

Fourth Quarter & Full Year 2022 Earnings Call Presentation

February 23, 2023

LKQ Keeping you moving

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.

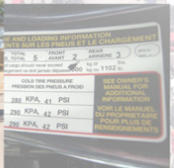
Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies. These statements are subject to a number of risks, uncertainties, assumptions and other factors. All forward-looking statements are based on 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, 2021, our subsequent Quarterly Reports on Form 10-Q and our Annual Report on Form 10-K to be filed for the year ended December 31, 2022. These reports are, or upon filing will be, 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.



LKQ 25th Anniversary



2022 Highlights

- Strong full year organic revenue growth for parts and services of 5.0% (5.2% per day)
 - Wholesale - North America: 11.4% / Europe: 5.1% (5.6% per day)
- Focus on key operational excellence initiatives drove profitability
 - Segment EBITDA⁽³⁾ of \$1.72 billion for a margin of 13.4%
 - Net income⁽¹⁾ of \$1.14 billion and Diluted EPS⁽¹⁾ of \$4.11
 - Adjusted Net Income⁽¹⁾⁽²⁾ of \$1.07 billion and Adjusted Diluted EPS⁽¹⁾⁽²⁾ of \$3.85
 - Negative YOY impact on Diluted EPS⁽¹⁾ from metals of \$0.29 and currencies of \$0.14 (\$0.29 and \$0.16 on the adjusted figure)
 - Negative YOY impact of \$0.14 from higher tax provision, primarily reflected in Q4
- Annual operating cash flow of \$1.25 billion; free cash flow⁽⁴⁾ of \$1.03 billion
- Paid dividends totaling of \$1.025 per share in 2022 totaling \$284 million; Board approved \$0.275 per share dividend
- Invested \$1.04 billion in the share repurchase program in the year; repurchased 20.5 million shares
- Entered into a new credit agreement in January 2023, including an unsecured revolving credit facility of \$2.0 billion (maturing January 2028) and an unsecured term loan facility of \$500 million (maturing January 2026)

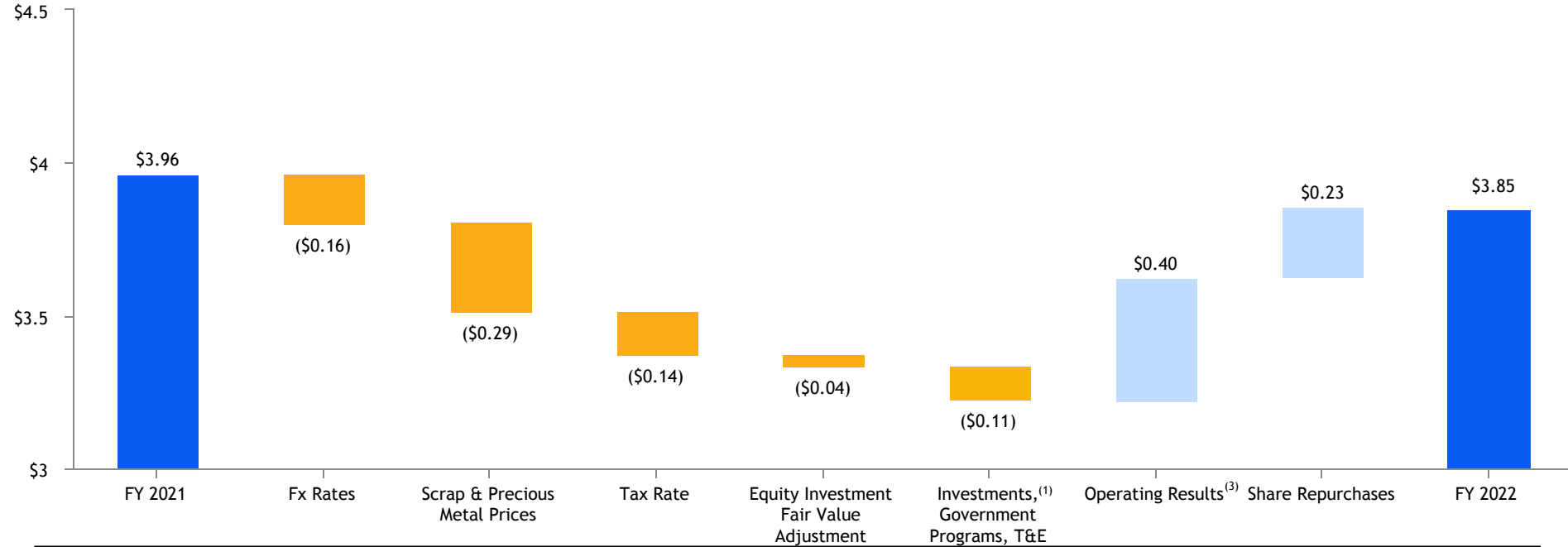
(1) References to Net Income and Diluted EPS and the corresponding adjusted figures reflect amounts from continuing operations attributable to LKQ stockholders

(2) Adjusted Net Income and Adjusted Diluted EPS are non-GAAP measures. Refer to Appendix 4 for Adjusted Net Income and Adjusted Diluted EPS reconciliations

(3) 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

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

2022 Adjusted EPS⁽²⁾ Walk



Strong operating performance and strategic cash deployment offset the significant headwinds from exchange rates and metals pricing

(1) Investments represent equity in earnings of unconsolidated subsidiaries

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

(3) Includes the net impact of the PGW divestiture

Outlook 2023⁽¹⁾

(effective only on the date issued: February 23, 2023)

	<u>Full Year 2023</u>
	Outlook
Organic parts and services revenue growth	6.0% to 8.0%
Diluted EPS ⁽²⁾	\$3.68 to \$3.98
Adjusted diluted EPS ⁽²⁾⁽³⁾	\$3.90 to \$4.20
Operating cash flow	approx. \$1.275 billion
Free cash flow ⁽⁴⁾	approx. \$975 million
Free cash flow conversion of EBITDA ⁽⁵⁾	55% to 60%

(1) Our outlook for the full year 2023 is based on current conditions and recent trends and assumes a global effective tax rate of 26.3%, the prices of scrap and precious metals hold near the December average and no further deterioration due to the Ukraine/Russia conflict. We have applied exchange rates near January average levels, including \$1.08 and \$1.22 for the euro and pound sterling, respectively. The outlook assumes a \$45-\$55 million increase in annual interest expense relative to 2022. Changes in these conditions may impact our ability to achieve the estimates. Adjusted figures exclude (to the extent applicable) the impact of restructuring and transaction related expenses; amortization expense related to acquired intangibles; excess tax benefits and deficiencies from stock-based payments; losses on debt extinguishment; impairment charges; direct impacts of the Ukraine/Russia conflict (including provisions for and adjustments to reserves for asset recoverability and expenditures to support our employees and their families) and gains and losses related to acquisitions or divestitures (including changes in the fair value of contingent consideration liabilities).

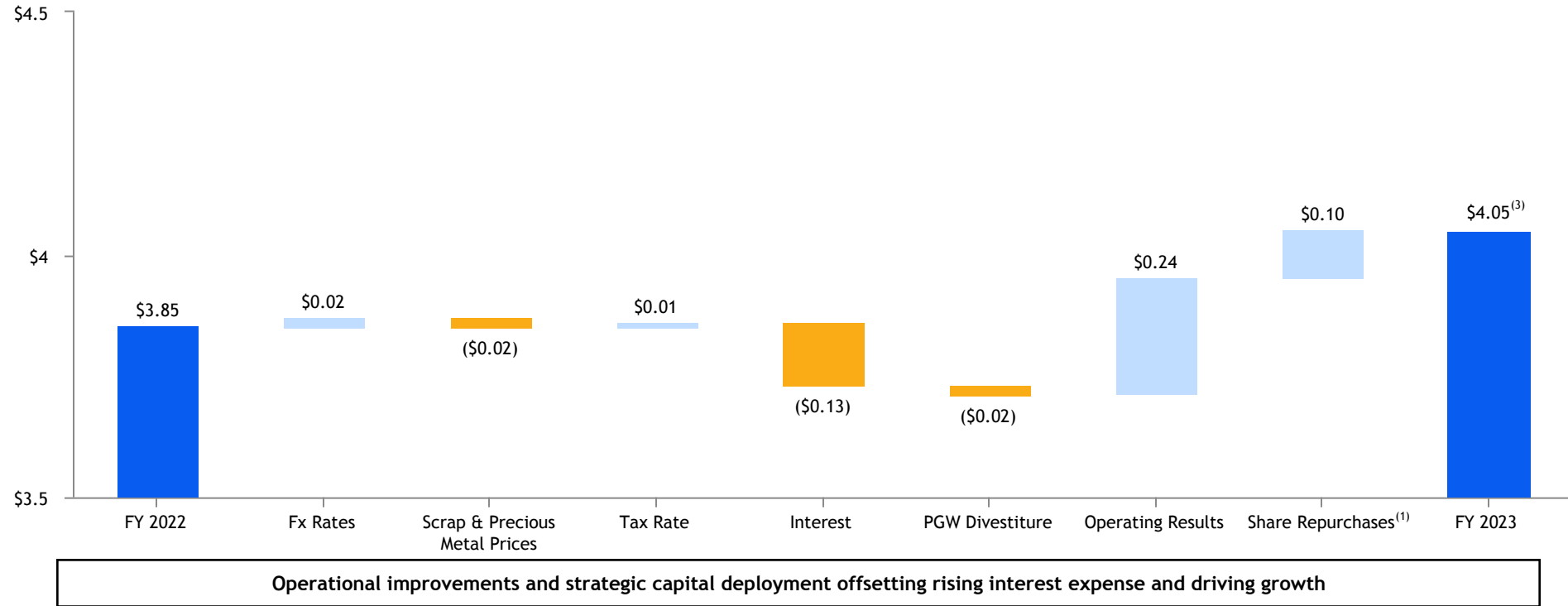
(2) All actual and outlook figures are for continuing operations with the exception of Free Cash Flow

(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

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

(5) EBITDA is a non-GAAP measure. Refer to Appendix 3 for EBITDA reconciliation.

2023 Adjusted EPS⁽²⁾ Guidance Walk

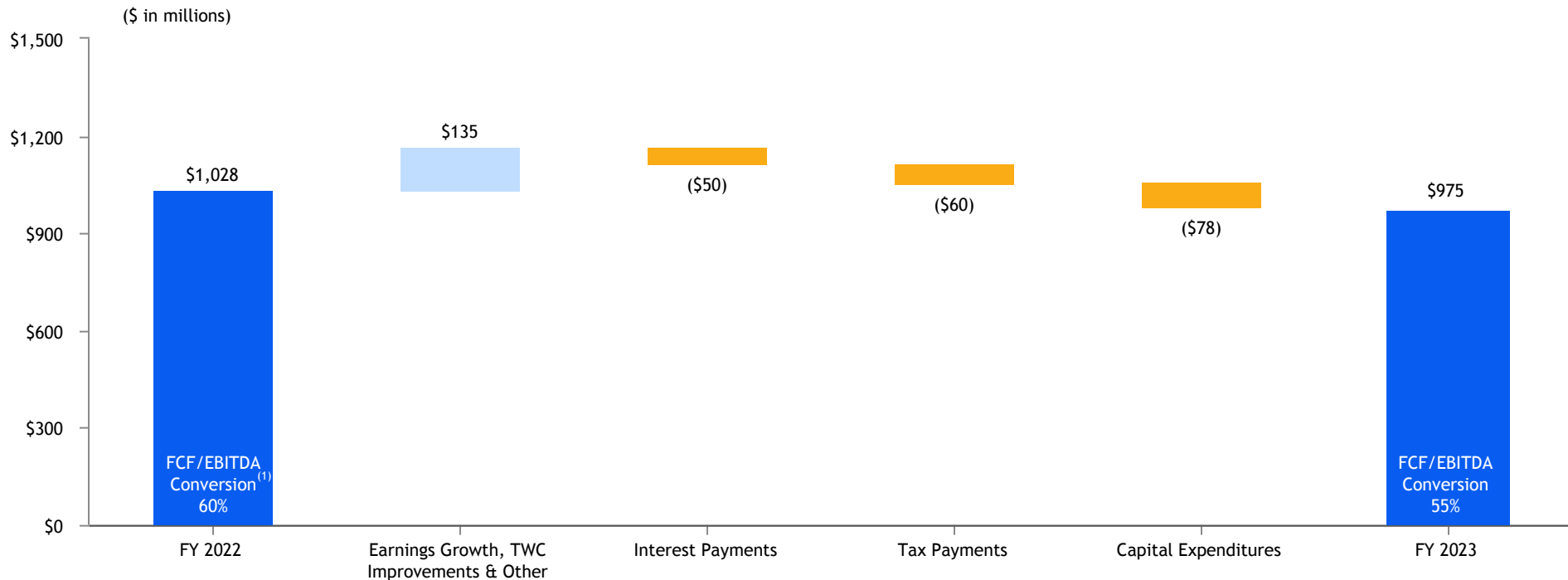


(1) Reflects the impact of full year 2022 repurchases

(2) Adjusted Diluted EPS is a non-GAAP measure. See Appendix 5 for reconciliation of forecasted adjusted diluted EPS

