Your Partner in Smart Solutions®

CTS Investor Presentation

July 2024

Your Partner in Smart Solutions

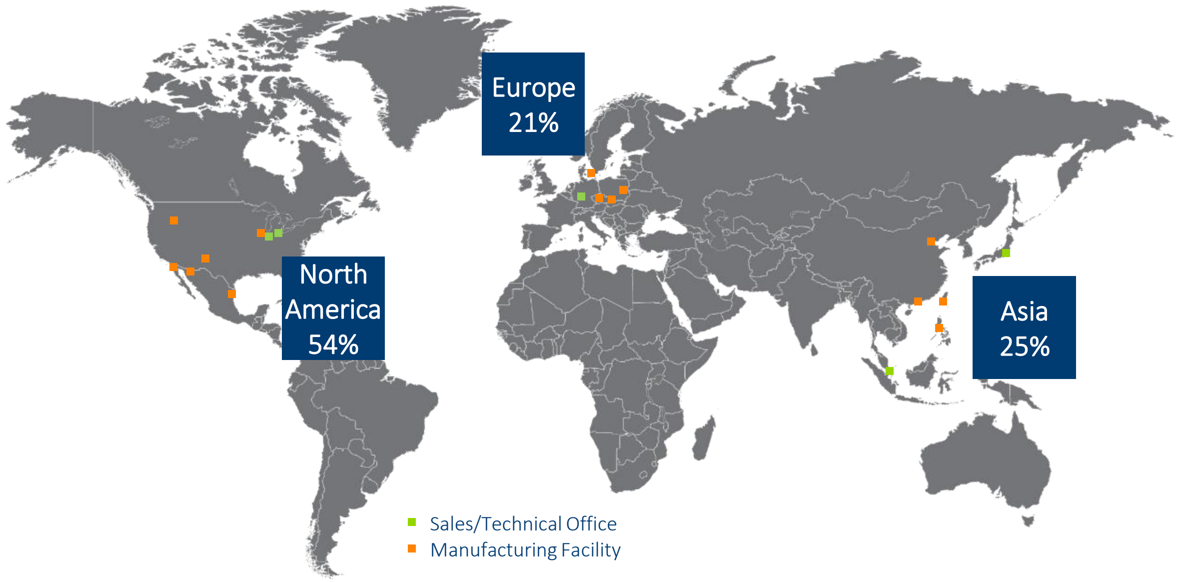
Cautionary Statement Regarding Forward-Looking Statements

Readers are cautioned that the statements contained in this document regarding expectations of our performance or other matters that may affect our business, results of operations, or financial condition are, or may be deemed to be, “forward-looking statements” as defined by the “safe harbor” provisions in the Private Securities Litigation Reform Act of 1995. Such statements are made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included or incorporated in this document, including statements regarding our strategy, financial position, guidance, funding for continued operations, cash reserves, liquidity, projected costs, plans, projects, awards and contracts, and objectives of management, among others, are forward-looking statements. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “continued,” “project,” “plan,” “goals,” “opportunity,” “appeal,” “estimate,” “potential,” “predict,” “demonstrates,” “may,” “will,” “might,” “could,” “intend,” “shall,” “possible,” “would,” “approximately,” “likely,” “outlook,” “schedule,” “on track,” “poised,” “pipeline,” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements , but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are not guarantees of future performance, conditions or results. Forward-looking statements are based on management’s expectations, certain assumptions, and currently available information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based on various assumptions as to future events, the occurrence of which necessarily are subject to uncertainties. These forward-looking statements are made subject to certain risks, uncertainties, and other factors, which could cause CTS’ actual results, performance, or achievements to differ materially from those presented in the forward-looking statements. Examples of factors that may affect future operating results and financial condition include, but are not limited to: supply chain disruptions; changes in the economy generally, including inflationary and/or recessionary conditions, and in respect to the business in which CTS operates; unanticipated issues in integrating acquisitions, including, without limitation, the integration of SyQwest, LLC.; the results of actions to reposition CTS’ business; rapid technological change; general market conditions in the transportation, as well as conditions in the industrial, aerospace and defense, and medical markets; reliance on key customers; unanticipated public health crises, natural disasters or other events; environmental compliance and remediation expenses; the ability to protect CTS’ intellectual property; pricing pressures and demand for CTS’ products; risks associated with CTS’ international operations, including trade and tariff barriers, exchange rates and political and geopolitical risks (including, without limitation, the potential impact U.S./China relations and the conflict between Russia and Ukraine may have on our business, results of operations and financial condition); the amount and timing of any share repurchases; and the effect of any cybersecurity incidents on our business. Many of these, and other risks and uncertainties, are discussed in further detail in Item 1A. of CTS’ most recent Annual Report on Form 10-K and other filings made with the SEC. CTS undertakes no obligation to publicly update CTS’ forward-looking statements to reflect new information or events or circumstances that arise after the date hereof, including market or industry changes.

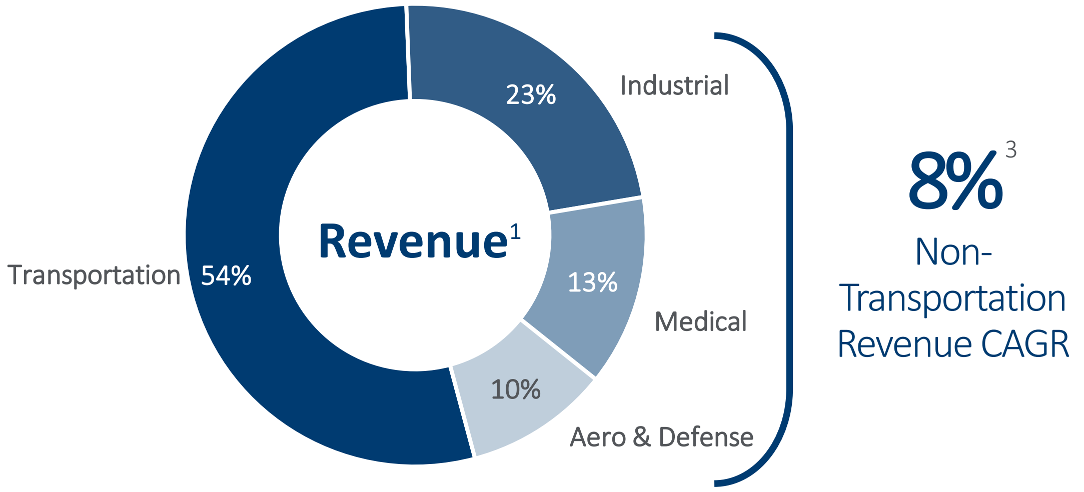
CTS is a Leading Designer and Manufacturer of Custom Engineered Solutions that Sense, Connect and Move - Enabling an Intelligent and Seamless World

