

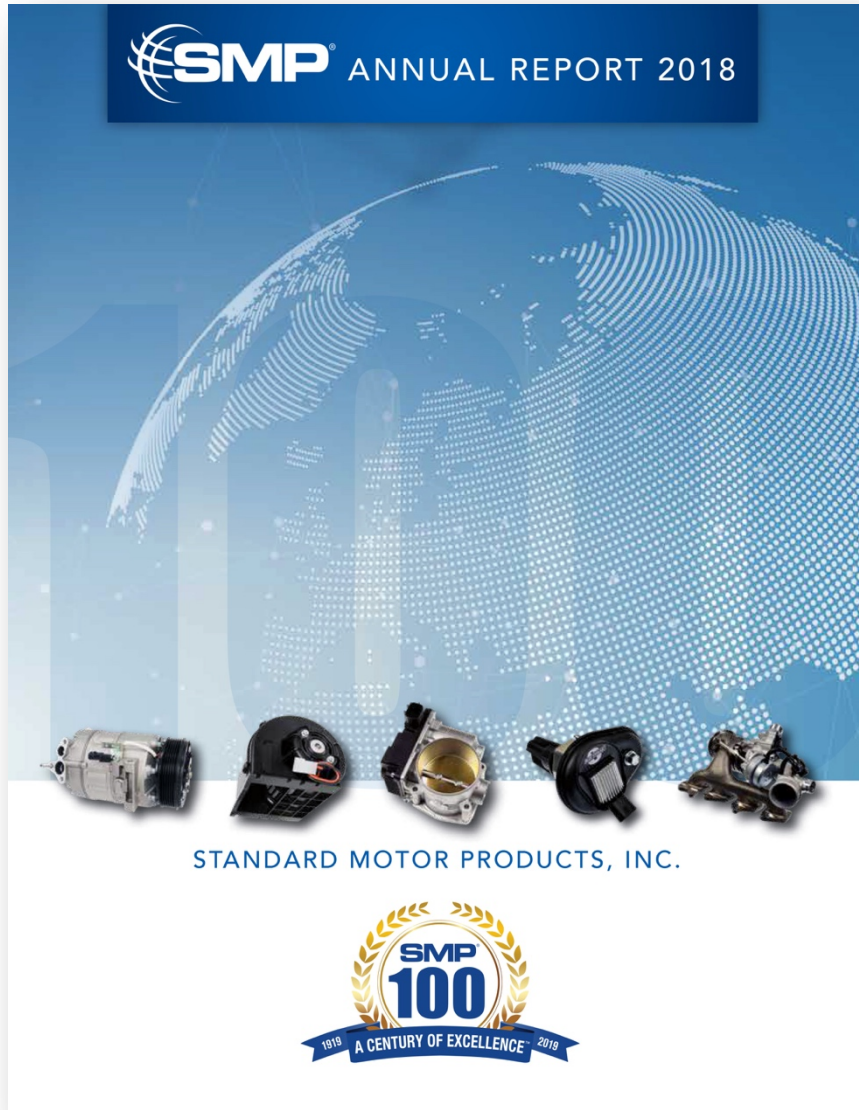
Standard Motor Products, Inc.

Q1 2019 Investor Presentation





Forward Looking Statements



You should be aware that except for historical information, the matters discussed herein are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements, including projections and anticipated levels of future performance, are based on current information and assumptions and involve risks and uncertainties which may cause actual results to differ materially from those discussed herein. You are urged to review our filings with the SEC and our press releases from time to time for details of these risks and uncertainties.

Industry and Business Overview

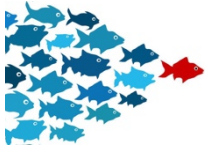




Why Invest in SMP?



Longstanding business led by experienced management team



Leader in engine management and temp control aftermarket



Significant share of stable industry with positive outlook



Proven strategy for long-term outperformance



Superior shareholder returns



Financial results demonstrate success



SMP Snapshot

100 Years in Business

- Founded 1919
- \$1.1 Billion 2018 Sales
- 4,400 Employees Worldwide



LAWRENCE I. SILLS
Executive Chairman
Board of Directors



ERIC P. SILLS
Director, CEO
and President



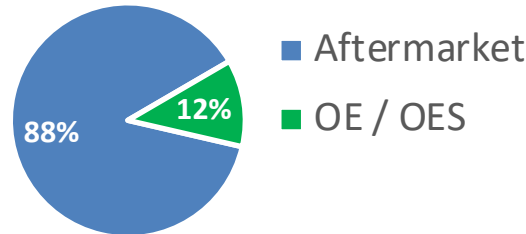
JAMES J. BURKE
Chief Operating
Officer



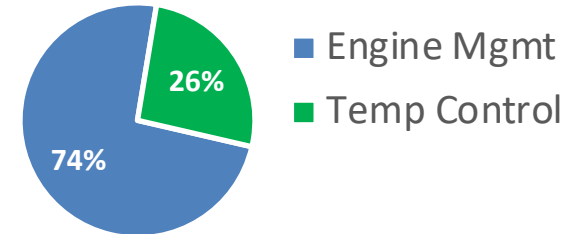
DALE BURKS
EVP and Chief
Commercial Officer

2018 Sales Breakdown

Sales by Market



Sales by Product Line



Major Product Categories

Engine Management

- Ignition Products
- Emissions Products
- Fuel Delivery
- Vehicle Electronics
- Wire & Cable

