



Q2'23
Earnings Presentation

July 20, 2023

GPC Snapshot (as of 6/30/2023)

Key Statistics

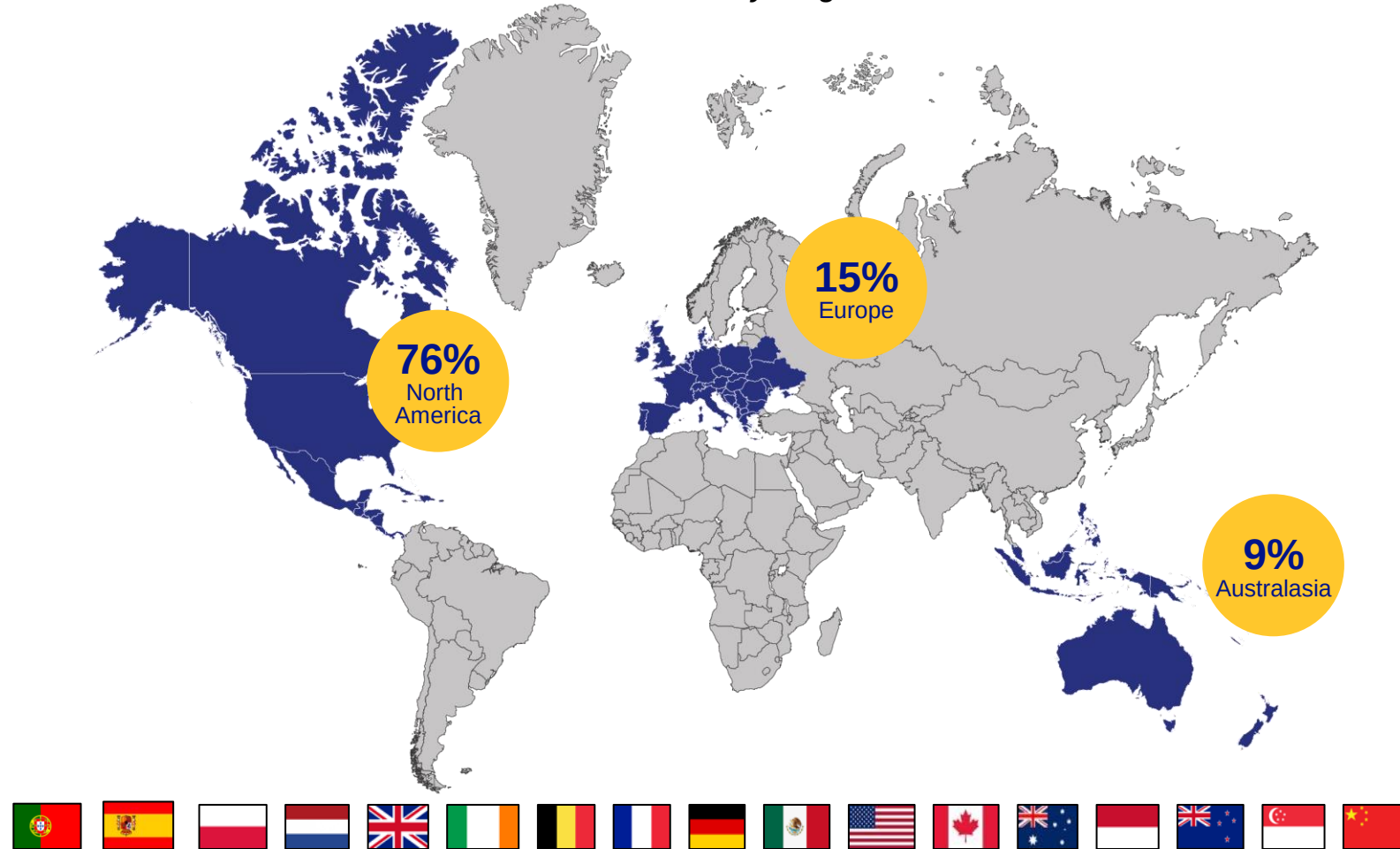
Founded	1928
Headquarters	Atlanta, GA
Countries Served	17
Locations	~10,630
• Distribution Centers	~205
• Warehouses	~710
• Retail (Owned/Independent)	~9,715
Employees	~58,000
Market Capitalization	~\$23.8B

