



FY22/23

Annual Results

For the year ended 31 March 2023

Investor Briefing May 2023



**FY22/23
Annual Results**

Investor Briefing

Group Overview

**Why Invest in
Johnson Electric?**

**Key Financial
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Group Overview

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



Automotive

Products Group



We have the know-how, technology and manufacturing capability to provide innovative solutions to capitalize on expanding EV markets

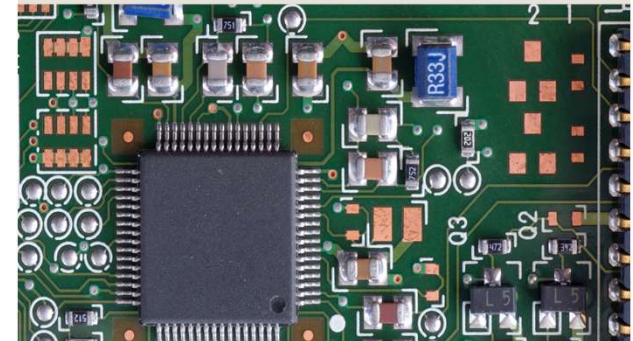
Industry

Products Group



Smart home and IoT, carbon reduction, medical innovation and warehouse automation

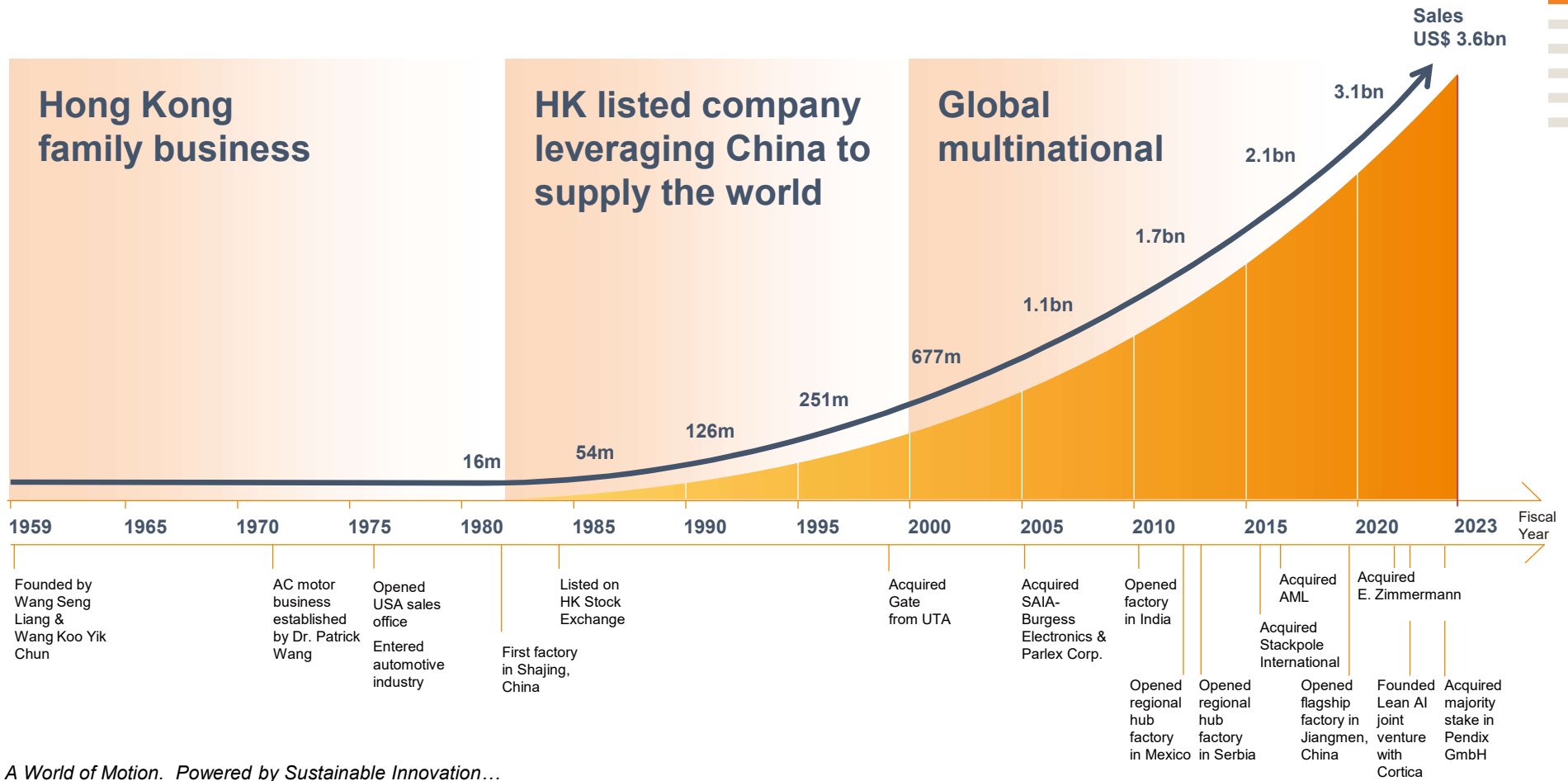
Components & Services



Vertical integration of component supplies for assurance of supply, consistent quality and cost control



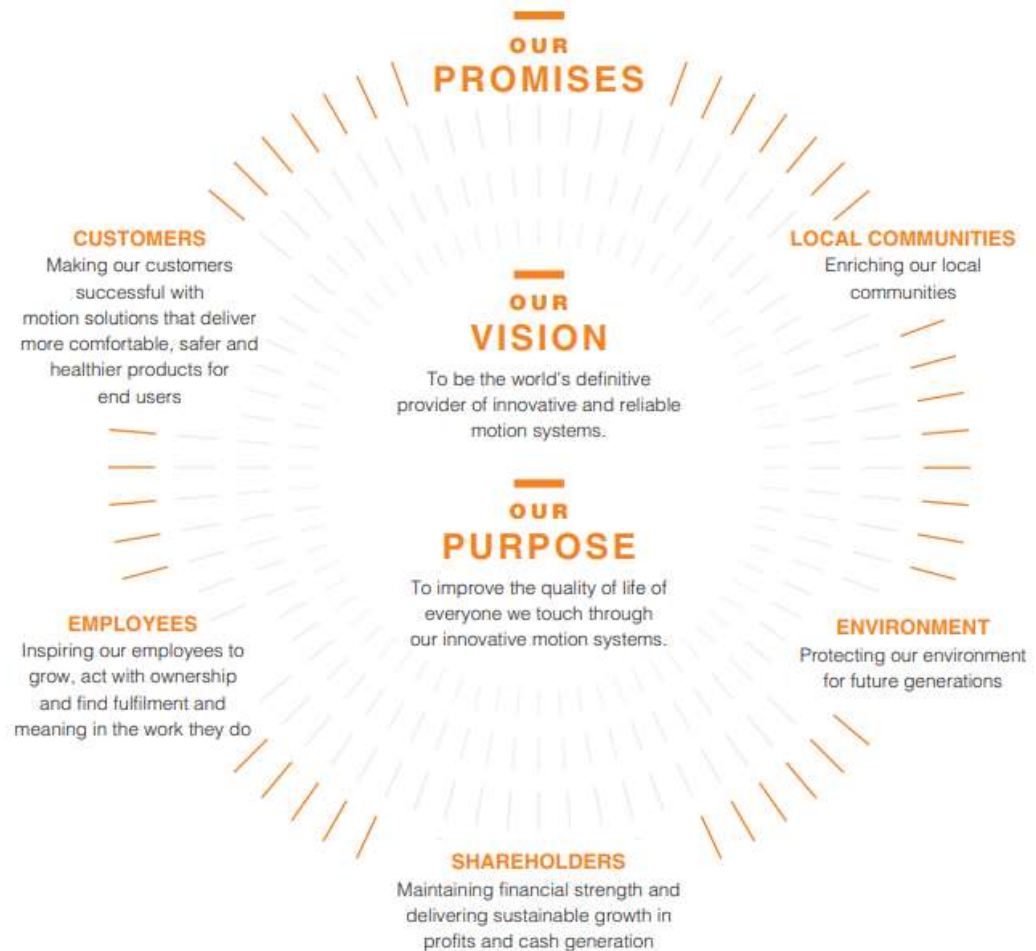
History & Development



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

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



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

Focus

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

- **reduce greenhouse gas and other emissions**
- **improve health and safety**
- **increase 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

