Q1 2023 EARNINGS

NN, Inc. | May 5, 2023

FORWARD LOOKING STATEMENT & DISCLOSURES

Except for specific historical information, many of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to NN, Inc. based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “will”, “possible,” “potential,” “predict,” “project” or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that are outside of management’s control and that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector; the impacts of pandemics, epidemics, disease outbreaks and other public health crises, including the COVID-19 pandemic, on our financial condition, business operations and liquidity; competitive influences; risks that current customers will commence or increase captive production; risks of capacity underutilization; quality issues; material changes in the costs and availability of raw materials; economic, social, political and geopolitical instability, currency fluctuation, and other risks of doing business outside of the United States; inflationary pressures and changes in the cost or availability of materials, supply chain shortages and disruptions, and the availability of labor; our dependence on certain major customers, some of whom are not parties to long-term agreements (and/or are terminable on short notice); the impact of acquisitions and divestitures; our ability to hire or retain key personnel; the level of our indebtedness; the restrictions contained in our debt agreements; our ability to obtain financing at favorable rates, if at all, and to refinance existing debt as it matures; unanticipated difficulties integrating acquisitions; new laws and governmental regulations; the impact of climate change on our operations; and cyber liability or potential liability for breaches of our or our service providers’ information technology systems or business operations disruptions. The foregoing factors should be not be construed as exhaustive and should be read in conjunction with the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s filings made with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of this press release, and the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. The Company qualifies all forward-looking statements by these cautionary statements.

With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found at the back of this presentation or in the “Investor Relations” section of the Company’s web site, www.nninc.com, under the heading “News & Events” and subheading “Presentations.”

TODAY'S AGENDA

- Overview & Positioning NN For Success
- Market Review
- First Quarter Financial Update
- Segment Highlights
- 2023 Outlook Update
- Questions & Answers

FIRST QUARTER 2023 OVERVIEW

Sales / New Business Wins

- Power Solutions sales down 5.7% from prior year on lower volume due to end market demand and customer inventory reductions and facility closures, partially offset by price
- Mobile Solutions sales up 2.6% from prior year due to increased pricing, partially offset by reduced volumes and unfavorable foreign exchange impacts
- New business wins up 75% from prior year first quarter with 76% in strategic segments

Pricing / Inflation

- Net price / inflation positive impact of ~$2 million as a result of Mobile Solutions pricing to recover 2022 non-material inflation and premium pricing at Irvine for final production
- 5%+ price increases for Power customers not under contract implemented in Q1 2023 will benefit subsequent quarters

Operations / Cost Structure

- Facility closures on track with ~$9 million adjusted EBITDA improvement for Irvine / Taunton and ~$2 million for Mobile facilities versus prior year
- Wellington operational improvements on plan. Juarez operational improvements slower than expected, remains key area of focus
- Implemented global plan to reduce indirect labor by 10% in Q2 with an expected benefit of over $4 million for full year 2023 versus 2022

Operating Income / EBITDA

- Loss from operations of ($7.1) million versus loss of ($3.4) million in prior year
- Non-GAAP adjusted loss from operations of ($0.4) million compared to adjusted income from operations of $2.7 million in prior year
- Reported EBITDA of $6.9 million, or 5.5% of sales, down 4.8% compared to prior year
- Adjusted EBITDA of $8.1 million, or 6.4% of sales, down 4.1% compared to prior year

Debt / Liquidity

- Net debt to adjusted EBITDA leverage ratio of 3.82x and liquidity of $43 million as of March 31, 2023
- Terminated $60 million interest rate swap for proceeds of $2.5 million to improve liquidity

Cash Flow / Working Capital

- Free cash flow use of $3.7 million, positive $2.7 million over past 6 months
- Working capital turns increased to 4.5, the highest level in the past 7 quarters

POSITIONING NN FOR SUCCESS

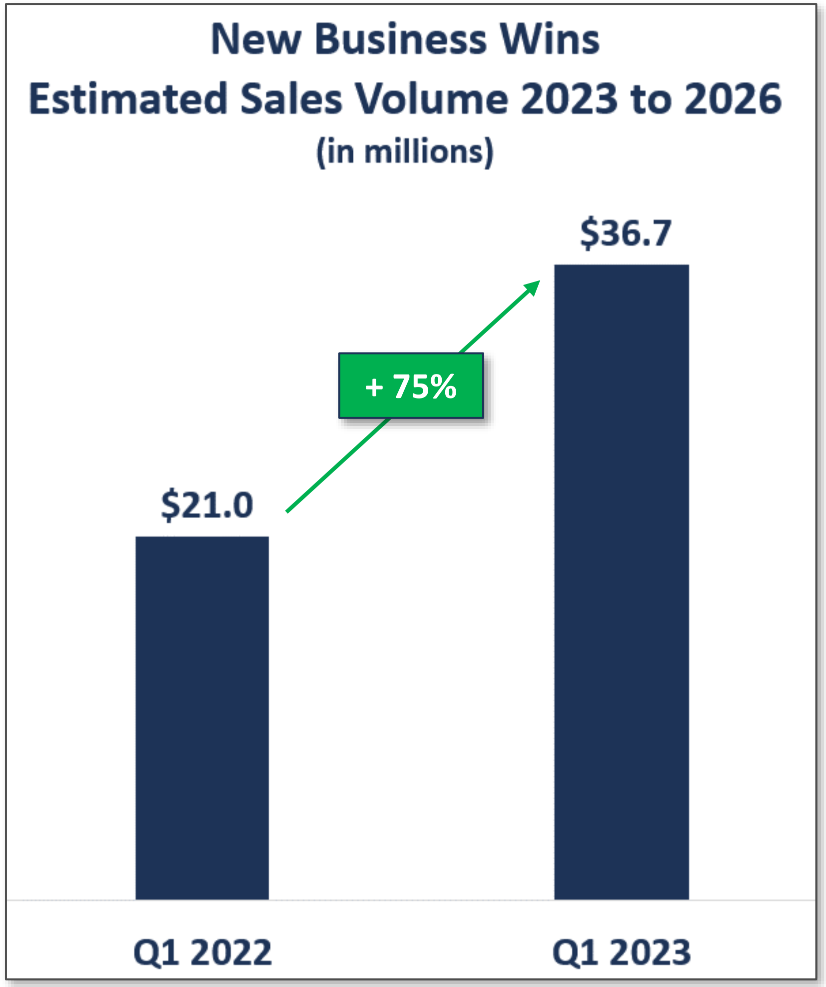
Operational Improvements –
- Wellington operational improvements on plan.
- Juarez operational improvements slower than expected, remains key area of focus.

Major Cost Reduction Initiatives –
- Facility closures on schedule with estimated adjusted EBITDA improvement of ~$11 million over 2022.
- Implemented 10% indirect labor reductions in Q2, expected to improve full-year results by over $4 million. Annualized benefit of ~$7 million.

