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Second Quarter Earnings

August 9, 2018



Forward Looking Statements & Disclosures

Forward Looking Statement: With the exception of the historical information contained in this presentation, the matters described herein contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks and uncertainties 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, competitive influences, risks that current customers will commence or increase captive production, delayed customer product launches, risks of capacity underutilization, quality issues, availability of raw materials, currency, pending and completed transactions and other risks associated with international trade, the Company's dependence on certain major customers, and other risk factors and cautionary statements listed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on 10-K for the fiscal year ended December 31, 2017.

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."

Disclaimer: NN disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements included herein or therein to reflect future events or developments.



Highlights of Q2 2018 Results

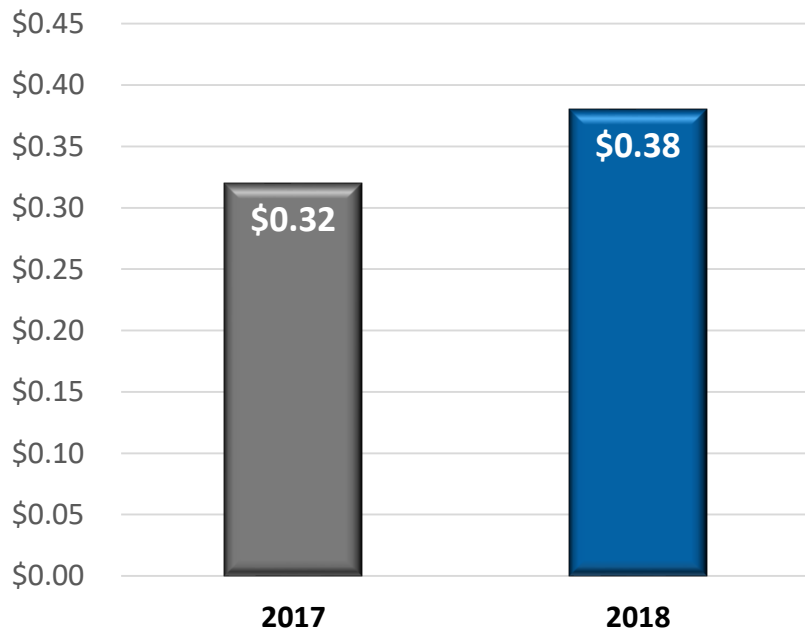
- Sales of \$196.3M
 - Sales growth of \$38.4 million or 24%
 - Driven by acquisition of Paragon and organic growth
- Adjusted EBITDA of \$36.3 million
 - Operating performance in the quarter as expected
 - Acquired businesses performing at pre-synergy margins
- Adjusted Diluted Earnings Per Share of \$0.38, \$0.06 higher than prior year
- With the closing of Paragon, the redeployment of the proceeds from the PBC divestiture is complete
 - Strengthened technical capabilities, expanded product offerings, and added key talent
 - Paragon integration is proceeding as expected
- Continued investments in multi-year growth programs
 - Impacted our Mobile Solutions Segment



2nd Quarter 2018 Financial Summary

Adjusted Diluted Earnings Per Share

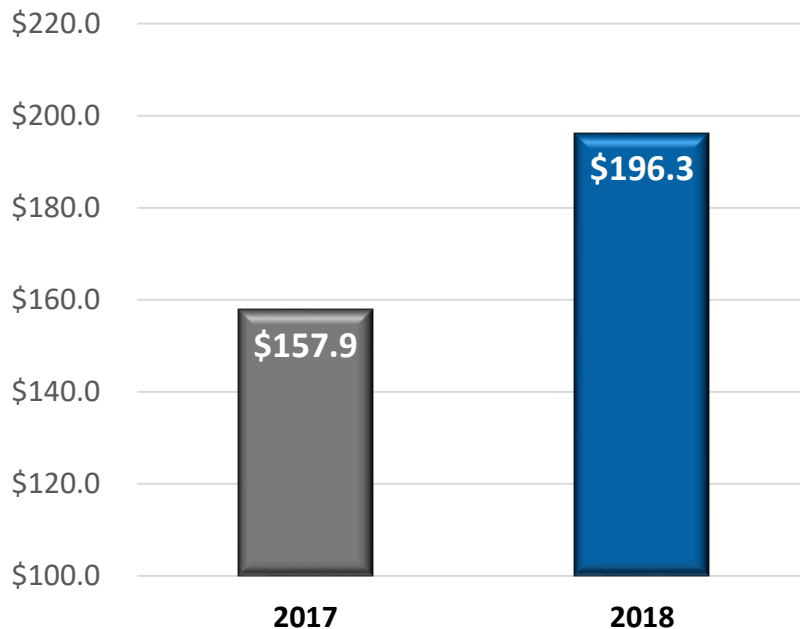
Earnings from acquired businesses and flex productivity on increased sales



