



**Fourth Quarter & Full Year 2016 Earnings Release
March 2, 2017**



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 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.



Full Year Results



Highlights of 2016 Results

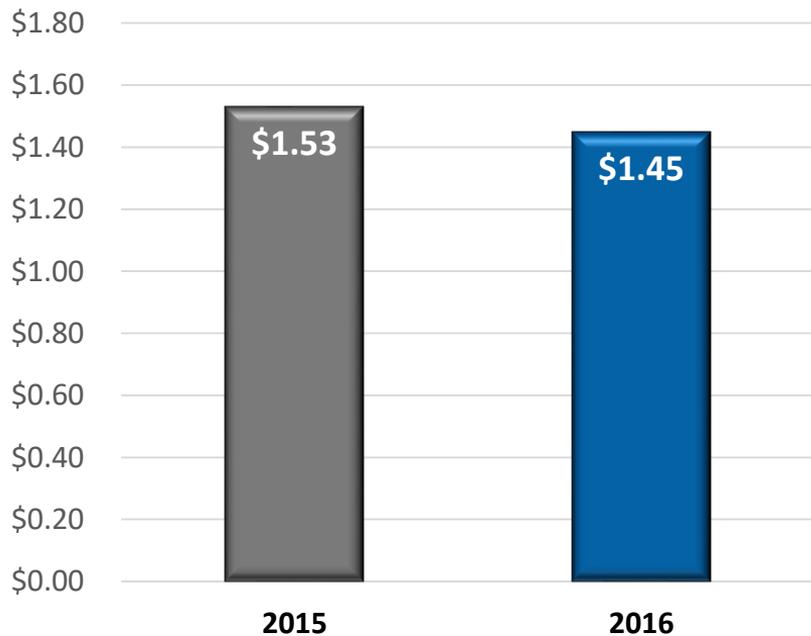
- **Sales of \$833.5M**
 - **Net of divestitures, the PEP acquisition contributed \$183M**
 - **Sales in the legacy business were negatively impacted \$16.8M driven by weak industrial markets**
 - **Organic sales growth of \$21M excluding the industrial end market**
- **Non-GAAP Adjusted Net Income increased 22% to \$39.5M**
- **Adjusted Diluted Earnings Per Share of \$1.45**
- **Adjusted Operating Margins improved 220bps to 12.0%**
- **Free Cash Flow generated for debt repayment of \$45M**



