



**Q4'23  
Earnings Presentation**

February 15, 2024

# GPC Snapshot (as of 12/31/2023)

## Key Statistics

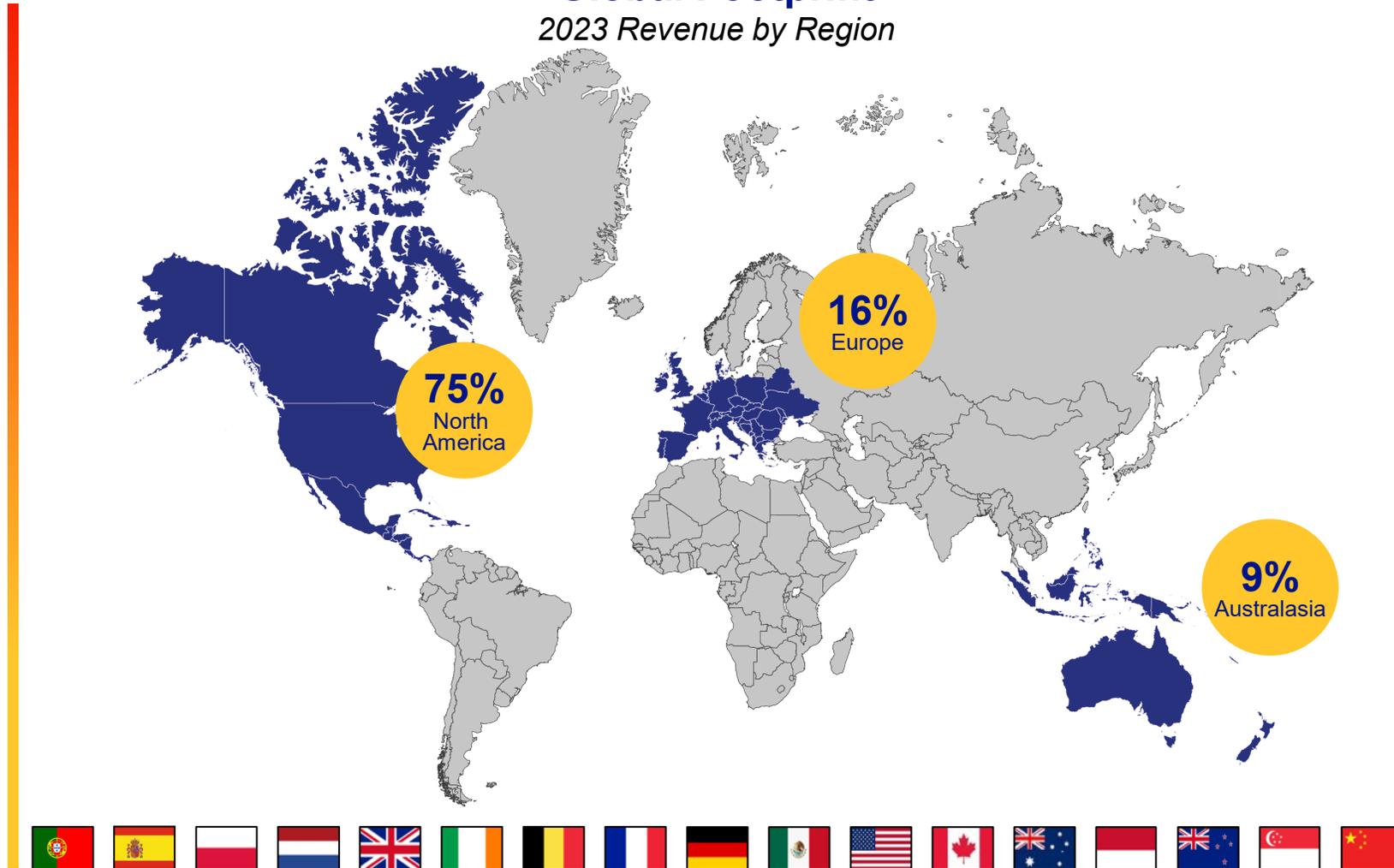
Founded	1928
Headquarters	Atlanta, GA
Countries Served	17
Locations	~10,730
• Distribution Centers	~200
• Warehouses	~725
• Retail (Owned/Independent)	~9,805
Employees	~60,000
Market Capitalization	~\$19.3B

## 2023 Financial Highlights

Revenue <sup>1</sup>	\$23.1B
• Automotive	62%
• Industrial	38%
Segment Profit Margin <sup>2</sup>	9.9%
Free Cash Flow <sup>2</sup>	~\$923M
Dividend Yield <sup>3</sup>	2.7%

