Vishay Precision Group

PERFORMANCE THROUGH PRECISION

Fall Investor Conference
September 2021

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, 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; 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; the Company's 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; the Company's ability to execute its business continuity, operational and budget plans in light of the COVID-19 pandemic; 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, 2020. 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, 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 second quarter earnings press release and in the appendix to this presentation which will be available on our website at: www.vpgsensors.com.

Highlights

- Addresses the growing sensor market for industrial technology applications
- Leader in diversified niches across broad set of markets with organic growth drivers
- Effective business model and demonstrated resilience during global pandemic
- Steps already in place to realize operating margin and EPS leverage
- Clear capital allocation strategy to drive both organic and inorganic growth

Proven Financial Performance 2017-2020:

4-Year Sales Growth (CAGR) **5%**

4-Year Adj. EPS Growth (CAGR) **16%**

4-Year Cumulative Cash From Operations

$125 Million

VPG Focuses on Key Niches of the Global Sensor Market

VPG: a leader in proprietary sensor and sensor-based systems solutions addressing demanding applications in a diversified range of markets

Foil Technology Products

- Foil Resistors
- Strain gages-advanced sensors
- Data acquisition systems

Force Sensors

- Load Cells

Weighing & Control Systems

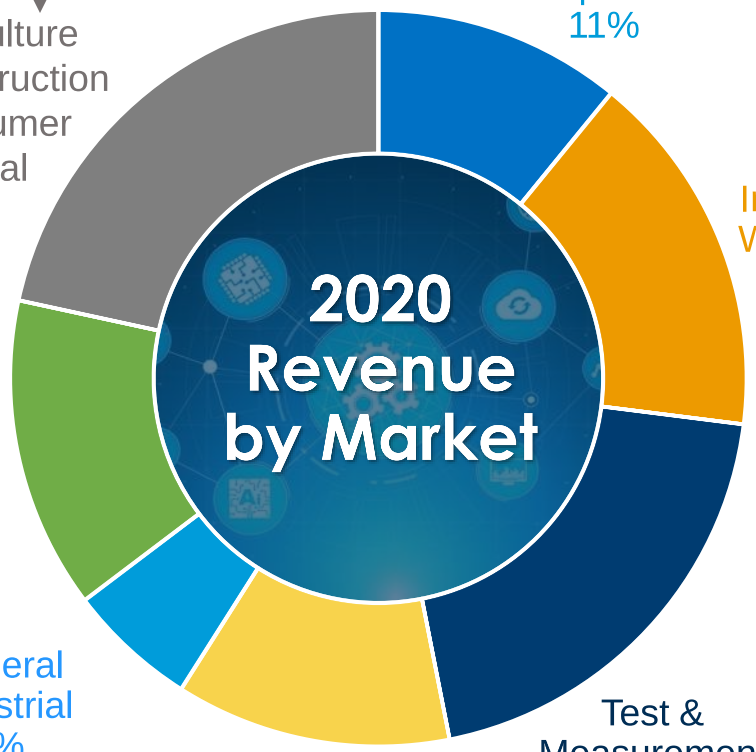
- Weigh modules & load cells
- Roll force measurement systems
- On-board weighing systems
- Material testing and simulation systems
- Systems for mission-critical safety testing

Serving a Diversified and Broadening Set of Markets

VPG Value to Customers:

Productivity	Optimization of Systems	Safety / Regulation

Not reliant on a single market or end customer



Multi-Year Strategic Growth and Cost Initiatives Underway

Strategy/Milestones

Organic Growth

- Ongoing product and sales growth
- Investment in key growth initiatives

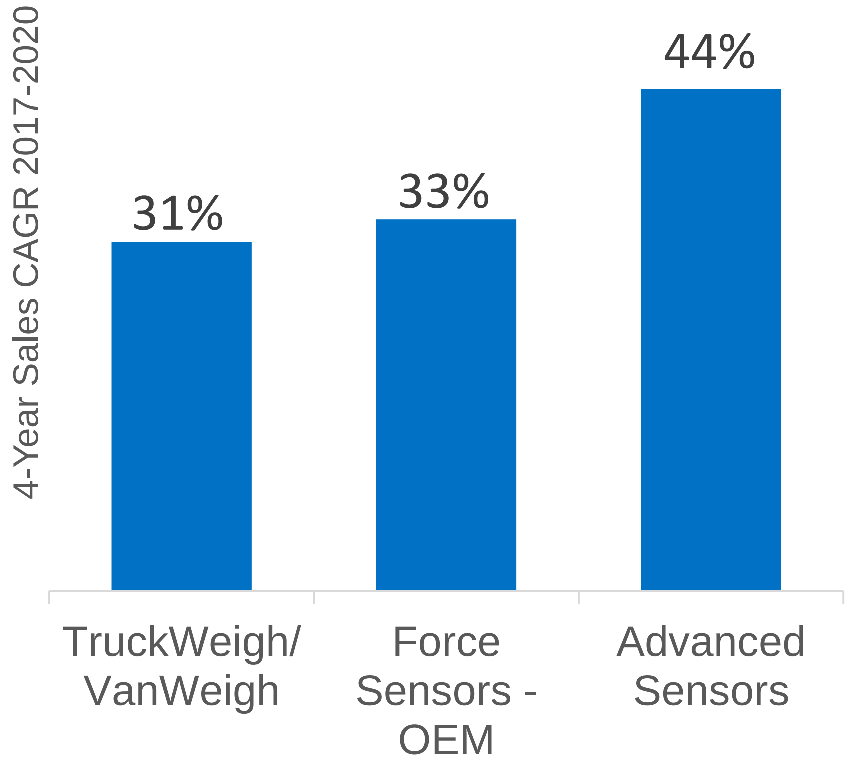
Operational Excellence

- Manufacturing consolidations and relocations
- Cost controls and increased efficiencies

