



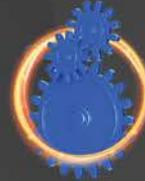
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Fourth Quarter and Full Year 2017 Earnings Release

April 2, 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 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 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.



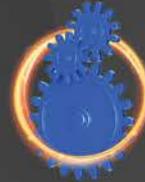
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2017 Full Year Results



Highlights of 2017 Results

- **Sales of \$620M**
 - **Sales growth of \$35 million or 6%**
- **Adjusted Income from continuing operations increased 27% to \$43.0M**
- **Adjusted Diluted Earnings Per Share of \$1.55 vs \$1.25**
- **Free Cash Flow generated for debt repayment of \$43M**
- **Diversification strategy significantly advanced with divesture of PBC segment**
 - **Maintained infrastructure for strategy redeployment**
 - **Redeployed portion of proceeds in acquisition of DRT Medical**



Highlights of 2017

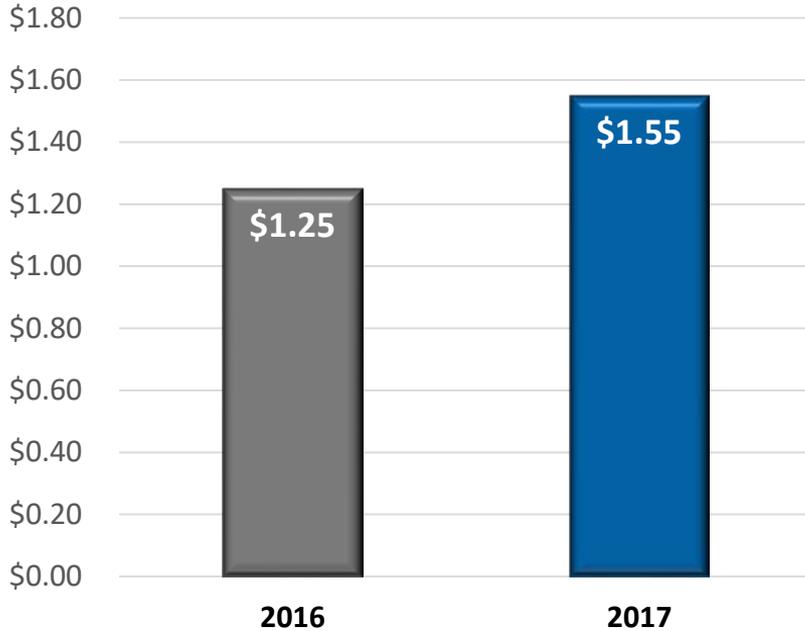
- **Increased program wins required additional investments which impacted margins**
- **Positioned ourselves for significant sales growth in 2018 and 2019**
 - **\$90 million on new sales programs at APC**
 - **\$40 million on new sales programs at PEP**
 - **Expect topline benefit in the second half of 2018 and beyond**
- **Investments undertaken**
 - **Expanding European and Chinese manufacturing facilities and capacity**
 - **Adding west coast and east coast aerospace and defense facilities**
 - **Increasing Brazilian manufacturing capacity**
 - **Enlarging our life sciences clean room and machining capacities**
 - **Engineering prototype facility within customer's design entity**



2017 Financial Summary

Adjusted Diluted Earnings Per Share

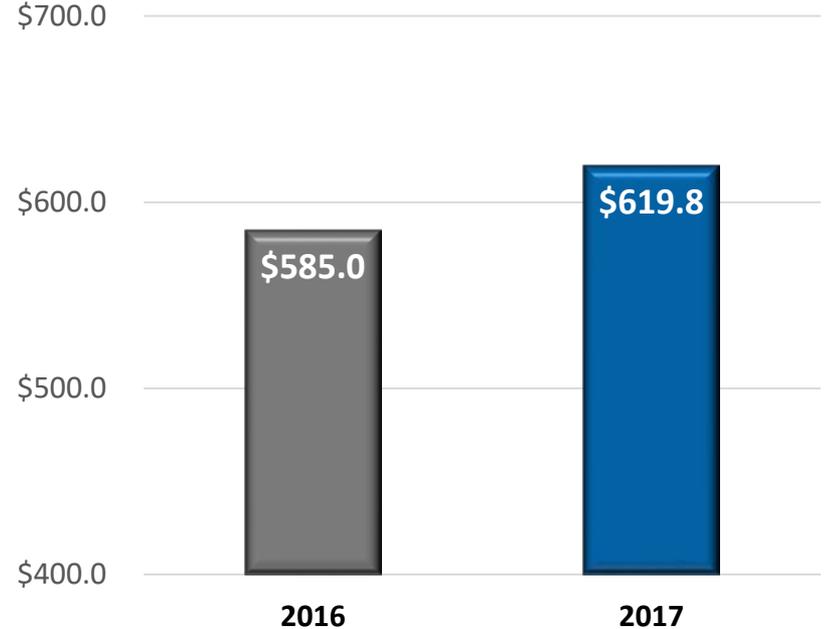
Driven by profit on higher sales and interest costs savings



