

STANDARD MOTOR PRODUCTS INC  
Form 10-Q  
August 04, 2016

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q  
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2016

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission file number: 1-4743

Standard Motor Products, Inc.  
(Exact name of registrant as specified in its charter)

New York 11-1362020  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

37-18 Northern Blvd., Long Island City, N.Y. 11101  
(Address of principal executive offices) (Zip Code)

(718) 392-0200  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer  
Non-Accelerated Filer  (Do not check if a smaller reporting company) Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes      No

As of the close of business on August 1, 2016, there were 22,716,279 outstanding shares of the registrant's Common Stock, par value \$2.00 per share.

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STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

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## PART I – FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

## STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

| (In thousands, except share and per share data)            | Three Months Ended              |            | Six Months Ended                |            |
|--|---------------------------------|------------|---------------------------------|------------|
|  | June 30,<br>2016<br>(Unaudited) | 2015       | June 30,<br>2016<br>(Unaudited) | 2015       |
| Net sales  | \$288,977                       | \$269,382  | \$527,888                       | \$496,971  |
| Cost of sales  | 201,901                         | 196,622    | 367,816                         | 360,322    |
| Gross profit   | 87,076                          | 72,760     | 160,072                         | 136,649    |
| Selling, general and administrative expenses               | 54,758                          | 51,736     | 107,756                         | 100,934    |
| Restructuring and integration expenses (income)            | 771                             | (26)       | 1,012                           | 31         |
| Other income, net  | 297                             | 262        | 559                             | 543        |
| Operating income   | 31,844                          | 21,312     | 51,863                          | 36,227     |
| Other non-operating income, net                            | 265                             | 548        | 598                             | 699        |
| Interest expense   | 394                             | 480        | 705                             | 906        |
| Earnings from continuing operations before taxes           | 31,715                          | 21,380     | 51,756                          | 36,020     |
| Provision for income taxes                                 | 11,853                          | 7,572      | 19,238                          | 12,873     |
| Earnings from continuing operations                        | 19,862                          | 13,808     | 32,518                          | 23,147     |
| Loss from discontinued operations, net of income taxes     | (618)                           | (430)      | (1,070)                         | (821)      |
| Net earnings   | \$19,244                        | \$13,378   | \$31,448                        | \$22,326   |
| <u>Per Share Data:</u>                                     |                                 |            |                                 |            |
| Net earnings per common share – Basic:                     |                                 |            |                                 |            |
| Earnings from continuing operations                        | \$0.87                          | \$0.60     | \$1.43                          | \$1.01     |
| Discontinued operations                                    | (0.02)                          | (0.02)     | (0.04)                          | (0.04)     |
| Net earnings per common share – Basic                      | \$0.85                          | \$0.58     | \$1.39                          | \$0.97     |
| Net earnings per common share – Diluted:                   |                                 |            |                                 |            |
| Earnings from continuing operations                        | \$0.86                          | \$0.59     | \$1.41                          | \$1.00     |
| Discontinued operations                                    | (0.02)                          | (0.01)     | (0.04)                          | (0.04)     |
| Net earnings per common share – Diluted                    | \$0.84                          | \$0.58     | \$1.37                          | \$0.96     |
| Dividend declared per share                                | \$0.17                          | \$0.15     | \$0.34                          | \$0.30     |
| Average number of common shares                            | 22,705,310                      | 22,917,718 | 22,673,811                      | 22,914,322 |
| Average number of common shares and dilutive common shares | 23,018,730                      | 23,261,094 | 22,988,502                      | 23,256,255 |

See accompanying notes to consolidated financial statements (unaudited).

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## STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| (In thousands)                                 | Three Months Ended |           | Six Months Ended |           |
|--|--------------------|-----------|------------------|-----------|
|  | June 30,           |           | June 30,         |           |
|  | 2016               | 2015      | 2016             | 2015      |
|  | (Unaudited)        |           | (Unaudited)      |           |
| Net earnings                                   | \$ 19,244          | \$ 13,378 | \$ 31,448        | \$ 22,326 |
| Other comprehensive income (loss), net of tax: |                    |           |                  |           |
| Foreign currency translation adjustments       | (1,938 )           | 822       | (153 )           | (2,252 )  |
| Pension and postretirement plans:              |                    |           |                  |           |
| Amortization of:                               |                    |           |                  |           |