
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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): October 30, 2024



NN, Inc.

(Exact name of registrant as specified in its charter)

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

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

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

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

Securities registered pursuant to Section 12(b) of the Act:

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On October 30, 2024, NN, Inc. (the "Company") issued a press release announcing the Company's financial results for the quarter ended September 30, 2024. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the "Current Report").

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

ITEM 7.01 REGULATION FD DISCLOSURE

On October 30, 2024, the Company posted a supplemental presentation to its website, <https://investors.nninc.com/>, which will be presented during its quarterly investor conference call on October 31, 2024, at 9:00 a.m. ET. The supplemental presentation is included as Exhibit 99.2 to this Current Report.

Pursuant to the rules and regulations of the SEC, the information furnished pursuant to Item 7.01 of this Current Report (including Exhibit 99.2) is deemed to have been furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release issued by NN, Inc., dated October 30, 2024
99.2	Investor Presentation, dated October 31, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: October 30, 2024

NN, INC.

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



news

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

FOR IMMEDIATE RELEASE

NN, INC. REPORTS THIRD QUARTER 2024 RESULTS

*Transformation agenda moving at a faster pace, with footprint changes and operating expense reductions;
new business wins continue at a strong rate, expect 2025 year-over-year sales growth*

CHARLOTTE, N.C., October 30, 2024 – NN, Inc. (NASDAQ: NNBR), a global diversified industrial company that engineers and manufactures high-precision components and assemblies, today reported its financial results for the third quarter ended September 30, 2024.

Highlights

- New business wins in the quarter were \$15 million, bringing year-to-date and trailing-21-month totals to \$49 million and \$113 million, respectively; on pace with full-year guidance;
- Continuing to lower the cost structure of our North American Mobile Solutions footprint to achieve a minimum 10% adjusted EBITDA margin rate through footprint optimization and overhead cost reduction;
- China sales growth continues on track with top global tier-1 customers; up 19% versus prior year period;
- Implemented operational and cost reduction plans in Q3'24, including a ~\$2 million annualized cost-out program, with additional cost-out initiatives in Q4'24 and first half of 2025;
- Leverage ratio declined to 2.97x, as cash proceeds from the sale of Lubbock plant were deployed towards debt reduction;
- Strategic refinancing process continues, evaluating future growth capital needs driven by successful new business wins program;
- End markets are opportunity-rich with current focus on increasing new business wins in Stamping and Medical markets.

“We achieved a faster pace in our enterprise transformation across cost-out and growth programs within our current capital structure,” said Harold Bevis, President and Chief Executive Officer of NN, Inc. “Our continued focus and execution across the pillars of our transformation initiatives delivered another quarter of results broadly across our business, evidenced by advances in operational efficiency, structural cost reductions, and commercial growth through our new business win program.”

“During the quarter, we remained focused on improving our profitability and launched a new round of successful cost reduction measures, which we believe will carry a meaningful impact to growing and sustaining the earnings power of our business, particularly as we begin to capture the embedded future top-line growth from the initial success of our new business program. Additionally, as was previously announced, we completed the sale of our non-core plastics products plant, which allows us to focus on our core competencies and further corrects our balance sheet.”

Mr. Bevis concluded, "NN is working to correct its business model and adjust the revenue and margin mix, primarily in Mobile. We are underway with installing equipment to support global demand for high-end next generation steering and braking components, producing our highest value products and capabilities. Additionally, as part of our focus on strategically realigning volumes in our group of underperforming plants, we announced the closure of our Dowagiac plant, reflecting our continued capacity shift towards lower cost geographies, particularly in China. We expect these optimization actions to support our adjusted EBITDA run rate and margin performance moving forward. As we look to the fourth quarter and fiscal 2025, we will judiciously invest our cash flows into electrical, medical, and other high return projects, and are excited about the opportunity set in front of us. We are encouraged with the pace and results of our transformation."

Third Quarter GAAP Results

Net sales were \$113.6 million, a decrease of 8.7% compared to the third quarter of 2023 net sales of \$124.4 million, which was primarily due to the sale of our Lubbock operations, rationalized volume at plants undergoing turnarounds, a customer settlement received in 2023, and unfavorable foreign exchange effects of \$1.1 million. Excluding these items, net sales decreased 0.5%.

Loss from operations was \$3.8 million compared to a loss from operations of \$2.7 million in the third quarter of 2023. The increased loss from operations was primarily due to lower sales volume.

Income from operations for Power Solutions was \$2.5 million compared to income from operations of \$3.9 million for the same period in 2023. Loss from operations for Mobile Solutions was \$1.4 million compared to loss from operations of \$1.3 million for the same period in 2023.

Net loss was \$2.6 million compared to net loss of \$5.1 million for the same period in 2023.

Third Quarter Adjusted Results

Adjusted income from operations for the third quarter of 2024 was \$1.3 million compared to adjusted income from operations of \$3.7 million for the same period in 2023. Adjusted EBITDA was \$11.6 million, or 10.2% of sales, compared to \$14.5 million, or 11.6% of sales, for the same period in 2023. The prior year adjusted EBITDA benefited by \$2.5 million from a customer settlement, a favorable precious metals adjustment, and results of now divested Lubbock operations, partially offset by rationalized business of \$0.9 million. Excluding these items, adjusted EBITDA declined \$1.3 million.

