First Quarter 2023 Earnings Call Presentation

April 27, 2023

LKQ 25th Anniversary Keeping you moving

Forward Looking Statements and Non-GAAP Financial Measures

Statements and information in this presentation that are not historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are made pursuant to the "safe harbor" provisions of such Act.

Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies. These statements are subject to a number of risks, uncertainties, assumptions and other factors. All forward-looking statements are based on information available to us at the time the statements are made. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should not place undue reliance on our forward-looking statements. Actual events or results may differ materially from those expressed or implied in the forward-looking statements. The risks, uncertainties, assumptions and other factors that could cause actual events or results to differ from the events or results predicted or implied by our forward-looking statements include the factors disclosed under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2022, and in our subsequent Quarterly Reports on Form 10-Q. These reports are available at the Investor Relations section on our website (www.lkqcorp.com) and on the SEC website (www.sec.gov).

This presentation contains non-GAAP financial measures. Included with this presentation is a reconciliation of each non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP.

Q1 2023 Highlights

- Organic revenue growth for parts and services of 7.9% (7.1% on a per day basis)
  - Wholesale - North America: 14.4% (quarterly record growth rate)
  - Europe: 9.7% (8.2% on a per day basis)
- Strong results enabled by focusing on key operational excellence initiatives
  - Net income(1) of $270 million and Diluted EPS(1) of $1.01 (7.4% increase); Adjusted Net Income(1)(2) of $279 million and Adjusted Diluted EPS(1)(2) of $1.04 (4.0% increase)
  - Segment EBITDA(3) of $456 million; Segment EBITDA(3) margin of 13.6%
    - Wholesale - North America delivered a record quarterly Segment EBITDA(3) margin of 20.5%
    - Europe Segment EBITDA(3) margin of 9.7%, a 90bps improvement over Q1 2022 and the best Q1 performance since 2016
- Operating cash flow of $223 million; free cash flow(4) of $153 million
- Paid quarterly dividend of $0.275 per share in March 2023 totaling $74 million; approved $0.275 per share dividend to be paid in June
- Entered definitive agreement to acquire Uni-Select Inc. - approval process is ongoing

(1) References to Net Income and Diluted EPS and the corresponding adjusted figures reflect amounts from continuing operations
(2) Adjusted Net Income and Adjusted Diluted EPS are non-GAAP measures. Refer to Appendix 4 for Adjusted Net Income and Adjusted Diluted EPS reconciliations
(3) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 2 for the breakout of Segment EBITDA for each segment and Appendix 3 for total Segment EBITDA reconciliation
(4) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

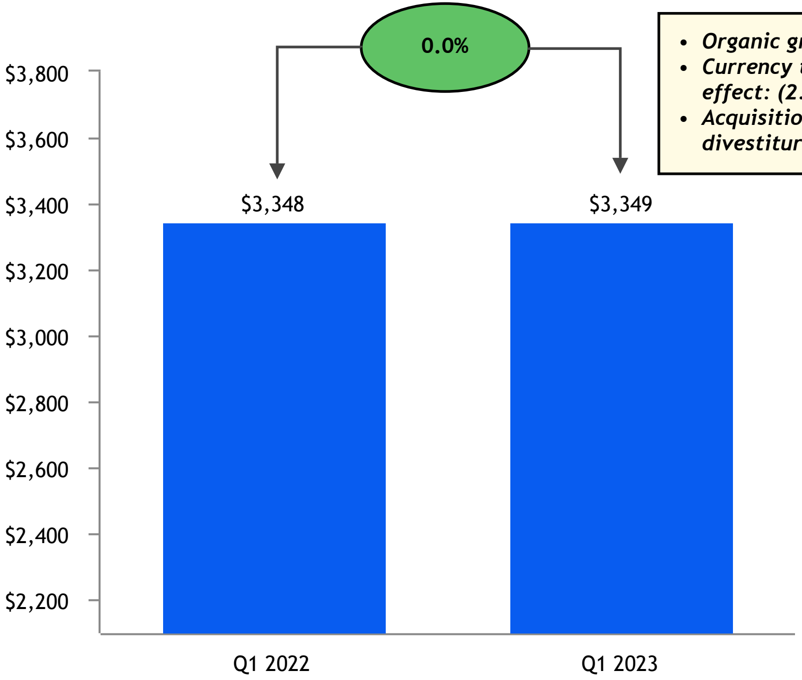
Outlook 2023[1]
(effective only on the date issued: April 27, 2023)

	2023 Full Year Outlook
Organic parts and services revenue growth	6.0% to 8.0%
Diluted EPS[2]	\$3.68 to \$3.98
Adjusted diluted EPS[2][3]	\$3.90 to \$4.20
Operating cash flow	approx. \$1.275 billion
Free cash flow[4]	approx. \$975 million
Free cash flow conversion of EBITDA[5]	55% to 60%

(1) Our outlook for the full year 2023 is based on current conditions and recent trends, and assumes a global effective tax rate of 26.6%, the prices of scrap and precious metals hold near the March average, and no further deterioration due to the Ukraine/Russia conflict. We have applied foreign currency exchange rates near March and April average levels, including \$1.08 and \$1.23 for the euro and pound sterling, respectively, for the balance of the year. Changes in these conditions may impact our ability to achieve the estimates. The full year GAAP outlook includes transactions and costs related to the potential Uni-Select acquisition that occurred through March 31, 2023 but does not include any projected operational results for Uni-Select, which will only be incorporated after the closing date. Adjusted figures exclude (to the extent applicable) the impact of restructuring and transaction related expenses; amortization expense related to acquired intangibles; excess tax benefits and deficiencies from stock-based payments; losses on debt extinguishment; impairment charges; direct impacts of the Ukraine/Russia conflict (including provisions for and subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families), interest and financing costs related to the Uni-Select transaction prior to closing and gains and losses related to acquisitions or divestitures (including changes in the fair value of contingent consideration liabilities and gains or losses on foreign currency forward contracts related to the Uni-Select acquisition)
(2) All actual and outlook figures are for continuing operations with the exception of Free Cash Flow
(3) Adjusted net income and Adjusted Diluted EPS are non-GAAP measures. See Appendix 5 for reconciliation of forecasted adjusted Net income and forecasted adjusted diluted EPS
(4) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for forecasted Free Cash Flow reconciliation
(5) EBITDA is a non-GAAP measure. Refer to Appendix 3 for EBITDA reconciliation