Temperature Control

- A/C Compressors
- Other A/C System Components
- Engine Cooling Products
- Blower & Radiator Fan Motors
- Window Lift Motors



SMP Snapshot

Professionally Recognized Brands



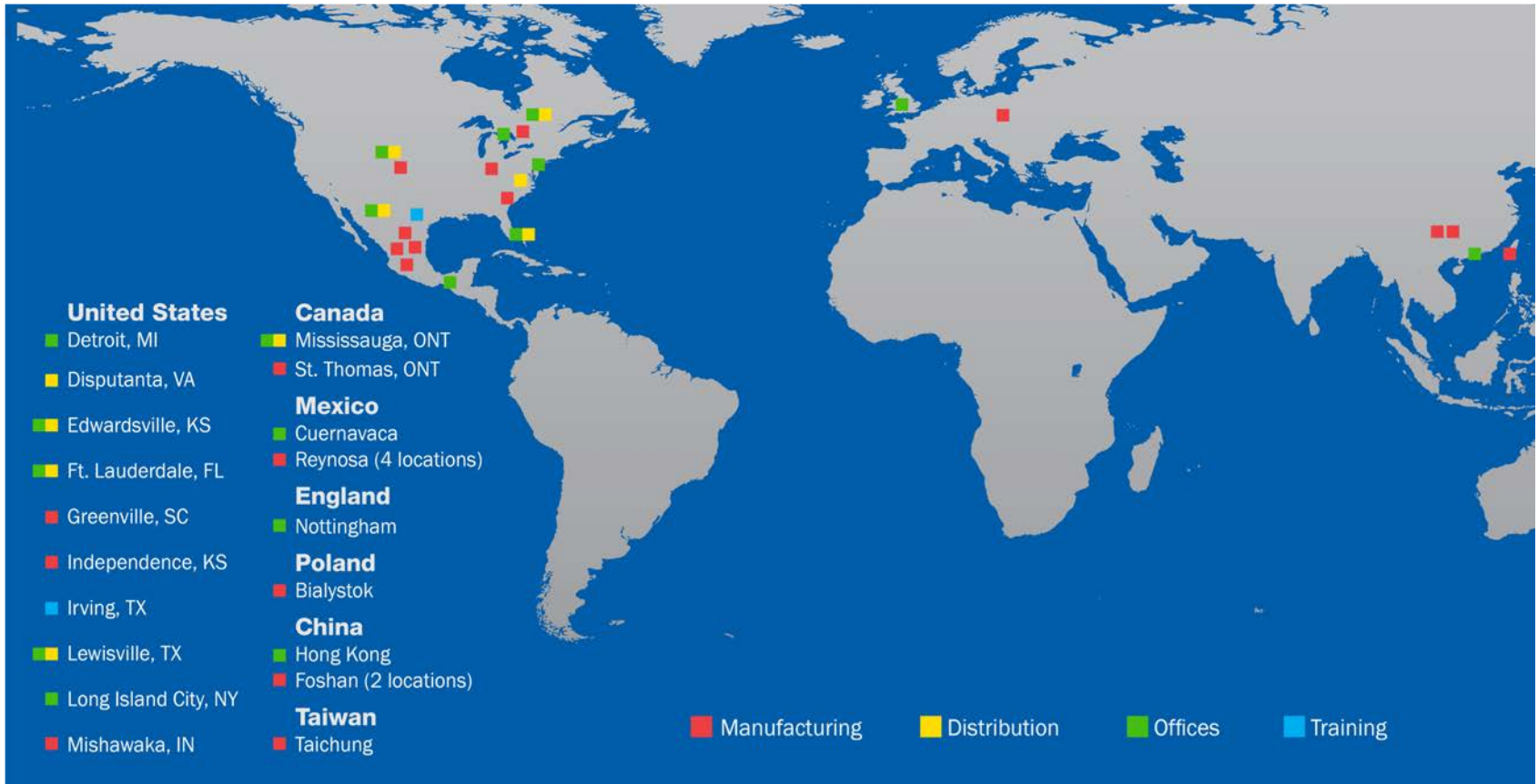
Significant Supplier to All Major Distributors





SMP Facilities – Worldwide

Global Footprint



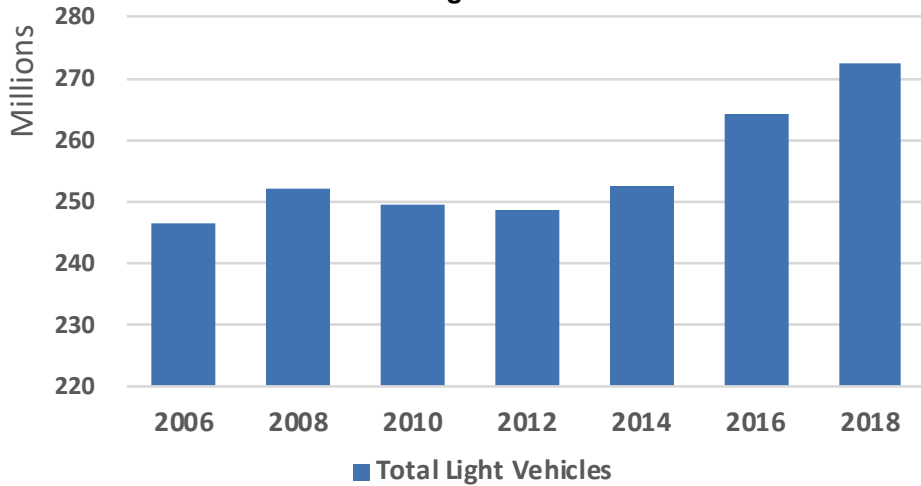
3 Million sq. ft. • 12 Manufacturing Plants • 5 Distribution Centers • 9 Offices