Adjusted net loss was \$2.5 million, or \$0.05 per diluted share, compared to adjusted net income of \$0.1 million, or \$0.01 per diluted share, for the same period in 2023. Free cash flow was a generation of cash of \$0.3 million compared to a generation of cash of \$11.3 million for the same period in 2023.

Power Solutions

Net sales for the third quarter of 2024 were \$42.9 million compared to \$45.5 million in the same period in 2023. Prior year sales were \$39.9 million, excluding the recently sold Lubbock operations, an increase of \$3 million. The increase in sales when removing the impact from Lubbock was primarily due to higher precious metals pass-through pricing and pricing.

Adjusted income from operations was \$5.2 million compared to adjusted income from operations of \$7.1 million in the third quarter of 2023. The decrease in adjusted income from operations was primarily due to the lower revenue resulting from the sale of the Lubbock operations and unfavorable product mix.

Mobile Solutions

Net sales for the third quarter of 2024 were \$70.7 million compared to \$79.0 million in the third quarter of 2023, a decrease of 10.5%. The decrease in sales was primarily due to rationalized volume at plants undergoing turnarounds, contractual reduction in customer pass-through material pricing, a customer settlement received in 2023, and unfavorable foreign exchange effects of \$1.0 million.

Adjusted income from operations was \$0.9 million compared to adjusted income from operations of \$1.6 million in the third quarter of 2023. The decrease in adjusted income from operations was primarily due to lower revenue, partially offset by lower depreciation expense.

2024 Outlook

- Revenue in the range of \$465 million to \$485 million;
- Adjusted EBITDA in the range of \$47 million to \$51 million;
- Free cash flow in the range of \$8 million to \$12 million; and
- New business wins in the range of \$55 million to \$70 million.

Chris Bohnert, Senior Vice President and Chief Financial Officer, commented, "We expect to perform within our guidance ranges, subject to market demand. Importantly, our operational transformation remains on track, and we are maintaining our outlook for new business wins to continue at a strong rate."

Mr. Bohnert concluded, "The refinancing of our ABL and Term Loan is still in process and remains a top priority. We continue to refine based on the needs of our long-term growth capital requirements and cost reduction plans."

Conference Call

NN will discuss its results during its quarterly investor conference call on October 31, 2024, at 9 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 1-877-255-4315 or 1-412-317-6579. For those who are unavailable to listen to the live broadcast, a replay will be available shortly after the call until October 31, 2025.

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

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

About NN, Inc.

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

Except for specific historical information, many of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to NN, Inc. (the "Company") based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that are outside of management's control and that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector; the impacts of pandemics, epidemics, disease outbreaks and other public health crises on our financial condition, business operations and liquidity; competitive influences; risks that current customers will commence or increase captive production; risks of capacity underutilization; quality issues; material changes in the costs and availability of raw materials; economic, social, political and geopolitical instability, military conflict, currency fluctuation, and other risks of doing business outside of the United States; inflationary pressures and changes in the cost or availability of materials, supply chain shortages and disruptions, the availability of labor and labor disruptions along the supply chain; our dependence on certain major customers, some of whom are not parties to long-term agreements (and/or are terminable on short notice); the impact of acquisitions and divestitures, as well as expansion of end markets and product offerings; our ability to hire or retain key personnel; the level of our indebtedness; the restrictions contained in our debt agreements; our ability to obtain financing at favorable rates, if at all, and to refinance existing debt as it matures; our ability to secure, maintain or enforce patents or other appropriate protections for our intellectual property; new laws and governmental regulations; the impact of climate change on our operations; and cyber liability or potential liability for breaches of our or our service providers' information technology systems or business operations disruptions. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's filings made with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of this press release, and the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. The Company qualifies all forward-looking statements by these cautionary statements.

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

Investor & Media Contacts:
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NNBR@alpha-ir.com
312-445-2870

Financial Tables Follow

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

<i>(in thousands, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 113,587	\$ 124,443	\$ 357,777	\$ 376,737
Cost of sales (exclusive of depreciation and amortization shown separately below)	97,131	104,543	299,474	320,648
Selling, general, and administrative expense	10,257	11,693	37,116	35,833
Depreciation and amortization	10,844	11,577	35,152	34,643
Other operating income, net	(895)	(631)	(3,285)	(526)
Loss from operations	(3,750)	(2,739)	(10,680)	(13,861)
Interest expense	5,404	5,739	16,643	15,484
Other expense (income), net	(5,315)	(1,463)	(4,623)	1,970
Loss before benefit (provision) for income taxes and share of net income from joint venture	(3,839)	(7,015)	(22,700)	(31,315)
Benefit (provision) for income taxes	(903)	245	(1,194)	(1,381)
Share of net income from joint venture	2,185	1,713	6,597	3,087
Net loss	\$ (2,557)	\$ (5,057)	\$ (17,297)	\$ (29,609)
Other comprehensive income (loss):				
Foreign currency transaction gain (loss)	3,970	(3,072)	(1,763)	(3,606)
Interest rate swap:				
Change in fair value, net of tax	—	—	—	(230)
Reclassification adjustments included in net loss, net of tax	(109)	(449)	(1,007)	(1,366)
Other comprehensive income (loss)	\$ 3,861	\$ (3,521)	\$ (2,770)	\$ (5,202)
Comprehensive income (loss)	\$ 1,304	\$ (8,578)	\$ (20,067)	\$ (34,811)
Basic and diluted net loss per common share:				
Basic and diluted net loss per share	\$ (0.13)	\$ (0.18)	\$ (0.59)	\$ (0.84)
Shares used to calculate basic and diluted net loss per share	48,997	47,539	48,522	46,410

