2023 Third Quarter Earnings Conference Call

November 15, 2023

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President & CEO

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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: the fees, costs and supply of, or access to, debt, equity capital, or other sources of liquidity; 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; risks of foreign operations, including foreign currency exchange rate risk exposure, which could impact our operating results; 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; dependence on, retention or recruitment of key employees and highly skilled personnel and distribution of our human capital; the cost and availability of full-time accounting personnel with technical accounting knowledge to execute, review and approve all aspects of the financial statement close and reporting process; 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; 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"; significant delays or reductions due to a prolonged continuing resolution or U.S. government shutdown reducing the spending on products and services that Sypris Electronics provides; 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 termination or non-renewal of existing contracts by customers; the costs and supply of insurance on acceptable terms and with adequate coverage; the costs of compliance with our auditing, regulatory or contractual obligations; pension valuation, health care or other benefit costs; 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; our failure to successfully win new business or develop new or improved products or new markets for our products; war, geopolitical conflict, terrorism, or political uncertainty, or disruptions resulting from the Russia-Ukraine war or the Israel and Gaza conflict, including 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; labor relations; strikes; union negotiations; costs associated with environmental claims relating to properties previously owned; 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; 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; possible public policy response to a public health emergency, including U. S or foreign government legislation or restrictions that may impact our operations or supply chain; 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

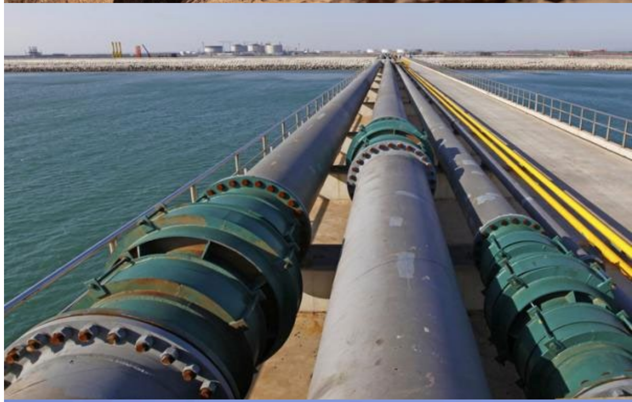
3Q23 Highlights

- Revenue increased 33.3% from the prior year period
  - Up 73.5% for Sypris Electronics
  - Up 13.8% for Sypris Technologies
- Gross profit grew 105.0%
  - Up 186.8% for Sypris Electronics
  - Up 36.2% for Sypris Technologies
- Gross margin expanded 420 basis points to 12.0%
  - 710 bps increase to 18.1% for Sypris Electronics
  - 120 bps increase to 7.5% for Sypris Technologies
- Backlog increased 8.4% on a consolidated basis, reflecting positive demand across both segments
  - Up $9.0 million, or 9.0% to $109.5 million for Sypris Electronics
- Foreign exchange weighed on an otherwise superior quarter

Overview

3Q23 Highlights

- Important Public News Releases
  - Sypris Technologies
    - We announced an award to provide insulated joints for use in the expansion of the Atoka Water Pipeline for the Oklahoma City Water Utilities Trust with shipments to begin in 2023
      - The insulated joints will be 72 inches in diameter and will be rated to a pressure of 300 psi
    - In August, we announced an award for specialty high-pressure closures for use in the Venture Global CP2 LNG Export Terminal and the Venture Global CP Express Natural Gas Pipeline Project
      - The high-pressure closures will range up to 70 inches in diameter, will be rated to a pressure of 2,180 psi and will weigh up to as much as 17.5 tons each



