

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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): March 20, 2025



**NN, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-39268  
(Commission  
File Number)

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

6210 Ardrey Kell Road, Suite 120  
Charlotte, North Carolina  
(Address of principal executive offices)

28277  
(Zip Code)

(980) 264-4300  
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value \$0.01	NNBR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 7.01 REGULATION FD DISCLOSURE**

NN, Inc., a Delaware corporation (the "Company"), presented virtually at the Sidoti Small-Cap Virtual Conference (the "Conference") on March 20, 2025, which featured an investor presentation (the "Investor Presentation"). A copy of the Investor Presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is available on the Company's website at <https://ir.vertexinc.com/>.

Pursuant to the rules and regulations of the U.S. Securities and Exchange Commission the information furnished pursuant to this Item 7.01 of this Current Report (including Exhibit 99.1) is deemed to have been furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any other filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

*(d) Exhibits.*

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<a href="#">Investor Presentation, dated March 2025</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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: March 21, 2025

**NN, INC.**

By: /s/ Christopher H. Bohnert  
Name: Christopher H. Bohnert  
Title: Senior Vice President and Chief Financial Officer



# Sidoti March Small Cap Conference Presentation

March 2025





# 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. (the "Company") based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that are outside of management's control and that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector; the impacts of pandemics, epidemics, disease outbreaks and other public health crises on our 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; economic, social, political and geopolitical instability, military conflict, currency fluctuation, and other risks of doing business outside of the United States; inflationary pressures and changes in the cost or availability of materials, supply chain shortages and disruptions, the availability of labor and labor disruptions along the supply chain; 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, as well as expansion of end markets and product offerings; our ability to hire or retain key personnel; 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; our ability to secure, maintain or enforce patents or other appropriate protections for our intellectual property; new laws and governmental regulations; the impact of climate change on our operations; and cyber liability or potential liability for breaches of our or our service providers' information technology systems or business operations disruptions. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's filings made with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of this press release, and the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. The Company qualifies all forward-looking statements by these cautionary statements.

With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found in the back of this document or in the "Investors" section of the Company's web site, [www.nninc.com](http://www.nninc.com), under the heading "News & Events" and subheading "Presentations."

# NN At A Glance

- **Best-In-Class** maker of high-precision, complex metal products for ~45 years, public for ~30 years
  - **Strategic Partner** to diversified and global customer base with long standing business relationships and long-running business streams
  - **Global Manufacturing Platform:** 26 facilities in 6 countries, and 49% owned China Joint Venture machining plant with more than \*\$120 million in sales annually
  - **Two Primary Product Segments:**
    - **Power Solutions:** precision **stamped** parts, plated parts, and subassemblies
    - **Mobile Solutions:** precision **machined** parts and assemblies
- 
- **Strong organic EBITDA advancement program** underway with new team and approach for past 6 quarters, balanced between strong cost-out and above-market sales growth
    - 2024 was first full year of change, 2025 will be another solid advancement year
    - Just getting started and we are on track
  - **Have achieved \$150 million in new business wins** from 2023 to Q1 2025
    - Targeting ~\$65 million in annual new wins as part of 5-year growth plan
    - Supplemental commercial goals include \$50 million in Medical Components wins (5 years) and \$50 million in Electrical Components wins (3 years)
  - **Have achieved strong cost-out** through employee right-sizing, plant consolidations, global continuous improvement program

Revenue\*  
\$464 Million

Adjusted EBITDA\*  
\$48 million

Adjusted EBITDA %\*  
10.4%



Customers  
>1,100

## Global Employees

~3,000 + Additional ~700 in China JV

## Revenue Breakdown\*



\*Trailing Twelve Months as of 12/31/24

# Globally Competitive Operational Footprint

Close-to-customer engineering centers coupled with both localized production for local markets and global low-cost footprint

- Close proximity to customers in all major markets to meet local needs
- Low-cost country footprint aligned with strategy and facility optimization initiative
  - Localized production for domestic markets is a competitive advantage and helps insulate NN from tariff risks
- Centers of excellence in engineering and manufacturing spanning four continents supporting regional requirements
- China Joint Venture ("JV" or "China JV")\* includes ~700 employees in one facility and generates \$120M+ in profitable revenue