## Global Footprint

2023 Revenue by Region



Leading Global Distributor in Diversified End Markets

# Safe Harbor Statement

---

**FORWARD-LOOKING STATEMENTS:** Some statements in this presentation, as well as in other materials we file with the Securities and Exchange Commission (SEC), release to the public, or make available on our website, constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements in the future tense and all statements accompanied by words such as “expect,” “likely,” “outlook,” “forecast,” “preliminary,” “would,” “could,” “should,” “position,” “will,” “project,” “intend,” “plan,” “on track,” “anticipate,” “to come,” “may,” “possible,” “assume,” or similar expressions are intended to identify such forward-looking statements. These forward-looking statements include our view of business and economic trends for the coming year, our expectations regarding our ability to capitalize on these business and economic trends and to execute our strategic priorities, and the established full-year 2024 financial guidance provided. Senior officers may also make verbal statements to analysts, investors, the media and others that are forward-looking. We caution you that all forward-looking statements involve risks and uncertainties, and while we believe that our expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on our forward-looking statements. Actual results or events may differ materially from those indicated as a result of various important factors. Such factors may include, among other things, changes in general economic conditions, including unemployment, inflation (including the impact of tariffs) or deflation, financial institution disruptions and geopolitical conflicts such as the conflict between Russia and Ukraine, the conflict in the Gaza strip and other unrest in the Middle East; volatility in oil prices; significant cost increases, such as rising fuel and freight expenses; public health emergencies, including the effects on the financial health of our business partners and customers, on supply chains and our suppliers, on vehicle miles driven as well as other metrics that affect our business, and on access to capital and liquidity provided by the financial and capital markets; our ability to maintain compliance with our debt covenants; our ability to successfully integrate acquired businesses into our operations and to realize the anticipated synergies and benefits; our ability to successfully implement our business initiatives in our two business segments; slowing demand for our products; the ability to maintain favorable supplier arrangements and relationships; changes in national and international legislation or government regulations or policies, including changes to import tariffs, environmental and social policy, infrastructure programs and privacy legislation, and their impact to us, our suppliers and customers; changes in tax policies; volatile exchange rates; our ability to successfully attract and retain employees in the current labor market; uncertain credit markets and other macroeconomic conditions; competitive product, service and pricing pressures; failure or weakness in our disclosure controls and procedures and internal controls over financial reporting, including as a result of the work from home environment; the uncertainties and costs of litigation; disruptions caused by a failure or breach of our information systems, as well as other risks and uncertainties discussed in our Annual Report on Form 10-K for 2023 and from time to time in our subsequent filings with the SEC. Forward-looking statements speak only as of the date they are made, and we undertake no duty to update any forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-K, 10-Q, 8-K and other reports filed with the SEC.

**NON-GAAP MEASURES:** This presentation contains certain financial information not derived in accordance with United States (“U.S.”) generally accepted accounting principles (“GAAP”). These items include adjusted net income, adjusted gross profit, adjusted operating and non-operating expenses, total segment profit, total segment margin, adjusted EBITDA, adjusted diluted earnings per share and free cash flow. We believe that the presentation of these non-GAAP measures when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provide meaningful supplemental information to both management and investors that is indicative of our core operations. We considered these metrics useful to investors because they provide greater transparency into management’s view and assessment of our ongoing operating performance by removing items management believes are not representative of our operations and may distort our longer-term operating trends. We believe these measures are useful and enhance the comparability of our results from period to period and with our competitors, as well as show ongoing results from operations distinct from items that are infrequent or not associated with our core operations. We do not, nor do we suggest investors should, consider such non-GAAP financial measures as superior to, in isolation from, or as a substitute for, GAAP financial information. We have included reconciliations of this additional information to the most comparable GAAP measure in the appendix of this presentation. We do not provide forward-looking guidance for certain financial measures on a GAAP basis because we are unable to predict certain items contained in the GAAP measures without unreasonable efforts. These items may include acquisition-related costs, litigation charges or settlements, impairment charges, and certain other unusual adjustments.

