



**ITEM 7.01 REGULATION FD DISCLOSURE**

NN, Inc., a Delaware corporation (the "Company"), will present virtually at the Sidoti Small-Cap Virtual Conference (the "Conference") on March 14, 2024. The Company posted an investor presentation to its website, <https://investors.nninc.com/>, which will be presented at the Conference and is included as Exhibit 99.1 to this Current Report.

Pursuant to the rules and regulations of the U.S. Securities and Exchange Commission, the information furnished pursuant to this Item 7.01 of this Current Report (including Exhibit 99.1) is deemed to have been furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any other filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<a href="#">Investor Presentation, dated March 14, 2024</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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 14, 2024

**NN, INC.**

By: /s/ Michael C. Felcher  
Name: Michael C. Felcher  
Title: Senior Vice President and Chief Financial Officer

***Investor  
Presentation***

***Sidoti Virtual  
Investor  
Conference***

NN Inc. | March 14, 2024

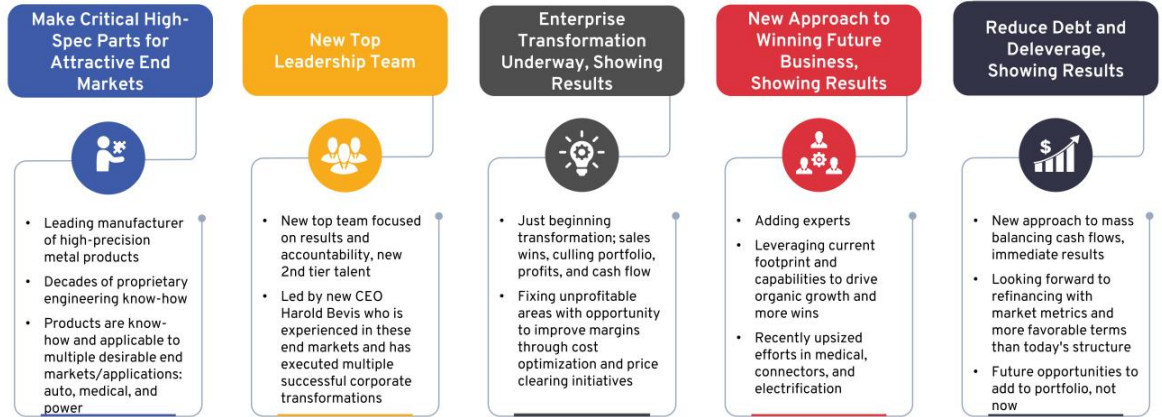


# Forward Looking Statement & Disclosures

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 statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to NN, Inc. (the "Company") based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that are outside of management's control and 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; the impacts of pandemics, epidemics, disease outbreaks and other public health crises, on our financial condition, business operations and liquidity; competitive influences; risks that current customers will commence or increase captive production; risks of capacity underutilization; quality issues; material changes in the costs and availability of raw materials; economic, social, political and geopolitical instability, military conflict, currency fluctuation, and other risks of doing business outside of the United States; inflationary pressures and changes in the cost or availability of materials, supply chain shortages and disruptions, the availability of labor and labor disruptions along the supply chain; our dependence on certain major customers, some of whom are not parties to long-term agreements (and/or are terminable on short notice); the impact of acquisitions and divestitures, as well as expansion of end markets and product offerings; our ability to hire or retain key personnel; the level of our indebtedness; the restrictions contained in our debt agreements; our ability to obtain financing at favorable rates, if at all, and to refinance existing debt as it matures; new laws and governmental regulations; the impact of climate change on our operations; and cyber liability or potential liability for breaches of our or our service providers' information technology systems or business operations disruptions. The foregoing factors should not be construed as exhaustive and should be read in conjunction with the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's filings made with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date of this press release, and the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. The Company qualifies all forward-looking statements by these cautionary statements.

With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found at the back of this presentation or in the "Investors" section of the Company's web site, [www.nninc.com](http://www.nninc.com), under the heading "News & Events" and subheading "Presentations."

