

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

Business and Unaudited Financial Information for the Third Quarter of Financial Year 23/24

This announcement is made by Johnson Electric Holdings Limited (“Johnson Electric” or the “Company” and together with its subsidiaries, the “Group”) for the business operations and selected unaudited financial information of the Group for the nine months ended 31 December 2023.

The Board of Directors (the “Board”) of the Company considers the publication of quarterly sales performance updates to be consistent with international corporate disclosure best practice. The objective of this announcement is to provide transparency and to ensure that investors and potential investors receive equal access to the same information at the same time.

The Group’s sales for the nine months ended 31 December 2023 were US\$2,871 million compared to US\$2,674 million for the same period in financial year 22/23, an increase of 7%. Net foreign exchange rate movements relative to the US Dollar had a negligible impact on the Group’s sales during the period as the effect of the strengthening of the Euro was offset by the weakening of the Renminbi and the Canadian Dollar.

Sales of Automotive Products Group (“APG”)

APG’s sales for the nine months ended 31 December 2023 were US\$2,422 million, an increase of US\$292 million or 14% compared to the same period in financial year 22/23. This compares favourably to an estimated 10% increase in global light vehicle production volumes over the same period.

APG’s strong sales performance reflects the growth in its end-markets, as well as the division’s focus on creating and delivering technology solutions that are enabling the automotive industry’s shift to battery-electric and hybrid vehicles, reducing weight, lowering emissions, and improving passenger safety and comfort. Sales increased across most of APG’s product segments, with the most significant growth experienced in thermal management, powder metal parts, engine and transmission oil pumps, braking, closure, vision, and engine and fuel management.

The division’s sales changes by region, excluding currency effects, were as follows:

	Nine months ended 31 December 2023
Asia-Pacific	Increase 12%
Europe, Middle East and Africa	Increase 19%
Americas	Increase 12%
<hr/>	
Total	Increase 14%

Sales of Industry Products Group (“IPG”)

IPG’s sales for the nine months ended 31 December 2023 were US\$449 million, a decrease of US\$95 million or 18% compared to the same period in financial year 22/23. Excluding currency effects and the US\$7 million effect of an acquisition, IPG’s sales decreased by US\$105 million or 19% for the nine months.

Despite easing inflation, consumers remain concerned about economic uncertainty and high interest rates. As a result, they have chosen to either avoid or delay discretionary spending. This decrease in demand significantly impacted IPG’s sales. This was significantly exacerbated by surpluses of inventory in manufacturing and retail channels that slowed customer replenishment orders.

The sales changes for IPG by region, excluding currency effects and an acquisition, were as follows:

	Nine months ended 31 December 2023
Asia-Pacific	Decrease 15%
Europe, Middle East and Africa	Decrease 26%
Americas	Decrease 15%
Total	Decrease 19%

Chairman’s Comments on Sales Performance and Outlook

Concerning the Group’s sales performance and outlook for the current financial year, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, “Johnson Electric achieved solid sales growth in the first nine months of the financial year in the context of a global economy of which growth has slowed sharply due to the effects of inflation and higher interest rates. The Group’s automotive components division is performing particularly strongly and continues to win significant new business awards for product applications that are key enablers in the industry’s shift to electrification. Demand for industrial and consumer product applications, on the other hand, remains weak with consumers reluctant to spend on discretionary products and the level of inventory in retail and contract manufacturing channels is still abnormally high as a consequence of over-building at the end of the pandemic. Based on current trading conditions – and reflecting a comparably strong performance in the prior year period – we expect total sales in the fourth quarter of the financial year to be similar to the prior year and the Group consequently remains on track to deliver mid-single digit percentage sales growth for the full year.”

Cautionary Statement

Shareholders and potential investors in the Company are reminded that the information provided in this announcement, including information related to the expected outlook for the full year, is based on the Group’s unaudited internal records and management accounts. This information has not been reviewed or audited by the Company’s auditors.

Shareholders and potential investors should exercise caution when dealing or investing in the shares of the Company.

Board of Directors

As of the date of this announcement, the Board comprises Patrick Shui-Chung WANG, Austin Jesse WANG, being the Executive Directors, and WANG KOO Yik-Chun, MAK WANG Wing-Yee Winnie, Peter Kin-Chung WANG, being the Non-Executive Directors, and Patrick Blackwell PAUL, Michael John

ENRIGHT, Joseph Chi-Kwong YAM, Christopher Dale PRATT, Catherine Annick Caroline BRADLEY and Michelle Mei-Shuen LOW being the Independent Non-Executive Directors.

By Order of the Board
Johnson Electric Holdings Limited
Lai-Chu CHENG
Company Secretary

Hong Kong, 15 January 2024

Johnson Electric is one of the constituent stocks on the Hang Seng Composite SmallCap Index under the Hang Seng Composite Index, the Hang Seng Corporate Sustainability Benchmark Index and the S&P Europe Pacific Asia Composite (EPAC) SmallCap Index. For further information, please visit: www.johnsonelectric.com.