# Key Messages

---

- ✓ Delivered on our financial commitments in 2023, **third consecutive year of double-digit earnings growth**
- ✓ Results demonstrate the value of our **complimentary business mix paired with our geographic diversity**
- ✓ Our Board approved **the 68<sup>th</sup> consecutive annual increase to the GPC dividend**
- ✓ We want to **thank our global GPC teammates** for their hard work

————— *Strategic Initiatives and Focused Team Execution Delivering Results* —————

# Q4'23 Performance



Sales

**\$5.6B**

Increase of 1.1%

Gross Margin

**36.4%**

Improved 70 bps

EBITDA

**\$523M**

Increase of 6%<sup>1</sup>

Segment Profit<sup>2</sup>

**\$534M**

Increase of 2%

Segment Margin<sup>2</sup>

**9.6%**

Improved 10 bps

Diluted EPS

**\$2.26**

Increase of 10%<sup>1</sup>



Cash From Operations

**\$1.4B** FY'23

Free Cash Flow<sup>2</sup>

**\$923M** FY'23



Working Capital<sup>3</sup>

**\$1.8B**



Capital Structure

**1.8x**

Total Debt to Adj EBITDA<sup>1</sup>



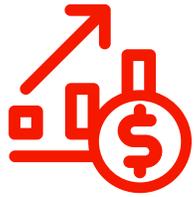
Ample Liquidity

**\$2.6B**



**Financial Strength and Flexibility to Drive Growth**

# Q4'23 Industrial Performance



Global Sales

**\$2.1B**

Increase of 1.7%

Global Comps<sup>1</sup>

**+1.2%**

17% comp in the PY

Segment Profit<sup>2</sup>

**\$275M**

Increase of 19%

Segment Margin<sup>2</sup>

**12.9%**

Improved 190 bps

Market	Total Sales <sup>3</sup>
North America	+1.3%
Australasia	+9.5%

## Highlights:

- 14<sup>th</sup> consecutive quarter of margin expansion
- Continued progress with sales excellence, pricing, e-commerce and other initiatives that are helping win profitable market share and improve productivity
- Successful integration of KDG, exceeded our synergy target by approximately \$20M and one year ahead of schedule
- Motion AsiaPac delivered double-digit sales and profit growth in 2023

# Q4'23 Automotive Performance



Global Sales

**\$3.5B**

Increase of 0.8%

Global Comps<sup>1</sup>

**-2.7%**

8% comp in the PY

Segment Profit<sup>2</sup>

**\$259M**

Down 12%

Segment Margin<sup>2</sup>

**7.5%**

Down 110 bps

Market	Total Sales <sup>3</sup>	Comp Sales <sup>1,3</sup>
U.S.	(5.6%)	(6.1%)
Canada	+0.8%	(1.5%)
Europe	+10.4%	+4.0%
Australasia	+1.5%	+0.6%

## Highlights:

- Total Automotive results benefited from global diversification
- US Automotive below expectations; taking several actions to improve customer service levels; benefits not yet evident in financial results
- Europe's ninth consecutive quarter of double-digit sales growth
- Australasia team delivered fourth consecutive year of double-digit profit growth

# FY'23 Performance

GPC



Global Sales

**\$23.1B**

Increase of 4.5%

Gross Margin

**35.9%**

Improved 80 bps<sup>1</sup>

EBITDA

**\$2.2B**

Increase of 8%<sup>1</sup>

Segment Profit<sup>2</sup>

**\$2.3B**

Increase of 10%

Segment Margin<sup>2</sup>

**9.9%**

Improved 50 bps

Diluted EPS

**\$9.33**

Increase of 12%

## Industrial



Global Sales

**\$8.8B**

Increase of 4.9%

Global Comps<sup>3</sup>

**+4.8%**

17% comp in the PY

Segment Profit<sup>4</sup>

**\$1.1B**

Increase of 24%

Segment Margin<sup>4</sup>

**12.5%**

Improved 200 bps

## Automotive



Global Sales

**\$14.2B**

Increase of 4.2%

Global Comps<sup>3</sup>

**+2.1%**

9% comp in the PY

Segment Profit<sup>4</sup>

**\$1.2B**

Down 1%

Segment Margin<sup>4</sup>

**8.2%**

Down 50 bps



# How We Win

## Foundational Priorities for Strategic Investments



### Talent & Culture

Develop high potential talent and infuse capabilities into the organization to build diverse, high-performing teams



### Sales Effectiveness

Utilize data and analytics to understand our customer segments and drive solution-based sales and commercial strategies



### Technology

Enhance data and digital capabilities to deliver a best-in-class customer experience, profitable growth and operational productivity



### Supply Chain

Modernize operations to increase productivity and efficiency across inventory, facilities and logistics capabilities



### Emerging Technology

Lead in emerging technologies and leverage our unique positioning, global scale and One GPC team approach

