

Vishay Precision Group

Structured for Growth

Safe Harbor Statement

From time to time, information provided by us, including, but not limited to, statements in this report, or other statements made by or on our behalf, may contain or constitute "forward-looking" information within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks, uncertainties, and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from those anticipated. Such statements are based on current expectations only, and are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, expected, estimated, or projected. Among the factors that could cause actual results to materially differ include: general business and economic conditions; impact of inflation, global labor and supply chain challenges; difficulties or delays in identifying, negotiating and completing acquisitions and integrating acquired companies; the inability to realize anticipated synergies and expansion possibilities; difficulties in new product development; changes in competition and technology in the markets that we serve and the mix of our products required to address these changes; changes in foreign currency exchange rates; political, economic, health (including the COVID-19 pandemic) and military instability in the countries in which we operate; difficulties in implementing our cost reduction strategies, such as underutilization of production facilities, labor unrest or legal challenges to our lay-off or termination plans, operation of redundant facilities due to difficulties in transferring production to achieve efficiencies; compliance issues under applicable laws, such as export control laws, including the outcome of our voluntary self-disclosure of export control non-compliance; significant developments from the recent and potential changes in tariffs and trade regulation; our efforts and efforts by governmental authorities to mitigate the COVID-19 pandemic, such as travel bans, shelter-in-place orders and business closures and the related impact on resource allocations, manufacturing and supply chains; our status as a “critical”, “essential” or “life-sustaining” business in light of COVID-19 business closure laws, orders and guidance being challenged by a governmental body or other applicable authority; our ability to execute our new corporate strategy and business continuity, operational and budget plans; and other factors affecting our operations, markets, products, services, and prices that are set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this report or as of the dates otherwise indicated in such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP Measures

This presentation includes discussion of adjusted free cash flow, adjusted gross profit and adjusted operating income and their corresponding margins, as well as adjusted net earnings, EBITDA, adjusted EBITDA, and adjusted net diluted earnings per share. These are financial measures that were not prepared in accordance with generally accepted accounting principles in the United States (non-GAAP measures). Management believes that these non-GAAP measures are useful to investors because each presents what management views as our core operating results for the relevant period. The adjustments to the applicable GAAP measures relate to occurrences or events that are outside of our core operations, and management believes that the use of these non-GAAP measures provides a consistent basis to evaluate our operating profitability and performance trends across comparable periods. In addition, the Company has historically provided these or similar non-GAAP measures and understands that some investors and financial analysts find this information helpful in analyzing the Company’s performance and in comparing the Company’s financial performance to that of its peer companies and competitors. Management believes that the Company’s non-GAAP measures are regarded as supplemental to its GAAP financial results. These reconciling items are indicated on the accompanying reconciliation schedules and are more fully described in VPG’s financial statements presented in our Annual Report on Form 10-K and our Quarterly Reports on Forms 10-Q.

VPG Focus: Performance Through Precision

Who we are

VPG is a leader in precision measurement sensing technologies serving growing applications around the world

Why we matter

VPG delivers in-depth, deep engineering expertise to the design and manufacture of non-commodity sensors, weighing solutions and precision measurement systems that optimize and enhance our customers' solutions performance across a broad array of end markets



VPG: Performance Through Precision

Long-term Strategic Priorities:

- Realize long-term benefits from diversified operational strategy that accelerates growth and profitability across VPG's business segments
- Capture expanding value-added applications in new and emerging precision measurement markets that enable our customers' technology
- Invest in growth-focused initiatives that increase market opportunities and operational capabilities
- Augment investments in organic growth with value-creating strategic bolt-on and transformational M&A



Growth and Profitability

FY21 Results[1]

17.8%
Sales Growth

7%
5-Year Sales Growth CAGR 2017-2021

41.2%
Adj. Gross Margin

11.1%
Adj. Operating Margin

15.7%
Adj. EBITDA Margin

41.7%
Adjusted EPS Growth

Three-to-five year targets[2]

- Revenue growth low-double digits
- Adjusted gross margin of 45%
- Adjusted operating margin of 18%
- Adjusted EBITDA margin of 22%

