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Q4 & Full Year 2019 Earnings Presentation



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, pending and completed transactions and other risks associated with international trade, the Company's dependence on certain major customers, disruptions in the Company's businesses and global economies and other impacts from further spread of the coronavirus outbreak, foreign currency volatility, unstable economic growth, fluctuations in unemployment rates, retention of key employees, outcomes of legal proceedings, claims and investigations 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 Form 10-K for the fiscal year ended December 31, 2018, the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2019, and when filed, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

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."

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Fourth Quarter 2019



Fourth Quarter 2019 Overview

Key Quarterly Highlights

- Improved capital structure and liquidity
- Consolidated senior leadership of the operating groups
- Targeted cost reduction and cash flow objectives announced in October 2019 achieved
- Initiated strategic review of business

Net Debt

- Reduced Net Debt by \$97M from the 3rd Quarter of 2019
- Reduced Net Debt by \$76M to \$757.6M versus prior year

Sales

- Sales of \$198.6M, essentially flat with 2018Q4 after FX considerations
- Life Sciences group up \$8.9M or 11.2% YOY.

EBITDA

- Reported EBITDA of \$19.2M or 9.7% of sales versus a loss in the prior year
- Adjusted EBITDA of \$33.2M or 16.7% of sales versus \$34.4M or 17.3% in the prior year

Operating Income / EPS

- GAAP – Operating Loss of \$4.7M versus a loss of \$188.4M in Q4 2018.
- Non-GAAP – Operating Income of \$19.8M versus \$23.6M in prior year
- GAAP EPS loss of \$0.35 per share versus \$5.18 loss in prior year
- Non-GAAP – EPS of \$0.14 per share versus \$0.29 in prior year

Free Cash Flow / Working Capital

- Free Cash Flow of \$2.3M with significant improvement in CY2019 vs. CY2018
- Working Capital – Days sales outstanding and inventory turns showed YOY improvements



Cost and Cash Savings Activities

Corporate Overhead & SGA Expenses

- Personnel – implemented cost reductions total \$5.9 million.
- Charlotte Office – signed letter of intent to exit 43,000 sq. ft. of office space - \$1.7 million annual rent reduction.
 - Expecting final agreement by March 16.
 - Realtor, lease termination fee and tenant improvement incentives total \$4.3 million.
- Audit, Legal and Professional fees – targeted reduction of \$1 million.
- Travel & Entertainment – eliminated \$320k in expenses and have targeted 10% reduction of travel for 2020 (\$450k).

Operating Groups

- Indirect / SGA personnel - \$4.9 million in completed reductions.
 - Power Solutions – closure of Fairfield facility.
 - Mobile Solutions – Ohio facility reorganization in October 2019, and MS Corporate reductions.
 - Life Sciences – Management changes, ongoing process enhancements.
- All Groups – ongoing evaluation of opportunities for facility consolidation and reduction in fixed cost.
 - Target of \$2.5 million.

Working Capital – 2020 targeted actions to reduce inventory and manage DSOs through customer receivable programs.

Capital Expenditures – Estimated 2020 capital expenditures of \$45 million vs. \$53.3 million in 2019.

October 2019 announced actions to reduce costs and improve cash flow have been accomplished



Revenue Metrics

Q4 2019 YOY Change %	Life Sciences	Power Solutions	Mobile Solutions	Total
Organic	11.6%	-3.4%	-9.4%	0.3%
Acquisitions	0.0%	0.0%	0.0%	0.0%
Currency	-0.3%	-0.1%	-1.5%	-0.7%
Total	11.2%	-3.5%	-10.9%	-0.4%

Full Year 2019 YOY Change %	Life Sciences	Power Solutions	Mobile Solutions	Total
Organic	16.7%	-0.8%	-9.0%	1.3%
Acquisitions	28.8%	2.1%	0.0%	9.8%
Currency	-0.5%	-0.1%	-2.1%	-1.1%
Total	45.0%	1.2%	-11.1%	10.0%

Life Sciences segment showed organic growth, while Power and Mobile Solutions faced headwinds



4th Quarter Profit and Loss

(In millions, except per share data)

Net Revenues
% Change

Gross Profit
%

Operating Income
%

Net Interest (Expense)
Other Income (Expense)
Pre-Tax Income
Provision for Income Taxes
Share of net income (loss) from joint venture

Net Income Continuing Operations
%

Diluted EPS
Weighted Avg Diluted Shares

Non-GAAP Measures

EBITDA
%

EBITA
%

Q4 19				
GAAP Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP
\$ 198.6		\$ 198.6		\$ 198.6
44.4	-	44.4	5.3	49.6
22.3%		22.3%		25.0%
(4.7)	2.5	(2.2)	22.0	19.8
-2.4%		-1.1%		10.0%
(15.3)	0.6	(14.7)	1.3	(13.4)
(0.3)	0.3	0.0	(0.2)	(0.2)
(20.2)	3.4	(16.9)	23.1	6.2
4.8	(1.7)	3.1	(5.0)	(1.9)
1.3	-	1.3	-	1.3
\$ (14.1)	1.7	\$ (12.4)	18.1	\$ 5.7
-7.1%		-6.2%		2.9%
\$ (0.35)		\$ (0.29)		\$ 0.14
42.1		42.1		42.1
Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP
\$ 19.2	3.4	\$ 22.6	10.6	\$ 33.2
9.7%		11.4%		16.7%
\$ 7.6	3.4	\$ 11.0	10.6	\$ 21.6
3.8%		5.5%		10.9%

Q4 18				
GAAP Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP
\$ 199.5		\$ 199.5		\$ 199.5
42.6	0.3	42.9	5.5	48.3
21.3%		21.5%		24.2%
(188.4)	190.3	1.9	21.7	23.6
-94.4%		1.0%		11.9%
(14.7)	-	(14.7)	1.2	(13.4)
0.5	-	0.5	(0.5)	(0.0)
(202.5)	190.3	(12.2)	22.4	10.2
1.2	5.3	6.5	(4.9)	1.6
(16.1)	16.6	0.5	-	0.5
\$ (217.4)	212.2	\$ (5.2)	17.5	\$ 12.3
-109.0%		-2.6%		6.2%
\$ (5.18)		\$ (0.12)		\$ 0.29
42.0		42.0		42.0
Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP
\$ (184.6)	206.9	\$ 22.2	12.2	\$ 34.4
-92.6%		11.1%		17.3%
\$ (195.5)	206.9	\$ 11.3	12.2	\$ 23.5
-98.0%		5.7%		11.8%

