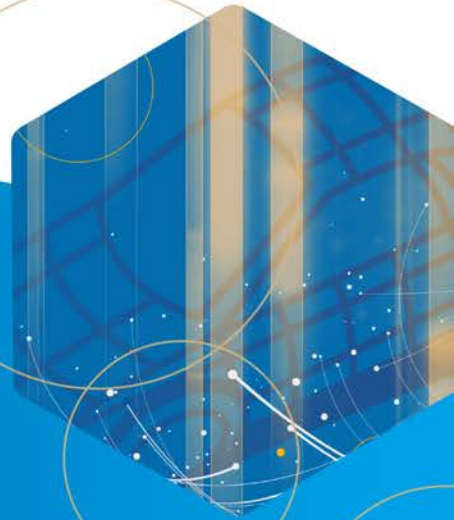


LKQ Corporation

Second Quarter 2021 Earnings Call

July 29, 2021

Nick Zarcone - *President & Chief Executive Officer*
Varun Laroyia - *Executive Vice President & Chief Financial Officer*
Joe Boutross - *Vice President, Investor Relations*



Forward Looking Statements and 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. 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 events or results to differ from the events or 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, 2020 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 is a reconciliation of each non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP.

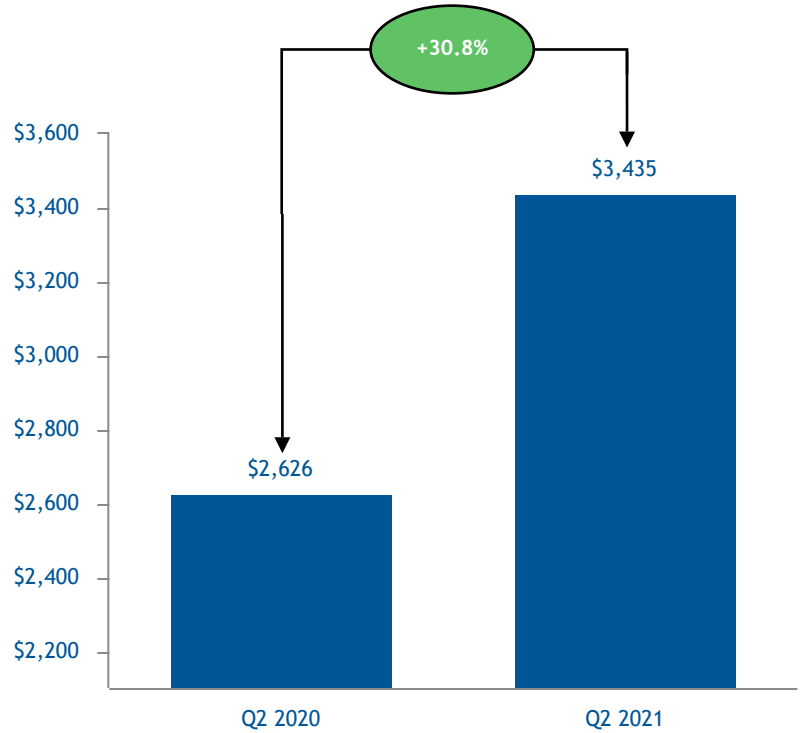
Q2 2021 Highlights

- Highest quarterly diluted EPS and Segment EBITDA in LKQ history
  - Focus on operational excellence, ongoing benefits from rightsizing actions enacted in prior periods, and favorable scrap and precious metal prices drive record profitability
- Total revenue growth of 30.8%; organic revenue growth for parts and services of 21.9% (21.1% on a per day basis)
  - Growth driven by the annualization of the initial impact of the COVID-19 pandemic
  - Positive momentum in Specialty continued through the second quarter, with a 31.5% reported growth rate
  - Favorable trends in scrap steel and precious metals prices generated 108.0% of organic growth for other revenue
- All three segments generated year-over-year improvements in Segment EBITDA margin
  - North America reported Segment EBITDA margin of 20.8%; highest in the Company's history
  - Europe achieved Segment EBITDA margin of 10.7% compared to 7.4% in Q2 2020
  - Specialty achieved Segment EBITDA margin of 14.9% compared to 12.9% in Q2 2020; highest in the Company's history
- Diluted EPS from continuing operations of $1.01 vs. $0.39 (159% increase); Adjusted Diluted EPS[(1)] of $1.13 vs. $0.53 (113% increase)
- Strong operating cash conversion; generated $411 million in operating cash flows in Q2 2021 and free cash flow[(2)] of $365 million; YTD free cash flow[(2)] of $845M
- Net leverage declined to 1.2x EBITDA[(3)] as of June 30, 2021; paid down $264 million in debt in Q2
- Invested $304 million in share repurchase program; bought back 6.2 million shares
- Board of Directors has authorized a $1 billion increase and two year extension to the share repurchase program through October 25, 2024
- Investment grade rating initiated by Fitch of BBB- (stable outlook)
- During the second quarter MSCI increased LKQ's ESG rating from A to AA, this is the second increase in the past two years and places LKQ in the top 19% of its index group
- Full year outlook raised for EPS and free cash flow[(2)]

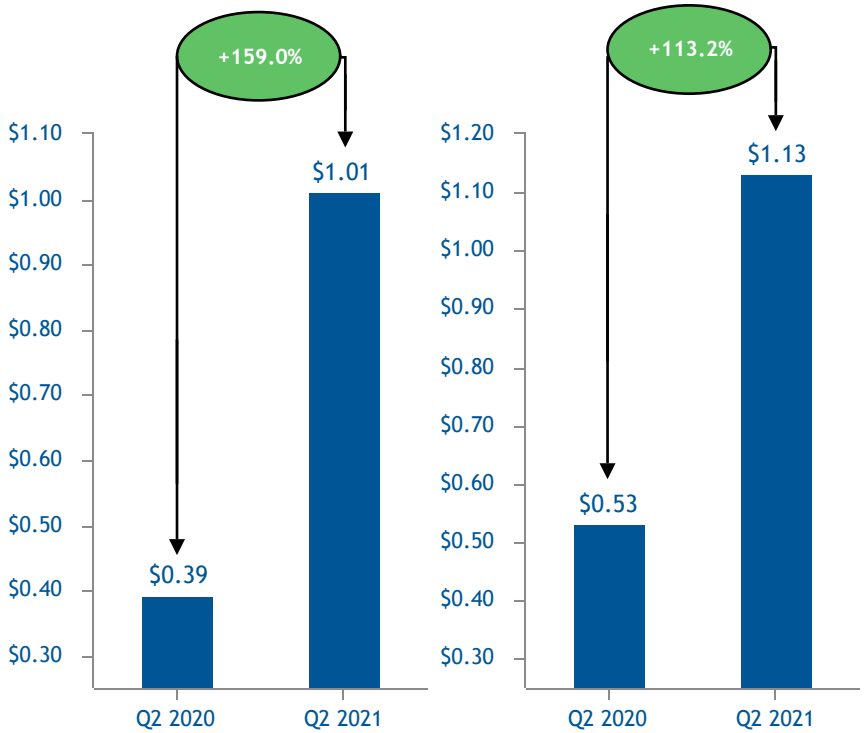
(1) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation
(2) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation
(3) Net leverage per bank covenants is defined as Net Debt/EBITDA. See the definitions of Net Debt and EBITDA in the credit agreement filed with the SEC for further details

Consolidated Results - Continuing Operations

Q2 2021 Revenue[1]



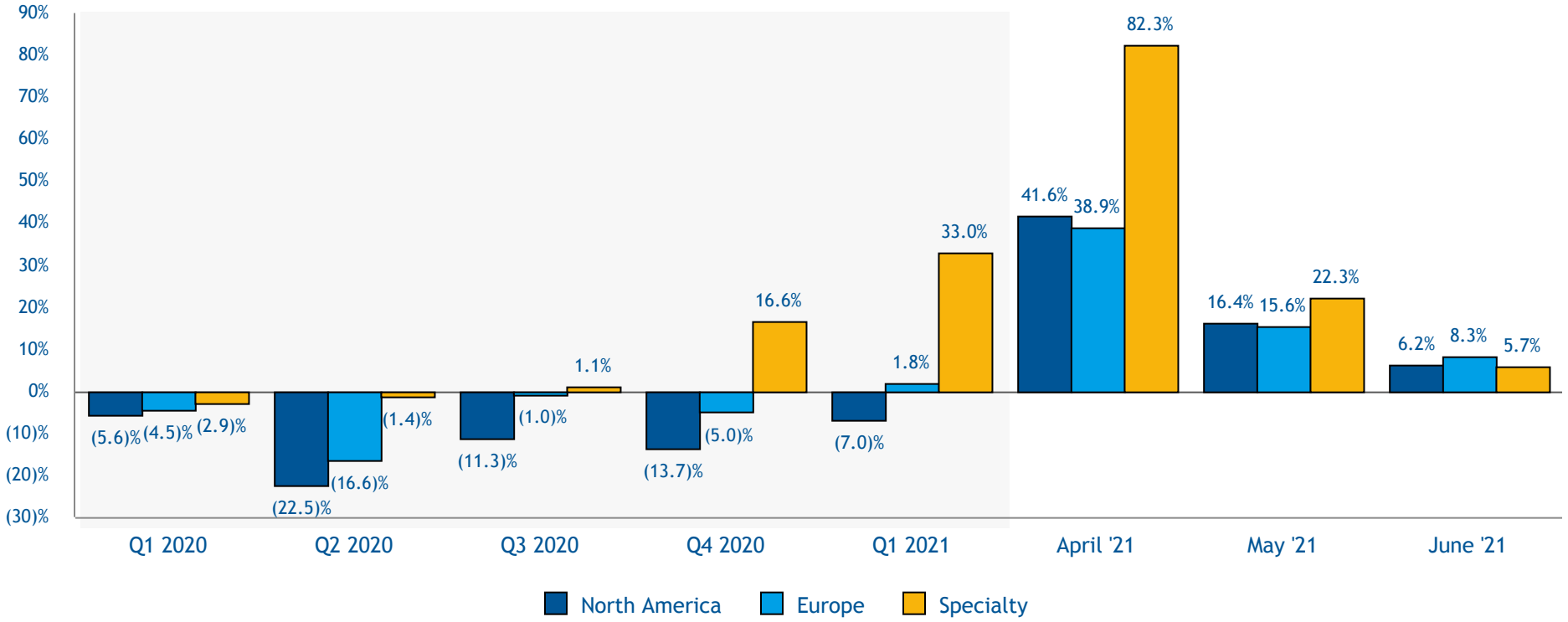
Q2 2021 EPS[2]



(1) Revenue in millions
(2) Earnings per share figures refer to net income from continuing operations attributable to LKQ stockholders
(3) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

Demand Impact

Organic Parts & Services Revenue Change (Per Day)



Growth rates improved through the second quarter coming off low base as April - May 2020 had significant negative effects from the stay-at-home mandates

Columns reflect the YOY organic parts and services revenue change per day.
Note: Europe had one additional selling day in Q2 2021 compared to the same period of 2020

