Q3 2022 EARNINGS

NN, Inc. | November 2, 2022

FORWARD LOOKING STATEMENT & DISCLOSURES

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, statements regarding the planned management transition, 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; the ability to attract and retain talent, risks associated with the senior management transition and identifying a qualified CEO, 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 when filed, the Company’s Quarterly Report on Form 10-Q for the three months ended September 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.

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.”

TODAY'S AGENDA

- Positioning NN For Success
- Third Quarter Financial Update
- Market Review & Segment Highlights
- 2022 Outlook
- Questions & Answers

POSITIONING NN FOR SUCCESS – Q3 UPDATE

Electrical and Electric Vehicle ("EV") Growth Strategy –

- 36% of year-to-date new business wins are in Electrical and EV end markets.
- Focused sales and business development teams delivering pipeline expansion in these targeted markets.
- Showcased NN's process technology and components at The Battery Show in Novi, MI with 15,000+ attendees and 775+ suppliers.

Facility Closures –

- Power Solutions: Announced closure of Irvine, CA facility on October 13, 2022 which completes strategic review of AD&M business. Taunton and Irvine facility closures expected to be completed by Q1 2023.
- Mobile Solutions: Three facilities expected to close by Q1 2023.
- ~$10-12 million expected annualized adjusted EBITDA improvement compared to 2022 outlook upon completion of these facility closures.

POWER SOLUTIONS PROFITABILITY ACTIONS

(in millions)

Q3 2022 Year-to-Date	Power Solutions	Taunton & Irvine A&D	Pro Forma Power Solutions Excluding Taunton & Irvine A&D
Sales	$155.2	$6.7	$148.5
Operating Income (Loss)	$4.4	($8.6)	$13.0
Facility closure costs	$0.6	$0.6	-
Other acquisition & transition expenses	$2.4	$0.5	$1.9
Amortization of Intangibles	$8.2	-	$8.2
Adjusted Operating Income (Loss)	$15.6	($7.5)	$23.1
Depreciation	$3.8	$1.7	$2.1
Adjusted EBITDA	$19.4	($5.8)	$25.2
Adjusted EBITDA %	12.5%	(87.0%)	16.9%

Taunton & Irvine - Sales exclude medical sales that will be moved to Attleboro facility.

Equipment Sales - Expected proceeds from sale of equipment of ~$2-3 million upon closure.

Closure Costs - Remaining estimated closure costs of ~$2 million for severance and equipment relocation. Subleases expected to equal or exceed lease costs.

Closure Timing - Expect closure of both facilities to be completed by Q1 2023.

MOBILE SOLUTIONS PROFITABILITY ACTIONS

(in millions)

Q3 2022 Year-to-Date	Mobile Solutions	Facility closures	Delayed Inflation Recovery	Production Start-Up Costs	Pro Forma Mobile Solutions
Sales	$225.5	-	$2.7	-	$228.2
Adjusted EBITDA	$28.4	$3.9	$3.2	$0.7	$36.2
Adjusted EBITDA %	12.6%				15.9%

Facility Closures -
- **$1.7 million represents 75% of full year facility cost savings upon closure of 3 facilities by Q1 2023.**
- **$2.2 million represents 75% of expected full year Adjusted EBITDA improvement for relocation of work from one of the closed facilities to Mexico.**

Delayed Inflation Recovery -
- **Represents improvement if Q3 2022 realized pricing had been in place for first half 2022. Pricing realization has lagged inflation impact due to timing to complete customer negotiations.**
- **Includes inflation recovery at the company's China joint venture.**

Production Start-Up Costs -
- **Represents estimated impact on Q3 2022 year-to-date results due to start of production on three new product lines, which will be in normal production by Q1 2023.**

THIRD QUARTER FINANCIAL UPDATE

2022

THIRD QUARTER 2022 OVERVIEW

Sales Growth

- Third quarter sales of $127.3 million, up 8.6% from prior year
- Power Solutions sales up 5.0% from prior year primarily due to higher pricing and volume, partially offset by lower precious metals pass through pricing and unfavorable foreign exchange effects
- Mobile Solutions sales up 11.0% from prior year due to pricing and higher volume

Inflation

- Inflation continues to exceed expectations; unrecovered inflation has impacted Q3 2022 results by ~$2 million
- Continuing active discussions with customers to recover impacts of delayed contractual material recovery and non-material inflation
- Q4 2022 results will include $0.5 million in pricing recovery for China JV for 1H22 inflation

Operating Income / EPS

- Loss from operations of ($2.1) million versus ($4.6) million in prior year
- Non-GAAP adjusted income from operations of $2.5 million compared to adjusted loss from operations of ($0.2) million in prior year
- Diluted EPS of ($0.11) vs ($0.13) in prior year; Non-GAAP adjusted Diluted EPS of $0.03 vs $0.01 in prior year

EBITDA

- Reported EBITDA of $11.7 million, or 9.2% of sales, down 123 bps compared to prior year
- Adjusted EBITDA of $11.8 million, or 9.3% of sales, up 96 bps compared to prior year

Debt / Liquidity

- Net debt to adjusted EBITDA leverage ratio of 3.15x and liquidity of $44.7 million as of 9/30/22
- $60 million of term loan fixed at 8.17% through July 2024 via 3-year interest rate swap
- Remaining $87.8 million of principal at LIBOR plus 688 bps, which was 9.99% at 9/30/22
- ABL is at LIBOR plus 175 bps

