



CJS Securities:

New Ideas for the New Year Investor Conference
January 14, 2015

Inspired by **iNN**ovation



Forward-Looking Statement

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. Forward-looking statements involve a number of risks and uncertainties 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, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and other risk factors and cautionary statements listed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on 10-K for the fiscal year ended December 31, 2013.



Vision & Mission

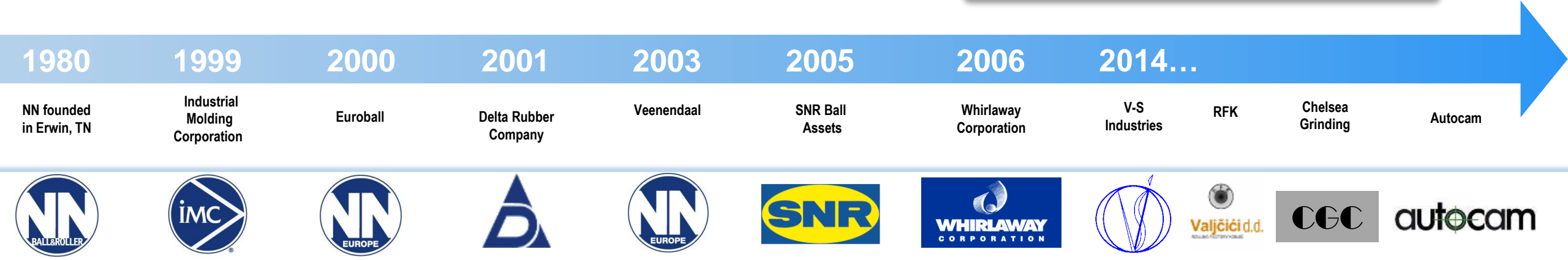
Our mission is to provide high-quality products and superior customer service that continuously exceed our customers' expectations while providing enhanced value for our stakeholders.

Our vision is to be the leading manufacturer of high-performance precision components.



A History of Growth

- Estimated revenue of \$700M
- Traded on Nasdaq (NNBR)
- Global reach, local depth
- 25 manufacturing facilities with operations in 10 countries
- 4,200 employees
- Continuous investment in technology leadership
- Supplying to diversified blue chip customers in over 30 countries





NN, Inc. President & CEO

Richard D. Holder

- Highly successful history of growing profitable organizations by acquisition, organic growth, and adjacent market growth
- Joins NN from Eaton Corporation where he held several leadership positions most recently serving as President of Eaton Electrical Components Group
- Held leadership positions at US Airways, AlliedSignal and Parker Hannifin Corporation prior to joining Eaton
- Served 10 years in USMC





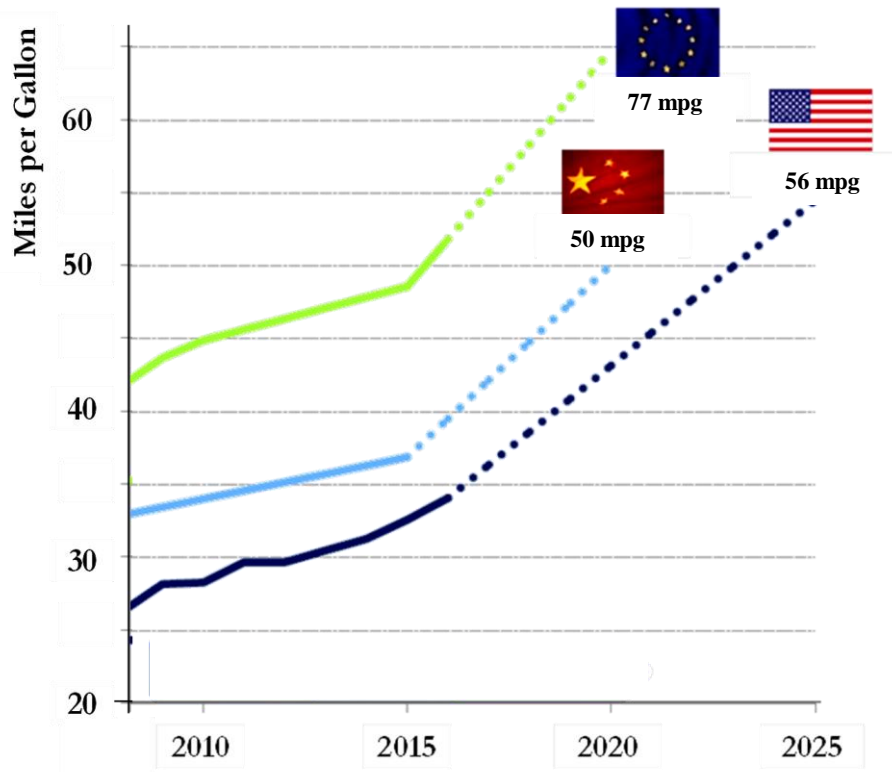
Macro Trends

- New Capital Cycle: the manufacturing world is coming off of a low period in capital investment. As customers consider make vs. buy decisions, NN is positioned to become the feeder company of choice in our markets.
- Tier 1 and Tier 2 auto suppliers are concentrating on purchasing with fewer, larger suppliers.
- Offshore sourcing is changing as logistics are becoming a growing factor. Supply Chain localization is gaining momentum with all manufacturers. Healthy U.S. automotive industry is providing opportunities for growth.
- China is now the world's largest market for personal cars.
- Rigorous global gas mileage requirements assure growing demand for NN products



