



First Quarter 2015 Earnings Release

May 6, 2015

Inspired by **i**novation



Forward-Looking Statement and Non-GAAP Financial Information

Forward Looking Statement: With the exception of the historical information contained in this presentation, the matters described herein contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks and uncertainties that may cause actual results to be materially different from such forward-looking statements. Such factors include, among others, general economic conditions and economic conditions in the industrial sector, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and other risk factors and cautionary statements listed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on 10-K for the fiscal year ended December 31, 2014.

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.

This presentation includes certain non-GAAP measures as defined by SEC rules. A reconciliation of those measures to the most directly comparable GAAP equivalent is provided at the end of this presentation.



1st Quarter 2015



Highlights of 1st Quarter 2015

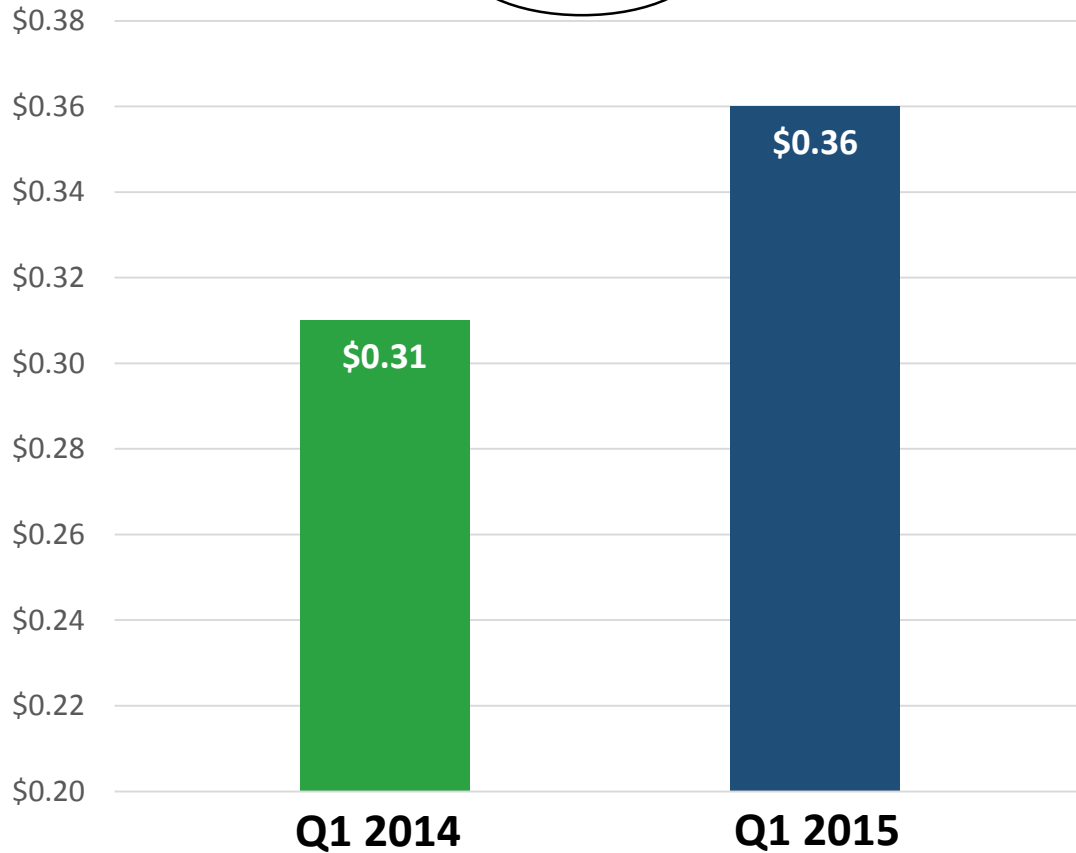
- **Adjusted earnings per share of \$0.36**
- **Net sales of \$163.7M in line with expectations**
- **Better than expected performance in Europe which was tempered by Brazil. North America and Asia as expected**
- **Foreign exchange impact for Q1:**
 - **Net sales impact of negative \$8.3M**
 - **Reduced EPS \$0.04**
- **Acquisitions made after Q1 2014 contributed \$62.0M of net sales in the quarter**
- **Adjusted operating margin of 8.5% consistent with Q1 expectations**
 - **140bps improvement compared to Q4 2014**
- **Autocam synergies remain ahead of the 2015 target of \$15M**
- **Free cash flow for the quarter of negative \$26.9M consistent with our Q1 expectations***