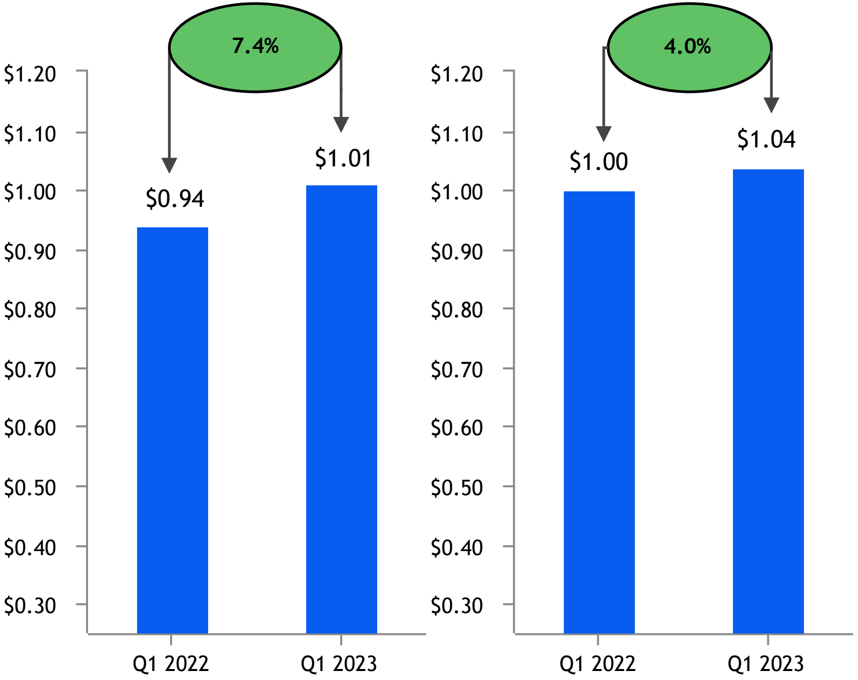
Consolidated Results Q1 2023

Revenue(1)



- *Organic growth: 6.3%*
- *Currency translation effect: (2.8)%*
- *Acquisition and divestiture: (3.4)%*

EPS(2)



Diluted EPS

Adjusted Diluted EPS(3)

(1) Revenue in millions
(2) Earnings per share figures refer to net income from continuing operations
(3) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

Financial Results
Q1 2023

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Q1 2023 Revenue

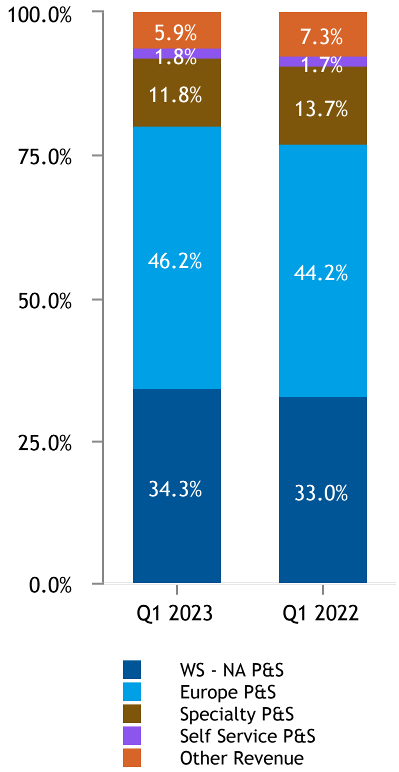
Revenue Changes by Source:

	Organic	Acquisition and Divestiture	Foreign Exchange	Total[1]
Wholesale - North America	14.4%	(10.3)%	(0.4)%	3.8%
Europe	9.7%	0.7%	(5.9)%	4.6%
Specialty	(13.5)%	—%	(0.5)%	(14.0)%
Self Service	4.9%	—%	—%	4.9%
Parts and Services	7.9%	(3.3)%	(3.0)%	1.5%
Other	(14.0)%	(4.8)%	(0.4)%	(19.2)%
Total Revenue	6.3%	(3.4)%	(2.8)%	—%

- Wholesale - North America organic revenue for parts and services increased 14.4%; primarily driven by pricing initiatives which focused on offsetting inflation on input costs and a net volume increase. Aftermarket collision parts volumes increased year over year due to (i) reduced pressures on our supply chain, with the improved aftermarket inventory availability contributing to a year over year decrease in recycled parts volume and (ii) the continued rollout of State Farm's aftermarket parts program.
- Wholesale - North America acquisition and divestiture revenue was a decrease due to the divestiture of PGW in the second quarter of 2022
- Europe organic revenue for parts and services increased 9.7% (8.2% on a per day basis) driven by pricing initiatives across all geographies to offset inflation on input costs and to a lesser extent higher volumes
- Unfavorable F/X impact on European parts and services revenue of $87 million; European constant currency[2] parts and services revenue increased 10.5%. GBP and EUR are down 9.4% and 4.3% in Q1 2023 vs Q1 2022, respectively.
- Specialty organic revenue for parts and services decreased 13.5%; primarily due to demand softness in RV product line, as RV unit retail sales and wholesale shipments have declined year over year
- Self Service organic revenue for parts and services increased 4.9%; driven by pricing initiatives which focused on offsetting inflation on input costs
- Other organic revenue decreased 14.0% primarily driven by lower commodity prices
- Other acquisition and divestiture revenue was a net decrease primarily due to the divestiture of a business in our Self Service segment in the third quarter of 2022

(1) The sum of the individual revenue change components may not equal the total percentage due to rounding
(2) Constant currency is a non-GAAP financial measure. Refer to Appendix 1 for constant currency reconciliation

Components of Revenue



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Operating Results - Q1

($ in millions, except per share data)	First Quarter 2023	2022	Change F/(U)
Revenue	$3,349	$3,348	—%
Gross Margin	1,372	1,357	1.1%
Operating Expenses	931	924	(0.7)%
Operating Income	365	371	(1.7)%
Income from continuing operations before provision for income taxes	361	356	1.5%
Net income from continuing operations	270	269	0.7%
Segment EBITDA(1)	456	447	2.1%
Segment EBITDA Margin(1)	13.6%	13.4%	20 bps
Diluted EPS from continuing operations:			
Reported	$1.01	$0.94	7.4%
Adjusted(2)	$1.04	$1.00	4.0%

- Effective income tax rate for the three months ended March 31, 2023 was 26.1%, compared to 25.0% for the three months ended March 31, 2022

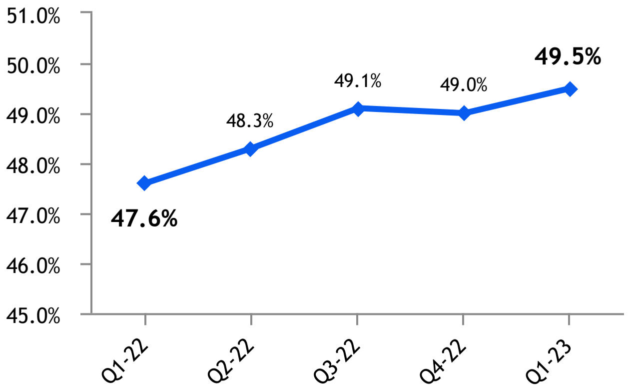
(1) Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for Segment EBITDA reconciliation
(2) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