Favorable Industry Trends

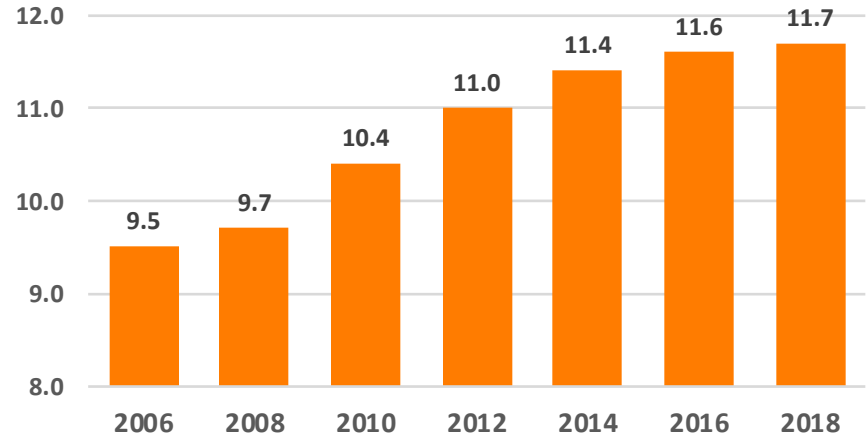
Vehicle Population is increasing

U.S. Light Vehicle Parc



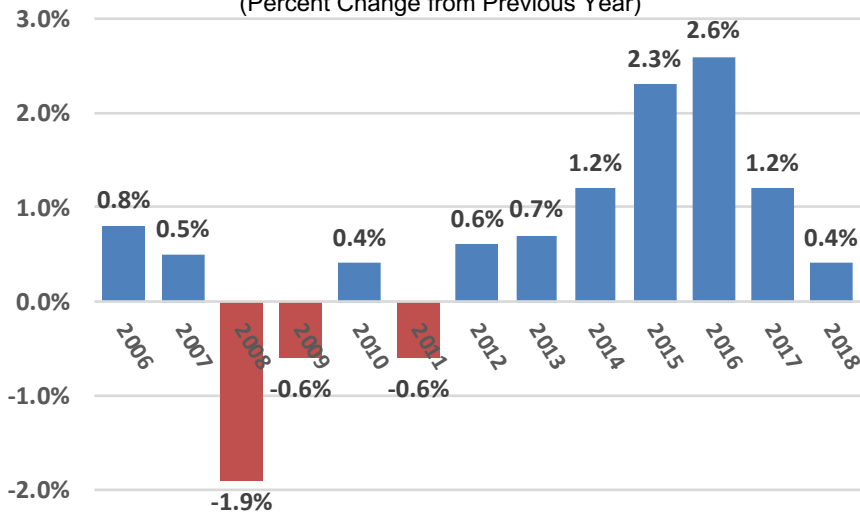
Vehicle population continues to age

Average Age of Cars and Light Trucks

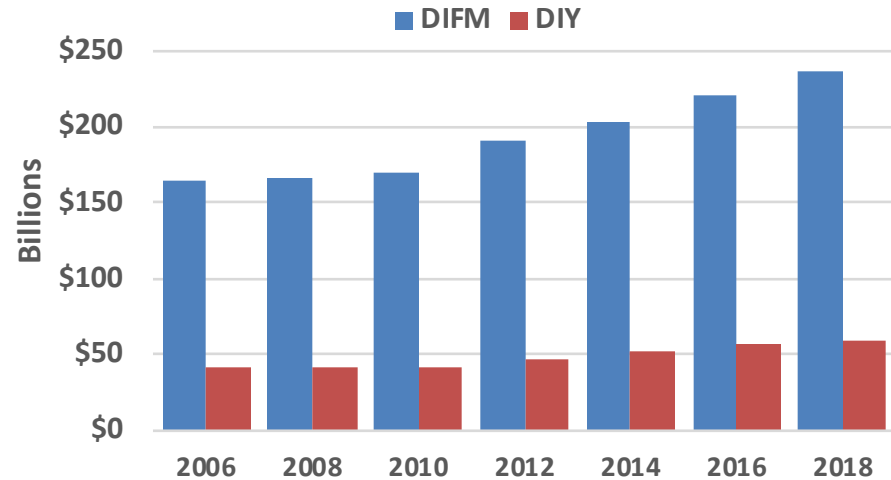


Miles Driven is Increasing

Annual Miles Driven, 2006-2018
(Percent Change from Previous Year)



DIFM Revenue Continues to Grow



Strategy Overview





Strategic Objectives

Premium Value Proposition

- ***External programs that provide real value to our customers***
 - Best-in-class full-line, full-service supplier of premium engine management and temperature control products

Drive for Continuous Improvement

- ***Internal programs that make us a stronger company***
 - Investment in increased manufacturing
 - Increase in low-cost footprint
 - Global sourcing without compromise to quality

