

PRESS RELEASE

Neways to adjust parts of its organisation

Son (the Netherlands), 26 November 2020 - Neways Electronics International N.V. (Neways) today announces that it will adjust the structure of its organisation on certain parts. In the Netherlands, Neways will adapt the structure of two operating companies to better position the organisation for future growth. The company is also structurally downscaling its capacity utilization in Germany, due to the lower demand from the Automotive sector as caused by the pandemic. The preparation of the plans for these adjustments has been announced in the half-year results press release.

Neways has set aside a provision in the form of a one-off charge to its operating result for 2020. These organisational adjustments will result in the loss of around 250 jobs, largely in Germany. We estimate the structural annual cost savings resulting from these adjustments will be fully visible in Neways' results from 2022.

Eric Stodel, CEO: "We do not expect to see an immediate recovery in turnover from the Automotive sector to pre-pandemic levels. This is reflected in our production volumes, especially in Automotive. In addition, we want to create more synergy by adapting two operating companies and position them more effectively in the market. As a group, we will focus more strongly on clients that we can support on several fronts as a system innovator and product life cycle partner, which gives us the opportunity to offer greater added value."

The adjustment of the organisation is a drastic decision, all the more so because over the past few months our employees have shown great resilience. It will be painful to bid farewell, but this is a necessary step if we are to operate competitively in the future and to enable us as a group to move to more robust growth."

Next steps

We have started the preparations for the organisational adjustments at the operating companies involved and the reductions in the number of jobs. We expect forced redundancies to be unavoidable. Neways has informed the works councils in Germany and the Netherlands and will ask them for recommendations.

Outlook

Thanks to our stronger focus on costs and cash over the past year, in response to the outbreak of the pandemic and the consequences of same, we expect to record a positive cash flow in 2020. Including the one-off there will be a negative operating result in 2020. Subject to the continuing uncertainties with respect to the pandemic, Neways expects to record a positive operating result for 2020, excluding one-off items.

The market that Neways operates in with its four key sectors (Semiconductor, Industrial, Automotive and Medical) is driven by technological progress, with ever smarter devices, greater complexity and increasing electrification of sub-systems. The organisational adjustments we are announcing today are an adjustment to today's reality and will also improve Neways' positioning as a system innovator and product life cycle partner, enabling us to profit from these underlying trends in the years ahead.

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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 and general industry. Neways has operating companies in the Netherlands, Germany, the Czech Republic, Slovakia and China, and the United States with a total of 2,808 employees at year-end 2019. Neways recorded net turnover of € 533.4 million in 2019. Neways shares are listed on the Euronext Amsterdam stock exchange (symbol: NEWAY). www.newayselectronics.com

Not for publication

FOR MORE INFORMATION

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