Your Partner in Smart Solutions

2016 Investor Day

NYSE, New York, NY

September 8, 2016

Agenda

1. Overview
2. Transportation Product Lines
3. Ceramic Products Lines
4. Passive & Electromechanical Product Lines
5. Financial Overview
6. Closing Remarks
7. Questions & Answers

Safe Harbor Statement

This presentation contains statements that are, or may be deemed to be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, any financial or other guidance, statements that reflect our current expectations concerning future results and events, and any other statements that are not based solely on historical fact. 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 our 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: changes in the economy generally and in respect to the businesses in which CTS operates; unanticipated issues in integrating acquisitions; the results of actions to reposition our businesses; rapid technological change; general market conditions in the automotive, communications, and computer industries, as well as conditions in the industrial, defense and aerospace, and medical markets; reliance on key customers; unanticipated natural disasters or other events; the ability to protect our intellectual property; pricing pressures and demand for our products; unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters as well as any product liability claims; and risks associated with our international operations, including trade and tariff barriers, exchange rates and political and geopolitical risks. Many of these, and other, risks and uncertainties are discussed in further detail in Item 1A. of CTS' Annual Report on Form 10-K. We undertake no obligation to publicly update our forward-looking statements to reflect new information or events or circumstances that arise after the date hereof, including market or industry changes.

Our Company

CTS is a leading designer and manufacturer of sensors, actuators and electronic components.

Our History

Chicago Telephone Supply Company established, later to become known as "CTS."

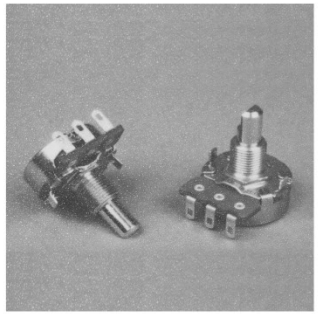
Founded

1896

1922

Became a Supplier of Components

Evolved from a Manufacturer of finished products (telephones and switchboards) to a major supplier of radio receiver components.



Adapted radio technology to the emerging television market.

Adapted to Evolving Television Market

1950

1962

Listed on NYSE

CTS became publicly traded on the New York Stock Exchange.

Established plants in Taiwan and Mexico to increase cost efficiency and penetrate international markets.

Globalized Business

1967

1980

Responded to Emissions Trends

Developed custom under-the-hood and chassis position sensor business for evolving automotive requirements.

Refined strategy to focus on sensors, actuators and electronic components. Sold EMS business.

Refined Strategy

2013

2016

Renewed Identity

Released new identity with renewed focus on a unified Vision, Promise and Value Proposition.

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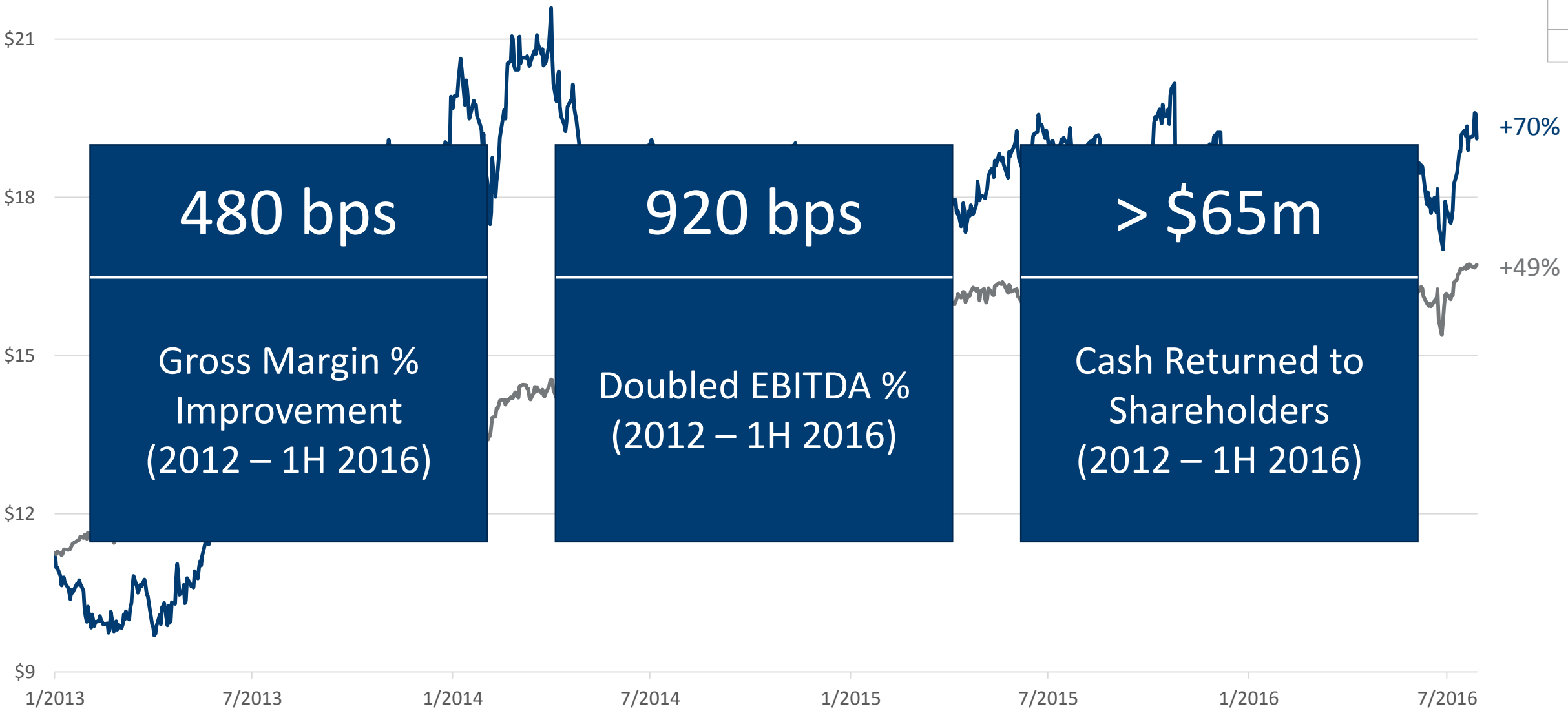
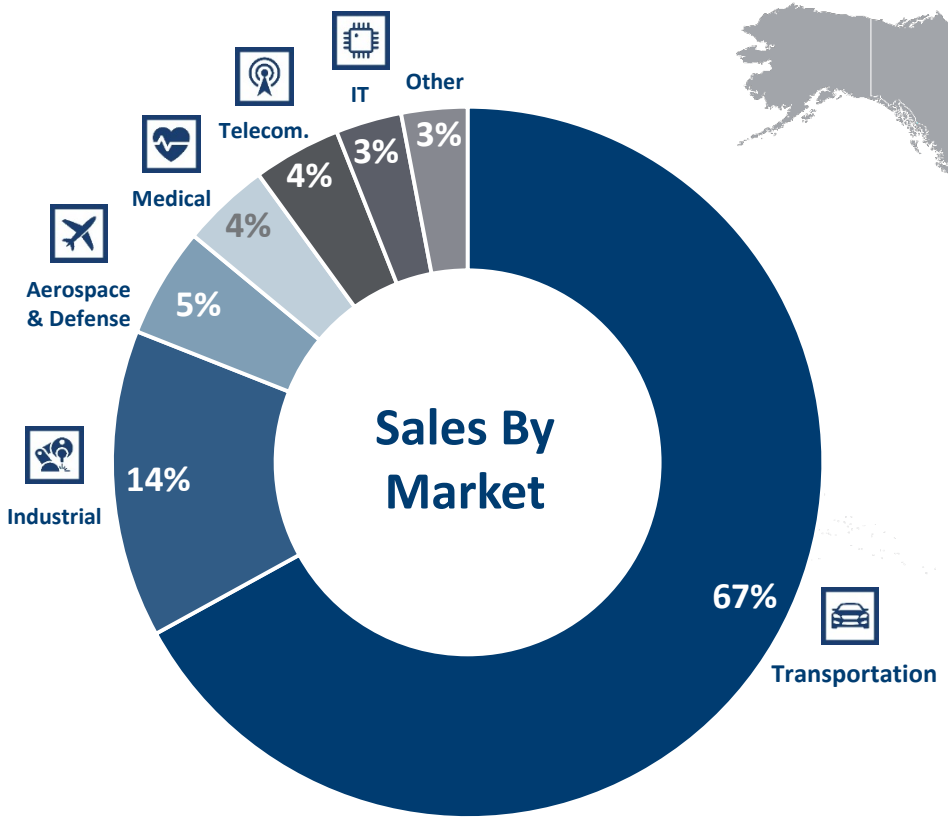
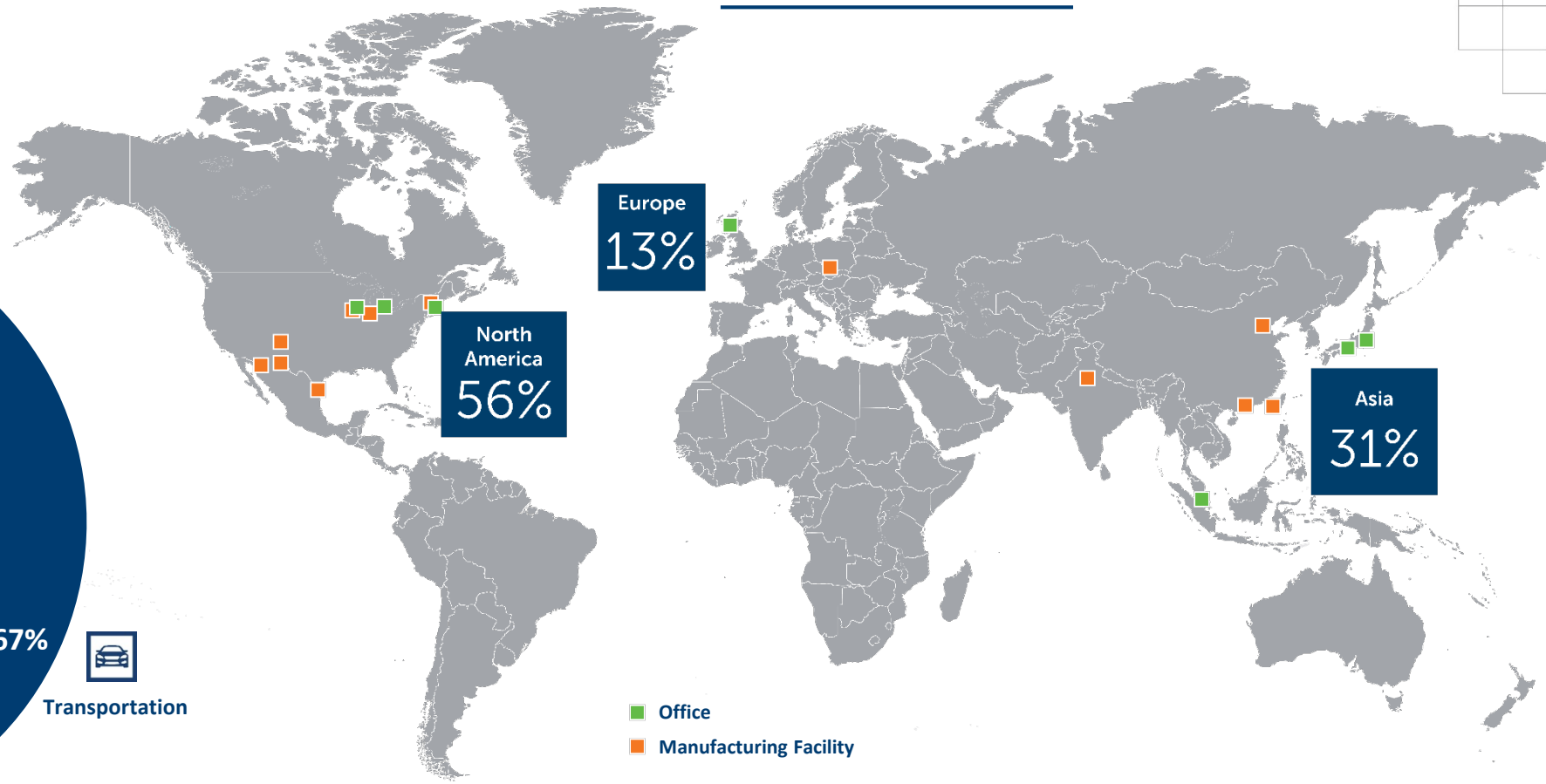
Our Progress



Company Overview – FY2015 $382 Million



Sales by Region



Note: Sales by market and region based on trailing twelve months sales as of June 30, 2016

Our Vision and Value Proposition

We aim to be a leading provider of sensing and motion devices as well as connectivity components, enabling an intelligent and seamless world.