LTM Revenue	Non-Transportation	LTM Adj. EBITDA Margin	LTM Adj. EPS
$515 million[1]	46%[1]	22%[2]	$2.03[2]

Global design and manufacturing capabilities



Technical and application expertise applied across diverse and growing end markets



Notes:
[1] Last 12 months Revenue as of June 2024
[2] Adj. EBITDA Margin and Adj. EPS are non-GAAP financial measures. Refer to the Appendix for reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.
[3] 2018-2024 including acquisitions

CTS Positioned to Deliver 10% Organic and Inorganic Growth

Organic Growth 300-600 bps > GDP

- Deep **custom engineered capability** and **long-standing** customer relationships
- Megatrend tailwinds – **automation, healthcare innovation** and **electrification**
- Strong **new product pipeline** – eBrake™, piezo formulations, medical applications

Strategic M&A focused on Value Creation

- Clear strategy of **growth and diversification** led by non-transportation end markets
- Focus on **technology** to augment core capabilities
- **Strong balance sheet and cash flow** to support M&A strategy

Global Footprint, Strong Execution Track Record

- **Regional capabilities** to serve customers reducing cross-border challenges
- Strong **leadership team** leveraging **operational excellence** to drive profitable growth
- Strengthening and aligning **organizational capabilities** through **Focus 2025** initiative

Completed the acquisition of SyQwest, LLC

Secular Themes Drive Growth Across End Markets

Automation




Industry 4.0
Factory Automation
Passenger Safety
Defense Automation

Healthcare Innovation




Improved Diagnostics
Minimally Invasive Procedures
Therapeutics
Patient Experience

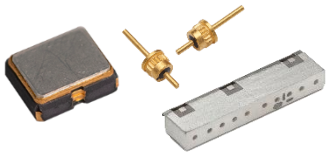
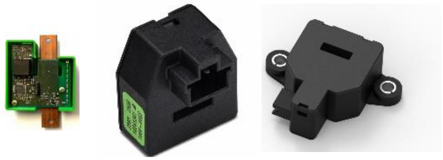
Sustainability




Electrification
Reduced Emissions
Energy Efficiency
Fluid Metering

Applying deep domain expertise to solve today’s most pressing challenges

Deep Technical Expertise Provides a Sustainable Advantage

Capabilities		Key Technologies		Applications		
Advanced Ceramics	Piezoelectric Ceramic	• Bulk • Tapecast • Single Crystal • Textured		• Ultrasonic Imaging: Medical, Defense • Medical Therapeutics • Acoustic Sensing		
Advanced Ceramics	Temperature Sensing	• NTC Thermistors		• HVAC-R • Medical Devices • Condition Monitoring		
Advanced Ceramics	Signal Processing	• RF Filters • EMI/EMC • Crystal Oscillators		• Aerospace and Defense • Communications Infrastructure		
Magnetics	Position Sensing	• Hall Effect • Inductive • Force		• Vehicle Controls • Pro Audio / Video • Medical Devices		
Magnetics	Current Processing	• Ferromagnetics • Circuit Design • Core and busbar		• Electric Vehicles • Renewable Energy • Industrial		

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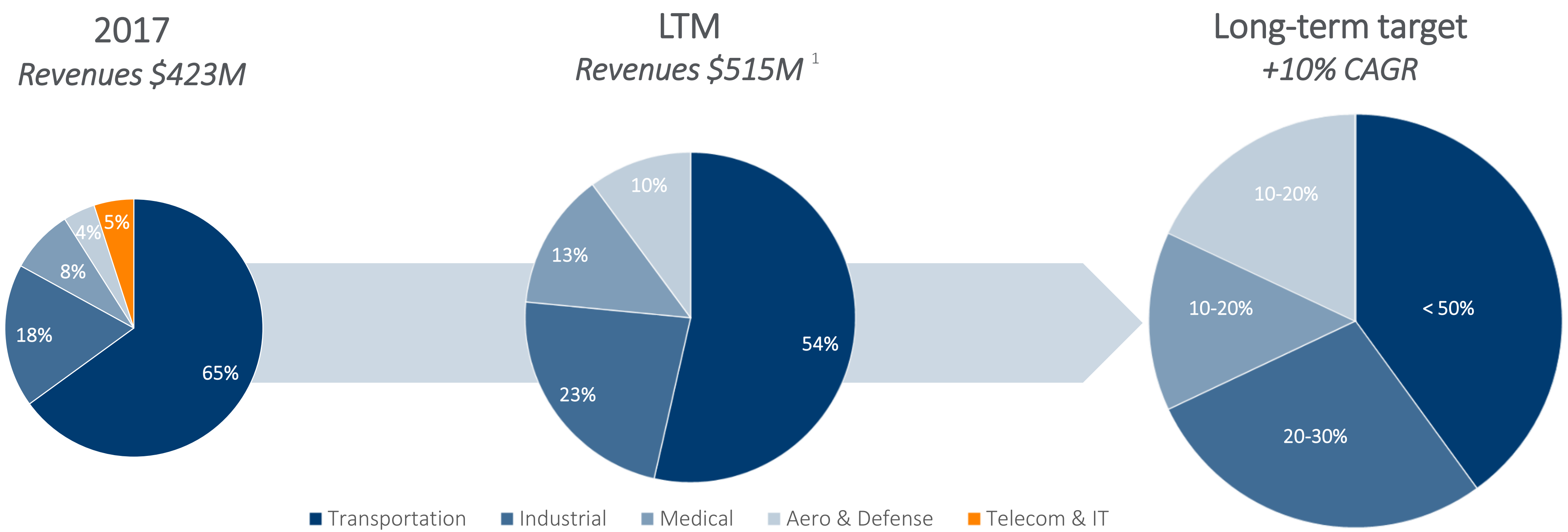
Diversifying Revenue in Growing End Markets Outside of Transportation



Notes:
[1] Beginning in 2022, sales to Telecom & IT end-market are included in the Industrial end-market.

