Q3'23 Earnings

NN Inc. | November 7, 2023

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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."

Q3'23 Business Highlights

- **First full quarter under new leadership showed immediate and significant improvement in results**
  - $14.5 million adjusted EBITDA and $11.3 million of free cash flow
  - Began strengthening leadership and accountability with additions of Tim French, Chief Operating Officer and David Harrison, Chief Procurement Officer, both experienced with strong transformations
- **Strong operating profitability and cash flow improvement supported by improved EBITDA performance, proactive global procurement, and more thoughtful inventory management**
- **Launched longer-term value improvement initiatives**
  - Refocusing growth program globally –> targets and probability
  - Implementing Total Cost Productivity program globally
  - Reentering medical market globally
  - Results still include >$100 million of sales that generate more than ($10) million of plant-level EBITDA losses across 7 plants, 3 countries, and multiple products and customers. 83% of issues are in Mobile plants. Significant improvement actions underway.
- **UAW strike is a short-term distractor that may cause a small amount of work to shift into Q1 2024; taking proactive actions to mitigate and reduce impact**

$124.4M

Net Sales

- Power Solutions (11%)
- Mobile Solutions +3.7%

$14.5M

Adjusted EBITDA

- Reported EBITDA $12M
- Loss from Ops ($2.7M)

$11.3M

Free Cash Flow (FCF)

- $17M FCF over trailing 12 months
- On-track for full year FCF expectation

$37M

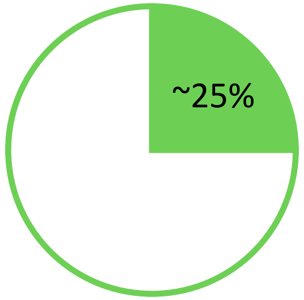
YTD New Awards

- Focused on increasing both quality and quantity of prospecting

**All comparisons versus Q3'22*

Transformation Plan Is Underway

Reengineered Organizational Program to Grow Sales, Profits, Free Cash Flow, and Shareholder Value



Status	Goal	Q3 Progress
Made solid progress against each goal during the quarter and continue to maintain significant opportunity to enhance the business	**1. Strengthen Leadership & Accountability**	• Supplemented executive team with the additions of Tim French, COO and David Harrison, CPO • Strengthening operating processes
	2. Address Unprofitable Business	• Began the process of fixing or exiting unprofitable contracts • Continuing to assess global manufacturing facilities; focused on improving unprofitable plants • Plan is to improve plant-level EBITDA by >$10 million, annually
	3. Expand Margins	• Implemented numerous cost cutting and pricing initiatives • Rolling out new Total Cost Productivity program globally; goal is to offset inflation plus expand margins
	4. Institutionalize Free Cash Flow Generation	• Refocusing global culture around better business (profitable/FCF generating/ balancing cash inflow with spending / outflows • Immediate corrections underway • FCF positive over the last 6 months and trailing twelve months
	5. Increase New Business Wins	• Balancing between Power and Mobile • Balancing Mobile across powertrains – ICE, EV, hybrid • Aligning sales organization (people, products, and focus) • Increased new awards quarter over quarter – gaining momentum

