Genuine Parts Company (NYSE: GPC)

Recommendation: **Long**

October 1st, 2025

Company Overview

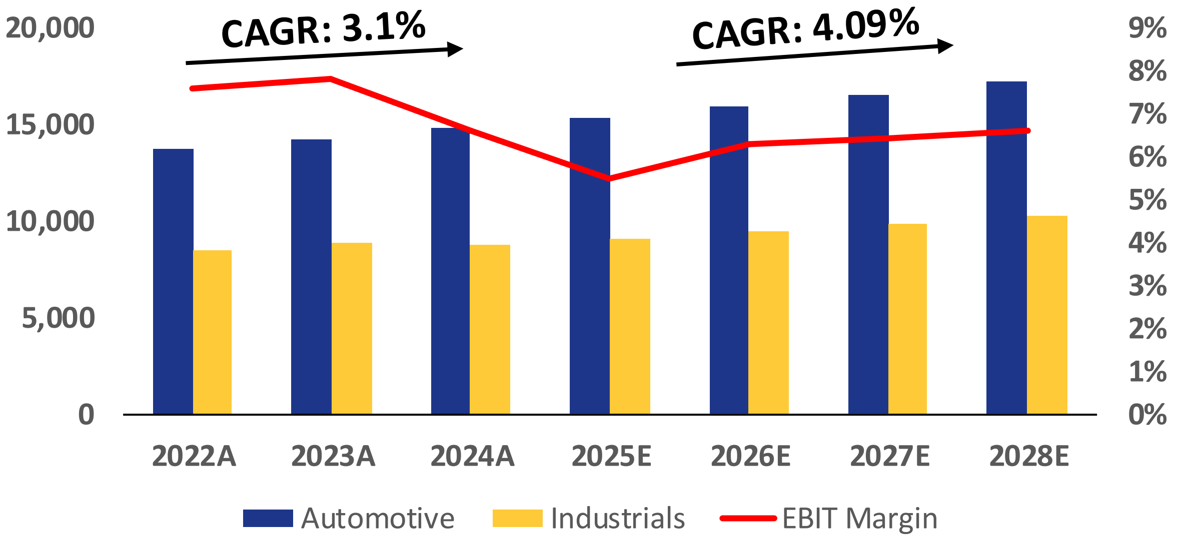
Genuine Parts Company is a leading global service provider of automotive and industrial replacement parts and value-added solutions.

- **Genuine Parts Company (NYSE: GPC)** was founded in 1928 and is headquartered in Atlanta, Georgia.
- The firm operates across two key business segments: **Automotive (63% of revenue) and Industrials (37% of revenue).**
- Its Automotive Parts Group is anchored by NAPA Auto Parts in North alongside
- Industrials Parts Group distributes replacement parts, safety products and power transmission equipment to 190k+ MRO and OEM customers.

100+ Acquisitions over 5 Years

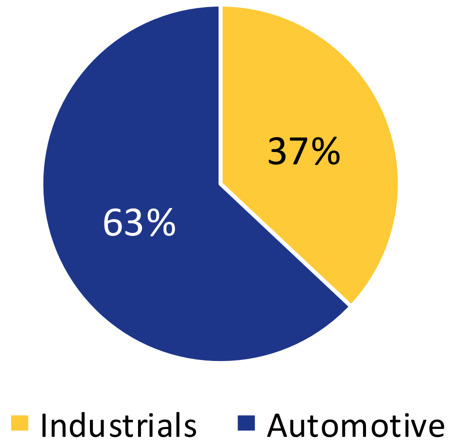
MPEC BETTER TOGETHER Walker NAPA SER HYDRAULICS

Total Revenue ($M) and EBIT Margin



Revenue Segmentation

Automotive constitutes most of the current revenue. However, the Industrial segment is a steadily growing area as demand rises for maintenance, repair, and operations (MRO) products across diversified industries.



Dividends

68 straight years of consecutives dividend increases	$4.12 per share annually	3% yield today versus peer group average 0-1%

- GPC has increased dividends for 68 years, a feat unmatched by peers like AutoZone and O'Reilly.
- GPC has a proof of durable cash flow through recurring earnings even in downside years.
- GPC combines reinvestment with direct cash returns making it a superior long-term compounder

Segment Overview: Industrials

Motion is GPC's Industrials distribution segment, contributing roughly ~37% of GPC's business model.

Segment Snapshot

- Motion is positioned to grow as **industrial reshoring, automation, and sustainability** drive demand for essential MRO and engineering services; its scale and M&AS strategy allows it to capitalize on fragmented market.
- It serves many industrial markets from **chemical manufacturing to oil and gas to mining** while mainly focusing on equipment and machinery.
- It serves as a **complement to GPC's automotive segment** – serving as passage into a sector that GPC's competitors have not tapped into.
- The **MRO demand is necessary**, as major industrial plants cannot function without bearings, hydraulics, etc. this allows for constant demand.
- Motion serves customers **worldwide**, with the strongest presence in North America and Australasia.

Key Stats

18M+
Global Parts Available for Distribution

~720
Branches and Services Centers

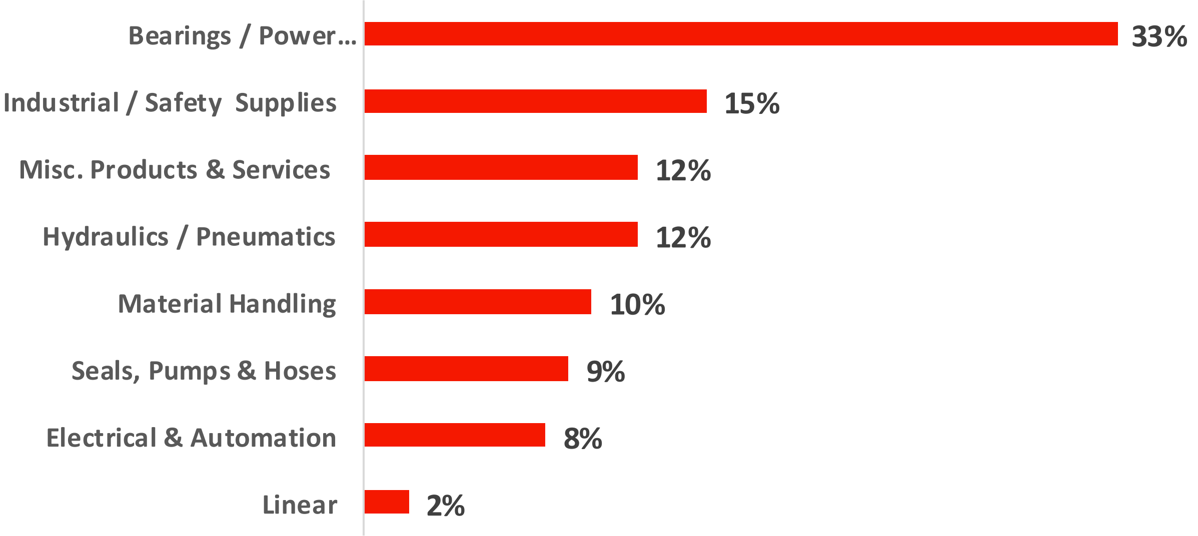
~80%
MRO/Maintenance

~20%
OEM/Value Solutions

Growth Drivers

Industrial Demand & Reshoring	U.S. industrial policy boosts domestic demand – Motion can capitalize on this
Automation Parts Expansion	Recent investment into automation and robotics maintenance services
Scale & Consolidation	Large M&A presence as of late to prepare for increase in robotics and AI parts

2024 Sales by Product Category



Segment Overview: Automotive

GPC's Automotive segment drives the business through its strong NAPA brand and diversified international footprint.

