

Welcome to the 2019 Annual Meeting of Shareholders

May 14, 2019



Safe Harbor Disclosure

Forward-looking statements include our plans and expectations of future financial and operational performance. 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:

our failure to achieve targeted gains and cash proceeds from the anticipated sale of certain equipment; our failure to return to profitability on a timely basis by steadily increasing our revenues from profitable contracts with a diversified group of customers, which would cause us to continue to use existing cash resources or other assets to fund operating losses; dependence on, retention or recruitment of key employees; the cost, quality, timeliness, efficiency and yield of our operations and capital investments, including the impact of tariffs, product recalls or related liabilities, employee training, working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; cost, quality and availability of raw materials such as steel, component parts (especially electronic components), natural gas or utilities; inventory valuation risks including excessive or obsolescent valuations or price erosions of raw materials or component parts on hand or other potential impairments, non-recoverability or write-offs of assets or deferred costs; potential weaknesses in internal controls over financial reporting and enterprise risk management; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, product liability or environmental claims; the fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity; our reliance on a few key customers, third party vendors and sub-suppliers; breakdowns, relocations or major repairs of machinery and equipment, especially in our Toluca Plant; our failure to successfully complete final contract negotiations with regard to our announced contract “orders”, “wins” or “awards”; volatility of our customers’ forecasts, scheduling demands and production levels which negatively impact our operational capacity and our effectiveness to integrate new customers or suppliers, and in turn cause increases in our inventory and working capital levels; the costs of compliance with our auditing, regulatory or contractual obligations; labor relations; strikes; union negotiations; pension valuation, health care or other benefit costs; our inability to patent or otherwise protect our inventions or other intellectual property from potential competitors; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; 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; risks of foreign operations; currency exchange rates; war, terrorism, or political uncertainty; cyber security threats and disruptions; failure to adequately insure or to identify environmental or other insurable risks; unanticipated or uninsured disasters, losses or business risks; inaccurate data about markets, customers or business conditions; or unknown risks and uncertainties.



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2018 Fiscal Year Highlights

2018 Fiscal Year Highlights

\$ millions	2018			2017	
	Consolidated	ST	SE	Consolidated	Change
Net Revenue	\$ 88.0	\$ 59.8	\$ 28.2	\$ 82.3	\$ 5.7
Gross Margin	8.6%	12.6%	0.2%	4.0%	460 bps
Adjusted Operating Income	\$ (2.9)	\$ 4.6	\$ (2.6)	\$ (9.8)	\$ 6.9

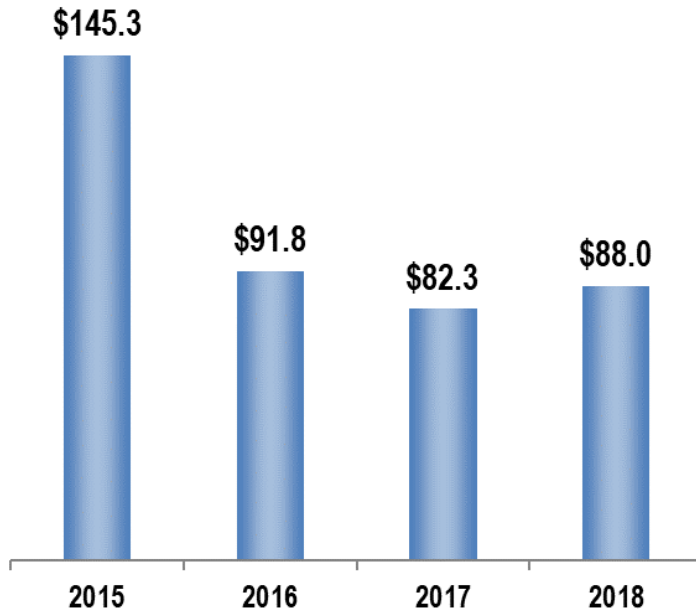
- Consolidated revenue up 6.9% and gross margin increased 460 basis points
- Favorable market conditions contributed to ST revenue growth in 2018
- Cost reductions from the consolidation of ST facilities reflected in margin improvement
- Component availability challenges for SE during 2018 compounded by 4Q performance
- SG&A* declined \$0.7 million to 14.1% of revenue from 15.9% in prior year
- Improved margin performance and SG&A reduction drives increase of \$6.9 million in adjusted operating income



