



Third Quarter 2016 Earnings Release
November 2, 2016



Forward Looking Statements & Disclosures

Forward Looking Statement: With the exception of the historical information contained in this presentation, the matters described herein contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks and uncertainties that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector, competitive influences, risks that current customers will commence or increase captive production, delayed customer product launches, risks of capacity underutilization, quality issues, availability of raw materials, 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.



Year to Date Operating Overview

Operating Improvements: Full Year 2015 vs YTD 2016

	Gross Margin Improvement	Adj. Operating Margin Improvement	Adj. EBITDA Margin Improvement
NN – Total Company	↑ 330 bps	↑ 260 bps	↑ 220 bps
APC Group	↑ 30 bps	↑ 10 bps	↑ 100 bps
PBC Group	↑ 110 bps	↑ 40 bps	↑ 80 bps
PEP Group	↑ 630 bps	↑ 790 bps	↑ 710 bps

Continued Execution of the Strategic Plan

A horizontal collage of five images: a jet engine, a power line tower, a surgeon in blue scrubs, a red sports car, and a close-up of metal gears. A semi-transparent dark grey banner is overlaid across the center of the collage.

Third Quarter



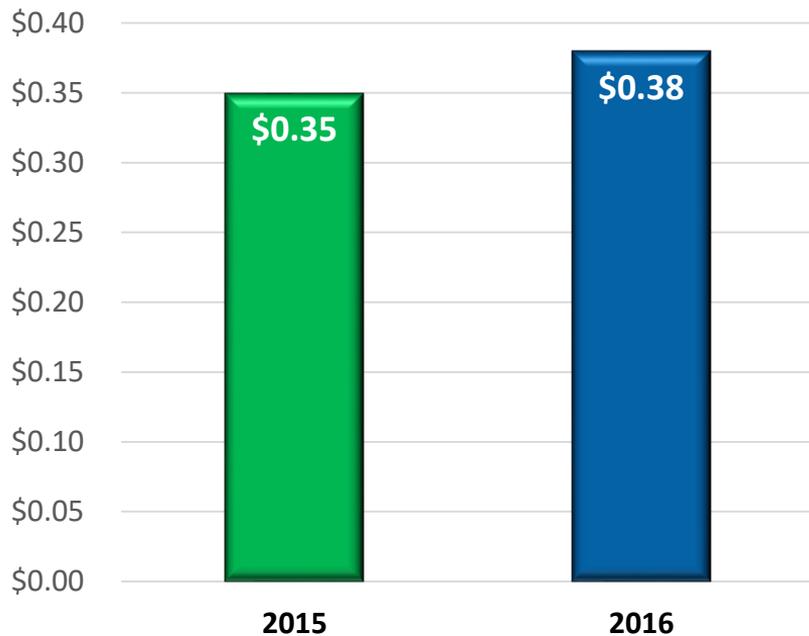
Highlights of 3rd Quarter 2016

- **Sales of \$205.0M**
 - **Net of divestitures, the PEP acquisition contributed \$55.2M**
 - **Sales in the legacy business were negatively impacted \$5M in quarter driven by industrial weakness**
- **Adjusted Diluted Earnings Per Share of \$0.38**
- **Adjusted EBITDA of \$37.2M**
- **Adjusted Operating Margins increased 210 bps to 12.6% compared to Q3 2015**
- **Free Cash Flow generated for debt repayment in the quarter of \$21M; \$35M ahead of 2015 year to date**
- **Re-Priced our Term Loan removing 75 bps of interest expense**