Wholesale - North America - Q1

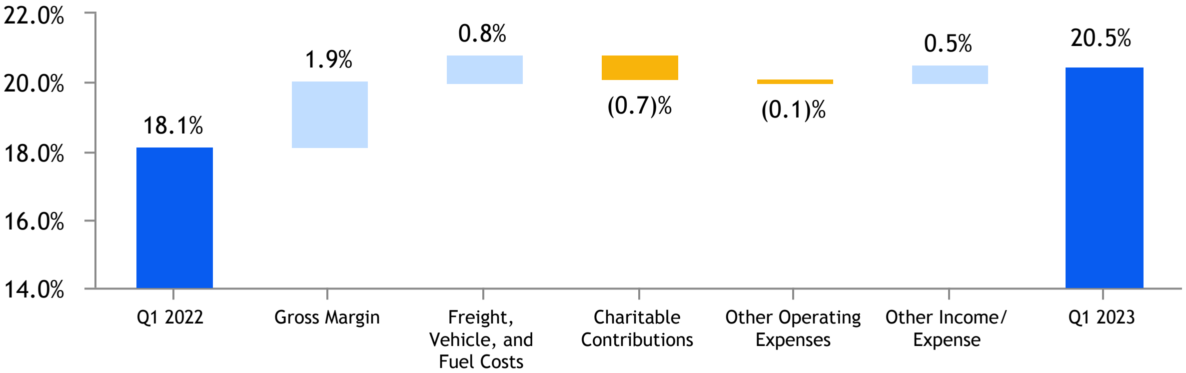
($ in millions)	2023	2022	Change F/(U)	% of Revenue 2023	% of Revenue 2022
Total Revenue	$1,229	$1,201	2.3%		
Gross Margin	$608	$572	6.5%	49.5%	47.6%
Operating Expenses	$366	$359	(2.2)%	29.8%	29.9%
Segment EBITDA[1]	$252	$218	15.6%	20.5%	18.1%

(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

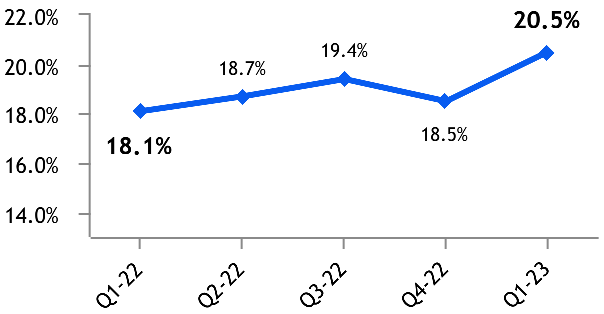
Gross Margin



Wholesale - North America Segment EBITDA Margin Bridge



Segment EBITDA Margin



Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

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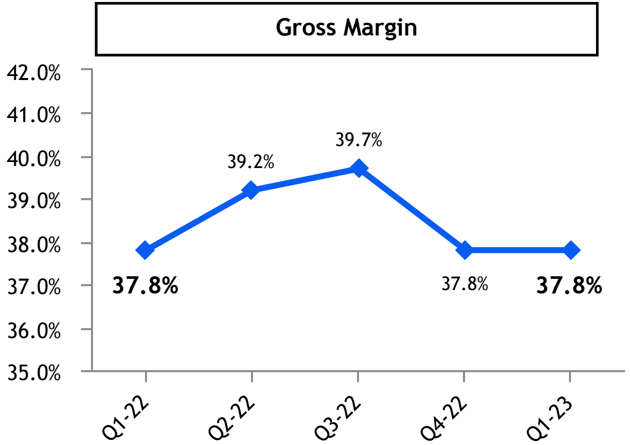
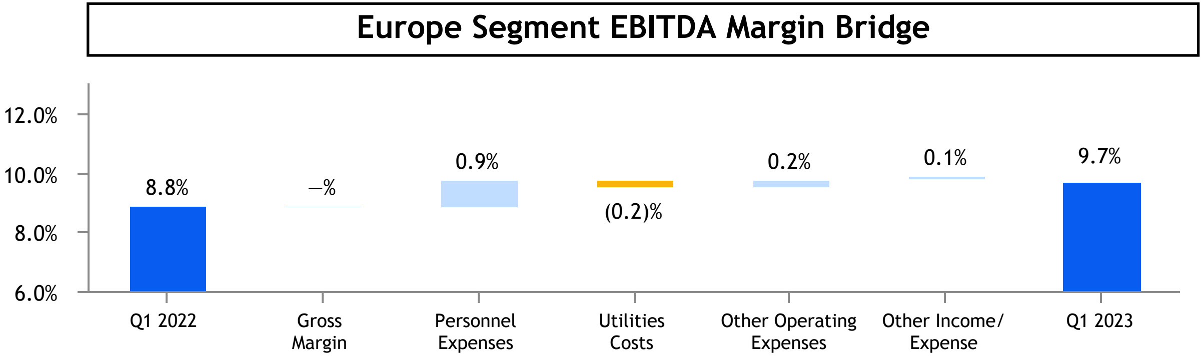
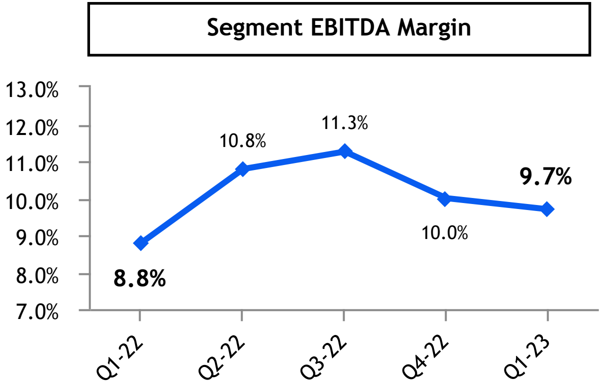
Europe - Q1

($ in millions)	2023	2022	Change F/(U)	% of Revenue 2023	% of Revenue 2022
Total Revenue[(1)]	$1,555	$1,488	4.5%		
Gross Margin	$588	$562	4.6%	37.8%	37.8%
Operating Expenses	$441	$439	(0.4)%	28.4%	29.5%
Segment EBITDA[(2)]	$151	$131	14.8%	9.7%	8.8%

(1) The foreign currency impact on parts and services revenue was $87 million which brings revenue growth at a constant currency to 10.5%. Refer to Appendix 1 for a reported revenue to constant currency revenue reconciliation.
(2) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.







Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

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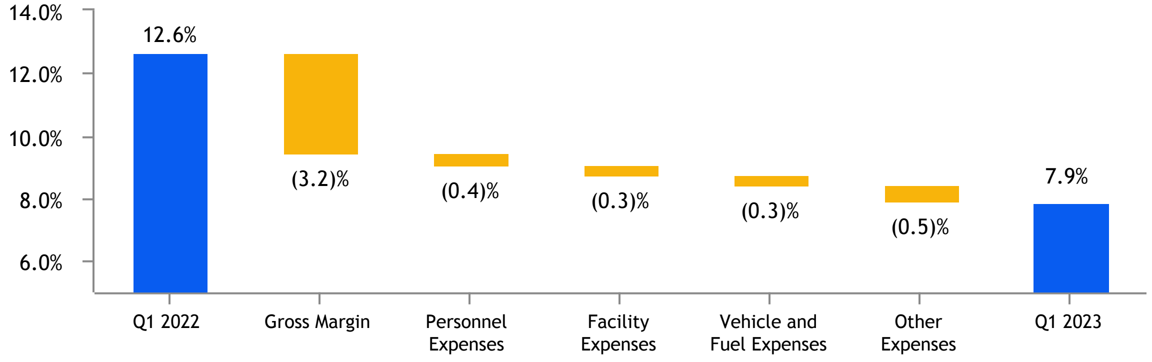
Specialty - Q1

($ in millions)	2023	2022	Change F/(U)	% of Revenue 2023	% of Revenue 2022
Total Revenue	$397	$461	(14.0)%		
Gross Margin	$106	$138	(23.2)%	26.7%	29.9%
Operating Expenses	$76	$81	5.4%	19.2%	17.5%
Segment EBITDA[1]	$31	$58	(46.3)%	7.9%	12.6%

