2022 Fourth Quarter and Full Year Earnings Conference Call

March 16, 2023

Jeffrey T. Gill
President & CEO

Richard L. Davis
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 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; 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 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; volatility of our customers' forecasts and our contractual obligations to meet current scheduling demands and production levels, 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; our failure to successfully complete final contract negotiations with regard to our announced contract "orders", "wins" or "awards"; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; breakdowns, relocations or major repairs of machinery and equipment, especially in our Toluca Plant; the fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity; the termination or non-renewal of existing contracts by customers; the costs and supply of insurance on acceptable terms and with adequate coverage; the impact of 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; our failure to successfully win new business or develop new or improved products or new markets for our products; risks of foreign operations; currency exchange rates; inflation; war, geopolitical conflict, terrorism, or political uncertainty, including disruptions resulting from the Russia-Ukraine war arising out of international sanctions, foreign currency fluctuations and other economic impacts; 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; disputes or litigation involving governmental, supplier, customer, employee, creditor, stockholder, product liability, warranty or environmental claims; 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 rights from potential competitors or fully exploit such rights which could materially affect our ability to compete in our chosen markets; 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; 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.*

Table of Contents

Overview

SYPRIS SOLUTIONS

4Q22 Highlights

- Revenue up 15.2% YOY; up 17.9% from 3Q22
- Gross profit up 4.3% YOY; up 133.0% from 3Q22
- EPS of $0.01, up $0.11 from 3Q22
- Orders up 102.7% YOY; up 71.3% from 3Q22
- Backlog up 117.3% YOY; up 16.9% from 3Q22
- Both segments contributed to YOY growth
  - Sypris Electronics
    - Revenue up 13.2%
    - Orders up 109.7%
    - Backlog up 119.5% to $118.5M
  - Sypris Technologies
    - Revenue up 16.6%
    - Energy orders up 71.4%
    - Energy backlog up 75.6%

Overview

4Q22 Highlights

- Important Announcements
  - Sypris Electronics
    - An amendment to an existing multi-year contract to increase deliveries by up to 39.5% for a large, mission-critical U.S. Navy program
      - Electronic warfare improvement upgrade
      - Total potential amended contract value, including options, of $77.0 million
      - Shipments to begin in 2023
    - A follow-on award to build embedded circuit card assemblies to perform cryptographic functions for a secure communications infrastructure program
      - The Army Key Management System
      - Shipments to begin in 2023

