

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 5, 2015 (November 4, 2015)



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-23486
(Commission File Number)

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

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

37604
(Zip Code)

(423) 743-9151
(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))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 4, 2015, NN, Inc. (the “Company”) issued a press release announcing the Company’s results of operations and financial condition for the three months ended September 30, 2015. The full text of the press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

ITEM 7.01 REGULATION FD DISCLOSURE

On November 4, 2015, the Company posted a presentation regarding the Company’s results of operations and financial condition for the three months ended September 30, 2015 to the Investor Relations section of its website at www.nninc.com. A copy of the presentation is furnished as Exhibit 99.2 and is incorporated herein by reference.

On November 4, 2015, the Company also posted to its website a presentation containing a reconciliation of the non-GAAP financial measures included in Exhibit 99.2 to their nearest GAAP (as defined below) financial measures. A copy of the presentation is furnished as Exhibit 99.3 and is incorporated herein by reference.

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

Exhibit 99.1 and Exhibit 99.2 contain certain “non-GAAP financial measures” as that term is defined by the rules and regulations of the SEC. The non-GAAP financial measures used in Exhibit 99.1 and Exhibit 99.2 have inherent limitations as performance measures and should not be considered in isolation of, as a substitute for, or superior to, financial information prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The non-GAAP financial measures contained in Exhibit 99.1 and Exhibit 99.2 may differ from similarly titled measures presented by other companies. The non-GAAP financial measures, as well as other information contained in Exhibit 99.1 and Exhibit 99.2, should be read in conjunction with the Company’s financial statements filed with the SEC.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of NN, Inc. dated November 4, 2015.
99.2	Third Quarter 2015 Earnings Release Presentation of NN, Inc. dated November 4, 2015.
99.3	Third Quarter 2015 Non-GAAP to GAAP Reconciliation Presentation of NN, Inc. dated November 4, 2015.

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: November 5, 2015

NN, INC.

By: /s/ Matthew S. Heiter

Name: Matthew S. Heiter

Title: Senior Vice President and General Counsel

EXHIBIT INDEX

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FINANCIAL
RELATIONS BOARD

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

FOR FURTHER INFORMATION:

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

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

FOR IMMEDIATE RELEASE

November 4, 2015

NN, INC. REPORTS THIRD QUARTER 2015 RESULTS

- **Net sales of \$154.8 million, an increase of \$29.2 million**
- **Adjusted income from operations grew to \$15.3 million**
- **Adjusted net income of \$8.3 million or \$0.31 per diluted share**

Johnson City, Tenn, November 4, 2015 –NN, Inc., (NASDAQ: NNBR) a diversified industrial company, today reported its financial results for the third quarter ended September 30, 2015.

Third Quarter 2015 Results

Net sales for the third quarter of 2015 increased \$29.2 million, or 23% to \$154.8 million, compared to \$125.6 million for the third quarter of 2014. Acquisitions added \$41.6 million in revenue. Negative currency impacts reduced reported net sales by \$7.8 million versus the third quarter of last year.

Adjusted income from operations for the third quarter of 2015 was \$15.3 million, an increase of 44%, compared to \$10.6 million for the same period in 2014. Adjusted net income, which excludes the after-tax impact of foreign exchange on inter-company loans and after-tax acquisition and integration expenses, increased to \$8.3 million, or \$0.31 per diluted share, compared to \$6.3 million, or \$0.34 per diluted share for the same period in 2014. In the quarter the Company also issued 7.6 million shares related to the completion of the follow-on stock offering earlier this year.

On a GAAP basis, income from operations for the third quarter of 2015 was \$10.1 million, compared to \$2.6 million for the same period in 2014. Net income on a GAAP basis for the third quarter of 2015 was \$4.6 million, or \$0.17 per diluted share. This compares to a net loss \$3.8 million, or \$0.21 per diluted share in the third quarter of 2014.

Richard Holder, President and Chief Executive Officer, commented, “The third quarter presented a series of challenges in the broader economy that impacted our sales during the quarter. Despite these headwinds we began to see the impact of the NN Operating System as we were able to appropriately manage our business in a rapidly changing environment and deliver strong operating performance.”

Business Group Results

Metal Bearing Components

Net sales for the group decreased \$9.0 million to \$60.5 million during the third quarter of 2015, compared to \$69.6 million for third quarter 2014. Negative currency impacts of \$6.7 million as well as volume and price/mix reductions of \$2.3 million accounted for the decline. Income from operations for the third quarter was \$6.6 million, compared to \$7.6 million in the third quarter of 2014.

“Changes in demand in Asia as well as the continued effects of negative currency translation weighed on our MBC business during the quarter as sales declined \$9.0 million,” said Holder. “However, the business was still able to hold operating margins on a year over year basis as we continue to drive results through the operating system.”

Autocam Precision Components

Net sales for the third quarter of 2015 were \$83.2 million, compared to \$46.6 million in the third quarter of 2014, an increase of \$36.6 million. Acquisitions accounted for \$39.7 million of the increase. Income from operations for the quarter increased \$5.4 million to \$10.9 million, compared to \$5.5 million in the third quarter of 2014.

Holder commented, “The Autocam Precision Components Group continued to perform well despite the conditions in Asia and Brazil. APC’s focus is on CAFE technologies that have adoption rates and growth trends not tied to normal end market cyclicalities. In accordance with our continued execution of our Autocam synergy plan we’re announcing the closure of one of our APC facilities early next year.”

Plastic and Rubber Components

Net sales for the third quarter increased \$1.6 million to \$11.0 million, compared to \$9.4 million for the same period in 2014. Income from operations for the quarter was \$0.6 million, compared to \$0.2 million in 2014.

