



STEPHENS NON-DEAL ROADSHOW PREP PACKET

CTS Corp (CTS)

March 16, 2021

CTS Corp (CTS) – Virtual Non-Deal Roadshow

Questions/Topics of Discussion:

- What is the latest message you are hearing from your customers around the trajectory of the economic recovery this year?
- How has the pipeline for new business trended recently? Where do you see the most opportunity for new contract wins?
- Any cancellations or delays of contracts in your current backlog? How has the semi-conductor shortage impacted your business?
- Do you expect to outgrow your weighted average end markets in the recovery? If so, what level of outgrowth is reasonable?
- Where do you see the most opportunity for organic growth in the business over the next several years? Key product lines?
- Can you talk more about how your more proactive go-to-market strategy could impact growth in this recovery?
- What are the products / end markets where you feel your competitive advantage is strongest? Where is the most competitive risk?
- As revenue rebounds, how do you expect the incremental margins to vary across the different end markets? Mix impact in 2021?
- What is the update on the progression of the restructuring plan? Any other cost initiatives you would highlight outside of this plan?
- What is the opportunity for margin expansion long term? How much of that opportunity is operating leverage vs. internal initiatives?
- What are your expectations for FCF conversion (% of net income) going forward? Plans for debt pay-down / acquisitions / buybacks?
- Can you provide an update on the acquisition pipeline? Size and valuations on deals in the pipeline? End market focus?
- What is your view on future consolidation in the industries where you compete? Would you consider a transformational deal?

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Stephens CTS Reports:

[Strong 4Q20 Results; Provides a Wide Range for 2021 Guidance](#)

[3Q20 Beats as End Markets Rebound; Sustainability Into 2021 Still an Unknown](#)

[NDR Takeaways: LT Strategy is Clear; Medium Term End Market Dynamics Uncertain](#)

Stephens CTS Model:

[Click Here to View the Model.](#)

Companies Mentioned (as of 3/11/2021):

CTS Corp (CTS - \$33.53)

Source: Factset Research Systems

Stephens Inc. working model and published research report attached.
For current disclosures on this company, please access the attached research report.

OTHER DISCLOSURES

Note: The purpose of this document is to suggest questions investors might like to ask company management and to help investors develop their own questions. This document is not intended to express any opinion or investment recommendation.

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