
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 3, 2016 (August 3, 2016)



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-23486
(Commission
File Number)

62-1096725
(I.R.S. Employer
Identification No.)

207 Mockingbird Lane
Johnson City, Tennessee
(Address of principal executive offices)

37604
(Zip Code)

(423) 434-8310
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 3, 2016, NN, Inc. (the "Company") issued a press release announcing the Company's financial results for the quarter ended June 30, 2016. The full text of the press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

ITEM 7.01 REGULATION FD DISCLOSURE

On August 3, 2016, the Company posted a presentation regarding the Company's financial results for the quarter ended June 30, 2016 to the Investor Relations section of its website at www.minc.com. A copy of the presentation is furnished as Exhibit 99.2.

Pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"), the information furnished pursuant to Item 2.02 and 7.01 of this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) is deemed to have been furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of NN, Inc. dated August 3, 2016.
99.2	Second Quarter 2016 Earnings Release Presentation of NN, Inc. dated as of August 4, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 3, 2016

NN, INC.

By: /s/ Matthew S. Heiter

Name: Matthew S. Heiter

Title: Senior Vice President and General Counsel

EXHIBIT INDEX

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FINANCIAL
RELATIONS BOARD

RE: NN, Inc.
207 Mockingbird Lane
3rd Floor
Johnson City, TN 37604

FOR FURTHER INFORMATION:

AT THE COMPANY
Robbie Atkinson
VP, Corporate Treasurer & Investor Relations
(423) 434-8398

AT FINANCIAL RELATIONS BOARD
Marilynn Meek
(General info)
212-827-3773

FOR IMMEDIATE RELEASE

August 3, 2016

NN, INC. REPORTS SECOND QUARTER 2016 RESULTS

Johnson City, Tenn, August 3, 2016 –NN, Inc., (NASDAQ: NNBR), a diversified industrial company, today reported its financial results for the second quarter ended June 30, 2016.

Richard Holder, President and Chief Executive Officer, commented, “Commencing with this quarter and in accordance with updated regulatory guidance we have reformatted our earnings release to report our GAAP results first, followed by our adjusted operating results.”

GAAP Results

Net sales for the second quarter of 2016 increased \$49.4 million, or 30.0% to \$214.3 million, compared to \$164.9 million for the second quarter of 2015. Acquisitions added \$57.8 million in revenue. Sales in the legacy business were negatively impacted \$8.4 million primarily from weakness in the industrial end market.

On a GAAP basis, income from operations for the second quarter of 2016 was \$16.7 million, compared to \$13.6 million for the same period in 2015. Net income on a GAAP basis for second quarter of 2016 was \$2.0 million, or \$0.07 per diluted share. This compares to net income of \$7.0 million, or \$0.36 per diluted share in the second quarter of 2015.

On a GAAP basis, income from operations for second quarter 2016 in the Autocam Precision Components Group was \$7.8 million compared to \$9.1 million for the same period in 2015.

On a GAAP basis, income from operations for second quarter 2016 in the Precision Bearing Components Group was \$6.5 million compared to \$9.4 million for the same period in 2015.

On a GAAP basis, income from operations for second quarter 2016 in the Precision Engineered Products Group was \$10.8 million compared to \$0.5 million for the same period in 2015.

Adjusted Second Quarter 2016 Results

Adjusted income from operations for the second quarter of 2016 was \$28.7 million, an increase of 89%, compared to \$15.2 million for the same period in 2015. Adjusted net income was \$12.4 million, or \$0.46 per diluted share, compared to \$8.3 million, or \$0.42 per diluted share for the same period in 2015.

Richard Holder, President and Chief Executive Officer, commented, "The NN Operating System continues to drive solid improvement throughout our business. Our operating performance this quarter is a great example of our ability to drive margin expansion."

Business Group Results

Autocam Precision Components

Net sales for the second quarter of 2016 were \$83.0 million, compared to \$86.5 million in the second quarter of 2015, a decrease of \$3.5 million. Weakness in the industrial end market accounted for the decline. Adjusted income from operations for the quarter increased \$0.7 million to \$10.7 million, compared to \$10.0 million in the second quarter of 2015.

Holder commented, "Focus on our CAFE Technologies and improvements driven by the NN Operating System continue to drive margin expansion in our APC group."

Precision Bearing Components

Net sales for the second quarter of 2016 were \$65.2 million, compared to \$69.3 million in the second quarter of 2015, a decrease of \$4.1 million. Soft industrial market demand accounted for the decline. Adjusted income from operations for the second quarter was \$8.2 million, compared to \$9.5 million in the second quarter of 2015.

Holder commented, "Despite continued weakness in the industrial market our PBC team continues to focus on margin expansion driven by the tenets of the NN Operating System."

Precision Engineered Products

Net sales for the second quarter of 2016 were \$66.1 million, compared to \$9.1 million in the second quarter of 2015, an increase of \$57.0 million. The acquisition of PEP accounted for \$58.4 million of the increase. Adjusted income from operations for the quarter was \$16.3 million, compared to \$0.5 million in 2015.

Holder commented, "We continue to be pleased with the performance of our PEP group. Our integration efforts are on track and we are beginning to see the benefits of the NN Operating System."

Holder concluded, "Driven by the NN Operating System and growth in our non-industrial end markets we continue to deliver solid operating results."

The full set of financial guidance for the third quarter and full year 2016 can be found in our supplemental presentation posted in the Investor Relations section of our website at www.nninc.com.

NN will discuss its results during its quarterly investor conference call tomorrow morning starting at 9:00 a.m. ET. The call and supplemental presentation may be accessed via NN's website, www.nninc.com. The conference call can also be accessed by dialing 800-723-6575 or 785-830-1997 Conference ID: 7483731. For those who are unavailable to listen to the live broadcast, a replay will be available shortly after the call for 90 days.