2016 Financial Summary

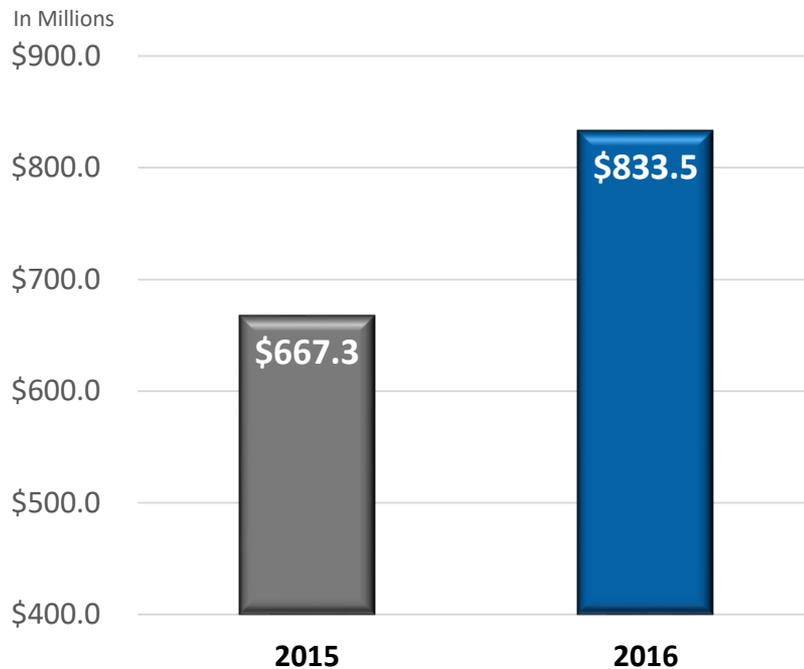
Adjusted Diluted Earnings Per Share

Issued 7.6M shares in July of 2015



Net Sales

Acquisitions added \$183M

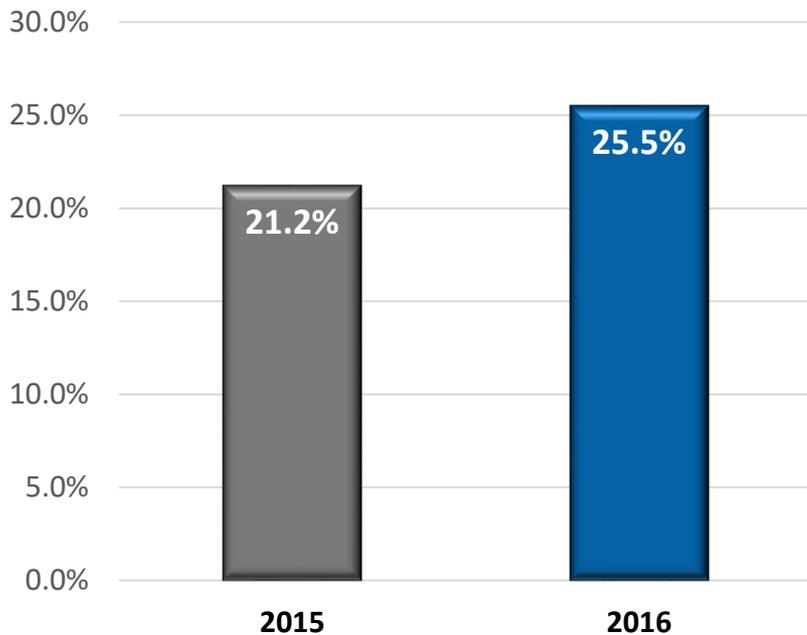




2016 Financial Summary

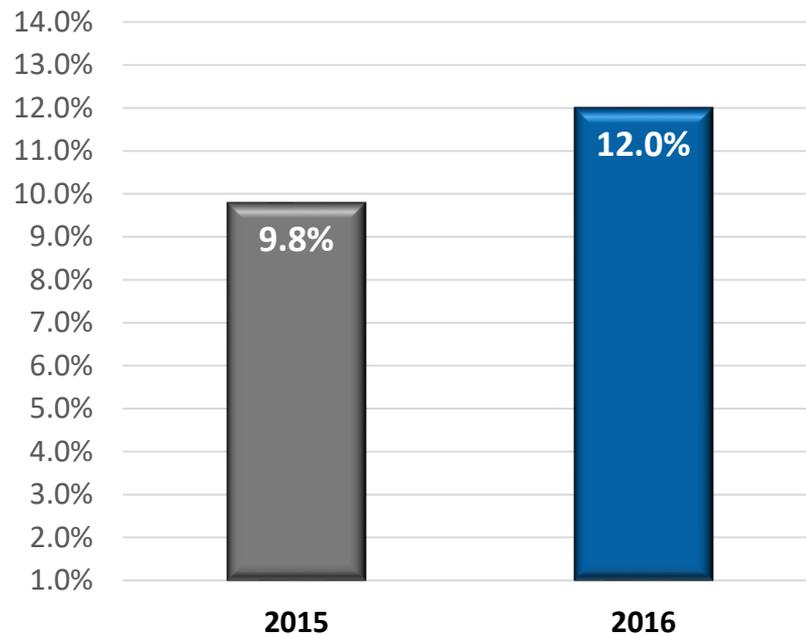
Gross Margin

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



Adjusted Operating Margin

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

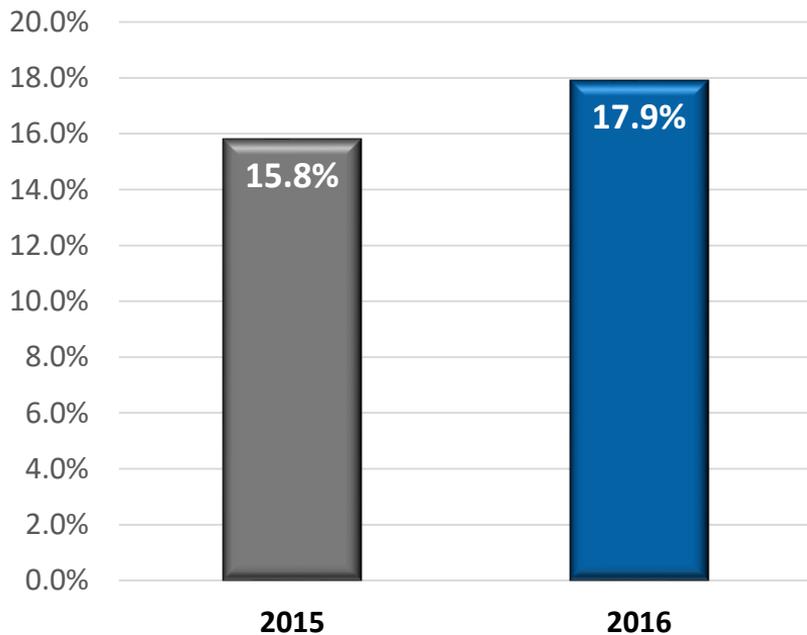




2016 Financial Summary

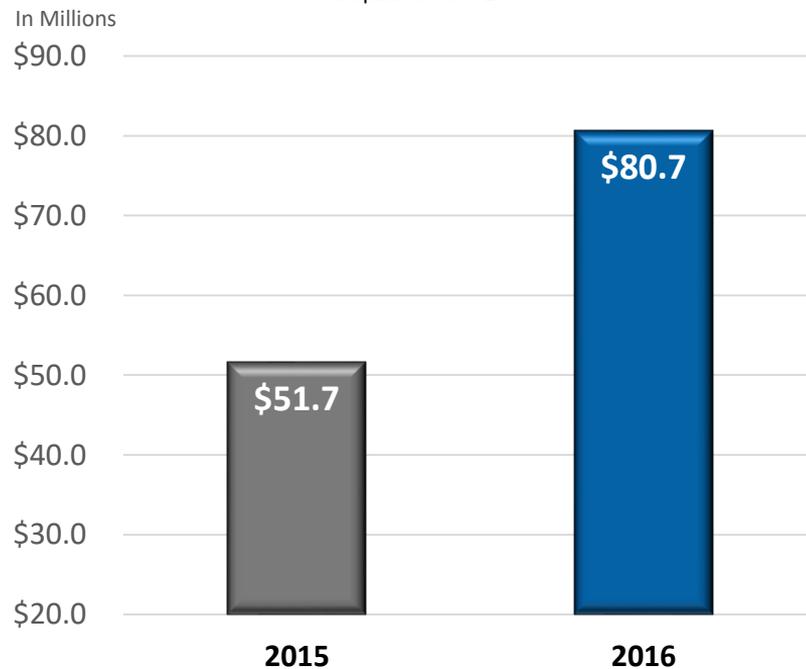
Adjusted EBITDA Margin

221 bps improvement driven by the acquisition of PEP and improvements from the NN Operating System



SG&A

Includes \$3.4M of M&A cost; \$15.5 million of the increase from the acquisition of PEP

