

STANDARD MOTOR PRODUCTS, INC. Consolidated Statements of Operations

(In thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	2021	2020
	(Unaudited)	
NET SALES	\$ 276,553	\$ 254,302
COST OF SALES	<u>192,769</u>	<u>183,907</u>
GROSS PROFIT	83,784	70,395
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	54,460	55,873
RESTRUCTURING AND INTEGRATION EXPENSES	-	205
OTHER INCOME, NET	<u>-</u>	<u>6</u>
OPERATING INCOME	29,324	14,323
OTHER NON-OPERATING INCOME (EXPENSE), NET	635	(524)
INTEREST EXPENSE	<u>209</u>	<u>873</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	29,750	12,926
PROVISION FOR INCOME TAXES	<u>7,586</u>	<u>3,305</u>
EARNINGS FROM CONTINUING OPERATIONS	22,164	9,621
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(1,164)</u>	<u>(994)</u>
NET EARNINGS	<u>\$ 21,000</u>	<u>\$ 8,627</u>
NET EARNINGS PER COMMON SHARE:		
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 0.99	\$ 0.43
DISCONTINUED OPERATION	(0.05)	(0.05)
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 0.94</u>	<u>\$ 0.38</u>
DILUTED EARNINGS FROM CONTINUING OPERATIONS	\$ 0.97	\$ 0.42
DISCONTINUED OPERATION	(0.05)	(0.04)
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 0.92</u>	<u>\$ 0.38</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	22,317,959	22,438,087
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	22,765,508	22,868,975

STANDARD MOTOR PRODUCTS, INC.

Segment Revenues and Operating Income

(In thousands)

	THREE MONTHS ENDED MARCH 31,			
	2021		2020	
		(Unaudited)		
<u>Revenues</u>				
Ignition, Emission Control, Fuel & Safety Related System Products	\$ 173,666		\$ 164,526	
Wire and Cable	38,352		36,592	
Engine Management	212,018		201,118	
Compressors	33,374		25,348	
Other Climate Control Parts	29,099		26,094	
Temperature Control	62,473		51,442	
All Other	2,062		1,742	
Revenues	\$ 276,553		\$ 254,302	
<u>Gross Margin</u>				
Engine Management	\$ 65,070	30.7%	\$ 56,705	28.2%
Temperature Control	15,995	25.6%	12,096	23.5%
All Other	2,719		1,594	
Gross Margin	\$ 83,784	30.3%	\$ 70,395	27.7%
<u>Selling, General & Administrative</u>				
Engine Management	\$ 33,956	16.0%	\$ 35,073	17.4%
Temperature Control	12,403	19.9%	12,444	24.2%
All Other	8,101		8,356	
Selling, General & Administrative	\$ 54,460	19.7%	\$ 55,873	22.0%
<u>Operating Income</u>				
Engine Management	\$ 31,114	14.7%	\$ 21,632	10.8%
Temperature Control	3,592	5.7%	(348)	-0.7%
All Other	(5,382)		(6,762)	
Subtotal	29,324	10.6%	14,522	5.7%
Restructuring & Integration	-	0.0%	(205)	-0.1%
Other Income, Net	-	0.0%	6	0.0%
Operating Income	\$ 29,324	10.6%	\$ 14,323	5.6%

STANDARD MOTOR PRODUCTS, INC.

Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	2021	2020
	(Unaudited)	
<u>EARNINGS FROM CONTINUING OPERATIONS</u>		
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 22,164	\$ 9,621
RESTRUCTURING AND INTEGRATION EXPENSES	-	205
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	(53)
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 22,164	\$ 9,773
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS</u>		
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.97	\$ 0.42
RESTRUCTURING AND INTEGRATION EXPENSES	-	0.01
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	-
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.97	\$ 0.43
<u>OPERATING INCOME</u>		
GAAP OPERATING INCOME	\$ 29,324	\$ 14,323
RESTRUCTURING AND INTEGRATION EXPENSES	-	205
OTHER INCOME, NET	-	(6)
NON-GAAP OPERATING INCOME	\$ 29,324	\$ 14,522

