



AEROSPACE
& DEFENSE



AUTOMOTIVE



LIFE
SCIENCES



GENERAL
INDUSTRIAL



ELECTRICAL

Paragon Medical Acquisition



Forward Looking Statements

Forward Looking Statements: With the exception of the historical information contained in this presentation, the matters described herein contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained herein include, but are not limited to, information regarding the ability of NN, Inc. (“NN”) and Paragon Medical, Inc. (“Paragon”) to complete the transactions contemplated by the Stock Purchase Agreement, dated April 2, 2018, including the satisfaction of conditions to the transactions set forth in the Stock Purchase Agreement, and NN’s and the combined entity’s estimated or anticipated future results of operations. These forward-looking statements involve risks and uncertainties that could cause NN’s and the combined entity’s results to differ materially from management’s current expectations. Such risks and uncertainties include, but are not limited to, general economic conditions and economic conditions in the industrial sector, competitive influences, risks that current customers of NN or Paragon will commence or increase captive production, delayed customer product launches, risks of capacity underutilization, quality issues, availability of raw materials, currency, pending and complete transactions and other risks associated with international trade, the Company's dependence on certain major customers, unforeseen changes in future revenues, earnings and profitability of NN or Paragon, the risk that NN is not able to realize the savings or benefits expected from integration and restructuring activities related to the proposed acquisition of Paragon, the risk that the required regulatory approvals for the proposed acquisition of NN are not obtained, are delayed or are subject to conditions that are not anticipated, and those risks and uncertainties discussed in NN’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 2, 2018.

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

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. The information contained in this presentation is submitted on a confidential basis solely for the recipient’s use and the recipient agrees to maintain the confidentiality of the information contained herein and not to reproduce or distribute any confidential information contained herein to any third party without our express written authorization.



Transaction Overview

Transaction Value

- \$375 million; 9.3x 2018 Estimated EBITDA multiple*

Timing

- Expected to close during the second quarter, 2018

Conditions

- Subject to certain regulatory approvals and customary closing conditions

Transaction Details

- Synergy Plan - \$33M expected over 3 years
 - Year 1 Synergies = ~\$16M (\$7.8M of anticipated day one synergies)
- Cash transaction
- Committed financing



Strategic Rationale

Paragon acquisition aligns with NN's long-term strategy

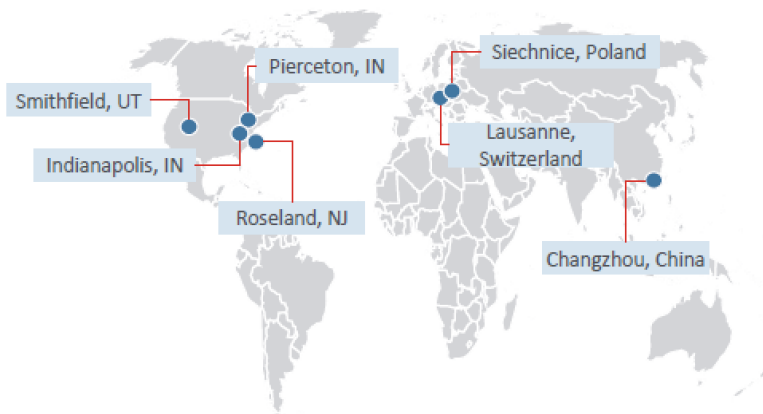
	Strategic Priorities	Paragon Acquisition
Build a Diversified Industrial	<ul style="list-style-type: none">• Market Segments• Counter Cyclical Mix• Comprehensive Geographic Footprint	<ul style="list-style-type: none">✓ Fills out NN Life Sciences portfolio✓ Provides counter-cyclical balance✓ NN Life Sciences expansion into Europe and Asia.
\$1 Billion Revenue	<ul style="list-style-type: none">• Organic Growth• Portfolio Management• Disciplined Acquisition Strategy	<ul style="list-style-type: none">✓ Accelerates NN Life Sciences growth<ul style="list-style-type: none">✓ Paragon 2016 Revenue - \$126M✓ Paragon 2017 Revenue - \$141M✓ Expands portfolio further into implantable components and adds cases and trays✓ Strong strategic fit, cultures well aligned, leading brand at reasonable multiple
Operating Performance	<ul style="list-style-type: none">• Margin Expansion• Improved ROIC• EPS Growth	<ul style="list-style-type: none">✓ EBITDA margin pre-synergies is higher than NN average<ul style="list-style-type: none">✓ Paragon 2017 EBITDA & EBITDA Margin - \$24M / 17%✓ Improved margin profile and capital intensity✓ Accretive Year 1