- Utilizing core capabilities and domain expertise in fast-growing end markets
- Investing in business development resources, process and technology capabilities
- Disciplined capital investments to support diversification strategy

Non-transportation revenue is up from 35% to 46% with a goal of >50%

Enabling Efficiency and Automation in Industrial Markets

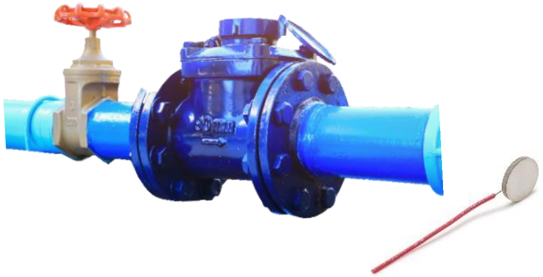
INDUSTRIAL

Addressable Market Size:	$3.6B
LTM Revenue:[1]	$118M -27% YOY
Estimated Market Growth:	Mid-single Digit
Drivers of Outperformance:	• Efficiency • Material Expertise • Up integration into sensors and transducers

[1] LTM through June 2024

Sustainability

Stratified Air (HVAC)



Accuracy (Metering)

Productivity

Micro-positioning (Automation)

Actuation (Industrial Printing)

Tailwinds from Sustainability and Efficiency-focused Macrotrends

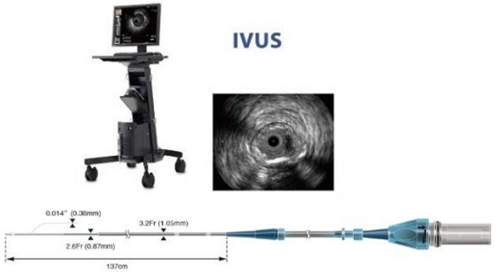
Unlocking Important Innovation in Medical Markets

MEDICAL

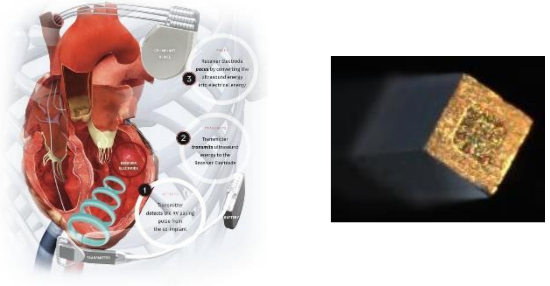
Addressable Market Size:	$1.5B
LTM Revenue:[1]	$69M +4% YOY
Estimated Market Growth:	Mid-single Digit
Drivers of Outperformance:	• Strong growth in ultrasound modality • Superior material performance enables share gains

[1] *LTM through June 2024*

Minimally Invasive



Intravenous Ultrasound



Cardiac Rhythm (Wireless Pacemaker)

Highly Precise

High Resolution Ultrasound

Drug Delivery

Utilizing Technology to Enhance Patient Care and Experience

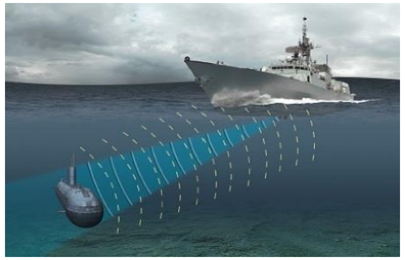
Ensuring Performance and Reliability in Aerospace and Defense

AEROSPACE & DEFENSE

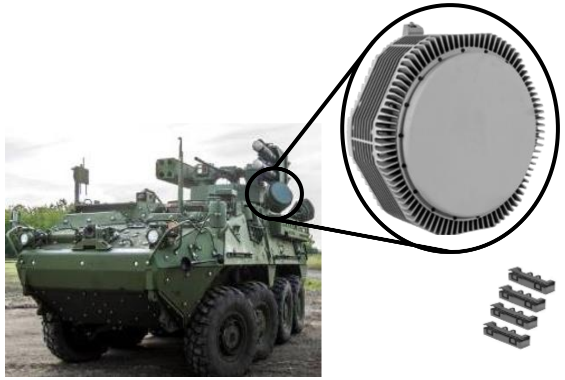
Addressable Market Size:	$1.5B
LTM Revenue:[1]	$52M +3% YOY
Estimated Market Growth:	Mid-single Digit
Drivers of Outperformance:	• Increase in Defense spending • EU expansion • Up-integration into sensors, transducers

[1] *LTM through June 2024*

Enhanced Performance



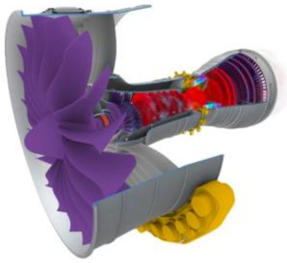
Underwater Sonar



Radar

Reliability

Space Temperature Applications



Vibration Monitoring

Higher Performance and Reliability in Mission Critical Harsh Environments

Electrification Creating Growth Opportunity in Transportation

TRANSPORTATION

Addressable Market Size: $2.7B

LTM Revenue:[1] $276M
-10% YOY

Estimated Market Growth: Low-single Digit

Drivers of Outperformance:
- Increased Content with New Products for electrified vehicles leading to expanded SAM

[1] *LTM through June 2024*

95% of existing light vehicle portfolio transitions to EVs


Accelerator Modules


Chassis Height Sensor


Seat Belt Buckle Switch Sensor


Seat Track Position Sensor


Brake Position Sensor


Belt Tension Sensor

+

New products expand future content per vehicle[1]


eBrake™ — First Award Secured


Drive-Pad ™ — In Development


AC Motor Current Sensor — Secured Awards

[1] Multiple patent applications pending on eBrake ™ and Drive-Pad ™ products

Light Vehicle Content Grows > 2x with Electrified Applications

Strong Execution Capabilities

Improved Operational Efficiency

- Adj. Gross Margin +472 bps[1]
- Adj. SG&A (488) bps[1]
- Enhanced process improvement capability, business intelligence

Strengthened Balance Sheet

- 74% operating cashflow[2]
- 106% free cash flow[3]
- $216 million returned to shareholders[4]
- Solid acquisition capacity

Strategic Investments For Growth

- Enhanced front-end selling and marketing capabilities, tools
- Continued R&D investments for organic growth
- 9 acquisitions since 2013

Notes:

1 Full Year 2023 compared to full year 2012 for Adjusted Gross Margin and Adjusted SG&A.

2 Full year 2023 operating cash flow as % of Adjusted EBITDA.

3 Full year 2023 free cash flow as % of Adjusted Net Earnings. Free Cash Flow is a non-GAAP financial measure.

4 Cumulative from 2013 to Q2 2024 through dividends & share repurchases.

Refer to Appendix for the reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Capital Allocation Framework

Capital Allocation Priorities

- Maintain healthy Balance Sheet
- Disciplined organic investments
  - Growth resources and tools
  - IT systems – ERP, analytics capabilities
  - CTS OS – Operational improvements
- Strategic M&A – a growth priority
- Return capital to shareholders

