

# Standard Motor Products, Inc.

Gabelli Funds 48<sup>th</sup> Annual Automotive Symposium

November 5, 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.

In addition, we use metrics such as Adjusted EBITDA and Income from Operations without Special Items throughout this presentation, which are non-GAAP measures.

You are urged to review all of our filings with the SEC and our press releases from time to time for details of risks and uncertainties 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.

Founded: 1919

HQ: Long Island City, NY

Locations: 34 Globally

Employees: 6,300\*

**SMP**  
LISTED  
NYSE

## 2023 Financial Highlights

Revenue: \$1.36B

Aftermarket: \$1.1B

- Vehicle Control \$738M
- Temperature Control: \$338M

Engineered Solutions: \$283M

EBITDA\*\*: 9.3%

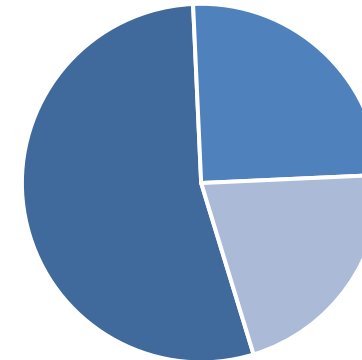
Dividend Yield: 2.9%

\*includes JVs

\*\*reflects adjusted EBITDA which is a non-GAAP financial measure; see reconciliation in appendix

## 2023 Sales Mix by Segment

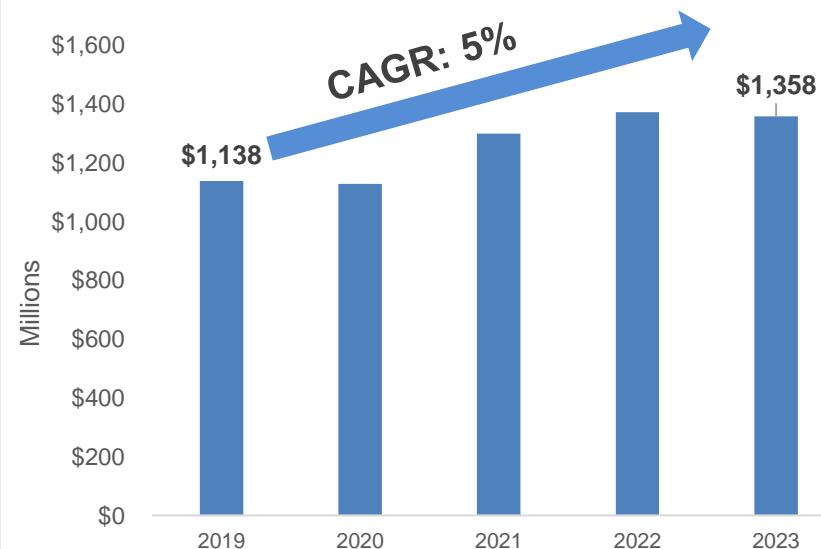
Vehicle Control  
54%



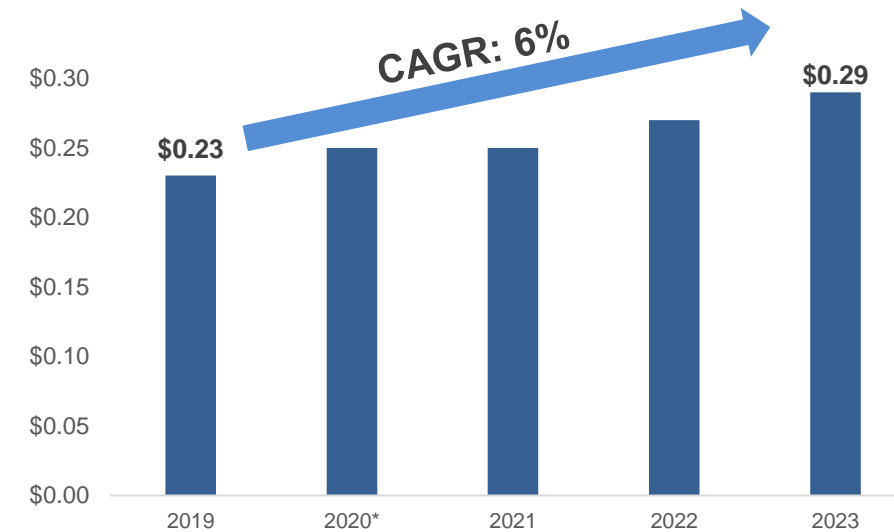
Temperature Control  
25%

Engineered Solutions  
21%

## Consistent Revenue Growth



## Consistent Dividend Growth



\* Dividend paid out for two quarters only due to COVID-19 pandemic

# Strategic Pillars

## Automotive Aftermarket



- Continued leadership in North American Aftermarket
- Expansion into Europe with Nissens acquisition
- Best-in-class, full-line, full-service supplier of premium products within our categories
- Evolving technologies to prepare for evolving car parc

## Engineered Solutions



- Leveraging a holistic strategy to become known on the global stage
- Innovative product solutions for multiple On-Highway and Off-Highway vehicle markets
- Leveraging our diverse customer relationships, engineering capabilities, operational skills, and global footprint

## Sustainability & Continuous Improvement



- Operational excellence in manufacturing, product development, and supply chain
- Focus on cost reduction initiatives
- Commitment to sustainability initiatives

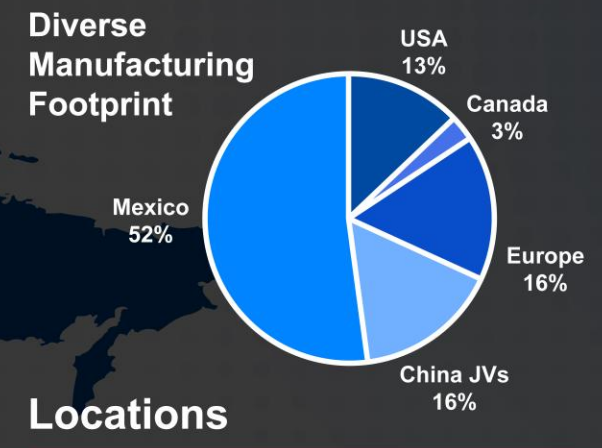
## Capital Allocation



- Capital investment supports future growth
- Take advantage of opportunistic M&A
- Effectively balance our use of debt and equity
- Return to shareholders through dividends and stock repurchases



