



# Standard Motor Products, Inc.

4<sup>th</sup> Quarter 2023

Earnings Call | February 22, 2024



# Safe Harbor – Forward Looking Statements

You should be aware that except for historical information, the matters discussed herein 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. 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, 2024 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

Tony Cristello, VP Investor Relations

❖ Overview & Market Trends

Eric Sills, CEO

❖ Distribution Update

Jim Burke, COO

❖ Financial Results & Balance Sheet

Nathan Iles, CFO

❖ Final Comments

Eric Sills, CEO

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All

# 4<sup>th</sup> Quarter P&L Summary – Segments<sup>(1)</sup>

(In millions, except per share amounts)

|                                    | THREE MONTHS ENDED<br>DECEMBER 31, |              |              |             | TWELVE MONTHS ENDED<br>DECEMBER 31, |             |              |             |              |
|------------------------------------|------------------------------------|--------------|--------------|-------------|-------------------------------------|-------------|--------------|-------------|--------------|
|                                    | 2023                               |              | 2022         |             | 2023                                |             | 2022         |             |              |
| <b><u>Vehicle Control</u></b>      |                                    |              |              |             |                                     |             |              |             |              |
| Revenue                            | \$                                 | 178.6        | \$           | 189.8       | \$                                  | 737.9       | \$           | 750.6       |              |
| Gross Margin                       |                                    | 58.8         | 32.9%        | 62.8        | 33.1%                               | 238.2       | 32.3%        | 232.3       | 30.9%        |
| Selling, General & Administrative  |                                    | 33.5         | 18.8%        | 31.6        | 16.7%                               | 135.1       | 18.3%        | 130.1       | 17.3%        |
| Factoring Expenses                 |                                    | 7.9          | 4.4%         | 8.0         | 4.2%                                | 30.6        | 4.1%         | 21.5        | 2.9%         |
| <b>Operating Income</b>            | <b>\$</b>                          | <b>17.4</b>  | <b>9.7%</b>  | <b>23.1</b> | <b>12.2%</b>                        | <b>72.5</b> | <b>9.8%</b>  | <b>80.7</b> | <b>10.7%</b> |
| <b>Adjusted EBITDA</b>             | <b>\$</b>                          | <b>21.0</b>  | <b>11.8%</b> | <b>26.8</b> | <b>14.1%</b>                        | <b>87.4</b> | <b>11.8%</b> | <b>96.0</b> | <b>12.8%</b> |
| <b><u>Temperature Control</u></b>  |                                    |              |              |             |                                     |             |              |             |              |
| Revenue                            | \$                                 | 44.6         | \$           | 55.1        | \$                                  | 337.8       | \$           | 351.2       |              |
| Gross Margin                       |                                    | 12.4         | 27.7%        | 15.0        | 27.2%                               | 95.8        | 28.4%        | 98.9        | 28.2%        |
| Selling, General & Administrative  |                                    | 13.6         | 30.4%        | 12.3        | 22.3%                               | 61.9        | 18.3%        | 59.7        | 17.0%        |
| Factoring Expenses                 |                                    | 2.0          | 4.5%         | 2.1         | 3.7%                                | 15.4        | 4.6%         | 10.5        | 3.0%         |
| <b>Operating Income</b>            | <b>\$</b>                          | <b>(3.3)</b> | <b>-7.3%</b> | <b>0.6</b>  | <b>1.2%</b>                         | <b>18.5</b> | <b>5.5%</b>  | <b>28.7</b> | <b>8.2%</b>  |
| <b>Adjusted EBITDA</b>             | <b>\$</b>                          | <b>(2.5)</b> | <b>-5.7%</b> | <b>1.3</b>  | <b>2.3%</b>                         | <b>22.5</b> | <b>6.7%</b>  | <b>33.6</b> | <b>9.6%</b>  |
| <b><u>Engineered Solutions</u></b> |                                    |              |              |             |                                     |             |              |             |              |
| Revenue                            | \$                                 | 67.5         | \$           | 63.2        | \$                                  | 282.6       | \$           | 270.0       |              |
| Gross Margin                       |                                    | 10.4         | 15.4%        | 11.8        | 18.6%                               | 54.8        | 19.4%        | 51.4        | 19.0%        |
| Selling, General & Administrative  |                                    | 9.3          | 13.8%        | 7.8         | 12.3%                               | 34.6        | 12.2%        | 32.6        | 12.1%        |
| <b>Operating Income</b>            | <b>\$</b>                          | <b>1.0</b>   | <b>1.5%</b>  | <b>4.0</b>  | <b>6.3%</b>                         | <b>20.2</b> | <b>7.2%</b>  | <b>18.7</b> | <b>6.9%</b>  |
| <b>Adjusted EBITDA</b>             | <b>\$</b>                          | <b>3.8</b>   | <b>5.6%</b>  | <b>6.6</b>  | <b>10.5%</b>                        | <b>32.5</b> | <b>11.5%</b> | <b>30.5</b> | <b>11.3%</b> |

