LKQ® Corporation

2017 GLOBAL
CONSUMER, TECHNOLOGY & SERVICES CONFERENCE

TUESDAY, JUNE 6 –
THURSDAY, JUNE 8, 2017
INTERCONTINENTAL | NEW YORK

BAIRD




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.

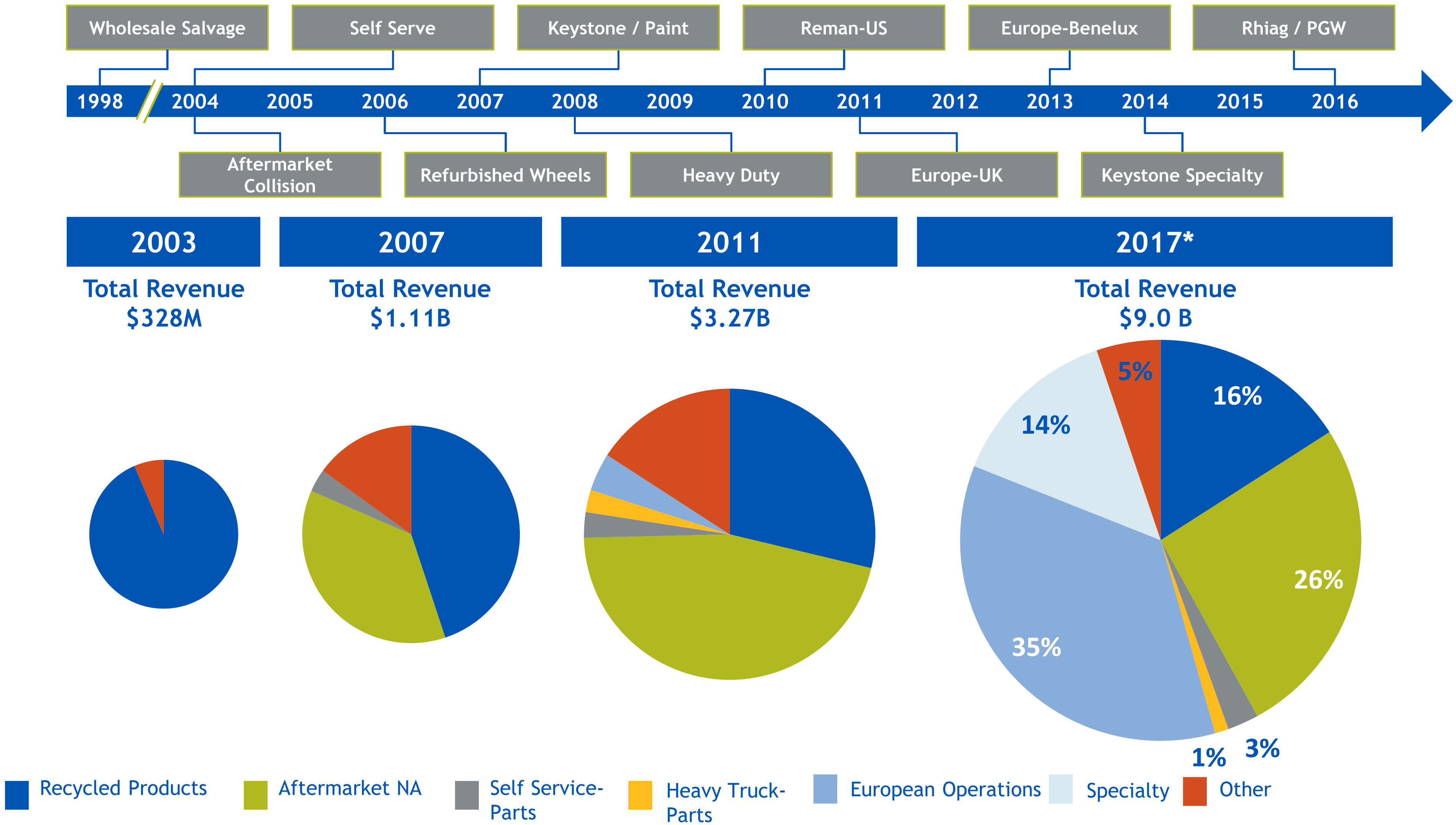
Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies. These statements are subject to a number of risks, uncertainties, assumptions and other factors including those identified below. All forward-looking 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, 2016 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 3/31/2017

Operating Unit Overview

North America

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




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



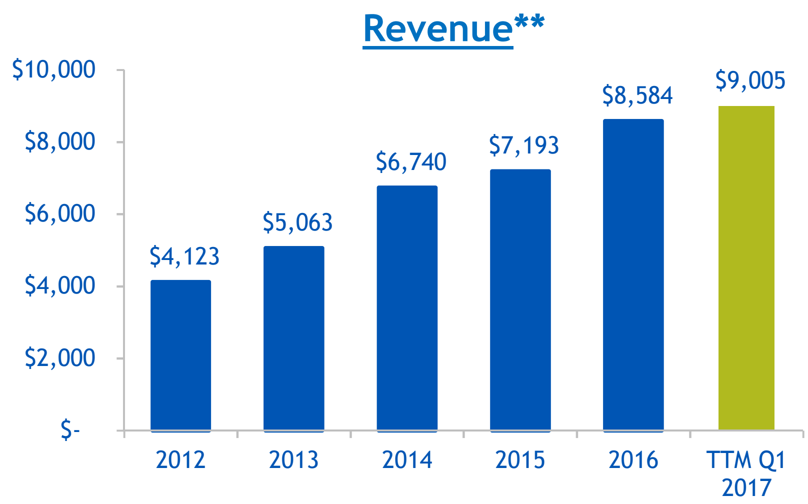
LKQ's Acquisition Philosophies

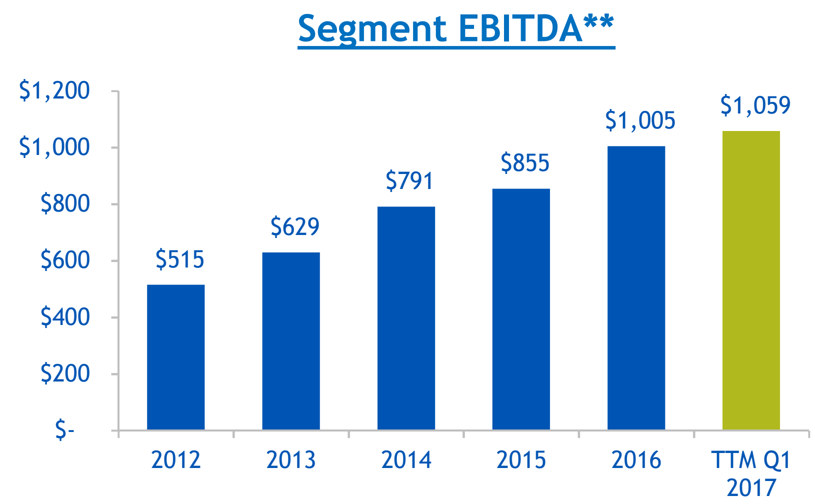
Strong Brands

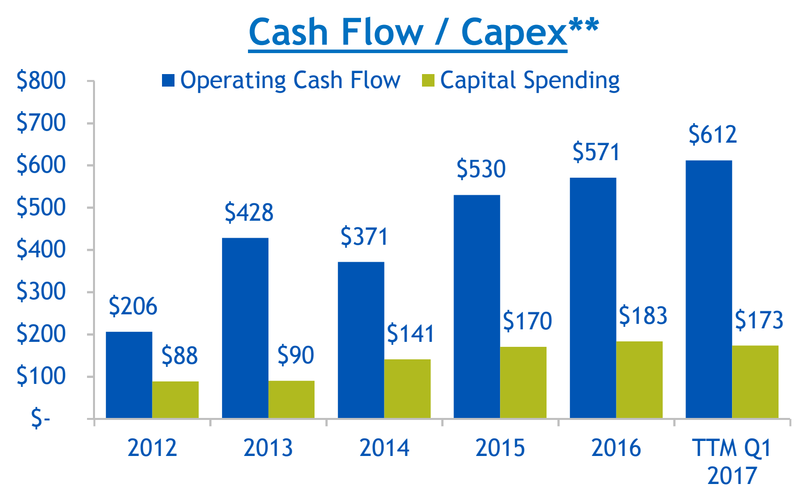
- Markets where we can be #1 or #2
- Strong and experienced management
- Opportunities for growth & synergies
- Financial returns
  - IRR (mid-teens over 10 years)
  - ROIC (10 years' average >10%)
- Integrity
- Criteria in new markets
  - Among the leaders in the market
  - High fulfillment rates
  - Consistent with LKQ culture
  - Excellent management team that will stay post closing
- Criteria in existing markets
  - "Tuck in" companies
  - High synergies
  - Additional capacity
- Substantial experience integrating acquisitions

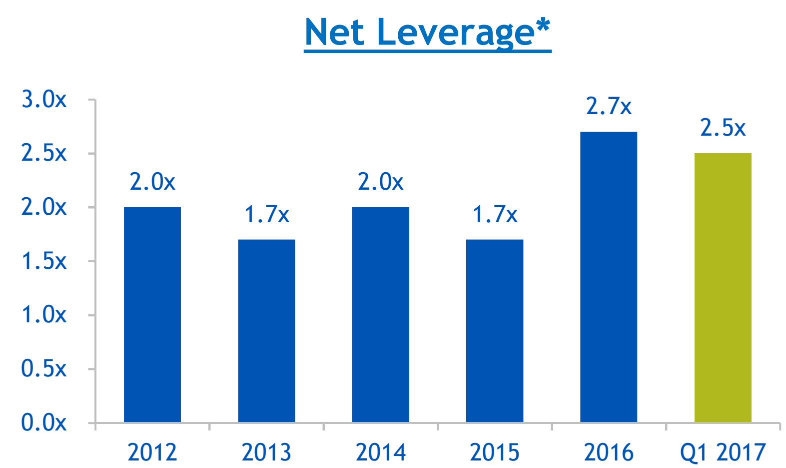
Historical Financial Performance

($ in Millions)









