



AEROSPACE  
& DEFENSE



AUTOMOTIVE



MEDICAL



GENERAL  
INDUSTRY



ELECTRICAL

November 2017 Investor Presentation



# Forward looking statements

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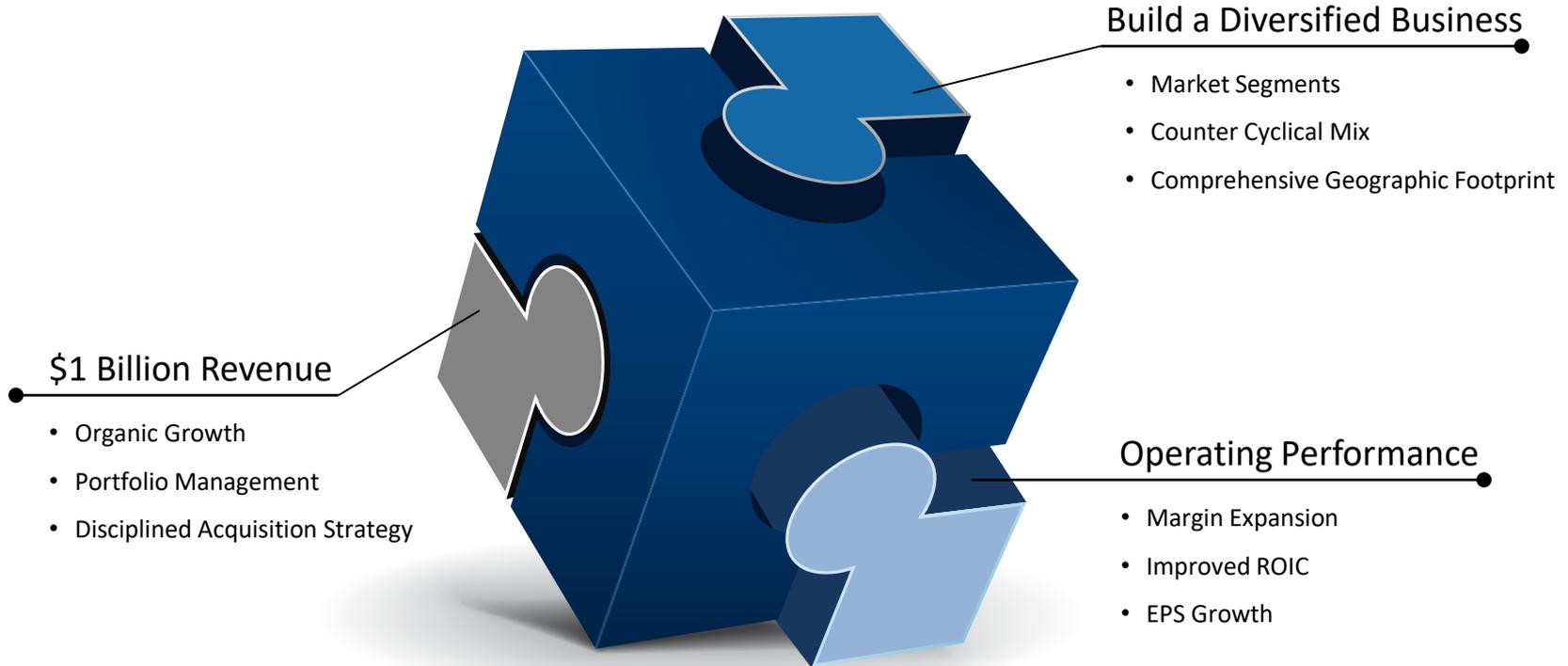
Forward Looking Statement: With the exception of the historical information contained in this presentation, the matters described herein contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements 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 complete 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, 2016.

With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G and a reconciliation of those measures to the most directly comparable GAAP equivalent can be found in the "Investor Relations" section of the Company's web site, [www.nninc.com](http://www.nninc.com), under the heading "News & Events" and subheading "Presentations."