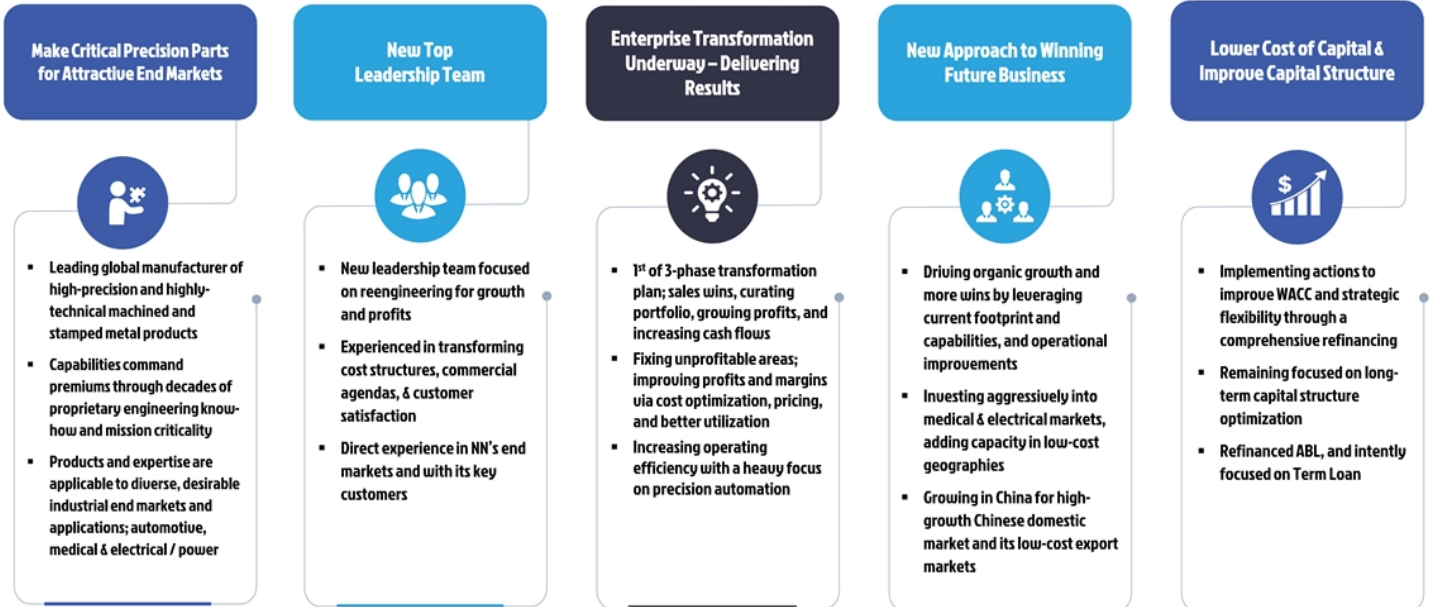


NN, Inc. logos represent employee concentration  
<sup>(1)</sup> Trailing Twelve Months as of 12/31/24, excludes Lubbock



(\* ) NN has 49% ownership in China JV; net income reported in "other income" in consolidated financials

# Investment Highlight: Enterprise Transformation Underway and Showing Good Results



*Repositioning, Increasing Competitiveness, and Delivering Results – Next Phase*

# Power Solutions: Stamped & Assembled Metal Products

Many well-positioned customers, strong new wins → Added growth in FY'25

## Power Solutions – Stamped & Assembled Products

### Provides:

Customers with precision stamped parts, electroplated parts, assembly capabilities to help co-design and produce safe, durable, and high-quality mission-critical components across a flexible volume/mix platform

### End Markets:

Electric Grid, Industrial, Vehicles, Electronics, Medical (new), Connector Parts (new), and Electric Shielding (new)

### Key Product Applications:

Smart meters, circuit breakers, sensors, transformers, switchgears, defense, and surgical instruments



Connector Shields

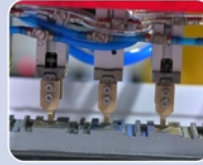


Smart Meter Contact Assembly or "Blade"



Medical Surgical Instruments

## Specializing in hard-to-make Stampings & Platings



Design and build our own dies in-house

In-house rapid prototyping to speed up the innovation process

Good footprint between the US, Mexico and China

# Mobile Solutions: Machined Metal Products

Many well-positioned global customers with global agendas → Added growth in 2025

## Mobile Solutions – Machined Products

### Provides:

Customers with precision machining and finishing capabilities to develop 6 sigma product designs with unmatched speed to market and advanced in-house precision engineering capabilities