Successful Growth Programs

- ***Strategic expansion of our business***
 - Complementary product lines
 - Complementary markets, geographies and channels
 - Strategic acquisitions

Return to Shareholders

- Dividend Increase
- Treasury Stock Buyback Program

SMP® **CORE STRATEGY**

To be the best full-line, full-service supplier of premium engine management and temperature control products

The SMP Value Proposition

Our suite of products and services is designed to provide all the needed support for our customers and the technicians who install our parts

**Premium Quality
Products**

**Premium
Brands**

**Full-Line
Coverage**

**Supply Chain
Excellence**

**Field Sales
Support**

**Marketing
Support**

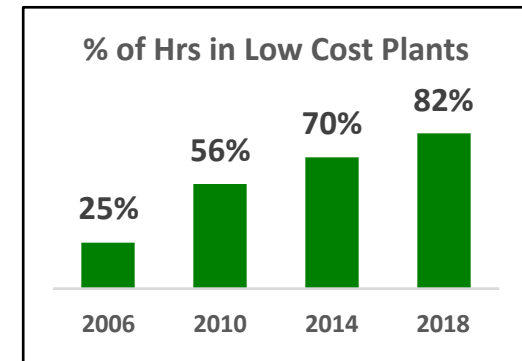
**World-Class
Training**

**Basic
Manufacturing**



Drive for Continuous Improvement

- Increased Manufacturing
 - Engineering resources up >30% from 2013
 - 80% of capital budget for tooling projects
 - Acquisitions: a great “shortcut”
- Low Cost Manufacturing
 - Closure of Grapevine and Orlando
 - China expansion
 - Integration of General Cable
 - Integration of Pollak (2019)
- Low Cost Sourcing
 - Hong Kong Engineering & Sourcing Office
 - Rigorous U.S. product qualification





Successful Growth Programs

Committed to Growing Technology Categories

- Electronic Throttle Bodies (ETB) – Basic manufacturing in Reynosa
- EGT / ETS (Exhaust Gas Temperature) – Manufactured in Bialystok
- Anti-lock Brake (ABS) Sensors – 4 per vehicle; 2400+ SKUs
- TPMS – NSF registered, an aftermarket exclusive
- Evaporative Emissions Components (EVAP) – 1,000+ SKUs
- ADAS Components – Market leader in ADAS
- Interior Switches – 10,000 engine, multi-function, & driver-operated switches
- Brushless Motors (BLDC) – Modular electronics adaptable to various models
- Thermostat Assemblies and Housings – improved design over the OE
- Water Outlets – Industry leading catalog and coverage
- Blend Door Actuators – Multiple functionality with up to six per vehicle



Strategic Acquisitions

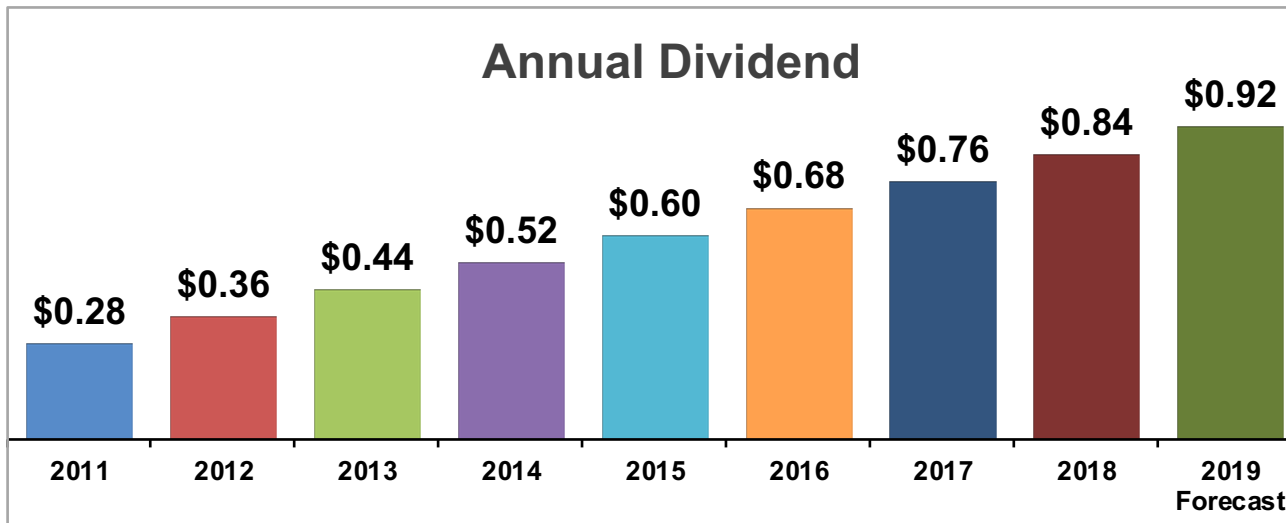
- Eleven Acquisitions in Recent Years
- Primary Focus
 - Bolt-on: acquire competitors
 - Vertical integration: acquire suppliers
 - New but related business
- Rationale
 - Demonstrable synergies with minimal risk
 - Contributes to other strategic objectives
 - Growth and diversification / OES and Heavy Duty
 - Increased / low-cost manufacturing
 - Provides enhanced value to our customers
 - Helps with Full-Line, Full-Service model
 - Economies of scale allows further investment
 - Helps address part complexity / SKU proliferation





