

# Third Quarter 2022 Earnings Call Presentation

October 27, 2022

**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, and in our subsequent Quarterly Reports on Form 10-Q. These reports are available on our investor relations website at [lkqcorp.com](http://lkqcorp.com) and on the SEC website at [sec.gov](http://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.

# Q3 2022 Highlights

- Organic revenue growth for parts and services of 4.8% (5.3% on a per day basis)
  - Wholesale - North America organic revenue growth for parts and services of 10.9%
  - Europe organic revenue growth for parts and services of 4.8% (5.8% on a per day basis)
- Strong results enabled by focusing on key operational excellence initiatives
  - Net income<sup>(1)</sup> of \$261 million and Diluted EPS<sup>(1)</sup> of \$0.95; Adjusted Net Income<sup>(1)(2)</sup> of \$266 million and Adjusted Diluted EPS<sup>(1)(2)</sup> of \$0.97
    - Negative YOY impact on Diluted EPS<sup>(1)</sup> from metals of \$0.09 and currency of \$0.06 (\$0.09 and \$0.07 on the adjusted figure)
  - Segment EBITDA<sup>(3)</sup> of \$424 million; Segment EBITDA<sup>(3)</sup> margin of 13.7%
- Operating cash flow of \$273 million; free cash flow<sup>(4)</sup> of \$224 million
- Total Stockholder Return
  - Repurchased 6.8 million shares for \$343 million
  - Paid quarterly dividend of \$0.25 per share in September 2022 totaling \$68 million
  - Board of Directors approved a 10% increase to our quarterly dividend to \$0.275 per share payable on December 1, 2022, to stockholders of record as of November 17, 2022
- On October 25, 2022, Board of Directors authorized a \$1.0 billion increase to our existing stock repurchase program, raising the aggregate program authorization to \$3.5 billion, and extended the duration through October 25, 2025
- Updated Adjusted Diluted EPS guidance midpoint to reflect headwinds from a decline in metals prices and currency translation

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

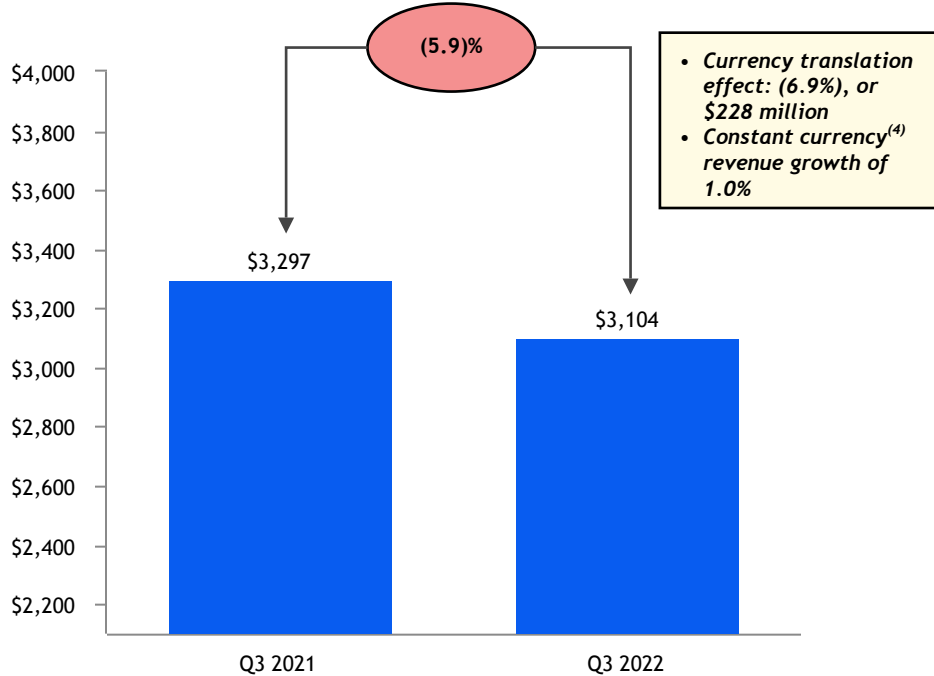
(2) Adjusted Net Income and Adjusted Diluted EPS are non-GAAP measures. Refer to Appendix 4 for Adjusted Net Income and Adjusted Diluted EPS reconciliations

(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

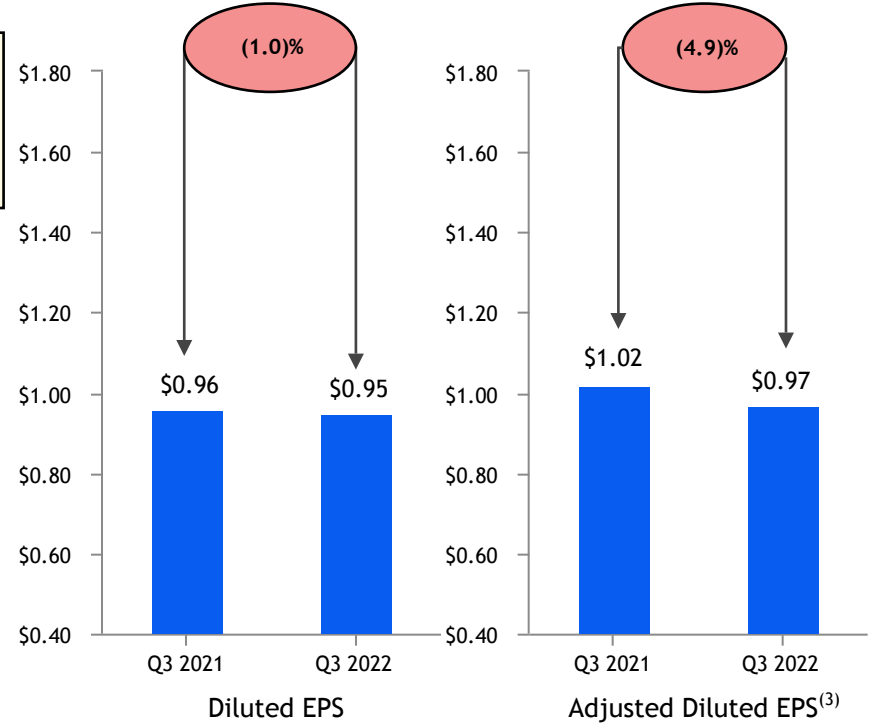
(4) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

# Consolidated Results Q3 2022

## Revenue<sup>(1)</sup>



## EPS<sup>(2)</sup>



(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

# Q3 2022 Revenue

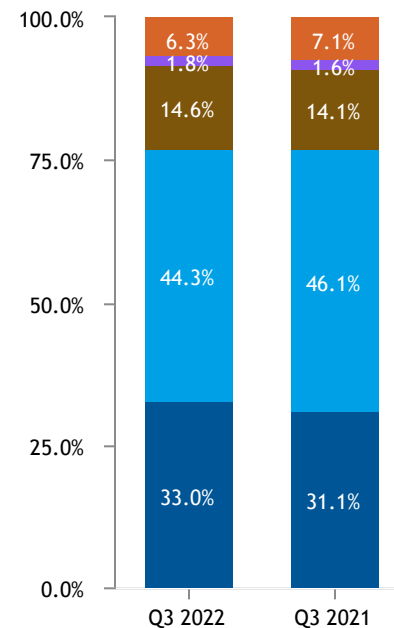
## Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total <sup>(1)</sup>
Wholesale - North America	10.9%	(10.6)%	(0.2)%	0.1%
Europe	4.8%	0.5%	(14.7)%	(9.4)%
Specialty	(9.1)%	6.6%	(0.3)%	(2.8)%
Self Service	7.2%	—%	—%	7.2%
Parts and Services	4.8%	(2.3)%	(7.4)%	(5.0)%
Other Revenue	(17.1)%	—%	(0.4)%	(17.4)%
<b>Total</b>	<b>3.2%</b>	<b>(2.1)%</b>	<b>(6.9)%</b>	<b>(5.9)%</b>

- Wholesale - North America organic revenue for parts and services increased 10.9%; primarily driven by input cost inflation being passed through. Aftermarket collision parts volumes increased slightly year-over-year due to reduced pressures on supply chain and were mainly 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 4.8% (5.8% on a per day basis) driven by input cost inflation being passed through
- Unfavorable F/X impact on European parts and services revenue of \$224 million; European constant currency<sup>(2)</sup> parts and services revenue increased 5.3%
- Specialty organic revenue for parts and services decreased 9.1% due to strong growth experienced in Q3 2021 and 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 7.2%; driven by increases in salvage procurement costs being passed through
- Other organic revenue decreased 17.1% driven by lower scrap steel prices and volumes and lower precious metals prices and 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

### Components of Revenue



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

# Outlook 2022<sup>(1)</sup>

(effective only on the date issued: October 27, 2022)

	Full Year 2022 Previous Outlook <sup>(6)</sup>	Full Year 2022 Updated Outlook
Organic parts and services revenue growth	4.5% to 6.5%	4.75% to 5.75%
Diluted EPS <sup>(2)</sup>	\$4.09 to \$4.29	\$4.12 to \$4.22
Adjusted diluted EPS <sup>(2)(3)</sup>	\$3.85 to \$4.05	\$3.85 to \$3.95
Operating cash flow	\$1.3 billion	\$1.25 billion
Free cash flow <sup>(4)</sup>	minimum \$1.0 billion	approx. \$1.0 billion
Free cash flow conversion of EBITDA <sup>(5)</sup>	55% to 60%	55% to 60%

(1) Our outlook for the full year 2022 is based on current conditions and recent trends, and assumes current U.S. federal tax legislation remains unchanged, the prices of scrap and precious metals hold near the September average and no further deterioration due to the Ukraine/Russia conflict. We have applied exchange rates near October spot levels, including \$0.97 and \$1.11 for the euro and pound sterling, respectively, for the balance of the year. Prior guidance issued on July 28, 2022 had currency exchange rate levels of \$1.02 and \$1.20 for the euro and pound sterling, respectively. 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 and the gain on the PGW Auto Glass sale)

