



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: \$54 - \$59 / share
 Shares: 17.9M - 18.7M
 Average Volume: ~120K
 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

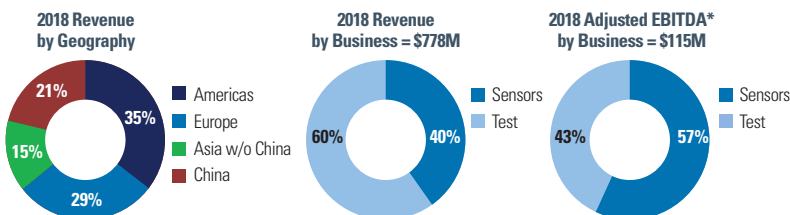
RECENT BUSINESS HIGHLIGHTS

- » Reported revenue of \$232M for Q3 Fiscal Year 2019, a 19% increase from the prior year. Sensors business segment reported record revenue of \$84M
- » Announced in August 2019, the acquisition of Endeveco sensor business assets from Meggitt PLC. Endeveco 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
- » 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

RECENT FINANCIAL PERFORMANCE

(Expressed in millions, except per share data)

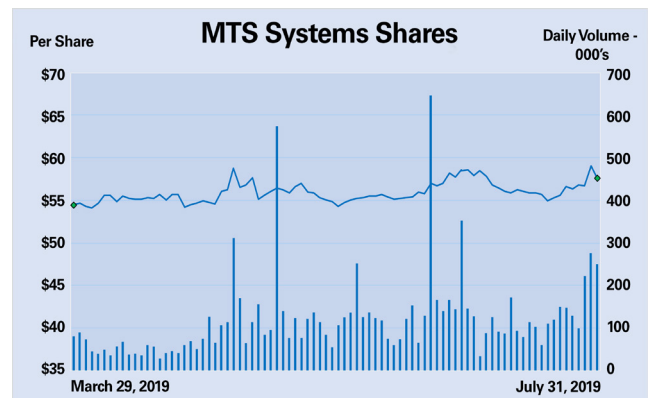
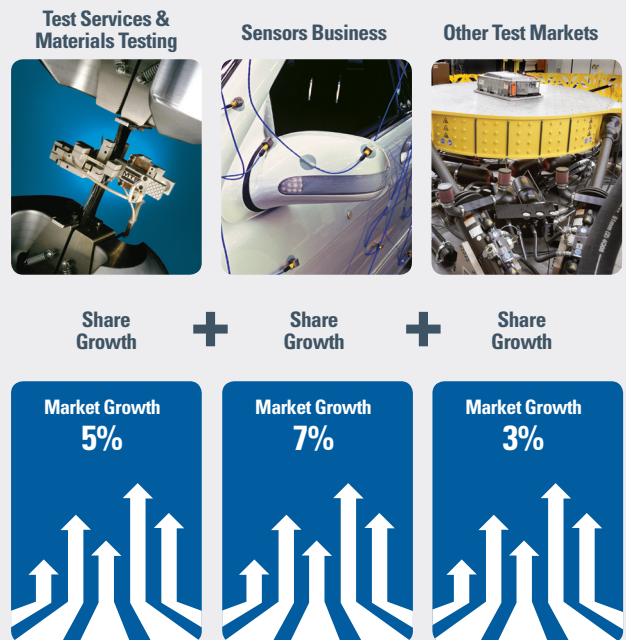
	Q3 FY18	Q3 FY19
Revenue	\$ 195	\$ 232
Earnings Before Tax	\$ 10	\$ 16
Net Income	\$ 9	\$ 14
Earnings Per Share Diluted	\$ 0.47	\$ 0.70
Operating Cash Flow	\$ 15	\$ 19



*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



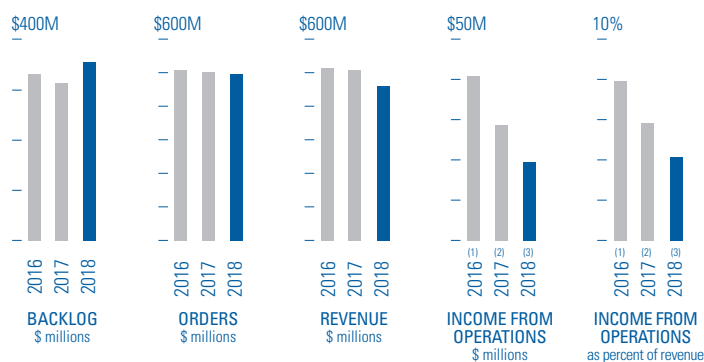
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MTS Test & Simulation

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



⁽¹⁾ Includes restructuring expenses of \$0.8M.

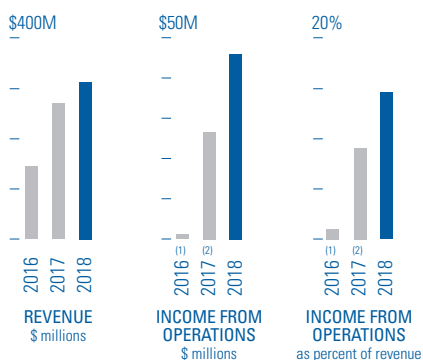
⁽²⁾ Includes restructuring expenses and China investigation expenses of \$12.1M.

⁽³⁾ Includes restructuring expenses of \$2.7M.

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



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

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

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

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

⁽³⁾ 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

William C. Becker
Senior Vice President,
Test and Simulation,
Commercial Operations

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

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