

FY23/24

Annual Results

For the year ended 31 March 2024

Investor Briefing

May 2024



FY23/24

Annual Results

Investor Briefing

Overview

Why Invest in Johnson Electric?

Key Financial Highlights

Operating Results

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



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

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History & Development



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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 gas 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

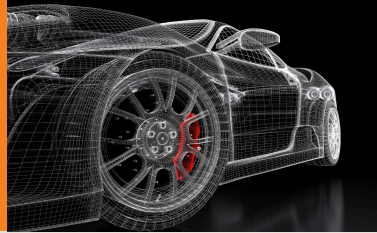
Industrial equipment, delivery robots, smart metering, warehouse automation solutions and data center cooling solutions

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Our Divisions

Automotive Products Group



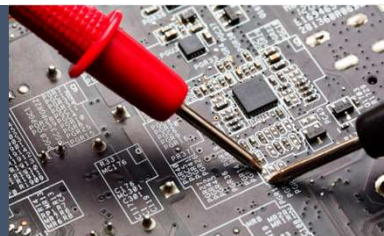
- Braking
- Closure
- Interior
- Pumps
- Steering
- Suspension
- Thermal management
- Transmission & driveline
- Vision

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

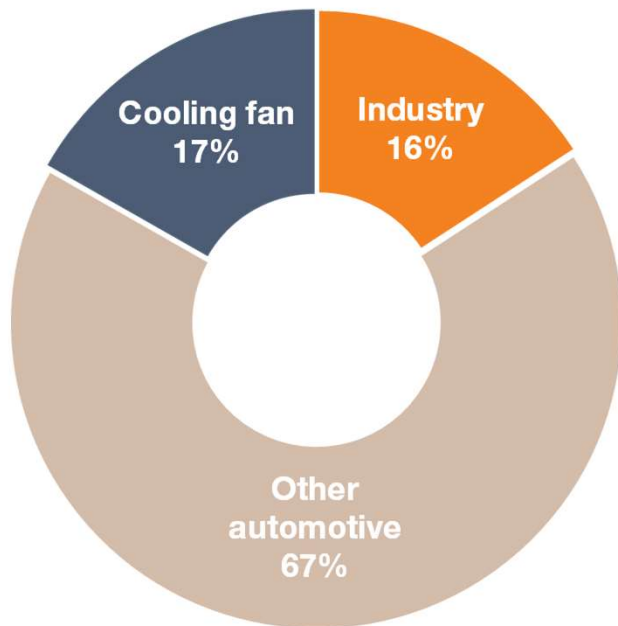


- Bearings
- Commutators
- Die cast components
- Housings
- Laminations
- Magnets
- Plastic parts
- Powder metal components
- Printed circuit board assemblies
- Shafts

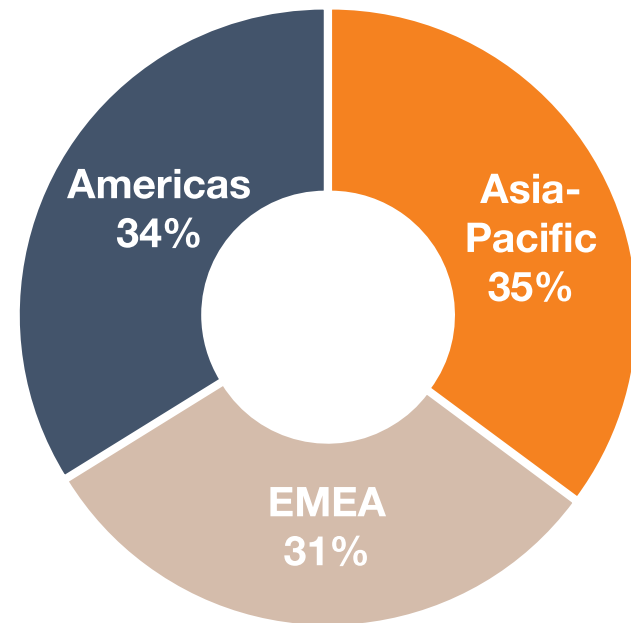
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Diversified Sales FY23/24

By Major Lines of Business



By Destination



Diversified Customer Base

World-class Customers Across Diversified Industries



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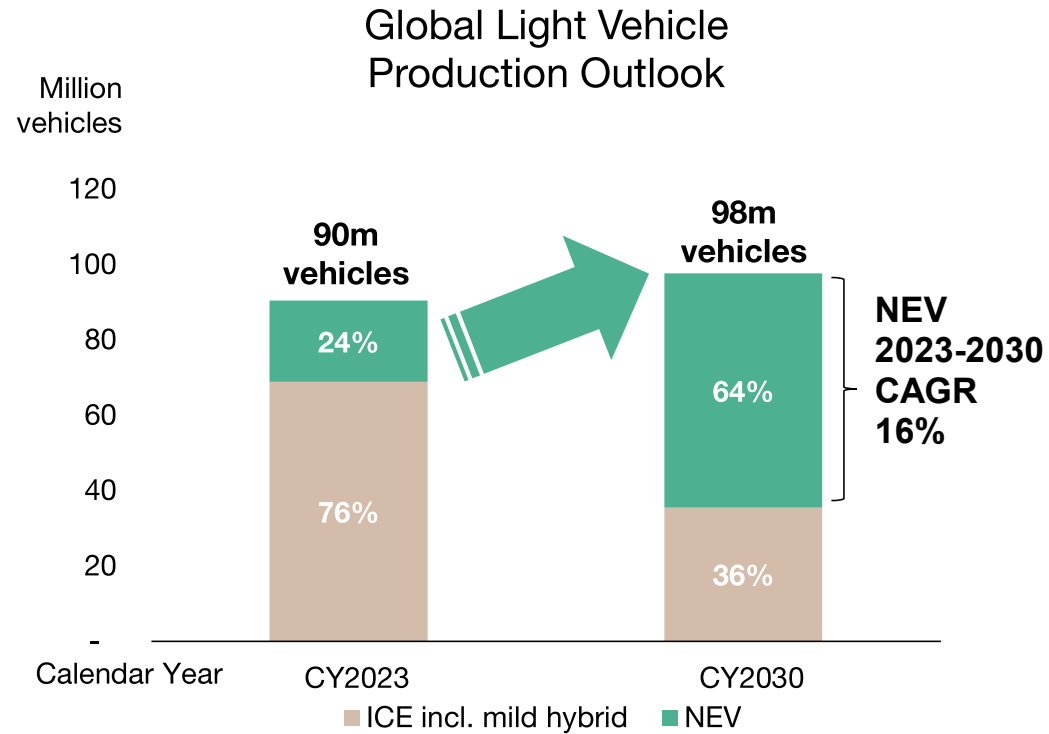
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Market shift to net zero APG's Growth Opportunity