Precision Engineered Products (PEP) Acquisition Update

Holder commented, “As announced during the third quarter we closed the PEP acquisition in October. Year to date PEP’s sales and margins continue to be in line with our expectations. Starting with the fourth quarter we will be reporting PEP as a segment within our portfolio. Additionally, the PEP Group will include our existing Plastic and Rubber Components Group as part of our continued focus on properly aligning all of our businesses to address the end markets we serve. PEP is an important part of our strategic plan and we again welcome the team to our family.”

Guidance

Holder continued, “As previously committed, beginning with the fourth quarter we will initiate a more comprehensive set of financial guidance designed to help our shareholders have the appropriate information to accurately evaluate our performance. This will include sales, adjusted EBITDA, adjusted operating margin, and adjusted earnings per share. With the completion of the PEP acquisition we will also begin excluding non-cash amortization charges from our adjusted earnings per share. We believe removing these charges provides the shareholder with the best evaluation of the Company’s performance.”

The full set of financial guidance for the fourth quarter and 2016 can be found in our supplemental deck on our website.

Holder concluded, “I am encouraged with our results in the face of an ever changing macro environment. Our focus this year on implementing the NN Operating System and managing our organizational flex has had a significant impact on the quarter as we were able to deliver operating improvements in all of our businesses. Finally, with the announcement and subsequent close of the PEP acquisition we remain focused on executing our strategic plan.”

NN will discuss its results during its quarterly investor conference call tomorrow morning starting at 9:00 a.m. ET. The call and an accompanying slide presentation may be accessed via NN’s website. The conference call can also be accessed by dialing 888-427-9376; conference id – 5901109. For those who are unavailable to listen to the live broadcast, a replay will be available shortly after the call for 90 days.

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

NN, Inc., a diversified industrial company manufactures and supplies high precision metal bearing components, industrial plastic and rubber products and precision metal components to a variety of markets on a global basis. Headquartered in Johnson City, Tennessee, NN has 43 manufacturing plants in the North America, Western Europe, Eastern Europe, South America and China.

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

For additional information concerning such risk factors and cautionary statements, please see the section titled "Risk Factors" in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and quarterly report on form 10-Q for the quarterly period ended September 30, 2015. Except as required by law, we undertake no obligation to update or revise any forward-looking statements we make in our press releases, whether as a result of new information, future events or otherwise.

Financial Tables Follow

NN, Inc.
Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

(In Thousands of Dollars, Except Per Share Data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net sales	\$ 154,824	\$ 125,632	\$ 483,425	\$ 334,840
Cost of products sold (exclusive of depreciation and amortization shown separately below)	120,195	100,441	378,220	265,010
Selling, general and administrative	11,949	11,124	37,910	29,799
Acquisition related costs excluded from selling, general and administrative	3,948	5,651	3,948	7,080
Depreciation and amortization	8,610	5,864	25,702	13,824
Income from operations	10,122	2,552	37,645	19,127
Interest expense	4,584	5,622	16,543	6,737
Other expense, net	593	1,557	2,012	1,769
Income (loss) before provision (benefit) for income taxes and share of net income from joint venture	4,945	(4,627)	19,090	10,621
Provision (benefit) for income taxes	936	(562)	4,009	4,247
Share of net income from joint venture	621	225	2,503	225
Net income (loss)	4,630	(3,840)	17,584	6,599
Basic income (loss) per common share:	\$ 0.17	\$ (0.21)	\$ 0.87	\$ 0.36
Weighted average shares outstanding	26,839	17,979	20,122	17,749
Diluted income (loss) per common share:	\$ 0.17	\$ (0.21)	\$ 0.86	\$ 0.36
Weighted average shares outstanding	27,167	17,979	20,467	18,120
Cash dividends per common share	\$ 0.07	\$ 0.07	\$ 0.21	\$ 0.21

NN, Inc.
Condensed Balance Sheets
(In thousands)
(Unaudited)

(In Thousands of Dollars)	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash	\$ 40,102	\$ 37,317
Accounts receivable, net	108,144	97,510
Inventories	92,579	91,469
Other current assets	17,560	16,503
Total current assets	258,385	242,799
Property, plant and equipment, net	266,562	278,442
Goodwill, net	85,447	83,941
Intangible asset, net	51,829	52,827
Investment in joint venture	37,088	34,703
Other non-current assets	20,165	20,001
Total assets	<u>\$ 719,476</u>	<u>\$ 712,713</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 60,338	\$ 71,094
Accrued salaries, wages and benefits	18,362	21,148
Current maturities of long-term debt	21,677	22,160
Income taxes payable	4,933	3,274
Current portion of obligations under capital lease	5,066	5,418
Other current liabilities	10,747	14,504
Total current liabilities	121,123	137,598
Non-current deferred tax liabilities	46,950	49,461
Long-term debt, net of current portion	184,356	328,026
Obligations under capital lease, net of current portion	10,759	14,539
Other non-current liabilities	12,584	9,390
Total liabilities	375,772	539,014
Total stockholders' equity	343,704	173,699
Total liabilities and stockholders' equity	<u>\$ 719,476</u>	<u>\$ 712,713</u>

NN, Inc.
Reconciliation of Non-GAAP to GAAP Financial Measures
(Unaudited)

Reconciliation of net income to adjusted net income:

	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
	(In Thousands)	Diluted Earnings Per Share	(In Thousands)	Diluted Earnings Per Share
Net Income	\$ 4,630	\$ 0.17	\$ (3,840)	\$ (0.21)
After tax acquisition and integration expenses	3,372	0.13	9,222	0.50
After-tax foreign exchange gain on inter-company loans	284	0.01	880	0.05
Adjusted Net Income	<u>\$ 8,286</u>	<u>\$ 0.31</u>	<u>\$ 6,262</u>	<u>\$ 0.34</u>

