

LKQ to Acquire Uni-Select - A Leading Distributor of Mechanical Parts and Refinish Paint Products Across North America

February 27, 2023



Keeping you moving

Forward Looking Statements

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

Forward-looking statements include, but are not limited to statements regarding our expectations, intentions, beliefs and strategies regarding the future, including statements regarding trends, cyclicalities and changes in the markets we sell into; strategic direction; changes to procurement processes; the cost of compliance with environmental and other laws; expected tax rates; planned capital expenditures; liquidity positions; ability to generate cash from continuing operations; the potential impact of adopting new accounting pronouncements; expected financial results, including revenue and profitability; obligations under our retirement plans; savings or additional costs from business integrations and cost containment programs; and the adequacy of accruals. These forward looking statements generally include expectations, beliefs, hopes, intentions or strategies regarding our future, including with respect to the proposed transaction described and statements or assumptions regarding the expected timetable for completing the transaction, financial and operating results, benefits and synergies of the transaction, and other statements that are based on management's current beliefs and expectations of the company and the combined businesses.

All forward-looking statements we make are based on information available to us at the time the statements are made, and we assume no obligation to update any forward-looking statements, except as may be required by law. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by our forward-looking statements include, among others, risks relating to the receipt of regulatory and shareholder approvals for the transaction and the successful fulfillment or waiver of all other closing conditions without unexpected delays or conditions; the failure to realize, or delays in realizing, growth projections, synergies, cost-savings and other benefits from the transaction; the failure to obtain the financing contemplated to be obtained in connection with the proposed transaction on the expected terms or timing; negative effects of the announcement or completion of the transaction on the businesses, financial performance or trading prices of the parties; competitive responses to the transaction, as well as the risks and uncertainties included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2022 and any of our subsequent Quarterly Reports on Form 10-Q. These reports are available on our investor relations website at lkqcorp.com and on the SEC website at sec.gov.

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Mission Statement

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

Compelling Transaction for LKQ & Uni-Select Shareholders

Structure & Consideration

- LKQ to acquire Uni-Select for C\$48.00 per share in cash, representing an enterprise value of \$2.1bn
 - Represents a premium of 19.2% to Uni-Select's closing share price on February 24, 2023 and 20.7% to Uni-Select's trailing 20-day volume-weighted average price
 - Reflects a multiple of approximately 9.7x Uni-Select's 2023E Segment EBITDA⁽¹⁾, inclusive of run-rate cost synergies
- Divestiture of Uni-Select's GSF Car Parts UK

Financial Benefits

- Expected to generate \$55mm of run-rate synergies by year three post closing
- Incremental revenue growth and margin expansion opportunities driven by enhanced North American product offerings
- Expected to be accretive to Adjusted EPS⁽²⁾ in the first year following closing

Financing

- Transaction financed through a combination of cash on hand and debt with expected total leverage⁽³⁾ at closing of 2.4x ⁽⁴⁾
- Strong ongoing commitment to investment grade credit ratings and deleveraging to <2x total leverage⁽³⁾ within 18 months

Approvals & Closing

- Transaction recommended by the Uni-Select Special Committee and unanimously approved by the Board of Directors of Uni-Select and LKQ
- Subject to customary regulatory approvals and approval by Uni-Select's shareholders
- Voting and Support Agreements from Birch Hill and EdgePoint, Uni-Select shareholders representing ~19% of basic shares
- Required Uni-Select shareholder approvals are (i) 66 ⅔% of the votes cast, and (ii) a majority of the votes cast, excluding any shares held by Birch Hill and EdgePoint
- Expected to close in H2 2023

Note: All financial figures in US\$, unless otherwise noted.

(1) Segment EBITDA is a non-GAAP measure, calculated in accordance with the methodology outlined in LKQ's most recent 10K filing.

(2) Adjusted EPS is a non-GAAP measure, calculated in accordance with the methodology outlined in LKQ's most recent 10K filing.

(3) Total leverage per bank covenants is defined as Total Debt/EBITDA. See the definitions of Total Debt and EBITDA in the latest credit agreement filed with the SEC for further details.