Net Sales*

6% organic growth

In Millions

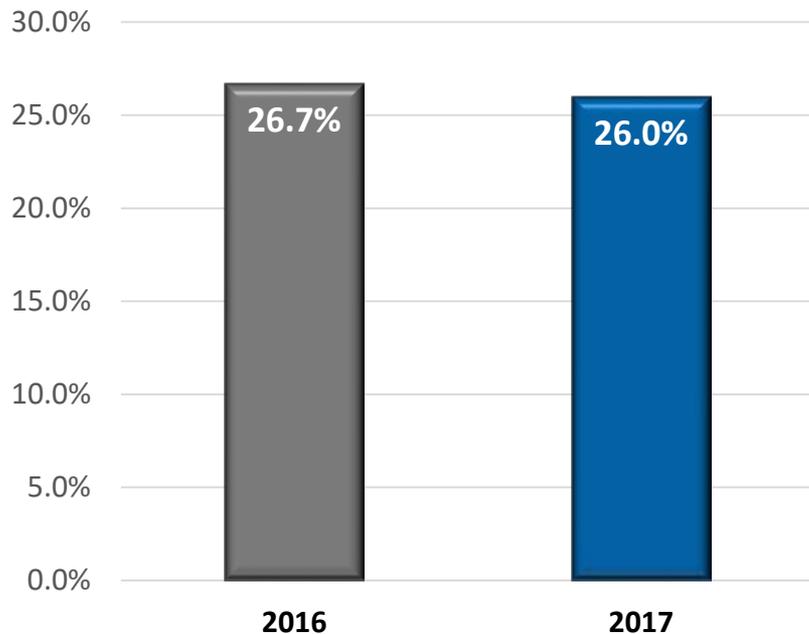




2017 Financial Summary

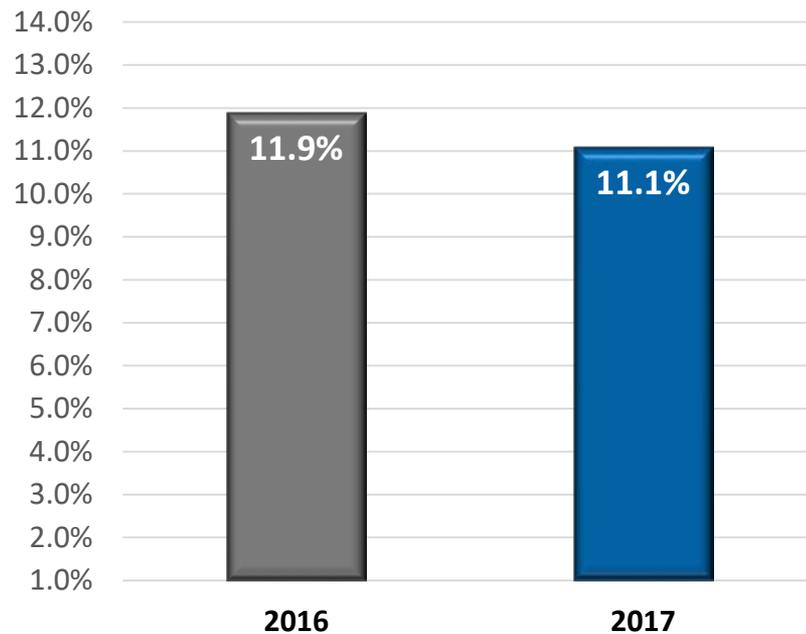
Gross Margin*

Performance as expected (impacted by growth oriented investments)



Adjusted Operating Margin*

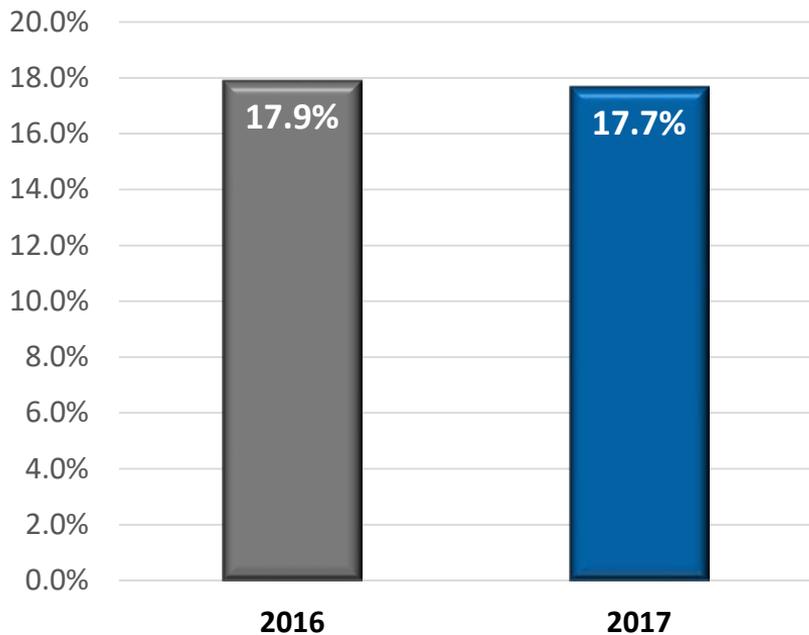
Maintaining infrastructure costs post PBC divestiture impacts margin by 1.1%