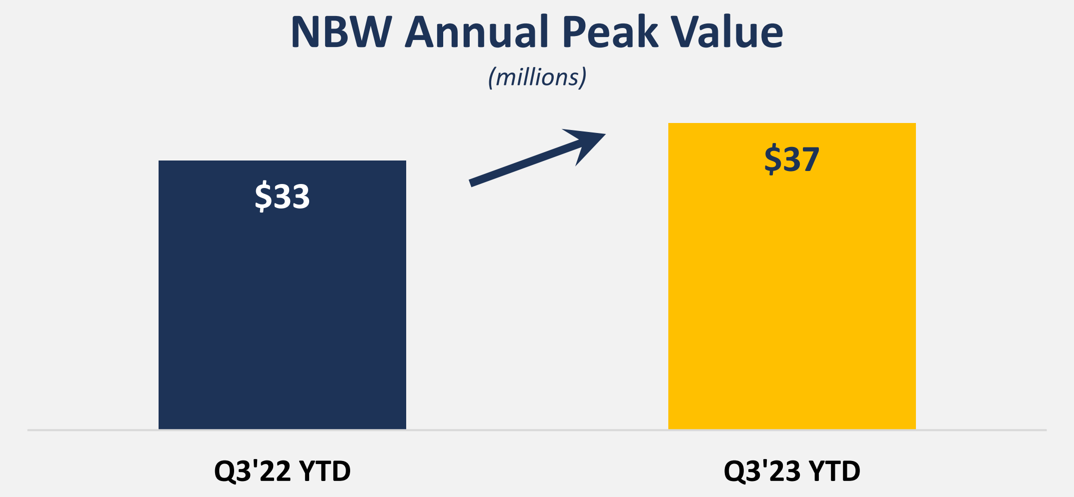
New Business Wins: $37M Q3 YTD Gross

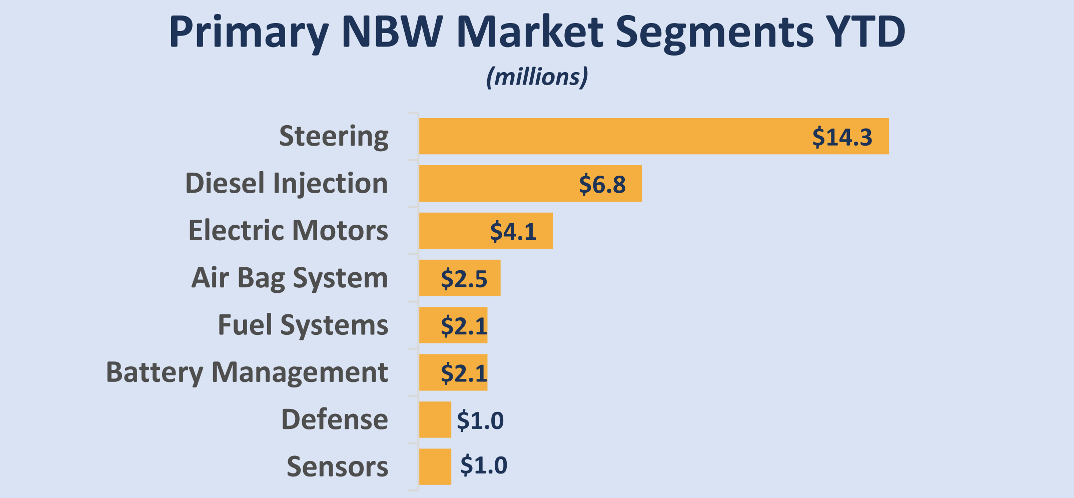
2023 YTD New Business Wins (NBW): Driving Momentum

- Over 60 program awards in steering systems, electric motors, commercial vehicles, passenger vehicles, air bag systems, battery management, defense, and vehicle sensors
- Balancing portfolio across power trains (ICE, Hybrid, BEV) within vehicle businesses and increasing emphasis on Power segments
- Balancing between new and existing customers

Transformation Underway to Increase Amount of New Wins

- Leveraging existing capabilities and open capacity for more wins
- Expanding team, knowhow, and pipeline in key targeted areas:
  - Connector EMI shielding
  - Electric power steering system components
  - Power markets
- Expanding medical market participation
  - Hired a North America sales lead and getting immediate requests for quote; matching current capabilities with limited investment
- Prioritizing speed and agility and seeing early signs of success

