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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 5, 2016 (May 4, 2016)



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-23486
(Commission
File Number)

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

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

37604
(Zip Code)

(423) 434-8310
(Registrant's telephone number, including area code)

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

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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-

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 4, 2016, NN, Inc. (the “Company”) issued a press release announcing the Company’s results of operations and financial condition for the three months ended March 31, 2016. The full text of the press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

ITEM 7.01 REGULATION FD DISCLOSURE

On May 4, 2016, the Company posted a presentation regarding the Company’s results of operations and financial condition for the three months ended March 31, 2016 to the Investor Relations section of its website at www.nninc.com. A copy of the presentation is furnished as Exhibit 99.2 and is incorporated herein by reference.

Pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”), the information furnished pursuant to Item 2.02 and 7.01 of this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) is deemed to have been furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of NN, Inc. dated May 4, 2016.
99.2	Investor Presentation of NN, Inc. dated May 4, 2016.

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 5, 2016

NN, INC.

By: /s/ Matthew S. Heiter

Name: Matthew S. Heiter

Title: Senior Vice President and General Counsel

EXHIBIT INDEX

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FINANCIAL
RELATIONS BOARD

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

FOR FURTHER INFORMATION:

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

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

FOR IMMEDIATE RELEASE

May 4, 2016

NN, INC. REPORTS FIRST QUARTER 2016 RESULTS IN LINE WITH COMPANY GUIDANCE

- **Net sales of \$212.2 million, an increase of \$48.5 million**
- **Adjusted income from operations increased \$9.1 million to \$24 million**
- **Adjusted net income of \$7.1 million or \$0.27 per diluted share**

Johnson City, Tenn, May 4, 2016 – NN, Inc., (NASDAQ: NNBR), a diversified industrial company, today reported its financial results for the first quarter ended March 31, 2016.

First Quarter 2016 Results

Net sales for the first quarter of 2016 increased \$48.5 million, or 30% to \$212.2 million, compared to \$163.7 million for the first quarter of 2015. Acquisitions added \$55.6 million in revenue. Negative currency and price/mix impacts reduced reported net sales by \$7.1 million versus the first quarter of last year.

Adjusted income from operations for the first quarter of 2016 was \$24.0 million, an increase of 61%, compared to \$14.9 million for the same period in 2015. Adjusted net income was \$7.1 million, or \$0.27 per diluted share, compared to \$8.0 million, or \$0.41 per diluted share for the same period in 2015.

Richard Holder, President and Chief Executive Officer, commented, “Our performance for the quarter was in line with our expectations as we continue to see the positive effects of the NN Operating System. The first quarter also marked our first full period post the acquisition of PEP. We are very pleased with where we are in our integration efforts as we continue to find more opportunities to deliver engineered solutions to our customers.”

Business Group Results

Autocam Precision Components

Net sales for the first quarter of 2016 were \$84.0 million, compared to \$82.6 million in the first quarter of 2015, an increase of \$1.4 million. Adjusted income from operations for the quarter increased \$1.1 million to \$9.7 million, compared to \$8.6 million in the first quarter of 2015.

Holder commented, "The Autocam Group continues to perform well with the continued adoption of CAFE technologies driving our performance, and we are pleased with the margin expansion the team has achieved."

Precision Bearing Components

Net sales for the first quarter of 2016 were \$64.7 million, compared to \$73.2 million in the first quarter of 2015, a decrease of \$8.5 million. Negative currency impacts of \$1.4 million and a soft industrial market accounted for the decline. Adjusted income from operations for the first quarter was \$7.1 million, compared to \$9.2 million in the first quarter of 2015.

Holder commented, "The Group rebounded in the first quarter from the challenges during the fourth quarter of 2015. Operating performance returned to our expectations, and we continue to drive margin expansion throughout 2016."

Precision Engineered Products

Net sales for the first quarter of 2016 were \$63.5 million, compared to \$7.9 million in the first quarter of 2015, an increase of \$55.6 million. The acquisition of PEP accounted for \$56.0 million of the increase. Adjusted income from operations for the quarter was \$13.2 million, compared to \$0.2 million in 2015.

Holder commented, "The integration of PEP is off to a good start. The strong operating performance in the quarter met our expectations. We expect to see improvements throughout the year as we implement the NN Operating System."

Guidance

Holder continued, "Our businesses have performed to our expectations thus far in 2016. We are encouraged by the positive trends in the macro back drop and reaffirm our guidance for the year."

The full set of financial guidance for the second quarter and full year 2016 can be found in our supplemental presentation posted in the Investor Relations section of our website at www.nninc.com.

Holder concluded, "We are pleased with our performance to start the year. The team continues to focus on the disciplined execution of the NN Operating System."

