



China | Industrial

14 November 2025

Johnson Electric (179 HK)

1H26 results showed resilience amid trade shifts

- Johnson Electric (JE) announced its 1H26 results (Yr ended Mar) with turnover down marginally by 1.1% while adjusted NP was down 7.7% YoY. Interim DPS of HK\$17cents was declared.
- Forming JVs to pave the humanoid robotic path

1H26 results review

JE reports its 1H26 (Yr ended Mar) sales of USD1.8bn, representing a YoY marginal decline of 1.1%. Reported NP increased by 2.8% YoY to USD133.3m in 1H26. Stripping off the effect of forex effect and restructuring costs, adjusted NP declined by 7.7% YoY to USD123.0m. GPM edged up slightly by 0.4ppt to 24.0% in 1H26.

Mixed sector performance amid global trade shifts

Amid the disruptions from the dramatic shift in U.S. international trade policy, consumer sentiment across major economies remains subdued. JE's core markets—automotive, consumer, and industrial hardware—the effects have been uneven. While emerging motion application segments are experiencing healthy growth, this is being counterbalanced by stagnation in mature product categories and delays in new program launches by OEM customers, who remain wary due to ongoing demand uncertainties and evolving global supply chain dynamics.

JE's largest operating division, Automotive Products Group's (APG), recorded sales of USD1.5bn in 1H26, representing a YoY decrease of 1.4% compared to 1H25 and accounting for 84.1% of the total sales. The decline in 1H26 sales was mainly driven by price reductions in some mature product segments and ongoing market share losses among APG's Sino-foreign JV OEM customers in China. In the near term, APG is expected to continue to face headwinds due to a rapid shift in automotive OEM market share, as JE's China sales have traditionally relied heavily on Sino-foreign JV customers. However, momentum is building with several leading domestic Chinese OEMs, who are increasingly selecting JE as a responsive and cost-effective partner to support their expansion strategies. With newly awarded programs set to ramp up production in the 2H26, APG is well-positioned to return to growth. Outside Asia, APG demand in Europe and North America was relatively subdued amid an increasingly complex and unpredictable global landscape.

JE's Industry Products Group (IPG) sales growth remained flat with turnover totaling USD291.5m in 1H26. IPG's sales have stabilized following a challenging period of contraction, driven by weakened demand for discretionary hardware products in the post-pandemic environment. Additionally, consumer purchasing behavior has shifted, with low pricing increasingly outweighing brand reliability and functionality as the primary decision factor. Management has streamlined and consolidated its production operations to concentrate on application segments where highly automated assembly lines and digital processes to enhance cost competitiveness. Alongside its focus on high-volume, standardized motion product applications, JE will continue to advance its progress in supplying motion subsystem solutions to specialized, high-growth sectors such as warehouse automation, medical devices, semiconductor manufacturing equipment, and liquid cooling systems.

Venturing into humanoid robotic business as new business frontier

In July this year, the company announced that it has entered into two JV agreements with Shanghai Mechanical & Electrical Industry. JE's total investment in these two JVs amounted to Rmb75m. These 2 JVs are strategically designed to operate in synergy—integrating sales, business development, and customer application support with robust capabilities in product design, engineering, and manufacturing. This cohesive structure will empower the comprehensive delivery of high-performance core components and subsystems for humanoid robotics to customers in China. The establishment of the JVs marks a pivotal step in JE's strategic expansion into the rapidly growing humanoid robotics sector. The formation of JV is deemed as a significant milestone in the company's long-term strategy to strengthen its foothold in the robotics industry.

The company is now trading at consensus FY26/FY27 PE of 12.6x/ 11.3x.

NON-RATED

Last Price (HK\$)*	29.92
Target Price (HK\$)	N/A
Upside / (Downside)(%)	N/A
Previous rating	NON-RATED
Previous TP	N/A
Hang Seng Index*	27,073.03
* Prices as of	13-Nov-25

Key Data

Ticker	179 HK
Market Cap (HK\$m)	27,958
3M avg daily T/O (HK\$m)	355.8
52-week High (HK\$)	45.78
52-week Low (HK\$)	9.90
Free Float (%)	29.0%
Shares O/S (m)	934.4

Performance	Absolute	Relative
1 month	-17.2%	-20.8%
3 months	21.3%	14.8%
6 months	103.3%	73.5%

Price Chart



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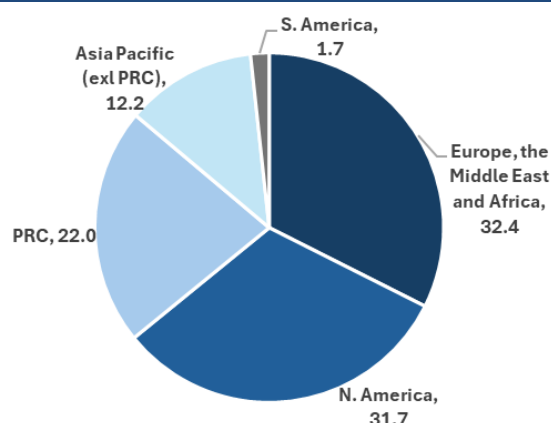
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Figure 1 P&L

