THE PATH TO GROWTH

January, 2024

Safe Harbor Statement

From time to time, information provided by us, including, but not limited to, statements in this presentation, 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; potential issues respecting the United States federal government debt ceiling; 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, and health (including pandemics) instabilities; instability caused by military hostilities in the countries in which we operate (including Israel); 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, 2022. 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. 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 its Quarterly Reports on Forms 10-Q.

SENSORS
ARE EVERYWHERE, AND THEY ARE MORE IMPORTANT THAN EVER









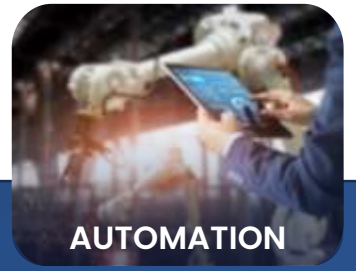












A GLOBAL LEADER IN PRECISION MEASUREMENT SENSING TECHNOLOGIES IN A WORLD OF REAL-TIME DATA

2010
Established

2700
Employees

12
Global Production facilities

$362.6M
FY22 Revenue

14%
FY22 Sales Growth

7%
7-Year Sales CAGR

We enable our business partners to produce precise cutting-edge products, systems and services, that will make the world

SAFER, SMARTER, AND MORE PRODUCTIVE

LEADING IN ESTABLISHED NICHE MARKETS



General Test Equipment



Industrial Processing



Medical



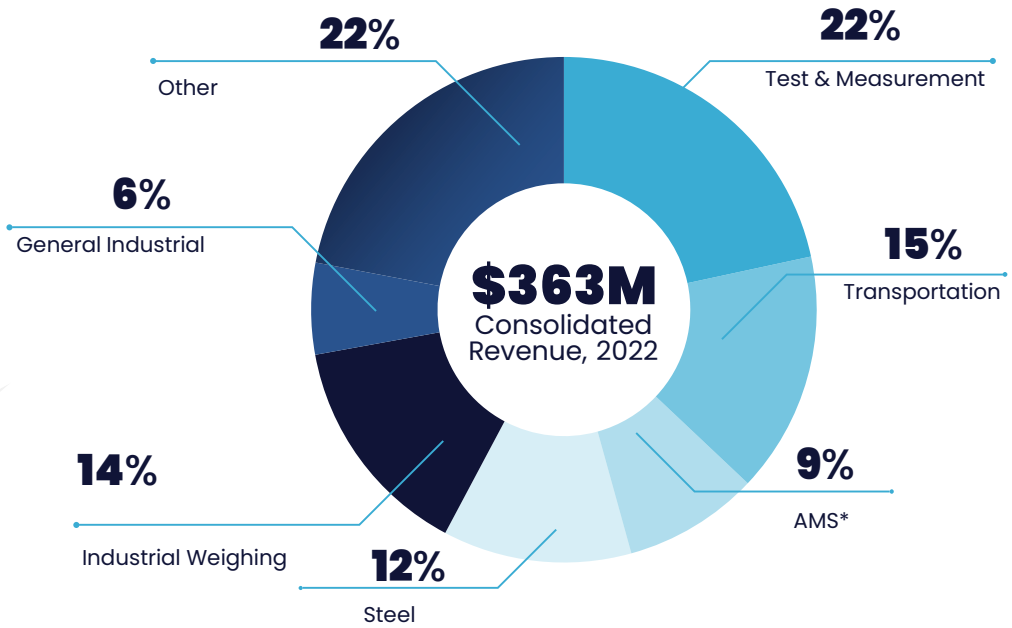
Avionics, Military Space



Steel



Transportation



* Avionics, Military & Space

PRIMED FOR LONG TERM GROWTH

FY22 Results[1]		Three-to-five-year targets[2]
$362.6 Revenue		Growth in the low teens
41.8% Adj. Gross Margin		45% Adj. Gross Margin
13.0% Adj. Operating Margin		18% Adj. Operating Margin
17.1% Adj. EBITDA Margin		22% Adj. EBITDA Margin

1. See GAAP to non-GAAP reconciliations in VPG's financial disclosures
2. Reflects organic and M&A, based on 2022 actual foreign exchange rates

MOVING TO LARGER MARKETS

VPG is an established leader in legacy niche markets including Industrial Weighing, General Industrial, and Steel.