Net Sales

24% growth compared to prior year with acquisition of Paragon and organic growth

In Millions

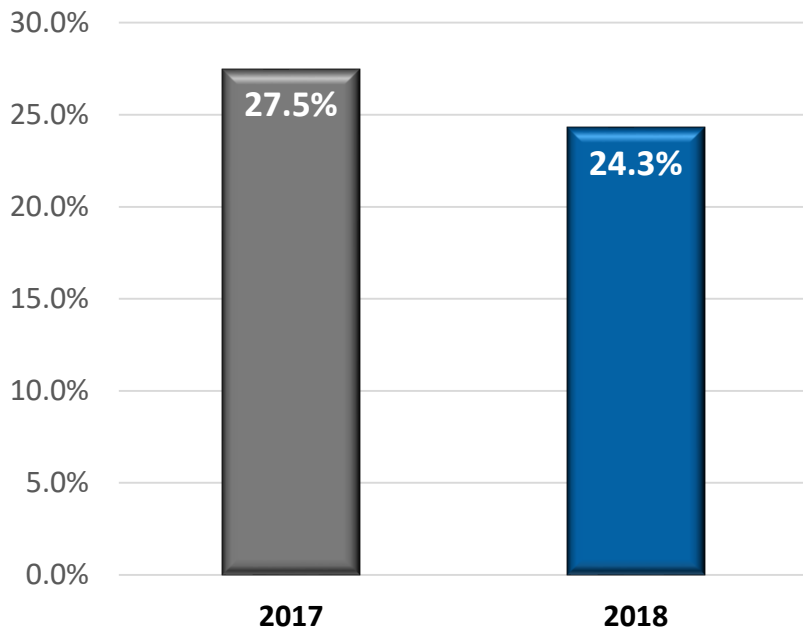




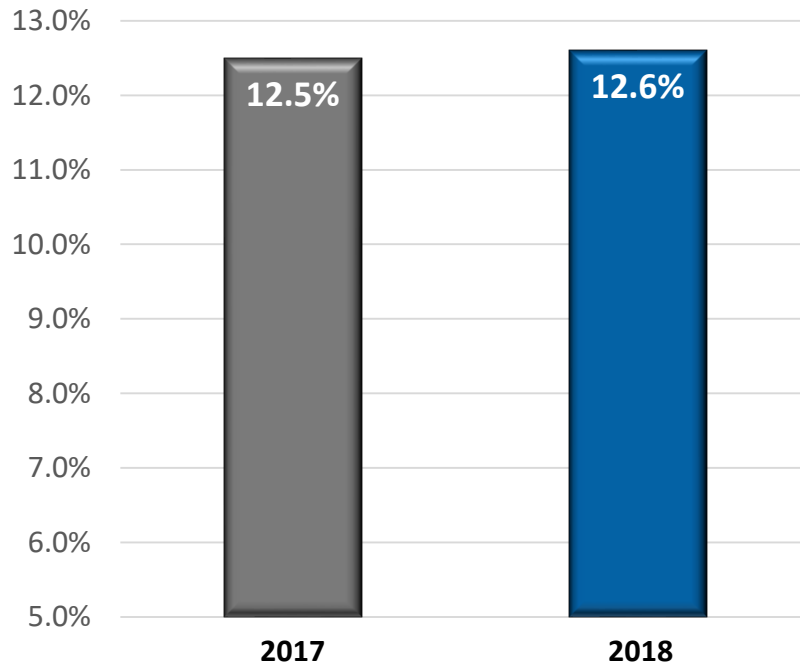
2nd Quarter 2018 Financial Summary

Gross Margin

Margin impacted 1.8% by M&A costs; additionally impacted by growth investments in new sales programs



