

NEWAYS ELECTRONICS

2021 Financials
February 25, 2022



Your EMS Lifecycle Partner & System Innovator

Agenda



Management summary



Financial performance 2021



Strategic progress

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MANAGEMENT SUMMARY

Further strategic progress in 2021 paving the way for growth in 2022 with strong orderbook and leveraging our System Innovator strategy



Health & Safety

- COVID-19 impact on personal and professional lives
- Continued strong focus on safe work environments
- Continued to build trust with our customers without business interruptions



Strategic progress

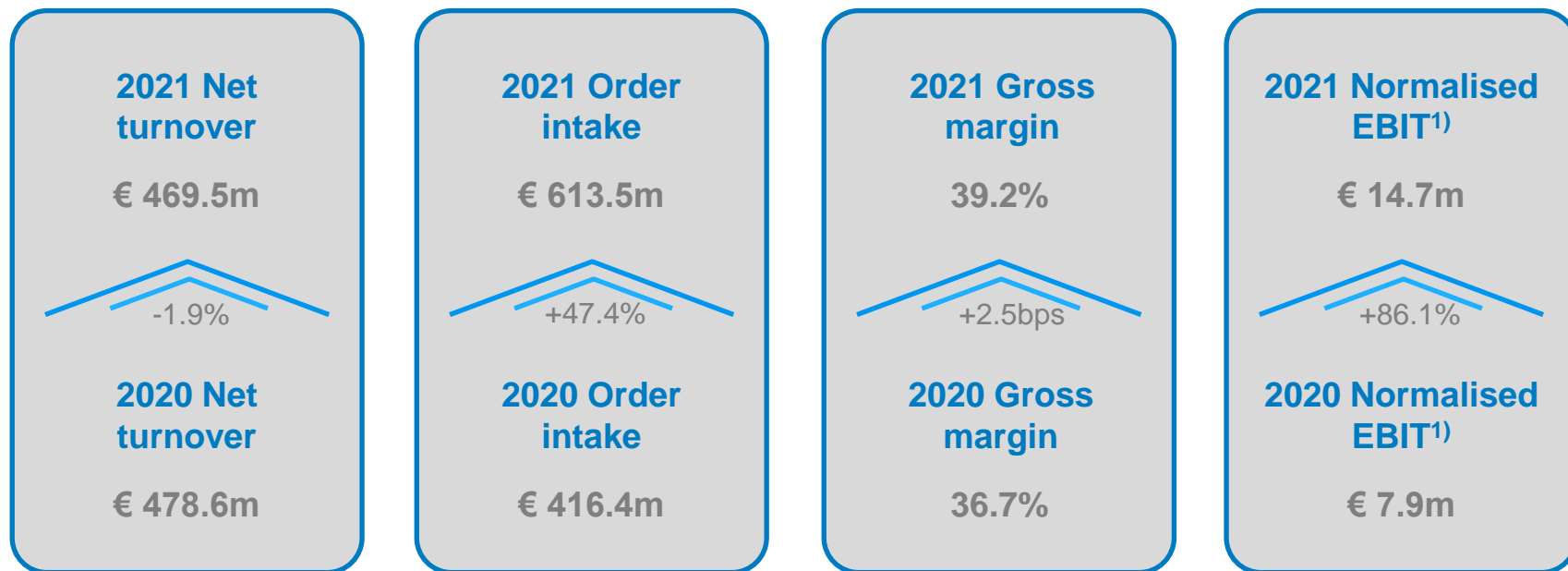
- System Innovator strategy successfully further deployed with increasing customer demand
- Good progress on our global OneNeways transformation
- Welcomed Infestos as shareholder, enhancing stability and further accelerating transformation



Performance vs. last year (LY)

- Revenues in line with LY - discontinued low added-value customers and mitigating continuing global supply chain challenges
- Strong increase profitability - GM of 39.2% (vs. 36.7% LY) and normalised EBIT of 3.1% (vs. 1.7% LY)
- Strongly positioned for further growth - order intake up 47%, order book EoY up 62% vs. LY

Solid financial results



1) 2021: Excluding PPA effect (€ 0.7m), consultancy costs for public offers (€1.6m) and release of reorganization charge (€ -/-0.2m);
 2020: Excluding PPA effect (€ 0.7m), one-off reorganization charge (€9.6m). The PPA is related to the acquisition of BuS Group in 2014.

