



NobleCon20
**Noble Capital Markets 20th Annual Emerging
Growth Equity Conference**

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NN At A Glance

- **Best-In-Class** maker of high-precision, complex metal products
 - Achieved \$113 million in new business wins from Q1'23 – Q3'24; goal is \$65 million wins per year for next 5 years.
 - Transforming revenue and margin profile
 - Targeted end-markets are passenger vehicles, electrical distribution and control, electrical grid, and orthopedics
 - Targeted product applications for auto are steering, braking, fuel efficiency, emissions reduction, electrical shielding, vehicle control

Two Primary Product Segments:

- Power Solutions products are primarily precision stamped parts, plated parts, and subassemblies.
- Mobile Solutions products are primarily machined parts and assemblies.
- **Global Manufacturing Platform:** 25 facilities in 6 countries, 49% ownership in China JV machining plant with sales > \$100 million
- **Strategic Partner** to diversified and global customer base with long standing business relationships and long-running business streams

Revenue
\$470 Million

Adjusted EBITDA
\$46 million



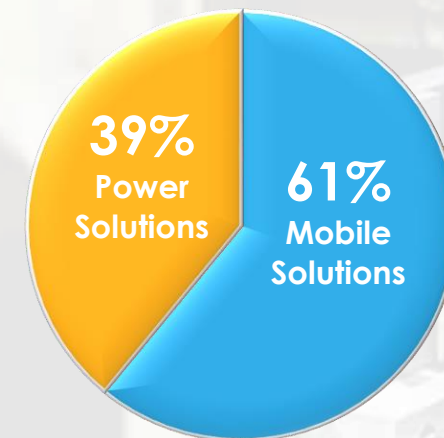
Adjusted EBITDA %
10%

Customers
>1,100

Global Employees

~3,100; Additional ~700 in China JV

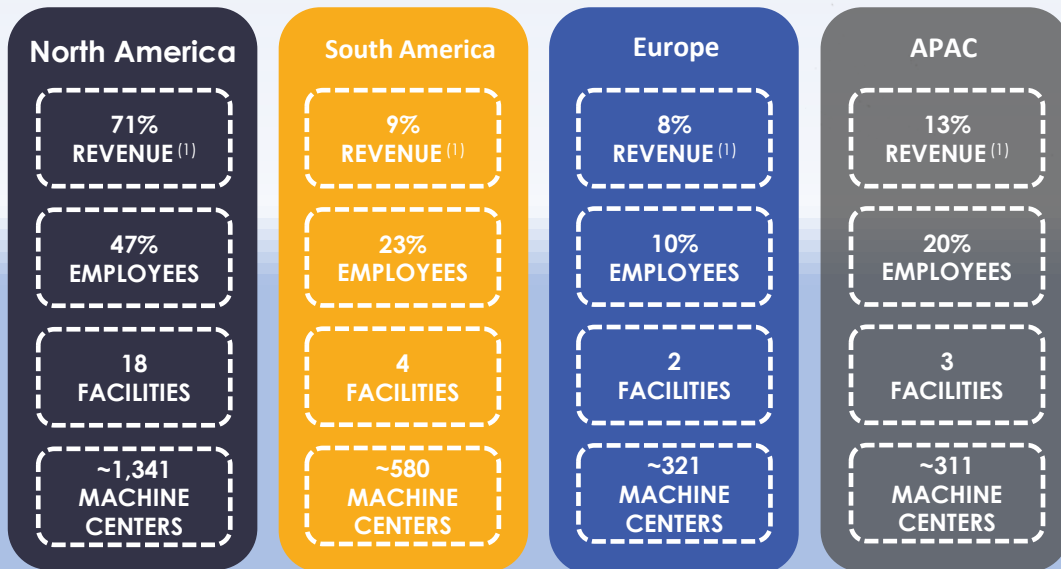
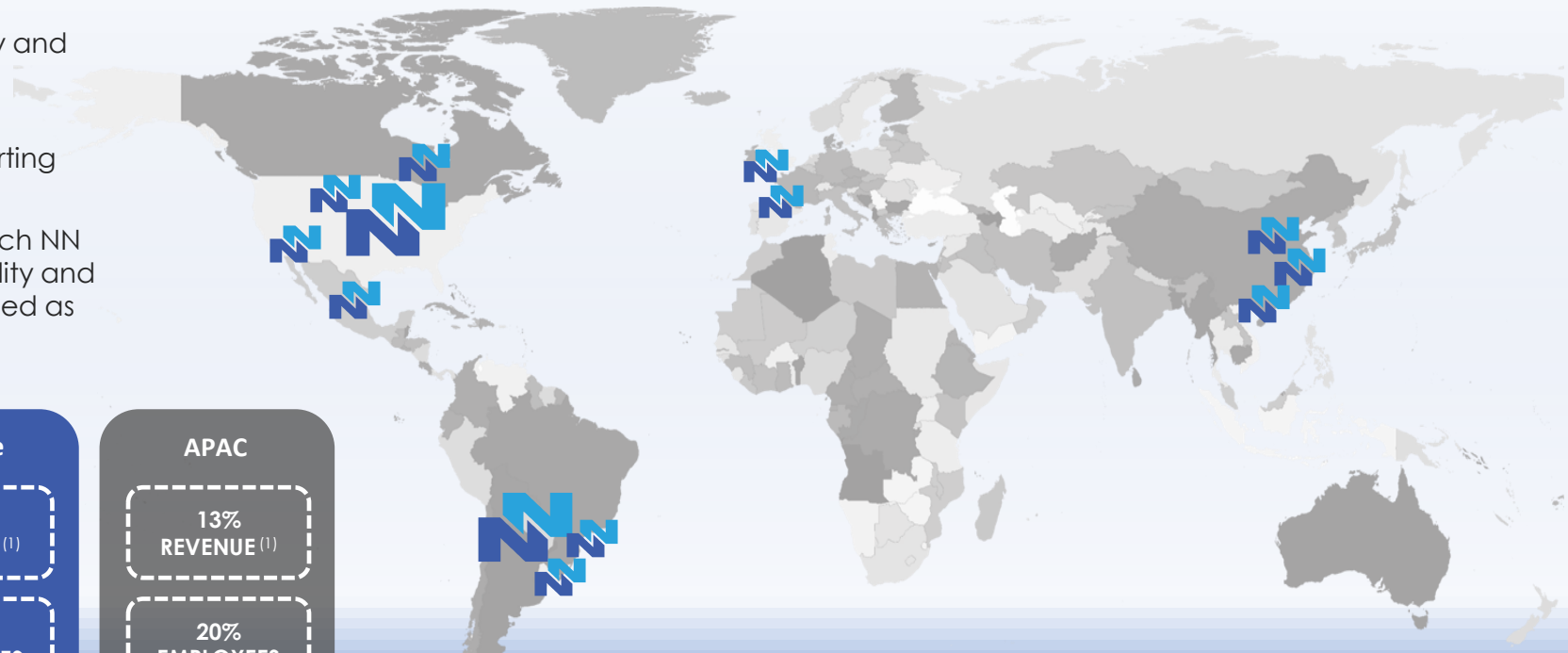
Revenue Breakdown



Globally Competitive Operational Footprint

Close-to-customer engineering centers coupled with both localized production for local markets and global low-cost footprint