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

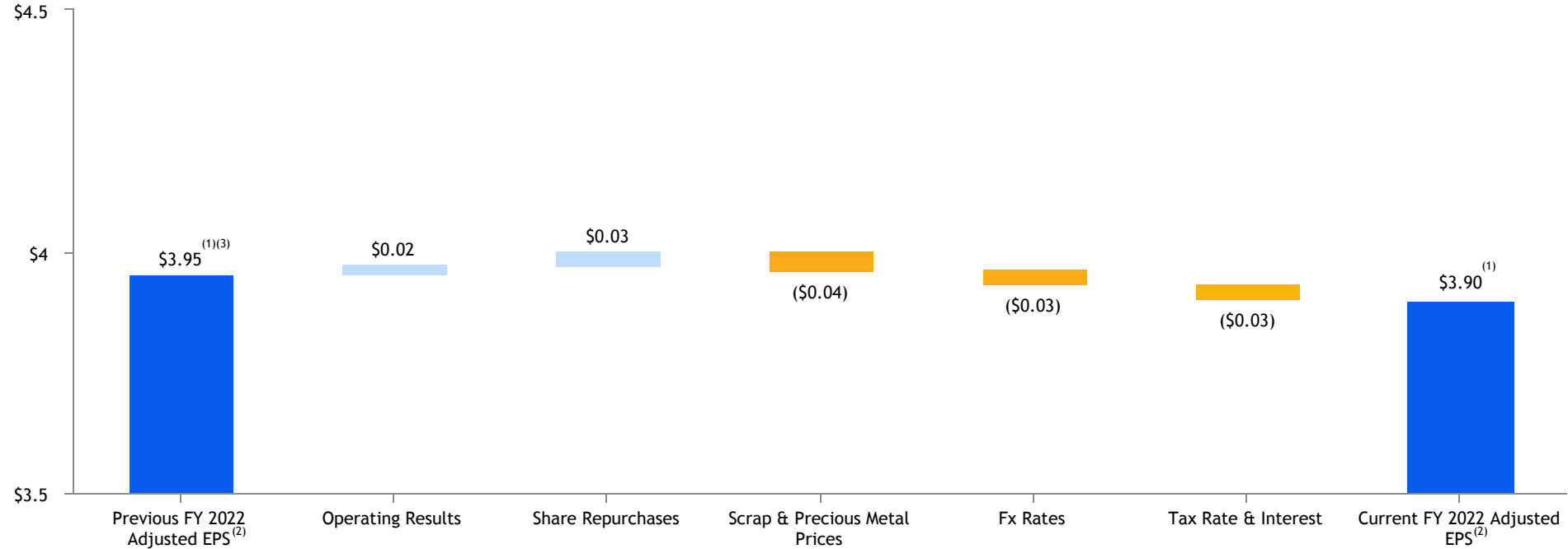
(3) Adjusted net income and Adjusted Diluted EPS are non-GAAP measures. See Appendix 5 for reconciliation of forecasted adjusted Net income and forecasted adjusted diluted EPS

(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. The gain on sale of businesses has been excluded from EBITDA for purposes of calculating free cash flow conversion of EBITDA.

(6) Previous guidance was issued July 28, 2022

# 2022 Adjusted EPS Guidance Walk



(1) The amounts represent the midpoint of our guidance range

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

(3) Previous midpoint guidance was issued July 28, 2022

The background features two thick, blue, wavy lines that curve across the top and right sides of the slide. One line starts on the left, peaks in the upper center, and descends towards the bottom right. The second line starts lower on the left, peaks on the right side, and descends towards the bottom right, crossing the first line.

# Financial Results Q3 2022



# Operating Results - Q3

(\$ in millions, except per share data)	Third Quarter		
	2022	2021	Change F/(U)
Revenue	\$3,104	\$3,297	(5.9)%
Gross Margin	1,276	1,344	(5.0)%
Operating Expenses	861	898	4.0%
Operating Income	358	378	(5.5)%
Income from continuing operations before provision for income taxes	347	365	(5.3)%
Net income from continuing operations attributable to LKQ stockholders	261	284	(8.3)%
Segment EBITDA <sup>(1)</sup>	424	453	(6.3)%
Segment EBITDA Margin <sup>(1)</sup>	13.7%	13.7%	—
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	\$0.95	\$0.96	(1.0)%
Adjusted <sup>(2)</sup>	\$0.97	\$1.02	(4.9)%

- Effective income tax rate for the three months ended September 30, 2022 was 25.2%, compared to 24.4% for the three months ended September 30, 2021

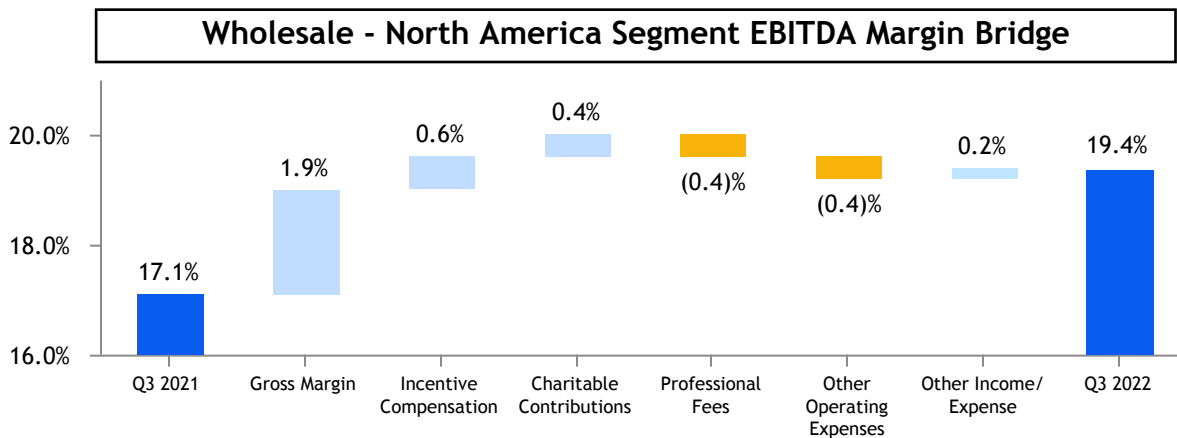
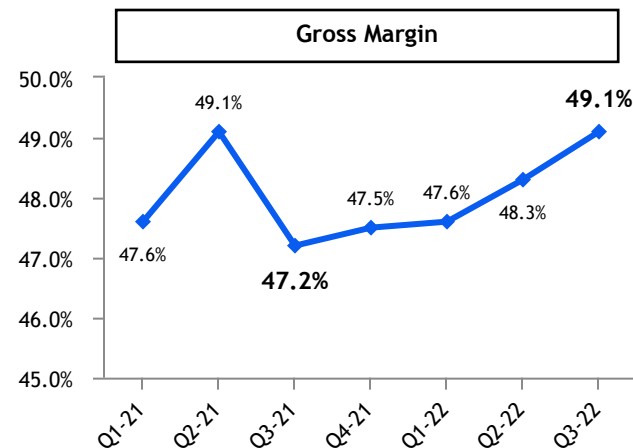
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation

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

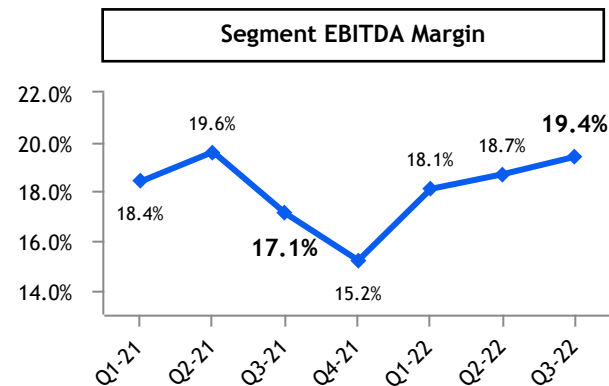
# Wholesale - North America - Q3 2022

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$1,109	\$1,112	(0.3)%		
Gross Margin	\$544	\$525	3.7%	49.1%	47.2%
Operating Expenses	\$335	\$337	0.7%	30.2%	30.4%
Segment EBITDA <sup>(1)</sup>	\$216	\$190	13.5%	19.4%	17.1%

(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

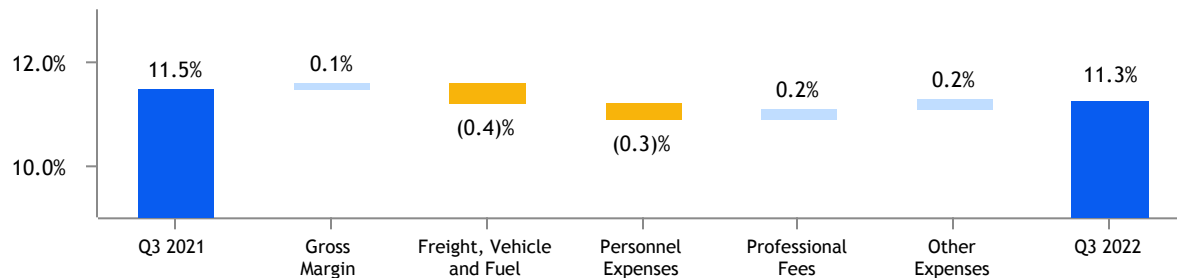


# Europe - Q3 2022

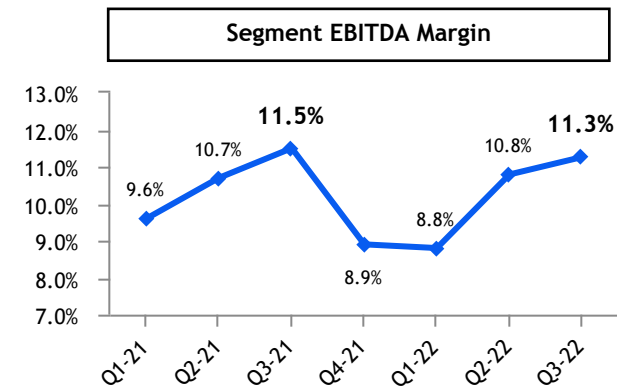
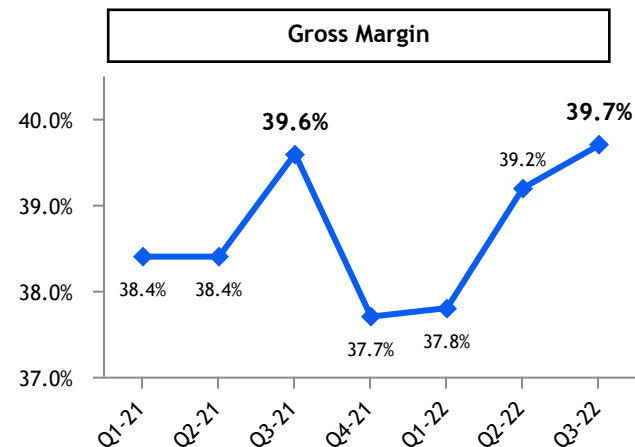
(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue <sup>(1)</sup>	\$1,380	\$1,525	(9.5)%		
Gross Margin	\$548	\$604	(9.2)%	39.7%	39.6%
Operating Expenses	\$395	\$432	8.4%	28.7%	28.3%
Segment EBITDA <sup>(2)</sup>	\$155	\$175	(11.2)%	11.3%	11.5%
Transformation Expenses <sup>(3)</sup>	\$3	\$2			
Segment EBITDA <sup>(2)</sup> excluding Transformation Expenses <sup>(3)</sup>	\$158	\$177	(11.2)%	11.4%	11.6%

- (1) The foreign currency impact on parts and services revenue was \$224 million which brings revenue growth at a constant currency to 5.3%. 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