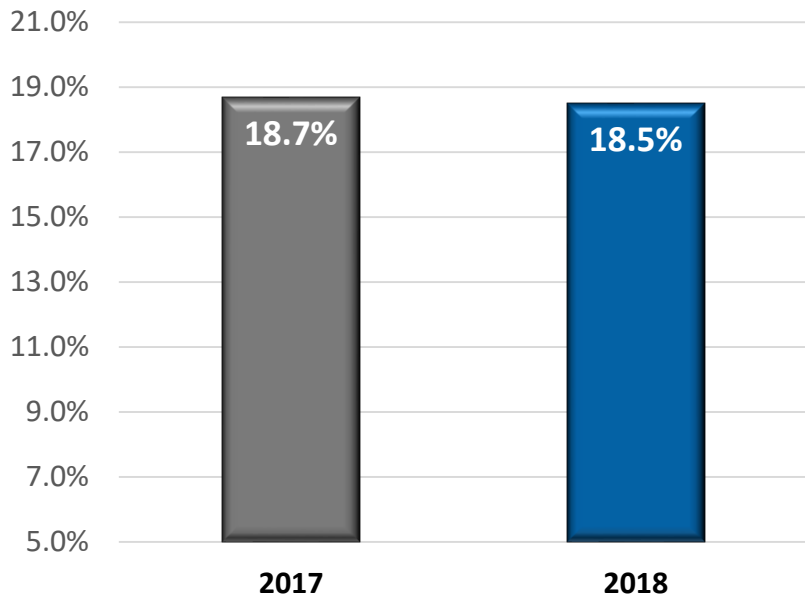
Adjusted Operating Margin





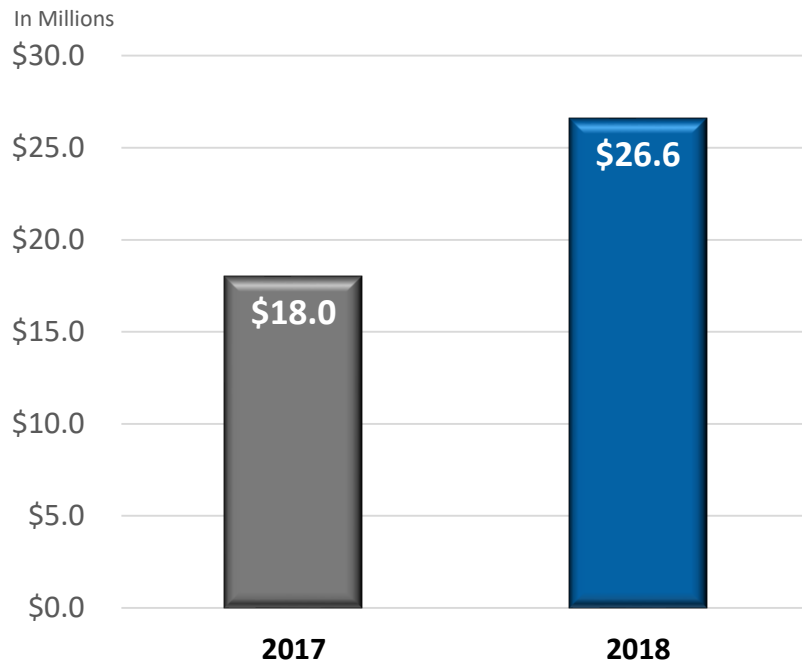
2nd Quarter 2018 Financial Summary

Adjusted EBITDA Margin



SG&A

2018 includes \$6.1 million of integration and transition expense and \$2.0 million added with acquisitions