Overview

3Q23 Highlights

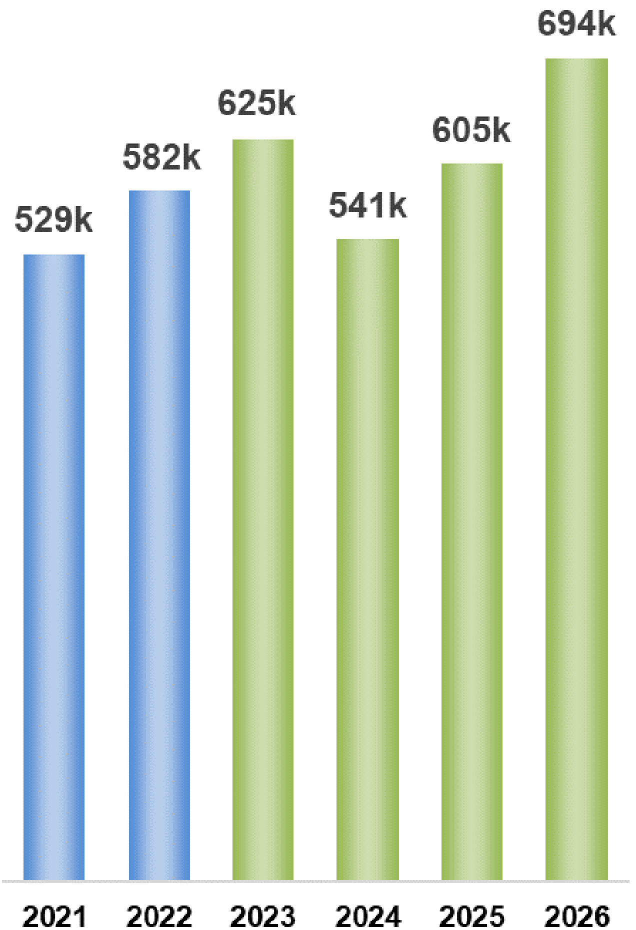
- Important Public News Releases
  - Sypris Electronics
    - Subsequent to quarter end, we announced a follow-on contract to produce advanced, integrated electronic warfare and communications avionics modules for a U.S. stealth, multirole, combat aircraft program, with production beginning in 2023 and extending into mid-year 2025
    - In November, we recently announced a follow-on award to build embedded circuit card assemblies to perform cryptographic functions for the Army Key Management System; production is expected to begin in 2023 and extend into 2025
- Outlook
  - 25% revenue growth expected for FY 2023
  - 15%-20% revenue growth for FY 2024; gross profit up 25%-30%; gross margins up 150-200 basis points

Outlook

Commercial Vehicle

- The production of commercial vehicles is expected to increase 7.3% in 2023, rising to 625,000 units for the year
- The current outlook for 2024 indicates some softening in demand in 2024, resulting in a 13.4% YOY decline, before rebounding in 2025
- All-time peak of build and sales is forecast to be reached in 2026, ahead of new regulatory standards that become effective for 2027
- Long-term contract extensions and expansions, new program awards and increased orders for off-road vehicle parts provide opportunities to grow through market cycles
- Specialty automotive is expected to remain solid throughout the forecast period

NA Class 4-8 Production

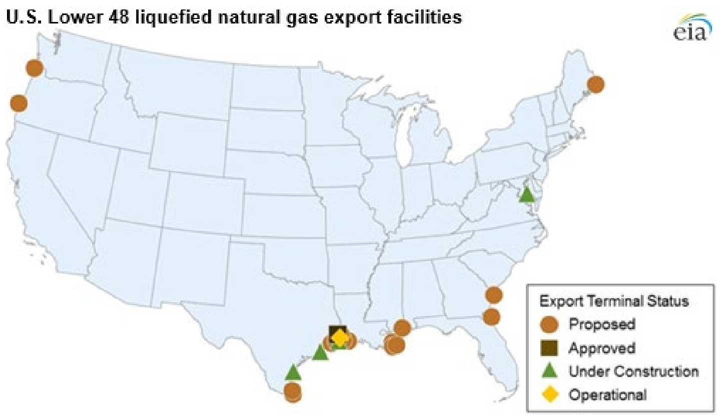


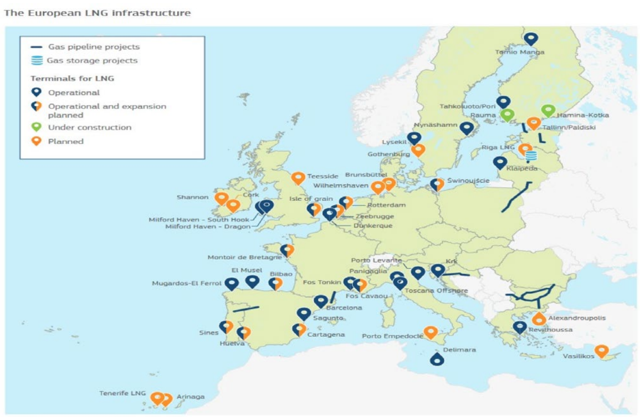
Source: ACT Research Co LLC 11/10/23

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 global LNG demand
- IEEFA anticipates many new global LNG market projects to come online starting in mid-2025, adding a record 64 million metric tons of annual liquefaction capacity in 2026
- Energy product YTD bookings up 8.4% YOY, reflecting strong demand in 2023
- Sypris Technologies recently announced a contract award for products sold to support an LNG terminal