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# Strategic Plan at a Glance





# NN Operating System

## Integrated Operating Company

- Common methodologies delivering near & long term value

## Flex Productivity

- Maximizing performance no matter the market conditions

## Leverage Technology

- One Platform, one company

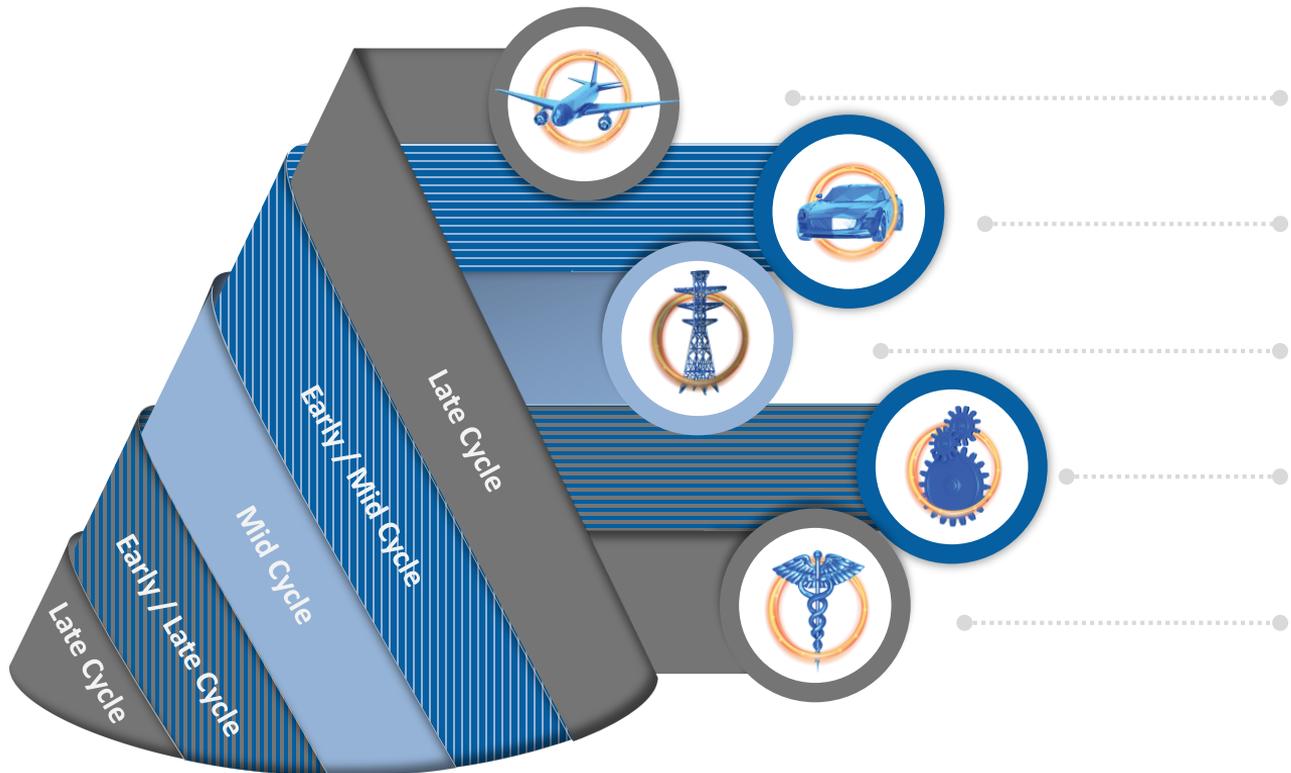
## Prescriptive Processes

- Disciplined execution of the operating plan