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**

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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



Workforce of over **35,000** across **22** countries



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

Division Product Overview



Automotive Products Group



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

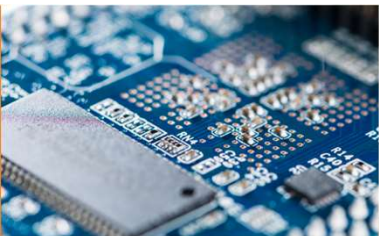
Industry Products Group



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



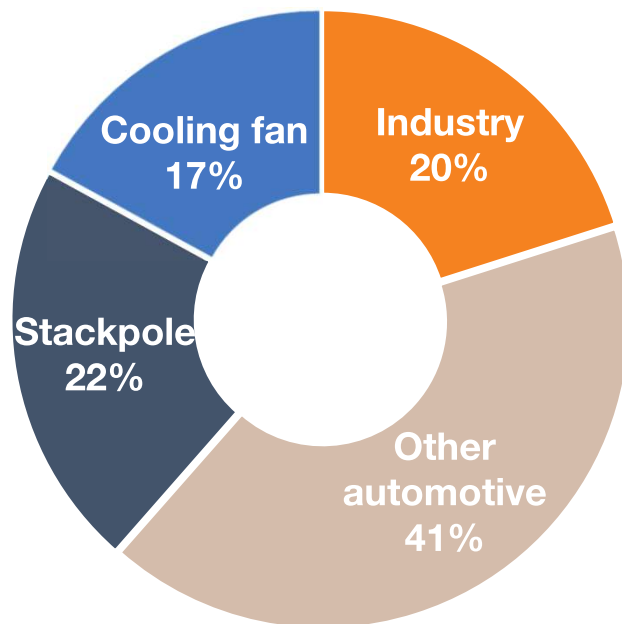
Components and Services



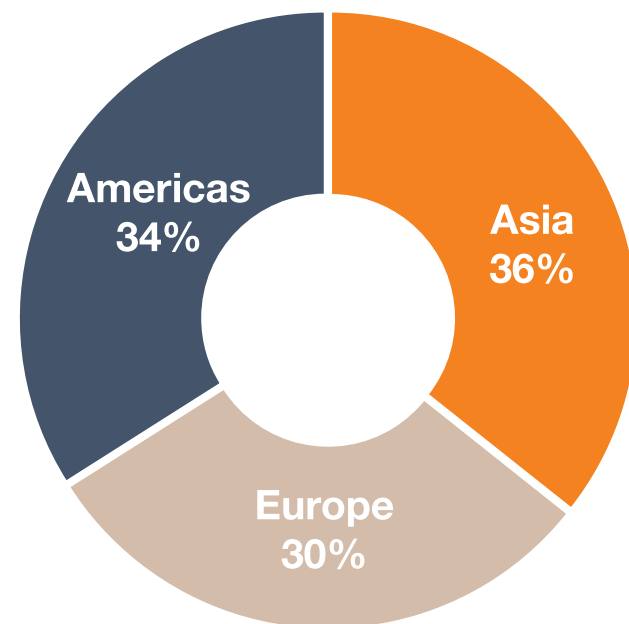
- Magnets
- Bearings
- Shafts
- Housings
- Laminations
- Commutators
- Die cast & powder metal components
- Printed circuit board assemblies
- Plastic parts

Diversified Sales

By Major Lines of Business



By Destination



Diversified Customer Base

World-class Customers Across Diversified Industries



Disclaimer: All customer tradenames and trademarks are the property of their respective owners. Their use in this presentation is for identification purposes only.

Innovative Solutions for Proliferating Applications

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



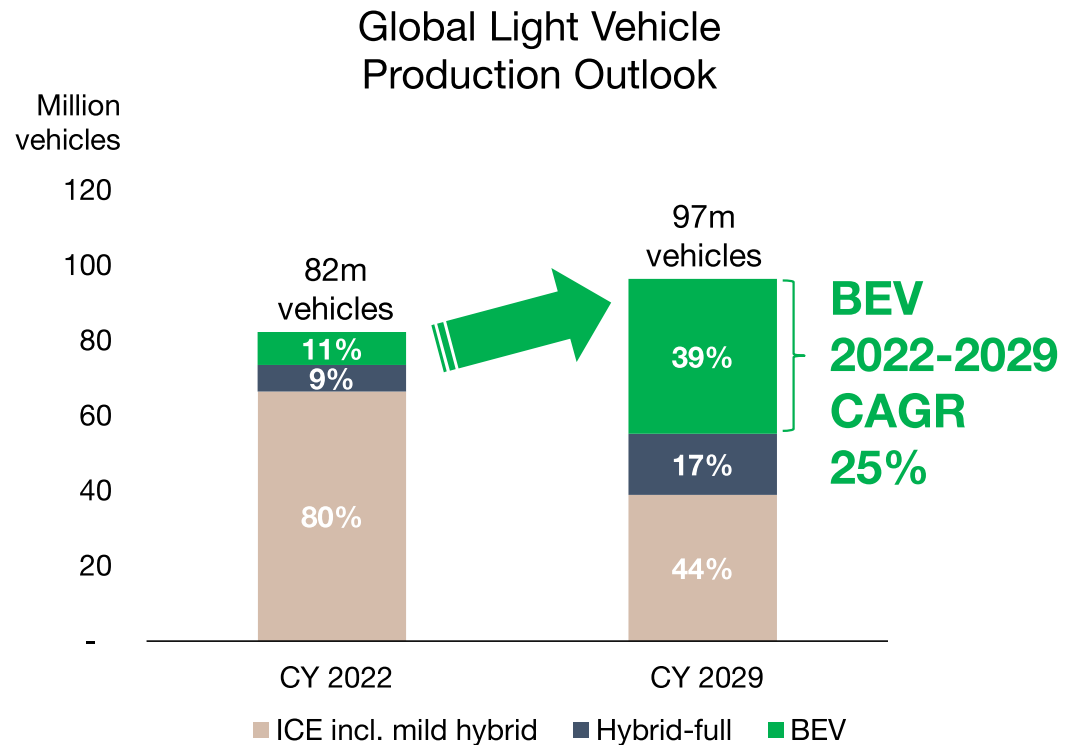
E-Commerce & Industrial

Delivery robots, smart metering and warehouse automation solutions

Market shift to net zero APG's Growth Opportunity

Surging demand for innovative, cost-competitive solutions for:

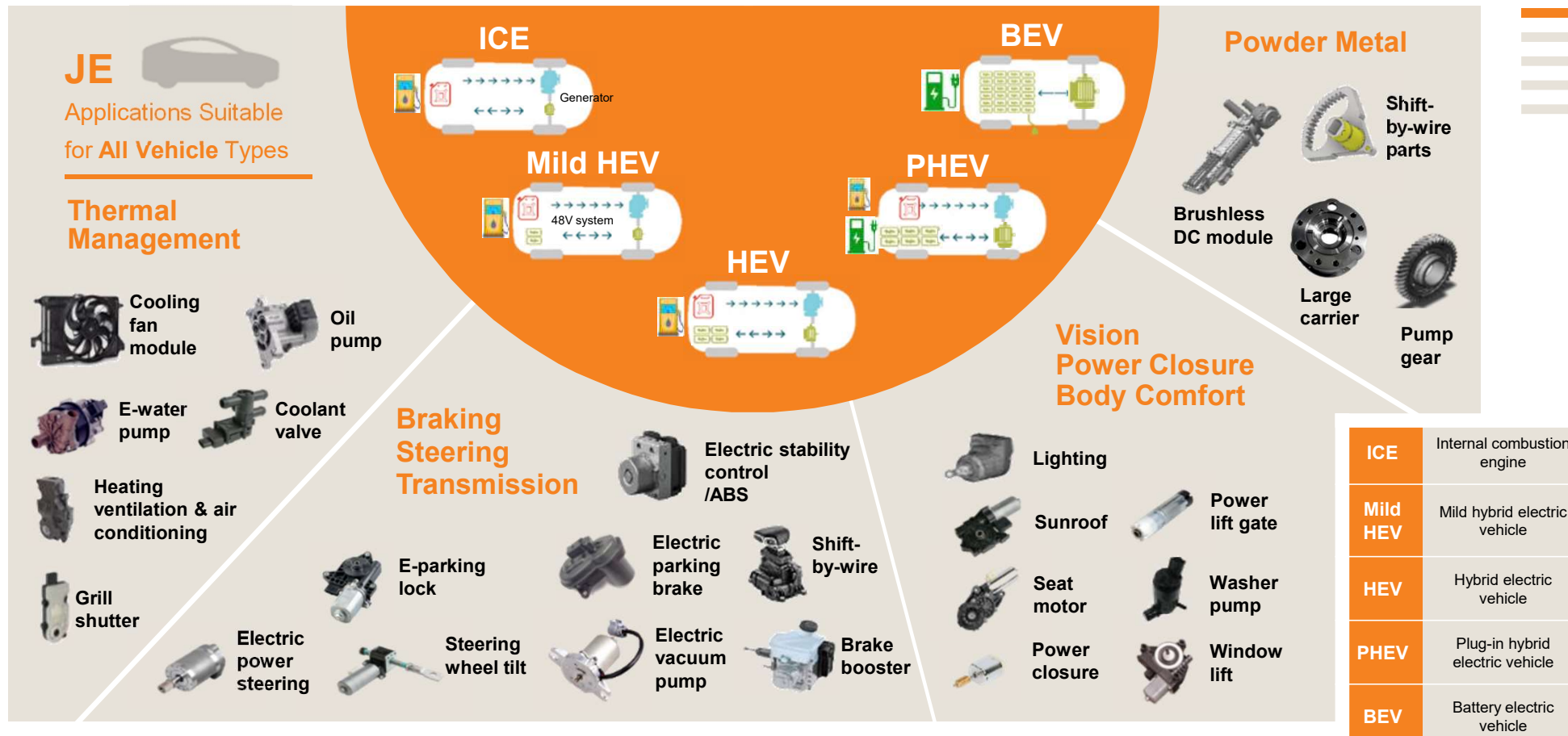
- Electrifying critical automotive functions
- Optimizing thermal management
- Preventing or reducing emissions



Source: IHS Apr 2023
Information presented by calendar year

JE Automotive Products

Enabling Electrification and Reducing Emissions



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

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

E-shift (for 2 speed E-axle)

Exhaust gas recirculation

Electric variable valve lift

Double clutch transmission

Fixed displacement gerotor hybrid transmission

BEV

E-oil pump (cooling / lubrication)

E-clutch

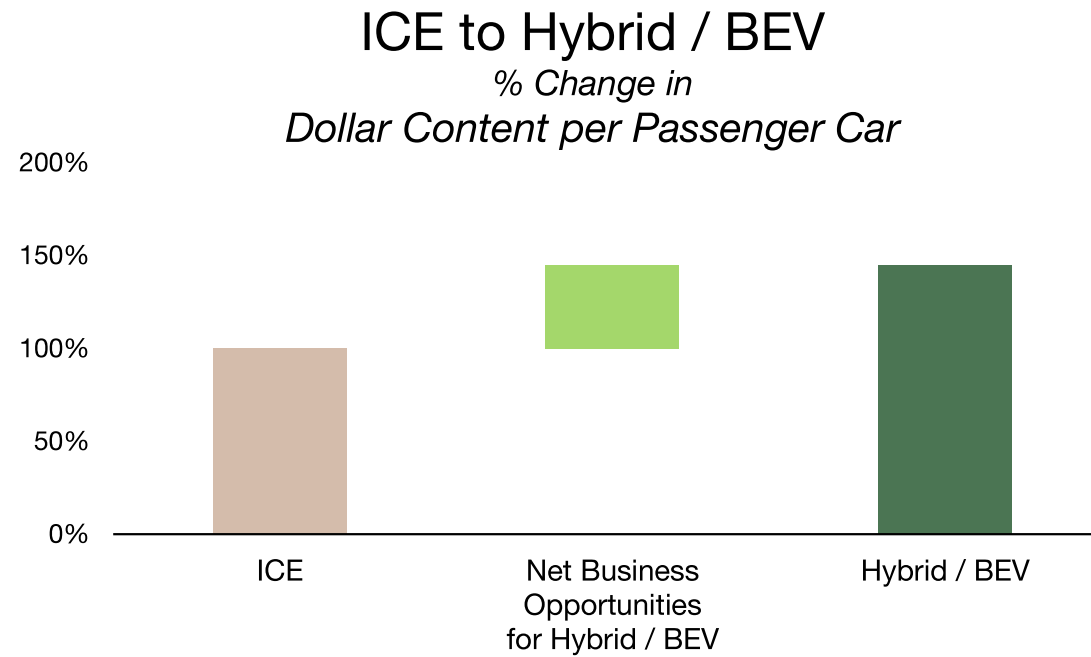
Resolver

Charging port actuator

Mild HEV	Mild hybrid electric vehicle
HEV	Hybrid electric vehicle
PHEV	Plug-in hybrid electric vehicle
BEV	Battery electric vehicle

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

Well Positioned to Capitalize on the Automotive Market Move

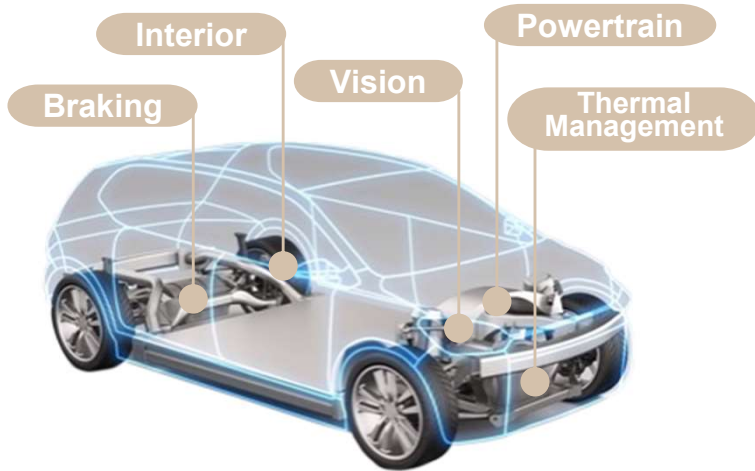


Our Net Business Opportunities for NEV

Source: Johnson Electric analysis – indicative based on current available market intelligence and estimates

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-axle | **e-Clutch** to support start-stop, sailing, etc.

Thermal Management Applications

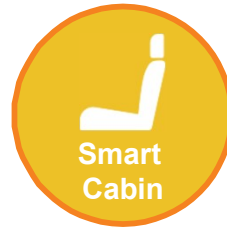
Electric water pump, cooling fan module, integrated thermal management and other cooling components for thermal management of battery, traction motor, power electronics and other critical components



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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 wheel folding motor

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

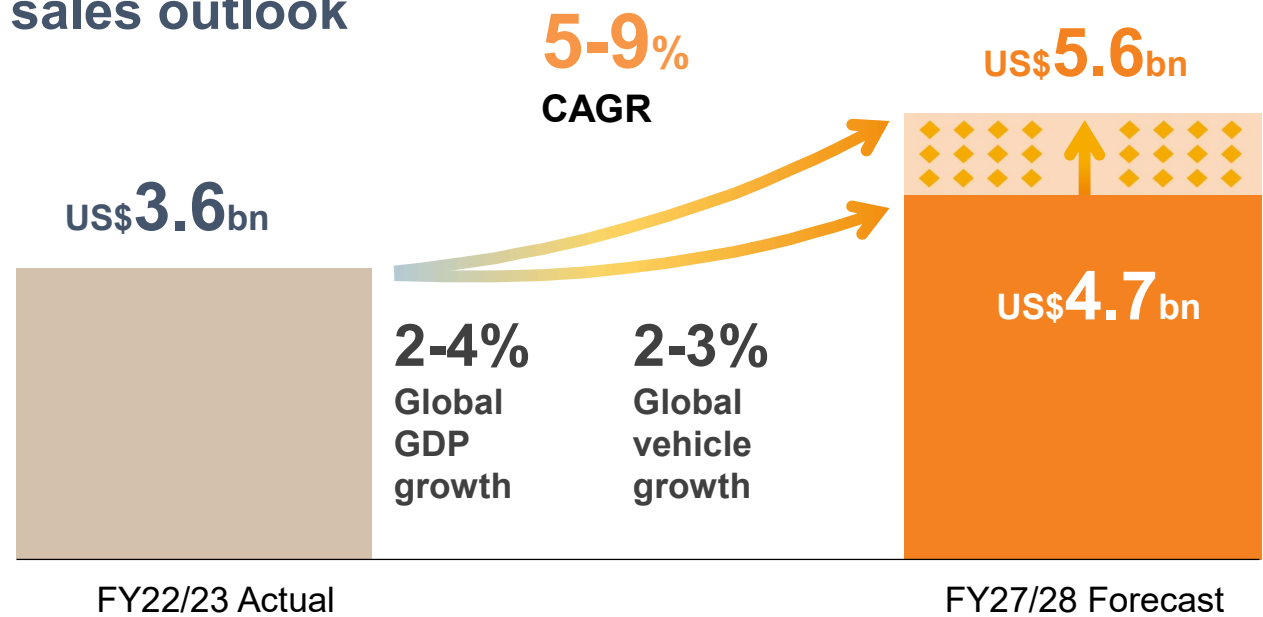


A World of Motion. Powered by Sustainable Innovation...