Balanced exposure to appealing market sectors with strong growth drivers

Growth Trends

Key Drivers

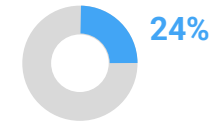
FY21

FY20

A

Automotive shows signs of recovery with attractive growth in next years, in particular in e-mobility

Electrification,
Autonomous Driving



I

Industrial sector remains stable while supply chain constraints continue to have impact across sectors

Sensing, Robotics,
Power Management



M

Medical remains stable with new technology partnerships underscoring future growth expectations

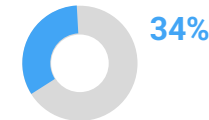
Aging Population, AI
Diagnostics & Care



S

Semiconductors continues to perform strong resulting in growth in demand

Cloud, 5G, AI, Big
Data, IoT, Gaming



Other is 1%

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Financial performance 2021

2021 key figures

(€ millions)

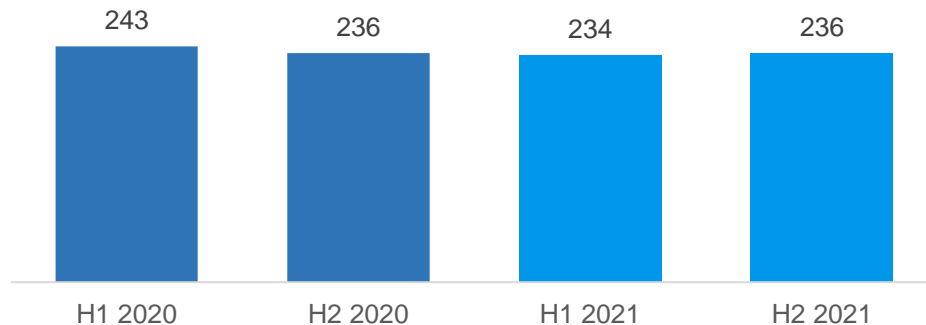
	2021	2020	Δ
Net turnover	469.5	478.6	-1,9%
Order book	364.3	225.0	61,9%
Gross margin	183.9	175.6	4.7%
<i>Gross margin %</i>	39.2%	36.7%	na
Normalised EBITDA*	27.5	21.7	26.7%
<i>Normalised EBITDA %*</i>	5.9%	4.5%	na
Normalised EBIT**	14.7	7.9	86.1%
<i>Normalised EBIT %**</i>	3.1%	1.7%	na
Operating result	12.6	-2.5	na
Net result	8.7	-3.9	na
Net cash flow	-33.4	37.6	na

* 2021: Excl advisory cost public offers (€ 1.6m) and release reorganization provision (€ -/-0,2m);
2020: Excl reorganization charge (€ 9.6m).

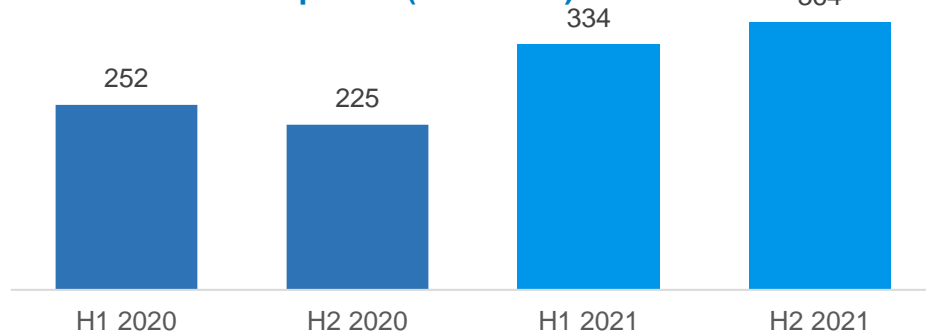
**2021: Excl PPA effect (€ 0.7m), advisory cost public offers (€ 1.6m) and release reorganization provision (€ -/-0,2m);
2020: Excl PPA effect (€ 0.7m) and reorganization charge (€ 9.6m). The PPA is related to take over BuS Groep in 2014.

