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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 7, 2025

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**NN, Inc.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> <i>(State or other jurisdiction of incorporation)</i>	<b>001-39268</b> <i>(Commission File Number)</i>	<b>62-1096725</b> <i>(I.R.S. Employer Identification No.)</i>
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<b>6210 Ardrey Kell Road, Suite 120</b> <b>Charlotte, North Carolina</b> <i>(Address of principal executive offices)</i>	<b>28277</b> <i>(Zip Code)</i>
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**(980) 264-4300**  
*(Registrant's telephone number, including area code)*

(Former name or former address, if changed since last report)

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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:**

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

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.

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**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On May 7, 2025, NN, Inc. (the "Company") issued a press release announcing the Company's financial results for the quarter ended March 31, 2025. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the "Current Report").

Pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"), the information furnished pursuant to Item 2.02 of this Current Report (including Exhibit 99.1) 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 (the "Exchange Act"), 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.

**ITEM 7.01 REGULATION FD DISCLOSURE**

On May 7, 2025, the Company posted a supplemental presentation to its website, <https://investors.nninc.com/>, which will be presented during its quarterly investor conference call on May 8, 2025, at 9:00 a.m. ET. The supplemental presentation is included as Exhibit 99.2 to this Current Report.

Pursuant to the rules and regulations of the SEC, the information furnished pursuant to Item 7.01 of this Current Report (including Exhibit 99.2) is deemed to have been furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act 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.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<a href="#">Press Release issued by NN, Inc., dated May 7, 2025</a>
99.2	<a href="#">First Quarter 2025 Earnings Call Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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: May 7, 2025

**NN, INC.**

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



news

NN, Inc.  
6210 Ardrey Kell Road, Suite 120  
Charlotte, NC 28277

**FOR IMMEDIATE RELEASE**

**NN, INC. REPORTS FIRST QUARTER 2025 RESULTS**

*Company reaffirms full-year adjusted EBITDA 2025 outlook and five-year sales and margin targets*

*Company initiates full-year 2025 free cash flow guidance of \$14-\$16 million*

**CHARLOTTE, N.C., May 7, 2025** – NN, Inc. (NASDAQ: NNBR) (“NN” or the “Company”), a global diversified industrial company that engineers and manufactures high-precision components and assemblies, today reported results for the first quarter ended March 31, 2025.

**First Quarter Highlights**

- Net sales of \$105.7 million, decreased by 12.8% versus the prior year first quarter.
- Pro forma net sales, adjusted for the sale of Lubbock, rationalized business, and currency translation, decreased by 1.3% compared to the prior year first quarter.
  - Strong China domestic sales growth continues, up by 12.5% versus the prior year first quarter.
  - NN does not directly sell Chinese manufactured products into the U.S.
- GAAP earnings per share of \$(0.23) and adjusted earnings per share results of \$(0.03), increases versus (\$0.34) and (\$0.08), respectively, versus the prior year first quarter.
- Pro forma adjusted EBITDA of \$10.6 million, flat to prior year first quarter.
- Adjusted EBITDA margin of 10%, an increase compared to 9.3% in the prior year first quarter.
- NN is tracking to all long-term goals and transformational pillars - growth, diversification, costs, and cash.
- Recently raised 5-year adjusted EBITDA margin target to 13-14%.
  - Rationalization of underperforming business and plants remains on track with additional footprint reductions under evaluation; an estimated \$15 million total cost savings are expected in 2025.
- New business wins were \$16.4 million, concentrated in the key focus areas of industrial products, electrical and power products, medical, and high-value automotive products.
  - NN's new business pipeline remains robust at over \$740 million and continues to expand in key targeted growth areas. Approximately 30% of the pipeline focused on non-traditional automotive applications.
  - NN's pipeline and new business wins are improving sales and margin mix and strengthening the Company's sales growth and structural earnings power.

- Medical products business growth plan stays focused; currently adding specialized equipment to meet expanded new business pipeline and support initial wins. NN's medical pipeline is currently at peak levels of \$40+ million since re-entering the medical market in October 2023.
- Term Loan refinancing process completed post quarter-end, positioning the Company to advance its 5-year transformation plans.

"NN marked another quarter of solid steps forward across key areas of our transformation, and our results for the quarter have kept us on track with our full-year outlook and five-year plan. Our strategic and transformation-led progress was highlighted by growth and new wins in targeted markets, including stamped, medical, and electrical products, as well as high-value automotive" said Harold Bevis, President and Chief Executive Officer of NN, Inc. "Our commercial growth agenda captured \$16.4 million of new business wins in the quarter, progress that has kept the Company on pace to meet its aggressive multi-year sales growth target.

Mr. Bevis continued, "Our commercial pipeline remains robust at over \$740 million and we continue to grow our presence in highly-accretive growth markets. Due to programs won in prior years and programs won in 2025 year to date through early May, we have now won 120 new programs worth \$55 million (peak annual sales) launching in 2025. This will add incremental sales in the second half of fiscal 2025. We have had some foundational wins thus far in 2025, and we are excited about our future."

"Operationally, our team continues to diligently execute against our cost-out and plant level productivity enhancement initiatives, with a 2025 goal of \$15 million cost reduction. 2025 will mark a significant turning point in NN's free cash flow performance, and we are initiating full-year 2025 guidance of \$14 to \$16 million."

Mr. Bevis concluded, "Despite heightened macroeconomic uncertainty, the threat of U.S. tariffs is thus far immaterial to NN, and our business segments have showed continued resilience. We believe we are well positioned to continue driving organic growth, reduce our cost profile, and increase our cash flow. Although there are well-known uncertainties across the global economy, we know that have ample cause for optimism and we remain excited about our transformation plan, both commercially and operationally. 2025 will serve as a pivotal year in our progression, and we look forward to delivering strong results for our shareholders and stakeholders this year and continuing upon that momentum into the future."

#### **First Quarter Results**

Net sales were \$105.7 million, a decrease of 12.8% compared to the first quarter of 2024 net sales of \$121.2 million, primarily due to the rationalization of underperforming business and plants, the sale of our Lubbock operations in 2024, lower volumes and unfavorable foreign exchange effects. These decreases were partially offset by higher precious metals pass-through pricing. Loss from operations for the first quarter of 2025 was \$4.8 million, flat compared to prior year.