Winning Market Traction

Medium-term sales outlook

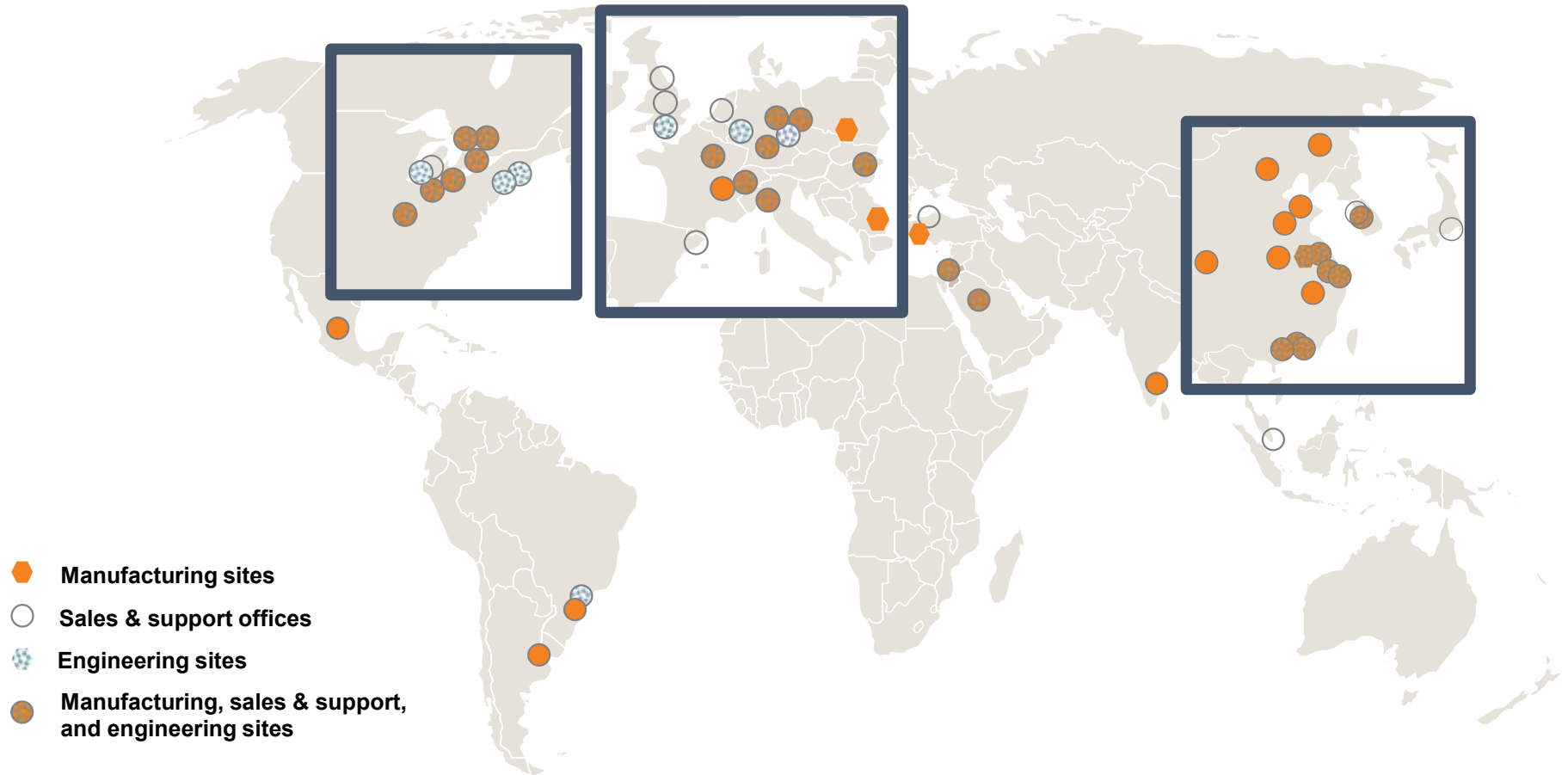
New business wins and opportunities are set to sustain growth



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

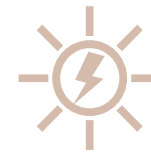


A World of Motion. Powered by Sustainable Innovation...

ESG is Integral to Johnson Electric's Evolution



CO₂ and Energy Targets



100% renewable energy by 2025

as available and feasible



42% drop in carbon emissions from our factories by 2030

Committed to SBTI's Business Ambition for 1.5°C



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 programmes give testimony to our commitment to contributing to local communities, wherever we operate

JETC bringing education to the underprivileged in China & Mexico



Our JGenerations teams organize local community activities



JGENERATIONS

ESG is Integral to Johnson Electric's Evolution



Sustainability aligns with our business values, goals, and passion for solving customer problems

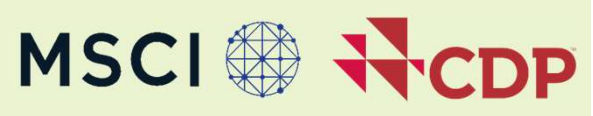
Key sustainability achievements in FY22/23		
<p>Reduced absolute carbon emissions by 20%</p>	<p>Zero waste to landfill</p>	<p>Established a Diversity, Equity and Inclusion Committee</p>
<p>15 operating sites now use 100% renewable energy</p>	<p>Launched Sustainable Procurement Policy</p>	<p>Emergency aid and job opportunities for Ukrainian refugees and aid for Turkey earthquake victims</p>
<p>Incorporated product carbon footprint methodologies into our product design process</p>	<p>15% reduction in lost-time accidents</p>	



Hang Seng Corporate Sustainability Index Series Member 2022-2023

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

Sustainability Ratings



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Financial Highlights

US\$ million	FY22/23	FY21/22	Increase / (Decrease)
Sales	3,646.1	3,446.1	200.0
Gross profit	715.9	701.9	14.0
<i>Gross margin</i>	<i>19.6%</i>	<i>20.4%</i>	<i>(0.8%)</i>
EBITA ¹	231.5	222.4	9.1
EBITA adjusted ²	220.1	243.8	(23.7)
<i>EBITA adjusted margin</i>	<i>6.0%</i>	<i>7.1%</i>	<i>(1.1%)</i>
Profit attributable to shareholders	157.8	146.4	11.4
Net profit excluding non-cash foreign exchange rate movements and restructuring costs ²	147.9	164.9	(17.0)
Diluted earnings per share (US cents)	17.33	16.23	1.10
Capital expenditure	226.6	316.4	(89.8)
<i>Capital expenditure as % of sales</i>	<i>6.2%</i>	<i>9.2%</i>	<i>(3.0%)</i>
Free cash in / (out) flow from operations	214.8	(132.4)	347.2

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

Financial Highlights

US\$ million	31 Mar 2023	31 Mar 2022	Increase / (Decrease)
Cash	408.7	345.4	63.3
Total debt	474.0	490.8	(16.8)
Net debt ³	(65.3)	(145.4)	(80.1)
Enterprise value ⁴	1,166.7	1,470.2	(303.5)
Key Financial Ratios	31 Mar 2023	31 Mar 2022	Increase / (Decrease)
Enterprise value to EBITDA adjusted ⁵	2.5	3.0	(0.5)
Gross debt ⁶ to EBITDA adjusted ⁵	1.3	1.3	-

