



Growing into the Future

NN Inc. 2018 Investor Deck

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.

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Presenters



**Richard
Holder**

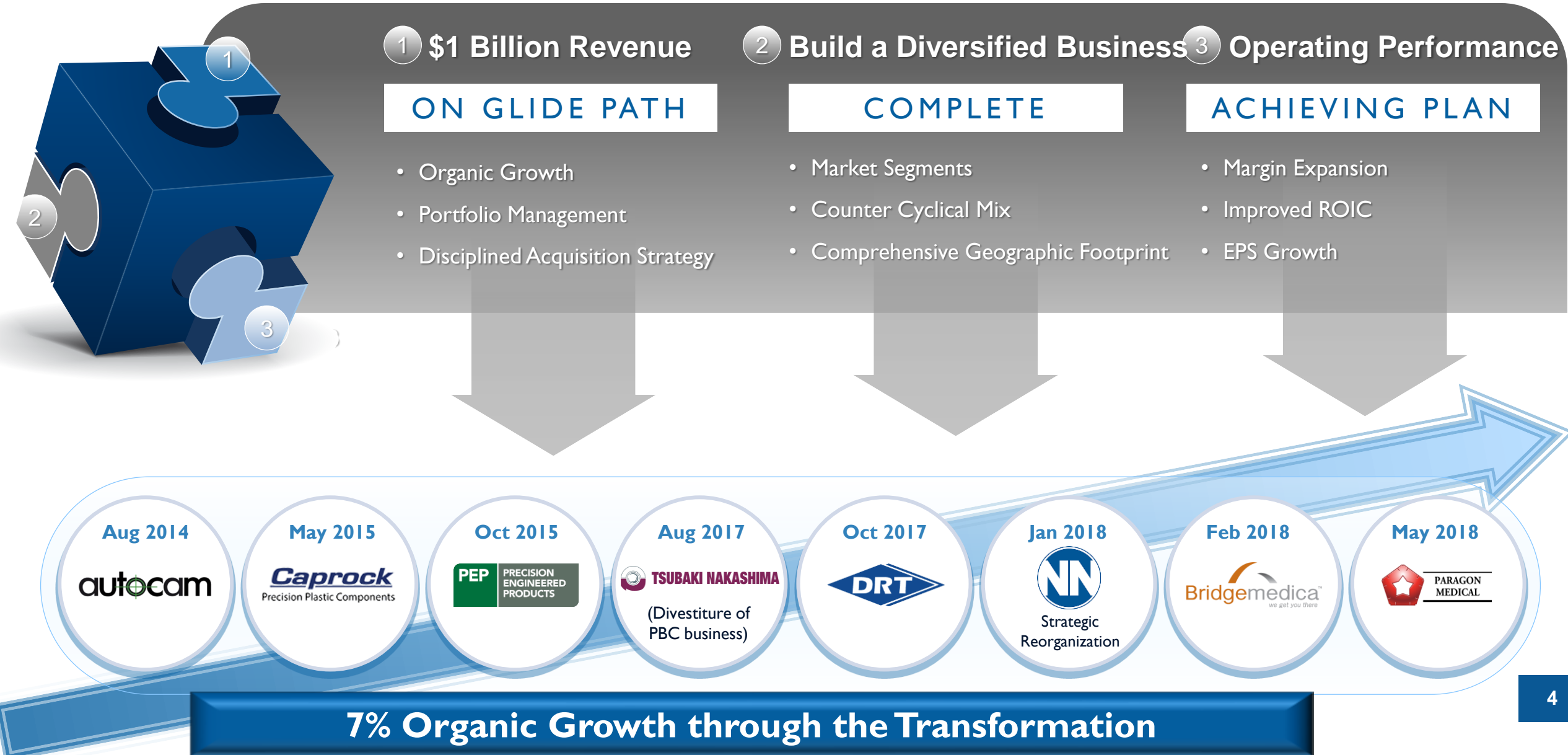
*President &
CEO*



**Paul
Taylor**

*VP Marketing &
Investor Relations*

