

Safe Harbor – 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. Further, the COVID-19 pandemic and resulting supply chain disruption has caused our business and industry to experience significant volatility, uncertainty, and economic disruption, and could continue to impact our future sales and profitability as described in our quarterly and annual reports filed with the SEC. You are urged to review all of our filings with the SEC and our press releases from time to time for details of these risks and uncertainties.

In addition, please see our press release issued on August 3, 2022 for factors that could cause future performance to vary from the expectations expressed or implied by the forward-looking statements herein and for certain reconciliations of GAAP to non-GAAP results.

❖ Welcome & Introduction

Tony Cristello, VP Investor Relations

❖ Overview & Market Trends

Eric Sills, CEO

❖ Operations & Supply Chain Update

Jim Burke, COO

❖ Financial Results & Balance Sheet

Nathan Iles, CFO

❖ Wrap-up

Eric Sills, CEO

❖ Q&A

All

Q2 & YTD 2022 P&L Summary⁽¹⁾

(In millions, except per share amounts)

	THREE MONTHS ENDED JUNE 30,				SIX MONTHS ENDED JUNE 30,				
	2022		2021		2022		2021		
<u>Engine Management</u>									
Revenue	\$	241.9	\$	233.2	\$	481.1	\$	445.2	
Gross Margin		62.3	25.8%	67.5	29.0%	127.8	26.6%	132.6	29.8%
Selling, General & Administrative		41.2	17.0%	37.0	15.9%	80.0	16.6%	71.0	16.0%
Operating Income	\$	21.1	8.7%	30.5	13.1%	47.8	9.9%	61.6	13.8%
<u>Temperature Control</u>									
Revenue	\$	114.4	\$	106.5	\$	195.8	\$	168.9	
Gross Margin		30.6	26.7%	28.7	26.9%	50.6	25.8%	44.7	26.4%
Selling, General & Administrative		18.3	16.0%	15.5	14.5%	33.1	16.9%	27.9	16.5%
Operating Income	\$	12.3	10.7%	13.2	12.4%	17.5	8.9%	16.8	9.9%
<u>Consolidated Results</u>									
Revenue	\$	359.4	\$	342.1	\$	682.2	\$	618.6	
Gross Margin		96.4	26.8%	99.4	29.0%	186.2	27.3%	183.1	29.6%
Selling, General & Administrative		68.5	19.1%	61.7	18.0%	131.4	19.3%	116.1	18.8%
Operating Income	\$	27.9	7.8%	37.7	11.0%	54.8	8.0%	67.0	10.8%
Net Earnings from Continuing Operations	\$	20.8		28.6		41.4		50.7	
Diluted Earnings per Share	\$	0.93		1.26		1.85		2.23	
Adjusted EBITDA	\$	36.8	10.2%	45.1	13.2%	72.1	10.6%	81.6	13.2%

⁽¹⁾ All operating results provided except for revenues are on a non-GAAP basis. See financial statements in earnings release for complete GAAP results.

Balance Sheet & Cash Flow Highlights

(In millions)

Working Capital Stats

	JUNE 30, 2022	DECEMBER 31, 2021
Accounts Receivable, Net	\$ 229.7	\$ 180.6
Inventories	\$ 551.4	\$ 468.8

Cash Flow Stats (YTD)

	JUNE 30,	
	2022	2021
Operating Cash Flows	\$ (95.3)	\$ 23.2
Capex	\$ (13.2)	\$ (11.7)
M&A	\$ -	\$ (109.3)
Dividends	\$ (11.8)	\$ (11.1)
Share Repurchases	\$ (25.6)	\$ (11.1)
Net Borrowings (Payments) on Credit Facilities	\$ 139.3	\$ 127.3

Debt & Leverage

	JUNE 30, 2022	DECEMBER 31, 2021
Total Debt	\$ 267.5	\$ 128.4
Cash	\$ 14.2	\$ 21.8
Net Debt	\$ 253.3	\$ 106.6
LTM Adjusted EBITDA	\$ 152.4	\$ 161.8
Leverage Ratio	1.7x	0.7x



Q&A Session

Appendix

Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
<u>EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>				
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 20,792	\$ 27,995	\$ 41,354	\$ 50,159
RESTRUCTURING AND INTEGRATION EXPENSES	3	-	44	-
ONE-TIME ACQUISITION COSTS	-	755	-	755
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	(196)	(11)	(196)
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	<u>\$ 20,795</u>	<u>\$ 28,554</u>	<u>\$ 41,387</u>	<u>\$ 50,718</u>
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>				
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.93	\$ 1.23	\$ 1.85	\$ 2.21
RESTRUCTURING AND INTEGRATION EXPENSES	-	-	-	-
ONE-TIME ACQUISITION COSTS	-	0.03	-	0.03
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	-	-	(0.01)
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	<u>\$ 0.93</u>	<u>\$ 1.26</u>	<u>\$ 1.85</u>	<u>\$ 2.23</u>



Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,		LAST TWELVE MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,
	2022	2021	2022	2021	2022	2021	2021
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)
OPERATING INCOME							
GAAP OPERATING INCOME	\$ 27,893	\$ 36,925	\$ 54,808	\$ 66,249			
RESTRUCTURING AND INTEGRATION EXPENSES	3	-	44	-			
ONE-TIME ACQUISITION COSTS	-	755	-	755			
OTHER (INCOME) EXPENSE, NET	(13)	-	(13)	-			
NON-GAAP OPERATING INCOME	<u>\$ 27,883</u>	<u>\$ 37,680</u>	<u>\$ 54,839</u>	<u>\$ 67,004</u>			
EBITDA WITHOUT SPECIAL ITEMS							
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 27,999	\$ 37,262	\$ 55,558	\$ 67,012	\$ 119,011	\$ 145,614	\$ 130,465
DEPRECIATION AND AMORTIZATION	6,941	6,586	13,893	13,100	28,036	26,546	27,243
INTEREST EXPENSE	1,821	495	2,626	704	3,950	1,387	2,028
EBITDA	<u>36,761</u>	<u>44,343</u>	<u>72,077</u>	<u>80,816</u>	<u>150,997</u>	<u>173,547</u>	<u>159,736</u>
RESTRUCTURING AND INTEGRATION EXPENSES	3	-	44	-	436	250	392
ONE-TIME ACQUISITION COSTS	-	755	-	755	956	755	1,711
INTANGIBLE ASSET IMPAIRMENT	-	-	-	-	-	2,600	-
SPECIAL ITEMS	<u>3</u>	<u>755</u>	<u>44</u>	<u>755</u>	<u>1,392</u>	<u>3,605</u>	<u>2,103</u>
EBITDA WITHOUT SPECIAL ITEMS	<u>\$ 36,764</u>	<u>\$ 45,098</u>	<u>\$ 72,121</u>	<u>\$ 81,571</u>	<u>\$ 152,389</u>	<u>\$ 177,152</u>	<u>\$ 161,839</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.