

Third Quarter 2023 Earnings Call Presentation

October 26, 2023



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 that may cause our actual results, performance or achievements to be materially different. 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 factors discussed in our filings with the SEC, including those 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, 2022 and in our subsequent Quarterly Reports on Form 10-Q. These reports are available at the Investor Relations section on our website (www.lkqcorp.com) and on the SEC’s website (www.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 2023 Highlights

- Organic revenue growth for parts and services of 3.0% (4.3% on a per day basis)
 - Europe: 5.1% (6.2% on a per day basis)
 - Wholesale - North America: 4.1% (5.8% on a per day basis)
 - Specialty: (6.1)% ((4.6%) on a per day basis)
- Segment EBITDA⁽¹⁾ of \$422 million; Segment EBITDA⁽¹⁾ margin of 11.8%, including a 0.2% dilutive effect related to our acquisition of Uni-Select Inc. ("Uni-Select")
 - Wholesale - North America Segment EBITDA⁽¹⁾ margin of 17.0%, including a 1.8% dilutive effect related to our acquisition of Uni-Select
 - Europe Segment EBITDA⁽¹⁾ margin of 9.3%, including an \$11 million (0.7%) charge to settle a value-added tax issue in Italy and a \$8 million (0.4%) impact from labor strikes in our Germany operations
- Operating cash flow of \$441 million; free cash flow⁽²⁾ of \$344 million (on track to reach \$1 billion for 2023)
- Paid quarterly dividend of \$0.275 per share in August 2023 totaling \$74 million; approved a 9% increase to our quarterly dividend to \$0.30 per share to be paid in November 2023
- On August 1, 2023, completed the previously announced acquisition of Uni-Select
- On October 25, 2023, divested GSF Car Parts, Uni-Select's UK business (proceeds used for debt repayments)
- As of September 30, 2023, \$1.1 billion of capacity remains under the Company's stock repurchase program

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

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

Outlook 2023⁽¹⁾

(effective only on the date issued: October 26, 2023)

	Full Year 2023 Previous Outlook ⁽⁵⁾	2023 Full Year Outlook Updated Outlook
Organic parts and services revenue growth	6.0% to 7.5%	4.75% to 5.75%
Diluted EPS ⁽²⁾	\$3.65 to \$3.85	\$3.41 to \$3.55
Adjusted Diluted EPS ⁽²⁾⁽³⁾	\$3.90 to \$4.10	\$3.68 to \$3.82
Operating cash flow	approx. \$1.275 billion	approx. \$1.3 billion
Free cash flow ⁽⁴⁾	approx. \$975 million	approx. \$1.0 billion
Free cash flow conversion of Adjusted EBITDA ⁽⁴⁾	55% to 60%	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 27.0%, 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 foreign currency exchange rates near current average levels, including \$1.06 and \$1.23 for the euro and pound sterling, respectively, for the balance of the year. Prior guidance issued on July 27, 2023 had foreign currency exchange rate levels of \$1.09 and \$1.25 for the euro and pound sterling, respectively. Changes in these conditions may impact our ability to achieve the estimates. The full year GAAP outlook includes projected Uni-Select operational results from the acquisition date through year-end. 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 subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families), interest and financing costs related to the Uni-Select transaction prior to closing and gains and losses related to acquisitions or divestitures (including changes in the fair value of contingent consideration liabilities and gains or losses on foreign currency forward contracts related to the Uni-Select acquisition)

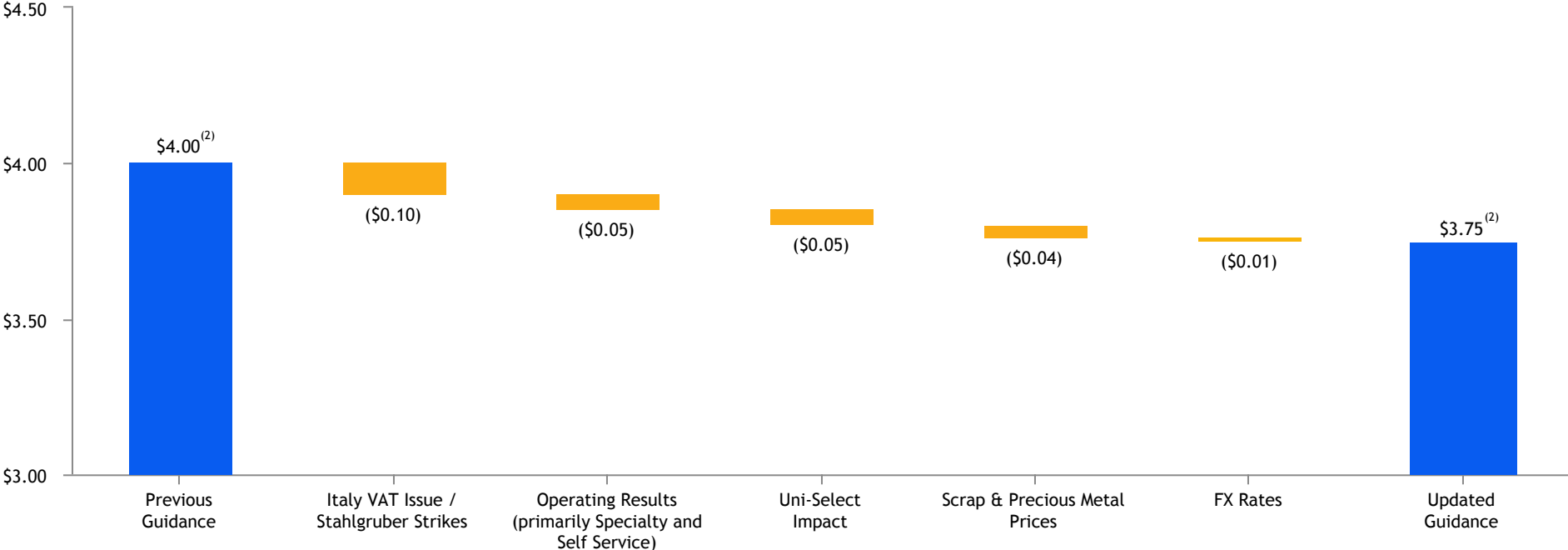
(2) Actual and outlook figures are for continuing operations attributable to LKQ stockholders

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

(4) Free Cash Flow and Adjusted EBITDA are non-GAAP measures. Refer to Appendix 6 for forecasted Free Cash Flow reconciliation

