



MTS is a valued and trusted supplier to worldwide industry leaders in automotive, aerospace, biomedical, civil engineering, motorsports, energy, materials science, industrial automation and mobile hydraulics. Breakthrough innovation in engineering built MTS, fostered our customer relationships, and shaped our global reputation – and it drives exceptional results for our customers, shareowners and employees.

NASDAQ: MTSC  
 52 week: \$38 - \$57 / share  
 Shares: 17.9M  
 Average Volume: ~100K  
 Dividend: \$1.20 / share annual

## MTS Systems Corporation

Customer Focus. Breakthrough Innovation. Exciting Future.

- » MTS has two business segments: Test & Simulation and Sensors
- » Test & Simulation and Sensors businesses help researchers, engineers and manufacturers improve their product performance and reduce time to market
- » \$4.5B worth of installed equipment globally
- » 500 engineers across 10 regional business centers, and over 340 experienced global field service engineers support our customer base
- » Strong engineering consulting competency
- » 50 years of serving our customers

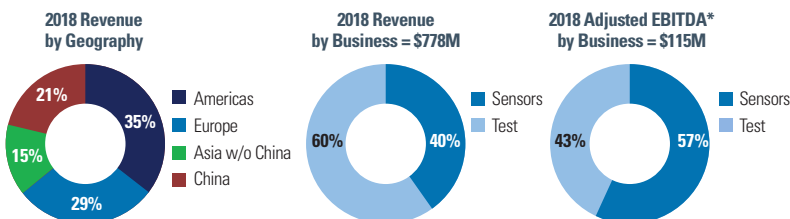
### RECENT BUSINESS HIGHLIGHTS

- » Reported record revenue of \$233M for Q2 Fiscal Year 2019, a 22% increase from the prior year. Both the Test & Simulation and Sensors business segments achieved record level revenues for a quarter. Backlog remains at a near all-time high.
- » Acquired E2M Technologies B.V. in November 2018, a leading designer and manufacturer of electric motion control and simulation products for the rapidly expanding flight simulation and entertainment industries
- » Sensors business segment revenue increased 11% in FY18, exceeding \$300M for the first time ever
- » Awarded Department of Defense Contract in September 2018, with total potential value of \$187M over 5-7 years, including future option clauses. Initial funded purchase orders worth \$40M have been received
- » Acquired PCB Group, Inc. in July 2016 for \$582M, providing MTS with a significant presence in rapidly growing markets for sensors products

### RECENT FINANCIAL PERFORMANCE

(Expressed in millions, except per share data)

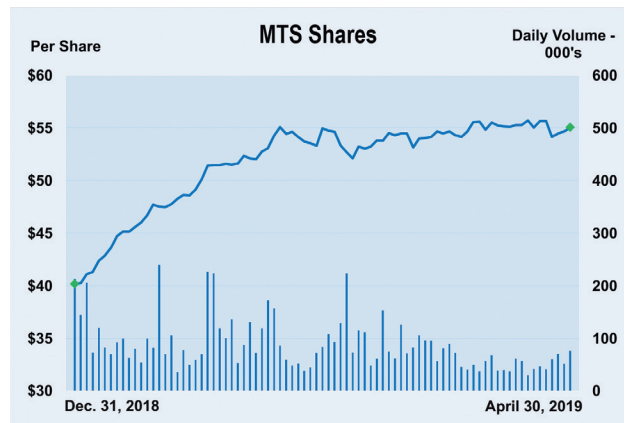
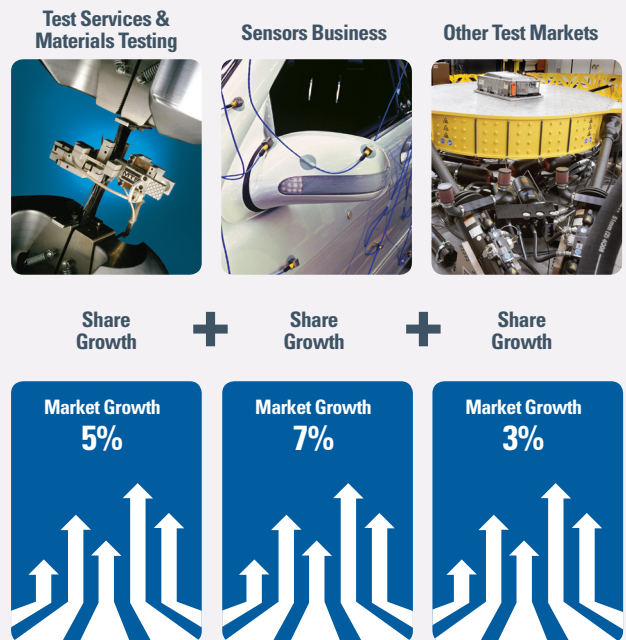
	Q2 FY18	Q2 FY19
Revenue	\$ 191	\$ 233
Earnings Before Tax	\$ 10	\$ 17
Net Income	\$ 8	\$ 14
Earnings Per Share Diluted	\$ 0.44	\$ 0.73
Operating Cash Flow	\$ 28	\$ 20



\*Denotes non-GAAP financial measure. See back page for reconciliation to nearest GAAP measure.

### Technology leadership positions MTS for long-term sustainable organic growth

5% - 7% LONG-TERM ORGANIC GROWTH TARGET



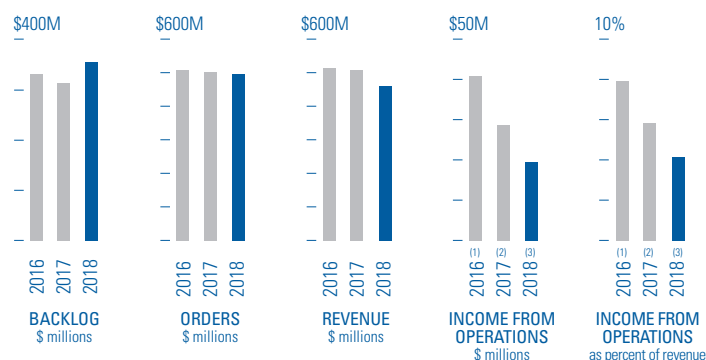
# MTS Systems Corporation

Customer Focus. Breakthrough Innovation. Exciting Future.

