



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: \$40 - \$61 / share  
 Shares: ~19.2M  
 Average Volume: ~119K  
 Dividend: \$1.20 / share annual

## MTS Systems Corporation

CREATING A BETTER, SAFER, MORE SUSTAINABLE WORLD

- » 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
- » \$6.5B worth of installed equipment over last 20 years
- » 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

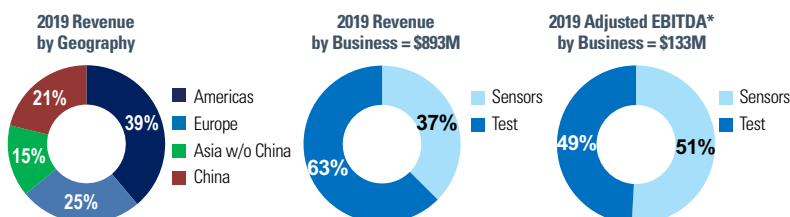
### RECENT BUSINESS HIGHLIGHTS

- » Reported revenue of \$206M, a 1% increase from the prior year. Sensors revenue growth was 10% and Test & Simulation revenue decreased 4%
- » Recently completed the R&D acquisition that was announced in November 2019. Through R&D, MTS has acquired complementary technology used primarily in the wind energy industry, and provides significant access to this growing market
- » Announced in August 2019, the acquisition of Endevco sensor business assets from Meggitt PLC. Endevco is an industry leader in high performance test and measurement sensors used primarily in the testing of new products
- » Issued \$350M of 5.750% of new senior unsecured notes due 2027. New debt structure adds liquidity and flexibility to support business strategy
- » 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

### RECENT FINANCIAL PERFORMANCE

(Expressed in millions, except per share data)

	Q1FY19	Q1FY20
Revenue	\$ 203	\$ 206
Earnings Before Tax	\$ 11	\$ 6
Net Income	\$ 11	\$ 5
Earnings Per Share Diluted	\$ 0.54	\$ 0.27
Operating Cash Flow	\$ 11	\$ (6)

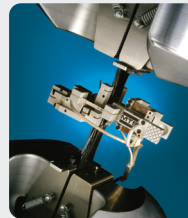


\*Denotes non-GAAP financial measure. See back page for reconciliation to nearest GAAP measure.

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

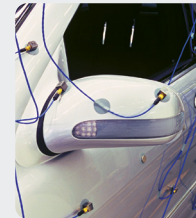
5% - 7% LONG-TERM ORGANIC GROWTH TARGET

Test Services & Simulation



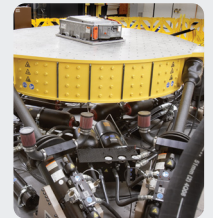
Share Growth

Sensors Business

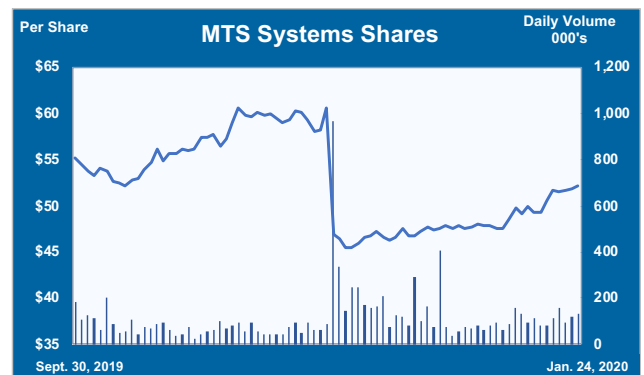
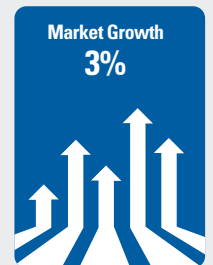
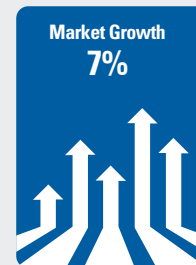