NN, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands, except per share data)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,449	\$ 21,903
Accounts receivable, net	64,447	65,545
Inventories	69,600	71,563
Income tax receivable	12,956	11,885
Prepaid assets	4,095	2,464
Other current assets	10,357	9,194
Total current assets	173,904	182,554
Property, plant and equipment, net	172,947	185,812
Operating lease right-of-use assets	40,821	43,357
Intangible assets, net	47,816	58,724
Investment in joint venture	39,843	32,701
Deferred tax assets	1,177	734
Other non-current assets	6,590	7,003
Total assets	<u>\$ 483,098</u>	<u>\$ 510,885</u>
Liabilities, Preferred Stock, and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 44,983	\$ 45,480
Accrued salaries, wages and benefits	15,027	15,464
Income tax payable	546	524
Short-term debt and current maturities of long-term debt	8,085	3,910
Current portion of operating lease liabilities	5,805	5,735
Other current liabilities	14,126	10,506
Total current liabilities	88,572	81,619
Deferred tax liabilities	4,960	4,988
Long-term debt, net of current maturities	135,548	149,369
Operating lease liabilities, net of current portion	44,001	47,281
Other non-current liabilities	14,154	24,827
Total liabilities	287,235	308,084
Commitments and contingencies		
Series D perpetual preferred stock	89,289	77,799
Stockholders' equity:		
Common stock	499	473
Additional paid-in capital	459,245	457,632
Accumulated deficit	(312,645)	(295,348)
Accumulated other comprehensive loss	(40,525)	(37,755)
Total stockholders' equity	106,574	125,002
Total liabilities, preferred stock, and stockholders' equity	<u>\$ 483,098</u>	<u>\$ 510,885</u>

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

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (17,297)	\$ (29,609)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	35,152	34,643
Amortization of debt issuance costs and discount	1,718	1,409
Paid-in-kind interest	2,064	1,491
Total derivative loss, net of cash settlements	582	3,139
Share of net income from joint venture, net of cash dividends received	(6,597)	851
Gain on sale of business	(7,154)	—
Share-based compensation expense	2,347	2,058
Deferred income taxes	(477)	(1,531)
Other	(658)	(776)
Changes in operating assets and liabilities:		
Accounts receivable	(3,957)	335
Inventories	(1,916)	9,692
Other operating assets	(2,873)	(8,223)
Income taxes receivable and payable, net	(1,078)	(576)
Accounts payable	1,794	5,240
Other operating liabilities	2,739	5,747
Net cash provided by operating activities	4,389	23,890
Cash flows from investing activities		
Acquisition of property, plant and equipment	(15,352)	(16,292)
Proceeds from sale of property, plant, and equipment	266	2,876
Proceeds received from sale of business	17,000	—
Net cash provided by (used in) investing activities	1,914	(13,416)
Cash flows from financing activities		
Proceeds from long-term debt	38,000	52,000
Repayments of long-term debt	(75,320)	(55,522)
Cash paid for debt issuance costs	(746)	(55)
Proceeds from sale-leaseback of equipment	8,324	—
Proceeds from sale-leaseback of land and buildings	16,863	—
Repayments of financing obligations	(492)	—
Proceeds from short-term debt	—	3,648
Other	(2,262)	(1,276)
Net cash used in financing activities	(15,633)	(1,205)
Effect of exchange rate changes on cash flows	(124)	(287)
Net change in cash and cash equivalents	(9,454)	8,982
Cash and cash equivalents at beginning of year	21,903	12,808
Cash and cash equivalents at end of quarter	\$ 12,449	\$ 21,790

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

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
NN, Inc. Consolidated		
GAAP loss from operations	\$ (3,750)	\$ (2,739)
Professional fees	22	32
Personnel costs (1)	734	903
Facility costs (2)	874	1,893
Amortization of intangibles	3,405	3,563
Non-GAAP adjusted income from operations (a)	\$ 1,285	\$ 3,652
Non-GAAP adjusted operating margin (3)	1.1 %	2.9 %
GAAP net sales	\$ 113,587	\$ 124,443

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
Power Solutions		
GAAP income from operations	\$ 2,505	\$ 3,936
Personnel costs (1)	113	122
Facility costs (2)	16	324
Amortization of intangibles	2,567	2,725
Non-GAAP adjusted income from operations (a)	\$ 5,201	\$ 7,107
Non-GAAP adjusted operating margin (3)	12.1 %	15.6 %
GAAP net sales	\$ 42,935	\$ 45,484

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
Mobile Solutions		
GAAP loss from operations	\$ (1,441)	\$ (1,283)
Personnel costs (1)	598	462
Facility costs (2)	858	1,569
Amortization of intangibles	838	838
Non-GAAP adjusted income from operations (a)	\$ 853	\$ 1,586
Share of net income from joint venture	2,185	1,713
Non-GAAP adjusted income from operations with JV (a)	\$ 3,038	\$ 3,299
Non-GAAP adjusted operating margin (3)	4.3 %	4.2 %
GAAP net sales	\$ 70,678	\$ 78,961

