

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 "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.

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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, adjusted diluted net earnings per share, and adjusted EBITDA. 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 performance 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. Reconciliations of these non-GAAP measures to the corresponding GAAP measures are included in our third quarter earnings press release and in the appendix to this presentation which will be available on our website at: www.vpgsensors.com.

VPG Highlights

- A leader in 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



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



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

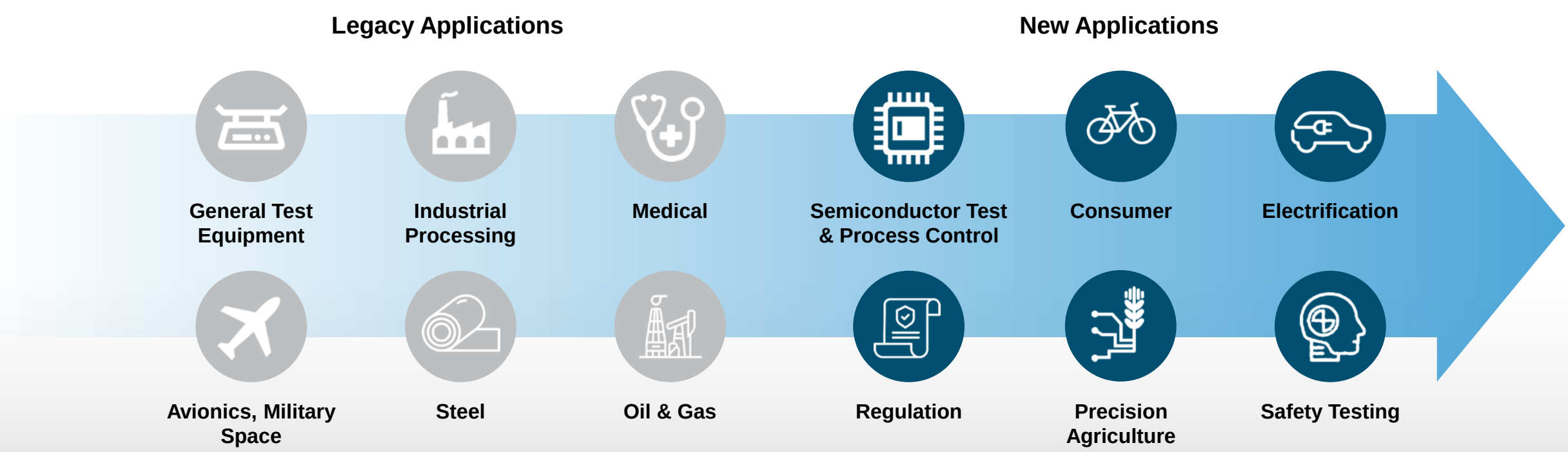
Three-to-five year targets[2]

- 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



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

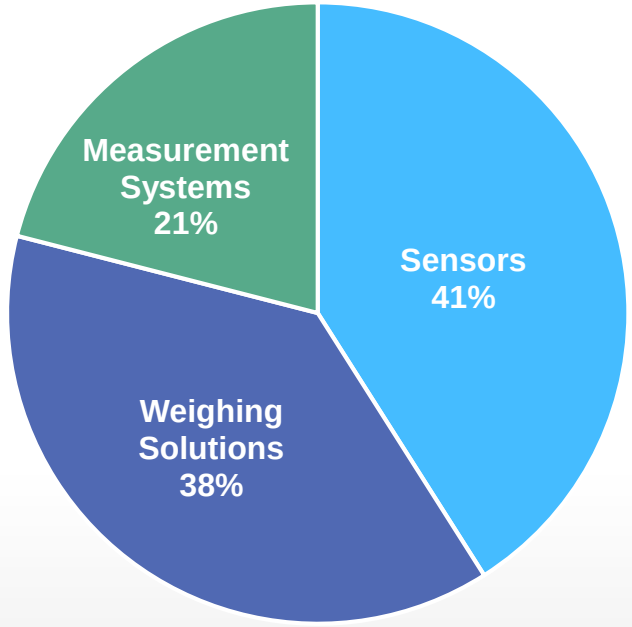
- Measurement systems for steel production
- Material testing and simulation systems
- DAS for auto safety testing
- DAS for avionics testing