(5) Previous guidance was issued July 27, 2023

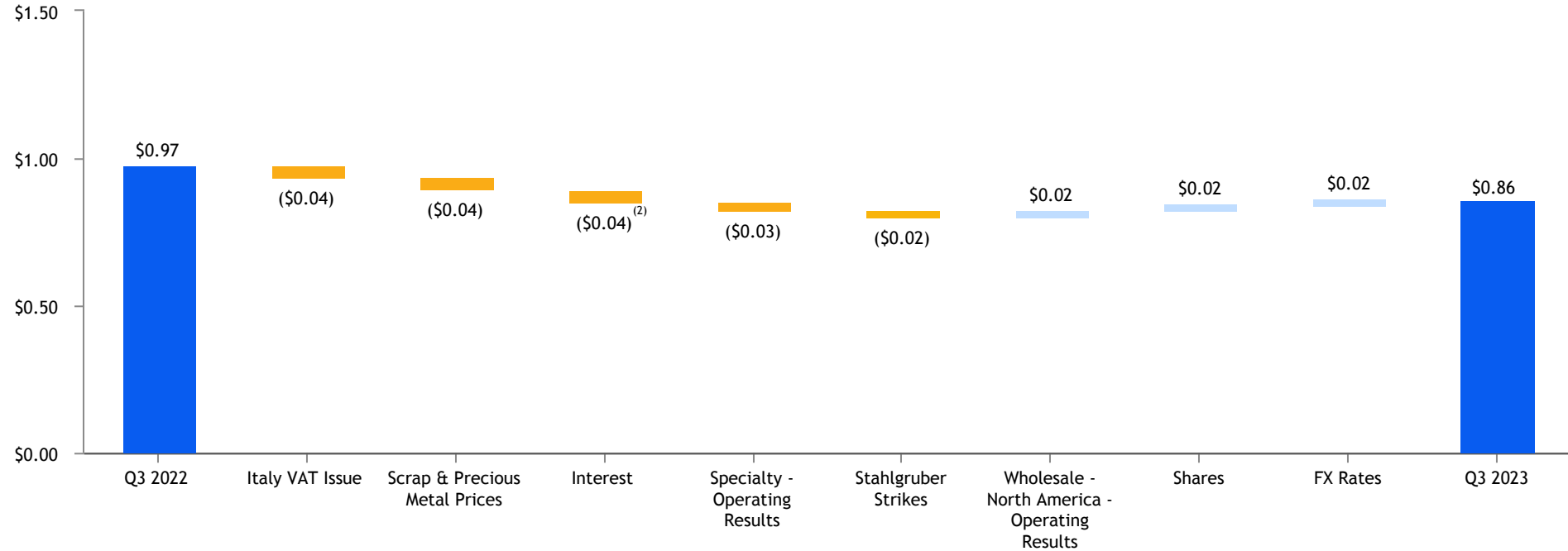
2023 Adjusted EPS⁽¹⁾ Guidance Walk



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

(2) The amounts represents the midpoint of our guidance range

Q3 2023 Adjusted EPS Walk ⁽¹⁾

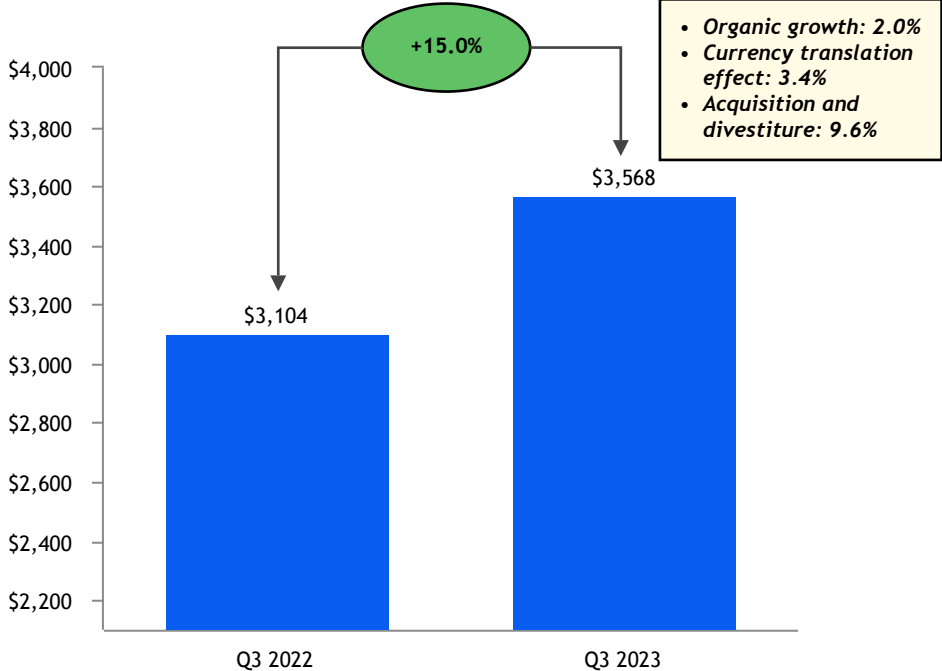


(1) Adjusted Diluted EPS is a non-GAAP measure. See Appendix 4 for reconciliation of Adjusted Diluted EPS

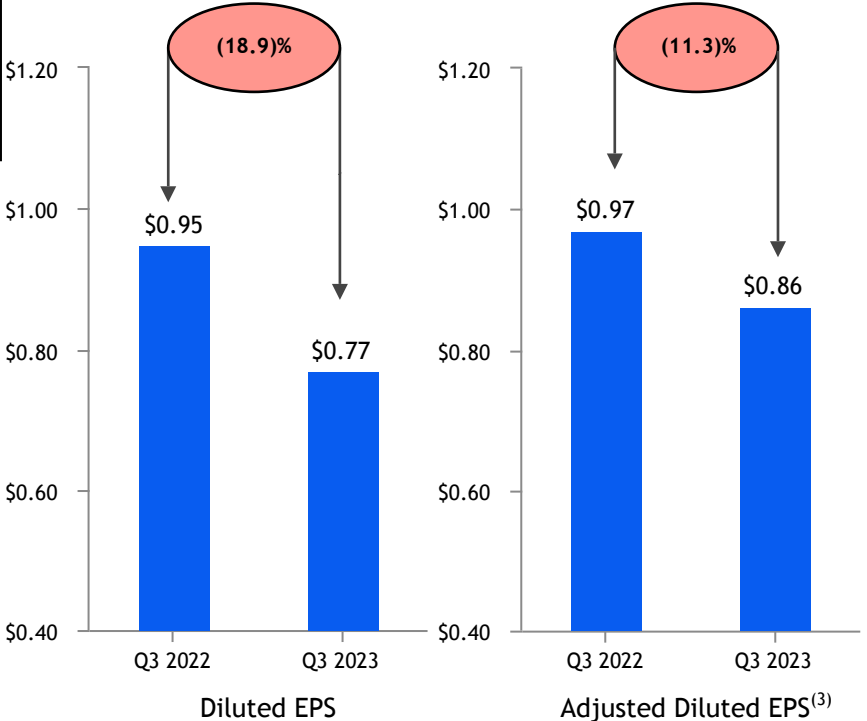
(2) Interest excluding the effect of Uni-Select borrowings

Consolidated Results Q3 2023

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



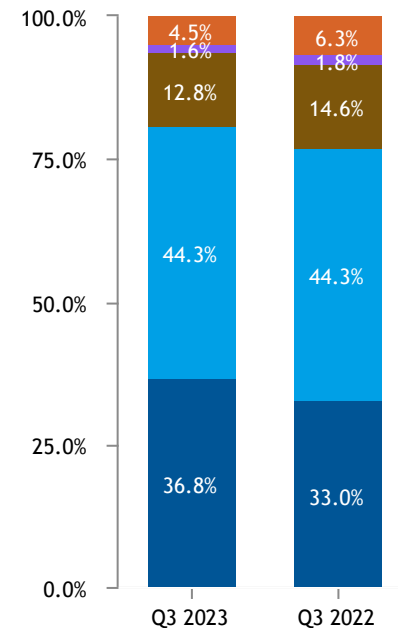
Q3 2023 Revenue

Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total ⁽¹⁾
Wholesale - North America	4.1%	24.0%	(0.2)%	28.0%
Europe	5.1%	1.9%	7.8%	14.8%
Specialty	(6.1)%	7.2%	(0.2)%	0.9%
Self Service	5.1%	—%	—%	5.1%
Parts and Services	3.0%	10.5%	3.6%	17.1%
Other	(14.0)%	(3.5)%	—%	(17.5)%
Total Revenue	2.0%	9.6%	3.4%	15.0%

- Wholesale - North America organic revenue for parts and services increased 4.1%; (5.8% on a per day basis) primarily driven by a net volume increase and pricing initiatives which focused on offsetting inflation on input costs. Aftermarket collision parts volumes increased year over year due to (i) reduced pressures on our supply chain and (ii) the continued rollout of State Farm's aftermarket parts program, which began on a trial basis in June 2022 and has subsequently been expanded
- Wholesale - North America acquisition and divestiture revenue was a net increase of \$246 million primarily due to the acquisition of Uni-Select in the third quarter of 2023
- Europe organic revenue for parts and services increased 5.1% (6.2% on a per day basis) primarily driven by volume growth across all geographies and, to a lesser extent, pricing initiatives to offset higher costs due to ongoing inflationary pressures; revenue growth was negatively impacted by labor strikes in our German operations in the third quarter of 2023
- Favorable F/X impact on European parts and services revenue of \$108 million; European constant currency⁽²⁾ parts and services revenue increased 7.0%
- Specialty organic revenue for parts and services decreased 6.1%; primarily due to demand softness in the recreational vehicle ("RV") product line, as RV unit retail sales and wholesale shipments have declined year over year
- Self Service organic revenue for parts and services increased 5.1%; primarily driven by pricing initiatives which focused on offsetting inflation on input costs
- Other organic revenue decreased 14.0% primarily driven by lower commodity 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

Components of Revenue



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

(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 - Q3

(\$ in millions, except per share data)	Third Quarter		
	2023	2022	Change F/(U)
Revenue	\$3,568	\$3,104	15.0%
Gross Margin	1,390	1,276	8.9%
Operating Expenses	979	861	(13.7)%
Operating Income	308	358	(14.0)%
Income from continuing operations before provision for income taxes	263	347	(24.2)%
Net income from continuing operations attributable to LKQ stockholders	207	261	(20.5)%
Segment EBITDA ⁽¹⁾	422	424	(0.4)%
Segment EBITDA ⁽¹⁾ Margin	11.8%	13.7%	(190) bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	\$0.77	\$0.95	(18.9)%
Adjusted ⁽²⁾	\$0.86	\$0.97	(11.3)%

- Effective income tax rate for the three months ended September 30, 2023 was 22.6%, compared to 25.2% for the three months ended September 30, 2022, including 4.4% net favorable discrete items, primarily related to the settlement of the FX forward contract for the Uni-Select acquisition in Q3 2023

- Year over year variances:

Impact on Diluted EPS from continuing operations attributable to LKQ stockholders:		
	Reported	Adjusted
Foreign exchange (see slide 27)	\$0.08	\$0.02
Metals pricing (see slide 27)	\$(0.04)	\$(0.04)
Interest expense, net:	\$(0.10) ⁽³⁾	\$(0.09) ⁽³⁾
Uni-Select effect	\$(0.07)	\$(0.06)
All other	\$(0.04)	\$(0.04)

(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

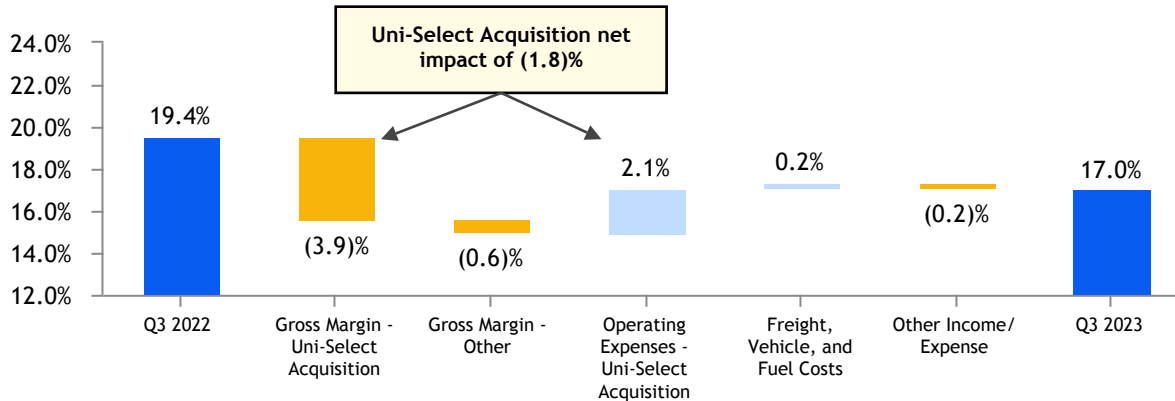
(3) The sum of the individual earnings per share amounts may not equal the total due to rounding

Wholesale - North America - Q3

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue	\$1,387	\$1,109	25.3%		
Gross Margin	\$618	\$544	13.8%	44.6%	49.1%
Operating Expenses	\$387	\$335	(15.7)%	27.9%	30.2%
Segment EBITDA ⁽¹⁾	\$236	\$216	10.0%	17.0%	19.4%

