

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

(In thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	2020	2019
	(Unaudited)	
NET SALES	\$ 254,302	\$ 283,766
COST OF SALES	<u>183,907</u>	<u>205,803</u>
GROSS PROFIT	70,395	77,963
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	55,873	60,000
RESTRUCTURING AND INTEGRATION EXPENSES	205	-
OTHER INCOME (EXPENSE), NET	<u>6</u>	<u>(6)</u>
OPERATING INCOME	14,323	17,957
OTHER NON-OPERATING INCOME (EXPENSE), NET	(524)	646
INTEREST EXPENSE	<u>873</u>	<u>1,089</u>
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES	12,926	17,514
PROVISION FOR INCOME TAXES	<u>3,305</u>	<u>4,410</u>
EARNINGS FROM CONTINUING OPERATIONS	9,621	13,104
LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES	<u>(994)</u>	<u>(888)</u>
NET EARNINGS	<u>\$ 8,627</u>	<u>\$ 12,216</u>
NET EARNINGS PER COMMON SHARE:		
BASIC EARNINGS FROM CONTINUING OPERATIONS	\$ 0.43	\$ 0.58
DISCONTINUED OPERATION	<u>(0.05)</u>	<u>(0.04)</u>
NET EARNINGS PER COMMON SHARE - BASIC	<u>\$ 0.38</u>	<u>\$ 0.54</u>
DILUTED EARNINGS FROM CONTINUING OPERATIONS	\$ 0.42	\$ 0.57
DISCONTINUED OPERATION	<u>(0.04)</u>	<u>(0.04)</u>
NET EARNINGS PER COMMON SHARE - DILUTED	<u>\$ 0.38</u>	<u>\$ 0.53</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	22,438,087	22,421,795
WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES	22,868,975	22,905,364

# STANDARD MOTOR PRODUCTS, INC.

## Segment Revenues and Operating Income

(In thousands)

	THREE MONTHS ENDED			
	2020		2019	
	MARCH 31,			
			(Unaudited)	
<b><u>Revenues</u></b>				
Ignition, Emission Control, Fuel & Safety Related System Products	\$	164,526		\$ 176,061
Wire and Cable		36,592		37,128
<b>Engine Management</b>		201,118		213,189
Compressors		25,348		39,811
Other Climate Control Parts		26,094		29,113
<b>Temperature Control</b>		51,442		68,924
All Other		1,742		1,653
<b>Revenues</b>	\$	254,302		\$ 283,766
 <b><u>Gross Margin</u></b>				
Engine Management	\$	56,705	28.2%	\$ 59,693 28.0%
Temperature Control		12,096	23.5%	16,191 23.5%
All Other		1,594		2,079
<b>Gross Margin</b>	\$	70,395	27.7%	\$ 77,963 27.5%
 <b><u>Selling, General &amp; Administrative</u></b>				
Engine Management	\$	35,073	17.4%	\$ 37,343 17.5%
Temperature Control		12,444	24.2%	14,141 20.5%
All Other		8,356		8,516
<b>Selling, General &amp; Administrative</b>	\$	55,873	22.0%	\$ 60,000 21.1%
 <b><u>Operating Income</u></b>				
Engine Management	\$	21,632	10.8%	\$ 22,350 10.5%
Temperature Control		(348)	-0.7%	2,050 3.0%
All Other		(6,762)		(6,437)
<b>Subtotal</b>		14,522	5.7%	17,963 6.3%
Restructuring & Integration		(205)	-0.1%	-
Other Income (Expense), Net		6	0.0%	(6) 0.0%
<b>Operating Income</b>	\$	14,323	5.6%	\$ 17,957 6.3%

# STANDARD MOTOR PRODUCTS, INC.

## Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	2020	2019
	(Unaudited)	
<u>EARNINGS FROM CONTINUING OPERATIONS</u>		
GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 9,621	\$ 13,104
RESTRUCTURING AND INTEGRATION EXPENSES	205	-
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	(53)	-
NON-GAAP EARNINGS FROM CONTINUING OPERATIONS	\$ 9,773	\$ 13,104
<u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS</u>		
GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.42	\$ 0.57
RESTRUCTURING AND INTEGRATION EXPENSES	0.01	-
INCOME TAX EFFECT RELATED TO RECONCILING ITEMS	-	-
NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.43	\$ 0.57
<u>OPERATING INCOME</u>		
GAAP OPERATING INCOME	\$ 14,323	\$ 17,957
RESTRUCTURING AND INTEGRATION EXPENSES	205	-
OTHER (INCOME) EXPENSE, NET	(6)	6
NON-GAAP OPERATING INCOME	\$ 14,522	\$ 17,963

