



Growing into the Future

NN Inc. 2019 Investor Deck for CJS 19th Annual New Ideas for the New Year Investor Conference

Forward looking statements

Forward Looking Statements: 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. The forward-looking statements contained herein include, but are not limited to, information regarding the ability of NN, Inc. (“NN”) and Paragon Medical, Inc. (“Paragon”) to complete the transactions contemplated by the Stock Purchase Agreement, dated April 2, 2018, including the satisfaction of conditions to the transactions set forth in the Stock Purchase Agreement, and NN’s and the combined entity’s estimated or anticipated future results of operations. These forward-looking statements involve risks and uncertainties that could cause NN’s and the combined entity’s results to differ materially from management’s current expectations. Such risks and uncertainties include, but are not limited to, general economic conditions and economic conditions in the industrial sector, competitive influences, risks that current customers of NN or Paragon will commence or increase captive production, delayed customer product launches, risks of capacity underutilization, quality issues, availability of raw materials, currency, pending and complete transactions and other risks associated with international trade, the Company’s dependence on certain major customers, unforeseen changes in future revenues, earnings and profitability of NN or Paragon, the risk that NN is not able to realize the savings or benefits expected from integration and restructuring activities related to the proposed acquisition of Paragon, the risk that the required regulatory approvals for the proposed acquisition of NN are not obtained, are delayed or are subject to conditions that are not anticipated, and those risks and uncertainties discussed in NN’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 2, 2018.

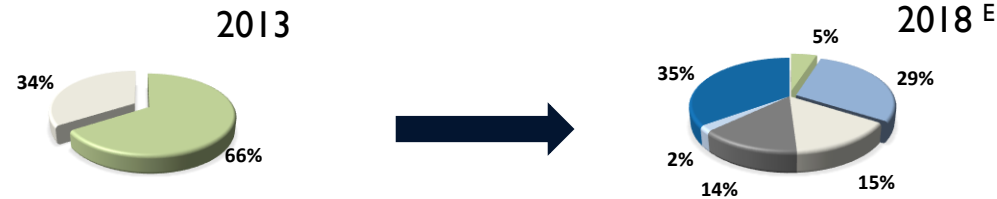
This presentation contains certain forward looking non-GAAP financial measures, estimated 2018 adjusted earnings before interest, taxes and depreciation and estimated 2018 adjusted operating margin, which cannot be reconciled without unreasonable effort. The following forward looking financial measures regarding Paragon is unavailable to NN: (i) depreciation and amortization; (ii) income taxes; and (iii) net income, and this information could have a material impact on these certain forward looking non-GAAP financial measures.

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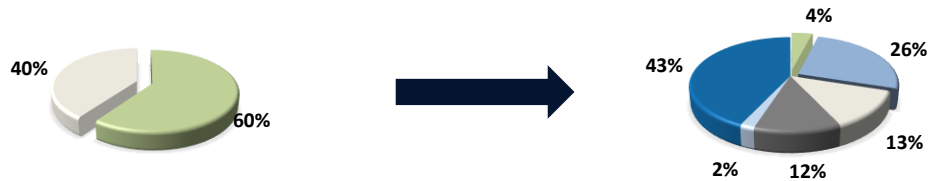
Transforming the Business



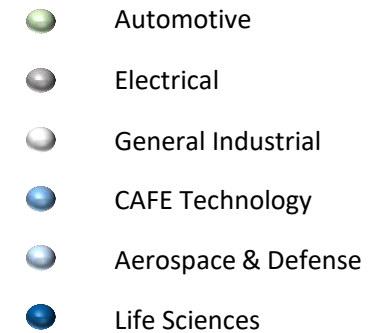
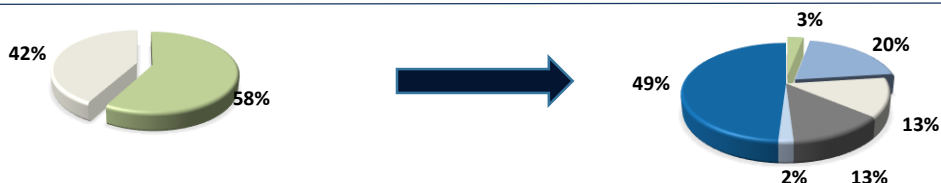
End Markets as a % of Revenue