1st Quarter 2015 Financial Summary

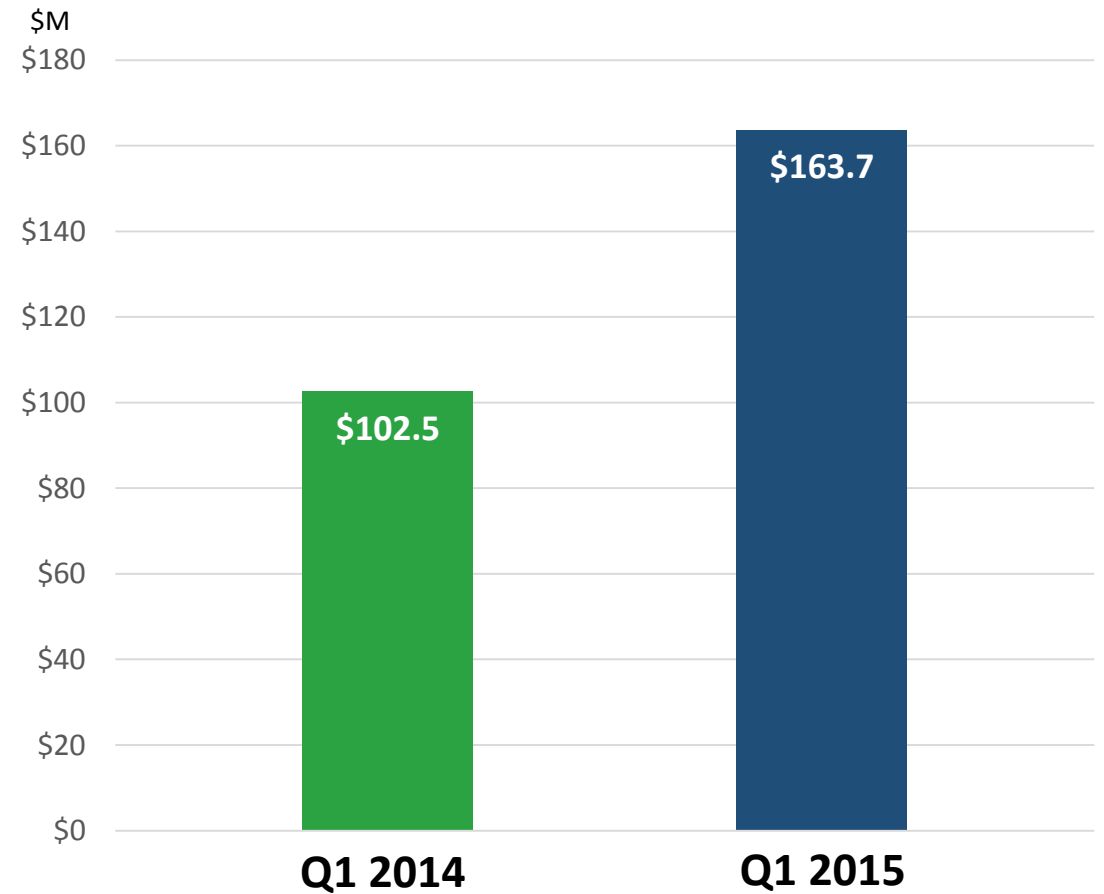
Adjusted Diluted Net Earnings Per Share

+16%



Net Sales

Net Sales for the quarter were as expected

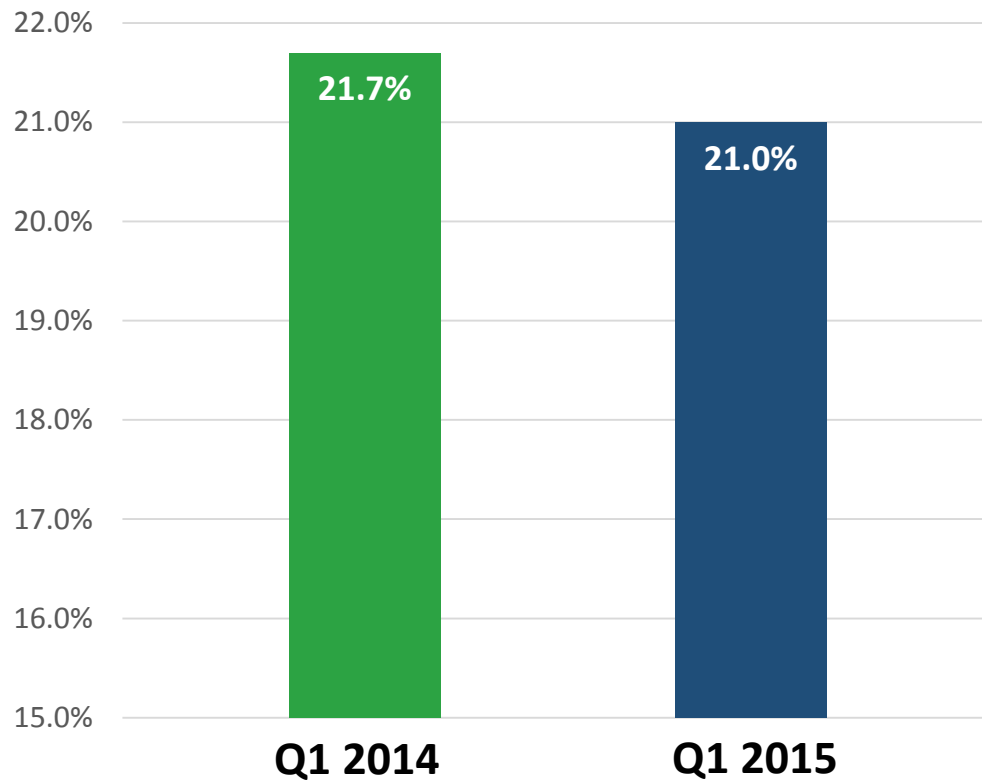




1st Quarter 2015 Financial Summary

