



**Fourth Quarter 2015 Earnings Release
March 9, 2016**



Forward-Looking Statement and Non-GAAP Financial Information

Except for specific historical information, many of the matters discussed in this presentation may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements, are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector, deterioration of or instability in the economy, the Company's ability to integrate the recent acquisition of Precision Engineered Products Holdings, Inc. and achieve the anticipated benefits of that transaction, inventory levels, the Company's compliance with applicable laws and regulations (including regulations relating to medical devices and the healthcare industry) and changes in applicable laws and regulations, regulatory compliance costs and the Company's ability to manage these costs, start-up costs for new operations, the impact of debt obligations on operations and liquidity, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and the successful implementation of the global growth plan including development of new products. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in the Company's SEC filings, including its 2014 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the third quarter of 2015. These forward-looking statements speak only as of the date of this release, and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found in the "Investor Relations" section of the Company's web site, www.nninc.com, under the heading "News & Events" and subheading "Presentations." In addition, in addressing various financial metrics the presentation describes certain of the more significant factors that impacted year-over-year performance. Please refer to the Company's earnings release, Form 10-Q and the other related presentation materials supplementing today's call for additional factors that impacted year-over-year performance, all of which are available in the "Investor Relations" section of the Company's web site under the heading "News & Events" and subheading "Presentations."



4th Quarter 2015



Highlights of 4th Quarter 2015

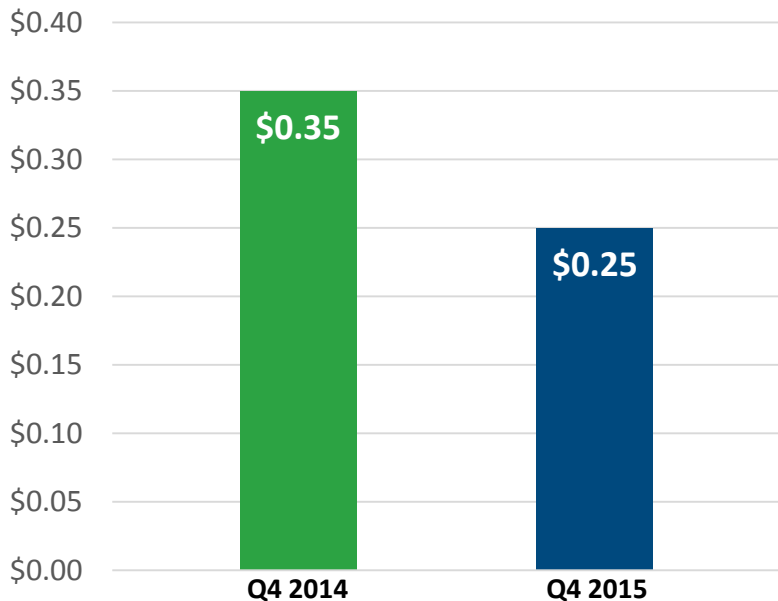
- **Closed acquisition of Precision Engineer Products on October 19th**
- **Sales of \$183.9M**
 - **Acquisitions contributed \$42.2M during the quarter**
 - **Autocam margins continued to expand driven by CAFE products**
- **Adjusted Earnings Per Share of \$0.25 in line with our guidance**
- **Adjusted EBITDA of \$31.9 million**
- **Adjusted Operating Margin improved 290 bps year over year**
- **Foreign Currency impact for Q4:**
 - **Net Sales impact of negative \$11.7M compared to Q4 2014**
- **PEP brings us closer to our desired end market balance**