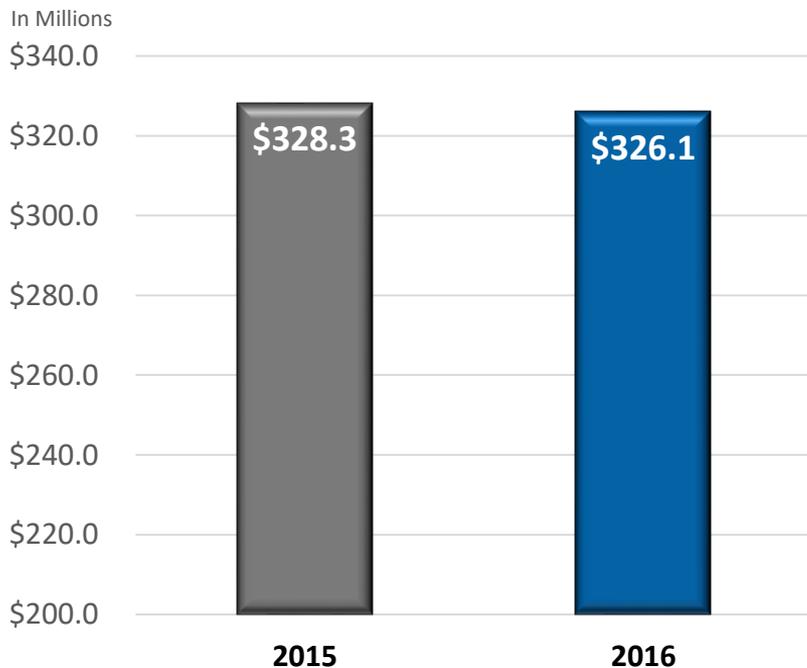




Autocam Precision Components Group

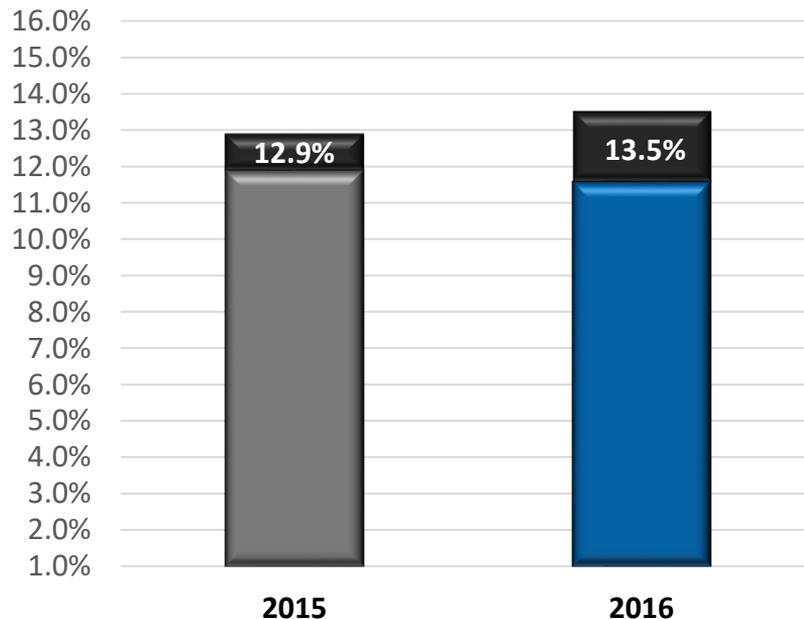
Net Sales

CAFE growth offset by industrial weakness



Adjusted Operating Margin

Positive flex productivity partially offset by industrial weakness



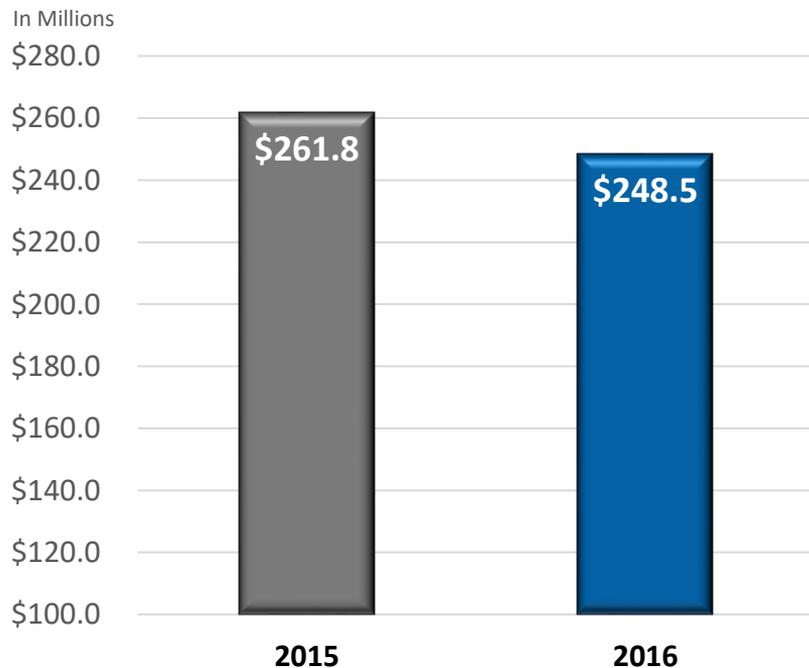
■ JV Contribution



Precision Bearing Components Group

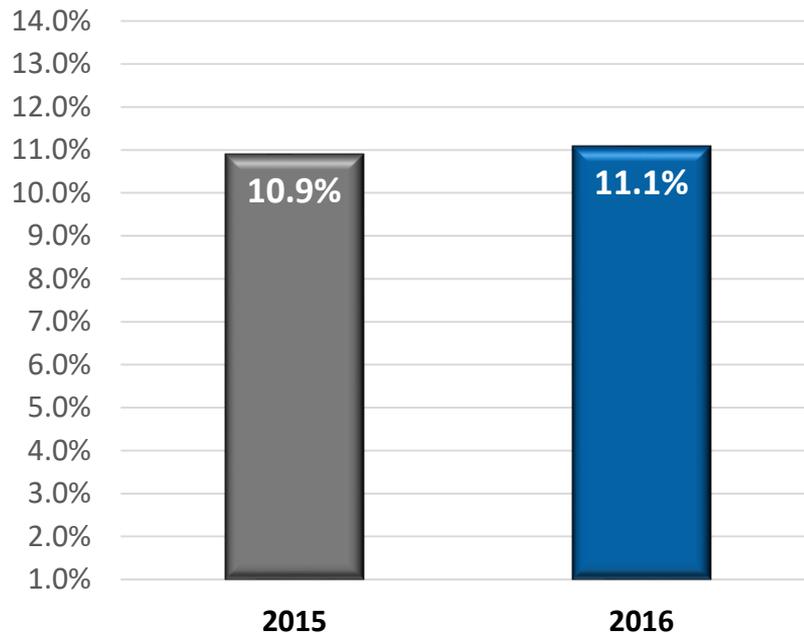
Net Sales

Sales negatively impacted by weak industrial markets



Adjusted Operating Margin

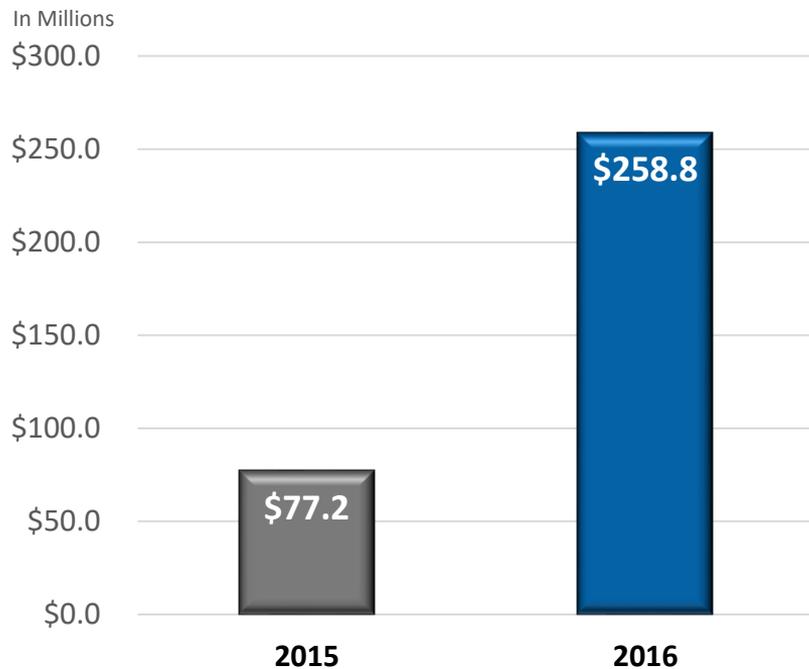
Solid flex and operational performance despite challenging topline environment



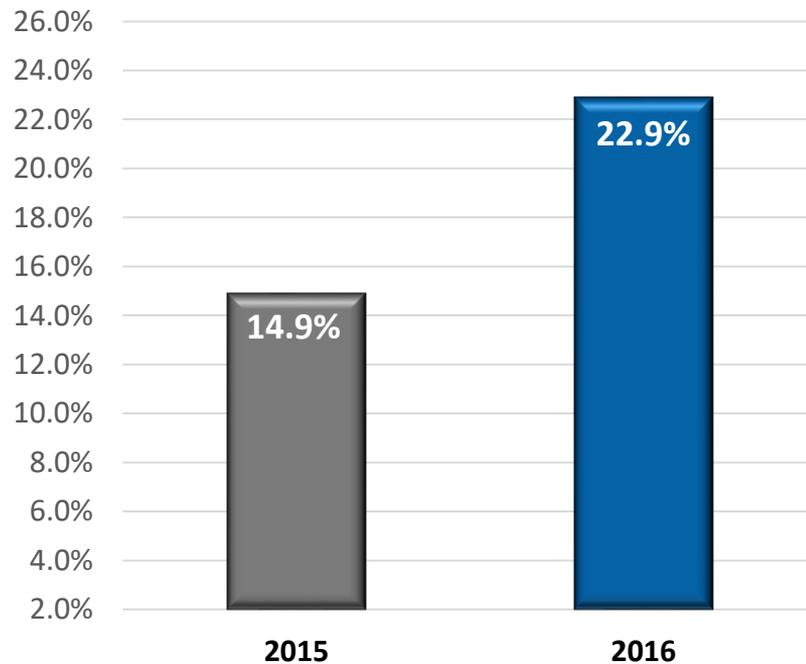


Precision Engineered Products Group

Net Sales



Adjusted Operating Margin





Year over Year Operating Review

Operating Improvements: 2015 vs 2016			
	Gross Margin Improvement	Adj. Operating Margin Improvement	Adj. EBITDA Margin Improvement
NN – Total Company	↑ 430 bps	↑ 220 bps	↑ 210 bps
APC Group	↑ 30 bps	↑ 60 bps	↑ 120 bps
PBC Group	↑ 100 bps	↑ 20 bps	↑ 130 bps
PEP Group	↑ 1170 bps	↑ 800 bps	↑ 620 bps

