

Safe Harbor – Forward Looking Statements

You should be aware that except for historical information, the matters discussed here in 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 current COVID-19 pandemic 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 February 22, 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

Larry Sills, Chairman

❖ Overview & Performance

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

Q4 & YTD P&L Summary⁽¹⁾

(In millions, except per share amounts)

	THREE MONTHS ENDED DECEMBER 31,				TWELVE MONTHS ENDED DECEMBER 31,				
	2021		2020		2021		2020		
<u>Engine Management</u>									
Revenue	\$	245.6	\$	231.9	\$	937.9	\$	835.7	
Gross Margin		67.8	27.6%	76.5	33.0%	267.3	28.5%	251.7	30.1%
Selling, General & Administrative		39.5	16.1%	37.2	16.0%	149.2	15.9%	137.4	16.4%
Operating Income	\$	28.3	11.5%	39.3	16.9%	118.1	12.6%	114.3	13.7%
<u>Temperature Control</u>									
Revenue	\$	60.4	\$	47.7	\$	348.4	\$	282.0	
Gross Margin		16.7	27.6%	14.3	30.0%	95.1	27.3%	75.2	26.7%
Selling, General & Administrative		13.2	21.8%	13.3	27.9%	58.1	16.7%	53.9	19.1%
Operating Income	\$	3.5	5.8%	1.0	2.2%	37.0	10.6%	21.3	7.6%
<u>Consolidated Results</u>									
Revenue	\$	309.9	\$	282.7	\$	1,298.8	\$	1,128.6	
Gross Margin		88.7	28.6%	94.2	33.3%	377.3	29.0%	336.7	29.8%
Selling, General & Administrative		64.2	20.7%	61.0	21.6%	246.2	19.0%	224.7	19.9%
Operating Income	\$	24.5	7.9%	33.2	11.7%	131.1	10.1%	112.0	9.9%
Net Earnings from Continuing Operations	\$	20.3		24.7		100.7		82.4	
Diluted Earnings per Share	\$	0.90		1.08		4.45		3.61	
Adjusted EBITDA	\$	32.9	10.6%	40.4	14.3%	161.8	12.5%	139.1	12.3%

⁽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)

	DECEMBER 31,	
	2021	2020
<u>Working Capital Stats</u>		
Accounts Receivable, Net	\$ 180.6	\$ 198.0
Inventories	\$ 468.8	\$ 345.5
<u>Cash Flow Stats (YTD)</u>		
Operating cash flows	\$ 85.6	\$ 97.9
Capex	\$ (25.9)	\$ (17.8)
M&A	\$ (125.4)	\$ -
Dividends	\$ (22.2)	\$ (11.2)
Share repurchases	\$ (26.9)	\$ (13.5)
Net borrowings (payments) on revolver	\$ 118.3	\$ (46.7)
<u>Debt & Leverage</u>		
Total debt	\$ 128.4	\$ 10.2
Cash	\$ 21.8	\$ 19.5
Net debt	\$ 106.6	\$ (9.3)
Adjusted EBITDA	\$ 161.8	\$ 139.1
Leverage ratio	0.7x	(0.1x)



Q&A Session

Appendix

Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP

GAAP EARNINGS FROM CONTINUING OPERATIONS

RESTRUCTURING AND INTEGRATION EXPENSES

ONE-TIME ACQUISITION COSTS

INTANGIBLE ASSET IMPAIRMENT

CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD

INCOME TAX EFFECT RELATED TO RECONCILING ITEMS

NON-GAAP EARNINGS FROM CONTINUING OPERATIONS

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
	\$ 20,022	\$ 22,742	\$ 99,353	\$ 80,417
	226	-	392	464
	105	-	1,711	-
	-	2,600	-	2,600
	-	-	(259)	(235)
	(86)	(676)	(547)	(797)
	<u>\$ 20,267</u>	<u>\$ 24,666</u>	<u>\$ 100,650</u>	<u>\$ 82,449</u>

DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP

GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

RESTRUCTURING AND INTEGRATION EXPENSES

ONE-TIME ACQUISITION COSTS

INTANGIBLE ASSET IMPAIRMENT

CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD

INCOME TAX EFFECT RELATED TO RECONCILING ITEMS

NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	\$ 0.89	\$ 1.00	\$ 4.39	\$ 3.52
	0.01	-	0.02	0.02
	-	-	0.07	-
	-	0.11	-	0.11
	-	-	(0.01)	(0.01)
	-	(0.03)	(0.02)	(0.03)
	<u>\$ 0.90</u>	<u>\$ 1.08</u>	<u>\$ 4.45</u>	<u>\$ 3.61</u>

Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
<u>OPERATING INCOME</u>				
GAAP OPERATING INCOME	\$ 24,212	\$ 30,587	\$ 128,999	\$ 108,895
RESTRUCTURING AND INTEGRATION EXPENSES	226	-	392	464
ONE-TIME ACQUISITION COSTS	105	-	1,711	-
INTANGIBLE ASSET IMPAIRMENT	-	2,600	-	2,600
OTHER (INCOME) EXPENSE, NET	1	(5)	(7)	26
NON-GAAP OPERATING INCOME	<u>\$ 24,544</u>	<u>\$ 33,182</u>	<u>\$ 131,095</u>	<u>\$ 111,985</u>
<u>EBITDA WITHOUT SPECIAL ITEMS</u>				
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 24,787	\$ 30,586	\$ 130,465	\$ 107,379
DEPRECIATION AND AMORTIZATION	7,083	7,010	27,243	26,323
INTEREST EXPENSE	672	221	2,028	2,328
EBITDA	<u>32,542</u>	<u>37,817</u>	<u>159,736</u>	<u>136,030</u>
RESTRUCTURING AND INTEGRATION EXPENSES	226	-	392	464
ONE-TIME ACQUISITION COSTS	105	-	1,711	-
INTANGIBLE ASSET IMPAIRMENT	-	2,600	-	2,600
SPECIAL ITEMS	<u>331</u>	<u>2,600</u>	<u>2,103</u>	<u>3,064</u>
EBITDA WITHOUT SPECIAL ITEMS	<u>\$ 32,873</u>	<u>\$ 40,417</u>	<u>\$ 161,839</u>	<u>\$ 139,094</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.