* Excludes benefit in 4Q 2018 of legal fee resolution

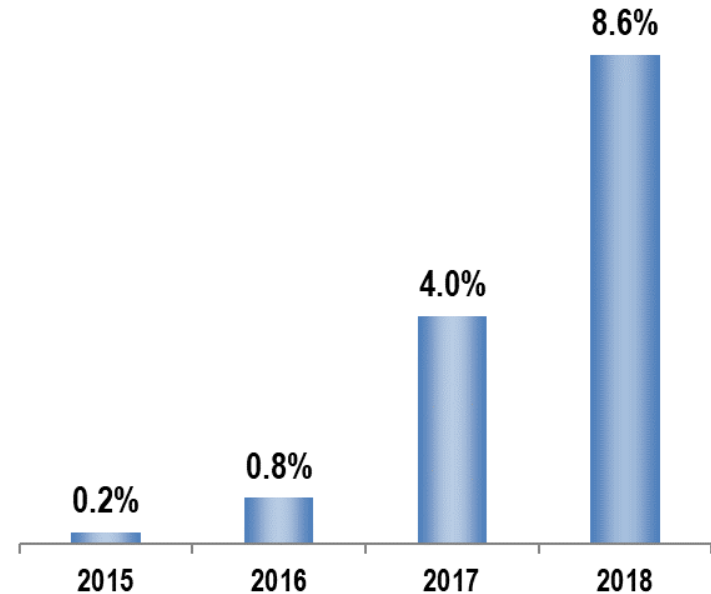
YOY Revenue and Margin Improvements

Revenue



- Revenue growth of 6.9% in 2018 over 2017
- Favorable market conditions for auto, heavy truck and energy provide growth opportunities
- Program revenue with US DOD prime contractors increased since CSS sale in 2016

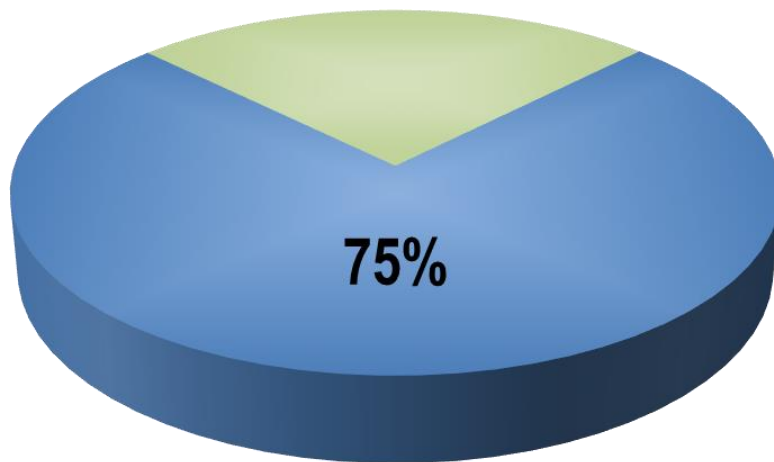
Gross Margin



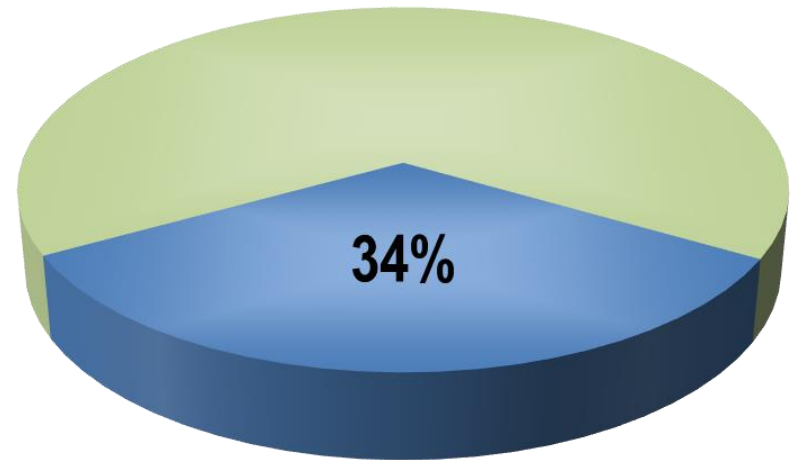
- Continue upward trend of margin improvements
- 460 basis point improvement in 2018 over 2017
- Impact of cost reduction efforts in 2017 and 2018 contribute to margin expansion
- Fixed cost structure reduced allowing higher profit conversion on incremental revenue