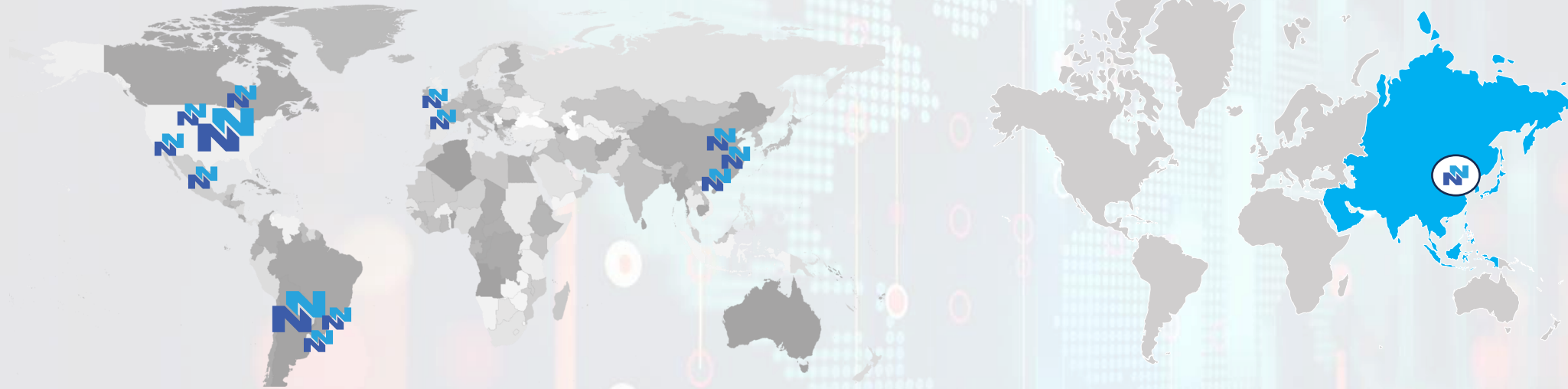
- Close proximity to customers in all major markets to meet local needs
- Low-cost country footprint aligned with strategy and facility optimization initiative
- Centers of excellence in engineering and manufacturing spanning four continents supporting regional requirements
- China Join Venture ("JV" or "China JV"), of which NN owns 49%, includes ~700 employees in one facility and generates \$100M+ in profitable revenue (included as other income in NN's consolidated financials)



*NN, Inc. logos represent employee concentration.

⁽¹⁾ Trailing Twelve Months as of 9/30/24

Macro Theme: China is Growing with High-End Products for Auto and Medical



Global footprint serves strategic needs

- Plant operations in main automotive and medical markets
- Most of our NN's customers are global enterprises, and we have a global footprint to serve them.
- Pipeline of new business opportunities >\$650 million, have secured over \$50M of new business wins in 2024 YTD
- NN is underway with a footprint upgrade – closing 2 N. American supply plants



Expanding NN's China footprint

- Expanding in China - installing over 300 new machines to make next-gen products. NN has been in China for decades with over 1,000 employees. Recently re-entered the orthopedics market
- Clear trends as OEMs and T-1's advance product solutions and increase Chinese production
- China is among NN's best plants in cost, quality, and capabilities – where NN makes its base, high-value products
- Pipeline is strengthening, and with large/volume industry players

Power Solutions: Stamped & Assembled Metal Products

Many well-positioned customers, strong new wins, and growth in FY'25

Power Solutions – Stamped & Assembled Products

Provides:

Customers with precision stamped parts, electroplated parts, assembly capabilities to help co-design and produce safe, durable, and high-quality mission-critical components across a flexible volume/mix platform

End Markets:

Electric Grid, Industrial, Vehicles, Electronics, Medical (new), Connector Parts (new), and Electric Shielding (new)

Key Product Applications:

Smart meters, circuit breakers, sensors, transformers, switchgears, defense, and surgical instruments



Connector Shields

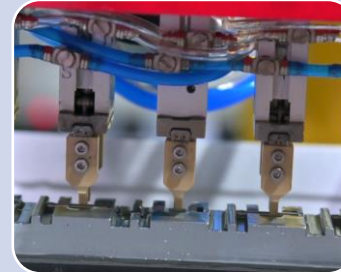


Smart Meter Contact Assembly or "Blade"



Medical Surgical Instruments

Specializing in hard-to-make Stampings & Platings



Design and build our own dies in-house

In-house rapid prototyping to speed up the innovation process

Good footprint between the US, Mexico and China

Mobile Solutions: Machined Metal Products

Many well-positioned global customers with global agendas – for both Auto and Medical