3rd Quarter 2016 Financial Summary

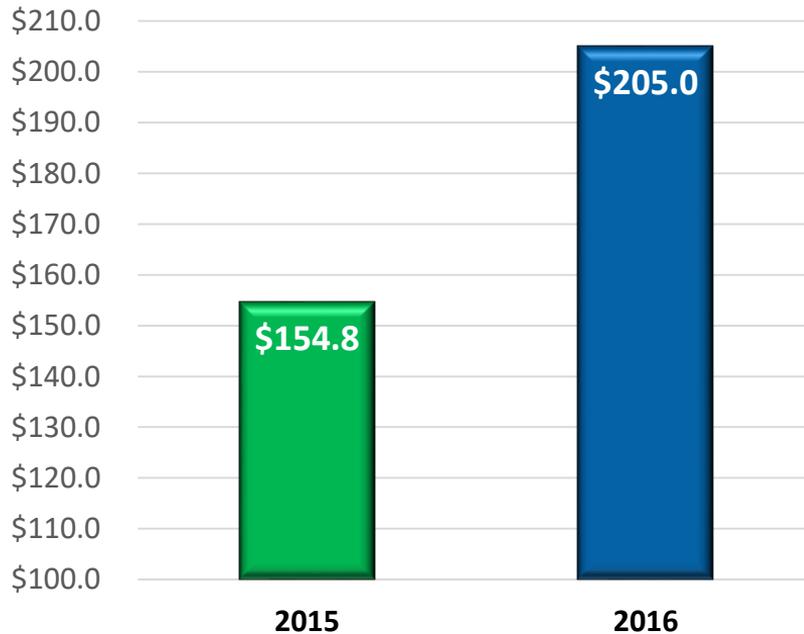
Adjusted Diluted Earnings Per Share



Net Sales

32% growth compared to prior year

In Millions

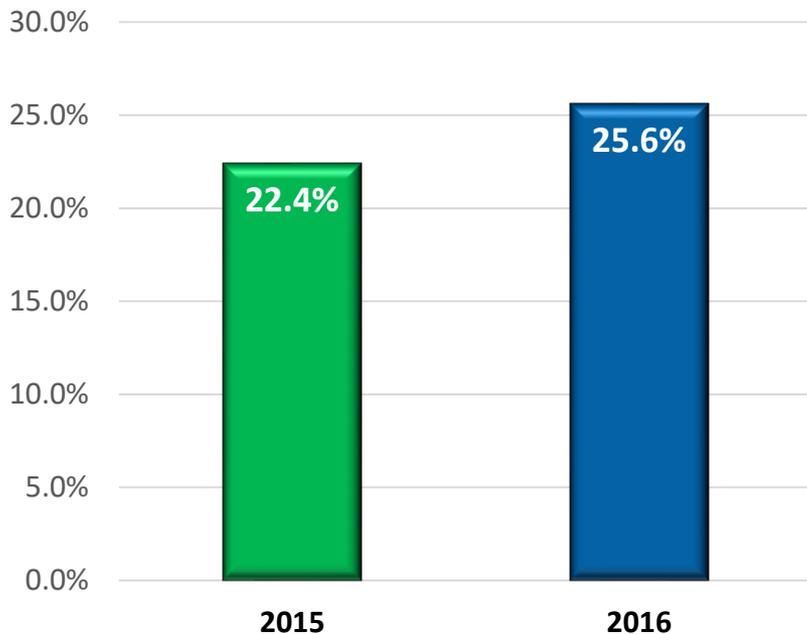




3rd Quarter 2016 Financial Summary

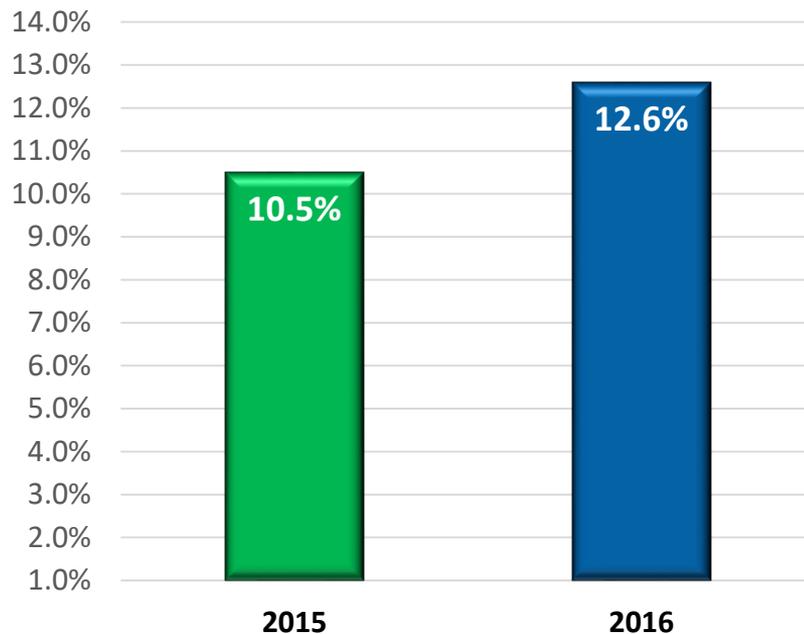
Gross Margin

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



Adjusted Operating Margin

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

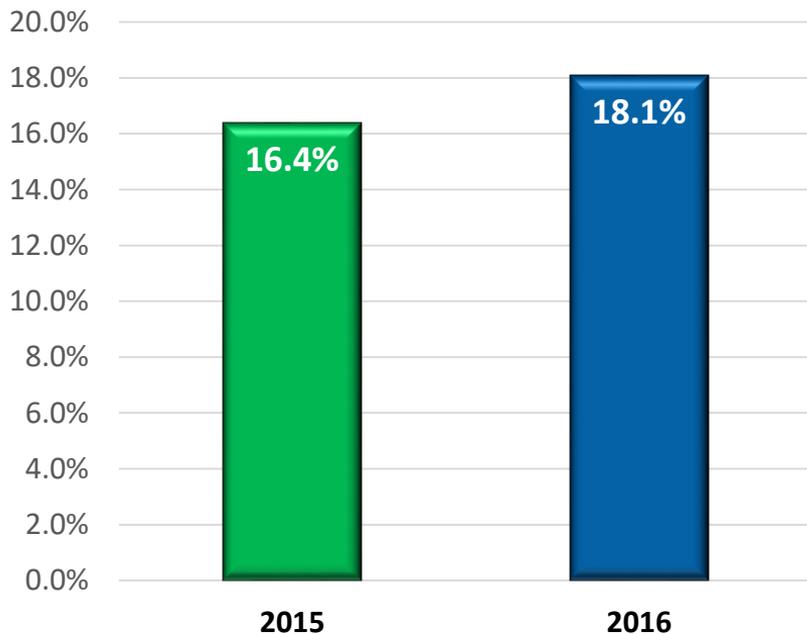




3rd Quarter 2016 Financial Summary

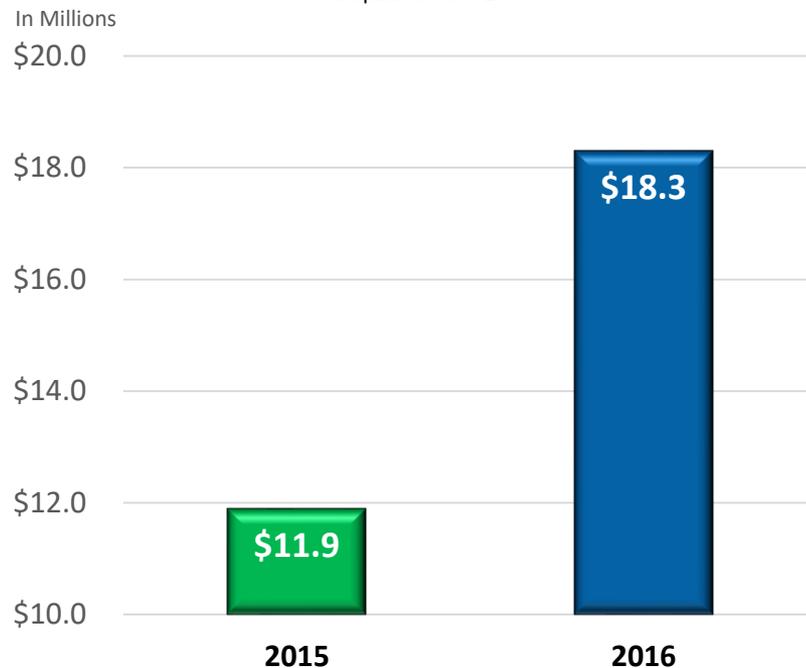
Adjusted EBITDA Margin

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



SG&A

Includes \$0.5M of M&A cost;
\$4.6 million of the increase from the acquisition of PEP

