Q2'23 Earnings

NN Inc. | August 4, 2023

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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."

Introducing Harold Bevis, CEO

Harold Bevis, CEO

- Started May 22nd, 2023
- Brings 18 years of experience as a Chief Executive in Industrial Technologies-focused companies
- Executed four successful business transformations, two with publicly traded companies

Why NN Inc.?

- Decades of engineering and technical depth in multiple end markets
- Competitive moat supported by vertical integration, large installed base of equipment, and unique know-how
- Excellent reputation by diverse customer set for delivering technical solutions with the highest precision, quality, and reliability

Significant Opportunity to Drive Value Creation

- Increase size and focus of NN's commercial new business program
- Significantly strengthening focus on solving profit problems, achieving cost leadership, and delivering results with financial accountability
- Focusing on what we already do best to drive growth in existing markets and selectively broadening participation in markets where our capabilities are a match

Q2'23 Business Highlights

Enhancing Leadership

- Promoting and aligning strong legacy team into new roles with expanded responsibilities
- Supplementing NN's veteran team with veteran transformational leaders

Margin / Cash

- Implementing cost reductions and problem resolution to enhance margins and fund transformational growth
- Addressing underperforming areas of the business
- Enhancing organizational focus on free cash flow generation

$125.2M
Net Sales

- Power Solutions (7.7%)
- Mobile Solutions +5.2%

$19M
Gross NBW YTD

- Expanding both legacy opportunities and alternate markets

$10.5M
Adjusted EBITDA

- Reported EBITDA $3M
- Loss from Ops ($4M)

$3M
Free Cash Flow (FCF)

- Positive FCF over TTM
- Positive FCF in outlook

**All comparisons versus Q2'22*

New Leadership: First 75 Days

End of May

Introductions

- Assessment of capabilities and teams
- Collective view of NN's best path forward
- Implementation of immediate corrective actions

First 30 Days

On the Road

- 15 plant site visits in three countries
- Meeting top customers
- Meeting with business partners in China and Europe
- Meeting investors and capital partners

31 - 60 Days

Initial Actions

- Targeted cost reductions
- Enhanced leadership team and structure in certain areas
- Right-sized Board of Directors to move faster

Today

Focused

- Continue implementation of Transformation Plan
- Continue to align organization to execute against that strategic plan

“The Transformation Plan”

Increased Organizational Commitment to Accelerate Sales, Profits, & Free Cash Flow

1. **Modify the top team and personnel**
   - Flattened the org chart and expanded Harold’s direct reports; better ability to directly manage the operations
   - Adding transformation-experienced executives who have worked for Bevis previously including new CPO and soon to be announced COO
   - Funding additions with cost cuts
2. **Increased focus on cost reduction and implementing steady-state cost productivity regimen**
   - Migrate footprint to low-cost countries, where possible
   - Minimize skill redundancy and have global SMEs
3. **Increased focus on unprofitable parts of the company: plants and customer contracts**
   - Opportunity to improve profitability over $10 million annually
4. **Increased focus on generating positive free cash flow**
   - AR, AP, Inventory, Capex
5. **Dramatically increase the amount of New Business Wins**
   - Aggressively utilize open capacity
   - Disciplined approach to new wins that require significant capital spending

Experienced & Capable Team Empowered to Win

Verlin Bush
Chief Commercial Officer

- Verlin brings over 30 years of manufacturing operations, sales, and engineering experience

Douglas Campos
VP/GM Mobile Solutions

- Douglas brings over 28 years of manufacturing operations and sales experience

Gunars Vinkels
VP/GM Power Solutions

- Gunars brings over 30 years of experience in manufacturing operations and engineering

Jeff Fenwick
VP/GM APAC Region

- Jeff brings over 20 years of engineering, operations, and new business development experience