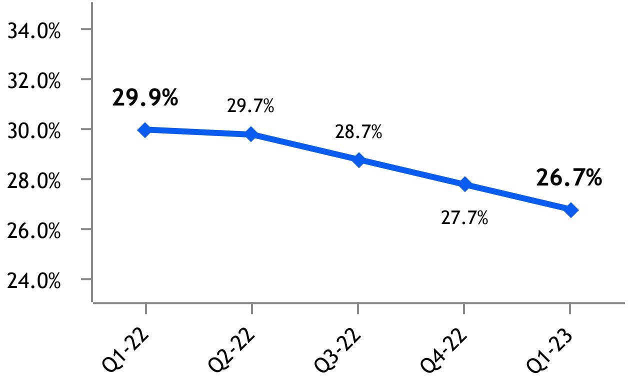
(1) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

Specialty Segment EBITDA Margin Bridge

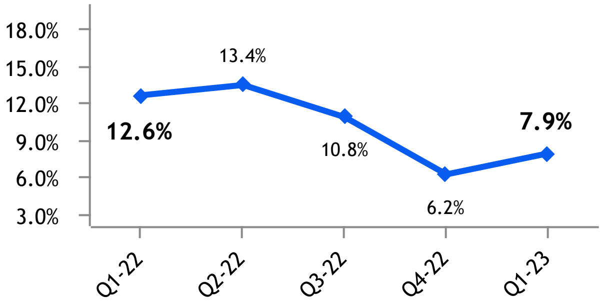


Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Gross Margin



Segment EBITDA Margin

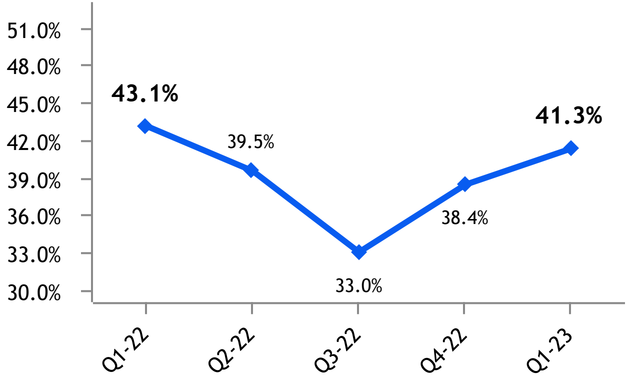


Self Service - Q1

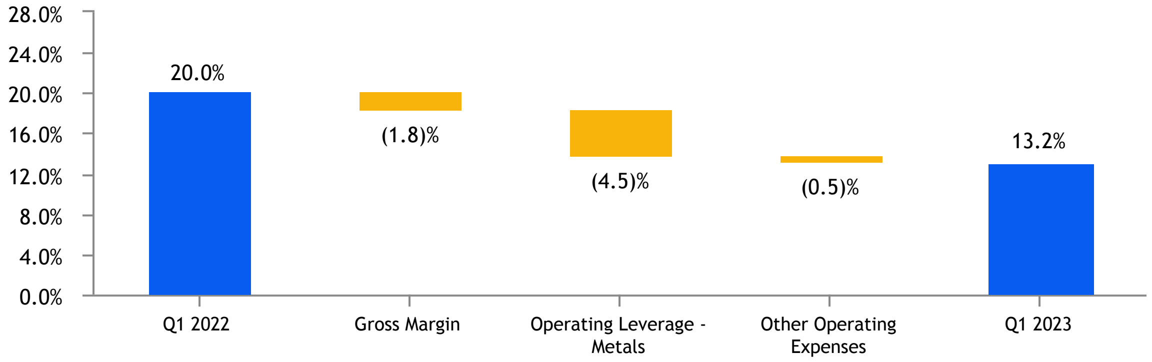
($ in millions)	2023	2022	Change F/(U)	% of Revenue 2023	% of Revenue 2022
Total Revenue[1]	$169	$199	(14.8)%		
Gross Margin	$70	$86	(18.4)%	41.3%	43.1%
Operating Expenses	$48	$46	(3.3)%	28.2%	23.3%
Segment EBITDA[2]	$22	$40	(43.5)%	13.2%	20.0%

(1) Includes Other Revenue of $109 million and $142 million in Q1 2023 and Q1 2022, respectively. See slide 19 for further detail on metals price trends.
(2) Segment EBITDA for each segment is a GAAP measure, while total Segment EBITDA is a non-GAAP measure. Refer to Appendix 3 for total Segment EBITDA reconciliation and Appendix 2 for the breakout of Segment EBITDA for each segment.

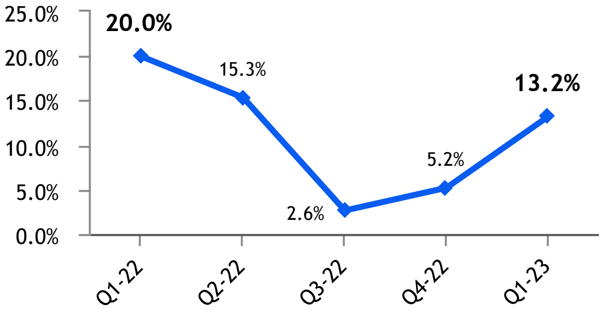
Gross Margin



Self Service Segment EBITDA Margin Bridge

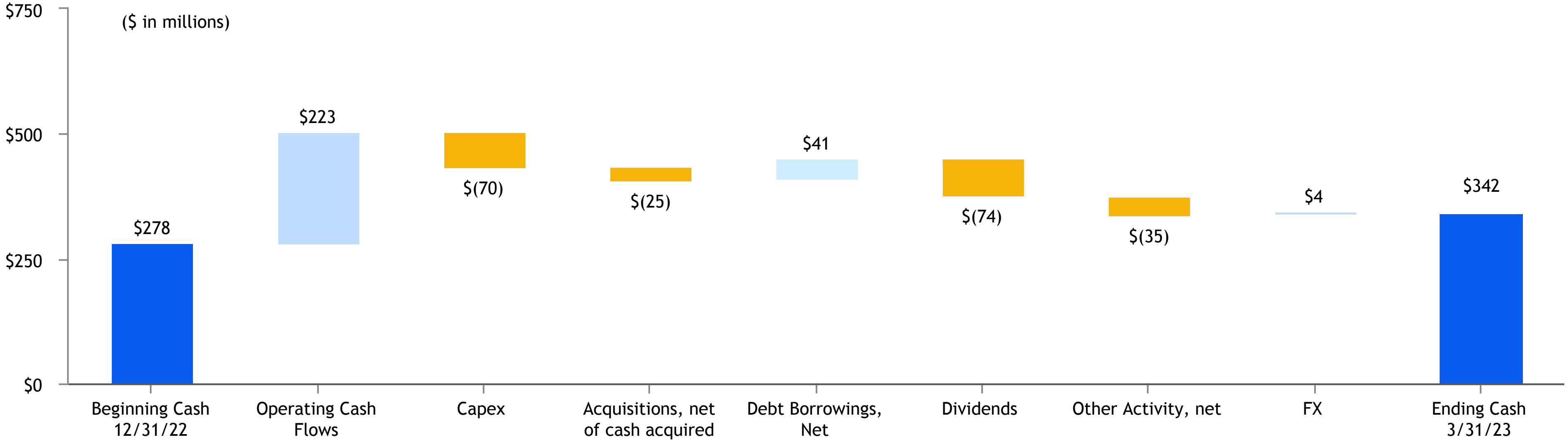


Segment EBITDA Margin



Note: In the table and Segment EBITDA Margin Bridge above, the sum of the individual percentages may not equal the total due to rounding

