



Fourth Quarter & Full-Year 2025 Earnings Presentation

February 17, 2026

Safe Harbor Statement

FORWARD-LOOKING STATEMENTS: Some statements in this presentation, as well as in other materials the company files with the Securities and Exchange Commission (SEC), release to the public, or make available on the company's 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 the company's view of business and economic trends for the coming year and the company's expectations regarding its ability to capitalize on these business and economic trends; the company's full-year 2026 outlook and the company's ability to successfully execute on its strategic priorities, including the company's anticipated separation of Global Automotive and Global Industrial into two independent, publicly traded companies. Senior officers may also make verbal statements to analysts, investors, the media and others that are forward-looking. The company cautions you that all forward-looking statements involve risks and uncertainties, and while the company believes its expectations for the future are reasonable in view of currently available information, you are cautioned not to place undue reliance on the company's 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 persistent inflation (including the direct and indirect impact of tariffs and retaliatory tariffs) or deflation, geopolitical uncertainty and unrest and declining consumer confidence; the company's ability to successfully implement the separation of Global Automotive and Global Industrial and achieve the anticipated benefits of such transaction; volatility in oil prices; significant costs, such as elevated fuel and freight expenses; the company's ability to maintain compliance with its debt covenants; its ability to successfully integrate acquired businesses into its operations and to realize the anticipated synergies and benefits; its ability to successfully implement its business initiatives in its three business segments; slowing demand for its products; the ability to maintain favorable supplier arrangements and relationships; changes in national and international legislation or government regulations or policies, including changes to global trade regulations, environmental and social policy, infrastructure programs and privacy legislation, and their impact to us, the company's suppliers and customers; changes in tax policies including those included in the One Big Beautiful Bill Act; volatile exchange rates; the company's 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 its 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; public health emergencies, including the effects on the financial health of the company's business partners and customers, on supply chains and its suppliers, on vehicle miles driven as well as other metrics that affect the company's business, and on access to capital and liquidity provided by the financial and capital markets; disruptions caused by a failure or breach of the company's information systems; the success of its global restructuring efforts and the annualized cost savings arising therefrom, as well as other risks and uncertainties discussed in the company's Annual Report on Form 10-K and from time to time in its subsequent filings with the SEC. Forward-looking statements speak only as of the date they are made, and the company undertakes no duty to update any forward-looking statements except as required by law. You are advised, however, to review any further disclosures the company makes on related subjects in 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 gross profit, adjusted selling, administrative and other expenses, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted net income per common share and free cash flow. The company believes that the presentation of adjusted gross profit, adjusted selling, administrative and other expenses, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted net income per common share and free cash flow, 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 the company's core operations. The company considers these metrics useful to investors because they provide greater transparency into management's view and assessment of the company's ongoing operating performance by removing items management believes are not representative of the company's continuing operations and may distort the company's longer-term operating trends. The company believes these measures are useful and enhance the comparability of results from period to period and with competitors, as well as show ongoing results from operations distinct from items that are infrequent or not associated with the company's core operations. The company does not, nor does it suggest investors should, consider such non-GAAP financial measures as superior to, in isolation from, or as a substitute for, GAAP financial information. The company has included a reconciliation of this additional information to the most comparable GAAP measure following the financial statements below. The company does not provide forward-looking guidance for certain financial measures on a GAAP basis because the company is 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, restructuring costs and certain other unusual adjustments.

GPC Snapshot (as of 12/31/2025)