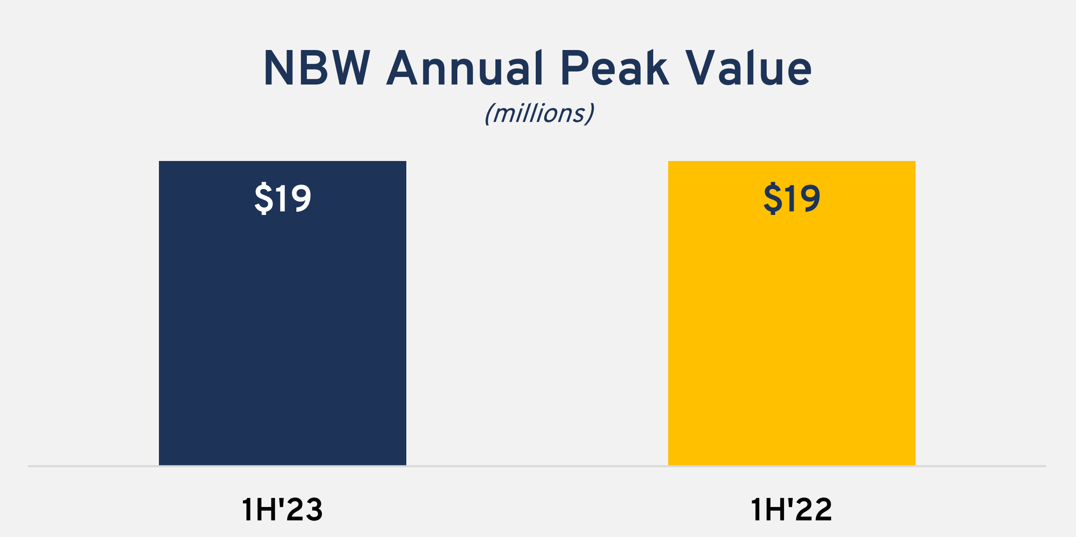
New Business Wins: $19M YTD Gross

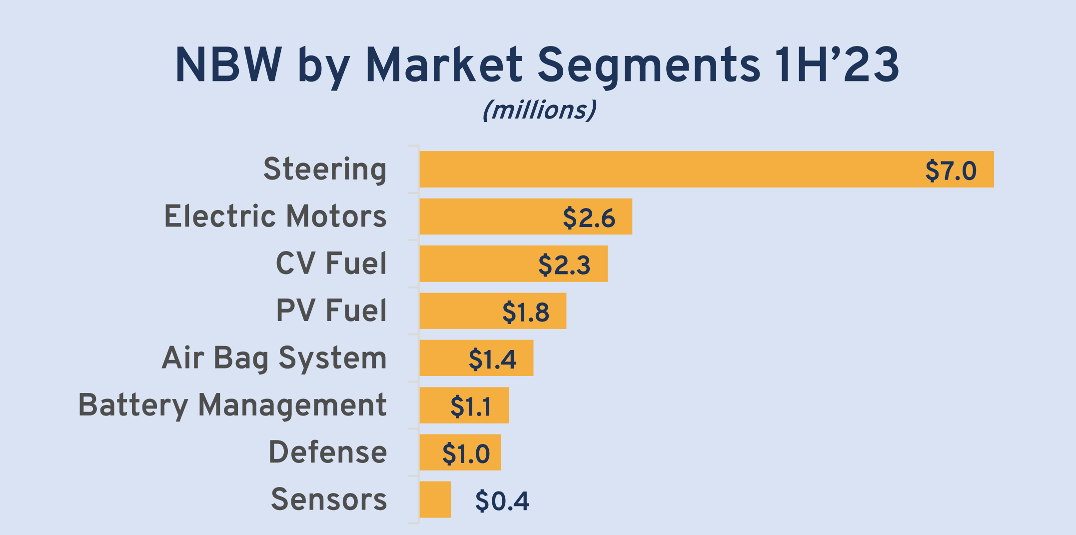
2023 YTD New Business Wins (NBW): Driving Momentum

- Over 20 program awards in steering systems, electric motors, commercial vehicles, passenger vehicles, air bag systems, battery management, defense, and sensors
- Refocusing pipeline on immediate wins and use of existing capacity and know-how