Reconciliation of net income to adjusted net income:

	Nine Months Ended September 30, 2015		Nine Months Ended September 30, 2014	
	(In Thousands)	Diluted Earnings Per Share	(In Thousands)	Diluted Earnings Per Share
Net Income	\$ 17,584	\$ 0.86	\$ 6,599	\$ 0.36
After tax acquisition and integration expenses	3,808	0.19	10,354	0.57
After-tax foreign exchange loss on inter-company loans	939	0.04	880	0.05
Adjusted Net Income	<u>\$ 22,331</u>	<u>\$ 1.09</u>	<u>\$ 17,833</u>	<u>\$ 0.98</u>

Reconciliation of income from operations to adjusted income from operations:

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
	(In Thousands)	(In Thousands)	(In Thousands)	(In Thousands)
Income from operations	\$ 10,122	\$ 2,552	\$ 37,645	\$ 19,127
Acquisition and integration expenses	5,138	8,088	5,819	9,858
Adjusted Income from operations	<u>\$ 15,260</u>	<u>\$ 10,640</u>	<u>\$ 43,464</u>	<u>\$ 28,985</u>

The Company discloses in this press release the non-GAAP financial measures of adjusted income from operations and adjusted net income. Each of adjusted income from operations and adjusted net income provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on intercompany loans. We believe the presentation of adjusted income from operations and adjusted net income provides useful information in assessing our results of operations and potential future results. These measures should not be considered as an alternative to their comparable GAAP measures, nor should they be considered in isolation, or as a substitute for analysis of our results reported under GAAP.



Third Quarter 2015 Earnings Release
November 4, 2015



Forward-Looking Statement and Non-GAAP Financial Information

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, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector, deterioration of or instability in the economy, the Company's ability to integrate the recent acquisition of Precision Engineered Products Holdings, Inc. and achieve the anticipated benefits of that transaction, inventory levels, the Company's compliance with applicable laws and regulations (including regulations relating to medical devices and the healthcare industry) and changes in applicable laws and regulations, regulatory compliance costs and the Company's ability to manage these costs, start-up costs for new operations, the impact of debt obligations on operations and liquidity, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and the successful implementation of the global growth plan including development of new products. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in the Company's SEC filings, including its 2014 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the third quarter of 2015. These forward-looking statements speak only as of the date of this release, and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments 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 in the "Investor Relations" section of the Company's web site, www.nninc.com, under the heading "News & Events" and subheading "Presentations." In addition, in addressing various financial metrics the presentation describes certain of the more significant factors that impacted year-over-year performance. Please refer to the Company's earnings release, Form 10-Q and the other related presentation materials supplementing today's call for additional factors that impacted year-over-year performance, all of which are available in the "Investor Relations" section of the Company's web site under the heading "News & Events" and subheading "Presentations."



3rd Quarter 2015



Highlights of 3rd Quarter 2015

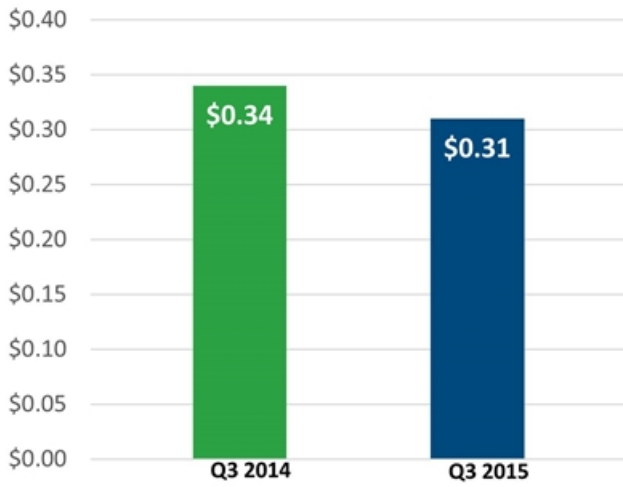
- **Sales of \$154.8M**
 - Acquisitions contributed \$41.6M during the quarter
 - Headwinds from Asia negatively impacted our Chinese, and European businesses in September
 - CAFE related businesses continued to outperform
- **Adjusted Earnings Per Share of \$0.31**
 - Includes the additional 7.6M shares raised in preparation for the PEP Acquisition
- **Adjusted EBITDA of \$25.5 million, up 46% compared to Q3 2014**
- **Adjusted Operating Margin improved 140 bps year over year.**
- **Completed the acquisition of PEP to fill out our diversified end market strategy**
- **Foreign Currency impact for Q3:**
 - Net Sales impact of negative \$7.8M compared to Q3 2014
 - Reduced EPS \$0.02 due to translation effect



3rd Quarter 2015 Financial Summary

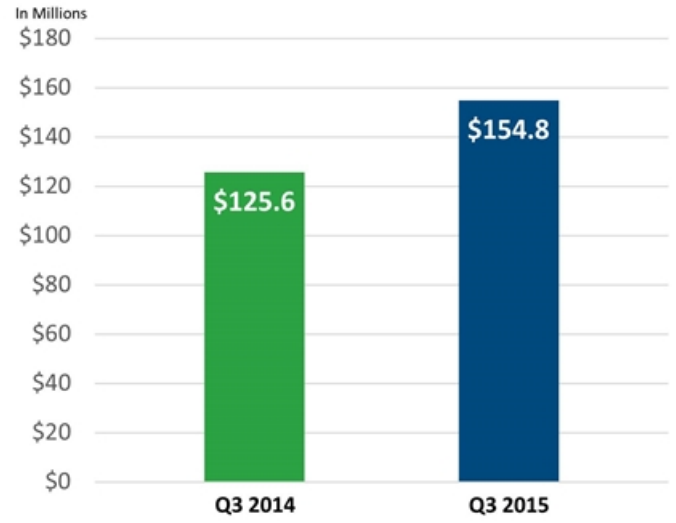
Adjusted Earnings Per Share

Issued 7.6M Share in Q3 2015
Adj. EPS on prior year weighted average shares = \$0.40



