2014 Fourth Quarter and Full Year Earnings Conference Call

March 31, 2015

Jeffrey T. Gill
President & CEO

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Vice President & CFO

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

This press release contains "forward-looking" statements within the meaning of the federal securities laws. 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 develop and implement plans to mitigate the impact of loss of revenues from Dana or to adequately diversify our revenue sources on a timely basis; the costs and supply of, or access to, debt, equity capital, or insurance; fees, costs or other dilutive effects of refinancing, or compliance with covenants; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; 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; our ability to successfully develop, launch or sustain new products and programs; dependence on, retention or recruitment of key employees especially in challenging markets; inventory valuation risks including excessive or obsolescent valuations; potential impairments, non-recoverability or write-offs of assets or deferred costs; our inability to successfully complete definitive agreements for our targeted acquisitions due to negative due diligence findings or other factors; volatility of our customers' forecasts, scheduling demands and production levels which negatively impact our operational capacity and our effectiveness to integrate new customers; 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; the costs of compliance with our auditing, regulatory or contractual obligations; our inability to patent or otherwise protect our inventions or other intellectual property from potential competitors; our reliance on third party vendors and sub-suppliers; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; cost and availability of raw materials such as steel, component parts, natural gas or utilities; regulatory actions or sanctions (including FCPA, OSHA and Federal Acquisition Regulations, among others); potential weaknesses in internal controls over financial reporting and enterprise risk management; disputes or litigation involving customer, supplier, employee, lessor, landlord, creditor, stockholder, product liability or environmental claims; U.S. government spending on products and services that our Electronics Group 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; 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; 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. 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

2014 Highlights

- Revenue increased 14% to $355 million
- Gross profit increased 29% to $39 million
- Gross margin expanded 120 basis points to 10.9%
- EBITDA increased $11 million to $14 million
- Earnings improved to a loss of $0.06 per diluted share, up from a loss of $0.51 per share in 2013
- Cash flow from operations was positive, driven by strong working capital management
- The balance sheet remained an important asset, with net debt of $10.0 million
- Process improvements and results from our TPS[1] activities continued to contribute to improved operating performance

(1) Toyota Production System

Sypris Electronics

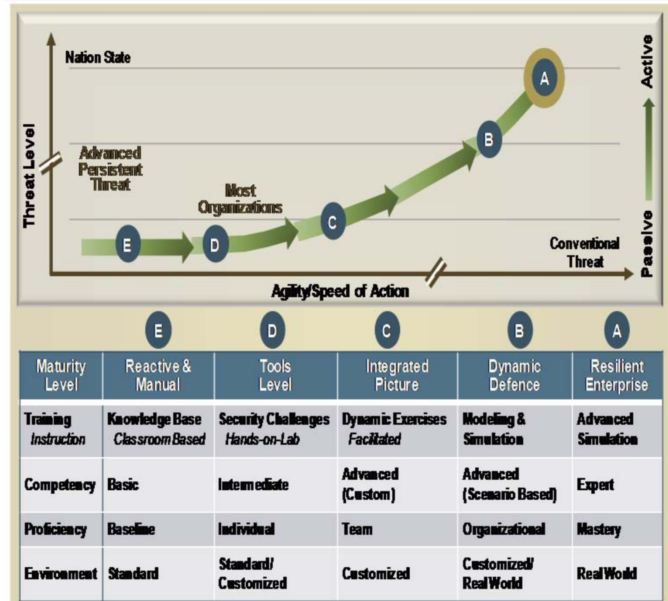
2014 Highlights

- Sequestration and associated program funding delays initiated in 2013 continued to impact planned shipments and the financial results in 2014
- Maintained critical R&D investments, advancing new core technologies to the demonstration stage
  - Booked a program that provides customer funding to accelerate and extend development efforts
- Successfully demonstrated proof of concept for new SiOMetrics™ software, a breakthrough technology that we believe cryptographically secures the unique identity of each silicon wafer
  - Reduces vulnerabilities of existing public key infrastructure, the architecture used today for the majority of commercial security applications
  - Two patents granted; Nine patents pending