(4) Expected total leverage at closing of 2.4x and net leverage at closing of 2.2x.

Uni-Select Overview

- A leading distributor of automotive replacement parts, accessories, tools and equipment, paint, and collision repair products across North America and Europe
- Founded in 1968 and headquartered in Boucherville, Quebec



Source: Public filings.

Note: All financial figures in US\$mm, unless otherwise noted.

(1) To be divested in conjunction with transaction.

(2) Segment EBITDA is a non-GAAP measure, calculated in accordance with the methodology outlined in LKQ's most recent 10K filing. See page 18 for a reconciliation from reported EBITDA to Segment EBITDA.

Acquisition of Uni-Select Expands LKQ's Leading Global Vehicle Parts Distribution Business

- 1 Compelling strategic fit, enhancing LKQ's existing business and continuing to drive profitable growth
- 2 FinishMaster complements existing North American paint distribution operations, improving scale & product mix to compete in attractive and growing segment with minimal integration risk
- 3 Scaled entry into Canadian mechanical parts sector through acquisition of CAG, the #2 wholesale distributor
- 4 Expected to generate \$55mm run-rate synergies by year three post closing plus incremental revenue growth & margin expansion opportunities for the Uni-Select and LKQ businesses
- 5 Focus on operational excellence and continued commitment to maintaining strong investment grade balance sheet

1 LKQ's Presence in Paint & Mechanical Parts Facilitates Effective Business Integration



Strategic Fit for LKQ

- LKQ entered paint distribution industry in 2007 through acquisition of Keystone Automotive Industries and expanded operations in 2011 through acquisition of Akzo Nobel's distribution business
- Complements LKQ's existing footprint and drives synergies
- Significantly expands product offering through existing relationships with diversified, multi-brand portfolio of paint & allied products suppliers
 - Diversifies customer base, particularly with respect to multi-shop operation ("MSO") customers



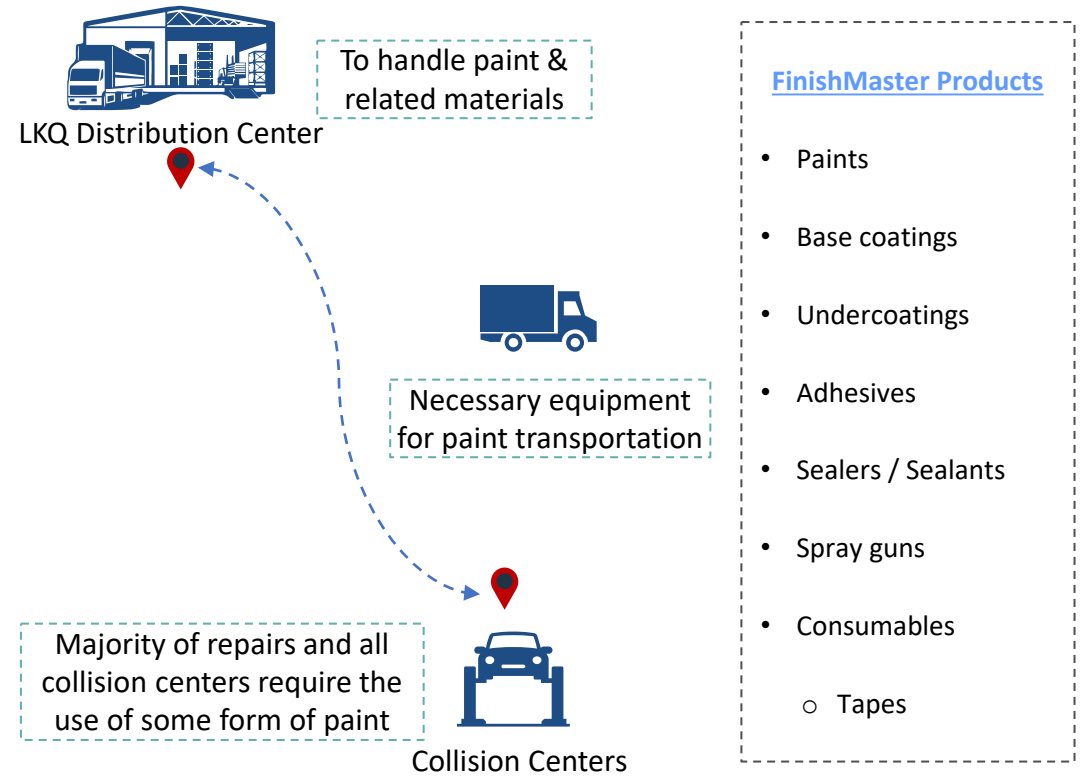
- At scale entry into Canadian mechanical parts industry through acquisition of #2 wholesale distributor
- LKQ entered into European mechanical parts distribution through the acquisition of ECP in 2011
- Significant procurement synergies between LKQ's European operations and CAG