Net Sales

23% growth year over year

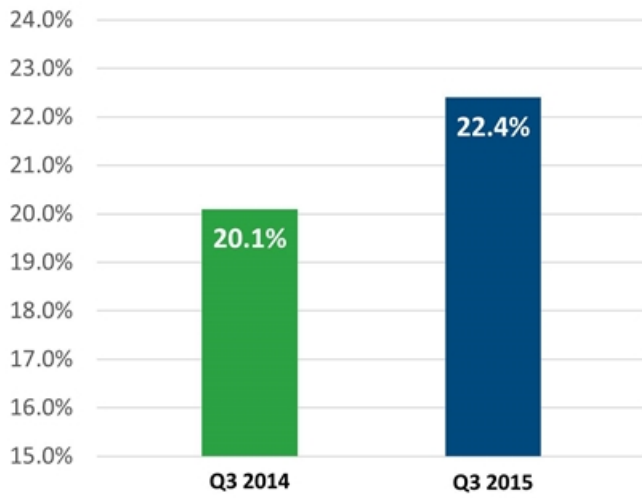




3rd Quarter 2015 Financial Summary

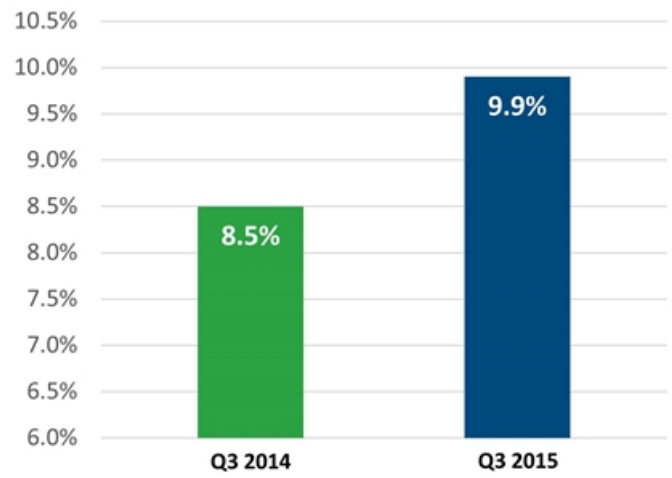
Gross Margin

230 bps improvement over Q3 2014 resulting from continued improvements in the NN Operating System



Adjusted Operating Margin

Margins continue to expand as expected despite end market headwinds



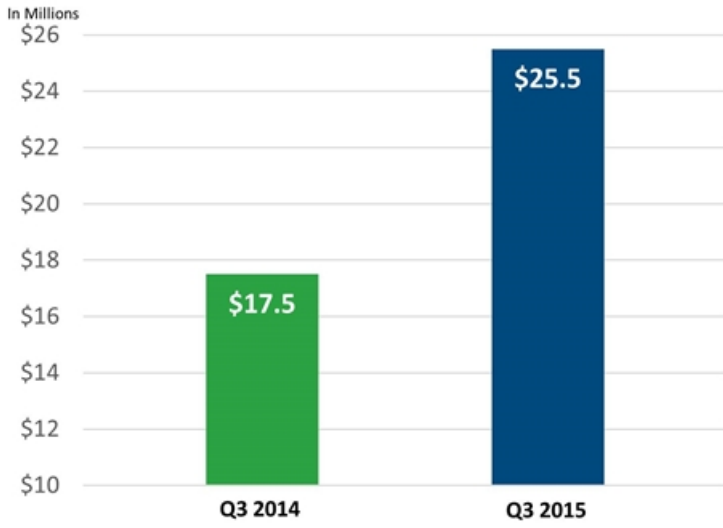
Gross Margin = Gross Profit (excluding depreciation) ÷ Net Sales