Mobile Solutions – Machined Products

Provides:

Customers with precision machining and finishing capabilities to develop 6 sigma product designs with unmatched speed to market and advanced in-house precision engineering capabilities

End Markets:

Vehicles, (ICE/BEV/HEV), Industrial, and Medical (new)

Key Product Applications:

Electric power steering, electric braking, electric motors, gas and diesel fuel systems, emissions control for heavy duty (dosing)



Precision Worm Shafts
(electric power steering)

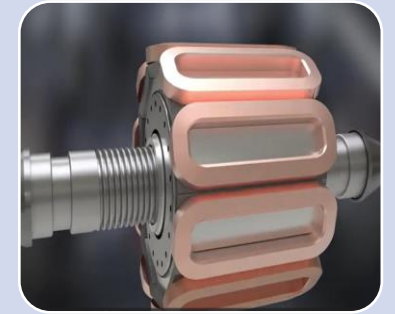


Inlet Fittings



Electric Motor Shafts

Specialize in tough, quiet parts with micron tolerances



Every part is customer designed

Key is the best manufacturing process

Lots of know-how

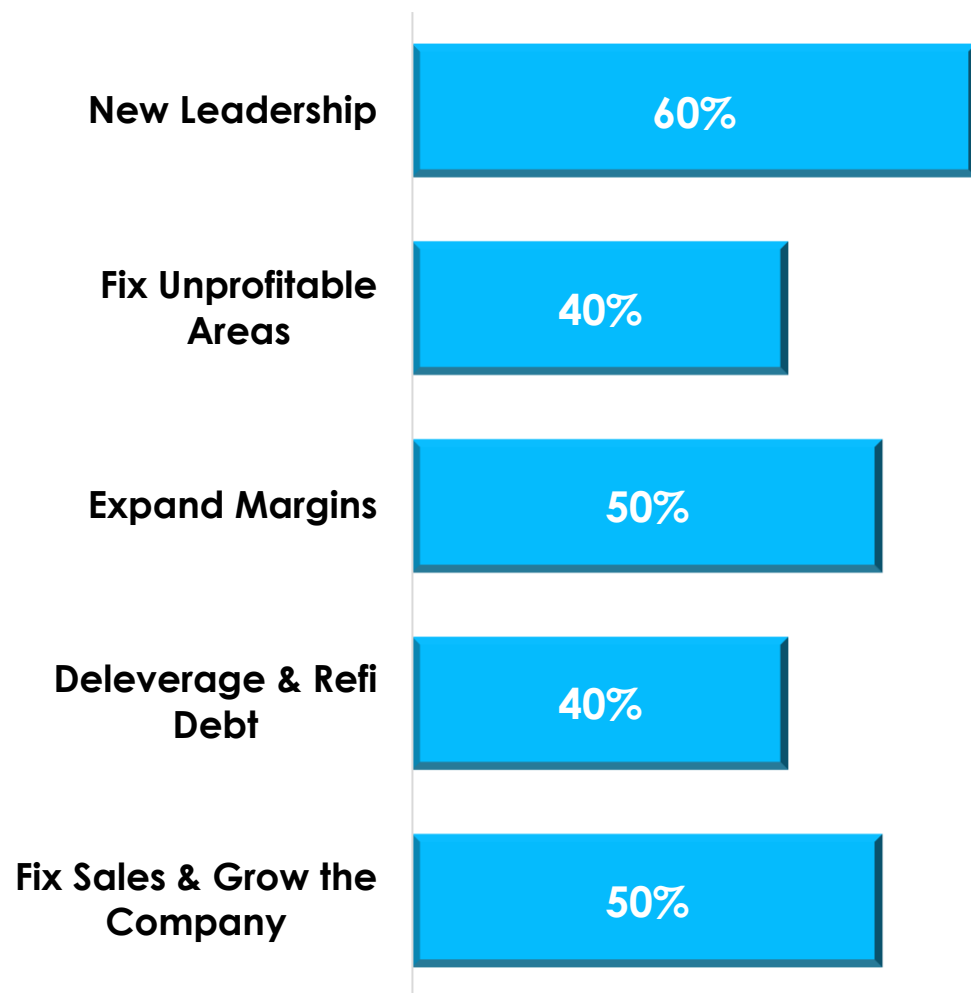
We are part of a larger system

We guarantee mating and compatibility

Focused on next-gen processes and products

Good footprint in US, Brazil, France, Poland, and China

Transformation Plan Making Solid Progress



Transformation ~50% Complete After 5 Quarters

1. Cemented Top Leadership