VPG's focus has shifted beyond legacy niche markets to larger, faster growing markets that are being driven by a number of secular trends.

CONVERGENCE OF OPPORTUNITIES AND VPG CAPABILITIES

New market opportunities and the capabilities and expertise of VPG have reached the meeting point

EXTERNAL DRIVERS

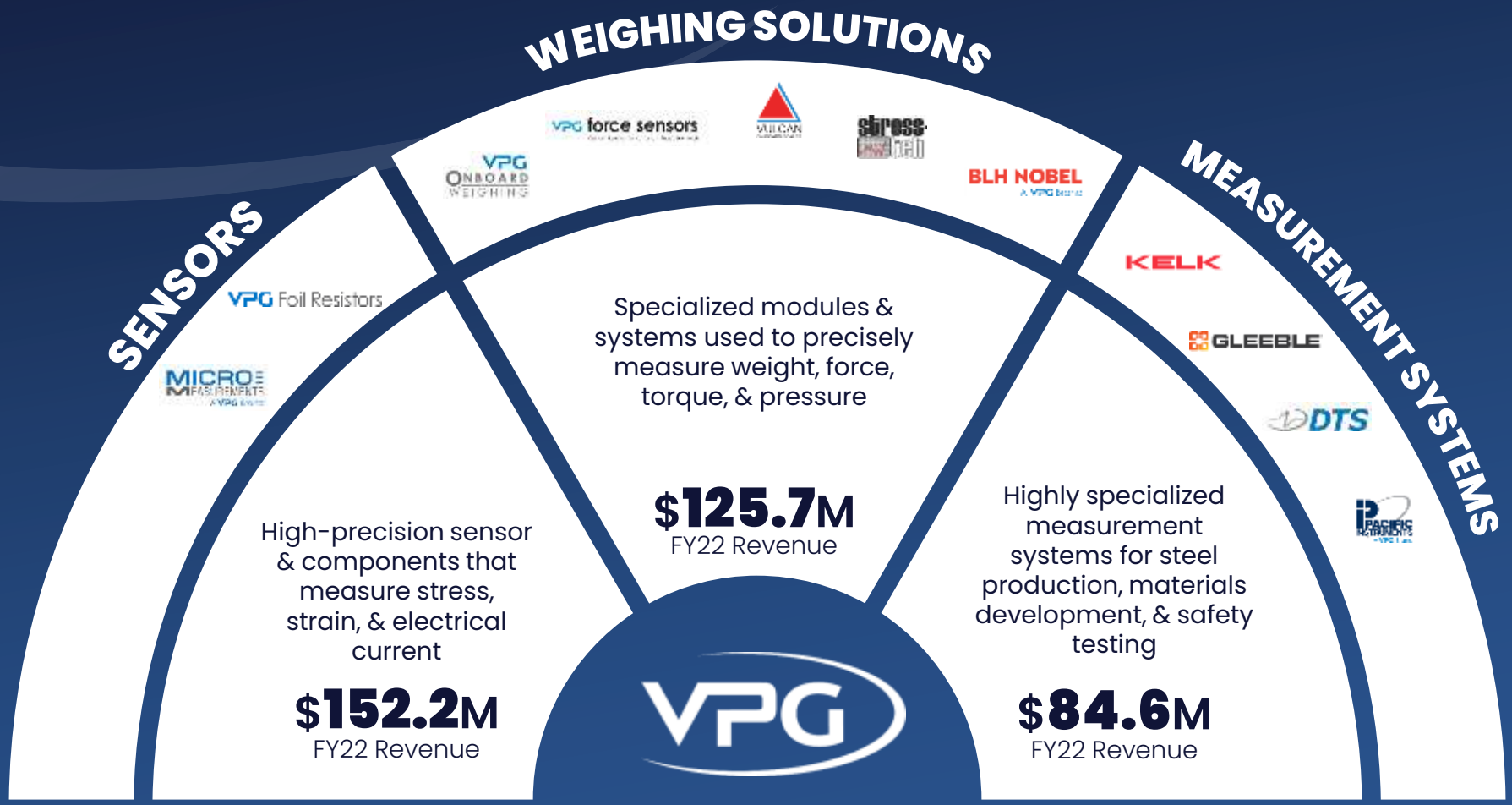
- Proliferation of Sensors and precision measurement systems
- Secular market trends requiring greater levels of precision and performance

