



Genuine Parts Co. (GPC)

Updated March 12th, 2026, by Josh Arnold

Key Metrics

Current Price:	\$109	5 Year CAGR Estimate:	12.6%	Market Cap:	\$15 B
Fair Value Price:	\$123	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	03/06/26
% Fair Value:	88%	5 Year Valuation Multiple Estimate:	2.5%	Dividend Payment Date:	04/02/26
Dividend Yield:	3.9%	5 Year Price Target	\$173	Years Of Dividend Growth:	70
Dividend Risk Score:	A	Sector:	Industrials	Rating:	Buy

Overview & Current Events

Genuine Parts Company was founded in 1928 and since that time, it has grown into a sprawling conglomerate that sells automotive and industrial parts, electrical materials, and general business products. Its global span reaches throughout North America, Australia, New Zealand, and Europe and is comprised of more than 3,000 locations. It has about 65,000 employees and trades with a market capitalization of \$15 billion, with about \$25 billion in annual revenue. Genuine Parts is also a Dividend King, having raised its dividend for an incredible 70 consecutive years.

Genuine Parts posted fourth quarter and full-year earnings on February 17th, 2026, and results were weak on both the top and bottom lines. Adjusted earnings-per-share came to \$1.55, which was well off of estimates that were 27 cents higher. Revenue was up 4.1% year-over-year to \$6 billion, but missed estimates by \$60 million.

Sales performance was attributed to a 1.7% increase in comparable sales, a 1.5% benefit from acquisitions, and a forex translation gain of 0.9%. Gross profit was up 70 basis points on an adjusted basis to 37.6% of sales. Earnings was down from \$1.61 per share a year earlier.

The company guided for total sales growth of 3% to 5.5%, and adjusted earnings-per-share of \$7.50 to \$8.00. The management team noted their intention to split into two publicly-traded companies, one comprising its global automotive business, and the other its global industrial business. The transaction is expected to be completed in about 12 months.

The company also boosted its dividend by 3.2% to \$4.25 per share annually, which is its 70th consecutive annual dividend increase. We start the year at \$7.70 per share in adjusted earnings.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$4.59	\$4.71	\$5.68	\$5.69	\$5.27	\$6.91	\$8.34	\$9.33	\$8.16	\$7.37	\$7.70	\$10.80
DPS	\$2.63	\$2.70	\$2.88	\$3.05	\$3.16	\$3.28	\$3.58	\$3.80	\$4.00	\$4.12	\$4.25	\$5.42
Shares¹	148	147	147	146	144	142	142	139	139	138	137	133

Earnings-per-share growth has seen stops and starts but over the long-term, Genuine Parts delivers. The company's businesses are all what could be considered staples as it serves businesses and consumers in areas where there is likely to be demand for the long run. The company's acquisitions have led the way in terms of growth and will continue to do so moving forward. We are forecasting 7% annualized earnings-per-share growth for the next five years in a normalization from what should be better earnings in 2026. The company's nearly constant acquisitions should help keep the top line moving, but we note significant margin deterioration of late in both of its primary segments. The planned separation of the business is a sizable wildcard.

Genuine Parts' pipeline of new acquisitions should keep the trend of higher revenue in place for the foreseeable future, with sales growth being the primary driver of earnings-per-share growth moving forward, in concert with a small amount of share repurchases.

¹ Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.8	19.2	17.0	17.8	17.1	17.7	20.8	14.8	14.3	16.7	14.2	16.0
Avg. Yld.	2.8%	3.0%	3.0%	3.0%	3.5%	2.7%	2.0%	2.7%	3.4%	3.4%	3.9%	3.1%

The price-to-earnings ratio has been fairly steady in recent years under 15. The stock now trades for 14.2 times our earnings estimate for this year. With the price-to-earnings ratio below our long-term fair value estimate at 15, we see a small annual tailwind to total returns from the valuation. We note we've reduced the fair value estimate multiple on heavily revised guidance on the assumption investors will pay more for GPC for the foreseeable future.

Genuine Parts is famous for its dividend, as its 70 consecutive years of increases makes it a Dividend King. The current yield of 3.9% is elevated relative to historical norms, and indeed is the highest we've seen in the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	57%	57%	51%	54%	60%	47%	43%	41%	49%	56%	55%	50%