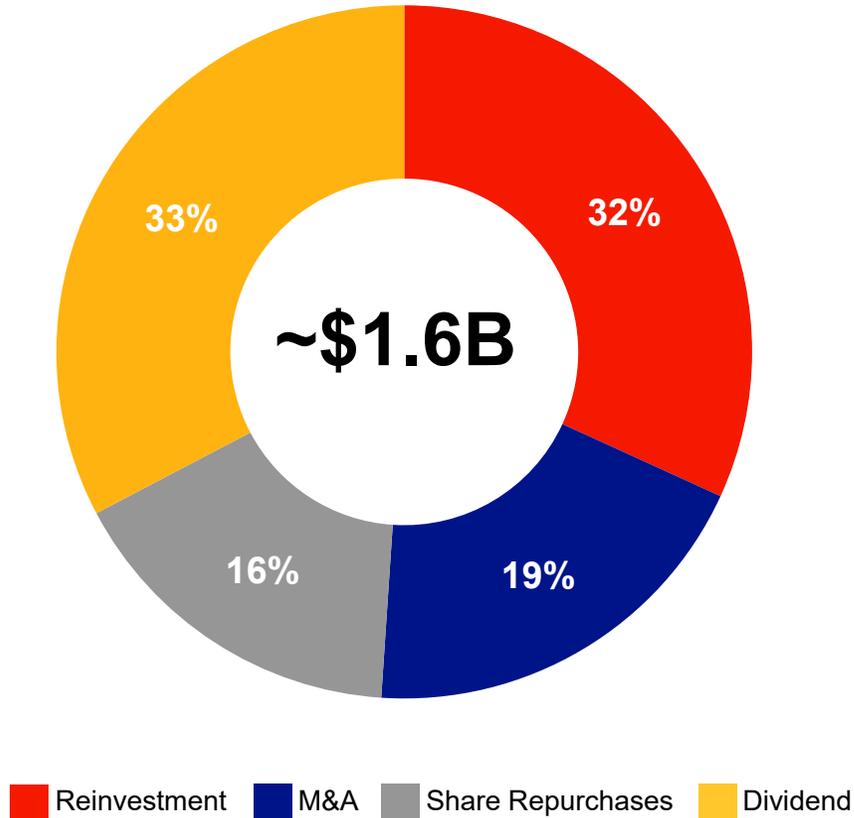


### Mergers & Acquisitions

Acquire strategic assets and create value via scale, footprint, customer relationships, products and services and technology

# Effective Capital Allocation

## 2023 Capital Deployment



## Key Priorities

### Reinvestment

- \$513M CapEx in '23
- Projecting '24 CapEx of ~\$500M

### M&A

- \$309M in '23
- Targeting additional acquisitions in '24

### Share Repurchases

- \$261M spend for ~1.8M shares in '23
- Continued share buy-backs in '24

### Dividend

- \$527M in cash dividends paid in '23
- 2024 cash dividend of \$4.00 per share, +5% from 2023
  - 68<sup>th</sup> consecutive year of increased dividends paid to our shareholders

# 2024 Outlook<sup>1</sup>

<b>Total Sales Growth</b>	<b>3% to 5%</b>
• Automotive	2% to 4%
• Industrial	3% to 5%
<b>Diluted EPS</b>	<b>\$8.95 to \$9.15</b>
<b>Adj Diluted EPS</b>	<b>\$9.70 to \$9.90</b>
<b>Adj EPS Growth</b>	<b>4% to 6%</b>
<b>Cash from Operations</b>	<b>\$1.3B to \$1.5B</b>
<b>Free Cash Flow<sup>2</sup></b>	<b>\$800M to \$1B</b>

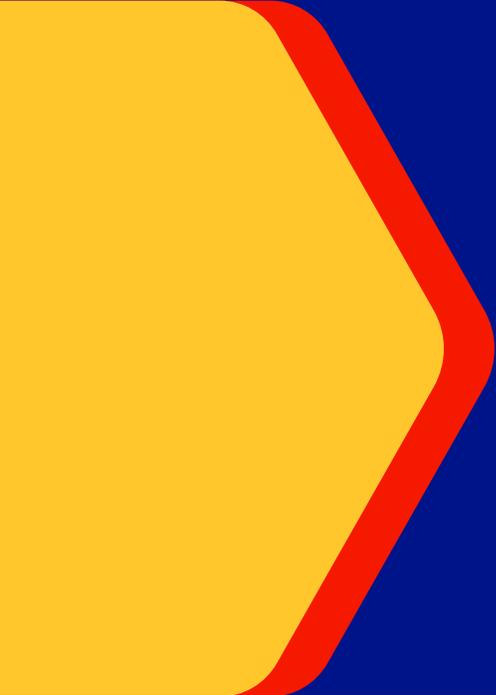
## OTHER ASSUMPTIONS

- Corporate expenses ~1.5% to 2% of sales
- Capex ~\$500M
- Interest expense ~\$100M
- Tax rate ~24%