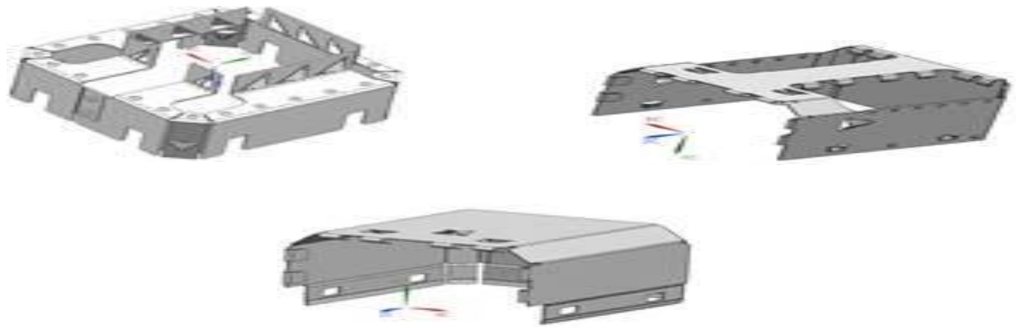


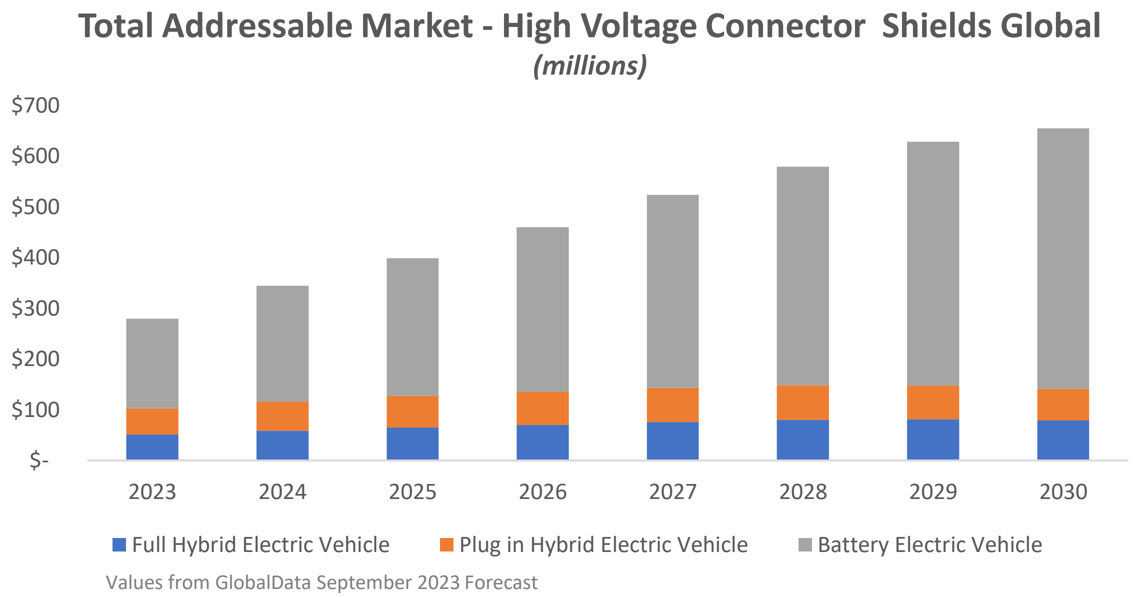


Strategic Win: Connector Shields For Top Electrical Harness Maker Going Onto Well-Known EV Platform

NN's knowhow in complicated, multi-station progressive die stampings recently supported the development of six unique connector shields and other related components. These are used to prevent Electro Magnetic Interference (EMI) from high voltage currents within electric vehicles from interfering with vehicle electronics.

- New product, new and current equipment, high value and ROI
- Pathway to expand business in the EV market, with OEs, with connector makers, with harness makers
- Ordering upgraded prototyping, testing, and production equipment to further expand capabilities and offering
- Potentially leads NN into other shielding markets for sensitive electronic equipment of many types