4th Quarter 2015 Financial Summary

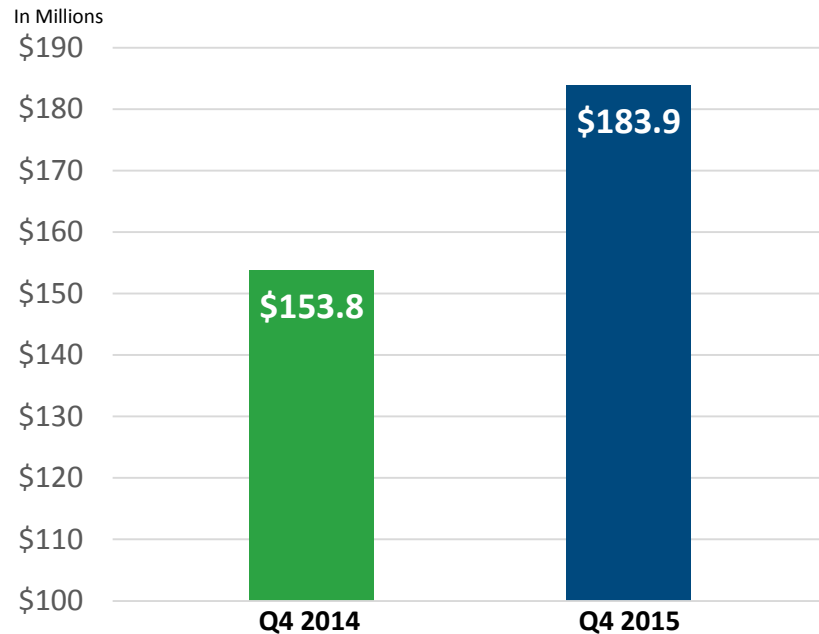
Adjusted Earnings Per Share

Issued 7.6M shares in Q3 2015



Net Sales

20% growth year over year

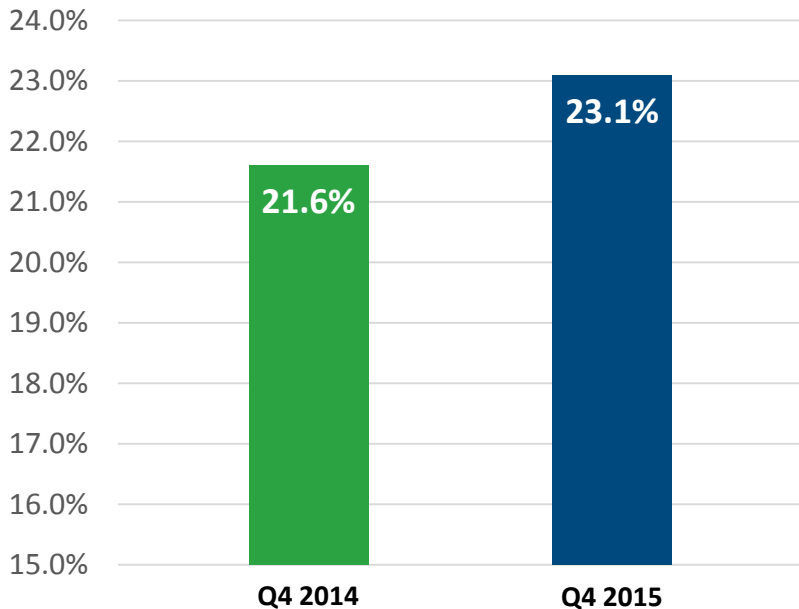




4th Quarter 2015 Financial Summary

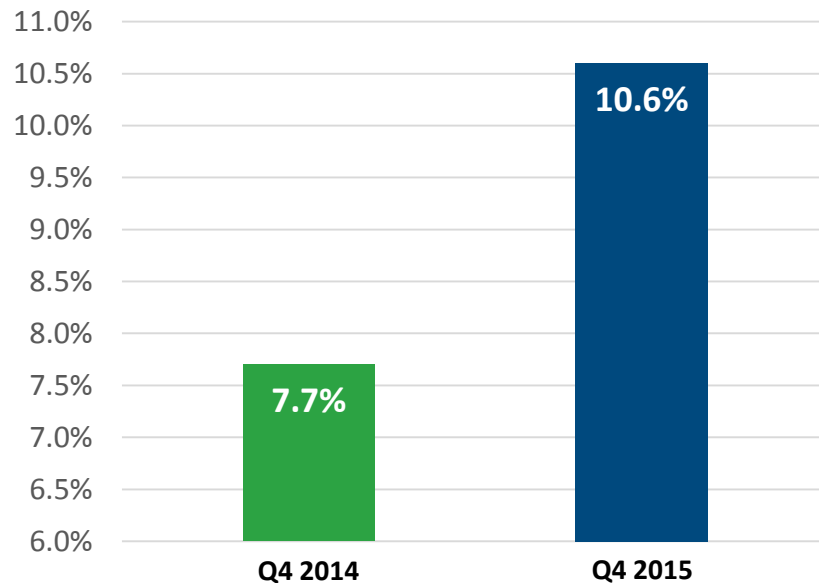
Adjusted Gross Margin

150 bps improvement over Q4 2014 resulting from acquisitions & continued improvements in the NN Operating System



Adjusted Operating Margin

Margins continue to expand as improvements in the NN Operating System & acquisitions take effect