2021 Net turnover and orderbook

Net turnover (€ millions)



Order book end of period (€ millions)



Net turnover – 2021 vs 2020

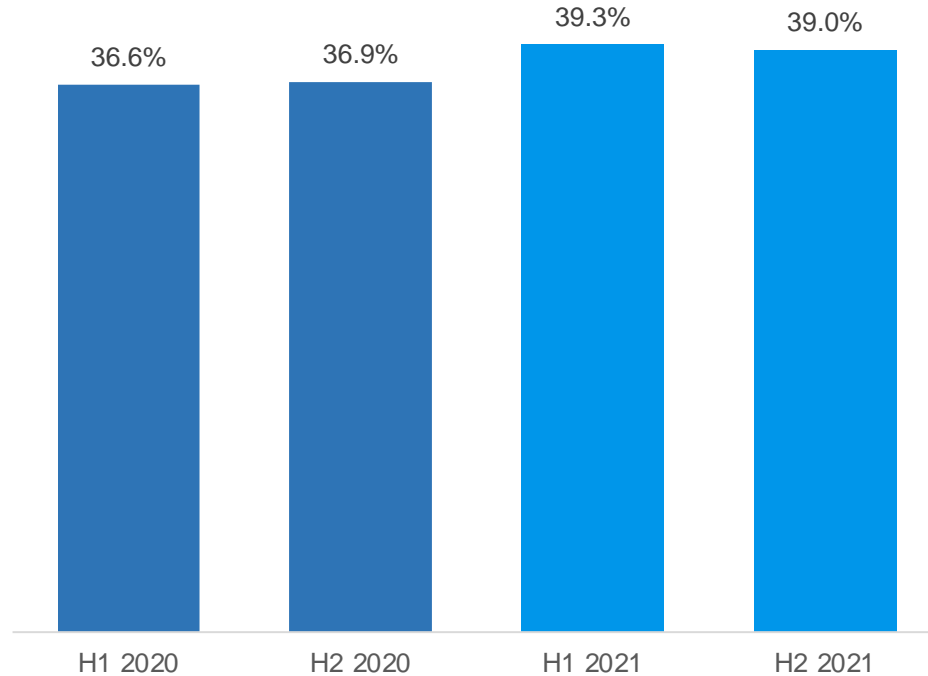
- Y-o-Y organic net turnover decline of 1.9%, primarily driven by discontinued unprofitable customers
- Growth in net turnover affected by global supply chain challenges
- Segment y-o-y growth:
 - Automotive : -7.0%
 - Industrial : -9.2%
 - Medical : -5.1%
 - Semiconductors : +11.5%

Order book – 2021 vs 2020

- Order book +/+61.9% y-o-y primarily driven by recovery in Automotive and continued strong demand in Semiconductor
- Book-to-bill 1.31 vs 0.87 last year

2021 Gross margin

(as % of net turnover)

