

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 1-5690

GENUINE PARTS COMPANY
(Exact name of registrant as specified in its charter)

GA	58-0254510
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2999 WILDWOOD PARKWAY, ATLANTA, GA	30339
(Address of principal executive offices)	(Zip Code)
678-934-5000	
(Registrant's telephone number, including area code)	

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$1.00 par value per share	GPC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
There were 139,317,735 shares of common stock outstanding as of July 18, 2024.

Table of Contents

	Page
<u>PART I</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	<u>2</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>2</u>
<u>Condensed Consolidated Statements of Income</u>	<u>3</u>
<u>Condensed Consolidated Statements of Comprehensive Income</u>	<u>4</u>
<u>Condensed Consolidated Statements of Equity</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>7</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2.</u>	<u>16</u>
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	
<u>Item 3.</u>	<u>24</u>
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	
<u>Item 4.</u>	<u>24</u>
<u>Controls and Procedures</u>	
<u>PART II</u>	
<u>Item 1.</u>	<u>25</u>
<u>Legal Proceedings</u>	
<u>Item 1A.</u>	<u>25</u>
<u>Risk Factors</u>	
<u>Item 2.</u>	<u>25</u>
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	
<u>Item 5.</u>	<u>25</u>
<u>Other Information</u>	
<u>Item 6.</u>	<u>26</u>
<u>Exhibits</u>	
<u>Signatures</u>	<u>27</u>

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

GENUINE PARTS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands, except share and per share data)	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 555,277	\$ 1,102,007
Trade accounts receivable, less allowance for doubtful accounts (2024 – \$ 59,179; 2023 – \$56,608)	2,526,060	2,223,431
Merchandise inventories, net	5,103,644	4,676,686
Prepaid expenses and other current assets	1,611,717	1,603,728
Total current assets	9,796,698	9,605,852
Goodwill	2,858,668	2,734,681
Other intangible assets, less accumulated amortization	1,818,954	1,792,913
Property, plant and equipment, less accumulated depreciation (2024 – \$ 1,695,974; 2023 – \$1,592,658)	1,787,822	1,616,785
Operating lease assets	1,604,559	1,268,742
Other assets	1,002,692	949,481
Total assets	\$ 18,869,393	\$ 17,968,454
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$ 5,931,993	\$ 5,499,536
Current portion of debt	853,236	355,298
Dividends payable	139,375	132,635
Other current liabilities	1,841,809	1,839,640
Total current liabilities	8,766,413	7,827,109
Long-term debt	3,027,491	3,550,930
Operating lease liabilities	1,318,307	979,938
Pension and other post-retirement benefit liabilities	222,378	219,644
Deferred tax liabilities	473,125	437,674
Other long-term liabilities	505,556	536,174
Equity:		
Preferred stock, par value – \$1 per share; authorized – 10,000,000 shares; none issued	—	—
Common stock, par value – \$1 per share; authorized – 450,000,000 shares; issued and outstanding – 2024 – 139,346,018 shares; 2023 – 139,567,071 shares	139,346	139,567
Additional paid-in capital	180,527	173,025
Accumulated other comprehensive loss	(1,035,739)	(976,872)
Retained earnings	5,256,514	5,065,327
Total parent equity	4,540,648	4,401,047
Noncontrolling interests in subsidiaries	15,475	15,938
Total equity	4,556,123	4,416,985
Total liabilities and equity	\$ 18,869,393	\$ 17,968,454

See accompanying Notes to Condensed Consolidated Financial Statements.

GENUINE PARTS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 5,962,567	\$ 5,915,006	\$ 11,746,198	\$ 11,680,124
Cost of goods sold	3,782,264	3,780,263	7,491,240	7,531,980
Gross profit	2,180,303	2,134,743	4,254,958	4,148,144
Operating expenses:				
Selling, administrative and other expenses	1,647,456	1,581,653	3,222,383	3,092,897
Depreciation and amortization	99,202	90,873	189,812	178,088
Provision for doubtful accounts	5,678	8,322	11,889	13,961
Restructuring and other costs	29,760	—	112,802	—
Total operating expenses	1,782,096	1,680,848	3,536,886	3,284,946
Non-operating (income) expense:				
Interest expense, net	21,921	16,455	39,611	33,319
Other	(9,915)	(16,649)	(32,921)	(28,616)
Total non-operating (income) expense	12,006	(194)	6,690	4,703
Income before income taxes	386,201	454,089	711,382	858,495
Income taxes	90,657	109,595	166,944	210,044
Net income	\$ 295,544	\$ 344,494	\$ 544,438	\$ 648,451
Dividends declared per common share	\$ 1.00	\$ 0.95	\$ 2.00	\$ 1.90
Basic earnings per share	\$ 2.12	\$ 2.45	\$ 3.91	\$ 4.61
Diluted earnings per share	\$ 2.11	\$ 2.44	\$ 3.89	\$ 4.58

See accompanying Notes to Condensed Consolidated Financial Statements.

GENUINE PARTS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 295,544	\$ 344,494	\$ 544,438	\$ 648,451
Other comprehensive income (loss), net of income taxes:				
Foreign currency translation adjustments	15,278	(9,540)	(64,642)	14,287
Cash flow hedge, net of income taxes in 2023 — \$ 951 and \$951 respectively	—	2,572	—	2,572
Pension and postretirement benefit adjustments, net of income taxes in 2024 — \$1,063 and \$2,126; 2023 — \$702 and \$1,405 respectively	2,887	1,912	5,775	3,826
Other comprehensive income (loss), net of income taxes	18,165	(5,056)	(58,867)	20,685
Comprehensive income	\$ 313,709	\$ 339,438	\$ 485,571	\$ 669,136

See accompanying Notes to Condensed Consolidated Financial Statements.

GENUINE PARTS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)

Three Months Ended June 30, 2024

(in thousands, except share and per share data)	Common Stock	Common	Additional	Accumulated Other	Retained	Total Parent	Non-controlling	
	Shares	Stock Amount	Paid-In Capital	Comprehensive	Earnings	Equity	Interests in	Total Equity
				Loss			Subsidiaries	
April 1, 2024	139,335,342	\$ 139,335	\$ 179,349	\$ (1,053,904)	\$ 5,137,597	\$ 4,402,377	\$ 14,799	\$ 4,417,176
Net income	—	—	—	—	295,544	295,544	—	295,544
Other comprehensive income, net of tax	—	—	—	18,165	—	18,165	—	18,165
Cash dividend declared, \$1.0000 per share	—	—	—	—	(139,376)	(139,376)	—	(139,376)
Shares issued from employee incentive plans	259,702	259	(16,828)	—	—	(16,569)	—	(16,569)
Share-based compensation	—	—	18,006	—	—	18,006	—	18,006
Purchase of stock	(249,026)	(248)	—	—	(37,251)	(37,499)	—	(37,499)
Noncontrolling interest activities	—	—	—	—	—	—	676	676
June 30, 2024	139,346,018	\$ 139,346	\$ 180,527	\$ (1,035,739)	\$ 5,256,514	\$ 4,540,648	\$ 15,475	\$ 4,556,123