Q2 2021 Revenue

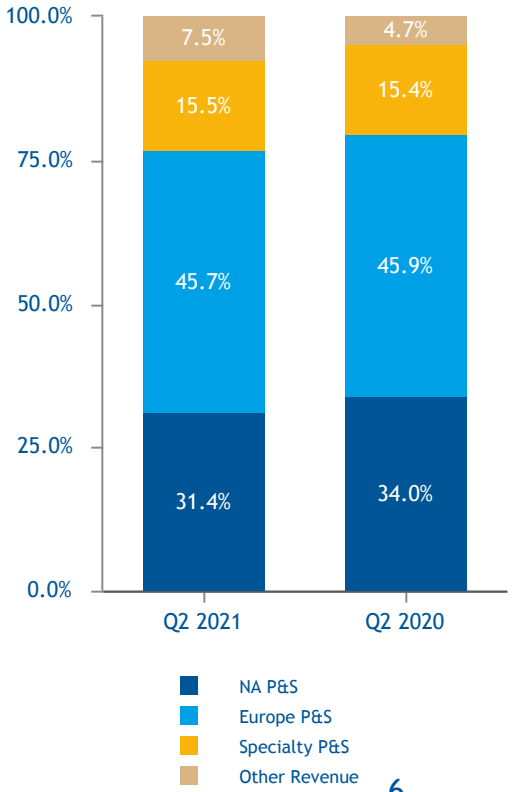
Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total[1]
North America	19.7%	0.2%	0.7%	20.6%
Europe	20.7%	(0.9)%	10.3%	30.1%
Specialty	30.1%	0.4%	1.1%	31.5%
Parts and Services	21.9%	(0.3)%	5.4%	27.0%
Other Revenue	108.0%	0.0%	0.5%	108.5%
Total	25.9%	(0.3)%	5.2%	30.8%

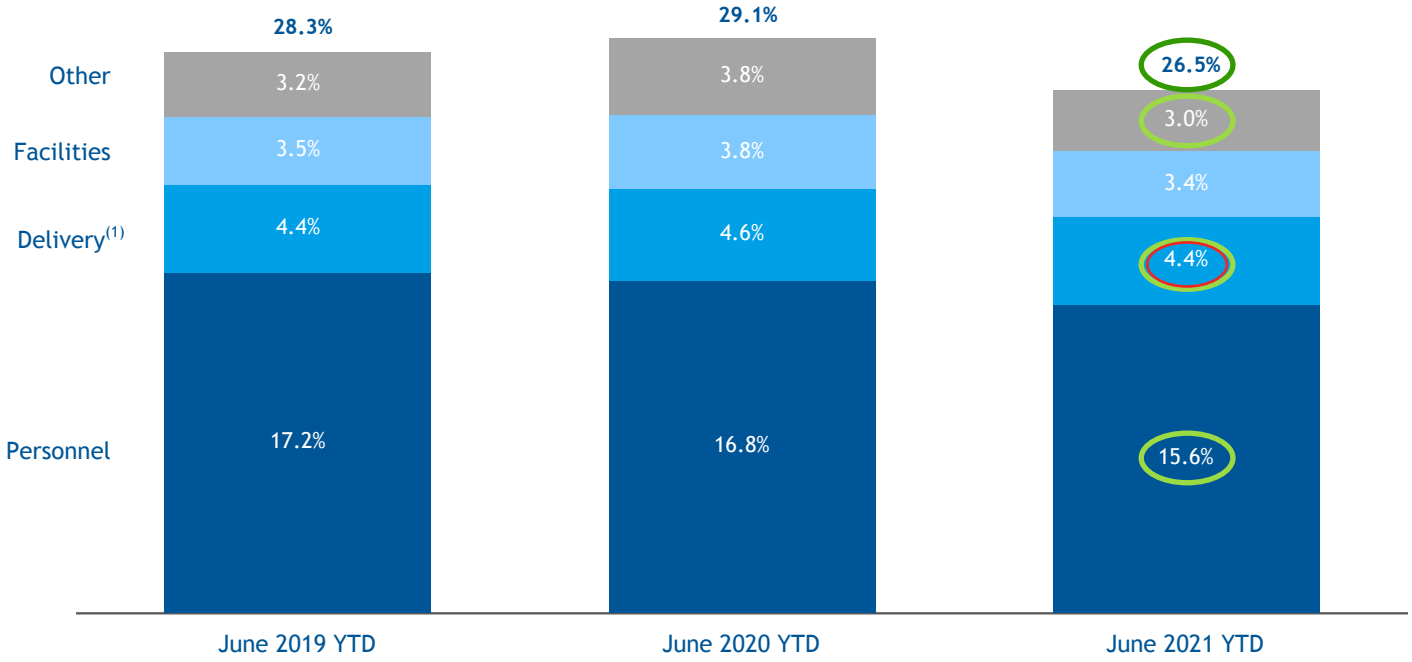
- Organic revenue for parts and services increased 21.9% (increased 21.1% on a per day basis)
- North America organic revenue for parts and services increased 19.7%; primarily driven by a recovery in collision and liability related auto claims related to the COVID-19 recovery as well as growth from major mechanical parts
- Europe organic revenue for parts and services increased 20.7% (increased 19.2% on a per day basis); not all regions were impacted by the pandemic to the same degree, creating a different profile for each of our European businesses in Q2 2020 and Q2 2021
- Favorable F/X impact on European parts and services revenue of $124 million (see foreign exchange rate trend on page 29); European constant currency parts and services revenue increased 19.8%[2]
- Specialty organic revenue for parts and services increased 30.1%; largely due to strong demand across our recreational vehicle and auto and light truck product lines and from drop shipment customers
- Other organic revenue increased 108.0%, as scrap steel prices and precious metals prices increased compared to the prior year (see price trend on page 28)

(1) The sum of the individual revenue change components may not equal the total percentage due to rounding
(2) Constant currency is a non-GAAP financial measure. Refer to Appendix 1 for constant currency reconciliation

Components of Revenue



Sustained OpEx Savings



Significant sustained savings from headcount actions, route optimization & other cost reduction efforts, partially offset by higher freight costs and other inflationary pressures

Note: In the chart above the sum of the individual percentages may not equal the total due to rounding
(1) Delivery costs include freight, vehicle & fuel expenses. Within delivery expenses, increasing freight and fuel prices are being offset by our cost reduction programs, including route optimization



Financial Results

Operating Results - Continuing Operations

($ in millions, except per share data)	Second Quarter 2021	2020	Change F/(U)
Revenue	$3,435	$2,626	30.8%
Gross Margin	1,416	1,011	40.0%
Operating Expenses	902	737	(22.3)%
Operating Income	445	180	146.4%
Pre-tax Income	409	163	151.1%
Net income from continuing operations attributable to LKQ stockholders	305	119	157.0%
Segment EBITDA[(1)]	524	291	79.9%
Segment EBITDA Margin[(1)]	15.2%	11.1%	410 bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	$1.01	$0.39	159.0%
Adjusted[(2)]	$1.13	$0.53	113.2%

- Effective income tax rate for the three months ended June 30, 2021 was 26.3%, compared to 25.7% for the three months ended June 30, 2020

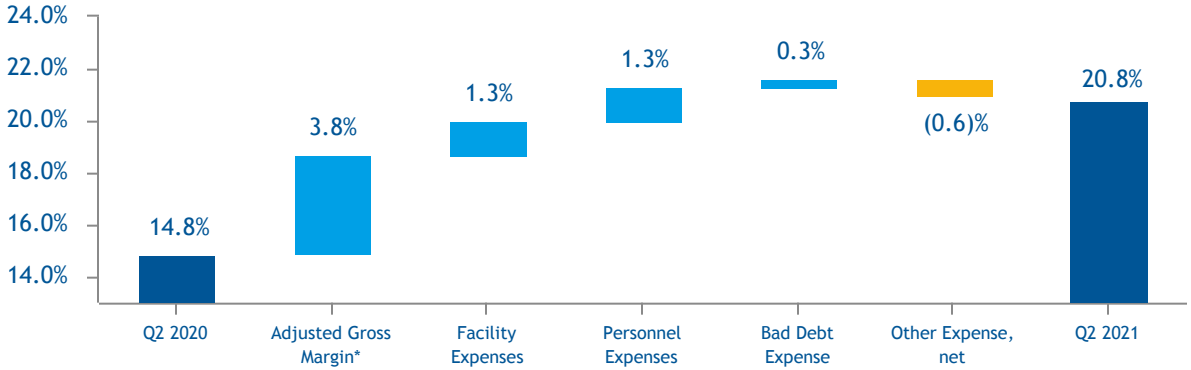
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation
(2) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

North America – Q2 2021 Results

($ in millions)	2021	2020	Change F/(U)	% of Revenue 2021	% of Revenue 2020
Total Revenue	$1,328	$1,011	31.3%		
Gross Margin	$651	$454	43.5%	49.0%	44.9%
Adjusted Gross Margin*	$651	$457	42.5%	49.0%	45.2%
Operating Expenses	$378	$317	(19.6)%	28.5%	31.3%
Other Income, net	$2	$8			
Segment EBITDA[(1)]	$276	$150	84.7%	20.8%	14.8%

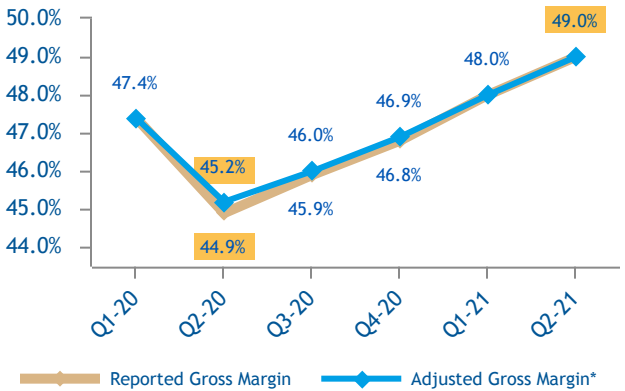
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

North America Segment EBITDA Margin Bridge

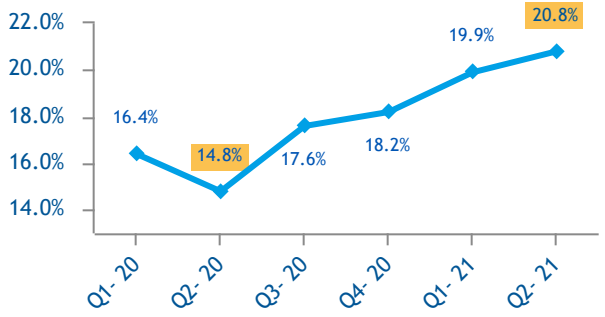


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding
*Adjusted Gross Margin is a non-GAAP measure. Refer to Appendix 7 for Reconciliation of Gross Margin to Adjusted Gross Margin. Reported Gross Margin % increase of 4.1% was positively impacted by 0.3% for COGS related restructuring expenses which are excluded from the bridge above.