# Investment Highlights



*Improving Profitability and Delivering Solid Free Cash Flow in FY'24*

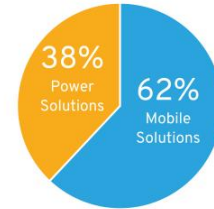
# NN At A Glance

- **Best-In-Class** maker of high-precision, complex metal products
  - Achieved company-record \$62.6 million in new business wins in 2023 with momentum in steering systems, electrical connector components, electrical shielding, battery management, and sensors. Many new customers landed in 2023 with revised approaches.
- **Two Primary Product Segments:** Power Solution products are primarily precision stamped and plated parts and assemblies. Mobile Solutions products are primarily machined parts and assemblies.
- **Global Manufacturing Platform:** 27 facilities in 6 countries and 49% ownership in China machining JV with sales >\$100 million and 700 employees, ~\$400 million of installed equipment (insured value), and ~\$600 million in total PP&E (insured value)
- **Strategic Partner** to diversified and global customer base with long standing business relationships and long-running business streams
- **More details on products and capabilities in the Appendix**

## Key Data Points

REVENUE <sup>(1)</sup>	ADJ. EBITDA <sup>(1)</sup>
<b>\$489M</b>	<b>\$43M</b>
EMPLOYEES	CUSTOMERS
<b>~3,100</b>	<b>1,150+</b>

## Revenue Breakdown <sup>(1)</sup>



<sup>(1)</sup> Trailing Twelve Months as of 12/31/23

# Two Primary Business Segments: Stamping and Machining Product Lines

## Power Solutions – Stamped Products

### Provides:

Customers with precision stamping and plating capabilities to help codesign 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

## 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), and HVAC compressors



Precision Worm Shafts  
(electric power steering)



Inlet Fittings

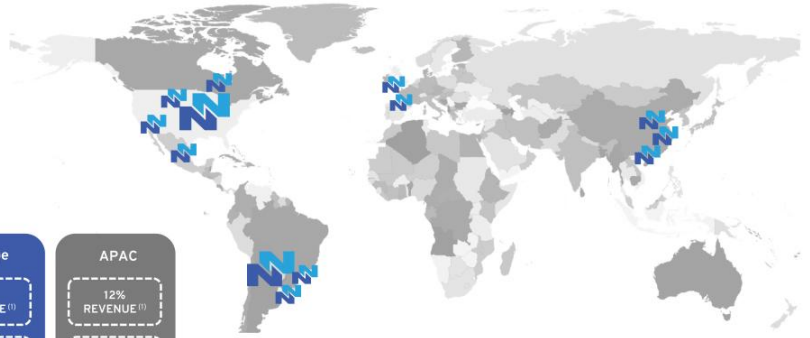


Electric Motor Shafts




# Globally Competitive Operational Footprint

- Close-to-customer engineering centers coupled with both local and low-cost footprint
- New approach to leveraging global collective strengths and procurement scale
- 49% owner in ~\$100m China machining JV



\*NN, Inc. logos represent employee concentration.  
<sup>(1)</sup> Trailing Twelve Months as of 12/31/23

## Strong Business Transformation Begun mid-2023 -> Making Progress and Showing Results

Status	Goal	Progress and 2024 Actions
	1. <b>Strengthen Team</b>	<ul style="list-style-type: none"> <li>Adding talent across the company – executive, sales, engineering, procurement, plants, medical, electrical</li> <li>Sourcing specialized talent in IT, web, Cyber security</li> <li>Elevating customer satisfaction and importance</li> <li>Strengthening processes and resolve to "make the numbers"</li> </ul>
	2. <b>Fix Unprofitable Areas</b>	<ul style="list-style-type: none"> <li>Phase 1 is underway – Stop the Bleeding – and looking towards Phase 2 – Make Money</li> <li>In 2023, 7 plants generated \$100+m of Sales and lost (\$10+m) of EBITDA</li> <li>In 2024, those 7 plants are on track for \$10m EBITDA improvement YOY on less sales</li> <li>Next is to have the plants make money at the company rate, or rationalize a bit</li> </ul>
	3. <b>Expand Margins</b>	<ul style="list-style-type: none"> <li>Global 3% total cost productivity for 2024, will offset inflation and add \$5+ million</li> <li>Actively managing margins and taking actions, rationalizing dilutive business</li> </ul>
	4. <b>Pay Down Debt and Refi</b>	<ul style="list-style-type: none"> <li>Ceased multi-year negative FCF in 2023 – forecasting continued momentum in 2024</li> <li>Targeting similar levels of FCF in 2024</li> <li>Will still invest \$100 million of capex over –5-year period to grow and reduce costs</li> <li>FCF and strategic actions to pay down debt reduction and position for refi</li> </ul>
	5. <b>Grow the Company</b>	<ul style="list-style-type: none"> <li>Delivered record new business wins in 2023 and expect similar pace of wins in 2024</li> <li>Goal is to deliver \$325 million of new wins at \$65m per year average</li> <li>Launching first-ever search engine optimization efforts for enhanced lead generation</li> <li>Entering new and diverse markets; further upgrading our revenue mix</li> </ul>

