Annual figures for 2014
Amsterdam, 2 March 2015
Main points in 2014
A good start, a slow second half of the year, with a positive boost from the acquisition of the BuS Group

• Net revenue was up 16.5% to €308.6m (2013: €265.0m)
  – Q1 revenue was good
  – A change became apparent from Q2 forward, with H2 visibly poorer
  – The H2 contribution by the BuS Group (consolidated effective 1 July) is expected to be €60.5m
  – 2014 eventually closed with revenue at an all-time high

• Order book was up 228% (€155.9m) relative to year-end 2013 (€68.5m)
  – The definition of ‘order book’ (confirmed orders for up to a year) has been expanded to include the forecast for the first 3 months
  – The BuS Group contributed €68m to the order book
  – The order book rose €4m relative to the end of Q3
  – Orders increased in the semiconductor sector in particular
Main points in 2014
A good start, a slow second half of the year, with a positive boost from the acquisition of the BuS Group

• Operating results, net of exceptional income and expense, rose to €9.0m in 2014 (2013: €6.3m)
  o Profitability fell as the year progressed
  o Postponed orders and downward adjustments to plans forced the capacity utilisation off-balance
  o Non-recurring expenses (external consultants, employee redundancies, new office automation) depressed the H2 results
  o The BuS Group made a solid contribution to the profits in H2

• Net effect of exceptional income and expense is +€1.7m (2013: -€2.8m)
  o Higher eventual costs of NEK fire and closure: -€1.2m
  o Carryover effect of NEE closure: -€0.3m
  o Transaction profit on acquisition of the BuS Group: +€0.7m
  o Upward revaluation of deferred tax asset as a result of higher profit forecast in Germany: €2.4m

• Net profit rose to €7.0m (2013: €1.9m)

• A dividend is proposed of 40% (2013: 30%) based on the net profit including exceptional income and expense
  o €0.25 per share, payable in shares
Main points in 2014

Healthy financial position

• Balance sheet ratios were maintained successfully in a year in which Neways as a group underwent material transformation
  o Balance sheet total rose by 45% as a result of the acquisition of the BuS group
  o Equity was increased by the realised profit and the issuance of new shares in connection with the BuS group takeover
  o Guaranteed capital was reinforced by issuing subordinated convertible bond loans to major shareholders
  o Solvency fell to 40.5% (year-end 2013: 41.5%); steady improvement from the moment that the BuS Group was taken over

• Net cash flow fell to -€32.5m (2013: +€28m)
  o Costs of the fire in Kassel and the closure: approx. €14m
  o Acquisition of the BuS Group: approx. €28m
  o Marked improvement in operating capital management in H2 of 2014
  o Capex (€8.7m) significantly higher than amortisation and depreciation (€4.8m)
Main points in 2014
Continued strategy implementation

• Improvements in higher added value of development activities continued

• Closure of NEK finalised

• Site in NEE thoroughly rebuilt and fitted with new clean rooms, relocations of Neways Cable & Wire Solutions and Neways Micro Electronics finalised

• Warehouse of Neways Slovakia expanded to handle growth in direct deliveries

• BuS Group acquired, significantly reinforcing Neways’s position in Germany, Europe’s largest EMS market
BuS Group acquisition
Neways among the European Top 5 on the EMS market

- Purchase contract early in July, deal closed late in September
- Takeover financed by extending the current account facility from €30 to €35m, taking out a new €12.5m loan (3 years to maturity), issuing €5m in subordinated convertible bond loans and issuing new ordinary shares (992,701=9.9%) to BuS Group shareholders
- BuS Group’s earnings consolidated effective 1 July, contributing directly to the profit per share
- Profit on the advantageous acquisition as at the contract date: €6.0m; balance remaining following adjustment for developing the fair value of new shares issued between contract date (€6.9m) and acquisition date (€9.4m) results in €3.5m badwill
- Impact of the purchase price allocation (IFRS) on the H2 results: -€1.3m
- Transaction costs of €1.5m bring the transaction profit on balance to +€0.7m
BuS Group acquisition
Neways among the European Top 5 on the EMS market