End Markets as a % of EBITDA



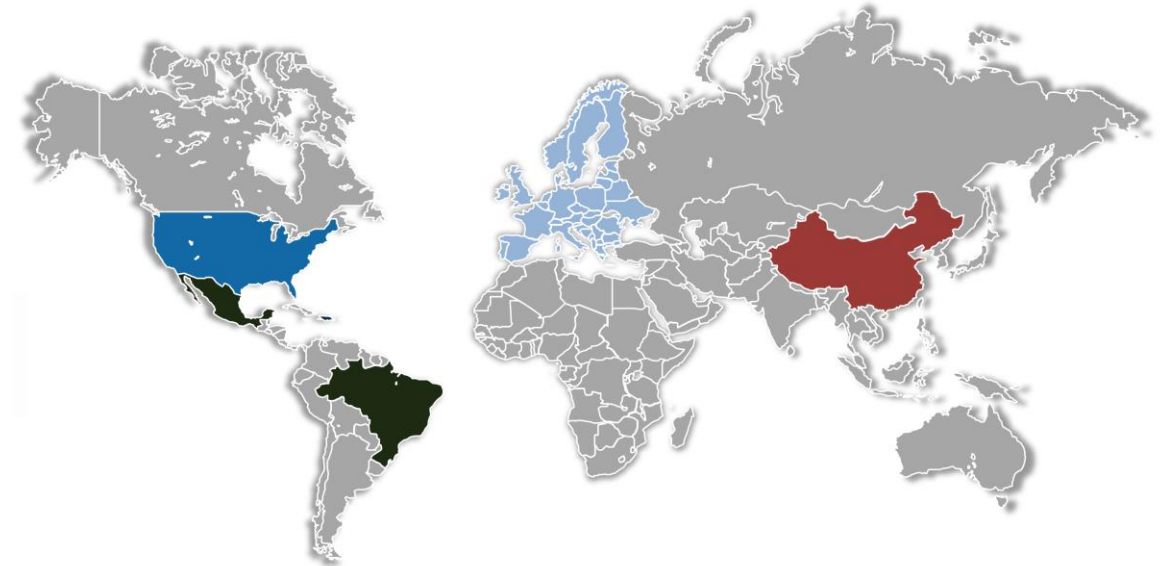
End Markets as a % of Free Cash Flow



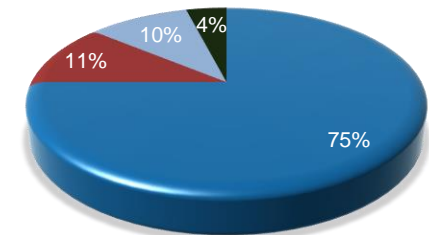
7% Organic Growth through the Transformation

^E Estimated; ¹ Based on 2018 full year guidance, assumes Bridgemedica & Paragon acquisitions occurred 1-1-18

