2021 Fourth Quarter and Full Year Earnings Conference Call

March 17, 2022

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President & CEO

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Vice President & CFO

Safe Harbor Disclosure

SYPRIS SOLUTIONS

Non-GAAP Financial Measures

Any non-GAAP measures, and their related reconciliation to GAAP measures, are provided and available on the company's website: www.sypris.com

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 (especially electronic components), 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; 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; 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 our auditing, 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; 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, 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; the potential default of the U.S. federal government if Congress fails to pass a 2022 budget resolution; 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; risks related to owning our common stock, including increased volatility; or unknown risks and uncertainties. There can be no assurance that our expectations, projections or views expressed in any forward-looking statements will come to pass, and undue reliance should not be placed on these forward-looking statements. We undertake no obligation to update these statements, except as required by law.*

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Overview

4Q21 Highlights

- Revenue rose 25.2%
  - 30.0% increase for Sypris Electronics
  - 21.7% increase for Sypris Technologies
- Gross profit grew 65.1%
  - 83.5% increase for Sypris Electronics
  - 51.5% increase for Sypris Technologies
- Gross margin expanded 420 basis points to 17.1%
  - 540 bps increase to 18.7% at Sypris Electronics
  - 310 bps increase to 15.8% at Sypris Technologies
- EPS rose 133.3% to $0.02
- Customer orders were robust
  - Backlog up 56.8%
  - Orders surged 46.1% at Sypris Electronics in 2021
  - Demand for commercial vehicles remained high, limited only by OEM supply constraints

Overview

New Contract Awards

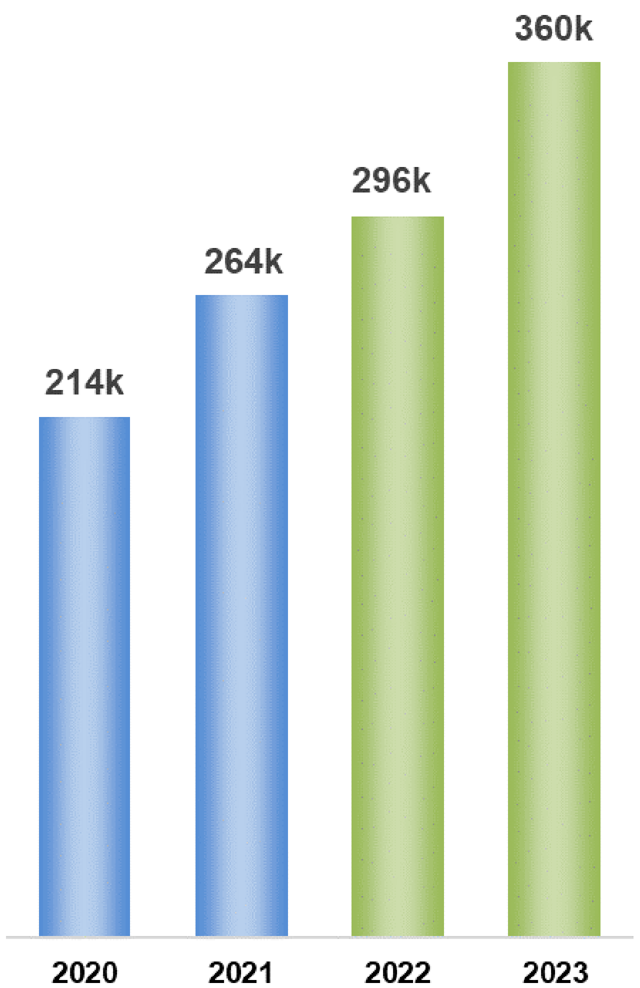
- Sypris Electronics
  - Announced an award to produce and test embedded circuit card assemblies that will perform certain cryptographic functions for the Army Key Management System; production to begin in 2022
  - Received a multi-year follow-on contract for power supply modules for a large, mission-critical U.S. Navy program; step-up in shipments from exiting levels beginning in 2022
  - Awarded a multi-year follow-on contract for power supply modules for mission-critical, long-range, precision-guided anti-ship missile system; increase in volume from exiting levels beginning in 2022
- Sypris Technologies
  - Entered into a long-term, sole-source contract extension to provide drivetrain components for medium and heavy-duty commercial vehicles; included new program for all-terrain vehicles to begin in 2023