YOY Change		
GAAP Reported	Non-GAAP Excl Special	Total Adj Non-GAAP
\$ (0.8)	\$ (0.8)	\$ (0.8)
-0.4%	-0.4%	-0.4%
\$ 1.8	\$ 1.5	\$ 1.3
100 bps	80 bps	70 bps
-97.5%	-18.9%	-16.3%
9210 bps	-210 bps	-190 bps
90.0%	-38.2%	-39.0%
\$ 203.3	\$ (7.2)	\$ (6.6)
10190 bps	-360 bps	-330 bps
93.2%	-137.4%	-53.7%
Reported	Non-GAAP Excl Special	Total Adj Non-GAAP
\$ 203.9	\$ 0.4	\$ (1.2)
10220 bps	20 bps	-60 bps
\$ 203.2	\$ (0.4)	\$ (2.0)
10190 bps	-20 bps	-90 bps

*Special Items are one time discrete adjustments

** Integration Non-Ops represent additional discrete transition and acquisition, foreign currency and amortization expense adjustments

Key takeaways:

- ✓ Gross Profit % of Sales shows improvement year over year
- ✓ EBITDA% of Sales (Non-GAAP Excluding Specials)



Full Year Profit and Loss

(In millions, except per share data)

Net Revenues
% Change

Gross Profit
%

Operating Income
%

Net Interest (Expense)
Other Income (Expense)
Pre-Tax Income
Provision for Income Taxes
Share of net income (loss) from joint venture
Net Income Continuing Operations
%

Diluted EPS
Weighted Avg Diluted Shares

Non-GAAP Measures

EBITDA
%

EBITA
%

FY 19					
GAAP Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP	
\$ 847.5		\$ 847.5		\$ 847.5	
205.8	-	205.8	17.9	223.7	
24.3%		24.3%		26.4%	
9.9	4.9	14.8	82.2	97.0	
1.2%		1.7%		11.4%	
(60.4)	3.3	(57.2)	4.8	(52.4)	
(1.1)	-	(1.1)	1.3	0.1	
(51.7)	8.2	(43.5)	88.3	44.7	
3.3	3.4	6.7	(18.0)	(11.4)	
1.7	-	1.7	-	1.7	
\$ (46.7)	11.5	\$ (35.2)	70.2	\$ 35.0	
-5.5%		-4.2%		4.1%	
\$ (1.13)		\$ (0.84)		\$ 0.83	
42.0		42.0		42.0	
Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP	
\$ 102.3	8.2	\$ 110.4	36.1	\$ 146.6	
12.1%		13.0%		17.3%	
\$ 57.4	8.2	\$ 65.6	36.1	\$ 101.7	
6.8%		7.7%		12.0%	

FY 18					
GAAP Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP	
\$ 770.7		\$ 770.7		\$ 770.7	
181.5	4.2	185.7	13.6	199.3	
23.5%		24.1%		25.9%	
(179.9)	202.5	22.7	69.2	91.9	
-23.3%		2.9%		11.9%	
(80.8)	19.6	(61.2)	5.2	(56.1)	
(1.3)	-	(1.3)	6.2	4.9	
(262.0)	222.1	(39.9)	80.6	40.7	
13.4	(0.3)	13.1	(17.0)	(3.9)	
(14.4)	16.6	2.2	-	2.2	
\$ (263.0)	238.4	\$ (24.6)	63.6	\$ 39.0	
-34.1%		-3.2%		5.1%	
\$ (8.30)		\$ (0.78)		\$ 1.23	
31.7		31.7		31.7	
Reported	Special Items*	Non-GAAP Excl Special	Integration Non-Ops**	Total Adj Non-GAAP	
\$ (124.5)	238.7	\$ 114.2	21.8	\$ 136.0	
-16.2%		14.8%		17.6%	
\$ (163.0)	238.7	\$ 75.6	21.8	\$ 97.4	
-21.2%		9.8%		12.6%	

YOY Change					
GAAP Reported	Non-GAAP Excl Special	Total Adj Non-GAAP			
\$ 76.8	\$ 76.8	\$ 76.8	\$ 76.8		
10.0%	10.0%				10.0%
\$ 24.3	\$ 20.1	\$ 24.5	\$ 24.5		
70 bps	20 bps				50 bps
-105.5%	-11.4%				5.6%
2450 bps	-120 bps				-50 bps
80.3%	-9.0%				10.0%
\$ 216.2	\$ (10.6)	\$ (3.9)	\$ (3.9)		
2860 bps	-100 bps				-90 bps
86.4%	-7.7%				-32.2%
Reported	Non-GAAP Excl Special	Total Adj Non-GAAP			
\$ 226.7	\$ (3.8)	\$ 10.6	\$ 10.6		
2820 bps	-180 bps				-30 bps
\$ 220.5	\$ (10.0)	\$ 4.3	\$ 4.3		
2790 bps	-210 bps				-60 bps

*Special Items are one time discrete adjustments

** Integration Non-Ops represent additional discrete transition and acquisition, foreign currency and amortization expense adjustments

Key takeaways:

- ✓ Strong sales growth year over year both organic and inorganic
- ✓ Gross Profit % of Sales shows improvements



Full Year Bridge

(In millions, except per share data)

Reported - GAAP

Special Items*

Add:

	Pre-tax Income	Tax	China JV	Net Income	EPS
Purchase Accounting - Paragon & Technical Arts	-	-	-	-	-
Loss on the sale of Caprock	-	-	-	-	-
Impairments of Fixed Asset Costs	0.6	(0.1)	-	0.5	0.01
Impairments (Goodwill and JV)	-	-	-	-	-
Divestiture of Business Segment, exclusive of tax reform	-	-	-	-	-
Acquisition Transaction Costs	-	-	-	-	-
Brazil VAT	0.8	(0.2)	-	0.6	0.02
Severance	1.3	(0.3)	-	1.0	0.02
Write-off of unamortized debt issuance costs	3.3	(0.7)	-	2.6	0.06
Costs related to divested businesses	1.0	(0.2)	-	0.8	0.02
Preferred Stock Cumulative dividends and deemed dividends***					0.02

Less:

Restructuring and integration expense	-	-	-	-	-
Discrete Tax Items	1.2	4.8	-	6.0	0.14

Total Non-GAAP Excluding Special Items \$ (43.5) \$ 6.7 \$ 1.7 \$ (35.2) \$ (0.84)

Integration Non-Ops**

Transition and Acquisition:

Capacity and Capabilities Development	9.1	(1.8)	-	7.3	0.17
Professional Fees	4.5	(0.9)	-	3.6	0.09
Integration & Transformation	22.2	(4.7)	-	17.5	0.42
Asset Write-Downs/ Inventory Step-Up	0.4	(0.1)	-	0.3	0.01
Foreign exchange (gain) loss on inter-company loans	0.3	(0.1)	-	0.2	0.01
Restructuring and integration expense	(0.0)	0.0	-	(0.0)	(0.00)
Amortization of intangibles and deferred financing costs	51.8	(10.5)	-	41.3	0.98
Interest expense on cash held from divestiture	-	-	-	-	-