2 FinishMaster Complements Existing N.A. Paint Distribution Operations, Providing Scale to Compete in Attractive & Growing Segment

FinishMaster Provides Scope and Scale

- FM is one of the largest refinishing distributors with access to most geographies, accelerating LKQ's growth strategies in paint of:
 - Becoming a leader in private label
 - Geographic expansion
 - Improving access to existing channels
 - Increasing access to customer services
 - Providing entry into MSO segment
 - Enhancing multi-brand paint strategy
- Increased procurement scale expanding LKQ's:
 - Volume with and importance to its existing vendor base
 - Additional distribution footprint with leading suppliers

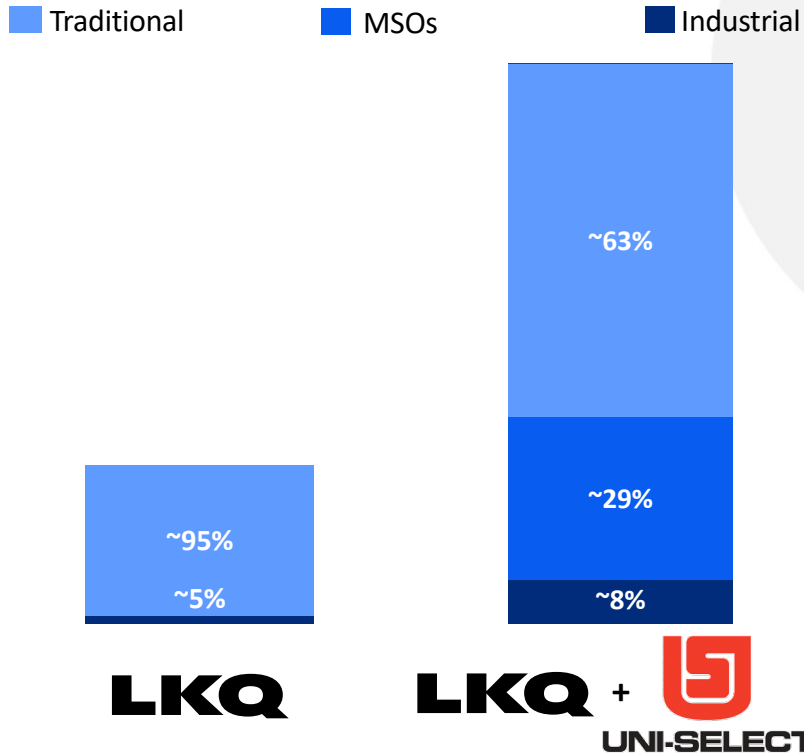
Low Incremental Costs for an Additional Item on the Truck



