



Sypris Awarded Multi-Year Contract Extension With Global Truck OEM

April 19, 2022

To Supply Drivetrain Components for Commercial Vehicles

LOUISVILLE, Ky.--(BUSINESS WIRE)--Apr. 19, 2022-- Sypris Technologies, Inc., a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today that it has entered into a multi-year contract extension to provide drivetrain components for use in the production of medium and heavy-duty commercial vehicles with a leading global commercial vehicle original equipment manufacturer. Terms of the agreement were not disclosed.

The components produced by Sypris for use in the drivetrain of medium and heavy-duty trucks are essential to the performance of the drive axles of the vehicles. The award of the contract extension is timely, for the commercial vehicle market is in the midst of a multi-year expansion. The production of heavy-duty vehicles increased 23.4% in 2021 from 2020, while the outlook for 2022 and 2023 includes additional growth of 11.9% and 21.6%, respectively, according to an ACT Research report dated April 11, 2022.

This award follows the recent contract announcement made in March regarding the long-term, sole-source contract extension to provide drivetrain components for another longstanding customer, which also included the addition of a new program to provide components for use in the differential of side-by-side all-terrain vehicles. The requirements for both customers are produced at the Sypris manufacturing campus located in Toluca, Mexico.

Commenting on the announcement, Paul Larochelle, Vice President and General Manager, stated, "We are pleased to extend our strategic relationship with this key customer which is entering its 18th year. This partner is a global leader in the commercial vehicle industry and we are proud to supply them with quality products in support of their reputation for high performance and durability."

Sypris Technologies, Inc. is a premier manufacturer and supplier of drivetrain and other critical components for the commercial vehicle, automotive, recreational vehicle, mining, agriculture, industrial and energy markets. Sypris is headquartered in Louisville, Kentucky. Through its operations in North America, Sypris continues to meet the needs of the industry after more than 90 years of service. For more information about the Company, 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. 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 and maintain 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 require us to sell assets to fund operating losses; our failure to successfully complete final contract negotiations with regard to our announced contract "orders", "wins" or "awards"; our failure to successfully win new business or develop new or improved products or new markets for our products; the termination or non-renewal of existing contracts by customers; breakdowns, relocations or major repairs of machinery and equipment, especially in our Toluca Plant; volatility of our customers' forecasts especially in the commercial truck markets and our contractual obligations to meet current scheduling demands and production levels (especially in our Toluca Plant), which may 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; cost, quality and availability or lead times of raw materials such as steel, component parts, natural gas or utilities including increased cost relating to inflation; the impact of the current coronavirus disease ("COVID-19") and economic conditions on our future operations; possible public policy response to the pandemic, including U. S or foreign government legislation or restrictions that may impact our operations or supply chain; the cost, quality, timeliness, efficiency and yield of our operations and capital investments, including the impact of inflation, tariffs, product recalls or related liabilities, employee training, working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; dependence on, retention or recruitment of key employees and distribution of our human capital; inaccurate data about markets, customers or business conditions; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, product liability, warranty or environmental claims; our reliance on a few key customers, third party vendors and sub-suppliers; 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; failure to adequately insure or to identify product liability, environmental or other insurable risks; unanticipated or uninsured product liability claims, disasters, public health crises, losses or business risks; the costs of compliance with regulatory or contractual obligations; labor relations; strikes; union negotiations; costs associated with environmental claims relating to properties previously owned; 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; our reliance on revenues from customers in the oil and gas and automotive markets, with increasing consumer pressure for reductions in environmental impacts attributed to greenhouse gas emissions and increased vehicle fuel economy; changes in licenses or other legal rights to operate, manage our work force or import and export as needed; risks of foreign operations; currency exchange rates; war, geopolitical conflict, terrorism, or political uncertainty, including disruptions resulting from the conflict between Russia and Ukraine arising out of international sanctions, foreign currency fluctuations and other economic impacts; cyber security threats and disruptions, including ransomware attacks on our systems and the systems of third-party vendors and other parties with which we conduct business, all of which may become more pronounced in the event of geopolitical conflicts and other uncertainties, such as the conflict in Ukraine; our ability to maintain compliance with the Nasdaq listing standards minimum closing bid price; or other unknown risks and uncertainties. We undertake no obligation to update our forward-looking statements, except as may be required by law.

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