

STANDARD MOTOR PRODUCTS, INC. Consolidated Statements of Operations

(In thousands, except per share amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
NET SALES	\$ 359,412	\$ 342,076	\$ 682,243	\$ 618,629
COST OF SALES	<u>263,061</u>	<u>242,804</u>	<u>496,052</u>	<u>435,573</u>
GROSS PROFIT	96,351	99,272	186,191	183,056
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	68,468	62,347	131,352	116,807
RESTRUCTURING AND INTEGRATION EXPENSES	3	-	44	-
OTHER INCOME, NET	<u>13</u>	<u>-</u>	<u>13</u>	<u>-</u>
OPERATING INCOME	27,893	36,925	54,808	66,249
OTHER NON-OPERATING INCOME, NET	1,927	832	3,376	1,467
INTEREST EXPENSE	<u>1,821</u>	<u>495</u>	<u>2,626</u>	<u>704</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	27,999	37,262	55,558	67,012
PROVISION FOR INCOME TAXES	<u>7,122</u>	<u>9,248</u>	<u>14,127</u>	<u>16,834</u>
EARNINGS FROM CONTINUING OPERATIONS	20,877	28,014	41,431	50,178
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(1,666)</u>	<u>(853)</u>	<u>(2,782)</u>	<u>(2,017)</u>
NET EARNINGS	19,211	27,161	38,649	48,161
NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>85</u>	<u>19</u>	<u>77</u>	<u>19</u>
NET EARNINGS ATTRIBUTABLE TO SMP (a)	<u>\$ 19,126</u>	<u>\$ 27,142</u>	<u>\$ 38,572</u>	<u>\$ 48,142</u>
<u>NET EARNINGS ATTRIBUTABLE TO SMP</u>				
EARNINGS FROM CONTINUING OPERATIONS	\$ 20,792	\$ 27,995	\$ 41,354	\$ 50,159
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	(1,666)	(853)	(2,782)	(2,017)
TOTAL	<u>\$ 19,126</u>	<u>\$ 27,142</u>	<u>\$ 38,572</u>	<u>\$ 48,142</u>
<u>NET EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SMP</u>				
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 0.96	\$ 1.26	\$ 1.89	\$ 2.25
DISCONTINUED OPERATION	(0.08)	(0.04)	(0.13)	(0.09)
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 0.88</u>	<u>\$ 1.22</u>	<u>\$ 1.76</u>	<u>\$ 2.16</u>
DILUTED EARNINGS FROM CONTINUING OPERATIONS	\$ 0.93	\$ 1.23	\$ 1.85	\$ 2.21
DISCONTINUED OPERATION	(0.07)	(0.03)	(0.13)	(0.09)
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 0.86</u>	<u>\$ 1.20</u>	<u>\$ 1.72</u>	<u>\$ 2.12</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	21,757,998	22,198,545	21,867,644	22,257,922
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	22,255,642	22,686,384	22,372,702	22,741,171

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

STANDARD MOTOR PRODUCTS, INC. Segment Revenues and Operating Profit

(In thousands)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
	(unaudited)		(unaudited)	
<u>Revenues</u>				
Ignition, Emission Control, Fuel & Safety Related System Products	\$ 202,823	\$ 192,486	\$ 403,177	\$ 366,152
Wire and Cable	39,050	40,730	77,953	79,082
Engine Management	<u>241,873</u>	<u>233,216</u>	<u>481,130</u>	<u>445,234</u>
Compressors	72,063	69,577	115,340	102,951
Other Climate Control Parts	42,369	36,894	80,413	65,993
Temperature Control	<u>114,432</u>	<u>106,471</u>	<u>195,753</u>	<u>168,944</u>
All Other	3,107	2,389	5,360	4,451
Revenues	<u>\$ 359,412</u>	<u>\$ 342,076</u>	<u>\$ 682,243</u>	<u>\$ 618,629</u>
<u>Gross Margin</u>				
Engine Management	\$ 62,294 25.8%	\$ 67,532 29.0%	\$ 127,829 26.6%	\$ 132,602 29.8%
Temperature Control	30,564 26.7%	28,658 26.9%	50,550 25.8%	44,653 26.4%
All Other	3,493	3,167	7,812	5,886
Gross Margin	<u>\$ 96,351 26.8%</u>	<u>\$ 99,357 29.0%</u>	<u>\$ 186,191 27.3%</u>	<u>\$ 183,141 29.6%</u>
One-Time Acquisition Costs	- 0.0%	(85) 0.0%	- 0.0%	(85) 0.0%
Gross Margin	<u>\$ 96,351 26.8%</u>	<u>\$ 99,272 29.0%</u>	<u>\$ 186,191 27.3%</u>	<u>\$ 183,056 29.6%</u>
<u>Selling, General & Administrative</u>				
Engine Management	\$ 41,204 17.0%	\$ 37,063 15.9%	\$ 79,982 16.6%	\$ 71,019 16.0%
Temperature Control	18,299 16.0%	15,429 14.5%	33,067 16.9%	27,832 16.5%
All Other	8,965	9,185	18,303	17,286
Selling, General & Administrative	<u>\$ 68,468 19.1%</u>	<u>\$ 61,677 18.0%</u>	<u>\$ 131,352 19.3%</u>	<u>\$ 116,137 18.8%</u>
One-Time Acquisition Costs	- 0.0%	670 0.2%	- 0.0%	670 0.1%
Selling, General & Administrative	<u>\$ 68,468 19.1%</u>	<u>\$ 62,347 18.2%</u>	<u>\$ 131,352 19.3%</u>	<u>\$ 116,807 18.9%</u>
<u>Operating Income</u>				
Engine Management	\$ 21,090 8.7%	\$ 30,469 13.1%	\$ 47,847 9.9%	\$ 61,583 13.8%
Temperature Control	12,265 10.7%	13,229 12.4%	17,483 8.9%	16,821 10.0%
All Other	(5,472)	(6,018)	(10,491)	(11,400)
Subtotal	<u>\$ 27,883 7.8%</u>	<u>\$ 37,680 11.0%</u>	<u>\$ 54,839 8.0%</u>	<u>\$ 67,004 10.8%</u>
One-Time Acquisition Costs	- 0.0%	(755) -0.2%	- 0.0%	(755) -0.1%
Restructuring & Integration	(3) 0.0%	- 0.0%	(44) 0.0%	- 0.0%
Other Income, Net	13 0.0%	- 0.0%	13 0.0%	- 0.0%
Operating Income	<u>\$ 27,893 7.8%</u>	<u>\$ 36,925 10.8%</u>	<u>\$ 54,808 8.0%</u>	<u>\$ 66,249 10.7%</u>