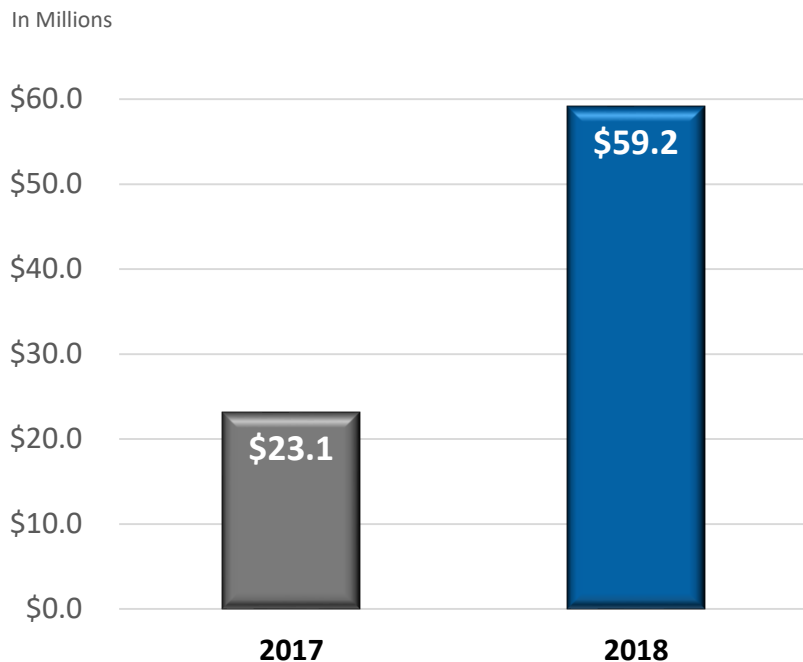




Life Sciences Segment

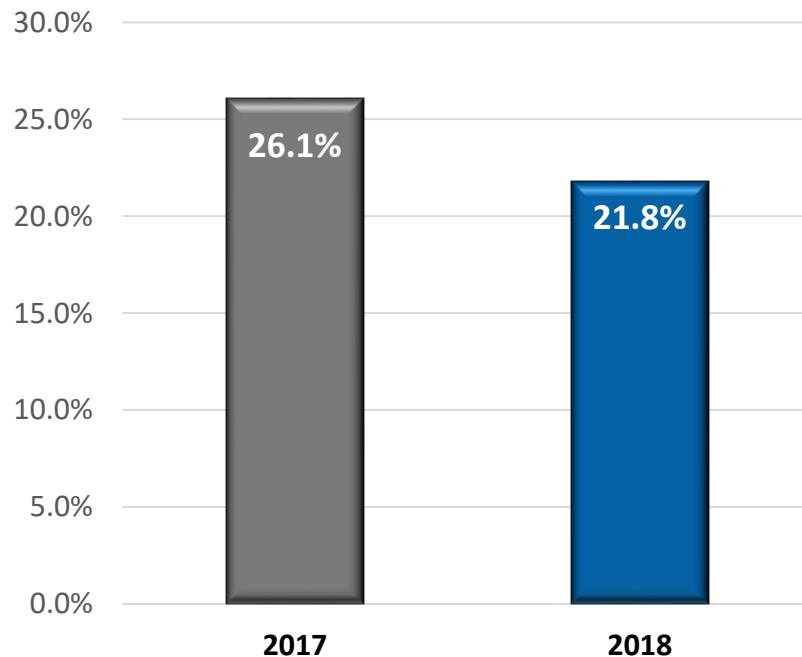
Net Sales

Growth driven by acquisitions



Adjusted Operating Margin

Acquired operations performing at pre-synergy levels

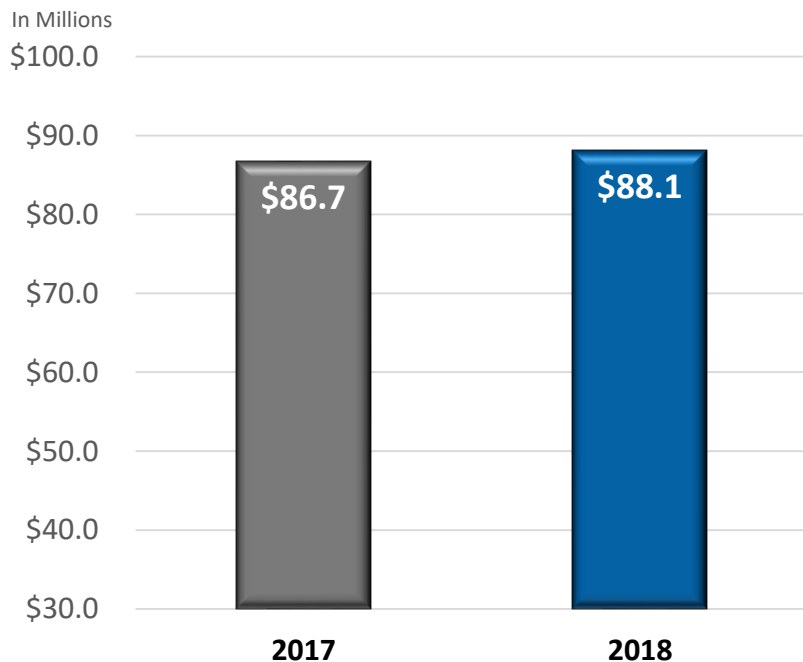




Mobile Solutions Segment

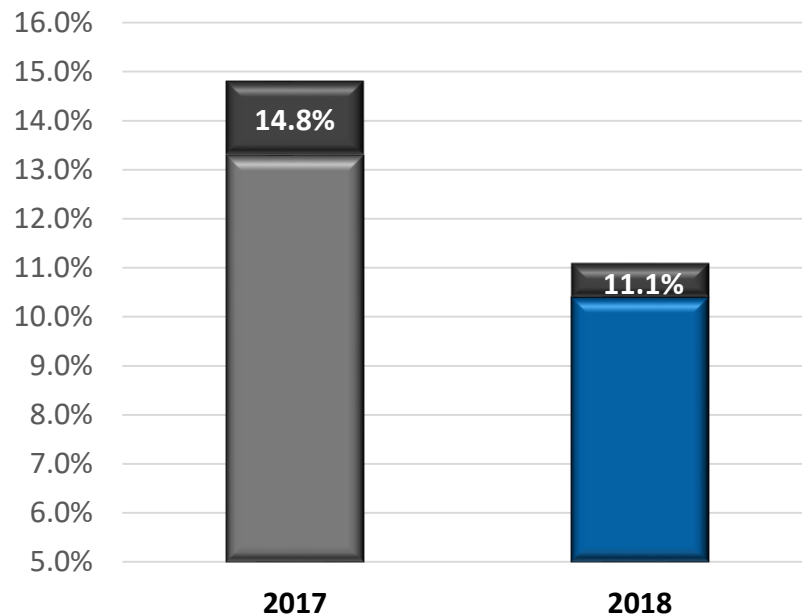
Net Sales

CAFE growth & industrial market demand drove improvement



Adjusted Operating Margin

Continued investment in new programs impacts margins in the short term



