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News Release

FOR IMMEDIATE RELEASE
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MTS Expands Presence in Wind Energy and Aerospace Markets Through Acquisition of Danish Engineering Firm

EDEN PRAIRIE, MN - November 25, 2019 - MTS Systems Corporation (Nasdaq: MTSC), a leading global supplier of high-performance test and simulation systems and sensors, announced today that, on November 22, 2019, it signed a definitive agreement to acquire the operating entities of R&D, including R&D Test Systems, R&D Engineering, R&D Steel, R&D Prague, RGDK Engineering Private Limited and R&D Tools and Structures (collectively, "R&D"). R&D brings the following to the MTS portfolio:

- Significantly expands MTS Test & Simulation technology base and market presence for wind energy and aerospace markets globally.
- Provides turn-key project engineering and manufacturing capability to enhance total value to MTS customers world-wide.
- Provides compelling financial profile to enhance MTS revenue growth, margins, earnings and free cash generation.

R&D, a Danish company founded in 2005, is a recognized leader in the design and manufacture of test systems that accurately simulate the extreme operating environments often encountered by large, rotating structures, such as wind turbines, and aircraft engine propulsion systems. The acquisition is expected to close by December 31, 2019 after the completion of normal and customary closing procedures for this type of transaction.

From its roots in northern Europe, wind power is emerging rapidly as a leading source for clean, renewable electricity around the world. Through the use of advanced composite materials and modern design methods, wind turbines have now become a preferred source for renewable power, driven by dramatic improvements in reliability, performance and cost per kilowatt hour. While continuing to expand on land, wind turbines are rapidly expanding offshore into ocean environments, which offer much higher and more consistent wind conditions for energy generation. It is estimated that over \$1 trillion of investment will be made in offshore wind energy by 2040, with key growth markets being Europe, U.S., China and India. Instrumental to reaching this market level is the continued introduction of larger, more complex, turbine systems, which brings with it a requirement to fully validate these systems using large scale, laboratory-based simulation systems. Once developed, these technologies can then be effectively leveraged into adjacent markets, such as those central to advanced aero propulsion systems.

Following closing, the R&D operations will be reported as part of the MTS Test & Simulation segment. Once integrated, R&D will leverage MTS' global sales and service network to further accelerate growth, particularly in the US, China and India. In addition to exciting new technology and applications, MTS will gain an expanded local engineering and manufacturing base in its European market, including a new design center in the Czech Republic, along with excellent access to the Asian markets and a very talented leadership team.

R&D is expected to contribute over \$40 million in incremental revenues in fiscal 2020 and to be accretive to Adjusted EBITDA margins for the Test & Simulation segment. R&D is further expected to be neutral to earnings in year one, exclusive of transaction costs. The acquisition is structured with an upfront payment of approximately \$55 million, which will be funded primarily through MTS' existing revolving credit facility, with expected earnout payments of up to an additional \$25 million based on financial performance through June 2021. Given the strong backlog position of MTS at the end of fiscal 2019, the solid backlog position of R&D, and the expected incremental Adjusted EBITDA generation, MTS expects rapid strengthening of its balance sheet following the closing of this acquisition, with a forecasted year-over-year net reduction in leverage by the end of fiscal 2020.

"We are very excited about adding R&D to the MTS family as we continue to expand our technical offerings and customer applications in the Test & Simulation space. With their demonstrated success in the wind energy market, and successful expansion into aerospace propulsion applications, R&D has delivered strong growth momentum and margin performance which we believe is sustainable as we leverage the MTS global sales and service infrastructure. Moreover, the combination of MTS's long history of innovation in materials and structures testing for the energy and aerospace markets, in combination with the added capabilities of R&D, will position MTS as an even more valuable partner to these rapidly growing customers and markets around the world," stated Dr. Jeffrey Graves, President and Chief Executive Officer of MTS.

ABOUT MTS SYSTEMS CORPORATION

MTS Systems Corporation's testing hardware, software and services solutions help customers accelerate and improve their design, development and manufacturing processes and are used for determining the mechanical behavior of materials, products and structures. MTS' high-performance sensors provide measurements of vibration, pressure, position, force and sound in a variety of applications. MTS had 3,500 employees as of September 28, 2019 and revenue of \$893 million for the fiscal year ended September 28, 2019. Additional information on MTS can be found at www.mts.com.

FORWARD-LOOKING STATEMENTS

This release contains "forward-looking statements" made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995 that are subject to certain risks and uncertainties, as well as assumptions, that could cause actual results to differ materially from historical results and those presently anticipated or projected. Words such as "may," "will," "should," "expects," "intends," "projects," "plans," "believes," "estimates," "targets," "anticipates," and similar expressions identify forward-looking statements in this release. Such statements include, but are not limited to, statements about the expecting timing of the closing of the acquisition of R&D, the expected financial and operational impact of the acquisition of R&D, and the opportunities and outlook for the Test and Simulation segment as MTS integrates R&D into its operations, and other statements that are not historical facts. These statements are based on MTS' current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. Risks, uncertainties and assumptions that could cause MTS' actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, those described in the "Risk Factors" section of MTS' most recent Annual Report on Form 10-K filed with the Securities and Exchange

Commission ("SEC") and updated in any subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. The reports referenced above are available on MTS' website at www.mts.com or on the SEC's website at www.sec.gov. Forward-looking statements speak only as of the date on which statements are made, and MTS undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made to reflect the occurrence of unanticipated events or circumstances.

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