

## NEWS RELEASE

### Johnson Electric Reports Business and Unaudited Financial Information for the First Quarter of Financial Year 2017/18

HONG KONG, 11 July 2017 – 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 quarter ended 30 June 2017.

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 quarter ended 30 June 2017 were US\$753 million compared to US\$686 million in the same quarter in 2016 – an increase of nearly 10%.

Excluding currency effects and the acquisition impact of AML and Halla Stackpole, sales increased by nearly 6% to US\$706 million. Foreign exchange rate movements, particularly lower average rates for the Chinese Renminbi, the Euro and the Canadian Dollar against the US Dollar compared to the same quarter last year, had an adverse impact of US\$15 million on the Group’s sales.

#### **Automotive Products Group (“APG”)**

Sales, excluding currency effects and the acquisition impact of AML and Halla Stackpole, increased US\$23 million, or 4%, compared to the same period last year, as shown by region below:

- Asia increased 10%
- Europe increased 2%
- Americas increased 3%

APG’s organic sales growth was largely driven by increased demand for products for powertrain cooling, braking, power liftgate, heating, ventilation and air-conditioning and windowlift applications. This was slightly offset by the revenue impact of mix changes and the phasing of Stackpole’s new lower cost, more efficient pumps and also by reduced sales of powder metal components primarily due to delayed orders in the energy segment.

In May 2017, the Group acquired an additional 50% equity interest in Halla Stackpole Corporation, taking its total ownership to 80%. Halla Stackpole’s sales since this acquisition were US\$25 million. On a pro-forma basis, excluding currency effects, Halla Stackpole’s underlying sales grew by 8% compared to the same quarter last year.

### **Industry Products Group (“IPG”)**

Sales, excluding currency effects, increased US\$16 million, or almost 10%, compared to the same quarter last year, as shown by region below:

- Asia increased 23%
- Europe increased 8%
- Americas decreased 2%

IPG’s sales growth was mainly driven by increased share and the ramp-up of a variety of major customer accounts in Asia. In Europe, sales benefited from new business wins and the ramp-up of existing customer programs in lawn and garden and metering applications. In the Americas, growth in the lawn and medical segments was more than offset by the combined effect of significant inventory replenishment activity in the white goods segment in the same quarter last year and new product phasing in the metering and ventilation segments.

### **Chairman’s Comments on First Quarter’s Sales Performance and Outlook**

Concerning the first quarter’s sales performance, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, “Johnson Electric’s sales performance in the first quarter of the 2017/18 financial year was very encouraging. Our Automotive Products Group continued to deliver solid organic growth despite a quite noticeable slowdown in overall market demand in North America and China compared to the same period a year earlier. And our Industry Products Group produced an exceptionally strong first quarter with sales growth coming from a range of customers and industry applications.”

Dr. Wang further commented: “The operating environment remains rather mixed with the highly unpredictable global political landscape being perhaps the most significant risk to the global economy at the present time. Notwithstanding these uncertainties, the Group is off to a good start in the current financial year with market share gains and significant new business awards across several key automotive and industry applications.”

### **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 39,000 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](http://www.johnsonelectric.com).

**For more information, please contact:**

CT Hew, Hew & Associates

Tel : (852) 3958 2952

Mobile : (852) 9132 8828

Email : [ct.hew@hewassociates.com](mailto:ct.hew@hewassociates.com)

Tina Fang, Hew & Associates

Tel : (852) 3958 2952

Mobile : (852) 6758 3430

Email : [tina.fang@hewassociates.com](mailto:tina.fang@hewassociates.com)