Key Statistics

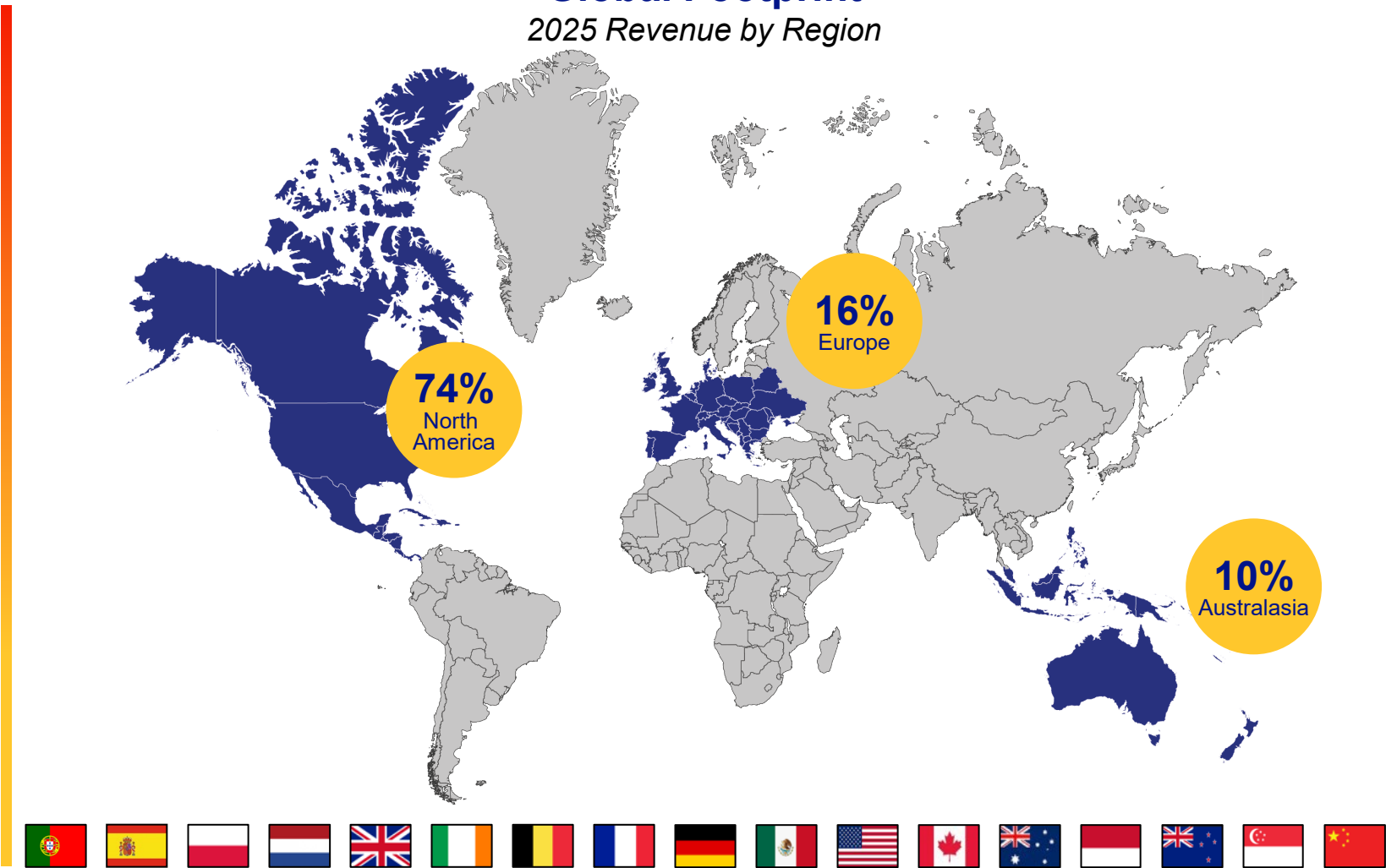
Founded	1928
Headquarters	Atlanta, GA
Countries Served	17
Locations	~10,815
<ul style="list-style-type: none">Distribution CentersBranches/Service CentersRetail (Owned/Independent)	<ul style="list-style-type: none">~195~720~9,900
Employees	65,000+

2025 Financial Highlights

Revenue	\$24.3B
<ul style="list-style-type: none">North America AutomotiveInternational AutomotiveIndustrial	<ul style="list-style-type: none">39%24%37%
Adj. EBITDA Margin ¹	8.3%
Dividend Yield ²	3.4%

Global Footprint

2025 Revenue by Region



Leading Global Distributor and Solutions Provider in Diversified “Break Fix” End Markets

¹See Appendix B ²Calculated based on annual dividend per share divided by share price as of 12/31/25

Key Messages

- ✓ We want to **thank our GPC teammates across the globe** for their **dedication and commitment to serving our customers**
- ✓ Full-year results came in below our expectations, **due to softer than expected sales in the fourth quarter** which impacted profit
- ✓ We **advanced our strategy and delivered growth, expanded gross margins, took proactive action to offset cost inflation and invested in strategic capabilities** while navigating another dynamic year
- ✓ Our Board approved the **70th consecutive annual increase to the GPC dividend**
- ✓ Announces plan to separate **automotive and industrial businesses into two industry-leading public companies**