Paragon Medical Overview

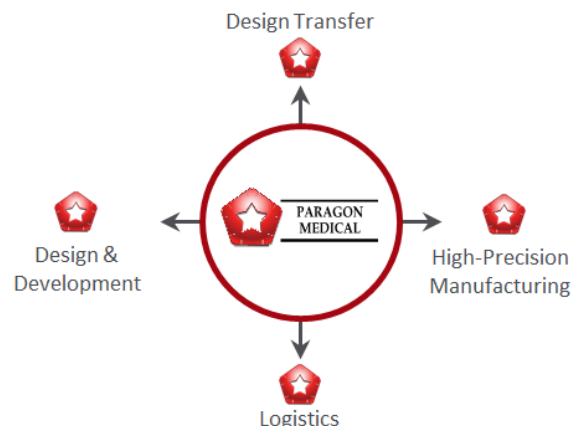
Global Centers of Excellence

Over 350,000 sq ft Manufacturing Space
~1,300 Employees



Integrated, End-to-End Solutions

Single source Partner from design to commercial production



Full Suite of Product Applications

Product applications across all orthopaedic segments (e.g., large joints, trauma, extremities)



Implantable Components
23% of Sales

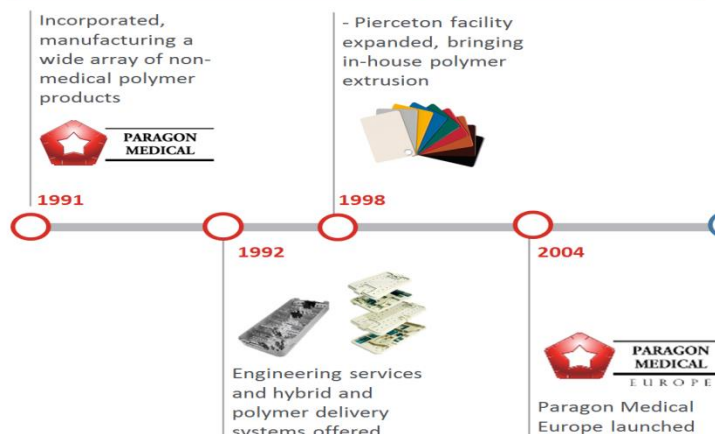


Custom Delivery Systems
33% of Sales

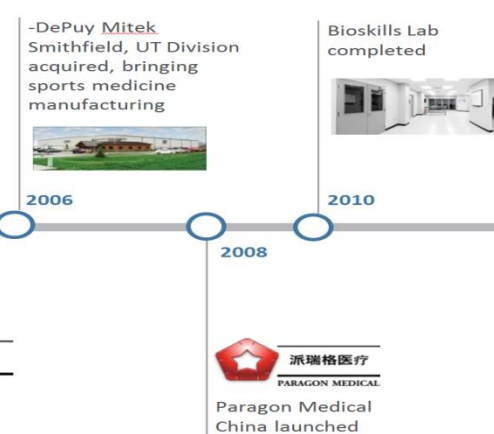


Surgical Instrumentation
44% of Sales

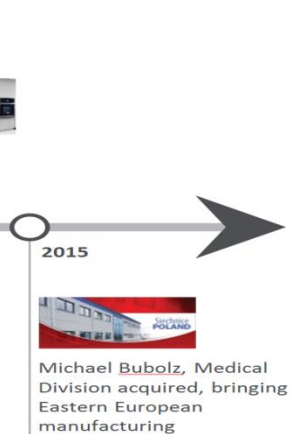
1991 – 2005 Define Vision & Develop Operations