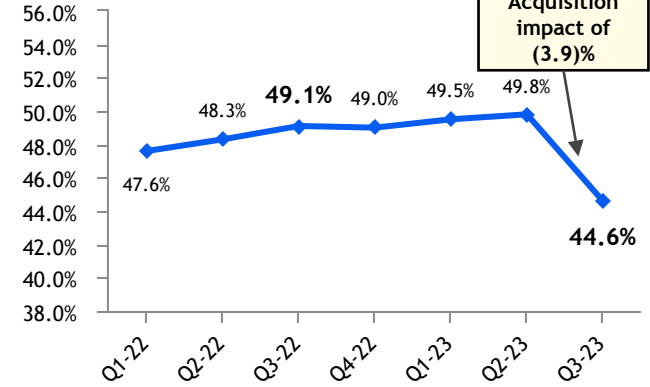
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

Wholesale - North America Segment EBITDA Margin Bridge

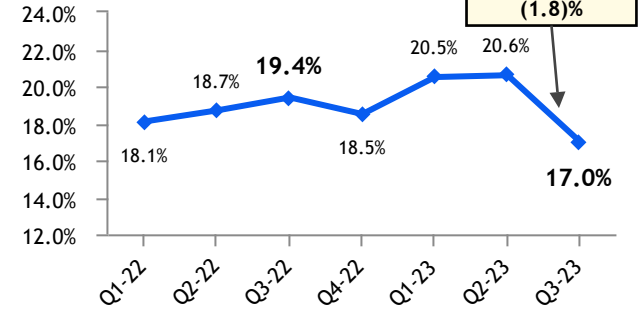


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Gross Margin



Segment EBITDA Margin



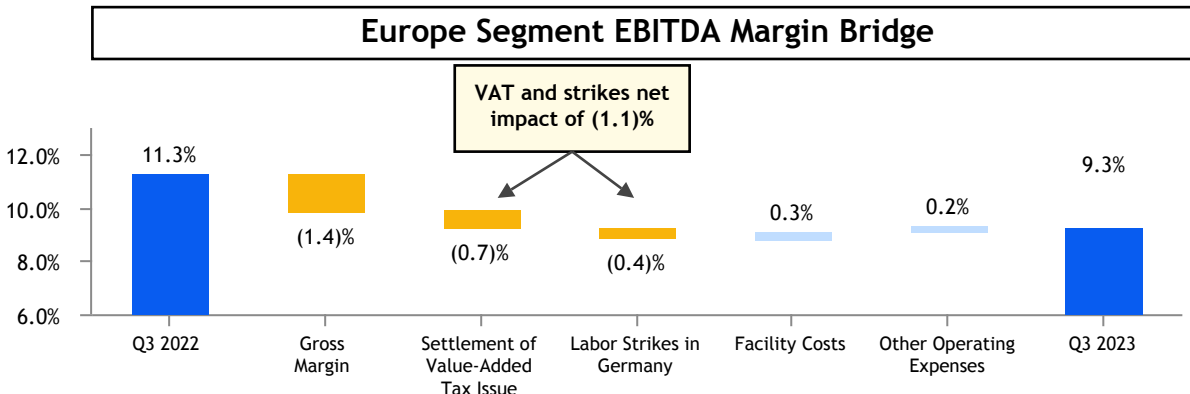
Keeping you moving

Europe - Q3

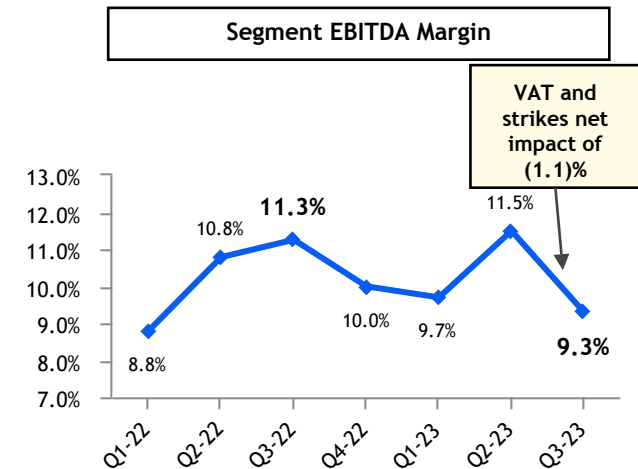
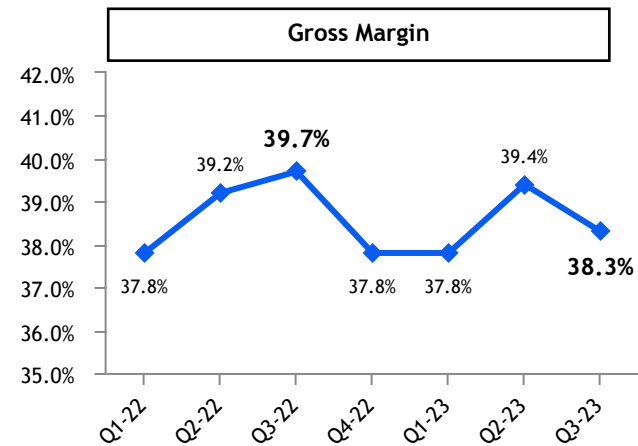
(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue ⁽¹⁾	\$1,584	\$1,380	14.7%		
Gross Margin	\$607	\$548	10.7%	38.3%	39.7%
Operating Expenses	\$464	\$395	(17.2)%	29.3%	28.7%
Segment EBITDA ⁽²⁾	\$147	\$155	(5.4)%	9.3%	11.3%

(1) The foreign currency impact on parts and services revenue was a \$108 million favorable impact which brings revenue growth at a constant currency to 7.0%. 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.



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

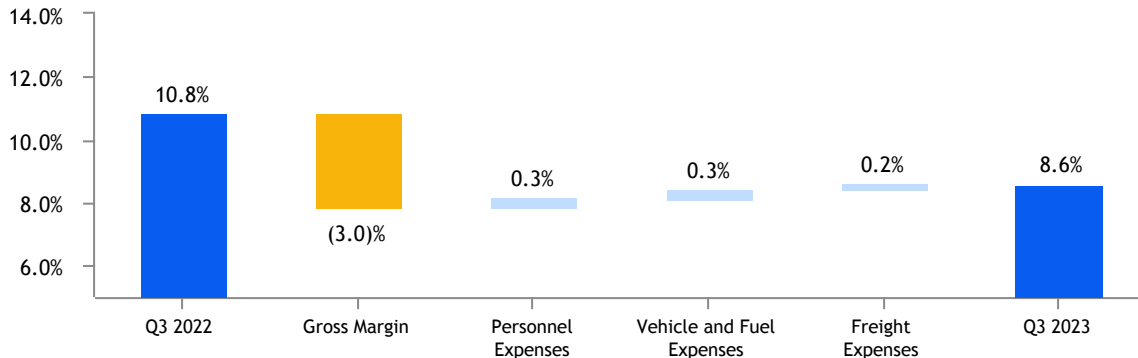


Specialty - Q3

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue	\$457	\$452	0.9%		
Gross Margin	\$118	\$130	(9.6)%	25.7%	28.7%
Operating Expenses	\$80	\$81	1.7%	17.6%	18.0%
Segment EBITDA ⁽¹⁾	\$40	\$49	(19.5)%	8.6%	10.8%

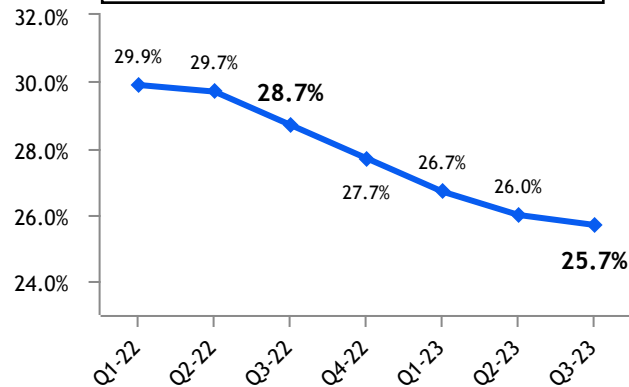
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

Specialty Segment EBITDA Margin Bridge

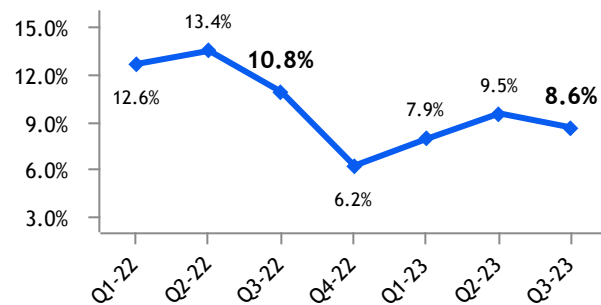


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Gross Margin



Segment EBITDA Margin



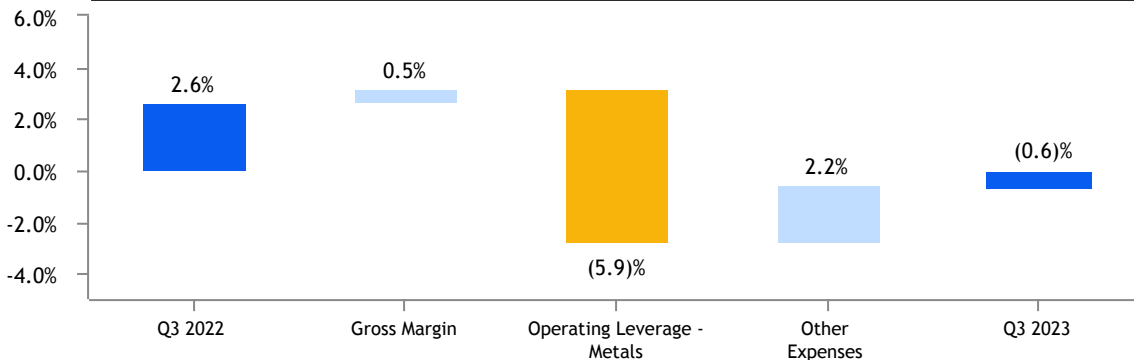
Self Service - Q3

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue ⁽¹⁾	\$141	\$164	(14.4)%		
Gross Margin	\$47	\$54	(13.2)%	33.4%	33.0%
Operating Expenses	\$48	\$50	3.9%	34.3%	30.5%
Segment EBITDA ⁽²⁾	(\$1)	\$4	n/m	(0.6)%	2.6%