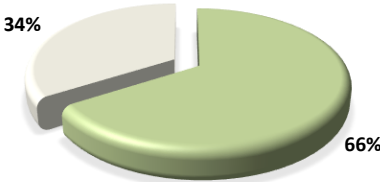
Transforming the Business



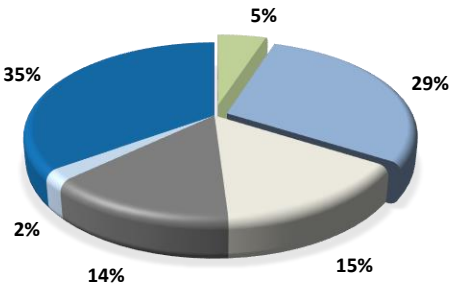
A Diversified Industrial

2013

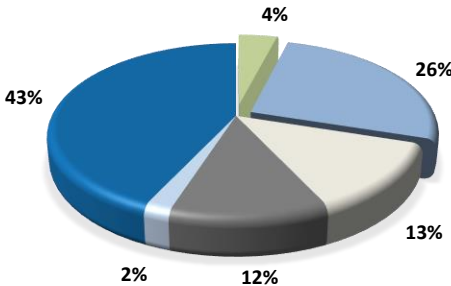
End Markets as
a % of Revenue



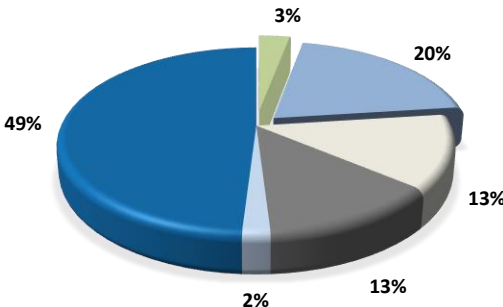
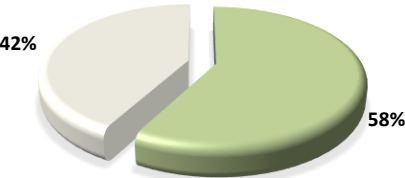
2018^E