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

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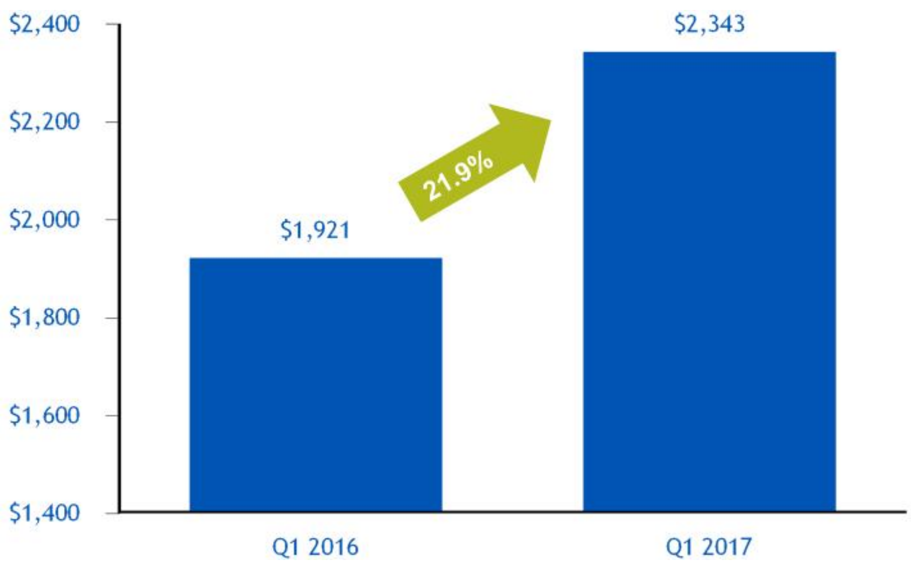
Consolidated Results - Continuing operations

Q1 2017 Revenue*



- Organic growth of parts and services revenue of 4.5%
- Income from continuing operations $140.8 million Q1 2017 vs. $112.2 million Q1 2016
- Segment EBITDA Margin** 12.4% Q1 2017 vs. 12.3% Q1 2016

* Revenue in millions

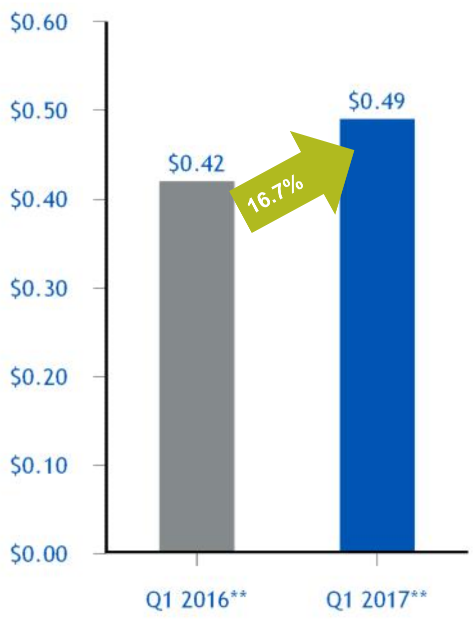
** Segment EBITDA is a non-GAAP financial measure. Refer to Segment EBITDA reconciliation on page 28

Note: On March 1, 2017, LKQ completed the sale of its automotive glass manufacturing business. Glass manufacturing results are presented as discontinued operations for all periods.

Consolidated Results - Continuing operations

Q1 2017*

Diluted EPS



Adjusted Diluted EPS

* Earnings per share figures refer to income from continuing operations
** Adjusted Diluted EPS is a non-GAAP measure. Refer to page 30 for Diluted EPS reconciliation

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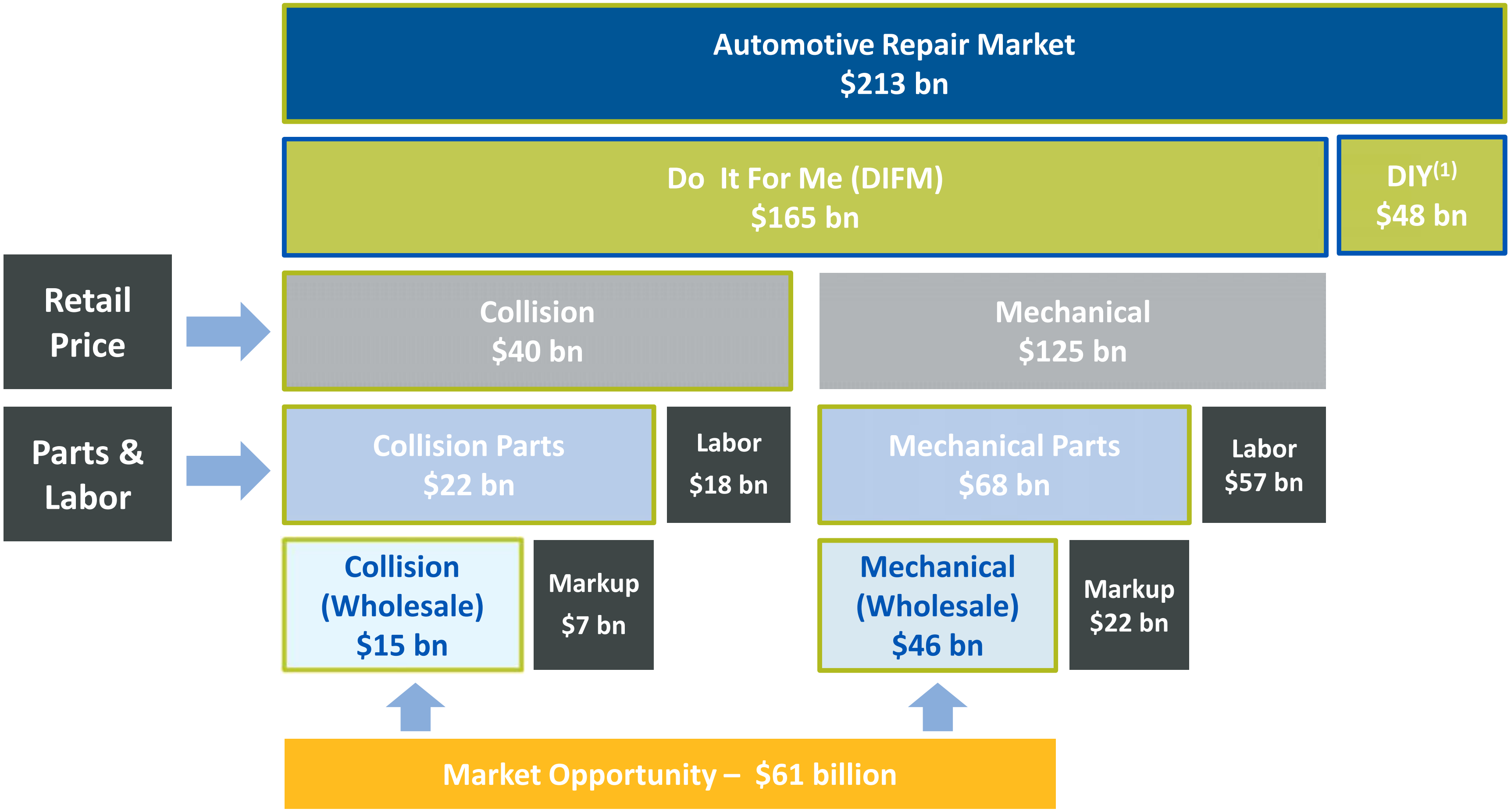
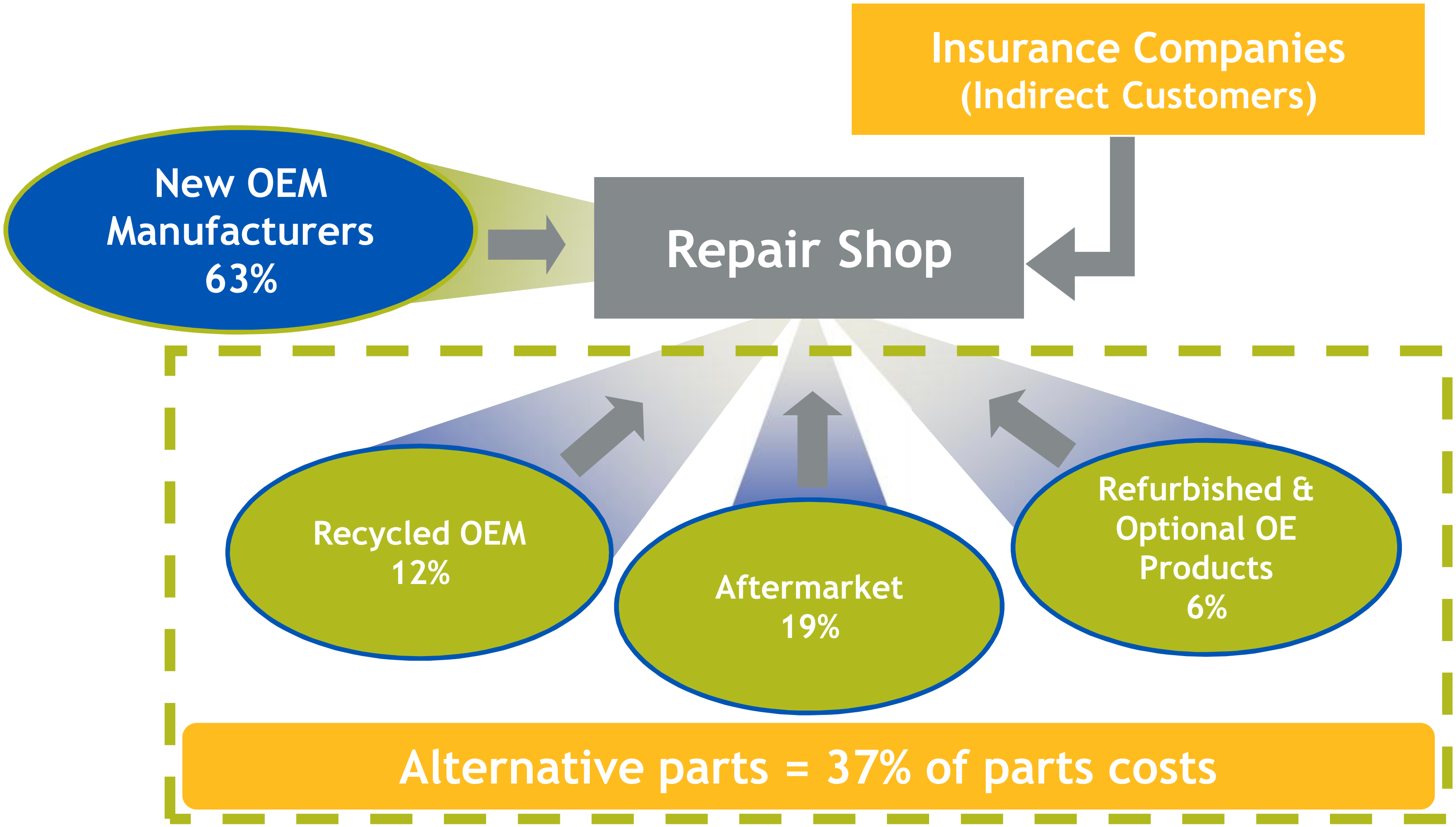
Operating Segments

Large & Fragmented US Market



Source: AAIA Factbook, 24rd Edition 2014; 2014 data is estimated, excludes tires.
2014 Collision Trends.
(1) * Do It Yourself ecommerce only.