Gross Margin



Segment EBITDA Margin



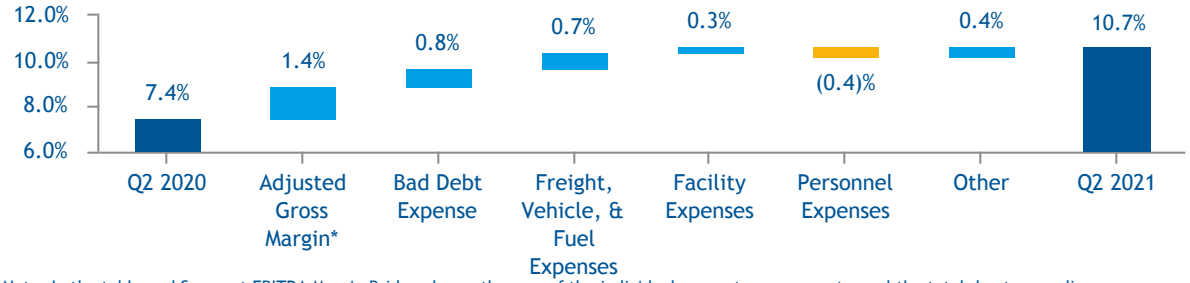
Europe – Q2 2021 Results

($ in millions)	2021	2020	Change F/(U)	% of Revenue 2021	% of Revenue 2020
Total Revenue	$1,577	$1,211	30.2%		
Gross Margin	$605	$445	36.0%	38.4%	36.8%
Adjusted Gross Margin*	$605	$448	35.2%	38.4%	37.0%
Operating Expenses	$442	$360	(22.8)%	28.0%	29.7%
Other Income, net	$2	$0			
Segment EBITDA[(1)]	$168	$89	88.1%	10.7%	7.4%
Transformation Expenses	$3	$2			
Segment EBITDA[(1)] excluding Transformation Expenses[(2)]	$171	$92	86.7%	10.9%	7.6%

(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

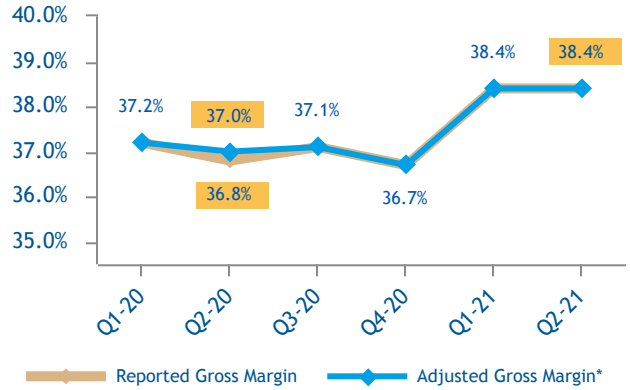
(2) Transformation expenses are period costs to execute the 1 LKQ Europe program that are expected to contribute to ongoing benefits to the business (e.g. non-capitalized implementation costs related to a common ERP system). These expenses are recorded in selling, general and administrative expenses.

Europe Segment EBITDA Margin Bridge

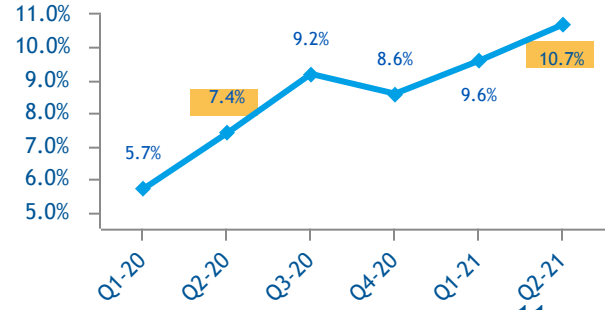


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding
*Adjusted Gross Margin is a non-GAAP measure. Refer to Appendix 7 for Reconciliation of Gross Margin to Adjusted Gross Margin. Reported Gross Margin % increase of 1.6% was positively impacted by 0.2% for COGS related restructuring expenses which are excluded from the bridge above.

Gross Margin



Segment EBITDA Margin

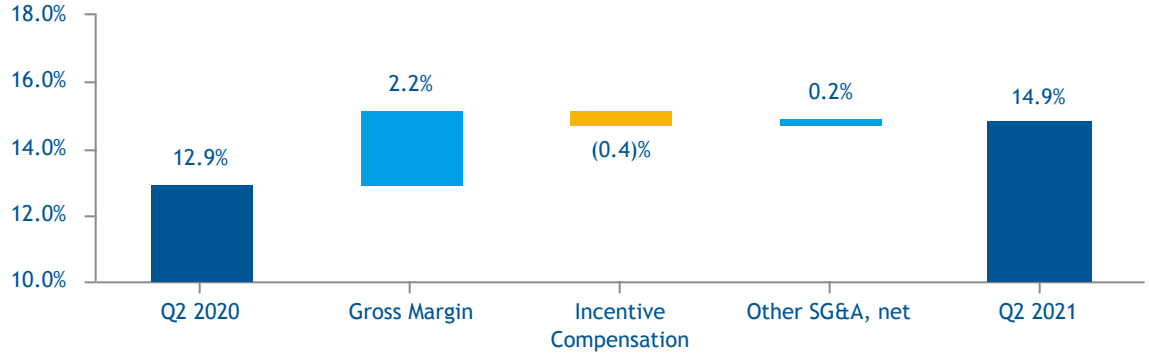


Specialty - Q2 2021 Results

($ in millions)	2021	2020	Change F/(U)	% of Revenue 2021	% of Revenue 2020
Total Revenue	$532	$405	31.5%		
Gross Margin	$159	$112	42.1%	29.9%	27.7%
Operating Expenses	$81	$61	(33.8)%	15.2%	14.9%
Segment EBITDA[(1)]	$79	$52	52.0%	14.9%	12.9%

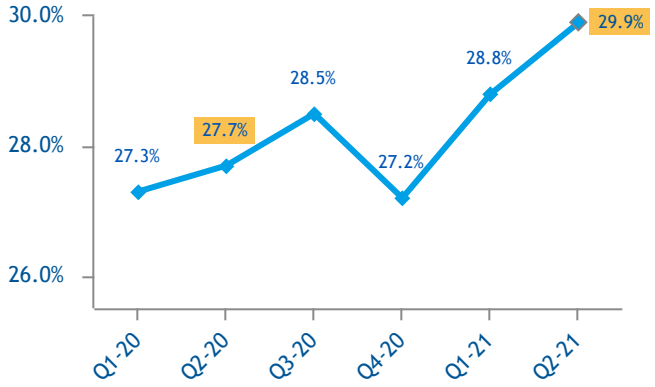
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

Specialty Segment EBITDA Margin Bridge

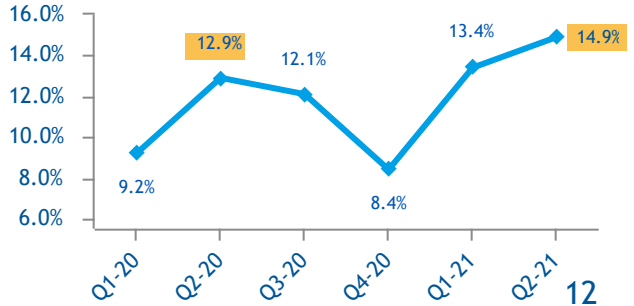


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

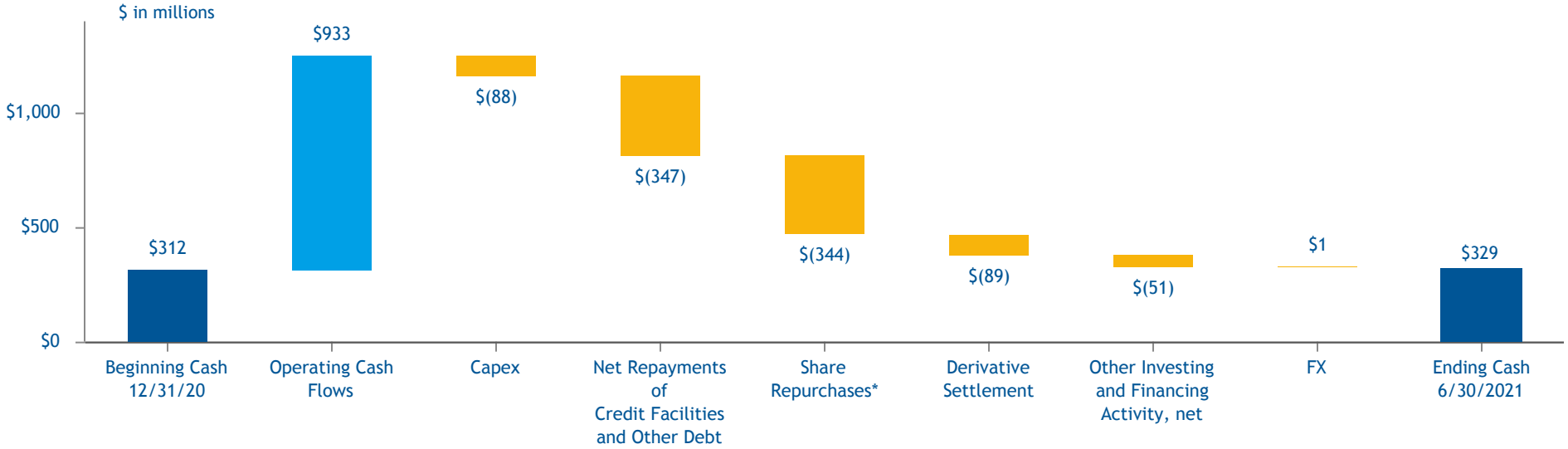
Gross Margin



Segment EBITDA Margin



2021 Capital Allocation

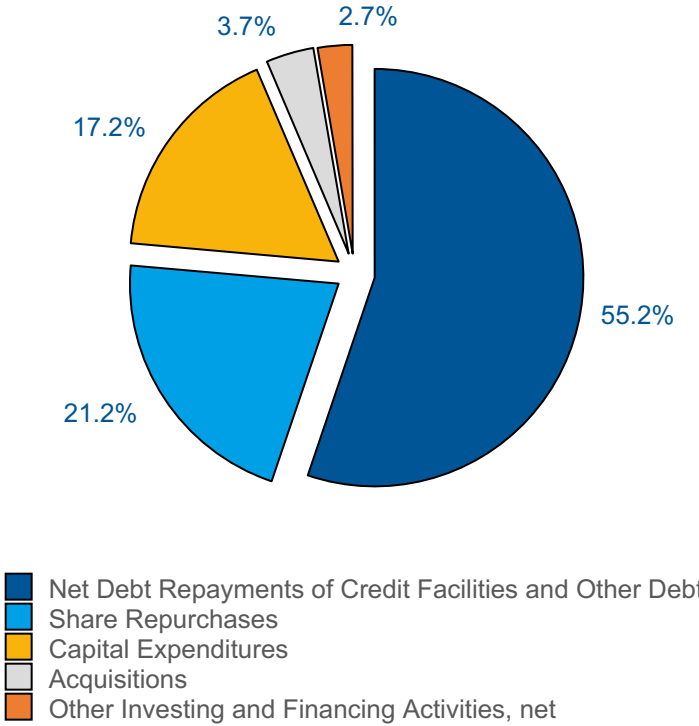


- Operating cash flows:
  - Operating cash flows of $933 million represent a $20 million (or 2%) year over year increase owing to cash inflows from higher operating income and accounts payable partially offset by inventory and receivables
- Investing cash flows:
  - Capex of $88 million vs. $77 million in 2020; up 14% year over year
- Financing cash flows:
  - $347 million of net repayments on our borrowings includes the impact of the early-redemption of the €750 million senior notes due 2026 on April 1, 2021
  - $344 million in share repurchases
  - $89 million to settle foreign currency forward contracts, including a cross currency swap that, combined with related intercompany financing arrangements, effectively converted variable rate U.S. dollar-denominated borrowings into fixed rate euro-denominated borrowings

