

NEWS RELEASE

Johnson Electric reports Business and Unaudited Financial Information for the First Quarter of Financial Year 2020/21

HONG KONG, 14 July 2020 – This news release 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 Company for the quarter ended 30 June 2020.

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 news release 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 quarter ended 30 June 2020 were US\$517 million compared to US\$767 million for the same quarter in 2019, a decrease of 33%. Excluding currency movements, sales decreased by 31% to US\$527 million. Sales were significantly reduced in April and May due to the impact of the COVID-19 pandemic, particularly on the automotive components industry in Europe and the Americas. During the month of June, the Group experienced a significant recovery in demand and by the end of the month sales volumes were approaching similar levels to a year earlier.

Foreign exchange rate movements had a negative effect of US\$10 million on the Group's sales during the quarter. This was mainly due to the impact of the weaker average exchange rates for the Chinese Renminbi and Euro against the US Dollar, comparing the quarter ended 30 June 2020 to the same quarter last year.

Sales of Automotive Products Group (“APG”)

Sales of our Automotive Products Group in the first quarter of the financial year decreased by US\$249 million or 41% compared to the same quarter in 2019. Excluding currency effects, APG’s sales decreased by US\$240 million or 39%, with the following sales changes by region:

- Asia decreased 2%
- Europe decreased 58%
- Americas decreased 60%

APG’s sales in Asia decreased slightly. The impact of reduced volumes of light vehicle production was partially offset by growth in some segments in China including braking, closure, thermal management and transmission as well as oil pumps for engine and transmission.

APG’s sales in Europe and the Americas decreased markedly as automotive customers in these regions shutdown assembly plants in April and May to contain the COVID-19 pandemic. Johnson Electric was also affected by these containment measures, necessitating the temporary closure of several of our production facilities in the affected regions.

Sales of Industry Products Group (“IPG”)

IPG’s sales were flat compared to the same quarter in 2019. Currency effects were negligible. The sales changes by region, excluding currency effects, were as follows:

- Asia increased 2%
- Europe decreased 2%
- Americas increased 1%

Although IPG’s sales of products for some segments and customers decreased due to the impact of the COVID-19 pandemic on end-market demand, this was offset by strong growth in the medical devices segment due to new product launches and ramp-ups; higher-than-

usual demand for home appliances and personal care products as consumers spent more time at home due to COVID-19 lockdowns; and market share gains as a result of supply disruptions at some competitors.

Chairman's Comments on Year-to-Date Sales Performance and Outlook

Concerning the first quarter's sales performance, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "As previously projected, the unprecedented effects of the COVID-19 global pandemic resulted in sales levels in the first quarter of the current financial year being substantially weaker than in the same period a year ago. Although demand in China displayed a gradual and consistent improvement during the quarter, it was not until June that we began to experience a significant rebound in orders from our automotive customers in North America and Europe."

Dr. Wang further commented: "Given the widespread and continuing uncertainties of the pandemic, it is not feasible to provide a meaningful estimate of sales volumes for the rest of the year. However, with the most recent weekly sales run-rate approaching the levels of a year ago, there are no indications that underlying demand for Johnson Electric's innovative products and technology has been permanently reduced. Our Industry Products Group performed very satisfactorily in the first quarter with growing demand in some application segments offsetting the negative impact of macro-economic contraction in others. And in the automotive components sector, I am especially encouraged by an increase in new orders for Johnson Electric's products that improve fuel economy, reduce emissions, and enable electrification – which together represent the most critical technology imperatives of the industry for at least the next decade.

Despite the challenging and unpredictable trading conditions, the Company remains in sound shape in terms of liquidity. Geographically, Johnson Electric's sales are divided broadly equally between Asia, Europe and the Americas and this diversified base of end-market demand continues to be a key source of strength and stability for the Group. "

Cautionary Statement

Shareholders and potential investors in the Company are reminded that the information

provided in this news release, 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.

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About Johnson Electric Group

The Johnson Electric Group is a global leader in electric motors, actuators, motion subsystems and related electro-mechanical components. It serves a broad range of industries including Automotive, Smart Metering, Medical Devices, Business Equipment, Home Automation, Ventilation, White Goods, Power Tools, and Lawn & Garden Equipment. The Group is headquartered in Hong Kong and employs over 30,000 individuals in more than 23 countries worldwide. Johnson Electric Holdings Limited is listed on The Stock Exchange of Hong Kong Limited (Stock Code: 179). For further information, please visit: www.johnsonelectric.com.

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