GAAP Results

On a GAAP basis, income from operations for the first quarter of 2016 was \$11.9 million, compared to \$13.9 million for the same period in 2015. Net loss on a GAAP basis for first quarter of 2016 was \$1.3 million, or (\$0.05) per diluted share. This compares to net income of \$6.0 million, or \$0.31 per diluted share in the first quarter of 2015.

On a GAAP basis, income from operations for first quarter 2016 in the Autocam Precision Components Group was \$6.5 million compared to \$7.7 million for the same period in 2015.

On a GAAP basis, income from operations for first quarter 2016 in the Precision Bearing Components Group was \$6.3 million compared to \$9.1 million for the same period in 2015.

On a GAAP basis, income from operations for first quarter 2016 in the Precision Engineered Products Group was \$5.4 million compared to \$0.2 million for the same period in 2015.

NN will discuss its results during its quarterly investor conference call tomorrow morning starting at 9:00 a.m. ET. The call and supplemental presentation may be accessed via NN's website, www.nninc.com. The conference call can also be accessed by dialing 888-505-4368 or 719-325-2281 Conference ID: 9964576. For those who are unavailable to listen to the live broadcast, a replay will be available shortly after the call for 90 days.

The Company discloses in this press release the non-GAAP financial measures of adjusted income from operations and adjusted net income. Each of adjusted income from operations and adjusted net income provide supplementary information about the impacts of acquisition related expenses, foreign-exchange and other non-operating impacts on our business.

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

NN, Inc., a 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 Johnson City, Tennessee, NN has 42 manufacturing plants in North America, Western Europe, Eastern Europe, South America and China.

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

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

Financial Tables Follow

NN, Inc.
Condensed Consolidated Statements Income (Loss)
(Unaudited)

(in thousands, except per share data)	Three Months ended March 31,	
	2016	2015
Net sales	\$212,226	\$163,746
Cost of products sold (exclusive of depreciation and amortization shown separately below)	159,754	129,317
Selling, general and administrative	20,712	12,001
Depreciation and amortization	17,348	8,494
Restructuring and impairment charges	2,538	—
Income from operations	11,874	13,934
Interest expense	16,422	5,938
Other (income) expense, net	(1,129)	1,400
Income (loss) before provision (benefit) for income taxes and share of net income from joint venture	(3,419)	6,596
Provision (benefit) expense for income taxes	(720)	1,456
Share of net income from joint venture	1,400	861
Net (loss) income	\$ (1,299)	\$ 6,001
Basic income (loss) per share:		
Net income (loss)	\$ (0.05)	\$ 0.32
Weighted average shares outstanding	26,869	18,996
Diluted income (loss) per share:		
Net income (loss)	\$ (0.05)	\$ 0.31
Weighted average shares outstanding	26,869	19,380
Cash dividends per common share	\$ 0.07	\$ 0.07

NN, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

<u>(in thousands, except per share data)</u>	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash	\$ 15,079	\$ 15,087
Accounts receivable, net	143,323	123,005
Inventories	120,119	119,836
Income tax receivable	3,989	3,989
Current deferred tax assets	—	6,696
Other current assets	13,125	11,568
Total current assets	<u>295,635</u>	<u>280,181</u>
Property, plant and equipment, net	325,222	318,968
Goodwill, net	450,190	449,898
Intangible assets, net	273,807	282,169
Non-current deferred tax assets	—	742
Investment in joint venture	39,862	38,462
Other non-current assets	10,901	10,147
Total assets	<u>\$1,395,617</u>	<u>\$1,380,567</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 70,292	\$ 69,101
Accrued salaries, wages and benefits	24,341	21,125
Income taxes payable	3,525	5,350
Current maturities of long-term debt	11,947	11,714
Current portion of obligation under capital lease	4,440	4,786
Other current liabilities	26,938	21,275
Total current liabilities	<u>141,483</u>	<u>133,351</u>
Non-current deferred tax liabilities	111,050	117,459
Long-term debt, net of current portion	804,672	795,400
Accrued post-employment benefits	6,177	6,157
Obligation under capital lease, net of current portion	8,646	9,573
Other	6,257	4,746
Total liabilities	<u>1,078,285</u>	<u>1,066,686</u>
Total stockholders' equity	<u>317,332</u>	<u>313,881</u>

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Total Company

	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$ 11,874	5.6%	\$ 13,934	8.5%
Restructuring & impairment charges	2,963	1.4%	—	0.0%
Acquisition & integration expenses	3,263	1.5%	—	0.0%
Amortization of intangibles	5,926	2.8%	983	0.6%
Adjusted income from operations	<u>\$ 24,026</u>	<u>11.3%</u>	<u>\$ 14,917</u>	<u>9.1%</u>
Total Sales	\$ 212,226		\$ 163,746	
Total liabilities and stockholders' equity	<u>\$1,395,617</u>		<u>\$1,380,567</u>	