<sup>(1)</sup> All operating results provided except for revenues are on a non-GAAP basis. See financial statements in earnings release for reconciliation of GAAP to non-GAAP earnings.

# 4<sup>th</sup> Quarter P&L Summary – Consolidated<sup>(1)</sup>

(In millions, except per share amounts)

|  | THREE MONTHS ENDED<br>DECEMBER 31, |             |             |           | TWELVE MONTHS ENDED<br>DECEMBER 31, |              |           |              |             |           |              |              |
|--|------------------------------------|-------------|-------------|-----------|-------------------------------------|--------------|-----------|--------------|-------------|-----------|--------------|--------------|
|  | 2023                               |             | 2022        |           | 2023                                |              | 2022      |              |             |           |              |              |
| <b><u>Consolidated Results</u></b>             |                                    |             |             |           |                                     |              |           |              |             |           |              |              |
| Revenue  | \$                                 | 290.8       | \$          | 308.2     | \$                                  | 1,358.3      | \$        | 1,371.8      |             |           |              |              |
| Gross Margin                                   |                                    | 81.5        | 28.0%       | 89.6      | 29.1%                               | 388.8        | 28.6%     | 382.5        | 27.9%       |           |              |              |
| Selling, General & Administrative              |                                    | 60.4        | 20.8%       | 55.0      | 17.8%                               | 247.6        | 18.2%     | 237.6        | 17.3%       |           |              |              |
| Factoring Expenses                             |                                    | 9.9         | 3.4%        | 10.1      | 3.3%                                | 46.0         | 3.4%      | 32.0         | 2.3%        |           |              |              |
| <b>Operating Income</b>                        | <b>\$</b>                          | <b>11.2</b> | <b>3.9%</b> | <b>\$</b> | <b>24.5</b>                         | <b>7.9%</b>  | <b>\$</b> | <b>95.2</b>  | <b>7.0%</b> | <b>\$</b> | <b>112.9</b> | <b>8.2%</b>  |
| <b>Net Earnings from Continuing Operations</b> | <b>\$</b>                          | <b>8.2</b>  |             | <b>\$</b> | <b>15.1</b>                         |              | <b>\$</b> | <b>64.8</b>  |             | <b>\$</b> | <b>79.4</b>  |              |
| <b>Adjusted EBITDA</b>                         | <b>\$</b>                          | <b>18.3</b> | <b>6.3%</b> | <b>\$</b> | <b>31.9</b>                         | <b>10.3%</b> | <b>\$</b> | <b>126.7</b> | <b>9.3%</b> | <b>\$</b> | <b>146.1</b> | <b>10.7%</b> |
| <b>Interest Expense</b>                        | <b>\$</b>                          | <b>2.5</b>  |             | <b>\$</b> | <b>4.3</b>                          |              | <b>\$</b> | <b>13.3</b>  |             | <b>\$</b> | <b>10.6</b>  |              |
| <b>Diluted Earnings per Share</b>              | <b>\$</b>                          | <b>0.37</b> |             | <b>\$</b> | <b>0.69</b>                         |              | <b>\$</b> | <b>2.92</b>  |             | <b>\$</b> | <b>3.59</b>  |              |

<sup>(1)</sup> All operating results provided except for revenues are on a non-GAAP basis. See financial statements in earnings release for reconciliation of GAAP to non-GAAP earnings.

