European Segment Business Update

“1 LKQ Europe”

September 10, 2019

Forward Looking Statements and 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, 2018 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.

The presentation references Segment EBITDA, which is our measure of segment profitability as defined in our public filings. See the "Segment and Geographic Information" footnote in our forms 10-Q and 10-K for further detail.

Agenda

- “1 LKQ Europe”
- New LKQ Europe Leadership
- Path to Sustainable Double-Digit Margins
- Transformation Costs and Sources of Funding
- Testimonials
- 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"

LKQ Europe – The market leader

$6.0 B
Estimated revenue in 2019

~700,000
Independent Wholesale Customers

21*
Countries with LKQ locations in Europe

 # 1
Ranking in Europe

~1,100
locations

> 27,000
Employees throughout Europe

>500,000
Unique SKU's



* Includes countries where Mekonomen, of which LKQ owns 26.6%, operates. All other figures exclude Mekonomen

“1 LKQ Europe”



21 Different Countries

Unchanged Customer Experience….

… In the Hands of Local Managers

Maintain Strong Entrepreneurial Culture



29 ERP Systems

24 Financial Systems

15 E-mail Systems

38 Phone Systems

50 Customer Portals

90 Private Label Brands

10 Catalogues

Fragmented Procurement and Product Management

Transformation

Benefit from Scale

Stronger Competitive Position

1 LKQ Europe

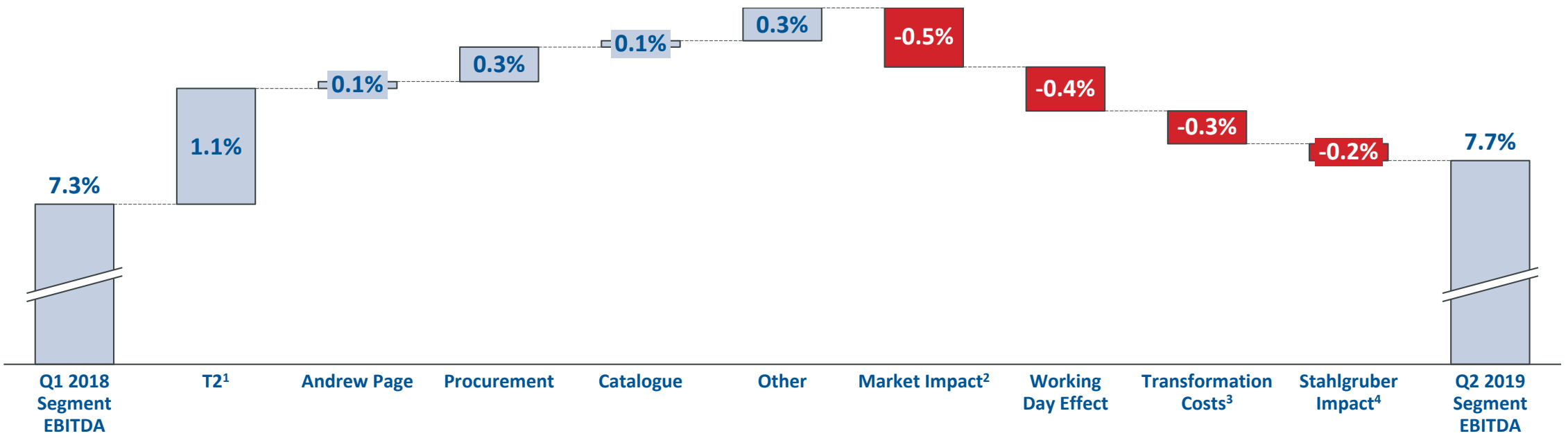
Rationalized Product Portfolio

LKQ Europe Headquarters

Common ERP Platform

Segment EBITDA margin progress since Q1 2018

Impact of the Initiatives: Q1'18 vs. Q2'19



Note: In the chart above the sum of the individual percentages may not equal to the total due to rounding
Source: Company analysis