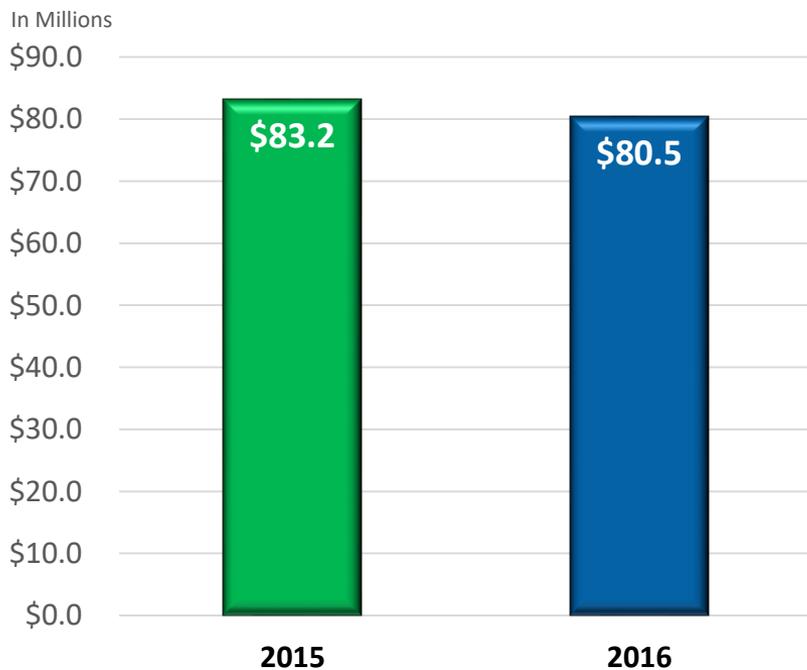




Autocam Precision Components Group

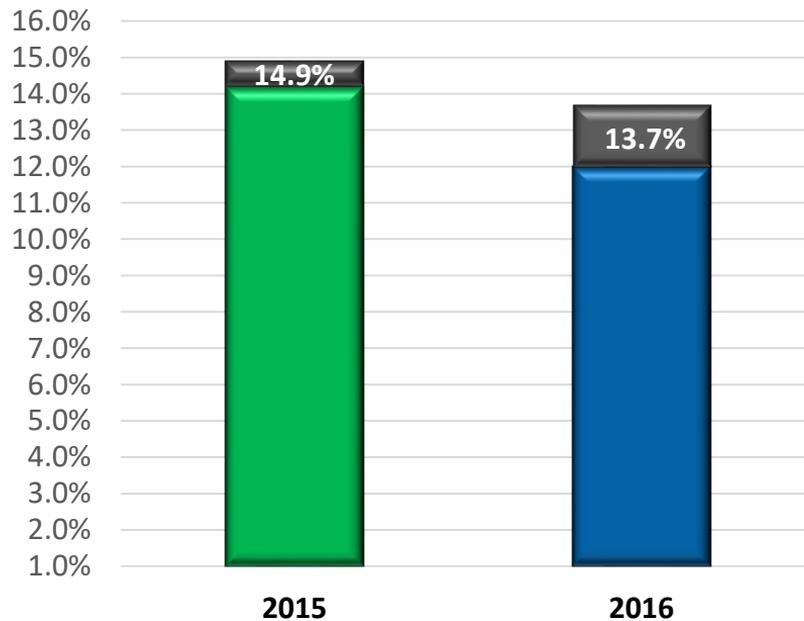
Net Sales

Weakness in industrial markets drove the decline



Adjusted Operating Margin

Positive flex productivity offset by unfavorable mix



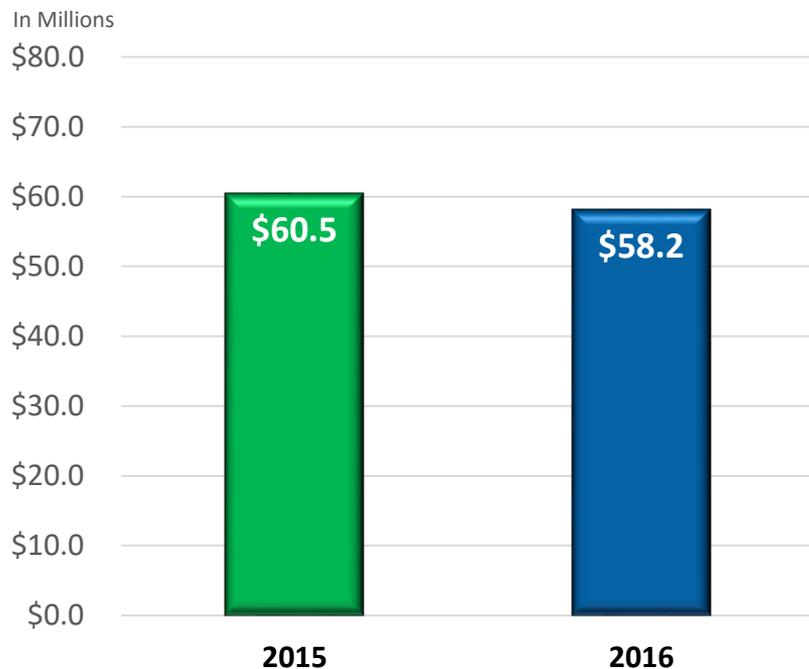
■ JV Contribution



Precision Bearing Components Group

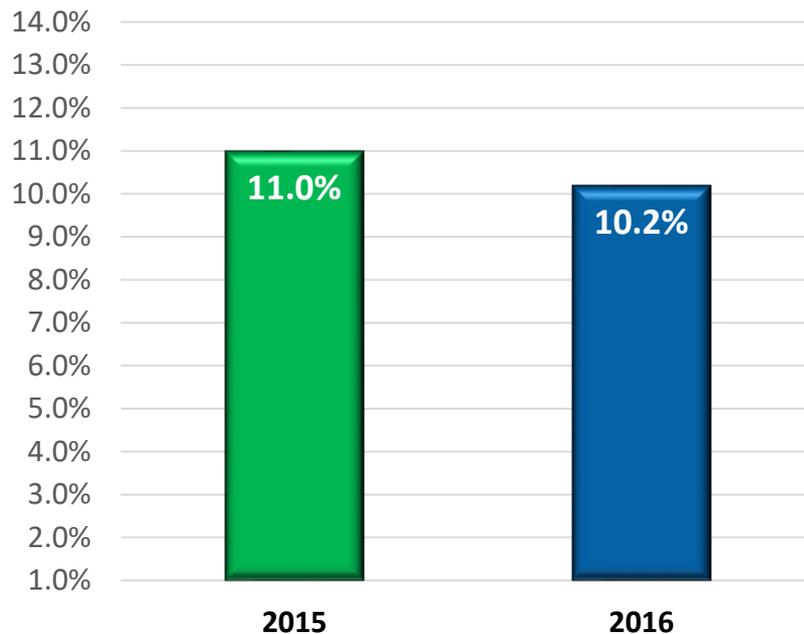
Net Sales

Weakness in industrial markets drove the decline



Adjusted Operating Margin

Margins flexing in line with expectations

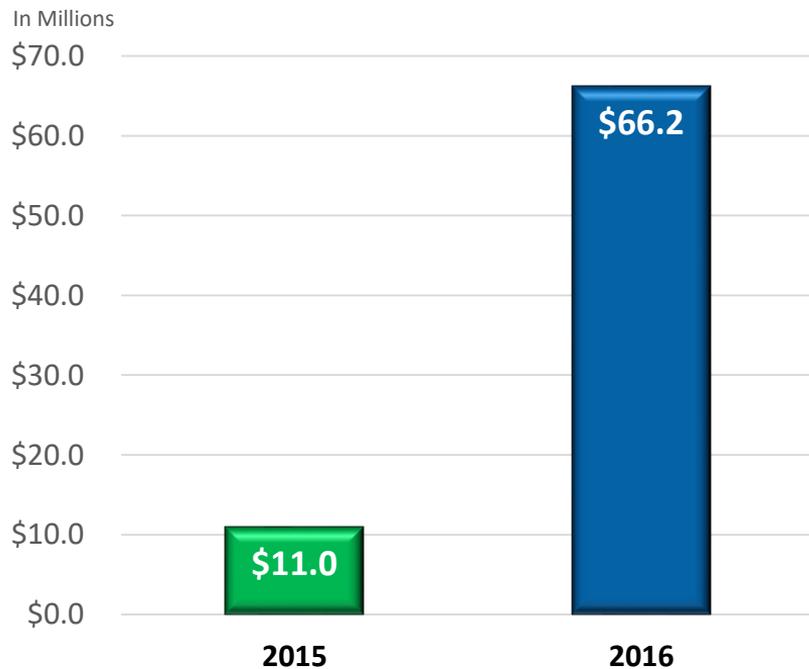




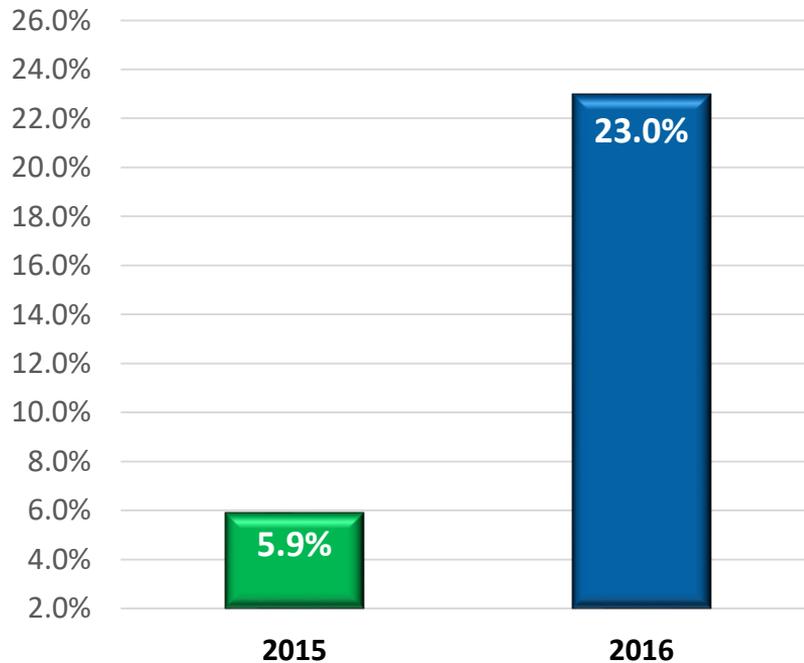
Precision Engineered Products Group

Net Sales

Acquisition of PEP, net of divestitures added \$55.2M



Adjusted Operating Margin





3rd Quarter Summary

- **Diversified portfolio is performing as expected**
- **Continued weakness in the industrial end market negatively impacted the top line**
- **NN Operating System driving margin expansion, appropriate flex and continued operating discipline.**
- **Re-Priced our Term Loan removing 75 bps of interest expense**
- **Strong Free Cash Flow during the quarter; remain on track to achieve our debt repayment target**
- **Integration of PEP remains on track**

A horizontal collage of five images. From left to right: a close-up of a white airplane engine; a tall metal power line tower against a blue sky; a surgeon in blue scrubs and a mask performing an operation; a red sports car; and a close-up of a metallic gear.

Guidance



4th Quarter 2016 Guidance

	Third Quarter Actual	Fourth Quarter Guidance	Commentary
Net Sales	\$205.0M	\$200M - \$208M	Industrial markets remain weak
Adj. Op Margin^(a)	12.6%	12.2% - 13.0%	Operational improvements continue to off set soft industrial demand
