

STANDARD MOTOR PRODUCTS, INC.
Consolidated Statements of Operations

(In thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,			
	2023	(Unaudited)	2022	
NET SALES	\$ 328,028	100.0%	\$ 322,831	100.0%
COST OF SALES	<u>236,761</u>	72.2%	<u>232,991</u>	72.2%
GROSS PROFIT	91,267	27.8%	89,840	27.8%
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	69,633	21.2%	62,884	19.5%
RESTRUCTURING AND INTEGRATION EXPENSES	912	0.3%	41	0.0%
OTHER INCOME, NET	<u>24</u>	0.0%	<u>-</u>	0.0%
OPERATING INCOME	20,746	6.3%	26,915	8.3%
OTHER NON-OPERATING INCOME, NET	225	0.1%	1,449	0.4%
INTEREST EXPENSE	<u>3,862</u>	1.2%	<u>805</u>	0.2%
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	17,109	5.2%	27,559	8.5%
PROVISION FOR INCOME TAXES	<u>4,372</u>	1.3%	<u>7,005</u>	2.2%
EARNINGS FROM CONTINUING OPERATIONS	12,737	3.9%	20,554	6.4%
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(780)</u>	-0.2%	<u>(1,116)</u>	-0.3%
NET EARNINGS	11,957	3.6%	19,438	6.0%
NET EARNINGS (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>39</u>	0.0%	<u>(8)</u>	0.0%
NET EARNINGS ATTRIBUTABLE TO SMP (a)	<u>\$ 11,918</u>	3.6%	<u>\$ 19,446</u>	6.0%
 <u>NET EARNINGS ATTRIBUTABLE TO SMP</u>				
EARNINGS FROM CONTINUING OPERATIONS	\$ 12,698	3.9%	\$ 20,562	6.4%
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(780)</u>	-0.2%	<u>(1,116)</u>	-0.3%
TOTAL	<u>\$ 11,918</u>	3.6%	<u>\$ 19,446</u>	6.0%
 <u>NET EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SMP</u>				
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 0.59		\$ 0.94	
DISCONTINUED OPERATION	<u>(0.04)</u>		<u>(0.06)</u>	
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 0.55</u>		<u>\$ 0.88</u>	
DILUTED EARNINGS FROM CONTINUING OPERATIONS	\$ 0.57		\$ 0.91	
DISCONTINUED OPERATION	<u>(0.03)</u>		<u>(0.04)</u>	
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 0.54</u>		<u>\$ 0.87</u>	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	21,609,618		21,978,507	
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	22,097,750		22,477,819	

(a) "SMP" refers to Standard Motor Products, Inc. and subsidiaries.

STANDARD MOTOR PRODUCTS, INC. Segment Revenues and Operating Profit

(In thousands)

	THREE MONTHS ENDED			
	2023		2022	
	March 31,			
	(Unaudited)			
<u>Revenues</u>				
Engine Management (Ignition, Emissions and Fuel Delivery)	\$ 116,083		\$ 109,149	
Electrical and Safety	51,804		52,257	
Wire sets and other	16,690		15,858	
Vehicle Control	184,577		177,264	
AC System Components	45,752		47,374	
Other Thermal Components	26,654		25,684	
Temperature Control	72,406		73,058	
Commercial Vehicle	19,857		21,451	
Construction / Agriculture	12,795		10,984	
Light Vehicle	22,966		26,075	
All Other	15,427		13,999	
Engineered Solutions	71,045		72,509	
Revenues	\$ 328,028		\$ 322,831	
<u>Gross Margin</u>				
Vehicle Control	\$ 58,472	31.7%	\$ 55,424	31.3%
Temperature Control	19,155	26.5%	19,488	26.7%
Engineered Solutions	13,640	19.2%	14,928	20.6%
All Other	-		-	
Gross Margin	\$ 91,267	27.8%	\$ 89,840	27.8%
<u>Selling, General & Administrative</u>				
Vehicle Control	\$ 40,836	22.1%	\$ 35,039	19.8%
Temperature Control	16,528	22.8%	15,326	21.0%
Engineered Solutions	7,909	11.1%	8,640	11.9%
All Other	4,360		3,879	
Selling, General & Administrative	\$ 69,633	21.2%	\$ 62,884	19.5%
<u>Operating Income</u>				
Vehicle Control	\$ 17,636	9.6%	\$ 20,385	11.5%
Temperature Control	2,627	3.6%	4,162	5.7%
Engineered Solutions	5,731	8.1%	6,288	8.7%
All Other	(4,360)		(3,879)	
Subtotal	\$ 21,634	6.6%	\$ 26,956	8.3%
Restructuring & Integration	(912)	-0.3%	(41)	0.0%
Other Income, Net	24	0.0%	-	0.0%
Operating Income	\$ 20,746	6.3%	\$ 26,915	8.3%

STANDARD MOTOR PRODUCTS, INC.

Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

	THREE MONTHS ENDED		LAST TWELVE MONTHS ENDED		YEAR ENDED			
	MARCH 31,					MARCH 31,		DECEMBER 31,
	<u>2023</u>	<u>2022</u>				<u>2023</u>	<u>2022</u>	<u>2022</u>
	(Unaudited)		(Unaudited)					
<u>EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>								
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 12,698	\$ 20,562						
RESTRUCTURING AND INTEGRATION EXPENSES	912	41						
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	<u>(237)</u>	<u>(11)</u>						
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	<u>\$ 13,373</u>	<u>\$ 20,592</u>						
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>								
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.57	\$ 0.91						
RESTRUCTURING AND INTEGRATION EXPENSES	0.04	0.01						
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	<u>-</u>	<u>-</u>						
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	<u>\$ 0.61</u>	<u>\$ 0.92</u>						
<u>OPERATING INCOME</u>								
GAAP OPERATING INCOME	\$ 20,746	\$ 26,915						
RESTRUCTURING AND INTEGRATION EXPENSES	912	41						
OTHER INCOME, NET	<u>(24)</u>	<u>-</u>						
NON-GAAP OPERATING INCOME	<u>\$ 21,634</u>	<u>\$ 26,956</u>						
<u>EBITDA WITHOUT SPECIAL ITEMS</u>								
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 17,109	\$ 27,559	\$ 87,882	\$ 128,274	\$ 98,332			
DEPRECIATION AND AMORTIZATION	7,082	6,952	28,428	27,681	28,298			
INTEREST EXPENSE	<u>3,862</u>	<u>805</u>	<u>13,674</u>	<u>2,624</u>	<u>10,617</u>			
EBITDA	<u>28,053</u>	<u>35,316</u>	<u>129,984</u>	<u>158,579</u>	<u>137,247</u>			
RESTRUCTURING AND INTEGRATION EXPENSES	912	41	2,762	433	1,891			
CUSTOMER BANKRUPTCY CHARGE	-	-	7,002	-	7,002			
ONE-TIME ACQUISITION COSTS	-	-	-	1,711	-			
SPECIAL ITEMS	<u>912</u>	<u>41</u>	<u>9,764</u>	<u>2,144</u>	<u>8,893</u>			
EBITDA WITHOUT SPECIAL ITEMS	<u>\$ 28,965</u>	<u>\$ 35,357</u>	<u>\$ 139,748</u>	<u>\$ 160,723</u>	<u>\$ 146,140</u>			

MANAGEMENT BELIEVES THAT NON-GAAP EARNINGS FROM CONTINUING OPERATIONS AND NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS WHICH ARE ATTRIBUTABLE TO SMP, AND NON-GAAP OPERATING INCOME AND EBITDA WITHOUT SPECIAL ITEMS, EACH OF WHICH ARE NON-GAAP MEASUREMENTS AND ARE ADJUSTED FOR SPECIAL ITEMS, ARE MEANINGFUL TO INVESTORS BECAUSE THEY PROVIDE A VIEW OF THE COMPANY WITH RESPECT TO ONGOING OPERATING RESULTS. SPECIAL ITEMS REPRESENT SIGNIFICANT CHARGES OR CREDITS THAT ARE IMPORTANT TO AN UNDERSTANDING OF THE COMPANY'S OVERALL OPERATING RESULTS IN THE PERIODS PRESENTED. SUCH NON-GAAP MEASUREMENTS ARE NOT RECOGNIZED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND SHOULD NOT BE VIEWED AS AN ALTERNATIVE TO GAAP MEASURES OF PERFORMANCE.