#### **First Quarter Adjusted Results**

Pro forma net sales when adjusted for rationalized sales and currency changes and the sale of Lubbock, were a decrease of 1.3% in the first quarter when compared to the first quarter of 2024.

Adjusted income from operations for the first quarter of 2025 was \$2.0 million compared to adjusted loss from operations of \$0.7 million for the same period in 2024. Adjusted EBITDA was \$10.6 million, or 10.0% of sales, compared to \$11.3 million, or 9.3% of sales, for the same period in 2024.

Adjusted net loss from operations was \$1.4 million, or \$0.03 per diluted share, compared to adjusted net loss of \$4.0 million, or \$0.08 per diluted share, for the same period in 2024. Free cash flow was a use of cash of \$7.1 million compared to a generation of cash of \$0.3 million for the same period in 2024.

#### **Power Solutions**

Net sales for the first quarter of 2025 were \$43.5 million compared to \$48.2 million in the same period in 2024.

The decrease is primarily due to the sale of our Lubbock operations, lower volumes and unfavorable foreign exchange effects of \$0.8 million. These decreases were partially offset by higher precious metals pass-through pricing. Income from operations was \$3.0 million compared to income from operations of \$4.0 million for the same period in 2024.

Adjusted income from operations was \$5.5 million compared to \$6.8 million in the first quarter of 2024. The decrease in adjusted income from operations was primarily due to lower revenues and unfavorable product mix, partially offset by lower operating costs due to the sale of the Lubbock operations in 2024.

#### **Mobile Solutions**

Net sales for the first quarter of 2025 were \$62.2 million compared to \$73.1 million in the first quarter of 2024. The decrease in sales was primarily due to the closure of the Juarez plant, lower volumes and unfavorable foreign exchange effects of \$1.9 million. Loss from operations was \$2.7 million compared to loss from operations of \$2.1 million for the same period in 2024.

Adjusted income from operations was \$1.6 million compared to adjusted loss from operations of \$1.2 million in the first quarter of 2024. The increase in adjusted income from operations was primarily due to lower headcount and lower incentive compensation expense.

#### **2025 Outlook**

Guidance assumes that key markets remain stable, global foreign currency exchange rates remain consistent with current bank forward rates, the global metals market conditions remain similar to current levels, and start of production on new programs remains stable.

Note that core performance metrics for net sales and adjusted EBITDA are normalized for sale of Lubbock and rationalized business during 2024.

- Net sales to range between \$430 to \$460 million
- Adjusted EBITDA to range between \$53 to \$63 million
- Free cash flow to range between \$14 to \$16 million; guidance assumes receipt of CARES Act refund in 2025
- New business wins to range between \$60 to \$70 million
  - Targeting larger amounts from stamped products, electrical products, and medical products
  - China will fund its own new wins program
  - Continue to leverage \$340 million of machinery and equipment to minimize cash capex spend

Chris Bohnert, Senior Vice President and Chief Financial Officer, commented, "Thus far the direct impacts of tariff and trade negotiations are immaterial to our results and, as a result, we are maintaining our full-year 2025 guidance range for adjusted EBITDA. Given the current lower relative visibility in the context of growing global economic uncertainty, we expect prevailing market conditions to push our adjusted EBITDA guidance towards the lower half of the provided range. In response to the contraction in GDP in early 2025, we are slightly modifying our full-year net sales outlook, now expecting net sales in the range of \$430 million to \$460 million. Additionally, with the recently completed refinancing of our term loan, we are initiating full-year free cash flow guidance, expecting results to range between \$14 million and \$16 million. Our action plans and forecast are supported by continued operational and cost efficiencies across this year, which will help us maintain the strong pace of our transformation and rate of growth."

**Conference Call**

NN will discuss its results during its quarterly investor conference call on May 8, 2025, at 9 a.m. ET. The call and supplemental presentation may be accessed via NN's website, [www.nninc.com](http://www.nninc.com). The conference call can also be accessed by dialing 1-877-255-4315 or 1-412-317-6579. For those who are unavailable to listen to the live broadcast, a replay will be available shortly after the call until May 8, 2026.

NN discloses in this press release the non-GAAP financial measures of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted common share, and free cash flow. Each of these non-GAAP financial measures provides supplementary information about the impacts of restructuring and integration expense, acquisition and transition expenses, foreign exchange impacts on inter-company loans, amortization of intangibles and deferred financing costs, and other non-operating impacts on our business.

The financial tables found later in this press release include a reconciliation of adjusted income (loss) from operations, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow to the U.S. GAAP financial measures of income (loss) from operations, net income (loss), net income (loss) per diluted common share, and cash provided (used) by operating activities.

## **About NN, Inc.**

NN, Inc., a global diversified industrial company, combines advanced engineering and production capabilities with in-depth materials science expertise to design and manufacture high-precision components and assemblies for a variety of markets on a global basis. Headquartered in Charlotte, North Carolina, NN has facilities in North America, South America, Europe and China. For more information about the company and its products, please visit [www.nninc.com](http://www.nninc.com).

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 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," "growth," "guidance," "intend," "may," "will," "possible," "potential," "predict," "project," "trajectory" 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; the potential impacts of tariffs on the U.S. economy, the economy of other countries in which we conduct operations and our industry, as well as the potential implications and ramifications of tariffs on our business and the local and global supply chains supporting the same, and our ability to mitigate any adverse impacts of such; 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, uncertainty of government policies and actions after recent U.S. elections in respect to global trade, tariffs and international trade agreements, 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 U.S. 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 document, 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."*

## **Investor & Media Contacts:**

Joe Caminiti or Stephen Poe  
NNBR@alpha-ir.com  
312-445-2870

*Financial Tables Follow*

NN, Inc.  
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)  
(Unaudited)