Adj. EBITDA	\$37.2M	\$36M - \$39M	
Adj. Diluted EPS^(b)	\$0.38	\$0.33 - \$0.40	Operational improvements drive consistent performance



1st vs 3rd Quarter Operating Comparison

Operating Improvements: Q1 2016 ¹ vs Q3 2016	
	Change
Net Sales	↓ \$7.2M
Adj. Operating Margin	↑ 130 bps
Adj. EBITDA Margin	↑ 130 bps
Adj. Diluted EPS	↑ \$0.11

Executed Fundamental Shift in the Business



2016 Guidance

	Updated 2016 Guidance	Commentary
Net Sales	\$832M - \$840M	Growth in other end markets offset by industrial weakness
Adj. Operating Margin^(a)	12.4% - 12.6%	Continued improvements in the NN Operating System continue to off set soft industrial demand
Adj. EBITDA	\$150M - \$152M	
Adj. Diluted EPS^(b)	\$1.43 - \$1.50	Benefits of our portfolio balance and operating improvements will continue to offset industrial weakness
CAPEX	\$35M - \$40M	We continue to invest in growth
Free Cash Flow¹	\$50M - \$55M	Significant increase in free cash flow allows us to de-lever faster



2017 Guidance

	2016 Guidance	2017 Guidance	Commentary
Net Sales	\$832M - \$840M	\$850M - \$880M	Sales growth driven by our medical and electrical portfolios
Adj. Operating Margin^(a)	12.4% - 12.6%	12.4% - 13.0%	Continued improvements in the NN Operating System driving expansion
Adj. EBITDA	\$150M - \$152M	\$157M - \$164M	
Adj. Diluted EPS^(b)	\$1.43 - \$1.50	\$1.55 - \$1.75	NN Operating System driving improved earnings per share
CAPEX	\$35M - \$40M	\$40M - \$50M	We continue to invest in growth
Free Cash Flow¹	\$50M - \$55M	\$55M - \$60M	Strong free cash flow allows us to de-lever faster



2017 Guidance Summary

- **Automotive flat for 2017**
- **Growing as expected in electrical, medical and aerospace**
- **Industrial remains depressed**
- **Execution of the NN Operating System continues to deliver improved performance**