* Excludes shares traded in June 2021 with a settlement date in July 2021

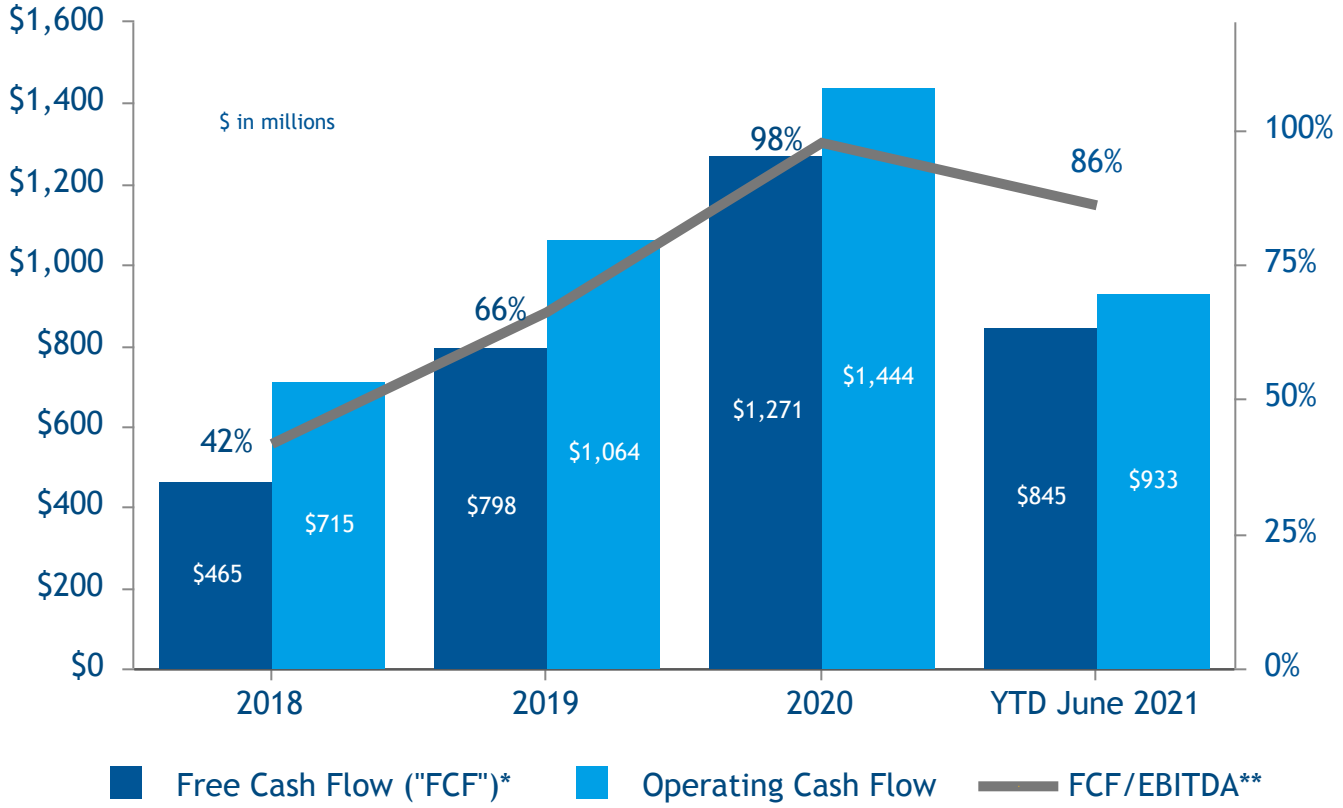
Historical Capital Allocation

3-Year Capital Allocation Summary (7/1/18 - 6/30/21)[1]		
($ in millions)	**$**	**%**
Cash and Cash Equivalents, 6/30/18	$345	
Operating Cash Inflow	3,823	
Capital Allocation:		
Net Repayments of Credit Facilities and Other Debt	(2,121)	55.2%
Share Repurchases	(813)	21.2%
Capital Expenditures	(661)	17.2%
Acquisitions	(143)	3.7%
Other Investing and Financing Activities, net	(105)	2.7%
Total Capital Allocation	(3,843)	100%
FX Impact	3	
Cash and Cash Equivalents as of 6/30/21	$329	



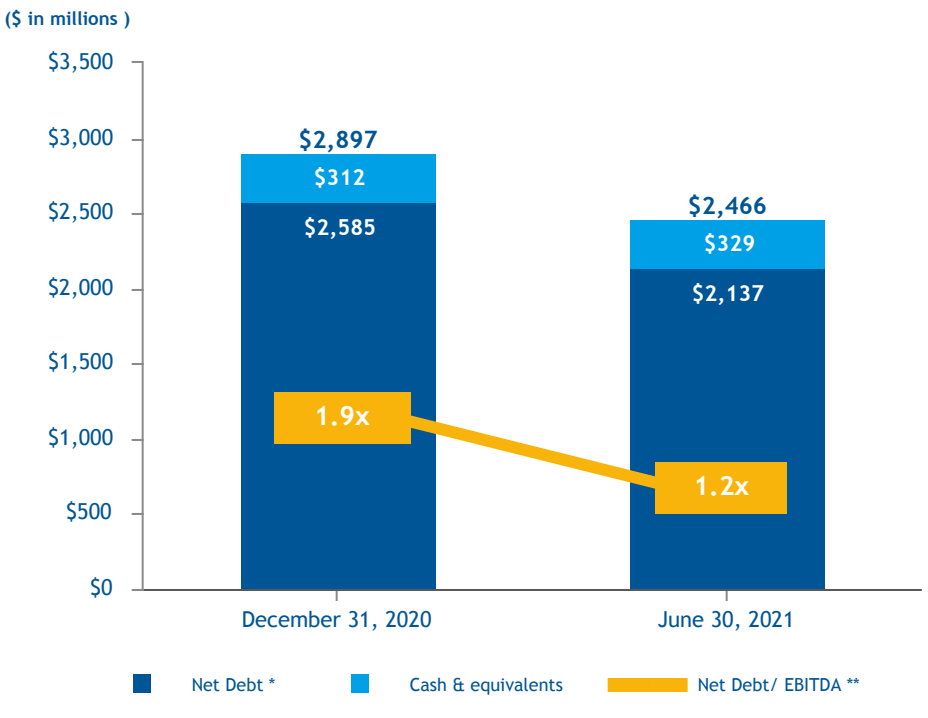
(1) The sum of the individual components may not equal the total due to rounding

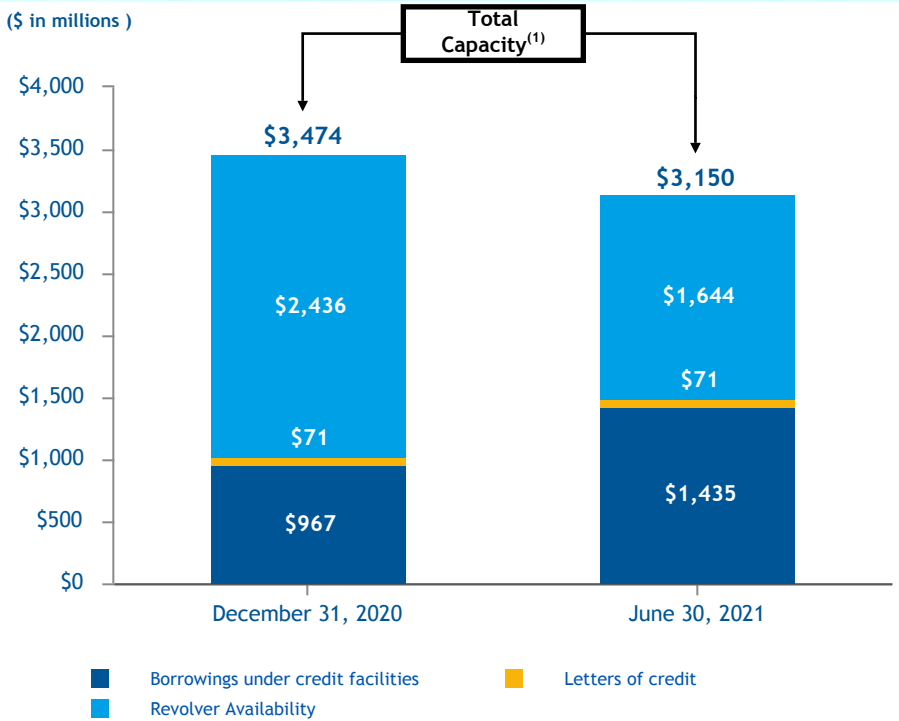
Operating Cash Flow and Free Cash Flow*



Note: FCF amounts only include FCF generated by continuing operations
* Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation
** EBITDA is a non-GAAP measure. Refer to Appendix 3 for EBITDA reconciliation

Leverage & Liquidity

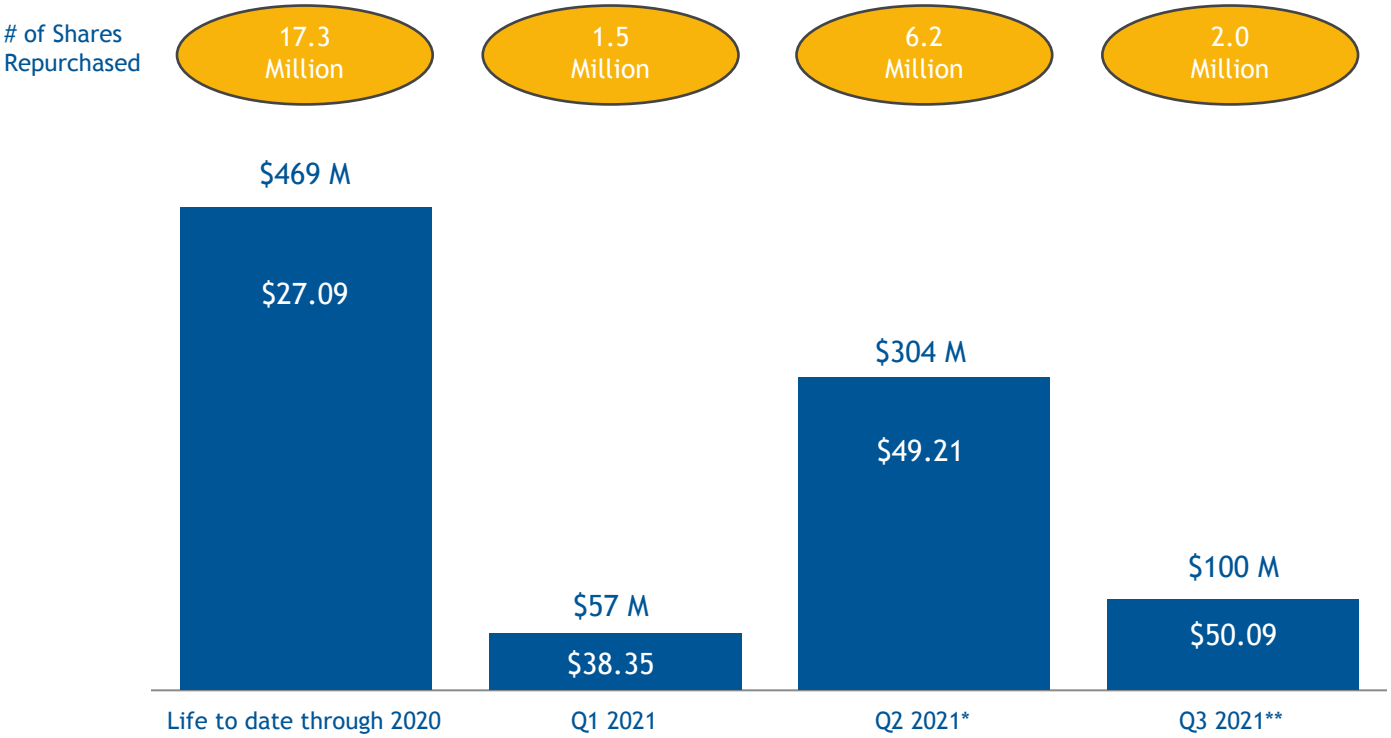




Effective borrowing rate for Q2 2021 was 2.6% (2)