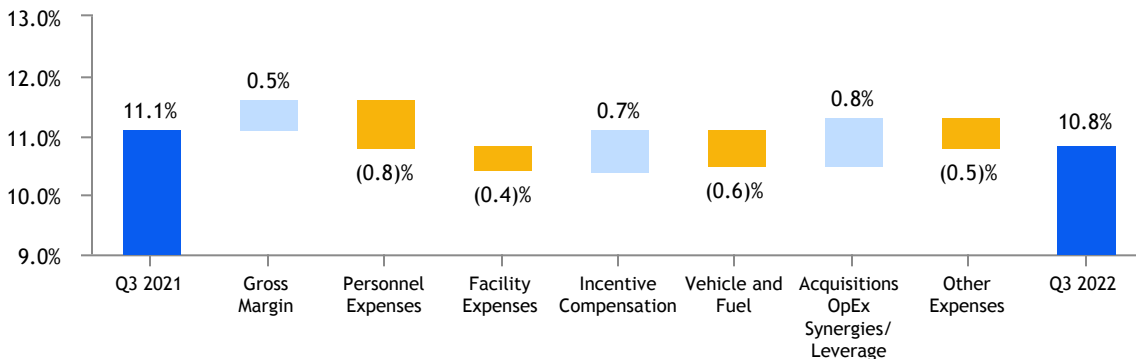


# Specialty - Q3 2022

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$452	\$466	(2.9)%		
Gross Margin	\$130	\$131	(1.1)%	28.7%	28.2%
Operating Expenses	\$81	\$81	(1.2)%	18.0%	17.3%
Segment EBITDA <sup>(1)</sup>	\$49	\$52	(5.0)%	10.8%	11.1%

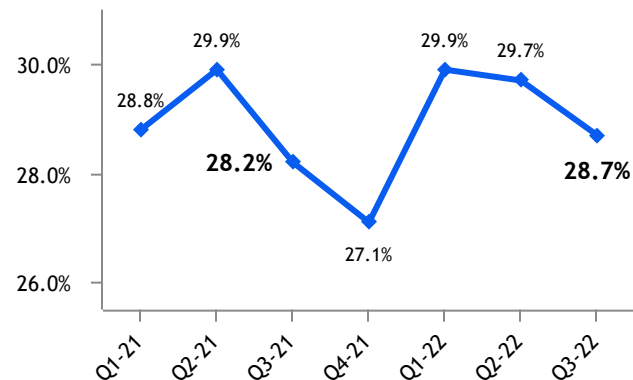
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

## Specialty Segment EBITDA Margin Bridge

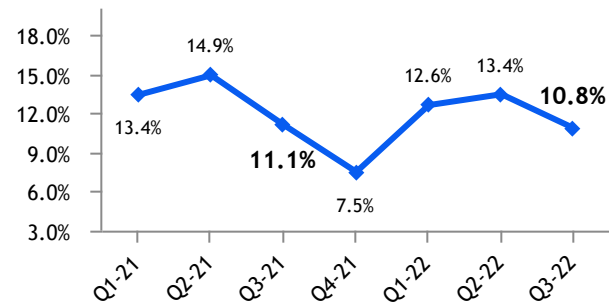


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

## Gross Margin



## Segment EBITDA Margin



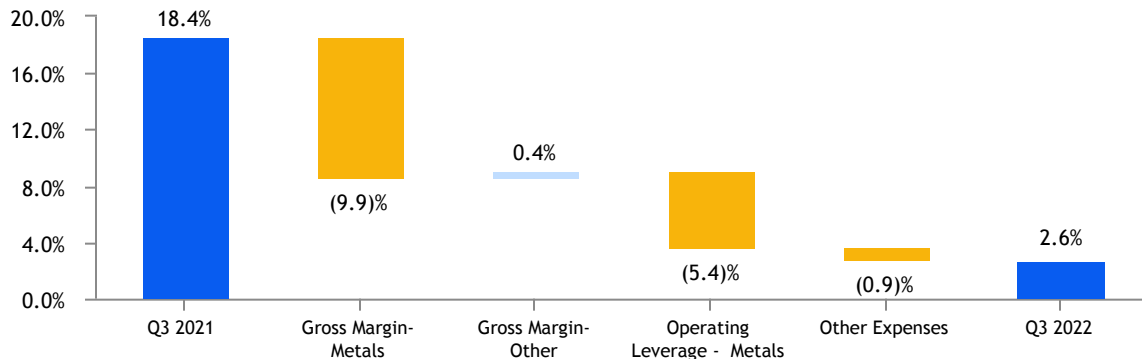
# Self Service - Q3 2022

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue <sup>(1)</sup>	\$164	\$195	(16.2)%		
Gross Margin	\$54	\$84	(35.1)%	33.0%	42.5%
Operating Expenses	\$50	\$47	(5.0)%	30.5%	24.4%
Segment EBITDA <sup>(2)</sup>	\$4	\$36	(88.0)%	2.6%	18.4%

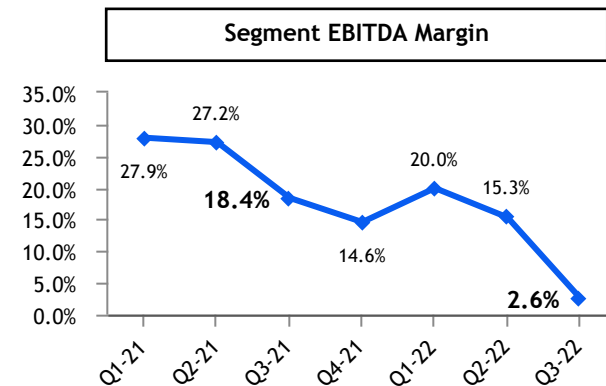
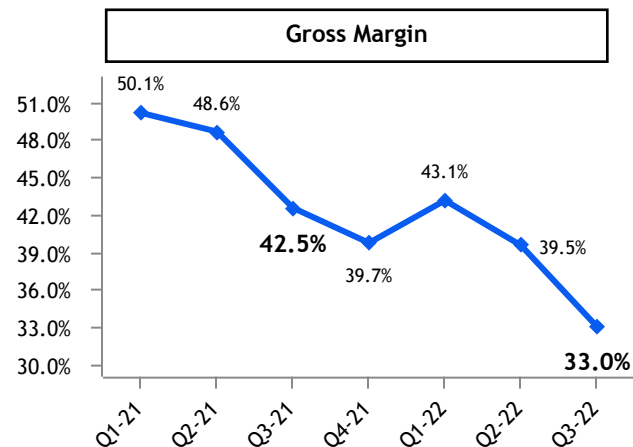
(1) Includes Other Revenue of \$109 million and \$144 million in Q3 2022 and Q3 2021, respectively. See slides 28 and 29 for further detail on metals price trends.

(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.

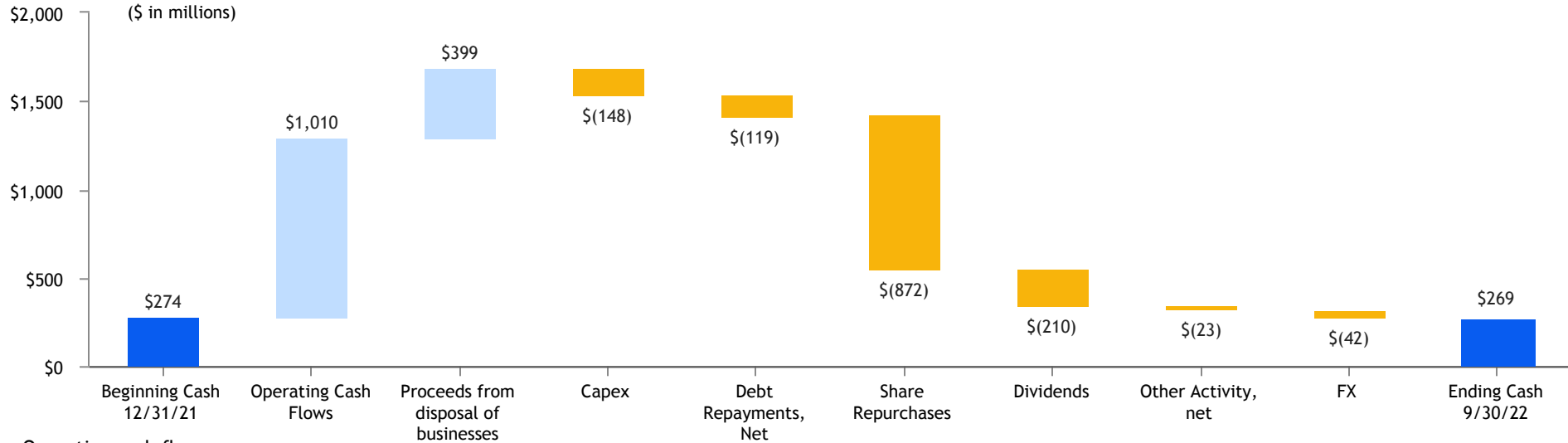
## Self Service Segment EBITDA Margin Bridge



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



# YTD 2022 Capital Allocation



## Operating cash flows:

- Operating cash flows of \$1,010 million represent a 26%, or \$352 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

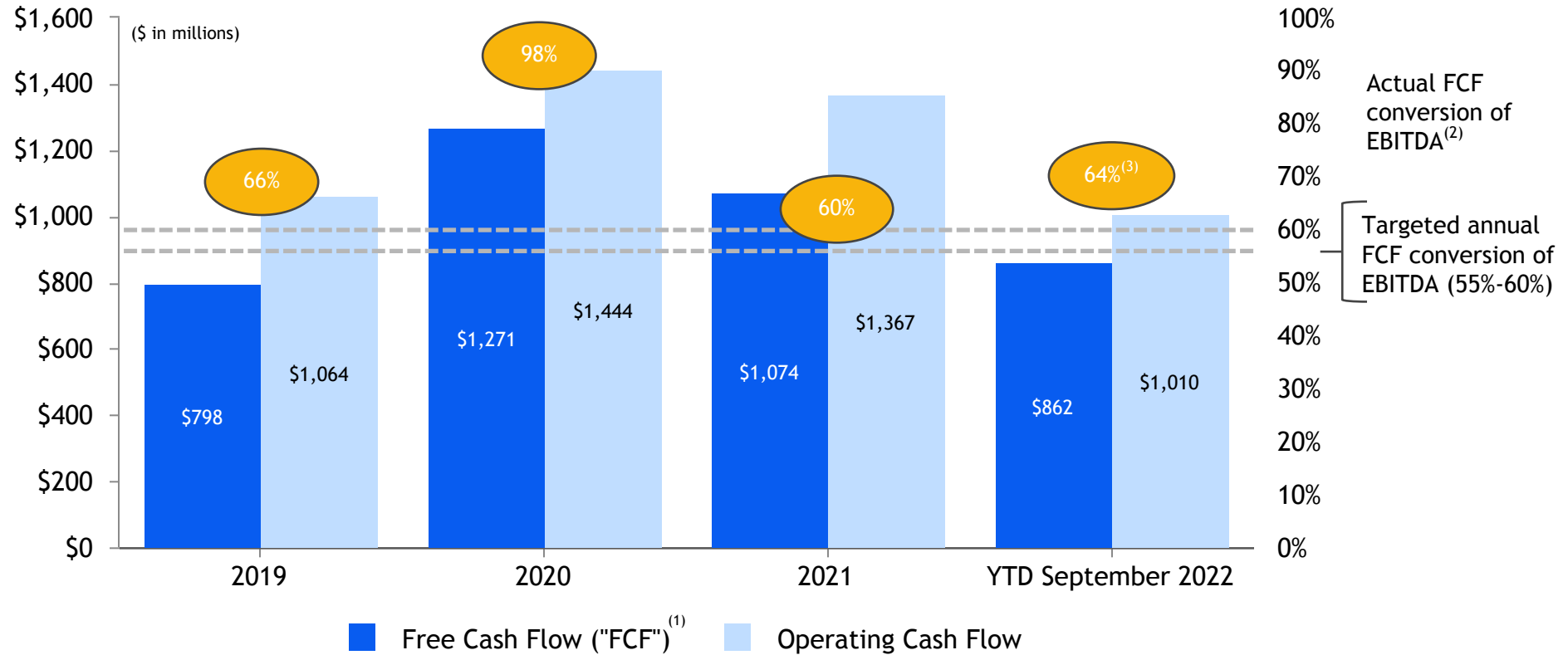
## Investing cash flows:

