



LKQ

CHARTING OUR FUTURE

September 10, 2024
INVESTOR DAY

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. 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, 2023, 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.

Investor Day Agenda

(all times are CST)	
8:00AM - 9:00AM	Registration
9:00AM	<p>Welcome</p> <p>Joseph P. Boutross – VP, Investor Relations, LKQ Corporation</p>
9:00AM - 9:45AM	<p>Charting Our Future</p> <p>Justin Jude-President & Chief Executive Officer, LKQ Corporation</p>
9:45AM - 10:15AM	<p>North America</p> <p>John Meyne – SVP, Wholesale North America</p>
10:15AM - 10:30AM	Break
10:30AM - 11:00 AM	<p>Europe</p> <p>Andy Hamilton – SVP of LKQ Corporation and President and Managing Director of LKQ Europe</p>
11:00AM - 11:30AM	<p>Financial Overview</p> <p>Rick Galloway SVP & Chief Financial Officer, LKQ Corporation</p>
11:30AM - 12:00PM	Q&A Panel

Justin Jude

President and Chief Executive Officer, LKQ Corporation

Introduction



Justin Jude

President and Chief Executive Officer

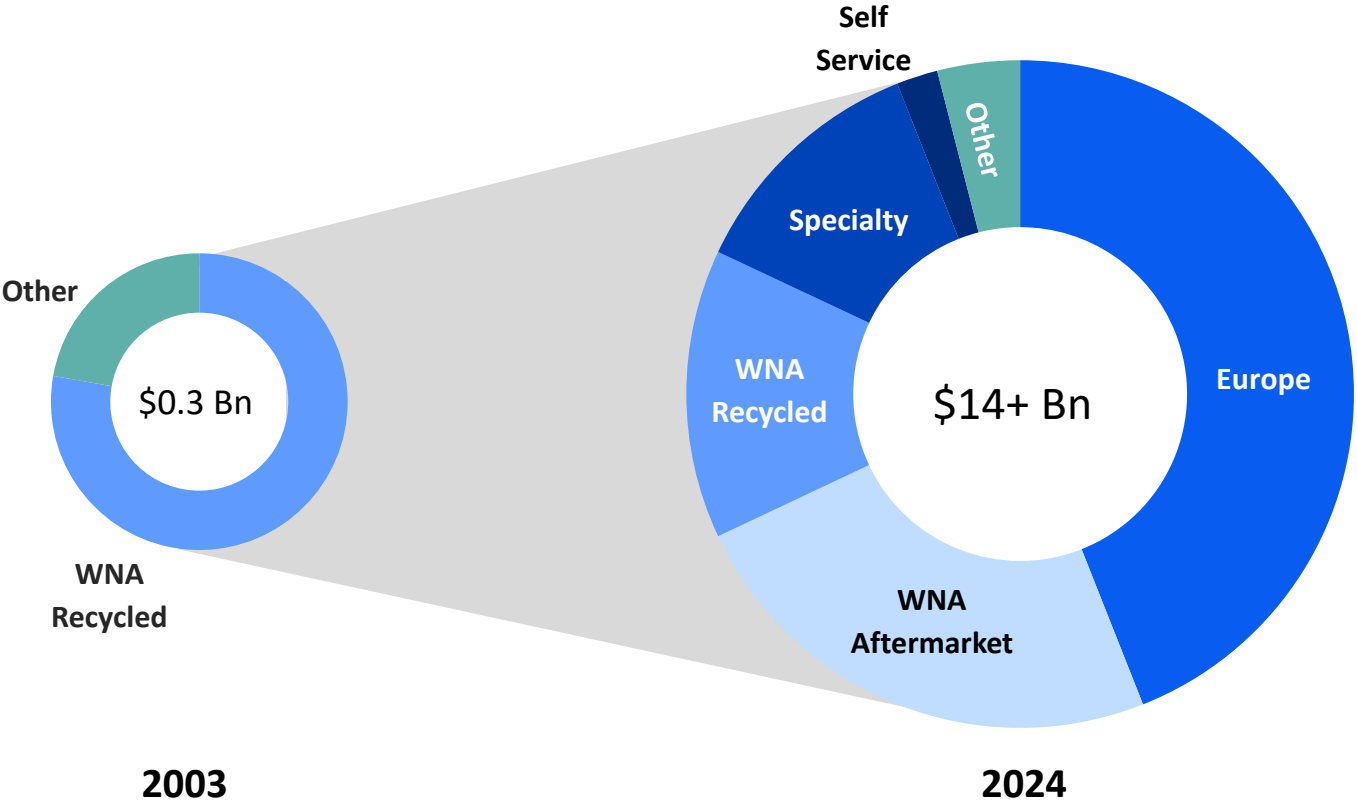
- Appointed CEO in July 2024 and elected to the Board at our May 2024 annual meeting
 - LKQ maintains separate CEO and Chair roles to support strong independent Board oversight
- Prior to that, in January 2024, was appointed COO of LKQ
- As President of Wholesale – North America Segment (2016-2023), significantly expanded margins, improved cash flow and enhanced leading market position
- Joined LKQ in 2004

Our Mission

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

LKQ's Evolution

LKQ Revenue - from 2003 to 2024



Player in Each of Our Segments

Wholesale North America (WNA)

- Aftermarket, Paint & Recycled Collision Products
- Recycled & Reman Major Mechanical Products

Europe

- Hard Parts
- Aftermarket Collision & Paint
- Recycled Collision (Sweden)

Specialty

- SEMA Accessories
- RV and Marine accessories

Self Service

- Recycled End-of-Life Vehicles
- Scrap & Precious Metals

LKQ Has Grown to Become a Leading Provider of Vehicle Parts Globally

1) Other includes scrap and core revenue

Key Themes for Today



New CEO's Leadership Style

01



Strategic Priorities

02



North America - Grow Market Share and Deepen the Moat

03



Europe - Leverage our Scale to Drive Efficiencies and Widen the Moat

04



Flexible Approach to Capital Allocation

05

My Approach to Leadership

Frameworks for Success



Built on Foundation of Integrity and Trust

Driving Sustainable Value to Shareholders

Effectively managing climate-related risks and capitalizing on opportunities to drive long-term value across our global business



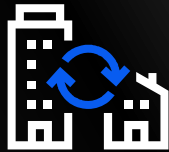
Profitably delivering sustainable outcomes

Delivering economic and sustainable value go hand-in-hand



People-led performance

Empowering our diverse workforce to excel in delivering value safely



Strong governance and ethical practices

Reinforcing our values through robust corporate citizenship and ethical practices

Key Strategic Priorities



Operational Excellence

- ✔ Simplify Business Portfolio and Operations
- ✔ Expand lean operating model globally
- ✔ Grow organically

Enhance Margins

Drive Cash Flow



Maximize TSR

- ✔ Invest in organic growth
- ✔ Execute high synergy tuck-in acquisitions
- ✔ Return cash to shareholders, while maintaining investment grade

Develop Talent and Embed these Priorities into our Global Culture

Simplify Business Portfolio & Operations

Portfolio

- Since 2017, LKQ divested 16 businesses, which generated over \$1.3 billion of revenue
- Most of these divested businesses were legacy subsidiaries of LKQ's large, market entry acquisitions in Europe
- Continue to evaluate strategic fit of businesses across portfolio

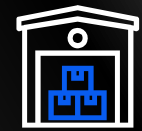
Operations



Objectives &
Key Results



Metrics-Focused Results



Inventory Optimization



Private Label
Penetration

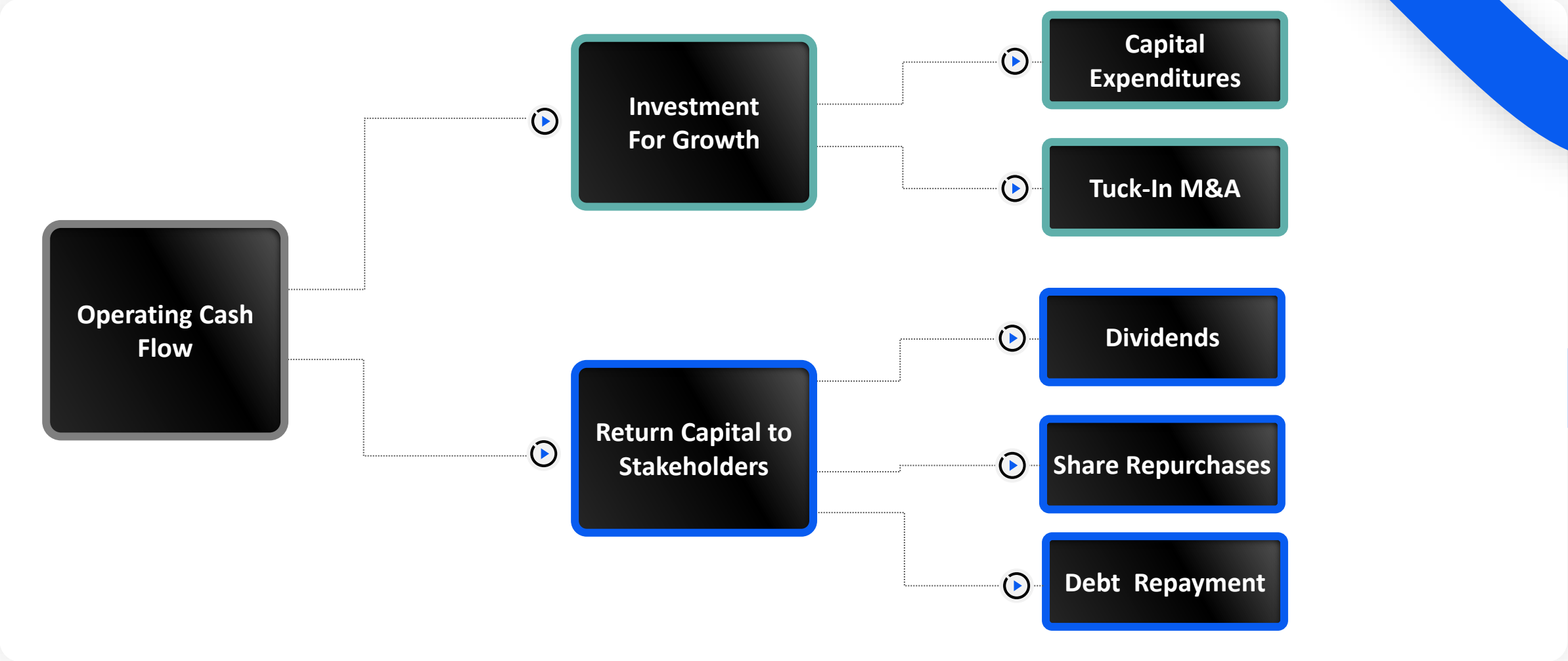


Footprint
Rationalization



Centralization (GCC, IT)

Robust Balance Sheet Provides Capital Allocation Flexibility



M&A Philosophy & Playbook



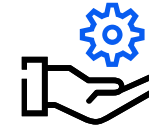
Strategic

- Expand the moat in our market leading segments
- Highly synergistic tuck-ins
- Cultural alignment
- Aligned with long-term financial targets



Financial

- Transactions analyzed based on highest return on capital under current market conditions
- **Accretive within 12-18 months**
- **Analyze returns on ROIC over a 3-year period**



