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Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

Business and Unaudited Financial Information for the First Quarter of Financial Year 24/25

This announcement 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 ended 30 June 2024.

The Board of Directors of the Company (the “Board”) considers the publication of quarterly sales performance updates to be consistent with international corporate disclosure best practice. The objective of this announcement 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 30 June 2024 were US\$935 million compared to US\$954 million for the same quarter in financial year 23/24, a decrease of 2%. Exchange rate movements had a US\$8 million unfavourable impact on the Group’s sales for the quarter. Without the effect of currency movements, the sales decline would have been approximately 1%.

Sales of Automotive Products Group (“APG”)

APG’s sales for the quarter ended 30 June 2024 were flat at US\$788 million compared to the same quarter in financial year 23/24. Excluding currency effects, APG’s sales increased by US\$5 million or 1% in the quarter, while global light vehicle industry production volumes remained unchanged.

In Asia-Pacific, sales increased by 7% while light vehicle production in the region grew 3%. Most product segments experienced growth, with particularly strong performance in thermal management, oil pumps, vision and steering mainly due to new program launches and volume increases. In Europe, the Middle East and Africa (“EMEA”), sales decreased by 4% compared to a 5% decline in light vehicle production in the region. Sales of steering and oil pumps decreased, somewhat offset by an increase in products for closure and seat applications. In the Americas, sales decreased by 2% while light vehicle production declined by 1%. Sales of powder metal components, thermal management and seat product applications decreased, primarily due to customer mix and the phasing of certain programs, partially offset by increased sales of oil pumps and products for closure and braking applications.

The division’s sales changes by region, excluding currency effects, were as follows:

	Quarter ended 30 June 2024
Asia-Pacific	7% Increase
Europe, Middle East and Africa	4% Decrease
Americas	2% Decrease
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Total	1% Increase

Sales of Industry Products Group (“IPG”)

IPG’s sales for the quarter ended 30 June 2024 were US\$147 million, a decrease of US\$16 million or 10% compared to the same quarter in financial year 23/24. Currency effects were insignificant.

Sales in EMEA and the Americas declined due to surplus inventory in manufacturing and retail channels and soft end-market demand. This was further compounded by consumers exercising caution in their discretionary spending, delaying purchases, and gravitating towards the more affordable end of the market. In contrast, sales in Asia-Pacific increased during the quarter as certain customers resumed placing replenishment orders having consumed the previous levels of excess inventory, and also due to some new business wins.

The sales changes for IPG by region, excluding currency effects, were as follows:

	Quarter ended 30 June 2024
Asia-Pacific	6% Increase
Europe, Middle East and Africa	18% Decrease
Americas	12% Decrease
<hr/> Total	<hr/> 10% Decrease

Chairman’s Comments on Sales Performance and Outlook

Commenting on the first quarter’s sales performance, Dr. Patrick Shui-Chung Wang, Chairman and Chief Executive, said: “As previously reported in our year-end results announcement, trading conditions at the start of financial year 24/25 have been comparatively subdued. This partly reflects the exceptionally strong level of sales to the automotive sector in the first quarter of the prior financial year, when the industry was experiencing a sharp rebound in demand following a protracted period of supply constraints. Since then, automotive industry volumes have gradually returned to more normalised levels that reflect the state of the global economy and the vehicle replacement cycle. In this context, our Automotive Products Group’s sales remain resilient, and the division continues to make encouraging progress in rolling out innovative technology solutions that strengthen its position as a market leader in motion products and subsystems that are critical enablers to the industry’s electrification transition. On the other hand, the Industry Products Group, which contributes approximately 16% of total sales, continues to experience a challenging near-term outlook given the low levels of consumer confidence and cautious spending on discretionary hardware products in many of its largest markets. IPG’s management team is working aggressively to focus resources on segments that offer the most compelling long-term growth potential while, at the same time, ensuring that the cost base is optimised to remain competitive in more commoditized product applications.”

Cautionary Statement

Shareholders and potential investors in the Company are reminded that the information provided in this announcement, 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.

Board of Directors

As of the date of this announcement, the Board comprises Patrick Shui-Chung WANG, Austin Jesse WANG, being the Executive Directors, and WANG KOO Yik-Chun, MAK WANG Wing-Yee Winnie, Peter Kin-Chung WANG, being the Non-Executive Directors, and Patrick Blackwell PAUL, Michael John ENRIGHT, Joseph Chi-Kwong YAM, Christopher Dale PRATT, Catherine Annick Caroline BRADLEY, Michelle Mei-Shuen LOW and David Alan ROSENTHAL being the Independent Non-Executive Directors.

By Order of the Board
Johnson Electric Holdings Limited
Lai-Chu CHENG
Company Secretary

Hong Kong, 11 July 2024

Johnson Electric is one of the constituent stocks on the Hang Seng Composite SmallCap Index under the Hang Seng Composite Index, the Hang Seng Corporate Sustainability Benchmark Index and the S&P Europe Pacific Asia Composite (EPAC) SmallCap Index. For further information, please visit: www.johnsonelectric.com.