JOHNSON ELECTRIC
INNOVATING MOTION

NEWS RELEASE

Johnson Electric reports results for the year ended 31 March 2025

Highlights of FY24/25 Results

- Group sales US$3,648 million – down 4% compared to the prior year
- Gross profit US$843 million or 23.1% of sales (compared to US$851 million or 22.3% of sales in the prior year)
- Adjusted EBITA US$344 million or 9.4% of sales (compared to US$343 million or 9.0% of sales in the prior year)
- Net profit attributable to shareholders totalled US$263 million – an increase of 15% compared to the prior year
- Underlying net profit, adjusted to exclude non-cash foreign exchange rate movements and restructuring charges, totalled US$274 million – an increase of 9%
- Free cash flow from operations totalled US$286 million compared to US$422 million in the prior year
- A recommended final dividend of 44 HK cents per share (5.64 US cents)
- As of 31 March 2025, cash reserves amounted to US$791 million and the ratio of total debt to capital was 12%

HONG KONG, 28 May 2025 – Johnson Electric Holdings Limited ("Johnson Electric"), a global leader in electric motors and motion subsystems, today announced its results for the twelve months ended 31 March 2025.

Group sales for the 2024/25 financial year were US$3,648 million, a decrease of 4% compared to the prior year. Net profit attributable to shareholders increased by 15% to US$263 million or 28.16 US cents per share on a fully diluted basis. Underlying net profit, adjusted to exclude non-cash foreign exchange rate movements and restructuring charges, increased by 9% to US$274 million.

Sales Performance

The Automotive Products Group ("APG"), Johnson Electric's largest operating division, achieved sales of US$3,072 million. Excluding currency effects, APG's sales decreased by 3%. Automotive production volumes in several major markets were below prior year levels due to the combination of subdued economic conditions, elevated new vehicle prices, high financing costs, and uneven consumer confidence. Supply-demand dynamics were further impacted by a temporary slowdown in the transition to electrification in some markets as governments rethink policy support, OEMs adjust the propulsion mix of their model line-ups, and consumers react to the comparatively high price of battery-electric vehicles.

APG experienced lower sales in each of the three major geographic end markets, with differences in large part reflecting the variations in our share of content within particular OEM vehicle models and whether or not those models are proving popular with consumers. In Asia, for example, APG sales decreased by 1% on a constant currency basis compared to a 2% increase in the region's total light vehicle production volume. This was primarily due to the weaker sales performance of non-domestic car brands in China, among which APG has historically maintained an above average market share. In Europe, APG's sales declined by 4% on a constant currency basis compared to a 6% decline in regional vehicle production. And in the Americas, sales declined by 6% in comparison to a 2% decline in vehicle production volume. In both of these regions, a key factor driving APG's sales performance was end-market share changes between OEMs, which has become less predictable as the industry wrestles with several transformational forces including electric vehicle adoption rates, the growing success of Chinese OEMs as exporters, and moves by governments to impose protectionist tariffs on imports.

APG's strategy to address these shifting automotive industry dynamics is two-fold. Firstly, it is to continue to bring to market innovative technologies that help enable electrification, reduce emissions, and enhance passenger safety and comfort. Secondly, APG aims to offer its customers a compelling total cost and value proposition that combines speed, scale and reliability of production with a responsive global operating footprint. This strategy is gaining traction. One indication of the strength of this model is APG's increasing success in winning new business from the largest Chinese OEM vehicle manufacturers which are expected to contribute a significant and growing share of the division's sales within the next five years.

The Industry Products Group ("IPG") – contributing 16% of total Group sales – continued to experience challenging trading conditions. The division's sales were US$575 million which, excluding the effects of currency movements, represented a decline of 5% compared to the prior year. Global demand for many consumer and industrial products remains sluggish in the post-pandemic era and this has been compounded by an acceleration of the commoditization of numerous hardware goods. In response, management has taken decisive action to reduce overheads and refocus the division around a products group that emphasises standardization and cost leadership. In parallel, IPG is investing in designing differentiated and innovative motion system solutions in a select number of high growth application segments, including robotics, warehouse automation, medical devices, electric bikes, and high-precision manufacturing and measurement equipment. This dual-track approach is positioning IPG for improved competitiveness and long-term growth.

Gross Margins and Operating Profitability

The Group's gross profit amounted to US$843 million – a decrease of 1% compared to the prior year. As a percentage of sales, however, gross profit increased from 22.3% to 23.1%. The improvement of gross margin was primarily the result of lower raw material costs, direct labour, and production overhead charges that combined to more than offset the effects of reduced sales volumes.

