2013 First Quarter
Earnings Conference Call

May 14, 2013

Jeffrey T. Gill
President & CEO

Brian A. Lutes
Vice President & CFO

Anthony C. Allen
Vice President & Treasurer

Safe Harbor Disclosure

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 serious risks and should not be relied upon, as detailed in our most recent Form 10-K and Form 10-Q and subsequent SEC filings. *Briefly, we currently believe that such risks also include the following: declining revenues and backlog in our aerospace and defense business lines as we attempt to transition from legacy products and services into new market segments and technologies; our ability to successfully develop, launch or sustain new products and programs within the Electronics Group especially in new market segments and technologies; dependence on, recruitment or retention of key employees; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; the costs of compliance with our auditing, regulatory or contractual obligations; potential impairments, non-recoverability or write-offs of assets or deferred costs; inventory valuation risks including obsolescence, shrinkage, theft, overstocking or underbilling; volatility of our customers' forecasts, financial conditions, market shares, product requirements or scheduling demands; 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; potential weaknesses in internal controls over financial reporting and enterprise risk management; U.S. government spending on products and services that our Electronics Group provides, including the timing of budgetary decisions; potential liabilities associated with discontinued operations; fees, costs or other dilutive effects of refinancing, or compliance with covenants; regulatory actions or sanctions (including FCPA, OSHA and Federal Acquisition Regulations, among others); 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; disputes or litigation involving customer, supplier, lessor, landlord, creditor, stockholder, product liability or environmental claims; the costs and supply of debt, equity capital, or insurance; cost and availability of raw materials such as steel, component parts, natural gas or utilities; 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.*

Table of Contents

- Overview
- Segment Review
  - Aerospace & Defense
  - Industrial
- Financial Review
- Summary
- Q&A Session

Overview

SYPRIS SOLUTIONS

Q1 Highlights

- Revenue In-line with Expectations
  - Sales of $78.4 million, up 16% from 4Q12
  - Fueled by 28% growth in Industrial sales
- Gross Profit of $8.1 million
  - Gross margin of 10.3%
  - Strong performance in Industrial offset by decline in Aerospace & Defense
- EPS Reflect A&D Goodwill Impairment
  - $0.36 per diluted share non-cash write off of all remaining goodwill in A&D
- Clearly a "Tale of Two Cities"
  - Industrial (90%) doing well; A&D (10%) a surprise

Aerospace & Defense

Q1 Highlights

- Financial Results
  - Sequestration and associated program funding delays had a significant impact on financial results
  - Decision made to write off all goodwill based upon the recent change in outlook
- Maintained R&D Investments
  - $0.9 million invested in new technology
  - Driving proof of concept with customers
- New Business Opportunities Underway
  - ITT – (3) programs
  - Northrop Grumman
  - Goodrich
- Balanced short-term needs with long-term goals

Aerospace & Defense

SYPRIS SOLUTIONS

Outlook

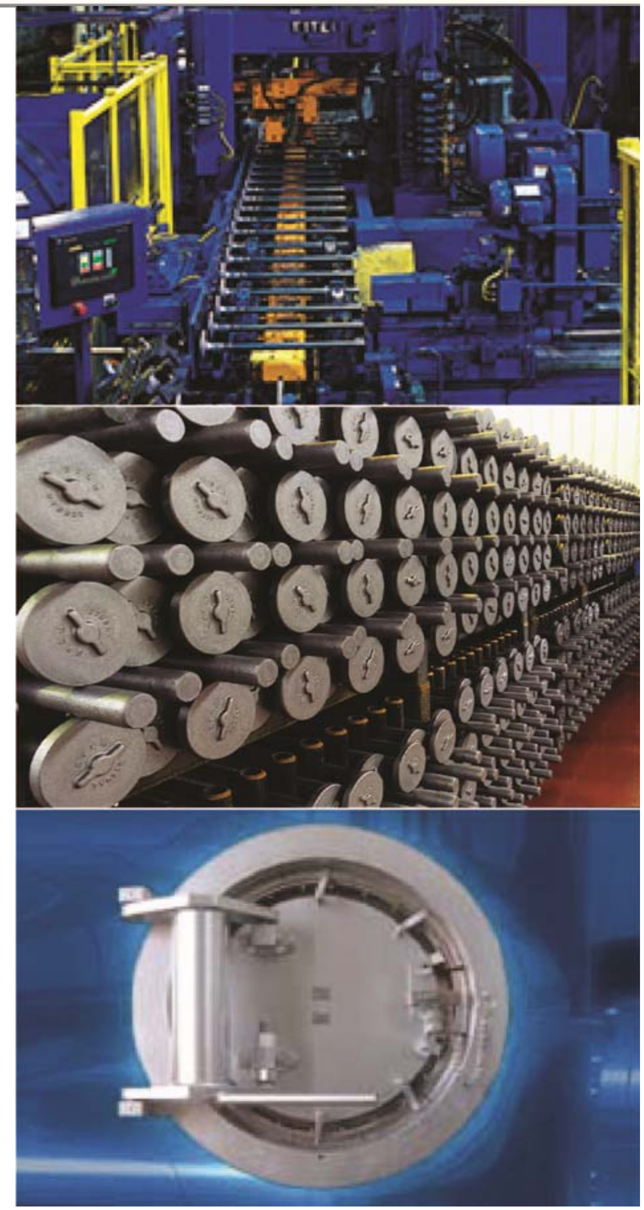
- US Budgetary Issues to Continue
  - Sequester; continuing resolution; etc.
  - Challenging environment – must diversify
- Increase Product Sales: NATO, Japan and India
- Grow EMS Sales in Severe Environment Markets
  - Increase share with ITT, Northrop Grumman, L3
  - “Trusted Source” certification a differentiator
- Partner to Develop Technologies for New Markets
  - Purdue’s CERIAS; Carnegie Mellon’s CyLab
- Convert on Global Cyber Opportunities
- Pursue Synergistic Acquisitions