- **De-levering remains a top priority**
- **Free Cash Flow for debt repayment continues to increase**
- **Continued focus on opportunistic repricing of the capital structure**



Reconciliation Tables



Reconciliation of Adjusted Income from Operations & Adjusted Operating Margin

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc. - Total Company

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations & Operating Margin	\$18,727	9.1%	\$10,122	6.5%	\$47,304	7.5%	\$37,645	7.8%
Restructuring & impairment charges	336	0.2%	1,190	0.8%	8,044	1.3%	1,190	0.2%
Acquisition & integration expenses	757	0.4%	3,948	2.5%	5,198	0.8%	4,629	1.0%
Amortization of intangibles	5,922	2.9%	999	0.6%	17,950	2.8%	3,093	0.6%
Non-GAAP Adjusted income from operations & Adjusted Operating Margin (a)	\$25,742	12.6%	\$16,259	10.5%	\$78,496	12.4%	\$46,557	9.6%
GAAP Total Sales	\$204,960		\$154,824		\$631,459		\$483,425	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc. - Autocam Precision Components Group

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations & Operating Margin	\$8,464	10.5%	\$10,894	13.1%	\$22,761	9.2%	\$27,707	11.0%
Restructuring & impairment Charges	286	0.4%	-	0.0%	3,931	1.6%	-	0.0%
Acquisition & integration expenses	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Amortization of intangibles	885	1.1%	885	1.1%	2,655	1.1%	2,655	1.1%
Non-GAAP Adjusted income from operations & Adjusted Operating Margin (a)	\$9,635	12.0%	\$11,779	14.2%	\$29,347	11.9%	\$30,362	12.0%
China JV Contribution	1,427		621		4,170		2,503	
Non-GAAP Adjusted income from operations & Adjusted Operating Margin (a)	\$11,062	13.7%	\$12,400	14.9%	\$33,517	13.5%	\$32,865	13.0%
GAAP Total Sales	\$80,492		\$83,243		\$247,473		\$252,336	