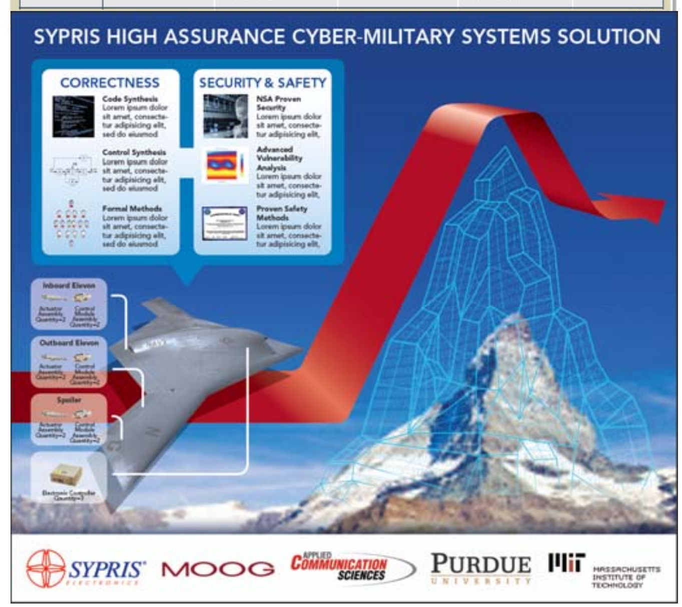
Sypris Electronics

2014 Highlights

- Global demand for the Sypris Cyber Range continued to build important momentum, with plans to commission a Cyber Lab in partnership with NEC Asia Pacific for the Singapore Ministry of Home Affairs in Q2
- Additional opportunities exist in the very near term
- Several new business wins were successfully on-boarded, while the pipeline continued to increase for 2015
  - Exelis
  - Northrop Grumman
  - Lockheed Martin
  - L3
  - TE Subcom



Maturity Level	Reactive & Manual	Tools Level	Integrated Picture	Dynamic Defence	Resilient Enterprise
Training *Instruction*	Knowledge Base *Classroom Based*	Security Challenges *Hands-on-Lab*	Dynamic Exercises *Facilitated*	Modeling & Simulation	Advanced Simulation
Competency	Basic	Intermediate	Advanced (Custom)	Advanced (Scenario Based)	Expert
Proficiency	Baseline	Individual	Team	Organizational	Mastery
Environment	Standard	Standard/ Customized	Customized	Customized/ Real World	Real World



Sypris Electronics

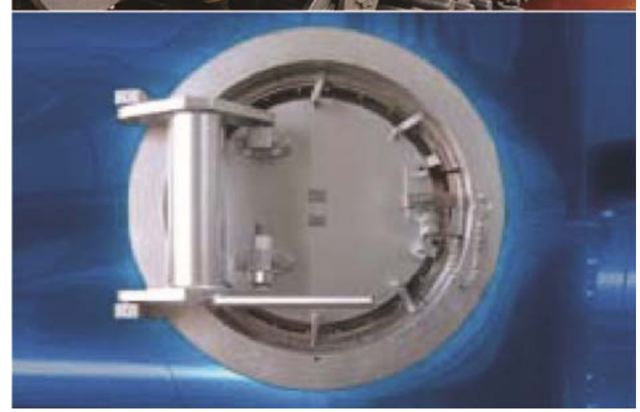
2015 Outlook

- US defense industry challenges are likely to continue
  - We remain committed to improving our portfolio through diversification, achieving a better hardware/software balance
- Key Items of Note for 2015
  - Recent release of shipments for Northrop Grumman and the commissioning of the Cyber Range in Singapore
  - The reduction in fixed overhead and SG&A implemented in late 2014
  - Targeting year over year growth in both EMS and Cyber
  - Accelerating the commercial potential of SiOMetrics™ with potential value-added partners

Sypris Technologies

2014 Highlights

- Revenue increased 17% to $322 million, while gross profit increased 33% to $42 million, or 13.0% of sales, up 150 basis points from 2013
  - EBITDA was $36 million, or 11.1% of sales
  - Free cash flow increased 19% to $19 million
  - Return on net assets[1] was 49%
- The combination of process improvements and the TPS[2] implementation contributed to improved operating performance across all locations
- Global oil and gas markets supported continued growth for our branded closures, joints and other products that are used in a wide variety of petrochemical applications
- We expanded safety training at our sites using the DuPont STOP Behavior Safety Program

