

TIMELINESS 2 Raised 6/14/19	High: 12.5 10.0 11.6 15.6 22.3 34.3 32.9 32.3 36.3 41.4 43.9 31.7	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		Target Price Range 2022 2023 2024 120 100 80 64 48 32 24 20 16 12 8					
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 3 Raised 5/24/19									
BETA 1.10 (1.00 = Market)									
2022-24 PROJECTIONS									
	Price	Gain	Ann'l Return						
High	85	(+220%)	34%						
Low	55	(+110%)	21%						
Insider Decisions									
	A	S	O	N	D	J	F	M	A
to Buy	0	0	1	0	0	0	0	0	0
Options	3	0	0	2	1	0	9	0	0
to Sell	0	0	0	0	0	1	0	1	0
Institutional Decisions									
	3Q2018	4Q2018	1Q2019	Percent	30				
to Buy	272	268	273	shares	20				
to Sell	240	291	252	traded	10				
Hlds(000)	289530	292330	285950						

<p>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.</p>	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	37.57	40.15	41.00	Sales per sh	44.95
	.57	.71	.92	1.09	1.34	1.68	1.83	2.43	2.60	3.06	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 ^A	3.45
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	.20	.21	.29	.30	.30	.46	.56	.67	.58	.79	.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	15.13	16.30	17.55	Book Value per sh ^B	22.50
	284.01	290.93	293.90	297.81	300.81	303.45	305.57	307.55	309.13	316.15	319.00	322.00	Common Shs Outst'g ^C	327.00
	18.1	17.5	17.4	20.8	25.8	21.7	19.9	17.7	17.9	15.3	Bold figures are Value Line estimates	Avg Ann'l P/E Ratio	20.0	
	1.21	1.11	1.09	1.32	1.45	1.14	1.00	.93	.90	.83	Relative P/E Ratio	1.10		
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CAPITAL STRUCTURE as of 3/31/19	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
Total Debt \$4229.1 mill. Due in 5 Yrs \$950.0 mill.	36.4%	31.7%	30.6%	29.8%	29.2%	28.0%	27.9%	27.6%	27.4%	21.5%	27.5%	28.0%	Sales (\$mill)	14700
LT Debt \$4092.8 mill. LT Interest \$185.0 mill. (46% of Cap'l)	34.1	38.0	49.9	64.1	81.0	120.7	122.1	191.4	219.5	274.2	310	325	Operating Margin	29.0%
Pensions Assets-12/18 \$91.7 mill. Oblig \$201.5 mill.	127.5	169.1	219.2	261.2	320.7	387.6	435.5	556.9	583.4	691.7	770	855	Depreciation (\$mill)	370
Pfd Stock None	37.9%	37.4%	37.1%	36.2%	34.7%	35.2%	33.9%	24.8%	26.2%	20.6%	22.0%	22.0%	Net Profit (\$mill)	1125
Common Stock 313,994,156 shs. as of 4/22/19	6.2%	6.8%	6.7%	6.3%	6.3%	5.8%	6.1%	6.5%	6.0%	5.8%	6.0%	6.5%	Income Tax Rate	22.0%
MARKET CAP: \$8.3 billion (Large Cap)	534.4	611.6	752.0	896.5	1121.8	1566.7	1588.7	2356.8	2499.4	2830.6	2950	3025	Net Profit Margin	7.7%
CURRENT POSITION 2017 2018 3/31/19 (\$MILL.)	593.0	548.1	926.6	1046.8	1264.2	1801.0	1528.7	3275.7	3277.6	4188.7	4100	4000	Working Cap'l (\$mill)	3250
Cash Assets	1179.4	1414.2	1644.1	1964.1	2350.7	2720.7	3114.7	3442.9	4198.2	4782.3	5200	5650	Long-Term Debt (\$mill)	3500
Receivables	7.9%	9.2%	8.9%	9.1%	9.4%	9.0%	9.8%	8.7%	8.2%	8.2%	9.5%	10.0%	Shr. Equity (\$mill)	7350
Inventory (Avg Cst)	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 Total Cap'l	11.0%
Other	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%
Current Assets	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Retained to Com Eq	15.5%
Accts Payable													All Div'ds to Net Prof	Nil
Debt Due														
Other														
Current Liab.														

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. It operates over 1,700 facilities, most of which are leased, offering its customers replacement parts. Off./direct. own less than 1.0% of common stock (3/19 proxy). Has about 51,000 employees. Chairman: Dominick P. Zarcone. Pres. and CEO: Dominick Zarcone. Incorp.: DE. Address: 500 West Madison Street, Suite. 2800, Chicago, IL 60661. Tel.: 312-621-1950. Internet: www.lkqcorp.com.

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24		
Sales	20.5%	18.5%	7.5%		
"Cash Flow"	22.5%	19.5%	10.5%		
Earnings	21.5%	17.0%	10.5%		
Dividends	--	--	Nil		
Book Value	16.5%	15.0%	10.0%		
LKQ reported softer-than-expected first-quarter results. Sales of \$3.1 billion during the period were \$100 million below our estimate, although they were still 14% higher than the previous-year tally. The vast majority of the gain was due to recent acquisitions, most notably from the Stahlgruber addition last May. Parts and services organic revenue growth was a meager 0.1%. Unfavorable foreign exchange rates reduced the top line by 3%. Margins during the quarter were pressured by a higher percentage of lower-margined business from Europe, including Stahlgruber. Decreases in scrap steel prices in the company's salvage and self-services operations also hurt profits. All told, share earnings of \$0.56 were \$0.04 below our estimate, and only a penny higher than the previous-year figure. We are lowering our 2019 top-line estimate by \$150 million, while maintaining our bottom-line call of \$2.40 per share. Management maintained its outlook for organic revenue growth in its parts and services business to between 2.0% and 4.0%, compared to the 4.4% growth achieved in 2018. There is still a good deal of economic uncertainty in Europe, and exchange rates will probably remain a headwind in the near term. However, we think the company will continue to acquire businesses, particularly in Europe, and this should help partially offset some of these concerns. Management is doing what it can to boost margins, including pricing initiatives to help offset inflationary pressures. During the first quarter, LKQ also announced that it intends to divest several businesses that have been underperforming. By disposing of these smaller, noncore businesses, the company believes it can simplify its operating model and improve margins. All told we still look for decent sales and earnings growth this year, despite the ongoing uncertainty in some markets. Shares of LKQ are ranked to outperform the broader market averages in the coming six to 12 months. The stock price has recovered some of the ground lost in 2018, but still has a long way to go. Over the 3- to 5-year period, the equity offers wide price appreciation potential at the recent quotation. <i>Jason Dalavagas June 14, 2019</i>					
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	3100.3	3300	3250	3149.7	12800
2020	3250	3350	3350	3250	13200
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	.56	.65	.60	.59	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					

(A) Diluted earnings. Next earnings report due late July. (B) Includes intangibles. In 2018: \$5310.3 million, \$16.80 per share. (C) In millions, adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	70
Earnings Predictability	100