TTM Financial Highlights

Revenue ¹	\$22.9B
• Automotive	62%
• Industrial	38%
Segment Profit Margin ¹	9.7%
Free Cash Flow ²	~\$741M
Dividend Yield ³	2.2%

Global Footprint

TTM 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 remainder of the year, and our expectations regarding our ability to capitalize on these business and economic trends and to execute our strategic priorities. 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; volatility in oil prices; significant cost increases, such as rising fuel and freight expenses; public health emergencies such as the COVID-19 pandemic, 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 2022 Annual Report on Form 10-K 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 operating and non-operating expenses, 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

- ✓ Solid quarter, which includes **record sales and double-digit adjusted earnings growth**
- ✓ **Strategic transformation** to a global Automotive and Industrial company is a **competitive advantage that distinguishes GPC in the marketplace**
- ✓ Continue to benefit from **business mix and the geographic diversity** of our operations
- ✓ We are **proud of the outstanding work** by our global GPC teammates

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

Q2'23 Performance



Sales

\$5.9B

Up 5.6%

Gross Margin

36.1%

Improved 110 bps

EBITDA

\$561M

Up 8%¹

Segment Profit²

\$613M

Up 12%

Segment Margin²

10.4%

Improved 60 bps

Diluted EPS

\$2.44

Up 11%¹

At June 30



Cash From Operations

\$457M YTD

Free Cash Flow³

\$252M YTD



Working Capital⁴

\$1.2B



Capital Structure

1.6x

Total Debt to Adj EBITDA (TTM)¹



Ample Liquidity

\$2.0B



Financial Strength and Flexibility to Drive Growth

Q2'23 Industrial Performance



Global Sales

\$2.3B

Up 5.9%

Global Comps¹

+6.0%

18% comp in the PY

Segment Profit²

\$283M

Up 26%

Segment Margin²

12.5%

Improved 190 bps

Market

Total Sales³

North America

+5%

Australasia

+24%

Highlights:

- All product categories and major industries served posting positive gains from the prior year
- Sales to larger, contracted corporate accounts outperforming
- 12th consecutive quarter of margin expansion
- Continue to build on the synergies from KDG acquisition, expect to exceed target of over \$50 million in total synergies by end of year

Q2'23 Automotive Performance



Global Sales

\$3.7B

Up 5.4%

Global Comps¹

4.3%

8% comp in the PY

Segment Profit²

\$329M

Up 2%

Segment Margin²

9.0%

Down 30 bps

Market	Total Sales ³	Comp Sales ^{1,3}
U.S.	+2%	+1%
Canada	+6%	+6%
Europe	+15%	+11%
Australasia	+9%	+7%

Highlights:

- DIFM and DIY sales were both positive, with DIFM growth outpacing DIY
- Continued benefits from the NAPA rollout in Europe and Australasia
- Completed several bolt-on acquisitions that increase local market density in existing geographies

