2015 Fourth Quarter and Full Year Earnings Conference Call

March 30, 2016

Jeffrey T. Gill
President & CEO

Anthony C. Allen
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

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; reliance on major customers or suppliers; declining markets or market share in our commercial vehicle and energy-related product lines, especially as we attempt to transition from legacy products and services into new market segments, customers and technologies; volatility of our customers' forecasts, scheduling demands and production levels which negatively impact our operational capacity and our effectiveness to integrate new customers; dependence on, retention or recruitment of key employees; 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; disputes or litigation involving customer, supplier, employee, lessor, landlord, creditor, stockholder, product liability or environmental claims; 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; 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; 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; 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; 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.*

Table of Contents

Overview

2015 Highlights

- 2015 represented a period of significant change and adjustment – as expected
  - Financial results primarily reflect the cessation of shipments to Dana and the related realignment costs
  - Offset somewhat by improved performance at Sypris Electronics
- Cost reductions initiated expected to exceed $9 million in annualized savings
- $15.7 million raised in connection with the sale of our underutilized manufacturing facility in Morganton, NC
- Secured new credit facilities of up to $27.0 million
- Raised $5.5 million in subordinated debt
- Announced long-term contracts with Volvo and Detroit Axle
- Cyber Range sale completed to Singapore

Overview

2015 Highlights

- Subsequent to Year-End:
  - Awarded a $5.0 million engineering services contract for a defense program
  - Received a $13.8 million purchase order for circuit card assemblies for a US Armed Services program
  - Received a purchase order from Kyushu University and were notified by an agency of the Department of Defense of its intent to deploy Cyber Ranges
  - Sale-leaseback transaction completed for our Toluca, Mexico facility, generating gross proceeds of $12.1 million
  - Revolving credit facility amended and increased subordinated debt to provide additional liquidity
  - In short, a great deal has been accomplished and more is yet to come

Sypris Electronics

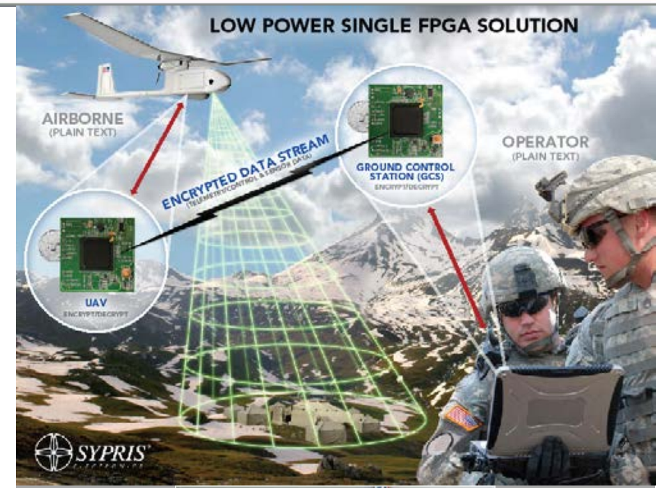
2015 Highlights

- Financial Results
  - Revenue increased 14% to $37.2 million
  - Gross profit and operating income increased significantly relative to sales growth, reflecting improved mix and reduced costs
- Orders increased 20%, outpacing the growth in sales
  - Bookings of $24 million expected for 1Q16
- The Cyber Range was commissioned by the Ministry of Home Affairs for the Security Operations Center of Singapore
- Received an order for a Cyber Range from NEC Corporation, with delivery scheduled in Q1 2016
- Additional Cyber Ranges to be deployed by Kyushu University and the Department of Defense in early 2016