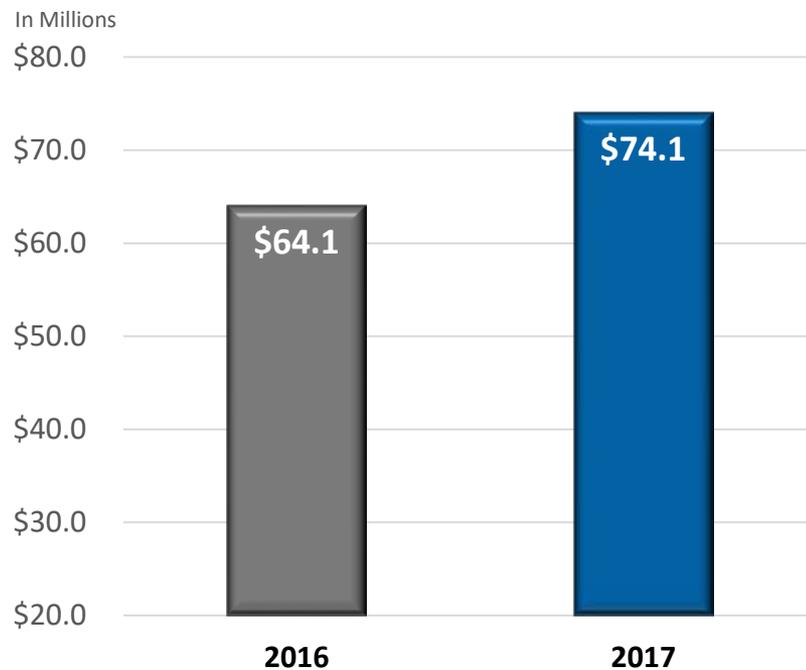
2017 Financial Summary

Adjusted EBITDA Margin*



SG&A*

2017 includes \$5.2M of M&A cost

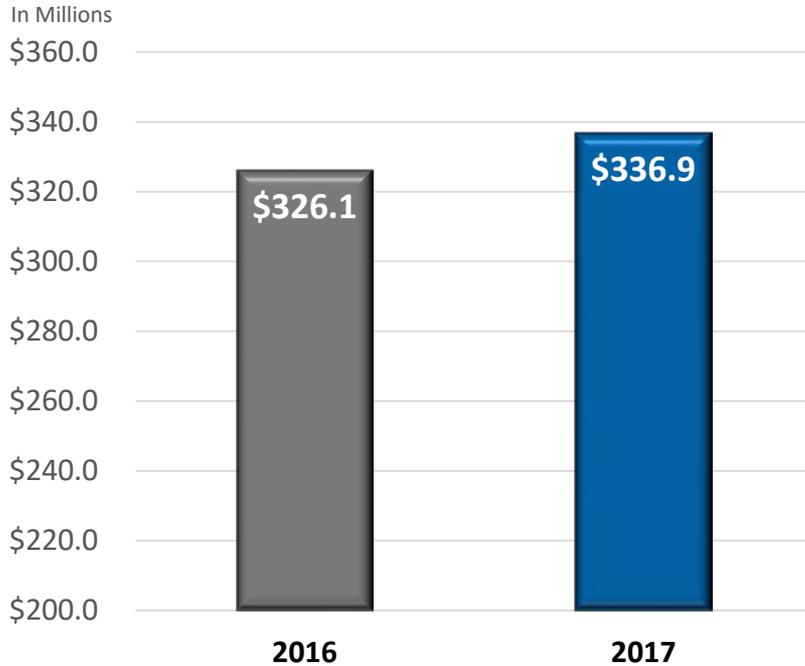




Autocam Precision Components Group

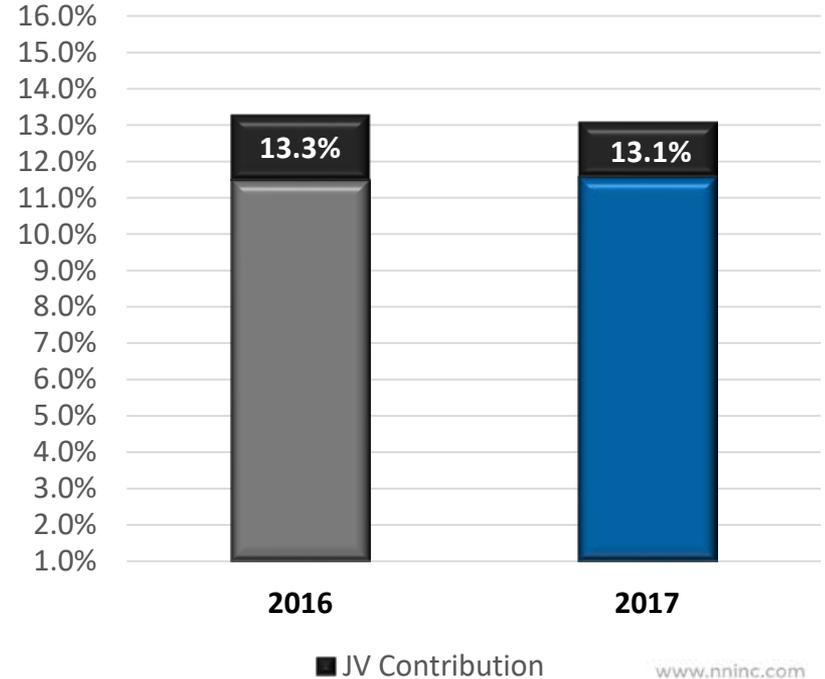
Net Sales

CAFE and industrial growth globally



Adjusted Operating Margin

Impacted by growth oriented investments

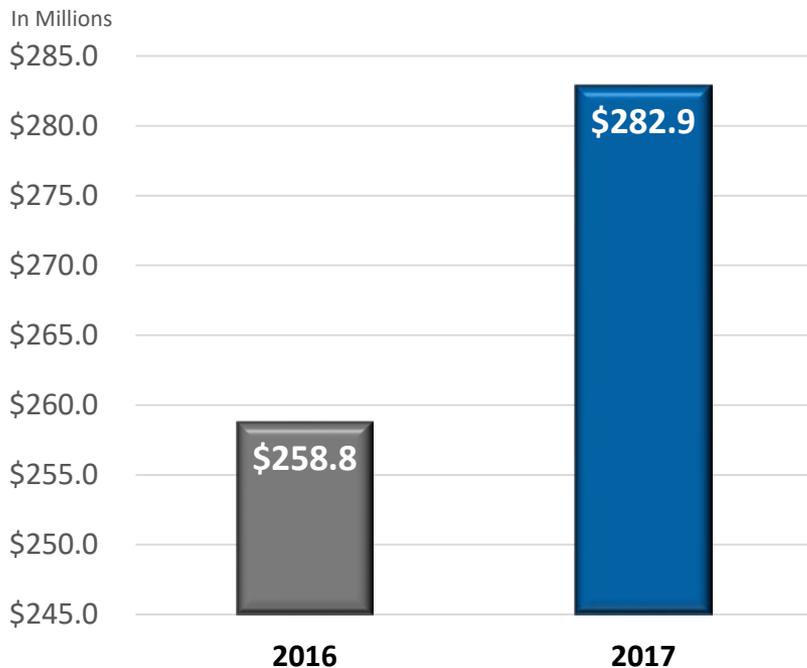




Precision Engineered Products Group

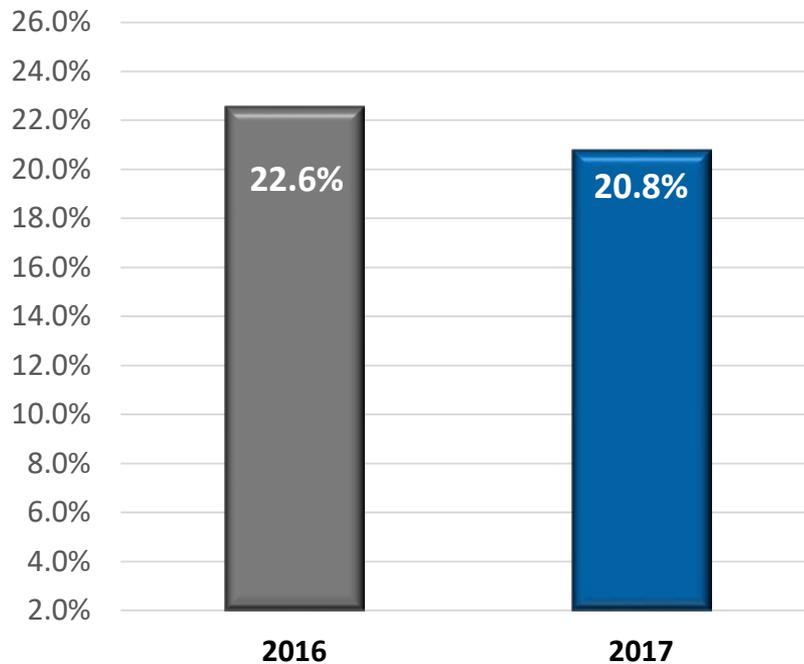
Net Sales

9% increase driven by market growth and share gains of 7% and acquisitive growth of 2%



Adjusted Operating Margin

Profits from sales growth offset by growth oriented investments in new sales programs





2017 Summary

- **Topline growth consistent with strategic objectives for each segment and end market**
- **Diversification strategy significantly advanced with divestiture of PBC segment**
 - **Maintained infrastructure for strategy redeployment**
 - **Redeployed portion of proceeds in acquisition of DRT Medical**
- **Increased program wins required additional investments**
- **Free Cash Flow in line with expectations post PBC divestiture**
- **Readying the enterprise for growth**



