LKQ Corporation

Raymond James 39th Annual Institutional Investors Conference

Forward Looking Statements

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.

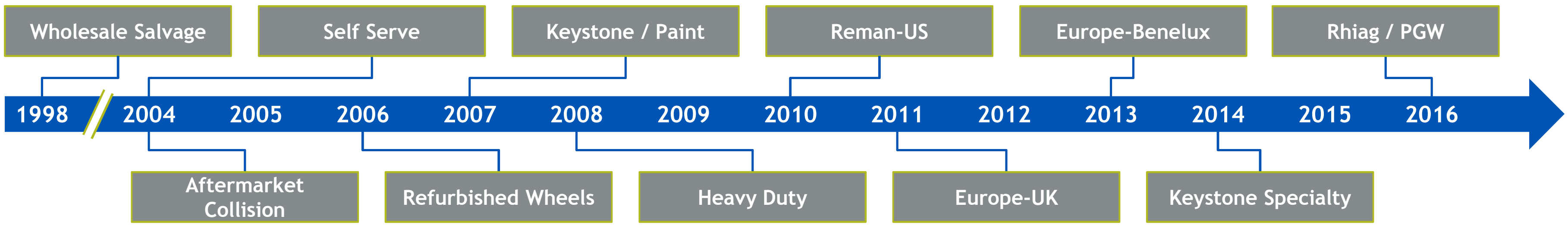
Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies. These statements are subject to a number of risks, uncertainties, assumptions and other factors including those identified below. All forward-looking 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.

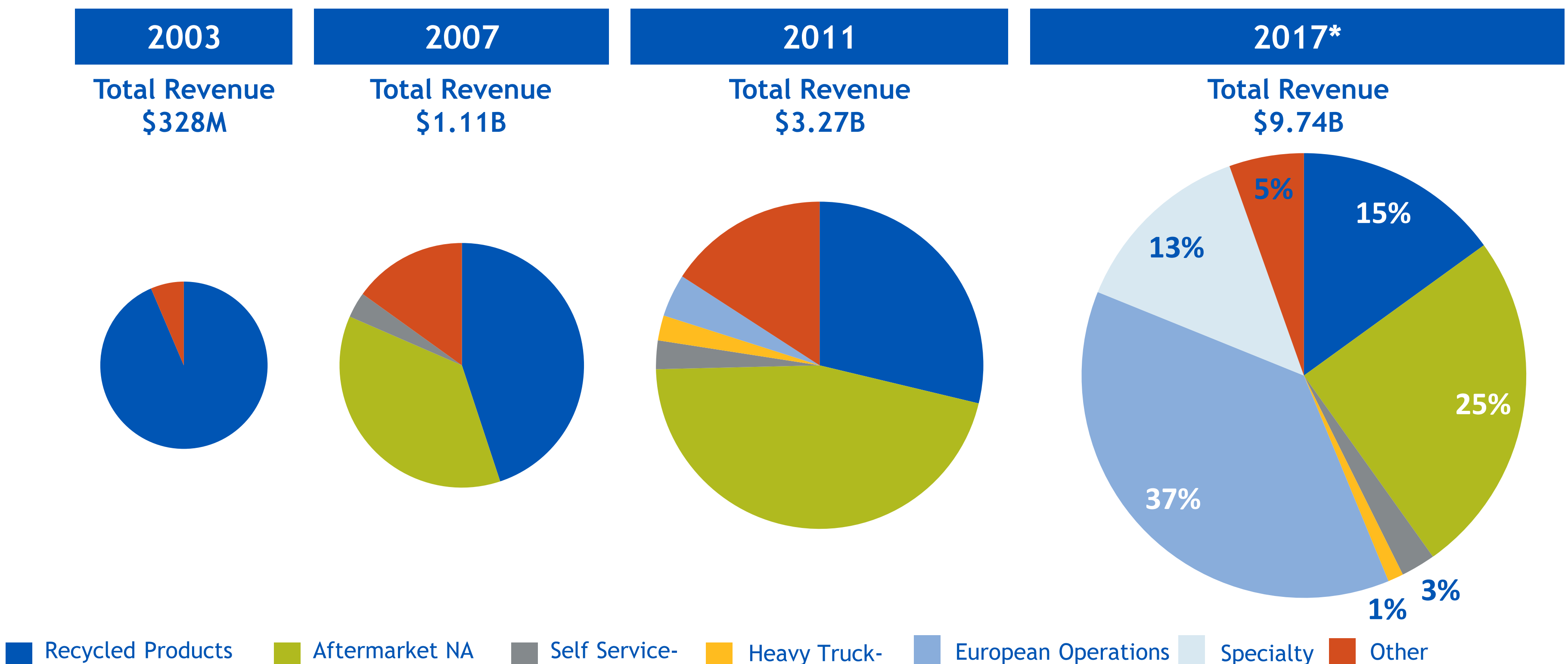
You should not place undue reliance on our forward-looking statements. Actual events or results may differ materially from those expressed or implied in the forward-looking statements. The risks, uncertainties, assumptions and other factors that could cause actual results to differ from the results predicted 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, 2017 and in our subsequent Quarterly Reports on Form 10-Q. These reports are available on our investor relations website at lkqcorp.com and on the SEC website at sec.gov.

Mission Statement

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

LKQ's Evolution





* TTM as of 12/31/2017

Operating Unit Overview

North America

- Collision
  - Aftermarket automotive products
  - Automotive glass distribution
  - Recycled & Refurbished
- Mechanical
  - Recycled engines & transmissions
  - Remanufactured engines & transmissions

Europe

- Mechanical
  - 175,000+ small part SKUs
  - Brakes, filters, hoses, belts, etc.
- Collision (limited)
  - Aftermarket (UK) & Recycled (Sweden)

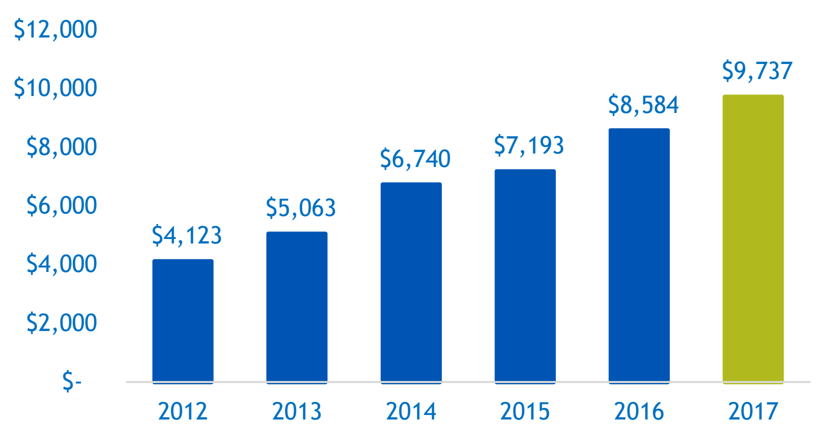
Specialty

- Performance products
- Appearance & accessories
- RV, trailer & other
- Specialty wheels & tires

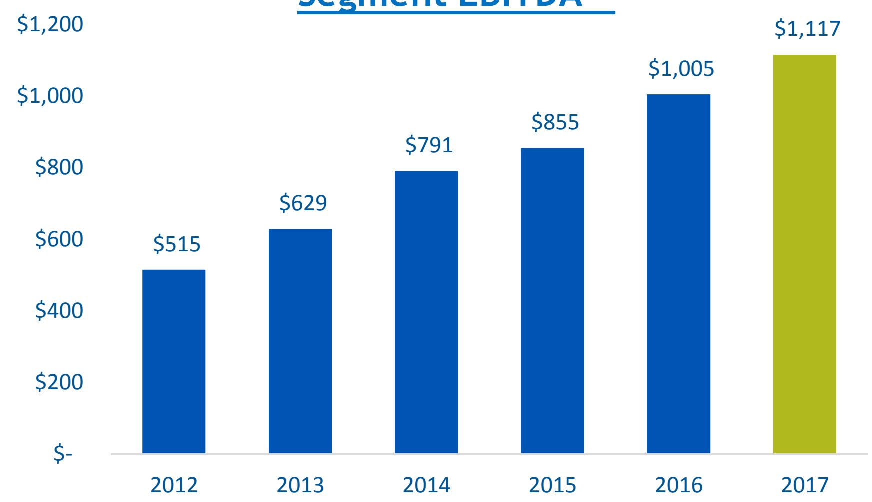
Historical Financial Performance

($ in Millions)

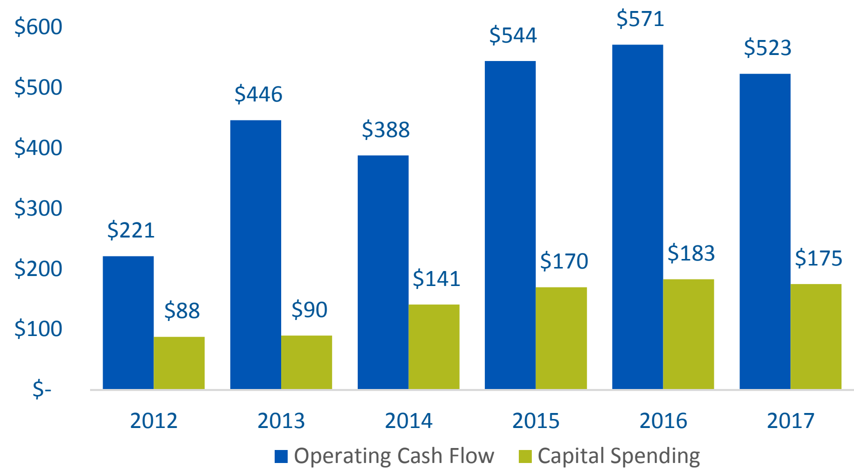
Revenue**



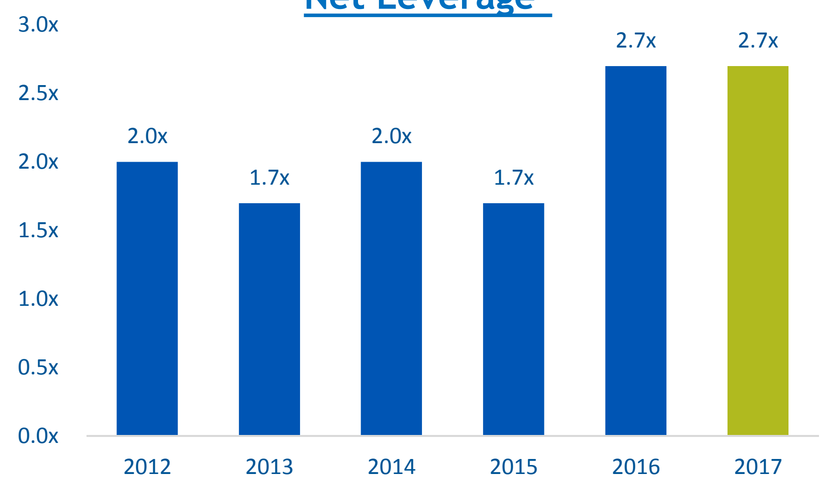
Segment EBITDA**



Cash Flow / Capex**



Net Leverage*



* Net Leverage based on bank covenant definitions
** Amounts reflect continuing operations only

