



Johnson Electric (179 HK)

3Q26 business update

- Johnson Electric (JE) announced its 3Q26 results (Yr ended Mar) with turnover amounting to USD2.7bn, consistent with the prior year.
- 3Q26 results demonstrated resilience across geographies, with product mix cushioning regional volatility

Mixed regional performance for APG and IPG

JE delivered stable top-line performance in 3Q26 (Yr ended Mar), with turnover standing at USD2.7bn, consistent with prior year.

JE's largest operating division, Automotive Products Group's (APG), recorded sales of USD2.3bn in 3Q26, representing a marginal YoY decrease of 1% compared to 3Q25 and accounting for 84% of the total sales. APG's regional performance was mixed in 3Q26. APAC, with sales down 6% YoY, faced headwinds from competitive pricing and softer demand for non-domestic car brands in China, which has been historically a key APG market. This pressure was partially mitigated by stronger sales to domestic car brands. Sales from EMEA remained broadly stable with modest 1% YoY declines. The Americas delivered slight growth, supported by product diversification, though legacy program phase-outs tempered momentum. Overall, the company demonstrated resilience across geographies, with product mix shifts cushioning regional volatility.

JE's Industry Products Group (IPG) recorded 2% YoY sales growth to USD425m in 3Q26. Regional performance for IPG was mixed as well. Sales from APAC were down 1% YoY, as it faced competitive pricing pressures. Consequently, sales of products for food and beverages, floor care and printer application decreased. Sales from EMEA, however delivered a solid growth momentum of 6% YoY, on the back of inventory restocking and product innovation. Sales from Americas experienced modest contraction of 2% YoY due to program phase-outs. This resulted in decreased sales of products for ventilation and surgical applications. This decline was partially mitigated by increased sales of piezo motors and motion subsystems, driven by heightened demand for high-precision applications in semiconductor manufacturing and medical drug-dosing systems. Diversification across applications, particularly in medical, semiconductor, and energy-efficient solutions, continues to mitigate regional volatility and position the company for long-term growth opportunities.

YTD performance remained broadly stable

While 3Q26 growth momentum was neutral, the resilience in revenue underscores the company's ability to sustain its market position despite macroeconomic headwinds. Management's focus will be on unlocking new growth drivers to transition from stability towards expansion going forward. Based on the current order visibility, the management expects its FY26 sales to be in-line with prior year.

The company is now trading at consensus FY26/FY27 PE of 12.8x/ 11.2x.

NON-RATED

Last Price (HK\$)*	28.42
Target Price (HK\$)	N/A
Upside / (Downside)(%)	N/A
Previous rating	NON-RATED
Previous TP	N/A
Hang Seng Index*	26,749.51
* Prices as of	23-Jan-26

Key Data

Ticker	179 HK
Market Cap (HK\$m)	26,556
3M avg daily T/O (HK\$m)	185.6
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	-5.1%	-8.5%
3 months	-16.5%	-18.9%
6 months	15.1%	9.8%

Price Chart



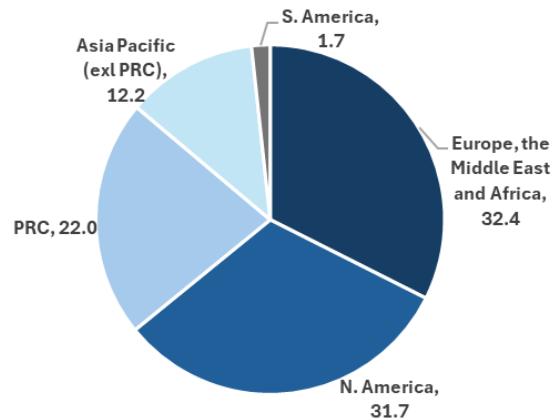


Figure 1 P&L

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

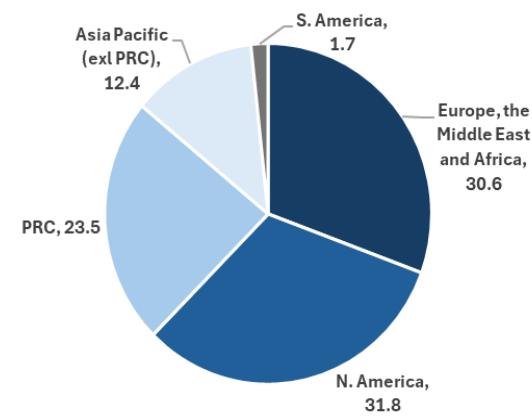
Source: Company data

Figure 2 Geographical breakdown (1H26)



Source: Company data

Figure 3 Geographical breakdown (1H25)



Source: Company data

Figure 4 Peer comparable

23-Jan-26		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		26,750	12.4	13.0	11.7	10.4	(4.5)	11.3	2.9	3.0	3.2	1.43	1.41	10.4	10.5	4.1	3.8	3.0	35.8	
MSCI ACWI		1,036.03	22.1	22.1	19.1	16.9	(0.8)	16.1	1.6	1.7	1.8	3.65	3.55	14.9	15.1	6.0	1.6	4.1	18.8	
Sector Average																				
Sector Median																				
Eva Precision	838 HK	0.91	202	0.4	6.6	N/A	N/A	N/A	4.8	N/A	N/A	0.48	N/A	7.8	N/A	5.1	3.4	(23.5)	49.2	
Tk Group Holding	2283 HK	2.49	266	0.2	7.9	7.5	6.6	5.4	5.0	15.2	9.3	9.2	10.4	1.23	N/A	15.3	15.8	14.4	(3.1)	(2.0)
Minth Group Ltd	425 HK	40.28	6,048	29.5	18.4	15.0	12.7	10.9	18.6	18.3	1.1	1.9	2.7	1.91	1.83	12.0	12.7	8.8	28.3	28.0
Xin Point Holdin	1571 HK	3.83	493	0.1	6.3	6.6	5.7	5.5	(7.6)	15.4	13.0	N/A	N/A	0.97	N/A	16.2	N/A	11.3	1.6	0.5
Impro Precision	1286 HK	6.90	1,670	2.1	20.2	17.9	15.9	13.7	12.7	13.0	2.3	2.8	3.2	2.48	2.53	13.4	14.2	10.1	39.1	53.3
Nexteer	1316 HK	7.43	2,391	11.6	24.1	17.6	13.8	11.9	36.4	27.8	0.9	1.8	2.2	1.16	1.13	5.0	6.4	5.5	11.4	9.9
Weichai Power-H	2338 HK	25.62	29,233	46.7	18.2	15.9	13.8	12.4	11.3	15.2	3.0	3.4	4.0	2.12	2.11	13.6	13.5	6.7	32.1	69.8
Johnson Elec H	179 HK	28.42	3,405	24.1	12.2	12.8	11.2	9.3	(5.0)	14.8	2.1	2.2	2.4	1.22	1.18	10.6	9.5	8.4	(5.1)	(16.5)
179 HK																				

Source: Bloomberg, Crosby



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