– The BuS Group: €60.5m contributed to revenue from 1 July forward with a significant contribution to the results
– Acquisition reinforces Neways’s position in Germany, Europe’s largest market for EMS:
  ▪ new growth opportunities through complementary client bases
  ▪ increased procurement volumes and development capacity
– Additional growth potential for Neways establishments in Asia and Slovakia
– Further possibilities for utilising existing available losses in Germany
– Integration of the BuS Group into the Neways organisation begun in October
# Key figures 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Movement</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>337.2</td>
<td>293.1</td>
<td>15%</td>
<td>151.5</td>
</tr>
<tr>
<td>Net revenue</td>
<td>308.6</td>
<td>265.0</td>
<td>16%</td>
<td>133.6</td>
</tr>
<tr>
<td>Operating results *</td>
<td>9.0</td>
<td>6.3</td>
<td></td>
<td>4.2</td>
</tr>
<tr>
<td>Net profit *</td>
<td>5.3</td>
<td>4.7</td>
<td></td>
<td>3.0</td>
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<tr>
<td>Exceptional income/expense</td>
<td>1.7</td>
<td>-2.8</td>
<td></td>
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<tr>
<td>Net profit</td>
<td>7.0</td>
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<tr>
<td>Gross margin/net revenue</td>
<td>40.5%</td>
<td>39.9%</td>
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<td>41.2%</td>
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<td>Operating margin *</td>
<td>2.9%</td>
<td>2.4%</td>
<td></td>
<td>3.2%</td>
</tr>
<tr>
<td>Net margin *</td>
<td>1.7%</td>
<td>1.8%</td>
<td></td>
<td>2.3%</td>
</tr>
<tr>
<td>PPS (€)</td>
<td>0.63</td>
<td>0.19</td>
<td></td>
<td>0.30</td>
</tr>
</tbody>
</table>

* Not including exceptional income and expense
Positioning on the EMS market

- **Market**
  - Core market of Benelux countries/Germany
  - Deliberate focus on growth sectors of industrial, semiconductor, medical, automotive, defence and high-end telecommunication

- **Customers**
  - Industrial/professional market
  - B2B (OEMs: Original Equipment Manufacturers)
Positioning on the EMS market

- **Specialisations**
  - Smaller, complex and more specialised series
  - Development/production of electronic components to create entire box-built systems
  - Product lifecycle management/one-stop-provider

- **Key competencies**
  - Short distance from our customers (Netherlands/Germany)
  - High added value/expertise and service
  - Low production costs (Eastern Europe, China)
**Movements in revenue and order book**

### Net revenue

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>€m</td>
<td>117</td>
<td>138</td>
<td>144</td>
<td>140</td>
<td>130</td>
<td>134</td>
<td>131</td>
<td>134</td>
<td>175</td>
<td>309</td>
</tr>
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</table>

Net revenue increased by +16% from 2013 to 2014.

### Order book

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>H1-2014</th>
<th>H1-2014*</th>
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</thead>
<tbody>
<tr>
<td>€m</td>
<td>67</td>
<td>63</td>
<td>69</td>
<td>61</td>
<td>89</td>
</tr>
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</table>

Order book at year-end in €m increased by +76% from 2013 to 2014.

* Order book for H1 2014: New definition of order book to include not only the confirmed orders (up to 1 year) but also the forecast for the first 3 months.
## Breakdown of revenue by market sector

<table>
<thead>
<tr>
<th>(€m)</th>
<th>2014</th>
<th>%</th>
<th>H1 2014</th>
<th>%</th>
<th>2013</th>
<th>%</th>
<th>2012</th>
<th>%</th>
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<tr>
<td>Industrial</td>
<td>118</td>
<td>38</td>
<td>50</td>
<td>37</td>
<td>96</td>
<td>36</td>
<td>103</td>
<td>38</td>
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<tr>
<td>Semiconductor</td>
<td>62</td>
<td>20</td>
<td>34</td>
<td>25</td>
<td>69</td>
<td>26</td>
<td>71</td>
<td>26</td>
</tr>
<tr>
<td>Medical</td>
<td>59</td>
<td>19</td>
<td>29</td>
<td>22</td>
<td>64</td>
<td>24</td>
<td>68</td>
<td>25</td>
</tr>
<tr>
<td>Automotive</td>
<td>55</td>
<td>18</td>
<td>14</td>
<td>10</td>
<td>23</td>
<td>9</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Defence</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Telecom</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>1</td>
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<td>Other</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>1</td>
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<tr>
<td>TOTAL</td>
<td>309</td>
<td>100</td>
<td>134</td>
<td>100</td>
<td>265</td>
<td>100</td>
<td>274</td>
<td>100</td>
</tr>
</tbody>
</table>
Movements in revenue by quarter (€m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 13</td>
<td>63.8</td>
</tr>
<tr>
<td>Q2 13</td>
<td>67.1</td>
</tr>
<tr>
<td>Q3 13</td>
<td>68.4</td>
</tr>
<tr>
<td>Q4 13</td>
<td>65.7</td>
</tr>
<tr>
<td>Q1 14</td>
<td>68.1</td>
</tr>
<tr>
<td>Q2 14</td>
<td>65.5</td>
</tr>
<tr>
<td>Q3 14</td>
<td>89.9</td>
</tr>
<tr>
<td>Q4 14</td>
<td>85.0</td>
</tr>
</tbody>
</table>