# 2024 Outlook (Cont.)

U.S. Business Days*	Q1	Q2	Q3	Q4	FY
2024	64	64	64	63	255
2023	64	64	63	62	253
Difference	0	0	+1	+1	+2

*\*Our calculation of comparable sales is computed using total business days for the period, not calendar days. We believe a business day approach is a better representation given the fluctuations of weekend operating hours, particularly at our Motion facilities and independently owned NAPA stores in the U.S.*



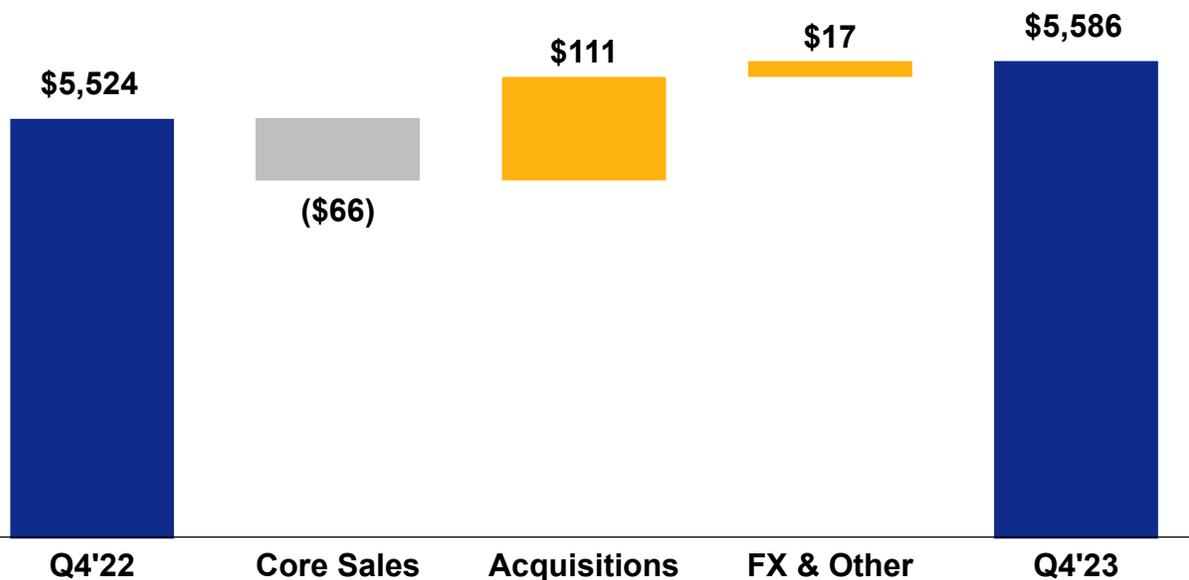
# Appendix

# Consolidated Net Sales and Diluted EPS Bridge

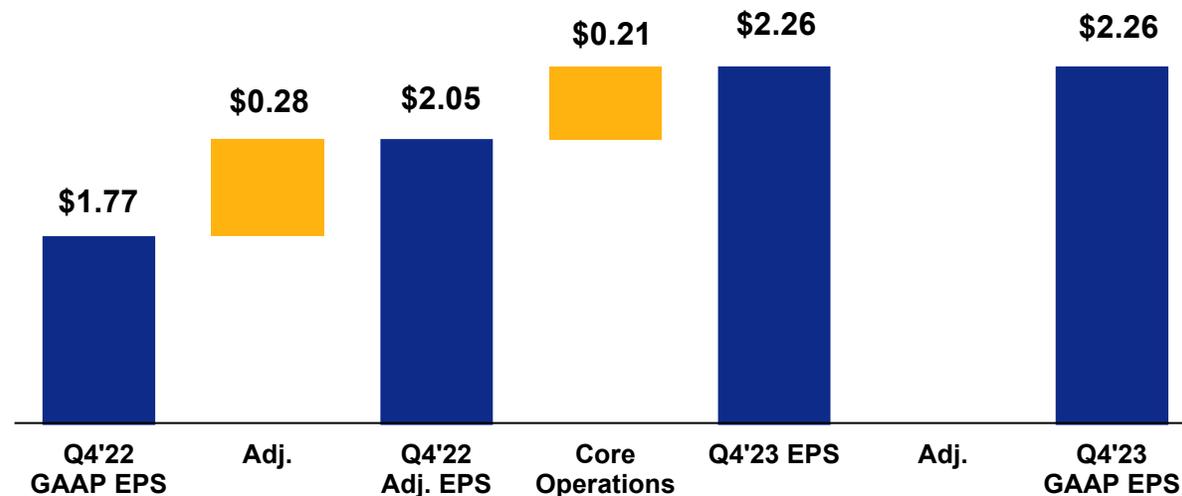
## Appendix A

### Net Sales

(\$M)



### Diluted Earnings Per Share<sup>1</sup>



**Comparable Sales:** Comparable sales or “comp sales” is a key metric that refers to period-over-period comparisons of our net sales excluding the impact of acquisitions, divestitures, foreign currency and other. Our calculation of comparable sales is computed using total business days for the period. The company considers this metric useful to investors because it provides greater transparency into management’s view and assessment of the company’s core ongoing operations. This metric is widely used by analysts, investors and competitors in our industry, although our calculation of the metric may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate this metric in the same manner.

**Daily Sales:** Daily sales represents the amounts invoiced to the company's customers each day. Daily sales do not represent GAAP-based sales because, among other things, invoices are not always generated at the same time goods and services are delivered to customers and the amounts do not include adjustments for estimates of returns, rebates or other forms of variable consideration. Management uses this metric to monitor demand trends at each of its subsidiaries throughout each month for the purposes of monitoring performance against forecasts and to make operational decisions. The company considers this metric useful to investors because it provides greater transparency into management’s view and assessment of the company’s core ongoing operations. The calculation of this metric may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate this metric in the same manner.