End Markets as
a % of EBITDA



End Markets as a %
of Free Cash Flow



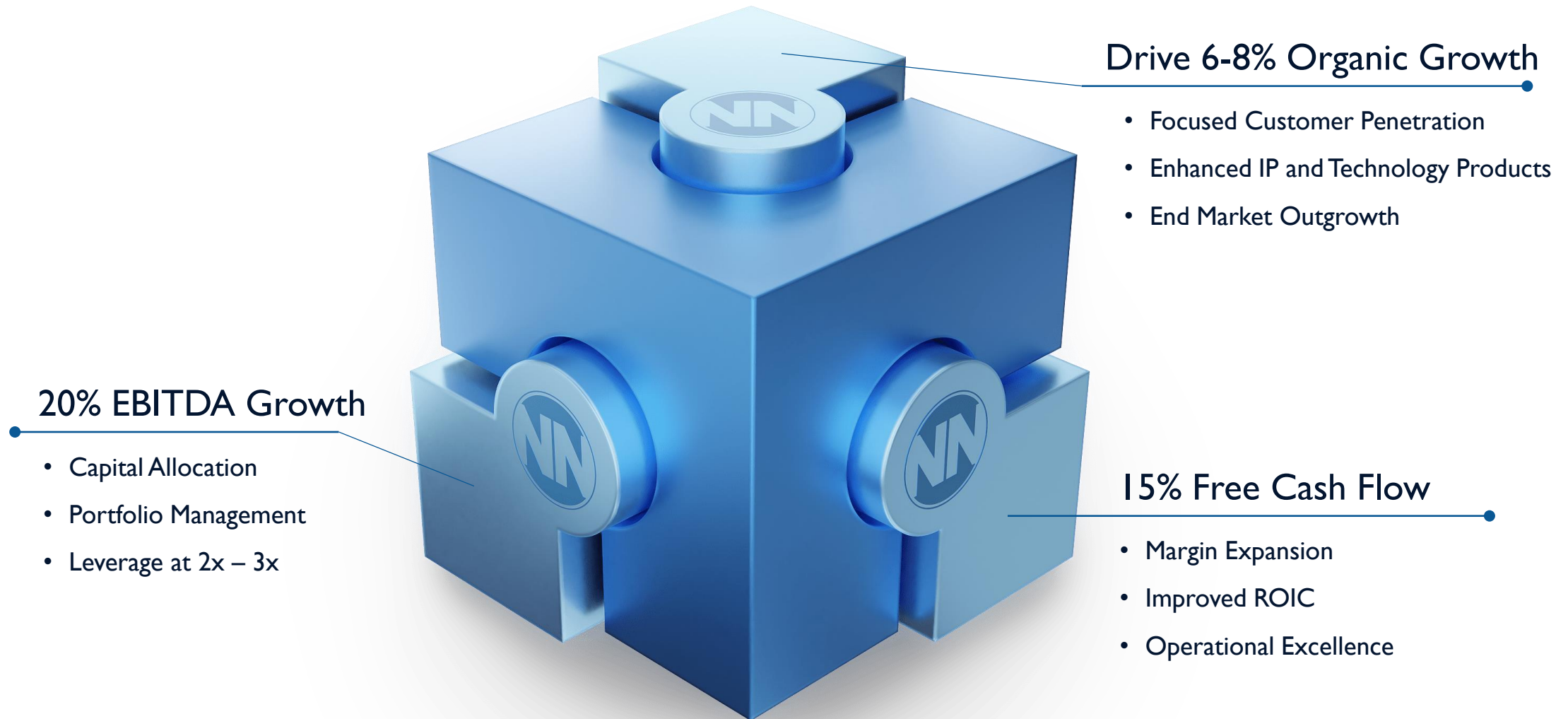
● Automotive
 ● Electrical
 ● General Industrial
 ● Aerospace & Defense
 ● CAFE Technology
 ● Life Sciences

^E Estimated; ¹ Based on 2018 full year guidance, assumes Bridgemedica & Paragon acquisitions occurred 1-1-18