Total Non-Operations Adjustments \$ 88.3 \$ (18.0) \$ - \$ 70.3 \$ 1.67

Total Adjusted Non-GAAP \$ 44.7 \$ (11.4) \$ 1.7 \$ 35.0 \$ 0.83

Diluted Shares 42,030

FY 18				
Pre-tax Income	Tax	China JV	Net Income	EPS
\$ (262.0)	\$ 13.4	\$ (14.4)	\$ (263.0)	\$ (8.30)
4.2	(0.9)	-	3.3	0.10
0.8	(0.2)	-	0.6	0.02
5.2	(1.1)	-	4.1	0.13
182.5	-	16.6	199.1	6.29
-	7.2	-	7.2	0.23
5.9	(1.2)	-	4.6	0.15
0.3	(0.1)	-	0.2	0.01
0.5	(0.1)	-	0.4	0.01
19.6	(4.1)	-	15.5	0.49
-	-	-	-	-
2.1	(0.4)	-	1.7	0.05
0.9	0.6	-	1.5	0.05
\$ (39.9)	\$ 13.1	\$ 2.2	\$ (24.6)	\$ (0.78)
8.2	(1.7)	-	6.5	0.21
10.7	(2.2)	-	8.5	0.27
17.2	(3.8)	-	13.4	0.42
0.5	(0.1)	-	0.4	0.01
2.6	(0.5)	-	2.1	0.07
-	-	-	-	-
37.7	(7.9)	-	29.9	0.94
3.6	(0.8)	-	2.9	0.09
\$ 80.6	\$ (17.0)	\$ -	\$ 63.6	\$ 2.01
\$ 40.7	\$ (3.9)	\$ 2.2	\$ 39.0	\$ 1.23

31,678

% Change		
Pre-tax Income	Net Income	EPS
80.3%	82.2%	86.4%
-9.0%	-42.9%	-7.7%
-9.5%	-10.5%	16.7%
10.0%	-10.0%	-32.2%

*Special Items are one time discrete adjustments

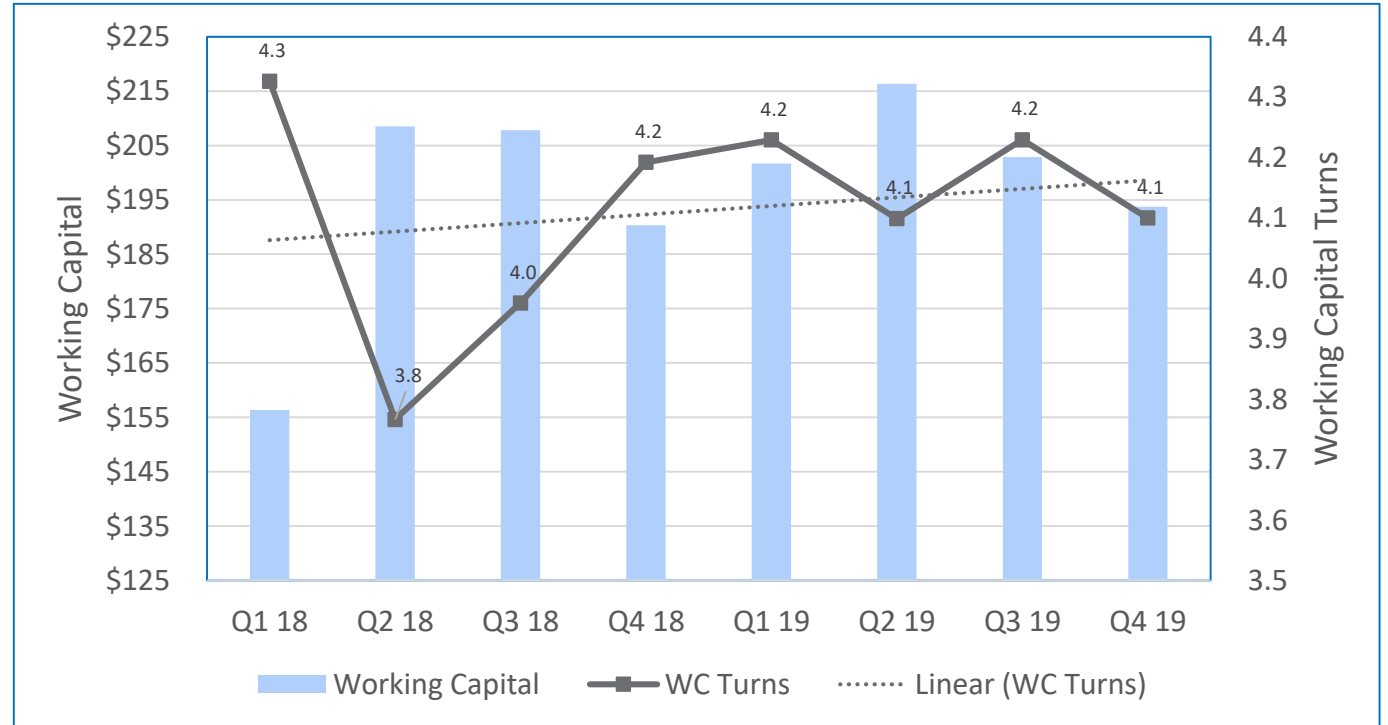
** Integration Non-Ops represent additional discrete transition and acquisition, foreign currency and amortization expense adjustments

*** Preferred Stock Cumulative dividends and deemed dividends (\$641/42,030)=.02



Working Capital

Working Capital Metrics		
(Total Consolidated)	Total NN, Inc	
	Q4 12/31/19	Q4 12/31/18
\$000's		
A/R	\$ 131,558	\$ 133,421
DSO	60.4	61.0
Inventory	\$ 118,722	\$ 120,925
Days Inventory	70.2	70.3
Inventory Turns	5.2	5.2
A/P	\$ (57,340)	\$ (65,694)
DPO	(33.9)	(38.2)
Net Working Capital	\$ 192,940	\$ 188,652
Cash Conversion Cycle	96.7	93.1
W/Cap Turns	4.1	4.2