<i>(in thousands)</i>	Three Months Ended September 30,	
	2023	2022
Elimination		
GAAP net sales	\$ (26)	\$ (2)

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

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

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
GAAP net loss	\$ (2,557)	\$ (5,057)
Benefit (provision) for income taxes	903	(245)
Interest expense	5,404	5,739
Change in fair value of preferred stock derivatives and warrants	1,858	(2,104)
Gain on sale of business	(7,154)	—
Depreciation and amortization	10,844	11,577
Professional fees	22	32
Personnel costs (1)	734	903
Facility costs (2)	874	1,893
Non-cash stock compensation	812	1,208
Non-cash foreign exchange (gain) loss on inter-company loans	(164)	520
Non-GAAP adjusted EBITDA (b)	<u>\$ 11,576</u>	<u>\$ 14,466</u>
Non-GAAP adjusted EBITDA margin (3)	10.2 %	11.6 %
GAAP net sales	\$ 113,587	\$ 124,443

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

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

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

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

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
GAAP net loss	\$ (2,557)	\$ (5,057)
Pre-tax professional fees	22	32
Pre-tax personnel costs	734	903
Pre-tax facility costs	874	1,893
Pre-tax foreign exchange (gain) loss on inter-company loans	(164)	520
Pre-tax change in fair value of preferred stock derivatives and warrants	1,858	(2,104)
Pre-tax change in gain on sale of business	(7,154)	—
Pre-tax amortization of intangibles and deferred financing costs	4,018	4,092
Tax effect of adjustments reflected above (c)	(113)	(162)
Non-GAAP adjusted net income (loss) (d)	<u>\$ (2,482)</u>	<u>\$ 117</u>
	Three Months Ended September 30,	
	2024	2023
<i>(per diluted common share)</i>		
GAAP net loss per diluted common share	\$ (0.13)	\$ (0.18)
Pre-tax personnel costs	0.01	0.02
Pre-tax facility costs	0.02	0.04
Pre-tax foreign exchange (gain) loss on inter-company loans	—	0.01
Pre-tax change in fair value of preferred stock derivatives and warrants	0.04	(0.04)
Pre-tax change in gain on sale of business	(0.15)	—
Pre-tax amortization of intangibles and deferred financing costs	0.08	0.09
Preferred stock cumulative dividends and deemed dividends	0.08	0.07
Non-GAAP adjusted net income (loss) per diluted common share (d)	<u>\$ (0.05)</u>	<u>\$ 0.01</u>
Shares used to calculate net earnings (loss) per share	48,997	47,539

Reconciliation of Operating Cash Flow to Free Cash Flow

<i>(in thousands)</i>	Three Months Ended				
	2024		September 30,		2023
Net cash provided by operating activities	\$	4,958	\$	15,247	
Acquisition of property, plant, and equipment		(6,300)		(4,096)	
Proceeds from sale of property, plant, and equipment		29		99	
Transaction costs incurred from sale of business		1,566		—	
Free cash flow	\$	253	\$	11,250	

The Company discloses in this presentation the non-GAAP financial measures of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted common share, and free cash flow. Each of these non-GAAP financial measures provides supplementary information about the impacts of acquisition, divestiture and integration related expenses, foreign-exchange impacts on inter-company loans, reorganizational and impairment charges. The costs we incur in completing acquisitions, including the amortization of intangibles and deferred financing costs, and divestitures are excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, and we believe are not indicative of our ongoing operating costs. We exclude the impact of currency translation from these measures because foreign exchange rates are not under management's control and are subject to volatility. Other non-operating charges are excluded as the charges are not indicative of our ongoing operating cost. We believe the presentation of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted common share, and free cash flow provides useful information in assessing our underlying business trends and facilitates comparison of our long-term performance over given periods.

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 net income (loss), adjusted to include income taxes, interest expense, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value that was recognized in earnings, 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-tax adjustments reflected in the respective table. NN, Inc. 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.



NN, Inc. Third Quarter 2024 Earnings Call

October 31, 2024





Forward Looking Statement & Disclosures

Except for specific historical information, many of the matters discussed in this presentation may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to NN, Inc. (the "Company") based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that are outside of management's control and that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector; the impacts of pandemics, epidemics, disease outbreaks and other public health crises on our financial condition, business operations and liquidity; competitive influences; risks that current customers will commence or increase captive production; risks of capacity underutilization; quality issues; material changes in the costs and availability of raw materials; economic, social, political and geopolitical instability, military conflict, currency fluctuation, and other risks of doing business outside of the United States; inflationary pressures and changes in the cost or availability of materials, supply chain shortages and disruptions, the availability of labor and labor disruptions along the supply chain; our dependence on certain major customers, some of whom are not parties to long-term agreements (and/or are terminable on short notice); the impact of acquisitions and divestitures, as well as expansion of end markets and product offerings; our ability to hire or retain key personnel; the level of our indebtedness; the restrictions contained in our debt agreements; our ability to obtain financing at favorable rates, if at all, and to refinance existing debt as it matures; our ability to secure, maintain or enforce patents or other appropriate protections for our intellectual property; new laws and governmental regulations; the impact of climate change on our operations; and cyber liability or potential liability for breaches of our or our service providers' information technology systems or business operations disruptions. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's filings made with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of this press release, and the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. The Company qualifies all forward-looking statements by these cautionary statements.