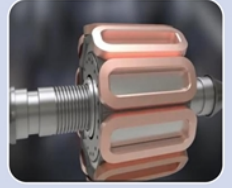
### End Markets:

Vehicles, (ICE/BEV/HEV), Industrial, and Medical (new)

### Key Product Applications:

Electric power steering, electric braking, electric motors, gas and diesel fuel systems, emissions control for heavy duty (dosing)

## Specialize in tough, quiet parts with micron tolerances



Every part is customer-designed

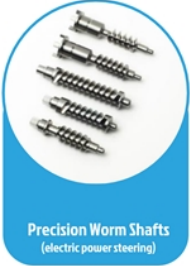
Key to success is the best manufacturing process

We operate as part of larger systems

We guarantee mating and compatibility for customers

Focused on next-gen processes & products

Good footprint in US, Brazil, France, Poland, and China



Precision Worm Shafts  
(electric power steering)



Inlet Fittings



Electric Motor Shafts

# NN's 5-Year Plan for Growing Sales and Profits is On Track

2028 Goals	Pathway to Achievement	Near-Term Progress
<p><b>Grow Net Sales to \$650M</b></p>	<ul style="list-style-type: none"> <li>▪ \$40 million of net annual growth driven by \$65 million of annual new awards and \$25 million of EOPs / walkaways</li> <li>▪ Higher growth targeted in stamped products, medical products, and electrical products</li> <li>▪ Invest growth capex to enhance capabilities</li> <li>▪ Strategic acquisitions to accelerate strategy when opportunity is right</li> </ul>	<p>Secured \$149 million of new business since beginning of 2023, launching 70 startup programs in 2025</p>
<p><b>Lower Costs 3% per Year, Manage Cash Flows</b></p>	<ul style="list-style-type: none"> <li>▪ Condense plant footprint and combine operating teams into a shared matrix network</li> <li>▪ Strong continuous improvement program at every plant</li> <li>▪ Kaizen and 6 Sigma culture at all plants</li> </ul>	<p>Fixing Group of 7 plants, Large cost-out plan for 2025 irrespective of volumes</p>
<p><b>Conserve Cash Flow, Refresh Balance Sheet</b></p>	<ul style="list-style-type: none"> <li>▪ Generate free cash flow, invest ~\$12 to \$15M in capex per year (excluding China operations). China will fund itself, and also send excess money to US</li> <li>▪ Leverage NN's installed base of ~\$400M of machinery, equipment, land, &amp; buildings</li> <li>▪ All plants free cash flow self-sustaining</li> </ul>	<p>New ABL in place, New Term Loan process underway, China implementing its own program</p>
<p><b>Increase Adjusted EBITDA Margin to 12-13%</b></p>	<ul style="list-style-type: none"> <li>▪ Rationalize business &amp; operations at 7 underperforming plants – pacing footprint actions to cashflow</li> <li>▪ Share and lower SG&amp;A profile while increasing business development teams</li> <li>▪ Launch and onboard accretive new business</li> </ul>	<p>Adj. EBITDA margins are ~10% Expected to continue advancement in 2025</p>



**Plan to Grow Business to \$600 million Organically, \$650 million with small M&A bolt-ons**

-> *Have Organic Growth Sub-Goals with Target Amounts that Aggregate to Higher Levels than the \$600 million overall target*

-> *As of Q1 2025, we are Ahead of our 5 Year Goals but it is Early and we Have Just Begun*

-> *We are Very Excited about our 2025 Opportunity Set Made Possible from 2023 & 2024 Prospecting and Prototyping*