Sypris Electronics

2015 Highlights

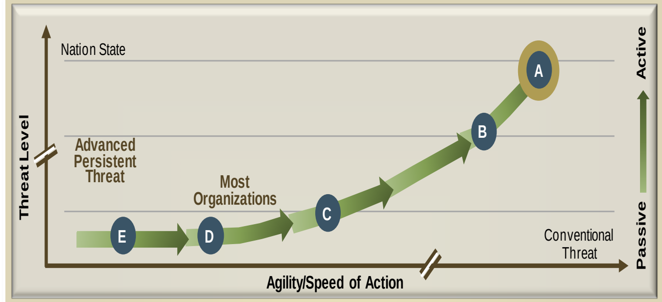
- Exploring additional business models for the Range to further expand penetration in a variety of markets
- Important advancements were made with patented SiOMetrics™ identity authentication security solution
  - Demonstrated end-to-end security features at Dell World in Austin and GovWare in Singapore
- Trusted manufacturing completed another good year
  - Key customers included Northrop Grumman, Lockheed Martin, Exelis, L3 and TE Subcom
  - Starting 2016 in very good shape with the recent award of a $13.8 million circuit card assembly contract
- In summary, important traction made with solid momentum going into 2016



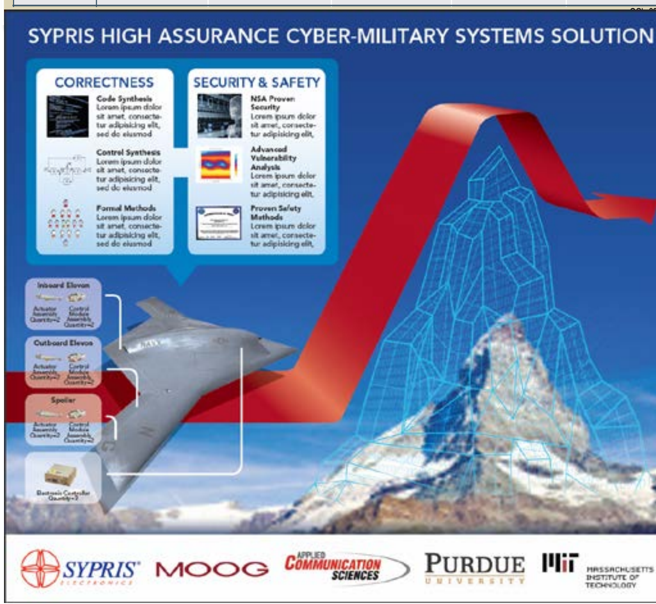
Sypris Electronics

2016 Outlook

- Cyber Security Solutions poised for solid growth in 2016
  - NEC, Kyushu and others
  - Mature opportunities exist in Vietnam, Saudi Arabia and Japan for additional growth
- The recent award of the $13.8 million contract will provide Trusted Manufacturing with a solid foundation for some time to come
- SG&A expenses are forecast to be lower than 2015
- The combination of continued top line growth, improved mix and lower costs is expected to yield positive year-over-year results with expanding margins
- New proprietary technology will increasingly play a larger role in our results



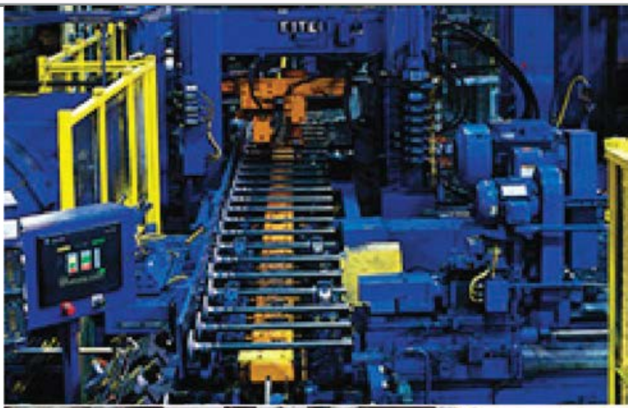
	E	D	C	B	A
Maturity Level	Reactive & Manual	Tools Level	Integrated Picture	Dynamic Defence	Resilient Enterprise
Training *Instruction*	Knowledge Base *Classroom Based*	Security Challenges *Hands-on-Lab*	Dynamic Exercises *Facilitated*	Modeling & Simulation	Advanced Simulation
Competency	Basic	Intermediate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



