

LKQ Corporation Announces Results for Fourth Quarter and Full Year 2024

February 20, 2025

- Fourth quarter revenue of \$3.4 billion; annual revenue of \$14.4 billion
- Fourth quarter organic revenue for parts and services decreased 3.6%; annual decreased 2.2%
- Fourth quarter diluted EPS² of \$0.60; fourth quarter adjusted diluted EPS^{1,2} of \$0.80
- Annual diluted EPS² of \$2.62; annual adjusted diluted EPS^{1,2} of \$3.48
- Annual operating cash flow of \$1.1 billion; free cash flow¹ of \$0.8 billion
- Repurchased \$80 million of LKQ shares in the fourth quarter of 2024
- Exceeded commitment of returning 50% FCF to shareholders by returning over 80% in 2024 through share repurchases (\$360 million) and cash dividends (\$318 million)
- 2025 outlook provided

Antioch, TENN -- LKQ Corporation (Nasdaq: LKQ) today reported fourth quarter and full year 2024 financial results. "The LKQ team focused on our core strengths to manage difficult market conditions in 2024 and position the Company for greater success in the future. I am proud of the team's strong finish. Specifically, our Europe segment achieved an EBITDA margin of 10.1% in the quarter, which is a record for the segment in the fourth quarter. This was the third consecutive quarter the Europe segment attained double-digit EBITDA margins, and the Europe segment achieved its highest level of EBITDA dollars for a full year in 2024," stated Justin Jude, President and Chief Executive Officer. "We will continue to emphasize portfolio simplification, operational excellence and profitable growth to deliver long-term value to our shareholders."

Fourth Quarter and Full Year 2024 Financial Results

Revenue for the fourth quarter of 2024 was \$3.4 billion, a decrease of 4.1% compared to \$3.5 billion for the fourth quarter of 2023. Parts and services organic revenue decreased 3.6% (4.5% decrease on a per day basis), the net impact of acquisitions and divestitures decreased revenue by 0.7%, and foreign exchange rates decreased revenue by 0.3% year over year, for a total parts and services revenue decrease of 4.5%. Other revenue grew 6.2% primarily due to higher commodities volumes, partially offset by lower scrap steel prices relative to the same period in 2023.

Net income² for the fourth quarter of 2024 was \$156 million compared to \$184 million for the same period of 2023. Diluted earnings per share² was \$0.60 compared to \$0.69 for the same period of 2023, a decrease of 13.0%.

On an adjusted basis, net income^{1,2} in the fourth quarter of 2024 was \$207 million compared to \$226 million for the same period of 2023, a decrease of 8.4%. Adjusted diluted earnings per share^{1,2} was \$0.80 compared to \$0.84 for the same period of 2023, a decrease of 4.8%.

Revenue for the full year of 2024 was \$14.4 billion, an increase of 3.5% compared to \$13.9 billion for the full year of 2023. Parts and services organic revenue decreased 2.2% (2.8% decrease on a per day basis), the net impact of acquisitions and divestitures increased revenue by 6.3%, and foreign exchange rates increased revenue by 0.1% year over year, for a total parts and services revenue increase of 4.1%. Other revenue fell 7.8% primarily due to lower commodities prices and volumes relative to 2023.

Net income² for the full year of 2024 was \$690 million compared to \$942 million for the same period of 2023. Diluted earnings per share² was \$2.62 compared to \$3.51 for the same period of 2023, a decrease of 25.4%.

On an adjusted basis, net income^{1,2} for the full year of 2024 was \$918 million compared to \$1,027 million for the same period of 2023, a decrease of 10.6%. Adjusted diluted earnings per share^{1,2} was \$3.48 compared to \$3.83 for the same period of 2023, a decrease of 9.1%.

Cash Flow and Balance Sheet

Cash flow from operations and free cash flow¹ were \$1.1 billion and \$0.8 billion, respectively, for the full year of 2024. As of December 31, 2024, the balance sheet reflected total debt of \$4.2 billion and total leverage, as defined in our credit facility, was 2.3x EBITDA.