Sense

- Controls
- Pedals
- Piezoelectric Products
- Sensors
- Switches
- Transducers

Connect

- EMI/RFI Filters
- Frequency Control Products
- RF Filters
- Specialty Capacitors
- Specialty Resistors

Move

- Piezoelectric Products
- Rotary Actuators
- Thermal Products

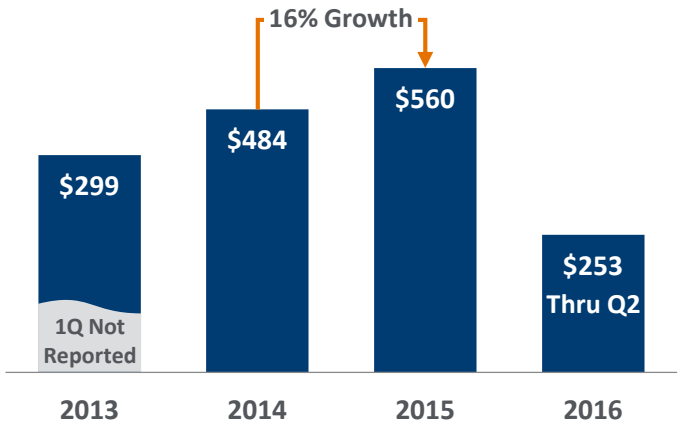
Targeting 10% Annual Growth (Organic + Inorganic)

Blue Chip Customer Base

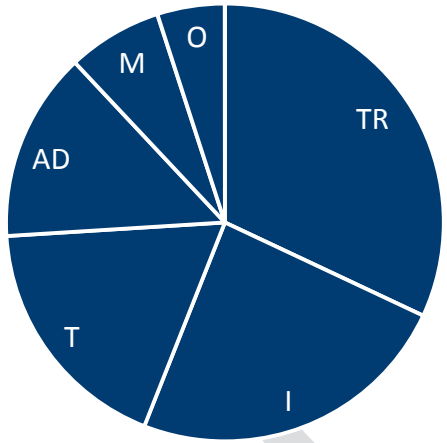
GM, Ford, Chrysler, Toyota, Honda, Nissan, Mitsubishi Motors, Autoliv, TRW, Chery, Renault, Cummins, TVS, ABB, Fuji, Emerson, tyco Safety Products, Videojet, Honeywell, sparton, GE, Philips, Siemens, Volcano, Abbott, Samsung, Boston Scientific, mindray, Nipro, Rockwell Automation, Lockheed Martin, SyQwest, Raytheon

- Increasing customer base in regions and outside automotive
- Investing in new product developments
- Strengthening portfolio with targeted M&A

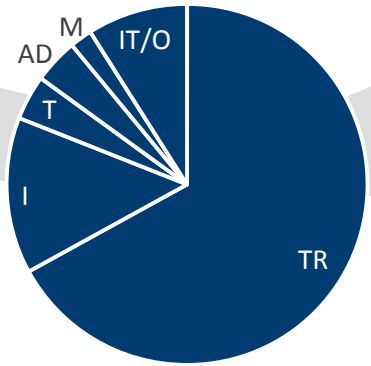
New Business Awards



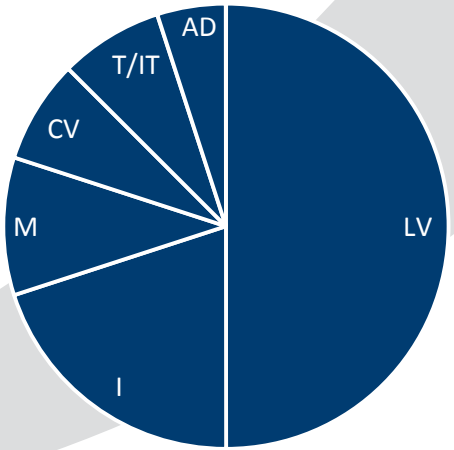
The Road Ahead of Us



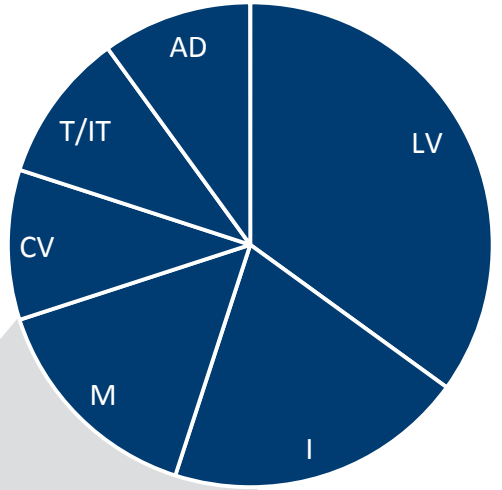
EMS Divestiture
Front End Refocus



New Customers
Regional Expansion
Organic Projects
M&A



Organic Growth
Innovation
M&A



Targeted End Markets

Light Vehicles	30-50%
Industrial	20-30%
Medical	10-20%
Telecom./ IT	10-20%
Commercial Vehicles	10-20%
Aerospace & Defense	5-15%

Legend:
AD: Aerospace & Defense
CV: Commercial Vehicles
I: Industrial
IT: Information Technology
LV: Light Vehicles
M: Medical
O: Others
T: Telecommunications
TR: Transportation (Incl. LV & CV)

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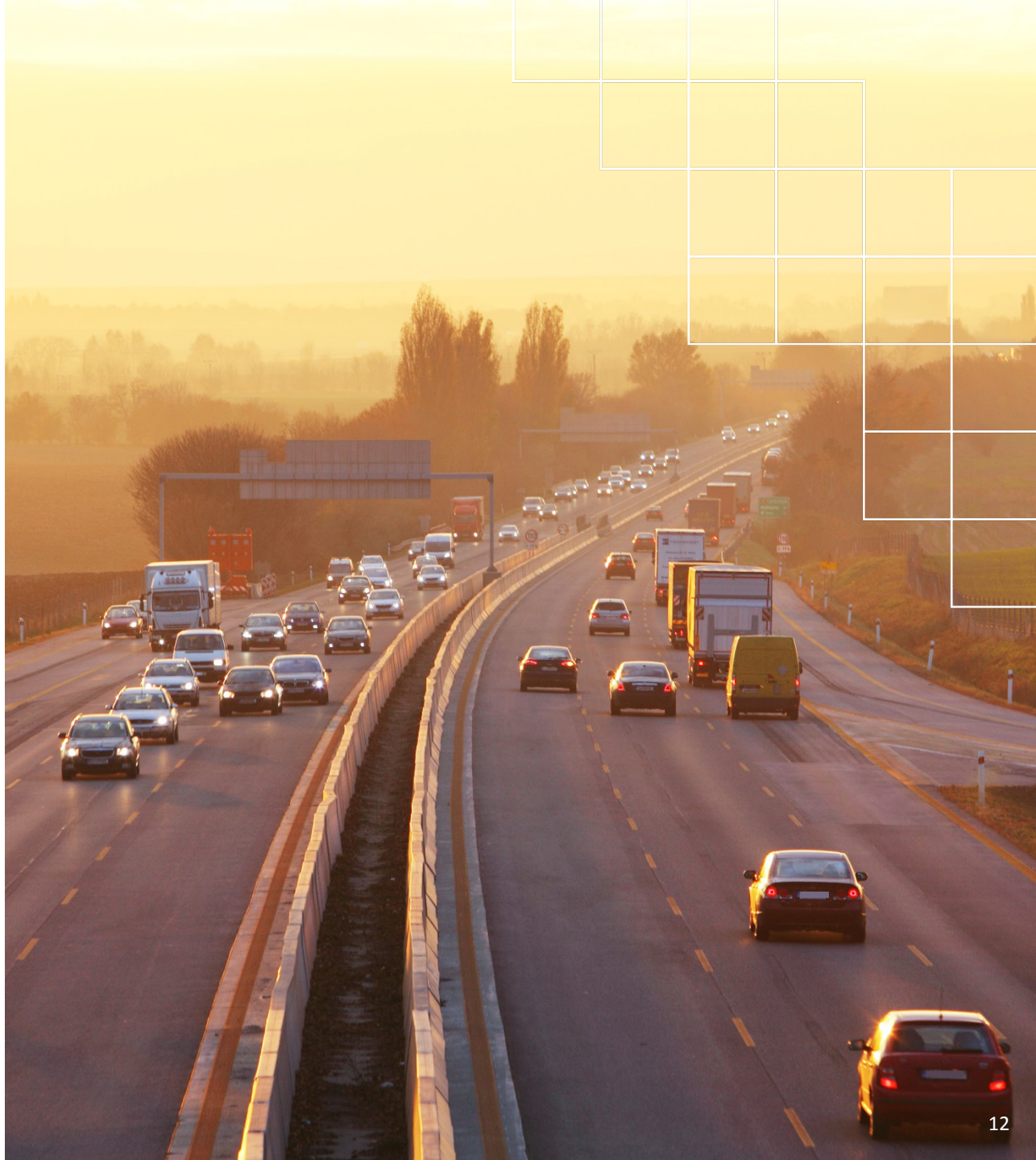
Transportation Product Lines

Overview

- A leading provider of discrete position sensing solutions and application of actuators in harsh environments
- Vertically integrated, providing highest quality and speed to market
- Participating in mission critical and safety applications



Actuator Addressable Market Expected to be $2.5B by 2020

Market Sectors

Light Vehicles

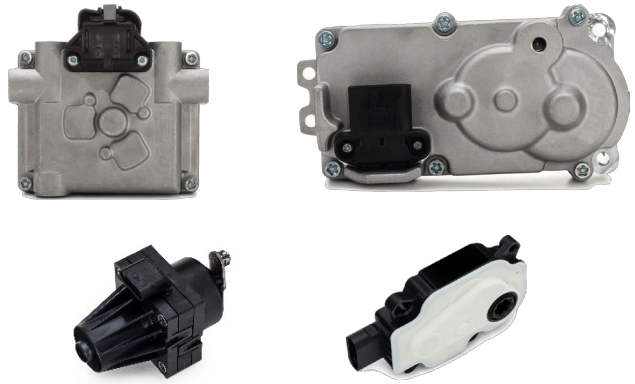
Commercial Vehicles

Non-Road Mobile Machinery

Market Sector Trends

- Increasing turbo applications
- Reducing emissions
- Increasing fuel economy
- Engine downsizing

Relevant Products



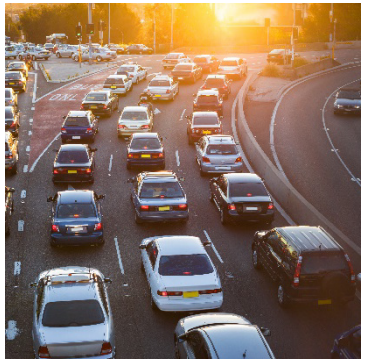
- Turbo Actuator
- Exhaust Actuator
- Driveline Actuator
- Air Grill Shutter Actuator

