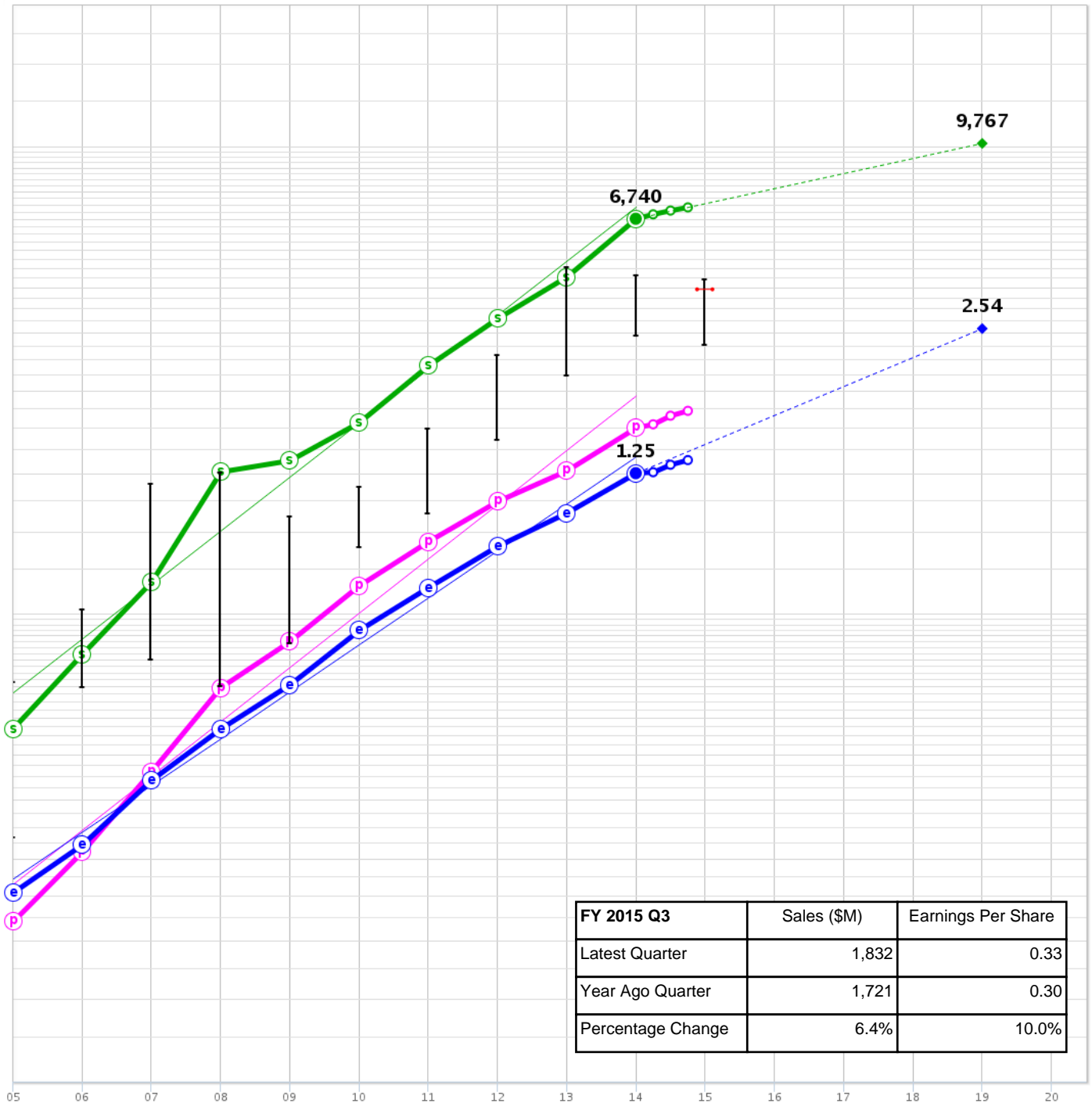


Company	LKQ		Date	03/14/16	
Prepared by	O'MARA		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Auto Parts		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	307.7		1.4	94.9	
Debt (\$M)	1,607.2	% to Tot Cap	34.6	% Pot Dil	0.9

# Stock Selection Guide

Symbol: LKQ

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



- |                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 30.4% | (3) Historical Earnings Per Share Growth       | 26.0% |
| (2) Estimated Future Sales Growth | 7.7%  | (4) Estimated Future Earnings Per Share Growth | 15.3% |