Six Months Ended June 30, 2024

(in thousands, except share and per share data)	Common Stock	Common	Additional	Accumulated Other	Retained	Total Parent	Non-controlling	
	Shares	Stock Amount	Paid-In Capital	Comprehensive	Earnings	Equity	Interests in	Total Equity
				Loss			Subsidiaries	
January 1, 2024	139,567,071	\$ 139,567	\$ 173,025	\$ (976,872)	\$ 5,065,327	\$ 4,401,047	\$ 15,938	\$ 4,416,985
Net income	—	—	—	—	544,438	544,438	—	544,438
Other comprehensive loss, net of tax	—	—	—	(58,867)	—	(58,867)	—	(58,867)
Cash dividend declared, \$2.0000 per share	—	—	—	—	(278,761)	(278,761)	—	(278,761)
Shares issued from employee incentive plans	288,513	288	(19,068)	—	—	(18,780)	—	(18,780)
Share-based compensation	—	—	26,570	—	—	26,570	—	26,570
Purchase of stock	(509,566)	(509)	—	—	(74,490)	(74,999)	—	(74,999)
Noncontrolling interest activities	—	—	—	—	—	—	(463)	(463)
June 30, 2024	139,346,018	\$ 139,346	\$ 180,527	\$ (1,035,739)	\$ 5,256,514	\$ 4,540,648	\$ 15,475	\$ 4,556,123

Three Months Ended June 30, 2023

(in thousands, except share and per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Parent Equity	Non-controlling Interests in Subsidiaries	Total Equity
April 1, 2023	140,545,475	\$ 140,545	\$ 147,690	\$ (1,006,801)	\$ 4,644,770	\$ 3,926,204	\$ 13,432	\$ 3,939,636
Net income	—	—	—	—	344,494	344,494	—	344,494
Other comprehensive loss, net of tax	—	—	—	(5,056)	—	(5,056)	—	(5,056)
Cash dividend declared, \$0.9500 per share	—	—	—	—	(133,492)	(133,492)	—	(133,492)
Shares issued from employee incentive plans	351,648	351	(22,241)	—	—	(21,890)	—	(21,890)
Share-based compensation	—	—	28,299	—	—	28,299	—	28,299
Purchase of stock	(429,573)	(428)	—	—	(66,920)	(67,348)	—	(67,348)
Noncontrolling interest activities	—	—	—	—	—	—	1,151	1,151
June 30, 2023	140,467,550	\$ 140,468	\$ 153,748	\$ (1,011,857)	\$ 4,788,852	\$ 4,071,211	\$ 14,583	\$ 4,085,794

Six Months Ended June 30, 2023

(in thousands, except share and per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Parent Equity	Non-controlling Interests in Subsidiaries	Total Equity
January 1, 2023	140,941,649	\$ 140,941	\$ 140,324	\$ (1,032,542)	\$ 4,541,640	\$ 3,790,363	\$ 14,084	\$ 3,804,447
Net income	—	—	—	—	648,451	648,451	—	648,451
Other comprehensive income, net of tax	—	—	—	20,685	—	20,685	—	20,685
Cash dividend declared, \$1.9000 per share	—	—	—	—	(267,229)	(267,229)	—	(267,229)
Shares issued from employee incentive plans	366,480	366	(23,521)	—	—	(23,155)	—	(23,155)
Share-based compensation	—	—	36,945	—	—	36,945	—	36,945
Purchase of stock	(840,579)	(839)	—	—	(134,010)	(134,849)	—	(134,849)
Noncontrolling interest activities	—	—	—	—	—	—	499	499
June 30, 2023	140,467,550	\$ 140,468	\$ 153,748	\$ (1,011,857)	\$ 4,788,852	\$ 4,071,211	\$ 14,583	\$ 4,085,794

See accompanying Notes to Condensed Consolidated Financial Statements.

GENUINE PARTS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in thousands)	Six Months Ended June 30,	
	2024	2023
Operating activities:		
Net income	\$ 544,438	\$ 648,451
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	189,812	178,088
Share-based compensation	26,570	36,945
Excess tax benefits from share-based compensation	(8,233)	(6,431)
Other operating activities, including changes in operating assets and liabilities	(140,672)	(400,050)
Net cash provided by operating activities	611,915	457,003
Investing activities:		
Purchases of property, plant and equipment	(259,245)	(205,336)
Proceeds from sale of property, plant and equipment	73,645	4,762
Proceeds from divestitures of businesses	3,715	—
Proceeds from sale of investments	—	80,482
Acquisitions and other investing activities	(580,141)	(106,028)
Net cash used in investing activities	(762,026)	(226,120)
Financing activities:		
Proceeds from debt	539,722	1,668,757
Payments on debt	(544,355)	(1,602,138)
Shares issued from employee incentive plans	(18,780)	(23,155)
Dividends paid	(272,021)	(259,929)
Purchases of stock	(74,999)	(134,849)
Other financing activities	(11,893)	(6,436)
Net cash used in financing activities	(382,326)	(357,750)
Effect of exchange rate changes on cash and cash equivalents	(14,293)	3,509
Net decrease in cash and cash equivalents	(546,730)	(123,358)
Cash and cash equivalents at beginning of period	1,102,007	653,463
Cash and cash equivalents at end of period	\$ 555,277	\$ 530,105

See accompanying Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes required by accounting principles generally accepted in the U.S. ("U.S. GAAP") for complete financial statements. Except as disclosed herein, there have been no material changes in the information disclosed in the Notes to the Consolidated Financial Statements included in the Annual Report on Form 10-K of Genuine Parts Company (the "Company," "we," "our," "us," or "its") for the year ended December 31, 2023. Accordingly, the unaudited Condensed Consolidated Financial Statements and related disclosures herein should be read in conjunction with our 2023 Annual Report on Form 10-K.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the amounts reported in the unaudited Condensed Consolidated Financial Statements. Specifically, we make estimates and assumptions in our unaudited Condensed Consolidated Financial Statements for inventory adjustments, the accrual of bad debts, credit losses on guaranteed loans, customer sales returns, and volume incentives earned, among others. Inventory adjustments (including adjustments for a majority of inventories that are valued under the last-in, first-out ("LIFO") method) are accrued on an interim basis and adjusted in the fourth quarter based on the annual book to physical inventory adjustment and LIFO valuation. Reserves for bad debts, credit losses on guaranteed loans and customer sales returns are estimated and accrued on an interim basis based on a consideration of historical experience, current conditions, and reasonable and supportable forecasts. Volume incentives are estimated based upon cumulative and projected purchasing levels.

In the opinion of management, all adjustments necessary for a fair presentation of our financial results for the interim periods have been made. These adjustments are of a normal recurring nature. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of results for the year ended December 31, 2024. We have evaluated subsequent events through the date the unaudited Condensed Consolidated Financial Statements covered by this quarterly report were issued.

Recent Accounting Pronouncements

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of Accounting Standards Updates ("ASU") to the FASB Accounting Standards Codification ("ASC"). We consider the applicability and impact of all ASUs and any not listed below were assessed and determined to not be applicable or are expected to have an immaterial impact on our Condensed Consolidated Financial Statements.

Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This standard requires disclosures of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of other segment items by reportable segment, and all annual disclosures currently required by Topic 280 to be included in interim periods. The guidance is effective for our Annual Report on Form 10-K for the year ended December 31, 2024, and subsequent interim periods, with early adoption permitted. We are currently evaluating the impact of adopting this standard on our financial statements and disclosures.

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard requires disclosure of specific categories in the rate reconciliation and additional information for reconciling items, income before tax expense disaggregated between domestic and foreign, income tax expense disaggregated by federal, state and foreign, as well as further information on income taxes paid. The guidance is effective for our Annual Report on Form 10-K for the year ended December 31, 2025, with early adoption permitted. The guidance should be applied on a prospective basis, with retrospective application permitted. We are currently evaluating the impact of adopting this standard on our financial statements and disclosures.

