

STANDARD MOTOR PRODUCTS, INC.
Consolidated Statements of Operations

(In thousands, except per share amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
NET SALES	\$ 342,076	\$ 247,939	\$ 618,629	\$ 502,241
COST OF SALES	<u>242,804</u>	<u>183,581</u>	<u>435,573</u>	<u>367,488</u>
GROSS PROFIT	99,272	64,358	183,056	134,753
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	62,347	48,328	116,807	104,201
RESTRUCTURING AND INTEGRATION EXPENSES	-	9	-	214
OTHER INCOME, NET	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
OPERATING INCOME	36,925	16,021	66,249	30,344
OTHER NON-OPERATING INCOME, NET	832	602	1,467	78
INTEREST EXPENSE	<u>495</u>	<u>772</u>	<u>704</u>	<u>1,645</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	37,262	15,851	67,012	28,777
PROVISION FOR INCOME TAXES	<u>9,248</u>	<u>4,009</u>	<u>16,834</u>	<u>7,314</u>
EARNINGS FROM CONTINUING OPERATIONS	28,014	11,842	50,178	21,463
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(853)</u>	<u>(875)</u>	<u>(2,017)</u>	<u>(1,869)</u>
NET EARNINGS	27,161	10,967	48,161	19,594
NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>19</u>	<u>-</u>	<u>19</u>	<u>-</u>
NET EARNINGS ATTRIBUTABLE TO SMP (a)	<u>\$ 27,142</u>	<u>\$ 10,967</u>	<u>\$ 48,142</u>	<u>\$ 19,594</u>
<u>NET EARNINGS ATTRIBUTABLE TO SMP</u>				
EARNINGS FROM CONTINUING OPERATIONS	\$ 27,995	\$ 11,842	\$ 50,159	\$ 21,463
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(853)</u>	<u>(875)</u>	<u>(2,017)</u>	<u>(1,869)</u>
TOTAL	<u>\$ 27,142</u>	<u>\$ 10,967</u>	<u>\$ 48,142</u>	<u>\$ 19,594</u>
 <u>NET EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SMP</u>				
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 1.26	\$ 0.53	\$ 2.25	\$ 0.96
DISCONTINUED OPERATION	<u>(0.04)</u>	<u>(0.04)</u>	<u>(0.09)</u>	<u>(0.08)</u>
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 1.22</u>	<u>\$ 0.49</u>	<u>\$ 2.16</u>	<u>\$ 0.88</u>
 DILUTED EARNINGS FROM CONTINUING OPERATIONS	\$ 1.23	\$ 0.52	\$ 2.21	\$ 0.94
DISCONTINUED OPERATION	<u>(0.03)</u>	<u>(0.04)</u>	<u>(0.09)</u>	<u>(0.08)</u>
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 1.20</u>	<u>\$ 0.48</u>	<u>\$ 2.12</u>	<u>\$ 0.86</u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES	22,198,545	22,330,476	22,257,922	22,384,281
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	22,686,384	22,718,680	22,741,171	22,793,606

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

STANDARD MOTOR PRODUCTS, INC. Segment Revenues and Operating Income

(In thousands)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
<u>Revenues</u>				
Ignition, Emission Control, Fuel & Safety Related System Products	\$ 192,486	\$ 142,787	\$ 366,152	\$ 307,313
Wire and Cable	40,730	30,366	79,082	66,958
Engine Management	233,216	173,153	445,234	374,271
Compressors	69,577	44,878	102,951	70,226
Other Climate Control Parts	36,894	27,514	65,993	53,608
Temperature Control	106,471	72,392	168,944	123,834
All Other	2,389	2,394	4,451	4,136
Revenues	\$ 342,076	\$ 247,939	\$ 618,629	\$ 502,241
<u>Gross Margin</u>				
Engine Management	\$ 67,447 28.9%	\$ 46,230 26.7%	\$ 132,517 29.8%	\$ 102,935 27.5%
Temperature Control	28,658 26.9%	16,520 22.8%	44,653 26.4%	28,616 23.1%
All Other	3,167	1,608	5,886	3,202
Gross Margin	\$ 99,272 29.0%	\$ 64,358 26.0%	\$ 183,056 29.6%	\$ 134,753 26.8%
<u>Selling, General & Administrative</u>				
Engine Management	\$ 37,063 15.9%	\$ 29,499 17.0%	\$ 71,019 16.0%	\$ 64,572 17.3%
Temperature Control	15,429 14.5%	12,553 17.3%	27,832 16.5%	24,997 20.2%
All Other	9,100	6,276	17,201	14,632
Subtotal	\$ 61,592 18.0%	\$ 48,328 19.5%	\$ 116,052 18.8%	\$ 104,201 20.7%
One-Time Acquisition Costs	755 0.2%	-	755 0.1%	-
Selling, General & Administrative	\$ 62,347 18.2%	\$ 48,328 19.5%	\$ 116,807 18.9%	\$ 104,201 20.7%
<u>Operating Income</u>				
Engine Management	\$ 30,384 13.0%	\$ 16,731 9.7%	\$ 61,498 13.8%	\$ 38,363 10.3%
Temperature Control	13,229 12.4%	3,967 5.5%	16,821 10.0%	3,619 2.9%
All Other	(5,933)	(4,668)	(11,315)	(11,430)
Subtotal	37,680 11.0%	16,030 6.5%	67,004 10.8%	30,552 6.1%
One-time Acquisition Costs	(755) -0.2%	-	(755) -0.1%	-
Restructuring & Integration	-	(9) 0.0%	-	(214) 0.0%
Other Income (Expense), Net	-	-	-	6 0.0%
Operating Income	\$ 36,925 10.8%	\$ 16,021 6.5%	\$ 66,249 10.7%	\$ 30,344 6.0%