2006 – 2014 Facility Investment & Expansion




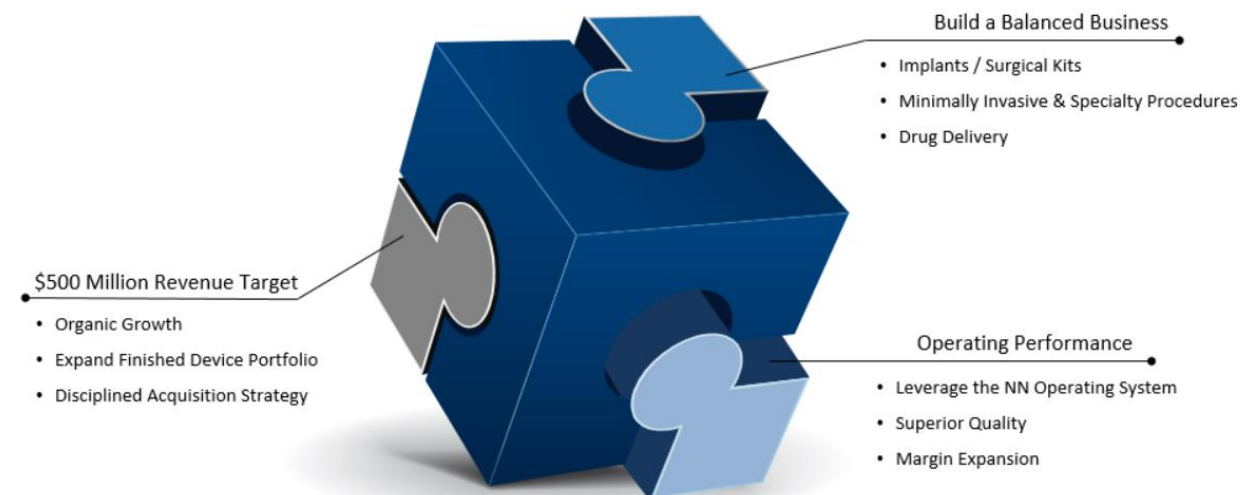
2015 – Present Global Platform for Growth































Strategic Impact of Paragon on Life Sciences

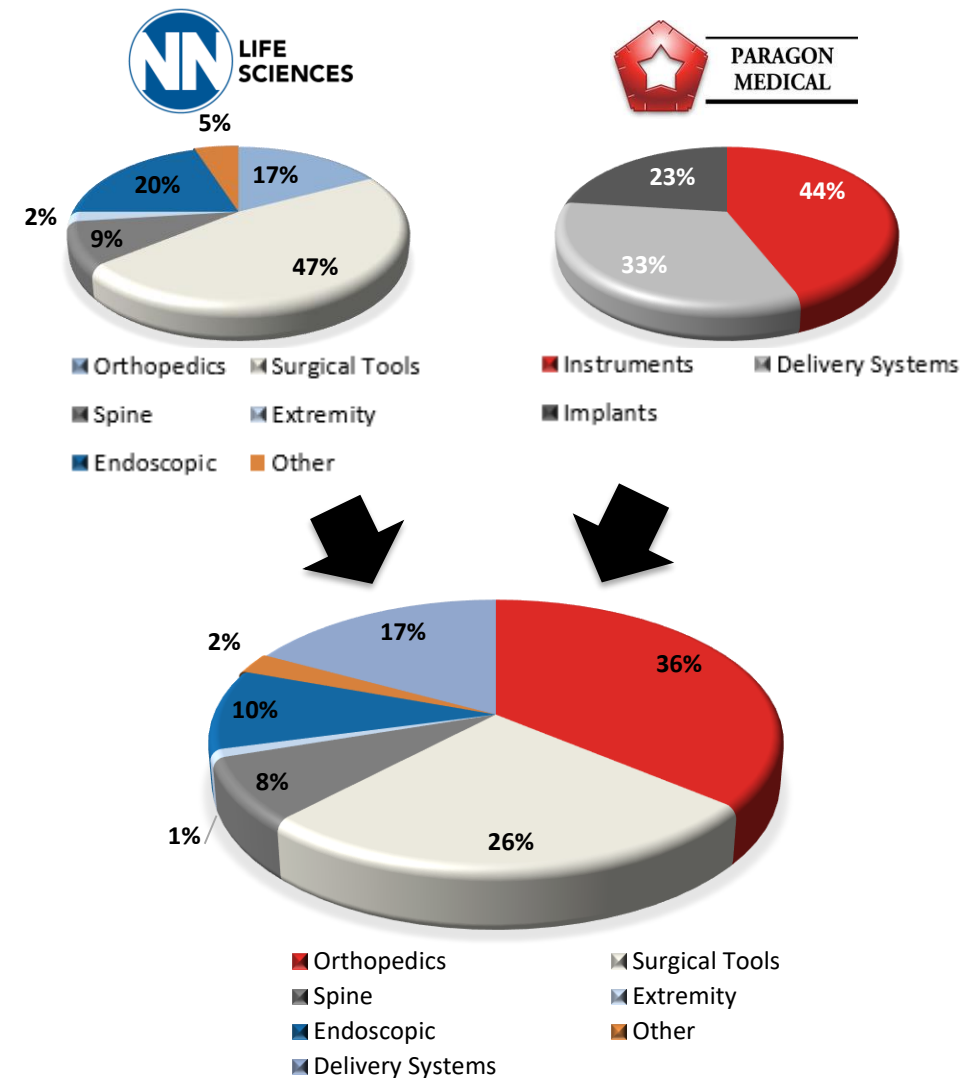
Life Sciences Strategic Imperatives	 PARAGON MEDICAL
2018 ^E revenue - \$300M ¹	✓
Expands finished device Product Offerings	✓
Balance Product Portfolio	✓
Geographic Extension	✓
Balance Customer Mix	✓
World Class Quality & Reg.	✓
Enhance Engineering Services	✓