1) Represents the benefit of lower NDC operating costs and reduced inventory losses in 2019 compared to the base period
2) Market impact represents the difference between reported Q2 2019 Segment EBITDA % and "Estimated Q2 2019 Segment EBITDA%"; Estimated Q2 2019 Segment EBITDA% assumed flat organic revenue (on a per day basis) vs Q2 2018 and consistent GM% and variable SG&A% in Q2 2019. Market Impact calculation excludes Stahlgruber
3) See page 15 for details and definitions
4) All factors are shown excluding the effect of Stahlgruber, except for "Stahlgruber Impact", which captures the net impact from the acquisition on Segment EBITDA margin

Arnd Franz - Chief Executive Officer, LKQ Europe*



Prior to joining LKQ Europe, Arnd served as Corporate Executive Vice President and Member of the Management Board of MAHLE Group. MAHLE is an automotive parts manufacturer based in Stuttgart, Germany with over €12 billion in annual sales. At MAHLE, Arnd was responsible for global OEM sales and aftermarket parts development for MAHLE's entire product portfolio.

* On August 15, 2019 the Company announced that Arnd Franz will succeed John Quinn as Senior Vice President of LKQ Corporation and CEO of LKQ Europe effective October 1, 2019

Arnd Franz – First 150 days observations

Accomplishments

- Unique growth story from acquisitions
- Market slow but LKQ gaining share in most markets
- Transition to consolidated procurement initiated with significant further opportunities
- Product management: Activities ready for implementation
- Maintained strong entrepreneurial culture

Key enablers have been initiated

- First successful big data pilot projects for revenue and yield optimization
- Experienced international cross-functional team for ERP implementation
- Catalog data harmonization
- More digital customer solutions under way

What's next

- Time to integrate: organization ready to change to "1 LKQ Europe"
- LKQ set to be a leader in key value drivers for the Aftermarket of the future
- Leverage scale in procurement and operations by consistent plan execution
- Medium-term opportunity to grow aftermarket collision parts in certain key markets

Representative benefits from LKQ Europe initiatives

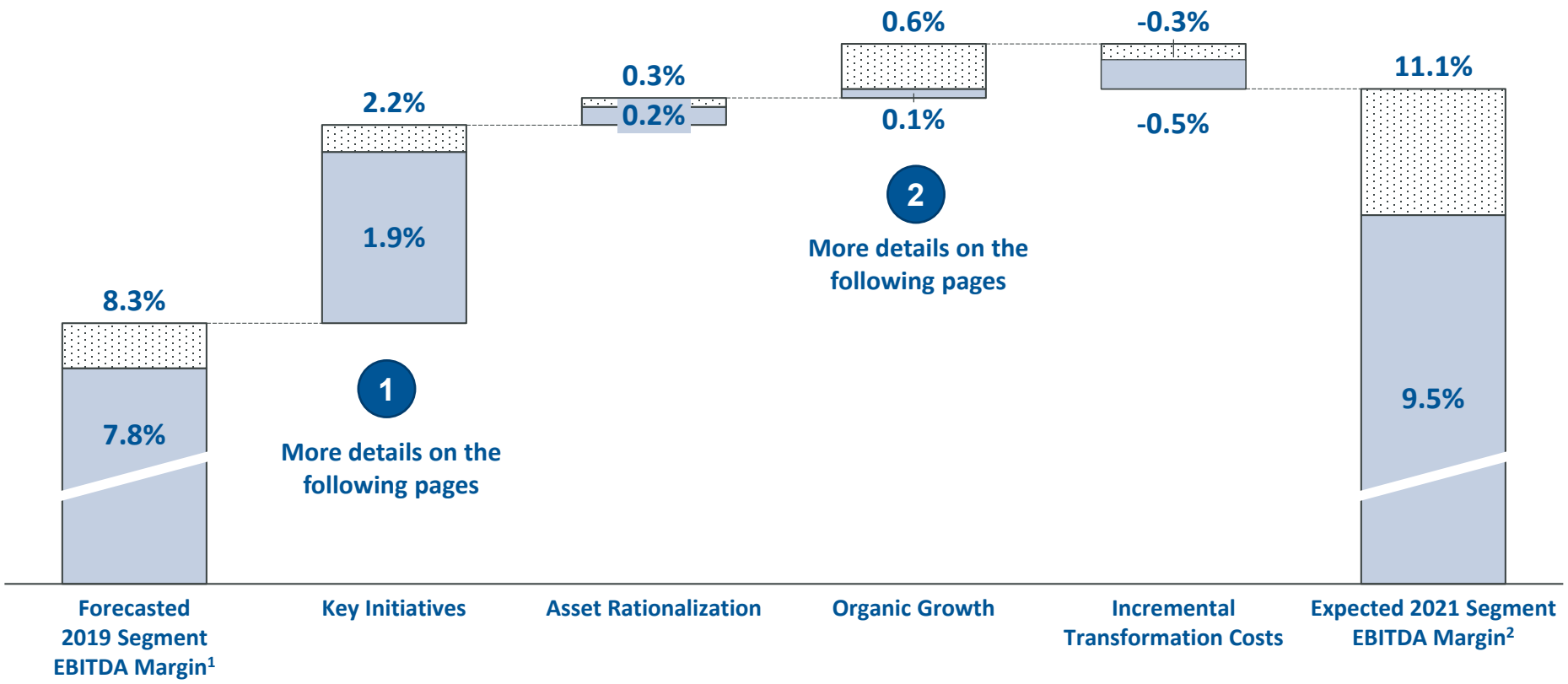
LKQ is uniquely positioned to leverage its scale and capabilities in Europe