Customer Concentration

Top 2 Customers as a Percent of Revenue



2014

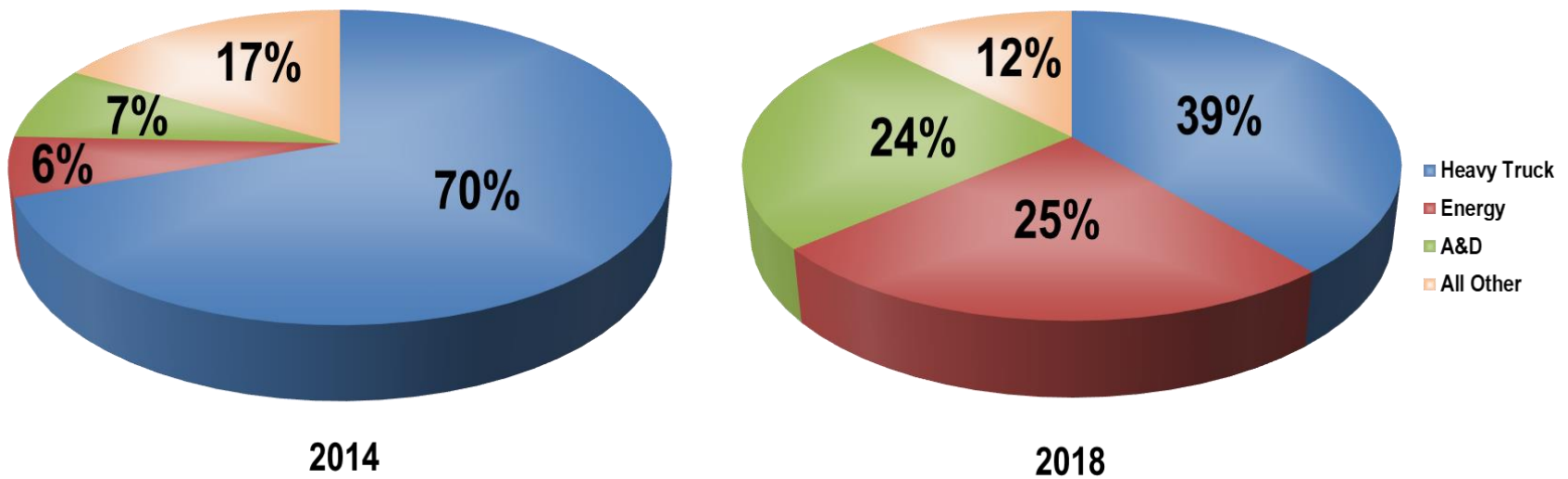


2018

- No single customer accounts for > 20% of revenue in 2018
- Balanced customer base in both segments
- Adding new customers to further diversify portfolio

Revenue Mix by Market

Top Markets as a Percent of Revenue



- Significant shift in markets served provides balanced revenue mix
- Expect reduced volatility with less dependence on heavy truck market
- Exploring new markets to provide growth opportunities for both segments

Growth Opportunities: Sypris Electronics

Growth Opportunities: Sypris Electronics

Growth Strategy

Focus on engineering intensive, technology based, high reliability electronic products in regulated markets

