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Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

Business and Unaudited Financial Information for the First Quarter of Financial Year 2021/22

This announcement is made by Johnson Electric Holdings Limited (“Johnson Electric” or the “Company” and together with its subsidiaries, the “Group”) for the business operations and selected unaudited financial information of the Group for the three months ended 30 June 2021.

The Board of Directors (the “Board”) of the Company considers the publication of quarterly sales performance updates to be consistent with international corporate disclosure best practice. The objective of this announcement is to provide transparency and to ensure that investors and potential investors receive equal access to the same information at the same time.

The Group's sales for the quarter ended 30 June 2021 were US\$877 million compared to US\$517 million for the same quarter in 2020, an increase of 70%. It should be noted that sales in the same quarter of the prior financial year were significantly impacted by the COVID-19 pandemic.

Excluding currency movements and acquisitions, sales increased by 61% to US\$831 million. Foreign exchange rate movements had a positive effect of US\$45 million on the Group's sales for the quarter. This was mainly due to the impact of stronger average exchange rates for the Euro, the Chinese Renminbi and the Canadian Dollar against the US Dollar, compared to the same quarter in 2020.

The acquisition of E. Zimmermann GmbH (“Zimmermann”), a specialist automotive machining business based in Germany, on 31 May 2021 added US\$1 million to sales for the quarter ended 30 June 2021.

Sales of Automotive Products Group (“APG”)

APG's sales for the quarter ended 30 June 2021 increased by US\$313 million or 87% compared to the same quarter in 2020. Excluding the acquisition of Zimmermann and currency effects, APG's sales increased by US\$270 million or 75% in the quarter, with the following changes by region:

- Asia increased 21%
- Europe increased 128%
- Americas increased 157%

A large part of this increase was due to the rebound in light vehicle production volumes especially in Europe and the Americas where sales were significantly lower in the same quarter in 2020, when many customer plants were shut down due to COVID-19. Nonetheless, APG's sales growth in the period exceeded the increase in production

volumes for the automotive industry overall in all regions. Sales benefitted from new and recent programmes for window-lift, sunroof and power-lift gate, braking, seat and thermal management applications. APG also experienced increased customer demand for its products for heating, ventilation and air-conditioning, lighting, steering and fuel cell applications.

Sales of Industry Products Group (“IPG”)

IPG’s sales for the quarter ended 30 June 2021 increased by US\$47 million or 30% compared to the same quarter in 2020. Excluding currency effects, IPG’s sales increased by US\$43 million or 27% in the quarter, with the following changes by region:

- Asia increased 33%
- Europe increased 24%
- Americas increased 23%

Sales in the lawn and garden, white goods, window automation and other home-centric segments demonstrated particularly strong growth due to a combination of recent programme launches, new business wins and increased market demand. Sales in the medical segment increased, as automated surgical tools took some market share from manual medical devices.

Additionally, it should be noted that sales to some of IPG’s smaller customers and distributors were adversely affected by the COVID-19 pandemic in the same quarter in 2020.

Chairman’s Comments on First Quarter’s Sales Performance and Outlook

Concerning the first quarter’s sales performance and outlook for the current financial year, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, “Johnson Electric’s positive business trajectory in the second half of the past financial year continued in the first quarter of FY2021/22. This was achieved despite ongoing global shortages of semiconductors that, combined with other supply chain bottlenecks, are hampering sales fulfilment for some of our business units. And, as noted in previous investor guidance, the sharp increase in commodity prices that accompanied the global economic rebound is also exerting pressure on gross margins in the shorter term.”

“Nonetheless, we continue to experience strong customer demand in all regions for our portfolio of innovative motion products and technology solutions that are designed to address the key growth drivers in the end-markets that we serve. In the automotive sector, these include electrification, emissions reduction, fuel economy, higher safety and greater comfort. In industrial and consumer markets, the focus is on energy efficiency, increased controllability and cost-effective solutions that improve health and well-being. Across each of these areas, I am confident that Johnson Electric is exceptionally well positioned to compete and win. In summary, the Group remains firmly on track to deliver healthy sales growth in the current financial year.”

Cautionary Statement

Shareholders and potential investors in the Company are reminded that the information provided in this announcement, including information related to the expected outlook for the full year, is based on the Group’s unaudited internal records and management accounts. This information has not been reviewed or audited by the Company’s auditors.

Shareholders and potential investors should exercise caution when dealing or investing in the shares of the Company.

Board of Directors

As of the date of this announcement, the Board of Directors comprises Patrick Shui-Chung WANG, MAK WANG Wing-Yee Winnie, Austin Jesse WANG being the Executive Directors and WANG KOO Yik-Chun, Peter Kin-Chung WANG being the Non-Executive Directors and Peter Stuart Allenby EDWARDS, Patrick Blackwell PAUL, Michael John ENRIGHT, Joseph Chi-Kwong YAM, Christopher Dale PRATT and Catherine Annick Caroline BRADLEY being the Independent Non-Executive Directors.

By Order of the Board
Johnson Electric Holdings Limited
Lai-Chu CHENG
Company Secretary

Hong Kong, 13 July 2021

Johnson Electric is one of the constituent stocks on the Hang Seng Composite MidCap Index under the Hang Seng Composite Index, the Hang Seng Corporate Sustainability Benchmark Index, the Bloomberg World Index and the S&P Europe Pacific Asia Composite (EPAC) SmallCap Index. For further information, please visit www.johnsonelectric.com.