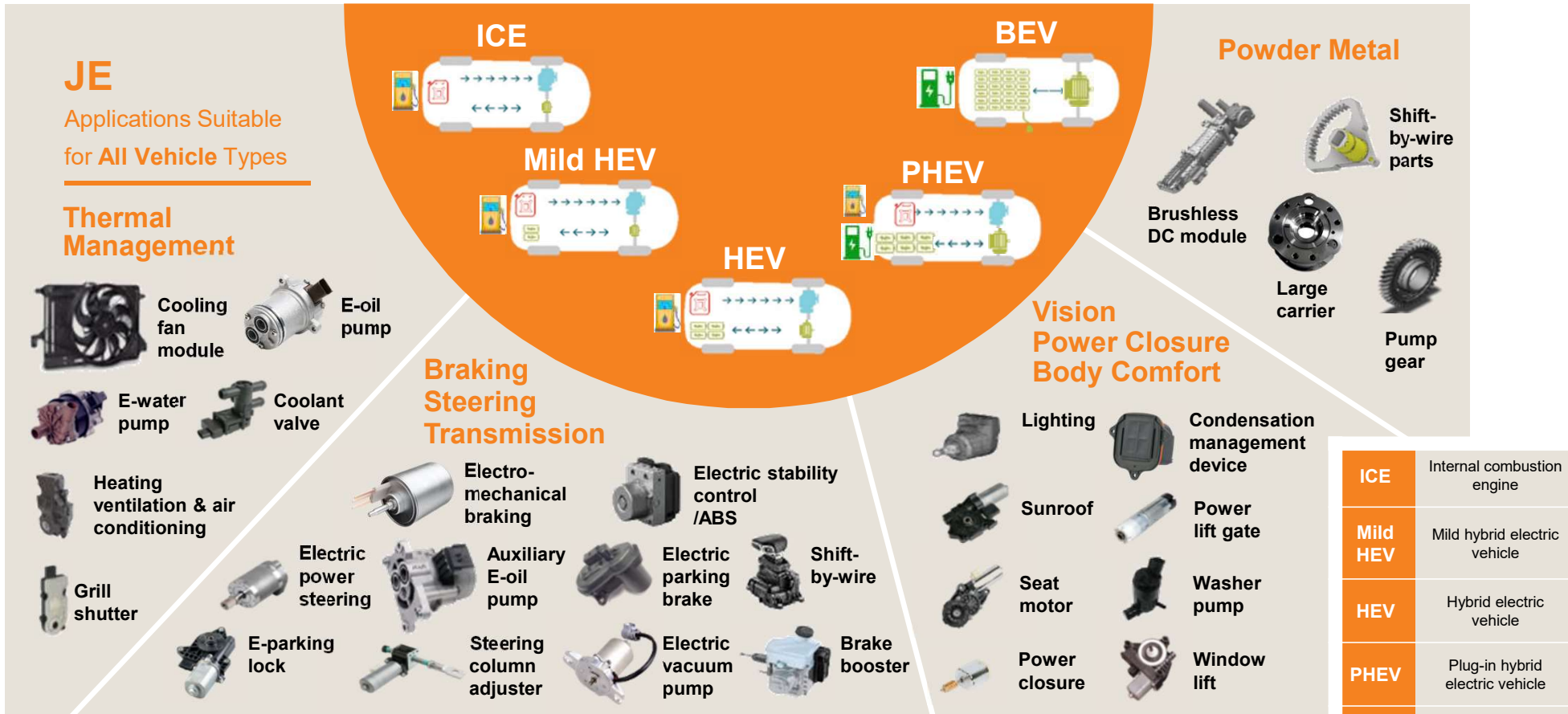
High demand for innovative, cost-competitive solutions for:

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



JE Automotive Products

Enabling Electrification and Reducing Emissions



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JE Automotive Products

Well Positioned for Growth in New Energy Vehicles (NEV)

JE

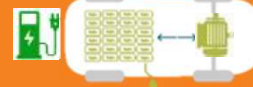
Applications targeting
Hybrid & BEV

Mild HEV
HEV PHEV

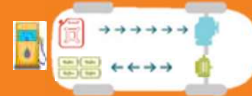
Mild HEV



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

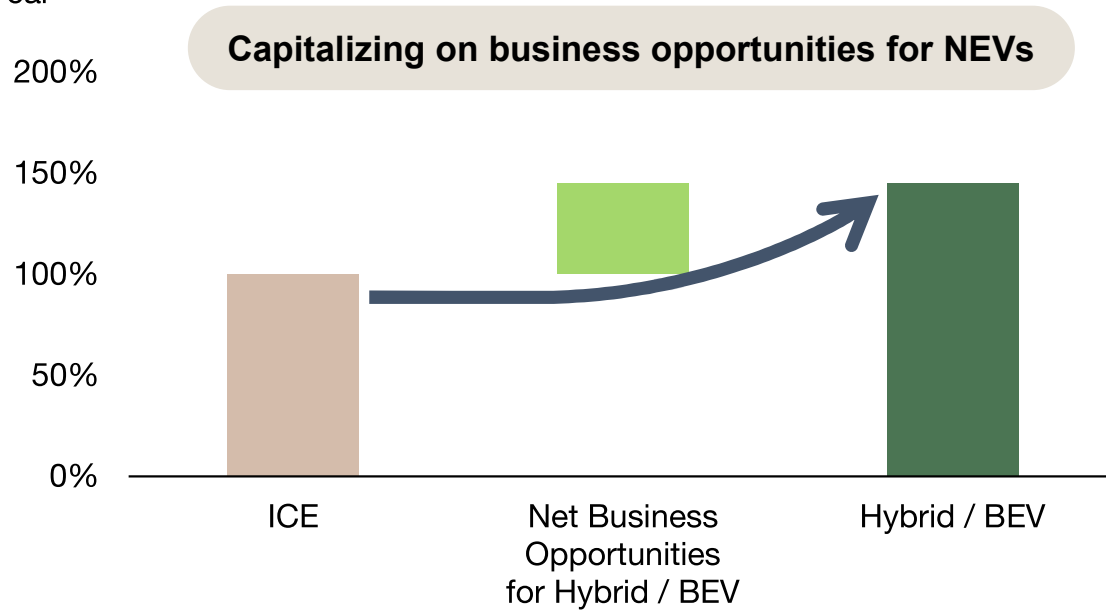
BEV

Battery electric vehicle

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Content Opportunity per Vehicle Increases from ICE to Hybrid / BEV

% Change in Dollar content per passenger car



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 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

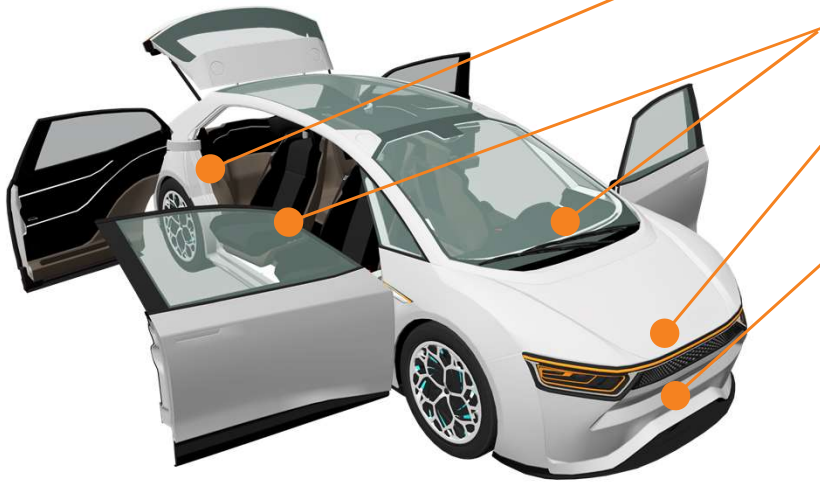
Steering System

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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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