Operational

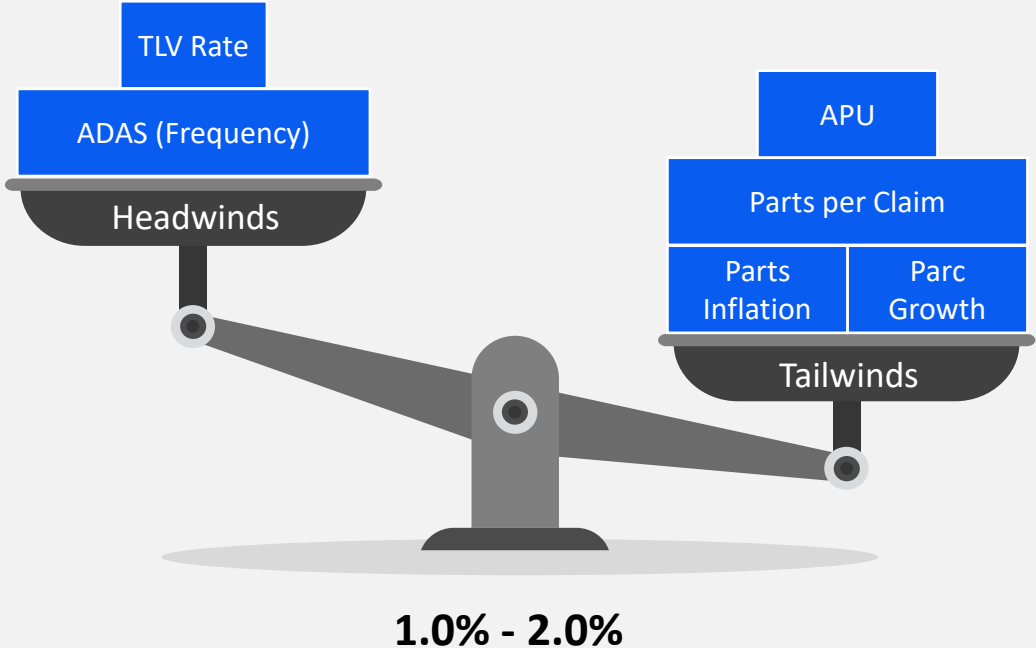
- Productivity & shared services benefits
- Implement swift cost reductions & optimize incremental revenue synergies
- Leverage scale for supply chain & footprint optimization

No Large Acquisitions & Higher Hurdle Rates for Tuck-ins

We Compete in Resilient & Growing Markets

Long Term Core Markets Expected Growth Over Next Decade

North America Collision



North America Hard Parts
2.5% - 3.5%

North America Major Mechanical
2.0% - 3.0%

Europe Hard Parts
0.5% - 1.5%

+ Specialty and Self Service

+ Share Gains

=

Total LKQ Growth Rate:
Low to Mid Single Digits

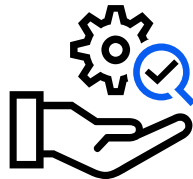
Gaining Share in Our Core Markets



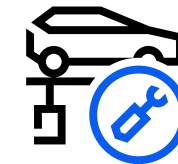
Expand Salvage & Reman
in Europe



Expand Collision in Europe



Grow Hard Parts Business in
North America



EV Battery Reman & Battery Recycling Eco
System

Focused Strategy to Deliver Total Shareholder Return

Drive Operational Excellence



**Simplify Business
Portfolio & Operations**



**Drive Lean Operating
Model Globally**



**Above Market
Growth**

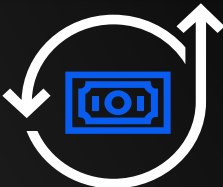
Capital Allocation Strategy



Invest in Organic Growth



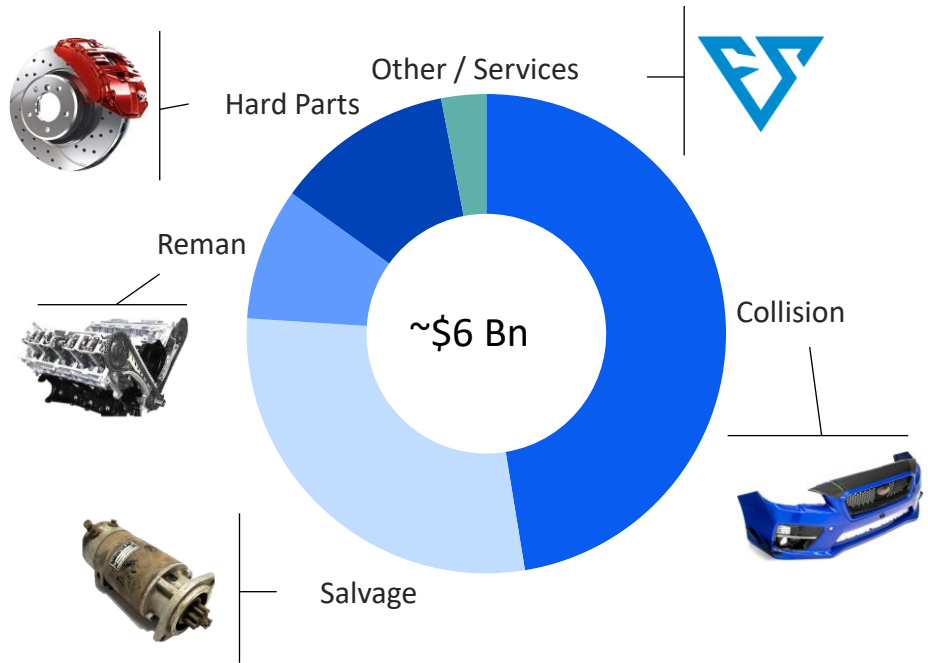
**Execute High Synergy
Tuck-ins**



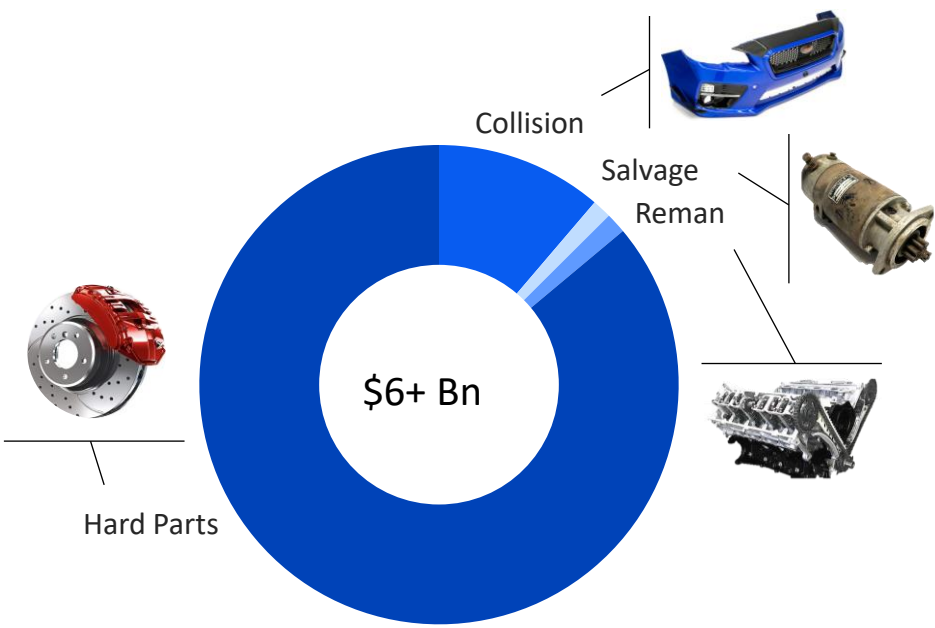
Return Cash to Shareholders

Wholesale North America & Europe

Wholesale North America



LKQ Europe



Areas of Expertise

- Collision**
 - Aftermarket
 - Recycled & Refurbished
 - Automotive Paint
- Mechanical**
 - Recycled & Remanufactured
 - Hard Parts
- Services**
 - Vehicle diagnostics & calibration

Operating from a Position of Strength in Our Core Markets

Wholesale North America & Europe

Better Together

01

Geographic and product diversification

02

Leveraging regional strengths and best practices globally

03

Greater access to global financing opportunities

04

Wholesale distribution businesses in resilient and non-cyclical markets

05

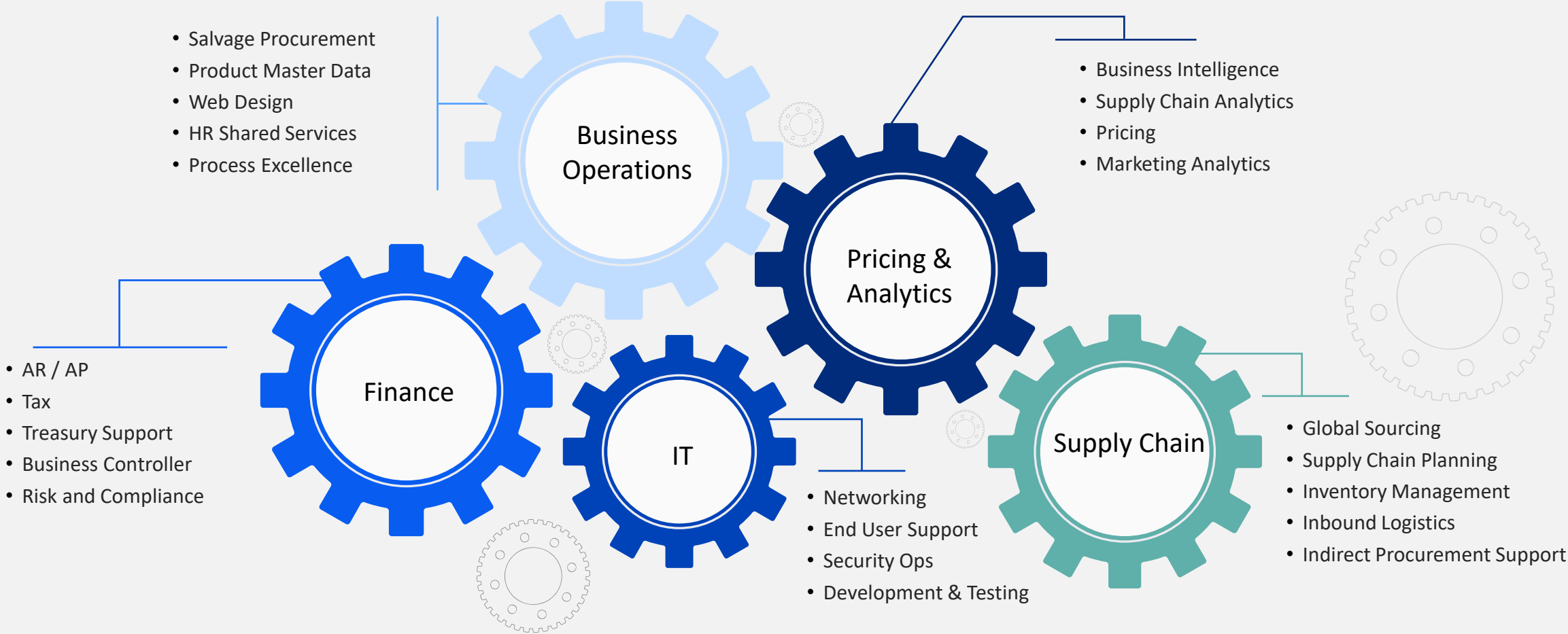
Jointly and collaboratively developing global EV-related capabilities

06

Global Competency Center

Combining the Strength of Core Non-Discretionary Businesses

Leveraging the Scale & Driving Efficiencies Across Our Global Enterprise





John Meyne

Senior Vice President, President Wholesale North America

Introduction

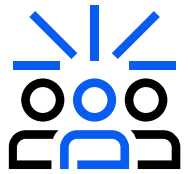


John Meyne

Senior Vice President of LKQ Corporation and
President of Wholesale - North America

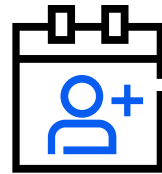
- John R. Meyne became Senior Vice President of LKQ Corporation and President of Wholesale – North America in January 2024
- From 2022 through 2023, served as the East Division Vice President of Wholesale – North America
- From 2011 through 2021, served as Regional Vice President for the Southeast Region of the Company’s Wholesale – North America segment
- Joined the LKQ team in 2009. During my tenure, I’ve held various operational leadership roles
- In 2006, started an aftermarket collision parts company, which was acquired by LKQ in 2009
- Started industry career with Keystone Automotive Industries in 1987