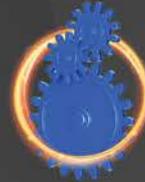
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Q4 2017 Results



Highlights of 4th Quarter 2017

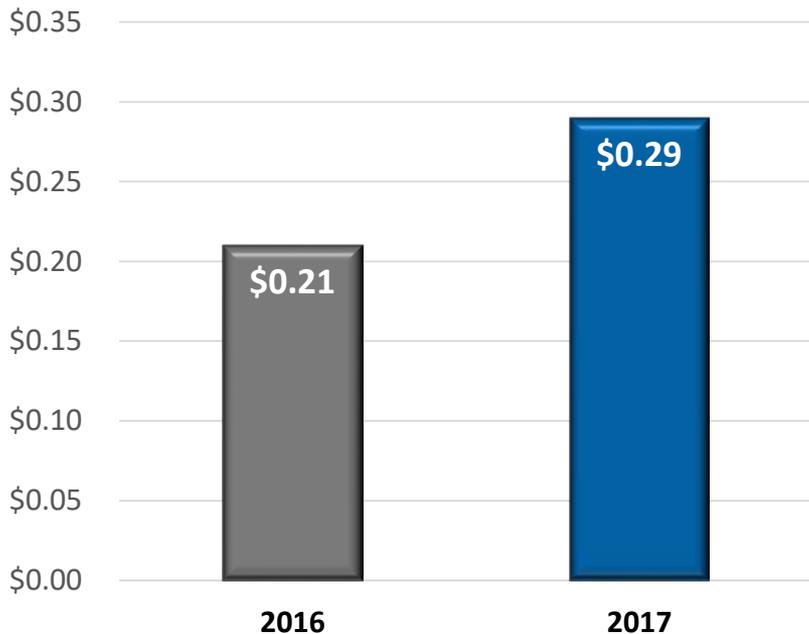
- **Increased program wins required additional investments**
- **Sales of \$156.1M**
 - **Sales growth of 10%**
- **Adjusted Diluted Earnings Per Share of \$0.29**
- **Adjusted EBITDA of \$25M**
- **Acquired DRT Medical in October**
- **Repaid \$8M of debt in the fourth quarter**



4th Quarter 2017 Financial Summary

Adjusted Diluted Earnings Per Share

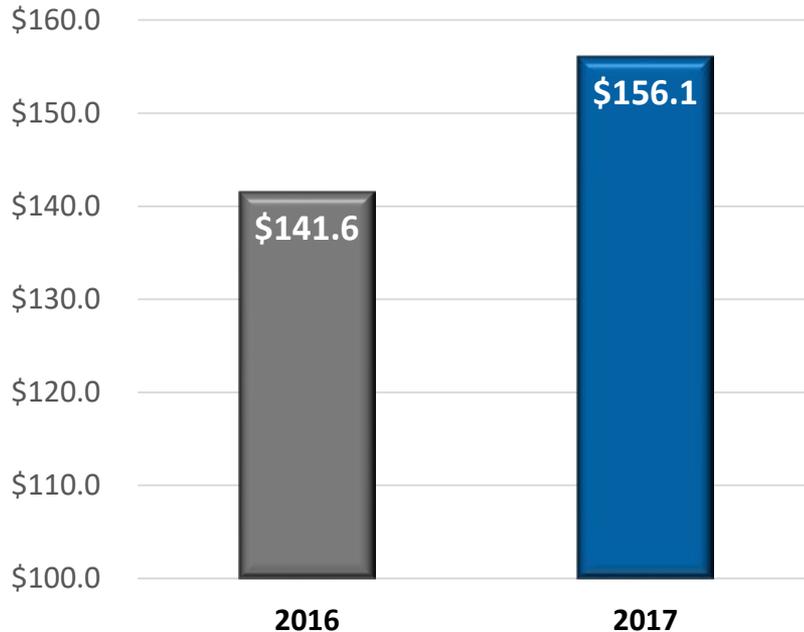
Driven by profit on higher sales and interest costs savings



Net Sales*

10% growth compared to prior year

In Millions



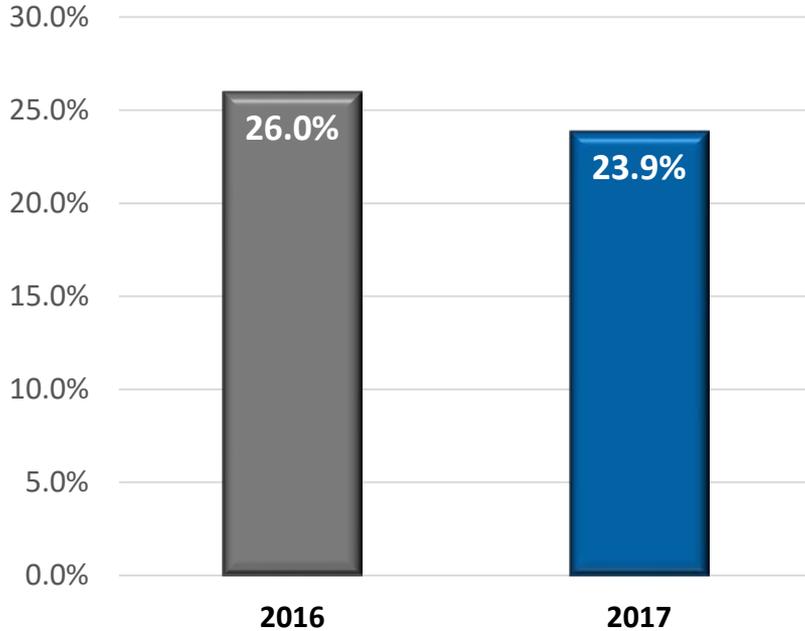
*-Discontinued operations of our former PBC segment excluded



