



*For Immediate Release*

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**Standard Motor Products, Inc. Announces  
Third Quarter 2015 Results, a Quarterly Dividend  
and a New Revolving Credit Facility**

New York, NY, October 29, 2015.....Standard Motor Products, Inc. (NYSE: SMP), an automotive replacement parts manufacturer and distributor, reported today its consolidated financial results for the three months and nine months ended September 30, 2015.

Consolidated net sales for the third quarter of 2015 were \$270 million, compared to consolidated net sales of \$257 million during the comparable quarter in 2014. Earnings from continuing operations for the third quarter of 2015 were \$19.2 million or 83 cents per diluted share, compared to \$17.8 million or 77 cents per diluted share in the third quarter of 2014. Excluding non-operational gains and losses identified on the attached reconciliation of GAAP and non-GAAP measures, earnings from continuing operations for the third quarter of 2015 were \$18.4 million or 80 cents per diluted share, compared to \$17.1 million or 74 cents per diluted share in the third quarter of 2014.

Consolidated net sales for the nine month period ended September 30, 2015 were \$767 million, compared to consolidated net sales of \$762.3 million during the comparable period in 2014. Earnings from continuing operations for the nine month period ended September 30, 2015 were \$42.3 million or \$1.82 per diluted share, compared to \$41.4 million or \$1.79 per diluted share in the comparable period of 2014. The nine month period ended September 30, 2014 included a one-time, non-recurring litigation charge. Excluding the litigation charge and other non-operational gains and losses identified on the attached reconciliation of GAAP and non-GAAP measures, after tax earnings from continuing operations for the nine months ended September 30, 2015 and 2014 were \$41.3 million or \$1.78 per diluted share and \$47.2 million or \$2.04 per diluted share, respectively.

Commenting on the results, Mr. Lawrence I. Sills, Standard Motor Products' Chairman and Chief Executive Officer, stated, "We are pleased with our third quarter results. Net sales exceeded the third quarter of 2014 by 5.1% and we are now slightly ahead of 2014 for the nine month period.

"Engine Management net sales were up 3.8% for the quarter, but remain slightly behind 2014 year to date, primarily due to unfavorable foreign exchange rates and the one-time return for inspection of diesel fuel injectors, which occurred earlier in the year. Our customers continue to report, on average, sales increases in the low to mid-single digit range on Engine Management, in line with our expectations.

“Temperature Control benefited from the first warm summer in three years. Net sales were 10.3% ahead of 2014 for the quarter and are now ahead 4.2% for the year. Our customers are reporting somewhat larger sales increases than this, as they work down inventories carried over from the prior weak seasons. We anticipate that this will be a benefit to us heading into 2016.

“Non-GAAP operating income was ahead 4.3% for the quarter, but we remain roughly \$12 million behind 2014 for nine months. The majority of this shortfall—approximately \$9-10 million and disclosed in prior releases—consists of the carry forward of 2014 unfavorable manufacturing variances in Temperature Control; the cost of upgrading and enhancing our line of diesel fuel injectors; and an unfavorable non-cash change in prior service costs related to elimination of our postretirement medical program in 2016. Except for the unfavorable postretirement medical change, these costs are fully behind us.”

Mr. Sills, however, noted a word of caution regarding fourth quarter comparisons. “Our fourth quarter of 2014 benefited from two fairly large pipeline orders for Engine Management which are unlikely to be repeated this year. Thus, fourth quarter sales comparisons will be challenging. These events, which occur from time to time, can create quarter by quarter distortions and are not indicative of long term results.

“Finally, we are pleased to announce that we have entered into a new revolving credit facility with J.P. Morgan Chase Bank N.A., acting as agent for a syndicate of lenders.

This new credit facility replaces our prior credit agreement with General Electric Capital Corporation. The new credit facility provides for a \$250 million line of credit, allows us to lower our borrowing costs, and extends the maturity of our line of credit to October 2020. We believe that the new credit facility will provide us with greater flexibility to execute our strategic plans, which will be beneficial to our shareholders. We look forward to working with JPMorgan Chase, as well as all of our other bank partners.”

The Board of Directors has approved payment of a quarterly dividend of fifteen cents per share on the common stock outstanding. The dividend will be paid on December 1, 2015 to stockholders of record on November 16, 2015.