3rd Quarter 2015 Financial Summary

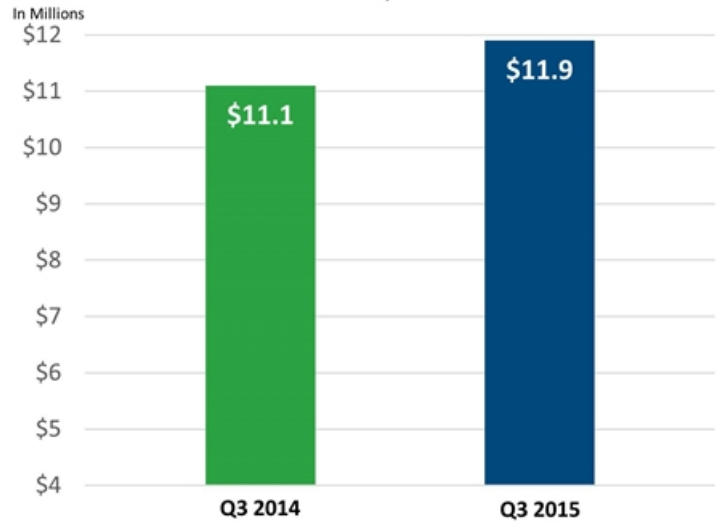
Adjusted EBITDA

Up 46% compared to Q3 2014



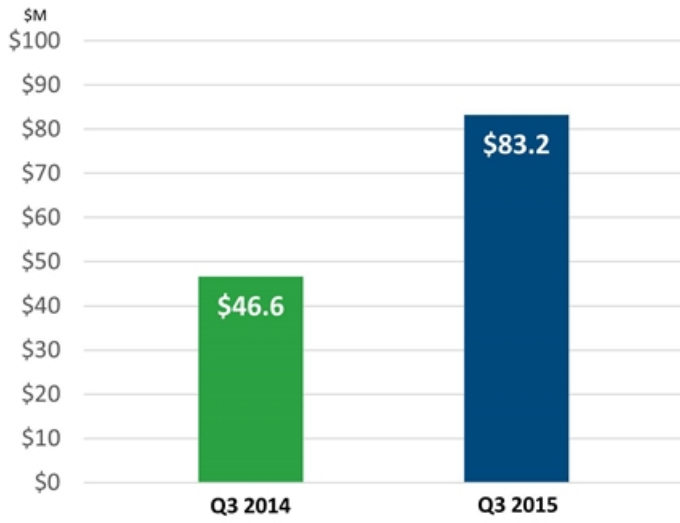
SG&A

Prudent expense management driven by the NN Operating System



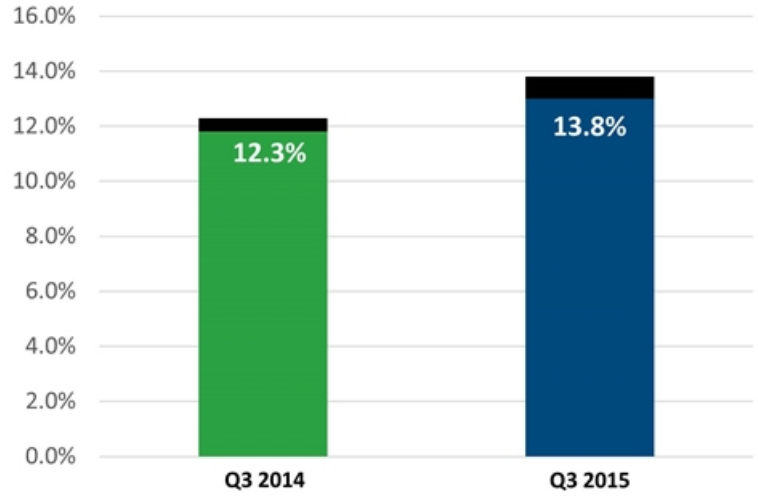


Net Sales



Adjusted Operating Margin

CAFE adoption rates continue to drive increased content and margin expansion

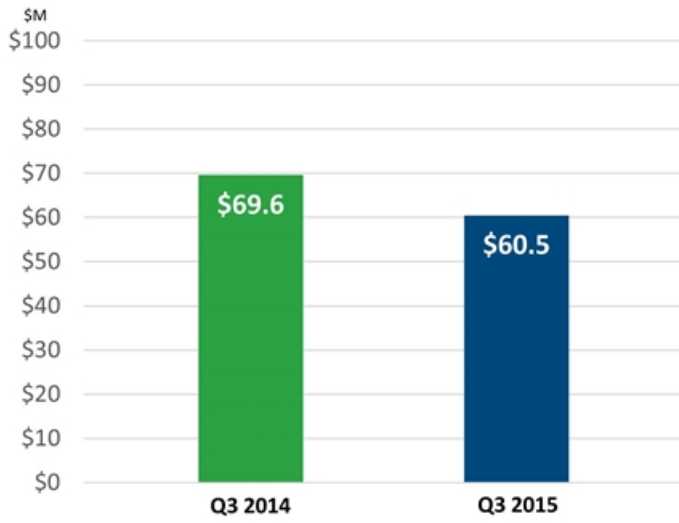


■ JV Contribution



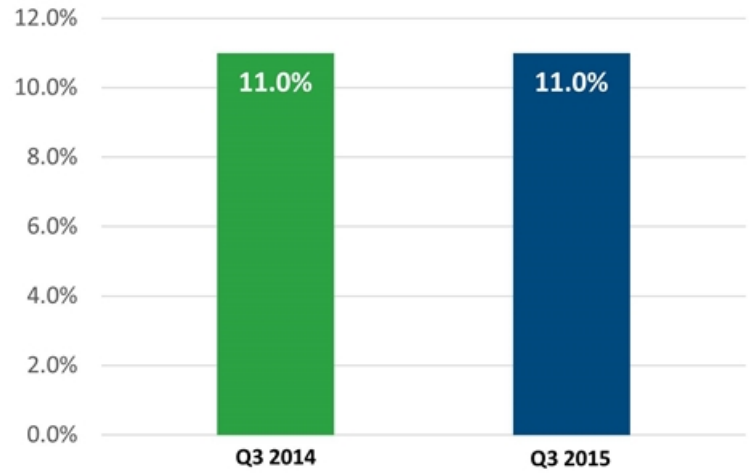
Net Sales

Negative FX translation accounted for 74% of the decline in sales



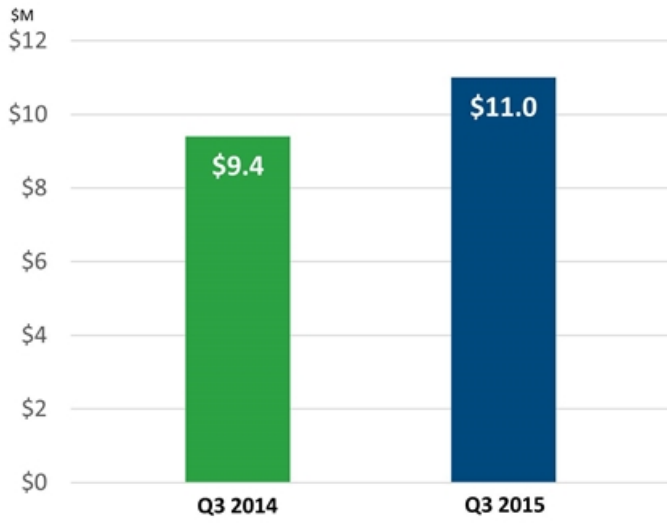
Adjusted Operating Margin

Despite headwinds from China and negative FX, operating margins were consistent with prior year

