnifinder (service parts) • PartsVIA (click 2 Mortar)

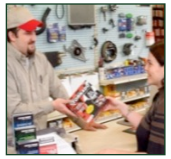
Very difficult to duplicate!

Logistics Advantage Illustration

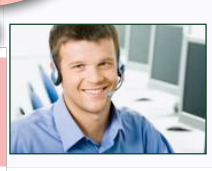


START: ORDER PLACED

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



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



5 PM: "Pick ticket" created
5:30 PM: Toolbox picked and placed in holding area
6 PM: Toolbox loaded onto tractor trailer



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



Monday Afternoon

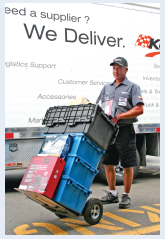
Tuesday Morning

END: TOOLBOX INSTALLED

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



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



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

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



425	80	$95	20
miles driven on a typical route	toolbox weight in lbs.	estimated cost to deliver via third party	hours from jobber call to delivery

Order to delivery in less than 24 hours!

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)

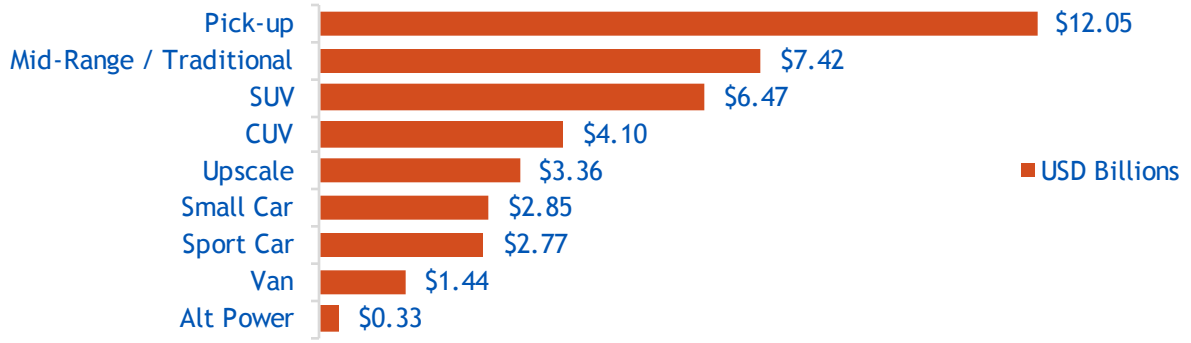
Total RV Units	12.2%

Record years for RV Industry

- Seasonally Adjusted Unemployment Rate Currently Very Low

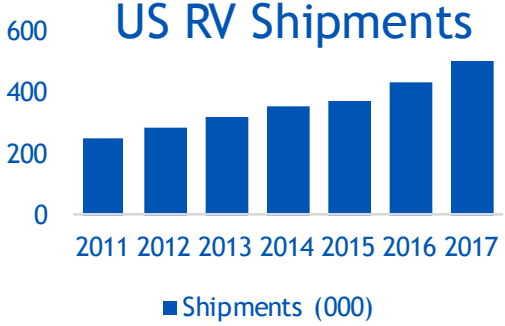
Strong employment drives vehicle accessory sales

Specialty Equipment Market Size by Vehicle Segment

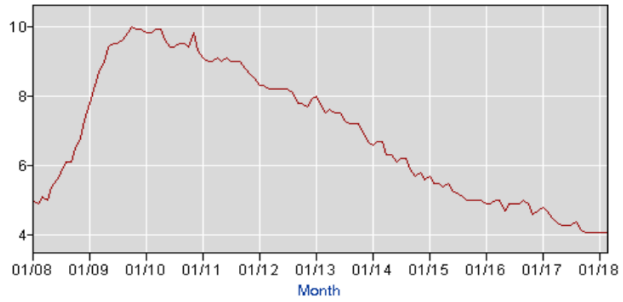


Source: 2016 SEMA Consumer Market Data

US RV Shipments



US Unemployment Rate



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

Jeeps*



Jeeps -Mainly Jeep Wrangler. Huge variety of products categories including Off-road, Recovery, Wheels & Tires, Vehicle Protection, Interior, Exterior, Suspension and Performance



The TJ / JK'97- '17 Wrangler Market

2.1 Million on the Road

62% Are Modified

1.3 Million Modified

Total Registered

TJ	2D JK	4D JK
693K	440K	1MM

% Modified

TJ	2D JK	4D JK
62%	63%	62%

% Modified

TJ	2D JK	4D JK
62%	63%	62%

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*

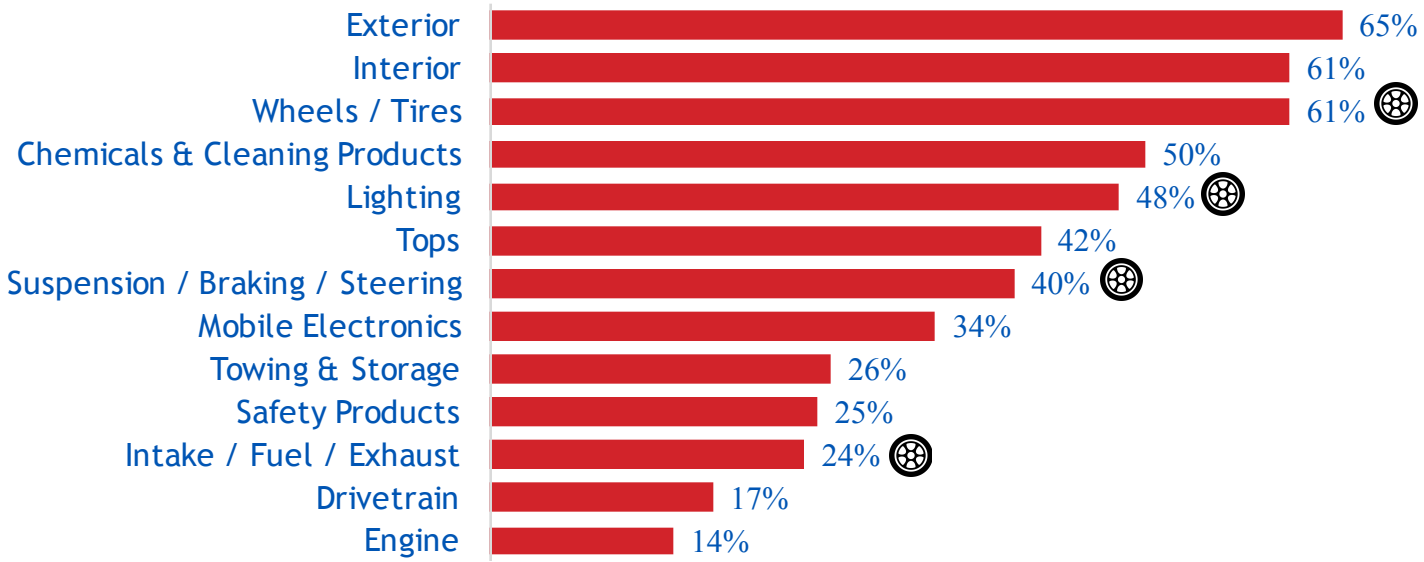
68%
Purchase their first accessory within three months of acquiring their Jeep.

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).

Parts Purchases and Installed

% of Accessorizers Purchasing Parts / Accesssories by Category



= 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.

Jeeps are highly accessorized

* 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

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 on-line 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

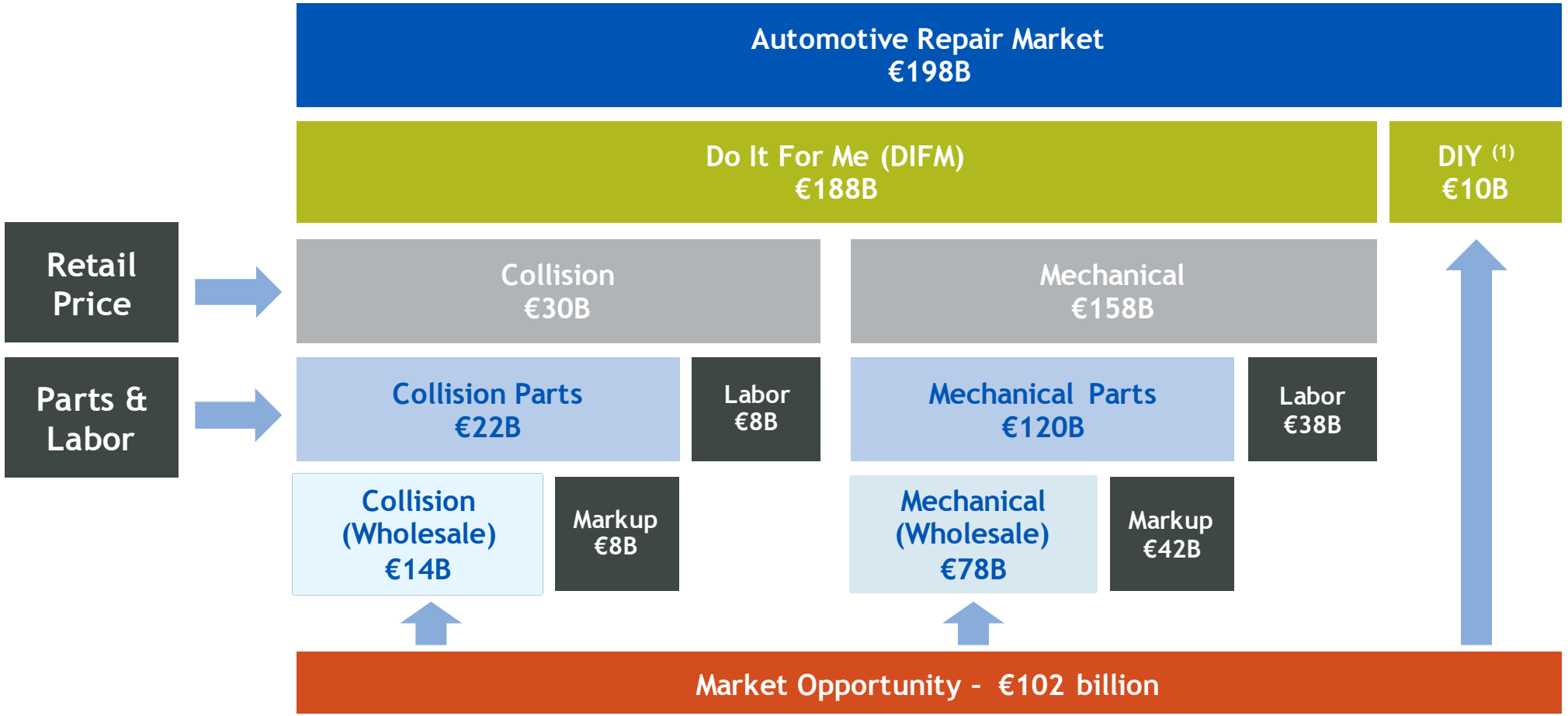


John S. Quinn — Chief Executive Officer & Managing Director
LKQ European Operations

Objectives

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

Large European Market



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

Europe - Observations

(data for 2016)	Europe (*)	LKQ Europe(^)	USA
Population *(in millions)*	570.5	385.4	323.1
Countries *(EU 28 countries + EFTA + Ukraine + Bosnia & Herzegovina)*	33	18	1
Languages	24 officially recognised	13	1 (official)
Currencies	15	10	1
GDP *(in $)*	$17.6 T	$11.2 T	$18.6 T
GDP per capita *(in $)*	$30.7 K	$28.9 K	$57.4 K
Vehicles in operation *(2015 in millions)*	312	207	263

(*) 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"; vehicle 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

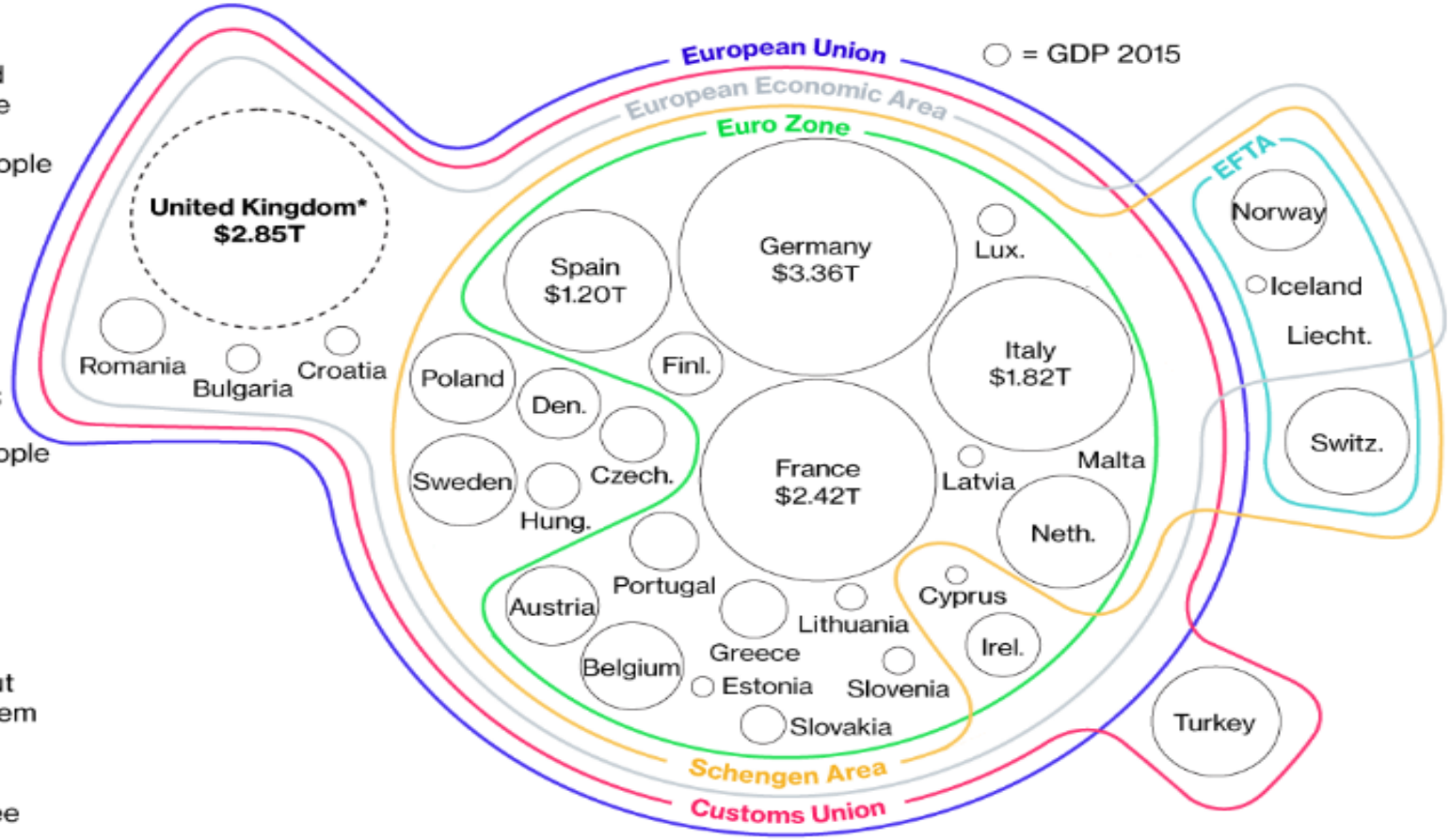
Euro Zone
19 countries using the euro currency

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.