(1) Total capacity includes our term loan (repaid in full during Q2 2021) and revolving credit facilities
(2) Approximately 38% of our bank borrowings at June 30, 2021 are at a fixed interest rate
* Net debt is a non-GAAP financial measure. Refer to Appendix 8 for Net Debt reconciliation
** Net leverage per bank covenants is defined as Net Debt/EBITDA. See the definitions of Net Debt and EBITDA in the credit agreement filed with the SEC for further details

Share Repurchase Program



- Repurchased 27.0 million shares through July 23, 2021 with an average purchase price of $34.48
- Board of Directors has authorized a $1 billion increase and two year extension to the share repurchase program through October 25, 2024

*Includes shares traded in June 2021 with a settlement date in July 2021
**Reflects shares repurchased through July 23rd, 2021

Enabling a Circular and Inclusive Economy

ENVIRONMENTAL

Global Leader in Automobile Recycling
Our salvage operations recycle more than 90% of materials from end-of-life vehicles

SOCIAL

- **Focused on employee health & safety**
  OSHA incident rate improved 7% to 5.4% in 2020
- **Culture that values diversity and emphasizes fair and equitable treatment**
  Decrease in employee turnover over past three years
- **Excellent career path progression opportunities**
  Role based training provides highly transferable skills
  Competitive benefits to attract and retain employees

GOVERNANCE

- **Experienced and diverse Board of Directors**
  Led by a separate Chairman, CEO and Lead independent Director
- **Ongoing process to refresh and strengthen board composition with stockholder input**
  6 new independent directors added in the past 3 years
- **Inaugural Sustainability report published in 2021**
  Aligned to SASB framework



Environmental sustainability designed at the core of our new 50,000 m^2 warehouse near Rotterdam

Roof will be fully equipped with photovoltaic panels, making the building completely energy self-sufficient

BREEAM 'Excellent' certification for sustainability

Charging infrastructure for electric vehicles

MSCI ESG RATINGS AA
CCC | B | BB | BBB | A | AA | AAA

On June 24, 2021 MSCI increased LKQ's ESG Rating from A to AA, the second increase in the past two years, placing LKQ in the top 19% of its index group

Second Quarter 2021
Our North American Recycling Achievements

Number of vehicles procured	208,629
Anti-freeze/ Washer fluid (gallons)	89,903
Catalytic converters	383,058
Fuel (gallons)	1.1M
Tires	500,633
Tons of crush auto/scrap	286,036
Batteries	192,246
Waste oil (gallons)	616,944
Total number of individual parts sold	3.6M

Outlook 2021

(effective only on the date issued: July 29, 2021)

2021 outlook[1]:

- Diluted EPS attributable to LKQ stockholders in the range of $3.23 to $3.43
- Adjusted diluted EPS attributable to LKQ stockholders in the range of $3.55 to $3.75[2][3]
- Free cash flow in the range of $0.95 billion to $1.05 billion[4]
- Full year 2021 Segment EBITDA margin targets for Europe provided at the September 10, 2020 investor day updated to a range of 9.5% to 10.3%

(1) Our outlook for the full year 2021 is based on current conditions and recent trends, and it assumes current U.S. federal legislation remains unchanged, exchange rates for the Canadian dollar, euro and pound sterling hold near recent levels, and the price of scrap and precious metals trend lower in the second half of the year. Our outlook is also based on management's current expectations regarding the recovery from the coronavirus outbreak. Changes in these conditions may impact our ability to achieve the estimates. Adjusted figures exclude (to the extent applicable) the impact of restructuring and acquisition related expenses; amortization expense related to acquired intangibles; excess tax benefits and deficiencies from stock-based payments; losses on debt extinguishment; impairment charges; and gains and losses related to acquisitions or divestitures (including changes in the fair value of contingent consideration liabilities). Outlook for 2021 includes a global effective tax rate of 26.3%. LKQ has no obligation to update this outlook.

(2) All actual and outlook figures are for continuing operations with the exception of cash flow from operations.

(3) Adjusted net income and Adjusted Diluted EPS are non-GAAP measures. See Appendix 5 for reconciliation of forecasted adjusted Net income and forecasted adjusted diluted EPS attributable to LKQ stockholders

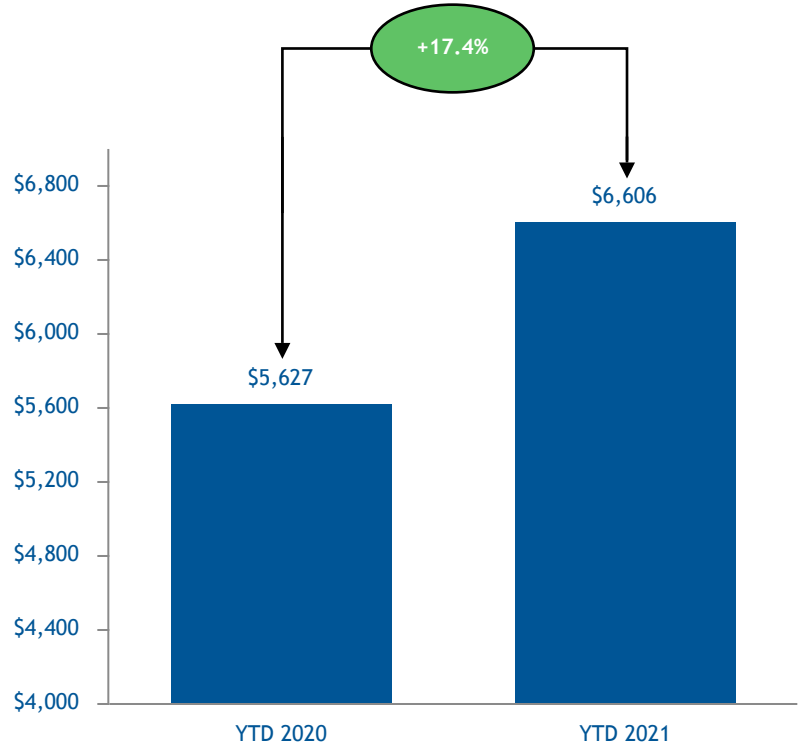
(4) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation



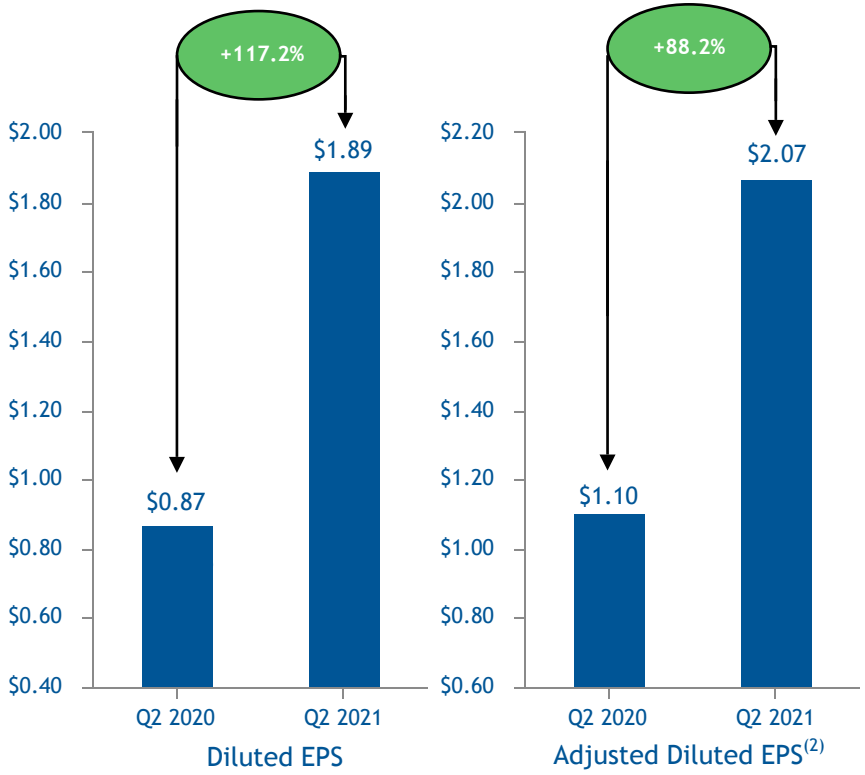
YTD Results and Supplementary Information

Consolidated Results - Continuing Operations

YTD 2021 Revenue[1]



YTD 2021 EPS[2]



(1) Revenue in millions
(2) Earnings per share figures refer to net income from continuing operations attributable to LKQ stockholders
(3) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

YTD 2021 Revenue

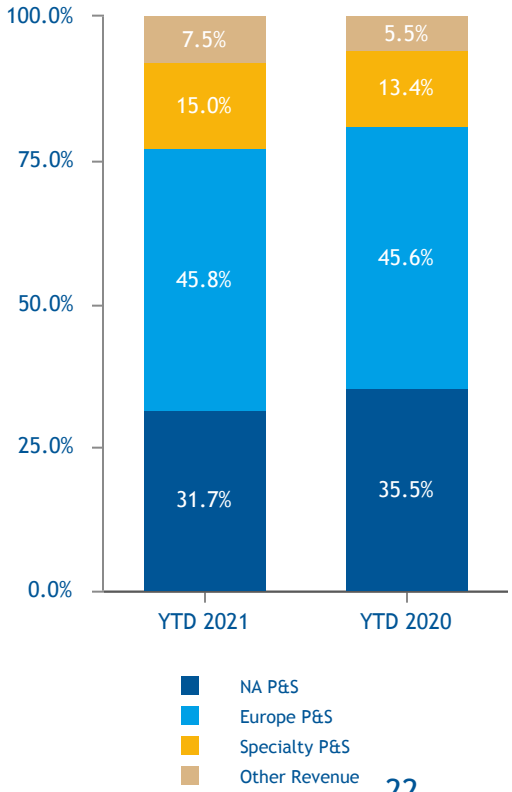
Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total[1]
North America	4.1%	0.1%	0.5%	4.8%
Europe	9.9%	(1.2)%	9.2%	18.0%
Specialty	30.5%	0.4%	0.8%	31.7%
Parts and Services	10.6%	(0.5)%	4.8%	14.9%
Other Revenue	58.8%	0.0%	0.4%	59.2%
Total	13.3%	(0.4)%	4.5%	17.4%

- Organic revenue for parts and services increased 10.6% (11.2% on a per day basis) largely due to the annualization of the initial COVID-19 impact in 2020
- North America organic revenue for parts and services increased 4.1% (4.9% on a per day basis); primarily driven by an increase in collision and liability related auto claims related to the COVID-19 recovery during Q2
- Europe organic revenue for parts and services increased 9.9%; while all of our business reported year over year growth, the U.K. and Italy reported the highest figures for the first half
- Favorable F/X impact on European parts and services revenue of $237 million; European constant currency parts and services revenue increased 8.8%[2]
- Specialty organic revenue for parts and services increased 30.5% (31.5% on a per day basis) as there was continued demand for recreation vehicle products and from drop shipment customers
- Other organic revenue increased 58.8% as scrap steel prices and precious metals prices increased compared to the prior year (see price trend on page 28)