Return to Shareholders

Dividend Increase



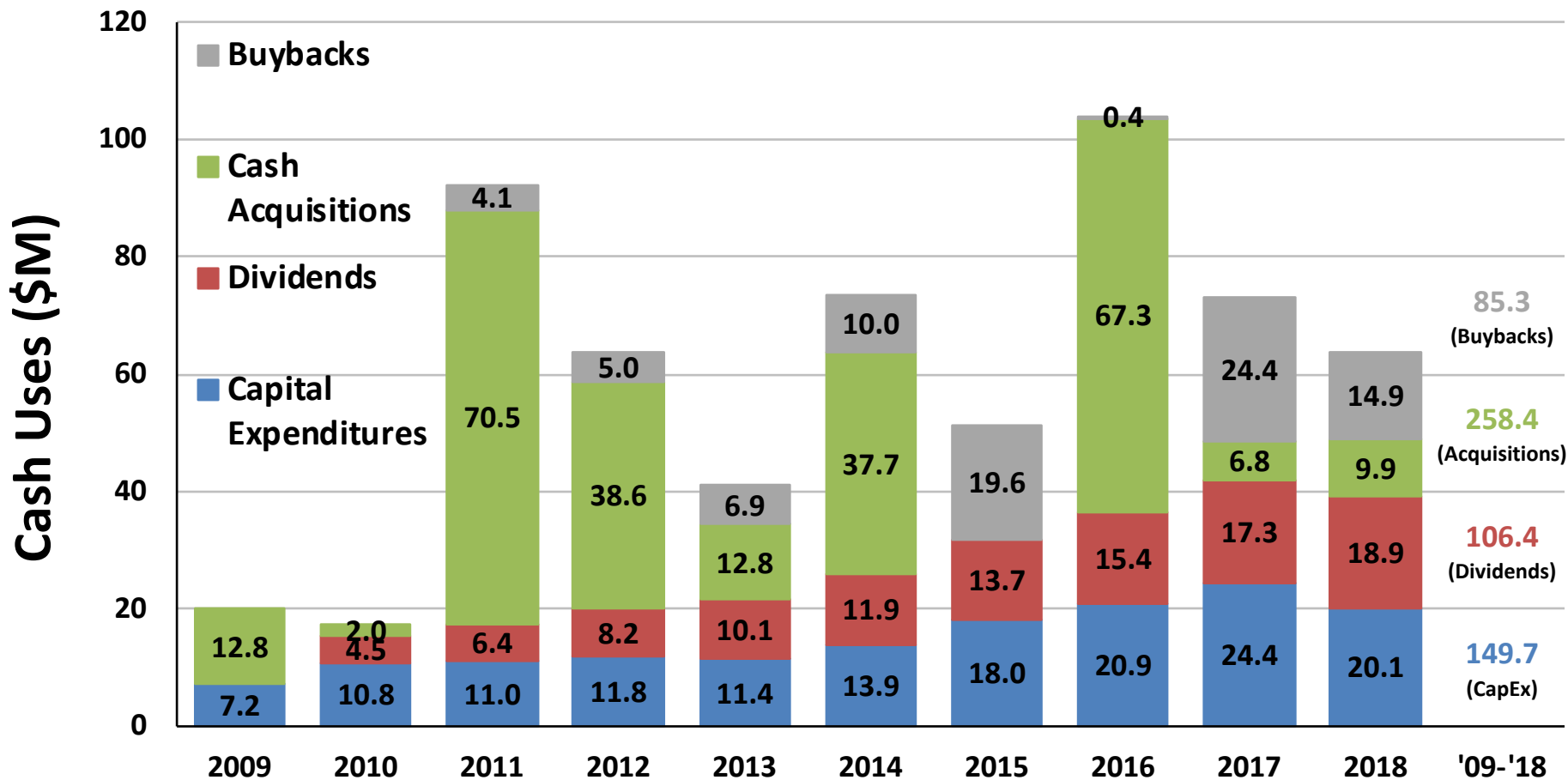
2019 Note: \$0.92 based on quarterly dividend of \$0.23 announced Feb 2019

Treasury Stock Buyback Program

Year	Spend	Shares	Avg. Price
2011	\$4.1M	322,250	\$12.84
2012	\$5.0M	380,777	\$13.13
2013	\$6.9M	209,973	\$32.69
2014	\$10.0M	284,284	\$35.18
2015/16	\$20.0M	561,926	\$35.59
2017/18	\$39.3M	853,551	\$46.00
3/31/19 YTD	<u>\$5.8M</u>	<u>119,539</u>	\$48.81
2011 – 3/31/19	\$91.1M	2,732,300	



SMP Cash Utilization



Total Cash Usage	20.0	17.3	92.0	63.6	41.2	73.5	51.3	104.0	72.9	63.8	599.8
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Uses of Cash:											
Invest for Growth (Capex + M&A)	100%	74%	89%	79%	59%	70%	35%	85%	43%	47%	68%
Return to Investors (Buybacks + Dividends)	0%	26%	11%	21%	41%	30%	65%	15%	57%	53%	32%