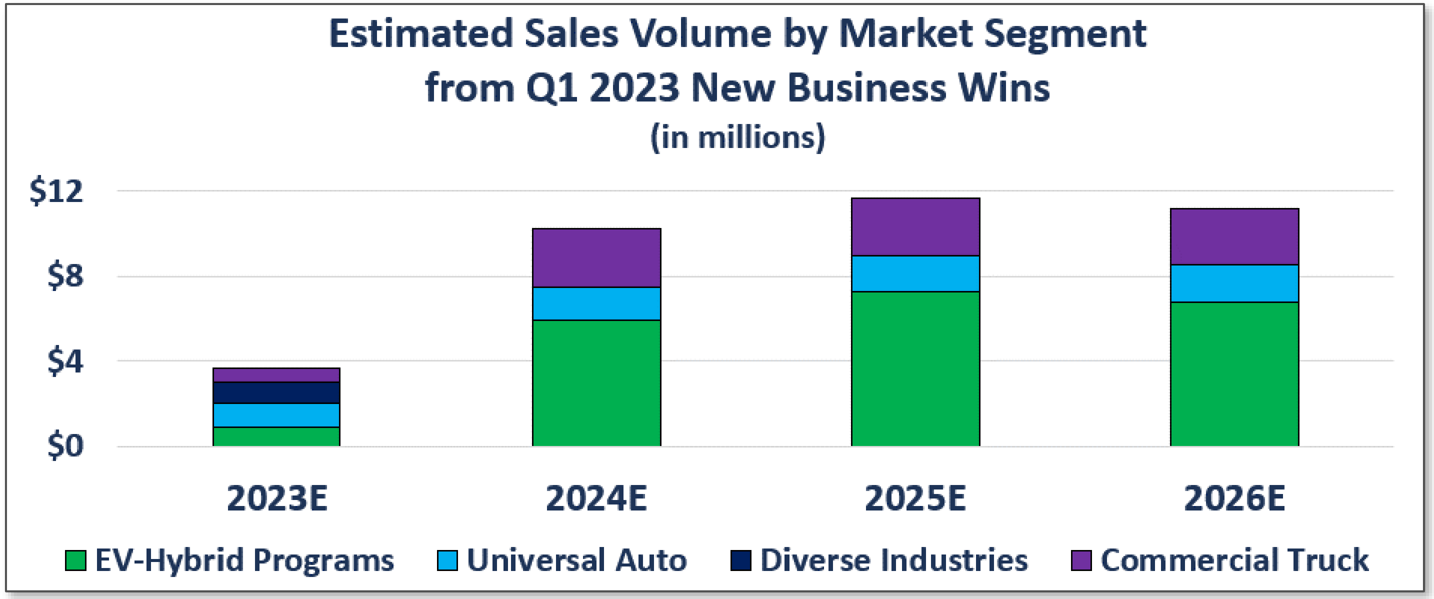
Pricing –
- Significant progress on pricing to recovery inflationary impacts with ~$13 million of year-over-year pricing.

MARKET REVIEW

NEW BUSINESS, Q1 2022 VS. Q1 2023



- ✓ Improved start for new business in 2023 over 2022 with 76% in strategic segments
- ✓ Capex of $2.7 million over life of programs
- ✓ Positioned strongly for growth in power-electrical segment with multiple pursuits expecting to transact in the next two quarters
- ✓ Gross margin on new business up 12 percentage points for new versus Q1 2022

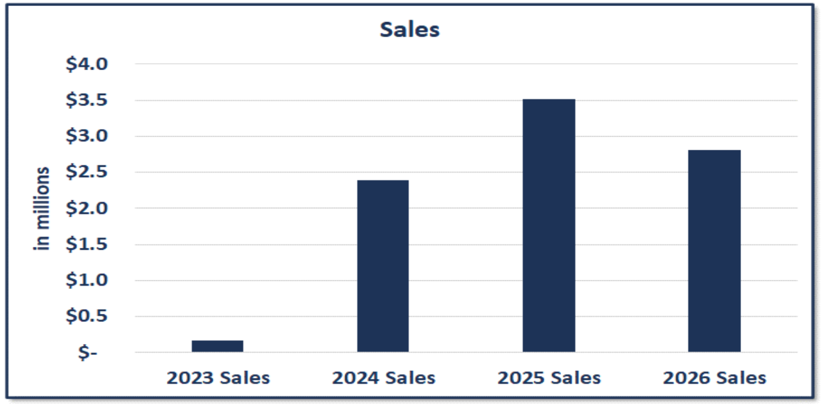


HIGHLIGHT ON STRATEGIC GROWTH

Highlight Summary

- **Established a relationship with a global, market-leading "new energy" vehicle company**
- **About the customer**
  - Expected to produce > 3 million electric vehicles in 2023
  - Engaged in charging infrastructure projects in multiple major regions
- **NN value contribution to the relationship**
  - **Differentiation:** unique expertise & experience in electric power steering solutions
  - **Responsiveness & Speed:** ability to solve an acute customer problem quickly and efficiently including start of production in less than three months after award

Breakthrough New Business Win



Focus for New Business

- ✔ Growth in strategic markets
- ✔ High volume potential with market leaders
- ✔ Leverage existing assets & capacity
- ✔ Generate near-term sales, profit, & free cash flow

Immediate sales in 2023 with positive cash flow.
Viewed as a partner going forward; already reviewing additional opportunities.

KEY COMMERCIAL ACTIONS TO DRIVE GROWTH

1 **Implemented sales compensation program to align with strategic new business objectives**

- Incentivize account managers based on individual performance including higher variable component and increase total earnings opportunity
- Embedded strategic new business objectives for each account manager tied to Strategy; 60% target for Electrical and EV-Hybrid

2 **Expand & strengthen sales team by adding experienced account managers in Electrical and EV-Hybrid markets**

- Adding sales resources; increase sales capacity by 20%
- Improve depth of market requirements and prospective customer relationships

3 **Improve market awareness & sales enablement**

- Participate actively in industry associations, forums, & tradeshows
- Engage customers by Increased volume of press releases, social media posting, & target advertising
- Tools: revised website, updated NN Pitch Deck presentation, Vertical Market Pitch Deck presentations, White Paper case studies
- Training: cross-selling, Capture Team Selling

DRIVING GROWTH BY SOLVING PROBLEMS IN ELECTRICAL

Customer Problem & Needs	Unique Value Delivered By NN

Customer Problem & Needs

- Compressed timeline for system integration & installation of a large solar generation project
- No existing in-house capabilities for engineering & manufacturing of critical system components & sub-assemblies
- Solution for a secure & durable stamped electrical grounding assembly
  - UL certification to meet electrical safety requirements
  - Mechanical strength to support solar panel weight in all environmental conditions
  - Ease of installation to reduce labor costs during field commissioning