Comprehensive Product Portfolio

	 LIFE SCIENCES	 PARAGON MEDICAL	Combined Life Sciences Portfolio
Finished Devices			
Orthopedics			
Surgical Tools			
Spine			
Extremity			
Endoscopic			
Drug Delivery			
Delivery Systems			





Life Sciences Transformed

2018 Estimated Financial Profile¹

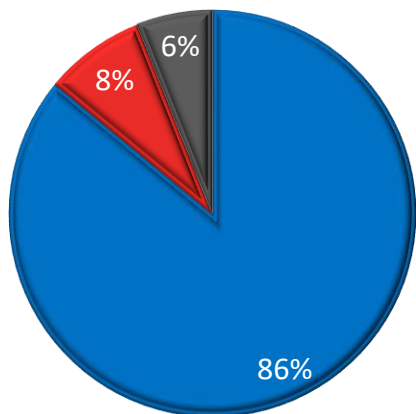
- Revenue \$301M
- Gross Margin 32% (Pre-Synergies)
- Adj. Operating Margin 18% (Pre-Synergies)
- Adj. EBITDA \$70M (Pre-Synergies)

Strategic Significance

- Drives growth thru disciplined acquisition strategy
- Expands finished device product offering
- Balances customer mix
- Provides geographic extension into Asia and Europe
- Cultural fit and common belief in single operating system
- Significant talent acquisition across the organization