	Program	Goal	Status
Organic Growth	New Wins Program overall	<p>\$325 million over 5 years</p> <p>Achieved almost half so far - \$150 million of new wins from Q1 2023 to Q1 2025</p> <p>This is ahead of plan so far</p>	<ul style="list-style-type: none"> <li>• Goal is \$40 million net target for annual new wins growth                             <ul style="list-style-type: none"> <li>➢ Based on \$65 million annual new wins target &amp; (\$25) million of EOPs/rationalize</li> </ul> </li> <li>• 300+ program awards, 20+ new customers</li> </ul>
	Electrical Stampings	\$50 million over 5 years	<ul style="list-style-type: none"> <li>• Added dedicated sales effort</li> <li>• Won over \$25 million in first 18 months</li> <li>• Winning with industry-leading Tier 1 electrical system customers</li> </ul>
	Industrial Stampings	\$50 million over 5 years	<ul style="list-style-type: none"> <li>• Added dedicated sales team</li> <li>• Will need targeted investments in press capabilities and footprint</li> </ul>
	Medical Products	\$50 million in 5 years	<ul style="list-style-type: none"> <li>• Added dedicated sales team</li> <li>• Goal is \$8 million per year of new wins on top of base business</li> </ul>
Inorganic Growth	Electrical Business M&A	\$25 million in acquired sales over 5 years	<ul style="list-style-type: none"> <li>• Have evaluated multiple companies as part of growth strategy</li> <li>• Targeting stamped and assembled products</li> </ul>
	Medical Products M&A	\$25 million in acquired sales over 5 years	<ul style="list-style-type: none"> <li>• Have evaluated multiple companies as part of growth strategy</li> <li>• Targeting bolt-on acquisitions in the medical components markets</li> </ul>



# Key Markets Update

→ NN is in three main markets and five smaller markets

## North America Market: ~70% of NN's Revenue

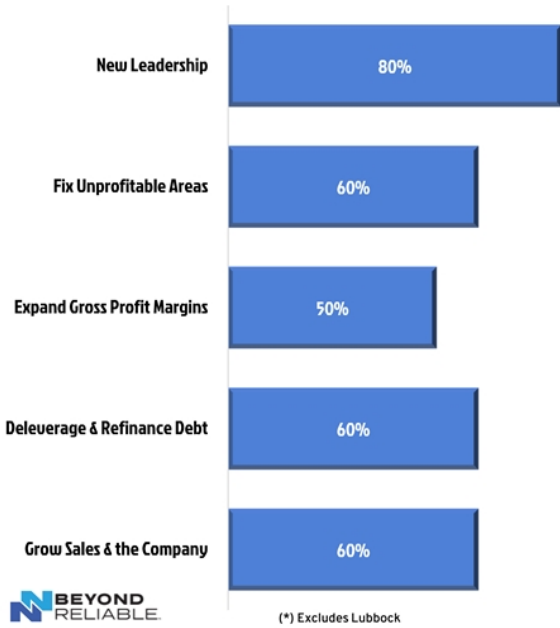
- **NA Automotive - top market**
  - US is the 2<sup>nd</sup> largest auto market in the world, producing ~16 million light duty vehicles in 2024, up 2%\*
  - US-proposed tariffs to further protect the nation's largest manufacturing industry
  - Car demand outlooks unchanged in third party outlooks, growing slightly; the average age of used cars is at a record high
- **NA Electrical - top market**
  - Electrical grid investments continue, and commentary from public industry leaders (Itron, Eaton, Honeywell, etc.) reaffirm this
  - EV demand is rebalancing, but electrical demand will continue to be driven by data centers, hospitals and infrastructure advancements
- **NA Industrial** - end demand is steady and growing at GDP, NN participates with stamped products and is in many diverse end markets
- **NA Commercial Vehicles** - end demand is steady, focus on energy efficiency, emissions reduction, and features
- **NA Medical** - end demand for orthopedic procedures continues to grow; NN has a small but growing medical business

## Rest of World : ~30% of NN's Revenue

- **China Automotive - top market (2x the size of the US auto market)**
  - China is the largest auto market in the world producing ~30 million light duty vehicles in 2024, up 4%\*; China is the largest exporter of cars in the world, US is not a target market
  - Incentives in place to encourage Chinese citizens to upgrade their cars to newer models
  - Auto parts suppliers are seeing record demand; supportive to NN's business here
- **SA Automotive** - end car demand is steady and local car production is a protected market; ~9% of NN's business
- **EU Automotive** - end car demand is steady; export portion of supply chains is under pressure; ~7% of NN's business

# Transformation Update: 2025 Will Be Another Advancement Year

*From 0 to 60% Complete in Six Quarters*



- 1. Modify leadership to mirror and lead the new forward agenda**
- 2. Confront and resolve chronic underperforming plants – some plant consolidations are required, gating to cashflow. Have already cut losses in half, 2025 will resolve the rest**
- 3. Gross profit margin\* expansion has begun**