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Autocam Precision Components Group

	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$ 6,527	7.8%	\$ 7,718	9.3%
Restructuring & impairment Charges	2,274	2.7%	—	0.0%
Acquisition & integration expenses	—	0.0%	—	0.0%
Amortization of intangibles	885	1.1%	910	1.1%
Adjusted income from operations	<u>\$ 9,686</u>	<u>11.5%</u>	<u>\$ 8,628</u>	<u>10.4%</u>
China JV Contribution	1,400		861	
Adjusted income from operations	<u>\$ 11,086</u>	<u>13.2%</u>	<u>\$ 9,489</u>	<u>11.5%</u>
Total Sales	\$ 83,990		\$ 82,622	

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Precision Bearing Components Group

	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$ 6,326	9.8%	\$ 9,089	12.4%
Restructuring & impairment Charges	689	1.1%	—	0.0%
Amortization of intangibles	58	0.1%	73	0.1%
Adjusted income from operations	<u>\$ 7,073</u>	<u>10.9%</u>	<u>\$ 9,162</u>	<u>12.5%</u>
Total Sales	\$64,745		\$73,236	

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Precision Engineered Products Group

	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$ 5,421	8.5%	\$ 213	2.7%
Restructuring & impairment Charges	—	0.0%	—	0.0%
Acquisition & integration expenses	2,777	4.4%	—	0.0%
Amortization of intangibles	4,983	7.8%	—	0.0%
Adjusted income from operations	<u>\$13,181</u>	<u>20.8%</u>	<u>\$ 213</u>	<u>2.7%</u>
Total Sales	\$63,491		\$7,888	

Reconciliation of net income to adjusted net income:

NN, Inc - Total Company	Three Months Ended March 31, 2016		Three Months Ended March 31, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
Net income	(\$ 1,299)	(0.05)	6,001	\$ 0.31
After-tax acquisition and integration costs	2,422	0.09	—	—
After-tax foreign exchange loss on inter-company loans	(654)	(0.02)	886	0.04
Restructuring & impairment charges	2,198	0.08	—	—
Amortization of intangibles & deferred financing costs	4,459	0.17	1,140	0.06
Adjusted net income	<u>\$ 7,126</u>	<u>\$ 0.27</u>	<u>\$ 8,027</u>	<u>\$ 0.41</u>

The Company discloses in this press release the non-GAAP financial measures of adjusted income from operations and adjusted net income. Each of adjusted income from operations and adjusted net income provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on inter-company loans. Over the past three years, we have completed six acquisitions, two of which were transformative for the Company. The costs we incurred in completing such acquisitions, including the amortization of intangibles and deferred financing costs, have been excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, and which we believe are not indicative of our ongoing operating costs. We exclude the impact of currency translation from these measures because foreign exchange rates are not under management's control and are subject to volatility. We believe the presentation of adjusted income from operations and adjusted net income 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 net income growth derived from income amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results.



First Quarter 2016 Earnings Release
May 4, 2016



Forward Looking Statements

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, risks of capacity underutilization, quality issues, availability of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and other risk factors and cautionary statements listed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on 10-K for the fiscal year ended December 31, 2015.

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

Disclaimer: NN disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements included herein or therein to reflect future events or developments.



First Quarter



Highlights of 1st Quarter 2016

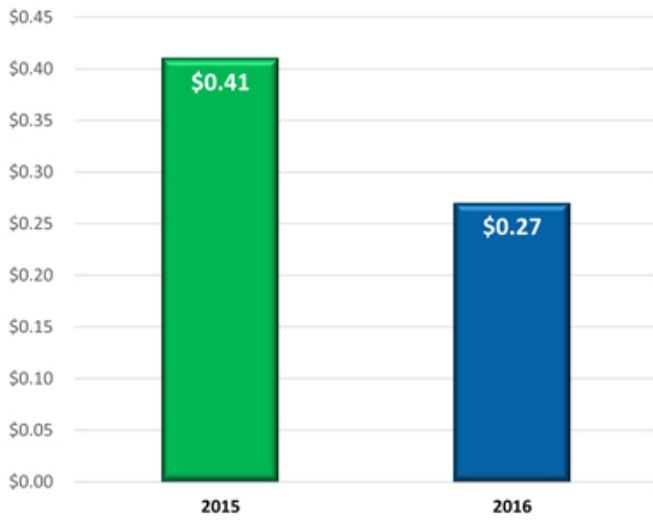
- **Sales of \$212.2M**
 - PEP acquisition contributed \$56.0M
- **Adjusted Earnings Per Share of \$0.27 above the midpoint of our guidance**
- **Adjusted EBITDA of \$35.6M at the top of our guidance range**
- **Adjusted Operating Margins increased 220 bps compared to Q1 2015, exceeding our guidance range**
- **Free Cash Flow ahead of expectations**