STANDARD MOTOR PRODUCTS, INC.
Reconciliation of GAAP and Non-GAAP Measures by Segments

(In thousands)

	THREE MONTHS ENDED MARCH 31, 2023				
	Vehicle Control	Temperature Control	Engineered Solutions (Unaudited)	All Other	Consolidated
<u>OPERATING INCOME</u>					
GAAP OPERATING INCOME	\$ 17,375	\$ 2,084	\$ 5,647	\$ (4,360)	\$ 20,746
RESTRUCTURING AND INTEGRATION EXPENSES	285	543	84	-	912
OTHER INCOME, NET	(24)	-	-	-	(24)
NON-GAAP OPERATING INCOME	<u>\$ 17,636</u>	<u>\$ 2,627</u>	<u>\$ 5,731</u>	<u>\$ (4,360)</u>	<u>\$ 21,634</u>
<u>EBITDA WITHOUT SPECIAL ITEMS</u>					
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 15,057	\$ 1,105	\$ 5,286	\$ (4,339)	\$ 17,109
DEPRECIATION AND AMORTIZATION	3,412	763	2,481	426	7,082
INTEREST EXPENSE	2,741	893	359	(131)	3,862
EBITDA	<u>21,210</u>	<u>2,761</u>	<u>8,126</u>	<u>(4,044)</u>	<u>28,053</u>
RESTRUCTURING AND INTEGRATION EXPENSES SPECIAL ITEMS	<u>285</u>	<u>543</u>	<u>84</u>	<u>-</u>	<u>912</u>
EBITDA WITHOUT SPECIAL ITEMS	<u>\$ 21,495</u>	<u>\$ 3,304</u>	<u>\$ 8,210</u>	<u>\$ (4,044)</u>	<u>\$ 28,965</u>
<i>% of Net Sales</i>	11.6%	4.6%	11.6%		8.8%

	THREE MONTHS ENDED MARCH 31, 2022				
	Vehicle Control	Temperature Control	Engineered Solutions (Unaudited)	All Other	Consolidated
<u>OPERATING INCOME</u>					
GAAP OPERATING INCOME	\$ 20,344	\$ 4,162	\$ 6,288	\$ (3,879)	\$ 26,915
RESTRUCTURING AND INTEGRATION EXPENSES	41	-	-	-	41
OTHER INCOME, NET	-	-	-	-	-
NON-GAAP OPERATING INCOME	<u>\$ 20,385</u>	<u>\$ 4,162</u>	<u>\$ 6,288</u>	<u>\$ (3,879)</u>	<u>\$ 26,956</u>
<u>EBITDA WITHOUT SPECIAL ITEMS</u>					
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 20,366	\$ 4,480	\$ 6,578	\$ (3,865)	\$ 27,559
DEPRECIATION AND AMORTIZATION	3,417	680	2,458	397	6,952
INTEREST EXPENSE	575	160	146	(76)	805
EBITDA	<u>24,358</u>	<u>5,320</u>	<u>9,182</u>	<u>(3,544)</u>	<u>35,316</u>
RESTRUCTURING AND INTEGRATION EXPENSES SPECIAL ITEMS	<u>41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41</u>
EBITDA WITHOUT SPECIAL ITEMS	<u>\$ 24,399</u>	<u>\$ 5,320</u>	<u>\$ 9,182</u>	<u>\$ (3,544)</u>	<u>\$ 35,357</u>
<i>% of Net Sales</i>	13.8%	7.3%	12.7%		11.0%

MANAGEMENT BELIEVES THAT NON-GAAP OPERATING INCOME AND EBITDA WITHOUT SPECIAL ITEMS, EACH OF WHICH ARE NON-GAAP MEASUREMENTS AND ARE ADJUSTED FOR SPECIAL ITEMS, ARE MEANINGFUL TO INVESTORS BECAUSE THEY PROVIDE A VIEW OF THE COMPANY WITH RESPECT TO ONGOING OPERATING RESULTS. SPECIAL ITEMS REPRESENT SIGNIFICANT CHARGES OR CREDITS THAT ARE IMPORTANT TO AN UNDERSTANDING OF THE COMPANY'S OVERALL OPERATING RESULTS IN THE PERIODS PRESENTED. SUCH NON-GAAP MEASUREMENTS ARE NOT RECOGNIZED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND SHOULD NOT BE VIEWED AS AN ALTERNATIVE TO GAAP MEASURES OF PERFORMANCE.

STANDARD MOTOR PRODUCTS, INC.

