

## STANDARD MOTOR PRODUCTS, INC. Consolidated Statements of Operations

(In thousands, except per share amounts)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
NET SALES	\$ 308,199	\$ 309,877	\$ 1,371,815	\$ 1,298,816
COST OF SALES	<u>218,635</u>	<u>221,207</u>	<u>989,276</u>	<u>921,885</u>
GROSS PROFIT	89,564	88,670	382,539	376,931
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	72,075	64,231	276,626	247,547
RESTRUCTURING AND INTEGRATION EXPENSES	1,847	226	1,891	392
OTHER INCOME (EXPENSE), NET	<u>70</u>	<u>(1)</u>	<u>113</u>	<u>7</u>
OPERATING INCOME	15,712	24,212	104,135	128,999
OTHER NON-OPERATING INCOME (EXPENSE), NET	(75)	1,247	4,814	3,494
INTEREST EXPENSE	<u>4,335</u>	<u>672</u>	<u>10,617</u>	<u>2,028</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	11,302	24,787	98,332	130,465
PROVISION FOR INCOME TAXES	<u>2,799</u>	<u>4,729</u>	<u>25,206</u>	<u>31,044</u>
EARNINGS FROM CONTINUING OPERATIONS	8,503	20,058	73,126	99,421
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(615)</u>	<u>(1,328)</u>	<u>(17,691)</u>	<u>(8,467)</u>
NET EARNINGS	7,888	18,730	55,435	90,954
NET EARNINGS (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>(45)</u>	<u>36</u>	<u>84</u>	<u>68</u>
NET EARNINGS ATTRIBUTABLE TO SMP (a)	<u>\$ 7,933</u>	<u>\$ 18,694</u>	<u>\$ 55,351</u>	<u>\$ 90,886</u>
<u>NET EARNINGS ATTRIBUTABLE TO SMP</u>				
EARNINGS FROM CONTINUING OPERATIONS	\$ 8,548	\$ 20,022	\$ 73,042	\$ 99,353
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	(615)	(1,328)	(17,691)	(8,467)
TOTAL	<u>\$ 7,933</u>	<u>\$ 18,694</u>	<u>\$ 55,351</u>	<u>\$ 90,886</u>
<u>NET EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SMP</u>				
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 0.40	\$ 0.91	\$ 3.37	\$ 4.49
DISCONTINUED OPERATION	(0.03)	(0.06)	(0.82)	(0.39)
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 0.37</u>	<u>\$ 0.85</u>	<u>\$ 2.55</u>	<u>\$ 4.10</u>
DILUTED EARNINGS FROM CONTINUING OPERATIONS	\$ 0.39	\$ 0.89	\$ 3.30	\$ 4.39
DISCONTINUED OPERATION	(0.03)	(0.06)	(0.80)	(0.37)
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 0.36</u>	<u>\$ 0.83</u>	<u>\$ 2.50</u>	<u>\$ 4.02</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	21,578,194	21,987,480	21,683,719	22,147,479
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	22,030,263	22,485,032	22,139,981	22,616,456