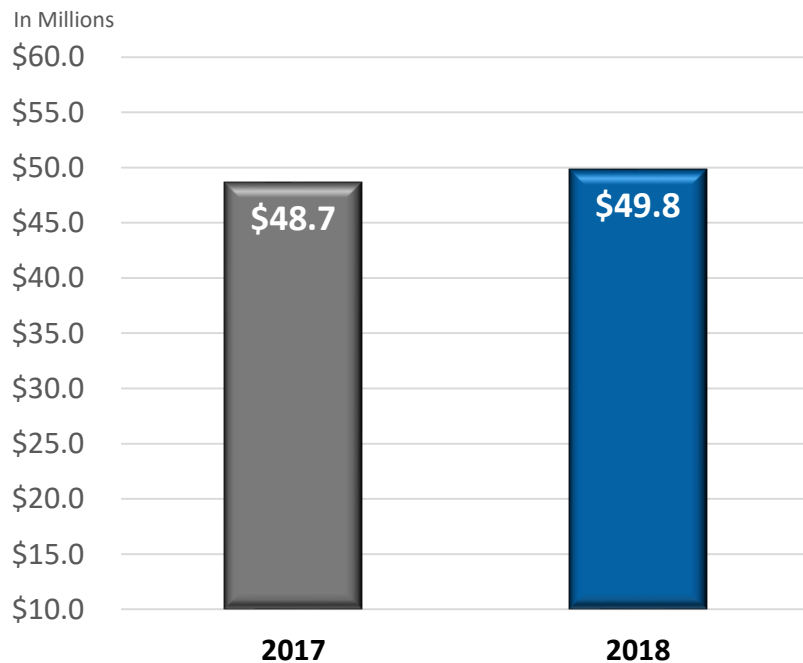
■ JV Contribution



Power Solutions Segment

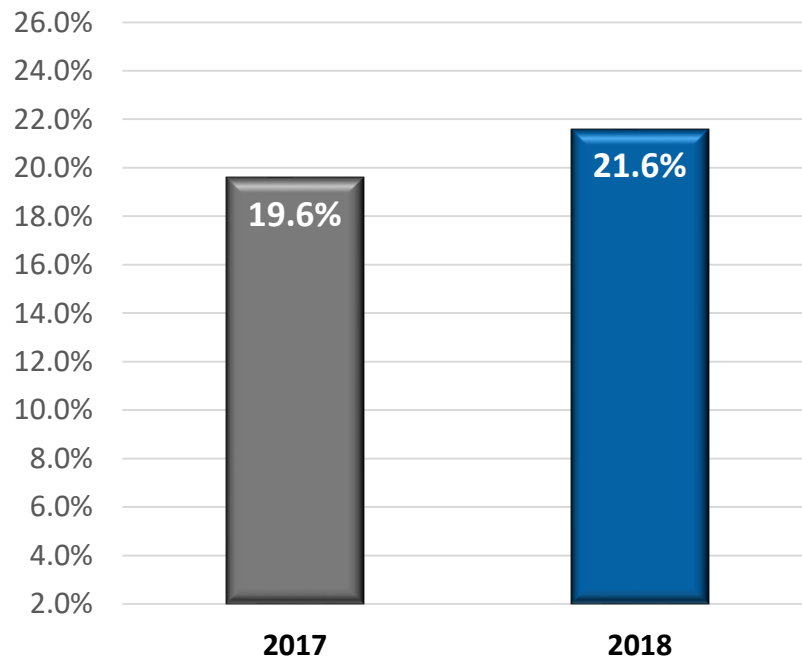
Net Sales

Increase driven by organic growth



Adjusted Operating Margin

Income from organic sales growth and operational improvements





2nd Quarter Summary

- Sales growth and operating performance in the quarter as expected
- Paragon acquisition is on track and performing as expected
- Investment in new multi-year programs continue
- FY2018 guidance maintained