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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



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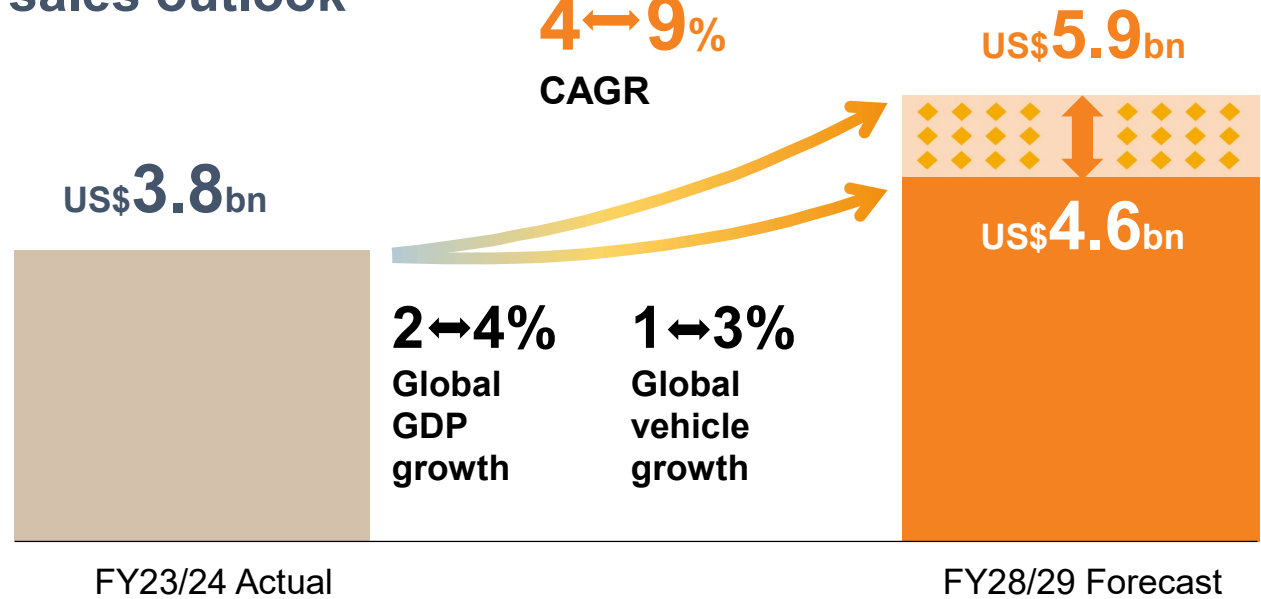


Winning Market Traction

Medium-term sales outlook

JOHNSON ELECTRIC
4↔9%
CAGR

New business wins and opportunities are set to sustain growth



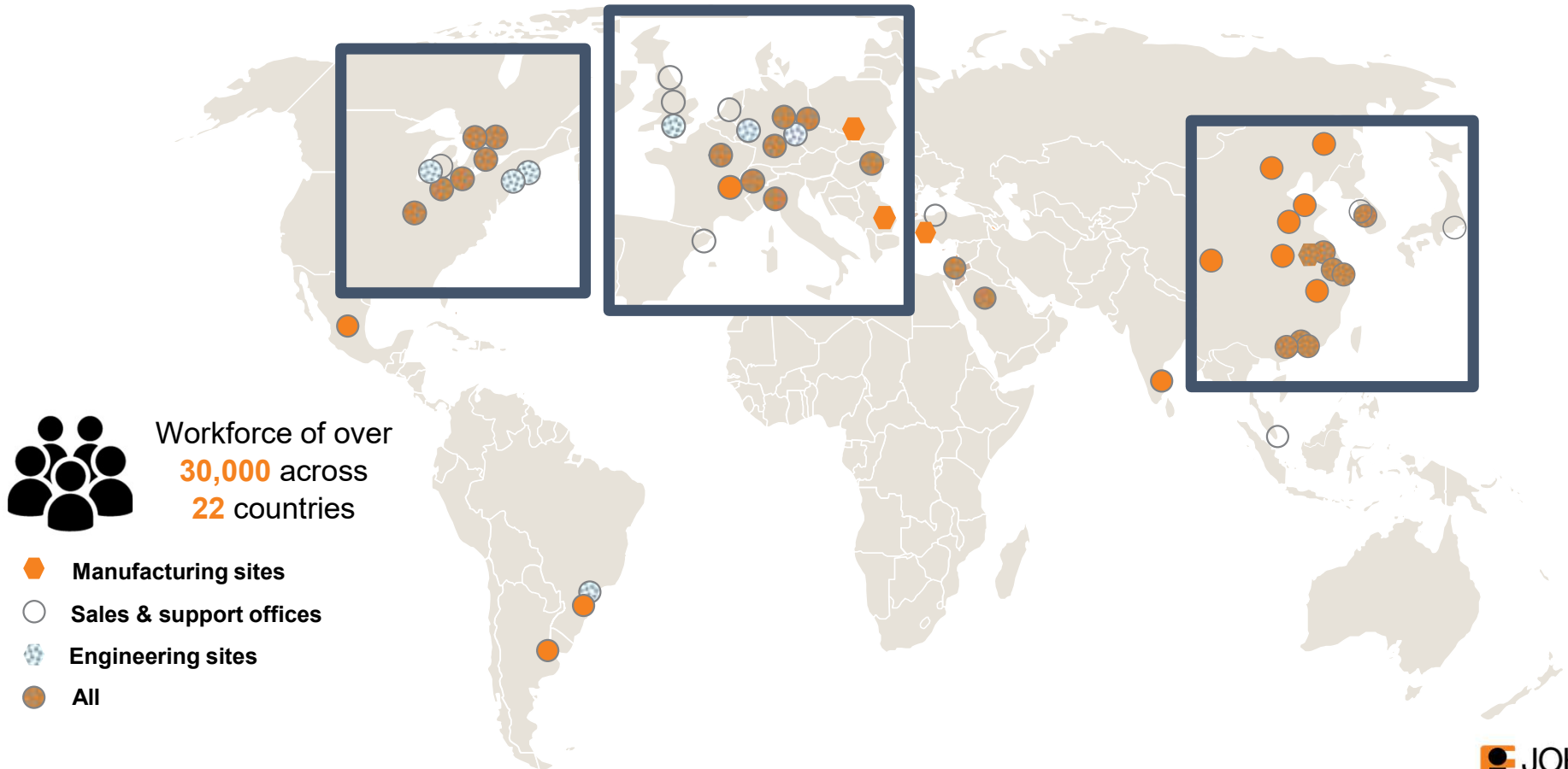
Note: Estimated total Group sales outlook based on customer order book and forecasts, and other forward-looking indicators, assuming no acquisitions, macro-economic cyclical downturns or other market disruptions.

