
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): March 10, 2015



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware
**(State or Other Jurisdiction
of Incorporation)**

0-23486
**(Commission
File Number)**

62-1096725
**(I.R.S. Employer
Identification No.)**

207 Mockingbird Lane, Johnson City, Tennessee
(Address of principal executive offices)

37604
(Zip Code)

(423) 743-9151
(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))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 10, 2015, NN, Inc. (the "Company") issued a press release announcing the Company's results of operations and financial condition for the fourth quarter and twelve months ended December 31, 2014. The full text of the press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press Release of NN, Inc. dated March 10, 2015. |

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: March 10, 2015

NN, INC.

By: /s/ William C. Kelly, Jr.

Name: William C. Kelly, Jr.

Title: Vice President and Chief Administrative Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press Release of NN, Inc. dated March 10, 2015. |



**FINANCIAL
RELATIONS BOARD**

RE: NN, Inc.
207 Mockingbird Lane
3rd Floor
Johnson City, TN 37604

FOR FURTHER INFORMATION:

AT THE COMPANY
Robbie Atkinson
Corporate Treasurer & Investor Relations
(423) 434-8300

AT FINANCIAL RELATIONS BOARD
Marilynn Meek
(General info)
212-827-3773

FOR IMMEDIATE RELEASE

March 10, 2015

NN, INC. REPORTS FOURTH QUARTER AND FULL YEAR 2014 RESULTS

- **Record full year net sales including acquisitions of \$488.6 million, an increase of \$115.4 million or 31% compared to 2013**
- **Record annual adjusted income from operations of \$39.9 million before acquisition and integration charges, an increase of 40% compared to the prior year**
- **Record adjusted net income for 2014 of \$23.5 million or \$1.29 per diluted share**
- **2015 foreign currency adjusted revenue forecast of \$670 to \$690 million**

Johnson City, Tenn, March 10, 2015 –NN, Inc., (NASDAQ: NNBR) a diversified industrial company, today reported its financial results for the fourth quarter and twelve months ended December 31, 2014.

Fourth Quarter 2014 Results

Net sales for the fourth quarter increased \$63.7 million, or 71% to \$153.8 million, as compared to \$90.1 million for the fourth quarter of 2013. This included approximately \$65.9 million in net sales from the four acquisitions. The impact of foreign exchange translation during the quarter was \$2.0 million in sales resulting in an after tax impact of \$0.2 million or \$0.01 per diluted share for the quarter.

Adjusted income from operations which excludes acquisition and other related expenses for the fourth quarter was \$10.9 million, an increase of 68%, compared to \$6.5 million for the same period in 2013. Adjusted net income which excludes acquisition and other related expenses increased to \$5.7 million or \$0.30 per diluted share, compared to \$4.5 million or \$0.25 per diluted share for the same period in 2013. These increases can be attributed to the four acquisitions, as well as improved operating performance within our legacy business.

Reported income from operations for the fourth quarter was \$8.6 million which included \$2.3 million in acquisition, integration and impairment charges, compared to \$6.5 million for the same period in 2013. Reported net income for the fourth quarter was \$1.6 million or \$0.08 per diluted share including acquisition, impairment and other non-recurring charges, compared to \$4.5 million or \$0.25 per diluted share for the fourth quarter 2013.

Full Year 2014 Results

Net sales for full year 2014 increased \$115.4 million, or 31% to \$488.6 million, compared to net sales of \$373.2 million for full year 2013. This included approximately \$101.0 million in net sales from the four acquisitions made during 2014. Adjusted income from operations for the twelve months ended December 31, 2014 increased \$11.5 million or 40% to \$39.9 million, compared to \$28.4 million for the same period in 2013. Adjusted net income for the year 2014 was \$23.5 million, or \$1.29 per diluted share, compared to adjusted net income of \$17.7 million, or \$1.03 per diluted share for the year 2013.

The primary drivers behind these results were the four acquisitions, organic and adjacent market growth coupled with improved operating performance.

Reported income from operations for the year 2014 was \$27.7 million including \$12.2 million in charges related to the four acquisitions made during the year, compared to \$27.8 million for the year 2013. Reported net income for full year 2014 was \$8.2 million or \$0.45 per diluted share which included \$15.3 million in acquisition, integration, impairment expenses and foreign exchange losses on intercompany loans. This compares to \$17.2 million or \$1.00 per diluted share for the year 2013.