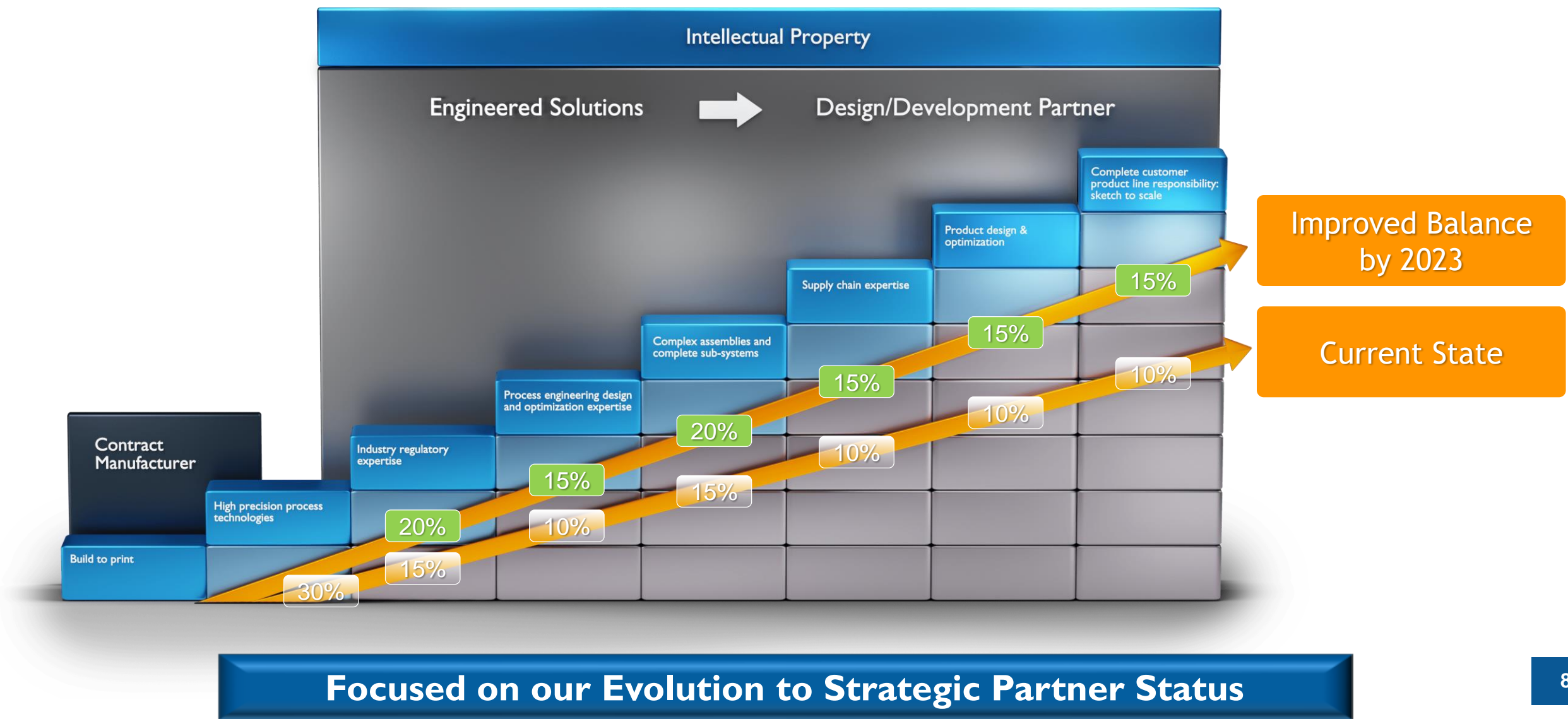


Growing into the Future

The Next Five Years: NN 2.0



Solutions Path Maturity



Attractive End Markets



CAFE TECHNOLOGIES

Percent of Revenue*:
34%
Growth Rate: 3% - 5%

Growth Drivers:

- Fuel Economy
- Critical Components

Early
Cycle

Mid
Cycle

Mobile Solutions



GENERAL INDUSTRIAL

Percent of Revenue*:
15%
Growth Rate: 4% - 6%

Growth Drivers:

- Efficiency
- Automation

Early
Cycle

Late
Cycle



AEROSPACE & DEFENSE

Percent of Revenue*: 2%
Growth Rate: 7% - 9%

Growth Drivers:

- Unmanned Vehicles
- Micro Satellites
- Weight Reduction

Late
Cycle



ELECTRICAL

Percent of Revenue*:
14%
Growth Rate: 6% - 8%

Growth Drivers:

- Resi/Non-Resi Const
- Distributed Energy Resources

Mid
Cycle

Power Solutions



LIFE SCIENCES

Current Revenue*:
35%
Growth Rate: 7% - 9%

Growth Drivers:

- Aging Population
- Less Invasive Surgery
- Wearable Med Devices

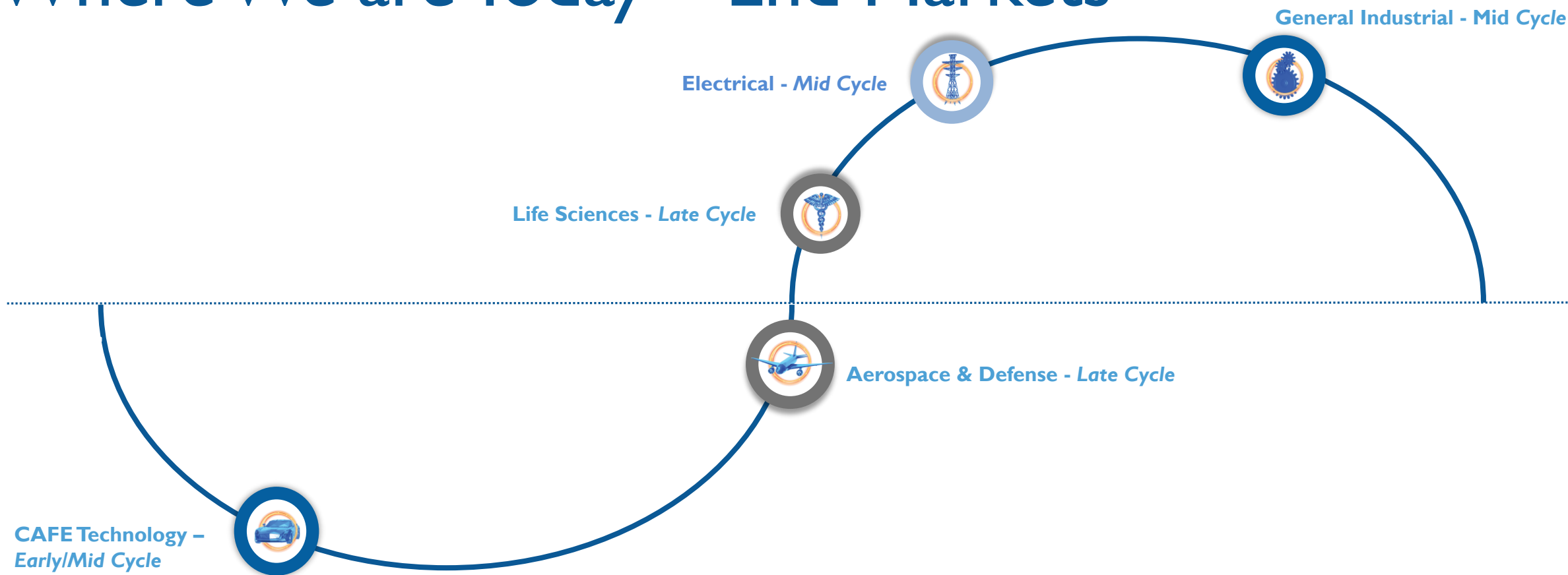
Late
Cycle

Life Sciences

Positioned to Achieve balance through the cycle

*As a % of total company

Where We are Today – End Markets



CAFE Technology

End Market Growth Rate: 2% - 4%
NN Growth Rate: 3% - 5%

Aerospace & Defense

End Market Growth Rate: 3% - 5%
NN Growth Rate: 7% - 9%

Life Sciences

End Market Growth Rate: 5% - 8%
NN Growth Rate: 7% - 9%

Electrical

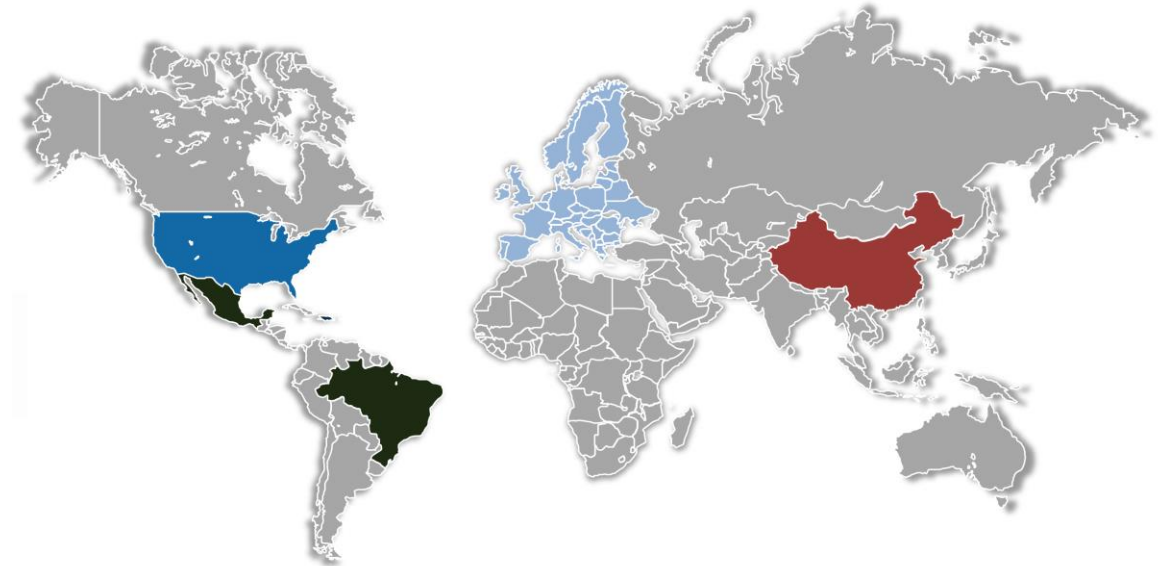
End Market Growth Rate: 3% - 5%
NN Growth Rate: 6% - 8%