(1) The sum of the individual revenue change components may not equal the total percentage due to rounding.
(2) Constant currency is a non-GAAP financial measure. Refer to Appendix 1 for constant currency reconciliation

Components of Revenue



Operating Results - Continuing Operations

($ in millions, except per share data)	YTD 2021	YTD 2020	Change F/(U)
Revenue	$6,606	$5,627	17.4%
Gross Margin	2,709	2,225	21.8%
Operating Expenses	1,750	1,637	(6.9)%
Operating Income	816	422	93.3%
Pre-tax Income	763	370	106.3%
Net income from continuing operations attributable to LKQ stockholders	571	265	115.6%
Segment EBITDA[(1)]	975	613	59.1%
Segment EBITDA Margin[(1)]	14.8%	10.9%	390 bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	$1.89	$0.87	117.2%
Adjusted[(2)]	$2.07	$1.10	88.2%

- Effective income tax rate for the six months ended June 30, 2021 was 26.3% compared to 27.7% for the six months ended June 30, 2020

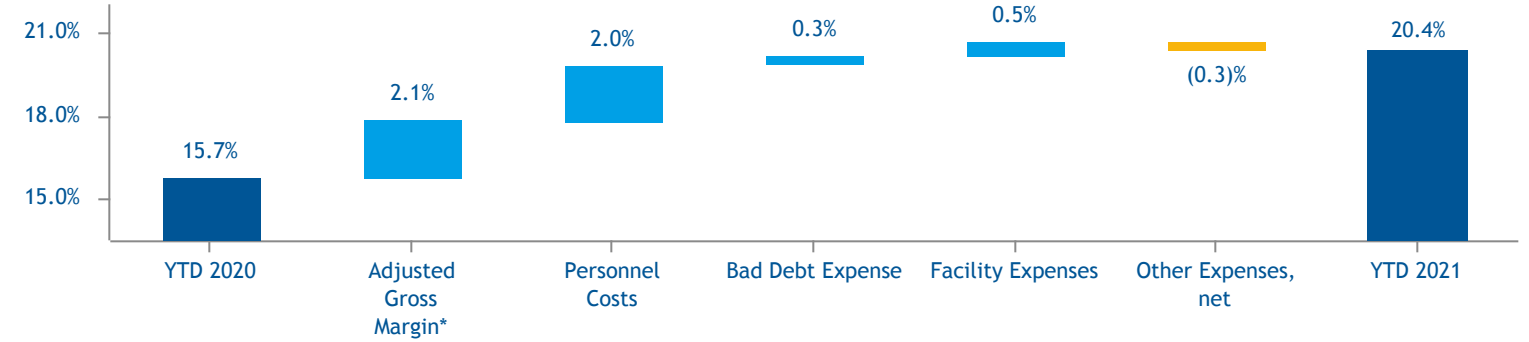
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation
(2) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

North America - YTD 2021 Results

($ in millions)	2021	2020	Change F/(U)	% of Revenue 2021	% of Revenue 2020
Total Revenue	$2,577	$2,302	12.0%		
Gross Margin	$1,251	$1,065	17.4%	48.5%	46.3%
Adjusted Gross Margin*	$1,251	$1,068	17.0%	48.5%	46.4%
Operating Expenses	$732	$721	(1.4)%	28.4%	31.3%
Other Income, net	$4	$12			
Segment EBITDA(1)	$525	$361	45.5%	20.4%	15.7%

(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

North America Segment EBITDA Margin Bridge



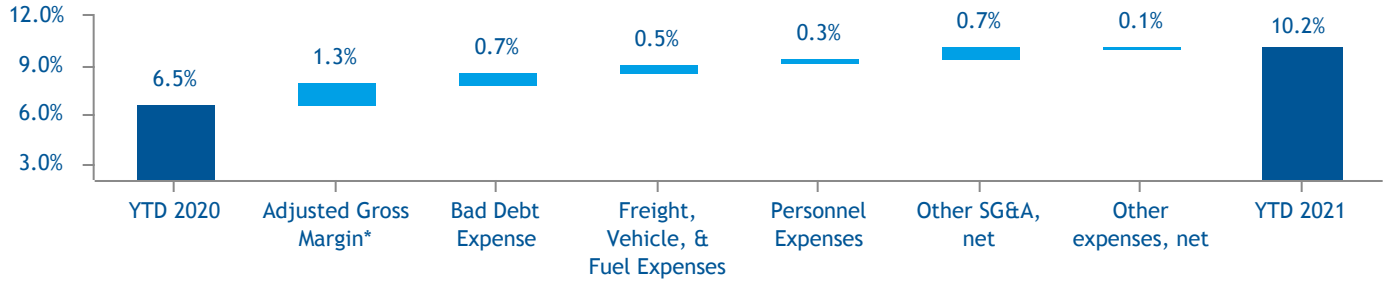
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding
*Adjusted Gross Margin is a non-GAAP measure. Refer to Appendix 7 for Reconciliation of Gross Margin to Adjusted Gross Margin. Reported Gross Margin % increase of 2.2% was positively impacted by 0.1% for COGS related restructuring expenses which are excluded from the bridge above.

Europe – YTD 2021 Results

($ in millions)	2021	2020	Change F/(U)	% of Revenue 2021	% of Revenue 2020
Total Revenue	$3,040	$2,575	18.1%		
Gross Margin	$1,167	$952	22.6%	38.4%	37.0%
Adjusted Gross Margin*	$1,167	$955	22.2%	38.4%	37.1%
Operating Expenses	$866	$792	(9.4)%	28.5%	30.7%
Other Income (Expense), net	$1	$(1)			
Segment EBITDA[(1)]	$309	$168	84.4%	10.2%	6.5%
Transformation Expenses	$7	$9			
Segment EBITDA[(1)] excluding Transformation Expenses[(2)]	$316	$177	78.8%	10.4%	6.9%

(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.
(2) Transformation expenses are period costs to execute the 1 LKQ Europe program that are expected to contribute to ongoing benefits to the business (e.g. non-capitalized implementation costs related to a common ERP system). These expenses are recorded in selling, general and administrative expenses.

Europe Segment EBITDA Margin Bridge



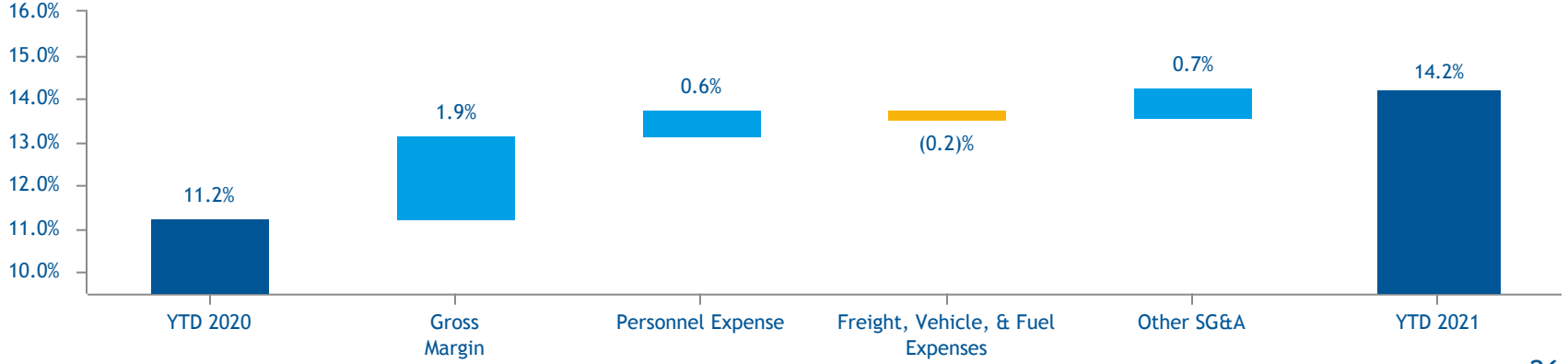
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding
*Adjusted Gross Margin is a non-GAAP measure. Refer to Appendix 7 for Reconciliation of Gross Margin to Adjusted Gross Margin. Reported Gross Margin % increase of 1.4% was positively impacted by 0.1% for COGS related restructuring expenses which are excluded from the bridge above

Specialty - YTD 2021 Results

($ in millions)	2021	2020	Change F/(U)	% of Revenue 2021	% of Revenue 2020
Total Revenue	$991	$753	31.6%		
Gross Margin	$291	$207	40.7%	29.4%	27.5%
Operating Expenses	$153	$124	(22.9)%	15.4%	16.5%
Segment EBITDA[(1)]	$141	$84	66.8%	14.2%	11.2%

(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

Specialty Segment EBITDA Margin Bridge



Note: In the table above, the sum of the individual percentages may not equal the total due to rounding

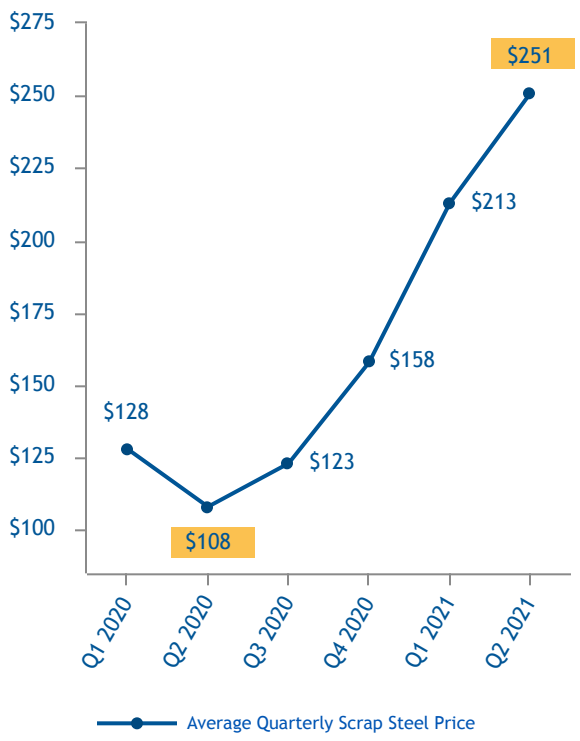
Liquidity as of June 30, 2021

Credit Rating	• Rated Ba1 / BB+ by Moody's and S&P, respectively • Rated BBB- (investment grade) by Fitch (initiated in May 2021)
Debt Structure	• Fixed Interest Rate Bonds: €750 million ($889 million) in aggregate due in 2024 and 2028 • Variable Interest Rate Credit Facility Borrowings: $1.4 billion • Receivables Securitization Facility: nil balance • Other Debt (capital leases, local lines of credit): $142 million
Maturities	• Current maturities: $91 million; No significant maturities until January 2024
Financial Covenants[1]	• Credit Facility maximum leverage ratio covenant: 4.50x (steps down to 4.0x by December 31, 2021) o Net debt to EBITDA as of June 30, 2021: 1.2x • Credit Facility minimum interest expense coverage ratio: 3.0x o EBITDA to interest expense as of June 30, 2021: 20.8x • Euro Notes do not include financial maintenance covenants
Liquidity	• Cash on balance sheet of $329 million • $3.15 billion revolving credit facility: $1.64 billion available • Receivables securitization facility: nil balance ($110 million capacity) • Total Available Liquidity: $2.08 billion
Cash Flows	• 2021 operating cash flow of $933 million; 2021 free cash flow[2] of $845 million