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

## STANDARD MOTOR PRODUCTS, INC. Segment Revenues and Operating Profit

(In thousands)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenues</b>				
Ignition, Emission Control, Fuel & Safety Related System Products	\$ 206,479	\$ 211,919	\$ 824,677	\$ 786,514
Wire and Cable	35,893	33,632	150,566	151,422
<b>Engine Management</b>	<b>242,372</b>	<b>245,551</b>	<b>975,243</b>	<b>937,936</b>
Compressors	28,981	28,666	222,532	206,697
Other Climate Control Parts	34,560	31,738	159,753	141,726
<b>Temperature Control</b>	<b>63,541</b>	<b>60,404</b>	<b>382,285</b>	<b>348,423</b>
All Other	2,286	3,922	14,287	12,457
<b>Revenues</b>	<b>\$ 308,199</b>	<b>\$ 309,877</b>	<b>\$ 1,371,815</b>	<b>\$ 1,298,816</b>
<b>Gross Margin</b>				
Engine Management	\$ 69,099 28.5%	\$ 67,776 27.6%	\$ 262,954 27.0%	\$ 267,285 28.5%
Temperature Control	16,675 26.2%	16,670 27.6%	102,640 26.8%	95,138 27.3%
All Other	3,790	4,270	16,945	14,832
<b>Subtotal</b>	<b>\$ 89,564 29.1%</b>	<b>\$ 88,716 28.6%</b>	<b>\$ 382,539 27.9%</b>	<b>\$ 377,255 29.0%</b>
One-Time Acquisition Costs	- 0.0%	(46) 0.0%	- 0.0%	(324) 0.0%
<b>Gross Margin</b>	<b>\$ 89,564 29.1%</b>	<b>\$ 88,670 28.6%</b>	<b>\$ 382,539 27.9%</b>	<b>\$ 376,931 29.0%</b>
<b>Selling, General &amp; Administrative</b>				
Engine Management	\$ 42,644 17.6%	\$ 39,485 16.1%	\$ 165,389 17.0%	\$ 149,206 15.9%
Temperature Control	14,436 22.7%	13,192 21.8%	68,666 18.0%	58,144 16.7%
All Other	7,993	11,495	35,569	38,810
<b>Subtotal</b>	<b>\$ 65,073 21.1%</b>	<b>\$ 64,172 20.7%</b>	<b>\$ 269,624 19.7%</b>	<b>\$ 246,160 19.0%</b>
Customer Bankruptcy Charge	7,002 2.3%	- 0.0%	7,002 0.5%	- 0.0%
One-Time Acquisition Costs	- 0.0%	59 0.0%	- 0.0%	1,387 0.1%
<b>Selling, General &amp; Administrative</b>	<b>\$ 72,075 23.4%</b>	<b>\$ 64,231 20.7%</b>	<b>\$ 276,626 20.2%</b>	<b>\$ 247,547 19.1%</b>
<b>Operating Income</b>				
Engine Management	\$ 26,455 10.9%	\$ 28,291 11.5%	\$ 97,565 10.0%	\$ 118,079 12.6%
Temperature Control	2,239 3.5%	3,478 5.8%	33,974 8.9%	36,994 10.6%
All Other	(4,203)	(7,225)	(18,624)	(23,978)
<b>Subtotal</b>	<b>\$ 24,491 7.9%</b>	<b>\$ 24,544 7.9%</b>	<b>\$ 112,915 8.2%</b>	<b>\$ 131,095 10.1%</b>
Customer Bankruptcy Charge	(7,002) -2.3%	- 0.0%	(7,002) -0.5%	- 0.0%
One-Time Acquisition Costs	- 0.0%	(105) 0.0%	- 0.0%	(1,711) -0.1%
Restructuring & Integration	(1,847) -0.6%	(226) -0.1%	(1,891) -0.1%	(392) 0.0%
Other Income (Expense), Net	70 0.0%	(1) 0.0%	113 0.0%	7 0.0%
<b>Operating Income</b>	<b>\$ 15,712 5.1%</b>	<b>\$ 24,212 7.8%</b>	<b>\$ 104,135 7.6%</b>	<b>\$ 128,999 9.9%</b>

**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,	
	2022	2021	2022	2021
	(Unaudited)		(Unaudited)	
<b><u>EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u></b>				
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 8,548	\$ 20,022	\$ 73,042	\$ 99,353
RESTRUCTURING AND INTEGRATION EXPENSES	1,847	226	1,891	392
CUSTOMER BANKRUPTCY CHARGE	7,002	-	7,002	-
ONE-TIME ACQUISITION COSTS	-	105	-	1,711
CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD	-	-	(249)	(259)
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	(2,301)	(86)	(2,312)	(547)
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	<u>\$ 15,096</u>	<u>\$ 20,267</u>	<u>\$ 79,374</u>	<u>\$ 100,650</u>
<b><u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u></b>				
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.39	\$ 0.89	\$ 3.30	\$ 4.39
RESTRUCTURING AND INTEGRATION EXPENSES	0.08	0.01	0.08	0.02
CUSTOMER BANKRUPTCY CHARGE	0.32	-	0.32	-
ONE-TIME ACQUISITION COSTS	-	-	-	0.07
CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD	-	-	(0.01)	(0.01)
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	(0.10)	-	(0.10)	(0.02)
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	<u>\$ 0.69</u>	<u>\$ 0.90</u>	<u>\$ 3.59</u>	<u>\$ 4.45</u>
<b><u>OPERATING INCOME</u></b>				
GAAP OPERATING INCOME	\$ 15,712	\$ 24,212	\$ 104,135	\$ 128,999
RESTRUCTURING AND INTEGRATION EXPENSES	1,847	226	1,891	392
CUSTOMER BANKRUPTCY CHARGE	7,002	-	7,002	-
ONE-TIME ACQUISITION COSTS	-	105	-	1,711
OTHER (INCOME) EXPENSE, NET	(70)	1	(113)	(7)
NON-GAAP OPERATING INCOME	<u>\$ 24,491</u>	<u>\$ 24,544</u>	<u>\$ 112,915</u>	<u>\$ 131,095</u>
<b><u>EBITDA WITHOUT SPECIAL ITEMS</u></b>				
GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	\$ 11,302	\$ 24,787	\$ 98,332	\$ 130,465
DEPRECIATION AND AMORTIZATION	7,403	7,083	28,298	27,243
INTEREST EXPENSE	4,335	672	10,617	2,028
EBITDA	<u>23,040</u>	<u>32,542</u>	<u>137,247</u>	<u>159,736</u>
RESTRUCTURING AND INTEGRATION EXPENSES	1,847	226	1,891	392
CUSTOMER BANKRUPTCY CHARGE	7,002	-	7,002	-
ONE-TIME ACQUISITION COSTS	-	105	-	1,711
SPECIAL ITEMS	8,849	331	8,893	2,103
EBITDA WITHOUT SPECIAL ITEMS	<u>\$ 31,889</u>	<u>\$ 32,873</u>	<u>\$ 146,140</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)