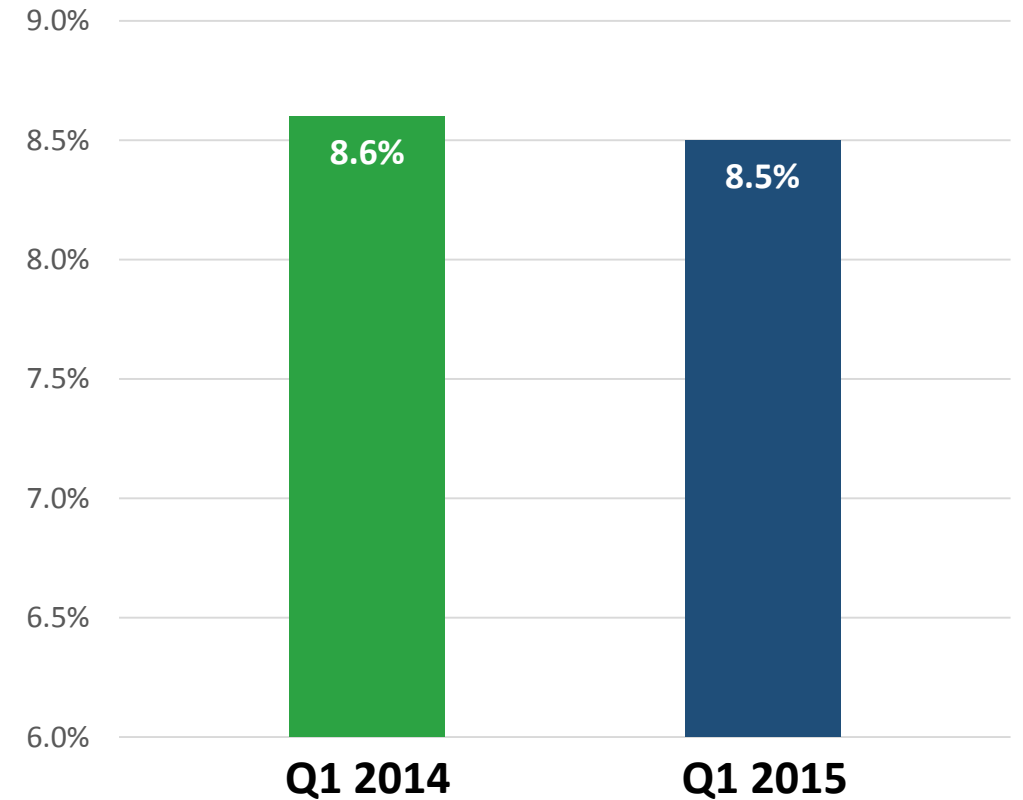
Gross Margin

Gross margin impacted by new program start up cost



Adjusted Operating Margin

Margin expansion expected to pick up throughout the year as various platforms hit operating targets

