

NEWS RELEASE

Johnson Electric reports results for the half year ended 30 September 2025

Highlights of FY25/26 Half-Year Results

- Group sales US\$1,833 million – down 1% compared to first half of the prior financial year
- Gross profit US\$441 million or 24.0% of sales (compared to US\$438 million or 23.6% of sales in the first half of the prior financial year)
- Adjusted EBITA US\$159 million or 8.7% of sales (compared to US\$177 million or 9.5% of sales in the first half of the prior financial year)
- Net profit attributable to shareholders increased by 3% to US\$133 million or 14.21 US cents per share on a fully diluted basis
- Underlying net profit, excluding the net impact of unrealized gains or losses relating to exchange rate movements and restructuring costs, decreased by 8% to US\$123 million
- Free cash flow from operations US\$174 million (compared to US\$144 million in the first half of the prior financial year)
- Total debt to capital ratio of 11% and cash reserves of US\$932 million as of 30 September 2025
- Interim dividend 17 HK cents per share (2.18 US cents per share)

HONG KONG, 12 November 2025 – Johnson Electric Holdings Limited (“Johnson Electric”), a global leader in electric motors and motion subsystems, today announced its results for the six months ended 30 September 2025.

Total group sales for the first half of the 2025/26 financial year totalled US\$1,833 million, a decrease of 1% over the first half of the prior financial year. Excluding the effect of foreign exchange rate changes, sales declined by 2%. Net profit attributable to shareholders increased by 3% to US\$133 million or 14.21 US cents per share on a fully diluted basis. Underlying net profit decreased by 8% to US\$123 million.

Automotive Products Group

The Automotive Products Group (“APG”), which accounted for 84% of total Group sales in the period under review, reported a 3% decline in sales on a constant currency basis. On a regional basis, APG’s constant currency sales were lower by 6% in Asia, 1% in the Americas, and 1% in Europe.

The reduced level of sales achieved in the first half reflected the combination of price reductions for more mature product applications and APG’s Sino-foreign joint venture OEM customers in China continuing to experience a significant loss in market share.

Car production in Asia, dominated by China, now accounts for approximately 60 percent of global vehicle volume. Beyond its sheer size, the dynamism of China’s auto sector is transforming the market domestically and, increasingly, globally. Government subsidies, expanding charging infrastructure, and aggressive pricing among the more than 100 brands of electric vehicles have fuelled a structural shift to electrification – with New Energy Vehicles (NEVs) amounting to over half of all passenger vehicles sold in China. Domestic OEM brands are leading this transformation, having almost doubled their market share in less than five years to over two-thirds of domestic sales.

In the short term, APG has been negatively impacted by the rapid shift in automotive OEM market share, since a majority of its sales in China have historically been to Sino-foreign joint venture customers. However, encouraging progress is being made in winning new business from several leading domestic

Chinese OEM customers who have found Johnson Electric to be a responsive and cost-competitive partner to support their future growth plans. Those plans include accelerating exports of “Made in China” vehicles, as well as establishing assembly plants elsewhere in the world that will produce a new generation of vehicles “Designed in China”. As the newly awarded programs begin to ramp-up production in the second half of the financial year, APG is on track to return to growth.

Outside of Asia, automotive industry demand over the period under review was relatively subdued. In Europe, consumer interest in NEVs remains strong, especially for plug-in hybrids, but concerns over job security and the comparatively higher price of NEVs are keeping buyers in check. The region’s automakers are themselves faced with enormous structural challenges that include increased competition from Chinese brands who have taken five percent of the market, and excess production capacity that is forcing several OEMs to pause production in some plants and rethink their future vehicle roadmaps.

North America’s automotive sector is similarly navigating a turbulent landscape shaped by trade policy uncertainty, shifting consumer behaviour, and electrification trends. Earlier in the year, the market was lifted by a consumer rush to buy new cars to beat an expected tariff-induced price hike. Demand momentum has since softened, except for a brief boost to electric vehicle sales spurred by the expiry of a federal tax credit. Volatile tariff policies are also disrupting supply chains, requiring OEMs and their suppliers to reconfigure operations across the US, Canada, and Mexico. These changes are increasing costs, leading to higher vehicle prices and reduced affordability.

APG’s strategy in the context of this varied and highly unpredictable global operating environment remains, firstly, to focus on bringing to market innovative motion technologies that enable electrification, reduce emissions, and enhance passenger safety and comfort. Secondly, APG aims to offer its diverse base of customers an unrivalled total cost and value proposition that combines speed, scale, and reliability of production with an adaptable global operating footprint.