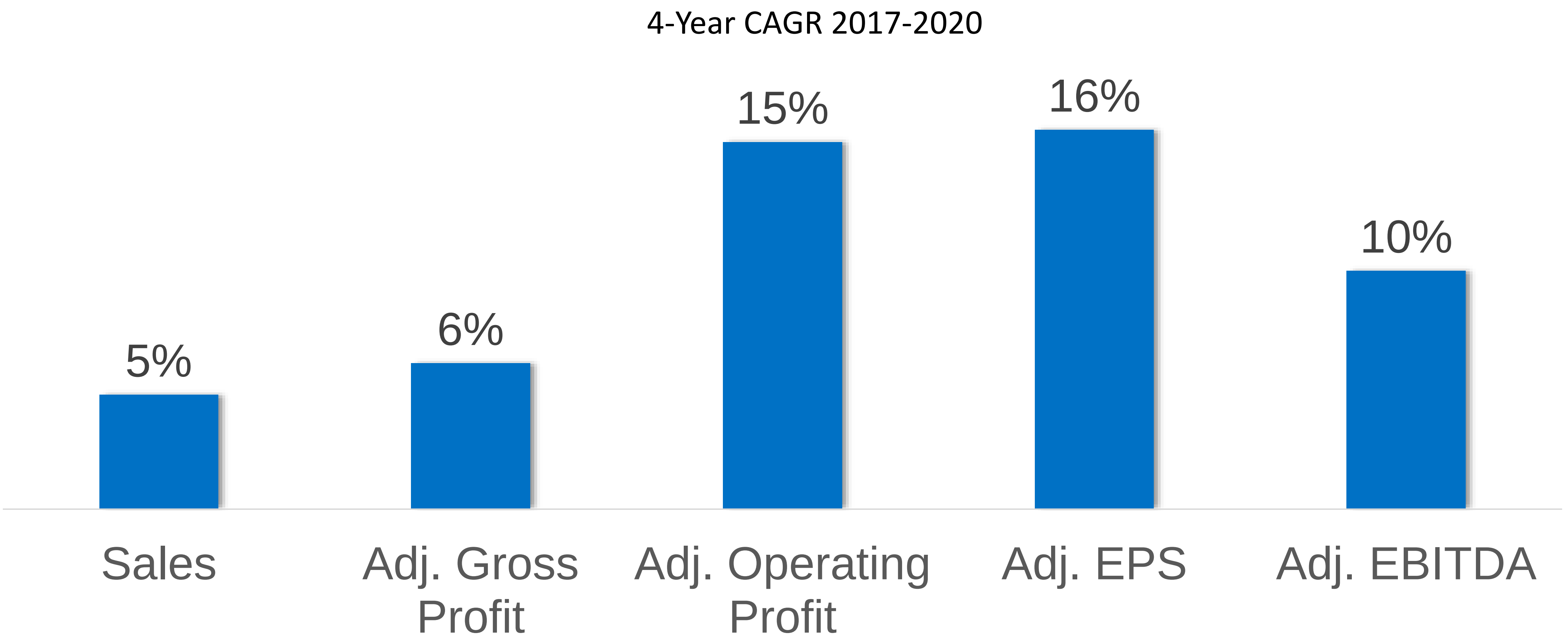
Value-Added M&A

- Targeting high-value, accretive acquisitions

Organic Sales Growth of Strategic Initiatives 2017-2020
(CAGR)

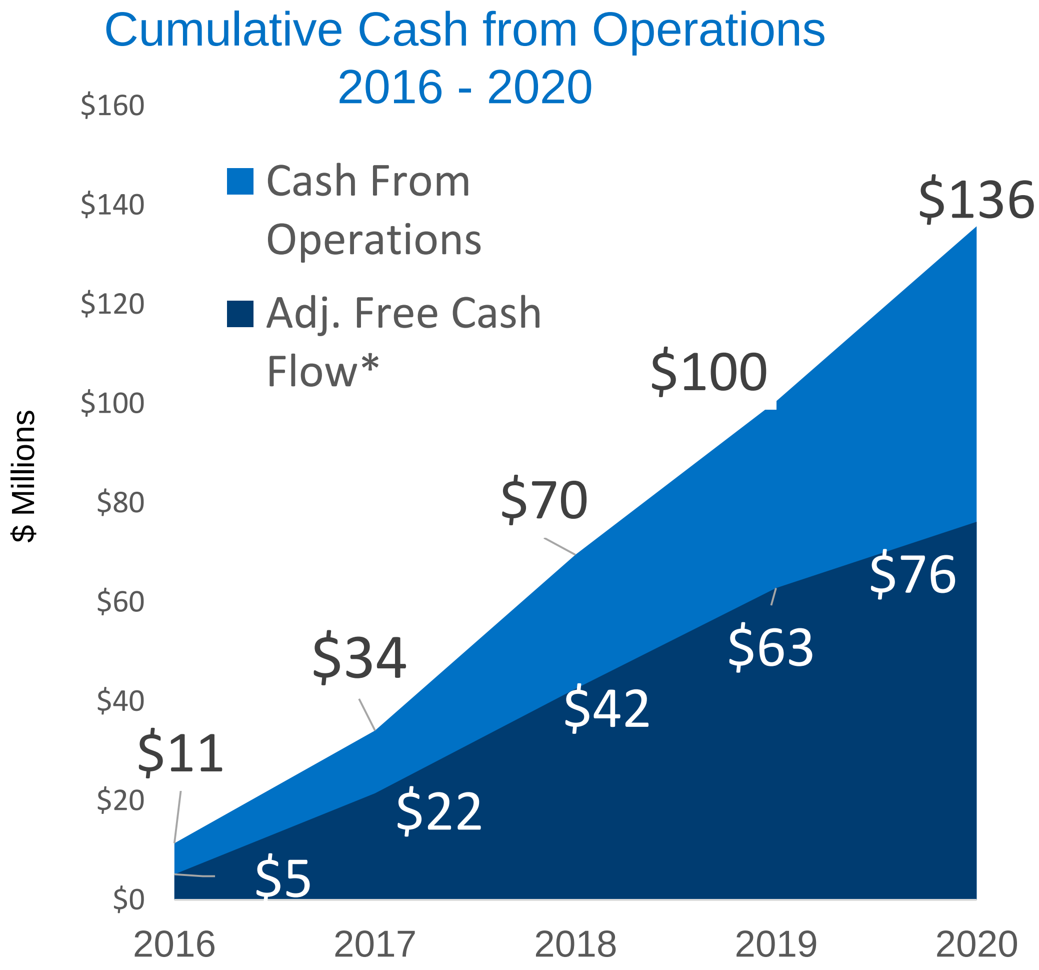


Strategic Growth and Cost Initiatives Driving VPG's Financial Performance



- Adjusted Gross margin, Adjusted Operating margin, Adjusted Diluted EPS, and Adjusted EBITDA exclude purchase accounting adjustments, 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 on the accompanying reconciliation schedules or in the Company's press releases and filings with the SEC.

