2022 First Quarter Earnings Conference Call

May 18, 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; 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 fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity; 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 highly skilled personnel and distribution of our human capital; the termination or non-renewal of existing contracts by customers; inaccurate data about markets, customers or business conditions; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, product liability, warranty or environmental claims; 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; 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. We undertake no obligation to update our forward-looking statements, except as may be required by law.*

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Overview

1Q22 Highlights

- Revenue rose 30.9%
  - 32.7% increase for Sypris Electronics
  - 30.1% increase for Sypris Technologies
- Gross profit grew 148.3%
  - 113.5% increase for Sypris Electronics
  - 167.5% increase for Sypris Technologies
- Gross margin expanded 810 basis points to 17.2%
  - 580 bps increase to 15.3% at Sypris Electronics
  - 940 bps increase to 18.3% at Sypris Technologies
- EPS increased to $0.01, up $0.09 from 1Q21
- Customer orders were robust
  - Backlog up 12.1% at Sypris Electronics
  - Backlog for energy products up 30.4% year-to-date
  - Demand for commercial vehicles remained high, limited only by OEM supply constraints

Overview

1Q22 Highlights

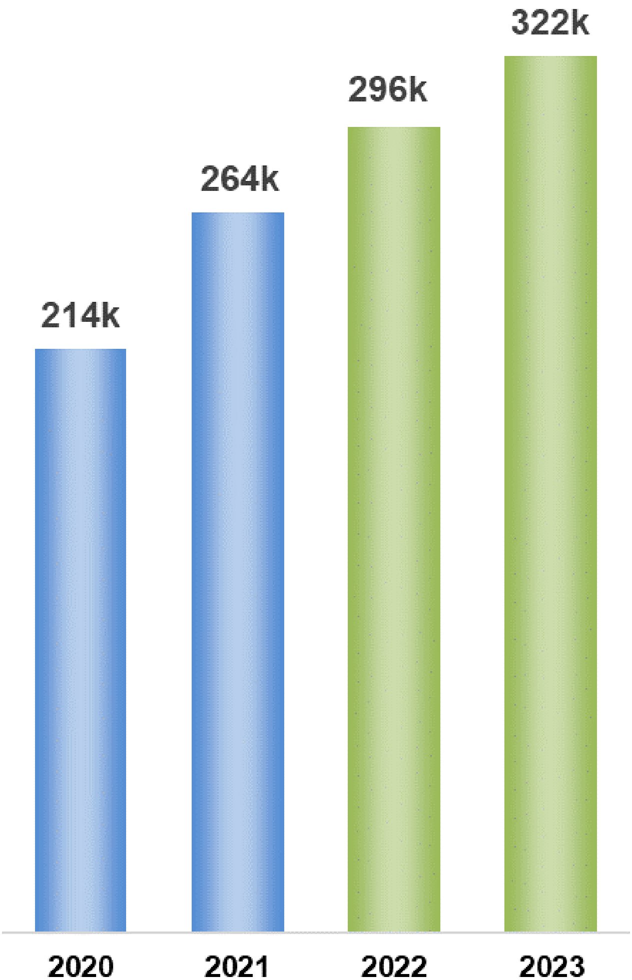
- New Contract Awards
  - Sypris Electronics
    - Multi-year follow-on contract to produce and test power supply modules for large U.S. Navy program
    - Multi-year follow-on contract for power supply modules for mission-critical, long-range, precision-guided anti-ship missile system
  - Sypris Technologies
    - Long-term, sole-source contract extension to provide drivetrain components for commercial vehicles; new program for all-terrain vehicles to begin in 2023
    - Multi-year contract extension to provide drivetrain components for use in commercial vehicles with a leading global commercial vehicle OEM
- Outlook
  - Confirmed 25%-30% revenue growth; 200-250 basis point margin expansion; strong cash flow from ops for 2022

Outlook

Commercial Vehicle

- Class 8 demand expected to increase 11.9% in 2022 and 8.7% in 2023
  - US economic expansion
  - Housing strength
  - Manufacturing prosperity
  - Transition to e-commerce
  - Carrier profitability
  - Goods for services swap
- Shortage of semiconductors and other key components likely to cause OEM production disruptions through first half of 2022; leads to pent-up demand pushing Class 8 market peak to 2023
- Class 8 backlog is up 6% YOY to 251K units
- When combined with our new program awards, 2022 is poised to be a very positive year