Active Proposals – *Early Success Increasing Pipeline*

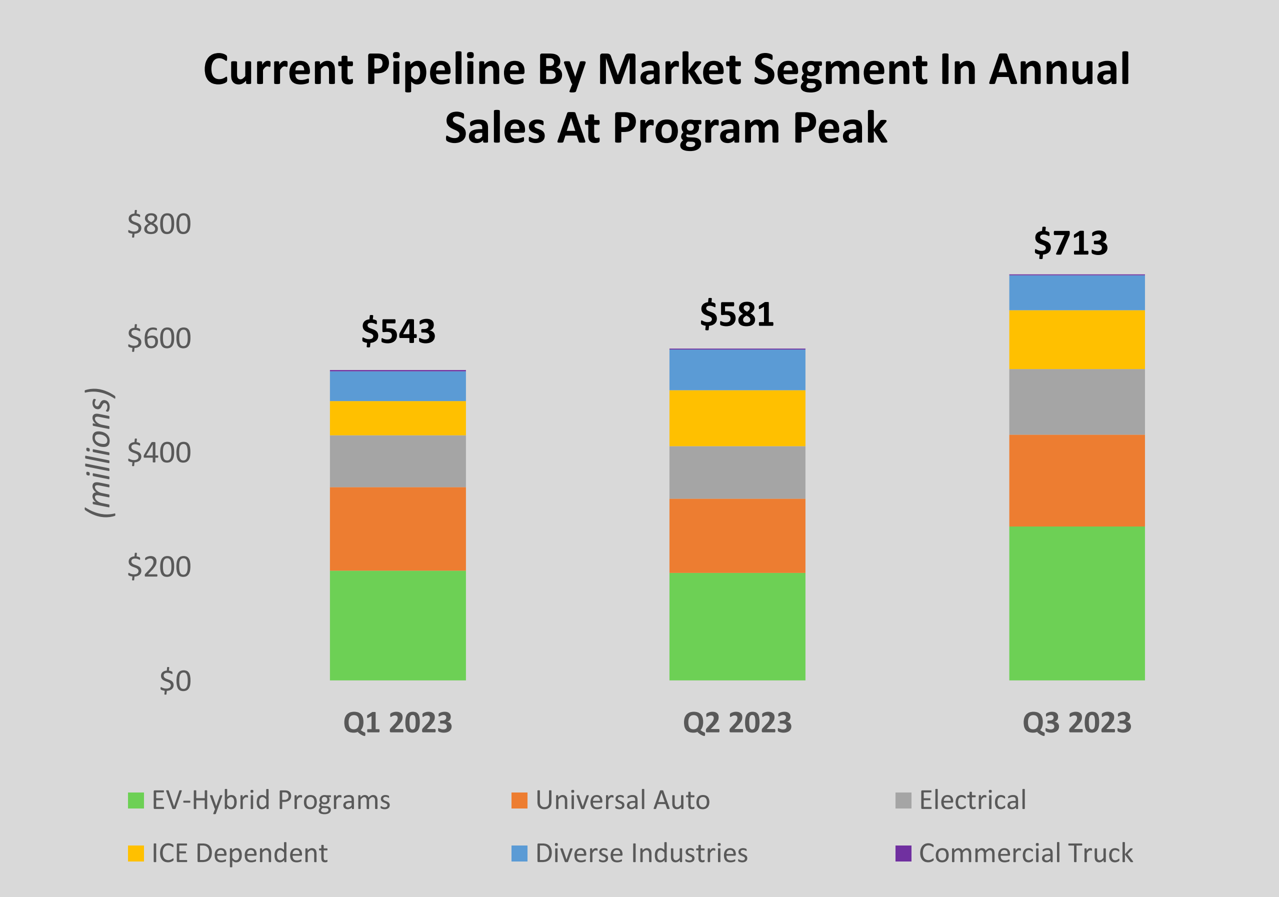
Pipeline Update

- Aggressively quoting open capacity, and revising open quotes
- 43% growth sequentially and 60% growth year-over-year for EV-Hybrid programs
- Have focused, reallocated resources and renovating new business program globally
- Underway with a global scrub-down of unlikely / low probability prospects.
- Q4 pipeline will likely decrease in size, but increase in probability of winning

Medical Is A "New" Opportunity

- Medical is a “new” market for NN as we boldly reenter the global market (Not shown in the pipeline yet)
- Non-compete expiration enables NN to reenter the medical implant market with product opportunities that are in line with the Company’s knowhow

Optimizing organization and processes to move faster, already showing results in key targeted markets



Q3’23 Financial Results

Sales Drivers

- Pricing: ~$6M
- Volume: ~($11M)
- FX: $0.8M
- Customer settlement: $1.1M

Adj. EBITDA Drivers

- Cost savings: ~$4M
- Volume: ~($3M)
- Customer & supplier settlements: $1.6M

(Dollars in millions, except per share data)	2022	2023	Δ
Net Sales	$127.3	$124.4	-2.2%
Operating Income (Loss)	($2.1)	($2.7)	($0.6)
Non-GAAP Adjusted Operating Income	$2.5	$3.6	$1.1
Non-GAAP Adjusted EBITDA	$11.8	$14.5	$2.7
Non-GAAP Adjusted EBITDA Margin	9.3%	11.6%	+230 bps
Income (Loss) per Diluted Common Share	($0.11)	($0.18)	($0.07)
Non-GAAP Adjusted Income (Loss) per Diluted Common Share	$0.03	$0.01	($0.02)

