

STANDARD MOTOR PRODUCTS, INC.
Consolidated Statements of Operations

(In thousands, except per share amounts)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
NET SALES	\$ 309,877	\$ 282,738	\$ 1,298,816	\$ 1,128,588
COST OF SALES	<u>221,207</u>	<u>188,584</u>	<u>921,885</u>	<u>791,933</u>
GROSS PROFIT	88,670	94,154	376,931	336,655
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	64,231	60,972	247,547	224,670
INTANGIBLE ASSET IMPAIRMENT	-	2,600	-	2,600
RESTRUCTURING AND INTEGRATION EXPENSES	226	-	392	464
OTHER INCOME (EXPENSE), NET	<u>(1)</u>	<u>5</u>	<u>7</u>	<u>(26)</u>
OPERATING INCOME	24,212	30,587	128,999	108,895
OTHER NON-OPERATING INCOME, NET	1,247	220	3,494	812
INTEREST EXPENSE	<u>672</u>	<u>221</u>	<u>2,028</u>	<u>2,328</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	24,787	30,586	130,465	107,379
PROVISION FOR INCOME TAXES	<u>4,729</u>	<u>7,844</u>	<u>31,044</u>	<u>26,962</u>
EARNINGS FROM CONTINUING OPERATIONS	20,058	22,742	99,421	80,417
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(1,328)</u>	<u>(13,568)</u>	<u>(8,467)</u>	<u>(23,024)</u>
NET EARNINGS	18,730	9,174	90,954	57,393
NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>36</u>	<u>-</u>	<u>68</u>	<u>-</u>
NET EARNINGS ATTRIBUTABLE TO SMP (a)	<u>\$ 18,694</u>	<u>\$ 9,174</u>	<u>\$ 90,886</u>	<u>\$ 57,393</u>
 <u>NET EARNINGS ATTRIBUTABLE TO SMP</u>				
EARNINGS FROM CONTINUING OPERATIONS	\$ 20,022	\$ 22,742	\$ 99,353	\$ 80,417
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(1,328)</u>	<u>(13,568)</u>	<u>(8,467)</u>	<u>(23,024)</u>
TOTAL	<u>\$ 18,694</u>	<u>\$ 9,174</u>	<u>\$ 90,886</u>	<u>\$ 57,393</u>
 <u>NET EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SMP</u>				
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 0.91	\$ 1.02	\$ 4.49	\$ 3.59
DISCONTINUED OPERATION	<u>(0.06)</u>	<u>(0.61)</u>	<u>(0.39)</u>	<u>(1.02)</u>
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 0.85</u>	<u>\$ 0.41</u>	<u>\$ 4.10</u>	<u>\$ 2.57</u>
 DILUTED EARNINGS FROM CONTINUING OPERATIONS	 \$ 0.89	 \$ 1.00	 \$ 4.39	 \$ 3.52
DISCONTINUED OPERATION	<u>(0.06)</u>	<u>(0.60)</u>	<u>(0.37)</u>	<u>(1.01)</u>
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 0.83</u>	<u>\$ 0.40</u>	<u>\$ 4.02</u>	<u>\$ 2.51</u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES	 21,987,480	 22,379,056	 22,147,479	 22,374,123
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	<u>22,485,032</u>	<u>22,855,523</u>	<u>22,616,456</u>	<u>22,825,885</u>

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

STANDARD MOTOR PRODUCTS, INC. Segment Revenues and Operating Income

(In thousands)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Revenues				
Ignition, Emission Control, Fuel & Safety Related System Products	\$ 211,919	\$ 193,518	\$ 786,514	\$ 691,722
Wire and Cable	33,632	38,342	151,422	143,963
Engine Management	<u>245,551</u>	<u>231,860</u>	<u>937,936</u>	<u>835,685</u>
Compressors	\$ 28,666	\$ 22,060	\$ 206,697	\$ 163,071
Other Climate Control Parts	31,738	25,667	141,726	118,883
Temperature Control	<u>60,404</u>	<u>47,727</u>	<u>348,423</u>	<u>281,954</u>
All Other	3,922	3,151	12,457	10,949
Revenues	<u>\$ 309,877</u>	<u>\$ 282,738</u>	<u>\$ 1,298,816</u>	<u>\$ 1,128,588</u>
Gross Margin				
Engine Management	\$ 67,776	\$ 76,451	\$ 267,285	\$ 251,747
Temperature Control	16,670	14,333	95,138	75,161
All Other	4,270	3,370	14,832	9,747
Subtotal	<u>\$ 88,716</u>	<u>\$ 94,154</u>	<u>\$ 377,255</u>	<u>\$ 336,655</u>
One-Time Acquisition Costs	(46)	-	(324)	-
Gross Margin	<u>\$ 88,670</u>	<u>\$ 94,154</u>	<u>\$ 376,931</u>	<u>\$ 336,655</u>
Selling, General & Administrative				
Engine Management	\$ 39,485	\$ 37,203	\$ 149,206	\$ 137,440
Temperature Control	13,192	13,297	58,144	53,865
All Other	11,495	10,472	38,810	33,365
Subtotal	<u>\$ 64,172</u>	<u>\$ 60,972</u>	<u>\$ 246,160</u>	<u>\$ 224,670</u>
One-Time Acquisition Costs	59	-	1,387	-
Selling, General & Administrative	<u>\$ 64,231</u>	<u>\$ 60,972</u>	<u>\$ 247,547</u>	<u>\$ 224,670</u>
Operating Income				
Engine Management	\$ 28,291	\$ 39,248	\$ 118,079	\$ 114,307
Temperature Control	3,478	1,036	36,994	21,296
All Other	(7,225)	(7,102)	(23,978)	(23,618)
Subtotal	<u>24,544</u>	<u>33,182</u>	<u>131,095</u>	<u>111,985</u>
One-time Acquisition Costs	(105)	-	(1,711)	-
Intangible Asset Impairment	-	(2,600)	-	(2,600)
Restructuring & Integration	(226)	-	(392)	(464)
Other Income (Expense), Net	(1)	5	7	(26)
Operating Income	<u>\$ 24,212</u>	<u>\$ 30,587</u>	<u>\$ 128,999</u>	<u>\$ 108,895</u>

STANDARD MOTOR PRODUCTS, INC.

