UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 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: 000-00255

GRAYBAR ELECTRIC COMPANY, INC.
(Exact name of registrant as specified in its charter)

New York	**13-0794380**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
34 North Meramec Avenue, St. Louis, Missouri	**63105**
(Address of principal executive offices)	*(Zip Code)*

(314) 573 - 9200
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

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 and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for 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 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

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 ☒

Common Stock Outstanding at October 15, 2024: 32,113,992
(Number of Shares)

Graybar Electric Company, Inc. and Subsidiaries
Quarterly Report on Form 10-Q
For the Period Ended September 30, 2024
(Unaudited)

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	(Unaudited)			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(Stated in millions, except per share data)	**2024**	2023	**2024**	2023
Net Sales	**$ 2,979.5**	$ 2,852.6	**$ 8,717.5**	$ 8,317.3
Cost of merchandise sold	**(2,382.3)**	(2,283.7)	**(6,986.5)**	(6,640.6)
Gross Margin	**597.2**	568.9	**1,731.0**	1,676.7
Selling, general and administrative expenses	**(426.8)**	(389.6)	**(1,235.8)**	(1,126.9)
Depreciation and amortization	**(20.2)**	(18.0)	**(59.9)**	(47.6)
Other income, net	**1.1**	1.6	**8.7**	3.5
Income from Operations	**151.3**	162.9	**444.0**	505.7
Non-operating expenses, net	**(0.8)**	(2.7)	**(2.9)**	(8.6)
Income before Provision for Income Taxes	**150.5**	160.2	**441.1**	497.1
Provision for income taxes	**(40.0)**	(42.1)	**(114.5)**	(129.6)
Net Income	**110.5**	118.1	**326.6**	367.5
Net income attributable to noncontrolling interests	**(0.3)**	(0.4)	**(0.8)**	(0.8)
Net Income attributable to Graybar Electric Company, Inc.	**$ 110.2**	$ 117.7	**$ 325.8**	$ 366.7
Net Income attributable to Graybar Electric Company, Inc. per share of Common Stock[A]	**$ 3.42**	$ 3.67	**$ 10.08**	$ 11.40
Cash Dividends per share of Common Stock	**$ 0.30**	$ 0.30	**$ 0.90**	$ 0.90
Average Common Shares Outstanding[A]	**32.2**	32.1	**32.3**	32.2

[A]Adjusted for the declaration of a 20% stock dividend in 2023, shares related to which were issued in February 2024. Prior to the adjustment, the average common shares outstanding were 26.7 million and 26.8 million for the three and nine months ended September 30, 2023.

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	(Unaudited)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(Stated in millions)	**2024**	2023	**2024**	2023
Net Income	**$ 110.5**	$ 118.1	**$ 326.6**	$ 367.5
Other Comprehensive Income (Loss)				
Foreign currency translation	**2.4**	(4.4)	**(3.5)**	(0.7)
Pension and postretirement benefits liability adjustments (net of tax of $(0.5), $(—), $(1.5) and $(0.2) respectively)	**1.4**	0.3	**4.2**	0.7
Total Other Comprehensive Income (Loss)	**3.8**	(4.1)	**0.7**	—
Comprehensive Income	**$ 114.3**	$ 114.0	**$ 327.3**	$ 367.5
Less: Comprehensive income attributable to noncontrolling interests, net of tax	**0.4**	0.1	**0.8**	0.6
Comprehensive Income attributable to Graybar Electric Company, Inc.	**$ 113.9**	$ 113.9	**$ 326.5**	$ 366.9

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS

(Stated in millions, except share and per share data)		**September 30, 2024**		December 31, 2023
ASSETS		(Unaudited)		
Current Assets				
Cash and cash equivalents	**$**	**202.4**	$	98.6
Trade receivables (less allowances of $13.7 and $13.6, respectively)		**1,813.4**		1,657.3
Merchandise inventory		**893.2**		908.4
Other current assets		**102.3**		79.6
Total Current Assets		**3,011.3**		2,743.9
Property, at cost				
Land		**96.0**		97.4
Buildings		**585.8**		598.7
Furniture and fixtures		**335.6**		310.3
Software		**161.1**		158.7
Finance leases		**7.2**		13.4
Total Property, at cost		**1,185.7**		1,178.5
Accumulated depreciation and amortization		**(700.2)**		(678.6)
Net Property		**485.5**		499.9
Operating Lease Right-of-use Assets		**222.2**		219.2
Goodwill		**230.9**		179.0
Intangible Assets (less accumulated amortization of $55.8 and $38.0, respectively)		**319.1**		261.9
Other Non-current Assets		**130.2**		102.2
Total Assets	**$**	**4,399.2**	$	4,006.1
LIABILITIES				
Current Liabilities				
Trade accounts payable		**1,376.4**		1,255.3
Accrued payroll and benefit costs		**173.4**		192.1
Current operating lease liabilities		**54.8**		51.9
Other current liabilities		**234.1**		224.0
Total Current Liabilities		**1,838.7**		1,723.3
Postretirement Benefits Liability		**56.2**		55.9
Pension Liability		**83.2**		107.3
Non-current Operating Lease Liabilities		**184.6**		183.4
Other Non-current Liabilities		**46.7**		47.9
Total Liabilities		**2,209.4**		2,117.8
SHAREHOLDERS' EQUITY				

	Shares at					
Capital Stock	**September 30, 2024**	December 31, 2023				
Common, stated value $20.00 per share						
Authorized	**50,000,000**	50,000,000				
Issued to voting trustees	**27,539,105**	26,614,542				
Issued to shareholders	**5,675,278**	5,518,543				
In treasury, at cost	**(1,028,114)**	(69,174)				
Outstanding Common Stock	**32,186,269**	32,063,911		**643.7**		641.3
Advance Payments on Subscriptions to Common Stock				**1.4**		—
Retained Earnings				**1,713.8**		1,417.1
Accumulated Other Comprehensive Loss				**(177.2)**		(177.9)
Total Graybar Electric Company, Inc. Shareholders' Equity				**2,181.7**		1,880.5
Noncontrolling Interests				**8.1**		7.8
Total Shareholders' Equity				**2,189.8**		1,888.3
Total Liabilities and Shareholders' Equity			**$**	**4,399.2**	$	4,006.1

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	(Unaudited) Nine Months Ended September 30,	
(Stated in millions)	**2024**	2023
Cash Flows from Operating Activities		
Net Income	**$ 326.6**	$ 367.5
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	**59.9**	47.6
Non-cash operating lease expense	**44.5**	36.8
Deferred income taxes	**15.2**	22.5
Net gain on disposal of property	**(6.2)**	(0.5)
Losses on impairment of assets	**—**	0.4
Earnings on investment in employee deferred compensation trust	**(1.0)**	(0.5)
Net income attributable to noncontrolling interests	**(0.8)**	(0.8)
Changes in assets and liabilities:		
Trade receivables	**(133.4)**	(10.1)
Merchandise inventory	**26.7**	162.9
Other current assets	**(22.6)**	1.7
Other non-current assets	**(44.8)**	(1.1)
Trade accounts payable	**112.1**	(27.2)
Accrued payroll and benefit costs	**(19.3)**	(57.4)
Other current liabilities	**9.8**	(5.6)
Non-current liabilities	**(62.5)**	(119.7)
Total adjustments to net income	**(22.4)**	49.0
Net cash provided by operating activities	**304.2**	416.5
Cash Flows from Investing Activities		
Proceeds from disposal of property	**13.7**	0.8
Capital expenditures for property	**(37.9)**	(58.7)
Amounts attributable to acquisitions	**(146.3)**	(380.2)
Investment in employee deferred compensation trust	**(0.6)**	(25.0)
Net cash used by investing activities	**(171.1)**	(463.1)
Cash Flows from Financing Activities		
Net increase in short-term borrowings	**—**	70.4
Principal payments under finance arrangements	**(1.2)**	(1.3)
Sales of common stock	**23.0**	20.3
Purchases of common stock	**(19.2)**	(16.0)
Sales of noncontrolling interests' common stock	**—**	1.5
Purchases of noncontrolling interests' common stock	**(0.5)**	(0.2)
Dividends paid	**(29.1)**	(24.2)
Contingent consideration paid	**(2.3)**	—
Net cash (used) provided by financing activities	**(29.3)**	50.5
Net Increase in Cash	**103.8**	3.9
Cash, Beginning of Year	**98.6**	69.4
Cash, End of Period	**$ 202.4**	$ 73.3

Non-cash Investing and Financing Activities		
Acquisitions of equipment under finance leases	**$ —**	$ 0.5
Acquisitions of assets under operating leases	**$ 47.3**	$ 53.2

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, stated in millions)

	Graybar Electric Company, Inc. Shareholders' Equity					
	Common Stock	**Common Stock Subscribed, Unissued**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Noncontrolling Interests**	**Total Shareholders' Equity**
December 31, 2023	$ 641.3	$ —	$ 1,417.1	$ (177.9)	$ 7.8	$ 1,888.3
Net income			105.2		0.3	105.5
Other comprehensive loss				(2.9)	(0.1)	(3.0)
Stock issued	13.5					13.5
Stock purchased	(5.4)				(0.2)	(5.6)
Advance payments		0.7				0.7
Dividends declared			(9.7)			(9.7)
March 31, 2024	$ 649.4	$ 0.7	$ 1,512.6	$ (180.8)	$ 7.8	$ 1,989.7
Net income			110.4		0.2	110.6
Other comprehensive loss				(0.1)		(0.1)
Stock issued	4.1					4.1
Stock purchased	(8.3)				(0.3)	(8.6)
Advance payments		0.7				0.7
Dividends declared			(9.7)			(9.7)
June 30, 2024	$ 645.2	$ 1.4	$ 1,613.3	$ (180.9)	$ 7.7	$ 2,086.7
Net income			110.2		0.3	110.5
Other comprehensive income				3.7	0.1	3.8
Stock issued	4.0					4.0
Stock purchased	(5.5)					(5.5)
Dividends declared			(9.7)			(9.7)
September 30, 2024	$ 643.7	$ 1.4	$ 1,713.8	$ (177.2)	$ 8.1	$ 2,189.8

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, stated in millions)

	Graybar Electric Company, Inc. Shareholders' Equity					
	Common Stock	Common Stock Subscribed, Unissued	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Shareholders' Equity
December 31, 2022	$ 531.8	$ —	$ 1,141.0	$ (152.8)	$ 5.6	$ 1,525.6
Net income			124.8		0.2	125.0
Other comprehensive income				0.3		0.3
Stock issued	11.6					11.6
Stock purchased	(5.4)				(0.2)	(5.6)
Advance payments		1.2				1.2
Dividends declared			(8.0)			(8.0)
March 31, 2023	$ 538.0	$ 1.2	$ 1,257.8	$ (152.5)	$ 5.6	$ 1,650.1
Net income			124.2		0.2	124.4
Other comprehensive income				3.7	0.1	3.8
Stock issued	4.1					4.1
Stock purchased	(6.1)					(6.1)
Dividends declared			(8.1)			(8.1)
June 30, 2023	$ 536.0	$ 1.2	$ 1,373.9	$ (148.8)	$ 5.9	$ 1,768.2
Net income			117.7		0.4	118.1
Other comprehensive loss				(3.8)	(0.3)	(4.1)
Stock issued	3.5				1.5	5.0
Stock purchased	(4.5)					(4.5)
Advance payments		(0.1)				(0.1)
Dividends declared			(8.1)			(8.1)
September 30, 2023	$ 535.0	$ 1.1	$ 1,483.5	$ (152.6)	$ 7.5	$ 1,874.5

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of the Condensed Consolidated Financial Statements.

