

**CTS CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS - UNAUDITED**  
*(In thousands of dollars, except per share amounts)*

	<b>Three Months Ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Net sales</b>	\$ 117,625	\$ 113,530
Cost of goods sold	77,010	75,097
<b>Gross Margin</b>	40,615	38,433
Selling, general and administrative expenses	17,522	17,372
Research and development expenses	6,791	6,507
Restructuring charges	2,084	1,195
<b>Operating earnings</b>	14,218	13,359
Other income (expense):		
Interest expense	(466)	(541)
Interest income	432	482
Other income, net	96	2,004
Total other income (expense), net	62	1,945
Earnings before income taxes	14,280	15,304
Income tax expense	2,861	3,756
<b>Net earnings</b>	\$ 11,419	\$ 11,548
<b>Earnings per share:</b>		
Basic	\$ 0.35	\$ 0.35
Diluted	\$ 0.34	\$ 0.34
<b>Basic weighted – average common shares outstanding:</b>	32,807	32,975
Effect of dilutive securities	463	540
<b>Diluted weighted – average common shares outstanding</b>	33,270	33,515
<b>Cash dividends declared per share</b>	\$ 0.04	\$ 0.04