Collision Products, a $15 Billion Industry



Source: CCC Information Services -Crash Course 2016.

Clear Value Proposition

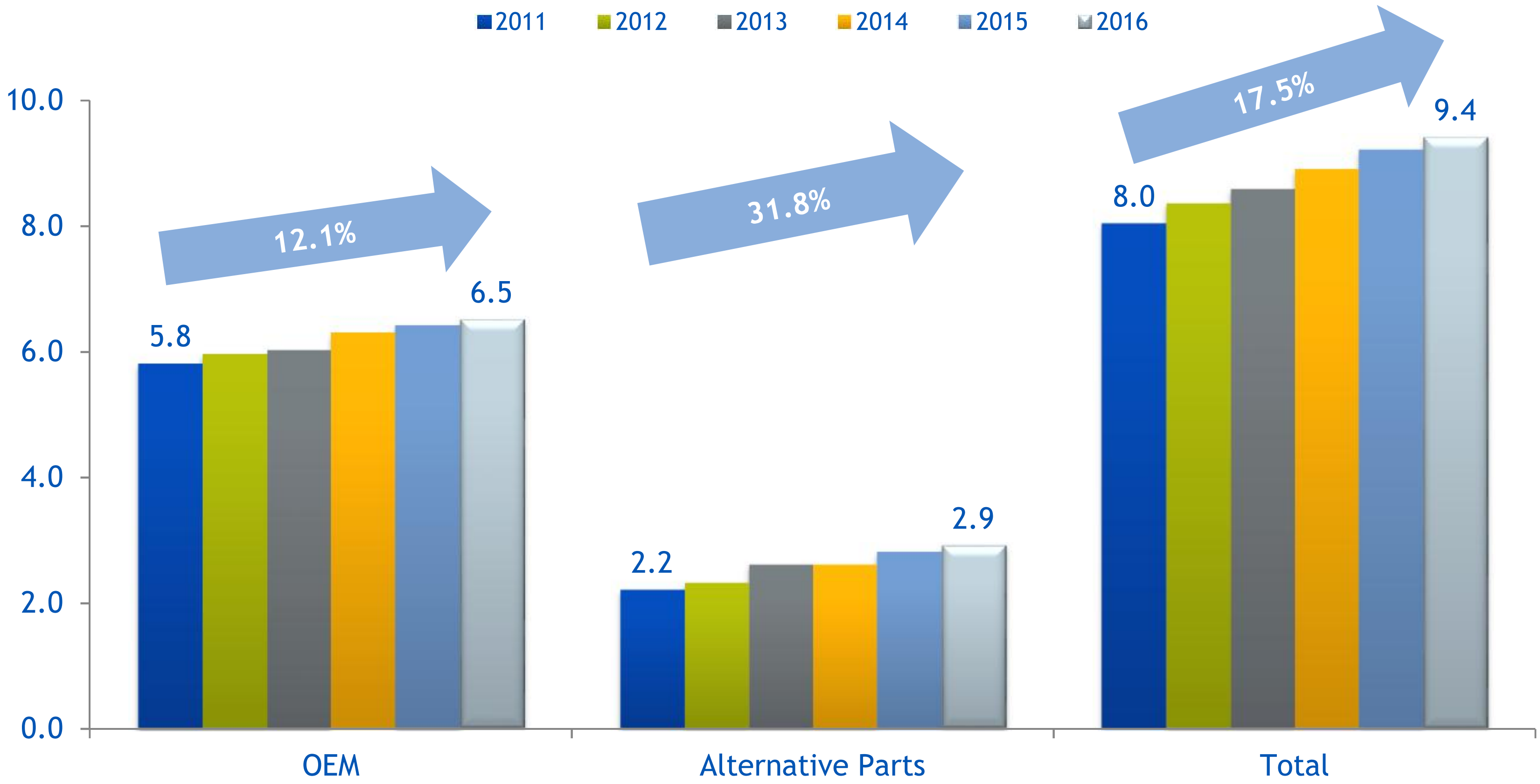
	2015 Chrysler Town & Country **Wheel**	2006 Chevrolet Silverado **Engine**	2012 Chevrolet Malibu **Bumper Cover**
New OEM	$380	$5,896	$335
Remanufactured	$261	$2,069	$209
Recycled OEM	$85	$1,090	$175
New A/M	N/A	N/A	$209
Average Savings	**55%**	**73%**	**59%**

…and Improved Cycle Time for Repairs

Note: Parts price only – excludes labor.

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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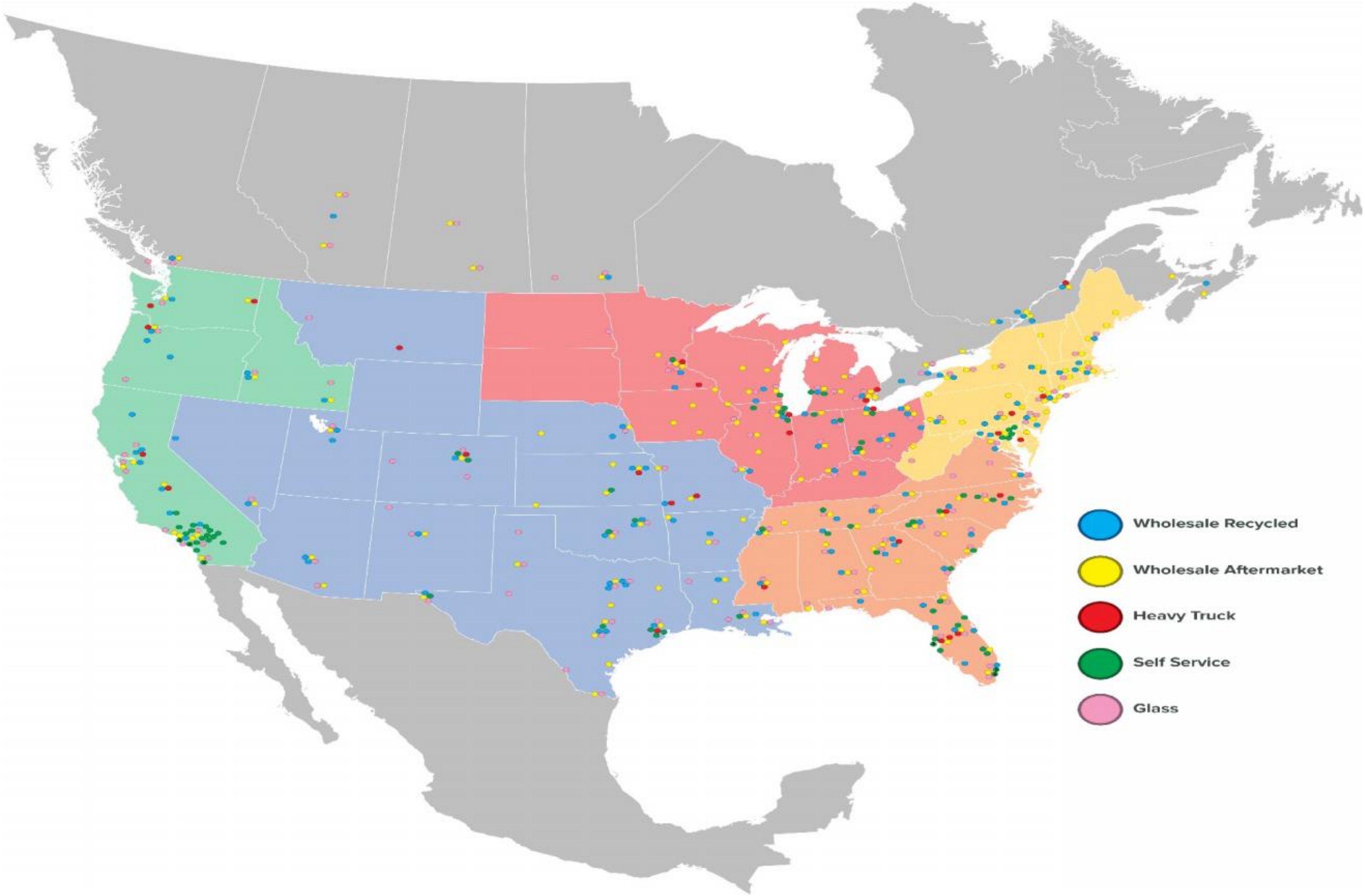
Wholesale North America Footprint



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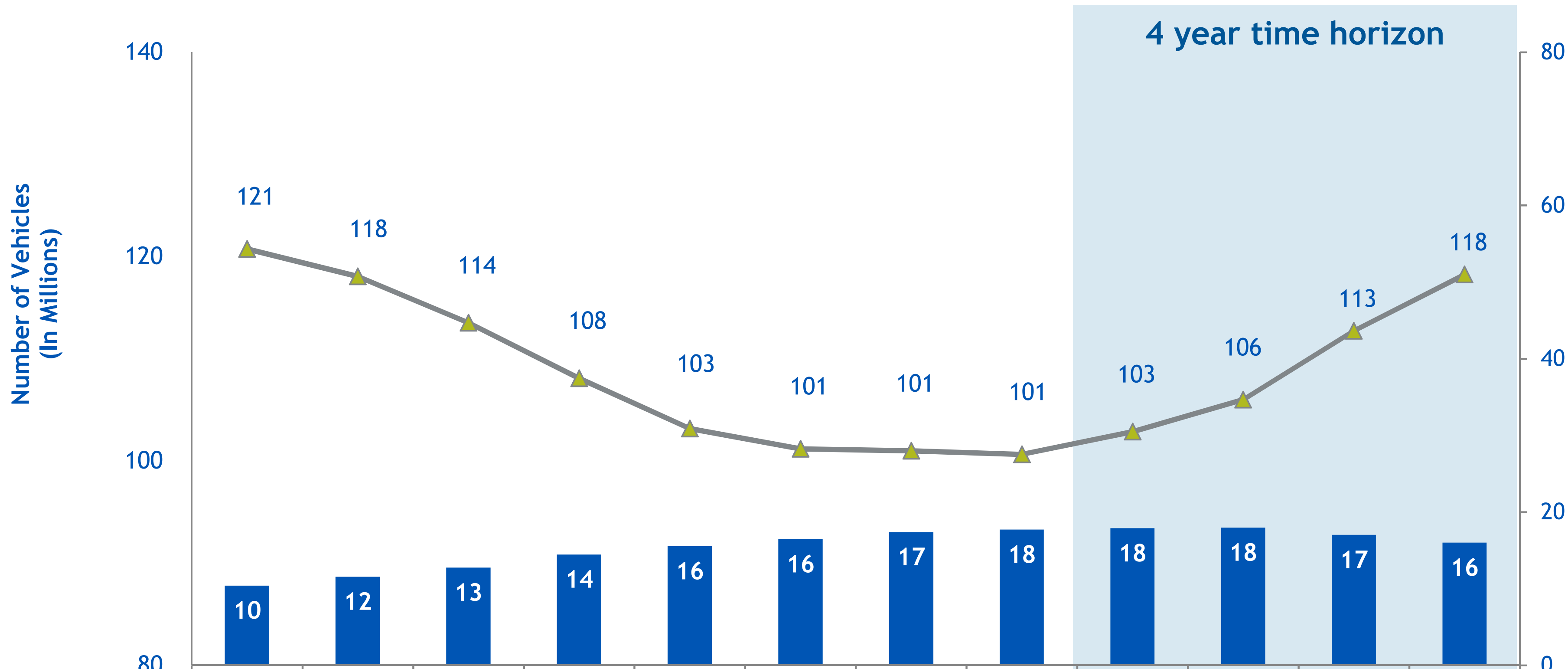
LKQ's Collision"Sweet Spot" is Growing

