



Sypris Wins Long-Term, Sole-Source Contract Extension to Supply Drivetrain Components for Commercial Vehicles

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Includes New Program for Side-by-Side All-Terrain Vehicles

LOUISVILLE, Ky.--(BUSINESS WIRE)--Mar. 8, 2022-- Sypris Technologies, Inc., a subsidiary of Sypris Solutions, Inc. (Nasdaq/GM: SYPR), announced today that it has entered into a long-term, sole-source contract extension to provide drivetrain components for use in the production of medium and heavy-duty commercial vehicles, effective for shipments beginning in the first quarter of 2022. In addition, the Company was awarded a new program to supply components for use in the production of side-by-side all-terrain vehicles. Terms of the agreements were not disclosed.

The components produced by Sypris for use in the drivetrain of medium and heavy-duty trucks are essential to the performance of both the drive and the steer axles of the vehicles. The award of the contract extension is timely for the commercial vehicle market, which is in the midst of a multi-year expansion. The production of heavy-duty vehicles increased 23.4% in 2021, while the outlook for 2022 and 2023 includes additional growth of 13.4% and 21.1%, respectively, according to ACT Research.

The new program award for side-by-side all-terrain vehicles provides Sypris with the opportunity for further growth in this burgeoning market. The finished components produced by Sypris to exacting specifications will be incorporated into the differentials of these vehicles. The all-terrain vehicle market is set to grow at a compound annual growth rate of 16.8% between 2020 and 2025, according to Technavio Research. Production under this long-term contract award is scheduled to begin in 2023.

Commenting on the announcement, Paul Larochelle, Vice President & General Manager of Sypris Technologies stated, "We are pleased to have the opportunity to extend and expand our support for this important customer, the relationship of which has grown substantially over the past 20 years. We will continue to support it with advanced manufacturing systems to ensure that this valued customer continues to benefit from world-class quality, on-time delivery and cost-competitive products."

Sypris Technologies, Inc. is a premier manufacturer and supplier of drivetrain and other critical components for the commercial vehicle, automotive, recreational vehicle, mining, agriculture, industrial and energy markets. Sypris is headquartered in Louisville, Kentucky. Through its operations in North America, Sypris continues to meet the needs of the industry after more than 90 years of service. For more information about the Company, visit its Web site at www.sypris.com.

Forward-Looking Statements

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: the impact of COVID-19 and economic conditions on our future operations; possible public policy response to the pandemic, including legislation or restrictions that may impact our operations or supply chain; 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; the termination or non-renewal of existing contracts by customers; 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; 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, natural gas or utilities; the cost, quality, timeliness, efficiency and yield of our operations and capital investments, including the impact of 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 distribution of our human capital; inaccurate data about markets, customers or business conditions; disputes or litigation involving governmental, supplier, customer, employee, creditor, product liability, warranty or environmental claims; our inability to develop new or improved products or new markets for our products; 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 disasters, public health crises, losses or business risks; unanticipated or uninsured product liability claims; labor relations; strikes; union negotiations; pension valuation, health care or other benefit costs; costs associated with environmental claims relating to properties previously owned; 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; changes in licenses, or other legal rights to operate, manage our work force or import and export as needed; risks of foreign operations; currency exchange rates; war, terrorism, or political uncertainty; cyber security threats and disruptions; 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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Paul Larochelle
Vice President & General Manager

(502) 420-1225

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