- Continue to expand share with major government customers
 - Many >\$1B in annual revenue
 - Additional locations
 - Vertical content
- Continue to win business in viable long term DoD programs
 - Major multi-year programs; well funded
- Continue to expand presence on growing non DoD markets
 - Leverage beach head with initial Medical Device companies
 - ISO 13485 certified, FDA registered
 - High reliability undersea telecom electronics



Growth Opportunities: Sypris Electronics

Key Program Opportunities

Communication & Navigation Electronics

- Tier-one prime contractor; long term relationship
- Demand for end use product continues to grow
- One of the largest programs in current DoD budget
- Pursuing multi-year award approach with customer
- In production 1H19



Electronic Warfare Components

- Tier-one prime contractor; new relationship
- Limited rate production program for Sypris in 2019
- Pursuing multi-year production level follow on award



Growth Opportunities: Sypris Electronics

Key Program Opportunities

Weapon System Electronics

- US and Allied military missile protection system
- Missile and launcher content for Sypris
- Multiple customers including direct with Tier-one Prime
- Initial development contract in production now, others 2H19
- Multi-year follow-on



Weapon System Electronics

- Ground-based Military Surveillance System
- Multiple box build configurations
- Direct with Tier-one Prime
- Initial awards in 1H19; SOP in 2H19
- Multi-year follow-on



Growth Opportunities: Sypris Electronics

Key Program Opportunities

New Space

- Market leading customer in Spacecraft Systems
- Initial engagement with this customer
- Next generation Manned Spacecraft Program
- Initial contract in-work, follow-on 2H19
- Multi-year production opportunities



New Space

- Smaller Launch Service Provider – new relationship
- Multiple electronics assemblies
- Initial awards in work; SOP in 2H19
- Pursuing multi-year production position



Growth Opportunities: Energy Products

Growth Opportunities: Energy Products

Opportunities

- Increasing demand for oil & gas driven by rising global energy demand reflecting better living standards and an increasing population worldwide
- Low natural gas cost from shale driving increasing natural gas production in North America for power generation, plastics and LNG export
- Increased oil and gas transport requirements through pipelines and aging pipeline infrastructure increasing demand for Sypris closures, insulated joints and other highly-engineered products required by these pipelines
- Key focus projects for 2019:

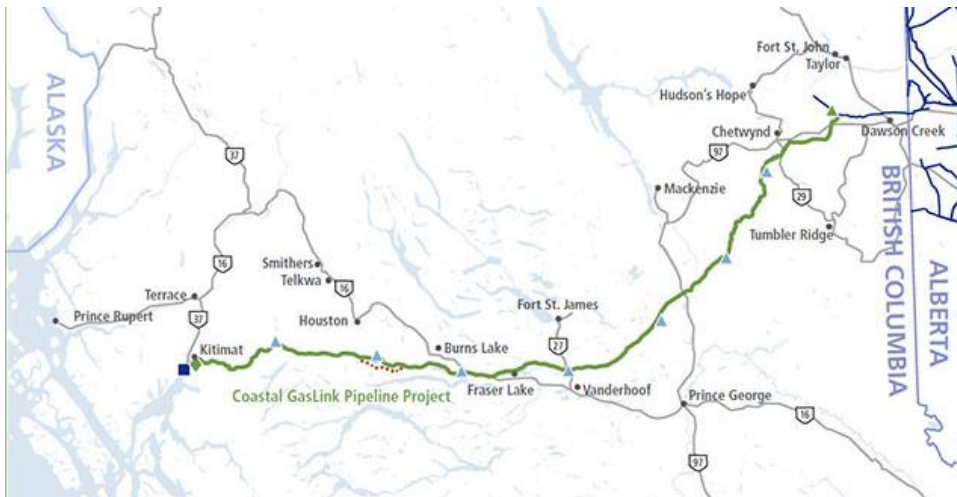
Project Name	Owner
Coastal Gaslink Pipeline Project	TransCanada
Calcasieu Pass LNG Project	Venture Global
Trans Mountain Expansion Project	Kinder Morgan
RACT regulations	Pennsylvania