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 Business Overview

High-precision sensors and components that measure stress, strain, and electrical current

Products

- Precision resistors
- Strain gages (Advanced Sensors)

Brands

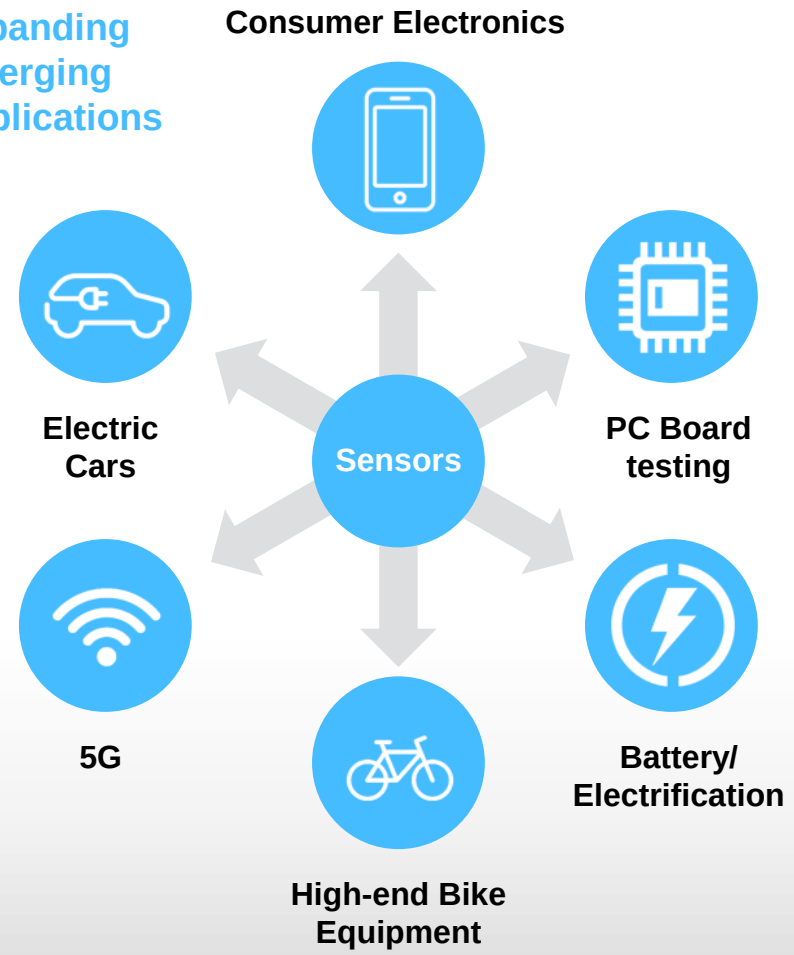
VPG Foil Resistors

MICRO MEASUREMENTS A VPG Brand

Business Advantages

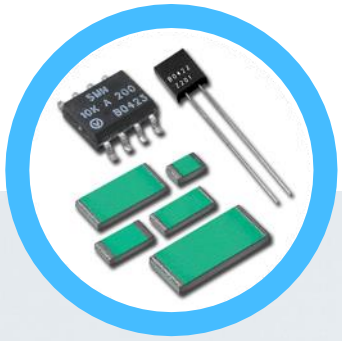
- Proven innovation and deep tech expertise
- Strong established brands
- Manufacturing innovation and automation; e.g., Advanced Sensors
- New product design and capabilities

Expanding Emerging Applications



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 Business Overview

Specialized modules and systems used to precisely measure weight, force, torque, and pressure

