2015 Second Quarter
Earnings Conference Call

August 18, 2015

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; our failure to secure debt financing necessary to refinance the Credit Facility and our other debt obligations; the fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity, including the potentially dilutive effects of any refinancing arrangements, and the potentially material costs of our compliance with covenants in, or the potential default under or acceleration of, our Credit Facility or the terms of our other debt agreements; the risks of any default under our Accommodation Agreement with Meritor, which could cause Meritor to exercise certain access rights that could have a material adverse effect on the Company's ability to operate and its financial results; volatility of our customers' forecasts, scheduling demands and production levels which negatively impact our operational capacity and our effectiveness to integrate new customers; reliance on major customers or suppliers; 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; declining revenues and backlog in our Sypris Electronics 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 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.*

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Overview

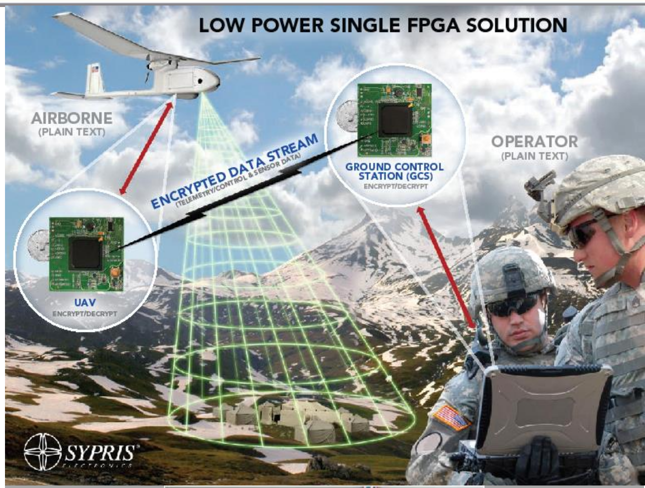
Q2 Highlights

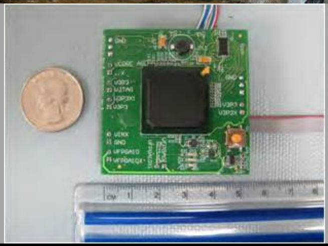
- Q2 marked a significant improvement over Q1
  - Revenue increased 10%
  - Gross profit increased by $3.1 million, or 100%
  - EBITDA increased $5.5 million, or 53%
- The team did an outstanding job maintaining core technical and operational capabilities, positioning the Company for new business
- Subsequent to quarter end:
  - Sold manufacturing assets located in Morganton, NC to Meritor for $15.7 million in cash proceeds
    - Plant lost $1.8 million in Q2; $4.4 million 1H15
  - Extended our agreement to purchase Reynolds Machine, subject to the completion of due diligence, among other conditions
  - Implemented $4.7 million in annualized cost savings

Sypris Electronics

Q2 Highlights

- Financial Results
  - Revenue declined 7% from 2Q14 and was down 2% from 1Q15
  - Gross profit was flat year-over-year
- Awarded an important contract to develop an embedded encryption module to protect UAVs from cyber attack
- Conducted multiple demonstrations and entered into advanced discussions with potential customers for the Cyber Range
- The commissioning of the Cyber Range for the Ministry of Home Affairs in Singapore was delayed to Q3
- Important advancements were made with SiOMetrics™ software - awarded product demonstration contracts for two automobile manufacturers

