

FY24/25

Interim Results

For the period ended
30 September 2024

Investor Briefing
November 2024



FY24/25
Interim Results
Investor Briefing

Overview

Why Invest in Johnson Electric?

Key Financial Highlights

Operating Results

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Overview

Automotive Products Group



APG provides motion-related components for all vehicle types. We are well-placed to capitalize on expanding New Energy Vehicle (NEV) markets

Industry Products Group



IPG serves a wide range of industrial, professional and consumer segments. We are actively pursuing opportunities in smart home, electrification of lawn care, medical devices, data center cooling and warehouse automation

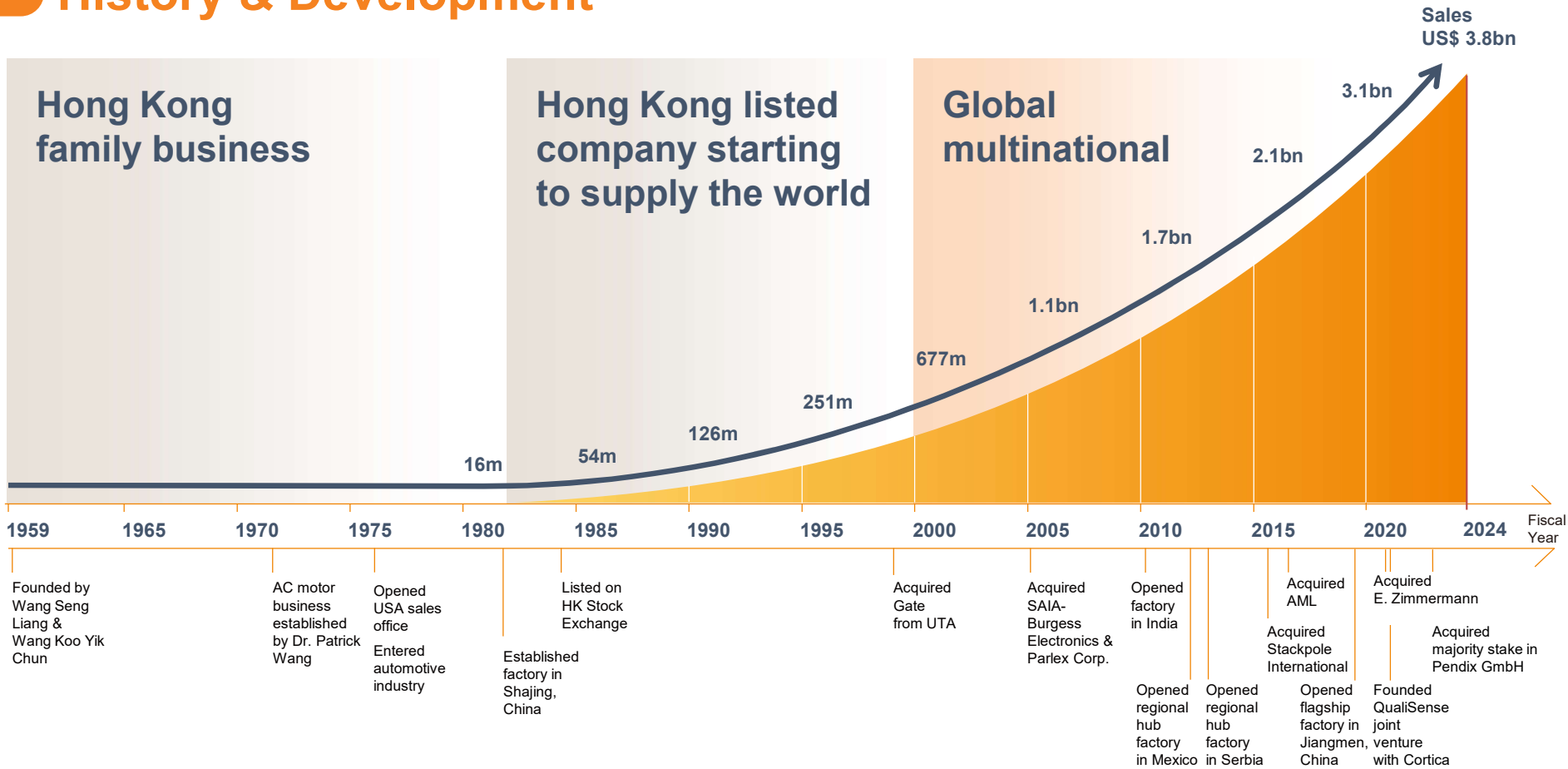
Components & Services



Our technical expertise, in-house tool rooms and vertical integration of component supplies are the backbone of our manufacturing, enabling consistent quality, cost excellence and assurance of supply

Improving the Quality of Life of Everyone We Touch Through Our Innovative Motion Systems

History & Development



Driving a Sustainable Future

Our business framework articulates our vision and purpose and connects these to our promises to customers, employees, local communities, the environment and shareholders



Strategies



Focus

on serving customers whose products are aligned to key underlying trends:

- reducing greenhouse gases and other emissions
- improving health and safety
- increasing mobility and controllability



Invest

in technological innovation to provide unique motion solutions to customer problems and redefine industry standards



Build

a resilient global manufacturing footprint to provide:

- greater customer responsiveness
- improved cost competitiveness
- reduced exposure to tariffs, foreign currency volatility and single country risk



Align

the design and production processes with the industrial logic of advanced automation to continuously reduce cycle times and improve product quality



Acquire

selective businesses that bring complementary technologies to the Group and strengthen our position in key markets



Develop and retain

a diverse, talented, and inclusive team of people

Johnson Electric at a Glance

FY23/24



Providing motion solutions
to approximately
1,600 customers



Operating in **22 countries**
across **4 continents**



Making over
4 million products* per day
*motors and other motion related products



Employing over
30,000 people
including more than
1,600 engineers *



Generating total sales revenue of
US\$3.8 billion
and net income of
US\$229 million

*Engineering expenditure was 4.2% of sales inclusive of R&D

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Why Invest in Johnson Electric?

One of the World's **Largest Providers** of **Motion Solutions** in electric motors, actuators, motion subsystems and related electromechanical components



Innovative motion solutions for today and the future



Geographically diverse, blue-chip customer base



Global operating footprint with vertical integration



Winning market traction for long-term growth



Improving quality of life for everyone and creating a sustainable future

Innovative Solutions

For Today & the Future



Automotive

Subsystems and components that enable electrification, optimize thermal management, and provide comfort and safety



Smart Home & IOT

Home automation for windows and robotic floor care. Automated food and beverage preparation equipment



Electrification & Environment

Zero-carbon solutions for mobility, lawn care and outdoor tools. Low-carbon solutions for a wide range of industrial, professional and consumer products



Healthcare

Medical device subsystems for improved patient outcomes. Surgical and diagnostic devices and medical wearables



E-Commerce & Industrial

Industrial equipment, delivery robots, smart metering, warehouse automation solutions and data center cooling solutions

Our Divisions



Automotive Products Group



- Braking
- Closure
- Interior
- Powder metal components
- Pumps
- Steering
- Suspension
- Thermal management
- Transmission & driveline
- Vision

Industry Products Group



- Business equipment
- Data Center Cooling
- E-bikes
- Home automation
- Industrial equipment
- Lawn & garden
- Medical devices
- Power tools
- Robotics
- Smart metering
- Ventilation
- White goods



Components and Services

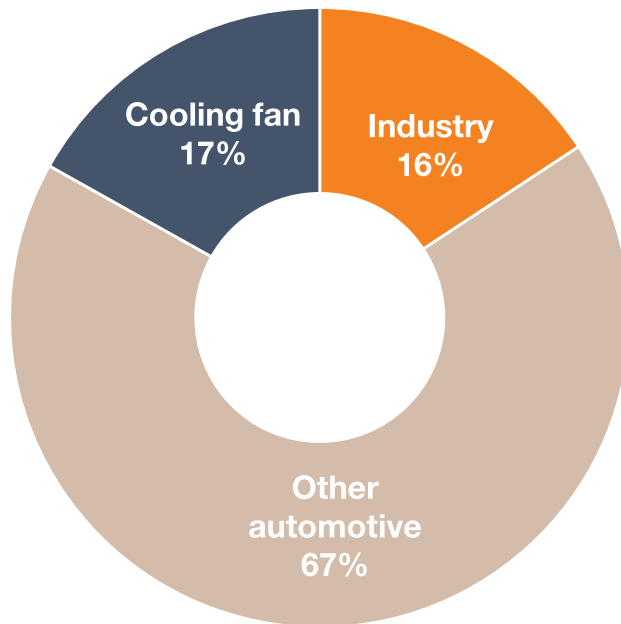


- Bearings
- Housings
- Powder metal components
- Commutators
- Laminations
- Printed circuit board assemblies
- Die cast components
- Magnets
- Shafts
- Plastic parts