# Balance Sheet & Cash Flow Highlights

(In millions)

|                                     | DECEMBER 31, |           |
|-------------------------------------|--------------|-----------|
|                                     | 2023         | 2022      |
| <b><u>Working Capital Stats</u></b> |              |           |
| Accounts Receivable, Net            | \$ 160.3     | \$ 167.6  |
| Inventories                         | \$ 507.1     | \$ 528.7  |
| <b><u>Cash Flow Stats (YTD)</u></b> |              |           |
| Operating cash flows                | \$ 144.3     | \$ (27.5) |
| Capex                               | \$ (28.6)    | \$ (26.0) |
| M&A                                 | \$ (4.0)     | \$ (1.9)  |
| Dividends                           | \$ (25.2)    | \$ (23.4) |
| Share repurchases                   | \$ -         | \$ (29.7) |
| Net Change in Debt                  | \$ (83.6)    | \$ 111.3  |
| <b><u>Debt &amp; Leverage</u></b>   |              |           |
| Total debt                          | \$ 156.2     | \$ 239.6  |
| Cash                                | \$ 32.5      | \$ 21.2   |
| Net debt                            | \$ 123.7     | \$ 218.4  |
| LTM Adjusted EBITDA                 | \$ 126.7     | \$ 146.1  |
| Leverage ratio                      | 1.0x         | 1.5x      |
| Remaining borrowing capacity        | \$ 334.2     | \$ 255.6  |
| Total Liquidity                     | \$ 366.7     | \$ 276.8  |



# Q&A Session

# Appendix



# Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

|   | THREE MONTHS ENDED<br>DECEMBER 31, |                  | TWELVE MONTHS ENDED<br>DECEMBER 31, |                  |
|---|------------------------------------|------------------|-------------------------------------|------------------|
|   | 2023                               | 2022             | 2023                                | 2022             |
|   | (Unaudited)                        |                  | (Unaudited)                         |                  |
| <b><u>EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u></b>                   |                                    |                  |                                     |                  |
| GAAP EARNINGS FROM CONTINUING OPERATIONS  | \$ 7,229                           | \$ 8,548         | \$ 63,144                           | \$ 73,042        |
| RESTRUCTURING AND INTEGRATION EXPENSES  | 1,259                              | 1,847            | 2,642                               | 1,891            |
| CUSTOMER BANKRUPTCY CHARGE  | -                                  | 7,002            | -                                   | 7,002            |
| CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD                       | -                                  | -                | (312)                               | (249)            |
| INCOME TAX EFFECT RELATED TO RECONCILING ITEMS  | (327)                              | (2,301)          | (687)                               | (2,312)          |
| NON-GAAP EARNINGS FROM CONTINUING OPERATIONS  | <u>\$ 8,161</u>                    | <u>\$ 15,096</u> | <u>\$ 64,787</u>                    | <u>\$ 79,374</u> |
| <b><u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SMP</u></b> |                                    |                  |                                     |                  |
| GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS                              | \$ 0.32                            | \$ 0.39          | \$ 2.85                             | \$ 3.30          |
| RESTRUCTURING AND INTEGRATION EXPENSES  | 0.06                               | 0.08             | 0.12                                | 0.08             |
| CUSTOMER BANKRUPTCY CHARGE  | -                                  | 0.32             | -                                   | 0.32             |
| CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD                       | -                                  | -                | (0.01)                              | (0.01)           |
| INCOME TAX EFFECT RELATED TO RECONCILING ITEMS  | (0.01)                             | (0.10)           | (0.04)                              | (0.10)           |
| NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS                          | <u>\$ 0.37</u>                     | <u>\$ 0.69</u>   | <u>\$ 2.92</u>                      | <u>\$ 3.59</u>   |

# Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

|   | THREE MONTHS ENDED<br>DECEMBER 31, |                  | TWELVE MONTHS ENDED<br>DECEMBER 31, |                   |
|---|------------------------------------|------------------|-------------------------------------|-------------------|
|   | 2023                               | 2022             | 2023                                | 2022              |
|   | (Unaudited)                        |                  | (Unaudited)                         |                   |
| <b><u>OPERATING INCOME</u></b>                        |                                    |                  |                                     |                   |
| GAAP OPERATING INCOME                                 | \$ 9,947                           | \$ 15,712        | \$ 92,677                           | \$ 104,135        |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,259                              | 1,847            | 2,642                               | 1,891             |
| CUSTOMER BANKRUPTCY CHARGE                            | -                                  | 7,002            | -                                   | 7,002             |
| OTHER INCOME, NET                                     | (2)                                | (70)             | (76)                                | (113)             |
| NON-GAAP OPERATING INCOME                             | <u>\$ 11,204</u>                   | <u>\$ 24,491</u> | <u>\$ 95,243</u>                    | <u>\$ 112,915</u> |
| <b><u>EBITDA WITHOUT SPECIAL ITEMS</u></b>            |                                    |                  |                                     |                   |
| GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES | \$ 6,993                           | \$ 11,302        | \$ 81,716                           | \$ 98,332         |
| DEPRECIATION AND AMORTIZATION                         | 7,561                              | 7,403            | 29,022                              | 28,298            |
| INTEREST EXPENSE                                      | 2,521                              | 4,335            | 13,287                              | 10,617            |
| EBITDA  | <u>17,075</u>                      | <u>23,040</u>    | <u>124,025</u>                      | <u>137,247</u>    |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,259                              | 1,847            | 2,642                               | 1,891             |
| CUSTOMER BANKRUPTCY CHARGE                            | -                                  | 7,002            | -                                   | 7,002             |
| SPECIAL ITEMS   | <u>1,259</u>                       | <u>8,849</u>     | <u>2,642</u>                        | <u>8,893</u>      |
| EBITDA WITHOUT SPECIAL ITEMS                          | <u>\$ 18,334</u>                   | <u>\$ 31,889</u> | <u>\$ 126,667</u>                   | <u>\$ 146,140</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.

# Reconciliation of GAAP and Non-GAAP Measures

(In thousands)

|   | THREE MONTHS ENDED DECEMBER 31, 2023 |                     |                                     |                   |                  |
|---|--------------------------------------|---------------------|-------------------------------------|-------------------|------------------|
|   | Vehicle Control                      | Temperature Control | Engineered Solutions<br>(Unaudited) | All Other         | Consolidated     |
| <b><u>OPERATING INCOME</u></b>                        |                                      |                     |                                     |                   |                  |
| GAAP OPERATING INCOME                                 | \$ 16,608                            | \$ (3,595)          | \$ 880                              | \$ (3,946)        | \$ 9,947         |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 792                                  | 330                 | 137                                 | -                 | 1,259            |
| CUSTOMER BANKRUPTCY CHARGE                            | -                                    | -                   | -                                   | -                 | -                |
| OTHER (INCOME) EXPENSE, NET                           | (28)                                 | -                   | 26                                  | -                 | (2)              |
| NON-GAAP OPERATING INCOME                             | <u>\$ 17,372</u>                     | <u>\$ (3,265)</u>   | <u>\$ 1,043</u>                     | <u>\$ (3,946)</u> | <u>\$ 11,204</u> |
| <b><u>EBITDA WITHOUT SPECIAL ITEMS</u></b>            |                                      |                     |                                     |                   |                  |
| GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES | \$ 14,862                            | \$ (4,466)          | \$ 395                              | \$ (3,798)        | \$ 6,993         |
| DEPRECIATION AND AMORTIZATION                         | 3,610                                | 985                 | 2,549                               | 417               | 7,561            |
| INTEREST EXPENSE                                      | 1,737                                | 602                 | 690                                 | (508)             | 2,521            |
| EBITDA  | <u>20,209</u>                        | <u>(2,879)</u>      | <u>3,634</u>                        | <u>(3,889)</u>    | <u>17,075</u>    |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 792                                  | 330                 | 137                                 | -                 | 1,259            |
| SPECIAL ITEMS   | <u>792</u>                           | <u>330</u>          | <u>137</u>                          | <u>-</u>          | <u>1,259</u>     |
| EBITDA WITHOUT SPECIAL ITEMS                          | <u>\$ 21,001</u>                     | <u>\$ (2,549)</u>   | <u>\$ 3,771</u>                     | <u>\$ (3,889)</u> | <u>\$ 18,334</u> |
| % of Net Sales  | 11.8%                                | -5.7%               | 5.6%                                |                   | 6.3%             |

