

STANDARD MOTOR PRODUCTS INC
Form 10-Q
May 05, 2014

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 March 31, 2014

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 (I.R.S. Employer
incorporation or organization) 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

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 April 30, 2014, there were 22,858,342 outstanding shares of the registrant's Common Stock, par value \$2.00 per share.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTSSTANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except share and per share data)	Three Months Ended	
	March 31, 2014	2013
	(Unaudited)	
Net sales	\$232,752	\$230,708
Cost of sales	164,842	164,880
Gross profit	67,910	65,828
Selling, general and administrative expenses	47,594	49,610
Restructuring and integration expenses	171	418
Other income, net	260	230
Operating income	20,405	16,030
Other non-operating expense, net	(413)	(196)
Interest expense	308	572
Earnings from continuing operations before taxes	19,684	15,262
Provision for income taxes	7,277	5,696
Earnings from continuing operations	12,407	9,566
Loss from discontinued operations, net of income taxes	(682)	(392)
Net earnings	\$11,725	\$9,174
Net earnings per common share – Basic:		
Earnings from continuing operations	\$0.54	\$0.42
Discontinued operations	(0.03)	(0.02)
Net earnings per common share – Basic	\$0.51	\$0.40
Net earnings per common share – Diluted:		
Earnings from continuing operations	\$0.53	\$0.41
Discontinued operations	(0.03)	(0.01)
Net earnings per common share – Diluted	\$0.50	\$0.40
Dividends declared per share	\$0.13	\$0.11
Average number of common shares	22,947,241	22,853,494
Average number of common shares and dilutive common shares	23,224,698	23,095,490

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	Three Months Ended March 31, 2014 2013 (Unaudited)	
Net earnings	\$11,725	\$9,174
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(590)	(812)
Pension and postretirement plans:		
Amortization of:		
Prior service benefit	(754)	(1,080)
Unrecognized loss	592	785
Foreign currency exchange rate changes	(22)	(12)
Income tax benefit related to pension and postretirement plans	58	108
Pension and postretirement plans, net of tax	(126)	(199)
Total other comprehensive income (loss), net of tax	(716)	(1,011)
Comprehensive income	\$11,009	\$8,163

See accompanying notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)	March 31, 2014	December 31, 2013
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,423	\$ 5,559
Accounts receivable, less allowances for discounts and doubtful accounts of \$7,089 and \$6,969 for 2014 and 2013, respectively	125,901	125,201
Inventories, net	284,468	269,447
Deferred income taxes	35,707	35,633
Prepaid expenses and other current assets	9,562	10,237
Total current assets	460,061	446,077
Property, plant and equipment, net	63,955	63,646
Goodwill	50,554	38,005
Other intangibles, net	33,629	34,861
Deferred income taxes	10,597	10,278
Other assets	22,125	22,656
Total assets	\$ 640,921	\$ 615,523
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	\$ 33,023	\$ 21,406
Current portion of long-term debt	27	59
Accounts payable	81,725	71,469
Sundry payables and accrued expenses	41,365	41,939
Accrued customer returns	37,803	31,464
Accrued rebates	30,053	28,758
Payroll and commissions	15,773	25,221
Total current liabilities	239,769	220,316
Long-term debt	16	16