

## **NEWS RELEASE**

### **Johnson Electric reports Business and Unaudited Financial Information for the Third Quarter of Financial Year 2019/20**

HONG KONG, 15 January 2020 – This news release is made by Johnson Electric Holdings Limited (“Johnson Electric” or the “Company”) for the business operations and selected unaudited financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 31 December 2019.

The Board of Directors of the Company considers the publication of quarterly performance updates to be consistent with international corporate disclosure best practice. The objective of this news release 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 nine months ended 31 December 2019 were US\$2,338 million compared to US\$2,436 million for the same period in 2018; a decrease of 4%. Excluding currency movements, sales decreased by 2% to US\$2,390 million.

Foreign exchange rate movements had a negative effect of US\$52 million on the Group's sales during the period. This was mainly due to the decline of the Euro and Chinese Renminbi versus the US Dollar, comparing average exchange rates for the nine months ended 31 December 2019 to the same period last year.

#### **Automotive Products Group (“APG”)**

APG's sales for the nine-month period, as reported, decreased by US\$27 million or 1%.

Excluding currency movements, APG's sales increased by 1%, an outperformance compared to the 6% decline in global light vehicle production volumes in the same period. Sales changes by region in constant currency terms were as follows:

- Asia decreased 3%
- Europe was flat
- Americas increased 8%

APG's sales outperformance compared to automotive industry production volumes was due to new product launches and production increases including thermal management and braking applications. The division's innovative technology and product portfolio remains well positioned to meet growing demand for the electrification of critical automotive functions to increase powertrain efficiency, reduce vehicle weight and improve safety, reliability and comfort.

### **Industry Products Group ("IPG")**

IPG's sales for the nine-month period, as reported, decreased by US\$72 million or 13%.

Excluding currency effects, sales decreased by 12% compared to the same period last year.

Sales changes by region in constant currency terms were:

- Asia decreased 13%
- Europe decreased 13%
- Americas decreased 10%

IPG's sales decreased in all regions reflecting lower demand and increased competitive pressure in many end-market segments. Furthermore, with the market downturn, customers are reducing inventory levels. These impacts were especially noticeable in the China export market as well as the floor-care, white goods, and lawn and garden segments.

### **Chairman's Comments on Year-to-Date Sales Performance and Outlook**

Concerning the year-to-date sales performance and the outlook for the remainder of the current financial year, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "Johnson Electric's overall sales trajectory continues to improve despite recessionary conditions in several industrial manufacturing markets in which the Group operates. Our Automotive components division is achieving organic sales growth substantially above the global industry average and, based on current trends, we reaffirm our previous guidance

that total Group sales for the second half of the financial year is expected to exceed that of the first half. As a result, excluding currency movements, full year total sales will likely be only slightly below that of the prior year.”

### **Cautionary Statement**

Shareholders and potential investors in the Company are reminded that the information provided in this news release, 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.**

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### **About Johnson Electric Group**

The Johnson Electric Group is a global leader in electric motors, actuators, motion subsystems and related electro-mechanical components. It serves a broad range of industries including Automotive, Smart Metering, Medical Devices, Business Equipment, Home Automation, Ventilation, White Goods, Power Tools, and Lawn & Garden Equipment. The Group is headquartered in Hong Kong and employs over 36,000 individuals in more than 23 countries worldwide. Johnson Electric Holdings Limited is listed on The Stock Exchange of Hong Kong Limited (Stock Code: 179). For further information, please visit: [www.johnsonelectric.com](http://www.johnsonelectric.com).

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