Year ended Mar (USDm)	FY24	FY25	1H25	1H26	YoY change (%)
Turnover					
Automotive Products Group (APG)	3,210.2	3,072.4	1,564.4	1,542.0	(1.4)
Industry Products Group (IPG)	604.0	575.2	289.8	291.5	0.6
	3,814.2	3,647.6	1,854.2	1,833.5	(1.1)
COGS	(2,963.5)	(2,804.3)	(1,416.1)	(1,392.7)	
Gross profit	850.7	843.3	438.1	440.7	0.6
Other income/ expenses	(13.4)	14.7	(2.6)	(8.2)	
Selling and administrative expenses	(541.8)	(545.0)	(274.1)	(273.9)	
Restructuring and other related costs	(10.2)	(7.2)	(3.5)	(2.5)	
Operating profit	285.3	305.9	157.9	156.2	(1.0)
Share of (losses) of associate and JV	(2.6)	(3.4)	(1.1)	0.0	
Finance income	20.0	32.5	18.9	15.7	
Finance costs	(31.6)	(33.5)	(19.9)	(13.0)	
Before tax income	271.1	301.4	155.8	159.0	2.1
Tax	(38.8)	(36.3)	(24.6)	(24.4)	
MI	(3.1)	(2.3)	(1.6)	(1.3)	
Net profit	229.2	262.8	129.6	133.3	2.8

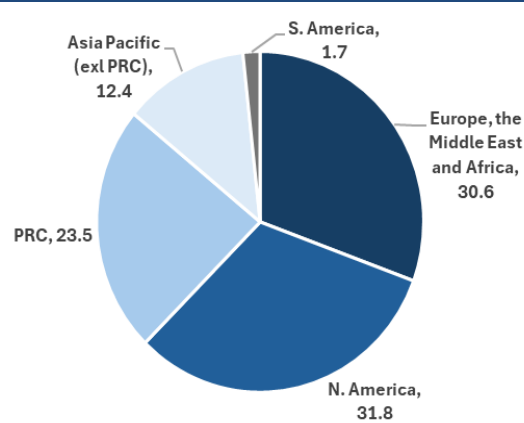
Source: Company data

Figure 2 Geographical breakdown (1H26)



Source: Company data

Figure 3 Geographical breakdown (1H25)



Source: Company data

Figure 4 Peer comparable

13-Nov-25			Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)				EPS YoY%		Div Yld (%)			P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
Company	Ticker	Price			Hist	FY1	FY2	FY3	FY1	FY2	Hist	FY1	FY2	Hist	FY1	Hist	FY1		1-mth	3-mth	1-Yr
HSI		27,073			12.8	13.1	11.6	10.5	(2.5)	12.5	2.9	2.9	3.1	1.44	1.39	10.7	10.3	4.5	4.6	5.7	36.6
MSCI ACWI		1,011.78			23.8	21.7	19.0	17.1	9.1	14.1	1.7	1.7	1.8	3.65	3.50	14.5	15.1	5.9	3.1	6.2	18.4
Sector Average					13.1	12.1	10.4	9.1	11.4	16.2	4.6	3.9	4.6	1.3	1.6	11.7	12.1	8.8	6.5	16.4	97.4
Sector Median					13.5	12.6	11.3	9.9	11.3	15.2	3.3	2.2	2.9	1.3	1.7	12.7	13.2	8.6	1.4	19.7	95.7
Eva Precision	838 HK	1.07	238	1.1	7.8	N/A	N/A	N/A	N/A	N/A	4.0	N/A	N/A	0.57	N/A	7.8	N/A	5.1	(7.8)	24.4	55.1
Tk Group Holding	2283 HK	2.57	276	0.4	8.2	7.8	6.8	5.6	5.0	15.2	9.0	8.9	10.1	1.27	N/A	15.3	15.8	14.4	1.6	2.0	46.9
Minth Group Ltd	425 HK	35.76	5,365	42.0	16.4	13.6	11.6	9.9	18.8	17.9	1.2	2.0	2.9	1.74	1.66	12.0	12.7	8.8	10.0	22.9	151
Xin Point Holdin	1571 HK	3.92	506	0.3	6.4	6.9	6.0	5.8	(7.6)	15.4	12.8	N/A	N/A	1.01	N/A	16.2	N/A	11.3	1.3	(2.2)	(1.0)
Impro Precision	1286 HK	5.95	1,445	1.4	17.4	15.3	13.5	11.7	14.2	12.8	2.7	N/A	N/A	2.14	2.15	13.4	14.3	10.1	36.5	47.3	178
Nexteer	1316 HK	6.72	2,170	13.7	21.8	16.0	12.7	10.9	36.4	25.9	1.0	2.0	2.4	1.05	1.03	5.0	6.4	5.5	(9.2)	(2.9)	113
Weichai Power-H	2338 HK	19.91	22,153	35.7	14.2	12.6	11.0	10.0	11.3	14.6	3.9	4.3	5.1	1.68	1.70	13.6	13.7	6.7	36.4	18.1	78.1
Johanson Elec H	179 HK	29.92	3,598	47.6	12.8	12.6	11.3	9.7	2.0	11.5	2.0	2.2	2.6	1.29	1.24	10.6	9.9	8.4	(17.2)	21.3	158

Source: Bloomberg, Crosby



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