	Procurement	Private Label	Revenue Optimization	ERP
Revenue Impact	○	✚ ✚	✚	○
Complexity Reduction	✚ ✚	✚ ✚	✚	✚ ✚
Cost Reduction	✚ ✚	✚ ✚	○	✚
Customer Value	○	✚ ✚	✚	✚
Leveraging LKQ Scale	✚ ✚	✚ ✚	✚	✚ ✚

✚ Positive Impact ○ Minimal Impact

Where we believe LKQ Europe can be in 2021 and beyond

LKQ Europe: Path to Sustainable Double Digit Segment EBITDA Margin



Initiatives' Benefit Post 2021

- Procurement
- Private Label
- Centralization and Shared Services
- Logistics
- Digital Services
- ERP

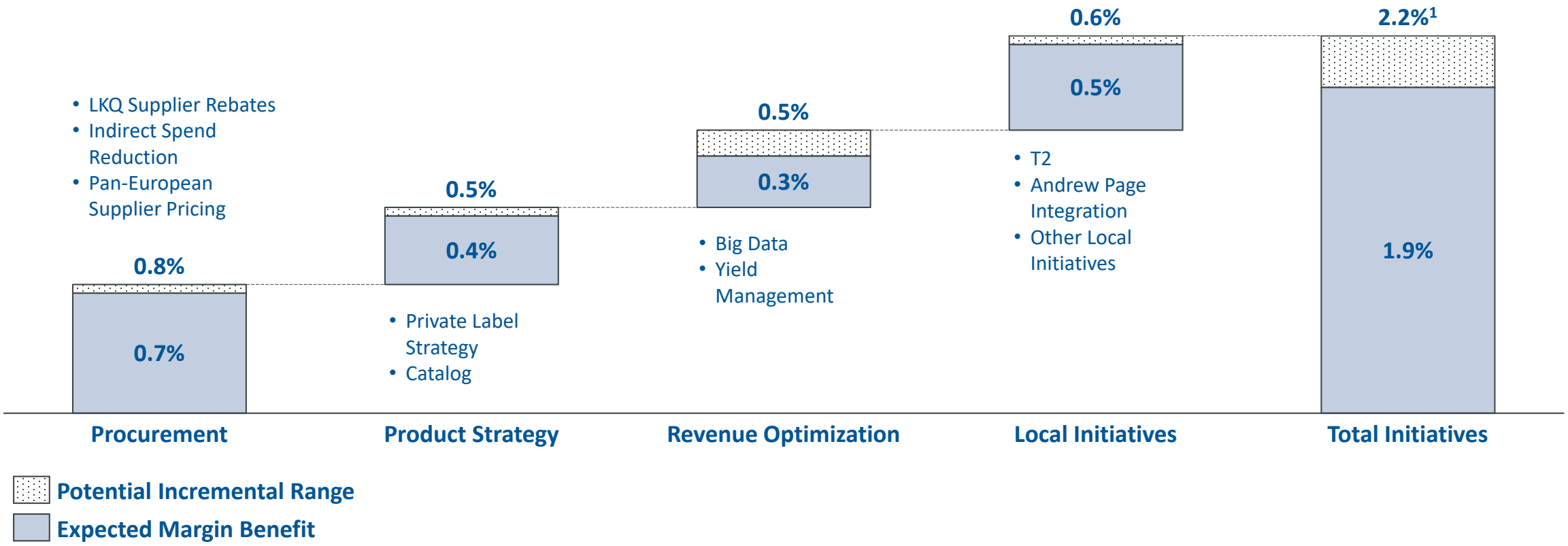
Additional 0.5% - 1.0% Segment EBITDA Margin Benefit