Outlook

Commercial Vehicle

- Class 8 demand expected to increase 11.9% in 2022 and 21.6% in 2023
  - US economic expansion
  - Housing strength
  - Manufacturing prosperity
  - Transition to e-commerce
  - Carrier profitability
  - Goods for services swap
- Supply chain challenges leads to pent-up demand pushing Class 8 market peak to 2023
- Class 8 backlog is up 32% YOY to 259K units
- When combined with our new program awards, 2022 is poised to be a very positive year

NA Class 8 Production

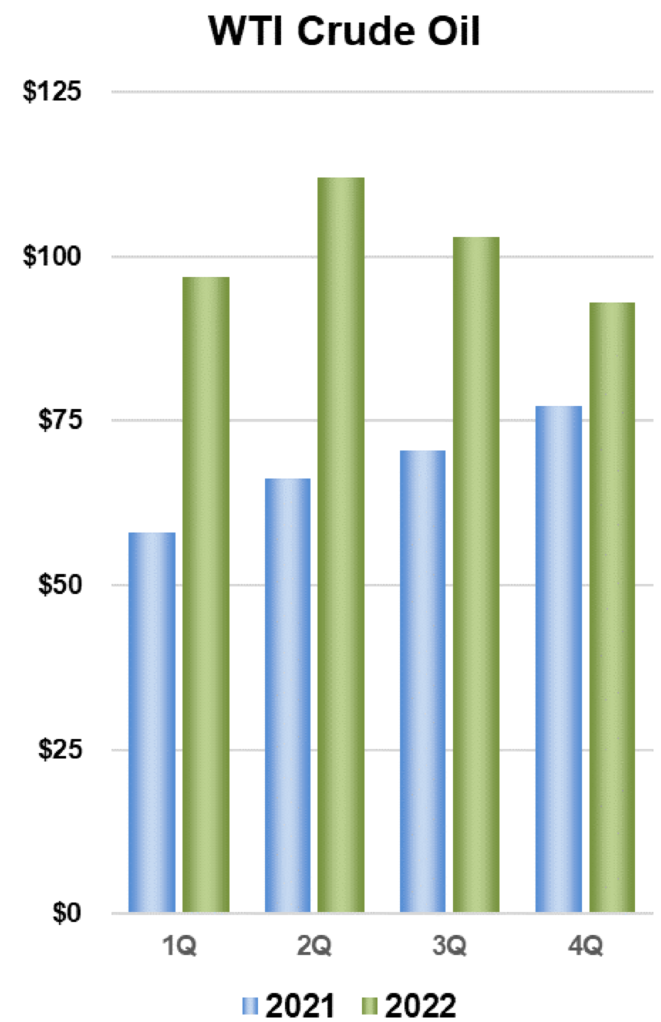


Source: ACT Research Co LLC 3/10/22

Outlook

Energy

- Demand for LNG is forecast to outpace all other sources of fossil fuel for the foreseeable future
- Oil prices have increased significantly over the past year, with the price of WTI up 60% from March 2021; Brent crude up 58%
- Outlook for oil prices to increase to top out at ~$112 per barrel by second quarter of 2022
- Total U.S. rig count is up 65% over this time last year
- The forecast for economic growth of 3.2% in 2022 in the US is expected to drive consumption
- Although the energy market outlook is somewhat uncertain, our backlog is up 60% from Q4 2021 as of the end of February 2022