<i>(in thousands, except per share data)</i>	Three Months Ended March 31,	
	2025	2024
Net sales	\$ 105,688	\$ 121,198
Cost of sales (exclusive of depreciation and amortization shown separately below)	91,646	101,086
Selling, general, and administrative expense	11,170	13,348
Depreciation and amortization	8,774	12,547
Other operating income, net	(1,113)	(1,000)
<b>Loss from operations</b>	<b>(4,789)</b>	<b>(4,783)</b>
Interest expense	5,194	5,366
Other expense (income), net	(2,169)	4,153
Loss before provision for income taxes and share of net income from joint venture	(7,814)	(14,302)
Provision for income taxes	(1,310)	(506)
Share of net income from joint venture	2,439	2,271
<b>Net loss</b>	<b>\$ (6,685)</b>	<b>\$ (12,537)</b>
Other comprehensive income (loss):		
Foreign currency transaction gain (loss)	3,125	(2,346)
Reclassification adjustments from the interest rate swap included in net loss, net of tax	—	(449)
Other comprehensive income (loss)	\$ 3,125	\$ (2,795)
<b>Comprehensive loss</b>	<b>\$ (3,560)</b>	<b>\$ (15,332)</b>
Basic and diluted net loss per share	\$ (0.23)	\$ (0.34)
Shares used to calculate basic and diluted net loss per share	49,075	47,724

NN, Inc.  
Condensed Consolidated Balance Sheets  
(Unaudited)

(in thousands, except per share data)

	March 31, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 11,739	\$ 18,128
Accounts receivable, net	67,750	61,549
Inventories	62,927	61,877
Income tax receivable	12,688	12,634
Prepaid assets	5,600	2,855
Other current assets	12,270	10,519
Total current assets	172,974	167,562
Property, plant and equipment, net	162,040	162,034
Operating lease right-of-use assets	38,305	39,317
Intangible assets, net	41,005	44,410
Investment in joint venture	37,622	34,971
Deferred tax assets	1,329	1,329
Other non-current assets	7,449	7,270
Total assets	\$ 460,724	\$ 456,893
<b>Liabilities, Preferred Stock, and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 45,876	\$ 38,879
Accrued salaries, wages and benefits	17,698	19,915
Income tax payable	534	659
Short-term debt and current maturities of long-term debt	3,719	5,039
Current portion of operating lease liabilities	5,566	6,038
Other current liabilities	16,711	13,382
Total current liabilities	90,104	83,912
Deferred tax liabilities	5,088	4,969
Long-term debt, net of current maturities	147,604	143,591
Operating lease liabilities, net of current portion	41,007	42,291
Other non-current liabilities	11,673	14,111
Total liabilities	295,476	288,874
Commitments and contingencies		
Series D perpetual preferred stock	97,904	93,497
Stockholders' equity:		
Common stock	505	499
Additional paid-in capital	452,187	455,811
Accumulated deficit	(340,306)	(333,621)
Accumulated other comprehensive loss	(45,042)	(48,167)
Total stockholders' equity	67,344	74,522
Total liabilities, preferred stock, and stockholders' equity	\$ 460,724	\$ 456,893

NN, Inc.  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net loss	\$ (6,685)	\$ (12,537)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,774	12,547
Amortization of debt issuance costs and discount	716	544
Paid-in-kind interest	316	730
Total derivative loss (gain), net of cash settlements	(1,762)	3,331
Share of net income from joint venture	(2,439)	(2,271)
Share-based compensation expense	839	846
Deferred income taxes	174	(260)
Other	(519)	(666)
Changes in operating assets and liabilities:		
Accounts receivable	(5,403)	(6,888)
Inventories	(220)	(1,554)
Other operating assets	(3,444)	(4,821)
Income taxes receivable and payable, net	(163)	(163)
Accounts payable	6,468	6,130
Other operating liabilities	3	5,744
Net cash provided by (used in) operating activities	(3,345)	712
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,907)	(5,460)
Proceeds from sale of property, plant, and equipment	177	98
Net cash used in investing activities	(3,730)	(5,362)
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt	11,000	13,001
Repayments of long-term debt	(9,026)	(29,808)
Cash paid for debt issuance costs	—	(646)
Proceeds from sale-leaseback of equipment	—	4,910
Proceeds from sale-leaseback of land and buildings	—	16,863
Repayments of financing obligations	(297)	(99)
Repayments of short-term debt	(63)	—
Other	(1,031)	(651)
Net cash provided by financing activities	583	3,570
Effect of exchange rate changes on cash flows	103	(213)
Net change in cash and cash equivalents	(6,389)	(1,293)
Cash and cash equivalents at beginning of year	18,128	21,903
Cash and cash equivalents at end of quarter	\$ 11,739	\$ 20,610

**Reconciliation of GAAP Income (Loss) from Operations to Non-GAAP Adjusted Income (Loss) from Operations**

<i>(in thousands)</i> NN, Inc. Consolidated	Three Months Ended March 31,	
	2025	2024
GAAP loss from operations	\$ (4,789)	\$ (4,783)
Professional fees	50	70
Personnel costs (1)	3,365	300
Facility costs (2)	—	258
Amortization of intangibles	3,405	3,456
Non-GAAP adjusted income (loss) from operations (a)	\$ 2,031	\$ (699)
Non-GAAP adjusted operating margin (3)	1.9 %	(0.6)%
GAAP net sales	\$ 105,688	\$ 121,198

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Power Solutions		
GAAP income from operations	\$ 3,023	\$ 3,979
Personnel costs (1)	(66)	35
Facility costs (2)	—	211
Amortization of intangibles	2,567	2,618
Non-GAAP adjusted income from operations (a)	\$ 5,524	\$ 6,843
Non-GAAP adjusted operating margin (3)	12.7 %	14.2 %
GAAP net sales	\$ 43,508	\$ 48,238

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Mobile Solutions		
GAAP loss from operations	\$ (2,687)	\$ (2,143)
Personnel costs (1)	3,431	86
Facility costs (2)	—	54
Amortization of intangibles	838	838
Non-GAAP adjusted income (loss) from operations (a)	\$ 1,582	\$ (1,165)
Share of net income from joint venture	2,439	2,271
Non-GAAP adjusted income from operations with JV (a)	\$ 4,021	\$ 1,106
Non-GAAP adjusted operating margin (3)	6.5 %	1.5 %
GAAP net sales	\$ 62,244	\$ 73,060

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Elimination		
GAAP net sales	\$ (64)	\$ (100)

- (1) Personnel costs include recruitment, retention, relocation, and severance costs  
(2) Facility costs include costs of opening / closing facilities and relocation / exit of manufacturing operations  
(3) Non-GAAP adjusted operating margin = Non-GAAP adjusted income (loss) from operations / GAAP net sales