Operating Cash Flow
15-18% of Sales

Capital Structure
Leverage 1.0 – 2.5x

Growth
Capex ~4% of Sales
Acquisitions 60-80% of FCF

Cash Returned to Shareholders
Dividend & Repurchases 20-40% of FCF

$216 million in cash returned to shareholders since 2013

Strategic Approach to M&A

Disciplined approach to acquisitions

- ROI in excess of cost of capital
- Maintain balance sheet strength
- Synergistic opportunities
- Accretive to earnings

Strategic Acquisition – SyQwest, LLC

Business Summary

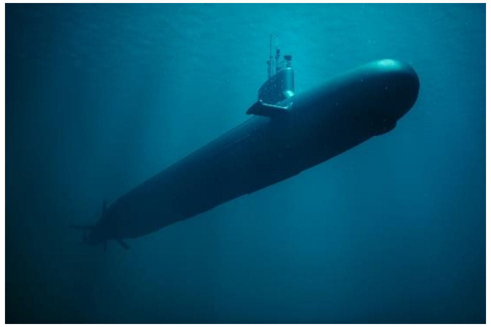
- Designer and manufacturer of acoustic sensing solutions for defense
  - Acoustic sensor solutions for target detection
  - Transducers that emit sound waves for sonar
  - Hydrophones that receive sound waves
  - Outboard electronics to filter, amplify and convert signal from hydrophones to inboard sonar
- Based in Cranston, RI

Transaction Rationale

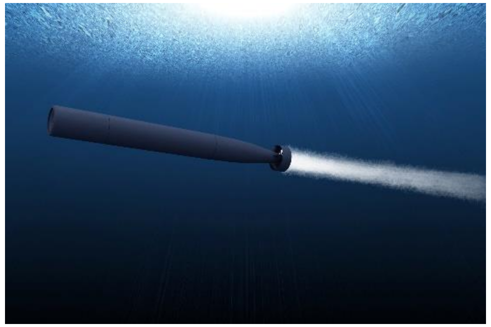
- Accelerate CTS diversification strategy
  - Deeper penetration into US defense
  - Growth from continued military spending
- Move up the value chain
  - More value add with defense customers
  - Increased access to defense programs
- Expand technical expertise in key applications for piezoelectric ceramics

Enabling Sonar Systems for:

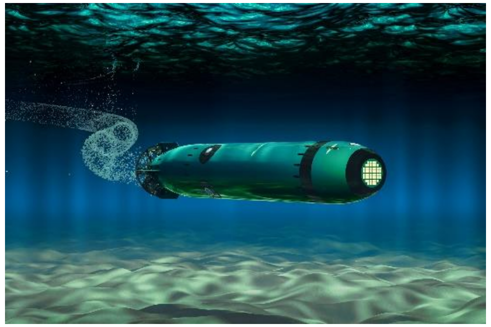
Surface Ships



Submarines



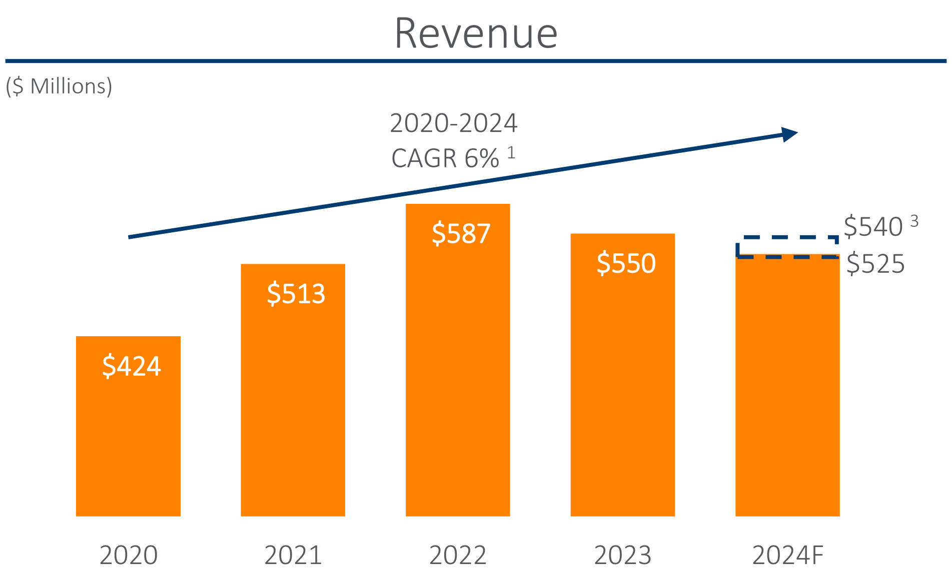
Torpedoes

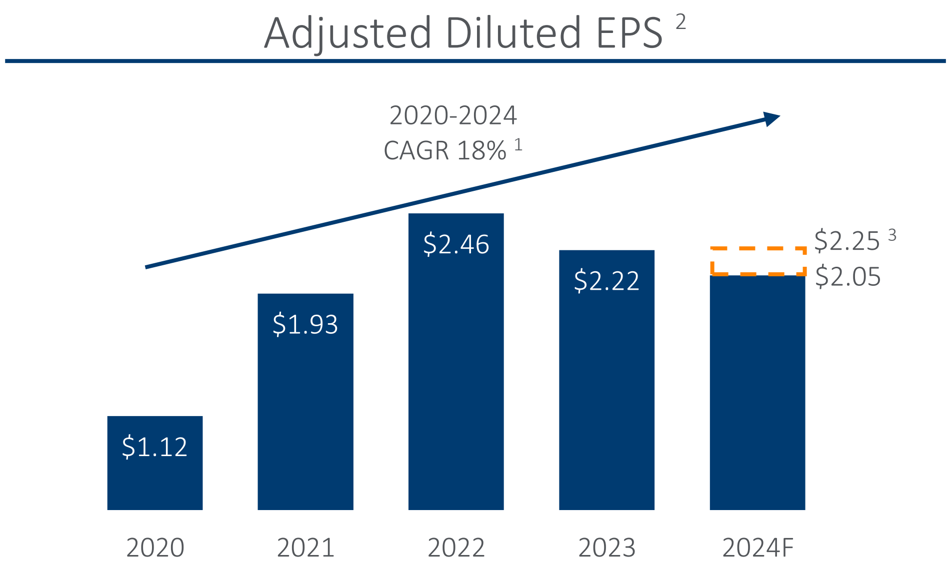


AUV/UUVs

Moving up the value chain, increasing value to Defense customers

FY 2024 Guidance





Key Outlook Assumptions

- Continued progress in medical, aerospace and defense end markets
- Recovery in industrial end market expected to be more modest in the second half of 2024
- Softness in commercial vehicle-related sales in 2024
- Light vehicle market 2024 production expected to be slightly down year-over-year. In China, foreign OEMs losing volume to Chinese OEMs.
- Tax rate expected to be in the range of 18-21% excluding discrete items