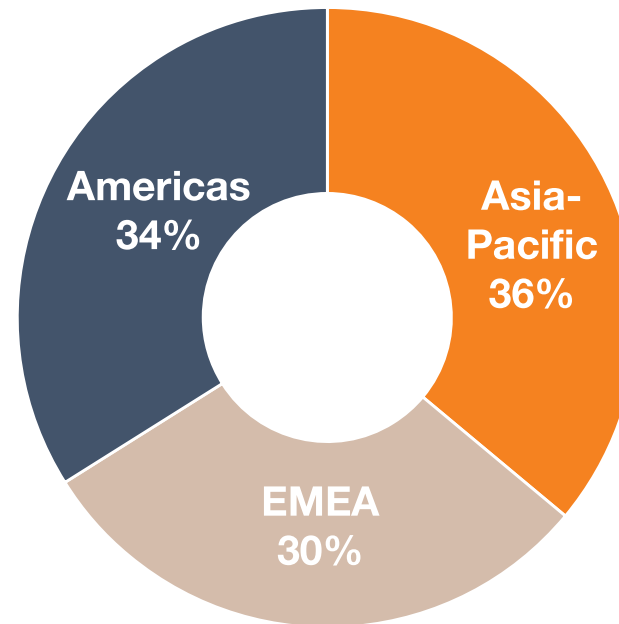
Diversified Sales

First Half of FY24/25

By Major Lines of Business



By Destination



Note: EMEA: Europe, the Middle East and Africa

Diversified Customer Base

World-class Customers Across Diversified Industries

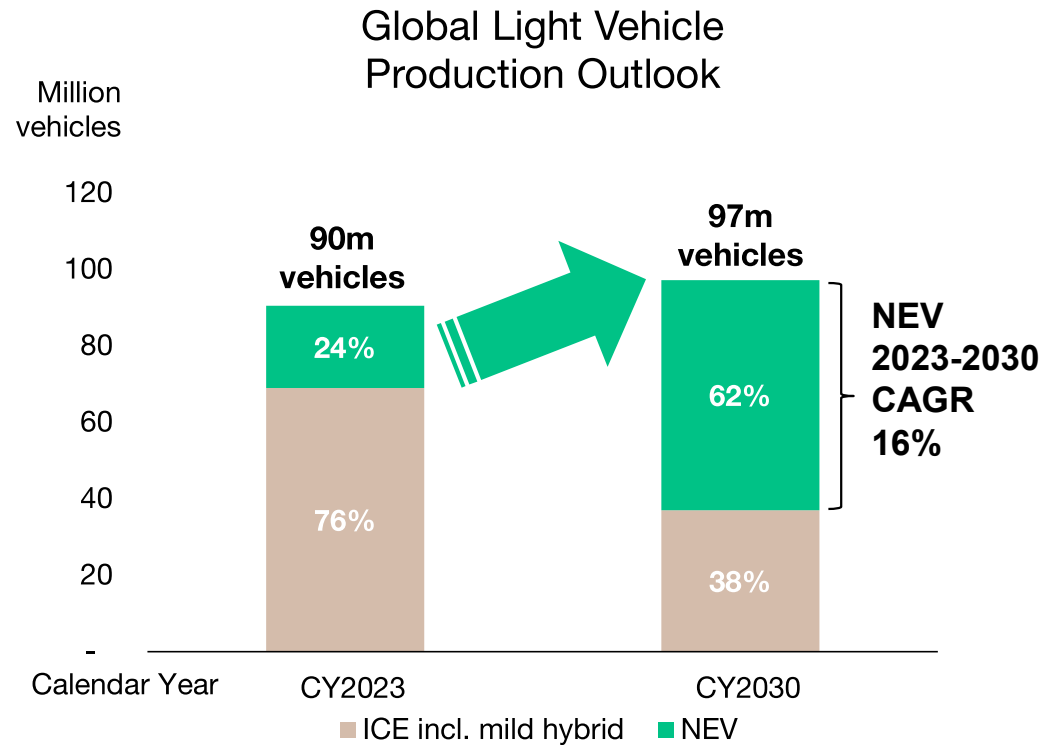


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Market shift to net zero APG's Growth Opportunity

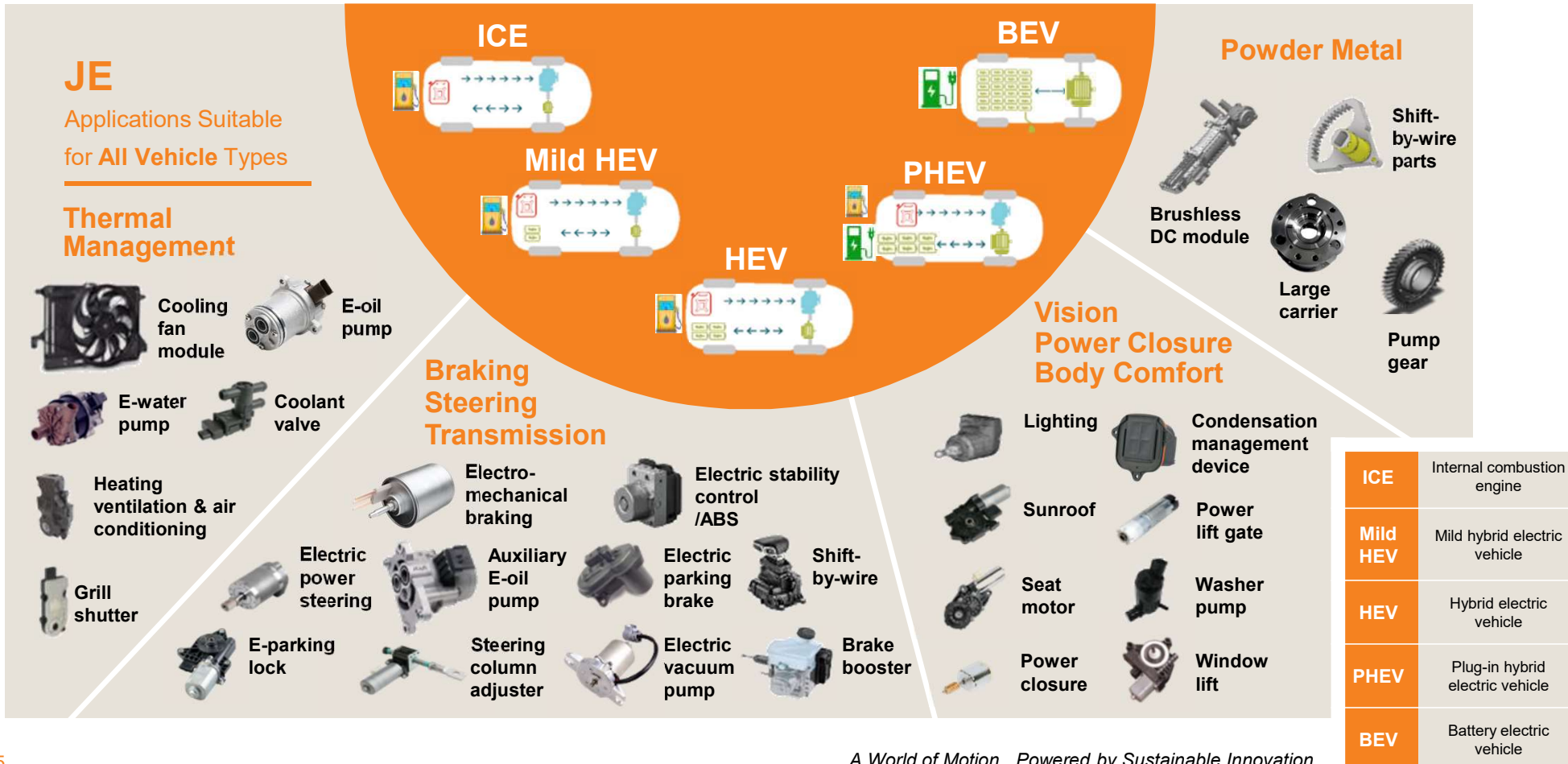
Strong demand for innovative, cost-effective solutions for:

- Electrifying critical automotive functions
- Optimizing thermal management
- Preventing or reducing emissions