General Industrial

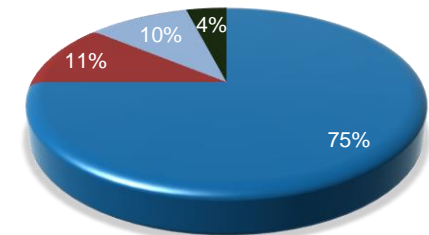
End Market Growth Rate: 2% - 4%
NN Growth Rate: 4% - 6%

Achieving balance through the cycle

Diverse Customer Base & Geographic Mix



Combined Business 2018 ^E
Geographic Revenue Mix



Double Growth by Increasing Wallet Share

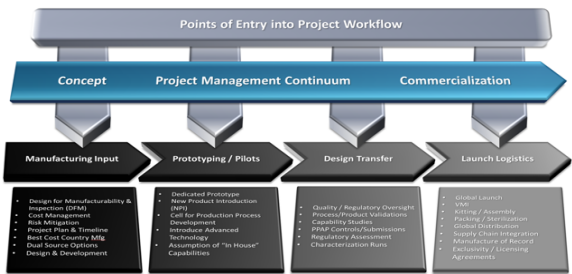
Life Sciences Overview

Strategic Highlights

- Robust end market dynamics support growth
- \$750M topline target
- Portfolio expansion and new product development to drive organic growth
- Concept to commercialization solution capabilities
- Continued focus on expanding our market participation

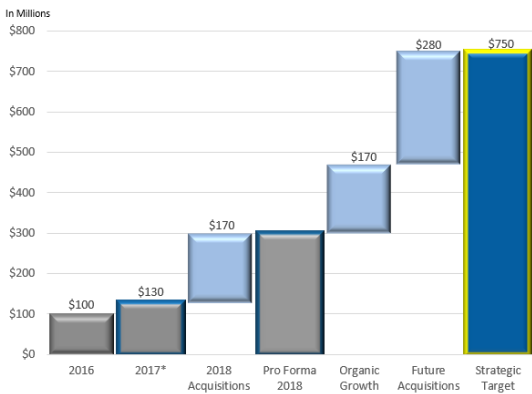
Engineered Solutions

- Research & Product Development**
 - Design for Manufacture Services
 - Project Planning**
 - Process development & sustaining engineering
- Pilot Services**
 - New Product Introduction Expertise
 - Advanced Technology Capabilities
 - Certified clean room operations**
- Design Transfer**
 - Regulatory Assessments**
 - World class quality protocols
 - Capability Studies
- Commercialization**
 - Global Launch
 - Supply Chain Integration**
 - Kitting, assembly and packaging



Disciplined Growth Focus

- Grow Existing Product Sets**
 - Leverage innovation centers
 - Develop complimentary skillsets & components
 - Expand tool, kit, & implant offerings
- Expand Collaborative OEM Offerings**
 - Self funded R&D yielding NN intellectual property
 - Pull from existing product set knowledge
 - Focus on new platforms & specialty surgical devices
- Acquisition Strategy**
 - Adjacent & complimentary technologies
 - Engineering & design capabilities
 - Expand finished device & cleanroom offerings



