

# JOHNSON ELECTRIC HOLDINGS LIMITED

FY2018/19

Annual Results

July 2019



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Group Overview

Strategy & Outlook

FY2019/20 June Quarter

Key Financial Highlights

Operational Results

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# Johnson Electric: Overview

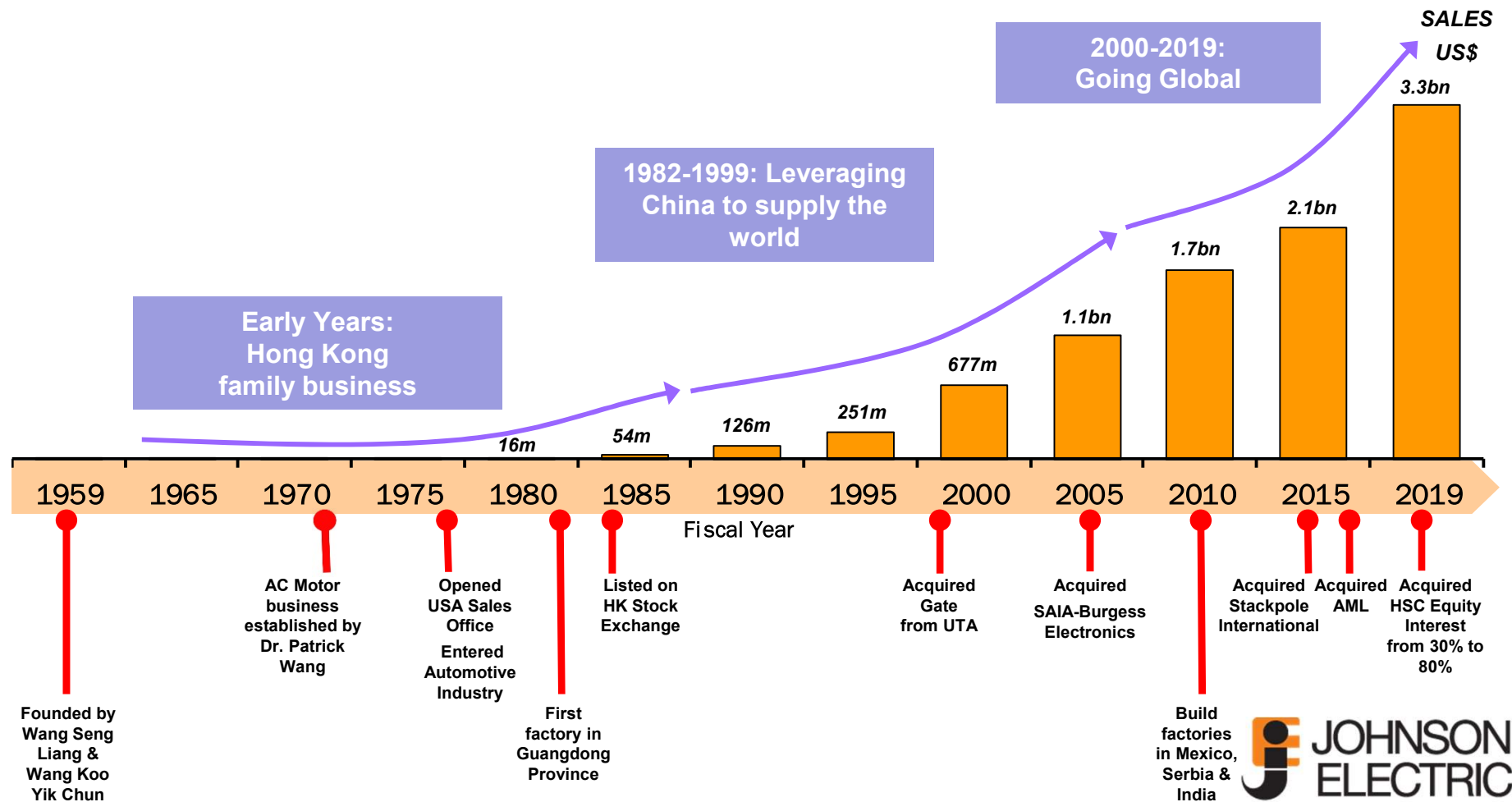
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- A global leader in electric motors, actuators, motion subsystems and related electro-mechanical components
- Serving a broad range of industries including Automotive, Smart Metering, Home Automation, Ventilation, White Goods, Medical Devices, Business Equipment, Power Tools, and Lawn & Garden Equipment
- Over 38,000 employees in more than 20 countries
- Listed on The Stock Exchange of Hong Kong since 1984



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# History & Development



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# Why Invest in Johnson Electric

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- 1. Innovative motion solutions to consumers' needs today – and for the future**
- 2. Globally diversified sales and world-class customer base**
- 3. Global operating footprint**
- 4. Strongly positioned in China**
- 5. Winning market traction for sustainable growth**

# Innovative Solutions for Today and the Future

*Applications for our motion technologies continue to grow*



## Automobile

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



## Lifestyle

- Motion solutions for automated windows, robotic equipment, cordless power tools, and single-serve coffee machines



## Medical

- Medical device subsystems for improved patient outcomes
- Surgical devices; vital signs monitoring



## Energy

- Disconnect solutions for smart electricity and gas meters



## Security

- Subsystems for airborne imaging
- Digital security solutions for Bank Cards and Point of Sale equipment

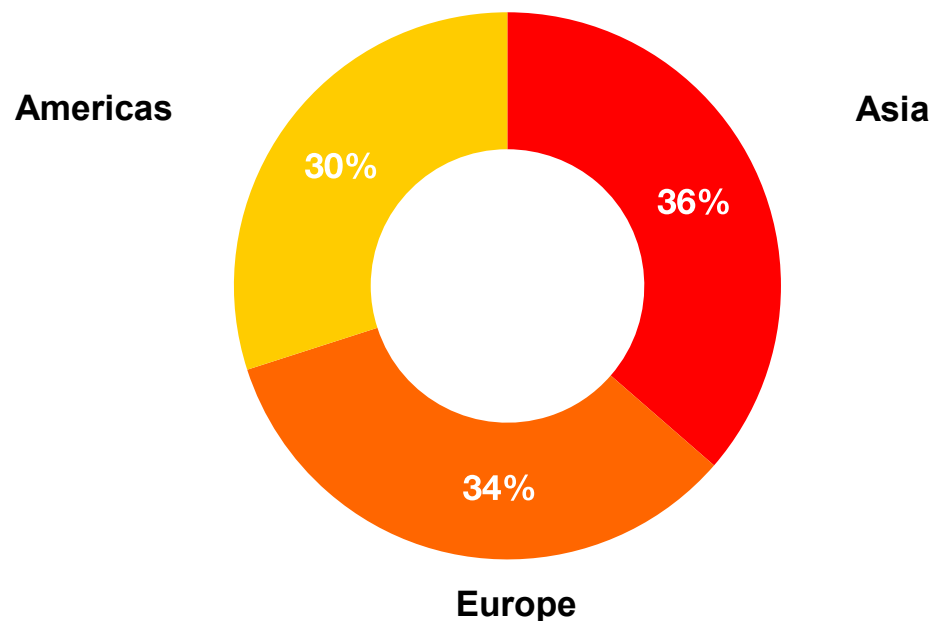


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# Diversified Global Sales and Customer Base

*Evenly balanced across the world's three major economic regions*

**Group Sales by Destination**



- 500 Automotive Customers
- 2000 Non-Automotive Customers



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# Diversified Global Sales and Customer Base

World-Class Customers *including:*



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# Innovative Solutions for Automobile

*Performing critical functions across all vehicle propulsion types*

## Enabling Electrification & Reducing Emissions

### ➤ Engine

- Electric Turbo ● ▲
- Valvetrain ● ▲
- DEF Pump ● ▲
- Fuel Pump ● ▲
- Electric Oil Pump ● ▲
- ETC ● ▲
- EGR ● ▲

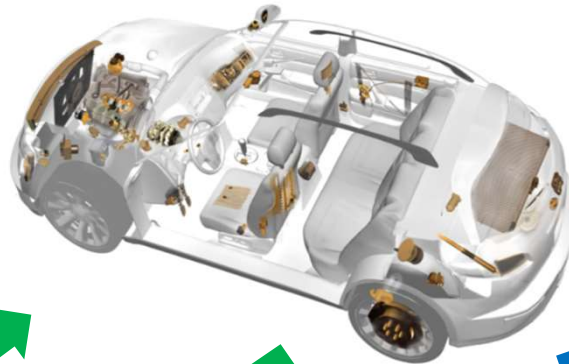
### ➤ Drivetrain

- DCT/AMT ● ▲
- AWD Disconnect ● ▲
- Electric Parklock ● ▲ ⚡
- Electric Oil Pump ● ▲ ⚡
- Gear shifter ▲ ⚡

Product Application by Propulsion Type

- ICE
- ▲ Hybrid
- ⚡ Electric

## Johnson Electric's Automotive Product Applications



### ➤ Chassis

- Braking (EPB / ESC) ● ▲ ⚡
- Electric Vacuum Pump ● ▲ ⚡
- Electric Power Steering ● ▲ ⚡
- E-leveling ● ▲ ⚡
- iBooster / Brake-by-wire ● ▲ ⚡
- PM Suspension Parts ● ▲ ⚡

## Ensuring Comfort & Safety

- Lighting Actuators ● ▲ ⚡
- HVAC Actuators ● ▲ ⚡
- Window Lifts ● ▲ ⚡
- Lumbar Support ● ▲ ⚡
- Seat Motors ● ▲ ⚡
- Door Lock Motors ● ▲ ⚡
- Sun-Roof Motors ● ▲ ⚡
- Powerlift Gate Motors ● ▲ ⚡