JE Automotive Products

Enabling Electrification and Reducing Emissions



JE Automotive Products

Well Positioned for Growth in New Energy Vehicles (NEV)

JE

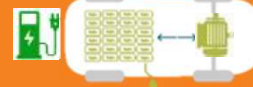
Applications targeting
Hybrid & BEV

Mild HEV
HEV PHEV

Mild HEV



BEV



HEV



PHEV



Electric supercharger system blower



Integrated thermal management system



E-water pump



Planetary BEV assemblies



Fuel pump



E-turbo



Electric throttle control



Auxiliary E-oil pump



BEV

E-shift (for 2 speed E-axle)



Exhaust gas recirculation



Electric variable valve lift



Double clutch transmission



Hydraulic oil pump



E-oil pump (cooling / lubrication)



E-clutch



Resolver



Charging port actuator



Mild HEV

Mild hybrid electric vehicle

HEV

Hybrid electric vehicle

PHEV

Plug-in hybrid electric vehicle

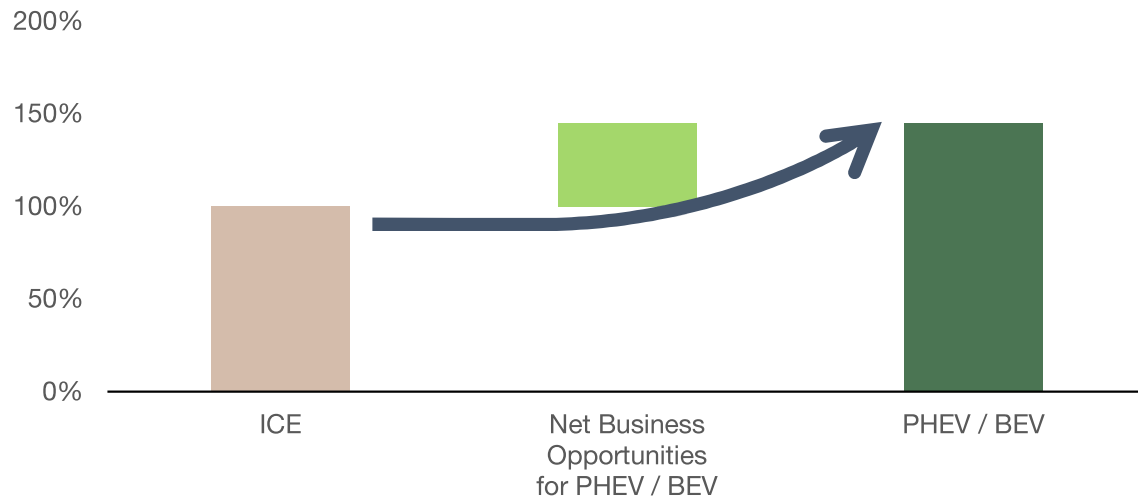
BEV

Battery electric vehicle

Content Opportunity per Vehicle Increases from ICE to Hybrid / BEV

% Change in Dollar Content per Passenger Car

Capitalizing on business opportunities for NEVs



Note: Johnson Electric analysis – indicative based on current available market intelligence and estimates. This forward-looking projection of content opportunities is based on numerous assumptions regarding future developments in plug-in hybrid and electric vehicles. It may be updated depending on market trends and technology trajectories. The actual performance of Johnson Electric may be materially different from any performance expressed or implied.

Electrifying critical EV functions

Thermal Management

Enabling critical EV thermal management systems for enhanced driving range, extended battery life & shortened charging times

- ITMS
- Electric water pump
- Valve actuator
- Electric oil pump
- Cooling fan

Braking System

Enabling safety & shorter braking distance, auto-hold/ parking function of EV

- Brake booster
- Electric parking brake
- Lock actuator

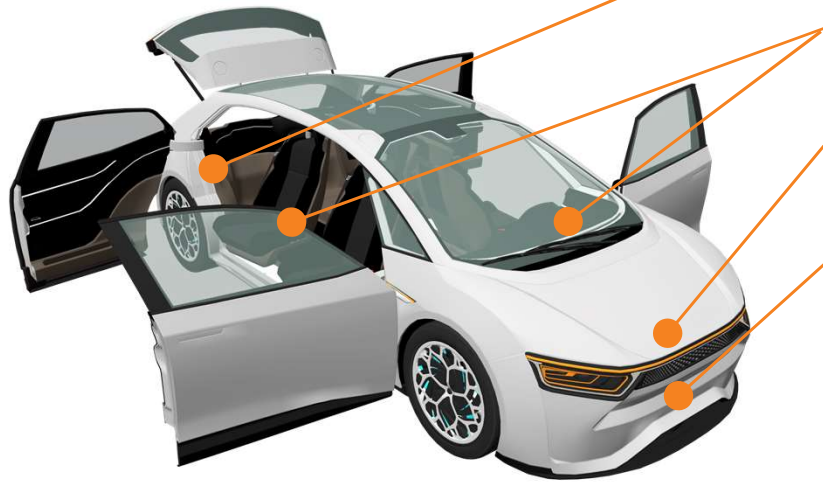
Steering System

Electrification of steering and smart cabin features for EV

- Electric power steering
- Steering column adjuster

Examples of Recent Automotive Business Wins for New Energy Vehicles

Our innovative products are winning business on major NEV platforms



Braking Applications

Brake booster, e-parking lock, e-parking brake and electric vacuum pump for safety and shorter braking distance, lower weight, and energy regeneration

Interior and Vision Applications

Window, door, seat and LiDAR motors and headlamp actuator for more comfortable, autonomous and automated features

Powertrain Solutions

Mechatronics e-pump for lubrication and cooling of e-axe | **e-Clutch** to support start-stop, sailing, etc.

Thermal Management Applications

Electric water pump, cooling fan module, integrated thermal management and other cooling components for thermal management of battery, traction motor, power electronics and other critical components



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A World of Motion. Powered by Sustainable Innovation...