Reconciliation of Adjusted Income from Operations & Adjusted Operating Margin

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc. - Precision Bearing Components Group

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations & Operating Margin	\$5,840	10.0%	\$6,633	11.0%	\$18,639	9.9%	\$25,125	12.4%
Restructuring & impairment Charges	50	0.1%	-	0.0%	2,390	1.3%	-	0.0%
Amortization of intangibles	57	0.1%	57	0.1%	173	0.1%	173	0.1%
Non-GAAP Adjusted income from operations & Adjusted Operating Margin (a)	\$5,947	10.2%	\$6,690	11.0%	\$21,202	11.3%	\$25,298	12.5%
GAAP Total Sales	\$58,246		\$60,545		\$188,149		\$203,041	

Reconciliation of GAAP income from operations to Non-GAAP adjusted income from operations:

NN, Inc. - Precision Engineered Components Group

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
GAAP Income from operations & Operating Margin	\$9,913	15.0%	\$595	5.4%	\$26,116	13.3%	\$1,309	4.7%
Acquisition & integration expenses	320	0.5%	-	0.0%	3,408	1.7%	-	0.0%
Amortization of intangibles	4,980	7.5%	57	0.5%	15,122	7.7%	40	0.1%
Non-GAAP Adjusted income from operations & Adjusted Operating Margin (a)	\$15,213	23.0%	\$652	5.9%	\$44,646	22.8%	\$1,349	4.8%
GAAP Total Sales	\$66,222		\$11,036		\$195,837		\$28,048	



Reconciliation of Adjusted EBITDA & Adjusted EBITDA Margin

NN, Inc. - Total Company

Three Months Ended September 30, 2016

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc. - Total Company	2016	2015	Change
GAAP Net income	\$ 4,147	\$ 4,630	\$ (483)
Provision for income taxes	(6,423)	936	(7,359)
Interest Expense	16,946	4,584	12,362
Write off of unamortized debt issuance cost	2,589	-	2,589
Write off of interest rate swap	3,130	-	3,130
Depreciation & Amortization	14,693	8,610	6,083
Acquisition & Integration Expenses	757	3,948	(3,191)
Non-cash stock compensation	900	1,100	(200)
Non-cash foreign exchange loss or intercompany loans	94	434	(340)
Restructuring & impairment charges	336	1,190	(854)
Non-GAAP Adjusted EBITDA	\$ 37,169	\$ 25,432	\$ 11,737
Non-GAAP Adjusted EBITDA Margin	18.1%	16.4%	
GAAP Total Sales	204,960	154,824	

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc. - Total Company

Nine Months Ended September 30, 2016

NN, Inc. - Total Company	2016	2015	Change
GAAP Net income	\$ 4,879	\$ 17,584	\$ (12,705)
Provision for income taxes	(6,469)	4,009	(10,478)
Interest Expense	49,533	16,543	32,990
Write off of unamortized debt issuance cost	2,589	-	2,589
Write off of interest rate swap	3,130	-	3,130
Depreciation & Amortization	47,177	25,702	21,475
Acquisition & Integration Expenses	2,710	4,629	(1,919)
Non-cash stock compensation	3,385	2,872	513
Non-cash foreign exchange loss or intercompany loans	(1,503)	1,456	(2,959)
Restructuring & impairment charges	8,044	1,190	6,854
Non-GAAP Adjusted EBITDA	\$ 113,475	\$ 73,985	\$ 39,490
Non-GAAP Adjusted EBITDA Margin	18.0%	15.3%	
GAAP Total Sales	631,459	483,425	



Reconciliation of Adjusted Net Income & Adjusted Diluted EPS

Reconciliation of net income to adjusted net income:

NN, Inc. - Total Company	Three Months Ended September 30, 2016		Three Months Ended September 30, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
GAAP Net income	\$4,147	0.15	4,630	0.17
Pre-tax acquisition and integration costs	757	0.03	3,948	0.15
Pre-tax foreign exchange loss on inter-company loans	94	0.00	434	0.02
Pre-tax reorganization and impairment charges	336	0.01	1,190	0.04
Pre-tax write-off of unamortized debt issuance costs	2,589	0.10		
Pre-tax write of interest rate swap	3,900	0.14		
Pre-tax Amortization of intangibles & deferred financing costs	7,062	0.26	1,627	0.06
Tax effect of all adjustment reflected above (c)	(8,582)	(0.31)	(2,328)	(0.09)
Non- GAAP Adjusted net income	<u>\$ 10,303</u>	<u>\$ 0.38</u>	<u>\$ 9,501</u>	<u>\$ 0.35</u>

Reconciliation of net income to adjusted net income:

NN, Inc. - Total Company	Nine Months Ended September 30, 2016		Nine Months Ended September 30, 2015	
	In Thousands	Diluted Earnings Per Share	In Thousands	Diluted Earnings Per Share
GAAP Net income	\$4,879	\$0.18	\$17,584	\$0.86
Pre-tax acquisition and integration costs	2,710	0.10	4,629	0.23
Pre-tax foreign exchange (gain) loss on inter-company loans	(1,503)	(0.06)	1,456	0.07
Pre-tax reorganization and impairment charges	8,044	0.30	1,190	0.06
Pre-tax write-off of unamortized debt issuance costs	2,589	0.10	-	-
Pre-tax write of interest rate swap	3,900	0.14	-	-
Pre-tax Amortization of intangibles & deferred financing costs	23,727	0.88	5,123	0.25
Tax effect of all adjustment reflected above (c)	(14,486)	(0.54)	(4,047)	(0.20)
Non- GAAP Adjusted net income	<u>\$ 29,860</u>	<u>\$ 1.10</u>	<u>\$ 25,935</u>	<u>\$ 1.27</u>