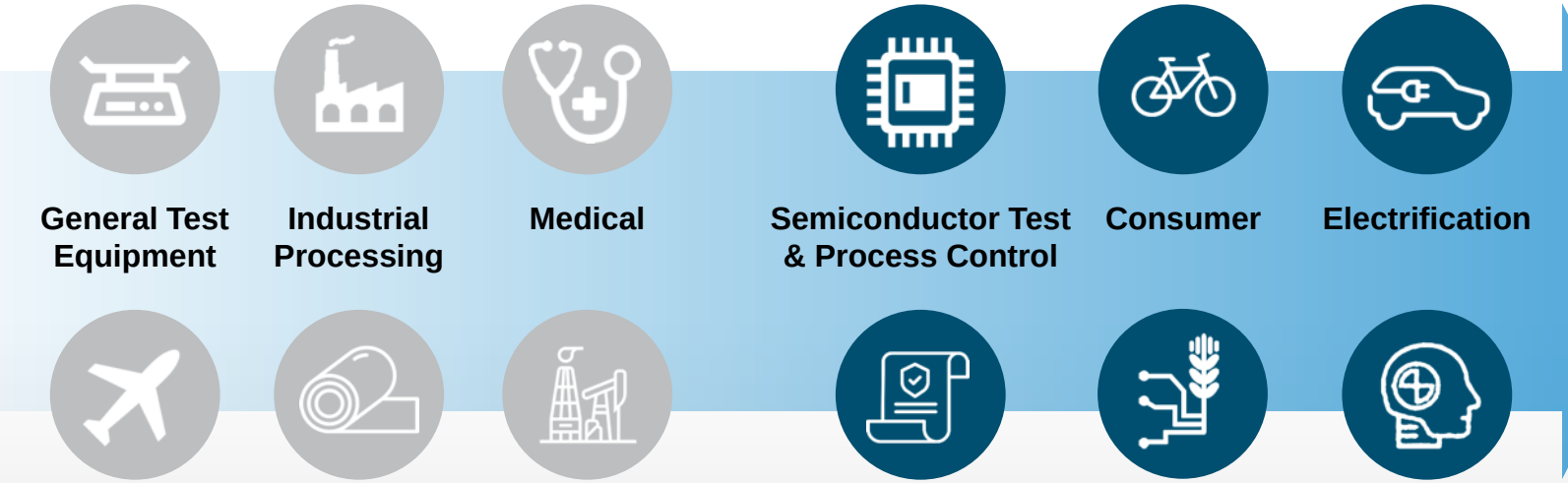
1. See GAAP to non-GAAP reconciliations in the appendix of this presentation
2. Reflects organic and M&A, based on 2021 actual foreign exchange rates

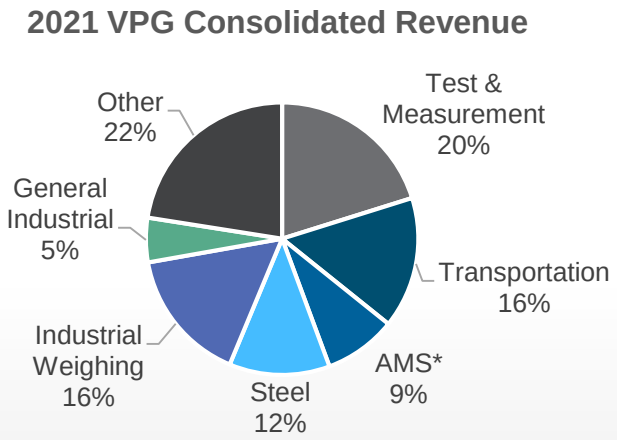
Applications Are Expanding and Diversifying Beyond Industrial

- Secular trends are creating new opportunities
- Investments in manufacturing process technology and product design have expanded addressable opportunities

Legacy Applications

New Applications





* Avionics, Military & Space

Strategic Evolution: Propelling the Next Phase of VPG's Growth

	2010 – 2016	2017 – 2021	2022 →

Strategic Focus	**Focus on:**
	• Spin off
	• Organizational and consolidation activity
		Focus on:
		• Operational excellence
		• Business restructuring
		• Competitive edge creation
		• Business performance maximization
			Focus on
			• Accelerated organic growth
			• Value-added M&A:
			  • Complementary
			  • New businesses

Capital Allocation Focus	**Key Investments:** • Investments in infrastructure to streamline operation • M&A	**Key Investments:** • Investments in new technologies, markets, capabilities • M&A	**Key Investments:** • Growth-driven capital investments • Accelerated M&A
Operational Strategy	• Vertical integration	• Vertical integration	• Operationally Diversified