**Reconciliation of GAAP Net Income (Loss) to Non-GAAP Adjusted EBITDA**

<i>(in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
GAAP net loss	\$ (6,685)	\$ (12,537)
Provision for income taxes	1,310	506
Interest expense	5,194	5,366
Change in fair value of preferred stock derivatives and warrants	(1,763)	3,781
Depreciation and amortization	8,774	12,547
Professional fees	50	70
Personnel costs (1)	3,365	300
Facility costs (2)	—	258
Non-cash stock compensation	839	845
Non-cash foreign exchange (gain) loss on inter-company loans	(506)	161
Non-GAAP adjusted EBITDA (b)	\$ 10,578	\$ 11,297
Non-GAAP adjusted EBITDA margin (3)	10.0 %	9.3 %
GAAP net sales	\$ 105,688	\$ 121,198

(1) Personnel costs include recruitment, retention, relocation, and severance costs

(2) Facility costs include costs of opening / closing facilities and relocation / exit of manufacturing operations

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



**Reconciliation of Operating Cash Flow to Free Cash Flow**

<i>(in thousands)</i>	Three Months Ended	
	March 31,	
	2025	2024
Net cash provided by (used in) operating activities	\$ (3,345)	\$ 712
Acquisition of property, plant, and equipment	(3,907)	(5,460)
Proceeds from sale of property, plant, and equipment	177	98
Proceeds from sale-leaseback of equipment	—	4,910
Free cash flow	<u>\$ (7,075)</u>	<u>\$ 260</u>

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 common share, and free cash flow. 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 common share, and free cash flow provides useful information in assessing our underlying business trends and facilitates comparison of our long-term performance over given periods.

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## 2025 Q1 Earnings

May 8, 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," "growth," "guidance," "intend," "may," "will," "possible," "potential," "predict," "project," "trajectory" 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; the potential impacts of tariffs on the U.S. economy, the economy of other countries in which we conduct operations and our industry, as well as the potential implications and ramifications of tariffs on our business and the local and global supply chains supporting the same, and our ability to mitigate any adverse impacts of such 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; uncertainty of government policies and actions after recent U.S. elections in respect to global trade, tariffs and international trade agreements; 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 Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's filings made with the U.S. 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 document, 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."

# Key Messages



## End Market Demand & New Business

- Global automotive market remains resilient overall - softer than expected in NA and EU, but China remains strong
- Business uncertainty has increased broadly in the US, with some customers withholding 2<sup>nd</sup> half 2025 numerical guidance
- 2025 May YTD, NN's new business program is delivering good results
  - Update: now launching 120 new programs in 2025
  - ~\$55 million of additional sales (peak annual value)
  - Supports 2H 2025 forecast with a large non-auto content



## Strong Operational Execution Continues

- Reducing overhead, working capital, and footprint to increase competitiveness, profit goals, and free cash flow objectives
- Cost reduction and working capital reduction continues in Q2 and Q3
- Progressively adding targeted technical talent to quote and launch programs. Progressively adding non-auto market talent to strengthen the global team



## Updating 2025 Guidance and 5-Year Goals

- Reiterating 2025 guidance for adjusted EBITDA at \$53 - \$63 million
- Reiterating 2025 guidance for new business awards at \$60 - \$70 million
- Initiating 2025 guidance for free cash flow at \$14 to \$16 million for 2025.
- Lowering 2025 net sales guidance to be flat YOY (pro forma) to 2024, at \$430 - \$460 million due to GDP uncertainties.
- Reiterating 5-year goal for adjusted EBITDA rate at 13 - 14%
- Initiating 5-year goal for gross margin at 19 - 20% of sales



## Portfolio Transformation

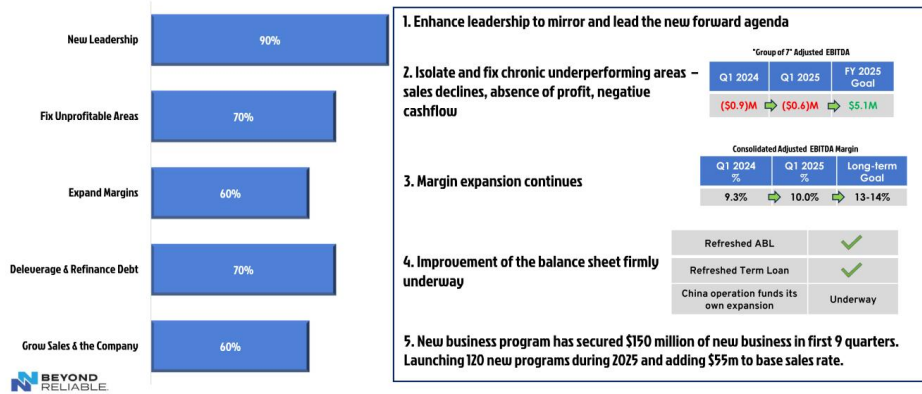
- Completed refinancing with new five-year duration extension and flexibility enhancement on both ABL and Term Loan
- Advancing the organic transition into non-auto areas by leveraging \$340 million of installed assets and modestly investing \$10 - \$14 million additional cash capex per year
- Excellent pipeline portfolio of business development programs and solid list of cost & footprint advancements yet to come

## Key Metrics

	Q1'25 Results	Comments
Net Sales*	\$105.7M	Flat Y/Y on proforma net sales; uncertainty in US market
Gross Margin (as % of Sales)	16.9%	Five-year goal is 19-20%
Adjusted Operating Income	\$2.0M	Increased \$2.7M Y/Y
Adjusted EBITDA	\$10.6M	Reconfirming FY 2025 guidance of \$53 - \$63M
Adjusted EBITDA Margin (as a % of Sales)	10.0%	Five-year goal is 13-14%
Working Capital	\$84.8M	On track for 2025; down \$4.6M Y/Y
Working Capital (as % of TTM Sales)	19.1%	Five-year target is 16-17%
New Business Wins	\$16.4M	Reconfirming FY 2025 guidance of \$60 - \$70M
Cash Capex	\$3.9M	\$10M growth capex target for 2025

# Business Transformation & Pivot are On Track in 2025

From 0 to 70% Complete in Seven Quarters



- Enhance leadership to mirror and lead the new forward agenda
- Isolate and fix chronic underperforming areas – sales declines, absence of profit, negative cashflow
 

*Group of 7 Adjusted EBITDA		
Q1 2024	Q1 2025	FY 2025 Goal
(\$0.9)M	⇒ (\$0.4)M	⇒ \$5.1M
- Margin expansion continues
 

Consolidated Adjusted EBITDA Margin		
Q1 2024 %	Q1 2025 %	Long-term Goal
9.3%	⇒ 10.0%	⇒ 13-14%
- Improvement of the balance sheet firmly underway
 

Refreshed ABL	✓
Refreshed Term Loan	✓
China operation funds its own expansion	Underway
- New business program has secured \$150 million of new business in first 9 quarters. Launching 120 new programs during 2025 and adding \$55m to base sales rate.