[1] CAGR based on mid point of 2024 guidance
[2] Adjusted Diluted EPS is a non-GAAP financial measure. Refer to the Appendix for reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.
[3] Including the expected impact from the SyQwest acquisition

CTS

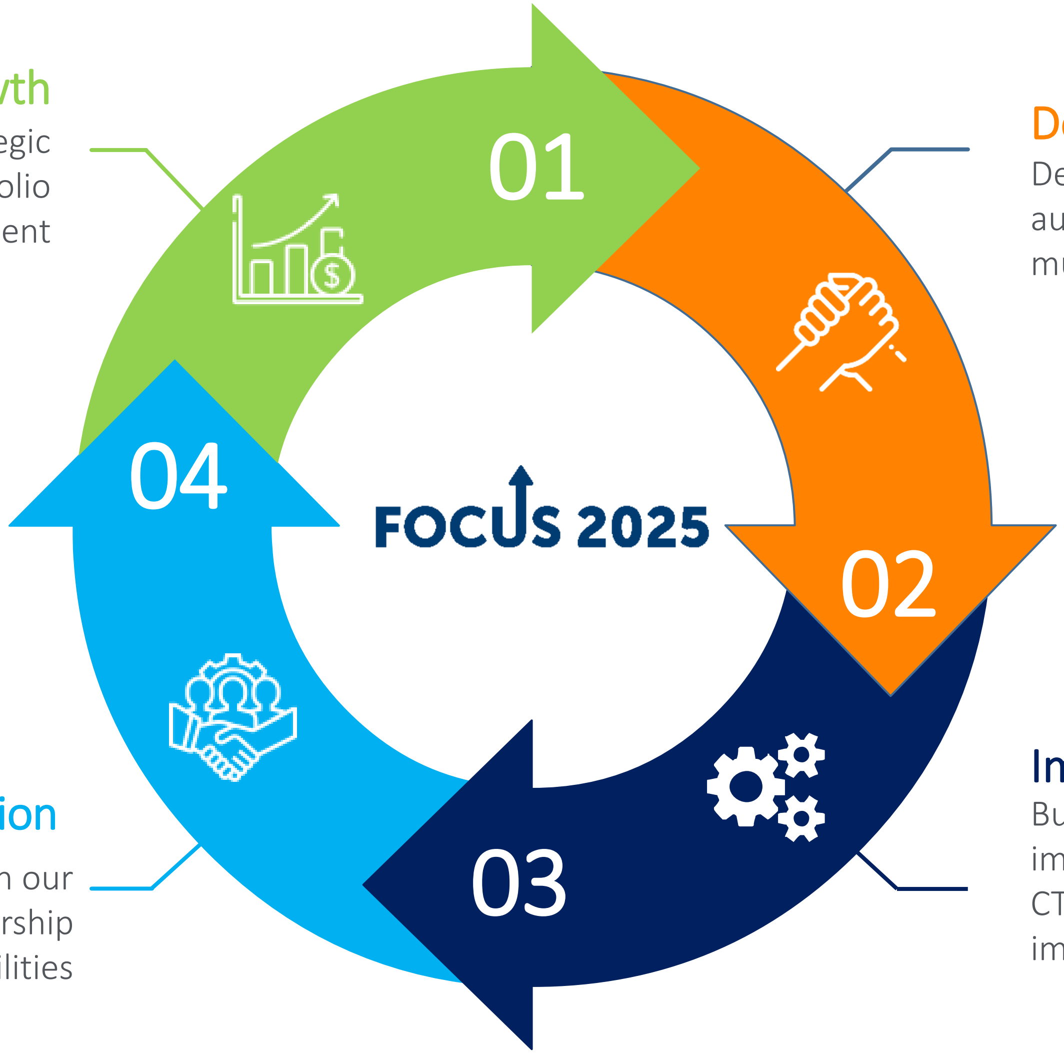
Financial Framework

	2012[1]	LTM[2]	Long-Term Target
Revenue	$304M	$515M	+10% per year
Adj Gross Margin %[3]	30.1%	35.2%	35-38%
Adj SG&A Expense %[3]	19.4%	15.6%	13-15%
R&D Expense %	6.9%	4.7%	5-6%
CapEx %	4.4%	2.9%	~4%

Notes:
[1] 2012 Financials from Continuing Operations.
[2] LTM through June 2024.
[3] Adj. Gross Margin and Adj. SG&A Expense are non-GAAP financial measures. Refer to the Appendix for reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Appendix

Focus 2025



Profitable Growth
Improve revenue growth through strategic plan execution, M&A and active portfolio management

Deeper Customer Relationships
Develop customer partnerships that are authentic and collaborative, resulting in mutually beneficial revenue growth

Improved Operating Systems
Build a culture of continuous improvement through the development of CTS Operation Systems and process improvement mindset

Organization
Foster a culture aligned with our vision and values, Build leadership capabilities

Target 10% Revenue CAGR with 23% Adjusted EBITDA

CTS Core Values

Play to Win

Responsiveness

Simplicity

Solution Oriented

Non-GAAP Financial Measures

From time to time, CTS may use non-GAAP financial measures in discussing CTS' business. These measures are intended to supplement, not replace, CTS' presentation of its financial results in accordance with U.S. GAAP. CTS believes that the non-GAAP financial measures presented are commonly used by financial analysts and others in the industries in which CTS operates, and thus further provide useful information to investors. CTS' definitions of these non-GAAP financial measures may differ from those terms as defined or used by other companies. Non-GAAP measures should not be used by investors or third parties as the sole basis for formulating investment decisions, as they may exclude a number of important cash and non-cash recurring items.

CTS has presented these non-GAAP financial measures as it believes that the presentation of its financial results that exclude (1) restructuring charges; (2) restructuring-related charges; (3) environmental charges; (4) acquisition-related costs; (5) inventory fair value step-up costs; (6) foreign exchange (gains) losses; (7) non-cash pension expenses (income); and (8) certain discrete tax items are useful and assist in comparing CTS' current operating results with past periods and with the operational performance of other companies in its industry. Included below is a description of the expenses that CTS has determined are not normal, recurring cash operating expenses necessary to operate its business and the rationale for why providing financial measures for its business with such expenses excluded or adjusted is useful to investors as a supplement to the U.S. GAAP measures.