NA Class 8 Production

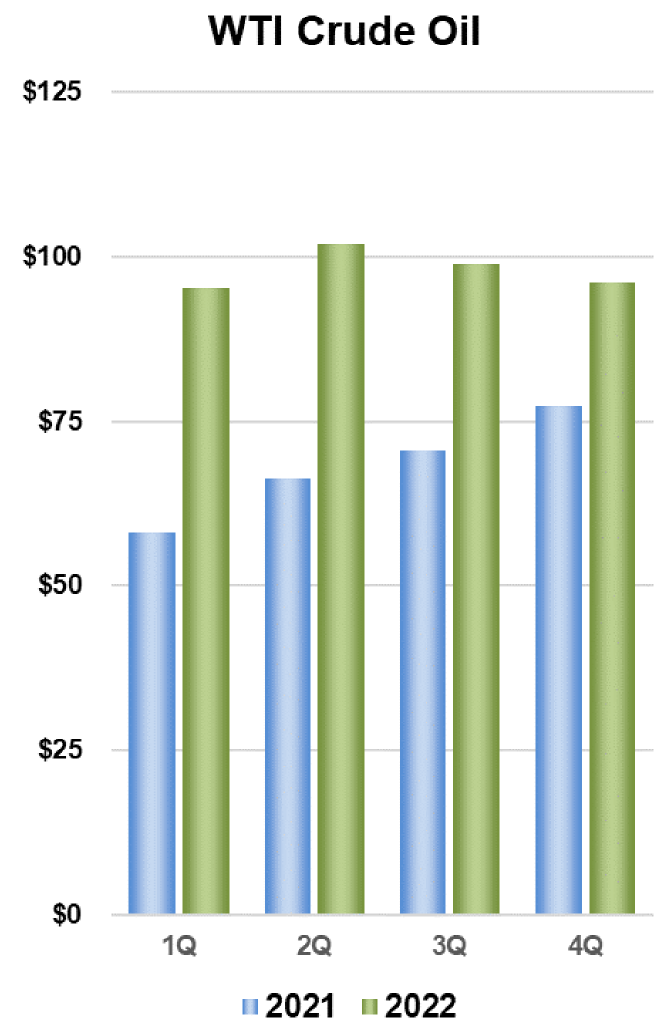


Source: ACT Research Co LLC 5/10/22

Outlook

Energy

- Demand for LNG is forecast to outpace all other sources of fossil fuel for the foreseeable future
- U.S. natural gas prices are up significantly, with Henry Hub spot prices of $6.60 per million BTU, up from $2.66 last year
- Oil prices have increased significantly over the past year, with the price of WTI up 59% from April 2021; Brent crude up 51%
- Outlook for oil prices to remain close to $100 per barrel for the remainder of 2022
- Economic growth of 2% in 2022 expected to drive consumption
- Although the energy market outlook is somewhat uncertain, our backlog is up 30% from Q4 2021 as of the end of March 2022



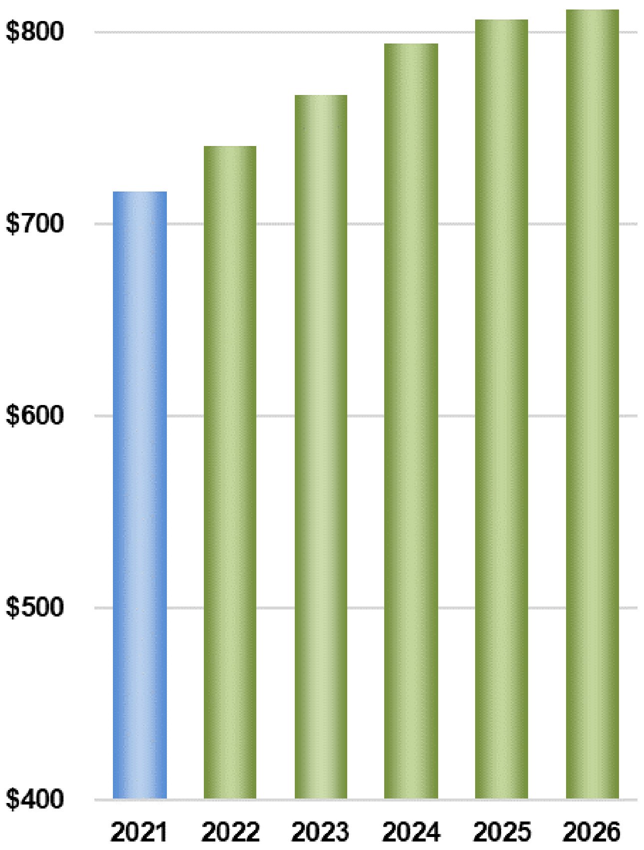
Source: U.S. Energy Information Administration, 4/12/22

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 12.1% YOY and now extends well into 2023
- Very positive momentum for 2022; geopolitical situation may result in additional tailwind