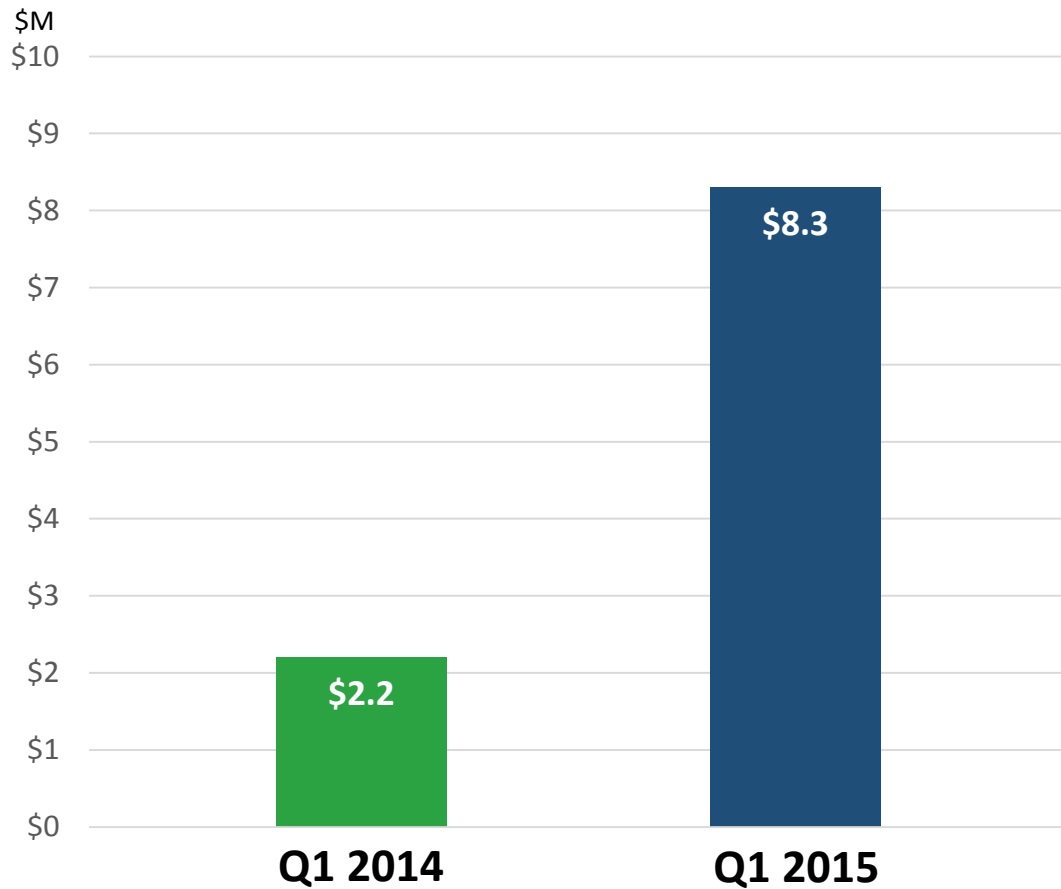




1st Quarter 2015 Financial Summary

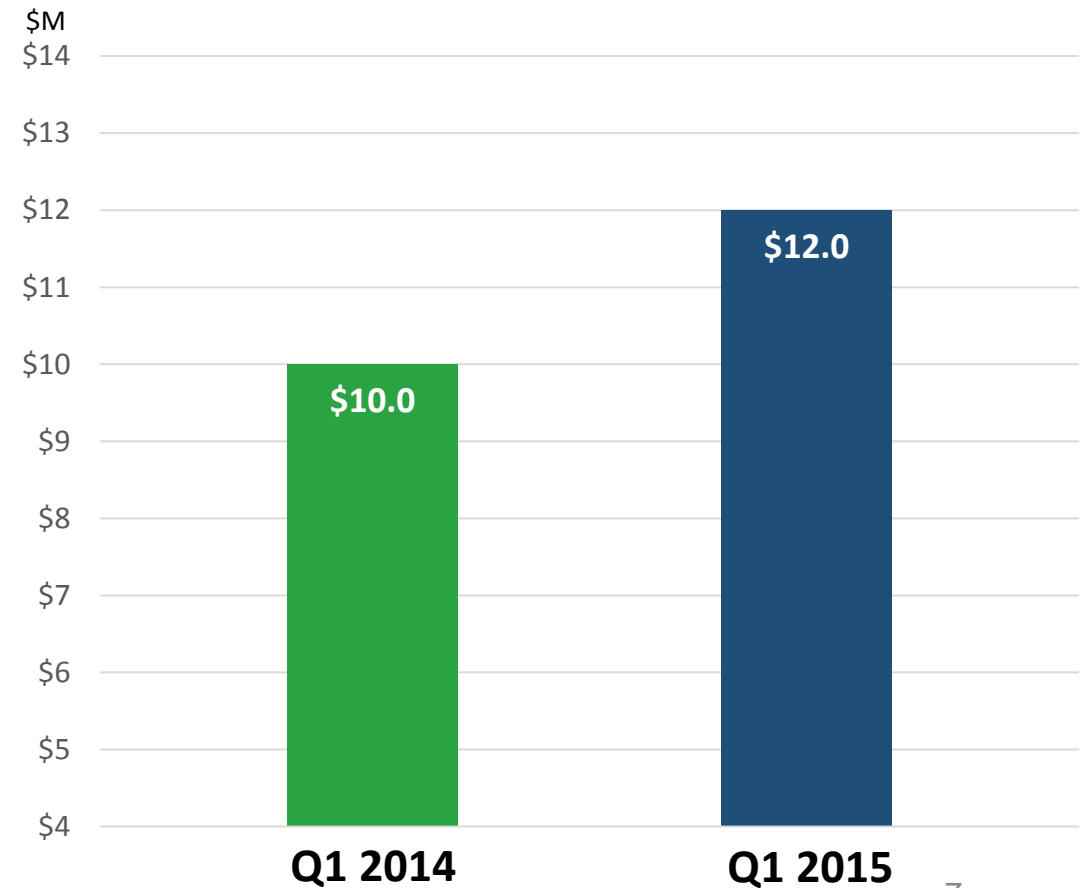
Capex

Capital spending was in line with Q1 expectations.