Better Positioning Our Businesses for an Even Stronger Future

FY'25 Performance: GPC Executive Summary

GPC	Global Sales \$24.3B Increased 3.5%	Adj Gross Margin ¹ 37.5% Improved 90 bps	Adj EBITDA ¹ \$2.0B Increased 0.5%	Adj EBITDA Margin ¹ 8.3% Decreased 20 bps	Adj Diluted EPS ¹ \$7.37 Decreased 9.7%
Industrial	Total Sales \$8.9B Increased 2.3%	Comp Sales ² +1.5%	Segment EBITDA ¹ \$1.1B Increased 4.0%	Segment EBITDA Margin ¹ 12.9% Improved 30 bps	
N. America Automotive	Total Sales \$9.5B Increased 3.3%	Comp Sales ² +0.6%	Segment EBITDA ¹ \$672M Decreased 6.1%	Segment EBITDA Margin ¹ 7.1% Decreased 70 bps	
International Automotive	Total Sales \$5.9B Increased 5.4%	Comp Sales ² +0.2%	Segment EBITDA ¹ \$544M Decreased 4.2%	Segment EBITDA Margin ¹ 9.3% Decreased 90 bps	



Q4'25 Performance: GPC Executive Summary



Global Sales
\$6.0B
Increased 4.1%

Adj Gross Margin¹
37.6%
Improved 70 bps

Adj EBITDA¹
\$459M
Increased 5.7%

Adj EBITDA Margin¹
7.6%
Improved 10 bps

Adj Diluted EPS¹
\$1.55
Decreased 3.7%

During 2025



Cash From Operations
\$891M

As of December 31, 2025



Working Capital²
\$777M



Capital Structure
2.4x
Total Debt to Adj
EBITDA¹



Ample Liquidity
\$1.5B



**Financial
Strength and
Flexibility to
Drive Growth**



Softer Than Expected Sales Led to Lower Profit Dollars

All comparisons are YoY unless otherwise stated ¹ Non-GAAP financial measures reconciled in Appendix B ² Working capital is defined as current assets less current liabilities

Q4'25 Performance: Industrial

Total Sales

\$2.2B

Increased 4.6%

Comp Sales¹

+3.4%

Segment EBITDA²

\$295M

Increased 8.7%

Segment EBITDA Margin²

13.4%

Improved 50 bps

Market

Total Sales³

North America

+4.9%

Australasia

(0.6%)

2025 Accomplishments:

- ✓ Grew in excess of the market in 2025 despite a sluggish industrial and manufacturing economy
- ✓ Saw growth in 7 of 14 end markets during the year, up from 4 in 2024
- ✓ MRO business grew over 3% during the year, with shared strength in both local and corporate account customers
- ✓ E-Commerce represented ~45% of sales, up over 800 bps from 2024, as we continue to integrate more closely with our customers via technology



Profitable Growth Despite Soft Demand Environment & Persistent Cost Inflation

¹See Appendix A; ²See Appendix B; ³Local Currency; All comparisons are YoY unless otherwise stated

Q4'25 Performance: Automotive

N. America Automotive

Total Sales

\$2.3B

Increased 2.4%

Comp Sales¹

+1.7%

Segment EBITDA²

\$129M

Decreased 14.0%

Segment EBITDA Margin²

5.5%

Decreased 110 bps

International Automotive

Total Sales

\$1.5B

Increased 6.4%

Comp Sales¹

-0.9%

Segment EBITDA²

\$129M

Decreased 4.3%

Segment EBITDA Margin²

8.7%

Decreased 100 bps

Market	Total Sales ³	Comp Sales ^{1,3}
U.S.	+1.8%	+1.9%
Canada	+5.5%	+0.7%
Europe	(1.9%)	(3.1%)
Australasia	+5.2%	+4.6%

2025 Accomplishments:

- ✓ U.S. saw strong sales growth from company-owned stores
- ✓ Closed competitive acquisition in Canada that adds talent, store footprint in priority markets and a diversified product offering
- ✓ Europe continues to see growth with key account customers and further expansion of the NAPA brand despite soft market conditions
- ✓ Australasia delivered double-digit growth in local currency in 2025, further establishing GPC Asia Pacific as the market leader



Diversified Global Sales Growth in Dynamic, Inflationary Environment

¹See Appendix A; ²See Appendix B; ³Local Currency; All comparisons are YoY unless otherwise stated