Q1 2023 Capital Allocation



Operating cash flows:

- Operating cash flows of $223 million represent a 45%, or $186 million, decrease year over year primarily driven by shifts in the timing of vendor payments between periods reflecting effects of the pandemic and supply chain issues

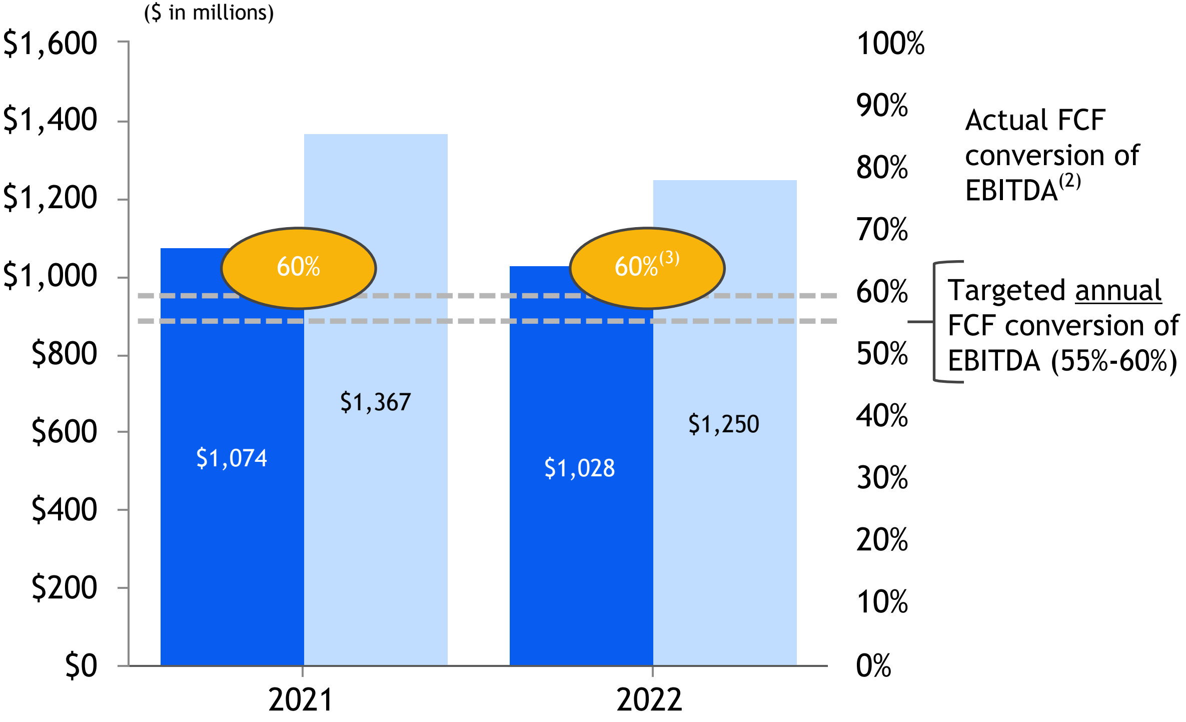
Investing cash flows:

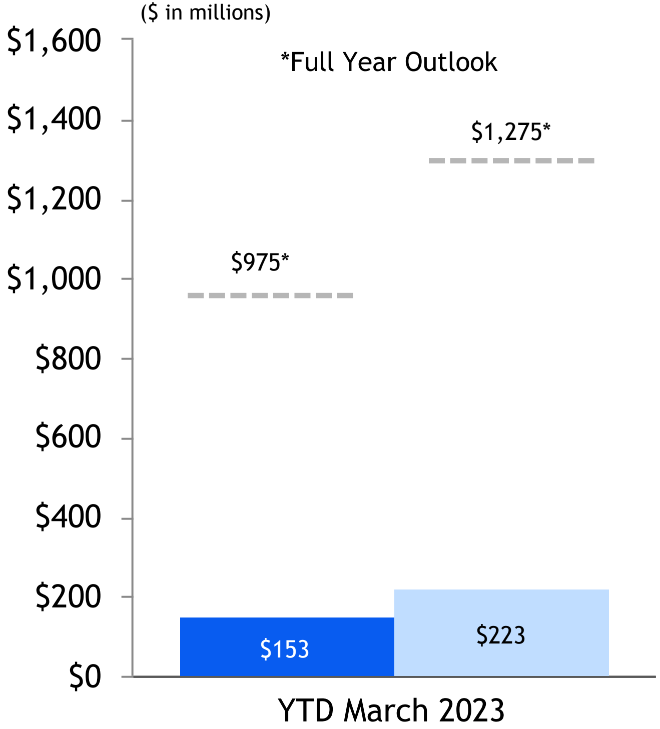
- Capex of $70 million vs. $59 million in 2022; up 18.5%, primarily driven by capital projects in our Europe and Specialty segments
- $25 million of cash invested in business acquisitions in Q1 2023 (none in the prior year)

Financing cash flows:

- $74 million for our quarterly cash dividend vs. $71 million in the prior year
- $41 million of net borrowings vs. $53 million of net repayments on our borrowings in the prior year
- $8 million to repurchase shares vs. $144 million in the prior year

Operating Cash Flow and Free Cash Flow[1]