## Optimizing Thermal Management

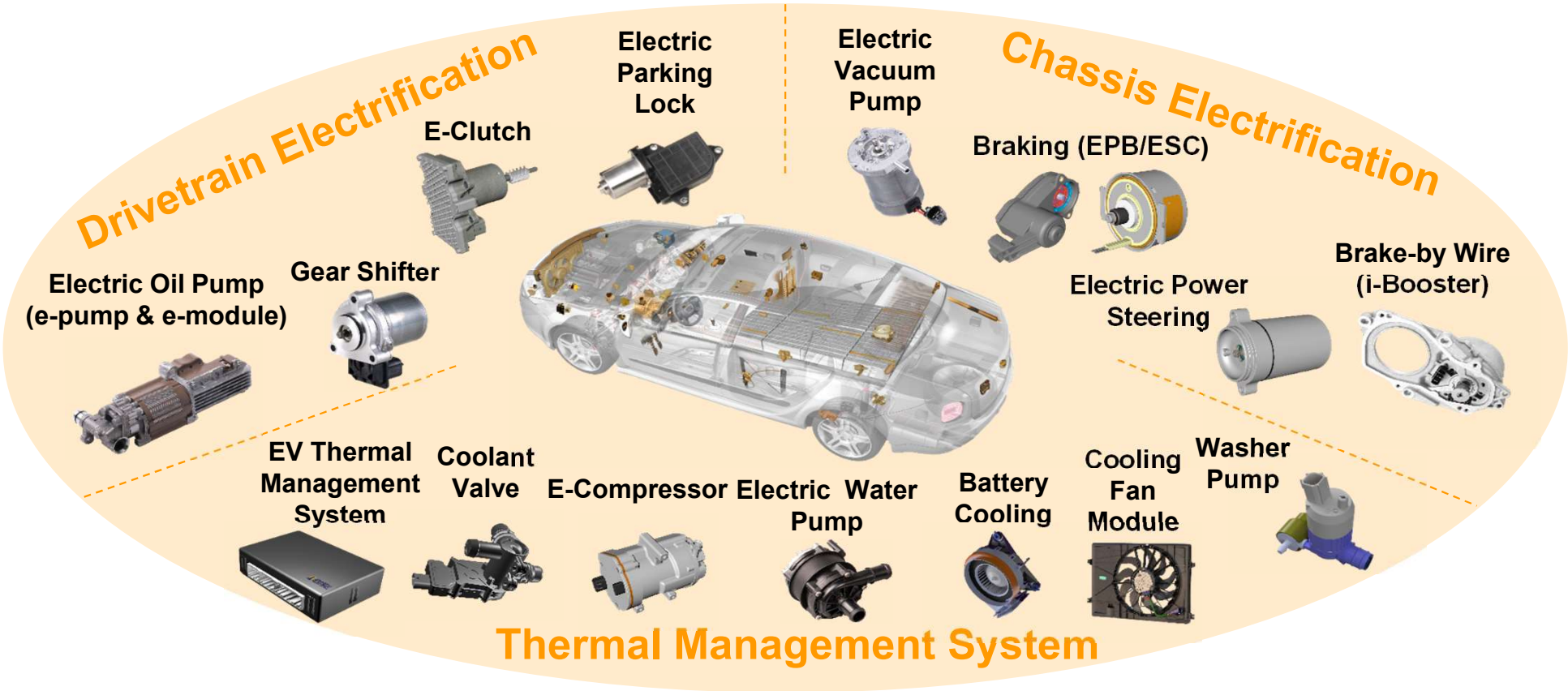
- Cooling Fan Module ● ▲ ⚡
- Coolant Valve ● ▲ ⚡
- Electric Water Pump ● ▲ ⚡
- Electric Air Pump ● ▲ ⚡
- Electric Oil Pump ● ▲ ⚡



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# JE Product Applications for Hybrid and EV

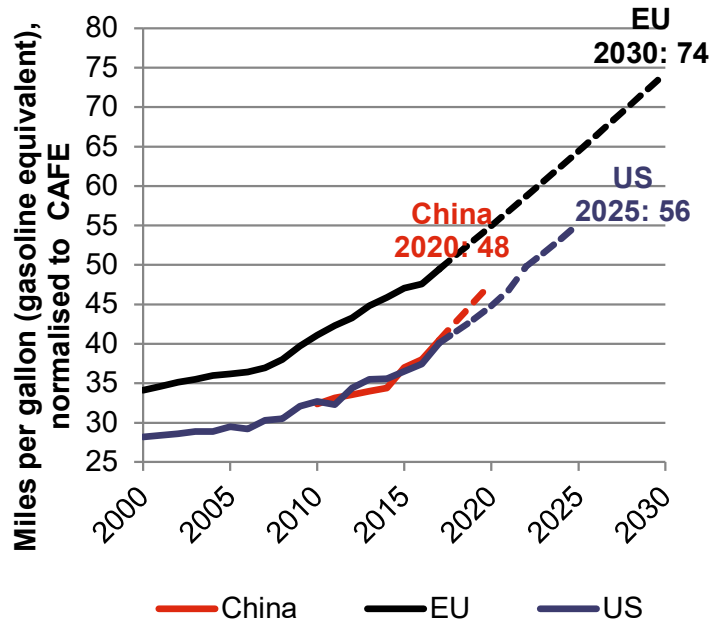
JE 's innovative and cost competitive solutions to support Hybrid and EV vehicles will be the growth drivers for APG over the next decade.



# Trends in Automotive

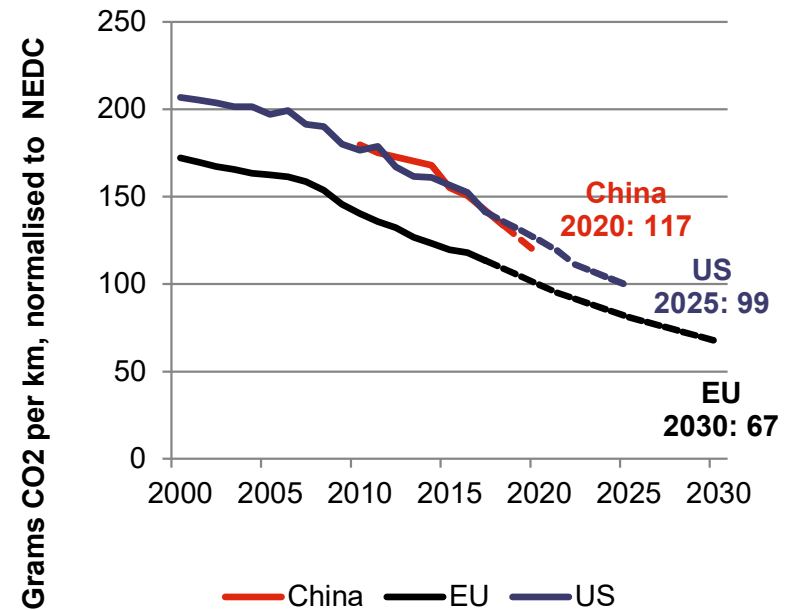
## FUEL ECONOMY

Passenger car miles per gallon, normalized to CAFE



## EMISSIONS

Passenger car CO2 emissions and fuel consumption, normalized to NEDC

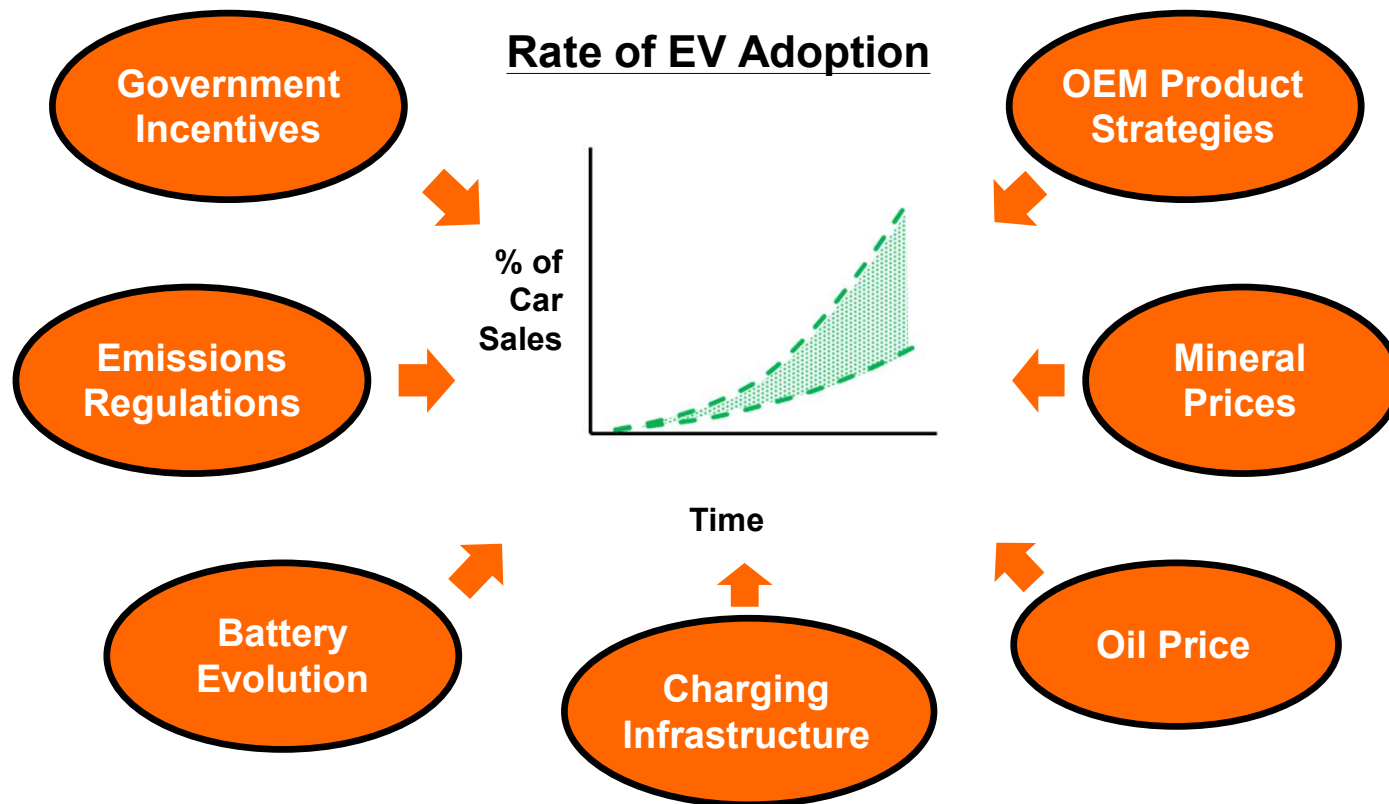


Source: International Council on Clean Transportation – APR 2018  
<http://www.theicct.org/global-pv-standards-chart-library>