Continued Execution of the Strategic Plan



2016 Summary

- **Diversified strategy significantly offset industrial weakness**
- **NN Operating System driving margin expansion, appropriate flex and continued operating discipline.**
- **PEP integration ahead of plan**
- **Free cash flow in line with expectations despite challenging top line**



Fourth Quarter



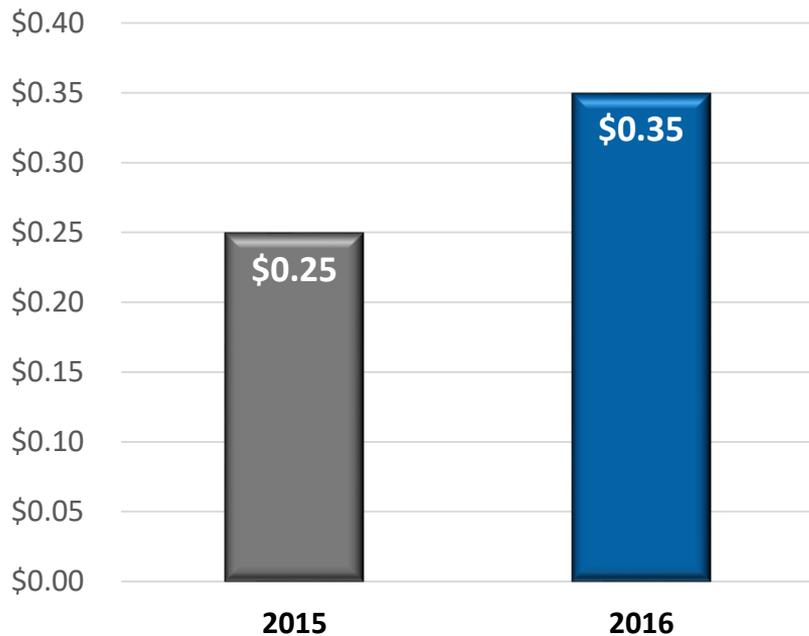
Highlights of 4th Quarter 2016

- **Sales of \$202.0M**
 - **Net of divestitures, the PEP acquisition contributed \$11.6M**
 - **Organic Sales growth of \$6.5M in the quarter compared to Q4 2015**
- **Adjusted Diluted Earnings Per Share of \$0.35**
- **Gross Margin improved 520 bps year over year**
- **Adjusted EBITDA of \$34.7M**
- **Adjusted Operating Margins of 10.6% in line with expectations**
- **Free Cash Flow generated for debt repayment in the quarter of \$13.7M**