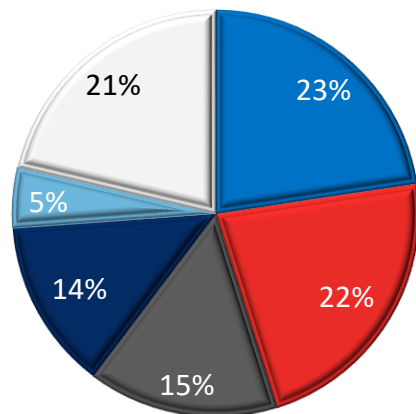
Revenue Breakdown

Geographic Mix



■ U.S.A. ■ Asia ■ Europe

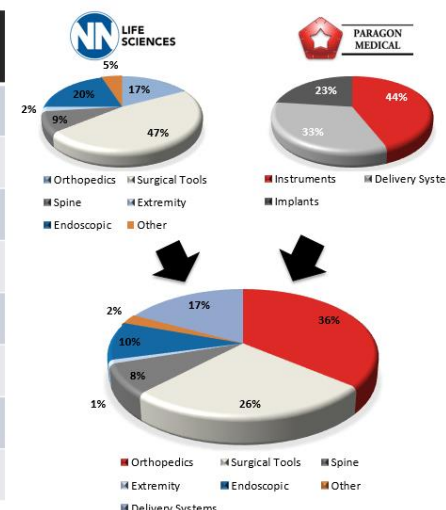
Customer Mix



■ Customer A ■ Customer B ■ Customer C
■ Customer D ■ Customer E ■ Other

Comprehensive Product Portfolio

	NN LIFE SCIENCES	PARAGON MEDICAL	Combined Life Sciences Portfolio
OEM Product			
Orthopedics			
Surgical Tools			
Spine			
Extremity			
Endoscopic			
Drug Delivery			
Delivery Systems			



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



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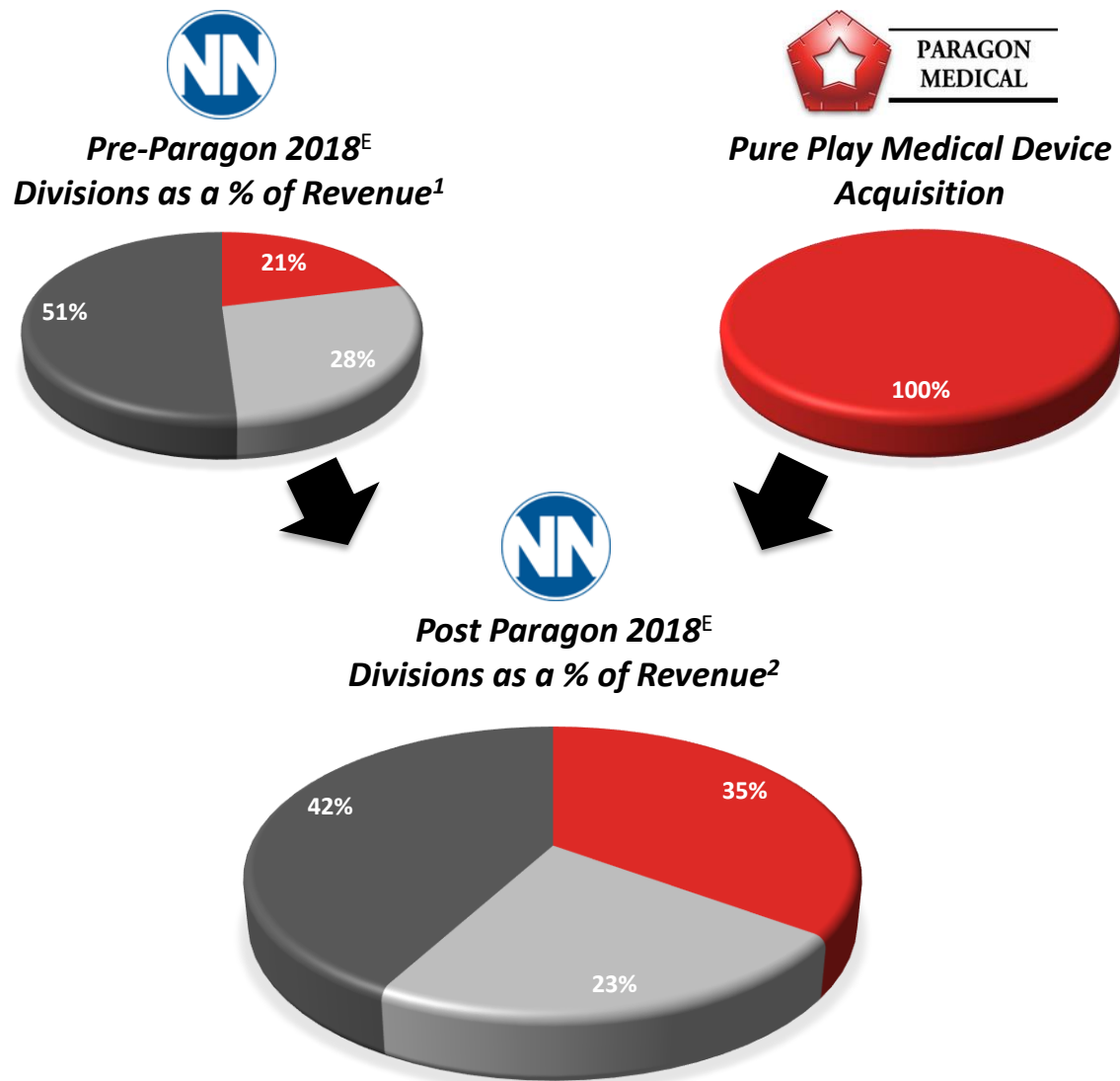