1st Quarter 2016 Financial Summary

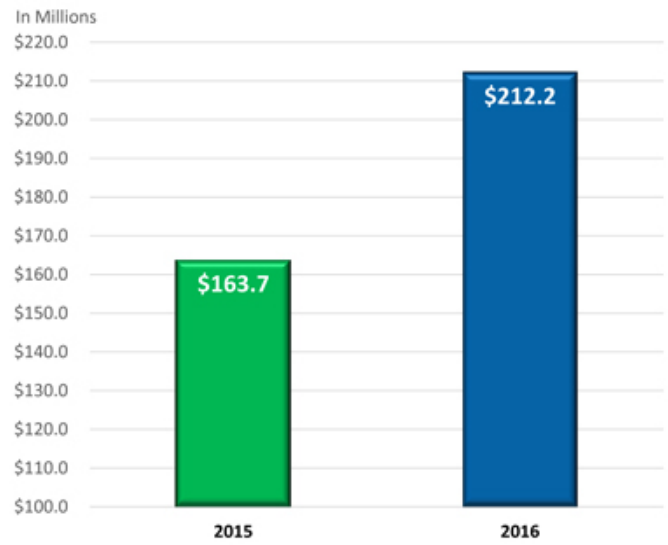
Adjusted Earnings Per Share

Issued 7.6M shares in Q3 2015



Net Sales

30% growth compared to prior year



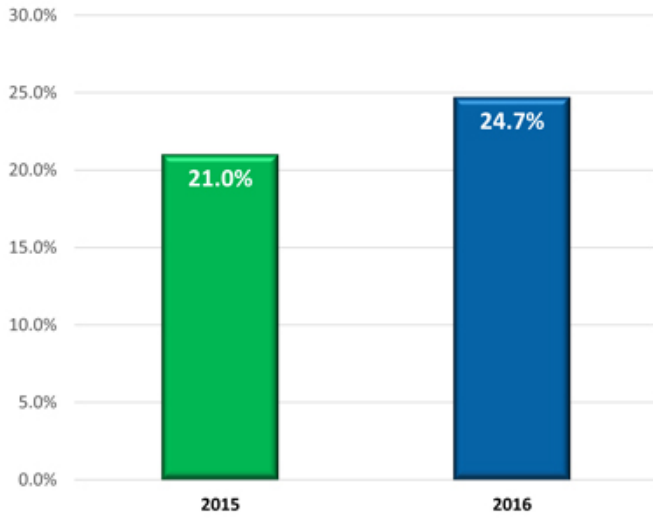
www.nninc.com



1st Quarter 2016 Financial Summary

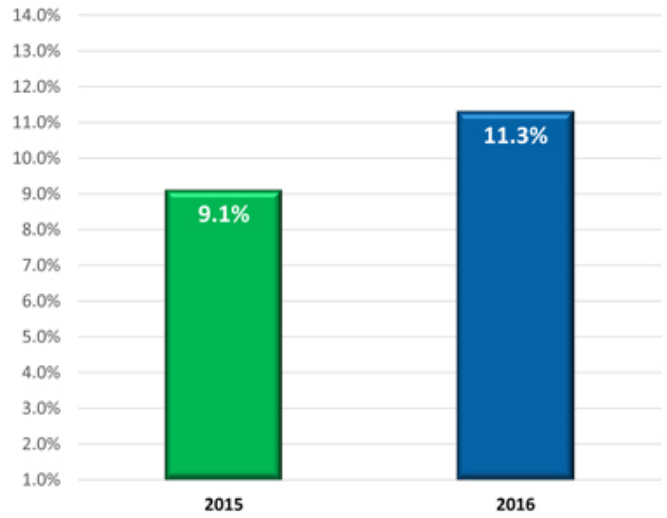
Gross Margin

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



Adjusted Operating Margin

Continued margin expansion resulting from acquisitions and improvements in the NN Operating System