Fuel Economy Regulations Increasing

Global Fuel Efficiency Standards



Source: ICCT

- U.S. fuel efficiency requirements increase from 35 MPG in 2014 to 56 MPG in 2025 → 60% higher
- The EU's 2025 requirement of 77 MPG is ~40% higher than the U.S. same-year requirement
- China and Japan will both require fuel efficiency to reach 50 MPG or above by 2020
- Rapidly increasing standards are driving OEMs to accelerate new technology development
 - Efficient powertrain technologies will see rapid adoption
 - Direct fuel injection offers the most significant increase in fuel efficiency at the lowest cost
 - Electric vehicle production will increase but remain a small portion of the total fleet due to prohibitive cost and lack of supporting infrastructure

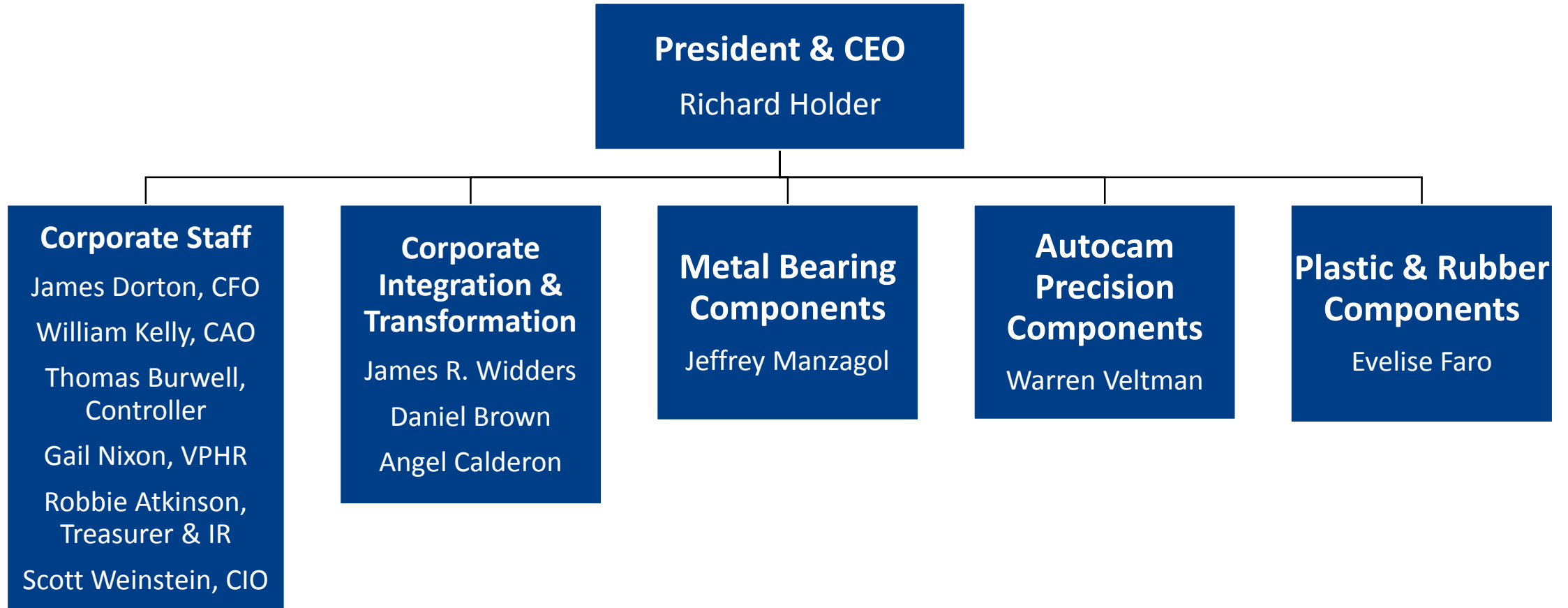
Technology	Increase in Fuel Efficiency
Direct fuel injection w/ variable valve timing	15-20%
High transmission gearing (6-9 gears)	4-15%
Start-stop technologies	5-10%
Electric Power Steering	1 mpg



Company Overview



Organizational Overview





The New NN – Global Market Leader

- **NN is a \$700+ million public company with three platforms**
 - Metal Bearing Components
 - Autocam Precision Components
 - Plastics and Rubber Components
- **NN has a world leading market position in Metal Bearing Components**
 - Top 3 in precision balls, Number 1 in tapered rollers
 - Low number of competitors; high market share; high barrier to entry
 - Stable market position throughout the cycle; organic growth limited due to high, stable market shares
- **The Autocam Precision Components platform has high growth opportunities**
 - Top 3 in existing precision markets
 - Highly disaggregated global market
 - Few global players at the high precision range are in an excellent position to gain market share
- **NN's Plastic & Rubber Components group specializes in high-precision plastic injection and rubber molded products for auto and industrial markets**
- **Global reach is critical in our product platforms and with production in 10 countries, NN is able to serve all key customers.**

NN is now top 3 globally in both Bearing Components and Precision Metal Components



The New NN – Global Market Leader

Metal Bearing Components

- Steel balls
- Tapered rollers
- Cylindrical rollers
- Spherical rollers
- Bearing cages
- Stamped metal products