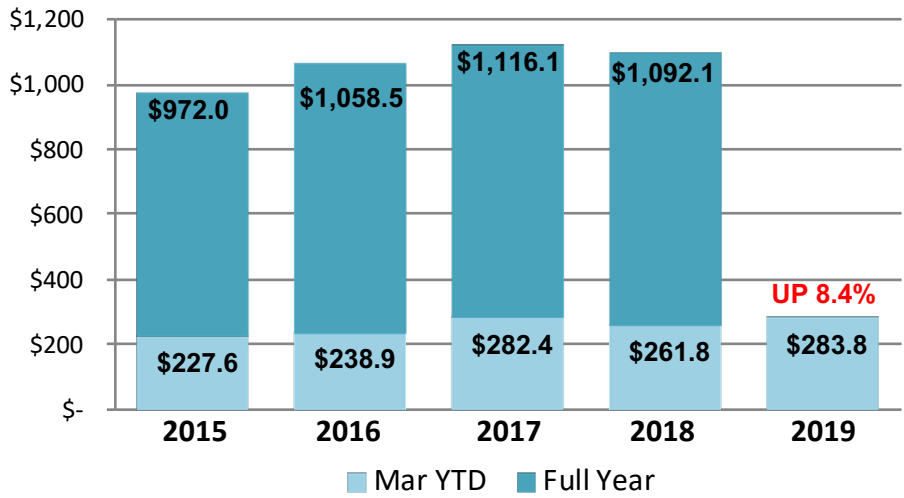
March 2019 YTD Results



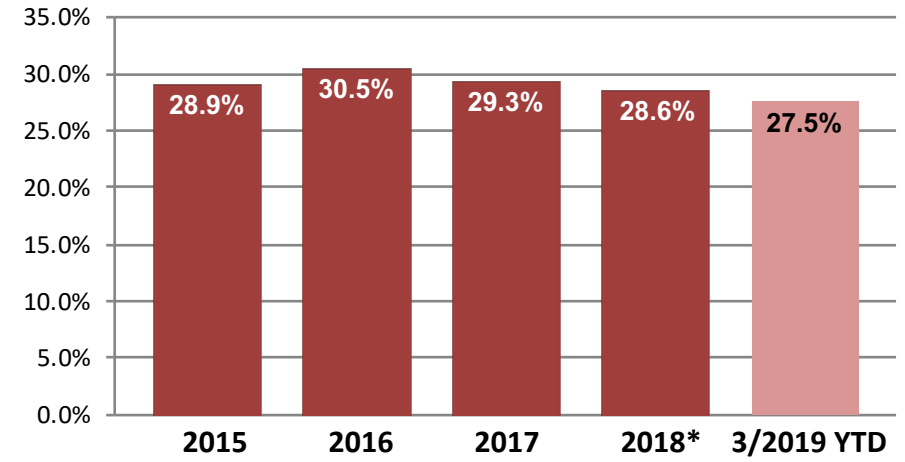


Year-Over-Year Performance Measures

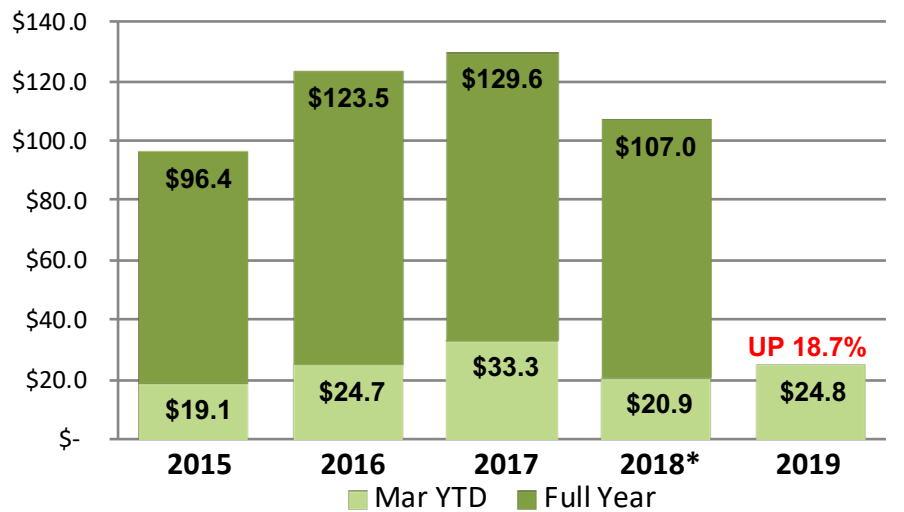
Consolidated Net Sales (\$M)



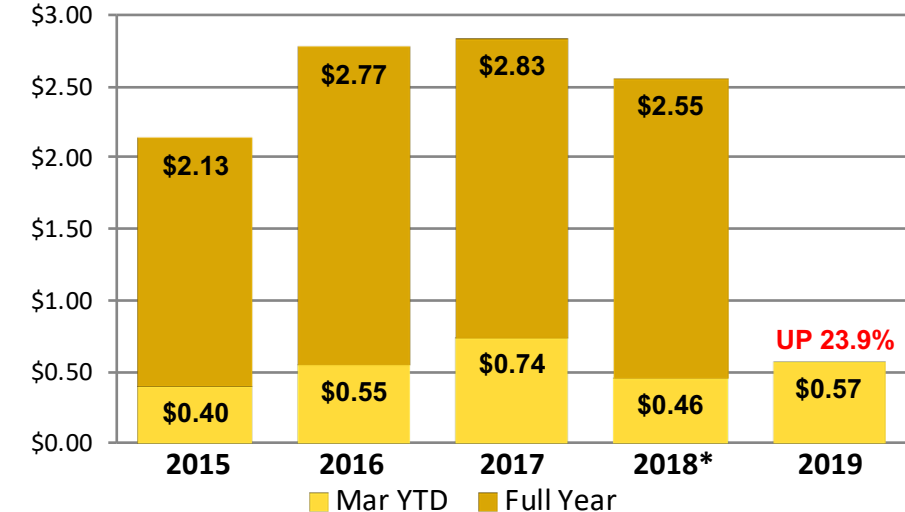
Gross Margin



EBITDA (w/o Special Items) (\$M)