The Company discloses in this press release the non-GAAP financial measures of adjusted income from operations and adjusted net income. Each of adjusted income from operations and adjusted net income provide supplementary information about the impacts of acquisition related expenses, foreign-exchange and other non-operating impacts on our business.

The attached financial tables include a reconciliation of adjusted income from operations, adjusted net income and adjusted diluted earnings per share to the U.S. GAAP financial measures of income from operations, net income and diluted earnings per share.

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 Johnson City, Tennessee, NN has 41 manufacturing plants in North America, Western Europe, Eastern Europe, South America and China.

Except for specific historical information, many of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "assumptions", "target", "guidance", "outlook", "plans", "projection", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "potential" or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector, inventory levels, regulatory compliance costs and the Company's ability to manage these costs, start-up costs for new operations, debt reduction, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and the successful implementation of the global growth plan including development of new products. Similarly, statements made herein and elsewhere regarding completed acquisitions are also forward-looking statements, including statements relating to the future performance and prospects of an acquired business, the expected benefits of an acquisition on the Company's future business and operations and the ability of the Company to successfully integrate recently acquired businesses.

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, 2015. 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.

Financial Tables Follow

NN, Inc.
Condensed Consolidated Statements of Net Income
(Unaudited)

(in thousands, except per share data)	Three Months ended June 30, 2016		Six Months ended June 30, 2016	
	2016	2015	2016	2015
Net sales	\$214,272	\$164,856	\$426,498	\$328,601
Cost of products sold (exclusive of depreciation and amortization shown separately below)	156,794	128,708	316,548	258,025
Selling, general and administrative	21,592	13,962	42,304	25,961
Depreciation and amortization	15,136	8,597	32,484	17,091
Restructuring and impairment charges	4,047	—	6,585	—
Income from operations	<u>16,703</u>	<u>13,589</u>	<u>28,577</u>	<u>27,524</u>
Interest expense	16,165	6,021	32,587	11,959
Other (income) expense, net	<u>(824)</u>	<u>19</u>	<u>(1,953)</u>	<u>1,419</u>
Income (loss) before provision (benefit) for income taxes and share of net income from joint venture	1,362	7,549	(2,057)	14,146
Provision (benefit) expense for income taxes	674	1,617	(46)	3,073
Share of net income from joint venture	<u>1,343</u>	<u>1,021</u>	<u>2,743</u>	<u>1,882</u>
Net income	<u>\$ 2,031</u>	<u>\$ 6,953</u>	<u>\$ 732</u>	<u>\$ 12,955</u>
Basic income per share:				
Net income	<u>\$ 0.08</u>	<u>\$ 0.36</u>	<u>\$ 0.03</u>	<u>\$ 0.68</u>
Weighted average shares outstanding	<u>27,024</u>	<u>19,215</u>	<u>26,923</u>	<u>19,064</u>
Diluted income per share:				
Net income	<u>\$ 0.07</u>	<u>\$ 0.36</u>	<u>\$ 0.03</u>	<u>\$ 0.67</u>
Weighted average shares outstanding	<u>27,187</u>	<u>19,582</u>	<u>27,050</u>	<u>19,416</u>
Cash dividends per common share	<u>\$ 0.07</u>	<u>\$ 0.07</u>	<u>\$ 0.14</u>	<u>\$ 0.14</u>

NN, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

<u>(in thousands, except per share data)</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Assets		
Current assets:		
Cash	\$ 15,080	\$ 15,087
Accounts receivable, net	147,053	123,005
Inventories	118,784	119,836
Income tax receivable	4,046	3,989
Current deferred tax assets	—	6,696
Other current assets	12,920	11,568
Total current assets	<u>297,883</u>	<u>280,181</u>
Property, plant and equipment, net	323,244	318,968
Goodwill, net	448,690	449,898
Intangible assets, net	267,769	282,169
Non-current deferred tax assets	—	742
Investment in joint venture	41,205	38,462
Other non-current assets	10,950	10,147
Total assets	<u>\$1,389,741</u>	<u>\$1,380,567</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 65,862	\$ 69,101
Accrued salaries, wages and benefits	23,392	21,125
Income taxes payable	2,042	5,350
Current maturities of long-term debt	19,537	11,714
Current portion of obligation under capital lease	4,101	4,786
Other current liabilities	23,941	21,275
Total current liabilities	<u>138,875</u>	<u>133,351</u>
Non-current deferred tax liabilities	112,256	117,459
Long-term debt, net of current portion	801,213	795,400
Accrued post-employment benefits	6,045	6,157
Obligation under capital lease, net of current portion	7,656	9,573
Other	6,290	4,746
Total liabilities	<u>1,072,335</u>	<u>1,066,686</u>
Total stockholders' equity	317,406	313,881
Total liabilities and stockholders' equity	<u>\$1,389,741</u>	<u>\$1,380,567</u>

Reconciliation of GAAP net income to Non-GAAP adjusted net income:

NN, Inc - Total Company	Three Months Ended June 30, 2016		Three Months Ended June 30, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
GAAP Net income	\$ 2,031	\$ 0.07	\$ 6,953	\$ 0.36
After-tax acquisition and integration costs	1,285	0.05	436	0.02
After-tax foreign exchange gain on inter-company loans	(700)	(0.02)	(232)	(0.01)
After-tax restructuring and impairment charges	5,174	0.19	—	—
Amortization of intangibles & deferred financing costs	4,642	0.17	1,148	0.06
Non-GAAP Adjusted net income (b)	<u>\$ 12,432</u>	<u>\$ 0.46</u>	<u>\$ 8,305</u>	<u>\$ 0.42</u>