Diverse Customer Base & Geographic Mix

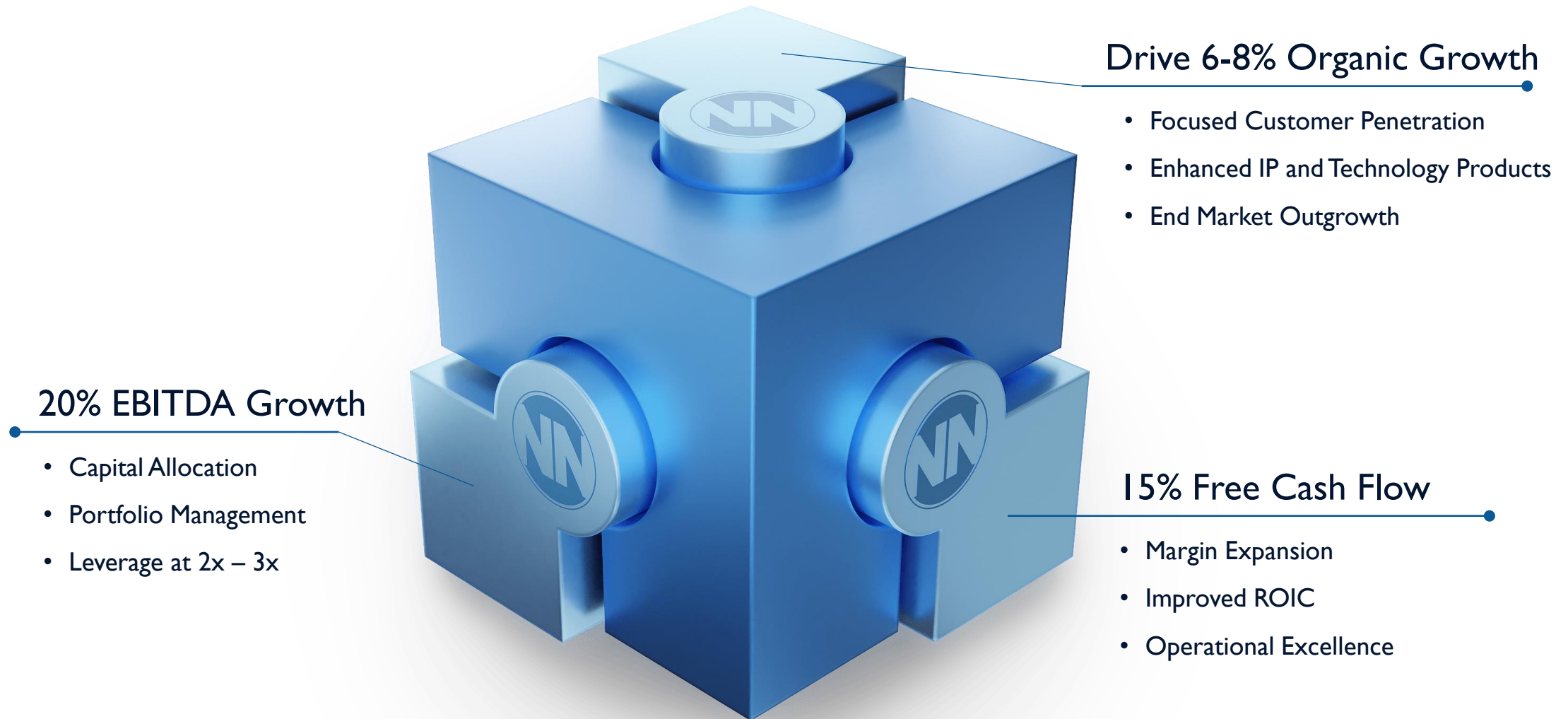


Combined Business 2018 ^E
Geographic Revenue Mix

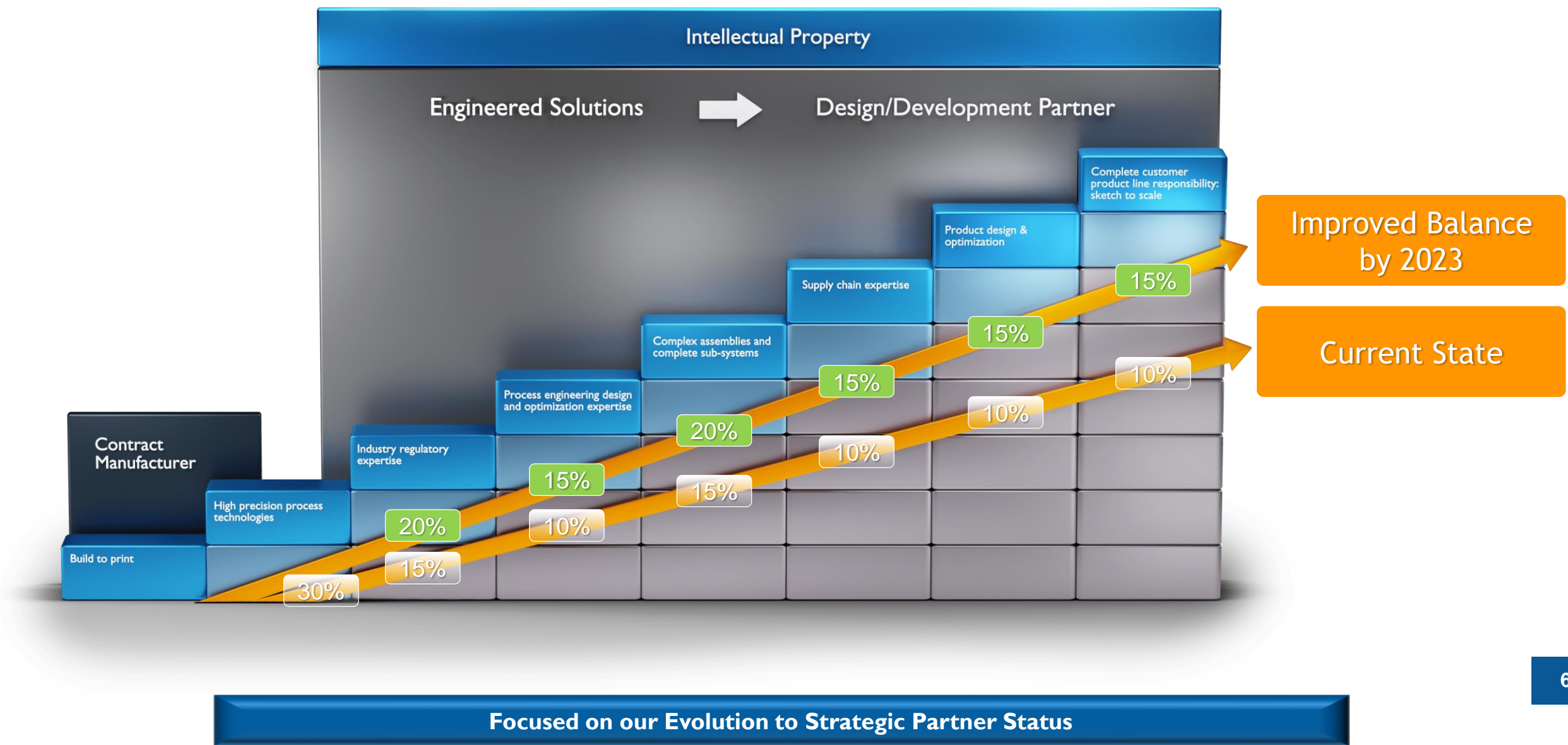


Double Growth by Increasing Wallet Share

The Next Five Years: NN 2.0



Solutions Path Maturity



Attractive End Markets



CAFE TECHNOLOGIES

Percent of Revenue*:
34%
Growth Rate: 3% - 5%

Growth Drivers:

- Fuel Economy
- Critical Components

Early
Cycle

Mid
Cycle

Mobile Solutions



GENERAL INDUSTRIAL

Percent of Revenue*:
15%
Growth Rate: 4% - 6%

Growth Drivers:

- Efficiency
- Automation

Early
Cycle

Late
Cycle



AEROSPACE & DEFENSE

Percent of Revenue*: 2%
Growth Rate: 7% - 9%

Growth Drivers:

- Unmanned Vehicles
- Micro Satellites
- Weight Reduction

Late