Graybar Electric Company, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Stated in millions, except share and per share data)
(Unaudited)

1. DESCRIPTION OF THE BUSINESS

Graybar Electric Company, Inc. (“Graybar”, “Company”, "we", "our", or "us") is a New York corporation, incorporated in 1925. We are engaged in the distribution of electrical and communications and data networking products and are a provider of related supply chain management and logistics services. We primarily serve customers in the construction, commercial, institutional and government ("CIG"), and industrial & utility vertical markets, with products and services that support new construction, infrastructure updates, building renovation, facility maintenance, repair and operations ("MRO"), and original equipment manufacturers ("OEM"). In our primary role as third-party wholesale distributor, we neither manufacture nor contract to manufacture the products that we sell; however, one of our subsidiaries may contract to manufacture some of its private label lighting fixtures. Our business activity is primarily based in the United States (“U.S.”). We also have subsidiary operations with distribution facilities in Canada and Puerto Rico.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our accounting policies conform to generally accepted accounting principles in the U.S. ("GAAP”) and are applied on a consistent basis among all years presented. The full summary of our significant accounting policies is included in our latest Annual Report on Form 10-K for the year ended December 31, 2023.

Basis of Presentation

The unaudited condensed consolidated financial statements included herein have been prepared by Graybar pursuant to the rules and regulations of the U.S. Securities and Exchange Commission applicable to interim financial reporting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although we believe that our disclosures are adequate to make the information presented not misleading. The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect reported amounts. Our condensed consolidated financial statements include amounts that are based on management’s best estimates and judgments. Actual results could differ from those estimates. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2023, included in our latest Annual Report on Form 10-K.

In the opinion of management, this quarterly report includes all adjustments, consisting of normal recurring accruals and adjustments, necessary for the fair presentation of the condensed consolidated financial statements presented. Results for interim periods are not necessarily indicative of results to be expected for the full year.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Graybar and our subsidiary companies. All material intercompany balances and transactions have been eliminated. The ownership interests that are held by owners other than the Company are in subsidiaries owned by the Company and are accounted for and reported as noncontrolling interests.

Reclassifications

Certain reclassifications have been made to prior year's financial information to conform to the September 30, 2024 presentation. These changes consisted of aggregating current portion of long-term debt and other accrued taxes with other current liabilities, and aggregating long-term debt with other non-current liabilities within the December 31, 2023 consolidated balance sheet. The reclassifications had no effect on total assets or liabilities as of December 31, 2023.

New Accounting Standards

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU" or "Update") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which requires public entities to provide enhanced disclosures of significant segment expenses and other segment items. Public entities with a single reportable segment must provide all the disclosures required by Topic 280, including the significant segment expense disclosures. The guidance requires public entities to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The guidance applies to all public entities and is effective for fiscal years beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. The guidance shall be applied retrospectively to all periods presented in the financial statements. We are currently evaluating the impact of adopting the Update to our required disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" which is intended to enhance the transparency and decision usefulness of annual income tax disclosures. The guidance addresses investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. Unless we choose to adopt these provisions early, the guidance is effective for annual periods beginning after December 15, 2024 and shall be applied on a prospective basis. We are currently evaluating the impact of this Update on our consolidated financial statements and expect expansion of our income tax footnote disclosures.

3. REVENUE

The following table summarizes the percentages of our net sales attributable to each of our vertical markets for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2024	2023	**2024**	2023
Construction	**60.0 %**	59.4 %	**59.8 %**	57.8 %
CIG	**21.9**	22.7	**22.4**	24.1
Industrial & Utility	**18.1**	17.9	**17.8**	18.1
Total net sales	**100.0 %**	100.0 %	**100.0 %**	100.0 %

Certain reclassifications have been made to the vertical market assigned to customers in the prior year's information to conform to the September 30, 2024 presentation.

We had no material contract assets, contract liabilities, or deferred contract costs recorded on the condensed consolidated balance sheet as of September 30, 2024 and December 31, 2023. In addition, for the three and nine months ended September 30, 2024 and 2023, revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period was not material.

4. INCOME TAXES

Our total provision for income taxes was $40.0 million and $114.5 million for the three and nine months ended September 30, 2024, respectively. We record our income tax provision using a full-year forecasted methodology, including discrete items in the period in which they occur. Our year-to-date effective tax rate was 26.0% for the nine months ended September 30, 2024 compared to 26.1% for the nine months ended September 30, 2023.

In 2021, the Organization for Economic Cooperation and Development ("OECD") introduced a framework, referred to as Pillar Two, creating a 15% global minimum effective tax rate for large multinational corporations. Effective January 1, 2024, Pillar Two legislation was enacted or substantively enacted in certain jurisdictions. The Company reviewed the Pillar Two effective rates in all jurisdictions in which the Company operates and confirmed that these rates were all above 15%. Consequently, the Company has concluded that there will be no "top-up" tax liability for 2024.

Our federal income tax returns for the tax years 2021 and forward are available for examination by the U.S. Internal Revenue Service ("IRS"). The statute of limitations for the 2020 federal return expired on October 15, 2024. Our state income tax returns for 2019 through 2023 remain subject to examination by various state authorities with the latest period closing on December 31, 2028. We have not extended the statutes of limitations in any state jurisdictions with respect to years prior to 2019.

5. DEBT

Revolving Credit Facility

At December 31, 2023, we, along with Graybar Canada Limited, our Canadian operating subsidiary ("Graybar Canada"), had an unsecured, five-year, $750.0 million committed revolving credit agreement maturing in August 2026 with Bank of America, N.A. and the other lenders named therein (the "Credit Agreement"), which included a combined letter of credit sub-facility of up to $25.0 million, a U.S. swing-line loan facility of up to $75.0 million, and a Canadian swing-line loan facility of up to $20.0 million. The Credit Agreement included a $100.0 million sublimit (in U.S. or Canadian dollars) available for borrowings by Graybar Canada. Our borrowing availability under the facility is reduced by the amount of borrowings by Graybar Canada, but we may use the sublimit amount to increase our borrowings, to the extent available. If we were to use available borrowings under the Credit Agreement that included the sublimit amount, then Graybar Canada's available capacity would be reduced by our use of such amount. The Credit Agreement contained an accordion feature, which allowed us to request increases in the aggregate borrowing commitments of up to $375.0 million.

On June 26, 2024, we, along with Graybar Canada, amended the Credit Agreement, pursuant to the terms and conditions of a CDOR transition amendment (the "CDOR Amendment"), by and among Graybar, as parent borrower, Graybar Canada Limited, as a borrower, the lenders party thereto, Bank of America, N.A. as Domestic Administrative Agent, Domestic Swing Line Lender and Domestic L/C Issuer and Bank of America, N.A., acting through its Canada Branch, as Canadian Administrative Agent, Canadian Swing Line Lender and Canadian L/C Issuer.

The CDOR Amendment amended the Credit Agreement to, among other things, change the interest rate under the Credit Agreement for borrowings denominated in Canadian Dollars from a CDOR-based rate to a rate based on Canadian Overnight Repo Rate Average (CORRA), subject to the adjustments specified in the Credit Agreement. Our borrowing availability remains unchanged under the revised Credit Agreement (the "Amended Credit Agreement").

Interest on our borrowings under the Amended Credit Agreement will be based on, at the borrower's election, either (A) (i) the base rate (as defined in the agreement) or (ii) term SOFR (as defined in the agreement, in the case of U.S. dollar-denominated borrowings) or (B) (i) the base rate or (ii) term CORRA (as defined in the agreement, in the case of Graybar Canada as borrower with respect to Canadian dollar-denominated borrowings), in each case plus an applicable rate, as determined by the pricing grid set forth in the Amended Credit Agreement. In connection with such a borrowing, the applicable borrower will also select the term of the loan from available tenors, up to six months, or automatically renew with the consent of the lenders. Swing line loans, which are daily loans, will bear interest at a rate based on, at the borrower's election, either (i) the base rate or (ii) term SOFR (or term CORRA, in the case of Graybar Canada with respect to Canadian dollar-denominated borrowings). In addition to interest payments, there are certain fees and obligations associated with borrowings, swing-line loans, letters of credit and other administrative matters.

We were in compliance with all covenants under the Amended Credit Agreement and Credit Agreement, respectively, as of September 30, 2024 and December 31, 2023.

At September 30, 2024, we had total debt of $2.4 million, of which $0.9 million was long-term debt. At December 31, 2023, we had total debt of $4.7 million, of which $2.8 million was long-term debt. There were no short-term borrowings as of September 30, 2024 and December 31, 2023, respectively.

Short-term borrowings outstanding during the nine months ended September 30, 2024 ranged from no short-term borrowings to a maximum of $38.0 million. Short-term borrowings outstanding during the nine months ended September 30, 2023 ranged from no short-term borrowings to a maximum of $232.0 million.

At September 30, 2024, we had unused lines of credit under the Amended Credit Agreement amounting to $744.7 million available, compared to $746.4 million at December 31, 2023 under the Credit Agreement. These lines are available to meet our short-term cash requirements and are subject to annual fees of up to 40 basis points (0.40%).

We had interest income, net of $0.6 million for the three months ended September 30, 2024, compared to interest expense, net of $1.5 million for the three months ended September 30, 2023. We had interest income, net of $1.6 million for the nine months ended September 30, 2024, compared to interest expense, net of $3.9 million for the nine months ended September 30, 2023.

Private Placement Shelf Agreements

We have an uncommitted, unsecured $200.0 million private placement shelf agreement (the “Prudential Shelf Agreement”) with PGIM, Inc., which is expected to allow us to issue senior promissory notes to affiliates of PGIM, Inc. at fixed rate terms to be agreed upon at the time of any issuance during a three-year issuance period ending in August 2026.

We also have an uncommitted, unsecured private placement shelf agreement (the "MetLife Shelf Agreement") with MetLife Investment Management, LLC (formerly known as MetLife Investment Advisors, LLC), and MetLife Investment Management Limited (collectively, “MetLife”) and each other MetLife affiliate that becomes a party to the agreement. The MetLife Shelf Agreement is expected to allow us to issue senior promissory notes to MetLife at fixed or floating rate economic terms to be agreed upon at the time of issuance. On June 25, 2024, we amended the MetLife Shelf Agreement to, among other things, increase availability from $150.0 million to $200.0 million, and extend the issuance period to June 2027, and thereafter, for successive three-year periods until either party notifies the other party at least 30 days prior to the then applicable stated period end date of its intent not to extend.