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# Many Factors will Impact Actual EV Uptake

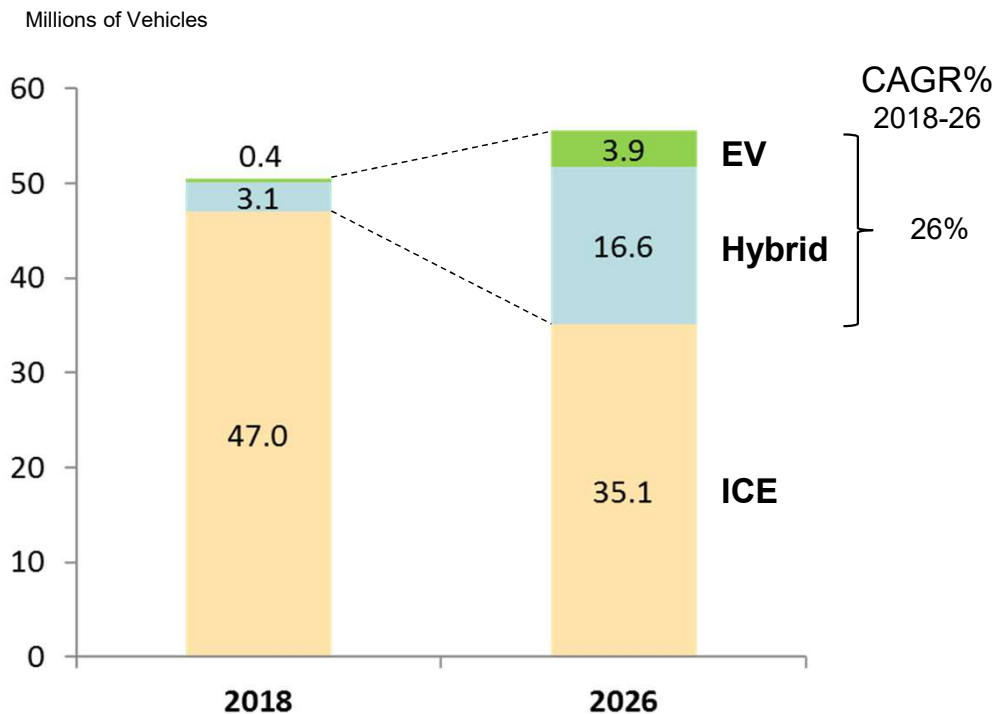


Source: Media and Analyst Reports; JE Analysis

# Electrification: APG's growth opportunity

While ICE powertrain volumes will progressively decline, there is huge demand for innovative technology that cost-effectively enables the shift to Hybrids and EV.

**Top 10 Auto OEMs Volume by Propulsion Type**



Source: IHS

## **THE OPPORTUNITY FOR JE**

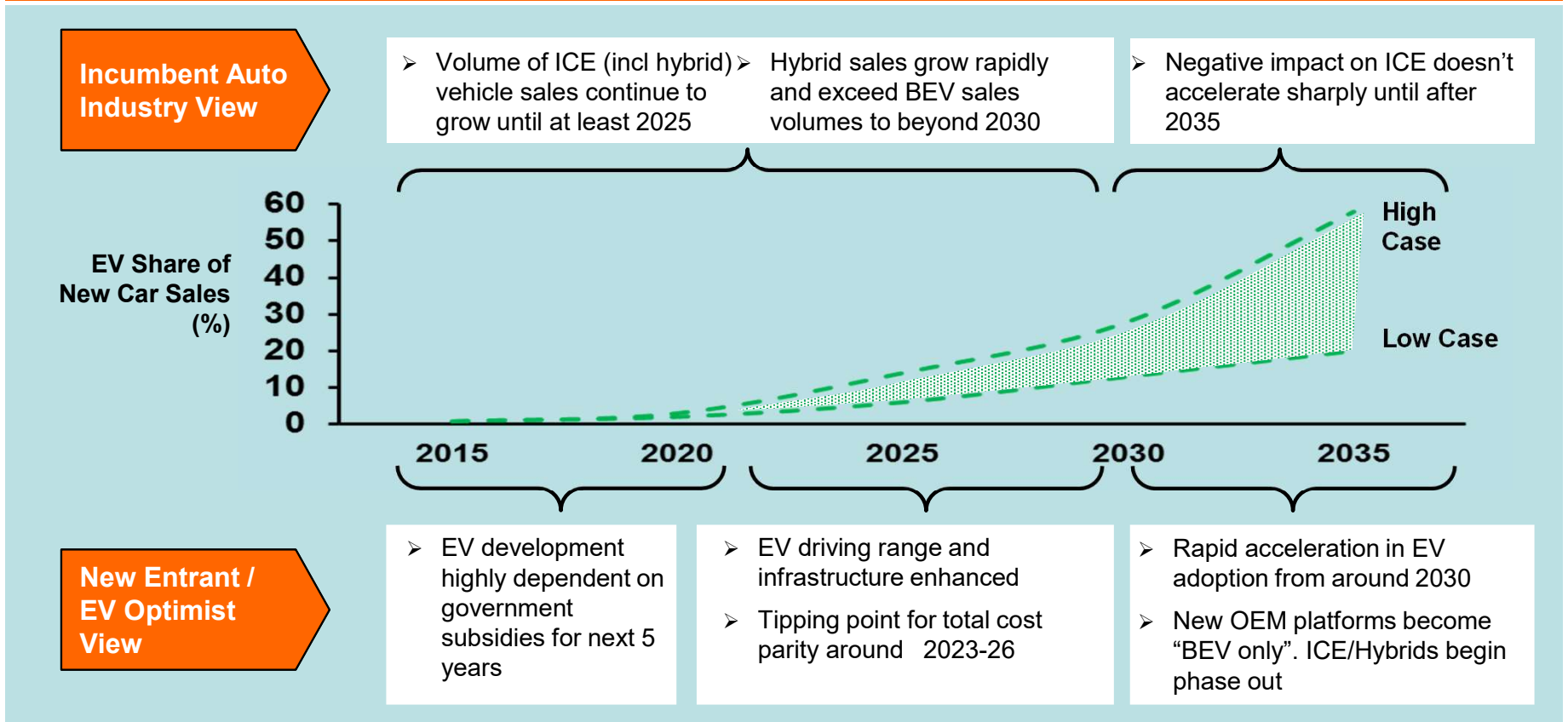
For APG, the growth opportunity stems from the market's need for innovative, cost-competitive solutions that:

1. Reduce emissions (including improving ICE efficiency)
2. Enable electrification
3. Optimise thermal management

**These customer imperatives align directly with JE's core capabilities and range of electric motors, actuators and pump technologies.**

# Longer Term Auto Industry Evolution

## Wide divergence of opinion on the eventual phasing out of ICE



Source: Media and Analyst Reports; JE Analysis

# Hybrids & EVs – Growing Demand of Cooling Fan Modules (CFMs)

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- ▶ All powertrains need to be cooled down. Heat is moved to front cooling pack by several cooling systems with growing complexity
- ▶ CFMs are required on all Hybrids & EVs to cope with the increasing power density of powertrains
- ▶ As 48 volt and autonomous features become more standard, cooling requirements will increase
- ▶ Heavy-duty vehicles, traditionally equipped with mechanical driven fans, will introduce more electric driven CFMs on their hybrid powertrains
- ▶ JE offers:
  - ▶ cost-effective solutions for entry level applications technologies
  - ▶ Extra-performance solutions for higher end segments, which promote hybridisation as premium feature



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# Hybrids & EVs – Programs Adopting JE's CFMs

- ▶ 2011 Renault Kangoo electric
- ▶ 2012 Volvo V60 plug-in hybrid
- ▶ 2012 Renault Zoe
- ▶ 2013 BMW i8
- ▶ 2013 BMW i3
- ▶ 2013 RangeRover hybrid
- ▶ 2015 Volvo S60L plug-in hybrid
- ▶ 2015 Honda Clarity fuel cell
- ▶ 2016 Roewe (SAIC) e950
- ▶ 2016 MG Erx5 hybrid
- ▶ 2016 Chevrolet Malibu hybrid
- ▶ 2016 Chrysler Town&Country hybrid
- ▶ 2016 BMW 7-series hybrid
- ▶ 2017 The London Taxi hybrid
- ▶ 2017 Renault Twingo and Smart electric



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# Hybrids & EVs – Need for Cooling Fan Modules

- ▶ 2017 Roewe (SAIC) ei6
- ▶ 2017 Land Rover Range Rover sport PHEV
- ▶ 2017 Land Rover Discovery Sport PHEV
- ▶ 2017 Maxus eG10
- ▶ 2017 Jaguar i-Pace
- ▶ 2017 Renault Kangoo electric
- ▶ 2017 Nio ES8
- ▶ 2017 BMW 5-series hybrid
- ▶ 2017 BMW X3 hybrid
- ▶ 2018 Eado HEV
- ▶ 2018 Jaguar E-Pace PHEV
- ▶ 2018 Roewe (SAIC) Marvel-X
- ▶ 2018 Buick Velite 6
- ▶ 2018 BMW i8 roadster
- ▶ 2018 BMW X5 hybrid