Autocam Precision Components

- Complex, high precision components for :
 - Fuel systems
 - Steering systems
 - Transmissions
 - HVAC compressors
 - Power tools



Plastic & Rubber Components

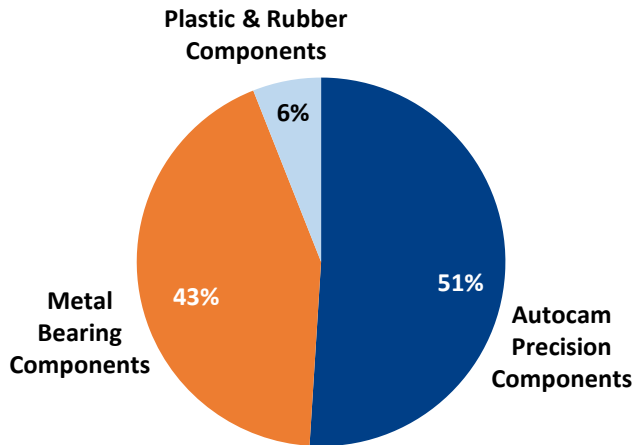
- Bearing seals
- Custom molded rubber seals
- Plastic retainers
- Precision plastic components



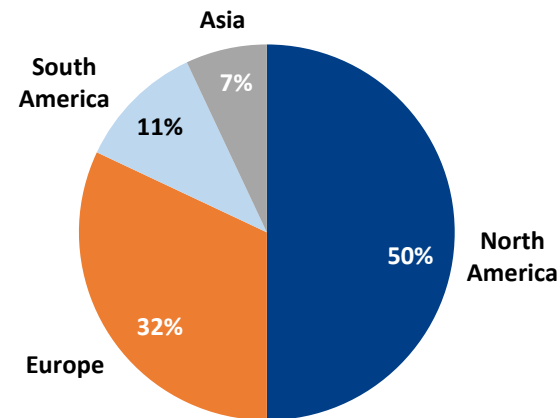


Company Overview

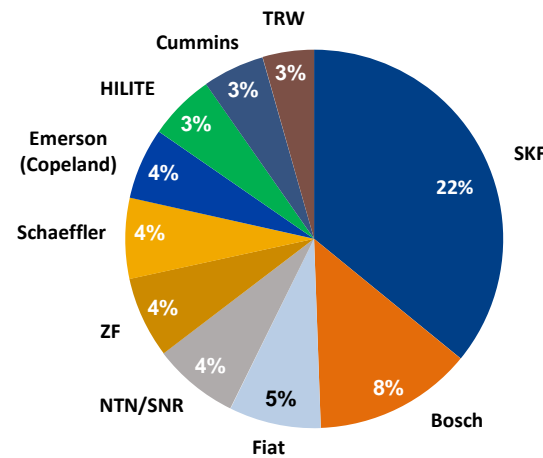
Product Mix



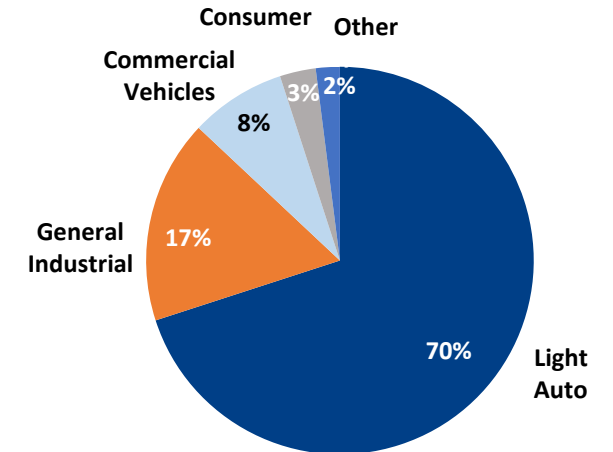
Geography



Blue Chip Customer Base



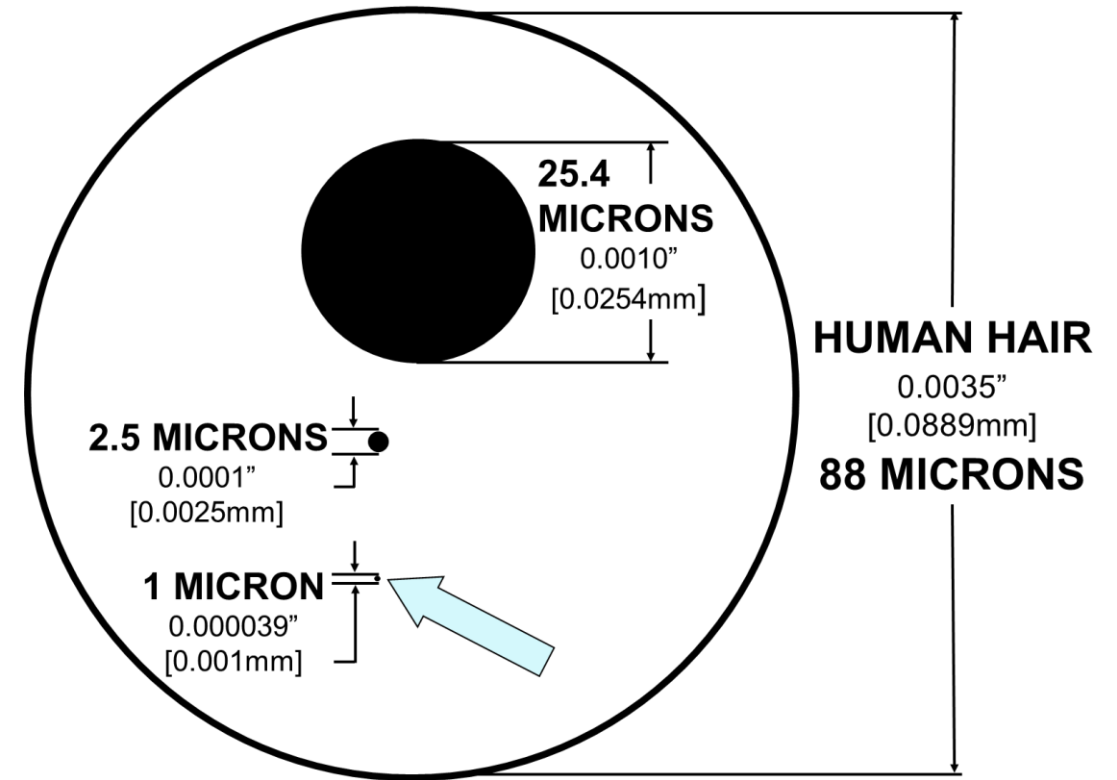
