

CTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) – UNAUDITED
(In thousands, except per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Net sales	\$ 101,584	\$ 93,282	\$ 396,679	\$ 382,310
Cost of goods sold	65,723	63,128	256,251	255,201
Gross Margin	35,861	30,154	140,428	127,109
Selling, general and administrative expenses	15,165	15,917	61,624	59,586
Research and development expenses	5,626	6,083	24,040	22,461
Non-recurring environmental charge	—	—	—	14,541
Restructuring and impairment charges	873	9,335	3,048	14,564
Loss (gain) on sale of assets	51	(2,112)	(11,450)	(2,156)
Operating earnings	14,146	931	63,166	18,113
Other (expense) income:				
Interest expense	(956)	(673)	(3,702)	(2,628)
Interest income	223	719	1,305	3,073
Other expense	(2,042)	(1,656)	(3,524)	(6,297)
Total other expense	(2,775)	(1,610)	(5,921)	(5,852)
Earnings (loss) before income taxes	11,371	(679)	57,245	12,261
Income tax expense	3,061	12,974	22,865	5,307
Net earnings (loss)	<u>\$ 8,310</u>	<u>\$ (13,653)</u>	<u>\$ 34,380</u>	<u>\$ 6,954</u>
Earnings (loss) per share:				
Basic	<u>\$ 0.25</u>	<u>\$ (0.42)</u>	<u>\$ 1.05</u>	<u>\$ 0.21</u>
Diluted	<u>\$ 0.25</u>	<u>\$ (0.42)</u>	<u>\$ 1.03</u>	<u>\$ 0.21</u>
Cash dividends declared per share	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.16</u>	<u>\$ 0.16</u>
Average common shares outstanding:				
Basic	32,760	32,605	32,728	32,959
Diluted	33,342	32,605	33,251	33,484