Sypris Technologies

2015 Highlights

- Revenue decreased to $108 million from over $300 million in 2014, reflecting the contract loss and the divestiture of the Morganton operation
- However:
  - EBITDA was positive at $908K
  - Free cash flow was also positive
- The company sold its Morganton manufacturing facility to Meritor, raising $15.7 in this and related transactions
  - $7.7 million gain
  - Proceeds are not included in definition of free cash flow
- Significant reductions in the workforce were implemented in order to adjust for lower volumes
- Quality and delivery performance remained at world class levels



Sypris Technologies

2015 Highlights

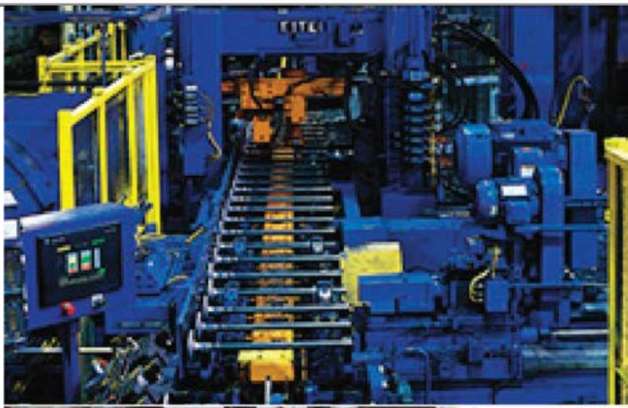
- Secured long-term contracts with Volvo and Detroit Axle
- Sales of commercial vehicle components expanded with all other customers due to market strength and market penetration
- While the global energy market fell dramatically during 2015, sales of our closures and related products remained level, reflecting improved penetration and market diversification
- New business development activities continued and progress was achieved both in gaining incremental business with existing customers and in gaining new customers
- The combination of process improvements and the TPS[1] implementation continued

(1) Toyota Production System

Sypris Technologies

2016 Outlook

- Market Outlooks
  - 2016 Class 5-8 production expected to be down approximately 16% versus 2015 (ACT Research, March 2016)
  - Oil and gas outlook appears to be stabilizing as oil prices show signs of recovery and domestic pipeline projects continue to be active.
- Expect to benefit from $12.1 million of gross proceeds from sale-leaseback transaction completed in March 2106
- Our Priorities are Clear
  - Complete the launch of the Sypris Ultra™ series light-weight axle shaft with a key customer
  - Continue the ramp up of new programs and close on new business that can utilize our productive capacity in Toluca, Mexico
  - Continue to aggressively monitor costs to match revenue profile



Financial Review
Fourth Quarter 2015

March 30, 2016

Anthony C. Allen
Vice President & CFO

Consolidated Financial Highlights

$ millions

	2015 Q4	2014 Q4	Change	2015 FY	2014 FY	Change
Net Revenue	$ 29.1	$ 87.2	$ (58.1)	$ 145.3	$ 354.8	$ (209.5)
Gross Profit	$ 1.0	$ 9.2	$ (8.2)	$ 0.3	$ 38.8	$ (38.5)
EBITDA	$ (2.8)	$ 1.7	$ (4.5)	$ (12.0)	$ 14.4	$ (26.4)
Free Cash Flow	$ (2.4)	$ (3.8)	$ 1.4	$ (15.3)	$ (2.2)	$ (13.1)

- Revenue declines for Q4 and FY 2015 vs 2014 driven by loss of Dana business effective 12/31/2014 and the sale of the Morganton operations effective 7/9/2015
- Q4 revenue for Technologies negatively impacted by Class 8 market conditions
- FY revenue for Electronics increased $4.7 million or 14% over 2014
- Gross profit for Q4 and FY 2015 declined on lower volume for Technologies partially offset by improved margins for Electronics and cost reductions at Technologies
- Year-over-Year SG&A declined $4.7 million and $7.7 million for Q4 and FY, respectively
- EBITDA for FY 2015 includes gain on the sale of Morganton of $7.7 million
- Free Cash Flow in 2015 includes cap ex of $0.7 million and $1.8 million for Q4 and FY, respectively
- Free Cash Flow for FY 2015 excludes proceeds from the Morganton transaction of $15.7 million