Products

- Force sensors
- Vehicle overload monitoring
- Process weighing solutions

Brands

VPG ONBOARD WEIGHING

stress-tek

VPG Transducers
Celtron • Revere • Sensortronics • Tedea-Huntleigh

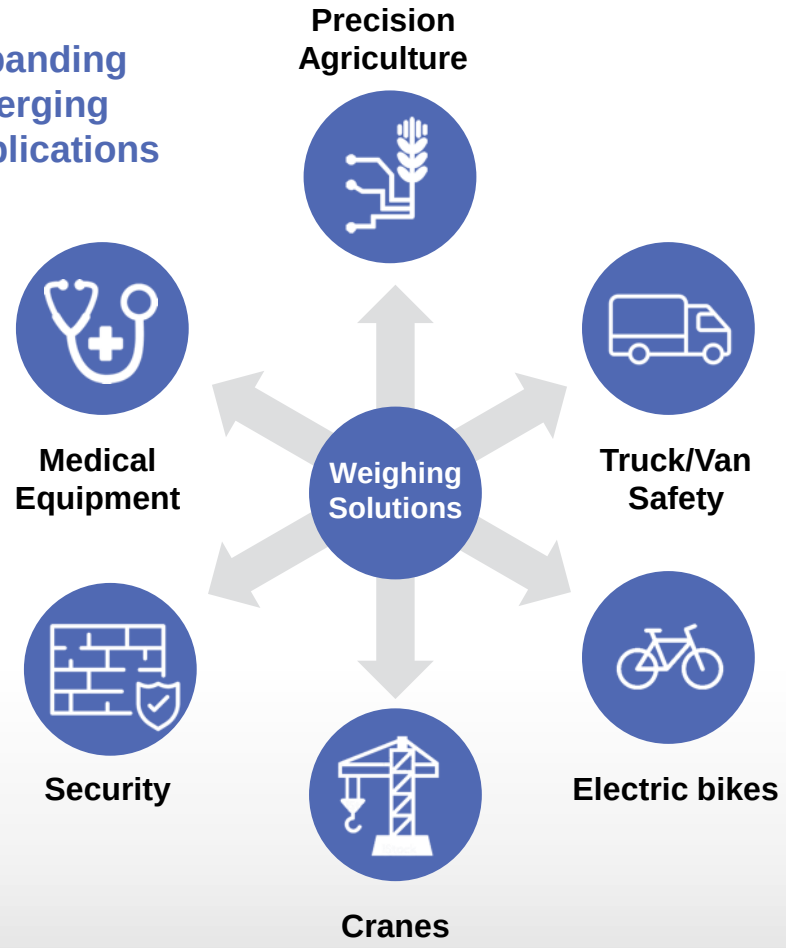
VULCAN ON-BOARD SCALES

BLH NOBEL A VPG Brand

Business Advantages

- Proven innovation and Deep tech expertise
- Strong established brands
- Manufacturing and operational excellence

Expanding Emerging Applications



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 Business Overview

Highly specialized measurement systems for steel production, materials development, and safety testing

Products

- Measurement systems for steel production
- Thermal-mechanical simulation tools
- Data Acquisition Systems for auto safety testing