3. Cash less total debt

4. Market capitalization plus non-controlling interests plus total debt less cash

5. Adjusted ² earnings before interest, tax, depreciation and amortization, giving adjusted EBITDA of US\$461.5 million (31 March 2022: US\$492.2 million)

6. Including pension liabilities and leases

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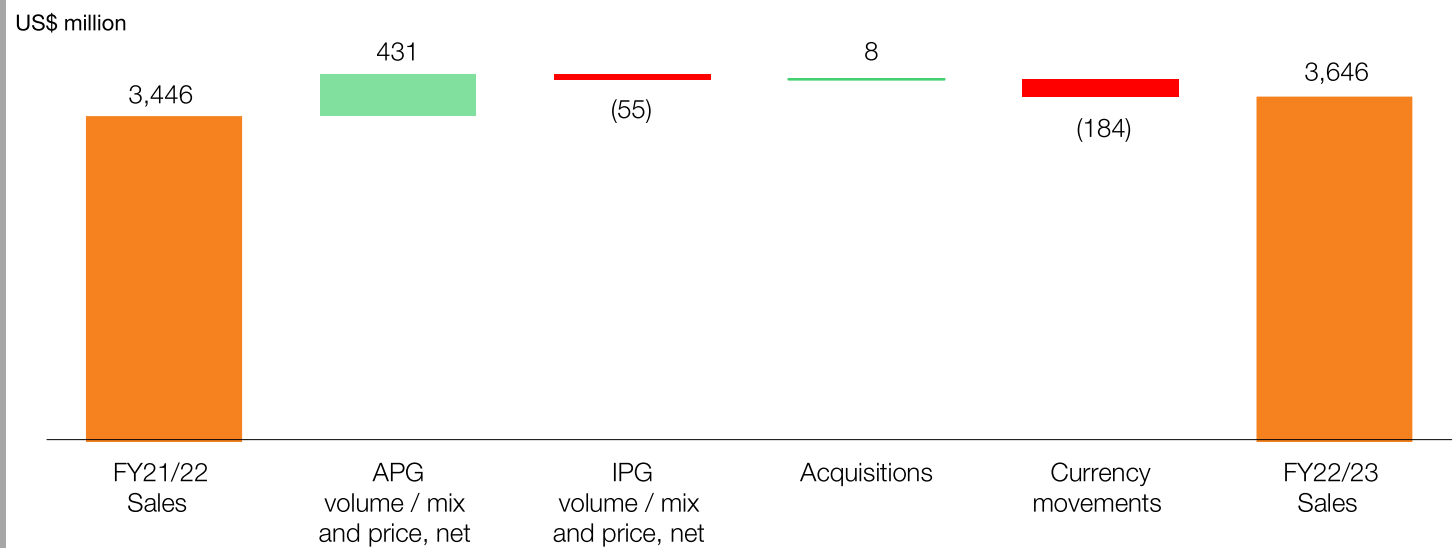
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Group Sales Changes FY22/23 vs. FY21/22

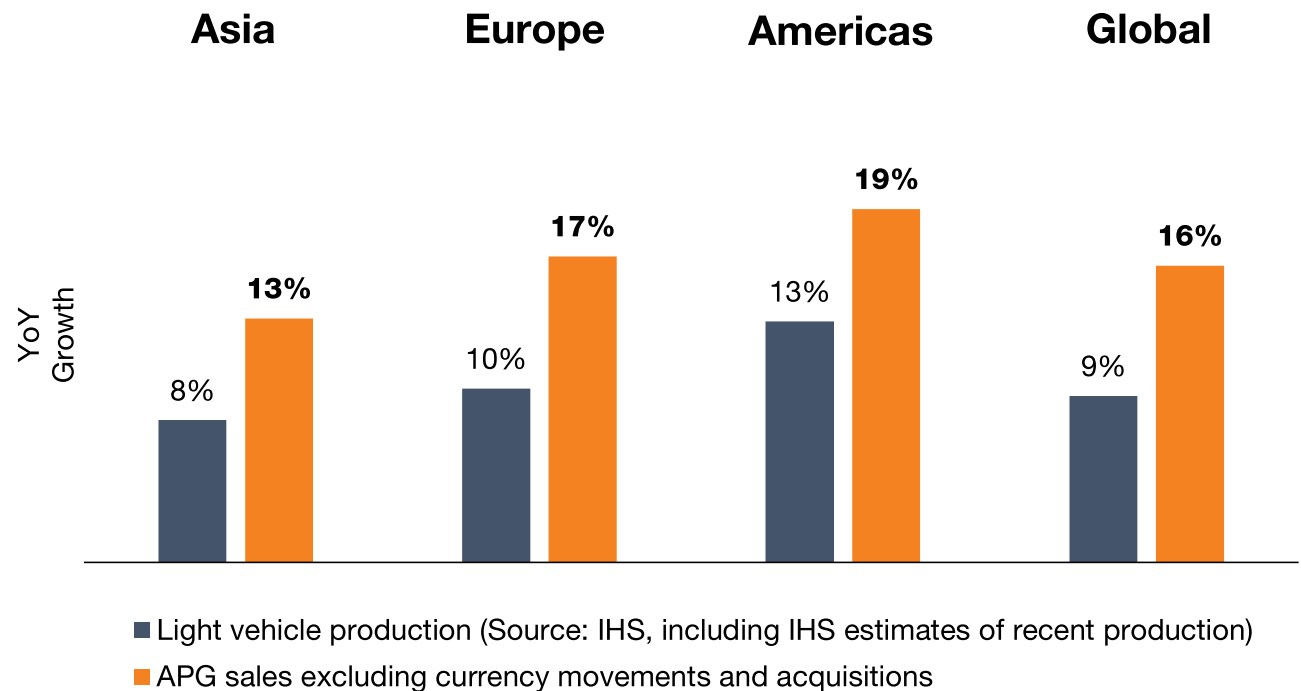
Reported sales increased 6%
11% underlying growth excluding currency movements and acquisitions



APG Sales Growth vs. Light Vehicle Production FY22/23 vs. FY21/22

Outperformance in all regions compared to light vehicle production due to:

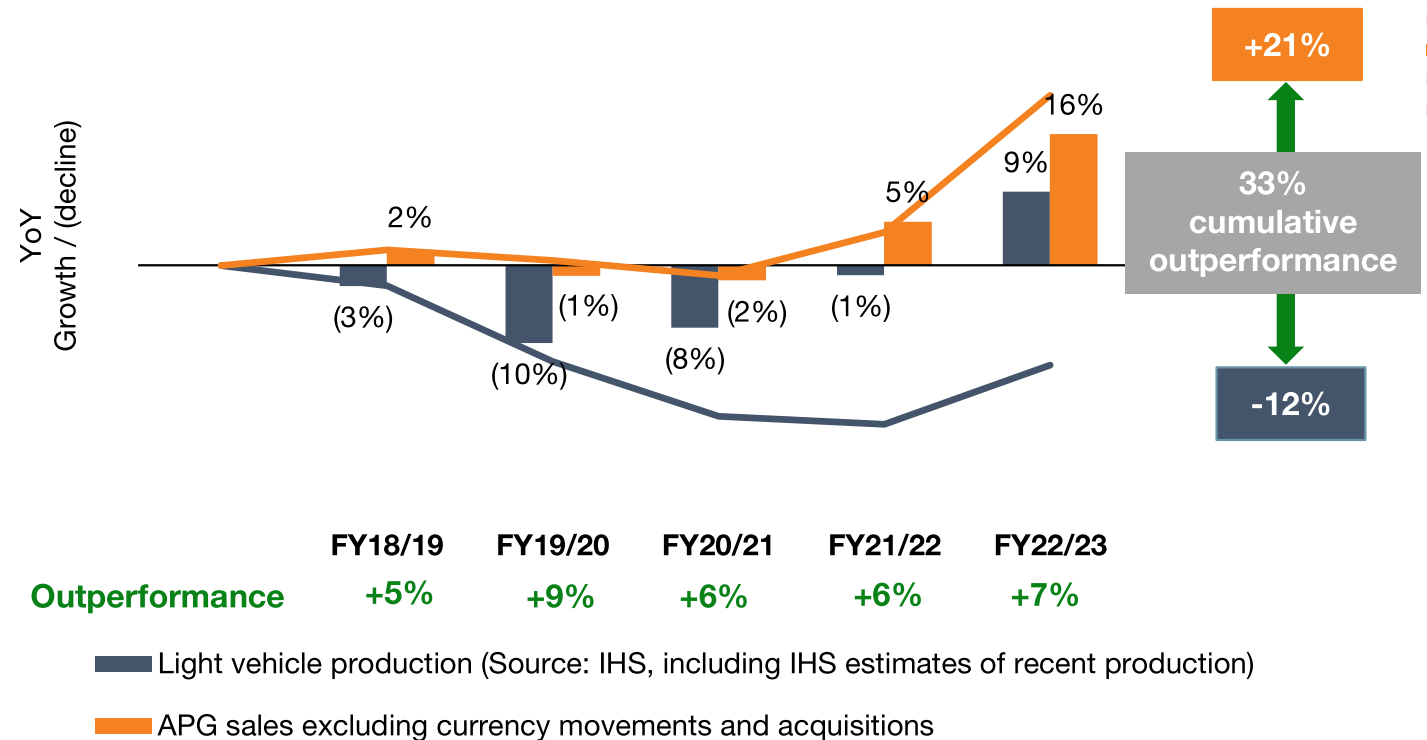
- New business wins and volume increases from recent wins
- Market shift to NEV