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc - Total Company	Three Months Ended June 30,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$ 16,703	7.8%	\$ 13,589	8.2%
Restructuring & impairment charges	4,745	2.2%	—	0.0%
Acquisition & integration expenses	1,178	0.5%	681	0.4%
Amortization of intangibles	6,101	2.8%	962	0.6%
Non-GAAP Adjusted income from operations (a)	<u>\$ 28,727</u>	<u>13.4%</u>	<u>\$ 15,232</u>	<u>9.2%</u>
GAAP Total Sales	\$214,272		\$164,856	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc - Autocam Precision Components Group	Three Months Ended June 30,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$ 7,770	9.4%	\$ 9,095	10.5%
Restructuring & impairment Charges	2,085	2.5%	—	0.0%
Acquisition & integration expenses	—	0.0%	—	0.0%
Amortization of intangibles	885	1.1%	885	1.0%
Non-GAAP Adjusted income from operations	<u>\$10,740</u>	<u>12.9%</u>	<u>\$ 9,980</u>	<u>11.5%</u>
China JV Contribution	1,343		1,021	
Non-GAAP Adjusted income from operations	\$12,083	14.6%	\$11,001	12.7%
GAAP Total Sales	\$82,991		\$86,471	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc - Precision Bearing Components Group

	Three Months Ended June 30,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$ 6,474	9.9%	\$ 9,403	13.6%
Restructuring & impairment Charges	1,651	2.5%	—	0.0%
Amortization of intangibles	57	0.1%	57	0.1%
Non-GAAP Adjusted income from operations	<u>\$ 8,182</u>	<u>12.6%</u>	<u>\$ 9,460</u>	<u>13.7%</u>
GAAP Total Sales	\$65,157		\$69,261	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc - Precision Engineered Components Group

	Three Months Ended June 30,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$10,782	16.3%	\$ 501	5.5%
Acquisition & integration expenses	311	0.5%	—	0.0%
Amortization of intangibles	5,159	7.8%	20	0.2%
Non-GAAP Adjusted income from operations (a)	<u>\$16,252</u>	<u>24.6%</u>	<u>\$ 521</u>	<u>5.7%</u>
GAAP Total Sales	\$66,124		\$9,124	

The Company discloses in this presentation the non-GAAP financial measures of adjusted income from operations, adjusted net income and adjusted diluted earnings per share. Each of these non-GAAP financial measures provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on inter-company loans. Over the past three years, we have completed six acquisitions, two of which were transformative for the Company. The costs we incurred in completing such acquisitions, including the amortization of intangibles and deferred financing costs, 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. We believe the presentation of adjusted income from operations, adjusted net income and adjusted diluted earnings per 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 net 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 non-cash impairment 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), one-time charges related to acquisition 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 net income and adjusted diluted earnings per share, represents GAAP net income, adjusted to exclude the tax-affected effects of restructuring and non-cash impairment 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), one-time charges related to acquisition and integration 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 net income and adjusted diluted earnings per share, 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 net income.



Second Quarter 2016 Earnings Release
August 4, 2016



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, 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, 2015.

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 2nd Quarter 2016

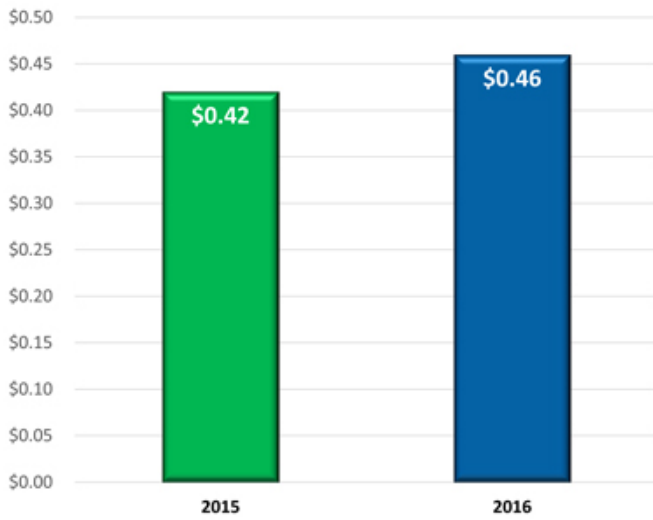
- **Sales of \$214.3M**
 - PEP acquisition contributed \$58.4M
- **Adjusted Diluted Earnings Per Share of \$0.46**
- **Adjusted EBITDA of \$40.8M**
- **Adjusted Operating Margins increased 420 bps to 13.4% compared to Q2 2015**
- **Free Cash Flow continues to exceed expectations**