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

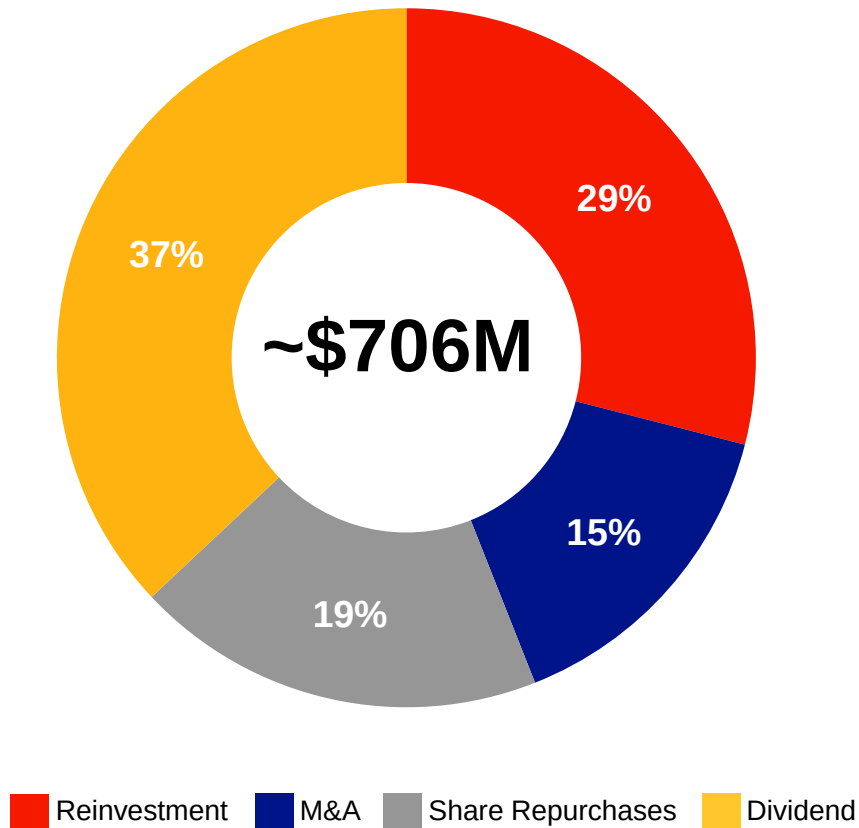


Mergers & Acquisitions

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

Effective Capital Allocation

YTD 2023 Capital Deployment



Key Priorities

Reinvestment

- \$205M CapEx YTD
- Projecting '23 CapEx of \$375M - \$400M

M&A

- \$106M YTD
- Targeting additional acquisitions in '23

Share Repurchases

- \$135M spend for ~841K shares YTD
- Plans for additional share buy-backs in '23

Dividend

- \$260M in cash dividends paid YTD
- 2023 cash dividend of \$3.80 per share, +6% from 2022
 - 67th consecutive year of increased dividends paid to our shareholders

2023 Outlook¹

	Current	Previous
Total Sales Growth	4% to 6%	4% to 6%
• Automotive	4% to 6%	4% to 6%
• Industrial	4% to 6%	4% to 6%
Diluted EPS	\$9.15 to \$9.30	\$8.95 to \$9.10
Adj Diluted EPS	\$9.15 to \$9.30	\$8.95 to \$9.10
Adj EPS Growth	10% to 11.5%	7% to 9%
Cash from Operations	\$1.3B to \$1.4B	\$1.3B to \$1.4B
Free Cash Flow²	\$900M to \$1.0B	\$900M to \$1.0B