1) Includes 30 bps negative impact from transformation costs
2) Includes 60-80 bps negative impact from transformation costs

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Expected benefit of initiatives

LKQ Europe Initiatives' Expected Segment EBITDA Benefit 2019 - 2021

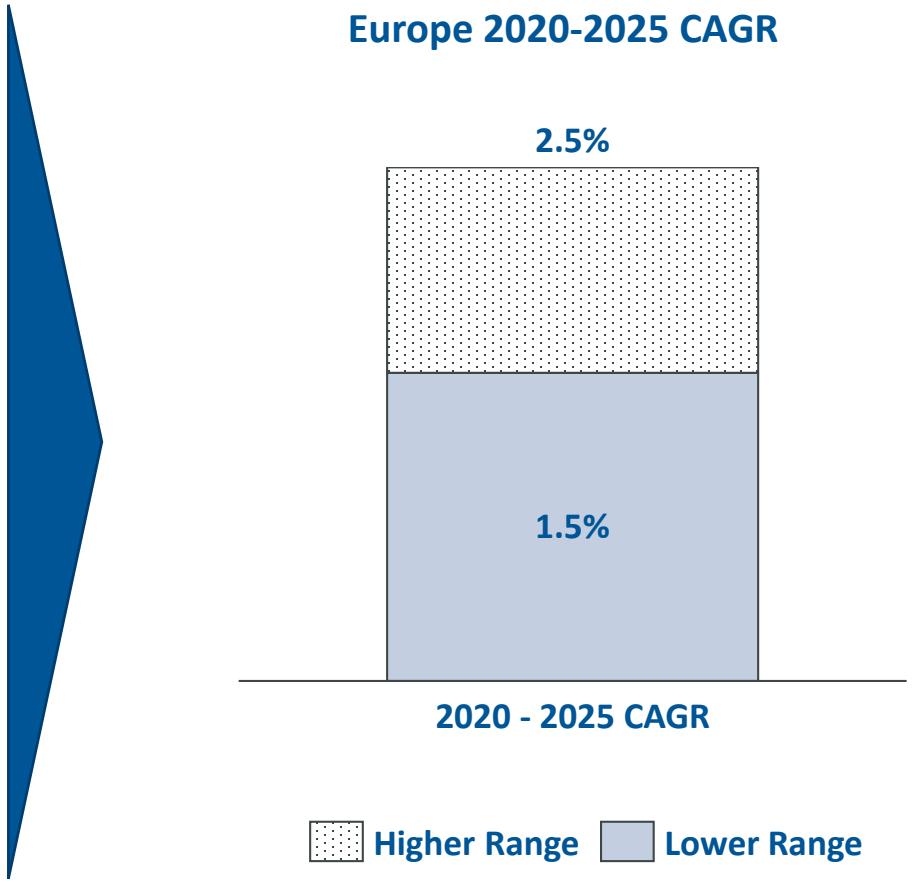


1) Numbers may not foot due to rounding

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Growing Market with Aging Fleet