Unique Value Delivered By NN

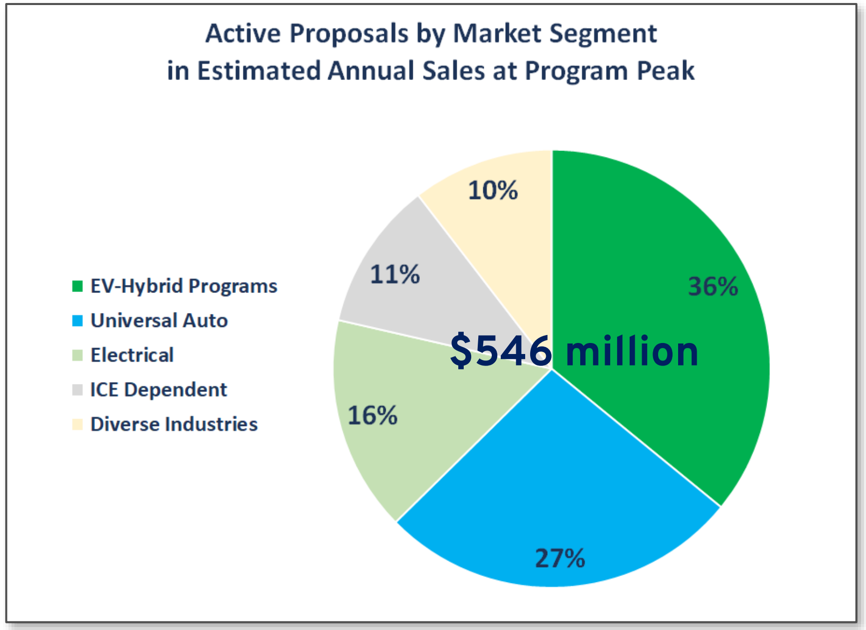
- Engineering expertise to enable finalization of system design
- Experience in developing optimized solutions for manufacturability of critical design features
- Speed of support
- Global footprint to support solar projects in multiple countries at scale going forward

Win yields an opportunity to expand well beyond the initial order

Secures a foothold in the renewable industry that will be leveraged with solar developers across the market

- ✓ Growth in strategic markets
- ✓ High volume potential with market leaders
- ✓ Leverage existing assets & capacity
- ✓ Generate near-term sales, profit, & free cash flow

FOCUSED GROWTH FOR THE FUTURE

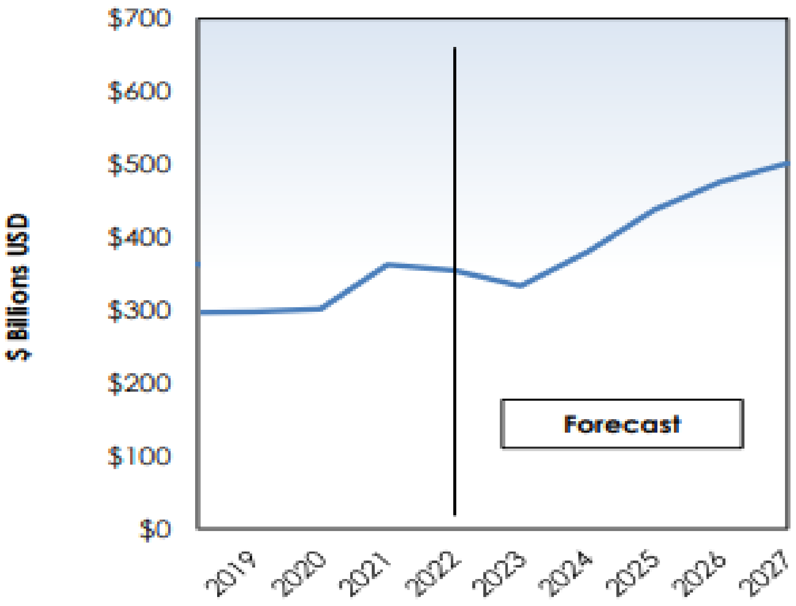


- **Healthy pipeline**
  - Segment mix aligns with transformation into power & eMobility segments
  - Incentive structure for selling organization delivering focus and sense of urgency
  - Quantity of target deals including the sales volume potential supports new business growth targets in 2023
- **Reduction in total active proposals under pursuit versus prior periods**
  - Elimination of pursuits that do not align to our strategic growth objectives
  - Elimination of capital-intensive programs with unattractive cash flow
  - Consolidation of multi-channel pursuits for only one award
  - Effects of Irvine and Taunton closure