Overview

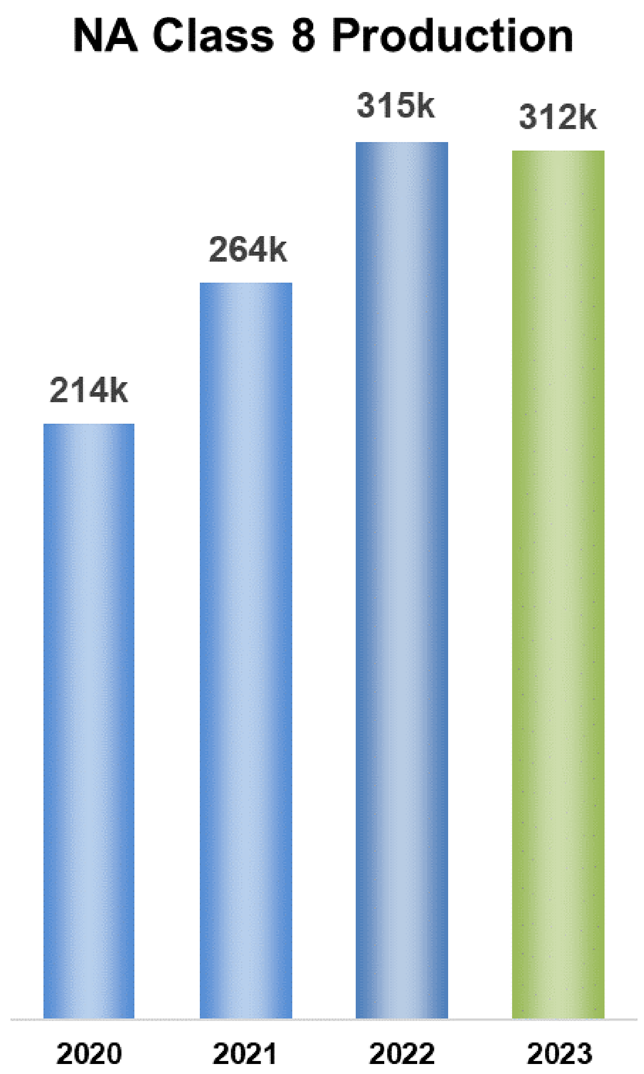
4Q22 Highlights

- Important Announcements - continued
  - Sypris Electronics
    - Subsequent to quarter end, an award to produce and test electronic interface modules for a U.S. Department of Defense weapons system
      - Part of an ongoing modernization program
      - Shipments to begin in 2023
  - Sypris Technologies
    - On March 7, an amendment to expand an existing supply agreement with Detroit Diesel Corporation, a subsidiary of Daimler Truck North America
      - Drivetrain components for use in Freightliner’s heavy-duty trucks
      - Shipments to begin in 2023

Outlook

Commercial Vehicle

- Class 8 production increased 19.2% in 2022
  - Pent-up demand
  - Capacity shortfalls
  - Carrier profitability
  - Goods for services swap
  - Transition to e-commerce
- Shortage of semiconductors and other key components has caused OEM production disruptions
- Long-term contract extensions and expansions provide opportunities to grow our customer relationships in the coming years
- The current outlook for 2023 indicates some softening in demand during the second half of the year, resulting in a slight YOY decline

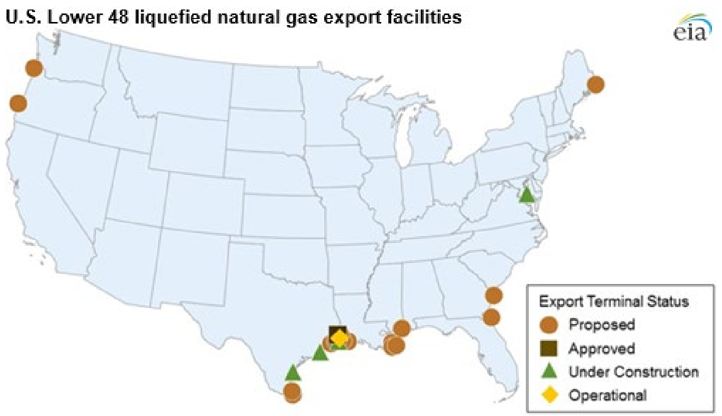


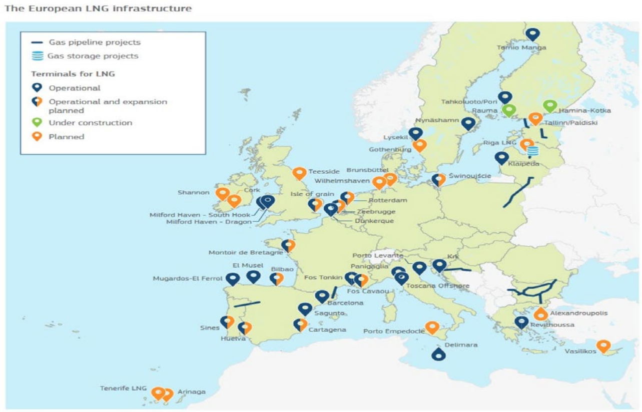
Source: ACT Research Co LLC 3/10/23

Outlook

Energy

- European countries boosted LNG imports by 60% in 2022 to make up for declining pipeline gas shipments from Russia
- New LNG terminals could boost the continent's import capacity by one-third by the end of 2024
- With four LNG export facilities in operation, the U.S. became the world's largest exporter in 2022 and has three more under construction to support the rapid growth in LNG demand
- IEEFA anticipates that the global LNG market will see a tidal wave of new projects come online starting in mid-2025. The wave will likely crest in 2026, with the addition of 64 million metric tons of annual liquefaction capacity – a record
- Energy product backlog is up 75.6% YOY, reflecting strong demand in 2022