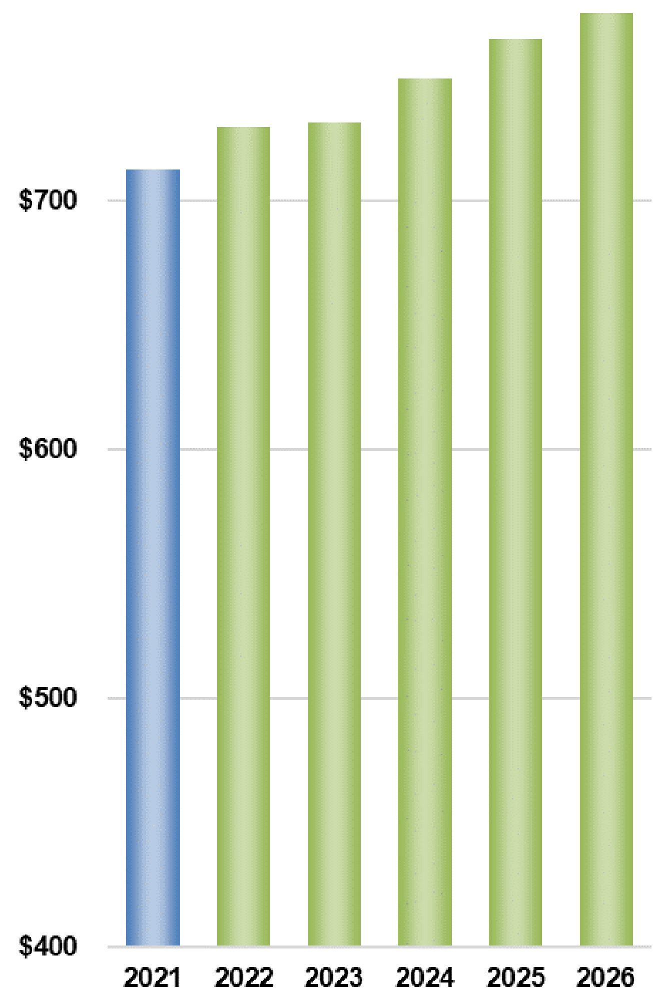
Source: U.S. Energy Information Administration, 3/14/22

Outlook

Defense Electronics

- The long-term outlook for defense spending remains positive
- Technology upgrades to existing strategic platforms will take precedence
  - Naval electronic warfare; surveillance
  - Avionics upgrades; electronic warfare
  - Missile guidance
  - Secure communications
- Deep-sea communications demand remains robust
- Backlog up 61.8% YOY and now extends well into 2023
- Very positive momentum for 2022; geopolitical situation my result in additional tailwind