ELECTRICAL

NN Inclusive of Paragon



Balanced Divisional Portfolio



- \$860M of estimated revenue moves us closer to strategic target of \$1B
- Post transaction cyclical automotive exposure reduced to ~5%
- Fills strategic EBITDA gap left by PBC divestiture
- Balances economic cyclicality
- Enhances path to long term sustainability
- Accretive to margin and earnings profile day 1
- Improves capital intensity profile

E - Estimated

1: Based on 2018 full year guidance, assumes Bridgemedica acquisition occurred 1-1-18

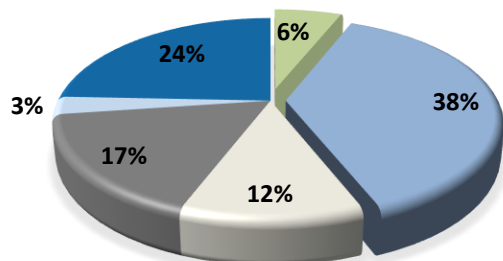
2: Based on 2018 full year guidance, assumes Bridgemedica & Paragon acquisition occurred 1-1-18



A Diversified Industrial Business

End Markets as a % of Revenue

Pre-Paragon - 2017

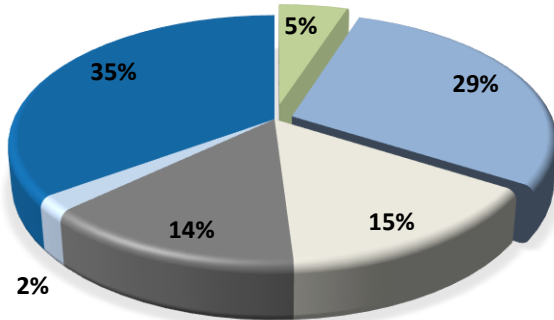


