2015 Financial Statements
Amsterdam, 23 February 2016
Agenda

- 2015 Main Points
- Market and Positioning
- Financial
- Operational
- Outlook and Conclusion
2015 MAIN POINTS
2015 Main Points

• Our customers are moving from equipment manufacturer to solutions provider
• Reinforcement of position as one-stop provider and Life Cycle Manager
• Roll-out of DNA & Leadership cultural programme
• Intensifying of cooperation with customers and ‘Preferred Suppliers’
• Operational performance
• IT improvement programme
• Organisational adjustments at NCWS and NME to customer demand
<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>Percentage relative to 2014</th>
<th>2015</th>
<th>Percentage relative to 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>374.1</td>
<td>+21.2%</td>
<td>4.9</td>
<td>+21.2%</td>
</tr>
<tr>
<td><strong>Normalised operating results</strong></td>
<td>10.1</td>
<td>+12.2%</td>
<td>1.9</td>
<td>+11.8%</td>
</tr>
<tr>
<td><strong>Normalised net profit</strong></td>
<td>6.2</td>
<td>+17.0%</td>
<td>39.8</td>
<td>+5.6%</td>
</tr>
<tr>
<td><strong>Net cash flow</strong>**</td>
<td>2.9</td>
<td></td>
<td>2,593</td>
<td>+13.3%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>70.6</td>
<td>+7.0%</td>
<td>0.55</td>
<td>+12.2%</td>
</tr>
</tbody>
</table>

* Net of exceptional income and expense.
** The net cash flow is defined as the cash flow from operating activities, plus the cash flow from investing activities.
Market and Positioning
EMS – Market Trends

- Globalisation of OEMs
- Increasing demand from OEMs for Life Cycle Management, early involvement and shared participation in the development process of a product
- Increasing use of electronics in automotive and medical
- Volatility is a given (The only constant is change)
- Reduction of product life cycles
- Increasing investment levels
EMS – Market Trends

• Increased intensity in cooperation within the chain as a result of transparency and modern means of communication
• Consolidation in the market from the bottom up
• Transition to more regulations
• Design for best production method with more controlled transfer moments
• Product traceability
Positioning in EMS - Market

- Close to the customer
- High added value / expertise & service
- From EMS to Product Life Cycle management
- Growth sectors: Industry, Semicon, Medical, Automotive and Defence
- Development & Production of electronic components to complete box build systems
- Full-service solution, One-stop providership
- Industry/professional market
- B2B-OEM & first tier
Company Profile Neways

Development, engineering & services

Connectivity; cable & wire

System integration

Micro electronics

Electronics assembly
Strategical direction Neways

Anchor point is customer intimacy supported by the right balance in cost and technology leadership.
Neways and Life Cycle involvement

We cover almost every stage of the life cycle management process within our core technology competences.

The **best total cost of ownership (tco)** throughout the complete product life cycle
What makes Neways as a TCO partner?

- CULTURE: We nurture a customer intimacy culture
- TECHNOLOGY: We are a technology company
- INTEGRATION: We embrace integrated thinking
Neways is taking outsourcing to the next level

We’re at the stage that responsibility needs to be outsourced based upon a sustainable partnership.
FINANCIAL
2015 Main Points

More stable turnover, increasing order book

- Net turnover increases by 21.2% to € 374.1 m (2014: € 308.6 m)
  - Turnover 2016 well started
  - Sales show a more stable development in 2015, strong in Q3, more sales fluctuations in Q4 as a result of stock adjustments made by customers
  - HY1 2015, organic -/- 6.3%, HY2 2015 +/- 5.7%
  - BuS Group turnover € 129.3 m (2014: € 60.5 m)

- Order portfolio increased by 7.5% to € 168 m as compared to year-end 2014 (€ 156 m)
  - Improved order book widely supported in the organisation
  - Order portfolio increased by € 5 m in HY2 2015
2015 Main Points
Profitability more widely supported in the organisation

- Operating result, excluding extraordinary income and expenditure, increased in 2015 to €10.1 m (2014: €9.0 m)
  - Operating result, including extraordinary income and expenditure, €5.9 m, as compared to €6.6 m in 2014
  - Lower profitability in Q4, fluctuations in capacity utilisation caused by stock adjustments made by our customers
  - Non-recurring costs (external consultants, staff redundancy, new office automation, “automotive” readiness Wuxi) have put pressure on the result
  - Reorganisation announced in December for NME and NCWS