Source: IHS and Company estimates

Position Sensor Addressable Market Expected to be $1.7B by 2020

Market Sectors

Light Vehicles	Commercial Vehicles	Non-Road Mobile Machinery	Motorcycles




Market Sector Trends

- Increasing turbo applications
- Reducing emissions
- Increasing fuel economy
- Increasing safety applications

Relevant Products

- Chassis Height Sensor
- Transmission Sensor
- Seat Belt Buckle Switch
- Clutch/Brake Sensor
- Throttle Sensor

Source: Strategy Analytics and Company estimates

Electronic Pedal Addressable Market Expected to be $0.8B by 2020

Market Sectors

Light Vehicles

Market Sector Trends

- Conversion from contact to non-contact technology
- Reducing weight
- Increasing demand for modular designs
- Improving fuel economy and reducing emissions

Relevant Products

- Contacting pedal
- Non-contacting pedal
- E-Clutch pedal
- Haptic pedal

Source: IHS and Company estimates

Customer Success Story

The Customer

- A leading provider of turbochargers for the Commercial Vehicle market

The Situation

- Needed a very high torque actuator for a specialized application
- Accelerated development time (3 to 4 times faster than standard)

“Your Partner in Smart Solutions”

- CTS developed a modular actuator solution based on our current portfolio that met the customer’s specifications
- Collaborated with the customer to expedite development and met the customer’s timing

Our Core Values at Play

Play to Win **Responsiveness** **Simplicity** **Solution Oriented**

The CTS Advantage

Competitor Categories	Competitor Strengths	Competitor Weaknesses	CTS Advantage
Large Multinational	▪ Large product portfolio ▪ Competitiveness through volume/commonality ▪ Large technical resources	▪ Limited design flexibility ▪ Slow to respond ▪ Dispersed focus	✓ Greater flexibility ✓ Superior customer intimacy ✓ Collaborative development
Small Regional	▪ Strong local relationships ▪ Responsiveness ▪ Focused resources	▪ Limited global support ▪ Competitiveness ▪ Limited portfolio	✓ Global and local support ✓ Greater competitiveness ✓ Financial strength

RF Sensor Technology

- Acquired a start-up founded by two MIT Ph. D. graduates, located in the Boston area
- Innovative sensing technology that uses a low power RF signal to measure soot and ash loading on diesel particulate filters (DPF) or gasoline particulate filters (GPF)
- Suitable for aftertreatment systems in passenger or commercial vehicles (diesel or gasoline)
- Total addressable market expected to be $100M in the next 5 years

Disruptive Sensing Technology for Fuel Efficiency…

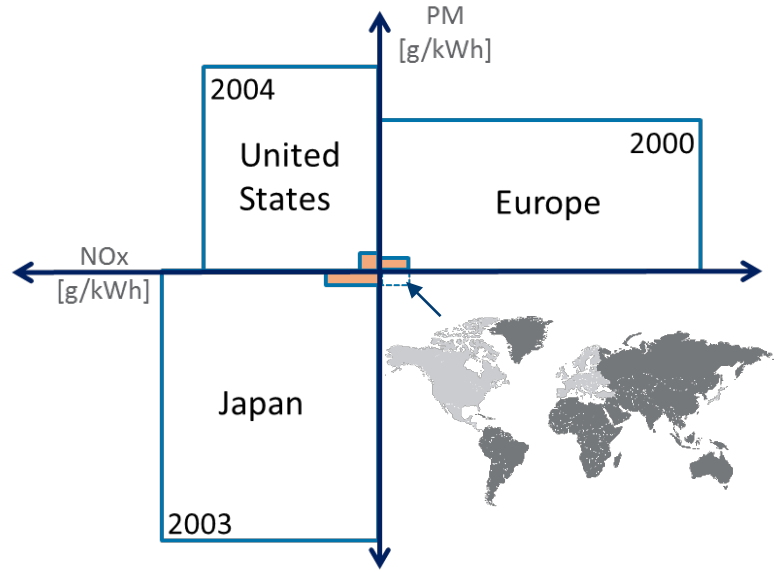
Diesel Particulate Filter (DPF)

CTS RF Sensor Benefits Include:

- Up to 4% better fuel economy
- Reduced CO_2 emissions
- Lower risk of DPF damage
- Direct measurement
- Reduce fleet downtime

…Boosted by Global Emissions Legislation

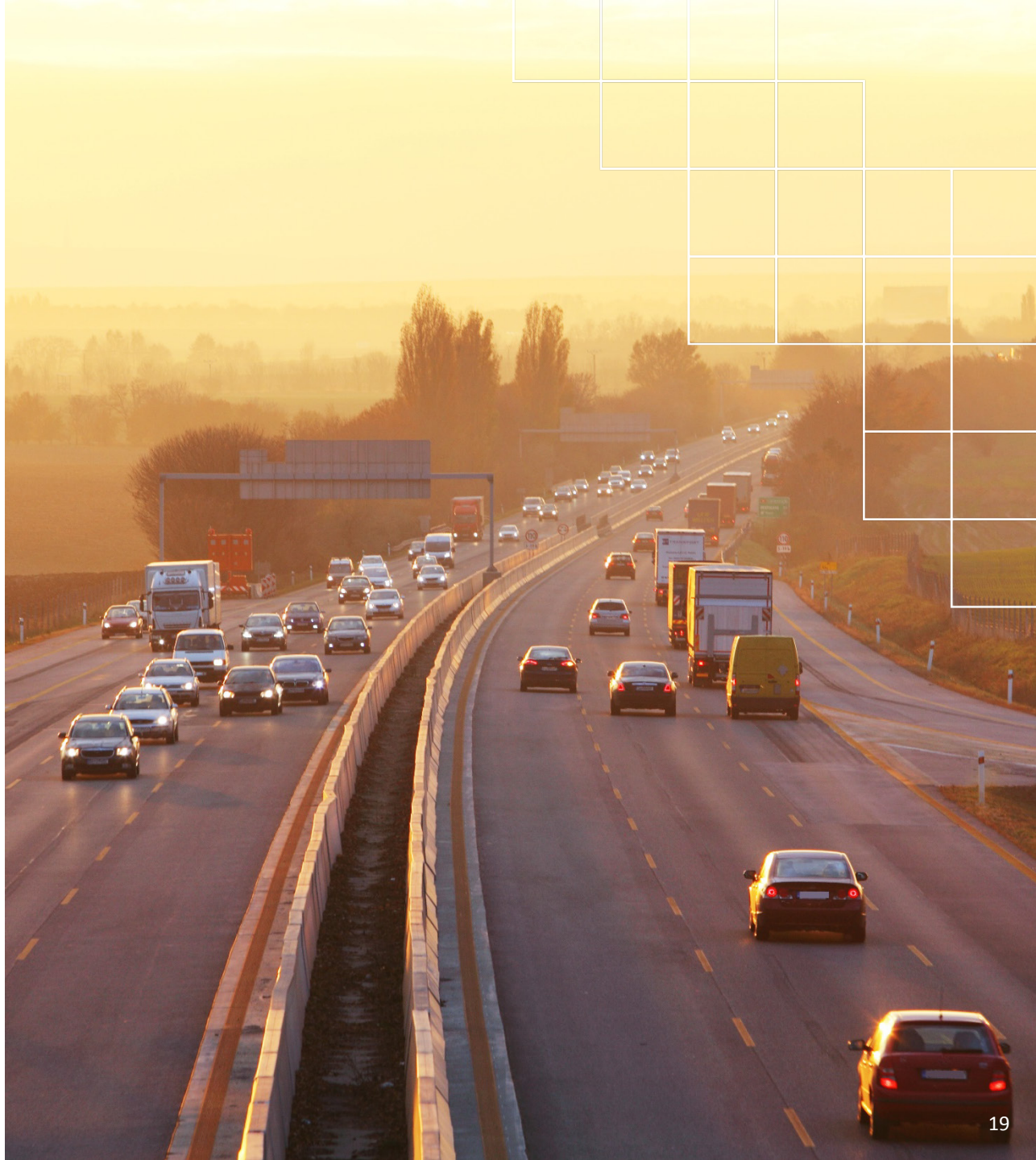
Over 10X reduction in PM and NOx emissions in less than 10 years requires advanced technology solutions.



Source: International Council of Clean Transportation

Conclusion

- Engineering expertise and customer intimacy enables long term relationships with key customers
- Expanding in new or underleveraged markets
- Diversifying sensing portfolio organically and through acquisitions
- As vehicles get smarter, more efficient and connected, they require more sensors and actuators



Your Partner in Smart Solutions

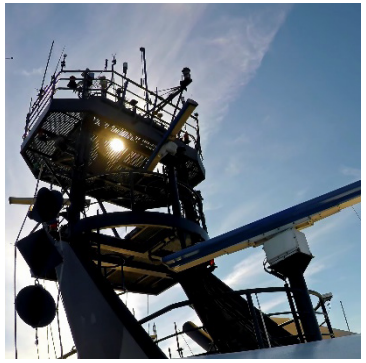
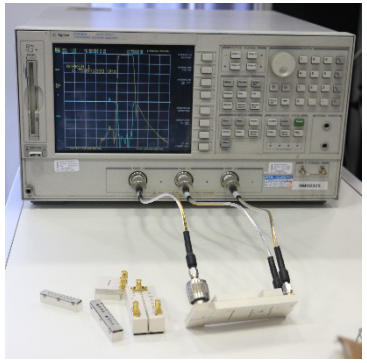
Ceramic Product Lines

Overview

- A leading provider of specialized piezoelectric and dielectric ceramic components
- Mission critical ceramic based components driven by defense, industrial, medical and telecom system demands
- Industry leading materials, processing and finishing capabilities enabling highest product performance in participated markets and supporting miniaturization of sensor, actuators and connectivity components

Industrial Addressable Market Expected to be $1.1B by 2020

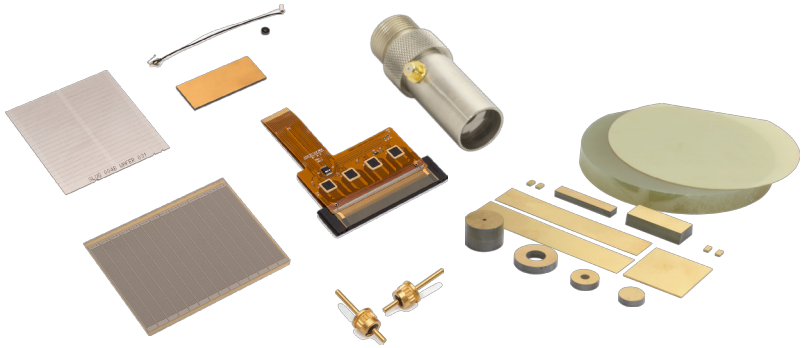
Market Sectors

Inkjet Print Heads	Commercial Sonar	Fish Finders	Test and Measurement Equipment
			

Market Sector Trends

- On demand packaging
- Increasing maritime security awareness
- On demand patterning for ceramic tile and textile manufacturing

Relevant Products



- Polycrystalline Piezoelectric Components
- Single Crystal Piezoelectric Components
- Transducers
- EMI/RFI Filters

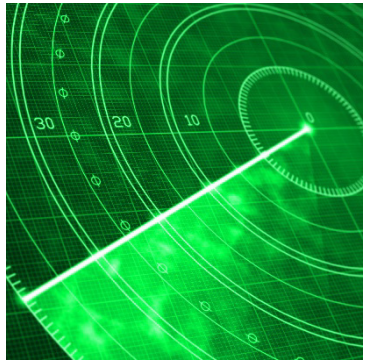
Source: Acmite and Company estimates

Defense Addressable Market Expected to be $1.0B by 2020

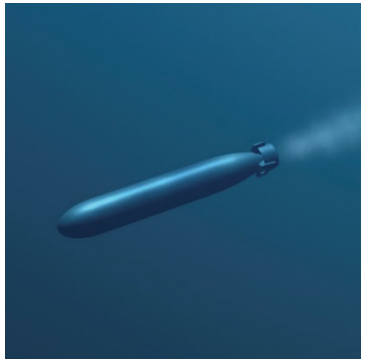
Market Sectors

Sonobuoys

Hydrophones



Torpedo Target Acquisition



Missile Control Communications

Market Sector Trends

- Increasing threat detection needs
- Expanding covert surveillance capabilities
- Remote vehicle capabilities requiring power and weight reductions