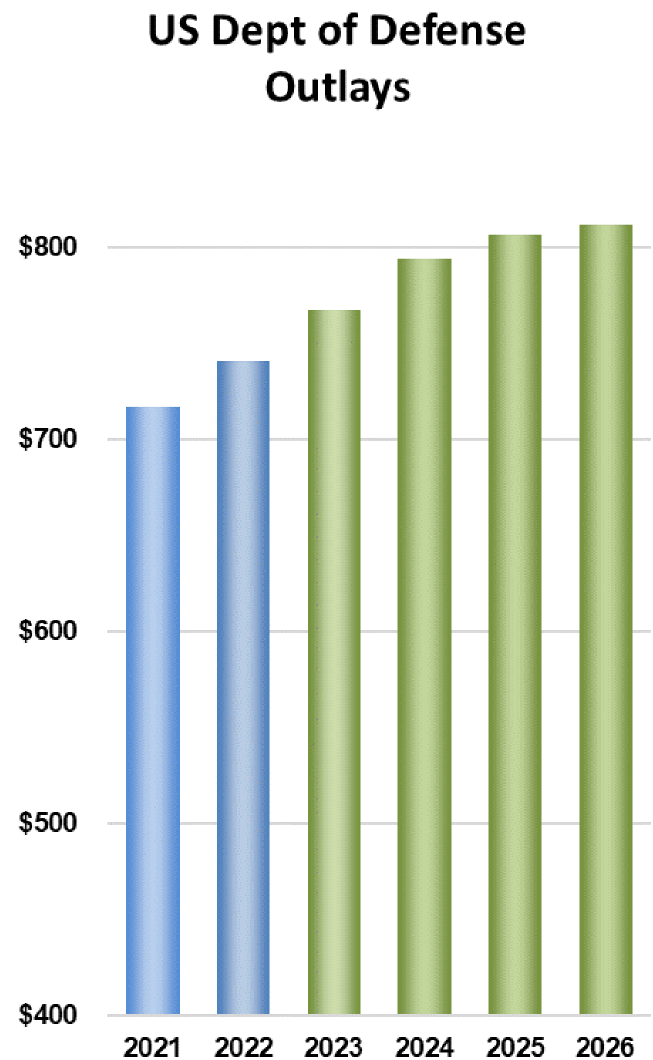


Source: U.S. Energy Information Administration, 2/7/23

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 is $118.5 million, up 119.5% YOY and now extends into 2024
- Very positive momentum for 2023; geopolitical situation may result in additional tailwind