- Restructuring charges – costs primarily relating to workforce reductions, building and equipment relocations, asset impairment charges and other facility closure costs in connection with our continued optimization of our organization.
- Restructuring-related charges – costs related to restructuring actions that do not qualify as direct restructuring charges under U.S. GAAP. These include duplicative expenses arising from plant consolidation transition activities such as excess rent, utilities, personnel-related and other costs incurred prior to the start of production at a new location.
- Environmental charges – costs associated with our non-operating facilities that are unrelated to ongoing operations. Currently, none of these costs and accruals relate to sites that provide revenue generating activities for the Company.
- Acquisition-related costs – diligence and transaction costs related to acquisitions including related contingent earnout adjustments.
- Inventory fair value step-up costs – purchase accounting-related inventory costs from acquisitions.
- Foreign exchange (gains) losses – remeasurement income and expenses for non-U.S. subsidiaries with the U.S. dollar as the functional currency.
- Non-cash pension expenses (income) – pension income and expenses relating to the non-operating U.S. pension and post-retirement life insurance plans, including historical plan settlement activities.
- Discrete tax items – non-recurring, infrequent, or unusual tax adjustments (e.g., valuation allowances, uncertain tax position changes, unremitted assertion changes and discrete impacts associated with pre-tax non-GAAP items or due to tax law changes, etc.).

At times, the reconciliations below have been intentionally rounded to the nearest thousand, or $0.01 for EPS figures, and, therefore, may not sum.

CTS does not provide reconciliations of forward-looking non-GAAP financial measures, such as estimated adjusted diluted earnings per share, to the most comparable GAAP financial measures on a forward-looking basis because CTS is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, restructuring costs, environmental remediation costs, acquisition-related costs, foreign exchange rates and other non-routine costs. Each of such adjustments has not yet occurred, are out of CTS' control and/or cannot be reasonably predicted. For the same reasons, CTS is unable to address the probable significance of the unavailable information.

Regulation G Schedules

Adjusted Gross Margin

($ Millions, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,		LTM	Twelve Months Ended December 31,			
	2024	2023	2024	2023	Q3-23 to Q2 -24	2023	2022	2021	2012
Gross margin	$ 46.4	$ 50.7	$ 91.5	$ 102.4	$ 179.9	$ 190.9	$ 210.5	$ 184.6	$ 91.5
Net sales	$ 130.2	$ 145.2	$ 255.9	$ 291.2	$ 515.2	$ 550.4	$ 586.9	$ 512.9	$ 304.5
Gross margin as a % of net sales	**35.6%**	**35.0%**	**35.7%**	**35.2%**	**34.9%**	**34.7%**	**35.9%**	**36.0%**	**30.1%**
Adjustments to reported gross margin:									
Restructuring-related charges (b)	0.2	—	0.7	—	1.3	0.6	—	—	—
Inventory fair value step-up (b)	—	—	—	—	—	—	4.0	—	—
Adjusted gross margin	$ 46.6	$ 50.7	$ 92.2	$ 102.4	$ 181.2	$ 191.5	$ 214.5	$ 184.6	$ 91.5
Adjusted gross margin as a % of net sales	**35.8%**	**35.0%**	**36.0%**	**35.2%**	**35.2%**	**34.8%**	**36.5%**	**36.0%**	**30.1%**

Regulation G Schedules

Adjusted SG&A Expenses

($ Millions, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,		LTM	Twelve Months Ended December 31,			
	2024	**2023**	**2024**	**2023**	**Q3-23 to Q2-24**	**2023**	**2022**	**2021**	**2012**
SG&A Expense	$ 21.3	$ 23.7	$ 43.6	$ 45.7	$ 81.7	$ 83.8	$ 91.5	$ 82.6	$ 63.1
Net sales	$ 130.2	$ 145.2	$ 255.9	$ 291.2	$ 515.2	$ 550.4	$ 586.9	$ 512.9	$ 304.5
SG&A expense as a % of net sales	**16.4%**	**16.3%**	**17.0%**	**15.7%**	**15.9%**	**15.2%**	**15.6%**	**16.1%**	**20.7%**
Adjustments to reported SG&A expense:									
Environmental charges (a)	0.5	2.2	0.7	2.7	1.5	3.5	2.8	2.3	—
Acquisition-related costs (a)	(0.3)	—	(0.6)	0.2	(0.4)	0.4	0.8	—	—
Additional CEO search, legal costs and acquisition (a)	—	—	—	—	—	—	—	—	2.5
Additional legal costs (a)	—	—	—	—	—	—	—	—	1.5
Total adjustments to reported SG&A expense	$ 0.2	$ 2.2	$ 0.2	$ 2.9	$ 1.1	$ 3.9	$ 3.5	$ 2.3	$ 4.0
Adjusted SG&A expense	$ 21.1	$ 21.5	$ 43.4	$ 42.8	$ 80.6	$ 79.9	$ 88.0	$ 80.3	$ 59.1
Adjusted SG&A expense as a % of net sales	**16.2%**	**14.8%**	**17.0%**	**14.7%**	**15.6%**	**14.5%**	**15.0%**	**15.7%**	**19.4%**

Regulation G Schedules

Adjusted Operating Earnings

($ Millions, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,		LTM	Twelve Months Ended December 31,		
	2024	2023	2024	2023	Q3-23 to Q2-24	2023	2022	2021
Operating earnings	$ 17.8	$ 18.4	$ 32.3	$ 40.6	$ 66.7	$ 75.1	$ 93.0	$ 76.5
Net sales	$ 130.2	$ 145.2	$ 255.9	$ 291.2	$ 515.2	$ 550.4	$ 586.9	$ 512.9
Operating earnings as a % of net sales	**13.6%**	**12.7%**	**12.6%**	**13.9%**	**13.0%**	**13.6%**	**15.8%**	**14.9%**
Adjustments to reported operating earnings:								
Restructuring charges (c)	1.2	1.9	2.9	2.8	7.2	7.1	1.9	1.7
Restructuring-related charges (b)	0.2	—	0.7	—	1.3	0.6	—	—
Environmental charges (a)	0.5	2.2	0.7	2.7	1.5	3.5	2.8	2.3
Acquisition-related costs (a)	(0.3)	—	(0.6)	0.2	(0.4)	0.4	0.8	—
Inventory fair value step-up (b)	—	—	—	—	—	—	4.0	—
Total adjustments to reported operating earnings	$ 1.6	$ 4.1	$ 3.8	$ 5.7	$ 9.6	$ 11.5	$ 9.5	$ 3.9
Adjusted operating earnings	$ 19.4	$ 22.5	$ 36.1	$ 46.3	$ 76.3	$ 86.6	$ 102.5	$ 80.4
Adjusted operating earnings as a % of net sales	**14.9%**	**15.5%**	**14.1%**	**15.9%**	**14.8%**	**15.7%**	**17.5%**	**15.7%**