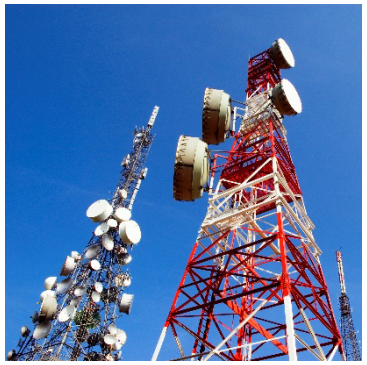
Relevant Products

- Polycrystalline Piezoelectric Components
- Single Crystal Piezoelectric Components
- Transducers
- RF Filters

Source: Acmite and Company estimates

Telecom Addressable Market Expected to be $0.3B by 2020

Market Sectors

Macro Cell Base Stations	Small Cell Base Stations	Satellite Communication	Backhaul Communication
			

Market Sector Trends

- Lower power consumption
- Smaller size Base Stations
- Increasing data and voice bandwidth demand

Relevant Products

- RF Filters
- EMI/RFI Filters

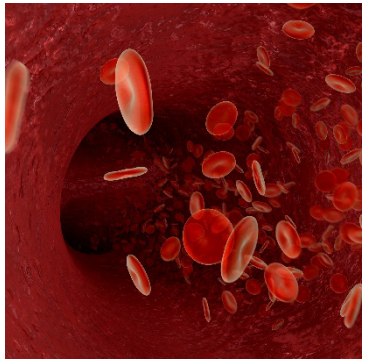
Source: Frost & Sullivan, Company estimates

Medical Addressable Market Expected to be $0.2B by 2020

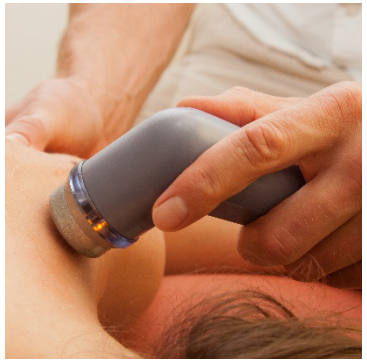
Market Sectors

Ultrasonic Imaging

Intra-Vascular Ultrasound



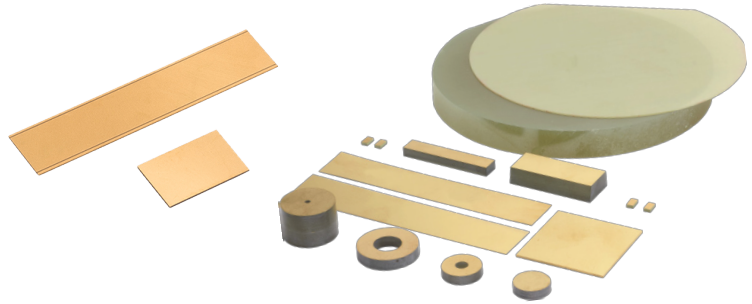
Therapeutic Ultrasound



Market Sector Trends

- Improving diagnostic and predictive medicine
- Advancing cancer treatment
- Medical ultrasound provides a safer diagnostic technology over X-Ray and MRI technologies

Relevant Products



- Polycrystalline Piezoelectric Components
- Single Crystal Piezoelectric Components

Source: Acmite and Company estimates

Customer Success Story

The Customer

- Tier One defense contractor engaged in naval surface and subsurface systems development and manufacturing

The Situation

- Inability achieve hydrophones with consistent piezo performance characteristics in the volumes and at cost points necessary to supply the US Navy

“Your Partner in Smart Solutions”

- CTS applied its high volume high density piezo manufacturing capability and partnered with the customer to achieve consistent performance
- Leveraged lean manufacturing capabilities and competitive cost structure to achieve the required price points

Our Core Values at Play

Play to Win **Responsiveness** **Simplicity** **Solution Oriented**

The CTS Advantage

Competitor Categories	Competitor Strengths	Competitor Weaknesses	CTS Advantage
Piezoelectric Suppliers	▪ High volume product capability ▪ Competitive processes ▪ Vertically integrated for transducer supply	▪ Large suppliers are inflexible ▪ Small suppliers are not competitive ▪ Inconsistent quality and delivery performance ▪ Lack single crystal volume capability	✓ Only high volume supplier of polycrystalline and single crystal components ✓ Flexible design ✓ Best cost manufacturing footprint
RF and EMC Suppliers	▪ Competitive processes ▪ Custom prototyping ▪ Strong OEM presence	▪ Products handle less power with higher return loss ▪ Size and weight deficiencies	✓ Common footprint across Telecomm frequencies ✓ Superior product performance and best in class size and weight

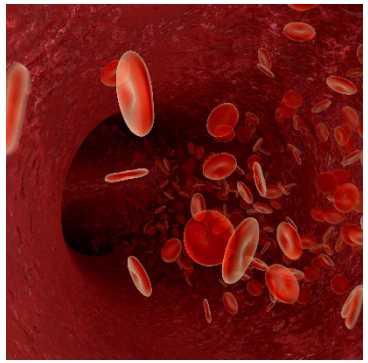
Single Crystal Technology

- Founded in 1997, acquired in March 2016 and located in Bolingbrook, IL
- The industry leader for the design and manufacture of piezoelectric single crystals for use in the medical and defense industries
- Existing long-term relationships with blue chip OEM customers
- The leading large scale, vertically integrated manufacturer of single crystals, having invested heavily in proprietary production processes and equipment
- High definition medical ultrasound market expected to grow at >10%

Applications – 3D & 4D Ultrasound, IVUS

Single crystal technology creates high definition imaging

Premium ultrasound machines utilize the technology for real-time 3D & 4D imaging of a fetus

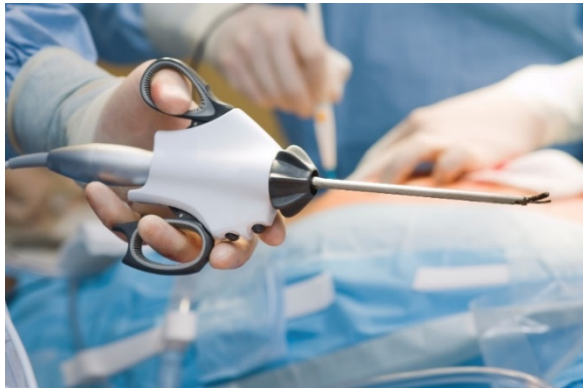


Intravascular Ultrasound (IVUS) detects plaque that causes heart disease

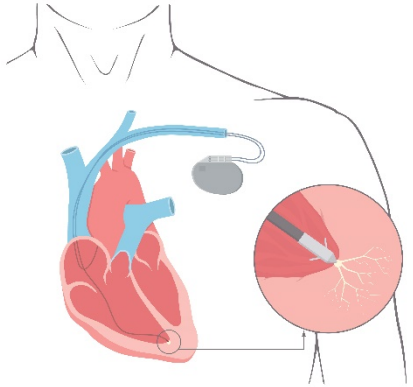
Single Crystal Technology – Benefits & Growth Potential

Material provides higher coupling performance than traditional polycrystalline materials

- Increased transducer performance even at smaller component sizes
- Improved image resolution
- Reduced power demands for transducer applications



Harmonic Scalpels



Wireless Powering of Pacemakers

Implantable Hearing Aids to Replace Cochlear Implants

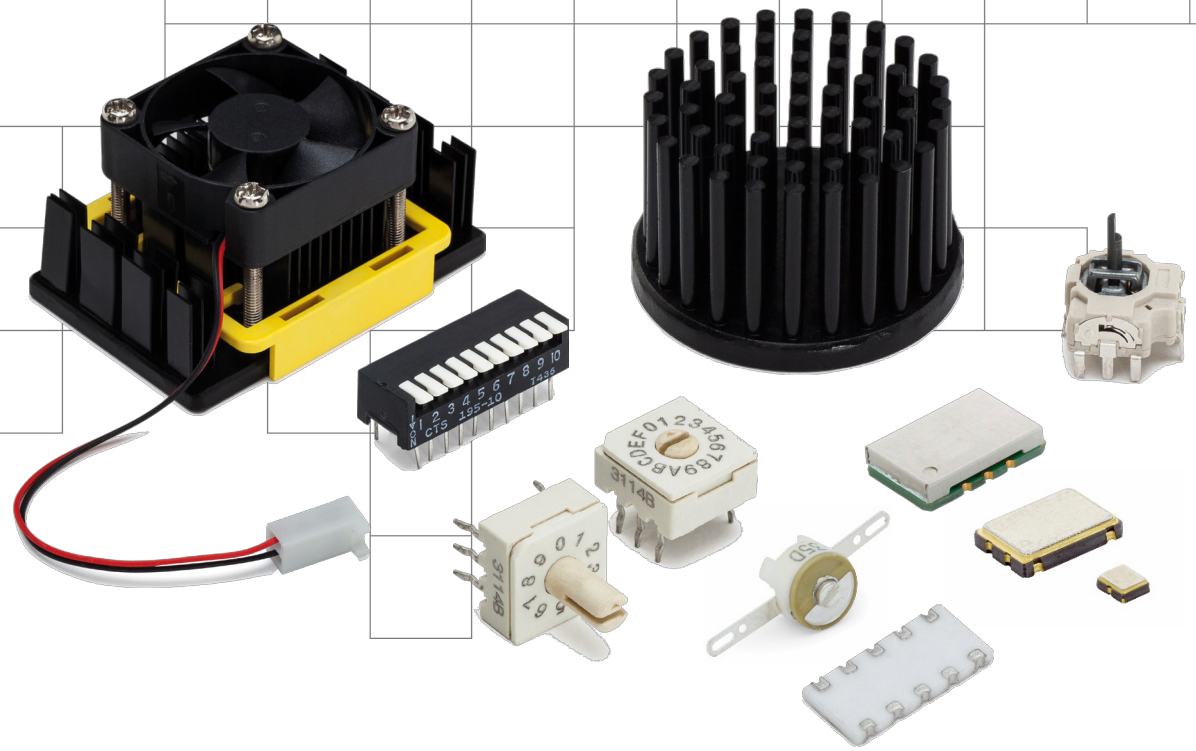
Unmanned Underwater Exploration Vehicles

Conclusion

- Only supplier of high volume polycrystalline and single crystal piezoelectric ceramics as well as dielectric components
- Superior material formulations and process with a track record of quality and consistent performance leading to long term customer relationships
- Ceramic components enable miniaturization in sensing, connectivity and motion devices
- Next generation medical and defense applications enabled by single crystal technology