2nd Quarter 2016 Financial Summary

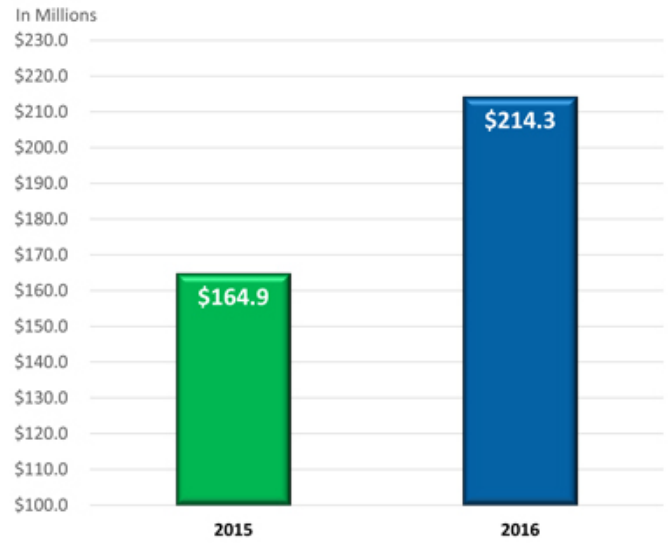
Adjusted Diluted Earnings Per Share

Issued 7.6M shares in Q3 2015



Net Sales

30% growth compared to prior year



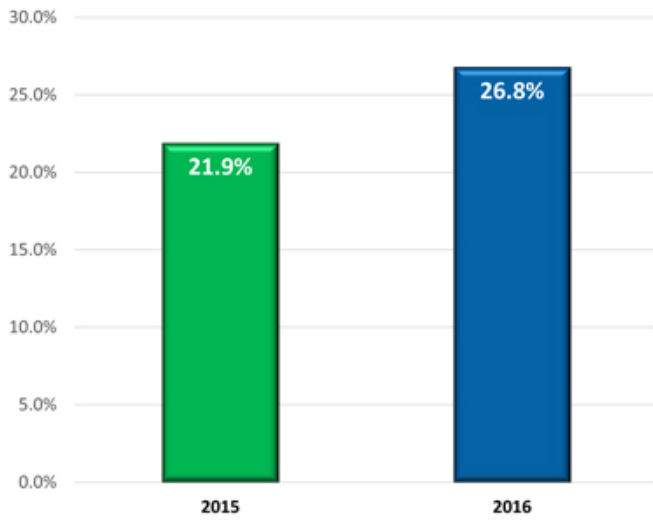
www.nninc.com



2nd Quarter 2016 Financial Summary

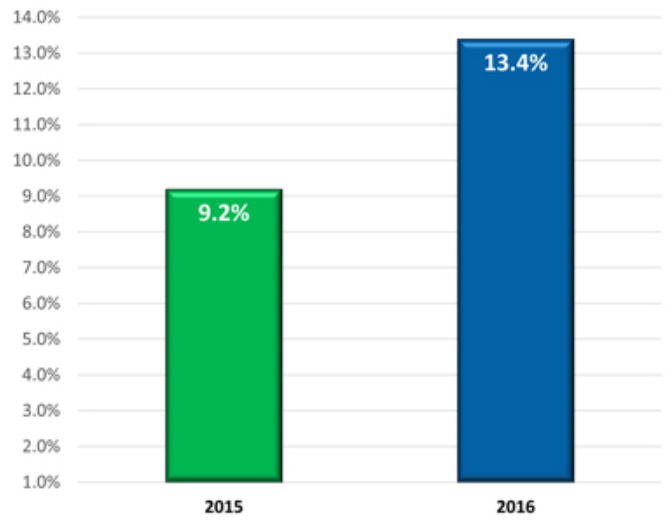
Gross Margin

490 bps improvement driven by acquisition of PEP and the NN Operating System



Adjusted Operating Margin

420bps margin expansion resulting from acquisitions and improvements in the NN Operating System



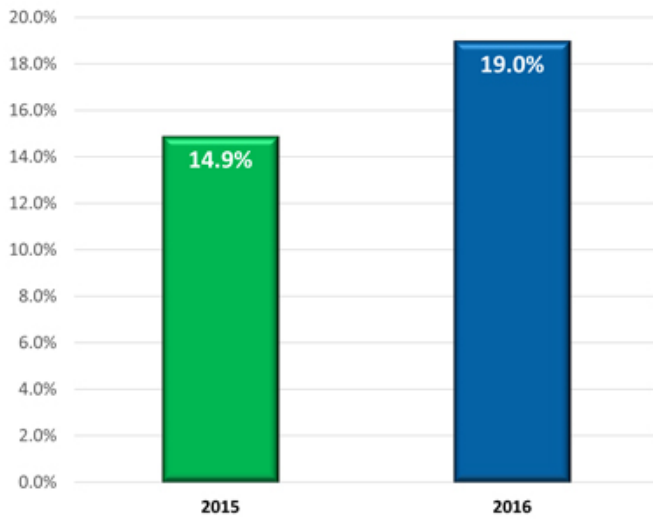
6 Gross Margin = Gross Profit (excluding depreciation) / Net Sales



2nd Quarter 2016 Financial Summary

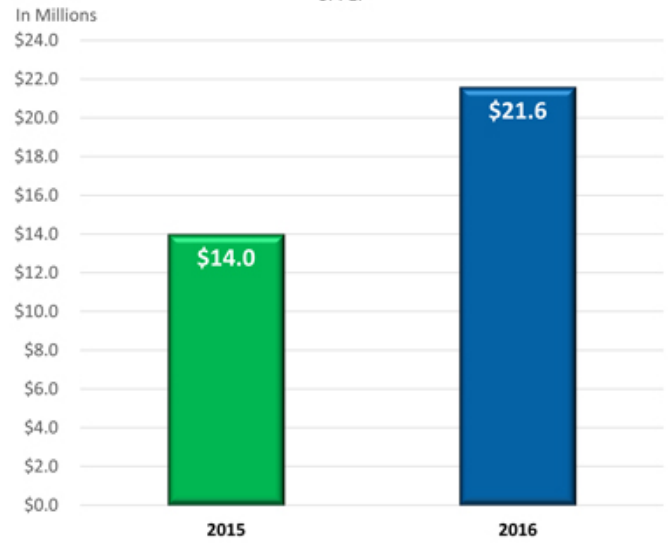
Adjusted EBITDA Margin

410bps improvement resulting from the acquisition of PEP & the NN Operating System



SG&A

Includes \$1.9M of restructuring and M&A cost
\$4.6 million of the increase from the acquisition of PEP