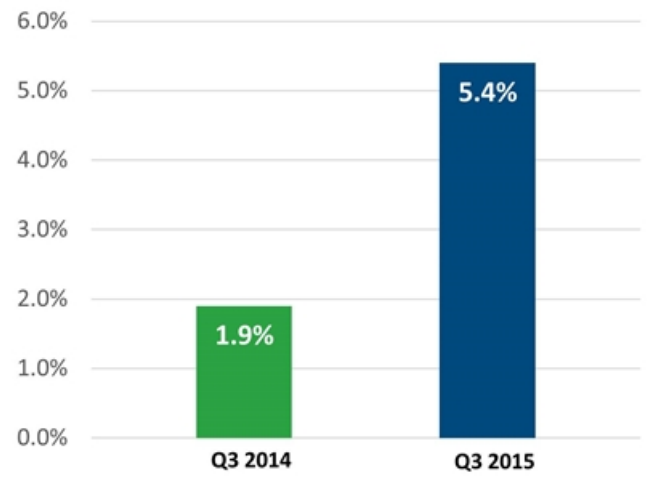




Net Sales



Adjusted Operating Margin





Third Quarter Summary

- Continued improvement in operating performance driven by the NN Operating System offset by China & Brazil
- Completed the follow-on equity raise in preparation for PEP acquisition
- Adjusted Operating Margin continued to expand on a year over year and sequential quarter basis
- CAFE related businesses continue to outperform
- Headwinds from Asia & Brazil created challenging top line environment
- Negative currency translation continues to skew year to year comparison
- Opened new MBC facility in Mexico
- Autocam synergies remain ahead of schedule, which include the closure of our Wheeling, IL facility.



PEP Update ¹			
LTM 9-30-15 Sales	LTM 9-30-15 EBITDA	EBITDA Margin	2016 Adjusted EPS Accretion ⁴
\$240M	\$69M	29%	\$0.40 - \$0.50

Financing Update			
	Term Loan	Senior Notes	Total
Amount	\$525M	\$300M	\$825M
Rate	5.75% ²	10.25%	7.39% ³
Maturity	2022	2020	
Repricing Opportunity	April 2016	October 2017	

1: LTM period gives pro forma effect for all acquisitions completed by PEP during the 12 month period. 2: Interest Rate is the greater of 1.00% or 3 month Libor + 4.75% 3: Combined weighted average cost of debt 4: Excludes amortization of intangibles & amortization of financing charges

Repricing our debt will have a positive impact on earnings per share



Guidance



Fourth Quarter Guidance – Inclusive of PEP

	Fourth Quarter	Commentary
Net Sales	\$180M - \$190M	Headwinds from Asia & Brazil create challenging top line environment
Adj. Op Margin	8.3% - 9.0%	Driven by lower Q4 seasonal volume
Adj. EBITDA	\$30M - \$35M	Includes partial quarter of PEP
Adj. EPS	\$0.24 - \$0.28	Includes higher than anticipated interest expense on seasonally lower sales
Tax Rate	23% - 25%	



	2015	2016	Commentary
Net Sales	\$665M - \$675M	\$875M - \$905M	Sales growth of ~30% driven by PEP acquisition
Adj. Operating Margin	8.7% - 9.0%	11.0% - 12.0%	Driven by improvements in the NN Operating System & PEP acquisition
Adj. EBITDA	\$104M - \$109M	\$162.5M - \$175M	
Adj. EPS¹	\$1.37 - \$1.42	\$1.60 - \$1.80	
CAPEX	\$40M - \$45M	\$40M - \$50M	We continue to invest in growth
Adj. Tax Rate²	24% - 26%	22% - 26%	
Free Cash Flow³	\$20M - \$25M	\$50M - \$60M	Significant increase in free cash flow allows us to de-lever faster