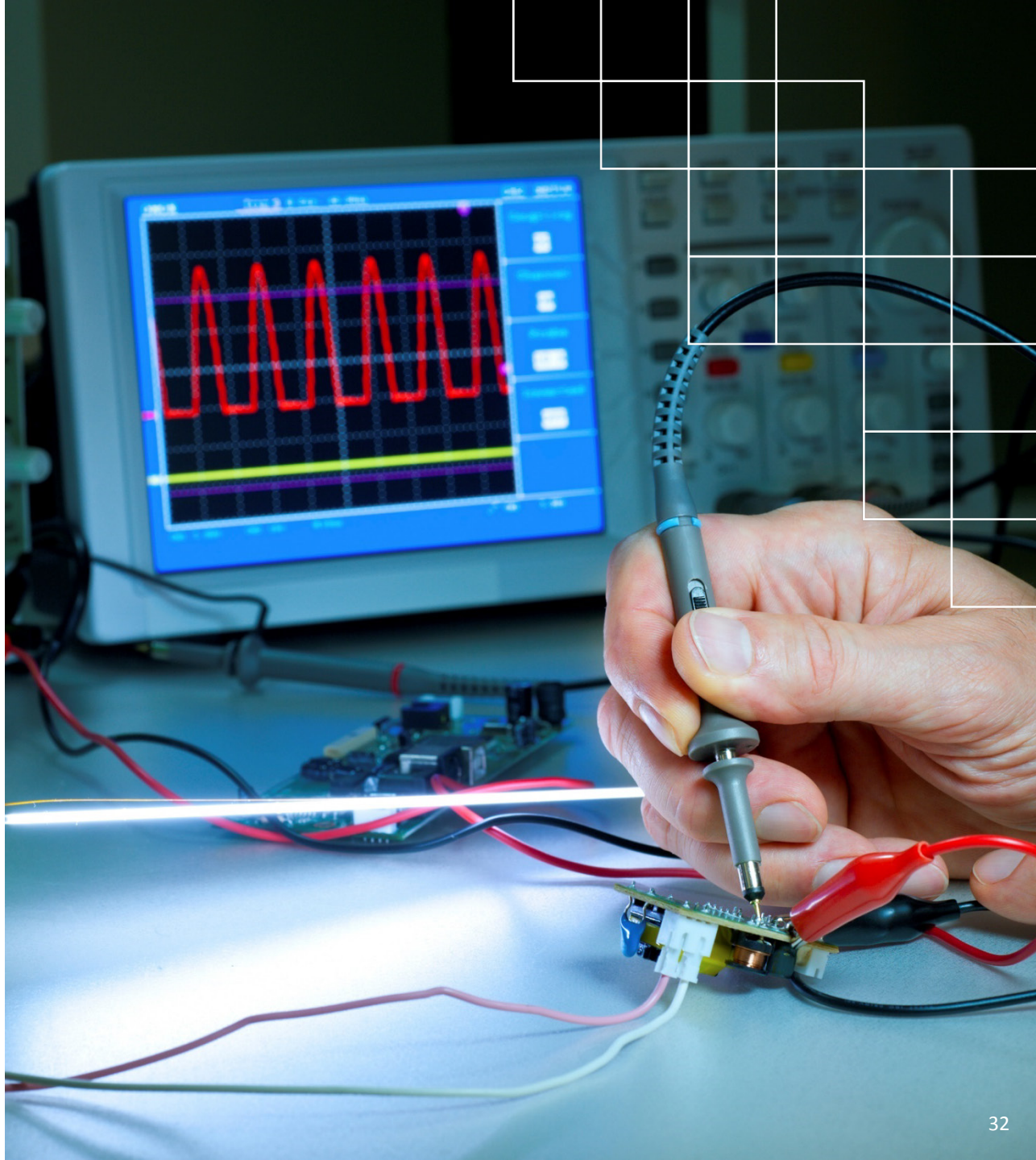
CTS Your Partner in Smart Solutions

Passive & Electromechanical Product Lines



Overview

- Global expert in engineered and mission critical electronic components including:
  - Frequency Control products
  - Human Machine Interface (HMI)
  - Thermal management applications
- Recognized customer-oriented, high quality, high reliability solutions provider
- Successfully leveraging multiple sales channels to serve OEMs and systems integrators globally

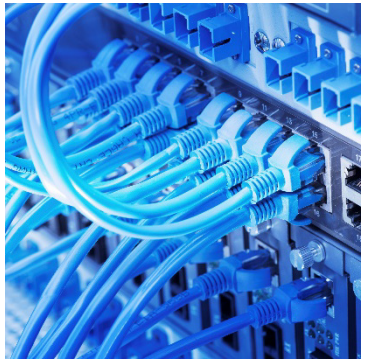


Telecom Addressable Market Expected to be $0.9B by 2020

Market Sectors

Wireless Infrastructure

Wireline Infrastructure



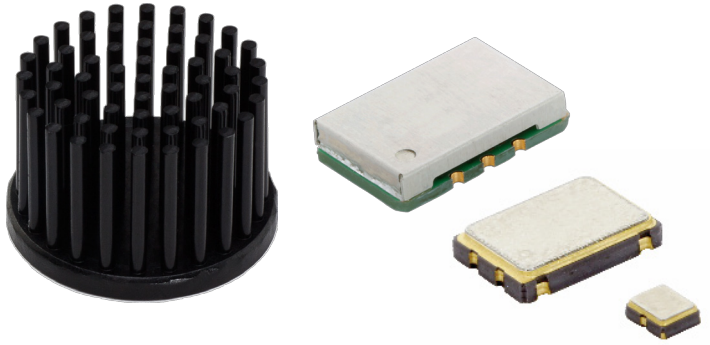
Satellite Communications

Military Communications

Market Sector Trends

- Low power consumption
- Smaller form factor
- Internet of Things (IoT)
- Increasing data and voice bandwidth demand

Relevant Products



- Frequency Control
- Timing Modules
- Thermal Products

Source: BCC and Company estimates

Industrial Addressable Market Expected to be $0.8B by 2020

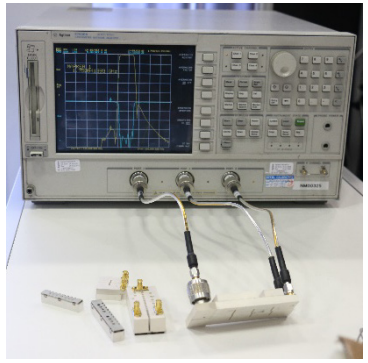
Market Sectors

HVAC

Security Systems

Infrastructure LED Lighting

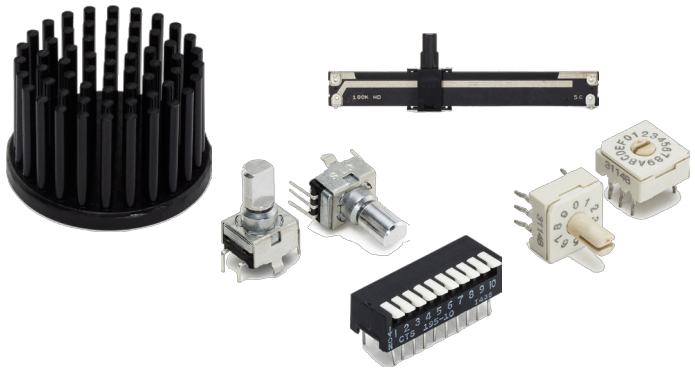
Test and Measurement



Market Sector Trends

- Internet of Things (IoT)
- Energy efficiency
- Increasing industrial automation

Relevant Products



- Switches
- Encoders
- Potentiometers
- Thermal Products

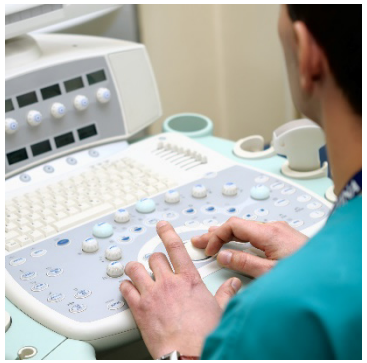
Source: BCC, VDC and Company estimates

Medical Addressable Market Expected to be $0.5B by 2020

Market Sectors

CPAP Machines

Medical Equipment Control Panel

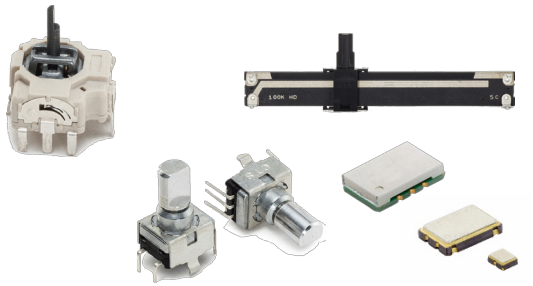


Mobility Scooters

Market Sector Trends

- Improving diagnostic and predictive medicine
- Aging demographics and obesity
- Increasing medical devices in emerging markets

Relevant Products



- Frequency Control
- Encoder
- Potentiometer
- Mini-joystick

Source: VDC and Company estimates

Customer Success Story

The Customer

- A leading European medical OEM

The Situation

- Customer wanted to redesign the controls for a new CPAP machine

“Your Partner in Smart Solutions”

- CTS engaged with the customer’s engineering team to develop a custom encoder
- Integrated the encoder and achieved customer’s low profile requirement; while keeping the same unique feeling
- Enable cost reduction of the control panel and overall system

Our Core Values at Play

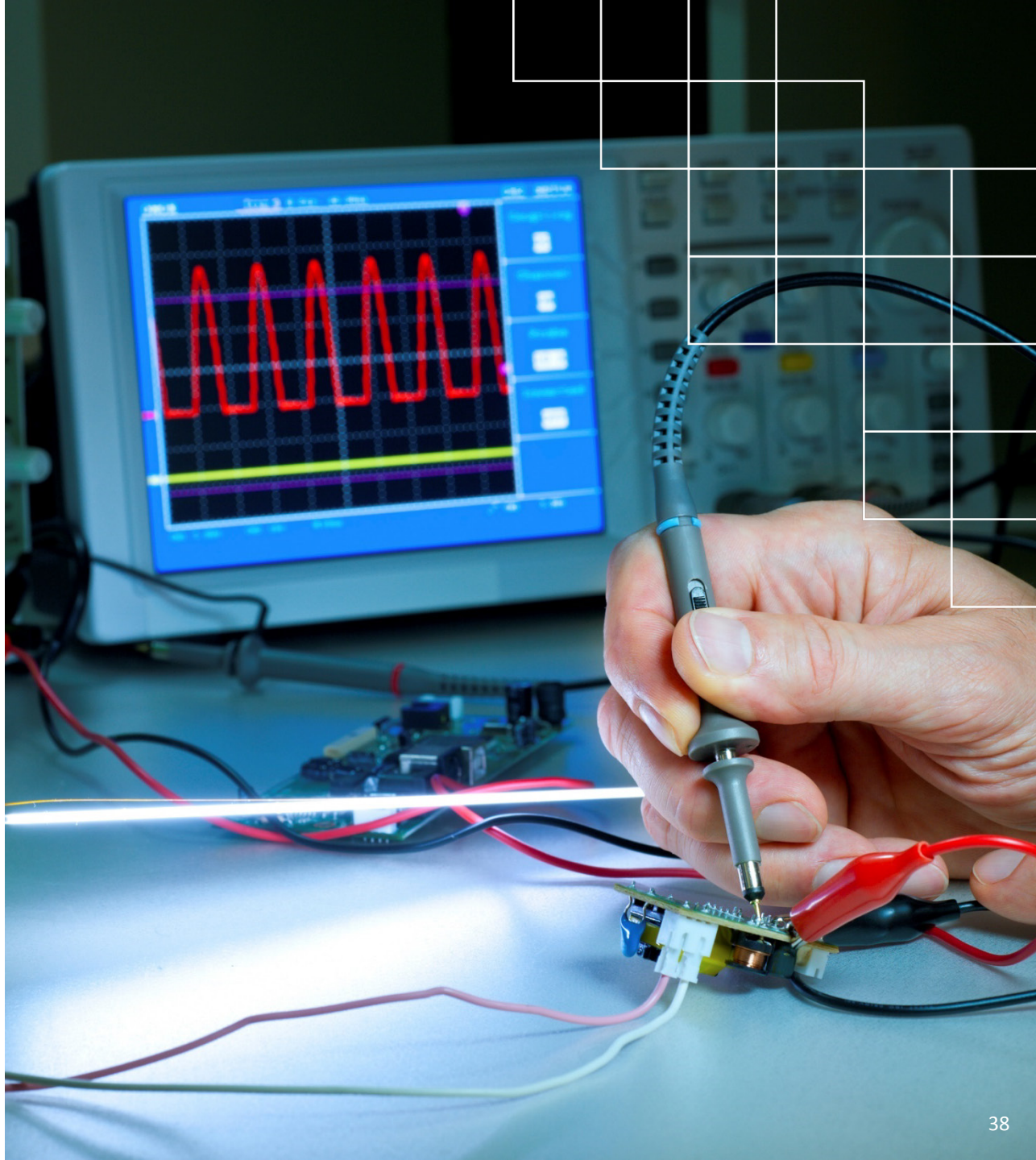
Play to Win **Responsiveness** **Simplicity** **Solution Oriented**