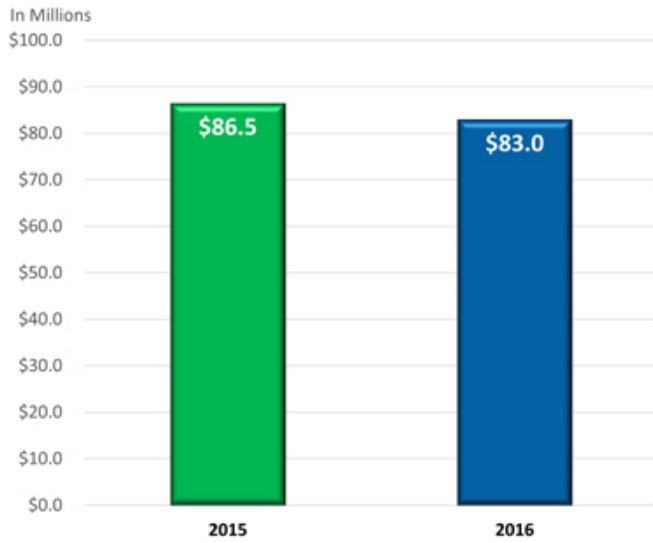


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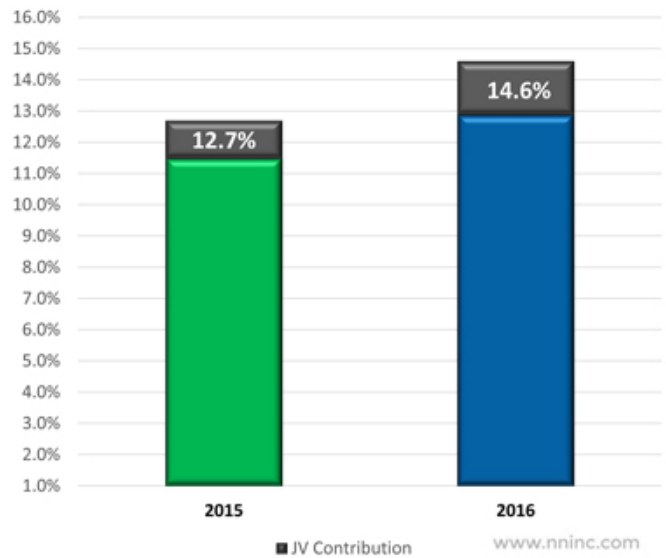
Net Sales

Weakness in industrial markets drove the decline



Adjusted Operating Margin

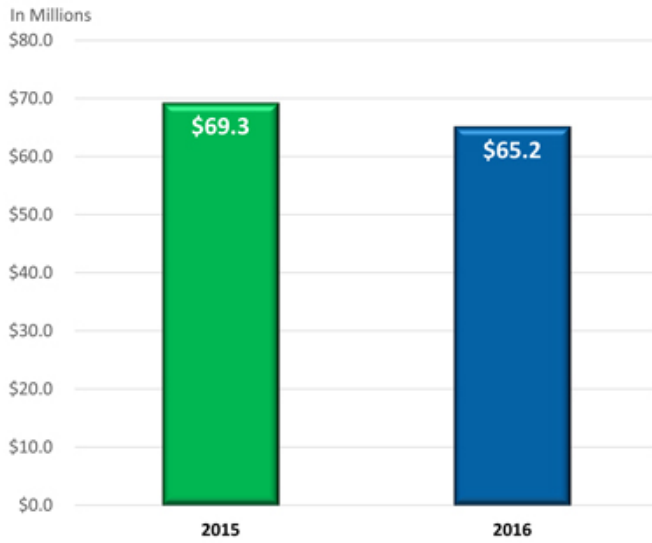
NN Operating System continues to drive margin expansion





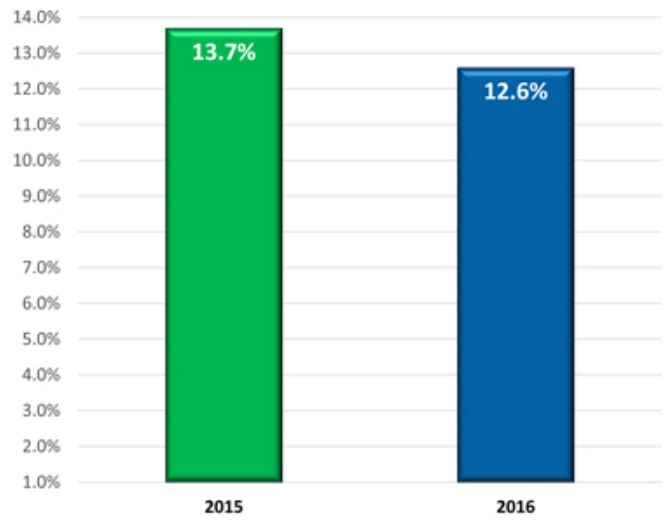
Net Sales

Weakness in industrial markets drove the decline



Adjusted Operating Margin

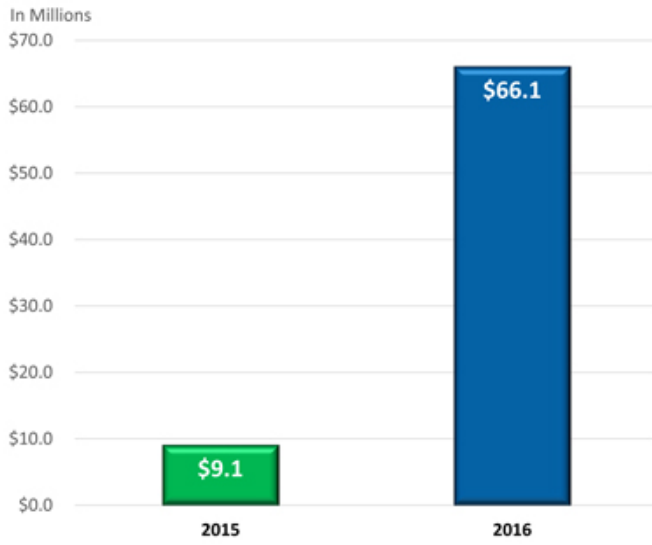
Margins flexing in line with expectations