Standard Motor Products, Inc. will hold a conference call at 11:00 AM, Eastern Time, on Thursday, October 29, 2015. The dial in number is 800-862-9098 (domestic) or 785-424-1051 (international). The playback number is 800-839-3613 (domestic) or 402-220-2973 (international). The conference ID # is STANDARD.

*Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Standard Motor Products cautions investors that any forward-looking statements made by the company, including those that may be made in this press release, are based on management’s expectations at the time they are made, but they are subject to risks and uncertainties that may cause actual results, events or performance to differ materially from those contemplated by such forward-looking statements. Among the factors that could cause actual results, events or performance to differ materially from those risks and uncertainties discussed in this press release are those detailed from time-to-time in prior press releases and in the company’s filings with the Securities and Exchange Commission, including the company’s annual report on Form 10-K and quarterly reports on Form 10-Q. By making these forward-looking statements, Standard Motor Products undertakes no obligation or intention to update these statements after the date of this release.*

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

(In thousands, except per share amounts)

|   | THREE MONTHS ENDED<br>SEPTEMBER 30, |                 | NINE MONTHS ENDED<br>SEPTEMBER 30, |                  |
|---|-------------------------------------|-----------------|------------------------------------|------------------|
|   | 2015                                | 2014            | 2015                               | 2014             |
|   | (Unaudited)                         | (Unaudited)     | (Unaudited)                        | (Unaudited)      |
| NET SALES   | \$ 270,037                          | \$ 257,046      | \$ 767,008                         | \$ 762,338       |
| COST OF SALES   | <u>188,484</u>                      | <u>179,819</u>  | <u>548,806</u>                     | <u>539,802</u>   |
| GROSS PROFIT  | 81,553                              | 77,227          | 218,202                            | 222,536          |
| SELLING, GENERAL & ADMINISTRATIVE EXPENSES            | 51,907                              | 48,811          | 152,841                            | 145,252          |
| LITIGATION CHARGE                                     | -                                   | -               | -                                  | 10,650           |
| RESTRUCTURING AND INTEGRATION EXPENSES                | (80)                                | 343             | (49)                               | 1,069            |
| OTHER INCOME, NET                                     | <u>231</u>                          | <u>268</u>      | <u>774</u>                         | <u>801</u>       |
| OPERATING INCOME                                      | 29,957                              | 28,341          | 66,184                             | 66,366           |
| OTHER NON-OPERATING INCOME (EXPENSE), NET             | (535)                               | (955)           | 164                                | (1,061)          |
| INTEREST EXPENSE                                      | <u>332</u>                          | <u>440</u>      | <u>1,238</u>                       | <u>1,205</u>     |
| EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES      | 29,090                              | 26,946          | 65,110                             | 64,100           |
| PROVISION FOR INCOME TAXES                            | <u>9,896</u>                        | <u>9,140</u>    | <u>22,769</u>                      | <u>22,718</u>    |
| EARNINGS FROM CONTINUING OPERATIONS                   | 19,194                              | 17,806          | 42,341                             | 41,382           |
| LOSS FROM DISCONTINUED OPERATION, NET OF INCOME TAXES | <u>(728)</u>                        | <u>(8,240)</u>  | <u>(1,549)</u>                     | <u>(9,451)</u>   |
| NET EARNINGS  | <u>\$ 18,466</u>                    | <u>\$ 9,566</u> | <u>\$ 40,792</u>                   | <u>\$ 31,931</u> |
| <br>  |                                     |                 |                                    |                  |
| NET EARNINGS PER COMMON SHARE:                        |                                     |                 |                                    |                  |
| BASIC EARNINGS FROM CONTINUING OPERATIONS             | \$ 0.84                             | \$ 0.78         | \$ 1.85                            | \$ 1.81          |
| DISCONTINUED OPERATION                                | (0.03)                              | (0.36)          | (0.07)                             | (0.42)           |
| NET EARNINGS PER COMMON SHARE - BASIC                 | <u>\$ 0.81</u>                      | <u>\$ 0.42</u>  | <u>\$ 1.78</u>                     | <u>\$ 1.39</u>   |
| <br>  |                                     |                 |                                    |                  |
| DILUTED EARNINGS FROM CONTINUING OPERATIONS           | \$ 0.83                             | \$ 0.77         | \$ 1.82                            | \$ 1.79          |
| DISCONTINUED OPERATION                                | (0.03)                              | (0.36)          | (0.06)                             | (0.41)           |
| NET EARNINGS PER COMMON SHARE - DILUTED               | <u>\$ 0.80</u>                      | <u>\$ 0.41</u>  | <u>\$ 1.76</u>                     | <u>\$ 1.38</u>   |
| <br>  |                                     |                 |                                    |                  |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES              | 22,770,865                          | 22,884,939      | 22,865,978                         | 22,901,832       |
| WEIGHTED AVERAGE NUMBER OF COMMON AND DILUTIVE SHARES | 23,133,869                          | 23,169,173      | 23,220,381                         | 23,180,842       |