Strong Cash Flow Generation



- VPG generated $136 million in cash from operations from 2016 through 2020
- Historically strong cash flow has funded key acquisitions of StressTek, Pacific Instruments, DSI, and DTS
- On July 3, 2021, VPG had a net cash position with $73.5 million in cash and cash equivalents, the majority held off-shore

*Adjusted free cash flow is defined as the amount of cash generated from operating activities, in excess of our capital expenditures, net of proceeds, if any, from the sale of assets.

Strong Cash Flow and Balance Sheet Support Clear Capital Allocation Strategy To Build Shareholder Value

Core Capital Allocation Priorities

1. Invest in organic growth and cost reduction initiatives: e.g., new FTP manufacturing facility to support Advanced Sensors growth, other manufacturing consolidations

2. Bolt-on and transformational M&A: e.g., add high-quality complementary businesses to our platform which address common markets: e.g., add sensing technologies, expand our current portfolio, and move upstream to sensor data systems

Bolt-on M&A financial target criteria includes mid-teen IRR and ROI hurdle rate (6 to 10 years) and EPS accretion within 1 year

The Company continues to consider other uses of capital on an opportunistic basis, such as share repurchases, debt repayment, and dividends

DTS – The Newest Addition to the VPG Platform

DTS specializes in miniature DAQ and portable data logger solutions, which are engineered for extreme test environments to enable product development, performance validation and safety testing.

Key Markets/Applications:

- Automotive
- Avionics, Military and Defense
- Sports / Recreation
- Industrial

Safety Testing

Testing:
Helping to improve safety and survivability

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.

Second Quarter 2021 Highlights

- Revenues of $75.3 million vs. $70.6 million in 1Q21
  - Sales grew sequentially across all three reporting segments
- Orders of $105.4 million grew 23.3% sequentially, including $7.1 million of DTS backlog
- Book-to-bill ratio of 1.40 and backlog of $130.9 million indicate positive revenue outlook for second half of 2021
  - Robust demand for precision foil resistors, Kelk steel product line, and advanced sensors
- Strong financial and operational performance:
  - Gross profit margin was 39.6% and adjusted gross profit margin* was 42.3%
  - Operating margin was 6.5% and adjusted operating margin* was 12.2%
  - Adjusted EBITDA margin of 16.6%
- Integration of DTS, acquired on June 1, 2021, going as planned

* We define "adjusted gross profit margin" as gross profit margin before purchase accounting adjustments related to the DTS and DSI acquisitions, start-up costs related to our new advanced sensors facility, and the impacts of COVID-19 costs. We define "adjusted operating margin" as operating margin before purchase accounting adjustments, start-up costs, COVID-19 costs, impairment of goodwill and indefinite-lived-intangible assets, acquisition costs and restructuring costs. We define "adjusted net earnings" and "adjusted diluted net earnings per share" as net earnings attributable to VPG stockholders before purchase accounting adjustments, start up costs, COVID-19 costs, impairment of goodwill and indefinite-lived-intangible assets, acquisition costs, restructuring costs, foreign exchange gains and losses, and associated tax effects. We define "Adjusted EBITDA" as earnings before interest, taxes, depreciation, and amortization before purchase accounting adjustments, start-up costs, COVID-19 costs, impairment of goodwill and indefinite-lived-intangible assets, acquisition costs, restructuring costs, and foreign exchange gains and losses. "Adjusted free cash flow" for the second fiscal quarter of 2021 is defined as the amount of cash generated from operating activities ($6.8 million), in excess of our capital expenditures ($2.6 million), net of proceeds, if any, from the sale of assets ($0.0 million).