- 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 \$148 million vs. \$133 million in 2021; up 12.1% year-over-year driven by projects in Europe and Wholesale - North America

## Financing cash flows:

- \$872 million to repurchase shares vs. \$575 million in the prior year
- \$210 million for YTD cash dividends (initiated in Q4 2021)
- \$119 million of debt repayments, net on our borrowings vs. \$370 million in the prior year

# Operating Cash Flow and Free Cash Flow<sup>(1)</sup>

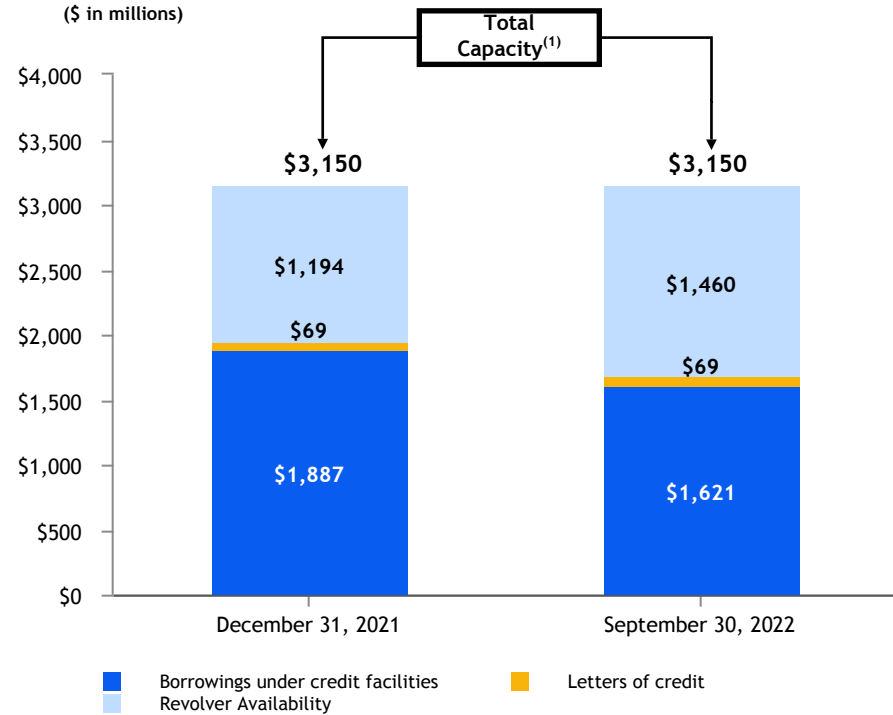
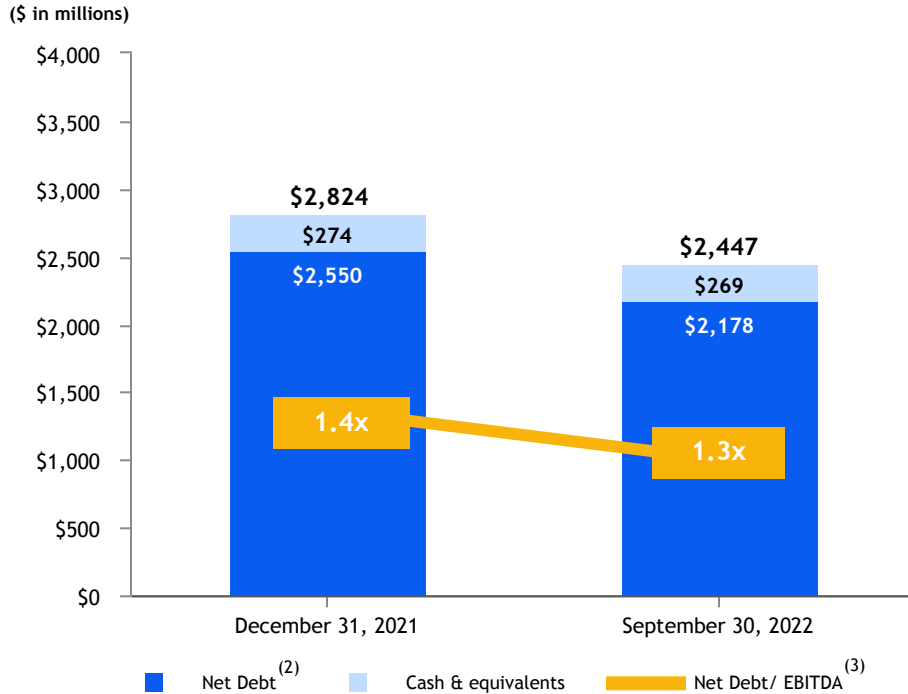


(1) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

(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 Q3 2022 was 3.0%<sup>(4)</sup>

(1) Total capacity includes our revolving credit facilities

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

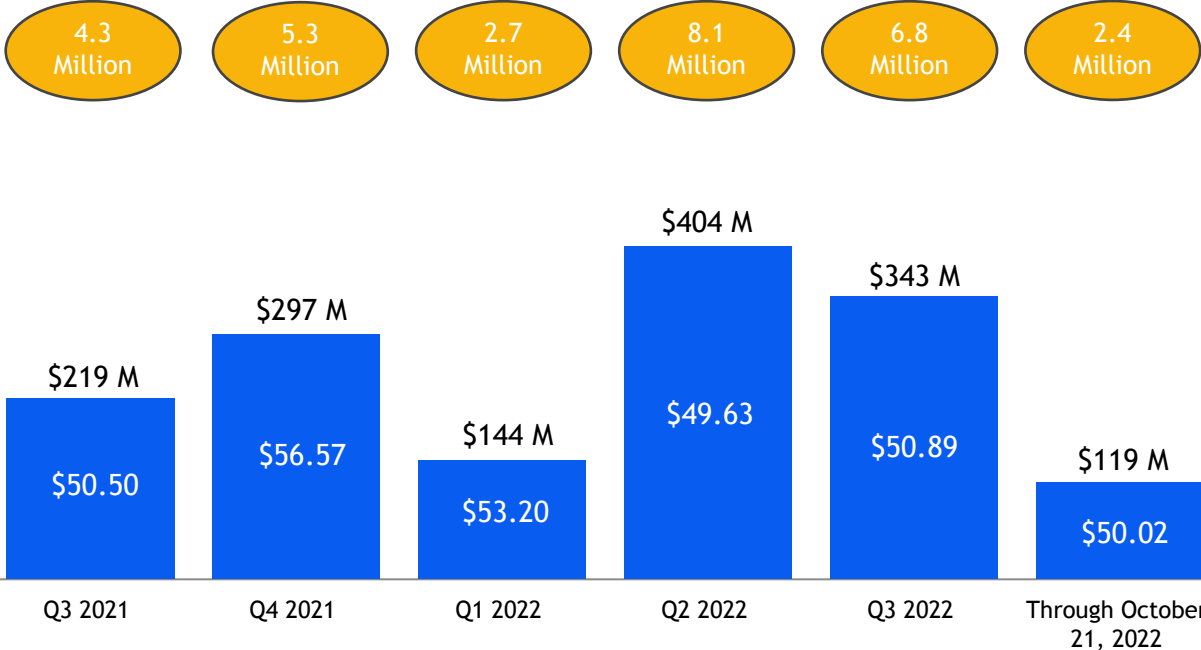
(3) Net leverage per bank covenants is defined as Net Debt/EBITDA. See the definitions of Net Debt and EBITDA in the credit agreement filed with the SEC for further details

(4) Approximately 66% of our borrowings at September 30, 2022 are at a variable interest rate



# 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. Year to date through October 21, 2022, invested \$1.0 billion repurchasing 20.0 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 2021 North America Recycling Achievements

783,000	1,462,000	1,107,000	13,794,000	740,000
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

## Motivating and retaining our winning workforce

- Established 2025 and 2030 goals to increase employee engagement and scores

Governance framework for aligning priorities

## Launched LKQ Cares ESG Advisory Committee

- Cross-function team focused on aligning priorities across business units and geographies

