

TIMELINESS 2 Raised 4/15/16	High: 4.5	6.4	11.8	12.5	10.0	11.6	15.6	22.3	34.3	32.9	32.3	34.3	Target Price Range 2019 2020 2021	
SAFETY 3 New 12/29/06	Low: 2.1	4.3	5.0	4.4	5.4	8.6	10.2	14.6	20.1	24.5	22.9	24.0		80
TECHNICAL 2 Raised 6/3/16	LEGENDS --- 16.0 x "Cash Flow" p sh - - - - Relative Price Strength 2-for-1 split 1/06 2-for-1 split 12/07 2-for-1 split 9/12 Options: Yes Shaded area indicates recession													
BETA 1.05 (1.00 = Market)	2019-21 PROJECTIONS Ann'l Total Price Gain Return High 75 (+125%) 23% Low 50 (+50%) 11%													
Insider Decisions A S O N D J F M A to Buy 0 0 0 1 0 0 0 5 0 Options 1 0 0 0 1 1 0 0 1 to Sell 2 0 0 0 2 0 0 1													% TOT. RETURN 5/16 THIS STOCK VL ARITH. INDEX 1 yr. 15.8 -3.3 3 yr. 35.1 25.5 5 yr. 148.7 51.1	
Institutional Decisions 3Q2015 4Q2015 1Q2016 to Buy 222 239 262 to Sell 185 180 186 Hld's(000) 282858 281316 282013 Percent shares traded 30 20 10														

LKQ Corporation was formed in 1998, and was incorporated in Delaware in 2003. On October 2, 2003, LKQ made an initial public offering of 14.0 million shares, priced at \$6.50 (split-adjusted). The lead manager for this transaction was Robert W. Baird. The company made a secondary offering of 6.9 million shares, priced at \$14.50 (split-adjusted) in September of 2005. The lead manager was again Robert W. Baird. These shares trade on the NASDAQ exchange under the ticker symbol LKQ.	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
	3.70	4.20	6.92	7.21	8.49	11.13	13.84	16.83	22.21	23.54	29.65	33.35	Sales per sh	39.30
	.26	.31	.49	.57	.71	.92	1.09	1.34	1.68	1.83	2.40	2.70	"Cash Flow" per sh	3.70
	.20	.28	.38	.45	.58	.74	.87	1.05	1.27	1.42	1.80	2.10	Earnings per sh A	2.90
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	.17	.14	.24	.20	.21	.29	.30	.30	.46	.56	.70	.65	Cap'l Spending per sh	.65
	1.88	3.17	3.65	4.15	4.86	5.59	6.60	7.81	8.97	10.19	11.75	13.30	Book Value per sh B	18.25
	213.20	268.30	279.84	284.01	290.93	293.90	297.81	300.81	303.45	305.57	309.00	312.00	Common Shs Outst'g C	318.00
	26.9	26.2	23.5	18.1	17.5	17.4	20.8	25.8	21.7	20.0	Bold figures are Value Line estimates	Avg Ann'l P/E Ratio	21.0	
	1.45	1.39	1.41	1.21	1.11	1.09	1.32	1.45	1.14	1.00	Relative P/E Ratio	1.30		
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CAPITAL STRUCTURE as of 3/31/16 Total Debt \$2818.6 mill. Due in 5 Yrs \$1200.0 mill. LT Debt \$2743.2 mill. LT Interest \$135.0 mill. (Total interest coverage: NMF) (46% of Cap'l)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
	789.4	1126.8	1937.3	2047.9	2469.9	3269.9	4122.9	5062.5	6740.1	7192.6	9165	10400	Sales (\$mill)	12500
	22.2%	32.4%	31.2%	36.4%	31.7%	30.6%	29.8%	29.2%	28.0%	27.9%	29.0%	29.5%	Operating Margin	30.5%
	11.8	17.1	30.7	34.1	38.0	49.9	64.1	81.0	120.7	122.1	180	190	Depreciation (\$mill)	245
	44.4	65.9	105.5	127.5	169.1	219.2	261.2	320.7	387.6	435.5	555	650	Net Profit (\$mill)	925
	39.0%	39.1%	37.7%	37.9%	37.4%	37.1%	36.2%	34.7%	35.2%	33.9%	35.0%	35.0%	Income Tax Rate	40.0%
	5.6%	5.8%	5.4%	6.2%	6.8%	6.7%	6.3%	6.3%	5.8%	6.1%	6.1%	6.3%	Net Profit Margin	7.4%
	122.4	389.5	441.7	534.4	611.6	752.0	896.5	1121.8	1566.7	1588.7	1950	2025	Working Cap'l (\$mill)	2175
	92.0	641.5	620.9	593.0	548.1	926.6	1046.8	1264.2	1801.0	1528.7	2700	2600	Long-Term Debt (\$mill)	2000
	401.2	849.8	1020.5	1179.4	1414.2	1644.1	1964.1	2350.7	2720.7	3114.7	3625	4150	Shr. Equity (\$mill)	5800