Now Better Aligned to Capture Broader Opportunities

Segment Structure BEFORE

Vertical Integration: Foil Technology components used in Force Sensors and Weighing Control Systems products



Foil Technology Products

- Precision resistors
- Strain gages-advanced sensors
- Data acquisition systems (DAS) for avionics testing

Force Sensors

- Force sensors

Weighing and Control Systems

- Process weighing
- Measurement systems for steel production
- On-board weighing systems
- Material testing and simulation systems
- DAS for auto safety testing

Segments have some product interdependencies

Segment Structure NOW



Sensors

- Precision resistors
- Strain gages-advanced sensors

Weighing Solutions

- Force sensors
- On-board weighing systems
- Process weighing

Measurement Systems

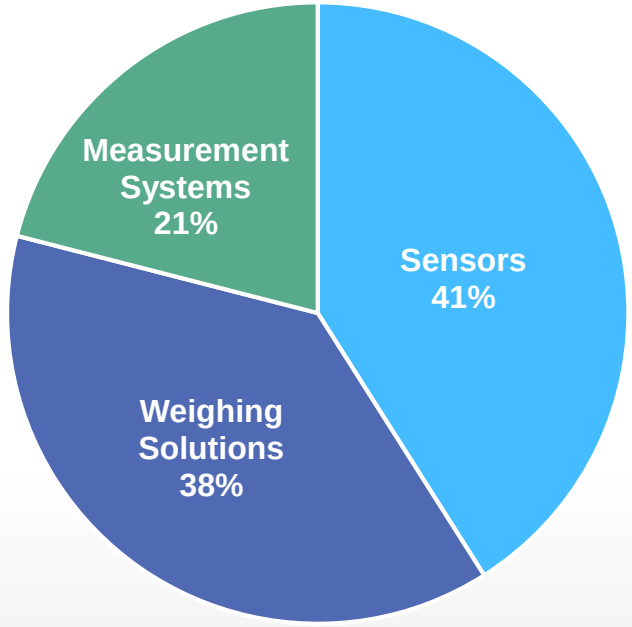
- Measurement systems for steel production
- Material testing and simulation systems
- DAS for auto safety testing
- DAS for avionics testing

Segments have unique business strategies and capital requirements

Resilience and Growth: A Portfolio of Businesses with High Growth/Margin and High Cash Flow Potential

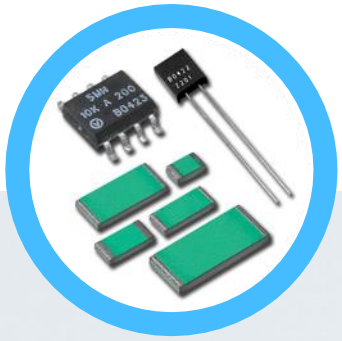
	Sensors	Weighing Solutions	Measurement Systems
Overview	High precision sensor and components that measure stress, strain, and electrical current	Specialized modules and systems used to precisely measure weight, force, torque, and pressure	Highly specialized measurement systems for steel production, materials development, and safety testing
Growth Profile	High single-digit revenue growth	GDP-like growth	Mid single-digit revenue growth
Gross Margins	Low 40%	High 30%	Mid 50%
Capital Allocation Priorities	Strong organic growth opportunity with potential for M&A	Organic growth	Strong organic growth opportunity with potential for M&A

FY21 VPG Revenue by Segment



Sensors That Improve Performance

VPG's high-precision foil resistors help deliver the highest signal accuracy required for effective semiconductor chip testing, providing better precision and stability of test results.



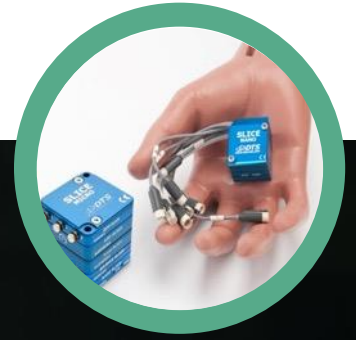
Weighing Solutions Making Products Smarter

By sensing how hard a rider is pedaling, VPG's torque sensors improve battery efficiency in new generations of electric bikes by providing real time feedback to the motor.