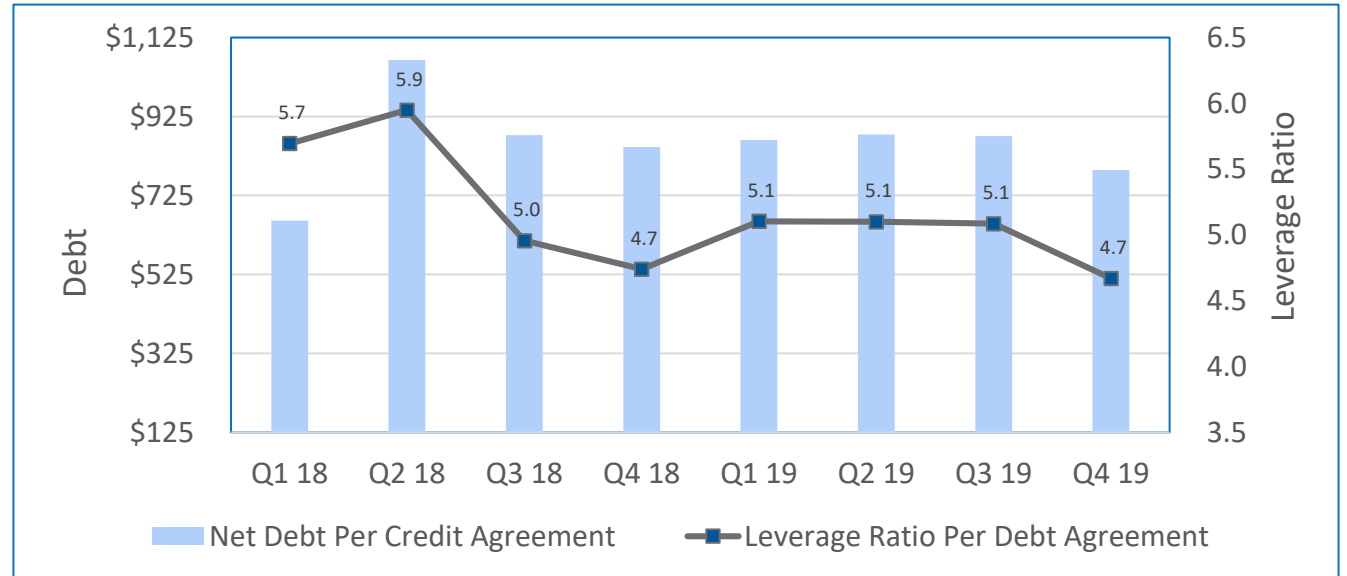


Working Capital – positive trends in DSO and Inventory Turns offset by lower DPO



Debt

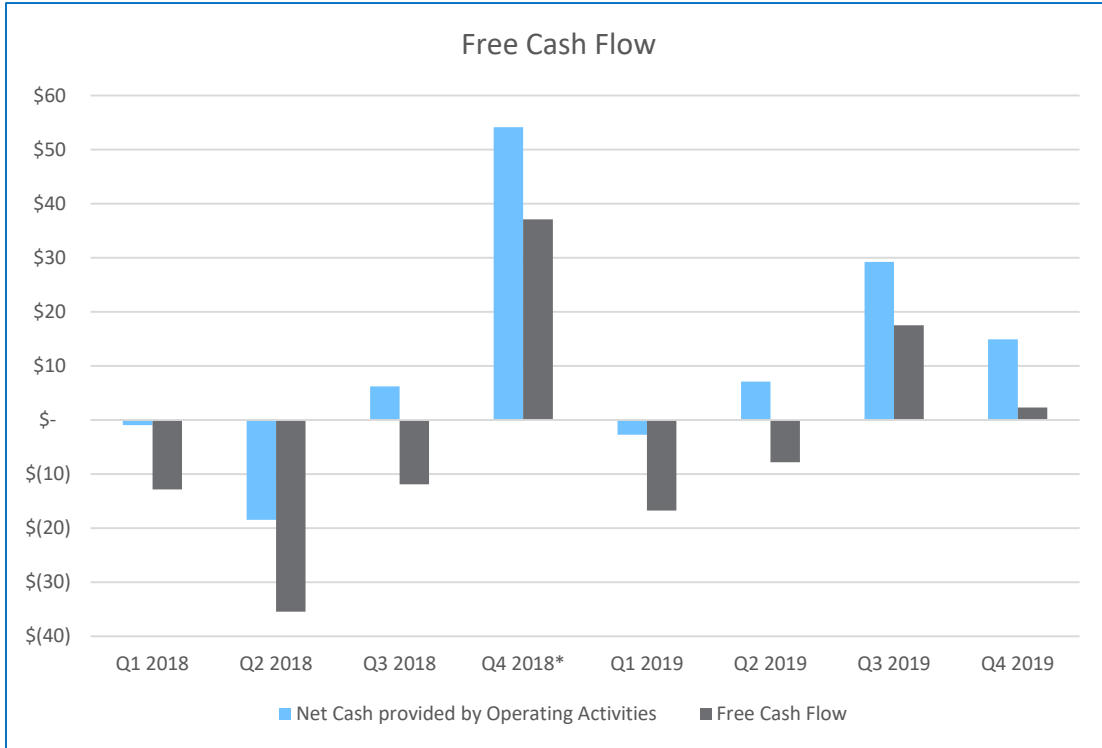
Debt Metrics		
	Q4 12/31/2019	Q4 12/31/2018
\$000's		
Short Term Debt	\$ 22,830	\$ 33,828
Long Term Debt (ex-issuance costs)	766,521	817,549
Funded Debt	789,351	851,377
Cash	31,703	17,988
Net Debt	757,648	833,389
Shareholders Equity	\$ 353,277	\$ 419,271
EBITDA per Credit Agreement	\$ 168,124	\$ 178,821
Cash allowed for Purposes of Leverage Calculation	\$ (8,166)	\$ (3,323)
EBITDA to Funded Debt	4.65 x	4.74 x
Maximum Leverage Per Agreement	5.25 x	5.75 x



Funded Debt decreased \$90 million sequentially from the 3rd quarter 2019 and \$62 million year over year



Free Cash Flow



*2018 4th Quarter includes a \$34.4 million tax refund due to the sale of the Precision Bearing segment