# Diversified Portfolio with Secular Trends



## Aerospace & Defense

- End Market Growth Rate: 3% - 5%
- NN Growth Rate: 7% - 9%

## Automotive

- End Market Growth Rate: 2% - 4%
- NN Growth Rate: 4% - 6%

## Electrical

- End Market Growth Rate: 3% - 5%
- NN Growth Rate: 6% - 8%

## General Industrial

- End Market Growth Rate: 2% - 4%
- NN Growth Rate: 4% - 6%

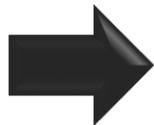
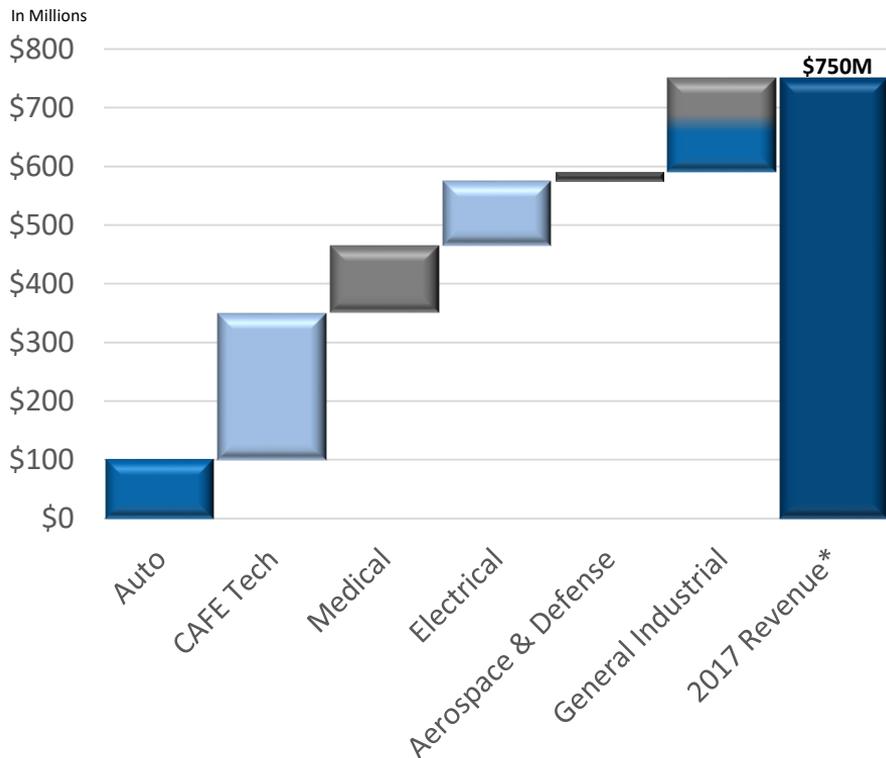
## Medical