Industry Products Group

The Industry Products Group (“IPG”), which accounted for 16% of total Group sales, reported flat sales compared to the first half of the prior financial year on a constant currency basis.

IPG's sales have stabilized after a difficult period of contraction that resulted from a softening in demand for discretionary hardware products (relative to services) in the post-pandemic era; and low pricing (rather than brand name, functionality, or reliability) increasingly becoming the key purchasing criteria for many consumers.

Management has rationalized and consolidated its production to focus on application segments where it can leverage highly automated assembly lines and digital processes to be more cost competitive. Equally important, new business development has been redirected towards the rapidly growing base of Chinese manufacturers who are capturing an increasing share of the global market for consumer and commercial hardware goods – particularly for low-priced, entry-level products. Although the repositioning of IPG is still at an early stage, the division has secured several recent orders that give rise to optimism.

In parallel to targeting high-volume, standardized motion product applications, IPG has continued to make progress in supplying motion subsystem solutions to more specialized, higher-growth segments, including warehouse automation, medical devices, semiconductor manufacturing equipment, and liquid cooling applications.

Formation of PRC Joint Ventures to pursue opportunities in Humanoid Robotics

In July 2025, the Group announced the formation of two joint venture companies with Shanghai Mechanical & Electrical Industry Co., Ltd, a leading Chinese industrial manufacturing company with extensive interests across a wide range of end markets. This new initiative has been established to enable the end-to-end delivery of high-performance humanoid robotic core components and subsystems to customers across the PRC. The two joint ventures are structured to complement one another – combining sales, business development and customer application support with product design, engineering, and manufacturing expertise.

Gross Margins and Operating Profitability

Gross profit margins increased slightly to 24.0% from 23.6%, primarily due to reduced direct labour costs, material cost deflation, and favourable foreign exchange rate movements that outweighed the effects of price reductions and wage inflation.

Reported earnings before interest, tax and amortization (“EBITA”) was flat at US\$171 million. Adjusted to exclude non-cash foreign exchange rate movements and restructuring charges, EBITA was US\$159 million or 8.7% of sales.

Free Cash Flow and Financial Condition

Free cash flow from operations increased to US\$174 million from US\$144 million, largely due to a reduction in working capital that more than offset an increase in capital expenditure. Capital expenditure levels in the near term are expected to remain at a high single-digit percentage of sales due to planned investments in automation and further development of the manufacturing footprint.

The Group remains in a financially robust condition with a total debt to capital ratio of 11% and cash balances of US\$932 million as of 30 September 2025.

Interim Dividend

The Board has today declared an interim dividend of 17 HK cents per share, equivalent to 2.18 US cents per share (2024/25 interim: 17 HK cents per share). The interim dividend will be payable on 6 January 2026 to shareholders registered on 9 December 2025.

Chairman’s Comments on the Half-Year Results and Outlook

Commenting on the results, Dr. Patrick Wang, Chairman and Chief Executive, said, “Johnson Electric delivered stable financial results in the six-month period ended 30 September 2025, despite subdued macro-economic conditions and ongoing uncertainty concerning global trade tariffs.”

“Although the global economy is showing resilience in the face of the disruption caused by the radical shift in US international trade policy, overall consumer sentiment in the world’s major economies has remained cautious due to cost of living concerns and softening labour markets. In Johnson Electric’s primary end markets of automotive vehicles and consumer and industrial hardware products, the impact has been mixed. Favourable growth dynamics in several new motion application segments are being offset by sluggish growth of more mature products and by OEM customers delaying the launch of new programs due to ongoing uncertainties related to demand and global supply chain configurations.”

Regarding the outlook for the second half of the financial year, Dr. Patrick Wang commented, “The resilience of the global economy during the first half of the year belied a precarious environment for trade and investment that remains a significant concern for international manufacturing businesses. The new regime of higher US tariffs on imports from almost all countries is still unfolding and its impact on consumer behaviour, business confidence, and manufacturing supply chains is unclear.”

Dr. Patrick Wang further commented, “Notwithstanding the highly uncertain macro-economic outlook, Johnson Electric is cautiously optimistic that its sales in the second half of the financial year will improve modestly over the prior year. Over the medium and longer term – and assuming that the ongoing trade negotiations between the US and China result in a pragmatic agreement – the prospects for profitable growth are encouraging. Our product portfolio of innovative components and subsystems is uniquely well placed to help our customers solve their most critical motion-related problems. And we are continuing to invest in adapting and strengthening our operating model to provide security of supply to customers at the same time as delivering sustainable value creation for shareholders.”

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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 in over 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 Half-Year Results announcement, including additional financial statements, is available through the Investors section of company’s website at www.johnsonelectric.com