Stock Repurchase and Dividend Programs

During the fourth quarter of 2024, the Company returned over \$150 million to its shareholders by investing approximately \$80 million to repurchase 2.1 million shares of its common stock and distributing \$78 million in cash dividends. For the year ended December 31, 2024, the Company returned \$678 million to its shareholders by investing approximately \$360 million to repurchase 8.6 million shares of its common stock and distributing \$318 million in cash dividends. Since initiating the stock repurchase program in late October 2018, the Company has repurchased approximately 65 million shares for a total of \$2.8 billion through December 31, 2024. An aggregate balance of \$1.7 billion remains for potential additional repurchases through October 25, 2026. On February 18, 2025, the Board of Directors declared a quarterly cash dividend of \$0.30 per share of common stock, payable on March 27, 2025, to stockholders of record at the close of business on March 13, 2025.

Other Events

On December 11, 2024, the Company announced the appointment of independent director James S. Metcalf to its Board of Directors. On February 6, 2025, the Company announced the appointment of two additional independent directors, Sue Gove and Michael Powell, to its Board of Directors and the formation of a Finance Committee, which will make recommendations to the Board relating to the Company's capital allocation strategy and business portfolio.

The Company has also announced that Blythe McGarvie and Dominick Zarcone have decided not to stand for re-election and will retire from the Board of Directors when their terms expire in connection with the Company's 2025 Annual Meeting.

2025 Outlook

"Our 2025 guidance reflects expectations that are aligned with current market conditions as we continue to drive our operational excellence and lean management initiatives in the midst of the industry recovery. As I discussed at our investor day last September, we are committed to delivering above market revenue growth, margin improvement, strong free cash flow generation and returns on invested capital over the long term," stated Rick Galloway, Senior Vice President and Chief Financial Officer.

For 2025, management is anticipating the following outlook as set forth below:

	2025 Full Year Outlook
Organic revenue growth for parts and services	0% to 2%
Diluted EPS ²	\$2.91 to \$3.21
Adjusted diluted EPS ^{1,2}	\$3.40 to \$3.70
Operating cash flow	\$1.075 to \$1.275 billion
Free cash flow ¹	\$0.75 to \$0.90 billion

Our outlook for the full year 2025 is based on current conditions, recent trends and our expectations, and assumes a global effective tax rate of 27.0% and the prices of scrap and precious metals hold near the fourth quarter of 2024 average. We have applied foreign currency exchange rates near recent average levels, including \$1.04, \$1.25 and \$0.70 for the euro, pound sterling and Canadian dollar, respectively, for the year. Changes in these conditions may impact our ability to achieve the estimates. 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; and gains and losses related to

acquisitions or divestitures (including changes in the fair value of contingent consideration liabilities).

⁽¹⁾ Non-GAAP measure. Refer to the table accompanying this release that reconciles the actual or forecasted U.S. GAAP measure to the actual or forecasted adjusted measure, which is non-GAAP.

⁽²⁾ References in this release to Net income and Diluted earnings per share, and the corresponding adjusted figures, reflect amounts from continuing operations attributable to LKQ stockholders.

Non-GAAP Financial Measures

This release contains (and management's presentation on the related investor conference call will refer to) non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Included with this release are reconciliations of each non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP.

About LKQ Corporation

LKQ Corporation (www.lkqcorp.com) is a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles. LKQ has operations in North America, Europe and Taiwan. LKQ offers its customers a broad range of OEM recycled and aftermarket parts, replacement systems, components, equipment, and services to repair and accessorize automobiles, trucks, and recreational and performance vehicles.

About LKQ Europe

LKQ Europe, a subsidiary of LKQ Corporation (www.lkqcorp.com), headquartered in Zug, Switzerland, is the leading distributor of automotive aftermarket parts for cars, commercial vans, and industrial vehicles in Europe. It currently employs approximately 27,500 people with a network of more than 1,000 branches and approximately \$6.3 billion in revenue in 2023. The organization supplies more than 100,000 workshops in over 18 European countries in the following regions: Benelux-France, Central Eastern Europe, DACH, Italy, Scandinavia and UK & Ireland.

Forward Looking Statements

Statements and information in this press release and on the related conference call, including our outlook for 2025, as well as remarks by the Chief Executive Officer and other members of management, 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 including those identified below. 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 set forth below, and other factors discussed in our filings with the SEC, including those 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, 2023, our subsequent Quarterly Reports on Form 10-Q, and in our Annual Report on Form 10-K to be filed for the year ended December 31, 2024. These reports are available at the Investor Relations section on our website (www.lkqcorp.com) and on the SEC's website (www.sec.gov).