Industry Leading Wholesale North America Executive Team



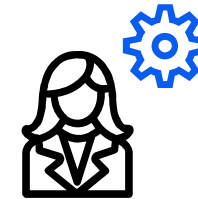
75%

of WNA Executive Team
came into position through
internal promotion



21.4 years

average tenure (over 171
years of experience)



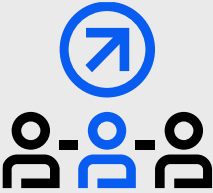
25%

of leaders at the level
below the Executive Team
are female

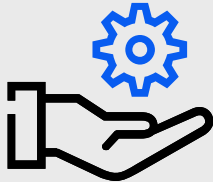
Focused on Three Key Pillars



Safety



Leadership



Operational Excellence

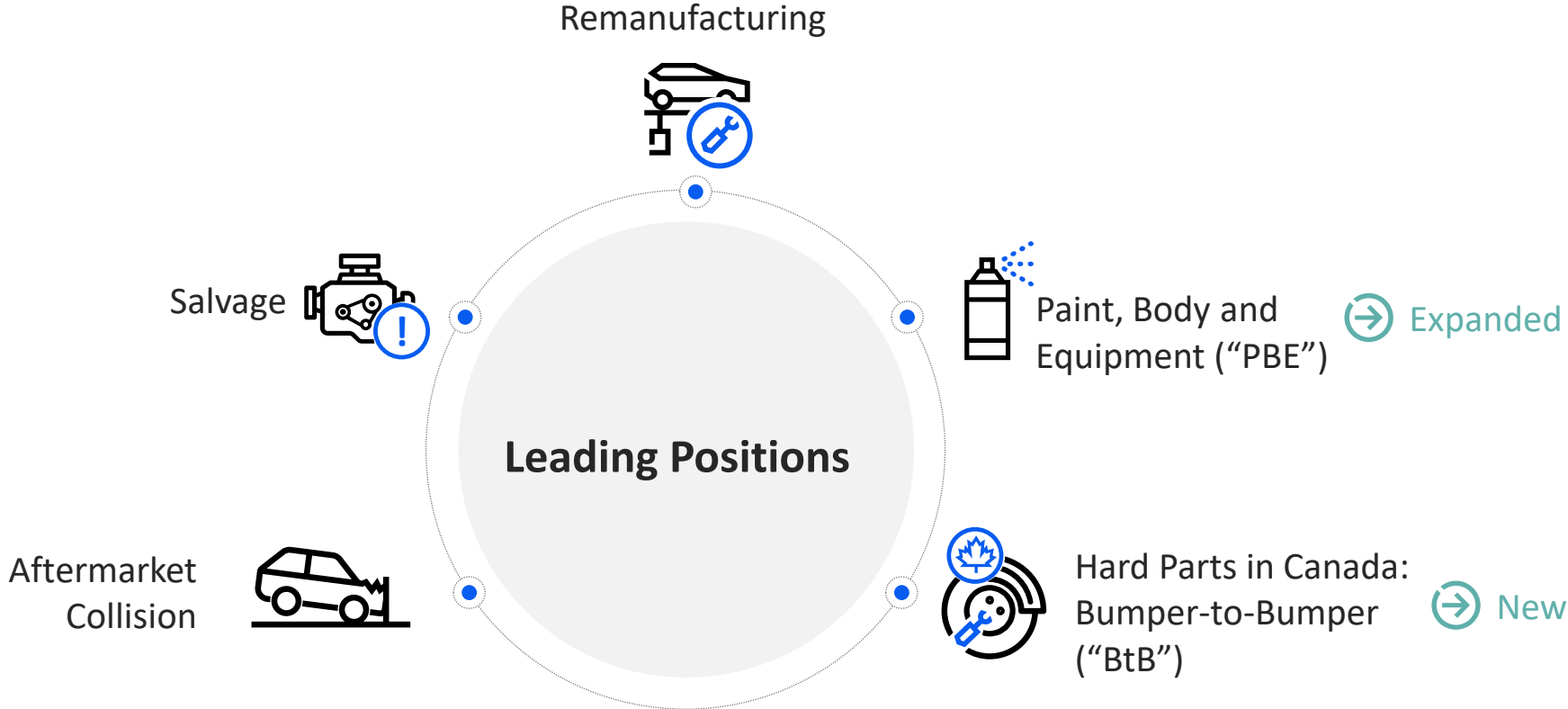
Operational Objectives & Our Culture

- Care for Employees and Our Community
- Essential for Productivity
- Reinforces a Winning Culture

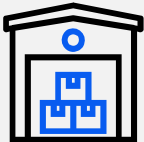
- Build Leaders
- Succession Planning
- Improves Bench Strength

- Gain Efficiencies
- Reduce Variability
- Control Costs

Leading Positions in Core Markets



Uni-Select Integration Update



Footprint

117 branch locations reduced through Finish Master Integration efforts in the United States
From 8/1/23 to 6/30/24



Corporate

Elimination of duplicate public-company costs
Administrative Redundancy Reduction

**\$65m
Annualized
Synergies by
Year 3**



Procurement

Leveraging LKQ Europe to enhance margins
Private Label sourcing opportunities

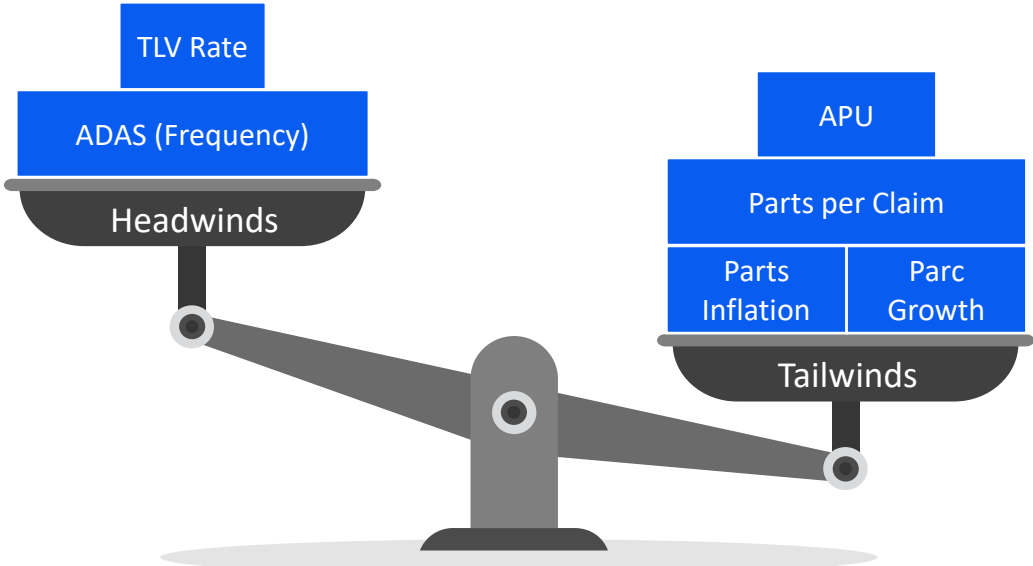


Go To Market

Re-alignment of sales organization
Use of Common Tools / Techniques
New channel to market for core businesses and cross-selling opportunities

