| $5$ |  | 10 | $P$ |  | YSI |  |  | $\begin{aligned} & \text { ENT } \\ & \text { CE } \end{aligned}$ | $11.6$ | P/E RATIO |  | $9\left(\begin{array}{l} \text { Trailin } \\ \text { Mediai } \end{array}\right.$ | $\begin{aligned} & \text { ng: } 12.8 \\ & \text { an: NMF } \end{aligned}$ | $\begin{array}{\|l\|} \hline \text { RELATIV } \\ \text { P/E RAT } \end{array}$ | $0.6$ | $\begin{aligned} & \text { DIV'D } \\ & \text { YLD } \end{aligned}$ |  |  | $\begin{aligned} & \text { ALUE } \\ & \text {-INE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TIMELIN | $\text { NESS } 2$ | Lowered | 3/18/11 | High: | 16.5 6.4 | $\begin{array}{r} 15.0 \\ 7.0 \\ \hline \end{array}$ | 17.4 9.5 | 15.7 9.1 | $\begin{array}{l\|} \hline 16.8 \\ 12.0 \end{array}$ | $\begin{array}{r} 16.0 \\ 7.7 \end{array}$ | $\begin{array}{r} 15.7 \\ 6.8 \end{array}$ | $\begin{array}{r\|} \hline 19.5 \\ 7.4 \end{array}$ | $\begin{array}{r} 10.0 \\ 2.2 \end{array}$ | $\begin{array}{r} 15.7 \\ 1.4 \end{array}$ | $\begin{array}{r} 14.3 \\ 7.0 \end{array}$ | $\begin{aligned} & 14.4 \\ & 10.9 \end{aligned}$ |  |  | Target Pri $2014 \quad 20$ | Range 2016 |
| SAFETY <br> TECHNIC | CAL | Lowered <br> Raised 3 | 3/28/08 | $\begin{array}{\|l\|l\|} \hline \text { LEGENI } \\ \cdots \cdots & \text { Rela } \end{array}$ | $\begin{aligned} & \text { VDS } \\ & 0 \times \text { x } \\ & \text { castive } \end{aligned}$ | Flow" p sh Strength |  |  |  |  |  |  |  |  |  |  |  |  |  | $\begin{gathered} 2016 \\ -40 \end{gathered}$ |
|  |  |  |  | Options: Y Shaded | Yes | ate recess |  |  |  |  |  |  |  |  |  |  |  |  |  | -32 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 24 |
| 2014 |  |  | nn'l Total Return |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 16 |
| High | $\begin{aligned} & \text { rice } \\ & 30 \end{aligned}$ | $160 \%)$ |  | $\cdots$ |  |  |  |  |  |  |  |  |  |  | - |  |  |  |  | 12 |
| Low | 19 (+ | 65\%) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 10 |
| Insider | Decisi | ons |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 8 |
| - | A M J | J A S | O N D |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 6 |
|  | $\begin{array}{llll}0 & 1 & 1 \\ 0 & 0 & 0\end{array}$ | $\begin{array}{llll}0 & 0 & 0 \\ 0 & 0 & 0\end{array}$ | $\begin{array}{llll}0 & 0 & 0 \\ 0 & 0 & 0 \\ 0 & 2\end{array}$ |  |  |  |  |  |  |  |  | $\therefore$ |  |  |  |  |  |  |  |  |
| to Sell | 000 | 003 | $0 \quad 21$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | T. RETURN 2/11 |  |
| Institut | ${ }_{2} 202010$ | ecision 302010 |  |  |  |  |  |  |  |  |  | $11+1$ | , | + |  |  |  |  | THIS VLARITH <br> STOCK  <br> 46.3 INDEX <br> 12  |  |
| $\begin{aligned} & \text { to Buy } \\ & \text { to Sell } \end{aligned}$ | $\begin{array}{r} 57 \\ 54 \end{array}$ | $\begin{aligned} & 47 \\ & 49 \end{aligned}$ |  | shares traded |  |  |  |  |  |  |  |  | 碞的! |  |  |  |  | 1 3 yr. 3 yr. | $\begin{array}{ll} 46.3 & 31.2 \\ 70.3 & 45.8 \end{array}$ |  |
| $\begin{array}{\|l\|l} \text { to Sell } \\ \text { Hld's }(000) \end{array}$ | $\begin{array}{r} 54 \\ 15185 \\ \hline \end{array}$ | $\begin{array}{r} 49 \\ 14823 \\ \hline \end{array}$ |  |  |  |  |  |  |  |  |  |  | M |  |  |  |  | 5 yr . | 78.0 48.1 |  |
| 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |  | E LINE PUB. LLC | 14-16 |
| 50.54 | 54.97 | 42.81 | 49.74 | 51.72 | 51.85 | 51.43 | 56.51 | 35.35 | 42.45 | 45.70 | 44.19 | 43.19 | 41.76 | 32.87 | 36.25 | 35.00 | 34.25 | Sales | sh | 36.65 |
| 2.27 | 2.36 | 1.33 | 3.03 | 2.04 | 2.49 | 1.63 | 2.10 | 1.08 | . 52 | . 86 | 1.52 | 1.13 | d. 34 | . 91 | 1.85 | 2.10 | 2.20 | "Cash | ow" per sh | 2.65 |