## Sales Growth & Pivot Program is Performing Well and On Track

- Prospecting targets are by market, balanced to our asset profile, balanced between auto & non-auto, with targets by salesperson
- Adding people, NPI capabilities, assets, expanding at existing accounts, and gaining approved supplier status at new accounts

		Goal	Status
New Wins Program		<ul style="list-style-type: none"> <li>• \$325 million over 5 years</li> <li>• \$65 million new wins/yr</li> <li>• \$10 - \$14 million growth cash capex/yr</li> </ul>	<ul style="list-style-type: none"> <li>• \$740+ million overall pipeline</li> <li>• \$160 million of new wins from January 2023 to May YTD 2025</li> <li>• 120 programs launching in 2025 worth \$55 million in peak annual sales</li> </ul>
<b>--- Specific Targets ---</b>			
Non-Auto	Medical	\$50 million business over 5 years	<ul style="list-style-type: none"> <li>• \$40+ million pipeline, getting reapproved, modifying assets</li> <li>• \$6 million of new wins, gaining momentum, new accounts</li> </ul>
Auto	Electric Power / Auto	\$100 million business over 5 years	<ul style="list-style-type: none"> <li>• \$225+ million pipeline, busbar-centric</li> <li>• \$65 million of new wins, significant open capacity</li> </ul>
Non-Auto	Electric Power / Grid	\$50 million new wins over 5 years	<ul style="list-style-type: none"> <li>• \$80+ million pipeline, distribution-centric</li> <li>• \$7 million of new wins, new account focus</li> </ul>
Non-Auto	Industrial & Commercial	\$50 million new wins over 5 years	<ul style="list-style-type: none"> <li>• \$70+ million pipeline, added new employees</li> <li>• \$29 million of new wins, significant open capacity</li> </ul>
Auto	High-Value Machined Products	\$75 million new wins over 5 years	<ul style="list-style-type: none"> <li>• \$300+ million pipeline, steering-centric</li> <li>• \$53 million of new wins, significant open capacity</li> </ul>

## New Business Program Update / Snapshot with Facts & Figures

### Overall Program Results - January 2023 Through May YTD 2025

- Value of new win programs since January 2023 (peak annual sales value): \$160M
- # of new win programs won since January 2023: 363
  - 2023: Won 118 programs worth \$64M
  - 2024: Won 188 programs worth \$73M
  - 2025 YTD: Won 57 programs worth \$23M

# of non-auto new wins continues to grow:  
128 programs won worth \$43M

### 2025 May YTD

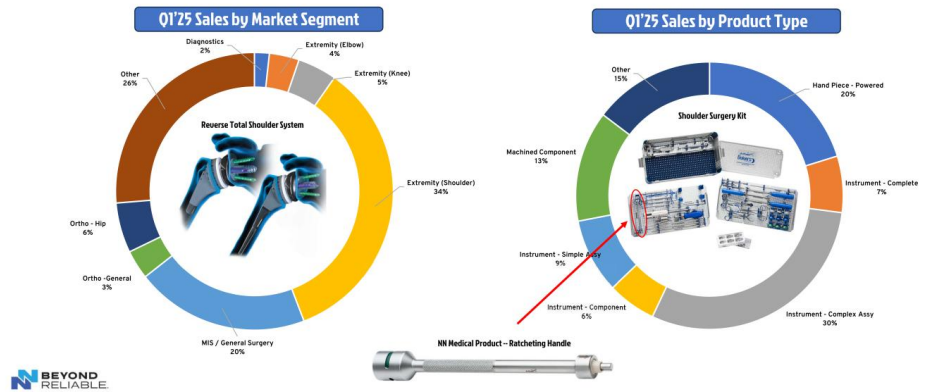
- # of new win programs launching in 2025: 120
- Peak annual sales of new win programs launching in 2025: \$55M

### Prospecting and Pipeline Stats

- Programs in the pipeline: 711
- Value of pipeline programs: \$746M (avg \$1.0M each)
- Non-auto and non-traditional auto pipeline: 367 programs worth \$355M (about half of the prospecting)
  - # of programs in the pipeline that are non-auto: 190 programs worth \$155M
  - # of programs in the pipeline that are auto electrical: 177 programs worth \$200M

## Sales Growth / Pivot Example: NN Continues to Organically Grow its Medical Business

- NN is winning in the Extremities and Instruments markets
- Adding people, dedicated machines, gaining certifications, becoming an approved supplier, growing \$40M pipeline, securing wins
- #1 Product in Q1 2025 is the Ratcheting Handle used in shoulder surgery kits (see below, right)



## Sales Growth / Pivot Example: New Business Driving NN Europe to Financial Turnaround

→ \$6.7M of new wins in Q1 (peak annual sales) and >\$50M of estimated total program value

NN Europe team is successfully achieving its new wins objectives and its turnaround plan

- Leveraging NN's Europe in-region installed assets, footprint, team, and know-how
- Leveraging NN's China-based assets, footprint, team, know-how
- Bidding on multiple large programs being re-sourced from EU to China by EU Tier 1s as European auto industry lowers their costs
- NN Europe is executing financial turnaround with goal of higher adjusted EBITDA and positive free cash flow