Bloomberg Graphics

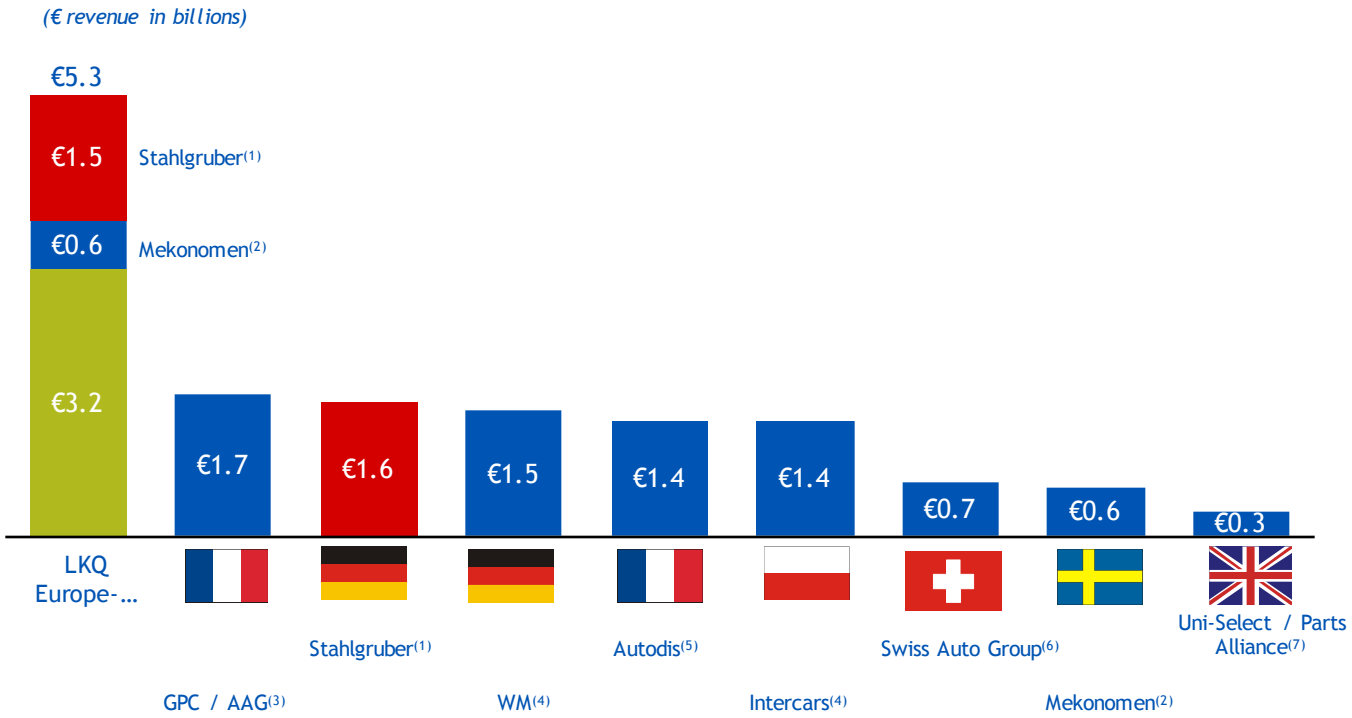
Comparing Western & Eastern Europe

Drivers	Western Europe	Eastern Europe
Market growth	<3%	>6%
Average Age Car parc	~ 9 years	~ 15 years
Number of cars (/1000 inh.)	~ 600	~ 500

- **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





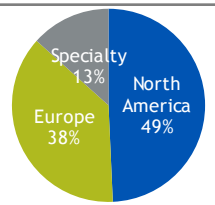
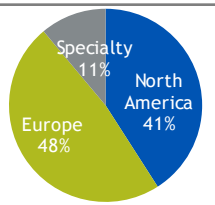
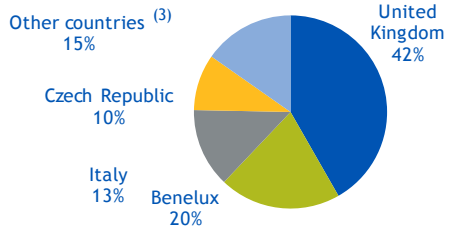
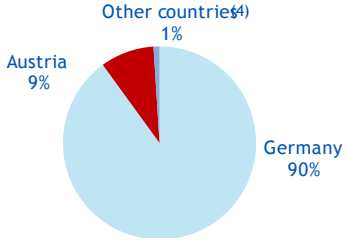
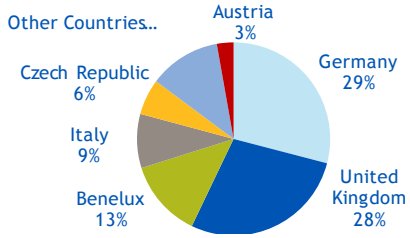
LKQ Europe Footprint
Stahlgruber Footprint
Stahlgruber and LKQ Europe Common Footprint

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 Stahlgruber (excluding the Czech Republic)
(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

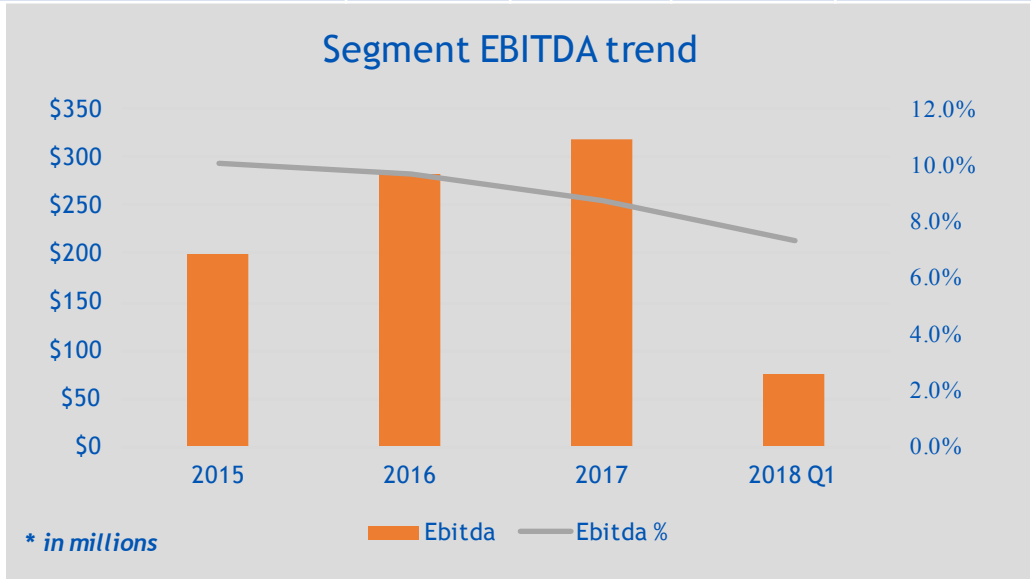
	LKQ Corporation (1)	STAHLGRUBER (2)	LKQ / STAHLGRUBER
Revenue	$10.1 billion	$1.8 billion	$11.9 billion
EBITDA	$1.1 billion	$173 million	$1.3 billion
Revenue Contribution			
European Revenue	$3.9 billion	$1.8 billion	$5.7 billion
European EBITDA	$316 million	$173 million	$489 million
European Revenue 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 in May 2013 • Further expansion into Eastern Europe with the acquisition of Rhiag in March 2016	• 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: 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)
(1) LKQ TTM March 2018.
(2) 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.
(3) Other countries include France, Sweden, Republic of Ireland, Slovakia, Hungary, Romania, Ukraine, Bulgaria, Poland and Switzerland.
(4) Other countries include Slovenia, Croatia, Switzerland and Italy.

European EBITDA Trends

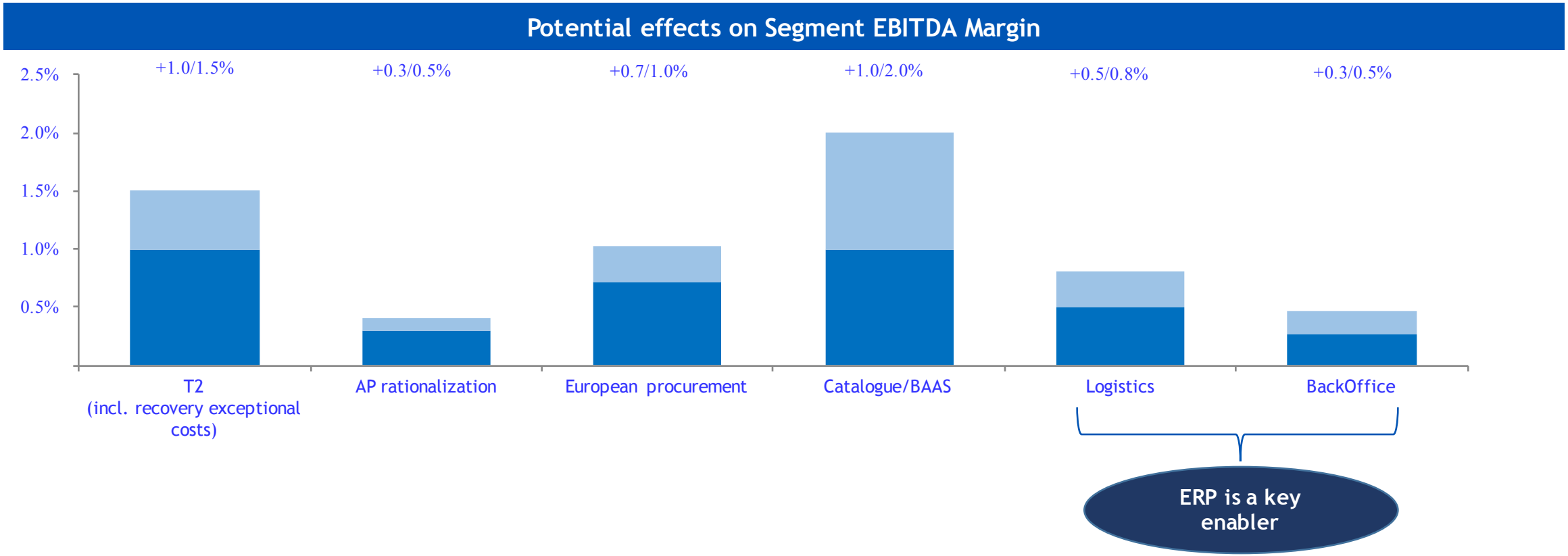
- **Margin trend drivers**
  - Andrew Page (October 2016)
  - AD Poland (August 2017)
  - T2 (January 2016 possession)
  - Mix (faster growth in lower margin markets, CEE in particular)
  - Other
- **Challenges**
  - Overcoming the mix issue
  - Dilutive impact of Stahlgruber (c. 8% today)
- **Why confident in 10% (or higher)**
  - Eliminate temporary pressures
  - Benefits of integration and strategic initiatives

	2015	2016	2017	Q1-2018
Revenue*	$1,995	$2,920	$3,637	$1,040
Segment EBITDA* (1)	$201	$284	$319	$76
Segment EBITDA %	10.1%	9.7%	8.8%	7.3%



(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.



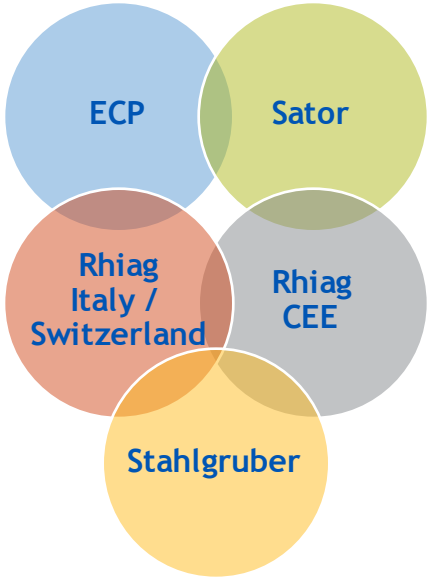
LKQ European Strategy

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)

Acquisitions

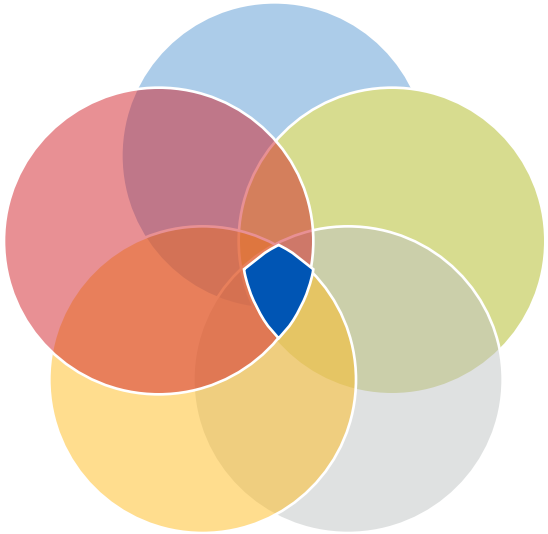


TODAY

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

~$5.7 Billion Revenue Today (2)

200-300 bps Opportunity



Opportunity in 3-5 Years



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

(1) Includes announced acquisition of Stahlgruber.
(2) TTM Q1 2018 Europe revenue including 2017 FY estimates for Stahlgruber as per German GAAP, less €100 million estimated revenue for the Stahlgruber Czech Republic business.

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:

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

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

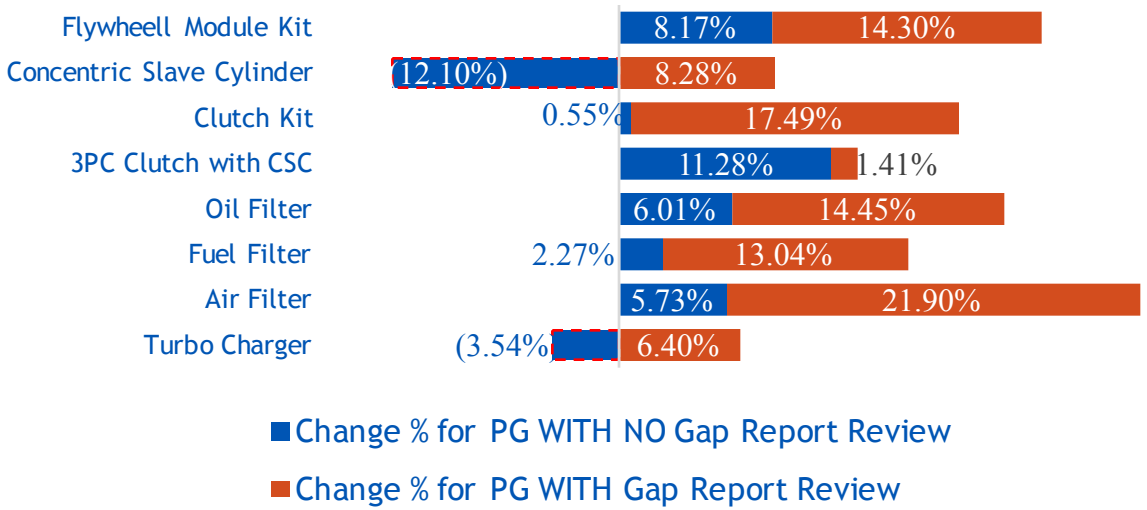
Revenue Improvements by

- Range gap analysis per country/company
- First to market strategy

EMDM Implementation Led to Higher Growth

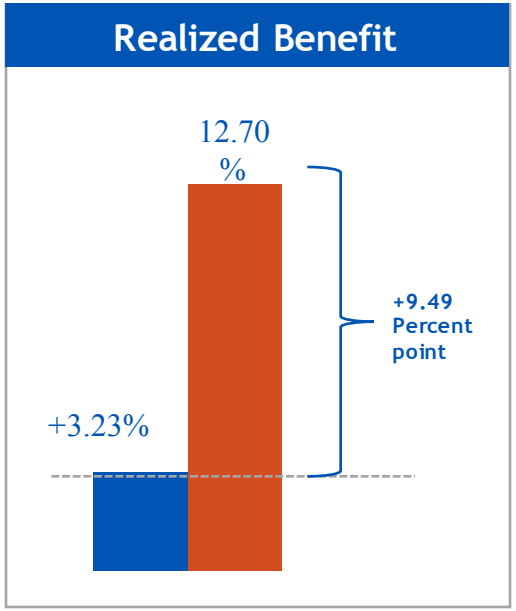
New catalogue identified gaps in “Product Groups” (PG) where stock was available but not linked to all vehicles it would fit. Products identified with additional links grew on average 9.5% faster than the PG’s as a whole.