Cycle



ELECTRICAL

Percent of Revenue*:
14%
Growth Rate: 6% - 8%

Growth Drivers:

- Resi/Non-Resi Const
- Distributed Energy Resources

Mid
Cycle

Power Solutions



LIFE SCIENCES

Current Revenue*:
35%
Growth Rate: 7% - 9%

Growth Drivers:

- Aging Population
- Less Invasive Surgery
- Wearable Med Devices

Late
Cycle

Life Sciences

Positioned to Achieve balance through the cycle

*As a % of total company

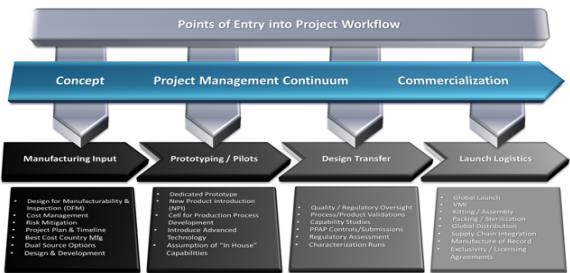
Life Sciences Overview

Strategic Highlights

- Robust end market dynamics support growth
- \$750M topline target
- Portfolio expansion and new product development to drive organic growth
- Concept to commercialization solution capabilities
- Continued focus on expanding our market participation