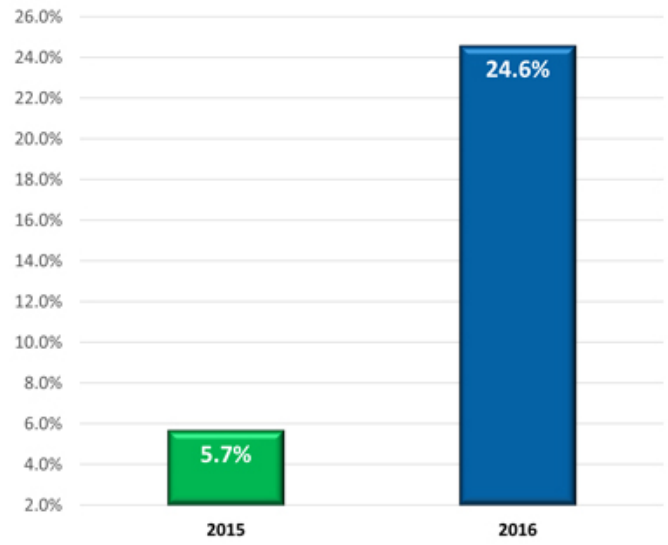
Net Sales

Acquisition of PEP added \$58M



Adjusted Operating Margin

380bps improvement compared to Q1 2016





2nd Quarter Summary

- **Balanced portfolio continues to be benefit**
- **Continued weakness in the industrial end market impacted the top line**
- **Excluding industrials our portfolio continues to grow in line with our expectations**
- **NN Operating System driving margin expansion**
 - **Margin expansion ahead of plan**
- **Free Cash Flow outperformance**
- **Integration of PEP remains on track**



Guidance



2nd Quarter 2016 Guidance

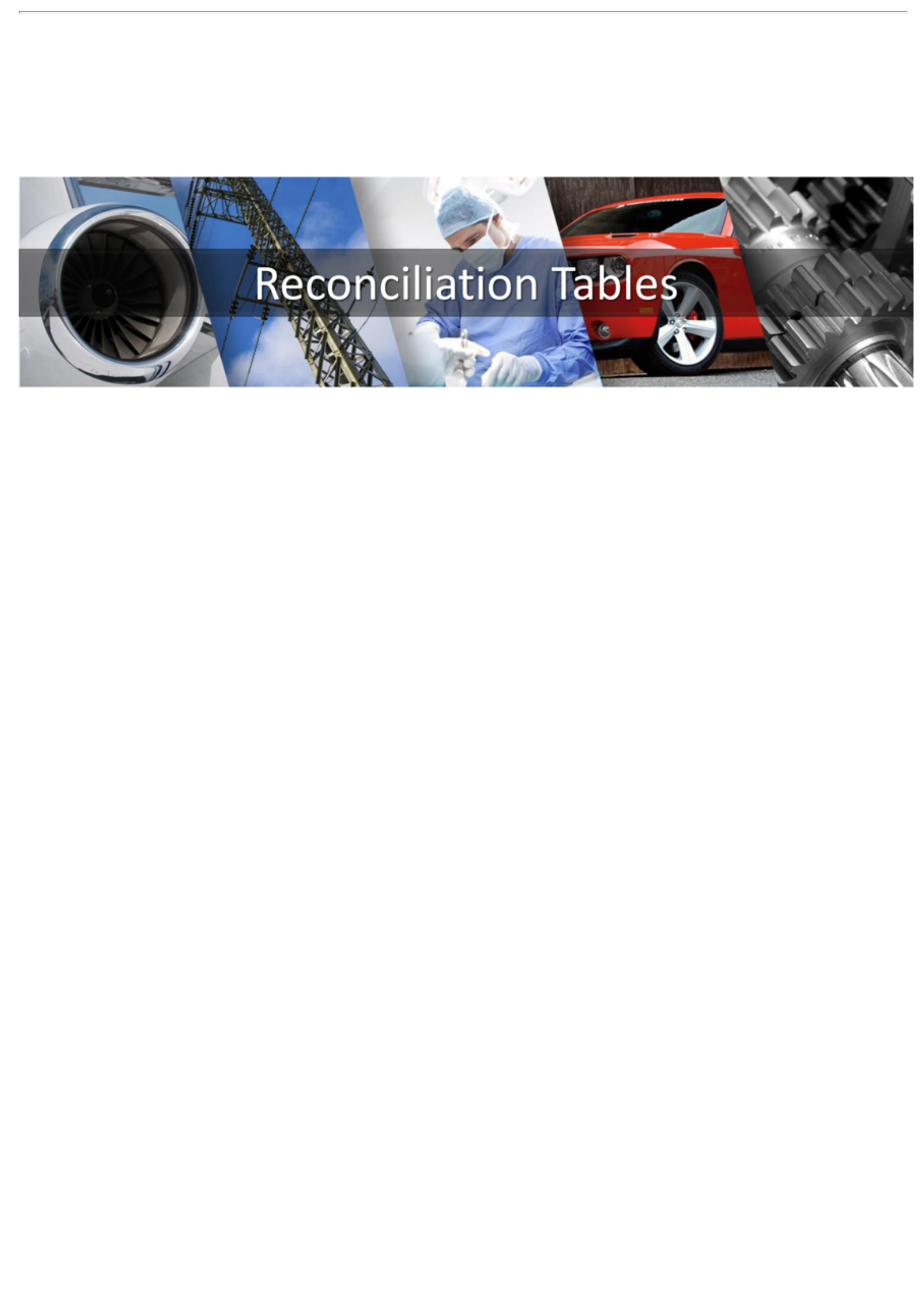
	Second Quarter Actual	Third Quarter Guidance	Commentary
Net Sales	\$214.3M	\$213M - \$228M	Industrial markets remain tepid
Adj. Op Margin	13.4%	13.3% - 14.5%	Margin expansion driven by end market diversification & operational improvements
Adj. EBITDA	\$40.1M	\$40.1M - \$45.1M	
Adj. EPS	\$0.46	\$0.40 - \$0.50	Growth in non-industrial markets along with operational improvements drive consistent performance