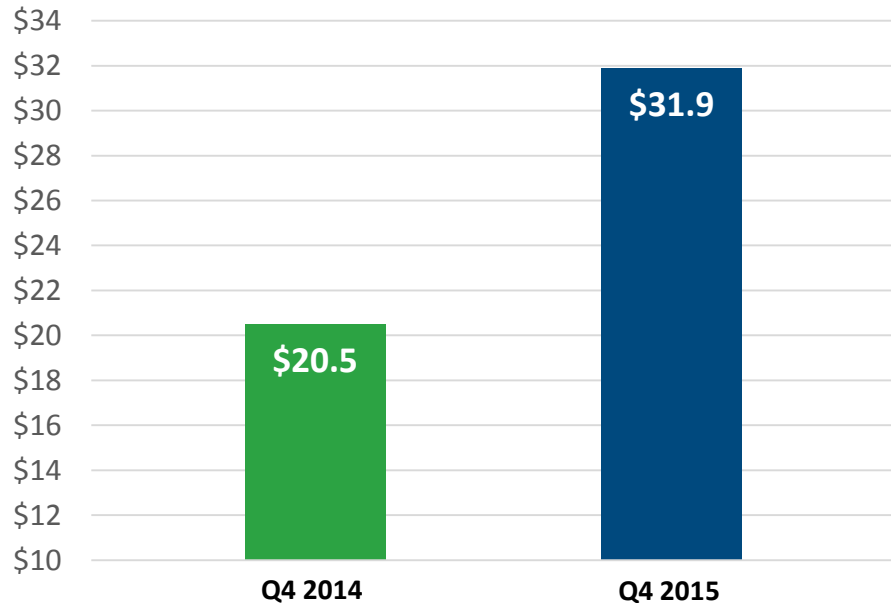


4th Quarter 2015 Financial Summary

Adjusted EBITDA

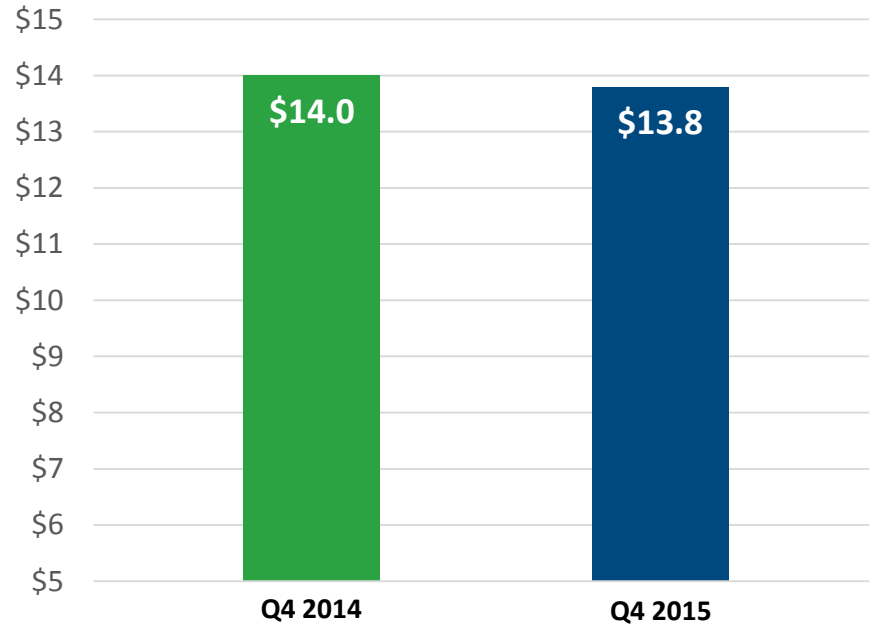
Up 48% compared to Q4 2014

In Millions



SG&A

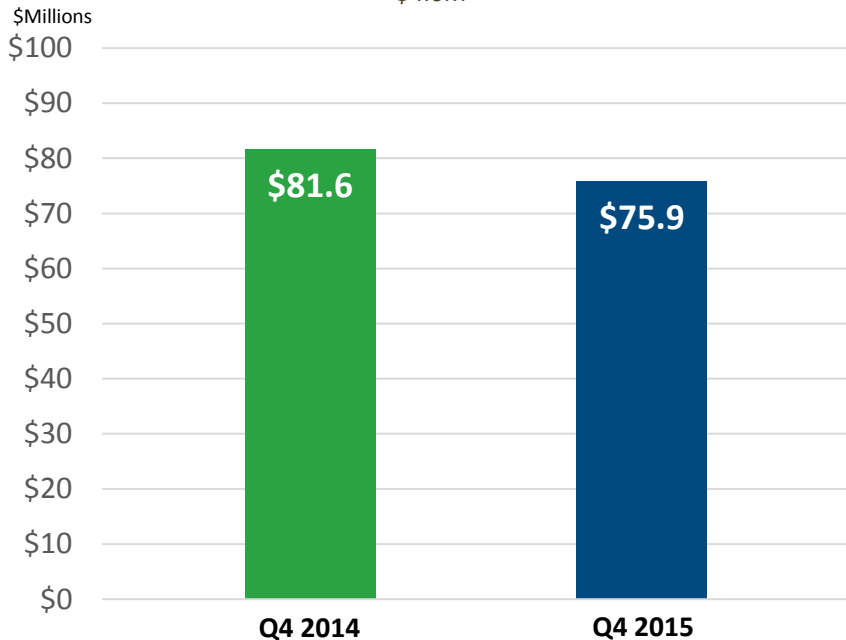
In Millions





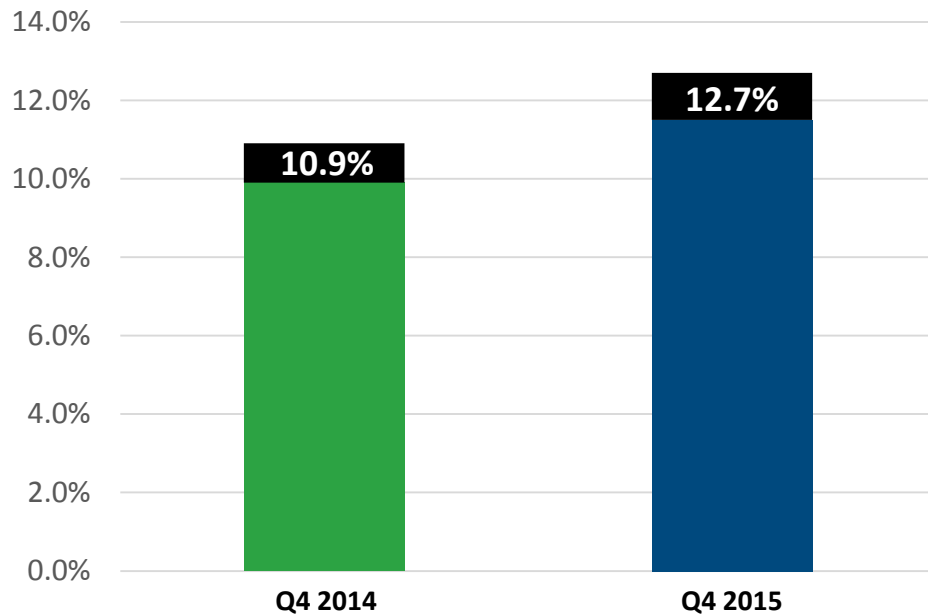
Net Sales

Negative impact of currency translation in the quarter of \$4.6M



Adjusted Operating Margin

CAFE adoption rates continue to drive increased content and margin expansion

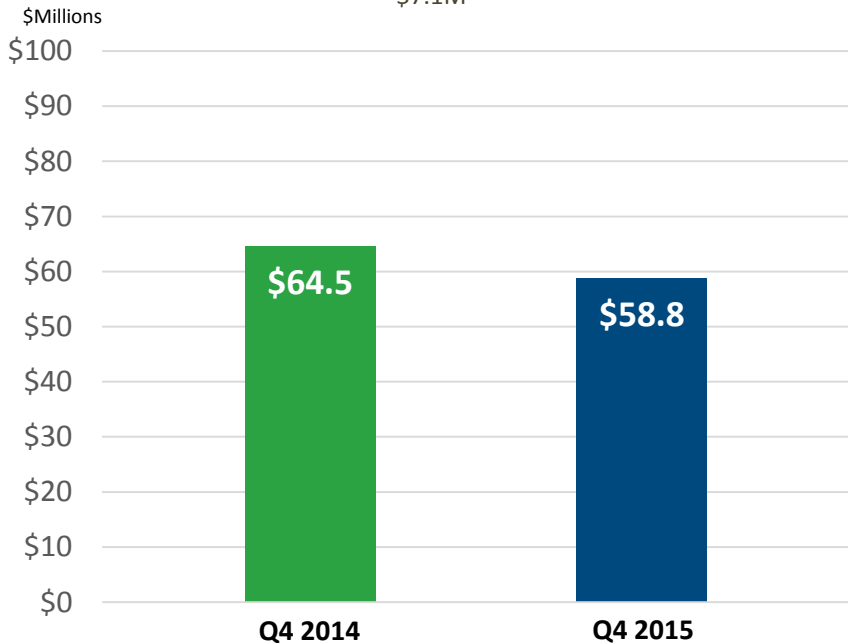


■ JV Contribution



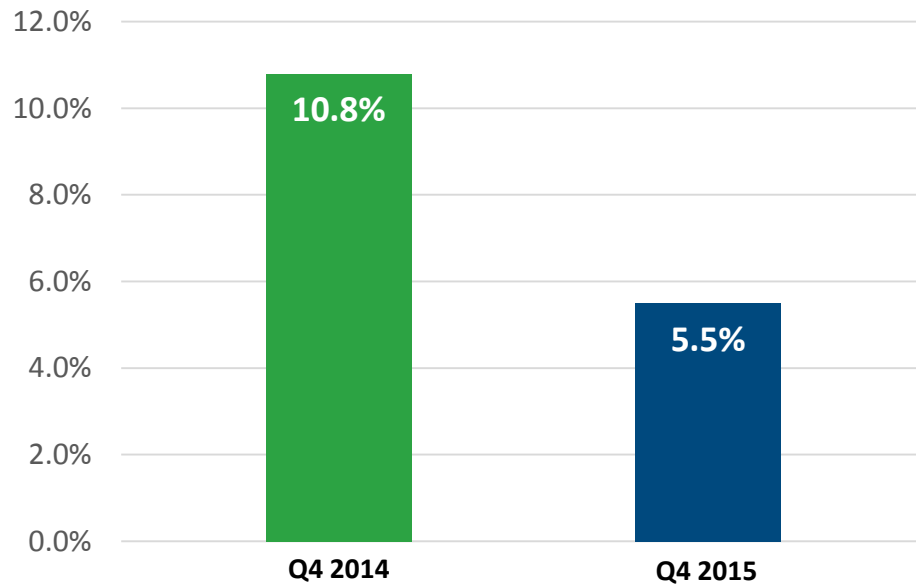
Net Sales

Negative impact of currency translation in the quarter of \$7.1M



Adjusted Operating Margin

Soft demand in European & Asian industrials drove the decline

