

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net sales	\$ 120,073	\$ 110,910	\$ 470,483	\$ 422,993
Cost of goods sold	77,428	78,035	305,510	282,562
Gross Margin	42,645	32,875	164,973	140,431
Selling, general and administrative expenses	18,128	24,973	73,569	71,943
Research and development expenses	5,804	6,714	25,304	25,146
Restructuring and impairment charges	1,698	1,197	5,062	4,139
(Gain) loss on sale of assets	(2)	10	—	708
Operating earnings (loss)	17,017	(19)	61,038	38,495
Other (expense) income:				
Interest expense	(484)	(1,134)	(2,085)	(3,343)
Interest income	459	370	1,826	1,284
Other (expense) income	(119)	928	(2,676)	3,817
Total other (expense) income, net	(144)	164	(2,935)	1,758
Earnings before taxes	16,873	145	58,103	40,253
Income tax (benefit) expense	(691)	13,766	11,571	25,805
Net earnings (loss)	\$ 17,564	\$ (13,621)	\$ 46,532	\$ 14,448
Net earnings (loss) per share:				
Basic	\$ 0.53	\$ (0.41)	\$ 1.41	\$ 0.44
Diluted	\$ 0.52	\$ (0.41)	\$ 1.39	\$ 0.43
Basic weighted-average common shares outstanding	32,983	32,938	33,024	32,892
Effect of dilutive securities	562	—	545	528
Diluted weighted-average common shares outstanding	33,545	32,938	33,569	33,420
Cash dividends declared per share	\$ 0.04	\$ 0.04	\$ 0.16	\$ 0.16