Multi-Year Sales Changes vs. Light Vehicle Production

Consistently outperforming light vehicle production, due to APG's focus on:

- Enabling battery-electric & hybrid vehicles
- Weight reduction
- Safety & comfort

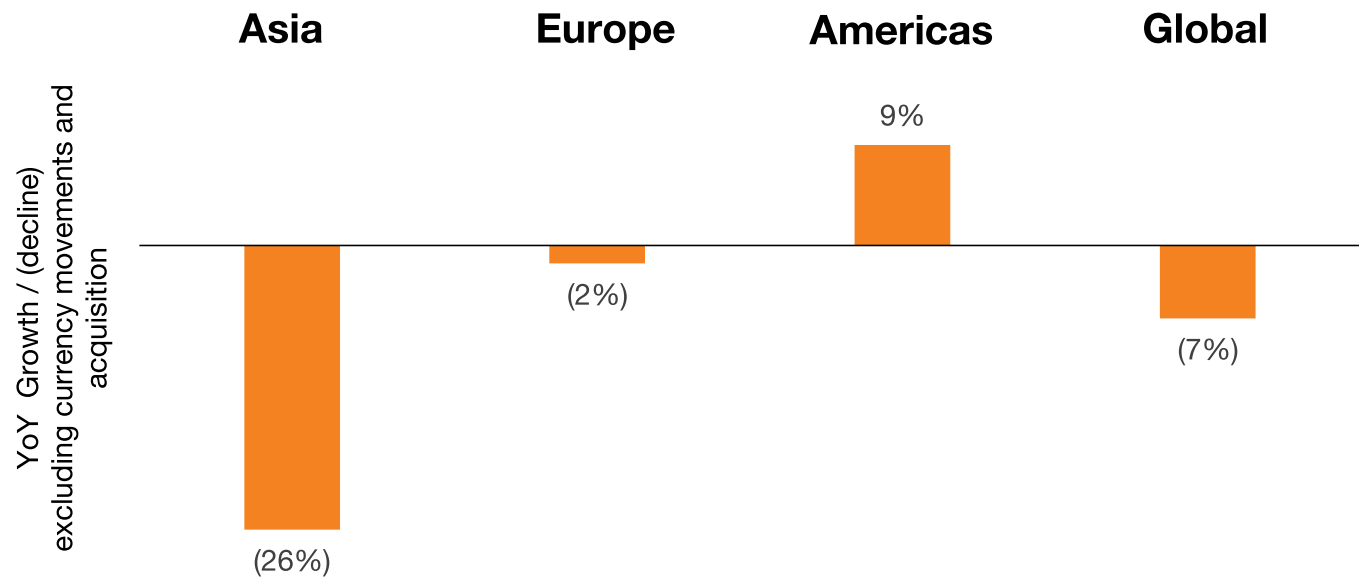


IPG Sales Growth by Region FY22/23 vs. FY21/22

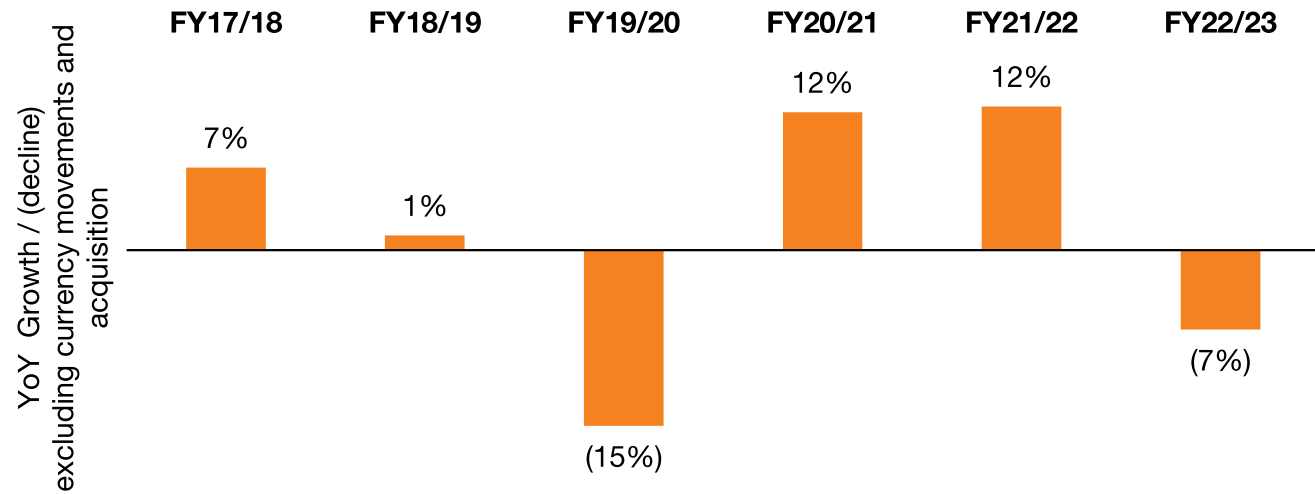
Reduced end-market demand for some home-centric applications

Partially offset by:

- Price adjustments
- Growth across several segments in Europe & the Americas



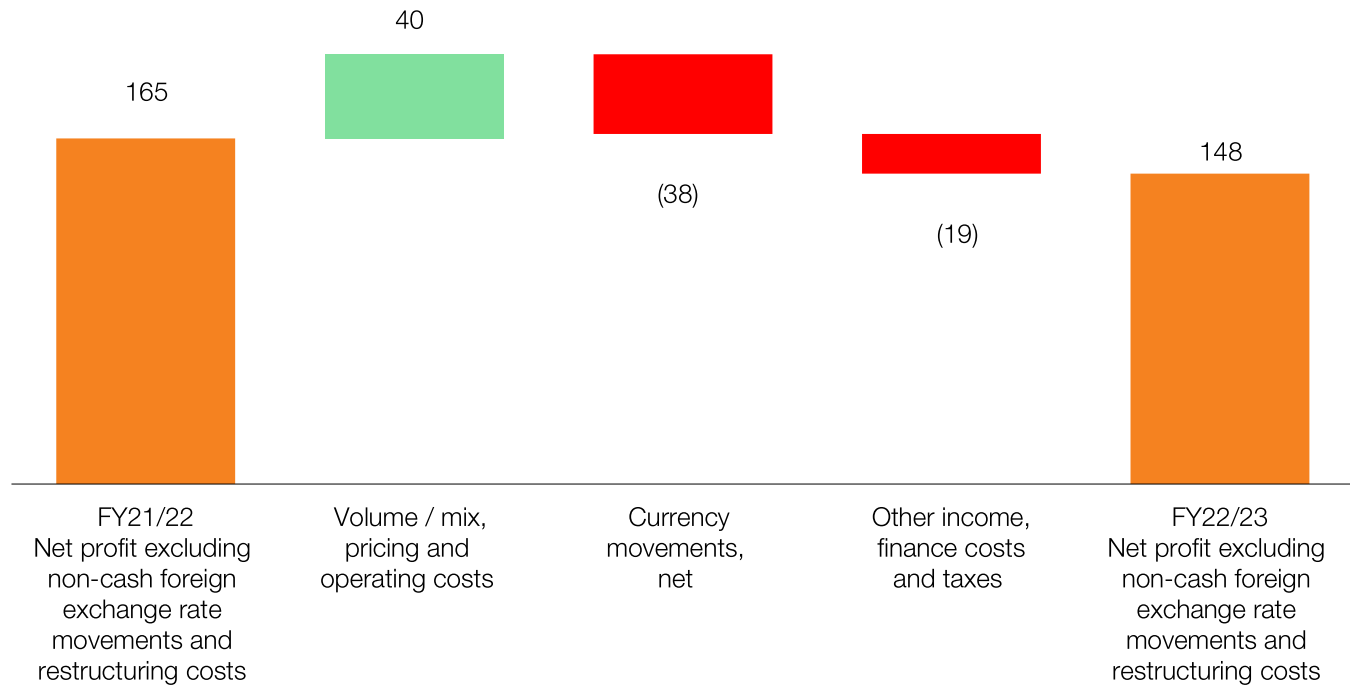
Product launches over the past few years to access new growth areas helped mitigate the decline in demand for home-centric products in FY22/23