End Markets





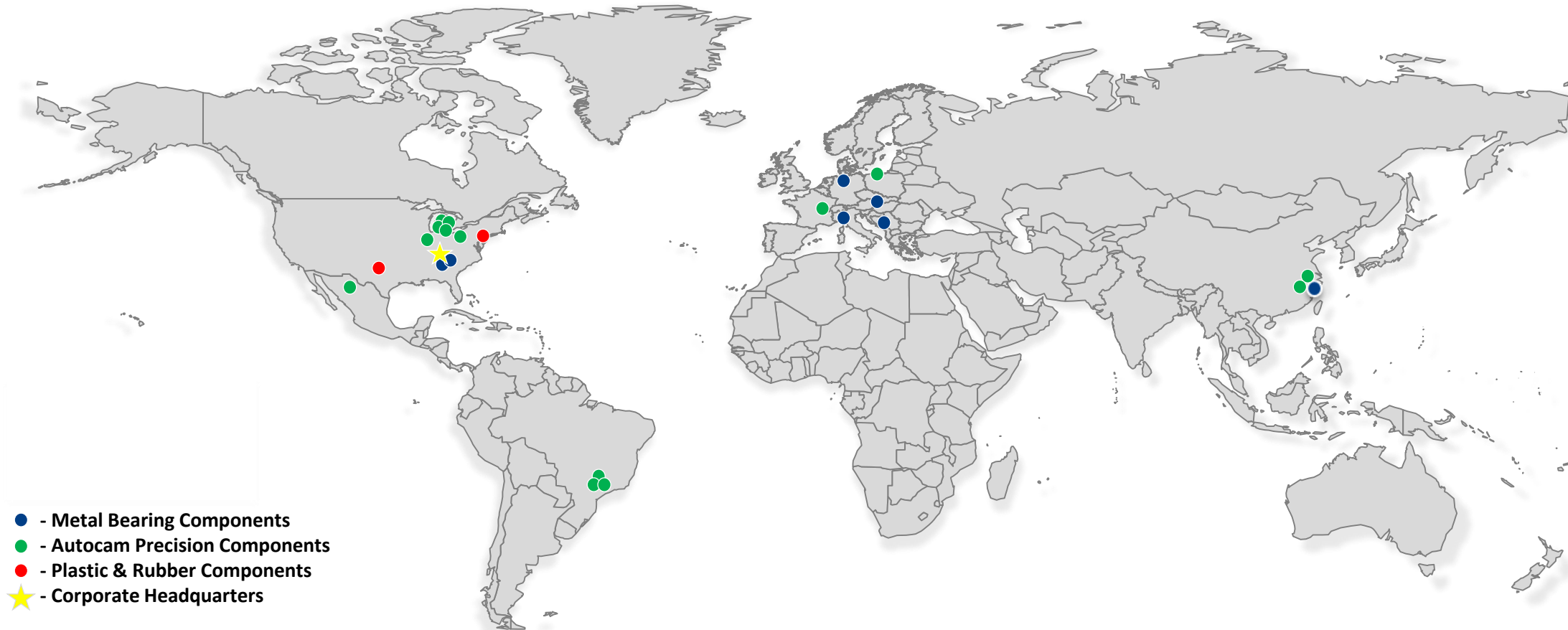
Differentiation

- High precision manufacturing
- Operating tolerances of <1 micron
- Specialty machine building and in-house tooling leading to significant competitive advantages – trade secrets
- Application specific customer design
- Repeatable high volume global manufacturing in millions of parts per day
- Zero defect process design, extendable to additional industry platforms





Global Footprint



Established global presence with profitable operations in North America, Europe, Brazil and China