2 LKQ Substantially Grows & Diversifies Its Refinish Paint Customer and Vendor Base

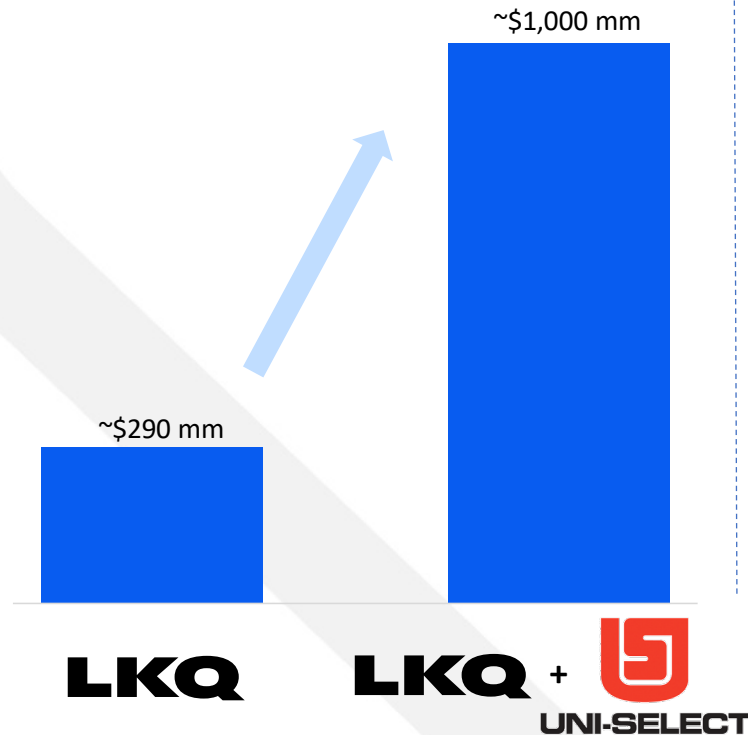
Dramatically expands customer base and mix

Total Revenue by Customer Mix



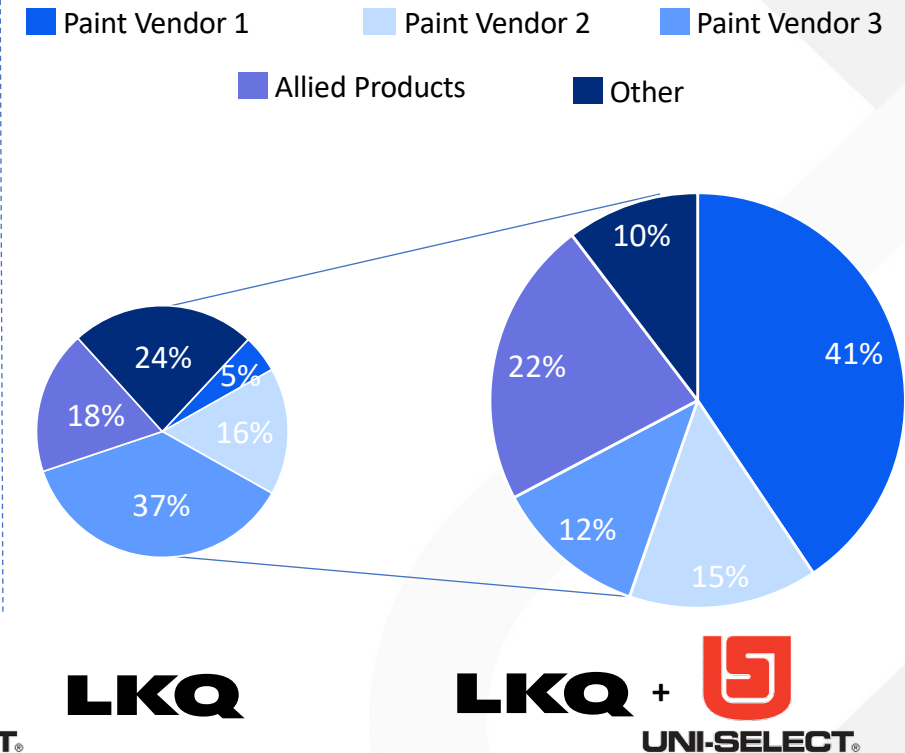
LKQ becomes a leading player in the growing \$5bn+ North American paint and allied products market