These factors include the following (not necessarily in order of importance):

- our operating results and financial condition have been and could continue to be adversely affected by the economic, political and social conditions in North America, Europe, Taiwan and other countries, as well as the economic health of vehicle owners and numbers and types of vehicles sold;
- we face competition from local, national, international, and internet-based vehicle products providers, and this competition could negatively affect our business;
- we rely upon insurance companies and our customers to promote the usage of alternative parts;
- intellectual property claims relating to aftermarket products could adversely affect our business;
- if the number of vehicles involved in accidents or being repaired declines, or the mix of the types of vehicles in the overall vehicle population changes, our business could suffer;

- fluctuations in the prices of commodities could adversely affect our financial results;
- an adverse change in our relationships with our suppliers, disruption to our supply of inventory, or the misconduct, performance failures or negligence of our third party vendors or service providers could increase our expenses, impede our ability to serve our customers, or expose us to liability;
- future public health emergencies could have a material adverse impact on our business, results of operation, financial condition and liquidity, the nature and extent of which is highly uncertain;
- if we determine that our goodwill or other intangible assets have become impaired, we may incur significant charges to our pretax income;
- we could be subject to product liability claims and involved in product recalls;
- we may not be able to successfully acquire businesses or integrate acquisitions, and we may not be able to successfully divest certain businesses;
- we have a substantial amount of indebtedness, which could have a material adverse effect on our financial condition and our ability to obtain financing in the future and to react to changes in our business;
- our senior notes do not impose any limitations on our ability to incur additional debt or protect against certain other types of transactions, and we may incur certain additional indebtedness under our credit agreement;
- each of our credit agreement and CAD Note imposes operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities;
- we may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful;
- our future capital needs may require that we seek to refinance our debt or obtain additional debt or equity financing, events that could have a negative effect on our business;
- our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly;
- repayment of our indebtedness is dependent on cash flow generated by our subsidiaries;
- a downgrade in our credit rating would impact our cost of capital;
- the amount and frequency of our share repurchases and dividend payments may fluctuate;
- existing or new laws and regulations, or changes to enforcement or interpretation of existing laws or regulations, may prohibit, restrict or burden the sale of aftermarket, recycled, refurbished or remanufactured products;
- we are subject to environmental regulations and incur costs relating to environmental matters;
- if we fail to maintain proper and effective internal control over financial reporting in the future, our ability to produce accurate and timely

financial statements could be negatively impacted, which could harm our operating results and investor perceptions of our company and as a result may have a material adverse effect on the value of our common stock;

- we may be adversely affected by legal, regulatory or market responses to global climate change;
- our amended and restated bylaws provide that the courts in the State of Delaware are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees;
- our effective tax rate could materially increase as a consequence of various factors, including U.S. and/or international tax legislation, applicable interpretations and administrative guidance, our mix of earnings by jurisdiction, and U.S. and foreign jurisdictional audits;
- if significant tariffs or other restrictions are placed on products or materials we import or any related counter-measures are taken by countries to which we export products, our revenue and results of operations may be materially harmed;
- governmental agencies may refuse to grant or renew our operating licenses and permits;
- the costs of complying with the requirements of laws pertaining to data privacy and cybersecurity of personal information and the potential liability associated with the failure to comply with such laws could materially adversely affect our business and results of operations;
- our employees are important to successfully manage our business and achieve our objectives;
- we operate in foreign jurisdictions, which exposes us to foreign exchange and other risks;
- our business may be adversely affected by union activities and labor and employment laws;
- we rely on information technology and communication systems in critical areas of our operations and a disruption relating to such technology and systems, including cybersecurity threats, could harm our business;
- business interruptions in our distribution centers or other facilities may affect our operations, the function of our computer systems, and/or the availability and distribution of merchandise, which may affect our business;
- if we experience problems with our fleet of trucks and other vehicles, our business could be harmed;
- we may lose the right to operate at key locations; and
- activist investors could cause us to incur substantial costs, divert management's attention, and have an adverse effect on our business.

Investor Relations Contact

Joseph P. Boutross
Vice President, Investor Relations

CONTACT

LKQ Corporation

T +1 312 621-2793

E jpboutross@lkqcorp.com

Media Contact Europe

LKQ Europe Communications

CONTACT

E lkqeuropa@citypress.co.uk