Condensed Consolidated Balance Sheets

(In thousands)

	MARCH 2023 <u>(Unaudited)</u>	MARCH 2022 <u>(Unaudited)</u>	DECEMBER 2022 <u></u>
<u>ASSETS</u>			
CASH	\$ 24,196	\$ 19,999	\$ 21,150
ACCOUNTS RECEIVABLE, GROSS	216,617	231,963	173,013
ALLOWANCE FOR EXPECTED CREDIT LOSSES	5,816	6,660	5,375
ACCOUNTS RECEIVABLE, NET	<u>210,801</u>	<u>225,303</u>	<u>167,638</u>
INVENTORIES	522,039	534,421	528,715
UNRETURNED CUSTOMER INVENTORY	20,626	22,221	19,695
OTHER CURRENT ASSETS	26,192	17,471	25,241
TOTAL CURRENT ASSETS	<u>803,854</u>	<u>819,415</u>	<u>762,439</u>
PROPERTY, PLANT AND EQUIPMENT, NET	107,123	102,984	107,148
OPERATING LEASE RIGHT-OF-USE ASSETS	74,291	42,116	49,838
GOODWILL	132,289	131,538	132,087
OTHER INTANGIBLES, NET	98,389	104,344	100,504
DEFERRED INCOME TAXES	33,893	35,964	33,658
INVESTMENT IN UNCONSOLIDATED AFFILIATES	42,719	45,518	41,745
OTHER ASSETS	27,462	28,530	27,510
TOTAL ASSETS	<u>\$ 1,320,020</u>	<u>\$ 1,310,409</u>	<u>\$ 1,254,929</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
CURRENT PORTION OF REVOLVING CREDIT FACILITY	\$ 52,600	\$ 245,450	\$ 50,000
CURRENT PORTION OF TERM LOAN AND OTHER DEBT	5,014	3,235	5,031
ACCOUNTS PAYABLE	94,372	139,392	89,247
ACCRUED CUSTOMER RETURNS	42,153	46,085	37,169
ACCRUED CORE LIABILITY	21,319	23,513	22,952
ACCRUED REBATES	39,657	42,606	37,381
PAYROLL AND COMMISSIONS	24,268	31,972	31,361
SUNDRY PAYABLES AND ACCRUED EXPENSES	42,041	45,875	49,990
TOTAL CURRENT LIABILITIES	<u>321,424</u>	<u>578,128</u>	<u>323,131</u>
LONG-TERM DEBT	215,487	-	184,589
NONCURRENT OPERATING LEASE LIABILITY	65,319	32,281	40,709
ACCRUED ASBESTOS LIABILITIES	60,820	51,909	63,305
OTHER LIABILITIES	24,298	25,178	22,157
TOTAL LIABILITIES	<u>687,348</u>	<u>687,496</u>	<u>633,891</u>
TOTAL SMP STOCKHOLDERS' EQUITY	621,644	611,871	610,020
NONCONTROLLING INTEREST	11,028	11,042	11,018
TOTAL STOCKHOLDERS' EQUITY	<u>632,672</u>	<u>622,913</u>	<u>621,038</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,320,020</u>	<u>\$ 1,310,409</u>	<u>\$ 1,254,929</u>

STANDARD MOTOR PRODUCTS, INC.
Condensed Consolidated Statements of Cash Flows

(In thousands)

	THREE MONTHS ENDED MARCH 31,	
	2023	2022
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 11,957	\$ 19,438
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH USED IN OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	7,082	6,952
OTHER	4,587	4,374
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	(42,617)	(44,706)
INVENTORY	6,195	(67,662)
ACCOUNTS PAYABLE	4,809	1,942
PREPAID EXPENSES AND OTHER CURRENT ASSETS	1,165	2,171
SUNDRY PAYABLES AND ACCRUED EXPENSES	(10,656)	(21,226)
OTHER	(2,964)	(5,245)
NET CASH USED IN OPERATING ACTIVITIES	<u>(20,442)</u>	<u>(103,962)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
CAPITAL EXPENDITURES	(4,363)	(6,449)
OTHER INVESTING ACTIVITIES	13	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,350)</u>	<u>(6,449)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	33,478	120,340
PURCHASE OF TREASURY STOCK	-	(6,517)
DIVIDENDS PAID	(6,261)	(5,935)
OTHER FINANCING ACTIVITIES	125	444
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>27,342</u>	<u>108,332</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	496	323
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,046</u>	<u>(1,756)</u>
CASH AND CASH EQUIVALENTS at beginning of period	21,150	21,755
CASH AND CASH EQUIVALENTS at end of period	<u>\$ 24,196</u>	<u>\$ 19,999</u>