Share Growth

Other Test Markets



Share Growth



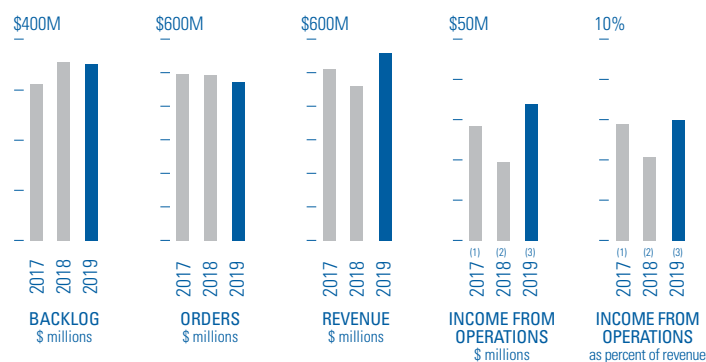
# MTS Systems Corporation

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 and China investigation expenses of \$12.1M.

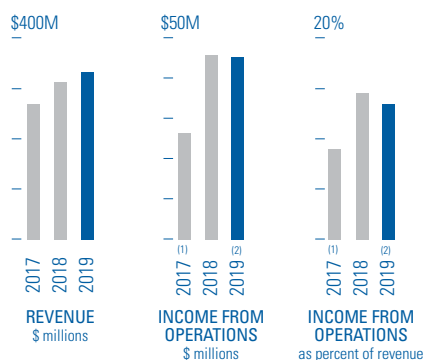
<sup>(2)</sup> Includes restructuring expenses of \$2.7M.

<sup>(3)</sup> Includes acquisition-related expenses, acquisition inventory fair value adjustment and restructuring expenses of \$3.3M.

## MTS Sensors

MTS Sensors and PCB® 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 integration expenses and acquisition inventory fair value adjustment of \$12.7M.

<sup>(2)</sup> Includes acquisition-related and acquisition inventory fair value adjustment of \$2.1M.

## FINANCIAL SUMMARY

	2017	2018	2019
(Expressed in thousands, except per share data)			
Revenue	\$ 787,955	\$ 778,032	\$ <b>892,518</b>
Net income	\$ 25,084	\$ 61,328	\$ <b>43,067</b>
Earnings per share (diluted)	\$ 1.31	\$ 3.18	\$ <b>2.21</b>
Income tax provision (benefit)	\$ (2,073)	\$ (17,105)	\$ <b>5,546</b>
Interest expense, net	\$ 30,821	\$ 25,882	\$ <b>31,558</b>
Depreciation and amortization	\$ 35,523	\$ 34,492	\$ <b>37,975</b>
EBITDA*	\$ 89,355	\$ 104,597	\$ <b>118,146</b>
Stock-based compensation	\$ 5,600	\$ 7,283	\$ <b>9,397</b>
Acquisition-related expenses	-	-	\$ <b>2,640</b>
Acquisition integration expenses	\$ 3,577	-	-
Inventory fair value adjustment	\$ 7,975	-	\$ <b>1,601</b>
China investigation expenses	\$ 9,209	-	-
Restructuring expenses <sup>(1)(2)</sup>	\$ 4,079	\$ 2,989	\$ <b>830</b>
Adjusted EBITDA*	\$ 119,795	\$ 114,869	\$ <b>132,614</b>
Cash (used) provided by operating activities	\$ 71,860	\$ 63,247	\$ <b>73,463</b>
Dividends declared per share	\$ 1.20	\$ 1.20	\$ <b>1.20</b>
Weighted avg shares outstanding (diluted)	19,137	19,293	<b>19,447</b>
Cash	\$ 108,733	\$ 71,804	\$ <b>57,937</b>
Debt, net	\$ 457,639	\$ 388,378	\$ <b>512,617</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 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  
Executive Vice President,  
Chief Financial Officer

Steven B. Harrison  
Executive Vice President and President,  
Test and Simulation

David T. Hore  
Executive Vice President and President,  
Sensors

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, General Counsel  
and Corporate Secretary

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

### Investor Relations

Brian T. Ross  
Executive Vice President,  
Chief Financial Officer  
MTS Systems Corporation  
14000 Technology Drive  
Eden Prairie, Minnesota 55344-2290  
Telephone: 952-937-4000  
Email: brian.ross@mts.com