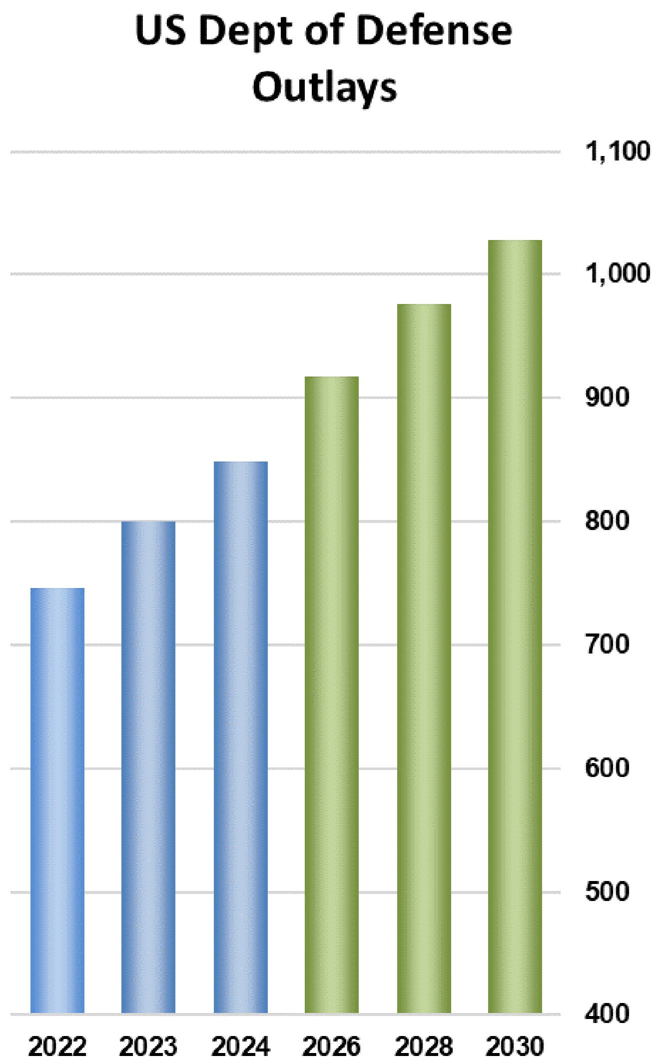


Source: U.S. Energy Information Administration, 2/7/23

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 remain robust
- Backlog is $109.5 million, up 9.0% YOY and now extends into 2025
- Very positive momentum for 2024; geopolitical situation may result in additional tailwind