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



Harold Bevis

President & Chief Executive Officer

Chris Bohnert

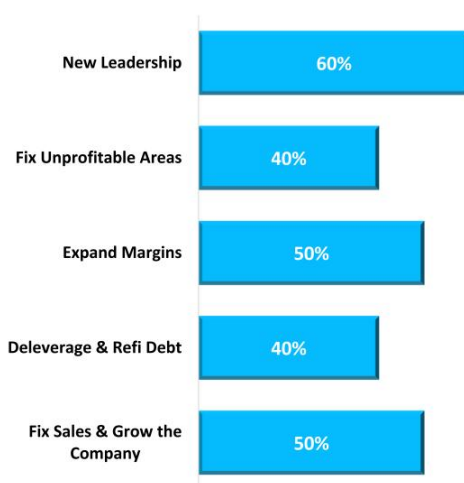
SVP & Chief Financial Officer

Overall Comments

- **Accelerating Mobile transition alongside temporary NA auto market slowness**
 - Initiating another plant closure and another round of cost reductions – goal is for NA to be 10% adjusted EBITDA
 - Successfully transitioning Auto business from NA and ICE-centric to be balanced with China and across platforms
 - Record sales and profits in China, record new sales awards, record capacity => 19% sales growth in China
 - Adding significant amount of new equipment to sell NN's highest-value products for steering, braking, control systems to top global tier-1 customers and selective China tier-1 customers
 - Reducing NA cost structure and footprint
- **Securing Future Growth - New business wins are exceeding rationalized business**
 - On track to turn the corner in 2025 and deliver Y/Y volume growth
 - Continue to win new business at higher rates than rationalization and EOPs
 - New awards of \$15 million in Q3, and \$49 million YTD; \$113 million in the last 21 months
 - On track for full-year new business win guidance, teeing up for a positive 2025
- **Strategic Refinancing Process Continues**
 - Leverage ratio declined to 2.97x during the quarter; profitability and new wins aiding refinancing process
 - We remain focused on increasing new business wins in Stamped Products, Electrical Grid end markets, and Medical end markets



Transformation Plan Making Solid Progress



Transformation ~50% Complete After 5 Quarters

1. Cemented Top Leadership

- Still strengthening Medical, Electrical Grid, Stamped products, & select plants

(\$millions)

	Q3'23 YTD	Q3'24 YTD
	(\$8.4)	(\$0.8)

2. "Group of 7" money-losing plants being fixed, adj. EBITDA dramatic YTD improvement

	Q3'23 YTD %	Q3'24 YTD %
Mobile increased	11.4%	13.1%
Power* increased	21.3%	21.5%
NN* increased	14.9%	16.3%

3. Gross Profit Margins are expanding

4. Reduced leverage

- Down from 3.9x from Q2'23 to 3.0x
- Sold Lubbock, paid off debt, gained operational flexibility to go faster

5. Declining and rationalized legacy sales will be fully offset by >\$100M of new wins – Expect year-over-year Sales Growth in FY'25

NN's Markets Healthy, Business On Track

Primary End Market Outlook				
End Market	~% of NN Revenue	Market Indicators	+/-	NN's Outlook vs. Market
Global Passenger Vehicle	40%	Global light vehicle market sales in recovery; global demand remains mixed	↔	Expanding capacity in China to make highest value products; steering, braking, and fuel efficiency The 'Connect and Protect' product line is focused onto electrical connector, electrical harness and bus bar for vehicles and chargers
		China market significantly outpacing US/EU in BEV, 1/Y, and share of EVs is increasing rapidly as China EV leaders are dominating other global brands US light vehicle forecast up modestly (LSD%) in FY25; Globally inventory and demand are balanced		
General Industrial, Other	30%	Statista forecasts approximately 3% growth	➔	Demand is generally steady for the industries that we serve
Power Grid and Electricity Control	15%	Global power grid market modest growth, driven by software and replacement Electrical distribution and control strong in Industrial, weaker in construction	➔	Strong smart meter business is healthy and growing; residential construction is flat-ish for circuit breaker products, business is steady
Commercial Vehicle	10%	Line haul to be down in FY'25, up significantly in FY'26 Market volatility in Class 6-8 higher than in passenger vehicles China now 1/3 rd of global commercial trucks built	↔	NN's business is not expected to see much impact from market events Applications where NN operates are stronger than headline market demand
Medical Equipment, Surgical Tools, and Implants	5%	Orthopedic sales expected to increase approximately 3-4% year-over-year through 2026	➔	Focused on growing a robust pipeline of new programs and awards Expanded long-term goal to \$100M net sales

Organic Growth Program Continues to Perform

NN Has Now Secured \$113 Million of New Awards from Q1'23 to Q3'24 – Growth Program Gaining Strength

- Strong wins continue in China market with NN's top, highest-quality products
- Continued focus on Electrical end markets, Medical end markets, Stamped products
- Turnaround of underperforming plants and on-time-delivery a key enabler