Adjusted Net Profit FY22/23 vs. FY21/22

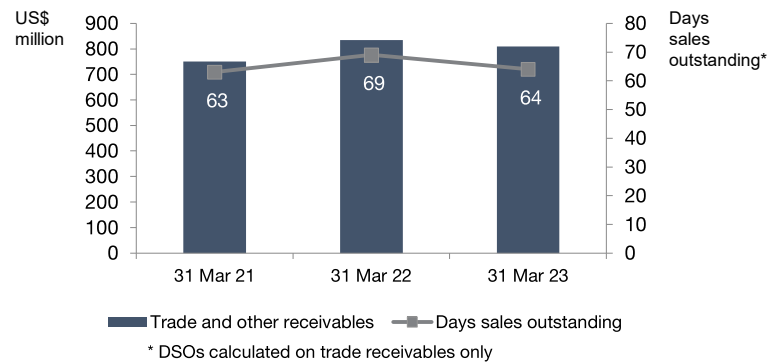
Increased sales & productivity improvements benefited profit, offset by higher raw material & energy costs & unfavourable currency movements

US\$ million

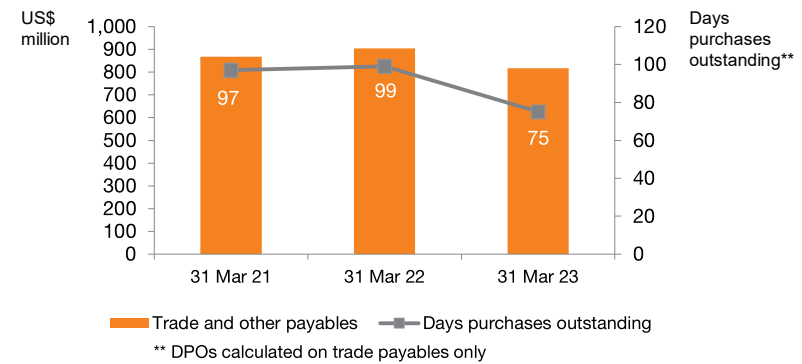


Working Capital and CAPEX

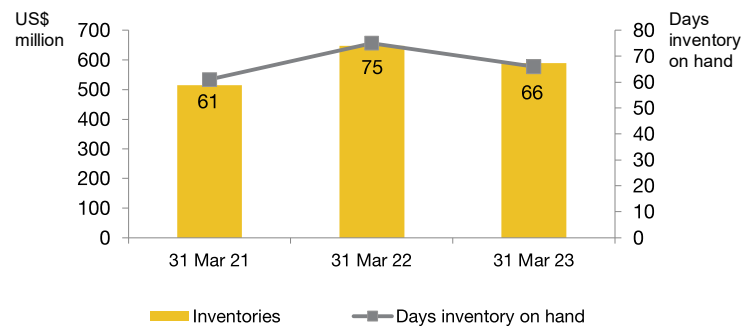
Trade and Other Receivables



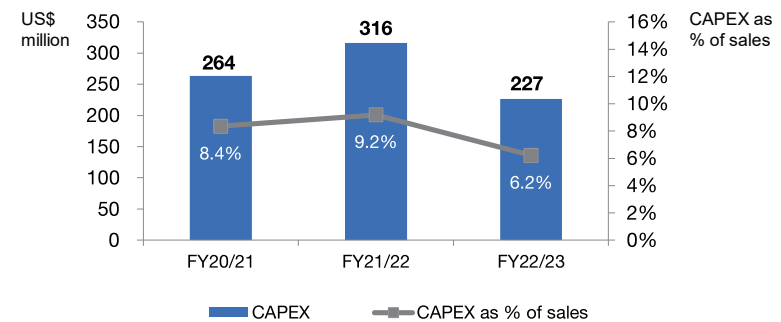
Trade and Other Payables



Inventories



Capital Expenditure



Free Cash Flow from Operations

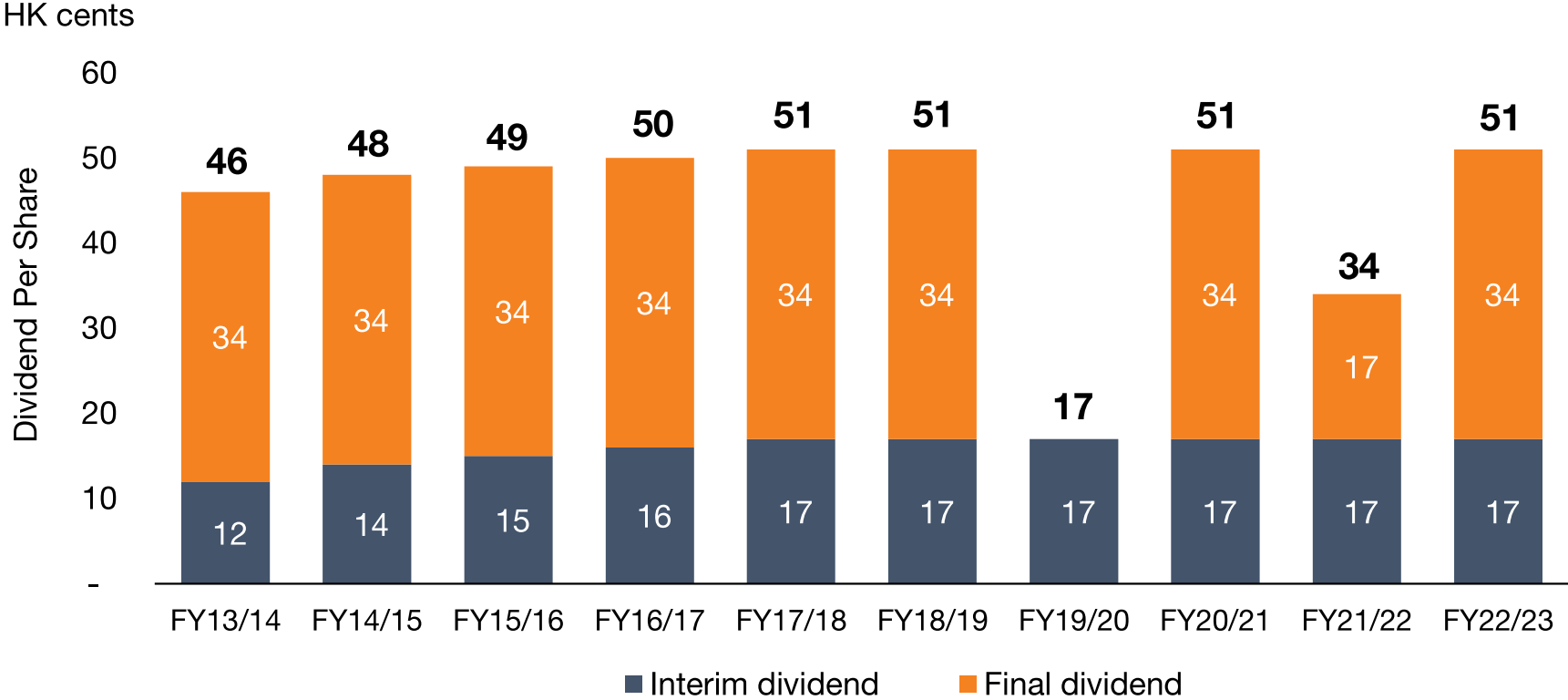
US\$ million	FY22/23	FY21/22	Change
EBITDA	472.9	470.8	2.1
Other non-cash items	(16.3)	6.6	(22.9)
Working capital changes	27.5	(233.7)	261.2
Capital expenditure *	(221.5)	(315.5)	94.0
Net interest, taxes and others	(47.8)	(60.6)	12.8
Free cash in / (out) flow from operations	214.8	(132.4)	347.2