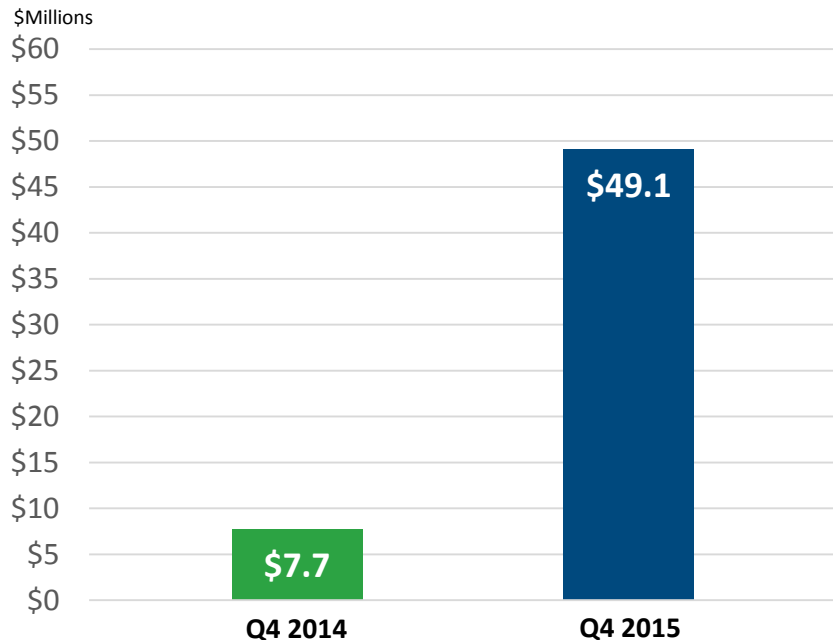




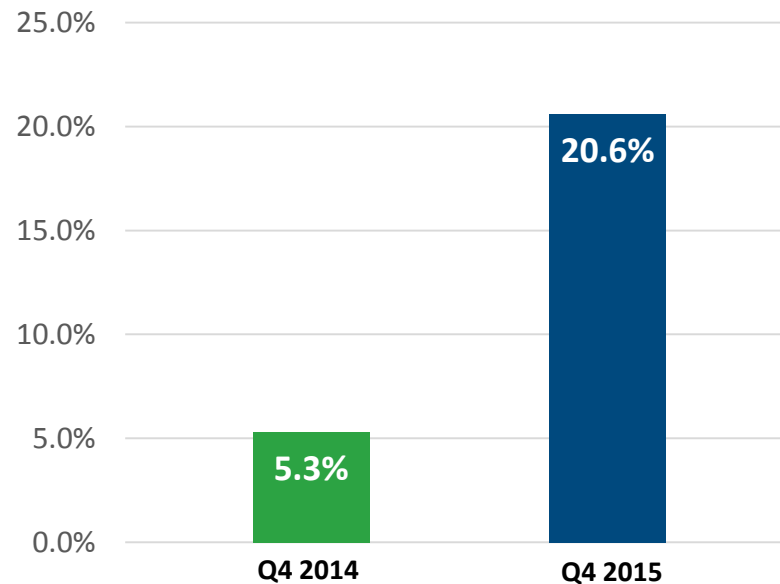
Precision Engineered Products Group

Net Sales

The acquisition of PEP & Caprock added \$42.2M



Adjusted Operating Margin





4th Quarter Summary

- **Rolled legacy plastics business into Precision Engineered Products Group**
- **Rebranded our bearing components group as the Precision Bearing Components Group**
- **Continued improvement in overall operating performance driven by the NN Operating System**
- **Addition of PEP diversifies market segments and adds additional growth platforms**
- **Negative currency translation continues to skew year to year comparisons**
- **Experienced execution issues in our Precision Bearing Components Group**