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Global Operating Footprint

Operating in 22 Countries across 4 Continents



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ESG is Integral to Johnson Electric's Evolution

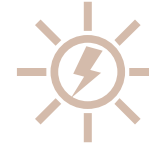


Our environmental strategy and policies address:

- **Energy and climate**
- **Waste**
- **Water**
- **Emissions**
- **Climate risks**



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



BUSINESS AMBITION FOR 1.5°C

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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



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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 in FY23/24

 <p>52% 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>Zero waste to landfill</p>		



Hang Seng Corporate Sustainability Index Series Member 2023-2024

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	FY23/24	FY22/23	Increase / (Decrease)
Sales	3,814.2	3,646.1	168.1
Gross profit	850.7	715.9	134.8
<i>Gross margin</i>	22.3%	19.6%	2.7%
EBITA ¹	315.2	231.5	83.7
EBITA adjusted ²	342.8	220.1	122.7
<i>EBITA adjusted margin</i>	9.0%	6.0%	3.0%
Profit attributable to shareholders	229.2	157.8	71.4
Adjusted net profit ²	252.0	147.9	104.1
Diluted earnings per share (US cents)	24.71	17.33	7.37
Capital expenditure	184.9	226.6	(41.7)
<i>Capital expenditure as % of sales</i>	4.8%	6.2%	(1.4%)
Free cash flow from operations	422.4	214.8	207.6

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 rounding

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Financial Highlights

US\$ million	31 Mar 2024	31 Mar 2023	Increase / (Decrease)
Cash ¹	809.9	408.7	401.2
Total debt ²	560.8	474.0	86.8
Net cash / (debt) ³	249.1	(65.3)	314.4

Key Financial Ratios	31 Mar 2024	31 Mar 2023	Increase / (Decrease)
Total debt to capital ⁴	18%	16%	2%
Net debt to net capital ⁵	n/a	3%	n/a
Gross debt ⁶ to EBITDA adjusted ⁷	1.1	1.3	(0.2)
Interest cover ⁸	10.8	9.8	1.0

1. Cash, 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. Net capital equals to total equity plus total debt minus cash. The net debt to net capital as of 31 March 2024 is not applicable (n/a) as the Group is in a net cash position
6. Including pension liabilities and lease liabilities
7. Adjusted earnings before interest, tax, depreciation and amortization, giving adjusted EBITDA of US\$587.8 million (31 March 2023: US\$461.5 million)
8. Adjusted EBITA divided by gross interest expense. Gross interest expense was adjusted to include capitalized interest

Note: Numbers do not add up due to rounding

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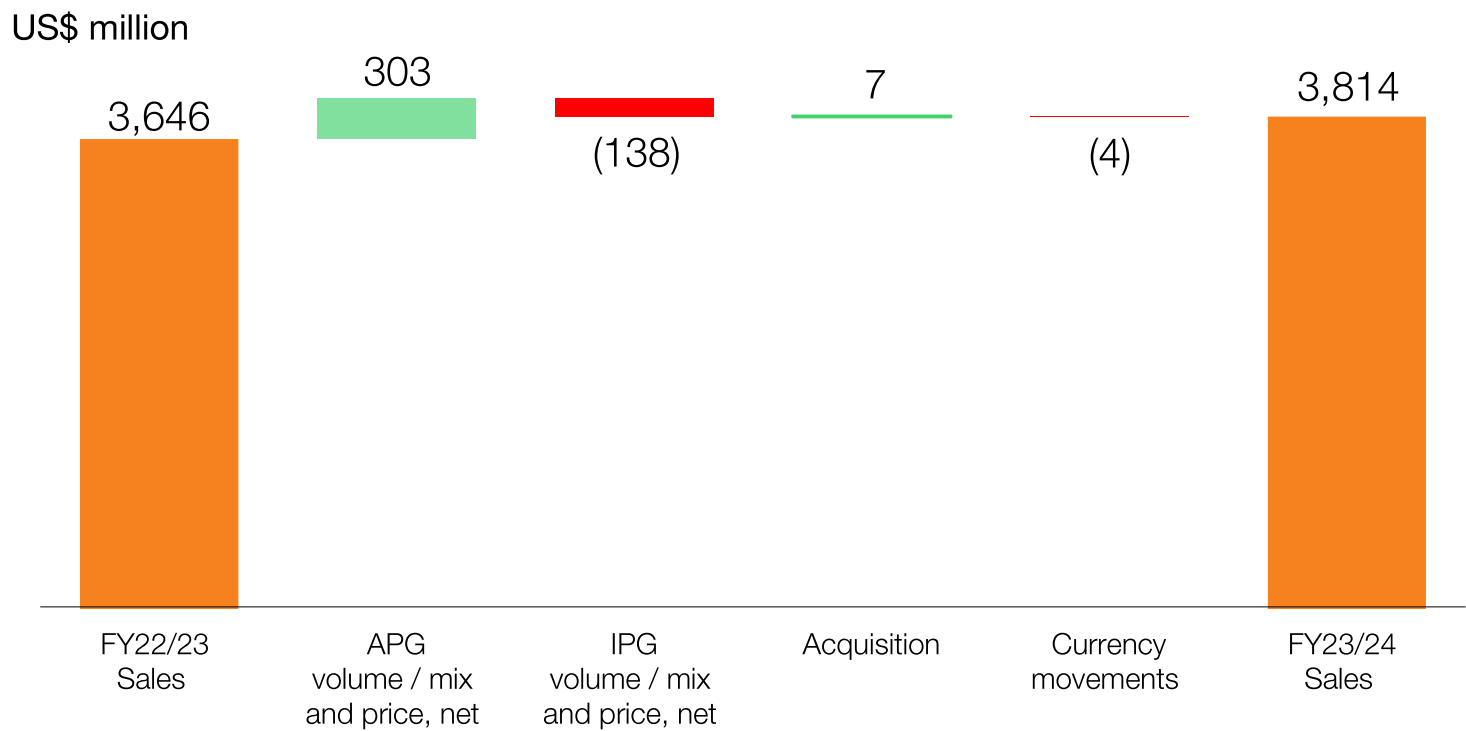
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Group Sales Changes FY23/24 vs. FY22/23