# 2024 Company and Market Outlook – Business on Track

## Assumptions and Drivers of Expected Performance

- Steady end-market demand with exception of NA commercial vehicle market declining vs. 2023
- Normal seasonality brings more ship days in Q1, resulting in higher sales and extra margin
- Adjusted EBITDA growth due to cost-out and fixing underperforming areas
- In 2024, 7 underperforming plants are on track for \$10m EBITDA improvement YOY on less sales
- Debt paydown initiatives underway in the first half of 2024, further reducing net leverage
- Deliver positive free cash flow performance in FY'24 on improved EBITDA and margins
  - Will reinvest capex at \$18-20 million rate
- New win program is on track with over \$580 million of new business in current

## NN FY'24 Outlook

Metric	2024 Outlook (\$mm)
Net Sales	\$485 - \$510
Adjusted EBITDA	\$47 - \$55
Free Cash Flow	\$10 - \$15
New Business Wins	\$55 - \$70
Net Leverage	<3.0x

## Primary End Market Outlook

End Market	% of NN Revenue	Market Indicators	NN's Outlook vs. Market
Global Passenger Vehicle	50%	Market reflecting an expectation of flat to modest growth in 2024  BEV market production slowdown more broadly	NN's demand is consistent with broader market;  Connect and Protect to drive accelerated sales growth vs. market in FY'24 – and winning new program awards particularly in steering
General Industrial	23%	Statista forecasts approximately 3% growth	Demand is generally flat for the industries that we serve
Power Grid and Electricity Control	14%	Global power grid market expected LSD% growth	Strong smart meter business is healthy and growing, residential construction is flat-ish for circuit breaker products, pursuing additional accounts
Commercial Vehicle	10%	Market currently forecasting decline in FY'24; already apparent in OEM market commentary	NN's business is not expected to see impacts of demand pressure until 2H'24, if at all;  Applications where NN operates are stronger than headline market demand
Medical Equipment, Surgical Tools, and Implants	3%	Orthopedic sales expected to increase 3.4%-3.7% year-over-year through 2026	Recently re-launched business all new sales are additive;  Bidding out existing capacity with an initial goal of \$50M

## 5 Year Plan: Aggressive Growth in Metal Parts, Create Bigger Businesses in Electrical and Medical, Expand Low Cost Footprint and Capacity

**Grow Revenue \$650M**

- Sales CAGR of 4-5% on organic business
- Higher growth targeted in strategic growth areas: Medical, Connectors, and Electrical Systems
- Strategic acquisition(s) to accelerate strategy, when the time is right

**Secure Organic Business Wins \$325 million over five years**

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

**Invest Cash Flow Selectively, Pay Down Debt**

- Generate free cash flow, invest \$100m over 5 years in capex, pay down debt
- Decrease interest expenses through both refi and rate reduction
- Pursue targeted M&A at the right time