Prepaid Expenses and Other Current Assets

The following table provides a detail of prepaid expenses and other current assets reported within the Condensed Consolidated Balance Sheets as of:

(in thousands)	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 151,407	\$ 110,863
Consideration receivable from vendors	891,864	928,499
Other current assets	568,446	564,366
Total prepaid expenses and other current assets	<u>\$ 1,611,717</u>	<u>\$ 1,603,728</u>

Derivatives and Hedging

We are exposed to various risks arising from business operations and market conditions, including fluctuations in certain foreign currencies. We use derivative and non-derivative instruments as risk management tools to mitigate the potential impact of foreign exchange rate risks. The objective of using these tools is to reduce fluctuations in our earnings and cash flows associated with changes in these rates. Derivative instruments are recognized in the Condensed Consolidated Balance Sheets at fair value and are designated as Level 2 in the fair value hierarchy. They are valued using inputs other than quoted prices, such as foreign exchange rates and yield curves.

The following table summarizes the classification and carrying amounts of the derivative instruments and the foreign currency denominated debt, a non-derivative financial instrument, that are designated and qualify as part of hedging relationships (in thousands):

		June 30, 2024		December 31, 2023	
Instrument	Balance Sheet Location	Notional	Balance	Notional	Balance
Net investment hedges:					
	Prepaid expenses and other current assets	\$ 1,053,110	\$ 63,056	\$ 606,950	\$ 37,676
Forward contracts					
Forward contract	Other current liabilities	\$ 106,800	\$ 487	\$ 106,800	\$ 4,383
Foreign currency debt	Long-term debt	€ 700,000	\$ 749,910	€ 700,000	\$ 772,660

The tables below presents gains and losses related to designated net investment hedges:

(in thousands)	Gain (Loss) Recognized in AOCL before Reclassifications		Gain Recognized in Interest Expense for Excluded Components	
	2024	2023	2024	2023
Three Months Ended June 30,				
Net investment hedges:				
Forward contracts	\$ 6,994	\$ (9,212)	\$ 4,651	\$ 3,158
Foreign currency debt	5,670	2,940	—	—
Total	<u>\$ 12,664</u>	<u>\$ (6,272)</u>	<u>\$ 4,651</u>	<u>\$ 3,158</u>

(in thousands)	Gain (Loss) Recognized in AOCL before Reclassifications		Gain Recognized in Interest Expense for Excluded Components	
	2024	2023	2024	2023
Six Months Ended June 30,				
Net investment hedges:				
Forward contracts	\$ 20,256	\$ (14,536)	\$ 9,020	\$ 6,317
Foreign currency debt	22,750	(11,200)	—	—
Total	<u>\$ 43,006</u>	<u>\$ (25,736)</u>	<u>\$ 9,020</u>	<u>\$ 6,317</u>

Fair Value of Financial Instruments

As of June 30, 2024, the fair value of our senior unsecured notes was approximately \$ 3.6 billion, which are designated as Level 2 in the fair value hierarchy. Our valuation technique is based primarily on prices and other relevant information generated by observable transactions involving identical or comparable assets or liabilities.

Guarantees

We guarantee the borrowings of certain independently controlled automotive parts stores and businesses ("independents") and certain other affiliates in which we have a noncontrolling equity ownership interest ("affiliates"). While such borrowings of the independents and affiliates are outstanding, we are required to maintain compliance with certain covenants. As of June 30, 2024, we were in compliance with all such covenants.

As of June 30, 2024, the total borrowings of the independents and affiliates subject to guarantee by us were approximately \$ 757 million. These loans generally mature over periods from one to six years. We regularly monitor the performance of these loans and the ongoing operating results, financial condition and ratings from credit rating agencies of the independents and affiliates that participate in the guarantee programs. In the event that we are required to make payments in connection with these guarantees, we would obtain and liquidate certain collateral pledged by the independents or affiliates (e.g., accounts receivable and inventory) to recover all or a substantial portion of the amounts paid under the guarantees. We recognize a liability equal to the current expected credit losses over the lives of the loans in the guaranteed loan portfolio, based on a consideration of historical experience, current conditions, the nature and expected value of any collateral, and reasonable and supportable forecasts. To date, we have not had significant losses in connection with guarantees of independents' and affiliates' borrowings and the current expected credit loss reserve is not material. As of June 30, 2024, there are no material guaranteed loans for which the borrower is experiencing financial difficulty and recovery is expected to be provided substantially through the operation or sale of the collateral.

As of June 30, 2024, we have recognized \$ 52 million of certain assets and liabilities for the guarantees related to the independents' and affiliates' borrowings. These assets and liabilities are included in other assets and other long-term liabilities in the Condensed Consolidated Balance Sheets. The liabilities relate to our noncontingent obligation to stand ready to perform under the guarantee programs and they are distinct from our current expected credit loss reserve.

Supply Chain Finance Programs

Several global financial institutions offer voluntary supply chain finance ("SCF") programs which enable our suppliers (generally those that grant extended terms), at their sole discretion, to sell their receivables from us to these financial institutions on a non-recourse basis at a rate that takes advantage of our credit rating and may be beneficial to them. We and our suppliers agree on commercial terms for the goods and services we procure, including prices, quantities and payment terms, regardless of whether the supplier elects to participate in the SCF program. Our current payment terms with the majority of our suppliers range from 30 to 360 days. The suppliers sell goods or services, as applicable, to us and they issue the associated invoices to us based on the agreed-upon contractual terms. Then, if they are participating in the SCF program, our suppliers, at their sole discretion, determine which invoices, if any, they want to sell to the financial institutions. In turn, we direct payment to the financial institutions, rather than the suppliers, for the invoices sold to the financial institutions. No guarantees are provided by us or any of our subsidiaries on third-party performance under the SCF program; however, we guarantee the payment by our subsidiaries to the financial institutions participating in the SCF program for the applicable invoices. We have no economic interest in a supplier's decision to participate in the SCF program, and we have no direct financial relationship with the financial institutions, as it relates to the SCF program. Accordingly, amounts due to our suppliers that elected to participate in the SCF program are included in the line item accounts payable in our Condensed Consolidated Balance Sheets.

All activity related to amounts due to suppliers that elected to participate in the SCF program is reflected in cash flows from operating activities in our Condensed Consolidated Statement of Cash Flows. As of June 30, 2024 and December 31, 2023, the outstanding payment obligations to the financial institutions are \$3.1 billion and \$3.0 billion, respectively.

(in thousands)	June 30, 2024
Obligations outstanding at the beginning of the year	\$ 3,041,187
Invoices confirmed during the year	2,058,584
Confirmed invoices paid during the year	(1,967,840)
Confirmed obligations outstanding at the end of period	<u>\$ 3,131,931</u>

Earnings Per Share

We calculate basic earnings per share by dividing net income by the weighted average number of common shares outstanding. Certain outstanding options are not included in the diluted earnings per share calculation.

because their inclusion would have been anti-dilutive. Antidilutive common stock equivalents excluded from the diluted earnings per share calculation are not material.

