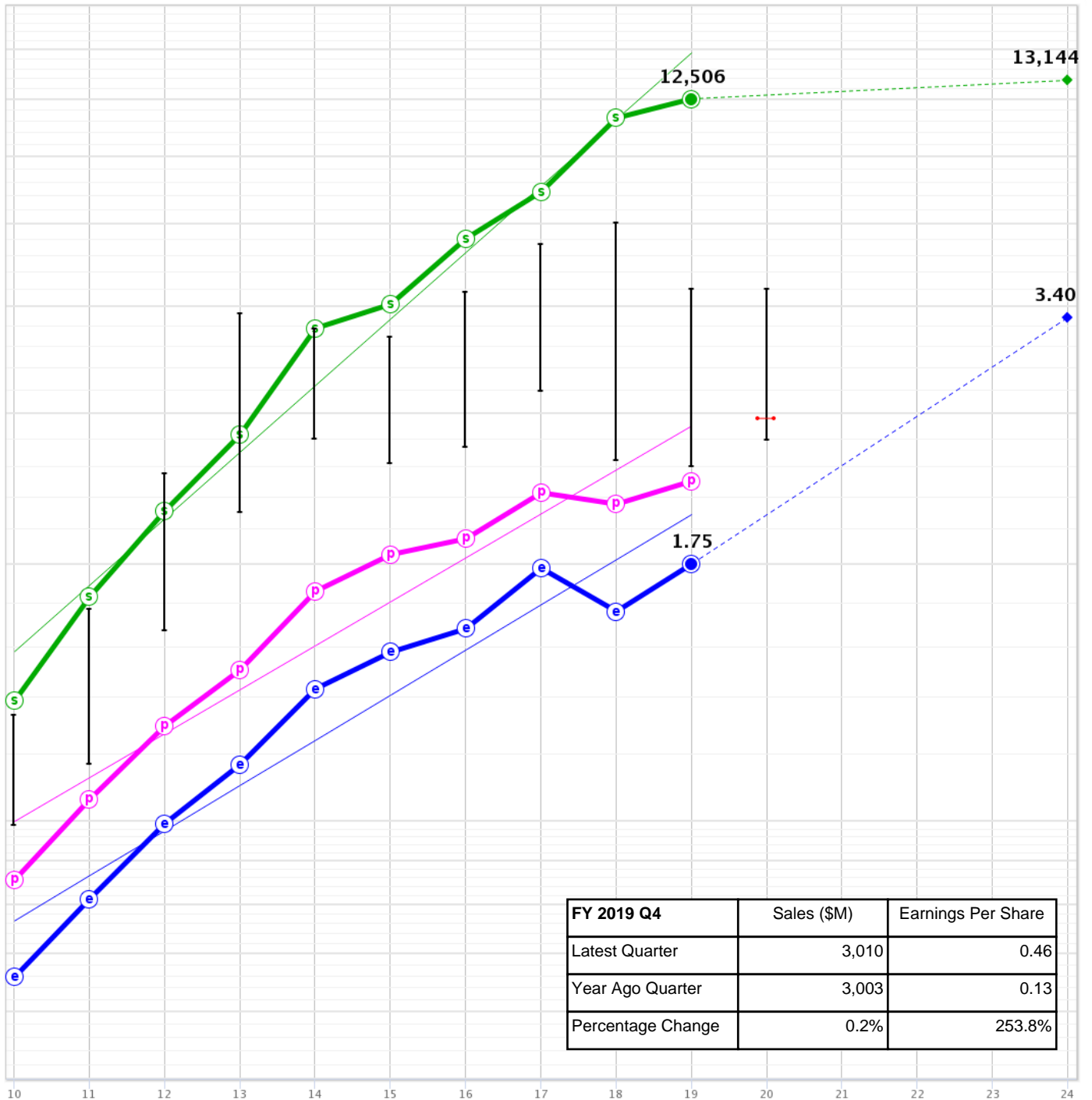


Company	LKQ		Date	03/09/20	
Prepared by	FWIC		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Auto Parts		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	307.3	1.6	51.9		
Debt (\$M)	5,400.9	% to Tot Cap	51.9	% Pot Dil	0.2

Stock Selection Guide

Symbol: LKQ

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2019 Q4	Sales (\$M)	Earnings Per Share
Latest Quarter	3,010	0.46
Year Ago Quarter	3,003	0.13
Percentage Change	0.2%	253.8%

- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 19.6% | (3) Historical Earnings Per Share Growth | 12.9% |
| (2) Estimated Future Sales Growth | 1.0% | (4) Estimated Future Earnings Per Share Growth | 14.2% |