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

- 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, ROIC

# Balance Sheet Optimization Plan

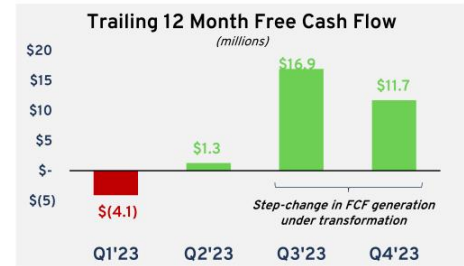
## Strong Organizational Commitment

- Implemented much tougher stance on balancing cash inflows with outflows, reducing leverage, and increasing liquidity
  - Showing strong early results
  - 3.20x leverage, down vs. 3.37x in Q3'23
- Plan to reduce leverage below 3.0x in 2024 while implementing stronger, focused growth program

## Free Cash Flow Focus to Support Balance Sheet Optimization and Positioning for Refinancing

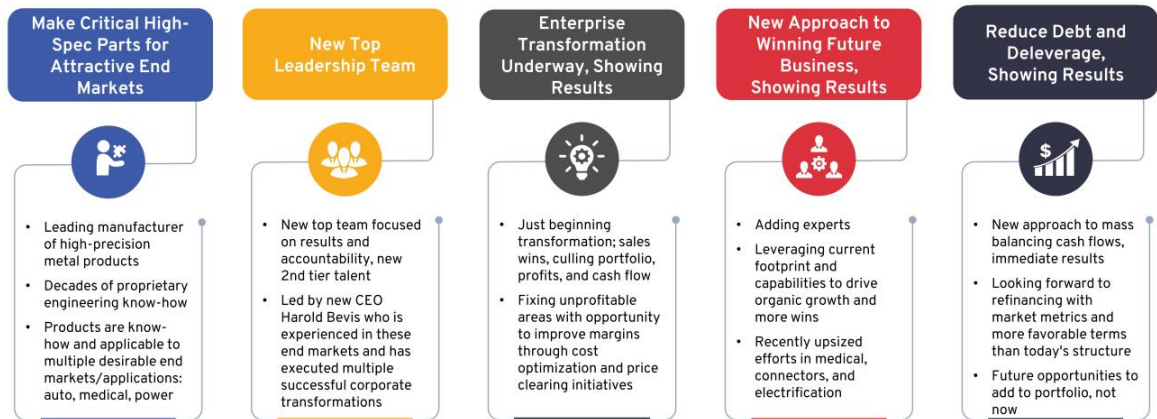
- 2024 operating cash flow is expected to be approximately ~\$30-32 million, 2024 capital spending plan forecasted to be approximately ~\$18-20 million funded through cash and/or leasing
  - 2024 free cash flow plan is exclusive of recently announced real estate sale leaseback proceeds

## Management Repositioning Balance Sheet for a Refinancing of ABL, Term Loan, and Preferred Stock



(Dollars in millions)	9/30/23	12/31/23
Short-term Debt	\$8.8	\$6.0
Long-term Debt	\$150.7	\$153.9
Funded Debt	\$159.5	\$159.9
Cash	\$21.8	\$21.9
Net Debt	\$137.7	\$138.0
TTM Adjusted EBITDA	\$40.9	\$43.1
Net Debt to Adjusted EBITDA	3.37x	3.20x

# Investment Highlights



Improving Profitability and Delivering Solid Free Cash Flow in FY'24



# Appendix

## NN's Strong Product and Capability Portfolio

### Multifaceted Certifications: Automobile, Commercial Vehicle, Aerospace & Defense, Medical

- ISO-9001, ISO-13485, IATF-16949, NADCAP AC7108 AND AC7014, ITAR

### Leading-Edge Precision Stamping, Machining and Plating Capabilities

- Nanometer and single-micron specifications and tolerances
- Unique knowledge of metal grades/**metallurgy**, tool design, and inspection
- Swiss-style machines, screw machines, rotary transfer machines, robotic machines
- Worm milling, gear hobbing, micro milling, grinding
- Multi-station, progressive stamping for high- and low-voltage connectors, electrical contacts, contact assemblies, EMI shielding, busbars, collector plates
- Gold, silver, palladium, nickel and tin plating in-house
- Laser cutting in-house, tool design and build in-house

### Global Footprint, Global Procurement, Global Cost Structures and Lead Times

- North America, South America, Europe and China





# Q4'23 Financial Results Were As Expected

## Sales Drivers

- Volume: ~(\$7M)
- Pricing: ~\$5M
- Taunton & Irvine Closures: ~(\$3M)