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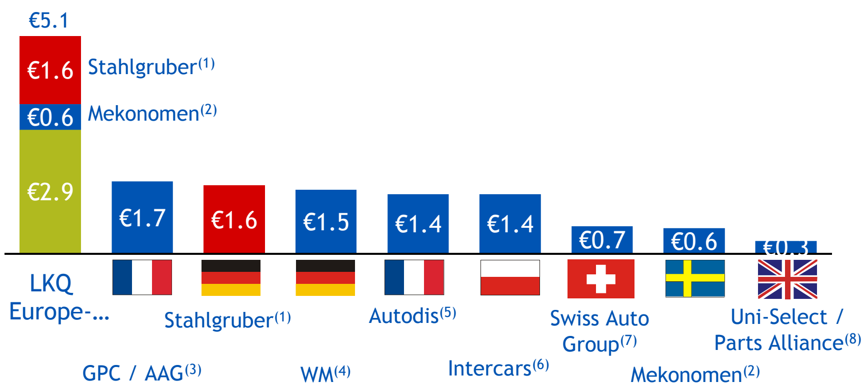
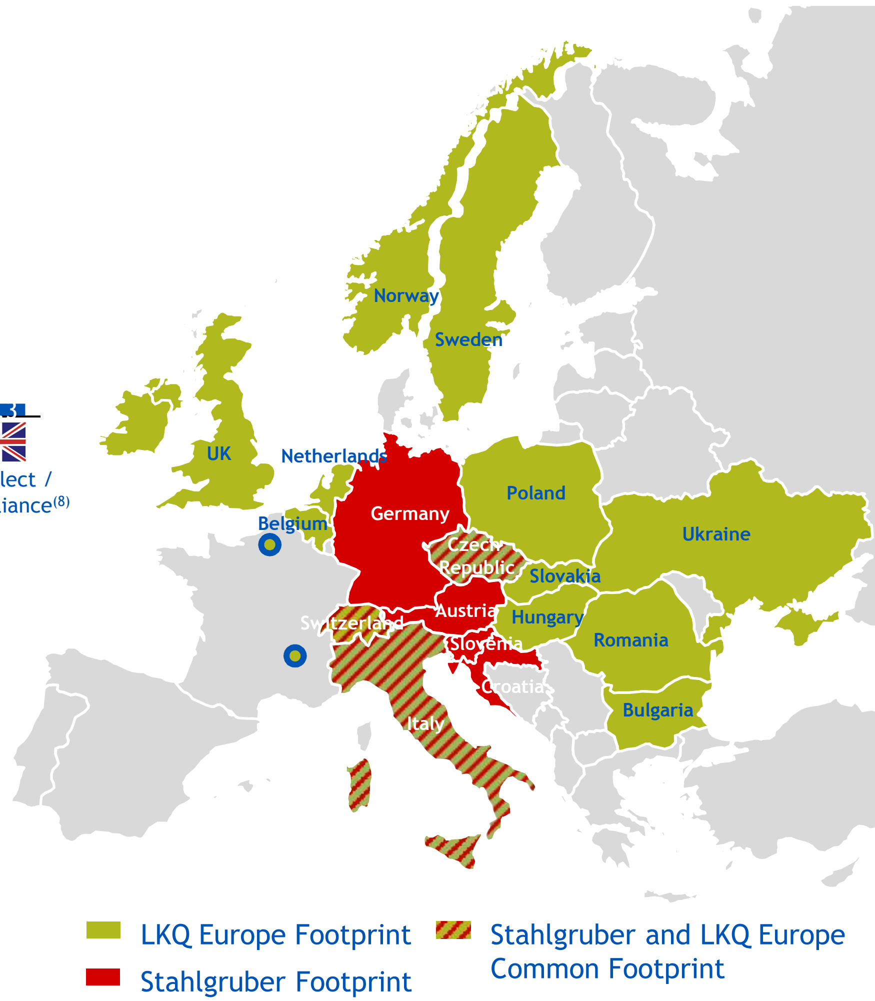
Stahlgruber is a Natural Strategic Fit for LKQ

(€ revenue in billions)





Source: Company filings and websites; Amounts are approximate.
Stahlgruber financials as per German GAAP; Revenue is subject to change based on final conversion to US GAAP statements. The previously announced Stahlgruber acquisition is expected to be completed in the first half of 2018 and is subject to regulatory approvals.
EUR / USD exchange rate of 1.179, EUR / PLN exchange rate of 4.21,
EUR / GBP exchange rate of 0.89, EUR / SEK exchange rate of 9.88,
EUR / CHF exchange rate of 1.16.
(1) FY2017E.
(2) September 2017 TTM; LKQ acquired 26.5% equity interest in Mekonomen in Dec 2016.
(3) Estimated; Acquired by GPC in September 2017.
(4) FY2015; Per company website.
(5) Estimated; Excludes AD Polska revenue.
(6) LTM 9/30/16; Per company website.
(7) September 2016 TTM; Per company website.
(8) FY ended 04/30/2017; Acquired by Uni-Select in June 2017.

Key Strategic Underpinnings

GROW

Diversified Offerings

EXPAND

Global Footprint

ADAPT

To Evolving Technology

RATIONALIZE

Asset Base

Path to Success: ● DEPENDABLE ● EXCELLENCE ● LEADERSHIP ● INTEGRITY ● VALUE ● EFFICIENT ● RESPONSIVE

GEAR Forward!

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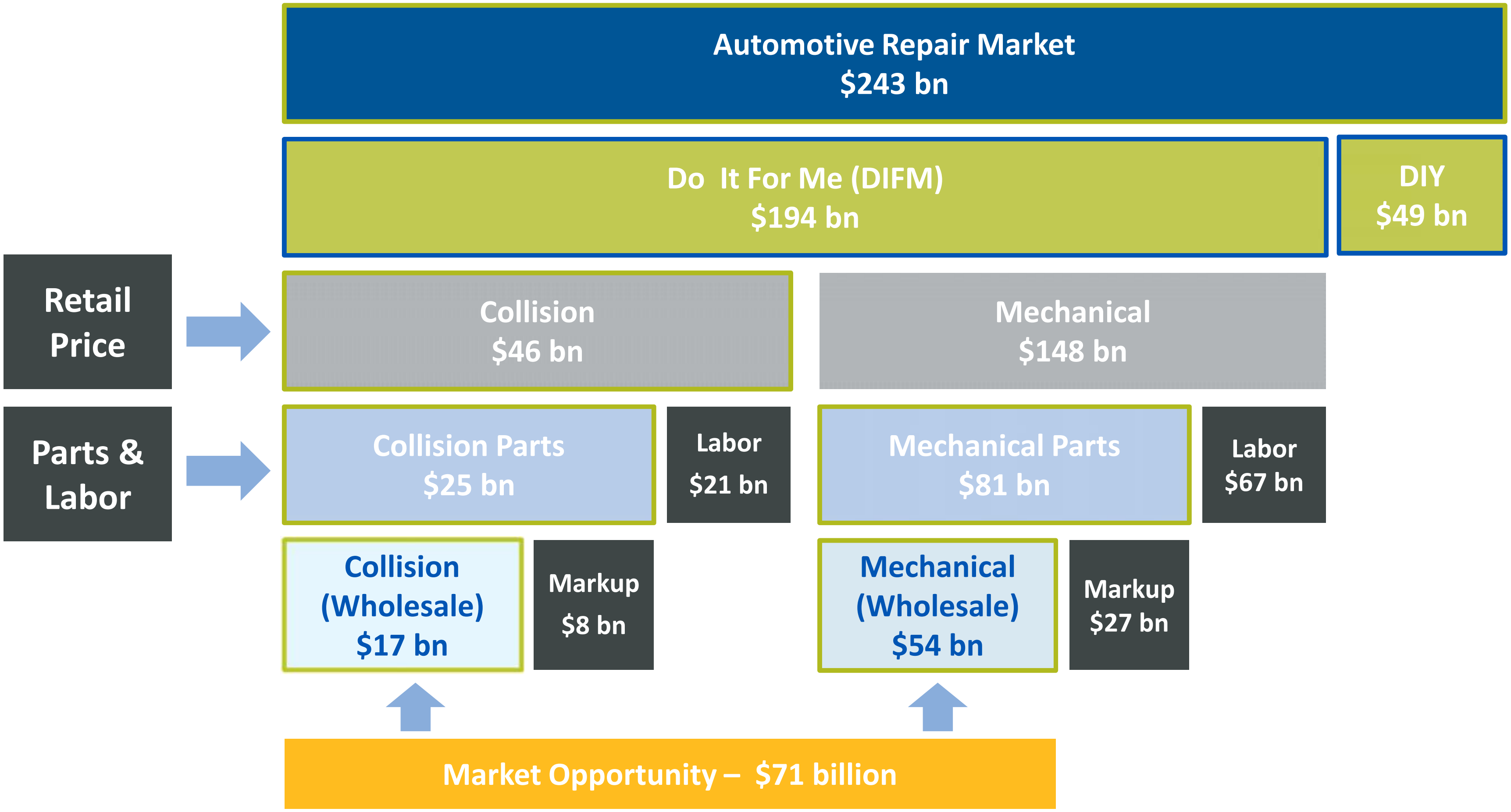
Operating Segments

Large & Fragmented US Market



Source: AAIA Factbook, 27th Edition 2018; 2016 data is estimated, excludes tires.