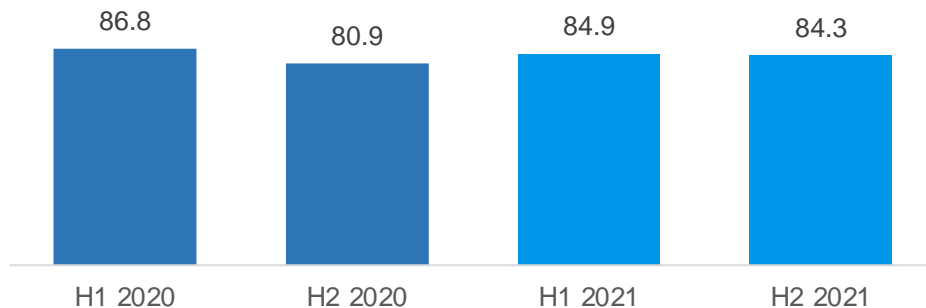


2021 vs 2020

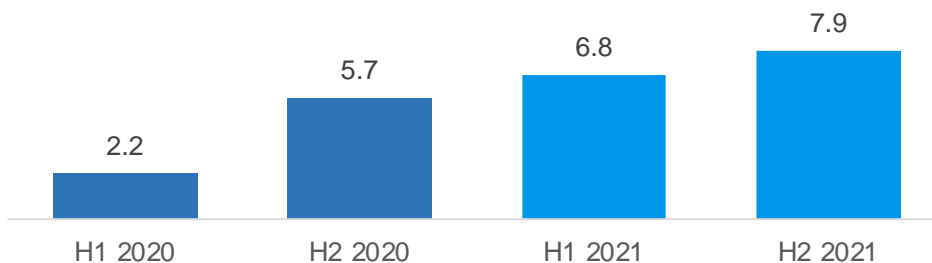
- 2021 gross margin of 39.2% versus 36.7% in 2020, driven by positive mix effects and a strong focus on high value-added services related to our System Innovator strategy
- The impact of higher material and logistics costs as a result of global supply chain issues has been mitigated by active value chain management and close collaboration with our customers and partners

2021 Opex and operating result trends

Opex (€ millions)



Normalised EBIT* (€ millions)



* 2021: Excl PPA effect (€ 0.7m), advisory cost public offers (€ 1.6m) and release reorganization provision (€ -/0,2m);
 2020: Excl PPA effect (€ 0.7m) and reorganization charge (€ 9.6m). The PPA is related to take over BuS Groep in 2014.

Opex 2021 vs 2020

- Operational costs increased with 0.9%, relative increase from 35.0% to 36.0% of net turnover
- The operational costs are excluding € 1.6m advisory costs related to public offers and € 0.2m release of reorganization provision
- Salary costs increased by 2.0% to € 130.1m, the streamlining of the organisation in Germany and the integration of two branches in the Netherlands are completed in 1st half of 2021 and have led to reduction of 170 FTE
- In order to fulfil the strong customer demand it was decided to build up capacity in specific areas with fixed and temporary contracts. On balance the number of FTE vs ultimo 2020 remained largely unchanged

Normalised EBIT* 2021 vs 2020

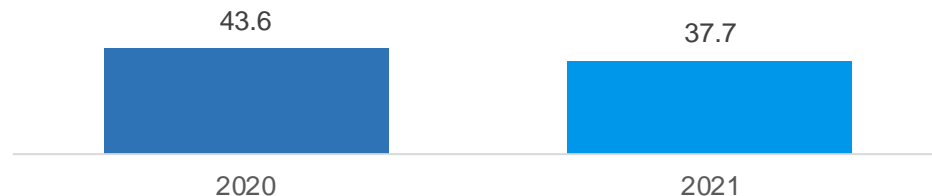
- Normalised EBIT* 2021 increases with 86.1% to €14.7m, primarily resulting from focus on profitable turnover, which is an operational margin of 3.1% of net turnover vs 1.7% in 2020.

2021 Financial condition

Net debt / normalised EBITDA* ratio



Solvency %



Net working capital (€ millions)