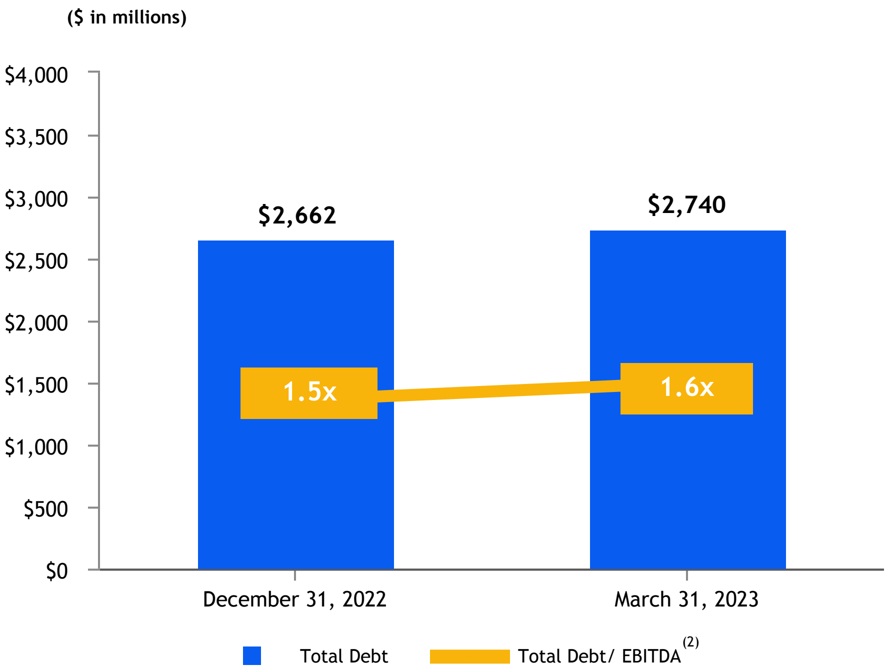


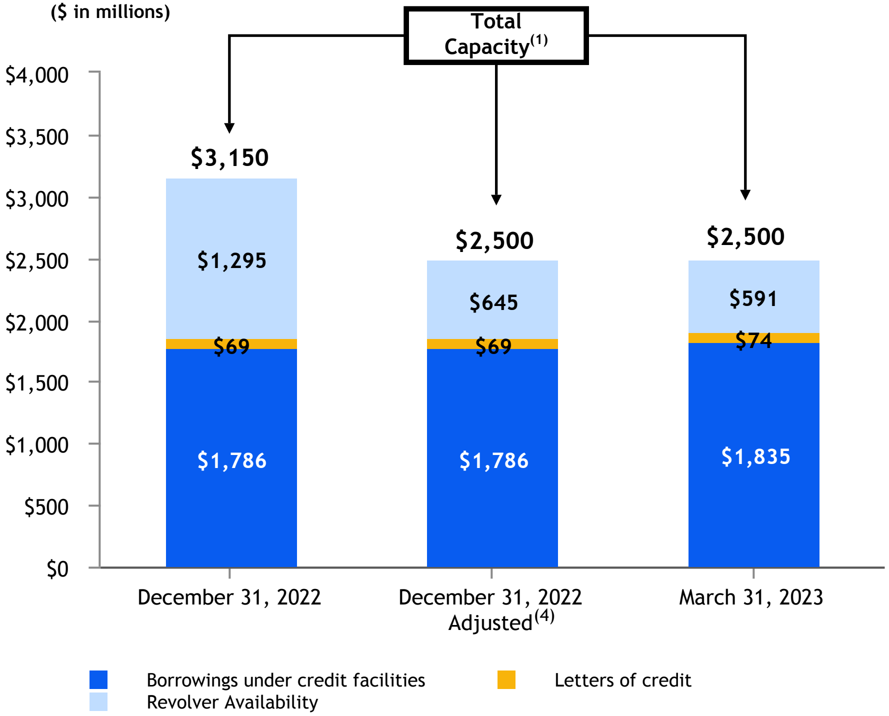


Free Cash Flow ("FCF")[1] Operating Cash Flow

(1) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation
(2) EBITDA is a non-GAAP measure. Refer to Appendix 3 for EBITDA reconciliation
(3) FCF conversion of EBITDA excludes $159 million of gains related to the sale of businesses (primarily PGW) from EBITDA, as the proceeds are included in investing cash flows

Leverage & Liquidity





Effective borrowing rate for Q1 2023 was 4.7%[(3)]

(1) Total capacity includes our revolving credit facilities and term loans
(2) Total leverage per bank covenants is defined as Total Debt/EBITDA. See the definitions of Total Debt and EBITDA in the senior unsecured credit agreement filed January 6, 2023 with the SEC for further details
(3) Including our interest rate swaps, approximately 57% of our borrowings at March 31, 2023 is effectively at fixed interest rates
(4) Adjusted reflects the terms of the new credit agreement (effective January 5, 2023)

Liquidity as of March 31, 2023

Credit Rating	• Rated Baa3 (investment grade) by Moody's • Rated BBB- (investment grade) by S&P Global Ratings • Rated BBB- (investment grade) by Fitch
Debt Structure	• Fixed Interest Rate Bonds: €750 million ($813 million) in aggregate due in 2024 and 2028 • Variable Interest Rate Credit Facility Borrowings: $1.8 billion ◦ Includes $500 million term loan maturing January 2026 • Other Debt (capital leases, local lines of credit): $92 million
Interest Rates	• Credit Facility Borrowings: (i) SOFR plus applicable spread or (ii) other risk-free interest rates for specified currency • $400 million notional amount interest rate swap at a fixed weighted average of 4.63% maturing February 2025 • $300 million notional amount interest rate swap at a fixed weighted average of 4.23% maturing February 2026
Maturities	• Current maturities: $44 million; No significant maturities until April 2024

Financial Covenants[1]	• Credit Facility maximum leverage ratio covenant: 4.0x
	    ◦ Total debt to EBITDA as of March 31, 2023: 1.6x
	• Credit Facility minimum interest expense coverage ratio: 3.0x
	    ◦ EBITDA to interest expense as of March 31, 2023: 19.9x
	• Euro Notes do not include financial maintenance covenants

Liquidity	• Cash on balance sheet of $342 million • $2.0 billion revolving credit facility: $591 million available maturing January 2028 • Total Available Liquidity: $933 million
Cash Flows	• Q1 2023 operating cash flow of $223 million; free cash flow[2] of $153 million

(1) See the definition of Total debt, interest expense and EBITDA in the senior unsecured credit agreement filed January 6, 2023 with the SEC for further details
(2) Free Cash Flow is a non-GAAP measure. Refer to Appendix 6 for Free Cash Flow reconciliation

Uni-Select Acquisition: Q1 Activity

- On February 27, LKQ announced definitive agreement to acquire Uni-Select
- Entered into foreign exchange forward contracts to hedge CAD purchase price
  - Fair value of $23 million reported as a gain on the income statement (excluded from Adjusted Diluted EPS[1])
- Secured bridge loan for committed financing of $1.6 billion
  - Incurred $9 million of upfront fees; amortized $3 million in Q1 through interest expense (excluded from Adjusted Diluted EPS[1])
- Established CAD 700 million delayed draw term loan funding the day prior to the acquisition closing
  - Matures three years after the funding date
- Incurred $10 million of transaction related expenses (excluded from Adjusted Diluted EPS[1])

(1) Adjusted Diluted EPS is a non-GAAP measure. Refer to Appendix 4 for Adjusted Diluted EPS reconciliation

Supplementary Information

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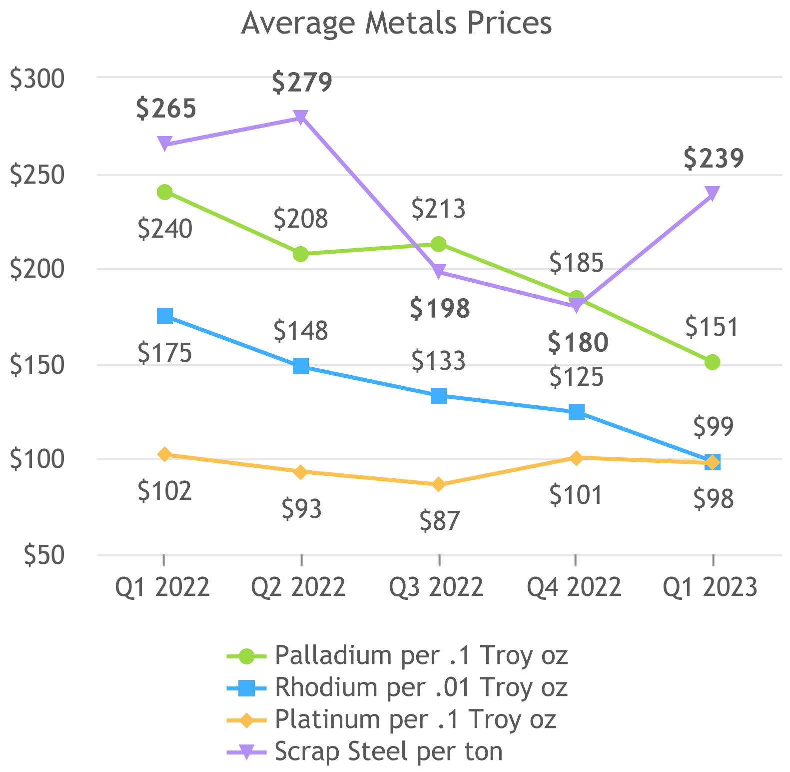
Metals Prices and Foreign Exchange