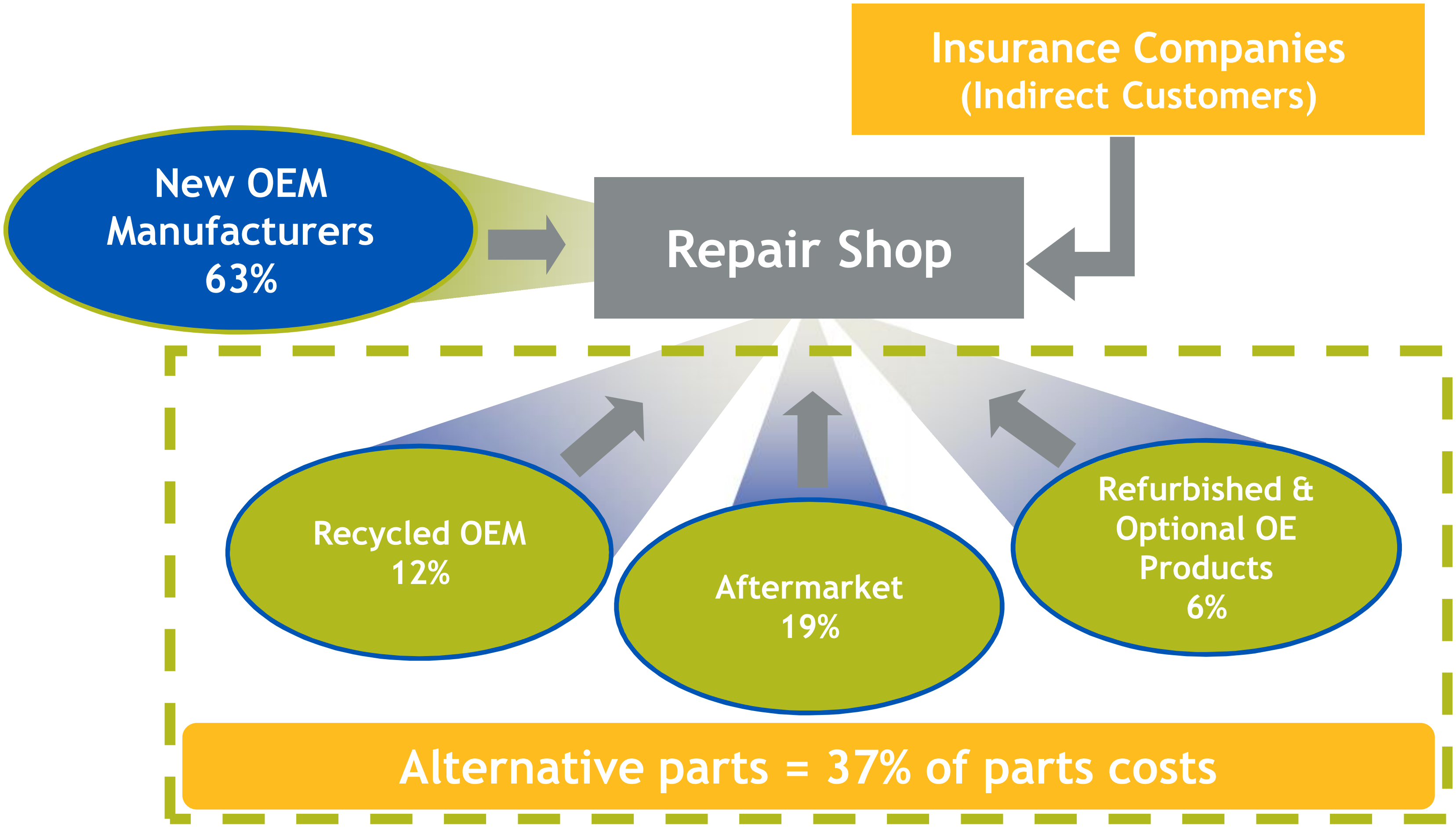
Clear Value Proposition

	2015 Chrysler Town & Country **Wheel**	2006 Chevrolet Silverado **Engine**	2012 Chevrolet Malibu **Bumper Cover**
New OEM	$380	$5,896	$335
Remanufactured	$261	$2,069	$209
Recycled OEM	$85	$1,090	$175
New A/M	N/A	N/A	$209
Average Savings	**55%**	**73%**	**59%**

…and Improved Cycle Time for Repairs

Note: Parts price only – excludes labor.

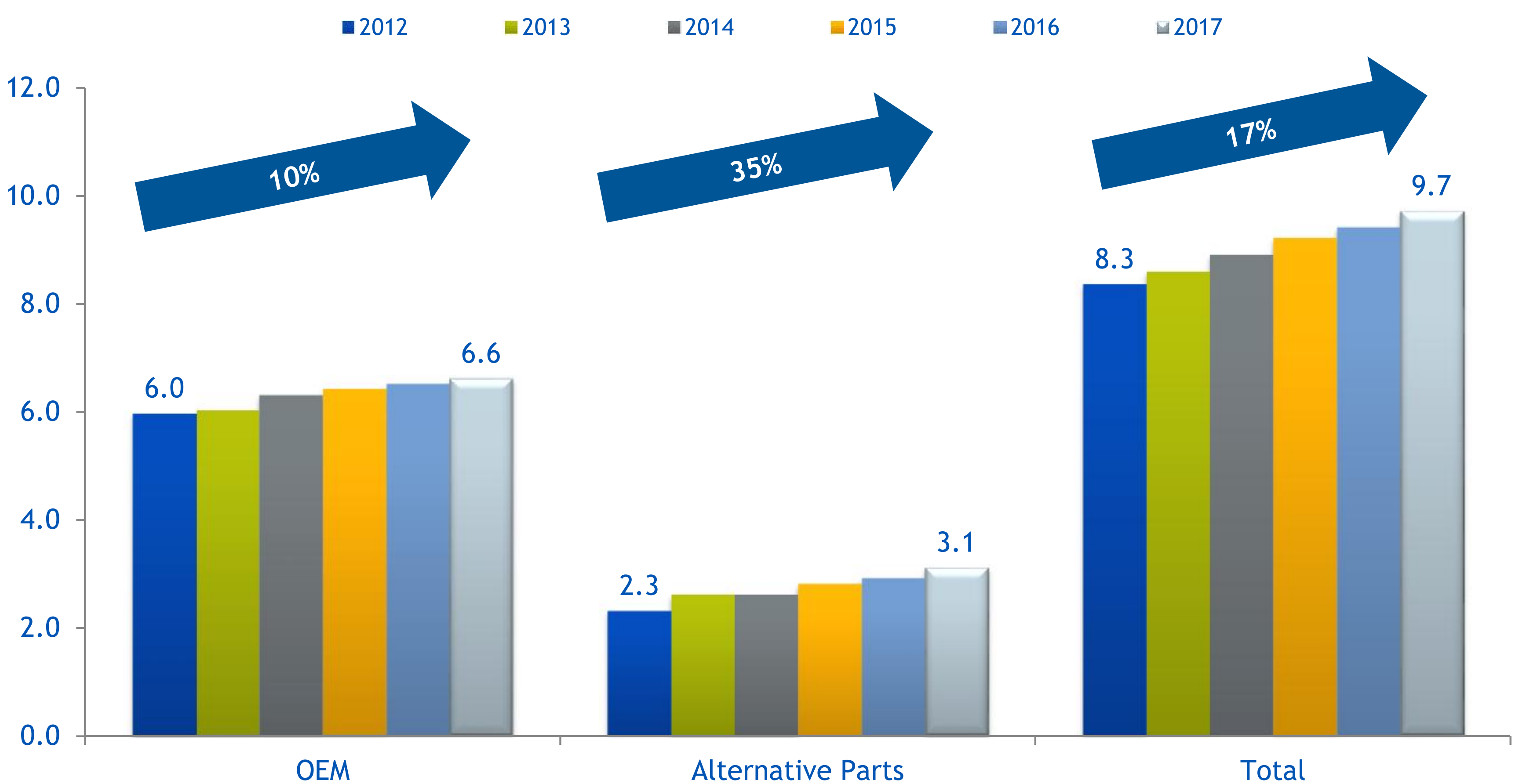
Collision Products, a $17 Billion Industry



Source: CCC Information Services -Crash Course 2016.

Shift Toward Alternative Parts Usage

Average Parts Used Per Claim

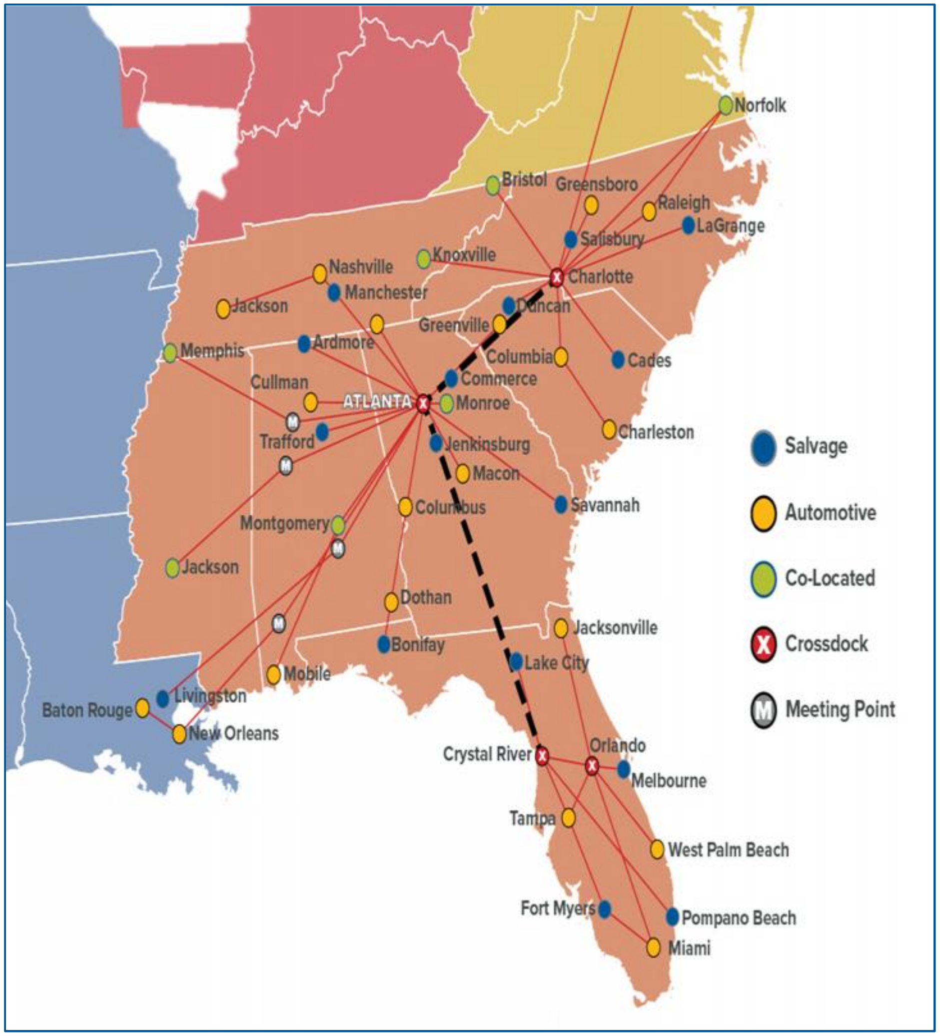


Over 20 million vehicle claims

Source: CCC Information Services Inc.