Strategic Investment Priorities



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



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



Technology

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



Mergers & Acquisitions

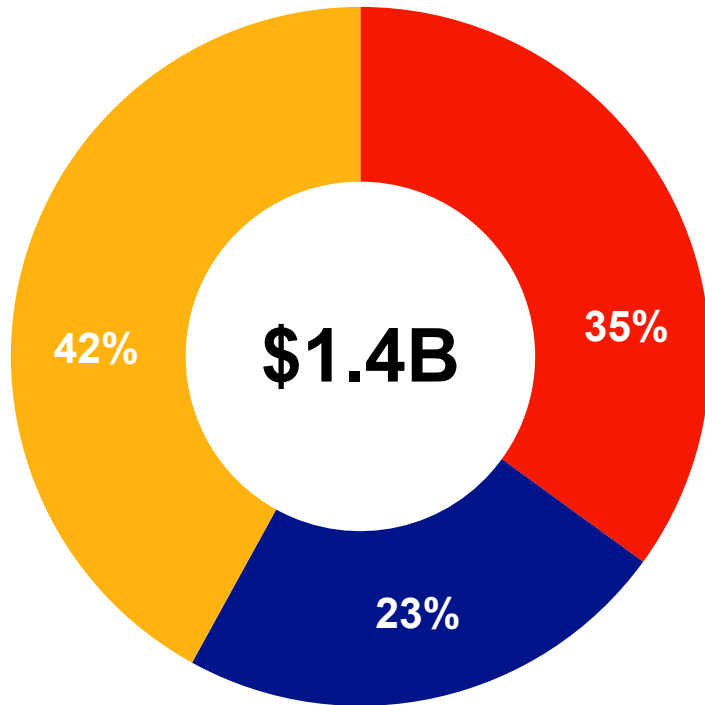
Acquire strategic assets and create value via scale, footprint, customer relationships, products and services and technology



Investing in Existing and New Capabilities to Create a Better Customer Experience

GPC Capital Allocation: 2025 and 2026 Outlook

2025 Capital Deployment



Strategic Investment M&A Share Repurchases Dividend

Key Priorities

Strategic Investments

- ✓ **\$470M FY'25 Capital Expenditures**
- Estimated \$450M – \$500M FY'26 Capital Expenditures

M&A

- ✓ **\$318M FY'25 Capital Deployed**
- Estimated \$300M – \$350M FY'26 M&A Capital Outlay

Share Repurchases

- ✓ ~7.5 million shares remain available for repurchase

Dividend

- ✓ **\$564M FY'25 Cash Dividends Paid**
- ✓ **FY'26 Cash Dividend of \$4.25 Per Share, +3.2% From 2025**
 - 70th consecutive year of increased dividends paid to our shareholders



Disciplined and Consistent Approach to Strategic Capital Allocation

GPC 2026 Outlook: Total GPC¹

Total Sales Growth	3% to 5.5%
Comp Sales Growth	2% to 4.5%
Adj Gross Margin²	+40 bps to +60 bps
Adj SG&A as a % of Sales²	(50) bps to (30) bps
Adj EBITDA²	\$2.0B to \$2.2B
Adj EBITDA Growth²	2% to 9%
Diluted EPS	\$6.10 to \$6.60
Adj Diluted EPS²	\$7.50 to \$8.00
Adj EPS Growth²	2% to 9%
Cash From Operations	\$1.0B to \$1.2B
Free Cash Flow²	\$550M to \$700M
Other	
• Capex	\$450M to \$500M
• Depreciation & Amortization	\$515M to \$540M
• Interest Expense	\$180M to \$190M
• Corporate EBITDA as a % of Sales ²	1.5% to 2%
• Tax Rate	~24%



¹ Our guidance considers several factors, including recent business trends and financial results, current growth plans, strategic initiatives, global economic outlook, current trade environment and geopolitical conflicts and the potential impact these factors may have on results. ² A non-GAAP measure (See Appendix B)

GPC 2026 Outlook: By Segment¹

Automotive

North America Automotive

- Total Sales Growth 3% to 5%
- Comp Sales Growth 1.5% to 3.5%
- EBITDA² \$700M to \$730M
- EBITDA Growth² 5% to 9%

International Automotive

- Total Sales Growth 3% to 6%
- Comp Sales Growth 1.5% to 3.5%
- EBITDA² \$560M to \$600M
- EBITDA Growth² 4% to 10%