Segment Snapshot

- Supplies automotive replacement parts across **North America, Europe and Australasia** under NAPA, Alliance and Repco Brands.
- Serves both **DIFM** (professional repair shops) and **DIY** (individual car owners). DIFM is the majority focus making up 80% of revenue.
- Includes **brakes, batteries, filters, fluids, tools and specialty services**.
- Customer stickiness via NAPA AutoCare – **20,000+ global repair center partnerships** with warranties, loyalty programs and trusted brand equity.
- **Global and domestic footprint** expanded through acquisition of MPEC and Gaudi in Spain.

Key Stats

20,000+

Global Repair Center Customer Partnerships

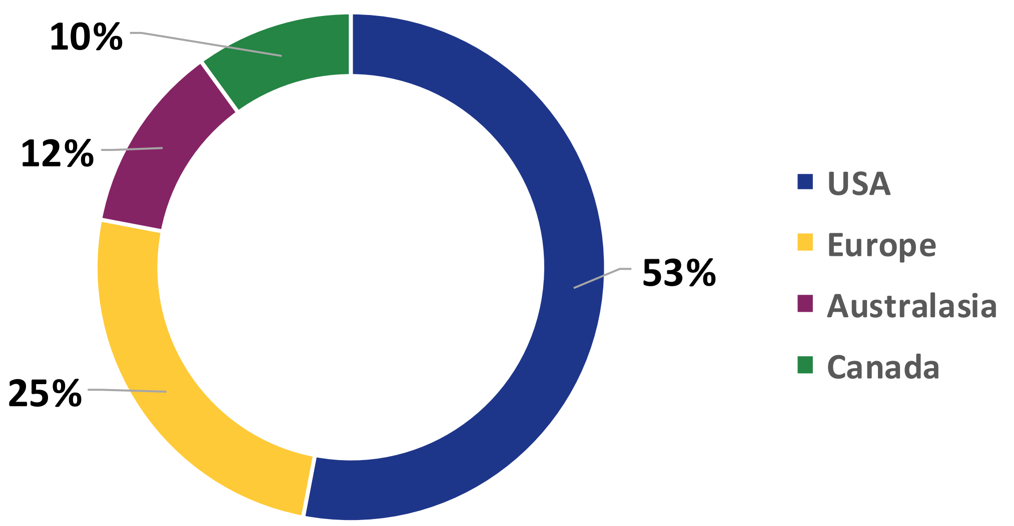
~80%

of North American sales are NAPA products

Growth Drivers

Average Vehicle Fleet: 12.8 years	Older cars require more frequent and expensive repairs
Reversion to Repairs	High payouts and salvage market saturation forcing a shift back to repair
Vehicle Complexity	Increasingly complex cars mean DIFM growing rapidly

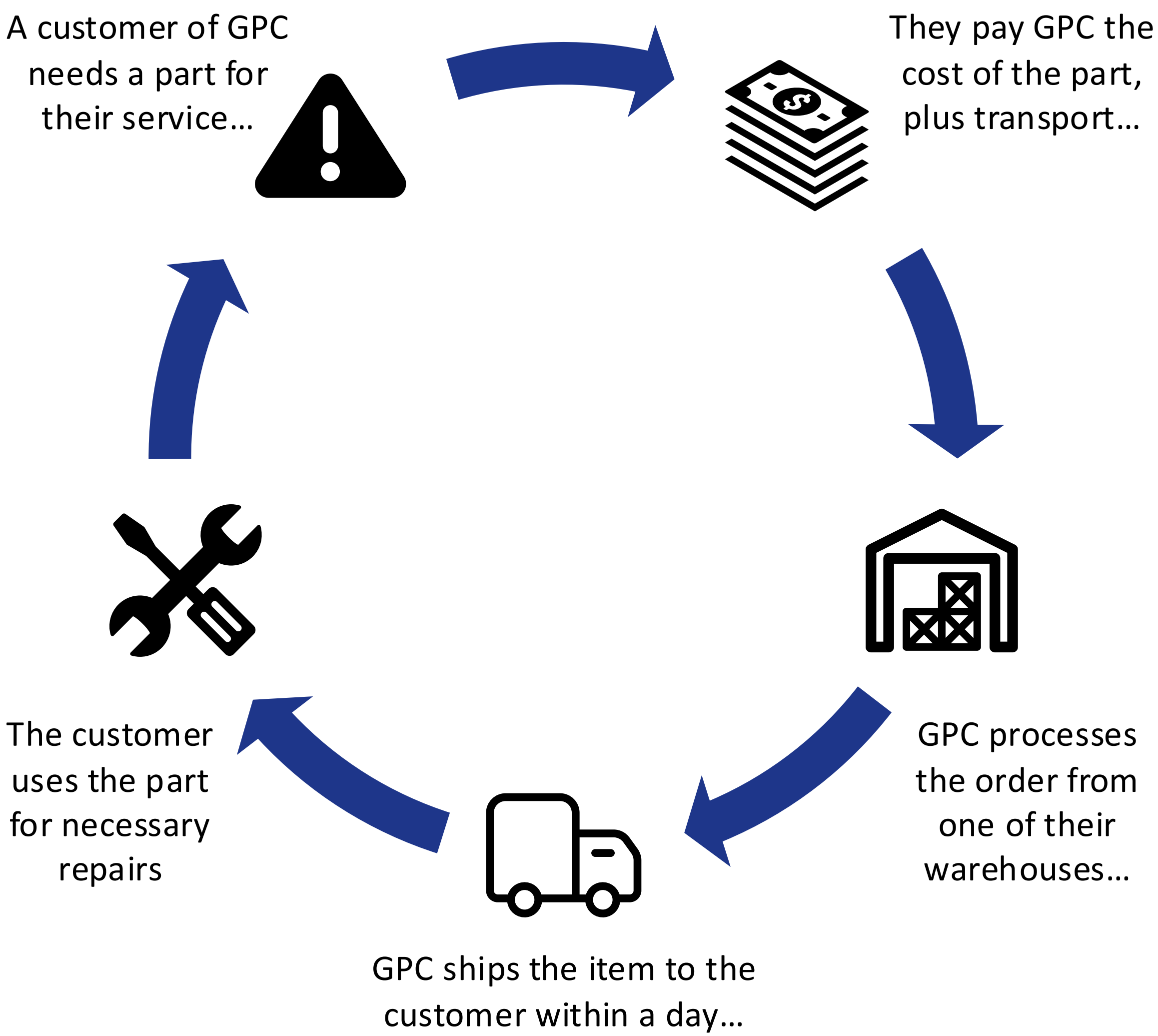
Diversification of Business – 2024 Sales by Region



Revenue Model

GPC creates recurring revenue as it supplies essential replacement parts which customers cannot wait long for nor can find anywhere else.