US Dept of Defense Outlays

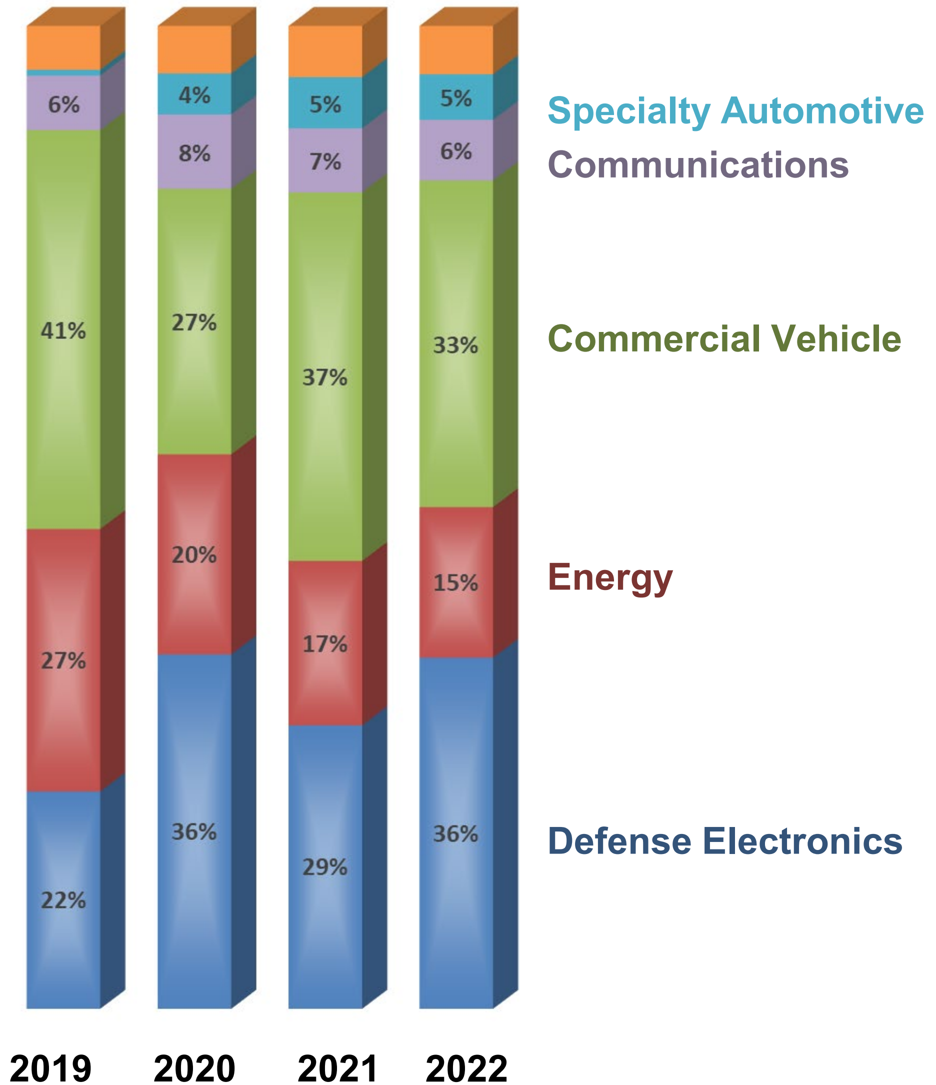


Source: Erin Duffin, Statista.com. 06/03/21

Outlook

Revenue Mix

- Revenue is expected to increase 25% to 30% in 2022
- New programs and the strength of the commercial vehicle market drives an increase in volume in 2022, but mix will decline due to strength of other markets
- Backlog for defense electronics leads to expanded mix in 2022
- Energy growth expected in 2022, but mix will decline due to increase in defense electronics revenue
- Continue to explore new markets to provide further growth opportunities for both segments



Outlook

Summary

- Finished 4Q21 positively
  - Revenue up 25%; backlog up 57%
  - Gross profit up 65%; gross margin up 420 basis points
  - Earnings up 133%
- Markets are in good shape
  - Production of commercial vehicles is forecast to expand 11.9% in 2022 and an additional 21.6% in 2023
  - Defense spending is expected to remain robust, especially for upgrades to electronic warfare, avionics, surveillance and communications programs
  - Recent contract awards support additional optimism
- 2022 full-year outlook raised
  - Revenue up 25-30%
  - Gross margin up 200-250 basis points

Financial Review

Fourth Quarter 2022

March 17, 2022

Anthony C. Allen
Vice President & CFO

4Q Financial Results

$ millions except per share data	4Q 2021			4Q 2020	
	Consolidated	**ST**	**SE**	**Consolidated**	**Change**
Net Revenue	$ 25.8	$ 14.7	$ 11.1	$ 20.6	$ 5.2
Gross Margin	17.1%	15.8%	18.7%	12.9%	420 bps
Operating Income	$ 1.1	$ 1.1	$ 1.2	$ (0.2)	$ 1.3
Net Income (Loss)	$ 0.4			$ (1.2)	$ 1.6
Diluted EPS	$ 0.02			$ (0.06)	$ 0.08