FY'23 %	FY'24 %	Long-term Goal
14.5%	16.9%	20%
- 4. Improvement of the balance sheet has begun**

Refreshed ABL	✓
Refreshed Term Loan	Underway
Put China business on its own balance sheet	Underway
- 5. Goal is to deliver incremental growth every year. Make-whole of rationalized sales swaps has begun and launching 70+ new programs during 2025.**

## NN's China Footprint is World-Class Win in China and Win Globally



### NN Asia Presence is Large & Growing

- China footprint includes 3 plants and we have been in China for almost 2 decades
  - (1) company-owned machining plant
  - (1) company-owned stamping plant
  - (1) JV-owned machining plant (NN has 49% ownership)
- Owned operations are ~\$75 million sales, >20% EBITDA, and growing
- JV operations are ~\$125 million sales, > 25% EBITDA, and growing
- China's machining operations are NN's best in class for technology, cost, quality and capabilities
- ~600 total machine centers in China; added 70 machines in 2024, with 15 more on order
- Implementing a next-gen manufacturing process in machining that has world class speed, cost and quality; ideal for steering systems.
- Owned operations have secured over \$50 million of New Business Wins, on track to double.
- JV operations have also secured New Business Wins, growing.
- Now pursuing big opportunities in Europe – make in China, ship to Europe – as Europe lowers its costs
- NN China already an approved supplier to all top buyers in Europe via their China subsidiaries and NN business in APAC

# Balance Sheet Improvement Update

→ Term Loan Refinancing Underway

## Refinancing Goals

- Improved operational flexibility through improved terms and structure
- Lower overall cost of capital
- Create available capacity to continue cost-out and consolidation, enable M&A when the time is right

## Rebooted Term Loan Process

- Re-launched refinancing process in late Q4
- Significant progress since re-launching process
- Expect to announce process conclusion in near future

## Installing Balance Sheet to Enable Transformation

- Enable transformation activities and drive equity value increase
- Remain focused on paying down debt and deleveraging
- Will monitor possible preferred equity modifications as we go along

# Current Events that Matter to NN

## 1. **Tariff Wars and Uncertainties**

- Management team has experience going through Trump 1.0 and Covid-19
- Input cost changes will lead to tough business talks with customers, we are ready

## 2. **China auto producers are low-cost and aggressive**

- NN is well positioned with the new emerging set of global winners in China and for export
- This is playing to our strength of being a top supplier in China, we are profitably growing and funding locally

## 3. **Robotic surgeries are growing fast**

- This is a target market for NN's re-entry into medical part making
- Our timing is good and we are getting opportunities to enter as customers run out of capacity

## 4. **NA electrical grid expansion requirements are steady**

- This is a base market for NN and healthy
- Even though EV is going through a maturity curve moment, it is still happening and putting a strain on the grid along with AI-drive data centers and "everything going electrical"

## 5. **Still hard to create and keep great machining operators in the US**

- We actively grow our own talent and it takes a few years, skilled operators matter, there are plenty of poachers

# 2025 Current Outlook

→ *Current market conditions and FX outlooks are pushing guidance towards lower half of ranges*

## Net Sales of \$450 to \$480 million\*

- Slight growth vs. 2024 on a pro forma basis
- Will get a lift to the base business from new business launches in 2025. ~ 70 new business programs launching in 2025, creating tailwinds for delivering year over year net sales growth.
- Hard to tell what base business performance will be in 2025, might be slight contraction

## Adjusted EBITDA of \$53 to \$63 million\*

- Solid growth Y/Y even at lower end of revenue due to carry-in of 2024 cost actions, new business starts, and 2025 cost actions
- 'Group of 7' money-losing plants are still a focus area and more opportunity to improve EBITDA and FCF
- Organic EBITDA growth through improved operational performance, cost-outs, and continuous improvement plans

## New Business Wins of \$60 to \$70 million

- Q1 already achieved over \$16 million of new wins
- Increasing the number of new wins targeted in Stampings, Power, and Medical
- Efficient with cash capex, leveraging \$340 million of installed machinery and equipment, and \$56 million of land and buildings