## STANDARD MOTOR PRODUCTS, INC.

### Segment Revenues and Operating Income

(In thousands)

|   | THREE MONTHS ENDED<br>SEPTEMBER 30, |             |                   |       | NINE MONTHS ENDED<br>SEPTEMBER 30, |             |                   |       |
|---|-------------------------------------|-------------|-------------------|-------|------------------------------------|-------------|-------------------|-------|
|   | 2015                                | (unaudited) | 2014              |       | 2015                               | (unaudited) | 2014              |       |
| <b><u>Revenues</u></b>                              |                                     |             |                   |       |                                    |             |                   |       |
| Engine Management                                   | \$ 176,379                          |             | \$ 169,913        |       | \$ 530,442                         |             | \$ 533,388        |       |
| Temperature Control                                 | 90,625                              |             | 82,178            |       | 228,432                            |             | 219,323           |       |
| All Other   | 3,033                               |             | 4,955             |       | 8,134                              |             | 9,627             |       |
|   | <u>\$ 270,037</u>                   |             | <u>\$ 257,046</u> |       | <u>\$ 767,008</u>                  |             | <u>\$ 762,338</u> |       |
| <b><u>Gross Margin</u></b>                          |                                     |             |                   |       |                                    |             |                   |       |
| Engine Management                                   | \$ 55,258                           | 31.3%       | \$ 54,890         | 32.3% | \$ 159,227                         | 30.0%       | \$ 164,144        | 30.8% |
| Temperature Control                                 | 23,308                              | 25.7%       | 18,251            | 22.2% | 50,438                             | 22.1%       | 48,435            | 22.1% |
| All Other   | 2,987                               |             | 4,086             |       | 8,537                              |             | 9,957             |       |
|   | <u>\$ 81,553</u>                    | 30.2%       | <u>\$ 77,227</u>  | 30.0% | <u>\$ 218,202</u>                  | 28.4%       | <u>\$ 222,536</u> | 29.2% |
| <b><u>Selling, General &amp; Administrative</u></b> |                                     |             |                   |       |                                    |             |                   |       |
| Engine Management                                   | \$ 30,609                           | 17.4%       | \$ 28,758         | 16.9% | \$ 91,055                          | 17.2%       | \$ 85,856         | 16.1% |
| Temperature Control                                 | 14,293                              | 15.8%       | 13,825            | 16.8% | 39,621                             | 17.3%       | 38,357            | 17.5% |
| All Other   | 7,005                               |             | 6,228             |       | 22,165                             |             | 21,039            |       |
|   | <u>\$ 51,907</u>                    | 19.2%       | <u>\$ 48,811</u>  | 19.0% | <u>\$ 152,841</u>                  | 19.9%       | <u>\$ 145,252</u> | 19.1% |
| <b><u>Operating Income</u></b>                      |                                     |             |                   |       |                                    |             |                   |       |
| Engine Management                                   | \$ 24,649                           | 14.0%       | \$ 26,132         | 15.4% | \$ 68,172                          | 12.9%       | \$ 78,288         | 14.7% |
| Temperature Control                                 | 9,015                               | 9.9%        | 4,426             | 5.4%  | 10,817                             | 4.7%        | 10,078            | 4.6%  |
| All Other   | (4,018)                             |             | (2,142)           |       | (13,628)                           |             | (11,082)          |       |
|   | 29,646                              | 11.0%       | 28,416            | 11.1% | 65,361                             | 8.5%        | 77,284            | 10.1% |
| Litigation Charge                                   | -                                   | 0.0%        | -                 | 0.0%  | -                                  | 0.0%        | (10,650)          | -1.4% |
| Restructuring & Integration                         | 80                                  | 0.0%        | (343)             | -0.1% | 49                                 | 0.0%        | (1,069)           | -0.1% |
| Other Income, Net                                   | 231                                 | 0.1%        | 268               | 0.1%  | 774                                | 0.1%        | 801               | 0.1%  |
|   | <u>\$ 29,957</u>                    | 11.1%       | <u>\$ 28,341</u>  | 11.0% | <u>\$ 66,184</u>                   | 8.6%        | <u>\$ 66,366</u>  | 8.7%  |

