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; significant developments from the recent and potential changes in tariffs and trade regulations; 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 third quarter earning press release which is available on our website at www.vpgsensors.com.
We Are a Global Provider of Mission Critical Measurement Solutions

Americas 47% of Sales

Europe 30% of Sales

Asia 23% of Sales

$292 Million of Revenue*

$46 Million Adj. EBITDA*

NYSE: VPG $31.91

2,425 Employees

8 Main Manufacturing Sites

12 Countries

Price as of 1/11/19 close
Our Sensors Deliver When Precision and Reliability Matters

Our products deliver performance through precision and reliability…

...often in harsh and demanding environments.
Value Proposition 2019 – 2021

- Mid to high-single digit sales growth
- Target gross margin > 45%
- Adjusted operating margin > 15%
- Strong cash generation
- Focused M&A activity

ORGANIC TOP-LINE GROWTH

MID-SINGLE DIGITS IN IMPROVED GLOBAL ECONOMIC ENVIRONMENT

SCALABLE BUSINESS MODEL

COST STRUCTURE TO LEVERAGE THE BENEFIT OF HIGHER VOLUMES

ROBUST CASH FLOW AND STRONG BALANCE SHEET

STRONG CASH GENERATION TO SUPPORT GROWTH

ACQUISITIONS

TARGET:
- ~$5–60M; >40% GROSS MARGIN
- MID-TEENS IRR HURDLE RATE
- ACCRETEV WITHIN 12 MONTHS
We Are Highly Diversified with Multiple Paths to Organic Growth

Diversified Set of End Markets

Agriculture • Construction • General Industrial • Oil & Gas
Process Control • Semiconductor Equipment
Product Innovation Drives Organic Growth

- VPG’s VanWeigh and TruckWeigh product families, patented overload monitoring systems
- Integrated monitoring systems for unlimited loads
- Vital notification to drivers and other vehicle systems
- Over 10,000 systems installed
- Africa, Asia, Australia/New Zealand, Europe, North America and South America
Product Innovation Drives Organic Growth

• Improved design and process control for automated manufacturing process
• Enhanced specifications, smaller size, complex geometries and higher resistance designs
• Rapid growth, doubling each year since 2012
• State of the art upgrades that replace legacy designs
• Opens new end markets with higher reliability products
Product Innovation Drives Organic Growth

Provider of transducers for OEM’s servicing precision ag, medical and construction end markets

Applications in Agriculture
- Seeding downforce sensors
- Harvesting yield monitors
- Baler compacting sensors
- Tractor draft load pins
- Onboard bin weighing load cells

Applications in Construction
- Tele-handler stability sensors
- Mobile elevated platform load monitoring
- Boom lift stability control
Strong Free Cash Flow and Healthy Balance Sheet Enable Accretive M&A Strategy

- Acquisition of Kelk for ~$50M
  - Leverages VPG’s core competency in resistive foil technology and Weighing & Control systems
  - End-markets: steel & mining

- Acquisition of Stress-Tek for ~$20M
  - Enhances existing focus on onboard weighing products
  - End-markets: transportation & trucking

- Acquisition of Stress-Tek for ~$20M
  - Enhances existing focus on onboard weighing products
  - End-markets: transportation & trucking

- Acquisition of Pacific Instruments for ~$11M
  - Enhances VPG’s existing Foil Technology Products & provides access to new customers
  - End-markets: aerospace & defense

- Focused M&A activity
  - Target: ~$5-$100M; > 40% gross margin
  - Mid-teens IRR hurdle rate
  - Accretive within 12 months
Margin Expansion Drivers

Adjusted Operating Margin Over Time

Favorable Mix on Innovative Products

Operational Excellence
- Improved efficiencies
- Manufacturing consolidation
- Yield improvement
- Process automation

Fully Integrated Acquisitions
Revenue & Adjusted Gross Profit Margin by Reporting Segment

Foil Technology Products

- Revenue: $104, $101, $116, $104
- % Adj Gross Profit Margin: 39.9%, 39.1%, 41.2%, 44.2%

Force Sensors

- Revenue: $61, $60, $65, $56
- % Adj Gross Profit Margin: 20.5%, 26.0%, 27.8%, 27.6%

Weighing & Control Systems

- Revenue: $67, $64, $73, $62
- % Adj Gross Profit Margin: 45.1%, 44.3%, 44.5%, 46.2%
Strong Balance Sheet and Improving Working Capital