- Beginning in Q2, revenue adversely affected by falling demand in semiconductor and medical market sectors.
- Revenue of BuS Group included from Q3 forward.
Movements in results

Operating results* (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,6</td>
<td>5,8</td>
<td>8,4</td>
</tr>
<tr>
<td>2011</td>
<td>5,3</td>
<td>2,1</td>
<td>7,4</td>
</tr>
<tr>
<td>2012</td>
<td>3,9</td>
<td>2,4</td>
<td>6,3</td>
</tr>
<tr>
<td>2013</td>
<td>-2,4</td>
<td>2,4</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>6,6</td>
<td>2,4</td>
<td>9</td>
</tr>
</tbody>
</table>

Net profit* (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,5</td>
<td>3,6</td>
<td>5,1</td>
</tr>
<tr>
<td>2011</td>
<td>3,2</td>
<td>3,8</td>
<td>7,0</td>
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<tr>
<td>2012</td>
<td>-2,2</td>
<td>-0,4</td>
<td>-2,6</td>
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<tr>
<td>2013</td>
<td>3,8</td>
<td>1,9</td>
<td>5,7</td>
</tr>
<tr>
<td>2014</td>
<td>3,0</td>
<td>4,0</td>
<td>7</td>
</tr>
</tbody>
</table>

* 2011, 2012, 2013 and 2014 include exceptional income and expense
• **Margin depressed by:**
  - disappointing movements in revenue
  - non-recurring expenses in H2

• **7% margin targeted**
  - in years of bullish economy
  - provided that present high volatility in demand/frequency of plan adjustments diminish materially

*Not including exceptional income and expense*
Balance sheet

- Increase in equity through realised profit and issuance of new shares (acquisition of BuS Group)
- Increase in balance sheet total (+45%) through acquisition of BuS Group
- Solvency adjusted for tax asset and intangible assets 33.2% (year-end 2013: 39.5%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Solvency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>43.5</td>
</tr>
<tr>
<td>2012</td>
<td>47.4</td>
</tr>
<tr>
<td>2013</td>
<td>41.5</td>
</tr>
<tr>
<td>H1 2014</td>
<td>49.1</td>
</tr>
<tr>
<td>2014</td>
<td>40.5</td>
</tr>
</tbody>
</table>
Working capital

- Sharp increase in utilisation of working capital through acquisition of BuS Group, followed by significant drop in H2
- Turnover ratio of inventories rising in consequence of low turnover ratio at BuS Group (~100 days)
- Campaigns aimed at suppliers launched in order to implement SMOI
- Turnover ratio of receivables very good (including at BuS Group)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>H1 2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inventories</strong></td>
<td>79.4</td>
<td>51.0</td>
<td>47.4</td>
</tr>
<tr>
<td><strong>Turnover ratio in days</strong></td>
<td>76</td>
<td>66</td>
<td>59</td>
</tr>
<tr>
<td><strong>Receivables</strong></td>
<td>34.1</td>
<td>29.5</td>
<td>27.9</td>
</tr>
<tr>
<td><strong>Turnover ratio in days</strong></td>
<td>36</td>
<td>39</td>
<td>34</td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td>53.5</td>
<td>33.6</td>
<td>13.3</td>
</tr>
</tbody>
</table>
Cash flow

- Effect of BuS Group acquisition on cash flow: approx. -€28m
- Effect of costs of NEK fire and closure on cash flow: approx. -€14m
- Marked improvement in operating capital management in H2 of 2014
- Capex (€8.7m) significantly higher than amortisation and depreciation (€4.8m)
Bank debts/credit balance

(€m)

-30,0
-20,0
-10,0
0,0
10,0
20,0
30,0
40,0
50,0


[Bar chart showing subordinated and other bank debts/credit balance from 2001 to 2014.]