56% Diverse Portfolio



End Markets as a % of Revenue*

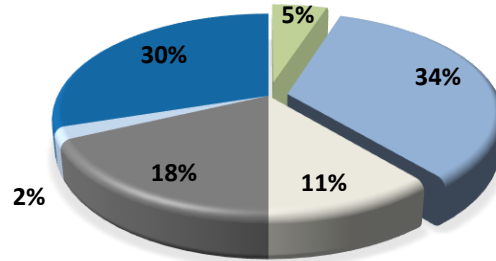
2018^E



66% Diverse Portfolio

End Markets as a % of EBITDA

Pre-Paragon - 2017

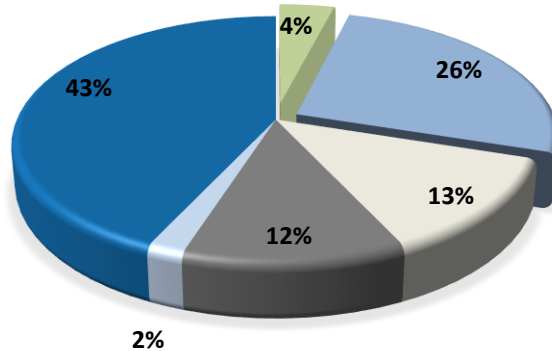


61% Diverse Portfolio



End Markets as a % of EBITDA*

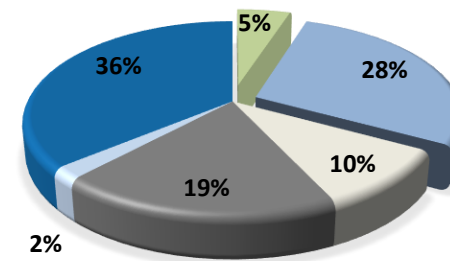
2018^E



70% Diverse Portfolio

End Markets as a % of Free Cash Flow

Pre-Paragon - 2017

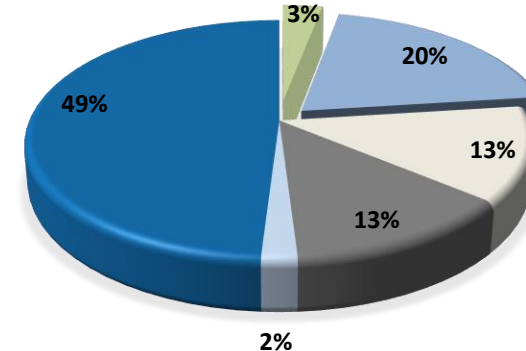


67% Diverse Portfolio



End Markets as a % of Free Cash Flow*

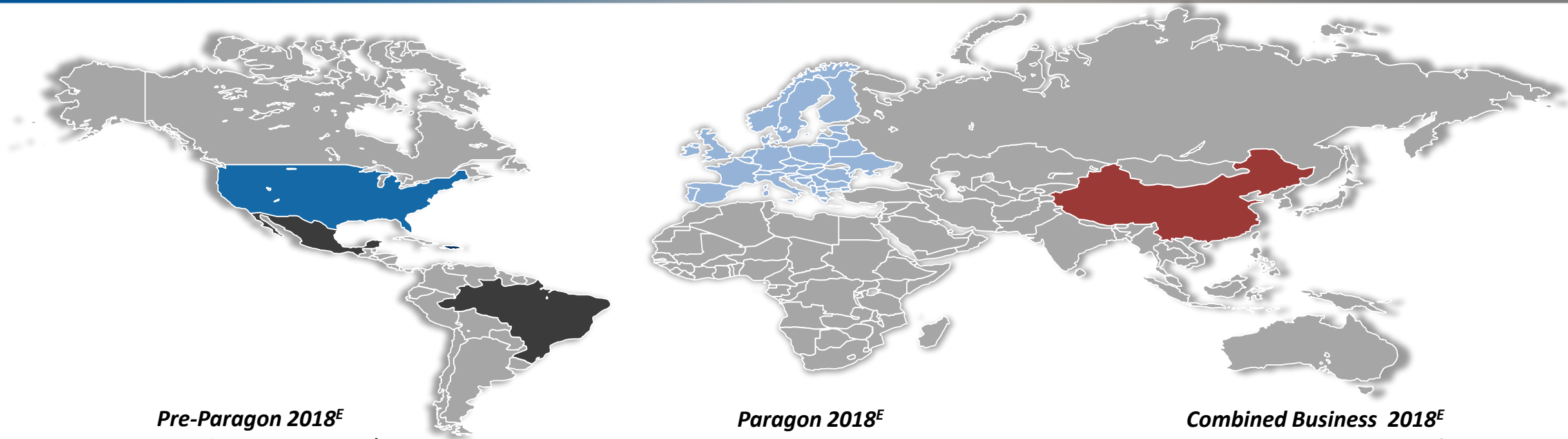
2018^E



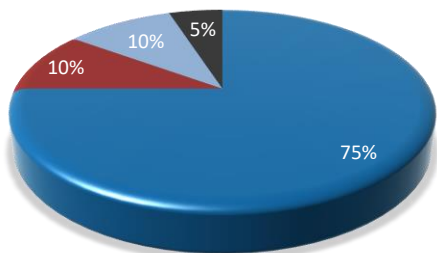
77% Diverse Portfolio



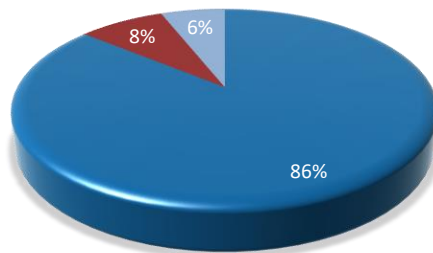
Strategic Global Footprint



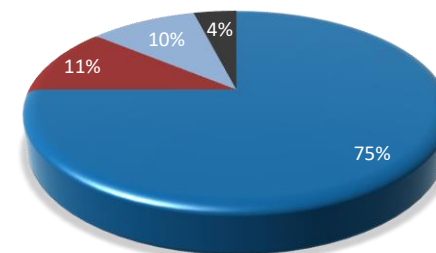
**Pre-Paragon 2018^E
Geographic Revenue Mix***