INTERNAL INVESTMENT

- Expanded Business Development
- Enhanced R&D investment
- Operational Excellence

VPG CURRENT BUSINESS PORTFOLIO

Sustaining leadership across our markets



Key Competencies	Strong established brands	Proven innovation and Deep tech expertise	Deep engineering expertise to customize solutions	Extensive knowledge of specific critical applications

TRENDS THAT ARE FUELING VPG'S DEMAND











ELECTRIFICATION

The combination of new electric end-use technologies and various policy objectives is driving the trend.

THE ELECTRIFICATION OPPORTUNITY



E-Bikes

VPG's torque sensors improve battery efficiency in new generations of electric bikes.



Safety Testing

DTS ' robust data loggers and sensors for testing in extreme environments are integrated into crash dummies for safety testing in new EVs.



Testing EV Batteries

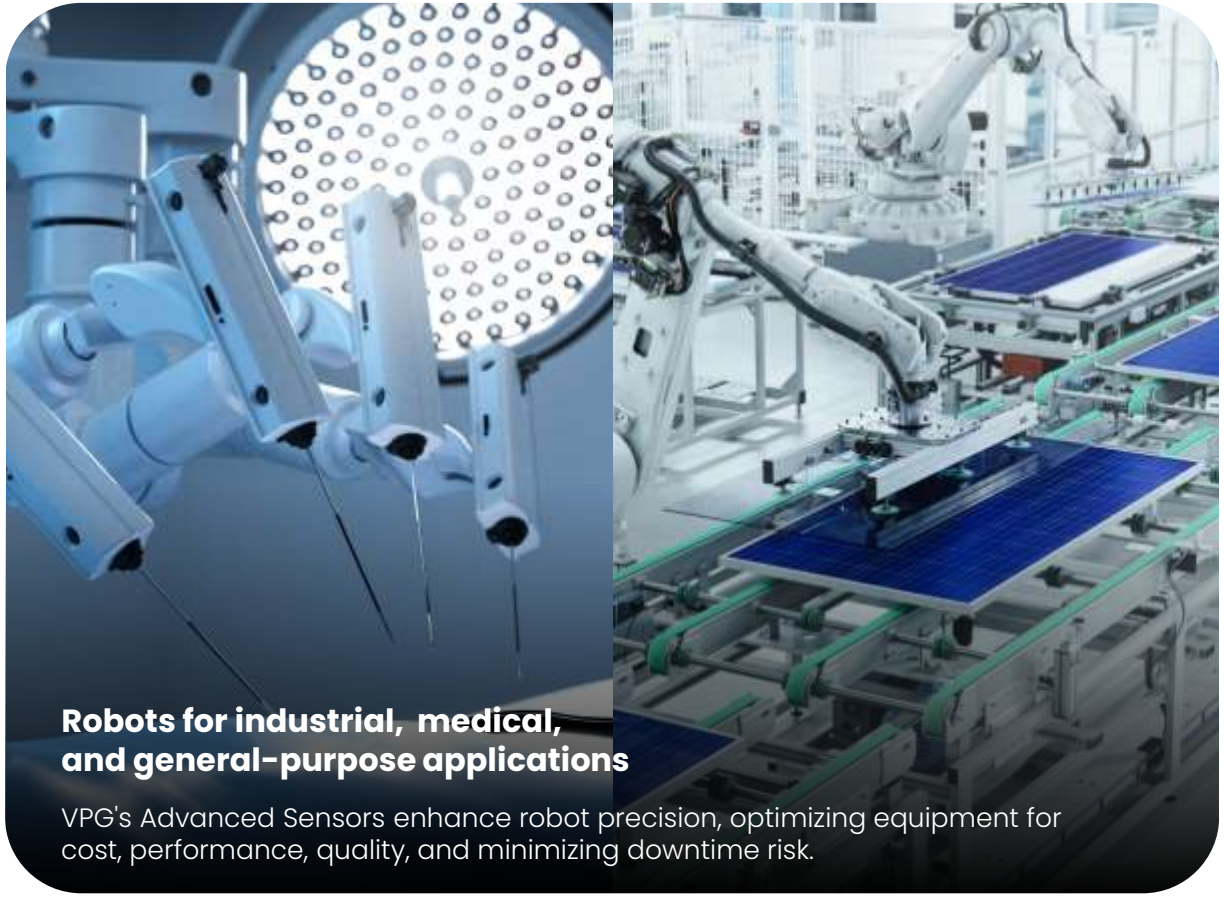
VPG's precision resistors are employed in EV battery testing during manufacturing.