The Money Maker



Why GPC is Superior

1 Time to Customer

By having over **10,700 distribution centers over 17 countries**, GPC is able to get a part to consumer faster than any competitor.

2 Plethora of Products

GPC offers more parts compared to competitors due to Automotive and Industrial, allowing it to have the **greatest customer reach** with the most parts available.

3 Offers DIFM

GPC owns many **do-it-for-me** stores through their **NAPA** brand, allowing for general consumers to have GPC repair their cars for them – unmatched by competitors.

Sticky Revenue

Customers trust NAPA to offer DIFM services for their vehicles, plus the reward and loyalty programs drive retention

Why Genuine Parts Company?

Genuine Parts Company is currently being sold at a discount.

1 GPC's Scale and Services are Unparalleled

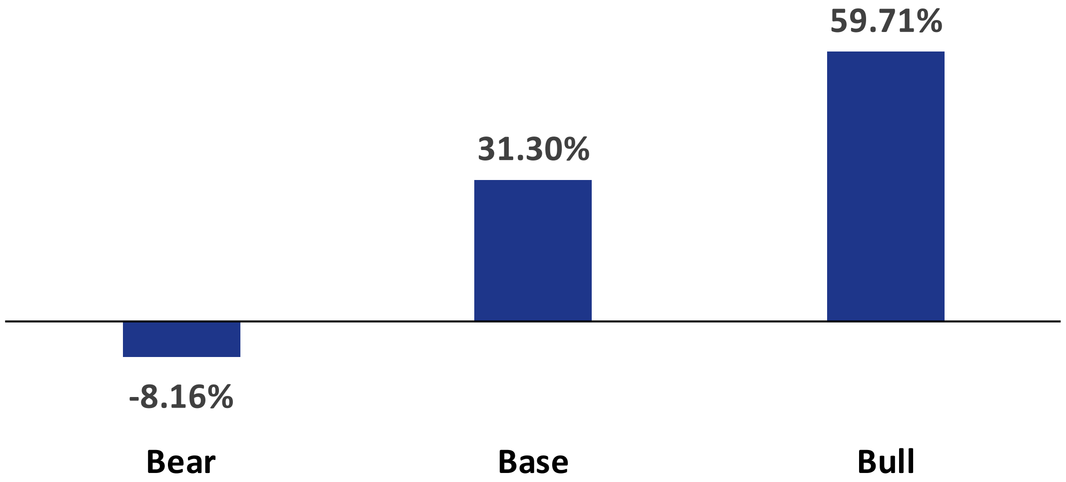
- GPC is the largest distributor of automotive aftermarket repair parts in North America and is only expanding internationally.
- They can get a product to a customer faster than any other competitor; services through DIFM model.

2 Looming Deferred Maintenance Bubble

- Car age has risen to ~13 in recent years causing there to be no need for maintenance on old cars as they were scrapped.
- As new cars enter the market, there will be pent up demand for maintenance that has been deferred due to the economy.

2 GPC is Mislabeled as a Weak Asset

- GPC trades lower than competitors but holds a stronger projection for their future through M&A and restructuring.
- In the future, GPC will be able to capitalize on this for their investors.



Recommendation: BUY
Price Target: $181.41
Upside: 31.30%
Current: $138.17

Competitive Advantage

GPC moved early and strategically which has provided the company an unmatched scale and offering when compared to competitors.

Genuine Parts Company

- 10,000+ automotive locations worldwide supported by 162 distribution centers
- 18,000+ NAPA AutoCare centers ensuring recurring professional repair demand
- 26% of revenue generated outside North America giving global diversification
- Broadest product assortment with same to 1 day delivery

Competitors

- 6000-7600 stores each with fewer distribution centers (ORLY – 31, AAP 12)
- Limited shop networks – competitors rely on retail & smaller commercial programs
- Growth driven mostly by organic store openings and buy backs
- Are more reliant on DIY customers & spend more in DIFM segment

Recent Acquisitions

Genuine Parts Company has bolstered its international business model through a series of large and small acquisitions.

MPEC | NAPA
BETTER TOGETHER

Acquired: 2024

- Largest independent NAPA store group in the US (181 stores)
- Strengthened GPC's US automotive footprint and increased margin capture

ALLIANCE AUTOMOTIVE GROUP

Acquired: 2017

- One of Europe's largest automotive aftermarket parts distributors
- Gave GPC a major foothold in Europe
- ~ $2bn deal

sparesbox

Acquired: 2019

- E-commerce specialist in Australian automotive parts space
- Complements GPC Asia Pacific's existing business model