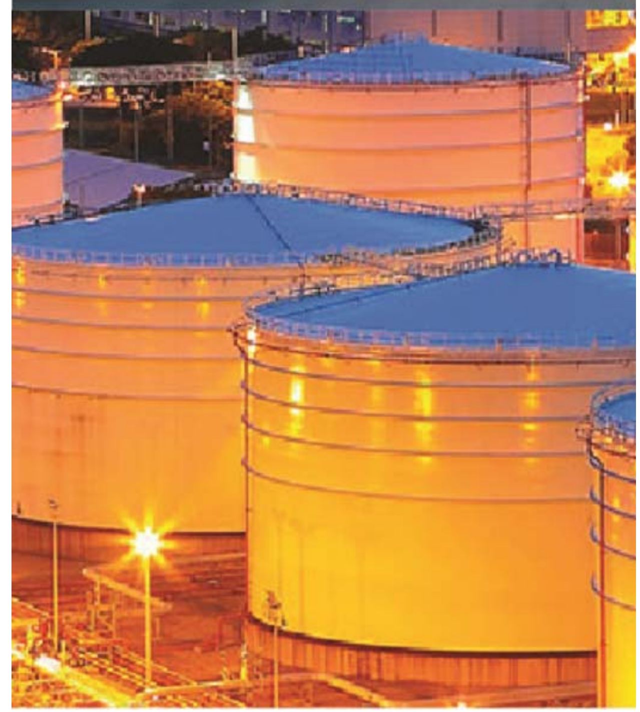


(1) Annualized
(2) Toyota Production System

Sypris Technologies

2014 Highlights

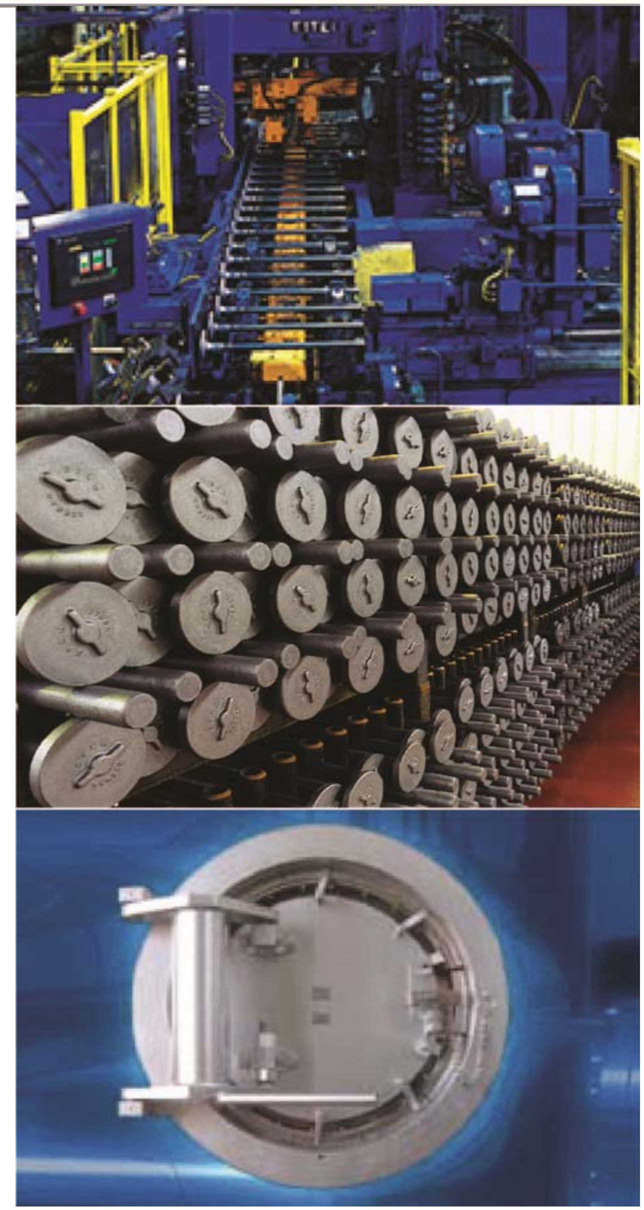
- Quality and delivery performance remained at world class levels
- Made investments to support future growth opportunities
  - Invested in additional production technology
  - Increased investment in product engineering
- Commercial vehicle production expanded 17% in North America, while light truck and trailer markets remained robust
- New business development continued at a brisk pace
- Developed new plans to form a joint venture in India to serve the light truck market
- Entered into a letter of intent to purchase a business that we plan to merge with our existing operations, subject to the satisfactory completion of due diligence and other conditions to closing