4th Quarter 2017 Financial Summary

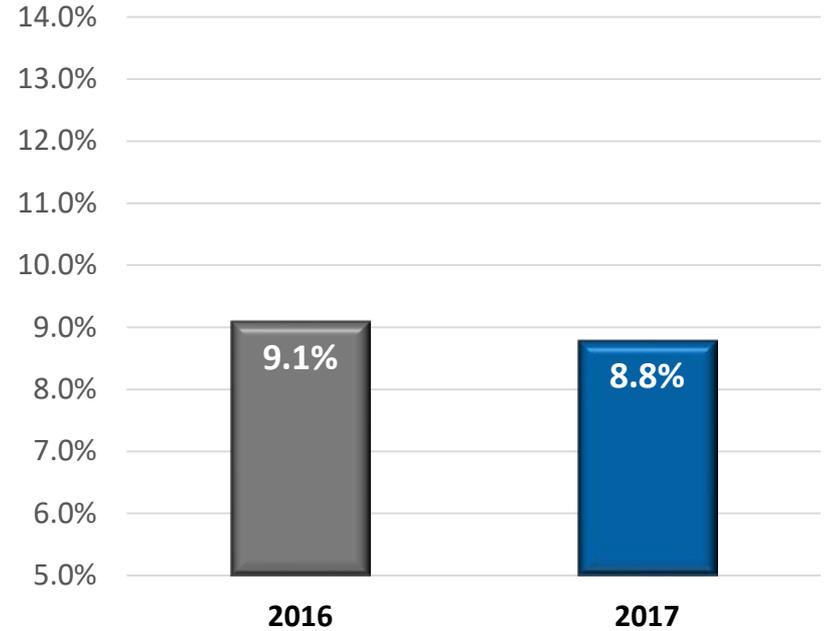
Gross Margin*

Impacted by growth oriented investments in new sales programs



Adjusted Operating Margin*

Impacted by growth oriented investments.
Maintaining infrastructure costs post PBC divestiture impacts margin 1.1%.

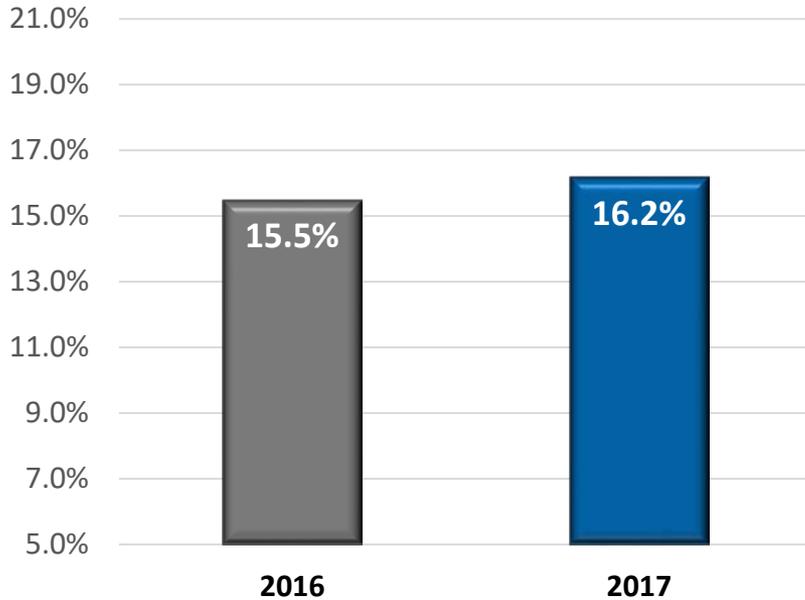




4th Quarter 2017 Financial Summary

Adjusted EBITDA Margin*

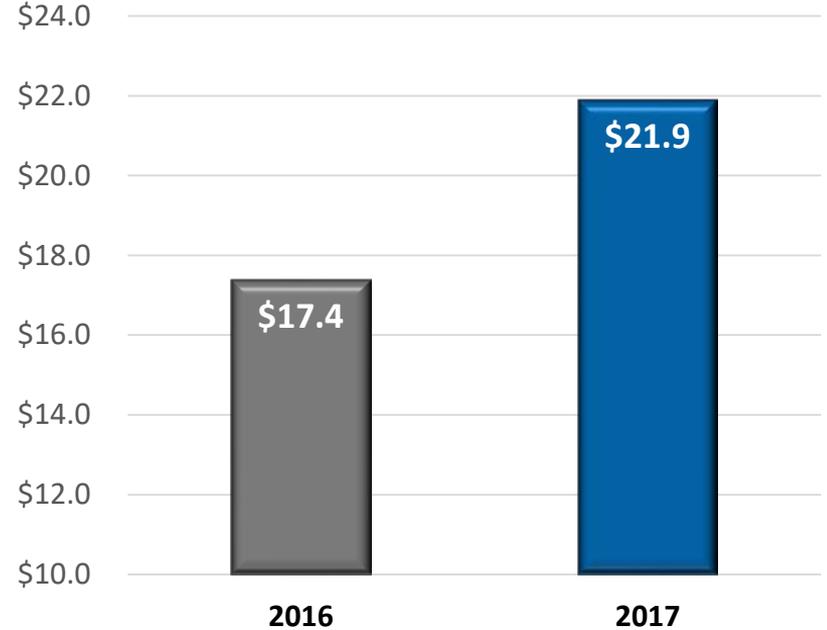
In line with growth oriented investments