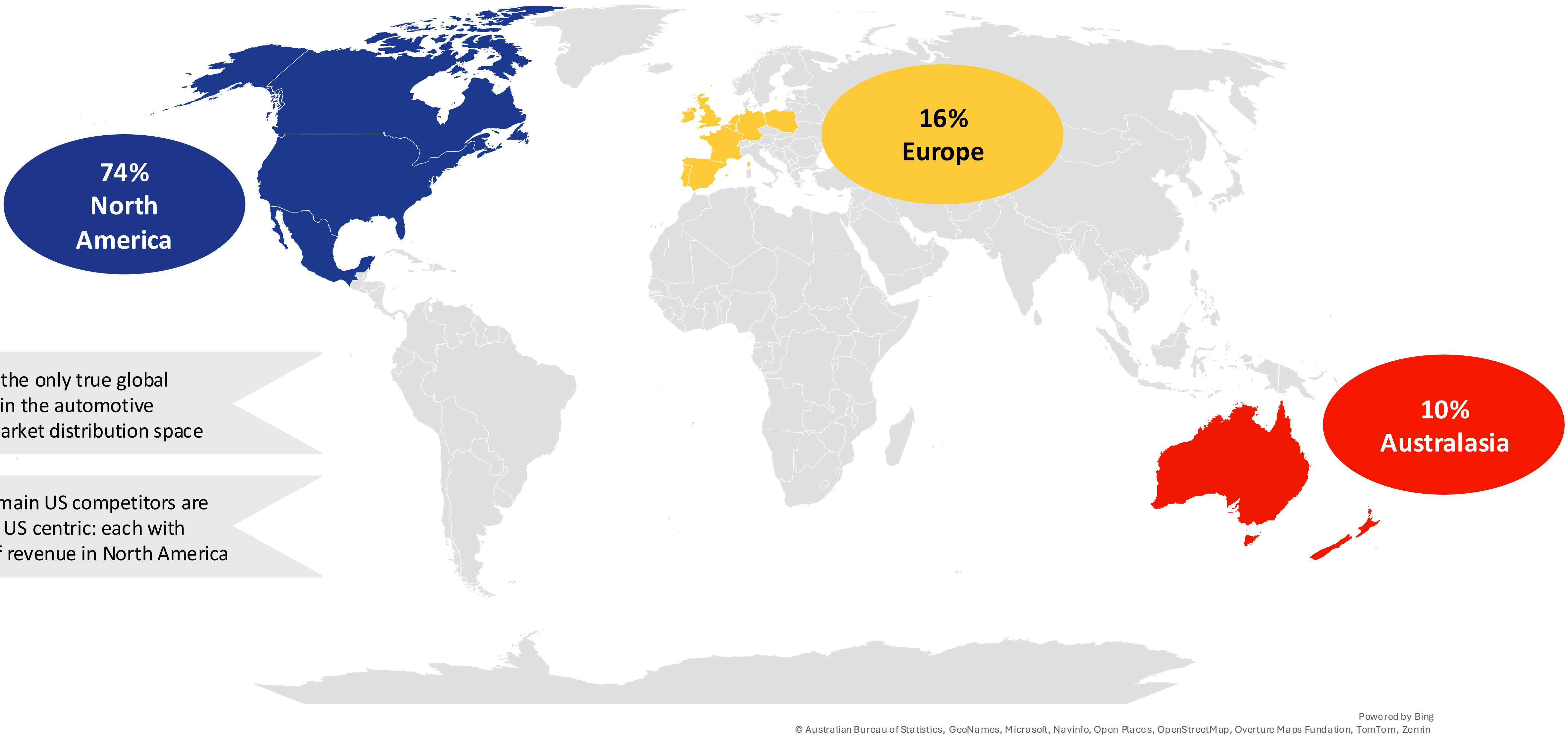
INENCO GROUP

Acquired: 2019

- A multi-stage deal to acquire a leading industrial distributor in Australia and NZ
- Strengthened Motion, another subsidiary of GPC, & diversified revenue

Global Presence

Unlike U.S.-centric competitors, GPC has built global presence, making it the world's largest auto parts distributor.



GPC is the only true global player in the automotive aftermarket distribution space

GPC's main US competitors are largely US centric: each with 90% of revenue in North America

Deferred Maintenance Bubble

The deferred maintenance bubble is the large backlog of repairs drivers have delayed due to costs, supply chain issues, and aging vehicles.

Deferred Maintenance Example

Bob was commuting to work in his car

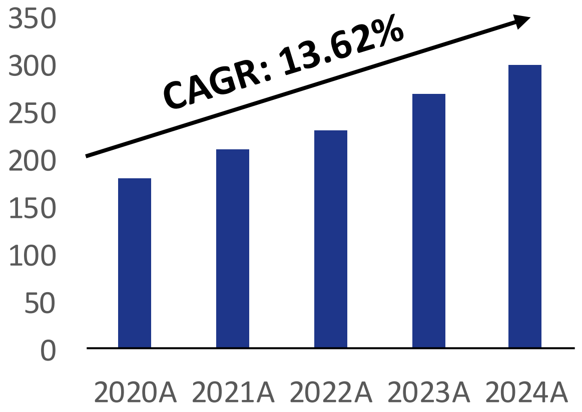
Suddenly, he gets the check engine light

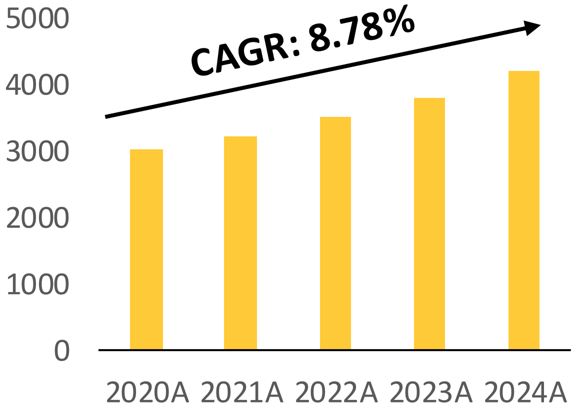
He takes it to the shop to get repairs

However, Bob doesn't have money for fixing

Downturn means Bob can't

Prices for Brakes & Transmission ($)





Prices for automotive aftermarket parts are rising higher than inflation: **5.23% L5**

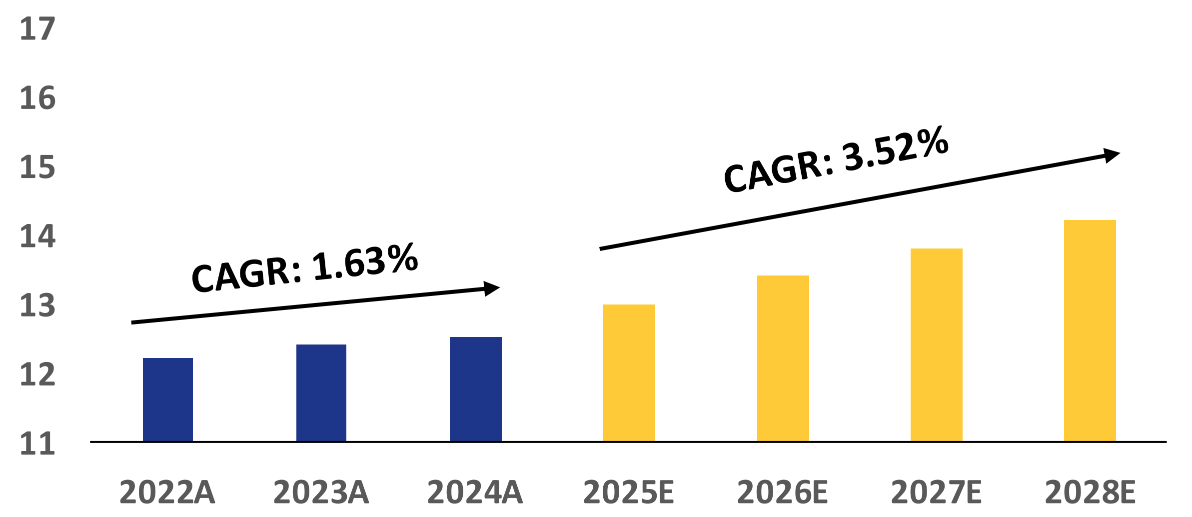
Timeline for Repairs – Every (x) Miles

30,000	**Brakes, Fuel System, Cooling System, Tires**
60,000	**Belts, Hoses, Spark Plugs, Battery**
90,000	**Timing Belt, Engine Chains, Rubber Hoses**
120,000	**Ignition Coils, Wheel Bearings, Transmission Fluid**
150,000	**Transmission (If not earlier), Often Full Overhaul**