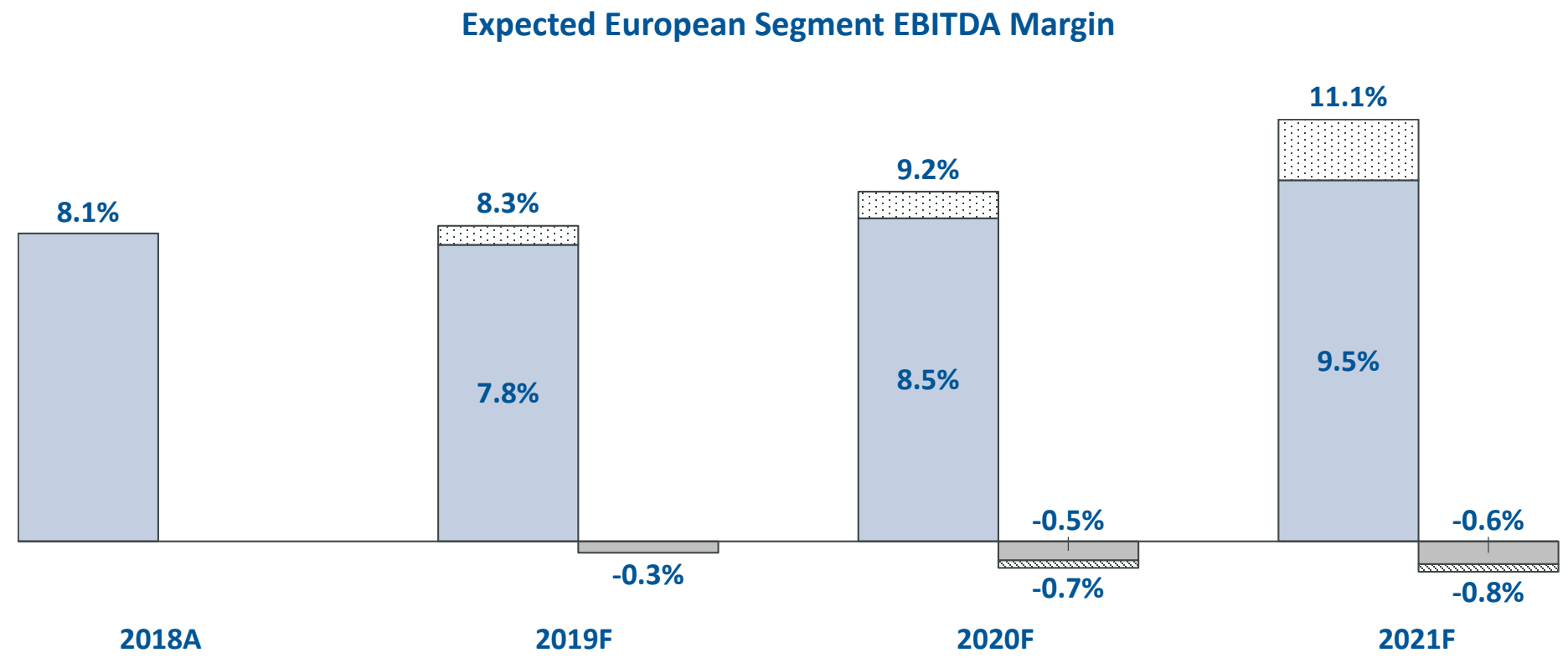
LKQ Europe Footprint	Parc Size[1] (millions)	Age of Fleet[2]
Germany	47.1	9.3
United Kingdom	36.0	7.8
Netherlands	8.6	10.4
Italy	39.0	10.8
CEE Region[3]	49.3	14.2
LKQ Europe Coverage	180.0	10.7
European Union 2013 – 2017 CAGR	282.1 2.0%	10.5 1.4%



Sources: Industry Sources, LKQ Analysis, European Automobile Manufacturers Association

1) Passenger and Light Commercial Vehicles as of 2019; 2) As of 2016; 3) Includes Czech Republic, Slovakia, Ukraine, Hungary, Poland, Romania