The following table summarizes basic and diluted shares outstanding:

(in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 295,544	\$ 344,494	\$ 544,438	\$ 648,451
Weighted average common shares outstanding	139,358	140,574	139,394	140,688
Dilutive effect of non-vested restricted stock awards	471	673	567	808
Weighted average common shares outstanding – assuming dilution	139,829	141,247	139,961	141,496
Basic earnings per share	\$ 2.12	\$ 2.45	\$ 3.91	\$ 4.61
Diluted earnings per share	\$ 2.11	\$ 2.44	\$ 3.89	\$ 4.58

2. Segment Information

The following table presents a summary of our reportable segment financial information:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales:				
Automotive	\$ 3,726,991	\$ 3,654,999	\$ 7,301,011	\$ 7,160,826
Industrial	2,235,576	2,260,007	4,445,187	4,519,298
Total net sales	\$ 5,962,567	\$ 5,915,006	\$ 11,746,198	\$ 11,680,124
Segment profit:				
Automotive	\$ 313,975	\$ 329,347	\$ 586,911	\$ 593,767
Industrial	276,841	283,372	547,680	545,359
Total segment profit	590,816	612,719	1,134,591	1,139,126
Interest expense, net	(21,921)	(16,455)	(39,611)	(33,319)
Intangible asset amortization	(34,685)	(40,625)	(68,785)	(79,747)
Corporate expense	(85,984)	(101,550)	(169,746)	(167,565)
Other unallocated costs (1)	(62,025)	—	(145,067)	—
Income before income taxes	\$ 386,201	\$ 454,089	\$ 711,382	\$ 858,495

(1) The following table presents a summary of the other unallocated costs:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Other unallocated costs:				
Restructuring and other costs (2)	\$ (37,247)	\$ —	\$ (120,289)	\$ —
Acquisition and integration related costs and other (3)	(24,778)	—	(24,778)	—
Total other unallocated costs	\$ (62,025)	\$ —	\$ (145,067)	\$ —

(2) Amount reflects costs related to the global restructuring initiative which includes a voluntary retirement offer in the U.S., inventory liquidation costs, and rationalization and optimization of certain distribution centers, stores and other facilities.

- (3) Amount primarily reflects integration costs related to the completion of the acquisition of Motor Parts and Equipment Corporation ("MPEC") in April 2024, including professional services costs, personnel costs, and lease and other exit costs.

Net sales are disaggregated by geographical region for each of our reportable segments, as we deem this presentation best depicts how the nature, amount, timing and uncertainty of net sales and cash flows are affected by economic factors. The following table presents disaggregated geographical net sales from contracts with customers by reportable segment:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
North America:				
Automotive	\$ 2,352,254	\$ 2,344,701	\$ 4,549,144	\$ 4,550,086
Industrial	2,101,811	2,128,747	4,181,937	4,259,462
Total North America	\$ 4,454,065	\$ 4,473,448	\$ 8,731,081	\$ 8,809,548
Australasia:				
Automotive	\$ 412,883	\$ 407,853	\$ 813,231	\$ 814,615
Industrial	133,765	131,260	263,250	259,836
Total Australasia	\$ 546,648	\$ 539,113	\$ 1,076,481	\$ 1,074,451
Europe – Automotive	\$ 961,854	\$ 902,445	\$ 1,938,636	\$ 1,796,125
Total net sales	\$ 5,962,567	\$ 5,915,006	\$ 11,746,198	\$ 11,680,124

3. Accounts Receivable Sales Agreement

Under our accounts receivable sales agreement (the "A/R Sales Agreement"), we continuously sell designated pools of receivables as they are originated by us and certain U.S. subsidiaries to a separate bankruptcy-remote special purpose entity ("SPE"). The A/R Sales Agreement has a three-year term expiring in January 2025, which we intend to renew.

We continue to be involved with the receivables transferred by the SPE to the unaffiliated financial institutions by providing collection services. As cash is collected on sold receivables, the SPE continuously transfers ownership and control of new qualifying receivables to the unaffiliated financial institutions so that the total principal amount outstanding of receivables sold is approximately \$1.0 billion at any point in time (which is the maximum amount allowed under the agreement as amended on January 3, 2022).

The total principal amount outstanding of receivables sold is approximately \$ 1.0 billion as of both June 30, 2024 and December 31, 2023. The amount of receivables pledged as collateral as of June 30, 2024 and December 31, 2023 is approximately \$1.5 billion and \$1.2 billion, respectively.

The following table summarizes the activity and amounts outstanding under the A/R Sales Agreement as of:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Receivables sold to the financial institutions and derecognized	\$ 2,135,710	\$ 2,139,392	\$ 4,305,752	\$ 4,304,799
Cash collected on sold receivables	\$ 2,135,626	\$ 2,139,393	\$ 4,305,670	\$ 4,304,804

Continuous cash activity related to the A/R Sales Agreement is reflected in net cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows. The SPE incurs fees due to the unaffiliated financial institutions related to the accounts receivable sales transactions. Those fees, which totaled \$31 million and \$29 million for the six months ended June 30, 2024 and 2023, respectively, are recorded within other non-operating (income) expense in the Condensed Consolidated Statements of Income. The SPE has a recourse obligation to repurchase from the unaffiliated financial institutions any previously sold receivables that are not collected due to the occurrence of certain events, including credit quality deterioration and customer sales returns. The reserve recognized for this recourse obligation as of June 30, 2024 and December 31, 2023 is not material. The servicing liability related to our collection services also is not material, given the high quality of the customers underlying the receivables and the anticipated short collection period.

4. Employee Benefit Plans

Net periodic benefit income from our pension plans included the following components for our pension benefits:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Service cost	\$ 1,711	\$ 1,503	\$ 3,438	\$ 2,997
Interest cost	25,324	26,136	50,689	52,253
Expected return on plan assets	(44,339)	(41,263)	(88,743)	(82,503)
Amortization of prior service cost	281	173	562	346
Amortization of actuarial loss	3,567	2,340	7,134	4,681
Net periodic benefit income	<u>\$ (13,456)</u>	<u>\$ (11,111)</u>	<u>\$ (26,920)</u>	<u>\$ (22,226)</u>

Service cost is recorded in selling, administrative and other expenses in the Condensed Consolidated Statements of Income while all other components are recorded within other non-operating (income) expense. Pension benefits also include amounts related to supplemental retirement plans.

5. Acquisitions

We acquired several businesses for approximately \$651 million, which includes certain non-cash consideration, and \$116 million, net of cash acquired, during the six months ended June 30, 2024 and June 30, 2023, respectively. We recognized approximately \$100 million and \$5 million of revenue related to our current year Automotive and Industrial acquisitions, respectively. We recorded approximately \$283 million of goodwill and other intangible assets associated with these acquisitions. Other intangible assets acquired of \$120 million consisted of customer relationships with weighted average amortization lives of 19 years. For each acquisition, we allocate the purchase price to the assets acquired and the liabilities assumed based on their fair values as of the respective acquisition date. The fair values of the assets acquired and liabilities assumed are preliminary. Additional adjustments, particularly to inventory and intangible assets, may be made to the acquisition accounting during the measurement period, which may be up to one year from the respective acquisition date. The results of operations for acquired businesses are included in our Condensed Consolidated Statements of Income beginning on their respective acquisition dates.

These acquisitions included MPEC, the largest independent owner of NAPA Auto Part stores in the U.S., which we acquired on April 30, 2024. We recognized approximately \$100 million of goodwill and other intangible assets associated with MPEC. Approximate values of other assets acquired and liabilities assumed included inventory of \$200 million, operating lease assets of \$200 million and operating lease liabilities of \$200 million.