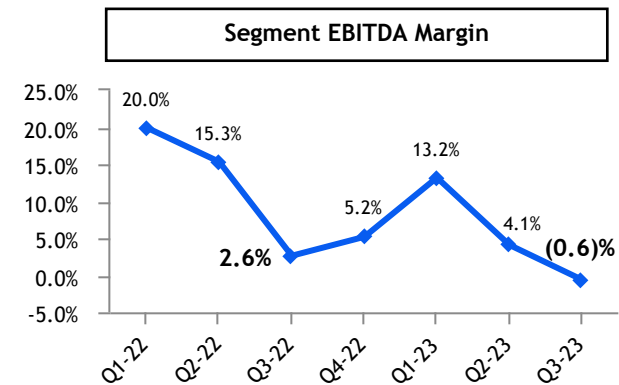
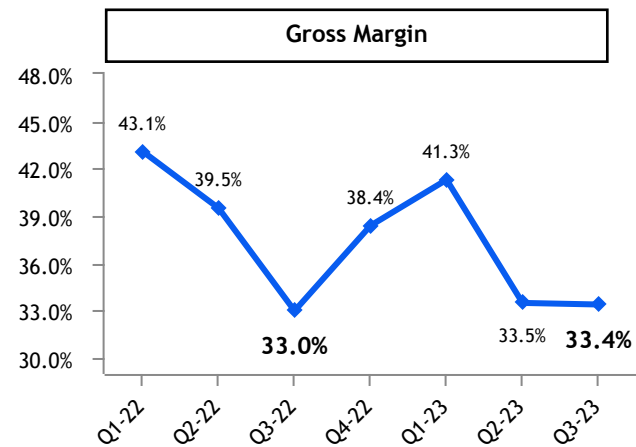
(1) Includes Other Revenue of \$83 million and \$109 million in Q3 2023 and Q3 2022, respectively. See slide 27 for further detail on metals price trends.

(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.

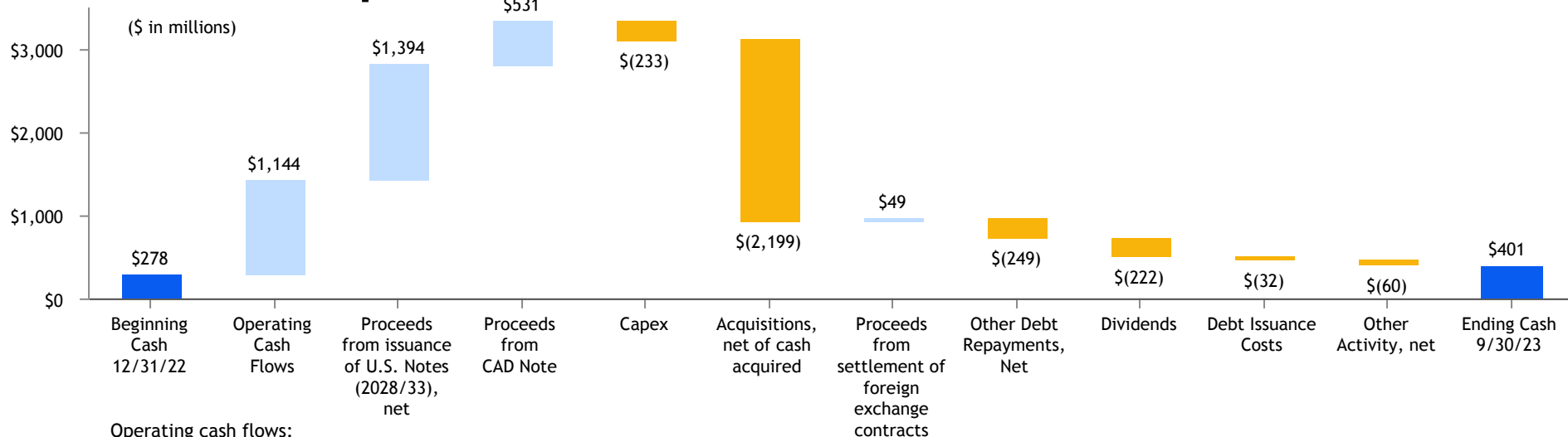
Self Service Segment EBITDA Margin Bridge



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 2023 Capital Allocation



Operating cash flows:

- Operating cash flows of \$1,144 million represent a 13%, or \$134 million, increase year over year primarily driven by higher purchasing levels in the prior period due to restocking efforts to rebuild inventory levels and easing supply constraints in our Europe and Wholesale - North America segments

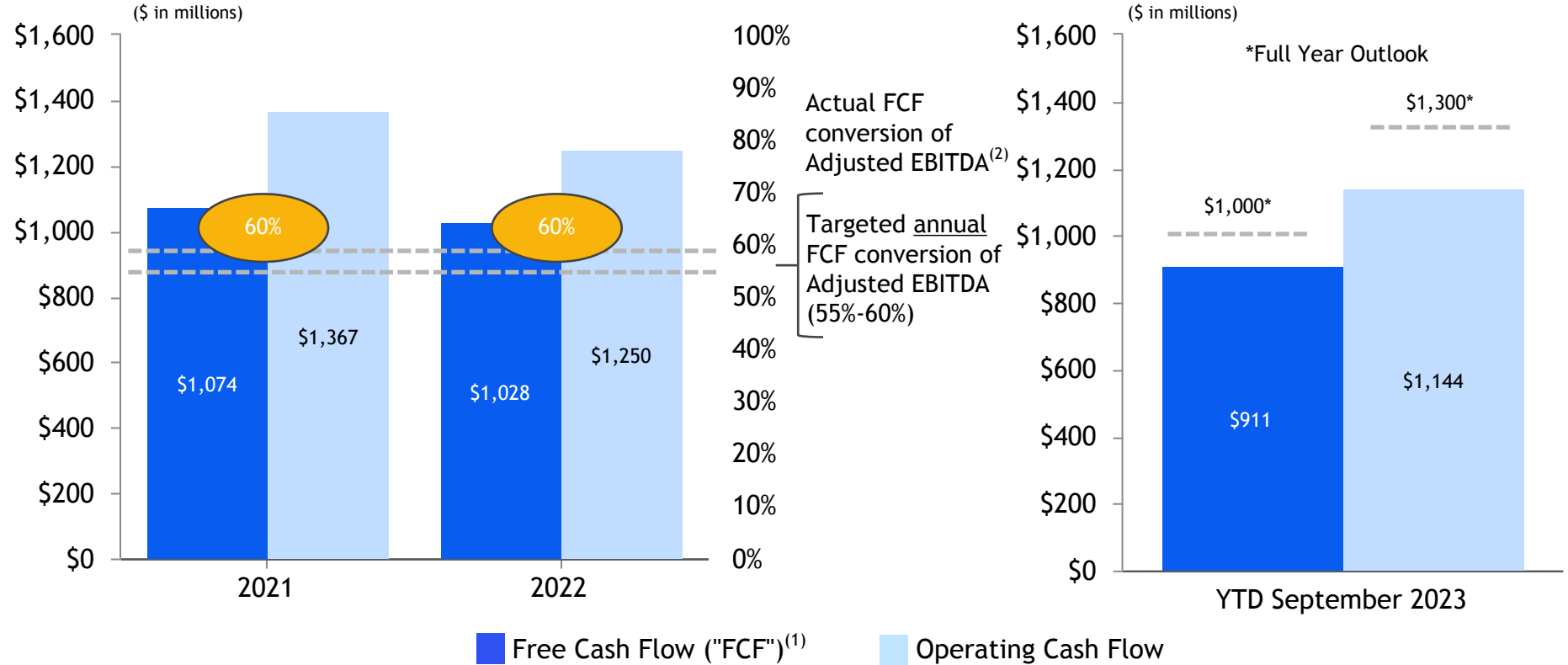
Investing cash flows:

- Capex of \$233 million vs. \$148 million in 2022; up 57%, primarily driven by capital projects in each of our segments
- \$2,199 million of cash invested in business acquisitions primarily related to the acquisition of Uni-Select vs. \$4 million in the prior year
- \$49 million of proceeds from settlement of foreign exchange contracts related to the acquisition of Uni-Select (none in the prior year)

Financing cash flows:

- \$1,394 million in net proceeds from the issuance of U.S. Notes (2028/33) in the current year
- \$531 million in proceeds from CAD Note in the current year
- \$222 million for our YTD cash dividend vs. \$210 million in the prior year
- \$8 million to repurchase shares vs. \$872 million in the prior year
- \$249 million of other debt repayments, net vs. \$119 million debt repayments, net in the prior year
- \$32 million of debt issuance costs (none in the prior year)