Competing to Win

- Leveraging existing capabilities and open capacity for more wins: 0-12 month horizon
- Prioritizing speed and agility
- Expanding product concentration in key known areas:
  - Connector EMI/EMF shielding
  - Electric power steering system components
  - Braking system components
- Expanding Medical market participation





Q2'23 Financial Results

Sales Drivers

- Pricing: ~$9M
- Volume: ~($7)M
- Customer settlement in prior year: ($2.3)M

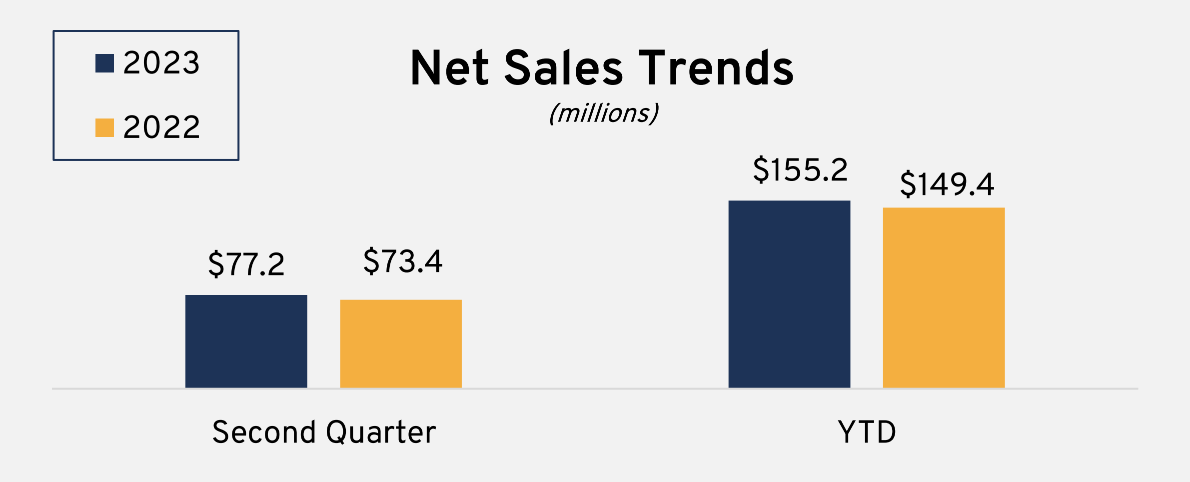
Adj. EBITDA Drivers

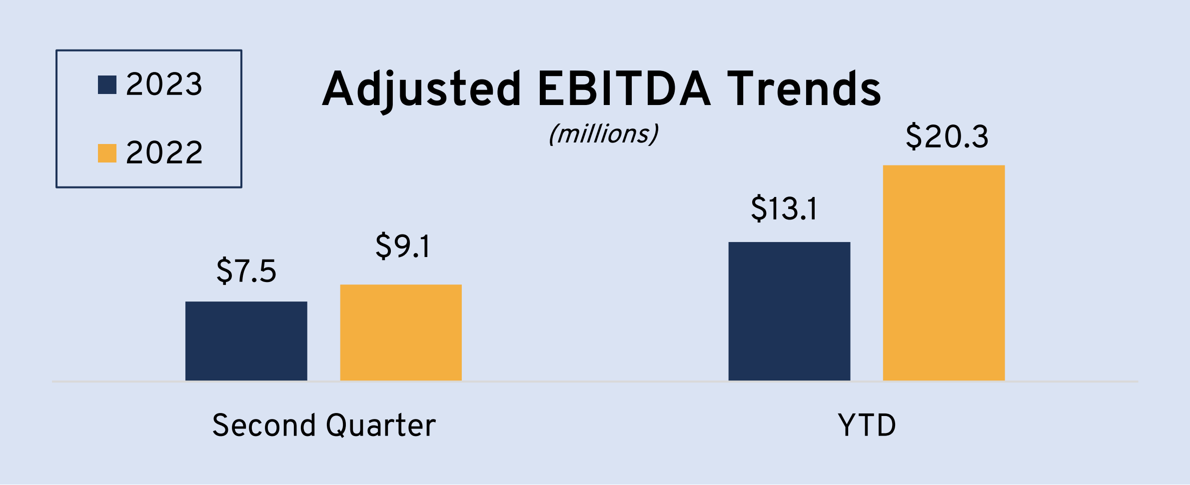
- Net price / inflation: ~$2M Volume: ~($3)M
- Customer settlement in prior year: ($2.3)M
- Cost savings: ~$2M