Full Year 2015



2015 Summary

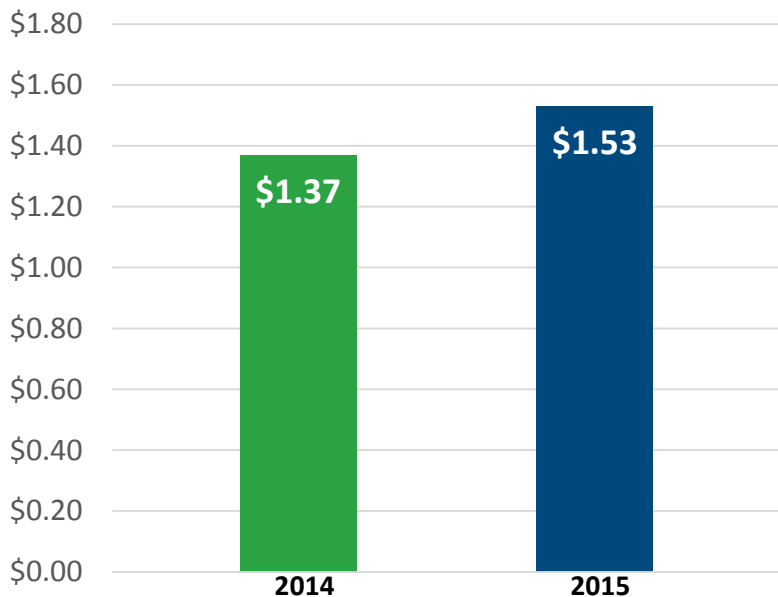
- **Sales of \$667.3M**
 - **Acquisitions contributed \$212.5M for the year**
- **Completed \$182M follow-on equity offering in Q3 to prepare for PEP acquisition**
- **Completed the PEP acquisition in Q4, 2015**
- **Adjusted Earnings Per Share of \$1.53**
- **Adjusted EBITDA of \$105.2 million**
- **Adjusted Operating Margin improved 140 bps compared to 2014**
- **Foreign Currency impact:**
 - **Net Sales impact of negative \$39.1M compared to 2014**
 - **Reduced EPS \$0.09 due to translation effect**
- **Cost of debt down 29 bps due to movement of \$50M of debt in Q4**