| 1.23 | 1.12 | d. 12 | 1.69 | . 66 | . 85 | . 03 | . 51 | . 20 | d. 46 | d. 09 | . 67 | . 29 | d1.14 | . 31 | 1.09 | 1.15 | 1.30 | Earning | per sh A | 1.70 |
| . 32 | . 32 | . 32 | . 16 | . 34 | . 36 | . 36 | . 36 | . 36 | . 36 | . 36 | . 36 | . 36 | . 36 | . 36 | . 20 | . 28 | . 30 | Div'ds | ecl'd per sh B | . 52 |
| 1.27 | 1.63 | 1.19 | 1.17 | 1.13 | 1.42 | 1.16 | . 72 | 46 | . 50 | . 55 | . 55 | . 76 | . 57 | . 32 | . 60 | . 65 | . 70 | Cap'IS | ending per sh | . 80 |
| 16.03 | 17.01 | 14.05 | 15.70 | 15.99 | 16.61 | 15.70 | 14.53 | 11.77 | 10.68 | 10.22 | 10.38 | 10.29 | 8.81 | 8.67 | 9.38 | 10.05 | 11.55 | Book V | lue per sh ${ }^{\text {c }}$ | 14.00 |
| 13.13 | 13.13 | 13.08 | 13.06 | 12.73 | 11.70 | 11.82 | 10.59 | 19.20 | 19.42 | 18.17 | 18.38 | 18.30 | 18.56 | 22.37 | 22.37 | 24.00 | 26.00 | Comm | Shs Outst'g ${ }^{\text {D }}$ | 30.00 |
| 15.4 | 13.5 | -- | 13.1 | 33.0 | 12.3 | NMF | 27.3 | 58.0 | -- | -- | 15.3 | 44.4 | -- | 24.3 | 9.1 | Bold figu | res are | Avg | IP/E Ratio | 15.0 |
| 1.03 | . 85 | -- | . 68 | 1.88 | . 80 | NMF | 1.49 | 3.31 | -- | -- | . 83 | 2.36 | -- | 1.62 | . 58 |  |  | Relati | P/E Ratio | 1.00 |
| 1.7\% | 2.1\% | 1.9\% | .7\% | 1.6\% | 3.4\% | 3.1\% | 2.6\% | 3.1\% | 2.4\% | 3.3\% | 3.5\% | 2.8\% | 5.5\% | 5.5\% | 2.0\% | estim | ates | Avg An | I Div'd Yield | 2.0\% |
| CAPITAL STRUCTURE as of 12/31/10 <br> Total Debt $\$ 12.7$ mill. Due in 5 Yrs $\$ 12.0$ mill. <br> LT Debt $\$ .3$ mill. LT Interest 3 mill. (less than $1 \%$ of Cap'l) <br> (Interest coverage 2.3x) |  |  |  |  |  | 608.1 | 598.4 | 678.8 | 824.3 | 830.4 | 812.0 | 790.2 | 775.2 | 735.4 | 810.9 | 840 | 890 | Sales | mill) | 1100 |
|  |  |  |  |  |  | 5.7\% | 7.4\% | 5.7\% | 4.3\% | 4.4\% | 6.3\% | 4.8\% | NMF | 5.1\% | 7.5\% | 8.5\% | 8.5\% | Operati | $g$ Margin | 9.0\% |
|  |  |  |  |  |  | 18.9 | 16.1 | 17.1 | 19.0 | 17.4 | 15.5 | 15.2 | 14.7 | 14.4 | 18.0 | 20.0 | 22.0 | Deprec | ation (\$mill) | 30.0 |
|  |  |  |  |  |  | . 3 | 6.1 | 3.6 | d8.9 | d1.8 | 12.4 | 5.4 | d21.1 | 5.9 | 24.7 | 30.0 | 35.0 | Net Pro | (\$mill) | 50.0 |
| (Interest coverage 2.3x) |  |  |  |  |  | 31.6\% | 56.5\% | 49.0\% | -. | -. | 34.4\% | 34.0\% | -- | 50.8\% | 38.2\% | 38.0\% | 38.0\% | Income | Tax Rate | 36.0\% |
| Leases, Uncapitalized Annual rentals $\$ 8.9$ mill. Pension Assets-12/09 $\$ 0.0$ mill. Oblig. $\$ 2.7$ mill. |  |  |  |  |  | .1\% | 1.0\% | .5\% | NMF | NMF | 1.5\% | .7\% | NMF | .8\% | 3.0\% | 3.6\% | 3.9\% | Net Pro | it Margin | 4.5\% |
|  |  |  |  |  |  | 228.4 | 217.0 | 191.4 | 194.7 | 169.8 | 183.3 | 183.1 | 104.6 | 159.6 | 169.9 | 180 | 200 | Worki | Cap'I (\$mill) | 250 |
| Pfd Stock None |  |  |  |  |  | 200.1 | 169.4 | 114.8 | 114.2 | 98.5 | 98.0 | 90.5 | . 3 | 17.9 | . 3 | Nil | Nil | Long-T | m Debt (\$mill) | Nil |
|  |  |  |  |  |  | 185.7 | 153.9 | 226.0 | 207.3 | 185.7 | 190.7 | 188.4 | 163.5 | 193.9 | 209.9 | 250 | 300 | Shr. Eq | ity (\$mill) ${ }^{\text {c }}$ | 420 |
| Common Stock 22,663,742 shares As of 2/18/11 |  |  |  |  |  | 2.3\% | 4.0\% | 2.1\% | NMF | 1.4\% | 7.6\% | 5.2\% | NMF | 5.0\% | 11.5\% | 12.0\% | 11.5\% | Return | n Total Cap'l | 12.0\% |
| MARKET CAP: $\mathbf{2 7 5}$ million (Small Cap) |  |  |  |  |  | .2\% | 4.0\% | 1.6\% | NMF | NMF | 6.5\% | 2.9\% | NMF | 3.0\% | 11.8\% | 12.0\% | 11.5\% | Return | n Shr. Equity | 12.0\% |
| CURRENT POSITION 2008 2009 $\mathbf{1 2 / 3 1 / 1 0}$ <br> (\$NILL.). 6.6 10.6 12.1 |  |  |  |  |  | NMF | 1.2\% | NMF | NMF | NMF | 3.0\% | NMF | NMF | 3.0\% | 9.0\% | 9.5\% | 9.0\% | Retaine | to Com Eq | 8.0\% |
|  |  |  |  |  |  | NMF | 70\% | NMF | NMF | NMF | 53\% | 123\% | NMF | NMF | 20\% | 24\% | 23\% | All Div' | to Net Prof | 30\% |