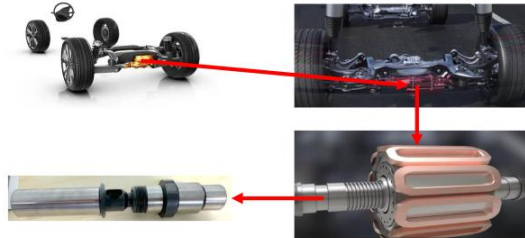
- *Winning new business both above market growth rates and higher than customer rationalization*
- *On pace to achieve goal of \$55 to \$70 million of new business wins in 2024*
- *Expect year-over-year Sales Growth in 2025*

New Product: Rear Wheel Steering (RWS) Components

Rear Wheel Steering (RWS) Advantages

- Unique and safety-related improvements in vehicle handling
- Reduced brake distance on surfaces of varying friction
- Improved agility at low speeds and in evasive maneuvers
- Improved trailer stabilization
- Increased comfort in automated driving mode
- Economical and safe solution using a modular kit system and functional safety compliant control unit

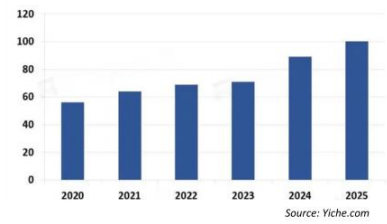
New NN Inc RWS parts



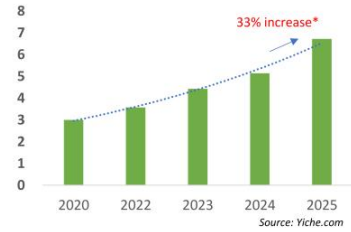
BEYOND
RELIABLE.

(*) NN Estimate

Global RWS market size and forecast (\$100M USD)

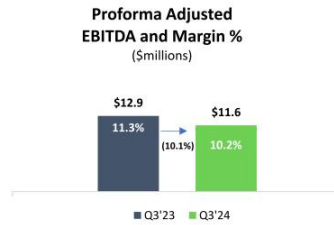


China RWS market size and forecast (\$6M USD)



Quarterly Financial Highlights

(Millions)	As Reported			Q3'23 Adjustments						Proforma Base Business Performance		
	Q3'23	Q3'24	Δ	Lubbock	Rationalized Volume	Customer Settlement	Precious Metals	FX	Total	Q3'23	Q3'24	Δ
Net Sales	\$124.4	\$113.6	(\$10.8)	(\$5.6)	(\$2.4)	(\$1.1)	-	(\$1.1)	(\$10.2)	\$114.2	\$113.6	(\$0.6)
Operating Income (Loss)	(\$2.7)	(\$3.8)	(\$1.1)	(\$0.5)	\$0.9	(\$1.1)	(\$0.7)	-	(\$1.4)	(\$4.1)	(\$3.8)	\$0.3
Adj. Operating Income (Loss)	\$3.6	\$1.3	(\$2.3)	(\$0.6)	\$1.4	(\$1.1)	(\$0.7)	-	(\$1.0)	\$2.6	\$1.3	(\$1.3)
Adj. EBITDA	\$14.5	\$11.6	(\$2.9)	(\$0.7)	\$0.9	(\$1.1)	(\$0.7)	-	(\$1.6)	\$12.9	\$11.6	(\$1.3)
Adj. EBITDA Margin %	11.6%	10.2%	(1.4%)							11.3%	10.2%	(1.1%)



Proforma Performance Commentary

- Base business net sales down 0.5%
- Organic growth in Power & Mobile China, offset by North America Mobile
- Adjusted EBITDA impacted by unfavorable product mix

Power Solutions – Stamped Products: Q3'2024 Highlights

New Business Wins of \$3.4 million in Q3'24

- (+) Increasing level of opportunities, segment pipeline is ~\$230 million
- (+) Adding additional specialists in Electrical Grid and Medical

Sales Up 7.5%, or \$3 Million, vs. Prior Year

- (+) Demand growth from a key electrical customer through backlog reduction after extended supply chain interruptions prior
- (+) Higher precious metals pass-through pricing

Profitability and Margins

- (-) Less favorable product mix in the quarter

Current Focus & Looking Forward

- Adding capacity through new equipment with expanded capabilities
- Focused on new business with focus on bus bars, electrical shields, connectors components, medical components

Proforma Net Sales
(\$millions)



Proforma Adj. EBITDA & Margin %
(\$millions)



Proforma adjustments include impacts from the sale of Lubbock and a favorable precious metals adjustment

Mobile Solutions – Machined Products: Q3'2024 Highlights

New Business Wins continue to be strong

- (+) Over \$50 million won in LTM, and \$11.5 million in Q3'24
- (+) Winning with our best products
- (+) Turnarounds of underperforming plants helping

China sales growth continues with top global tier-1 customers

- (+) China sales up 19% versus prior year period

Profitability and Margins

- (-) Reduced volume
- (-) '23 one-time customer cost recovery not repeated in '24.
- (+) Closing 2 unprofitable plants in NA, opening 1 new low-cost plant in China

Current Focus & Looking Forward

- Correcting “Group of 7” with line of sight to breakeven adjusted EBITDA
- Remain focused on steering, braking, vehicle control components, and high efficiency fuel injection products