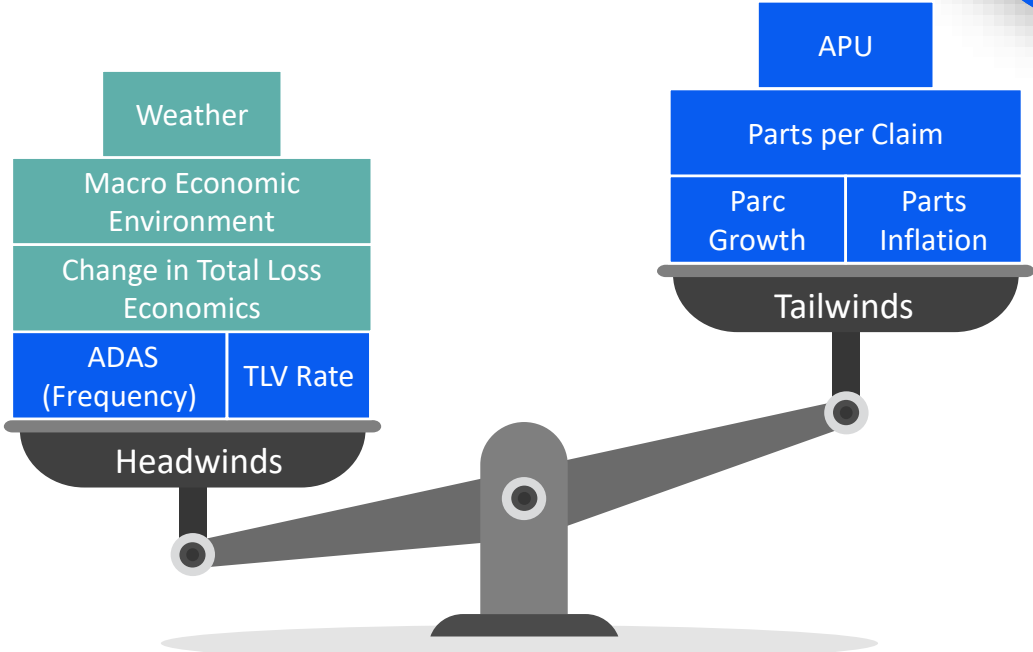
Resilient Core Markets

▶ Long Term North America Collision



1.0% - 2.0%

▶ Current North America Collision: Short Term Headwinds

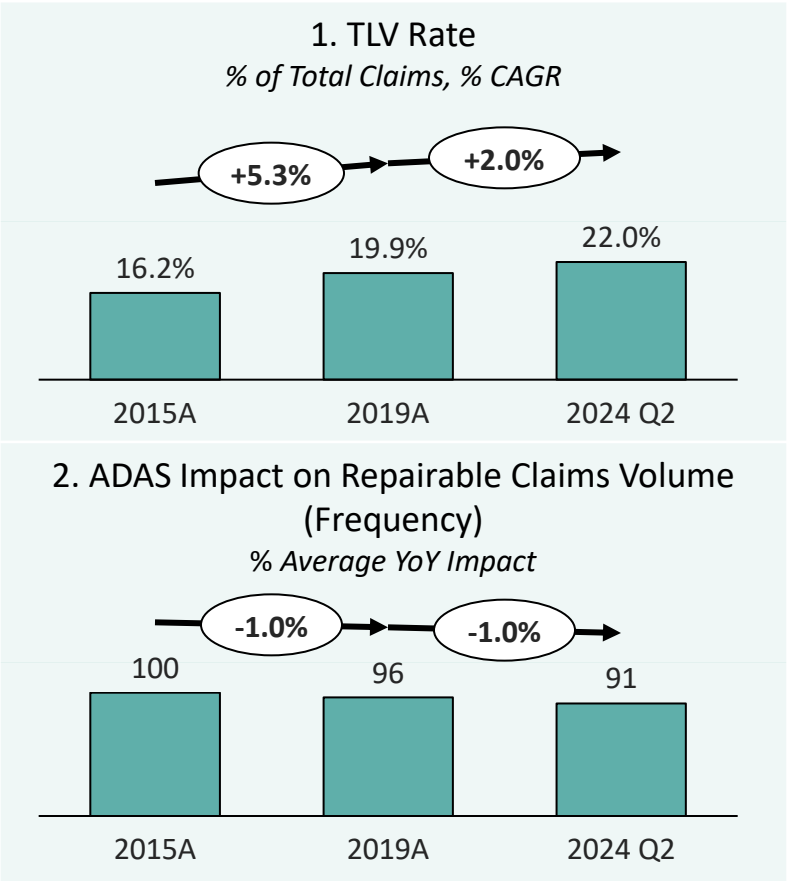


Legend

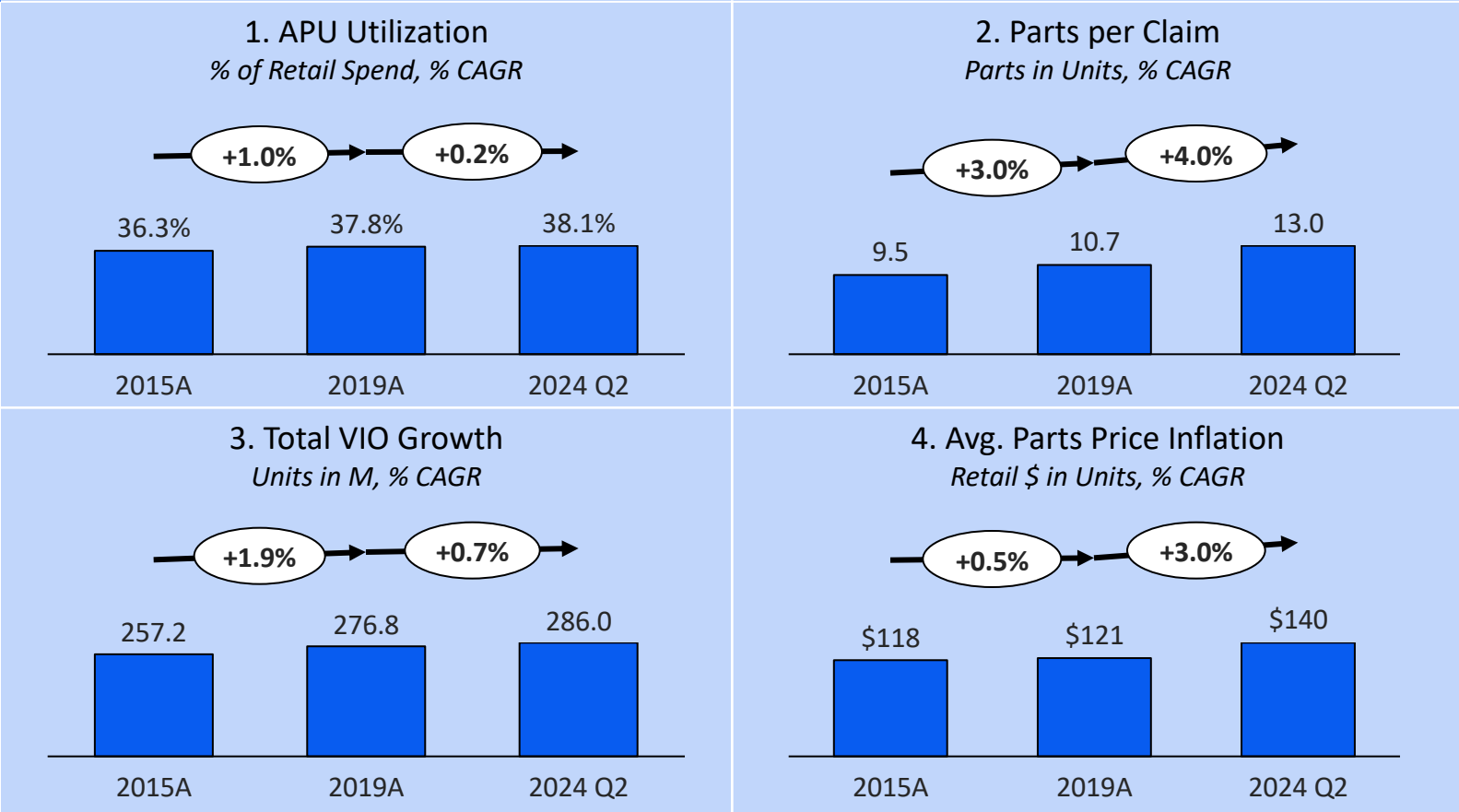
- Short Term Impacts
- Structural Impacts

Historical Collision Market Metrics

Long Term Headwinds



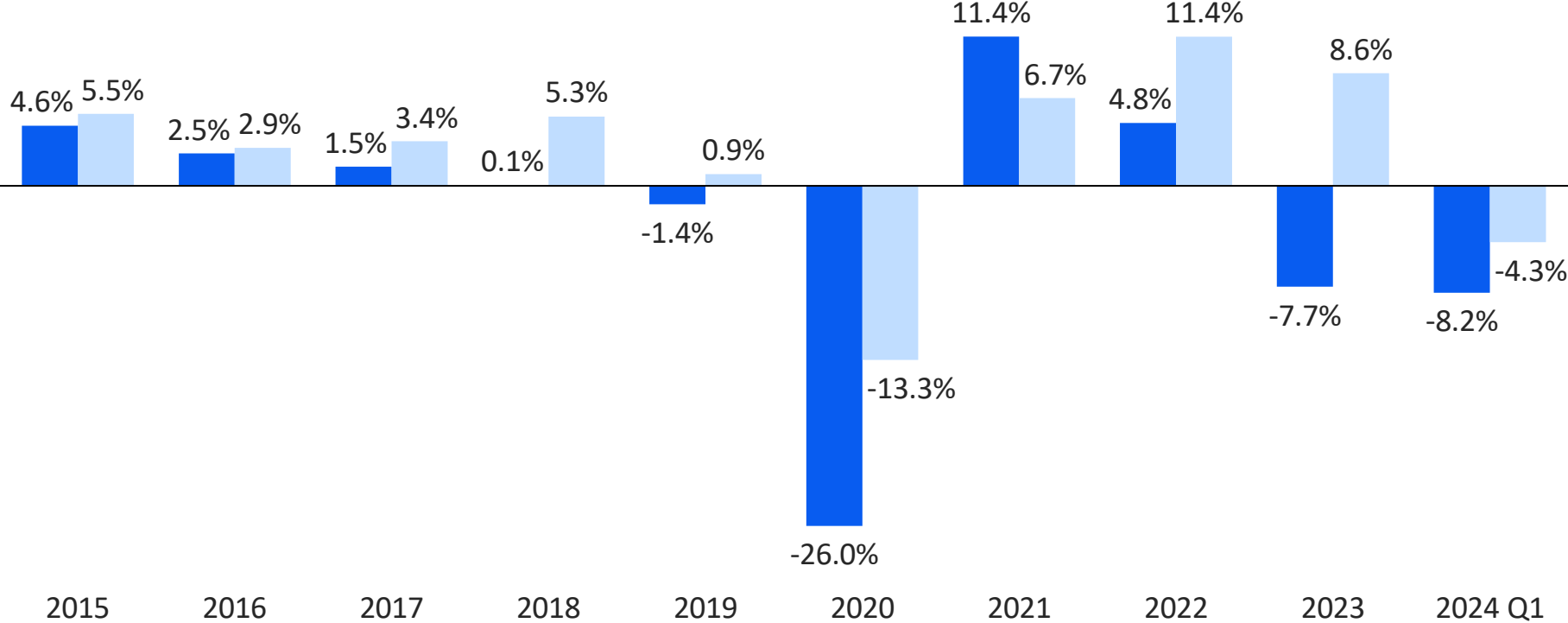
Long Term Tailwinds



Source: LKQ Internal analysis, BCG, and Experian.
 2024 Q2 is the most recent estimate

Repairable Claim Count & WNA Organic P&S Growth

Y-o-Y change in Repairable Claims Count and WNA Organic P&S Revenue Growth, in %



Over this period, we outperformed the Repairable Claims Count growth by an average of 456 bps per year

■ YoY % Change in Repairable Claims ■ WNA Organic P&S Revenue Growth on a Per Day Basis

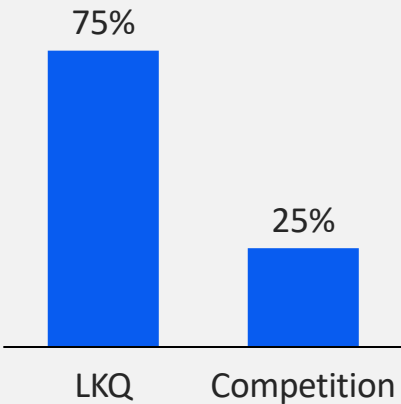
Source: LKQ Internal analysis and LKQ reported data; 2024 Q1 is the most recent estimate
 *2014-2020 includes Self Service

Why We Win

Unmatched Footprint and Distribution Network



LKQ Network Effect on Fill Rates



24%

... parts revenue originates and sells in the same yard territory

62%

... parts revenue is generated outside the yard, but within the region

14%

... of parts revenue is generated in another region

Source: LKQ Internal analysis

Value Proposition



2014 F-150 Hood 2018 Nissan Altima Headlamp 2020 Dodge Caravan Transmission

	Hood	Headlamp	Transmission
New OEM	\$1,266	\$484	\$4,660
Reman	na	na	\$2,864
Salvage	\$590	\$207	\$1,590
AFM	\$938	\$347	na

*For illustrative purposes

Partnering with national multi-shop operators (MSO)



Grow Our Core Collision Business

01

New Product Launches

PBE, Private label, LKQ refinish brand

03

Share of Wallet Gains

02

Digital Sales Tools

04

National Footprint and Inventory

Salvage Business Growth Strategy

➔ Salvage

- Capacity expansion and enhanced operating model (Mega Yards, Crystal River) to improve part availability, fill rates, and margin
- Improving proprietary Machine Learning (ML) algorithms for salvage vehicle procurement
- Part inventorying systematization and optimization (Auto DISM)
- Enhancing our catalog – VIN and Interchange part identification
- Cross selling products, e.g. engine kits

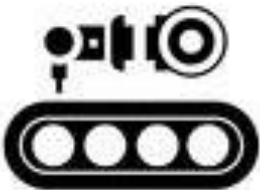


Remanufacturing Growth

TriStar



Capacity Expansion



New ICE Product Additions



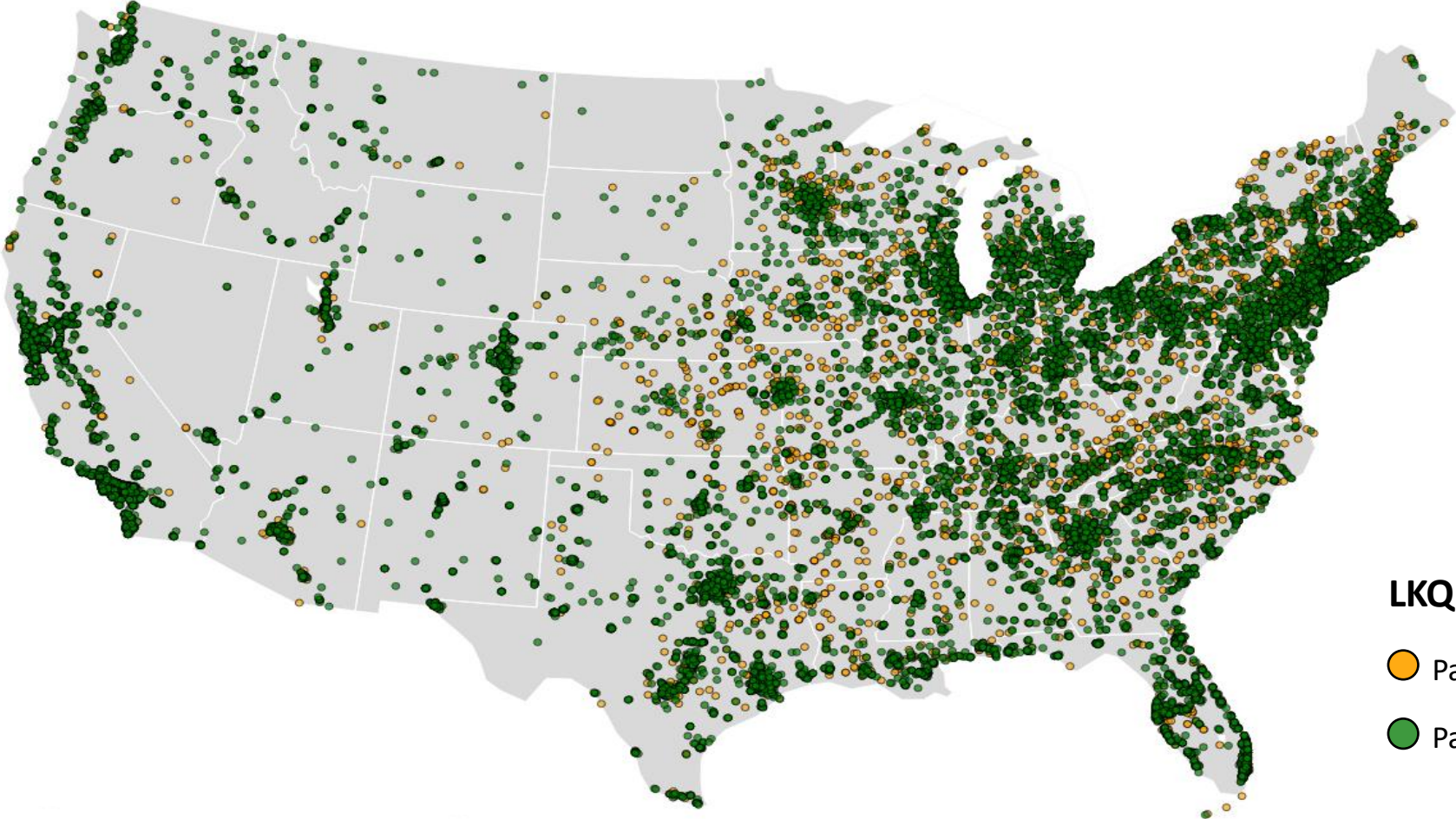
New BEV Product Additions



New channels (BtB)