# Global Footprint with Customer Adjacency



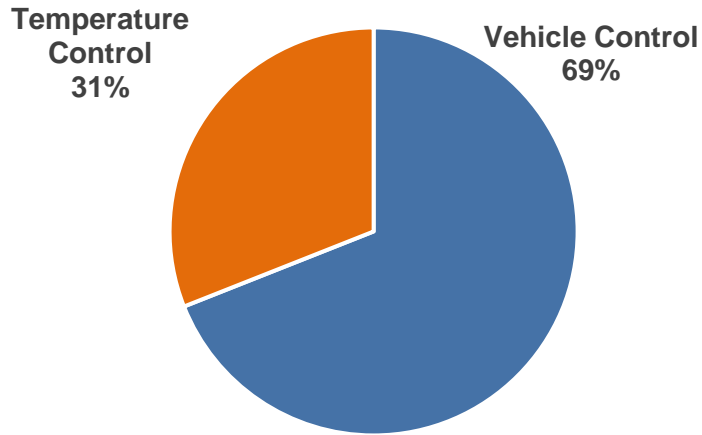
- ### Locations
- |   |   |
|---|---|
| <h4>U.S.A.</h4> <ul style="list-style-type: none"> <li>• Disputanta, VA</li> <li>• Edwardsville, KS</li> <li>• Ft. Lauderdale, FL</li> <li>• Greenville, SC</li> <li>• Independence, KS</li> <li>• Irving, TX</li> <li>• Lewisville, TX</li> <li>• Long Island City, NY</li> <li>• McAllen, TX</li> <li>• Milwaukee, WI</li> <li>• Mishawaka, IN</li> <li>• Shawnee, KS</li> <li>• Sheboygan Falls, WI</li> </ul> | <h4>Europe</h4> <ul style="list-style-type: none"> <li>• Nottingham, England</li> <li>• Glinde, Germany</li> <li>• Kirchheim, Germany</li> <li>• Pécel, Hungary</li> <li>• Bialystok, Poland</li> </ul> |
| <h4>Canada</h4> <ul style="list-style-type: none"> <li>• Mississauga, ONT</li> <li>• St. Thomas, ONT</li> </ul>   | <h4>Asia</h4> <ul style="list-style-type: none"> <li>• Foshan, China (3 Locations)</li> <li>• Hong Kong, China</li> <li>• Shanghai, China</li> <li>• Wuxi, China</li> <li>• Taichung, Taiwan</li> </ul> |
|   | <h4>Mexico</h4> <ul style="list-style-type: none"> <li>• Cuernavaca</li> <li>• Reynosa (5 Mfg. Locations)</li> <li>• Tijuana</li> </ul>   |

**19** Manufacturing Facilities\*  
**12** Distribution Facilities  
**13** Offices  
**13** Design & Development Facilities

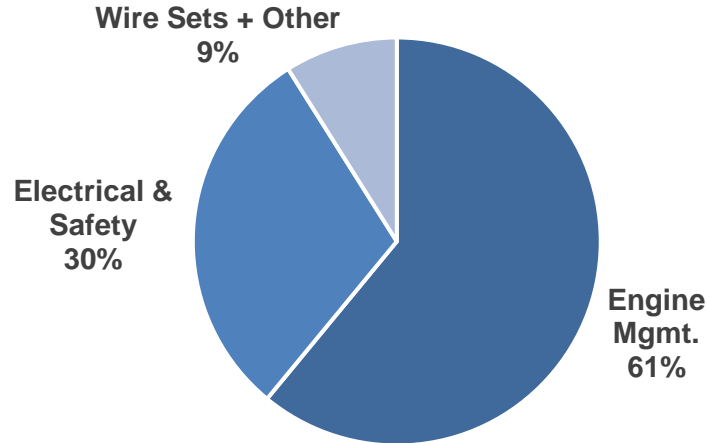
Some facilities perform multiple functions  
 \*Includes JVs