2015 Financial Summary

Adjusted Earnings Per Share

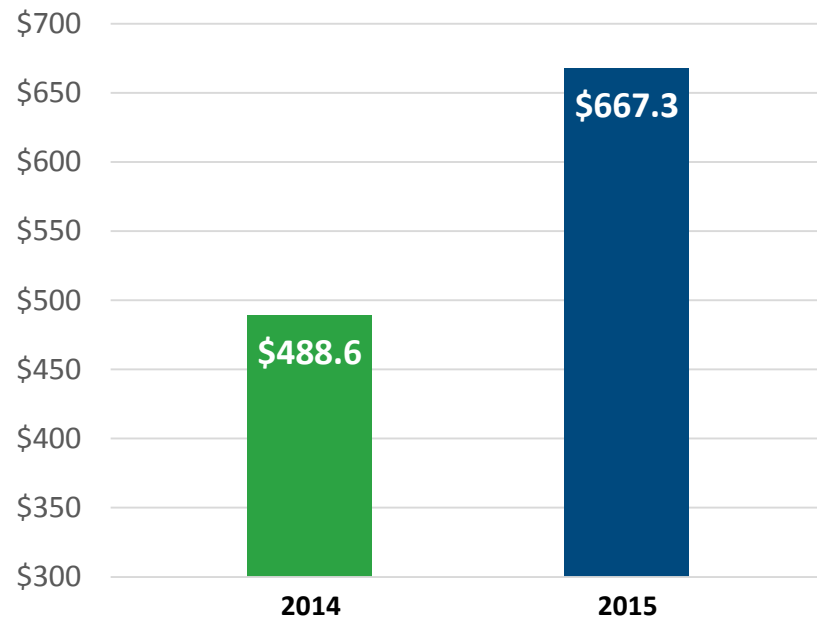
Issued 7.6M shares in Q3 2015



Net Sales

37% growth year over year

In Millions

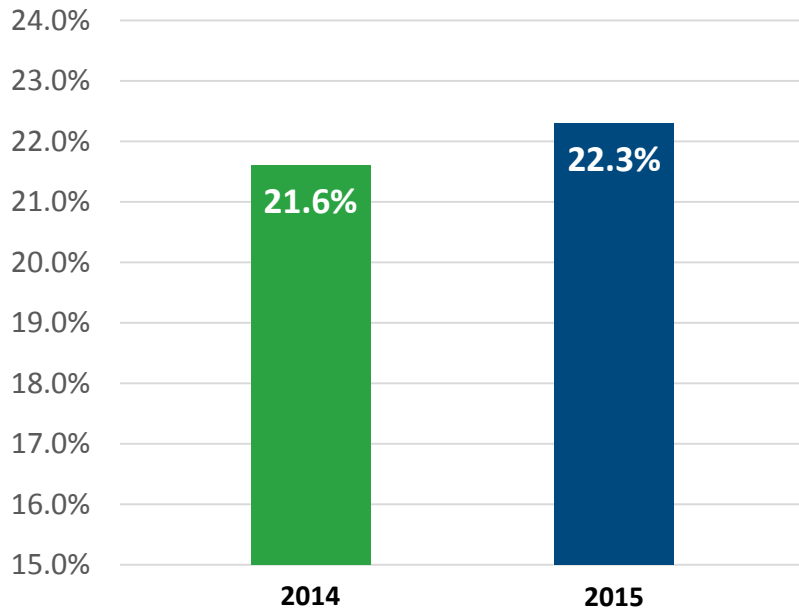




2015 Financial Summary

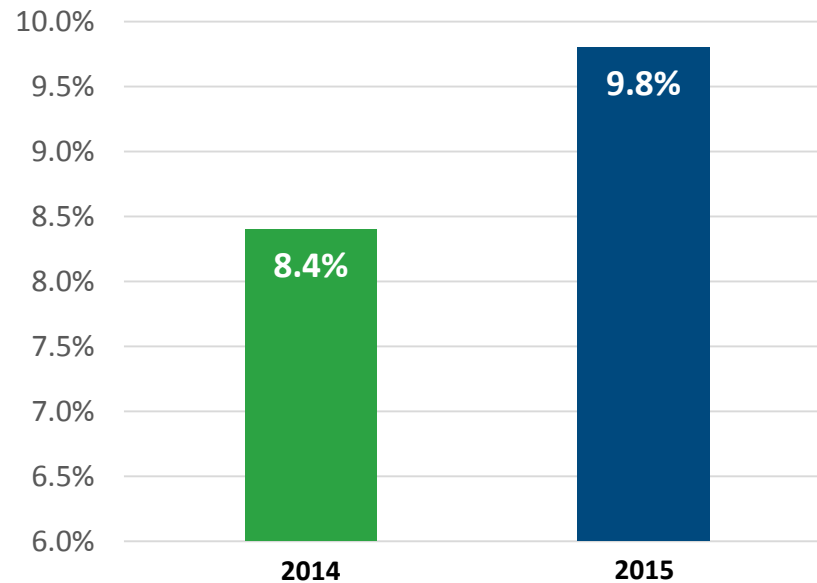
Adjusted Gross Margin

70 bps improvement over 2014 resulting from acquisitions & continued improvements in the NN Operating System



Adjusted Operating Margin

Margins continue to expand as improvements in the NN Operating System & acquisitions take effect