(Dollars in millions)	2023	2022	Δ
Net Sales	$125.2	$125.4	-0.1%
Operating Income (Loss)	($4)	($4.5)	$0.5
Non-GAAP Adjusted Operating Income (Loss)	$1.3	$0.1	$1.2
Non-GAAP Adjusted EBITDA	$10.5	$10.9	($0.4)
Non-GAAP Adjusted EBITDA Margin	8.4%	8.7%	-30 bps
Income (Loss) per Diluted Common Share	($0.38)	($0.25)	($0.13)
Non-GAAP Adjusted Income (Loss) per Diluted Common Share	($0.08)	($0.09)	$0.01

Mobile Solutions: Q2'23 Highlights

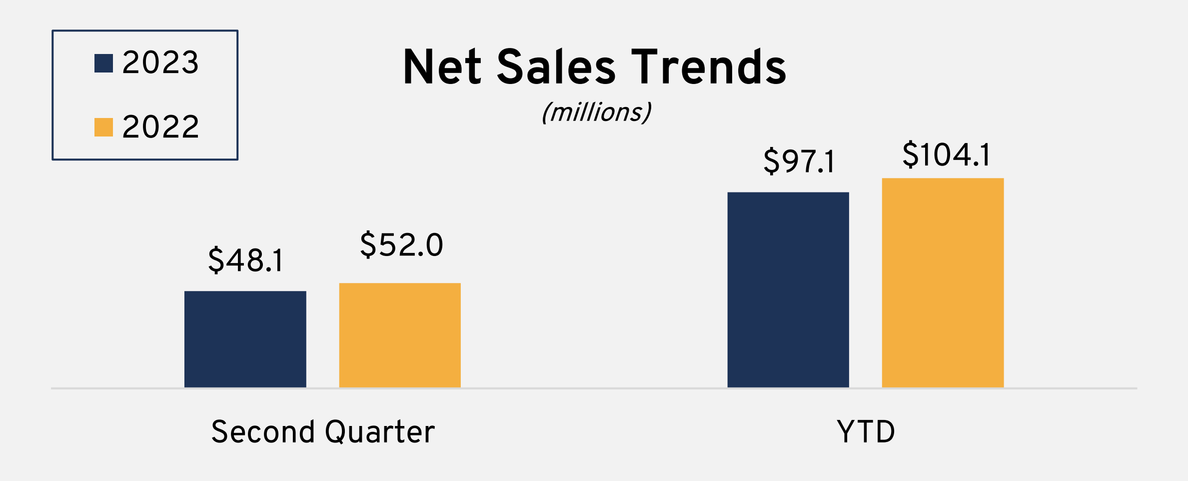
- **Sales up 5.2%, or $3.8 million, YOY**
  - (+) Pricing
  - (+) New business & increased volumes on existing business
  - (-) Foreign exchange
- **Profitability**
  - (+) Improved China JV performance
  - (-) Customer '22 settlement for below-contract volume
  - (-) Certain plant and customer agreement under performance
- **Focus Areas/Developments**
  - Steady 2H'23 demand outlook
  - Fast paced decisioning on plant and customer agreements that are dilutive, losing money
  - Improving cash flow through capex and working capital management

