Sypris Reports Third Quarter Results

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Revenue Increases 25%; Orders Rise 123%

LOUISVILLE, Ky.--(BUSINESS WIRE)--Nov. 17, 2026-- Sypris Solutions, Inc. (Nasdaq/GM: SYPR) today reported financial results for its third quarter ended October 4, 2026.

HIGHLIGHTS

- Revenue for the quarter increased 25% year over year, driven by a 41% increase for Sypris Technologies and a 14% increase for Sypris Electronics. Orders increased 123%, reflecting positive growth for both businesses.
- Gross profit for the Company increased 121% from the prior-year period and 129% sequentially, while gross margin expanded 550 basis points and 610 basis points, respectively.
- Revenue for Sypris Electronics increased 14%, driven by robust orders and improved material availability and quality during the period.
- Revenue for Sypris Technologies increased 41% year over year and 9% sequentially, driven by the resurgent expansion of the commercial vehicle market and strong energy product sales.
- During the quarter, Sypris Electronics announced that it received an award from a leading space technologies company to support the manufacturing of a next-generation satellite constellation. Production under the agreement includes protoflight and pilot builds beginning in 2026, followed by phased delivery of flight units through mid-2028.
- During the quarter, Sypris Electronics announced that it received a follow-on award to provide advanced electronic power supply modules for a classified, mission-critical missile program.
- Subsequent to quarter end, Sypris Electronics also announced that it received a follow-on award under a multi-year production contract. The modules to be produced by Sypris will be integrated into an electronic warfare improvement program for the U.S. Navy, with deliveries to begin in 2027.

“The escalation of geopolitical conflicts in the Middle East has accelerated demand for inventory replenishment and critical technology upgrades, placing a premium on rapid, efficient scaling,” commented Jeffrey T. Gill, President and Chief Executive Officer. “Sypris Electronics, with its advanced production capabilities, deep technical expertise and strong market position, is well equipped to capitalize on these dynamics. While supply constraints and temporary operational headwinds impacted our performance earlier this year, we are taking targeted actions to improve execution and realize our full earnings potential.

“For the first nine months of 2026, orders for our energy products increased 9% year over year, with demand still outstanding on several large projects. Additional growth opportunities may emerge from global initiatives addressing rising LNG demand and the significant increase in electricity consumption associated with AI-related data centers. Furthermore, we are actively pursuing opportunities in adjacent markets, including carbon capture and defense applications, to further diversify our customer base.

“As we enter the final quarter of 2026, the North American commercial vehicle market appears to be transitioning into an extended expansion cycle, supported by improving fleet profitability, strengthening freight rates and growing infrastructure demand.”

Third Quarter Results

The Company reported revenue of $35.8 million for the third quarter of 2026, compared to $28.7 million for the prior-year comparable period. Additionally, the Company reported a net loss of $0.4 million, or $0.02 per share, compared to net income of $0.5 million, or $0.02 per diluted share, for the prior-year period. Results for the third quarter of 2026 included approximately $1.6 million in elevated expenses related to healthcare costs, unabsorbed overhead, foreign exchange variances and accruals for excess and obsolete inventory as compared to the prior-year period.

For the nine months ended October 4, 2026, the Company reported revenue of $92.0 million, compared to $89.6 million for the first nine months of 2025. The Company reported a net loss of $7.7 million, compared to $2.4 million for the prior-year period. Results for the three and nine months ended September 28, 2025, include a gain of $2.5 million from the sale of assets. Results for the nine months ended October 4, 2026, included $6.0 million in increased expenses related to healthcare costs, unabsorbed overhead, foreign exchange variances, scrap charges and accruals for excess and obsolete inventory as compared to the prior-year period.