4th Quarter 2016 Financial Summary

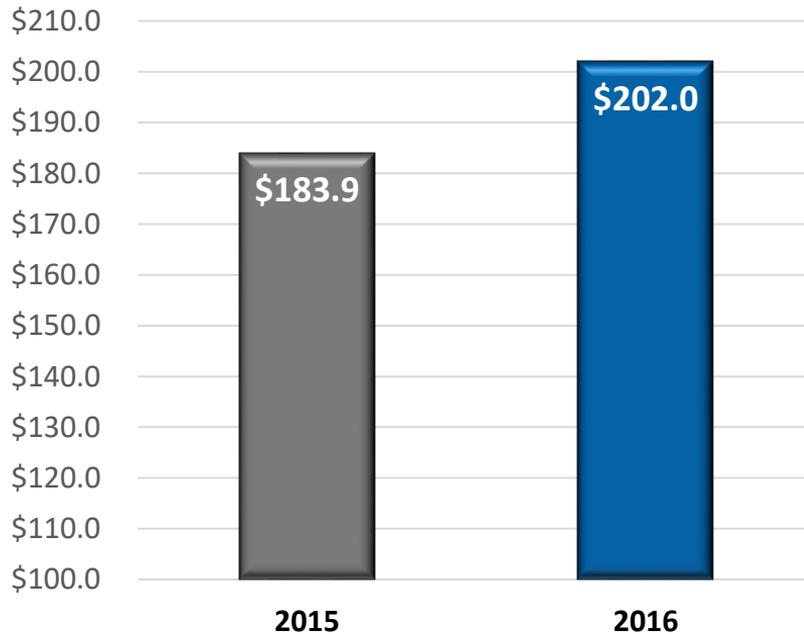
Adjusted Diluted Earnings Per Share



Net Sales

10% growth compared to prior year

In Millions

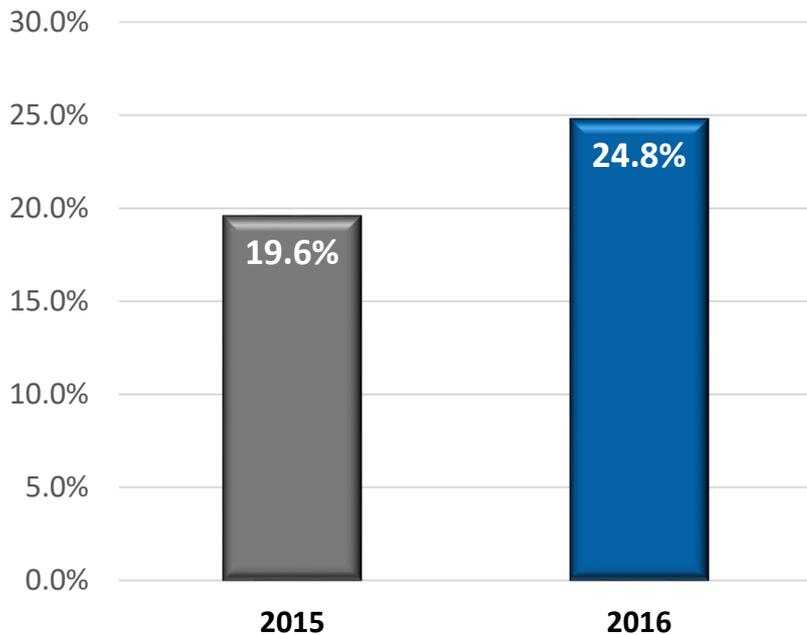




4th Quarter 2016 Financial Summary

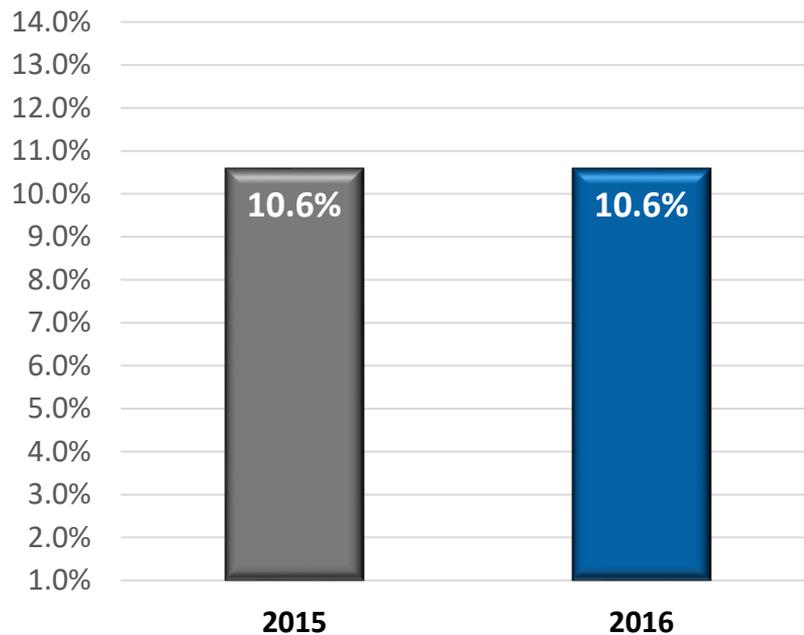
Gross Margin

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



Adjusted Operating Margin

Flexing as expected on lighter sales related to the industrial end market

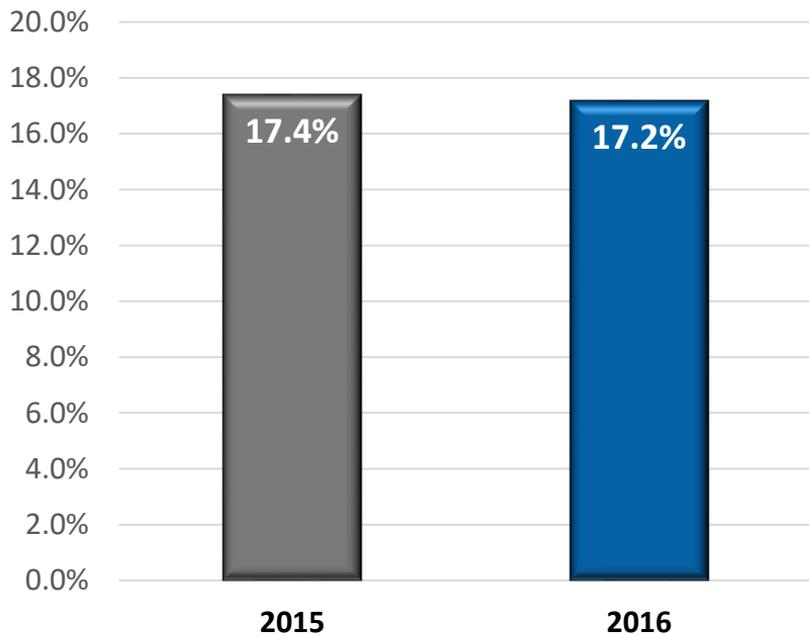




4th Quarter 2016 Financial Summary

Adjusted EBITDA Margin

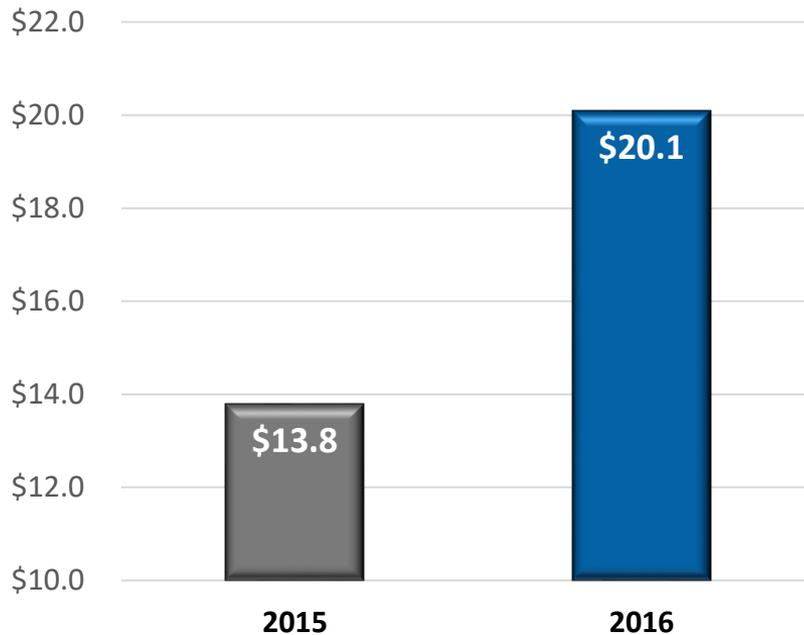
Industrial overhang impacted EBITDA margins in the quarter