Measurement Systems that Improve Safety

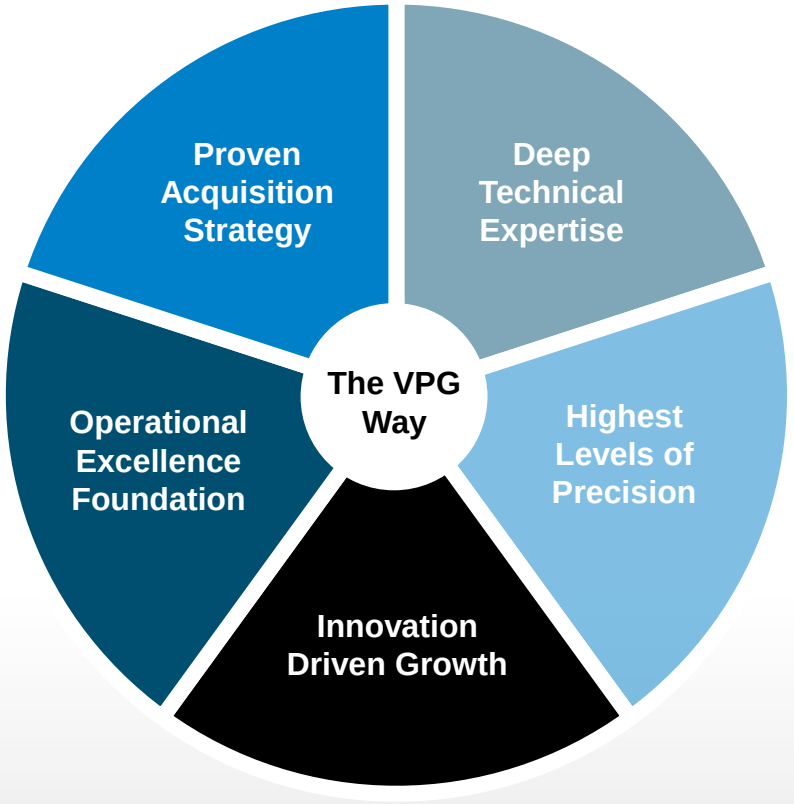
Engineered for extreme test environments, DTS' rugged compact data loggers and sensors are integrated into crash dummies for use in automotive, aerospace, and defense safety testing.



The VPG Way: Driving Company-Wide Value

Key VPG Competencies

- Using innovative deep technical expertise to solve critical problems
- Adding value by delivering highest levels of performance, precision, and reliability
- Building strong brands and management teams
- Manufacturing focus and innovation
- Addressing needs of high-profile/Tier 1 customers
- Proven M&A strategy
- Focus on Operational Excellence
- Management development and selection



Scalability & Growth

- R&D investments and new product innovation drives organic growth
- Investments in manufacturing automation supports growth and margins

Operating Leverage

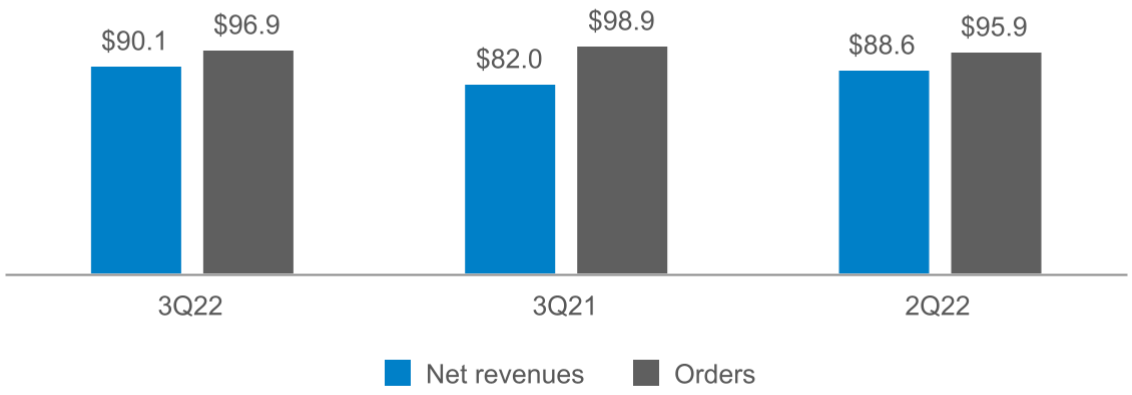
- Rationalization of manufacturing footprint improves cost base
- Ongoing cost reduction programs optimize profitability

Consistent Cash-Flow

- Diversified product portfolio provides stability
- Market leadership results in pricing power

Fiscal Third Quarter 2022 Highlights

Consolidated Financial Highlights (in $ millions)