Full-year growth rates and EPS assume FX headwind of <1.0%

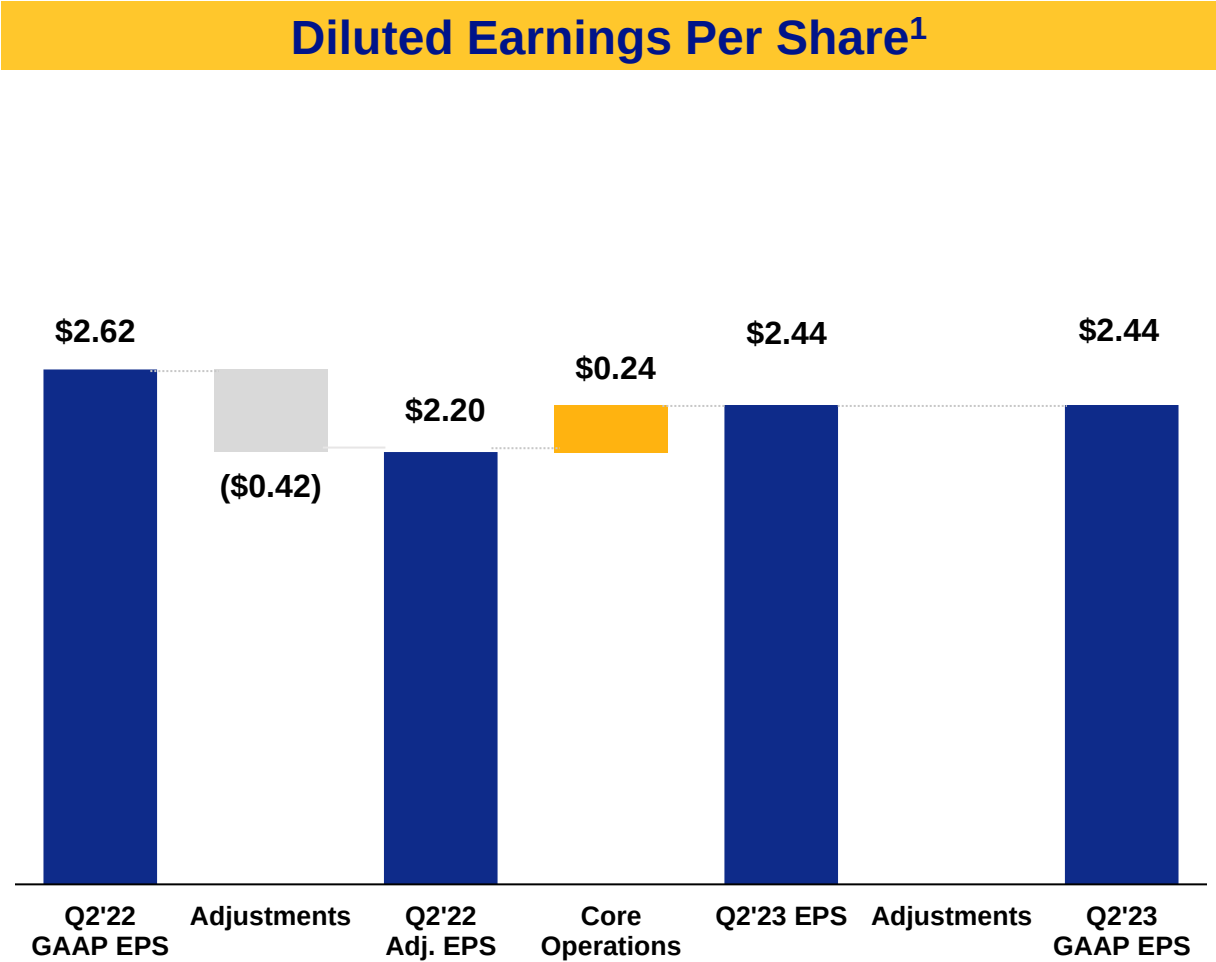
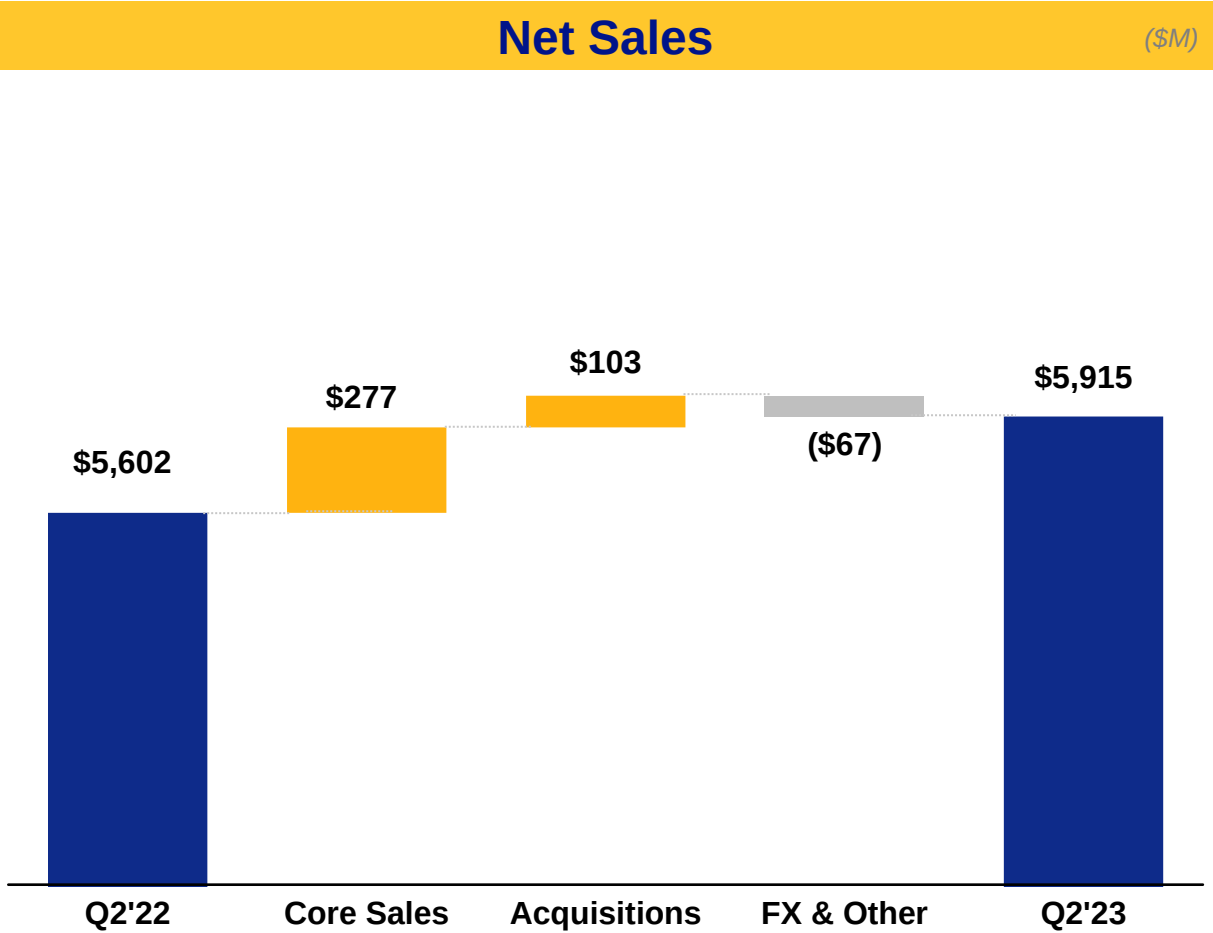
OTHER ASSUMPTIONS

