

# Standard Motor Products, Inc.

Gabelli Funds 46<sup>th</sup> Annual Automotive Symposium

November 1, 2022



## 103 Years in Business



- Founded 1919
- \$1.3 Billion 2021 Sales
- 5,000 Employees Worldwide



**LAWRENCE I. SILLS**  
*Chairman of the Board*



**ERIC P. SILLS**  
*Director, CEO and President*



**JAMES J. BURKE**  
*Chief Operating Officer*



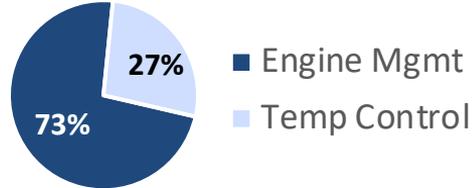
**DALE BURKS**  
*EVP and Chief Commercial Officer*



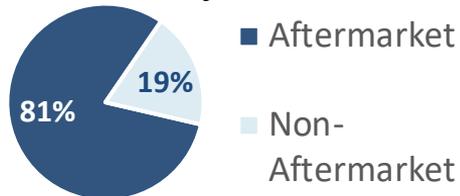
**NATHAN ILES**  
*Chief Financial Officer*

## Consolidated SMP

### Sales by Product Line



### Sales by Market



## Engine Management

**73% of Sales**

### Product Categories:

- Ignition Products
- Emissions Products
- Fuel Delivery
- Vehicle Electronics
- Wire & Cable

## Temperature Control

**27% of Sales**

### Product Categories:

- A/C Compressors
- Other A/C System Components
- Engine Cooling Products / Blower & Radiator Fan Motors
- Window Lift Motors

**Approximately 50% of sales to powertrain-neutral categories**

# Strategic Objectives

## Aftermarket Leadership

- ***Continued Leadership in the North American Aftermarket***
  - Best-in-class full-line, full-service supplier of premium aftermarket engine management and temperature control products

## Business Diversification

- ***Strategic expansion of our business***
  - Targeting global commercial, off-highway and niche light-vehicle markets
  - Strategic acquisitions

## Drive for Continuous Improvement

- ***Internal programs that make us a stronger company***
  - Investment in increased manufacturing
  - Optimization of supply chain footprint
  - Commitment to ongoing ESG and DE&I initiatives

## Return to Shareholders

- Quarterly dividends
- Treasury stock buyback program

## ADVANCED ICE CATEGORIES

- **VVT Components**
  - 500+ SKUs, Manuf. Bialystok
- **EVAP Components**
  - Manuf. Independence & Greenville
- **EGT / ETS / EGRT**
  - Manufactured in Bialystok, Poland
- **Active Grill Shutters**
  - Expanded line, CAPA certified
- **Electronic Throttle Bodies & Kits**
  - Manufactured in Mexico
- **Diesel NOx Sensors**
  - Expanded offering
- **Turbochargers**
  - 100+ SKUs and growing

## BEYOND ICE CATEGORIES

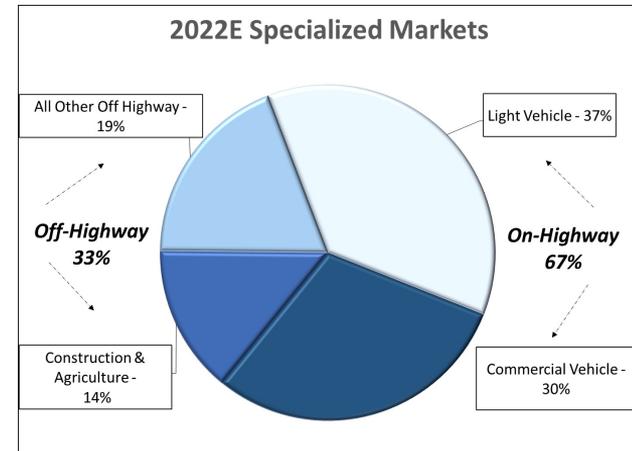
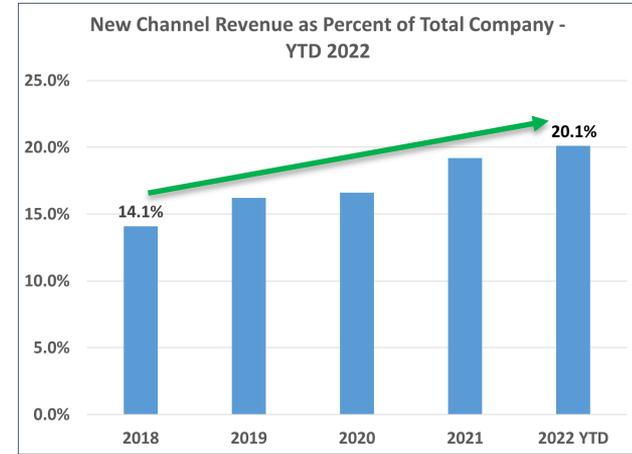
- **Power Management**
  - Battery Current Sensors
  - Power Distribution
  - Contactors, H-Bridge Controllers
- **Switches, Sensors & Actuators**
  - Body Control, Multi-function, Driver-Operated Switches
  - ABS/Traction Control, Speed, Position, Temperature Sensors
  - Lock, Trunk Release, 4WD Actuators
- **Communications**
  - LCD Displays, Gyro Inclinometer
- **ADAS Components (400+ SKUs)**
  - Blind Spot Detection, Cruise Control Distance, Park Assist Sensors
  - Lane Departure, Park Assist Cameras