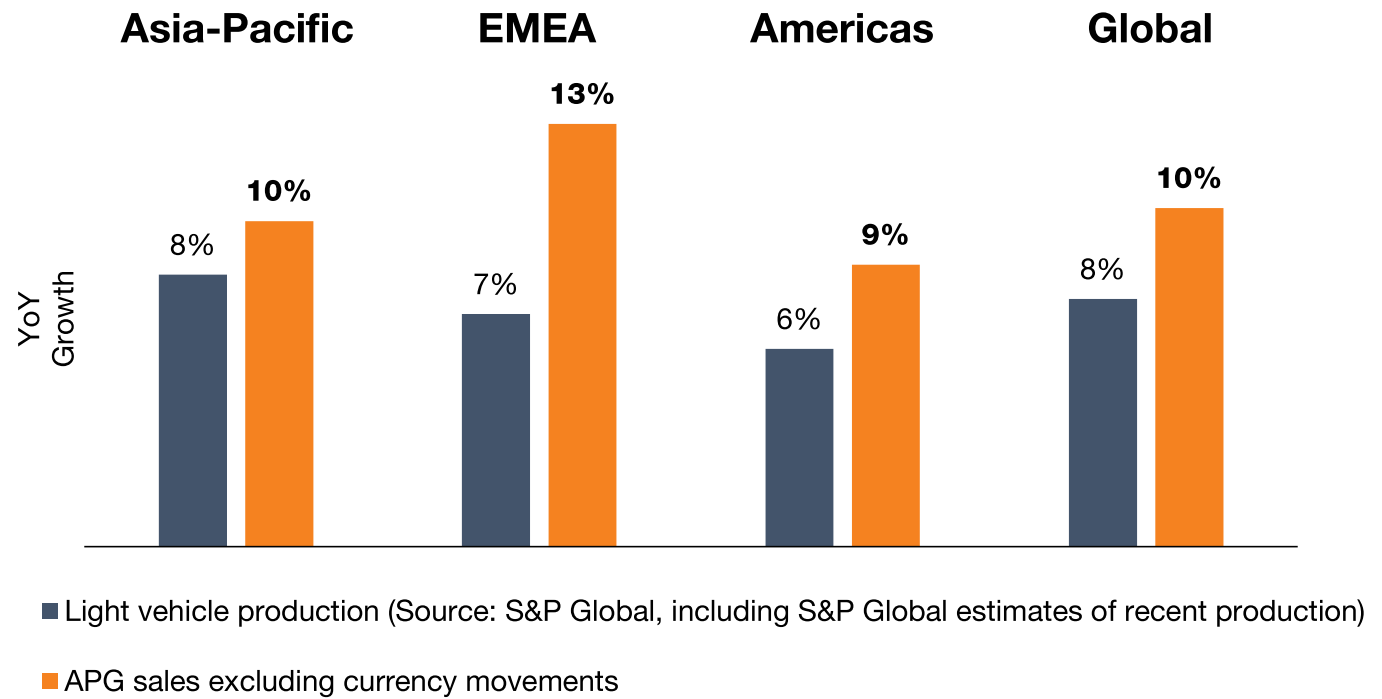
Sales increased 5%

APG experienced strong demand, however, IPG's end-markets remain subdued



APG Sales Growth vs. Light Vehicle Production FY23/24 vs. FY22/23

Increased sales in thermal management, powder metal components, oil pumps, braking and vision contributed to our double-digit growth

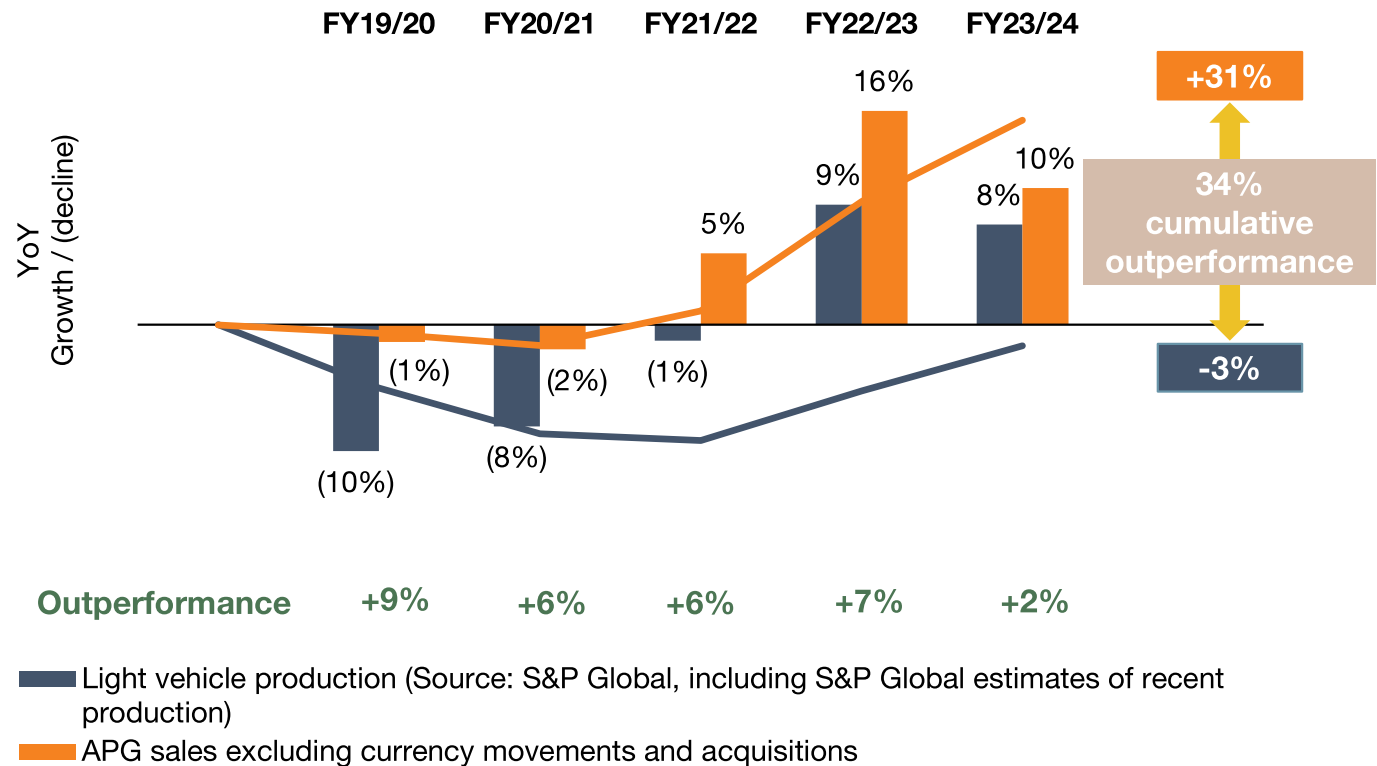


APG

Multi-Year Sales Changes vs. Light Vehicle Production

Long-term outperformance compared to light vehicle production, due to APG's focus on :