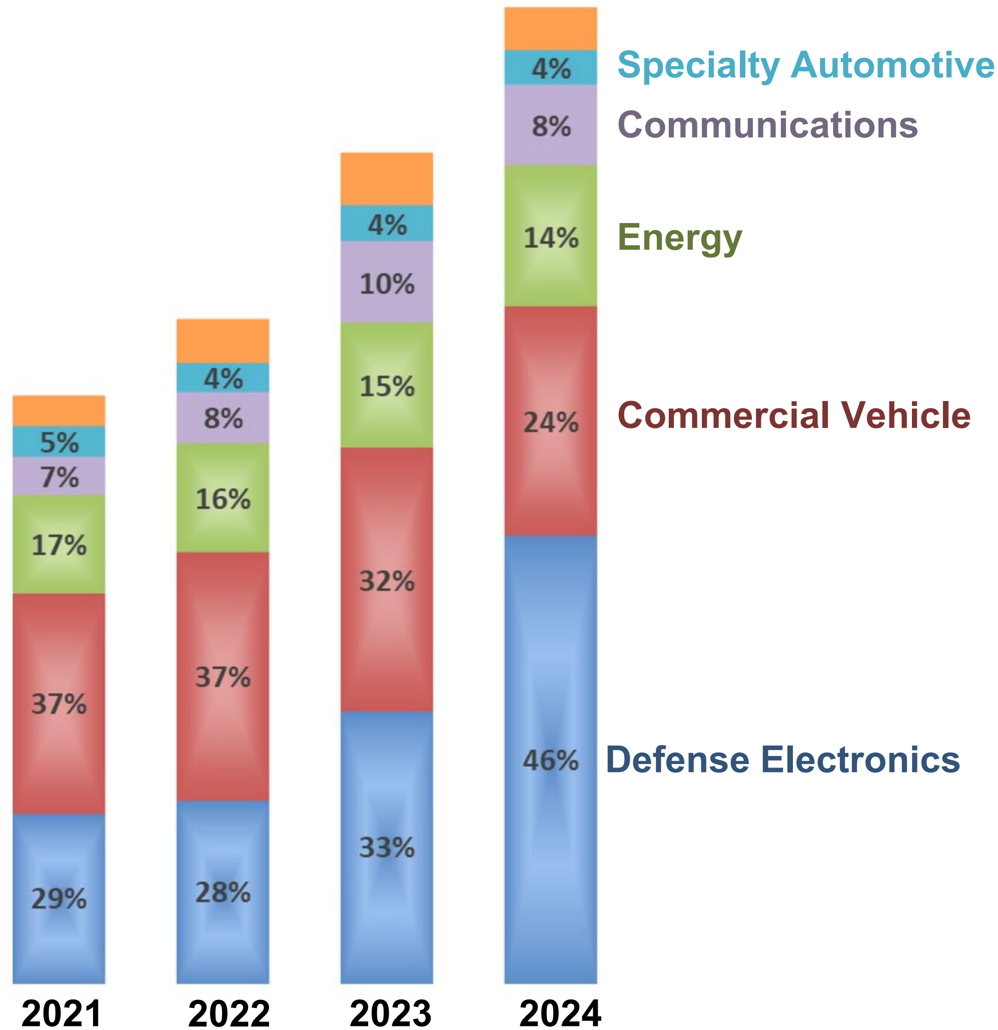


Source: Statista.com. 11/03/2023

Outlook

Revenue Mix

- Revenue is expected to increase 15%-20% YOY in 2024
- Backlog of $109.5 million for Defense Electronics leads to expanded mix in 2024
- Anticipated cyclical decline in Commercial Vehicle partially offset by new program wins for Sypris Technologies
- Energy growth expected in 2024, 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

SYPRIS SOLUTIONS


Summary

- Revenue increased 33.3%, with SE up 73.5% and ST up 13.8% YOY
- Gross profit increased 105.0%, with SE up 186.8% and ST up 36.2% YOY
- New contract awards and market strength are expected to fuel a 25% growth in the top line for 2023 on a YOY basis
- Defense is robust, especially for upgrades to electronic warfare, avionics, surveillance and communications programs
- Commercial vehicle production is forecast to taper off in 2024 before rebounding in 2025
- Additional opportunities for growth clearly exist in energy, with LNG export and adjacent markets leading the way
- Outlook for 2024
  - 15%-20% top line growth
  - 25%-30% gross profit increase

Financial Review

Third Quarter 2023

November 15, 2023

Richard L. Davis
Vice President & CFO

3Q Financial Results

$ millions except per share data	3Q 2023			3Q 2022	
	ST	SE	Consolidated	Consolidated	Change
Net Revenue	$ 19.3	$ 14.2	**$ 33.6**	**$ 25.2**	$ 8.4
Gross Profit	1.5	2.6	**4.0**	**2.0**	2.1
Gross Margin	7.5%	18.1%	**12.0%**	**7.8%**	420 bps
SG&A			**4.2**	**3.6**	0.6
Operating Income (Loss)			**(0.1)**	**(1.6)**	1.5
Net Loss			**(0.6)**	**(2.2)**	1.7

- Consolidated revenue increased 33.3%, with SE and ST up 73.5% and 13.8%, respectively
- Higher volume, favorable mix and cost savings on certain part purchases improved SE margins
- ST margins improved on higher volume, but negatively impacted by a $0.8 million unfavorable peso to dollar exchange rate as compared to the prior year period
- Operating income increased due to higher gross profit; SG&A decreased as a percentage of revenue