Global Automotive

- Total Sales Growth 3% to 5%
- Comp Sales Growth 1.5% to 3.5%
- EBITDA² \$1.26B to \$1.33B
- EBITDA Growth² 4% to 9%

Industrial

Industrial

- Total Sales Growth 3% to 6%
- Comp Sales Growth 3% to 6%
- EBITDA² \$1.22B to \$1.28B
- EBITDA Growth² 7% to 12%



¹ Our guidance considers several factors, including recent business trends and financial results, current growth plans, strategic initiatives, global economic outlook, current trade environment and geopolitical conflicts and the potential impact these factors may have on results. ² A non-GAAP measure (See Appendix B)

GPC 2026 Outlook: U.S. Business Days

U.S. Business Days*	Q1	Q2	Q3	Q4	FY
2026	63	64	64	63	254
2025	63	64	64	63	254
Difference	0	0	0	0	0

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



FY'26 Outlook: Number of U.S. Business Days in 2026 Unchanged from 2025

Appendix

Comparable Sales: Comparable sales or “comp sales” is a key metric that refers to period-over-period comparisons of the company’s net sales excluding the impact of acquisitions, foreign currency and other. The company’s calculation of comparable sales is computed using total business days for the period and is inclusive of sales from company-owned stores and sales into independent stores. 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 is a metric that is widely used by analysts, investors and competitors, however the company’s 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.

Reconciliation of EBITDA to Net Income (Loss)

(in thousands)	2025	2025				2024			
	Full Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales:									
North America Automotive	\$ 9,520,042	\$ 2,264,781	\$ 2,444,377	\$ 2,484,591	\$ 2,326,293	\$ 2,196,890	\$ 2,352,254	\$ 2,390,463	\$ 2,272,631
International Automotive	5,858,566	1,400,107	1,467,904	1,505,197	1,485,358	1,377,130	1,374,737	1,409,326	1,395,702
Industrial	8,921,533	2,201,181	2,252,144	2,270,444	2,197,764	2,209,611	2,235,576	2,170,409	2,101,840
Segment EBITDA:									
North America Automotive	672,182	146,995	196,500	199,626	129,061	152,368	215,290	197,873	149,999
International Automotive	544,173	138,512	141,492	135,078	129,091	167,308	147,579	118,269	134,845
Industrial	1,146,422	278,711	288,138	285,015	294,558	278,987	284,960	267,287	270,954
Corporate EBITDA	(357,175)	(91,125)	(78,632)	(93,374)	(94,044)	(82,140)	(78,480)	(106,686)	(121,911)
Interest expense, net	(163,506)	(37,216)	(40,211)	(40,342)	(45,737)	(17,690)	(21,921)	(27,818)	(29,398)
Depreciation and amortization	(538,023)	(115,435)	(123,018)	(127,475)	(172,095)	(90,610)	(99,202)	(106,036)	(112,130)
Other unallocated costs	(1,251,905)	(68,805)	(45,712)	(66,835)	(1,070,553)	(83,042)	(62,025)	(45,296)	(125,366)
Income (loss) before income taxes	52,168	251,637	338,557	291,693	(829,719)	325,181	386,201	297,593	166,993
Income taxes benefit (expense)	13,777	(57,245)	(83,677)	(65,522)	220,221	(76,287)	(90,657)	(71,011)	(33,937)
Net income (loss)	\$ 65,945	\$ 194,392	\$ 254,880	\$ 226,171	\$ (609,498)	\$ 248,894	\$ 295,544	\$ 226,582	\$ 133,056
Segment EBITDA margin:									
North America Automotive	7.1%	6.5%	8.0%	8.0%	5.5%	6.9%	9.2%	8.3%	6.6%
International Automotive	9.3%	9.9%	9.6%	9.0%	8.7%	12.1%	10.7%	8.4%	9.7%
Industrial	12.9%	12.7%	12.8%	12.6%	13.4%	12.6%	12.7%	12.3%	12.9%
Total adj EBITDA margin	8.3%	8.1%	8.9%	8.4%	7.6%	8.9%	9.5%	8.0%	7.5%