Age & Size of U.S. Car Parc

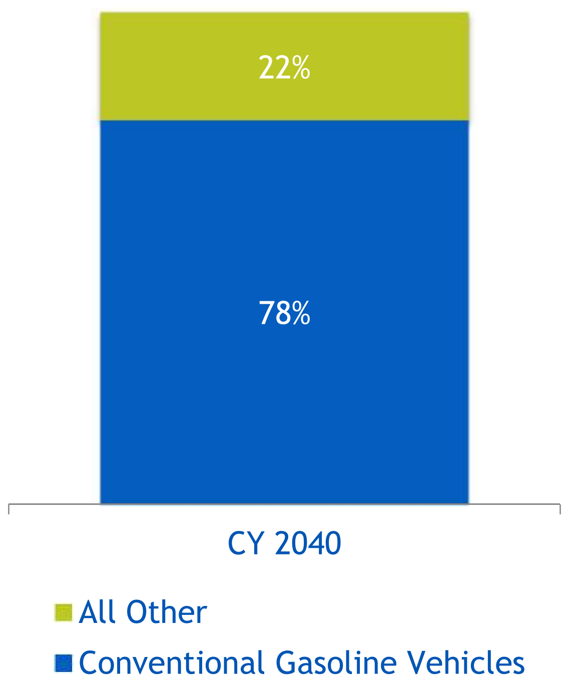


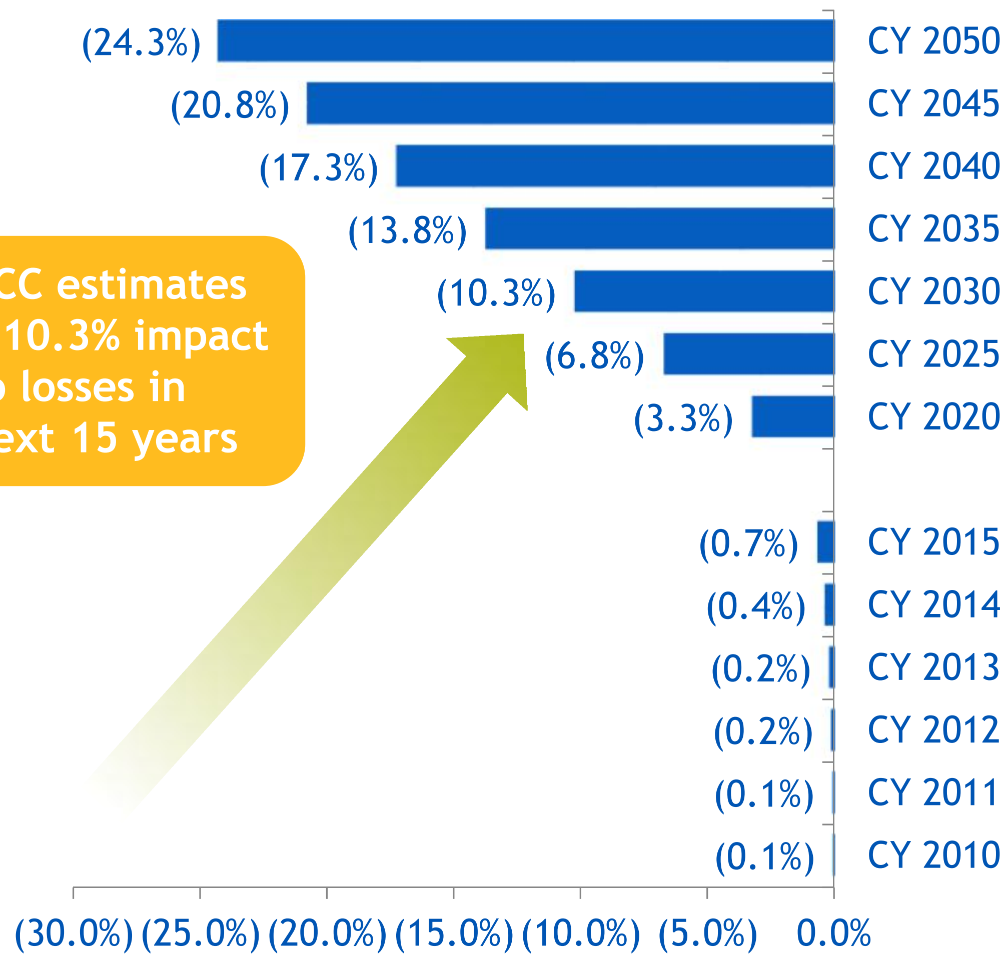
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New(SAAR)	10	12	13	14	16	16	17	18	18	18	17	16
Collision 3-10 Years	121	118	114	108	103	101	101	101	103	106	113	118

Source: Experian vehicles in operation; Projections-Bank of America Merrill Lynch, 1/9/17.

Crash Avoidance Systems Growing…

U.S. EIA Energy Outlook 2014
Light Duty Vehicle Sales by Energy Use





CCC estimates a 10.3% impact to losses in next 15 years

Source: CCC Information Services Inc.

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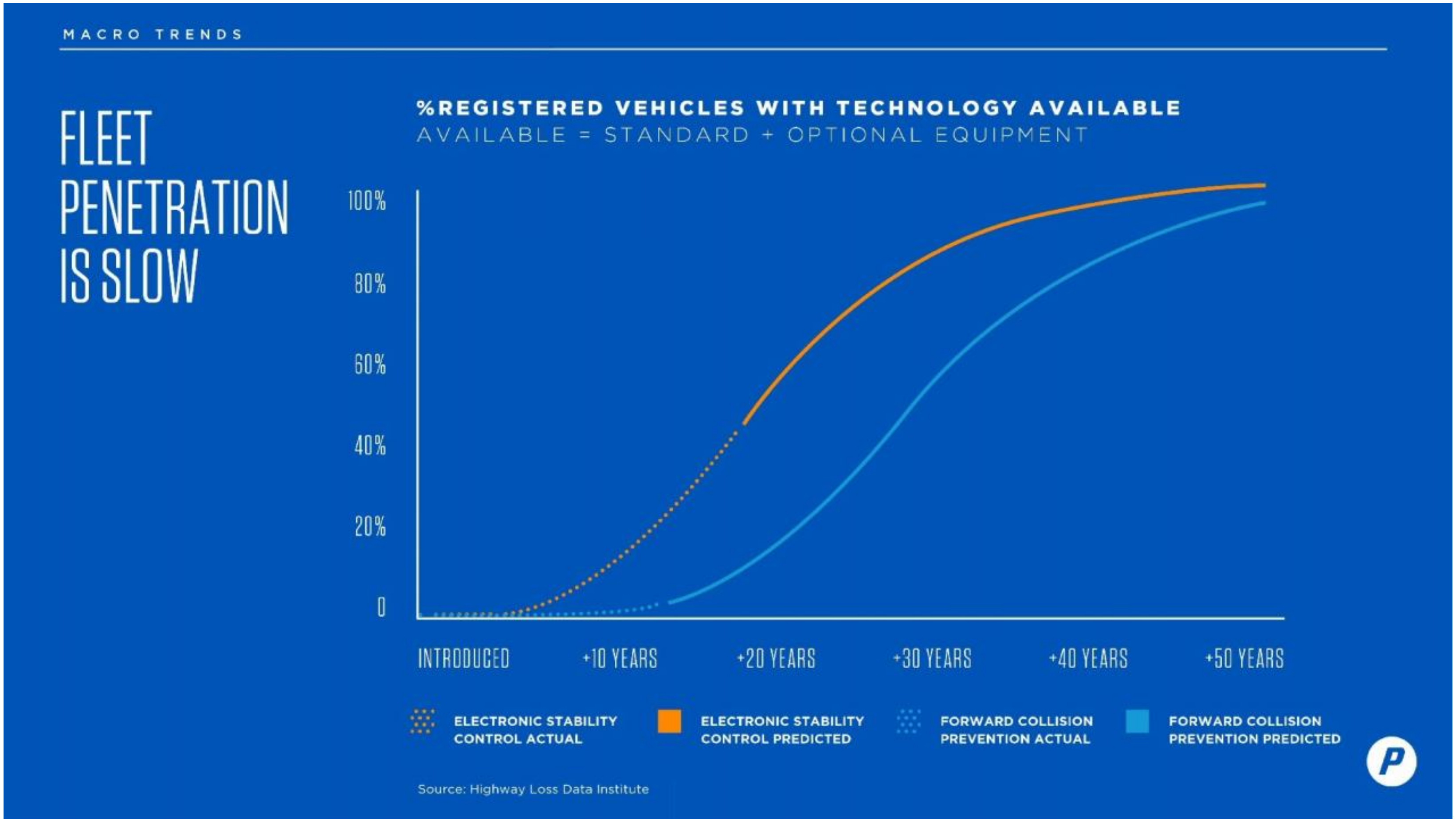
But impact coming slowly…