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# Hybrids & EVs – Need for Cooling Fan Modules

- ▶ 2018 Mazda Axela hybrid
- ▶ 2018 Mercedes GLE/GLS hybrid
- ▶ 2018 Volvo XC40 hybrid
- ▶ 2019 Ford Explorer hybrid
- ▶ 2019 Geely BinYue P-HEV
- ▶ 2019 Hyundai Kona hybrid

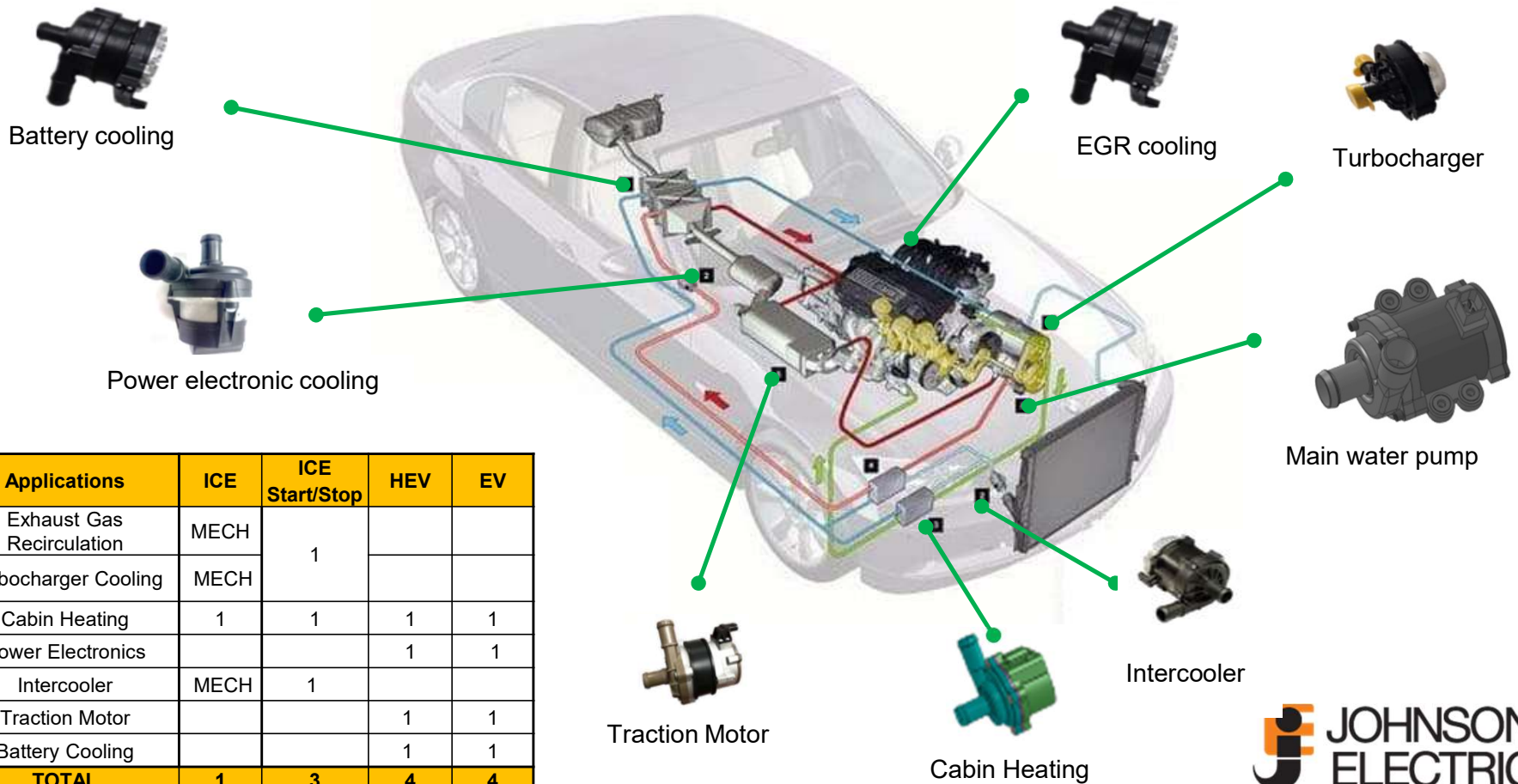


Dedicated sourcing for HEV/EV vehicle is increasing.  
Still, majority of hybrid vehicles will be a derivative of  
a vehicle line-up.



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# Hybrids & EVs – Growing Demand of Water Pumps



Applications	ICE	ICE Start/Stop	HEV	EV
Exhaust Gas Recirculation	MECH	1		
Turbocharger Cooling	MECH			
Cabin Heating	1	1	1	1
Power Electronics			1	1
Intercooler	MECH	1		
Traction Motor			1	1
Battery Cooling			1	1
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>4</b>

# Hybrids & EVs

## – Programs Adopting JE's Water Pumps

- ▶ Aston Martin
- ▶ Dongfeng Liuchai
- ▶ FAW
- ▶ Ford
- ▶ GAC
- ▶ Geely
- ▶ Great Wall
- ▶ Jaguar Land Rover
- ▶ JMC
- ▶ SAIC - GM



ASTON MARTIN



东风柳汽



FAW



GAC MOTOR



Great Wall



JAGUAR



JMC



上汽通用汽车  
SAIC-GM



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# Trends of Mechatronic System – Electric Oil Pumps

## (On-Demand)

### Cooling / Lubrication

On demand lubrication and cooling within oil systems are increasing to improve overall system efficiency and thermal management

## (On-Demand)

### Actuation

On demand pressure actuation within oil systems are increasing to support Start Stop, Sailing, Hybrids and EVs

Segment	Application		
	ICE	HEV	EV
Cooling & Lubrication	Start/Stop	Transaxle / Traction motor	Transaxle / Traction motor
Transmission / Reduction - Actuation (Low / Med Pressure)	Start/Stop AT	AT / DCT / CVT	Disconnect clutch
Transmission / Reduction - Actuation (High Pressure)	DCT / AWD disconnect	DCT clutch	Disconnect clutch



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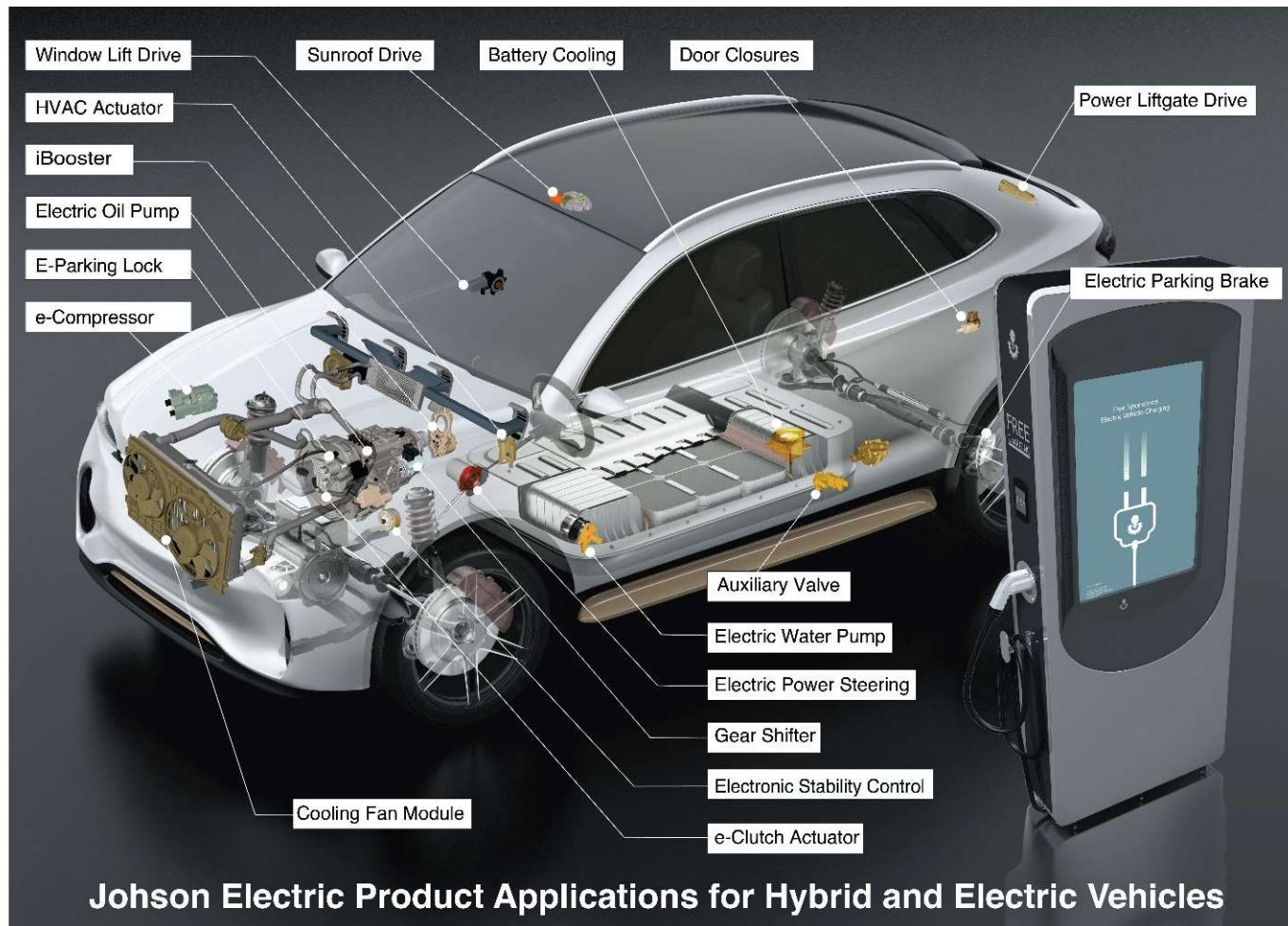
# Hybrids & EVs – Programs Adopting JE's Mechatronic Systems