Autonomous Driving & Connectivity



Current and future JE products for automotive autonomous and connectivity

Window lift and sunroof motor

Power door opening motor

Power lift tailgate / frunk motor

Charging lid motor

Door presenter motor

Seat adjuster motor

Rotating seat motor

Haptic actuator

Steering-by-wire motor

Electro-mechanical braking motor

Brake-by-wire

Steering column adjuster

Haptic actuator

LiDAR motor

Sensor washing system

Condensation management device

Headlamp actuator

LuMEMS autonomous leveling sensor

IPG Growth Supported by Megatrends



Smart Home and Internet of Things



Electrification & Environment



E-commerce & Industrial



Healthcare

Focusing on sustainable growth prospects

Touching Human Needs

Improving Performance

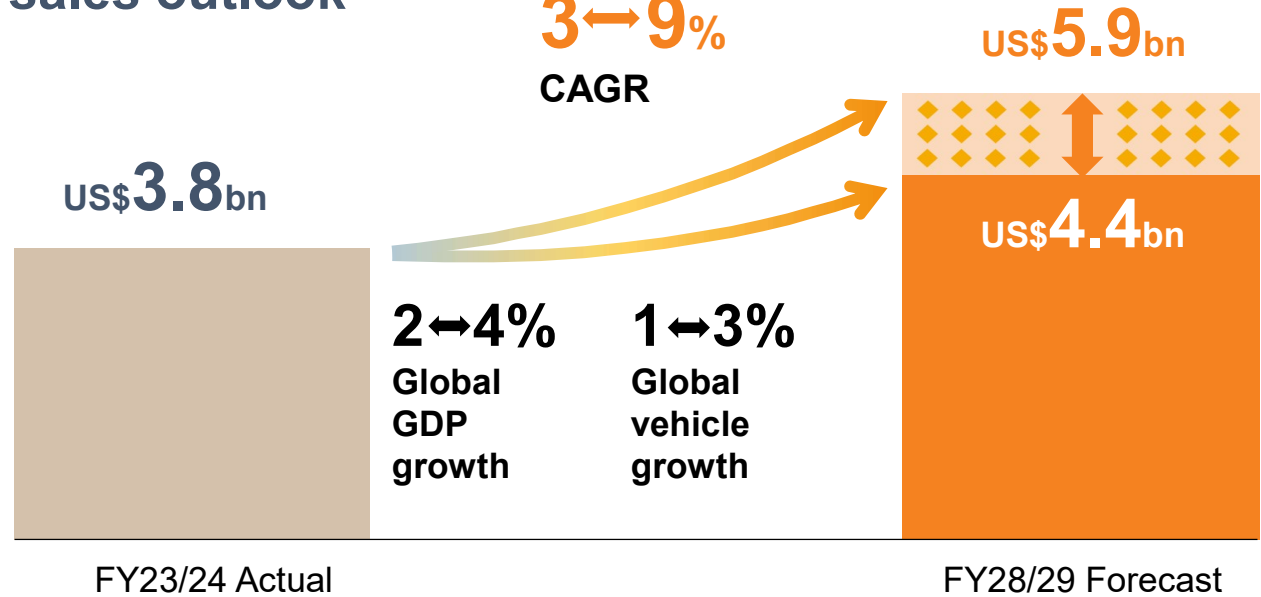


Winning Market Traction

Medium-term sales outlook

JOHNSON ELECTRIC
3 ↔ 9%
CAGR

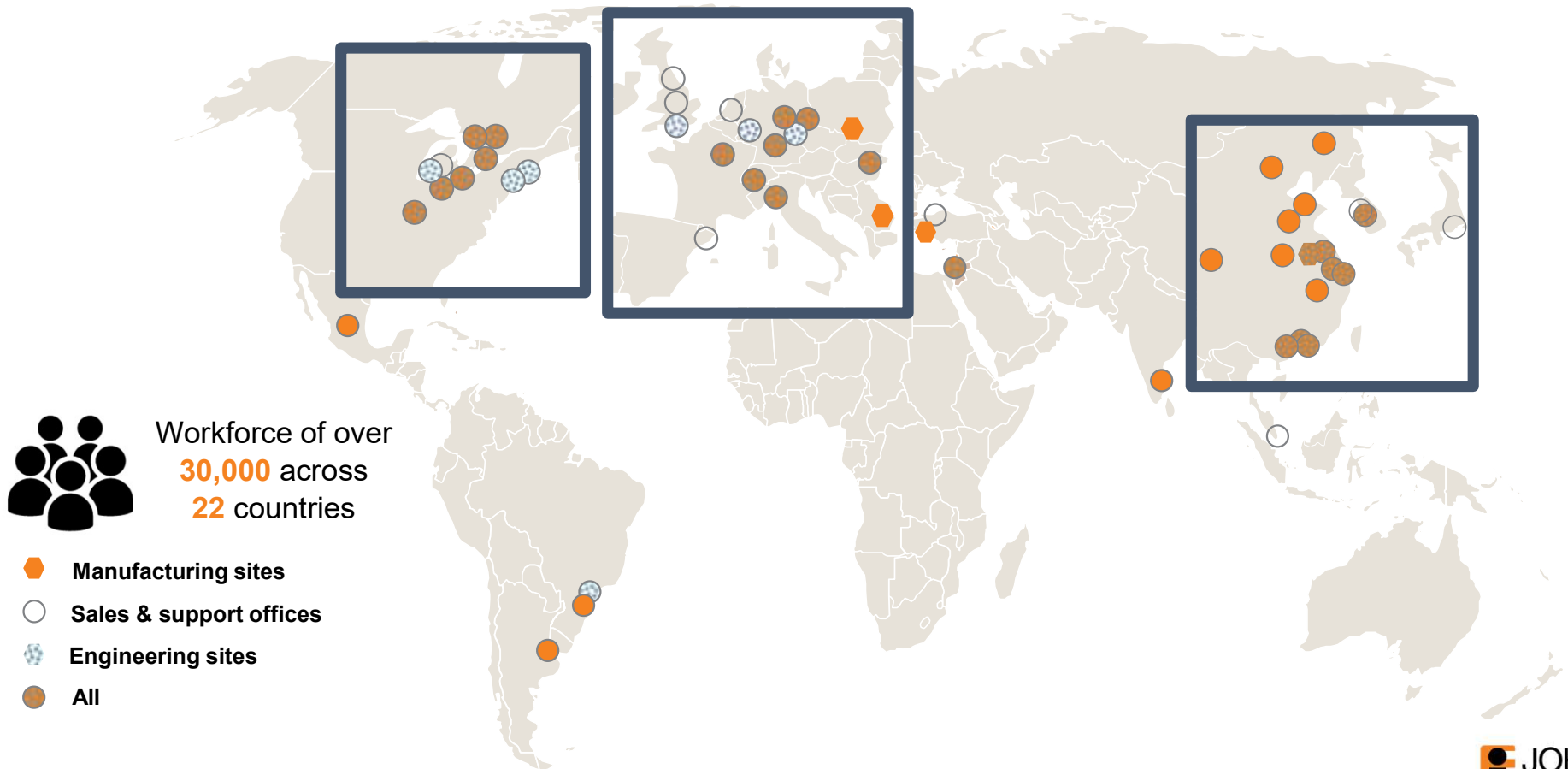
New business wins and opportunities are set to sustain growth



Note: Estimated total Group sales outlook based on customer order book and forecasts, and other forward-looking indicators, assuming no acquisitions, macro-economic cyclical downturns or other market disruptions.

Global Operating Footprint

Operating in 22 Countries across 4 Continents



ESG is Integral to Johnson Electric's Evolution



We are a truly global team bound together by our shared values. We recognize that the talent and diversity of our people drive business results



We thrive on innovation and excel in execution. We are committed to making our customers successful and our world a better place



We believe that hiring the right people and putting them in the right jobs maximize the success of our people and the business

Respecting the labor and human rights of all our employees
Providing a safe workplace in which the dignity of every individual is respected

ESG is Integral to Johnson Electric's Evolution



Our flagship JETC and JGenerations programs give testimony to our commitment to contributing to local communities, wherever we operate

JETC educating underprivileged youth in China, Mexico and India



"I am a graduate of the fourth JETC generation in Mexico. The values and discipline instilled in me during my time there are applied every day in my work, leading to continuous improvement. As a result, I was selected to travel to China for a new manufacturing project. This program represents a significant opportunity for both professional and personal growth. Thank you, JETC."

Claudia Monserrath Castillo Reyna
Process Technician

Our JGenerations teams organize local community activities




ESG is Integral to Johnson Electric's Evolution



At Johnson Electric, every team and every employee is encouraged to take ownership and drive positive change, and we will continue to equip our people to forge new milestones on our sustainability journey.

Key sustainability achievements

 <p>53.% reduction in CO₂ from our factories vs FY20/21 baseline</p>	 <p>Engaging with our top 300 suppliers to improve their sustainability</p>	 <p>Launched Healthy@JE employee wellness program</p>
 <p>Doubled renewable energy use to 44%</p>	 <p>SILVER Top 15% ecovadis Sustainability Rating OCT 2024</p>	
 <p>Zero waste to landfill</p>	 <p>Bloomberg Businessweek 彭博商業周刊 / 中文版 ESG 2023 Leading Enterprises ESG Leading Enterprises</p>	



Hang Seng Corporate Sustainability Index Series Member 2024-2025

Johnson Electric has been in the Hang Seng Corporate Sustainability Benchmark index since 2018

Sustainability Ratings

Rated  **"Low risk"**

MSCI ESG RATINGS  **'A' rating**

 **'B' score for climate change**

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Financial Highlights

US\$ million	First half of FY24/25	First half of FY23/24	Increase / (Decrease)
Sales	1,854.2	1,937.1	(82.9)
Gross profit	438.1	429.6	8.5
<i>Gross margin</i>	23.6%	22.2%	1.4%
EBITA ¹	171.1	167.8	3.3
EBITA adjusted ²	177.0	180.0	(3.0)
<i>EBITA adjusted margin</i>	9.5%	9.3%	0.2%
Profit attributable to shareholders	129.6	120.1	9.5
Adjusted net profit ²	133.3	129.8	3.5
Diluted earnings per share (US cents)	13.92	12.99	0.93
Capital expenditure	97.6	87.7	9.9
<i>Capital expenditure as % of sales</i>	5.3%	4.5%	0.8%
Free cash flow from operations	144.4	208.0	(63.6)

1. Earnings before interest, tax and amortization
2. Adjusted to exclude unrealized gains or losses relating to exchange rate movements as well as restructuring and other related costs

Note: Numbers do not add up due to effect of rounding

Financial Highlights

US\$ million	30 Sep 2024	31 Mar 2024	Increase / (Decrease)
Cash ¹	687.7	809.9	(122.2)
Total debt ²	356.5	560.8	(204.3)
Net cash ³	331.2	249.1	82.1