Reported earnings before interest, tax and amortization ("EBITA") amounted to US$331 million (compared to US$315 million in the prior year). EBITA adjusted to exclude non-cash foreign exchange rate movements and restructuring charges, amounted to US$344 million or 9.4% of sales (compared to 9.0% in the prior year). The Group's adjusted EBITA result was boosted by US$15 million in net gains from Other Income & Expenses. This was primarily due to a mark-to-market gain on an investment in an autonomous driving technology company, government grants, as well as net changes in the valuation of other financial and monetary assets and liabilities, and other foreign currency hedging contracts.

Net Profit and Financial Condition

Net profit attributable to shareholders increased by 15% to US$263 million or 28.16 US cents per share on a fully diluted basis. Underlying net profit, adjusted to exclude non-cash foreign exchange rate movements and restructuring charges, amounted to US$274 million compared to US$252 million in the prior year.

The Group's overall financial condition remains robust with a total debt to capital ratio of 12%, an interest coverage ratio of 10 times, and year-end cash reserves of US$791 million.

Dividends

In view of the high level of uncertainty concerning the outlook for global trade at the present time, the Board considers it prudent to recommend maintaining the final dividend of 44 HK cents (5.64 US cents) per share, which together with the interim dividend of 17 HK cents per share, represents a total dividend of 61 HK cents (7.82 US cents) per share.

Chairman's Comments on the Annual Results and Outlook

Commenting on the annual results for the financial year 2024/25, Dr. Patrick Wang, Chairman and Chief Executive, said, "In the financial year 2024/25, Johnson Electric experienced increasing headwinds in its major end markets that reflected the impact of a reduction in automobile production volumes, intense price competition in several consumer and industrial product applications, and weakening consumer confidence in the face of rising uncertainty about the outlook for the global economy, and cross-border trade in particular. Despite these challenging market conditions, the Group's financial results demonstrated the resilience of our business model".

Dr. Patrick Wang further commented: "Although we do not expect a worst-case outcome involving the high and broad-based tariffs remaining in place for the longer-term, we have been building scenarios into our planning and operating model for many years – with the effect that being nimble and adaptable is central to Johnson Electric's way of doing business. Management is working proactively to mitigate the near-term impact of tariffs through pricing adjustments, as well as evaluating our longer-term options to relocate parts of production to different locations within, or beyond, our existing manufacturing footprint. The practical and economic attractiveness of those options will ultimately depend on what types of trade agreements may emerge from the ongoing trade dispute and negotiations".

"Although the sudden imposition of import tariffs impacting multiple national borders is placing an additional burden on our people in terms of time and complexity, we are not allowing it to deflect our attention from executing the core elements of our strategy. Those elements include: i) driving sales growth by offering customers compelling total cost solutions to their most pressing motion-related problems; ii) accelerating our speed to market through rapid sampling, increased standardization of products and production lines, and building and maintaining appropriate levels of stock to provide the assurance and flexibility of supply that our customers demand; iii) building and consolidating production around large scale, lower cost regional manufacturing hubs that feature high levels of vertical integration and automation; and iv) leveraging advanced digital technologies, including AI, to reduce cost and improve efficiency and responsiveness".

Concerning the near-term financial outlook, Dr. Patrick Wang said: "Group sales levels in the first weeks of the 25/26 financial year have been a mid-single digit percentage lower compared to a year ago. However, given the lack of clarity over exactly what tariffs may be in effect for the remainder of the year and how these may impact the varied and often complex profiles of our subsystem manufacturing and logistics supply chain, it is not meaningful to offer a full-year sales projection".

"It is not simply a question of which of our products could be subject to elevated import tariffs (these presently amount to a mid-single digit percentage of total Group sales based on the US import tariffs in effect, or temporarily suspended). It is also the extent to which the confrontation over international trade undermines the prospects for global economic growth".

"Nonetheless, I do feel that it is worthwhile observing that Johnson Electric has a sixty-six-year track record of navigating its way through periods of enormous macro-economic stress and volatility. While past performance is, of course, no guarantee of future success, I remain highly confident that this Company is as well positioned as any in our industry to find a profitable and sustainable path going forward".

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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 30,000 individuals across more than 20 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.

Forward Looking Statements

This news release 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", "believe", "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.

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Note to Editors and Securities Analysts: The full text of the Annual Results announcement, including financial statements, is available through the Investors section of company's website at www.johnsonelectric.com