## Linked Executive Compensation with ESG goals

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



## 2021 Sustainability Report published

Aligned to SASB and TCFD frameworks

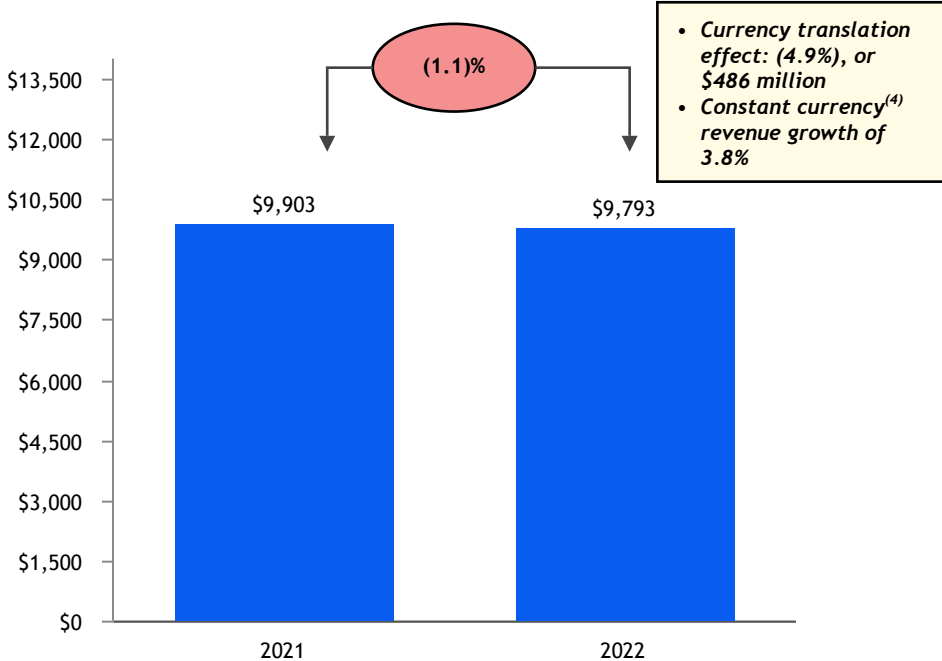




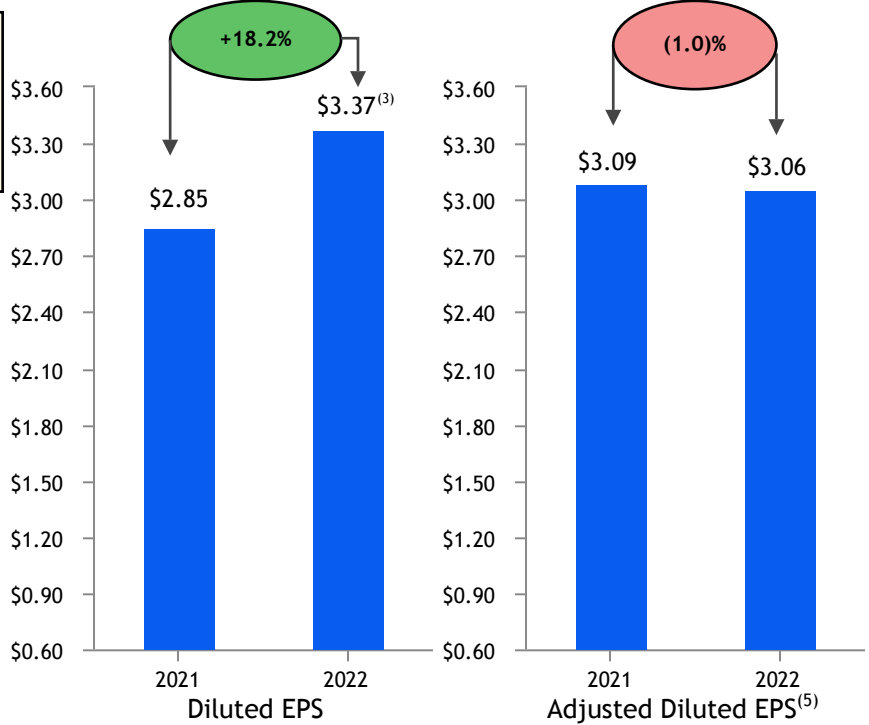
# YTD Results and Supplementary Information

# Consolidated Results YTD 2022

## Revenue<sup>(1)</sup>



## EPS<sup>(2)</sup>



(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

# YTD 2022 Revenue

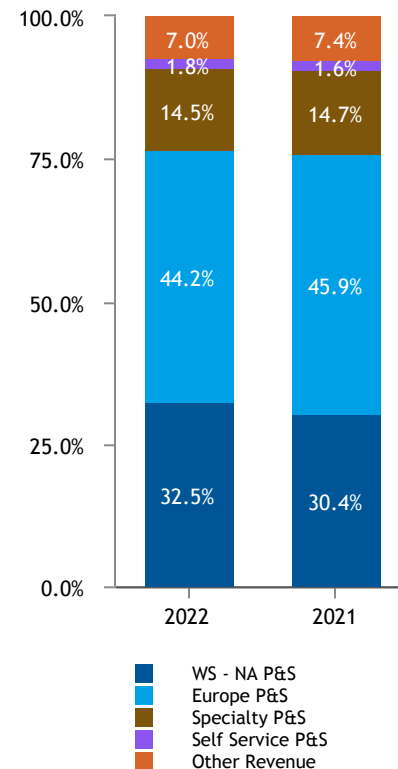
## Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total <sup>(1)</sup>
North America	11.7%	(6.1)%	(0.1)%	5.4%
Europe	5.3%	0.4%	(10.5)%	(4.8)%
Specialty	(9.7)%	7.9%	(0.3)%	(2.1)%
Self Service	11.6%	—%	—%	11.6%
Parts and Services	5.1%	(0.6)%	(5.3)%	(0.7)%
Other Revenue	(5.8)%	0.2%	(0.3)%	(6.0)%
<b>Total</b>	<b>4.3%</b>	<b>(0.5)%</b>	<b>(4.9)%</b>	<b>(1.1)%</b>

- Wholesale - North America organic revenue for parts and services increased 11.7% (11.2% on a per day basis); primarily driven by input cost inflation being passed through. Aftermarket collision parts volumes decreased year-over-year due to ongoing ocean freight delays and supply chain challenges, and were partially offset by increased volumes of collision parts 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 parts and services organic revenue for the nine months ended September 30, 2022 increased by 5.3%, driven by input cost inflation being passed through
- Unfavorable F/X impact on European parts and services revenue of \$476 million; European constant currency parts and services revenue increased 5.7%<sup>(2)</sup>
- Specialty organic revenue for parts and services decreased 9.7% (10.2% on a per day basis) largely due to strong growth experienced in the first nine months of 2021 and 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 11.6%; driven by increases in salvage procurement costs being passed through
- Other organic revenue decreased 5.8%, 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

### Components of Revenue



# Operating Results - YTD

(\$ in millions, except per share data)	YTD		
	2022	2021	Change F/(U)
Revenue	\$9,793	\$9,903	(1.1)%
Gross Margin	4,000	4,053	(1.3)%
Operating Expenses	2,683	2,648	(1.4)%
Operating Income	1,288	1,194	7.9%
Income from continuing operations before provision for income taxes	1,246	1,129	10.4%
Net income from continuing operations attributable to LKQ stockholders	950	855	11.0%
Segment EBITDA <sup>(1)</sup>	1,346	1,428	(5.7)%
Segment EBITDA Margin <sup>(1)</sup>	13.7%	14.4%	(70) bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	\$3.37	\$2.85	18.2%
Adjusted <sup>(2)</sup>	\$3.06	\$3.09	(1.0)%

- 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 nine months ended September 30, 2022 was 24.4% compared to 25.7% for the nine months ended September 30, 2021

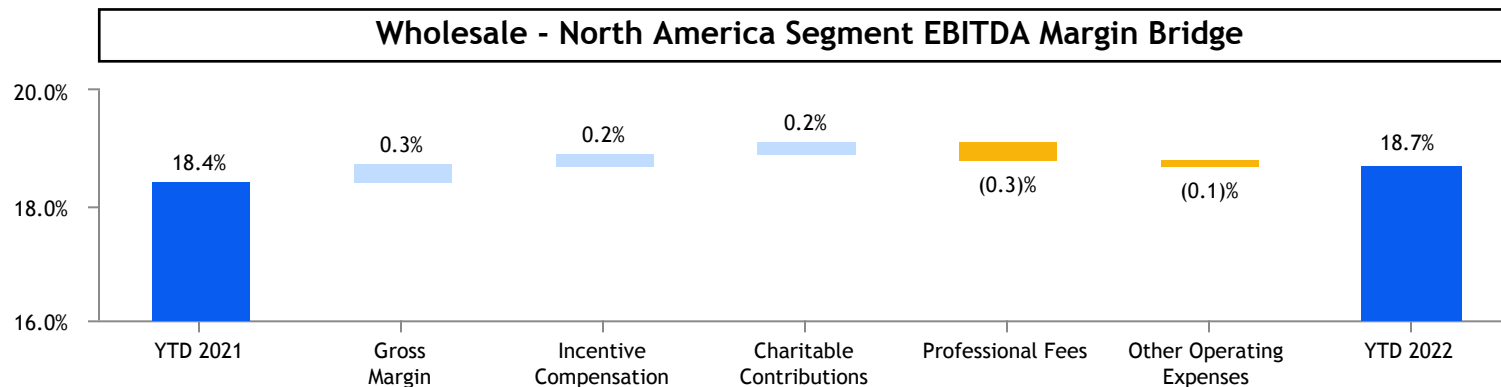
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation

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

# Wholesale - North America - YTD

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$3,454	\$3,282	5.3%		
Gross Margin	\$1,669	\$1,574	6.0%	48.3%	48.0%
Operating Expenses	\$1,034	\$980	(5.5)%	29.9%	29.9%
Segment EBITDA <sup>(1)</sup>	\$648	\$603	7.4%	18.7%	18.4%

(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

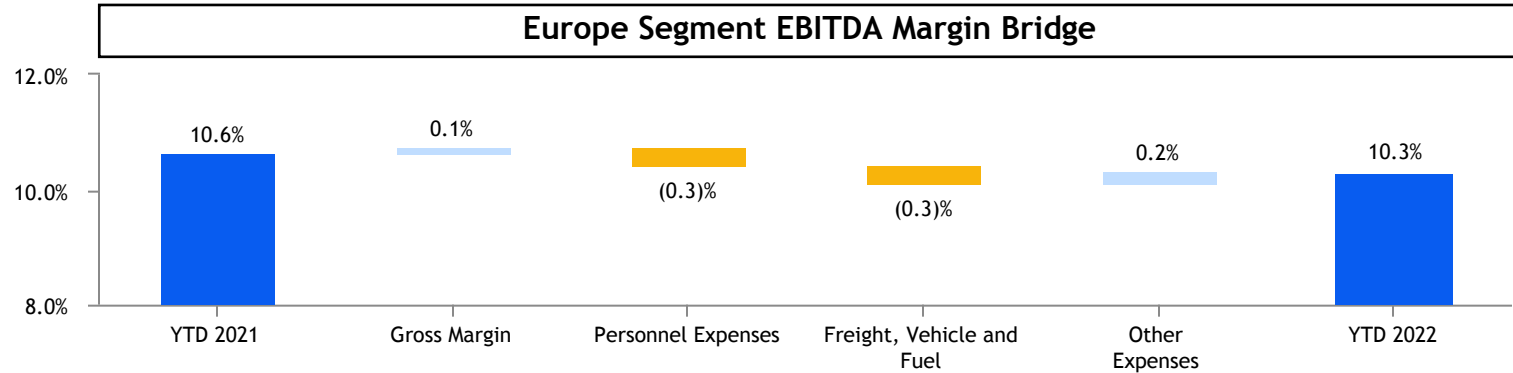
# Europe - YTD

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue <sup>(1)</sup>	\$4,345	\$4,565	(4.8)%		
Gross Margin	\$1,689	\$1,771	(4.6)%	38.9%	38.8%
Operating Expenses	\$1,256	\$1,298	3.2%	28.9%	28.4%
Segment EBITDA <sup>(2)</sup>	\$446	\$484	(7.8)%	10.3%	10.6%
Transformation Expenses <sup>(3)</sup>	\$8	\$9			
Segment EBITDA <sup>(2)</sup> excluding Transformation Expenses <sup>(3)</sup>	\$454	\$493	(8.0)%	10.4%	10.8%

(1) The foreign currency impact on parts and services revenue was \$476 million which brings revenue growth at a constant currency to 5.7%. 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 a common ERP system). These expenses are recorded in selling, general and administrative expenses.