Brands

KELK

GLEEBLE

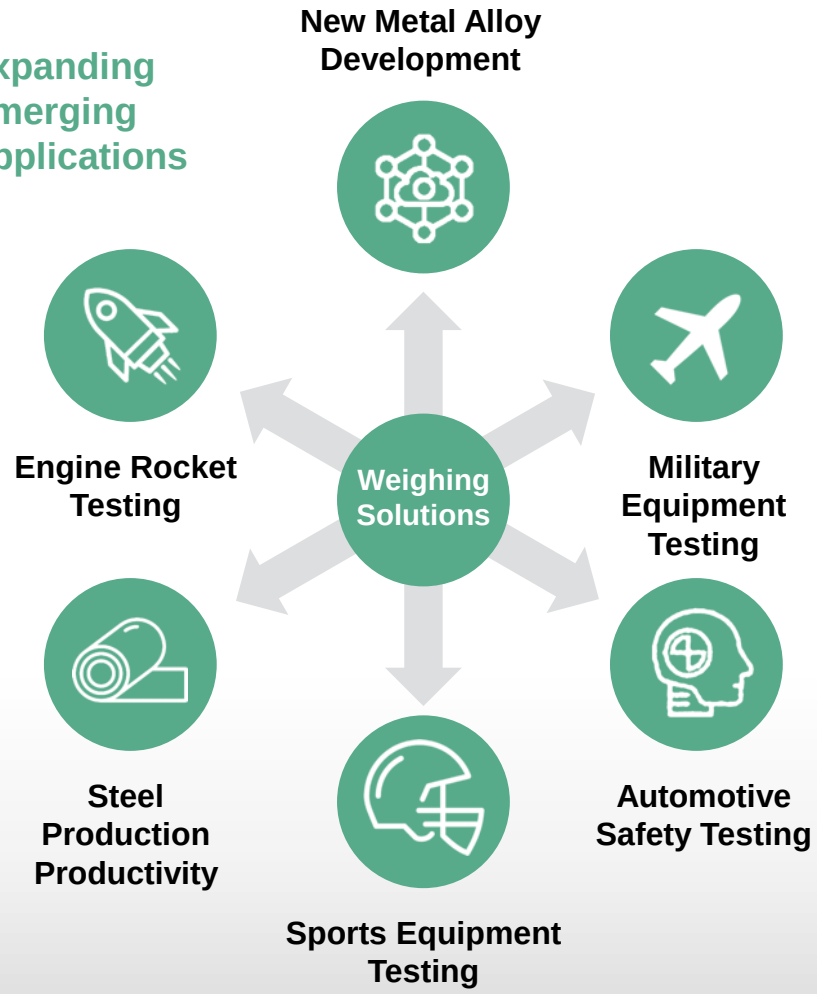
DTS

PACIFIC INSTRUMENTS A VPG Brand

Business Advantages

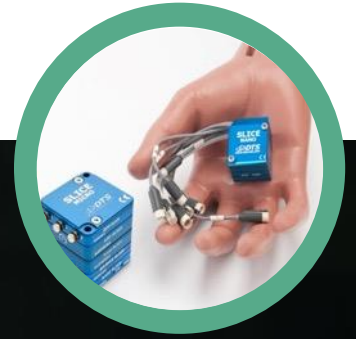
- Deep engineering expertise to customize solutions
- Strong established brands
- Extensive knowledge of specific critical applications

Expanding Emerging Applications



Measurement Systems that Improve Safety

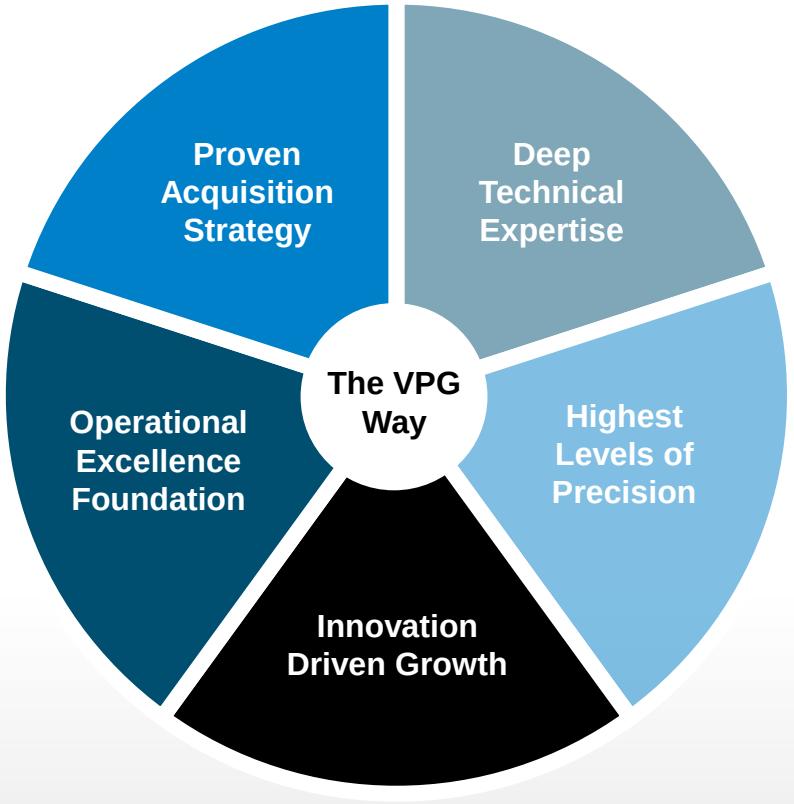
Engineered for extreme test environments, DTS' rugged compact data loggers and sensors are integrated into crash dummies for use in automotive, aerospace, and defense safety testing.