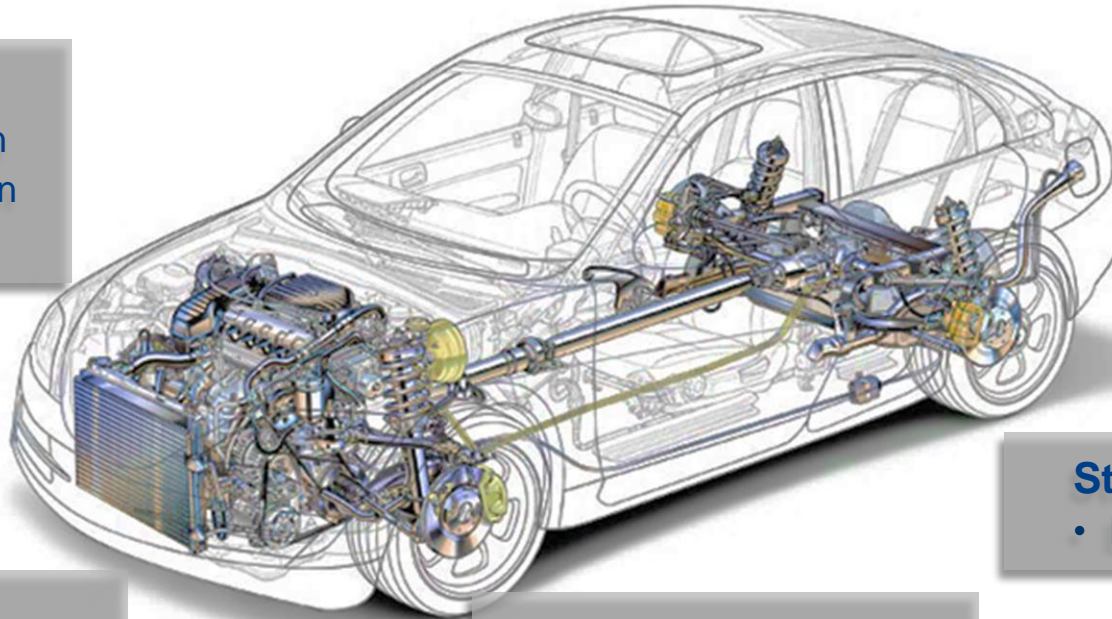
Automotive Presence



in Automotive

Fuel Systems:

- Gasoline direct injection
- HP clean diesel injection
- Sensor housings



Automotive Bearings:

- Hub bearing units
- CV Joints

Steering Systems:

- Electric Power Steering

Engine:

- Variable valve timing
- Variable cam timing
- Cyl. deactivation

Transmission:

- VBS/VFS solenoids
- Shift components
- Tapered rollers
- Precision balls

NN Content Focuses on Fuel Efficient Technologies



What Makes NN Unique






- Market leader in two high-precision industrial segments
- Our ability to create precision products with tight tolerances in high volume
- Established global footprint
- Highly specialized skill and market leader in bearing components and precision machining
- Long-term customer relationships
- Significant proprietary knowledge and trade secrets
- Leader in fuel efficient technologies



Metal Bearing Components (MBC) Group



MBC Competitive Landscape

						Other
Established	1980	1913	1988	1999	1949	
Locations	<ul style="list-style-type: none"> N. America W. Europe E. Europe China 	<ul style="list-style-type: none"> N. America E. Europe Japan China India 	<ul style="list-style-type: none"> N. America W. Europe E. Europe China Indonesia 	<ul style="list-style-type: none"> China 	<ul style="list-style-type: none"> India 	
Global Ball Capacity ⁽¹⁾	111,700	127,500	120,000	44,000	18,000	40,000
Global Ball Market Share	24.22%	27.65%	26.02%	9.54%	3.90%	8.67%
Strengths	<ul style="list-style-type: none"> Global footprint Good balance of quality and cost Independent ownership (public) Reputation flexibility 	<ul style="list-style-type: none"> Global footprint Good access to Japanese customers Access to Japanese steel suppliers Significant specialty ball product line Low prices in China 	<ul style="list-style-type: none"> Global footprint Quality reputation Good access to Japanese customers Access to Japanese steel suppliers Significant specialty ball product line Connection to NSK assures base volumes and R&D 	<ul style="list-style-type: none"> Low cost / low prices in market Small EMQ (Electric Motor Quality) 	<ul style="list-style-type: none"> Low cost / low prices in market India footprint 	



What Drives the MBC Division

- With an increasing demand for fuel efficient bearing applications, there is a growing need for precision components. NN is capable of manufacturing precision bearing components for a variety of markets and industries.
- Tight tolerances, high precision down to the micron
- Precision balls can be found in many bearing applications, including:
 - Hub bearing units
 - CV joints
 - Transmissions
- Bearings play a part in fuel efficiency and with automotive continuing to be strong, NN is growing because of our ability to obtain dominant market share in the non-captive tapered roller space
- NN has 80% of the outsourced tapered roller market share
- Adjacent market expansion, new product development → spherical rollers, welded products















autocam
Precision Components Group



APC Competitive Landscape

Company Name	Country	Estimated Size*
NN Autocam Precision Components		\$350
Haering		\$300 - \$500
A. Berger		\$300 - \$500
IMS		\$150
Brovedani		\$100
Samot		\$100
Burgmaier Metalltechnik		\$100
Cogeme		\$100
Curtis Screw		\$75
American Turned Products		\$50



Focus on Fuel Efficient Technologies

- Identified fuel saving technologies whose growth would outpace the automotive market for the next 7-10 years
- Focus on these technologies would result in long running programs ensuring full utilization and maximum ROIC on capital investments
- The high precision metal products required in these technologies are a perfect match for our capabilities and results in a limited competitive set
- Products and processes are scalable and deployable in every region
NN services



NN's strategy created a company that is achieving above market growth and profitability, well positioned for sustainable long-term value creation.