Growth in parts with new links identified vs. average rates



Benefits include:

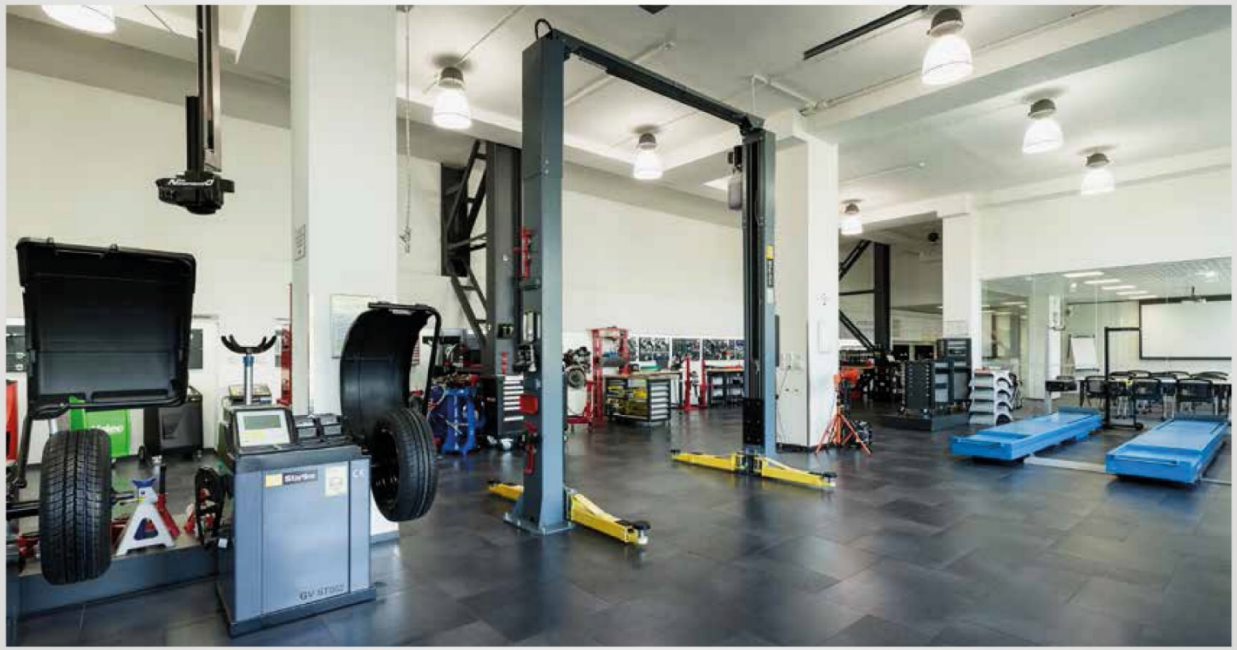
- Additional sales
- Lower returns
- Reinforce reputation of most accurate / reliable supplier
- Lower costs (once rolled out across Europe)



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 1.500 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

PARTNER ELIT VAŠE SÍŤ AUTOSERVISŮ

AUTO KELLY AUTOSERVIS







Garage Concepts / Network **UK**

a posto RHIAG
I PROFESSIONISTI DELL'AUTO

Professional network in **Italy**

Fleet Services

CAR FLEET **SERVICE**

CAR FLEET SERVICE

FLEET service AUTO KELLY

- Service brings efective solution for car maintanace 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 reparis and approval of repairs
- Famous customers like LeasePlan, Česká Pošta, ALD Automotive, G4S, Arval, Business Lease, Generalli 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

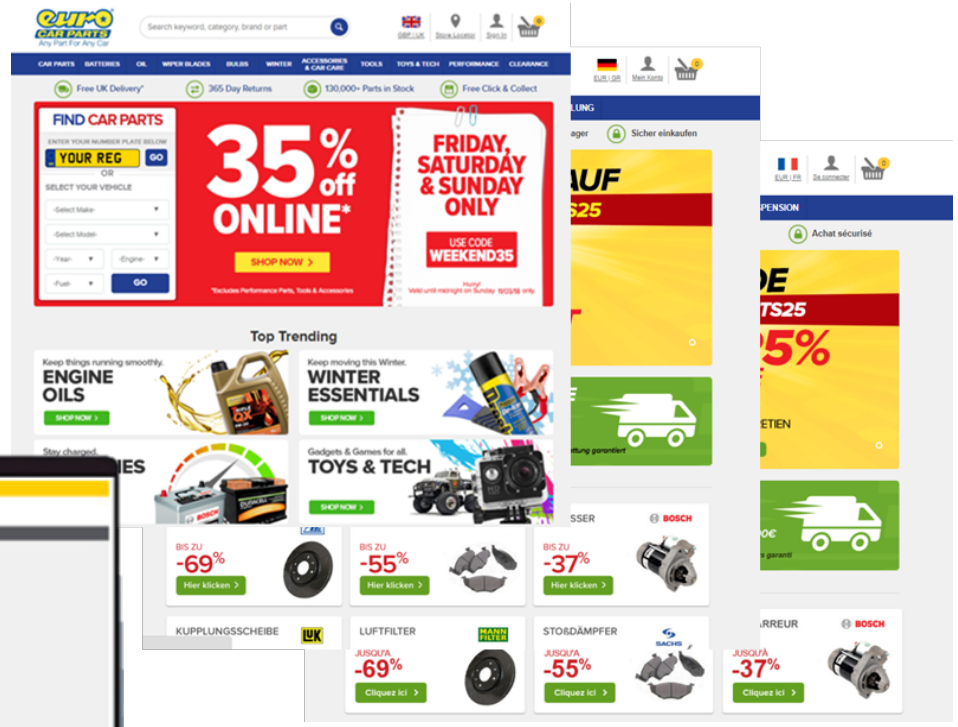


E-Commerce

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

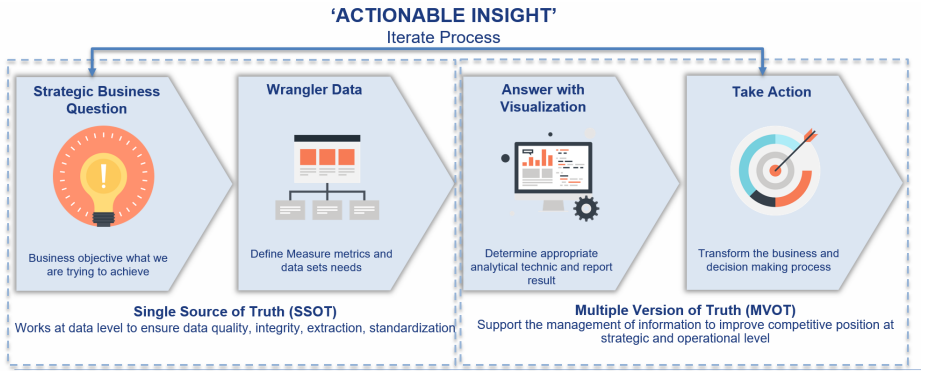




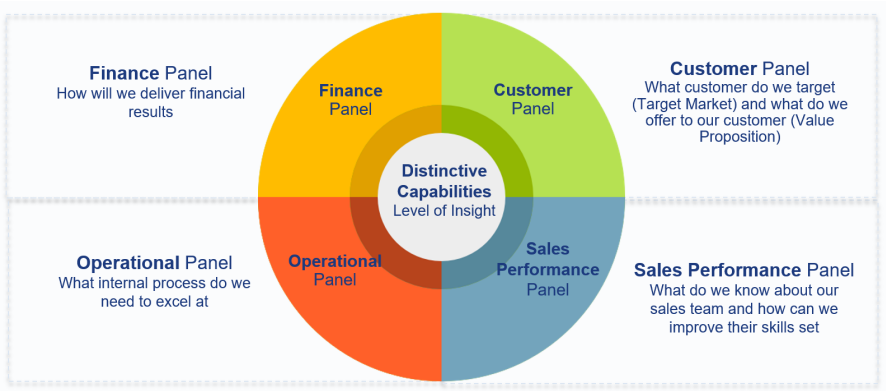
Business Analytics as a Service

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

Newcastle University

ScienceCentral
CENTRAL TO NEWCASTLE'S FUTURE

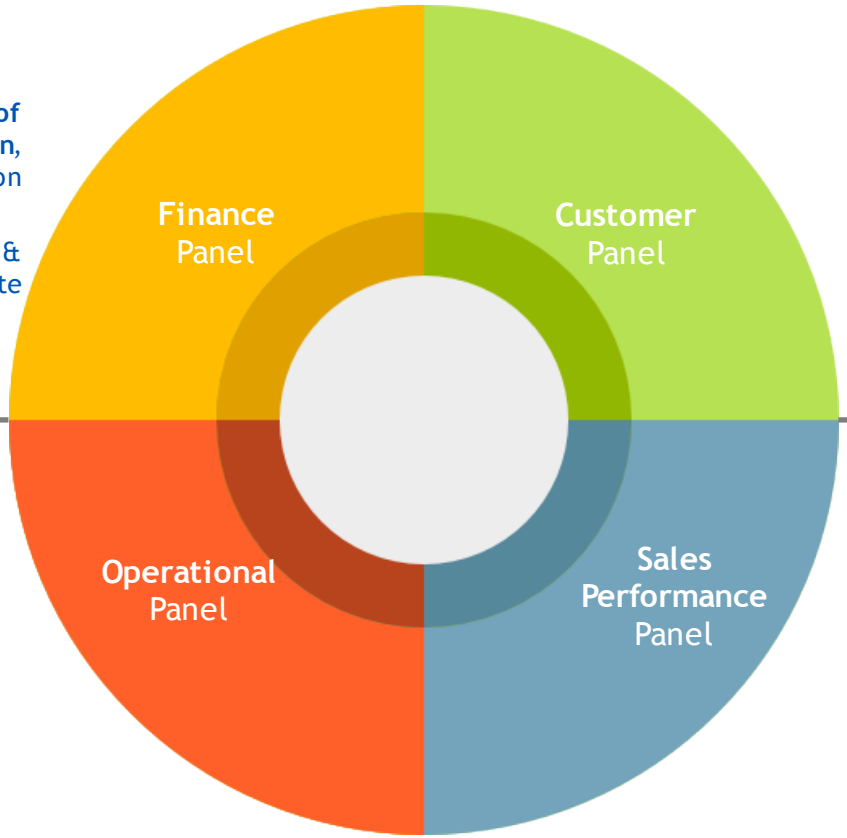
- Work together with world-leading academics to **develop the skills, ideas** & **resources** needed to **exploit the opportunities** offered by the explosion in digital data.

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

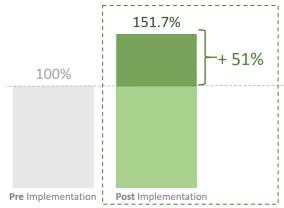


New Customer Profile classification, over **177,000 separate customer segmentation**

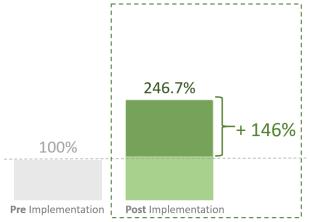
- Customer Behavioural Analysis based on Revenue, Margin, Order frequency & Product Variety
- Defining customer based on their business nature following Standard Industry Classification Yellow Page
- Defining customer product & vehicle specialist based on catalogue search patterns
- Defining customer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

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 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, 5DC / RFC
- Car Park: 8.4 M
- Average of Age Car Park: 9.8
- Population: 17.1 M
- Number of Employees: 2,700

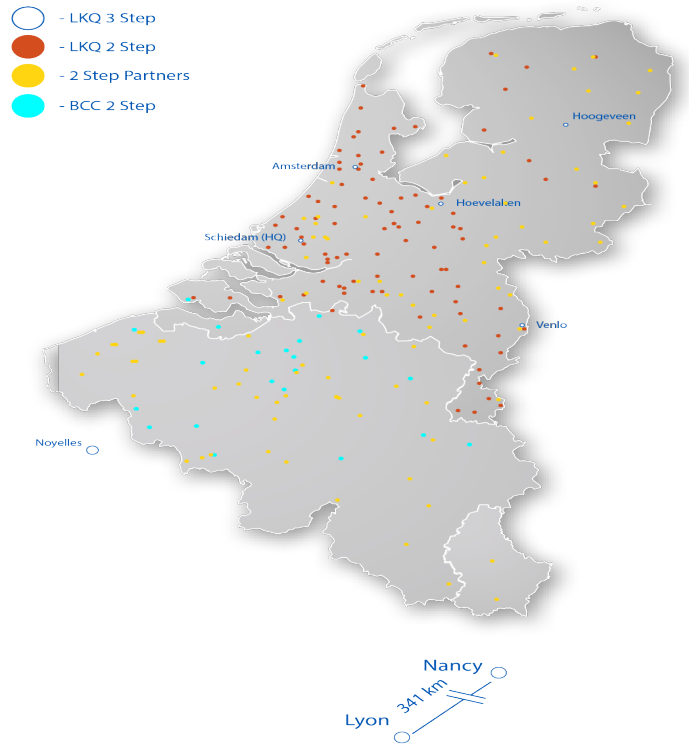
Key Statistics — Belgium

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

Key Statistics — France

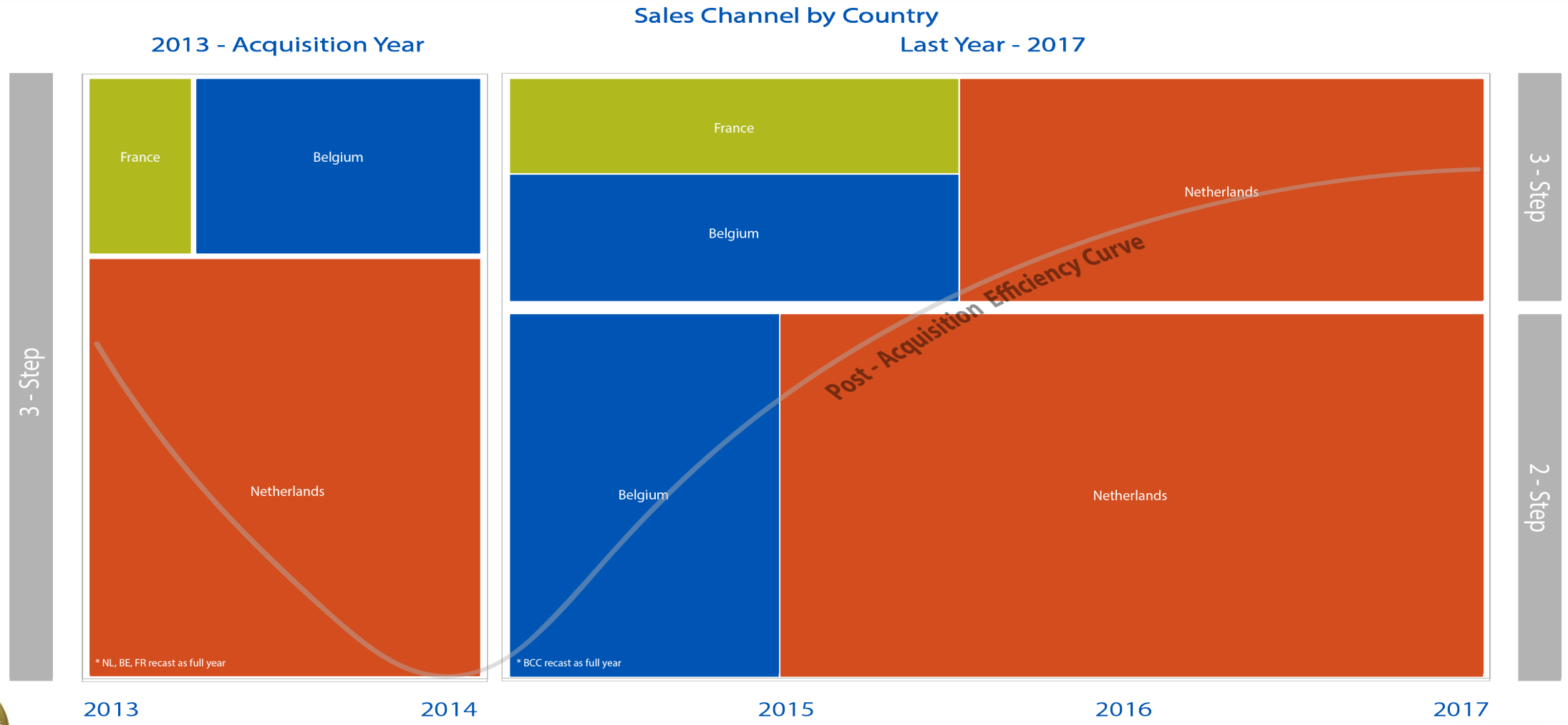
- Branch Count: 0 wholesales, 3 DC / RFC
- Car Park: 32.1 M
- Average of Age Car Park: 8.8
- Population: 67.2 M
- Number of Employees: 75