Regulation G Schedules

Adjusted EBITDA Margin

($ Millions, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended March 31,	LTM	Twelve Months Ended December 31,		
	2024	2023	2024	2023	2024	Q3-23 to Q2-24	2023	2022	2021
Net earnings (loss)	$ 14.7	$ 12.9	$ 25.8	$ 31.2	$ 11.1	$ 55.1	$ 60.5	$ 59.6	$ (41.9)
Net sales	$ 130.2	$ 145.2	$ 255.9	$ 291.2	$ 125.7	$ 515.2	$ 550.4	$ 586.9	$ 512.9
Net earnings (loss) margin	**11.3%**	**8.9%**	**10.1%**	**10.7%**	**8.8%**	**10.7%**	**11.0%**	**10.2%**	**-8.2%**
Depreciation and amortization expense	7.3	7.3	14.7	14.2	7.3	29.1	28.7	29.8	26.9
Interest expense	0.8	0.8	1.6	1.5	0.8	3.5	3.3	2.2	2.1
Tax expense (benefit)	3.1	3.2	5.6	7.5	2.5	12.7	14.6	21.2	(19.0)
EBITDA	25.9	24.2	47.7	54.5	21.8	100.4	107.2	112.7	(31.8)
Adjustments to EBITDA:									
Restructuring charges (c)	1.2	1.9	2.9	2.8	1.7	7.2	7.1	1.9	1.7
Restructuring-related charges (b)	0.2	—	0.7	—	0.5	1.3	0.6	—	—
Environmental charges (a)	0.5	2.2	0.7	2.7	0.2	1.5	3.5	2.8	2.3
Acquisition-related costs (a)	(0.3)	—	(0.6)	0.2	(0.3)	(0.4)	0.4	2.5	—
Inventory fair value step-up (b)	—	—	—	—	—	—	—	4.0	—
Non-cash pension and related expense (d)	0.1	—	0.1	—	—	0.1	—	4.8	132.4
Foreign currency loss (d)	0.6	2.8	2.1	2.7	1.5	1.4	2.0	4.9	3.3
Total adjustments to EBITDA	2.3	6.8	6.0	8.4	3.7	11.0	13.5	20.9	139.7
Adjusted EBITDA	$ 28.2	$ 31.0	$ 53.7	$ 62.9	$ 25.5	$ 111.4	$ 120.7	$ 133.6	$ 107.9
Adjusted EBITDA Margin	**21.7%**	**21.3%**	**21.0%**	**21.6%**	**20.3%**	**21.6%**	**21.9%**	**22.8%**	**21.0%**

Regulation G Schedules

Adjusted Net Earnings and Adjusted Diluted Earnings Per Share

($ Millions, except percentages and per share amounts)

	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended March 31,	
	2024	**2024**	**2023**	**2023**	**2024**	**2024**	**2023**	**2023**	**2024**	**2024**
		Per share		Per share		Per share		Per share		Per share
Net earnings (A)	$ 14.7	$ 0.48	$ 12.9	$ 0.41	$ 25.8	$ 0.84	$ 31.2	$ 0.98	$ 11.1	$ 0.36
Adjustments to reported net earnings:										
Restructuring charges (c)	1.2	0.04	1.9	0.06	2.9	0.09	2.8	0.09	1.7	0.05
Restructuring-related charges (b)	0.2	0.01	—	—	0.7	0.02	—	—	0.5	0.02
Environmental charges (a)	0.5	0.02	2.2	0.07	0.7	0.02	2.7	0.09	0.2	0.01
Acquisition-related costs (a)	(0.3)	(0.01)	—	—	(0.6)	(0.02)	0.2	0.00	(0.3)	(0.01)
Non-cash pension and related expense (d)	0.1	—	—	—	0.1	—	—	—	—	—
Foreign currency loss (d)	0.6	0.02	2.8	0.09	2.1	0.07	2.7	0.08	1.5	0.05
Total pretax adjustments to reported net earnings	$ 2.3	$ 0.07	$ 6.8	$ 0.21	$ 6.0	$ 0.19	$ 8.4	$ 0.26	$ 3.7	$ 0.12
Income tax effect of above adjustments (f)	(0.5)	(0.02)	(0.9)	(0.03)	(1.0)	(0.03)	(1.2)	(0.04)	(0.6)	(0.02)
Total adjustments, tax affected (f) **(B)**	$ 1.8	$ 0.06	$ 5.9	$ 0.18	$ 5.0	$ 0.16	$ 7.2	$ 0.22	$ 3.1	$ 0.10
Tax adjustments:										
Other discrete tax items (e)	—	—	—	—	0.3	0.01	—	—	0.3	0.01
Total tax adjustments **(C)**	$ —	$ —	$ —	$ —	$ 0.3	$ 0.01	$ —	$ —	$ 0.3	$ 0.01
Adjusted net earnings (A+B+C) and Adjusted net earnings per share	$ 16.5	$ 0.54	$ 18.8	$ 0.59	$ 31.1	$ 1.01	$ 38.4	$ 1.20	$ 14.6	$ 0.47
Net sales	$ 130.2		$ 145.2		$ 255.9		$ 291.2		$ 125.7	
Net earnings as a % of net sales	**11.3%**		**8.9%**		**10.1%**		**10.7%**		**8.8%**	
Adjusted net earnings as a % of net sales	**12.7%**		**13.0%**		**12.1%**		**13.2%**		**11.6%**	

Regulation G Schedules

Adjusted Net Earnings and Adjusted Diluted Earnings Per Share

($ Millions, except percentages and per share amounts)