Cash Flow / Working Capital

- Free cash flow use of $4.4 million
- Working capital turns remained constant from prior quarter at 4.2

NEW BUSINESS WINS

Q3 2022 YTD

- Continued new business growth featuring strategic segment penetration in EV and Electrical segments and new component share gains with longstanding customer base
- Successful in securing new business contracts generating sales of $23 million in 2023, $29 million in 2024, and $31 million in 2025
- Disciplined approach to programs requiring capital; attractive capital-to-sales ratio supportive of improved cash efficiency
- Investing in additional sales resources with experience and expertise in electrical, battery storage, and electric vehicle markets to improve coverage in strategic segments

$31 million
peak annual sales

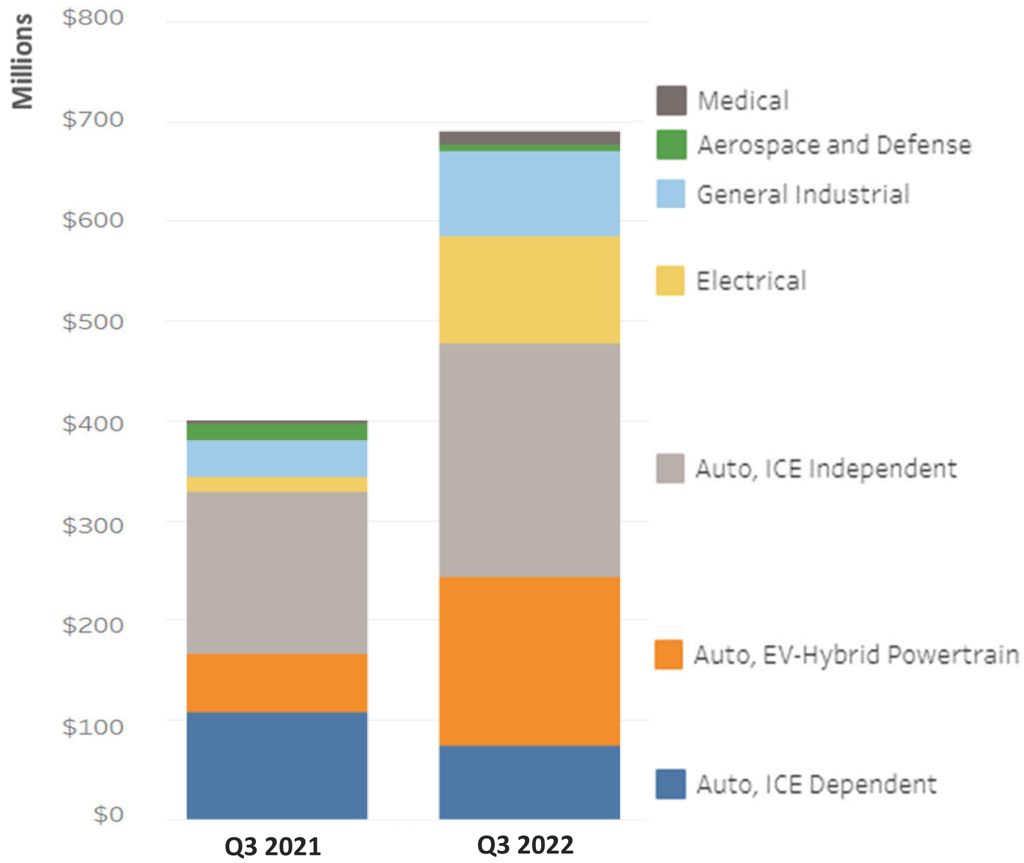
$83 million
total sales through 2025

$2.1 million
capex

36%
EV and Electrical

PIPELINE DEVELOPING IN ALIGNMENT TO STRATEGY

- Focused sales and business development teams delivering pipeline expansion in target growth markets
- Expansion in EV and electrical segments remain priority; initiatives ongoing to strengthen our positioning
- Reduced focus on ICE Dependent pursuits attributable to reduction in programs by OEMs and our selective approach
- Organized re-entry plan to medical market upon expiration of non-compete provision in Life Sciences divestiture at end of 2023



Pipeline = Aggregation of peak annual sales volume on opportunities where NN has quoted the business

