

## PRESS RELEASE

Third quarter trading update

### Neways records higher turnover in third quarter

**Son (The Netherlands), 29 October 2019** – Neways Electronics International N.V. (Euronext: NEWAY) (“Neways”; “the Company”) today announces its trading update for the third quarter (Q3) and the first nine months (9M) ending on 30 September 2019.

#### HIGHLIGHTS

- Net turnover increased by 5.5% to € 132.9 million compared with Q3-18 and by 6.5% to € 397.4 million on a nine-month basis.
- Order intake declined by 10.7% compared with Q3-18; the order book stood at € 319.4 million at end-September, above the level of € 297.7 million at end-September 2018.
- Outlook slightly adjusted; Neways expects to record a higher net turnover for the full year 2019 and the result in the second half of 2019 to come in at around the same level as in the first half year.

#### KEY FIGURES

€ mln unless otherwise stated	<b>Q3-19</b>	<b>Q3-18</b>	<b>Δ</b>	<b>9M-19</b>	<b>9M-18</b>	<b>Δ</b>
Net turnover	<b>132.9</b>	126.0	+5.5%	<b>397.4</b>	373.0	+6.5%
Order intake	<b>109.7</b>	122.9	-10.7%	<b>413.2</b>	407.1	+1.5%
Book-to-bill (ratio)	<b>0.76</b>	0.98		<b>1.04</b>	1.09	

#### DEVELOPMENTS THIRD QUARTER

In the third quarter of 2019, Neways recorded a fully organic year-on-year increase of 5.5% in net turnover, driven by continuing strong demand from the automotive sector, mainly in the market for e-mobility solutions. Turnover from the semiconductor and medical sectors remained stable, while Neways saw a slight increase in turnover from the industrial sector.

Order intake declined by 10.7% year-on-year in the third quarter. The order book stood at € 319.4 million, at end-September, an increase of 7.3% compared with end-September 2018, largely due to the strong demand from the automotive sector for system solutions for electric cars. The book to bill-ratio stood at 0.76 in the third quarter.

#### CEO STATEMENT

Huub van der Vrande, CEO: “In the third quarter our turnover increased driven by continued strong demand from the automotive sector. This growth was softened by a temporary dip in the demand from the semiconductor sector. The order book is still at a high level. While the order intake did decline, this was largely due to the fact that more accurate orders were submitted. Customers have noted an increase in our delivery performance over the past few months, which has improved the quality and solidity of our order book. We are working hard to restore the imbalance within the group that had arisen earlier this year and to improve the structure and standardisation of our internal processes, so we can respond more effectively to changes in demand. These adjustments will take time and have an impact on productivity in this phase of the process. In September, we started an accelerated reduction of our flexible workforce by a total of around 120 employees at those facilities in the group where deemed possible. As long as the macro-economic situation does not lead to more volatility and the expected year-end demand effect materialises we anticipate a higher turnover for 2019 and the result in the second half of 2019 to come in at around the same level as in the first half year.”

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## **ABOUT NEWAYS**

Neways Electronics International N.V. (Neways) is an international company active in the EMS (Electronics 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, and the United States with a total of 2,998 employees at 31 December 2018. Neways recorded net turnover of € 506.8 million in 2018. Neways shares are listed on the Euronext Amsterdam stock exchange (symbol: NEWAY). [www.newayselectronics.com](http://www.newayselectronics.com)

## **IMPORTANT DATES**

21 February 2020	Publication annual results 2019
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## **FOR MORE INFORMATION**

Huib van der Vrande (CEO) / Paul de Koning (CFO) - Tel: + 31 (0)40 – 267 9205

Neways Electronics International N.V.  
Postbus 69, 5690 AB SON  
[www.newayselectronics.com](http://www.newayselectronics.com)

## **FORWARD-LOOKING INFORMATION / DISCLAIMER**

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.