We remain obligated under a most favored lender clause which is designed to ensure that any notes in the future under the Prudential Shelf Agreement and MetLife Shelf Agreement will continue to be of equal ranking with indebtedness under our Amended Credit Agreement.

No notes have been issued under either the Prudential Shelf Agreement or the MetLife Shelf Agreement as of September 30, 2024 and December 31, 2023.

Each shelf agreement contains representations and warranties of the Company and the applicable lender, events of default and affirmative and negative covenants, customary for agreements of this type. These covenants are substantially similar to those contained in the Amended Credit Agreement, subject to a number of exceptions and qualifications set forth in the applicable shelf agreement. All outstanding obligations of Graybar under one or both of these agreements may be declared immediately due and payable upon the occurrence of an event of default.

We were in compliance with all covenants under the Prudential Shelf Agreement and the MetLife Shelf Agreement as of September 30, 2024 and December 31, 2023.

Letters of Credit

We had total letters of credit of $11.1 million outstanding as of September 30, 2024, of which $5.3 million were issued under the Amended Credit Agreement. We had total letters of credit of $9.4 million as of December 31, 2023, of which $3.6 million were issued under the Credit Agreement. The letters of credit are issued primarily to support certain workers' compensation insurance policies and support performance under certain customer contracts.

6. PENSION AND OTHER POSTRETIREMENT BENEFITS

We have a noncontributory defined benefit pension plan (the "Pension Plan") covering substantially all employees first hired prior to July 1, 2015 after the completion of one year of service and 1,000 hours of service. The Pension Plan provides retirement benefits based on an employee’s final average earnings and years of service. A supplemental benefit plan provides nonqualified pension benefits for compensation in excess of the IRS compensation limits applicable to the Pension Plan and eligible compensation deferred by a participant.

Our funding policy is to make contributions to the Pension Plan, provided that the total annual contributions will not be less than the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Pension Protection Act of 2006 minimums or greater than the maximum tax-deductible amount, to review the contribution and funding strategy on a regular basis, and to allow discretionary contributions to be made by us from time to time. The assets of the Pension Plan are invested primarily in fixed income investments and equity securities. We pay nonqualified pension benefits when they are due according to the terms of the supplemental benefit plan. We have an employee deferred compensation trust to meet funding obligations for nonqualified pension benefits to certain participants in the supplemental benefit plan. The assets of the employee deferred compensation trust are invested in highly liquid money market funds and U.S. Treasury securities.

We provide certain postretirement healthcare and life insurance benefits to retired employees. Substantially all of our employees hired or rehired prior to 2014 may become eligible for postretirement medical benefits if they reach the age and service requirements of the retiree medical plan and retire on a pension (except a deferred pension) under the Pension Plan. Postretirement life insurance benefits are insured through an insurance company. We fund postretirement benefits as incurred, and accordingly, there were no assets held in the postretirement benefits plan at September 30, 2024 and December 31, 2023.

The net periodic benefit cost for the three and nine months ended September 30, 2024 and 2023 included the following components:

	Pension Benefits Three Months Ended September 30,		Postretirement Benefits Three Months Ended September 30,	
Components of Net Periodic Benefit Cost	**2024**	2023	**2024**	2023
Selling, general and administrative expenses:				
Service cost	**$ 5.7**	$ 6.1	**$ 0.4**	$ 0.3
Total selling, general and administrative expenses	**$ 5.7**	$ 6.1	**$ 0.4**	$ 0.3
Non-operating expenses, net:				
Interest cost	**$ 8.0**	$ 8.0	**$ 0.8**	$ 0.9
Expected return on plan assets	**(8.0)**	(7.2)	—	—
Amortization of net actuarial loss	**1.9**	0.3	**—**	—
Total non-operating expenses, net	**$ 1.9**	$ 1.1	**$ 0.8**	$ 0.9
Net periodic benefit cost	**$ 7.6**	$ 7.2	**$ 1.2**	$ 1.2

	Pension Benefits Nine Months Ended September 30,		Postretirement Benefits Nine Months Ended September 30,	
Components of Net Periodic Benefit Cost	**2024**	2023	**2024**	2023
Selling, general and administrative expenses:				
Service cost	**$ 17.0**	$ 18.3	**$ 1.1**	$ 1.0
Total selling, general and administrative expenses	**$ 17.0**	$ 18.3	**$ 1.1**	$ 1.0
Non-operating expenses, net:				
Interest cost	**$ 24.0**	$ 23.9	**$ 2.4**	$ 2.6
Expected return on plan assets	**(24.0)**	(21.7)	**—**	—
Amortization of net actuarial loss	**5.7**	0.9	**—**	—
Total non-operating expenses, net	**$ 5.7**	$ 3.1	**$ 2.4**	$ 2.6
Net periodic benefit cost	**$ 22.7**	$ 21.4	**$ 3.5**	$ 3.6

We made qualified and nonqualified pension contributions totaling $20.0 million during the three-month period ended September 30, 2024 and contributions totaling $80.0 million during the three-month period ended September 30, 2023. Contributions made during the nine-month periods ended September 30, 2024 and 2023 totaled $41.1 million and $103.9 million, respectively. No additional contributions are expected to be paid during the remainder of 2024, but may change at our discretion.

7. CAPITAL STOCK

Our common stock is 100% owned by active and retired employees, and there is no public trading market for our common stock. Since 1928, substantially all of the issued and outstanding shares of common stock have been held of record by voting trustees under successive voting trust agreements. A new Voting Trust Agreement was established effective March 3, 2017, which expires by its terms on March 1, 2027 because under applicable New York law, a voting trust may not have a term greater than ten years. At September 30, 2024, approximately 83% of our outstanding common stock was held in the voting trust. The participation of shareholders in the voting trust is voluntary at the time the voting trust is created, but is irrevocable during its term. Shareholders who elect not to participate in the voting trust hold their common stock as shareholders of record. Shareholders may elect to participate in the voting trust at any time during the term of the voting trust.

No holder of our common stock or voting trust interests representing our common stock ("common stock", "common shares", or "shares") may sell, transfer or otherwise dispose of any shares without first offering us the option to purchase those shares at the price at which they were issued. We also have the option to purchase at the issue price the common shares of any shareholder who ceases to be an employee for any reason other than death or "retirement" (as defined in our amended restated certificate of incorporation), and on the first anniversary of any holder's death. In the past, we have always exercised these purchase options, and we expect to continue to do so in the foreseeable future. However, we can make no assurance that we will continue to exercise our purchase option in the future. All outstanding shares have been issued at $20.00 per share.

Cash dividends paid were $9.7 million and $8.1 million for the three months ended September 30, 2024 and 2023, respectively. Cash dividends paid were $29.1 million and $24.2 million for the nine months ended September 30, 2024 and 2023, respectively.

We also have authorized 10,000,000 shares of Delegated Authority Preferred Stock ("preferred stock"), par value one cent ($0.01). The preferred stock may be issued in one or more series, with the designations, relative rights, preferences, and limitations of shares of each such series being fixed by a resolution of our Board of Directors. There were no shares of preferred stock outstanding at September 30, 2024 and December 31, 2023.

8. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table represents amounts reclassified from accumulated other comprehensive loss for the three months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024	**Three Months Ended September 30, 2023**
	Amortization of Pension and Other Postretirement Benefits Items	**Amortization of Pension and Other Postretirement Benefits Items**
	Actuarial Losses Recognized	**Actuarial Losses Recognized**
Affected Line in Condensed Consolidated Statement of Income:		
Non-operating expenses, net	**$ 1.9**	$ 0.3
Tax benefit	**(0.5)**	—
Total reclassifications for the period, net of tax	**$ 1.4**	$ 0.3

The following table represents amounts reclassified from accumulated other comprehensive loss for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30, 2024	**Nine Months Ended September 30, 2023**
	Amortization of Pension and Other Postretirement Benefits Items	**Amortization of Pension and Other Postretirement Benefits Items**
	Actuarial Losses Recognized	**Actuarial Losses Recognized**
Affected Line in Condensed Consolidated Statement of Income:		
Non-operating expenses, net	**$ 5.7**	$ 0.9
Tax benefit	**(1.5)**	(0.2)
Total reclassifications for the period, net of tax	**$ 4.2**	$ 0.7

The following table represents the activity included in accumulated other comprehensive loss for the three months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024			**Three Months Ended September 30, 2023**		
	Foreign Currency	**Pension and Other Postretirement Benefits**	**Total**	**Foreign Currency**	**Pension and Other Postretirement Benefits**	**Total**
Beginning balance July 1,	**$ (16.4)**	**$ (164.5)**	**$ (180.9)**	$ (11.0)	$ (137.8)	$ (148.8)
Other comprehensive income (loss) before reclassifications	**2.3**	**—**	**2.3**	(4.1)	—	(4.1)
Amounts reclassified from accumulated other comprehensive income (net of tax $(0.5) and $(—))	**—**	**1.4**	**1.4**	—	0.3	0.3
Net current-period other comprehensive income (loss)	**2.3**	**1.4**	**3.7**	(4.1)	0.3	(3.8)
Ending balance September 30,	**$ (14.1)**	**$ (163.1)**	**$ (177.2)**	$ (15.1)	$ (137.5)	$ (152.6)

The following table represents the activity included in accumulated other comprehensive loss for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30, 2024			**Nine Months Ended September 30, 2023**		
	Foreign Currency	**Pension and Other Postretirement Benefits**	**Total**	**Foreign Currency**	**Pension and Other Postretirement Benefits**	**Total**
Beginning balance January 1,	**$ (10.6)**	**$ (167.3)**	**$ (177.9)**	$ (14.6)	$ (138.2)	$ (152.8)
Other comprehensive loss before reclassifications	**(3.5)**	**—**	**(3.5)**	(0.5)	—	(0.5)
Amounts reclassified from accumulated other comprehensive income (net of tax $(1.5) and $(0.2))	**—**	**4.2**	**4.2**	—	0.7	0.7
Net current-period other comprehensive (loss) income	**(3.5)**	**4.2**	**0.7**	(0.5)	0.7	0.2
Ending balance September 30,	**$ (14.1)**	**$ (163.1)**	**$ (177.2)**	$ (15.1)	$ (137.5)	$ (152.6)

9. COMMITMENTS AND CONTINGENCIES

We are subject to various claims, disputes, and administrative and legal matters incidental to our past and current business activities. As a result, contingencies arise resulting from an existing condition, situation, or set of circumstances involving an uncertainty as to the realization of a possible loss.

We have in place insurance coverage for litigation defense and claim settlement costs incurred in connection with our asbestos claims. We estimate the value of probable insurance recoveries associated with our asbestos reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage. We estimate the future payments for litigation defense and claim settlement costs based on our historical liabilities and current and projected caseloads. At September 30, 2024 and December 31, 2023, we had $2.3 million and $38.4 million of insurance receivables recorded in other current assets and other non-current assets, respectively, and $2.3 million and $38.4 million recorded in other current liabilities and other non-current liabilities, respectively, related to our asbestos litigation defense and claims settlement reserve.