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

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

(\$millions)

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

3. Gross Profit margins are expanding

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

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

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 Market for NN: Orthopedic Implant Parts

Joint Replacement Implants – Early success in targeted Medical market product innovation

Participating in the Joint Replacement market*

- + Significant global opportunity, expected to grow 6% in 2024
- + Largest segment in orthopedics; 36% of \$59B global market
- + Structural support for market strength due to backlogged procedures

Robodrill

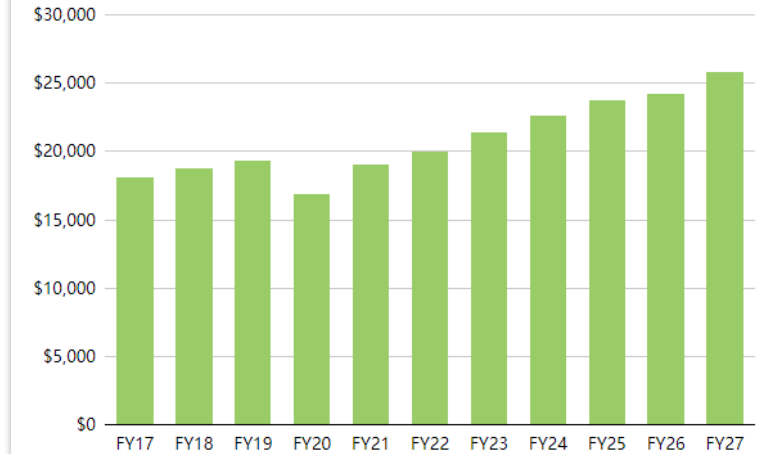


Femoral Stems - NN WUXI's
1st implant product

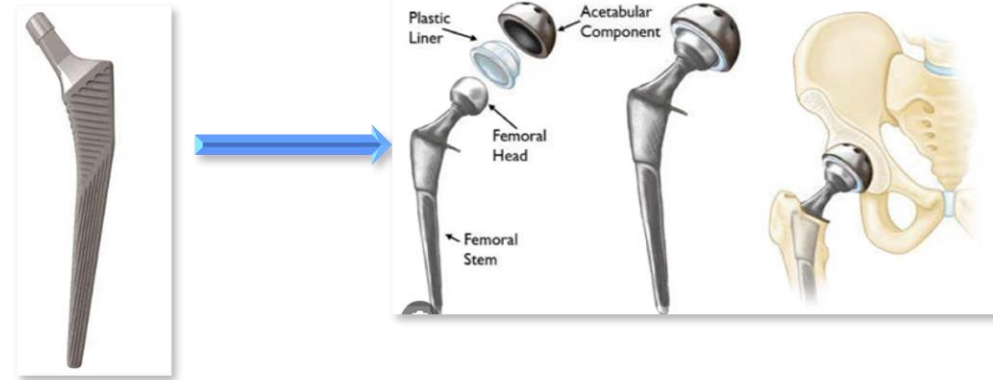


NN Wuxi's machining capabilities position the business to continue winning and growing in this attractive, expanding global market

Exhibit 2: Worldwide Joint Replacement Sales Year (\$millions)