Key Financial Ratios	30 Sep 2024	31 Mar 2024	Increase / (Decrease)
Total debt to capital ⁴	12%	18%	(6%)
Gross debt ⁵ to EBITDA adjusted ⁶	0.8	1.1	(0.3)
Interest cover ⁷	8.8	10.8	(2.0)

1. Cash and cash equivalents and time deposits
2. Bank, bonds and other miscellaneous borrowings
3. Cash, cash equivalents and time deposits less total debt
4. Capital equals to total equity plus total debt
5. Including pension liabilities and lease liabilities
6. Adjusted earnings before interest, tax, depreciation and amortization, annualized using the last 12 months results, giving adjusted EBITDA of US\$579.4 million (31 March 2024: US\$587.8 million)
7. Adjusted EBITA divided by gross interest expense, annualized using the last 12 months results. Gross interest expense was adjusted to include capitalized interest

Note: Numbers do not add up due to rounding

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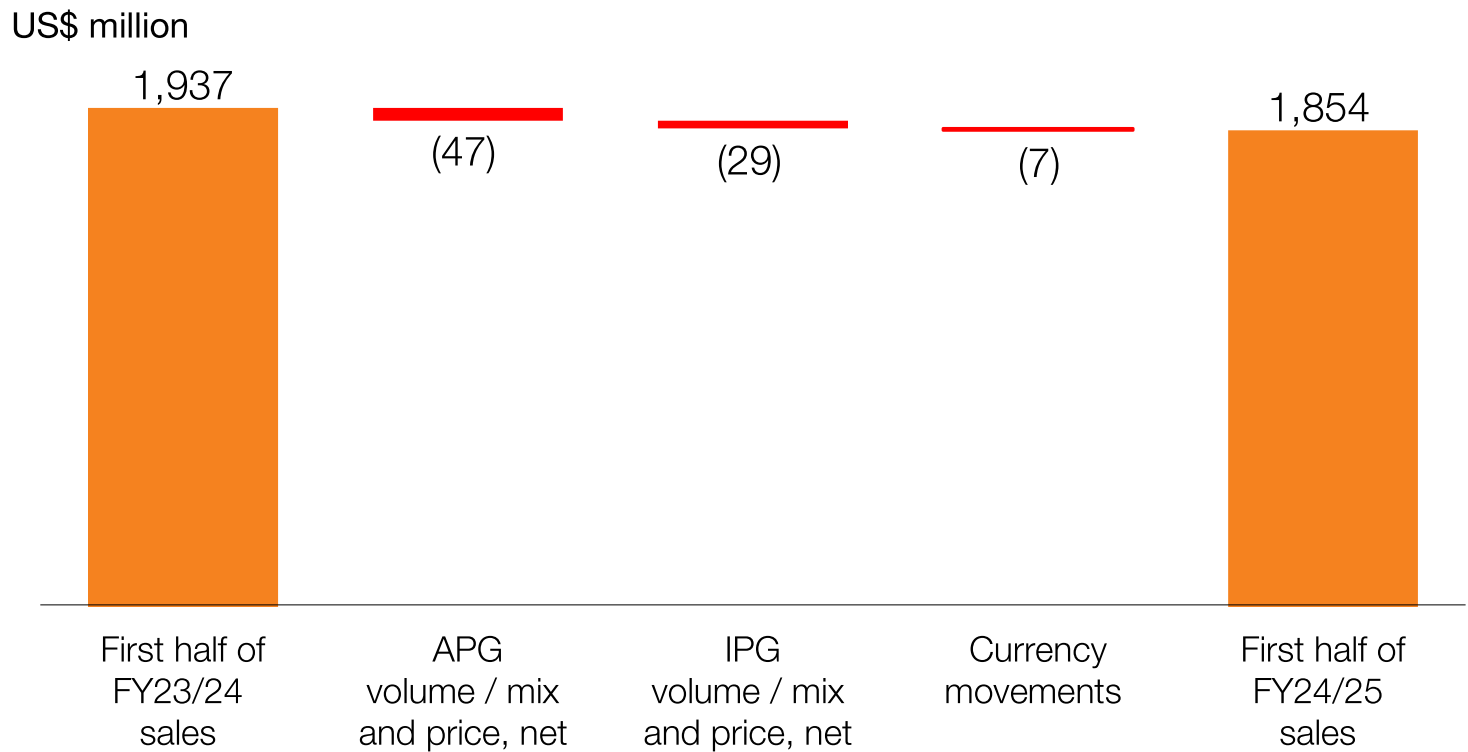
Group Sales Changes

First Half of FY24/25 vs. First Half of FY23/24

Sales decreased by 4%

APG's sales were weighed down by reduced light vehicle production volumes

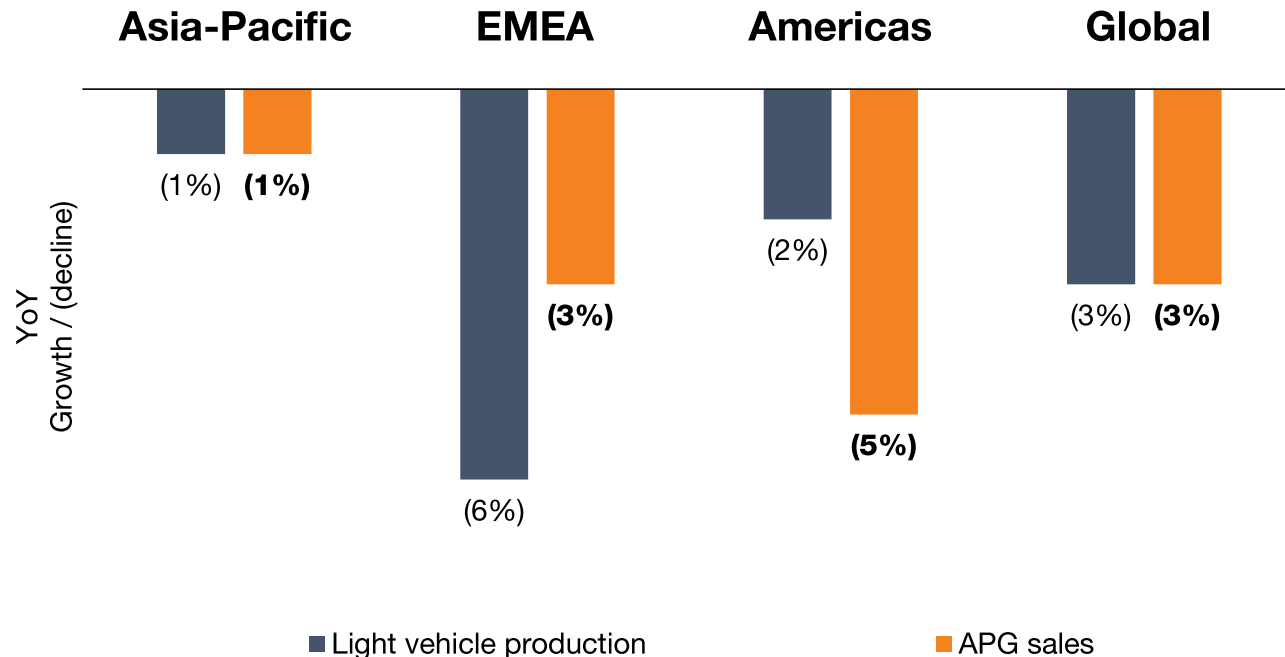
IPG's end-markets remained challenging



APG Sales Growth vs. Light Vehicle Production First Half of FY24/25 vs. First Half of FY23/24

Lower light vehicle production volumes adversely affected sales. This was:

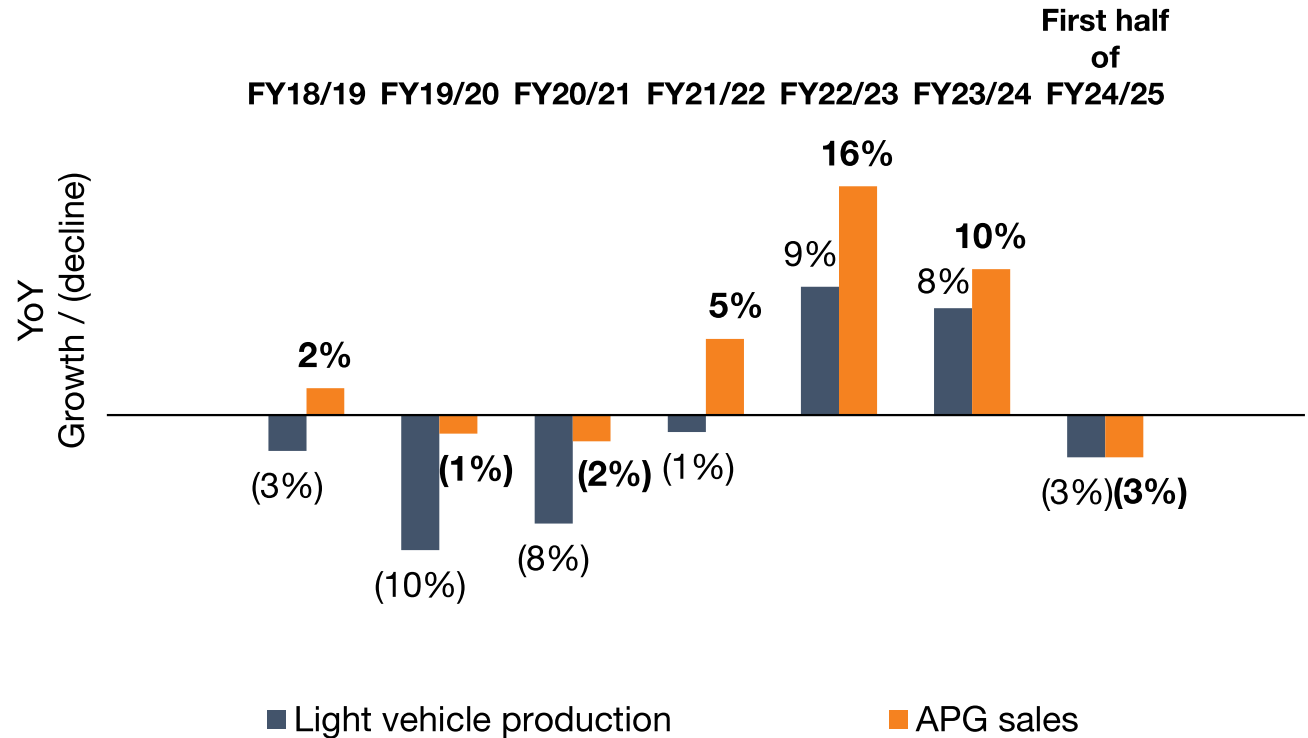
- Partly mitigated by growth in thermal management, closure and seat in EMEA
- Exacerbated by less favourable customer mix and program phasing in the Americas



Note: 1. Actual and estimated light vehicle production volumes sourced from S&P Global Oct 2024
 2. APG sales excluding currency movements
 3. EMEA: Europe, the Middle East and Africa

Multi-Year Sales Changes vs. Light Vehicle Production

APG's technology, scale and global footprint enables its customers in their transition to automotive electrification



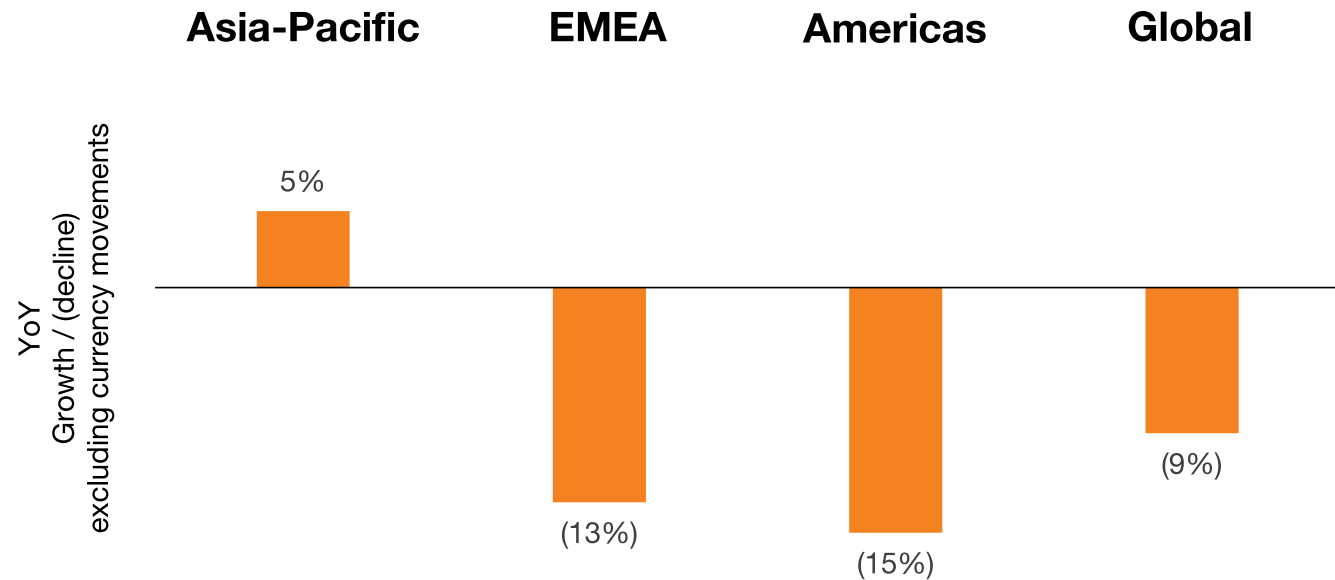
Note: 1. Actual and estimated light vehicle production volumes sourced from S&P Global Oct 2024
 2. APG sales excluding currency movements and acquisitions

IPG Sales Growth by Region

First Half of FY24/25 vs. First Half of FY23/24

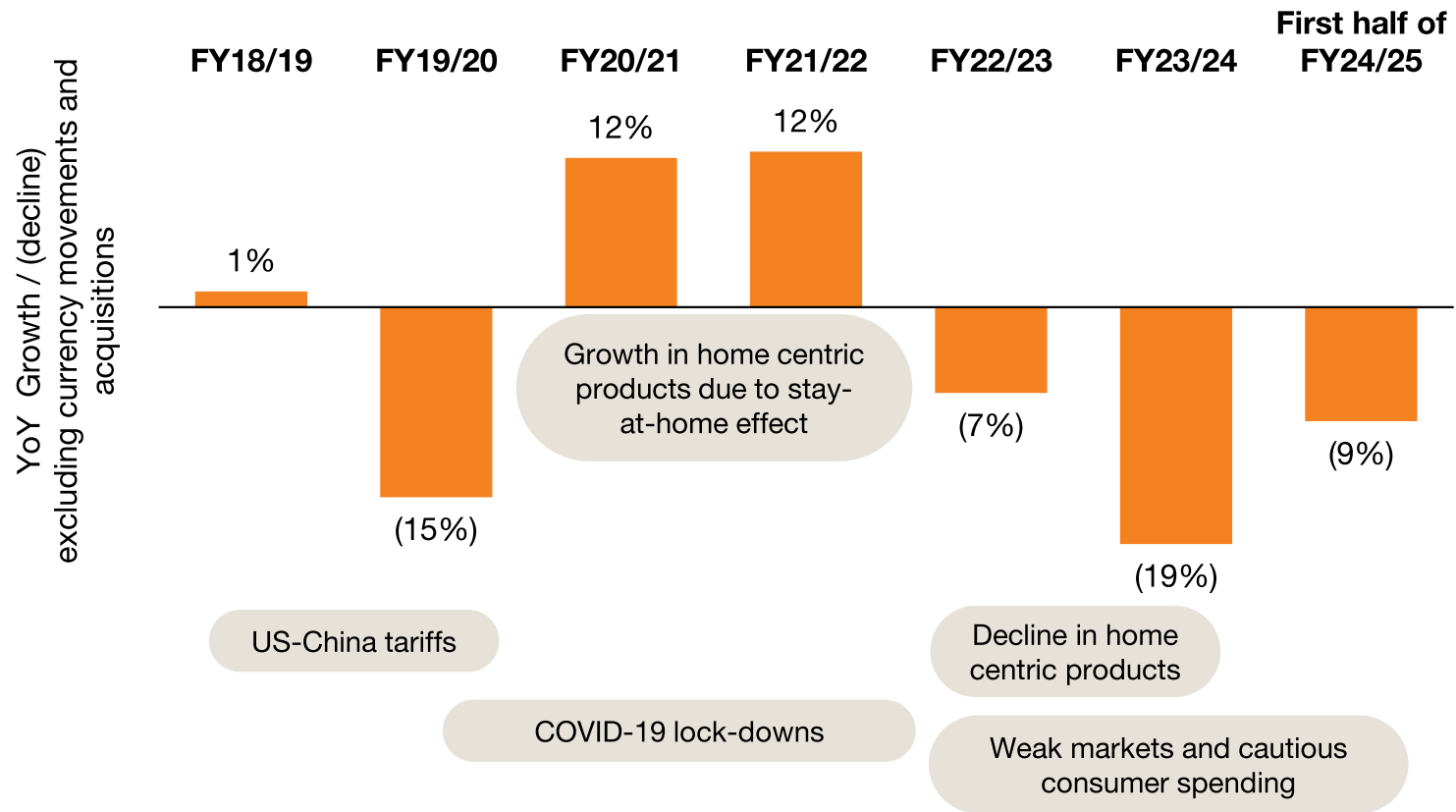
In Asia-Pacific, sales grew due to the global preference for more affordable consumer goods and some new business wins