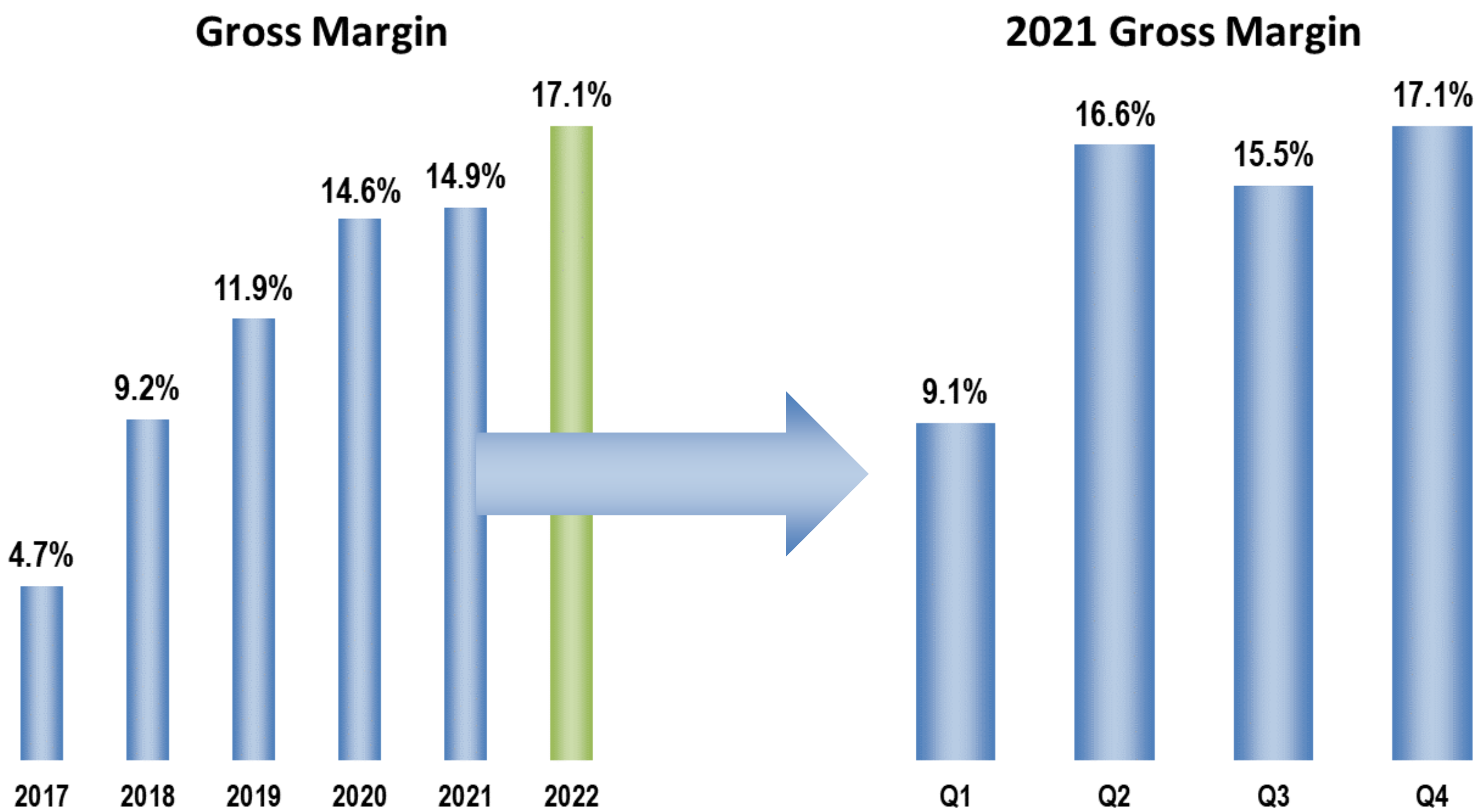
- Consolidated revenue increased 25.2% and gross profit improved 65.1%
- ST revenue increased 21.7% and gross margin increased 310 basis points
- SE revenue increased 30.0% and gross margin increased 540 basis points
- Operating income improved to $1.1 million from prior year loss of $0.2 million
- Diluted EPS of $0.02 increased $0.08 from prior year and $0.01 sequentially

Full Year Financial Results

$ millions except per share data	2021			2020	
	Consolidated	ST	SE	Consolidated	Change
Net Revenue	$ 97.4	$ 61.7	$ 35.7	$ 82.3	$ 15.1
Gross Margin	14.9%	13.1%	17.9%	14.6%	30 bps
Operating Income	$ 1.9	$ 3.5	$ 2.8	$ 0.1	$ 1.8
Net Income	$ 2.9			$ 1.7	$ 1.3
Diluted EPS	$ 0.13			$ 0.08	$ 0.05
Cash Flow from Operations	$ 4.2			$ 3.6	$ 0.6

- Consolidated revenue increased 18.3% and gross profit improved 20.4%
- ST revenue increased 36.2% and gross profit improved 31.7%
- SE revenue decreased 3.6% while gross profit improved 8.5%
- Operating income reached $1.9 million or 2.0% of revenue compared to $0.1 million in 2020
- Diluted EPS increased 62.5% to $0.13 per share
- Cash flow from operations increased 16.2% to $4.2 million

Gross Margin Performance



- Margin improvement of 30 basis points in 2021 driven by SE performance
- Gross margin improved beginning in Q2 as revenue reached consistent run rate
- Margin performance over final 3 quarters of 16.4% in line with expectation for 2022

Key Takeaways

- A positive end to 2021 as 4Q revenue increased 25.2% and FY revenue increased 18.3%
- Gross profit also improved with Q4 increase of 65.1% and FY increase of 20.4%
- Gross margin for 4Q increased 420 bps to 17.1%; FY gross margin increased 30 bps
- Operating income increased to $1.9 million for FY with sequential improvements from Q2 to Q4
- 2021 Diluted EPS increased 62.5% to $0.13 per diluted share
- Class 8 production expected to increase 11.9% in 2022 and an additional 21.6% in 2023
- Year-end backlog up 56.8%, driven by a 46.1% increase in orders for the year at SE
- Record backlog for SE and positive market conditions support revenue growth and margin expansion in 2022
  - 25-30% growth in revenue
  - 200-250 bps increase in gross margin
  - Cash flow from operations expected to improve on increased profitability and working capital management