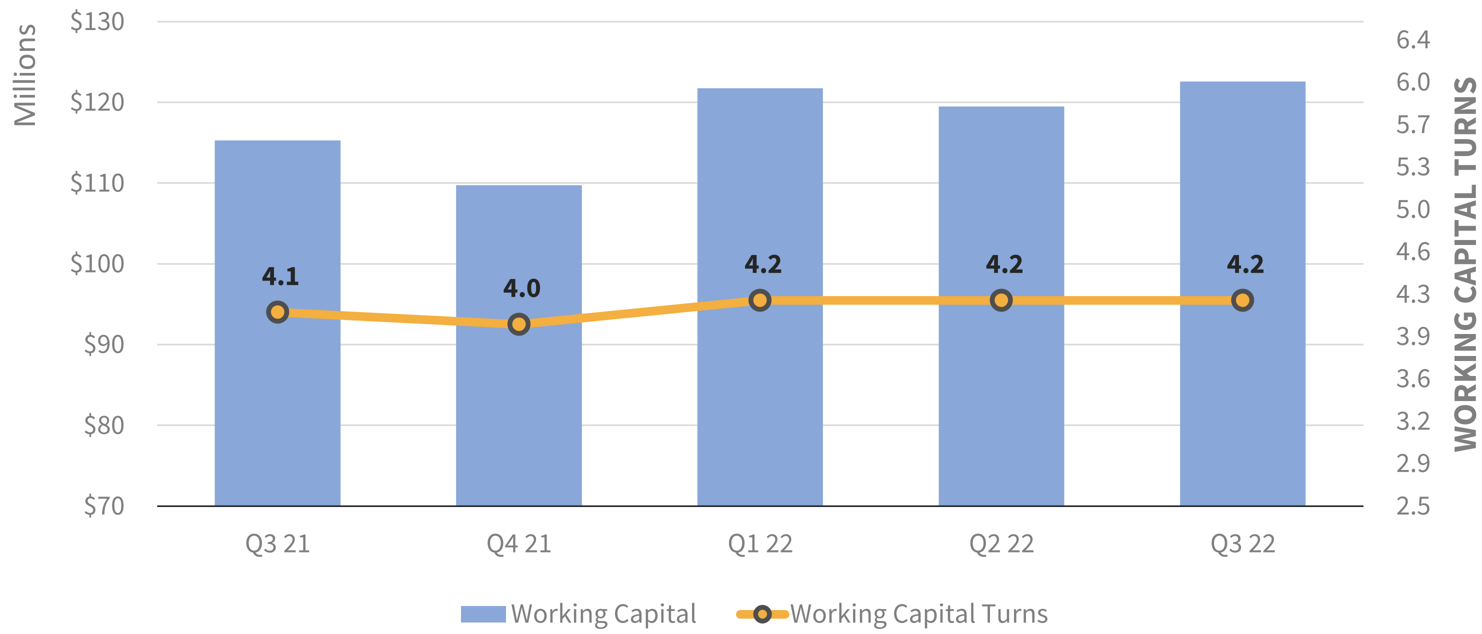
THIRD QUARTER FINANCIAL HIGHLIGHTS

	Δ	Q3 2022	Q3 2021
Sales	8.6%	$127.3 million	$117.2 million
Organic	*10.4%*		
FX Impact	*(1.8%)*		
Operating Income (Loss)	54.1%	($2.1) million	($4.6) million
Non-GAAP Adjusted Operating Income (Loss)		$2.5 million	($0.2) million
Non-GAAP Adjusted EBITDA	21.2%	$11.8 million	$9.7 million
Non-GAAP Adjusted EBITDA Margin	96 bps	9.3%	8.3%
Diluted EPS	15.4%	($0.11)	($0.13)
Non-GAAP Adjusted Diluted EPS		$0.03	$0.01

Impact on Operating Loss

- Volume / Mix / JV Net Income: ~$4 million
- Incentive and stock compensation expense: ~$3 million
- Unrecovered inflation: ~($2) million
- Overhead absorption: ($1.7) million