INDUSTRIAL AUTOMATION

Technological advancements such as artificial intelligence, machine learning and increased connectivity are facilitating ongoing global investment in industrial automation to offset higher costs, labor shortages, and increasing global competition.

THE INDUSTRIAL AUTOMATION OPPORTUNITY



Robots for industrial, medical, and general-purpose applications

VPG's Advanced Sensors enhance robot precision, optimizing equipment for cost, performance, quality, and minimizing downtime risk.



Precision agricultural equipment

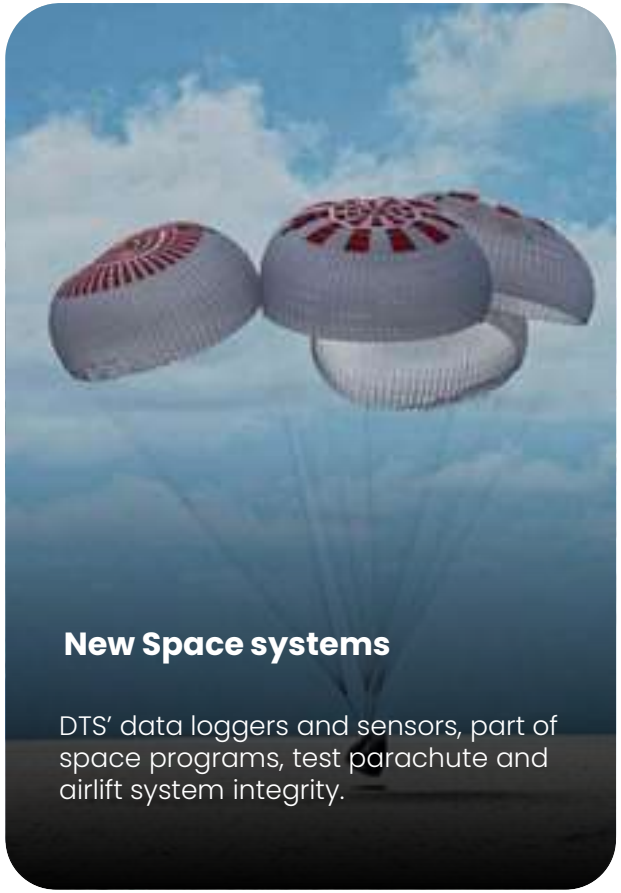
VPG's high-quality load cells optimize crop yields by ensuring seeds are planted at consistent and optimal soil depths.



DEFENSE / SPACE TECHNOLOGY

Political instabilities around the world are expected to drive global spending on defense and space systems.

THE DEFENSE / SPACE OPPORTUNITY



New Space systems

DTS' data loggers and sensors, part of space programs, test parachute and airlift system integrity.



WIAMan

DTS' technology aids the US Army in testing soldier protection against IEDs and underbody blasts using specialized manikins.



Missile and defense system platforms

VPG's reliable components ensure flawless, long-term performance in diverse temperatures for critical avionics.