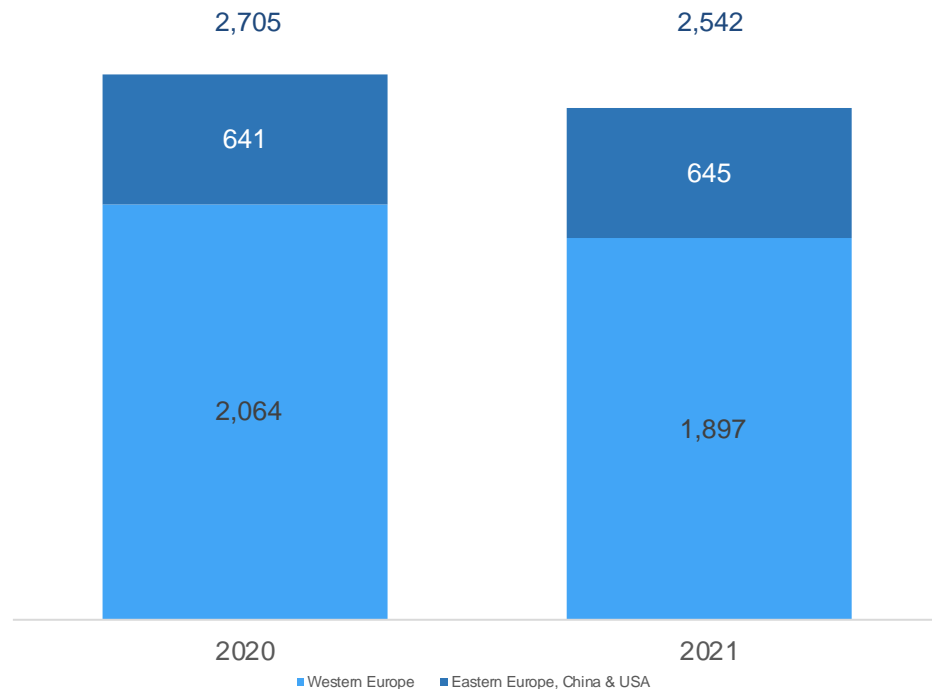
2021 vs 2020

- Net debt / normalised EBITDA* ratio development as a result of increased net debt position (incl IFRS 16) of €68.4m vs €33.5m last year, partly offset by the increased EBITDA (incl IFRS 15/16) € 27.5 m vs € 21.7m in 2020
- Net debt increase caused by increased inventories, the payment in 2021 of tax extension for an amount of € 8.8m and the utilization of the restructuring provision (€ 6.7m)
- Solvency decreased to 37.7% as result of increase total balance sheet from € 234.2m to € 296.3m fully due to significant increase in working capital balance
- Equity increased by 9.6% to € 111.8m vs € 102.0m fully related to the net income
- Working capital strongly impacted by € 58.6m increased inventories, debtors following higher sales towards end of year, partly offset by increased creditors position

* 2021: Excl advisory cost public offers (€ 1.6m) and release reorganization provision (€ -/0,-2m);
2020: Excl reorganization charge (€ 9.6m).

