

## CTS Corporation

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

(\$ in millions)

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

	Q2		Full Year		
	2021	2020	2020	2019	2018
Net accounts receivable	\$ 80.8	\$ 59.8	\$ 81.0	\$ 78.0	\$ 79.5
Net inventory	\$ 49.0	\$ 44.3	\$ 45.9	\$ 42.2	\$ 43.5
Accounts payable	\$ (47.8)	\$ (32.8)	\$ (50.5)	\$ (48.2)	\$ (52.0)
Controllable working capital	<u>\$ 82.0</u>	<u>\$ 71.2</u>	<u>\$ 76.4</u>	<u>\$ 72.0</u>	<u>\$ 71.0</u>
Quarter sales	\$ 129.6	\$ 84.2	\$ 123.0	\$ 115.0	\$ 120.1
Multiplied by 4	4	4	4	4	4
Annualized sales	<u>\$ 518.3</u>	<u>\$ 336.8</u>	<u>\$ 492.1</u>	<u>\$ 460.2</u>	<u>\$ 480.4</u>
<b>Controllable working capital as a % of annualized sales</b>	<b>15.8%</b>	<b>21.2%</b>	<b>15.5%</b>	<b>15.7%</b>	<b>14.8%</b>