# Aftermarket Snapshot

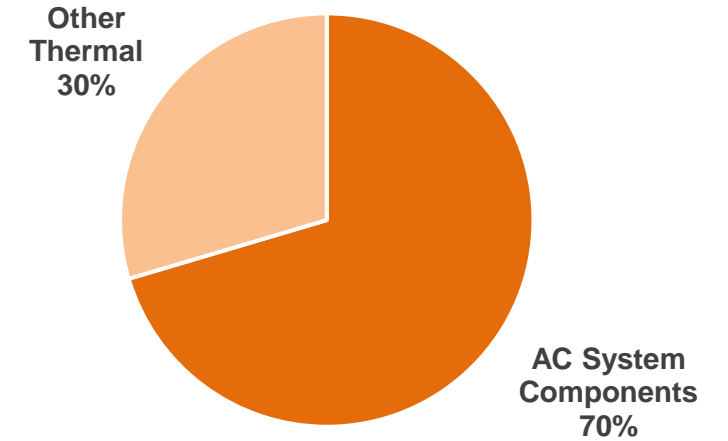
2023 Aftermarket Sales Mix



2023 Vehicle Control Sales Mix



2023 Temperature Control Sales Mix



Nationally Recognized Brands



Supplier to All Major Distributors

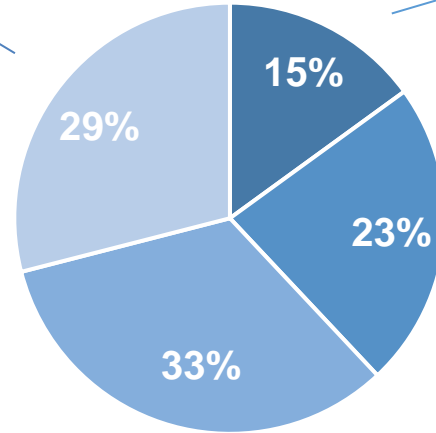


# Engineered Solutions Snapshot

Commercial Vehicle - \$83M



2023 Sales Mix



Construction / Agriculture - \$43M



Light Vehicle - \$93M



All Other - \$64M



## Engineered Solutions Products

Electronics



Power Distribution



Thermal Management



Ignition & Emission



Sensors



Injection & Fuel Delivery



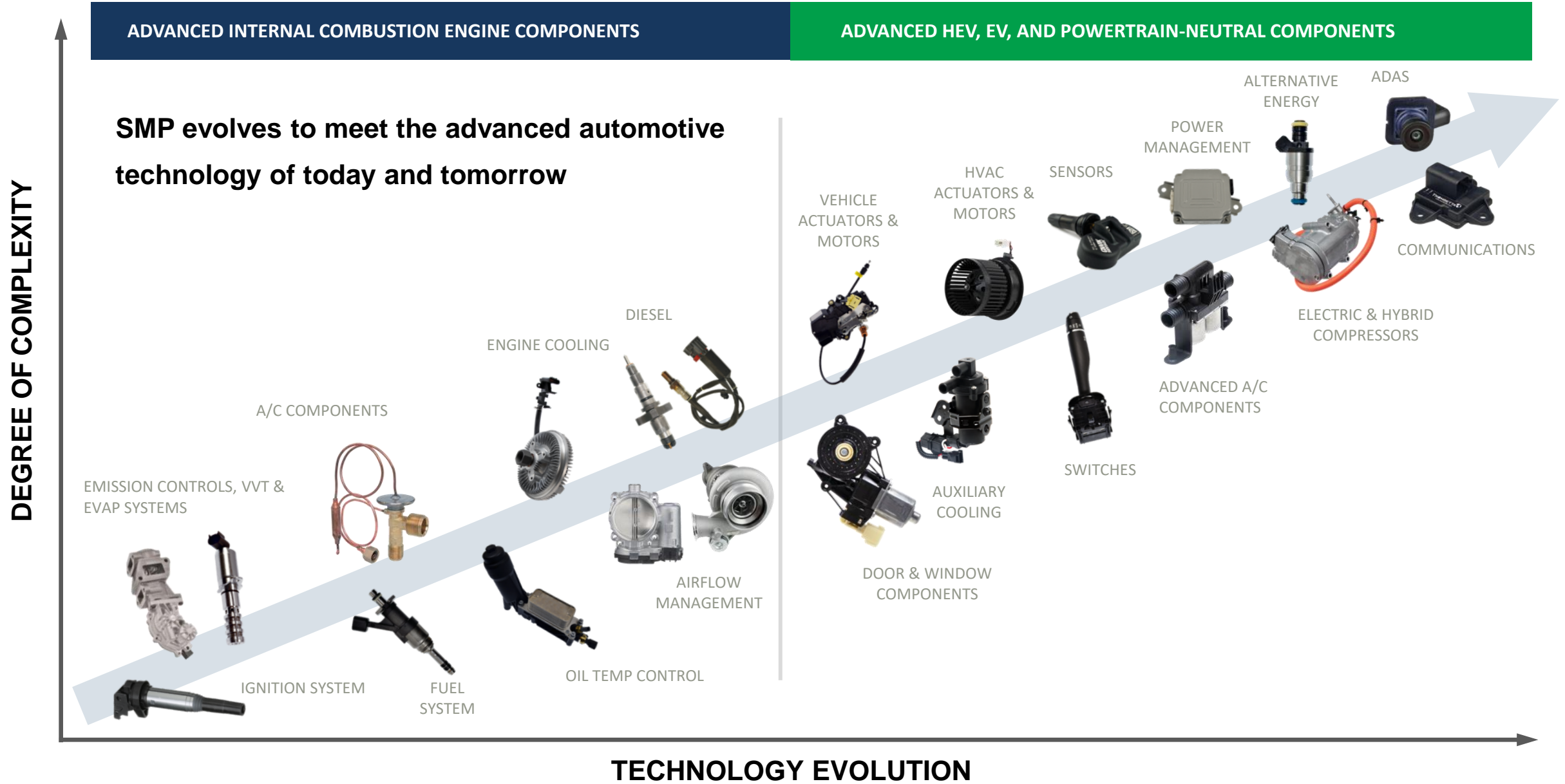
Switches



Clamping









# Strategic Acquisitions

## Target technologies, products, and processes:

- Align with our core competencies
- Diversification plays in adjacent markets or technologies
- Servicing common customers and markets
- Consolidating competitors or suppliers
- Synergistic product line carve-outs that enhance our capabilities
- Vertical integration of key technologies



	2014	2016	2017	2019	2019	2021	2021	2021	2022	2024
Aftermarket	✓	✓	✓	✓						✓
Engineered Solutions	✓	✓	✓	✓	✓	✓	✓	✓	✓	
New Products / Technology				✓	✓	✓	✓	✓		✓
Vertical Integration	✓	✓	✓	✓	✓			✓	✓	✓
Geographic Expansion	✓		✓	✓	✓	✓	✓	✓	✓	✓

\* SMP Investment share increased in 2018 and 2023

\*\* SMP Investment share increased in 2022

## Nissens at a glance

- Nissens is a manufacturer and distributor of thermal management and engine efficiency parts for the automotive aftermarket
- Founded in 1921, and headquartered in Horsens, Denmark
- Manufacturing facilities in Slovakia and Denmark
- Operates through three distinct brands:



**Nissens** brand targeting the premium segments



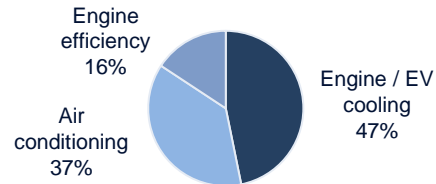
**AVA** brand targeting the value segment of the passenger vehicle



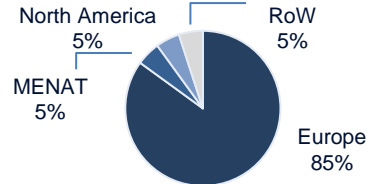
**Highway** brand is a specialized business unit for heavy commercial and agriculture