Proforma Net Sales
(\$millions)

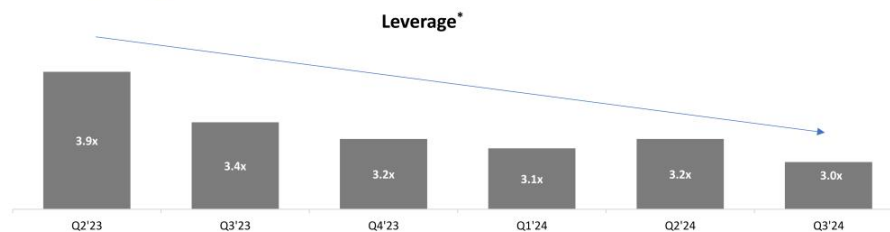


Proforma Adj. EBITDA & Margin %
(\$millions)



Proforma adjustments include rationalized volume, a customer settlement, and unfavorable foreign exchange impacts

Deleveraging Continues



Strategic Refinancing Process Continues – Will Help Accelerate Transformation and Future Growth

- Leverage has meaningfully declined Y/Y – reflecting improved adjusted EBITDA, strategic divestiture of Lubbock
- Refinancing strategy centered on improving flexibility and capacity vs. existing debt structure
- Process is influenced by NN's evolving growth capital and capacity expansion needs as well as the Company's changing cost structure



Deleveraging remains part of long-term capital structure optimization, including preferred equity

FY'2024 Outlook

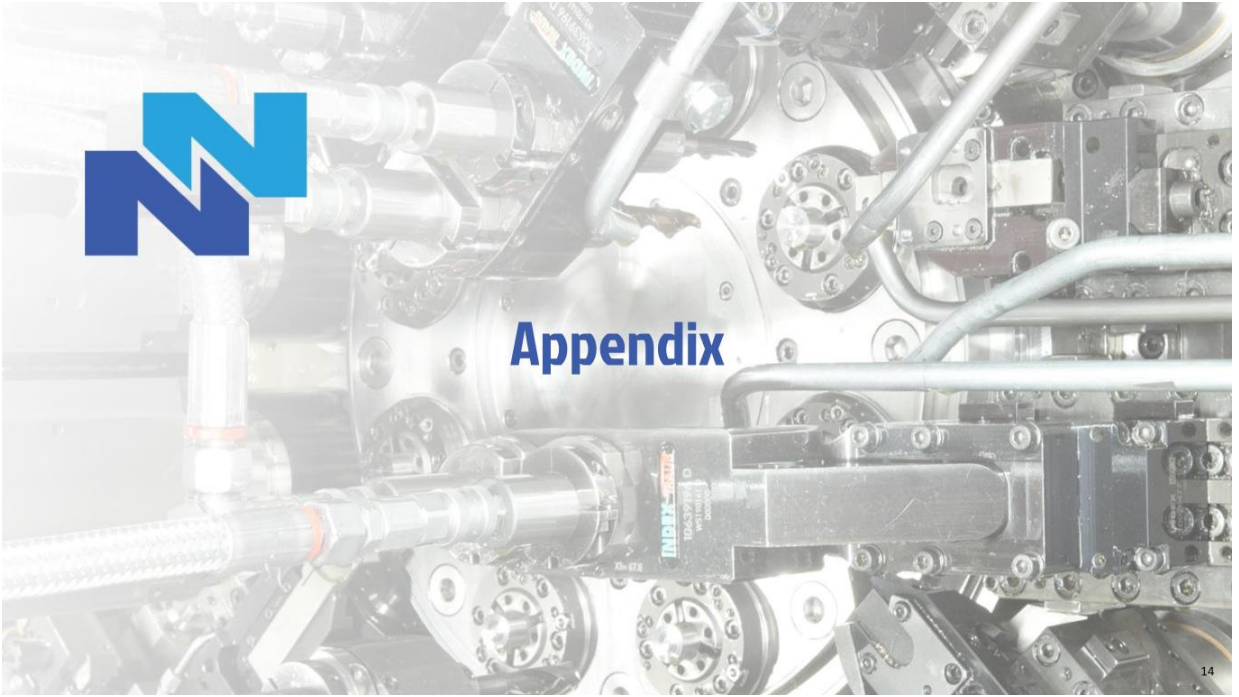
Guidance Metric	Forecast Range
Net Sales	\$465 – \$485 million
Adjusted EBITDA	\$47 – \$51 million
Free Cash Flow	\$8 – \$12 million
New Business Wins	\$55 – \$70 million

- Maintaining full-year 2024 outlook; subject to end market production
- Winning new business at strong rate; targeting power, electrical, medical, and high-precision auto parts
- Markets are opportunity rich overall
- Cash flows to be invested judiciously in support of new business program and cost rationalization
- Cost initiatives and footprint rationalization will continue to have positive impact





Appendix



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. The costs we incur in completing acquisitions, including the amortization of intangibles and deferred financing costs, and divestitures are excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, and we believe are not indicative of our ongoing operating costs. We exclude the impact of currency translation from these measures because foreign exchange rates are not under management's control and are subject to volatility. Other non-operating charges are excluded, as the charges are not indicative of our ongoing operating cost. We believe the presentation of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted 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.