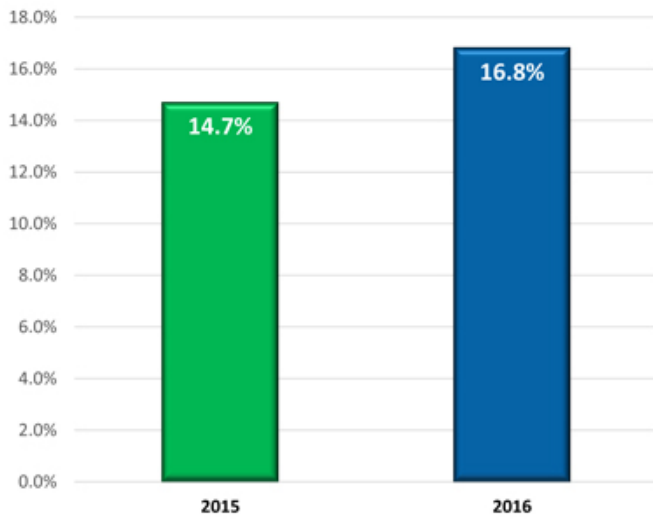
6 Gross Margin = Gross Profit (excluding depreciation) / Net Sales



1st Quarter 2016 Financial Summary

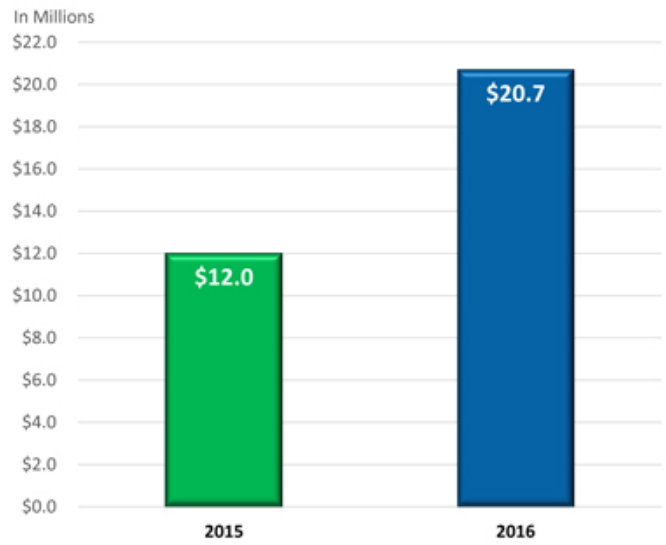
Adjusted EBITDA Margin

210 bps improvement resulting from the acquisition of PEP & the NN Operating System



SG&A

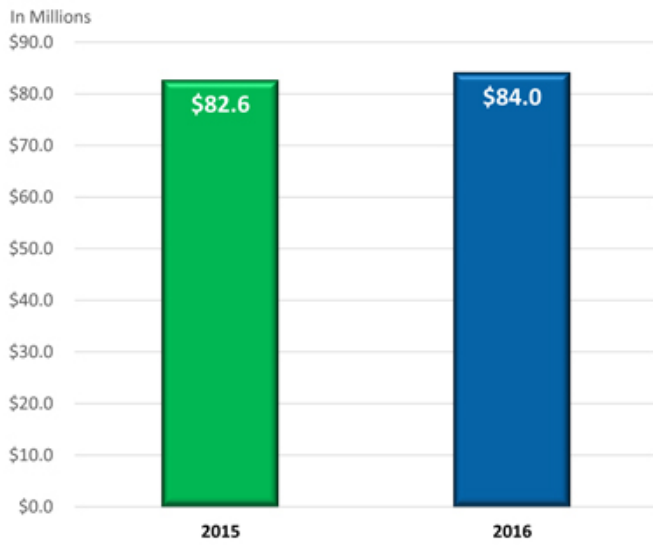
\$5.4 million of the increase from the acquisition of PEP