| Cash Assets | 6.6 | 10.6 | . 1 |
| :---: | :---: | :---: | :---: |
| Receivables | 184.4 | 124.8 | 105.0 |
| Inventory (FIFO) | 232.4 | 199.8 | 241.2 |
| Other | 24.2 | 29.0 | 26.4 |
| Current Assets | 447.6 | 364.2 | 384.7 |
| Accts Payable | 68.3 | 54.4 | 52.9 |
| Debt Due | 193.9 | 58.4 | 12.4 |
| Other | 80.8 | 91.8 | 149.5 |
| Current Liab. | 343.0 | 204.6 | 214 |


| ANNUAL RATES | Past | Past |  |
| :--- | ---: | ---: | :---: |
| Est'd '07.'09 |  |  |  |
| of change (per sh) | 10 Yrs. | 5 Yrs. |  |
| to '14.'16 |  |  |  |
| Sales | $-2.0 \%$ | $-2.5 \%$ | $-1.0 \%$ |
| "Cash Flow' | $-12.5 \%$ | $-14.5 \%$ | $25.0 \%$ |
| Earnings | $-1.5 \%$ | $-8.0 \%$ | $11.5 \%$ |
| Dividends | $-1.5 \%$ | $-8.0 \%$ | $11.5 \%$ |
| Book Value | $-5.0 \%$ | $-5.5 \%$ | $6.0 \%$ |