Estimated loss contingencies are accrued only if the loss is probable and the amount of the loss can be reasonably estimated. With respect to a particular loss contingency, it may be probable that a loss has occurred but the estimate of the loss is a wide range. If we deem an amount within the range to be a better estimate than any other amount within the range, that amount will be accrued. However, if no amount within the range is a better estimate than any other amount, the minimum amount of the range is accrued. While we believe that none of these claims, disputes, administrative, and legal matters will have a material adverse effect on our financial position, these matters are uncertain and we cannot at this time determine whether the financial impact, if any, of these matters will be material to our results of operations in the period in which such matters are resolved or a better estimate becomes available.

10. ACQUISITIONS

During the nine months ended September 30, 2024, we completed four acquisitions for a combined preliminary purchase price of $149.3 million in cash, net of cash acquired. The preliminary purchase price allocation resulted in $55.1 million and $75.2 million of tax-deductible goodwill and other intangible assets, respectively. The acquisitions were funded with cash on hand. Since the dates of acquisition, the results of the acquired businesses are reflected in our condensed consolidated financial statements. Pro forma results of the acquisitions were not material; therefore, they are not presented. Additionally, during the nine months ended September 30, 2024, we received a post-closing working capital adjustment of $3.0 million related to a 2023 acquisition.

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

The following discussion should be read in conjunction with our accompanying unaudited condensed consolidated financial statements and notes thereto, and our audited consolidated financial statements, notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the year ended December 31, 2023, included in our Annual Report on Form 10-K for such period as filed with the United States Securities and Exchange Commission (the "Commission"). The results shown herein are not necessarily indicative of the results to be expected in any future periods.

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes", "projects", "expects", "anticipates", "estimates", "intends", "strategy", "plan", "may", "will", "would", "will be", "will continue", "will likely result", and other similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the PSLRA. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse impact on our operations and future prospects on a consolidated basis include, but are not limited to: general economic conditions, particularly in the commercial, industrial building, and residential construction industries; a sustained interruption in the operation of our information systems; cyber-attacks; volatility in the prices of industrial commodities; disruptions in our sources of supply; increased funding requirements and expenses related to our pension plan; the inability, or limitations on our ability, to borrow under our existing credit facilities or any replacements thereof; adverse legal proceedings or other claims; compliance with changing governmental regulations; a pandemic, epidemic, or other public health emergency; and the inability, or limitations on our ability, to raise debt or equity capital. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless otherwise required by applicable securities law. Further information concerning our business, including additional factors that could materially impact our financial results, is included herein and in our other filings with the Commission. Actual results and the timing of events could differ materially from the forward-looking statements as a result of certain factors, a number of which are outlined in Item 1A., "Risk Factors", of our Annual Report on Form 10-K for the year ended December 31, 2023.

All dollar amounts, except per share data, are stated in millions in the following discussion and accompanying tables.

Background

Graybar Electric Company, Inc. ("Graybar", "Company", "we", "our", or "us") is a New York corporation, incorporated in 1925. We are engaged in the distribution of electrical and communications and data networking products and are a provider of related supply chain management and logistics services. We primarily serve customers in the construction, commercial, institutional and government ("CIG"), and industrial & utility vertical markets, with products and services that support new construction, infrastructure updates, building renovation, facility maintenance, repair and operations ("MRO"), and original equipment manufacturers ("OEM"). In our primary role as third-party wholesale distributor, we neither manufacture nor contract to manufacture the products that we sell; however, one of our subsidiaries may contract to manufacture some of its private label lighting fixtures. Our business activity is primarily based in the United States ("U.S."). We also have subsidiary operations with distribution facilities in Canada and Puerto Rico.

Our common stock is 100% owned by active and retired employees, and there is no public trading market for our common stock. No holder of our common stock or voting trust interests representing our common stock ("common stock", "common shares", or "shares") may sell, transfer, or otherwise dispose of any shares without first offering us the option to purchase those shares at the price at which they were issued. We also have the option to purchase at the issue price the common shares of any shareholder who ceases to be an employee for any reason other than death or "retirement" (as defined in our amended restated certificate of incorporation), and on the first anniversary of any holder's death. In the past, we have always exercised these purchase options, and we expect to continue to do so in the foreseeable future. However, we can make no assurance that we will continue to exercise our purchase option in the future. All outstanding shares have been issued at $20.00 per share.

Business Overview

Graybar net sales for the three months ended September 30, 2024 totaled $2,979.5 million compared to $2,852.6 million for the three months ended September 30, 2023, an increase of $126.9 million, or 4.4%. Gross margin for the third quarter of 2024 increased

$28.3 million, or 5.0%, to $597.2 million, compared to gross margin of $568.9 million for the same three-month period ended September 30, 2023. Our gross margin rate was 20.0% for the third quarter of 2024, compared to 19.9% for the third quarter of 2023.

Selling, general and administrative ("SG&A") expenses increased $37.2 million, or 9.5%, to $426.8 million for the three months ended September 30, 2024 from $389.6 million for the three months ended September 30, 2023, primarily due to higher compensation costs and information technology ("IT") expenses and consulting fees related to Graybar Connect, our multi-year, strategic business transformation project ("Graybar Connect"). SG&A expenses as a percentage of net sales increased to 14.3% for the third quarter of 2024, compared to 13.7% for the same three-month period in 2023.

Income from operations decreased $11.6 million, or 7.1%, to $151.3 million for the three months ended September 30, 2024, from $162.9 million for the same three-month period last year. The increase in gross margin was less than the increase in SG&A expenses, resulting in a decrease in net income attributable to Graybar for the three months ended September 30, 2024 of $7.5 million, or 6.4%, to $110.2 million for the three months ended September 30, 2024, compared to $117.7 million for the same three-month period last year.

Net sales for the nine months ended September 30, 2024 were $8,717.5 million, an increase of $400.2 million, or 4.8%, from net sales of $8,317.3 million for the same nine-month period last year. Gross margin for the nine months ended September 30, 2024 was $1,731.0 million, an increase of $54.3 million, or 3.2%, compared to gross margin of $1,676.7 million for the same nine-month period last year. Gross margin rate was 19.9% for the nine-month period ended September 30, 2024, compared to 20.2% for the nine months ended September 30, 2023. Net income attributable to Graybar for the nine months ended September 30, 2024 was $325.8 million, a decrease of $40.9 million, or 11.2%, from net income attributable to Graybar of $366.7 million for the same nine-month period last year.

We continue to see demand for our products and services, even as the markets we serve are affected by ongoing skilled labor shortages, rising costs and economic uncertainty. As we invest in our long-term growth and Graybar Connect, we remain focused on serving our customers, managing our business wisely, and pursuing opportunities to strengthen our industry leadership position.

Consolidated Results of Operations

Three Months Ended September 30, 2024 Compared to Three Months Ended September 30, 2023

The following table sets forth certain information relating to our operations stated in millions of dollars and as a percentage of net sales for the three months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	Dollars	**Percent**	Dollars	Percent
Net Sales	**$ 2,979.5**	**100.0 %**	$ 2,852.6	100.0 %
Cost of merchandise sold	**(2,382.3)**	**(80.0)**	(2,283.7)	(80.1)
Gross Margin	**597.2**	**20.0**	568.9	19.9
Selling, general and administrative expenses	**(426.8)**	**(14.3)**	(389.6)	(13.7)
Depreciation and amortization	**(20.2)**	**(0.7)**	(18.0)	(0.6)
Other income, net	**1.1**	**0.1**	1.6	0.1
Income from Operations	**151.3**	**5.1**	162.9	5.7
Non-operating expenses, net	**(0.8)**	**—**	(2.7)	(0.1)
Income before Provision for Income Taxes	**150.5**	**5.1**	160.2	5.6
Provision for income taxes	**(40.0)**	**(1.4)**	(42.1)	(1.5)
Net Income	**110.5**	**3.7**	118.1	4.1
Net income attributable to noncontrolling interests	**(0.3)**	**—**	(0.4)	—
Net Income attributable to Graybar Electric Company, Inc.	**$ 110.2**	**3.7 %**	$ 117.7	4.1 %

Net sales increased to $2,979.5 million for the quarter ended September 30, 2024, compared to $2,852.6 million for the quarter ended September 30, 2023, an increase of $126.9 million, or 4.4%. For the three months ended September 30, 2024, net sales in our construction, CIG, and industrial & utility vertical markets increased by 5.5%, 0.9%, and 5.5%, respectively, when compared to the same three-month period of 2023.

Gross margin increased $28.3 million, or 5.0%, to $597.2 million from $568.9 million for the three months ended September 30, 2024, compared to the same period of 2023. Our gross margin as a percentage of net sales was 20.0% for the three months ended September 30, 2024, up from 19.9% for the same three-month period in 2023.

SG&A expenses increased $37.2 million, or 9.5%, to $426.8 million in the third quarter of 2024 from $389.6 million in the third quarter of 2023, primarily due to higher compensation costs, and an increase in IT expenses and consulting fees associated with Graybar Connect. SG&A expenses as a percentage of net sales were 14.3% for the three months ended September 30, 2024, up from 13.7% for the three months ended September 30, 2023.

Depreciation and amortization for the three months ended September 30, 2024 increased $2.2 million, or 12.2%, to $20.2 million from $18.0 million, compared to the same period in 2023 primarily due to higher amortization expense of intangible assets associated with our acquisitions and an increase in property, at cost.

Income before provision for income taxes totaled $150.5 million for the three months ended September 30, 2024, a decrease of $9.7 million, or 6.1%, from $160.2 million for the three months ended September 30, 2023 primarily due to our increase in SG&A expenses, partially offset by our increase in gross margin.

Our total provision for income taxes decreased $2.1 million, or 5.0%, to $40.0 million for the three months ended September 30, 2024, compared to $42.1 million for the same period of 2023. This decrease in our provision for income taxes was due to lower pretax income. Our effective tax rate was 26.6% for the three months ended September 30, 2024, compared to 26.3% for the same period of 2023. The effective tax rate for the three months ended September 30, 2024 was higher than the 21.0% U.S. federal statutory rate primarily due to state, local and foreign income taxes.

Net income attributable to Graybar Electric Company, Inc. for the three months ended September 30, 2024 decreased $7.5 million, or 6.4%, to $110.2 million from $117.7 million for the three months ended September 30, 2023.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

The following table sets forth certain information relating to our operations stated in millions of dollars and as a percentage of net sales for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	Dollars	**Percent**	Dollars	Percent
Net Sales	**$ 8,717.5**	**100.0 %**	$ 8,317.3	100.0 %
Cost of merchandise sold	**(6,986.5)**	**(80.1)**	(6,640.6)	(79.8)
Gross Margin	**1,731.0**	**19.9**	1,676.7	20.2
Selling, general and administrative expenses	**(1,235.8)**	**(14.2)**	(1,126.9)	(13.5)
Depreciation and amortization	**(59.9)**	**(0.7)**	(47.6)	(0.6)
Other income, net	**8.7**	**0.1**	3.5	—
Income from Operations	**444.0**	**5.1**	505.7	6.1
Non-operating expenses, net	**(2.9)**	**(0.1)**	(8.6)	(0.1)
Income before Provision for Income Taxes	**441.1**	**5.0**	497.1	6.0
Provision for income taxes	**(114.5)**	**(1.3)**	(129.6)	(1.6)
Net Income	**326.6**	**3.7**	367.5	4.4
Net income attributable to noncontrolling interests	**(0.8)**	**—**	(0.8)	—
Net Income attributable to Graybar Electric Company, Inc.	**$ 325.8**	**3.7 %**	$ 366.7	4.4 %

Net sales increased to $8,717.5 million for the nine months ended September 30, 2024, compared to $8,317.3 million for the nine months ended September 30, 2023, an increase of $400.2 million, or 4.8%. Net sales in our construction and industrial & utility vertical markets increased by 8.5%, and 2.9%, respectively, for the nine months ended September 30, 2024, compared to the same nine-month period of 2023. Net sales in our CIG vertical market decreased by 2.7% for the nine months ended September 30, 2024, compared to the same nine-month period of 2023.