SG&A

Increases driven by acquisition of PEP

In Millions

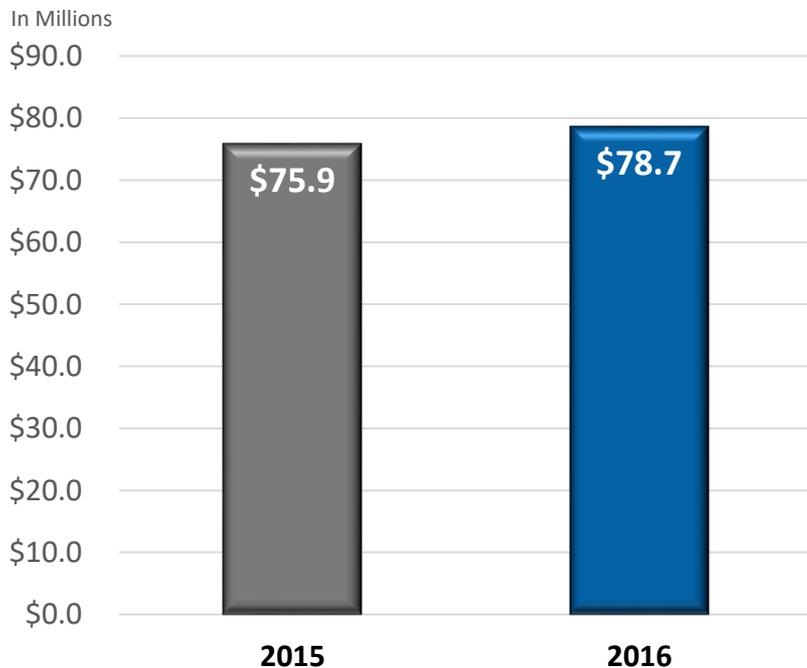




Autocam Precision Components Group

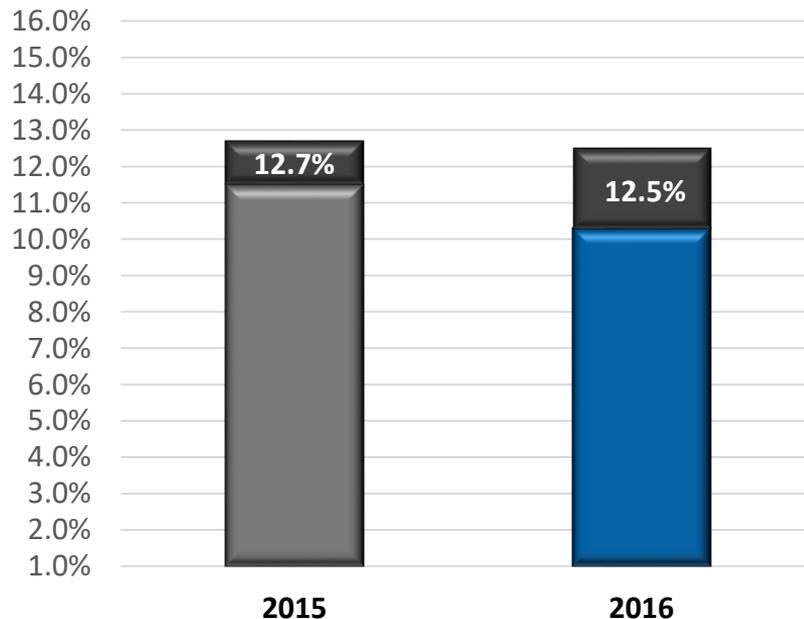
Net Sales

CAFE continues to drive growth



Adjusted Operating Margin

Unfavorable mix negatively impacted margins during the quarter

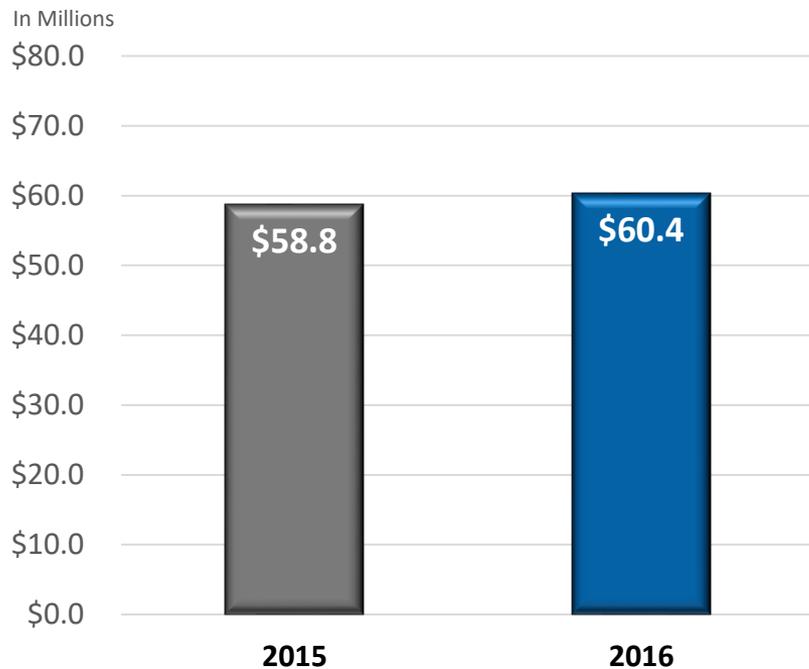


■ JV Contribution



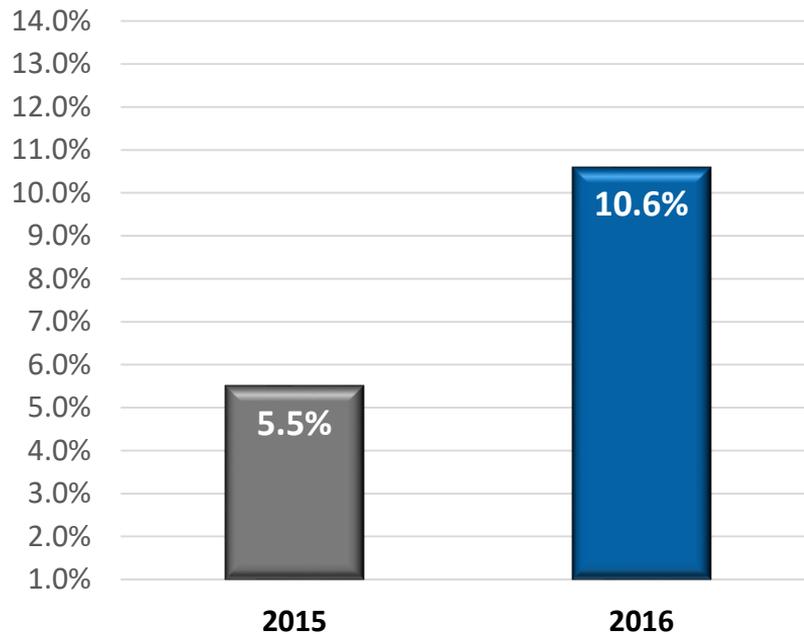
Precision Bearing Components Group

Net Sales



Adjusted Operating Margin

NN Operating System improvements & restructuring drive improvement

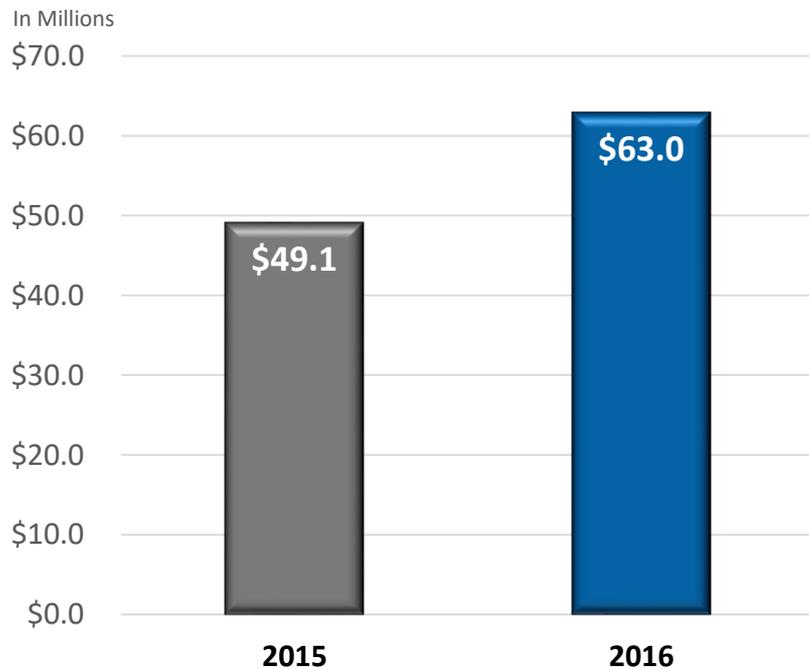




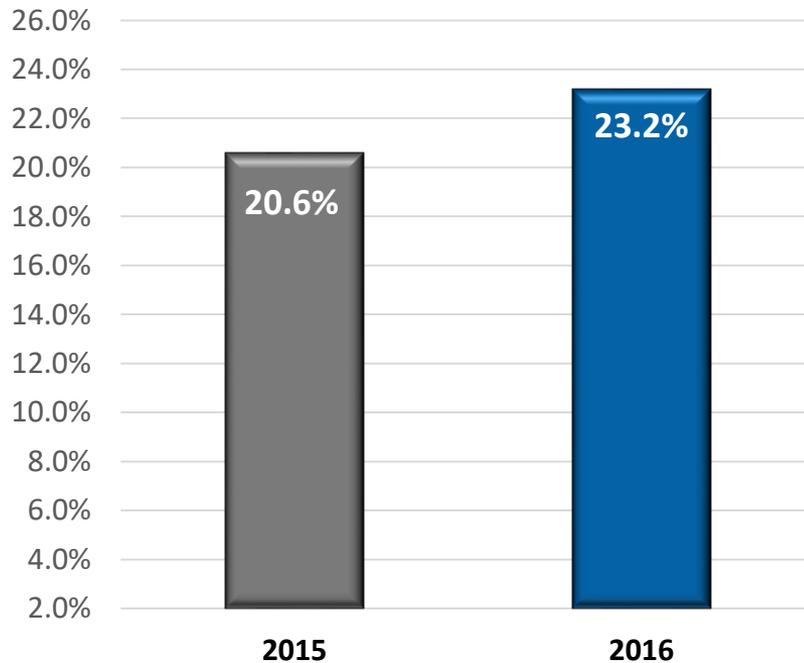
Precision Engineered Products Group

Net Sales

Acquisition of PEP, net of divestitures added \$11.6M



Adjusted Operating Margin





4th Quarter Summary

- **Diversified portfolio is performing as expected**
- **Weakness in the industrial end market continues to create a soft top line environment**
- **NN Operating System driving margin expansion, appropriate flex and continued operating discipline.**
- **Solid Free Cash Flow during the quarter directed to debt repayment**
- **Integration of PEP remains on track**



Guidance



1st Quarter 2017 Guidance

	Fourth Quarter Actual	First Quarter Guidance	Commentary
Net Sales	\$202.0M	\$212M - \$217M	Q1 Revenue in line with our expectations
Adj. Op Margin^(a)	10.8%	12.1% - 12.6%	NN Operating System continues to drive operational improvement
Adj. EBITDA	\$34.6M	\$38.9M - \$40.5M	
Adj. Diluted EPS^(b)	\$0.35	\$0.40 - \$0.45	Operational improvements drive consistent performance