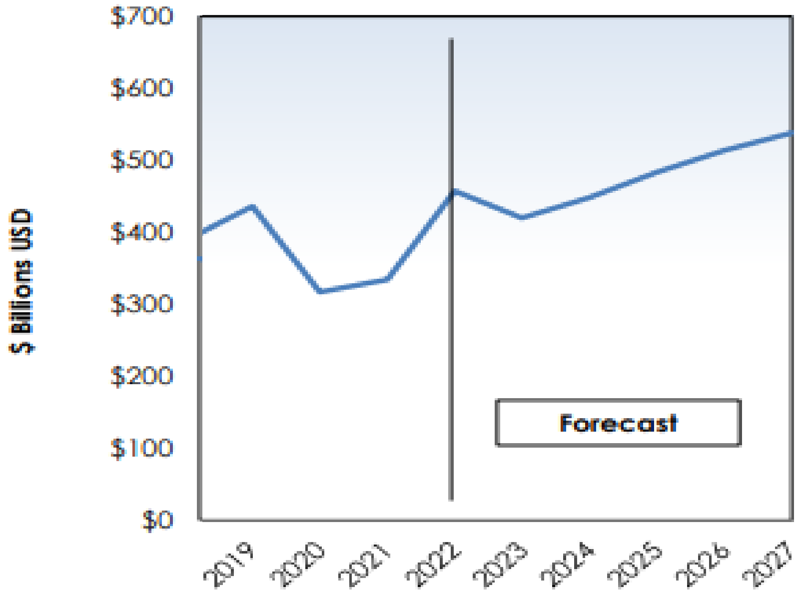
MARKET UPDATE

Residential & Commercial

US Total Residential Construction Starts



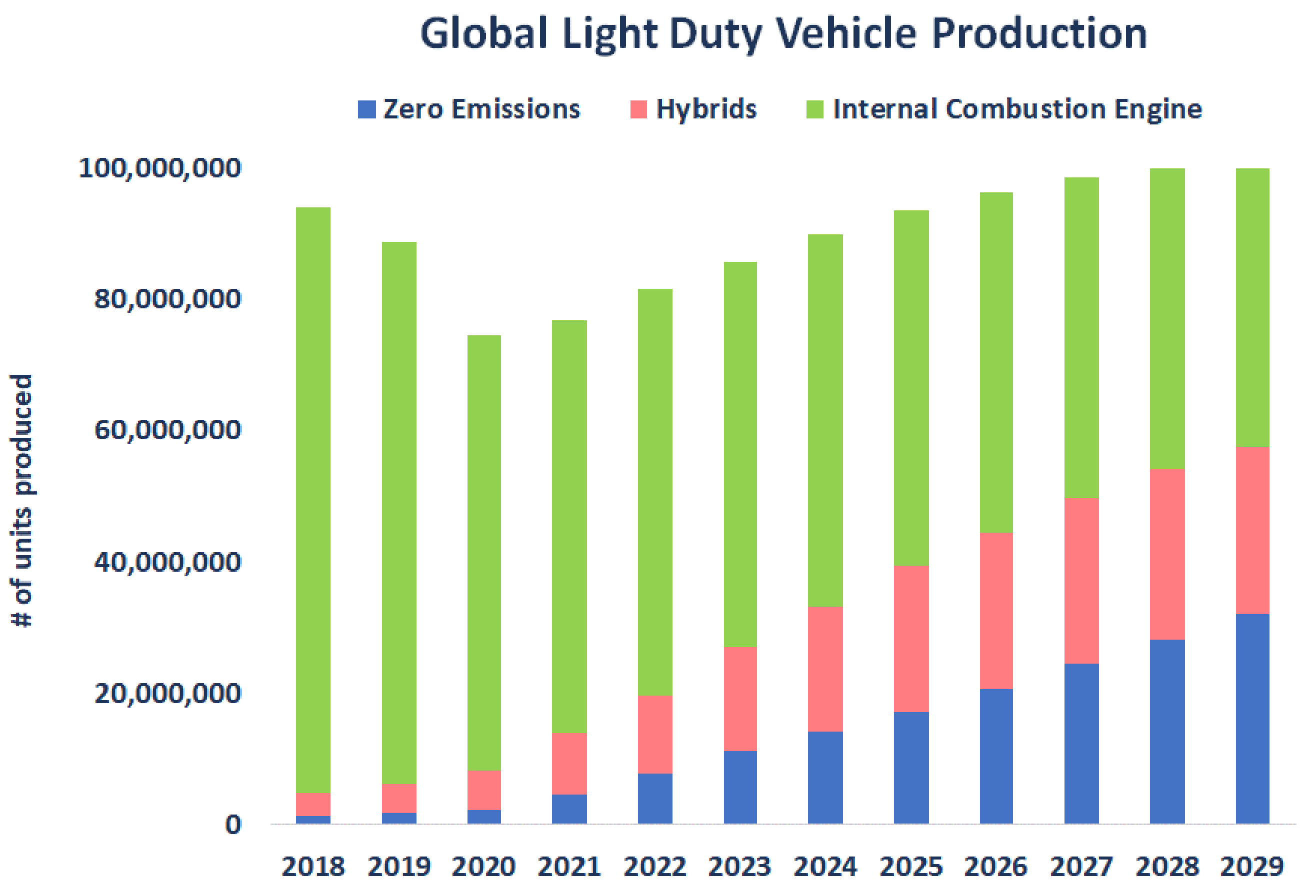
US Total Non-Residential Building Starts



Source of actuals: ConstructConnect "Insight" / Forecasts: Oxford Economics and ConstructConnect.

Despite near-term demand softness for commercial & residential electrical components due to economic conditions & inventory reductions by customers, the mid-to-long term demand outlook is robust.

MARKET UPDATE
Automotive



Data Source: LMC Automotive

Commentary of LMC Executive Snapshot (March 2023)

- Global Light Duty Vehicle Production is forecasted to increase by ~5.0% YoY in 2023; expect positive production outlook in all key regions.
- Although a deep recession in 2023 is expected to be avoided, tighter monetary policy to address 'sticky' inflation is set to have a drag on global growth during H2.
- Risks to LMC forecast include macroeconomic conditions, economic policies, interest rate fluctuations, geopolitical conflicts, and remaining supply chain disruptions.

Focused on positioning and winning in the growing EV & Hybrid space

FIRST QUARTER FINANCIAL UPDATE

2023

Q1 2023 FINANCIAL HIGHLIGHTS

	Δ	2023	2022
Net Sales	-0.8 %	$127.1 million	$128.1 million
Organic	*0%*		
FX Impact	*-0.8%*		
Operating Income (Loss)	($3.7) million	($7.1) million	($3.4) million
Non-GAAP Adjusted Operating Income (Loss)	($3.1) million	($0.4) million	$2.7 million
Non-GAAP Adjusted EBITDA	($5.3) million	$8.1 million	$13.4 million
Non-GAAP Adjusted EBITDA Margin	-406 bps	6.4%	10.5%
Income (Loss) per Diluted Common Share	($0.16)	($0.29)	($0.13)
Non-GAAP Adjusted Income (Loss) per Diluted Common Share	($0.12)	($0.12)	$0.00