Total Revenue



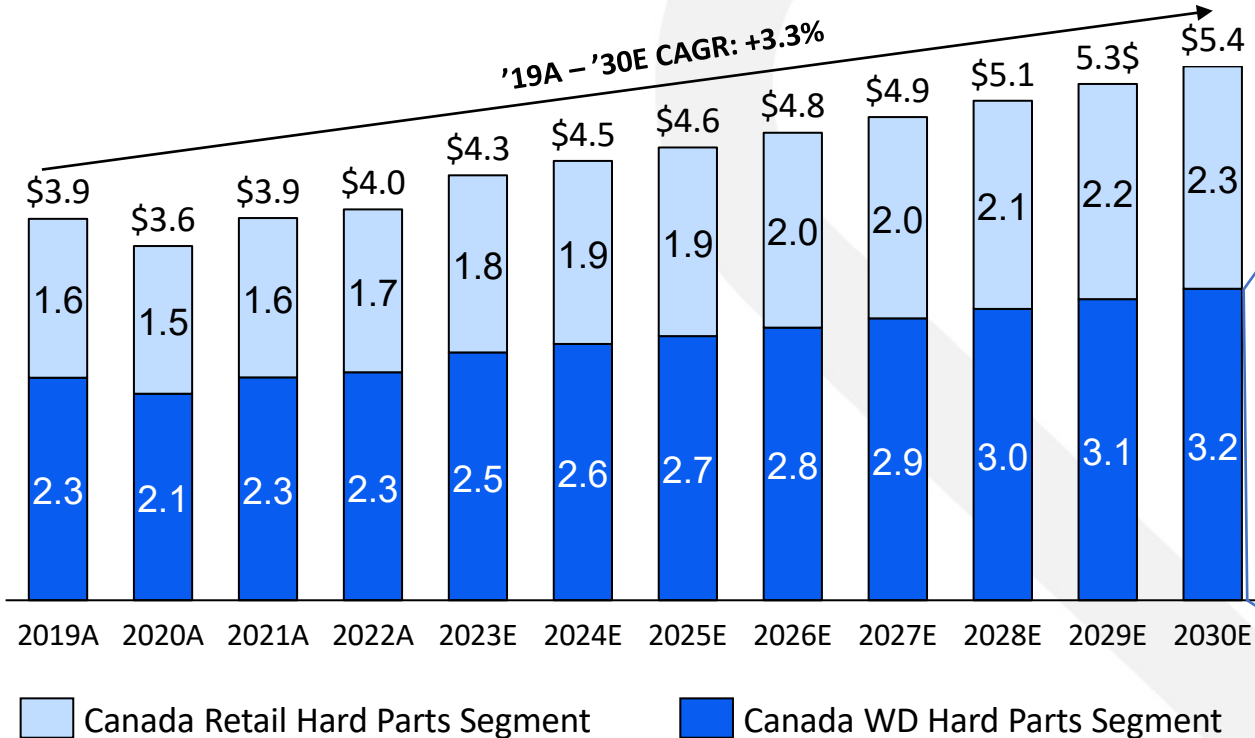
More diversified vendor base allows LKQ to serve and attract new customers