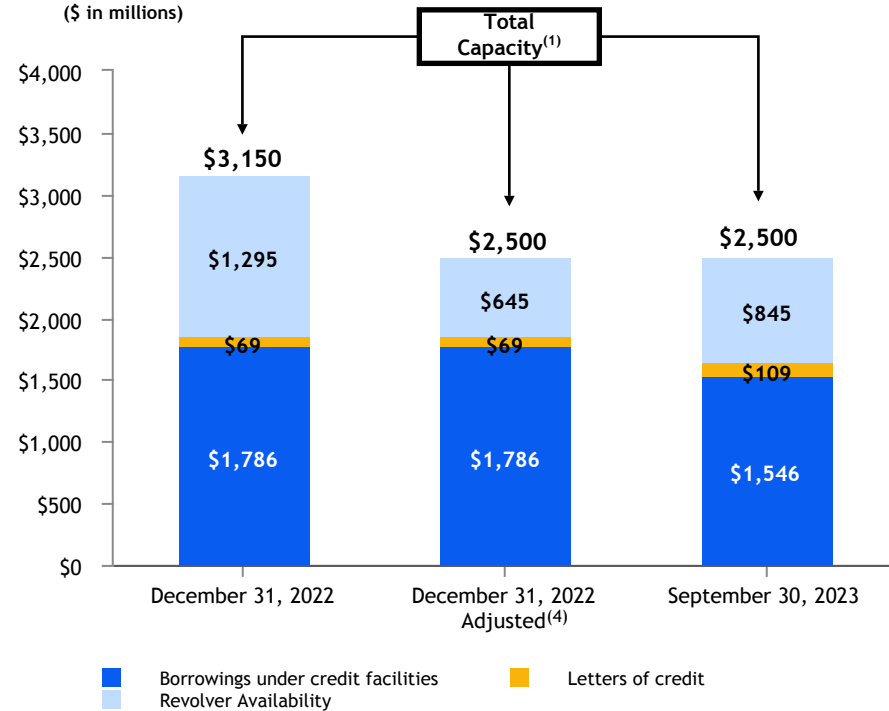
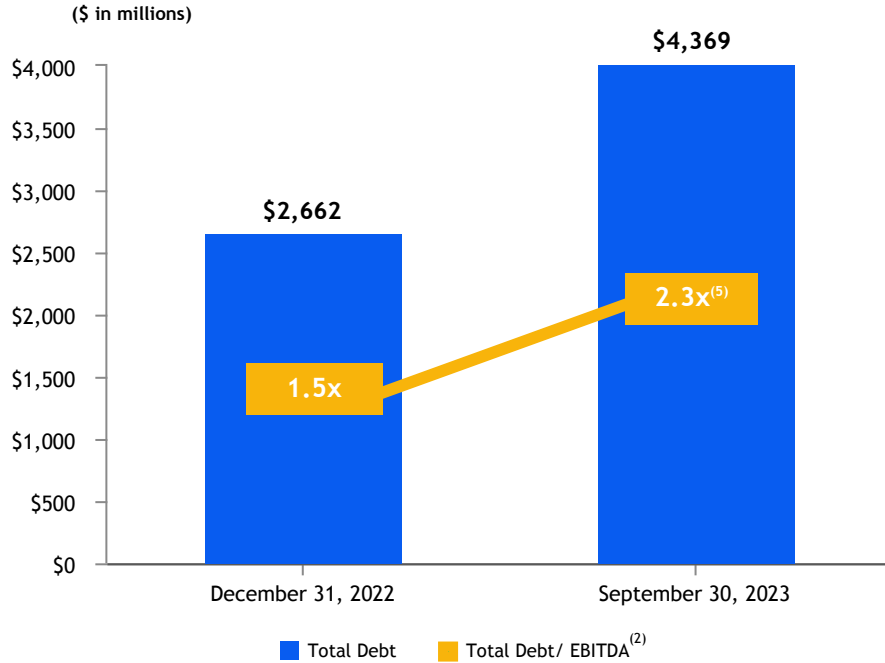
Operating Cash Flow & Free Cash Flow ⁽¹⁾



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

(2) Adjusted EBITDA is a non-GAAP measure. Refer to Appendix 6 for Adjusted EBITDA reconciliation

Leverage & Liquidity



Effective borrowing rate for Q3 2023 was 5.5%⁽³⁾

(1) Total capacity includes our senior secured and unsecured credit facilities (revolver and term loan)

(2) Total leverage per bank covenants is defined as Total Debt/EBITDA. See the definitions of Total Debt and EBITDA in the senior unsecured credit agreement filed January 6, 2023 with the SEC for further details

(3) Including our interest rate swaps, approximately 68% of our borrowings at September 30, 2023 is effectively at fixed interest rates

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

Liquidity as of September 30, 2023

Credit Rating	<ul style="list-style-type: none"> Rated Baa3 (investment grade) by Moody's; Outlook Neutral Rated BBB- (investment grade) by S&P Global Ratings; Outlook Neutral Rated BBB- (investment grade) by Fitch; Outlook Positive
Debt Structure	<ul style="list-style-type: none"> Fixed Rate Instruments: <ul style="list-style-type: none"> \$1.4 billion in aggregate (\$800 million (5.75%) due in 2028/\$600 million (6.25%) due in 2033) €750 million (\$793 million) in aggregate (\$529 million (3.875%) due in 2024 /\$264 million (4.125%) due in 2028) Variable Rate Instruments: <ul style="list-style-type: none"> Credit Facility Borrowings: \$1.5 billion <ul style="list-style-type: none"> \$1.0 billion of revolver borrowings maturing in January 2028 \$500 million term loan maturing January 2026 CAD Note: Unsecured term loan facility of CAD \$700 million (\$516 million due in 2026) Other Debt (capital leases, local lines of credit): \$114 million
Interest Rates	<ul style="list-style-type: none"> Credit Facility Borrowings: (i) SOFR plus applicable spread or (ii) other risk-free interest rates for specified currency \$400 million notional amount interest rate swap at a fixed weighted average of 4.63% maturing February 2025 \$300 million notional amount interest rate swap at a fixed weighted average of 4.23% maturing February 2026 CAD Note: (i) Canadian Dollar Offer Rate or (ii) Canadian Prime Rate; plus applicable spread
Maturities	<ul style="list-style-type: none"> Current maturities: \$574 million primarily related to the Euro Notes (2024)⁽¹⁾ maturing in April 2024
Financial Covenants ⁽²⁾	<ul style="list-style-type: none"> Credit Facility and CAD Note maximum leverage ratio covenant: 4.0x <ul style="list-style-type: none"> Total debt to EBITDA as of September 30, 2023: 2.3x Credit Facility and CAD Note minimum interest expense coverage ratio: 3.0x <ul style="list-style-type: none"> EBITDA to interest expense as of September 30, 2023: 7.4x U.S. and Euro Notes do not include financial maintenance covenants
Liquidity	<ul style="list-style-type: none"> Cash on balance sheet of \$401 million \$2.0 billion revolving credit facility: \$845 million available as of September 30, 2023 Total Available Liquidity: \$1,246 million
Cash Flows	<ul style="list-style-type: none"> YTD 2023 operating cash flow of \$1,144 million; free cash flow⁽³⁾ of \$911 million

(1) We intend to refinance the 3.875% €500 million Euro Notes (2024) due on April 1, 2024 on or before the scheduled maturity

(2) See the definition of Total debt, interest expense and EBITDA in the senior unsecured credit agreement filed January 6, 2023 with the SEC for further details

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

Uni-Select Acquisition: Q3 Activity

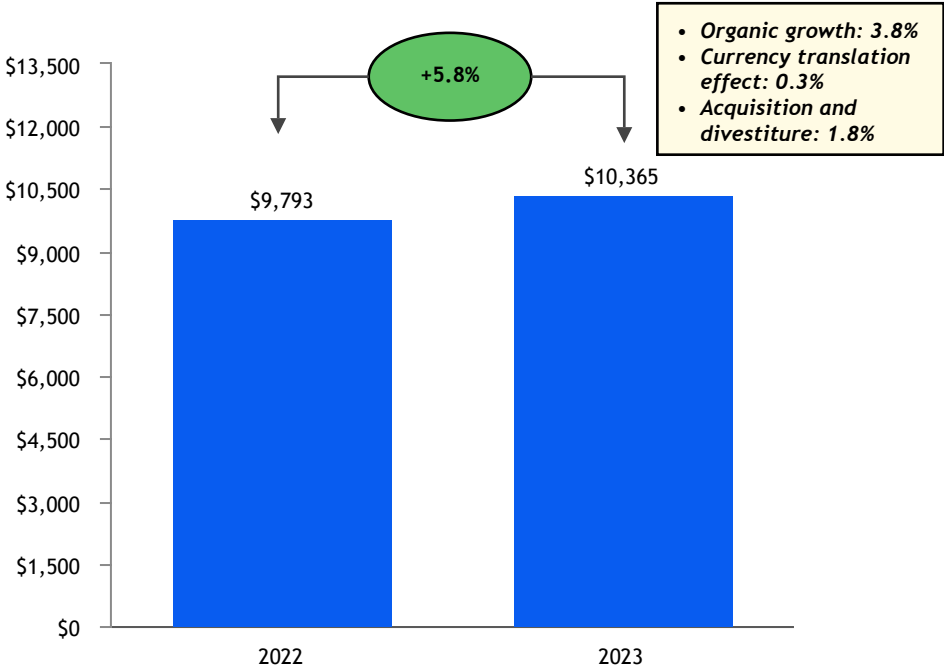
- On August 1, 2023, we acquired all of Uni-Select's issued and outstanding shares for Canadian dollar (“CAD”) 48.00 per share in cash, representing a total enterprise value of approximately CAD 2.8 billion (\$2.1 billion)
- Borrowed approximately \$531 million (CAD 700 million) under the CAD Note on July 31, 2023
- Net proceeds from the previously issued U.S. Notes (2028/33), CAD Note, borrowings under our revolving credit facility and cash on hand were used to complete the transaction
- Settled the foreign exchange contracts prior to the acquisition of Uni-Select, resulting in total proceeds of \$49 million
- Uni-Select's GSF Car Parts in the UK reported in Discontinued Operations (divestiture completed on October 25, 2023)
- Incurred \$20 million of restructuring costs related to acquisition integration

The background features two thick, wavy blue lines that overlap. One line starts from the left, peaks in the upper middle, and then descends towards the bottom right. The second line starts lower on the left, peaks in the lower right, and then descends towards the bottom right. The lines are set against a light gray background.