Growth Opportunities: Energy Products

Key Focus Projects

- Coastal Gaslink Pipeline (TransCanada)
 - Cost \$4.7 billion
 - 420 miles of 48" pipeline
 - Initially adds 2,100 MM cf/d with potential expansion to 5,000 MM cf/d
 - Will deliver natural gas to Kitimat LNG export facility. Under construction with planned in-service date in 2023
 - Opportunity: closures



Growth Opportunities: Energy Products

Key Focus Projects

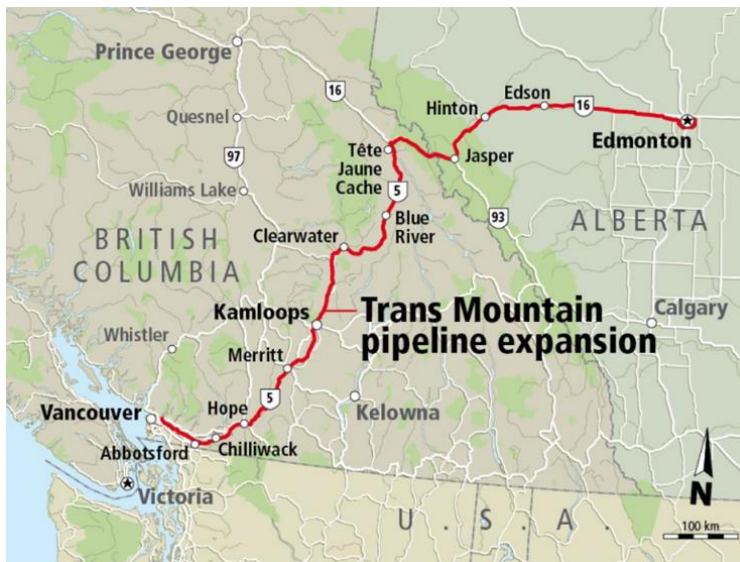
- Calcasieu Pass LNG (Venture Global)
 - Cost \$8.5 billion
 - LNG export facility in Cameron Parish, Louisiana
 - Export capacity of 10 million metric tons/year
 - Under construction
 - Opportunity: closures



Growth Opportunities: Energy Products

Key Focus Projects

- Trans Mountain Expansion Project (Canada – purchased project from Kinder Morgan for \$4.5B)
 - Cost \$5.9 billion
 - 609 miles of 42-inch pipeline
 - Adds up to 590,000 barrels of oil per day
 - Extremely important to Canadian economy
 - Opportunity: closures, anchor flanges