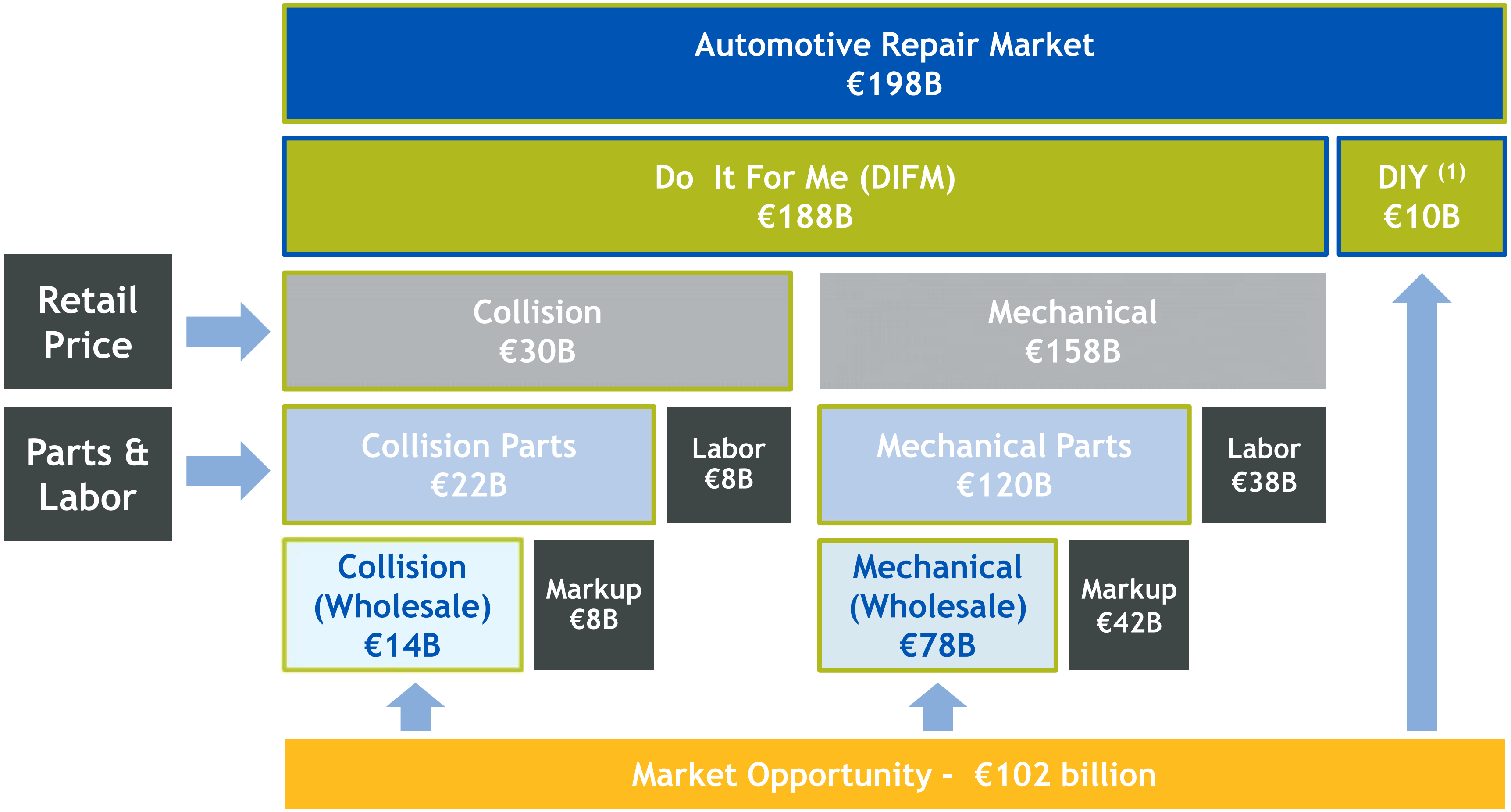


Average age of US Car Parc is 11.4 years

Source: Progressive

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

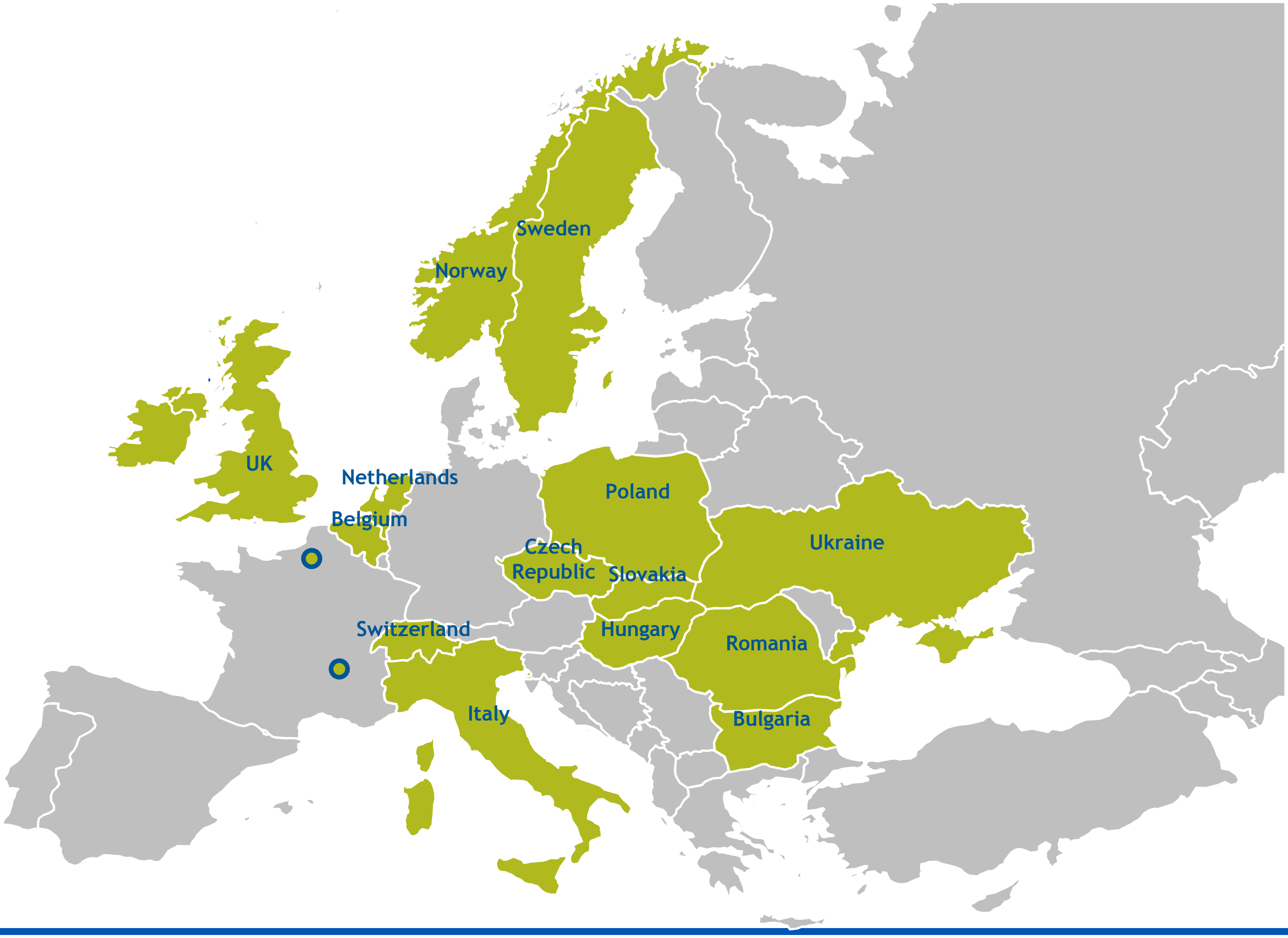
- Leading automotive aftermarket mechanical parts distributor in Italy, The Czech Republic & Slovakia; #2 or #3 position in 6 other countries in Central & Eastern Europe
- Rhiag utilizes a network of 10 DC's and 247 local branches, distributing product to over 57,000 professional customers.

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

LKQ's European Footprint



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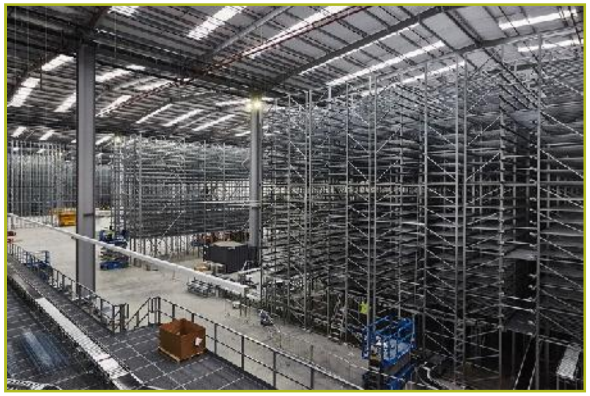
T2 Rationale

- **Supports business growth**
  - In Logistics this means increased throughput and storage requirement
- **Supports business integration**
  - Total proposition under one roof e.g. paints, e-comm, mechanical parts
- **More efficient logistics**
  - Reduced double handling & transport costs
  - Higher pick rates & improved reliability (less reliance on availability of people in a tight labour market)
- **Improved service levels to the branch network**
  - Better order fill, stock accuracy and timeliness ultimately improving product availability at Branches
- **Better for suppliers**
  - Single delivery location
  - Improved Turnaround times for their vehicles
- **Future proofing has been at the core of our thinking, i.e. flexible growth options for the site**
  - Stingray Automation Scalability 50%
  - Fast Tote Pick Scalability 100%
  - Pick Tower Scalability 200%
  - Despatch Buffer Scalability 33%

The T2 Site



- 90K tonnes of soil moved
- 778K square feet warehouse with mezzanine
- 80K tones of concrete poured
- 3K tonnes of steel used
- Main build contractor Winvic
- Automation and fit out: TGW

T2 Automation

Fast Tote Pick

- Pick Rate Age 800 cases/hr
- 600 Fast tote Pick Faces
- Average Daily 89k (31.5%) cases pick
- Auto replenishment from Miniload

Miniload System

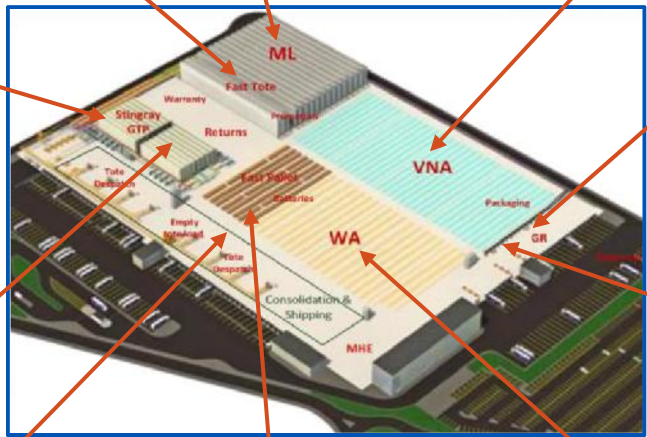
- 582k totes storage
- 15 Aisles and 36 levels
- One Crain in each aisle