Post BCC Benelux & FR Footprint



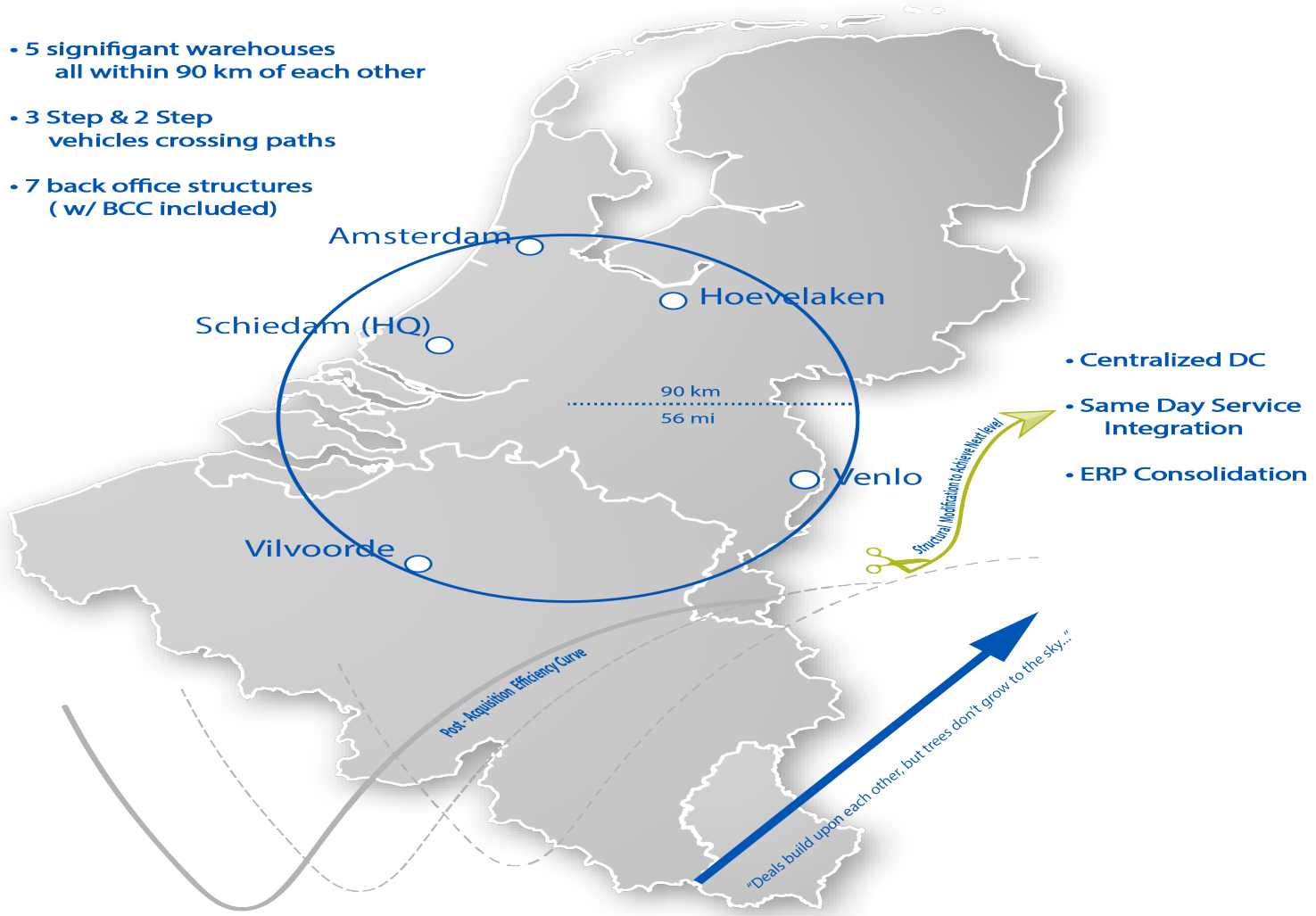
Locations	NL	BE	FR
Main DC / RFC	5	2	3
Owned Branches	91	22	0
Partner Branches	58	35	0

Segment Evolution



Margin Improvement

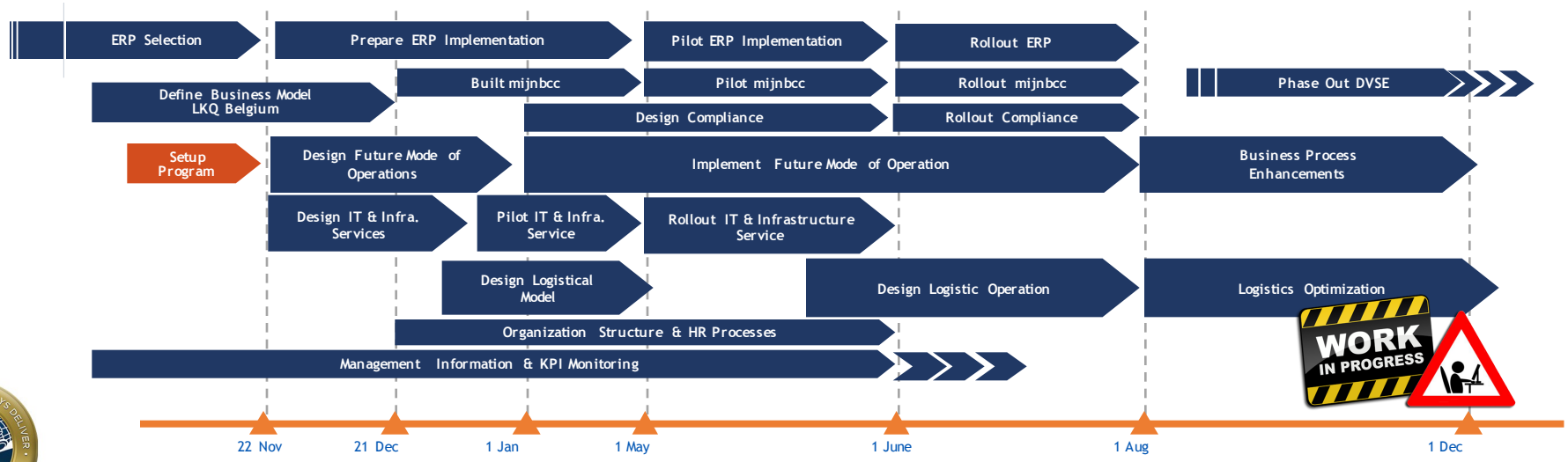
- 5 signifigant warehouses
  all within 90 km of each other
- 3 Step & 2 Step
  vehicles crossing paths
- 7 back office structures
  (w/ BCC included)



- Centralized DC
- Same Day Service Integration
- ERP Consolidation

Key Initiatives — Integration LKQ Belgium

- Acquired distributor network on July 3, 2017
  - EUR 130 M 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







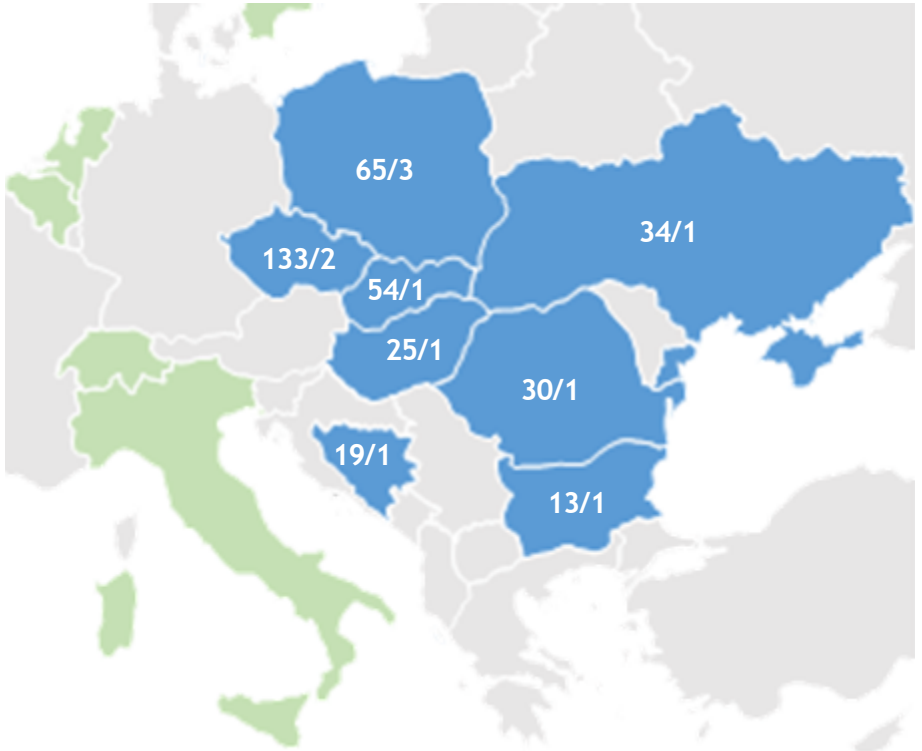
Jiri Novak — Chief Executive Officer, LKQ CEE Operations

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)

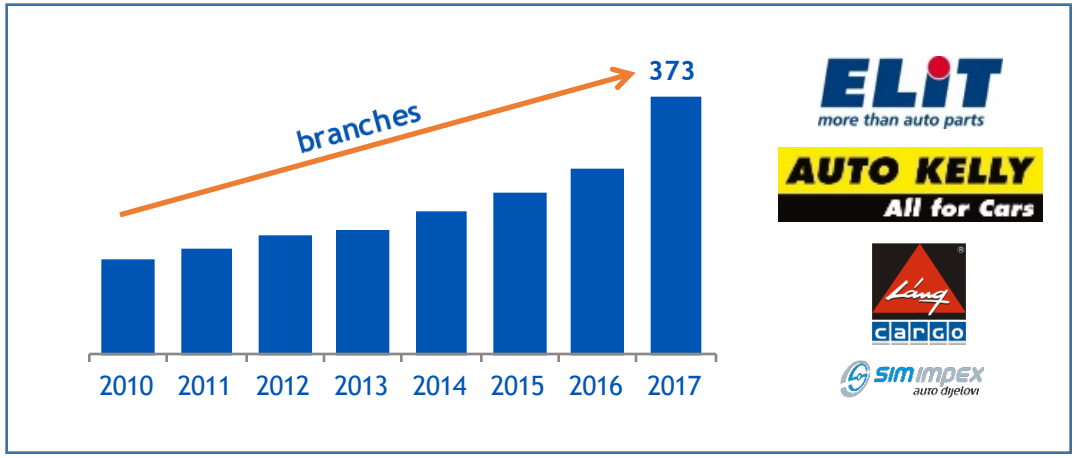
Growing Markets

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
- LKQ CEE: Revenues: 660M EUR (2017)
- 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: 66.5 M
- 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: 4.8 M
- Languages: English, Gaelic
- Number of employees: 237

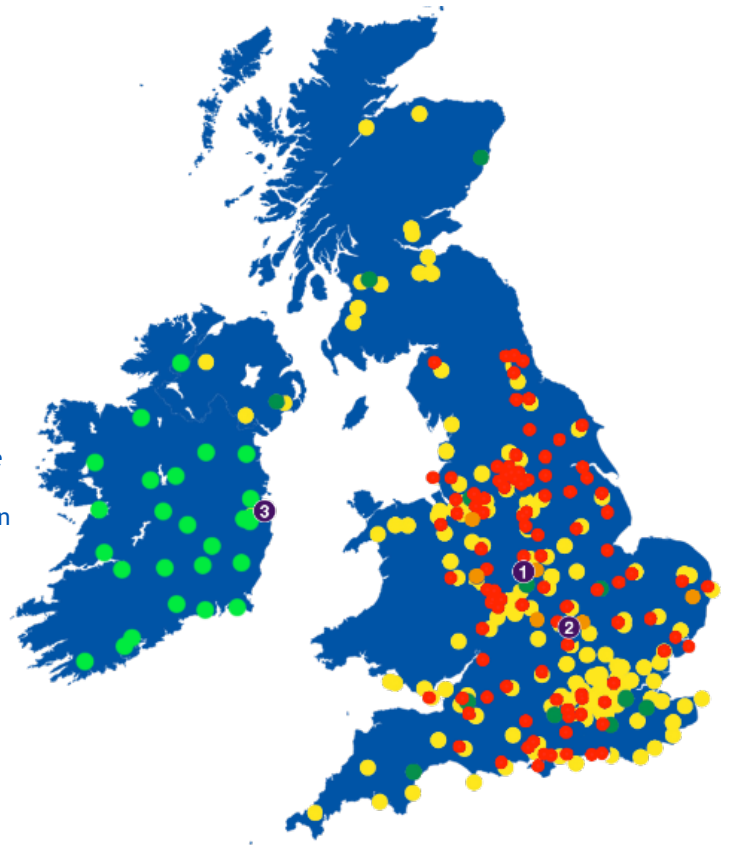
Key Statistics — UK

Branches:

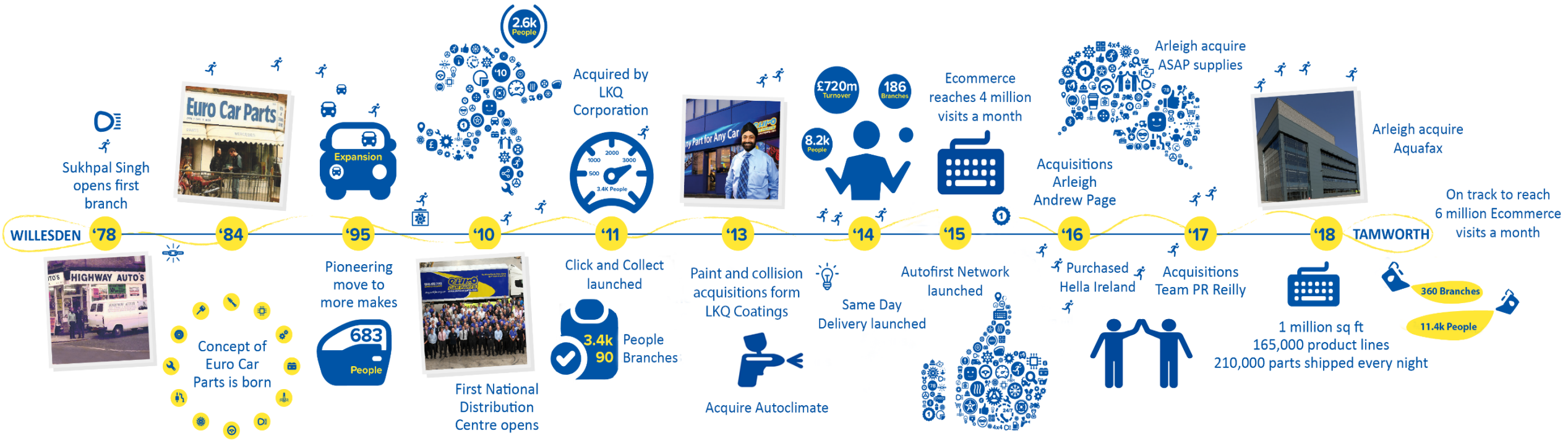
- ECP
- Regional Hubs
- ECP Team PR Reilly
- Andrew Page
- Arleigh

Distribution centres:

1. Tamworth - T1, T2 & Swadlincote
2. Milton Keynes Paint & Distribution
3. Dublin



40 Years in the Making

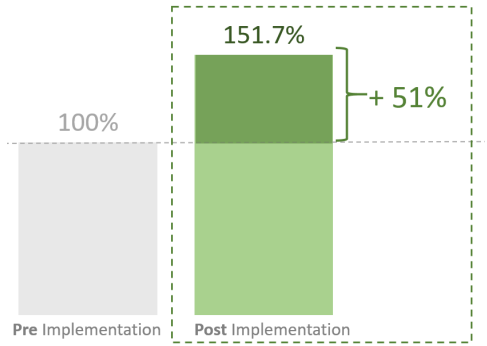


Key Margin Drivers

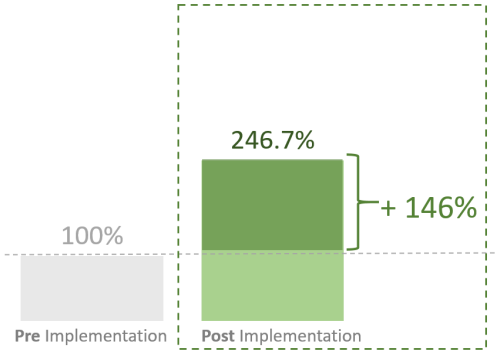
- **T2**
  - Completion of warehouse consolidations (Swadlincote, Bone Hill & AP - Markham Vale)
  - Flow through of legacy cost in inventory
  - Further productivity improvements
- **Andrew Page**
  - Optimise product portfolio/range/availability and improved logistics (T2)
- **ROI**
  - Complete branch 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