Richard Holder, President and Chief Executive Officer, commented, "2014 was a transformative year for NN. We emerged a new and revitalized company with a larger, more diverse portfolio which opens up new end markets and opportunities for growth into the future. During the fourth quarter, we witnessed the first full quarter of sales and operating results from the four businesses we acquired during 2014.

"The global economy in 2015 will again present a mixed bag. While we are optimistic the global economy will see improvement as the year progresses, our businesses are built to expand margins in the current environment. As some of the weaker markets begin to show improvement in 2015 and beyond, we are in position to bring strong incremental profits to the bottom line. We will continue to closely monitor the impact of foreign exchange on all our businesses. We expect foreign exchange to have a negative impact on 2015 sales of 3% to 5%. With this backdrop we expect 2015 to be another solid year of growth for us. Our businesses will be growing at 8% while our margins continue to expand as we continue to make progress on the strategic initiatives we have in place. We are forecasting our 2015 foreign currency adjusted revenue to be \$670 million to \$690 million."

Mr. Holder concluded, "I am very proud of our accomplishments during the fourth quarter and over the past year. My sincere thanks to our entire team. The results of the fourth quarter and full year 2014 continue to provide evidence that we are committed to do what we said we would do. We are extremely excited about 2015 and remain well positioned to deliver increased shareholder value, while continuing to execute our strategic plan to build a diversified industrial company that is a consistent earner through the cycle."

The attached financial tables include a reconciliation of adjusted income from operations and adjusted net income to the U.S. GAAP financial measures of income from operations and net income.

NN, Inc., a diversified industrial company manufactures and supplies high precision metal bearing components, industrial plastic and rubber products and precision metal components to a variety of markets on a global basis. Headquartered in Johnson City, Tennessee, NN has 25 manufacturing plants in the United States, Western Europe, Eastern Europe, South America and China.

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, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “assumptions”, “target”, “guidance”, “outlook”, “plans”, “projection”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “potential” or “continue” (or the negative or other derivatives of each of these terms) or similar terminology. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector; inventory levels, regulatory compliance costs and the Company’s ability to manage these costs, start-up costs for new operations, debt reduction, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the Company’s dependence on certain major customers, and the successful implementation of the global growth plan including development of new products. Similarly, statements made herein and elsewhere regarding pending or completed acquisitions are also forward-looking statements, including statements relating to the anticipated closing date of an acquisition, the Company’s ability to obtain required regulatory approvals or satisfy closing conditions, the costs of an acquisition and the Company’s source(s) of financing, the future performance and prospects of an acquired business, the expected benefits of an acquisition on the Company’s future business and operations and the ability of the Company to successfully integrate recently acquired businesses.

For additional information concerning such risk factors and cautionary statements, please see the section titled “Risk Factors” in the Company’s periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013. Except as required by law, we undertake no obligation to update or revise any forward-looking statements we make in our press releases, whether as a result of new information, future events or otherwise.

Financial Tables Follow

NN, Inc.
Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

| | Three Months Ended | | Twelve Months Ended | |
|---|--------------------|-----------------|---------------------|------------------|
| | December 31, | | December 31, | |
| | 2014 | 2013 | 2014 | 2013 |
| Net Sales | \$ 153,761 | \$ 90,081 | \$ 488,601 | \$ 373,206 |
| Cost of products sold (exclusive of depreciation shown separately below) | 119,879 | 71,848 | 384,889 | 295,136 |
| Selling, general and administrative | 13,957 | 7,737 | 43,756 | 33,281 |
| Acquisition related costs excluded from selling, general and administrative | 2,168 | — | 9,248 | — |
| Depreciation and amortization | 8,322 | 4,022 | 22,146 | 16,957 |
| Impairment Charges | 875 | — | 875 | — |
| Loss on disposal of assets | — | — | — | 5 |
| Income from Operations | 8,560 | 6,474 | 27,687 | 27,827 |
| Interest expense | 5,556 | 225 | 12,293 | 2,374 |
| Other expense, net | 453 | 191 | 2,222 | 275 |
| Income before provision for income taxes | 2,551 | 6,058 | 13,172 | 25,178 |
| Provision for income taxes | 1,539 | 1,573 | 5,786 | 8,000 |
| Share of net income (loss) from joint venture | 606 | — | 831 | — |
| Net income | <u>\$ 1,618</u> | <u>\$ 4,485</u> | <u>\$ 8,217</u> | <u>\$ 17,178</u> |
| Diluted income per common share | <u>\$ 0.08</u> | <u>\$ 0.25</u> | <u>\$ 0.45</u> | <u>\$ 1.00</u> |
| Weighted average diluted shares | <u>19,317</u> | <u>17,817</u> | <u>18,253</u> | <u>17,260</u> |