SG&A*

Maintaining infrastructure costs

In Millions

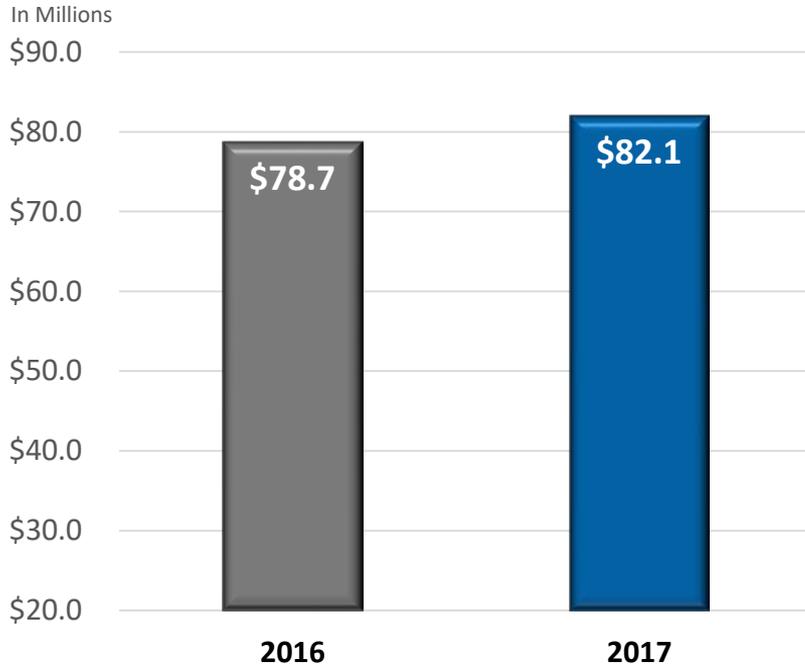




Autocam Precision Components Group

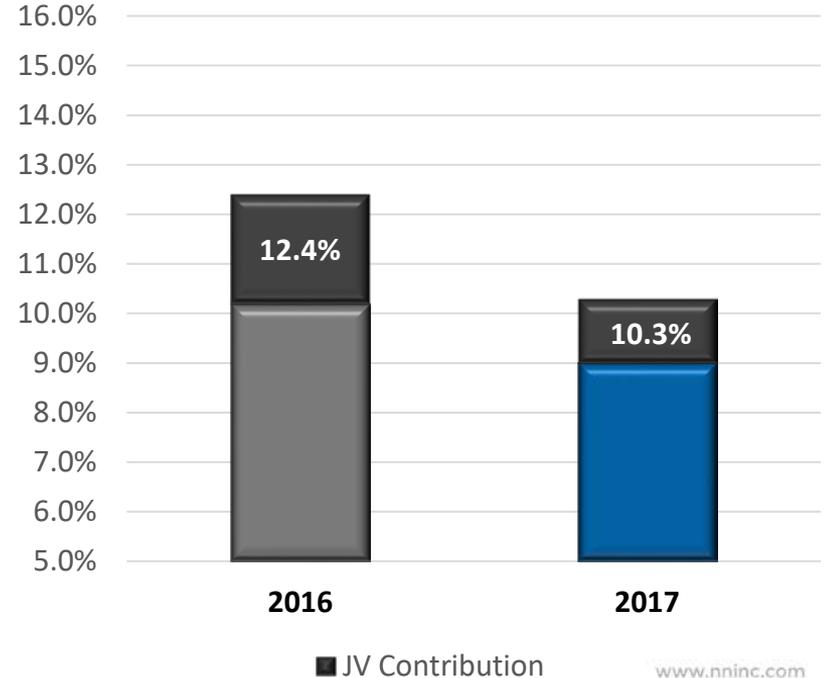
Net Sales

CAFE growth & Industrial market demand drive improvement



Adjusted Operating Margin

Continued investment in new program wins impacts margins in the short term

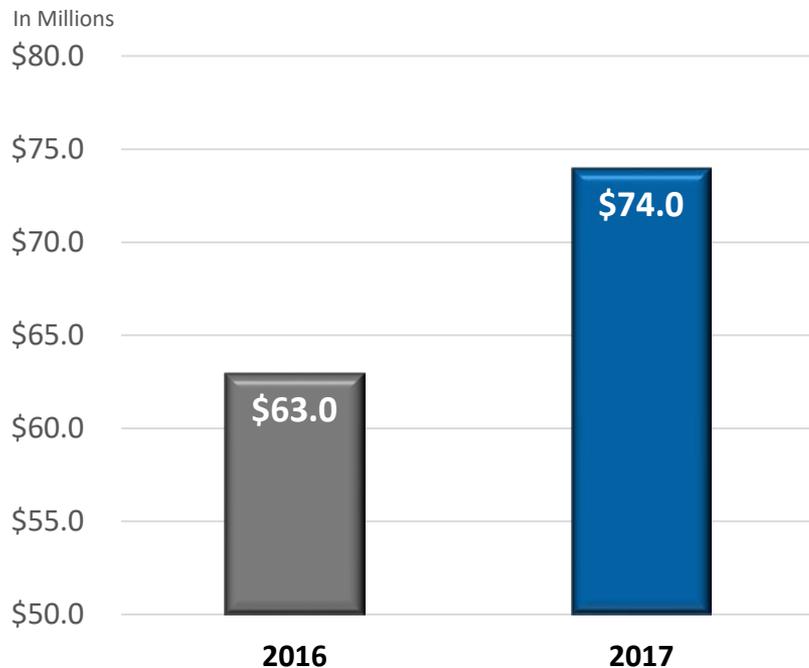




Precision Engineered Products Group

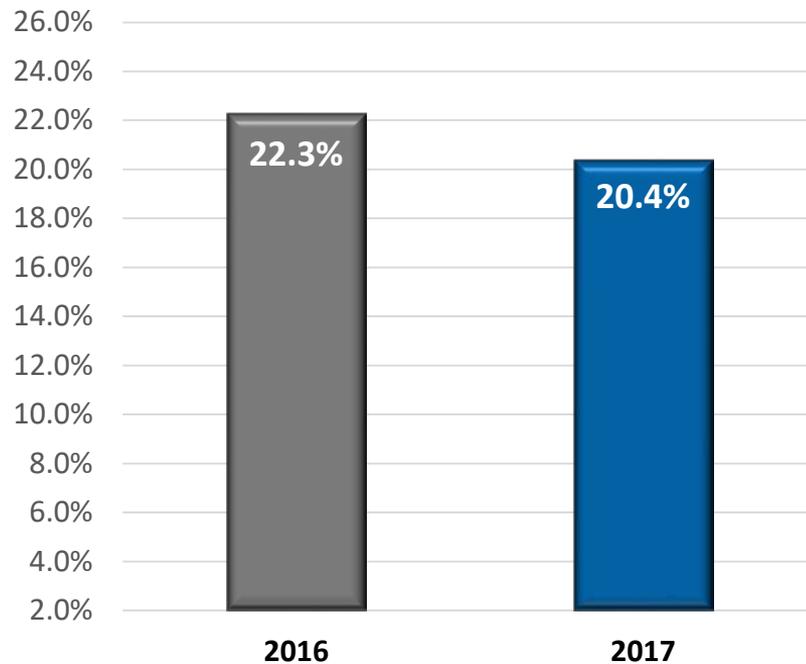
Net Sales

17% growth driven by market growth and share gains of 7% and acquisitive growth of 10%



Adjusted Operating Margin

Profits Impacted by growth oriented investments





4th Quarter Summary

- **Strong organic sales growth and share gains in the quarter**
- **Significant investment in new multi-year program wins**
- **Acquisition of DRT Medical completed in October**
- **Repaid \$8M of debt in the fourth quarter**



1st Quarter 2018 Guidance

	Fourth Quarter 2017 Actual	First Quarter 2018 Guidance	Commentary
Net Sales	\$156.1M	\$164M - \$169M	Mid-single digit growth
Adjusted Operating Margin^(a)	8.8%	11.0% - 11.5%	New program investment cost begin to taper off
Adjusted EBITDA	\$25M	\$28M - \$30M	Maintaining growth on incremental
Adjusted Diluted EPS^(b)	\$0.29	\$0.32- \$0.36	Flex productivity from Growth



2018 Full Year Guidance

	2018 Initial Guidance	Commentary
Net Sales	\$660M - \$690M	Sales growth across the entire portfolio
Adjusted Operating Margin^(a)	11.5% - 12.0%	Maintaining infrastructure to support future growth and acquisitions
Adjusted EBITDA	\$116M - \$123M	
Adjusted Diluted EPS^(b)	\$1.30- 1.50	
CAPEX	\$40M - \$47M	We continue to invest in growth
Free Cash Flow¹	\$25M - \$33M	In line with strategic plan