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,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
<u>EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>				
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 27,995	\$ 11,842	\$ 50,159	\$ 21,463
RESTRUCTURING AND INTEGRATION EXPENSES	-	9	-	214
ONE-TIME ACQUISITION COSTS	755	-	755	-
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	(196)	(2)	(196)	(56)
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	<u>\$ 28,554</u>	<u>\$ 11,849</u>	<u>\$ 50,718</u>	<u>\$ 21,621</u>
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>				
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 1.23	\$ 0.52	\$ 2.21	\$ 0.94
RESTRUCTURING AND INTEGRATION EXPENSES	-	-	-	0.01
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>\$ 1.26</u>	<u>\$ 0.52</u>	<u>\$ 2.23</u>	<u>\$ 0.95</u>
<u>OPERATING INCOME</u>				
GAAP OPERATING INCOME	\$ 36,925	\$ 16,021	\$ 66,249	\$ 30,344
ONE-TIME ACQUISITION COSTS	755	-	755	-
RESTRUCTURING AND INTEGRATION EXPENSES	-	9	-	214
OTHER (INCOME) EXPENSE, NET	-	-	-	(6)
NON-GAAP OPERATING INCOME	<u>\$ 37,680</u>	<u>\$ 16,030</u>	<u>\$ 67,004</u>	<u>\$ 30,552</u>

MANAGEMENT BELIEVES THAT EARNINGS FROM CONTINUING OPERATIONS AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS WHICH ARE ATTRIBUTABLE TO SMP, AND OPERATING INCOME, AS ADJUSTED FOR SPECIAL ITEMS, ARE NON-GAAP MEASUREMENTS AND 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)

	June 30, 2021 (Unaudited)	DECEMBER 31, 2020
<u>ASSETS</u>		
CASH	\$ 27,453	\$ 19,488
ACCOUNTS RECEIVABLE, GROSS	217,996	203,861
ALLOWANCE FOR DOUBTFUL ACCOUNTS	6,218	5,822
ACCOUNTS RECEIVABLE, NET	211,778	198,039
INVENTORIES	404,876	345,502
UNRETURNED CUSTOMER INVENTORY	22,070	19,632
OTHER CURRENT ASSETS	14,492	15,875
TOTAL CURRENT ASSETS	680,669	598,536
PROPERTY, PLANT AND EQUIPMENT, NET	96,762	89,105
OPERATING LEASE RIGHT-OF-USE ASSETS	39,095	29,958
GOODWILL	126,893	77,837
OTHER INTANGIBLES, NET	105,462	54,004
DEFERRED INCOME TAXES	38,915	44,770
INVESTMENT IN UNCONSOLIDATED AFFILIATES	42,070	40,507
OTHER ASSETS	25,409	21,823
TOTAL ASSETS	\$ 1,155,275	\$ 956,540
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
NOTES PAYABLE	\$ 135,000	\$ 10,000
CURRENT PORTION OF OTHER DEBT	2,397	135
ACCOUNTS PAYABLE	119,632	100,018
ACCRUED CUSTOMER RETURNS	53,062	40,982
ACCRUED CORE LIABILITY	23,318	22,014
ACCRUED REBATES	41,885	46,437
PAYROLL AND COMMISSIONS	29,363	35,938
SUNDRY PAYABLES AND ACCRUED EXPENSES	42,410	47,078
TOTAL CURRENT LIABILITIES	447,067	302,602
OTHER LONG-TERM DEBT	80	97
NONCURRENT OPERATING LEASE LIABILITIES	30,495	22,450
ACCRUED ASBESTOS LIABILITIES	54,035	55,226
OTHER LIABILITIES	28,481	25,929
TOTAL LIABILITIES	560,158	406,304
TOTAL SMP STOCKHOLDERS' EQUITY	583,616	550,236
NONCONTROLLING INTEREST	11,501	-
TOTAL STOCKHOLDERS' EQUITY	595,117	550,236
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,155,275	\$ 956,540

STANDARD MOTOR PRODUCTS, INC.

Condensed Consolidated Statements of Cash Flows

(In thousands)

	SIX MONTHS ENDED JUNE 30,	
	2021	2020
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 48,161	\$ 19,594
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	13,100	12,877
OTHER	4,127	9,666
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	(4,715)	(38,623)
INVENTORIES	(46,682)	12,725
ACCOUNTS PAYABLE	16,097	(21,804)
PREPAID EXPENSES AND OTHER CURRENT ASSETS	3,220	5,664
SUNDRY PAYABLES AND ACCRUED EXPENSES	(6,491)	2,085
OTHER	(3,664)	(3,069)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	23,153	(885)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
ACQUISITIONS OF AND INVESTMENTS IN BUSINESSES	(109,267)	-
CAPITAL EXPENDITURES	(11,709)	(9,026)
OTHER INVESTING ACTIVITIES	2	6
NET CASH USED IN INVESTING ACTIVITIES	(120,974)	(9,020)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	127,250	34,349
PURCHASE OF TREASURY STOCK	(11,096)	(8,726)
DIVIDENDS PAID	(11,134)	(5,615)
OTHER FINANCING ACTIVITIES	694	1,818
NET CASH PROVIDED BY FINANCING ACTIVITIES	105,714	21,826
EFFECT OF EXCHANGE RATE CHANGES ON CASH	72	217
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,965	12,138
CASH AND CASH EQUIVALENTS at beginning of Period	19,488	10,372
CASH AND CASH EQUIVALENTS at end of Period	\$ 27,453	\$ 22,510