Gross margin increased $54.3 million, or 3.2%, to $1,731.0 million from $1,676.7 million for the nine months ended September 30, 2024, compared to the same period of 2023. Our gross margin as a percentage of net sales was 19.9% for the nine months ended September 30, 2024, down from 20.2% for the same nine-month period in 2023 primarily due to competitive pricing pressures.

SG&A expenses increased $108.9 million, or 9.7%, to $1,235.8 million, for the nine months ended September 30, 2024, compared to $1,126.9 million for the nine months ended September 30, 2023, mainly due to higher compensation costs, as well as an increase in IT expenses and consulting fees associated with Graybar Connect. SG&A expenses as a percentage of net sales were 14.2% for the nine months ended September 30, 2024, up from 13.5% for the nine months ended September 30, 2023.

Depreciation and amortization for the nine months ended September 30, 2024 increased $12.3 million, or 25.8%, to $59.9 million from $47.6 million for the same nine-month period in 2023 primarily due to higher amortization expense of intangible assets associated with our acquisitions and an increase in property, at cost.

Other income, net totaled $8.7 million for the nine months ended September 30, 2024, compared to $3.5 million for the nine months ended September 30, 2023. Other income, net consists primarily of gains or losses on the disposal of property, trade receivable interest charges to customers, and other miscellaneous income items related to our business activities. The increase in other income, net was primarily due to a $6.5 million gain on the sale of property, which had been previously classified as an asset held for sale, during the nine-month period ended September 30, 2024.

Income before provision for income taxes totaled $441.1 million for the nine months ended September 30, 2024, a decrease of $56.0 million, or 11.3%, from $497.1 million for the nine months ended September 30, 2023. The decrease was primarily due to our increase in SG&A expenses, partially offset by our increase in gross margin.

Our total provision for income taxes decreased $15.1 million, or 11.7%, to $114.5 million for the nine months ended September 30, 2024, compared to $129.6 million for the same period in 2023. The decrease in our provision for income taxes year over year resulted from decreased pretax income. Our year-to-date effective tax rate was 26.0% for the nine months ended September 30, 2024 compared to 26.1% for 2023. The effective tax rate for the nine months ended September 30, 2024 was higher than the 21.0% U.S. federal statutory rate primarily due to state, local, and foreign income taxes.

Net income attributable to Graybar Electric Company, Inc. for the nine-month period ended September 30, 2024 decreased $40.9 million, or 11.2%, to $325.8 million from $366.7 million for the nine months ended September 30, 2023.

Financial Condition and Liquidity

We manage our liquidity and capital levels so that we have the capability to invest in the growth of our business, meet debt service obligations, fund acquisitions, finance anticipated capital expenditures, finance information technology needs, pay dividends, make benefit payments, and finance other miscellaneous cash outlays. We believe that maintaining a strong company financial condition enables us to competitively access multiple financing channels and invest in strategic long-term growth plans.

We have historically funded our working capital requirements using cash flows generated from the collection of trade receivables and trade accounts payable terms with our suppliers, supplemented by short-term borrowings on our revolving credit facility, if necessary. Acquisitions and capital expenditures have been financed primarily with cash from working capital management and short-term borrowings on our revolving credit facility.

Our cash and cash equivalents at September 30, 2024 were $202.4 million, compared to $98.6 million at December 31, 2023, an increase of $103.8 million. The increase in cash on hand at September 30, 2024 from December 31, 2023 is reflective of strong cash flows from operating activities as a result of effective working capital management. As a result, we had no short-term borrowings at September 30, 2024 and December 31, 2023. Current assets exceeded current liabilities by $1,172.6 million at September 30, 2024, an increase of $152.0 million, or 14.9%, from $1,020.6 million at December 31, 2023.

Operating Activities

Net cash flows provided by operating activities for the nine months ended September 30, 2024 was $304.2 million, compared to net cash flows provided by operating activities of $416.5 million for the nine months ended September 30, 2023, a decrease of $112.3 million. Net cash provided by operating activities for the nine months ended September 30, 2024 was primarily attributable to net income of $326.6 million, adjusted for non-cash depreciation and amortization expenses of $59.9 million, and an increase in trade accounts payable of $112.1 million during the nine months ended September 30, 2024, partially offset by an increase in trade receivables of $133.4 million and a decrease in non-current liabilities of $62.5 million from December 31, 2023 to September 30, 2024.

The average number of days of sales in trade receivables for the quarter ended September 30, 2024 improved moderately compared to the quarter ended September 30, 2023. The days in inventory improved significantly for the quarter ended September 30, 2024 compared to the quarter ended September 30, 2023.

Investing Activities

Net cash used by investing activities totaled $171.1 million for the nine months ended September 30, 2024, compared to net cash used by investing activities of $463.1 million for the same nine-month period in 2023, a decrease of $292.0 million. Cash used by investing activities for the nine months ended September 30, 2024 was primarily the result of amounts attributable to acquisitions of $146.3 million and capital expenditures of $37.9 million, partially offset by proceeds from the disposal of property of $13.7 million. Cash used by investing activities for the nine months ended September 30, 2023 was primarily the result of amounts attributable to acquisitions of $380.2 million, capital expenditures of $58.7 million, and an investment in an employee deferred compensation trust of $25.0 million.

Financing Activities

Net cash used by financing activities for the nine months ended September 30, 2024 totaled $29.3 million, compared to net cash provided by financing activities of $50.5 million for the nine months ended September 30, 2023. There was no net change in short-term borrowings for the nine months ended September 30, 2024, compared to a net increase in short-term borrowings of $70.4 million for the nine months ended September 30, 2023. Cash dividends paid were $29.1 million during the nine months ended September 30, 2024, compared to $24.2 million during the nine months ended September 30, 2023.

Liquidity

Our cash and cash equivalents at September 30, 2024 were $202.4 million, compared to $98.6 million at December 31, 2023. We also had a $750.0 million unsecured, committed revolving credit facility (“Amended Credit Agreement”) with $744.7 million in available capacity at September 30, 2024, compared to available capacity of $746.4 million at December 31, 2023 under the Credit Agreement. At September 30, 2024 and December 31, 2023, we also had two uncommitted, unsecured private placement shelf agreements ("Shelf Agreements"). One of the Shelf Agreements is expected to allow us to issue senior promissory notes up to $200.0 million to PGIM, Inc. at fixed rate terms to be agreed upon at the time of any issuance during a three-year issuance period ending in August 2026. Our other Shelf Agreement is expected to allow us to issue senior promissory notes to MetLife Investment Management, LLC, and MetLife Investment Management Limited (collectively, “MetLife”) and each other MetLife affiliate that becomes party to the agreement at fixed or floating rate economic terms to be agreed upon at the time of any issuance during a three-year issuance period. On June 25, 2024, we amended the MetLife Shelf Agreement to, among other things, increase availability from $150.0 million to $200.0 million, and extend the issuance period to June 2027, and thereafter, for successive three-year periods until either party notifies the other party at least 30 days prior to the then applicable stated period end date of its intent not to extend.

We have not issued any notes under the Shelf Agreements as of September 30, 2024 and December 31, 2023. For further discussion related to our Amended Credit Agreement and our Shelf Agreements, refer to Note 5, "Debt", of the notes to the condensed consolidated financial statements located in Item 1., “Financial Statements”, of this Quarterly Report on Form 10-Q.

We had total letters of credit of $11.1 million outstanding at September 30, 2024, of which $5.3 million were issued under the Amended Credit Agreement. We had total letters of credit of $9.4 million at December 31, 2023, of which $3.6 million were issued under the Credit Agreement. The letters of credit are issued primarily to support certain workers' compensation insurance policies and support performance under certain customer contracts.

New Accounting Standards Updates

Our adoption of new accounting standards is discussed in Note 2, "Summary of Significant Accounting Policies", of the notes to the condensed consolidated financial statements located in Item 1., "Financial Statements", of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in the policies, procedures, controls, or risk profile from those provided in Item 7A., “Quantitative and Qualitative Disclosures About Market Risk”, of our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2024, was performed under the supervision and with the participation of management. Based on that evaluation, our management, including the Principal Executive Officer and Principal Financial Officer, concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

During the nine months ended September 30, 2024, we completed four acquisitions which operated under their own set of systems and internal controls. Management is in process of evaluating and integrating the internal controls of the acquired businesses during the first year of the business combination into our internal controls framework.

(b) Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

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

Our common stock is 100% owned by active and retired employees, and there is no public trading market for our common stock. Since 1928, substantially all of the issued and outstanding shares of common stock have been held of record by voting trustees under successive voting trust agreements. A new Voting Trust Agreement was established effective March 3, 2017, which expires by its terms on March 1, 2027, because under applicable New York law, a voting trust may not have a term greater than ten years. At September 30, 2024, approximately 83% of our outstanding common stock was held in the voting trust. The participation of shareholders in the voting trust is voluntary at the time the voting trust is created, but is irrevocable during its term. Shareholders who elect not to participate in the voting trust hold their common stock as shareholders of record. Shareholders may elect to participate in the voting trust at any time during the term of the voting trust.

No holder of our common stock or voting trust interests representing our common stock ("common stock", "common shares", or "shares") may sell, transfer, or otherwise dispose of any shares without first offering us the option to purchase those shares at the price at which they were issued. We also have the option to purchase at the issue price the common shares of any shareholder who ceases to be an employee for any cause other than death or "retirement" (as defined in our amended restated certificate of incorporation), and on the first anniversary of any holder's death. In the past, we have always exercised these purchase options, and we expect to continue to do so in the foreseeable future. However, we can make no assurance that we will continue to exercise our purchase option in the future. All outstanding shares have been issued at $20.00 per share.

The following table sets forth information regarding purchases of common stock by the Company, all of which were made pursuant to the foregoing provisions:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
July 1 - July 31, 2024	38,212	$20.00	N/A
August 1 - August 31, 2024	92,319	$20.00	N/A
September 1 - September 30, 2024	141,577	$20.00	N/A
Total	272,108	$20.00	N/A

Item 5. Other Information.

(c) None of the Company’s directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended September 30, 2024. Such arrangements would not apply to the Company because no holder of our shares may sell, transfer or otherwise dispose of our shares without first offering the Company the option to purchase those shares at the price at which they were issued.