- End Market Growth Rate: 5% - 8%
- NN Growth Rate: 7% - 9%

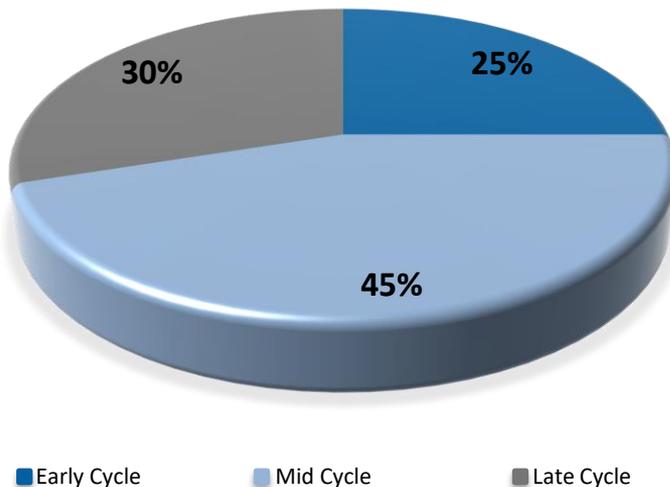


# A Balanced Business – Cyclical Mix

## 2017 Market Segment Revenue\*



## Cyclical Mix

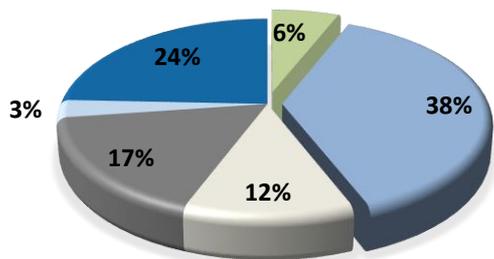




# A Diversified Industrial Business

## End Markets as a % of Revenue\*

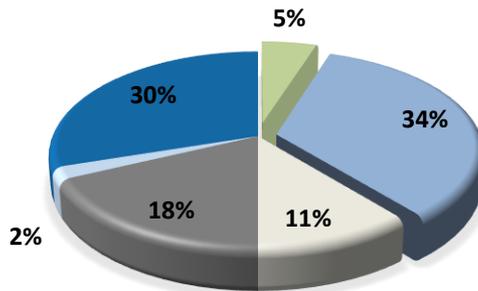
2017



56% Diverse Portfolio

## End Markets as a % of EBITDA\*

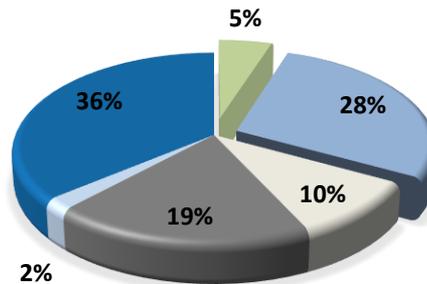
2017



61% Diverse Portfolio

## End Markets as a % of Free Cash Flow\*

2017

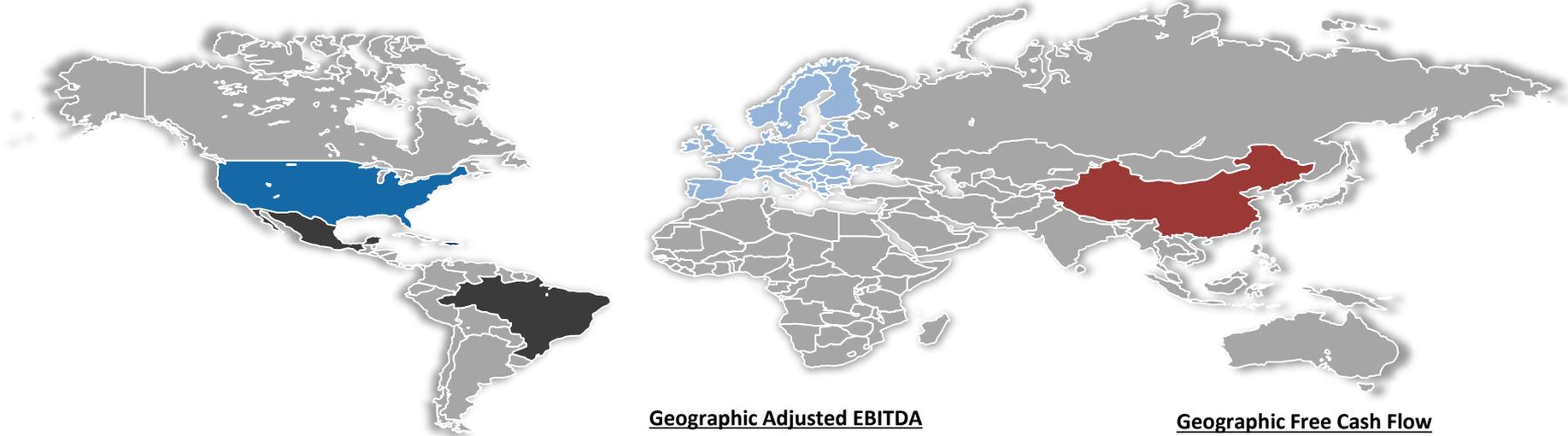


67% Diverse Portfolio

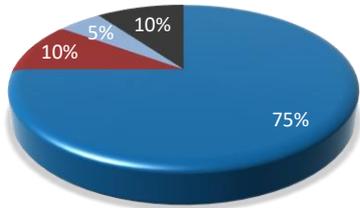
- Aerospace & Defense
- CAFE Technology
- Medical
- Automotive
- Electrical
- General Industrial