Increase Customer Base in PBE



LKQ Collision Customers

- Paint & Parts Customers
- Parts Only Customers

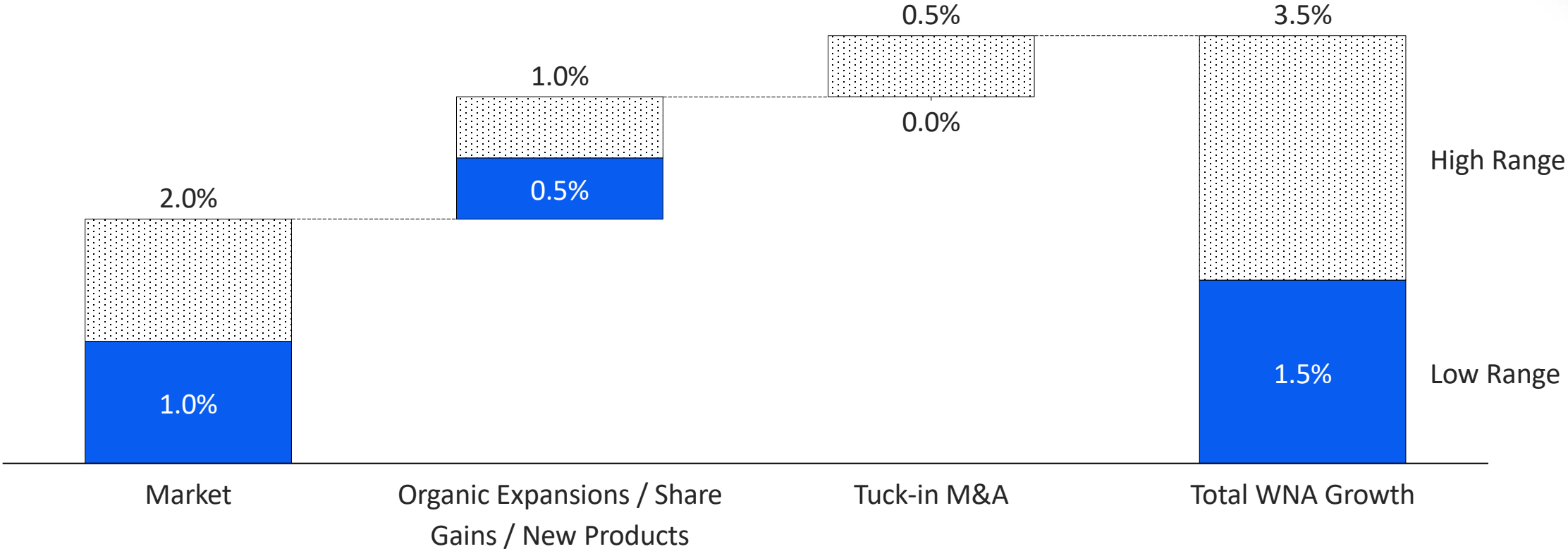
Grow Canadian Hard Parts Business

- 01 Enhancing our relationship with BtB members
- 02 3-Step to 2-step conversion
- 03 Bolt-on M&A and greenfield expansion
- 04 Product portfolio expansion
- 05 Investments into developing an industry leading hard parts platform
- 06 Broadening Private Label portfolio via collaboration with Europe
- 07 Leveraging European intellectual capital to drive revenue and enhance our B2C e-commerce business
- 08 Cross-selling opportunities across entire LKQ product portfolio



Outperform The Market

Next 3 Years Revenue Growth, in %



Strategic Objectives Wholesale North America



**Simplification &
Operational Excellence**



Enhanced Margins



Profitable Growth



Talent Development

1) Assumes no impact from potential future tuck-in acquisitions

2) TTM Q2 2024



2025 – 2027 Targets

Annual Organic Revenue
Growth
1.5% to 3.0%

Average Annual Organic¹
Segment EBITDA Margin Improvement²
10 bps to 20 bps

Drive FCF through continued
optimization of trade working capital

Andy Hamilton

President and Managing Director, LKQ Europe

Introduction



Andy Hamilton

**President and Managing Director
LKQ Europe**

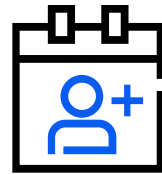
- 2024: President and Managing Director of LKQ Europe
- 2019-2023: CEO, LKQ UK and Ireland, successfully led the transformation of the business from single digit EBITDA margin to double digit EBITDA, the leading margin in Europe
- 2016-2019: Chief Commercial Officer, LKQ Europe, managing several key transformation projects
- 2011: Joined the Euro Car Parts business, managing the rapid expansion of the UK business following the LKQ acquisition
- Prior to LKQ, held a number of management roles at leading UK automotive and leisure retailer, Halfords.

Industry Leading European Executive Team



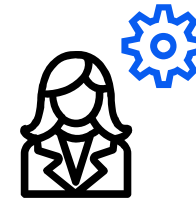
62%

of Executive Team came into position through internal promotion



8.2 years

average tenure (over 107 years of experience)



30%

of leaders at the level below the Executive Team are female

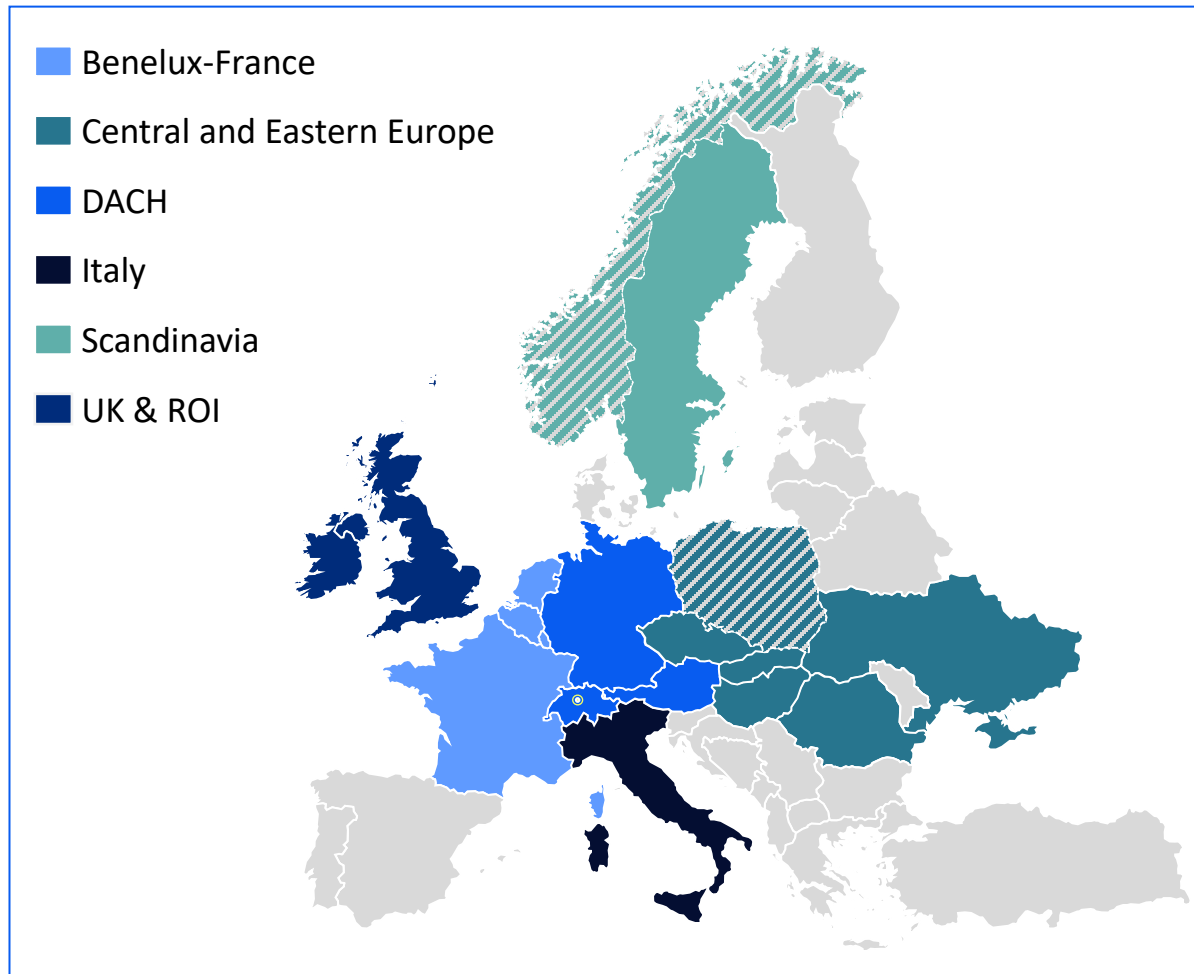
Segment Overview - Market Leader in Europe

\$6.3 BN
Revenue 2023

26,500
Colleagues

900
Locations

18
countries
we operate in



Source: Competitor filings and LKQ management estimate.
Minority interests in countries with patterns.