Item 6. Exhibits.

3.1	Restated Certificate of Incorporation, as amended to date.
3.2	By-laws as amended through March 8, 2023, filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K dated March 8, 2023 (Commission File No. 000-00255) and incorporated herein by reference.
4	Voting Trust Agreement, dated as of March 3, 2017, a form of which is attached as Exhibit A to the Prospectus dated January 6, 2017, constituting a part of the Company's Registration Statement on Form S-1/A (Registration No. 333-214560), and incorporated herein by reference.
9	Voting Trust Agreement dated as of March 3, 2017, included at Exhibit 4 above.
10	Management Incentive Plan effective January 1, 2025*
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Principal Executive Officer
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Principal Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Principal Executive Officer
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Principal Financial Officer
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.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL contained in Exhibit 101)
	* Compensation 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.

GRAYBAR ELECTRIC COMPANY, INC.

October 28, 2024	/s/ Kathleen M. Mazzarella
Date	Kathleen M. Mazzarella President and Chief Executive Officer (Principal Executive Officer)
October 28, 2024	/s/ David M. Meyer
Date	David M. Meyer Senior Vice President and Chief Financial Officer (Principal Financial Officer)

RESTATED CERTIFICATE OF INCORPORATION
OF
GRAYBAR ELECTRIC COMPANY, INC.
(a New York corporation)

FIRST: The name of the corporation is GRAYBAR ELECTRIC COMPANY, INC.

SECOND: The purposes for which it is formed are as follows:

(a) To manufacture or otherwise acquire, own, use, buy, sell, lease and deal in all kinds and descriptions of electric and other instruments, machinery, apparatus, appliances and equipment, and all materials, supplies, tools and implements appertaining thereto;

(b) To carry on and conduct any and every kind of manufacturing business;

(c) To carry on and conduct any and every kind of general contracting, construction and engineering business;

(d) To carry on and conduct any and every kind of general purchasing, mercantile and supply business;

(e) To mine, extract, remove or otherwise acquire and use, turn to account and dispose of coal, oil, metal, stone, minerals of every kind, and timber.

THIRD: The aggregate number of shares that the corporation shall have authority to issue is 60,000,000, of which 10,000,000 shares of the par value of One Cent ($.01) shall be preferred stock and 50,000,000 shares of the par value of One Dollar ($1.00) each shall be common stock.

FOURTH: The rights, preferences, and limitations of the shares of each class are as follows:

A. The preferred stock shall be designated as "Preferred Stock."

(a) Shares of Preferred Stock may be issued in one or more series, and each series shall be so designated as to distinguish the shares thereof from the shares of all other series. All shares of Preferred Stock shall be identical except as to the relative rights, preferences and limitations as are stated and expressed in the resolution or resolutions providing for the issue of a series adopted by the board of directors as hereinafter provided.

(b) Authority is hereby expressly granted to the board of directors to fix, before the issuance of any shares of a particular series, the designation of the series, the number of shares to be included in such series, the dividend rate per annum, the amount in addition to any accrued dividends thereon that the holders of shares of such series shall be entitled to receive upon the voluntary or involuntary liquidation, dissolution or winding up of the corporation, the redemption price or prices, if any, and the terms and conditions of the redemption, any sinking fund provisions for the redemption or purchase of the shares of the series, the terms and conditions on which the shares are convertible, if they are convertible, and any other rights, preferences, and limitations pertaining to such series.

B. The common stock shall be designated as "Common Stock."

(a) No holder of Common Stock shall sell, transfer, or otherwise dispose of any shares of such stock to any party other than the corporation without first offering to sell said shares to the corporation at the price for which said shares were issued by the corporation (or in the event of any change, subdivision, combination or reclassification of said shares, then at the price for which were issued the shares so changed, subdivided, combined or reclassified into the shares so offered to the corporation) and tendering to the corporation the certificates therefor duly endorsed in proper form for transfer, and the corporation is hereby given an option to purchase all or any part of the Common Stock held by such holder at the price aforesaid good from the date of such offer and tender until the expiration of thirty (30) days after said date. Nothing in this Section B contained, however, shall be construed to prevent any holder of shares of Common Stock from transferring such shares to voting or other trustees under a voting trust agreement, or under any other agreement relating to stock of the corporation approved by the board of directors of the corporation or to prevent any subscriber to the Common Stock from causing the stock subscribed for by him from being issued direct to such voting or other trustees and in either event receiving voting trust certificates or other certificates of interest covering the shares so transferred to or issued to such voting or other trustees; and in the event that shares of Common Stock of the corporation shall be transferred to or issued to such voting or other trustees, the voting trust certificates or other certificates of interest so issued to such stockholders or subscribers shall be held by each and every owner thereof subject to the same terms and conditions as provided in this Section B for shares of Common

Stock of the corporation; and the terms "shares," "stock," "Common Stock," "shares of stock," "shares of Common Stock," "stock certificates," or "certificates for stock" whenever used in this Section B shall be deemed to include voting trust certificates or other certificates of interest covering shares of Common Stock of the corporation unless otherwise stated, and the term "stockholder" as used in this Section B shall also be deemed to include the owner of such voting trust certificates or other certificates of interest covering shares of Common Stock of the corporation.

(b) The corporation is hereby given an option in the event of the death of the holder of any shares of Common Stock of the corporation to purchase from his estate all or any part of such shares at the price per share provided in paragraph (a) of this Section B, at any time from and after the expiration of one year from the date of his death until thirty (30) days after such shares shall have been offered for sale to the corporation at the said price and certificates for said shares of stock duly endorsed in proper form for transfer shall have been tendered to the corporation, accompanied by any other papers necessary or proper to effect a valid transfer. The option in this paragraph (b) given to the corporation, however, is subject to the provision that in the event the estate of any deceased stockholder shall offer to sell and shall tender to the corporation at any time before the expiration of the period of one year from the date of death of such deceased stockholder any stock held by his estate, the option shall terminate unless within thirty (30) days from the time said stock is presented to the corporation for purchase, the corporation shall purchase said stock at the said purchase price.

(c) In the event that any holder of Common Stock ceases to be an employee of the corporation, or of a subsidiary corporation, for any cause other than death or Retirement allowed by the corporation or by such subsidiary corporation, the corporation is hereby given an option to purchase all the Common Stock held by such stockholder at the price provided in paragraph (a) of this Section B good from the date such holder ceases to be an employee as aforesaid until the expiration of thirty (30) days after he has made an offer to the corporation to sell said stock at said price and a tender of the certificates therefor duly endorsed in proper form for transfer. As used in this Certificate, Retirement shall mean: (i) for employees last hired or rehired before July 1, 2015 or those who have commenced payment of retirement income under a pension allowed by the Corporation, retirement on a pension allowed by the Corporation (other than a deferred pension), and (ii) for employees last hired or rehired on or after July 1, 2015, (x) attainment of age 65 and completion of at least three years of company service, or (y) attainment of age 55 and completion of at least 30 years of company service.

(d) As to any shares of Common Stock issued after June 13, 2024, in the event such shares are held by an employee of a subsidiary corporation that subsequently becomes a Divested Subsidiary (as hereinafter defined), the corporation is hereby given an option to purchase all the Common Stock held by such stockholder at the price provided in paragraph (a) of this Section B good from the effective time that such subsidiary corporation becomes a Divested Subsidiary until the expiration of thirty (30) days after he has made an offer to the corporation to sell said stock at said price and a tender of the certificates therefor duly endorsed in proper form for transfer. As used in this Certificate, a "Divested Subsidiary" shall mean any subsidiary corporation as to which any of the following events have occurred:

(i) a change in the ownership of the subsidiary corporation in which any individual, corporation, partnership, trust, limited liability company, association or other entity, or one or more of the foregoing, other than the corporation, another subsidiary corporation or any voting trust of the corporation (each a “Person” and collectively, “Persons”), acquires ownership of the stock of such subsidiary corporation that, together with any other subsidiary corporation stock held by such Person constitutes more than fifty percent (50%) of the total voting power of the stock of such subsidiary corporation; or

(ii) a change in the ownership of a substantial portion of the subsidiary corporation’s assets which occurs on the date that any Person or Persons acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from such subsidiary corporation that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of such subsidiary corporation (and its majority owned subsidiaries) immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (ii), the following will not constitute a change in the ownership of a substantial portion of subsidiary corporation’s assets: (1) a transfer to an entity that is controlled by the corporation’s stockholders immediately after the transfer, or (2) a transfer of assets by the subsidiary corporation to an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation or the subsidiary corporation. For purposes of this subsection (ii), gross fair market value means the value of the assets of the subsidiary corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(e) All offers for sale of shares to the corporation and tenders of certificates for such shares must be made at the principal office of the corporation, in the County of St. Louis, State of Missouri or such other place as the corporation shall designate by notice in writing to stockholders of record. In the event of any such offer and tender, the mailing of a check for the purchase price as determined pursuant to the provisions of paragraph (a) of this Section B of the shares under option to the seller at the address shown upon the books of the corporation or in the event that the seller is a holder of a voting trust certificate at the address shown upon the books of the voting trustees or at any other address furnished by the seller for such purpose at any time within the option period shall be deemed to be due exercise of the option. The corporation may at any time, whether or not such offer and tender has been made, exercise any option to purchase, redeem, or otherwise acquire any shares of stock of the corporation granted to it hereunder by mailing notice of its election so to do to the record holder of the stock covered thereby at his address as shown upon the stock books of the corporation, or in case of voting trust certificates or other certificates of interest covering stock of the corporation then at the address of the owner thereof as shown upon the books of the voting or other trustees. Said notice shall state in substance that the corporation has elected to exercise its option and that it will make payment for the stock to be thus purchased upon delivery to it at its principal office in the County of St. Louis, State of Missouri or such other place as the corporation shall designate by notice in writing to stockholders of record, of the certificates therefor, properly endorsed for transfer, accompanied by such instruments as the corporation may deem necessary, and such stockholder, or his executors or administrators as the case may be, shall forthwith surrender and deliver at said office the certificates for said stock duly endorsed in blank, accompanied by such instruments, and shall be entitled to receive payment (which payment may be by check) of the purchase price therefor as determined pursuant to the provisions of paragraph (a) of this Section B.

(f) In the event that the corporation shall purchase any of the Common Stock upon exercising any of the aforesaid options, the corporation may purchase such stock in the name and for the account of any employee of the corporation or of a subsidiary corporation with funds provided by any such party, or at its option, if it has funds available for the purpose, the corporation may purchase the shares for its own account and deposit them in its treasury, and may resell from time to time any or all such shares purchased for its own account for such price or prices, and to such employee or employees of the corporation or of a subsidiary corporation as the board of directors may determine, or at the option of the board of directors, any or all of such shares may be retired or cancelled in any manner permitted by law.

(g) Subject to all of the rights of the Preferred Stock, dividends may be paid upon the Common Stock if and when declared by the board of directors out of any funds of the corporation legally available therefor.