4th Quarter & FY Guidance – Adjusted Income from Operations & Adjusted Operating Margin

Reconciliation of income from operations to adjusted income from operations:

NN, Inc. - Total Company	Three Months Ending December 31, 2016				Twelve Months Ending December 31, 2016			
	<u>Low</u>		<u>High</u>		<u>Low</u>		<u>High</u>	
	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales	\$'000	% of Sales
Income from operations & Operating Margin	\$15,720	7.9%	\$18,200	8.8%	\$63,024	7.6%	\$65,504	7.8%
Restructuring & impairment charges	2,527	1.3%	2,527	1.2%	10,571	1.3%	10,571	1.3%
Acquisition & integration expenses	311	0.2%	311	0.1%	5,509	0.7%	5,509	0.7%
Amortization of intangibles	5,919	3.0%	5,919	2.8%	23,869	2.9%	23,869	2.8%
Adjusted income from operations & Adjusted Operating Margin	\$24,477	12.2%	\$26,957	13.0%	\$102,973	12.4%	\$105,453	12.6%
Total Sales	\$200,000		\$208,000		\$832,000		\$840,000	



4th Quarter & FY Guidance – Adjusted EBITDA & Adjusted EBITDA Margin

NN, Inc. - Total Company

Three Months Ended December 31, 2016

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc. - Total Company	Low	High
GAAP Net income	\$ 2,489	\$ 4,419
Provision for income taxes	86	564
Interest Expense	14,823	14,823
Write off of unamortized debt issuance cost	-	-
Write off of interest rate swap	-	-
Depreciation & Amortization	15,042	15,042
Acquisition & Integration Expenses	311	311
Non-cash stock compensation	1,000	1,000
Non-cash foreign exchange loss or intercompany loans	-	-
Restructuring & impairment charges	2,527	2,527
Non-GAAP Adjusted EBITDA	\$ 36,278	\$ 38,686
Non-GAAP Adjusted EBITDA Margin	18.1%	18.6%
GAAP Total Sales	200,000	208,000

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc. - Total Company

Twelve Months Ended December 31, 2016

	Low	High
GAAP Net income	\$ 7,368	\$ 9,298
Provision for income taxes	(6,383)	(5,905)
Interest Expense	64,356	64,356
Write off of unamortized debt issuance cost	2,589	2,589
Write off of interest rate swap	3,130	3,130
Depreciation & Amortization	62,219	62,219
Acquisition & Integration Expenses	3,021	3,021
Non-cash stock compensation	4,385	4,385
Non-cash foreign exchange loss or intercompany loans	(1,503)	(1,503)
Restructuring & impairment charges	10,571	10,571
Non-GAAP Adjusted EBITDA	\$ 149,753	\$ 152,161
Non-GAAP Adjusted EBITDA Margin	18.0%	18.1%
GAAP Total Sales	832,000	840,000



4th Quarter & FY Guidance – Adjusted Net Income & Adjusted EPS

Reconciliation of net income & EPS to adjusted net income & adjusted EPS:

NN, Inc. - Total Company

	Three Months Ending March 31, 2016			
	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
GAAP Net income	\$2,489	\$0.09	\$4,419	\$0.16
Pre-tax acquisition and integration costs	311	0.01	311	0.01
Pre-tax foreign exchange loss on inter-company loans	-	-	-	-
Pre-tax reorganization and impairment charges	2,527	0.09	2,527	0.09
Pre-tax write of interest rate swap	-	-	-	-
Pre-tax Amortization of intangibles & deferred financing costs	7,062	0.26	7,062	0.26
Tax effect of all adjustment reflected above (c)	<u>(3,377)</u>	<u>(0.12)</u>	<u>(3,377)</u>	<u>(0.12)</u>
Non- GAAP Adjusted net income	<u>\$ 9,012</u>	<u>\$ 0.33</u>	<u>\$ 10,942</u>	<u>\$ 0.40</u>
Weighted average diluted shares outstanding		27,300		27,300

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
GAAP Net income	\$ 7,368	\$0.27	\$ 9,298	\$0.34
Pre-tax acquisition and integration costs	3,021	0.11	3,021	0.1111
Pre-tax foreign exchange loss on inter-company loans	(1,503)	(0.06)	(1,503)	(0.0553)
Pre-tax reorganization and impairment charges	10,571	0.39	10,571	0.3886
Pre-tax write-off of unamortized debt issuance costs	2,589	0.10	2,589	0.0952
Pre-tax write of interest rate swap	3,900	0.14	3,900	0.1434
Pre-tax Amortization of intangibles & deferred financing costs	30,789	1.13	30,789	1.1319
Tax effect of all adjustment reflected above (c)	<u>(17,863)</u>	<u>(0.66)</u>	<u>(17,863)</u>	<u>(0.6567)</u>
Non- GAAP Adjusted net income	<u>\$ 38,872</u>	<u>\$ 1.43</u>	<u>\$ 40,802</u>	<u>\$ 1.50</u>
Weighted average diluted shares outstanding		27,200		27,200



Full Year Guidance – Free Cash Flow

Free Cash Flow

NN, Inc. - Total Company

Year Ending December 31,
2016

	<u>Low</u>	<u>High</u>
EBITDA	\$149,753	\$152,161
CAPEX	(35,000)	(40,000)
Interest Expense*	(59,424)	(58,424)
Dividends	(7,600)	(7,600)
Income Tax Expense	(500)	(1,500)
Working Capital and debt issuance	<u>2,771</u>	<u>10,363</u>
Free Cash Flow ⁺	<u>\$50,000</u>	<u>\$55,000</u>