## 2 EVALUATING Management

LKQ

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	9.4%	9.2%	9.6%	8.4%	10.0%	10.9%	10.3%	9.9%	9.4%	8.7%	9.8%
% Earned on Equity	13.6%	11.0%	8.7%	9.7%	10.6%	11.8%	13.2%	13.2%	13.7%	14.2%	13.2%
% Debt To Capital	12.2%	20.0%	43.7%	38.6%	33.8%	29.8%	36.8%	36.3%	35.7%	40.7%	35.9%

## 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** 30.83 (03/14/16)

**HIGH THIS YEAR** 32.25

**LOW THIS YEAR** 23.39

	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
2010	11.6	8.6	0.58	20.2	15.0	0.00	0.0	0.0
2011	15.5	10.2	0.71	21.8	14.4	0.00	0.0	0.0
2012	22.3	14.6	0.87	25.6	16.8	0.00	0.0	0.0
2013	34.3	20.1	1.03	33.5	19.6	0.00	0.0	0.0
2014	32.9	24.5	1.25	26.4	19.6	0.00	0.0	0.0
AVERAGE		15.6		23.5	16.5			
CURRENT/TTM			1.33					
AVERAGE PRICE EARNINGS RATIO 20.0				CURRENT PRICE EARNINGS RATIO 23.2				

## 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 22.8 X Estimate High Earnings/Share 2.54 = Forecasted High Price \$ 57.9

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 16.5 X Estimate Low Earnings/Share 1.38 = Forecasted Low Price \$ 22.8

(b) Avg. Low Price of Last 5 Years 15.6

(c) Recent Market Low Price 20.1

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

Selected Forecasted Low Price \$ 22.8

### C ZONING using 25%-50%-25%

Forecasted High Price 57.9 Minus Forecasted Low Price 22.8 = 35.1 Range. 25% of Range 8.8

Buy Zone 22.8 to 31.6

Hold Zone 31.6 to 49.2

Sell Zone 49.2 to 57.9

Present Market Price of 30.83 is in the **BUY** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{57.9 - 30.83}{30.83 - 22.8} = \frac{27.11}{8.03} = 3.4$  To 1

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

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{57.9 - 30.83}{30.83} = 1.8792$  X 100 = 187.92 - 100 = 87.9 % 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**  $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{30.83} = 0.0000 = 0.0\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{22.80} = 0.0\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{19.65} = 0.0\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

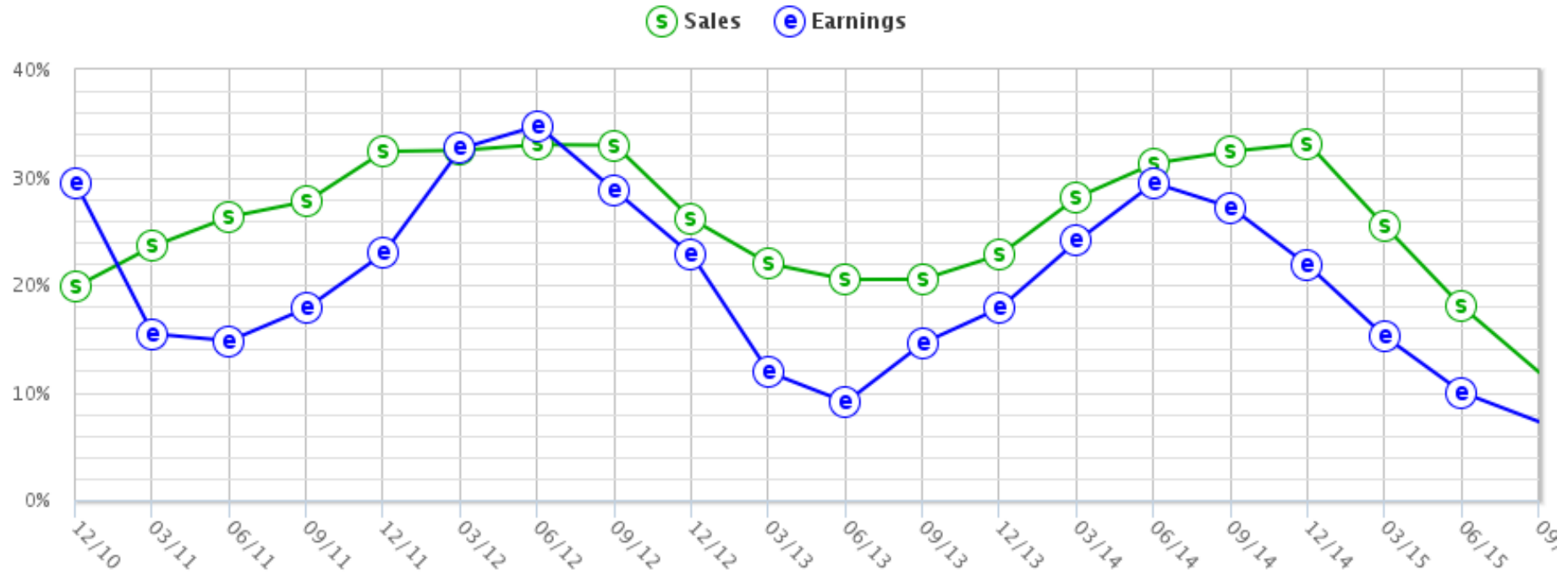
Annualized Appreciation 13.4 %  
Average Yield 0.0 %  
Annualized Rate of Return 13.4 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 10.1 %  
Average Yield 0.0 %  
Annualized Rate of Return 10.1 %