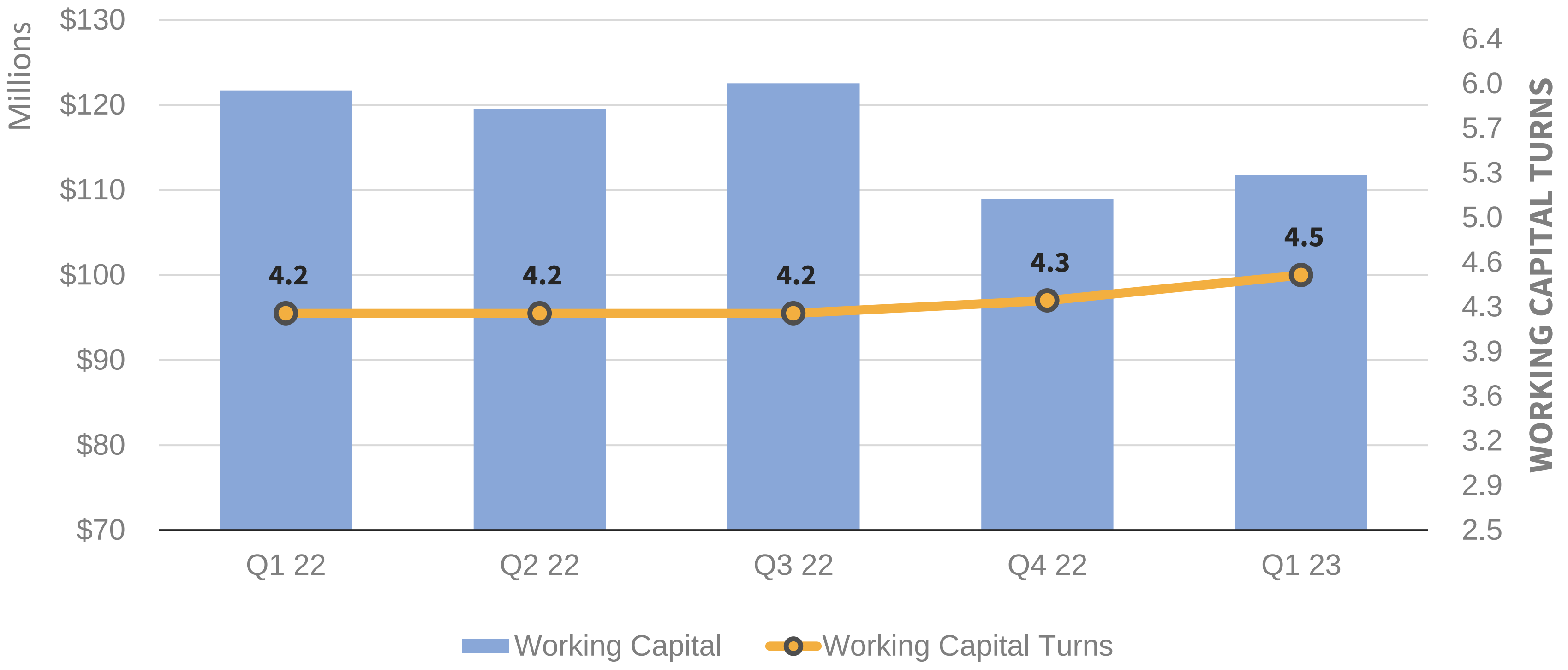
Sales –

- Pricing: ~$13 million, Volume: ~($13) million, FX: ~($1) million. Volume includes ($1.5) million related to Irvine / Taunton closures.

Adjusted EBITDA –

- Net price / inflation: ~$2 million.
- Volume: ~($5) million.
- JV net income: ($1.8) million. Driven by lower volume attributable to eliminating COVID-19 restrictions / Chinese New Year.
- Overhead absorption: ($1) million.

WORKING CAPITAL



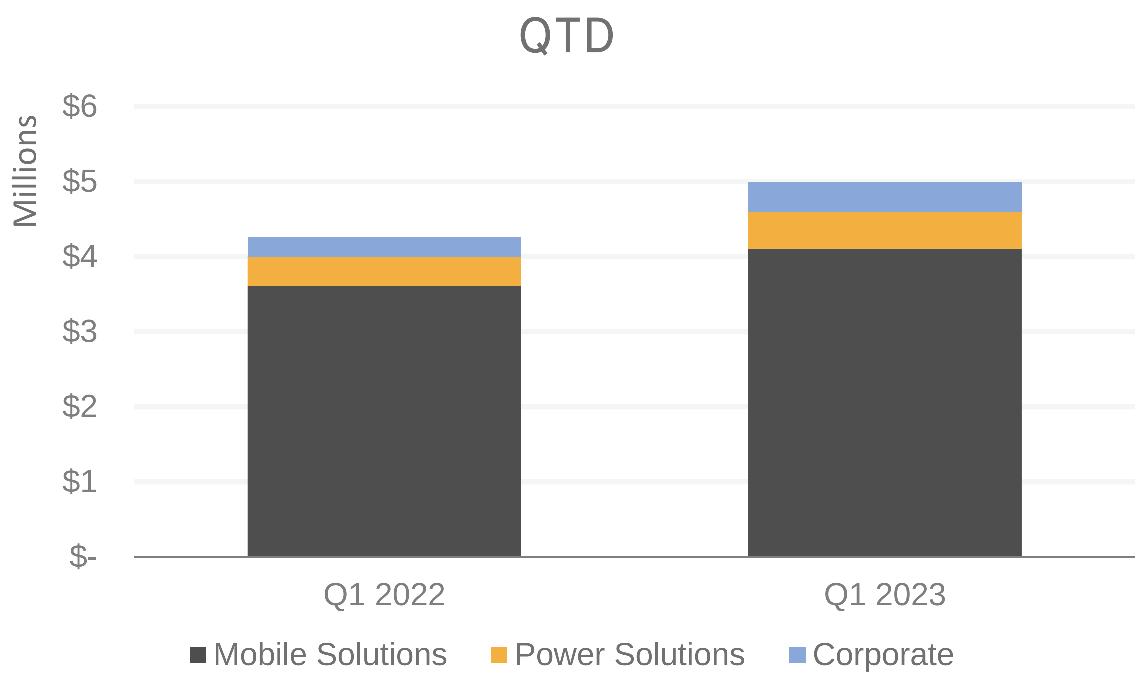
Working capital turns improved from 4.2 to 4.5 year over year.

Working capital decreased $9.9 million year over year.

Effectively managing working capital in the current environment.

Working Capital = Accounts Receivable, Inventory, and Accounts Payable
Working Capital Turns = Current Quarter Sales Annualized / Working Capital