Regional Distribution Improves Fulfilment

- Highly fragmented space
- 20X size of next competitor
- Consistent nationwide coverage and warranty
- Strong management team
- Strong logistics & footprint
- Industry leading fill-rates
  - Aftermarket: 95%
  - Salvage
    - Competitor: 25%
    - LKQ Single Site: 35%
    - LKQ Region: 75%



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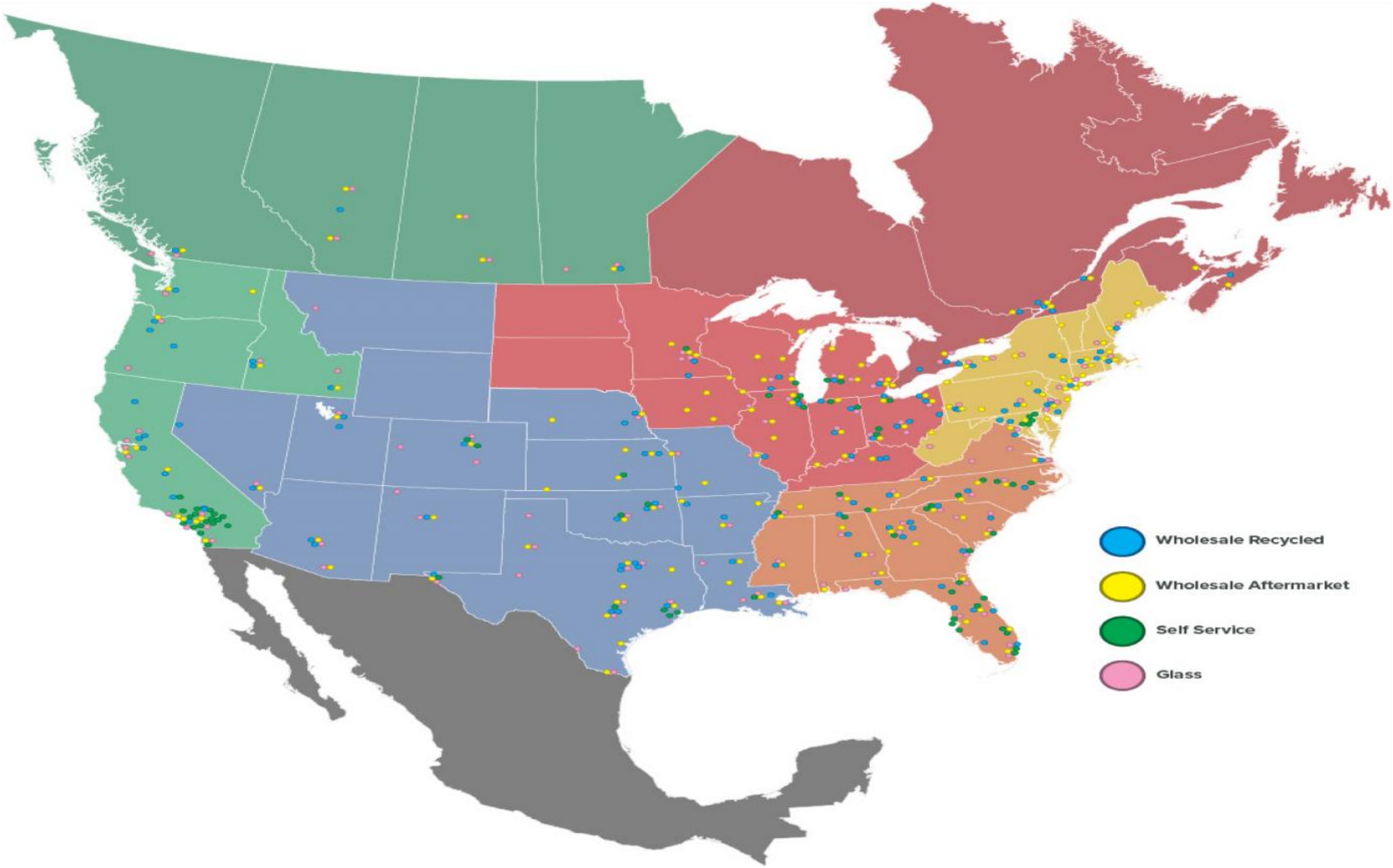
Wholesale North America Footprint



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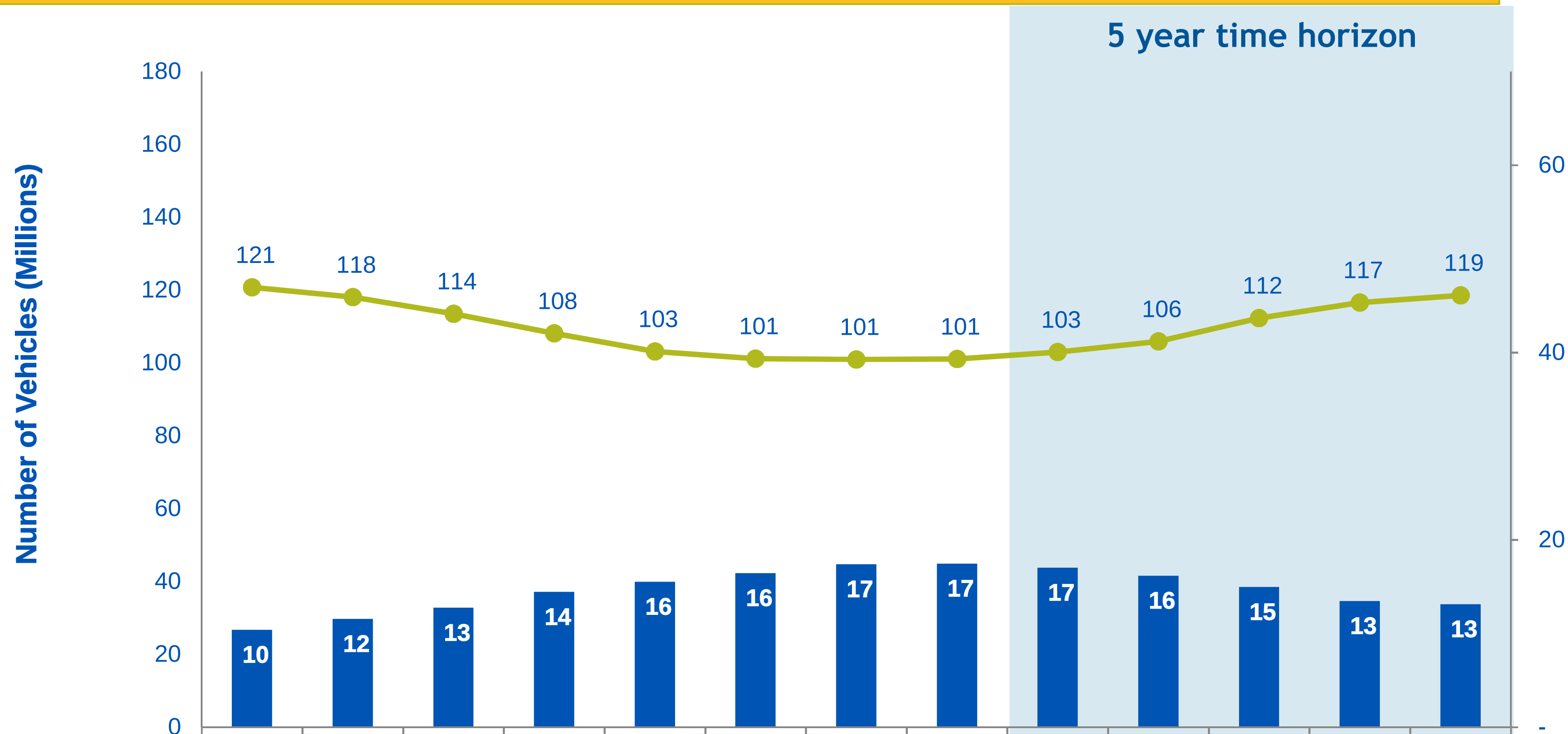
LKQ's Collision "Sweet Spot" is Growing