(3) The amount represents the midpoint of our guidance range

2023 Free Cash Flow⁽²⁾ Guidance Walk



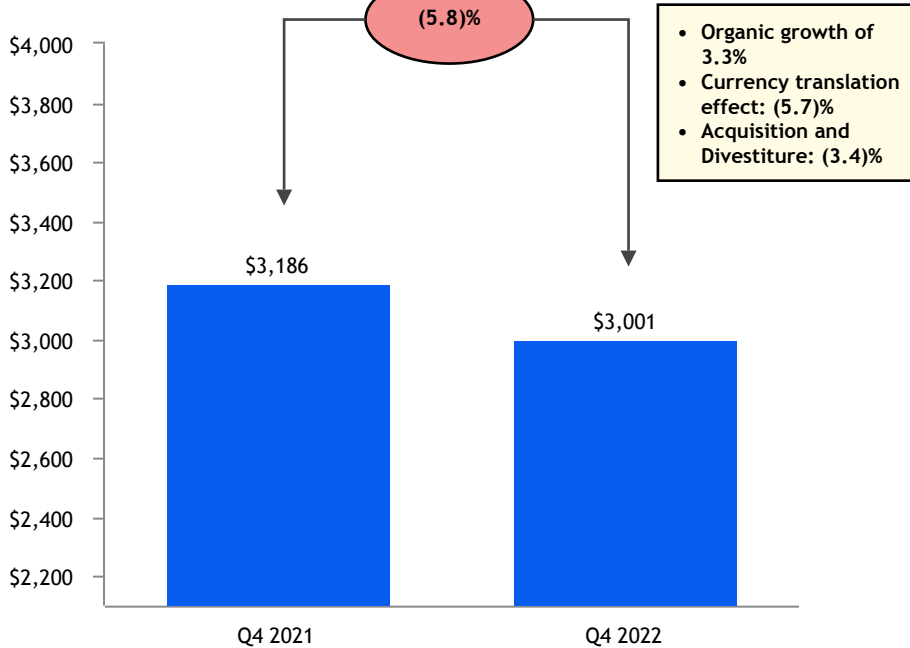
Operational improvements are funding higher interest payments, tax payments, and capital investments to achieve targeted FCF/EBITDA conversion

(1) 2022 GAAP EBITDA and FCF conversion of EBITDA excludes \$159 million of gains related to the sale of businesses (primarily PGW) from EBITDA, as the proceeds are included in investing cash flows

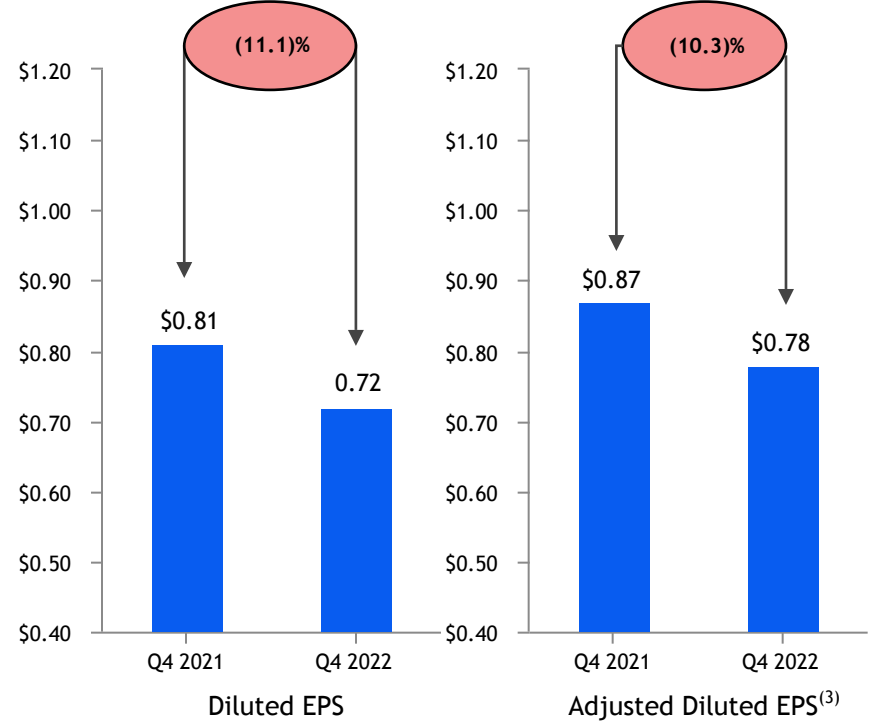
(2) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

Consolidated Results Q4 2022

Revenue⁽¹⁾



EPS⁽²⁾



(1) Revenue in millions

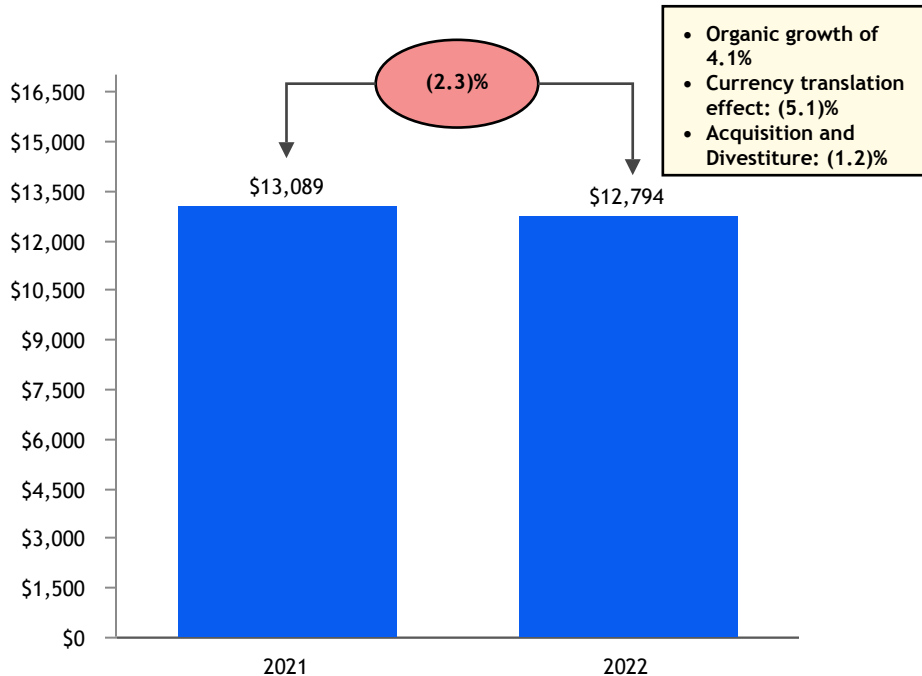
(2) Earnings per share figures refer to net income from continuing operations attributable to LKQ stockholders

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

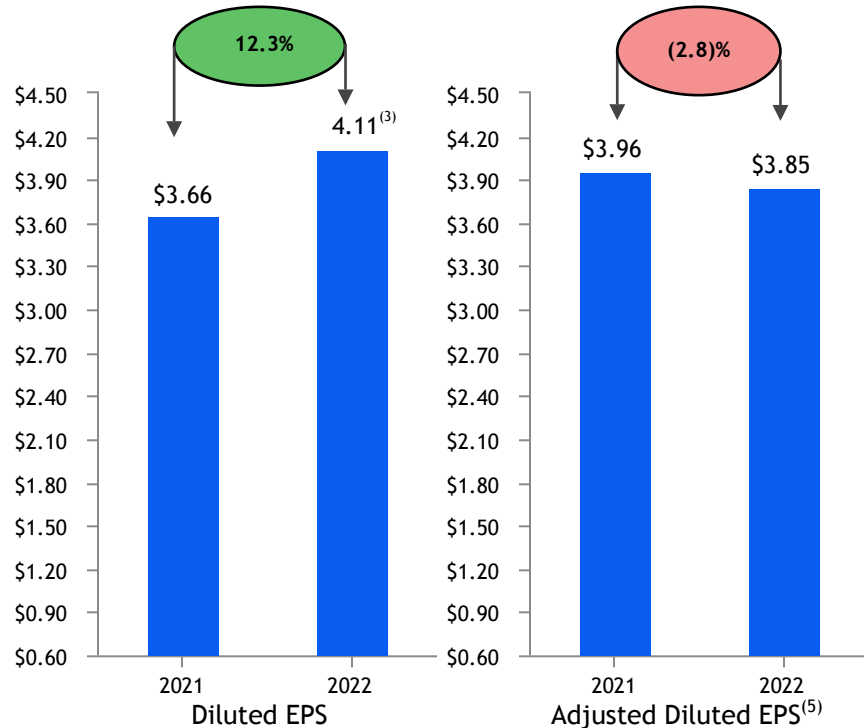
(4) Constant currency is a non-GAAP financial measure. Refer to Appendix 1 for constant currency reconciliation

Consolidated Results 2022

Revenue⁽¹⁾



EPS⁽²⁾



(1) Revenue in millions

(2) Earnings per share figures refer to net income from continuing operations attributable to LKQ stockholders

(3) Includes \$0.46 from gain on sale of businesses (primarily PGW)

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

(5) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

The background features two thick, blue, wavy lines that create a sense of motion and flow. One line starts from the left, peaks in the upper center, and then descends towards the right. The second line starts lower on the left, peaks to the right of the first line's peak, and then descends towards the bottom right. The lines are set against a light gray background.

Financial Results Q4 2022

Q4 2022 Revenue

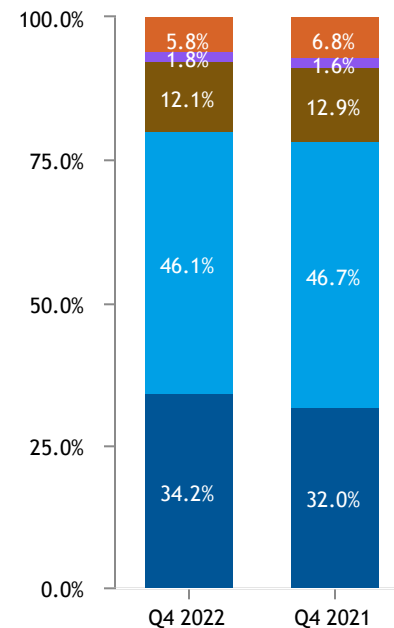
Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total ⁽¹⁾
Wholesale - North America	10.3%	(9.4)%	(0.4)%	0.6%
Europe	4.6%	0.2%	(11.7)%	(7.0)%
Specialty	(10.6)%	—%	(0.5)%	(11.1)%
Self Service	4.8%	(0.4)%	—%	4.4%
Parts and Services	4.5%	(3.1)%	(6.1)%	(4.8)%
Other Revenue	(13.0)%	(6.5)%	(0.6)%	(20.1)%
Total	3.3%	(3.4)%	(5.7)%	(5.8)%

- Wholesale - North America organic revenue for parts and services increased 10.3% (12.0% on a per day basis); primarily driven by pricing initiatives which focused on offsetting inflation on input costs. Aftermarket collision parts volumes increased year-over-year due to improved inventory availability with easing of supply chain issues and were partially offset by decreases in collision and mechanical parts volumes from the salvage business
- Wholesale - North America acquisition and divestiture revenue was a net decrease due to the divestiture of PGW in the second quarter of 2022
- Europe organic revenue for parts and services increased 4.6% (5.8% on a per day basis) driven by pricing initiatives which focused on offsetting inflation on input costs
- Unfavorable F/X impact on European parts and services revenue of \$175 million; European constant currency⁽²⁾ parts and services revenue increased 4.7%
- Specialty organic revenue for parts and services decreased 10.6% (9.1% on a per day basis) due to strong growth experienced in Q4 2021, demand softness from lower new vehicle sales caused by supply chain challenges, and a decrease in drop shipment volumes
- Self Service organic revenue for parts and services increased 4.8%; driven by pricing initiatives which focused on offsetting inflation on input costs
- Other organic revenue decreased 13.0% primarily driven by lower scrap steel prices and volumes and lower precious metals prices
- Other acquisition and divestiture revenue was a net decrease primarily due to the divestiture of a business in our Self Service segment in the third quarter of 2022

(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



- WS - NA P&S
- Europe P&S
- Specialty P&S
- Self Service P&S
- Other Revenue

Operating Results - Q4

(\$ in millions, except per share data)	Fourth Quarter		
	2022	2021	Change F/(U)
Revenue	\$3,001	\$3,186	(5.8)%
Gross Margin	1,223	1,269	(3.7)%
Operating Expenses	861	920	6.4%
Operating Income	293	280	4.6%
Income from continuing operations before provision for income taxes	272	270	0.6%
Net income from continuing operations attributable to LKQ stockholders	193	235	(17.7)%
Segment EBITDA ⁽¹⁾	373	357	4.3%
Segment EBITDA Margin ⁽¹⁾	12.4%	11.2%	120 bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	\$0.72	\$0.81	(11.1)%
Adjusted ⁽²⁾	\$0.78	\$0.87	(10.3)%

- Effective income tax rate for the three months ended December 31, 2022 was 29.7%, compared to 15.0% for the three months ended December 31, 2021. The 2022 rate included an increase to our base rate and discrete expenses, while the 2021 rate included a decrease to the base rate and discrete benefits.