MANAGEMENT BELIEVES THAT EARNINGS FROM CONTINUING OPERATIONS, DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS, AND OPERATING INCOME, 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 31, 2021 (Unaudited)	December 31, 2020
<u>ASSETS</u>		
CASH	\$ 17,100	\$ 19,488
ACCOUNTS RECEIVABLE, GROSS	179,848	203,861
ALLOWANCE FOR DOUBTFUL ACCOUNTS	5,744	5,822
ACCOUNTS RECEIVABLE, NET	174,104	198,039
INVENTORIES	390,896	345,502
UNRETURNED CUSTOMER INVENTORY	21,088	19,632
OTHER CURRENT ASSETS	13,848	15,875
TOTAL CURRENT ASSETS	617,036	598,536
PROPERTY, PLANT AND EQUIPMENT, NET	88,563	89,105
OPERATING LEASE RIGHT-OF-USE ASSETS	31,453	29,958
GOODWILL	77,838	77,837
OTHER INTANGIBLES, NET	52,803	54,004
DEFERRED INCOME TAXES	43,692	44,770
INVESTMENT IN UNCONSOLIDATED AFFILIATES	40,684	40,507
OTHER ASSETS	24,413	21,823
TOTAL ASSETS	\$ 976,482	\$ 956,540
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
NOTES PAYABLE	\$ 40,967	\$ 10,000
CURRENT PORTION OF OTHER DEBT	1,523	135
ACCOUNTS PAYABLE	108,536	100,018
ACCRUED CUSTOMER RETURNS	44,729	40,982
ACCRUED CORE LIABILITY	22,569	22,014
ACCRUED REBATES	39,294	46,437
PAYROLL AND COMMISSIONS	19,094	35,938
SUNDRY PAYABLES AND ACCRUED EXPENSES	36,712	47,078
TOTAL CURRENT LIABILITIES	313,424	302,602
OTHER LONG-TERM DEBT	84	97
NONCURRENT OPERATING LEASE LIABILITY	23,890	22,450
ACCRUED ASBESTOS LIABILITIES	54,630	55,226
OTHER LIABILITIES	27,514	25,929
TOTAL LIABILITIES	419,542	406,304
TOTAL STOCKHOLDERS' EQUITY	556,940	550,236
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 976,482	\$ 956,540

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

(In thousands)

	THREE MONTHS ENDED MARCH 31,	
	2021	2020
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 21,000	\$ 8,627
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH USED IN OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	6,514	6,539
OTHER	4,475	6,034
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	23,533	(28,114)
INVENTORY	(46,255)	(5,339)
ACCOUNTS PAYABLE	8,419	(11,883)
PREPAID EXPENSES AND OTHER CURRENT ASSETS	3,753	1,303
SUNDRY PAYABLES AND ACCRUED EXPENSES	(29,549)	(7,251)
OTHER	(3,288)	(2,705)
NET CASH USED IN OPERATING ACTIVITIES	(11,398)	(32,789)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
ACQUISITIONS OF AND INVESTMENTS IN BUSINESSES	(2,081)	-
CAPITAL EXPENDITURES	(4,966)	(4,422)
OTHER INVESTING ACTIVITIES	2	6
NET CASH USED IN INVESTING ACTIVITIES	(7,045)	(4,416)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	32,408	53,068
PURCHASE OF TREASURY STOCK	(11,096)	(8,726)
DIVIDENDS PAID	(5,588)	(5,615)
OTHER FINANCING ACTIVITIES	373	1,248
NET CASH PROVIDED BY FINANCING ACTIVITIES	16,097	39,975
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(42)	126
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,388)	2,896
CASH AND CASH EQUIVALENTS at beginning of period	19,488	10,372
CASH AND CASH EQUIVALENTS at end of period	\$ 17,100	\$ 13,268