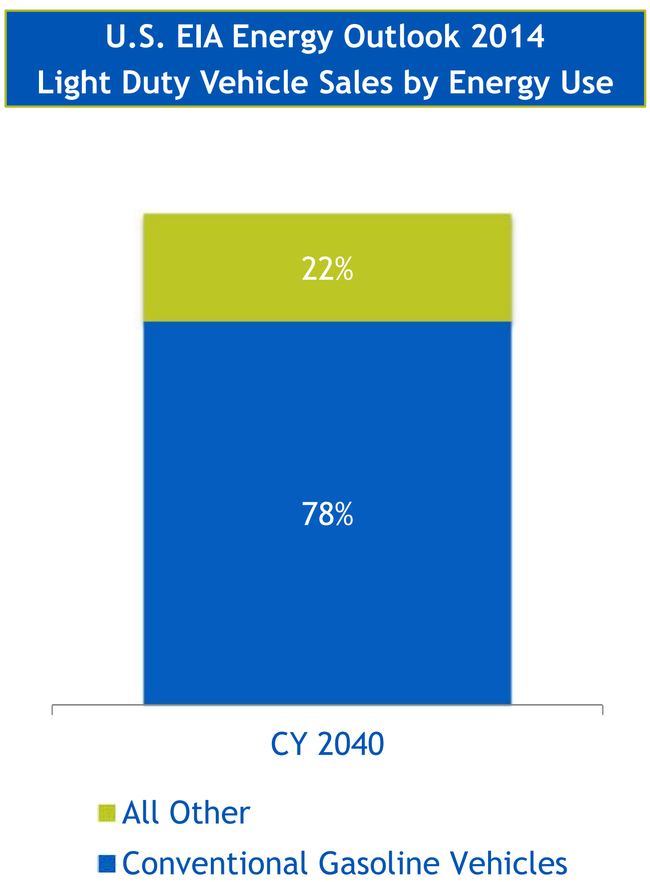
Age & Size of U.S. Car Parc

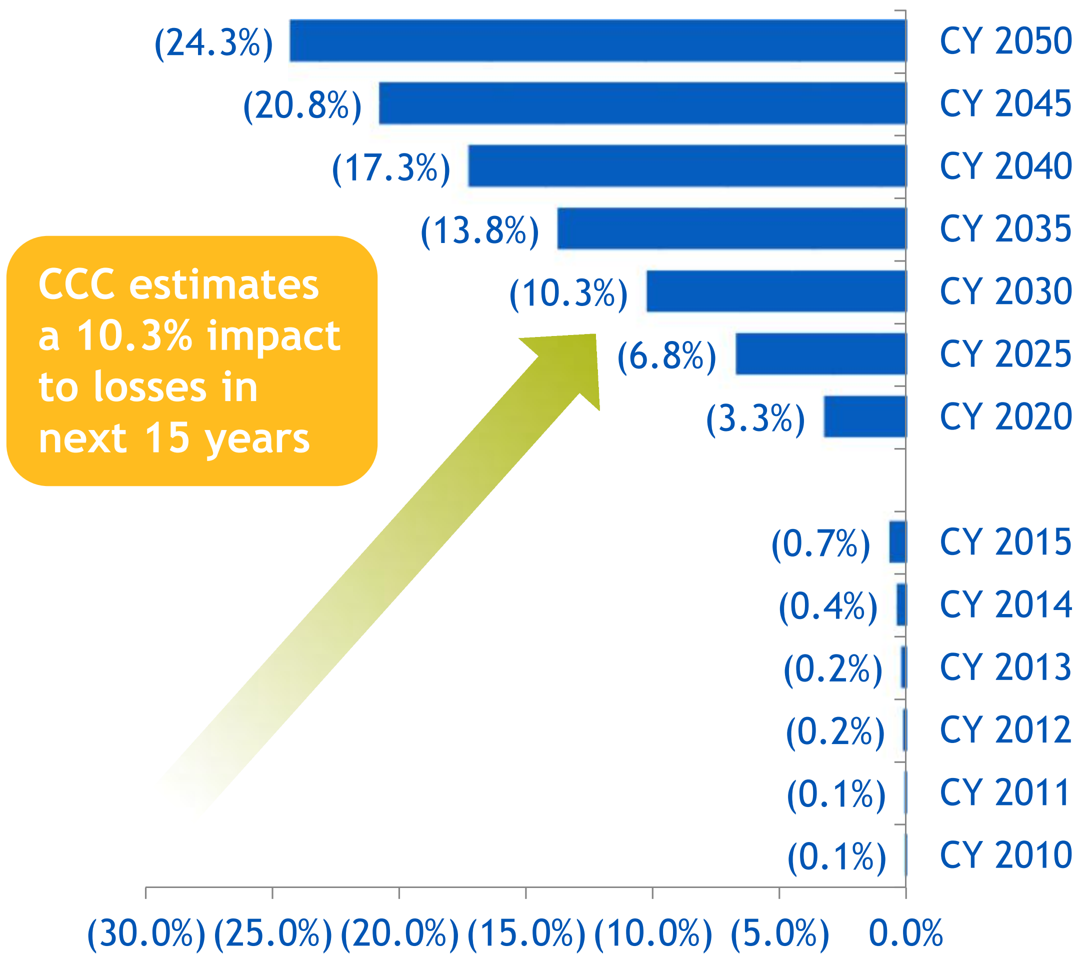


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New(SAAR)	10	12	13	14	16	16	17	17	17	16	15	13	13
Collison 3-10 Years	121	118	114	108	103	101	101	101	103	106	112	117	119

Source: Experian vehicles in operation; SAAR projections-Bank of America Merrill Lynch, 6/15/17.

Crash Avoidance Systems Growing





Source: CCC Information Services Inc.

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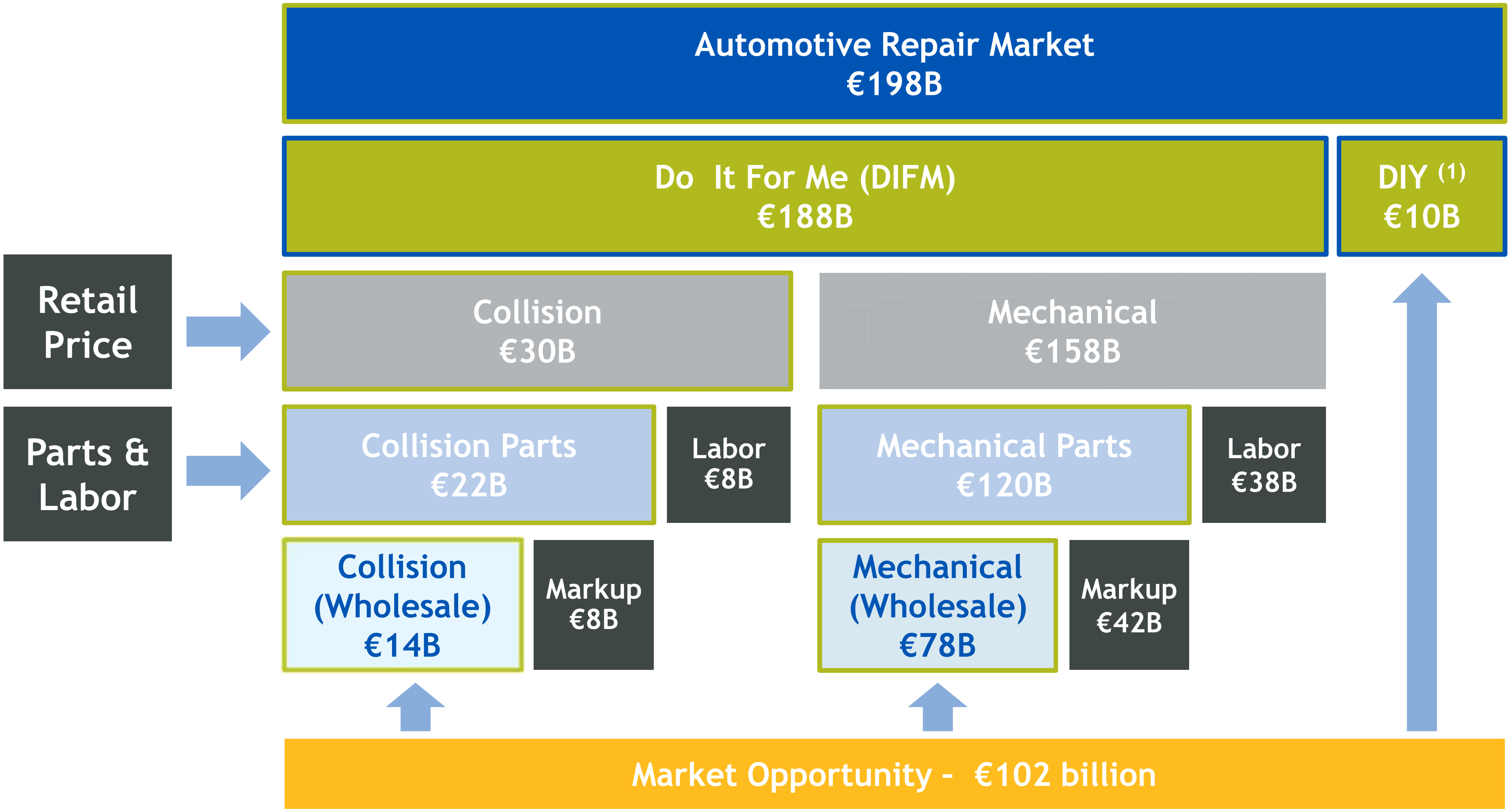
Europe - Market Observations

Large European Market



Source: 2014 Datamonitor; Management estimates.
Note: All € in millions; Excludes VAT and sales taxes.
(1) Do It Yourself e-commerce only.

LKQ’s European Platform Acquisitions

October 2011

- Leading distributor of automotive aftermarket mechanical parts in the UK
- Nearly 55,000 commercial customers
- 1 National Distribution Center totaling 500K square feet
- 8 regional hubs, 89 branches

April 2013

- Leading distributor of automotive aftermarket mechanical parts in the Benelux
- Proprietary, best-in-class online ordering technology for local distributors & repair shops
- 11 distribution centers

March 2016

- Leading automotive aftermarket mechanical parts distributor in Italy, The Czech Republic & Slovakia; #2 or #3 position in 6 other countries in Central & Eastern Europe
- Rhiag utilizes a network of 10 DC’s and 247 local branches, distributing product to over 57,000 professional customers.

December 2016

- The leading independent car parts and service chain in the Nordic region of Europe, offering a wide range of quality products including spare parts and accessories for cars, and workshop services for consumers and businesses
- LKQ acquired a 26.5% ownership position

Opportunities for Procurement & Back Office Synergies

Benefits of Scale

- Lower procurement costs
  - OES brands (volume)
  - Private label brands (margin)
- Reduced logistics and warehousing
  - e.g. Asian sourcing
  - e.g. long tail products
- Improved overhead costs
  - Back-office activities
  - Cataloguing
  - Rationalize ERP systems
- Brand economies of scale

Longer-Term Margin Drivers

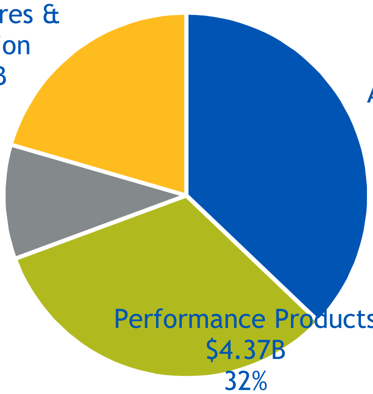
Specialty

Specialty Overview

- Leading distributor and marketer of specialty aftermarket equipment, accessories, and products in North America
- Critical link between 800+ suppliers and approximately 20,000 customers selling over 300,000 total SKUs supported by a highly technical sales force
- Diverse product segments: truck and off-road; speed and performance; recreational vehicle; towing; wheels, tires and performance handling; and miscellaneous accessories
- Best-in-class logistics and distribution network with approximately 1,100,000 annual deliveries and ability to serve over 97% of dealer / jobber customers next-day

Specialty Directly Addressable Market (1)

($ in billions)



Truck & Off-Road

Winches

Toolboxes

Wheels and Tires

Wheels

Tires

Speed & Performance

Air Intakes

Superchargers

RV

Awnings

Satellites

Towing

Receiver Hitches

5th Wheels

Accessories

Fender Flares

Floor Liners

(1) Management estimates based on AAIA Factbook, SEMA and other industry research