## Net sales split<sup>2</sup>

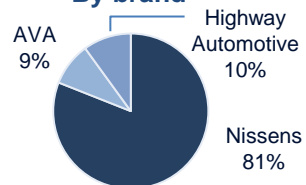
### By product category



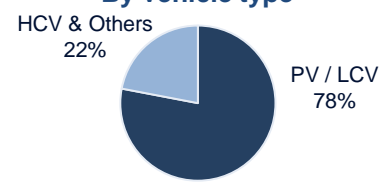
### By geography



### By brand



### By vehicle type



## Nissens by the numbers



**3**  
Strong brands covering premium and value segments



**>15,000**  
SKUs



**17**  
Distribution centers / warehouses



**2**  
Manufacturing facilities

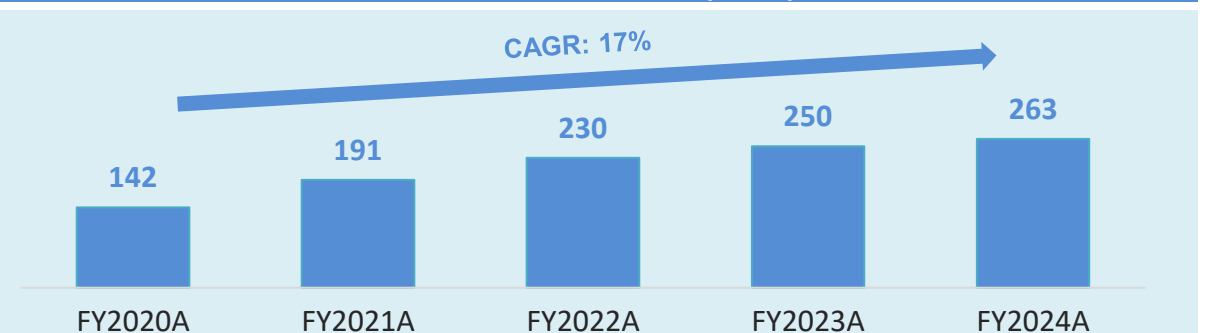


**>90%**  
Parc coverage<sup>1</sup>



**500+**  
Employees

## Historical net sales<sup>3</sup> (\$mm)



<sup>1</sup> For main product groups; <sup>2</sup> Metrics calendarized to 12/31 and in USD using EUR to USD exchange rate of 1.08; <sup>3</sup> Represents Nissens' fiscal year ended 4/30; metrics converted to USD using EUR to USD exchange rate of 1.08

# Nissens Product Offering

	 <b>Engine / EV Cooling (EC)</b>	 <b>Air Conditioning (AC)</b>	 <b>Engine Efficiency (EE)</b>
<b>% of Net Sales<sup>1</sup></b>	<b>47%</b>	<b>37%</b>	<b>16%</b>
<b>Description</b>	Powertrain cooling systems maintain a constant engine performance and prevent overheating	Air conditioning systems regulate the temperature of the air inside the vehicle	Products to enhance engine efficiency and reduce emissions
<b>Portfolio coverage<sup>2</sup></b>	<b>&gt;200</b> Products added annually <b>&gt;16,200</b> Unique OE numbers covered <b>&gt;3,600</b> SKU count	<b>&gt;200</b> Products Added annually <b>&gt;16,350</b> Unique OE numbers covered <b>&gt;3,700</b> SKU count	<b>&gt;200</b> Products added annually <b>&gt;8,100</b> Unique OE numbers covered <b>&gt;1,450</b> SKU count
<b>Product groups</b>	<b>Primary</b> Radiators            Oil coolers	<b>Primary</b> AC Compressors            Condensers	<b>Primary</b> Turbochargers            Intercoolers
	<b>Other</b> Electric water pumps, temperature sensors, expansion tanks, and fan clutches	<b>Other</b> Blowers, fans, pressure sensors, evaporators, expansion valves, and heaters	<b>Other</b> EGR valves & modules, EGR coolers and oil feed pipes
<b>Relevance in vehicle parc</b>	ICE ↑    PHEV ↑    EV ↑	ICE ↑    PHEV ↑    EV ↑	ICE ↑    PHEV ↑    EV ↓