Unmanned air, land and marine vehicles

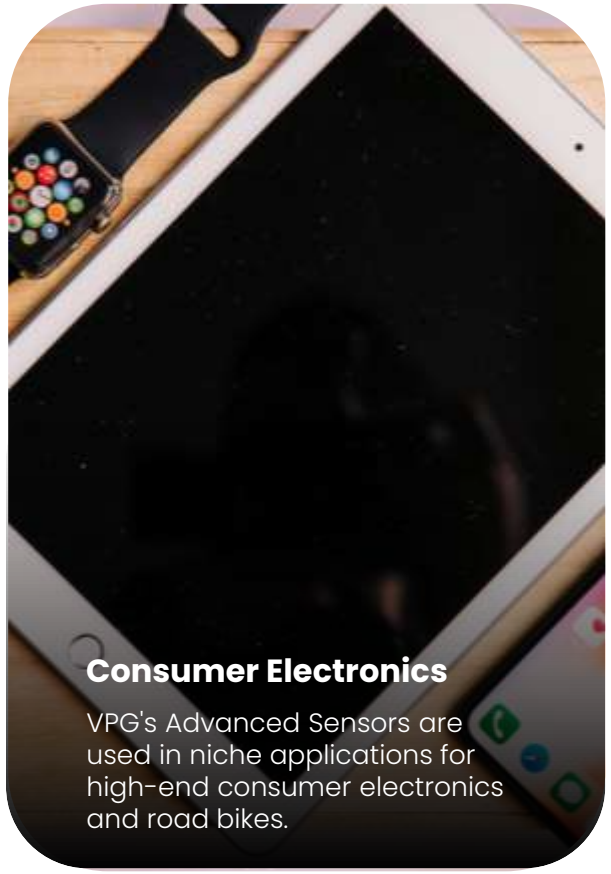
VPG's compact systems test and qualify new unmanned vehicles like drones and planes by collecting in-flight measurements of structural integrity, strain, vibration, etc.



DIGITAL TRANSFORMATION

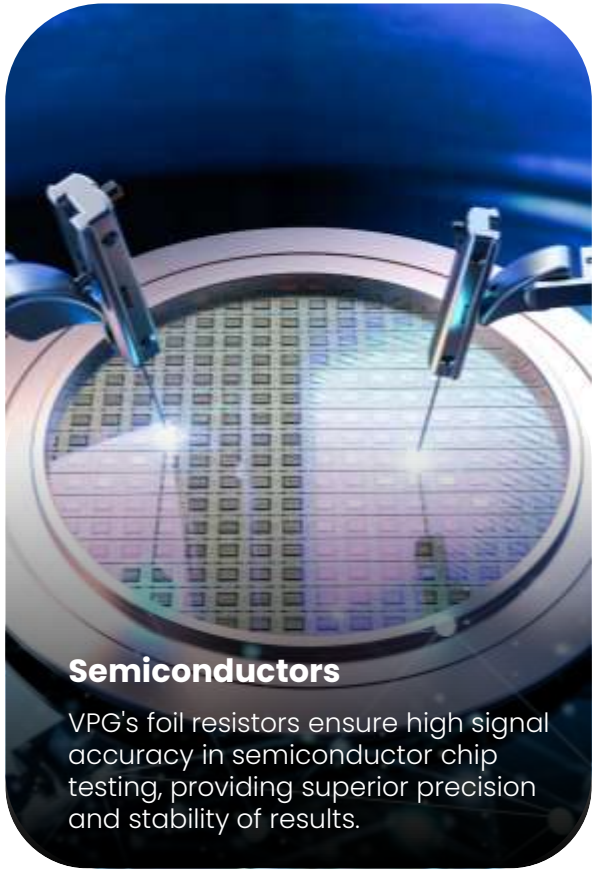
Addressing the need for more precise sensors in consumer, communications networks and test equipment.

THE DIGITAL TRANSFORMATION OPPORTUNITY



Consumer Electronics

VPG's Advanced Sensors are used in niche applications for high-end consumer electronics and road bikes.



Semiconductors

VPG's foil resistors ensure high signal accuracy in semiconductor chip testing, providing superior precision and stability of results.



Data Center / Fiber Optics

VPG's resistors enhance data network reliability in fiber optics equipment, reducing maintenance and calibration needs.



Medical Prosthetics

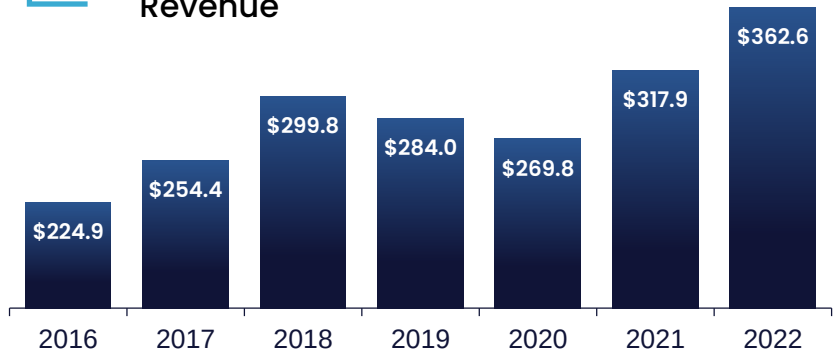
Precise force measurement optimizes joint replacement prosthetics, providing accurate real-time feedback for daily activities, enhancing patient outcomes.