## Adj. EBITDA Drivers

- Volume: ~(\$3M)
- Cost Savings: ~\$3M
- Taunton & Irvine Closures: ~\$2M
- Overhead Absorption: ~\$1M
- FX: ~(\$1M)

<i>(Dollars in millions, except per share data)</i>	Q4'22	Q4'23	Δ
<b>Net Sales</b>	\$118.0	\$112.5	(4.6%)
<b>Operating Income (Loss)</b>	(\$11.0)	(\$7.9)	\$3.1
<b>Adjusted Operating Income (Loss)</b>	(\$3.3)	(\$1.4)	\$1.9
<b>Adjusted EBITDA</b>	\$7.8	\$10.0	\$2.2
<b>Adjusted EBITDA Margin</b>	6.6%	8.9%	+2.3%
<b>Income (Loss) per Diluted Common Share</b>	(\$0.33)	(\$0.50)	(\$0.17)
<b>Adjusted Income (Loss) per Diluted Common Share</b>	(\$0.12)	(\$0.10)	\$0.02

# FY'23 Financial Results Were As Expected

## Sales Drivers

- Volume: ~(\$32M)
- Pricing: ~\$31M
- Taunton & Irvine Closures: ~(\$6M)
- Customer Settlements: ~(\$2M)
- FX: ~(\$1M)

## Adj. EBITDA Drivers

- Volume: ~(\$11M)
- Taunton & Irvine Closures: ~\$8M
- Cost / Performance: ~\$5M
- FX: ~(\$3M)
- Customer Settlements: ~(\$2M)
- Overhead Absorption: ~\$2M

	2022	2023	Δ
<i>(Dollars in millions, except per share data)</i>			
Net Sales	\$498.7	\$489.3	(1.9%)
Operating Income (Loss)	(\$21.1)	(\$21.8)	(\$0.7)
Adjusted Operating Income (Loss)	\$1.9	\$3.1	\$1.2
Adjusted EBITDA	\$43.9	\$43.1	(\$0.8)
Adjusted EBITDA Margin	8.8%	8.8%	-
Income (Loss) per Diluted Common Share	(\$0.83)	(\$1.35)	(\$0.52)
Adjusted Income (Loss) per Diluted Common Share	(\$0.19)	(\$0.29)	(\$0.10)

## Non-GAAP Financial Measures Footnotes

The Company discloses in this presentation the non-GAAP financial measures of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt. Each of these non-GAAP financial measures provides supplementary information about the impacts of acquisition, divestiture and integration related expenses, foreign-exchange impacts on inter-company loans, reorganizational and impairment charges. Over the past five years, we have completed several acquisitions, one of which was transformative for the Company, and sold two of our businesses. The costs we incurred in completing such acquisitions, including the amortization of intangibles and deferred financing costs, and these divestitures have been excluded from these measures because their size and inconsistent frequency are unrelated to our commercial performance during the period, which we believe are not indicative of our ongoing operating costs. We exclude the impact of currency translation from these measures because foreign exchange rates are not under management's control and are subject to volatility. Other non-operating charges are excluded, as the charges are not indicative of our ongoing operating cost. We believe the presentation of adjusted income (loss) from operations, adjusted EBITDA, adjusted net income (loss), adjusted net income (loss) per diluted share, free cash flow and net debt provides useful information in assessing our underlying business trends and facilitates comparison of our long-term performance over given periods.

The non-GAAP financial measures provided herein may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies may calculate such financial results differently. The Company's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to actual income growth derived from income amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results.

(a) Non-GAAP adjusted EBITDA represents GAAP income (loss) from operations, adjusted to include income taxes, interest expense, write-off of unamortized debt issuance costs, interest rate swap payments and change in fair value, change in fair value of preferred stock derivatives and warrants, depreciation and amortization, charges related to acquisition and transition costs, non-cash stock compensation expense, foreign exchange gain (loss) on inter-company loans, restructuring and integration expense, costs related to divested businesses and litigation settlements, income from discontinued operations, and non-cash impairment charges, to the extent applicable. We believe this presentation is commonly used by investors and professional research analysts in the valuation, comparison, rating, and investment recommendations of companies in the industrial industry. We use this information for comparative purposes within the industry. Non-GAAP adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to GAAP income (loss) from continuing operations.