2017 Guidance

	2017 Guidance	Commentary
Net Sales	\$850M - \$880M	Sales growth driven by our medical and electrical portfolios
Adj. Operating Margin^(a)	12.4% - 13.0%	Continued improvements in the NN Operating System driving expansion
Adj. EBITDA	\$157M - \$164M	
Adj. Diluted EPS^(b)	\$1.55 - \$1.75	NN Operating System driving improved earnings per share
CAPEX	\$40M - \$50M	We continue to invest in growth
Free Cash Flow¹	\$55M - \$60M	Strong free cash flow allows us to de-lever faster



Reconciliation Tables



Reconciliation of Adjusted Income from Operations & Adjusted Operating Margin

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

NN, Inc - Total Company

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$11,624	5.8%	(\$10,848)	-5.9%	\$58,928	7.1%	\$26,797	4.0%
Restructuring & impairment charges	2,783	1.4%	7,379	4.0%	10,024	1.2%	7,379	1.1%
Acquisition & integration expenses	1,138	0.6%	17,931	9.8%	4,651	0.6%	23,749	3.6%
Amortization of intangibles	5,915	2.9%	4,940	2.7%	26,351	3.2%	7,790	1.2%
Non-GAAP Adjusted income from operations (a) and Adjusted Operating Margin^a	\$21,460	10.6%	\$19,402	10.6%	\$99,954	12.0%	\$65,715	9.8%
GAAP Total Sales	\$202,030		\$183,855		\$833,488		\$667,280	

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

NN, Inc - Autocam Precision Components Group

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$6,755	8.6%	\$3,993	5.3%	\$29,516	9.1%	\$31,700	9.7%
Restructuring & impairment Charges	409	0.5%	2,634	3.5%	4,968	1.5%	2,624	0.8%
Acquisition & integration expenses	-	0.0%	1,185	1.6%	-	0.0%	1,195	0.4%
Amortization of intangibles	885	1.1%	889	1.2%	3,540	1.1%	3,518	1.1%
Non-GAAP Adjusted income from operations (a) and Adjusted Operating Margin^a	\$8,049	10.2%	\$8,701	11.5%	\$38,024	11.7%	\$39,037	11.9%
China JV Contribution	1,768		951		5,938		3,454	
Non-GAAP Adjusted income from operations and Adjusted Operating Margin^a	\$9,817	12.5%	\$9,652	12.7%	\$43,962	13.5%	\$42,491	12.9%
GAAP Total Sales	\$78,665		\$75,924		\$326,138		\$328,260	



Reconciliation of Adjusted Income from Operations & Adjusted Operating Margin

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

NN, Inc - Precision Bearing Components Group

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	<u>2016</u>		<u>2015</u>		<u>2016</u>		<u>2015</u>	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$4,346	7.2%	\$1,186	2.0%	\$22,985	9.2%	\$26,310	10.0%
Restructuring & impairment Charges	1,976	3.3%	2,019	3.4%	4,366	1.8%	2,019	0.8%
Amortization of intangibles	53	0.1%	52	0.1%	224	0.1%	208	0.1%
Non-GAAP Adjusted income from operations (a) and Adjusted Operating Margin^a	\$6,375	10.6%	\$3,257	5.5%	\$27,575	11.1%	\$28,537	10.9%
GAAP Total Sales	\$60,386		\$58,796		\$248,534		\$261,837	

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

NN, Inc - Precision Engineered Components Group

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	<u>2016</u>		<u>2015</u>		<u>2016</u>		<u>2015</u>	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations	\$8,628	13.7%	-\$5,027	-10.2%	\$34,744	13.4%	-\$3,718	-4.8%
Acquisition & integration expenses	994	1.6%	11,150	22.7%	1,914	0.7%	11,150	14.4%
Amortization of intangibles	4,977	7.9%	3,999	8.1%	22,587	8.7%	4,064	5.3%
Non-GAAP Adjusted income from operations (a) and Adjusted Operating Margin^a	\$14,599	23.2%	\$10,122	20.6%	\$59,245	22.9%	\$11,496	14.9%
GAAP Total Sales	\$62,979		\$49,135		\$258,816		\$77,183	



Reconciliation of Adjusted EBITDA & Adjusted EBITDA Margin

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

NN, Inc - Total Company

Three Months Ended December 31,

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

NN, Inc - Total Company	<u>2016</u>	<u>2015</u>	<u>Change</u>
GAAP Net income	\$ 3,392	\$ (25,016)	\$ 28,408
Provision for income taxes	(3,361)	(14,527)	11,166
Interest Expense	14,230	13,357	873
Write off of unamortized debt issuance cost	-	18,673	(18,673)
Pre-tax write of interest rate swap	115	-	115
Depreciation & Amortization	15,311	18,780	(3,469)
Acquisition & Integration Expenses	1,138	12,590	(11,452)
Non-cash stock compensation	882	789	93
Non-cash foreign exchange loss or intercompany loans	212	49	163
Restructuring & impairment charges	2,783	7,268	(4,485)
Non-GAAP Adjusted EBITDA^d	<u>\$ 34,701</u>	<u>\$ 31,963</u>	<u>\$ 2,738</u>
Non-GAAP Adjusted EBITDA Margin	17.2%	17.4%	
GAAP Total Sales	202,030	183,855	

Non-GAAP Adjusted EBITDA Margin = Non-GAAP Adjusted EBITDA / GAAP total Sales



Reconciliation of Adjusted EBITDA & Adjusted EBITDA Margin

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

NN, Inc - Total Company

Twelve Months Ended December 31,

	<u>2016</u>	<u>2015</u>	<u>Change</u>
GAAP Net income	\$ 8,271	\$ (7,431)	\$ 15,702
Provision for income taxes	(9,830)	(10,518)	688
Interest Expense	63,763	29,899	33,864
Write off of unamortized debt issuance cost	2,589	18,673	(16,084)
Write off of interest rate swap	3,785		3,785
Depreciation & Amortization	62,488	44,482	18,006
Acquisition & Integration Expenses	4,651	19,356	(14,705)
Non-cash stock compensation	4,267	2,918	1,349
Non-cash foreign exchange loss (gain) or intercompany loans	(1,219)	588	(1,807)
Restructuring & impairment charges	10,024	7,268	2,756
Non-GAAP Adjusted EBITDA^d	<u>\$ 148,789</u>	<u>\$ 105,235</u>	<u>\$ 43,554</u>
Non-GAAP Adjusted EBITDA Margin	17.9%	15.8%	
GAAP Total Sales	833,488	667,280	



Reconciliation of Adjusted Net Income & Adjusted Diluted EPS

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

NN, Inc - Total Company

	Three Months Ended December 31, 2016		Three Months Ended December 31, 2015	
	<u>In Thousands</u>	<u>Diluted Earnings Per Share</u>	<u>In Thousands</u>	<u>Diluted Earnings Per Share</u>
GAAP Net income	\$3,392	\$0.12	(\$25,015)	(\$0.93)
Pre-tax acquisition and integration costs	1,138	0.04	31,604	1.16
Pre-tax foreign exchange loss on inter-company loans	212	0.01	42	0.00
Pre-tax reorganization and impairment charges	2,783	0.10	6,163	0.23
Pre-tax write-off of unamortized debt issuance costs	-	-	-	-
Pre-tax write of interest rate swap	(115)	(0.00)	-	-
Pre-tax Amortization of intangibles & deferred financing costs	7,117	0.26	5,125	0.19
Tax effect of all adjustment reflected above ^c	<u>(4,950)</u>	<u>(0.18)</u>	<u>(11,133)</u>	<u>(0.41)</u>
Non- GAAP Adjusted net income ^b	<u>\$ 9,576</u>	<u>\$ 0.35</u>	<u>\$6,786</u>	<u>\$ 0.25</u>