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(a) 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.

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

(in thousands) NV, Inc. Consolidated	Three Months Ended September 30,	
	2024	2023
GAAP loss from operations	\$ (3,750)	\$ (2,739)
Professional fees	22	32
Personnel costs (1)	734	903
Facility costs (2)	874	1,893
Amortization of intangibles	3,405	3,263
Non-GAAP adjusted income from operations (a)	<u>\$ 1,285</u>	<u>\$ 3,652</u>
Non-GAAP adjusted operating margin (3)	1.1 %	2.9 %
Depreciation	7,439	8,014
Other expense, net	5,315	1,463
Non-cash foreign exchange (gain) loss on inter-company loans	(164)	520
Change in fair value of preferred stock derivatives and warrants	1,858	(2,104)
Gain on sale of business	(7,154)	—
Share of net income from joint venture	2,185	1,713
Non-cash stock compensation	812	1,208
Non-GAAP adjusted EBITDA (b)	<u>\$ 11,576</u>	<u>\$ 14,466</u>
Non-GAAP adjusted EBITDA margin (4)	10.2 %	11.6 %
GAAP net sales	\$ 113,587	\$ 124,443

(in thousands) Power Solutions	Three Months Ended September 30,	
	2024	2023
GAAP income from operations	\$ 2,505	\$ 3,936
Personnel costs (1)	113	122
Facility costs (2)	16	924
Amortization of intangibles	2,567	2,725
Non-GAAP adjusted income from operations (a)	<u>\$ 3,201</u>	<u>\$ 7,107</u>
Non-GAAP adjusted operating margin (3)	12.1 %	15.6 %
Depreciation	1,027	1,085
Other expense, net	54	75
Non-cash foreign exchange (gain) on inter-company loans	70	52
Non-GAAP adjusted EBITDA (b)	<u>\$ 6,352</u>	<u>\$ 8,319</u>
Non-GAAP adjusted EBITDA margin (4)	14.8 %	18.3 %
GAAP net sales	\$ 42,935	\$ 45,484

(in thousands) Mobile Solutions	Three Months Ended September 30,	
	2024	2023
GAAP loss from operations	\$ (1,441)	\$ (1,283)
Personnel costs (1)	598	462
Facility costs (2)	858	1,569
Amortization of intangibles	838	838
Non-GAAP adjusted income from operations (a)	<u>\$ 853</u>	<u>\$ 1,586</u>
Share of net income from joint venture	2,185	1,713
Non-GAAP adjusted income from operations with JV (a)	<u>\$ 3,038</u>	<u>\$ 3,299</u>
Non-GAAP adjusted operating margin (3)	4.3 %	4.2 %
Depreciation	6,049	6,509
Other income, net	(226)	(416)
Non-cash foreign exchange (gain) on inter-company loans	32	152
Share of net income from joint venture	2,185	1,713
Non-GAAP adjusted EBITDA (b)	<u>\$ 8,893</u>	<u>\$ 9,544</u>
Non-GAAP adjusted EBITDA margin (4)	12.6 %	12.1 %
GAAP net sales	\$ 70,678	\$ 78,961

(in thousands) Elimination	Three Months Ended September 30,	
	2023	2022
GAAP net sales	\$ (26)	\$ (2)

- (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

<i>(in thousands)</i>	Three Months Ended September 30,		<i>(per diluted common share)</i>	Three Months Ended September 30,	
	2024	2023		2024	2023
GAAP net loss	\$ (2,557)	\$ (5,057)	GAAP net loss per diluted common share	\$ (0.13)	\$ (0.18)
Pre-tax professional fees	22	32	Pre-tax personnel costs	0.01	0.02
Pre-tax personnel costs	734	903	Pre-tax facility costs	0.02	0.04
Pre-tax facility costs	874	1,893	Pre-tax foreign exchange (gain) loss on inter-company loans	—	0.01
Pre-tax foreign exchange (gain) loss on inter-company loans	(164)	520	Pre-tax change in fair value of preferred stock derivatives and warrants	0.04	(0.04)
Pre-tax change in fair value of preferred stock derivatives and warrants	1,858	(2,104)	Pre-tax change in gain on sale of business	(0.15)	—
Pre-tax change in gain on sale of business	(7,154)	—	Pre-tax amortization of intangibles and deferred financing costs	0.08	0.09
Pre-tax amortization of intangibles and deferred financing costs	4,018	4,092	Preferred stock cumulative dividends and deemed dividends	0.08	0.07
Tax effect of adjustments reflected above (c)	(113)	(162)	Non-GAAP adjusted net income (loss) per diluted common share (d)	\$(0.05)	\$0.01
Non-GAAP adjusted net income (loss) (d)	\$ (2,482)	\$ 117	Shares used to calculate net earnings (loss) per share	48,997	47,539

Reconciliation of Operating Cash Flow to Free Cash Flow

<i>(in thousands)</i>	Three Months Ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 4,958	\$ 15,247
Acquisition of property, plant, and equipment	(6,300)	(4,096)
Proceeds from sale of property, plant, and equipment	29	99
Transaction costs incurred from sale of business	1,566	—
Free cash flow	<u>\$ 253</u>	<u>\$ 11,250</u>

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Thank You

