

CTS Corporation

Definition of Financial Term - "Controllable Working Capital as a Percentage of Annualized Net Sales"

(\$ in millions)

Controllable working capital is defined as net accounts receivable plus net inventories less accounts payable

	Q3		Full Year		
	2021	2020	2020	2019	2018
Net accounts receivable	\$ 78.2	\$ 76.4	\$ 81.0	\$ 78.0	\$ 79.5
Net inventory	\$ 50.9	\$ 41.5	\$ 45.9	\$ 42.2	\$ 43.5
Accounts payable	\$ (49.0)	\$ (46.7)	\$ (50.5)	\$ (48.2)	\$ (52.0)
Controllable working capital	<u>\$ 80.1</u>	<u>\$ 71.2</u>	<u>\$ 76.4</u>	<u>\$ 72.0</u>	<u>\$ 71.0</u>
Quarter sales	\$ 122.4	\$ 113.8	\$ 123.0	\$ 115.0	\$ 120.1
Multiplied by 4	4	4	4	4	4
Annualized sales	<u>\$ 489.5</u>	<u>\$ 455.1</u>	<u>\$ 492.1</u>	<u>\$ 460.2</u>	<u>\$ 480.4</u>
Controllable working capital as a % of annualized sales	16.4%	15.6%	15.5%	15.7%	14.8%