# Reconciliation of GAAP and Non-GAAP Measures

(In thousands)

|   | THREE MONTHS ENDED DECEMBER 31, 2022 |                     |                                     |                   |                  |
|---|--------------------------------------|---------------------|-------------------------------------|-------------------|------------------|
|   | Vehicle Control                      | Temperature Control | Engineered Solutions<br>(Unaudited) | All Other         | Consolidated     |
| <b><u>OPERATING INCOME</u></b>                        |                                      |                     |                                     |                   |                  |
| GAAP OPERATING INCOME                                 | \$ 16,599                            | \$ (1,615)          | \$ 4,014                            | \$ (3,286)        | \$ 15,712        |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,452                                | 395                 | -                                   | -                 | 1,847            |
| CUSTOMER BANKRUPTCY CHARGE                            | 5,135                                | 1,867               | -                                   | -                 | 7,002            |
| OTHER INCOME, NET                                     | (70)                                 | -                   | -                                   | -                 | (70)             |
| NON-GAAP OPERATING INCOME                             | <u>\$ 23,116</u>                     | <u>\$ 647</u>       | <u>\$ 4,014</u>                     | <u>\$ (3,286)</u> | <u>\$ 24,491</u> |
| <b><u>EBITDA WITHOUT SPECIAL ITEMS</u></b>            |                                      |                     |                                     |                   |                  |
| GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES | \$ 13,400                            | \$ (2,848)          | \$ 3,925                            | \$ (3,175)        | \$ 11,302        |
| DEPRECIATION AND AMORTIZATION                         | 3,656                                | 890                 | 2,380                               | 477               | 7,403            |
| INTEREST EXPENSE                                      | 3,140                                | 958                 | 317                                 | (80)              | 4,335            |
| EBITDA  | <u>20,196</u>                        | <u>(1,000)</u>      | <u>6,622</u>                        | <u>(2,778)</u>    | <u>23,040</u>    |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,452                                | 395                 | -                                   | -                 | 1,847            |
| CUSTOMER BANKRUPTCY CHARGE                            | 5,135                                | 1,867               | -                                   | -                 | 7,002            |
| SPECIAL ITEMS   | <u>6,587</u>                         | <u>2,262</u>        | <u>-</u>                            | <u>-</u>          | <u>8,849</u>     |
| EBITDA WITHOUT SPECIAL ITEMS                          | <u>\$ 26,783</u>                     | <u>\$ 1,262</u>     | <u>\$ 6,622</u>                     | <u>\$ (2,778)</u> | <u>\$ 31,889</u> |
| % of Net Sales  | 14.1%                                | 2.3%                | 10.5%                               |                   | 10.3%            |

# Reconciliation of GAAP and Non-GAAP Measures

(In thousands)

|   | <b>TWELVE MONTHS ENDED DECEMBER 31, 2023</b> |                     |                      |                    |                   |
|---|--|---------------------|----------------------|--------------------|-------------------|
|   | Vehicle Control                              | Temperature Control | Engineered Solutions | All Other          | Consolidated      |
|   | (Unaudited)                                  |                     |                      |                    |                   |
| <b><u>OPERATING INCOME</u></b>                        |  |                     |                      |                    |                   |
| GAAP OPERATING INCOME                                 | \$ 71,327                                    | \$ 17,343           | \$ 19,944            | \$ (15,937)        | \$ 92,677         |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,276  | 1,108               | 258                  | -                  | 2,642             |
| CUSTOMER BANKRUPTCY CHARGE                            | -  | -                   | -                    | -                  | -                 |
| OTHER (INCOME) EXPENSE, NET                           | (93)   | -                   | 17                   | -                  | (76)              |
| NON-GAAP OPERATING INCOME                             | <u>\$ 72,510</u>                             | <u>\$ 18,451</u>    | <u>\$ 20,219</u>     | <u>\$ (15,937)</u> | <u>\$ 95,243</u>  |
| <b><u>EBITDA WITHOUT SPECIAL ITEMS</u></b>            |  |                     |                      |                    |                   |
| GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES | \$ 62,856                                    | \$ 14,678           | \$ 20,006            | \$ (15,824)        | \$ 81,716         |
| DEPRECIATION AND AMORTIZATION                         | 13,877                                       | 3,424               | 9,966                | 1,755              | 29,022            |
| INTEREST EXPENSE                                      | 9,345  | 3,279               | 2,306                | (1,643)            | 13,287            |
| EBITDA  | <u>86,078</u>                                | <u>21,381</u>       | <u>32,278</u>        | <u>(15,712)</u>    | <u>124,025</u>    |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,276  | 1,108               | 258                  | -                  | 2,642             |
| SPECIAL ITEMS   | <u>1,276</u>                                 | <u>1,108</u>        | <u>258</u>           | <u>-</u>           | <u>2,642</u>      |
| EBITDA WITHOUT SPECIAL ITEMS                          | <u>\$ 87,354</u>                             | <u>\$ 22,489</u>    | <u>\$ 32,536</u>     | <u>\$ (15,712)</u> | <u>\$ 126,667</u> |
| <i>% of Net Sales</i>                                 | <i>11.8%</i>                                 | <i>6.7%</i>         | <i>11.5%</i>         | <i>-</i>           | <i>9.3%</i>       |