The CTS Advantage

Competitor Categories	Competitor Strengths	Competitor Weaknesses	CTS Advantage
Large Multinational	▪ Large product portfolio ▪ Competitiveness at high volumes ▪ Long standing customer relationships	▪ Limited design flexibility ▪ Slow to respond ▪ Long decision making process	✓ Greater Flexibility ✓ Superior Customer Intimacy ✓ Responsiveness
Small Regional	▪ Flexible designs ▪ Customer service ▪ Entrenched in home markets	▪ Limited global support ▪ Limited portfolio ▪ Inconsistent quality & reliability	✓ Global and Local Support ✓ Financial Strength ✓ Consistent high quality & reliability

Conclusion

- Trusted by customers worldwide, from global leading OEMs and distributors to regional suppliers and innovators
- Optimizing Product Line profitability by balancing an efficient global supply chain and vertical integration in best cost manufacturing locations
- Competitive electronic components provider of both standardized and engineered solutions
- Refreshing and diversifying current portfolio for next generation electronic applications



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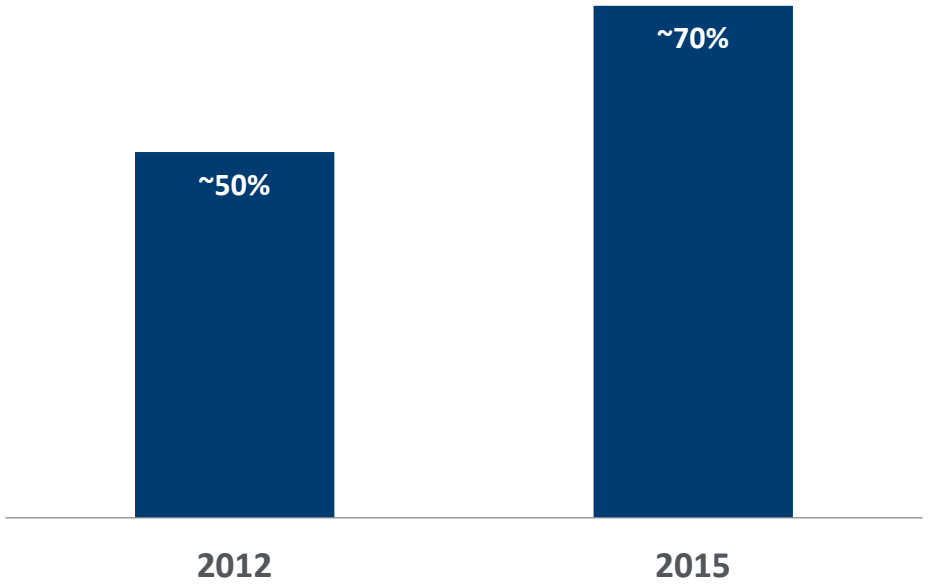
Financial Overview

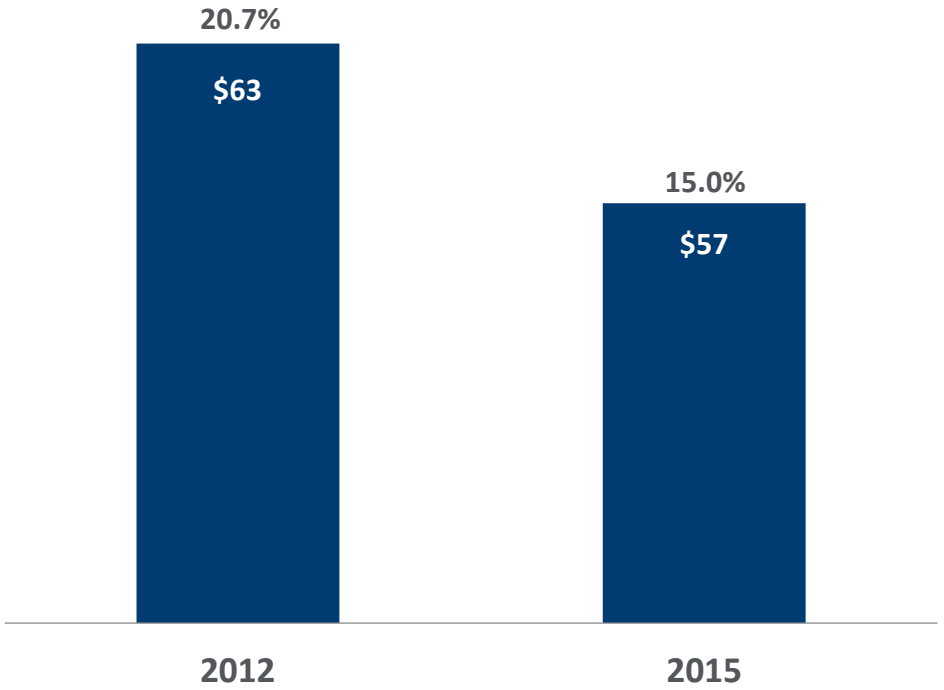
Improved Cost Structure

($ Millions except percentages)

Best Cost Footprint



SG&A Cost

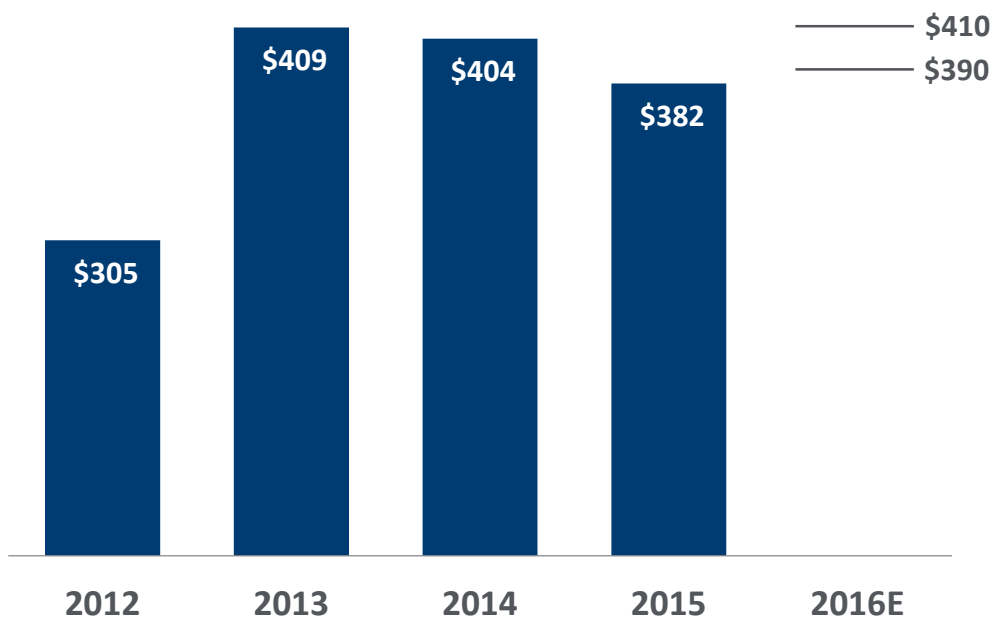


- Targeting 80% best cost manufacturing
- Decommissioned 4 manufacturing sites
- Current restructuring to be completed by mid-2018

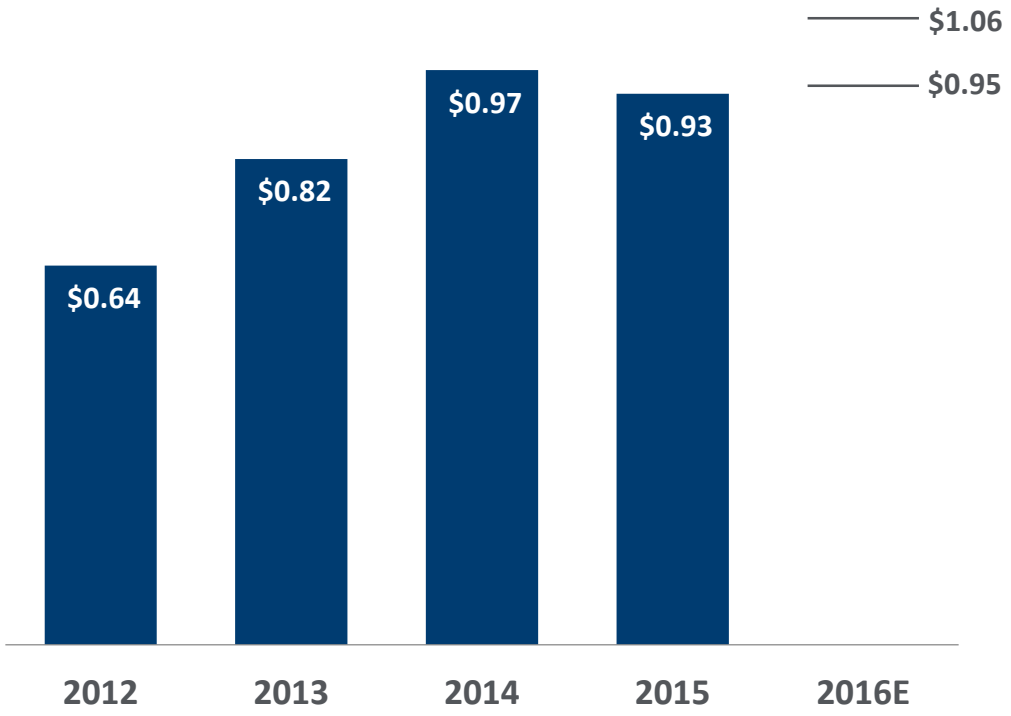
Annual Financial Performance Trend

($ Millions except Adjusted Earnings Per Share)

Sales



Adjusted Earnings Per Share



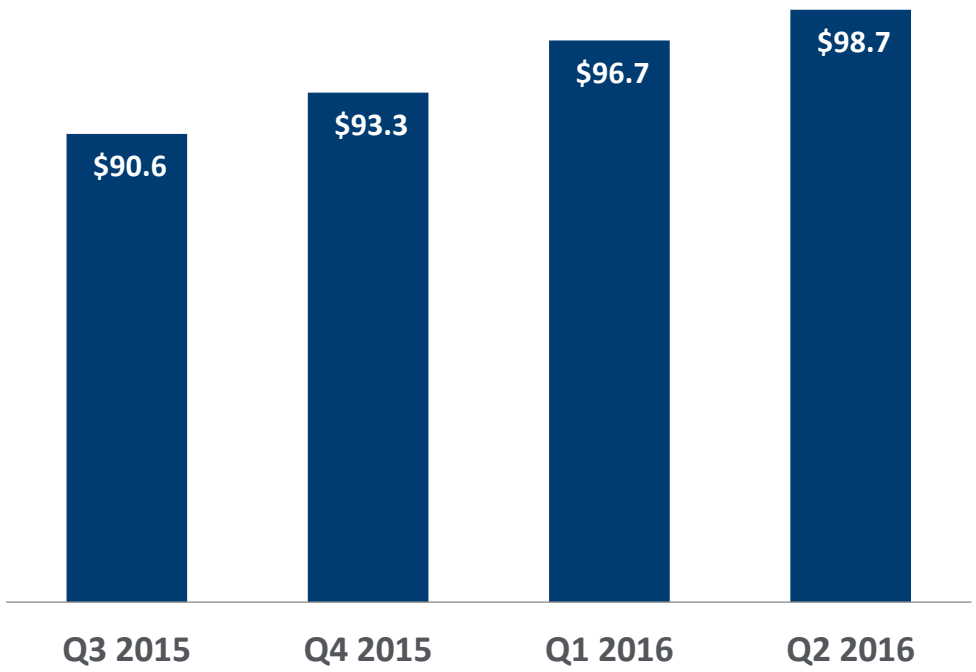
Note 1: Sales are from continuing operations.
Adjusted EPS is as reported.