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- ▶ Audi
- ▶ BMW
- ▶ Changan
- ▶ FCA - Jeep Cherokee
- ▶ FCA - Ram
- ▶ GAC Trumpchi
- ▶ Geely Emgrand
- ▶ SAIC MG
- ▶ SAIC Roewe



# Hybrids & EVs





# Innovative Solutions for Industry & Consumers

*Delivering the actuation function for an increasingly connected world*

## Touching Human Needs



## Improving Performance

- More energy efficient
- Smaller and lighter
- Safer
- More controllable
- More connected

## Proliferating



= Internet + Physical Objects  
+ Sensors, Controllers  
**+ Actuators**

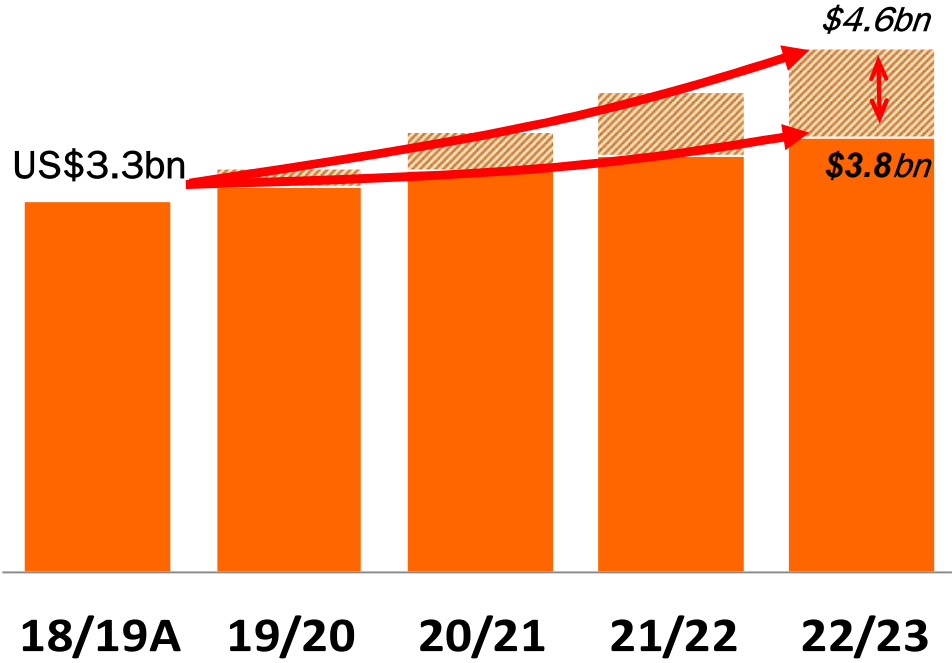


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# Winning Market Traction

*New business wins and sales trajectory set to sustain growth*

## Medium-Term Sales Outlook

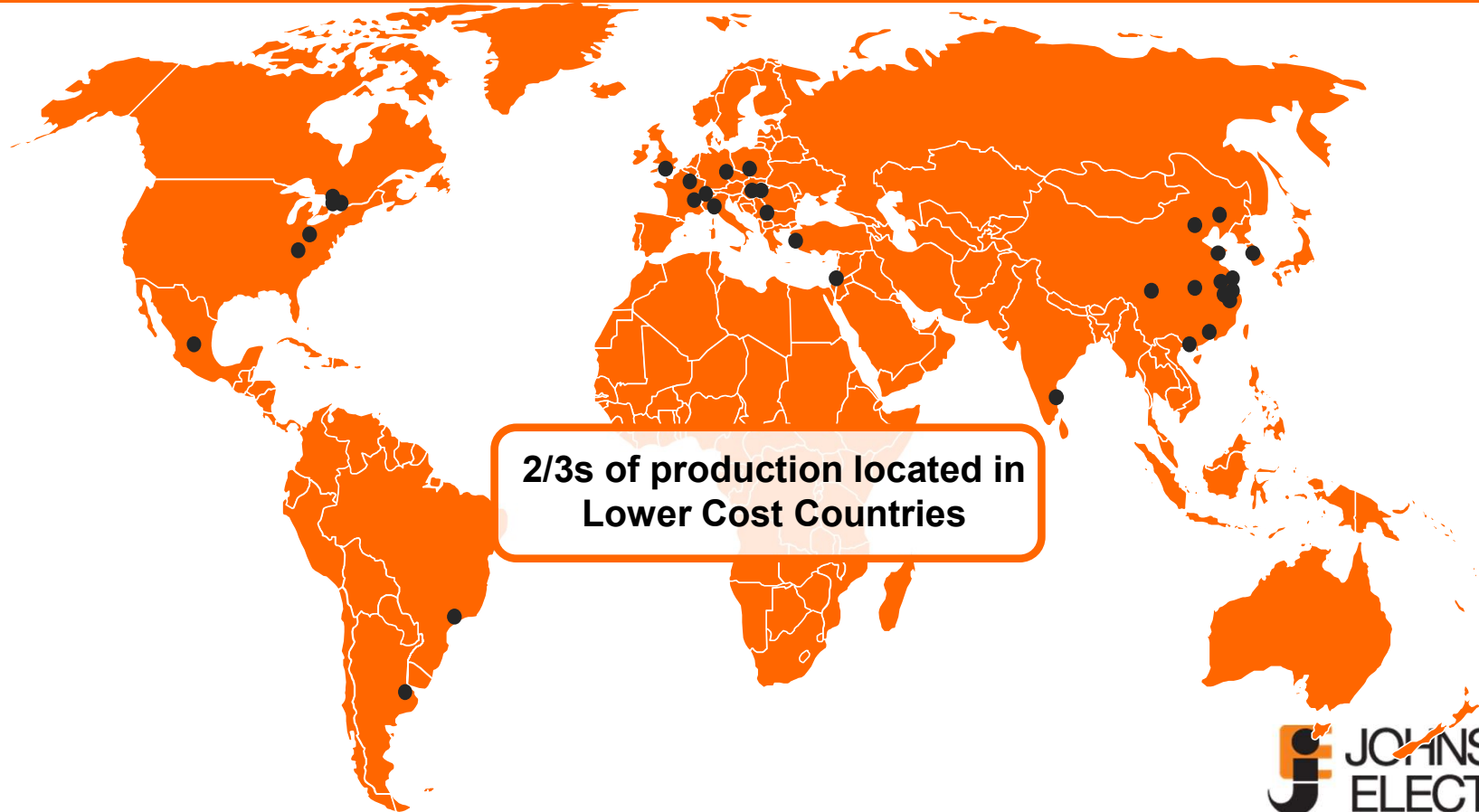


4-9% CAGR  
 vs  
 2-4% Global GDP Growth  
 1-2% Global Vehicle Growth

\* Estimated total Group sales outlook based on current customer order book at constant currencies and assuming no acquisitions and no macro economic cyclical downturn

# Global Operating Footprint

*Manufacturing in 18 countries across 4 continents*



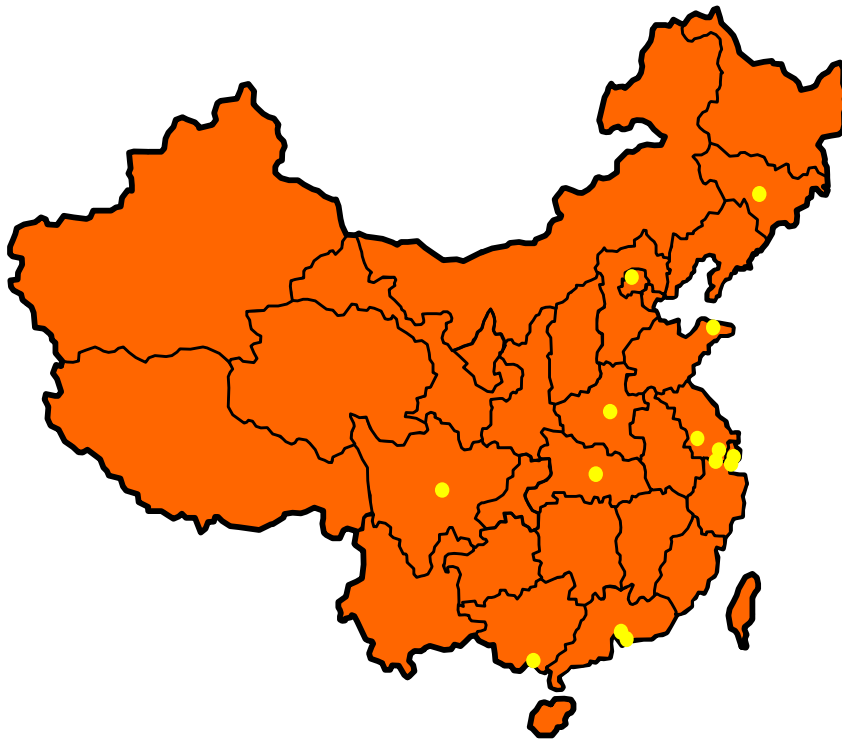
**2/3s of production located in  
Lower Cost Countries**



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# Strongly Positioned in China

*Unrivalled strength and depth in the China market*



- Experience of operating in the mainland since 1982
- 28,000 employees across 16 locations
- Source of over 20% of Johnson Electric's end-market demand