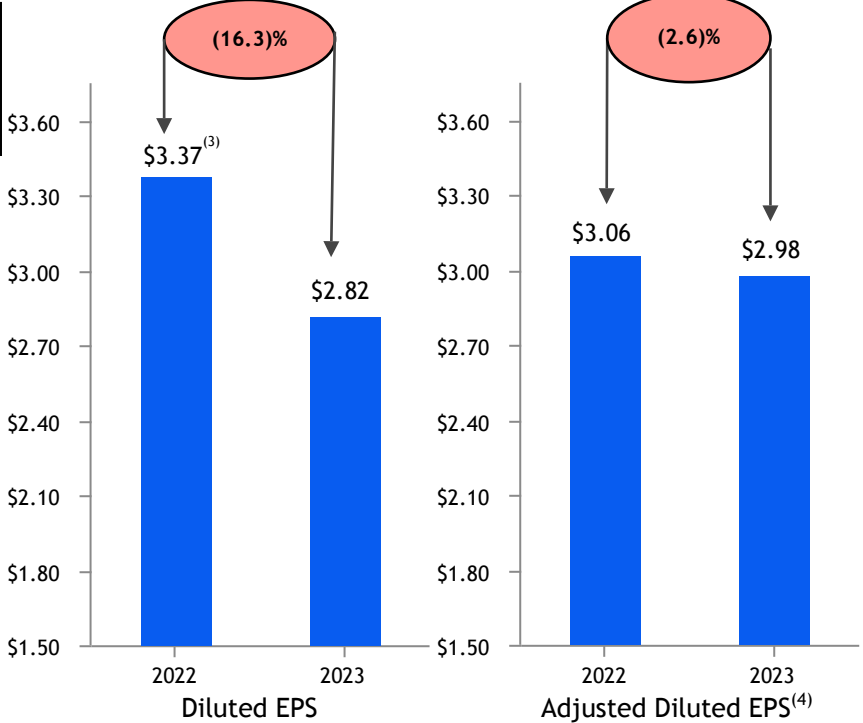
YTD Results and Supplementary Information

Consolidated Results YTD 2023

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



YTD 2023 Revenue

Revenue Changes by Source:

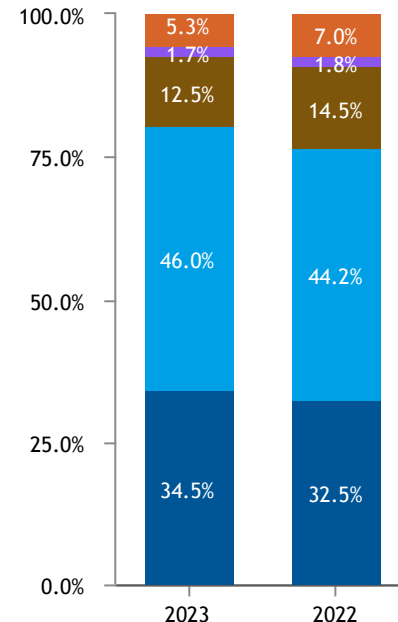
	Organic	Acquisition and Divestiture	Foreign Exchange	Total ⁽¹⁾
Wholesale - North America	9.1%	3.7%	(0.3)%	12.5%
Europe	7.9%	1.2%	1.0%	10.0%
Specialty	(10.9)%	2.2%	(0.4)%	(9.1)%
Self Service	4.9%	—%	—%	4.9%
Parts and Services	5.3%	2.2%	0.3%	7.8%
Other	(16.0)%	(4.3)%	(0.2)%	(20.4)%
Total Revenue	3.8%	1.8%	0.3%	5.8%

- Wholesale - North America organic revenue for parts and services increased 9.1% (9.6% on a per day basis); primarily driven by pricing initiatives which focused on offsetting inflation on input costs and a net volume increase. Aftermarket collision parts volumes increased year over year due to (i) reduced pressures on our supply chain, with the improved aftermarket inventory availability contributing to a year over year decrease in recycled parts volumes and (ii) the continued rollout of State Farm's aftermarket parts program, which began on a trial basis in June 2022 and has subsequently been expanded
- Wholesale - North America acquisition and divestiture revenue was a net increase of \$119 million primarily due to the acquisition of Uni-Select in the third quarter of 2023, partially offset by the divestiture of our PGW aftermarket glass business in the second quarter of 2022
- Europe organic revenue for parts and services increased by 7.9% (8.1% on a per day basis); primarily driven by pricing initiatives across all geographies to offset inflation on input costs and to a lesser extent, higher volumes
- Favorable F/X impact on European parts and services revenue of \$44 million; European constant currency⁽²⁾ parts and services revenue increased 9.0%
- Specialty organic revenue for parts and services decreased 10.9%; primarily due to demand softness in the RV product line, as RV unit retail sales and wholesale shipments have declined year over year
- Self Service organic revenue for parts and services increased 4.9%; driven by pricing initiatives which focused on offsetting inflation on input costs
- Other organic revenue decreased 16.0%; primarily driven by by lower commodity 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 - YTD

(\$ in millions, except per share data)	YTD		
	2023	2022	Change F/(U)
Revenue	\$10,365	\$9,793	5.8%
Gross Margin	4,176	4,000	4.4%
Operating Expenses	2,848	2,683	(6.1)%
Operating Income	1,080	1,288	(16.1)%
Income from continuing operations before provision for income taxes	1,013	1,246	(18.7)%
Net income from continuing operations attributable to LKQ stockholders	758	950	(20.1)%
Segment EBITDA ⁽¹⁾	1,363	1,346	1.3%
Segment EBITDA ⁽¹⁾ Margin	13.2%	13.7%	(50) bps
Diluted EPS from continuing operations attributable to LKQ stockholders:			
Reported	\$2.82	\$3.37	(16.3)%
Adjusted ⁽²⁾	\$2.98	\$3.06	(2.6)%

- Effective income tax rate for the nine months ended September 30, 2023 was 25.9% compared to 24.4% for the nine months ended September 30, 2022
- 2022 figures include a \$159 million pretax gain on the sale of businesses (primarily PGW); gain is excluded from Segment EBITDA and Adjusted Diluted EPS (\$0.46 per share)
- Year over year variances:

Impact on Diluted EPS from continuing operations attributable to LKQ stockholders:		
	Reported	Adjusted
Foreign exchange (see slide 27)	\$0.18	\$—
Metals pricing (see slide 27)	\$(0.16)	\$(0.16)
Interest expense, net:	\$(0.22)	\$(0.18)
Uni-Select effect	\$(0.10)	\$(0.06)
All other	\$(0.12)	\$(0.12)

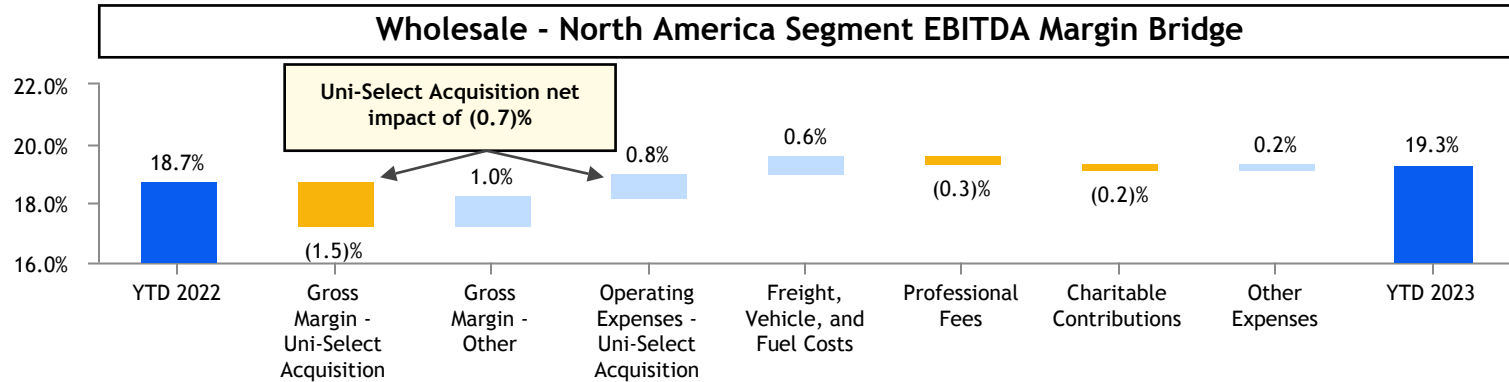
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation

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

Wholesale - North America - YTD

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue	\$3,815	\$3,454	10.5%		
Gross Margin	\$1,824	\$1,669	9.3%	47.8%	48.3%
Operating Expenses	\$1,105	\$1,034	(7.0)%	29.0%	29.9%
Segment EBITDA ⁽¹⁾	\$736	\$648	13.7%	19.3%	18.7%

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



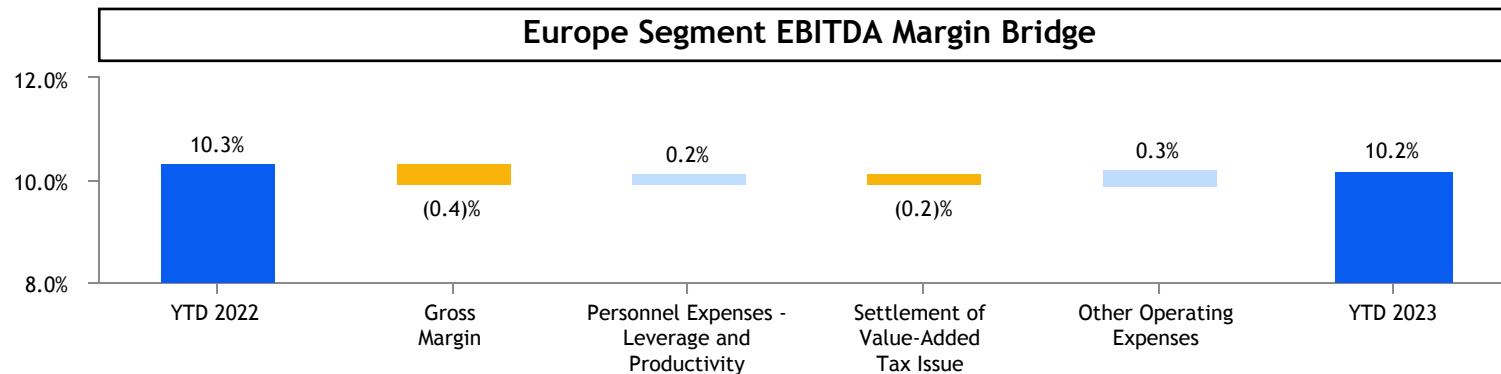
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Europe - YTD

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue ⁽¹⁾	\$4,777	\$4,345	9.9%		
Gross Margin	\$1,840	\$1,689	8.9%	38.5%	38.9%
Operating Expenses	\$1,365	\$1,256	(8.6)%	28.6%	28.9%
Segment EBITDA ⁽²⁾	\$486	\$446	8.9%	10.2%	10.3%

(1) The foreign currency impact on parts and services revenue was a \$44 million favorable impact which brings revenue growth at a constant currency to 9.0%. 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.

