

CTS Corporation

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

(\$ in millions)

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

	Q2		Full Year		
	2020	2019	2019	2018	2017
Net accounts receivable	\$ 59.8	\$ 84.9	\$ 78.0	\$ 79.5	\$ 70.6
Net inventory	\$ 44.3	\$ 43.2	\$ 42.2	\$ 43.5	\$ 36.6
Accounts payable	\$ (32.8)	\$ (50.9)	\$ (48.2)	\$ (52.0)	\$ (49.2)
Controllable working capital	<u>\$ 71.2</u>	<u>\$ 77.1</u>	<u>\$ 72.0</u>	<u>\$ 71.0</u>	<u>\$ 58.0</u>
Quarter sales	\$ 84.2	\$ 120.7	\$ 115.0	\$ 120.1	\$ 110.9
Multiplied by 4	4	4	4	4	4
Annualized sales	<u>\$ 336.8</u>	<u>\$ 482.8</u>	<u>\$ 460.2</u>	<u>\$ 480.4</u>	<u>\$ 443.6</u>
Controllable working capital as a % of annualized sales	21.2%	16.0%	15.7%	14.8%	13.1%