*Excludes deferred financing cost

+ Free cash flow available for debt repayment



2017 Full Year Guidance – Adjusted Income from Operations & Adjusted Operating Margin

Reconciliation of income from operations to adjusted income from operations:

NN, Inc. - Total Company

Year Ending December 31, 2017

	<u>Low</u>		<u>High</u>	
	\$'000	% of Sales	\$'000	% of Sales
Income from operations & Operating Margin	\$81,516	9.6%	\$90,505	10.3%
Restructuring & impairment charges	-	0.0%	-	0.0%
Acquisition & integration expenses	-	0.0%	-	0.0%
Amortization of intangibles	23,511	2.8%	23,511	2.7%
Adjusted income from operations & Adjusted Operating Margin	<u>\$105,027</u>	<u>12.4%</u>	<u>\$114,016</u>	<u>13.0%</u>
Total Sales	\$850,000		\$880,000	



2017 Full Year Guidance – Adjusted EBITDA & Adjusted EBITDA Margin

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc. - Total Company

Twelve Ended December 31, 2017

Reconciliation of GAAP net income to Non-GAAP adjusted EBITDA:

NN, Inc. - Total Company

	<u>Low</u>	<u>High</u>
GAAP Net income	\$ 24,703	\$ 29,946
Provision for income taxes	5,107	7,031
Interest Expense	58,656	58,656
Depreciation & Amortization	63,867	63,867
Acquisition & Integration Expenses	-	-
Non-cash stock compensation	4,500	4,500
Non-cash foreign exchange loss or intercompany loans	-	-
Restructuring & impairment charges	-	-
Non-GAAP Adjusted EBITDA	<u>\$ 156,833</u>	<u>\$ 164,000</u>
Non-GAAP Adjusted EBITDA Margin	18.5%	18.6%
GAAP Total Sales	850,000	880,000



2017 Full Year Guidance – Adjusted Net Income & Adjusted Diluted EPS

Reconciliation of EPS to adjusted EPS:

NN, Inc. - Total Company

	Year Ending December 31, 2017			
	Low		High	
	In Thousands	Earnings Per Share	In Thousands	Earnings Per Share
GAAP Net income	\$24,703	\$0.90	\$29,946	\$1.10
Pre-tax acquisition and integration costs	-	-	-	-
Pre-tax foreign exchange loss on inter-company loans	-	-	-	-
Pre-tax reorganization and impairment charges	-	-	-	-
Pre-tax write of interest rate swap	-	-	-	-
Pre-tax Amortization of intangibles & deferred financing costs	27,945	1.02	27,945	1.02
Tax effect of all adjustment reflected above (c)	(10,234)	(0.37)	(10,234)	(0.37)
Non- GAAP Adjusted net income	<u>\$ 42,414</u>	<u>\$ 1.55</u>	<u>\$ 47,657</u>	<u>\$ 1.75</u>
Weighted average diluted shares outstanding		27,300		27,300



2017 Full Year Guidance – Free Cash Flow

Free Cash Flow

NN, Inc. - Total Company

Year Ending December 31,
2017

	<u>Low</u>	<u>High</u>
EBITDA	\$156,833	\$164,000
CAPEX	(40,000)	(50,000)
Interest Expense*	(54,494)	(53,494)
Dividends	(7,600)	(7,600)
Income Tax Expense	(3,150)	(5,000)
Working Capital	3,411	12,094
Free Cash Flow ⁺	<u>\$55,000</u>	<u>\$60,000</u>

*Excludes deferred financing cost

+ Free cash flow available for debt repayment



Non-GAAP Financial Measures Footnotes

The Company discloses in this presentation the non-GAAP financial measures of adjusted income from operations, adjusted net income and adjusted diluted earnings per share. Each of these non-GAAP financial measures provide supplementary information about the impacts of acquisition and integration related expenses, foreign-exchange impacts on inter-company loans reorganizational and impairment charges. 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. Other non-operating charges such as, the write-off of our interest rate swap, are excluded as the charges on not indicative of our ongoing operating cost. We believe the presentation of adjusted income from operations, adjusted net income and adjusted diluted earnings per share provide 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.

(a) Non-GAAP Adjusted income from operations, represents GAAP income from operations, adjusted to exclude the effects of restructuring and non-cash impairment charges (related to plant closures and other charges incurred to implement our strategic goals, that do not necessarily represent a major strategic shift in operations), one-time charges related to acquisition and integration costs, intangible amortization costs for fair value step-up in values related to acquisitions, and when applicable, our share of income from joint venture operations. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted income from operations, is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income from operations.

(b) Non-GAAP adjusted net income and adjusted diluted earnings per share, represents GAAP net income, adjusted to exclude the tax-affected effects of restructuring and impairment charges (related to plant closures and other charges incurred to implement our strategic goals, that do not necessarily represent a major strategic shift in operations), one-time charges related to acquisition and integration costs, amortization of intangibles costs for fair value step-up in values related to acquisitions and amortization of deferred financing costs, and foreign exchange gain (loss) on inter-company loans. 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 net income and Non-GAAP adjusted diluted earnings per share, 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 net income.

(c) This line item reflects the aggregate tax effect of all nontax adjustments reflected in the table above. In addition, the footnotes above indicate the after-tax amount of each individual adjustment item. NN, Inc. estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying NN, Inc.'s overall estimated effective tax rate to the pretax amount, 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.