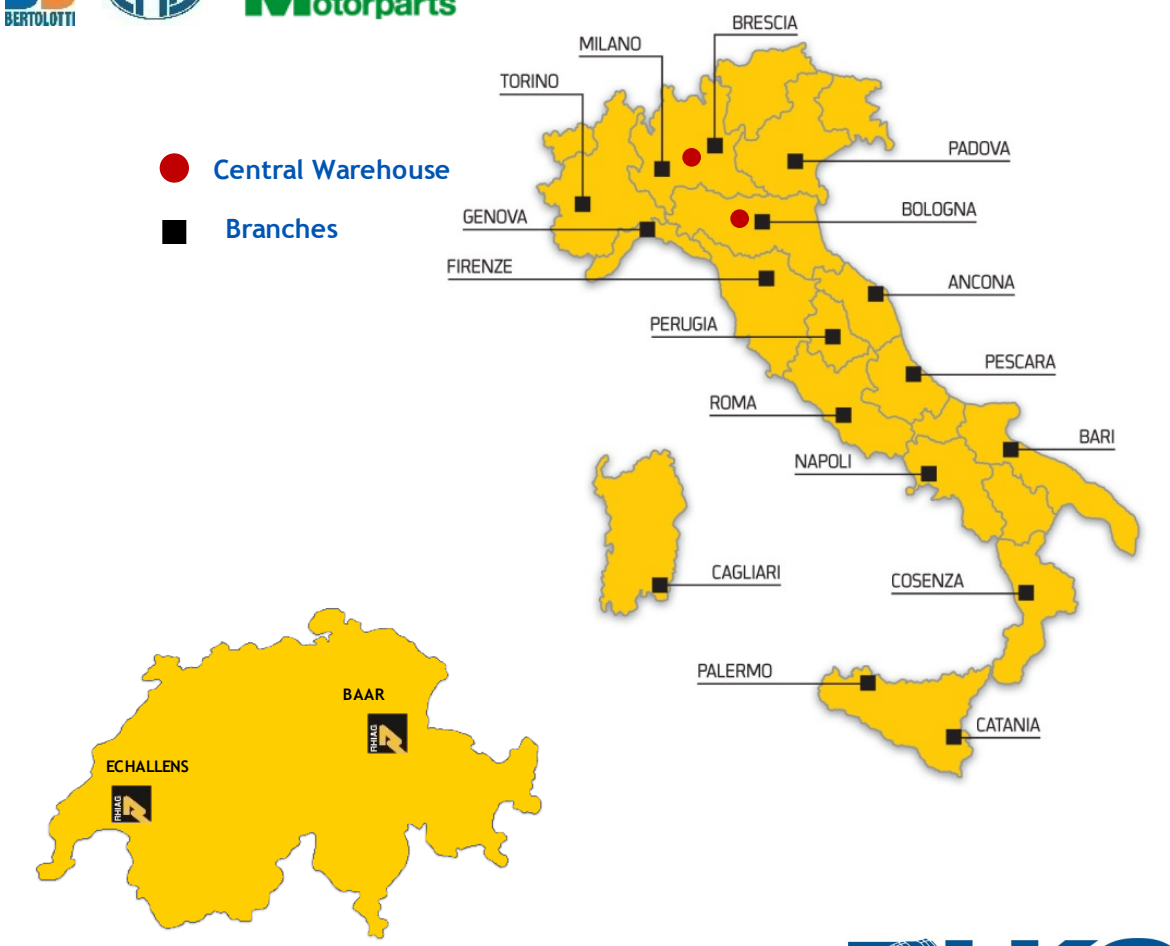
Rhiag — Italy & Switzerland

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



Segment Evolution 2018>>>

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)



IL TUO ESPERTO DI RICAMBI
RICAMBIA



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**

European Supply Chain — Initial Actions & Achievements

Our approach is to balance short term achievements with more structural activities to pave the way for longer term success.

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

…of our actions to establish & maintain a unique competitive edge in the European AM.



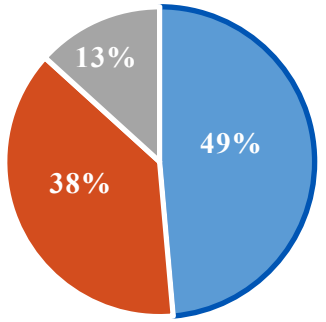
Varun Laroyia — EVP & Chief Financial Officer

LKQ – Current Snapshot

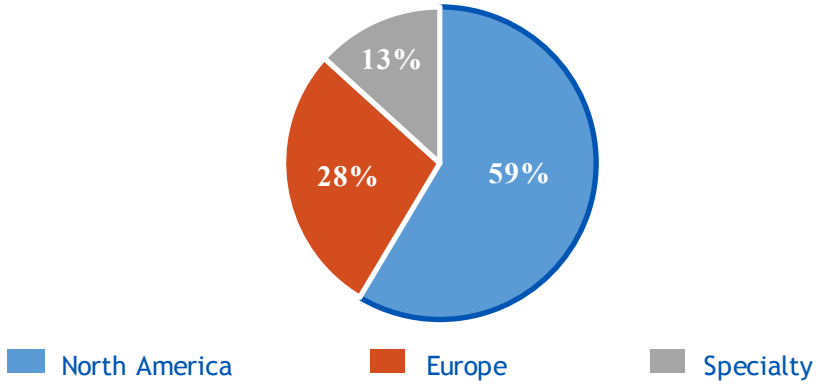
($ in millions)

	TTM Q1 2018
Revenue	$10,115
Segment EBITDA (1)	$1,122
Total Debt (2)	$3,339
Equity	$4,419
Market Capitalization (3)	$9,469
Credit Rating (4)	Ba2 / BB

Third Party Revenue



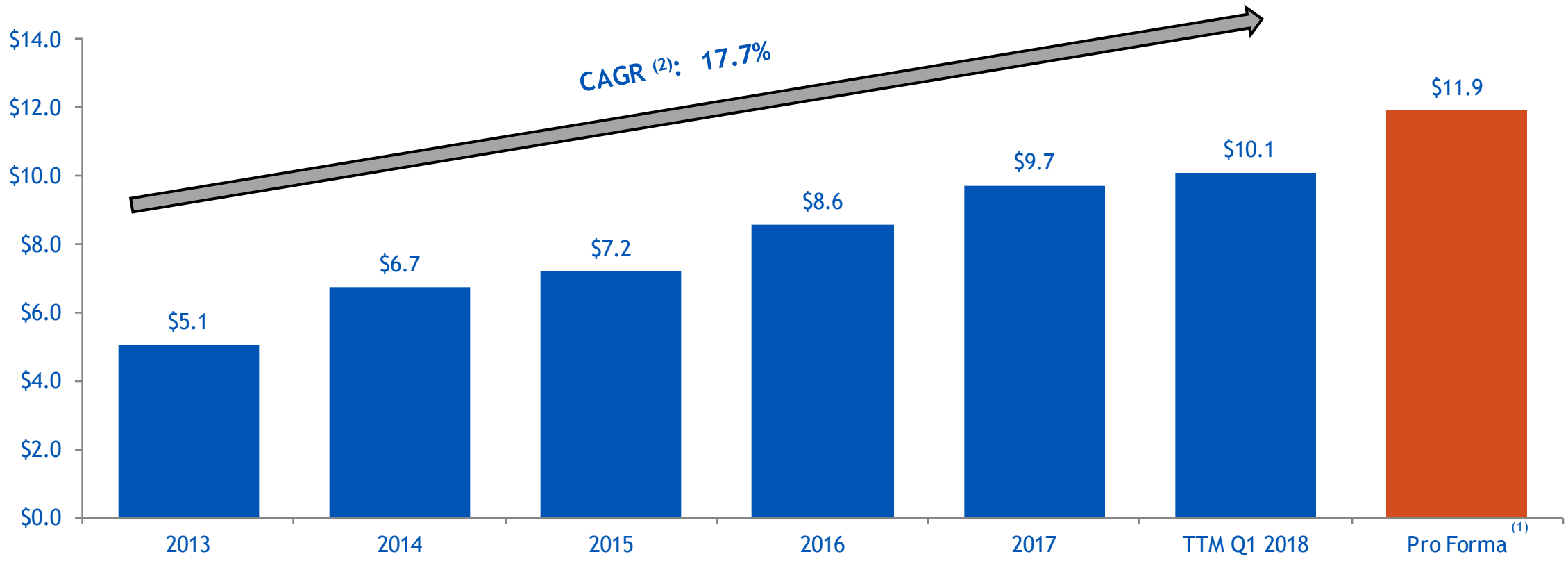
Segment EBITDA (1)



(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

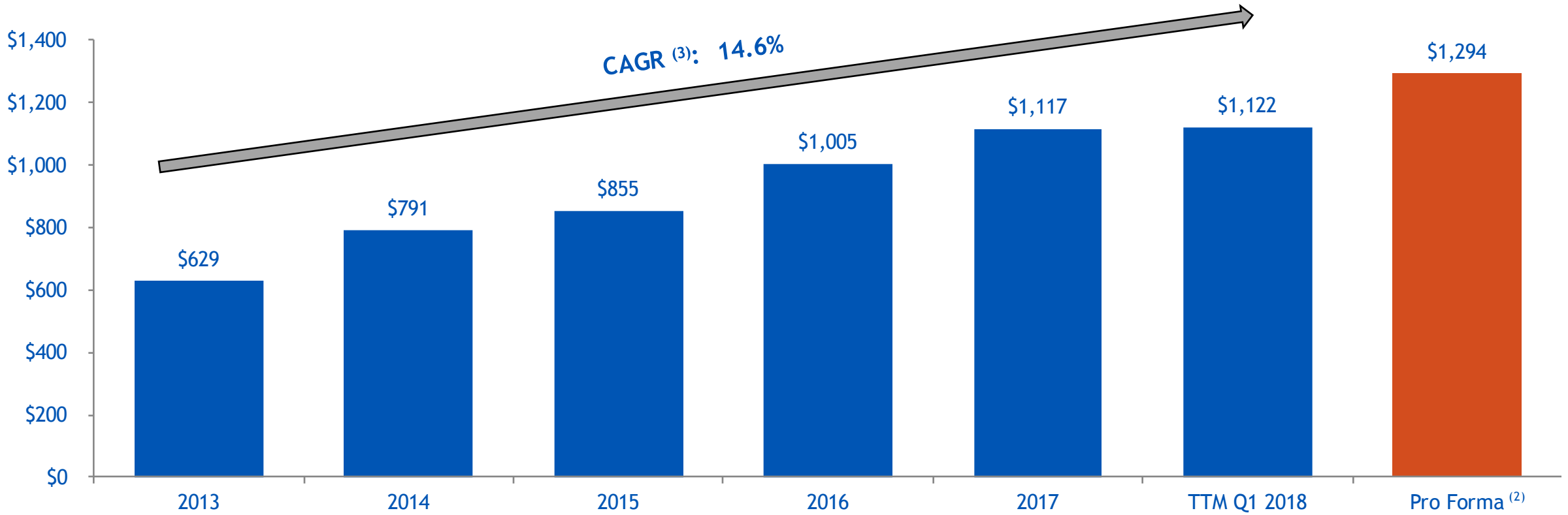
($ in billions)



(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.

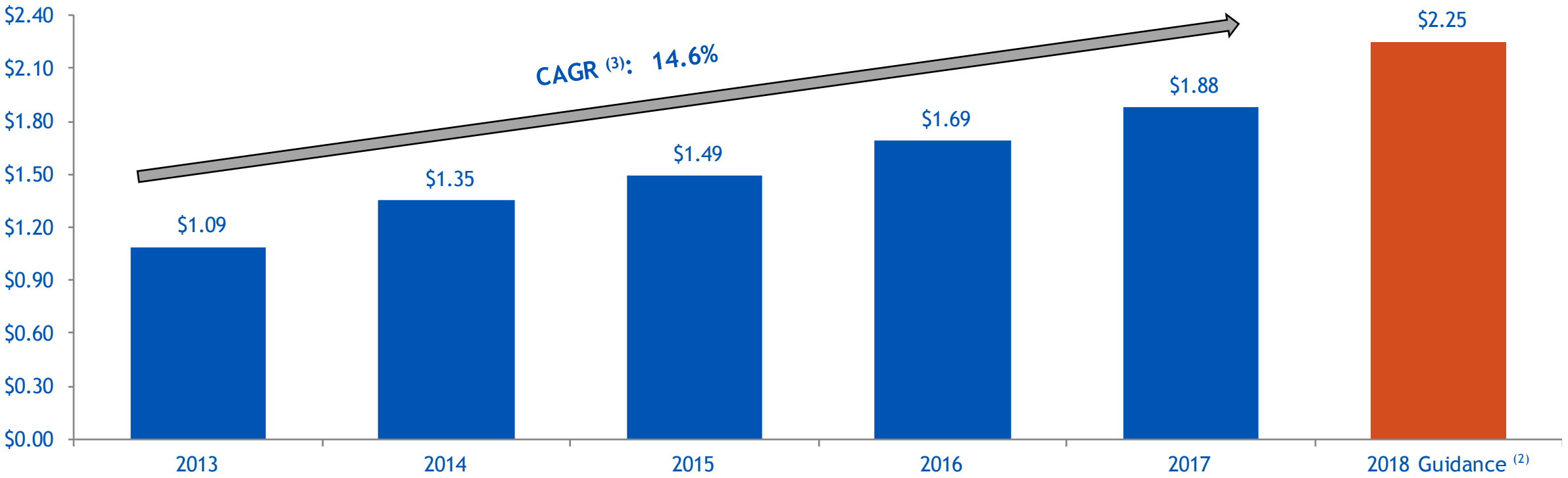
Segment EBITDA (1)

($ in millions)



(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.

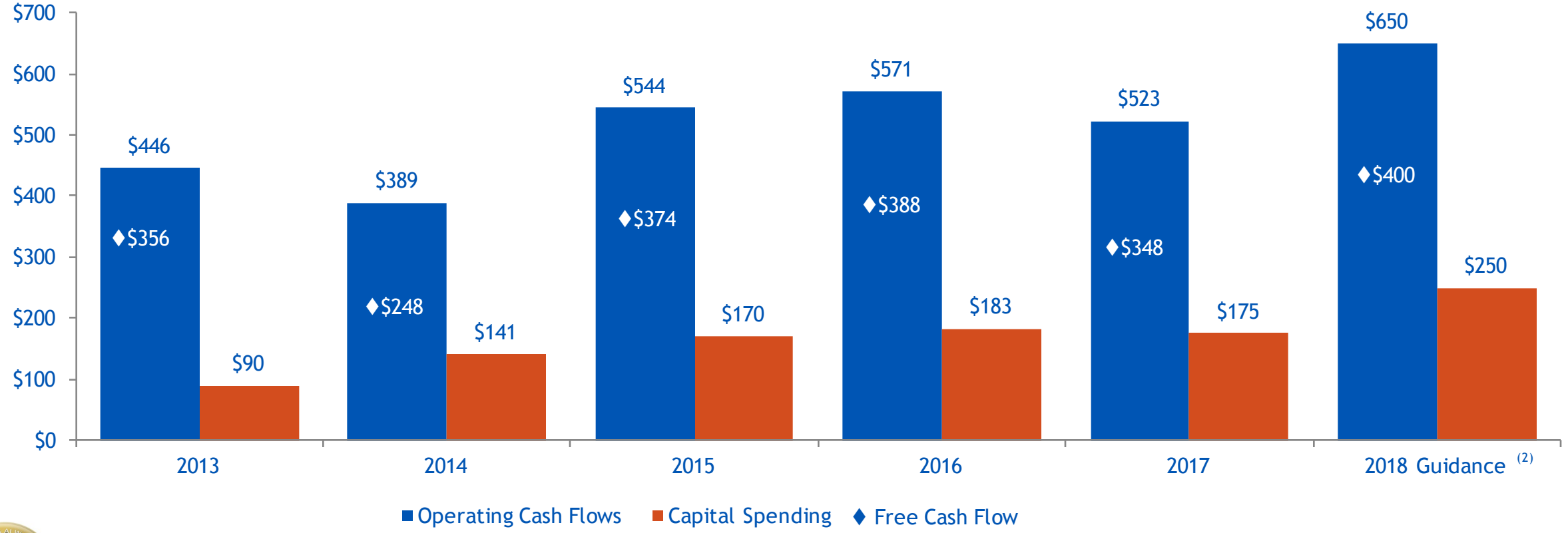
Adjusted Diluted EPS (1)



(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.