6. Accumulated Other Comprehensive Loss

The following tables present the changes in AOCL by component for the six months ended June 30:

(in thousands)	Changes in Accumulated Other Comprehensive Loss by Component			
	Pension and Other Post-Retirement Benefits		Foreign Currency Translation	Total
	Cash Flow Hedges			
Beginning balance, January 1, 2024	\$ (517,941)	\$ —	\$ (458,931)	\$ (976,872)
Other comprehensive income (loss) before reclassifications	—	—	(64,642)	(64,642)
Amounts reclassified from accumulated other comprehensive loss	5,775	—	—	5,775
Other comprehensive income (loss), net of income taxes	5,775	—	(64,642)	(58,867)
Ending balance, June 30, 2024	<u>\$ (512,166)</u>	<u>\$ —</u>	<u>\$ (523,573)</u>	<u>\$ (1,035,739)</u>

(in thousands)	Changes in Accumulated Other Comprehensive Loss by Component			
	Pension and Other Post-Retirement Benefits	Cash Flow Hedges	Foreign Currency Translation	Total
Beginning balance, January 1, 2023	\$ (506,610)	\$ (2,572)	\$ (523,360)	\$ (1,032,542)
Other comprehensive income (loss) before reclassifications	—	2,765	14,287	17,052
Amounts reclassified from accumulated other comprehensive loss	3,826	(193)	—	3,633
Other comprehensive income (loss), net of income taxes	3,826	2,572	14,287	20,685
Ending balance, June 30, 2023	\$ (502,784)	\$ —	\$ (509,073)	\$ (1,011,857)

The AOCL components related to the pension benefits are included in the computation of net periodic benefit income in the Employee Benefit Plans Footnote. Generally, tax effects in AOCL are established at the currently enacted tax rate and reclassified to net income in the same period that the related pre-tax AOCL reclassifications are recognized.

7. Commitments and Contingencies

Legal Matters

We are subject to various legal proceedings, many involving routine litigation incidental to the businesses, including approximately 2,516 pending product liability lawsuits resulting from our national distribution of automotive parts and supplies. Many of these involve claims of personal injury allegedly resulting from the use of automotive parts we distributed. The amount accrued for pending and future claims was \$225 million as of June 30, 2024, which represents our best estimate of the liability within our calculated range of \$180 million to \$255 million, discounted using a discount rate of 4.36%. The amount accrued for pending and future claims was \$244 million as of December 31, 2023, which represents our best estimate of the liability within our calculated range of \$196 million to \$277 million, discounted using a discount rate of 3.88%. Our undiscounted product liability was \$285 million and \$308 million as of June 30, 2024 and December 31, 2023, respectively. There have been no significant developments to the information presented in our 2023 Annual Report on Form 10-K with respect to litigation or commitments and contingencies.

Environmental Liabilities

Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that we reasonably believe will exceed an applied threshold not to exceed \$1 million. Applying this threshold, there are no environmental matters to disclose for this period.

8. Restructuring and other costs

In February 2024, we approved and initiated a global restructuring designed to better align our assets and further improve the efficiency of the business. This initiative includes an announced voluntary retirement offer in the U.S., along with a rationalization and optimization of certain distribution centers, stores and other facilities.

For the three and six months ended June 30, 2024, we incurred \$ 37 million and \$120 million, respectively, in costs related to our global restructuring initiative. We expect to incur total costs up to \$200 million related to the global restructuring efforts in 2024 and to substantially complete the initiative by the end of 2025. We may incur additional charges not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of these initiatives. The global restructuring was approved and funded by our corporate office and therefore these costs are not allocated to our segments.

For the three months ended June 30, 2024, costs of \$ 37 million include severance and other employee costs of \$ 4 million, other restructuring costs of \$26 million, and restructuring inventory liquidation costs of \$ 7 million, which are reflected in cost of goods sold.

The table below summarizes the activity related to these costs for the six months ended June 30, 2024.

(in thousands)	Severance and other employee costs	Other restructuring costs ⁽¹⁾	Total ⁽¹⁾
Liability as of January 1, 2024	\$ —	\$ —	\$ —
Restructuring and other costs	65,954	46,848	112,802
Cash payments	(41,277)	(32,872)	(74,149)
Non-cash charges	3,094	(12,844)	(9,750)
Translation	(90)	2	(88)
Liability as of June 30, 2024	\$ 27,681	\$ 1,134	\$ 28,815

(1) Amount reflects moving expenses, accelerated rent, professional fees, facility closure costs and asset impairment costs that are attributable to our restructuring. Amount excludes a \$7 million noncash charge reflected in cost of goods sold for inventory liquidated rather than moved during facility consolidation in connection with the restructuring.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and accompanying notes contained herein and with the audited Consolidated Financial Statements, accompanying notes, related information and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of results for the year ended December 31, 2024.

Forward-Looking Statements

Some statements in this report, 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, 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 2023 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.

Overview

Genuine Parts Company is a service organization engaged in the global distribution of automotive and industrial replacement parts. We have a long tradition of growth dating back to 1928, the year we were founded in Atlanta, Georgia. We conduct business in North America, Europe and Australasia from a network of more than 10,700 locations.

Our Automotive Parts Group ("Automotive") operates in the U.S., Canada, Mexico, France, the U.K., Ireland, Germany, Poland, the Netherlands, Belgium, Spain, Portugal, Australia and New Zealand, and accounted for approximately 62% of total revenues for the six months ended June 30, 2024. Our Industrial Parts Group ("Industrial") operates in the U.S., Canada, Mexico, Australia, New Zealand, Indonesia and Singapore, and accounted for approximately 38% of our total revenues for the six months ended June 30, 2024.

Key Performance Indicators

We consider a variety of performance and financial measures in assessing our business, and the key performance indicators used to measure our results are Comparable Sales, Gross Profit and Gross Margin, Selling, Administrative and Other Expenses ("SG&A"), Segment Profit and Segment Margin, and Net Income and EBITDA along with their adjusted measures. For more information regarding our key performance indicators please reference the Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Results of Operations

Our second quarter year-over-year net sales growth of 0.8% was driven by growth in Automotive, partially offset by a modest decline at Industrial. The macroeconomic environment remained challenging, with lagging industrial production driving soft demand and difficult trading conditions in Industrial. Performance in our U.S. and European automotive businesses also reflected moderating demand and a softer pricing environment from lower inflation. Despite this, Automotive sales continued to benefit from the prior year European acquisitions and current quarter acquisitions in the U.S. On April 30, we completed the acquisition of MPEC, our largest independent owner of NAPA Auto Parts stores in the U.S., operating 181 locations.

Second quarter gross margin improved 50 basis points year-over-year, however net income declined \$49 million primarily due to restructuring costs, investments in technology, and increased personnel costs resulting from acquisitions and inflation.

Our results of operations are summarized below for the three and six months ending June 30, 2024 and 2023.

(in thousands)	Three Months Ended June 30,					
	2024		2023		\$ Change	% Change
	\$	% of Sales	\$	% of Sales		
Net sales	\$ 5,962,567	100.0 %	\$ 5,915,006	100.0 %	\$ 47,561	0.8 %
Cost of goods sold	3,782,264	63.4 %	3,780,263	63.9 %	2,001	0.1 %
Gross profit	2,180,303	36.6 %	2,134,743	36.1 %	45,560	2.1 %
Operating expense:						
Selling, administrative and other expenses	1,647,456	27.6 %	1,581,653	26.7 %	65,803	4.2 %
Depreciation and amortization	99,202	1.7 %	90,873	1.5 %	8,329	9.2 %
Provision for doubtful accounts	5,678	0.1 %	8,322	0.1 %	(2,644)	(31.8)%
Restructuring and other costs	29,760	0.5 %	—	— %	29,760	— %
Total operating expense	1,782,096	29.9 %	1,680,848	28.4 %	101,248	6.0 %
Non-operating (income) expense:						
Interest expense, net	21,921	0.4 %	16,455	0.3 %	5,466	33.2 %
Other	(9,915)	(0.2)%	(16,649)	(0.3)%	6,734	(40.4)%
Total non-operating (income) expense	12,006	0.2 %	(194)	— %	12,200	(6288.7)%
Income before income taxes	386,201	6.5 %	454,089	7.7 %	(67,888)	(15.0)%
Income taxes	90,657	1.5 %	109,595	1.9 %	(18,938)	(17.3)%
Net income	\$ 295,544	5.0 %	\$ 344,494	5.8 %	\$ (48,950)	(14.2)%