US Dept of Defense Outlays

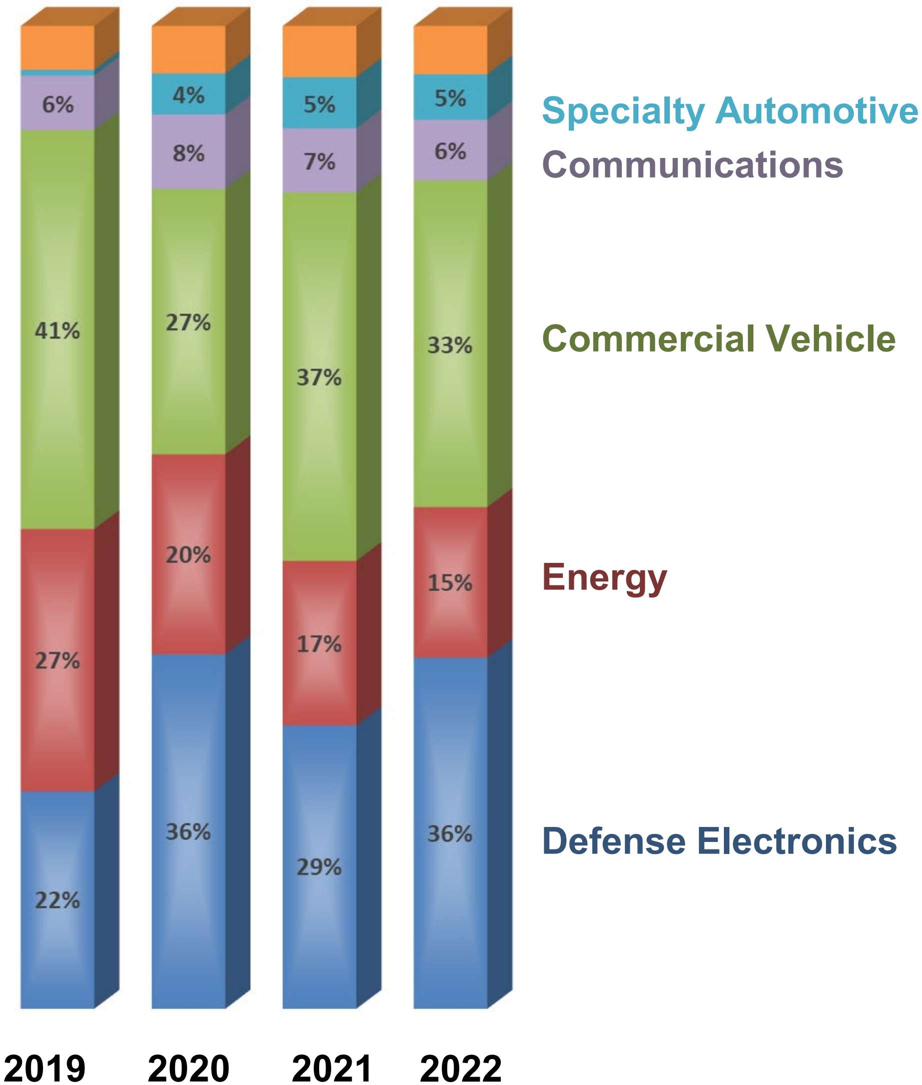


Source: Erin Duffin, Statista.com. 04/06/22

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 1Q22 positively
  - Revenue up 30.9%; backlog up 9% since the end of 2021
  - Gross profit up 148.3%; gross margin up 810 basis points
- Markets are in good shape
  - Production of commercial vehicles is forecast to expand 11.9% in 2022 and an additional 8.7% in 2023
  - Defense spending is expected to remain robust, especially for upgrades to electronic warfare, avionics, surveillance and communications programs
  - Multiple recent new contract awards support additional optimism
- 2022 full-year outlook reaffirmed
  - Revenue up 25-30%
  - Gross margin up 200-250 basis points