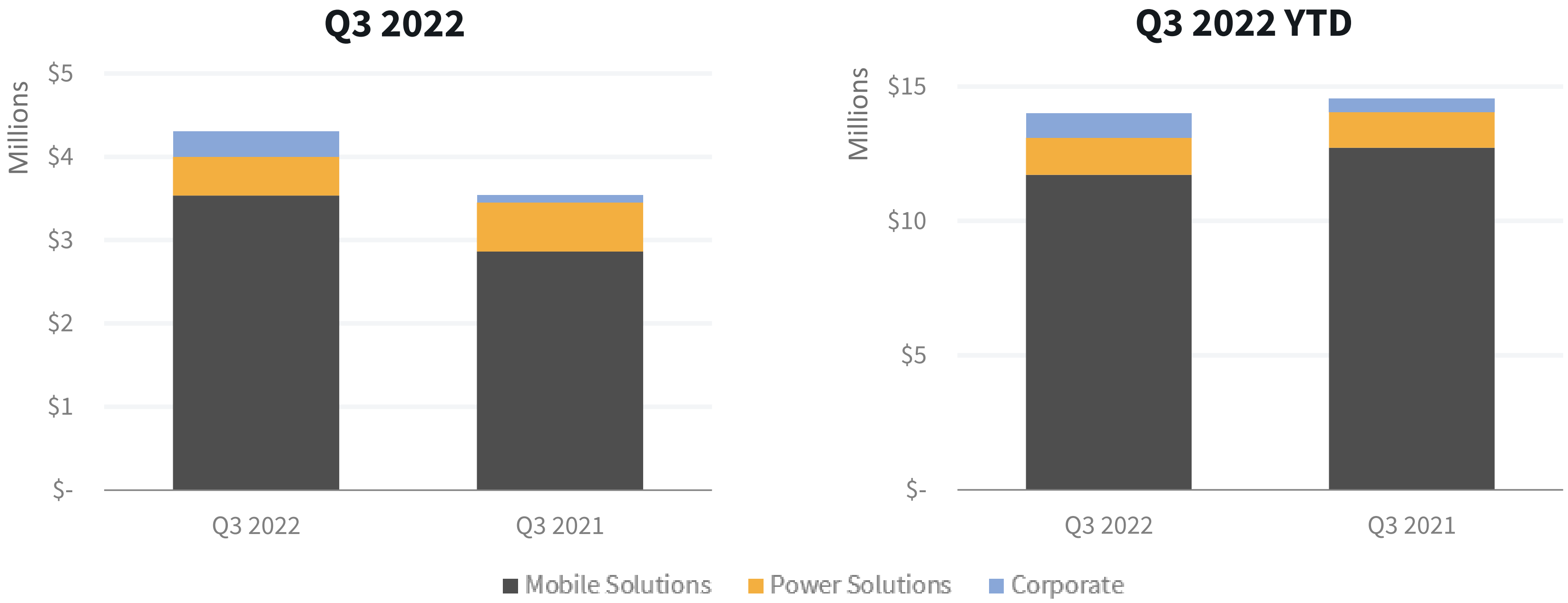
WORKING CAPITAL



Working capital turns remained consistent with prior quarter.

Working Capital Turns = Current Quarter Sales Annualized / Working Capital
Working Capital = Accounts Receivable, Inventory, and Accounts Payable

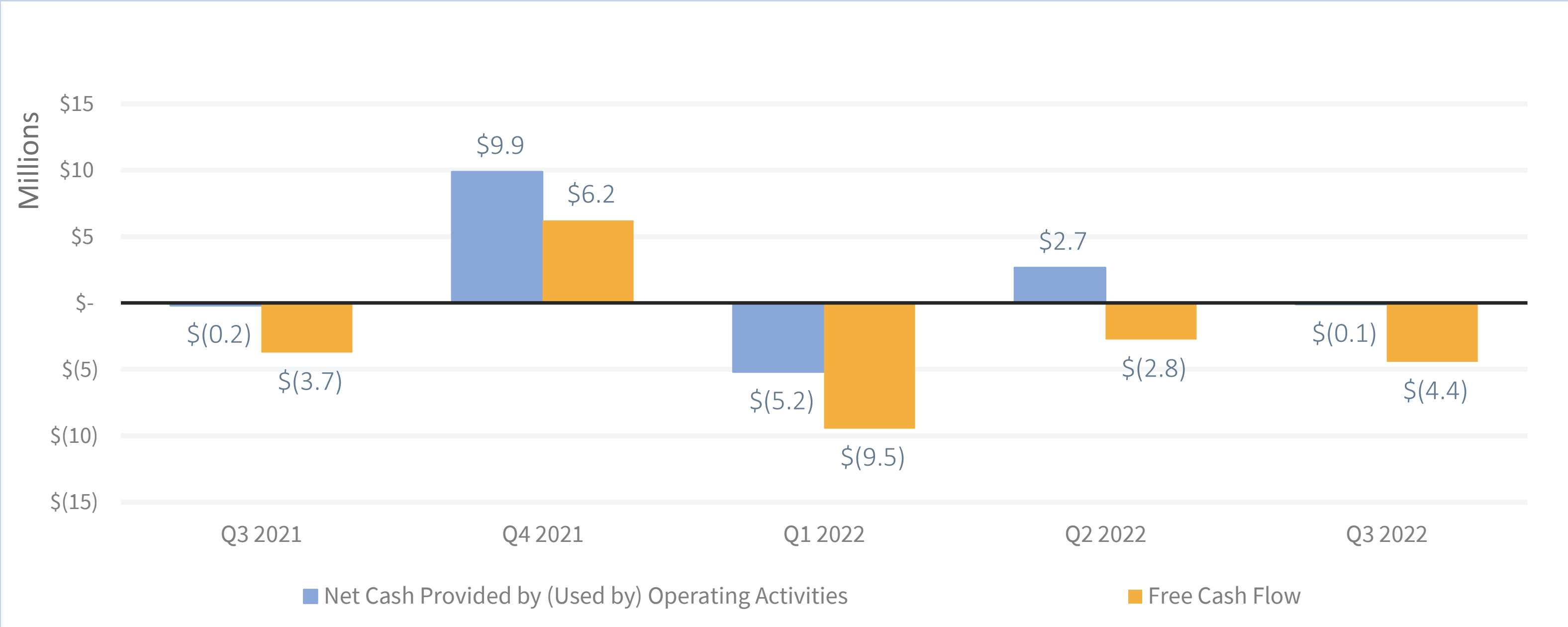
CAPITAL EXPENDITURES



Expect full year capital expenditures of $18-19 million.

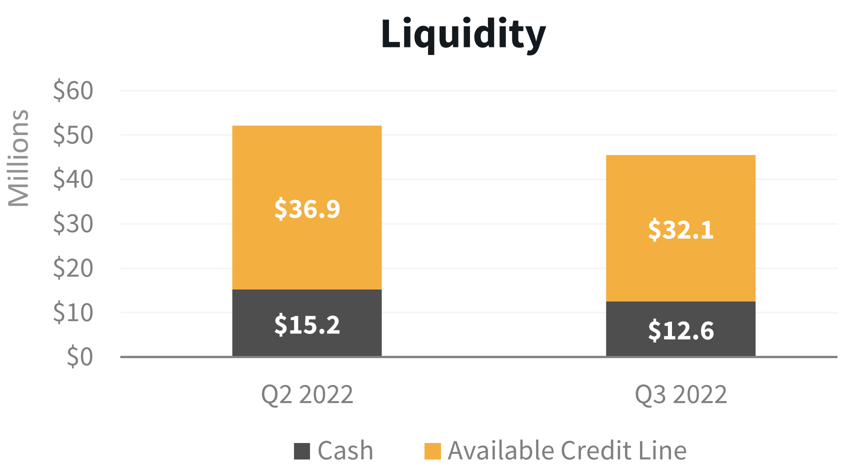
Reduced from prior outlook of $19-21 million.