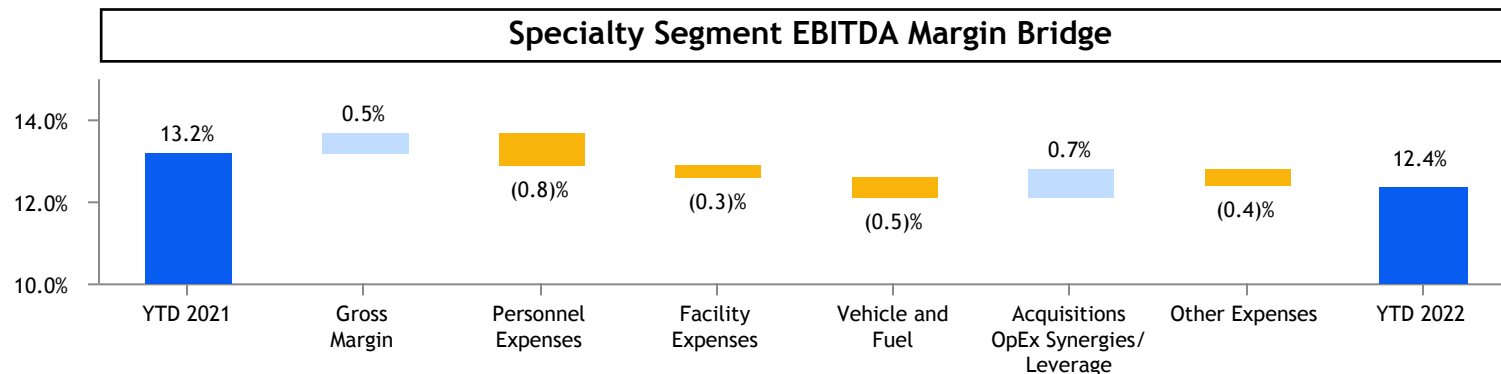
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding



# Specialty - YTD

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue	\$1,426	\$1,457	(2.1)%		
Gross Margin	\$420	\$423	(0.7)%	29.5%	29.0%
Operating Expenses	\$246	\$233	(5.7)%	17.3%	16.0%
Segment EBITDA <sup>(1)</sup>	\$176	\$193	(8.5)%	12.4%	13.2%

(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.



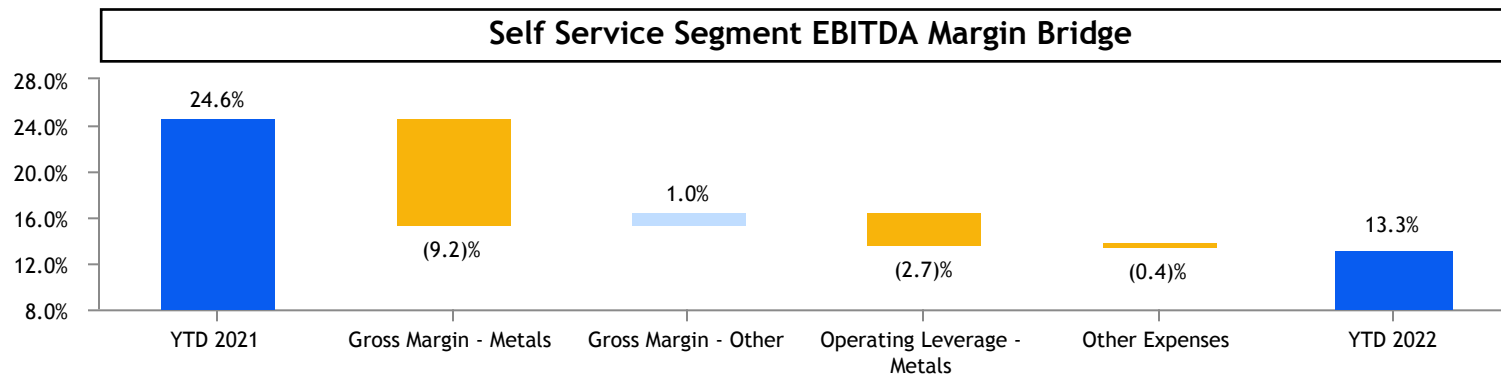
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

# Self Service - YTD

(\$ in millions)	2022	2021	Change F/(U)	% of Revenue	
				2022	2021
Total Revenue <sup>(1)</sup>	\$571	\$603	(5.4)%		
Gross Margin	\$222	\$285	(21.9)%	38.9%	47.1%
Operating Expenses	\$147	\$137	(7.4)%	25.8%	22.8%
Segment EBITDA <sup>(2)</sup>	\$76	\$148	(48.8)%	13.3%	24.6%

(1) Includes Other Revenue of \$399 million and \$449 million for YTD 2022 and YTD 2021, respectively. See slides 28 and 29 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 September 30, 2022

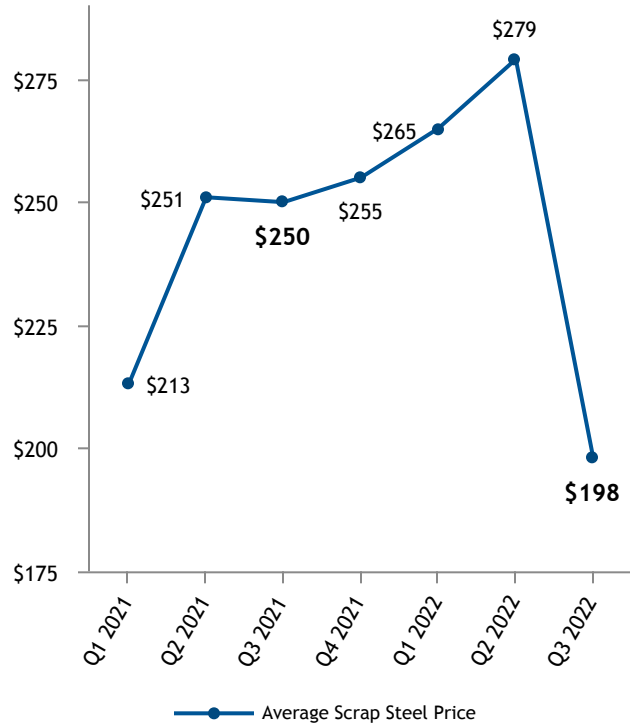
Credit Rating	<ul style="list-style-type: none"> <li>• Rated Baa3 (investment grade) by Moody's</li> <li>• Rated BBB- (investment grade) by S&amp;P Global Ratings</li> <li>• Rated BBB- (investment grade) by Fitch</li> </ul>
Debt Structure	<ul style="list-style-type: none"> <li>• Fixed Interest Rate Bonds: €750 million (\$735 million) in aggregate due in 2024 and 2028</li> <li>• Variable Interest Rate Credit Facility Borrowings: \$1.6 billion</li> <li>• Other Debt (capital leases, local lines of credit): \$91 million</li> </ul>
Maturities	<ul style="list-style-type: none"> <li>• Current maturities: \$50 million; No significant maturities until January 2024</li> </ul>
Financial Covenants <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Credit Facility maximum leverage ratio covenant: 4.0x               <ul style="list-style-type: none"> <li>◦ Net debt to EBITDA as of September 30, 2022: 1.3x</li> </ul> </li> <li>• Credit Facility minimum interest expense coverage ratio: 3.0x               <ul style="list-style-type: none"> <li>◦ EBITDA to interest expense as of September 30, 2022: 31.1x</li> </ul> </li> <li>• Euro Notes do not include financial maintenance covenants</li> </ul>
Liquidity	<ul style="list-style-type: none"> <li>• Cash on balance sheet of \$269 million</li> <li>• \$3.15 billion revolving credit facility: \$1.46 billion available</li> <li>• Total Available Liquidity: \$1.73 billion</li> </ul>
Cash Flows	<ul style="list-style-type: none"> <li>• YTD 2022 operating cash flow of \$1.01 billion; free cash flow<sup>(2)</sup> of \$862 million</li> </ul>

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

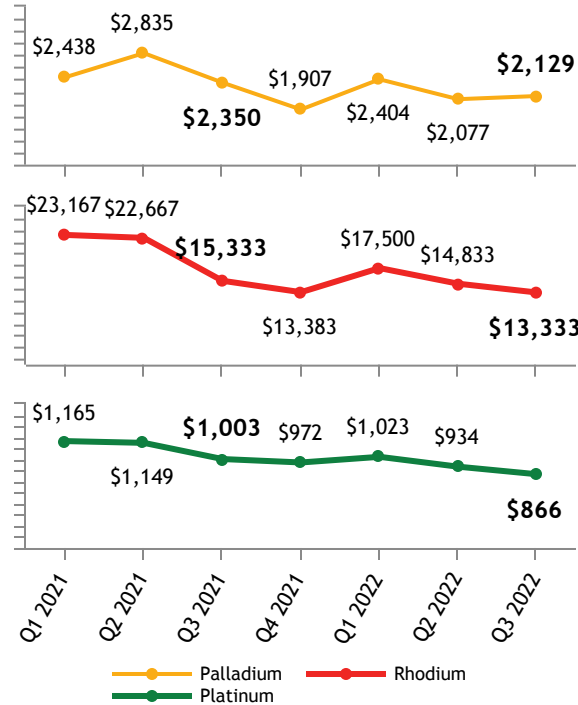
(2) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

# Metals Prices

Q3 scrap steel prices decreased YoY and QoQ (sequential change of 29% in 2022)



Q3 precious metal prices declined YoY and were mixed sequentially



## Scrap steel impact

Sequential changes in scrap steel prices impact to Segment EBITDA:

Self Service:

- Q3 2022 unfavorable by \$16 million; YTD 2022 unfavorable by \$11 million
- Q3 2021 favorable by \$4 million; YTD 2021 favorable by \$25 million

Wholesale - North America:

- Q3 2022 unfavorable by \$4 million; YTD 2022 unfavorable by \$2 million
- Q3 2021 favorable by \$3 million; YTD 2021 favorable by \$14 million

## Precious metals impact

Q3 average Platinum, Rhodium, and Palladium prices decreased 13.6%, 13.0%, and 9.4%

