

## NEWS RELEASE

### Johnson Electric reports results for the year ended 31 March 2026

#### Highlights of FY25/26 Results

- Group sales US\$3,650 million – up 0.1% compared to the prior year; a decrease of 2% on a constant currency basis
- Gross profit US\$840 million or 23.0% of sales (compared to US\$843 million or 23.1% of sales in the prior year)
- Adjusted EBITA US\$287 million or 7.9% of sales (compared to US\$344 million or 9.4% of sales in the prior year)
- Net profit attributable to shareholders totalled US\$202 million – a decrease of 23% compared to the prior year
- Net profit, excluding non-cash unrealized currency movements, restructuring costs, impairment of certain intangible assets, and adverse fair value movements in investments, declined by 13% to US\$234 million
- Free cash flow from operations totalled US\$217 million compared to US\$286 million in the prior year
- A recommended final dividend of 44 HK cents per share (5.64 US cents)
- As of 31 March 2026, cash reserves amounted to US\$902 million (compared to US\$791 million at the prior year end); and the ratio of total debt to capital was 10%

HONG KONG, 28 May 2026 – 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 2026.

Group sales for the 2025/26 financial year were US\$3,650 million, an increase of 0.1% compared to the prior year. Net profit attributable to shareholders decreased by 23% to US\$202 million or 21.59 US cents per share on a fully diluted basis. Adjusted net profit, excluding the effects of non-cash foreign exchange rate movements, the impairment of intangible assets, restructuring charges, and adverse fair value movements in investments, declined by 13% to US\$234 million.

### **Sales Performance**

The Automotive Products Group (“APG”) achieved sales of US\$3,054 million, which amounted to 84% of total Group sales. Excluding currency effects, APG’s sales decreased by 3%.

Global automotive industry production volumes increased slightly over the prior year, but growth remains lacklustre in most markets due to affordability concerns and the challenges faced by OEMs and suppliers in adjusting to geopolitical uncertainty, tariff pressures, and the shifting economics of battery electric vehicles that continue to be shaped by the level of government subsidies available to consumers.

APG’s sales are divided broadly equally across the three major geographic regions of demand, but performance over the past year reflected distinct variations in local market conditions, as well as APG’s own mix of OEM customers and the timing of new program launches.

In Asia, the division’s sales declined by 7% on a constant currency basis primarily due to the ongoing erosion in market share held by Sino-foreign joint venture OEM customers in China. APG has continued to win significant new business awards from Chinese domestic OEMs and their suppliers, which now account for the majority of its sales in China. However, the division’s historically large share among joint venture customers has acted as a drag on its recent sales performance that is taking time to reverse. The domestic passenger vehicle market in China itself experienced a sharp slowdown in sales in the first quarter of 2026 due to the phasing out of trade-in subsidies designed to encourage the purchase of electric vehicles.

APG's sales to the Americas increased by 1% on a constant currency basis in a market that saw total light vehicle production volumes broadly flat. The predominant factor constraining new car sales in North America is cost of living concerns, with many low to middle income car buyers struggling to afford new vehicles that, on average, have increased in price by over 30% since 2020.

In Europe, APG's sales decreased by 2% on a constant currency basis. The European auto market continues to experience sluggish consumer demand at the same time that OEMs are hampered by excess production capacity and the impact of shifting emissions regulations on their product model line-ups.

APG's strategy in the context of the varied and unpredictable operating environment for component suppliers is, 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.

The Industry Products Group ("IPG") achieved sales of US\$596 million – an increase of 2% compared to the prior year on a constant currency basis. After three successive years of declining sales, this marks an important return to growth for the division. In more commoditized product application segments, 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. In parallel, IPG is focused on supplying motion subsystem solutions to more specialized, higher-growth segments, including humanoid robotics, warehouse automation, medical devices, semiconductor manufacturing equipment, and liquid cooling applications.

### **Gross Margins and Operating Profitability**

The Group's gross profit of US\$840 million, or 23.0% of sales, was essentially flat compared to the prior financial year. Slight increases in production staff costs, depreciation, and raw materials were offset by savings in other production overheads and direct labour.

Reported earnings before interest, tax and amortization ("EBITA") amounted to US\$258 million, a decrease of 22% compared to US\$331 million achieved in the prior year. The decline was due to a

combination of factors, including higher selling and administrative staff costs and other provisions, an impairment of intangible assets arising from a past acquisition, and reduced other income due to an adverse net change in the fair value of certain investments.

### **Net Profit and Financial Condition**

Net profit attributable to shareholders decreased by 23% to US\$202 million or 21.59 US cents per share on a fully diluted basis. Adjusted net profit, excluding the effects of non-cash foreign exchange rate movements, the impairment of intangible assets, restructuring charges, and adverse fair value movements in investments, amounted to US\$234 million compared to US\$268 million in the prior year.

The Group's overall financial condition remains robust with a total debt to capital ratio of 10%, an interest coverage ratio of 22 times, and year-end cash reserves of US\$902 million.

### **Dividends**

The Board considers it appropriate 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 2025/26, Dr. Patrick Wang, Chairman and Chief Executive, said, "Operating conditions for global manufacturing businesses during the financial year 2025/26 remained challenging, with end-market demand in most regions subdued and geopolitical events and uncertainties placing upward pressure on input costs."

Dr. Patrick Wang further commented: "In the face of these headwinds, Johnson Electric maintained its long-standing resilience with sales and gross profit margins both holding up comparatively well. The bottom-line result, however, was negatively impacted by the effects of higher overhead expenses on a flat sales base, adverse net changes in the fair value of investments, and a non-cash intangible assets impairment charge."

Concerning the near-term financial outlook, Dr. Patrick Wang said: “The global economy demonstrated resilience over the past year, despite the protracted conflict between Russia and Ukraine and the geopolitical shock of tariffs being imposed on US imports of goods from almost all countries. Looking ahead, the unstable and unpredictable conditions for trade and global manufacturing have been made even more precarious by the outbreak of war in the Middle East.”

“Johnson Electric has a long-standing track record in successfully navigating volatile global markets. In the near term, with geopolitical and macro-economic dynamics impossible to forecast with precision, management remains focused on cost control, managing the effects of inflation, and maintaining a prudent financial risk profile.”

“In parallel, however, we are also committed to invest in adapting and scaling our business model to meet strong underlying demand for our motion subsystem solutions in several high-growth end-markets and new product applications. Included among these are: thermal management systems for electric and hybrid vehicles that depend on a combination of water pumps, valves and actuators to support optimal vehicle cabin temperature, extend electric vehicle driving range, and contribute to longer battery life; solid oxide fuel cell power generation systems that are becoming established as an important source of low-emission, on-site electricity supply to AI data centres; and AI-enabled humanoid robots, which are widely viewed as one of the most significant industrial and commercial opportunities over the next ten to twenty years.”

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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, Liquid Cooling, Robotic Joints, Smart Metering, Business Equipment, Ventilation, Home Automation, Large Appliances, Power Tools, Medical Devices 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](http://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.*



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*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](http://www.johnsonelectric.com)**