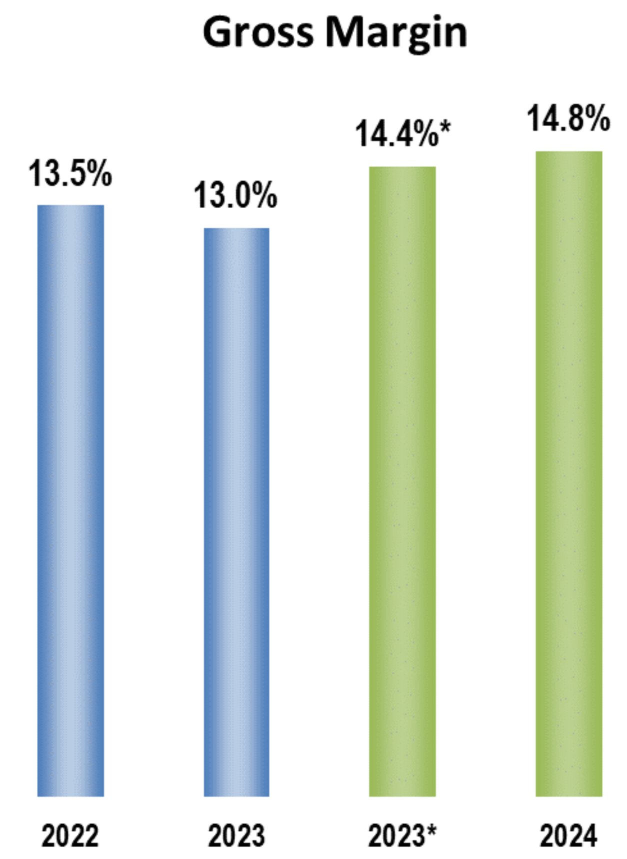
YTD Financial Results

$ millions except per share data	3Q YTD 2023			3Q YTD 2022	
	ST	**SE**	**Consolidated**	**Consolidated**	**Change**
Net Revenue	$ 58.9	$ 42.6	**$ 101.5**	**$ 80.4**	$ 21.1
Gross Profit	6.1	6.8	**12.9**	**10.3**	2.6
Gross Margin	10.4%	15.9%	**12.7%**	**12.8%**	(10) bps
SG&A			**11.6**	**10.7**	0.9
Operating Income (Loss)			**1.3**	**(0.4)**	1.7
Net Loss			**(0.5)**	**(2.6)**	2.1

- Consolidated revenue increased 26.2%, and gross profit improved $2.6 million
- SE revenue increased 50.4%, and gross profit increased $2.8 million
- ST revenue increased 13.1%; gross profit negatively impacted by a $1.8 million unfavorable peso to dollar exchange rate compared to the prior year period and by unrecoverable steel price increases
- SG&A at 11.4% of revenue, down from 13.3% in prior year
- Operating income improved to $1.3 million from a loss of $0.4 million in the prior year

Gross Margin Performance

- FY 2023 outlook decreased on unfavorable foreign exchange rates
- Absent the impact of foreign exchange, our estimated FY 2023 outlook would increase by 90 basis points to 14.4% for the year
- The 2024 outlook improves on SE's increasing share of mix and higher margins
  – Higher volumes
  – Improved operating efficiency
  – Improved mix
  – Improved supply chain performance
  – Partially offset by lower demand in the commercial vehicle market



** Excluding the estimated unfavorable impact of foreign exchange rates*

Key Takeaways

- Revenue for 3Q 2023 increased 33.3%, gross profit increased 105.0% and gross margin expanded 420 basis points
- 2024 DOD budget, including emergency funding for allies, will likely exceed $1 trillion
- Contract extensions, expansions and new programs provide the opportunity for commercial vehicle business growth
- LNG exports forecast to increase from 10.6 bcf/d in 2022 to 13.3 bcf/d in 2024
- Investments in lean, continuous improvement and automation continue to have a significant positive impact on capacity and costs
- Defense electronics to comprise 46% of revenue in 2024, up from 33% in 2023
- Our strong backlog, growing funnel of new business and positive market outlook support the following initial guidance for 2024
  - 15-20% growth in revenue
  - 25-30% growth in gross profit
  - 150-200 bps increase in gross margin
- We look forward to building the business and improving its performance going forward