www.nninc.com

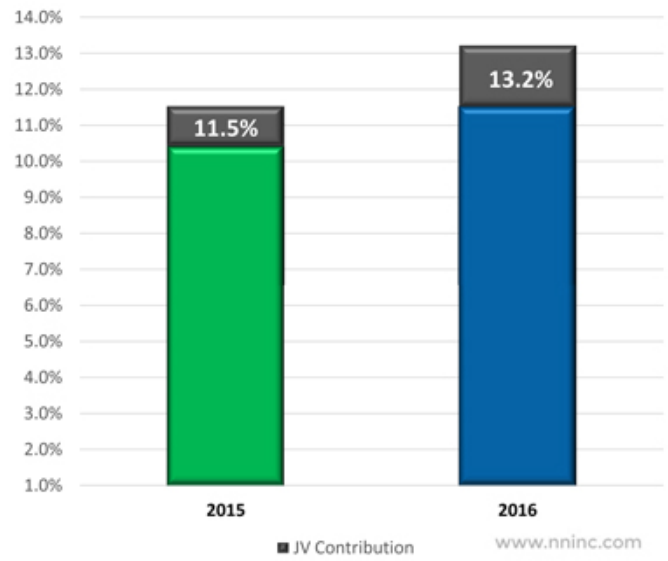


Net Sales



Adjusted Operating Margin

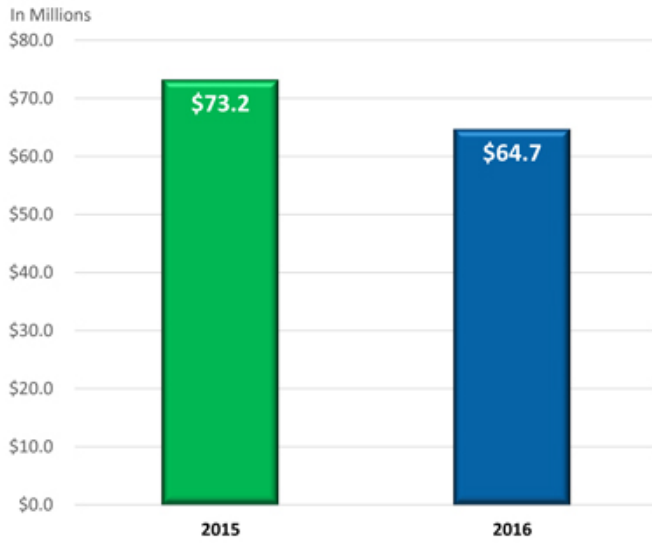
CAFE adoption continues to drive increased content & margin expansion





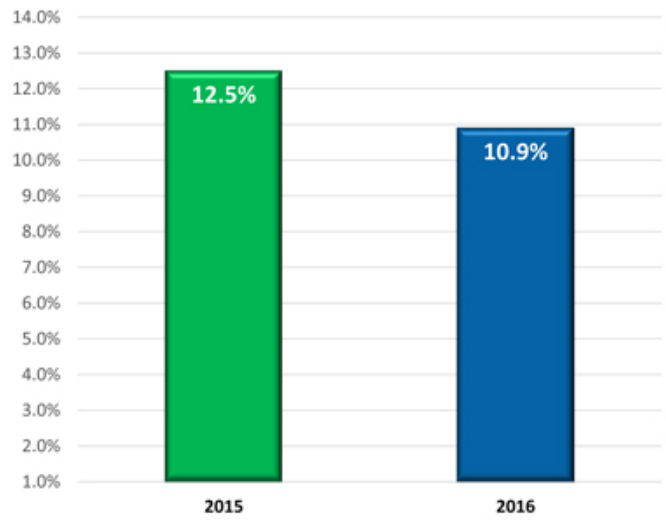
Net Sales

Negative impact of currency translation and industrial end market softness impacted the quarter by \$8.5M



Adjusted Operating Margin

Margins were in line with expectations for the 1st quarter, rebounding from Q4

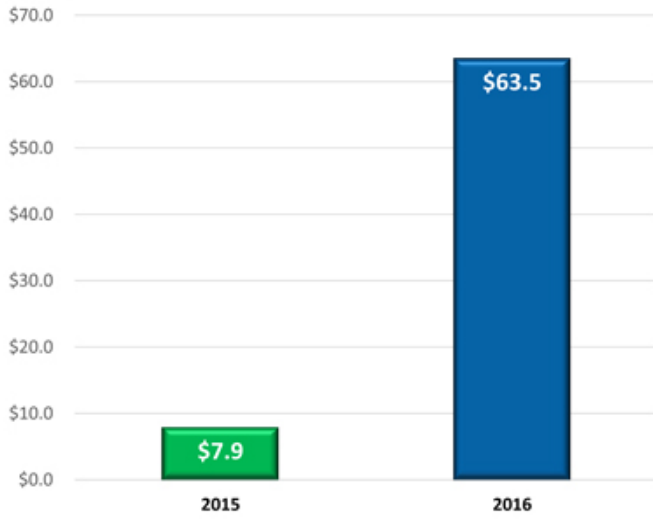




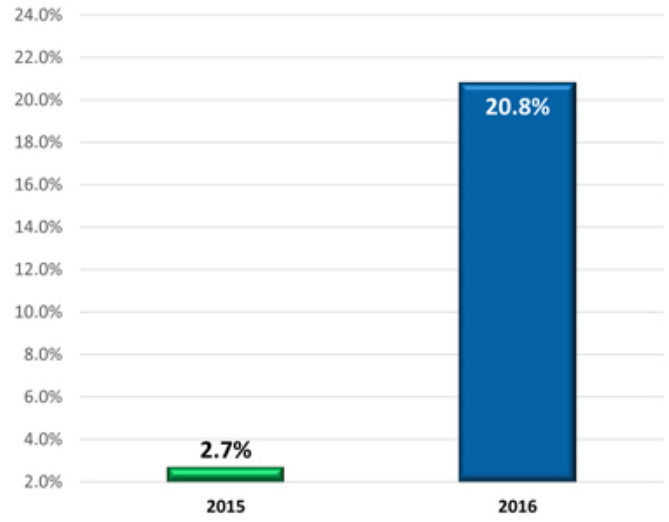
Net Sales

Acquisition of PEP added \$56M

In Millions



Adjusted Operating Margin





1st Quarter Summary

- **First quarter in line with expectations**
- **NN Operating System continues to drive margin expansion**
- **Free Cash Flow better than expected**
- **PBC group rebounded from difficult Q4**
- **Integration of PEP is on track**
- **Reaffirm our 2016 guidance**