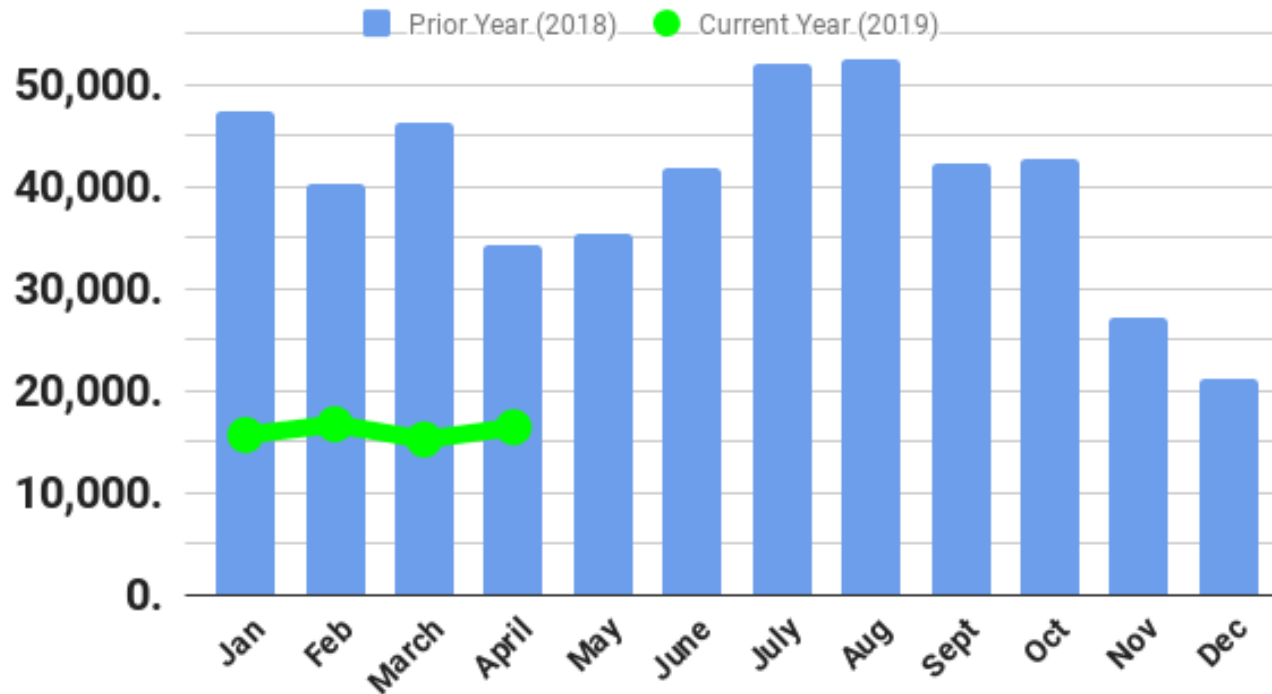
Growth Opportunities: Energy Products

Key Focus Projects

- Reasonably Achievable Control Technology (RACT) (Pennsylvania)
 - Leak monitoring and controls for various oil and gas sources including compressors, natural gas processing plants, gathering and boosting stations.
 - Opportunity: closures

Growth Opportunities: Sypris Technologies

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Source: FTR, Truck OEMs – Total N.A. Cl. 8 Orders (US/CAN/MEX/EXP)

- Tempered incoming orders as build slots are nearly full and OEMs work off their vast backlog
- Incoming orders over 12-months total 397,000 Class 8 trucks

Growth Opportunities: Sypris Technologies

Market Trends

- Truck
 - High market levels continue
 - Front axle: knuckle machining
 - Rear axle: axle shaft forging and machining
 - Transmissions: shaft forging and blanking
- Automotive
 - Transmission: shaft forging and machining
 - Rear axle: axle shaft and pinion forging
- Recreation Vehicles
 - Transmission: gears, pinions and shafts
- Agricultural
 - Front axle: gears and pinions
 - Drivetrain: shaft and hubs



Growth Opportunities: Sypris Technologies

Awarded Business

- Gears, Pinions and Shafts (forged and blanked)
 - All-terrain vehicles
 - Start of production: June 2019
 - Six-year program
 - \$2.7M annual revenue

- Transmission Shafts (forged and machined)
 - Automotive
 - Start of production: October 2019
 - Seven-year program
 - \$4.8M annual revenue



Growth Opportunities: Sypris Technologies

Awarded Business

- Heavy Vehicle Input Shafts (machined)
 - Commercial vehicle
 - Start of production: May 2019
 - Three-year contract
 - \$0.5M annual revenue

- Gears and Pinions (forged and blanked)
 - Agricultural
 - PPAP: May 2019
 - Start of production: October 2019
 - Three-year contract
 - \$0.2M annual revenue



Growth Opportunities: Sypris Technologies

Awarded Business

- Transmission Shafts (forged and blanked)
 - Commercial vehicle
 - Start of production: April 2019
 - Three-year program
 - \$1.0M annual revenue

- Axle Shafts (machined)
 - Commercial vehicle
 - Start of production: August 2019
 - Three-year program
 - \$0.5M annual revenue



Growth Opportunities: Sypris Technologies

Awarded Business

- Valves (forged and machined)
 - Refrigeration
 - Start of production: May 2019
 - Three-year program
 - \$1.0M annual revenue



