



PERFORMANCE THROUGH PRECISION

Vishay Precision Group Annual Meeting

May 2018

Safe Harbor Statement

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.

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; changes in the current pace of economic recovery; difficulties or delays in 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; difficulties in implementing our ERP system, and the associated impact on manufacturing efficiencies and customer satisfaction; 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 lower-cost countries; 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, 2017. 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 gross profit and adjusted operating income and their corresponding margins, as well as adjusted EBITDA, adjusted net earnings and adjusted 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). We believe these non-GAAP measures provide insight into our financial performance. These non-GAAP measures are supplemental to the comparable GAAP measures. Reconciliations of most of these non-GAAP measures to the corresponding GAAP measures are included in our first quarter earning press release which is available on our website at www.vpgsensors.com.

2017 Highlights

- Revenue up 13.1% to \$254.4 million
- Adjusted gross margin increased to 38.7% from 37.1% in the prior year period
- Adjusted operating margin increased to 9.3% from 6.7% in the prior year period
- Adjusted earnings up 54% to \$1.14 per share
- Sales, backlog and profitability all at record levels

Engineered for Operational Improvement

SCALABLE
BUSINESS MODEL

- Margin improvement through cost-reduction and synergy
 - Ongoing cost optimization
 - Efficient growth on capable fixed-cost platform
- Strong end-market business trends
 - Cyclical businesses (e.g. Steel, Aerospace, Test & Measurement, Automated Test Equipment) performing
 - New product introductions well received
- Effective integration of prior acquisitions
 - Significant cost rationalization achieved
 - Highly capable global platform leveraged for growth

Q1 2018 Update

- Record revenue of \$73.1 million up 22.3% year-over-year
- Adjusted operating margin for the quarter was 11.2% as compared to 7.5% for the prior year period
- Q1 adjusted EPS of \$0.37 versus \$0.19 in 1Q17
- Foreign exchange had negative impact of \$0.02 per diluted share compared to Q1 2017
- Record backlog with strong book-to-bill of 1.05
- Expectation for continued end-market strength

Organic Growth Expected to Remain Strong

ORGANIC
TOP-LINE
GROWTH

Energy

- U.S. energy market expansion including export activity
- Commodity prices continue to stabilize and improve
- Ongoing investments across the sector in several basins

Steel & Mining

- Global steel demand is continuing its broad recovery
- World Steel Assoc. forecasts global steel demand will reach 1,616.1 Mt in 2018
- Encouraging progress in global steel market

Aerospace & Defense

- Commercial OE segment remains strong
- The aftermarket and biz jet segments continue to improve
- Positive inflection in defense spending with the final passage of the U.S. 2018 budget

Test & Measurement

- Strong demand for semiconductor testing equipment
- We provide precision resistors in front- & back-end testing equipment

Growth
Opportunities

Basic Strategy Successful and Fundamentally Unchanged

Value proposition (2018-2020)

ORGANIC TOP-LINE GROWTH



MID-SINGLE DIGITS IN
IMPROVED GLOBAL
ECONOMIC ENVIRONMENT

Mid- to high-single digit sales growth

SCALABLE BUSINESS MODEL



COST STRUCTURE TO
LEVERAGE THE BENEFIT OF
HIGHER VOLUMES

Gross margin > 40%
Adjusted operating margin > 10 %

ROBUST CASH FLOW
AND STRONG
BALANCE SHEET



STRONG CASH GENERATION
TO SUPPORT GROWTH

Strong cash generation continues

ACQUISITIONS



TARGET:
• ~\$5-60M; >35% GROSS MARGIN
• MID-TEENS IRR HURDLE RATE
• ACCRETIVE WITHIN 12 MONTHS

Focused M&A activity

Thank you!