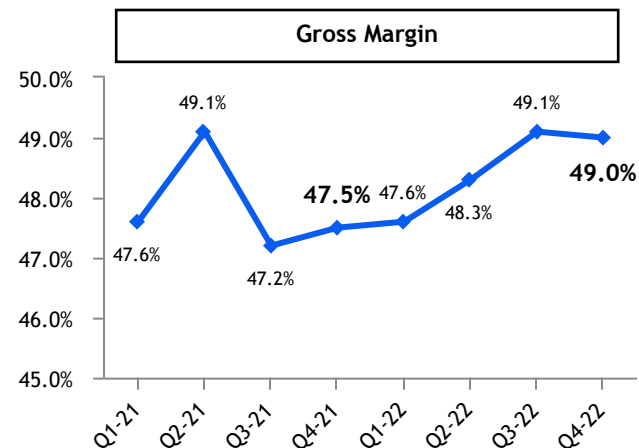
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation

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

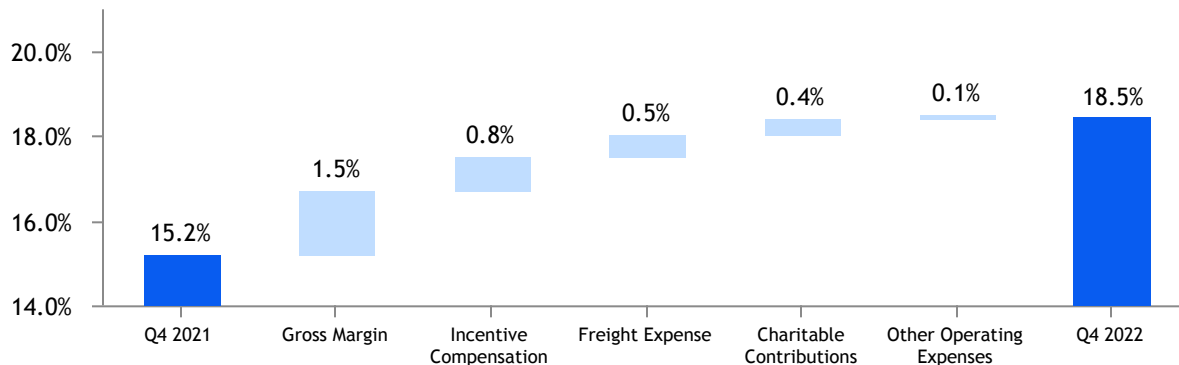
Wholesale - North America - Q4 2022

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$1,102	\$1,097	0.5%		
Gross Margin	\$540	\$521	3.7%	49.0%	47.5%
Operating Expenses	\$338	\$357	5.1%	30.7%	32.5%
Segment EBITDA ⁽¹⁾	\$204	\$166	22.5%	18.5%	15.2%

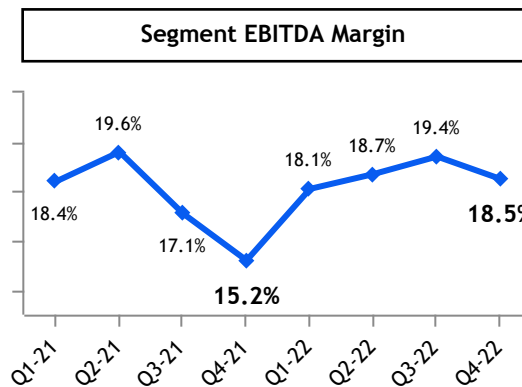
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.



Wholesale - 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



Europe - Q4 2022

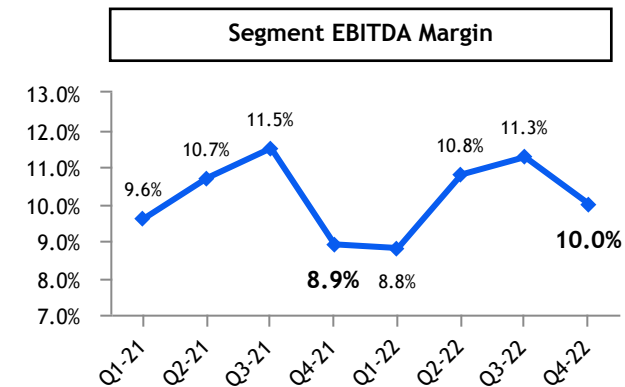
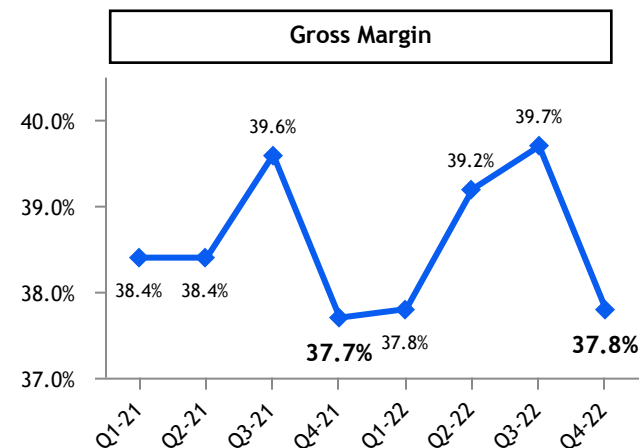
(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue ⁽¹⁾	\$1,390	\$1,497	(7.1)%		
Gross Margin	\$526	\$565	(6.8)%	37.8%	37.7%
Operating Expenses	\$395	\$435	9.4%	28.4%	29.1%
Segment EBITDA ⁽²⁾	\$139	\$134	3.7%	10.0%	8.9%
Transformation Expenses ⁽³⁾	\$7	\$5			
Segment EBITDA ⁽²⁾ excluding Transformation Expenses ⁽³⁾	\$146	\$139	5.9%	10.6%	9.3%

- (1) The foreign currency impact on parts and services revenue was \$175 million which brings revenue growth at a constant currency to 4.7%. Refer to Appendix 1 for a reported revenue to constant currency revenue reconciliation.
- (2) 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.
- (3) 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 the ongoing ERP implementation). 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

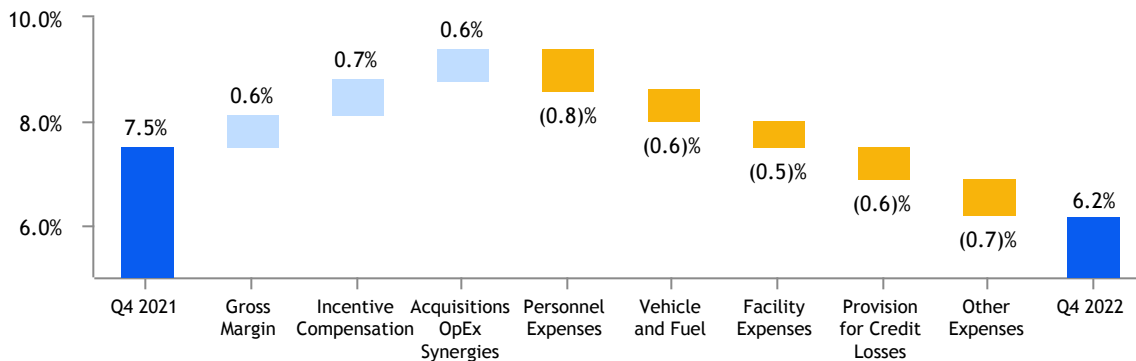


Specialty - Q4 2022

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$365	\$410	(11.1)%		
Gross Margin	\$101	\$111	(9.4)%	27.7%	27.1%
Operating Expenses	\$79	\$82	3.3%	21.7%	19.9%
Segment EBITDA ⁽¹⁾	\$23	\$30	(25.6)%	6.2%	7.5%

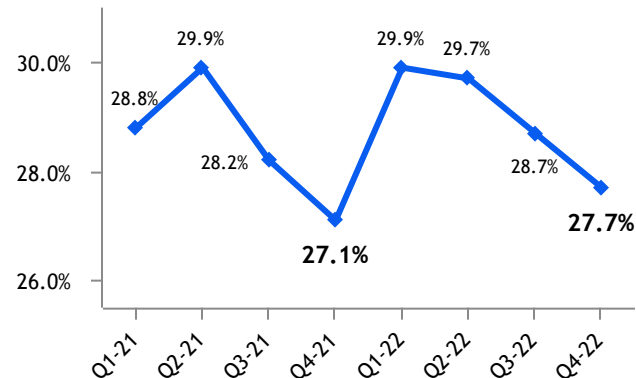
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

Specialty Segment EBITDA Margin Bridge

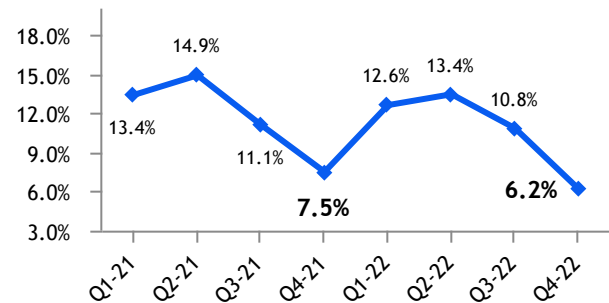


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Gross Margin



Segment EBITDA Margin



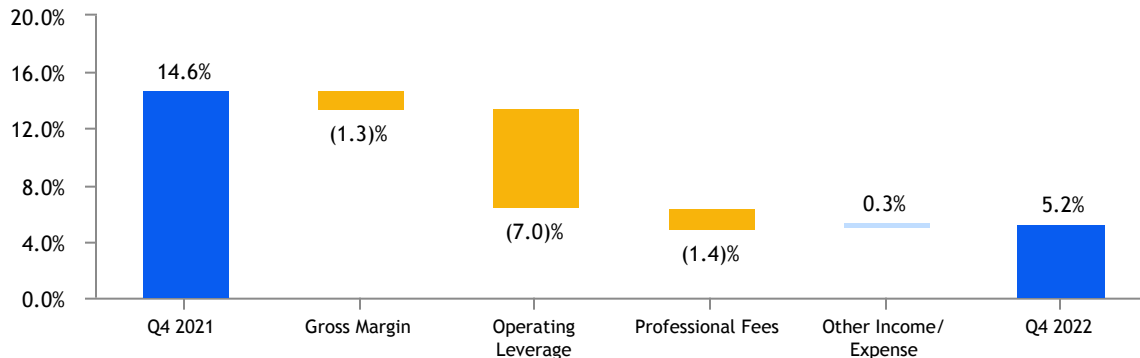
Self Service - Q4 2022

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue ⁽¹⁾	\$144	\$184	(21.1)%		
Gross Margin	\$56	\$72	(23.6)%	38.4%	39.7%
Operating Expenses	\$49	\$46	(5.4)%	33.5%	25.1%
Segment EBITDA ⁽²⁾	\$7	\$27	(72.1)%	5.2%	14.6%

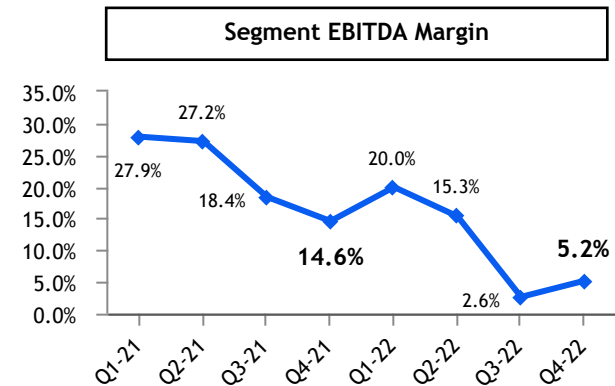
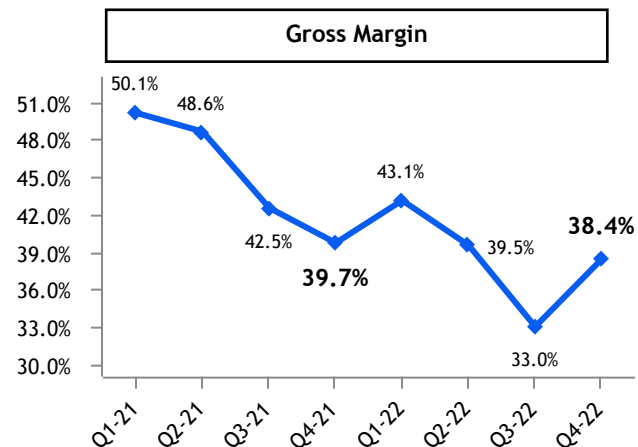
(1) Includes Other Revenue of \$89 million and \$131 million in Q4 2022 and Q4 2021, respectively. See slides 31 and 32 for further detail on metals price trends.