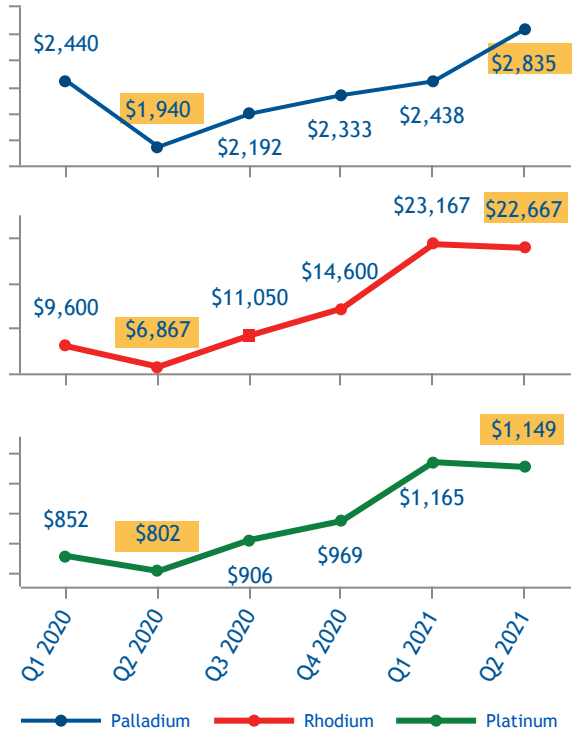
(1) See the definition of Net Debt, interest expense and EBITDA in the credit agreement filed with the SEC for further details
(2) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

Metal Prices

Q2 scrap steel prices increased YoY and QoQ

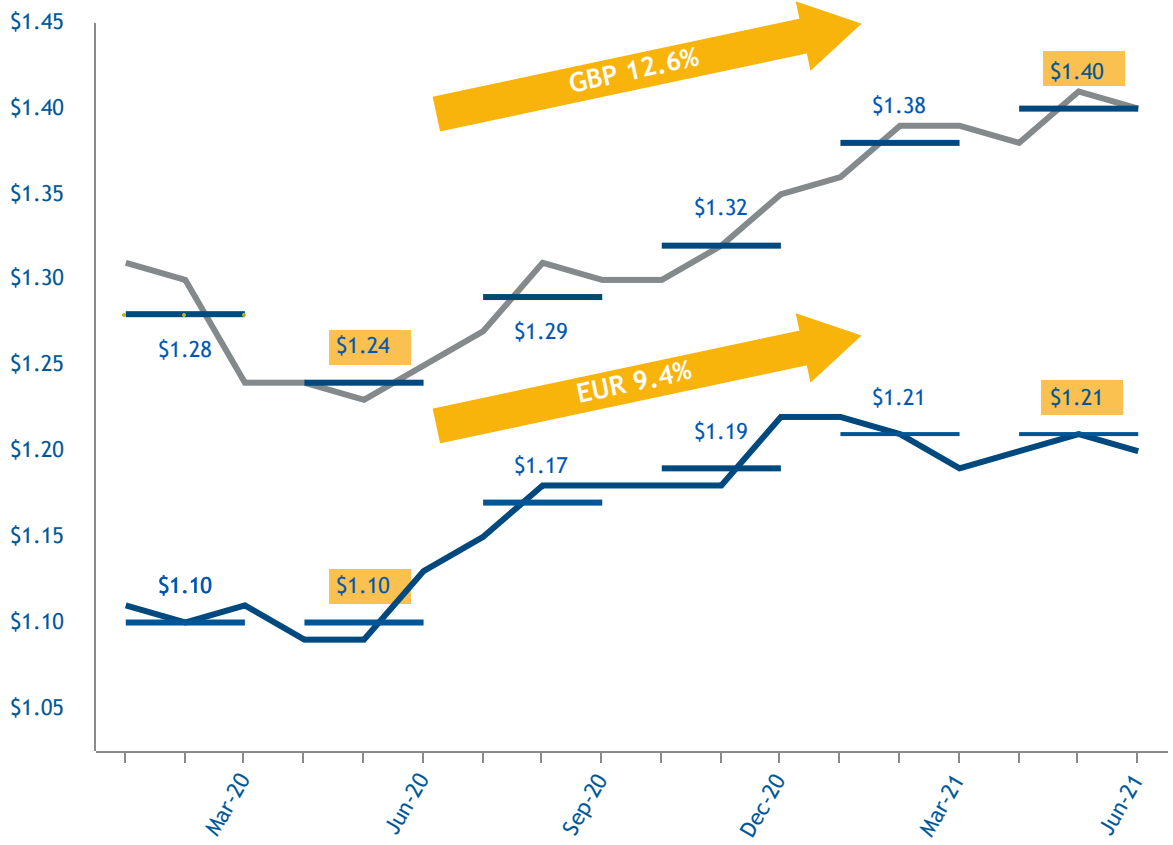


Q2 precious metal prices increased YoY and were mixed QoQ



- Average price for scrap steel increased from $108 per ton in Q2 2020 to $251 per ton in Q2 2021
- Sequential change was positive $38 per ton, or up 18%
- Sequential changes in scrap steel prices impacted Segment EBITDA:
  - Q2 2021 favorable by $11 million; YTD 2021 favorable by $31 million
  - Q2 2020 unfavorable by $6 million; YTD 2020 flat impact
- Average Rhodium, Platinum, and Palladium prices increased 230%, 43%, and 46%,respectively, from Q2 2020
- Estimated YoY benefit to Segment EBITDA from precious metals of $40M in Q2 and $60M YTD
- Estimated benefit to North America Segment EBITDA margin of approximately 350 bps in Q2 and 250 bps YTD from YoY scrap steel and precious metals prices

Foreign Exchange



- £ up 12.6% Q2 2021 vs Q2 2020
- € up 9.4% Q2 2021 vs Q2 2020
- $124 million favorable impact of translation of stronger Q2 rates relative to the US dollar on European parts and services revenue growth
- European constant currency(1) parts and services revenue increase YoY of 19.8% for Q2 2021
- Foreign exchange (translation and transaction gains/losses) impact:
  - Q2 2021 EPS impact of $0.01; Adjusted EPS impact of $0.02
  - YTD 2021 EPS impact of $0.01; Adjusted EPS impact of $0.03

(1) Constant currency is a non-GAAP financial measure. Refer to Appendix 1 for constant currency reconciliation.

Inventory

Inventory Procurement:	Q2			YTD		
($ in millions, Vehicles purchased in 000s)	2021	2020	% Change	2021	2020	% Change
Total aftermarket procurement	$1,629	$964	69.0%	$3,174	$2,467	28.7%
Wholesale salvage cars and trucks	63	36	75.0%	113	108	4.6%
Europe wholesale salvage cars and trucks	6	5	20.0%	13	12	8.3%
Self service and "crush only" cars	141	137	2.9%	277	286	(3.1)%

- Net increase in aftermarket purchases in all three segments due to the focus on inventory reduction in the prior year to combat the initial impact of the pandemic
    - Purchases in North America and Europe were lower than projected owing to ocean freight driven delays in shipments and overall pandemic driven lower production volumes
- Salvage purchases increased relative to the prior year primarily due to the focus on inventory reduction in the prior year to combat the initial impact of the pandemic
- Self service vehicle purchases increased in Q2, but were lower on a YTD basis
- Cost per vehicle in our self service operations increased 53% YoY in Q2 due primarily to increases in scrap steel and precious metal prices
- Average cost per vehicle in our full service salvage operations increased 37% YoY in Q2 due to limited supply at the auctions, high used car prices and increases in scrap steel and precious metal prices

Appendix
Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Following are reconciliations of each non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP.

Appendix 1
Constant Currency Reconciliation

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

	Three Months Ended June 30, 2021		Six Months Ended June 30, 2021	
	Consolidated	Europe	Consolidated	Europe
Parts & Services				
Revenue growth as reported	27.0%	30.1%	14.9%	18.0%
Less: Currency impact	5.4%	10.3%	4.8%	9.2%
Revenue growth at constant currency	21.6%	19.8%	10.1%	8.8%

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

Appendix 2

Revenue and Segment EBITDA by segment

(in millions)	Three Months Ended June 30[1] 2021	% of revenue	2020	% of revenue	Six Months Ended June 30[1] 2021	% of revenue	2020	% of revenue
Revenue								
North America	$1,328		$1,011		$2,577		$2,302	
Europe	1,577		1,211		3,040		2,575	
Specialty	532		405		991		753	
Eliminations	(2)		(1)		(3)		(3)	
Total Revenue	$3,435		$2,626		$6,606		$5,627	
Segment EBITDA								
North America	$276	20.8%	$150	14.8%	$525	20.4%	$361	15.7%
Europe	168	10.7%	89	7.4%	309	10.2%	168	6.5%
Specialty	79	14.9%	52	12.9%	141	14.2%	84	11.2%
Total Segment EBITDA	$524	15.2%	$291	11.1%	$975	14.8%	$613	10.9%

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 (which includes restructuring expenses recorded in Cost of goods sold); change in fair value of contingent consideration liabilities; other gains and losses related to acquisitions, equity method investments or divestitures; equity in losses and earnings of unconsolidated subsidiaries; equity investment mark to market adjustments; and impairment charges. EBITDA, which is the basis for Segment EBITDA, is calculated as net income attributable to LKQ stockholders excluding discontinued operations and discontinued noncontrolling interest, depreciation, amortization, interest (which includes gains and losses on debt extinguishment) and income tax expense. Our chief operating decision maker, who is our Chief Executive Officer, uses Segment EBITDA as the key measure of our segment profit or loss. We use Segment EBITDA to compare profitability among our segments and evaluate business strategies. This financial measure is included in the metrics used to determine incentive compensation for our senior management. We also consider Segment EBITDA to be a useful financial measure in evaluating our operating performance, as it provides investors, securities analysts and other interested parties with supplemental information regarding the underlying trends in our ongoing operations. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate general and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment's percentage of consolidated revenue. Refer to the table on the following page for a reconciliation of net income to EBITDA and Segment EBITDA.