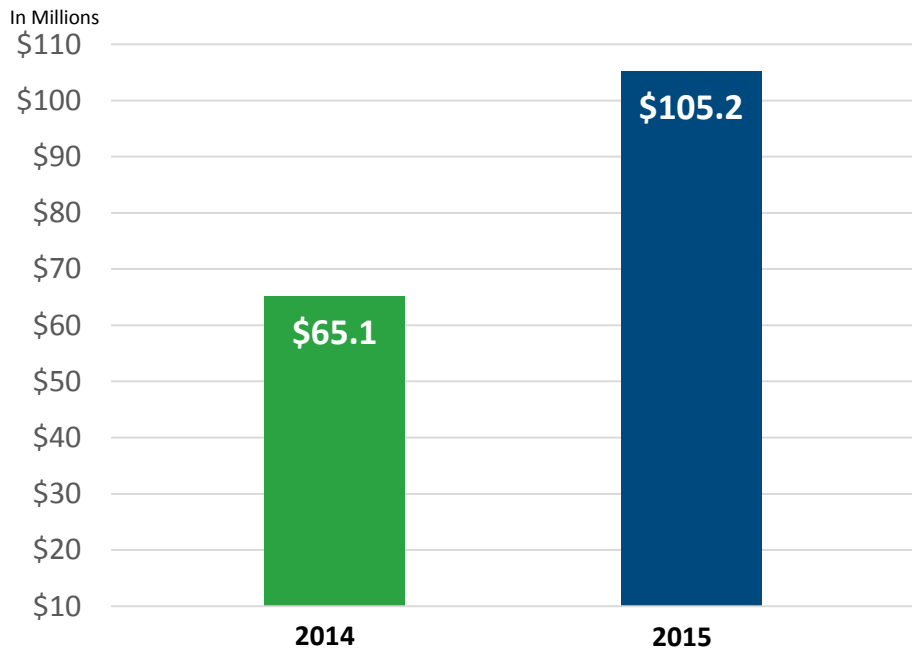




2015 Financial Summary

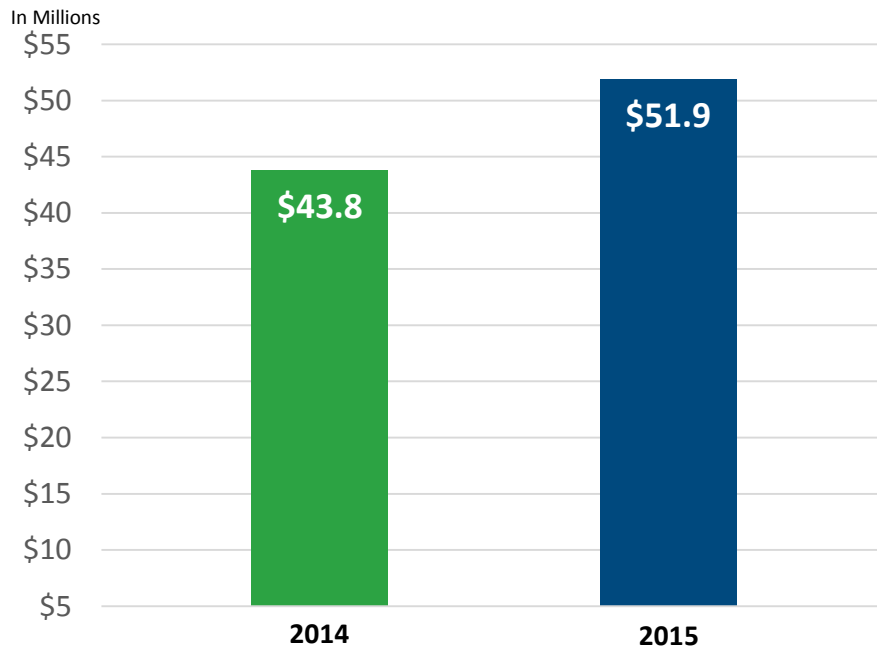
Adjusted EBITDA

Up 58% compared to 2014



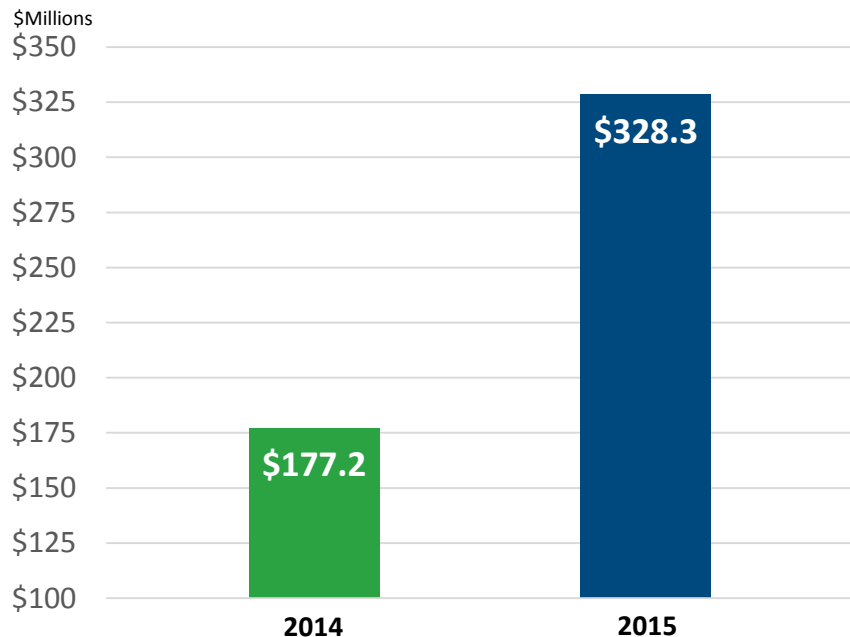
SG&A

Effectively managed expenses while growing to organization



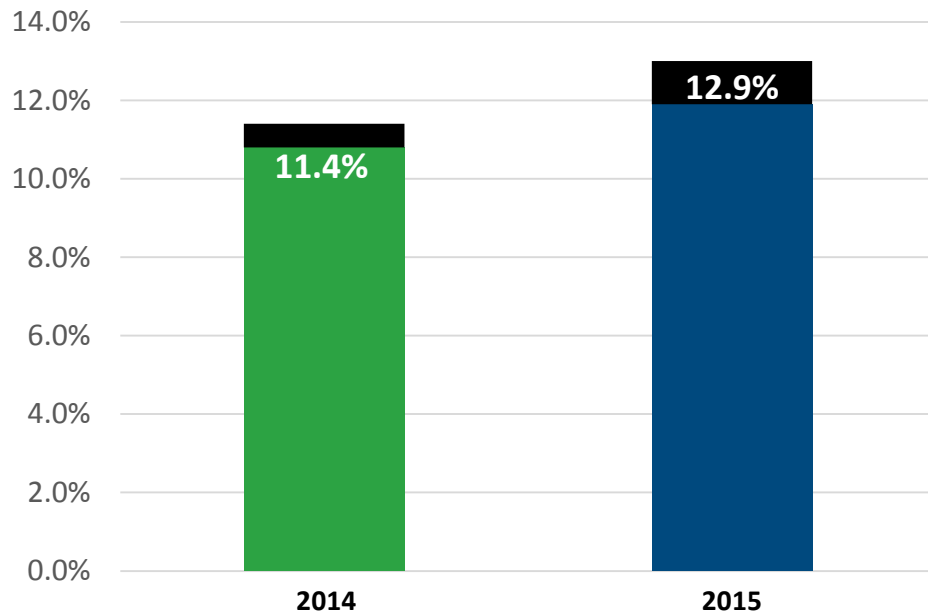


Net Sales



Adjusted Operating Margin

CAFE adoption rates continue to drive increased content and margin expansion

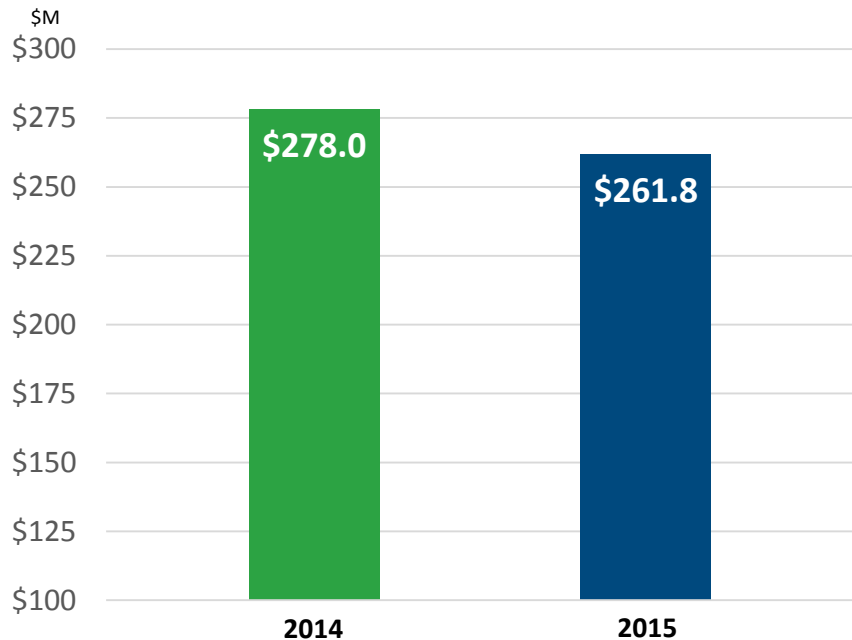


■ JV Contribution

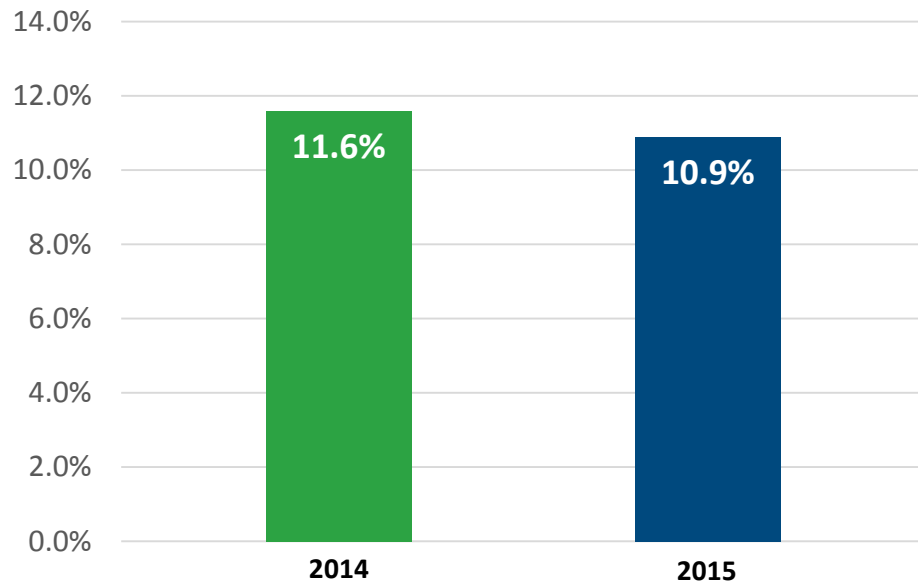


Net Sales

Negative FX translation was \$33.9M



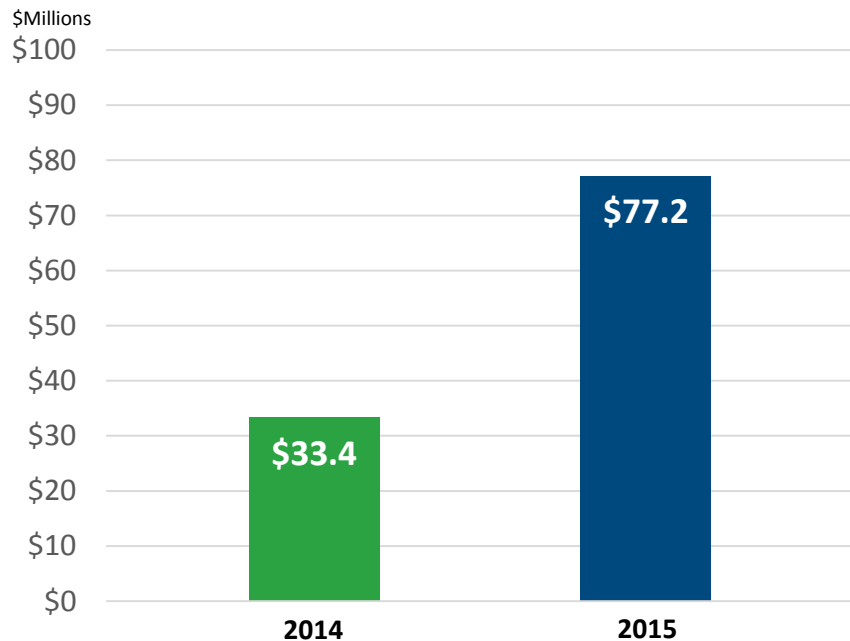
Adjusted Operating Margin





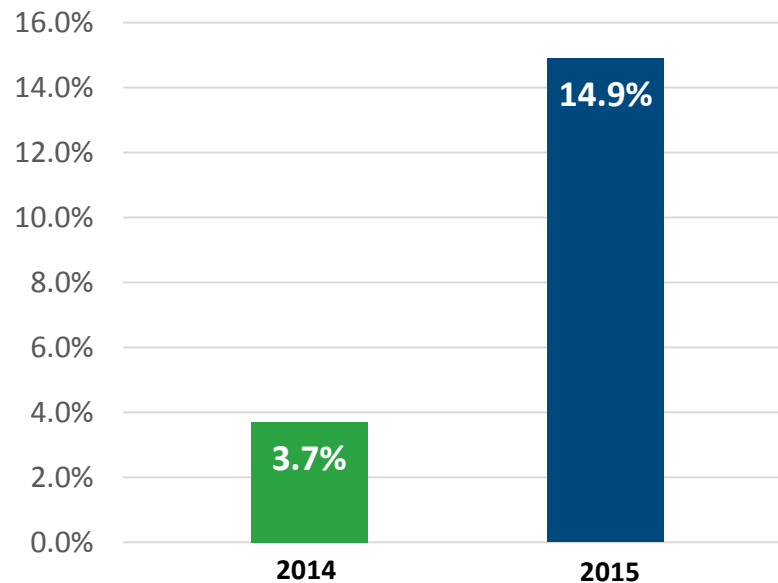
Net Sales

The acquisition of PEP & Caprock added \$42.2M



Adjusted Operating Margin

The acquisition of PEP drives significant margin improvement





Financing Update

Financing Update				
	Term Loan	Senior Notes	Total	Commentary
Outstanding Balance	\$573.5M	\$250M	\$823.5M	Reflects the \$50M moved in Nov 2015 to the term loan from the senior notes
Rate	5.75% ¹	10.25%	7.10% ²	Weighted Avg cost of debt reduced 29 BPS on an annual basis as a result of the reallocation
Maturity	2022	2020		