**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		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
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	13.7	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	10.0	14.3	17.9	
03/15	0.35	1.7	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	15.2	19.0	25.4	
12/14	0.26	2.7	129.7	7.7	9.4	1,684.1	27.9	37.3	1.25	587.9	8.7	6,740.1	204.8	34.8	21.8	23.6	33.1	
09/14	0.30	24.1	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	27.2	27.1	32.4	
06/14	0.34	37.8	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	29.5	27.5	31.3	
03/14	0.34	22.9	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	24.1	21.8	28.1	
12/13	0.26	23.8	118.6	9.0	22.7	1,316.7	23.3	34.3	1.02	475.8	9.4	5,062.5	163.9	34.4	17.8	16.3	22.8	
09/13	0.24	34.6	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	16.9	116.4	9.3	15.1	1,251.7	24.4	35.0	0.91	428.1	9.4	4,532.4	151.4	35.4	9.1	8.8	20.5	

**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
03/13	0.28	3.0	131.8	11.0	2.9	1,196.0	15.9	35.8	0.88	412.8	9.6	4,287.2	147.9	35.8	11.9	12.1	22.0
12/12	0.21	9.6	96.6	9.0	14.7	1,067.9	13.7	35.6	0.87	409.2	9.9	4,122.9	147.6	36.1	22.7	21.9	26.1
09/12	0.18	8.5	83.3	8.2	4.0	1,016.7	29.7	35.1	0.85	396.8	9.9	3,994.6	140.8	35.5	28.7	24.8	33.0
06/12	0.21	33.1	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	34.8	32.8	33.0
03/12	0.27	39.0	128.1	12.4	33.8	1,031.8	31.2	36.8	0.78	368.1	10.5	3,515.0	135.3	36.7	32.7	30.1	32.5
12/11	0.19	33.3	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	22.9	24.3	32.4
09/11	0.17	32.0	80.0	10.2	37.3	783.9	29.0	38.5	0.66	318.0	10.6	3,004.3	122.3	38.5	17.8	22.2	27.7
06/11	0.16	23.1	75.8	10.0	21.1	759.7	29.9	38.4	0.62	296.3	10.5	2,828.0	113.9	38.5	14.8	18.4	26.3
03/11	0.20	8.3	95.7	12.2	15.6	786.6	30.3	39.2	0.59	283.0	10.7	2,653.0	109.6	38.7	15.4	20.2	23.6
12/10	0.14	11.9	66.4	9.9	17.6	674.1	21.3	37.8	0.58	270.1	10.9	2,469.9	103.2	38.2	29.4	30.9	19.8
09/10	0.13	19.0	58.3	9.6	20.7	607.6	22.8	38.4	0.56	260.2	11.1	2,351.7	97.9	37.6	54.1	53.2	19.0
06/10	0.13	28.7	62.6	10.7	31.0	584.7	18.7	39.4	0.54	250.2	11.2	2,238.9	93.6	37.4	55.5	53.2	13.5
03/10	0.18	59.3	82.8	13.7	53.8	603.5	16.5	37.2	0.51	235.4	11.0	2,147.0	88.1	37.4	43.4	41.8	9.4