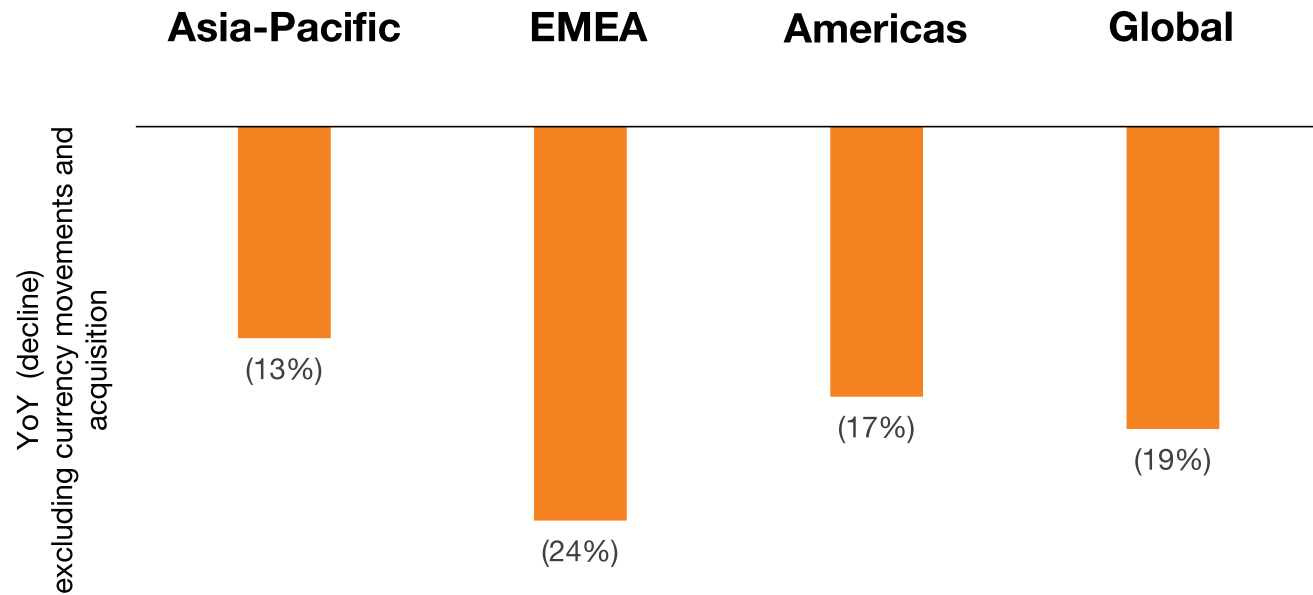
- Technologies for battery-electric & hybrid vehicles
- Weight reduction
- Safety & comfort



Note: Cumulative performance percentages are calculated based on FY18/19 as the base year

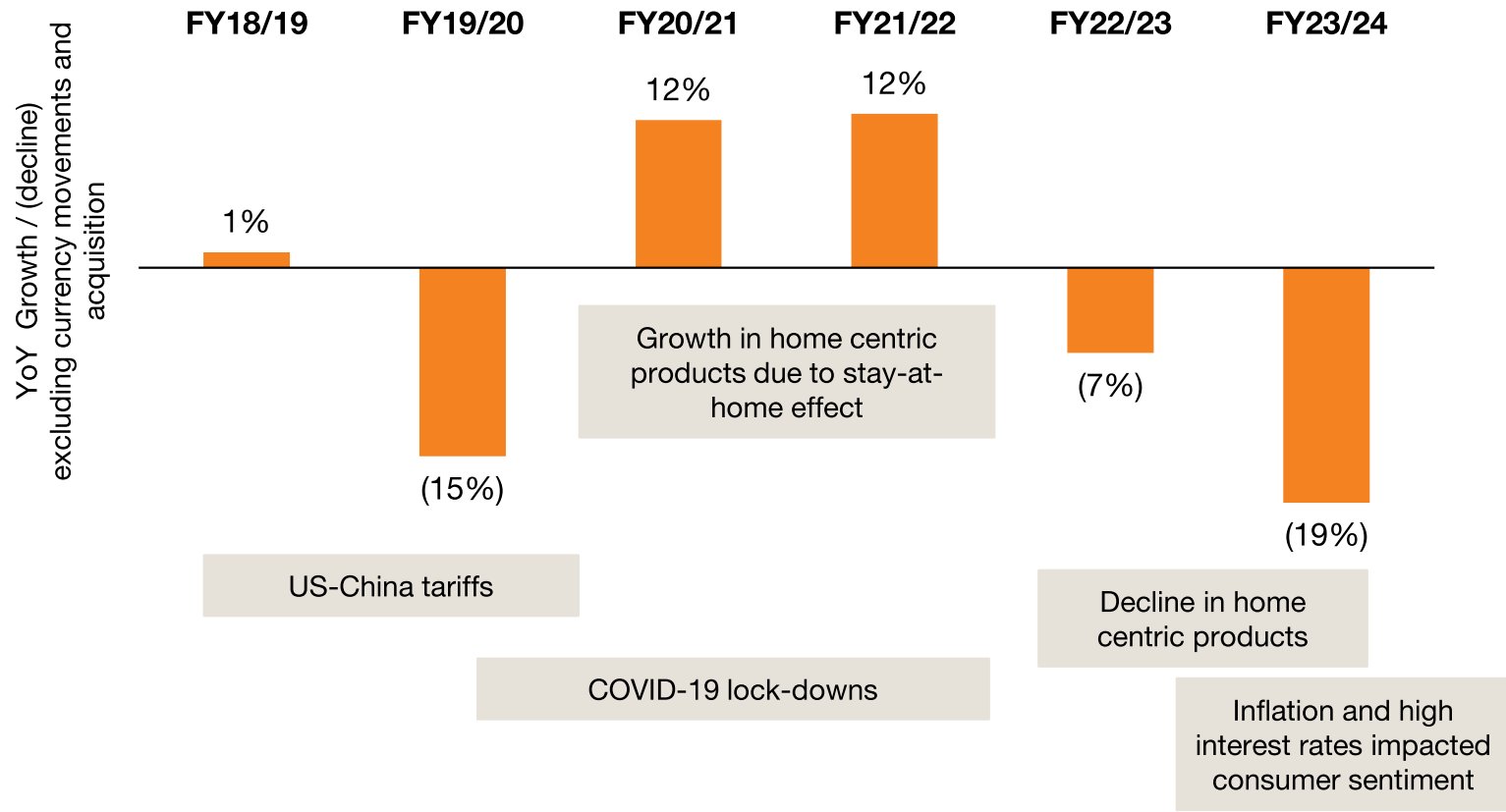
IPG Sales Growth by Region FY23/24 vs. FY22/23