FREE CASH FLOW



- **Working capital increased $3.1 million in Q3 and $12.9 million year-to-date. Expect ~$9 million reduction in Q4 2022 through inventory reduction initiatives and lower accounts receivable due to normal Q4 seasonality.**
- **Cash outflows for severance, litigation / settlement, Life Sciences tax payment, and facility closure costs were $1.7 million in Q3 2022 and $4.6 million year-to-date.**

NET DEBT & LEVERAGE



Note: The Available Credit Line is reduced by non-cash lines of credit.

Net Debt				
in thousands		**Q2 2022**		**Q3 2022**
Short Term Debt	$	5,872	$	5,683
Long Term Debt		155,644		158,355
Funded Debt		161,516		164,038
Cash		15,186		12,551
Net Debt	$	146,330	$	151,487
Net Debt	$	146,330	$	151,487
TTM Adjusted EBITDA as Reported		46,099	$	48,158
Net Debt to Adjusted EBITDA		**3.17 x**		**3.15 x**

- **Liquidity remains strong at $44.7 million, down from $52.1 million in Q2 2022**
- **ABL was drawn $6 million at Q3 2022**

MARKET REVIEW & SEGMENT HIGHLIGHTS

MARKET UPDATES
Electrical

RECENT NEWS
Energy storage

Global Energy storage market to grow 15-fold by 2030, says BNEF
RenewEconomy · 14d

Electric Vehicles Are Creating A Fast Lane for Battery Energy Storage Systems
Forbes · 15d

Battery Energy Storage Solutions Boosting Greener Data Centers
DN Design News · 8d

General Motors launches electric grid division
E&E · 17d

U.S. annual energy storage market size, 2012-2026E (million $)

- Corporate investment in energy storage sector reached $22 billion for the first 9 months of 2022, exceeding 2021 by 30%.
- Supply chain challenges are expected to alleviate as localization and reshoring activities continue.
- Stimulus in numerous countries are driving progress in grid interconnection gaps, clearing the way for source to load across wide geographies.

Sources: Mercom Capital, Wood McKenzie Power and Renewables

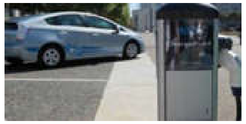
MARKET UPDATES
Automotive

RECENT NEWS
Electric Vehicles

General Motors to invest $760 million in Toledo plant to make EV propulsion units
KHOU-11. · 1mon

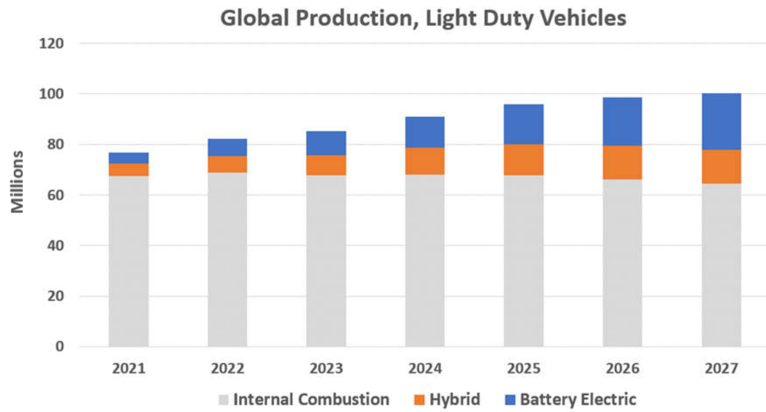
BMW to invest $1.7 billion in South Carolina as automaker shifts to electric vehicles
CBS NEWS · 7d · on MSN

Toyota is spending $2.5 billion to increase electric vehicle production in the U.S.
The Cool Down on MSN · 5d



BYD launches in Europe with three electric vehicles
whichcar · 9d

- EV market continues to develop with investment by OEMs across product development and production expansion
- Chip shortages continue to disrupt various OEMs despite limited easing over the last months
- Rising interest rates, increasing energy costs, and ongoing supply chain disruptions continue to affect global vehicle production and elevated price levels in the near term



Sources: LMC Global Light Vehicle Summary, The Register

POWER SOLUTIONS – Q3 2022

Sales up 5.0%, or $2.4 million, from prior year

- (+) Increased sales primarily due to higher customer pricing and volume
- (-) Lower precious metals pass through pricing
- (-) Unfavorable foreign exchange effects