Mobile Solutions: Q3'23 Highlights

Sales up 3.7%, or $2.8 million, from prior year

(+) Pricing

(+) Customer settlement in '23

(+) Foreign exchange effects

(–) Volume down ~$3 million

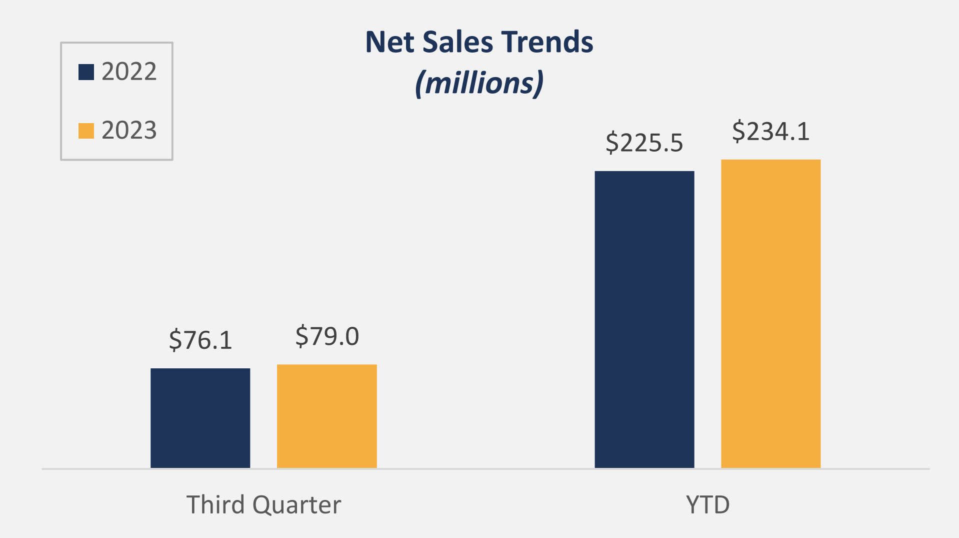
Profitability

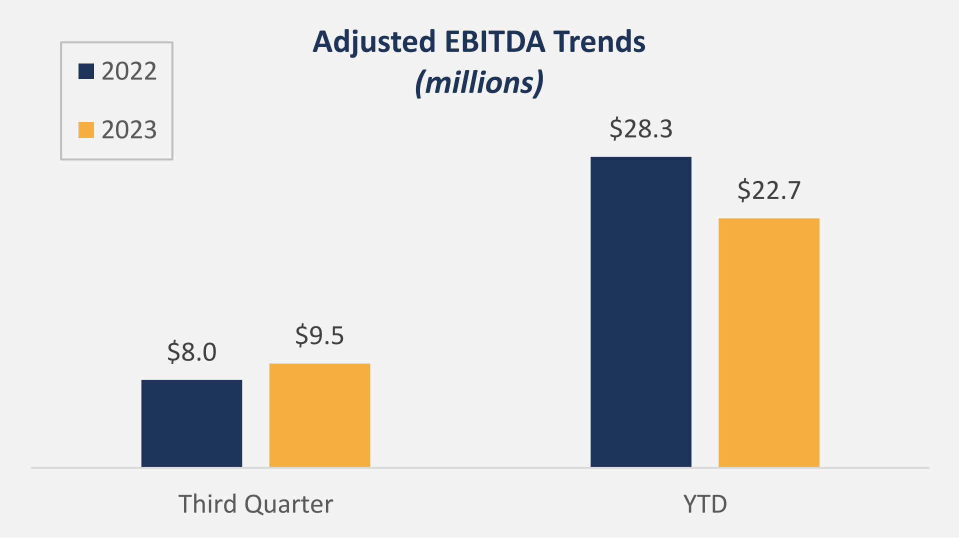
(+) Customer settlement in '23

(+) Benefits of right-sizing indirect labor support

Current Focus & Looking Forward

- Softer Q4 demand outlook over UAW strike impact
- New business wins performance is strong in China; focused on improvements in North America and Europe
- Operating performance improvements:
  - Wellington stabilized
  - Juarez progressing and close to exiting multiple unprofitable contracts





Power Solutions: Q3’23 Highlights

Sales down 11.0%, or $5.6 million, from prior year

(–) Volume down ~$8 million

- Auto component sales primarily due to two key customers losing market share
- General industrial component sales due to lower market capital spending in the increasing interest rates environment
- Aerospace and defense sales down as a result of Irvine, CA and Taunton, MA facilities closures and business exits

Profitability

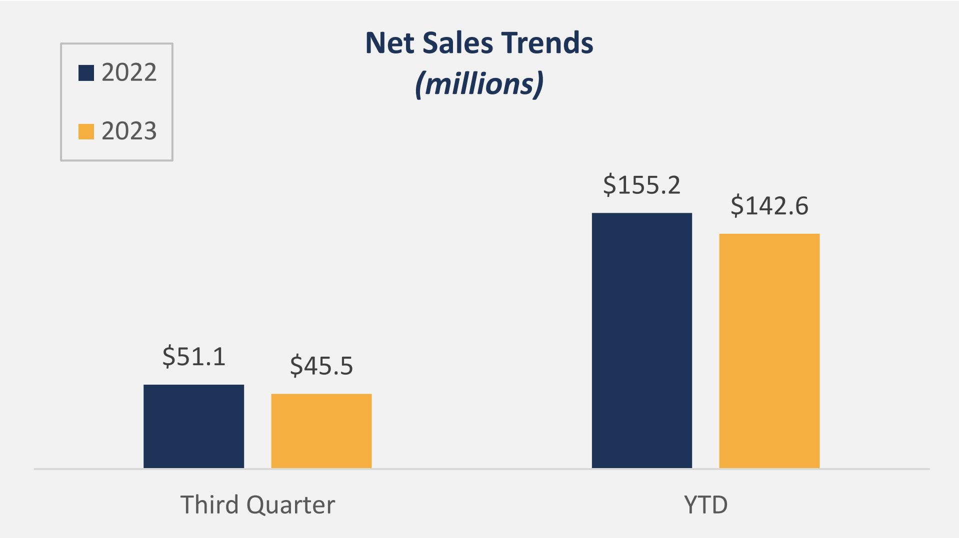
(+) Rationalized unprofitable business within Taunton, MA facility

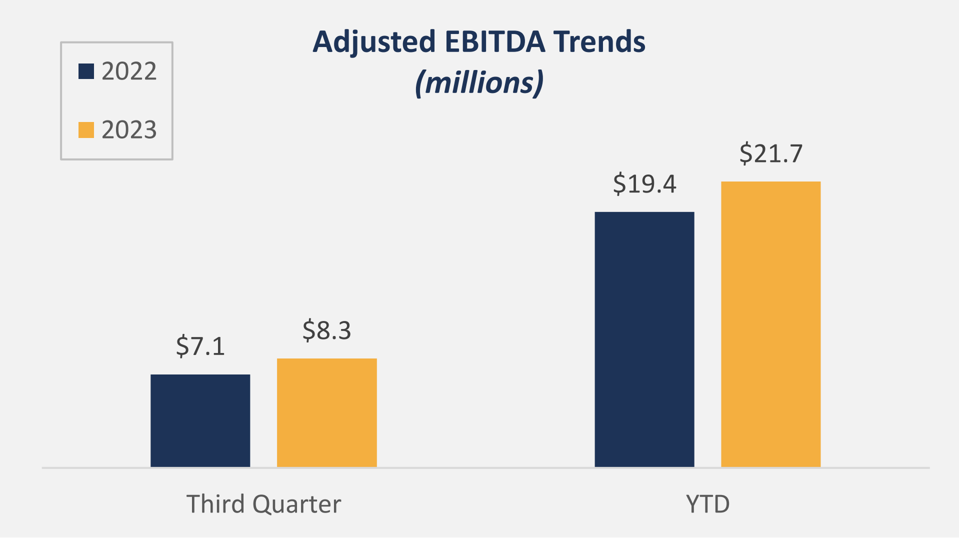
(+) Benefits of right-sizing indirect labor support