SG&A

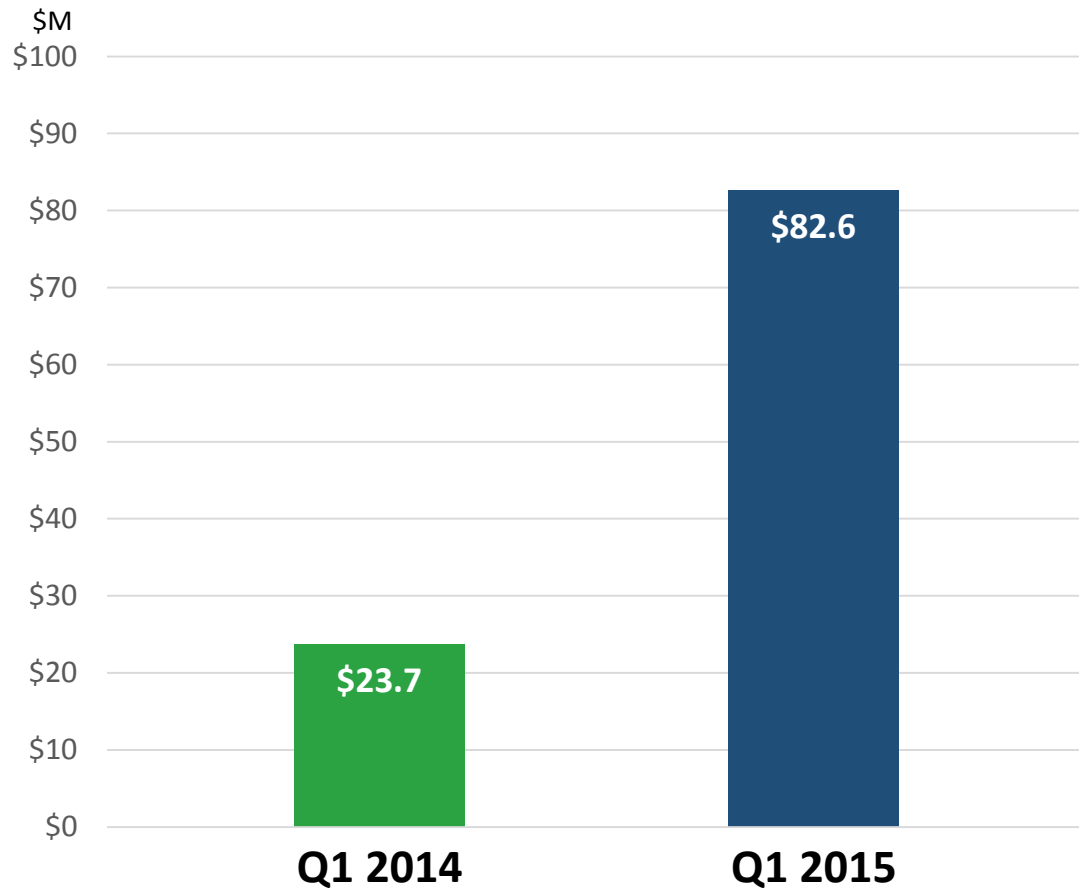
SG&A was consistent with Q1 Expectations





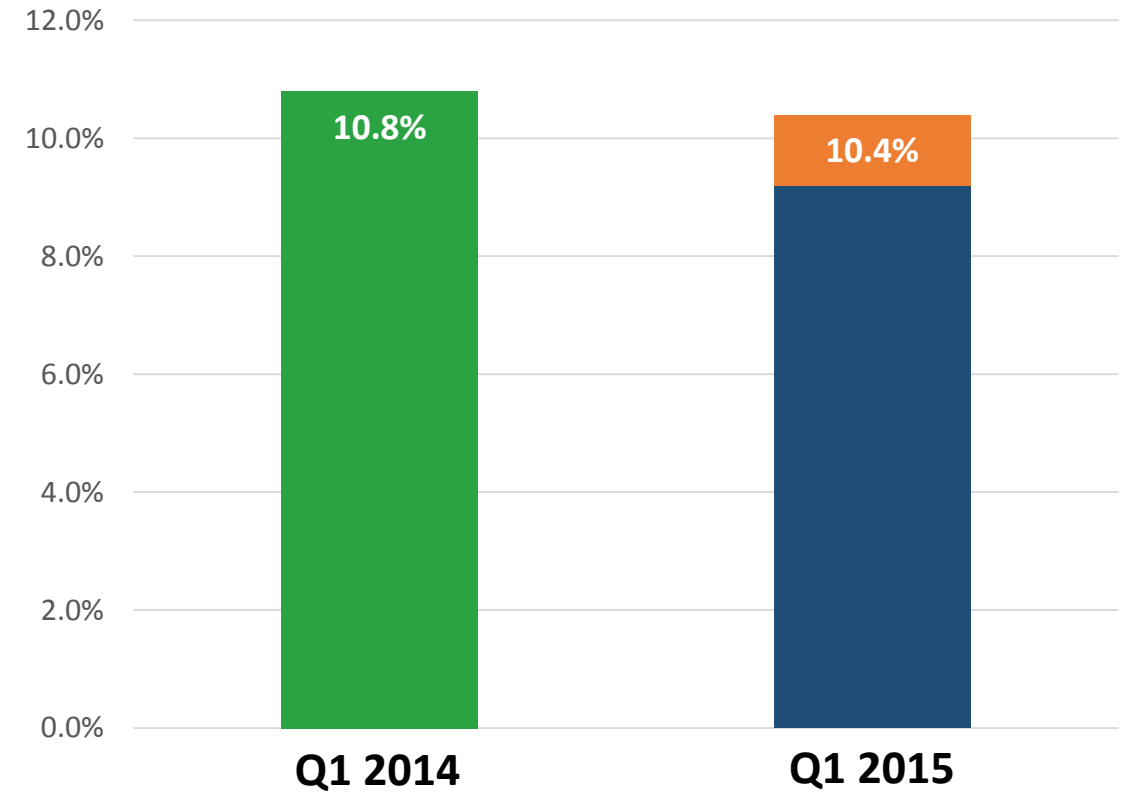
Autocam Precision Components Group

Net Sales



Adjusted Operating Margin

We expect margins to continue to expand during 2015 as new programs reach expected operating performance