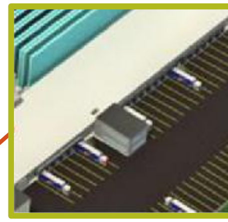
Very Narrow Aisles

- High Bay (16m) Pallet storage area
- 13 rack level of various heights
- 68k pallet location
- Store buffer stock
- Avg. Daily in out 751 pallets

Stingray System

- 8 aisles with 23 levels
- 98k storage totes
- Handle 8k totes/hr 333 totes/station



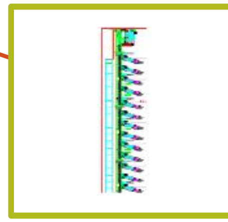


Goods in Area

- 20 dock door
- 24x7 operation
- 148 deliveries
- 4,467 Lines
- 333k Cases
- 1,882 Pallets

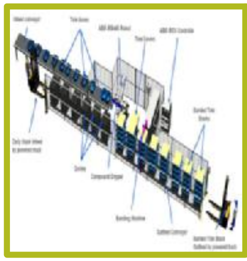
24 GTP Stations

- 2 multifunction stations
- Pick productivity: 558 cases/hour
- Average Day Pick: 127k (45.2%)
- 1 storage totes vs 10



Decant Station

- 15 decant stations
- 2 rework / reject stations
- Decant productivity 800 cases/hr



Dispatch Buffer and Automated Tote Stackers

- Enables sequencing of picked totes and gets it ready for despatch to branches
- 3 robotic tote stacker's station

Fast Pallets Pick

- 549 two pallet deep pick locations
- Avg. daily 29k stock order and 1.6k VOR
- Pick productivity: 400 cases/hr

Wide Aisles Pick Area

- Currently used picking arrangement in our warehouse
- 26,000 reserve location
- 4,972 pick locations
- Pick productivity: 120 cases per hour
- Avg. daily pallets in 551

Highly Fragmented with many "Country Champions"

Selected Market Players

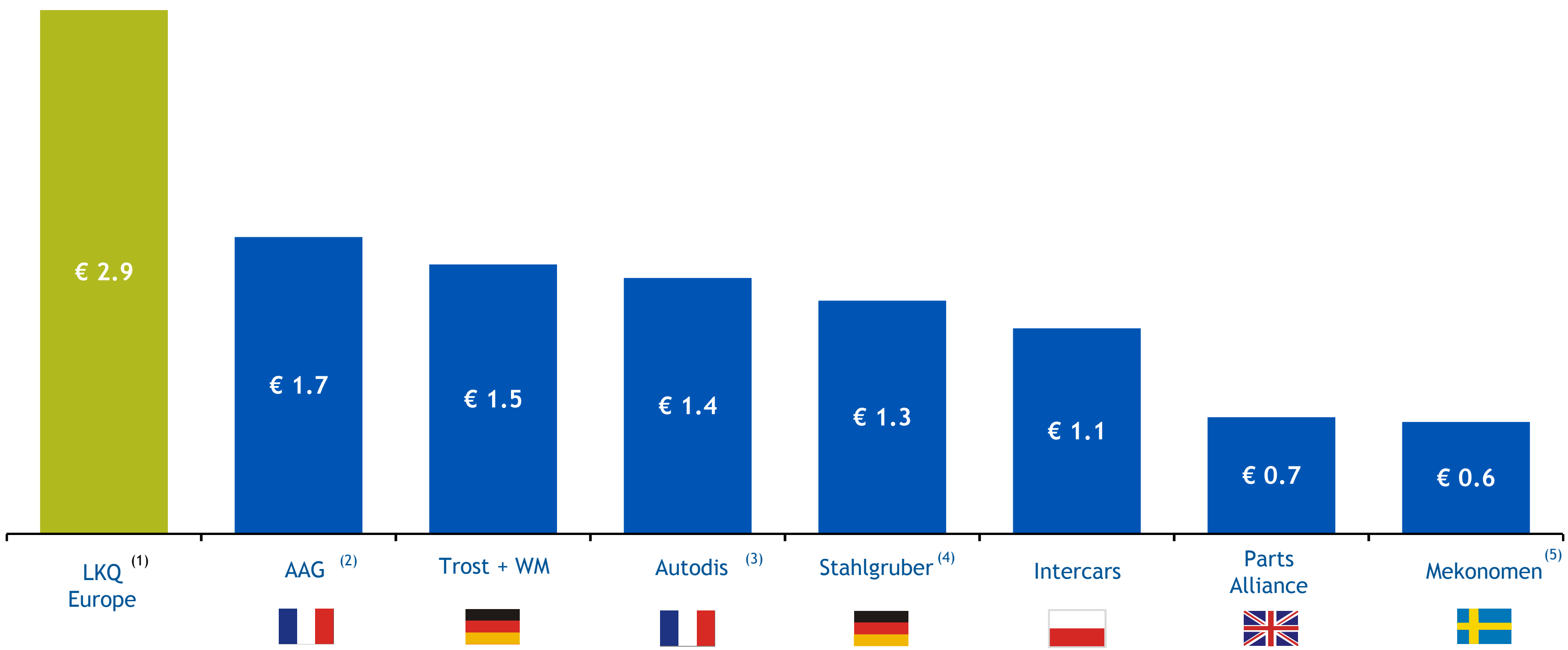
Selected Pan European Platforms

- LKQ—Central and Eastern Europe, Italy, the Netherlands and the United Kingdom
- Alliance Automotive—France, Germany and the United Kingdom

* On 12/1/2016 LKQ acquired a 26.5% equity interest in Mekonomen AB

Source: Company filings, press releases, FactSet, Orbis and CapitalIQ.

Top European Players



Source: Company filings and websites; amounts are approximate.
Note: EUR in billions. Represents FY2015 sales unless otherwise indicated.
(1) Mar 2017 TTM. (3) TTM Aug 2016. (5) FY2016.
(2) Jun 2016 TTM. (4) FY2014.

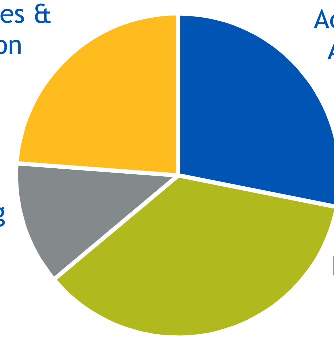
Specialty

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 250,000 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 1,000,000 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

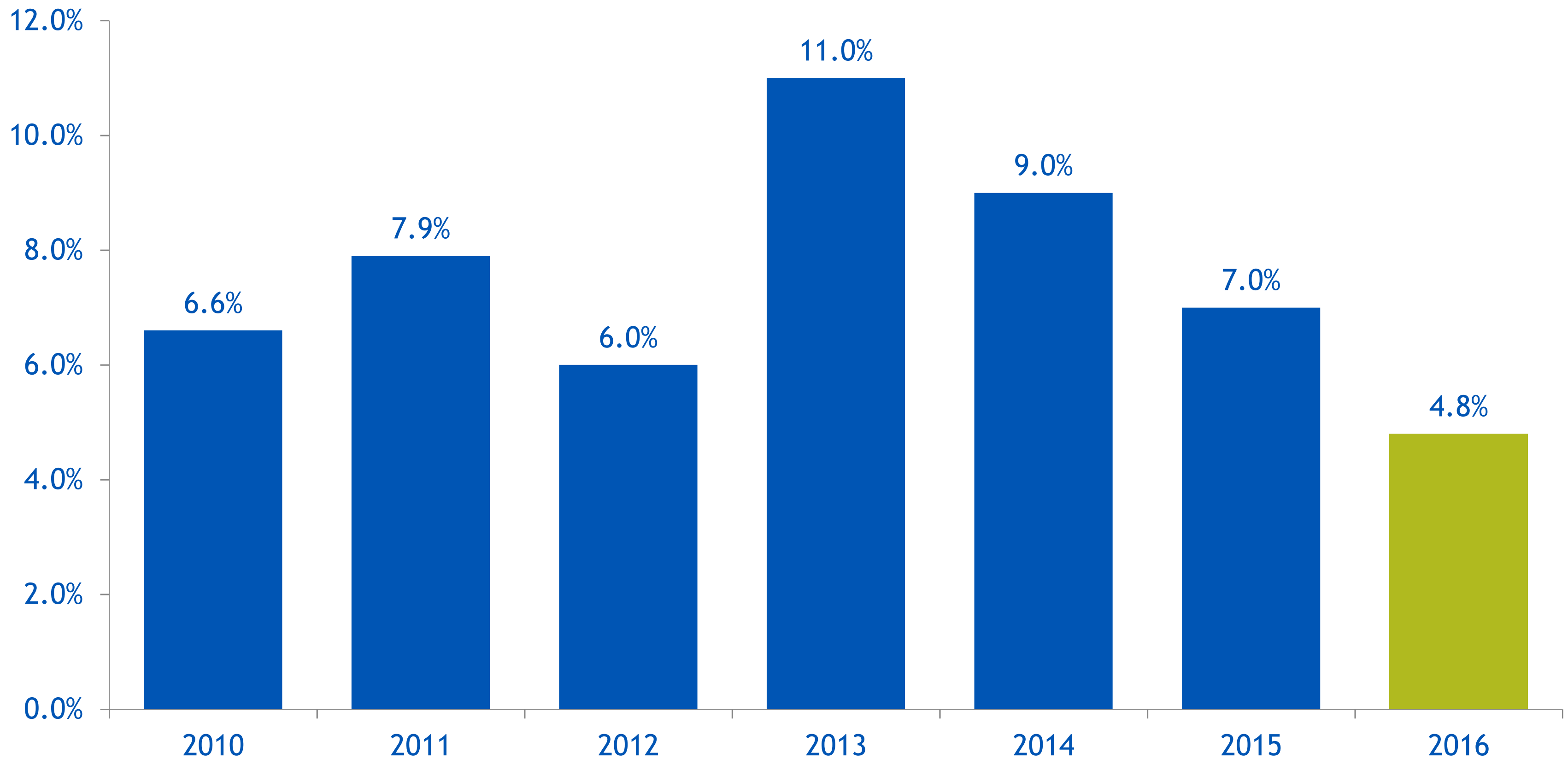
(1) Management estimates based on AAIA Factbook, SEMA and other industry research

Consistent Business Model and Strategy

Financial Overview

History of Strong Organic Growth

Organic Revenue Growth Rates(1)



(1) Parts and services only.