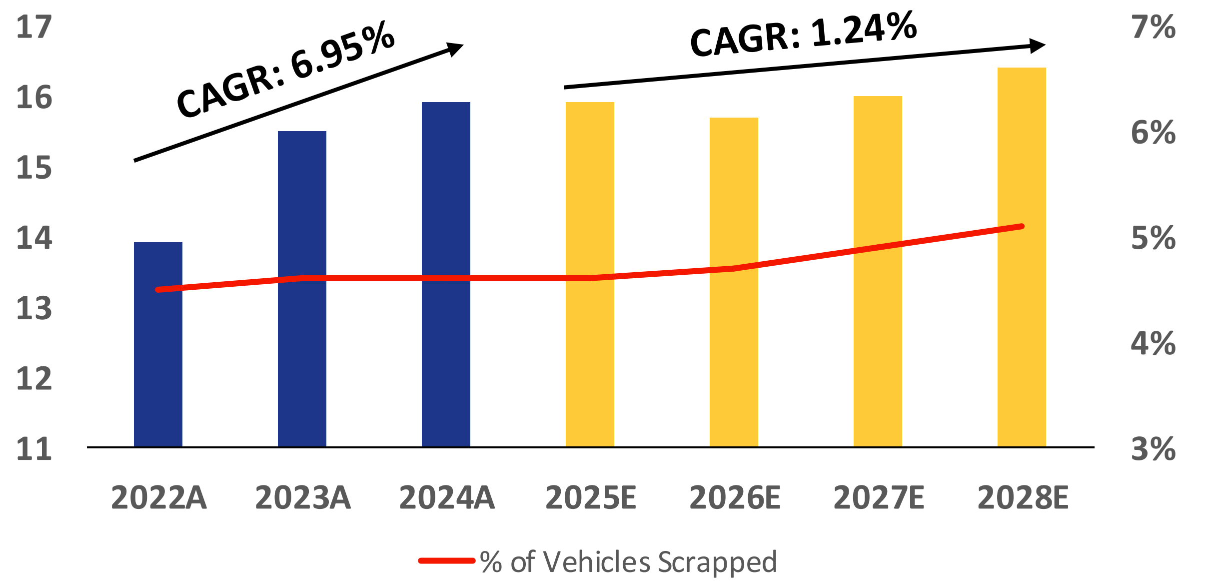
Increasing Age of Vehicle Fleet

Older cars break more often and need repairs, but due to a deferred maintenance bubble GPC is not currently reaping these profits.

Average Vehicle Fleet Age (yrs)



New Vehicles Sold (M)



What Does This Mean?

Rising Vehicle Age

Rising Vehicle Output

Rising Demand for Future Maintenance

More cars are being made each year, and with scrap rates going up there **will be a need for better repair parts, which GPC is acquiring.**

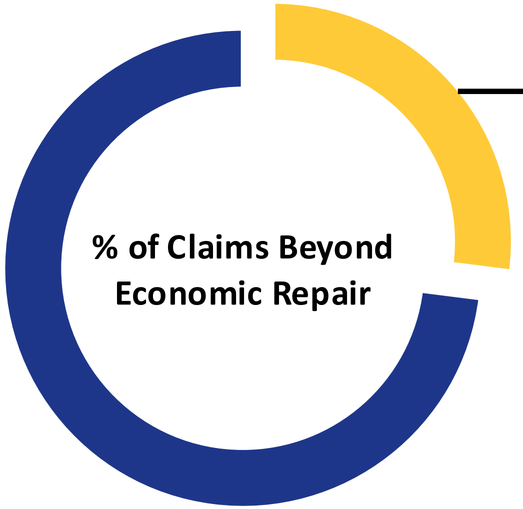
GPC will be able to **capitalize on this aspect of the market** due to their unapparelled scale and efficiency.

Due to high repair part costs, many consumers are putting off repairs which leads to a **deferred maintenance bubble.**

Vehicle Insurance

Insurers are cheap, they refuse to pay for maintenance on any old vehicle and would rather pay the Actual Cash Value (ACV) of the car.

Insurers are Cheap



- **~27% of insurance claims** last year were deemed beyond economic repair.
- Insurers often pay for the **Actual Cash Value (ACV)** than a new repair part for many old cars on the roads.
- However, if it is a newer car, insurance firms **would rather pay for a repair** than ACV.

Liability Risk

The longer insurers refuse to do maintenance, or charge costs, **the more accident-prone vehicles on the road.**

↓

The more accident-prone vehicles on the road, **the more likely for an accident causing an insurance claim.**

↓

While this benefits insurers short term, **over time it will hurt their margins, forcing them to pay for repairs.**

Can’t Go on Forever

Rising Price of Insurance Claims ~$4700 → ~70% of Vehicles Need Some Maintenance per Year → Bubble Pops

When Will it Happen?

I believe that the bubble will pop within the next 2 years due to multiple factors and historical timeline assumptions.

2014: The last major automotive boom, new vehicles **~16.9M and aftermarket success**, result of a deferred maintenance from financial crisis.

2015-19: Vehicle sales and aftermarket repair **remained steady** as people were financially comfortable again.

2020-21: **COVID-19: recessionary economy**, people do not have the money for new cars nor for repairs.

2022-25: Aftermarket **repair costs rise to combat lower demand,** but eventually people will need to make repairs.

2026-29: Vehicle age rises to ~13 (2014 was ~11) and there is a **needed demand for automotive aftermarket repair.**

Why 2026-2029?