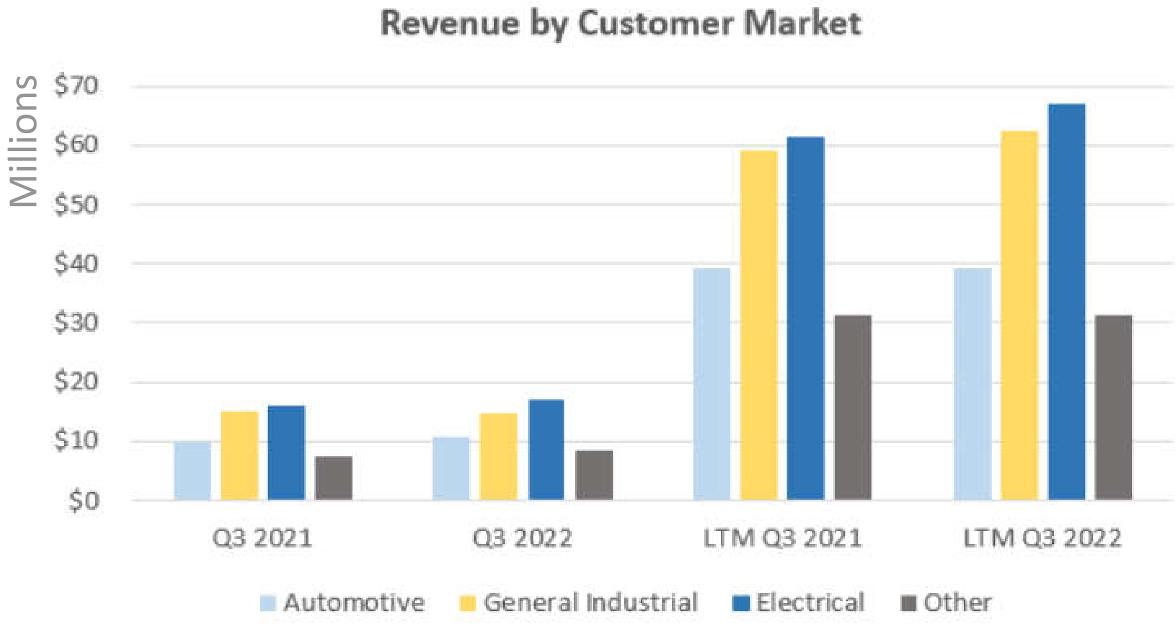
Profitability

- (+) Variable cost efficiencies gained from improved volume and lower incentive compensation expense.
- (+) Improved mix of product sales toward higher value-add sales of electrical components.

Current Focus & Looking Forward

- Taunton and Irvine facility closures planned for Q1 2023.
- New business wins and market dynamics expected to drive growth in 2023.

(In millions)	Q3 2022	% of Sales	Q3 2021	% of Sales	% Change	Margin Change
Sales	$51.1		$48.7		5.0%	
Operating Profit - GAAP	$ 2.6	5.0%	$ 1.3	2.6%	106.1%	248 bps
Operating Profit - Adjusted	$ 5.8	11.4%	$ 4.0	8.2%	45.7%	317 bps
Reported EBITDA	$ 6.7	13.0%	$ 5.3	10.9%	26.3%	210 bps
Adjusted EBITDA	$ 7.1	13.9%	$ 5.4	11.1%	32.3%	276 bps



MOBILE SOLUTIONS – Q3 2022

Sales up 11.0%, or $7.5 million, from prior year

- (+) Increased pricing.
- (+) Increased volume demand, particularly from China and Brazil and the launch of new business in Mexico.
- (-) Impact of strengthening US dollar on sales from international operations.

Profitability

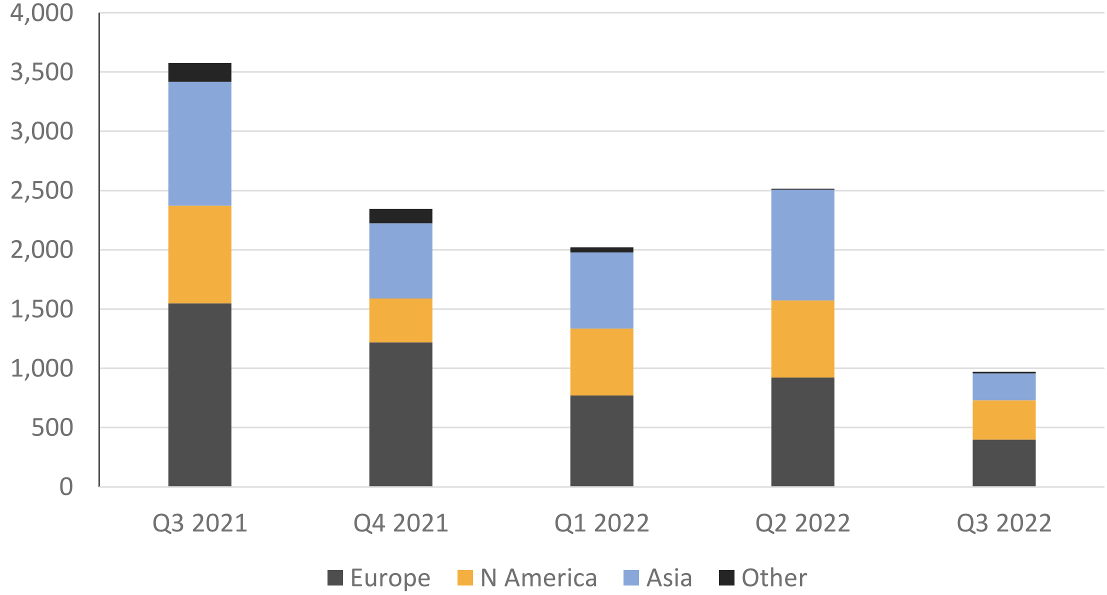
- (+) China joint venture.
- (+) Lower incentive compensation expense.
- (-) Results impacted by delayed/unrecovered inflation.
- (-) Overhead absorption.
- (-) Production start-up costs.