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>EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>				
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 20,022	\$ 22,742	\$ 99,353	\$ 80,417
RESTRUCTURING AND INTEGRATION EXPENSES	226	-	392	464
ONE-TIME ACQUISITION COSTS	105	-	1,711	-
INTANGIBLE ASSET IMPAIRMENT	-	2,600	-	2,600
CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD	-	-	(259)	(235)
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	(86)	(676)	(547)	(797)
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	<u>\$ 20,267</u>	<u>\$ 24,666</u>	<u>\$ 100,650</u>	<u>\$ 82,449</u>
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u>				
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.89	\$ 1.00	\$ 4.39	\$ 3.52
RESTRUCTURING AND INTEGRATION EXPENSES	0.01	-	0.02	0.02
ONE-TIME ACQUISITION COSTS	-	-	0.07	-
INTANGIBLE ASSET IMPAIRMENT	-	0.11	-	0.11
CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD	-	-	(0.01)	(0.01)
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	(0.03)	(0.02)	(0.03)
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	<u>\$ 0.90</u>	<u>\$ 1.08</u>	<u>\$ 4.45</u>	<u>\$ 3.61</u>
<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	331	2,600	2,103	3,064
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.

STANDARD MOTOR PRODUCTS, INC.

Condensed Consolidated Balance Sheets

(In thousands)

	DECEMBER 31, 2021 (Unaudited)	DECEMBER 31, 2020
<u>ASSETS</u>		
CASH	\$ 21,755	\$ 19,488
ACCOUNTS RECEIVABLE, GROSS	186,774	203,861
ALLOWANCE FOR EXPECTED CREDIT LOSSES	6,170	5,822
ACCOUNTS RECEIVABLE, NET	180,604	198,039
INVENTORIES	468,755	345,502
UNRETURNED CUSTOMER INVENTORY	22,268	19,632
OTHER CURRENT ASSETS	17,823	15,875
TOTAL CURRENT ASSETS	711,205	598,536
PROPERTY, PLANT AND EQUIPMENT, NET	102,786	89,105
OPERATING LEASE RIGHT-OF-USE ASSETS	40,469	29,958
GOODWILL	131,652	77,837
OTHER INTANGIBLES, NET	106,234	54,004
DEFERRED INCOME TAXES	36,126	44,770
INVESTMENT IN UNCONSOLIDATED AFFILIATES	44,087	40,507
OTHER ASSETS	25,402	21,823
TOTAL ASSETS	\$ 1,197,961	\$ 956,540
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
NOTES PAYABLE	\$ 125,298	\$ 10,000
CURRENT PORTION OF OTHER DEBT	3,117	135
ACCOUNTS PAYABLE	137,167	100,018
ACCRUED CUSTOMER RETURNS	42,412	40,982
ACCRUED CORE LIABILITY	23,663	22,014
ACCRUED REBATES	42,472	46,437
PAYROLL AND COMMISSIONS	45,058	35,938
SUNDRY PAYABLES AND ACCRUED EXPENSES	57,182	47,078
TOTAL CURRENT LIABILITIES	476,369	302,602
OTHER LONG-TERM DEBT	21	97
NONCURRENT OPERATING LEASE LIABILITIES	31,206	22,450
ACCRUED ASBESTOS LIABILITIES	52,698	55,226
OTHER LIABILITIES	25,040	25,929
TOTAL LIABILITIES	585,334	406,304
TOTAL SMP STOCKHOLDERS' EQUITY	601,580	550,236
NONCONTROLLING INTEREST	11,047	-
TOTAL STOCKHOLDERS' EQUITY	612,627	550,236
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,197,961	\$ 956,540

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

(In thousands)

	TWELVE MONTHS ENDED DECEMBER 31,	
	2021	2020
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 90,954	\$ 57,393
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	27,243	26,323
DEFERRED INCOME TAXES	(1,335)	(7,470)
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAXES	8,467	23,024
OTHER	8,791	18,768
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	28,464	(71,933)
INVENTORIES	(107,609)	17,984
ACCOUNTS PAYABLE	33,046	7,428
PREPAID EXPENSES AND OTHER CURRENT ASSETS	(843)	(370)
SUNDRY PAYABLES AND ACCRUED EXPENSES	13,430	40,651
OTHER	(15,044)	(13,902)
NET CASH PROVIDED BY OPERATING ACTIVITIES	85,564	97,896
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
ACQUISITIONS OF AND INVESTMENTS IN BUSINESSES	(125,419)	-
CAPITAL EXPENDITURES	(25,875)	(17,820)
OTHER INVESTING ACTIVITIES	45	21
NET CASH USED IN INVESTING ACTIVITIES	(151,249)	(17,799)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	118,346	(46,708)
PURCHASE OF TREASURY STOCK	(26,862)	(13,482)
DIVIDENDS PAID	(22,179)	(11,218)
DIVIDENDS PAID TO NONCONTROLLING INTEREST	(540)	-
OTHER FINANCING ACTIVITIES	247	(108)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	69,012	(71,516)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,060)	535
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,267	9,116
CASH AND CASH EQUIVALENTS at beginning of year	19,488	10,372
CASH AND CASH EQUIVALENTS at end of year	\$ 21,755	\$ 19,488