Estimated YoY impact to Segment EBITDA from precious metals

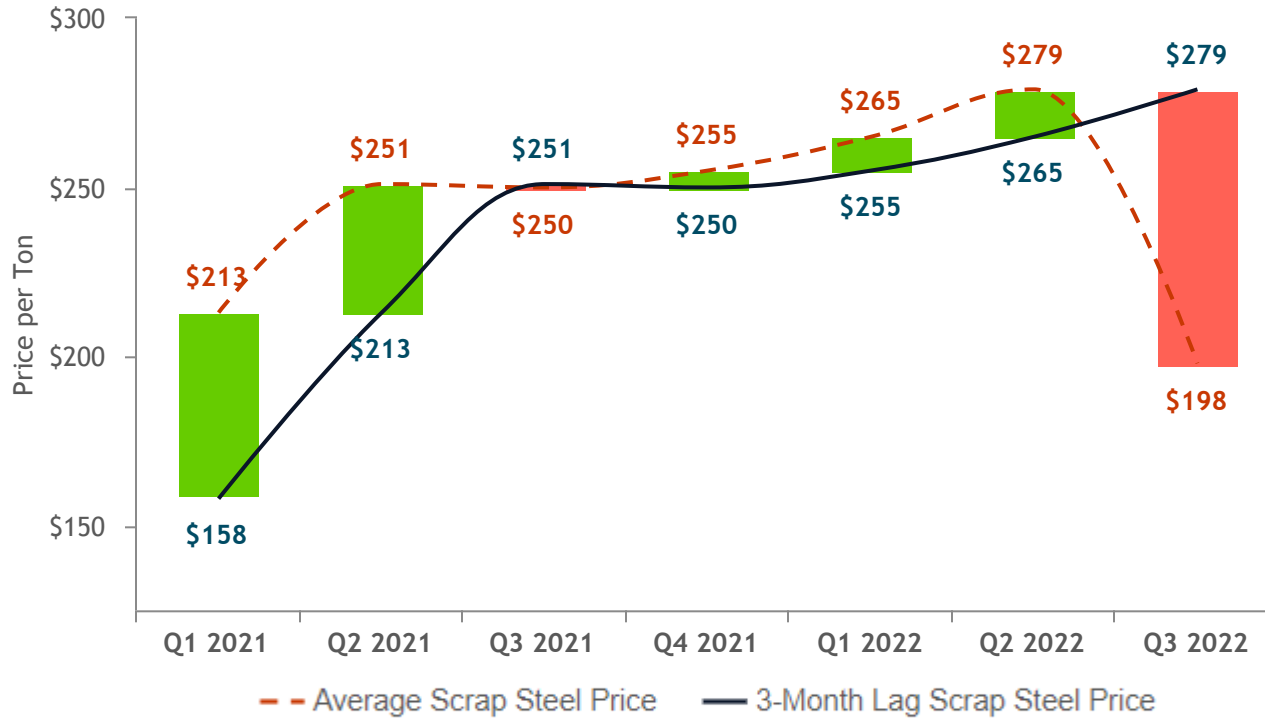
- Self Service: (\$5M) in Q3 and (\$32M) YTD
- Wholesale - North America: (\$4M) in Q3 and (\$16M) YTD

## Total metals price impact (compared to the prior year)

Estimated decrease to Wholesale - North America Segment EBITDA margin of approximately 0.8% in Q3 and 0.9% YTD

Estimated decrease to Self Service Segment EBITDA margin of approximately 12.4% in Q3 and 10.4% YTD

# Lag Effect - Scrap Steel Prices

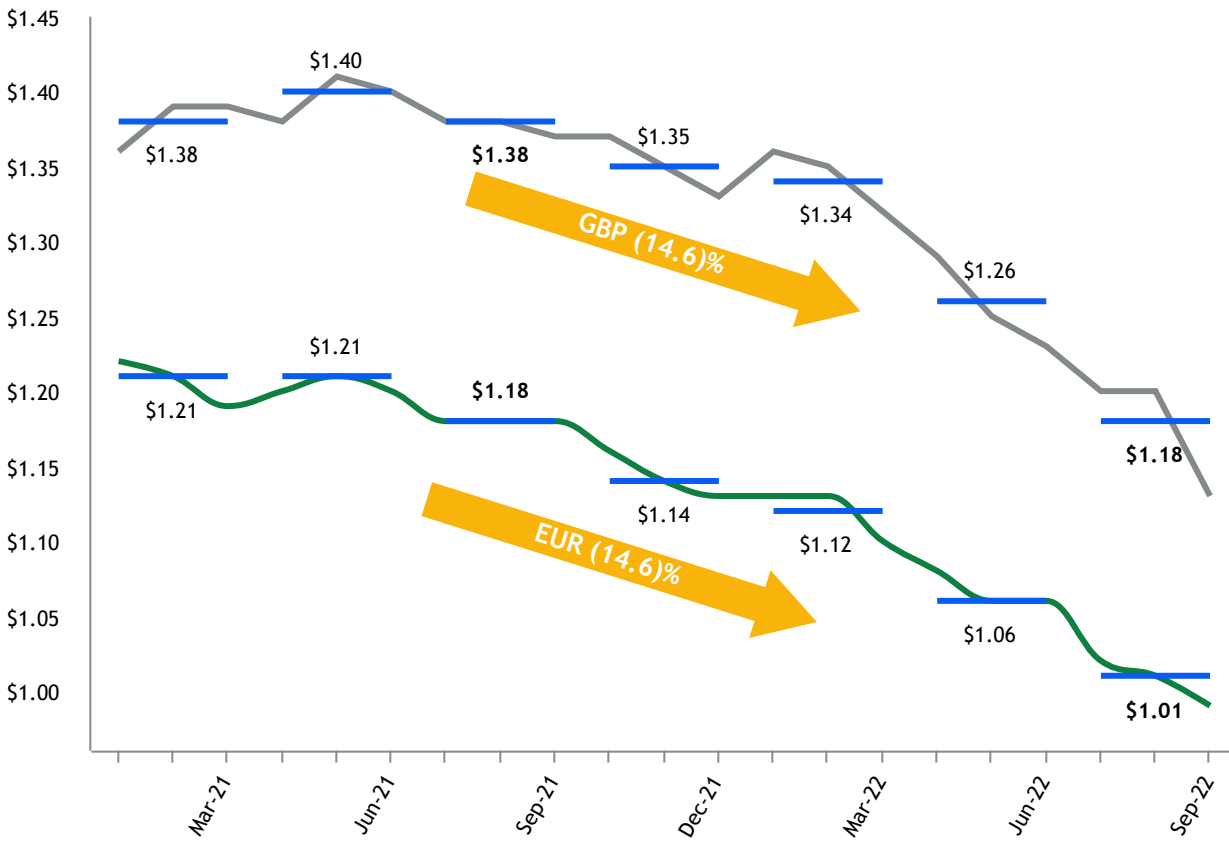


## Self Service Lag Effect

- 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 14.6% Q3 2022 vs Q3 2021
- € down 14.6% Q3 2022 vs Q3 2021
- \$224 million unfavorable impact of translation of weaker Q3 rates relative to the US Dollar on European parts and services revenue growth
- Foreign exchange (translation and transaction gains/losses) impact:
  - Q3 2022 unfavorable impacts of \$0.06 to GAAP and \$0.07 to Adjusted EPS
  - YTD 2022 unfavorable impacts of \$0.11 to GAAP and \$0.13 to Adjusted EPS

# Inventory Procurement

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

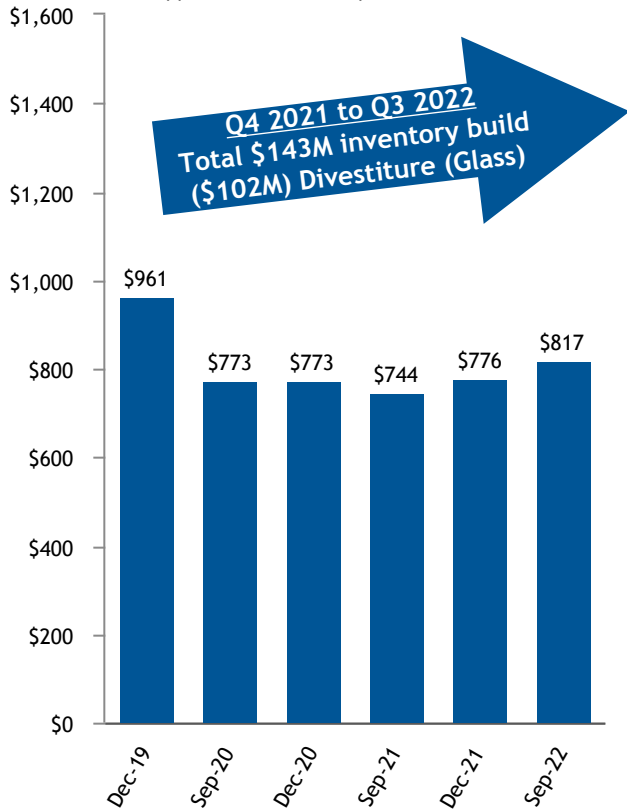
	Q3			YTD		
	2022	2021	% Change	2022	2021	% Change
Total aftermarket procurement	\$1,439	\$1,590	(9.5)%	\$4,646	\$4,764	(2.5)%
Wholesale - North America salvage vehicles	63	61	3.3%	188	174	8.0%
Europe wholesale salvage vehicles	7	6	16.7%	23	19	21.1%
Self Service salvage vehicles	122	137	(10.9)%	396	414	(4.3)%

- Aftermarket purchases increased on a YTD 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
  - YTD Europe aftermarket purchases included a decrease of \$307 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 \$154 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 14% on a YTD basis over the prior year

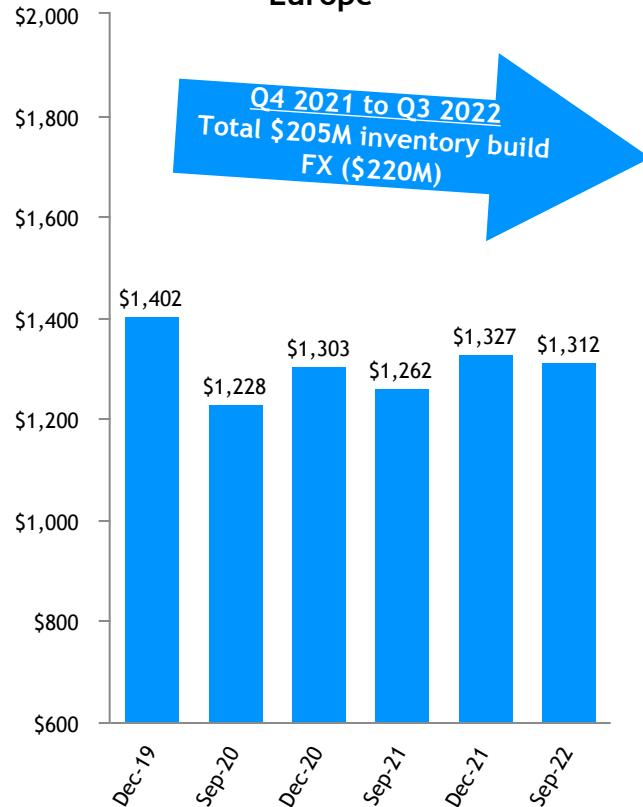
# Inventory Balances

(\$ in millions)