## MTS Test & Simulation

Just about every manufactured item in the physical world can be tested or measured with MTS test and simulation equipment. MTS is creating a safer, better world by driving improvements in transportation, infrastructure, energy sourcing and materials science.

- » Test and simulation solutions that accurately simulate real-life conditions for both machines and humans alike (durability and performance)
- » Technical consulting to collaboratively solve testing problems
- » Service support for uptime productivity and life-cycle extension



<sup>(1)</sup> Includes restructuring expenses of \$0.8M.

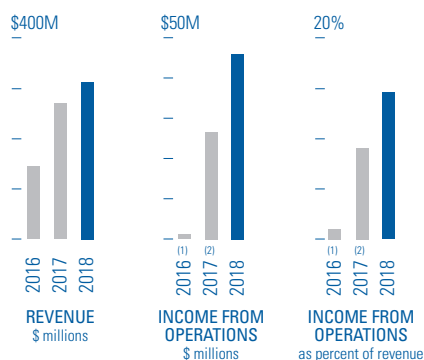
<sup>(2)</sup> Includes restructuring expenses and China investigation expenses of \$12.1M.

<sup>(3)</sup> Includes restructuring expenses of \$2.7M.

## MTS Sensors

MTS Sensors and PCB<sup>®</sup> Piezotronics broad product portfolio is well positioned to service customers in every major market around the world, offering world-class solutions that help industry leaders thrive.

- » Global leader in sensing technologies and solutions that enable automation, precision and safety
- » Enable better products at lower cost in safer environments
- » Controls consulting to optimize application performance



<sup>(1)</sup> Includes restructuring expenses, acquisition-related expenses, acquisition integration expenses and acquisition inventory fair value adjustment of \$22.3M.

<sup>(2)</sup> Includes restructuring expenses, acquisition integration expenses and acquisition inventory fair value adjustment of \$12.7M.

## FINANCIAL SUMMARY

	2016	2017	2018
(Expressed in thousands, except per share data)			
Revenue	\$ 650,147	\$ 787,955	\$ <b>778,032</b>
Net income	\$ 27,494	\$ 25,084	\$ <b>61,328</b>
Earnings per share (diluted)	\$ 1.70	\$ 1.31	\$ <b>3.18</b>
Income tax provision (benefit)	\$ 6,018	\$ (2,073)	\$ <b>(17,105)</b>
Interest expense, net	\$ 8,489	\$ 30,821	\$ <b>25,882</b>
Depreciation and amortization	\$ 24,077	\$ 35,523	\$ <b>34,492</b>
EBITDA*	\$ 66,078	\$ 89,355	\$ <b>104,597</b>
Stock-based compensation	\$ 7,224	\$ 5,600	\$ <b>7,283</b>
Acquisition-related expenses	\$ 10,281 <sup>(1)</sup>	–	–
Acquisition integration expenses	\$ 2,344 <sup>(2)</sup>	\$ 3,577	–
Inventory fair value adjustment	\$ 7,916	\$ 7,975	–
China investigation expenses	–	\$ 9,209	–
Restructuring expenses	\$ 2,533 <sup>(1)</sup>	\$ 4,079	\$ <b>2,989</b> <sup>(1)(3)</sup>
Adjusted EBITDA*	\$ 96,376	\$ 119,795	\$ <b>114,869</b>
Cash (used) provided by operating activities	\$ 68,068	\$ 71,860	\$ <b>63,247</b>
Dividends declared per share	\$ 1.20	\$ 1.20	\$ <b>1.20</b>
Weighted avg shares outstanding (diluted)	16,179	19,137	<b>19,293</b>
Cash	\$ 84,780	\$ 108,733	\$ <b>71,804</b>
Debt, net	\$ 464,851	\$ 457,639	\$ <b>388,378</b>

<sup>(1)</sup> Expenses were adjusted to exclude stock-based compensation forfeitures that are included in the stock-based compensation line.

<sup>(2)</sup> Expenses were adjusted to exclude interest expense that is included in the interest expense, net line.

<sup>(3)</sup> Expenses were adjusted to exclude depreciation expense that is included in the depreciation line.

\* Denotes Non-GAAP financial measure.

## CORPORATE INFORMATION

### Executive Management

Jeffrey A. Graves, Ph.D.  
President and Chief Executive Officer

Brian T. Ross  
Senior Vice President,  
Chief Financial Officer

William C. Becker  
President,  
Test and Simulation Sales,  
Service and Marketing

Steven B. Harrison  
President,  
Test and Simulation Engineering,  
Operations and Order Fulfillment

David T. Hore  
President,  
MTS Sensors

David W. Saylor  
President  
MTS Test China

Mark D. Losee  
Senior Vice President,  
Chief Information Officer

Phyllis B. Nordstrom  
Senior Vice President,  
Chief Risk and Compliance Officer

Todd J. Klemmensen  
Senior Vice President  
and General Counsel

Amanda R. Daniel  
Senior Vice President and  
Chief Human Resources Officer

### Investor Relations

Brian T. Ross  
Senior Vice President,  
Chief Financial Officer  
MTS Systems Corporation  
14000 Technology Drive  
Eden Prairie, Minnesota 55344-2290  
Telephone: 952-937-4020  
Email: brian.ross@mts.com