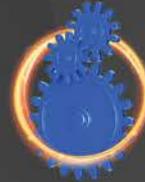
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Reconciliation Tables

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

<i>\$000s</i>	Twelve Months Ended			
	December 31,			
	2017		2016	
NN, Inc. Consolidated				
GAAP income from operations	\$	33,114	\$	34,779
Restructuring and integration expense		386		5,658
Acquisition and transition expense		11,570		3,455
Amortization of intangibles		23,460		25,998
Non-GAAP adjusted income from operations (a)	\$	68,530	\$	69,890
Non-GAAP adjusted operating margin (1)		11.1%		11.9%
GAAP net sales	\$	619,793	\$	584,954

<i>\$000s</i>	Twelve Months Ended			
	December 31,			
	2017		2016	
Precision Engineered Products				
GAAP income from operations	\$	36,711	\$	33,900
Restructuring and integration expense		-		1,318
Acquisition and transition expense		2,048		718
Amortization of intangibles		19,980		22,465
Non-GAAP adjusted income from operations (a)	\$	58,739	\$	58,401
Non-GAAP adjusted operating margin (1)		20.8%		22.6%
GAAP net sales	\$	282,941	\$	258,816

<i>\$000s</i>	Twelve Months Ended			
	December 31,			
	2017		2016	
Autocam Precision Components				
GAAP income from operations	\$	34,405	\$	29,490
Restructuring and integration expense		386		4,340
Acquisition and transition expense		695		-
Amortization of intangibles		3,481		3,533
Share of net income from joint venture		5,211		5,938
Non-GAAP adjusted income from operations (a)	\$	38,967	\$	37,363
Share of net income from joint venture		5,211		5,938
Non-GAAP adjusted income from operations with JV		44,178		43,301
Non-GAAP adjusted operating margin (1)		13.1%		13.3%
GAAP net sales	\$	336,852	\$	326,138

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

Q4 2017 Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Income from Operations

<i>\$000s</i>	Three Months Ended	
	December 31,	
NN, Inc. Consolidated	2017	2016
GAAP income from operations	\$ 1,070	\$ 5,509
Restructuring and integration expense	24	807
Acquisition and transition expense	6,696	744
Amortization of intangibles	5,940	5,837
Non-GAAP adjusted income from operations (a)	<u>\$ 13,730</u>	<u>\$ 12,897</u>
Non-GAAP adjusted operating margin (1)	8.8%	9.1%
GAAP net sales	\$ 156,135	\$ 141,644

<i>\$000s</i>	Three Months Ended	
	December 31,	
Precision Engineered Products	2017	2016
GAAP income from operations	\$ 8,500	\$ 8,086
Restructuring and integration expense	-	398
Acquisition and transition expense	1,548	600
Amortization of intangibles	5,081	4,952
Non-GAAP adjusted income from operations (a)	<u>\$ 15,129</u>	<u>\$ 14,036</u>
Non-GAAP adjusted operating margin (1)	20.4%	22.3%
GAAP net sales	\$ 74,051	\$ 62,979

<i>\$000s</i>	Three Months Ended	
	December 31,	
Autocam Precision Components	2017	2016
GAAP income from operations	\$ 6,318	\$ 6,729
Restructuring and integration expense	24	409
Acquisition and transition expense	195	-
Amortization of intangibles	859	885
Non-GAAP adjusted income from operations (a)	<u>\$ 7,396</u>	<u>\$ 8,023</u>
Share of net income from joint venture	1,072	1,768
Non-GAAP adjusted income from operations with JV	8,468	9,791
Non-GAAP adjusted operating margin (1)	10.3%	12.4%
GAAP net sales	\$ 82,084	\$ 78,665

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

Reconciliation of Income (Loss) from Continuing Operations before taxes to Non-GAAP Adjusted EBITDA

<i>\$000s</i>	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Continuing income (loss) before provision (benefit) for income taxes	\$ (11,497)	\$ (5,896)	\$ (53,662)	\$ (24,928)
Interest expense	12,169	14,162	52,085	62,870
Write-off of unamortized debt issuance cost	2,448	-	42,087	2,589
Write-off of interest rate swap	(87)	(682)	(101)	2,448
Depreciation and amortization	13,400	12,351	52,406	50,721
Acquisition and transition expense	6,696	744	11,570	3,455
Non-cash stock compensation	1,510	490	4,729	3,429
Non-cash foreign exchange (gain)/loss on inter-company loans	559	(14)	258	(1,310)
Restructuring and integration expense	24	807	386	5,658
Non-GAAP adjusted EBITDA (b)	<u>\$ 25,222</u>	<u>\$ 21,962</u>	<u>\$ 109,758</u>	<u>\$ 104,932</u>
Non-GAAP adjusted EBITDA margin (2)	16.2%	15.5%	17.7%	17.9%
GAAP net sales	\$ 156,135	\$ 141,644	\$ 619,741	\$ 584,954
EBITDA from Precision Bearing Components group	-	7,724	25,103	34,660
EBITDA comparable to Q3 annual guidance (3)	<u>\$ 25,222</u>	<u>\$ 29,686</u>	<u>\$ 134,861</u>	<u>\$ 139,592</u>

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

(3) EBITDA comparable = Non-GAAP adjusted EBITDA plus EBITDA from Precision Bearing Components group

Reconciliation of GAAP Income (Loss) from Continuing Operations to Non-GAAP Adjusted Income (Loss) from Continuing Operations with diluted earnings per share

<i>\$000s</i>	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Income (loss) from continuing operations	\$ 53,325	\$ (2,186)	\$ 25,364	\$ (9,490)
Pre-tax acquisition and transition expense	6,696	744	11,570	3,455
Pre-tax foreign exchange (gain)/loss on inter-company loans	559	(14)	258	(1,310)
Pre-tax restructuring and integration expense	24	807	386	5,658
Pre-tax write-off unamortized debt issuance costs	2,448	-	42,087	2,589
Pre-tax write-off interest rate swap	(87)	(682)	(101)	2,448
Pre-tax amortization of intangibles and deferred financing costs	6,779	7,014	27,894	30,712
Pre-tax interest expense on cash held from divestiture	3,720	-	6,160	-
Tax effect of adjustment reflected above (c)	(5,603)	(3,502)	(22,858)	(16,201)
Earnings from Precision Bearing Components group (4)	-	3,629	12,085	16,072
Impact due to Tax Cuts and Jobs Act	(51,823)	-	(51,823)	-
Diversture of Business Segment, exclusive of tax reform	(7,983)	-	(7,983)	-
Non-GAAP adjusted income (loss) from continuing operations (b)	\$ 8,055	\$ 5,810	\$ 43,039	\$ 33,933