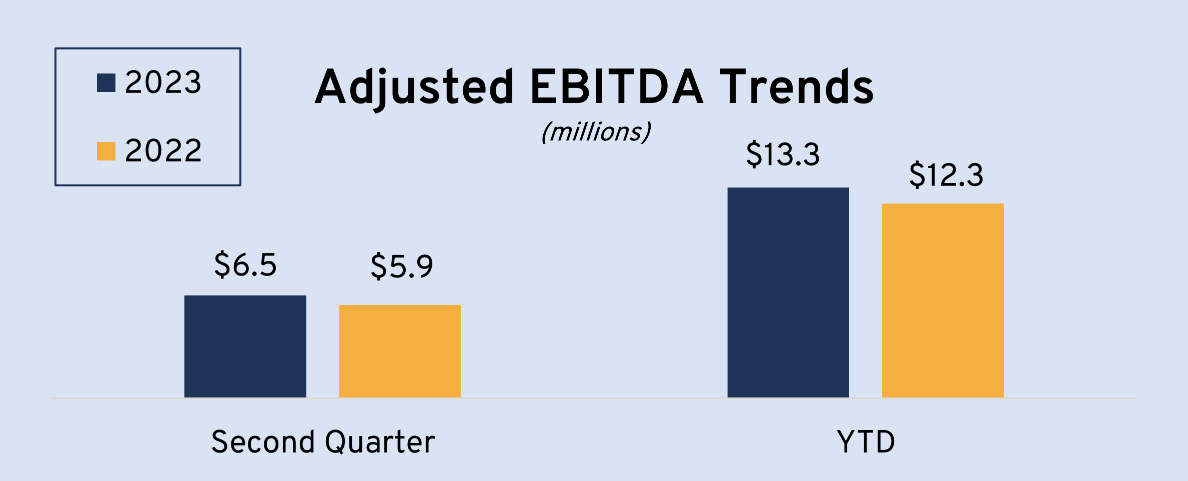




Power Solutions: Q2’23 Highlights

- **Sales down 7.7%, or $4 million, YOY**
  - (+) Pricing
  - (-) Electrical and general industrial component sales reflect lower housing starts and customer inventory reductions
  - (-) Rationalized unprofitable business with two plant closures
- **Profitability improving**
  - (+) Pricing
  - (+) Rationalized facility savings
  - (-) Volume
- **Focus Areas/Developments**
  - End market demand expected to be consistent between 1H'23 and 2H'23
  - Improving cash flow through capex and working capital management