Growth Opportunities: Sypris Technologies

Prospective Business

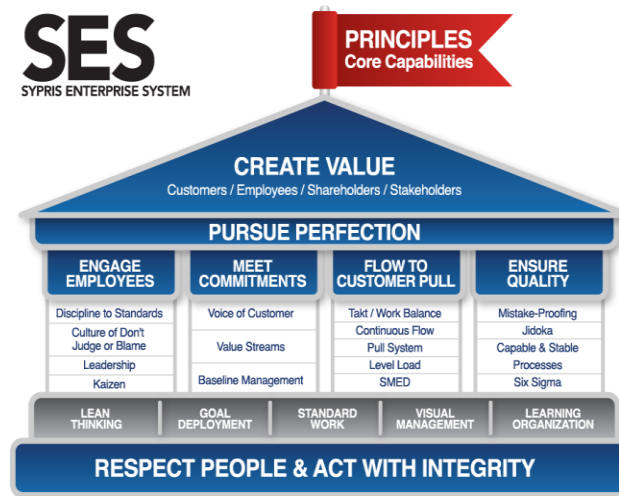
- Axle Shafts (forged and machined)
 - Commercial vehicle
- Flanges (forged and machined)
 - Refrigeration
- Covers and Bonnets (forged and machined)
 - Refrigeration
- Flanges (forged and machined)
 - Oil and Gas
- Spindles, Shafts and Yokes (forgings)
 - Automotive
- Knuckles (forged and machined)
 - Commercial truck



Continuous Improvement: Sypris Technologies

Continuous Improvement: Sypris Technologies

Leveraging our culture of continuous improvement will continue to strengthen our foundation for further growth



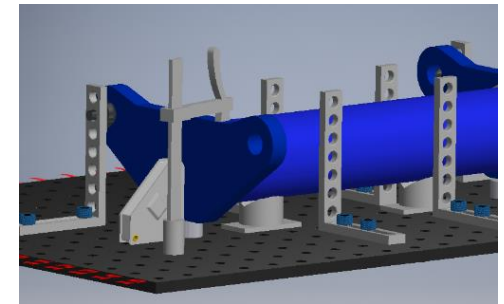
- Our culture is a critical element to our innovation strategy
- It centers on creating value, utilizing core principles with a focus on people, skills, behaviors, learning and talent development
- The Sypris Enterprise System is transforming our business

Continuous Improvement: Sypris Technologies

Integrated into our Business Units

- Focus on throughput (improve speed of production through the shop floor)
- Making rapid improvements using quick experiments and trials
- Improving work breakdown to speed rate of production
- Documenting and formalizing improved processes
- Surfacing problems so they can be fixed
- Abnormality sensitive processes
- Visual shop floor management

Our teams are implementing improvements focused on reducing waste and solving problems



Innovation:

Sypris Technologies

Innovation: Sypris Technologies

Sypris Development Center

- The objective of the Sypris Development Center is to create unique value for our customers through Innovation – technology, design, process and materials

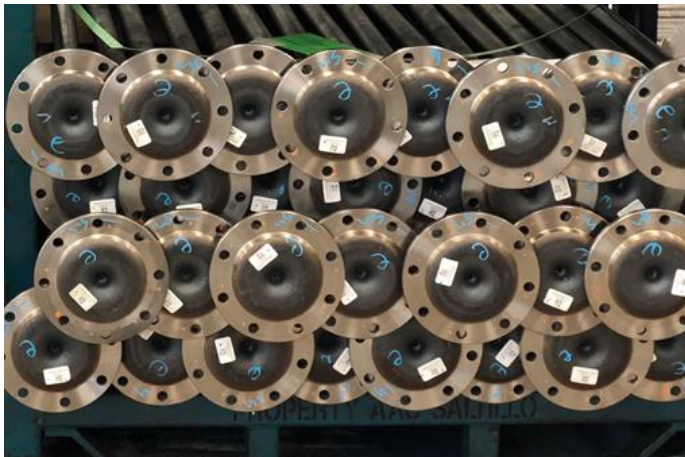


Innovation: Sypris Technologies

New Products

Sypris Ultra® Axle Shafts

- Specialized material
- Lighter weight
- More durable
- No quality concerns with more than 215,000 units sold
- Two versions are in production, with version three in development



Innovation: Sypris Technologies

New Products and Processes

- Process design and development
- Forging process design
- Tolling design
- Product validation
- New product development