In 2014, at its peak GPC reported record same-store sales **~$10B, 5% YoY growth**

It took **~7 years for the economy to recover** to prerecession numbers, normalizing GDP and unemployment

Economy recovered, and people had money to repair their neglected vehicles – **we will see this in this time frame**

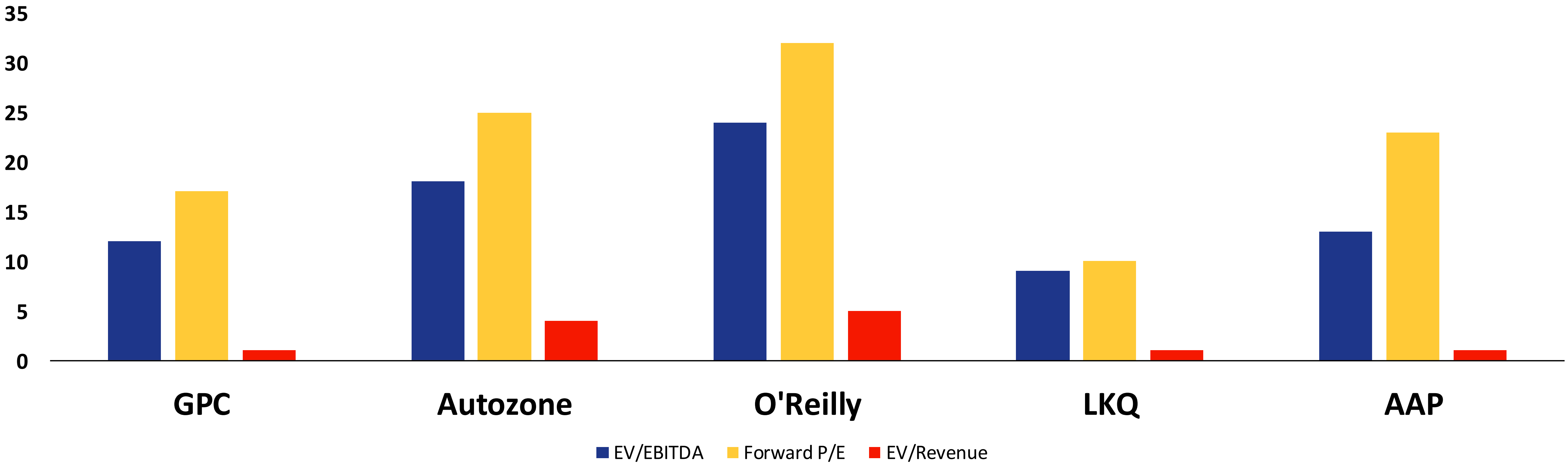
How GPC Capitalizes on the Burst

1. Expand to have strong presence: **economies of scale**
2. Have **faster delivery times** than any other distributor
3. **Strong customer loyalty** that drives consistent revenue

GPC holds all these qualities and therefore I believe it will be in **the best position to capitalize** on the benefits of the upcoming deferred maintenance burst.

Genuine Parts Company at a Discount

Genuine Parts trades at much lower multiples than competitors; equity research GPC trades at a discount of ~30% in comparison to its peers.



1

Irrational Discount

Distributors usually trade at lower multiples than retailers, but GPC's scale, pro DIFM focus and Motion segment mean it is not a commoditized distributer.

2

Comparison to LKQ

LKQ is another distributor and trades closely to GPC. The market prices GPC as only 'slightly better', & GPC is mispriced as a structurally worse asset.

3

'No Moat Distributor'

There's a 77% gap between peers and GPC. The multiple should not be this low. This conveys a market sentiment of no growth despite GPC's scale.

Financial Projections

Our projections include revenue, gross profit, and EBIT growing at a 4.2%, 4.9%, and 9.2% CAGR respectively.

1

Revenue growing over the forecast period at a **CAGR of 4.2%**, resulting in ~ $30Bn of revenue in 2030E

2

EBITDA grows at a **CAGR of 12.1%** as margins expand to ~ 10% over the forecast period; helped by the elimination of restructuring costs and a larger growth margin

3

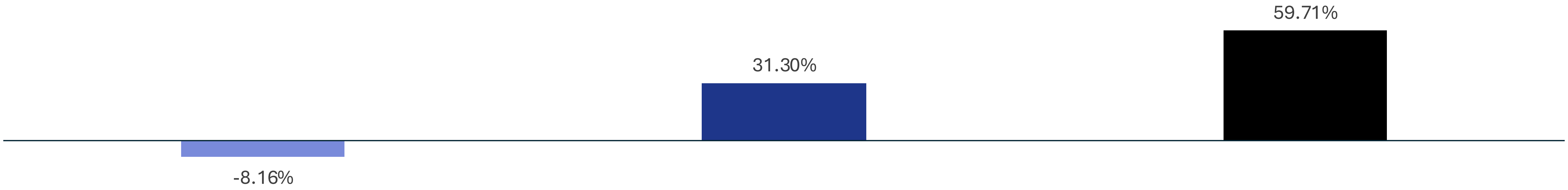
Rapidly expanding Capex as location growth and increased demand require GPC to expand their vehicle fleet

$ in millions	2025E	2026E	2027E	2028E	2029E	2030E	CAGR
Build							
Total Revenue	**24,352.19**	**25,289.48**	**26,304.08**	**27,402.22**	**28,590.77**	**29,877.36**	**4.2%**
% Growth	*3.7%*	*3.8%*	*4.0%*	*4.2%*	*4.3%*	*4.5%*	
COGS	(15,463.64)	(15,995.60)	(16,571.57)	(17,194.89)	(17,869.23)	(18,598.66)	
Gross Profit	**8,888.55**	**9,293.88**	**9,732.51**	**10,207.33**	**10,721.54**	**11,278.70**	**4.9%**
Gross Profit Margin	*36.5%*	*36.8%*	*37.0%*	*37.3%*	*37.5%*	*37.8%*	
SG&A	(6,940.37)	(7,144.28)	(7,365.14)	(7,604.12)	(7,862.46)	(8,141.58)	
Provision for Bad Debt	(24.35)	(25.29)	(26.30)	(27.40)	(28.59)	(29.88)	
RX & Other Costs	(170.47)	0.00	0.00	0.00	0.00	0.00	
EBITDA	**1,753.36**	**2,124.32**	**2,341.06**	**2,575.81**	**2,830.49**	**3,107.25**	**12.1%**
EBITDA Margin	*7.2%*	*8.4%*	*8.9%*	*9.4%*	*9.9%*	*10.4%*	
D&A	(426.16)	(531.08)	(644.45)	(767.26)	(900.61)	(1,045.71)	
EBIT	**1,327.19**	**1,593.24**	**1,696.61**	**1,808.55**	**1,929.88**	**2,061.54**	**9.2%**
EBIT Margin	*5.5%*	*6.3%*	*6.4%*	*6.6%*	*6.7%*	*6.9%*	
Tax Expense	(278.71)	(334.58)	(356.29)	(379.79)	(405.27)	(432.92)	
Effective Tax Rate	*21%*	*21%*	*21%*	*21%*	*21%*	*21%*	
NOPAT	**1,048.48**	**1,258.66**	**1,340.32**	**1,428.75**	**1,524.60**	**1,628.61**	**9.2%**
Capex	(608.80)	(758.68)	(920.64)	(1,096.09)	(1,286.58)	(1,493.87)	
Change in NWC	348.28	(80.38)	(86.66)	(93.57)	(101.15)	(109.49)	
UFCF	**1,214.12**	**950.68**	**977.47**	**1,006.36**	**1,037.48**	**1,070.97**	
Discount Period	0.13	1.13	2.13	3.13	4.13	5.13	**-2.5%**
Discount Factor	0.99	0.92	0.86	0.80	0.74	0.69	
PV of UFCF	**1,203.06**	**875.47**	**836.57**	**800.46**	**766.92**	**735.76**	

Model Assumptions

My projections include revenue, gross profit, and EBIT growing at a 4.2%, 4.9%, and 9.2% CAGR respectively.