<sup>1</sup> CYE 2023A and USD; <sup>2</sup> Shown for the Nissens brand only

# Demonstrated Capability To Launch New Products

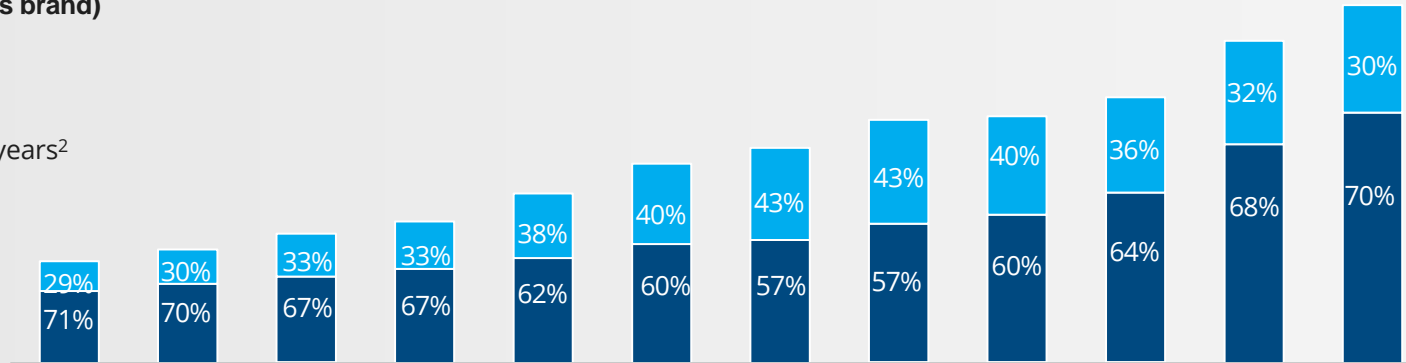
Line & group extensions



## Extensions' share of sales (the Nissens brand)

Calendar year<sup>1</sup>

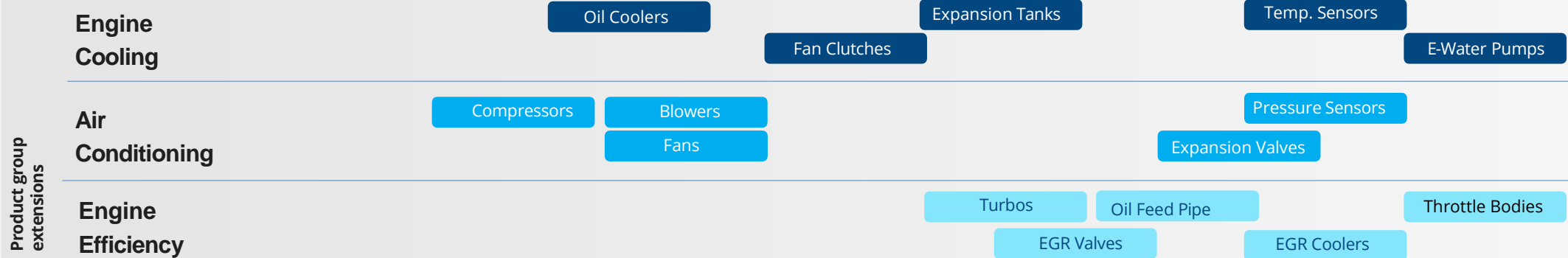
- Products launched within previous 5 years<sup>2</sup>
- Existing products



## Line extensions (the Nissens brand)<sup>3</sup>

New items added by calendar year

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
New items added	258	438	523	621	747	446	596	342	505	638	515	618	>600



1. Product group shares are approximate because historical bonuses, which cannot be attributed to specific product groups, result in discrepancies between product-level data and reported figures;  
 2. This calculation aggregates revenue from products launched within the specified year and the preceding four years. For example, revenue for 2018 includes revenue from products introduced between 2014 and 2018





Leading North American supplier for Vehicle Control and Temperature Control products

Leading European supplier for Thermal Management products with a growing array of Vehicle Control (Engine Efficiency) technologies

**Shared go-to-market strategy of being a full-line full-service supplier of professional grade products resonates across the customer base**

**Complementary Offerings Across Combined Geographies**

✓ Strong opportunities for growth through cross-selling

**\$8-12mm in Expected Cost Synergies**

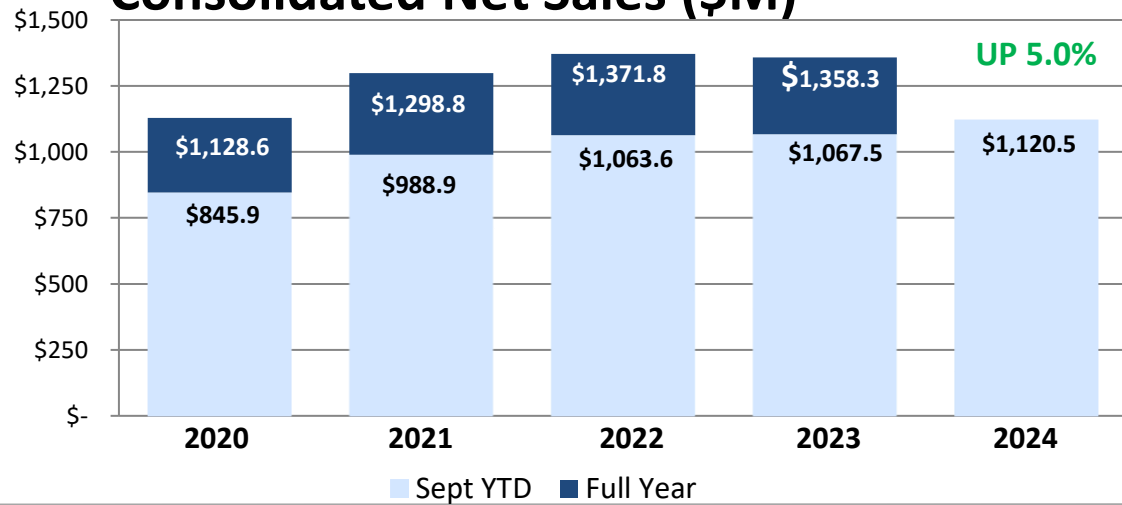
✓ Bi-directional savings potential

**Operational Excellence**

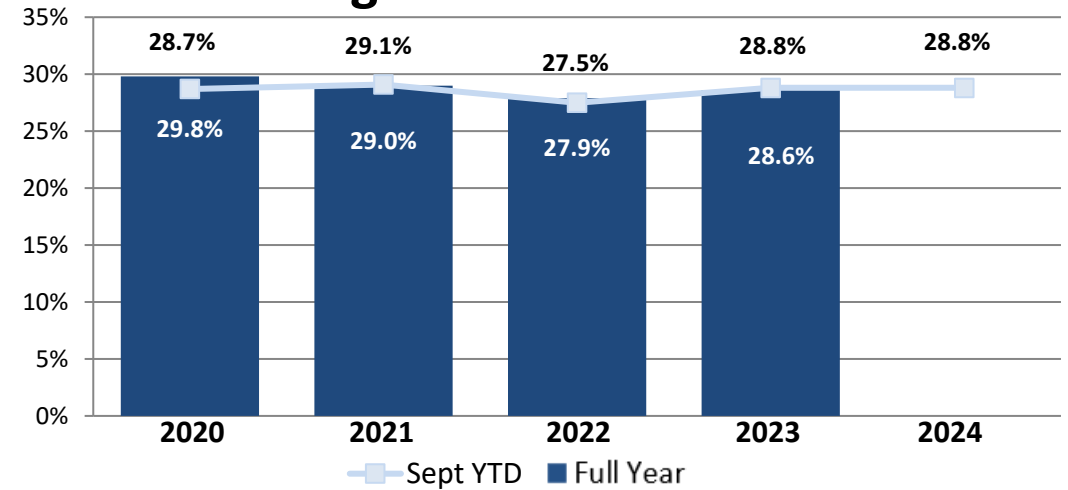
✓ Improved performance through collaboration and best practices