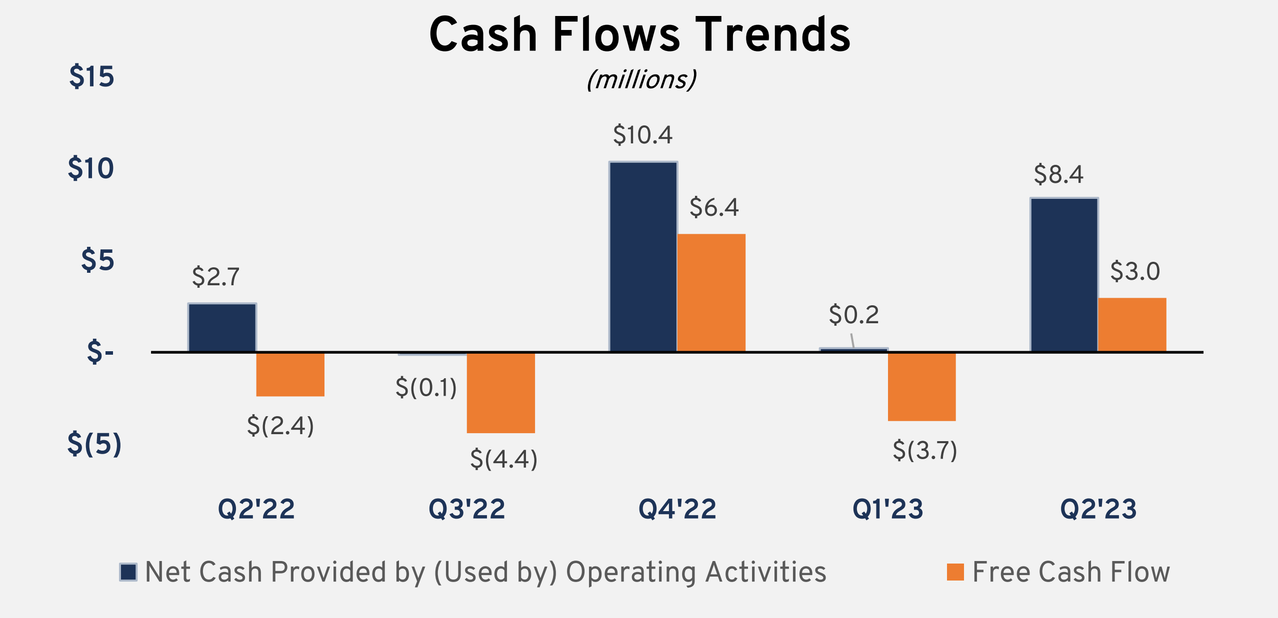


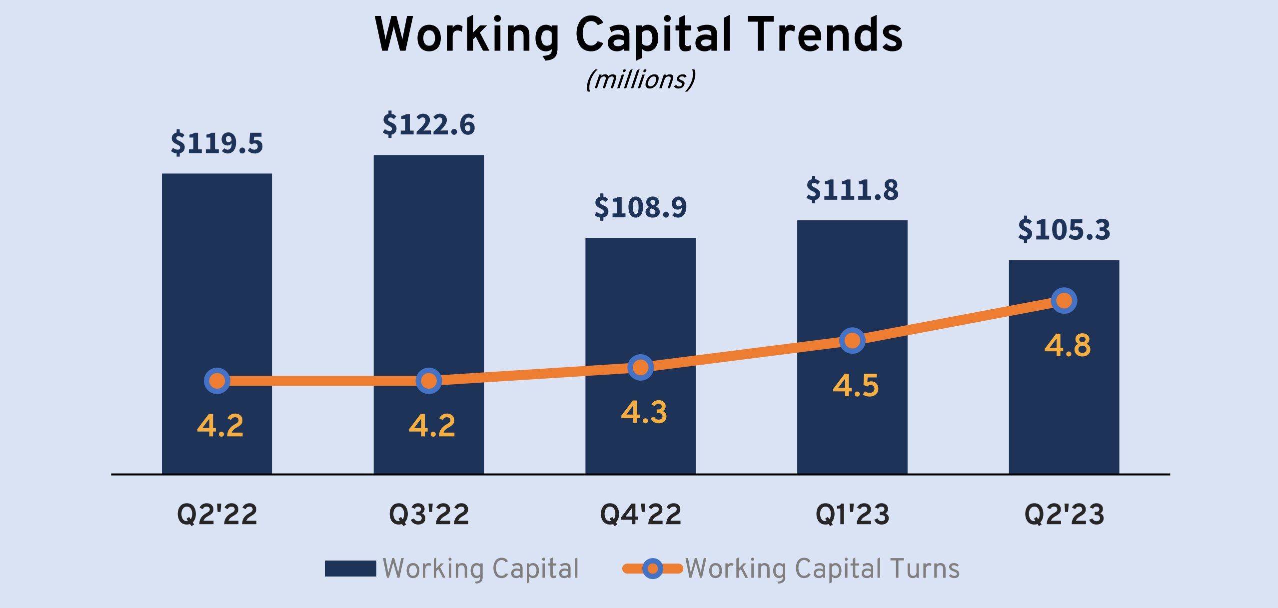


Cash Flows & Working Capital

- Free Cash Flow (FCF) positive for trailing 12-month period, beginning of a turnaround
- Remain focused on improving FCF performance moving forward

- Effectively managing working capital
- Three consecutive quarters of improved working capital turns