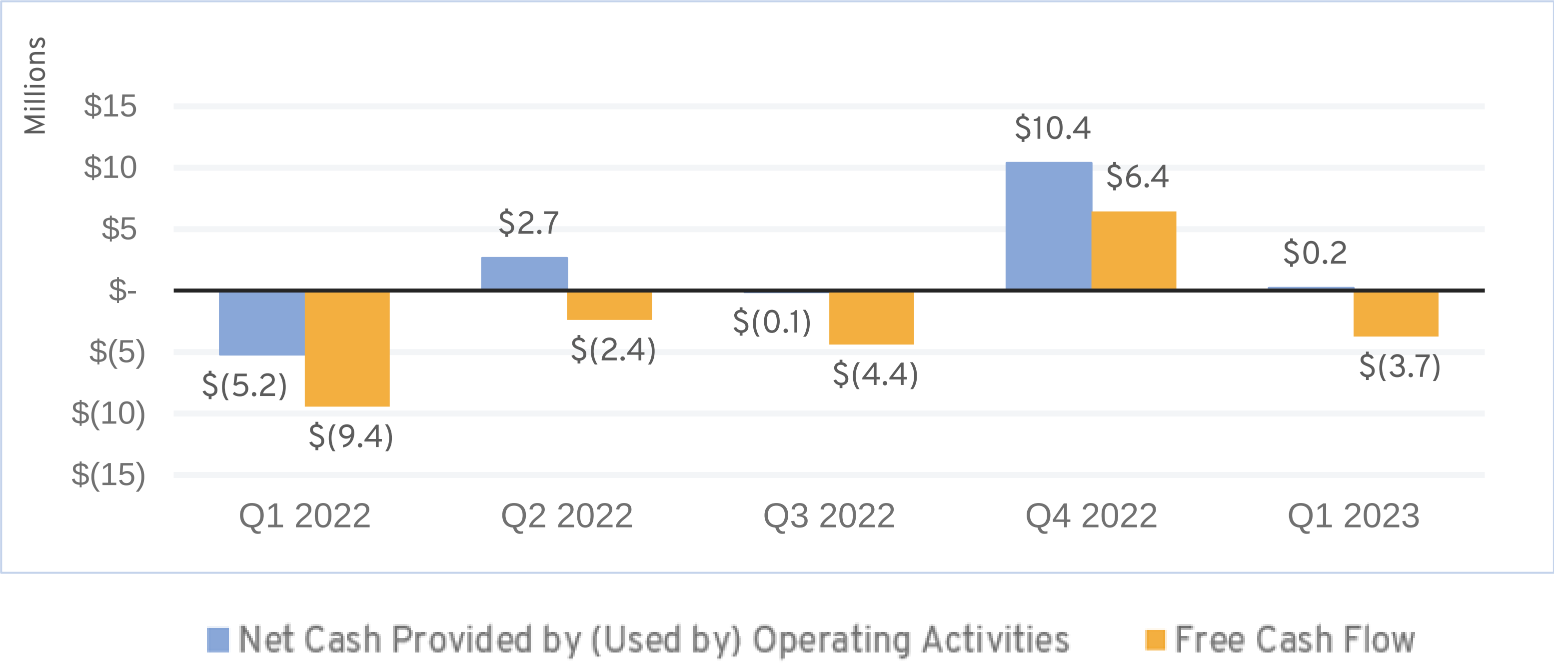
CAPITAL EXPENDITURES



Maintaining disciplined approach on capital expenditures, prioritizing capex spend in strategic growth areas.

Capital expenditures represents gross spend, does not include proceeds from sale of equipment

FREE CASH FLOW



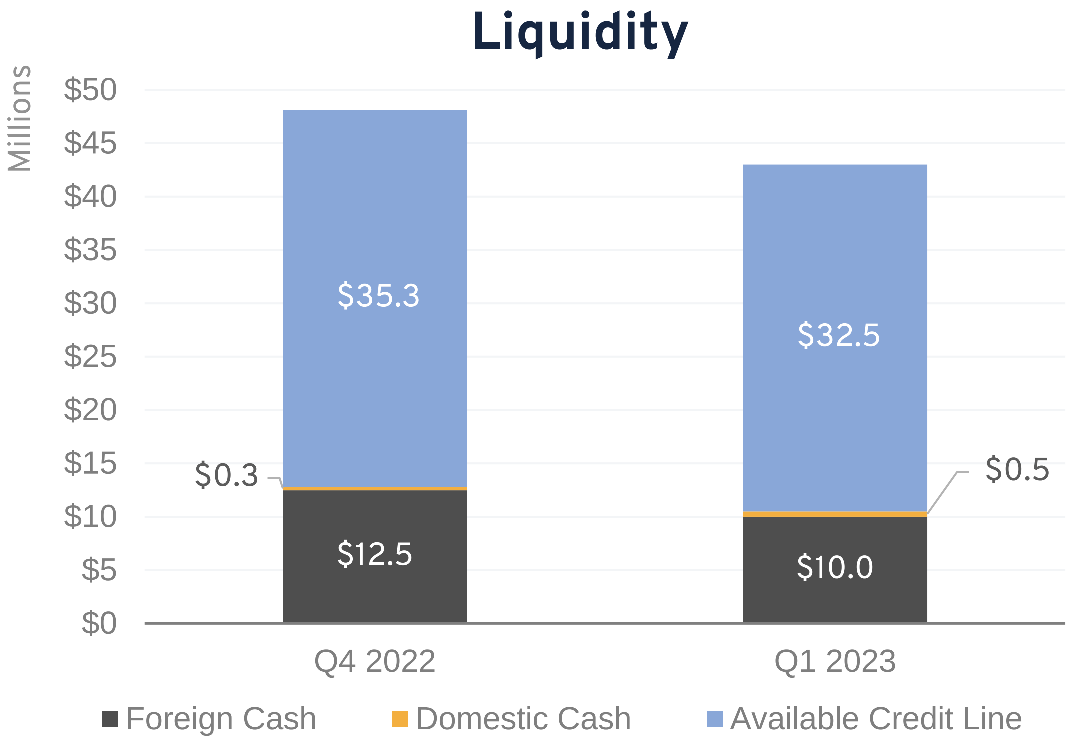
Free cash flow positive $2.7 million over past six months, $5.7 million favorable to prior year.

Q1 2023 free cash flow includes proceeds of $2.5 million from terminating interest rate swap and $1.8 million from equipment sales / advanced payments for equipment sales.

Cash outflows for severance, settlement, and facility closures were ~$2.6 million in Q1 2023.

Free Cash Flow = Net Cash Provided by (Used by) Operating Activities – Capital Expenditures + Proceeds from the Sale of PP&E

NET DEBT & LEVERAGE



Note: The Available Credit Line is reduced by non-cash letters of credit.

Liquidity remains strong:
- Domestic liquidity: $33 million
- Global liquidity: $43 million
- ABL drawn $1 million on March 31, 2023

Net Debt		
in thousands	**Q4 2022**	**Q1 2023**
Short-term Debt	$ 5,930	$ 8,760
Long-term Debt	153,216	149,523
Funded Debt	159,146	158,283
Cash	12,809	10,545
Net Debt	$ 146,337	$ 147,738
TTM Adjusted EBITDA	$ 43,887	$ 38,625
Net Debt to Adjusted EBITDA	**3.33 x**	**3.82 x**

Potential preferred equity raise:
- Not required to complete, will depend on ability to execute by June 30th at an attractive net cost on incremental capital
- $10 million target size, would improve domestic liquidity and reduce domestic liquidity covenant by $5 million
- ~$3 million offsetting term loan cost reduction through Q2 2025 due to lower PIK interest and less penny warrants issued (based on current stock price)

SEGMENT HIGHLIGHTS

POWER SOLUTIONS – Q1 2023

Sales down 5.7%, or $2.9 million, from prior year

- (-) Decreased electrical and general industrial component sales primarily due to lower housing starts and customer inventory reductions.
- (+) Premium pricing achieved in 2023 in connection with closure of Irvine, CA facility.

Profitability

- (+) Premium Irvine facility pricing.
- (+) Rationalized unprofitable business within Taunton, MA facility.
- (-) Volume reductions.