IPG faced subdued markets due to lingering inflation and economic uncertainty





Multi-Year Sales Trend



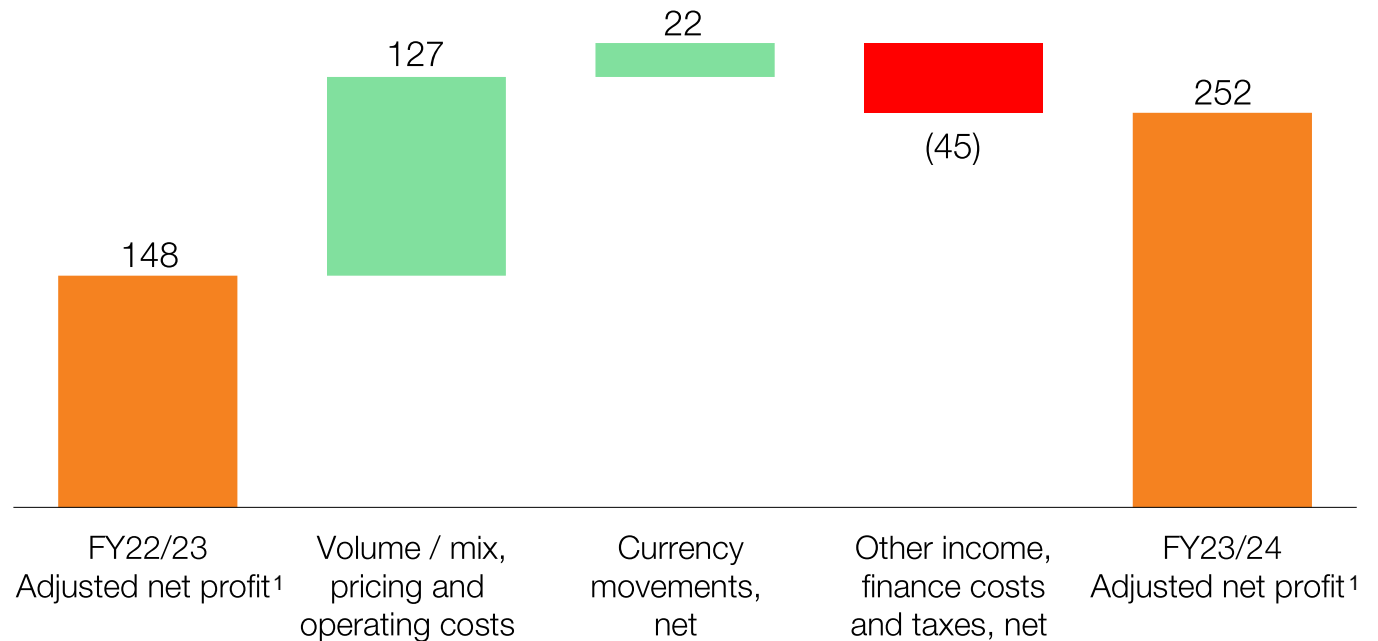
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Adjusted Net Profit FY23/24 vs. FY22/23

Profit increased, mainly due to volume/mix changes, cost-saving initiatives, partial recovery of cost inflation, and lower freight rates

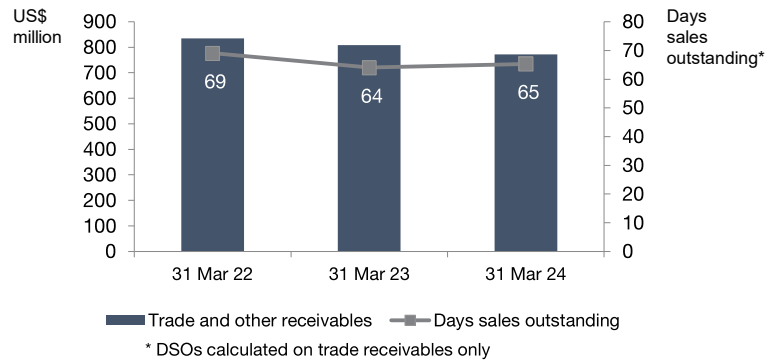
US\$ million



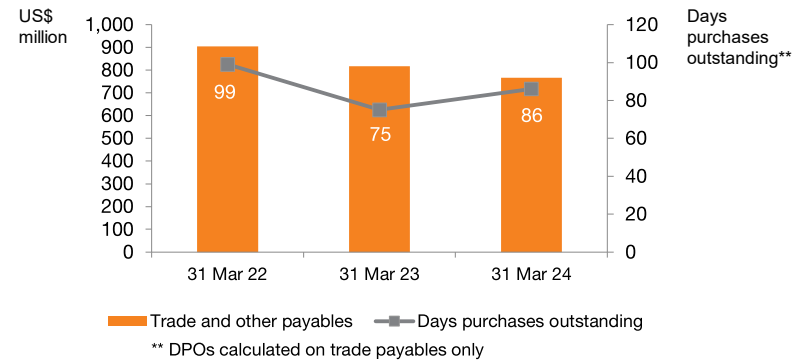
1. Unrealized gains or losses relating to exchange rate movements are significant non-cash items. Restructuring and other related costs are not part of the routine operations of the Group. This adjusted measure of net profit excluding non-cash foreign exchange rate movements and restructuring costs provides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

Working Capital and Capital Expenditure

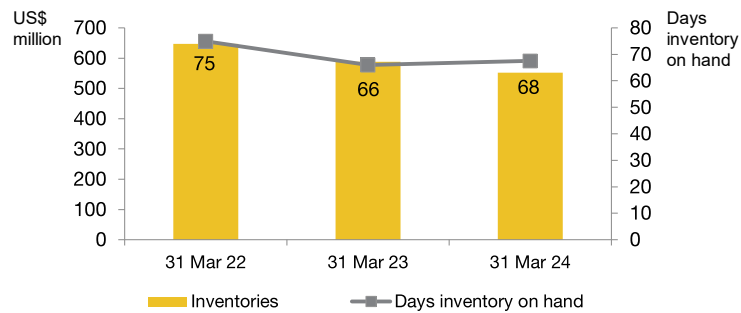
Trade and Other Receivables



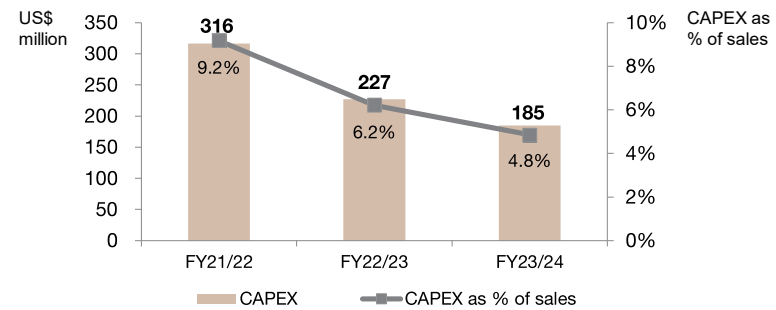
Trade and Other Payables



Inventories



Capital Expenditure



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Free Cash Flow from Operations

