

## **NEWS RELEASE**

### **Johnson Electric reports Business and Unaudited Financial Information for the Third Quarter of Financial Year 2020/21**

HONG KONG, 14 January 2021 – This news release 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 and the nine months ended 31 December 2020.

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 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 quarter ended 31 December 2020 were US\$912 million compared to US\$773 million for the same quarter in 2019, an increase of 18%. Excluding currency movements, sales increased by 15% to US\$887 million. Foreign exchange rate movements had a positive effect of US\$25 million on the Group's sales for the quarter ended 31 December 2020. This was mainly due to the impact of the stronger average exchange rates for the Euro and Chinese Renminbi against the US Dollar, compared to the same quarter in 2019.

The recovery in sales experienced in the second quarter gathered momentum in the third quarter, partially mitigating the deep pandemic-driven decline experienced in the first quarter of the financial year. Overall, the Group recorded sales of US\$2,242 million for the nine months ended 31 December 2020, compared to US\$2,338 million for the same period in 2019, a decrease of 4%. Excluding currency movements, sales for the nine months ended 31 December 2020 decreased by 5%.

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

APG’s sales for the quarter ended 31 December 2020 increased by US\$107 million or 17% compared to the same quarter in 2019. Excluding currency effects, APG’s sales increased by US\$84 million or 13% in the quarter.

APG’s sales outperformed compared to automotive industry production volumes, in all regions, in both the nine months and the quarter ended 31 December 2020. Although the COVID-19 pandemic sharply reduced APG’s sales in April and May 2020, particularly in Europe and the Americas, the Group subsequently experienced a significant recovery in demand. The sales changes by region, excluding currency effects, were as follows:

	<b>Quarter ended 31 December 2020</b>	<b>Nine months ended 31 December 2020</b>
<b>Asia</b>	increased 16%	increased 6%
<b>Europe</b>	increased 7%	decreased 20%
<b>Americas</b>	increased 17%	decreased 13%
<b>Total</b>	increased 13%	decreased 8%

Johnson Electric’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, improve safety, reliability and enhance comfort.

### **Sales of Industry Products Group (“IPG”)**

IPG’s sales for the quarter ended 31 December 2020 increased by US\$32 million or 21% compared to the same quarter in 2019. Excluding currency effects, IPG’s sales increased by US\$29 million or 20% for the quarter.

IPG’s business and financial performance benefited significantly from changes in consumer behaviour and expenditure in response to the COVID-19 pandemic. As consumers in many countries were required to spend more time at home, the division experienced strong demand for products for food and beverage, floor care, home office printer, lawn and garden, window automation, power tool, sanitation and ventilation applications. The medical segment also experienced strong growth, driven by the long-term imperative to reduce the labour intensity of hospital procedures.

These positive demand dynamics were partly offset by the COVID-19 pandemic's adverse impact on some specific customers and market segments. In Europe and the Americas, sales to many small and medium enterprises decreased as consumers switched to purchasing through the online sales channels of larger competitors. Commercial printers, metering, flexible printed products and switches segments were also slower than usual.

On a regional basis, IPG experienced the highest sales growth in Asia due in large part to the rapid recovery of China's industrial sector and strong global demand for the country's manufactured goods. In Europe and the Americas, the path to recovery in some segments has taken somewhat longer and in the US, in particular, IPG's sales have been hampered by delays from port congestion as well as land and rail logistical bottlenecks. The sales changes by region, excluding currency effects, were as follows:

	<b>Quarter ended 31 December 2020</b>	<b>Nine months ended 31 December 2020</b>
<b>Asia</b>	increased 35%	increased 18%
<b>Europe</b>	increased 22%	increased 6%
<b>Americas</b>	flat	decreased 3%
<b>Total</b>	increased 20%	increased 8%

#### **Chairman's Comments on Sales Performance and Outlook**

Concerning the quarter ended 31 December 2020 sales performance, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "The strong recovery in demand that we experienced during the second quarter continued in the third quarter – with sales levels in both APG and IPG running well ahead of the third quarter in the prior year. Although there remains some uncertainty as to how the upsurge in COVID-19 in many Western countries could impact business activity and consumer confidence, the Group is presently on track to deliver full-year total sales close to the level achieved in the prior financial year. This would represent a very satisfactory achievement given the fact that such a large portion of Johnson Electric's operations was either shutdown or significantly constrained during the first two months of the current financial 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 35,000 individuals in 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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