Sypris Technologies

Revenue for Sypris Technologies was $16.2 million in the third quarter of 2026, compared to $11.5 million for the prior-year period, reflecting strong energy product sales and a continued recovery of the commercial vehicle market following the cyclical downturn experienced in the prior year and first half of 2026. Gross profit for the third quarter of 2026 was $3.2 million, or 19.6% of revenue, compared to $0.9 million, or 7.5% of revenue, for the

same period in 2025. The improvement in gross profit primarily reflected higher production volumes, partially offset by a $0.2 million unfavorable impact from foreign currency exchange rates related to the Company's Mexican subsidiary.

Sypris Electronics

Revenue for Sypris Electronics was $19.6 million in the third quarter of 2026, compared to $17.1 million for the prior-year period primarily as a result of improved material flow for one of the Company's larger programs during the quarter. Gross profit for the third quarter of 2026 was $1.3 million, or 6.9% of revenue, compared to $1.2 million, or 6.9% of revenue, for the same period in 2025. Throughout 2026, material availability challenges have delayed certain customer deliveries, constrained the Company's ability to ramp up production in response to customer demand for certain products and resulted in out-of-sequence manufacturing, which increases costs and decreases operational efficiency. Additionally, gross profit for the third quarter of 2026 reflected the impact of $0.6 million of charges for excess and obsolete inventory taken during the period.

Outlook

Looking ahead, Mr. Gill added, "While supplier quality and material availability challenges have impacted our results in 2026, demand across electronic warfare, aircraft and missile avionics, secure and subsea communications, and ground-based radar remain robust. Similarly, customer demand across the automotive, commercial vehicle and sport utility markets continues to strengthen quarter over quarter, and our outlook for the energy market remains favorable. Supported by our strong backlog and recent program wins, we expect the remainder of 2026 to reflect meaningfully improved operational performance."

About Sypris Solutions

Sypris Solutions provides products and engineering, design, and manufacturing services for a variety of critical infrastructure sectors, including energy, space, communications, defense, transport, chemical, and water. Sypris serves its customers globally through its operations located in North America. For more information about the Company, please visit its website 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: the fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity; the termination or non-renewal of existing contracts by customers; 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; volatility of our customers' forecasts and our contractual obligations to meet current scheduling demands and production levels, 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 (especially electronic components), natural gas or utilities, including increased cost relating to inflation, as well as the impact of existing or future tariffs, trade restrictions or other changes in trade policy imposed by the United States or foreign governments, including Section 232 tariffs and the outcome of the annual joint reviews of the United States-Mexico-Canada Agreement (USMCA); our reliance on a few key customers, third party vendors and sub-suppliers; our ability to maintain compliance with the Nasdaq continued listing standards, including without limitation minimum closing bid price and stockholders' equity; significant delays or reductions due to a prolonged continuing resolution or U.S. government shutdown reducing the spending on products and services that Sypris Electronics provides; risks of foreign operations, including foreign currency exchange rate risk exposure, which could impact our operating results; 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; 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; our failure to successfully complete final contract negotiations with regard to our announced contract "orders", "wins" or "awards"; breakdowns, relocations or major repairs of machinery and equipment, especially in our Toluca Plant; our failure to successfully win new business or develop new or improved products or new markets for our products; war, geopolitical conflict, terrorism, political instability, international tensions or other disruptions, such as the conflicts involving Russia and Ukraine, Israel and Hamas, the U.S., Israel and Iran, and other developments in the Middle East, including those arising out of international sanctions, disruptions to shipping routes such as the Strait of Hormuz, foreign currency fluctuations and other economic impacts; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; the costs and supply of insurance on acceptable terms and with adequate coverage; unanticipated or uninsured product liability claims, disasters, public health crises, losses or business risks; the costs of compliance with our auditing, regulatory or contractual obligations; pension valuation, health care or other benefit costs; dependence on, retention or recruitment of key employees and highly skilled personnel and distribution of our human capital; our reliance on revenues from customers in the oil and gas and automotive markets, including the cyclicality of commercial vehicle demand and the timing of, or changes to, emissions regulations, as well as increasing consumer pressure for reductions in environmental impacts attributed to greenhouse gas emissions and increased vehicle fuel economy; labor relations; strikes; union negotiations; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, premises liability, personal injury, product liability, warranty or environmental claims; failure to adequately insure or to identify product liability, environmental or other insurable risks; costs associated with environmental or other claims relating to properties previously owned; our inability to patent or otherwise protect our inventions or other intellectual property rights from potential competitors or fully exploit such rights which could materially affect our ability to compete in our chosen markets; changes in licenses, security clearances, or other legal rights to operate, manage our workforce or import and export as needed; cybersecurity 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; risks related to owning our common stock, including increased volatility; possible public policy response to a public health emergency, including U.S. or foreign government legislation or restrictions that may impact our operations or supply chain; or other risks and uncertainties including those that are currently unknown or that we currently deem immaterial. We undertake no obligation to update our forward-looking statements, except as may be required by law.*