(h) Except as otherwise provided in the certificate of incorporation as amended or in the terms of any series of Preferred Stock as fixed by the board of directors as provided herein, the holders of the Common Stock shall have exclusive voting power for the election of directors and upon all other matters that may be submitted to the stockholders for their vote or consent.

C. No holder of Common Stock shall hypothecate or pledge any Common Stock except under an agreement of hypothecation or pledge with the pledgee containing the following provisions together in the following sequence:

"In the event of the death of the pledgor or in the event that he ceases to be an employee of Graybar Electric Company, Inc. or of a subsidiary corporation for any cause other than death or Retirement, Graybar Electric Company, Inc. shall have the same right to purchase any or all of the pledged stock as it would have had if the stock had not been pledged, and may make payment therefor to the pledgee or any party presenting the certificates therefor, properly endorsed for transfer. The provisions of the certificate of incorporation of the corporation relating to the rights of the corporation to such stock and the price to be paid therefor are set forth on the back of the stock certificates pledged and the pledgee has notice thereof.

"In the event that the pledgor shall be in default under the pledge, Graybar Electric Company, Inc. shall have an option, good until the expiration of thirty (30) days from the time written notice of such default is served upon said corporation by the pledgee, to take over the stock pledged and the debt to secure which such stock has been pledged, upon payment to the pledgee of the amount then owing on said debt, and no sale shall be made by the pledgee under said pledge until such option has expired.

"In the event that the pledgor shall be in default under the pledge and the amount then owing on the debt shall exceed the price at which Graybar Electric Company, Inc. would be entitled to purchase stock under option given to it in case the pledgor should desire to sell same, said corporation shall have the right, good until the expiration of thirty (30) days from the time written notice is served upon said corporation by the pledgee, to redeem or purchase such stock, at said option price, and may make payment therefor to the pledgee or any party presenting the certificates therefor properly endorsed for transfer, and no sale shall be made by the pledgee until such option has expired.

"No other provisions in the hypothecation or pledge shall in any way affect the rights given in the three preceding paragraphs, and by accepting the pledge the pledgee agrees to carry out and be bound by the provisions of the three preceding paragraphs and of the certificate of incorporation as amended of Graybar Electric Company, Inc.

"Any right or option in the corporation to purchase, redeem, take over or otherwise acquire any stock of the corporation shall, in accordance with the provisions of the certificate of incorporation as amended, also accrue to and may be exercised by any person, persons, firm or corporation designated by the corporation to purchase or acquire such stock or any part thereof.

"It is understood that the certificate of incorporation of Graybar Electric Company, Inc. also provides, in substance, that if any party shall claim or establish ownership of or any interest in shares of stock of the corporation and if such ownership or interest is the result of a sale or transfer in breach of the provisions of the certificate of incorporation, such shares or interest shall at the option of the corporation be subject at all times to purchase by said corporation at prices and under terms and conditions set forth in or to be determined as provided in said certificate of incorporation."

In the event that the corporation shall have exercised any such option to take over any stock which shall have been pledged or hypothecated and the debt to secure which such stock has been pledged, the corporation shall have the right, at any time after the expiration of thirty (30) days after written notice mailed to the holder of record of the pledged stock at his address as shown on the books of the corporation, to purchase said stock by paying or tendering to the pledgor the difference, if any, between the amount paid by the corporation to the pledgee in taking over said stock, together with interest to the time of such purchase, and the price which the corporation would be required to pay to purchase said stock in case of sale by the stockholder to the corporation under the provisions of paragraph (a) of Section B; provided, however, that at any time prior to such purchase of said stock by the corporation the pledgor may redeem said stock from the corporation by paying to the corporation the amount which the corporation paid to the pledgee in taking over the said stock, together with interest thereon. All such interest shall be computed at the rate of six per cent (6%) per annum. In the event that the corporation shall have exercised its option to take over any stock which shall have been pledged or hypothecated, and the debt to secure which the stock has been pledged, the corporation shall, in addition to any rights herein granted, be subrogated to all the rights of the pledgee of said stock. No pledge or hypothecation of any stock of the corporation, except in accordance with the foregoing conditions, shall in any way affect the right of the corporation to treat the stock as if it had not been pledged, whether in the hands of the pledgee or any subsequent holder whose title is through the pledgee or through any sale or transfer resulting from the pledge.

D. All certificates of Common Stock of the corporation shall contain or have endorsed thereon the provisions of the certificate of incorporation as amended in respect of the sale, transfer and pledge of stock, and all voting trust certificates or other certificates of interest covering stock of the corporation issued under a voting trust agreement or other agreement to which the corporation may be a party shall likewise contain or have endorsed thereon said provisions. No transfers of stock shall be recorded on the books of the corporation unless effected in accordance with the provisions of the certificate of incorporation as amended. Each holder of a certificate of stock of the corporation shall be charged with notice of the provisions of the certificate of incorporation of the corporation as amended and shall by receiving any such stock certificate be deemed to assent to and be bound by all of the provisions of the certificate of incorporation as amended.

If for any reason whatsoever any party to whom a sale or transfer has been made in breach of any of the provisions of the certificate of incorporation as amended should claim or establish ownership of or any interest in any shares of stock of the corporation, such shares shall thereupon become subject to redemption or purchase at any and all times thereafter at the option of the corporation, whether in the hands of such party or any subsequent transferee, immediate or remote, upon mailing thirty (30) days notice of the election of the corporation to redeem or purchase such shares to the then holder of record at its address as it appears upon the stock books of the corporation or the books of the voting or other trustees at the price provided in paragraph (a) of Section B hereof, and the corporation may redeem or purchase any such shares upon paying the price specified.

The corporation shall withhold any dividends and refuse to permit the exercise of any voting right upon any shares transferred in violation of the provisions of the certificate of incorporation as amended or in regard to which there has been any default in notifying the corporation of the stockholder's desire to sell his stock in order to give the corporation opportunity to exercise its option to purchase, or default in delivery of stock after the corporation has given notice of its election to exercise any option to purchase. Whenever herein the corporation shall be given any right or option to purchase, redeem or otherwise acquire any shares of stock of the corporation in any manner whatsoever, such rights shall also accrue and may be exercised by any person, persons, firm or corporation designated by the corporation to purchase or acquire such stock or any part thereof.

If any one or more provisions of Section A, B or C or of this Section D shall be declared to be invalid, it shall not affect the validity of any other provisions of said sections or this section or of the certificate of incorporation as amended, nor shall the fact that any shares of the corporation shall be held at any time by any party not entitled to hold the same or from whom the corporation might purchase the same under the provisions of this Section D relieve any other stockholder from compliance with the terms of the provisions of Sections A, B and C and of this Section D.

The term "employee" as used in Sections B and C shall be deemed to include salaried officers.

The term "subsidiary" or "subsidiary company" as used in the certificate of incorporation as amended shall be deemed to mean any company seventy-five per cent (75%) of whose outstanding shares of equity stock, as hereinafter defined, shall be owned by the corporation or by another subsidiary. The term "equity stock" as herein used means the outstanding class or classes of shares entitled upon liquidation of a company to the final distribution of all assets remaining after the payment and discharge of all obligations and after payment and distribution to all classes of shares entitled to priority on the distribution of assets.

E. No stockholder of any class of the corporation shall as such be entitled as of right to purchase or subscribe for stock of any class of the corporation, whether authorized by this certificate of incorporation or by any amendment to this certificate of incorporation or to purchase or subscribe for any other securities of the corporation whether or not such securities may be convertible into stock of any class of the corporation.

FIFTH: No stockholder shall be entitled as of right to purchase or subscribe for any part of any unissued stock or of any additional stock to be issued by reason of any increase of the authorized capital stock of the corporation or of bonds, certificates of indebtedness, debentures or other securities convertible into stock of the corporation, but any such unissued stock or such additional authorized issue of new stock or of other securities convertible into stock may be issued and disposed of pursuant to resolution of the board of directors to such persons, firms, corporations or associations and upon such terms as may be deemed advisable by the board of directors in the exercise of their discretion.

SIXTH: The Secretary of State of New York is hereby designated as the agent of the corporation upon whom process in any action or proceeding against the corporation may be served. The principal office of the corporation in the State of New York is located in the City, County and State of New York, and the address to which the Secretary of State shall mail a copy of process in any action or proceeding against the corporation which may be served upon him is c/o Corporation Service Company, 80 State Street, Albany, New York 12207-2543. The name of the registered agent upon whom and the address of the registered agent at which process against the corporation may be served is Corporation Service Company, 80 State Street, Albany, New York 12207-2543.

SEVENTH: Pursuant to Section 402(b) of the Business Corporation Law of the State of New York, the personal liability of the corporation’s directors to the corporation or its stockholders for damages for breach of duty as a director shall be eliminated to the fullest extent permitted by the Business Corporation Law, as it exists on the date hereof or as it may hereafter be amended. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

EIGHTH: The Board of Directors of the Corporation, when taking action, including action which may involve or relate to any offer or potential offer of another person to (a) make a tender or exchange offer for any equity security of the Corporation, (b) merge or consolidate the Corporation with another corporation, (c) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, or (d) otherwise engage in a transaction that could result in a change of control of the Corporation, shall be entitled to consider all relevant factors, including without limitation (1) both the long-term and the short-term interests of the Corporation and its shareholders and (2) the effects that the Corporation's actions may have in the short-term or in the long-term upon any of the following:

(i) the prospects for potential growth, development, productivity and profitability of the Corporation;
the Corporation's current employees;
(iii) the Corporation's retired employees and other beneficiaries receiving or entitled to receive retirement, welfare or similar benefits from or pursuant to any plan sponsored, or agreement entered into, by the Corporation;
(iv) the Corporation's customers and creditors; and
(v) the ability of the Corporation to provide, as a going concern, goods, services, employment opportunities and employment benefits and otherwise to contribute to the communities in which it or its subsidiaries does business or are located, in each case, to the fullest extent permissible under the New York Business Corporation Law; provided, however, that nothing in this Article Eighth shall create any duties owed by any director to any person

or entity to consider or afford any particular weight to any of the foregoing or abrogate any duty of the directors, either statutory or recognized by common law or court decisions.

For purposes of the foregoing, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Corporation, whether through the ownership of voting stock, by contract, or otherwise.

Exhibit 10

G. I. 16.3

(Effective January 1, 2025)

MANAGEMENT INCENTIVE PLAN

1. GENERAL

1.1. The purpose of the Management Incentive Plan (MIP) is to focus management attention on the planning and execution of activities that are critical to Graybar's success and to reward individuals and units that contribute to improved corporate performance.

1.2. The manner in which MIP is determined and distributed to participants is set forth in this Instruction.

1.3. This plan shall be referred to as the Management Incentive Plan or MIP; however, since it covers Corporate, district and branch participants, it may be helpful to refer to the Corporate, district or branch incentive portion of the plan when discussing specific units or report measurements.

