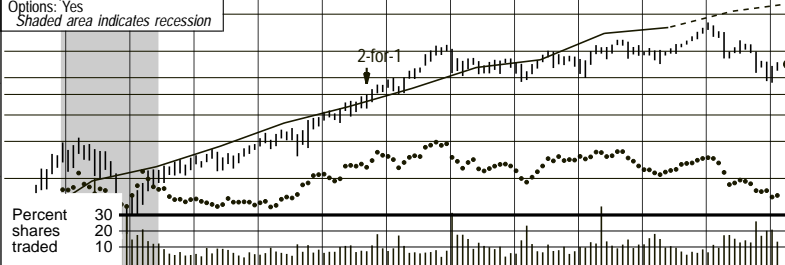


LKQ CORP. NDQ-LKQ

RECENT PRICE **27.78** P/E RATIO **11.9** (Trailing: 12.6 Median: 19.0) RELATIVE P/E RATIO **0.70** DIV'D YLD **Nil**

VALUE LINE

TIMELINESS 3 Lowered 2/2/18	High: 12.5 10.0 11.6 15.6 22.3 34.3 32.9 32.3 36.3 41.4 43.9 29.0	Target Price Range 2022 2023 2024
SAFETY 3 New 12/29/06	Low: 4.4 5.4 8.6 10.2 14.6 20.1 24.5 22.9 24.0 27.8 23.1 22.7	
TECHNICAL 4 Lowered 3/15/19	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)		
2022-24 PROJECTIONS		
Price Gain Return	Ann'l Total	
High 85 (+205%) 32%		
Low 55 (+100%) 18%		
Insider Decisions		
M J J A S O N D J		
to Buy 0 3 0 0 0 1 0 0 0		
Options 8 0 0 3 0 0 0 2 1		
to Sell 2 0 1 0 0 0 0 0 1		
Institutional Decisions		
2Q2018 3Q2018 4Q2018	Percent shares traded	
to Buy 295 272 268	30	
to Sell 249 240 291	20	
Hld's(000) 285699 289530 292330	10	



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC 22-24
7.21	8.49	11.13	13.84	16.83	22.21	23.54	27.91	31.50	37.55	40.60	41.60	Sales per sh 46.20
.57	.71	.92	1.09	1.34	1.68	1.83	2.43	2.60	3.10	3.40	3.65	"Cash Flow" per sh 4.55
.45	.58	.74	.87	1.05	1.27	1.42	1.80	1.88	2.19	2.40	2.65	Earnings per sh 3.45
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.20	.21	.29	.30	.30	.46	.56	.67	.58	.80	.85	.85	Cap'l Spending per sh .90
4.15	4.86	5.59	6.60	7.81	8.97	10.19	11.20	13.58	15.10	16.30	17.55	Book Value per sh 22.50
284.01	290.93	293.90	297.81	300.81	303.45	305.57	307.55	309.13	316.10	319.00	322.00	Common Shs Outst'g 327.00
18.1	17.5	17.4	20.8	25.8	21.7	19.9	17.7	17.9	17.9	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio 20.0
1.21	1.11	1.09	1.32	1.45	1.14	1.00	.93	.90	.90			Relative P/E Ratio 1.10
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2047.9	2469.9	3269.9	4122.9	5062.5	6740.1	7192.6	8584.0	9736.9	11876.7	12950	13400	Sales (\$mill) 15100
36.4%	31.7%	30.6%	29.8%	29.2%	28.0%	27.9%	27.6%	27.4%	27.5%	27.5%	28.0%	Operating Margin 29.0%
34.1	38.0	49.9	64.1	81.0	120.7	122.1	191.4	219.5	294.1	310	325	Depreciation (\$mill) 370
127.5	169.1	219.2	261.2	320.7	387.6	435.5	556.9	583.4	691.7	770	855	Net Profit (\$mill) 1125
37.9%	37.4%	37.1%	36.2%	34.7%	35.2%	33.9%	24.8%	26.2%	22.0%	22.0%	22.0%	Income Tax Rate 22.0%
6.2%	6.8%	6.7%	6.3%	6.3%	5.8%	6.1%	6.5%	6.0%	5.8%	5.9%	6.4%	Net Profit Margin 7.5%
534.4	611.6	752.0	896.5	1121.8	1566.7	1588.7	2356.8	2499.4	2830	2950	3025	Working Cap'l (\$mill) 3250
593.0	548.1	926.6	1046.8	1264.2	1801.0	1528.7	3275.7	3277.6	4190	4100	4000	Long-Term Debt (\$mill) 3500
1179.4	1414.2	1644.1	1964.1	2350.7	2720.7	3114.7	3442.9	4198.2	4780	5200	5650	Shr. Equity (\$mill) 7350
7.9%	9.2%	8.9%	9.1%	9.4%	9.0%	9.8%	8.7%	8.2%	9.0%	9.5%	10.0%	Return on Total Cap'l 11.0%
10.8%	12.0%	13.3%	13.3%	13.6%	14.2%	14.0%	16.2%	13.9%	14.5%	15.0%	15.0%	Return on Shr. Equity 15.5%
10.8%	12.0%	13.3%	13.3%	13.6%	14.2%	14.0%	16.2%	13.9%	14.5%	15.0%	15.0%	Retained to Com Eq 15.5%
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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.