Industrial

Q1 Highlights

- Financial Results
  - Sales of $71.1 million, up 28% from 4Q12
  - Gross profit of $8.1 million, up 45% from 4Q12
  - Gross margin of 11.4%, up 130 basis points from 4Q12
  - EBITDA of $9.4 million, or 13% of sales
- New Business – 7 New Program Wins
- Global Oil and Gas Markets Remain Robust
- Quality and Delivery at World Class Levels
- Significant training completed with implementation efforts underway on TPS[1] at multiple sites

(1) Toyota Production System



Industrial

Outlook

- Markets Remain Positive
  - Commercial vehicle outlook is solid
  - Light truck and trailer also favorable
  - Oil and gas to experience continued growth
- Capture New Program Growth – 19 Quotes in Process
- Drive Margin Expansion through Volume & Efficiencies
  - Leverage fixed costs
  - Partner with Toyota to further improve cost profile, reduce cycle times and increase reliability
- Invest to Expand
  - Evaluate opportunities to acquire unique capacity
  - Pursue joint ventures in developing countries

Financial Review
First Quarter 2013

May 14, 2013

Brian A. Lutes
Vice President & CFO

Anthony C. Allen
Vice President & Treasurer

Consolidated Financial Results

($ in thousands, except EPS)	Year-Over-Year Results 1Q12	1Q13	
Revenue	$ 96,463	$ 78,411	• YOY revenue down, but SIG recovery showed sequential improvement from Q4
Gross Profit	12,514	8,076	• GP declines on lower revenue
Gross Margin	13.0%	10.3%	• Lower YOY revenues in both SIG and A&D; A&D product mix change
EPS	$ 0.27	$ (0.34)	• Includes $6.9 million non-cash goodwill write-off, or $0.36 per share

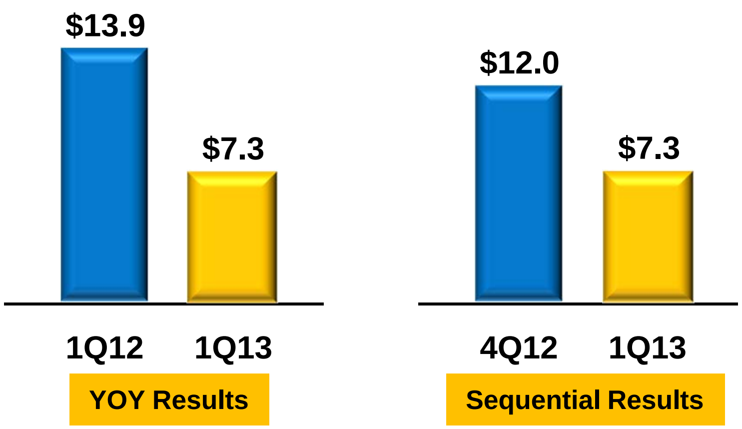
Consolidated Financial Results

($ in thousands, except EPS)	Sequential Results 4Q12	1Q13	
Revenue	$ 67,466	$ 78,411	• SIG recovery drives sequential improvement
Gross Profit	8,638	8,076	• A&D market challenges largely offset
Gross Margin	12.8%	10.3%	• Lower A&D revenue and much different product mix impacts gross margin
EPS	$ (0.05)	$ (0.34)	• Includes $6.9 million non-cash goodwill write-off, or $0.36 per share