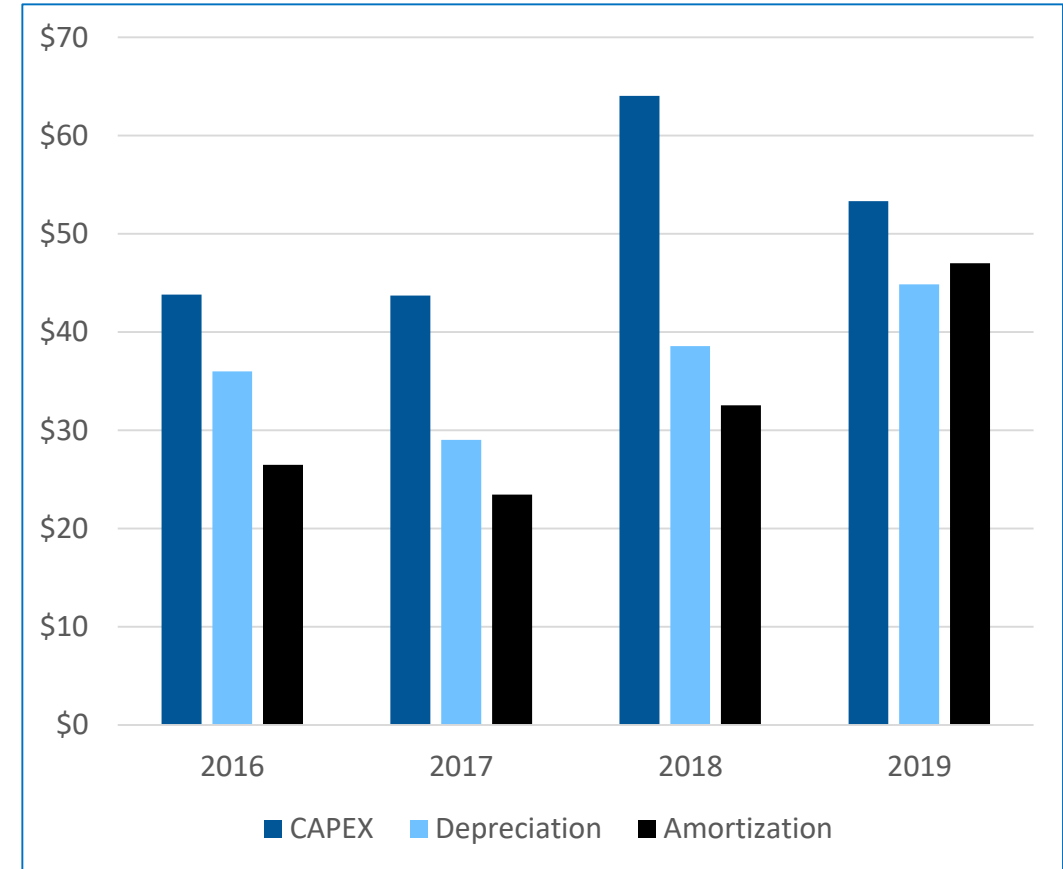
Cash Flow Metrics				
\$000's				
	Q4 FY 2019	Q4 FY 2018	FY 19	FY 18
<i>Free operating cash flow (continuing ops):</i>				
Net cash provided by operating activities, as reported	\$ 14,920	\$ 54,154	\$ 48,526	\$ 40,939
Less: Unusually large tax refund due to sale Ball and Roller Segment	-	(34,430)	-	(34,430)
Adjusted: Net Cash provided by operating activities	\$ 14,920	\$ 19,724	\$ 48,526	\$ 6,509
Less: Capital Expenditures	(12,601)	(17,038)	(53,321)	(64,036)
Free operating cash flow	\$ 2,319	\$ 2,686	\$ (4,795)	\$ (57,527)
Net Income	\$ (14,085)	\$ (217,424)	\$ (46,741)	\$ (262,987)
Conversion of free operating cash flow	N/A	N/A	N/A	N/A

NN Free Cash Flow was positive for the 4th quarter and for the full year showed a lower use of cash



Capital Spending

Capital Spending Metrics				
	Dec-19	Dec 18	Dec-19	Dec-18
\$000's	QTD	QTD	YTD	YTD
Life Sciences	\$ 5,181	\$ 7,205	\$ 20,505	\$ 16,488
Power Solutions	667	1,175	4,687	6,730
Mobile Solutions	4,248	12,041	22,778	39,632
Corporate HQ	389	394	2,117	6,560
Total CAPEX including AP	\$ 10,485	\$ 20,815	\$ 50,087	\$ 69,410
Sales	\$ 198,632	\$ 199,477	\$ 847,451	\$ 770,657
CAPEX % of Sales	5.3%	10.4%	5.9%	9.0%
Capex liability movements	\$ (2,116)	\$ 3,777	\$ (3,234)	\$ 5,374
Cash CAPEX	\$ 12,601	\$ 17,038	\$ 53,321	\$ 64,036
Cash CAPEX % of Sales	6.3%	8.5%	6.3%	8.3%



Anticipate spending approximately \$45M in CAPEX in 2020



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Segment Highlights



Life Sciences – Q4 2019

Life Sciences	Q4	% of	Q4	% of	%	Margin
<i>(In millions)</i>	FY19	Sales	FY18	Sales	Change	Change
Sales	\$ 88.4		\$ 79.5		11.2%	
Operating Profit - GAAP	\$ 5.6	6.3%	\$ 6.2	7.8%	-9.7%	-150 bps
Operating Profit - Adjusted*	\$ 17.9	20.2%	\$ 15.7	19.7%	14.0%	50 bps
Reported EBITDA	\$ 17.0	19.2%	\$ 14.3	18.0%	18.9%	120 bps
Adjusted EBITDA*	\$ 21.5	24.3%	\$ 18.6	23.4%	15.6%	90 bps

*Excludes Special Items and Integration Non-Ops Expenses



Delivering engineered solutions across a broad medical device platform

Q4 Summary

Sales

- Continued overperformance driven primarily by our orthopedic & delivery systems businesses.
- Major program launches related to large joint systems drove growth.

Backlog

- Backlog ended the year at \$149mm, reflecting a decrease of \$36mm as compared to prior quarter as we continue to reduce lead times and meet customers demand expectations.
- Notable improvements reported for C&T, I&I and Bridgeport.
- Improvements driven by operational efficiencies and implementation of our new S&OP initiative.

Margin Expansion

- Adjusted Operating Profit & Adjusted EBITDA had good improvement compared to Q4 2018.
- Favorable impact in profit due to CI savings.
- Improved profit realization in our international sites compared to 2018.

Current Focus & Looking Forward

- Strong emphasis on CI, operations excellence, pricing actions, ERP/S&OP.
- Manage recovery from China supply line issue (Coronavirus).
- Drive MedSurg sales strategy.
- Focus on next round of Ortho programs with 2021 SOP.



Mobile Solutions – Q4 2019

Mobile Solutions	Q4 FY19	% of Sales	Q4 FY18	% of Sales	% Change	Margin Change
<i>(In millions)</i>						
Sales	\$ 67.2		\$ 75.4		-10.9%	
Operating Profit - GAAP	\$ (0.6)	-0.9%	\$ (76.1)	-100.9%	-99.2%	10000 bps
Operating Profit - Adjusted*	\$ 1.5	2.2%	\$ 4.5	6.0%	-66.7%	-370 bps
Reported EBITDA	\$ 7.9	11.8%	\$ (85.5)	-113.4%	-109.2%	12520 bps
Adjusted EBITDA*	\$ 8.9	13.2%	\$ 10.8	14.3%	-17.6%	-110 bps
Goodwill Impairment	\$ -		\$ 73.4			
JV Impairment	\$ -		\$ 16.6			
EBITDA (excluding impairment)	\$ 7.9	11.8%	\$ 4.5	6.0%	74.4%	570 bps

Q4 Summary

Sales

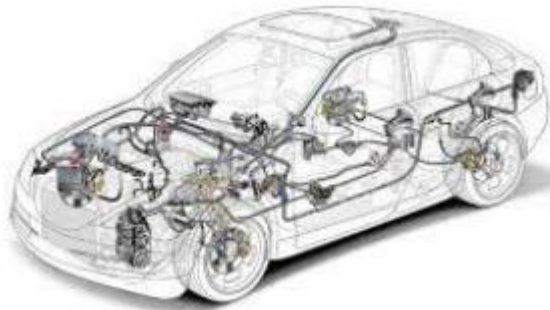
- Program lives ended in 2019 as expected, coupled with unexpected delays in replacement business launches.
- Continued market declines in NA and China.
- US and foreign retaliatory tariffs have negatively impacted demand from dual- or multi-source customers.
- Impact of the UAW strike against GM.