Note 2: 2016E represents guidance provided on July 29, 2016.

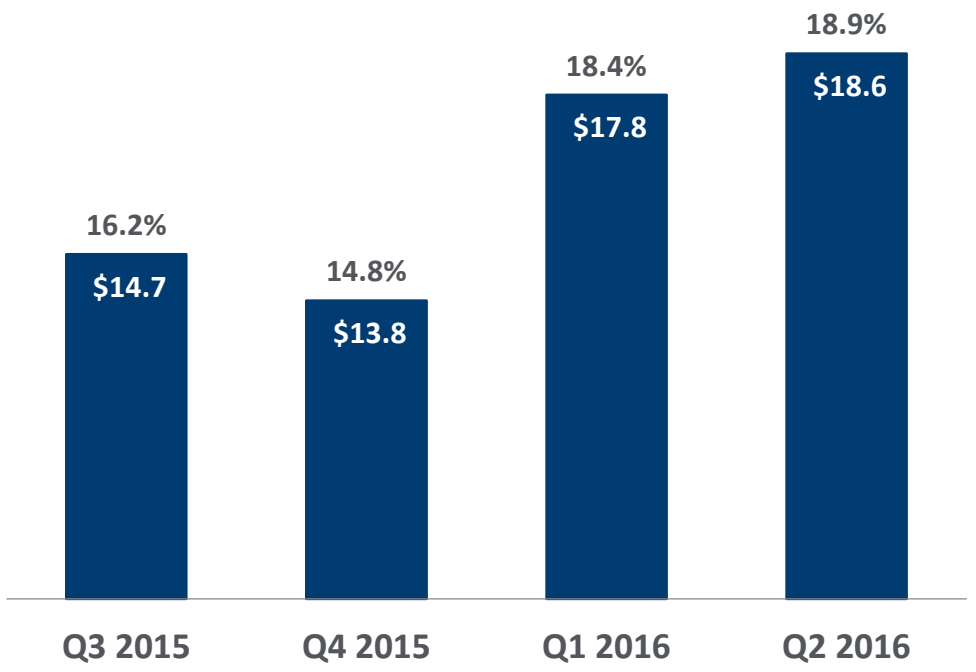
LTM Quarterly Financial Trend

($ Millions)

Sales



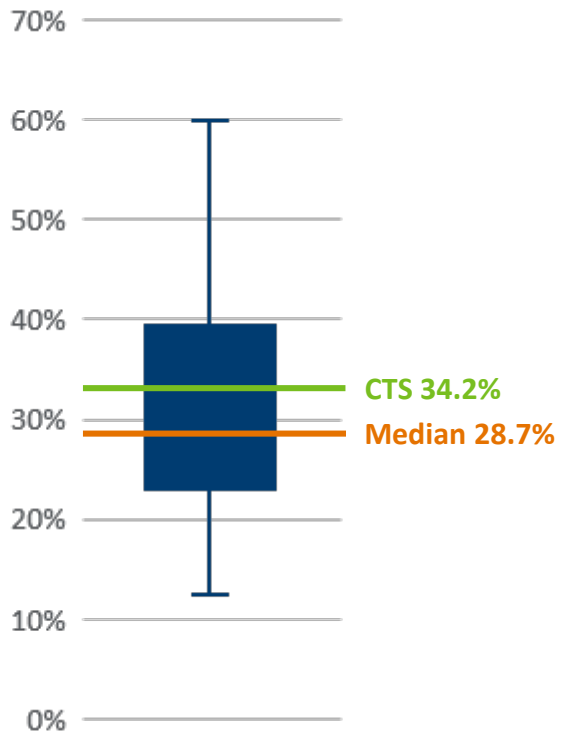
Adjusted EBITDA



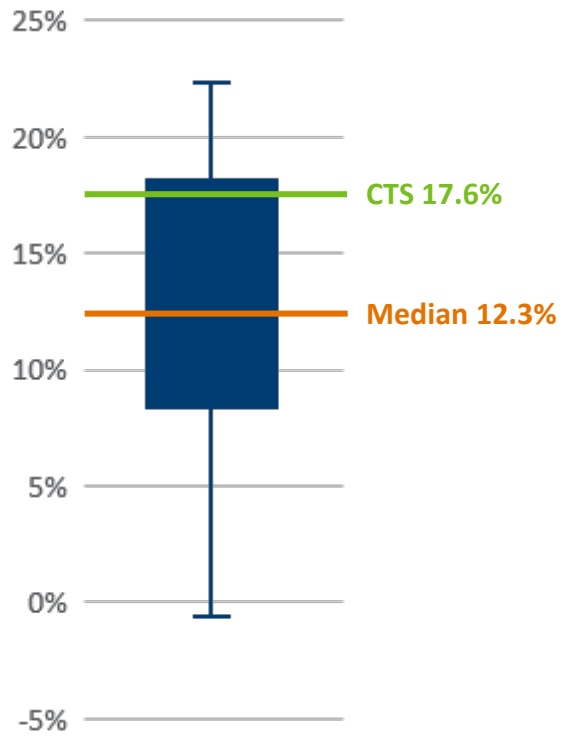
Note: Sales are from continuing operations.
Adjusted EPS is as reported.

Peer Performance

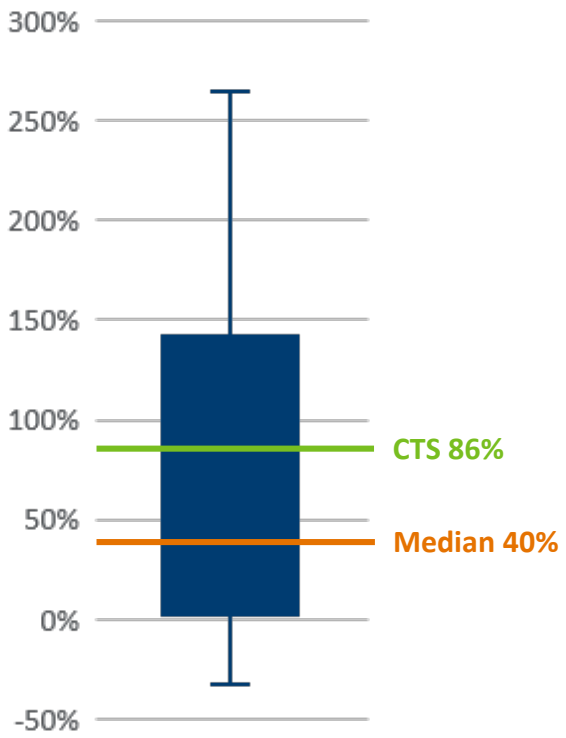
Gross Margin %



EBITDA %



TSR %

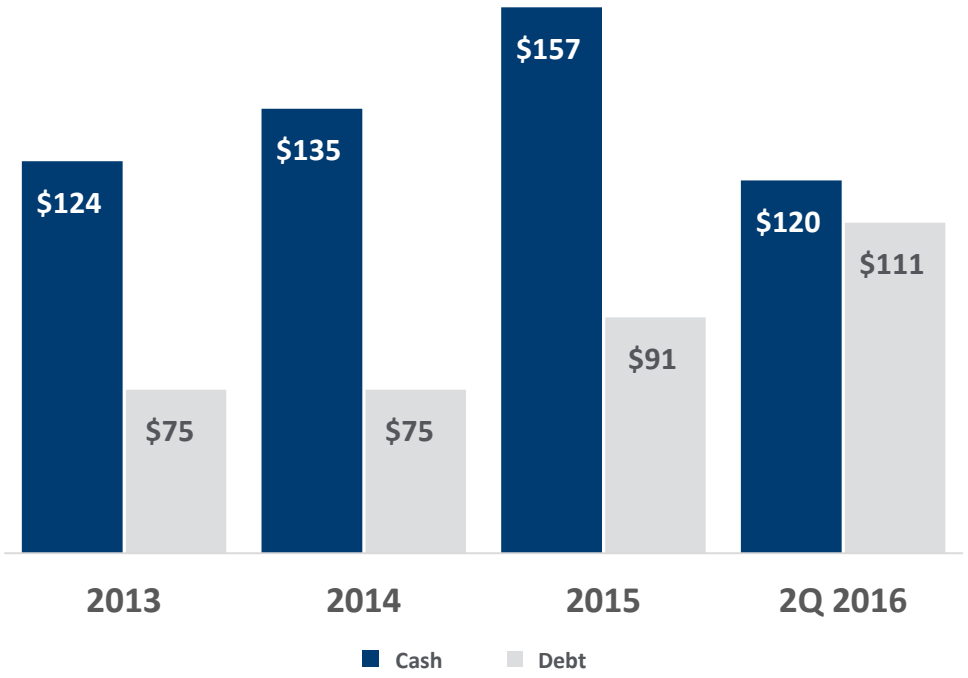


Note: GM % and EBITDA % are based on LTM ending 6/30/16
Total Shareholder Return (TSR) based on returns from 1/1/2013 to 7/29/2016
Peer Analysis based on CTS' Peer Group
Source: S&P Capital IQ

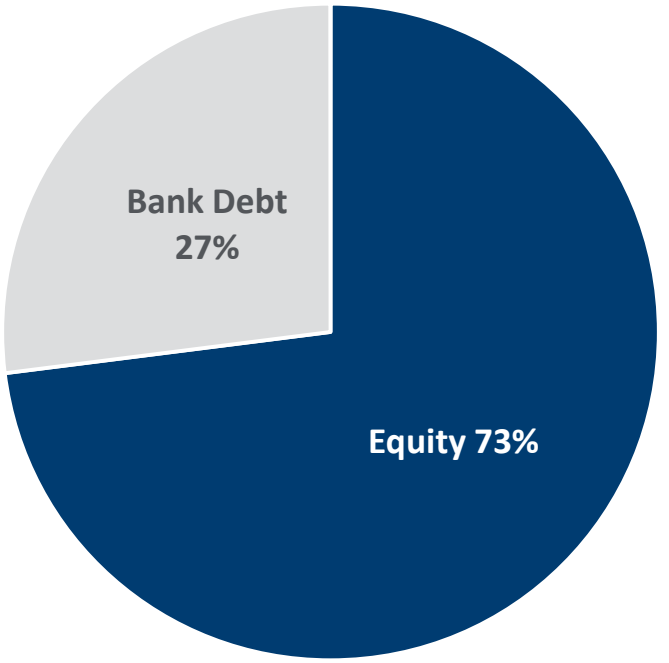
Capital Structure

($ Millions except percentages)

Cash and Debt



Current Capital Structure



Credit line increased from $200M to $300M in 2Q 2016

Note: Change in Cash/Debt in 2016 due to Single Crystal Acquisition

Target Capital Deployment – Disciplined Approach

Operating Cash Flow

12-14% of Sales

Growth

Investment

~4% of Sales

Acquisitions

60-80% of Free Cash Flow

Return Capital to Shareholders

Dividends & Buybacks

20-40% of Free Cash Flow

Capital Structure

Leverage = 1.0x - 2.5x EBITDA

Financial Framework

	1H 2016	Target Range
Gross Margin	34.8%	34-37%
SG&A Expense	15.6%	13-15%
R&D Expense	6.2%	5-7%
CapEx	3.8%	~4%