	December 31, 2022 (Unaudited)	December 31, 2021
<b><u>ASSETS</u></b>		
CASH	\$ 21,150	\$ 21,755
ACCOUNTS RECEIVABLE, GROSS	173,013	186,774
ALLOWANCE FOR EXPECTED CREDIT LOSSES	5,375	6,170
ACCOUNTS RECEIVABLE, NET	167,638	180,604
INVENTORIES	528,715	468,755
UNRETURNED CUSTOMER INVENTORY	19,695	22,268
OTHER CURRENT ASSETS	25,241	17,823
TOTAL CURRENT ASSETS	762,439	711,205
PROPERTY, PLANT AND EQUIPMENT, NET	107,148	102,786
OPERATING LEASE RIGHT-OF-USE ASSETS	49,838	40,469
GOODWILL	132,087	131,652
OTHER INTANGIBLES, NET	100,504	106,234
DEFERRED INCOME TAXES	33,658	36,126
INVESTMENT IN UNCONSOLIDATED AFFILIATES	41,745	44,087
OTHER ASSETS	27,510	25,402
TOTAL ASSETS	\$ 1,254,929	\$ 1,197,961
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
CURRENT PORTION OF REVOLVING CREDIT FACILITY	\$ 50,000	\$ 125,298
CURRENT PORTION OF TERM LOAN AND OTHER DEBT	5,031	3,117
ACCOUNTS PAYABLE	89,247	137,167
ACCRUED CUSTOMER RETURNS	37,169	42,412
ACCRUED CORE LIABILITY	22,952	23,663
ACCRUED REBATES	37,381	42,472
PAYROLL AND COMMISSIONS	31,361	45,058
SUNDRY PAYABLES AND ACCRUED EXPENSES	49,990	57,182
TOTAL CURRENT LIABILITIES	323,131	476,369
OTHER LONG-TERM DEBT	184,589	21
NONCURRENT OPERATING LEASE LIABILITY	40,709	31,206
ACCRUED ASBESTOS LIABILITIES	63,305	52,698
OTHER LIABILITIES	22,157	25,040
TOTAL LIABILITIES	633,891	585,334
TOTAL SMP STOCKHOLDERS' EQUITY	610,020	601,580
NONCONTROLLING INTEREST	11,018	11,047
TOTAL STOCKHOLDERS' EQUITY	621,038	612,627
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,254,929	\$ 1,197,961

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

(In thousands)

	TWELVE MONTHS ENDED DECEMBER 31,	
	2022	2021
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 55,435	\$ 90,954
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	28,298	27,243
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAXES	17,691	8,467
CUSTOMER BANKRUPTCY CHARGE	7,002	-
OTHER	13,064	7,456
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	6,916	28,464
INVENTORY	(67,495)	(107,609)
ACCOUNTS PAYABLE	(48,604)	33,046
PREPAID EXPENSES AND OTHER CURRENT ASSETS	(5,509)	(843)
SDUNDRY PAYABLES AND ACCRUED EXPENSES	(29,089)	13,430
OTHER	(5,242)	(15,044)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(27,533)</u>	<u>85,564</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
ACQUISITIONS OF AND INVESTMENTS IN BUSINESSES	(1,934)	(125,419)
CAPITAL EXPENDITURES	(25,956)	(25,875)
OTHER INVESTING ACTIVITIES	73	45
NET CASH USED IN INVESTING ACTIVITIES	<u>(27,817)</u>	<u>(151,249)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	111,307	118,346
PURCHASE OF TREASURY STOCK	(29,656)	(26,862)
DIVIDENDS PAID	(23,428)	(22,179)
DIVIDENDS PAID TO NONCONTROLLING INTEREST	-	(540)
PAYMENTS OF DEBT ISSUANCE COSTS	(2,128)	-
OTHER FINANCING ACTIVITIES	(595)	247
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>55,500</u>	<u>69,012</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(755)</u>	<u>(1,060)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(605)	2,267
CASH AND CASH EQUIVALENTS at beginning of period	21,755	19,488
CASH AND CASH EQUIVALENTS at end of period	<u>\$ 21,150</u>	<u>\$ 21,755</u>