2. PARTICIPATION IN THE PLAN

2.1. Employees who are in positions that have MIP Guideline Incentives (as defined in the Company compensation structure) are eligible to participate in the plan and to receive an annual Incentive Award payment, with the following exceptions and limitations:

2.1.1. To qualify for an Incentive Award for any calendar year, the employee must remain in the service of the Company through the last business day of December of that calendar year. If an employee terminates before the last business day of December, that employee will forfeit his/her MIP payment for that year. Payment of the employee's salary through the last day of employment with the Company fully discharges the Company's obligation with respect to compensation. Exceptions will be made in the event of death or Retirement (as defined in the amended Restated Certificate of Incorporation of the Company).

2.1.2. An employee on an unpaid leave of absence will cease to be a participant during the leave. An employee who returns from the leave to an eligible position outlined in paragraph 2.1 above will continue participation upon their return. Applicable legal regulations and requirements will be followed.

2.1.3. An employee who ceases to be a participant because of demotion or unpaid leaves of absence during the calendar year will have no claim to an Incentive Award, except for the period of active participation during the incentive year, or as granted in accordance with paragraph 2.1.2 above.

2.1.4. Participants in MIP are eligible to earn an Incentive Award beginning with the first day of assignment.

2.1.4.1. Employees who participate in MIP and whose job/position assignment changes will continue participation in their former position through the last day of assignment and begin MIP participation in the new position on the first day of reassignment.

2.1.5. In cases of death or Retirement, MIP will be based on eligible compensation earned prior to the effective date of the applicable event.

3. DETERMINATION OF INCENTIVE AWARDS

3.1. Each member's Guideline Incentive will be expressed in dollars computed by multiplying the member's guideline percentage (indicated in the Company compensation structure) by the member's eligible annual base salary earnings for the incentive year. MIP employees receiving overtime will have MIP based on eligible base pay and overtime earnings. Actual incentives paid may vary from Guideline Incentive amounts based on the performance of the branch, district, or corporation.

3.2. Incentive Awards described in Section 5 will be based on individual guideline incentives and the performance of the employee's organizational unit. For branch participants, the organizational unit will be the branch including its sub-branch(es) or branch group. Branch, district, and Corporate participants will be compensated under the Management Incentive Plan as outlined in the following paragraphs.

3.3. Participants having responsibility in more than one district or branch will have their Guideline Incentive allocated to districts or branches based on either budgeted sales or as directed by the District Vice President or appropriate Senior Vice President. (See paragraph 5.5.)

3.4. Upon the recommendation of the District Vice President and approval by their Senior Vice President and General Manager and the President, certain expenses related to specific customer market expansion may be adjusted from a location's actual net profit when making incentive award calculations.

3.4.1. Such expenses shall be submitted in writing by the District Vice President to their Senior Vice President and General Manager along with the market expansion plan for the applicable location.

3.4.2. No expenditure to be considered for adjustment shall be made by the district until the plan has been approved by their Senior Vice President and General Manager and the President.

3.4.3. Expenses eligible for adjustment shall be limited to the current year. Expenses associated with multi-year initiatives are reviewed and approved annually by their Senior Vice President and General Manager for the current year.

3.4.4. The Manager Accounting & Financial Analysis shall keep complete details of eligible expenses and submit them to the Controller with a copy to the Senior Vice President and General Manager as part of the year-end closing work. The Company reserves the right to reject any or all expenses submitted by the district if it is determined by the Senior Vice President and General Manager that the district has failed to adequately implement the approved market expansion plan(s).

3.4.5. The amount of the MIP adjustment shall be limited to the total amount approved.

3.4.6. After review by the Controller, details outlining the adjustment shall be forwarded to the Employee Resources Center for adjustment to the applicable location's actual net profit for MIP calculation purposes. Approved adjustments may be included in branch, district, and Corporate MIP calculations.

3.5. Upon the recommendation of the District Vice President and approval by their Senior Vice President and General Manager and the President, net profits for Districts opening a new branch(es) may be adjusted to exclude the net profits of the new branch house(s) if they have an adverse effect on MIP awards.

4. FINAL PERFORMANCE INDEX FOR NET PROFIT, GROSS MARGIN, AND SALES PERFORMANCE

4.1. For all participants, the Final Performance Index shall be calculated as determined from time to time by the Board of Directors (see G. I. 16.3 Supplement 1), provided that such calculations are communicated in accordance with Section 8 when applicable.

5. DETERMINATION OF INDIVIDUAL INCENTIVE AWARDS

5.1. Corporate

5.1.1. Awards to Corporate participants will be based on their Guideline Incentive (eligible salary multiplied by the applicable guideline percentage) multiplied by the Corporate Final Performance Index. The Corporate Final Performance Index shall be based on the consolidated financial performance of the Company including Graybar Corporate, districts, zones and all subsidiaries as determined from time to time in accordance with guidelines adopted by the Board.

5.2. District

5.2.1. Awards to district participants will be based on their Guideline Incentive (eligible salary multiplied by guideline percentage) multiplied by the Final Performance Index for their respective district(s).

5.3. Branch

5.3.1. Awards to branch participants will be based on their Guideline Incentive (eligible salary multiplied by guideline percentage) multiplied by the Branch Final Performance Index for their respective branch(es). MIP eligible earnings include overtime for MIP participants who receive overtime.

5.4. Participants who transfer between districts will be paid the greater of the actual MIP earned or the MIP that would have been earned had they remained in the old unit for the entire year.

5.5. In exceptional circumstances a participant may receive a guaranteed MIP for the year, upon recommendation to and pre-approval by the Senior Vice President HR. Such participant will receive the greater of their MIP guarantee or their incentive earned under the terms of the plan. In all cases, participants must meet eligibility requirements of the MIP for payment.

5.6. A district or branch participant who has responsibility in more than one district or branch will have his/her Guideline Incentive allocated to the district or branch on the basis of either budgeted sales or as directed by the District Vice President or Senior Vice President and General Manager. (See paragraph 3.3.)

5.7. No participant will receive an award in excess of the maximum of applicable total points multiplied by his/her Guideline Incentive.

5.8. Awards for each year, subject to the provisions of this Plan, will be paid between February 1 and March 15 of the following year.

5.9. A District Vice President and a Senior Vice President and General Manager or appropriate Senior Vice President will approve all individual awards. The President will also approve all awards and may make any adjustments deemed appropriate.

6. PRESIDENT'S DISCRETIONARY FUNDS

6.1. The President will have an MIP Discretionary Fund equivalent to a set percentage of the total Guideline Incentives for all participants.

6.2. The President shall annually request of each Senior Vice President and General Manager and the Senior Vice President recommendations for discretionary payments to any MIP participant or group of MIP participants.

6.3. The Senior Vice President and General Manager or appropriate Senior Vice President may recommend discretionary payments to any participant or group of participants. Such awards shall not cause any individual to exceed the maximum of applicable total points multiplied by his/her Guideline Incentive.

6.4. The Senior Vice President and General Manager may recommend that a discretionary award, subject to limitations, be awarded to a Branch to cover unusual situations or exceptional performance.

6.5. It is not required that any or all Discretionary Funds be awarded. The total amount disbursed by the President will be reported to the Board of Directors.

7. MODIFICATION OF THE PLAN

7.1. The Company reserves the right to withdraw from this Plan, at any time, any line of merchandise that it sees fit for any reason. In case of the withdrawal of any line as provided for above, sales and profits will be adjusted to eliminate the line or lines of merchandise withdrawn and the adjusted sales and profits as approved by the Controller will be the sales and profits on which compensation will be based.

7.2. The Company reserves the right to establish different incentive targets for districts and branches that budget to produce negative or marginal net profit. Such special arrangements will be recommended by the Compensation Committee for approval by the President. Affected personnel will be notified in writing of the revised incentive targets by January 31 of the incentive year.

7.3. The awards as computed under this Plan will be reviewed by the appropriate District Vice President, Senior Vice President and General Manager and Senior Vice Presidents, who may recommend adjustments to the President. The President is authorized to make any adjustments necessary to correct distortions in unit or individual awards.

7.4. Notwithstanding any of the provisions of this Plan, the Company reserves the right to withdraw or to modify in whole or in part this Management Incentive Plan at any time. Notice of such modification or withdrawal would be given in writing to the employees covered by the Plan.

8. COMMUNICATION OF THE PLAN

8.1. District Vice Presidents will communicate this Plan to all employees who come under its provisions. As soon as the Plan has been read to or by an employee, the employee will sign a statement acknowledging that he/she fully understands the Management Incentive Plan and agrees to its provisions. Such statements will be signed on G. I. 16.3 Attachment A and will be retained in the District Vice President's files for review by Internal Auditors.

8.2. It is important that all participants fully understand both how their incentive pay is determined and how their performance can affect the performance of the unit. Whether understanding is achieved through group or individual meetings is at the discretion of the District Vice President.

9. TERM OF PLAN

9.1. This Plan supersedes and replaces all Management Incentive Plans previously issued. It will remain effective for each succeeding year until terminated. The procedure outlined in Section 8 above will be followed with the issuance of this Instruction and whenever a new member comes under its provisions.

9.2. Questions regarding interpretation or application of these instructions should be referred to the Senior Vice President-Human Resources.

10. 409A COMPLIANCE

10.1. This plan is intended to be exempt from the requirements of section 409A of the Internal Revenue Code of 1986, as amended and the regulations promulgated there under ("Section 409A") to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or otherwise.

10.2. To the extent Section 409A is applicable to this plan, it is intended that this plan comply with the deferral, payout and other limitations, restrictions and requirements imposed under Section 409A. Notwithstanding any other provisions of this plan to the contrary, with this plan will be interpreted, operated, and administrated in a manner consistent with such intentions.

10.3. Without limiting the generality of the foregoing, and not withstanding any other provision of this plan to the contrary, with respect to any payment under this plan to which Section 409A applies, all references to this plan to the termination of an employee's employment or service are intended to mean the employee's "separation from service," within the meaning of Section 409A(a)(2)(A)(i).

10.4. Not with standing anything contained herein to the contrary, if at the time of employee's termination date, (i) the employee is a "specified employee" as defined in Section 409A and , (ii) any of the payments of benefits provided here under may constitute "deferred compensation" under Section 409A, then, and only to the extent required by such provisions, the date of payment of such payments or benefits otherwise provided will be delayed for a period of up to six (6) months following the termination date.

K. M. MAZZARELLA
President

Approved by the Board of Directors September 11, 2024

Reason for reissue: Replaces issue dated January 5, 2023

Exhibit 31.1

CERTIFICATION

I, Kathleen M. Mazzarella, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of Graybar Electric Company, Inc.;

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 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 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: October 28, 2024

/s/ Kathleen M. Mazzarella

Kathleen M. Mazzarella
President, Chief Executive Officer and Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, David M. Meyer, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of Graybar Electric Company, Inc.;

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 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 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: October 28, 2024

/s/ David M. Meyer

David M. Meyer
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kathleen M. Mazzarella, President and Chief Executive Officer of Graybar Electric Company, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2024 (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.

Date: October 28, 2024

/s/ Kathleen M. Mazzarella

Kathleen M. Mazzarella
President, Chief Executive Officer and Principal Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, David M. Meyer, Senior Vice President and Chief Financial Officer of Graybar Electric Company, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2024 (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.

Date: October 28, 2024

/s/ David M. Meyer

David M. Meyer
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)