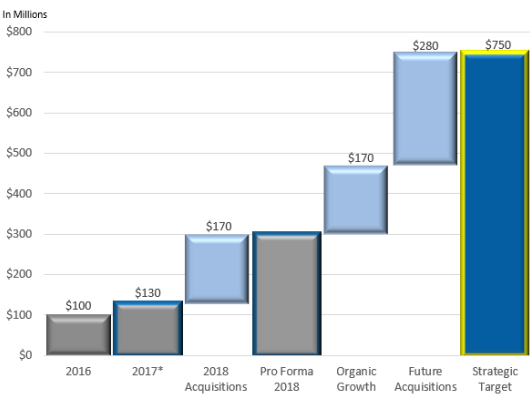
Engineered Solutions

- **Research & Product Development**
 - Design for Manufacture Services
 - **Project Planning**
 - Process development & sustaining engineering
- **Pilot Services**
 - New Product Introduction Expertise
 - Advanced Technology Capabilities
 - **Certified clean room operations**
- **Design Transfer**
 - **Regulatory Assessments**
 - World class quality protocols
 - Capability Studies
- **Commercialization**
 - Global Launch
 - **Supply Chain Integration**
 - Kitting, assembly and packaging



Disciplined Growth Focus

- Grow Existing Product Sets
 - Leverage innovation centers
 - Develop complimentary skillsets & components
 - Expand tool, kit, & implant offerings
- Expand Collaborative OEM Offerings
 - Self funded R&D yielding NN intellectual property
 - Pull from existing product set knowledge
 - Focus on new platforms & specialty surgical devices
- Acquisition Strategy
 - Adjacent & complimentary technologies
 - Engineering & design capabilities
 - Expand finished device & cleanroom offerings



Comprehensive Product Portfolio

| | NN LIFE SCIENCES | PARAGON MEDICAL | Combined Life Sciences Portfolio |
|-------------------|------------------|-----------------|----------------------------------|
| Finished Devices | | | |
| Orthopedics | | | |
| Surgical Tools | | | |
| Spine | | | |
| Extremity | | | |
| Endoscopic | | | |
| Drug Delivery | | | |
| Delivery Systems | | | |
| Cardio & Vascular | | | |



Full Market Participant Broad Market Participant Market Participant Strategic Market Foothold Not a Market Participant

1:Based on 2018 full year guidance, assumes Bridgemedica & Paragon acquisitions occurred 1-1-18

