



For Immediate Release

For more information, contact:
Anthony (Tony) Cristello
Standard Motor Products, Inc.
(972) 316-8107
tony.cristello@smpcorp.com

Standard Motor Products, Inc. Announces

First Quarter 2023 Results

New York, NY, May 3, 2023.....Standard Motor Products, Inc. (NYSE: SMP), a leading automotive parts manufacturer and distributor, reported today its consolidated financial results for the three months ended March 31, 2023.

Net sales for the first quarter of 2023 were \$328.0 million, compared to consolidated net sales of \$322.8 million during the comparable quarter in 2022. Earnings from continuing operations for the first quarter of 2023 were \$12.7 million or \$0.57 per diluted share, compared to \$20.6 million or \$0.91 per diluted share in the first quarter of 2022. Excluding non-operational gains and losses identified on the attached reconciliation of GAAP and non-GAAP measures, earnings from continuing operations for the first quarter of 2023 were \$13.4 million or \$0.61 per diluted share, compared to \$20.6 million or \$0.92 per diluted share in the first quarter of 2022.

Mr. Eric Sills, Standard Motor Products' Chief Executive Officer and President stated, "We are pleased with our first quarter results, as sales increased 1.6% against a difficult comparison, as last year's first quarter was up 17% from the previous year."

By segment, Vehicle Control sales were up 4.1% in the quarter, reflecting continued strength in demand within the aftermarket. Our customers' POS throughout the quarter also remained favorable, which bodes well for future demand.

Turning to Temperature Control, sales declined a modest 0.9% versus the almost 30% growth experienced during the same quarter last year. As a seasonal business, first quarter sales are heavily dependent on customer preseason ordering patterns, and therefore not indicative of the full year.

Engineered Solutions sales were 2% lower than last year's first quarter, but 5% higher than the quarterly average sales level achieved in 2022. We expect this segment to be slightly lumpy quarter to quarter as a result of changes in customer order patterns. Based upon customer

interest, we continue to believe long-term sales growth will be strong, though revenue growth from business wins is not linear.

Looking at profitability, consolidated non-GAAP operating profit margin was 6.6% in the quarter versus 8.3% in the first quarter last year. The decline in profit of \$5.3 million was mainly the result of a \$5.5 million increase in customer factoring program expense over last year, due to rising interest rates. Excluding these incremental factoring costs, our operating expenses would have been flat year over year at 19.5% of net sales. Adjusted EBITDA margin was 8.8% in the quarter versus 11.0% last year and was impacted by the above-mentioned factoring expense. We continue to implement both pricing and cost savings initiatives to help offset rising interest cost increases and lingering inflationary pressures on certain commodities and labor expense.

Our sales and profit expectations for the full year of 2023 remain unchanged with top line sales growth expected to be in the low single digits with an Adjusted EBITDA margin of approximately 10% of revenue, assuming current interest rates.

As part of our commitment to return value to shareholders, the Board of Directors has approved payment of a quarterly dividend of 29 cents per share on the common stock outstanding, which will be paid on June 1, 2023 to stockholders of record on May 15, 2023.

As we recently announced, we are pleased to have published our 2022 Corporate Sustainability report. This report outlines our commitment to being environmentally and socially responsible, and highlights the noticeable progress we have made to date. We remain committed to leveraging sustainability as a catalyst for positive change both within our organization and in the communities within which we operate.

In closing, Mr. Sills commented, “While uncertainty remains, we continue to be bullish on all of our markets. The aftermarket has a long history of stability in challenging economic times, and while still relatively new to us, we are excited about where we are heading with our Engineered Solutions business and the attention it has been getting from its customer base. We will continue to look for ways to drive growth, offset rising costs and deliver increasing value to all our customers and stakeholders alike.”

Conference Call

Standard Motor Products, Inc. will hold a conference call at 11:00 AM, Eastern Time, on Wednesday, May 3, 2023. This call will be web cast and can be accessed on the Investor Relations page of our website at www.smpcorp.com and clicking on the [SMP Q1 2023](#) Earnings Webcast link. Investors may also listen to the call by dialing 800-225-9448 (domestic) or 203-518-9708 (international). Our playback will be made available for dial in immediately following the call. For those choosing to listen to the replay by webcast, the link should be active on our website within 24 hours after the call. The playback number is 800-934-4245 (domestic) or 402-220-1173 (international). The participant passcode is 94640.

Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Standard Motor Products cautions investors that any forward-looking statements made by the company, including those that may be made in this press release, are based on management’s expectations at the time they are made, but they are subject to risks and uncertainties that may

cause actual results, events or performance to differ materially from those contemplated by such forward looking statements. Among the factors that could cause actual results, events or performance to differ materially from those risks and uncertainties discussed in this press release are those detailed from time-to-time in prior press releases and in the company's filings with the Securities and Exchange Commission, including the company's annual report on Form 10-K and quarterly reports on Form 10-Q. By making these forward-looking statements, Standard Motor Products undertakes no obligation or intention to update these statements after the date of this release.