Sypris Technologies

Subsequent Event

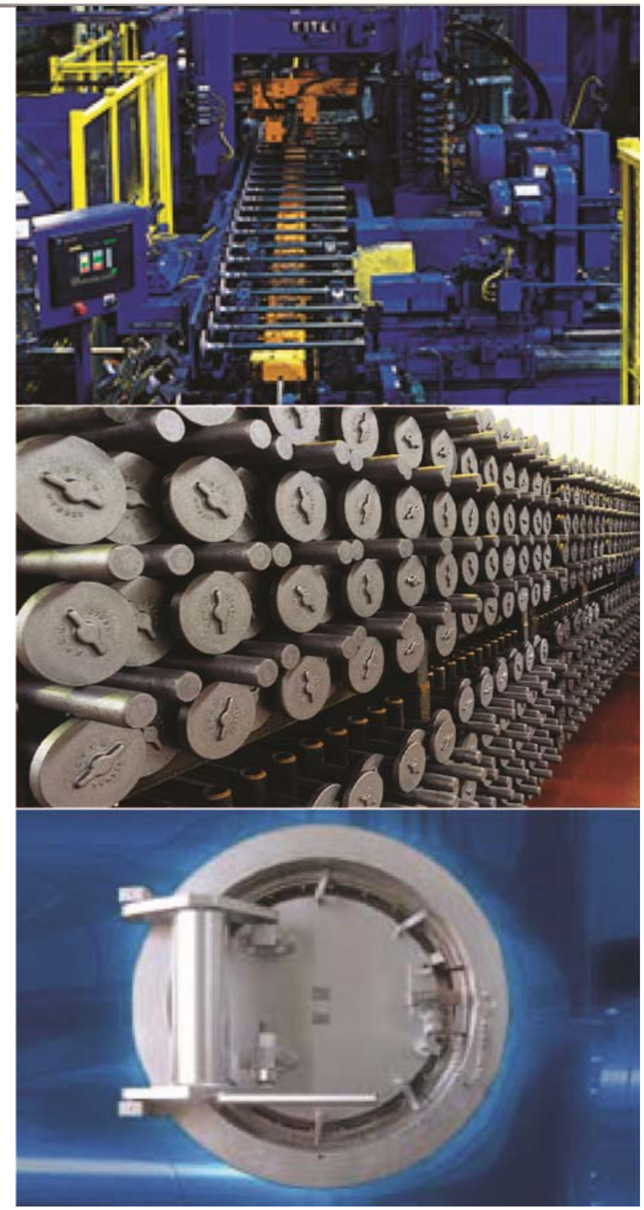
- By year end, it became apparent that our contractual dispute with Dana was unlikely to be resolved through the renewal of our contract
- As a result, we have not had demand from nor have we shipped product to Dana since December of 2014
- In response to this outcome, we have taken a number of actions to reduce costs and provide support for the transition from Dana
- We have been careful to preserve and protect the strategic core of our Industrial Group – our people – while we replace the former Dana volume
- We expect the brunt of the financial impact to be incurred during the first half of 2015, after which the combined contribution from reduced costs and new program launches is expected to have a positive impact
- Fortunately, our markets are strong and our capabilities are in demand



Sypris Technologies

2015 Outlook

- Market Outlooks are Positive
  - 2015 Class 5-8 production expected to be up 9% versus 2014 (ACT Research, March 10, 2015)
  - Light truck and trailer remain positive
  - Oil and gas outlook is stable but uncertain
- Our Priorities are Clear
  - Successfully ramp up new programs
  - Close on new business that can utilize productive capacity
  - Launch the Ultra-series light-weight axle shaft
  - Complete joint venture and acquisition-related activities in Q2
  - Drive Margin Expansion through Efficiencies
  - Invest to Expand Market and Customer Share