(2) 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.

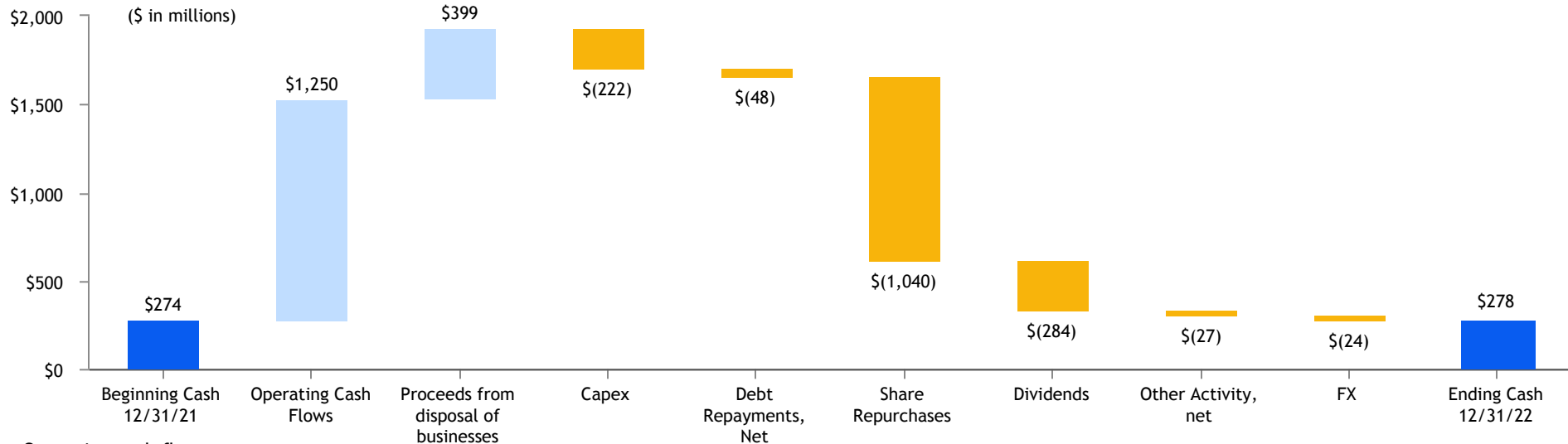
Self Service Segment EBITDA Margin Bridge



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



2022 Capital Allocation



Operating cash flows:

- Operating cash flows of \$1,250 million represent a 8.5%, or \$117 million, decrease year-over-year driven by higher investments into inventory in response to strong demand and strategic purchases to curb the impacts of supply chain constraints

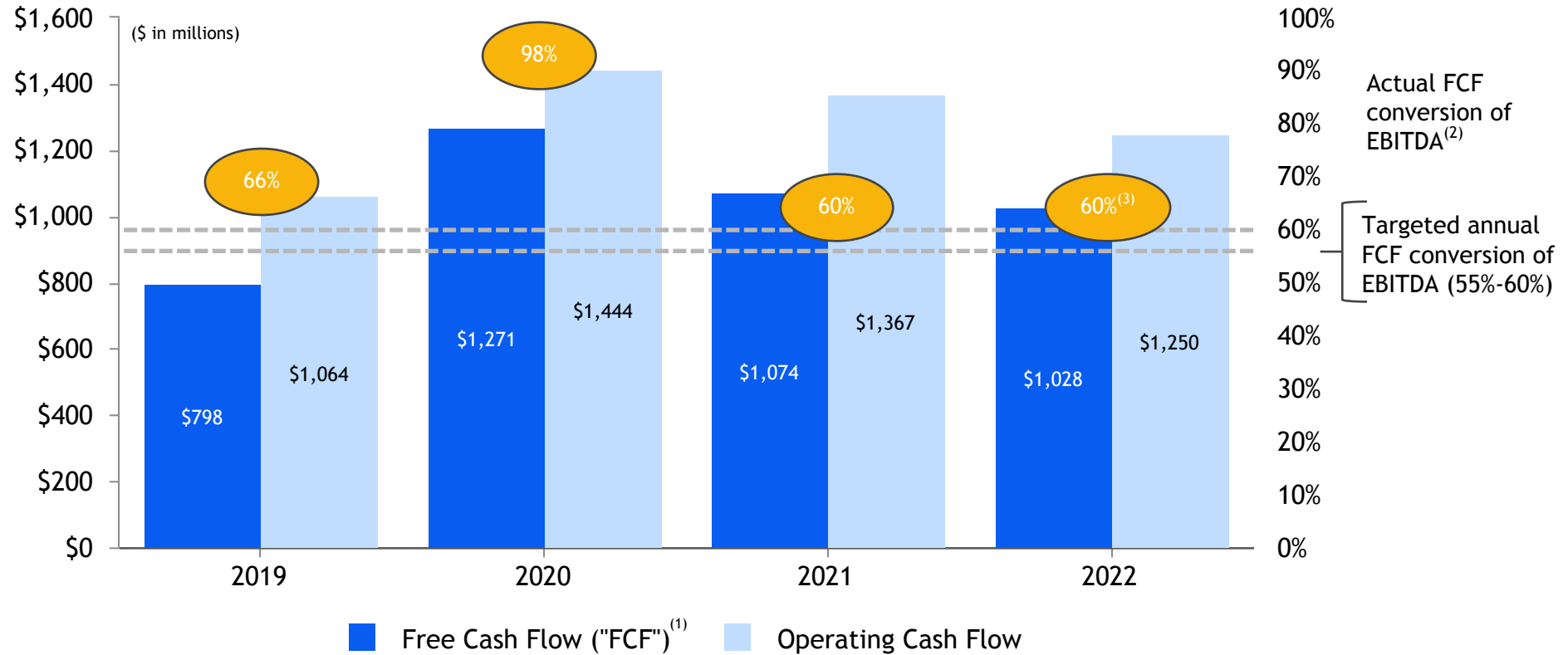
Investing cash flows:

- Proceeds from the disposal of businesses was \$399 million in the current year, including \$361 million related to the PGW divestiture in Q2 2022
- Capex of \$222 million vs. \$293 million in 2021; down 24.2%

Financing cash flows:

- \$1,040 million to repurchase shares vs. \$877 million in the prior year
- \$284 million for 2022 cash dividends vs. \$73 million in the prior year (initiated in Q4 2021)
- \$48 million of debt repayments, net on our borrowings vs. \$85 million of net borrowings in the prior year

Operating Cash Flow and Free Cash Flow⁽¹⁾

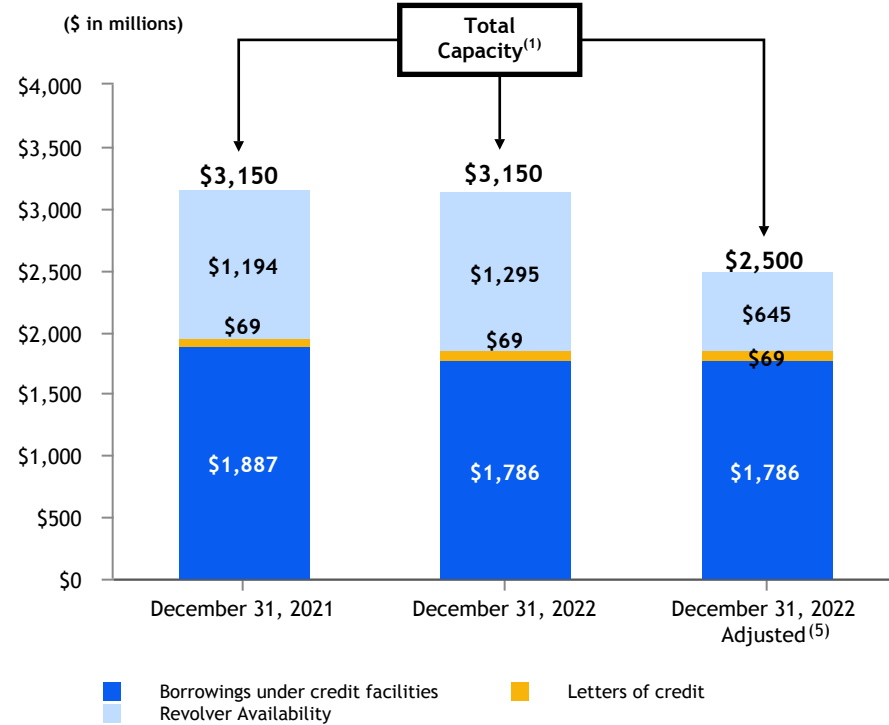
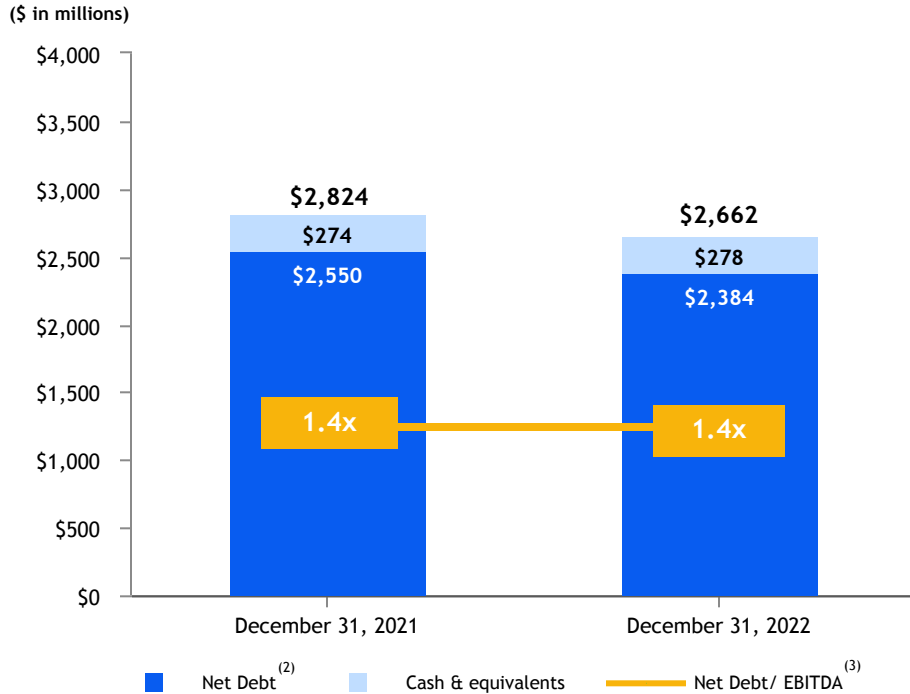


(1) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

(2) EBITDA is a non-GAAP measure. Refer to Appendix 3 for EBITDA reconciliation

(3) FCF conversion of EBITDA excludes \$159 million of gains related to the sale of businesses (primarily PGW) from EBITDA, as the proceeds are included in investing cash flows