Adjusted Operating Profit

- Variable margin reductions associated with Sales declines.
- Fixed cost reductions – Indirect labor, benefits, bonus reduction and T&E.
- Margin impact of inventory reduction.

Current Focus & Looking Forward:

- Modest recovery of UAW / GM Strike volume expected in Q1 2020.
- China coronavirus impact may push sales from 1H to 2H.
- Free cash flow generation through:
 - Targeted variable cost improvement actions
 - Additional fixed cost right-sizing
 - Reduced capital expenditures
 - Working capital management (receivables, inventory)



Mobile solutions expanding in components serving the growing electric vehicle marketplace





Power Solutions – Q4 2019

	<u>Q4</u>	<u>% of</u>	<u>Q4</u>	<u>% of</u>	<u>%</u>	<u>Margin</u>
Power Solutions	FY19	Sales	FY18	Sales	Change	Change
<i>(In millions)</i>						
Sales	\$ 43.6		\$ 45.2		-3.5%	
Operating Profit - GAAP	\$ 1.0	2.3%	\$ (109.1)	-241.4%	-100.9%	24370 bps
Operating Profit - Adjusted*	\$ 5.8	13.3%	\$ 5.8	12.8%	0.0%	50 bps
Reported EBITDA	\$ 4.8	11.0%	\$ (105.7)	-233.8%	-104.5%	24490 bps
Adjusted EBITDA*	\$ 7.0	16.1%	\$ 7.0	15.5%	0.0%	60 bps
Goodwill Impairment	\$ -		\$ 109.1			
EBITDA (excluding impairment)	\$ 4.8	11.0%	\$ 3.4	7.5%		350 bps

Power solutions expanding in components serving EV's and Charging Stations



Q4 Summary

Sales

- Reductions due to lower plating sales and inventory corrections with our Chinese automotive and heavy truck customers.

Adjusted Operating Profit

- Variable margin reductions associated with sales declines.
- Fixed cost reductions – Indirect and SG&A labor, benefits and T&E.
- Structural Changes: \$1M/yr. savings, \$650K of one-time costs.
 - Fairfield facility closure – complete in Q1, 2020.
 - Irvine plant consolidations - Completed.
 - Taunton site near completion, moves and validations underway.

Current Focus & Looking Forward:

- Moderate sales growth in electrical but accelerated opportunities in A&D.
 - Developing strategy for Electrification market penetration on vehicles and charging stations, and other adjacent markets.
- Free cash flow generation through:
 - Targeted variable cost improvement actions.
 - Further fixed cost right-sizing.
 - Reduced capital expenditures.
 - Working capital management (inventory).



AEROSPACE
& DEFENSE



AUTOMOTIVE



LIFE
SCIENCES



GENERAL
INDUSTRIAL



ELECTRICAL

Guidance



2020 Guidance

	Q1 2020 Guidance	2020 Guidance
Net Sales	\$197M - \$204M	\$825M - \$865M
Adj. EBITDA^(b)	\$27M - \$31M	\$145M - \$157M
Adj. Diluted EPS^(d)	(\$0.02) - \$0.05	\$0.53 - \$0.75
Free Cash Flow⁽¹⁾	(\$4M) - \$5M	\$25M - \$35M



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AUTOMOTIVE



LIFE
SCIENCES



GENERAL
INDUSTRIAL



ELECTRICAL

Reconciliation Tables



Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Income from Operations and Non-GAAP Adjusted EBITDA

\$000s	Three Months Ended December 31,		\$000s	Three Months Ended December 31,	
	2019	2018		2019	2018
NN, Inc. Consolidated			Power Solutions		
GAAP income from operations	\$ (4,720)	\$ (188,380)	GAAP income from operations	\$ 1,024	\$ (109,054)
Restructuring and integration expense	-	\$ (10)	Restructuring and integration expense	-	-
Acquisition and transition expense*	13,012	\$ 15,822	Acquisition and transition expense	1,823	3,524
Amortization of intangibles	11,253	\$ 8,439	Amortization of intangibles	2,748	2,193
Impairments (Goodwill and fixed assets)	244	\$ 187,778	Impairments (Goodwill and fixed assets)	244	109,100
Non-GAAP adjusted income from operations (a)	\$ 19,790	\$ 23,649	Non-GAAP adjusted income from operations (a)	\$ 5,839	\$ 5,763
Non-GAAP adjusted operating margin (1)	10.0%	11.9%	Non-GAAP adjusted operating margin (1)	13.4%	12.8%
Depreciation	\$ 11,266	\$ 10,551	Depreciation	\$ 1,139	\$ 1,059
Other income/expense	5	541	Other income/expense	(123)	146
Non-cash foreign exchange (gain) loss on inter-company loans	(157)	(547)	Non-cash foreign exchange (gain) loss on inter-company loans	125	-
Share of net income from joint venture	1,336	(16,134)	Share of net income from joint venture	-	-
Impairments (JV)	-	16,589	Impairments (JV)	-	-
Non-cash stock compensation	962	(210)	Non-cash stock compensation	-	-
Non-GAAP adjusted EBITDA (b)	\$ 33,202	\$ 34,439	Non-GAAP adjusted EBITDA (b)	\$ 6,980	\$ 6,968
Non-GAAP adjusted EBITDA margin (2)	16.7%	17.3%	Non-GAAP adjusted EBITDA margin (2)	16.0%	15.4%
GAAP net sales	\$ 198,632	\$ 199,477	GAAP net sales	\$ 43,621	\$ 45,194
Mobile Solutions			Life Sciences		
GAAP income from operations	\$ (564)	\$ (76,134)	GAAP income from operations	\$ 5,605	\$ 6,174
Restructuring and integration expense	-	(10)	Restructuring and integration expense	-	-
Acquisition and transition expense	1,177	1,747	Acquisition and transition expense	4,667	4,122
Amortization of intangibles	838	885	Amortization of intangibles	7,666	5,361
Impairments (Goodwill and fixed assets)	-	78,054	Impairments (Goodwill and fixed assets)	-	-
Non-GAAP adjusted income from operations (a)	\$ 1,451	\$ 4,542	Non-GAAP adjusted income from operations (a)	\$ 17,938	\$ 15,657
Share of net income from joint venture	1,336	(16,134)	Non-GAAP adjusted operating margin (1)	20.3%	19.7%
Impairment of joint venture	-	16,589	Depreciation	\$ 3,676	\$ 3,220
Non-GAAP adjusted income from operations with JV	2,788	4,997	Other income/expense	(145)	(418)
Non-GAAP adjusted operating margin (1)	4.2%	6.6%	Non-cash foreign exchange (gain) loss on inter-company loans	-	155
Depreciation	\$ 6,029	\$ 5,809	Share of net income from joint venture	-	-
Other income/expense	300	100	Impairments (JV)	-	-
Non-cash foreign exchange (gain) loss on inter-company loans	(188)	(87)	Non-cash stock compensation	-	-
Share of net income from joint venture	1,336	(16,134)	Non-GAAP adjusted EBITDA (b)	\$ 21,469	\$ 18,614
Impairments (JV)	-	16,589	Non-GAAP adjusted EBITDA margin (2)	24.3%	23.4%
Non-cash stock compensation	-	-	GAAP net sales	\$ 88,381	\$ 79,457
Non-GAAP adjusted EBITDA (b)	\$ 8,929	\$ 10,819			
Non-GAAP adjusted EBITDA margin (2)	13.3%	14.4%			
GAAP net sales	\$ 67,159	\$ 75,359			
Elimination					
GAAP net sales	\$ (528)	\$ (533)			

