

## CTS Corporation

### Definition of Financial Term - "EBITDA" and Reconciliation of EBITDA to Adjusted EBITDA

(\$ in millions)

	Q2		Year-to-Date		Full Year		
	2020	2019	2020	2019	2019	2018	2017
Net earnings	\$ 4.9	\$ 11.9	\$ 8.7	\$ 23.4	\$ 36.1	\$ 46.5	\$ 14.4
Depreciation and amortization expense	6.6	6.0	13.1	11.9	24.6	22.5	20.7
Interest expense	0.9	0.5	1.8	0.9	2.6	2.1	3.3
Tax expense	1.0	4.0	3.2	6.9	14.1	11.6	25.8
<b>EBITDA</b>	<b>13.4</b>	<b>22.4</b>	<b>26.8</b>	<b>43.1</b>	<b>77.5</b>	<b>82.7</b>	<b>64.2</b>
Adjustments to EBITDA:							
Restructuring charges	0.1	0.9	0.4	3.0	6.9	4.6	4.1
Loss on sale of facilities, net of expenses	-	-	-	-	-	-	0.7
Environmental charges	0.8	-	0.8	-	2.3	-	-
Legal settlement	-	-	-	-	(0.5)	-	-
Transaction costs	-	-	-	-	0.7	-	0.3
Lease termination charge	-	-	-	-	-	-	0.1
Costs of tax improvement initiatives	-	-	-	-	0.1	1.2	0.2
Pension settlement charge	-	-	-	-	-	1.0	13.4
Non-cash pension expense	0.6	0.2	1.2	0.4	0.8	-	-
Foreign currency (gain) loss	(0.9)	0.8	0.4	0.4	1.8	2.6	(3.0)
Total adjustments to EBITDA	0.7	1.9	2.8	3.8	12.0	9.4	15.8
<b>Adjusted EBITDA</b>	<b>\$ 14.1</b>	<b>\$ 24.3</b>	<b>\$ 29.6</b>	<b>\$ 46.9</b>	<b>\$ 89.5</b>	<b>\$ 92.1</b>	<b>\$ 80.0</b>
Sales	\$ 84.2	\$ 120.7	\$ 187.3	\$ 238.3	\$ 469.0	\$ 470.5	\$ 423.0
Adjusted EBITDA as a % of sales	16.7%	20.2%	15.8%	19.7%	19.1%	19.6%	18.9%