SYPRIS SOLUTIONS, INC.

Financial Highlights

(In thousands, except per share amounts)

	Three Months Ended	
	October 4, 2026	September 28, 2025
	(Unaudited)	
Revenue	$ 35,833	$ 28,672
Net (loss) income	$ (442)	$ 517
(Loss) income per common share:		
Basic	$ (0.02)	$ 0.02
Diluted	$ (0.02)	$ 0.02
Weighted average shares outstanding:		
Basic	22,684	22,325
Diluted	22,684	22,863

	Nine Months Ended	
	October 4, 2026	September 28, 2025
	(Unaudited)	
Revenue	$ 91,985	$ 89,606
Net loss	$ (7,681)	$ (2,433)
Loss per common share:		
Basic	$ (0.34)	$ (0.11)
Diluted	$ (0.34)	$ (0.11)
Weighted average shares outstanding:		
Basic	22,503	22,251
Diluted	22,503	22,251

Sypris Solutions, Inc.
Consolidated Statements of Operations
(in thousands, except for per share data)

	Three Months Ended		Nine Months Ended	
	October 4, 2026	September 28, 2025	October 4, 2026	September 28, 2025
	(Unaudited)		(Unaudited)	
Net revenue:				
Sypris Technologies	$ 16,243	$ 11,534	$ 43,537	$ 39,204

Sypris Electronics	19,590	17,138	48,448	50,402
Total net revenue	35,833	28,672	91,985	89,606
Cost of sales:				
Sypris Technologies	13,056	10,664	36,185	34,084
Sypris Electronics	18,241	15,957	48,462	47,521
Total cost of sales	31,297	26,621	84,647	81,605
Gross profit:				
Sypris Technologies	3,187	870	7,352	5,120
Sypris Electronics	1,349	1,181	(14)	2,881
Total gross profit	4,536	2,051	7,338	8,001
Selling, general and administrative	4,390	3,789	13,250	11,310
Operating income (loss)	146	(1,738)	(5,912)	(3,309)
Interest expense, net	508	385	1,540	1,068
Other income, net	(291)	(2,474)	41	(2,085)
(Loss) income before taxes	(71)	351	(7,493)	(2,292)
Income tax expense (benefit), net	371	(166)	188	141
Net (loss) income	$ (442)	$ 517	$ (7,681)	$ (2,433)
(Loss) income per common share:				
Basic	$ (0.02)	$ 0.02	$ (0.34)	$ (0.11)
Diluted	$ (0.02)	$ 0.02	$ (0.34)	$ (0.11)
Dividends declared per common share	$ -	$ -	$ -	$ -
Weighted average shares outstanding:				
Basic	22,684	22,325	22,503	22,251
Diluted	22,684	22,863	22,503	22,251

Sypris Solutions, Inc.
Consolidated Balance Sheets
(in thousands, except for share data)

	October 4, 2026 (Unaudited)	December 31, 2025 (Note)
ASSETS		
Current assets:		