Guidance



2nd Quarter 2016 Guidance

	First Quarter Actual	Second Quarter Guidance	Commentary
Net Sales	\$212.2M	\$215M - \$225M	Sales continue to increase
Adj. Op Margin	11.3%	13.2% - 14.0%	Margin expansion driven by end market diversification
Adj. EBITDA	\$35.6M	\$40.2M - \$43M	
Adj. EPS	\$0.27	\$0.41 - \$0.48	In line with strategic incremental / decremental target



2016 Guidance Reaffirmed

	2016	Commentary
Net Sales	\$875M - \$905M	Sales growth of ~30% driven by PEP acquisition
Adj. Operating Margin	12.5% - 13.2%	Driven by improvements in the NN Operating System & PEP acquisition
Adj. EBITDA	\$162.5M - \$175M	
Adj. EPS¹	\$1.60 - \$1.80	
CAPEX	\$40M - \$50M	We continue to invest in growth
Adj. Tax Rate²	22% - 26%	
Free Cash Flow³	\$50M - \$60M	Significant increase in free cash flow allows us to de-lever faster

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

2: Excludes the effects of M&A activity

3: Free Cash Flow available for debt repayment



Reconciliation Tables



Reconciliation of Adjusted Income from Operations

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Total Company	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$11,874	5.6%	\$13,934	8.5%
Restructuring & impairment charges	2,963	1.4%	-	0.0%
Acquisition & integration expenses	3,263	1.5%	-	0.0%
Amortization of intangibles	5,926	2.8%	983	0.6%
Adjusted income from operations	\$24,026	11.3%	\$14,917	9.1%
Total Sales	\$212,226		\$163,746	

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Precision Bearing Components Group	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$6,326	9.8%	\$9,089	12.4%
Restructuring & impairment Charges	689	1.1%	-	0.0%
Amortization of intangibles	58	0.1%	73	0.1%
Adjusted income from operations	\$7,073	10.9%	\$9,162	12.5%
Total Sales	\$64,745		\$73,236	

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Autocam Precision Components Group	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$6,527	7.8%	\$7,718	9.3%
Restructuring & impairment Charges	2,274	2.7%	-	0.0%
Acquisition & integration expenses	-	0.0%	-	0.0%
Amortization of intangibles	885	1.1%	910	1.1%
Adjusted income from operations	\$9,686	11.5%	\$8,628	10.4%
China JV Contribution	1,400		861	
Adjusted income from operations	\$11,086	13.2%	\$9,489	11.5%
Total Sales	\$83,990		\$82,622	

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Precision Engineered Products Group	Three Months Ended March 31,			
	2016		2015	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$5,421	8.5%	\$213	2.7%
Restructuring & impairment Charges	-	0.0%	-	0.0%
Acquisition & integration expenses	2,777	4.4%	-	0.0%
Amortization of intangibles	4,983	7.8%	-	0.0%
Adjusted income from operations	\$13,181	20.8%	\$213	2.7%
Total Sales	\$63,491		\$7,888	

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Reconciliation of Adjusted EBITDA

Reconciliation of net income to adjusted EBITDA:

NN, Inc - Total Company

Three Months Ended March 31,

Reconciliation of net income to adjusted EBITDA:

NN, Inc - Total Company

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Net income	(\$1,299)	\$ 6,001	-\$ 7,300
Provision for income taxes	(720)	1,456	(2,174)
Interest Expense	16,422	5,938	10,484
Write off of unamortized debt issuance cost	-	-	-
Depreciation & Amortization	17,348	8,494	8,854
Acquisition & Integration Expenses	775	-	775
Non-cash stock compensation	1,001	783	218
Non-cash foreign exchange (gain) loss on intercompany loans	(882)	1,384	(2,266)
Restructuring & impairment charges	<u>2,963</u>	<u>-</u>	<u>2,963</u>
Adjusted EBITDA	<u>\$ 35,608</u>	<u>\$ 24,056</u>	<u>\$ 11,554</u>
	16.8%	14.7%	2.1%



Reconciliation of Adjusted Net Income

Reconciliation of net income to adjusted net income:

NN, Inc - Total Company

	Three Months Ended March 31, 2016		Three Months Ended March 31, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
Net income	(\$1,299)	(0.05)	6,001	\$ 0.31
After-tax acquisition and integration costs	2,422	0.09	-	-
After-tax foreign exchange loss on inter-company loans	(654)	(0.02)	886	0.04
Restructuring & impairment charges	2,198	0.08	-	-
Amortization of intangibles & deferred financing costs	4,459	0.17	1,140	0.06
Adjusted net income	<u>\$ 7,126</u>	<u>\$ 0.27</u>	<u>\$ 8,027</u>	<u>\$ 0.41</u>



2nd Quarter Guidance – Adjusted Operating Margin

Reconciliation of income from operations to adjusted income from operations:

NN, Inc - Total Company

	Three Months Ending June 30, 2016				Twelve Months Ending December 31, 2016			
	Low		High		Low		High	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
Income from operations	\$19,397	9.0%	\$22,597	10.0%	\$80,070	9.2%	\$90,600	10.0%
Restructuring & impairment charges	3,000	1.4%	3,000	1.3%	4,000	0.5%	4,000	0.4%
Acquisition & integration expenses	-	0.0%	-	0.0%	1,000	0.1%	1,000	0.1%
Amortization of intangibles	5,926	2.8%	5,926	2.6%	24,000	2.7%	24,000	2.7%
Adjusted income from operations	\$28,323	13.2%	\$31,523	14.0%	\$109,070	12.5%	\$119,600	13.2%
Total Sales	\$215,000		\$225,000		\$875,000		\$905,000	



2nd Quarter Guidance – Adjusted EBITDA

Reconciliation of net income to adjusted EBITDA:

NN, Inc - Total Company	Three Months Ending June 30, 2016	
	Low	High
Net income	\$4,267	\$6,129
Provision for income taxes	247	1,104
Interest Expense	16,598	16,598
Depreciation & Amortization	15,286	15,286
Acquisition & integration expenses	-	-
Non-cash stock compensation	875	875
Restructuring & Impairment Charges	3,000	3,000
Adjusted EBITDA	<u>\$ 40,273</u>	<u>\$ 42,992</u>

Reconciliation of net income to adjusted EBITDA:

NN, Inc - Total Company	Year Ending December 31, 2016	
	Low	High
Net income	\$ 20,000	\$ 26,965
Provision for income taxes	6,930	10,500
Interest Expense	67,000	64,400
Depreciation & Amortization	60,070	63,635
Acquisition & integration expenses	-	1,000
Non-cash stock compensation	3,500	4,500
Restructuring & Impairment Charges	3,000	4,000
Adjusted EBITDA	<u>\$ 160,500</u>	<u>\$ 175,000</u>



2nd Quarter Guidance – Adjusted Net Income & EPS

Reconciliation of EPS to adjusted EPS:

NN, Inc - Total Company

Three Months Ending June 30, 2016

	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
Net income	\$4,267	\$0.16	\$6,129	\$0.23
After-tax acquisition and integration costs	-	-	-	-
Restructuring & Impairment Charges	2,400	0.09	2,400	0.09
Amortization of intangibles & deferred financing costs	4,460	0.16	4,460	0.16
Adjusted net income	<u>\$ 11,127</u>	<u>\$ 0.41</u>	<u>\$ 12,989</u>	<u>\$ 0.48</u>
Weighted average diluted shares outstanding	27,170		27,170	

Reconciliation of EPS to adjusted EPS:

NN, Inc - Total Company

Year Ending December 31, 2016

	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
Net income	\$ 20,000	\$0.74	\$ 26,965	\$0.99
After-tax acquisition and integration costs	1,000	0.04	640	0.0236
Restructuring & Impairment Charges	4,000	0.15	2,560	0.0942
Amortization of intangibles & deferred financing costs	18,441	0.68	18,741	0.6898
Adjusted net income	<u>\$ 43,441</u>	<u>\$ 1.60</u>	<u>\$ 48,906</u>	<u>\$ 1.80</u>
Weighted average diluted shares outstanding	27,170		27,170	



Guidance – Free Cash Flow

Free Cash Flow

NN, Inc - Total Company	Year Ending December 31, 2016	
	<u>Low</u>	<u>High</u>
EBITDA	\$162,500	\$175,000
CAPEX	(40,000)	(50,000)
Interest Expense*	(62,000)	(60,000)
Dividends	(6,072)	(6,072)
Income Tax Expense	(6,000)	(6,444)
Working Capital	<u>1,572</u>	<u>7,516</u>
Free Cash Flow*	<u>\$50,000</u>	<u>\$60,000</u>

*Excludes deferred financing cost

* Free cash flow available for debt repayment