Total Revenue by Vendor

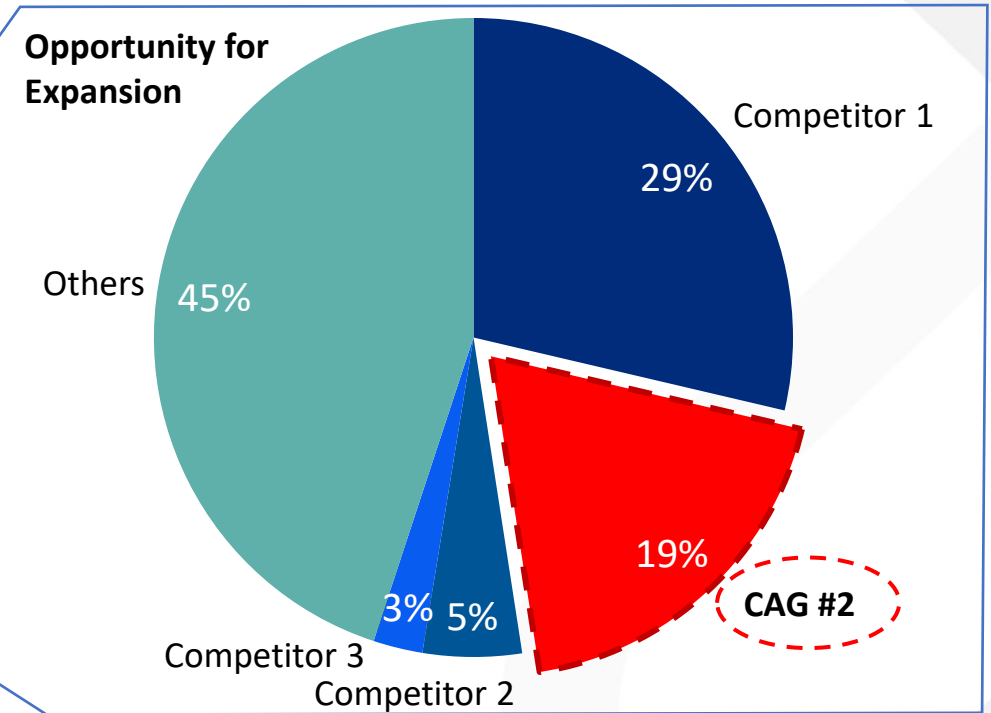


3 Entry & Expansion Opportunities in Canadian Mechanical Parts Through Acquisition of #2 Wholesale Distributor

Canadian Automotive Aftermarket Distribution (\$bn)



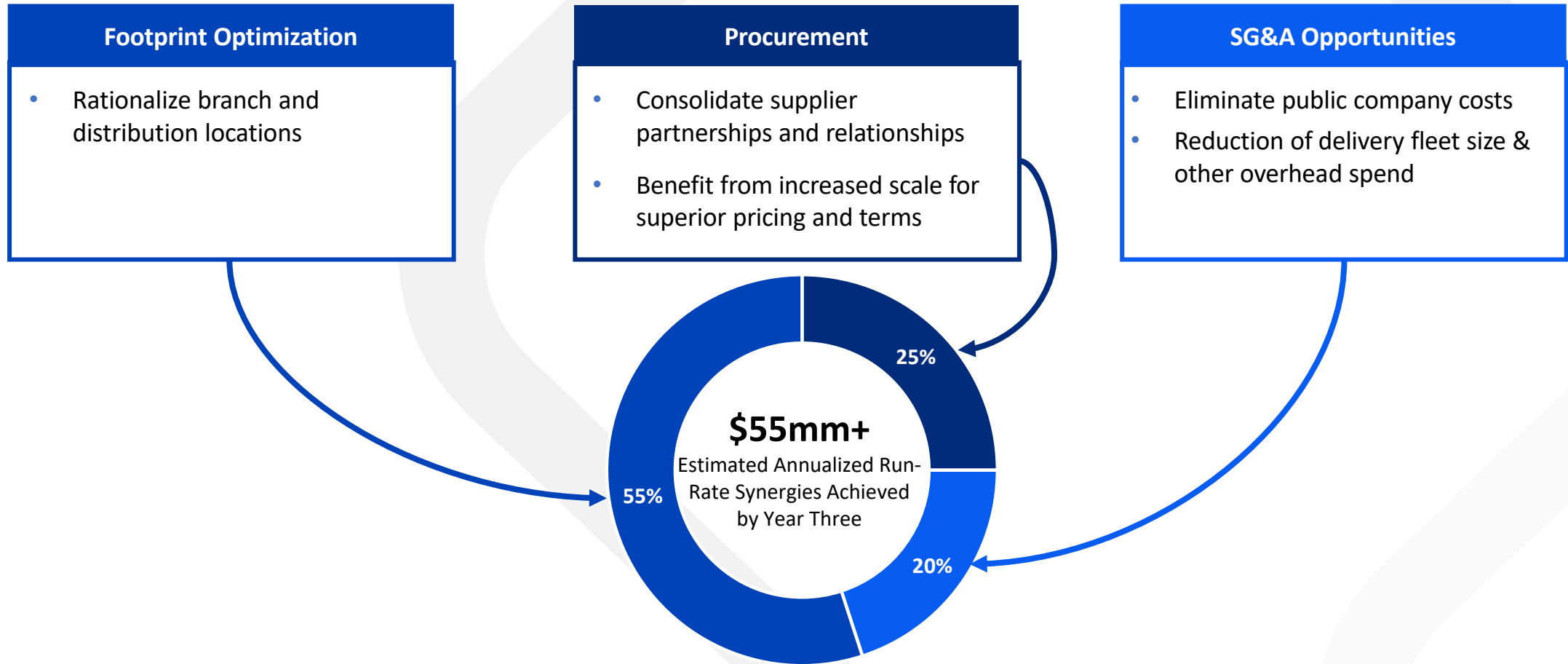
Estimated Shares for Wholesale Distributors



