



Key Banc Industrials Conference

May 27, 2015



Forward-Looking Statement & Disclosure

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, risks of capacity underutilization, quality issues, availability of raw materials, currency 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, 2014.

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.

This presentation includes certain non-GAAP measures as defined by SEC rules. A reconciliation of those measures to the most directly comparable GAAP equivalent is provided at the end of this presentation.



Company Overview



Building a Diversified Industrial

Our Strategy...

- Focus on a high precision portfolio and outgrowing end markets
- Build a balanced business that earns through the cycle
- Invest in and develop transformational technology
- Develop a fully integrated operating system that supports all of our businesses



History

- **Founded in 1980**
- **Began as a ball & roller manufacturer**
- **Growth lead to IPO in 1994 (Nasdaq: NNBR)**
- **First strategic acquisition completed in 1999**
- **Five new Board Appointments since 2012**
- **New President & CEO in 2013, key management retained**

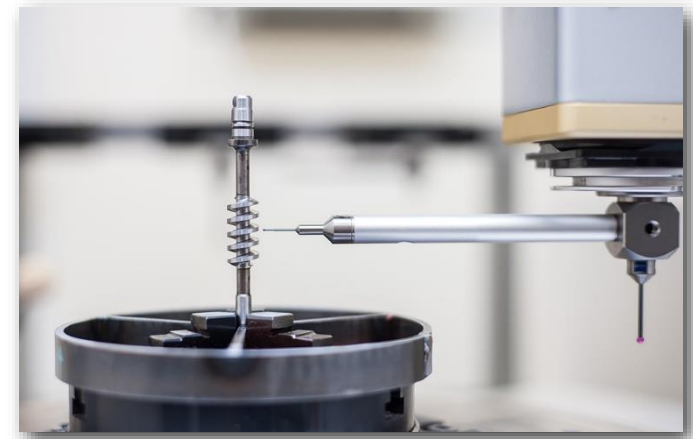


1980	1999	2000	2001	2003		2006	2014			
NN founded In Erwin, TN	Industrial Molding Corporation	Euroball	Delta Rubber Company	Veenendaal	Slovakia	Whirlaway Corporation	VS Industries	RFK	Chelsea Grinding	Autocam



Today

- **2015 revenue guidance of \$670M - \$690M**
- **Global reach, local depth**
- **Top 3 globally in both bearing components, and precision metal components**
- **25 manufacturing facilities with operations in 10 countries**
- **4,200 employees**
- **Design of the NN Operating System**
- **Enhanced management bandwidth & functional leadership**
- **Three R&D Centers around the globe**
- **Supplying to diversified end markets in over 30 countries**

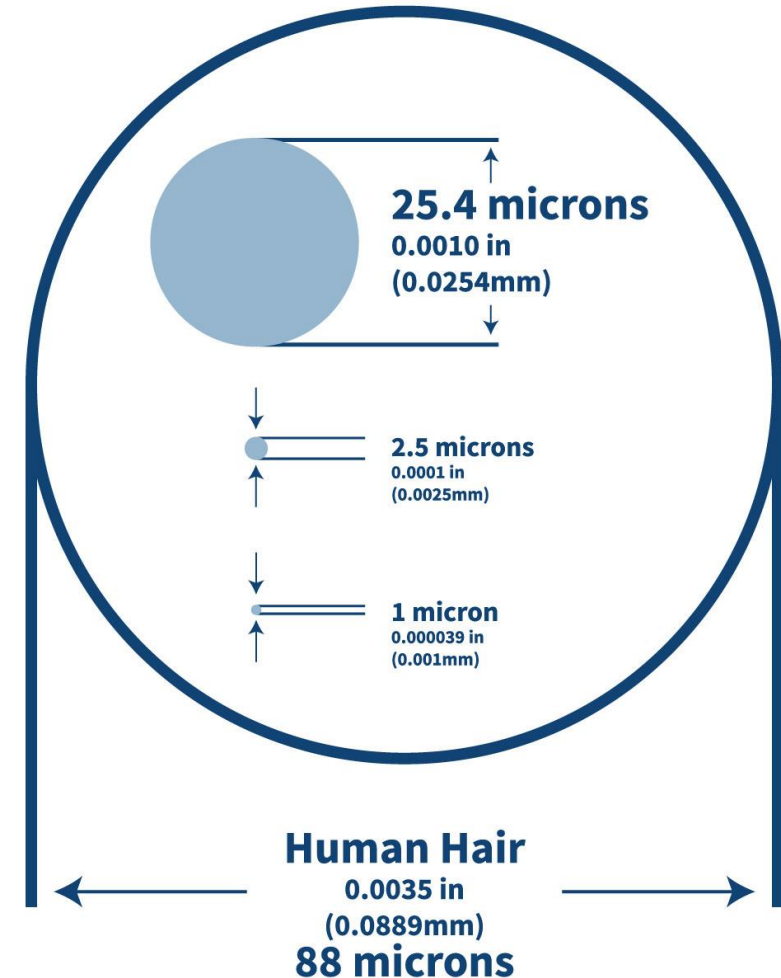


The fundamentals of our plan have not changed. We will continue to deliver on our commitments.