2016 Guidance

	Prior 2016 Guidance ⁴	Updated 2016 Guidance	Commentary
Net Sales	\$875M - \$905M	\$850M - \$875M	Growth in other end markets offset by industrial uncertainty
Adj. Operating Margin	12.5% - 13.2%	12.9% - 13.3%	Continued improvements in the NN Operating System driving expansion
Adj. EBITDA	\$162.5M - \$175M	\$158M - \$166M	
Adj. EPS¹	\$1.60 - \$1.80	\$1.55 - \$1.65	Benefits of our portfolio balance and operating improvements will continue to offset industrial weakness
CAPEX	\$40M - \$50M	\$35M - \$40M	We continue to invest in growth
Adj. Tax Rate²	22% - 26%	14% - 22%	
Free Cash Flow³	\$50M - \$60M	\$50M - \$60M	Significant increase in free cash flow allows us to de-lever faster

1: Excludes the amortization of intangibles and the amortization of financing charges
2: Excludes the effects of M&A activity
3: Free Cash Flow available for debt repayment
4: Reconciliation of prior 2016 guidance can be found in the Q1 presentation located on our website



Reconciliation Tables



Reconciliation of Adjusted Income from Operations

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NLI, Inc. - Total Company	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP income from operations	\$16,703	7.8%	\$13,589	8.2%	\$28,577	6.7%	\$27,524	8.4%
Restructuring & impairment charges	4,745	2.2%	-	0.0%	7,708	1.8%	-	0.0%
Acquisition & integration expenses	1,178	0.5%	681	0.4%	4,441	1.0%	681	0.2%
Amortization of intangibles	6,355	2.8%	962	0.6%	12,028	2.8%	2,131	0.6%
Non-GAAP Adjusted income from operations (a)	\$28,727	13.4%	\$15,232	9.2%	\$52,754	12.4%	\$30,336	9.2%
GAAP Total Sales	\$214,272		\$164,856		\$426,498		\$328,601	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NLI, Inc. - Precision Bearing Components Group	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP income from operations	\$6,474	9.9%	\$9,403	13.6%	\$12,800	9.9%	\$18,491	13.0%
Restructuring & impairment charges	1,651	2.5%	-	0.0%	2,340	1.8%	-	0.0%
Amortization of intangibles	57	0.1%	57	0.1%	116	0.1%	116	0.1%
Non-GAAP Adjusted income from operations (a)	\$8,182	12.6%	\$9,460	13.7%	\$15,256	11.7%	\$18,607	13.1%
GAAP Total Sales	\$65,157		\$69,281		\$129,902		\$142,496	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NLI, Inc. - Autocam Precision Components Group	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP income from operations	\$7,770	9.4%	\$9,095	10.5%	\$14,297	8.6%	\$16,813	9.9%
Restructuring & impairment charges	2,085	2.5%	-	0.0%	4,359	2.6%	-	0.0%
Acquisition & integration expenses	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Amortization of intangibles	885	1.1%	885	1.0%	1,770	1.1%	1,795	1.1%
Non-GAAP Adjusted income from operations (a)	\$10,740	12.9%	\$9,980	11.5%	\$20,426	12.2%	\$18,608	11.0%
China JV Contribution	1,343		1,021		2,743		1,882	
Non-GAAP Adjusted income from operations	\$12,083	14.6%	\$11,001	12.7%	\$23,169	13.9%	\$20,490	12.1%
GAAP Total Sales	\$82,991		\$86,471		\$166,981		\$169,093	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NLI, Inc. - Precision Engineered Components Group	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP income from operations	\$10,782	16.3%	\$501	5.5%	\$16,203	12.5%	\$734	4.2%
Acquisition & integration expenses	311	0.5%	-	0.0%	3,088	2.4%	-	0.0%
Amortization of intangibles	5,159	7.8%	20	0.2%	10,142	7.8%	20	0.1%
Non-GAAP Adjusted income from operations (a)	\$16,252	24.6%	\$521	5.7%	\$29,433	22.7%	\$734	4.3%
GAAP Total Sales	\$66,124		\$9,124		\$129,615		\$17,012	



Reconciliation of Adjusted EBITDA

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc - Total Company			
Three Months Ended June 30,			
Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:			
NN, Inc - Total Company	2016	2015	Change
GAAP Net income	\$ 2,031	\$ 6,953	\$ (4,922)
Provision for income taxes	674	1,617	(943)
Interest Expense	16,165	6,021	10,144
Depreciation & Amortization	15,136	8,597	6,539
Acquisition & Integration Expenses	1,178	681	497
Non-cash stock compensation	1,484	988	496
Non-cash foreign exchange loss or intercompany loans	(643)	(363)	(281)
Restructuring & impairment charges	4,745	-	4,745
Non-GAAP Adjusted EBITDA	\$ 40,770	\$ 24,495	\$ 16,276
Non-GAAP Adjusted EBITDA Margin	19.0%	14.9%	
GAAP Total Sales	214,272	164,856	

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc - Total Company			
Six Months Ended June 30,			
Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:			
NN, Inc - Total Company	2016	2015	Change
GAAP Net income	\$ 732	\$ 1,295	\$ (563)
Provision for income taxes	(46)	3,073	(3,119)
Interest Expense	32,587	17,091	15,496
Depreciation & Amortization	32,484	25,961	6,523
Acquisition & Integration Expenses	1,953	681	1,272
Non-cash stock compensation	2,485	1,772	713
Non-cash foreign exchange loss or intercompany loans	(1,524)	-	(1,524)
Restructuring & impairment charges	7,708	-	7,708
Non-GAAP Adjusted EBITDA	\$ 76,379	\$ 49,873	\$ 26,506
Non-GAAP Adjusted EBITDA Margin	17.9%	15.2%	
GAAP Total Sales	426,498	328,601	