2021 Headcount trends

Average FTE



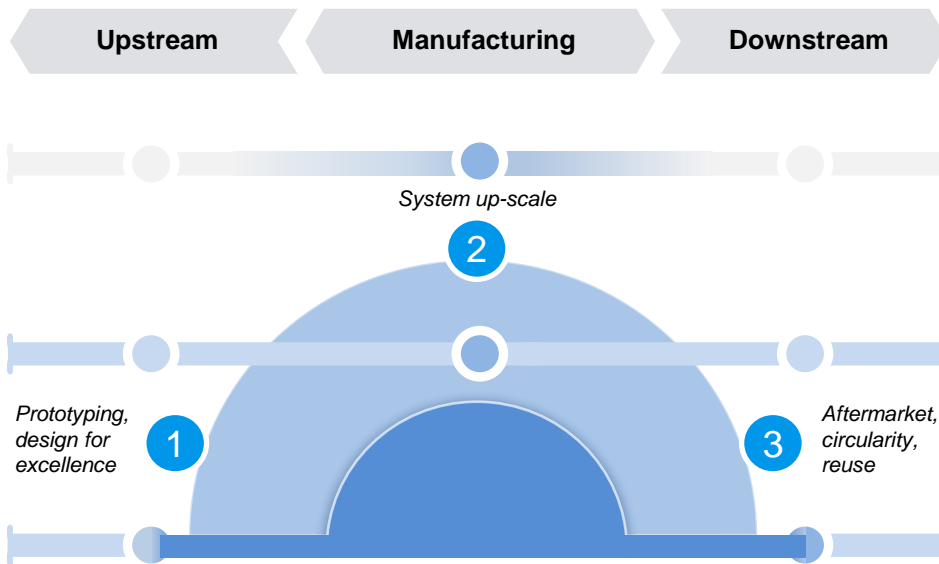
Headcount (FTE) 2021 vs 2020

- Headcount end of 2021 at 2.589 FTE of which 292 FTE flex pool, relative stable compared to previous year (2.598 FTE) but strong increase flex pool (200 FTE in 2020)
 - 170 FTE reduction related to 2020 reorganization in Germany and the integration of two branches in the Netherlands, completed in 1st half of 2021
 - ...largely offset by a ramp-up in capacity at specific sites to meet customer demand
- Knowledge component in human resource mix has become increasingly important as part of our System Innovator strategy. Today already approximately 20% of our employees are engineer
- Recruiting (technically) talented employees challenging, requiring more effort and creativity

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STRATEGIC PROGRESS

Our System Innovator strategy is gaining increasing customer traction



Selected customer examples

- 1 Accelerating e-turbo charger roadmap



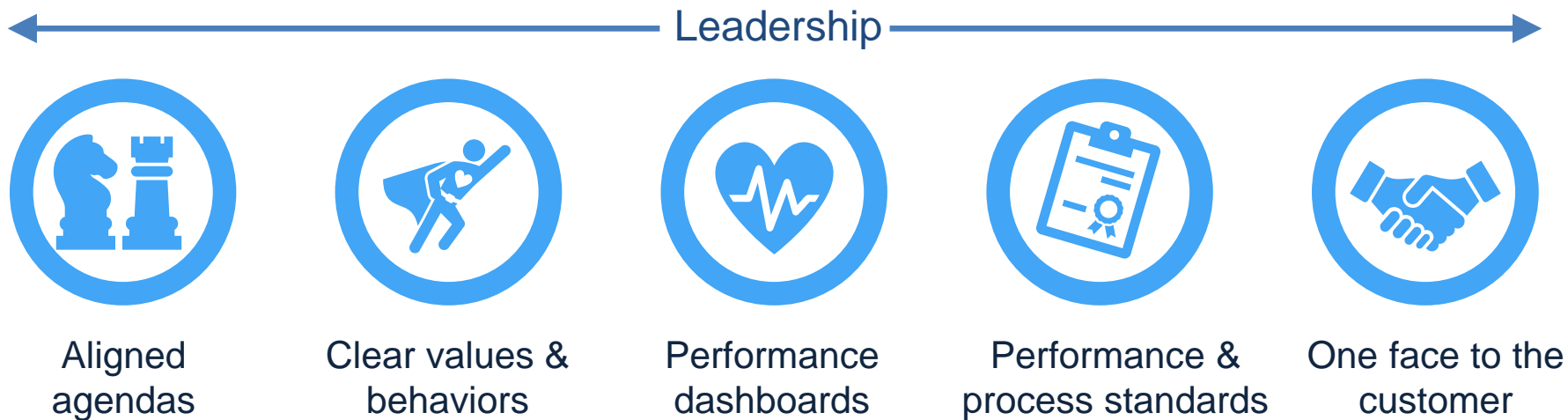
- 2 System up-scaling highly complex cabinets



- 3 Extending lifetime of medical equipment



Transformation fully underway to ensure that we are taking the right steps while building the fundament for OneNeways



Management agenda with 2022 priorities: 'Growing performance as One'



Key take aways

1 Our starting position for 2022 is strong: healthy outlook to transition our strong orderbook into revenue growth and further increase our profitability in 2022 and the years to come

2 At the same time, ongoing disruptions in the supply chain, high energy costs and price increases for electronic components are expected to have a dampening effect on the development of our turnover and/or results in 2022

3 Increasing customer demand for our System Innovator solutions – We will continue to invest in distinctive innovative technology, such as in the field of energy transition, medical applications and semicon solutions

4 Supported by our new shareholder Infestos we will further increase focus on our System Innovator strategy and accelerate our OneNeways transformation to create a strong global fundament for future success

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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 presentation 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.

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