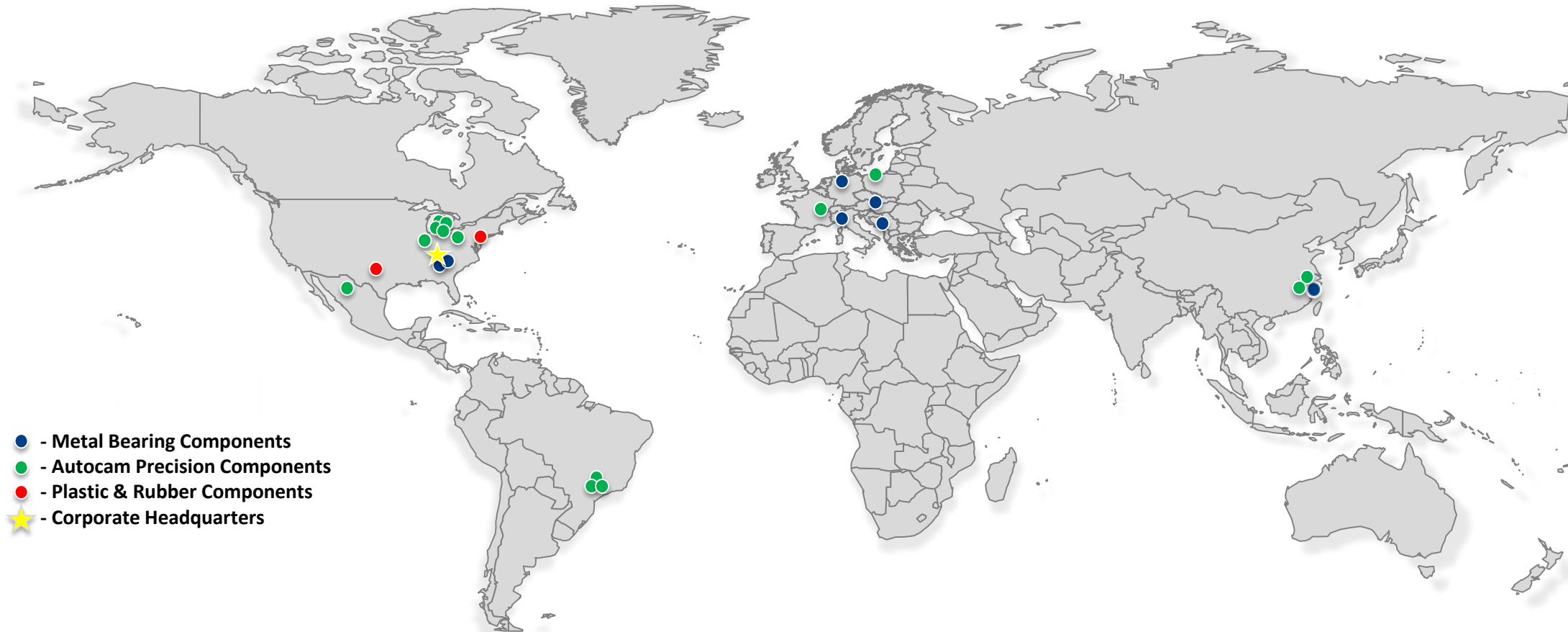
Value Proposition

- High precision manufacturing
- Operating tolerances of <1 micron
- Specialty machine building and in-house tooling leading to significant competitive advantages – trade secrets
- Application specific customer design
- Repeatable high volume global manufacturing in millions of parts per day
- Zero defect process design, extendable to additional industry platforms
- Total product life cycle
- Significant proprietary knowledge and trade secrets