# Segment Data

# Appendix C

(in thousands)	2023	2023				2022			
	Full-Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales:									
Automotive	\$ 14,246,783	\$ 3,505,827	\$ 3,654,999	\$ 3,626,943	\$ 3,459,014	\$ 3,275,621	\$ 3,467,494	\$ 3,490,462	\$ 3,433,057
Industrial	8,843,827	2,259,291	2,260,007	2,197,659	2,126,870	2,019,014	2,134,920	2,184,812	2,090,593
Total net sales	23,090,610	5,765,118	5,915,006	5,824,602	5,585,884	5,294,635	5,602,414	5,675,274	5,523,650
Segment profit:									
Automotive	1,174,880	264,420	329,347	322,004	259,109	264,573	322,553	309,349	295,199
Industrial	1,102,836	261,987	283,372	282,807	274,670	188,353	225,472	242,505	230,306
Total segment profit	2,277,716	526,407	612,719	604,811	533,779	452,926	548,025	551,854	525,505
Interest expense, net	(64,469)	(16,864)	(16,455)	(15,827)	(15,323)	(19,850)	(20,248)	(18,220)	(15,568)
Corporate expense	(323,721)	(66,015)	(101,550)	(90,257)	(65,899)	(41,751)	(73,312)	(72,820)	(81,481)
Intangible asset amortization	(147,178)	(39,122)	(40,625)	(33,667)	(33,764)	(39,694)	(39,630)	(39,416)	(38,697)
Other unallocated costs	—	—	—	—	—	(25,915)	76,732	(3,462)	(52,376)
Income before income taxes	1,742,348	404,406	454,089	465,060	418,793	325,716	491,567	417,936	337,383
Income taxes	(425,824)	(100,449)	(109,595)	(113,862)	(101,918)	(79,878)	(119,038)	(105,578)	(85,407)
Net income	\$ 1,316,524	\$ 303,957	\$ 344,494	\$ 351,198	\$ 316,875	\$ 245,838	\$ 372,529	\$ 312,358	\$ 251,976
Segment profit margin:									
Automotive	8.2%	7.5%	9.0%	8.9%	7.5%	8.1%	9.3%	8.9%	8.6%
Industrial	12.5%	11.6%	12.5%	12.9%	12.9%	9.3%	10.6%	11.1%	11.0%
Total segment profit margin	9.9%	9.1%	10.4%	10.4%	9.6%	8.6%	9.8%	9.7%	9.5%