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

(2) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

* 2019 Includes Capacity & Capabilities Dev - \$2.0 / Prof Fees - \$2.7 / Integration & Transformation - \$8.4 / Acq Transaction Costs - \$0.0 / Asset Write-Downs/Inventory Step-Up - \$0.0

* 2018 Includes Capacity & Capabilities Dev - \$3.1 / Prof Fees - \$3.2 / Integration & Transformation - \$8.7 / Acq Transaction Costs - \$0.1 / Asset Write-Downs/Inventory Step-Up - \$0.8



Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Income from Operations and Non-GAAP Adjusted EBITDA

\$000s	Twelve Months Ended December 31,		\$000s	Twelve Months Ended December 31,	
	2019	2018		2019	2018
NN, Inc. Consolidated			Power Solutions		
GAAP income from operations	\$ 9,889	\$ (179,864)	GAAP income from operations	\$ 13,881	\$ (95,115)
Restructuring and integration expense	(12)	2,127	Restructuring and integration expense	-	\$ -
Acquisition and transition expense*	39,463	\$ 49,262	Acquisition and transition expense	7,725	\$ 8,698
Amortization of intangibles	46,998	\$ 32,553	Amortization of intangibles	10,994	\$ 10,939
Impairments (Goodwill and fixed assets)	644	\$ 187,778	Impairments (Goodwill and fixed assets)	244	\$ 109,100
Non-GAAP adjusted income from operations (a)	\$ 96,982	\$ 91,856	Non-GAAP adjusted income from operations (a)	\$ 32,843	\$ 33,622
Non-GAAP adjusted operating margin (1)	11.4%	11.9%	Non-GAAP adjusted operating margin (1)	17.1%	17.7%
Depreciation	\$ 43,888	\$ 38,235	Depreciation	\$ 4,307	\$ 3,814
Other income/expense	(180)	(1,340)	Other income/expense	(387)	256
Non-cash foreign exchange (gain) loss on inter-company loans	307	2,620	Non-cash foreign exchange (gain) loss on inter-company loans	125	-
Share of net income from joint venture	1,681	(14,390)	Share of net income from joint venture	-	-
Impairments (JV)	-	16,589	Impairments (JV)	-	-
Non-cash stock compensation	3,885	2,413	Non-cash stock compensation	-	-
Non-GAAP adjusted EBITDA (b)	\$ 146,564	\$ 135,983	Non-GAAP adjusted EBITDA (b)	\$ 36,889	\$ 37,692
Non-GAAP adjusted EBITDA margin (2)	17.3%	17.6%	Non-GAAP adjusted EBITDA margin (2)	19.2%	19.9%
GAAP net sales	\$ 847,451	\$ 770,657	GAAP net sales	\$ 192,100	\$ 189,778
Mobile Solutions			Life Sciences		
GAAP income from operations	\$ 9,553	\$ (55,079)	GAAP income from operations	\$ 28,157	\$ 19,136
Restructuring and integration expense	(12)	63	Restructuring and integration expense	-	1,336
Acquisition and transition expense	4,884	3,877	Acquisition and transition expense	15,353	13,064
Amortization of intangibles	3,479	3,540	Amortization of intangibles	32,526	18,074
Impairments (Goodwill and fixed assets)	-	78,054	Impairments (Goodwill and fixed assets)	-	-
Non-GAAP adjusted income from operations (a)	\$ 17,904	\$ 30,456	Non-GAAP adjusted income from operations (a)	\$ 76,036	\$ 51,610
Share of net income from joint venture	1,681	(14,390)	Non-GAAP adjusted operating margin (1)	21.1%	20.8%
Impairment of joint venture	-	16,589	Depreciation	\$ 14,205	\$ 10,017
Non-GAAP adjusted income from operations with JV	19,585	32,655	Other income/expense	61	54
Non-GAAP adjusted operating margin (1)	6.6%	9.7%	Non-cash foreign exchange (gain) loss on inter-company loans	23	155
Depreciation	\$ 23,667	\$ 22,677	Share of net income from joint venture	-	-
Other income/expense	108	(515)	Impairments (JV)	-	-
Non-cash foreign exchange (gain) loss on inter-company loans	80	(87)	Non-cash stock compensation	-	-
Share of net income from joint venture	1,681	(14,390)	Non-GAAP adjusted EBITDA (b)	\$ 90,324	\$ 61,836
Impairments (JV)	-	16,589	Non-GAAP adjusted EBITDA margin (2)	25.1%	24.9%
Non-cash stock compensation	-	-	GAAP net sales	\$ 359,732	\$ 248,173
Non-GAAP adjusted EBITDA (b)	\$ 43,441	\$ 54,730			
Non-GAAP adjusted EBITDA margin (2)	14.6%	16.3%			
GAAP net sales	\$ 297,749	\$ 335,037			
Elimination					
GAAP net sales	\$ (2,130)	\$ (2,331)			

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

(2) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

* 2019 Includes Capacity & Capabilities Dev - \$9.1 / Prof Fees - \$4.5 / Integration & Transformation - \$25.5 / Acq Transaction Costs - \$0.0 / Asset Write-Downs/Inventory Step-Up - \$0.4

* 2018 Includes Capacity & Capabilities Dev - \$8.2 / Prof Fees - \$10.7 / Integration & Transformation - \$19.8 / AcqTransaction Costs - \$5.9 / Asset Write-Downs/Inventory Step-Up - \$4.7



Reconciliation of Net Income (Loss) to Non-GAAP Adjusted Net Income (Loss) and Net Income (Loss) per Diluted Share to Non-GAAP Adjusted Net Income (Loss) per Diluted Share