NN, Inc.
Condensed Balance Sheets
(In thousands)
(Unaudited)

| | December 31, 2014 | December 31, 2013 |
|---|----------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash | \$ 37,317 | \$ 3,039 |
| Accounts receivable, net | 97,510 | 58,929 |
| Inventories | 91,469 | 54,530 |
| Other current assets | 15,210 | 9,176 |
| Total current assets | 241,506 | 125,674 |
| Property, plant and equipment, net | 278,442 | 121,089 |
| Goodwill and intangible assets, net | 136,768 | 9,524 |
| Other non-current assets | 58,126 | 6,115 |
| Total assets | <u>\$ 714,842</u> | <u>\$ 262,402</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 71,094 | \$ 40,687 |
| Accrued salaries, wages and benefits | 20,873 | 11,761 |
| Current maturities of long-term debt | 22,160 | 10,477 |
| Income taxes payable | 3,274 | 1,340 |
| Other current liabilities | 20,197 | 5,119 |
| Total current liabilities | 137,598 | 69,384 |
| Non-current deferred tax liabilities | 48,039 | 3,844 |
| Long-term debt, net of current portion | 328,026 | 26,000 |
| Other non-current liabilities | 27,931 | 10,414 |
| Total liabilities | 541,594 | 109,642 |
| Total stockholders' equity | 173,248 | 152,760 |
| Total liabilities and stockholders' equity | <u>\$ 714,842</u> | <u>\$ 262,402</u> |

NN, Inc.
Reconciliation of Non-GAAP to GAAP Financial Measures
(Unaudited)

| | Three Months Ended December 31, 2014 In Thousands | Three Months Ended December 31, 2013 In Thousands |
|-----------------------------------|--|--|
| Income from operations | \$ 8,560 | \$ 6,474 |
| Acquisition and integration costs | 1,452 | — |
| Impairment charges | 875 | — |
| Adjusted income from operations | <u>\$ 10,887</u> | <u>\$ 6,474</u> |

| | Three Months Ended December 31, 2014 | | Three Months Ended December 31, 2013 | |
|--|---|----------------------------------|---|----------------------------------|
| | In Thousands | Diluted Earnings Per Share | In Thousands | Diluted Earnings Per Share |
| Net income | \$ 1,618 | \$ 0.08 | \$ 4,485 | \$ 0.25 |
| After-tax acquisition and integration costs | 3,199 | 0.17 | — | — |
| After-tax foreign exchange loss on inter-company loans | 317 | 0.02 | — | — |
| After-tax impairment charges | 577 | 0.03 | — | — |
| Adjusted net income | <u>\$ 5,711</u> | <u>\$ 0.30</u> | <u>\$ 4,485</u> | <u>\$ 0.25</u> |

| | Twelve Months Ended December 31, 2014 In Thousands | | Twelve Months Ended December 31, 2013 In Thousands | |
|--------------------------------------|--|------------------|--|--|
| | Income from operations | \$ 27,687 | \$ 27,827 | |
| Acquisition and integration costs | 11,311 | — | | |
| Restructuring and Impairment charges | 875 | 568 | | |
| Adjusted income from operations | <u>\$ 39,873</u> | <u>\$ 28,395</u> | | |

| | Twelve Months Ended December 31, 2014 | | Twelve Months Ended December 31, 2013 | |
|--|--|----------------------------------|--|----------------------------------|
| | In Thousands | Diluted Earnings Per Share | In Thousands | Diluted Earnings Per Share |
| Net income | \$ 8,217 | \$ 0.45 | \$ 17,178 | \$ 1.00 |
| After-tax acquisition and integration costs | 13,553 | 0.74 | — | — |
| After-tax foreign exchange loss on inter-company loans | 1,197 | 0.07 | 84 | 0.01 |
| After-tax impairment charges | 577 | 0.03 | 483 | 0.02 |
| Adjusted net income | <u>\$ 23,544</u> | <u>\$ 1.29</u> | <u>\$ 17,745</u> | <u>\$ 1.03</u> |

The Company's management evaluates operating performance excluding unusual and/or nonrecurring items. The Company believes excluding such items provides a more effective and comparable measure of performance and a clearer view of underlying trends. Since net income excluding these items is not a measure calculated in accordance with GAAP, this should not be considered as a substitute for other GAAP measures, including net income, as an indicator of performance. Accordingly, net income/loss excluding the above items is reconciled to net income/loss on a GAAP basis.