Consistent Business Model and Strategy

- Niche and Fragmented Markets
- High Fulfillment Rates
- Synergy and Leverage Opportunities
- Sustainable Growth and Margin Expansion
- Attractive Adjacent Markets
- Industry Leading Management

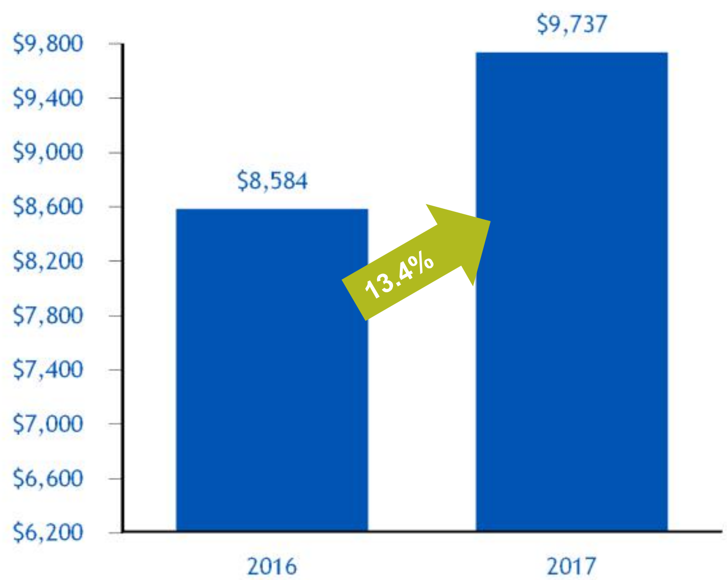
Financial Overview

Consolidated Results - Continuing operations

Q4 2017 Revenue*

- Organic growth of parts and services revenue of 4.8% on a reported basis
- Net income from continuing operations attributable to LKQ stockholders $126 million Q4 2017 vs. $96 million Q4 2016
- Segment EBITDA Margin** 10.3% Q4 2017 vs. 10.3% Q4 2016

2017 Revenue*



- Organic growth of parts and services revenue of 4.1% on a reported basis; 4.5% on a per day basis
- Net income from continuing operations attributable to LKQ stockholders $540 million 2017 vs. $456 million 2016
- Segment EBITDA Margin** 11.5% 2017 vs. 11.7% 2016

* Revenue in millions
** Segment EBITDA is a non-GAAP financial measure. Refer to Segment EBITDA reconciliation on page 33

Q4 2017 Revenue Growth

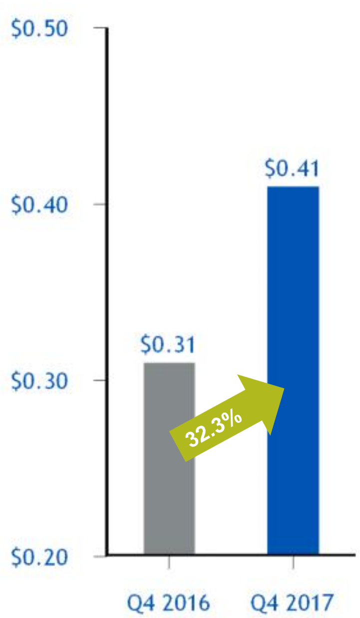
Revenue Changes by Source:	Organic	Acquisition	Foreign Exchange	Total[1]
North America	5.0%	1.5%	0.3%	6.8%
Europe	5.0%	11.3%	8.2%	24.6%
Specialty	3.6%	8.1%	0.5%	12.1%
Parts and Services	4.8%	6.1%	3.3%	14.3%
Other Revenue	24.9%	1.2%	0.2%	26.2%
Total	5.8%	5.8%	3.2%	14.9%

- Organic revenue growth for parts and services in North America was largely attributable to increased sales volumes in our wholesale operations
- European organic growth was driven by both established and new branches (45 in Eastern Europe since Q4 2016)
- Collision parts organic revenue growth in the UK was 10.9%
- Favorable F/X impact on European revenue of $64 million; European constant currency parts and services revenue growth of 16.4% [2]
- Specialty acquisition growth was $21 million, most of which relates to Warn Industries, Inc. (acquired November 1, 2017)
- Increase in Other Revenue was primarily attributable to higher scrap steel and other metal prices. Scrap steel prices were up 38% versus Q4 2016

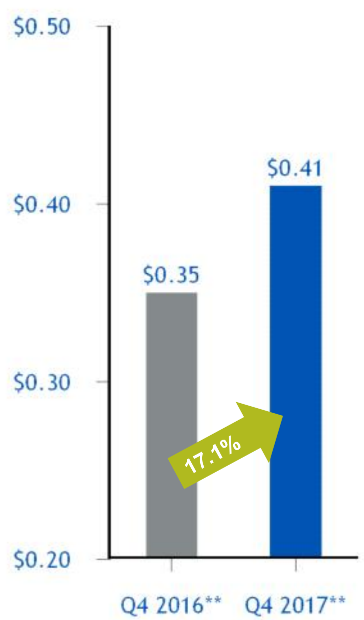
(1) The sum of the individual revenue change components may not equal the total percentage due to rounding
(2) Constant currency is a non-GAAP financial measure. Refer to constant currency reconciliation on page 31

Consolidated Results - Continuing operations

Q4 2017 EPS*

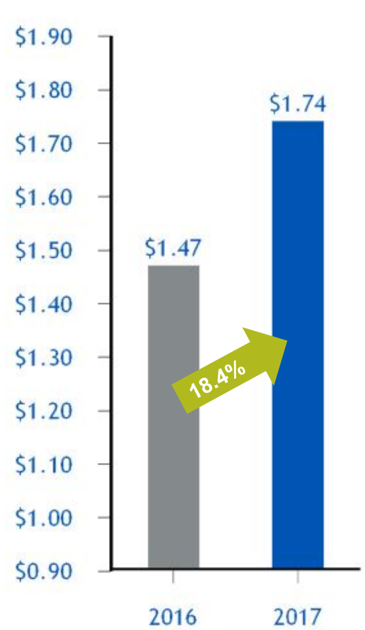


Diluted EPS***

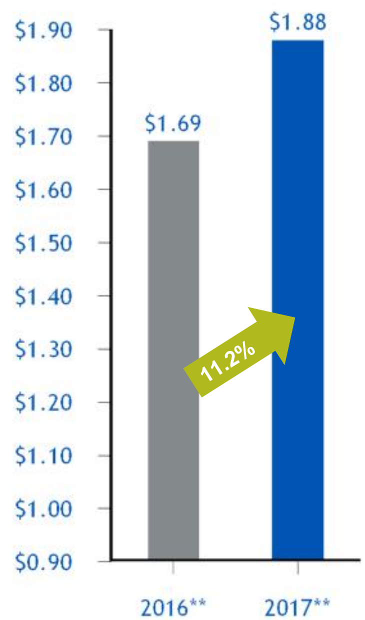


Adjusted Diluted EPS***

2017 EPS*



Diluted EPS***



Adjusted Diluted EPS***

* Earnings per share figures refer to income from continuing operations attributable to LKQ stockholders

** Adjusted Diluted EPS is a non-GAAP measure. Refer to page 36 for Adjusted Diluted EPS reconciliation

*** The Tax Cuts and Jobs Act (the "Tax Act") generated a net $22 million reduction to the tax provision, or $0.07 per diluted share. The impact was excluded in determining Adjusted Diluted EPS.

Q4 2017 Operating Highlights

North America

- Delivery route initiatives, including Roadnet, are ongoing
- Continued to expand acreage for car holding and increased production, which should allow us longer hold times of cars to improve margins
- Consolidated 4 PGW autoglass locations into LKQ warehouses in the fourth quarter
- PGW was awarded an exclusive agreement with Mopar, the parts division of Fiat Chrysler Automotive, for the distribution of Mopar batteries to their dealer network. PGW is now the exclusive OE supplier of glass and batteries to all Mopar dealerships

Europe

- On October 31, 2017, the CMA concluded its review and determined that we must divest less than 10% of the Andrew Page acquired locations. Following the announcement, we began the integration with ECP, which will continue into 2018
- ECP's new national distribution center (T2) continues on plan. All ECP branches in the UK are now being delivered out of T2
- Expanded our UK presence in the heavy truck market by entering into a joint venture
- Rhiag opened 9 branches and acquired 19 branches in Q4 2017
- Procurement initiatives, including consolidated rebates and discount programs with suppliers, are ongoing
- Entered into an agreement to acquire Stahlgruber GmbH ("Stahlgruber"), the largest aftermarket automotive parts distributor in Germany, with operations in several other adjacent countries

Specialty

- Sales of light trucks and vehicles in Specialty Business "sweet spot" trended favorably
- Established a small footprint and salesforce in Europe, improving our ability to export accessories for US manufactured automobiles
- Acquired Warn Industries, Inc., a leading designer, manufacturer and marketer of high performance vehicle equipment and accessories
- We began the build out of a new 450,000 square foot facility in Southern California that will allow us to offer improved service levels and better inventory availability for our customers in certain key geographic markets. The target opening is Q2 2018

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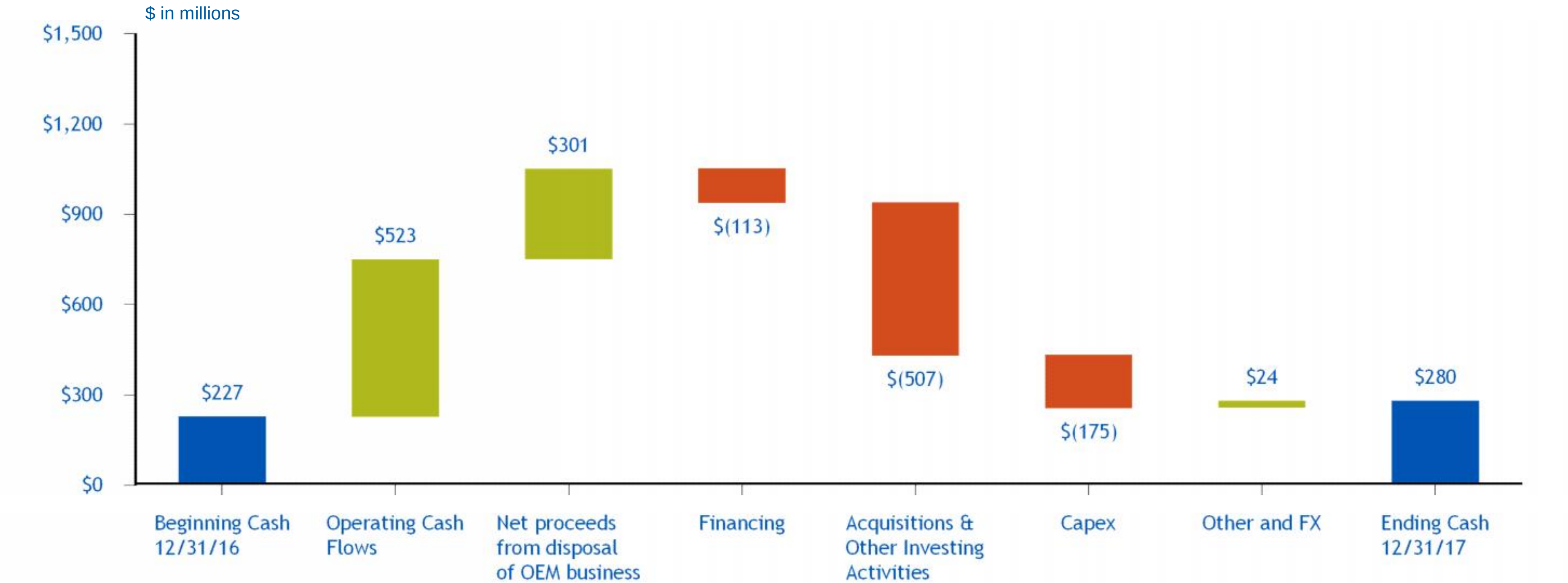
2017 Capital Allocation - Continuing operations