Downside Case	Base Case	Upside Case



Downside Case	Base Case	Upside Case
Revenue CAGR of 2.2% from 2025E to 2030E	Revenue CAGR of 4.2% from 2025E to 2030E	Revenue CAGR of 5.0% from 2025E to 2030E
TEV/FWD EBITDA: 20.5x	TEV/FWD EBITDA: 14.4x	TEV/FWD EBITDA: 11.7x
2030E UFCF of ~$700M	2030E UFCF of ~$1.1Bn	2030E UFCF of ~$1.3Bn

Appendix

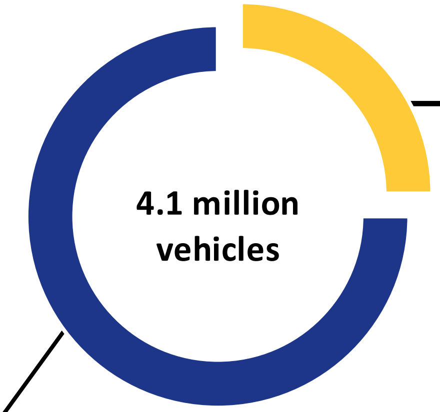
Timeline for Repairs Table - Price

Mileage (mi)	Service/Repair	Estimated Cost ($)
30,000	Air Filter/Cabin Filter/Fluid Top-off (minor)	200
60,000	Brake Pads + Rotors (per axle)	500
60,000	Brake Fluid Flush	200
60,000	Transmission Fluid & Filter	400
60,000	Coolant Flush	200
60,000	Spark Plugs (non-iridium)	300
60,000	Belts & Hoses Replacement	300
90,000	Timing Belt (if applicable)	585
90,000	Full Timing Belt + Water Pump + Tensioner	1200
120,000	Spark Plugs (iridium/coils)	500
120,000	Fuel Filter	200
120,000	Suspension/Shocks/Struts Replacement	1200
120,000	CV Joints/Boots/Axle Replacement	600
150,000	Alternator or Starter Replacement	800
150,000	Radiator/Cooling System/Thermostat	800
150,000	Drivetrain/Differential/Transfer Case Work	1000
150,000	Major HVAC/Compressor/System Repair	1500

Electric Vehicle Considerations

GPC is diversifying by expanding into EV-compatible replacement components.

EV Future Auto Market Share



By 2030, **~25% of auto sales** will consist of EVs, creating **potential headwinds for aftermarket** as they must acquire new parts.

As established market becomes smaller, **GPC needs to capitalize** on the potential **deferred maintenance bubble** due to rising vehicle age.

Headwinds

The longer insurers refuse to do maintenance, or charge costs, **the more accident-prone vehicles on the road.**

The more accident-prone vehicles on the road, **the more likely for an accident causing an insurance claim.**

While this benefits insurers short term, **over time it will hurt their margins, forcing them to pay for repairs.**

GPC's Plan of Attack

1

- **Play conservative,** double down on what GPC does well
- **Move into more industrial parts distribution:** GPC has done this in recent M&A through its subsidiary Motion
- **Move into collision repair:** the scrap rate for cars is high and will eventually fall, asking for repairs for parts like paint or windshields, not only distribute but also service for collisions
- **Win the 75% of the non-EV market**

2

- **Play aggressive,** acquire EV parts OEMs (battery and tech supply)
- **Recent acquisitions back this:** GPC announced focusing in on "emerging technology" in their current/future investments
- **They already distribute these parts** – GPC already distributes replacement parts for hybrid and electric vehicles, they are expanding via M&A and broadening parts catalog to account for this
- **Win the 25% of the EV market**

DCF Base Case Output

Terminal Value	
Perpetuity Growth Method	
2030 FCF	1,070.97
Perpetuity Growth Rate	3.0%
Terminal Value	23,107.68
PV of Terminal Value	15,848.98
PV of Projected UFCFs	5,218.24
PV of Terminal Value	15,848.98
Implied TEV	21,067.22
(-) Total Debt	6086.1
(+) Cash	479.99
Implied Equity Value	21,541.13
Diluted Shares Outstanding	139.67
Share Price	**$154.23**

Terminal Value	
Exit Multiple Method	
2030 EBITDA	3,107.25
Multiple	11x
Terminal Value	34,179.70
PV of Terminal Value	23,443.00
PV of Projected UFCFs	5,218.24
PV of Terminal Value	23,443.00
Implied TEV	28,661.24
(-) Total Debt	6086.1
(+) Cash	479.99
Implied Equity Value	29,135.15
Diluted Shares Outstanding	139.67
Share Price	**$208.60**

Blended Share Price	
Perpetuity Growth Method	$154.23
Weight	*50%*
Exit Multiple Method	$208.60
Weight	*50%*
Blended Share Price	**$181.41**
Implied Upside	**31.30%**