Who We Are, Why We Win

Size & Scale



Market leader with unmatched footprint. 900 locations serve 100,000+ workshops multiple times per day

Range & Availability



Leading partnerships with Tier 1 suppliers supplemented by LKQ private label products

World Class Logistics



Only aftermarket company with pan-European logistics network

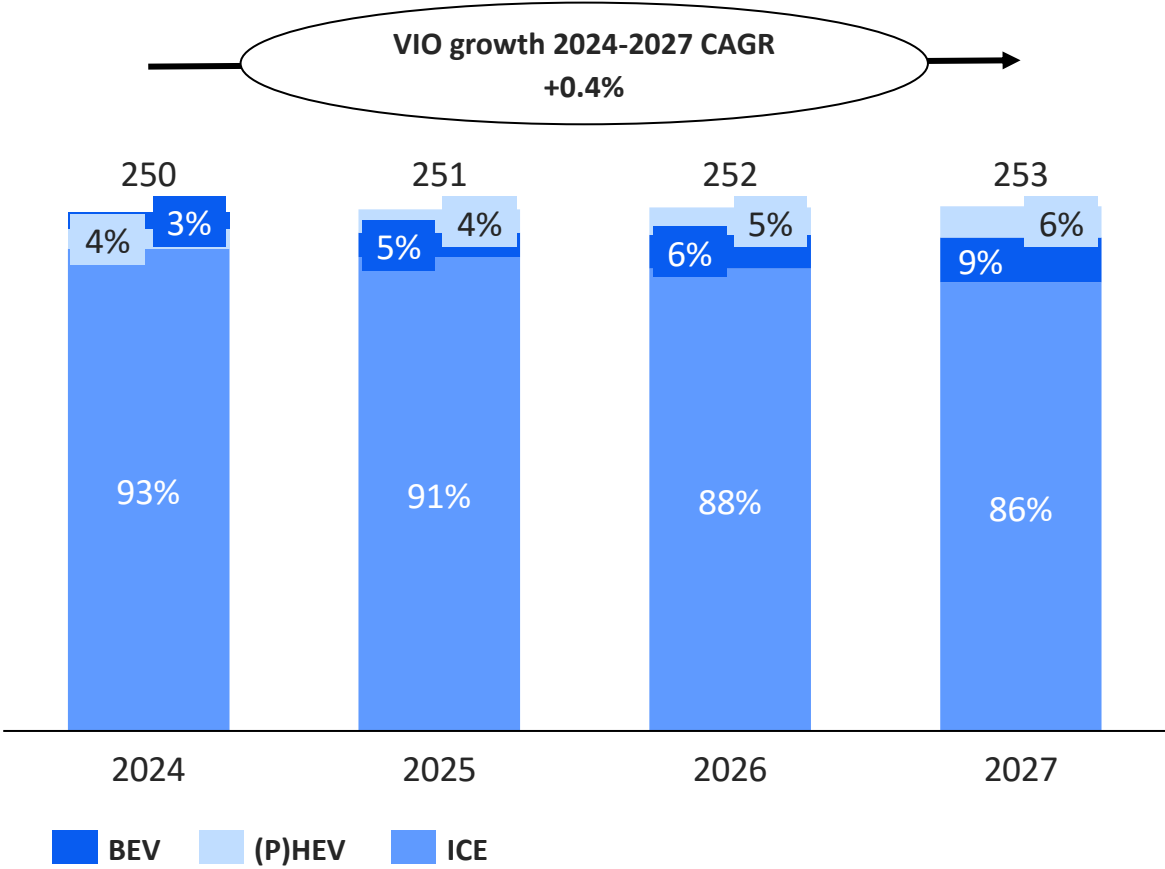
Concepts & Innovation



Tailored services, training & workshop concepts to ensure customers are prepared for the future

Key Market Dynamics

VIO Evolution in Our European Markets, in M Vehicles

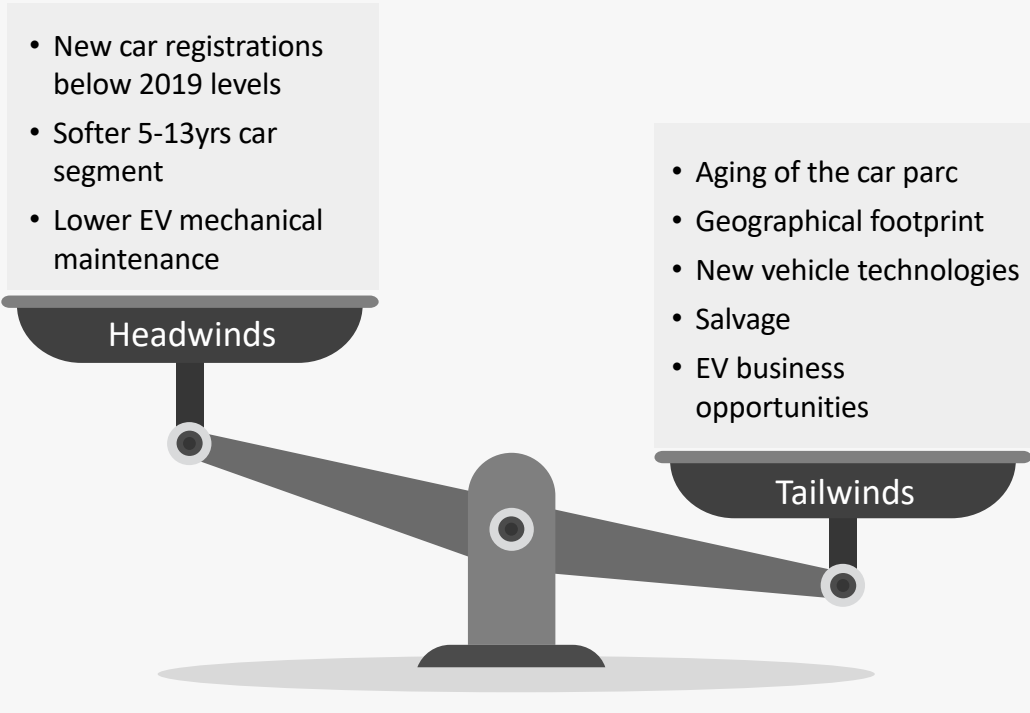


Source: IHS forecast. Markets included: Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Italy, Netherlands, Romania, Slovakia, Switzerland, Ukraine, United Kingdom

Total Market Growth 2024-2027 1.0-1.5% CAGR¹

Key Opportunities

- Category Management
- Workshop Concept & Customer Loyalty
- Remanufacturing



1. Includes VIO growth and estimated market inflation

Solid Foundation For Future Growth

Aligned Key Suppliers

- ✓ Payment & rebate terms
- ✓ Stock level rationalization

Developed Functional Excellence

- ✓ Centralized 10 functions
- ✓ Workflow processes simplified

Progressed System Harmonization

- ✓ Built and stabilized ERP platform
- ✓ Harmonized and aligned multiple policies & processes

Rolled Out Customer Propositions

- ✓ Workshop Concepts & LKQ Academy - BEV and ICE
- ✓ Key Account Management
- ✓ Digitalization roadmap

Managed Economic Headwinds

- ✓ Inflation
- ✓ Pricing
- ✓ Supply Chain

Target Operating Model



Customer Growth

Workshop Concepts

Breadth & Depth Of Product

Channel and Geographical Development



Product Leadership

SKU Consolidation
Private Label Expansion

Supplier Rationalization



Operational Improvements

Branch & Network Design

Asset Rationalization

Processes and Systems

Central Procurement Organization (CPO)

GCC (Global Competency Center) Transition



Aligned Key Suppliers

- ✓ Payment & rebate terms
- ✓ Stock level rationalization



Developed Functional Excellence

- ✓ Centralized 10 functions
- ✓ Workflow processes simplified



Progressed System Harmonization

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Rolled Out Customer Propositions

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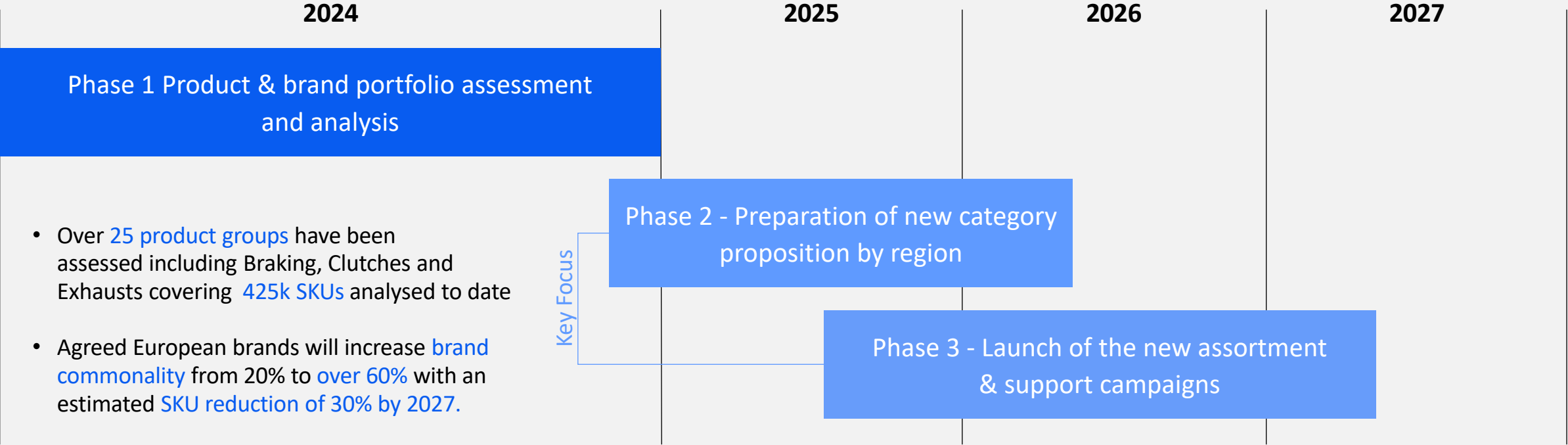


Managed Economic Headwinds

- ✓ Inflation
- ✓ Pricing
- ✓ Supply Chain

Category Management Project Timeline

Too many brands & product duplication creates complexity



- Over 25 product groups have been assessed including Braking, Clutches and Exhausts covering 425k SKUs analysed to date
- Agreed European brands will increase brand commonality from 20% to over 60% with an estimated SKU reduction of 30% by 2027.

<p>900,000 Number of active SKUs stocked in Europe</p>	<p>742,000 SKUs in scope for current project</p>	<p>Only 10% Of those are sold in all Regions</p>
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Category Management Benefits

Brand clutter prevents us serving our customers efficiently

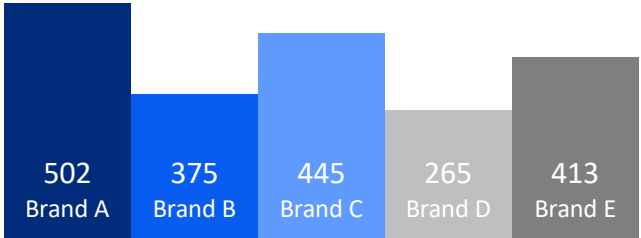
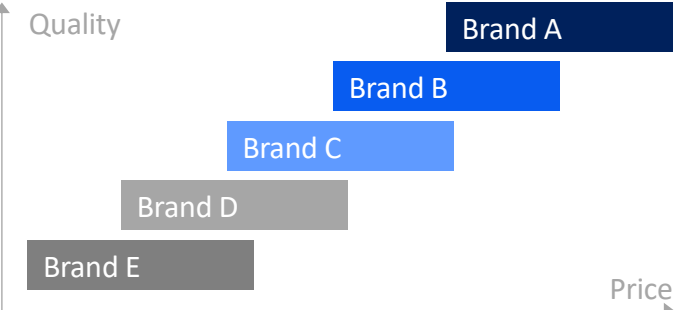
Two identical branches. Each has 2,000 stock positions available for braking products

Branch A has 5 braking brands, Branch B only 3

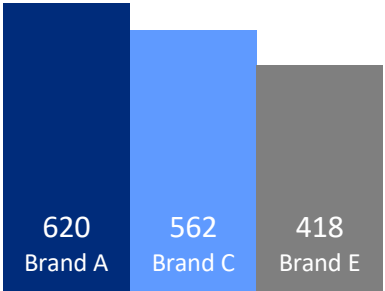
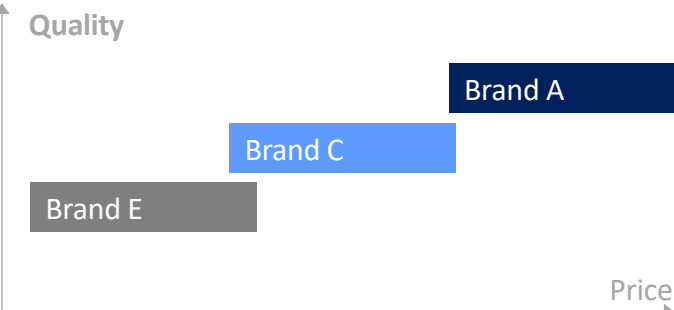
Dividing the stock positions between the brands means Branch A's offer is shallow