Cash and cash equivalents	$ 5,364	$ 6,770
Accounts receivable, net	14,115	9,846
Inventory, net	44,835	52,463
Other current assets	8,267	10,808
Total current assets	72,581	79,887
Property, plant and equipment, net	14,526	16,004
Operating lease right-of-use assets	6,646	7,333
Other assets	4,690	4,587
Total assets	$ 98,443	$ 107,811
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 10,852	$ 10,270
Accrued liabilities	40,338	49,428
Operating lease liabilities, current portion	1,339	1,019
Finance lease obligations, current portion	434	622
Equipment financing obligations, current portion	475	526
Working capital line of credit	500	500
Loan payable, current portion	91	-
Note payable - related party, current portion	2,000	-
Total current liabilities	56,029	62,365
Operating lease liabilities, net of current portion	5,893	6,673
Finance lease obligations, net of current portion	3,725	4,021
Equipment financing obligations, net of current portion	559	846
Loan payable, net of current portion	871	-
Note payable - related party	9,994	11,993
Other liabilities	10,960	4,123
Total liabilities	88,031	90,021
Stockholders’ equity:		

Preferred stock, par value $0.01 per share, 975,150 shares authorized; no shares issued	-	-
Series A preferred stock, par value $0.01 per share, 24,850 shares authorized; no shares issued	-	-
Common stock, non-voting, par value $0.01 per share, 10,000,000 shares authorized; no shares issued	-	-
Common stock, par value $0.01 per share, 30,000,000 shares authorized; 23,047,946 shares issued and 23,026,433 outstanding in 2026 and 23,051,483 shares issued and 23,029,970 outstanding in 2025	230	230
Additional paid-in capital	158,827	157,996
Accumulated deficit	(132,631)	(124,950)
Accumulated other comprehensive loss	(16,014)	(15,486)
Treasury stock, 21,513 in 2026 and 2025	-	-
Total stockholders' equity	10,412	17,790
Total liabilities and stockholders' equity	$ 98,443	$ 107,811

Note: The balance sheet at December 31, 2025, has been derived from the audited consolidated financial statements at that date but does not include all information and footnotes required by accounting principles generally accepted in the United States for a complete set of financial statements.

Sypris Solutions, Inc.
Consolidated Cash Flow Statements
(in thousands)

	Nine Months Ended	
	October 4, 2026	**September 28, 2025**
	(Unaudited)	
Cash flows from operating activities:		
Net loss	$ (7,681)	$ (2,433)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,257	2,128
Deferred income taxes	-	129
Stock-based compensation expense	985	839
Deferred loan costs amortized	3	5
Net gain on the sale of assets	-	(2,506)
Provision for excess and obsolete inventory	1,701	337
Non-cash lease expense	688	745
Other noncash items	(219)	373
Contributions to pension plans	(227)	(219)
Changes in operating assets and liabilities:		

Accounts receivable	(4,270)	1,528
Inventory	5,881	9,369
Other assets, current and non-current	2,077	1,773
Accounts payable	622	(4,463)
Accrued and other liabilities	(2,308)	(12,218)
Net cash used in operating activities	(491)	(4,613)
Cash flows from investing activities:		
Capital expenditures	(873)	(373)
Proceeds from sale of assets	-	2,920
Net cash (used in) provided by investing activities	(873)	2,547
Cash flows from financing activities:		
Proceeds from loan payable	1,159	-
Proceeds from note payable - related party	-	3,000
Principal payments on loan payable	(197)	-
Principal payments on finance lease obligations	(523)	(1,234)
Principal payments on equipment financing obligations	(395)	(266)
Indirect repurchase of shares for minimum statutory tax withholdings	(154)	(102)
Net cash (used in) provided by financing activities	(110)	1,398
Effect of exchange rate changes on cash balances	68	(564)
Net decrease in cash and cash equivalents	(1,406)	(1,232)
Cash and cash equivalents at beginning of period	6,770	9,675
Cash and cash equivalents at end of period	$ 5,364	$ 8,443

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For more information, contact:
Rebecca R. Eckert
Chief Accounting Officer
(502) 329-2000

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