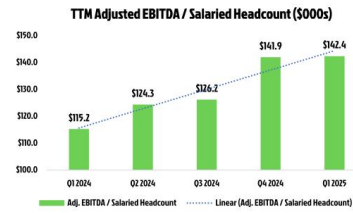
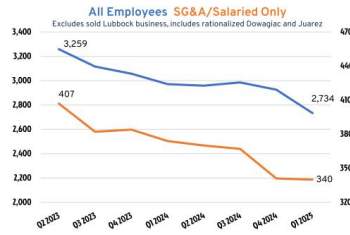
Key New Wins:

- Electric Motors \$1.6M per year - SOP Q2 2025
- Medical Equipment \$0.4M per year - SOP Q2 2025
- Fuel Systems \$4.7M per year - SOP Q2 2026



## Operations Team Continues to Deliver its Cost Reduction Targets with Staff Right-Sizing Being a Key Component

- 25% increase in adjusted EBITDA / salaried employee over TTM
- 16% decrease in net global headcount – hourly, indirect, salaried, SGA



### Right-Sizing / staff reductions to date:

- Staff reductions began in 2023 and accelerated in 2024 with rationalization and "One Team" program launched globally
  - 7-year reduction of 16% of global staff or 525 people, net. Reduction total will approach 600 by year-end 2025
- Permanently reducing overhead is a key component of achieving long-term targets for increased gross profit margins and increased adjusted EBITDA margins
- 2025 underway with another \$6.5 million payroll reduction / cashflow increase slate of actions, with Q2 actions already taken

## Working Capital Reduction Program

- Working capital has been **reduced 20% or \$21.6M** over last two years
- Down \$4.8M us. Q1 2024; targeting \$5M reduction in Q2-Q3 2025

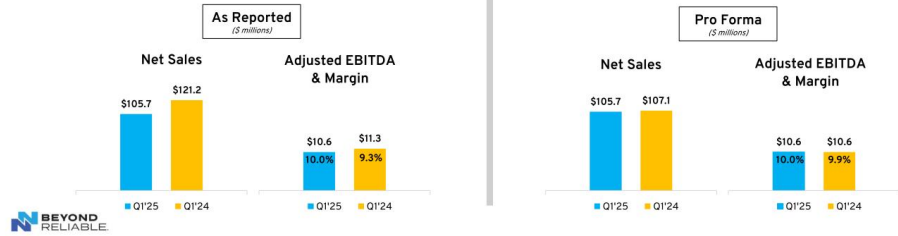


### Commentary

- \$106.4M in Q1 2023 down to \$84.8M in Q1 2025 while adjusted EBITDA has increased
- Working Capital is down \$4.8M in Q1 2025 us Q1 2024
- 2025 goal is another gradual \$5M reduction in Q2 / Q3 with immaterial impact on adjusted EBITDA
- Working Capital (as % of TTM Net sales) is 19.1% - goal is 16-17%

## Q1 2025 – NN Financial Results

As Reported				Q1 2024 Pro Forma Adjustments				Pro Forma		
(\$millions)	Q1'25	Q1'24	Δ	Sale of Lubbock	Rationalized Volume	FX	Total	Q1'25	Q1'24	Δ
Net Sales	\$105.7	\$121.2	(\$15.5)	(\$5.4)	(\$5.9)	(\$2.8)	(\$14.1)	\$105.7	\$107.1	(\$1.4)
Adj. Operating Income (Loss)	\$2.0	(\$0.7)	(\$2.7)	(\$0.6)	\$0.9	(\$0.1)	\$0.2	\$2.0	(\$0.5)	\$2.5
Adj. EBITDA	\$10.6	\$11.3	(\$0.7)	(\$0.6)	-	(\$0.1)	(\$0.7)	\$10.6	\$10.6	Flat
Adj. EBITDA Margin %	10.0%	9.3%	0.7%					10.0%	9.9%	0.1%



## Power Solutions Segment– Q1 2025 Highlights

**Net Sales:** down **(\$4.7M)**, up **\$1.5M** pro forma

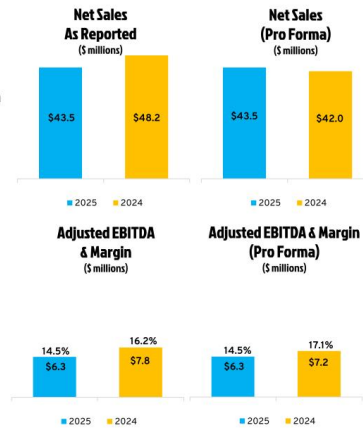
- **(\$5.4M)** impact of sale of Lubbock facility
- **(\$0.8M)** of unfavorable foreign exchange impact
- **\$1.5M** of net impact from volume / mix – primarily higher precious metal pass-through

**Adjusted EBITDA:** down **(\$1.5M)** as reported, down **(\$0.7M)** pro forma

- **(\$0.6M)** impact from sale of Lubbock facility
- **(\$0.9M)** decrease due to unfavorable mix impact
- Adjusted EBITDA margin compressed due to high precious metal (gold, silver) cost increase pass-through, forecast to continue

**New Business:** Hired additional commercial staff; continue to increase new business pipeline, many immediate launches in 2025, new 300-ton press being installed, continuing the pace of adding new assets into Power Solutions

**Cash:** Working capital and free cash flow actions on track for 2025 plan



Note: Comparisons are versus Q1 2024 results

## Mobile Solutions Segment – Q1 2025 Highlights

**Net Sales:** down **(\$10.9M)**, down **(\$3.1M)** pro forma

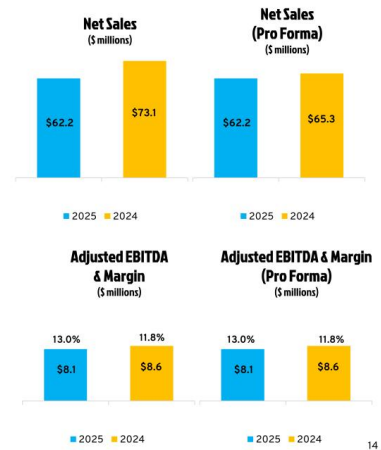
- (\$5.9M) of 2024 rationalized business (planned decrease)
- (\$3.0M) of lower auto volumes globally
- (\$1.9M) of unfavorable foreign exchange impact
- Several new sales streams forecasted to launch in 2H'25, both auto and non-auto