Leverage & Liquidity



Effective borrowing rate for Q4 2022 was 4.0%⁽⁴⁾

(1) Total capacity includes our revolving credit facilities and term loans

(2) Net debt is a non-GAAP financial measure. Refer to Appendix 7 for Net Debt reconciliation

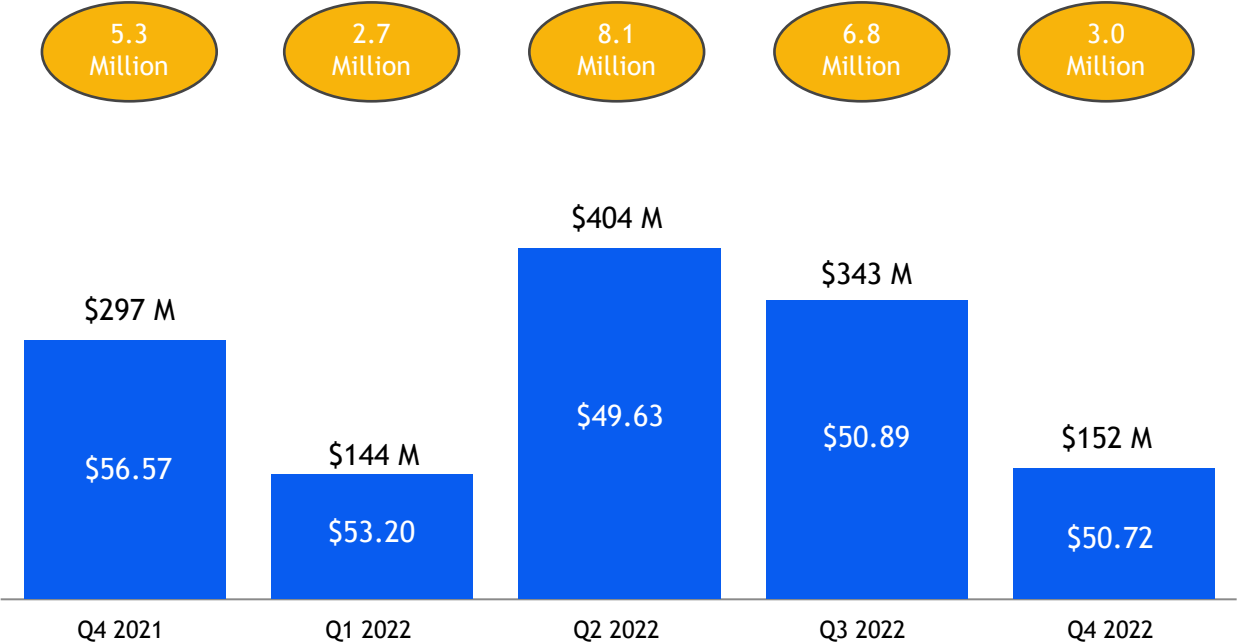
(3) Net leverage per bank covenants is defined as Net Debt/EBITDA. See the definitions of Net Debt and EBITDA in the credit agreement (in place as of December 31, 2022) filed with the SEC for further details

(4) Approximately 69% of our borrowings at December 31, 2022 are at a variable interest rate

(5) Adjusted reflects the terms of the new credit agreement (effective January 5, 2023)

Share Repurchase Program

of Shares Repurchased



On October 25, 2022, our Board of Directors authorized an additional \$1.0 billion increase to our existing stock repurchase program, raising the aggregate program authorization to \$3.5 billion and extending the duration through October 25, 2025. For the fiscal year ended December 31, 2022, invested \$1.0 billion repurchasing 20.5 million shares; \$1.1 billion of capacity remaining on the \$3.5 billion aggregate share repurchase program through October 2025.

Note: Amounts above include shares that are traded in the period, which may be settled in a subsequent period due to timing.

Expanding Global ESG Programs

Our core business enables a circular economy

Our 2022 North America Recycling Achievements

749,000	1,466,000	955,000	12,658,000	694,000
Number of vehicles procured	Catalytic converters	Tons of Crush Auto/Scrap	Total number of individual parts sold	Batteries

- Salvage operations recycle 90%+ of materials from total loss & end-of-life vehicles

Established new sustainability goals to advance success

Goals in progress to cut carbon emissions 30% by 2030

- Reduce emissions intensity relative to revenue and reduce logistics fleet emissions

Linked Executive Compensation with ESG goals

- Added ESG metrics to incentive compensation plans for certain senior executives

Our key human capital management objectives are attracting, retaining, developing, and supporting the highest quality talent

Employee Benefits

- Provided every colleague employed at LKQ ELIT Ukraine for six months a one-off hardship payment to support paying for energy and general increase in the cost of living owing to the conflict. Our UK and Germany operations also implemented a one-off hardship payment to support our employees given the state of the overall European market
- Initiated a voluntary daily pay benefit that allows employees to access a portion of their earned pay on demand. We implemented this benefit with the financial wellness of our people in mind
- Launched our first employee inclusion group, LKQ Veterans Network, a program that embraces our proud community of employee Veterans and veteran allies who support and encourage each other through shared experiences, veteran recruitment, career development, outward engagement, professional growth, and retention



2021 Sustainability Report published

Aligned to SASB and TCFD frameworks



On January 31, 2023, LKQ was included in Sustainalytics' 2023 Top-Rated ESG Companies List.



2022 Results and Supplementary Information

2022 Revenue

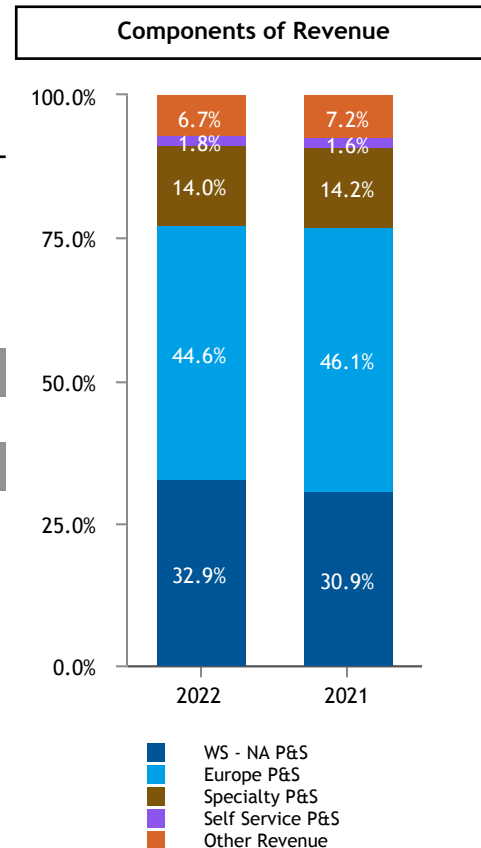
Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total ⁽¹⁾
Wholesale - North America	11.4%	(7.0)%	(0.2)%	4.2%
Europe	5.1%	0.4%	(10.8)%	(5.3)%
Specialty	(9.9)%	6.1%	(0.3)%	(4.1)%
Self Service	9.9%	(0.1)%	—%	9.8%
Parts and Services	5.0%	(1.2)%	(5.5)%	(1.7)%
Other Revenue	(7.5)%	(1.3)%	(0.4)%	(9.2)%
Total	4.1%	(1.2)%	(5.1)%	(2.3)%

- Wholesale - North America organic revenue for parts and services increased 11.4%; primarily driven by pricing initiatives which focused on offsetting inflation on input costs. Aftermarket collision parts volumes decreased year-over-year, but volume increases in the last six months partially offset the first half decline as ocean freight delays and supply chain challenges eased
- Wholesale - North America acquisition and divestiture revenue was a net decrease due to the divestiture of PGW in the second quarter of 2022
- Europe parts and services organic revenue for the year ended December 31, 2022 increased by 5.1% (5.6% on a per day basis), driven by pricing initiatives which focused on offsetting inflation on input costs
- Unfavorable F/X impact on European parts and services revenue of \$651 million; European constant currency⁽²⁾ parts and services revenue increased 5.5%
- Specialty organic revenue for parts and services decreased 9.9% largely due to strong growth experienced in 2021, demand softness from lower new vehicle sales caused by supply chain challenges, and a decrease in drop shipment volumes
- Self Service organic revenue for parts and services increased 9.9%; driven by pricing initiatives which focused on offsetting inflation on input costs
- Other organic revenue decreased 7.5%, driven primarily by lower precious metals prices and scrap steel volumes

(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



Operating Results

(\$ in millions, except per share data)	Fiscal Year		
	2022	2021	Change F/(U)
Revenue	\$12,794	\$13,089	(2.3)%
Gross Margin	5,223	5,322	(1.9)%
Operating Expenses	3,544	3,568	0.7%
Operating Income	1,581	1,474	7.2%
Income from continuing operations before provision for income taxes	1,518	1,399	8.5%
Net income from continuing operations attributable to LKQ stockholders	1,143	1,090	4.8%
Segment EBITDA ⁽¹⁾	1,719	1,785	(3.7)%
Segment EBITDA Margin ⁽¹⁾	13.4%	13.6%	(20) bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	\$4.11	\$3.66	12.3%
Adjusted ⁽²⁾	\$3.85	\$3.96	(2.8)%

- 2022 figures include a \$159 million pretax gain on the sale of businesses (mostly PGW during Q2 2022); gain is excluded from Segment EBITDA and Adjusted Diluted EPS (\$0.46 per share)
- Effective income tax rate for the year ended December 31, 2022 was 25.3% compared to 23.6% for the year ended December 31, 2021.

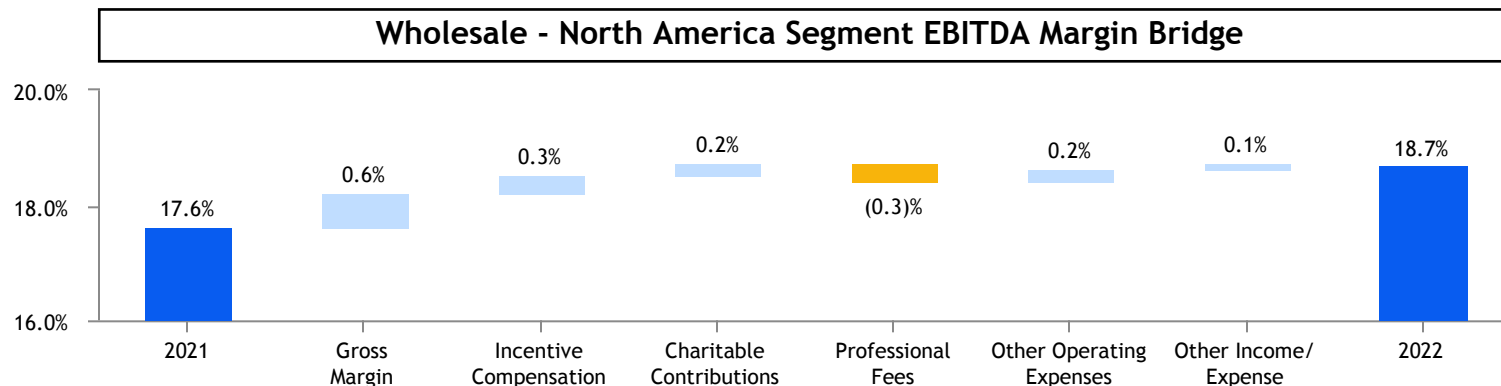
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation

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

Wholesale - North America - 2022 Results

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$4,556	\$4,379	4.1%		
Gross Margin	\$2,209	\$2,095	5.4%	48.5%	47.9%
Operating Expenses	\$1,372	\$1,337	(2.7)%	30.1%	30.5%
Segment EBITDA ⁽¹⁾	\$852	\$769	10.7%	18.7%	17.6%

(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.