**Paragon 2018^E
Geographic Revenue Mix**



**Combined Business 2018^E
Geographic Revenue Mix***



52 Facilities Worldwide



Balanced Customer Base

Johnson & Johnson



BOSCH



ZIMMER BIOMET



Medtronic

stryker®

Itron

DENSO



Copeland®
brand products



TRW

- More balanced customer mix
- 3 new Life Sciences customers enter top 10
- No Customer greater than 8%
- Top 10 now less than 50% of sales



A Balanced, Diversified Industrial

2018 Estimated Financial Profile¹

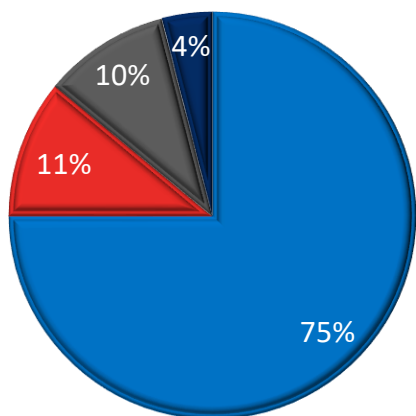
• Revenue	\$860M
• Gross Margin	29%
• Adj. Operating Margin	14%
• Adj. EBITDA	\$173M

Strategic Significance

- Accretive to organization day 1
- Drives toward \$1B Revenue & 16% Adj. Op Margin goal
- Balances early and late cycle of the portfolio
- Expands finished device product offering
- Balances customer mix – 3 new customers in top 10
- Provides geographic extension into Asia and Europe

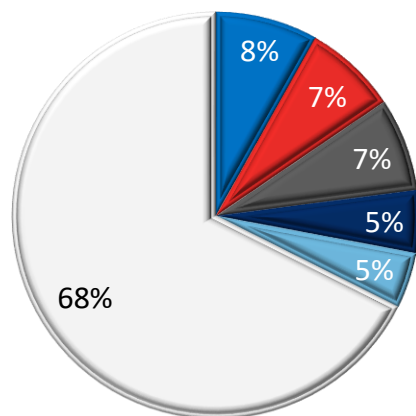
Revenue Breakdown

Geographic Mix



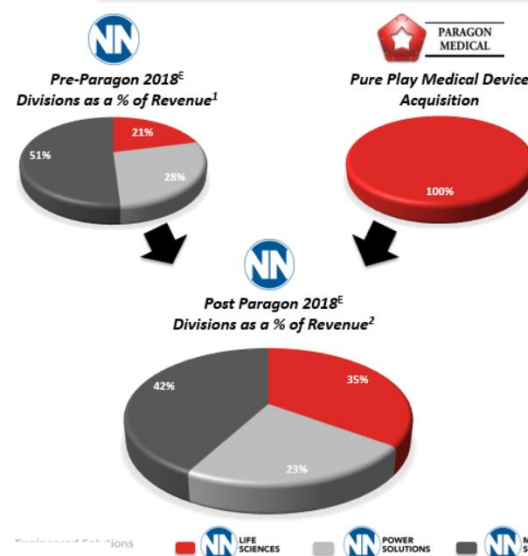
■ U.S.A. ■ Asia
■ Europe ■ Latam

Top 5 Customer Mix



■ Mobile Solutions ■ Life Sciences
■ Life Sciences ■ Remaining Customers
■ Life Sciences

Economically Balanced & Predictable Earner



- \$860M of estimated revenue moves us closer to strategic target of \$1B
- Post transaction cyclical automotive exposure reduced to ~5%
- Fills strategic EBITDA gap left by PBC divestiture
- Balances economic cyclicality
- Enhances path to long term sustainability
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E - Estimated
1: Based on 2018 full year guidance, assumes Bridgemedica acquisition occurred 1-1-18
2: Based on 2018 full year guidance, assumes Bridgemedica & Paragon acquisition occurred 1-1-18

Engineered Solutions



AEROSPACE
& DEFENSE



AUTOMOTIVE



LIFE
SCIENCES



GENERAL
INDUSTRIAL



ELECTRICAL

Inspired by i**nn**ovation