- Corporate expenses ~\$300M-\$325M
- Capex ~\$375M-\$400M
- Depreciation and amortization ~\$350M-\$360M
- Interest expense ~\$80M
- Tax rate ~25%



Appendix

Consolidated Net Sales and Diluted EPS Bridge



¹See Appendix D

Comparable Sales: Comparable sales or “comp sales” refer to period-over-period comparisons of our net sales excluding the impact of acquisitions, divestitures, foreign currency and other. 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

	2023	2023		2022			
(in thousands)	TTM Q2	Q1	Q2	Q1	Q2	Q3	Q4
Net sales:							
Automotive	\$ 14,084,345	\$ 3,505,827	\$ 3,654,999	\$ 3,275,621	\$ 3,467,494	\$ 3,490,462	\$ 3,433,057
Industrial	8,794,703	2,259,291	2,260,007	2,019,014	2,134,920	2,184,812	2,090,593
Total net sales	22,879,048	5,765,118	5,915,006	5,294,635	5,602,414	5,675,274	5,523,650
Segment profit:							
Automotive	1,198,315	264,420	329,347	264,573	322,553	309,349	295,199
Industrial	1,018,170	261,987	283,372	188,353	225,472	242,505	230,306
Total segment profit	2,216,485	526,407	612,719	452,926	548,025	551,854	525,505
Interest expense, net	(67,107)	(16,864)	(16,455)	(19,850)	(20,248)	(18,220)	(15,568)
Corporate expense	(321,866)	(66,015)	(101,550)	(41,751)	(73,312)	(72,820)	(81,481)
Intangible asset amortization	(157,860)	(39,122)	(40,625)	(39,694)	(39,630)	(39,416)	(38,697)
Other unallocated costs	(55,838)	—	—	(25,915)	76,732	(3,462)	(52,376)
Income before income taxes	1,613,814	404,406	454,089	325,716	491,567	417,936	337,383
Income taxes	(401,029)	(100,449)	(109,595)	(79,878)	(119,038)	(105,578)	(85,407)
Net income	<u>\$ 1,212,785</u>	<u>\$ 303,957</u>	<u>\$ 344,494</u>	<u>\$ 245,838</u>	<u>\$ 372,529</u>	<u>\$ 312,358</u>	<u>\$ 251,976</u>
Segment profit margin:							
Automotive	8.5%	7.5%	9.0%	8.1%	9.3%	8.9%	8.6%
Industrial	11.6%	11.6%	12.5%	9.3%	10.6%	11.1%	11.0%
Total segment profit margin	9.7%	9.1%	10.4%	8.6%	9.8%	9.7%	9.5%