Global Footprint



25 High Precision Manufacturing Facilities on Four Continents



Customer Profile

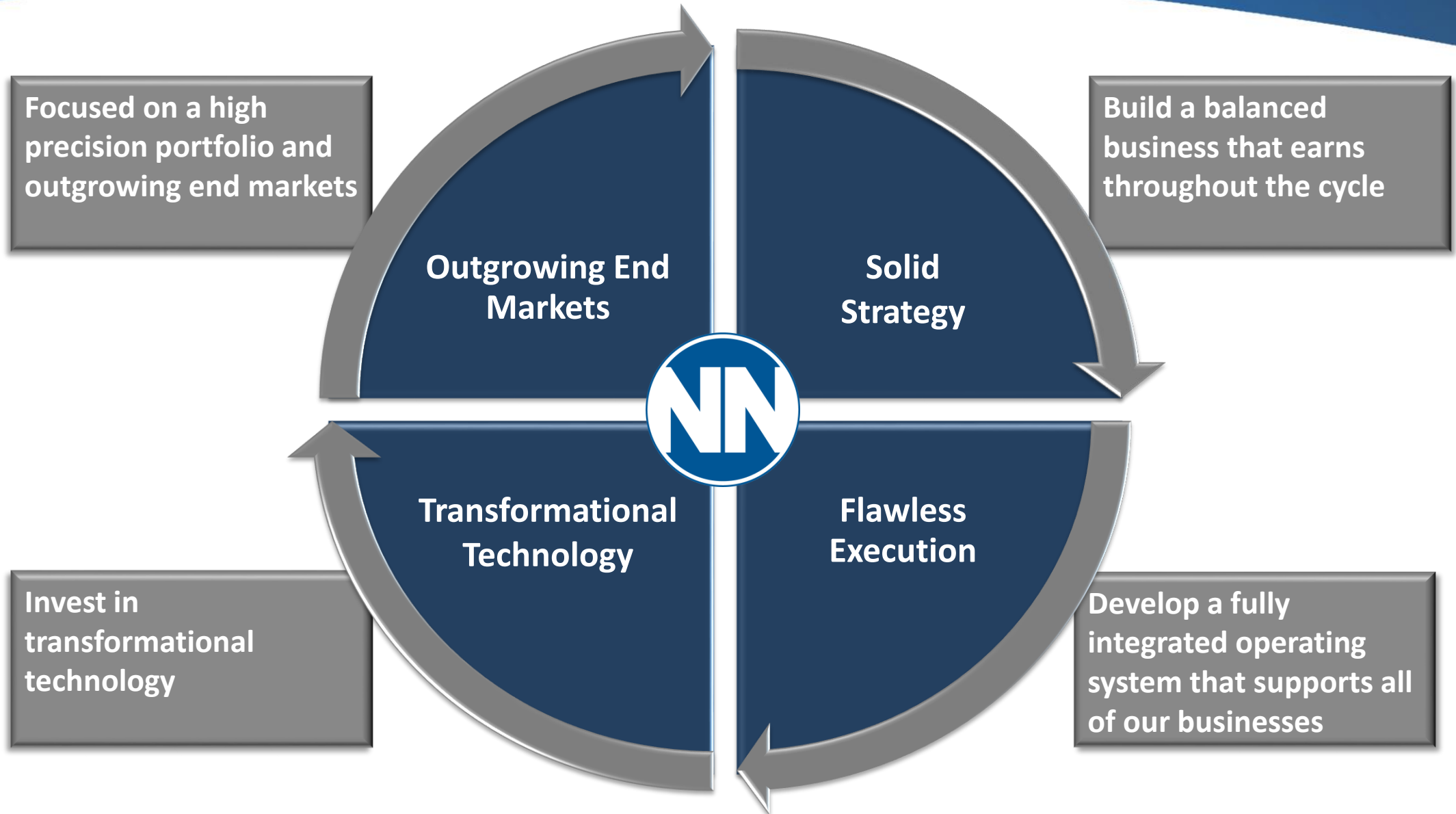




Moving Forward

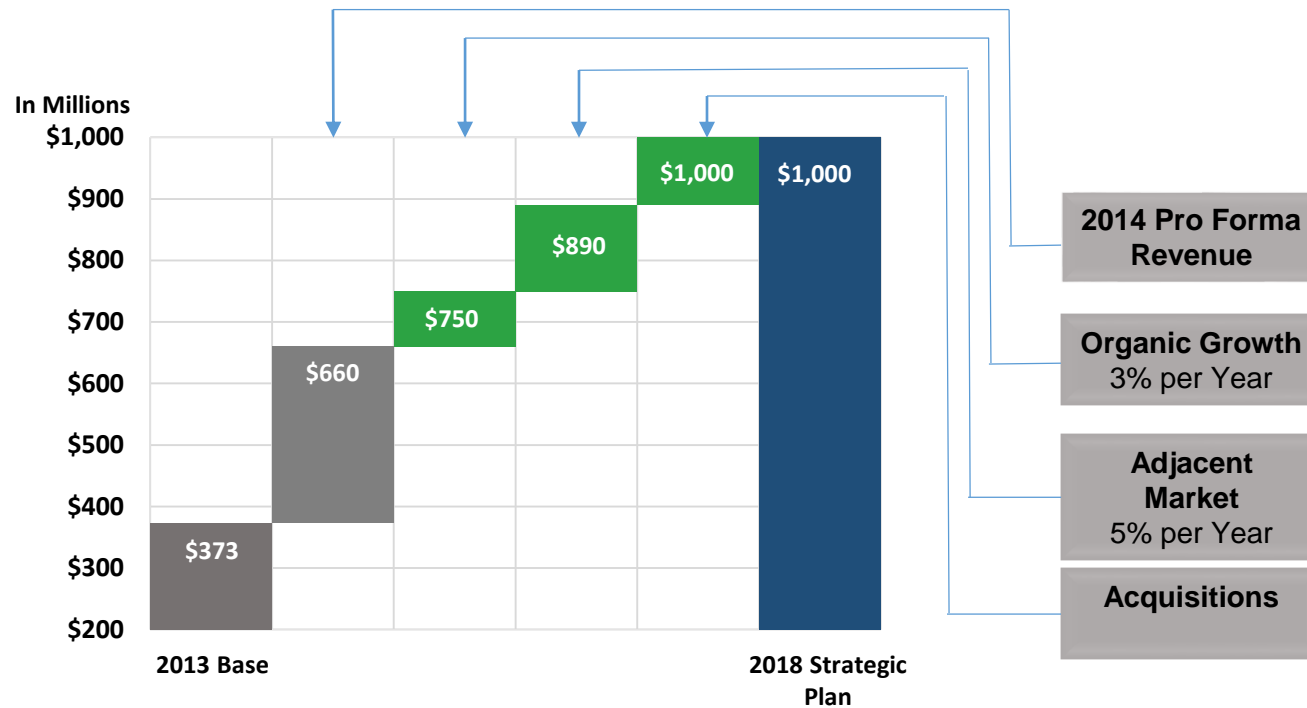


Building a Diversified Industrial





Road to \$1 Billion



