Genuine Parts Co. (GPC)

Updated August 10th, 2026, by Josh Arnold

Key Metrics

Current Price:	$136	**5 Year CAGR Estimate:**	9.0%	**Market Cap:**	$19 B
Fair Value Price:	$132	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	09/05/26[1]
% Fair Value:	103%	**5 Year Valuation Multiple Estimate:**	-0.6%	**Dividend Payment Date:**	10/02/26
Dividend Yield:	3.1%	**5 Year Price Target**	$185	**Years Of Dividend Growth:**	70
Dividend Risk Score:	A	**Sector:**	Consumer Discretionary	**Rating:**	Hold

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 10,800 locations. It has about 65,000 employees and trades with a market capitalization of $19 billion, with over $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 second quarter earnings on July 21st, 2026, and results were much better than expected on both the top and bottom lines. The company posted $2.15 in adjusted earnings-per-share, which was seven cents ahead of estimates. Revenue was up 6% year-on-year to $6.5 billion, beating estimates by $70 million. Sales were higher by 3.4% on a comparable basis, up 1.4% from forex translation, and the balance of growth from acquisitions.

Gross margin was 37.9% of revenue, while adjusted SG&A costs were 29.1% of revenue. The company noted healthcare costs were up 15% in the US and that freight and rent were both up mid-single digits, contributing to higher costs overall.

Net income was $228 million, which was off from $255 million, reflecting restructuring and separation-related costs.

Guidance was reaffirmed for the year at $7.75 in adjusted earnings-per-share at the midpoint, and we've boosted our estimate by a nickel, accordingly.

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	***$7.75***	***$10.87***
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***
Shares[2]	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] Estimated date

[2] 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	***17.5***	***17.0***
Avg. Yld.	2.8%	3.0%	3.0%	3.0%	3.5%	2.7%	2.0%	2.7%	3.4%	3.4%	***3.1%***	***2.9%***

The price-to-earnings ratio has been fairly steady in recent years under 15. The stock now trades for 17.5 times our earnings estimate for this year after a huge rally since our last update. With the price-to-earnings ratio ahead of our long-term fair value estimate at 17, we see a fractional headwind to total returns from the valuation.

Genuine Parts is famous for its dividend, as its 70 consecutive years of increases makes it a Dividend King. The current yield of 3.1% is elevated relative to historical norms.

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%***

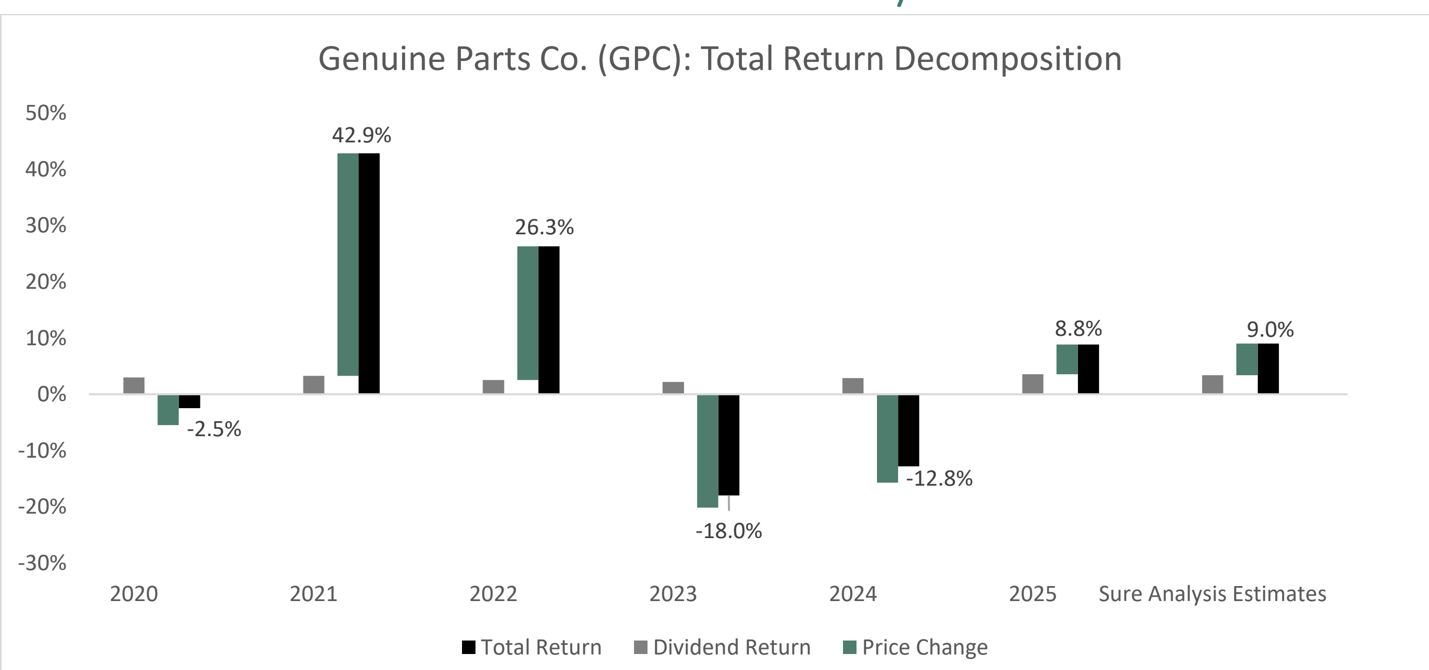
Genuine Parts' payout ratio had been quite steady between 50% and 60% of earnings for many years, and is there again today. We see the dividend rising at roughly the pace of earnings growth, keeping the payout ratio at around half of earnings in the years to come, consistent with the past decade.

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 fully valued based upon its current price. Given this, we are expecting total annual returns of 9% for the next five years. Returns could accrue from the current 3.1% yield and 7% earnings growth, as well as a small headwind from the valuation. Given this total return outlook, we're moving from buy to hold as the big rally has significantly expanded the valuation.

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.