Thank You

Appendix

Reconciliation of Adjusted Gross Profit, Operating Income, Net Earnings and Diluted Earnings Per Share - Quarter

	Gross Profit		Operating Income		Net Earnings Attributable to VPG Stockholders		Diluted Earnings Per share	
Three months ended	**July 3, 2021**	**June 27, 2020**	**July 3, 2021**	**June 27, 2020**	**July 3, 2021**	**June 27, 2020**	**July 3, 2021**	**June 27, 2020**
As reported - GAAP	**29,798**	23,110	**4,924**	3,971	**$ 3,920**	$ 1,759	**$ 0.29**	$ 0.13
As reported - GAAP Margins	**39.6 %**	**39.1 %**	**6.5 %**	**6.7 %**				
Acquisition purchase accounting adjustments	**919**	41	**919**	41	**919**	41	**0.07**	—
Acquisition costs		—	**1,198**	—	**1,198**	—	**0.09**	—
COVID-19 impact	**(26)**	558	**(242)**	443	**(242)**	443	**(0.02)**	0.03
Start-up costs	**1,159**	—	**1,159**	—	**1,159**	—	**0.08**	—
Impairment of goodwill and indefinite-lived intangibles		—	**1,223**	—	**1,223**	—	**0.09**	—
Restructuring costs			**—**	499	**—**	499	**—**	0.04
Foreign exchange (gain)/loss					**174**	1,185	**0.01**	0.09
Less: Tax effect of reconciling items and discrete tax items		—		—	**$ 1,639**	$ 340	**$ 0.12**	$ 0.02
As Adjusted - Non GAAP	**$ 31,850**	$ 23,709	**$ 9,181**	$ 4,954	**$ 6,712**	$ 3,587	**$ 0.49**	$ 0.27
As Adjusted - Non GAAP Margins	**42.3 %**	40.1 %	**12.2 %**	8.4 %				

Reconciliation of Adjusted Gross Profit, Operating Income, Net Earnings and Diluted Earnings Per Share - YTD

	Gross Profit		Operating Income		Net Earnings Attributable to VPG Stockholders		Diluted Earnings Per share	
Six fiscal months ended	**July 3, 2021**	**June 27, 2020**	**July 3, 2021**	**June 27, 2020**	**July 3, 2021**	**June 27, 2020**	**July 3, 2021**	**June 27, 2020**
As reported - GAAP	**58,420**	48,175	**11,363**	8,615	**$ 8,881**	$ 5,071	**$ 0.65**	$ 0.37
As reported - GAAP Margins	**40.0 %**	**38.0 %**	**7.8 %**	**6.8 %**				
Acquisition purchase accounting adjustments	**930**	556	**930**	556	**930**	556	0.07	0.04
Acquisition costs		—	**1,198**	—	**1,198**	—	0.09	—
COVID-19 impact	**(177)**	558	**(685)**	443	**(685)**	443	(0.05)	0.03
Start-up costs	**1,288**	—	**1,288**	—	**1,288**	—	0.09	—
Impairment of goodwill and indefinite-lived intangibles		—	**1,223**	—	**1,223**	—	0.09	—
Restructuring costs			**—**	629	**—**	629	**—**	0.05
Foreign exchange (gain)/loss [d]					**(561)**	285	(0.04)	0.02
Less: Tax effect of reconciling items and discrete tax items					**$ 1,406**	$ 147	**$ 0.10**	$ 0.01
As Adjusted - Non GAAP	**$ 60,461**	$ 49,289	**$ 15,317**	$ 10,243	**$ 10,868**	$ 6,837	**$ 0.80**	$ 0.50
As Adjusted - Non GAAP Margins	**41.4 %**	**38.9 %**	**10.5 %**	**8.1 %**				

Reconciliation of Adjusted Gross Profit by Segment

	2021 Q2		2020 Q2		2021 Q1	
Foil Technology Products						
As reported - GAAP	$	12,942	$	13,286	$	13,039
As reported - GAAP Margins		38.9 %		41.8 %		39.9 %
COVID-19 impact		94		(38)		53
Start-up costs	$	1,159			$	129
As Adjusted - Non GAAP	$	14,195	$	13,248	$	13,221
As Adjusted - Non GAAP Margins		42.6 %		41.7 %		40.4 %
Force Sensors						
As reported - GAAP	$	5,969	$	1,038	$	6,039
As reported - GAAP Margins		34.7 %		11.6 %		35.7 %
COVID-19 impact		127		705		64
As Adjusted - Non GAAP	$	6,096	$	1,743	$	6,103
As Adjusted - Non GAAP Margins		35.4 %		19.6 %		36.0 %
Weighing and Control Systems						
As reported - GAAP	$	10,887	$	8,786	$	9,544
As reported - GAAP Margins		43.9 %		47.6 %		45.6 %
Acquisition purchase accounting adjustments		919		41		11
COVID-19 impact		(247)		(109)		(268)
As Adjusted - Non GAAP	$	11,559	$	8,718	$	9,287
As Adjusted - Non GAAP Margins		46.6 %		47.3 %		44.3 %

Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

	Fiscal quarter ended		
	July 3, 2021	June 27, 2020	April 3, 2021
Net earnings attributable to VPG stockholders	$ 3,920	$ 1,759	$ 4,961
Interest Expense	273	267	305
Income tax expense	262	684	1,764
Depreciation	2,829	2,509	2,907
Amortization	757	604	615
EBITDA	8,041	$ 5,823	$ 10,552
EBITDA MARGIN	10.7 %	9.8 %	14.9 %
Impairment of goodwill and indefinite-lived intangibles	1,223	—	—
Acquisition purchase accounting adjustments	919	41	11
Acquisition costs	1,198	—	—
Restructuring costs	—	499	—
COVID-19 impact	(242)	443	(443)
Start-up costs	1,159	—	129
Foreign exchange (gain)/loss	174	1,185	(735)
ADJUSTED EBITDA	$ 12,472	$ 7,991	$ 9,514
ADJUSTED EBITDA MARGIN	16.6 %	13.5 %	13.5 %

Reconciliation of Adjusted Gross Profit, Operating Income, Net Earnings and Diluted Earnings Per Share – Fiscal Years

	Gross Profit		Operating Income		Net Earnings Attributable to VPG Stockholders		Diluted Earnings Per share	
Fiscal Year Ended December 31,	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
As reported - GAAP	**104,271**	111,617	**22,657**	28,648	**$ 10,787**	$ 22,188	**$ 0.79**	$ 1.63
As reported - GAAP Margins	**38.6 %**	**39.3 %**	**8.4 %**	**10.1 %**				
Acquisition purchase accounting adjustments	**569**	1,254	**569**	1,254	**569**	1,254	0.04	0.09
Acquisition costs			—	443	—	443	—	0.03
COVID-19 impact	**434**	—	**(366)**	—	**(366)**	—	(0.03)	
Executive Severance costs			—	611	—	611	—	0.04
Impairment of goodwill and indefinite-lived intangibles			**2,440**	—	**2,440**	—	0.18	—
Restructuring costs			**918**	2,293	**918**	2,293	**0.07**	0.17
Foreign exchange (gain)/loss [1]					**2,246**	1,638	0.16	0.12
Less: Tax effect of reconciling items and discrete tax items [1]					**$ (1,381)**	$ 4,102	**$ (0.11)**	$ 0.29
As Adjusted - Non GAAP	**$ 105,274**	$ 112,871	**$ 26,218**	$ 33,249	**$ 17,975**	$ 24,325	**$ 1.32**	$ 1.79
As Adjusted - Non GAAP Margins	**39.0 %**	**39.7 %**	**9.7 %**	**11.7 %**				

[1] The 2019 numbers presented have been updated to reflect the adjustment for foreign exchange (gain)/loss

Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

Calculation of EBITDA and Adjusted EBITDA					
In $ (000), except percentages	Years Ended				
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Net Earnings	10,787	22,188	23,646	14,345	6,404
Interest Expense	1,366	1,507	1,738	1,843	1,486
Income Taxes	7,509	4,145	10,344	6,170	3,199
Depreciation	10,064	10,082	8,926	8,685	9,312
Amortization	2,443	1,712	1,705	1,941	1,838
EBITDA	**32,169**	**39,634**	**46,359**	**32,984**	**22,239**
EBITDA as a % of sales	**11.9%**	**14.0%**	**15.5%**	**13.0%**	**9.9%**
Impairment of indefinite lived intangible assets	2,440		2,820		
UK Pension Settlement adjustment			673		
Purchase Accounting Adjustments	569	1,254		91	586
Acquisition Costs		443			494
Restructuring	918	2,293	289	2,044	2,667
Other				(1,492)	624
Executive Severance		611			
COVID-19 Costs	(366)				
Foreign Currency (Gains)/Losses	2,246	1,638	279	724	(449)
ADJUSTED EBITDA	**37,985**	**45,873**	**50,420**	**34,351**	**26,161**
ADJUSTED EBITDA as a % of sales	**14.1%**	**16.2%**	**16.8%**	**13.5%**	**11.6%**