DRIVING COMPANY-WIDE VALUE



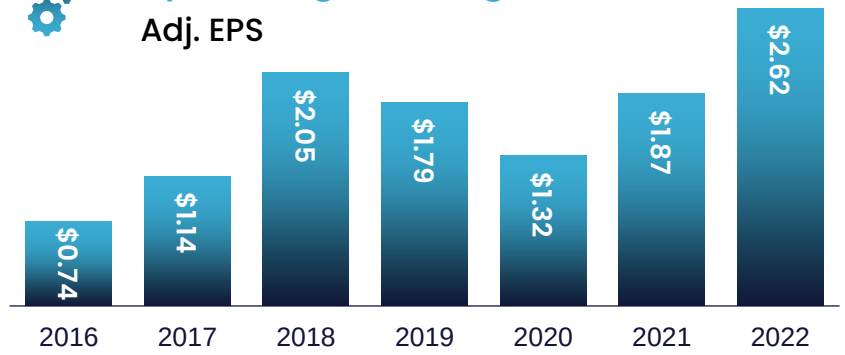
Scalability & Growth

Revenue



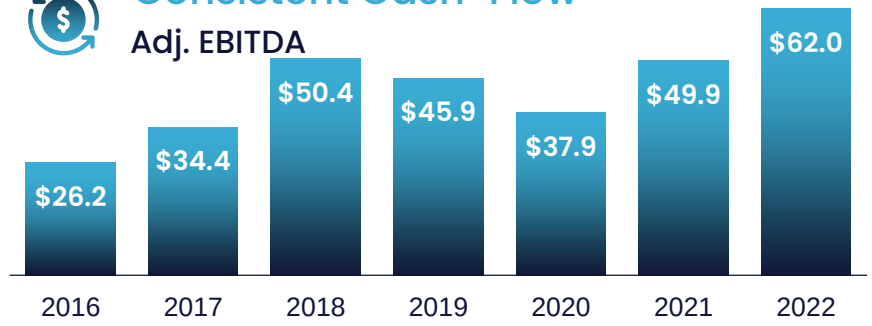
Operating Leverage

Adj. EPS



Consistent Cash-Flow

Adj. EBITDA



GROWTH-ORIENTED CAPITAL ALLOCATION STRATEGY

Capital Allocation Priorities

01

Internal Investments

- Business development
- Manufacturing capacity expansion and optimization
- New product and market development.

02

Value-Creating M&A

- Strategic, profitable niche businesses with strong brands, differentiated products, and seasoned management teams;
- Bolt-on or transformational M&A.

03

Stock Repurchases

- Repurchased $3.9 million of stock through 3Q23 under the stock repurchase plan authorized by our Board of Directors in August 2022.

Although currently in a net cash position, VPG is also opportunistically paying down debt to reduce interest expense

MERGERS AND ACQUISITIONS

Catalyst for Expanding Applications and Unveiling Opportunities

VPG aims to grow by acquiring businesses with complementary sensing and precision measurement technology.

M&A Criteria

- Profitable, growing businesses
- Leader in respective markets
- Bolt-on or transformational
- Stringent financial and strategic criteria

Successful Track Record

Completed 5 acquisitions since becoming independent company:

KELK stress-tech PACIFIC DSI DTS

7%
5-Year Sales Growth CAGR 2016-2022

High operating leverage and consistent cash flow generation

Key investments in operating capabilities and efficiencies

SENSORS | WEIGHING SOLUTIONS | MEASUREMENT SYSTEMS

A balanced portfolio of high-growth/margin businesses

LONG-TERM GROWTH FOCUS

- Organic Growth
- Inorganic Growth
- Operational Execution



THANK YOU