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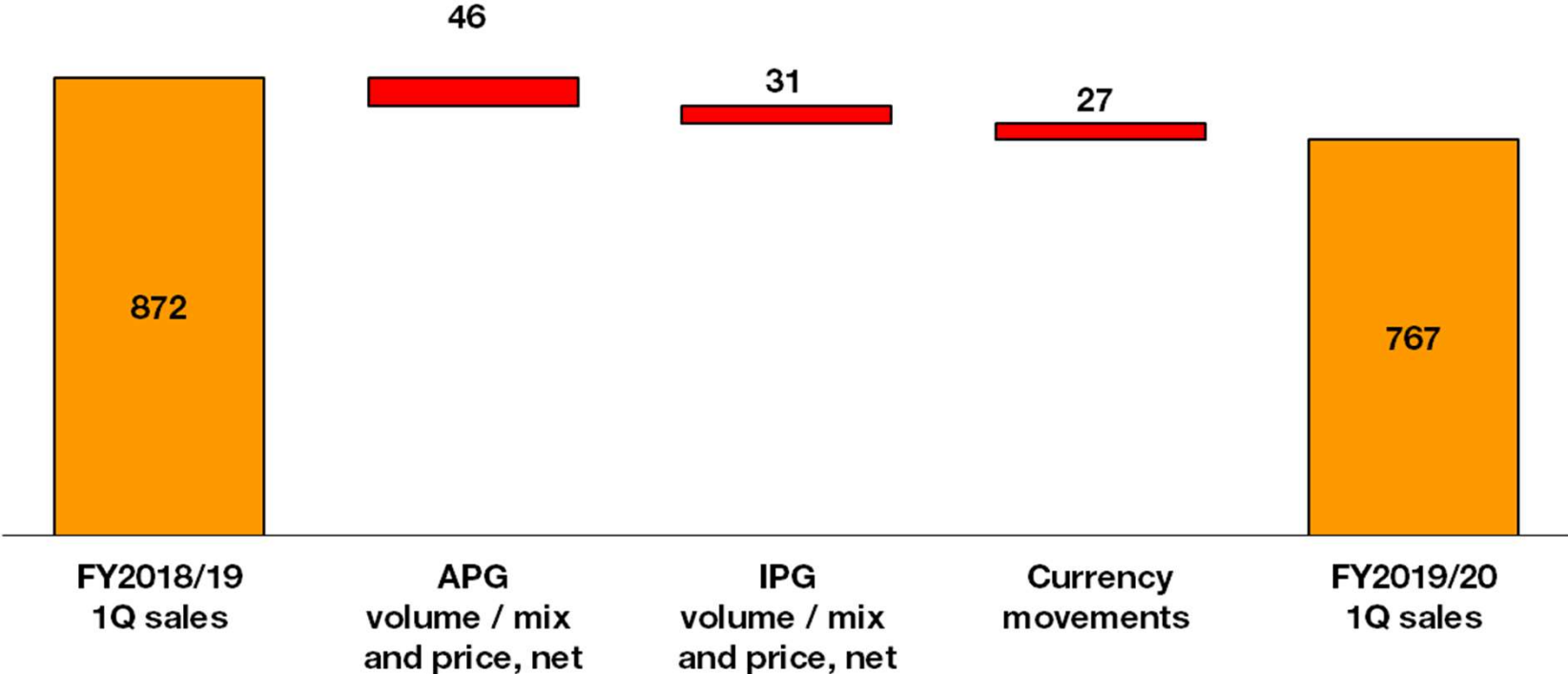


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# Sales Movements

## APR-JUN FY2019/20 vs. FY2018/19

US\$ million



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



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# FX Rate

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<b>USD</b> Average Exchange Rate	<b>FY2019/20</b> <b>APR-JUN</b>	FY2018/19 APR-JUN	<i>Change</i>
CAD	<b>1.338</b>	1.290	(3.7%)
CNY	<b>6.813</b>	6.375	(6.9%)
EUR	<b>1.123</b>	1.192	(5.8%)

Source: Bloomberg daily rates

# Sales Growth by Region - APG

## Sales Growth / (Decline)% Excluding Acquired Business and Currency Movements

APG		Asia	Europe	Americas	TOTAL
<b>FY2019/20</b>	<b>Q1</b>	<b>(14.9%)</b>	<b>(7.7%)</b>	<b>5.1%</b>	<b>(6.8%)</b>
FY2018/19	Q4	(13.9%)	(2.3%)	4.2%	(4.7%)
	Q3	(5.5%)	(8.7%)	4.0%	(4.1%)
	Q2	5.8%	(3.5%)	13.8%	4.8%
	Q1	24.7%	1.6%	9.9%	11.6%
FY2017/18	Q4	17.0%	1.7%	16.7%	10.9%
	Q3	21.8%	5.8%	17.4%	14.5%
	Q2	15.3%	4.5%	2.1%	7.1%
	Q1	10.3%	1.6%	2.9%	4.5%
FY2016/17	Q4	18.4%	7.5%	6.5%	11.2%
	Q3	26.2%	(3.3%)	1.1%	7.9%
	Q2	31.2%	(1.1%)	3.0%	9.9%
	Q1	6.3%	5.0%	3.0%	5.1%



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# APG Sales Growth vs. Light Vehicle Production

**APR 2019 - JUN 2019**  
**Excluding Currency Movements**

Region	APG	* Industry Light Vehicle Production
<b>AMERICAS</b>	5.1%	(2.0%)
North America		(2.2%)
<b>ASIA</b>	(14.9%)	(11.7%)
China		(18.3%)
<b>EUROPE</b>	(7.7%)	(6.1%)
<b>Rest of the World</b>	N/A	(37.4%)
<b>WORLD TOTAL</b>	(6.8%)	(9.0%)

\* Source: IHS and Marklines



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# Sales Growth by Region - IPG

## Sales Growth/(Decline) % Excluding Currency Movements

IPG		Asia	Europe	Americas	TOTAL
<b>FY2019/20</b>	<b>Q1</b>	<b>(18.9%)</b>	<b>(11.4%)</b>	<b>(18.3%)</b>	<b>(16.1%)</b>
FY2018/19	Q4	(9.7%)	1.5%	11.2%	0.7%
	Q3	(7.3%)	(5.4%)	2.4%	(3.7%)
	Q2	1.5%	2.8%	8.7%	3.9%
	Q1	7.3%	(0.1%)	4.4%	3.9%
FY2017/18	Q4	12.1%	6.2%	3.7%	7.3%
	Q3	10.2%	1.9%	1.9%	4.9%
	Q2	7.4%	9.6%	1.0%	6.2%
	Q1	22.3%	7.9%	(0.8%)	9.8%
FY2016/17	Q4	1.7%	20.0%	(0.7%)	6.4%
	Q3	9.3%	20.9%	(1.2%)	8.6%
	Q2	7.4%	15.8%	(8.1%)	4.3%
	Q1	(5.6%)	16.3%	(3.4%)	1.5%



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# Highlights

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- ✓ **Group sales** US\$3,280 million – **increased 1%** compared to prior financial year. **Excluding the effects of acquisition and foreign currency movements**, underlying sales **increased by 2%**
- ✓ **EBITDA increased 6%** to US\$549 million or **16.7% of sales** (16.1% of sales in FY17/18)
- ✓ **Operating profit increased by 3%** to US\$344 million or **10.5% of sales** (10.4% of sales in FY17/18)
- ✓ **Net profit attributable to shareholders increased 7% to US\$281 million** or **31.60 US cents per share** on a fully diluted basis. Excluding the net impact of non-cash foreign currency-related gains/losses and a prior year non-cash gain on an acquisition, **underlying net profits decreased by 10% to US\$243 million**
- ✓ **Capital expenditure totalled US\$391 million – up 28%**, reflecting major investments in advanced automation, technology and manufacturing footprint expansion
- ✓ **Cash reserves** amounted to **US\$340 million** and the Group's ratio of **total debt to EBITDA** was **1.2 times**



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# Financial Highlights

<i>US\$ million</i>	FY18/19	FY17/18
Sales	3,280.4	3,236.6
Gross profit	751.4	791.2
Gross margin	22.9%	24.4%
EBITA <sup>1</sup>	386.5	377.0
EBITA margin	11.8%	11.6%
Profit attributable to shareholders	281.3	264.0
Diluted earnings per share (US cents)	31.60	29.65
Free cash flow from operations <sup>2</sup>	55.7	88.2
<i>US\$ million</i>	31 Mar 2019	31 Mar 2018
Cash	340.0	168.9
Total debt	685.7	492.2
Net debt (total debt less cash)	345.7	323.3
Enterprise value <sup>3</sup>	2,436.2	3,626.7
EBITDA <sup>4</sup> adjusted on a pro forma basis <sup>5</sup>	549.3	521.8
<b>Key Financial Ratios</b>	31 Mar 2019	31 Mar 2018
Enterprise value to EBITDA <sup>5</sup>	4.4	7.0
Total debt to EBITDA <sup>5</sup>	1.2	0.9
Total debt to capital (total equity + total debt)	21%	17%

1. Earnings before interest, tax and amortization
2. Net cash generated from operating activities plus net interest received, less capital expenditure (net of proceeds from disposal of fixed assets) and capitalisation of engineering development costs
3. Enterprise value calculated as market capitalisation plus non-controlling interests plus total debt less cash
4. Earnings before interest, tax, depreciation and amortization
5. EBITDA for FY17/18 adjusted to include 12 months operations of HSC on a pro forma basis

