

## **NEWS RELEASE**

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

HONG KONG, 12 January 2023 – 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 nine months ended 31 December 2022.

The Group's sales for the nine months ended 31 December 2022 were US\$2,674 million compared to US\$2,521 million for the same period in 2021, an increase of 6%. Foreign exchange rate movements had a US\$148 million unfavourable impact on the Group's sales during the period. Without the effect of the depreciation against the US Dollar of several currencies (especially the Euro and Renminbi) and excluding the effect of acquisitions, sales growth would have been in the order of 12%.

#### **Sales of Automotive Products Group (“APG”)**

APG's sales for the nine months ended 31 December 2022 were US\$2,130 million, an increase of US\$207 million or 11% compared to the same period in 2021. Excluding currency effects and the US\$3 million effect of a prior-year acquisition, APG's sales increased by US\$335 million or 17% for the nine months, which compares favourably to an estimated 9% increase in global light vehicle production volumes over the same period.

APG's strong sales performance reflects its focus on creating and delivering technology solutions that are enabling the automotive industry's shift to battery-electric and hybrid vehicles, reducing weight, and improving passenger safety and comfort. Sales increased across most of APG's product segments, with the most significant increases experienced in products for thermal management, closure and interior, engine and transmission oil pumps, powder metal parts, power steering and braking applications.

The division's sales changes by region, excluding currency effects and the effect of a prior-year acquisition, were as follows:

	<b>Nine months ended</b>
	<b>31 December 2022</b>
Asia	Increase 16%
Europe	Increase 15%
Americas	Increase 22%
Total	Increase 17%

#### **Sales of Industry Products Group (“IPG”)**

IPG's sales for the nine months ended 31 December 2022 were US\$544 million, a decrease of US\$54 million or 9% compared to the same period in 2021. Excluding currency effects and the US\$3 million effect of an acquisition, IPG's sales decreased by US\$40 million or 7% for the nine months.

The division experienced strong growth in sales of products for medical, ventilation, white goods, lawn and outdoor tools, semiconductor equipment, circuit-breaker and window automation applications. However, the positive sales performance of these specific product segments was insufficient to offset a decline in demand for various “home-centric” products that had previously experienced unusually strong sales during the heights of the COVID-19 pandemic. This reduction in demand was exacerbated by high levels of inventory in manufacturing and retail channels, which has slowed down customer replenishment orders.

On a regional basis, IPG experienced a significant decrease in sales to destinations in Asia as customers, especially China-based contract manufacturers and other exporters, were impacted by reduced demand in their European and North American end markets. IPG's sales in Europe increased marginally, by 1%. In the Americas, a strong sales performance was achieved due to growth across several market segments. The sales changes for IPG by region (defined according to “shipped-to” destination), excluding currency effects and

an acquisition, were as follows:

<b>Nine months ended</b>	
<b>31 December 2022</b>	
Asia	Decrease 29%
Europe	Increase 1%
Americas	Increase 14%
Total	Decrease 7%

### **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, "The Group achieved a robust sales performance for the first nine months of the financial year in the context of what remain extremely challenging conditions for global industrial manufacturing businesses. Persistently high inflation, supply chain disruptions, war in Eastern Europe, and the uncertain impact of China's sudden relaxation of pandemic control measures, are among the factors weighing on consumer sentiment in the major markets where Johnson Electric operates. In the short term, we anticipate that the broad-based slowdown in global economic activity that has been evident in recent months will dampen sales growth in the fourth quarter of the financial year. In the medium to longer term, however, we remain confident that our innovative technology solutions, product segment focus, and global fulfillment capabilities will continue to be a source of enduring competitive advantage and new business growth."

### **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](http://www.johnsonelectric.com).

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