<i>Amounts per share, diluted</i>	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Income (loss) from continuing operations	\$ 1.91	\$ (0.08)	\$ 0.91	\$ (0.35)
Pre-tax acquisition and transition expense	0.24	0.03	0.42	0.13
Pre-tax foreign exchange (gain)/loss on inter-company loans	0.02	(0.00)	0.01	(0.05)
Pre-tax restructuring and integration expense	0.00	0.03	0.01	0.21
Pre-tax write-off unamortized debt issuance costs	0.09	-	1.52	0.10
Pre-tax write-off interest rate swap	(0.00)	(0.03)	(0.00)	0.09
Pre-tax amortization of intangibles and deferred financing costs	0.24	0.26	1.00	1.13
Pre-tax interest expense on cash held from divestiture	0.13	-	0.22	-
Tax effect of adjustment reflected above (c)	(0.20)	(0.13)	(0.82)	(0.59)
Earnings from Precision Bearing Components group (4)	-	0.13	0.44	0.59
Impact due to Tax Cuts and Jobs Act	(1.86)	-	(1.87)	-
Diversture of Business Segment, exclusive of tax reform	(0.29)	-	(0.29)	-
Non-GAAP adjusted income (loss) from continuing operations per share (b)	\$ 0.29	\$ 0.21	\$ 1.55	\$ 1.25
Weighted average shares outstanding, diluted	27,925	27,241	27,755	27,241

(4) Reflects Precision Bearing Components group earnings for the period January 1 - August 16, 2017 and actual 2016 earnings

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

	Three Months Ended March 31, 2018				
	Low		High		
	\$'000	% of Sales	\$'000	% of Sales	
GAAP net income	\$ 2,140	1.3%	\$ 2,994	1.8%	
Provision (benefit) for income taxes	(70)	(0.0%)	300	0.2%	
Interest expense	11,663	7.1%	11,663	6.9%	
Write-off of unamortized debt issuance cost	-	0.0%	-	0.0%	
Write-off of interest rate swap	-	0.0%	-	0.0%	
Depreciation and amortization	13,628	8.3%	13,628	8.1%	
Acquisition and transition expense	-	0.0%	-	0.0%	
Non-cash stock compensation	1,125	0.7%	1,125	0.7%	
Non-cash foreign exchange (gain)/loss on inter-company loans	-	0.0%	-	0.0%	
Restructuring and integration expense	-	0.0%	-	0.0%	
Non-GAAP adjusted EBITDA (b)	\$ 28,486	17.4%	\$ 29,710	17.6%	
Non-GAAP adjusted EBITDA margin (2)		17.4%		17.6%	
GAAP net sales	\$	164,000	\$	169,000	

	Twelve Months Ended December 31, 2018				
	Low		High		
	\$'000	% of Sales	\$'000	% of Sales	
GAAP net income	\$ 10,454	1.6%	\$ 15,428	2.2%	
Provision (benefit) for income taxes	(1,368)	(0.2%)	(49)	(0.0%)	
Interest expense	46,581	7.1%	46,581	6.8%	
Write-off of unamortized debt issuance cost	-	0.0%	-	0.0%	
Write-off of interest rate swap	-	0.0%	-	0.0%	
Depreciation and amortization	55,408	8.4%	56,901	8.2%	
Acquisition and transition expense	-	0.0%	-	0.0%	
Non-cash stock compensation	4,500	0.7%	4,500	0.7%	
Non-cash foreign exchange (gain)/loss on inter-company loans	-	0.0%	-	0.0%	
Restructuring and integration expense	-	0.0%	-	0.0%	
Non-GAAP adjusted EBITDA (b)	\$ 115,575	17.5%	\$ 123,361	17.9%	
Non-GAAP adjusted EBITDA margin (2)		17.5%		17.9%	
GAAP net sales	\$	660,000	\$	690,000	

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

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

	Three Months Ended March 31, 2018			
	Low		High	
	\$'000	% of Sales	\$'000	% of Sales
GAAP income from operations	\$ 12,250	7.5%	\$ 13,624	8.1%
Restructuring and integration expense	-	0.0%	-	0.0%
Acquisition and transition expense	-	0.0%	-	0.0%
Amortization of intangibles	5,852	3.6%	5,852	3.5%
Non-GAAP adjusted income from operations (a)	\$ 18,102	11.0%	\$ 19,476	11.5%
GAAP net sales	\$	164,000	\$	169,000

	Twelve Months Ended December 31, 2018			
	Low		High	
	\$'000	% of Sales	\$'000	% of Sales
GAAP income from operations	\$ 52,173	7.9%	\$ 59,269	8.6%
Restructuring and integration expense	-	0.0%	-	0.0%
Acquisition and transition expense	-	0.0%	-	0.0%
Amortization of intangibles	23,408	3.5%	23,408	3.4%
Non-GAAP adjusted income from operations (a)	\$ 75,581	11.5%	\$ 82,677	12.0%
GAAP net sales	\$	660,000	\$	690,000

Guidance - Non-GAAP Free Cash Flow

	Twelve Months Ended December 31, 2018	
	Low	High
	\$'000	\$'000
EBITDA	\$ 115,575	\$ 123,361
CAPEX	(40,000)	(47,000)
Interest expense	(42,581)	(42,581)
Dividends	(7,600)	(7,600)
Income tax expense	1,368	49
Working capital	(1,762)	6,771
	-	-
Non-GAAP free cash flow	<u>\$ 25,000</u>	<u>\$ 33,000</u>



Non-GAAP Financial Measures Footnotes

The Company discloses in this presentation the non-GAAP financial measures of adjusted income from operations and adjusted income (loss) from continuing operations, adjusted EBITDA, adjusted net income and free cash flow for debt repayment. Each of these non-GAAP financial measures provide supplementary information about certain non-operating charges incurred during the period. Such as 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 seven acquisitions, two 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 such as, the write-off of our interest rate swap, are excluded as the charges on not indicative of our ongoing operating cost. We believe the presentation of adjusted income from operations and adjusted income (loss) from continuing operations 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, divestiture and integration costs, 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 income (loss) from continuing operations, adjusted to include income taxes, interest expense, depreciation and amortization, charges related to acquisition and integration costs, and non-cash stock compensation expense, when applicable, share of joint venture net income. 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) Non-GAAP adjusted income (loss) from segment operations, represents GAAP income (loss) from continuing operations, 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, and foreign exchange gain (loss) on inter-company loans. 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.
- (d) This line item reflects the aggregate tax effect of all nontax adjustments reflected in the table above. In addition, the footnotes above indicate 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.