-21,4
-3,2
5,0

subordinated
other

NEWAYS
Human resources

• Knowledge component in human resources mix increasingly important
• Number of technical engineers increasing steadily, approx. 8% of total workforce (including BuS)
• Number of FTEs at BuS at year-end 2014: 917
• Number of FTEs down following NEK closure
• Number of temporary employees reduced considerably in H2
• Total workforce in Eastern Europe and Asia down to approx. 26% following BuS Group takeover; focus on expanding operations/numbers of employees in these regions

Average number of employees

* hired externally: 282 254 184 260 235 173
## Information per share

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating results</td>
<td>0.60</td>
<td>0.26</td>
<td>0.24</td>
</tr>
<tr>
<td>Net profit</td>
<td>0.63</td>
<td>0.19</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Dividend</td>
<td>0.25</td>
<td>0.06</td>
<td>0.01</td>
</tr>
<tr>
<td>Equiy 6,01</td>
<td>5.03</td>
<td>4.90</td>
<td></td>
</tr>
<tr>
<td>Number of outstanding shares</td>
<td>10,986</td>
<td>9,946</td>
<td>9,943</td>
</tr>
</tbody>
</table>
EMS – market trends

- Globalisation leads to more competition among OEMs; increase in outsourcing by OEMs continues to intensify

- Higher rate of technological innovation leads to increasingly shorter product lifecycles

- Demand for more added value; product lifecycle management and earlier involvement in development by OEMs

- Distinctiveness based on quality and flexibility versus efficiency and reduction in costs (specifically production costs) is becoming more important

- Further intensification of cooperation in the supply chain (partnerships) with customers – battle will be won close to the customer
EMS – market trends

• Increasing demand and production in emerging markets (Eastern Europe, China and India)

• Increasing transparency and use of modern means of communication are strengthening opportunities for close cooperation in the supply chain; increasing demand for SMOI (Supplier Managed Owned Inventory)

• Persistently high volatility in demand: customers adjust their plans more quickly, postpone and reactivate their orders more quickly; this creates pressure on the balance between quality and flexibility on the one hand and efficiency and cutting costs on the other
Strategy (long term)

- Aimed at organic growth, supplemented by acquisitions

- Expand ‘one-stop provider’ concept / higher added value
  - Expand development branch, prototype building and ‘box build’ system-building activities
  - Expand service & repair activities
  - Further intensify cooperation with customers, expand role as knowledge partner for cost effective (‘product lifecycle’) solutions for electronic components and entire or partial systems

- More balanced distribution to market sectors aimed at more stable revenue and higher added value
  - Medical sector
  - Defence market (under pressure in recent years from low public spending, though a slight turnaround is visible)
  - Automotive sector, specifically German manufactures
Strategy (long term)

• Make use of opportunities in emerging markets (Asia)
  – Grow along with OEMs that are building up production capacity in Asia
  – Increase commercial strength in the region; expand procurement components in Asia

• Improve internal cooperation and exchange opportunities / efficiency of the organisation
  – Optimise and expand production in Eastern Europe and China (own facilities)
  – Reduce number of suppliers / make better use of procurement benefits and stronger use of ‘preferred suppliership’
  – Continue initiatives for increasing flexibility and improving cost structure
High-end aquarium – lighting fixture
Neways – Bus joint presentation
Electronics trade fair, Munich
Expansion of NSK warehouse
NME clean room – Echt
Outlook for 2015

• Order book increased in Q4 of 2014
• Satisfactory start to 2015
• More stable basis with a more balanced spread across market sectors following BuS Group acquisition
• Financial position is healthy and offers scope for investments targeting growth
• Neways is confident about 2015
Assumptions and issues in 2015

- Integrate the BuS Group into the Neways organisation, including the available synergy benefits
- Improve margins by applying process innovation and expanding production in Eastern Europe / China
- Expand direct supplies from production facilities in China to OEMs in the region and expand central procurement of materials in Asia
- Further reduce inventories / reduce balance sheet total and continue the focus on cash flow management
- Roll out Infor/BaaN’s new ERP LN system
- Implement Lean Leadership Model to improve customer focus throughout the organisation