No Defined Pension Benefit Plan Pfd Stock None Common Stock 306,679,077 shs. as of 4/22/16 MARKET CAP: \$10.1 billion (Large Cap)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
	9.5%	4.9%	7.2%	7.9%	9.2%	8.9%	9.1%	9.4%	9.0%	9.8%	10.0%	10.5%	Return on Total Cap'l	11.5%
	11.1%	7.8%	10.3%	10.8%	12.0%	13.3%	13.3%	13.6%	14.2%	14.0%	15.5%	15.5%	Return on Shr. Equity	16.0%
	11.1%	7.8%	10.3%	10.8%	12.0%	13.3%	13.3%	13.6%	14.2%	14.0%	15.5%	15.5%	Retained to Com Eq	16.0%

CURRENT POSITION (\$MILL.) Cash Assets 114.6 87.4 229.2 Receivables 601.4 590.2 882.6 Inventory (Avg Cst) 1433.8 1556.6 1782.8 Other 167.6 106.5 99.3 Current Assets 2317.4 2340.7 2993.9 Accts Payable 400.2 415.6 597.8 Debt Due 63.5 56.0 75.4 Other 287.0 280.4 376.2 Current Liab. 750.7 752.0 1049.4	2014	2015	3/31/16			
	2013	2014	2015	2016	2017	
	1196.0	1251.7	1298.1	1316.7	1316.7	5062.5
	1625.8	1709.2	1721.0	1684.1	1684.1	6740.1
	1773.9	1838.1	1831.7	1748.9	1748.9	7192.6
1921.5	2420	2460	2363.5	2363.5	9165	
2550	2650	2650	2550	2550	10400	

ANNUAL RATES of change (per sh) Past 10 Yrs. Past 5 Yrs. Est'd '13-'15 to '19-'21 Sales 24.0% 22.5% 13.0% "Cash Flow" 26.0% 22.5% 18.0% Earnings 26.0% 21.5% 18.5% Dividends -- -- NMF Book Value 21.0% 16.5% 10.5%	2013	2014	2015	2016	2017	
	.28	.26	.25	.26	.26	1.05
	.35	.34	.31	.27	.27	1.27
	.37	.39	.34	.32	.32	1.42
	.42	.48	.46	.44	.44	1.80
	.50	.55	.55	.50	.50	2.10

QUARTERLY DIVIDENDS PAID 2012 2013 2014 2015 2016	2012	2013	2014	2015	2016	
	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
	NO CASH DIVIDENDS BEING PAID					

BUSINESS: LKQ Corporation provides replacement systems, components, and parts needed to repair cars and light trucks, primarily in North America and Europe. LKQ buys wrecked cars at auction and distributes the reusable parts to collision repair shops. It also provides aftermarket parts-related services. Its customers include collision and mechanical repair shops, as well as insurance companies.

Business Update: LKQ has closed on its previously announced acquisition of Rhiag-Inter Auto Parts Italia. The company is a leading Pan-European business-to-business distributor of aftermarket spare parts for passenger cars and commercial vehicles. We view the move favorably, as it should greatly expand the company's European footprint. Management believes the deal will add more than a dime to share net in 2016. The company also finalized its purchase of Pittsburgh Glass Works, a leading global manufacturer of automotive glass products. This entry into the sizable automotive glass market helps LKQ to diversify and grow its business. In order to fund these acquisitions, the company has taken on more debt. Long-term debt increased to more than \$2.7 billion as of March 31st, nearly doubling from the \$1.5 billion in the previous quarter.

Financial Performance: LKQ posted good results to start the year. Sales during the first quarter increased 8% compared to a year earlier, driven by a 10% rise in parts and services revenue. Demand was robust in both North America and Europe. Gains there more than offset a decline in the price of

scrap steel and other metals. Share net was a nickel higher than the prior-year tally, boosted by the higher volumes and a better operating performance in Europe.

Outlook: Thanks largely to the recent additions, we are raising our 2016 top- and bottom-line estimates by \$1.465 billion and \$0.15 per share, respectively, to \$9.165 billion and \$2.10. After its good start to the year, we look for these recent acquisitions to make a big impact on results. Management maintained its guidance for organic revenue growth in its parts and services business to between 6% and 8%. Domestic market-share gains, driven by the continued shift to alternative parts versus OEM parts, should continue to support the business. We also look for demand in Europe to strengthen.

Investment Thesis: The Timeliness rank of LKQ shares has been raised by a notch, to 2 (Above Average). The recent acquisitions, along with solid organic growth, should support good earnings gains during this time frame. Over the 3- to 5-year period, the stock offers wide price appreciation potential at the recent quotation.

Jason Dalavagas June 17, 2016

(A) Diluted earnings. Next earnings report due late July. (B) Includes intangibles. In 2015: \$2534.3 million, \$8.29 per share. (C) In millions, adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	55
Price Growth Persistence	95
Earnings Predictability	95