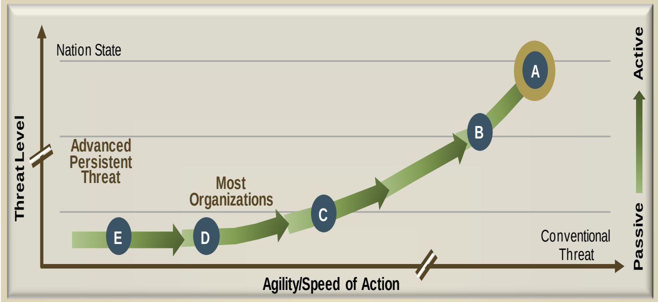




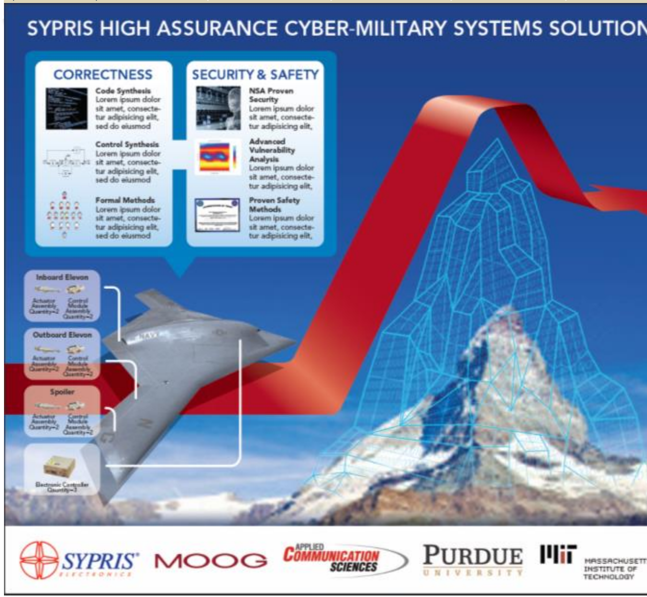
Sypris Electronics

Outlook

- US defense industry challenges are likely to continue
  - We remain committed to improving our portfolio through diversification, achieving a better hardware/software balance
- Performance
  - 3Q15 sales are targeted to increase materially on both a year-over-year and sequential basis
    - Commissioning of Singapore Cyber Range
    - Increased product sales
  - Reduction of fixed overhead during 4Q14 (and subsequently in 3Q15) is targeted to have a positive impact on the cost profile of the business
  - As a result, 3Q15 EBITDA is targeted to increase substantially from 2Q15 – subject to timely releases by government agencies



	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

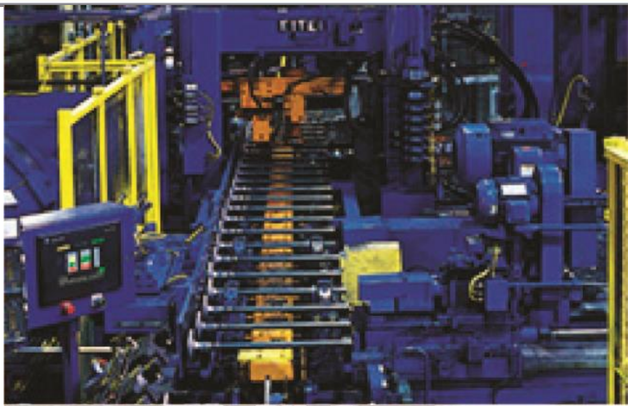


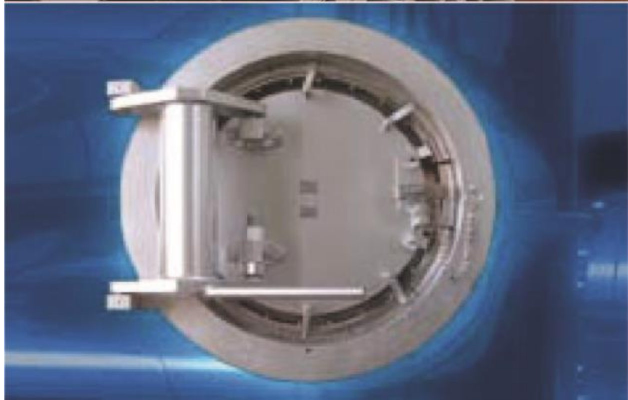
Sypris Technologies

Q2 Highlights

- Financial Results
  - Sales increased 14% sequentially
  - Gross profit increased by $4.7 million, or 114%
  - EBITDA increased by $7.2 million, or 99%
- Headcount reduced by over 350 in Q1; additional 85 in Q2; with the sale of Morganton, expected to be stable
- New programs were launched for carriers, knuckles, I-beams, tubes and axle shafts
- Quality and delivery at world class levels
- The sale of the Morganton assets eliminated a financial drag ($4.4 million in losses 1H15), while the Company retained 50 pieces of axle shaft machining equipment
- Continued to work closely with Toyota on TPS[1] initiatives