(in thousands, except per share data)	Three Months Ended June 30,				\$ Change	% Change
	2024		2023			
Diluted EPS	\$	2.11	\$	2.44	\$ (0.33)	(13.5)%
Adjusted diluted EPS	\$	2.44	\$	2.44	\$ —	— %
Total adjusted EBITDA	\$	569,349	\$	561,417	\$ 7,932	1.4 %
Automotive segment profit	\$	313,975	\$	329,347	\$ (15,372)	(4.7)%
Industrial segment profit	\$	276,841	\$	283,372	\$ (6,531)	(2.3)%
Total segment profit	\$	590,816	\$	612,719	\$ (21,903)	(3.6)%
Automotive segment margin		8.4 %		9.0 %		
Industrial segment margin		12.4 %		12.5 %		
Total segment margin		9.9 %		10.4 %		

(in thousands)	Six Months Ended June 30,					
	2024		2023		\$ Change	% Change
	\$	% of Sales	\$	% of Sales		
Net sales	\$ 11,746,198	100.0 %	\$ 11,680,124	100.0 %	\$ 66,074	0.6 %
Cost of goods sold	7,491,240	63.8 %	7,531,980	64.5 %	(40,740)	(0.5)%
Gross profit	4,254,958	36.2 %	4,148,144	35.5 %	106,814	2.6 %
Operating expense:						
Selling, administrative and other expenses	3,222,383	27.4 %	3,092,897	26.5 %	129,486	4.2 %
Depreciation and amortization	189,812	1.6 %	178,088	1.5 %	11,724	6.6 %
Provision for doubtful accounts	11,889	0.1 %	13,961	0.1 %	(2,072)	(14.8)%
Restructuring and other costs	112,802	1.0 %	—	— %	112,802	— %
Total operating expense	3,536,886	30.1 %	3,284,946	28.1 %	251,940	7.7 %
Non-operating (income) expense:						
Interest expense, net	39,611	0.3 %	33,319	0.3 %	6,292	18.9 %
Other	(32,921)	(0.3)%	(28,616)	(0.2)%	(4,305)	15.0 %
Total non-operating (income) expense	6,690	0.1 %	4,703	— %	1,987	42.2 %
Income before income taxes	711,382	6.1 %	858,495	7.4 %	(147,113)	(17.1)%
Income taxes	166,944	1.4 %	210,044	1.8 %	(43,100)	(20.5)%
Net income	\$ 544,438	4.6 %	\$ 648,451	5.6 %	\$ (104,013)	(16.0)%

(in thousands, except per share data)	Six Months Ended June 30,				\$ Change	% Change
	2024		2023			
Diluted EPS	\$	3.89	\$	4.58	\$ (0.69)	(15.1)%
Adjusted diluted EPS	\$	4.66	\$	4.58	\$ 0.08	1.7 %
Total adjusted EBITDA	\$	1,085,872	\$	1,069,902	\$ 15,970	1.5 %
Automotive segment profit	\$	586,911	\$	593,767	\$ (6,856)	(1.2)%
Industrial segment profit	\$	547,680	\$	545,359	\$ 2,321	0.4 %
Total segment profit	\$	1,134,591	\$	1,139,126	\$ (4,535)	(0.4)%
Automotive segment margin		8.0 %		8.3 %		
Industrial segment margin		12.3 %		12.1 %		
Total segment margin		9.7 %		9.8 %		

Net Sales

For the three months ended June 30, 2024 our net sales increased slightly compared to 2023. We experienced a 2.2% benefit from acquisitions, partially offset by a 0.9% decrease in comparable sales and a net unfavorable impact of foreign currency and other of 0.5%.

For the six months ended June 30, 2024 our net sales increased slightly compared to 2023. We experienced a 2.1% benefit from acquisitions, partially offset by a 0.9% decrease in comparable sales and a net unfavorable impact of foreign currency and other of 0.6%.

The decrease in comparable sales is primarily driven by a sales decline in our industrial business due to the impact of weaker macro-economic conditions on our customers in 2024 as discussed below.

Automotive

Automotive sales for the three months ended June 30, 2024 were \$3.7 billion, an increase of 2.0% from 2023. The increase consisted of a 3.1% benefit from acquisitions which was primarily driven by our European acquisitions and the MPEC acquisition, partially offset by a 0.6% decrease in comparable sales and a 0.5% unfavorable impact of foreign currency and other. The slight decrease in comparable sales reflects softened demand in our U.S. and European businesses and the negative impact of moderating inflation.

Automotive sales for the six months ended June 30, 2024 were \$7.3 billion, an increase of 2.0% from 2023. The increase consisted of a 3.0% benefit from acquisitions, partially offset by a 0.2% decrease in comparable sales and a 0.8% unfavorable impact of foreign currency and other.

Industrial

Net sales for the three months ended June 30, 2024 were \$2.2 billion, a decrease of 1.1% compared to 2023. The decrease reflects a 1.6% decrease in comparable sales and a 0.2% unfavorable impact of foreign currency, slightly offset by a 0.7% benefit from acquisitions.

Net sales for six months ended June 30, 2024 were \$4.4 billion, a decrease of 1.6% compared to 2023. The decrease reflects a 2.1% decrease in comparable sales and a 0.1% unfavorable impact of foreign currency, slightly offset by a 0.6% benefit from acquisitions.

The decrease in comparable sales reflects moderation in demand in certain customer sectors and continued softness in industrial production. We continue to experience an adverse macro-economic environment when compared to 2023, which caused slowing global industrial demand.

Gross Profit and Gross Margin

Gross profit for the three months ended June 30, 2024 increased \$46 million, or 2.1%, compared to last year, and gross margin increased 50 basis points to 36.6% compared to the same period of the previous year. Gross profit for the six months ended June 30, 2024 increased \$107 million, or 2.6% compared to the same period in the prior year. Gross margin increased 70 basis points to 36.2% compared to that same period of the previous year.

These increases reflect the positive contributions of our strategic category management and sourcing initiatives. We continue to invest in enhancing technology to generate better pricing data and analytics, which allows us to shift pricing dynamics across each market we serve.

Operating Expenses

SG&A expenses represent 27.6% and 27.4% of sales for the three and six months ended June 30, 2024, respectively, compared to 26.7% and 26.5% in the prior year. We experienced increased personnel and rent costs primarily related to acquisitions, annual merit wage increases and inflation.

In addition, we incurred \$37 million of costs related to the global restructuring initiative and \$25 million primarily related to the acquisition and integration of MPEC, which closed on April 30, 2024. Refer to the Restructuring Footnote in the Notes to Condensed Consolidated Financial Statements for more information on our global restructuring initiative.

Segment Profit

Automotive

For the three months ended June 30, 2024, Automotive segment profit decreased 4.7% compared to the same period in 2023, and Automotive segment profit margin decreased to 8.4% compared to 9.0% in the same

period last year. For six months ended June 30, 2024, Automotive segment profit decreased 1.2% compared to the same period in 2023, and Automotive segment profit margin decreased to 8.0% compared to 8.3% for the same period last year. These decreases are primarily due to increased freight costs as well as personnel costs resulting from acquisitions and inflation.