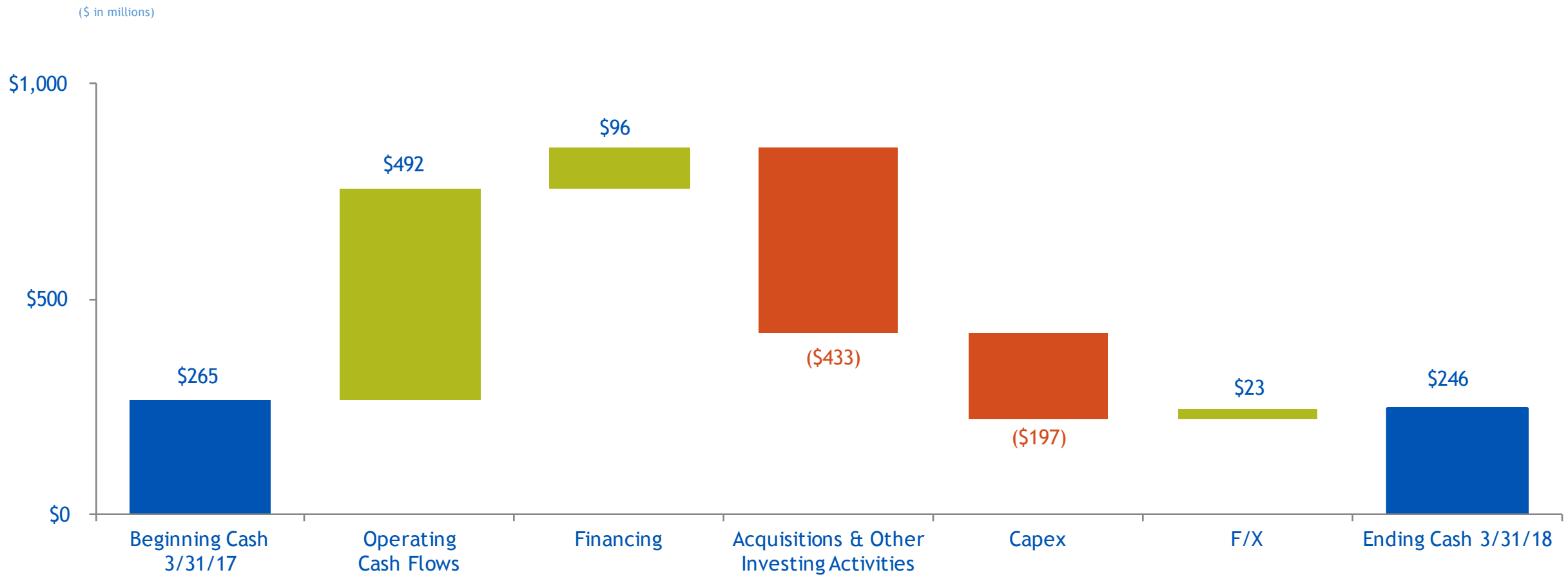
Operating Cash Flows / Capex (1)

($ in millions)



(1) Continuing operations only.
(2) 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 Stahlgruber acquisition announced in December 2017. Guidance is subject to change after the transaction closes.

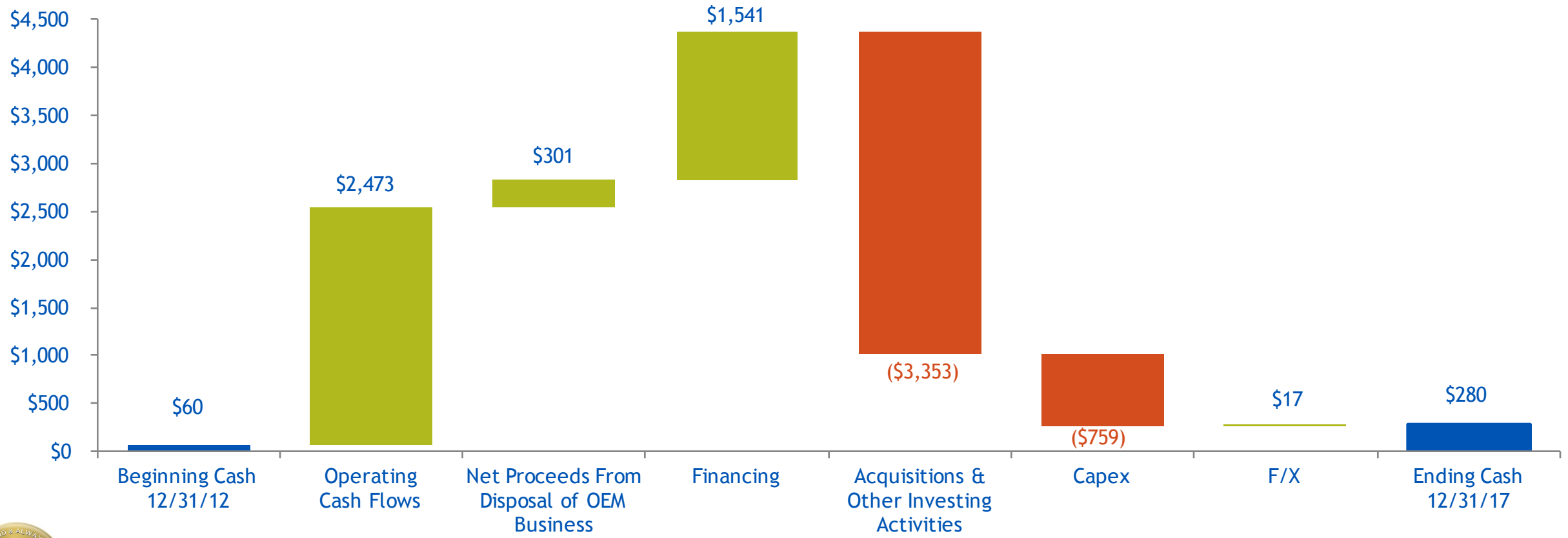
TTM Q1 2018 Cash Flows Profile (1)



(1) Continuing operations only.

5 Year Cash Flows Profile (2013-2017) (1)

($ in millions)



(1) Continuing operations only.

Capital Allocation – Maximizing Value over the Long-Term

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.

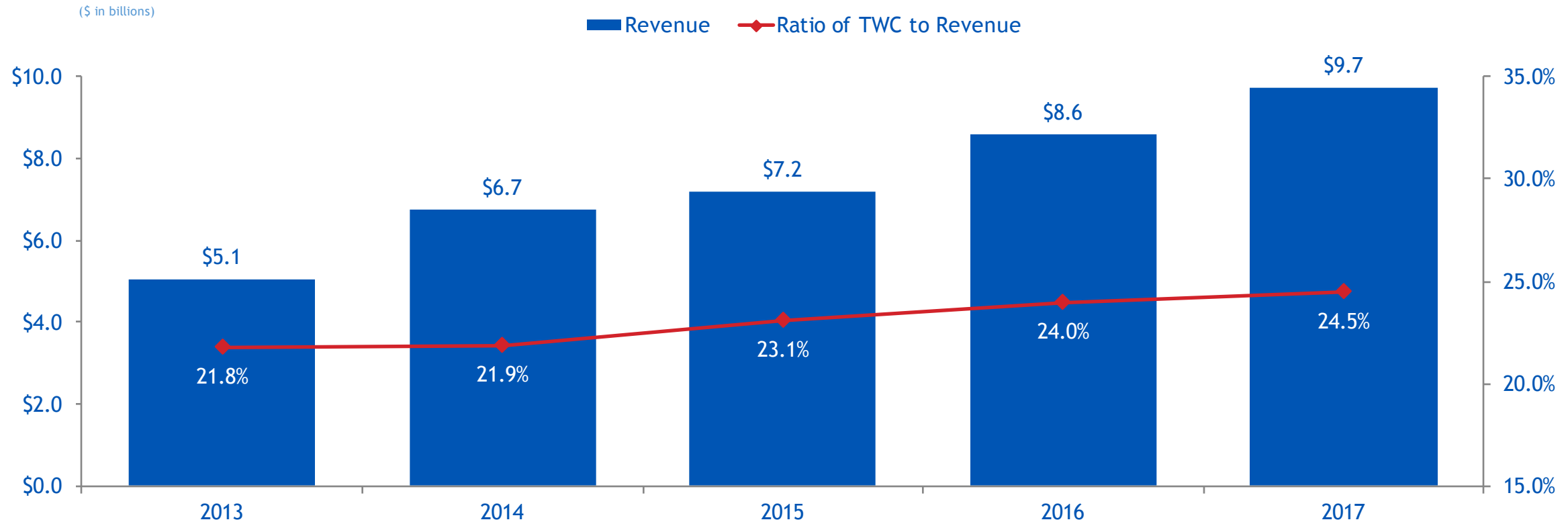
3. Opportunistic stock buy-back potential in a low leverage scenario and/or market dislocation as flexibility of action aligns well with future growth of the business

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 (1)

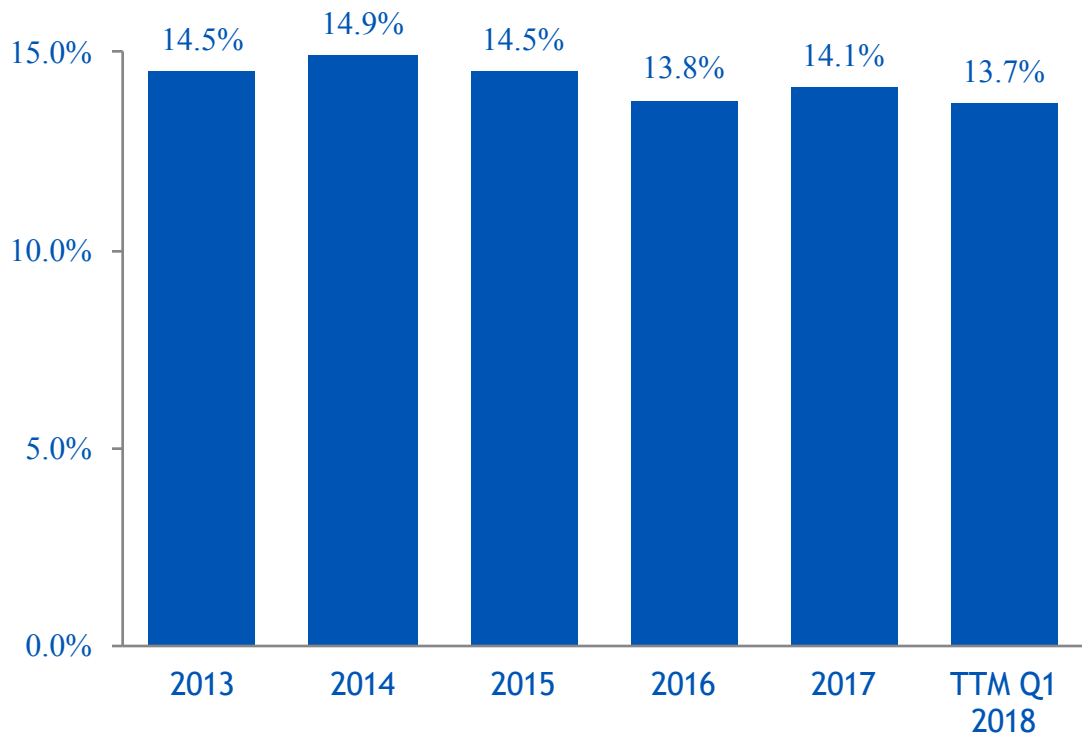


Trade Working Capital up by ~250 bps as the business has grown and European footprint expanded

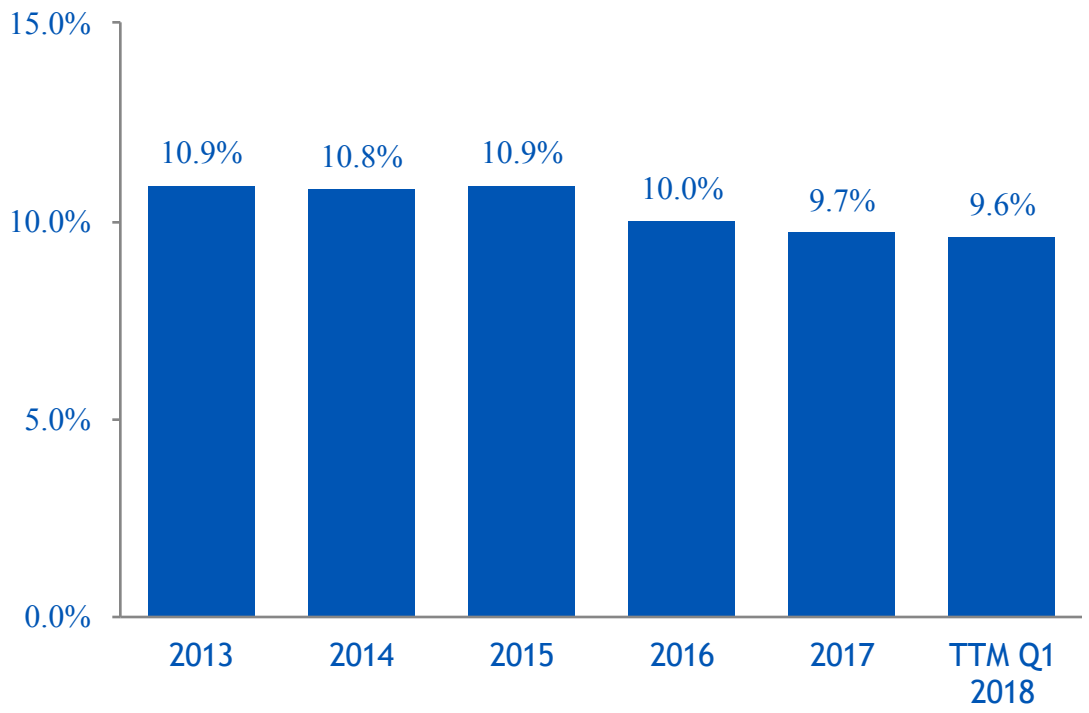
(1) Trade Working Capital = Receivables, Net + Inventories – Accounts Payable, calculated as a 5-quarter average.