# Reconciliation of Non-GAAP Financial Measures

## Appendix D

### Total Segment Profit & Total Segment Profit Margin

(in thousands)	2023	2023				2022			
	Full-Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP net income	\$ 1,316,524	\$ 303,957	\$ 344,494	\$ 351,198	\$ 316,875	\$ 245,838	\$ 372,529	\$ 312,358	\$ 251,976
Income taxes	425,824	100,449	109,595	113,862	101,918	79,878	119,038	105,578	85,407
Income before income taxes	1,742,348	404,406	454,089	465,060	418,793	325,716	491,567	417,936	337,383
Interest expense, net	64,469	16,864	16,455	15,827	15,323	19,850	20,248	18,220	15,568
Corporate expense	323,721	66,015	101,550	90,257	65,899	41,751	73,312	72,820	81,481
Intangible asset amortization	147,178	39,122	40,625	33,667	33,764	39,694	39,630	39,416	38,697
Other unallocated (loss) income, net	—	—	—	—	—	25,915	(76,732)	3,462	52,376
Total segment profit	\$ 2,277,716	\$ 526,407	\$ 612,719	\$ 604,811	\$ 533,779	\$ 452,926	\$ 548,025	\$ 551,854	\$ 525,505
GAAP net sales	\$ 23,090,610	\$ 5,765,118	\$ 5,915,006	\$ 5,824,602	\$ 5,585,884	\$ 5,294,635	\$ 5,602,414	\$ 5,675,274	\$ 5,523,650
GAAP net income margin	5.7%	5.3%	5.8%	6.0%	5.7%	4.6%	6.6%	5.5%	4.6%
Total segment profit margin	9.9%	9.1%	10.4%	10.4%	9.6%	8.6%	9.8%	9.7%	9.5%

# Reconciliation of Non-GAAP Financial Measures (Cont.) Appendix D

## Adj Net Income

(in thousands)	2023	2023				2022			
	Full-Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP net income	\$ 1,316,524	\$ 303,957	\$ 344,494	\$ 351,198	\$ 316,875	\$ 245,838	\$ 372,529	\$ 312,358	\$ 251,976
Adjustments:									
Gain on sale of real estate (1)	—	—	—	—	—	—	(102,803)	—	—
Gain on insurance proceeds (2)	—	—	—	—	—	(634)	(873)	—	—
Product liability adjustment (3)	—	—	—	—	—	—	—	—	28,730
Transaction and other costs (4)	—	—	—	—	—	26,549	26,944	3,462	23,646
Total adjustments	—	—	—	—	—	25,915	(76,732)	3,462	52,376
Tax impact of adjustments	—	—	—	—	—	(6,103)	17,291	1,464	(12,788)
Adjusted net income	\$ 1,316,524	\$ 303,957	\$ 344,494	\$ 351,198	\$ 316,875	\$ 265,650	\$ 313,088	\$ 317,284	\$ 291,564

(in thousands, except per share data)	2023	2023				2022			
	Full-Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP earnings per share	\$ 9.33	\$ 2.14	\$ 2.44	\$ 2.49	\$ 2.26	\$ 1.72	\$ 2.62	\$ 2.20	\$ 1.77
Adjustments:									
Gain on sale of real estate (1)	—	—	—	—	—	—	(0.72)	—	—
Gain on insurance proceeds (2)	—	—	—	—	—	(0.01)	(0.01)	—	—
Product liability adjustment (3)	—	—	—	—	—	—	—	—	0.20
Transaction and other costs (4)	—	—	—	—	—	0.19	0.19	0.02	0.17
Total adjustments	—	—	—	—	—	0.18	(0.54)	0.02	0.37
Tax impact of adjustments	—	—	—	—	—	(0.04)	0.12	0.01	(0.09)
Adjusted diluted earnings per share	\$ 9.33	\$ 2.14	\$ 2.44	\$ 2.49	\$ 2.26	\$ 1.86	\$ 2.20	\$ 2.23	\$ 2.05
Weighted average common shares outstanding — assuming dilution	141,034	141,725	141,247	140,934	140,359	142,842	142,304	142,109	141,972