Financial Review
2014 Fourth Quarter and Full Year

March 31, 2015

Anthony C. Allen
Vice President & CFO

Consolidated Financial Results

SYPRIS SOLUTIONS

Quarter-Over-Quarter Results

($ in thousands, except EPS)

	4Q14	4Q13	
Revenue	$ 87,215	$ 73,859	• Driven by 25% increase in ST revenue
Gross Profit	9,230	6,380	• Volume contributes to gross profit increase
Gross Margin	10.6%	8.6%	• Conversion on ST revenue increase
EPS*	$ (0.11)	$ 0.00	• 4Q13 included $2.4 million non-cash tax benefit

* EPS – Diluted earnings per share

Consolidated Financial Results

($ in thousands, except EPS)

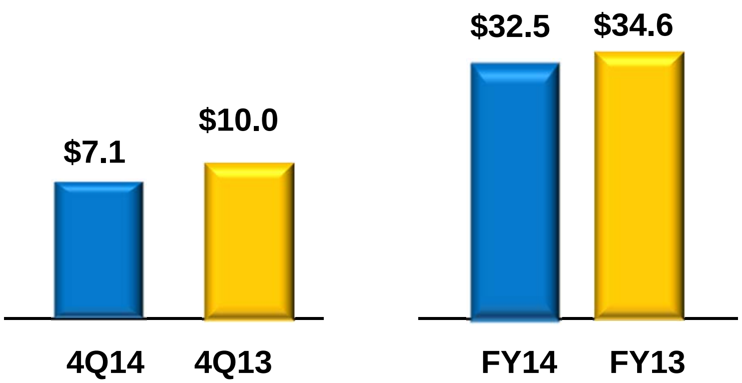
	Year-Over-Year Results		
	2014	**2013**	
Revenue	$ 354,776	$ 310,714	• Driven by 17% increase in ST revenue
Gross Profit	38,830	30,053	• Volume contributes to gross profit increase
Gross Margin	10.9%	9.7%	• Conversion on revenue gain by ST partially offset by SE revenue mix
EPS*	$ (0.06)	$ (0.51)	• 2013 EPS includes SE goodwill impairment

***** EPS – Diluted earnings per share

Sypris Electronics

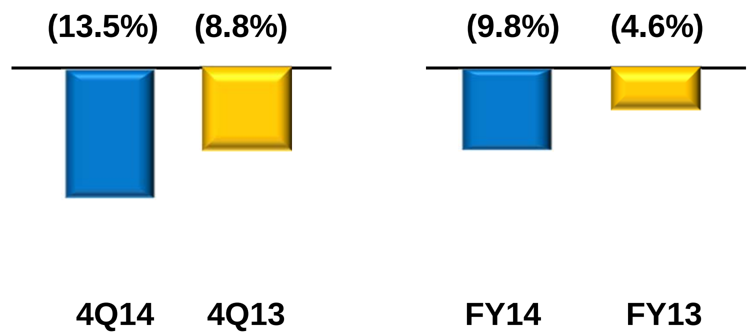
Revenue

($ in millions)



- Q4 decrease of 29%
- Full Year decrease of 6%
- Decline in sales of secure communication and recording products to foreign customers
- Decline in EDMS services for severe customer applications

