

NEWS RELEASE

Johnson Electric Reports Business and Unaudited Financial Information for the Third Quarter of Financial Year 2018/19

HONG KONG, 14 January 2019 – This news release is made by Johnson Electric Holdings Limited (“Johnson Electric” or the “Company”) for the business operations and selected unaudited financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 31 December 2018.

The Board of Directors of the Company considers the publication of quarterly 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 nine months ended 31 December 2018 were US\$2,436 million compared to US\$2,342 million for the same period in 2017; an increase of 4%. Excluding currency movements and the one month effect of the acquisition of Halla Stackpole, which became an 80% owned subsidiary in May 2017, sales increased by 3% to US\$2,418 million.

Foreign exchange rate movements had a positive effect of US\$6 million on the Group's sales during the period. This was mainly due to the impact of the stronger Euro against the US Dollar, comparing average exchange rates for the nine months ended 31 December 2018 to the same period last year. The acquisition of Halla Stackpole increased sales by US\$12 million. On a pro-forma basis, excluding currency movements, Halla Stackpole grew by approximately 9% compared to the same period last year.

Automotive Products Group (“APG”)

APG's sales, as reported grew by US\$85 million or 5%. APG's sales excluding currency effects and the one month acquisition effect of Halla Stackpole increased by US\$68 million or 4%, with the following sales changes by region:

- Asia increased 7%
- Europe decreased 4%
- Americas increased 9%

APG's organic sales growth was largely driven by an increase in demand for engine and transmission oil pumps and powder metal components, as well as products for thermal cooling and seat adjust applications. This was partly offset by reduced demand for products for window lift, doorlock and heating, ventilation and air conditioning applications, especially in Europe.

Industry Products Group (“IPG”)

IPG’s sales, excluding currency effects, increased by US\$8 million or 1% compared to the same period last year. Sales changes by region were:

- Asia increased 1%
- Europe decreased 1%
- Americas increased 4%

IPG’s sales were flat in Asia and Europe. In the Americas, revenue growth was driven by volume growth in the ventilation and medical devices segments and by winning new platforms in the piezo shutters market.

Chairman’s Comments on Year-to-Date Sales Performance and Outlook

Concerning the year-to-date sales performance and the outlook for the remainder of the current financial year, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "The current operating environment and performance trajectory of the business presents a rather mixed picture. On the positive side, Johnson Electric continues to make pleasing progress in winning new business and delivering innovative solutions that help enable electrification, reduce emissions, improve fuel economy and achieve higher performance functionality for our customers’ end products. Counterbalancing this, overall market demand has slowed in recent months and the macro-economic outlook heading into 2019 is highly uncertain. Both of our operating divisions continue to target a modest rate of sales growth for the full year, but this will be subject to a number of new product launches scheduled for the fourth quarter remaining on schedule and to there not being a further deterioration in global economic conditions and consumer confidence."

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 40,000 individuals in 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.

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