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

Cost of Equity	
Risk-free rate [1]	3.1%
LKQ relevered equity beta [2]	1.08
Market risk premium [3]	6.0%
Size premium [3]	0.6%
LKQ Cost of Equity	**10.2%**
% Equity [6]	69%

Cost of Debt	
Pre-tax cost of debt [4]	4.8%
Tax rate [5]	26%
LKQ After-tax Cost of Debt	**3.6%**
% Debt [6]	31%

LKQ Weighted Average Cost of Capital: 8.1%

Sensitivity to Changes in Ratio of Debt to Enterprise Value [7]	
Debt / Enterprise Value	WACC
20%	8.5%
25%	8.4%
30%	8.2%
35%	8.0%

(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 at 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(1)

($ in millions)

Pro Forma Capitalization

	Amount	%
Debt (2)	$4,648	50%
Stockholders' Equity (3)	$4,665	50%
Total Capitalization	**$9,313**	**100%**

Pro Forma Liquidity

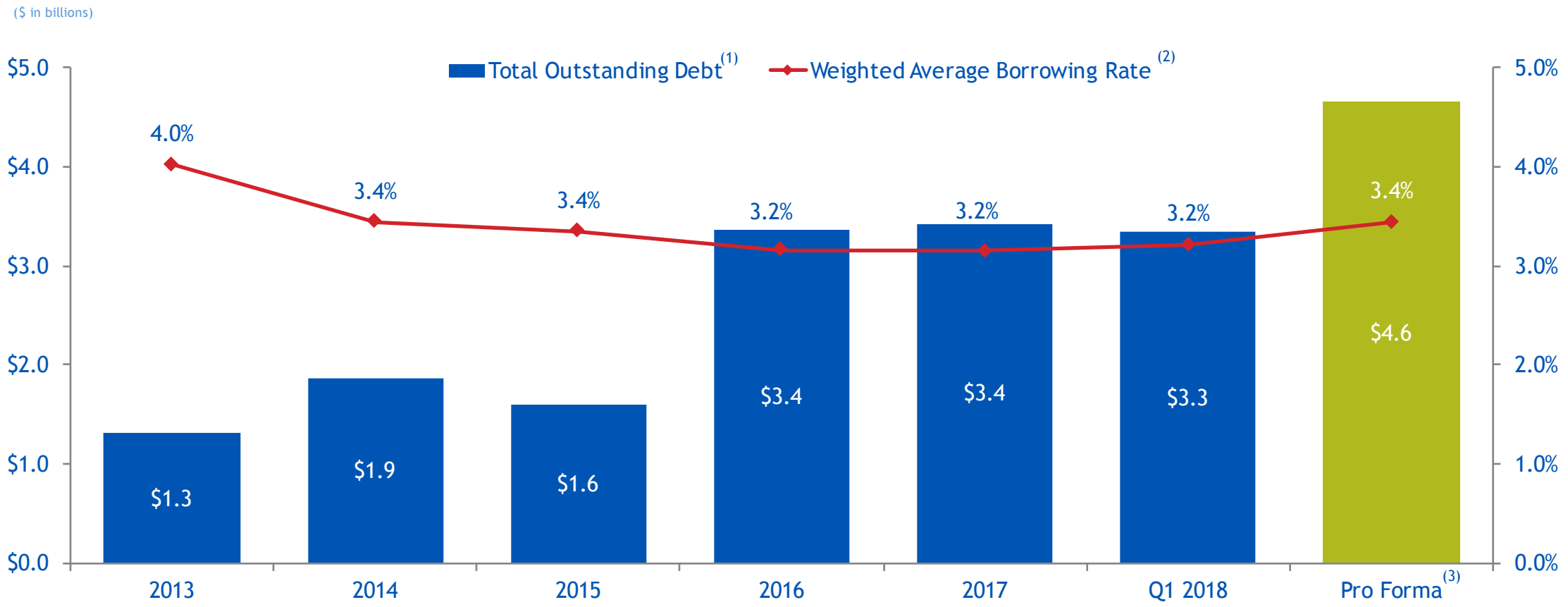
	Amount
Cash and cash equivalents	$246
Availability under credit facilities (4)	$1,404
Total Liquidity	**$1,650**

Corporate Credit Ratings (5)

Moody's	Ba2	Stable
S&P	BB	Stable

(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.

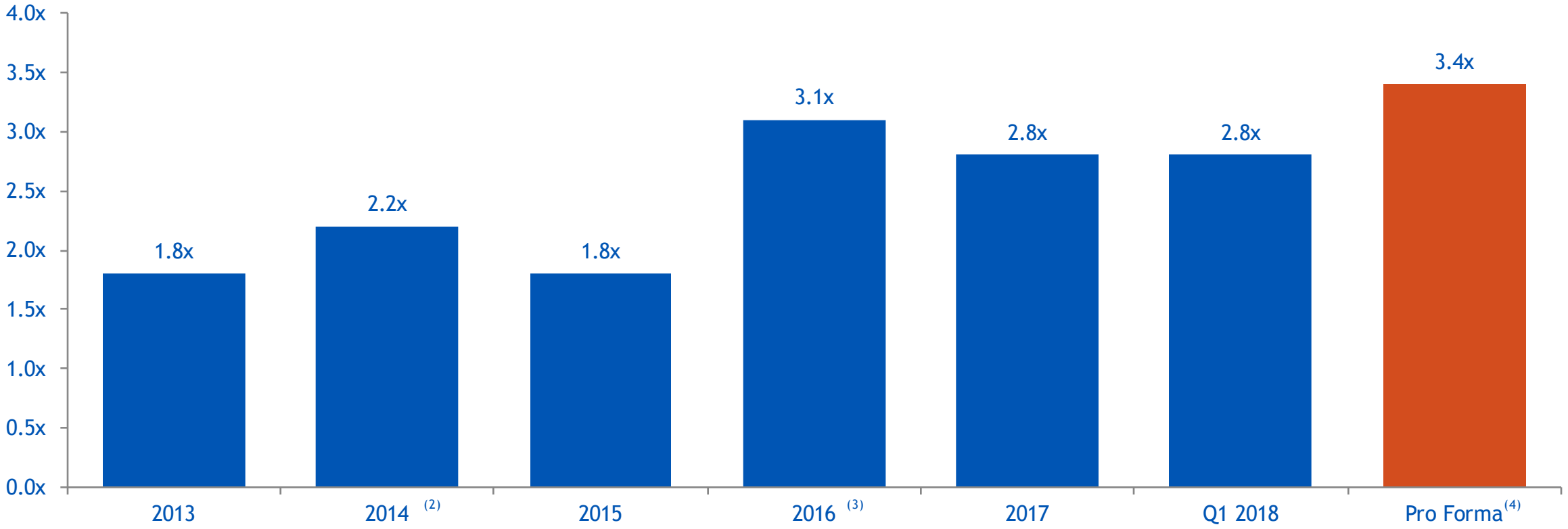
Debt & Interest Rate Trends



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

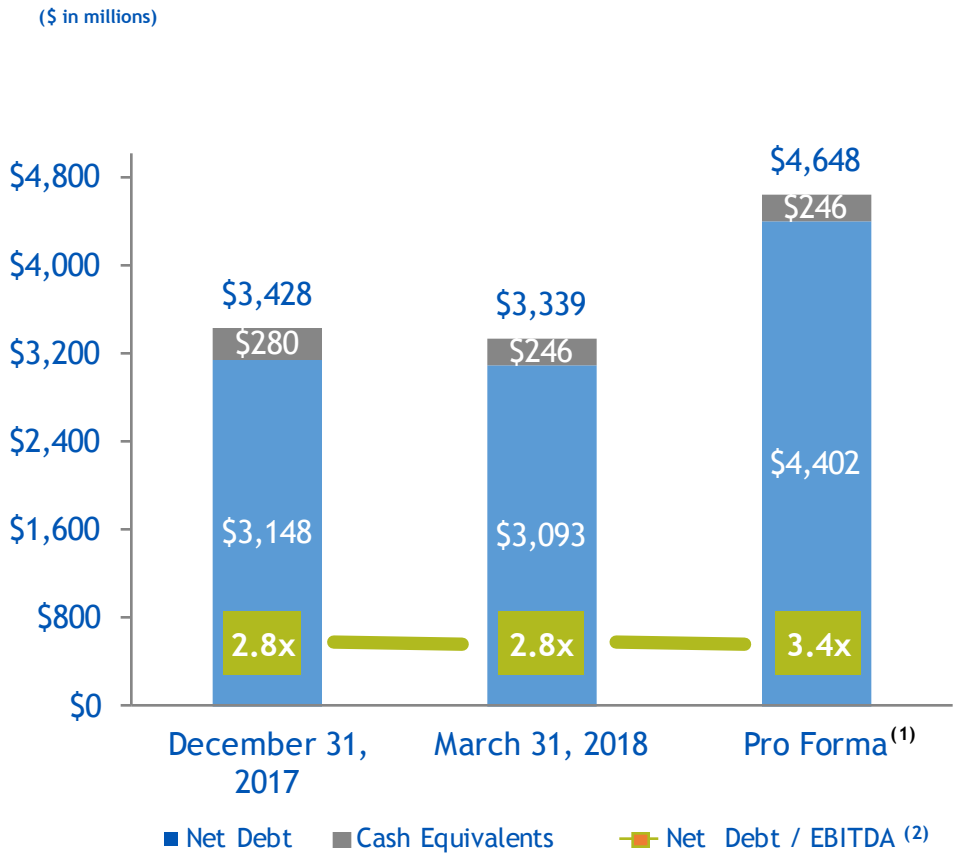
(1) Total outstanding debt excludes debt issuance costs.
(2) Weighted average borrowing rate is calculated based on a TTM basis.
(3) As of and for the TTM ended Q1 2018, adjusted to reflect April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition.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

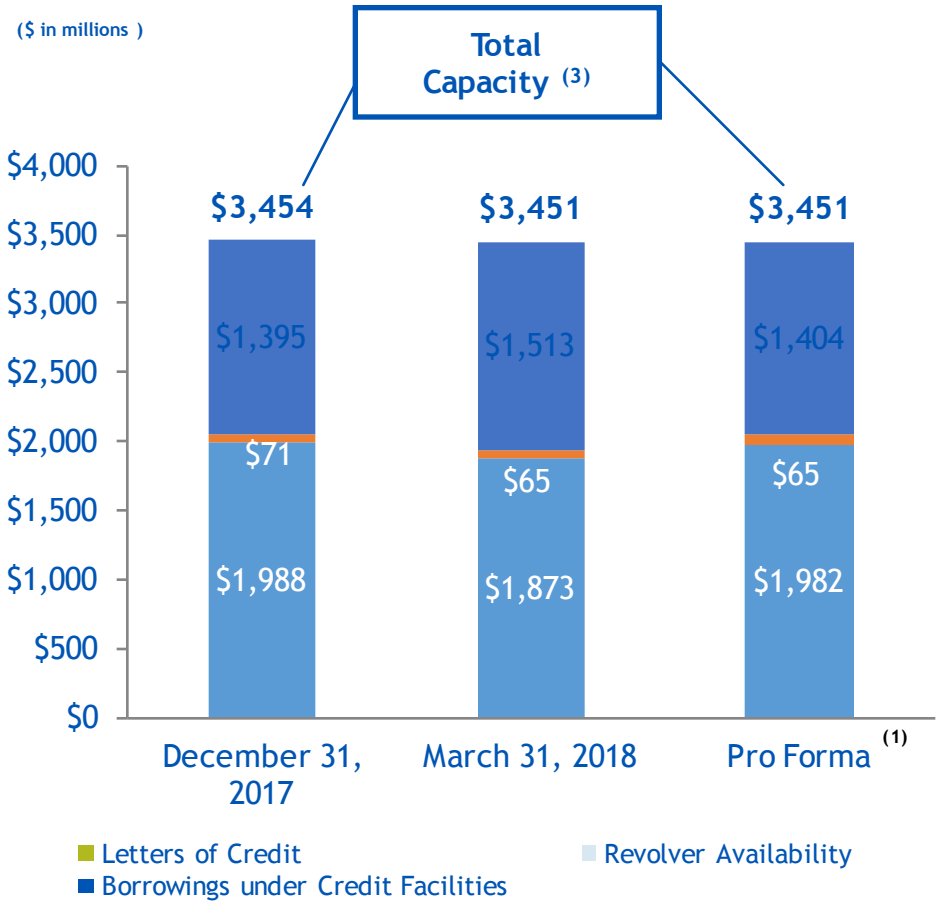
Net Leverage (1)



(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





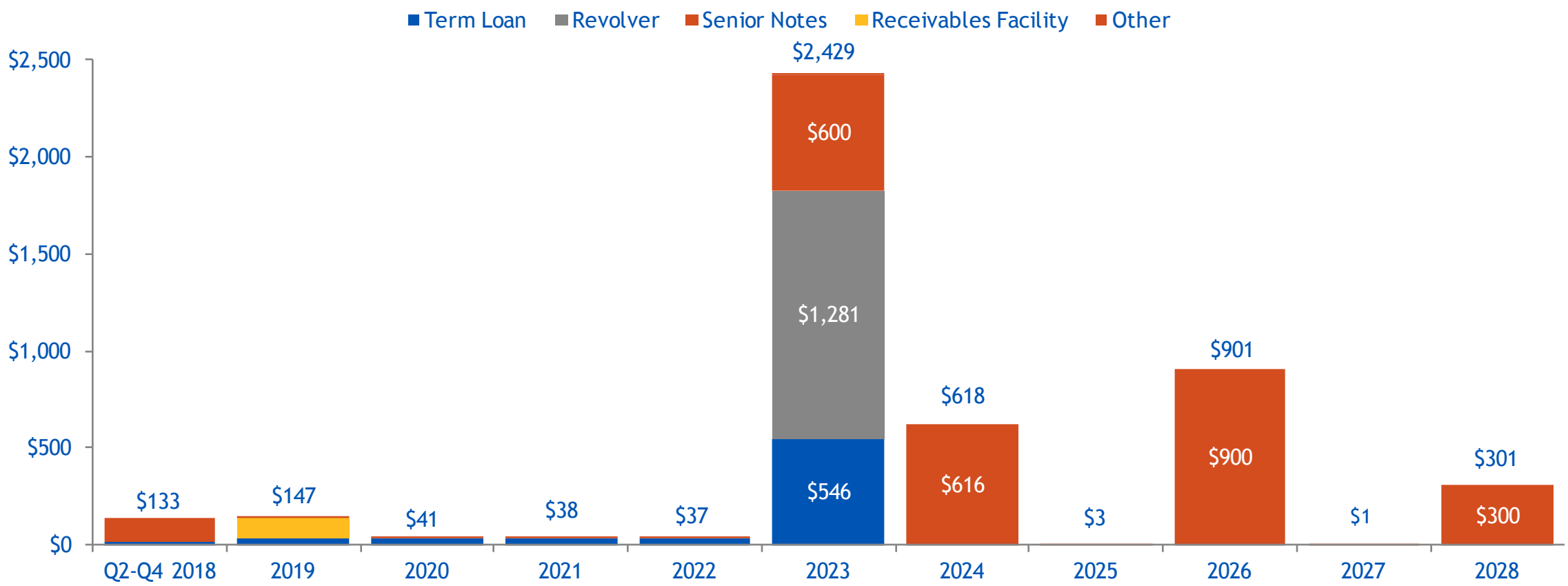
(1) Pro forma adjusted Q1 2018 as follows: (1) Net debt adjusted to reflect the April 2018 issuance of Euro Notes (2026/28) and estimated revolver borrowings for the pending Stahlgruber acquisition; (2) Segment EBITDA adjusted to include estimated 2017 EBITDA for Stahlgruber, plus €20 million in estimated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

($ in millions)



(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

Customer Testimonials — May 2018

"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."