In EMEA and the Americas, sales declined due to weak markets and cautious consumer spending



Note:
EMEA: Europe, the Middle East and Africa

Multi-Year Sales Trend

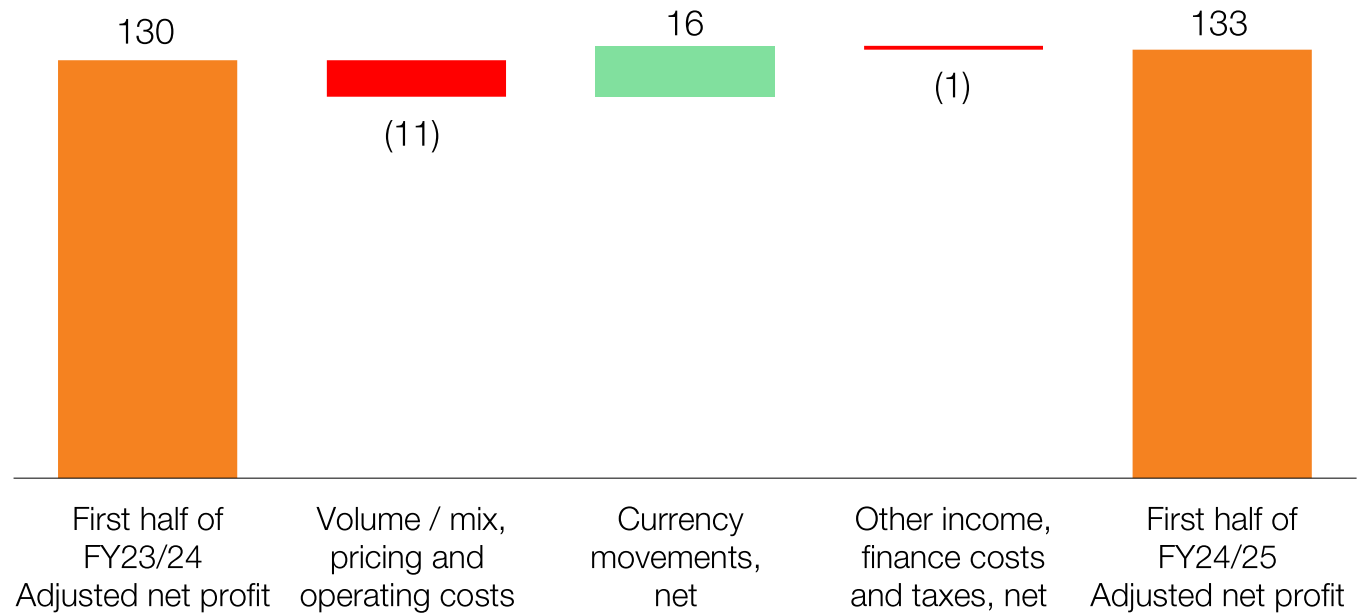


Adjusted Net Profit

First Half of FY24/25 vs. First Half of FY23/24

Profit benefited from cost-saving initiatives and net material deflation, as well as currency gains, largely offset by reduced volumes, wage inflation and higher freight costs

US\$ million

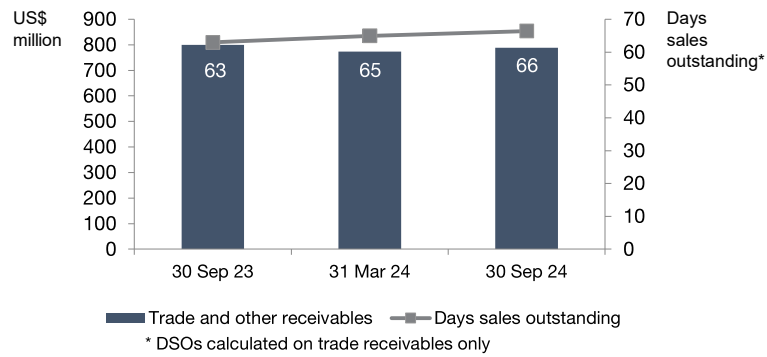


1. Unrealized gains or losses relating to exchange rate movements are significant non-cash items. Restructuring and other related costs are not part of the routine operations of the Group. This adjusted measure of net profit excluding non-cash foreign exchange rate movements and restructuring costs provides additional insight into the underlying performance of the business

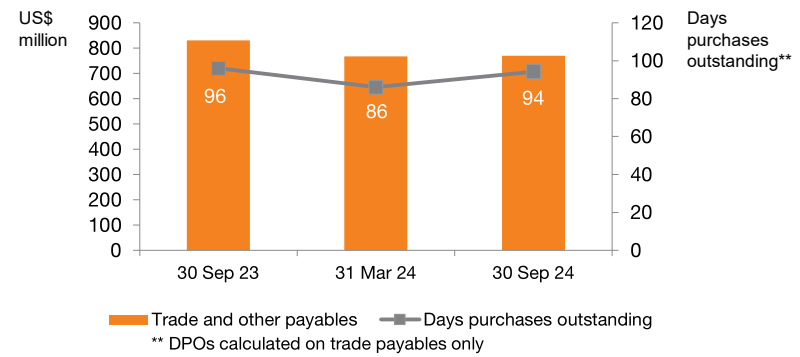
Note: Numbers do not add across due to effect of rounding