($ in millions, except margin data and book-to-bill ratio)	3Q22	3Q21	2Q22
Net revenues	$90.1	$82.0	$88.6
Gross margin	41.4 %	38.8 %	42.1 %
Adjusted gross margin	41.7 %	41.8 %	42.9 %
Net Earnings per Diluted Share	$0.74	$0.39	$0.79
Adj. Net Earnings per Diluted Share	$0.69	$0.52	$0.68
Adj. EBITDA	16.1	13.7	15.8
Book-to-Bill	1.08	1.21	1.08
End-of-period backlog	$171.7	$146.7	$171.4

- Revenue of $90.1 million, grew 9.9% from the prior year and 1.6% sequentially.
- Excluding F/X impacts, revenue grew 17.5% from the prior year and 3.7% sequentially.
- Adj. net earnings per diluted share of $0.69 grew 32.7% from the prior year.
- Generated adj. EBITDA of $16.1 million, or 17.9% of revenue.
- Book-to-bill of 1.08x reflecting orders of $96.9 million.
- Strong backlog of $171.7 million.

VPG's Business Model, Cash Generation, and Balance Sheet Support Growth Focused Capital Allocation Strategy

Capital Allocation Priorities:

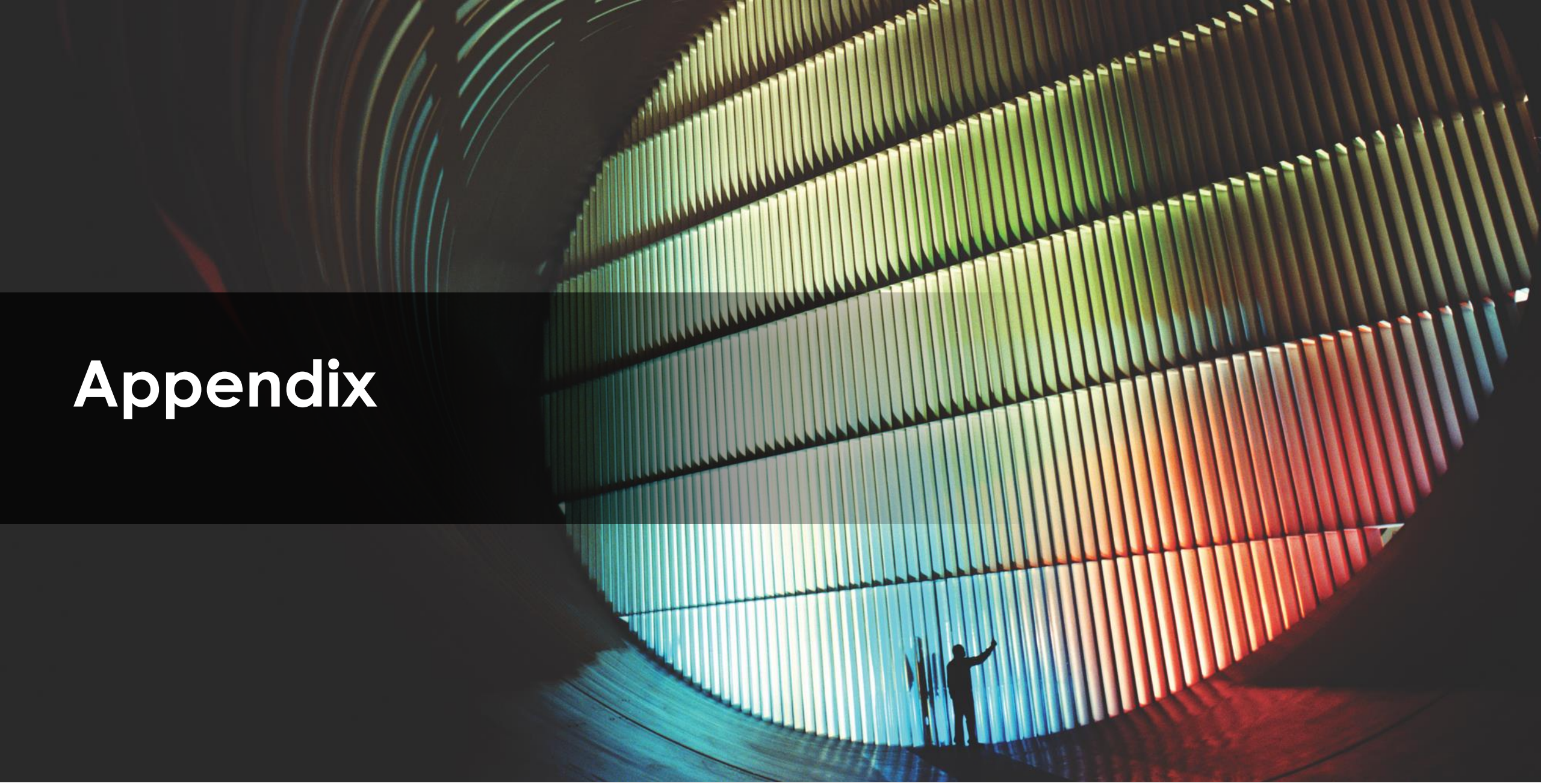
1. **Internal Investments**
   - Manufacturing capacity expansion and optimization
   - New product and market development
2. **Value-Creating M&A**
   - Strategic, profitable niche businesses with strong brands, differentiated products, and seasoned management teams; example: DTS acquired in June 2021
   - Bolt-on or transformational M&A
3. **Stock Repurchases**
   - Repurchased $1.1 million of stock in 3Q22 as part of stock repurchase plan announced on August 9, 2022