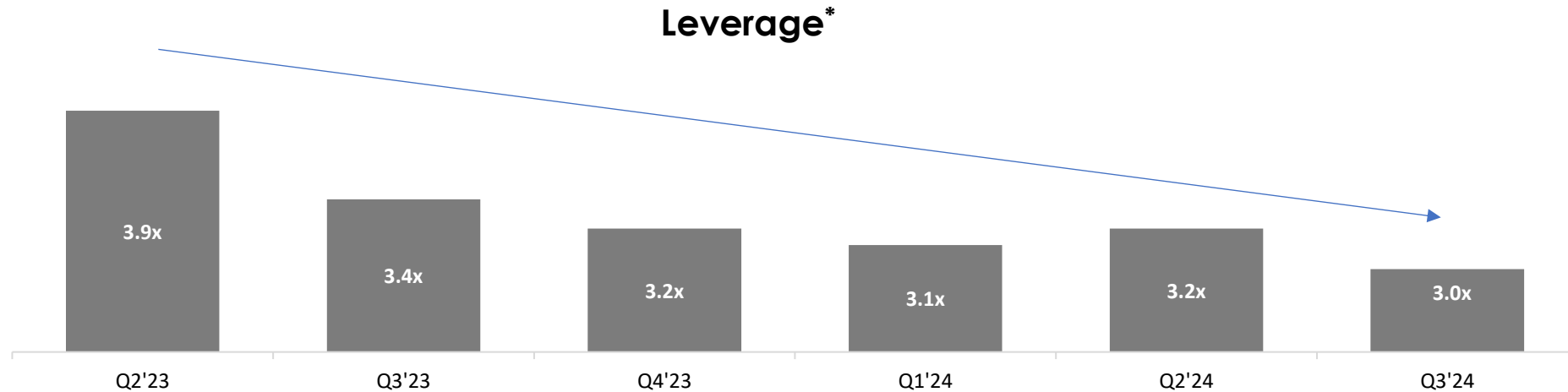
Source: Orthoworld



Femoral STEMS

Application

Deleveraging Also a Focus Area



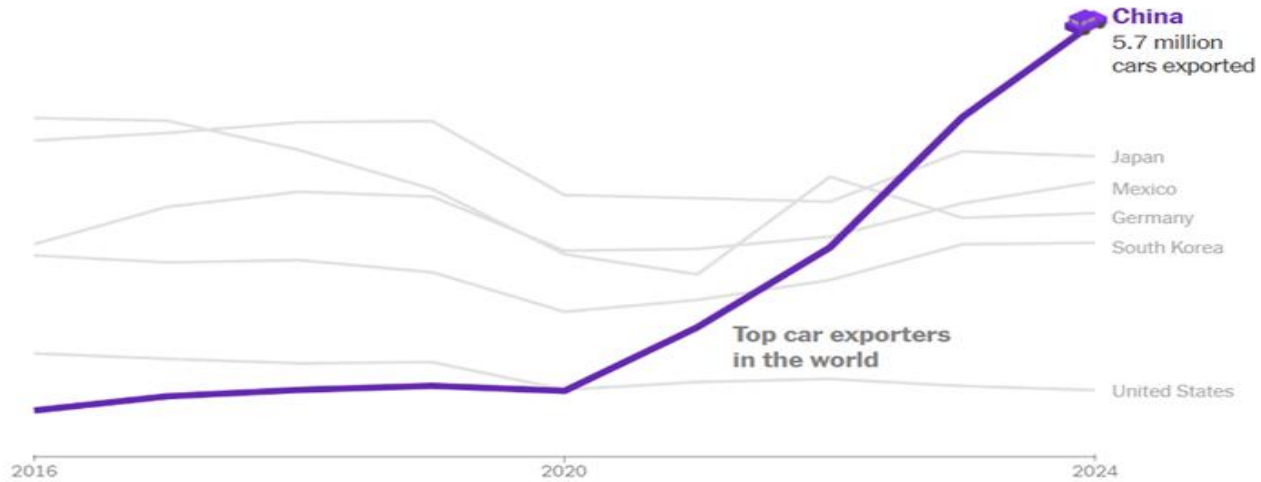
Strategic Refinancing Process Continues – Will Help Accelerate Transformation and Future Growth

- 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

Trends We See: China Making Low-Cost Cars for Itself and Certain Export Markets



Source: Alix Partners - Note: 2024 values are estimated.