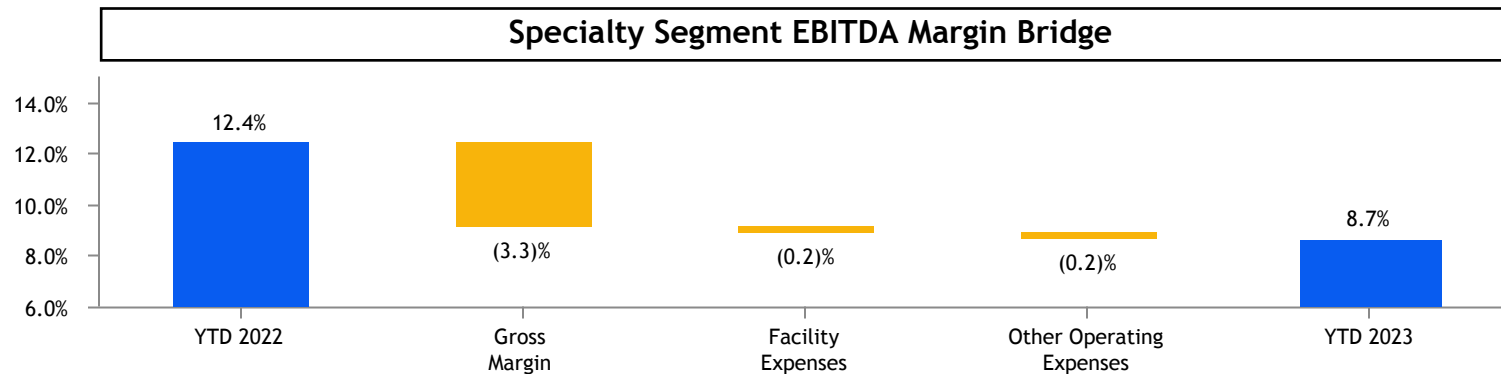


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Specialty - YTD

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue	\$1,297	\$1,426	(9.1)%		
Gross Margin	\$339	\$420	(19.4)%	26.1%	29.5%
Operating Expenses	\$232	\$246	5.8%	17.9%	17.3%
Segment EBITDA ⁽¹⁾	\$113	\$176	(35.9)%	8.7%	12.4%

(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.



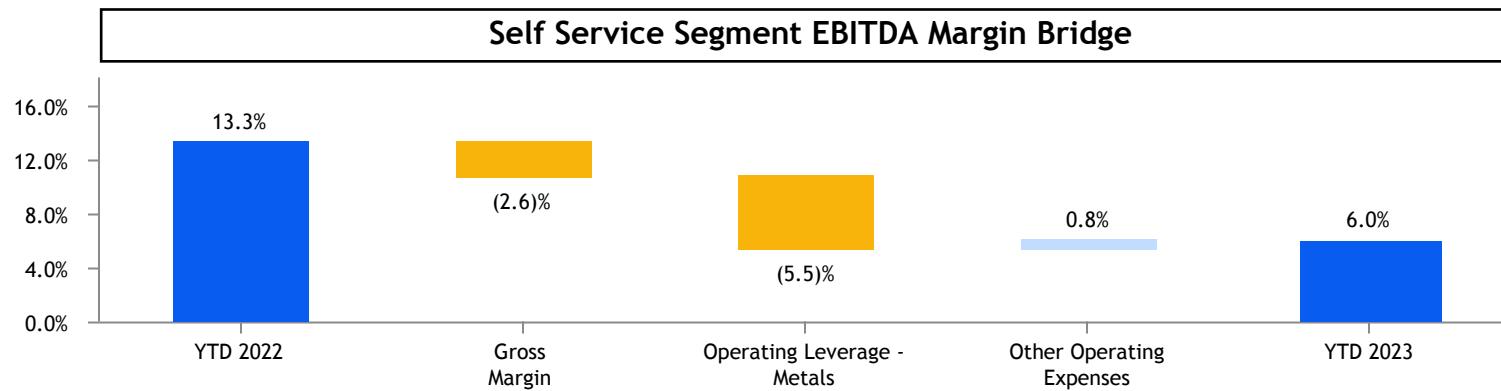
Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Self Service - YTD

(\$ in millions)	2023	2022	Change F/(U)	% of Revenue	
				2023	2022
Total Revenue ⁽¹⁾	\$479	\$571	(16.2)%		
Gross Margin	\$173	\$222	(22.1)%	36.1%	38.9%
Operating Expenses	\$146	\$147	1.0%	30.5%	25.8%
Segment EBITDA ⁽²⁾	\$28	\$76	(62.5)%	6.0%	13.3%

(1) Includes Other Revenue of \$298 million and \$399 million for YTD 2023 and YTD 2022, respectively. See slide 27 for further detail on metals price trends.

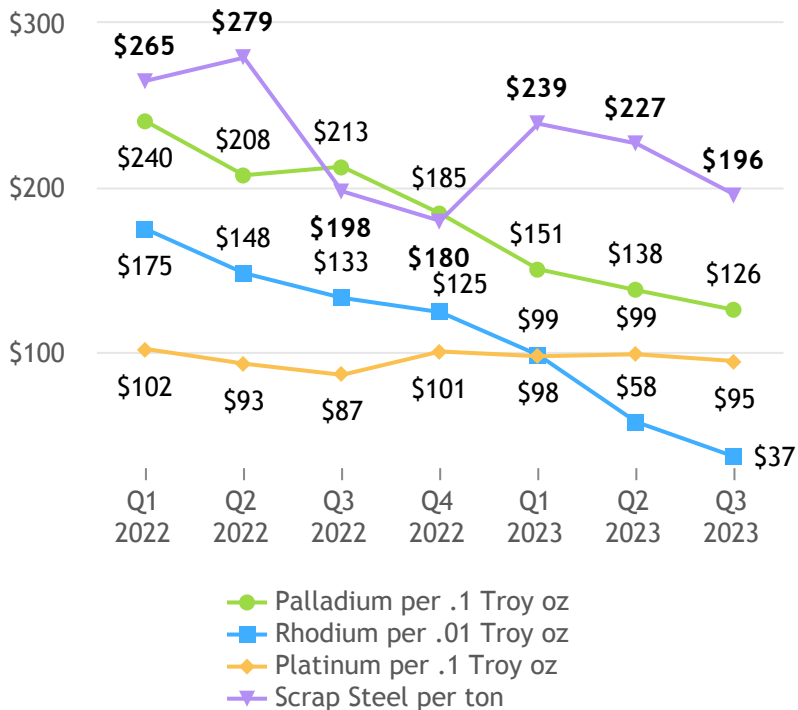
(2) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.



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

Metals Prices and Foreign Exchange

Average Metals Prices



Q3 2023 vs Q3 2022 Segment EBITDA Impact

(\$ in millions)	Self Service	Wholesale - North America	Total
Scrap Steel	\$10	\$5	\$15
Precious Metals	\$(17)	\$(12)	\$(29)
Total	\$(7)	\$(7)	\$(14)

YTD 2023 vs YTD 2022 Segment EBITDA Impact

(\$ in millions)	Self Service	Wholesale - North America	Total
Scrap Steel	\$14	\$7	\$21
Precious Metals	\$(47)	\$(29)	\$(76)
Total	\$(33)	\$(22)	\$(55)

Foreign Exchange

	YoY Impact	Q3 2023	Q3 2022
GBP	7.6%	1.27	1.18
EUR	8.1%	1.09	1.01
	YTD 2023	Q3 2023	
GAAP EPS ⁽¹⁾ Impact	\$0.18	\$0.08	
Adjusted EPS Impact	\$-	\$0.02	

⁽¹⁾ Includes gains on foreign exchange contracts related to the Uni-Select acquisition of \$3 million and \$49 million for the three and nine months ended September 30, 2023, respectively; excluded from Adjusted EPS

Inventory Procurement

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

	Q3			YTD		
	2023	2022	% Change	2023	2022	% Change
Total aftermarket procurement	\$1,709	\$1,439	18.8%	\$4,639	\$4,646	(0.2)%
Wholesale - North America salvage vehicles	60	63	(4.8)%	189	188	0.5%
Europe wholesale salvage vehicles	7	7	—%	22	23	(4.3)%
Self Service salvage vehicles	117	122	(4.1)%	397	396	0.3%

- Aftermarket purchases in 2023 increased on a QTD basis; roughly flat on a YTD basis with increases in Wholesale - North America and Europe offset by decreases in Specialty
 - Aftermarket purchases in Wholesale - North America increased YTD relative to the prior year period primarily due to a \$170 million increase attributable to the acquisition of Uni-Select, partially offset by higher purchasing levels in the prior year due to restocking efforts to rebuild inventory levels
 - Europe aftermarket purchases increased by \$27 million YTD attributable to the increase in the value of the euro, partially offset by a decrease in the value of the pound sterling
 - Specialty aftermarket purchases decreased by \$115 million YTD primarily due to matching inventory levels with demand

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, 2023		Nine Months Ended September 30, 2023	
	Consolidated	Europe	Consolidated	Europe
Parts & Services				
Revenue as reported	\$3,407	\$1,581	\$9,818	\$4,762
Less: Currency impact	\$105	\$108	\$30	\$44
Revenue at constant currency	\$3,302	\$1,473	\$9,788	\$4,718
Total				
Revenue as reported	\$3,568		\$10,365	
Less: Currency impact	\$105		\$28	
Revenue at constant currency	\$3,463		\$10,337	

Appendix 1(cont.)