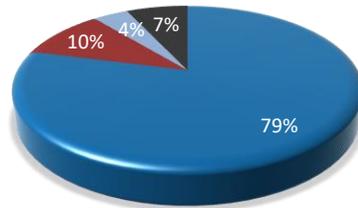
# Strategic Global Footprint



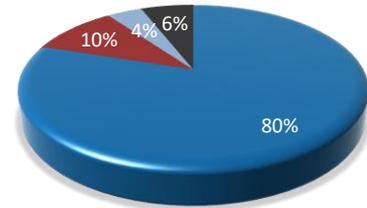
**Geographic Revenue Contribution**



**Geographic Adjusted EBITDA Contribution**



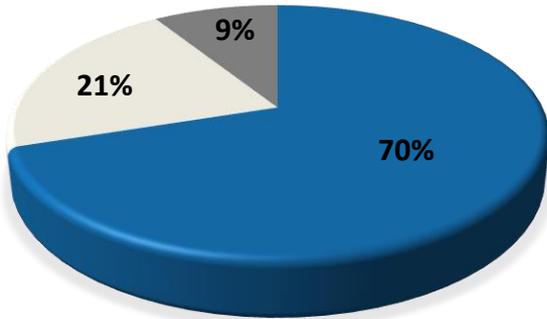
**Geographic Free Cash Flow Contribution**