Targeting 10% Annual Growth (Organic + Inorganic)

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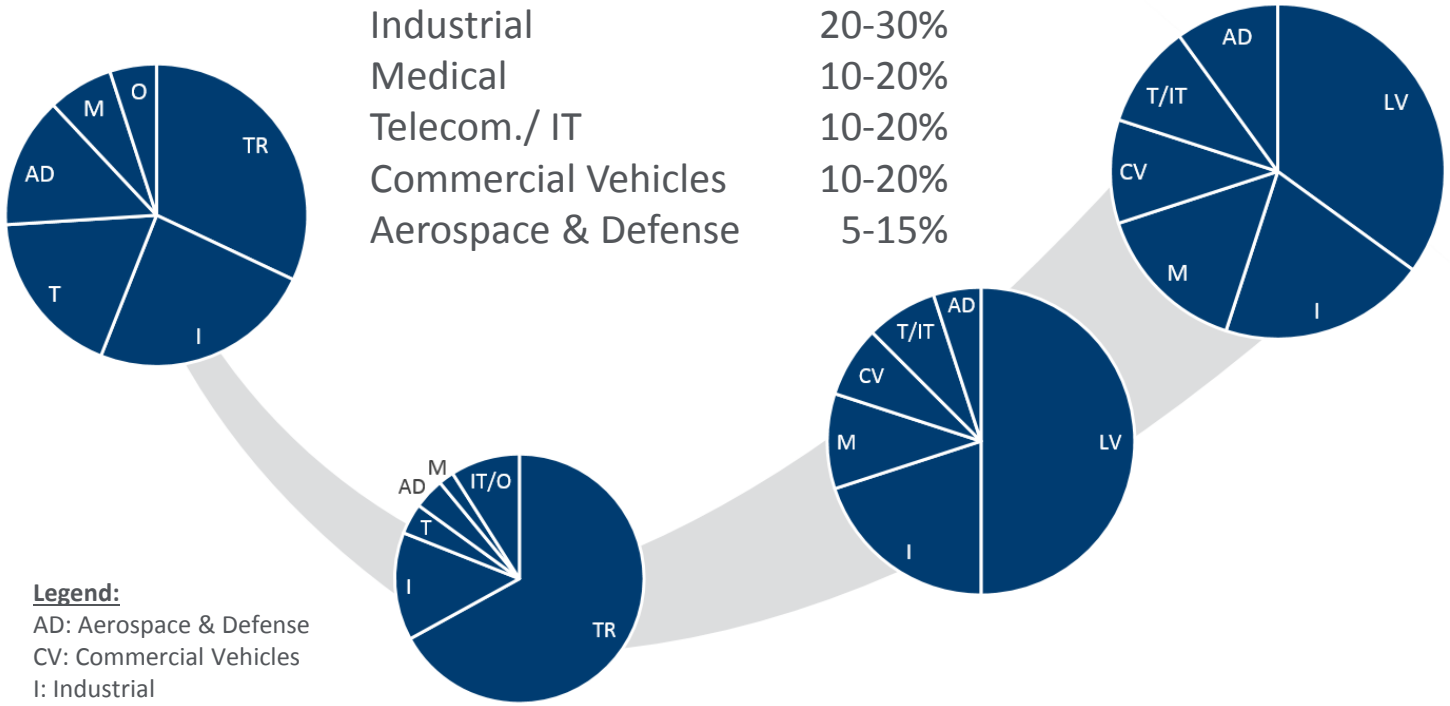
Closing Remarks

Targeting 10% Organic and Inorganic Growth

Targeted End Markets	
Light Vehicles	30-50%
Industrial	20-30%
Medical	10-20%
Telecom./ IT	10-20%
Commercial Vehicles	10-20%
Aerospace & Defense	5-15%



Legend:
AD: Aerospace & Defense
CV: Commercial Vehicles
I: Industrial
IT: Information Technology
LV: Light Vehicles
M: Medical
O: Others
T: Telecommunications
TR: Transportation (Incl. LV & CV)

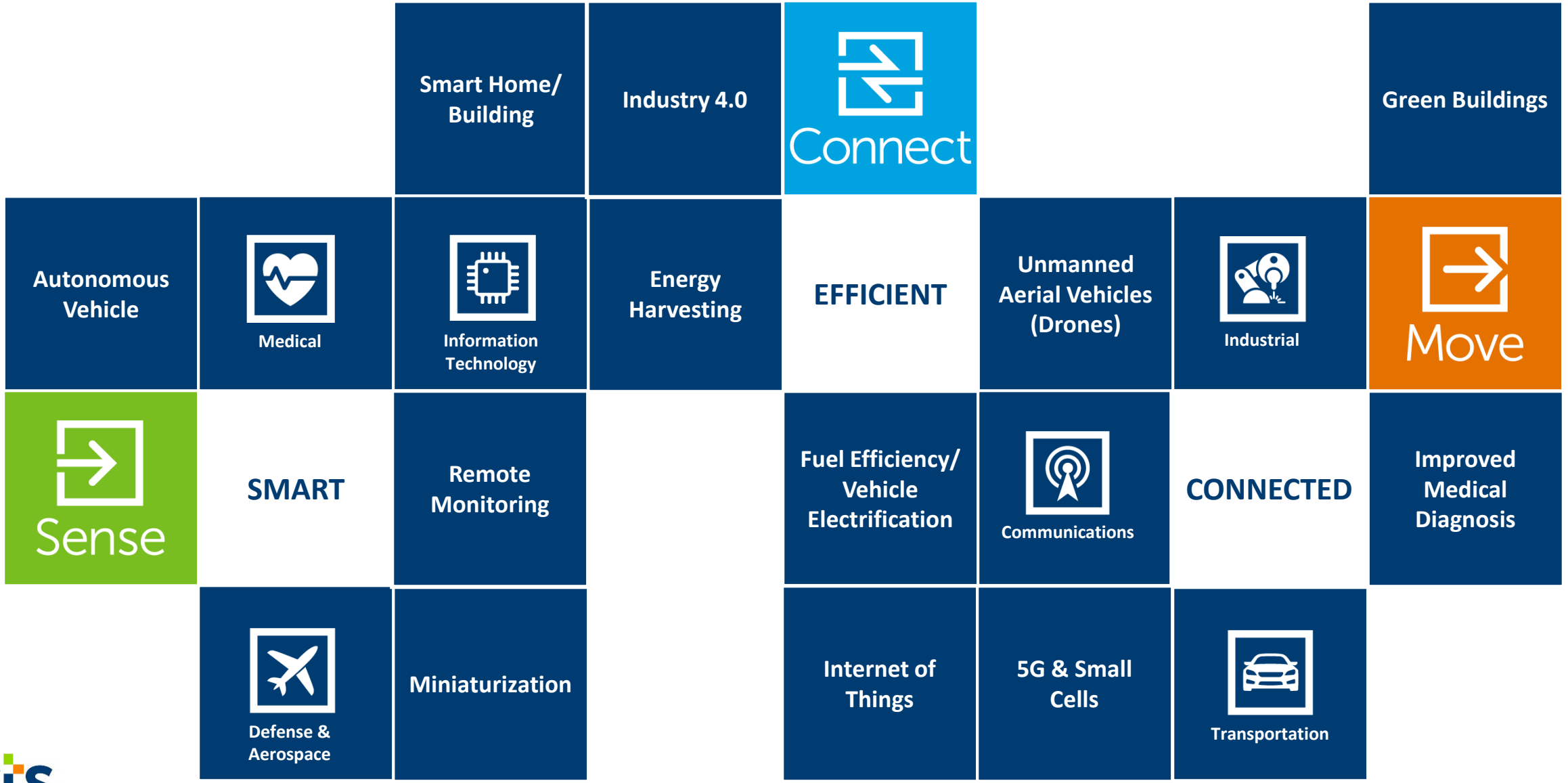
Expand Product Range

Strengthen Customer Relationships

Enhance Technology Portfolio

Broaden Geographic Reach

Positioned for Growth with Fundamental Market Trends



Investment Thesis

Successful Business Model

- Flexible, responsive and customer oriented organization
- Long standing relationships with Blue chip customers
- Global manufacturing, engineering sales channel capabilities

Strong Competitive Position

- #1 global market share in single crystal and Top 5 in polycrystalline
- #2 global market share in electronic pedals
- Top 5 market share in discrete automotive position sensors

Proven Financial Track Record

- Improved cost structure; SG&A and best cost manufacturing
- Doubled EBITDA since 2013 – 920 bps improvement
- Over $65 million in cash returned to shareholders since 2013

Positioned for Growth

- Fundamental market trends underpinning future growth
- Improving New Business Awards
- Complementing organic growth with targeted M&A

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Questions & Answers

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Appendix

Regulation G Schedules

Adjusted Diluted EPS

	Full Year - As Reported			
	2015	2014	2013	2012
Diluted earnings (loss) per share	**$ 0.21**	**$ 0.78**	**$ (0.12)**	**$ 0.59**
Tax affected charges (credits) to reported diluted earnings per share:				
Restructuring, restructuring-related, and asset impairment charges	$ 0.40	$ 0.18	$ 0.28	$ 0.19
(Gain) Loss on sale-leaseback	$ -	$ -	$ -	$ (0.23)
Gain on sale of facilities, net of expenses	$ -	$ -	$ -	$ -
CEO search costs, legal costs, and acquisition-related costs	$ -	$ -	$ 0.07	$ 0.09
EMS divestiture	$ -	$ -	$ 0.25	$ -
Non-recurring environmental charge	$ 0.27	$ -	$ -	$ -
Foreign currency loss	$ -	$ -	$ -	$ -
Tax impact of cash repatriation	$ 0.26	$ -	$ 0.31	$ -
Tax asset write-off related to restructuring	$ -	$ 0.01	$ -	$ -
Tax impact of U.K. deferred tax asset write-off	$ -	$ -	$ 0.03	$ -
Increase in recognition of foreign valuation allowance	$ 0.10	$ -	$ -	$ -
Increase in recognition of uncertain tax benefits	$ 0.17	$ -	$ -	$ -
Change in treatment of certain foreign taxes	$ (0.48)	$ -	$ -	$ -
Adjusted diluted earnings per share	**$ 0.93**	**$ 0.97**	**$ 0.82**	**$ 0.64**

Regulation G Schedules

Adjusted EBITDA

($ Millions, except percentages)

	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net earnings from continuing operations	$ 14.5	$ 7.9	$ (13.7)	$ (4.8)
Depreciation and amortization expense	$ 4.9	$ 4.0	$ 4.3	$ 3.9
Interest expense	$ 1.0	$ 0.8	$ 0.7	$ 0.7
Tax expense	$ 7.7	$ 4.1	$ 13.0	$ (2.2)
EBITDA from continuing operations	**$ 28.1**	**$ 16.8**	**$ 4.3**	**$ (2.4)**
Charges (credits) to EBITDA from continuing operations:				
Restructuring, restructuring-related, and asset impairment charges	$ 0.2	$ -	$ 9.5	$ 2.6
(Gain) Loss on sale-leaseback	$ 0.1	$ -	$ -	$ -
Gain on sale of facilities, net of expenses	$ (11.1)	$ -	$ -	$ -
Non-recurring environmental charge	$ -	$ -	$ -	$ 14.5
Foreign currency loss	$ 1.3	$ 0.2	$ -	$ -
CEO search costs, legal costs, and acquisition-related costs	$ -	$ 0.8	$ -	$ -
Total adjustments to reported operating earnings from continuing operations	$ (9.5)	$ 1.0	$ 9.5	$ 17.1
Adjusted EBITDA from continuing operations	**$ 18.6**	**$ 17.8**	**$ 13.8**	**$ 14.7**
Sales from continuing operations	$ 98.7	$ 96.7	$ 93.3	$ 90.6
Adjusted EBITDA as a % of sales from continuing operations	18.9%	18.4%	14.8%	16.2%