Sypris Completes Refinancing and Extension of Its Credit Facilities

November 2, 2015

$27.0 Million Commitment Retires $8.5 Million Line of Senior Credit

LOUISVILLE, Ky.--(BUSINESS WIRE)--Nov. 2, 2015-- Sypris Solutions, Inc. (Nasdaq/NM: SYPR) announced today the replacement of its $8.5 million line of senior credit on October 30, 2015, with a new $27.0 million loan facility, consisting of a $15.0 million revolving credit facility and a $12.0 million term loan. Both the revolving credit facility and the term loan mature in October of 2018. These agreements contain a number of covenants, borrowing base calculations, and other terms and conditions as more fully described in the Company's Form 8-K, to be filed with the U.S. Securities and Exchange Commission tomorrow morning. In conjunction with the refinancing, the Company also retired $3.8 million of its outstanding short-term subordinated debt and extended the maturity of the remaining $5.5 million in subordinated notes to January of 2019 from April of 2016.

Commenting on the announcement, Anthony C. Allen, Vice President and Chief Financial Officer stated, "We are pleased to successfully complete another important milestone in our journey with the refinancing and extension of our credit facilities. These new commitments will enable us to now focus on growth and driving improved profitability through each of our business units."

Sypris Solutions is a diversified provider of outsourced services and specialty products. The Company performs a wide range of manufacturing, engineering, design and other technical services, typically under multi-year, sole-source contracts with corporations and government agencies in the markets for truck components and assemblies and aerospace and defense electronics. For more information about Sypris Solutions, visit its Web site at www.sypris.com.

Forward Looking Statements

This press release contains "forward-looking" statements within the meaning of the federal securities laws. Each forward-looking statement herein is subject to risks and uncertainties, as detailed in our most recent Form 10-K and Form 10-Q and other SEC filings. *Briefly, we currently believe that such risks also include the following, which could cause reduced availability, mandatory prepayments or early acceleration of our new loans: any inability or failure of the Company to comply with its covenants, including the new minimum availability requirement of $4 million; failure to use our best efforts to enter a satisfactory sale-leaseback of our plant and buildings in Toluca, Mexico ("Sale-Leaseback"); the requirement in our loan agreements to prepay on the term loan, either $5 million or all net cash proceeds, at the election of the term lender from any successful Sale-Leaseback; the reduction of our availability due to declines in our borrowing base formula under either the revolving credit or term loan agreements; and other customary representations, warranties and covenants, typical of similar credit agreements with alternative, non-bank lenders. In addition to the foregoing, the following risks could generally impair our financial performance and results: our failure to develop and implement plans to mitigate the impact of loss of revenues from Dana or to adequately diversify our revenue sources on a timely basis; the costs of our compliance with covenants in, or the potential default under or acceleration of, our new loan agreements; volatility of our customers' forecasts, scheduling demands and production levels which negatively impact our operational capacity and our effectiveness to integrate new customers; reliance on major customers or suppliers; the cost, quality, timeliness, efficiency and yield of our operations and capital investments, including working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; our ability to successfully develop, launch or sustain new products and programs; dependence on, retention or recruitment of key employees especially in challenging markets; inventory valuation risks including excessive or obsolescent valuations; potential impairments, non-recoverability or write-offs of assets or deferred costs; our inability to successfully complete definitive agreements for our targeted acquisitions due to negative due diligence findings or other factors; declining revenues and backlog in our Sypris Electronics business lines as we attempt to transition from legacy products and services into new market segments and technologies; the costs of compliance with our auditing, regulatory or contractual obligations; our inability to patent or otherwise protect our inventions or other intellectual property from potential competitors; our reliance on third party vendors and sub-suppliers; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; cost and availability of raw materials such as steel, component parts, natural gas or utilities; regulatory actions or sanctions (including FCPA, OSHA and Federal Acquisition Regulations, among others); potential weaknesses in internal controls over financial reporting and enterprise risk management; disputes or litigation involving customer, supplier, employee, lessor, landlord, creditor, stockholder, product liability or environmental claims; U.S. government spending on products and services that Sypris Electronics provides, including the timing of budgetary decisions; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; breakdowns, relocations or major repairs of machinery and equipment; pension valuation, health care or other benefit costs; labor relations; strikes; union negotiations; cyber security threats and disruptions; changes or delays in customer budgets, funding or programs; failure to adequately insure or to identify environmental or other insurable risks; revised contract prices or estimates of major contract costs; risks of foreign operations; currency exchange rates; war, terrorism, or political uncertainty; unanticipated or uninsured disasters, losses or business risks; inaccurate data about markets, customers or business conditions; or unknown risks and uncertainties.*

View source version on businesswire.com: http://www.businesswire.com/news/home/20151102006802/en/

Source: Sypris Solutions, Inc.

Sypris Solutions, Inc.
Anthony C. Allen, 502-329-2000
Vice President & Chief Financial Officer