WACC:	**7.6%**

Downside Case Output

$ in millions	2025E	2026E	2027E	2028E	2029E	2030E	CAGR
Build							
Total Revenue	**24,117.32**	**24,725.89**	**25,309.81**	**25,866.68**	**26,394.21**	**26,890.20**	**2.2%**
% Growth	*2.7%*	*2.5%*	*2.4%*	*2.2%*	*2.0%*	*1.9%*	
COGS	(15,555.67)	(15,886.39)	(16,198.28)	(16,490.01)	(16,760.32)	(17,008.05)	
Gross Profit	**8,561.65**	**8,839.51**	**9,111.53**	**9,376.67**	**9,633.89**	**9,882.15**	**2.9%**
Gross Profit Margin	*35.5%*	*35.8%*	*36.0%*	*36.3%*	*36.5%*	*36.8%*	
SG&A	(7,114.61)	(7,232.32)	(7,339.85)	(7,436.67)	(7,522.35)	(7,596.48)	
Provision for Bad Debt	(24.12)	(24.73)	(25.31)	(25.87)	(26.39)	(26.89)	
RX & Other Costs	(192.94)	0.00	0.00	0.00	0.00	0.00	
EBITDA	**1,229.98**	**1,582.46**	**1,746.38**	**1,914.13**	**2,085.14**	**2,258.78**	**12.9%**
EBITDA Margin	*5.1%*	*6.4%*	*6.9%*	*7.4%*	*7.9%*	*8.4%*	
D&A	(340.05)	(435.79)	(535.30)	(638.26)	(744.32)	(853.09)	
EBIT	**889.93**	**1,146.66**	**1,211.07**	**1,275.87**	**1,340.83**	**1,405.69**	**9.6%**
EBIT Margin	*3.7%*	*4.6%*	*4.8%*	*4.9%*	*5.1%*	*5.2%*	
Tax Expense	(186.89)	(240.80)	(254.33)	(267.93)	(281.57)	(295.19)	
Effective Tax Rate	*21%*	*21%*	*21%*	*21%*	*21%*	*21%*	
NOPAT	**703.04**	**905.86**	**956.75**	**1,007.94**	**1,059.25**	**1,110.49**	**9.6%**
Capex	(482.35)	(618.15)	(759.29)	(905.33)	(1,055.77)	(1,210.06)	
Change in NWC	371.67	(63.92)	(64.14)	(64.11)	(63.83)	(63.29)	
UFCF	**932.42**	**659.59**	**668.62**	**676.76**	**683.97**	**690.23**	**-5.8%**
Discount Period	0.13	1.13	2.13	3.13	4.13	5.13	
Discount Factor	0.99	0.92	0.86	0.80	0.74	0.69	
PV of UFCF	**923.92**	**607.41**	**572.24**	**538.29**	**505.61**	**474.20**	

Terminal Value	
Perpetuity Growth Method	
2030 FCF	690.23
Perpetuity Growth Rate	3.0%
Terminal Value	14,892.80
PV of Terminal Value	10,214.60
PV of Projected UFCFs	3,621.67
PV of Terminal Value	10,214.60
Implied TEV	13,836.27
(-) Total Debt	6086.1
(+) Cash	479.99
Implied Equity Value	14,310.17
DSO	139.67
Share Price	**$102.46**

Terminal Value	
Exit Multiple Method	
2030 EBITDA	2,258.78
Multiple	11x
Terminal Value	24,846.55
PV of Terminal Value	17,041.62
PV of Projected UFCFs	3,621.67
PV of Terminal Value	17,041.62
Implied TEV	20,663.29
(-) Total Debt	6086.1
(+) Cash	479.99
Implied Equity Value	21,137.20
DSO	139.67
Share Price	**$151.34**

Blended Share Price	
PGM	$102.46
Weight	*50%*
Exit Multiple Method	$151.34
Weight	*50%*
Blended Share Price	**$126.90**
Implied Upside	**-8.16%**

WACC:	**7.6%**

Upside Case Output

$ in millions	2025E	2026E	2027E	2028E	2029E	2030E	CAGR
Build							
Total Revenue	**24,543.46**	**25,687.90**	**26,927.55**	**28,270.92**	**29,727.46**	**31,307.63**	**5.0%**
% Growth	*4.5%*	*4.7%*	*4.8%*	*5.0%*	*5.2%*	*5.3%*	
COGS	(15,339.67)	(15,990.72)	(16,695.08)	(17,457.29)	(18,282.39)	(19,175.92)	
Gross Profit	**9,203.80**	**9,697.18**	**10,232.47**	**10,813.63**	**11,445.07**	**12,131.71**	**5.7%**
Gross Profit Margin	*37.5%*	*37.8%*	*38.0%*	*38.3%*	*38.5%*	*38.8%*	
SG&A	(6,872.17)	(7,128.39)	(7,405.08)	(7,703.83)	(8,026.41)	(8,374.79)	
Provision for Bad Debt	(24.54)	(25.69)	(26.93)	(28.27)	(29.73)	(31.31)	
RX & Other Costs	(147.26)	0.00	0.00	0.00	0.00	0.00	
EBITDA	**2,159.82**	**2,543.10**	**2,800.46**	**3,081.53**	**3,388.93**	**3,725.61**	**11.5%**
EBITDA Margin	*8.8%*	*9.9%*	*10.4%*	*10.9%*	*11.4%*	*11.9%*	
D&A	(511.73)	(624.86)	(748.59)	(884.17)	(1,033.03)	(1,196.73)	
EBIT	**1,648.09**	**1,918.24**	**2,051.88**	**2,197.36**	**2,355.90**	**2,528.87**	**8.9%**
EBIT Margin	*6.7%*	*7.5%*	*7.6%*	*7.8%*	*7.9%*	*8.1%*	
Tax Expense	(346.10)	(402.83)	(430.89)	(461.45)	(494.74)	(531.06)	
Effective Tax Rate	*21%*	*21%*	*21%*	*21%*	*21%*	*21%*	
NOPAT	**1,301.99**	**1,515.41**	**1,620.98**	**1,735.91**	**1,861.16**	**1,997.81**	**8.9%**
Capex	(736.30)	(899.08)	(1,077.10)	(1,272.19)	(1,486.37)	(1,721.92)	
Change in NWC	326.78	(90.98)	(98.75)	(107.32)	(116.78)	(127.24)	
UFCF	**1,404.20**	**1,150.21**	**1,193.72**	**1,240.57**	**1,291.03**	**1,345.39**	**-0.9%**
Discount Period	0.13	1.13	2.13	3.13	4.13	5.13	
Discount Factor	0.99	0.92	0.86	0.80	0.74	0.69	
PV of UFCF	**1,391.40**	**1,059.23**	**1,021.64**	**986.75**	**954.36**	**924.29**	

Terminal Value	
Perpetuity Growth Method	
2030 FCF	1,345.39
Perpetuity Growth Rate	3.0%
Terminal Value	29,028.74
PV of Terminal Value	19,910.08
PV of Projected UFCFs	6,337.68
PV of Terminal Value	19,910.08
Implied TEV	26,247.76
(-) Total Debt	6086.1
(+) Cash	479.99
Implied Equity Value	26,721.67
DSO	139.67
Share Price	**$191.32**

Terminal Value	
Exit Multiple Method	
2030 EBITDA	3,725.61
Multiple	11x
Terminal Value	40,981.69
PV of Terminal Value	28,108.31
PV of Projected UFCFs	6,337.68
PV of Terminal Value	28,108.31
Implied TEV	34,445.99
(-) Total Debt	6086.1
(+) Cash	479.99
Implied Equity Value	34,919.90
DSO	139.67
Share Price	**$250.02**

Blended Share Price	
PGM	$191.32
Weight	*50%*
Exit Multiple Method	$250.02
Weight	*50%*
Blended Share Price	**$220.67**
Implied Upside	**59.71%**

WACC:	**7.6%**

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