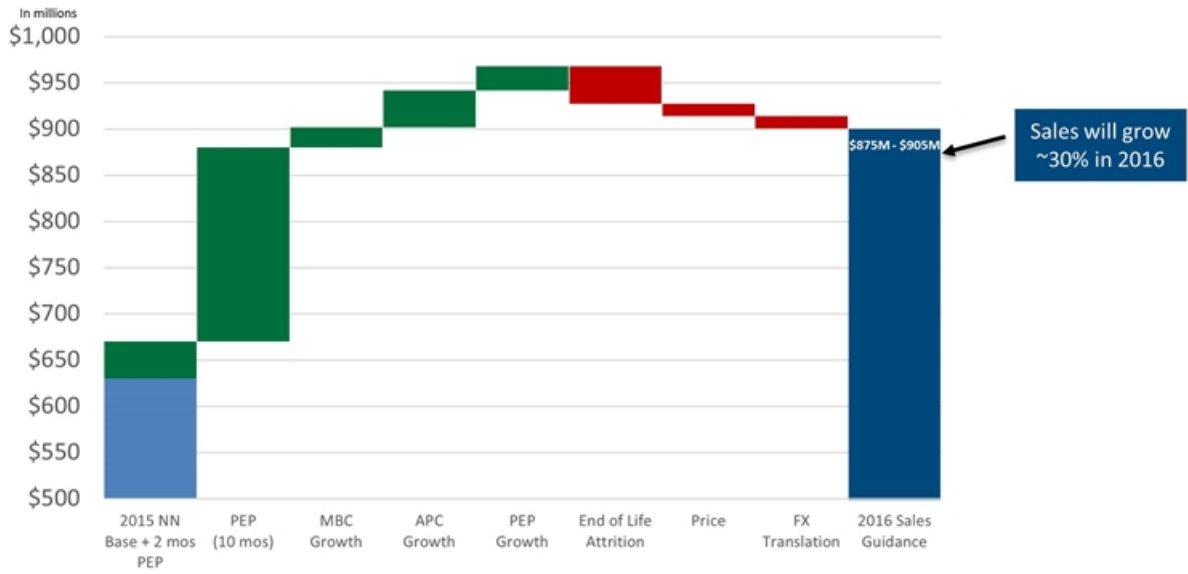
1: Excludes the amortization of intangibles and the amortization of financing charges

2: Excludes the effects of M&A activity

3: Free Cash Flow available for debt repayment



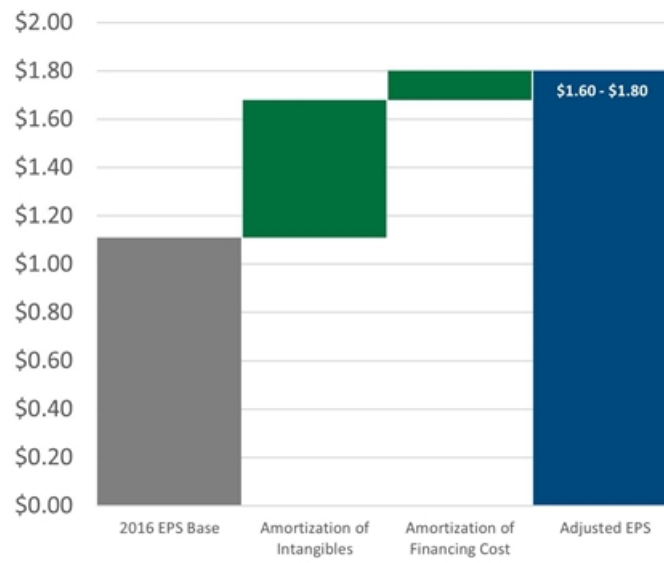
2016 Guidance – Revenue Waterfall



Net Organic & Adjacent Sales growth of 4% - 5% in 2016



2016 Guidance – Adjusted EPS Waterfall



We remain focused on hitting our strategic targets



- Sales growth of approximately 30%
- Strong organic and adjacent market growth of 10% - 11%
 - Offset by 5% - 6% of attrition, price/mix and negative currency effects
- Adjusted earnings per share growth of 21% at midpoint of guidance
- 64% of our debt can be repriced in as short as 6 months
- Operating margin expansion of 2% - 3%
- Free cash flow triples, allowing us to deleverage faster



**Third Quarter 2015 Earnings Release
November 4, 2015**



**Third Quarter 2015
Non-GAAP to GAAP Reconciliation
November 4, 2015**



Non-GAAP to GAAP Reconciliations

The Company discloses in this press release the non-GAAP financial measures of adjusted income from operations and adjusted net income. Each of adjusted income from operations and adjusted net income provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on intercompany loans. We believe the presentation of adjusted income from operations and adjusted net income provides useful information in assessing our results of operations and potential future results. These measures should not be considered as an alternative to their comparable GAAP measures, nor should they be considered in isolation, or as a substitute for analysis of our results reported under GAAP. Additionally, because these measures may be defined differently by other companies in our industry, our definitions may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Each of adjusted earnings per share and adjusted operating margin provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on intercompany loans. We believe the presentation of adjusted earnings per share and adjusted operating margin provides useful information in assessing our results of operations and potential future results.

We define adjusted EBITDA as net income before interest expense and interest income, income taxes, depreciation and amortization plus acquisition and integration costs, non-cash stock compensation, restructuring and impairment charges, foreign-exchange losses on intercompany loans, and full year effect of 2014 and 2015 acquisitions. We have included information concerning adjusted EBITDA because we believe such measure facilitates our evaluation of our ability to service debt and provides a more effective and comparable measure of performance and a clearer view of underlying trends.

We have included information concerning free cash flow because we believe that this non-GAAP measure provides useful information to investors by reflecting an additional way of viewing our operations that, when reconciled to the respective GAAP measures, helps our investors to better understand the strength of our earnings as well as our ability to generate cash without external financings, to strengthen our balance sheet, and to invest in the business.