Outpace the Market with Expanded Focus and Investment

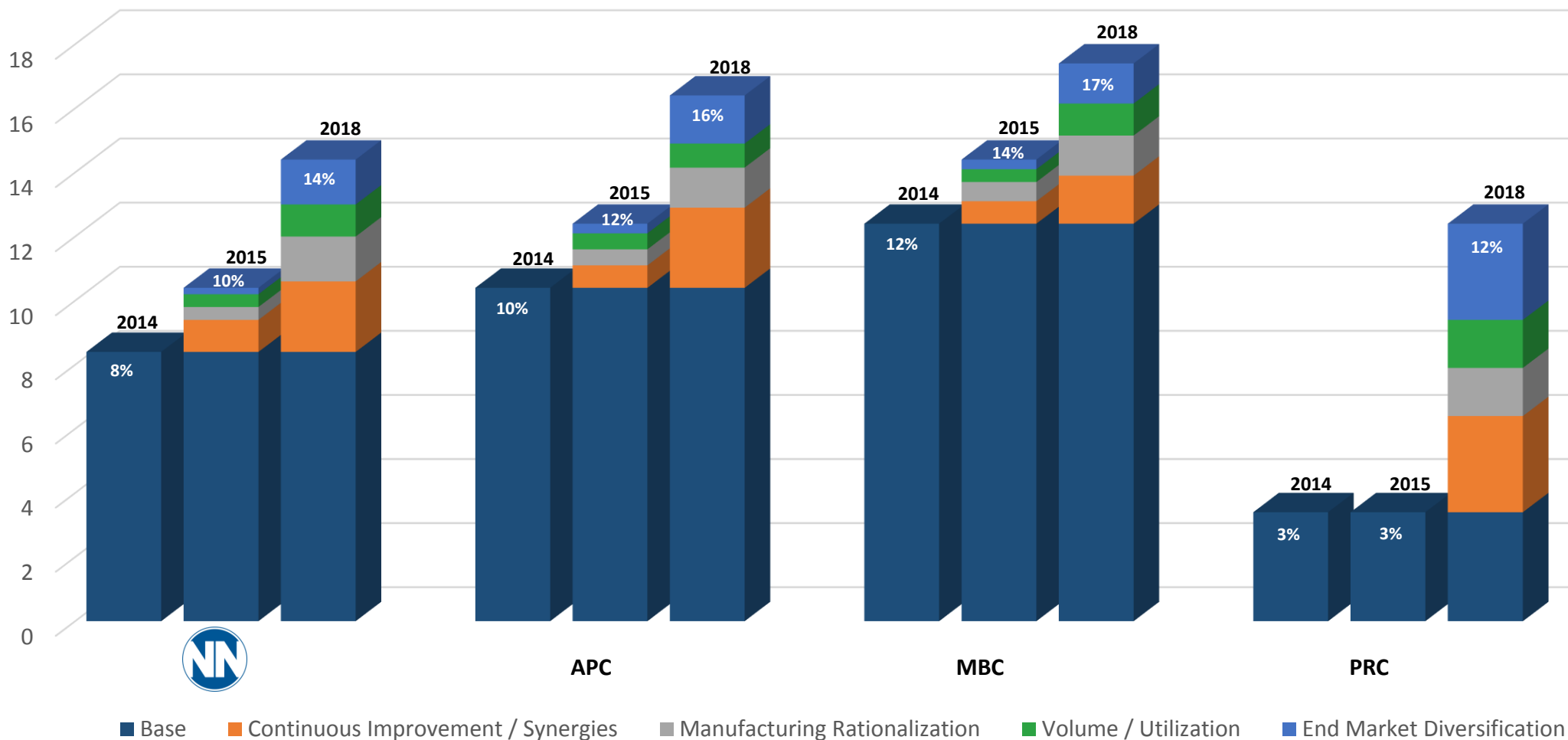
\$1+ billion in revenue

- ~\$110 million planned acquisitions
- ~\$230 million from organic and adjacent market growth based
- Enhanced R&D and market presence