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

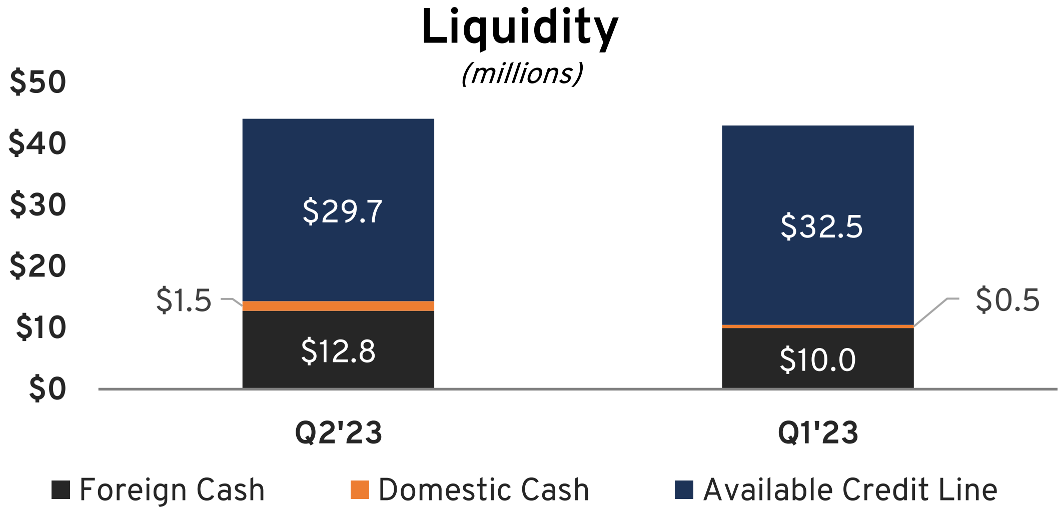
Balance Sheet & Liquidity

Capital Allocation Priorities and Actions

- Only spend money that we have, strengthen low-cost country footprint
- Focus growth capex in key strategic areas
- Improve liquidity through working capital optimization, cost reductions, and operational improvement
- Did not move forward with preferred equity raise in Q2

Capital Expenditures Strategy

- Continued investment in capability and capacity
- Capex spend of $12.2M in 1H'23 compared to $9.7M in 1H'22



(Dollars in millions)	Q2'23	Q1'23
Short-term Debt	$8.9	$8.8
Long-term Debt	$153.3	$149.5
Funded Debt	$162.2	$158.3
Cash	$14.3	$10.5
Net Debt	$147.9	$147.7
TTM Adjusted EBITDA	$38.2	$38.6
Net Debt to Adjusted EBITDA	**3.87x**	**3.82x**

2023 Outlook: Sales Flat in 2H'23

Outlook Reflects:

- Overall demand consistent with first half, versus prior expectation of increasing demand
- Adjusted EBITDA revision reflects lower volume
- Working capital management and spending control
- Aggressive program to increase new win rates

Outlook Drivers/Assumptions

- Full-year outlook includes cash outflows for severance, settlement, and facility closure costs
- CARES Act tax refund not included in outlook due to uncertain timing

(millions)	Current Outlook
Net Sales	$485 - $505
Adjusted EBITDA	$40 - $46
Free Cash Flow	$7 - $13

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

(in thousands)	Three Months Ended June 30, 2023	2022
GAAP net income (loss)	$ (14,377)	$ (8,567)
Pre-tax professional fees	119	678
Pre-tax personnel costs	622	17
Pre-tax facility costs	1,022	333
Pre-tax foreign exchange (gain) loss on inter-company loans	(445)	654
Pre-tax change in fair value of preferred stock derivatives and warrants	5,754	(694)
Pre-tax amortization of intangibles and deferred financing costs	4,090	3,916
Pre-tax impairments of fixed asset costs	—	(14)
Tax effect of adjustments reflected above (c)	(64)	(1,027)
Non-GAAP discrete tax adjustments	—	1,098
Non-GAAP adjusted net income (loss) (d)	$ (3,279)	$ (3,606)