VPG Summary

- A global leader in mission-critical precision measurement sensing technologies
- End-market opportunities are increasing beyond traditional industrial applications
- Strategic shift from vertical integration to operationally diversified strategy, creating three independent businesses addressing broader markets
- Scalable operating and financial model offers potential for accelerating revenue growth and expanding margins long term



Appendix



Updated Quarterly Financial Model Reflects Operating Leverage

	3Q22 Actual	Quarterly Financial Model				
Revenue	$90.1M	$80M - $85M	$85M - $90M	$90M - $95M	$95M - $100M	$100M - $105M
Adj. GM%	41.7%	40% - 41%	41% - 42%	42% - 42.5%	42.5% - 43%	43% - 44%
Adj. Op. Margin	13.7%	7.6% - 9.7%	9.7% - 11.6%	11.6% - 13.4%	13.4% - 14.9%	14.9% - 16.3%
Adj. EBITDA ($)	$16.1M	$10.3M- $12.5M	$12.5M- $14.7M	$14.7M - $16.9M	$16.9M - $19.1M	$19.1M - $21.3M
Adj. Diluted EPS	$0.69	$0.31 - $0.43	$0.43 - $0.54	$0.54 - $0.67	$0.67 - $0.78	$0.78 - $0.90

Quarterly Financial Assumptions:

- Organic results
- Based on foreign currency exchange rates as of 4Q21
- Assumes tax rate of 27%

Note:

- Our Quarterly Financial Model illustrates management's expectations of results at different hypothetical levels of quarterly revenues, assuming a normalized business and operating environment and incorporating anticipated average selling price increases. There are no assurances that any of the results in the Model will be achieved.
- Adjusted Gross margin in quarterly financial model rounded to nearest decimal point.
- Adjusted Gross margin, Adjusted Operating margin, Adjusted EPS, and Adjusted EBITDA exclude purchase accounting adjustments, start-up costs, intangible asset impairments, restructuring costs, COVID-19 impacts, foreign exchange gains/losses on balance sheet items, executive severance costs, and associated tax effects. Reconciliations to GAAP figures can be found in the appendix of this presentation or in the Company's filings with the SEC.

VPG's Track Record of Successful M&A

KELK

January 2013
High accuracy and performance sensors and systems for the steel and aluminum industries, mainly for rolling mills

Purchase Price
$50MM

EBITDA Multiple[1]
6.5x

stress-tek

December 2015
Rugged and reliable strain gage-based load cells and force measurement systems

Purchase Price
$15MM

EBITDA Multiple[1]
5.0x

PACIFIC INSTRUMENTS

April 2016
Signal conditioning and data acquisition systems

Purchase Price
$11MM

EBITDA Multiple[1]
4.0x

Dynamic Systems Inc.
GLEEBLE

November 2019
Thermal-mechanical simulation systems for metallurgical research

Purchase Price
$41MM

EBITDA Multiple[1]
10.0x

DTS

June 2021
Data acquisition systems and sensors for product and safety testing

Purchase Price
$47MM

EBITDA Multiple[1]
6.0x

1. Based on total purchase price divided by trailing 12 months of EBITDA prior to acquisition date. Excludes real estate acquired in transaction.