**Adjusted EBITDA:** down **(\$0.5M)**

- (\$0.4M) decrease is due to lower volumes and \$0.1M is due to FX impact
- Additional cost-out actions being taken – mainly headcount reduction; preserves FY'25 adjusted EBITDA guide on lighter sales forecast / uncertainties

**New Business** - Ahead of plan in Q1, installed new dedicated medical machining capacity, converting freed up/rationalized auto capacity over to industrial capacity to implement a newly won \$5.6M industrial machining new program, immediate launch program for Q1 2026

**Cash** - working capital and free cash flow on track for 2025 plan



Note: Comparisons are versus Q1 2024 results

## Updated 2025 Outlook & Guidance

### Net Sales of \$430 to \$460 million

- Sales forecast has been decreased to be roughly flat to prior year due to economic uncertainties in the North American market
- Offset somewhat from SOPs occurring during 2025 from prior new business awards
- Multiple top customers not issuing guidance for remainder of 2025

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

- Reiterating, no change
- At midpoint, up ~15% vs. FY'24 on a pro forma basis
- Implementing Lean SG&A "One Team" approach and simplifying operational footprint

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

- Reiterating, no change
- Foundational wins on the horizon for Stampings, Power, and Medical
- Q1'25 results have NN on pace to achieve full-year guidance

### Free Cash Flow of \$14 to \$16 million

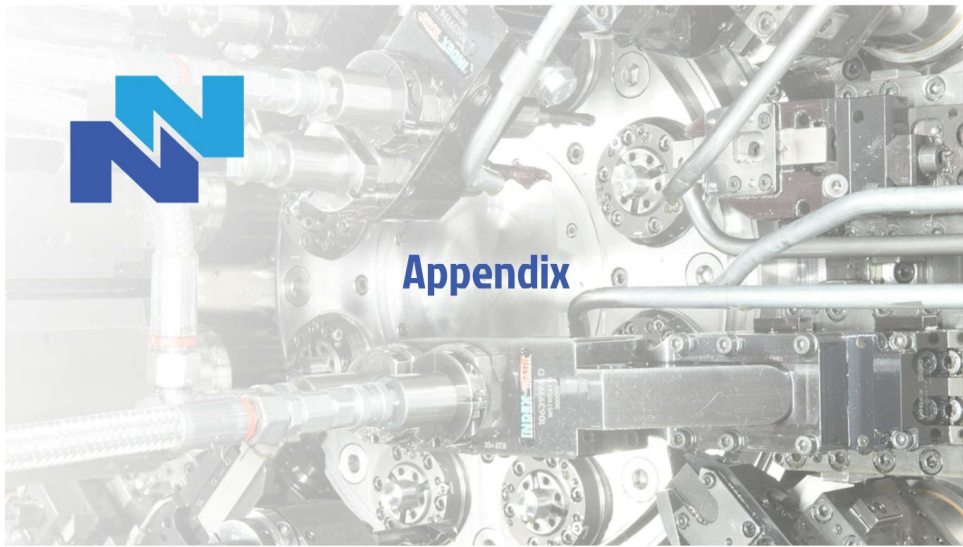
- Initiating guidance, reflects cost-out actions and improved margin capture
- Includes CARES Act proceeds in full-year forecast

### Key Assumptions

- Key markets remain similar – direct impact from tariffs is immaterial to NN
- Currencies are aligned with current bank forward rates
- Global metal markets remain similar to current market
- New Business SOPs remain stable and on track

## NN's 5-Year Plan for Profitable Growth

2028 Goals	Pathway to Achievement	Near-Term Progress
<p><b>Grow Organic Sales to \$600M</b> \$650M w/ M&amp;A</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 plus M&amp;A growth when the time is right</li> <li>▪ Assumes steady base business performance</li> <li>▪ Targets in each area – leveraging installed assets and modest capex plan</li> <li>▪ Strategic acquisitions to accelerate strategy when opportunity is right</li> </ul>	<p>Launching 120 programs in 2025 worth \$55 million peak annual sales</p>
<p><b>Lower Costs 3% per Year, Top Quality</b></p>	<ul style="list-style-type: none"> <li>▪ Rationalize marginal business, condense plant footprint, create "One Team" in SG&amp;A</li> <li>▪ Strong continuous improvement programs at all plants</li> <li>▪ Kaizen and 6 Sigma culture at all plants</li> </ul>	<p>In 2025, ~\$15 million cost-out plan staff reduction, plant rationalization, continuous improvement program</p>
<p><b>Generate Cash Flow, Improve Balance Sheet</b></p>	<ul style="list-style-type: none"> <li>▪ Generate free cash flow, invest ~\$10 to \$14M growth capex per year (excl. China operations). China funds itself, and repatriates cash to US</li> <li>▪ Leverage NN's installed base of ~\$400M of machinery, equipment, land, &amp; buildings</li> <li>▪ Goal is for all plants to be free cash flow self-sustaining or rationalize</li> </ul>	<p>New ABL and Term Loan in place; Implementing new China program; Careful with cash capex and working capital</p>
<p><b>Increase Adjusted EBITDA Margins to 13-14% (updated)</b></p>	<ul style="list-style-type: none"> <li>▪ Rationalize business &amp; operations at 7 underperforming plants and Mobile NA overall</li> <li>▪ "One Team" shared SG&amp;A approach while increasing business development teams</li> <li>▪ Launch and onboard accretive new business</li> </ul>	<p>Adjusted EBITDA margins at 10%; Actions and forecast to continue advancement in 2025</p>



# Non-GAAP Financial Measures Footnotes

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

(in thousands)	Three Months Ended March 31,	
	2025	2024
XX, Inc. Consolidated		
GAAP loss from operations	\$ (4,789)	\$ (4,783)
Professional fees	50	70
Personnel costs (1)	3,365	300
Facility costs (2)	—	258
Amortization of intangibles	3,405	3,456
Non-GAAP adjusted income (loss) from operations (a)	\$ 2,031	\$ (699)
Non-GAAP adjusted operating margin (3)	1.9 %	(0.6)%
Depreciation	5,369	9,091
Other expense (income), net	2,149	(6,153)
Non-cash foreign exchange (gain) loss on inter-company loans	(506)	161
Change in fair value of preferred stock derivatives and warrants	(1,763)	3,781
Share of net income from joint venture	2,439	2,271
Non-cash stock compensation	439	445
Non-GAAP adjusted EBITDA (b)	\$ 10,078	\$ 11,297
Non-GAAP adjusted EBITDA margin (4)	10.0 %	9.3 %
GAAP net sales	\$ 105,688	\$ 121,198