## TEMPERATURE CONTROL

- **ECV Compressors**
  - 250+ SKUs; 10M+ VIO
- **Brushless Motors (BLDC)**
  - Adaptable Modular Electronics
  - Manufactured in Canada
- **Electric Compressors**
  - For BEV, HEV & ICE vehicles
  - High growth category
- **High Voltage Battery Cooling**
  - Electric Water Pumps
  - Compressors, Fans
- **I/O Modules for HCU**
  - Heater Control Units I/O Modules for electric buses

## Increased Push into Specialized Markets

- Product life cycles tend to be longer
- Technology more stable
- Less competition and more stable pricing
- Highly fragmented end markets
- Expansive customer lists with blue-chip accounts



- 16 Acquisitions in Recent Years
- Primary Focus
  - Bolt-on and Vertical integration
  - New but related business
  - Specialized Markets
- Rationale
  - Helps address part complexity / SKU proliferation
  - Rapid entry into new technologies
  - Growth into complementary products and markets
  - New geographies and diversified markets

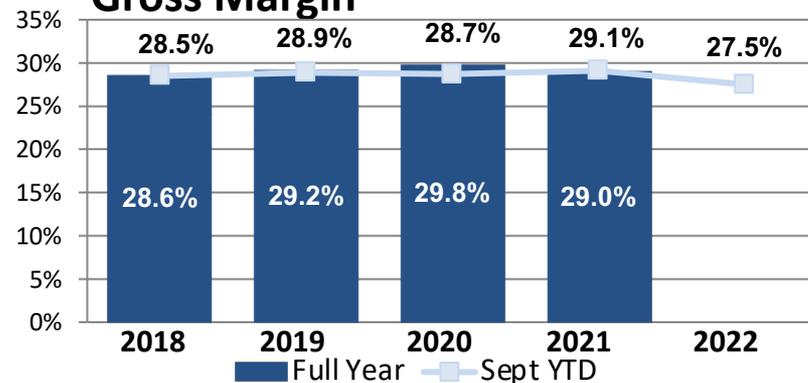


# Year-Over-Year Performance Measures

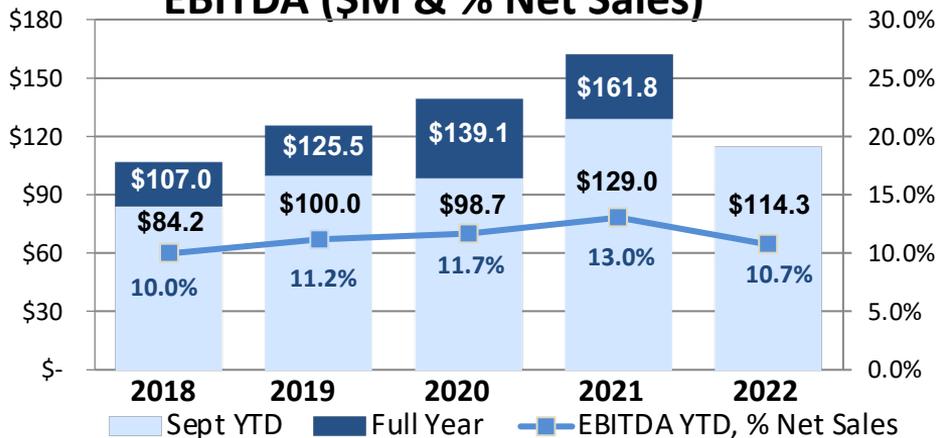
## Consolidated Net Sales (\$M)