(+) Retroactive material cost recovery

Current Focus & Looking Forward

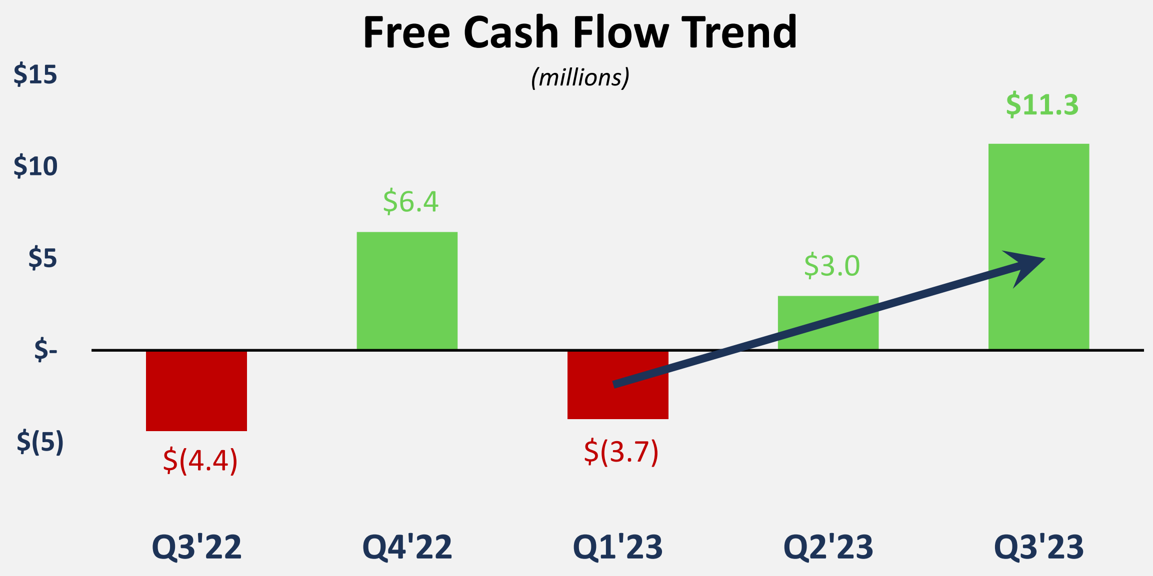
- Softer Q4 demand outlook over UAW strike impact
- Demand signals are strengthening for electrification and grid products
- Focused effort to enter global shielding market

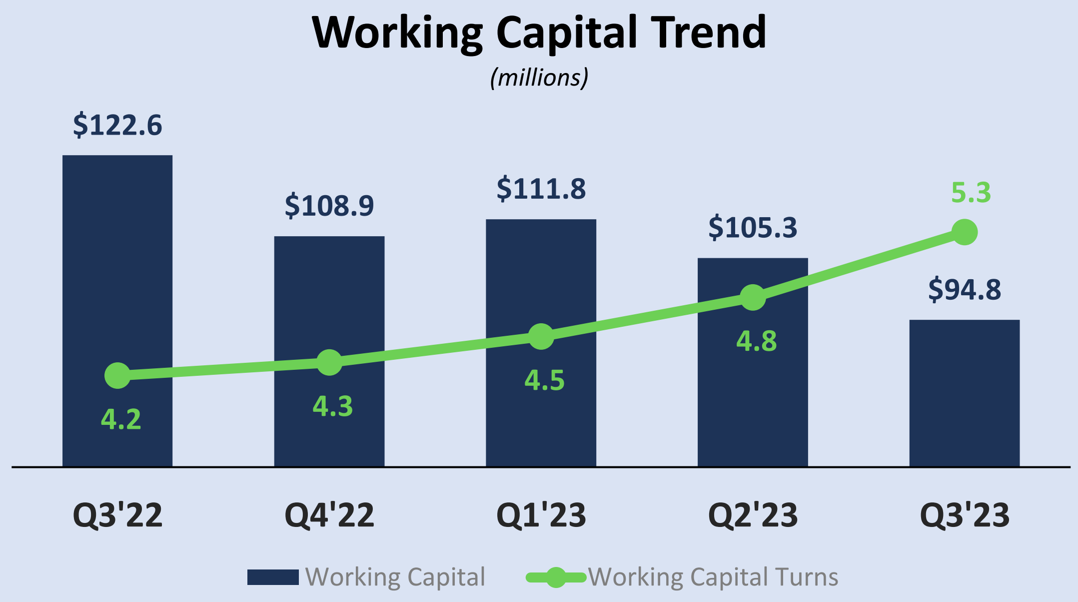




Cash Flow & Working Capital

- Free cash flow (FCF) of $17M for trailing 12-month period
- Will be FCF positive for the full-year while maintaining historical capital investment rate
- Remain focused on consistent cash flow moving forward
- Four consecutive quarters of improved working capital turns