(in thousands)	Three Months Ended March 31,	
	2025	2024
Power Solutions		
GAAP income from operations	\$ 3,023	\$ 3,979
Personnel costs (1)	(60)	35
Facility costs (2)	—	211
Amortization of intangibles	2,567	2,658
Non-GAAP adjusted income from operations (a)	\$ 5,530	\$ 6,883
Non-GAAP adjusted operating margin (3)	13.7 %	14.2 %
Depreciation	793	1,050
Other expense (income), net	62	(52)
Non-cash foreign exchange loss on inter-company loans	(66)	(45)
Non-GAAP adjusted EBITDA (b)	\$ 6,500	\$ 7,796
Non-GAAP adjusted EBITDA margin (4)	14.5 %	16.2 %
GAAP net sales	\$ 43,308	\$ 48,238

(in thousands)	Three Months Ended March 31,	
	2025	2024
Mobility Solutions		
GAAP loss from operations	\$ (2,682)	\$ (2,183)
Personnel costs (1)	3,431	86
Facility costs (2)	—	54
Amortization of intangibles	838	838
Non-GAAP adjusted income (loss) from operations (a)	\$ 1,587	\$ (1,165)
Share of net income from joint venture	2,439	2,271
Non-GAAP adjusted income from operations with JV (a)	\$ 4,026	\$ 1,106
Non-GAAP adjusted operating margin (3)	6.5 %	1.5 %
Depreciation	4,209	7,571
Other income, net	(84)	(149)
Non-cash foreign exchange (gain) loss on inter-company loans	(35)	32
Share of net income from joint venture	2,439	2,271
Non-GAAP adjusted EBITDA (b)	\$ 8,131	\$ 8,660
Non-GAAP adjusted EBITDA margin (4)	13.1 %	11.7 %
GAAP net sales	\$ 62,244	\$ 71,960

(in thousands)	Three Months Ended March 31,	
	2025	2024
Elimination	—	—
GAAP net sales	\$ (64)	\$ (100)

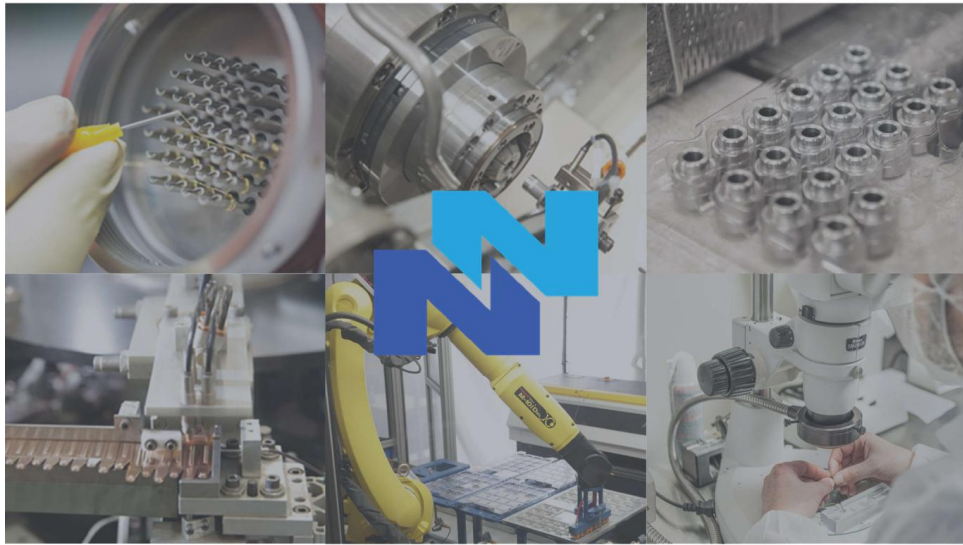
- (1) Personnel costs include recruitment, retention, relocation, and severance costs
- (2) Facility costs include costs of opening / closing facilities and relocation / exit of manufacturing operations
- (3) Non-GAAP adjusted operating margin = Non-GAAP adjusted income (loss) from operations / GAAP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

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

	Three Months Ended March 31,			Three Months Ended March 31,	
	2025	2024		2025	2024
<i>(in thousands)</i>			<i>(per diluted common share)</i>		
GAAP net loss	\$ (6,685)	\$ (12,537)	GAAP net loss per diluted common share	\$ (0.23)	\$ (0.34)
Pre-tax professional fees	50	70	Pre-tax personnel costs	0.07	0.01
Pre-tax personnel costs	3,365	300	Pre-tax facility costs	—	0.01
Pre-tax facility costs	—	258	Pre-tax foreign exchange (gain) loss on inter-company loans	(0.01)	—
Pre-tax foreign exchange (gain) loss on inter-company loans	(506)	161	Pre-tax change in fair value of preferred stock derivatives and warrants	(0.04)	0.08
Pre-tax change in fair value of preferred stock derivatives and warrants	(1,765)	3,781	Pre-tax amortization of intangibles and deferred financing costs	0.08	0.08
Pre-tax amortization of intangibles and deferred financing costs	4,125	4,000	Preferred stock cumulative dividends and deemed dividends	0.09	0.09
Tax effect of adjustments reflected above (c)	—	(29)	Non-GAAP adjusted net income (loss) per diluted common share (d)	\$ (0.03)	\$ (0.08)
Non-GAAP adjusted net income (loss) (d)	\$ (1,414)	\$ (3,996)	Shares used to calculate net earnings (loss) per share	49,075	47,724

## Reconciliation of Operating Cash Flow to Free Cash Flow

<i>(in thousands)</i>	Three Months Ended	
	March 31,	
	2025	2024
Net cash provided by (used in) operating activities	\$ (3,345)	\$ 712
Acquisition of property, plant, and equipment	(3,907)	(5,460)
Proceeds from sale of property, plant, and equipment	177	98
Proceeds from sale-leaseback of equipment	—	4,910
Free cash flow	\$ (7,075)	\$ 260



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**Thank You**