APC High Growth Product Segments



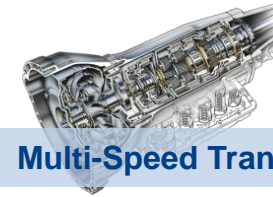
GDI



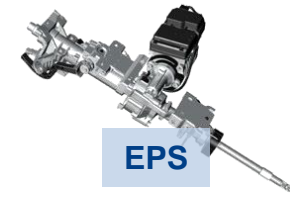
HP Diesel



















VCT/VVT



Multi-Speed Trans



EPS

MPG Increase	+ 15 - 20% ⁽¹⁾	+ 20 - 30% ⁽¹⁾	+ 4 - 6% ⁽²⁾	+ 5 - 10% ⁽³⁾	+ 3 - 5% ⁽⁴⁾
Content Per Vehicle Impact	+ \$54 ⁽¹⁾	+ \$89 ⁽¹⁾	+ \$10 ⁽²⁾	+ \$20 ⁽³⁾	+ \$4 ⁽⁴⁾
Market Growth	>17% CAGR	>10% CAGR	>10% CAGR	>15% CAGR	>10% CAGR
Key Regions/Markets	  	  	   	  	   

- Average adoption rate across all technologies estimated at 20%
- Technologies needed on a global scale to meet fuel economy regulations
- Conversion/implementation rates will outpace market growth
- All of these technologies require numerous high precision metal components

Source: Based on IHS Automotive and internal estimates

(1) Relative to base engine with MPFI fuel system

(2) Relative to base engine without VVT/VCT

(3) Relative to base 5-speed transmission

(4) Relative to base Hydraulic Power Steering system



GDI: Increased APC Content per Vehicle

MPFI V6

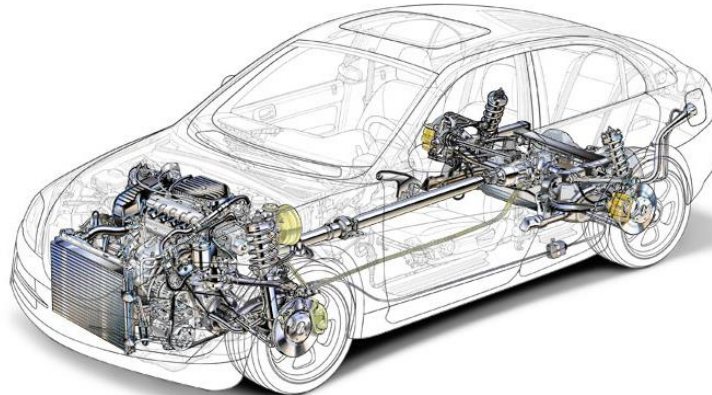


Precision Turned Part content:

- 6 injectors

\$6.00 per vehicle

GDI V6



Precision Turned Part content:

- 6 Injectors
- 1 High pressure fuel pump
- 2 High pressure fittings

\$60 per vehicle

- *Technology requires more precision, tighter tolerances*
- *GDI will have a VERY long life: 10-15+ years (MPFI lived for 30+ years)*

GDI Fuel System

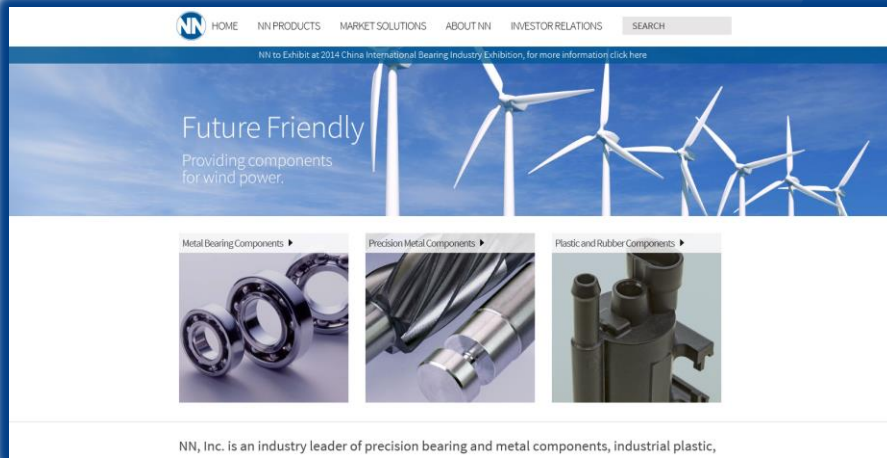




Moving Forward



Creating an Integrated Company



Corporate Identity and Branding

- One corporate identity
- Redesigned website
- Common customer solutions

Operational Excellence

- Top Down Strategy
- New Supply Chain Operations
- Financial and Business Systems Consolidation

Functional Excellence

- Level 3: Offset Economic Costs
- Quality: Drive a Zero Defect Culture
- Safety: Drive a Zero Incident Culture
- Delivery: Exceed Customers' Expectations



Enhanced R&D Efforts

Established 3 R&D Centers of Excellence

- Adjacent markets
 - (e.g. spherical rollers, welded cages)
- Game changing manufacturing processes
 - (e.g. ball cells, robotics)
- Enhanced quality
 - (e.g. noise reduced product)