Reconciliation of Non-GAAP Financial Measures

Appendix B

Reconciliation of Net Income (Loss) to Adj EBITDA

(in thousands)	2025	2025				2024			
	Full Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP net income	\$ 65,945	\$ 194,392	\$ 254,880	\$ 226,171	\$ (609,498)	\$ 248,894	\$ 295,544	\$ 226,582	\$ 133,056
Depreciation and amortization	538,023	115,435	123,018	127,475	172,095	90,610	99,202	106,036	112,130
Interest expense, net	163,506	37,216	40,211	40,342	45,737	17,690	21,921	27,818	29,398
Income taxes (benefit)	(13,777)	57,245	83,677	65,522	(220,221)	76,287	90,657	71,011	33,937
EBITDA:	753,697	404,288	501,786	459,510	(611,887)	433,481	507,324	431,447	308,521
Restructuring and other costs (1)	253,961	54,770	45,712	66,835	86,644	83,042	37,247	41,023	59,695
Acquisition and integration related costs and other (2)	14,035	14,035	—	—	—	—	24,778	4,273	4,075
Inventory rebranding strategic initiative (3)	—	—	—	—	—	—	—	—	61,596
Asbestos-related product liability (4)	103,352	—	—	—	103,352	—	—	—	—
Pension settlement (5)	741,967	—	—	—	741,967	—	—	—	—
First Brands credit loss allowance (6)	150,500	—	—	—	150,500	—	—	—	—
Retirement obligation and other (7)	(11,910)	—	—	—	(11,910)	—	—	—	—
Adjusted EBITDA	\$ 2,005,602	\$ 473,093	\$ 547,498	\$ 526,345	\$ 458,666	\$ 516,523	\$ 569,349	\$ 476,743	\$ 433,887



Refer to Explanation of Adjustments for further information

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

Reconciliation of Net Income (Loss) to Adj Net Income

(in thousands)	2025	2025				2024			
	Full Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP net income (loss)	\$ 65,945	\$ 194,392	\$ 254,880	\$ 226,171	\$ (609,498)	\$ 248,894	\$ 295,544	\$ 226,582	\$ 133,056
Adjustments:									
Restructuring and other costs (1)	253,961	54,770	45,712	66,835	86,644	83,042	37,247	41,023	59,695
Acquisition and integration related costs and other (2)	14,035	14,035	—	—	—	—	24,778	4,273	4,075
Inventory rebranding strategic initiative (3)	—	—	—	—	—	—	—	—	61,596
Asbestos-related product liability (4)	103,352	—	—	—	103,352	—	—	—	—
Pension settlement (5)	741,967	—	—	—	741,967	—	—	—	—
First Brands credit loss allowance (6)	150,500	—	—	—	150,500	—	—	—	—
Retirement obligation and other (7)	30,111	—	—	—	30,111	—	—	—	—
Total adjustments	1,293,926	68,805	45,712	66,835	1,112,574	83,042	62,025	45,296	125,366
Tax impact of adjustments	(333,450)	(20,124)	(8,805)	(17,411)	(287,110)	(21,038)	(16,008)	(8,865)	(34,053)
Adjusted net income	\$ 1,026,421	\$ 243,073	\$ 291,787	\$ 275,595	\$ 215,966	\$ 310,898	\$ 341,561	\$ 263,013	\$ 224,369



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

Reconciliation of Diluted Net Income (Loss) Per Common Share to Adj Diluted Net Income Per Common Share

(in thousands, except per share data)	2025	2025				2024			
	Full Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP diluted net income (loss) per common share	\$ 0.47	\$ 1.40	\$ 1.83	\$ 1.62	\$ (4.39)	\$ 1.78	\$ 2.11	\$ 1.62	\$ 0.96
Adjustments:									
Restructuring and other costs (1)	1.82	0.39	0.33	0.48	0.62	0.59	0.27	0.29	0.43
Acquisition and integration related costs and other (2)	0.10	0.10	—	—	—	—	0.17	0.03	0.03
Inventory rebranding strategic initiative (3)	—	—	—	—	—	—	—	—	0.44
Asbestos-related product liability (4)	0.74	—	—	—	0.74	—	—	—	—
Pension settlement (5)	5.33	—	—	—	5.34	—	—	—	—
First Brands credit loss allowance (6)	1.08	—	—	—	1.08	—	—	—	—
Retirement obligation and other (7)	0.22	—	—	—	0.22	—	—	—	—
Total adjustments	9.29	0.49	0.33	0.48	8.00	0.59	0.44	0.32	0.90
Tax impact of adjustments	(2.39)	(0.14)	(0.06)	(0.12)	(2.06)	(0.15)	(0.11)	(0.06)	(0.25)
Adjusted diluted net income per common share	\$ 7.37	\$ 1.75	\$ 2.10	\$ 1.98	\$ 1.55	\$ 2.22	\$ 2.44	\$ 1.88	\$ 1.61
Weighted average common shares outstanding — assuming dilution	139,250	139,200	139,244	139,406	138,903	140,096	139,829	139,599	139,272