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

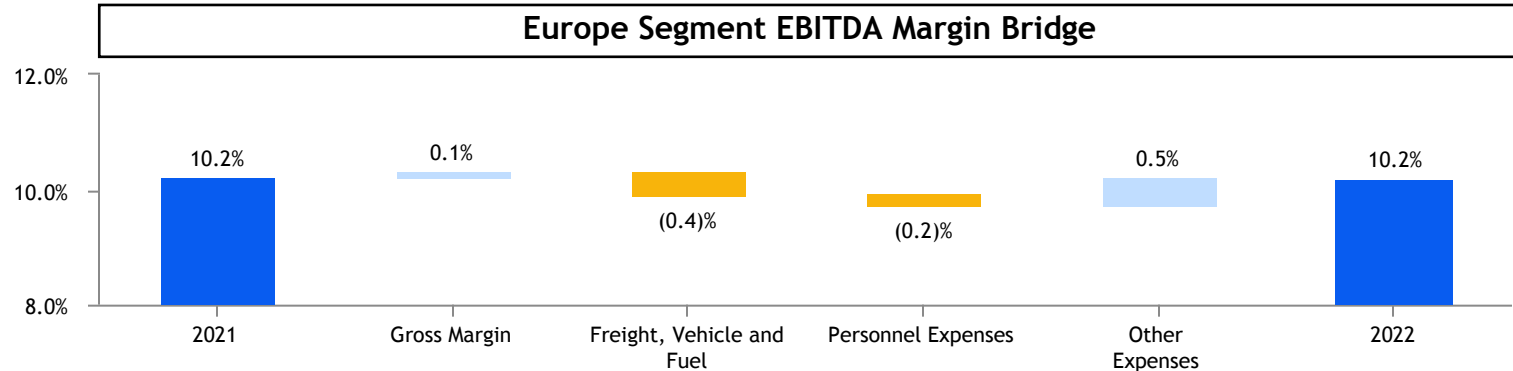
Europe - 2022 Results

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue ⁽¹⁾	\$5,735	\$6,062	(5.4)%		
Gross Margin	\$2,215	\$2,336	(5.2)%	38.6%	38.5%
Operating Expenses	\$1,651	\$1,733	4.8%	28.8%	28.6%
Segment EBITDA ⁽²⁾	\$585	\$618	(5.4)%	10.2%	10.2%
Transformation Expenses ⁽³⁾	\$15	\$14			
Segment EBITDA ⁽²⁾ excluding Transformation Expenses ⁽³⁾	\$600	\$632	(4.9)%	10.5%	10.4%

(1) The foreign currency impact on parts and services revenue was \$651 million which brings revenue growth at a constant currency to 5.5%. Refer to Appendix 1 for a reported revenue to constant currency revenue reconciliation.

(2) 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.

(3) 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.

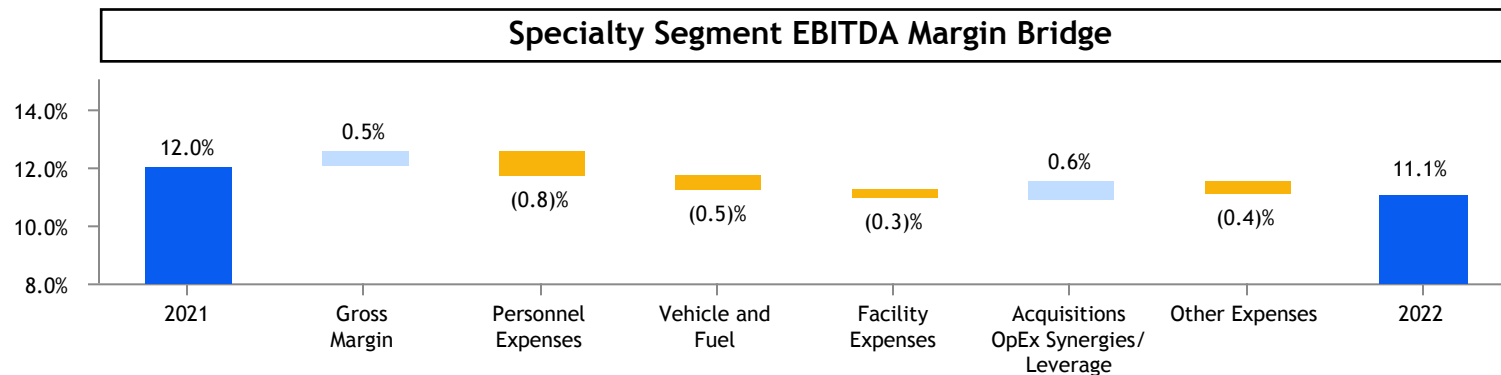


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Specialty - 2022 Results

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$1,791	\$1,867	(4.1)%		
Gross Margin	\$521	\$534	(2.5)%	29.1%	28.6%
Operating Expenses	\$325	\$315	(3.3)%	18.2%	16.9%
Segment EBITDA ⁽¹⁾	\$199	\$223	(10.9)%	11.1%	12.0%

(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.



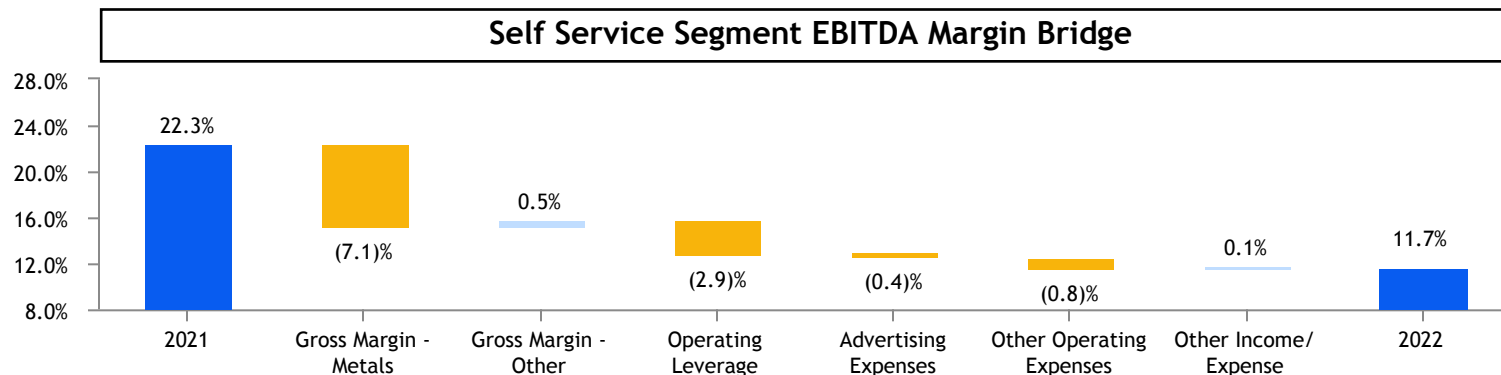
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Self Service - 2022 Results

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue ⁽¹⁾	\$715	\$787	(9.0)%		
Gross Margin	\$278	\$357	(22.3)%	38.8%	45.4%
Operating Expenses	\$196	\$183	(6.9)%	27.4%	23.3%
Segment EBITDA ⁽²⁾	\$83	\$175	(52.3)%	11.7%	22.3%

(1) Includes Other Revenue of \$488 million and \$580 million for 2022 and 2021, respectively. See slides 31 and 32 for further detail on metals price trends.

(2) 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.



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

Liquidity as of December 31, 2022

Credit Rating	<ul style="list-style-type: none"> Rated Baa3 (investment grade) by Moody's Rated BBB- (investment grade) by S&P Global Ratings Rated BBB- (investment grade) by Fitch
Debt Structure	<ul style="list-style-type: none"> Fixed Interest Rate Bonds: €750 million (\$803 million) in aggregate due in 2024 and 2028 Variable Interest Rate Credit Facility Borrowings: \$1.8 billion Other Debt (capital leases, local lines of credit): \$73 million
Maturities	<ul style="list-style-type: none"> Current maturities: \$34 million; No significant maturities until 2024
Financial Covenants ⁽¹⁾	<ul style="list-style-type: none"> Credit Facility maximum leverage ratio covenant: 4.0x <ul style="list-style-type: none"> Net debt to EBITDA as of December 31, 2022: 1.4x Credit Facility minimum interest expense coverage ratio: 3.0x <ul style="list-style-type: none"> EBITDA to interest expense as of December 31, 2022: 26.5x Euro Notes do not include financial maintenance covenants
Liquidity	<ul style="list-style-type: none"> Cash on balance sheet of \$278 million \$3.15 billion revolving credit facility: \$1.3 billion available Total Available Liquidity: \$1.57 billion
Cash Flows	<ul style="list-style-type: none"> 2022 operating cash flow of \$1.25 billion; free cash flow⁽²⁾ of \$1.03 billion
Adjusted Liquidity ⁽³⁾	<ul style="list-style-type: none"> \$2.0 billion revolving credit facility (\$645 million available) maturing January 2028 \$500 million term loan maturing January 2026 Total Available Liquidity: \$923 million

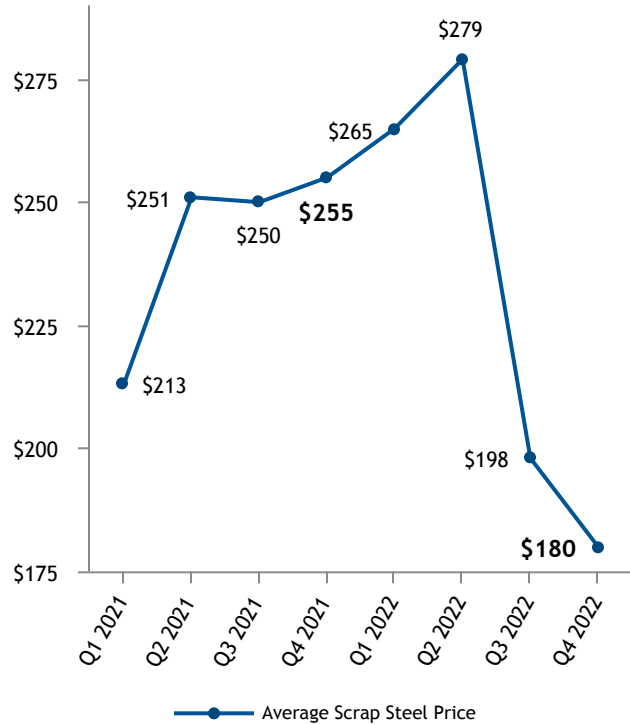
(1) See the definition of Net Debt, interest expense and EBITDA in the credit agreement filed with the SEC for further details

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

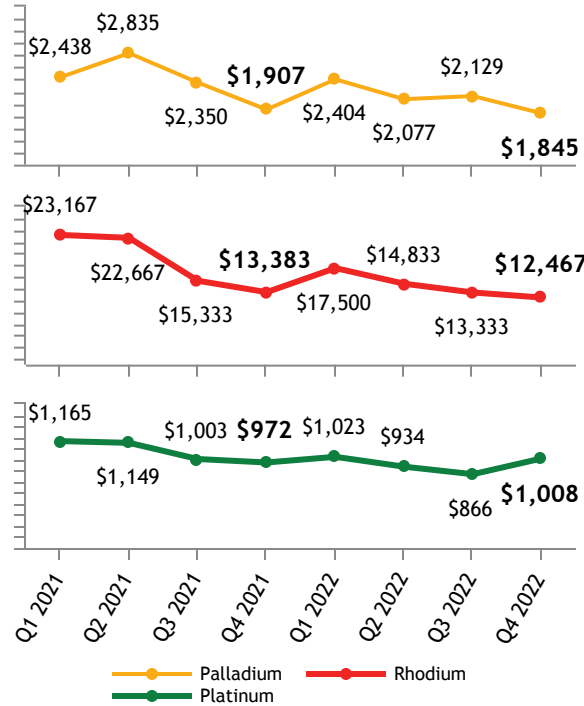
(3) Adjusted liquidity based on December 31, 2022 balances and new credit agreement from January 5, 2023

Metals Prices

Q4 scrap steel prices decreased YoY and QoQ (sequential decrease of 9% in Q4 2022)



Q4 precious metal prices were mixed YoY and QoQ



Scrap steel impact

Sequential changes in scrap steel prices impact to Segment EBITDA:

Self Service:

- Q4 2022 unfavorable by \$4 million; 2022 unfavorable by \$15 million
- Q4 2021 favorable by \$1 million; 2021 favorable by \$26 million

Wholesale - North America:

- Q4 2022 unfavorable by \$6 million; 2022 unfavorable by \$8 million
- Q4 2021 favorable by \$2 million; 2021 favorable by \$16 million

Precious metals impact

Q4 average Rhodium and Palladium prices decreased 6.8% and 3.3% respectively, while Platinum prices increased 3.8%