NN will be growing revenue 270% and EPS 400% over the Strategic Plan years



Expanding Operating Margins



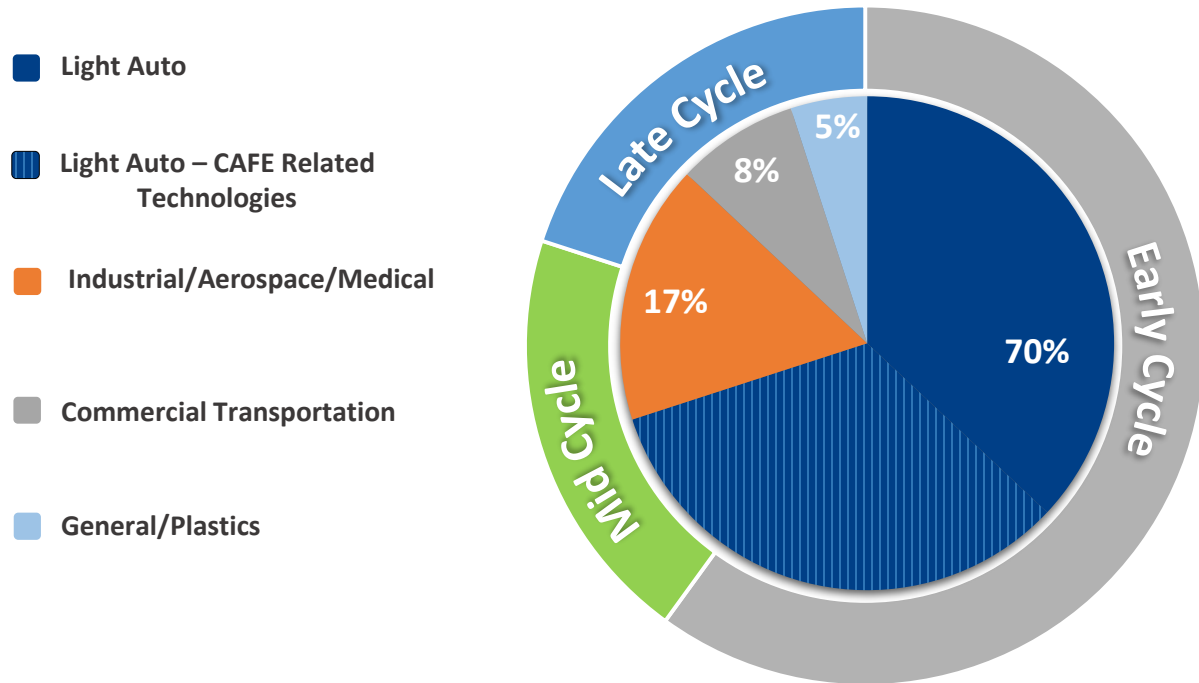
All percentages rounded to the nearest whole number:
2014 Adjusted Operating Margin, 2015 Forecasted Adjusted Operating Margin