3rd Quarter 2018 Guidance

	2 nd Quarter 2018 Actual	3 rd Quarter 2018 Guidance	
Net Sales	\$196.3M	\$210M-\$215M	Reflects a full quarter of Paragon acquisition
Adjusted Operating Margin^(a)	12.6%	12.5% - 13.0%	Margin expansion from flex productivity on incremental sales volume and inclusion of acquisitions
Adjusted EBITDA	\$36.3M	\$40M - \$42M	Reflects a full quarter of Paragon acquisition
Adjusted Diluted EPS^(b)	\$0.38	\$0.38- \$0.43	



2018 Full Year Guidance

	Revised Guidance	Commentary
Net Sales	\$775M-\$800M	Markets performing as expected
Adjusted Operating Margin^(a)	12.5%-13.0%	Margin expansion reflecting flex productivity and acquired business performance
Adjusted EBITDA	\$143M-\$150M	
Adjusted Diluted EPS^(b)	\$1.60-\$1.75	Revised tax on foreign earnings impact of \$0.08 - \$0.10
CAPEX	\$45M-\$53M	Inclusive of acquisitions
Free Cash Flow¹	\$40M-\$46M	Performance continues to improve



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Reconciliation Tables

Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Income from Operations

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
NN, Inc. Consolidated		
GAAP income from operations	\$ (292)	\$ 12,642
Restructuring and integration expense	1,591	6
Acquisition and transition expense	16,477	1,279
Amortization of intangibles	6,978	5,841
Non-GAAP adjusted income from operations (a)	<u>\$ 24,754</u>	<u>\$ 19,768</u>
Non-GAAP adjusted operating margin (1)	12.6%	12.5%
GAAP net sales	\$ 196,349	\$ 157,947

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
Mobile Solutions		
GAAP income from operations	\$ 7,380	\$ 10,688
Restructuring and integration expense	(5)	6
Acquisition and transition expense	844	-
Amortization of intangibles	885	874
Non-GAAP adjusted income from operations (a)	<u>\$ 9,104</u>	<u>\$ 11,568</u>
Share of net income from joint venture	647	1,244
Non-GAAP adjusted income from operations with JV	9,751	12,812
Non-GAAP adjusted operating margin (1)	11.1%	14.8%
GAAP net sales	\$ 88,079	\$ 86,658

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
Elimination		
GAAP net sales	\$ (703)	\$ (559)

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
Power Solutions		
GAAP income from operations	\$ 6,000	\$ 6,819
Restructuring and integration expense	-	-
Acquisition and transition expense	1,784	-
Amortization of intangibles	3,000	2,725
Non-GAAP adjusted income from operations (a)	<u>\$ 10,784</u>	<u>\$ 9,544</u>
Non-GAAP adjusted operating margin (1)	21.6%	19.6%
GAAP net sales	\$ 49,820	\$ 48,734

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
Life Sciences		
GAAP income from operations	\$ 2,041	\$ 3,798
Restructuring and integration expense	1,596	-
Acquisition and transition expense	6,149	-
Amortization of intangibles	3,093	2,242
Non-GAAP adjusted income from operations (a)	<u>\$ 12,879</u>	<u>\$ 6,040</u>
Non-GAAP adjusted operating margin (1)	21.8%	26.1%
GAAP net sales	\$ 59,153	\$ 23,114

(1) Non-GAAP adjusted operating margin = Non-GAAP adjusted income from operations / GAAP net sales

Reconciliation of Net Income (Loss) to Non-GAAP Adjusted EBITDA

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
	\$ (24,511)	\$ (21,138)
GAAP net income (loss)		
Provision (benefit) for income taxes	(5,947)	(12,103)
Interest expense	15,988	12,338
Write-off of unamortized debt issuance cost	12,938	39,639
Gain on change in fair value of interest rate swap	-	101
Depreciation and amortization	16,258	13,051
Acquisition and transition expense	16,477	1,279
Non-cash stock compensation	1,078	949
Non-cash foreign exchange (gain) loss on inter-company loans	2,411	654
Restructuring and integration expense	1,591	6
Income from discontinued operations	-	(5,236)
Non-GAAP adjusted EBITDA (b)	\$ 36,283	\$ 29,540
Non-GAAP adjusted EBITDA margin (2)	18.5%	18.7%
GAAP net sales	\$ 196,349	\$ 157,947

