



## **NN, Inc. Announces Closure of Manufacturing Facility in Irvine, California**

October 13, 2022

CHARLOTTE, N.C., Oct. 13, 2022 (GLOBE NEWSWIRE) -- NN, Inc. (NASDAQ: NNBR), a diversified industrial company, today announced that it will close its manufacturing facility in Irvine, California. The decision is part of NN's strategic shift to focus on organic growth opportunities in the rapidly growing electric vehicle and electric infrastructure markets, and its ongoing efforts to optimize the Company's manufacturing footprint and improve profitability and cash flow generation. NN has initiated a total of five plant closures in 2022 and expects to complete all closures by March 2023.

The closure of the Irvine facility follows the closure of the Company's Taunton, Massachusetts facility announced in February 2022. Both the Irvine and Taunton facilities served the Aerospace, Defense and Medical (AD&M) markets. NN expects to relocate the production of most of its medical related business to other NN facilities.

"As we continue our ongoing initiatives to improve our overall cost structure and optimize our operational footprint, NN thoroughly evaluated a number of potential alternatives to address the under-utilization of our AD&M facilities and their respective impact to our profitability and free cash flow. After a thorough review, consistent with our assessment of the Taunton facility, we concluded that the rationalization of the Irvine facility represents the best option to achieve our long-term strategic objectives. With this decision, we expect to complete the closure by the first quarter of 2023," said Warren Veltman, President and Chief Executive Officer of NN.

Mike Felcher, NN Senior Vice President and CFO, commented, "We remain committed to improving NN's financial results and driving enhanced free cash flow generation while maintaining the strength of our balance sheet and liquidity to invest in long-term growth initiatives. Through the first six months of 2022, the under-utilization of the Irvine and Taunton facilities resulted in an operating loss of \$5.6 million which included approximately \$1.1 million of depreciation. By rationalizing our manufacturing footprint, we believe that this will improve both our near-term and long-term financial results as we look forward to 2023."

The closure of the Irvine plant will affect approximately 55 salaried and hourly employees. NN expects to incur costs of approximately \$1 million for employee severance and equipment relocation related to the closure. In addition, the Company expects to sublease the facility upon exit which may result in additional costs. In instances where employees are not offered employment at another NN manufacturing facility, support will be provided in terms of transition and employee assistance.

About NN, Inc.

NN, Inc., a diversified industrial company, combines advanced engineering and production capabilities with in-depth materials science expertise to design and manufacture high-precision components and assemblies for a variety of markets on a global basis. Headquartered in Charlotte, North Carolina, NN has 30 facilities in North America, Europe, South America, and Asia.

Except for specific historical information, many of the matters discussed in this presentation 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," "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, including, but not limited to, inflation, rising interest rates and labor shortages; the impacts of the COVID-19 pandemic on the Company's 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; supply chain shortages and disruptions; economic, social, political and geopolitical instability, currency fluctuation, and other risks of doing business outside of the United States; 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; 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 or failing to recognize the expected benefits of divestitures; new laws and governmental regulations; the impact of climate change on our operations; cyber liability or potential liability for breaches of our or our service providers' information technology systems or business operations disruptions; and other risk factors and cautionary statements listed from time-to-time in our period reports filed with the Securities and Exchange Commission. We disclaim 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.

For additional information concerning such risk factors and cautionary statements, please see the section titled "Risk Factors" in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2022. Except as required by law, we undertake no obligation to update or revise any forward-looking statements we make in our press releases, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION:

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