Constant Currency Reconciliation

	Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
	Consolidated	Europe	Consolidated	Europe
Parts & Services				
Revenue growth as reported	17.1%	14.8%	7.8%	10.0%
Less: Currency impact	3.6%	7.8%	0.3%	1.0%
Revenue growth at constant currency	13.5%	7.0%	7.5%	9.0%
Total				
Revenue growth as reported	15.0%		5.8%	
Less: Currency impact	3.4%		0.3%	
Revenue growth at constant currency	11.6%		5.5%	

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				Nine Months Ended September 30			
	2023	% of revenue	2022	% of revenue	2023	% of revenue	2022	% of revenue
Revenue								
Wholesale - North America	\$1,387		\$1,109		\$3,815		\$3,454	
Europe	1,584		1,380		4,777		4,345	
Specialty	457		452		1,297		1,426	
Self Service	141		164		479		571	
Eliminations	(1)		(1)		(3)		(3)	
Total Revenue	\$3,568		\$3,104		\$10,365		\$9,793	
Segment EBITDA								
Wholesale - North America	\$236	17.0%	\$216	19.4%	\$736	19.3%	\$648	18.7%
Europe	147	9.3%	155	11.3%	486	10.2%	446	10.3%
Specialty	40	8.6%	49	10.8%	113	8.7%	176	12.4%
Self Service	(1)	(0.6)%	4	2.6%	28	6.0%	76	13.3%
Total Segment EBITDA	\$422	11.8%	\$424	13.7%	\$1,363	13.2%	\$1,346	13.7%

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 Net Income attributable to LKQ stockholders excluding discontinued operations; depreciation, amortization; interest; gains and losses on debt extinguishment; income tax expense; 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. 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 Segment EBITDA.

Appendix 3 Reconciliation of Net Income to Segment EBITDA

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net income	\$208	\$262	\$760	\$955
Less: net income attributable to continuing noncontrolling interest	–	–	1	–
Net income attributable to LKQ stockholders	\$208	\$262	\$759	\$955
Less: net income from discontinued operations	1	1	1	5
Net income from continuing operations attributable to LKQ stockholders	\$207	\$261	\$758	\$950
Adjustments - continuing operations attributable to LKQ stockholders:				
Depreciation and amortization	84	64	219	197
Interest expense, net of interest income	53	17	128	46
Loss on debt extinguishment	–	–	1	–
Provision for income taxes	60	88	263	304
Equity in earnings of unconsolidated subsidiaries	(4)	(2)	(9)	(8)
Gains on foreign exchange contracts - acquisition related ⁽¹⁾	(3)	–	(49)	–
Equity investment fair value adjustments	–	–	1	3
Restructuring and transaction related expenses	27	3	53	10
Restructuring expenses - cost of goods sold	2	–	2	–
Gain on disposal of businesses	–	(4)	–	(159)
Gains on previously held equity interests	(4)	(2)	(4)	(1)
Direct impacts of Ukraine/Russia conflict ⁽²⁾	–	(1)	–	4
Segment EBITDA	\$422	\$424	\$1,363	\$1,346
Net income from continuing operations attributable to LKQ stockholders as a percentage of revenue	5.8%	8.4%	7.3%	9.7%
Segment EBITDA as a percentage of revenue	11.8%	13.7%	13.2%	13.7%

(1) Related to the Uni-Select acquisition

(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

Appendix 3

EBITDA and Segment EBITDA Reconciliation

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. See paragraph in Appendix 2 for details on the calculation of Segment EBITDA.

Segment EBITDA should not be construed as an alternative 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 Segment EBITDA information calculate Segment EBITDA in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly-named measures of other companies and may not be an appropriate measure for performance relative to other companies.

Appendix 4

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

(in millions, except per share data)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net income	\$208	\$262	\$760	\$955
Less: net income attributable to continuing noncontrolling interest	–	–	1	–
Net income attributable to LKQ stockholders	\$208	\$262	\$759	\$955
Less: net income from discontinued operations	1	1	1	5
Net income from continuing operations attributable to LKQ stockholders	\$207	\$261	\$758	\$950
Adjustments - continuing operations attributable to LKQ stockholders:				
Amortization of acquired intangibles	27	15	57	48
Restructuring and transaction related expenses	27	3	53	10
Restructuring expenses - cost of goods sold	2	–	2	–
Loss on debt extinguishment	–	–	1	–
Pre-acquisition interest expense, net of interest income ⁽¹⁾	3	–	15	–
Gains on foreign exchange contracts - acquisition related ⁽¹⁾	(3)	–	(49)	–
Gains on previously held equity interests	(4)	(2)	(4)	(1)
Direct impacts of Ukraine/Russia conflict ⁽²⁾	–	(1)	–	4
Gain on disposal of businesses	–	(4)	–	(159)
Excess tax benefit from stock-based payments	(1)	(1)	(3)	(3)
Tax effect of adjustments	(27)	(5)	(29)	11
Adjusted net income from continuing operations attributable to LKQ stockholders	\$231	\$266	\$801	\$860
Weighted average diluted common shares outstanding	268.4	274.6	268.3	281.2
Diluted earnings per share from continuing operations attributable to LKQ stockholders:				
Reported	\$0.77	\$0.95	\$2.82	\$3.37
Adjusted	\$0.86	\$0.97	\$2.98	\$3.06

(1) Related to the Uni-Select acquisition

(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

Appendix 4

Reconciliation of Net Income and Diluted EPS to Adjusted Net Income 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 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 (including gains or losses on foreign currency forward contracts related to the Uni-Select transaction), 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), interest and financing costs related to the Uni-Select transaction prior to closing, 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 related transactions in a particular period, management believes that these costs are not core 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	
	Minimum Outlook	Maximum Outlook
(in millions, except per share data)		
Net income from continuing operations attributable to LKQ stockholders	\$915	\$952
Adjustments:		
Amortization of acquired intangibles	93	93
Restructuring and transaction related expenses	57	57
Gains on foreign exchange contracts - acquisition related	(49)	(49)
Pre-acquisition interest expense, net of interest income	15	15
Other adjustments	(3)	(3)
Tax effect of adjustments	(40)	(40)
Adjusted net income from continuing operations attributable to LKQ stockholders	\$988	\$1,025
Weighted average diluted common shares outstanding	268.4	268.4
Diluted EPS from continuing operations attributable to LKQ stockholders:		
U.S. GAAP	\$3.41	\$3.55
Non-GAAP (Adjusted)	\$3.68	\$3.82

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 expenses under previously announced plans, and the related tax effect; we included for all other components the amounts incurred through September 30, 2023.

Appendix 6

Reconciliations of Net Cash Provided by Operating Activities to Free Cash Flow and Net Income to Adjusted EBITDA

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net cash provided by operating activities	\$441	\$273	\$1,144	\$1,010
Less: purchases of property, plant and equipment	97	49	233	148
Free cash flow	\$344	\$224	\$911	\$862
Net income	\$208	\$262	\$760	\$955
Less: net income attributable to continuing noncontrolling interest	—	—	1	—
Net income attributable to LKQ stockholders	\$208	\$262	\$759	\$955
Less: net income from discontinued operations	1	1	1	5
Net income from continuing operations attributable to LKQ stockholders	\$207	\$261	\$758	\$950
Adjustments - continuing operations attributable to LKQ stockholders:				
Depreciation and amortization	84	64	219	197
Interest expense, net of interest income	53	17	128	46
Loss on debt extinguishment	—	—	1	—
Provision for income taxes	60	88	263	304
Gain on disposal of businesses	—	(4)	—	(159)
Gains on foreign exchange contracts - acquisition related ⁽¹⁾	(3)	—	(49)	—
Adjusted EBITDA	\$401	\$426	\$1,320	\$1,338

(1) Related to the Uni-Select acquisition

Appendix 6

Reconciliations of Net Cash Provided by Operating Activities to Free Cash Flow and Net Income to Adjusted EBITDA

(in millions)	Year Ended December 31	
	2022	2021
Net cash provided by operating activities	\$1,250	\$1,367
Less: purchases of property, plant and equipment	222	293
Free cash flow	\$1,028	\$1,074
Free cash flow conversion (Free cash flow / Adjusted EBITDA)	60%	60%
Net income	\$1,150	\$1,092
Less: net income attributable to continuing noncontrolling interest	1	1
Net income attributable to LKQ stockholders	\$1,149	\$1,091
Less: net income from discontinued operations	6	1
Net income from continuing operations attributable to LKQ stockholders	\$1,143	\$1,090
Adjustments - continuing operations attributable to LKQ stockholders:		
Depreciation and amortization	264	284
Interest expense, net of interest income	70	70
Loss on debt extinguishment	–	24
Provision for income taxes	385	331
Gain on disposal of businesses ⁽¹⁾	(159)	–
Adjusted EBITDA	\$1,703	\$1,799

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

Appendix 6

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow and Net Income to Adjusted EBITDA

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.

We also evaluate our free cash flow by measuring the conversion of Adjusted EBITDA into free cash flow. For the denominator of our conversion ratio, we calculate Adjusted EBITDA as net income attributable to LKQ stockholders excluding discontinued operations, depreciation, amortization, interest, gains and losses on debt extinguishment, income tax expense, gains and losses on the disposal of businesses, and other unusual income and expense items that affect investing or financing cash flows. We exclude gains and losses on the disposal of businesses as the proceeds are included in investing cash flows, which is outside of free cash flow. Adjusted EBITDA should not be construed as an alternative 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 Adjusted EBITDA information calculate Adjusted EBITDA 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.

(in millions)	Forecasted Fiscal Year 2023
	Outlook
Net cash provided by operating activities	\$1,300
Less: purchases of property, plant and equipment	300
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.