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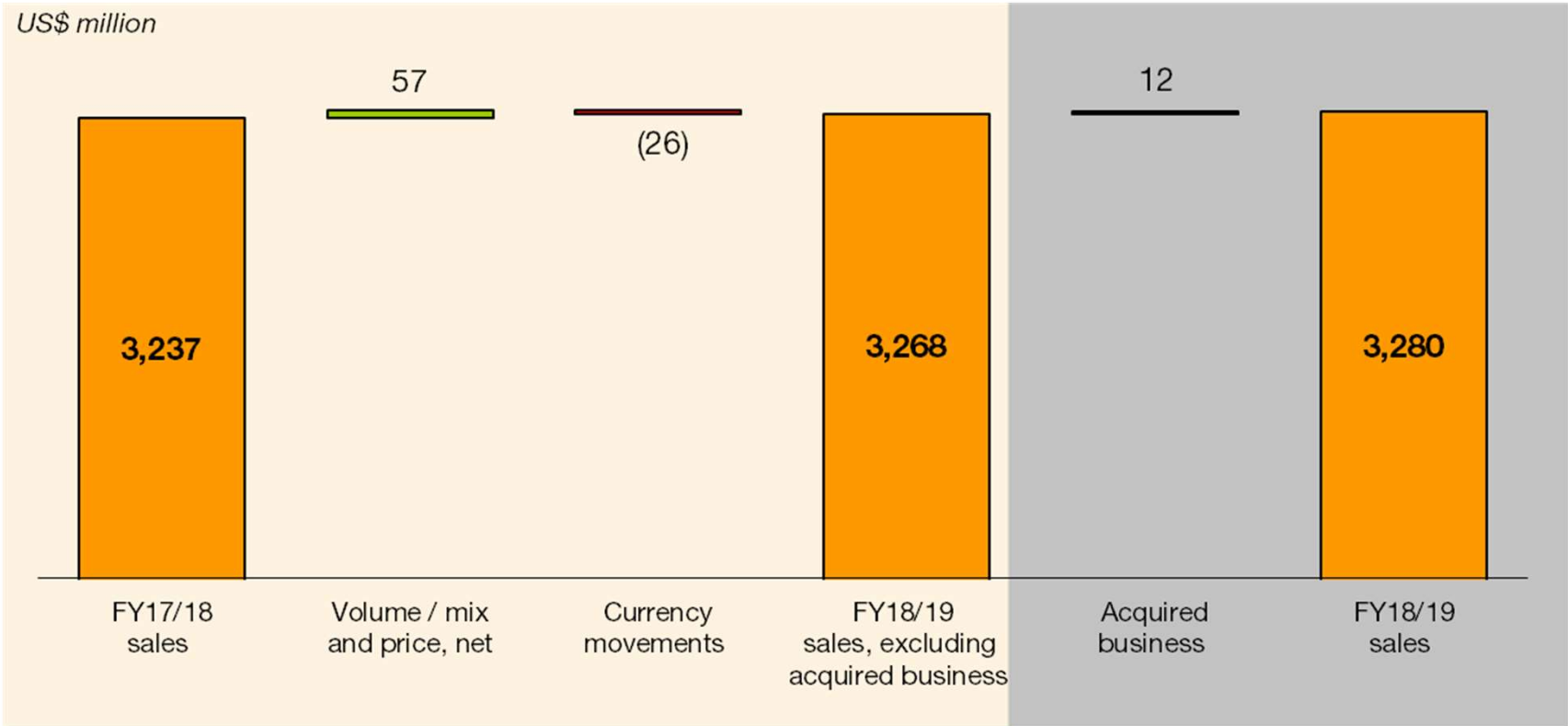
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# Sales Movements

## FY2018/19 vs. FY2017/18



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



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# Sales Growth by Region - APG

**Sales Growth/(Decline) %  
Excluding Acquired Businesses and Currency Movements**

<b>APG</b>	<b>Asia</b>	<b>Europe</b>	<b>Americas</b>	<b>TOTAL</b>
<b>FY2018/19</b>	2%	(3%)	8%	<b>2%</b>
<b>FY2017/18</b>	15%	2%	9%	<b>8%</b>
<b>FY2016/17</b>	20%	2%	3%	<b>9%</b>
<b>FY2015/16</b>	4%	5%	4%	<b>5%</b>
<b>FY2014/15</b>	12%	5%	(8%)	<b>4%</b>



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# Light Vehicle Production – FY2018/19

**APG Sales Growth / (Decline) %  
Excluding Acquired Businesses and Currency Movements  
APR 2018 - MAR 2019**

Region		APG	* Light Vehicle Production
<b>AMERICAS</b>		<b>7.9%</b>	<b>0.0%</b>
	North America		0.0%
<b>ASIA</b>		<b>2.3%</b>	<b>(2.8%)</b>
	China		(6.5%)
<b>EUROPE</b>		<b>(3.1%)</b>	<b>(2.6%)</b>
<b>Rest of the World</b>		<b>N/A</b>	<b>(14.8%)</b>
<b>WORLD TOTAL</b>		<b>1.9%</b>	<b>(2.5%)</b>

\* Source: IHS



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# APG Sales – FY2018/19 by Quarter

## Sales Growth / (Decline) % Excluding Acquired Business\* and Currency Movements

APG		Asia	Europe	Americas	TOTAL
FY2018/19	Q4	(9.5%)	(2.0%)	4.4%	(2.9%)
	Q3	(5.5%)	(8.7%)	4.0%	(4.1%)
	Q2	5.8%	(3.5%)	13.8%	4.8%
	Q1	24.7%	1.6%	9.9%	11.6%

\* Excludes Halla Stackpole 1 month's acquisition sales

# Light Vehicle Production – March 2019 Quarter

**APG Sales Growth / (Decline) %  
Excluding Acquired Businesses and Currency Movements  
JAN 2019 - MAR 2019**

Region	APG	* Industry Light Vehicle Production
<b>AMERICAS</b>		
North America	4.4%	(1.0%) (0.8%)
<b>ASIA</b>		
China	(9.5%)	(6.5%) (12.1%)
<b>EUROPE</b>	(2.0%)	(5.4%)
<b>Rest of the World</b>	N/A	(29.0%)
<b>WORLD TOTAL</b>	(2.9%)	(5.7%)

\* Source: IHS



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# Sales Growth by Region - IPG

## Sales Growth/(Decline) % Excluding Currency Movements

IPG	Asia	Europe	Americas	TOTAL
<b>FY2018/19</b>	(2%)	(0%)	6%	<b>1%</b>
<b>FY2017/18</b>	13%	6%	2%	<b>7%</b>
<b>FY2016/17</b>	3%	18%	(3%)	<b>5%</b>
<b>FY2015/16</b>	(17%)	8%	0%	<b>(5%)</b>
<b>FY2014/15</b>	(4%)	6%	12%	<b>4%</b>

# IPG Sales – FY2018/19 by Quarter

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## Sales Growth / (Decline) % Excluding Currency Movements

IPG		Asia	Europe	Americas	TOTAL
FY2018/19	Q4	(8.3%)	1.5%	9.3%	0.7%
	Q3	(7.3%)	(5.4%)	2.4%	(3.7%)
	Q2	1.5%	2.8%	8.7%	3.9%
	Q1	7.3%	(0.1%)	4.4%	3.9%

# Profitability Review

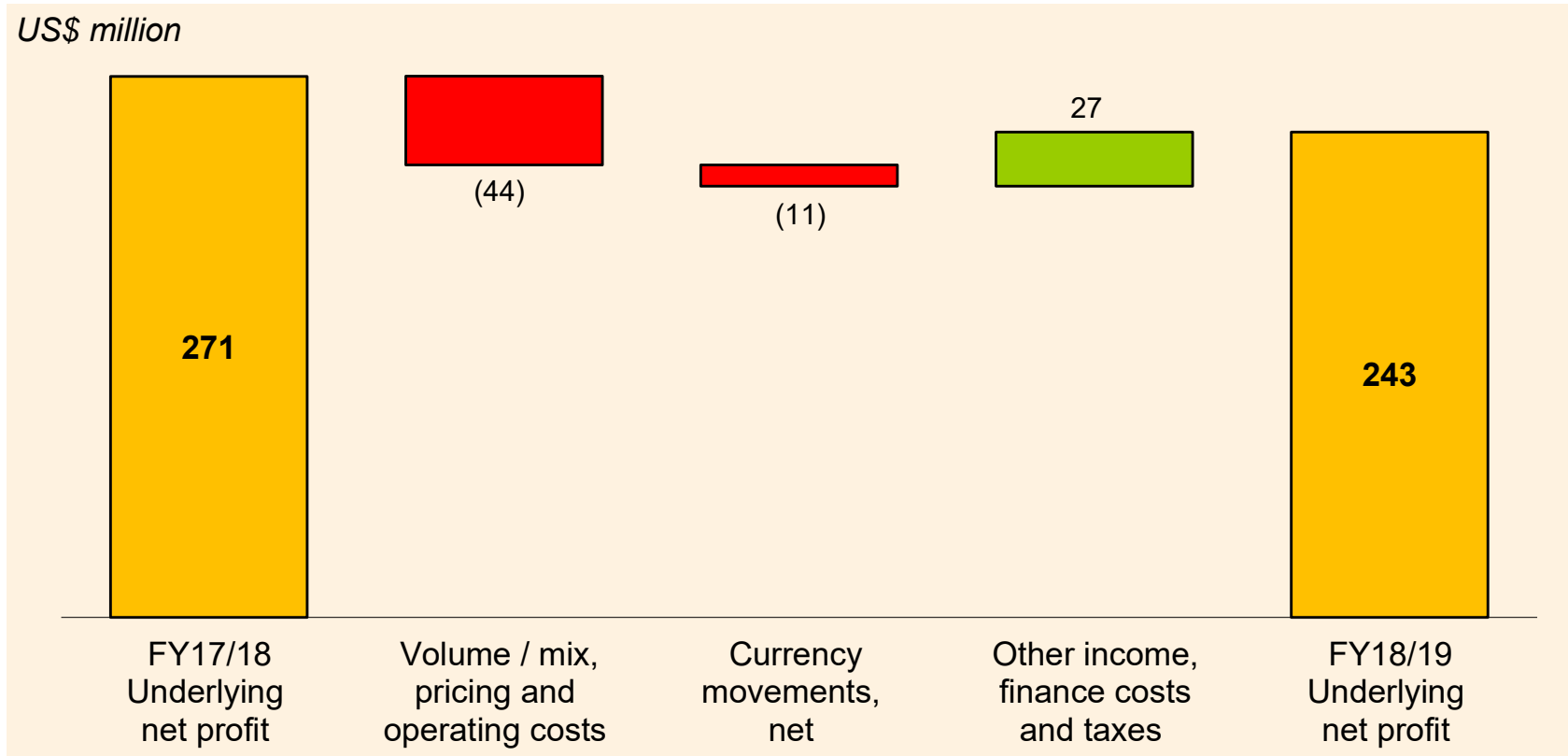
## FY2018/19 vs. FY2017/18

<i>US\$ million</i>	FY18/19	FY17/18	Increase / (decrease)
Sales	3,280.4	3,236.6	43.8
Gross profit	751.4	791.2	(39.8)
<i>Gross margin %</i>	22.9%	24.4%	
Other income and (expenses)	78.9	13.9	65.0
<i>As a % of sales</i>	2.4%	0.4%	
Intangible assets amortisation expense	(42.2)	(40.7)	(1.5)
<i>As a % of sales</i>	1.3%	1.3%	
Other selling and administrative expenses ("S&A")	(443.9)	(429.2)	(14.7)
<i>As a % of sales</i>	13.5%	13.3%	
Operating profit	344.2	335.2	9.0
<i>Operating profit margin %</i>	10.5%	10.4%	
Share of profit of associates	0.1	1.1	(1.0)
Net interest expense	(16.4)	(13.5)	(2.9)
Profit before income tax	327.9	322.8	5.1
<i>Income tax expense</i>	(38.3)	(48.6)	10.3
<i>Effective tax rate</i>	11.7%	15.0%	
Profit for the year	289.6	274.2	15.4
Non-controlling interests	(8.3)	(10.2)	1.9
Profit attributable to shareholders	281.3	264.0	17.3
Basic earnings per share (US cents)	32.46	30.64	1.82
Diluted earnings per share (US cents)	31.60	29.65	1.95