- Net effect extraordinary income and expenditure -/- €2.8 m (2014: +/-€1.7 m)
  - Reorganisation costs for NME and NCWS activity (€2.7 m; €2.0 m net)
  - PPA effect on depreciation (€1.4 m; €1.0 m net)
  - Upward value adjustment of active deferred taxes (+/+ €0.3 m)

- Net profit decreased to €3.2 m (2014: €7.0 m) as a result of extraordinary expenditure

- Dividend proposal 40% (2014: 40% in shares) based on net profit including extraordinary income and expenditure
  - €0.11 per share, payable in cash
2015 Main Points

Healthy financial position

- Balance sheet ratios in order
  - Balance sheet total slightly increased from €175.2 m to €177.1 m
  - Shareholders’ equity increased as a result of the profit realised
  - External net debt decreased from €34.8 m to €31.5 m
  - Solvency increased to 42.6% (year-end 2014: 40.5%)

- Net cash flow +/- €2.9 m (2013: +/- €32.5 m)
  - Operating capital increased by €5.6 m as a result of higher inventory and receivables
    - Inventory increased as a result of deferral of orders by our customers
    - Receivables increased as a result of higher turnover in December
  - Debts repaid up to €3.3 m
  - Investments (€4.5 m) less than depreciation (€8.3 m)
## 2015 Key Figures

<table>
<thead>
<tr>
<th>(€m)</th>
<th>2015</th>
<th>2014</th>
<th>2H 2015</th>
<th>2H 2014</th>
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<tbody>
<tr>
<td><strong>Net turnover</strong></td>
<td>374,1</td>
<td>308,6</td>
<td>185,0</td>
<td>175,0</td>
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<tr>
<td>- nominal growth in %</td>
<td>21,2%</td>
<td>16,5%</td>
<td>5,7%</td>
<td>30,5%</td>
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<tr>
<td>- comparable growth in %</td>
<td>-1,3%</td>
<td>-6,4%</td>
<td>5,7%</td>
<td>-14,6%</td>
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<td><strong>Operating result</strong></td>
<td>5,9</td>
<td>6,6</td>
<td>0,0</td>
<td>2,4</td>
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<tr>
<td><strong>Operating result</strong></td>
<td>10,1</td>
<td>9,0</td>
<td>3,5</td>
<td>4,8</td>
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<tr>
<td><strong>Net result</strong></td>
<td>6,2</td>
<td>5,3</td>
<td>2,7</td>
<td>2,3</td>
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<tr>
<td><strong>Extraordinary income/expenditure</strong></td>
<td>-3,0</td>
<td>1,7</td>
<td>-2,9</td>
<td>1,7</td>
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<tr>
<td><strong>Net result</strong></td>
<td>3,2</td>
<td>7,0</td>
<td>-0,2</td>
<td>4,0</td>
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<tr>
<td><strong>Gross margin/net turnover</strong></td>
<td>39,4%</td>
<td>40,5%</td>
<td>38,9%</td>
<td>39,9%</td>
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<tr>
<td><strong>Operational margin</strong></td>
<td>2,7%</td>
<td>2,9%</td>
<td>1,9%</td>
<td>2,7%</td>
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<tr>
<td><strong>Net margin</strong></td>
<td>1,7%</td>
<td>1,7%</td>
<td>1,5%</td>
<td>1,3%</td>
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<td><strong>WPA (€)</strong></td>
<td>0,28</td>
<td>0,63</td>
<td>-0,02</td>
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* Including extraordinary income and expenditure

* Excluding extraordinary income and expenditure
Development of Turnover and Order Portfolio

### Net turnover

(€ m)

<table>
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<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
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<tr>
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<td>117</td>
<td>138</td>
</tr>
<tr>
<td>2011</td>
<td>144</td>
<td>140</td>
</tr>
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<td>2012</td>
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<td>130</td>
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<td>2013</td>
<td>131</td>
<td>134</td>
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<tr>
<td>2014</td>
<td>134</td>
<td>175</td>
</tr>
<tr>
<td>2015</td>
<td>189</td>
<td>185</td>
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</table>