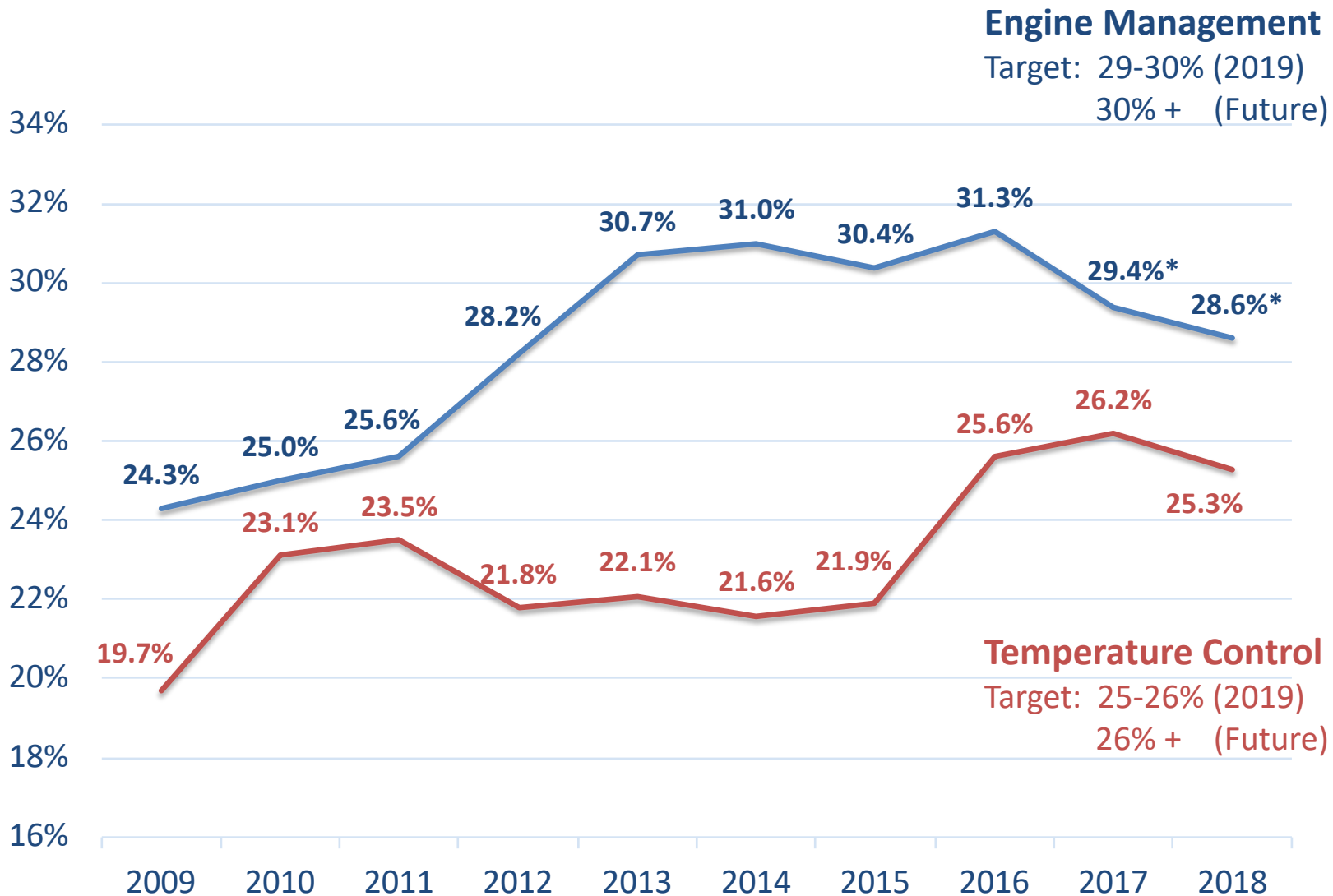
Diluted EPS (w/o Special Items)



* Includes Wire Integration Costs Incurred From Nogales to Reynosa Move



Substantial Gross Margin Improvement



* Includes Wire Integration Costs Incurred From Nogales to Reynosa Move



Income Statement Non-GAAP

(\$ in millions)

	<u>March 2019 YTD</u>		<u>March 2018 YTD</u>	
	<u>Amount</u>	<u>% of Sales</u>	<u>Amount</u>	<u>% of Sales</u>
Net Sales	\$ 283.8	100.0%	\$ 261.8	100.0%
Gross Profit	78.0	27.5%	72.6	27.7%
SG&A Expenses	60.0	21.1%	57.7	22.0%
Operating Profit	18.0	6.3%	14.9	5.7%
Other Income/(Loss)	0.6		0.0	
Interest Expense	1.1		0.6	
Income Taxes	4.4		3.7	
Earnings from Continuing Ops.	<u>\$ 13.1</u>		<u>\$ 10.5</u>	
Diluted Earnings Per Share: Continuing Operations	<u>\$ 0.57</u>		<u>\$ 0.46</u>	
<i>Diluted Shares (000's)</i>	22,905		22,967	