Q1 2023 vs Q1 2022 Segment EBITDA Impact

($ in millions)	Self Service	Wholesale - North America
Scrap Steel	$9	$1
Precious Metals	$(15)	$(9)
All Metals	$(6)	$(8)

Foreign Exchange

	YoY Impact	Q1 2023	Q1 2022
GBP	(9.4)%	1.22	1.34
EUR	(4.3)%	1.07	1.12
GAAP EPS[(1)] Impact	$0.05		
Adjusted EPS Impact	$(0.02)		

[(1)] Includes $23 million gain on foreign exchange contracts related to the Uni-Select acquisition

Inventory Procurement

($ in millions, vehicles purchased in 000s)	Q1		
	2023	2022	% Change
Total aftermarket procurement	$1,444	$1,675	(13.8)%
Wholesale - North America salvage vehicles	64	60	6.7%
Europe wholesale salvage vehicles	8	8	—%
Self Service salvage vehicles	137	135	1.5%

- Aftermarket purchases in 2023 decreased on a YoY basis
  - Aftermarket purchases in Wholesale - North America decreased relative to the prior year period primarily due to higher required restocking needed in the prior year to rebuild inventory levels
  - Europe aftermarket purchases decreased by $53 million attributable to the decrease in the value of the euro and the pound sterling. On a constant currency basis, inventory purchases increased $18 million compared to the prior year period
  - Specialty aftermarket purchases decreased by $152 million primarily due to matching inventory levels with demand
- Wholesale - North America salvage procurement increased relative to the prior year primarily due to increased availability of vehicles at auction year over year

Appendix

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Following are reconciliations of each non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP.

Appendix 1
Constant Currency Reconciliation

The following unaudited table reconciles revenue and revenue growth for parts & services and total revenue to constant currency revenue and revenue growth for the same measures:

	Three Months Ended March 31, 2023	
(in millions)	**Consolidated**	**Europe**
Parts & Services		
Revenue as reported	$3,152	$1,548
Less: Currency impact	$(94)	$(87)
Revenue at constant currency	$3,246	$1,635
Total		
Revenue as reported	$3,349	
Less: Currency impact	$(94)	
Revenue at constant currency	$3,443	

Appendix 1(cont.)
Constant Currency Reconciliation

	Three Months Ended March 31, 2023	
	Consolidated	Europe
Parts & Services		
Revenue growth as reported	1.5%	4.6%
Less: Currency impact	(3.0)%	(5.9)%
Revenue growth at constant currency	4.5%	10.5%
Total		
Revenue growth as reported	—%	
Less: Currency impact	(2.8)%	
Revenue growth at constant currency	2.8%	

We have presented our revenue and the growth rate on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP financial measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency revenue information provides valuable supplemental information regarding our growth, consistent with how we evaluate our performance, as this statistic removes the translation impact of exchange rate fluctuations, which are outside of our control and do not reflect our operational performance. Constant currency revenue results are calculated by translating prior year revenue in local currency using the current year's currency conversion rate. This non-GAAP financial measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Our use of this term may vary from the use of similarly-titled measures by other issuers due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation. In addition, not all companies that report revenue growth on a constant currency basis calculate such measure in the same manner as we do and, accordingly, our calculations are not necessarily comparable to similarly-named measures of other companies and may not be appropriate measures for performance relative to other companies.

Appendix 2

Revenue and Segment EBITDA by segment

(in millions)	Three Months Ended March 31[1] 2023	% of revenue	2022	% of revenue
Revenue				
Wholesale - North America	$1,229		$1,201	
Europe	1,555		1,488	
Specialty	397		461	
Self Service	169		199	
Eliminations	(1)		(1)	
Total Revenue	$3,349		$3,348	
Segment EBITDA				
Wholesale - North America	$252	20.5%	$218	18.1%
Europe	151	9.7%	131	8.8%
Specialty	31	7.9%	58	12.6%
Self Service	22	13.2%	40	20.0%
Total Segment EBITDA	$456	13.6%	$447	13.4%

We have presented Segment EBITDA solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our segment profit and loss and underlying trends in our ongoing operations. We calculate Segment EBITDA as Net Income excluding discontinued operations; depreciation, amortization; interest (which includes gains and losses on debt extinguishment); income tax expense; restructuring and transaction related expenses (which includes restructuring expenses recorded in Cost of goods sold); change in fair value of contingent consideration liabilities; other gains and losses related to acquisitions, equity method investments, or divestitures; equity in losses and earnings of unconsolidated subsidiaries; equity investment fair value adjustments; impairment charges; and direct impacts of the Ukraine/Russia conflict and related sanctions (including provisions for and subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families). Our chief operating decision maker, who is our Chief Executive Officer, uses Segment EBITDA as the key measure of our segment profit or loss. We use Segment EBITDA to compare profitability among our segments and evaluate business strategies. This financial measure is included in the metrics used to determine incentive compensation for our senior management. We also consider Segment EBITDA to be a useful financial measure in evaluating our operating performance, as it provides investors, securities analysts and other interested parties with supplemental information regarding the underlying trends in our ongoing operations. Segment EBITDA includes revenue and expenses that are controllable by the segment. Corporate general and administrative expenses are allocated to the segments based on usage, with shared expenses apportioned based on the segment's percentage of consolidated revenue. Refer to the table on the following page for a reconciliation of net income to Segment EBITDA.

(1) The sum of the individual components may not equal the total due to rounding

Appendix 3
Reconciliation of Net Income to Segment EBITDA

(in millions)	Three Months Ended March 31[1] 2023	2022
Net income	$270	$273
Subtract:		
Net income from discontinued operations	—	4
Net income from continuing operations	$270	$269
Add:		
Depreciation and amortization - SG&A	58	59
Depreciation and amortization - cost of goods sold	7	6
Interest expense, net of interest income	33	15
Loss on debt extinguishment	1	—
Provision for income taxes	94	89
EBITDA	$463	$438
Subtract:		
Equity in earnings of unconsolidated subsidiaries	3	2
Gains on foreign exchange contracts - acquisition related[2]	23	—
Equity investment fair value adjustments	(1)	(1)
Add:		
Restructuring and transaction related expenses	18	3
Losses on previously held equity interests	—	1
Direct impacts of Ukraine/Russia conflict[3]	—	6
Segment EBITDA	$456	$447
Net income from continuing operations as a percentage of revenue	8.1%	8.0%
EBITDA as a percentage of revenue	13.8%	13.1%
Segment EBITDA as a percentage of revenue	13.6%	13.4%

(1) The sum of the individual components may not equal the total due to rounding
(2) Related to the Uni-Select acquisition
(3) Adjustments include provisions for and subsequent adjustments to reserves for asset recoverability (receivables and inventory) and expenditures to support our employees and their families in Ukraine

Appendix 3

EBITDA and Segment EBITDA Reconciliation

We have presented Segment EBITDA solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our segment profit and loss and underlying trends in our ongoing operations. See paragraph in Appendix 2 for details on the calculation of Segment EBITDA.