# Reconciliation of Non-GAAP Financial Measures (Cont.) Appendix D

## Adj EBITDA

(in thousands)	2023	2023				2022			
	Full-Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP net income	\$ 1,316,524	\$ 303,957	\$ 344,494	\$ 351,198	\$ 316,875	\$ 245,838	\$ 372,529	\$ 312,358	\$ 251,976
Depreciation and amortization	350,529	87,215	90,873	83,860	88,581	87,369	85,890	86,563	87,997
Interest expense, net	64,469	16,864	16,455	15,827	15,323	19,850	20,248	18,220	15,568
Income taxes	425,824	100,449	109,595	113,862	101,918	79,878	119,038	105,578	85,407
EBITDA:	2,157,346	508,485	561,417	564,747	522,697	432,935	597,705	522,719	440,948
Gain on sale of real estate (1)	—	—	—	—	—	—	(102,803)	—	—
Gain on insurance proceeds (2)	—	—	—	—	—	(634)	(873)	—	—
Product liability adjustment (3)	—	—	—	—	—	—	—	—	28,730
Transaction and other costs (4)	—	—	—	—	—	26,549	26,944	3,462	23,646
Adjusted EBITDA	\$ 2,157,346	\$ 508,485	\$ 561,417	\$ 564,747	\$ 522,697	\$ 458,850	\$ 520,973	\$ 526,181	\$ 493,324

## Adj Gross Profit

(in thousands)	Twelve Months Ended December 31,		Full-Year Change	
	2023	2022	\$ Change	% Change
GAAP gross profit	\$ 8,290,672	\$ 7,740,104	\$ 550,568	7.1%
Adjustments:				
Transaction and other costs (4)	—	5,000	(5,000)	100.0%
Total adjustments	—	5,000	(5,000)	100.0%
Adjusted gross profit	\$ 8,290,672	\$ 7,745,104	\$ 545,568	7.0%
Adjusted gross profit as a percent of GAAP net sales	35.9%	35.1%		80 bps

# Reconciliation of Non-GAAP Financial Measures (Cont.) Appendix D

## Adj Operating and Non-Operating Expenses

(in thousands)	Three Months Ended December 31,		QTD Change	
	2023	2022	\$ Change	% Change
GAAP operating and non-operating expenses	\$ 1,614,494	\$ 1,636,308	\$ (21,814)	(1.3)%
Adjustments:				
Product liability adjustment (3)	—	(28,730)	28,730	(100.0)%
Transaction and other costs (4)	—	(23,646)	23,646	(100.0)%
Total adjustments	—	(52,376)	52,376	(100.0)%
Adjusted operating and non-operating expenses	\$ 1,614,494	\$ 1,583,932	\$ 30,562	1.9%
Adjusted operating and non-operating expenses as a percent of GAAP net sales	28.9%	28.7%		20 bps

(in thousands)	Twelve Months Ended December 31,		Full-Year Change	
	2023	2022	\$ Change	% Change
GAAP operating and non-operating expenses	\$ 6,548,324	\$ 6,167,502	\$ 380,822	6.2%
Adjustments:				
Gain on sale of real estate (1)	—	102,803	(102,803)	(100.0)%
Gain on insurance proceeds (2)	—	1,507	(1,507)	(100.0)%
Product liability adjustment (3)	—	(28,730)	28,730	(100.0)%
Transaction and other costs (4)	—	(75,601)	75,601	(100.0)%
Total adjustments	—	(21)	21	(100.0)%
Adjusted operating and non-operating expenses	\$ 6,548,324	\$ 6,167,481	\$ 380,843	6.2%
Adjusted operating and non-operating expenses as a percent of GAAP net sales	28.4%	27.9%		50 bps



# Reconciliation of Non-GAAP Financial Measures (Cont.) Appendix D

## Free Cash Flow

(in thousands)	Twelve Months Ended December 31, 2023	
Net cash provided by operating activities	\$	1,435,610
Less: Purchases of property, plant and equipment		512,675
Free Cash Flow	\$	922,935

## Outlook

	Year Ending December 31, 2024	
Net cash provided by operating activities	\$1.3 billion to \$1.4 billion	
Purchases of property, plant and equipment	~\$500 million	
Free Cash Flow	\$800 million to \$1 billion	

- (1) **Gain on sale of real estate:** Adjustment reflects a gain on the sale of real estate that had been leased to S.P. Richards.
- (2) **Gain on insurance proceeds:** Adjustment reflects insurance recoveries in excess of losses incurred on inventory, property, plant and equipment and other fire-related costs.
- (3) **Product liability adjustment:** Adjustment to remeasure the product liability reserve for a revised estimate of the number of claims to be incurred in future periods, among other assumptions.
- (4) **Transaction and other costs:** Adjustment for 2022 primarily includes costs of \$67 million associated with the January 3, 2022 acquisition and integration of KDG which includes a \$17 million impairment charge. The impairment charge was driven by a decision to retire certain legacy trade names, classified as other intangible assets, prior to the end of their estimated useful lives as part of executing our KDG integration and rebranding strategy. Separately, this adjustment includes an \$11 million loss related to an investment.