Industrial

For the three months ended June 30, 2024, Industrial segment profit decreased 2.3% compared to the same period in 2023 and Industrial segment profit margin was 12.4%, down 10 basis points from the prior year. For the six months ended June 30, 2024, Industrial segment profit increased 0.4% compared to the same period last year and Industrial segment profit margin increased to 12.3% compared to 12.1% in the same period in the previous year. The decrease in segment profit for the three months ended June 30, 2024 resulted from deleveraging expenses driven by lower sales. The improvements in the six months ended June 30, 2024 occurred, despite a year-over-year sales decline of 1.6%, primarily due to expense management and ongoing execution of our supply chain initiatives and strategic category management.

Income Taxes

Our effective income tax rate for the three and six month periods ended June 30, 2024 was 23.5% compared to 24.1% and 24.5% for the same periods in 2023, respectively. The rate decrease is primarily due to expanded investment benefits and earnings mix shift across our global businesses.

Net Income

For the three months ended June 30, 2024, net income was \$296 million, a decrease of 14.2% compared to net income of \$344 million for the same three month period of the prior year. On a per share diluted basis, net income was \$2.11, a decrease of 13.5% compared to \$2.44 in 2023. These decreases are primarily due to \$37 million of costs related to the global restructuring initiative and \$25 million primarily related to the acquisition of MPEC. Adjusted net income for the three months ended June 30, 2024 was \$342 million, a decrease of 0.9% compared to net income of \$344 million for the same period of 2023. On a per share diluted basis, adjusted net income was \$2.44, remaining flat compared to diluted earnings per share of \$2.44 last year. Second quarter 2024 adjusted EBITDA was \$569 million, an increase of 1.4% from \$561 million in 2023.

For the six months ended June 30, 2024, net income was \$544 million, a decrease of 16.0% compared to net income of \$648 million for the same three month period of the prior year. On a per share diluted basis, net income was \$3.89, a decrease of 15.1% compared to \$4.58 in 2023. These decreases are primarily due to \$120 million of costs related to the global restructuring initiative and \$25 million primarily related to the acquisition of MPEC. Adjusted net income for the six months ended June 30, 2024 was \$652 million an increase of 0.6% compared to net income of \$648 million in 2023. On a per share diluted basis, adjusted net income was \$4.66, an increase of 1.7% compared to diluted earnings per share of \$4.58 last year. Second quarter 2024 adjusted EBITDA was \$1.09 billion, an increase of 1.5% from EBITDA of \$1.07 billion from 2023.

The increases in these adjusted measures reflect the positive effects of executing our strategic category management and other initiatives, as discussed more fully in the commentary above.

Non-GAAP Financial Measures

Adjusted net income, adjusted diluted EPS, adjusted EBITDA, total segment profit, total segment margin, and adjusted EBITDA for each segment are non-GAAP measures (see table below for reconciliations to the most directly comparable GAAP measures).

The following tables set forth reconciliations of net income and diluted EPS to adjusted net income and adjusted diluted EPS, respectively, to account for the impact of adjustments. We also include reconciliations from net income to adjusted EBITDA, net income to total segment profit and total segment margin and segment profit to segment EBITDA and adjusted EBITDA for each segment. We believe that the presentation of adjusted net income, adjusted diluted EPS, total segment profit and adjusted EBITDA, which are not calculated in accordance with GAAP, 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 consider 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. In the case of adjusted EBITDA by segment, we believe this additional metric is useful to investors as it provides further insight into the performance of our segments. We believe the non-GAAP metrics included herein also enhance the comparability of our results from period to period and with our competitors, as well as to show ongoing results from operations distinct from items that are infrequent or not associated with our core operations. For example, for the

three and six months ended June 30, 2024, adjusted net income, adjusted EBITDA and adjusted diluted earnings per share exclude costs relating to our global restructuring initiative and acquisition of Motor Parts and Equipment Corporation. We do not, nor do we suggest investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, GAAP financial information.

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
GAAP net income	\$ 295,544	\$ 344,494	\$ 544,438	\$ 648,451
Adjustments:				
Restructuring and other costs (1)	37,247	—	120,289	—
Acquisition and integration related costs and other (2)	24,778	—	24,778	—
Total adjustments	62,025	—	145,067	—
Tax impact of adjustments (3)	(16,008)	—	(37,046)	—
Adjusted net income	\$ 341,561	\$ 344,494	\$ 652,459	\$ 648,451

The table below represents amounts per common share assuming dilution:

(in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
GAAP diluted earnings per share	\$ 2.11	\$ 2.44	\$ 3.89	\$ 4.58
Adjustments:				
Restructuring and other costs (1)	0.27	—	0.86	—
Acquisition and integration related costs and other (2)	0.17	—	0.17	—
Total adjustments	0.44	—	1.03	—
Tax impact of adjustments (3)	(0.11)	—	(0.26)	—
Adjusted diluted earnings per share	\$ 2.44	\$ 2.44	\$ 4.66	\$ 4.58
Weighted average common shares outstanding – assuming dilution	139,829	141,247	139,961	141,496

- (1) Amount reflects costs related to the global restructuring initiative which includes a voluntary retirement offer in the U.S., inventory liquidation costs, and rationalization and optimization of certain distribution centers, stores and other facilities.
- (2) Amount primarily reflects integration costs related to the completion of the acquisition of MPEC in April 2024, including professional services costs, personnel costs, and lease and other exit costs.
- (3) We determine the tax effect of non-GAAP adjustments by considering the tax laws and statutory income tax rates applicable in the tax jurisdictions of the underlying non-GAAP adjustments, including any related valuation allowances. For the three and six months ended June 30, 2024, we applied the statutory income tax rates to the taxable portion of all of our adjustments, which resulted in a tax impact of \$16 million and \$37 million.

The table below represents a reconciliation from GAAP net income to adjusted EBITDA:

(in thousands)		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
GAAP net income	\$	295,544	344,494	544,438	648,451
Depreciation and amortization		99,202	90,873	189,812	178,088
Interest expense, net		21,921	16,455	39,611	33,319
Income taxes		90,657	109,595	166,944	210,044
Adjusted EBITDA		507,324	561,417	940,805	1,069,902
Adjustments (1)		62,025	—	145,067	—
Adjusted EBITDA	\$	569,349	561,417	1,085,872	1,069,902

(1) Amounts are the same as adjustments included within the adjusted net income table above.

The table below clarifies where the adjusted items are presented in the Condensed Consolidated Statements of Income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2024	2023	2024	2023
Line item:				
Cost of goods sold	\$ 7,487	\$ —	\$ 7,487	\$ —
Selling, administrative and other expenses	24,778	—	24,778	—
Restructuring and other costs	29,760	—	112,802	—
Total adjustments	\$ 62,025	\$ —	\$ 145,067	\$ —

The table below represents a reconciliation from GAAP net income to total segment profit:

(in thousands)		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
GAAP net income	\$	295,544	344,494	544,438	648,451
Income taxes		90,657	109,595	166,944	210,044
Income before income taxes		386,201	454,089	711,382	858,495
Interest expense, net		21,921	16,455	39,611	33,319
State expense		85,984	101,550	169,746	167,565
Goodwill asset amortization		34,685	40,625	68,785	79,747
Unallocated income, net (1)		62,025	—	145,067	—
Total segment profit	\$	596,816	612,719	1,134,591	1,139,126
GAAP net sales	\$	5,962,567	5,915,006	11,746,198	11,680,124
GAAP net income margin (2)		5.0%	5.8%	4.6 %	5.6 %
Total segment profit margin (3)		9.9%	10.4%	9.7 %	9.8 %

(1) Amounts are the same as adjustments included within the adjusted net income table above.

(2) Represents GAAP net income as a percentage of GAAP net sales.