+21%

374

### Order portfolio

(year-end in € m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 *</th>
<th>2015</th>
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<tr>
<td></td>
<td>72</td>
<td>67</td>
<td>63</td>
<td>69</td>
<td>156</td>
<td>168</td>
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</table>

+7%

* New definition of order portfolio, hard orders (maximum 1 hear) plus forecast first 3 months.
<table>
<thead>
<tr>
<th>(€M)</th>
<th>2015</th>
<th>%</th>
<th>2H 2015</th>
<th>%</th>
<th>2014</th>
<th>%</th>
<th>2H 2014</th>
<th>%</th>
<th>2013</th>
<th>%</th>
</tr>
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<tr>
<td>Industrial</td>
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<td>38</td>
<td>71</td>
<td>38</td>
<td>118</td>
<td>38</td>
<td>68</td>
<td>39</td>
<td>96</td>
<td>38</td>
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<tr>
<td>Semiconductor</td>
<td>67</td>
<td>18</td>
<td>33</td>
<td>18</td>
<td>62</td>
<td>20</td>
<td>28</td>
<td>16</td>
<td>69</td>
<td>26</td>
</tr>
<tr>
<td>Medical</td>
<td>57</td>
<td>15</td>
<td>28</td>
<td>15</td>
<td>59</td>
<td>19</td>
<td>30</td>
<td>17</td>
<td>64</td>
<td>24</td>
</tr>
<tr>
<td>Automotive</td>
<td>88</td>
<td>24</td>
<td>44</td>
<td>24</td>
<td>55</td>
<td>18</td>
<td>41</td>
<td>23</td>
<td>23</td>
<td>9</td>
</tr>
<tr>
<td>Defence</td>
<td>9</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>2</td>
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<td>Telecom</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>374</td>
<td>100</td>
<td>185</td>
<td>100</td>
<td>309</td>
<td>100</td>
<td>175</td>
<td>100</td>
<td>265</td>
<td>100</td>
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</tbody>
</table>
Turnover Development per Quarter

- YoY autonomous decrease by 1.3%
- Q4 fluctuations in turnover as a result of stock adjustments made by customers
- 5.7% growth in HY2 2015
- Good development in semi-conductors and automotive
Result Development

Operating result* (€ m)

Net result* (€ m)

  including extraordinary income and expenditure
Balance sheet

- Increase of shareholders’ equity as a result of profit realised
- Increase in operating capital as a result of increase in inventory and receivables following deferral of orders and high turnover in December
- Solvency adjusted for deferred taxes and intangible assets 35.9% (year-end 2014 33.2%)
Operating Capital

- Operating capital increased as a result of both inventory and receivables
- Inventory high due to low turnover ratio BuS Group (~100 days) and deferral of orders to end of year
- Implementation of SMOI suppliers started
- Turnover ratio at constant good level

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>1H 2015</th>
<th>2014</th>
<th>1H 2014</th>
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<tr>
<td>Inventory</td>
<td>81,6</td>
<td>83,7</td>
<td>79,4</td>
<td>51</td>
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<tr>
<td>Turnover ratio in days</td>
<td>81</td>
<td>77</td>
<td>76</td>
<td>66</td>
</tr>
<tr>
<td>Receivables</td>
<td>39,9</td>
<td>45,8</td>
<td>34,1</td>
<td>29,5</td>
</tr>
<tr>
<td>Turnover ratio in days</td>
<td>36</td>
<td>37</td>
<td>36</td>
<td>39</td>
</tr>
<tr>
<td>Operating capital</td>
<td>57,7</td>
<td>63,7</td>
<td>53,5</td>
<td>33,6</td>
</tr>
</tbody>
</table>
Cash Flow

- Inventory increased as a result of deferral of orders by customers
- Receivables higher as a result of relatively strong December month
- Financing costs increased to €2.1 m as compared to €1.3 m in 2014, as a result of acquisition of BuS Group
- Investments (€4.5 m) considerably below depreciation level (€8.3 m)
Staff