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

Proven M&A Strategy

- **Targeting strategic, profitable niche businesses** with strong brands, differentiated products, and seasoned management teams
- **Bolt-on and/or transformational M&A** in three potential vectors:

Expanding market footprint

Adding sensing technologies

Providing precision measurement systems

- **Stringent financial criteria**
  - Mid-teen IRR
  - EPS accretion within one year
- **Strong balance sheet** and net cash position supports M&A

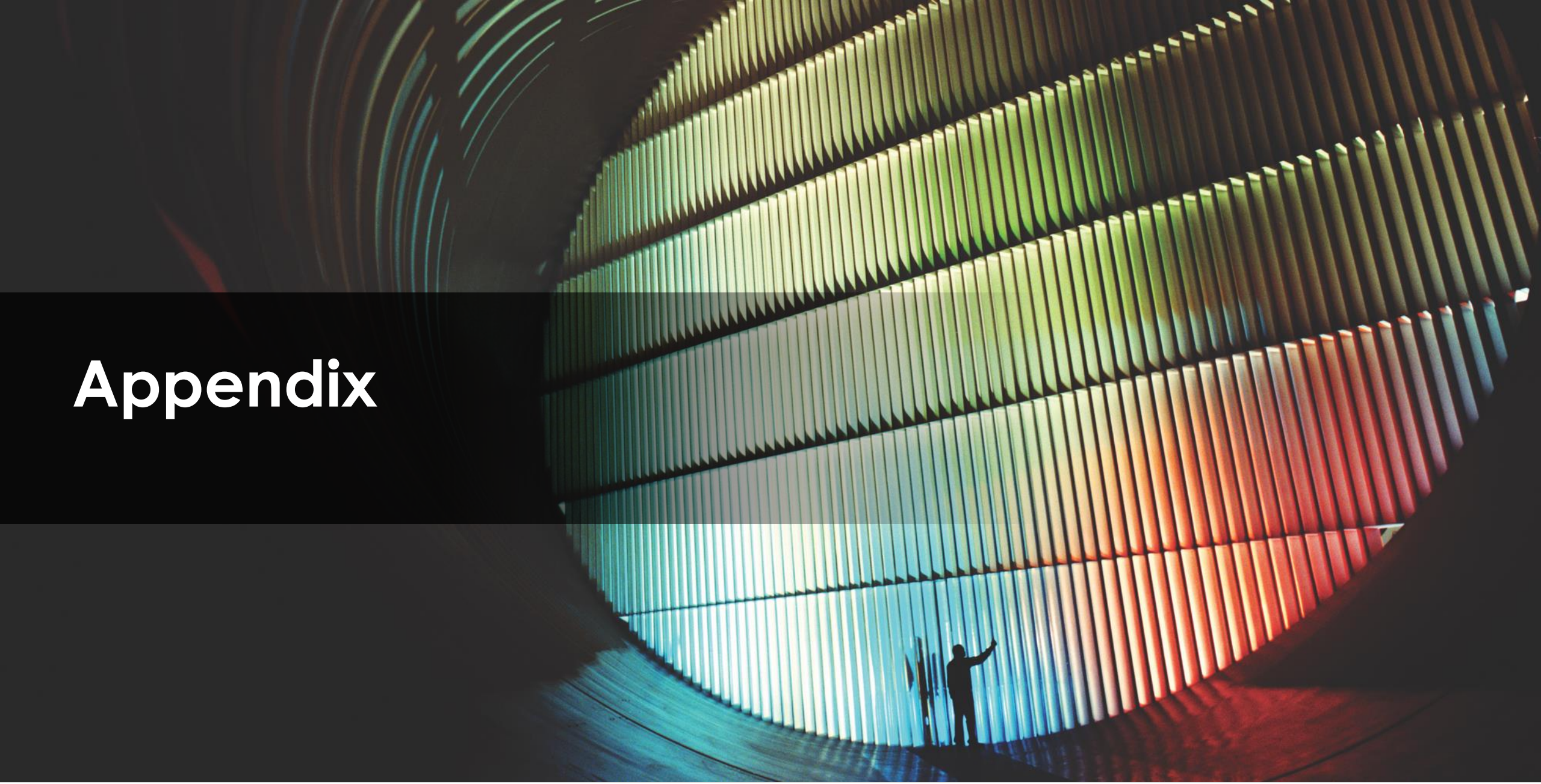


VPG Summary

- 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
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Appendix



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.