Today & Future Vision – End Markets

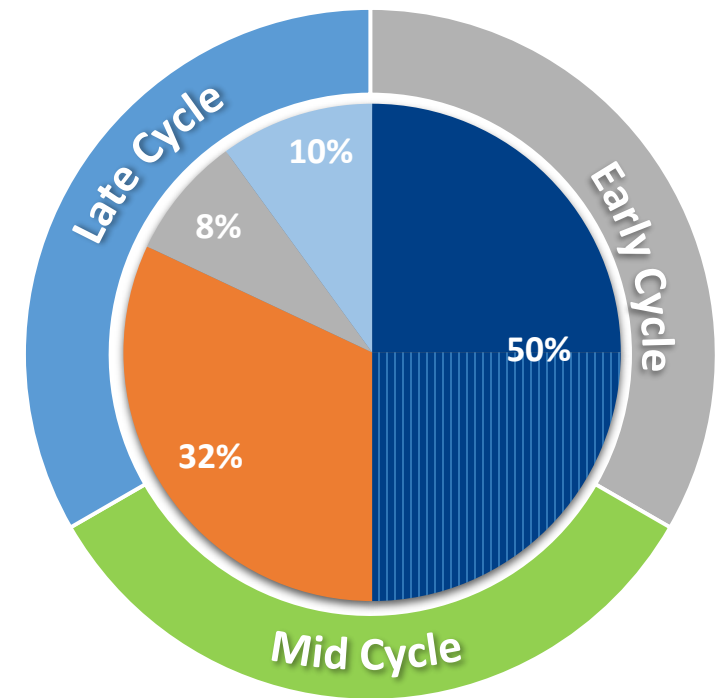
2014

Revenue = \$660M*



2018

Revenue = \$1B

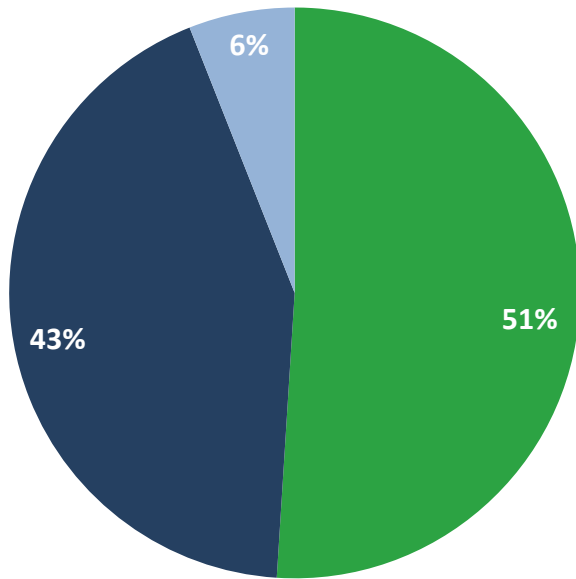


Building a balanced business that earns throughout the cycle

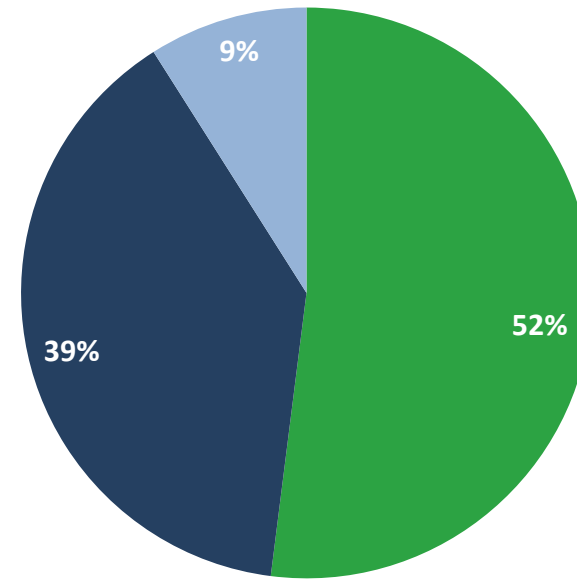


Today & Future Vision – Segment Mix

2014
Revenue = \$660M*



2018
Revenue = \$1B



■ Autocam Precision Components

■ Plastic & Rubber Components

■ Metal Bearing Components

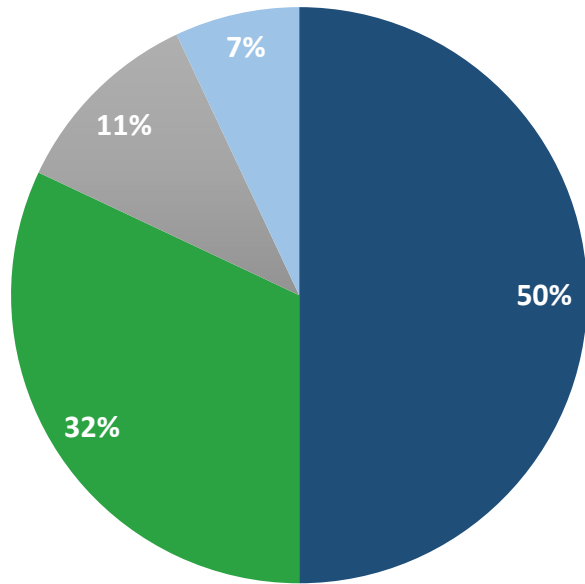
Segment mix continues to improve as our revenues continue to grow

* 2014 Full Year Pro Forma Revenue including acquisitions

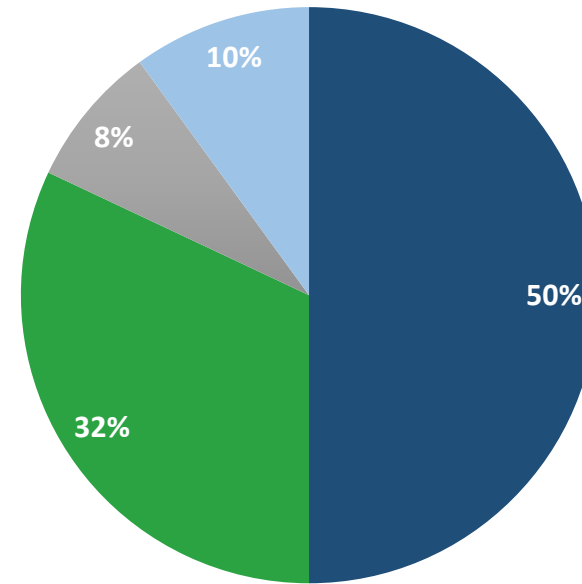


Today & Future Vision – Geographic Mix

2014
Revenue = \$660M*



2018
Revenue = \$1B



■ North America ■ Europe ■ South America ■ Asia

Geographic balances remains a strength through the strategic period

* 2014 Full Year Pro Forma Revenue including acquisitions



Financial Strategy / Policy

- **Build upon a strong, global operating platform while maintaining financial strength and flexibility**
- **Financial policy:**
 - **Maintain healthy leverage over business cycles and strategic growth period: Debt to EBITDA 2.0x – 3.0x, < 4.0x at peak**
 - **Cash flow priorities:**
 - 1) **Debt repayment to achieve target leverage**
 - 2) **Capex to achieve operational excellence and growth**
 - 3) **Stable common dividends to shareholders (< 20% free cash flow)**
 - 4) **Strategic acquisitions financed by debt and equity issuance to maintain leverage target**
- **Generate above-market-average revenue growth and capture market share in key areas of new technology over Strategic Plan period**
 - **Improve market mix by decreasing auto exposure from 70% to 50%**
 - **Increase industrial /aerospace/medical offerings in existing product lines**
- **Expand segment gross and operating margins (optimize mix, operational improvement, cost reductions)**
- **Continue to invest in R&D**
- **Continue to pursue selective strategic acquisitions to diversify end markets and expand global reach, within leverage targets**



Peer Comparison

We have made significant progress against other DIs...

Metric	Rank among comparable S/Mid-Cap DIs		Δ Rank
	2012 - 13	2013 - 14	
Sales Growth	8	1	+7
Adjusted Operating Margin	8	5	+3
Return on Equity	8	5	+3
Total Return	10	1	+9
P/E Ratio	5	6	-1