Branch B has a better ability to serve their local market than Branch A

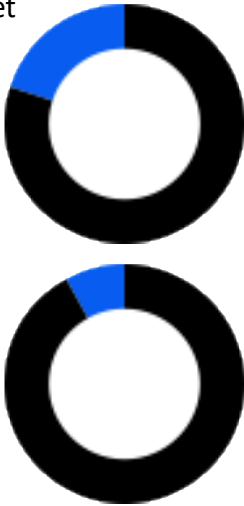
Branch A



Branch B



Coverage of applications in local market



■ Covered
■ Not covered

Enhanced Margins. Lower Inventory. Extended Payment Terms

Employee Engagement



Colleague Growth



Talent Expansion & Development



Succession Planning



Diversity & Inclusion



Reward & Recognition



Culture & Values

Overview

85%  **8% vs 2022**
Overall response rate

68  **1 vs 2022**
Engagement rate

Top words used by our employees to describe our culture

COLLABORATIVE OPEN
FOCUSED INNOVATION
RESPECT FRIENDLY
INCLUSIVE DRIVEN

Strategic Objectives

LKQ Europe



**Simplification &
Operational Excellence**



Enhanced Margins



Profitable Growth



Talent Development

1) Assumes no impact from potential future tuck-in acquisitions

2) TTM Q2 2024



2025 – 2027 Targets

Annual Organic Revenue Growth
2.5% - 3.0%

Average Annual Organic¹
Segment EBITDA Margin Improvement²
20 bps to 40 bps

Drive FCF through continued
optimization of trade working capital



Rick Galloway

Senior Vice President and Chief Financial Officer, LKQ Corporation

Introduction



Rick Galloway

Senior Vice President & Chief Financial Officer

- Senior Vice President and Chief Financial Officer since September 2022
- Served as Chief Financial Officer of Wholesale - North America and Self-Service segments from July 2019 to September 2022
- Prior to joining LKQ, held various positions at Alcoa and Arconic Corporations from 2010 to 2019
- Served as Chief Financial Officer of Arconic's Engineered Products and Solutions division, a business that consisted of 97 manufacturing facilities across the globe
- Started career in public accounting with Grant Thornton as an auditor with clients in various fields, including manufacturing, oil and gas, non-profit, and government

LKQ Financial Snapshot

Financial Measures

TTM Q2 2024 in \$M

Revenue	\$14,483
Segment EBITDA ¹	\$1,732
FCF ¹	\$751
Total Debt	\$4,334
Total Liquidity ²	\$1,428
Market Capitalization ³	\$10,988
Credit Rating ⁴	BBB- / BBB- / Baa3

1) Segment EBITDA and FCF are non-GAAP measures. See the Appendix for reconciliations of non-GAAP measures

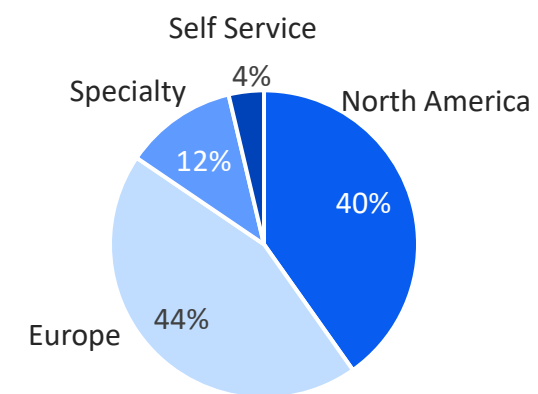
2) Total liquidity includes cash and cash equivalents and availability under credit facilities

3) Based on 6/28/24 closing price of \$41.59 and 6/30/24 outstanding shares

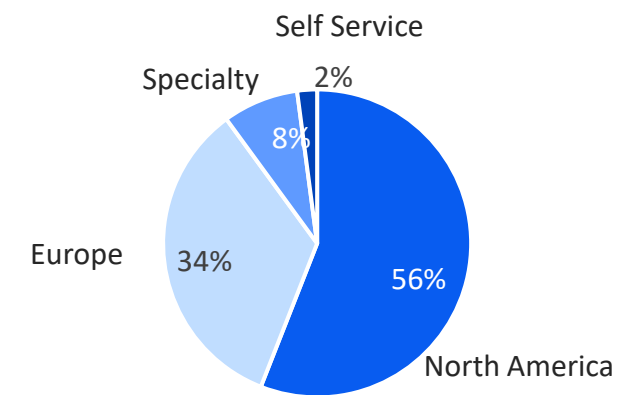
4) Sources: S&P/Fitch/ Moody's

5) Reflects TTM Q2 2024

Third Party Revenue⁵




Segment EBITDA¹






WHERE'S THE TYRES?

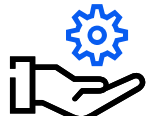
New Playbook Linked to Driving Financial Results


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



To deliver value for all LKQ Stakeholders through Operational Excellence and optimal Capital Allocation



Execution is key and winning consists of setting specific, measurable, actionable, relevant and time-based objectives.




Wholesale North America Playbook

Driving Financial Results ↓

- OKRs
- KPIs
- Time & Units
- Daily Management Meetings
- Gemba Walks
- TWC Management
- Disciplined Balance Sheet

»»

Next Phase - Europe



The Foundation Has Been Built

> 500 bps in Margin Expansion¹

1) Segments EBITDA margin; 2019 – 2023 WNA without Uni-Select impact

Allianz

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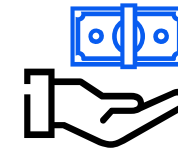
Targeted Financial Results



Driving Incremental Profitability



Managing TWC to Drive Incremental Cash



Expanding Vendor Financing

Driving Growth with Efficiency – Segment EBITDA



Strong Balance Sheet Provides Significant Operating Flexibility

Lean TWC Management

Inventory

- Footprint rationalization
- SKU consolidation
- Network optimization

Accounts Receivable

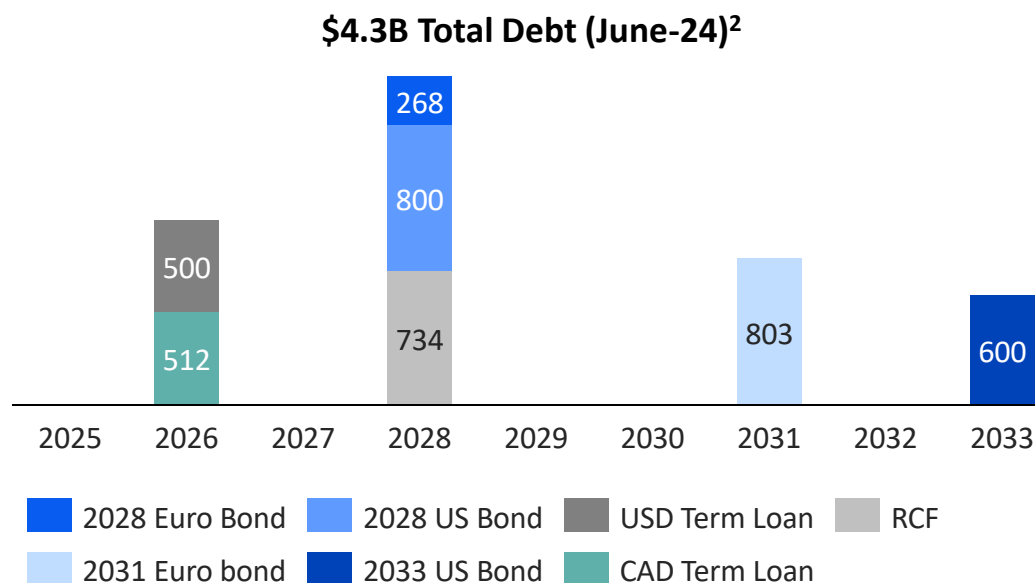
- Integration with customers through automation
- Focus on partnership with on-time delivery and percent current

Accounts Payable

- Supplier rationalization
- Increase utilization of vendor financing program

➔ Debt Overview (as of June 2024)

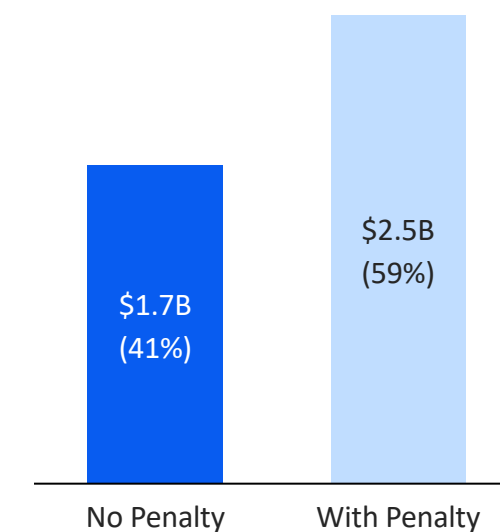
Debt Profile	
Debt / EBITDA ¹	2.3x
Weighted Average Maturity	4.0 yrs



Credit Ratings

S&P	BBB- / Stable
Moody's	Baa3 / Stable
Fitch	BBB- / Positive

Prepayable Debt

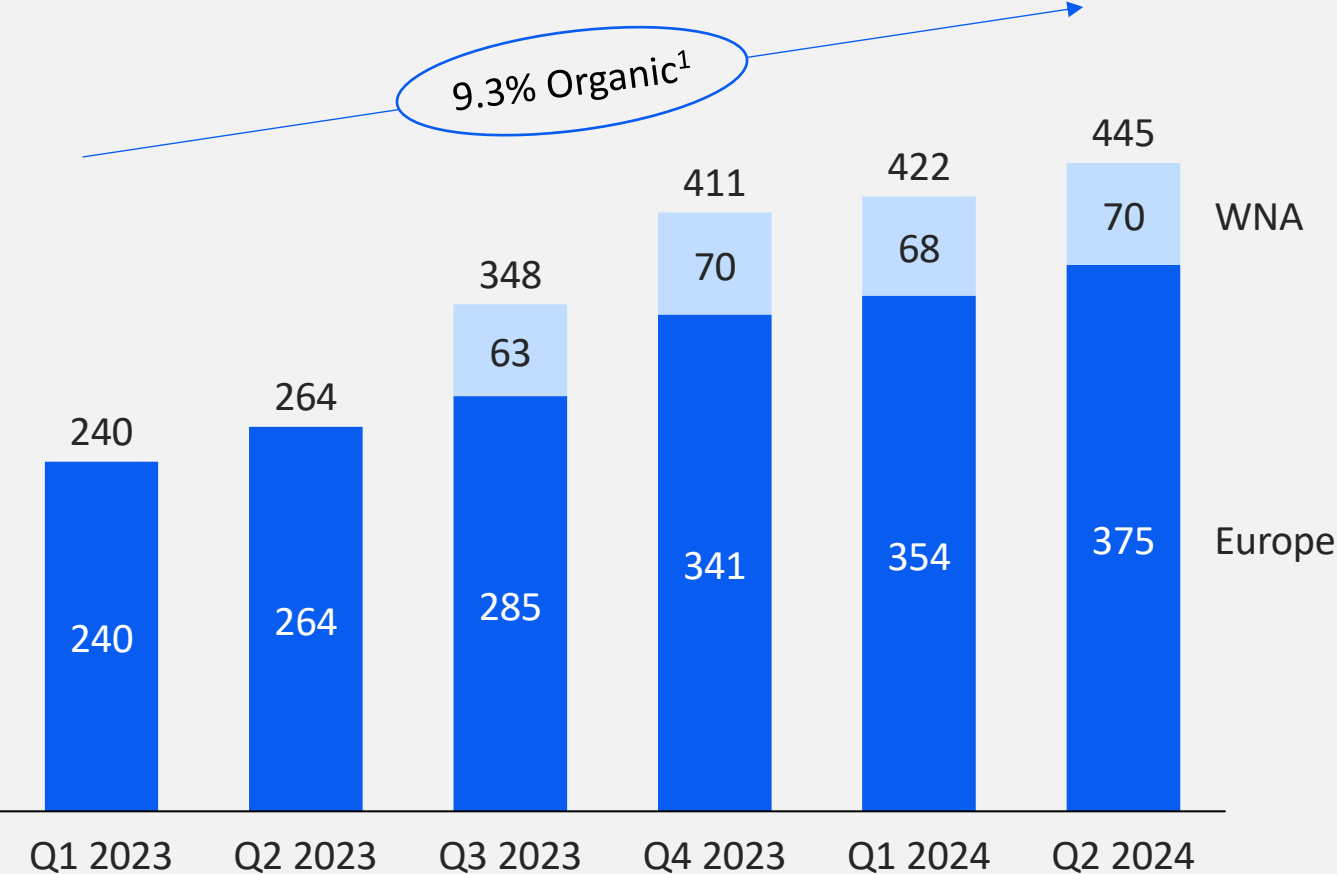


1) Debt / EBITDA as defined in our Credit Agreement dated January 2023

2) Includes ~\$0.1B "Other debt"