Capital Structure Going Forward

Near term goal

- We plan over the next 18-24 months to reduce leverage by 1x

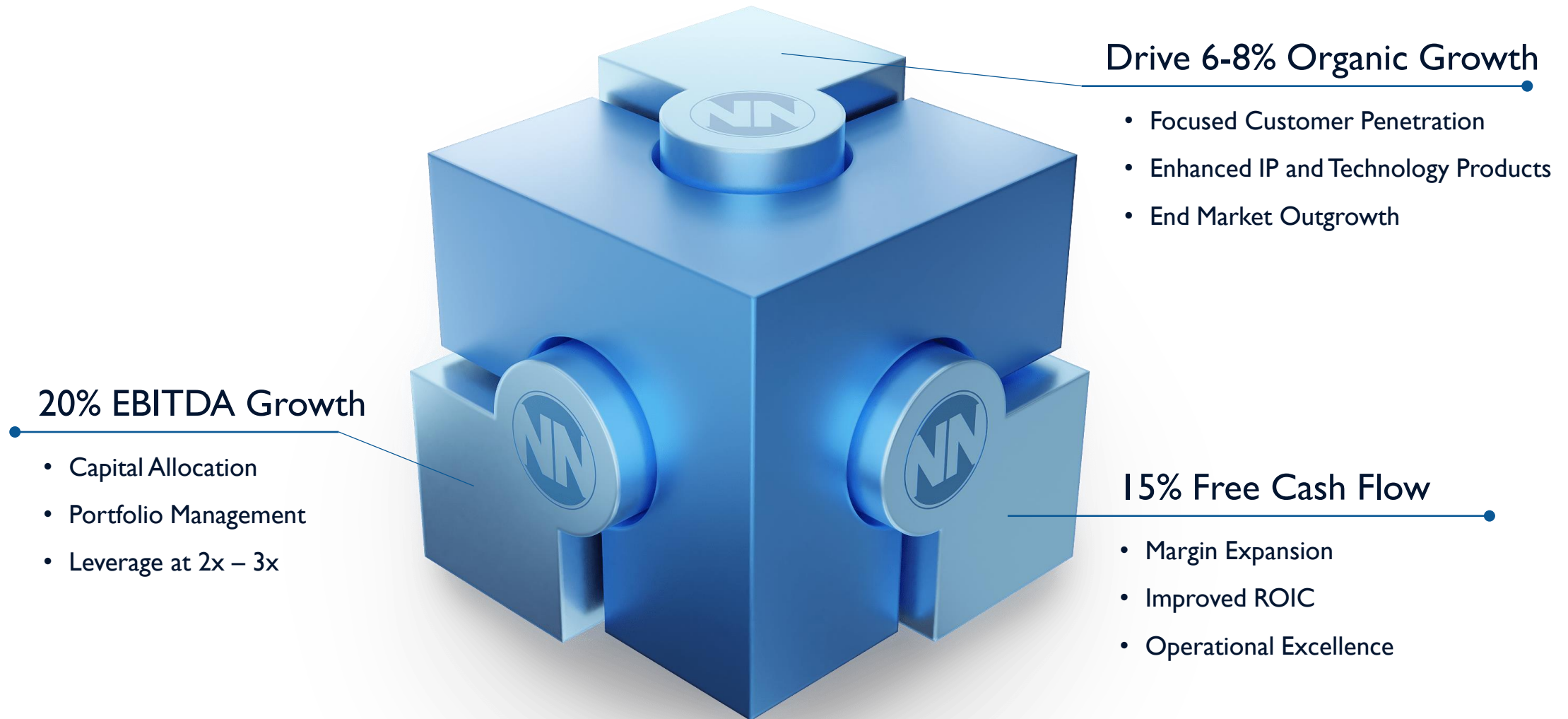
Strategic goal ~2x-~3x levered

- 2x to 3x forward looking EBITDA in long term patient capital
- Growth initiatives funded through free cash flow
- Strategically maintain appropriate amount of pre-payable debt

Power of Free Cash Flow

- Significant free cash flow allows us to de-lever quickly while investing in growth
- Target 2-3x leveraged achieved and held during strategic period
- Free cash flow ~15% of sales in strategic period

The Next Five Years: NN 2.0



Delivering on the next chapter of the Strategic Plan

4th Quarter 2018 Guidance

| | 4 th Quarter 2018 Guidance | Commentary |
|---------------------------|---|---|
| Net Sales | \$200M-\$205M | Second half softness in China due to impacts of tariffs and trade |
| Adjusted Operating Margin | 12.0%-12.5% | Margins on track |
| Adjusted EBITDA Margin | 18.0%-18.5% | Margins on track |
| Adjusted Diluted EPS | \$0.25-\$0.30 | Lower sales and dilution |

2018 Full Year Guidance

| | Prior Full Year Guidance | Updated Full Year Guidance | Commentary |
|-----------------------------------|--------------------------|----------------------------|---|
| Net Sales | \$775M-800M | \$770M-775M | Second half softness in China due to impacts of tariffs and trade |
| Adjusted Operating Margin | 12.5%-13.0% | 12.0%-12.5% | Margins in line |
| Adjusted EBITDA Margin | 18.5% - 18.75% | 18.0%-18.25% | Margins in line |
| Adjusted Diluted EPS | \$1.60-1.75 | \$1.25-1.30 | Lower sales, higher taxes and dilution |
| CAPEX | \$45M-\$53M | \$50M-\$53M | Increased spending on programs |
| Free Cash Flow¹ | \$40M-\$46M | \$35M-\$40M | Increased spending on programs |

1: Free Cash Flow available for debt repayment

Guidance Going Forward

- Now have stable portfolio that will drive appropriate comparables
 - Annual Enterprise Guidance Metrics
 - Sales
 - Adjusted EBITDA
 - Adjusted Operating Margin
 - Adjusted Free Cash Flow performance
 - Adjusted Earnings Per Share
 - Quarterly Enterprise Guidance Metrics
 - Sales
 - Adjusted EBITDA
- Definition of Adjusted Free Cash Flow performance
 - Cash flow from operations less maintenance capex as a % of sales



Q&A