Reconciliation of Adjusted Net Income

Reconciliation of GAAP net income to Non-GAAP adjusted net income:

NN, Inc - Total Company	Three Months Ended June 30, 2016		Three Months Ended June 30, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
GAAP Net income	\$2,031	\$ 0.07	6,953	\$ 0.3551
After-tax acquisition and integration costs	1,285	0.05	436	0.02
After-tax foreign exchange gain on inter-company loans	(700)	(0.02)	(232)	(0.01)
After-tax restructuring and impairment charges	5,174	0.19	-	-
Amortization of intangibles & deferred financing costs	4,642	0.17	1,148	0.06
Non-GAAP Adjusted net income	<u>\$ 12,432</u>	<u>\$ 0.46</u>	<u>\$ 8,305</u>	<u>\$ 0.4241</u>

Reconciliation of GAAP net income to Non-GAAP adjusted net income:

NN, Inc - Total Company	Six Months Ended June 30, 2016		Six Months Ended June 30, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
GAAP Net income	5732	\$0.03	\$12,955	\$0.67
After-tax acquisition and integration costs	3,707	0.14	436	0.02
After-tax foreign exchange (gain) loss on inter-company loans	(1,354)	(0.05)	655	0.03
After-tax restructuring and impairment charges	7,372	0.27	-	-
Amortization of intangibles & deferred financing costs	9,101	0.34	935	0.05
Non-GAAP Adjusted net income	<u>\$ 19,558</u>	<u>\$ 0.72</u>	<u>\$ 14,981</u>	<u>\$ 0.77</u>



3rd Quarter & Full Year Guidance – Adjusted Operating Margin

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc - Total Company

	Three Months Ending September, 2016				Twelve Months Ending December 31, 2016			
	Low		High		Low		High	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$21,873	10.3%	\$26,616	11.7%	\$71,756	8.4%	\$78,428	9.0%
Restructuring & impairment charges	300	0.1%	300	0.1%	9,010	1.1%	9,010	1.0%
Acquisition & integration expenses	300	0.1%	300	0.1%	4,638	0.5%	4,638	0.5%
Amortization of intangibles	5,926	2.8%	5,926	2.6%	23,878	2.8%	23,878	2.7%
Non-GAAP adjusted income from operations	\$28,399	13.3%	\$33,142	14.5%	\$109,282	12.9%	\$115,954	13.3%
Total Sales	\$213,000		\$228,000		\$850,000		\$875,000	



3rd Quarter & Full Year Guidance – Adjusted EBITDA

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc - Total Company	Three Months Ending September 30, 2016	
	Low	High
GAAP Net income	\$6,009	\$8,691
Provision for income taxes	1,256	3,036
Interest Expense	16,042	16,113
Depreciation & Amortization	15,218	15,672
Acquisition & integration expenses	300	300
Non-cash stock compensation	1,000	1,000
Restructuring & Impairment Charges	300	300
Non-GAAP Adjusted EBITDA	<u>\$ 40,125</u>	<u>\$ 45,112</u>

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc - Total Company	Year Ending December 31, 2016	
	Low	High
GAAP Net income	\$ 14,382	\$ 17,275
Provision for income taxes	449	3,664
Interest Expense	64,586	64,729
Depreciation & Amortization	60,642	62,028
Acquisition & integration expenses	4,638	4,638
Non-cash stock compensation	4,500	4,500
Restructuring & Impairment Charges	9,010	9,010
Non-GAAP Adjusted EBITDA	<u>\$ 158,207</u>	<u>\$ 165,844</u>



3rd Quarter & Full Year Guidance – Adjusted Net Income & EPS

Reconciliation of GAAP net income to Non-GAAP adjusted net income:

NN, Inc - Total Company

Three Months Ending September 30, 2016

	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
GAAP Net Income	\$6,009	\$0.22	\$8,691	\$0.32
After-tax acquisition and integration costs	240	0.01	240	0.01
Restructuring & Impairment Charges	240	0.01	240	0.01
Amortization of intangibles & deferred financing costs	4,461	0.16	4,461	0.16
Non-GAAP Adjusted net income	\$ 10,950	\$ 0.40	\$ 13,632	\$ 0.50
Weighted average diluted shares outstanding		27,187		27,187

Reconciliation of GAAP net income to Non-GAAP adjusted net income:

NN, Inc - Total Company

Year Ending December 31, 2016

	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
GAAP Net Income	\$ 14,582	\$0.53	\$ 17,275	\$0.64
After-tax acquisition and integration costs	3,610	0.13	3,610	0.1332
Restructuring & Impairment Charges	7,137	0.26	7,137	0.2634
After-tax foreign exchange gain on inter-company loans	(1,232)	(0.05)	(1,232)	(0.0455)
Amortization of intangibles & deferred financing costs	18,024	0.67	18,024	0.67
Non-GAAP Adjusted net income	\$ 41,921	\$ 1.55	\$ 44,814	\$ 1.65
Weighted average diluted shares outstanding		27,100		27,100



Full Year Guidance – Free Cash Flow

Non- GAAP Free Cash Flow

NN, Inc - Total Company	Year Ending December 31, 2016	
	Low	High
Non-GAAP Adjusted EBITDA	\$158,207	\$165,844
CAPEX	(35,000)	(40,000)
Interest Expense*	(60,000)	(60,000)
Dividends	(6,072)	(6,072)
Income Tax Expense	(449)	(3,664)
Working Capital	(6,686)	3,892
Free Cash Flow†	<u>\$50,000</u>	<u>\$60,000</u>

*Excludes deferred financing cost

† Free cash flow available for debt repayment