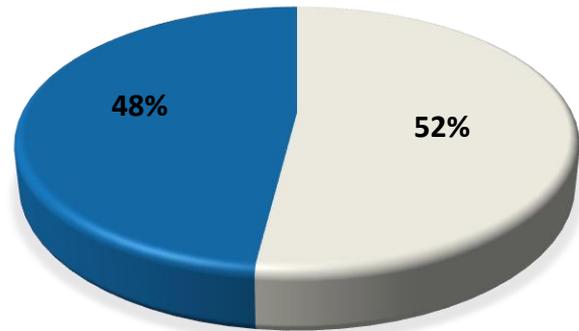
# Balanced Business Groups

**2013**  
Segments as a % of revenue



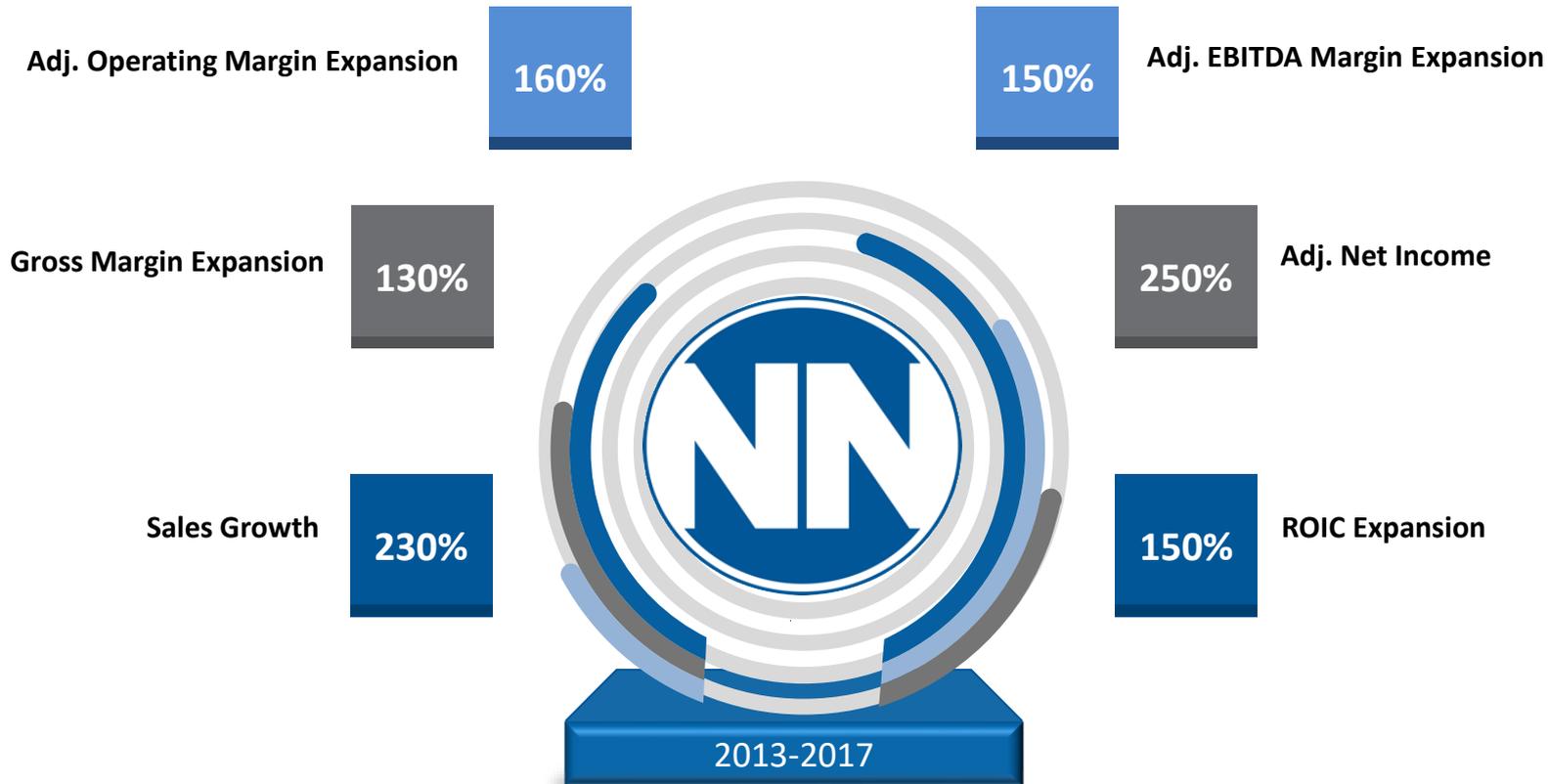
- Metal Bearing Components
- Precision Metal Components
- Plastic & Rubber Components