Current Focus & Looking Forward

- Q4 sales expected to reflect normal seasonality.
- Pricing negotiations continue, including for retroactive recovery of 2nd half inflation.
- Continuing efforts to increase pipeline and new business wins focused on non-ICE markets.

(In millions)	Q3 2022	% of Sales	Q3 2021	% of Sales	% Change	Margin Change
Sales	$76.1		$68.6		11.0%	
Operating Profit - GAAP	$ (0.5)	-0.6%	$ (0.3)	-0.4%	-84.1%	-25 bps
Operating Profit - Adjusted	$ 0.7	0.9%	$ 1.0	1.5%	-28.0%	-61 bps
Reported EBITDA	$ 7.5	9.9%	$ 7.6	11.1%	-0.4%	-123 bps
Adjusted EBITDA	$ 8.0	10.5%	$ 8.2	12.0%	-2.1%	-151 bps

OEM Lost Production Units Due To Supply Chain/COVID-19 Interruptions



Source: GlobalData Global Light Vehicle Outlook, October 13, 2022

2022 OUTLOOK REVISION

(in millions)

PREVIOUS OUTLOOK	NET SALES $510-525	ADJUSTED EBITDA $51-57	FREE CASH FLOW $0-5
REVISED OUTLOOK	NET SALES $503-510	ADJUSTED EBITDA $45-48	FREE CASH FLOW $(12)-(9)

NET SALES & ADJUSTED EBITDA -

- Lower volume in Mobile Solutions due to tempered automotive demand as a result of higher interest rates and OEM inventory levels.
- Lower volume than expected in Power Solutions due to capacity constraints at a key customer.
- Expected improvements in operational performance have not been fully realized.
- AD&M Adjusted EBITDA declined $0.8 million from previous outlook driven by Irvine performance.
- Incentive compensation expense reduced to zero. ~$3 million favorable impact versus previous outlook.

FREE CASH FLOW -

- Outlook includes non-operating cash outflows for Life Sciences sale tax, FICA deferral repayment, litigation, severance, and facility closure costs totaling ~$8 million, consistent with previous outlook.
- Free cash flow outlook does not include CARES Act tax refund of ~$11 million due to uncertain timing.

PATH TO IMPROVED PERFORMANCE

Volume Growth in EV / Electrical End Markets –

- Recruit new CEO with commercial success and experience in NN's targeted markets.
- Expansion and refocusing of sales team on strategic growth markets.
- Reduce ICE dependent business by requiring higher ROIC and limiting capital investments.

Margin Improvement –

- ~$10-12 million expected annualized adjusted EBITDA improvement compared to 2022 outlook upon completion of five facility closures.
- Rationalizing our production footprint and increasing manufacturing capacity in cost competitive countries (e.g. Mexico).
- Focused on securing incremental pricing to recover inflation impact.
- Expect reduced impact from supply chain disruption and inflation.

QUESTIONS & ANSWERS

APPENDIX

RECONCILIATION OF GAAP NET INCOME (LOSS) TO NON-GAAP ADJUSTED NET INCOME (LOSS) AND GAAP NET INCOME (LOSS) PER DILUTED COMMON SHARE TO NON-GAAP ADJUSTED NET INCOME (LOSS) PER DILUTED COMMON SHARE

(in thousands)	Three Months Ended September 30, 2022	2021
GAAP net income (loss)	$ (2,215)	$ (3,377)
Pre-tax acquisition and transition expense	1,002	832
Pre-tax foreign exchange (gain) loss on inter-company loans	444	615
Pre-tax change in fair value of preferred stock derivatives and warrants	(1,623)	(4,829)
Pre-tax amortization of intangibles and deferred financing costs	3,946	3,918
Tax effect of adjustments reflected above (c)	(800)	(113)
Non-GAAP discrete tax adjustments	749	3,469
Non-GAAP adjusted net income (loss) (d)	$ 1,503	$ 515

(per diluted common share)	Three Months Ended September 30, 2022	2021
GAAP net income (loss) per diluted common share	$ (0.11)	$ (0.13)
Pre-tax acquisition and transition expense	0.02	0.02
Pre-tax foreign exchange (gain) loss on inter-company loans	0.01	0.01
Pre-tax change in fair value of preferred stock derivatives and warrants	(0.04)	(0.11)
Pre-tax amortization of intangibles and deferred financing costs	0.09	0.09
Tax effect of adjustments reflected above (c)	(0.02)	—
Non-GAAP discrete tax adjustments	0.02	0.08
Preferred stock cumulative dividends and deemed dividends	0.06	0.05
Non-GAAP adjusted net income (loss) per diluted common share (d)	$0.03	$0.01
Weighted average common shares outstanding	44,711	44,455