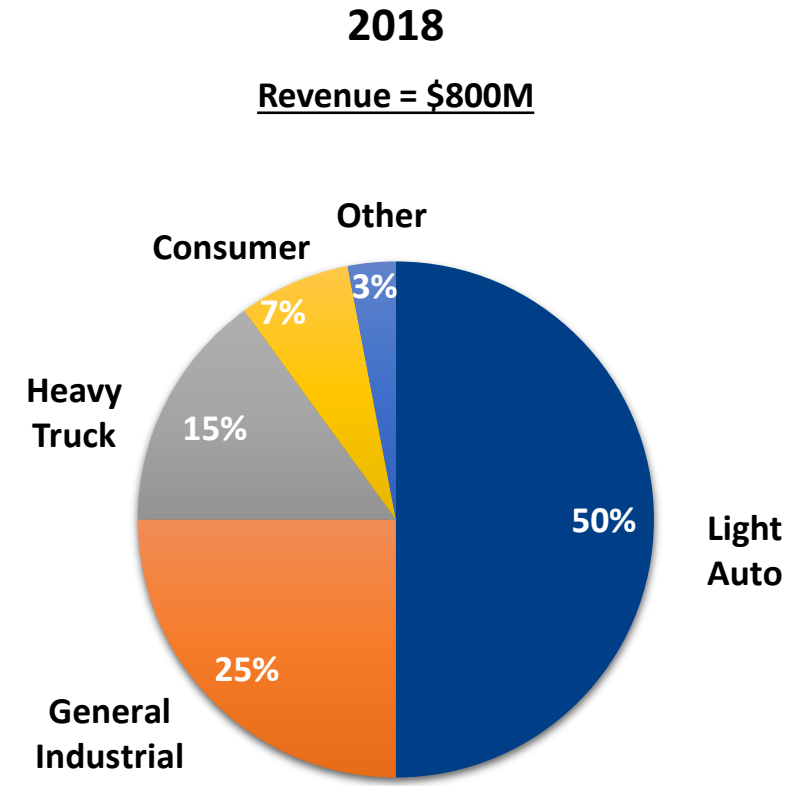
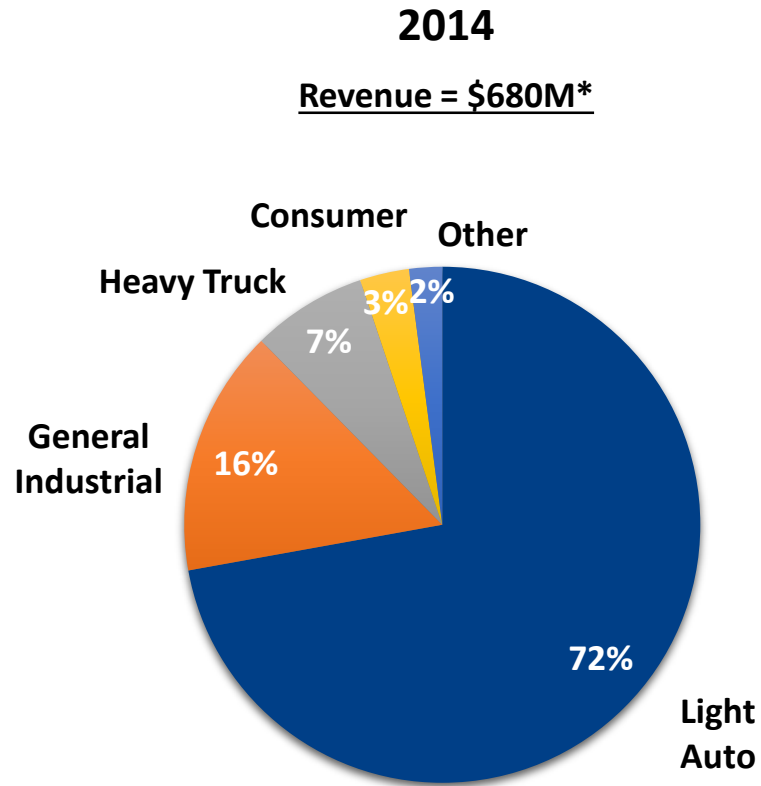


