

## PRESS RELEASE

# Neways records turnover of EUR 119.3 million in first quarter; order book up 21.6%

**Son (The Netherlands), 19 April 2021** – Neways Electronics International N.V. (Euronext: NEWAY) (“Neways”) today publishes its trading update for the first quarter of (Q1) ending 31 March 2021.

### HIGHLIGHTS

- Net turnover increases to € 119.3 million, a rise of 4.2% compared with Q4 2020 and a decline of 6.2% compared with Q1 2020, when the impact of COVID-19 was still limited;
- Order book increases to € 273.7 million, up 21.6% compared with the € 225.0 million at year-end 2020: recovery in demand in Automotive and continued strong demand in other market sectors;
- Shortage of components for Automotive gives extra boost to the increase in order intake, but also creates uncertainty regarding the timing of order delivery and delays recovery in this sector.

### KEY FIGURES

€ mln unless stated otherwise	<u>Q1-21</u>	<u>Q1-20</u>	<u>Δ</u>
Net turnover	<b>119.3</b>	127.2	-6.2%
Order intake	<b>168.4</b>	118.6	+42.0%
Book-to-bill (ratio)	<b>1.41</b>	0.93	

### DEVELOPMENTS IN THE FIRST QUARTER

All our market sectors recorded continued growth or recovery in the first quarter. Net turnover increased by 4.2% compared with the fourth quarter of 2020. Compared with the first quarter of 2020, net turnover declined by 6.2%. Turnover development was hampered by the worldwide shortage of components for Automotive that arose in early 2021. Neways expects the shortage of components to continue to put downward pressure on turnover development in the coming quarters, primarily in the Automotive sector.

At the end of the first quarter, the order book stood at € 273.7 million, a rise of 21.6% compared with year-end 2020 (€ 225.0 million) and a slight decline of 3.2% compared with end-March 2020 (€ 282.7 million). Order intake was up 42.0% compared with Q1 2020. All market sectors saw an increase in order intake. Order intake was given an additional boost due to the fact that clients have been anticipating the recent shortage of components in the automotive sector. As a result of this, clients placed orders earlier than anticipated, which extended the length of our order book.

The reorganisation Neways initiated in 2020, including the downscaling of production capacity utilisation in Germany and the integration of two Dutch business units is on schedule and is nearing completion. The cost savings generated by the reorganisation amount to around € 8 million on an annual basis and will be fully visible in the results from 2022 onwards. In Germany, we launched an improvement programme in the first quarter, which is running parallel with the reorganisation. We use this programme to optimize alignment of the local organisation with changing market demand and bring it more in line with Neways positioning as a System Innovator. This programme will continue in the coming quarters.

### CEO STATEMENT

Eric Stodel, CEO: “We got off to a good start in 2021, with higher turnover than in the fourth quarter of 2020. At the same time, we are seeing a healthy recovery in turnover, especially if we compare this with the turnover level in the first quarter of 2020, when the impact of COVID-19 was still limited. Our order book was up across the board and showed a clear recovery in demand in the Automotive sector. We do expect the worldwide shortage of components to put a clear brake on order execution and turnover growth within Automotive. The fact that the e-mobility segment still needs to settle also has an impact in this sector. On the one hand, e-mobility clients are opting for more outsourcing to EMS partners, while on the other hand certain production activities are insourced.



Given the uncertainty regarding COVID-19 and the transition to System Innovator underway, we will continue to keep a very close eye on our cost levels and cash flow in the coming period. We expect to see full recovery from Covid-19 impact, including the related component shortage, in 2022. Neways is well positioned in strategic growth sectors, with increasing demand for ever more complex systems and technological innovations. Continued growth in our role as System Innovator will put us in an excellent position to anticipate and respond to this trend. I am convinced that this will help us to take our profitability to a higher level on a structural basis in the years to come.”

**END**

## **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 Industrial. Neways has operating companies in the Netherlands, Germany, the Czech Republic, Slovakia, China and the United States, with a total of 2,598 employees at year-end 2020. Neways recorded net turnover of € 478.6 million in 2020. Neways shares are listed on the Euronext Amsterdam stock exchange (symbol: NEWAY).

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**IMPORTANT DATES**

19 April 2021	Publication trading update
19 April 2021	General Meeting of Shareholders
25 August 2021	Publication half-year results 2021

**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.