- Operating cash flows:
  - Year over year decrease driven primarily by higher investment in inventory of $133 million in our continuing operations as a result of favorable buying conditions in salvage and procurement initiatives to support growth
  - Increased tax payments by $43 million over 2016 due to higher pretax income
- Received net proceeds from the sale of the OEM automotive glass business of $301 million
- Used free cash flows, along with the proceeds from the asset sale, to invest $513 million in acquisitions and repay revolver borrowings

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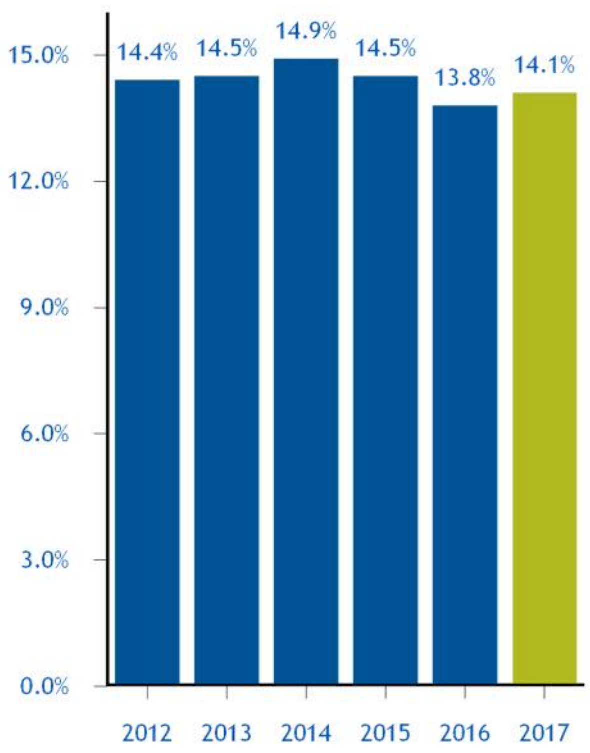
Leverage & Liquidity

Effective borrowing rate for Q4 2017 was 3.2%

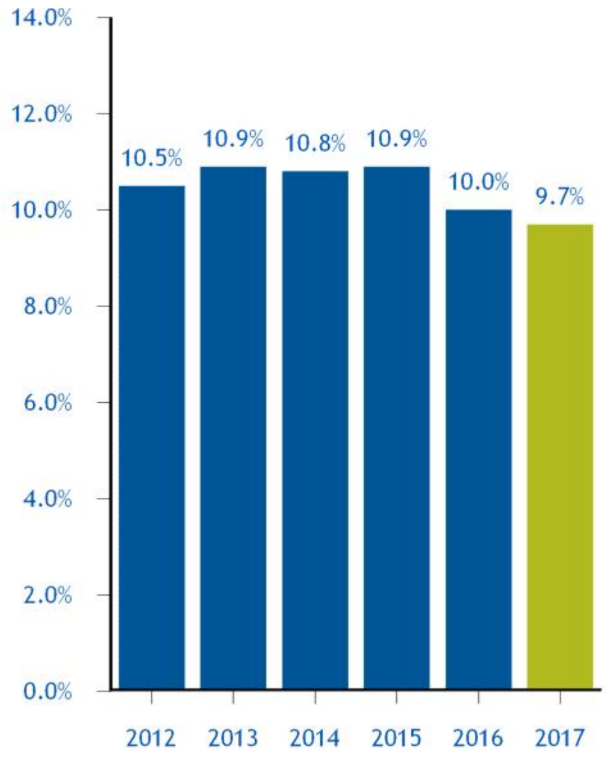
(1) Total capacity includes our term loans and revolving credit facilities
* Net leverage per bank covenants is defined as Net Debt/EBITDA. See the definitions of Net Debt and EBITDA in the credit agreement filed with the SEC for further details

Key Return Metrics

Return on Equity



Return on Invested Capital*



* Amortization of intangibles has been excluded from the calculation of Return on Invested Capital

Guidance 2018

(effective only on the date issued: February 22, 2018)

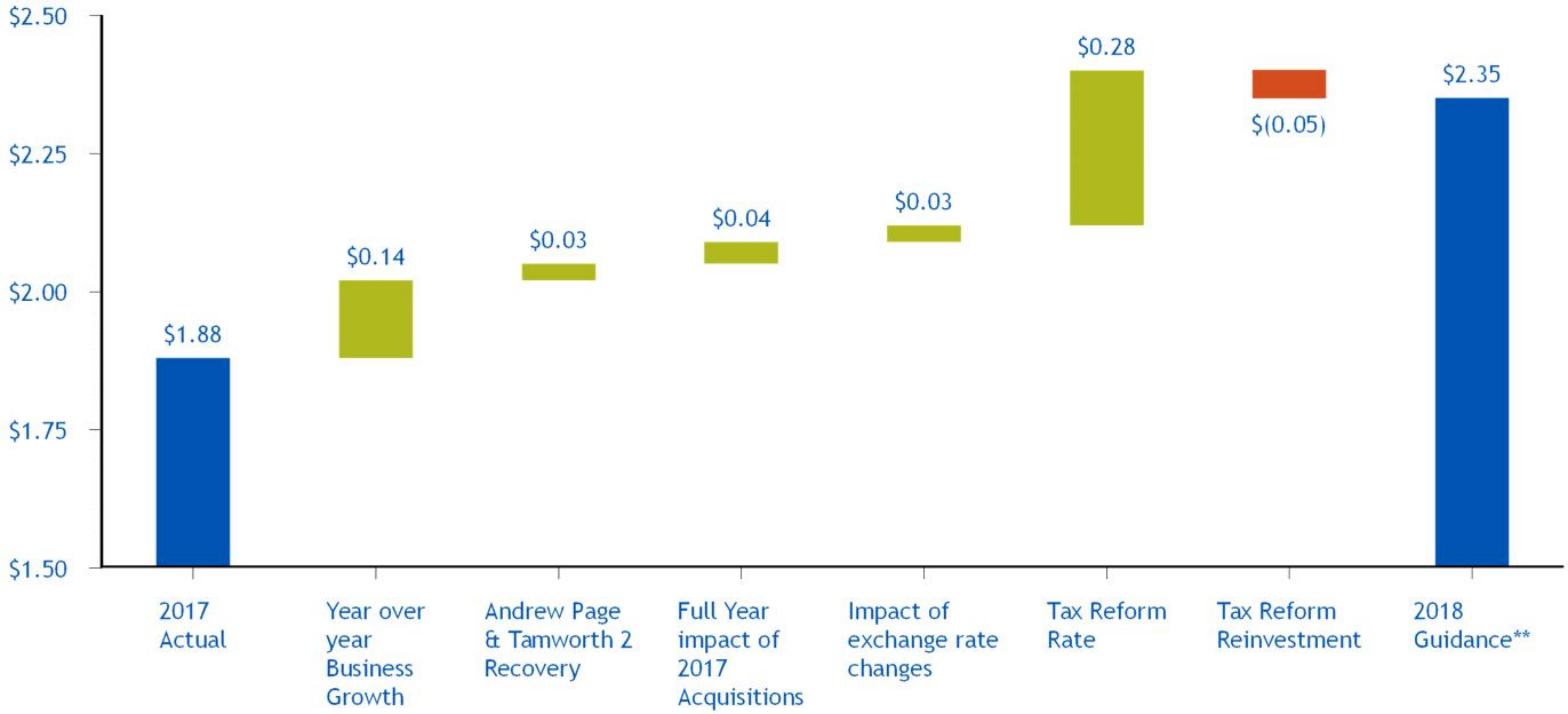
($ in millions excluding EPS)	Full Year 2017 Actual	Full Year 2018 Guidance(1)
Organic Growth, Parts and Services	4.1%	4.0% - 6.0%
Net Income - continuing operations attributable to LKQ stockholders	$540	$646 - $676
Adjusted Net Income - continuing operations attributable to LKQ stockholders(2)	$583	$720 - $750
Diluted EPS - continuing operations attributable to LKQ stockholders	$1.74	$2.07 - $2.16
Adjusted Diluted EPS - continuing operations attributable to LKQ stockholders(2)	$1.88	$2.30 - $2.40
Cash Flow from Operations - continuing operations	$523	$650 - $700
Capital Expenditures - continuing operations	$175	$250 - $280

(1) Guidance for 2018 is based on current conditions and excludes the impact of restructuring and acquisition related expenses, excess tax benefits and deficiencies from stock based payments, adjustments to provisional amounts recorded in 2017 related to the Tax Act, losses on debt extinguishment and amortization expense related to acquired intangibles. In addition, it excludes gains or losses (including changes in fair value of contingent consideration liabilities) and capital spending related to acquisitions or divestitures. Our forecasted results for our international operations were calculated using current foreign exchange rates for the year. Guidance for 2018 includes a global effective tax rate of 26%. Adjustments to the provisional amounts recorded for the Tax Act in 2017 are not reflected in the estimated rate. Full year 2017 actual figures for Adjusted Income and Adjusted Diluted EPS were calculated using the same methodology as the 2018 guidance. Organic revenue guidance refers only to parts and services revenue. LKQ updated its guidance on February 22, 2018, and it is only effective on the date of issuance. It is LKQ's policy to comment on its annual guidance only when the company issues its quarterly press releases with financial results. LKQ has no obligation to update this guidance.