(per diluted common share)	Three Months Ended June 30, 2023	2022
GAAP net income (loss) per diluted common share	$ (0.38)	$ (0.25)
Pre-tax professional fees	—	0.01
Pre-tax personnel costs	0.01	—
Pre-tax facility costs	0.02	0.01
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	0.12	(0.02)
Pre-tax amortization of intangibles and deferred financing costs	0.09	0.09
Tax effect of adjustments reflected above (c)	—	(0.02)
Non-GAAP discrete tax adjustments	—	0.02
Preferred stock cumulative dividends and deemed dividends	0.07	0.06
Non-GAAP adjusted net income (loss) per diluted common share (d)	$(0.08)	$(0.09)
Weighted average common shares outstanding	46,357	44,708

Reconciliation of GAAP Income (Loss) from Operations to Non-GAAP Adjusted Income (Loss) from Operations and Non-GAAP Adjusted EBITDA

(in thousands) **NN, Inc. Consolidated**	Three Months Ended June 30, 2023	2022
GAAP income (loss) from operations	$ (4,047)	$ (4,514)
Professional fees	119	678
Personnel costs (1)	622	17
Facility costs (2)	1,022	333
Amortization of intangibles	3,563	3,586
Fixed asset impairments	—	(14)
Non-GAAP adjusted income (loss) from operations (a)	$ 1,279	$ 86
Non-GAAP adjusted operating margin (3)	1.0 %	0.1 %
Depreciation	7,987	7,753
Other income/expense	(5,641)	67
Non-cash foreign exchange (gain) loss on inter-company loans	(445)	654
Change in fair value of preferred stock derivatives and warrants	5,754	(694)
Share of net income from joint venture	1,093	419
Non-cash stock compensation	471	2,607
Non-GAAP adjusted EBITDA (b)	$ 10,498	$ 10,892
Non-GAAP adjusted EBITDA margin (4)	8.4 %	8.7 %
GAAP net sales	$ 125,206	$ 125,362

(in thousands) **Power Solutions**	Three Months Ended June 30, 2023	2022
GAAP income (loss) from operations	$ 2,583	$ 1,430
Professional fees	—	165
Facility costs (2)	244	274
Amortization of intangibles	2,724	2,747
Non-GAAP adjusted income (loss) from operations (a)	$ 5,551	$ 4,616
Non-GAAP adjusted operating margin (3)	11.5 %	8.9 %
Depreciation	1,118	1,249
Other income/expense	(22)	62
Non-cash foreign exchange (gain) loss on inter-company loans	(102)	16
Non-GAAP adjusted EBITDA (b)	$ 6,545	$ 5,943
Non-GAAP adjusted EBITDA margin (4)	13.6 %	11.4 %
GAAP net sales	$ 48,062	$ 52,049

(in thousands) **Mobile Solutions**	Three Months Ended June 30, 2023	2022
GAAP income (loss) from operations	$ (1,461)	$ 1,729
Personnel costs	40	—
Facility costs	778	59
Amortization of intangibles	838	839
Fixed asset impairments	—	(14)
Non-GAAP adjusted income (loss) from operations (a)	$ 195	$ 2,613
Share of net income from joint venture	1,093	419
Non-GAAP adjusted income (loss) from operations with JV	$ 1,288	$ 3,032
Non-GAAP adjusted operating margin (3)	1.7 %	4.1 %
Depreciation	6,447	6,125
Other income/expense	(88)	(246)
Non-cash foreign exchange (gain) loss on inter-company loans	(121)	194
Share of net income from joint venture	1,093	419
Non-GAAP adjusted EBITDA (b)	$ 7,526	$ 9,105
Non-GAAP adjusted EBITDA margin (4)	9.8 %	12.4 %
GAAP net sales	$ 77,153	$ 73,350

(in thousands) **Elimination**	Three Months Ended June 30, 2023	2022
GAAP net sales	$ (9)	$ (37)

(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 June 30, 2023	2022
Net cash provided (used) by operating activities	$ 8,417	$ 2,661
Acquisition of property, plant, and equipment	(7,199)	(5,441)
Proceeds from sale of property, plant, and equipment	1,742	386
Free cash flow	$ 2,960	$ (2,394)

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.

Investor & Media Contacts

Joe Caminiti or Alec Steinberg, Investors

Tim Peters, Media

NNBR@alpha-ir.com

312-445-2870

Thank You