## STANDARD MOTOR PRODUCTS, INC.

### Reconciliation of GAAP and Non-GAAP Measures

(In thousands, except per share amounts)

|   | THREE MONTHS ENDED<br>SEPTEMBER 30, |                  | NINE MONTHS ENDED<br>SEPTEMBER 30, |                  |
|---|-------------------------------------|------------------|------------------------------------|------------------|
|   | 2015                                | 2014             | 2015                               | 2014             |
|   | (Unaudited)                         |                  | (Unaudited)                        |                  |
| <b><u>EARNINGS FROM CONTINUING OPERATIONS</u></b>                   |                                     |                  |                                    |                  |
| GAAP EARNINGS FROM CONTINUING OPERATIONS                            | \$ 19,194                           | \$ 17,806        | \$ 42,341                          | \$ 41,382        |
| LITIGATION CHARGE (NET OF TAX)                                      | -                                   | -                | -                                  | 6,390            |
| RESTRUCTURING AND INTEGRATION EXPENSES (NET OF TAX)                 | (48)                                | 206              | (30)                               | 642              |
| REVERSAL OF LT TAX LIABILITY  | -                                   | (350)            | -                                  | (350)            |
| CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD   | (571)                               | (361)            | (571)                              | (361)            |
| GAIN FROM SALE OF BUILDINGS (NET OF TAX)                            | (157)                               | (157)            | (472)                              | (472)            |
| NON-GAAP EARNINGS FROM CONTINUING OPERATIONS                        | <u>\$ 18,418</u>                    | <u>\$ 17,144</u> | <u>\$ 41,268</u>                   | <u>\$ 47,231</u> |
| <b><u>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS</u></b> |                                     |                  |                                    |                  |
| GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS          | \$ 0.83                             | \$ 0.77          | \$ 1.82                            | \$ 1.79          |
| LITIGATION CHARGE (NET OF TAX)                                      | -                                   | -                | -                                  | 0.28             |
| RESTRUCTURING AND INTEGRATION EXPENSES (NET OF TAX)                 | -                                   | 0.01             | -                                  | 0.03             |
| REVERSAL OF LT TAX LIABILITY  | -                                   | (0.01)           | -                                  | (0.02)           |
| CERTAIN TAX CREDITS AND PRODUCTION DEDUCTIONS FINALIZED IN PERIOD   | (0.02)                              | (0.02)           | (0.02)                             | (0.02)           |
| GAIN FROM SALE OF BUILDINGS (NET OF TAX)                            | (0.01)                              | (0.01)           | (0.02)                             | (0.02)           |
| NON-GAAP DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS      | <u>\$ 0.80</u>                      | <u>\$ 0.74</u>   | <u>\$ 1.78</u>                     | <u>\$ 2.04</u>   |
| <b><u>OPERATING INCOME</u></b>                                      |                                     |                  |                                    |                  |
| GAAP OPERATING INCOME   | \$ 29,957                           | \$ 28,341        | \$ 66,184                          | \$ 66,366        |
| LITIGATION CHARGE   | -                                   | -                | -                                  | 10,650           |
| RESTRUCTURING AND INTEGRATION EXPENSES                              | (80)                                | 343              | (49)                               | 1,069            |
| OTHER INCOME , NET  | (231)                               | (268)            | (774)                              | (801)            |
| NON-GAAP OPERATING INCOME   | <u>\$ 29,646</u>                    | <u>\$ 28,416</u> | <u>\$ 65,361</u>                   | <u>\$ 77,284</u> |