Reconciliation of Non-GAAP Financial Measures

Appendix D

	Adj Net Income						
	2023	2023		2022			
(in thousands)	TTM Q2	Q1	Q2	Q1	Q2	Q3	Q4
GAAP net income	\$ 1,212,785	\$ 303,957	\$ 344,494	\$ 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	—	—	—	—	—	28,730
Transaction and other costs (4)	27,108	—	—	26,549	26,944	3,462	23,646
Total adjustments	55,838	—	—	25,915	(76,732)	3,462	52,376
Tax impact of adjustments	(11,324)	—	—	(6,103)	17,291	1,464	(12,788)
Adjusted net income	\$ 1,257,299	\$ 303,957	\$ 344,494	\$ 265,650	\$ 313,088	\$ 317,284	\$ 291,564

	2023	2023		2022			
(in thousands, except per share data)	TTM Q2	Q1	Q2	Q1	Q2	Q3	Q4
GAAP earnings per share	\$ 8.59	\$ 2.14	\$ 2.44	\$ 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	—	—	—	—	—	0.20
Transaction and other costs (4)	0.19	—	—	0.19	0.19	0.02	0.17
Total adjustments	0.39	—	—	0.18	(0.54)	0.02	0.37
Tax impact of adjustments	(0.08)	—	—	(0.04)	0.12	0.01	(0.09)
Adjusted diluted earnings per share	\$ 8.90	\$ 2.14	\$ 2.44	\$ 1.86	\$ 2.20	\$ 2.23	\$ 2.05
Weighted average common shares outstanding — assuming dilution	141,247	141,725	141,247	142,842	142,304	142,109	141,972

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

Adj EBITDA

(in thousands)	2023	2023		2022			
	TTM Q2	Q1	Q2	Q1	Q2	Q3	Q4
GAAP net income	\$ 1,212,785	\$ 303,957	\$ 344,494	\$ 245,838	\$ 372,529	\$ 312,358	\$ 251,976
Depreciation and amortization	352,648	87,215	90,873	87,369	85,890	86,563	87,997
Interest expense, net	67,107	16,864	16,455	19,850	20,248	18,220	15,568
Income taxes	401,029	100,449	109,595	79,878	119,038	105,578	85,407
EBITDA:	2,033,569	508,485	561,417	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	—	—	—	—	—	28,730
Transaction and other costs (4)	27,108	—	—	26,549	26,944	3,462	23,646
Adjusted EBITDA	\$ 2,089,407	\$ 508,485	\$ 561,417	\$ 458,850	\$ 520,973	\$ 526,181	\$ 493,324

Adj Operating and Non-Operating Expenses

(in thousands)	Three Months Ended June 30,		QTD Change	
	2023	2022	\$ Change	% Change
GAAP operating and non-operating expenses	\$ 1,680,654	\$ 1,469,232	\$ 211,422	14.4%
Adjustments:				
Gain on sale of real estate (1)	—	102,803	(102,803)	(100.0)%
Gain on insurance proceeds (2)	—	873	(873)	(100.0)%
Transaction and other costs (4)	—	(26,944)	26,944	(100.0)%
Less: Total Adjustments	—	76,732	(76,732)	
Adjusted operating and non-operating expenses	\$ 1,680,654	\$ 1,545,964	\$ 134,690	8.7%
Adjusted operating and non-operating expenses as a percent of GAAP net sales	28.4%	27.6%		80 bps

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

Free Cash Flow

(in thousands)

	Six Months Ended June 30, 2023	TTM Ended June 30, 2023
Net cash provided by operating activities	\$ 457,003	\$ 1,132,989
Less: Purchases of property, plant and equipment	(205,336)	(391,992)
Free Cash Flow	\$ 251,667	\$ 740,997

Updated Outlook

	Year Ending December 31, 2023
Net cash provided by operating activities	\$1.3 billion to \$1.4 billion
Purchases of property, plant and equipment	\$375 million to \$400 million
Free Cash Flow	\$900 million to \$1.0 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.