Comprehensive Product Portfolio

			Combined Life Sciences Portfolio
Finished Devices			
Orthopedics			
Surgical Tools			
Spine			
Extremity			
Endoscopic			
Drug Delivery			
Delivery Systems			
Cardio & Vascular			



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

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

Capital Structure Going Forward

Near term goal

- We plan over the next 18-24 months to reduce leverage by 1x

Strategic goal ~2x-~3x levered

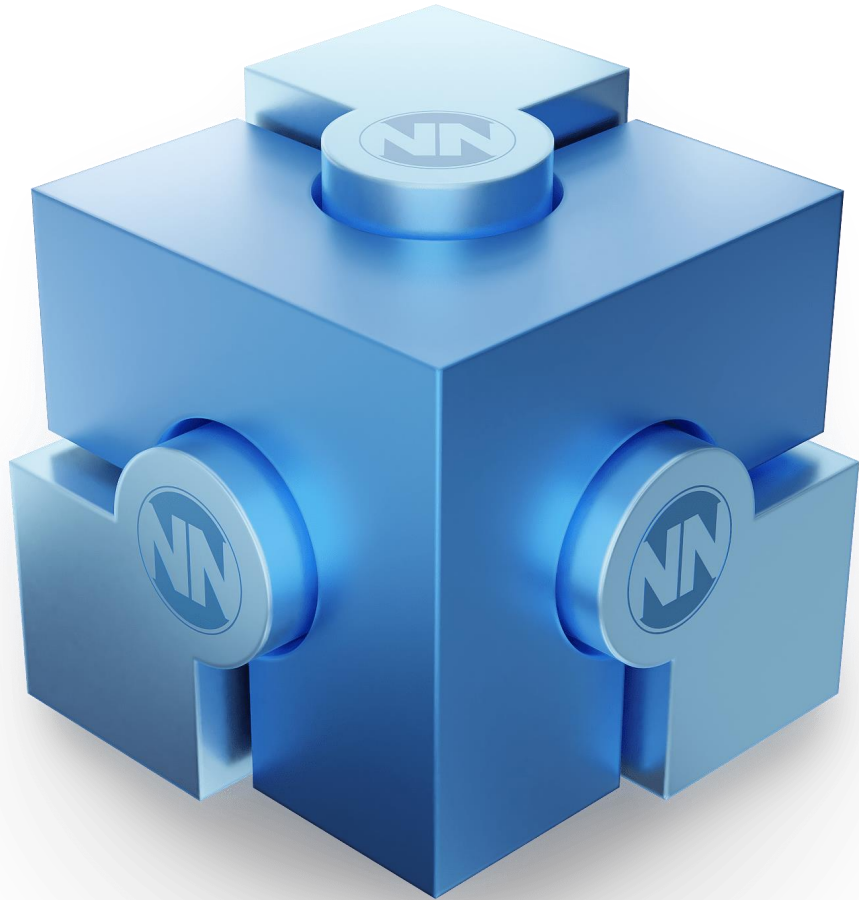
- 2x to 3x forward looking EBITDA in long term patient capital
- Growth initiatives funded through free cash flow
- Strategically managing terming of debt

Power of Free Cash Flow

- Significant free cash flow allows us to de-lever quickly while investing in growth
- Target 2-3x leveraged achieved and held during strategic period
- Free cash flow ~15% of sales in strategic period

Continuous proactive management of our capital structure

End of the Strategic Period



NN 2.0
Strategic Target

- **Sales – \$1.6 B**
- **EBITDA - 25 %**
- **Adjusted Operating Margin – 18%**
- **Adjusted FCF - 15%**

Delivering on the next chapter of the strategic plan



Growth Enablers

Value of the NN Operating System



Integrated Operating Company

- One Platform, one company
- Prescriptive & common processes & methodologies delivering near & long term value



Leverage Technology

- Discipline through training and execution
- Leverage two ERP's for end market requirements



Flex Productivity

- Single lean platform that allows us to manage operations within the incremental and decremental band to optimize contribution margins, no matter the market conditions.