4 Leverage of LKQ's Europe Segment Along With CAG Will Drive Significant Procurement Synergies

	Suspension & Steering	Braking	Engine Accessories	Tools & Equipment	Lubricants	Fluids / Chemicals	Filtration	Batteries	All Other
LKQ Europe	✓	✓	✓	✓	✓	✓	✓	✓	✓
Uni-Select's Canadian Mechanical Parts Offering									

4 Significant Synergy Opportunity to Drive Stockholder Value



LKQ has a long track record of successfully integrating acquisitions

4 Transaction Enables Numerous Opportunities for Incremental Revenue Growth & Margin Expansion

1

Sale of recycled & remanufactured engines, transmissions, and kits



2

Grow private label penetration



3

Expand product portfolio; offer European product brands & full OEM car parc coverage



4

Sale of mechanical parts into the Canadian collision channel



5

Sell selected collision parts through company-owned branches



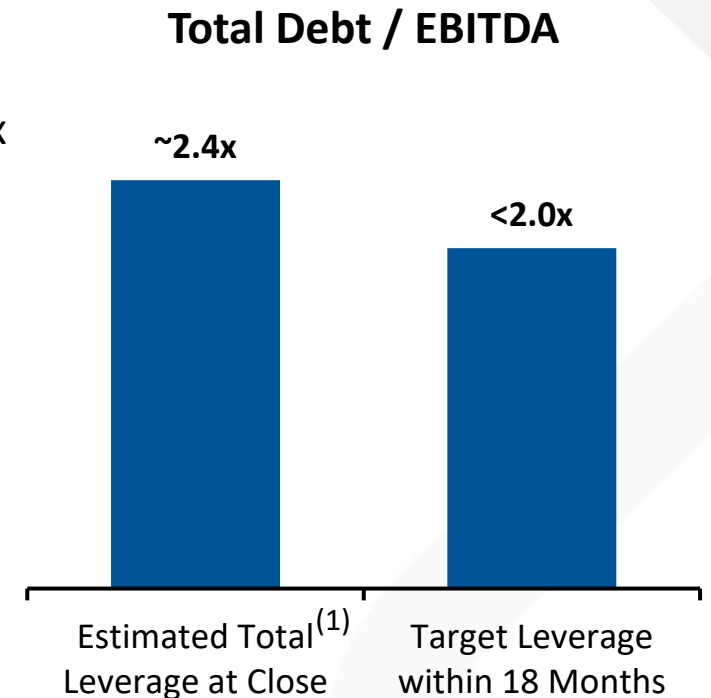
6

Additional tuck-in acquisition opportunities



5 LKQ is Committed to Maintaining Strong Investment Grade Balance Sheet

- LKQ is committed to maintaining investment grade credit ratings
- Targeting reduction of total leverage⁽¹⁾ from ~2.4x at transaction close to <2.0x within 18 months, via:
 - Combined annual FCF generation in excess of \$1.0bn
 - Run-rate synergies of \$55mm
 - Divestiture of GSF Car Parts UK
 - Disciplined M&A activity



Q&A

LKQ **25th**
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Appendix

Uni-Select Segment EBITDA⁽¹⁾ Reconciliation

	<u>2022A</u>
EBITDA (As Reported)	\$159,601
(+) Change in Estimate Related to Inventory Obsolescence	10,927
(+) Stock-based Compensation	13,269
(+) Restructuring and other charges	1,227
Adjusted EBITDA (As Reported)	\$185,024
(-) Total U.S. GAAP Adjustments	(30,184)
(-) Stock-based Compensation	(13,269)
Segment EBITDA	\$141,571