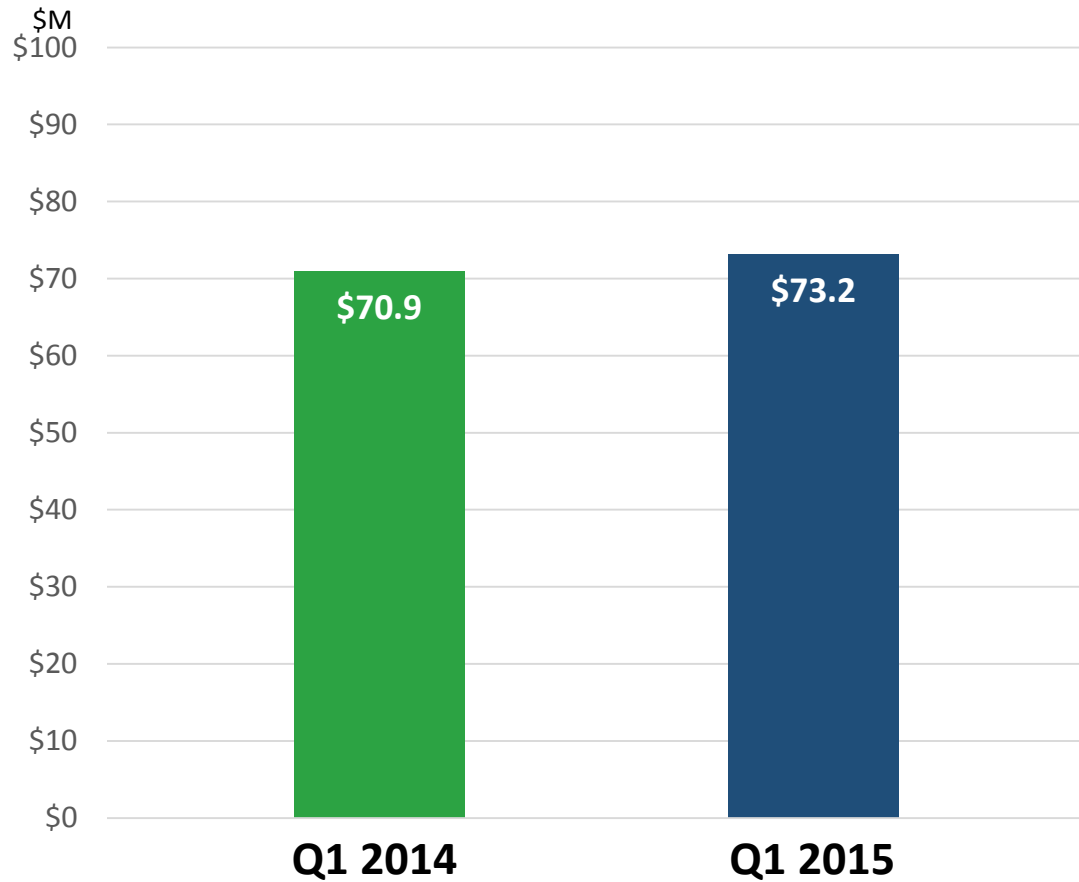




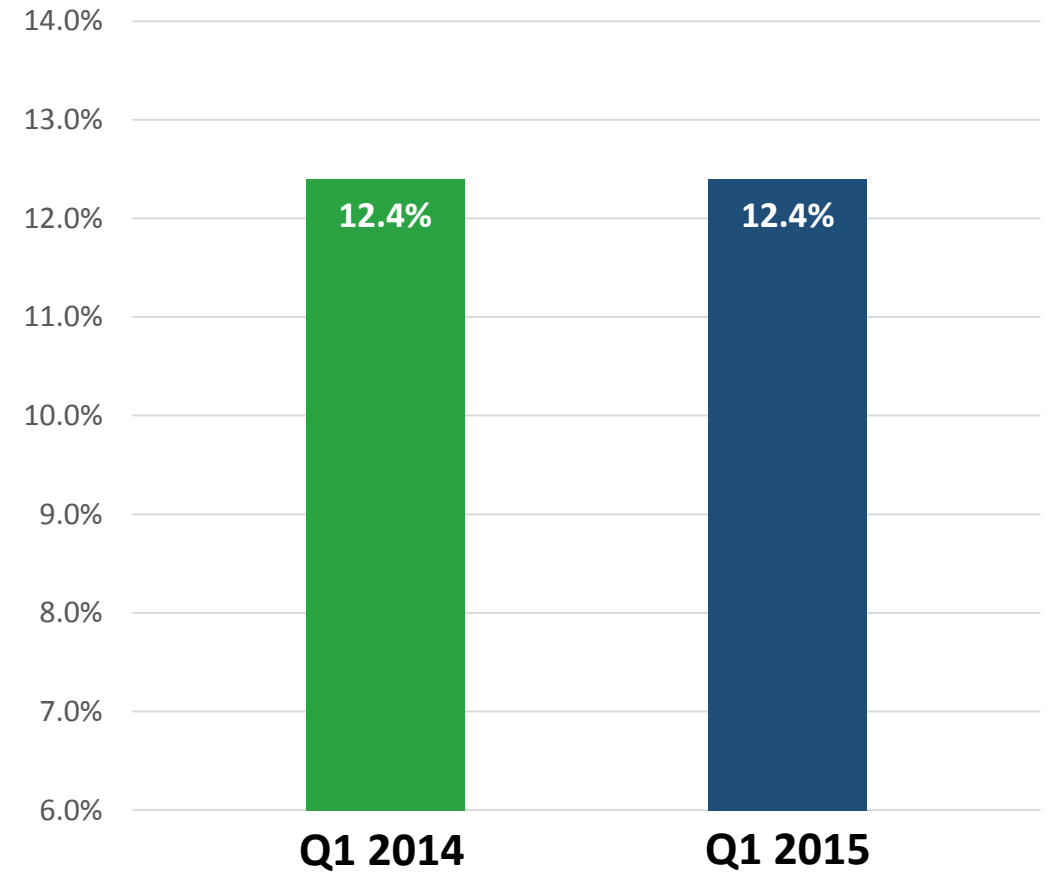
Metal Bearing Components Group

Net Sales

Core growth impacted by negative currency translation



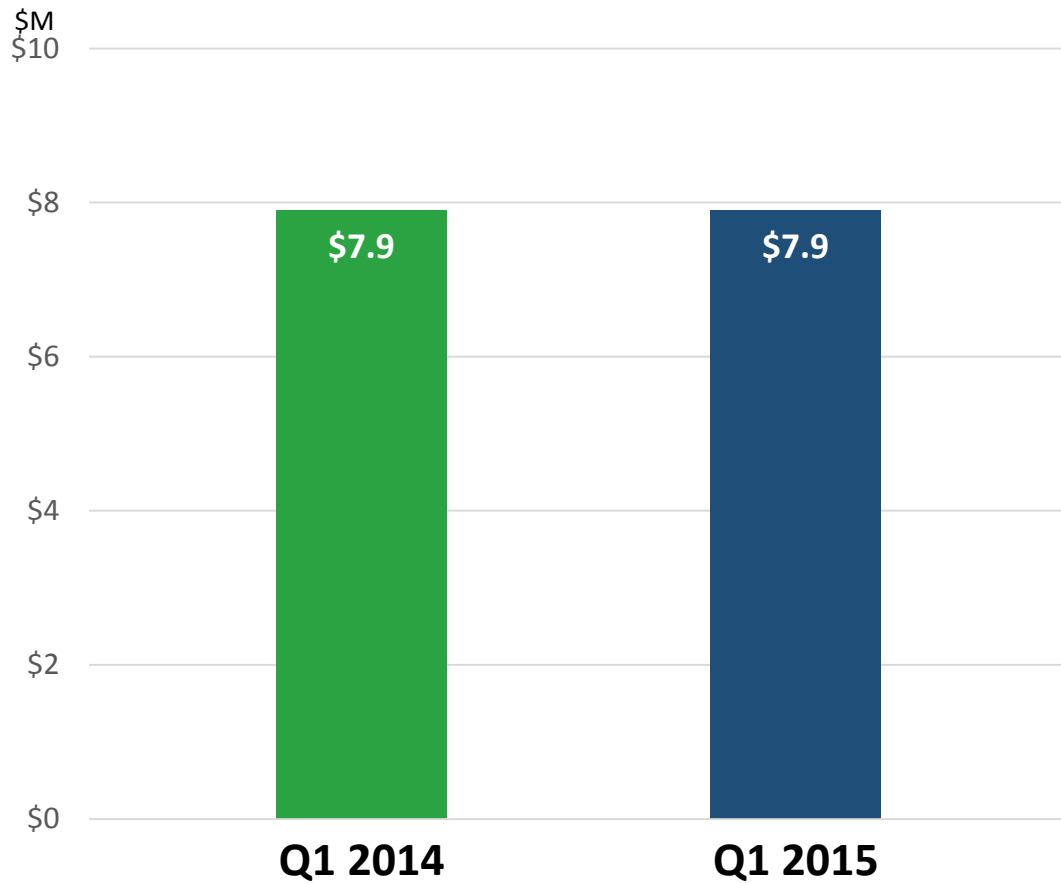
Adjusted Operating Margin



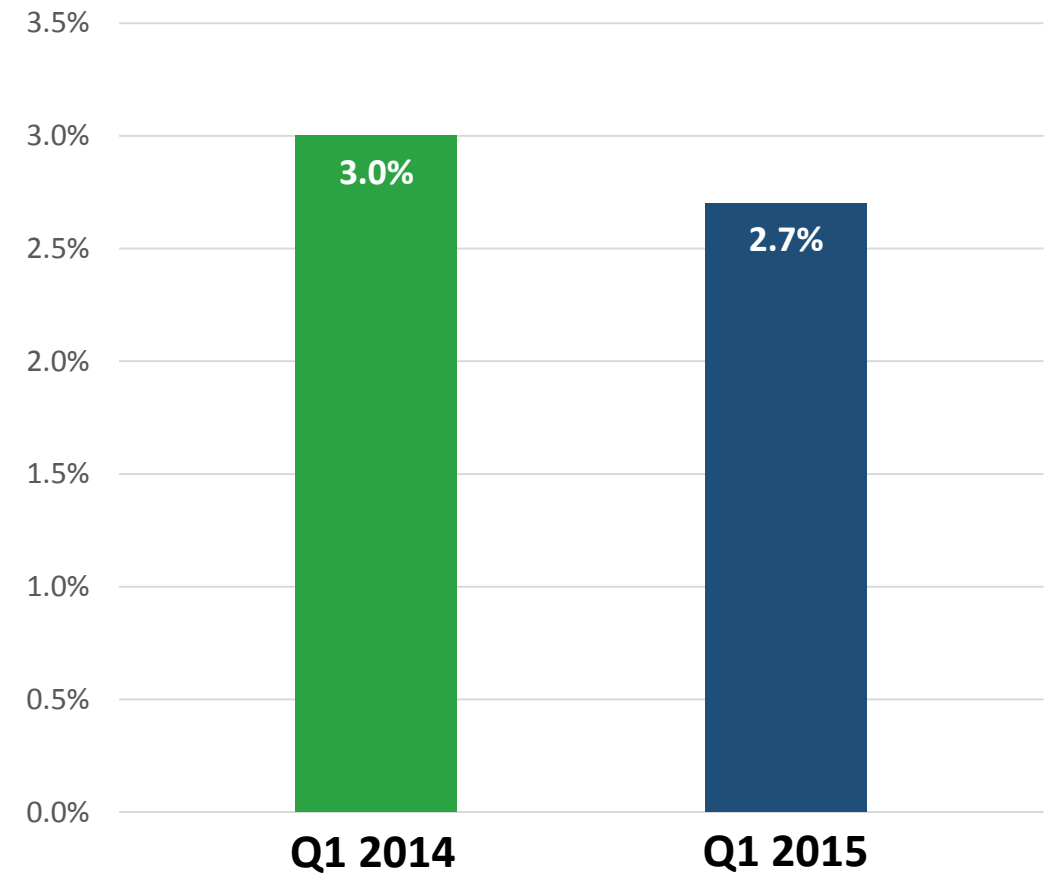


Plastic & Rubber Components Group

Net Sales



Adjusted Operating Margin





Summary

- **First quarter in line with expectations**
- **7.6% organic and adjacent growth impacted by negative currency translation**
- **New programs continue toward expected operational performance**
- **Metal Bearing Components showing improved growth opportunities**
- **Autocam Synergies remain ahead of the 2015 target of \$15M**



Non-GAAP to GAAP Reconciliations