Estimated YoY impact to Segment EBITDA from precious metals

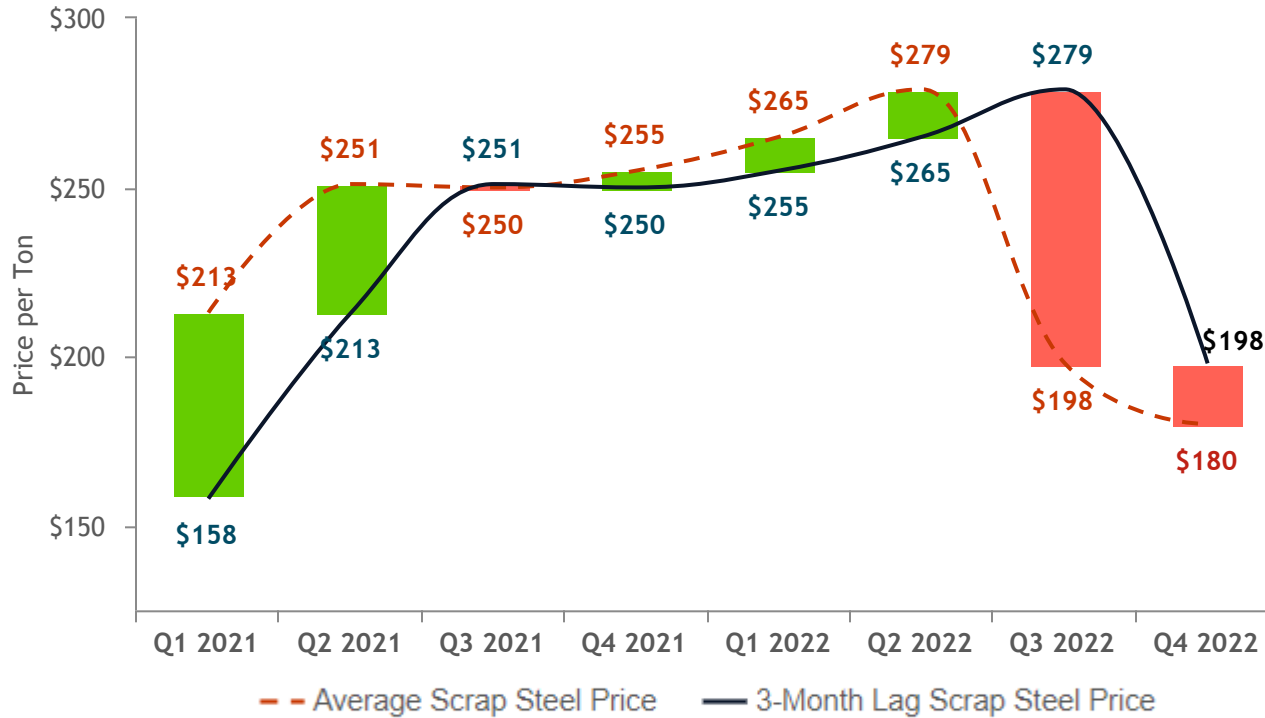
- Self Service: (\$2M) in Q4 and (\$34M) in 2022
- Wholesale - North America: flat in Q4 and (\$16M) in 2022

Total metals price impact (compared to the prior year)

Estimated decrease to Wholesale - North America Segment EBITDA margin of approximately 0.8% in Q4 and 0.8% in 2022

Estimated decrease to Self Service Segment EBITDA margin of approximately 2.7% in Q4 and 8.6% in 2022

Lag Effect - Scrap Steel Prices

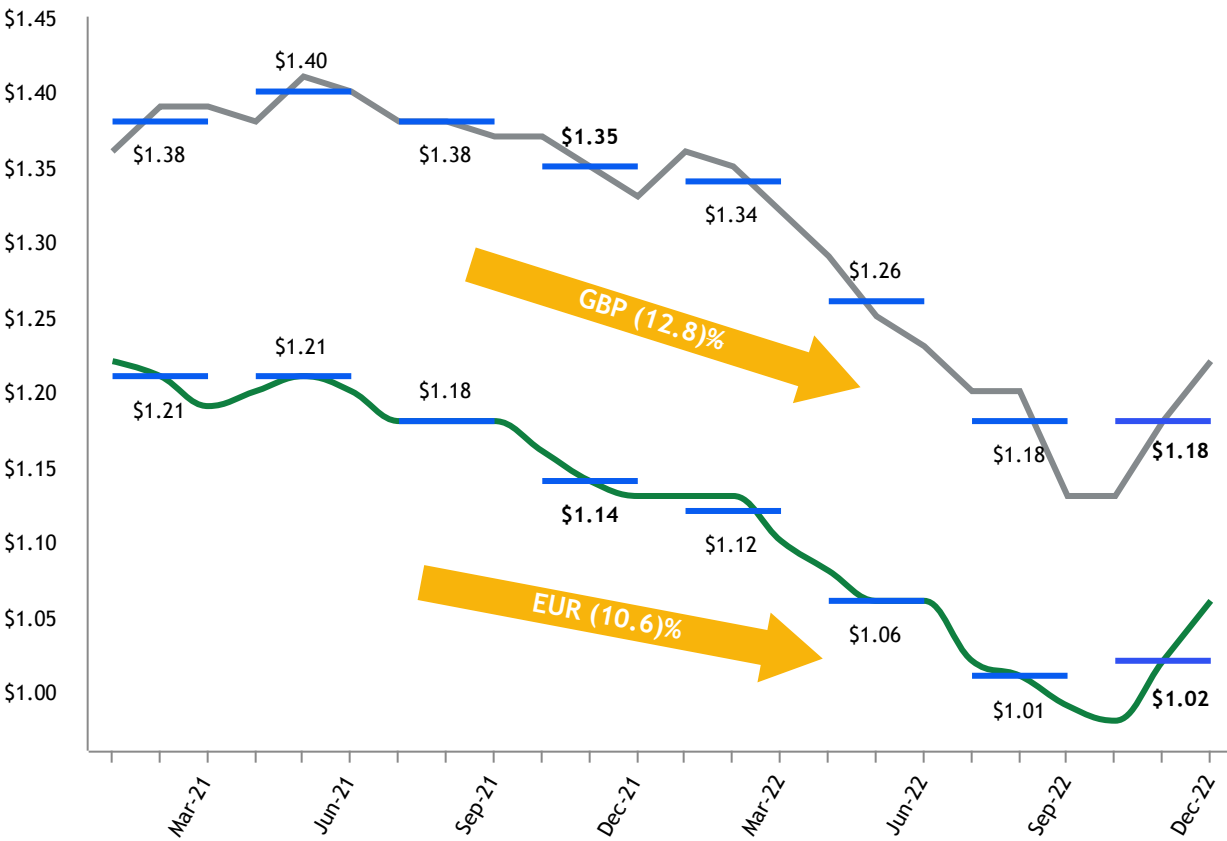


Self Service Lag Effect

- Margin benefit or detriment based on the movement in market prices between purchase date and scrap date (we typically scrap cars within 90 days of purchase)
- Purchase price reflects market assumptions at the vehicle purchase date
- Catalytic converters (precious metals) do not have a lag effect as sales occur close to the purchase date

Note: Scrap steel is the largest component of metal revenue processed from a salvage vehicle. Market prices for scrap steel impact the price we pay for a vehicle and may fluctuate significantly by the time we sell the scrap steel. Although scrap steel price and car costs tend to move in the same direction, they are not perfectly correlated. This graph depicts only the average scrap steel prices at the date we purchase the vehicle and the approximate date we sell the scrap steel. It provides the indicative impact of the lag effect of scrap steel on gross margin, which will also be impacted by other factors not disclosed here.

Foreign Exchange



- £ down 12.8% Q4 2022 vs Q4 2021
- € down 10.6% Q4 2022 vs Q4 2021
- \$175 million unfavorable impact of translation of weaker Q4 rates relative to the US Dollar on European parts and services revenue growth
- Foreign exchange (translation and transaction gains/losses) impact:
 - Q4 2022 unfavorable impacts of \$0.03 to GAAP and \$0.03 to Adjusted EPS
 - 2022 unfavorable impacts of \$0.14 to GAAP and \$0.16 to Adjusted EPS

Inventory Procurement

(\$ in millions, vehicles purchased in 000s)

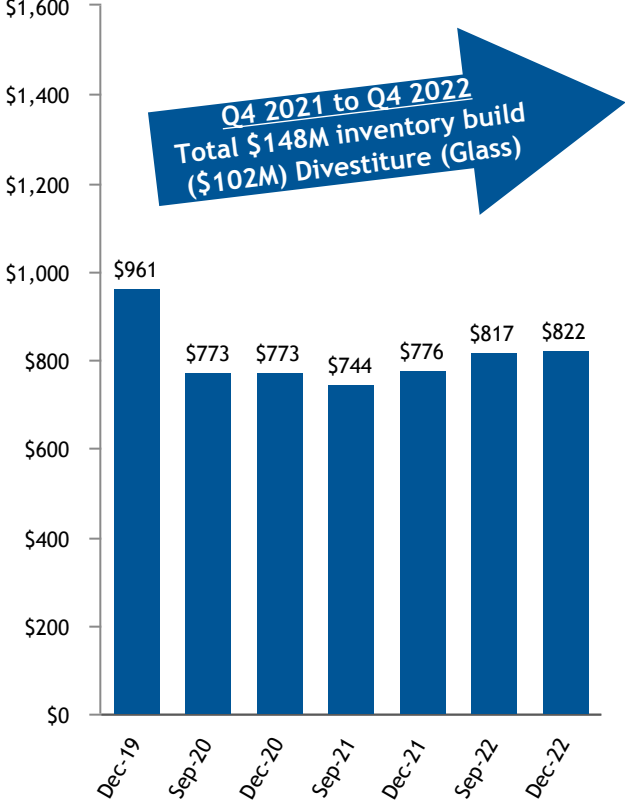
	Q4			Fiscal Year		
	2022	2021	% Change	2022	2021	% Change
Total aftermarket procurement	\$1,328	\$1,624	(18.2)%	\$5,974	\$6,388	(6.5)%
Wholesale - North America salvage vehicles	58	65	(10.8)%	246	239	2.9%
Europe wholesale salvage vehicles	6	7	(14.3)%	29	26	11.5%
Self Service salvage vehicles	121	128	(5.5)%	517	542	(4.6)%

- Aftermarket purchases in 2022 increased on a YoY basis (adjusting for currency effects)
 - Aftermarket purchases in Wholesale - North America increased relative to the prior year period due to required restocking to meet increasing demand
 - 2022 Europe aftermarket purchases included a decrease of \$415 million attributable to the decrease in the value of the euro, and to a lesser extent, the pound sterling. On a constant currency basis, inventory purchases increased \$84 million compared to the prior year period, owing to restocking to meet the demand for our products as well as purchases to improve availability for customers in certain regions
- Wholesale - North America salvage procurement increased relative to the prior year primarily due to increased availability of vehicles at auction year-over-year
- Average cost per vehicle in our Self Service segment increased 10% on a YoY basis

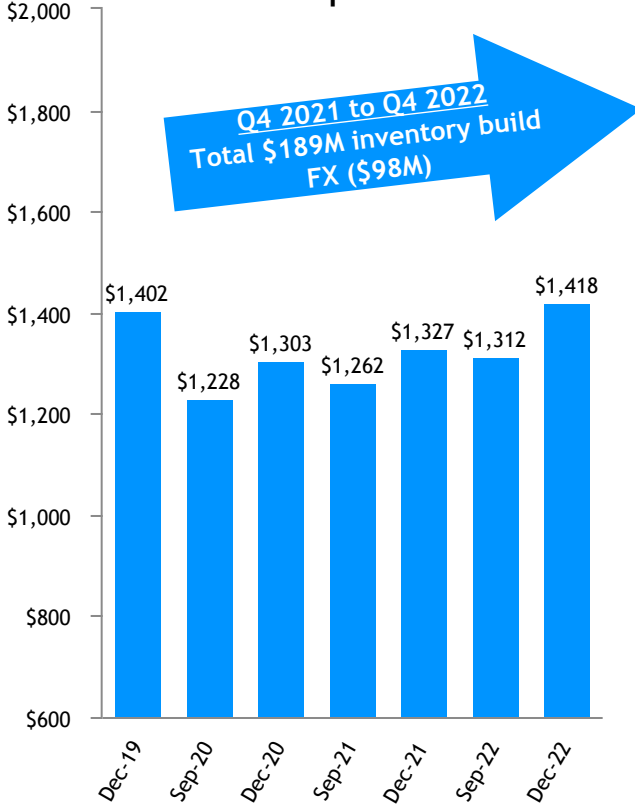
Inventory Balances

(\$ in millions)

