

PRESS RELEASE

Trading update first quarter

Neways records higher turnover and order intake in first quarter

Son, 20 April 2018 – Neways Electronics International N.V. (Euronext: NEWAY) (“Neways” or the “Company”) today publishes its trading update for the first quarter (Q1), ending 31 March 2018.

HIGHLIGHTS

- Net turnover € 122.3 million in Q1, a year-on-year increase of 13.7%
- Persistent shortage of components and difficulties recruiting additional personnel result in slow-down in turnover growth and pressure on organisation
- Order intake up 15.6% (year-on-year) in Q1
- Higher activity levels driven primarily by demand in the industrial and semiconductor sectors
- Outlook 2018 unchanged: Neways expects higher net turnover and operating result in 2018 compared to 2017

KEY FIGURES

€ million unless otherwise stated	Q1 18	Q1 17	Δ
Net turnover	122.3	107.6	+13.7%
Order intake (incl. internal sales)	152.6	132.0	+15.6%
Book-to-bill (ratio)	1.14	1.10	

DEVELOPMENTS IN THE FIRST QUARTER

Neways recorded fully organic net turnover growth of 13.7% in the first quarter of 2018, compared with the same period of 2017. The semiconductor and industrial sectors made particularly strong contributions to the higher turnover. Turnover in the medical and automotive sectors remained at the same level as in Q1 of 2017, while turnover from the defence sector declined slightly.

Neways recorded a 15.6% year-on-year increase in order intake in the first quarter. The order book stood at € 281.8 million at the end of the quarter, a significant increase on the € 205.9 million at the end of March 2017. The increase in the order book was largely the result of higher demand in the automotive sector. The book-to-bill ratio stood at 1.14 at end-March 2018. The increase in order intake and order book reflects continued growth, especially in the semiconductor, industrial and automotive sectors. The order book was also higher than at year-end 2017 (€ 263.6 million).

In the first months of 2018 a total of € 3.9 million in convertible subordinated loans has been converted into shares. As a result, together with the exercising of personnel options, the current number of outstanding ordinary shares has increased to 11,955,124.

CEO STATEMENT

Huub van der Vrande: “We made a strong start to the year, with substantial growth in turnover and a well-stocked order book. We can also be satisfied with the growth in productivity we realised despite the continued pressure on the organisation. As a result of this, costs lagged the increase in activity levels in relative terms, which translated into an improved operating result. This confirms the success of our proposition to OEMs and shows that the improvement programmes we introduced are now paying off.

Despite these positive developments, the persistent shortages in the market for technically skilled personnel and the shortages in the components market meant we were unable to make the most of our full potential. This underlines the importance of more effective, more efficient and smarter operations and therefore the maximization of deliveries from scarce resources. In concrete terms, this means we will have to focus even more on group-wide integration, for instance by making sure that our capacity utilisation is distributed across the entire group. We maintain our outlook for the full year 2018. Neways is in an excellent position to realise a higher net turnover and higher operating result compared to 2017.”

END



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-built) 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, general industry and defence industries. Neways has operating companies in the Netherlands, Germany, the Czech Republic, Slovakia and China, with a total of 2,792 employees at year-end 2017. Neways recorded net turnover of € 438.7 million in 2017. Neways shares are listed on the Euronext Amsterdam stock exchange (symbol: NEWAY).

www.newayselectronics.com

IMPORTANT DATES

20 April 2018 (today)	Publication trading update
20 April 2018	General Meeting of Shareholders
30 August 2018	Publication interim results 2018
30 October 2018	Publication trading update

FOR MORE INFORMATION

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This press release includes forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Neways' ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.