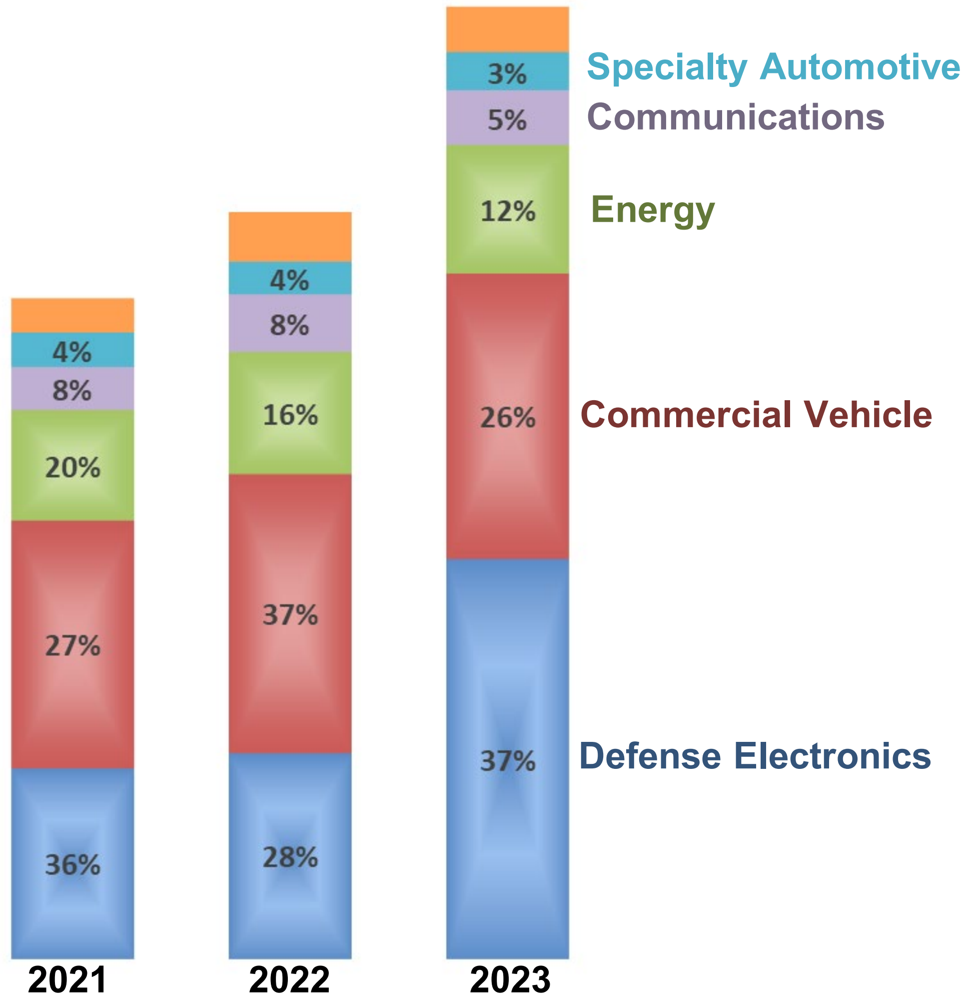


Source: Statista.com. 09/30/22

Outlook

Revenue Mix

- Revenue is expected to increase 25%-30% YOY in 2023
- Record backlog of $118.5 million for Defense Electronics leads to expanded mix in 2023
- New Commercial Vehicle programs drive an increase in volume in 2023, but mix will decline due to growth of Defense Electronics
- Energy growth expected in 2023, but overall share will decline due to increase in Defense Electronics
- Continue to explore new markets to provide further growth opportunities for both segments



Outlook

Summary

- Backlog jumped 117% YOY as a result of multiple new contract awards; provides platform for strong 2023 growth
  - Backlog now $118.5 million at Sypris Electronics, reflecting a 119.5% YOY increase
  - Backlog for energy products up 75.6% YOY
- Our markets overall are stable
  - Defense is robust, especially for upgrades to electronic warfare, avionics, surveillance and communications programs
  - Commercial vehicle production is forecast to taper off in the second half of 2023
    - New programs to provide additional volume in 2023
- Outlook for 2023
  - 25%-30% top line growth
  - Gross margin up 175-225 basis points
  - Strong cash flow from operations

Financial Review

Fourth Quarter 2022

March 16, 2023

Richard L. Davis
Vice President & CFO

4Q Financial Results

$ millions except per share data	4Q 2022			4Q 2021	
	ST	SE	Consolidated	Consolidated	Change
Net Revenue	$ 17.2	$ 12.5	**$ 29.7**	**$ 25.8**	$ 3.9
Gross Profit	2.2	2.4	**4.6**	**4.4**	0.2
Gross Margin	12.9%	18.9%	**15.5%**	**17.1%**	(160) bps
Operating Income			**0.8**	**1.1**	(0.3)
Net Income			**0.1**	**0.4**	(0.3)