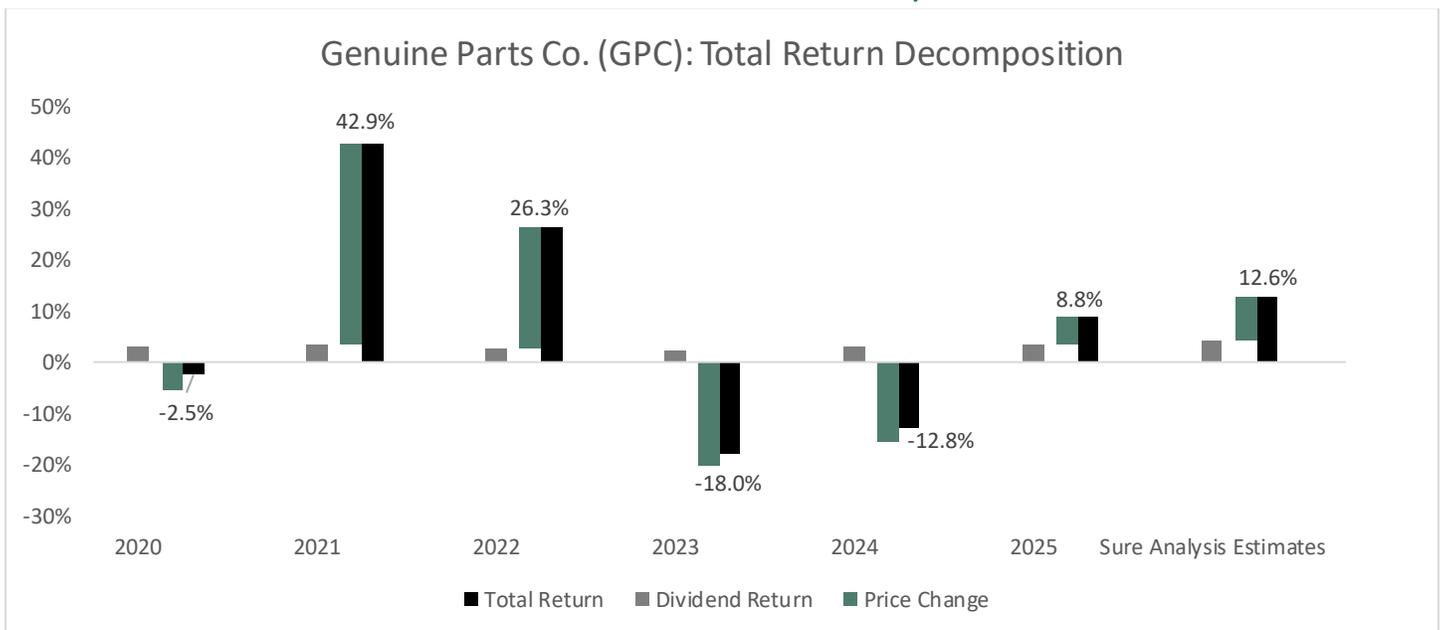
Genuine Parts' payout ratio had been quite steady between 50% and 60% of earnings for many years, and is there again today. We see the dividend rising at roughly the pace of earnings growth, keeping the payout ratio at around half of earnings in the years to come, consistent with the past decade.

Genuine Parts' competitive advantages include its wide array of industries and customers served, geographic reach and the fact that it sells what amount to industrial staples. Genuine Parts is still prone to earnings declines during recessions but performs relatively well; this is a defensive stock for a retailer/wholesaler.

Final Thoughts & Recommendation

Overall, Genuine Parts Company looks undervalued based upon its current valuation. Given this, we are expecting total annual returns of 12.6% for the next five years. Returns could accrue from the current 3.9% yield and 7% earnings growth, as well as a small tailwind from the valuation. Given this total return outlook, we are boosting the stock from hold to buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	15,340	16,309	16,832	17,522	16,537	18,871	22,096	23,091	23,487	24,300
Gross Profit	4,600	4,906	5,520	5,860	5,655	6,634	7,740	8,291	8,524	8,403
Gross Margin	30.0%	30.1%	32.8%	33.4%	34.2%	35.2%	35.0%	35.9%	36.3%	34.6%
SG&A Exp.	3,392	3,726	4,241	4,578	4,387	5,163	5,758	6,167	6,643	7,151
D&A Exp.	147	168	228	257	273	291	348	351	408	538
Operating Profit	1,049	999	1,035	1,011	972	1,163	1,614	1,747	1,443	1,229
Op. Margin	6.8%	6.1%	6.1%	5.8%	5.9%	6.2%	7.3%	7.6%	3.8%	5.1%
Net Profit	687	617	810	621	(29)	899	1,183	1,317	904	66
Net Margin	4.5%	3.8%	4.8%	3.5%	-0.2%	4.8%	5.4%	5.7%	2.9%	0.3%
Free Cash Flow	785	658	919	614	1,866	992	1,127	923	684	421
Income Tax	387	393	245	213	216	302	390	426	272	(14)

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	8,859	12,412	12,683	14,646	13,440	14,352	16,495	17,968	19,283	20,796
Cash & Equivalents	243	315	334	277	990	715	653	1,102	480	477
Accounts Receivable	1,939	2,422	2,494	2,440	1,557	1,798	2,189	2,223	2,183	2,371
Inventories	3,210	3,771	3,609	3,444	3,506	3,890	4,442	4,677	5,514	6,072
Goodwill & Int. Ass.	1,575	3,554	3,540	3,786	3,416	3,322	4,401	4,528	4,696	5,045
Total Liabilities	5,652	8,948	9,211	10,950	10,222	10,849	12,691	13,551	14,931	16,355
Accounts Payable	3,081	3,635	3,996	3,948	4,128	4,805	5,457	5,500	5,924	6,052
Long-Term Debt	875	3,245	3,143	3,426	2,677	2,409	3,329	3,906	4,284	5,592
Shareholder's Equity	3,194	3,412	3,450	3,675	3,205	3,491	3,790	4,401	4,337	4,423
LTD/E Ratio	0.27	0.95	0.91	0.93	0.84	0.69	0.88	0.89	0.99	1.57

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.1%	5.8%	6.5%	4.5%	-0.2%	6.5%	7.7%	7.6%	4.9%	0.3%
Return on Equity	21.7%	18.7%	23.6%	17.4%	-0.8%	26.8%	32.5%	32.0%	20.6%	1.5%
ROIC	17.5%	11.4%	12.2%	9.0%	-0.4%	15.2%	18.1%	17.0%	10.7%	0.6%
Shares Out.	148	147	147	146	144	142	142	141	140	139
Revenue/Share	102.40	110.42	114.3	119.67	113.96	130.84	155.25	163.72	168.16	174.51
FCF/Share	5.24	4.46	6.24	4.19	12.86	6.88	7.92	6.54	4.90	3.02

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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