Reconciliation of Adjusted Net Income & Adjusted Diluted EPS

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

NN, Inc - Total Company

	Twelve Months Ended December 31, 2016		Twelve Months Ended December 31, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
GAAP Net income	\$8,271	\$0.30	(\$7,431)	(\$0.35)
Pre-tax acquisition and integration costs	4,651	0.17	36,750	1.74
Pre-tax foreign exchange (gain) loss on inter-company loans	(\$1,219)	(0.04)	1,285	0.06
Pre-tax reorganization and impairment charges	10,024	0.37	6,176	0.29
Pre-tax write-off of unamortized debt issuance costs	\$2,589	0.10	-	-
Pre-tax write of interest rate swap	\$3,785	0.14	-	-
Pre-tax Amortization of intangibles & deferred financing costs	\$30,919	1.14	9,504	0.45
Tax effect of all adjustment reflected above ^c	(\$19,580)	(0.72)	(13,926)	(0.66)
Non- GAAP Adjusted net income ^b	\$39,440	\$1.45	\$32,358	\$1.53



1ST Quarter 2017 Guidance – Adjusted Income from Operations & Adjusted Operating Margin

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Total Company

Three Months Ending March 31, 2017

	<u>Low</u>		<u>High</u>	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$19,713	9.3%	\$21,363	9.8%
Restructuring & impairment charges		0.0%		0.0%
Acquisition & integration expenses		0.0%		0.0%
Amortization of intangibles	5,878	2.8%	5,878	2.7%
Adjusted income from operations	<u>\$25,591</u>	<u>12.1%</u>	<u>\$27,241</u>	<u>12.6%</u>
Total Sales	\$212,000		\$217,000	



Full Year 2017 Guidance – Adjusted Income from Operations & Adjusted Operating Margin

Reconciliation of income from operations to adjusted income from operations:

NN, Inc. - Total Company

Year Ending December 31, 2017

	<u>Low</u>		<u>High</u>	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations & Operating Margin	\$81,516	9.6%	\$90,505	10.3%
Restructuring & impairment charges	-	0.0%	-	0.0%
Acquisition & integration expenses	-	0.0%	-	0.0%
Amortization of intangibles	23,511	2.8%	23,511	2.7%
Adjusted income from operations & Adjusted Operating Margin and Adjusted Operating Margin^a	<u>\$105,027</u>	<u>12.4%</u>	<u>\$114,016</u>	<u>13.0%</u>
Total Sales	\$850,000		\$880,000	



1st Quarter 2017 Guidance – Adjusted EBITDA & Adjusted EBITDA Margin

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

NN, Inc - Total Company

Three Months Ending March 31, 2017

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

NN, Inc - Total Company

	<u>Low</u>	<u>High</u>
GAAP Net income	\$ 6,400	\$ 7,750
Provision for income taxes	860	1,124
Interest Expense	14,511	14,511
Write off of unamortized debt issuance cost	-	-
Write off of interest rate swap	-	-
Depreciation & Amortization	16,005	16,005
Acquisition & Integration Expenses	-	-
Non-cash stock compensation	1,125	1,125
Non-cash foreign exchange loss or intercompany loans	-	-
Restructuring & impairment charges	-	-
Non-GAAP Adjusted EBITDA	<u>\$ 38,901</u>	<u>\$ 40,515</u>
Non-GAAP Adjusted EBITDA Margin	18.3%	18.7%
GAAP Total Sales	212,000	217,000



Full Year 2017 Guidance – Adjusted EBITDA & Adjusted EBITDA Margin

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

NN, Inc. - Total Company

Twelve Ended December 31, 2017

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

NN, Inc. - Total Company

	<u>Low</u>	<u>High</u>
GAAP Net income	\$ 24,703	\$ 29,946
Provision for income taxes	5,107	7,031
Interest Expense	58,656	58,656
Depreciation & Amortization	63,867	63,867
Acquisition & Integration Expenses	-	-
Non-cash stock compensation	4,500	4,500
Non-cash foreign exchange loss or intercompany loans	-	-
Restructuring & impairment charges	-	-
Non-GAAP Adjusted EBITDA	<u>\$ 156,833</u>	<u>\$ 164,000</u>
Non-GAAP Adjusted EBITDA Margin	18.5%	18.6%
GAAP Total Sales	850,000	880,000



1st Quarter 2017 Guidance – Adjusted Net Income & Adjusted EPS

Reconciliation of EPS to adjusted EPS:

NN, Inc - Total Company

	Three Months Ending March 31, 2017			
	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
GAAP Net income	\$6,400	\$0.23	\$7,750	\$0.28
Pre-tax acquisition and integration costs		-		-
Pre-tax foreign exchange loss on inter-company loans		-		-
Pre-tax reorganization and impairment charges		-		-
Pre-tax write of interest rate swap			-	-
Pre-tax Amortization of intangibles & deferred financing costs	6,986	0.26	6,986	0.26
Tax effect of all adjustment reflected above	(2,559)	(0.09)	(2,559)	(0.09)
Non- GAAP Adjusted net income	<u>\$ 10,828</u>	<u>\$ 0.40</u>	<u>\$ 12,178</u>	<u>\$ 0.45</u>
Weighted average diluted shares outstanding		27,300		27,300



Full Year 2017 Guidance – Adjusted Net Income & Adjusted EPS

Reconciliation of EPS to adjusted EPS:

NN, Inc. - Total Company

	Year Ending December 31, 2017			
	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
GAAP Net income	\$24,703	\$0.90	\$29,946	\$1.10
Pre-tax acquisition and integration costs	-	-	-	-
Pre-tax foreign exchange loss on inter-company loans	-	-	-	-
Pre-tax reorganization and impairment charges	-	-	-	-
Pre-tax write of interest rate swap	-	-	-	-
Pre-tax Amortization of intangibles & deferred financing costs	27,945	1.02	27,945	1.02
Tax effect of all adjustment reflected above (c)	(10,234)	(0.37)	(10,234)	(0.37)
Non- GAAP Adjusted net income	<u>\$ 42,414</u>	<u>\$ 1.55</u>	<u>\$ 47,657</u>	<u>\$ 1.75</u>
Weighted average diluted shares outstanding		27,300		27,300



Full Year 2017 Guidance – Free Cash Flow

Free Cash Flow

NN, Inc. - Total Company

Year Ending December 31,
2017

	<u>Low</u>	<u>High</u>
EBITDA	\$156,833	\$164,000
CAPEX	(40,000)	(50,000)
Interest Expense*	(54,494)	(53,494)
Dividends	(7,600)	(7,600)
Income Tax Expense	(3,150)	(5,000)
Working Capital	3,411	12,094
Free Cash Flow ⁺	<u>\$55,000</u>	<u>\$60,000</u>

*Excludes deferred financing cost

+ Free cash flow available for debt repayment



Non-GAAP Financial Measures Footnotes

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 and integration related expenses, foreign-exchange impacts on inter-company loans reorganizational and impairment charges. 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. 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, 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 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 Non-GAAP 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.

(c) 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.