Working Capital and Capital Expenditure

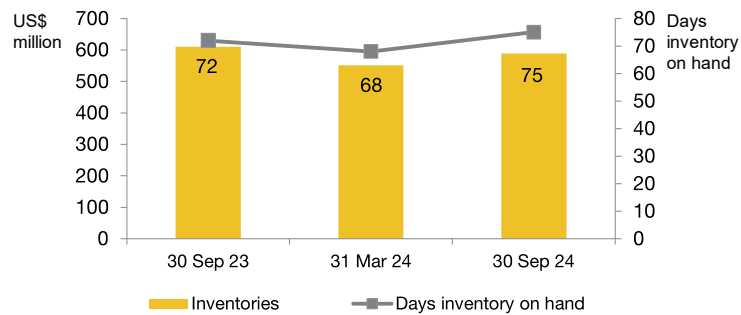
Trade and Other Receivables



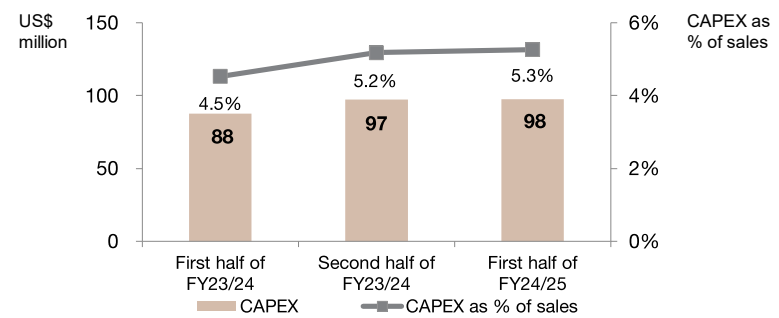
Trade and Other Payables



Inventories



Capital Expenditure



Free Cash Flow from Operations

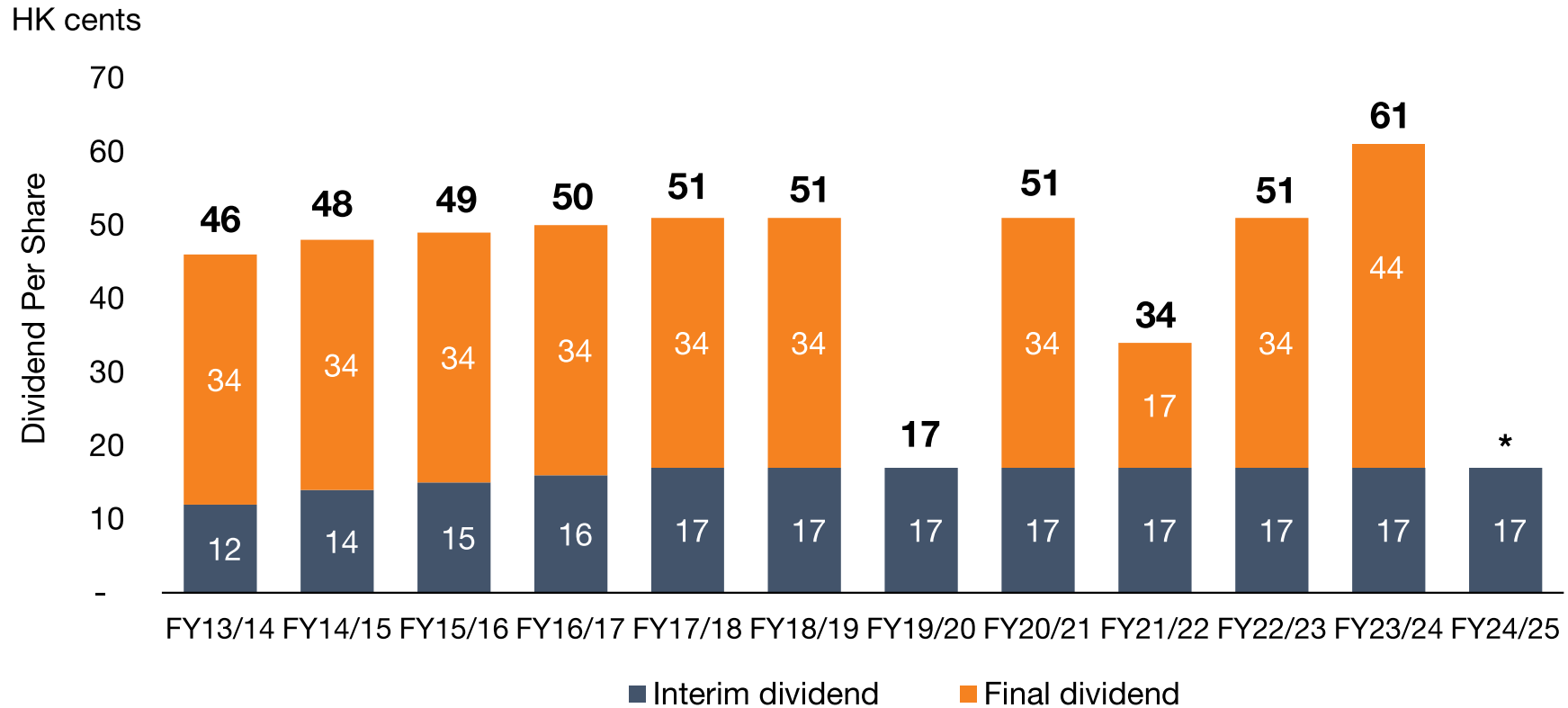
US\$ million	First half of FY24/25	First half of FY23/24	Change
EBITDA	289.0	291.1	(2.1)
Other non-cash items	11.6	17.4	(5.8)
Working capital changes	(38.6)	21.7	(60.3)
Capital expenditure *	(96.4)	(86.5)	(9.9)
Net interest, taxes and others	(21.2)	(35.7)	14.5
Free cash flow from operations	144.4	208.0	(63.6)

* Capital expenditure, net of proceeds from disposal of fixed assets

Utilization of Free Cash Flow

US\$ million	First half of FY24/25	First half of FY23/24	Change
Free cash flow from operations	144.4	208.0	(63.6)
Acquisition and investment in joint venture	(1.4)	(3.0)	1.6
Dividends paid	(52.1)	(37.4)	(14.7)
Repayment of debt, net	(203.8)	(103.3)	(100.5)
Time deposits with maturities over three months	60.0	-	60.0
Others	(16.3)	(19.6)	3.3
Currency translation gains / (losses) on cash and cash equivalents	7.0	(13.2)	20.2
Net movement in cash and cash equivalents	(62.2)	31.5	(93.7)

Dividends



* Final dividend to be determined at the end of the fiscal year

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Outlook

- **Cautiously optimistic**
 - Scheduled launch of **new programs** and **replenishment of channel inventory** in the second half of the financial year will provide the **basis to return to top-line growth**
- **Uncertainties over macro-economic conditions and consumer confidence**
 - **US presidential election** campaign featured several potentially far-reaching **economic proposals** that could **disrupt geopolitical relations and global trade**.
 - Not possible to gauge **exactly how**, or over **what timeframe**
- **Johnson Electric will remain focused on executing its core strategies**
 - **Developing innovative technology solutions** to customer problems
 - Driving continuous improvement in **automation** and **digital processes** to **reduce cost**
 - Optimizing our **global manufacturing footprint** that has consistently demonstrated its **resilience** and **adaptability** in response to external shocks or periods of volatility.

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Profitability Review

First Half of FY24/25 vs. First Half of FY23/24

US\$ million	First half of FY24/25	First half of FY23/24	Increase / (decrease) in profit
Sales	1,854.2	1,937.1	(82.9)
Gross profit	438.1	429.6	8.5
<i>Gross margin %</i>	<i>23.6%</i>	<i>22.2%</i>	
Other expenses, net	(2.6)	(7.6)	5.0
Intangible assets amortization expense	(14.4)	(17.3)	2.9
Other selling and administrative expenses	(259.7)	(253.2)	(6.5)
<i>As a % of sales</i>	<i>14.0%</i>	<i>13.1%</i>	
Restructuring and other related costs	(3.5)	-	(3.5)
Operating profit	157.9	151.5	6.4
<i>Operating profit margin %</i>	<i>8.5%</i>	<i>7.8%</i>	

Profitability Review

First Half of FY24/25 vs. First Half of FY23/24

US\$ million	First half of FY24/25	First half of FY23/24	Increase / (decrease) in profit
Operating profit	157.9	151.5	6.4
<i>Operating profit margin %</i>	8.5%	7.8%	
Share of losses of associate and joint venture	(1.1)	(0.9)	(0.2)
Net finance costs	(1.0)	(7.0)	6.0
Profit before income tax	155.8	143.6	12.2
Income tax expense	(24.6)	(21.8)	(2.8)
<i>Effective tax rate</i>	15.8%	15.2%	
Profit for the period	131.2	121.8	9.4
Non-controlling interests	(1.6)	(1.7)	0.1
Profit attributable to shareholders	129.6	120.1	9.5
Basic earnings per share (US cents)	14.05	13.03	1.02
Diluted earnings per share (US cents)	13.92	12.99	0.93

From Reported to Adjusted Net Profit

US\$ million	First half of FY23/24			First half of FY24/25		
	Before tax	Tax effect	Net of tax effect	Before tax	Tax effect	Net of tax effect
Net profit, as reported			120.1			129.6
Unrealized net (gains) / losses on other financial assets and liabilities	(3.2)	-	(3.2)	5.1	(0.5)	4.6
Unrealized net losses / (gains) from revaluation of monetary assets and liabilities	12.3	(1.7)	10.6	(9.3)	0.2	(9.1)
Unrealized net losses on structured foreign currency contracts	3.1	(0.8)	2.3	6.6	(1.0)	5.6
Restructuring and other related costs	-	-	-	3.5	(0.9)	2.6
Net losses of significant non-cash items, restructuring and other related costs	12.2	(2.5)	9.7	5.9	(2.2)	3.7
Adjusted net profit ¹			129.8			133.3
As a % of sales			6.7%			7.2%

1. Unrealized gains or losses relating to exchange rate movements are significant non-cash items. Restructuring and other related costs are not part of the routine operations of the Group. This adjusted measure of net profit excluding non-cash foreign exchange rate movements and restructuring costs provides additional insight into the underlying performance of the business

Average Exchange Rates

First Half of FY24/25 vs. First Half of FY23/24

USD Average Exchange Rate	First half of FY24/25 APR-SEP	First half of FY23/24 APR-SEP		
			Change	
CAD per USD	1.366	1.342	CAD weakened	1.8%
RMB per USD	7.113	7.095	RMB weakened	0.3%
USD per EUR	1.088	1.089	EUR weakened	0.1%

Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Johnson Electric and certain plans and objectives of the management of Johnson Electric.

Words such as “outlook”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “projects”, variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward looking statements involve known and unknown risk, uncertainties and other factors which may cause the actual results or performance of Johnson Electric to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Johnson Electric’s present and future business strategies and the political and economic environment in which Johnson Electric will operate in the future.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may deviate accordingly.