(2) Adjusted income and Adjusted Diluted EPS are non-GAAP measures. See page 37 for reconciliation of forecasted adjusted income and forecasted adjusted diluted earnings per share

(3) Does not include the pending Stahlgruber acquisition announced in December 2017. Guidance will be updated when the transaction closes.

2018 Adjusted Diluted EPS Guidance Bridge*



Does not include the pending Stahlgruber acquisition announced in December 2017. Guidance will be updated when the transaction closes.

*Adjusted net income and adjusted diluted earnings per share are non-GAAP measures. See page 37 for reconciliation of forecasted adjusted net income from continuing operations and forecasted adjusted diluted earnings per share from continuing operations

**Reflects midpoint of Adjusted Diluted EPS guidance range

Why Invest in LKQ?

Leading Positions In Large Markets

- Largest participant in each market served
- Scale provides purchasing leverage and depth of inventory
- European & Specialty expansion drives diversification
- Opportunities for new locations & adjacent markets remain in all segments

Diversified Revenue Stream

- Global balance with Pan-European footprint
- Multiple end markets
- Broad parts segment exposure
- Self funded growth

Expanding Alternative Parts Usage

- Increasing availability of quality aftermarket and recycled products
- Distribution network and inventory levels allow higher fulfillment rates
- Expanding number of vehicles comprising "sweet spot" in our target market

Clear Value Proposition

- Insurers focused on controlling repair costs
- Alternative products offer savings of 20% - 50% of OEM parts repairs
- LKQ represents the best partner for the insurance companies

Solid Financial Metrics

- History of delivering organic revenue growth & EBITDA expansion
- Strong FCF generation supports growth
- Diversified capital structure
- Limited near-term structured debt repayments & ample liquidity

Market Leader | Growing Markets | Diversified Revenue Base | Demonstrated Performance

Appendix - Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Included with this presentation 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 table is unaudited and reconciles consolidated revenue growth for Parts & Services to constant currency revenue growth for the same periods:

	Three Months Ended December 31, 2017		Year Ended December 31, 2017	
	Consolidated	Europe	Consolidated	Europe
Parts & Services				
Revenue Growth as reported	14.3%	24.6%	13.1%	24.5%
Less: Currency impact	3.3%	8.2%	(0.1%)	(0.6%)
Revenue growth at constant currency	11.0%	16.4%	13.2%	25.1%

We have presented the growth of our revenue on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP financial measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency revenue information provides valuable supplemental information regarding our growth, consistent with how we evaluate our performance, as this statistic removes the translation impact of exchange rate fluctuations, which are outside of our control and do not reflect our operational performance. Constant currency revenue results are calculated by translating prior year revenue in local currency using the current year's currency conversion rate. This non-GAAP financial measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Our use of this term may vary from the use of similarly-titled measures by other issuers due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation. In addition, not all companies that report revenue growth on a constant currency basis calculate such measure in the same manner as we do and, accordingly, our calculations are not necessarily comparable to similarly-named measures of other companies and may not be appropriate measures for performance relative to other companies.

Appendix 2 - Revenue and Segment EBITDA by segment

(in millions)	Three Months Ended December 31* 2017	% of revenue	2016	% of revenue	Year Ended December 31* 2017	% of revenue	2016	% of revenue
Revenue								
North America	$1,203.0		$1,107.8		$4,799.7		$4,444.6	
Europe	971.6		779.3		3,636.8		2,920.5	
Specialty	296.5		264.5		1,305.5		1,223.7	
Eliminations	(1.3)		(1.2)		(5.1)		(4.8)	
Total Revenue	$2,469.9		$2,150.4		$9,736.9		$8,584.0	
Segment EBITDA								
North America	$152.8	12.7%	$138.4	12.5%	$655.3	13.7%	$589.9	13.3%
Europe	77.6	8.0%	63.5	8.2%	319.2	8.8%	283.6	9.7%
Specialty	23.0	7.8%	20.3	7.7%	142.2	10.9%	131.4	10.7%
Total Segment EBITDA	$253.4	10.3%	$222.3	10.3%	$1,116.6	11.5%	$1,005.0	11.7%

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. We calculate Segment EBITDA as EBITDA excluding restructuring and acquisition related expenses, change in fair value of contingent consideration liabilities, other acquisition related gains and losses and equity in earnings of unconsolidated subsidiaries. EBITDA, which is the basis for Segment EBITDA, is calculated as net income excluding noncontrolling interest, discontinued operations, depreciation, amortization, interest (which includes loss 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. 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 and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment's percentage of consolidated revenue.

* The sum of the individual components may not equal the total due to rounding

Appendix 3 - Reconciliation of Net Income to EBITDA and Segment EBITDA

(in millions)	Three Months Ended December 31* 2017	Three Months Ended December 31* 2016	Year Ended December 31* 2017	Year Ended December 31* 2016
Net income	$120.7	$86.3	$530.2	$464.0
Subtract:				
Net loss attributable to noncontrolling interest	(3.5)	—	(3.5)	—
Net income attributable to LKQ stockholders	$124.2	$86.3	$533.7	$464.0
Subtract:				
Net (loss) income from discontinued operations	(2.2)	(10.0)	(6.7)	7.9
Net income from continuing operations attributable to LKQ stockholders	$126.4	$96.3	$540.5	$456.1
Add:				
Depreciation and Amortization	63.7	56.2	230.2	198.3
Interest expense, net	26.8	23.7	100.6	87.7
Loss on debt extinguishment**	0.5	—	0.5	26.7
Provision for income taxes	29.4	47.3	235.6	220.6
EBITDA	$246.7	$223.5	$1,107.3	$989.4
Subtract:				
Equity in earnings (loss) of unconsolidated subsidiaries	2.0	(0.1)	5.9	(0.6)
Gains on foreign exchange contracts - acquisition related	—	—	—	18.3
Gains on bargain purchases	(0.1)	8.2	3.9	8.2
Add:				
Restructuring and acquisition related expenses	9.3	6.9	19.7	37.8
Inventory step-up adjustment - acquisition related	3.6	—	3.6	3.6
Change in fair value of contingent consideration liabilities	(4.3)	—	(4.2)	0.2
Segment EBITDA	$253.4	$222.3	$1,116.6	$1,005.0
EBITDA as a percentage of revenue	10.0%	10.4%	11.4%	11.5%
Segment EBITDA as a percentage of revenue	10.3%	10.3%	11.5%	11.7%

* The sum of the individual components may not equal the total due to rounding
** Loss on debt extinguishment is considered a component of interest in calculating EBITDA

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 excluding noncontrolling interest, discontinued operations, depreciation, amortization, interest (which includes loss on debt extinguishment) and income tax expense. EBITDA provides insight into our profitability trends and allows management and investors to analyze our operating results with and without the impact of discontinued operations, depreciation, amortization, interest (which includes loss 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 acquisition related expenses, change in fair value of contingent consideration liabilities, other acquisition related gains and losses and equity in earnings of unconsolidated subsidiaries. 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. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate 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 (used in) 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 EPS to Adjusted Net Income and Adjusted EPS from Continuing Operations

	Three Months Ended December 31*		Year Ended December 31*	
(in millions, except per share data)	**2017**	**2016**	**2017**	**2016**
Net income	$120.7	$86.3	$530.2	$464.0
Subtract:				
Net loss attributable to noncontrolling interest	(3.5)	—	(3.5)	—
Net income attributable to LKQ stockholders	$124.2	$86.3	$533.7	$464.0
Subtract:				
Net (loss) income from discontinued operations	(2.2)	(10.0)	(6.7)	7.9
Net income from continuing operations attributable to LKQ stockholders	$126.4	$96.3	$540.5	$456.1
Adjustments - continuing operations attributable to LKQ stockholders:				
Amortization of acquired intangibles	26.2	23.6	97.4	81.7
Restructuring and acquisition related expenses	9.3	6.9	19.7	37.8
Loss on debt extinguishment	0.5	—	0.5	26.7
Inventory step-up adjustment - acquisition related	3.6	—	3.6	3.6
Change in fair value of contingent consideration liabilities	(4.3)	—	(4.2)	0.2
Gains on foreign exchange contracts - acquisition related	—	—	—	(18.3)
Gains on bargain purchases	0.1	(8.2)	(3.9)	(8.2)
U.S. tax law change 2017	(22.2)	—	(22.2)	—
Excess tax benefit from stock-based payments	(0.9)	—	(8.0)	(11.4)
Tax effect of adjustments	(12.2)	(10.6)	(40.6)	(45.6)
Adjusted net income from continuing operations attributable to LKQ stockholders	$126.4	$108.1	$582.7	$522.5
Weighted average diluted common shares outstanding	311,106	310,120	310,649	309,784
Diluted earnings per share from continuing operations attributable to LKQ stockholders:				
Reported	$0.41	$0.31	$1.74	$1.47
Adjusted	$0.41	$0.35	$1.88	$1.69

*The sum of the individual components may not equal the total due to rounding.

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Appendix 4 - Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS from Continuing Operations

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 the company's 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 noncontrolling interest, discontinued operations, restructuring and acquisition related expenses, loss on debt extinguishment, amortization expense related to acquired intangibles, the change in fair value of contingent consideration liabilities, other acquisition-related gains and losses, excess tax benefits and deficiencies from stock-based payments, the 2017 U.S. tax law change 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. These financial measures are used by management in its decision making and overall evaluation of operating performance of the company 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 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*

(in millions, except per share data)	For the year ending December 31, 2018 Minimum Guidance	 Maximum Guidance
Net income from continuing operations attributable to LKQ stockholders	$646	$676
Adjustments:		
Amortization of acquired intangibles	100	100
Tax effect of adjustments	(26)	(26)
Adjusted net income from continuing operations attributable to LKQ stockholders	$720	$750
Weighted average diluted common shares outstanding	312	312
Diluted EPS from continuing operations attributable to LKQ stockholders:		
U.S. GAAP	$2.07	$2.16
Non-GAAP (Adjusted)	$2.30	$2.40

Does not include the pending Stahlgruber acquisition announced in December 2017. Guidance will be updated once the transaction closes

We have presented forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations Attributable to LKQ Stockholders in our financial guidance. 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 income from continuing operations attributable to LKQ stockholders, amortization of acquired intangibles for the full fiscal year 2018 and the related tax effect; we did not estimate amounts for any other components of the calculation for the year ending December 31, 2018.

*The sum of the individual components may not equal the total due to rounding

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