# Reconciliation of GAAP and Non-GAAP Measures

(In thousands)

|   | <b>TWELVE MONTHS ENDED DECEMBER 31, 2022</b> |                            |                             |                    |                     |
|---|--|----------------------------|-----------------------------|--------------------|---------------------|
|   | <b>Vehicle Control</b>                       | <b>Temperature Control</b> | <b>Engineered Solutions</b> | <b>All Other</b>   | <b>Consolidated</b> |
|   | (Unaudited)                                  |                            |                             |                    |                     |
| <b><u>OPERATING INCOME</u></b>                        |  |                            |                             |                    |                     |
| GAAP OPERATING INCOME                                 | \$ 74,153                                    | \$ 26,459                  | \$ 18,713                   | \$ (15,190)        | \$ 104,135          |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,496  | 395                        | -                           | -                  | 1,891               |
| CUSTOMER BANKRUPTCY CHARGE                            | 5,135  | 1,867                      | -                           | -                  | 7,002               |
| OTHER INCOME, NET                                     | (113)  | -                          | -                           | -                  | (113)               |
| NON-GAAP OPERATING INCOME                             | <u>\$ 80,671</u>                             | <u>\$ 28,721</u>           | <u>\$ 18,713</u>            | <u>\$ (15,190)</u> | <u>\$ 112,915</u>   |
| <b><u>EBITDA WITHOUT SPECIAL ITEMS</u></b>            |  |                            |                             |                    |                     |
| GAAP EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES | \$ 67,439                                    | \$ 26,047                  | \$ 20,103                   | \$ (15,257)        | \$ 98,332           |
| DEPRECIATION AND AMORTIZATION                         | 14,075                                       | 2,973                      | 9,557                       | 1,693              | 28,298              |
| INTEREST EXPENSE                                      | 7,816  | 2,312                      | 804                         | (315)              | 10,617              |
| EBITDA  | <u>89,330</u>                                | <u>31,332</u>              | <u>30,464</u>               | <u>(13,879)</u>    | <u>137,247</u>      |
| RESTRUCTURING AND INTEGRATION EXPENSES                | 1,496  | 395                        | -                           | -                  | 1,891               |
| CUSTOMER BANKRUPTCY CHARGE                            | 5,135  | 1,867                      | -                           | -                  | 7,002               |
| SPECIAL ITEMS   | <u>6,631</u>                                 | <u>2,262</u>               | <u>-</u>                    | <u>-</u>           | <u>8,893</u>        |
| EBITDA WITHOUT SPECIAL ITEMS                          | <u>\$ 95,961</u>                             | <u>\$ 33,594</u>           | <u>\$ 30,464</u>            | <u>\$ (13,879)</u> | <u>\$ 146,140</u>   |
| <i>% of Net Sales</i>                                 | <i>12.8%</i>                                 | <i>9.6%</i>                | <i>11.3%</i>                |                    | <i>10.7%</i>        |

MANAGEMENT BELIEVES THAT 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.