Working Capital = Accounts Receivable, Inventory, and Accounts Payable
Working Capital Turns = Current Quarter Sales Annualized / Working Capital

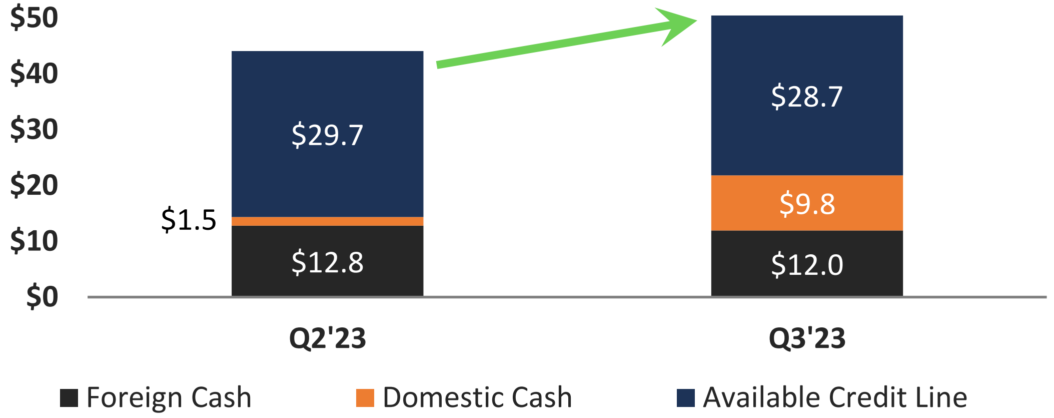
Balance Sheet & Liquidity

Revised Capital Allocation Program

- Implemented much tougher stance on balancing cash inflows with outflows, reducing leverage and increasing liquidity
    - Showing strong early results
    - 3.37x leverage, increased liquidity
- Plan to reduce leverage below 3x in 2024 while implementing stronger, focused growth program
- Targeted improvements in working capital optimization, cost reductions, operational improvement, and less facility closure spending
- Capital expenditures of $4.1M in Q3’23 compared to $4.3M in Q3’22
- Revised capital expenditure strategy with stronger focus on growth

Increased Liquidity

(millions)



(Dollars in millions)	Q2’23	Q3’23
Short-term Debt	$8.9	$8.8
Long-term Debt	$153.3	$150.7
Funded Debt	$162.2	$159.5
Cash	$14.3	$21.8
Net Debt	$147.9	$137.7
TTM Adjusted EBITDA	$38.2	$40.9
Net Debt to Adjusted EBITDA	**3.87x**	**3.37x**

2023 Outlook: Transformation Taking Place

Outlook Reflects:

- Net sales mid-point slightly lower, will continue to fix or shed unprofitable business
- Adjusted EBITDA mid-point slightly lower, in line with volume
- Free cash flow mid-point raised based on strong Q3'23 performance

Outlook Drivers/Assumptions:

- Stable demand within legacy business but softer Q4 demand outlook over UAW strike impact
- Positive impact due to cost reduction activities and unprofitable business corrective actions
- Increased new business prospecting activities in targeted areas
- Turning the corner to be a consistent and positive FCF generating business

(millions)	**2023 Outlook**
Net Sales	**$487 - $497**
Adjusted EBITDA	**$40 - $44**
Free Cash Flow	**$10 - $14**

Appendix

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 September 30,	
NN, Inc. Consolidated	**2023**	**2022**
GAAP loss from operations	$ (2,739)	$ (2,117)
Professional fees	32	341
Personnel costs (1)	903	17
Facility costs (2)	1,893	644
Amortization of intangibles	3,563	3,587
Non-GAAP adjusted income from operations (a)	$ 3,652	$ 2,472
Non-GAAP adjusted operating margin (3)	2.9 %	1.9 %
Depreciation	8,014	7,607
Other expense, net	1,463	1,156
Non-cash foreign exchange (gain) on inter-company loans	520	444
Change in fair value of preferred stock derivatives and warrants	(2,104)	(1,623)
Share of net income from joint venture	1,713	1,424
Non-cash stock compensation	1,208	307
Non-GAAP adjusted EBITDA (b)	$ 14,466	$ 11,787
Non-GAAP adjusted EBITDA margin (4)	11.6 %	9.3 %
GAAP net sales	$ 124,443	$ 127,297

(in thousands)	Three Months Ended September 30,	
Power Solutions	**2023**	**2022**
GAAP income from operations	$ 3,936	$ 2,582
Professional fees	—	174
Personnel costs (1)	122	—
Facility costs (2)	324	300
Amortization of intangibles	2,725	2,749
Non-GAAP adjusted income from operations (a)	$ 7,107	$ 5,805
Non-GAAP adjusted operating margin (3)	15.6 %	11.4 %
Depreciation	1,085	1,227
Other expense, net	75	98
Non-cash foreign exchange (gain) loss on inter-company loans	52	(37)
Non-GAAP adjusted EBITDA (b)	$ 8,319	$ 7,093
Non-GAAP adjusted EBITDA margin (4)	18.3 %	13.9 %
GAAP net sales	$ 45,484	$ 51,124