## Wholesale - North America



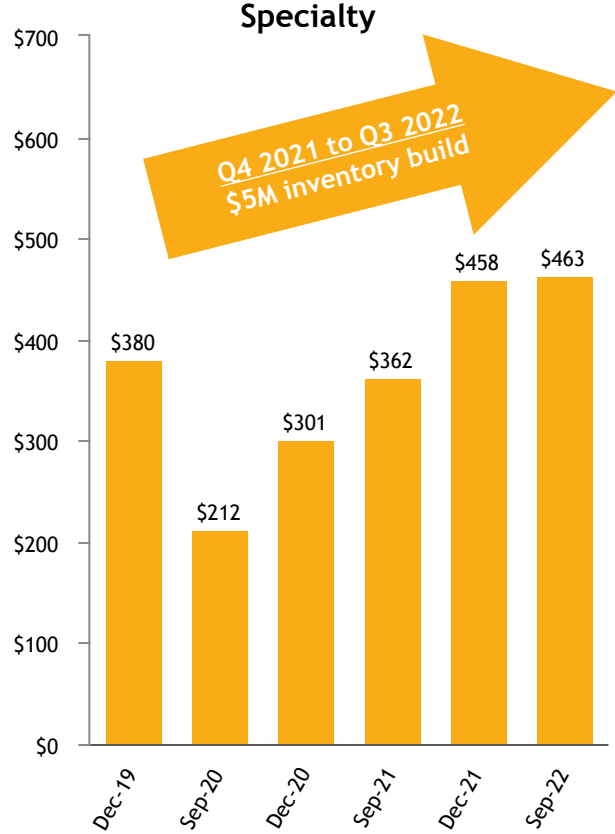
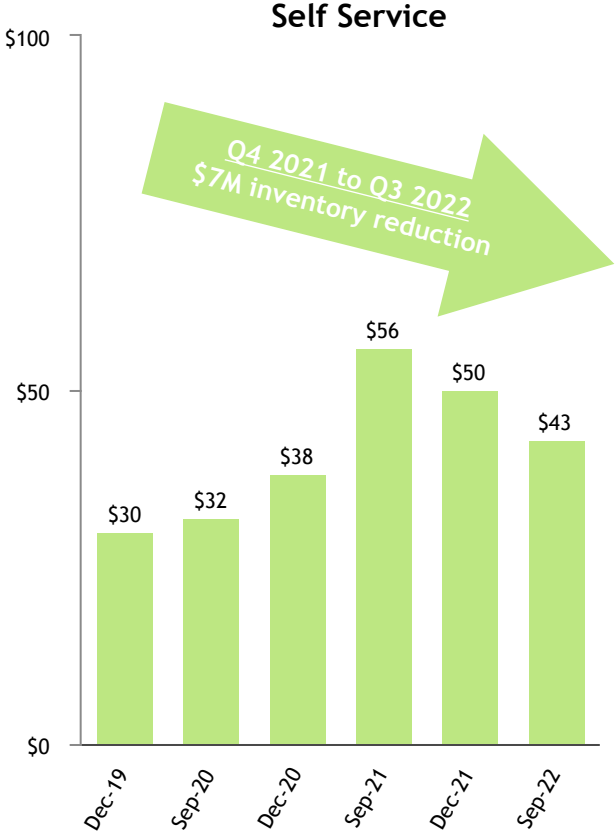
## Europe





# 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 September 30, 2022		Nine Months Ended September 30, 2022	
	Consolidated	Europe	Consolidated	Europe
<b>Parts &amp; Services</b>				
Revenue as reported	\$2,909	\$1,376	\$9,105	\$4,327
Less: Currency impact	(226)	(224)	(483)	(476)
Revenue at constant currency	\$3,135	\$1,600	\$9,588	\$4,803
<b>Total</b>				
Revenue as reported	\$3,104		\$9,793	
Less: Currency impact	(228)		(486)	
Revenue at constant currency	\$3,332		\$10,279	

# Appendix 1(cont.)

## Constant Currency Reconciliation

	Three Months Ended September 30, 2022		Nine Months Ended September 30, 2022	
	Consolidated	Europe	Consolidated	Europe
<b>Parts &amp; Services</b>				
Revenue growth as reported	(5.0)%	(9.4)%	(0.7)%	(4.8)%
Less: Currency impact	(7.4)%	(14.7)%	(5.3)%	(10.5)%
Revenue growth at constant currency	2.4%	5.3%	4.6%	5.7%
<b>Total</b>				
Revenue growth as reported	(5.9)%		(1.1)%	
Less: Currency impact	(6.9)%		(4.9)%	
Revenue growth at constant currency	1.0%		3.8%	

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 September 30 <sup>(1)</sup>				Nine Months Ended September 30 <sup>(1)</sup>			
	2022	% of revenue	2021	% of revenue	2022	% of revenue	2021	% of revenue
<b>Revenue</b>								
Wholesale - North America	\$1,109		\$1,112		\$3,454		\$3,282	
Europe	1,380		1,525		4,345		4,565	
Specialty	452		466		1,426		1,457	
Self Service	164		195		571		603	
Eliminations	(1)		(1)		(3)		(4)	
<b>Total Revenue</b>	<b>\$3,104</b>		<b>\$3,297</b>		<b>\$9,793</b>		<b>\$9,903</b>	
<b>Segment EBITDA</b>								
Wholesale - North America	\$216	19.4%	\$190	17.1%	\$648	18.7%	\$603	18.4%
Europe	155	11.3%	175	11.5%	446	10.3%	484	10.6%
Specialty	49	10.8%	52	11.1%	176	12.4%	193	13.2%
Self Service	4	2.6%	36	18.4%	76	13.3%	148	24.6%
<b>Total Segment EBITDA</b>	<b>\$424</b>	<b>13.7%</b>	<b>\$453</b>	<b>13.7%</b>	<b>\$1,346</b>	<b>13.7%</b>	<b>\$1,428</b>	<b>14.4%</b>

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 September 30 <sup>(1)</sup>		Nine Months Ended September 30 <sup>(1)</sup>	
	2022	2021	2022	2021
Net income	\$262	\$284	\$955	\$856
<b>Subtract:</b>				
Net income attributable to continuing noncontrolling interest	—	—	—	1
Net income attributable to LKQ stockholders	\$262	\$284	\$955	\$855
<b>Subtract:</b>				
Net income from discontinued operations	1	—	5	—
Net income from continuing operations attributable to LKQ stockholders	\$261	\$284	\$950	\$855
<b>Add:</b>				
Depreciation and amortization	58	64	178	195
Depreciation and amortization - cost of goods sold	6	6	19	16
Depreciation and amortization - restructuring expenses <sup>(2)</sup>	—	1	—	1
Interest expense, net of interest income	17	16	46	56
Loss on debt extinguishment	—	—	—	24
Provision for income taxes	88	89	304	290
<b>EBITDA</b>	<b>\$430</b>	<b>\$460</b>	<b>\$1,497</b>	<b>\$1,437</b>
<b>Subtract:</b>				
Equity in earnings of unconsolidated subsidiaries	2	8	8	17
Equity investment fair value adjustments	—	2	(3)	8
<b>Add:</b>				
Restructuring and transaction related expenses <sup>(2)</sup>	3	2	10	15
Gain on disposal of businesses and impairment of net assets held for sale	(4)	1	(159)	—
Change in fair value of contingent consideration liabilities	—	—	—	1
Gains on previously held equity interests	(2)	—	(1)	—
Direct impacts of Ukraine/Russia conflict <sup>(3)</sup>	(1)	—	4	—
<b>Segment EBITDA</b>	<b>\$424</b>	<b>\$453</b>	<b>\$1,346</b>	<b>\$1,428</b>
Net income from continuing operations attributable to LKQ stockholders as a percentage of revenue	8.4%	8.6%	9.7%	8.6%
EBITDA as a percentage of revenue	13.8%	13.9%	15.3%	14.5%
Segment EBITDA as a percentage of revenue	13.7%	13.7%	13.7%	14.4%

(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 September 30 <sup>(1)</sup>		Nine Months Ended September 30 <sup>(1)</sup>	
	2022	2021	2022	2021
Net income	\$262	\$284	\$955	\$856
<b>Subtract:</b>				
Net income attributable to continuing noncontrolling interest	—	—	—	1
Net income attributable to LKQ stockholders	\$262	\$284	\$955	\$855
<b>Subtract:</b>				
Net income from discontinued operations	1	—	5	—
Net income from continuing operations attributable to LKQ stockholders	\$261	\$284	\$950	\$855
Adjustments - continuing operations attributable to LKQ stockholders:				
Amortization of acquired intangibles	15	19	48	59
Restructuring and transaction related expenses	3	3	10	16
Gains on previously held equity interests	(2)	—	(1)	—
Change in fair value of contingent consideration liabilities	—	—	—	1
Loss on debt extinguishment	—	—	—	24
Direct impacts of Ukraine/Russia conflict <sup>(2)</sup>	(1)	—	4	—
Gain on disposal of businesses and impairment of net assets held for sale	(4)	1	(159)	—
Excess tax benefit from stock-based payments	(1)	(1)	(3)	(2)
Tax effect of adjustments	(5)	(6)	11	(27)
Adjusted net income from continuing operations attributable to LKQ stockholders	\$266	\$300	\$860	\$926
Weighted average diluted common shares outstanding	274.6	294.9	281.2	300.0
Diluted earnings per share from continuing operations attributable to LKQ stockholders:				
Reported	\$0.95	\$0.96	\$3.37	\$2.85
Adjusted	\$0.97	\$1.02	\$3.06	\$3.09

(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<sup>(1)</sup>

(in millions, except per share data)	Forecasted Fiscal Year 2022	
	Minimum Outlook	Maximum Outlook
Net income from continuing operations attributable to LKQ stockholders	\$1,145	\$1,173
Adjustments:		
Amortization of acquired intangibles	62	62
Restructuring and transaction related expenses	15	15
Gain on disposal of businesses and impairment of net assets held for sale	(159)	(159)
Other adjustments	(1)	(1)
Tax effect of adjustments	8	8
Adjusted net income from continuing operations attributable to LKQ stockholders	\$1,070	\$1,098
Weighted average diluted common shares outstanding	278.0	278.0
Diluted EPS from continuing operations attributable to LKQ stockholders:		
U.S. GAAP	\$4.12	\$4.22
Non-GAAP (Adjusted)	\$3.85	\$3.95

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 2022, restructuring and transaction related expenses under previously announced plans, and the related tax effect; we included for all other components the amounts incurred through September 30, 2022.

(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 September 30 <sup>(1)</sup>		Nine Months Ended September 30 <sup>(1)</sup>	
	2022	2021	2022	2021
Net cash provided by operating activities	\$273	\$429	\$1,010	\$1,362
Less: purchases of property, plant and equipment	49	45	148	133
Free cash flow	\$224	\$384	\$862	\$1,229

(in millions)	Year Ended December 31 <sup>(1)</sup>		
	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 2022</u>
	<u>Outlook</u>
Net cash provided by operating activities	\$1,250
Less: purchases of property, plant and equipment	250
Free cash flow	\$1,000

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>September 30, 2022<sup>(1)</sup></u>	<u>December 31, 2021<sup>(1)</sup></u>
Current portion of long-term obligations	\$50	\$35
Long-term obligations, excluding current portion	2,390	2,777
Total debt, net of debt issuance costs	\$2,440	\$2,812
Add: Debt issuance costs	7	12
Total debt	\$2,447	\$2,824
Less: Cash and cash equivalents	269	274
Net debt	\$2,178	\$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