## Reconciliation of GAAP Income (Loss) from Operations to Non-GAAP Adjusted Income (Loss) from Operations and Non-GAAP Adjusted EBITDA

(in thousands)	Three Months Ended December 31,	
	2023	2022
<b>NN, Inc. Consolidated</b>		
GAAP loss from operations	\$ (7,943)	\$ (11,041)
Professional fees	225	382
Personnel costs (1)	1,175	902
Facility costs (2)	1,617	1,405
Amortization of intangibles	3,478	5,067
Non-GAAP adjusted loss from operations (a)	\$ (1,448)	\$ (2,283)
Non-GAAP adjusted operating margin (3)	(1.3)%	(2.8)%
Depreciation	7,999	8,202
Other expense (income), net	(8,760)	845
Non-cash foreign exchange loss on inter-company loans	(422)	(715)
Change in fair value of preferred stock derivatives and warrants	9,172	(407)
Share of net income from joint venture	2,719	2,657
Non-cash stock compensation	763	515
Non-GAAP adjusted EBITDA (b)	\$ 10,023	\$ 7,812
Non-GAAP adjusted EBITDA margin (4)	8.9 %	6.6 %
GAAP net sales	\$ 112,533	\$ 118,012

(in thousands)	Three Months Ended December 31,	
	2023	2022
<b>Power Solutions</b>		
GAAP income (loss) from operations	\$ 2,830	\$ (840)
Professional fees	63	—
Personnel costs (1)	82	590
Facility costs (2)	141	506
Amortization of intangibles	2,640	4,229
Non-GAAP adjusted income from operations (a)	\$ 5,756	\$ 4,485
Non-GAAP adjusted operating margin (3)	13.3 %	9.0 %
Depreciation	1,056	1,239
Other income, net	(162)	(61)
Non-cash foreign exchange loss on inter-company loans	(3)	(35)
Non-GAAP adjusted EBITDA (b)	\$ 6,647	\$ 5,628
Non-GAAP adjusted EBITDA margin (4)	15.3 %	11.3 %
GAAP net sales	\$ 43,330	\$ 50,020

(in thousands)	Three Months Ended December 31,	
	2023	2022
<b>Mobile Solutions</b>		
GAAP loss from operations	\$ (5,886)	\$ (5,389)
Personnel costs (1)	1,091	—
Facility costs (2)	1,476	899
Amortization of intangibles	838	838
Non-GAAP adjusted loss from operations (a)	\$ (2,281)	\$ (3,652)
Share of net income from joint venture	2,719	2,657
Non-GAAP adjusted income (loss) from operations with JV (a)	\$ 438	\$ (995)
Non-GAAP adjusted operating margin (3)	0.6 %	(1.5)%
Depreciation	6,549	6,569
Other expense, net	293	67
Non-cash foreign exchange loss on inter-company loans	(139)	(251)
Share of net income from joint venture	2,719	2,657
Non-GAAP adjusted EBITDA (b)	\$ 7,141	\$ 5,390
Non-GAAP adjusted EBITDA margin (4)	10.3 %	7.9 %
GAAP net sales	\$ 69,203	\$ 67,994

(in thousands)	Three Months Ended December 31,	
	2023	2022
<b>Elimination</b>		
GAAP net sales	\$ —	\$ (2)

- (1) Personnel costs include recruitment, retention, relocation, and severance costs
- (2) Facility costs include costs of opening / closing facilities and relocation / exit of manufacturing operations
- (3) Non-GAAP adjusted operating margin = Non-GAAP adjusted income (loss) from operations / GAAP net sales
- (4) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

## Reconciliation of GAAP Income (Loss) from Operations to Non-GAAP Adjusted Income (Loss) from Operations and Non-GAAP Adjusted EBITDA

