



VPG Second Quarter Fiscal 2019 Earnings August 6, 2019



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; 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 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; significant developments from the recent and potential changes in tariffs and trade regulation; 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, 2018. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

2ND QUARTER HIGHLIGHTS

- Sales of \$70.9 million.
- Gross profit margin of 40.4%.
- Operating margin of 11.4%, adjusted operating margin* of 12.3%.
- Net earnings per diluted share of \$0.41, adjusted net earnings per diluted share* of \$0.45.
- Cash from operations of \$8.9 million with free cash flow* of \$6.7 million.

* - See attached reconciliation tables.



FINANCIAL RESULTS

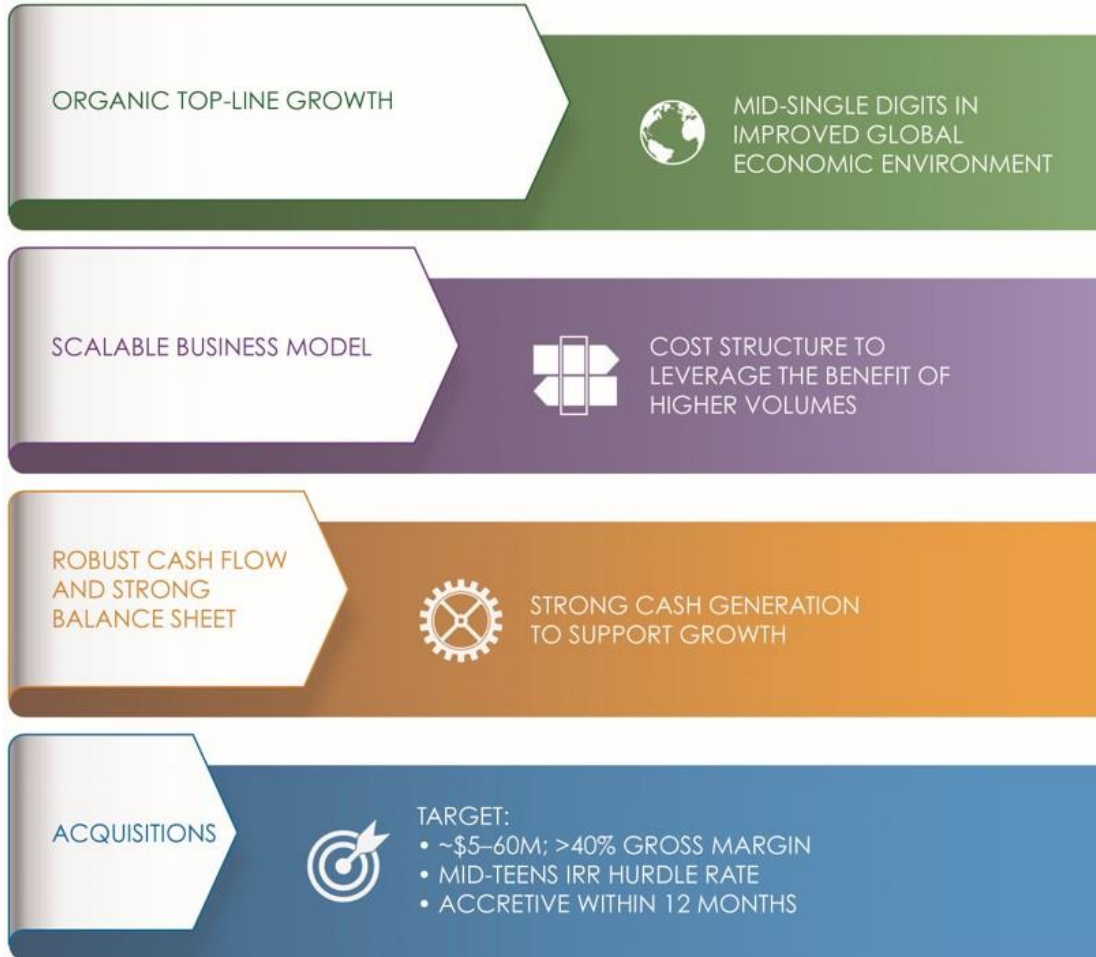
| (\$ in millions, except per share amounts) | Fiscal quarter ended | |
|--|----------------------|---------------|
| | June 29, 2019 | June 30, 2018 |
| Net revenues | \$ 70.9 | \$ 74.2 |
| Gross profit | \$ 28.6 | \$ 31.4 |
| Gross profit margin | 40.4% | 42.3% |
| Selling, general, and administrative expenses | \$ 19.9 | \$ 20.0 |
| Adjusted operating income | \$ 8.7 | \$ 11.4 |
| Adjusted operating margin | 12.3% | 15.3% |
| Adjusted net earnings attributable to VPG stockholders | \$ 6.2 | \$ 7.7 |
| Adjusted net earnings per diluted share | \$ 0.45 | \$ 0.57 |