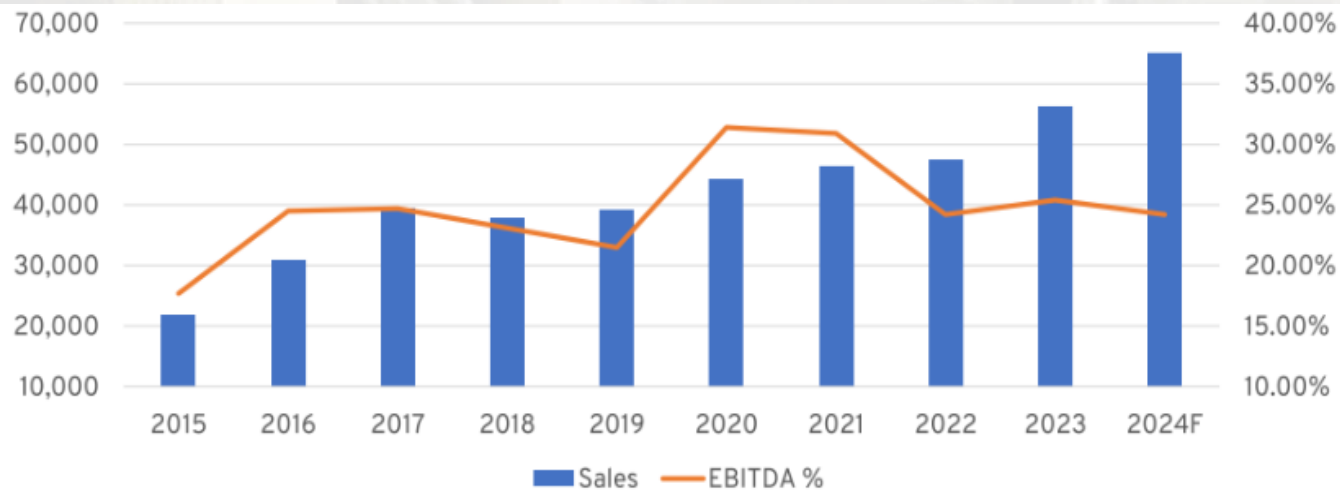
China's largest markets – China, Russia, Latin America, Middle East and parts of Europe.

Largely blocked from US, Canada, India, Turkey, and Brazil.

NN has been in China in over 20 years on both auto and medical markets for machined and stamped parts. Sell a great mix of products in that market.

NN is benefitting from the emergence of China as an auto exporter.

For instance, NN's Wuxi plant sales are growing strongly with additional business wins for 2025, 2026 and 2027.



What do US Tariffs Mean for NN? *Good for NN*

US has tariffs on certain auto parts and completed passenger vehicles - now seeking to further protection for US-based production

Tariffs take aim at the expansion of low-cost alternative supply from China, Mexico, & Canada

- NN has ~\$120 million of tariff-protected US-produced auto parts and will be further protected from these actions
 - NN's US auto part business plan focus is to maintain market positions, but not overly invest
- Tariffs action will strengthen NN's US automotive business
 - Proposed tariffs increase NN's competitiveness, strengthen pricing power and protect margins

NN's US auto parts business does not import from China

- NN is in the US for the US market

NN also produces auto parts in China for the Chinese domestic market

- A \$80 million wholly-owned China auto-part making business, and a \$120 million JV that makes auto-parts for China ⁽¹⁾
- NN's China production is consumed locally for the Chinese domestic auto market
- The China auto market is healthy and growing
- NN's China business will not be impacted by the proposed US tariffs

2024 Guidance & Looking Ahead to 2025

FY'24	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.