Repricing Opportunity	April 2016	October 2017		

Continued Focus on maximizing our capital structure

1: Interest Rate is the greater of 1.00% or 3 month Libor + 4.75%
2: Combined weighted average cost of debt



Guidance



1st Quarter 2016 Guidance

	First Quarter	Commentary
Net Sales	\$205M - \$212M	Sales are expected to increase in the 2 nd & 3 rd quarters
Adj. Op Margin	10.0% - 10.5%	Incrementals improve as the production year builds
Adj. EBITDA	\$30M - \$35M	
Adj. EPS	\$0.23 - \$0.28	



2016 Guidance Reaffirmed

	2016	Commentary
Net Sales	\$875M - \$905M	Sales growth of ~30% driven by PEP acquisition
Adj. Operating Margin	12.5% - 13.2%	Driven by improvements in the NN Operating System & PEP acquisition
Adj. EBITDA	\$162.5M - \$175M	
Adj. EPS¹	\$1.60 - \$1.80	
CAPEX	\$40M - \$50M	We continue to invest in growth
Adj. Tax Rate²	22% - 26%	
Free Cash Flow³	\$50M - \$60M	Significant increase in free cash flow allows us to de-lever faster

1: Excludes the amortization of intangibles and the amortization of financing charges

2: Excludes the effects of M&A activity

3: Free Cash Flow available for debt repayment



**Fourth Quarter 2015 Earnings Release
March 9, 2016**