Inspired by iNNovation



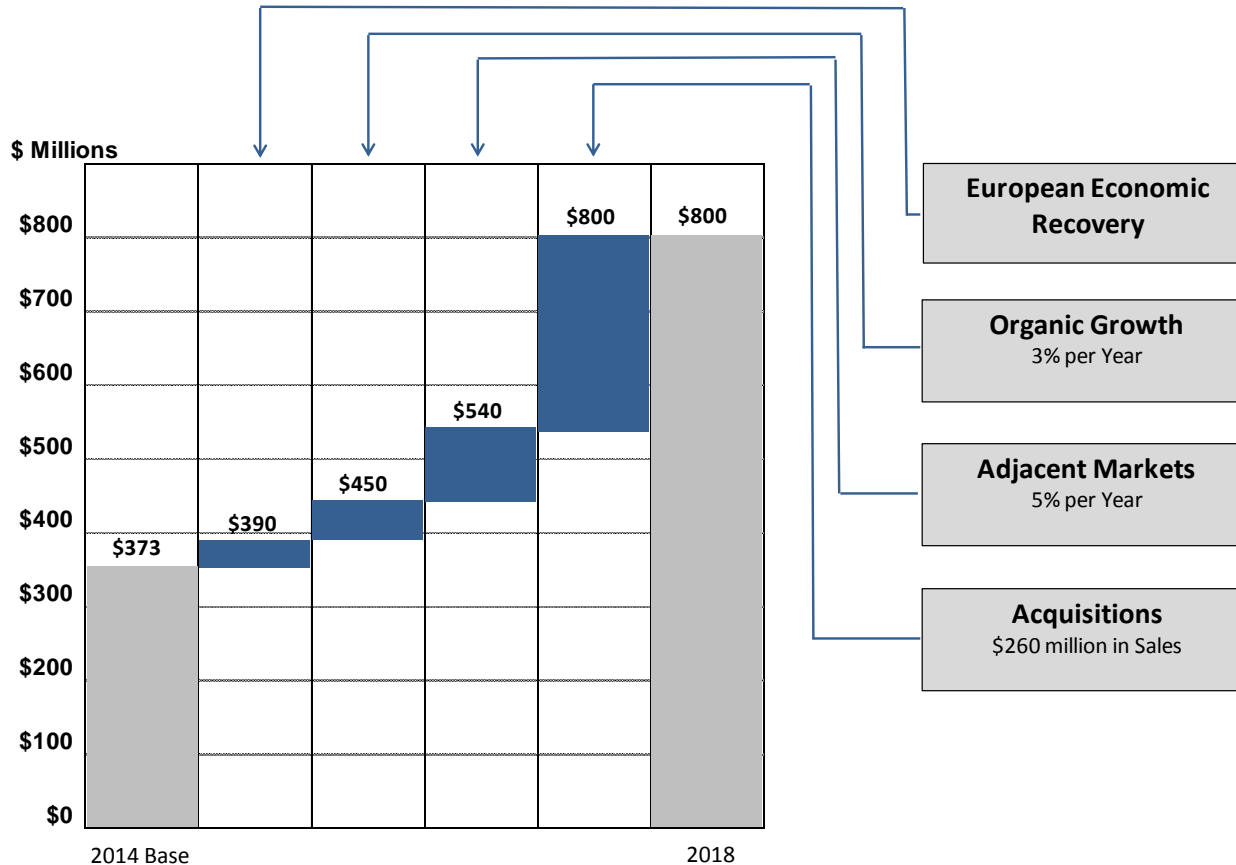
Today & Future Vision

Mix Shift





Road to \$800M



Outpace the Market with Expanded Focus and Investment

\$800+ million in revenue

- \$280 million in revenue from acquisitions already completed
- \$145 million from organic and adjacent market growth based on enhanced R&D and market presence

Improving segment operating margins

- Metal Bearing Components: 13.5%
- Precision Metal Components: 12.0%
- Plastic and Rubber Components: 8.5%

NN will be growing revenue at 26% CAGR over the Strategic Plan Years



Results of 2014 Strategic Plan

- In January of 2014, NN announced its strategic plan with \$270 million in revenue of planned acquisitions plus organic and adjacent market growth.
- By September of 2014, we completed 4 acquisitions totaling \$280 million in revenue – 3 years ahead of schedule.
- NN stock price has more than doubled since Mr. Holder joined the Company.
- Filed a \$200 million “universal shelf” registration as part of our continued focus on prudent corporate governance.
- We are in the process of updating the strategic plan.
- Moving forward, NN, Inc. is a \$700 million public company with two industry-leading platforms in metal bearing components and precision metal components (rebranded as NN Autocam Precision Components Group).

Aggressive growth plans lead to higher than average growth and profitability



Financial Strategy / Policy

- Build upon a strong, global operating platform while maintaining financial strength and flexibility
- Financial policy:
 - Maintain healthy leverage over business cycles and strategic growth period: Debt to EBITDA 2.0x – 3.0x, < 4.0x at peak
 - Cash flow priorities:
 - 1) Debt repayment to achieve target leverage
 - 2) Capex to achieve operational excellence and growth
 - 3) Stable common dividends to shareholders (< 20% free cash flow).
 - 4) Strategic acquisitions financed by debt and equity issuance to maintain leverage target
- Generate above-market-average revenue growth and capture market share in key areas of new technology over Strategic Plan period
 - Improve market mix by decreasing auto exposure from 70% to 50%
 - Increase industrial /aerospace/medical offerings in existing product lines
- Expand segment gross and operating margins (optimize mix, operational improvement, cost reductions)
- Continue to invest in R&D
- Continue to pursue selective strategic acquisitions to diversify end markets and expand global reach, within leverage targets



2015 Updated Forecast

Metrics	Forecasted Target	Analysis
Revenue	\$690 - \$710 Million	Solid core growth tempered by FX translation, and slowing European and Brazilian economies
EBITDA	\$110 - \$120 Million	Margins remain in line, we are pulling forward strategic investments as we continue to invest in our future.
Capital Spending	\$45 - \$55 Million	Capital Investment remains a key component of our growth strategy
Free Cash Flow	\$25 - \$35 Million	Free cash flow remains strong.

** Includes all completed acquisitions, organic growth and adjacent market growth per NN's long-range strategic plan. EBITDA estimate assumes full realization of synergies and full integration of new operations.*