FY'25 First Glance – Returning to Growth

- Expect FY'25 Revenues to be higher on a GAAP and pro-forma basis
 - Power Solutions being the largest Y/Y growth area, with new business awards
- 41 new business programs launching in '25, as part of new business wins
 - Launching several next-gen manufacturing processes
- Focused on increasing free cash flow generation
- Markets are opportunity rich, new business pipeline is large and high quality
- EBITDA improvement program remains on track with expectations

Investment Highlights: Enterprise Transformation Underway and Showing Results

Make Critical High-Spec Parts for Attractive End Markets



- Leading manufacturer of high-precision, highly-technical machined and stamped metal products
- Decades of proprietary engineering know-how
- Products and expertise are applicable to diverse and desirable end market applications; automotive, medical & power

New Top Leadership Team



- New top team focused on results and accountability; leading the transformation
- Experienced in transforming cost structures, commercial agendas, M&A integration
- Direct experience in NN's end markets and customers

Enterprise Transformation Underway



- 1st of 3-phase transformation plan; sales wins, culling portfolio, growing profits, and cash flows
- Fixing unprofitable areas; improving profits and margins via cost optimization, pricing, and better utilization
- Increasing operating efficiency – heavy focus on precision automation

New Approach to Winning Future Business



- Leveraging current footprint and capabilities to drive organic growth and more wins, supported by Ops improvements
- Investing aggressively into a few areas: Medical & Electrical markets, capacity in low-cost geographies
- Growing in China for Chinese market, and low-cost export markets

Lower Cost of Capital / Improve Capital Structure



- Strategically managing operations for consistent free cash flow while investing into high-payback areas
- Implementing a set of actions to improve WACC and strategic flexibility through a comprehensive refinancing
- Remain focused on long-term capital structure optimization

Repositioning, Increasing Competitiveness, and Delivering Results Remain Focus in FY'24



Appendix

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 production is flat; global demand patterns undergoing change	↔	Expanding capacity in China to make highest value products; steering, braking, and fuel efficiency
		China market significantly outpacing US/EU in BEV, Y/Y, and share of EVs is increasing rapidly as China EV leaders are dominating other global brands		The ' Connect and Protect ' product line is focused onto electrical connector, electrical harness and bus bar for vehicles and chargers
		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 are growing modestly	➔	Focused on growing a robust pipeline of new programs and awards Expanded long-term goal to \$100M net sales



Appendix

NN's 5 Year Plan for Growth:

2028 Goals

**Grow Revenue to
≥\$650M**

**Secure Organic Business
Wins \$325M Over Five
Years**

**Invest Cash Flow
Selectively**

**Increase Adjusted
EBITDA Rate to
12-14%**

Pathway to Achievement

- Sales CAGR of 4-5% on organic business
- Higher growth targeted in Medical and Electrical Systems
- Strategic acquisitions to accelerate strategy when timing is right

- Metal parts business across multiple end markets
- Strengthen commercial organization to win new business in targeted areas
- Invest growth capex to expand capabilities in key growth areas

- Generate free cash flow, invest \$100M in capex over 5 years
- Decrease interest expenses via refinancing and rate reduction

- Reload \$100M of sales across 7 plants with profitable business
- Offset inflation plus net cost down through 'Continuous Improvement' program
- Optimize global footprint to increase competitiveness, profits, and ROIC

Near-Term Progress

**Rationalizing existing business
gracefully; freeing up capacity for
new growth; growing in targeted
areas**

**Secured \$113M in new
business wins since Q1'23;
Expanding scope with key
customers**

**Repositioning balance sheet for
refinancing → goal is lower cost
of capital and strategic flexibility**

**Returning underperforming
facilities to breakeven by YE'24;
net profitability in FY'25**

***Aggressive Growth in Metal Parts, Creating Bigger Businesses in Electrical and Medical,
Expand Low-Cost Footprint and Capacity***



Thank You

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