(in thousands)	Year Ended December 31,	
	2023	2022
<b>NN, Inc. - Consolidated</b>		
GAAP loss from operations	(21,804)	(21,892)
Litigation / settlement costs	—	1,850
Professional fees	640	1,607
Personnel costs (1)	2,857	945
Facility costs (2)	7,271	2,571
Amortization of intangibles	14,167	15,827
Fixed asset impairments	—	219
Non-GAAP adjusted income from operations (a)	\$ 3,131	\$ 1,927
Non-GAAP adjusted operating margin (3)	0.6 %	0.4 %
Depreciation	31,953	31,404
Other expense (income), net	(10,730)	5,664
Non-cash foreign exchange loss on inter-company loans	(676)	(212)
Change in fair value of preferred stock derivatives and warrants	10,814	(5,267)
Share of net income from joint venture	5,806	6,592
Non-cash stock compensation	2,823	4,378
Non-GAAP adjusted EBITDA (b)	\$ 43,121	\$ 43,886
Non-GAAP adjusted EBITDA margin (4)	8.8 %	8.8 %
GAAP net sales	489,270	498,738

(in thousands)	Year Ended December 31,	
	2023	2022
<b>Power Solutions</b>		
GAAP income from operations	11,096	3,536
Litigation / settlement costs	—	1,850
Professional fees	63	339
Personnel costs (1)	204	590
Facility costs (2)	1,742	1,599
Amortization of intangibles	10,814	12,474
Non-GAAP adjusted income from operations (a)	\$ 23,919	\$ 20,658
Non-GAAP adjusted operating margin (3)	12.9 %	9.8 %
Depreciation	4,504	5,009
Other expense, net	104	20
Non-cash foreign exchange loss on inter-company loans	(202)	(74)
Non-GAAP adjusted EBITDA (b)	\$ 28,325	\$ 25,613
Non-GAAP adjusted EBITDA margin (4)	15.2 %	12.2 %
GAAP net sales	185,948	205,204

(in thousands)	Year Ended December 31,	
	2023	2022
<b>Mobile Solutions</b>		
GAAP loss from operations	\$ (11,749)	\$ (2,165)
Personnel costs (1)	1,593	—
Facility costs (2)	5,529	3,353
Amortization of intangibles	3,353	3,353
Fixed asset impairments	—	219
Non-GAAP adjusted income (loss) from operations (a)	\$ 11,225	\$ 2,709
Share of net income from joint venture	\$ 5,806	\$ 6,592
Non-GAAP adjusted income from operations with JV (a)	\$ 4,532	\$ 9,301
Non-GAAP adjusted operating margin (3)	1.5 %	3.2 %
Depreciation	\$ 25,803	\$ 24,839
Other income, net	(161)	(261)
Non-cash foreign exchange loss on inter-company loans	(151)	(140)
Share of net income from joint venture	5,806	6,592
Non-GAAP adjusted EBITDA (b)	\$ 29,821	\$ 33,739
Non-GAAP adjusted EBITDA margin (4)	9.8 %	11.5 %
GAAP net sales	\$ 303,335	\$ 293,538

(in thousands)	Year Ended December 31,	
	2023	2022
<b>Elimination</b>		
GAAP net sales	\$ (13)	\$ (2)

- (1) Personnel costs include recruitment, retention, relocation, and severance costs
- (2) Facility costs include costs associated with opening or closing facilities and equipment relocation
- (3) Non-GAAP adjusted operating margin = Non-GAAP adjusted income (loss) from operations / GAAP net sales
- (4) Non-GAAP adjusted EBITDA margin = Non-GAAP adjusted EBITDA / GAAP net sales

## Reconciliation of GAAP Net Income (Loss) to Non-GAAP Adjusted Net Income (Loss) and GAAP Net Income (Loss) per Diluted Common Share to Non-GAAP Adjusted Net Income (Loss) per Diluted Common Share