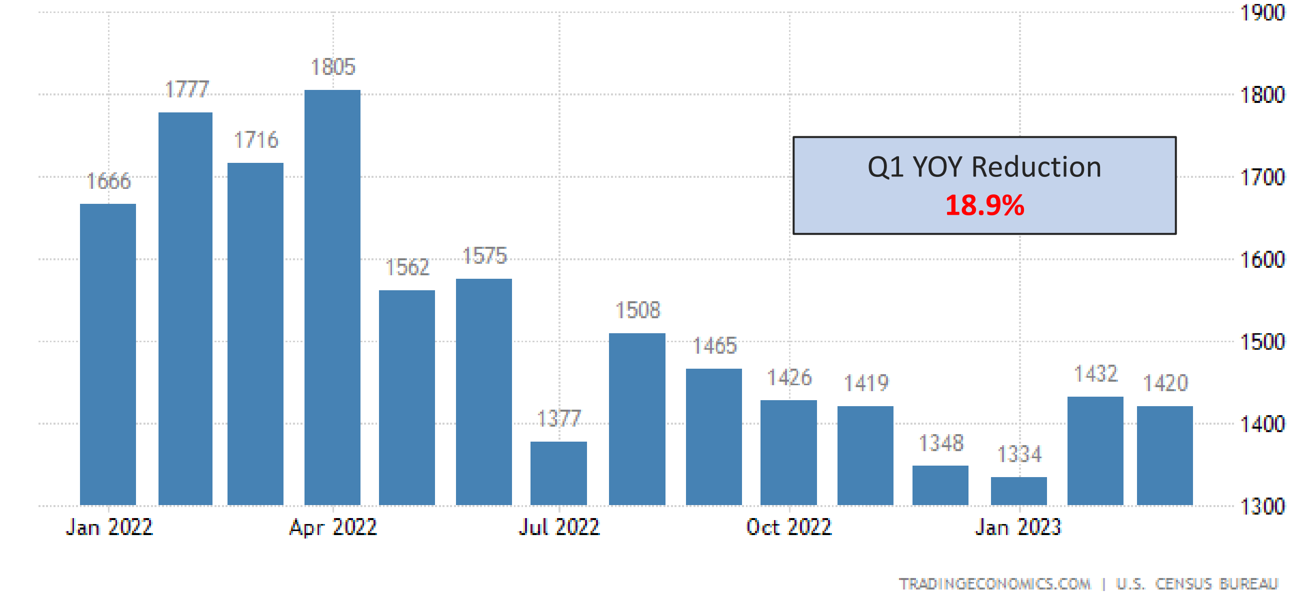
Current Focus & Looking Forward

- Taunton and Irvine facility closures on schedule to be completed in Q2 2023.
- New business wins and market dynamics expected to drive growth throughout 2023.

(in millions)	Q1 2023	% of Sales	Q1 2022	% of Sales	% Change	Margin Change
Sales	$ 49.1		$ 52.0		-5.7%	
Operating Profit - GAAP	$ 1.7	3.6%	$ 0.4	0.7%	380.9%	290 bps
Operating Profit - Adjusted	$ 5.5	11.2%	$ 5.2	9.9%	6.9%	130 bps
Reported EBITDA	$ 5.9	12.1%	$ 4.3	8.3%	37.0%	380 bps
Adjusted EBITDA	$ 6.8	13.9%	$ 6.3	12.2%	7.3%	170 bps

U.S. Housing Starts

(seasonally-adjusted annualized rate in thousands of units)



MOBILE SOLUTIONS – Q1 2023

Sales up 2.6%, or $1.9 million, from prior year

- (+) Pricing.
- (-) Reduced volumes.
- (-) Foreign exchange effects.

Profitability

- (-) Wellington and Juarez performance challenges:
  - Wellington is making good progress.
  - Juarez is more challenging; will take longer.
- (-) Volume reductions, including impact on China joint venture income.

Current Focus & Looking Forward

- Q2 customer demand forecasted to improve over Q1.
- Right-sizing indirect labor support.
- Three facility closures in Q1 2023; benefit starting Q2.

(in millions)	*Q1 2023*	*% of Sales*	*Q1 2022*	*% of Sales*	*% Change*	*Margin Change*
Sales	$ 78.0		$ 76.1		2.6%	
Operating Profit - GAAP	$ (3.3)	-4.3%	$ 2.0	2.6%	-268.7%	-680 bps
Operating Profit - Adjusted	$ (0.8)	-1.0%	$ 3.0	4.0%	-125.6%	-500 bps
Reported EBITDA	$ 3.9	5.1%	$ 11.2	14.7%	-64.8%	-970 bps
Adjusted EBITDA	$ 5.6	7.2%	$ 11.2	14.8%	-50.1%	-760 bps

China Joint Venture Selected Financial Highlights

(in millions of USD)

	Q1 2023	Q1 2022	2022	2021
Sales	$20.6	$26.5	$101.6	$94.8
Net Income	$0.6	$4.3	$13.5	$12.8
NN Share of Net Income	$0.3	$2.1	$6.6	$6.3

5-Year Sales CAGR = 6.7%

2023 OUTLOOK REVISION

(in millions)

	NET SALES	ADJUSTED EBITDA	FREE CASH FLOW
PREVIOUS OUTLOOK	$525-$555	$50-60	$10-20
REVISED OUTLOOK	$515-$545	$47-57	$7-17

Sales:

- Reflects lower expected volume across end markets driven by market conditions as well as customers resetting inventory levels and more cautious ordering patterns.

Adjusted EBITDA and Free Cash Flow:

- Reflects conversion impact from lower volume.
- Slower than expected improvement in operating performance at Juarez.
- Implemented 10% indirect labor reduction in Q2.
- Full-year outlook includes cash outflows for severance, settlement, and facility closure costs of ~$7 million.
- CARES Act tax refund of ~$11 million is not included in outlook due to uncertain timing.

QUESTIONS & ANSWERS

APPENDIX

RECONCILIATION OF GAAP NET INCOME (LOSS) TO NON-GAAP ADJUSTED NET INCOME (LOSS) AND GAAP NET INCOME (LOSS) PER DILUTED COMMON SHARE TO NON-GAAP ADJUSTED NET INCOME (LOSS) PER DILUTED COMMON SHARE

	Three Months Ended March 31,	
(in thousands)	2023	2022
GAAP net income (loss)	$ (10,175)	$ (3,302)
Pre-tax litigation / settlement costs	—	1,850
Pre-tax professional fees	264	206
Pre-tax personnel costs	157	9
Pre-tax facility costs	2,739	189
Pre-tax foreign exchange (gain) loss on inter-company loans	(329)	(595)
Pre-tax change in fair value of preferred stock derivatives and warrants	(2,008)	(2,543)
Pre-tax amortization of intangibles and deferred financing costs	3,917	3,919
Pre-tax impairments of fixed asset costs	—	233
Tax effect of adjustments reflected above (c)	(259)	(686)
Non-GAAP discrete tax adjustments	—	551
Non-GAAP adjusted net income (loss) (d)	$ (5,694)	$ (169)

	Three Months Ended March 31,	
(per diluted common share)	2023	2022
GAAP net income (loss) per diluted common share	$ (0.29)	$ (0.13)
Pre-tax litigation / settlement costs	—	0.05
Pre-tax professional fees	0.01	—
Pre-tax facility costs	0.06	—
Pre-tax foreign exchange (gain) loss on inter-company loans	(0.01)	(0.01)
Pre-tax change in fair value of preferred stock derivatives and warrants	(0.04)	(0.06)
Pre-tax amortization of intangibles and deferred financing costs	0.09	0.09
Pre-tax impairments of fixed asset costs	—	0.01
Tax effect of adjustments reflected above (c)	(0.01)	(0.02)
Non-GAAP discrete tax adjustments	—	0.01
Preferred stock cumulative dividends and deemed dividends	0.07	0.06
Non-GAAP adjusted net income (loss) per diluted common share (d)	$(0.12)	$0.00
Weighted average common shares outstanding	45,309	44,594

