



# STEPHENS NON-DEAL ROADSHOW PREP PACKET

**CTS Corp (CTS)**

September 14, 2020

# 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?
- What are your latest thoughts around the timing of the cyclical recovery in your transportation and industrial segments?
- 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? Is this a risk going forward?
- 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?
- What are the ways COVID-19 has structurally changed the business (topline and/or cost related)?
- As revenue comes back in this recovery, how do you expect the incremental margins to vary across the different end markets?
- How do you expect mix (by end market) to impact your margins in 2H20 and 2021?
- What is the opportunity for margin expansion long term? How much of that opportunity is operating leverage vs. internal initiatives?
- Latest thoughts on the capex requirements for the business? Initial thoughts on the directional trend in 2021 capex?
- What are your expectations for FCF conversion (% of net income) going forward? Plans for debt pay-down?
- Can you provide an update on the acquisition pipeline? Size and valuations on deals in the pipeline?
- Are you comfortable completing an acquisition remotely? Or should we expect any deals to come after a vaccine?
- Thoughts around the potential swing factors for the business associated with the Presidential election?

# CTS Corp (CTS) – Denver, Houston and Kansas City Non-Deal Roadshow

## **Stephens CTS Reports:**

[2Q20 Results Mixed: Top-Line Miss and Bottom-Line Beat; Remain Equal-Weight](#)

[1Q20 Beats Lowered Bar; 2020 Guidance Withdrawn on CV-19 Uncertainty; Remain EW](#)

[NDR Takeaways: COVID-19 Weighing on Near-Term Outlook; Long-Term Story Intact](#)

## **Stephens CTS Model:**

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

## **Companies Mentioned (as of 9/10/2020):**

CTS Corp (CTS - \$20.70)

*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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