# Summary table of Net Profit Bridge

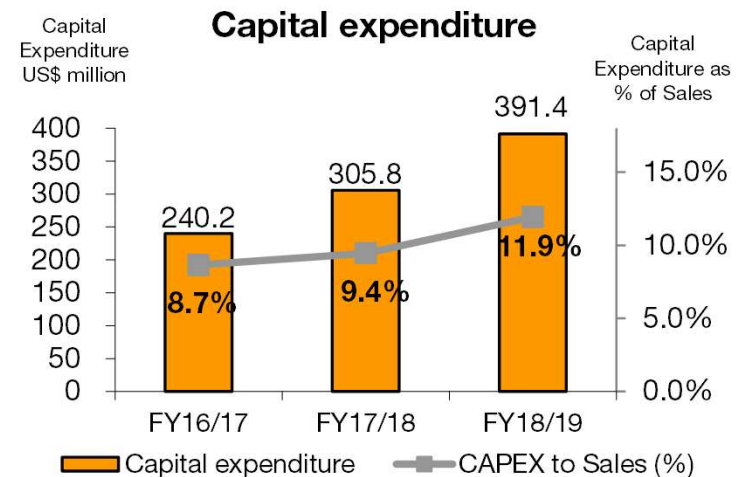
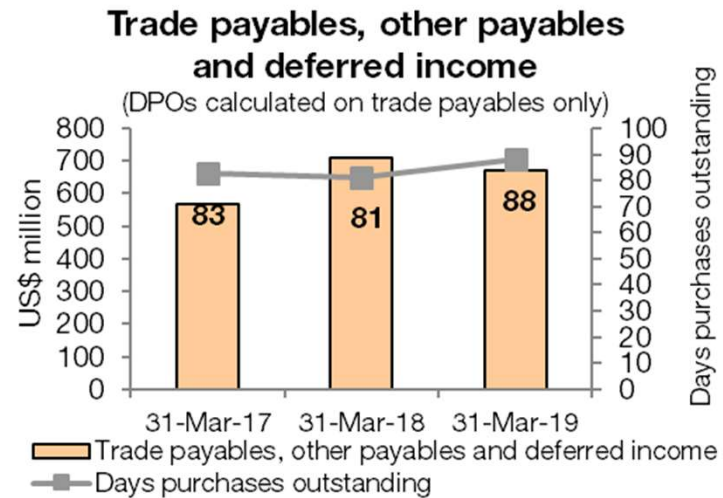
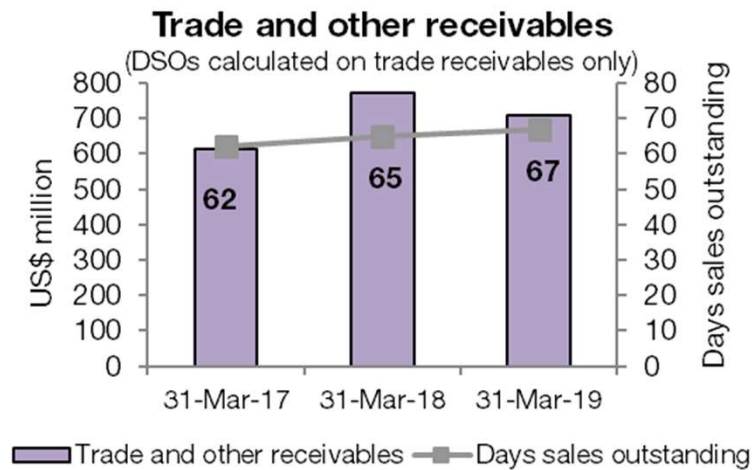
US\$ million	FY17/18			FY18/19		
	Before tax	Tax effect	Net of tax effect	Before tax	Tax effect	Net of tax effect
<b>Net profit, as reported</b>			<b>264.0</b>			<b>281.3</b>
Unrealised net fair value (gains) on other financial assets and liabilities	(1.5)	0.3	(1.2)	(18.6)	2.1	(16.5)
Unrealised net (gains) / losses from revaluation of monetary assets and liabilities	(7.1)	1.4	(5.7)	27.7	(4.9)	22.8
Unrealised net fair value losses / (gains) on structured forward currency exchange contracts	31.9	(3.9)	28.0	(51.0)	6.6	(44.4)
(Gain) on deemed disposal of previously 30% equity interest in Halla Stackpole	(14.0)	-	(14.0)	-	-	-
Net impact of significant non-cash items: losses / (gains)	9.3	(2.2)	7.1	(41.9)	3.8	(38.1)
<b>Net profit excluding the impact of significant non-cash items</b>			<b>271.1</b>			<b>243.2</b>

# Underlying Net Profit Changes vs. Prior Year





# Working Capital & CAPEX



# Analysis of Cash Flow

<i>US\$ million</i>	FY18/19	FY17/18	Change
Operating profit <sup>1</sup>	344.9	336.2	8.7
Depreciation and amortisation	204.4	183.6	20.8
<b>EBITDA</b>	<b>549.3</b>	<b>519.8</b>	<b>29.5</b>
Other non-cash items	(45.1)	35.5	(80.6)
Working capital changes	18.0	(78.7)	96.7
Interest paid	(10.5)	(8.2)	(2.3)
Income taxes paid	(55.9)	(67.6)	11.7
Capital expenditure, net of subsidies	(391.4)	(305.8)	(85.6)
Proceeds from disposal of fixed assets	0.6	0.7	(0.1)
Capitalisation of engineering development costs	(11.2)	(8.7)	(2.5)
Interest received	1.9	1.2	0.7
<b>Free cash flow from operations</b>	<b>55.7</b>	<b>88.2</b>	<b>(32.5)</b>

1. Operating profit plus US\$0.7 million dividend received from associate in FY18/19 ( FY17/18: US\$1.0 million)

# Other Cash Flows

<i>US\$ million</i>	FY18/19	FY17/18	Change
<b>Free cash flow from operations</b>	<b>55.7</b>	<b>88.2</b>	<b>(32.5)</b>
Acquisitions and related costs	(2.4)	(104.8)	102.4
Purchase of intangible assets	(1.0)	-	(1.0)
Dividends paid	(43.3)	(56.5)	13.2
Purchase of shares held for incentive share schemes	(1.5)	-	(1.5)
Other investing activities	(8.2)	0.1	(8.3)
Dividends paid to non-controlling interests	(5.5)	-	(5.5)
Other financing activities	-	(1.7)	1.7
Repurchase of convertible bonds	(59.3)	-	(59.3)
Proceeds from public and private long-term debt issuance, net of transaction costs	396.1	-	396.1
Borrowing (repayments) / proceeds, net	(146.3)	101.6	(247.9)
Increase in cash and cash equivalents (excluding currency movements)	184.3	26.9	157.4
Currency translation (losses) / gains on cash and cash equivalents	(13.2)	14.3	(27.5)
Net movement in cash and cash equivalents	171.1	41.2	129.9

# Dividends

- ▶ The Board has recommended a **final dividend of 34 HK cents per share** for FY18/19 equivalent to US\$37.8 million, to be paid in September 2019, with an **option to receive scrip in lieu of cash**, where a **4% discount on the subscription price** will be offered to shareholders who elect to subscribe for shares. (FY17/18: 34 HK cents per share with no scrip alternative). The Board has further been informed that the controlling shareholder of the Company intends to subscribe for its entire eligible allocation of shares under the scrip dividend alternative.

- ▶ **Dividend History**

Financial Year	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Dividend per share (HK cents)										
Interim dividend	17.0	17.0	16.0	15.0	14.0	12.0	12.0	12.0	12.0	-
Final dividend (Proposed)	<b>34.0</b>	34.0	34.0	34.0	34.0	34.0	32.0	28.0	24.0	20.0
Total dividend per share	51.0	51.0	50.0	49.0	48.0	46.0	44.0	40.0	36.0	20.0

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Group Overview

Strategy & Outlook

FY2019/20 June Quarter

Key Financial Highlights

Operational Results

Appendix



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## FX Rate – FY2018/19 vs. FY2017/18

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<b>USD</b>	<b>FY2018/19</b>	<b>FY2017/18</b>	<i>Change</i>
Average Exchange Rate	<b>APR-MAR</b>	APR-MAR	
CAD	<b>1.311</b>	1.282	(2.3%)
CNY	<b>6.711</b>	6.628	(1.2%)
EUR	<b>1.158</b>	1.171	(1.1%)

Source: Bloomberg daily rates

# Disclaimer

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*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.*



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