STANDARD MOTOR PRODUCTS, INC.

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			
	(Unaudited)		(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>			
<u>OPERATING INCOME</u>							
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>			
<u>EBITDA WITHOUT SPECIAL ITEMS</u>							
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	3	755	44	755	1,392	3,605	2,103
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.

STANDARD MOTOR PRODUCTS, INC.

Condensed Consolidated Balance Sheets

(In thousands)

	<u>June 30,</u> 2022 (Unaudited)	<u>December 31,</u> 2021
<u>ASSETS</u>		
CASH	\$ 14,186	\$ 21,755
ACCOUNTS RECEIVABLE, GROSS	235,669	186,774
ALLOWANCE FOR EXPECTED CREDIT LOSSES	<u>6,012</u>	<u>6,170</u>
ACCOUNTS RECEIVABLE, NET	229,657	180,604
INVENTORIES	551,415	468,755
UNRETURNED CUSTOMER INVENTORY	21,405	22,268
OTHER CURRENT ASSETS	26,198	17,823
TOTAL CURRENT ASSETS	<u>842,861</u>	<u>711,205</u>
PROPERTY, PLANT AND EQUIPMENT, NET	104,931	102,786
OPERATING LEASE RIGHT-OF-USE ASSETS	39,827	40,469
GOODWILL	131,125	131,652
OTHER INTANGIBLES, NET	101,649	106,234
DEFERRED INCOME TAXES	34,086	36,126
INVESTMENT IN UNCONSOLIDATED AFFILIATES	44,885	44,087
OTHER ASSETS	27,188	25,402
TOTAL ASSETS	<u>\$ 1,326,552</u>	<u>\$ 1,197,961</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT PORTION OF REVOLVING CREDIT FACILITY	\$ 56,000	\$ 125,298
CURRENT PORTION OF TERM LOAN AND OTHER DEBT	7,954	3,117
ACCOUNTS PAYABLE	140,082	137,167
ACCRUED CUSTOMER RETURNS	55,725	42,412
ACCRUED CORE LIABILITY	23,117	23,663
ACCRUED REBATES	41,647	42,472
PAYROLL AND COMMISSIONS	35,985	45,058
SUNDRY PAYABLES AND ACCRUED EXPENSES	49,710	57,182
TOTAL CURRENT LIABILITIES	<u>410,220</u>	<u>476,369</u>
LONG-TERM DEBT	203,500	21
NONCURRENT OPERATING LEASE LIABILITY	30,039	31,206
ACCRUED ASBESTOS LIABILITIES	48,025	52,698
OTHER LIABILITIES	22,119	25,040
TOTAL LIABILITIES	<u>713,903</u>	<u>585,334</u>
TOTAL SMP STOCKHOLDERS' EQUITY	601,586	601,580
NONCONTROLLING INTEREST	<u>11,063</u>	<u>11,047</u>
TOTAL STOCKHOLDERS' EQUITY	612,649	612,627
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,326,552</u>	<u>\$ 1,197,961</u>

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

(In thousands)

	SIX MONTHS ENDED JUNE 30,	
	2022	2021
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 38,649	\$ 48,161
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	13,893	13,100
OTHER	10,831	4,127
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	(49,659)	(4,715)
INVENTORY	(87,744)	(46,682)
ACCOUNTS PAYABLE	1,591	16,097
PREPAID EXPENSES AND OTHER CURRENT ASSETS	(7,102)	3,220
SUNDRY PAYABLES AND ACCRUED EXPENSES	(5,020)	(6,491)
OTHER	(10,772)	(3,664)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(95,333)</u>	<u>23,153</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
ACQUISITIONS OF AND INVESTMENTS IN BUSINESSES	-	(109,267)
CAPITAL EXPENDITURES	(13,203)	(11,709)
OTHER INVESTING ACTIVITIES	-	2
NET CASH USED IN INVESTING ACTIVITIES	<u>(13,203)</u>	<u>(120,974)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	139,319	127,250
PURCHASE OF TREASURY STOCK	(25,605)	(11,096)
DIVIDENDS PAID	(11,822)	(11,134)
PAYMENTS OF DEBT ISSUANCE COSTS	(2,128)	-
OTHER FINANCING ACTIVITIES	1,903	694
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>101,667</u>	<u>105,714</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(700)</u>	<u>72</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,569)	7,965
CASH AND CASH EQUIVALENTS at beginning of period	21,755	19,488
CASH AND CASH EQUIVALENTS at end of period	<u>\$ 14,186</u>	<u>\$ 27,453</u>