

## CTS Corporation

### Reconciliation of Net Earnings to Adjusted Net Earnings

(\$ in millions)

	Q2		Year-to-Date		Full Year		
	2021	2020	2021	2020	2020	2019	2018
<b>Net earnings (A)</b>	\$ 0.9	\$ 4.9	\$ 12.9	\$ 8.7	\$ 34.7	\$ 36.1	\$ 46.5
Adjustments to reported net earnings:							
Restructuring charges	0.2	0.1	0.2	0.4	1.8	7.4	5.1
Environmental charges	0.2	0.8	0.4	0.8	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	21.8	0.6	23.7	1.2	2.5	0.8	-
Foreign currency (gain) loss	(0.9)	(0.9)	0.4	0.4	(5.3)	1.8	2.6
Total adjustments to reported net earnings	\$ 21.2	\$ 0.7	\$ 24.8	\$ 2.8	\$ 2.1	\$ 12.6	\$ 9.9
Total adjustments, tax affected (B)	\$ 16.1	\$ 0.3	\$ 19.2	\$ 2.2	\$ 0.4	\$ 10.2	\$ 7.6
Tax adjustments:							
Increase (decrease) in valuation allowances	-	0.3	-	0.8	0.2	-	(1.0)
Other discrete tax items	-	(0.4)	-	(0.3)	1.2	1.8	(1.2)
Tax impact of U.S. tax reform	-	-	-	-	-	-	(0.5)
Total tax adjustments (C)	\$ -	\$ (0.1)	\$ -	\$ 0.5	\$ 1.4	\$ 1.8	\$ (2.7)
<b>Adjusted net earnings (A+B+C)</b>	\$ 17.0	\$ 5.0	\$ 32.1	\$ 11.4	\$ 36.5	\$ 48.1	\$ 51.4
Net sales	\$ 129.6	\$ 84.2	\$ 258.0	\$ 187.3	\$ 424.1	\$ 469.0	\$ 470.5
Adjusted net earnings as a % of net sales	13.1%	6.0%	12.4%	6.1%	8.6%	10.3%	10.9%