MANAGEMENT BELIEVES THAT EARNINGS FROM CONTINUING OPERATIONS, DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS, AND OPERATING INCOME, 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)

	March 31, 2020 (Unaudited)	December 31, 2019
<b><u>ASSETS</u></b>		
CASH	\$ 13,268	\$ 10,372
ACCOUNTS RECEIVABLE, GROSS	171,332	140,728
ALLOWANCE FOR DOUBTFUL ACCOUNTS	5,647	5,212
ACCOUNTS RECEIVABLE, NET	165,685	135,516
INVENTORIES	370,935	368,221
UNRETURNED CUSTOMER INVENTORY	19,379	19,722
OTHER CURRENT ASSETS	15,422	15,602
TOTAL CURRENT ASSETS	584,689	549,433
PROPERTY, PLANT AND EQUIPMENT, NET	88,573	89,649
OPERATING LEASE RIGHT-OF-USE ASSETS	34,292	36,020
GOODWILL	77,588	77,802
OTHER INTANGIBLES, NET	62,482	64,861
DEFERRED INCOME TAXES	36,631	37,272
INVESTMENT IN UNCONSOLIDATED AFFILIATES	38,572	38,858
OTHER ASSETS	17,884	18,835
TOTAL ASSETS	\$ 940,711	\$ 912,730
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
NOTES PAYABLE	\$ 105,000	\$ 52,460
CURRENT PORTION OF OTHER DEBT	4,595	4,456
ACCOUNTS PAYABLE	81,266	92,535
ACCRUED CUSTOMER RETURNS	52,389	44,116
ACCRUED CORE LIABILITY	21,424	24,357
OTHER CURRENT LIABILITIES	83,533	91,540
TOTAL CURRENT LIABILITIES	348,207	309,464
OTHER LONG-TERM DEBT	111	129
NONCURRENT OPERATING LEASE LIABILITIES	26,841	28,376
ACCRUED ASBESTOS LIABILITIES	48,952	49,696
OTHER LIABILITIES	19,987	20,837
TOTAL LIABILITIES	444,098	408,502
TOTAL STOCKHOLDERS' EQUITY	496,613	504,228
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 940,711	\$ 912,730

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

(In thousands)

	THREE MONTHS ENDED MARCH 31,	
	2020	2019
	(Unaudited)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET EARNINGS	\$ 8,627	\$ 12,216
ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH USED IN OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	6,539	6,178
OTHER	6,034	5,303
CHANGE IN ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	(32,681)	(22,252)
INVENTORY	(5,339)	(14,656)
ACCOUNTS PAYABLE	(11,883)	1,181
PREPAID EXPENSES AND OTHER CURRENT ASSETS	1,303	(282)
SUNDRY PAYABLES AND ACCRUED EXPENSES	(2,684)	(12,911)
OTHER	(2,705)	(1,503)
NET CASH USED IN OPERATING ACTIVITIES	(32,789)	(26,726)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
NET PROCEEDS FROM SALE OF FACILITY	-	4,801
CAPITAL EXPENDITURES	(4,422)	(3,084)
OTHER INVESTING ACTIVITIES	6	29
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(4,416)	1,746
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
NET CHANGE IN DEBT	53,068	34,758
PURCHASE OF TREASURY STOCK	(8,726)	(5,835)
DIVIDENDS PAID	(5,615)	(5,159)
OTHER FINANCING ACTIVITIES	1,248	1,409
NET CASH PROVIDED BY FINANCING ACTIVITIES	39,975	25,173
EFFECT OF EXCHANGE RATE CHANGES ON CASH	126	415
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,896	608
CASH AND CASH EQUIVALENTS at beginning of period	10,372	11,138
CASH AND CASH EQUIVALENTS at end of period	\$ 13,268	\$ 11,746