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

Utilization of Free Cash Flow

US\$ million	FY22/23	FY21/22	Change
Free cash in / (out) flow from operations	214.8	(132.4)	347.2
Acquisitions and investment in joint venture	(72.6)	(28.2)	(44.4)
Dividends paid	(12.4)	(54.2)	41.8
(Repayments) / borrowings, net	(11.2)	62.7	(73.9)
Others	(37.3)	(39.5)	2.2
Currency translation (losses) on cash and cash equivalents	(18.0)	(2.5)	(15.5)
Net movement in cash and cash equivalents	63.3	(194.1)	257.4

Dividends



Note: Scrip dividend offered as an alternative since the interim dividend of FY18/19

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Outlook

- **Near-term**

- **Fragility** in the **global economy** – **Inflation** and **interest rates** threaten to push some developed economies into recession
- **Distorting effects** of the pandemic on demand and supply have begun to **ease**
- **FY23/24** – Budgeting for **5% to 7% sales growth**

- **Medium and long-term**

- Well positioned to **improve profit margins** and **cash generation** due to our business model
- **Innovative technology**
 - Targeted at megatrends shaping modern society including electrification, automation, environmental protection, mobility, health, and lifestyle improvement
 - Delivering product application performance improvements demanded by end-consumers
- **Global manufacturing platform** for **cost competitiveness**
 - Considerable recent investment in redesigning and expanding our operating footprint for a more automated and digital age

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Profitability Review

FY22/23 vs. FY21/22

US\$ million	FY22/23	FY21/22	Increase / (decrease) in profit
Sales	3,646.1	3,446.1	200.0
Gross profit	715.9	701.9	14.0
<i>Gross margin %</i>	<i>19.6%</i>	<i>20.4%</i>	
Other income, net	41.1	33.3	7.8
<i>As a % of sales</i>	<i>1.1%</i>	<i>1.0%</i>	
Intangible assets amortization expense	(34.4)	(35.2)	0.8
<i>As a % of sales</i>	<i>0.9%</i>	<i>1.0%</i>	
Other selling and administrative expenses ("S&A")	(522.1)	(508.2)	(13.9)
<i>As a % of sales</i>	<i>14.3%</i>	<i>14.7%</i>	
Restructuring and other related costs	(1.8)	(4.3)	2.5
Operating profit	198.7	187.5	11.2
<i>Operating profit margin %</i>	<i>5.4%</i>	<i>5.4%</i>	

Profitability Review

FY22/23 vs. FY21/22

US\$ million	FY22/23	FY21/22	Increase / (decrease) in profit
Operating profit	198.7	187.5	11.2
<i>Operating profit margin %</i>	<i>5.4%</i>	<i>5.4%</i>	
Share of (losses) of associate and joint venture	(1.6)	(0.3)	(1.3)
Net finance costs	(16.1)	(17.1)	1.0
Profit before income tax	181.0	170.1	10.9
Income tax expense	(19.7)	(17.9)	(1.8)
<i>Effective tax rate</i>	<i>10.9%</i>	<i>10.5%</i>	
Profit for the year	161.3	152.2	9.1
Non-controlling interests	(3.5)	(5.8)	2.3
Profit attributable to shareholders	157.8	146.4	11.4
Basic earnings per share (US cents)	17.42	16.37	1.05
Diluted earnings per share (US cents)	17.33	16.23	1.10

From Reported to Adjusted Net Profit

US\$ million	FY21/22			FY22/23		
	Before tax	Tax effect	Net of tax effect	Before tax	Tax effect	Net of tax effect
Net profit, as reported			146.4			157.8
Unrealized net gains on other financial assets and liabilities	(5.6)	(1.0)	(6.6)	(6.9)	0.2	(6.7)
Unrealized net losses / (gains) from revaluation of monetary assets and liabilities	29.4	(2.0)	27.4	(13.4)	2.9	(10.5)
Unrealized net (gains) / losses on structured foreign currency contracts	(6.7)	0.6	(6.1)	7.1	(1.2)	5.9
Restructuring and other related costs	4.3	(0.5)	3.8	1.8	(0.4)	1.4
Net losses / (gains) of significant non-cash items, restructuring and other related costs	21.4	(2.9)	18.5	(11.4)	1.5	(9.9)
Net profit excluding non-cash foreign exchange rate movements and restructuring costs ¹			164.9			147.9
<i>As a % of sales</i>			4.8%			4.1%

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 FY22/23 vs. FY21/22

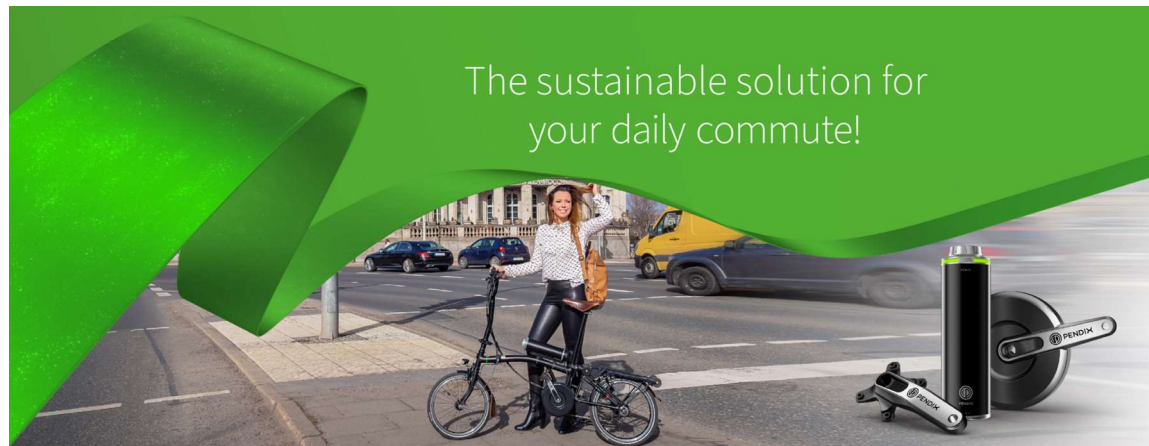
USD	FY22/23	FY21/22		
Average Exchange Rate	APR-MAR	APR-MAR		Change
CAD per USD	1.322	1.253	CAD weakened	5.5%
CNY per USD	6.845	6.420	CNY weakened	6.6%
USD per EUR	1.041	1.163	EUR weakened	10.5%

Acquisition of 80% stake in Pendix GmbH in October 2022



Based in **Germany**, Pendix designs, manufactures, and brings to market complete **electric cargo bikes** and **electric drives for bicycles**

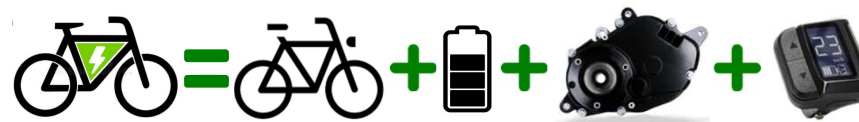
Annual sales of **EUR 17.4 million** (US\$ 17.1 million) for the year ended 31 December 2021



Well-established **technology-driven** player in the e-bike industry

Enables Johnson Electric to **expand our e-mobility offering** and enter the e-bike market

With Johnson Electric's **industrial scale** and global reach and Pendix's **e-bike expertise**, we are positioning ourselves into a **fast-growing and innovative industry**



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.

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