	LTM		Twelve Months Ended December 31,							
	Q3-23 to Q2-24		2023	2023	2022	2022	2021	2021	2020	2020
		Per share		Per share		Per share		Per share		Per share
Net earnings (loss) (A)	$ 55.1	$ 1.78	$ 60.5	$ 1.92	$ 59.6	$ 1.85	$ (41.9)	$ (1.30)	$ 34.7	$ 1.06
Adjustments to reported net earnings (loss):										
Restructuring charges (c)	7.2	0.23	7.1	0.22	1.9	0.06	1.7	0.06	1.8	0.06
Restructuring-related charges (b)	1.3	0.04	0.6	0.02	—	—	—	—	—	—
Environmental charges (a)	1.5	0.04	3.5	0.11	2.8	0.09	2.3	0.07	2.8	0.08
Acquisition-related costs (a)	(0.4)	(0.01)	0.4	0.01	2.5	0.08	—	—	0.3	0.01
Inventory fair value step-up (b)	—	—	—	—	4.0	0.12	—	—	—	—
Non-cash pension and related expense (d)	0.1	—	—	—	4.8	0.15	132.4	4.10	2.5	0.08
Foreign currency loss (gain) (d)	1.4	0.05	2.0	0.06	4.9	0.15	3.3	0.10	(5.3)	(0.16)
Total pretax adjustments to reported net earnings (loss)	$ 11.1	$ 0.35	$ 13.5	$ 0.42	$ 20.9	$ 0.65	$ 139.7	$ 4.33	$ 2.1	$ 0.07
Income tax effect of above adjustments (f)	2.2	0.06	(2.4)	(0.07)	(1.6)	(0.05)	(31.1)	(0.99)	(1.7)	(0.05)
Total adjustments, tax affected (f) **(B)**	$ 8.9	$ 0.29	$ 11.1	$ 0.35	$ 19.3	$ 0.60	$ 108.6	$ 3.34	$ 0.4	$ 0.02
Tax adjustments:										
Increase in valuation allowances (e)	—	—	—	—	—	—	0.9	0.0	0.2	0.01
Other discrete tax items (e)	(1.4)	(0.04)	(1.6)	(0.05)	0.2	0.01	(4.7)	(0.14)	1.2	0.03
Total tax adjustments **(C)**	$ (1.4)	$ (0.04)	$ (1.6)	$ (0.05)	$ 0.2	$ 0.01	$ (3.8)	$ (0.11)	$ 1.4	$ 0.04
Adjusted net earnings (A+B+C) and Adjusted Net Earnings Per Share	$ 62.6	$ 2.03	$ 70.0	$ 2.22	$ 79.1	$ 2.46	$ 63.0	$ 1.93	$ 36.5	$ 1.12
Net sales	$ 515.2		$ 550.4		$ 586.9		$ 512.9		$ 424.1	
Net earnings (loss) as a % of net sales	**10.7%**		**11.0%**		**10.2%**		**-8.2%**		**8.2%**	
Adjusted net earnings as a % of net sales	**12.2%**		**12.7%**		**13.5%**		**12.3%**		**8.6%**	

NOTE: CTS believes that adjusted gross margin, adjusted operating earnings, adjusted EBITDA margin, adjusted net earnings and adjusted diluted earnings per share provide useful information to investors regarding its operational performance because they enhance an investor's overall understanding of CTS' core financial performance and facilitate comparisons to historical results of operations, by excluding items that are not related directly to the underlying performance of CTS' fundamental business operations (such as those items noted above in the paragraph titled "Non-GAAP Financial Measures") or were not part of CTS' business operations during a comparable period.

Regulation G Schedules

a) Reflected in selling, general and administrative and other (expense) income, net.
b) Reflected in cost of goods sold.
c) Reflected in restructuring charges.
d) Reflected in other (expense) income, net.
e) Reflected in income tax expense (income). For 2021, the discrete tax items relate to items we deemed outside normal cash-generating operations including, $5.4 million of a stranded tax benefit from the U.S. Pension termination offset by $0.7 million of tax expense from tax costs associated with a one-time internal cash movement, and $0.9 million related to the addition of a valuation allowance for a foreign subsidiary. For 2022, the discrete tax items relate to the net impact to tax expense of expired research and development credits, including the release of associated reserves. For 2023, discrete tax items include adjusting for tax benefits resulting from $0.6 million for research and development tax credits from prior years, $0.8 million in foreign tax credits related to prior years from a 2023 tax law change, as well as $0.2 million from the release of uncertain tax benefits. For 2024, the discrete tax items relate to items we deemed outside normal cash-generating operations including the addition of a valuation allowance for a foreign subsidiary.
f) We determine the tax effect of non-GAAP adjustments by considering the tax laws and statutory income tax rates applicable in the tax jurisdictions of the underlying non-GAAP adjustments. For all periods presented, we applied the statutory income tax rates to the taxable portion of all of our adjustments. Our acquisition costs and foreign currency gains and losses included in our non-GAAP adjustments were not deductible for income tax purposes; therefore, no statutory income tax rate was applied to such costs.

Regulation G Schedules

Free Cash Flow

($ Millions, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,		
	2024	2023	2024	2023	2023	2022	2021
Net cash provided by operating activities	$ 19.6	$ 23.4	$ 37.9	$ 34.6	$ 88.8	$ 121.2	$ 86.1
Capital expenditures	(4.6)	(3.9)	(8.7)	(8.5)	(14.7)	(14.3)	(15.6)
Free cash flow	**$ 15.0**	**$ 19.5**	**$ 29.3**	**$ 26.1**	**$ 74.1**	**$ 106.9**	**$ 70.5**
Operating cash flow as a percentage of net earnings (loss)	133%	181%	147%	111%	147%	203%	-206%
Operating cash flow as a percentage of adjusted EBITDA	70%	76%	71%	55%	74%	91%	80%
Free cash flow as a percentage of adjusted net earnings	91%	103%	94%	68%	106%	135%	112%

NOTE: CTS believes that free cash flow is a useful measure because it demonstrates the company's ability to generate cash. Free cash flow is a non-GAAP measure and should be considered in addition to, but not as a substitute for, information contained in the company's condensed consolidated statement of cash flows as a measure of liquidity.

Controllable Working Capital

($ Millions, except percentages)

	June 30,		December 31,		
	2024	2023	2023	2022	2021
Net accounts receivable	$ 85.4	$ 97.5	$ 78.6	$ 90.9	$ 82.2
Net inventory	$ 51.7	$ 62.6	$ 60.0	$ 62.3	$ 49.5
Accounts payable	$ (40.9)	$ (53.1)	$ (43.5)	$ (53.2)	$ (55.5)
Controllable working capital	$ 96.2	$ 107.0	$ 95.1	$ 100.0	$ 76.2
Quarter sales	$ 130.2	$ 145.2	$ 124.7	$ 142.3	$ 132.5
Multiplied by 4	4	4	4	4	4
Annualized sales	$ 520.6	$ 580.7	$ 498.8	$ 569.1	$ 530.0
Controllable working capital as a % of annualized sales	**18.5%**	**18.4%**	**19.1%**	**17.6%**	**14.4%**

NOTE: CTS believes the controllable working capital ratio is a useful measure because it provides an objective measure of the efficiency with which CTS manages its short-term capital needs.