

NEWS RELEASE

Johnson Electric reports Business and Unaudited Financial Information for the First Quarter of Financial Year 2022/23

HONG KONG, 13 July 2022 – 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 Group for the three months to 30 June 2022.

The Group’s sales for the quarter ended 30 June 2022 were US\$840 million compared to US\$877 million for the same quarter in 2021, a decrease of 4%. Excluding the impact of currency movements and the acquisition of E. Zimmermann GmbH (“Zimmermann”), sales were flat at US\$874 million.

Foreign exchange rate movements had a negative effect of US\$37 million on the Group’s sales for the quarter. This was mainly due to the impact of weaker average exchange rates especially for the Euro, but also for the RMB and Canadian Dollar against the US Dollar, compared to the same quarter in 2021. The acquisition of Zimmermann, completed on 31 May 2021, increased sales by US\$3 million.

Sales of Automotive Products Group (“APG”)

APG’s sales for the quarter ended 30 June 2022 decreased by US\$20 million or 3% compared to the same quarter in 2021. Excluding currency effects and the acquisition of Zimmermann, APG’s sales increased by US\$9 million or 1% in the quarter. This increase in underlying sales compared to a 4% decrease in global light vehicle industry production volumes in the quarter.

On a regional basis, APG’s sales also fared better than automotive industry production volumes, which were constrained by shortages of semiconductors, in all regions during the

quarter. The sales changes by region, excluding currency effects and the acquisition of Zimmermann, were as follows:

- Asia decreased 7%
- Europe decreased 2%
- Americas increased 15%

In Asia, COVID-related factory lockdowns in China adversely affected sales of powertrain cooling and powder metal products, although other areas such as closure and water pumps increased. In Europe, oil and water pumps, coolant valves and powder metal parts were strong, although sales of other products decreased due to a reduction in light vehicle production in the region. In the Americas, there was strength across many of our product lines.

Sales of Industry Products Group (“IPG”)

IPG’s sales for the quarter ended 30 June 2022 decreased by US\$17 million or 8% compared to the same quarter in 2021. Excluding currency effects, IPG’s sales decreased by US\$12 million or 6% in the quarter, with the following changes by regions:

- Asia decreased 33%
- Europe increased 7%
- Americas increased 16%

Asia sales, which primarily represents goods invoiced to Asia-based OEMs and contract manufacturers whose end products are mostly destined to export markets, declined owing to the combination of supply chain disruptions caused by COVID lockdowns in China, ongoing shortages of semiconductor chips and other components, and a decline in demand for some “home-centric” products that had experienced an exceptional surge in sales during the pandemic. In Europe, sales grew in the beverage and lawn segments and, in the Americas, in the medical, ventilation and white goods segments, due to new

business wins and increased demand.

Chairman's Comments on First Quarter's Sales Performance and Outlook

Concerning the first quarter's sales performance and outlook for the current financial year, Dr. Patrick Shui-Chung Wang, Chairman and Chief Executive, said, "Johnson Electric delivered a satisfactory sales performance in the first quarter in the context of significant disruptions to global manufacturing supply chains, which included ongoing chip shortages in the automotive sector and COVID-related operational restrictions in China."

"Looking forward, it is presently difficult to gauge the impact of the sharp increase in global inflation on consumer demand across the wide range of end markets we serve. In our Industry Products Group, we are seeing a reduction in order flow among some customer segments which experienced exceptionally strong sales for "home-centric" products during the pandemic. However, in the automotive sector and for some other industrial product applications, we are not presently experiencing any noticeable weakening in underlying demand and the key factor constraining sales growth continues to be shortages of semiconductors and other components. An additional headwind on the Group's reported sales is the current strength of the US Dollar against the Euro, RMB and Canadian Dollar, which together constitute over half of the Group's denominated sales."

"Despite these external challenges, our business units continue to work collaboratively with customers to adjust prices to offset the surge in cost input increases experienced in the past year. Our global operating footprint and geographically diverse sales mix also provides Johnson Electric with strong foundations to navigate further potential volatility in the macro economy."

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 35,000 individuals in 22 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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