(3) Represents total segment profit as a percentage of GAAP net sales.

The table below represents a reconciliation from segment profit to segment EBITDA and adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Automotive:				
Segment Profit	\$ 313,975	\$ 329,347	\$ 586,911	\$ 593,767
Depreciation	48,894	40,901	95,634	79,010
Automotive segment EBITDA	362,869	370,248	682,545	672,777
Industrial:				
Segment Profit	276,841	283,372	547,680	545,359
Depreciation	8,119	7,080	16,267	14,130
Industrial segment EBITDA	284,960	290,452	563,947	559,489
Corporate:				
Corporate expense	(85,984)	(101,550)	(169,746)	(167,565)
Depreciation	7,504	2,267	9,126	5,201
Other unallocated costs (1)	62,025	—	145,067	—
Corporate EBITDA	(16,455)	(99,283)	(15,553)	(162,364)
Adjustments (1)	(62,025)	—	(145,067)	—
Corporate adjusted EBITDA	(78,480)	(99,283)	(160,620)	(162,364)
Adjusted EBITDA	\$ 569,349	\$ 561,417	\$ 1,085,872	\$ 1,069,902

(1) Amounts are the same as adjustments included within the adjusted net income table above.

Financial Condition

Our cash balance was \$555 million as of June 30, 2024, a decrease of \$547 million from December 31, 2023. For the six months ended June 30, 2024, we had net cash provided by operating activities of \$612 million, net cash used in investing activities of \$762 million and net cash used in financing activities of \$382 million.

The cash provided by operating activities increased as compared to prior year primarily driven by changes in working capital. We had \$762 million in net cash used for investing activities, consisting of capital expenditures and acquisitions and other investing activities of \$839 million, partially offset by proceeds from the sale of property, plant and equipment and the divestiture of businesses. The financing activities consisted primarily of \$272 million for dividends paid to our shareholders and \$75 million of stock repurchases.

Accounts receivable increased \$303 million, or 13.6%, from December 31, 2023. Inventory increased \$427 million, or 9.1%. Accounts receivable and inventory were both impacted by second quarter increases in revenues and related product demand. Inventory also increased \$200 million as a result of the MPEC acquisition. Accounts payable increased \$432 million, or 7.9% from December 31, 2023, in line with the increase in inventory. Total debt of \$3.9 billion at June 30, 2024 decreased \$26 million, or 0.7%, from December 31, 2023.

Liquidity and Capital Resources

We ended the quarter with \$2.0 billion of total liquidity. Total liquidity comprises of \$555 million of cash and cash equivalents and \$1.4 billion of our \$1.5 billion revolving credit facility available after the effect of \$100 million of commercial paper outstanding as of June 30, 2024. From time to time, we may enter into other credit facilities or financing arrangements to provide additional liquidity and to manage against foreign currency risk. We currently believe that the existing lines of credit, commercial paper program, and cash generated from operations will be sufficient to fund anticipated operations for the foreseeable future.

We have a strong cash position and solid financial strength to pursue strategic growth opportunities through disciplined, strategic capital deployment. Our key priorities include the reinvestment in our businesses through capital expenditures, mergers and acquisitions, the dividend and share repurchases. We have plans for additional investments in our businesses to drive growth, improve efficiencies and productivity, and drive shareholder value.

We expect to be able to continue to borrow funds at reasonable rates over the long term. At June 30, 2024, our total average cost of debt was 3.25%, and we remain in compliance with all covenants connected with our borrowings. In addition, we repaid the 155 million Australian dollar principal amount of our Series A Senior Unsecured Note, due June 30, 2024.

Any failure to comply with our debt covenants or restrictions could result in a default under our financing arrangements or could require us to obtain waivers from our lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could create cross defaults under other debt arrangements and have a material adverse effect on our business, financial condition, results of operations and cash flows.

On February 15, 2024, we announced a 5.3% increase in the regular quarterly cash dividend for 2024. Our Board of Directors increased the cash dividend payable to an annual rate of \$4.00 per share compared with the prior year dividend of \$3.80 per share. We have paid a cash dividend every year since going public in 1948, and 2024 marks the 68th consecutive year of increased dividends paid to shareholders.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For quantitative and qualitative disclosures about market risk, refer to “Quantitative and Qualitative Disclosures About Market Risk” in Item 7A of Part II of our 2023 Annual Report on Form 10-K. Our exposure to market risk has not changed materially since December 31, 2023.

Item 4. Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed by us in the reports that we file or furnish under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 of the SEC that occurred during our last quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to our legal proceedings may be found in the Commitments and Contingencies Footnote in the Notes to Condensed Consolidated Financial Statements in Item 1 of Part I, which is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our 2023 Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about the purchases of shares of our common stock during the three months ended June 30, 2024:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
April 1, 2024 through April 30, 2024	105,441	\$154.20	99,364	8,178,141
May 1, 2024 through May 31, 2024	223,232	\$154.38	100,890	8,077,251
June 1, 2024 through June 30, 2024	48,772	\$142.38	48,772	8,028,479
Totals	377,445	\$152.78	249,026	8,028,479

- (1) Includes shares surrendered by employees to satisfy tax withholding obligations in connection with the vesting of shares of restricted stock, the exercise of share appreciation rights and/or tax withholding obligations.
- (2) On August 21, 2017, the Board of Directors announced that it had authorized the repurchase of 15 million shares. The authorization for the repurchase continues until all such shares have been repurchased or the repurchase plan is terminated by action of the Board of Directors. Approximately 8.0 million shares authorized remain available to be repurchased. There were no other repurchase plans announced as of June 30, 2024.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2024, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

Item 6. Exhibits

(a) The following exhibits are filed or furnished as part of this report:

Exhibit 3.1	Amended and Restated Articles of Incorporation of the Company, dated April 23, 2007 (incorporated herein by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 23, 2007)
Exhibit 3.2	By-Laws of the Company, as amended and restated November 19, 2018 (incorporated herein by reference from Exhibit 3.2 to the Company's Current Report on Form 8-K dated November 19, 2018)
Exhibit 10.1*	Genuine Parts Company Amended and Restated 2015 Incentive Plan (incorporated herein by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A, filed March 1, 2024)
Exhibit 31.1	Certification pursuant to SEC Rule 13a-14(a) signed by the Chief Executive Officer – filed herewith
Exhibit 31.2	Certification pursuant to SEC Rule 13a-14(a) signed by the Chief Financial Officer – filed herewith
Exhibit 32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by the Chief Executive Officer and Chief Financial Officer – furnished herewith
Exhibit 101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	The cover page from this Quarterly Report on Form 10-Q for the period ended June 30, 2024 formatted in Inline XBRL

* Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Genuine Parts Company
(Registrant)

Date: July 23, 2024

/s/ Bert Nappier

Bert Nappier

Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial and
Accounting Officer)

CERTIFICATIONS

I, William P. Stengel, II, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Genuine Parts Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2024

/s/ William P. Stengel, II

William P. Stengel, II
President and Chief Executive Officer

CERTIFICATIONS

I, Bert Nappier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Genuine Parts Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2024

/s/ Bert Nappier

Bert Nappier

Executive Vice President and Chief Financial Officer

STATEMENT OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF
GENUINE PARTS COMPANY
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Genuine Parts Company (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William P. Stengel, II, Chairman and Chief Executive Officer of the Company, and, I, Bert Nappier, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- 1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William P. Stengel, II

William P. Stengel, II
President and Chief Executive Officer
July 23, 2024

/s/ Bert Nappier

Bert Nappier
Executive Vice President and Chief Financial Officer
July 23, 2024