Sypris Technologies

$ millions

	2015 Q4	2014 Q4	Change	2015 FY	2014 FY	Change
Net Revenue	$ 20.2	$ 80.2	$ (60.0)	$ 108.1	$ 322.3	$ (214.2)
Gross Profit	$ 0.8	$ 10.2	$ (9.4)	$ (0.8)	$ 42.0	$ (42.8)
EBITDA	$ (0.2)	$ 7.2	$ (7.4)	$ 0.9	$ 35.8	$ (34.9)

- Dana accounted for 65% of Technologies revenue in FY 2014
- Cost reduction actions taken beginning in Q1 2015 and continuing through balance of year partially offset revenue declines
- Gross profit was positive in each of Q2 through Q4 2015 at $3.3 million or 4.1% of revenue
- Sequential improvement in quarterly gross profit during 2015 was reversed in Q4 due to Class 8 market downturn
- Quarterly SG&A declined sequentially throughout 2014 from 17.5% to 8.7% of revenue from Q1 to Q4 2015

Sypris Electronics

$ millions

	2015 Q4	2014 Q4	Change	2015 FY	2014 FY	Change
Net Revenue	$ 8.9	$ 7.1	$ 1.8	$ 37.2	$ 32.5	$ 4.7
Gross Profit	$ 0.3	$ (1.0)	$ 1.3	$ 1.1	$ (3.2)	$ 4.3
EBITDA	$ (0.5)	$ (3.4)	$ 2.9	$ (4.7)	$ (12.5)	$ 7.8

- Revenue for Electronics increased 26% and 14% in Q4 and FY 2015, respectively
- Favorable revenue mix in Q4 and FY 2015 contributed to improved gross profit
- Reductions in fixed overhead and SG&A throughout 2015 further contributed to EBITDA improvement
- Quarterly SG&A expense declined sequentially throughout 2015 from 25.4% to 17.7% of revenue from Q1 to Q4 2015
- Advanced the maturity of new technologies through R&D spend of $0.7 million in 2015

Debt Status

$ millions

	2015 Q3	2015 Q4	Change
Prior Credit Facility	$ 6.2	$ -	$ (6.2)
Senior Revolving Credit Facility	-	2.1	2.1
Senior Tem Debt	-	11.7	11.7
Subordinated Debt	9.3	5.5	(3.8)
Total Debt	$ 15.5	$ 19.3	$ 3.8

- Entered into new loan agreements in Q4 2015 consisting of $15 million revolver and $12 million term loan
- Proceeds used to repay senior PNC facility and Meritor subordinated debt
- Extension of maturity date of Gill Family subordinated debt

Summary

- Results of operations for 2015 reflect the challenges resulting from the loss of a major customer for Sypris Technologies, while results for Sypris Electronics gained traction
- The Company's fixed overhead has been reduced, underperforming and underutilized assets have been divested, significant liquidity has been raised and important new business has been secured
- The Company generated $15.7 million in cash proceeds through transactions involving the sale of its manufacturing assets located in Morganton, NC
- The Company secured new credit facilities of up to $27.0 million and raised $5.5 million in subordinated debt
- Subsequent to quarter-end:
  - The Company completed a sale-leaseback transaction for our Toluca, Mexico facility, generating approximately $12.1 million in proceeds
  - The Company amended its subordinated debt to provide additional liquidity
  - Sypris Electronics received several significant awards ranging from circuit card assemblies to Cyber Range sales – expect 1Q16 bookings of $24.0 million
- Much important progress made in 2015 with further margin expansion and EBITDA growth targeted for 2016

SYPRIS® SOLUTIONS

Question and Answer Session
Q4 Earnings Conference Call

March 30,2016

Jeffrey T. Gill
President & CEO

Anthony C. Allen
Vice President & CFO