Segment EBITDA should not be construed as an alternative to operating income, net income or net cash provided by operating activities, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report Segment EBITDA information calculate Segment EBITDA in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly-named measures of other companies and may not be an appropriate measure for performance relative to other companies.

Appendix 4

Reconciliation of Net Income and Diluted EPS to Adjusted Net Income and Adjusted EPS from Continuing Operations

	Three Months Ended March 31[1]	
(in millions, except per share data)	**2023**	**2022**
Net income	$270	$273
Subtract:		
Net income from discontinued operations	—	4
Net income from continuing operations	$270	$269
Adjustments - continuing operations:		
Amortization of acquired intangibles	15	17
Restructuring and transaction related expenses	18	3
Loss on debt extinguishment	1	—
Pre-acquisition interest expense[2]	3	—
Gains on foreign exchange contracts - acquisition related[2]	(23)	—
Losses on previously held equity interests	—	1
Direct impacts of Ukraine/Russia conflict[3]	—	6
Excess tax benefit from stock-based payments	(2)	(2)
Tax effect of adjustments	(3)	(7)
Adjusted net income from continuing operations	$279	$287
Weighted average diluted common shares outstanding	268.3	286.8
Diluted earnings per share from continuing operations:		
Reported	$1.01	$0.94
Adjusted	$1.04	$1.00

(1) The sum of the individual components may not equal the total due to rounding
(2) Related to the Uni-Select acquisition
(3) Adjustments include provisions for and subsequent adjustments to reserves for asset recoverability (receivables and inventory) and expenditures to support our employees and their families in Ukraine

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Appendix 4

Reconciliation of Net Income and Diluted EPS to Adjusted Net Income and Adjusted EPS from Continuing Operations

We have presented Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations as we believe these measures are useful for evaluating the core operating performance of our continuing business across reporting periods and in analyzing our historical operating results. We define Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations as Net Income and Diluted Earnings per Share adjusted to eliminate the impact of discontinued operations, restructuring and transaction related expenses, amortization expense related to all acquired intangible assets, gains and losses on debt extinguishment, the change in fair value of contingent consideration liabilities, other gains and losses related to acquisitions, equity method investments, or divestitures (including gains or losses on foreign currency forward contracts related to the Uni-Select transaction), impairment charges, direct impacts of the Ukraine/Russia conflict and related sanctions (including provisions for and subsequent adjustments to reserves for asset recoverability and expenditures to support our employees and their families), interest and financing costs related to the Uni-Select transaction prior to closing, excess tax benefits and deficiencies from stock-based payments and any tax effect of these adjustments. The tax effect of these adjustments is calculated using the effective tax rate for the applicable period or for certain discrete items the specific tax expense or benefit for the adjustment. Given the variability and volatility of the amount related transactions in a particular period, management believes that these costs are not core operating expenses and should be adjusted in our calculation of Adjusted Net Income from Continuing Operations. Our adjustment of the amortization of all acquisition-related intangible assets does not exclude the amortization of other assets, which represents expense that is directly attributable to ongoing operations. Management believes that the adjustment relating to amortization of acquisition-related intangible assets supplements the GAAP information with a measure that can be used to assess the comparability of operating performance. The acquired intangible assets were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets. These financial measures are used by management in its decision making and overall evaluation of our operating performance and are included in the metrics used to determine incentive compensation for our senior management. Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations should not be construed as alternatives to Net Income or Diluted Earnings per Share as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report measures similar to Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations calculate such measures in the same manner as we do and, accordingly, our calculations are not necessarily comparable to similarly-named measures of other companies and may not be appropriate measures for performance relative to other companies.

Appendix 5
Forecasted EPS Reconciliation

	Forecasted Fiscal Year 2023[1]	
(in millions, except per share data)	Minimum Outlook	Maximum Outlook
Net income from continuing operations	$989	$1,070
Adjustments:		
Amortization of acquired intangibles	58	58
Restructuring and transaction related expenses	37	37
Gains on foreign exchange contracts - acquisition related	(23)	(23)
Other adjustments	9	9
Tax effect of adjustments	(21)	(21)
Adjusted net income from continuing operations	$1,049	$1,130
Weighted average diluted common shares outstanding	269.0	269.0
Diluted EPS from continuing operations:		
U.S. GAAP	$3.68	$3.98
Non-GAAP (Adjusted)	$3.90	$4.20

We have presented forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations in our financial outlook. Refer to the discussion of Adjusted Net Income and Adjusted Diluted Earnings per Share from Continuing Operations for details on the calculation of these non-GAAP financial measures. In the calculation of forecasted Adjusted Net Income and forecasted Adjusted Diluted Earnings per Share from Continuing Operations, we included estimates of net income from continuing operations, amortization of acquired intangibles for the full fiscal year 2023, restructuring expenses under previously announced plans, and the related tax effect; we included for all other components the amounts incurred through March 31, 2023.

(1) The sum of the individual components may not equal the total due to rounding

Appendix 6
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

(in millions)	Three Months Ended March 31[1] 2023	2022
Net cash provided by operating activities	$223	$409
Less: purchases of property, plant and equipment	70	59
Free cash flow	$153	$350

(in millions)	Year Ended December 31[1] 2021	2022
Net cash provided by operating activities	$1,367	$1,250
Less: purchases of property, plant and equipment	293	222
Free cash flow	$1,074	$1,028

(1) The sum of the individual components may not equal the total due to rounding

Appendix 6
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

We have presented free cash flow solely as a supplemental disclosure that offers investors, securities analysts and other interested parties useful information to evaluate our liquidity. We calculate free cash flow as net cash provided by operating activities, less purchases of property, plant and equipment. We believe free cash flow provides insight into our liquidity and provides useful information to management and investors concerning our cash flow available to meet future debt service obligations and working capital requirements, make strategic acquisitions, pay dividends and repurchase stock. We believe free cash flow is used by investors, securities analysts and other interested parties in evaluating the liquidity of other companies, many of which present free cash flow when reporting their results. This financial measure is included in the metrics used to determine incentive compensation for our senior management. Free cash flow should not be construed as an alternative to net cash provided by operating activities, as determined in accordance with accounting principles generally accepted in the United States. In addition, not all companies that report free cash flow information calculate free cash flow in the same manner as we do and, accordingly, our calculation is not necessarily comparable to similarly-named measures of other companies and may not be an appropriate measure for liquidity relative to other companies.

	Forecasted Fiscal Year 2023
(in millions)	**Outlook**
Net cash provided by operating activities	$1,275
Less: purchases of property, plant and equipment	300
Free cash flow	$975

We have presented forecasted free cash flow in our financial outlook. Refer to the paragraph above for details on the calculation of free cash flow.