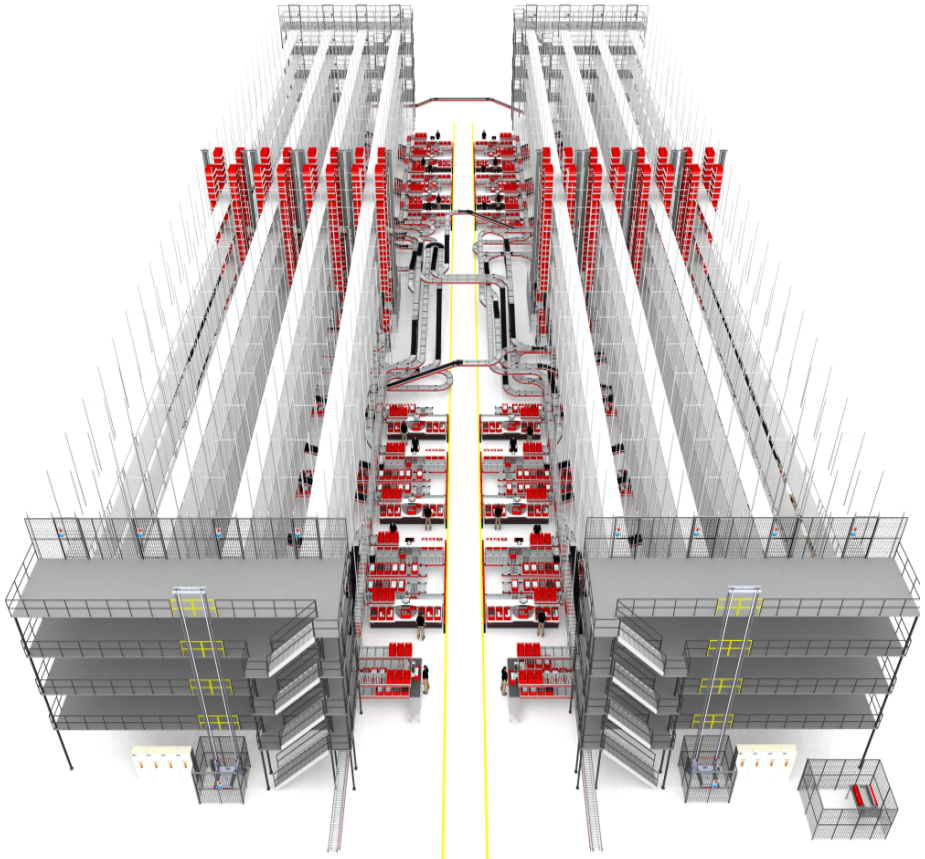
Dan Williams, Procurement Director Halfords

"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

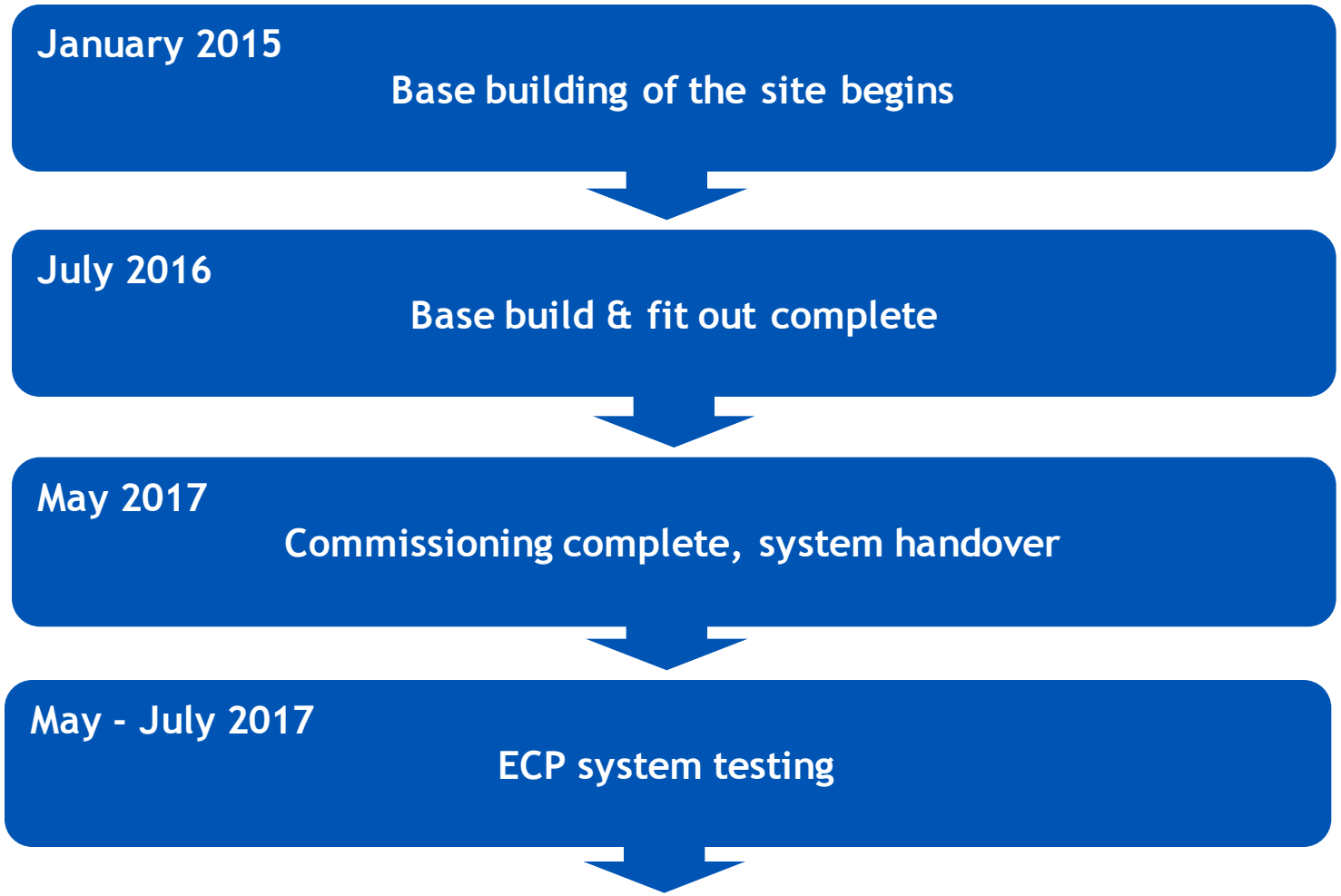


Our NDC delivery fleet travels c. **32,000 miles** daily – the same distance as going around the world



The T2 late shift walk more than **7,000km** each night – the equivalent of **178 marathons**

Timescales & Milestones



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

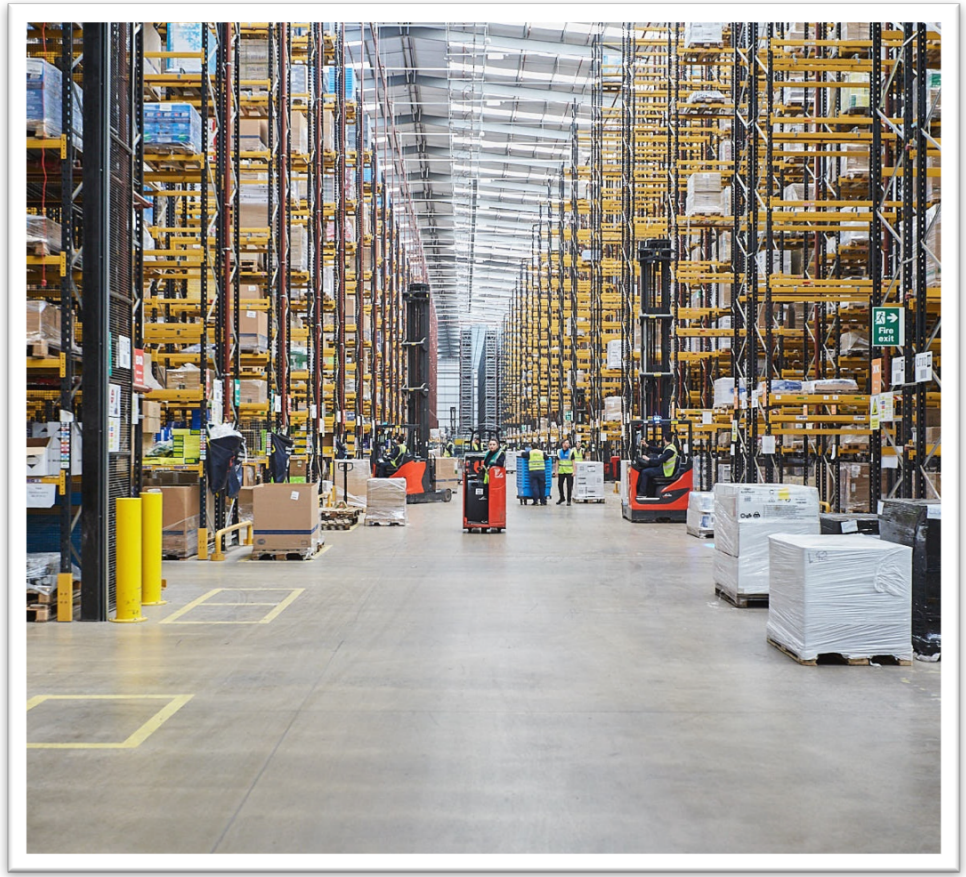
May - June 2018

Swadlincote migrated to repurposed T1 site
Swadlincote to close July 2018

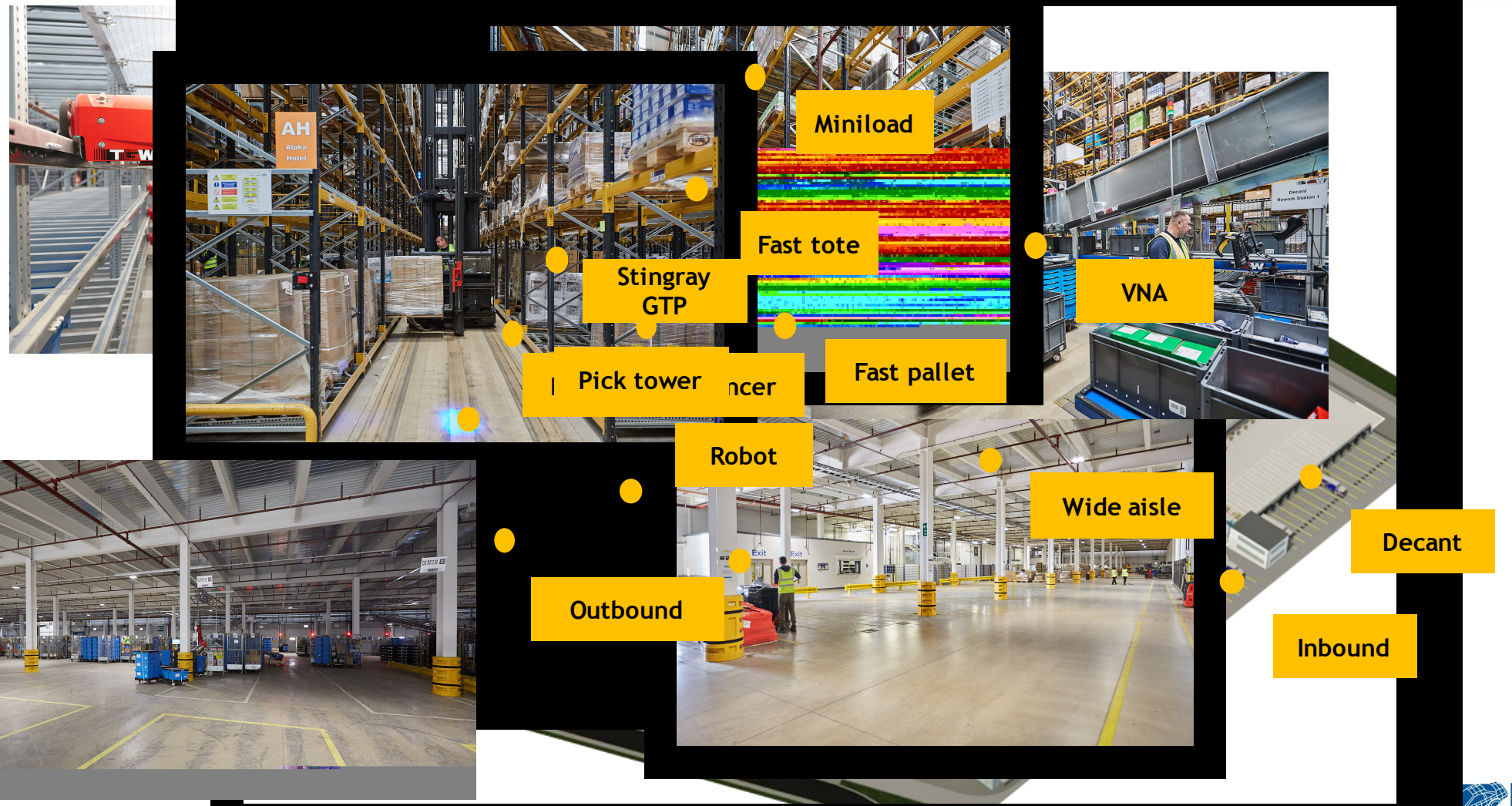
Moving forward…

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?



Reconciliation of Net Income to EBITDA and Segment EBITDA*

(in millions)	Year Ended December 31*					
	2013	2014	2015	2016	2017	TTM Q1 2018
Net income	$311.6	$381.5	$423.2	$464.0	$530.2	$546.7
Subtract:						
Net loss attributable to noncontrolling interest	—	—	—	—	(3.5)	(3.7)
Net income attributable to LKQ stockholders	$311.6	$381.5	$423.2	$464.0	$533.7	$550.4
Subtract:						
Net income (loss) from discontinued operations	—	—	—	7.9	(6.7)	(2.2)
Net income from continuing operations attributable to LKQ stockholders	$311.6	$381.5	$423.2	$456.1	$540.5	$552.6
Add:						
Depreciation and amortization	86.5	125.4	128.2	198.3	230.2	240.7
Interest expense, net	50.8	63.9	57.3	87.7	100.6	105.1
Loss on debt extinguishment**	2.8	0.3	—	26.7	0.5	0.5
Provision for income taxes	164.2	204.3	219.7	220.6	235.6	213.0
EBITDA	$615.9	$775.5	$828.5	$989.4	$1,107.3	$1,111.9
Subtract:						
Equity in (loss) earnings of unconsolidated subsidiaries	—	(2.1)	(6.1)	(0.6)	5.9	7.1
Gains on foreign exchange contracts - acquisition related	—	—	—	18.3	—	—
Gains on bargain purchases	—	—	—	8.2	3.9	3.9
Add:						
Restructuring and acquisition related expenses	10.2	14.8	19.5	37.8	19.7	20.8
Inventory step-up adjustment - acquisition related	—	—	—	3.6	3.6	4.0
Change in fair value of contingent consideration liabilities	2.5	(1.9)	0.5	0.2	(4.2)	(4.2)
Segment EBITDA	$628.6	$790.6	$854.5	$1,005.0	$1,116.6	$1,121.5
EBITDA as a percentage of revenue	12.2%	11.5%	11.5%	11.5%	11.4%	11.0%
Segment EBITDA as a percentage of revenue	12.4%	11.7%	11.9%	11.7%	11.5%	11.1%

* 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

EBITDA and Segment EBITDA Reconciliation

We have presented EBITDA solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our operating performance and the value of our business. We calculate EBITDA as net income excluding 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

(in € millions)	Year Ended December 31* 2017E
Net Income	€63.9
Adjustments:	
Depreciation & amortization	20.9
Financial result (interest)	5.8
Taxes on income	37.7
EBITDA	€128.2
Revenue	1,614
EBITDA as a percentage of revenue	7.9%

*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)	Year Ended December 31*				
	2013	2014	2015	2016	2017
Net Income	$311.6	$381.5	$423.2	$464.0	$530.2
Subtract:					
Net loss attributable to noncontrolling interest	—	—	—	—	(3.5)
Net income attributable to LKQ stockholders	$311.6	$381.5	$423.2	$464.0	$533.7
Subtract:					
Net income (loss) from discontinued operations	—	—	—	7.9	(6.7)
Net income from continuing operations attributable to LKQ stockholders	$311.6	$381.5	$423.2	$456.1	$540.5
Adjustments - continuing operations attributable to LKQ stockholders:					
Amortization of acquired intangibles	13.8	34.5	33.8	81.7	97.4
Restructuring and acquisition related expenses	10.2	14.8	19.5	37.8	19.7
Loss on debt extinguishment	2.8	0.3	—	26.7	0.5
Inventory step-up adjustment - acquisition related	—	—	—	3.6	3.6
Change in fair value of contingent consideration liabilities	2.5	(1.9)	0.5	0.2	(4.2)
Gains on foreign exchange contracts - acquisition related	—	—	—	(18.3)	—
Losses (gains) on bargain purchases	—	—	—	(8.2)	(3.9)
U.S. tax law change 2017	—	—	—	—	(22.2)
Excess tax benefit from stock-based payments	—	—	—	(11.4)	(8.0)
Tax effect of adjustments	(9.4)	(17.2)	(18.4)	(45.6)	(40.6)
Adjusted net income from continuing operations attributable to LKQ stockholders	$331.5	$412.1	$458.6	$522.5	$582.7
Weighted average diluted common shares outstanding	304,131	306,045	307,496	309,784	310,649
Diluted earnings per share from continuing operations attributable to LKQ stockholders:					
Reported	$1.02	$1.25	$1.38	$1.47	$1.74
Adjusted	$1.09	$1.35	$1.49	$1.69	$1.88

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

Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS from Continuing Operations

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*

(in millions, except per share data)	For the year ending December 31, 2018 Minimum Guidance	Maximum Guidance
Net income from continuing operations attributable to LKQ stockholders	$611	$641
Adjustments:		
Amortization of acquired intangibles	100	100
Restructuring and acquisition related expenses	4	4
Excess tax benefit from stock-based payments	(3)	(3)
Tax effect of adjustments	(27)	(27)
Adjusted net income from continuing operations attributable to LKQ stockholders	$685	$715
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