A&D Financial Results

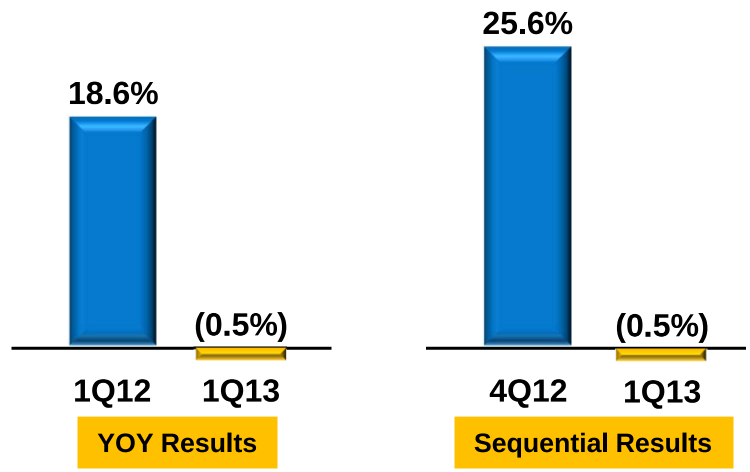
Revenue

($ in millions)



- Defense budgetary and funding uncertainties resulted in 1Q revenue below our expectations
  - Reflects a YOY decrease of 48%
  - Sequential decrease of 39%
- Program delays/losses to be offset by new wins eventually, but timing differences result in a revenue gap

Gross Margin

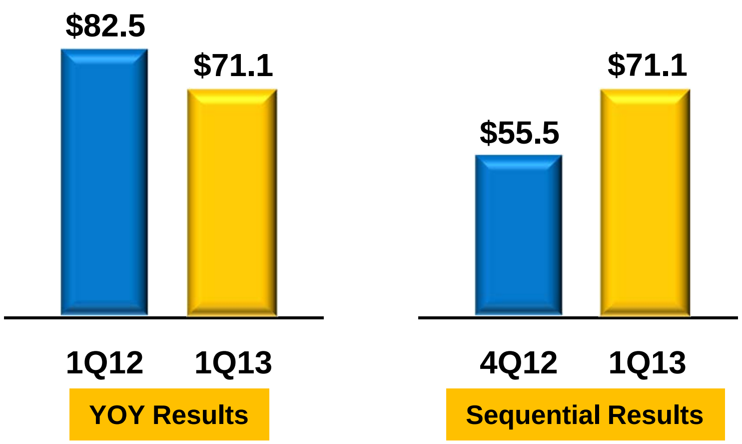


- Gross margin was breakeven for the quarter, negatively impacted by lower revenue and a change in product mix
- Expect traditional margins to return with eventual volume recovery
- Team is acutely focused on managing through this turmoil

ST Financial Results

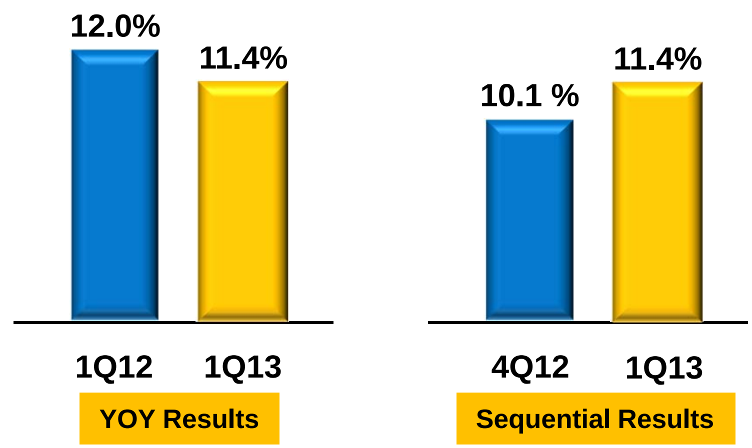
Revenue

($ in millions)



- Renewed demand drives commercial vehicle market rebound
  - YOY revenue decrease of 14%
  - 1Q recovery drove a sequential revenue increase of 28%
- Expect market demand to continue

Gross Margin



- Despite a 14% YOY decrease in revenue, gross margins declined by only 60 bps, reflecting continued operating efficiencies
- Gross margin of 11.4%, reflects 130 bps improvement sequentially from 4Q
- Focused on execution as volumes return to replacement levels in 2H

Summary

- Commercial Vehicle markets have continued to rebound from the 2H 2012 downturn:
  - Industrial revenue up 28% from the fourth quarter of 2012 to $71.1 million
  - Industrial gross margin up 130 bps from the fourth quarter of 2012 to 11.4%
  - Industrial EBITDA of $9.4 million generated for the quarter
- Positioned for Further Improvement in 2013
  - New programs underway in the A&D segment that will both replenish and further diversify our revenue profile in future years
  - We continued funding several of A&D's key R&D platforms as a means to expand its overall portfolio and future growth opportunities
  - TPS[1] implementation underway to improve productivity at all sites
  - Several new opportunities exist within our Industrial Group which provide exceptional growth opportunities
- Strong Balance Sheet and Capital Management Positions Company for Synergistic Growth Opportunities

(1) Toyota Production System

Question and Answer Session
Q1 Earnings Conference Call

May 14, 2013

Jeffrey T. Gill
President & CEO

Brian A. Lutes
Vice President & CFO

Anthony C. Allen
Vice President & Treasurer