Refer to Explanation of Adjustments for further information; Figures may not foot due to rounding

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

Reconciliation of Gross Profit to Adj Gross Profit

(in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
GAAP gross profit	\$ 2,101,224	\$ 2,070,216	\$ 8,940,698	\$ 8,523,615
Adjustments:				
Restructuring and other costs (1)	—	—	—	7,487
Inventory rebranding strategic initiative (3)	—	61,596	—	61,596
First Brands credit loss allowance (6)	150,500	—	150,500	—
Retirement obligation and other (7)	9,700	—	9,700	—
Total adjustments	160,200	61,596	160,200	69,083
Adjusted gross profit	\$ 2,261,424	\$ 2,131,812	\$ 9,100,898	\$ 8,592,698
Net Sales	\$ 6,009,415	\$ 5,770,173	\$ 24,300,141	\$ 23,486,569
Gross profit as a percent of net sales	35.0%	35.9%	36.8%	36.3%
Adjusted gross profit as a percent of net sales	37.6%	36.9%	37.5%	36.6%



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

Reconciliation of Selling, Administrative & Other Expenses to Adj Selling, Administrative & Other Expenses

(in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
GAAP selling, administrative and other expenses	\$ 1,864,241	\$ 1,698,117	\$ 7,151,043	\$ 6,642,900
Adjustments:				
Acquisition and integration related costs and other (2)	—	(4,075)	(14,035)	(33,126)
Asbestos-related product liability (4)	(103,352)	—	(103,352)	—
Retirement obligation and other (7)	21,610	—	21,610	—
Total adjustments	(81,742)	(4,075)	(95,777)	(33,126)
Adjusted selling, administrative and other expenses	\$ 1,782,499	\$ 1,694,042	\$ 7,055,266	\$ 6,609,774
Net Sales	\$ 6,009,415	\$ 5,770,173	\$ 24,300,141	\$ 23,486,569
GAAP SG&A expenses as a percent of net sales	31.0%	29.4%	29.4%	28.3%
Adjusted SG&A expenses as a percent of net sales	29.7%	29.4%	29.0%	28.1%



Reconciliation of Non-GAAP Financial Measures (Cont.)

Appendix B

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

(in thousands)	Twelve Months Ended December 31, 2025
Net cash provided by operating activities	\$ 890,762
Purchases of property, plant and equipment	(469,838)
Free cash flow	\$ 420,924

Outlook

(in thousands)	For the Year Ending December, 31 2026
Net cash provided by operating activities	\$1.0 billion to \$1.2 billion
Purchases of property, plant and equipment	\$450 million to \$500 million
Free Cash Flow	\$550 million to \$700 million

- (1) **Restructuring and other costs:** Adjustment reflects costs related to the company's global restructuring initiative which includes a voluntary retirement offer in the U.S. in 2024, and rationalization and optimization of certain distribution centers, stores and other facilities.
- (2) **Acquisition and integration related costs and other:** Adjustment primarily reflects lease and other exit costs related to the integration of acquired independent automotive stores.
- (3) **Inventory rebranding strategic initiative:** Adjustment reflects a charge to write down certain existing inventory associated with a new global rebranding and relaunch of a key tool and equipment offering. The existing inventory that will be liquidated is comprised of otherwise saleable inventory, and the liquidation does not arise from the company's normal, recurring operational activities.
- (4) **Asbestos-related product liability:** Adjustment reflects a remeasurement of the company's asbestos-related product liability for a revised estimate of the number of claims to be incurred in future periods based on adverse current year changes in the claims environment, among other assumptions.
- (5) **Pension settlement:** Adjustment reflects a pension charge related to the settlement of the company's U.S. qualified defined benefit plan (U.S. pension plan).
- (6) **First Brand credit loss allowance:** Adjustment reflects a charge for expected credit losses on volume purchase rebates and other amounts due from First Brands, a key automotive parts supplier who filed for Chapter 11 bankruptcy.
- (7) **Retirement obligation and other:** Adjustment reflects certain nonroutine charges recorded during the quarter ended December 31, 2025, including a charge related to certain asset retirement obligations.