2 EVALUATING Management

LKQ

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	10.9%	10.3%	9.9%	9.4%	8.7%	9.0%	7.9%	7.9%	6.3%	6.3%	7.5%
% Earned on Equity	11.8%	13.2%	13.2%	13.6%	14.2%	13.9%	13.2%	13.2%	10.1%	11.1%	12.3%
% Debt To Capital	29.8%	36.8%	36.3%	35.7%	40.7%	33.7%	49.3%	44.8%	47.4%	51.9%	45.4%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 25.90 (03/09/20)

HIGH THIS YEAR 36.63

LOW THIS YEAR 24.44

	A	B	C	D	E	F	G	H	
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield	
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100	
2015	32.3	22.9	1.38	23.4	16.6	0.00	0.0	0.0	
2016	36.4	24.0	1.47	24.7	16.3	0.00	0.0	0.0	
2017	41.4	27.9	1.73	23.9	16.1	0.00	0.0	0.0	
2018	43.9	23.1	1.54	28.5	15.0	0.00	0.0	0.0	
2019	36.6	22.7	1.75	20.9	13.0	0.00	0.0	0.0	
AVERAGE		24.1		23.2	15.4		0.0		
CURRENT/TTM			1.75			0.00	0.0		
AVERAGE PRICE EARNINGS RATIO: 19.3					CURRENT PRICE EARNINGS RATIO: 14.8				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 20.0 X Estimate High Earnings/Share 3.40 = Forecasted High Price \$ 68.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 15.4 X Estimate Low Earnings/Share 1.75 = Forecasted Low Price \$ 27.0

(b) Avg. Low Price of Last 5 Years 24.1

(c) Recent Market Low Price 22.7

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price \$ 24.0

C ZONING using 25%-50%-25%

Forecasted High Price 68.0 Minus Forecasted Low Price 24.0 = 44.0 Range. 25% of Range 11.0

Buy Zone 24.0 to 35.0

Hold Zone 35.0 to 57.0

Sell Zone 57.0 to 68.0

Present Market Price of 25.90 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{68.0 - 25.90}{25.90 - 24.0} = \frac{42.08}{1.90} = 22.1$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{68.0 - 25.90}{25.90} = 2.6248$ X 100 = 262.48 - 100 = 162.5 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{25.90} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{20.00} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{17.70} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 21.3 %
Average Yield 0.0 %
Annualized Rate of Return 21.3 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

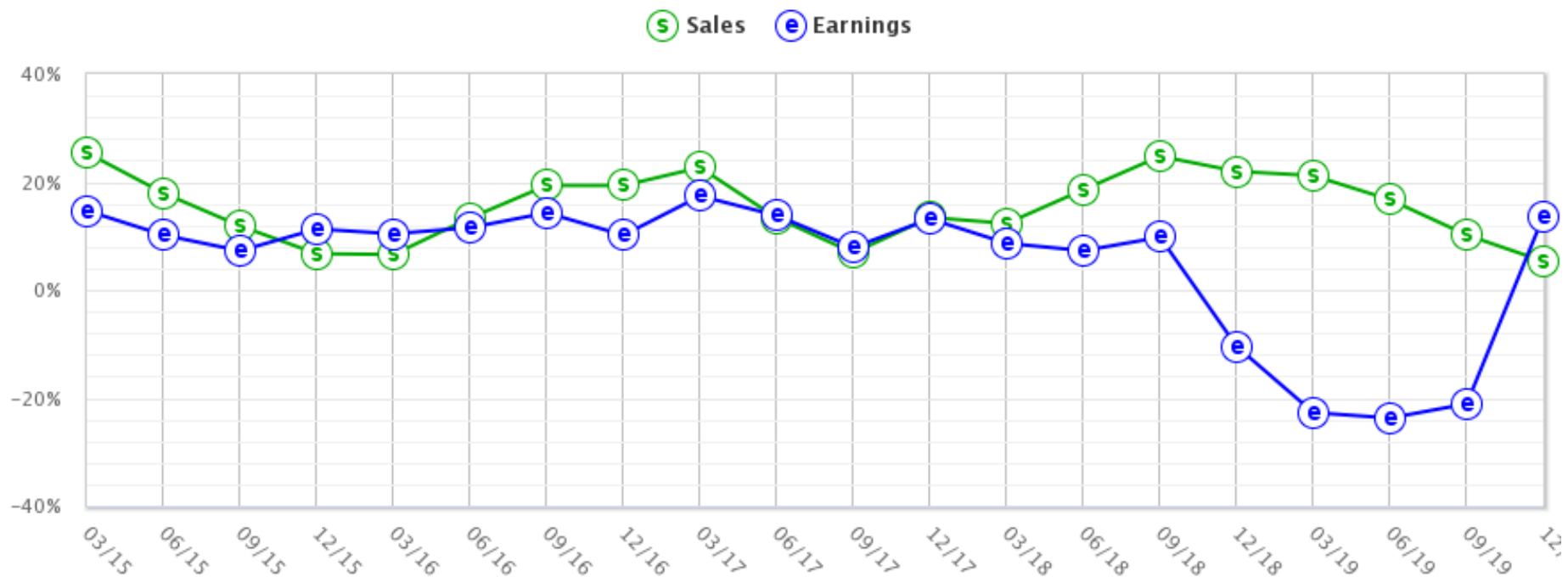
Annualized Appreciation 18.4 %
Average Yield 0.0 %
Annualized Rate of Return 18.4 %