Financial Review

First Quarter 2022

May 18, 2022

Anthony C. Allen
Vice President & CFO

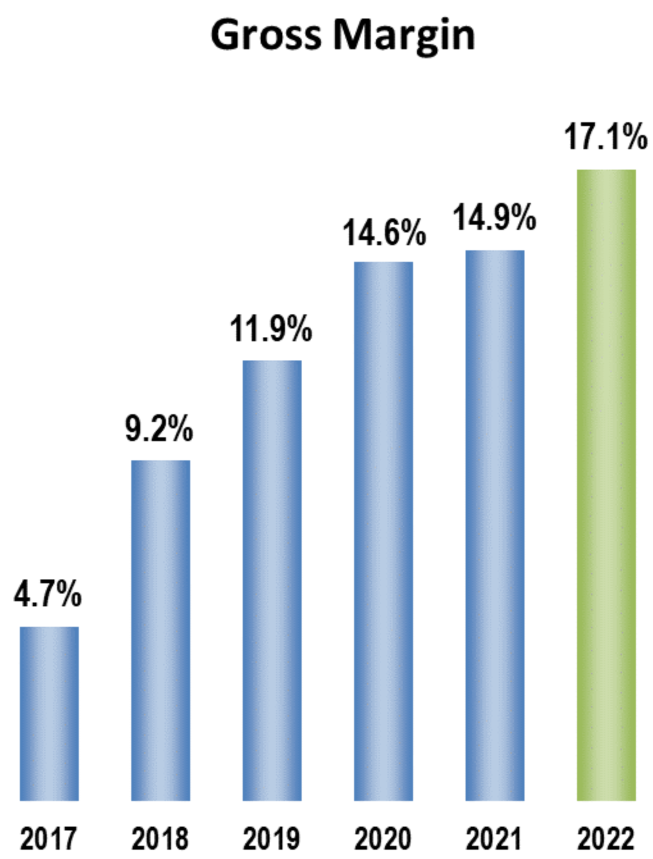
1Q Financial Results

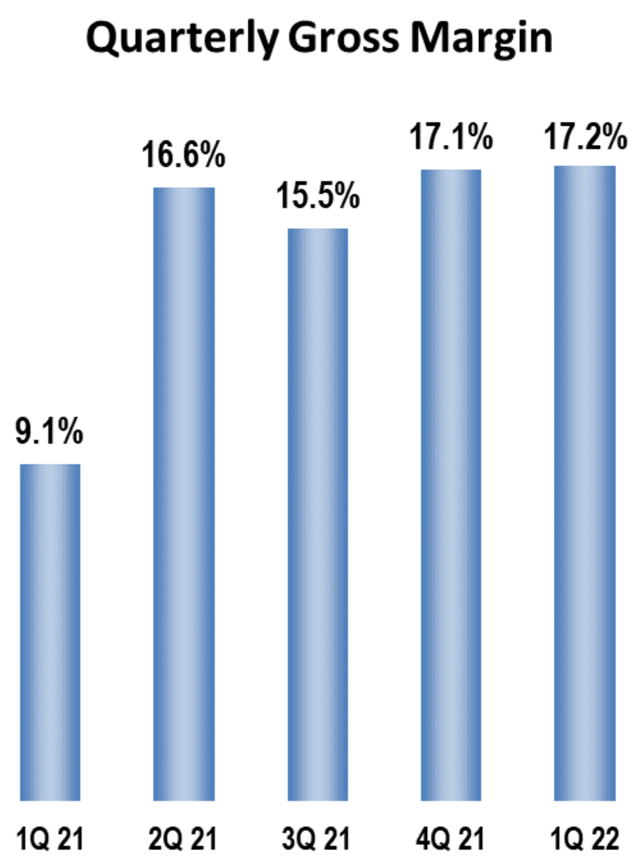
SYPRIS SOLUTIONS

$ millions except per share data	1Q 2022			1Q 2021	
	ST	**SE**	**Consolidated**	**Consolidated**	**Change**
Net Revenue	$ 17.2	$ 9.0	**$ 26.2**	**$ 20.0**	$ 6.2
Gross Profit	3.1	1.4	**4.5**	**1.8**	2.7
Gross Margin	18.3%	15.3%	**17.2%**	**9.1%**	810 bps
SG&A			**3.4**	**2.9**	0.5
Operating Income			**1.1**	**(1.1)**	2.2
Net Income			**0.2**	**(1.6)**	1.8
Diluted EPS			**0.01**	**(0.08)**	0.09

- Consolidated revenue increased 30.9% and gross profit improved 148.3%
- ST revenue increased 30.1% and gross margin increased 940 basis points
- SE revenue increased 32.7% and gross margin increased 580 basis points
- Operating income of $1.1 million increased $2.2 million from prior year loss
- Diluted EPS of $0.01 improved $0.09 from prior year

Gross Margin Performance





- Year-over-year gross margin improvement of 810 basis points
- 1Q 2022 gross margin 10 bps above midpoint of FY 2022 outlook
- First quarter performance improves trailing twelve month margin to 16.6%

Key Takeaways

- Positive start to 2022 continues our trend in profitability over the last 4 quarters
- Favorable Q1 year-over-year comparisons
  - Revenue increased 30.9%
  - Gross profit increased 148.3%
  - Gross margin increased 810 bps
  - Operating income increased $2.2 million
  - EPS of $0.01 improved $0.09 from prior year loss
- Recent contract awards drive backlog to record levels for SE
- Class 8 market forecast, contract renewals and new programs support ST revenue outlook
- With both segments poised for growth, quarterly consolidated revenue expected to increase sequentially at a double digit rate over the balance of 2022
- Additional volume is expected to have a further positive impact on profitability
- FY 2022 outlook remains at 25 to 30% revenue growth and 200 to 250 bps margin expansion