| Calendar | QUARTERLY SALES (\$ mill.) |  |  |  | Full <br> Year |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 |  |
| 2008 | 208.1 | 215.3 | 202.9 | 148.9 | 775.2 |
| 2009 | 172.2 | 197.5 | 205.6 | 160.1 | 735.4 |
| 2010 | 179.4 | 231.0 | 227.5 | 173.0 | 810.9 |
| 2011 | 180 | 240 | 230 | 190 | 840 |
| 2012 | 190 | 250 | 240 | 210 | 890 |


| Cal- |
| :---: | :---: | :---: | :---: | :---: |
| Car |
| endar |


| 2008 | .68 | d .04 | .02 | d 1.84 | d 1.14 |
| :---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 2009 | .04 | .30 | .25 | d .25 | .31 |
| 2010 | .13 | .35 | .48 | .12 | 1.09 |
| 2011 | .22 | .45 | .38 | .10 | 1.15 |
| 2012 | .35 | .35 | .50 | .10 | 1.30 |
| Cal- | QUARTERLY DIVIDENDS PAID (B) |  |  |  | Full |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |
| 2007 | .09 | .09 | .09 | .09 | .36 |
| 2008 | .09 | .09 | .09 | .09 | .36 |
| 2009 | -- | - | .- | .- | -- |
| 2010 | .05 | .05 | .05 | .05 | .20 |
| 2011 | .07 |  |  |  |  |

[^0]BUSINESS: Standard Motor Products manufactures automotive replacement parts under the brand names Standard, Blue Streak, and Four Seasons, as well as under private labels to select customers. Its Engine Management division (71\% of 2010 sales) makes ignition, emission, and fuel-system parts. Temperature Control (27\%) produces heater and air-conditioner parts. European Group and

Other (2\%). Non-U.S. sales accounted for $11 \%$ of 2010 total. Bought Dana's Engine Mgmt. business, 6/03. Has 3,200 employees. Off. \& dir. own $14.5 \%$ of stock; GAMCO Investors, $14.5 \%$; BlackRock Inc., $6.1 \%$ (4/11 proxy). Chrmn. \& CEO: Lawrence Sills. Inc.: NY. Addr.: 37-18 Northern Blvd., Long Island City, NY 11101. Tel.: 718-392-0200. Internet: www.smpcorp.com.

Standard Motor Products has been leaving our 2011 estimate of $\$ 1.15$ a share holding up well. The auto parts dis- unchanged at this time. However, we are tributor posted a $10 \%$ increase in revenue introducing an estimate of $\$ 1.30$ a share last year, driven by an industrywide for 2012, representing a $13 \%$ annual adrecovery. Top-line gains will probably be a vance.
bit more subdued in 2011. However, demand for aftermarket auto parts should still remain healthy, thanks to an aging car population and the continued consolidation of new auto dealerships. Notably, Standard Motor's two primary business which suggests some general health.
Standard Motor has successfully controlled costs. The operating margin was about $7.5 \%$ at the end of 2010, versus only $5.1 \%$ a year earlier, and we see room for improvement in 2011. The company continues to reorganize its manufacturing operations, switching production to lowercost locations. Moreover, over the past year, the company reduced its staff size by about $10 \%$, while at the same time adding sales.

## Meanwhile, the bottom line is making

 progress. Standard Motor's earnings recovered sharply in 2010, with a respectable showing in the final quarter. We areThe balance sheet is in decent shape. Standard Motor has effectively managed its debt obligations, which should reduce interest expense. Accounts receivable have been heading lower, suggesting that customers are in better financial shape. Inventory has risen a bit, but we think this reflects a sharp upturn in demand over the past several months. The company has also been able to reinstitute its dividend. Furthermore, the recent quarterly increase further indicates a degree of financial health.
These shares remain favorably ranked for year-ahead relative performance. Moreover, our current projections suggest the issue holds good price appreciation potential for the next 3 to 5 years. Investors should note that the Below-Average Safety rank indicates that there is a pronounced element of risk associated with this stock.
Adam Rosner
March 25, 2011


[^0]:    (A) Primary earnings through ' 96 , diluted there- $\quad$ Next earnings report due late April. (B) Divi- $\quad$ million, $\$ .56$ a share. (D) In millions. (E) after. Excludes nonrecurring gain/(losses): '97, (\$2.51); '99, (8¢); '00, (4¢); '03, (19¢); '08, 51c'. Qtly. egs. may not sum to total due to rounding.

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    Company's Financial Strength<br>Stock's Price Stability<br>Price Growth Persistence<br>Earnings Predictability