CAPITAL STRUCTURE as of 9/30/18
Total Debt \$4368.5 mill. Due in 5 Yrs \$2400.0 mill.
LT Debt \$4250.1 mill. LT Interest \$205.0 mill.
(Total interest coverage: NMF) (47% of Cap'l)

No Defined Pension Benefit Plan

Pfd Stock None
Common Stock 318,202,654 shs.
as of 10/24/18
MARKET CAP: \$8.8 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2016	2017	9/30/18
Cash Assets	227.4	279.8	341.3
Receivables	860.5	1027.1	1255.9
Inventory (Avg Cst)	1935.2	2380.8	2794.9
Other	544.5	134.4	201.0
Current Assets	3567.6	3822.1	4593.1
Accts Payable	633.8	788.6	941.7
Debt Due	66.1	126.4	118.4
Other	510.9	407.7	675.6
Current Liab.	1210.8	1322.7	1735.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '22-'24
Sales	23.0%	20.0%	7.5%
"Cash Flow"	24.5%	20.5%	10.5%
Earnings	23.0%	18.5%	10.5%
Dividends	---	---	Nil
Book Value	18.0%	15.5%	10.0%

Cal-endar	QUARTERLY SALES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	1921.5	2304.8	2207.3	2150.4	8584.0
2017	2342.8	2458.4	2465.8	2469.9	9736.9
2018	2720.8	3030.7	3122.4	3002.8	11876.7
2019	3200	3250	3300	3200	12950
2020	3300	3400	3400	3300	13400

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.42	.54	.45	.39	1.80
2017	.49	.53	.45	.41	1.88
2018	.55	.60	.56	.48	2.19
2019	.60	.65	.60	.55	2.40
2020	.65	.70	.65	.65	2.65

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015					
2016					
2017					
2018					
2019					

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 compa-

LKQ ended 2018 with good results. Sales during the fourth quarter increased 22% compared to the previous year, driven largely by acquisition-related revenue gains, most notably from the Stahlgruber addition last May. Organic parts and services growth was 2.5%, despite economic headwinds in certain European markets. The Specialty and North America segments had a good showing, with revenue growth of 5.8% and 3.7%, respectively. Share earnings during the December quarter increased 17% compared to the previous-year figure, thanks largely to the higher volumes, along with favorable pricing and productivity initiatives that have been undertaken by management. **We anticipate solid top- and bottom-line growth this year.** Management looks for organic revenue growth in its parts and services business to moderate this year, to between 2.0% and 4.0%, compared to the 4.4% growth achieved in 2018. This is largely due to economic uncertainty in Europe. However, additional growth is expected to be driven by ongoing acquisitions. During the fourth quarter, LKQ acquired three wholesale businesses

in North America and two wholesale businesses in Europe, and we anticipate ongoing purchases in the coming quarters. Management believes its margin-enhancement initiatives will allow share earnings to rise roughly 10% compared to last year, despite headwinds from lower scrap metal prices and a strengthening dollar. Prudent spending should also help support the bottom-line advance. **We are initiating our 2020 revenues and earnings estimates of \$13.4 billion and \$2.65 per share, respectively.** The sales advance ought to be driven by improving conditions in Europe, along with ongoing acquisition-related growth. Synergies from these acquisitions should help boost the bottom line. However, continued uncertainty regarding tariffs on certain metals may well remain a wild card going into next year. **Shares of LKQ are ranked to track the broader market averages in the coming six to 12 months.** Over the 3- to 5-year period, the stock offers wide price appreciation potential at the recent quotation.

Iason Dalavagas March 15, 2019

(A) Diluted earnings. Next earnings report due late April. (B) Includes intangibles. In 2017: \$4280.0 million, \$13.85 per share. (C) In millions, adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	70
Earnings Predictability	95