12/09	0.13	180.0	56.5	10.2	184.0	555.9	18.2	35.4	0.45	206.4	10.0	2,061.5	78.7	38.1	25.4	26.2	6.4
09/09	0.11	18.0	48.3	9.8	15.6	494.8	0.8	37.6	0.36	169.8	8.6	1,975.9	64.5	38.0	-5.9	-4.3	5.0
06/09	0.10	-8.2	47.8	9.7	-5.3	492.8	1.7	39.6	0.35	163.3	8.3	1,971.7	63.0	38.6	-3.6	2.4	20.6
03/09	0.11	1.8	53.8	10.4	4.6	518.0	5.3	40.0	0.36	166.0	8.5	1,963.4	63.6	38.3	14.1	24.2	41.9
12/08	0.05	-41.6	19.9	4.2	-41.0	470.3	13.4	34.8	0.36	163.6	8.4	1,937.3	62.7	38.4	30.0	51.1	71.9
09/08	0.09	41.3	41.8	8.5	75.4	490.7	101.5	40.0	0.39	177.4	9.4	1,881.7	68.6	38.7	59.9	93.8	105.3
06/08	0.11	77.4	50.5	10.4	105.3	484.4	107.6	38.6	0.36	159.4	9.8	1,634.5	61.2	38.4	59.7	89.8	87.7
03/08	0.11	56.3	51.5	10.5	96.6	491.9	109.0	40.0	0.31	133.6	9.7	1,383.4	52.7	39.5	44.9	69.5	66.2
12/07	0.08	67.4	33.7	8.1	98.7	414.7	102.8	36.1	0.27	108.3	9.6	1,126.8	42.7	39.4	37.2	48.7	42.7
09/07	0.06	34.0	23.8	9.8	46.4	243.5	23.2	38.9	0.24	91.5	10.0	916.6	36.9	40.4	27.4	32.2	25.8
06/07	0.06	19.2	24.6	10.5	26.8	233.3	19.6	43.0	0.23	84.0	9.6	870.8	33.2	39.6	27.0	31.1	31.0
03/07	0.07	31.5	26.2	11.1	29.5	235.3	22.5	39.7	0.22	78.8	9.5	832.6	30.6	38.8	29.3	36.1	37.4
12/06	0.05	24.3	17.0	8.3	26.9	204.5	42.1	39.9	0.20	72.8	9.2	789.4	28.3	38.9	25.2	40.9	44.2
09/06	0.05	34.3	16.3	8.2	46.3	197.7	47.9	35.7	0.19	69.2	9.5	728.8	26.6	38.5	25.8	49.6	40.9
06/06	0.05	26.8	19.4	9.9	46.9	195.0	43.4	39.8	0.18	64.1	9.6	664.7	25.4	39.7	26.2	50.1	35.8
03/06	0.05	17.4	20.2	10.5	44.3	192.1	43.6	40.2	0.17	57.9	9.6	605.7	23.3	40.3	28.5	50.6	32.1
12/05	0.04	27.6	13.4	9.3	68.3	143.9	26.5	38.2	0.16	51.7	9.4	547.4	20.8	40.3	38.3	52.7	28.9
09/05	0.04	40.0	11.1	8.3	47.4	133.6	26.0	40.6	0.15	46.3	8.9	517.2	18.4	39.9	46.6	49.9	30.9
06/05	0.04	36.7	13.2	9.7	47.6	136.0	29.7	42.2	0.14	42.7	8.7	489.6	16.9	39.6	33.0	46.2	31.4
03/05	0.05	48.4	14.0	10.5	48.5	133.8	33.7	40.0	0.13	38.4	8.4	458.5	15.0	39.1	23.8	89.8	31.8
12/04	0.03	70.6	7.9	7.0	60.5	113.8	35.1	36.6	0.12	33.9	8.0	424.8	13.3	39.2			

**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	Sales
09/04	0.03	-10.7	7.5	7.1	28.6	106.0	27.0	39.6	0.10	30.9	7.8	395.2	12.3	39.9			
06/04	0.03	3.4	8.9	8.5		104.9	30.9	40.2	0.11	29.2	7.8	372.7	11.7	40.0			
03/04	0.03		9.4	9.4		100.1		40.2									
12/03	0.02		4.9	5.9		84.2		39.4									
09/03	0.03		5.9	7.0		83.5		40.1									
06/03	0.03		0.0	0.0		80.1											