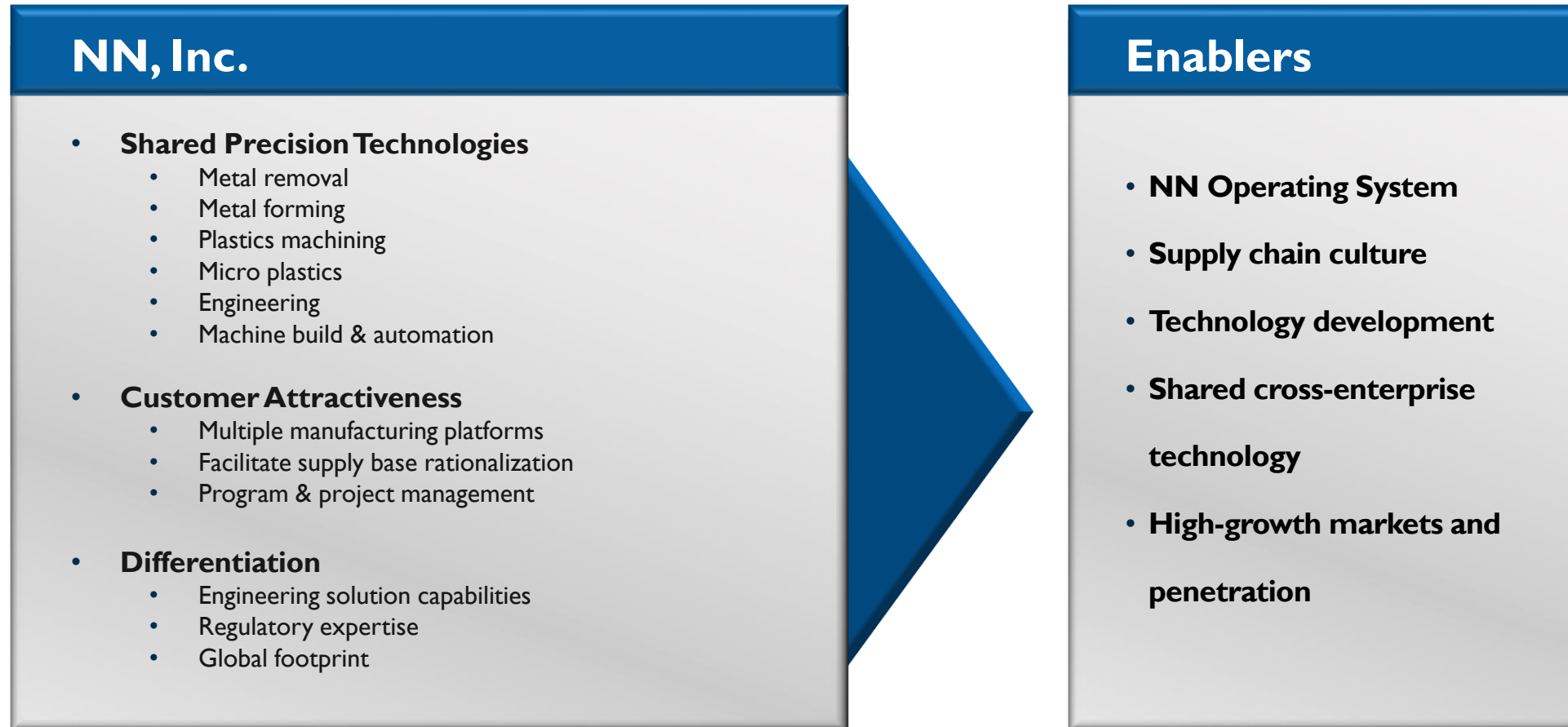


Prescriptive Processes

- Disciplined execution of the operating plan for the benefit of our customers and shareholders

Disciplined Operating System

Our Businesses Share Attractive Characteristics



Leveraging our capabilities to deliver the value of being a diversified industrial



Q&A