Notes: LKQ 3/10/20

Date	Subject	Description	Type
01/15/20	LKQ Sales Growth	I like this company, have owned it for awhile, but sales growth is a concern. Value Line forecasts 14,200 million for 2022-2024, while Manifest Investing estimates 6.7% sales growth for five years. Eventually, Europe segments will contribute to sales, but when?	Community
06/24/19	Growth and \$52 million impairment charge	Except for acquisitions, growth has been trivial. \$52 million impairment charge implies change in value of acquisitions resulting in write downs. Can LKQ create synergy in Europe - a much more fragmented and less homogeneous market than the US??? I will look again after 2nd qtr results	Community
03/16/19	March LKQ Analysis tt	using median data from last 34 SSG reports, result is very similar to last month. HOWEVER, insider SELLING and failure to close on options make me sceptical. HOLD. Tommyt	Community
02/07/19	LKQ February analysis	1. Although stock price has gone up from last month's report (2/6 \$27.03), current price is still close to the estimated low price (\$25.5). 2. Estimation - 5 yr sale growth forecast 12% and EPS growth rate forecast 12%, high PE 20, high EPS 3.05, low PE 17 and low eps 1.5. 3. T. Updown ratio (29.6 to 1) is a concern.	Community

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data								
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/19	0.46	253.8	189.6	6.3	53.4	3,009.9	0.2	26.5	1.75	791.0	6.3	12,506.1	215.2	27.2	13.6	6.4	5.3
09/19	0.49	16.7	205.3	6.5	2.2	3,147.8	0.8	28.1	1.42	725.0	5.8	12,499.0	200.5	27.7	-21.1	-5.8	10.2
06/19	0.49	-2.0	206.0	6.3	-5.6	3,248.2	7.2	27.1	1.35	720.5	5.8	12,473.6	189.9	26.4	-23.7	-3.6	16.7
03/19	0.31	-36.7	190.2	6.1	-5.4	3,100.3	13.9	27.1	1.36	732.7	6.0	12,256.2	194.6	26.6	-22.7	-2.9	21.2
12/18	0.13	-66.7	123.6	4.1	-17.7	3,002.8	21.6	28.3	1.54	743.4	6.3	11,876.7	192.9	25.9	-10.5	-3.0	22.0
09/18	0.42	7.7	200.8	6.4	12.9	3,122.4	26.6	22.9	1.80	770.1	6.8	11,343.7	182.9	23.8	9.8	5.0	24.8
06/18	0.50	2.0	218.1	7.2	-3.4	3,030.8	23.3	27.9	1.77	747.1	7.0	10,687.2	195.7	26.2	7.3	1.7	18.6
03/18	0.49	8.9	200.9	7.4	-5.6	2,720.8	16.1	24.7	1.76	754.8	7.5	10,114.8	208.6	27.6	8.6	4.2	12.3
12/17	0.39	25.8	150.2	6.1	28.4	2,469.9	35.3	19.5	1.72	766.6	7.9	9,736.9	229.5	29.9	13.2	13.2	13.4
09/17	0.39	-2.5	177.9	7.2	-0.7	2,465.8	3.3	32.7	1.64	733.4	8.1	9,092.1	243.1	33.1	7.9	4.8	6.9