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)

|  | September 30,<br>2015<br><u>(Unaudited)</u> | December 31,<br>2014<br><u></u> |
|--|---|---------------------------------|
| <b><u>ASSETS</u></b>                               |   |                                 |
| CASH   | \$ 13,359                                   | \$ 13,728                       |
| ACCOUNTS RECEIVABLE, GROSS                         | 156,470                                     | 132,893                         |
| ALLOWANCE FOR DOUBTFUL ACCOUNTS                    | <u>6,291</u>                                | <u>6,369</u>                    |
| ACCOUNTS RECEIVABLE, NET                           | 150,179                                     | 126,524                         |
| INVENTORIES  | 270,131                                     | 278,051                         |
| OTHER CURRENT ASSETS                               | 45,607                                      | 47,730                          |
| TOTAL CURRENT ASSETS                               | <u>479,276</u>                              | <u>466,033</u>                  |
| PROPERTY, PLANT AND EQUIPMENT, NET                 | 69,102                                      | 64,611                          |
| GOODWILL AND OTHER INTANGIBLES, NET                | 85,542                                      | 89,377                          |
| OTHER ASSETS                                       | 51,627                                      | 53,530                          |
| TOTAL ASSETS                                       | <u>\$ 685,547</u>                           | <u>\$ 673,551</u>               |
| <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b> |   |                                 |
| NOTES PAYABLE                                      | \$ 24,502                                   | \$ 56,558                       |
| CURRENT PORTION OF LONG TERM DEBT                  | 16  | 175                             |
| ACCOUNTS PAYABLE                                   | 78,413                                      | 70,674                          |
| ACCRUED CUSTOMER RETURNS                           | 44,186                                      | 30,621                          |
| OTHER CURRENT LIABILITIES                          | 99,619                                      | 92,801                          |
| TOTAL CURRENT LIABILITIES                          | <u>246,736</u>                              | <u>250,829</u>                  |
| LONG-TERM DEBT                                     | 65  | 83                              |
| ACCRUED ASBESTOS LIABILITIES                       | 32,782                                      | 33,462                          |
| OTHER LIABILITIES                                  | 13,606                                      | 15,024                          |
| TOTAL LIABILITIES                                  | <u>293,189</u>                              | <u>299,398</u>                  |
| TOTAL STOCKHOLDERS' EQUITY                         | 392,358                                     | 374,153                         |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY         | <u>\$ 685,547</u>                           | <u>\$ 673,551</u>               |



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

(In thousands)

|   | NINE MONTHS ENDED<br>SEPTEMBER 30, |           |
|---|------------------------------------|-----------|
|   | 2015                               | 2014      |
|   | (Unaudited)                        |           |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>   |                                    |           |
| NET EARNINGS  | \$ 40,792                          | \$ 31,931 |
| ADJUSTMENTS TO RECONCILE NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES: |                                    |           |
| DEPRECIATION AND AMORTIZATION   | 13,042                             | 12,889    |
| OTHER   | 7,945                              | 9,188     |
| CHANGE IN ASSETS AND LIABILITIES:   |                                    |           |
| ACCOUNTS RECEIVABLE   | (25,094)                           | (17,467)  |
| INVENTORY   | 4,761                              | (3,511)   |
| ACCOUNTS PAYABLE  | 8,383                              | (3,425)   |
| OTHER   | 23,003                             | 3,078     |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   | 72,832                             | 32,683    |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>   |                                    |           |
| ACQUISITIONS OF AND INVESTMENTS IN BUSINESSES                                       | -                                  | (37,726)  |
| CAPITAL EXPENDITURES  | (14,612)                           | (9,340)   |
| OTHER INVESTING ACTIVITIES  | 32                                 | 21        |
| NET CASH USED IN INVESTING ACTIVITIES   | (14,580)                           | (47,045)  |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>   |                                    |           |
| NET CHANGE IN DEBT  | (32,227)                           | 37,790    |
| PURCHASE OF TREASURY STOCK  | (15,519)                           | (9,487)   |
| DIVIDENDS PAID  | (10,299)                           | (8,929)   |
| OTHER FINANCING ACTIVITIES  | 131                                | 1,947     |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES                                 | (57,914)                           | 21,321    |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH   | (707)                              | (1,933)   |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS                                | (369)                              | 5,026     |
| CASH AND CASH EQUIVALENTS at beginning of Period                                    | 13,728                             | 5,559     |
| CASH AND CASH EQUIVALENTS at end of Period  | \$ 13,359                          | \$ 10,585 |