# Year-Over-Year Performance Measures

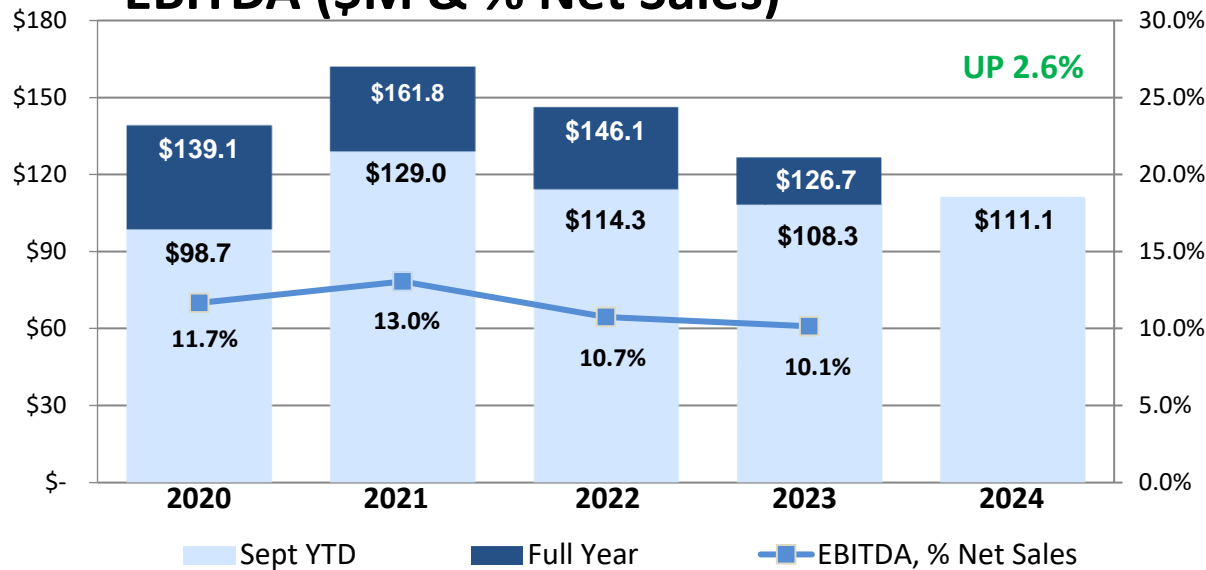
## Consolidated Net Sales (\$M)



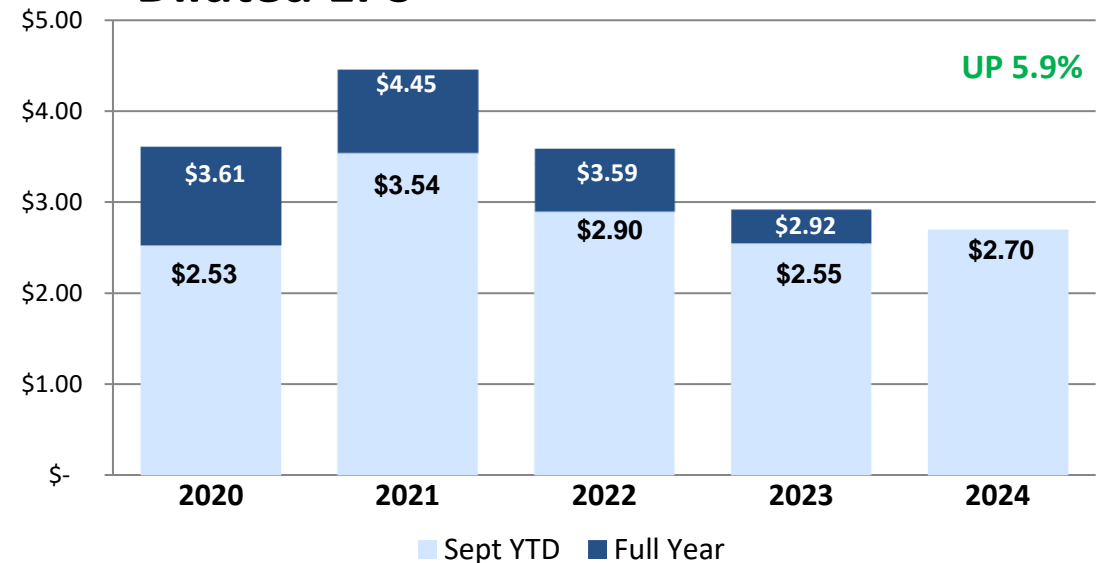
## Gross Margin



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



## Diluted EPS



‡ EBITDA and Diluted EPS shown without Special Items



# Q3 & YTD P&L Summary – Consolidated<sup>(1)</sup>

(In millions, except per share amounts)

	THREE MONTHS ENDED SEPTEMBER 30,				NINE MONTHS ENDED SEPTEMBER 30,						
	2024		2023		2024		2023				
<b><u>Consolidated Results</u></b>											
Revenue	\$	399.3		\$	386.4	\$	1,120.5	\$	1,067.5		
Gross Margin		121.4	30.4%		114.8	29.7%	322.3	28.8%	307.3	28.8%	
Selling, General & Administrative		67.3	16.9%		65.2	16.9%	200.1	17.9%	187.2	17.5%	
Factoring Expenses		14.9	3.7%		14.6	3.8%	38.3	3.4%	36.1	3.4%	
<b>Operating Income</b>	<b>\$</b>	<b>39.2</b>	<b>9.8%</b>	<b>\$</b>	<b>35.0</b>	<b>9.1%</b>	<b>\$</b>	<b>83.9</b>	<b>\$</b>	<b>84.0</b>	<b>7.9%</b>
<b>Net Earnings from Continuing Operations</b>	<b>\$</b>	<b>28.3</b>		<b>\$</b>	<b>24.7</b>		<b>\$</b>	<b>59.9</b>	<b>\$</b>	<b>56.6</b>	
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>48.7</b>	<b>12.2%</b>	<b>\$</b>	<b>44.0</b>	<b>11.4%</b>	<b>\$</b>	<b>111.1</b>	<b>\$</b>	<b>108.3</b>	<b>10.1%</b>
<b>Interest Expense</b>	<b>\$</b>	<b>3.1</b>		<b>\$</b>	<b>3.6</b>		<b>\$</b>	<b>8.0</b>	<b>\$</b>	<b>10.8</b>	
<b>Diluted Earnings per Share</b>	<b>\$</b>	<b>1.28</b>		<b>\$</b>	<b>1.11</b>		<b>\$</b>	<b>2.70</b>	<b>\$</b>	<b>2.55</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 Metrics