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
06/17	0.49	6.5	225.8	9.2	4.8	2,458.4	0.3	33.6	1.65	734.7	8.2	9,013.1	241.6	32.9	13.8	8.8	13.3
03/17	0.45	28.6	212.8	9.1	28.4	2,342.8	21.9	33.9	1.62	724.4	8.0	9,005.4	240.3	33.2	17.4	12.2	22.7
12/16	0.31	0.0	116.9	6.4	-16.1	1,825.0	4.4	32.3	1.52	677.3	7.9	8,584.0	226.1	33.4	10.1	4.4	19.3
09/16	0.40	21.2	179.2	7.5	15.7	2,386.8	30.3	31.7	1.52	699.8	8.2	8,507.9	230.3	32.9	14.3	9.5	19.4
06/16	0.46	17.9	215.5	8.8	16.1	2,450.7	33.3	34.8	1.45	675.5	8.5	7,952.8	226.0	33.5	11.5	8.2	13.3
03/16	0.35	0.0	165.7	8.6	-2.0	1,921.5	8.3	34.8	1.38	645.6	8.8	7,340.2	216.2	33.5	10.4	7.9	6.6
12/15	0.31	19.2	139.4	8.0	7.5	1,748.9	3.8	30.5	1.38	649.0	9.0	7,192.6	218.6	33.7	11.3	10.4	6.7
09/15	0.33	10.0	155.0	8.5	10.8	1,831.7	6.4	33.9	1.33	639.3	9.0	7,127.8	226.2	35.4	7.3	10.9	11.9
06/15	0.39	14.7	185.6	10.1	16.2	1,838.1	7.5	34.9	1.30	624.2	8.9	7,017.1	221.1	35.4	10.2	14.3	17.9
03/15	0.35	2.9	169.1	9.5	6.5	1,773.9	9.1	35.5	1.25	598.3	8.7	6,888.2	210.7	35.2	14.7	19.0	25.4
12/14	0.26	0.0	129.7	7.7	9.4	1,684.1	27.9	37.3	1.24	587.9	8.7	6,740.1	204.8	34.8	20.4	23.6	33.1
09/14	0.30	25.0	139.8	8.1	28.2	1,721.0	32.6	34.0	1.24	576.8	9.1	6,372.6	196.7	34.1	26.5	27.1	32.4
06/14	0.34	36.0	159.7	9.3	37.1	1,709.1	36.5	34.0	1.18	546.0	9.2	5,949.7	184.3	33.8	28.3	27.5	31.3
03/14	0.34	21.4	158.7	9.8	20.4	1,625.8	35.9	34.0	1.09	502.8	9.2	5,492.3	170.9	34.0	23.2	21.8	28.1
12/13	0.26	23.8	118.6	9.0	22.7	1,316.7	23.3	34.3	1.03	475.8	9.4	5,062.5	163.9	34.4	17.7	16.3	22.8
09/13	0.24	33.3	109.0	8.4	31.0	1,298.1	27.7	32.7	0.98	453.9	9.4	4,813.8	157.8	34.8	14.6	14.4	20.5
06/13	0.25	16.3	116.4	9.3	15.1	1,251.7	24.4	35.0	0.92	428.1	9.4	4,532.4	151.4	35.4	9.5	8.8	20.5
03/13	0.28	3.7	131.8	11.0	2.9	1,196.0	15.9	35.8	0.89	412.8	9.6	4,287.2	147.9	35.8	12.7	12.1	22.0
12/12	0.21	10.5	96.6	9.0	14.7	1,067.9	13.7	35.6	0.88	409.2	9.9	4,122.9	147.6	36.1	23.2	21.9	26.1
09/12	0.18	9.1	83.3	8.2	4.0	1,016.7	29.7	35.1	0.86	396.8	9.9	3,994.6	140.8	35.5	28.6	24.8	33.0
06/12	0.22	34.4	101.2	10.1	33.5	1,006.5	32.5	36.8	0.84	393.5	10.5	3,761.8	143.0	36.3	34.4	32.8	33.0
03/12	0.27	38.5	128.1	12.4	33.8	1,031.8	31.2	36.8	0.79	368.1	10.5	3,515.0	135.3	36.7	31.9	30.1	32.5
12/11	0.19	31.0	84.2	9.0	26.8	939.6	39.4	33.3	0.71	335.8	10.3	3,269.9	125.4	37.4	22.4	24.3	32.4
09/11	0.17	32.0	80.0	10.2	37.3	783.9	29.0	38.5	0.67	318.0	10.6	3,004.3	122.3	38.5			
06/11	0.16	23.1	75.8	10.0	21.1	759.7	29.9	38.4	0.63	296.3	10.5	2,828.0	113.9	38.5			
03/11	0.20	8.3	95.7	12.2	15.6	786.6	30.3	39.2	0.60	283.0	10.7	2,653.0	109.6	38.7			
12/10	0.15		66.4	9.9		674.1		37.8									
09/10	0.13		58.3	9.6		607.6		38.4									
06/10	0.13		62.6	10.7		584.7		39.4									
03/10	0.18		82.8	13.7		603.5		37.2									