RECONCILIATION OF GAAP INCOME (LOSS) FROM OPERATIONS TO NON-GAAP ADJUSTED INCOME (LOSS) FROM OPERATIONS AND NON-GAAP ADJUSTED EBITDA

(in thousands)	Three Months Ended March 31,	
NN, Inc. Consolidated	2023	2022
GAAP income (loss) from operations	$ (7,075)	$ (3,420)
Litigation / settlement costs	—	1,850
Professional fees	264	206
Personnel costs (1)	157	9
Facility costs (2)	2,739	189
Amortization of intangibles	3,563	3,587
Fixed asset impairments	—	233
Non-GAAP adjusted income (loss) from operations (a)	$ (352)	$ 2,654
Non-GAAP adjusted operating margin (3)	(0.3)%	2.1 %
Depreciation	7,953	7,842
Other income/expense	2,208	2,996
Non-cash foreign exchange (gain) loss on inter-company loans	(329)	(595)
Change in fair value of preferred stock derivatives and warrants	(2,008)	(2,543)
Share of net income from joint venture	281	2,092
Non-cash stock compensation	381	949
Non-GAAP adjusted EBITDA (b)	$ 8,134	$ 13,395
Non-GAAP adjusted EBITDA margin (4)	6.4 %	10.5 %
GAAP net sales	$ 127,088	$ 128,067

(in thousands)	Three Months Ended March 31,	
Power Solutions	2023	2022
GAAP income (loss) from operations	$ 1,747	$ 364
Litigation / settlement costs	—	1,850
Facility costs (2)	1,033	189
Amortization of intangibles	2,725	2,749
Non-GAAP adjusted income (loss) from operations (a)	$ 5,505	$ 5,152
Non-GAAP adjusted operating margin (3)	11.2 %	9.9 %
Depreciation	1,245	1,294
Other income/expense	213	(79)
Non-cash foreign exchange (gain) loss on inter-company loans	(149)	(18)
Non-GAAP adjusted EBITDA (b)	$ 6,814	$ 6,349
Non-GAAP adjusted EBITDA margin (4)	13.9 %	12.2 %
GAAP net sales	$ 49,072	$ 52,011

(in thousands)	Three Months Ended March 31,	
Mobile Solutions	2023	2022
GAAP income (loss) from operations	$ (3,319)	$ 1,969
Facility costs	1,706	—
Amortization of intangibles	839	838
Fixed asset impairments	—	233
Non-GAAP adjusted income (loss) from operations (a)	$ (774)	$ 3,040
Share of net income from joint venture	281	2,092
Non-GAAP adjusted income (loss) from operations with JV	$ (493)	$ 5,132
Non-GAAP adjusted operating margin (3)	(0.6)%	6.7 %
Depreciation	6,298	6,165
Other income/expense	(150)	153
Non-cash foreign exchange (gain) loss on inter-company loans	(43)	(222)
Share of net income from joint venture	281	2,092
Non-GAAP adjusted EBITDA (b)	$ 5,612	$ 11,228
Non-GAAP adjusted EBITDA margin (4)	7.2 %	14.8 %
GAAP net sales	$ 78,018	$ 76,070

(in thousands)	Three Months Ended March 31,	
Elimination	2023	2022
GAAP net sales	$ (2)	$ (14)

(1) Personnel costs include recruitment, retention, relocation, and severance costs
(2) Facility costs include costs associated with opening or closing facilities and equipment relocation
(3) Non-GAAP adjusted operating margin = Non-GAAP adjusted income (loss) from operations / GAAP net sales
(4) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

(in thousands)	Three Months Ended March 31, 2023	2022
Net cash provided (used) by operating activities	$ 226	$ (5,223)
Acquisition of property, plant, and equipment	(4,997)	(4,262)
Proceeds from sale of property, plant, and equipment	1,035	36
Free cash flow	$ (3,736)	$ (9,449)

NON-GAAP FINANCIAL MEASURES FOOTNOTES

The Company discloses in this presentation the non-GAAP financial measures of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt. Each of these non-GAAP financial measures provides supplementary information about the impacts of acquisition, divestiture and integration related expenses, foreign-exchange impacts on inter-company loans, reorganizational and impairment charges. Over the past five years, we have completed several acquisitions, one of which was transformative for the Company, and sold two of our businesses. The costs we incurred in completing such acquisitions, including the amortization of intangibles and deferred financing costs, and these divestitures have been excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, which we believe are not indicative of our ongoing operating costs. We exclude the impact of currency translation from these measures because foreign exchange rates are not under management's control and are subject to volatility. Other non-operating charges are excluded, as the charges are not indicative of our ongoing operating cost. We believe the presentation of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt provides useful information in assessing our underlying business trends and facilitates comparison of our long-term performance over given periods.

The non-GAAP financial measures provided herein may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies may calculate such financial results differently. The Company's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to actual income growth derived from income amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results.

(a) Non-GAAP Adjusted income (loss) from operations represents GAAP income (loss) from operations, adjusted to exclude the effects of restructuring and integration expense; non-operational charges related to acquisition and transition expense, intangible amortization costs for fair value step-up in values related to acquisitions, non-cash impairment charges, and when applicable, our share of income from joint venture operations. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating, and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted income (loss) from operations is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from operations.

(b) Non-GAAP adjusted EBITDA represents GAAP income (loss) from operations, adjusted to include income taxes, interest expense, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, depreciation and amortization, charges related to acquisition and transition costs, non-cash stock compensation expense, foreign exchange gain (loss) on inter-company loans, restructuring and integration expense, costs related to divested businesses and litigation settlements, income from discontinued operations, and non-cash impairment charges, to the extent applicable. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating, and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from continuing operations.

(c) This line item reflects the aggregate tax effect of all non-GAAP adjustments reflected in the respective table. The Company estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying the applicable statutory rates by tax jurisdiction unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment.

(d) Non-GAAP adjusted net income (loss) represents GAAP net income (loss) adjusted to exclude the tax-affected effects of charges related to acquisition and transition costs, foreign exchange gain (loss) on inter-company loans, restructuring and integration charges, amortization of intangibles costs for fair value step-up in values related to acquisitions and amortization of deferred financing costs, non-cash impairment charges, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, costs related to divested businesses and litigation settlements, income (loss) from discontinued operations, and preferred stock cumulative dividends and deemed dividends. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating, and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted income (loss) from segment operations is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from continuing operations.