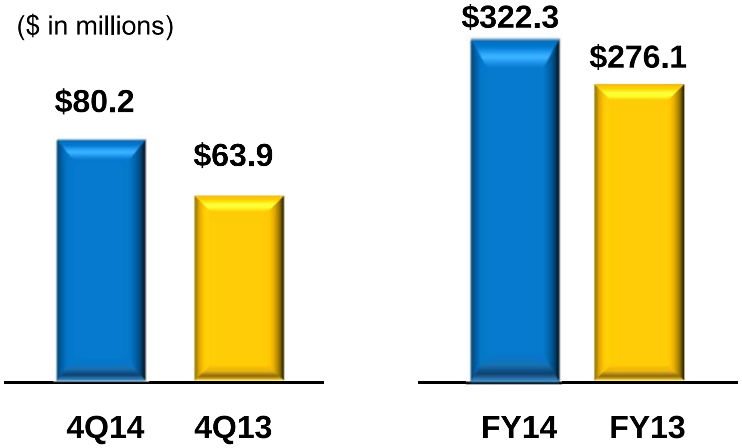
Gross Margin



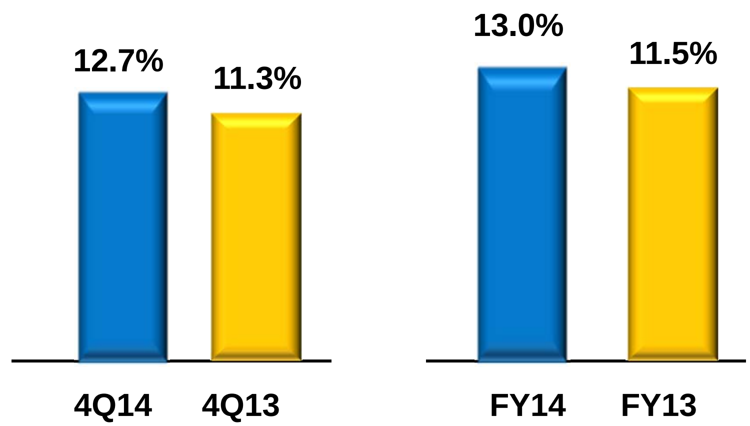
- Unfavorable revenue mix in 2014 vs 2013 from lower product and severe EDMS content
- Fixed cost absorption impacted by decline in revenue
- Engineering support for software enhancements on products increased COGS in 2014

Sypris Technologies

Revenue



Gross Margin



- Strong commercial vehicle demand
  - Q4 increase of 25%
  - Full Year increase of 17%
- Class 8 industry forecast remains strong
  - 20.9% increase for FY 2014 over 2013
  - 14.6% increase for FY 2015 over 2014

- Margin % increased in Q4 & YTD
- Volumes drive profit improvement
  - Q4 gross profit up $2.9M to $10.2M
  - Full Year gross profit up $10.4M to $42.0M
- Continued focus on execution to support the strong market cycle

Subsequent Events

- Shipments of product to Dana ended in December 2014
- Cost reductions implemented across all business units
  - Headcount reductions and reduced schedules at plants impacted
  - Compensation and benefit plans adjusted to reduce drag
  - Close oversight over variable plant operating expenses
- Retaining skilled workforce to prepare for new programs, expand TPS and 5S initiatives, and perform preventative maintenance on equipment
- Impact weighted to first half of 2015
  - Severance and other nonrecurring costs will be incurred, primarily in Q1
  - Two of four manufacturing facilities impacted by the event
  - New program launches and cost reductions are anticipated to have a positive impact on income and cash flow during second half
  - Manpower and equipment utilization rates targeted to improve sequentially through 2015

Capital Resources

- Net debt position at December 31, 2014 of $10.0 million
- Successfully completed amendments to credit facility
  - Revised covenants to reflect new circumstances
  - Restricted dividend payments to preserve cash
- Raised $4 million in subordinated debt to support the transition
- Taking additional steps to insure ample resources
  - Evaluating the sale of unoccupied, but valuable real estate in Mexico
  - Talking with potential partners to support the accelerated introduction of SiOMetrics™ into commercial markets
- Expect to consume cash in 1H15, targeting to turning positive in 2H15

Summary

- 2014 Marked Important Progress
  - Revenue, gross profit, EBITDA and earnings improved
  - Adjustments to fixed overhead and SG&A for Sypris Electronics completed
- 2015 Building Blocks
  - Sypris Electronics
    - Revenue growth: EDMS and Cyber
    - Reduced overhead and improved product mix drive margins
    - SiOMetrics™ commercialization and funding with partners
  - Sypris Technologies
    - Manage the transition
    - Ramp new business and close new contracts
    - Successful launch of the Ultra-series light-weight axle shaft
    - Pursue joint venture and acquisition opportunity
  - Maintain financial elasticity to respond to opportunities
  - Dedicate all resources to deliver results and build profitability

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Question and Answer Session
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President & CEO

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