Q1 2017 Revenue Growth

Revenue Changes by Source:	Organic	Acquisition	Foreign Exchange	Total[1]
North America	1.8%	8.3%	0.2%	10.4%
Europe	8.5%	51.5%	(9.9)%	50.1%
Specialty	6.3%	0.1%	0.3%	6.7%
Parts and Services	4.5%	20.0%	(2.8)%	21.7%
Other Revenue	25.9%	0.2%	(0.1)%	25.9%
Total	5.7%	18.9%	(2.7)%	21.9%

- Organic growth in North America parts and services revenue was largely attributable to increased sales volumes in our wholesale operations, primarily in our salvage operations
- ECP organic revenue growth for parts and services was 6.8%. Revenue growth for branches open more than 12 months was 5.1% and collision parts revenue growth was 18.9%. There were two more selling days in Q1 2017 compared to Q1 2016
- Sator organic revenue growth for parts and services was 3.4%; there were two more selling days in Q1 2017 compared to Q1 2016
- Unfavorable F/X impact on European revenue of $54 million; European constant currency parts and services revenue growth of 60.0%[2]
- European acquisition growth was $281 million, most of which was generated by Rhiag-Inter Auto Parts Italia S.p.A. ("Rhiag") (acquired March 18, 2016)
- On March 1, 2017, LKQ completed the sale of its automotive glass manufacturing business. The aftermarket automotive replacement glass business of PGW ("ARG") that is part of continuing operations is reflected in North America acquisition revenue
- Increase in Other Revenue was primarily attributable to higher scrap steel and other metals prices. Scrap steel prices were up 55% year over year

(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 26

Q1 2017 Operating Highlights

North America

- In Q1 2017, we closed the sale of the automotive glass manufacturing business of PGW to a subsidiary of Vitro S.A.B., a glass manufacturer based in Mexico. This divestiture allows our team to focus on the existing aftermarket glass distribution business and the potential synergies that exist within our core North American network and customer base
- We have integrated 3 ARG warehouses into LKQ warehouses
- Productivity initiatives provided $9.4 million QTD cost savings

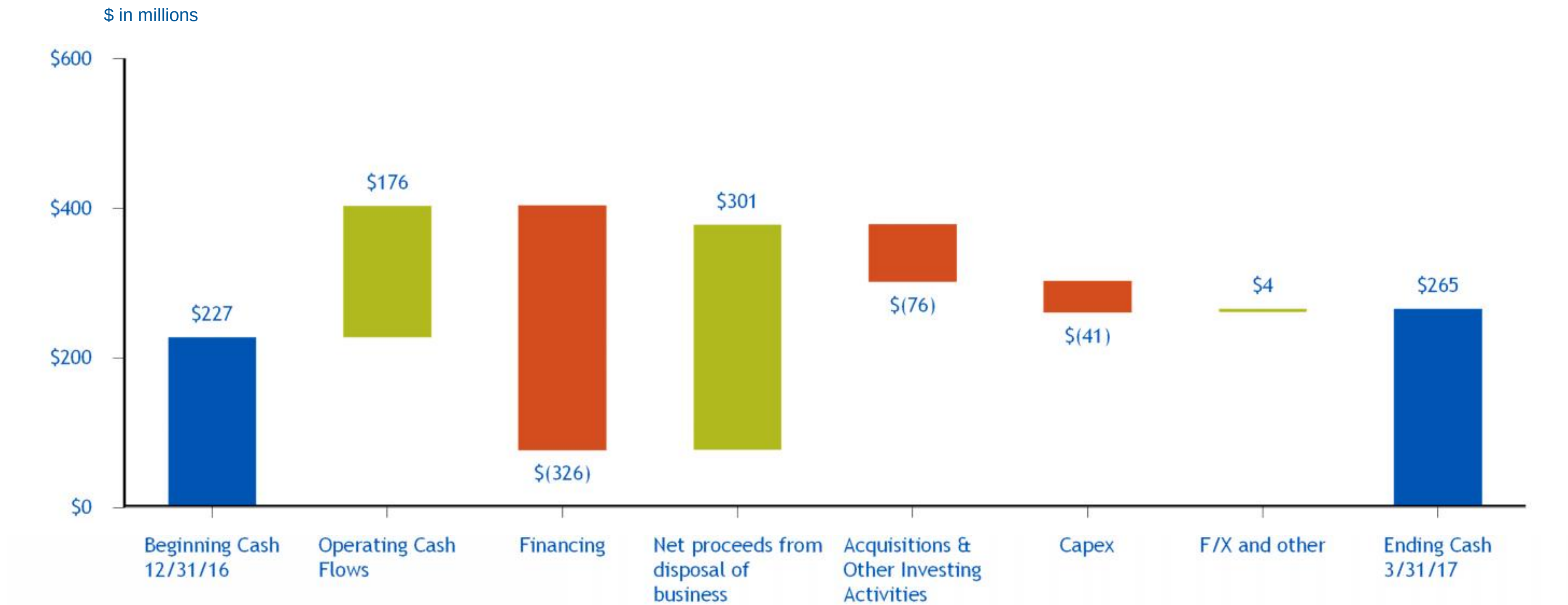
Europe

- ECP's new national distribution center (Tamworth 2) is on budget. We expect to test the automation in Q2 2017 and start deliveries in Q3 2017, with the full facility going live Q1 2018
- ECP closed six UK paint locations in Q1 (as well as six paint locations in Q4 2016). Those 12 locations had operations that were integrated into existing ECP hubs
- Rhiag opened a total of 12 ELIT and Auto Kelly locations in eastern Europe during Q1

Specialty

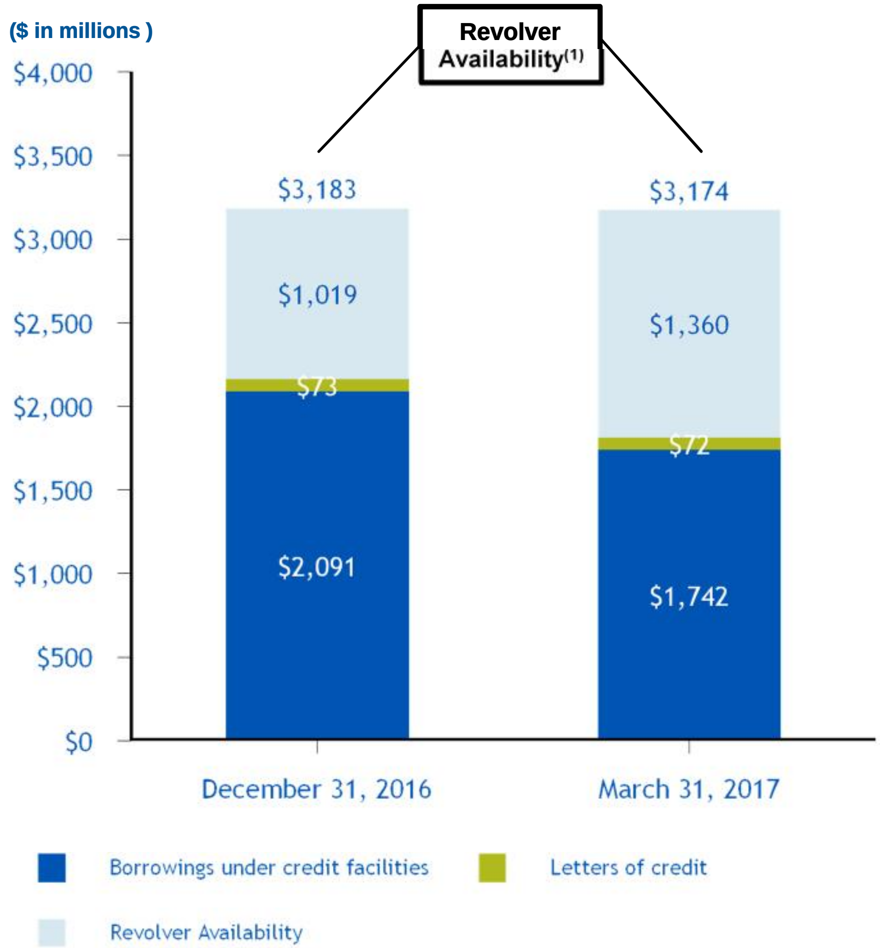
- Successful "show season" with year over year at-show sales growth exceeding expectations
- The sale of light trucks and RV's continue their upward trend at a solid pace
- Continued focus on streamlining fulfillment process, optimizing routes, ensuring best in class inventory availability, and expanding product and service offerings including dealer-friendly online solutions

2017 Capital Allocation - Continuing operations



- Operating cash flows:
  - Increase driven primarily by higher cash earnings in the first quarter of 2017
  - $32M net cash outflow from operating assets and liabilities due mainly to an increase of $109M of receivables partially offset by an increase of $61M in income taxes payable (based on the timing of estimated payments) and $24M in accounts payable
- Received net proceeds from the sale of the OEM business of $301M and invested $77M in acquisitions in Q1 2017
- We used $301 million of net cash proceeds from the sale of the OEM business to repay revolver borrowings