Expected margin progression through 2021

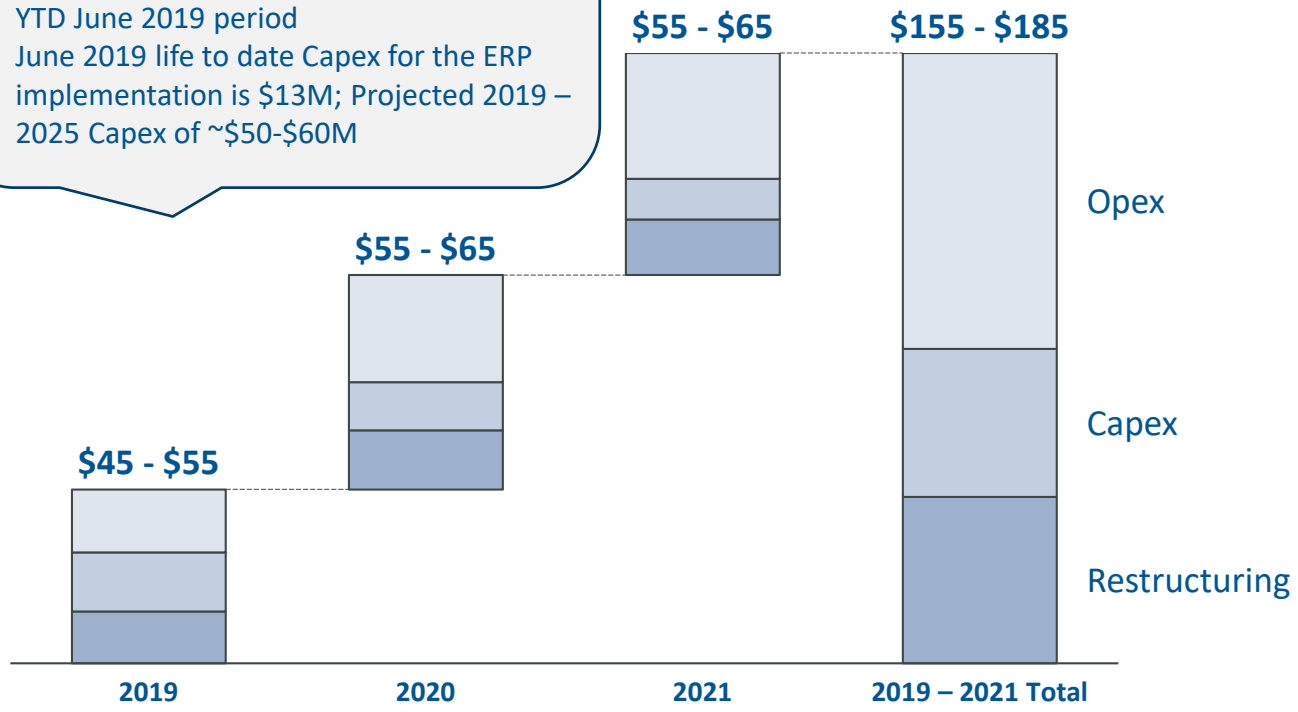


“1 LKQ Europe” Program Costs

Expected Cash Outlays 2019 – 2021 in $M[1]

Previously Announced:

- Estimated restructuring charges of ~$20-$23M for cost reduction initiatives
- Opex transformation costs of ~$7M in the YTD June 2019 period
- June 2019 life to date Capex for the ERP implementation is $13M; Projected 2019 – 2025 Capex of ~$50-$60M



Note: Cash outlays for the program between 2022-2024 are expected to be in the range of $80M - $100M in total

1) Local currency amounts translated to USD at current exchange rates

Cost Definitions

- **Transformation-related opex**: Period costs incurred to execute the “1 LKQ Europe” project that are classified outside of restructuring expense and Capex. E.g. non-capitalizable implementation costs for the new ERP, such as training and data conversion.
- **Transformation-related capex**: These are expenditures for long-lived assets, such as software and facilities that directly relate to the “1 LKQ Europe” project and impact free cash flow, but are capitalized onto LKQ’s balance sheet. E.g. design and coding costs to implement the new ERP.
- **Restructuring expenses**: Non-recurring costs resulting directly from (i) the implementation of the “1 LKQ Europe” project from which the business will derive no ongoing benefit and (ii) efforts to eliminate underperforming assets and cost inefficiencies as previously announced during 2019. E.g. lease breakage costs when consolidating branches. Estimates in this presentation exclude one-time gains or losses related to asset rationalizations