Non-GAAP to GAAP Reconciliations

Total Company	Three Months Ended September 30,			
	2015		2014	
Reconciliation of income from operations to adjusted income from operations:				
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$10,122	6.5%	\$2,552	2.0%
Acquisition and integration expenses	5,138	3.3%	8,088	6.4%
Adjusted income from operations	\$15,260	9.9%	\$10,640	8.5%
Total Sales		154,824		125,632

Autocam Precision Components Group

	Three Months Ended September 30,			
	2015		2014	
Reconciliation of income from operations to adjusted income from operations:				
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$10,894	13.1%	\$5,515	11.8%
Acquisition and integration expenses	621	0.7%	225	0.5%
Adjusted income from operations	\$11,515	13.8%	\$5,740	12.3%
Total Sales		83,243		46,637



Non-GAAP to GAAP Reconciliations

Reconciliation of net income to adjusted net income:

	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
	(In Thousands)	Diluted Earnings Per Share	(In Thousands)	Diluted Earnings Per Share
Net Income	\$4,630	\$0.17	\$(3,840)	\$(0.21)
After tax acquisition and integration expenses	3,372	0.13	9,222	0.50
After-tax foreign exchange gain on inter-company loans	284	0.01	880	0.05
Adjusted Net Income	<u>\$8,286</u>	<u>\$0.31</u>	<u>\$6,262</u>	<u>\$0.34</u>



Non-GAAP to GAAP Reconciliations

	<u>Three Months Ended September 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>Change</u>
Reconciliation of net income to adjusted EBITDA:			
Net income	\$ 4,630	\$ (3,840)	\$8,470
Provision for income taxes	936	(562)	1,498
Interest expense	4,584	5,622	(1,038)
Depreciation and amortization	8,610	5,864	2,746
Acquisition and integration expenses	5,138	8,407	(3,269)
Non-cash stock compensation	1,148	661	487
Non-cash foreign exchange gain on inter-company loans	434	1,375	(941)
Adjusted EBITDA	\$ 25,480	17,527	7,953



Guidance



Non-GAAP to GAAP Reconciliations

Reconciliation of net income to adjusted EBITDA:	Three Months Ending December 31,	
	2015	
	Low	High
Net income	\$2,561	\$3,783
Provision for income taxes	758	1,275
Interest expense	12,963	13,883
Depreciation and amortization	13,218	14,911
Non-cash stock compensation	500	1,148
Adjusted EBITDA	<u>\$30,000</u>	<u>\$35,000</u>

Reconciliation of EPS to adjusted EPS	Three Months Ending December 31, 2015			
	Low		High	
Net income	\$2,561	\$ 0.09	\$3,783	\$ 0.14
Amortization of intangibles and deferred financing costs	3,831	\$ 0.14	3,831	\$ 0.14
Adjusted Net income	<u>\$6,392</u>	<u>\$ 0.24</u>	<u>\$7,614</u>	<u>\$ 0.28</u>
Weighted average diluted shares outstanding		27,170		27,170



Non-GAAP to GAAP Reconciliations

Reconciliation of net income to adjusted EBITDA:

Year Ending December 31, 2015

	Low	High
Net income	\$20,145	\$21,367
Provision for income taxes	\$4,767	\$5,284
Interest expense	\$29,506	\$30,426
Depreciation and amortization	\$38,920	\$40,613
Acquisition and integration expenses	5,819	5,819
Non-cash stock compensation	3,419	4,067
Non-cash foreign exchange loss on inter-company loans	1,456	1,456
Adjusted EBITDA	\$104,032	\$109,032

Reconciliation of EPS to adjusted EPS

Year Ending December 31, 2015

	Low	High
Net income	\$20,145 \$ 0.87	\$21,367 \$ 0.92
After-tax acquisition and integration expenses	\$3,808 \$ 0.16	\$3,808 \$ 0.16
After-tax foreign exchange loss on inter-company loans	\$939 \$ 0.04	\$939 \$ 0.04
Amortization of intangibles and deferred financing costs	6,977 \$ 0.30	6,977 \$ 0.30
Adjusted Net income	\$31,869 \$ 1.37	\$33,091 \$ 1.42
Weighted average diluted shares outstanding	23,230	23,230

Free Cash Flow

	Low	High
EBITDA	104,032	109,032
Capex	(40,000)	(45,000)
Interest	(29,506)	(30,426)
Dividends	(6,072)	(6,072)
Working Capital	(8,454)	(2,534)
	20,000	25,000

Reconciliation of income from operations to adjusted income from operations:

	Low	High
Income from operations	\$2,145 7.8%	\$5,167 8.2%
Acquisition and integration expenses	5,819 0.9%	5,819 0.9%
Adjusted income from operations	\$57,964 8.7%	\$60,986 9.0%
Total Sales	665,000	675,000



Non-GAAP to GAAP Reconciliations

Reconciliation of net income to adjusted EBITDA:

	Year Ending December 31, 2016	
	Low	High
Net income	\$25,000	\$30,290
Provision for income taxes	\$6,930	\$10,500
Interest expense	\$67,000	\$65,400
Depreciation and amortization	\$60,070	\$64,310
Acquisition and integration expenses	-	-
Non-cash stock compensation	3,500	4,500
Non-cash foreign exchange loss on inter-company loans	-	-
Adjusted EBITDA	\$162,500	\$175,000

Reconciliation of EPS to adjusted EPS

	Year Ending December 31, 2016			
	Low		High	
Net income	\$25,000	\$ 0.92	\$30,290	\$ 1.11
After-tax acquisition and integration expenses	\$ -		\$ -	
After-tax foreign exchange gain on inter-company loans	\$ -		\$ -	
Amortization of intangibles and deferred financing costs	18,441	\$ 0.68	18,741	\$ 0.69
Adjusted Net income	\$43,441	\$ 1.60	\$49,031	\$ 1.80
Weighted average diluted shares outstanding		27,170		27,170

Free Cash Flow

	Year Ending December 31, 2016	
	Low	High
EBITDA	\$162,500	\$175,000
Capex	(40,000)	(50,000)
Interest	(67,000)	(65,400)
Dividends	(6,072)	(6,072)
Working Capital	\$572	\$6,472
	50,000	60,000



**Third Quarter 2015
Non-GAAP to GAAP Reconciliation
November 4, 2015**