RECONCILIATION OF GAAP INCOME (LOSS) FROM OPERATIONS TO NON-GAAP ADJUSTED INCOME (LOSS) FROM OPERATIONS AND NON-GAAP ADJUSTED EBITDA

(in thousands) **NN, Inc. Consolidated**	Three Months Ended September 30, 2022	2021
GAAP income (loss) from operations	$ (2,117)	$ (4,612)
Acquisition and transition expense*	1,002	832
Amortization of intangibles	3,587	3,586
Non-GAAP adjusted income (loss) from operations (a)	$ 2,472	$ (194)
Non-GAAP adjusted operating margin (1)	1.9 %	(0.2)%
Depreciation	7,607	8,019
Other income/expense	1,156	4,346
Non-cash foreign exchange (gain) loss on inter-company loans	444	615
Change in fair value of preferred stock derivatives and warrants	(1,623)	(4,829)
Share of net income from joint venture	1,424	842
Non-cash stock compensation	307	931
Non-GAAP adjusted EBITDA (b)	$ 11,787	$ 9,730
Non-GAAP adjusted EBITDA margin (2)	9.3 %	8.3 %
GAAP net sales	$ 127,297	$ 117,244

(in thousands) **Power Solutions**	Three Months Ended September 30, 2022	2021
GAAP income (loss) from operations	$ 2,582	$ 1,252
Acquisition and transition expense	474	(17)
Amortization of intangibles	2,749	2,748
Non-GAAP adjusted income (loss) from operations (a)	$ 5,805	$ 3,983
Non-GAAP adjusted operating margin (1)	11.4 %	8.2 %
Depreciation	1,227	1,226
Other income/expense	98	41
Non-cash foreign exchange (gain) loss on inter-company loans	(37)	110
Non-GAAP adjusted EBITDA (b)	$ 7,093	$ 5,360
Non-GAAP adjusted EBITDA margin (2)	13.9 %	11.0 %
GAAP net sales	$ 51,124	$ 48,680

(in thousands) **Mobile Solutions**	Three Months Ended September 30, 2022	2021
GAAP income (loss) from operations	$ (474)	$ (257)
Acquisition and transition expense	344	404
Amortization of intangibles	838	838
Non-GAAP adjusted income (loss) from operations (a)	$ 708	$ 985
Share of net income from joint venture	1,424	842
Non-GAAP adjusted income (loss) from operations with JV	$ 2,132	$ 1,827
Non-GAAP adjusted operating margin (1)	2.8 %	2.7 %
Depreciation	5,980	6,411
Other income/expense	(235)	(268)
Non-cash foreign exchange (gain) loss on inter-company loans	139	223
Share of net income from joint venture	1,424	842
Non-GAAP adjusted EBITDA (b)	$ 8,016	$ 8,194
Non-GAAP adjusted EBITDA margin (2)	10.5 %	11.9 %
GAAP net sales	$ 76,122	$ 68,586

(in thousands) **Elimination**	Three Months Ended September 30, 2022	2021
GAAP net sales	$ 51	$ (22)

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

*2022 includes professional fees of $0.3 million of professional fees and $0.7 million of integration & transformation fees. 2021 includes $0.4 million of professional fees and $0.4 million of integration & transformation fees.

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

(in thousands)	Three Months Ended September 30, 2022	2021
Net cash used in operating activities	(127)	(207)
Acquisition of property, plant and equipment	(4,308)	(3,541)
Free cash flow	$ (4,435)	$ (3,748)

NON-GAAP FINANCIAL MEASURES FOOTNOTES

The Company discloses in this presentation the non-GAAP financial measures of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt. Each of these non-GAAP financial measures provides supplementary information about the impacts of acquisition, divestiture and integration related expenses, foreign-exchange impacts on inter-company loans, reorganizational and impairment charges. Over the past five years, we have completed several acquisitions, one of which was 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, 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 are excluded, as the charges are not indicative of our ongoing operating cost. We believe the presentation of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt provides 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 (loss) from operations represents GAAP income (loss) from operations, adjusted to exclude the effects of restructuring and integration expense; non-operational charges related to acquisition and transition expense, intangible amortization costs for fair value step-up in values related to acquisitions, non-cash impairment charges, 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 (loss) 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 (loss) from operations.

(b) Non-GAAP adjusted EBITDA represents GAAP income (loss) from operations, adjusted to include income taxes, interest expense, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, depreciation and amortization, charges related to acquisition and transition costs, non-cash stock compensation expense, foreign exchange gain (loss) on inter-company loans, restructuring and integration expense, costs related to divested businesses and litigation settlements, income from discontinued operations, and non-cash impairment charges, to the extent applicable. 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) This line item reflects the aggregate tax effect of all non-GAAP adjustments reflected in the respective table. The Company estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying the applicable statutory rates by tax jurisdiction 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.

(d) Non-GAAP adjusted net income (loss) represents GAAP net income (loss) adjusted to exclude the tax-affected effects of charges related to acquisition and transition costs, foreign exchange gain (loss) on inter-company loans, restructuring and integration charges, amortization of intangibles costs for fair value step-up in values related to acquisitions and amortization of deferred financing costs, non-cash impairment charges, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, costs related to divested businesses and litigation settlements, income (loss) from discontinued operations, and preferred stock cumulative dividends and deemed dividends. 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.