Funding of Transformation

Cash Flow Considerations

- Trade Working Capital (TWC) improvement in Europe launched as a key objective in 2019, primarily driven by:
  - Supplier payment terms normalization, incl. vendor financing program
  - Stock level rationalization
  - Improved supply chain approach (e.g. Category management)
  - Past due receivables
- Expectation that transformation costs will be entirely funded by the improved TWC performance

Vendor Financing Program - Update

- European segment's annual direct spend is approximately $3.6 billion with ~1,800 suppliers with annualized spend >$23,000
- The Top 40 suppliers - key strategic partners - represent 60% of the annual spend, or about $2.2 billion
- Launched the European vendor financing program in 2019:
  - Initiated negotiations with the Top 40 suppliers in order to extend the average payment terms in line with market convention for customers of similar spend scale globally
  - Secured financing partners in key markets such as Germany, Italy and UK
- By end-July 2019, completed meetings with suppliers representing 80%+ of the spend in scope.
- Preliminary feedback, incl. suppliers that have already signed up to the program is largely positive. Our intention is to secure longer payment terms that will generate >$200 million in incremental OCF by 2021

LKQ Europe

Supplier Testimonials

"The European automotive aftermarket is expected to face technology and geographical developments that will push both, distributors and manufacturers to shift toward stronger partnerships supporting the digitization of channels and interface.

The strategy of LKQ in combination with the offer of Bosch Automotive Aftermarket in terms of Products, Diagnostics and Workshop Services, supports the trends of the future aftermarket."- **Manfred Baden, President of Automotive Aftermarket, Bosch**

"LKQ is pursuing its strategic path consequently and we as Schaeffler would like to continue to be a reliable partner. Together we are engaged for fair competition with unrestricted access to repair and connectivity data. Both of us put the independent workshop at the center of our service and training activities for future affordable repair and service to secure individual mobility.

Moreover we support LKQ in the consolidation of the European distribution, as consolidation and efficiency gains are required on all levels of the independent market. We are convinced that we can generate above average value with this spirit of partnership." – **Michael Soeding, Member Executive Board and CEO, Automotive Aftermarket, Schaeffler**

Customer Testimonials

"As an online retailer with an extensive "long-tail" of product we offer our customers, Kfzteile24 wishes for competent and available parts assortments from its suppliers. The efficiency of LKQ in the procurement of ordered particles is best in class and far above average. From Kfzteile24's perspective, we see a high sales potential between our companies for the foreseeable future based on the performance in price and order fulfilment LKQ offers." - **Wolfgang Riegel, COO, Kfzteile24**

"Stahlgruber is the partner of our choice, because in addition to the important immediate availability of high-quality spare parts and tools on the same day, we can also make use of an extensive service and training offer. Furthermore, the good personal relationship with my sales representatives and their superiors is extremely important.

By joining the LKQ Group we hope to gain further advantages in the medium term. You can be sure of a close exchange with your international colleagues - not only through our international workshop concept. The industry has great challenges to deal with - for this we need the best partners."- **Vogt GmbH, Heilbronn**

Customer Testimonials

"In November 2018 we moved our roadside parts supply to Euro Car Parts. The initial transition took place as we entered our busiest period, given the nature of our business it had to be seamless. Thanks to the professional and supportive approach taken by all levels from Branch to the Exec the transition went to plan and had only a positive effect on the business.

Post transition the leadership team have continued to support our parts strategy, provided Management Information to shape our ranging, and continue to look for ways to improve our patrol efficiencies, engagement, and sales ratios. Feedback from Patrols has been positive and we look forward to continuing to develop the partnership."-

Simon Benson, Commercial Director, UK Automotive Association

"Halfords have worked with Euro Car Parts for a number of years, and over that time, we have developed strong working relationships at all levels of the business. We find them to be a supportive partner in a number of areas, from delivering great service levels to our garage network, through to working together to grow sales and market share for both parties. Looking ahead, there are some exciting developments that could further strengthen the relationship and provide mutual benefit for both parties. We look forward to approaching these with the usual energy, tenacity and rigour that we have become used to when working with Euro Car Parts."-

Dan Williams, Commercial Director, Halfords Autocentres

Questions and Answers