### Key Assumptions

- NA and EU markets remain stable with continuation of 2024 trade policies
- Assumes currencies remain stable and aligned with 2024 levels through 2025
- Global metal markets remain stable and able to pass along cost increases
- SOPs remain stable and on-track from new business wins in 2023 and 2024

Investor Contacts

Joe Caminiti or Stephen Poe, Investors

[NNBR@alpha-ir.com](mailto:NNBR@alpha-ir.com)

312-445-2870



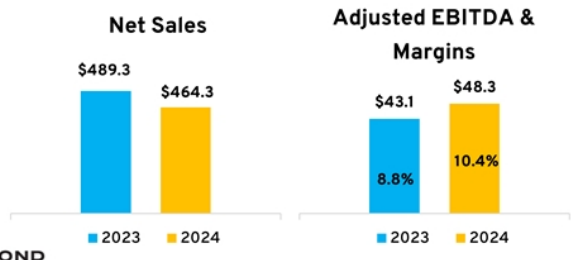
**Thank You**



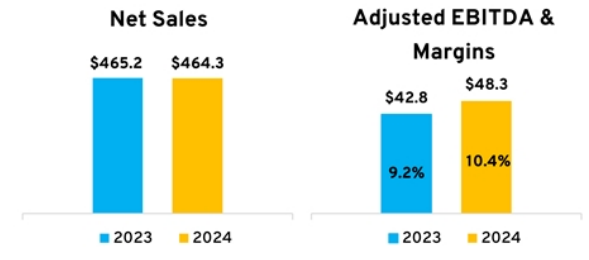
# Full-Year Financial Highlights

(\$millions)	As Reported			2023 Pro Forma Adjustments						Pro Forma		
	2023	2024	Δ	Lubbock	Rationalized Volume	Customer Settlement	Precious Metals	FX	Total	2023	2024	Δ
Net Sales	\$489.3	\$464.3	(\$25.0)	(\$10.9)	(\$8.6)	(\$1.1)	-	(\$3.5)	(\$24.1)	\$465.2	\$464.3	(\$0.9)
Adj. Operating Income (Loss)	\$3.1	\$5.1	\$2.0	(\$1.1)	\$4.0	(\$1.1)	(\$0.9)	-	\$0.9	\$4.0	\$5.1	\$1.1
Adj. EBITDA	\$43.1	\$48.3	\$5.2	(\$1.4)	\$3.1	(\$1.1)	(\$0.9)	-	(\$0.3)	\$42.8	\$48.3	\$5.5
Adj. EBITDA Margin %	8.8%	10.4%	160 bps							9.2%	10.4%	120 bps

**As Reported**  
(\$ millions)



**Pro Forma**  
(\$ millions)

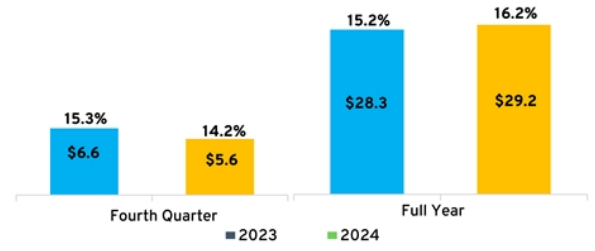


# Power Solutions – Stamped Products: Q4'24 Highlights

**Q4'24 Sales Bridge**  
(\$ millions)



**Adjusted EBITDA & Margin**  
(\$ millions)



**FY'24 Sales Bridge**  
(\$ millions)



## Commentary

- In July 2024, the Company sold its Lubbock facility which produced non-core injection molded products
- Normalizing for the impact of this sale, Power Solutions sales grew by \$0.9M in Q4 and \$5.5M in full year

# Mobile Solutions – Machined Products: Q4'24 Highlights

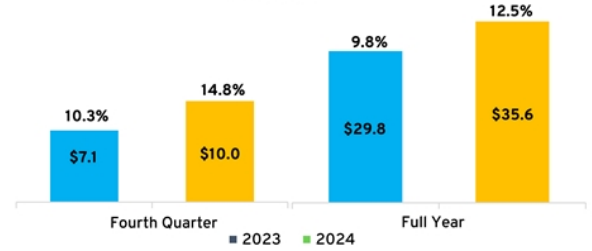
**Q4'24 Sales Bridge**  
(\$ millions)