Leverage & Liquidity – Q1 2017

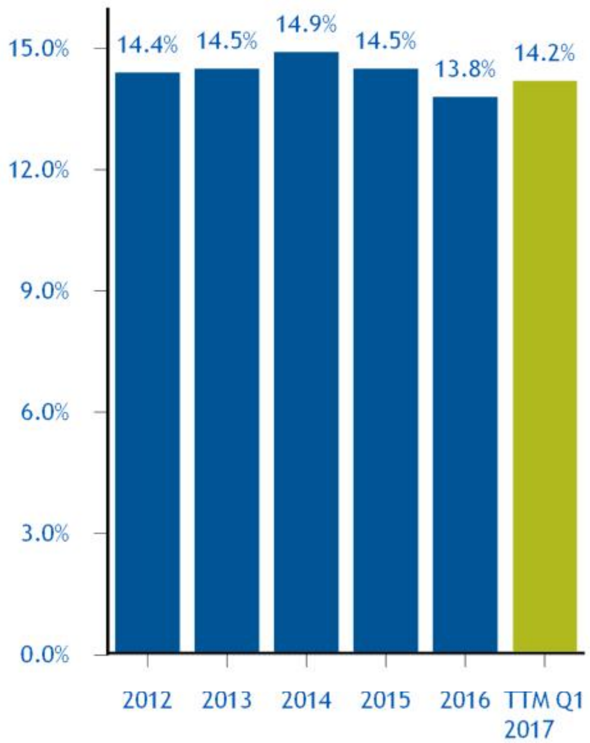


Effective borrowing rate for Q1 2017 was 2.9%

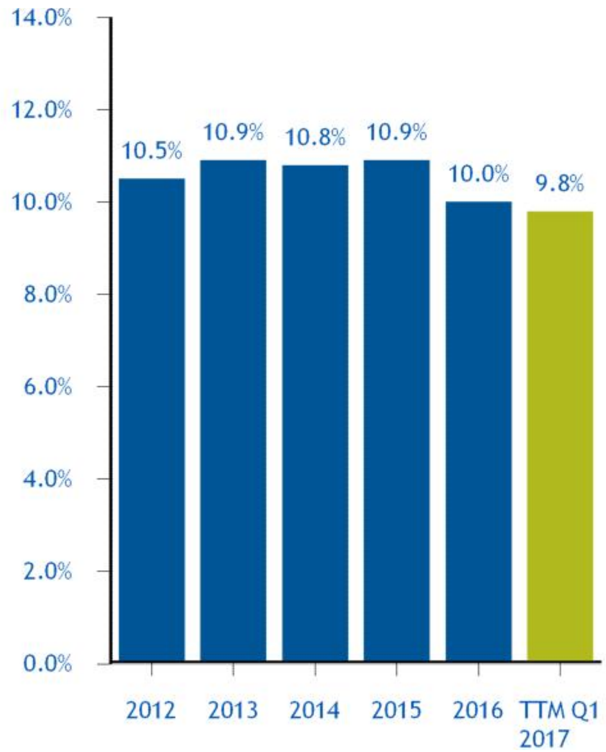
(1) Revolver availability includes our term loans and revolving credit facilities
(*) Net leverage per bank covenants is defined as Net Debt/EBITDA. See the definitions of Net Debt and EBITDA in the credit agreement filed with the SEC for further details

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 2017

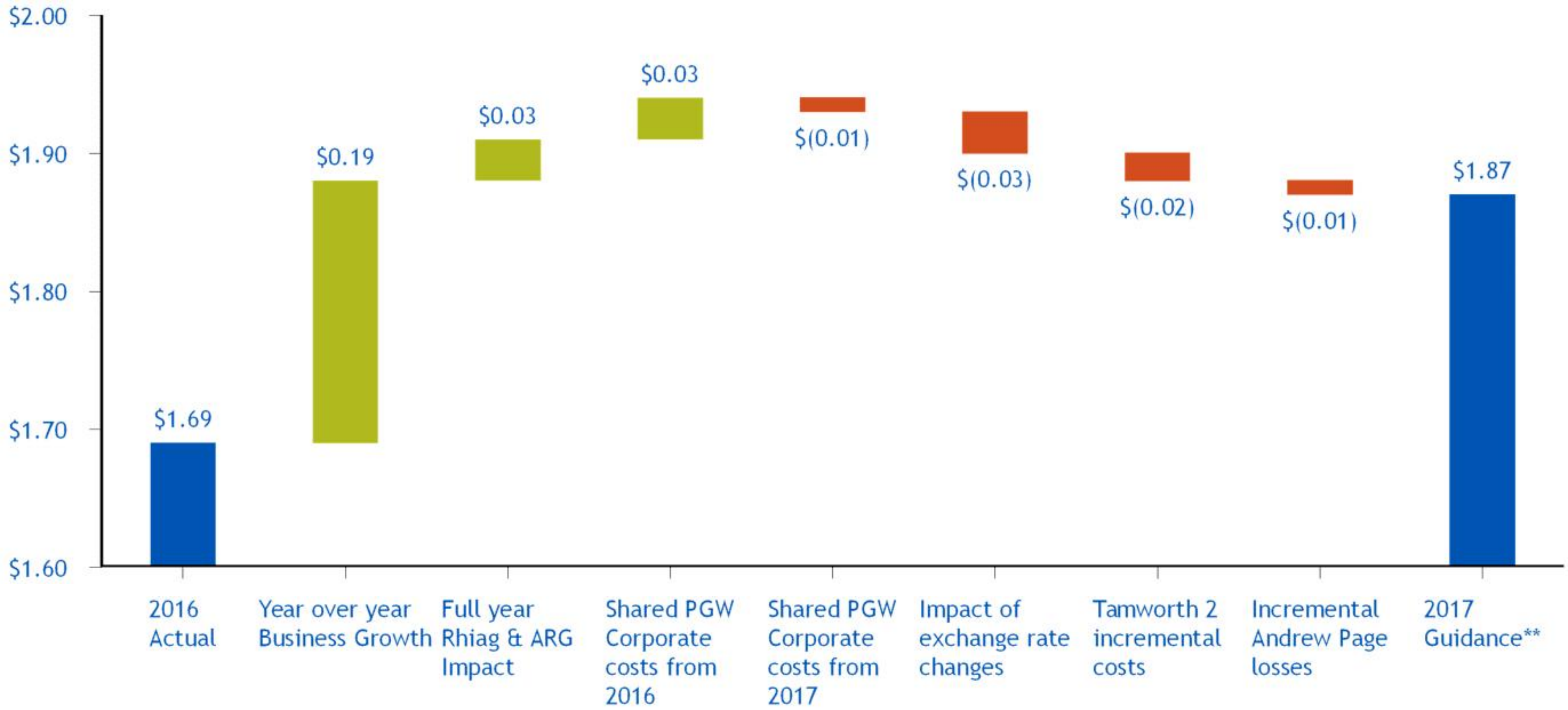
(effective only on the date issued: April 27, 2017)

($ in millions excluding EPS)	Full Year 2016 Actual	Full Year 2017 Guidance[1]
Organic Growth, Parts and Services	4.8%	4.0% - 6.0%
Adjusted Net Income- continuing operations[2]	$522	$565 - $595
Adjusted Diluted EPS- continuing operations[2]	$1.69	$1.82 - $1.92
Capital Expenditures- continuing operations	$183	$200 - $225
Cash Flow from Operations - continuing operations	$571	$615 - $645

(1) Guidance for 2017 is based on current conditions and excludes the impact of restructuring and acquisition related expenses, excess tax benefits and deficiencies from stock based payments, 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 U.K. and other international operations were calculated using current foreign exchange rates for the remainder of the year
Full year 2016 actual figures for Adjusted Net Income and Adjusted Diluted EPS were calculated using the same methodology as the 2017 guidance. Organic revenue guidance refers only to parts and services revenue. LKQ updated its guidance on April 27, 2017, 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) See page 32 for reconciliation of forecasted adjusted net income and forecasted adjusted diluted earnings per share

2017 Adjusted Diluted EPS Guidance Bridge*



* See page 32 for reconciliation of forecasted adjusted net income and forecasted adjusted diluted earnings per share
** 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 1- Constant Currency Reconciliation

- The following unaudited table reconciles consolidated revenue growth for Parts & Services to constant currency revenue growth for the same measure:

	Three Months Ended March 31, 2017	
	Consolidated	Europe
Parts & Services		
Revenue Growth as reported	21.7%	50.1%
Less: Currency impact	(2.8%)	(9.9%)
Revenue growth at constant currency	24.5%	60.0%

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

	Three Months Ended March 31*			
(in millions)	2017	% of revenue	2016	% of revenue
Revenue				
North America	$1,208.2		$1,080.8	
Europe	820.9		546.8	
Specialty	314.9		295.1	
Eliminations	(1.2)		(1.2)	
Total Revenue	$2,342.8		$1,921.5	
Segment EBITDA				
North America	$176.1	14.6%	$145.7	13.5%
Europe	78.7	9.6%	57.5	10.5%
Specialty	35.4	11.3%	33.4	11.3%
Total Segment EBITDA	$290.3	12.4%	$236.6	12.3%

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 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 March 31** 2017	2016
Net income	$136.3	$112.2
Subtract:		
Loss from discontinued operations, net of tax	(4.5)	—
Income from continuing operations	$140.8	$112.2
Add:		
Depreciation and Amortization	50.6	33.2
Interest Expense, Net	24.0	14.6
Loss on debt extinguishment*	—	26.7
Provision for Income Taxes	72.2	53.1
EBITDA	$287.6	$239.7
Subtract:		
Equity in earnings of unconsolidated subsidiaries	0.2	(0.4)
Gains on foreign exchange contracts - acquisition related	—	(18.3)
Add:		
Restructuring and acquisition related expenses	2.9	14.8
Change in fair value of contingent consideration liabilities	—	0.1
Segment EBITDA	$290.3	$236.6
EBITDA as a percentage of revenue	12.3%	12.5%
Segment EBITDA as a percentage of revenue	12.4%	12.3%

* Loss on debt extinguishment is considered a component of interest in calculating EBITDA
** 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

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 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

(in millions, except per share data)	Three Months Ended March 31* 2017	2016
Net income	$136.3	$112.2
Subtract:		
Loss from discontinued operations, net of tax	(4.5)	—
Income from continuing operations	$140.8	$112.2
Adjustments:		
Restructuring and acquisition related expenses	2.9	14.8
Loss on debt extinguishment	—	26.7
Amortization of acquired intangibles	21.3	8.9
Change in fair value of contingent consideration liabilities	—	0.1
Gains on foreign exchange contracts - acquisition related	—	(18.3)
Excess tax benefit from stock-based payments	(3.3)	(4.4)
Tax effect of adjustments	(8.5)	(11.1)
Adjusted net income from continuing operations	$153.2	$128.7
Weighted average diluted common shares outstanding	310,300	309,193
Diluted earnings per share - continuing operations	$0.45	$0.36
Adjusted diluted earnings per share - continuing operations	$0.49	$0.42

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

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 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 as Net Income and Diluted Earnings per Share adjusted to eliminate the impact of 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, 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 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 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*

	For the year ending December 31, 2017	
(in millions, except per share data)	**Minimum Guidance**	**Maximum Guidance**
Income from continuing operations	$511	$541
Adjustments:		
Amortization of acquired intangibles	85	85
Restructuring and acquisition related expenses	3	3
Excess tax benefit from stock-based payments	(3)	(3)
Tax effect of adjustments	(31)	(31)
Adjusted net income- continuing operations	$565	$595
Weighted average diluted common shares outstanding	311	311
Diluted earnings per share - continuing operations	$1.65	$1.74
Adjusted diluted earnings per share - continuing operations	$1.82	$1.92

We have presented forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations in our financial guidance. Refer to the discussion of Adjusted Net Income and Adjusted Diluted Earnings per Share 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, we included estimates of income from continuing operations and amortization of acquired intangibles for the full fiscal year 2017 and the related tax effect; we included for all other components the amounts incurred as of March 31, 2017.

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

LKQ Corporation