Wholesale - North America

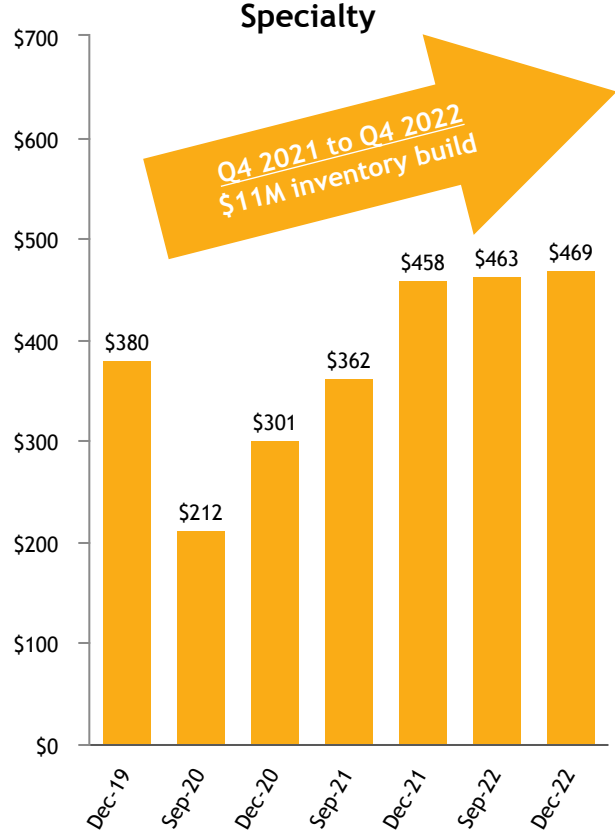
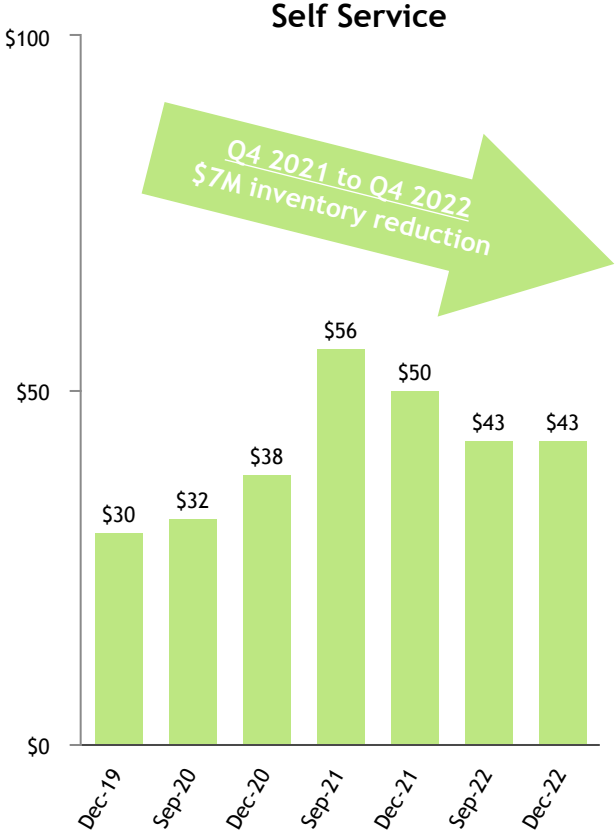


Europe



Inventory Balances (cont.)

(\$ in millions)



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 and revenue growth for parts & services and total revenue to constant currency revenue and revenue growth for the same measures:

(\$ in millions)	Three Months Ended December 31, 2022		Year Ended December 31, 2022	
	Consolidated	Europe	Consolidated	Europe
Parts & Services				
Revenue as reported	\$2,828	\$1,384	\$11,933	\$5,711
Less: Currency impact	(181)	(175)	(664)	(651)
Revenue at constant currency	\$3,009	\$1,559	\$12,597	\$6,362
Total				
Revenue as reported	\$3,001		\$12,794	
Less: Currency impact	(182)		(668)	
Revenue at constant currency	\$3,183		\$13,462	

Appendix 1(cont.)

Constant Currency Reconciliation

	Three Months Ended December 31, 2022		Year Ended December 31, 2022	
	Consolidated	Europe	Consolidated	Europe
Parts & Services				
Revenue growth as reported	(4.8)%	(7.0)%	(1.7)%	(5.3)%
Less: Currency impact	(6.1)%	(11.7)%	(5.5)%	(10.8)%
Revenue growth at constant currency	1.3%	4.7%	3.8%	5.5%
Total				
Revenue growth as reported	(5.8)%		(2.3)%	
Less: Currency impact	(5.7)%		(5.1)%	
Revenue growth at constant currency	(0.1)%		2.8%	

We have presented our revenue and the growth rate 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-titled 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 December 31 ⁽¹⁾				Year Ended December 31 ⁽¹⁾			
	2022	% of revenue	2021	% of revenue	2022	% of revenue	2021	% of revenue
Revenue								
Wholesale - North America	\$1,102		\$1,097		\$4,556		\$4,379	
Europe	1,390		1,497		5,735		6,062	
Specialty	365		410		1,791		1,867	
Self Service	144		184		715		787	
Eliminations	—		(2)		(3)		(6)	
Total Revenue	\$3,001		\$3,186		\$12,794		\$13,089	
Segment EBITDA								
Wholesale - North America	\$204	18.5%	\$166	15.2%	\$852	18.7%	\$769	17.6%
Europe	139	10.0%	134	8.9%	585	10.2%	618	10.2%
Specialty	23	6.2%	30	7.5%	199	11.1%	223	12.0%
Self Service	7	5.2%	27	14.6%	83	11.7%	175	22.3%
Total Segment EBITDA	\$373	12.4%	\$357	11.2%	\$1,719	13.4%	\$1,785	13.6%

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 transaction 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 fair value adjustments; impairment charges; and direct impacts of the Ukraine/Russia conflict and related sanctions (including provisions for and subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families). EBITDA, which is the basis for Segment EBITDA, is calculated as net income attributable to LKQ stockholders excluding discontinued operations, 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 December 31 ⁽¹⁾		Year Ended December 31 ⁽¹⁾	
	2022	2021	2022	2021
Net income	\$195	\$236	\$1,150	\$1,092
Subtract:				
Net income attributable to continuing noncontrolling interest	1	—	1	1
Net income attributable to LKQ stockholders	\$194	\$236	\$1,149	\$1,091
Subtract:				
Net income from discontinued operations	1	1	6	1
Net income from continuing operations attributable to LKQ stockholders	\$193	\$235	\$1,143	\$1,090
Add:				
Depreciation and amortization - SG&A	59	65	237	260
Depreciation and amortization - cost of goods sold	8	7	27	23
Depreciation and amortization - restructuring expenses ⁽²⁾	—	—	—	1
Interest expense, net of interest income	24	14	70	70
Loss on debt extinguishment	—	—	—	24
Provision for income taxes	81	41	385	331
EBITDA	\$365	\$362	\$1,862	\$1,799
Subtract:				
Equity in earnings of unconsolidated subsidiaries	3	6	11	23
Equity investment fair value adjustments	(2)	3	(5)	11
Add:				
Restructuring and transaction related expenses ⁽²⁾	10	4	20	19
(Gain) on disposal of businesses and impairment of net assets held for sale	—	—	(159)	—
Change in fair value of contingent consideration liabilities	—	—	—	1
Gains on previously held equity interests	—	—	(1)	—
Direct impacts of Ukraine/Russia conflict ⁽³⁾	(1)	—	3	—
Segment EBITDA	\$373	\$357	\$1,719	\$1,785
Net income from continuing operations attributable to LKQ stockholders as a percentage of revenue	6.5%	7.4%	8.9%	8.3%
EBITDA as a percentage of revenue	12.2%	11.4%	14.6%	13.7%
Segment EBITDA as a percentage of revenue	12.4%	11.2%	13.4%	13.6%

(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 transaction related expenses

(3) Adjustments include provisions for and subsequent adjustments to reserves for asset recoverability (receivables and inventory) and expenditures to support our employees and their families in Ukraine

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, 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 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 transaction 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 fair value adjustments; impairment charges; and direct impacts of the Ukraine/Russia conflict and related sanctions (including provisions for and subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families). 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 Diluted EPS to Adjusted Net Income from Continuing Operations Attributable to LKQ Stockholders and Adjusted EPS from Continuing Operations Attributable to LKQ Stockholders

(\$ in millions, except per share data)	Three Months Ended December 31 ⁽¹⁾		Year Ended December 31 ⁽¹⁾	
	2022	2021	2022	2021
Net income	\$195	\$236	\$1,150	\$1,092
Subtract:				
Net income attributable to continuing noncontrolling interest	1	—	1	1
Net income attributable to LKQ stockholders	\$194	\$236	\$1,149	\$1,091
Subtract:				
Net income from discontinued operations	1	1	6	1
Net income from continuing operations attributable to LKQ stockholders	\$193	\$235	\$1,143	\$1,090
Adjustments - continuing operations attributable to LKQ stockholders:				
Amortization of acquired intangibles	16	19	64	78
Restructuring and transaction related expenses	10	4	20	20
Gains on previously held equity interests	—	—	(1)	—
Change in fair value of contingent consideration liabilities	—	—	—	1
Loss on debt extinguishment	—	—	—	24
Direct impacts of Ukraine/Russia conflict ⁽²⁾	(1)	—	3	—
(Gain) on disposal of businesses and impairment of net assets held for sale	—	—	(159)	—
Excess tax benefit from stock-based payments	—	—	(3)	(2)
Tax effect of adjustments	(9)	(4)	2	(31)
Adjusted net income from continuing operations attributable to LKQ stockholders	\$209	\$254	\$1,069	\$1,180
Weighted average diluted common shares outstanding	268.7	291.0	278.0	297.7
Diluted earnings per share from continuing operations attributable to LKQ stockholders:				
Reported	\$0.72	\$0.81	\$4.11	\$3.66
Adjusted	\$0.78	\$0.87	\$3.85	\$3.96

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

(2) Adjustments include provisions for and subsequent adjustments to reserves for asset recoverability (receivables and inventory) and expenditures to support our employees and their families in Ukraine

Keeping you moving

Appendix 4

Reconciliation of Net Income and Diluted EPS to Adjusted Net Income Attributable to LKQ Stockholders and Adjusted EPS from Continuing Operations Attributable to LKQ Stockholders

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 noncontrolling interest, discontinued operations, restructuring and transaction 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, direct impacts of the Ukraine/Russia conflict and related sanctions (including provisions for and subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families), 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 transactions, 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

	Forecasted Fiscal Year 2023 ⁽¹⁾	
	Minimum Outlook	Maximum Outlook
(\$ in millions, except per share data)		
Net income from continuing operations attributable to LKQ stockholders	\$989	\$1,070
Adjustments:		
Amortization of acquired intangibles	58	58
Restructuring and transaction related expenses	24	24
Tax effect of adjustments	(22)	(22)
Adjusted net income from continuing operations attributable to LKQ stockholders	\$1,049	\$1,130
Weighted average diluted common shares outstanding	269.0	269.0
Diluted EPS from continuing operations attributable to LKQ stockholders:		
U.S. GAAP	\$3.68	\$3.98
Non-GAAP (Adjusted)	\$3.90	\$4.20

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 net income from continuing operations attributable to LKQ stockholders, amortization of acquired intangibles for the full fiscal year 2023, restructuring and transaction related expenses under previously announced plans, and the related tax effect.

(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 December 31 ⁽¹⁾		Year Ended December 31 ⁽¹⁾	
	2022	2021	2022	2021
Net cash provided by operating activities	\$240	\$5	\$1,250	\$1,367
Less: purchases of property, plant and equipment	74	160	222	293
Free cash flow	\$166	\$(155)	\$1,028	\$1,074

(\$ in millions)	Year Ended December 31 ⁽¹⁾		
	2019	2020	2021
Net cash provided by operating activities	\$1,064	\$1,444	\$1,367
Less: purchases of property, plant and equipment	266	173	293
Free cash flow	\$798	\$1,271	\$1,074

(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, pay dividends 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.

(\$ in millions)	<u>Forecasted Fiscal Year 2023</u>
	<u>Outlook</u>
Net cash provided by operating activities	\$1,275
Less: purchases of property, plant and equipment	300
Free cash flow	\$975

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 Total Debt to Net Debt

(\$ in millions)	<u>December 31, 2022⁽¹⁾</u>	<u>December 31, 2021⁽¹⁾</u>
Current portion of long-term obligations	\$34	\$35
Long-term obligations, excluding current portion	2,622	2,777
Total debt, net of debt issuance costs	\$2,656	\$2,812
Add: Debt issuance costs	6	12
Total debt	\$2,662	\$2,824
Less: Cash and cash equivalents	278	274
Net debt	\$2,384	\$2,550

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