<i>(in thousands)</i>	Three Months Ended December 31,		<i>(per diluted common share)</i>	Three Months Ended December 31,	
	2023	2022		2023	2022
GAAP net loss	\$ (20,541)	\$ (12,014)	GAAP net loss per diluted common share	\$ (0.50)	\$ (0.33)
Pre-tax professional fees	225	382	Pre-tax professional fees	—	0.01
Pre-tax personnel costs	1,175	902	Pre-tax personnel costs	0.03	0.02
Pre-tax facility costs	1,617	1,405	Pre-tax facility costs	0.03	0.03
Non-cash foreign exchange loss on inter-company loans	(422)	(715)	Pre-tax foreign exchange (gain) loss on inter-company loans	(0.01)	(0.02)
Pre-tax change in fair value of preferred stock derivatives and warrants	9,172	(407)	Pre-tax change in fair value of preferred stock derivatives and warrants	0.19	(0.01)
Pre-tax amortization of intangibles and deferred financing costs	4,009	5,407	Pre-tax amortization of intangibles and deferred financing costs	0.08	0.12
Tax effect of adjustments reflected above (c)	(107)	(1,465)	Tax effect of adjustments reflected above (c)	—	(0.03)
Non-GAAP discrete tax adjustments	—	730	Non-GAAP discrete tax adjustments	—	0.02
Non-GAAP adjusted net income (loss) (d)	<u>\$ (4,872)</u>	<u>\$ (5,775)</u>	Preferred stock cumulative dividends and deemed dividends	0.07	0.07
			Non-GAAP adjusted net income (loss) per diluted common share (d)	<u>\$ (0.10)</u>	<u>\$ (0.12)</u>
			Shares used to calculate net earnings (loss) per share	47,709	44,708

**Reconciliation of GAAP Net Income (Loss) to Non-GAAP Adjusted Net Income (Loss) and GAAP Net Income (Loss) per Diluted Common Share to Non-GAAP Adjusted Net Income (Loss) per Diluted Common Share**

<i>(in thousands)</i>	Year Ended December 31,		<i>(per diluted common share)</i>	Year Ended December 31,	
	2023	2022		2023	2022
GAAP net income (loss)	\$ (50,150)	\$ (26,098)	GAAP net income (loss) per diluted common share	\$ (1.35)	\$ (0.83)
Pre-tax foreign exchange (gain) loss on inter-company loans	(676)	(212)	Pre-tax foreign exchange (gain) loss on inter-company loans	(0.01)	—
Pre-tax litigation / settlement costs	—	1,850	Pre-tax litigation / settlement costs	—	0.04
Pre-tax professional fees	640	1,607	Pre-tax professional fees	0.01	0.04
Pre-tax personnel costs	2,857	945	Pre-tax personnel costs	0.06	0.02
Pre-tax facility costs	7,271	2,571	Pre-tax facility costs	0.16	0.06
Pre-tax change in fair value of preferred stock derivatives and warrants	10,814	(5,267)	Pre-tax change in fair value of preferred stock derivatives and warrants	0.23	(0.12)
Pre-tax amortization of intangibles and deferred financing costs	16,108	17,188	Pre-tax amortization of intangibles and deferred financing costs	0.34	0.38
Pre-tax impairments of fixed asset costs	—	219	Tax effect of adjustments reflected above (c)	(0.01)	(0.09)
Tax effect of adjustments reflected above (c)	(592)	(3,978)	Non-GAAP discrete tax adjustments	—	0.07
Non-GAAP discrete tax adjustments	—	3,128	Preferred stock cumulative dividends and deemed dividends	0.28	0.24
Non-GAAP adjusted net income (loss) (d)	\$ (13,728)	\$ (8,047)	Non-GAAP adjusted net income (loss) per diluted common share (d)	\$ (0.29)	\$ (0.19)
			Weighted average common shares outstanding	46,738	44,680

## Reconciliation of Operating Cash Flow to Free Cash Flow

<i>(in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 5,454	\$ 10,388	\$ 29,344	\$ 7,717
Acquisition of property, plant, and equipment	(4,204)	(3,941)	(20,496)	(17,952)
Proceeds from sale of property, plant, and equipment	22	—	2,898	460
Free cash flow	<u>\$ 1,272</u>	<u>\$ 6,447</u>	<u>\$ 11,746</u>	<u>\$ (9,775)</u>



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**Thank You**

