

PRESS RELEASE

Trading update third quarter

Neways records accelerated turnover growth and increased order intake in third quarter 2017

Son – 31 October 2017 – Neways Electronics International N.V. (Euronext: NEWAY) (“Neways” or the “Company”) today publishes the trading update on the third quarter (Q3) and first nine months (9M) ending 30 September 2017.

HIGHLIGHTS

- Net turnover € 108.6 million in Q3-17; net turnover in the first nine months up 9.6% at € 322.7 million
- Order intake up 39.8% and 20.8% (year-on-year) for Q3-17 and 9M-17 respectively
- Higher level of activity in virtually all sectors, Medical remained stable
- Neways reiterates its forecast for the full-year 2017: Neways expects a higher net turnover and improved operating result compared to 2016

KEY FIGURES

€ million unless otherwise stated	<u>Q3-17</u>	<u>Q3-16</u>	<u>Δ</u>	<u>9M-17</u>	<u>9M-16</u>	<u>Δ</u>
Net turnover	108.6	96.5	12.5%	322.7	294.4	9.6%
Order intake (incl. intra-company turnover)	149.9	107.2	39.8%	412.5	341.4	20.8%
Book-to-bill (ratio)	1.26	1.00		1.15	1.06	

DEVELOPMENTS THIRD QUARTER

Turnover growth accelerated in the third quarter, when compared with the first half of the year. Net turnover increased fully organically by 12.5% in Q3, compared with the same period of last year. Higher contributions to turnover growth were mainly realised in the Semiconductor and Automotive sectors.

In the first nine months of the year, order intake showed substantial growth of 9.6%. Especially orders in the Semiconductor, Automotive and Industrial sectors made a strong contribution to the increase in the order book. At end-September 2017, the order book stood at € 248.5 million, compared to € 184.6 million at end-September 2016. This positive development is also visible in the composition of the order book for 2018.

The book-to-bill ratio was 1.15 in the first nine months of 2017. Inventories increased partly due to shortages of certain components in the market and partly due to the start-up of new projects.

CEO STATEMENT

Huub van der Vrande: “After the disappointing results in the first half of 2017, we have a more positive outlook for the second half of the year. Turnover growth accelerated in this past quarter, the order book is well-filled and our operating result has improved. I am very pleased that we are able to show a clear acceleration in the production of e-mobility, after we carried out the development of some in-house under contract from clients. We also see measures from our improvement programme being taken up across the entire group. We are convinced that this will make a positive contribution in the future.

All these developments show that Neways is in an excellent position to benefit from the current and future cyclical growth among OEMs in the sectors that are important to us: Semiconductor, Automotive and Industrial.

Streamlining processes and improving efficiency within the organisation have our undivided attention. We have noted positive developments in the capacity balance at various operating companies in the past quarter, but also in the execution of project management. To make the most of Neways’ improvement

potential, we will continue to invest in the efficiency and robustness of the group-wide organisation and processes.

For the full year 2017, we reiterate our forecasts and expect to record higher turnover and an improved operating result compared to the full year 2016.”

ENDS

ABOUT NEWAYS

Neways Electronics International N.V. (Neways) is an international company active in the EMS (Electronic Manufacturing Services) market. Neways offers its clients custom-made solutions for the complete product life cycle (from product development to after-sales service) of both electronic components and complete (box-build) electronic control systems. Neways operates in a niche of the EMS market and focuses primarily on small to medium-sized specialist series, in which quality, flexibility and time-to-market play a crucial role. Neways products are used in sectors such as the semiconductor, medical, automotive, telecom and defence industries. Neways has operating companies in the Netherlands, Germany, the Czech Republic, Slovakia and China, with a total of 2,612 employees at the end of 2016. Neways recorded net turnover of € 393 million in 2016. Neways shares are listed on the Euronext Amsterdam stock exchange (symbol: NEWAY). www.newayselectronics.com

IMPORTANT DATES

31 October 2017 (today)	Publication trading update Q3 2017
22 February 2018	Publication full-year results 2017
20 April 2018	Annual General Meeting of Shareholders
20 April 2018	Publication trading update Q1 2018
30 August 2018	Publication half-year results 2018

ENQUIRIES

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