## Gross Margin



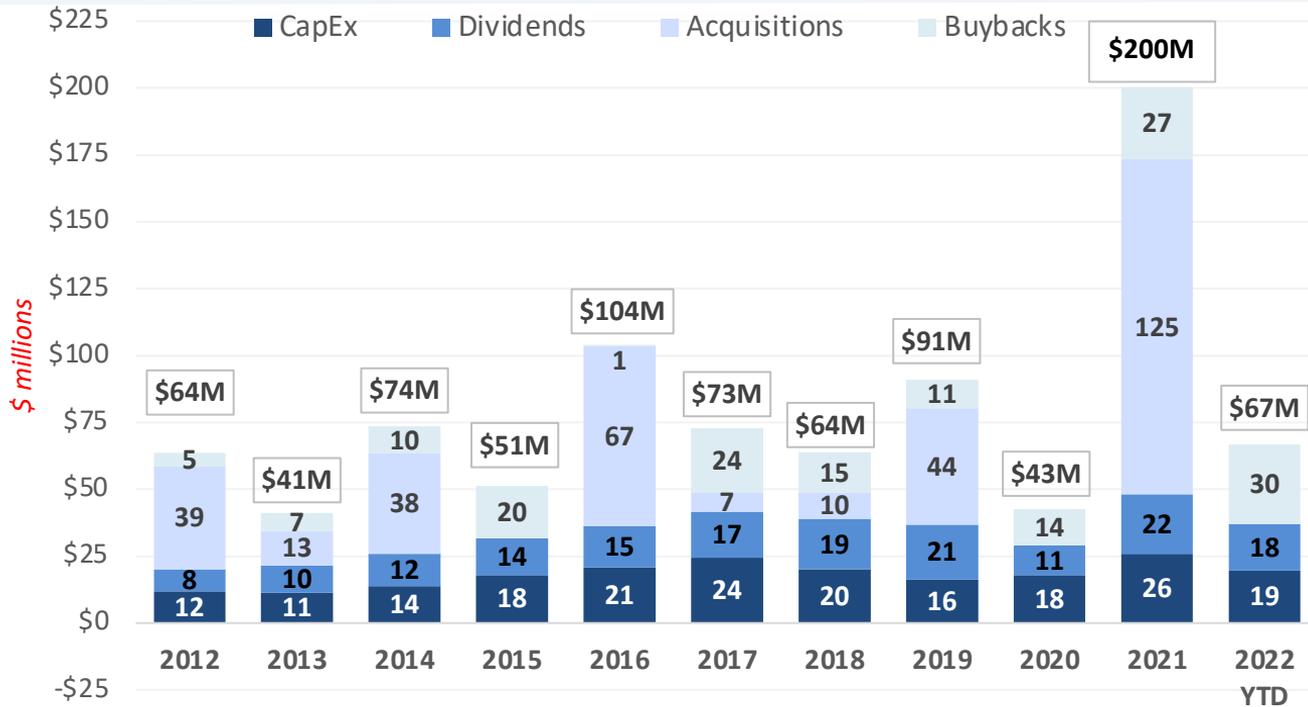
## EBITDA (\$M & % Net Sales)



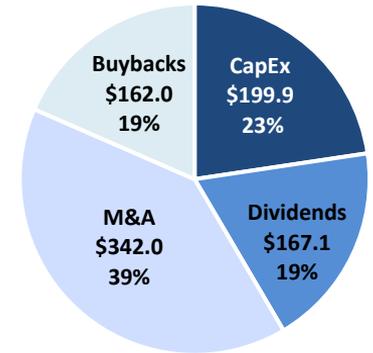
## Diluted EPS



# SMP Cash Utilization



## Total Utilization (\$M)



**Total invested for:**

**Growth = 62%**

**Shareholder Returns = 38%**

Cash Allocation %	
Invest for Growth (Capex / M&A)	79%   59%   70%   35%   85%   43%   47%   66%   42%   76%   29%
Shareholder Return (Dividends / Buybacks)	21%   41%   30%   65%   15%   57%   53%   34%   58%   24%   71%

Note: October KADE acquisition to be reflected in Q4 Investor Deck cash utilization