<i>\$000s</i>	Three Months Ended	
	December 31,	
	2019	2018
GAAP net income (loss)	\$ (14,085)	\$ (217,424)
Pre-tax acquisition and transition expense	13,012	15,822
Pre-tax foreign exchange (gain) loss on inter-company loans	(157)	(547)
Pre-tax restructuring and integration expense	-	(10)
Pre-tax write-off of unamortized debt issuance costs	594	-
Pre-tax amortization of intangibles and deferred financing costs	12,506	9,653
Pre-tax interest expense on cash held from divestiture	-	-
Pre-tax impairments of fixed asset costs	244	5,236
Pre-tax costs related to divested businesses	260	-
Tax effect of adjustments reflected above (c)	(5,444)	(6,368)
Non-GAAP discrete tax adjustments	(1,221)	(403)
Impairments (Goodwill and JV)	-	199,131
Divestiture of Business Segment, exclusive of tax reform	-	7,198
Non-GAAP adjusted net income (loss) (d)	\$ 5,710	\$ 12,287

<i>Amounts per share, diluted</i>	Three Months Ended	
	December 31,	
	2019	2018
GAAP net income (loss) per diluted share	\$ (0.35)	\$ (5.18)
Pre-tax acquisition and transition expense	0.31	0.38
Pre-tax foreign exchange (gain) loss on inter-company loans	(0.00)	(0.01)
Pre-tax restructuring and integration expense	-	(0.00)
Pre-tax write-off of unamortized debt issuance costs	0.01	-
Pre-tax amortization of intangibles and deferred financing costs	0.30	0.23
Pre-tax interest expense on cash held from divestiture	-	-
Pre-tax impairments of fixed asset costs	0.01	0.12
Pre-tax costs related to divested businesses	0.01	-
Tax effect of adjustments reflected above (c)	(0.13)	(0.15)
Non-GAAP discrete tax adjustments	(0.03)	(0.01)
Impairments (Goodwill and JV)	-	4.75
Divestiture of Business Segment, exclusive of tax reform	-	0.17
Preferred stock cumulative dividends and deemed dividends	0.02	-
Non-GAAP adjusted net income (loss) per diluted share (d)	\$ 0.14	\$ 0.29
Weighted average shares outstanding, diluted	42,078	41,959



Reconciliation of Net Income (Loss) to Non-GAAP Adjusted Net Income (Loss) and Net Income (Loss) per Diluted Share to Non-GAAP Adjusted Net Income (Loss) per Diluted Share

<i>\$000s</i>	Twelve Months Ended	
	December 31,	
	2019	2018
GAAP net income (loss)	\$ (46,741)	\$ (262,987)
Pre-tax acquisition and transition expense	39,463	49,262
Pre-tax foreign exchange (gain) loss on inter-company loans	307	2,620
Pre-tax restructuring and integration expense	(12)	2,127
Pre-tax write-off of unamortized debt issuance costs	3,293	19,562
Pre-tax amortization of intangibles and deferred financing costs	51,788	37,741
Pre-tax interest expense on cash held from divestiture	-	3,607
Pre-tax impairments of fixed asset costs	644	5,236
Pre-tax costs related to divested businesses	960	-
Tax effect of adjustments reflected above (c)	(19,433)	(25,094)
Non-GAAP discrete tax adjustments	4,779	570
Impairments (Goodwill and JV)	-	199,131
Divestiture of Business Segment, exclusive of tax reform	-	7,198
Non-GAAP adjusted net income (loss) (d)	\$ 35,049	\$ 38,974

<i>Amounts per share, diluted</i>	Twelve Months Ended	
	December 31,	
	2019	2018
GAAP net income (loss) per diluted share	\$ (1.13)	\$ (8.30)
Pre-tax acquisition and transition expense	0.94	1.56
Pre-tax foreign exchange (gain) loss on inter-company loans	0.01	0.08
Pre-tax restructuring and integration expense	(0.00)	0.07
Pre-tax write-off of unamortized debt issuance costs	0.08	0.62
Pre-tax amortization of intangibles and deferred financing costs	1.23	1.19
Pre-tax interest expense on cash held from divestiture	-	0.11
Pre-tax impairments of fixed asset costs	0.02	0.17
Pre-tax costs related to divested businesses	0.02	-
Tax effect of adjustments reflected above (c)	(0.46)	(0.79)
Non-GAAP discrete tax adjustments	0.11	0.02
Impairments (Goodwill and JV)	-	6.29
Divestiture of Business Segment, exclusive of tax reform	-	0.23
Preferred stock cumulative dividends and deemed dividends	0.02	-
Non-GAAP adjusted net income (loss) per diluted share (d)	\$ 0.83	\$ 1.23
Weighted average shares outstanding, diluted	42,030	31,678



Non-GAAP Financial Measures Footnotes

The Company discloses in this presentation the non-GAAP financial measures of adjusted income from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income per diluted share, free cash flow and net debt. Each of these non-GAAP financial measures provides supplementary information about the impacts of acquisition, divestiture and integration related expenses, foreign-exchange impacts on inter-company loans, reorganizational and impairment charges. Over the past five years, we have completed seven acquisitions, two of which were transformative for the Company, and sold two of our businesses. The costs we incurred in completing such acquisitions, including the amortization of intangibles and deferred financing costs, and these divestitures have been excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, 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 are excluded as the charges are not indicative of our ongoing operating cost. We believe the presentation of adjusted income from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income per diluted share, free cash flow and net debt provides useful information in assessing our underlying business trends and facilitates comparison of our long-term performance over given periods.

The non-GAAP financial measures provided herein may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies may calculate such financial results differently. The Company's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to actual income growth derived from income amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results.

(a) Non-GAAP Adjusted income from operations represents GAAP income from operations, adjusted to exclude the effects of restructuring and integration expense; non-operational charges related to acquisition and transition expense, intangible amortization costs for fair value step-up in values related to acquisitions, non-cash impairment charges, and when applicable, our share of income from joint venture operations. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted income 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 EBITDA represents GAAP net income (loss), adjusted to include income taxes, interest expense, Interest rate swaps and write-offs, 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, income from discontinued operations, and non-cash impairment charges, to the extent applicable. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from continuing operations.

(c) This line item reflects the aggregate tax effect of all nontax adjustments reflected in the respective table. NN, Inc. estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying the applicable statutory rates by tax jurisdiction unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment.

(d) Non-GAAP adjusted net income (loss) represents GAAP net income (loss) adjusted to exclude the tax-affected effects of restructuring and integration 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), charges related to acquisition and transition costs, amortization of intangibles costs for fair value step-up in values related to acquisitions and amortization of deferred financing costs, foreign exchange gain (loss) on inter-company loans, estimated interest expense on cash held from divestiture, non-cash impairment charges, the impact of enactment of the Tax Cut and Jobs Act and income from discontinued operations. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted income (loss) from segment operations is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from continuing operations.