(2) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

Reconciliation of Net Income (Loss) to Non-GAAP Adjusted Net Income (Loss) and Net Income (Loss) per Diluted Share to Non-GAAP Adjusted Net Income (Loss) per Diluted Share

<i>\$000s</i>	Three Months Ended	
	June 30,	
	2018	2017
GAAP net income (loss)	\$ (24,511)	\$ (21,138)
Pre-tax acquisition and transition expense	16,477	1,279
Pre-tax foreign exchange (gain) loss on inter-company loans	2,411	654
Pre-tax restructuring and integration expense	1,591	6
Pre-tax write-off unamortized debt issuance costs	12,938	39,639
Pre-tax gain on change in fair value of interest rate swap	-	101
Pre-tax amortization of intangibles and deferred financing costs	8,317	6,869
Pre-tax interest expense on cash held from divestiture	879	-
Tax effect of adjustment reflected above (c)	(7,598)	(13,419)
Impact due to tax cuts and jobs act	-	-
Income from discontinued operations	-	(5,236)
Non-GAAP adjusted net income (loss) (d)	<u>\$ 10,504</u>	<u>\$ 8,755</u>

<i>Amounts per share, diluted</i>	Three Months Ended	
	June 30,	
	2018	2017
GAAP net income (loss) per diluted share	\$ (0.89)	\$ (0.77)
Pre-tax acquisition and transition expense	0.59	0.05
Pre-tax foreign exchange (gain) loss on inter-company loans	0.09	0.02
Pre-tax restructuring and integration expense	0.06	0.00
Pre-tax write-off unamortized debt issuance costs	0.47	1.44
Pre-tax gain on change in fair value of interest rate swap	-	0.00
Pre-tax amortization of intangibles and deferred financing costs	0.30	0.25
Pre-tax interest expense on cash held from divestiture	0.03	-
Tax effect of adjustment reflected above (c)	(0.27)	(0.49)
Impact due to tax cuts and jobs act	-	-
Income from discontinued operations	-	(0.19)
Non-GAAP adjusted net income (loss) per diluted share (d)	<u>\$ 0.38</u>	<u>\$ 0.32</u>
Weighted average shares outstanding, diluted	27,696	27,468

Guidance - Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Income from Operations

	Three Months Ending September 30, 2018			
	Low		High	
	\$000s	% of Sales	\$000s	% of Sales
GAAP income from operations	\$ 14,842	7.1%	\$ 16,021	7.5%
Restructuring and integration expense	-	0.0%	-	0.0%
Acquisition and transition expense	3,000	1.4%	3,500	1.6%
Amortization of intangibles	8,497	4.0%	8,497	4.0%
Non-GAAP adjusted income from operations (a)	\$ 26,339	12.5%	\$ 28,018	13.0%
GAAP net sales	\$	210,000	\$	215,000

Guidance - Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Income from Operations

	Twelve Months Ending December 31, 2018			
	Low		High	
	\$000s	% of Sales	\$000s	% of Sales
GAAP income from operations	\$ 33,393	4.3%	\$ 40,411	5.1%
Restructuring and integration expense	2,346	0.3%	2,346	0.3%
Acquisition and transition expense	28,815	3.7%	29,315	3.7%
Amortization of intangibles	32,321	4.2%	32,321	4.0%
Non-GAAP adjusted income from operations (a)	\$ 96,875	12.5%	\$ 104,393	13.0%
GAAP net sales	\$	775,000	\$	800,000

Guidance - Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA

	Three Months Ending September 30, 2018				
	Low		High		
	\$000s	% of Sales	\$000s	% of Sales	
GAAP net income	\$ 524	0.2%	\$ 1,428	0.7%	
Provision (benefit) for income taxes	(89)	(0.0%)	284	0.1%	
Interest expense	16,489	7.9%	16,489	7.7%	
Depreciation and amortization	19,116	9.1%	19,116	8.9%	
Acquisition and transition expense	3,000	1.4%	3,500	1.6%	
Non-cash stock compensation	1,200	0.6%	1,200	0.6%	
Non-GAAP adjusted EBITDA (b)	\$ 40,240	19.2%	\$ 42,017	19.5%	
Non-GAAP adjusted EBITDA margin (2)		19.2%		19.5%	
GAAP net sales	\$	210,000	\$	215,000	