Condensed Balance Sheet

Actual Q1 2019, Q1 2018 (\$ in millions)

	Dollars		Ratios	
	2019	2018	2019	2018
Cash and Equivalents	\$ 11.7	\$ 26.2		
Accounts Receivable/DSO	174.2	160.6	50	51
Inventory/Turns	365.3	329.8	2.4	2.3
Unreturned Customer Inventory	19.8	18.7		
Other Assets	341.7	310.9		
Total Assets	\$ 912.7	\$ 846.2		
Current Liabilities	\$ 261.8	\$ 242.6		
Total Debt/Debt to Cap Ratio	83.9	95.9	15.1%	17.3%
Other Liabilities	94.0	48.2		
Total Liabilities	\$ 439.7	\$ 386.7		
Equity/Debt to Equity Ratio	473.0	459.5	0.18	0.21
Total Liabilities and Equity	\$ 912.7	\$ 846.2		

* Jan 1, 2019 Added \$38M in Offsetting Operating Lease Right-Of-Use-Assets and Liabilities



Condensed Statement of Cash Flows

<i>(IN MILLIONS)</i>	March YTD		Full Year
	2019	2018	2018
NET INCOME	\$12.2	\$8.0	\$43.0
DEPRECIATION & AMORTIZATION	6.2	6.0	24.1
ACCOUNTS RECEIVABLE	(22.3)	(20.4)	(13.7)
INVENTORY	(14.7)	(3.4)	(30.2)
ACCOUNTS PAYABLE	1.2	10.7	16.9
OTHER OPERATING ACTIVITIES	(9.3)	(7.1)	30.2
OPERATING CASH FLOW	(26.7)	(6.2)	70.3
CAPITAL EXPENDITURES	(3.1)	(6.9)	(20.1)
ACQUISITIONS	0.0	(6.5)	(9.9)
NET BORROWINGS (PAYMENTS)	34.8	34.1	(12.2)
DIVIDENDS	(5.2)	(4.7)	(18.9)
REPURCHASE OF COMMON STOCK	(5.8)	(3.2)	(14.9)
OTHER CHANGES	6.6	2.3	(0.5)
NET CHANGE IN CASH	\$ 0.6	\$ 8.9	\$ (6.2)
FREE CASH FLOW	\$ (35.0)	\$ (17.8)	\$ 31.3

Appendix





Reconciliation of GAAP and Non-GAAP Measures (cont'd)

(\$ in thousands, except per share amounts)

	THREE MONTHS MARCH 31,				
	2019	2018	2017	2016	2015
			(Unaudited)		
<u>EARNINGS FROM CONTINUING OPERATIONS</u>					
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 13,104	\$ 8,597	\$ 16,367	\$ 12,656	\$ 9,339
RESTRUCTURING AND INTEGRATION EXPENSES (INCOME)	-	2,836	1,547	241	57
GAIN FROM SALE OF BUILDINGS	-	(218)	(262)	(262)	(262)
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	(681)	(514)	9	82
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 13,104	\$ 10,534	\$ 17,138	\$ 12,644	\$ 9,216
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS</u>					
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.57	\$ 0.37	\$ 0.70	\$ 0.55	\$ 0.40
RESTRUCTURING AND INTEGRATION EXPENSES (INCOME)	-	0.12	0.07	0.01	-
GAIN FROM SALE OF BUILDINGS	-	(0.01)	(0.01)	(0.01)	(0.01)
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	(0.02)	(0.02)	-	0.01
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.57	\$ 0.46	\$ 0.74	\$ 0.55	\$ 0.40

MANAGEMENT BELIEVES THAT EARNINGS FROM CONTINUING OPERATIONS AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS, 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.



Reconciliation of GAAP and Non-GAAP Measures (cont'd)

(\$ in thousands)

	THREE MONTHS MARCH 31,				
	2019	2018	2017 (Unaudited)	2016	2015
<u>EBITDA WITHOUT SPECIAL ITEMS</u>					
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 17,514	\$ 11,644	\$ 25,874	\$ 20,041	\$ 14,640
DEPRECIATION & AMORTIZATION	6,178	6,016	5,631	4,373	4,288
INTEREST EXPENSE	1,089	632	468	311	426
EBITDA	24,781	18,292	31,973	24,725	19,354
RESTRUCTURING AND INTEGRATION EXPENSES (INCOME)	-	2,836	1,547	241	57
GAIN FROM SALE OF BUILDINGS	-	(218)	(262)	(262)	(262)
SPECIAL ITEMS	-	2,618	1,285	(21)	(205)
EBITDA WITHOUT SPECIAL ITEMS	\$ 24,781	\$ 20,910	\$ 33,258	\$ 24,704	\$ 19,149
TOTAL DEBT	\$ 83,901	\$ 95,922	\$ 82,200	\$ 49,656	\$ 71,761
DEBT TO EBITDA RATIO (TTM)	0.8:1	0.8:1	0.6:1	0.5:1	0.7:1

MANAGEMENT BELIEVES THAT EBITDA WITHOUT SPECIAL ITEMS, WHICH IS A NON-GAAP MEASUREMENT, IS MEANINGFUL TO INVESTORS BECAUSE IT PROVIDES 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.

Thank You