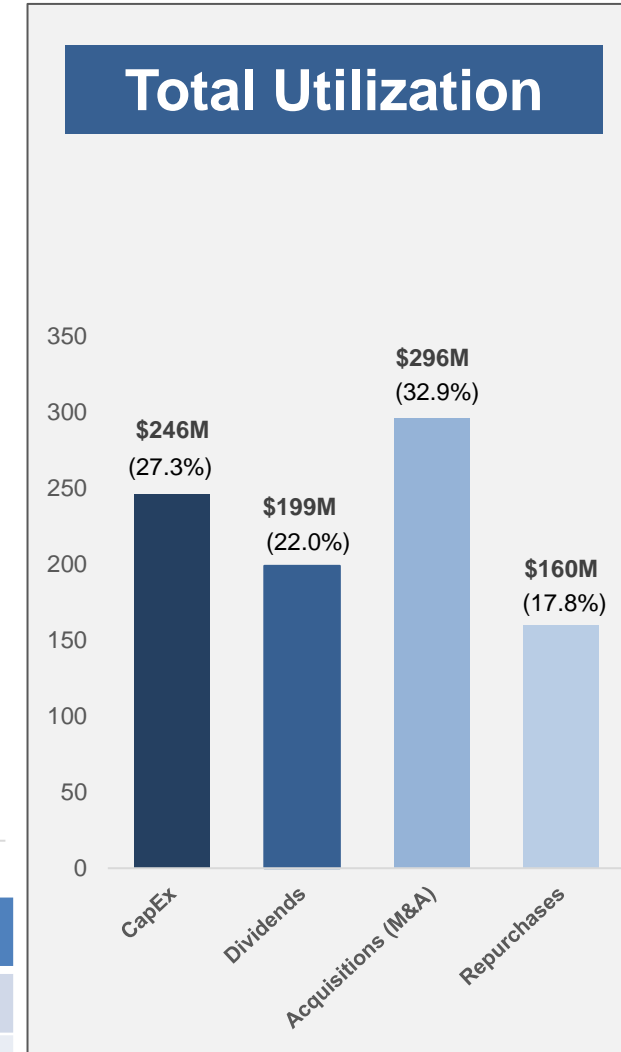
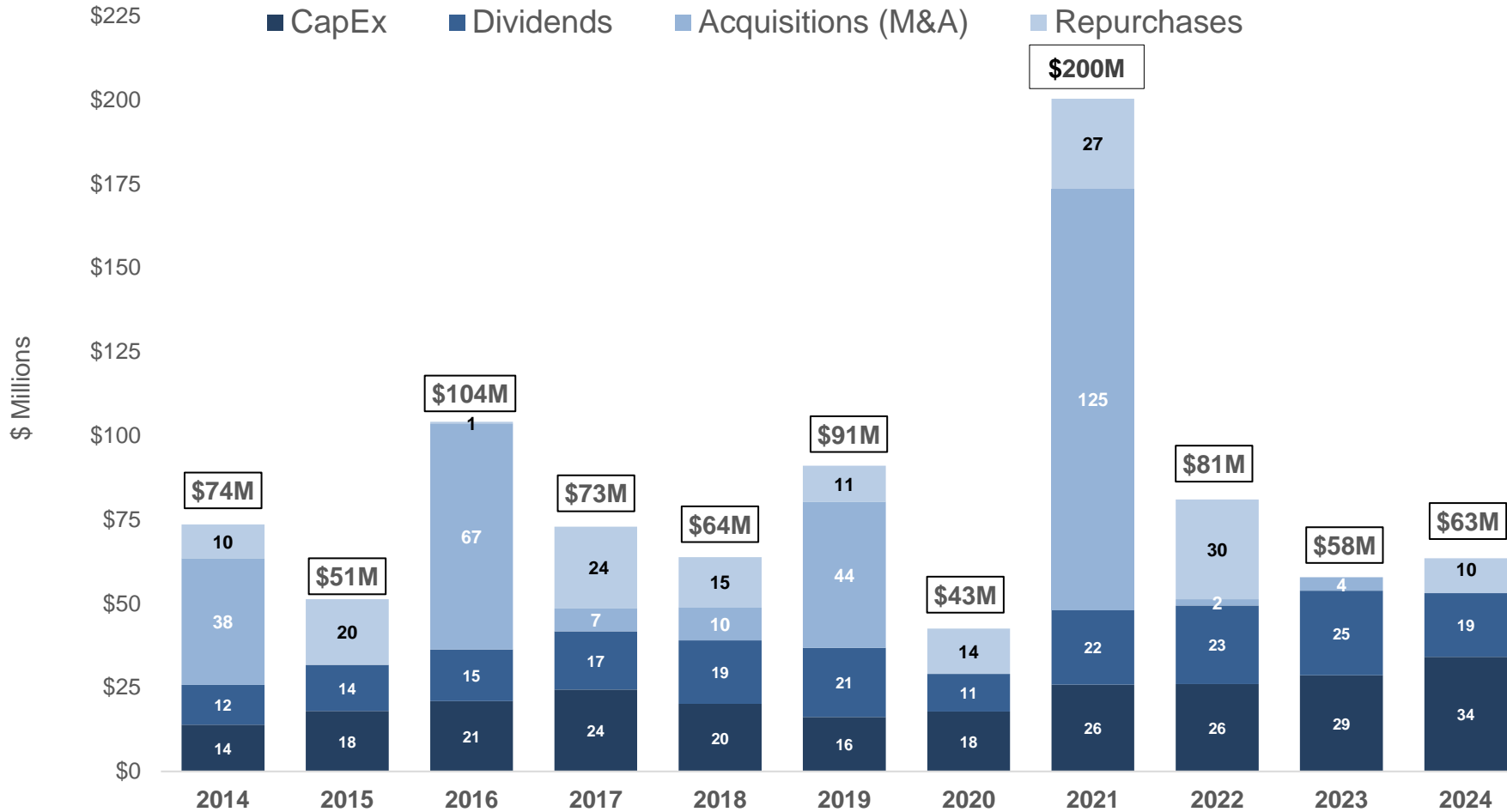
(In millions)