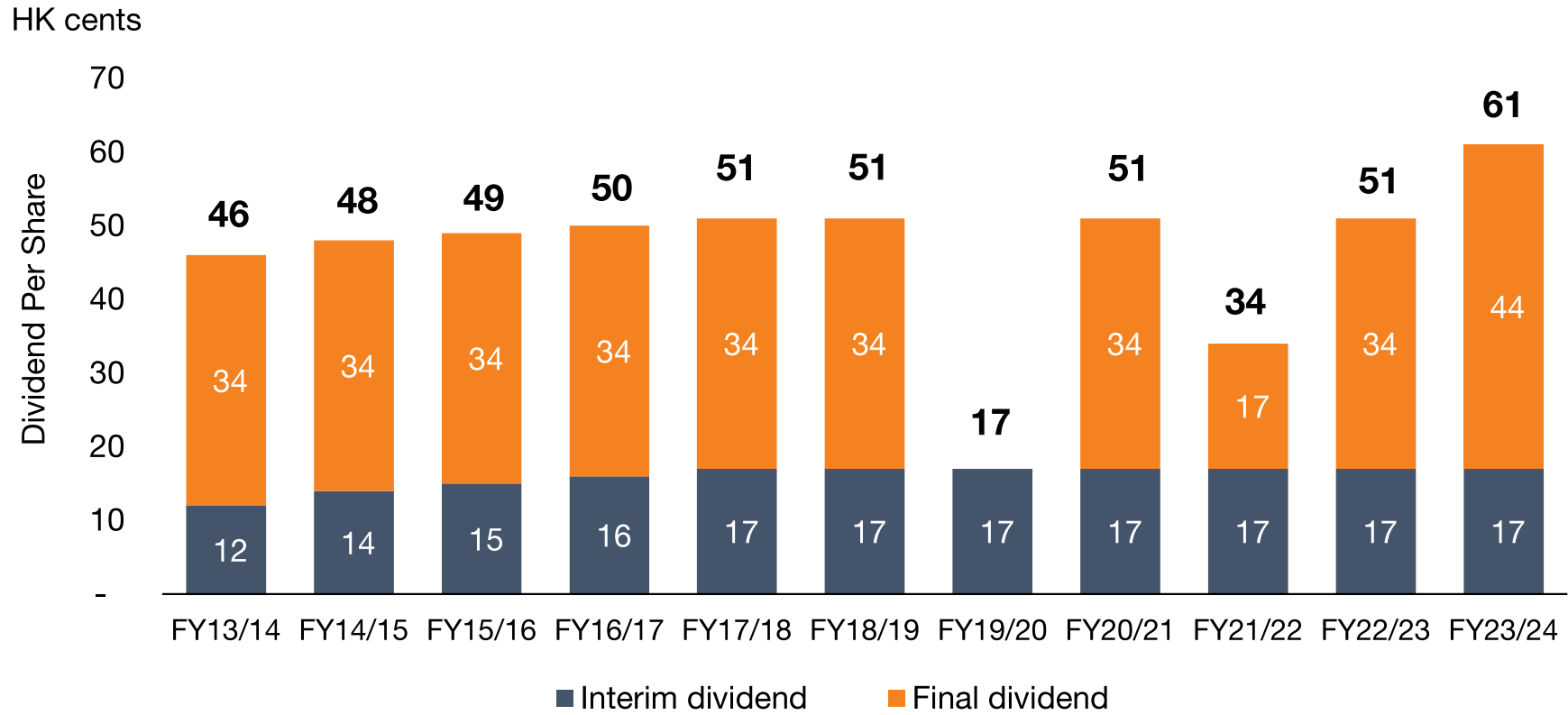
US\$ million	FY23/24	FY22/23	Change
EBITDA	560.2	472.9	87.3
Other non-cash items	44.3	(16.3)	60.6
Working capital changes	70.3	27.5	42.8
Capital expenditure *	(178.2)	(221.5)	43.3
Net interest, taxes and others	(74.2)	(47.8)	(26.4)
Free cash flow from operations	422.4	214.8	207.6

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

Utilization of Free Cash Flow

US\$ million	FY23/24	FY22/23	Change
Free cash flow from operations	422.4	214.8	207.6
Acquisitions and investment in joint venture	(3.0)	(72.6)	69.6
Dividends paid	(52.5)	(12.4)	(40.1)
Borrowings / (repayment), net	87.7	(11.2)	98.9
Time deposits with maturities over three months	(60.0)	-	(60.0)
Others	(44.0)	(37.3)	(6.7)
Currency translation (losses) on cash and cash equivalents	(9.4)	(18.0)	8.6
Net movement in cash and cash equivalents	341.2	63.3	277.9

Dividends



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Outlook

- **Year ahead**
 - **Subdued global macro-economic conditions**
 - Inflation easing only gradually
 - Interest rates in Western economies potentially staying higher for longer
 - **Geopolitical tensions** present the biggest **risk** to growth and international trade
 - Conflicts in Ukraine and the Middle East
 - Automotive component **demand** has **slowed** sharply from a year ago
 - Light vehicle production volumes forecast to be flat for calendar year 2024
 - Management budgeting for **low single digit rate of sales growth** in FY24/25
- **Medium to longer term**
 - **Growing market share** in segments where we are competitively advantaged
 - **Driving for operational excellence** across every aspect of our business
 - **Cautiously optimistic** Johnson Electric stands on a **solid base to build and grow value** for all stakeholders

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Profitability Review

FY23/24 vs. FY22/23

US\$ million	FY23/24	FY22/23	Increase / (decrease) in profit
Sales	3,814.2	3,646.1	168.1
Gross profit	850.7	715.9	134.8
<i>Gross margin %</i>	<i>22.3%</i>	<i>19.6%</i>	
Other (expenses) / income, net	(13.4)	41.1	(54.5)
<i>As a % of sales</i>	<i>0.4%</i>	<i>1.1%</i>	
Intangible assets amortization expense	(32.5)	(34.4)	1.9
<i>As a % of sales</i>	<i>0.9%</i>	<i>0.9%</i>	
Other selling and administrative expenses (“S&A”)	(509.3)	(522.1)	12.8
<i>As a % of sales</i>	<i>13.4%</i>	<i>14.3%</i>	
Restructuring and other related costs	(10.2)	(1.8)	(8.4)
Operating profit	285.3	198.7	86.6
<i>Operating profit margin %</i>	<i>7.5%</i>	<i>5.4%</i>	

Profitability Review

FY23/24 vs. FY22/23

US\$ million	FY23/24	FY22/23	Increase / (decrease) in profit
Operating profit	285.3	198.7	86.6
<i>Operating profit margin %</i>	7.5%	5.4%	
Share of losses of associate and joint venture	(2.6)	(1.6)	(1.0)
Net finance costs	(11.6)	(16.1)	4.5
Profit before income tax	271.1	181.0	90.1
Income tax expense	(38.8)	(19.7)	(19.1)
<i>Effective tax rate</i>	14.3%	10.9%	
Profit for the year	232.3	161.3	71.0
Non-controlling interests	(3.1)	(3.5)	0.4
Profit attributable to shareholders	229.2	157.8	71.4
Basic earnings per share (US cents)	24.83	17.42	7.41
Diluted earnings per share (US cents)	24.71	17.33	7.38

From Reported to Adjusted Net Profit

US\$ million	FY22/23			FY23/24		
	Before tax	Tax effect	Net of tax effect	Before tax	Tax effect	Net of tax effect
Net profit, as reported			157.8			229.2
Unrealized net (gains) / losses on other financial assets and liabilities	(6.9)	0.2	(6.7)	2.4	(0.5)	1.9
Unrealized net gains from revaluation of monetary assets and liabilities	(13.4)	2.9	(10.5)	(3.1)	0.1	(3.0)
Unrealized net losses on structured foreign currency contracts	7.1	(1.2)	5.9	18.1	(2.2)	15.9
Restructuring and other related costs	1.8	(0.4)	1.4	10.2	(2.2)	8.0
Net (gains) / losses of significant non-cash items, restructuring and other related costs	(11.4)	1.5	(9.9)	27.6	(4.8)	22.8
Adjusted net profit ¹			147.9			252.0
As a % of sales			4.1%			6.6%

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

FY23/24 vs. FY22/23

USD	FY23/24	FY22/23		
Average Exchange Rate	APR-MAR	APR-MAR	Change	
CAD per USD	1.348	1.322	CAD weakened	2.0%
CNY per USD	7.109	6.845	CNY weakened	3.9%
USD per EUR	1.085	1.041	EUR strengthened	4.2%

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.