...but we remain undervalued to our peers



Appendix

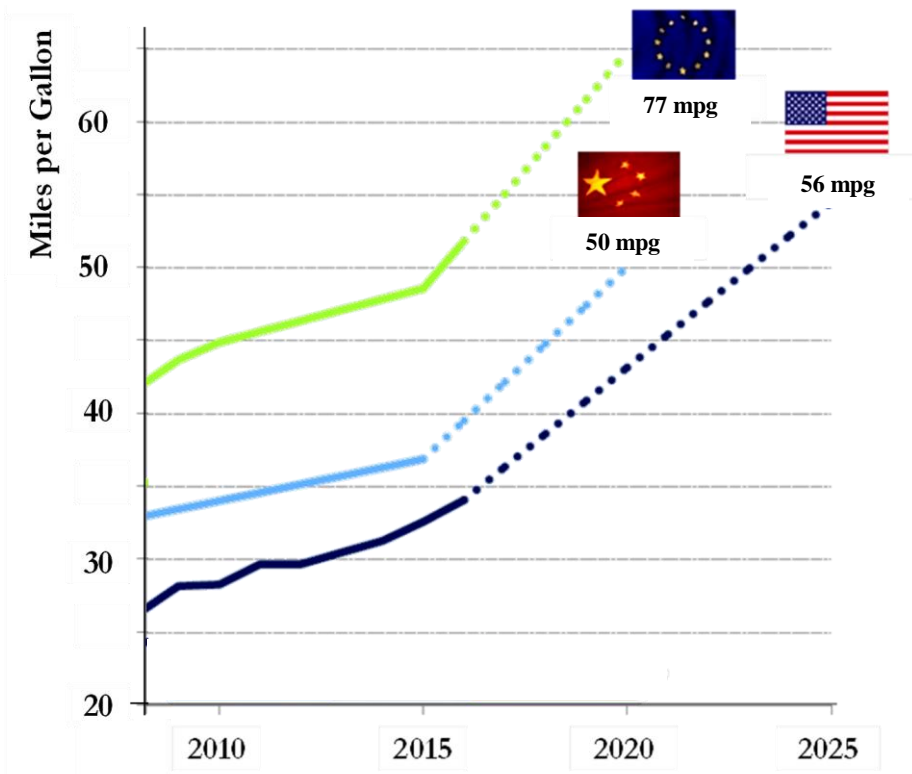


autocam
Precision Components Group



Macro Trend: CAFE Standards

Global Fuel Efficiency Standards



- U.S. fuel efficiency requirements increase from 35 MPG in 2014 to 56 MPG in 2025 → 60% higher
- The EU's 2020 requirement of 77 MPG is ~40% higher than the U.S. same-year requirement
- China and Japan will both require fuel efficiency to reach 50 MPG or above by 2020
- Rapidly increasing standards are driving OEMs to accelerate new technology development

Technology	Increase in Fuel Efficiency
Direct fuel Injection / High Pressure Diesel	15-30%
Multi-Speed Transmissions (6-9 gears)	5-10%
Variable Valve Timing / Variable Cam Timing	4-6%
Electric Power Steering	1 mpg



Target Segments: Fuel Saving Technologies



GDI



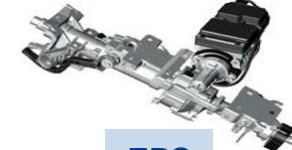
HP Diesel



VCT/VVT



Multi-Speed Trans



EPS

MPG Increase	+ 15 - 20% ⁽¹⁾	+ 20 - 30% ⁽¹⁾	+ 4 - 6% ⁽²⁾	+ 5 - 10% ⁽³⁾	+ 3 - 5% ⁽⁴⁾
CPV Impact	+ \$54	+ \$89	+ \$10	+ \$20	+ \$4
Market Growth	> 17% CAGR	> 10% CAGR	> 10% CAGR	> 15% CAGR	> 10% CAGR
Global Adoption Rate 2014/2018	27% / 46%	20% / 30% ⁽⁵⁾	72% / 95%	30% / 45% ⁽⁶⁾	50% / 75%
Key Regions / Markets					

- *Technologies needed on a global scale to meet fuel economy regulations*
 - *Conversion/implementation rates will outpace market growth*
 - *All of these technologies require numerous high precision metal components*



Target Segments: Fuel Saving Technologies

MPFI V6

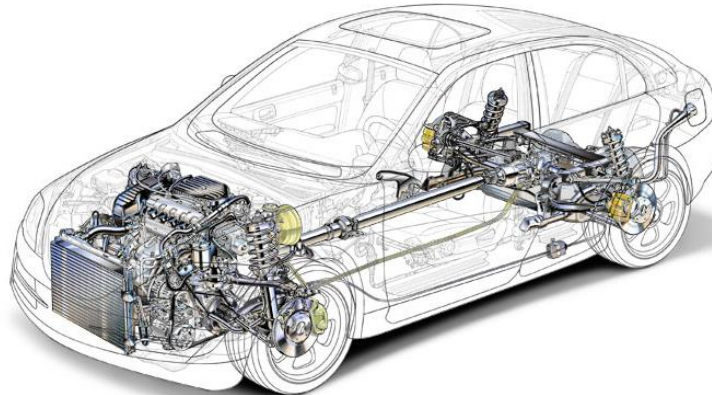


Precision Turned Part content:

- 6 injectors

\$6.00 per vehicle

GDI V6

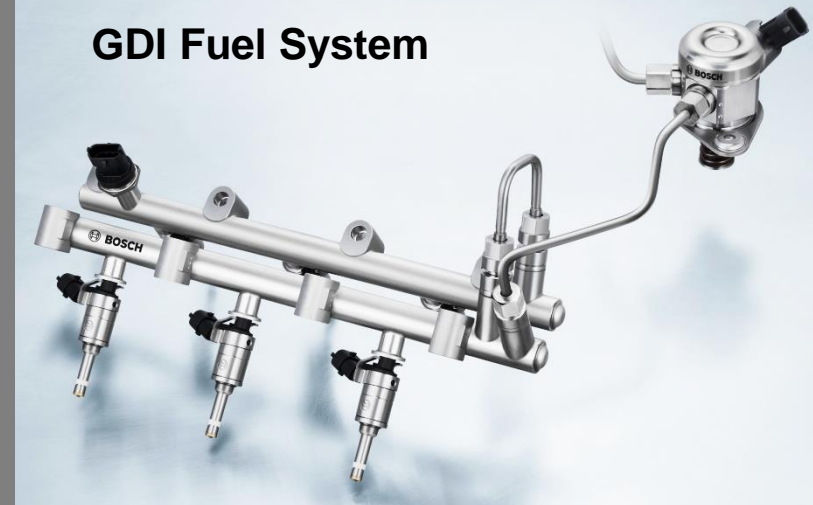


Precision Turned Part content:

- 6 Injectors
- 1 High pressure fuel pump
- 2 High pressure fittings

\$60 per vehicle

GDI Fuel System



- *Technology requires more precision, tighter tolerances*
- *GDI will have a VERY long life: 10-15+ years (MPFI lived for 30+ years)*



Expansion Segments

Product Segments, Markets & Customers

	Consumer Tools	HVAC	Rec/ATV	Industrial Motors	Aerospace	Fluid Power
Addressable Market (2014)	\$2 billion	\$3 billion	\$200 million	\$3 billion	\$10+ billion	\$5+ billion
Market Growth						
Technologies Driving Growth	Longer battery life, Lighter weight	Compressor modulation	EPS (Steering) ABS	High efficiency motors	Weight reduction	Higher pressure, greater control
Customers	BOSCH BLACK & DECKER	Copeland brand products TRANE	MANDO Corporation	Nidec REGAL in sink erator	HAECO	Parker Danfoss EATON BorgWarner



bearing

Components Group



MBC High Growth Product Segments



Balls



Tapered Rollers



Other Rollers



Bearing Cages



Sheet Metal Parts

Competitive Profile	Primarily outsourced	Primarily insourced	Primarily insourced	Mixed and fragmented	Mixed and fragmented
Primary Markets	Automotive, electrical aero and industrial	Industrial, automotive, off-highway, rail and industrial	Industrial and some automotive	General industrial	Diversified end market
Market Growth	Automotive growth in developing markets	Developing trend towards outsourcing	Industrial investment and aftermarket demand	Follows the roller markets	Niche market within automotive
Key Regions/Markets					

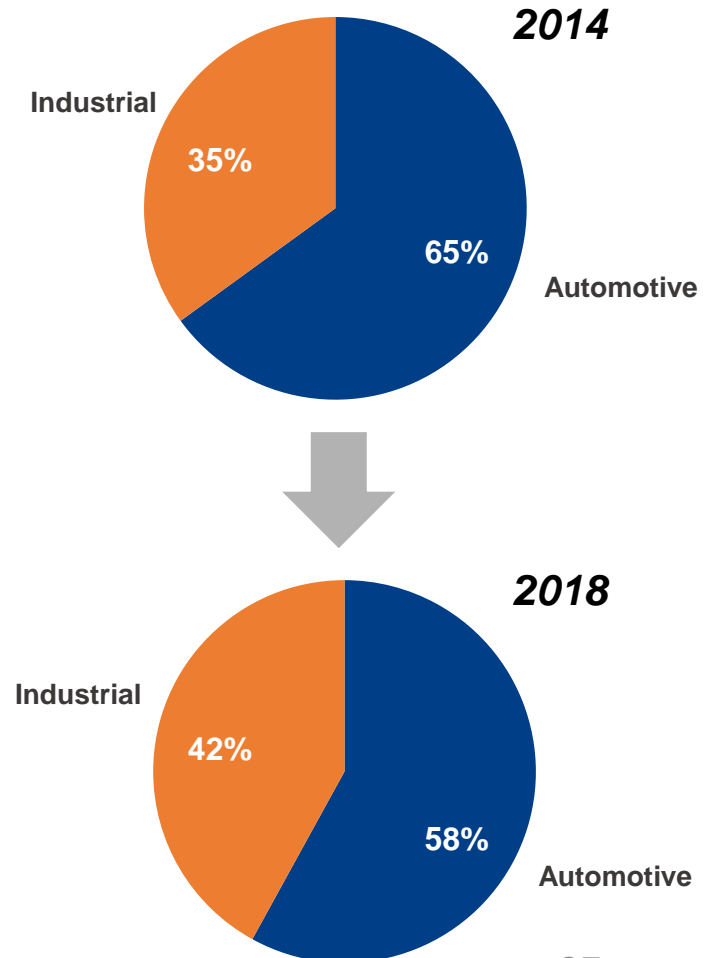
- *Growth in developing markets will drive end market expansion*
 - *Expansion of content into broader industrial markets*
 - *Outsourcing will create significant opportunities*



Expansion Segments

Product Segments, Markets and Customers

	Automotive	Aerospace	Railway	Linear Systems	Fluid Power
Addressable Market (2014)	\$1 billion	\$250 million	\$125 million	\$100 million	\$100 million
Market Growth	↗	↗	↗	↗	↗
Growth Drivers	Penetration in developing markets	Build rate on commercial aircraft	Increased utilization of rail	Expanding industrial automation	Manufacturing investment
Customers	 	 <small>Aerospace and Super Precision</small> 	 	 <small>LINEAR TECHNOLOGY</small> 	





Key Banc Industrials Conference

May 27, 2015