(1) Toyota Production System





Sypris Technologies

Q1 Highlights

- New contract awards in house
  - Forging and machining of axle shafts for Volvo
  - Forging and machining of Ultra Series axle shafts
- New business development remains brisk, with quoting activity at very high levels
- Ultra series axle shaft successfully completed testing with another customer – expect more to come
- Close to completing due diligence for the purchase of Reynolds Machine discussed on earlier calls – targeted closing in September
- Continued to move forward with the proposed joint venture to produce axle shafts in India – ground breaking completed and the construction of the new facility is underway

(1) Toyota Production System

Sypris Technologies

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Outlook

- Markets Remain Positive
  - Class 5-8 commercial vehicle production is expected to be up 8% versus 2014 (ACT Research August 2015)
  - Light vehicle and trailer markets remain positive
  - Oil and gas outlook is uncertain given recent price volatility
- Performance
  - Q3 will benefit from a gain on the sale of the Morganton assets and the avoidance of the associated operating losses
  - The lower cost profile, combined with the contribution from new programs, is targeted to have a positive impact on margins
  - As a result, 3Q15 EBITDA is targeted to increase substantially from 2Q15, and become positive during 2H15

Financial Review
Second Quarter 2015

August 18, 2015

Anthony C. Allen
Vice President & CFO

Consolidated Financial Results

$ millions

	2015 Q2	2015 Q1	Sequential Change	2014 Q2
Net Revenue	$ 40.8	$ 37.0	$ 3.8	*$ 93.1*
Gross Profit (Loss)	$ -	$ (3.2)	$ 3.2	*$ 10.8*
EBITDA	$ (4.8)	$ (10.3)	$ 5.5	*$ 4.3*
Free Cash Flow	$ (6.3)	$ (5.6)	$ (0.7)	*$ 0.3*

- Revenue growth from commercial vehicle volume for ST
- Cost reductions combined with revenue growth resulted in break even gross profit
- Severance cost, legal and professional fees included in EBITDA
- Operating cash flow improved, but was partially offset by expected working capital impact

Q1 to Q2 Sequential EBITDA Walk

$ millions

2015 Q1	$	(10.3)
Conversion on Revenue Growth & Cost Reductions		3.3
Legal & Professional Fees		1.7
Arbitration Settlement		0.5
2015 Q2	$	(4.8)

Segment Performance

$ millions

	Sypris Technologies		Sypris Electronics	
	2015 Q2	2015 Q1	2015 Q2	2015 Q1
Net Revenue	$ 32.0	$ 28.1	$ 8.7	$ 8.9
Gross Profit (Loss)	$ 0.6	$ (4.1)	$ (0.6)	$ 0.9
EBITDA	$ -	$ (7.3)	$ (2.4)	$ (1.1)

Net Revenue

ST increase attributable to new program ramps and demand from existing customers

SE decrease reflects reduction in space program partially offset by product volumes

Gross Profit (Loss)

ST increase reflects reductions in cost structure and conversion on revenue growth

SE decrease includes change in revenue mix and higher material and direct labor costs

EBITDA

ST increase from revenue growth, COGS and G&A expense cuts and legal fee reduction

SE decrease reflects impact of gross profit decline net of amortization increase

Debt Status

$ millions

	2015 Q2		August 10, 2015		Change	
Senior Debt	$	16.8	$	2.9	$	(13.9)
Subordinated Debt	$	8.5	$	9.0	$	0.5
Total Debt	$	25.3	$	11.9	$	(13.4)

Summary

- Sequential improvements in operating results from Q1 to Q2 driven by actions to replace revenue and drive cost reductions
- Additional cost reductions identified for implementation beginning in Q3 to deliver $4.7 million in annualized savings
- Sale of the Morganton facility and Meritor note amendment subsequent to quarter end generated $15.7 million in cash proceeds and avoids future operating losses
- Continuing the diligence efforts on the Reynolds acquisition and related credit agreement to refinance existing loan, fund acquisition and increase liquidity
- Exploring sale of non-core or underutilized assets to provide additional liquidity
- Business development funnel remains robust and new business launches are expected to contribute to improvements in operating results
- We continue to dedicate all resources to deliver results and build profitability

Question and Answer Session
Q2 Earnings Conference Call

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