**FY'24 Sales Bridge**  
(\$ millions)



**Adjusted EBITDA & Margin**  
(\$ millions)



## Commentary

- Strong growth in China operations of \$3.4M and \$9.6M for Q4 and the full year, respectively
- The strategic exit of unprofitable business resulted in a net impact to net sales of (\$1.5M) and (\$8.6M) for Q4 and the full year, respectively
- Adjusted EBITDA benefited from sales rationalization and cost reduction

# Reconciliation of GAAP Income (Loss) from Operations to Non-GAAP Adjusted Income (Loss) from Operations and Non-GAAP Adjusted EBITDA

(in thousands)	Year Ended December 31,	
	2024	2023
<b>NN, Inc. Consolidated</b>		
GAAP loss from operations	(27,548)	(21,804)
Professional fees	648	640
Personnel costs (1)	3,437	2,857
Facility costs (2)	8,280	7,271
Amortization of intangibles	13,723	14,167
Fixed asset impairments	6,546	—
Non-GAAP adjusted income from operations (a)	\$ 5,086	\$ 3,131
Non-GAAP adjusted operating margin (3)	1.1 %	0.6 %
Depreciation	30,721	31,953
Other expense (income), net	4,558	(10,730)
Non-cash foreign exchange (gain) loss on inter-company loans	1,712	(676)
Mexico VAT	632	—
Change in fair value of preferred stock derivatives and warrants	72	10,814
Gain on sale of business	(7,154)	—
Share of net income from joint venture	9,571	5,806
Non-cash stock compensation	3,140	2,823
Non-GAAP adjusted EBITDA (b)	\$ 48,338	\$ 43,121
Non-GAAP adjusted EBITDA margin (4)	10.4 %	8.8 %
GAAP net sales	464,290	489,270

(in thousands)	Year Ended December 31,	
	2024	2023
<b>Power Solutions</b>		
GAAP income from operations	13,111	11,096
Professional fees	—	63
Personnel costs (1)	887	204
Facility costs (2)	357	1,742
Amortization of intangibles	10,369	10,814
Non-GAAP adjusted income from operations (a)	\$ 24,724	\$ 23,919
Non-GAAP adjusted operating margin (3)	13.7 %	12.9 %
Depreciation	3,994	4,504
Other expense (income), net	(470)	104
Non-cash foreign exchange (gain) loss on inter-company loans	283	(202)
Mexico VAT	632	—
Non-GAAP adjusted EBITDA (b)	\$ 29,163	\$ 28,325
Non-GAAP adjusted EBITDA margin (4)	16.2 %	15.2 %
GAAP net sales	180,545	185,948

(in thousands)	Year Ended December 31,	
	2024	2023
<b>Mobile Solutions</b>		
GAAP loss from operations	\$ (18,078)	\$ (11,749)
Personnel costs (1)	1,739	1,593
Facility costs (2)	7,930	5,529
Amortization of intangibles	3,354	3,353
Fixed asset impairments	6,546	—
Non-GAAP adjusted income (loss) from operations (a)	\$ 1,491	\$ (1,274)
Share of net income from joint venture	\$ 9,571	\$ 5,806
Non-GAAP adjusted income from operations with JV (a)	\$ 11,062	\$ 4,532
Non-GAAP adjusted operating margin (3)	3.9 %	1.5 %
Depreciation	\$ 25,169	\$ 25,803
Other income, net	(850)	(361)
Non-cash foreign exchange (gain) loss on inter-company loans	227	(151)
Share of net income from joint venture	9,571	5,806
Non-GAAP adjusted EBITDA (b)	\$ 35,608	\$ 29,823
Non-GAAP adjusted EBITDA margin (4)	12.5 %	9.8 %
GAAP net sales	\$ 283,944	\$ 303,335

(in thousands)	Year Ended December 31,	
	2024	2023
<b>Elimination</b>		
GAAP net sales	\$ (199)	\$ (13)

- (1) Personnel costs include recruitment, retention, relocation, and severance costs
- (2) Facility costs include costs associated with opening or closing facilities and equipment relocation
- (3) Non-GAAP adjusted operating margin = Non-GAAP adjusted income (loss) from operations / GAAP net sales
- (4) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

# 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. The costs we incur in completing acquisitions, including the amortization of intangibles and deferred financing costs, and divestitures are excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, and 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 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.