**Cash vs Debt**

- 2015: $33
- 2016: $36
- 2017: $32
- Sep 2018: $28

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**Working Capital**

- 2015: $121
- 2016: $119
- 2017: $139
- Sep 2018: $158

- Yearly increases of 52%, 53%, 55%, and 54%
Overview of Capital Expenditures

Capital Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$10</td>
<td>4.3%</td>
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<tr>
<td>2016</td>
<td>$10</td>
<td>4.6%</td>
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<tr>
<td>2017</td>
<td>$7</td>
<td>4.0%</td>
</tr>
<tr>
<td>Sept. 2018</td>
<td>$10</td>
<td>4.5%</td>
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</tbody>
</table>

2018 Capital Expenditures by Type
- Equipment: 80%
- Building: 11%
- Other: 9%

2018 Capital Expenditures by Segment
- Foil Technology Products: 78%
- Weighing & Controls Systems: 9%
- Force Sensors: 13%
Q3 2018 Update

• Growth in revenues to $75.5 million, up 20.2% year-over-year
• Gross profit margin increased to 40.5%, compared to 38.6% in the prior year period
• Operating income increased to $10.6 million, up 92% from the prior year period
• Operating margin for the quarter was 14.1%, compared to 8.8% for the prior year period
• Earnings increased 75% to $0.56 per diluted share, compared to $0.32 reported last year
• Adjusted diluted EPS increased 111% to $0.57, compared to prior year $0.27
• Cash from operations was $10.6 million with free cash flow of $6.8 million
Thank you!
Appendix
# Foil Segment Overview

## Foil Technology Products

<table>
<thead>
<tr>
<th>Description</th>
<th>Foil Resistors</th>
<th>Foil Strain Gages and DAQ</th>
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<td>Stable and precise resistors for critical electronic circuitry applications</td>
<td>• Advanced technology sensors</td>
<td>• Precision measurement of structural stress</td>
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## Brands

- Vishay Foil Resistors
- Powertron
- Micro Measurements
- Pacific Instruments
- Alpha Electronics

## Representative Customers

- Teradyne
- Honeywell
- Boeing
- Airbus
- Caterpillar
- Raytheon
- KLA-Tencor
- General Electric
- Mettler
- Toledo

## End Markets

- Aerospace & Defense
- Semiconductor Testing Equipment
- Healthcare & Medical
- Oil & Gas
- Test & Measurement
- Process Control
- Aerospace & Defense
- Oil & Gas
- Healthcare & Medical
- Precision Weighing
- Construction
- Infrastructure
### Force Sensors Overview

#### Description
Strain gage based product lines including load cells, integrated weighing system subassemblies, weighing indicators and controllers, bonding and other custom solutions.

#### Brands
- VPG Transducers
- Celtron
- Revere Transducers
- Sensortronics
- TEDEA th. Hunteigh

#### Representative Customers
- Mettler
- Toledo
- JLG
- Stryker
- John Deere

#### End Markets
- Medical Devices
- Agricultural Equipment
- Construction Machinery
- Precision Weighing
# Weighing & Control Systems Overview

## Weighing & Control Systems

<table>
<thead>
<tr>
<th>Description</th>
<th>Process Weighing &amp; Force Measurement</th>
<th>Onboard Weighing</th>
<th>Steel Mill Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-end solutions for process weighing and batching with high accuracy under harsh conditions; force measurement in cranes, mooring, web tension applications</td>
<td>Load cell-based and accelerometer-based integrated weighing and monitoring systems for vehicle payload optimization and overload protection</td>
<td>State-of-the-art electro-mechanical systems and load cells designed to perform in the harsh settings of rolling mills and optical measurements</td>
<td></td>
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</tbody>
</table>

## Brands

- **BLH NOBEL**
- **VULCAN**
- **ONBOARD WEIGHING**
- **KELK**

## Representative Customers

- **INTERNATIONAL PAPER**
- **DOW**
- **Lonza**
- **HYVA**
- **VEOLIA**
- **SCANIA**
- **ArcelorMittal**
- **USS**
- **U. S. Steel**
- **ALCOA**
- **DANIELI**

## End Markets

- **Food**
- **Chemicals**
- **Paper & Pulp**
- **Pharmaceuticals**
- **Mining**
- **Oil & Gas**
- **Truck Manufacturers**
- **Aftermarket**
- **Steel**
- **Other Metals**