	SEPTEMBER 30,		DECEMBER 31,
	2024	2023	2023
<b><u>Working Capital Stats</u></b>			
Accounts Receivable, Net	\$ 217.1	\$ 208.1	\$ 160.3
Inventories	\$ 503.0	\$ 479.8	\$ 507.1
<b><u>Cash Flow Stats (YTD)</u></b>			
Operating cash flows	\$ 78.2	\$ 132.9	
Capex	\$ (34.1)	\$ (18.0)	
M&A	\$ -	\$ (4.0)	
Dividends	\$ (19.0)	\$ (18.8)	
Share repurchases	\$ (10.4)	\$ -	
Net Change in Debt	\$ (13.4)	\$ (92.1)	
<b><u>Debt &amp; Leverage</u></b>			
Total debt	\$ 142.8	\$ 147.6	\$ 156.2
Cash	\$ 26.3	\$ 28.5	\$ 32.5
Net debt	\$ 116.5	\$ 119.1	\$ 123.7
LTM Adjusted EBITDA	\$ 129.4	\$ 140.2	\$ 126.7
Leverage ratio	0.9x	0.8x	1.0x
Remaining revolver borrowing capacity	\$ 287.7	\$ 344.0	\$ 334.2
Delayed draw term loans <sup>(1)</sup>	\$ 311.6	\$ -	\$ -
Total Liquidity	\$ 625.6	\$ 372.5	\$ 366.7

<sup>(1)</sup> Delayed draw term loans available to fund the acquisition of Nissens Automotive at closing.

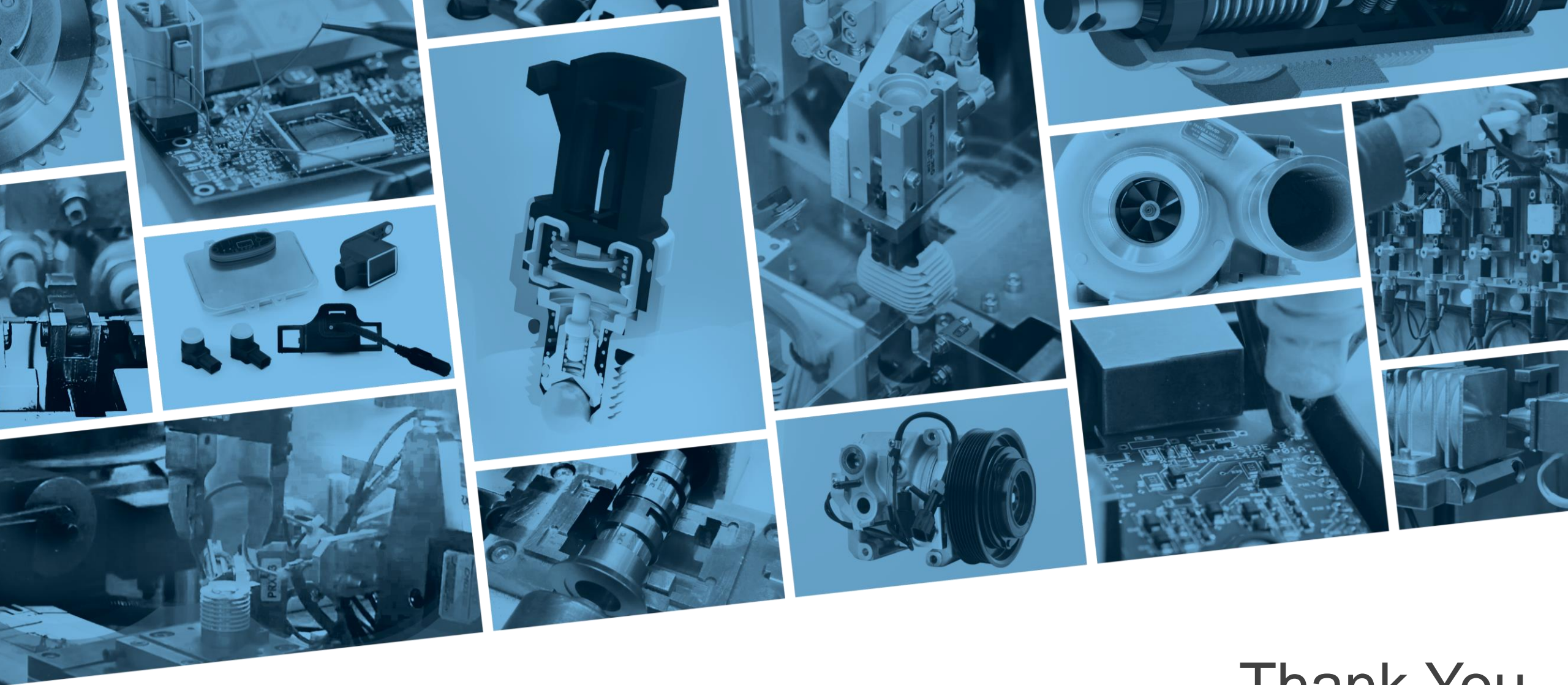


# SMP Cash Utilization



Cash Allocation %											*
Capex & M&A	70%	35%	85%	43%	47%	66%	42%	76%	34%	56%	54%
Dividends & Repurchases	30%	65%	15%	57%	53%	34%	58%	24%	66%	44%	46%

\* 2024 reflects YTD Cash Utilization as of September 30<sup>th</sup>.



Thank You