PERFORMANCE THROUGH PRECISION

STRATEGY

Value proposition (2019 - 2021)



Mid to high single digit sales growth

Target gross profit margin > 45%
Target adjusted operating margin >15%

Strong cash generation continues

Focused M&A activity



CONSOLIDATED RESULTS/TRENDS

| (\$ in millions) | Fiscal quarter ended | | |
|-----------------------|----------------------|---------------|----------------|
| | June 29, 2019 | June 30, 2018 | March 30, 2019 |
| Net revenues | \$ 70.9 | \$ 74.2 | \$ 76.5 |
| Book-to-bill ratio | 0.94 | 1.13 | 0.92 |
| Total orders | \$ 66.7 | \$ 84.0 | \$ 70.2 |
| End-of-period backlog | \$ 83.4 | \$ 101.0 | \$ 87.1 |
| Inventory turnover | 2.66 | 2.71 | 2.77 |

SEGMENT RESULTS/TRENDS

| (\$ in millions) | Foil Technology Products | | | Force Sensors | | | Weighing and Control Systems | | |
|---------------------|--------------------------|-------------|-------------|---------------|-------------|-------------|------------------------------|-------------|-------------|
| | Q2 | Q2 | Q1 | Q2 | Q2 | Q1 | Q2 | Q2 | Q1 |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> |
| Net revenues | \$ 33.0 | \$ 34.2 | \$ 37.0 | \$ 16.3 | \$ 19.4 | \$ 16.7 | \$ 21.5 | \$ 20.7 | \$ 22.7 |
| Gross profit | \$ 14.4 | \$ 15.8 | \$ 16.6 | \$ 4.4 | \$ 5.7 | \$ 5.1 | \$ 9.8 | \$ 9.9 | \$ 11.4 |
| Gross profit margin | 43.6% | 46.1% | 44.7% | 26.9% | 29.4% | 30.2% | 45.6% | 48.0% | 50.2% |
| Book-to-bill ratio | 0.93 | 1.24 | 0.88 | 0.95 | 0.88 | 0.98 | 0.95 | 1.18 | 0.93 |
| Total orders | \$ 30.7 | \$ 42.5 | \$ 32.6 | \$ 15.5 | \$ 17.0 | \$ 16.4 | \$ 20.5 | \$ 24.4 | \$ 21.1 |
| Backlog in months | 3.8 | 4.8 | 3.6 | 3.0 | 2.7 | 3.1 | 3.5 | 4.2 | 3.4 |
| Inventory turnover | 2.65 | 2.81 | 2.97 | 2.39 | 2.26 | 2.29 | 3.03 | 3.35 | 3.07 |

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PERFORMANCE THROUGH PRECISION

THANK YOU

APPENDIX



PERFORMANCE THROUGH PRECISION

RECONCILIATION

VISHAY PRECISION GROUP, INC.

Reconciliation of Adjusted Earnings Per Share

(Unaudited - In thousands, except per share data)

| | Fiscal quarter ended | |
|--|-----------------------------|----------------------|
| | June 29, 2019 | June 30, 2018 |
| Net earnings attributable to VPG stockholders | \$ 5,565 | \$ 7,693 |
| <u>Reconciling items affecting operating margin</u> | | |
| Executive severance costs | 611 | — |
| Restructuring costs | — | 61 |
| <u>Less reconciling items affecting income tax expense</u> | | |
| Tax effect of reconciling items | — | 9 |
| Adjusted net earnings attributable to VPG stockholders | <u>\$ 6,176</u> | <u>\$ 7,745</u> |
| Adjusted net earnings per diluted share | \$ 0.45 | \$ 0.57 |
| Weighted average shares outstanding - diluted | 13,595 | 13,513 |



RECONCILIATION

VISHAY PRECISION GROUP, INC.

Reconciliation of Consolidated Adjusted Operating Margin

(Unaudited - In thousands)

| | Fiscal quarter ended | |
|---|----------------------|------------------|
| | June 29, 2019 | June 30, 2018 |
| Operating income | \$ 8,102 | \$ 11,315 |
| Operating margin | 11.4% | 15.2% |
| <u>Reconciling items affecting operating margin</u> | | |
| Executive severance costs | 611 | — |
| Restructuring costs | — | 61 |
| Adjusted operating income | <u>\$ 8,713</u> | <u>\$ 11,376</u> |
| Adjusted operating margin | 12.3% | 15.3% |