

CTS Corporation

Reconciliation of Net (Loss) Earnings to Adjusted Net Earnings

(\$ in millions)

	Q3		Year-to-Date		Full Year		
	2021	2020	2021	2020	2020	2019	2018
Net (Loss) earnings (A)	\$ (63.9)	\$ 11.1	\$ (51.0)	\$ 19.7	\$ 34.7	\$ 36.1	\$ 46.5
Adjustments to reported net (loss) earnings:							
Restructuring charges	0.3	1.0	0.6	1.4	1.8	7.4	5.1
Environmental charges	0.4	0.5	0.9	1.3	2.8	2.3	1.0
Legal settlement	-	-	-	-	-	(0.5)	-
Transaction costs	-	-	-	-	0.3	0.7	-
Costs of tax improvement initiatives	-	-	-	-	-	0.1	1.2
Non-cash pension expense	107.4	0.6	131.1	1.9	2.5	0.8	-
Foreign currency (gain) loss	1.0	(2.3)	1.4	(1.9)	(5.3)	1.8	2.6
Total adjustments to reported net (loss) earnings	\$ 109.2	\$ (0.2)	\$ 134.0	\$ 2.6	\$ 2.1	\$ 12.6	\$ 9.9
Total adjustments, tax affected (B)	\$ 84.3	\$ (0.7)	\$ 103.5	\$ 1.6	\$ 0.4	\$ 10.2	\$ 7.6
Tax adjustments:							
Increase (decrease) in valuation allowances	-	-	-	0.8	0.2	-	(1.0)
Other discrete tax items	(5.4)	0.6	(5.4)	0.3	1.2	1.8	(1.2)
Tax impact of U.S. tax reform	-	-	-	-	-	-	(0.5)
Total tax adjustments (C)	\$ (5.4)	\$ 0.6	\$ (5.4)	\$ 1.1	\$ 1.4	\$ 1.8	\$ (2.7)
Adjusted net earnings (A+B+C)	\$ 15.0	\$ 11.0	\$ 47.1	\$ 22.4	\$ 36.5	\$ 48.1	\$ 51.4
Net sales	\$ 122.4	\$ 113.8	\$ 380.4	\$ 301.0	\$ 424.1	\$ 469.0	\$ 470.5
Adjusted net earnings as a % of net sales	12.3%	9.7%	12.4%	7.4%	8.6%	10.3%	10.9%