- Consolidated revenue up 15.2% on increases in both segments
- Revenue mix, inflationary pressures and unfavorable foreign exchange rates impacted margin performance in 4Q
- Price adjustments for pass-through of higher steel prices have positive impact on revenue, yet no impact on gross profit, thus also reducing gross margin
- Operating income decreased due to increases in selling and administrative costs

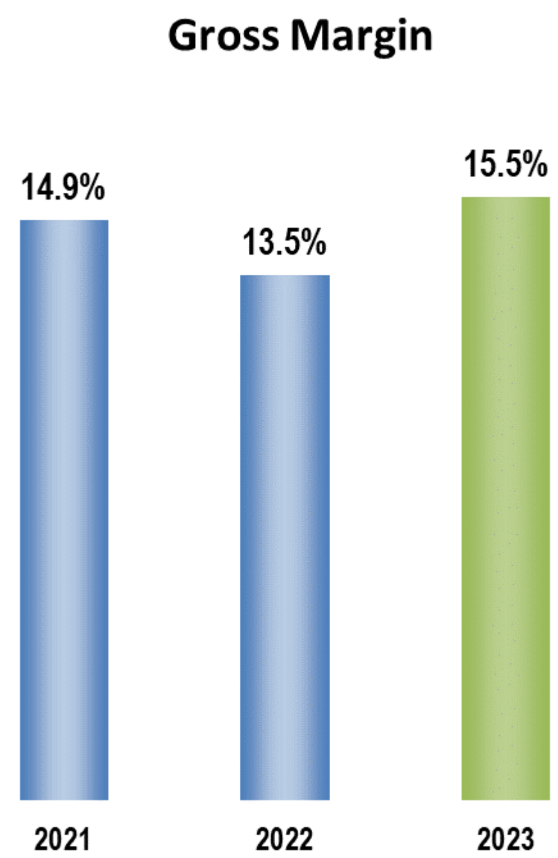
Full Year Financial Results

$ millions except per share data	2022			2021	
	ST	SE	Consolidated	Consolidated	Change
Net Revenue	$ 69.3	$ 40.9	**$ 110.1**	**$ 97.4**	$ 12.7
Gross Profit	8.6	6.3	**14.9**	**14.5**	0.3
Gross Margin	12.3%	15.4%	**13.5%**	**14.9%**	(140) bps
Operating Income			**0.4**	**1.9**	(1.5)
Net (Loss) Income			**(2.5)**	**2.9**	(5.4)

- Consolidated revenue increased 13.0% and gross profit improved $0.3 million
- ST revenue increased 12.2% and gross margin decreased 80 bps on the impact of zero margin steel price increase pass-throughs and unfavorable foreign exchange rates
- SE revenue increased 14.5%; gross profit decreased $0.1 million on an increase in unabsorbed overhead
- Operating income decreased due to increases in selling and administrative costs
- Net income for 2021 included $3.6 million gain from PPP loan forgiveness

Gross Margin Performance

- FY 2022 reduced on production inefficiencies and unfavorable mix
- Supply chain issues continued to negatively affect revenue and margins through Q4 2022
- FY 2022 also impacted by material price adjustments at 0% margin and other inflationary pressures
- The 2023 outlook improves on higher volumes and SE's increasing share of mix and higher margins



Key Takeaways

- Sypris Electronics full year orders up 87% YOY, backlog up 120% YOY to a record $118.5 million
- Energy product full year orders up 23% YOY, backlog up 76% over the prior year
- Sypris Technologies expected to expand energy products' presence in Europe, Asia and Middle East
- Class 8 demand expected to taper off slightly in H2 2023, offset by planned new programs with existing customers
- Gross margin expansion expected in 2023 on higher volume and improved mix
- Sypris Electronics' backlog, increasing orders for Sypris Technologies' energy products and other anticipated new program wins support revenue and margin expansion in 2023
  - 25-30% growth in revenue
  - 175-225 bps increase in gross margin
- Management focused on daily execution to support robust backlog