Extending Payables to Unlock Incremental Value

Size of Europe and WNA Vendor Financing Program, In \$M



1) Europe only

Europe

- Payment terms negotiations have been opened with approx. 70% of annual direct spend
- DPO improved by over 15% in Q2 2024 YoY
- New payment terms improved the TWC by more than €70m in 2023

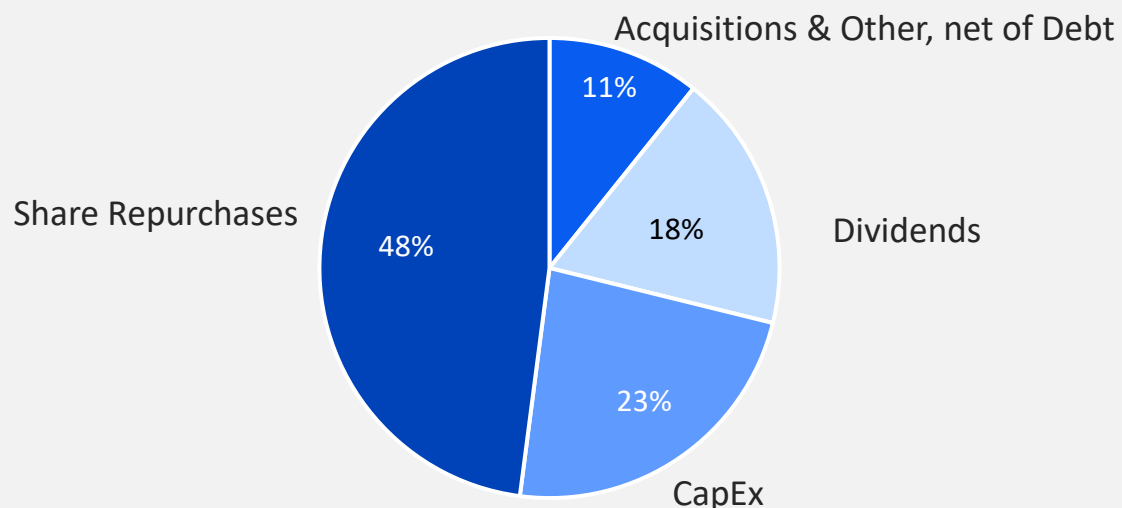
WNA

- Opportunities to expand existing program using LKQ’s investment grade credit rating
- Current program is 60% utilized

Strong Operating Cash Flows Allocated to Highest Return Opportunities

2021 to June 2024 - Capital Allocation

\$4.4 Billion Operating Cash Flows Deployed

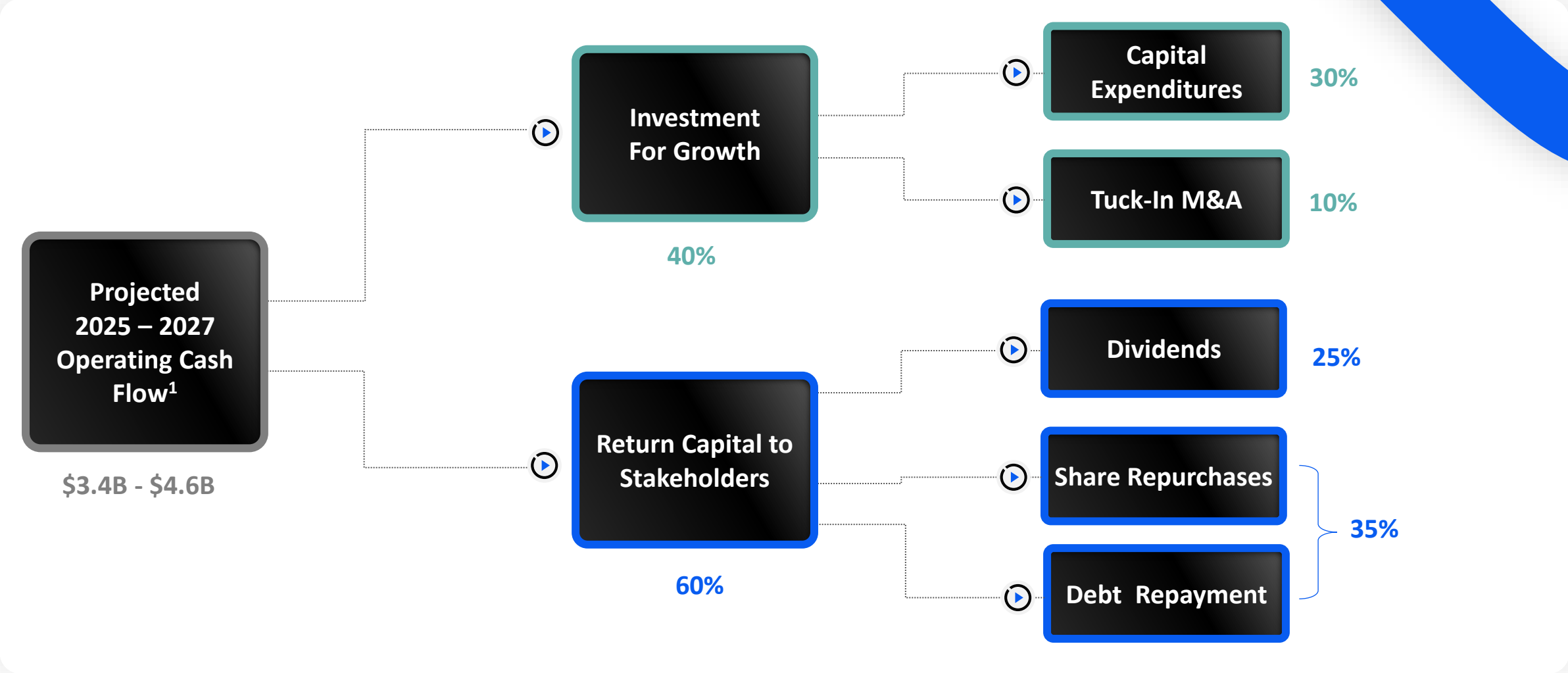


Priorities for Next 3 Years

Operating Cash Flow	Maintain consistent conversion; scale with business	↑
Capital Expenditures	Similar level expected with focus on high ROIC projects	+ / -
Dividends	Committed to a minimum of 50% of FCF in the short term	+ / -
Share Repurchases		+ / -
Acquisitions	Focused on highly accretive tuck-ins with no large platforms expected	+ / -

Cash flow allocated to highest return opportunities across share repurchase, debt paydown, organic investments, and tuck-in acquisitions; further shareholder return via regular quarterly dividend

Robust Balance Sheet Provides Capital Allocation Flexibility



1) These projections are based on current plan and are subject to change

LKQ's Investment Thesis



Strong Market Position

- Market leadership in all four reporting segments:
 - North America
 - Europe
 - Specialty
 - Self Service
- Unparalleled customer & geographic diversity
- Industry leading service

Stable business through economic cycles

Organic Growth & Operational Excellence

- Ability to grow revenue organically faster than market growth
- Simplify business portfolio and operations
- Expand lean operating model globally

Organic revenue growth faster than market & EBITDA growth faster than revenue

Focus on Cash Flow and Capital Allocation

- Convert EBITDA to FCF by maintaining rigorous working capital discipline
- Fund high-ROIC projects that contribute to organic growth and margin expansion
- Excess free cash flow allocated to enhance long-term shareholder value
- Firmly committed to maintaining investment grade credit rating

Allocating capital to grow EPS faster than EBITDA

Driving consistent and strong growth in Adjusted EPS over the long term

Our Strategic Plan

LKQ Corporation



**Simplification &
Operational Excellence**



Enhanced Margins



Profitable Growth



Cash Flow Generation



2025 – 2027 Targets

Annual Organic Revenue
Growth Above Market
1.0% to 2.0%

Average Annual Organic¹
Segment EBITDA Margin Improvement²
10 bps to 20 bps

Next 3-year Cumulative Total
Free Cash Flow
\$2.4 – \$3.2 Billion

1) Assumes no impact from potential future tuck-in acquisitions

2) TTM Q2 2024

Appendix

Financial Policy Summary

Focus on Free Cash Flow Generation

- Target organic growth greater than market comps
- Simplify business portfolio and operations
- Expand lean operating model globally
- Convert high levels of EBITDA to Free Cash Flow with a focus on trade working capital efficiencies

Maintain Optimal Leverage

- Maintain or improve investment grade rating through continuation of strong credit metrics and judicious capital deployment
- Maintain total leverage of lower than 2.0x EBITDA¹
- Strong FCF generation will enable significant annual capital deployment to drive TSR

Deploy Capital into Highest Return Opportunities

- Organic Investments: Fund high-ROIC projects that contribute to organic growth and margin expansion
- Dividends & Share Repurchases: Return value to shareholders through regular quarterly dividends and programmatic share repurchases
- Acquisitions: Focused on tuck-in acquisitions with significant synergies or critical capabilities and not large M&A

Maintain Appropriate Liquidity

- Maintain liquidity to enable LKQ to invest through a market cycle
- We had \$1,428 million of total liquidity as of 6/30/24 with \$276 million in cash and \$1,152 million availability on our revolver
- No significant debt maturities until 2026

Appendix 1

Reconciliation of TTM Q2 2024 Net Cash Provided by Operating Activities to Free Cash Flow and Net Income to Segment

EBITDA

(in millions)

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	TTM Q2 2024
Net cash provided by operating activities	\$441	\$212	\$253	\$213	\$1,119
Less: purchases of property, plant and equipment	97	125	66	80	368
Free cash flow	\$344	\$87	\$187	\$133	\$751
Net income	\$208	\$178	\$158	\$186	\$730
Less: net income attributable to continuing noncontrolling interest	—	1	—	1	2
Net income attributable to LKQ stockholders	\$208	\$177	\$158	\$185	\$728
Less: net income (loss) from discontinued operations	1	(7)	—	—	(6)
Net income from continuing operations attributable to LKQ stockholders	\$207	\$184	\$158	\$185	\$734
Adjustments:					
Depreciation and amortization	84	100	100	100	384
Interest expense, net of interest income	53	58	61	62	234
Provision for income taxes	60	43	71	82	256
Equity in earnings (losses) of unconsolidated subsidiaries	(4)	(6)	2	(2)	(10)
Gains on foreign exchange contracts - acquisition related ⁽¹⁾	(3)	—	—	—	(3)
Equity investment fair value adjustments	—	1	—	2	3
Restructuring and transaction related expenses	27	12	30	49	118
Restructuring expenses - cost of goods sold	2	2	8	6	18
Gains (losses) on previously held equity interests	(4)	1	—	—	(3)
Impairment of net assets held for sale	—	1	—	—	1
Segment EBITDA	\$422	\$396	\$430	\$484	\$1,732

(1) Related to the Uni-Select acquisition.