(2) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

Guidance - Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted EBITDA

	Twelve Months Ending December 31, 2018		
	Low	High	
	\$000s	\$000s	
GAAP Income from Operations	\$ 33,393	\$ 40,411	
Depreciation and amortization	69,205	69,205	
Acquisition and transition expense	28,815	29,315	
Non-cash stock compensation	4,500	4,500	
Share of NI from China JV	4,071	4,071	
Restructuring and integration expense	2,346	2,346	
Non-GAAP adjusted EBITDA (b)	\$ 142,330	\$ 149,848	
Non-GAAP adjusted EBITDA margin (2)		18.4%	
GAAP net sales	\$	775,000	
		\$ 800,000	

(2) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

Guidance - Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income

	Three Months Ending September 30, 2018			
	Low		High	
	\$000s	per share	\$000s	per share
GAAP net income	\$ 524	\$ 0.02	\$ 1,428	\$ 0.05
Pre-tax acquisition and transition expense	3,000	0.11	3,500	0.13
Pre-tax amortization of intangibles & deferred financing costs	9,697	0.35	9,697	0.35
Tax effect of adjustment reflected above (c)	(2,666)	(0.10)	(2,771)	(0.10)
Non-GAAP adjusted net income (d)	\$ 10,555	\$ 0.38	\$ 11,854	\$ 0.43
Weighted average shares outstanding, diluted	27,750		27,750	

Guidance - Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income

	Twelve Months Ending December 31, 2018			
	Low		High	
	\$000s	per share	\$000s	per share
GAAP net income	\$ (24,463)	(0.88)	\$ (20,308)	(0.73)
Pre-tax acquisition and transition expense	28,815	1.04	28,815	1.04
Pre-tax foreign exchange (gain)/loss on inter-company loans	2,509	0.09	2,509	0.09
Pre-tax restructuring and integration expense	2,346	0.08	2,346	0.08
Pre-tax write-off unamortized debt issuance costs	12,938	0.47	12,938	0.47
Pre-tax interest expense on cash held from divestiture	3,607	0.13	3,607	0.13
Pre-tax amortization of intangibles and deferred financing costs	36,841	1.33	36,841	1.33
Tax effect of adjustment reflected above (c)	(18,282)	(0.66)	(18,282)	(0.66)
Non-GAAP adjusted net income per share (d)	\$ 44,311	\$ 1.60	\$ 48,466	\$ 1.75
Weighted average shares outstanding, diluted	27,700		27,700	

Guidance - Non-GAAP Free Cash Flow

Twelve Months Ending December 31, 2018

	Low	High
	\$000s	\$000s
	<u> </u>	<u> </u>
EBITDA	\$ 142,673	\$ 149,848
CAPEX	(45,000)	(53,000)
Interest expense	(50,000)	(50,000)
Dividends	(7,600)	(7,600)
Income tax expense	-	-
Working capital	-	7,000
Non-GAAP free cash flow	<u>\$ 40,073</u>	<u>\$ 46,248</u>



Non-GAAP Financial Measures Footnotes

The Company discloses in this presentation the non-GAAP financial measures of adjusted income from operations, adjusted net income (loss), and adjusted net income per diluted share. 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 four years, we have completed eight acquisitions, three of which were 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, and 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 from operations, adjusted net income (loss), and adjusted net income per diluted share provide 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 from operations represents GAAP income 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, 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 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 from operations.

(b) Non-GAAP adjusted EBITDA represents GAAP net income (loss), adjusted to include income taxes, interest expense, Interest rate swaps and write-offs, 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, and income from discontinued operations, 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 nontax adjustments reflected in the respective table. In addition, the footnotes reflect the after-tax amount of each individual adjustment item. NN, Inc. estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying NN, Inc's. overall estimated effective tax rate to the pretax amount, 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 restructuring and integration charges (related to plant closures and other charges incurred to implement our strategic goals that do not necessarily represent a major strategic shift in operations), charges related to acquisition and transition costs, amortization of intangibles costs for fair value step-up in values related to acquisitions and amortization of deferred financing costs, interest rate swaps and write-offs, foreign exchange gain (loss) on inter-company loans, gains and losses in the fair value of interest rate swaps, estimated interest expense on cash held from divestiture, and on a non-tax affected basis income from discontinued 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 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.