Non-GAAP to GAAP Reconciliations

Reconciliation of net income to adjusted net income:

	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
	<u>(In Thousands)</u>	<u>Diluted Earnings Per Share</u>	<u>(In Thousands)</u>	<u>Diluted Earnings Per Share</u>
Net Income	6,001	\$ 0.31	5,238	\$ 0.29
After tax acquisition and integration expenses	-	0.00	314	0.02
After-tax foreign exchange loss on inter-company loans	886	0.05	-	0.00
Adjusted Net Income	<u>\$6,887</u>	<u>\$ 0.36</u>	<u>\$5,552</u>	<u>\$ 0.31</u>

Reconciliation of income from operations to adjusted income from operations:

	<u>Three Months Ended March, 31, 2015 (In Thousands)</u>	<u>Three Months Ended March, 31, 2014 (In Thousands)</u>
Income from operations	13,934	8,338
Acquisition and integration expenses	-	491
Adjusted Income from operations	<u>13,934</u>	<u>8,829</u>
Adjusted Operating Margin	8.51%	8.61%



Non-GAAP to GAAP Reconciliations

Reconciliation of income from operations to adjusted income from operations:

	Three Months Ended		March, 31, 2015	NN Inc
	MBC	APC	PRC	
Income from operations	9,089	7,718	213	13,936
China JV Income	-	861		861
Adjusted Income from operations Including China JV	9,089	8,579	213	14,797

	Three Months Ended		March, 31, 2014	NN Inc
	MBC	APC	PRC	
Income from operations	8,772	2,562	235	8,338
Acquisition and integration expenses	-	-	-	491
Adjusted Income from operations Including China JV	8,772	2,562	235	8,829



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