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

Appendix 3

Reconciliation of Net Income to EBITDA and Segment EBITDA

(in millions)	Three Months Ended June 30[1]		Six Months Ended June 30[1]	
	2021	2020	2021	2020
Net income	$305	$119	$571	$265
Subtract:				
Net income (loss) attributable to continuing noncontrolling interest	0	(0)	1	1
Net income attributable to discontinued noncontrolling interest	—	—	—	0
Net income attributable to LKQ stockholders	$305	$119	$571	$264
Subtract:				
Net income (loss) from discontinued operations	—	0	—	(1)
Net income attributable to discontinued noncontrolling interest	—	—	—	(0)
Net income from continuing operations attributable to LKQ stockholders	$305	$119	$571	$265
Add:				
Depreciation and amortization	65	66	131	131
Depreciation and amortization - cost of goods sold	6	4	11	9
Depreciation and amortization - restructuring expenses [2]	0	3	0	4
Interest expense, net of interest income	16	26	40	52
Loss on debt extinguishment	24	—	24	13
Provision for income taxes	108	42	201	102
EBITDA	$523	$259	$977	$576
Subtract:				
Equity in earnings (losses) of unconsolidated subsidiaries	3	(3)	9	(2)
Equity investment mark to market adjustments	1	—	6	—
Add:				
Restructuring and acquisition related expenses [2]	5	22	13	28
Restructuring expenses - cost of goods sold	—	6	(0)	6
Impairment of net assets held for sale and loss on disposal of businesses	(1)	2	(1)	2
Change in fair value of contingent consideration liabilities	1	(0)	1	(0)
Segment EBITDA	$524	$291	$975	$613
Net income from continuing operations attributable to LKQ stockholders as a percentage of revenue	8.9%	4.5%	8.6%	4.7%
EBITDA as a percentage of revenue	15.2%	9.9%	14.8%	10.2%
Segment EBITDA as a percentage of revenue	15.2%	11.1%	14.8%	10.9%

(1) The sum of the individual components may not equal the total due to rounding
(2) The sum of these two captions represents the total amount that is reported in Restructuring and the acquisition related expenses

Appendix 3

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 attributable to LKQ stockholders excluding discontinued operations and discontinued noncontrolling interest, depreciation, amortization, interest (which includes gains and losses on debt extinguishment) and income tax expense. We believe EBITDA provides insight into our profitability trends and allows management and investors to analyze our operating results with the impact of continuing noncontrolling interest and without the impact of discontinued noncontrolling interest, discontinued operations, depreciation, amortization, interest (which includes gains and losses 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 (which includes restructuring expenses recorded in Cost of goods sold); change in fair value of contingent consideration liabilities; other gains and losses related to acquisitions, equity method investments or divestitures; equity in losses and earnings of unconsolidated subsidiaries; equity investment mark to market adjustments; and impairment charges. 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. This financial measure is included in the metrics used to determine incentive compensation for our senior management. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate general 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 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.

Appendix 4

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

(in millions, except per share data)	Three Months Ended June 30[1]		Six Months Ended June 30[1]	
	2021	2020	2021	2020
Net income	$305	$119	$571	$265
Subtract:				
Net income (loss) attributable to continuing noncontrolling interest	0	(0)	1	1
Net income attributable to discontinued noncontrolling interest	—	—	—	0
Net income attributable to LKQ stockholders	$305	$119	$571	$264
Subtract:				
Net income (loss) from discontinued operations	—	0	—	(1)
Net income attributable to discontinued noncontrolling interest	—	—	—	(0)
Net income from continuing operations attributable to LKQ stockholders	$305	$119	$571	$265
Adjustments - continuing operations attributable to LKQ stockholders:				
Amortization of acquired intangibles	20	24	40	48
Restructuring and acquisition related expenses	5	25	13	32
Restructuring expenses - cost of goods sold	—	6	(0)	6
Change in fair value of contingent consideration liabilities	1	(0)	1	(0)
Loss on debt extinguishment	24	—	24	13
Impairment of net assets held for sale and loss on disposal of businesses	(1)	2	(1)	2
Excess tax benefit (expense) from stock-based payments	(0)	0	(1)	(1)
Tax effect of adjustments	(13)	(14)	(20)	(27)
Adjusted net income from continuing operations attributable to LKQ stockholders	$340	$161	$626	$338
Weighted average diluted common shares outstanding	301	304	303	305
Diluted earnings per share from continuing operations attributable to LKQ stockholders:				
Reported	$1.01	$0.39	$1.89	$0.87
Adjusted	$1.13	$0.53	$2.07	$1.10

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

Appendix 4

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 our 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 continuing and discontinued noncontrolling interest, discontinued operations, restructuring and acquisition related expenses, amortization expense related to all acquired intangible assets, gains and losses on debt extinguishment, the change in fair value of contingent consideration liabilities, other gains and losses related to acquisitions, equity method investments or divestitures, impairment charges, excess tax benefits and deficiencies from stock-based payments 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. Given the variability and volatility of the amount and frequency of costs related to acquisitions, management believes that these costs are not normal operating expenses and should be adjusted in our calculation of Adjusted Net Income from Continuing Operations Attributable to LKQ Stockholders. Our adjustment of the amortization of all acquisition-related intangible assets does not exclude the amortization of other assets, which represents expense that is directly attributable to ongoing operations. Management believes that the adjustment relating to amortization of acquisition-related intangible assets supplements the GAAP information with a measure that can be used to assess the comparability of operating performance. The acquired intangible assets were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets. These financial measures are used by management in its decision making and overall evaluation of our operating performance 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 measures similar to 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.

Appendix 5

Forecasted EPS Reconciliation[1]

(in millions, except per share data)	For the year ending December 31, 2021 Minimum Outlook	Maximum Outlook
Net income from continuing operations attributable to LKQ stockholders	$967	$1,027
Adjustments:		
Amortization of acquired intangibles	77	77
Restructuring expenses	28	28
Loss on debt extinguishment	24	24
Other adjustments	(1)	(1)
Tax effect of adjustments	(34)	(34)
Adjusted net income from continuing operations attributable to LKQ stockholders	$1,061	$1,121
Weighted average diluted common shares outstanding	299	299
Diluted EPS from continuing operations attributable to LKQ stockholders:		
U.S. GAAP	$3.23	$3.43
Non-GAAP (Adjusted)	$3.55	$3.75

We have presented forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations Attributable to LKQ Stockholders in our financial outlook. 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 2021, restructuring expenses under previously announced plans, the loss on debt extinguishment related to the April 1, 2021 redemption of the Euro Notes 2026 and the related tax effect; we included for all other components the amounts incurred through June 30, 2021.

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

Appendix 6

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

(in millions)	Three Months Ended June 30[1] 2021	2020	Six Months Ended June 30[1] 2021	2020
Net cash provided by operating activities	$411	$718	$933	$913
Less: purchases of property, plant and equipment	46	33	88	77
Free cash flow	$365	$686	$845	$836

(in millions)	Year Ended December 31 [1] 2018	2019	2020
Operating Cash Flows	$711	$1,064	$1,444
Less: Operating Cash Flows - Discontinued Operations	(4)	—	—
Operating Cash Flows from Continuing Operations	$715	$1,064	$1,444
Capital Expenditures	250	266	173
Less: Capital Expenditures - Discontinued Operations	—	—	—
Continuing Capital Expenditures	$250	$266	$173
Free Cash Flow from Continuing Operations	$465	$798	$1,271

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

Appendix 6

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

We have presented free cash flow solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our liquidity. We calculate free cash flow as net cash provided by operating activities, less purchases of property, plant and equipment. We believe free cash flow provides insight into our liquidity and provides useful information to management and investors concerning our cash flow available to meet future debt service obligations and working capital requirements, make strategic acquisitions and repurchase stock. We believe free cash flow is used by investors, securities analysts and other interested parties in evaluating the liquidity of other companies, many of which present free cash flow when reporting their results. This financial measure is included in the metrics used to determine incentive compensation for our senior management. Free cash flow should not be construed as an alternative to net cash provided by operating activities, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report free cash flow information calculate free cash flow in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly-named measures of other companies and may not be an appropriate measure for liquidity relative to other companies.

	Forecasted Fiscal Year 2021	
(in millions)	Minimum Outlook	Maximum Outlook
Net cash provided by operating activities	$1,185	$1,310
Less: purchases of property, plant and equipment	235	260
Free cash flow	$950	$1,050

We have presented forecasted free cash flow in our financial outlook. Refer to the paragraph above for details on the calculation of free cash flow.

Appendix 7

Reconciliation of Gross Margin to Adjusted Gross Margin

Consolidated Adjusted Gross Margin	Three Months Ended[1]		Six Months Ended[1]	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gross margin	$1,416	$1,011	$2,709	$2,225
Add: Restructuring expenses - cost of goods sold	—	6	(0)	6
Adjusted gross margin	$1,416	$1,017	$2,709	$2,231
Gross margin %	41.2%	38.5%	41.0%	39.5%
Adjusted gross margin %	41.2%	38.7%	41.0%	39.6%

North America Adjusted Gross Margin	Three Months Ended[1]		Six Months Ended[1]	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gross margin	$651	$454	$1,251	$1,065
Add: Restructuring expenses - cost of goods sold	—	3	(0)	3
Adjusted gross margin	$651	$457	$1,251	$1,068
Gross margin %	49.0%	44.9%	48.5%	46.3%
Adjusted gross margin %	49.0%	45.2%	48.5%	46.4%

Europe Adjusted Gross Margin	Three Months Ended[1]		Six Months Ended[1]	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gross margin	$605	$445	$1,167	$952
Add: Restructuring expenses - cost of goods sold	—	3	—	3
Adjusted gross margin	$605	$448	$1,167	$955
Gross margin %	38.4%	36.8%	38.4%	37.0%
Adjusted gross margin %	38.4%	37.0%	38.4%	37.1%

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

Appendix 7

Reconciliation of Gross Margin to Adjusted Gross Margin

North America Adjusted Gross Margin	Three Months Ended[1]			
(in millions)	March 31, 2021	December 31, 2020	September 30, 2020	March 31, 2020
Gross margin	$599	$546	$534	$612
Add: Restructuring expenses - cost of goods sold	(0)	1	1	0
Adjusted gross margin	$599	$547	$535	$612
Gross margin %	48.0%	46.8%	45.9%	47.4%
Adjusted gross margin %	48.0%	46.9%	46.0%	47.4%

Europe Adjusted Gross Margin	Three Months Ended[1]			
(in millions)	March 31, 2021	December 31, 2020	September 30, 2020	March 31, 2020
Gross margin	$562	$527	$550	$507
Add: Restructuring expenses - cost of goods sold	-	-	(0)	-
Adjusted gross margin	$562	$527	$550	$507
Gross margin %	38.4%	36.7%	37.1%	37.2%
Adjusted gross margin %	38.4%	36.7%	37.1%	37.2%

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

Appendix 7

Reconciliation of Gross Margin to Adjusted Gross Margin

We have presented adjusted gross margin solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate the operating performance of our continuing business across reporting periods and in analyzing our historical operating results. We calculate adjusted gross margin as gross margin plus restructuring expenses recorded in cost of goods sold. We believe adjusted gross margin provides insight into our operating performance and provides useful information to management and investors concerning our gross margins. We believe adjusted gross margin is used by investors, securities analysts and other interested parties in evaluating the operating performance of other companies, many of which present adjusted gross margin when reporting their results. Adjusted gross margin should not be construed as an alternative to gross margin, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report adjusted gross margin information calculate adjusted gross margin in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly-named measures of other companies and may not be an appropriate measure for performance relative to other companies.

Appendix 8

Reconciliation of Total Debt to Net Debt

(in millions)	June 30, 2021[1]	December 31, 2020[1]
Current portion of long-term obligations	$91	$58
Long-term obligations, excluding current portion	2,361	2,813
Total debt, net of debt issuance costs	$2,452	$2,871
Add: Debt issuance costs	15	26
Total debt	$2,466	$2,897
Less: Cash and cash equivalents	329	312
Net debt	$2,137	$2,585

We have presented net debt solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our liquidity and financial position. We calculate net debt as total debt less cash and cash equivalents. We believe net debt provides insight into our liquidity and provides useful information to management and investors concerning our financial position. We believe net debt is used by investors, securities analysts and other interested parties in evaluating the liquidity and financial position of other companies, many of which present net debt when reporting their results. Net debt should not be construed as an alternative to total debt, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report net debt information calculate net debt in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly-named measures of other companies and may not be an appropriate measure for performance relative to other companies.

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