(in thousands)	Three Months Ended September 30,	
Mobile Solutions	**2023**	**2022**
GAAP loss from operations	$ (1,283)	$ (474)
Personnel costs (1)	462	—
Facility costs (2)	1,569	344
Amortization of intangibles	838	838
Non-GAAP adjusted income from operations (a)	$ 1,586	$ 708
Share of net income from joint venture	1,713	1,424
Non-GAAP adjusted income from operations with JV (a)	$ 3,299	$ 2,132
Non-GAAP adjusted operating margin (3)	4.2 %	2.8 %
Depreciation	6,509	5,980
Other income, net	(416)	(235)
Non-cash foreign exchange (gain) on inter-company loans	152	139
Share of net income from joint venture	1,713	1,424
Non-GAAP adjusted EBITDA (b)	$ 9,544	$ 8,016
Non-GAAP adjusted EBITDA margin (4)	12.1 %	10.5 %
GAAP net sales	$ 78,961	$ 76,122

(in thousands)	Three Months Ended September 30,	
Elimination	**2023**	**2022**
GAAP net sales	$ (2)	$ 51

(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

(in thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
GAAP net loss	$ (5,057)	$ (2,215)
Pre-tax professional fees	32	341
Pre-tax personnel costs	903	17
Pre-tax facility costs	1,893	644
Non-cash foreign exchange (gain) on inter-company loans	520	444
Pre-tax change in fair value of preferred stock derivatives and warrants	(2,104)	(1,623)
Pre-tax amortization of intangibles and deferred financing costs	4,092	3,946
Tax effect of adjustments reflected above (c)	(162)	(800)
Non-GAAP discrete tax adjustments	—	749
Non-GAAP adjusted net income (loss) (d)	$ 117	$ 1,503

(per diluted common share)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
GAAP net loss per diluted common share	$ (0.18)	$ (0.11)
Pre-tax professional fees	—	0.01
Pre-tax personnel costs	0.02	—
Pre-tax facility costs	0.04	0.01
Pre-tax foreign exchange (gain) loss on inter-company loans	0.01	0.01
Pre-tax change in fair value of preferred stock derivatives and warrants	(0.04)	(0.04)
Pre-tax amortization of intangibles and deferred financing costs	0.09	0.09
Tax effect of adjustments reflected above (c)	—	(0.02)
Non-GAAP discrete tax adjustments	—	0.02
Preferred stock cumulative dividends and deemed dividends	0.07	0.06
Non-GAAP adjusted net income (loss) per diluted common share (d)	$0.01	$0.03
Shares used to calculate net earnings (loss) per share	47,539	44,711

Reconciliation of Operating Cash Flow to Free Cash Flow

(in thousands)	Three Months Ended September 30, 2023		Three Months Ended September 30, 2022	
Net cash provided by (used in) operating activities	$	15,247	$	(127)
Acquisition of property, plant, and equipment		(4,096)		(4,308)
Proceeds from sale of property, plant, and equipment		99		39
Free cash flow	$	11,250	$	(4,396)

Non-GAAP Financial Measures Footnotes

The Company discloses in this presentation the non-GAAP financial measures of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt. Each of these non-GAAP financial measures provides supplementary information about the impacts of acquisition, divestiture and integration related expenses, foreign-exchange impacts on inter-company loans, reorganizational and impairment charges. Over the past five years, we have completed several acquisitions, one of which was 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, 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 (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt provides useful information in assessing our underlying business trends and facilitates comparison of our long-term performance over given periods.

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

(a) Non-GAAP Adjusted income (loss) from operations represents GAAP income (loss) 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 (loss) 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 (loss) from operations.

(b) Non-GAAP adjusted EBITDA represents GAAP income (loss) from operations, adjusted to include income taxes, interest expense, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, depreciation and amortization, charges related to acquisition and transition costs, non-cash stock compensation expense, foreign exchange gain (loss) on inter-company loans, restructuring and integration expense, costs related to divested businesses and litigation settlements, income from discontinued operations, and non-cash impairment charges, to the extent applicable. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating, and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from continuing operations.

(c) This line item reflects the aggregate tax effect of all non-GAAP adjustments reflected in the respective table. The Company 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 charges related to acquisition and transition costs, foreign exchange gain (loss) on inter-company loans, restructuring and integration charges, amortization of intangibles costs for fair value step-up in values related to acquisitions and amortization of deferred financing costs, non-cash impairment charges, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, costs related to divested businesses and litigation settlements, income (loss) from discontinued operations, and preferred stock cumulative dividends and deemed dividends. 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.

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Thank You