**2017**  
Segments as a % of revenue\*



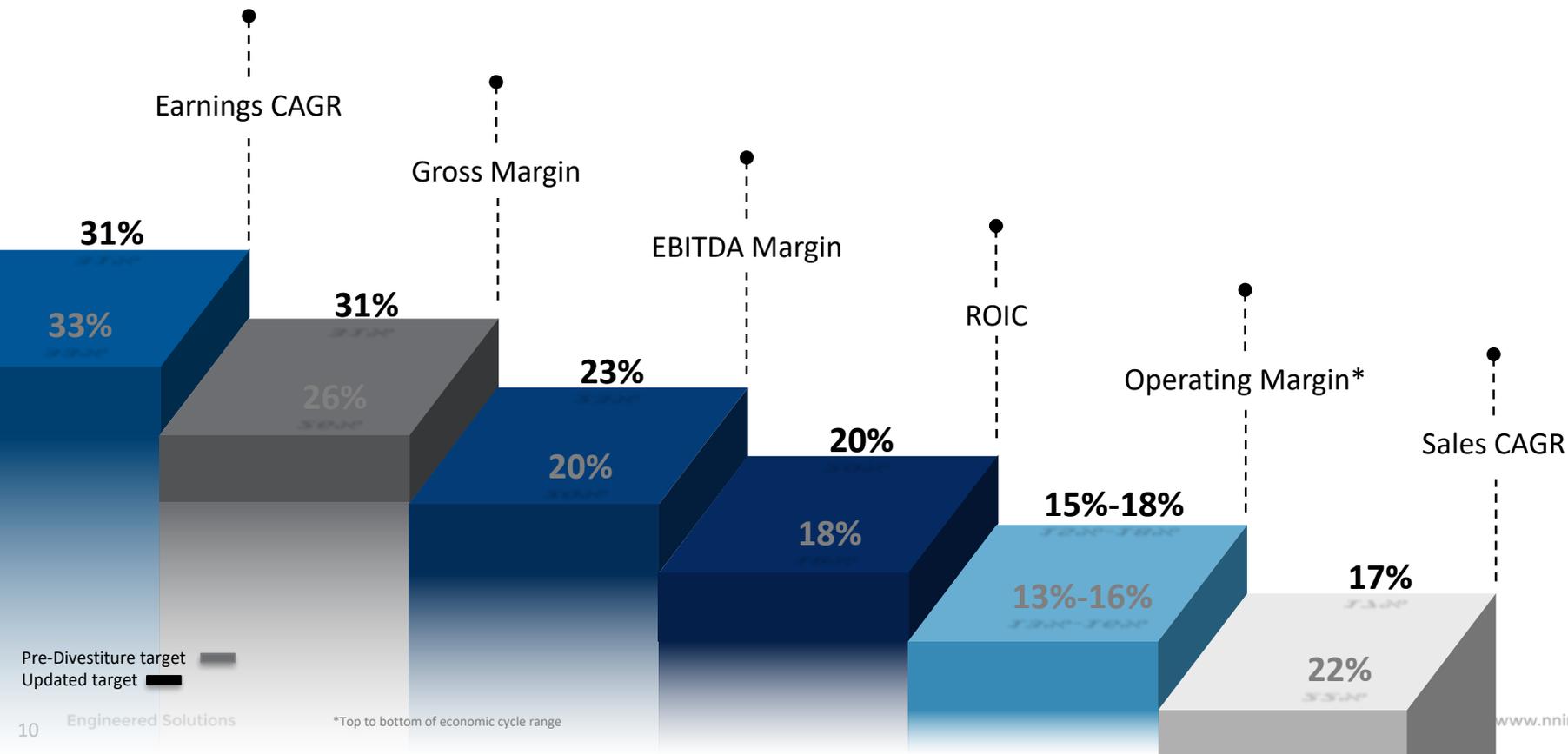


# Strategic Growth and Operating Performance





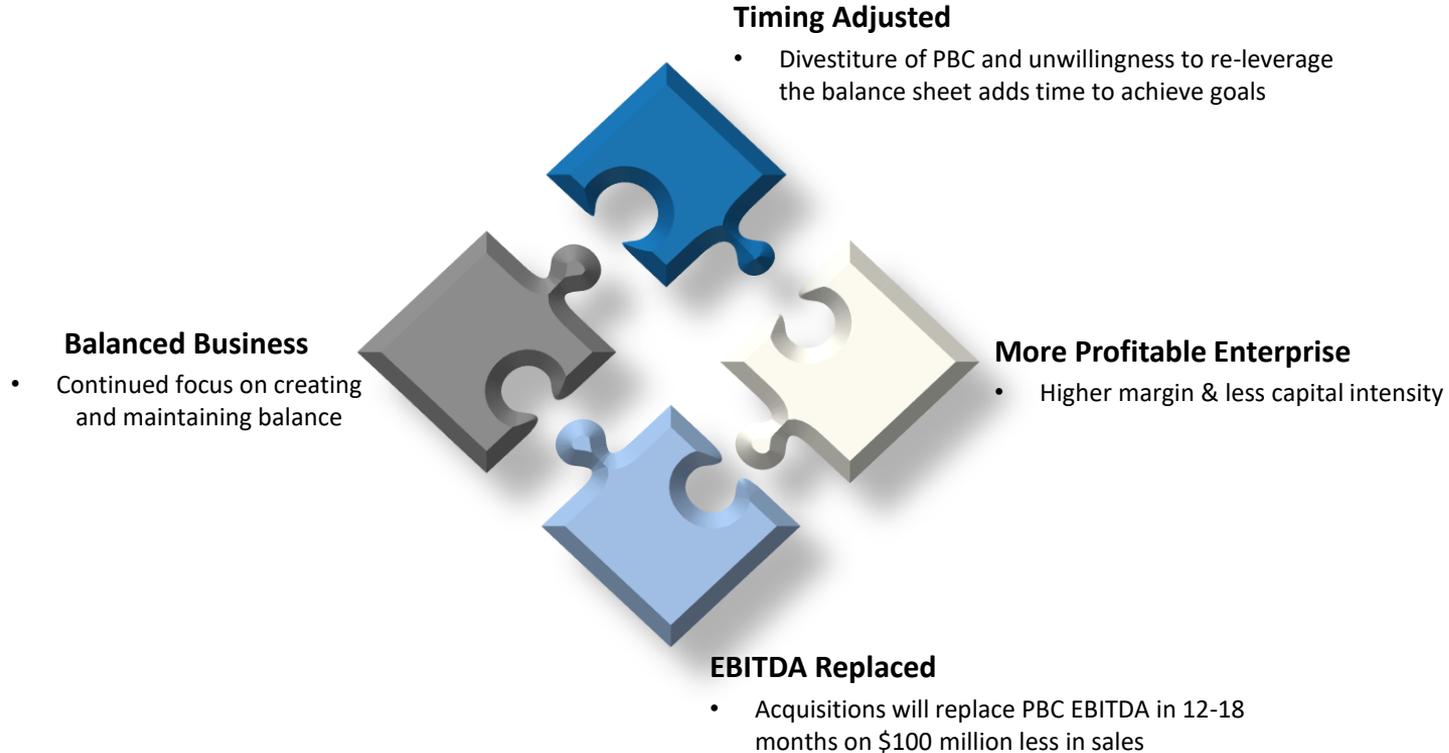
# Updated Strategic Targets – Post Divestiture





# Strategy Remains Unchanged

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# 4<sup>th</sup> Quarter 2017 Guidance

	Third Quarter Actual	Fourth Quarter Guidance	Commentary
<b>Net Sales</b>	\$148.2M	\$152M - \$157.5M	
<b>Adj. Op Margin<sup>(a)</sup></b>	10.4%	10.6% - 11.0%	Reduced manufacturing days in Q4
<b>Adj. EBITDA</b>	\$27.4M	\$28M - \$29M	Continued improvements in the NN Operating System driving expansion
<b>Adj. Diluted EPS<sup>(b)</sup></b>	\$0.29	\$0.30 - \$0.34	Continued investment in new programs and holding SG&A



# 2017 Guidance

	2017 Updated Guidance	Commentary
<b>Net Sales</b>	\$616M - \$621M	Excludes PBC sales for the year 2017
<b>Adj. Operating Margin<sup>(a)</sup></b>	11.6% - 11.7%	Excludes PBC for the entire year. Holding on to infrastructure to support future growth and acquisitions
<b>Adj. EBITDA</b>	\$138M - \$139M	Holding on to infrastructure to support future growth and acquisitions
<b>Adj. Diluted EPS<sup>(b)</sup></b>	\$1.57 - \$1.61	Continued carrying cost of infrastructure
<b>CAPEX</b>	\$35M - \$45M	We continue to invest in growth
<b>Free Cash Flow<sup>1</sup></b>	\$48M - \$51M	Excludes free cashflow post the close of the PBC divestiture

# Engineered Solutions



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Inspired by i**INN**ovation