- Knowledge component within human resource mix increasingly important
- Number of technical engineers steadily growing, app. 8% of the total number of employees
- Reduction of number of FTEs realised as a result of increased productivity
- Lower number of temporary employees in 2015
- Total number of employees active in Eastern Europe and Asia app. 26%

Average number of employees

<table>
<thead>
<tr>
<th>Year</th>
<th>West-Europa</th>
<th>Oost-Europa en China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1372</td>
<td>798</td>
</tr>
<tr>
<td>2012</td>
<td>1360</td>
<td>692</td>
</tr>
<tr>
<td>2013</td>
<td>1277</td>
<td>632</td>
</tr>
<tr>
<td>H1 2014</td>
<td>1242</td>
<td>634</td>
</tr>
<tr>
<td>2014</td>
<td>1876</td>
<td>674</td>
</tr>
<tr>
<td>2014 ult</td>
<td>686</td>
<td>669</td>
</tr>
<tr>
<td>2015</td>
<td>2593</td>
<td>1924</td>
</tr>
<tr>
<td>2015 ult</td>
<td>1875</td>
<td>177</td>
</tr>
</tbody>
</table>

* hiring 282 254 184 260 235 173 186 177
## Data per Share

<table>
<thead>
<tr>
<th>(€)</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result</td>
<td>0.52</td>
<td>0.60</td>
<td>0.26</td>
<td>0.24</td>
</tr>
<tr>
<td>Net result</td>
<td>0.28</td>
<td>0.63</td>
<td>0.19</td>
<td>-0.04</td>
</tr>
<tr>
<td>Dividend</td>
<td>0.11</td>
<td>0.25</td>
<td>0.06</td>
<td>0.01</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>6.19</td>
<td>6.01</td>
<td>5.03</td>
<td>4.90</td>
</tr>
<tr>
<td>Number of issued shares (x 1.000 year-end)</td>
<td>11.401</td>
<td>10.986</td>
<td>9.946</td>
<td>9.943</td>
</tr>
</tbody>
</table>
OPERATIONAL
“Up to the next level”

- Neways DNA & Leadership programme
- From EMS to Life Cycle Manager
- ICT set-up
- Optimisation of procurement and supply chain
- Performance Operating Companies
Neways DNA & Leadership programme

• Neways DNA & Leadership model is the foundation of the Neways house
• Fully rolled out in the Netherlands and Germany
• Sustainability of the DNA programme started
• Preparation of roll-out for Slovakia and China HY2 2016
• Roll-out for Slovakia and China 2017
From EMS to Life Cycle Manager

- Focus made between Sales & Account Management
- Training sales & management started in 2015, account management will start in 2016
- Customer Intimacy strategy rolled out in the Group
- Processes between development and production further aligned
ICT Set-up

- IT management reinforced
- Infor LN to go live Q2
- KA 2.0 rolled out in Netherlands
- Traceability implemented in China
- Current structure mapped (Neways/BuS)
Optimisation of Procurement and Supply Chain

- Category management introduced
- Supplier reduction programme started in two categories
- VMI with suppliers operational
- Review of logistics model started
Performance Operating Companies

- Continuous improvement by POENK
- Roll-out of Infor LN as the foundation under standardisation of processes
- NCWS
- NME
OUTLOOK AND CONCLUSION
Basic Principles and Concerns for 2016

• Further roll-out of DNA Leadership model to increase customer intimacy across the organisation
• Margin improvement by applying process innovation, productivity actions and expansion of production in Eastern Europa/China
• Inventory reduction/decrease in balance sheet total by implementing logistics model
• Roll-out of new Infor/Baan ERP LN System
• Integration of BuS Group in the Neways organisation, including the synergy advantages to be obtained
• Expansion of direct supplies from production facilities n China to OEMs in the region and expansion of (central) procurement materials in Asia
• Implementation of reorganisation NME and NCWS
• Continued attention to cash flow management
Outlook for 2016

• Order portfolio increased in Q4 2015
• 2016 satisfactory start
• More stable basis with more balanced spread to market sectors as a result of acquisition of BuS Group
• NME and NCWS on schedule
• Sound financial position offering room for investments aimed at growth
• Neways is looking forward to 2016 with confidence
Thank you