Press Release

January 24, 2025

Signify reports full-year sales of EUR 6.1 billion, operational profitability of 9.9% and a free cash flow of 7.1% of sales; launches share repurchase program

Full year 2024[1]

- Signify's installed base of connected light points increased to 144 million at YE 24
- Included in the Dow Jones Sustainability World Index for the eighth consecutive year
- Sales of EUR 6,143 million; comparable sales growth (CSG) of -6.6%
- LED-based sales represented 93% of total sales (FY 23: 85%)
- Adj. EBITA margin of 9.9% (FY 23: 10.0%)
- Successful implementation of cost reduction program, delivering savings of EUR 131 million
- Net income of EUR 334 million (FY 23: EUR 215 million)
- Free cash flow of EUR 438 million (FY 23: EUR 586 million), representing 7.1% of sales

Fourth quarter 2024

- Sales of EUR 1,655 million; CSG of -2.8%
- Adj. EBITA margin of 12.4% (Q4 23: 12.1%)
- Net income of EUR 119 million (Q4 23: EUR 59 million)
- Free cash flow of EUR 188 million (Q4 23: EUR 295 million)

Capital Allocation

- Successful reduction of EUR 440 million of gross debt in 2024
- Proposal to increase cash dividend to EUR 1.56 per share over 2024 (FY 23: EUR 1.55)
- Launch of share repurchase program of up to EUR 150 million for 2025 starting in Q1 2025; plan to repurchase EUR 350-450 million of shares until the end of 2027

Eindhoven, the Netherlands – Signify (Euronext: LIGHT), the world leader in lighting, today announced the company's fourth quarter and full-year 2024 results.

Eric Rondolat, CEO of Signify, comments:
"Today's results show the continued momentum of our business. Despite headwinds in China and in the Professional business in Europe, we achieved further sequential improvements in the fourth quarter, with a particularly strong performance from the Consumer business.

We are encouraged by the improvements we have seen over the past quarters. We successfully managed the decline of the Conventional business, as the rest of the business performed in line with our markets. We continued to see growth in our connected and specialty lighting businesses, driven by underlying demand for energy efficient and innovative solutions.

We maintained a strong gross margin as we fully compensated price pressure in some markets with COGS savings. The cost reduction program we successfully implemented delivered EUR 131 million of savings in line

[1] This press release contains certain non-IFRS financial measures and ratios, such as comparable sales growth, EBITA, adjusted EBITA and free cash flow, and related ratios, which are not recognized measures of financial performance or liquidity under IFRS. For a reconciliation of these non-IFRS financial measures to the most directly comparable IFRS financial measures, see appendix B, Reconciliation of non-IFRS financial measures, of this press release.

with our commitment, supporting a resilient bottom line. Our Adjusted EBITA is 9.9% for the full year and includes a drag effect of 40 bps from the slowing contribution of the Conventional Business, highlighting our ability to navigate challenging market conditions with our three digital businesses.

We achieved a strong free cash flow of 7.1% of sales, which includes a cash out related to the restructuring program and a reduction of our US pension liabilities. Available free cash flow was used to reduce EUR 440 million of debt. As a result, we have strengthened our balance sheet and reduced interest charges for the coming years.

Thanks to these achievements, we are updating our capital allocation policy. We will increase our dividend to 1.56 EUR per share in 2025 and will launch a share buyback program in Q1 of up to EUR 150 million to be executed by year-end. This is part of a planned EUR 350-450 million share buyback program planned until the end of 2027.

Looking to 2025, we expect the momentum in our business will build throughout the year, resulting in low single digit topline growth for Signify excluding Conventional and a stable EBITA margin compared to 2024. On top of this, we are expecting a free cash flow generation in the range of 7-8% for the year.

We are closing the year in a significantly stronger position than we entered it. While work remains to accelerate our progress and ensure our businesses deliver sustained growth for the years ahead, we have the structure and strategy in place to achieve our goals. Our accomplishments are made possible by the outstanding commitment of Signify employees around the world who have consistently approached complexity and change with dedication and adaptability."

Brighter Lives, Better World 2025

Signify completed its fourth year of its Brighter Lives, Better World 2025 sustainability program, making continued progress towards doubling its positive impact on the environment and society by the end of 2025. Signify was on track to deliver on three of its sustainability program commitments:

Double the pace of the Paris Agreement
Signify is on track to reduce emissions across the entire value chain by 40% against the 2019 baseline - double the pace required by the Paris Agreement. This is driven by Signify's leadership in energy efficient and connected LED lighting solutions, which significantly reduce emissions during the use phase.

Double Circular revenues
Circular revenues decreased slightly from third quarter to 35% this quarter, still well ahead of the 2025 target of 32%. The main contribution was from serviceable luminaires. The decline was caused by the discontinuation of one specific luminaire family.

Double Brighter lives revenues
Brighter lives revenues increased to 33% this quarter, putting us ahead of our 2025 target of 32%. This includes strong performance from both professional luminaires and consumer light sources.

Double the percentage of women in leadership
The percentage of women in leadership positions dropped to 28%, off track versus the 2024 target. Signify continues its efforts to increase overall representation through focused hiring practices for diversity across all levels. Focus remains on building strong succession pipelines, and engagement actions to reduce attrition.

In the fourth quarter, Signify received several external recognitions for its leadership in Sustainability. Signify was included in the DJSI World Index for the 8th consecutive year and achieved the EcoVadis Platinum rating for the 5th consecutive year.

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Outlook

For 2025, Signify expects sales momentum to build throughout the year, leading to low single digit comparable sales growth excluding Conventional.

Signify also expects a stable Adjusted EBITA margin vs. 2024 with the Professional, Consumer and OEM combined compensating the drag of the Conventional business.

Signify targets a free cash flow generation of 7-8% of sales.

Capital allocation

Capital allocation policy
Signify's capital allocation policy is

- to maintain a robust capital structure and maintain an investment grade credit rating,
- to pay an increasing annual cash dividend per share year on year,
- to continue to invest in organic and inorganic growth opportunities in line with its strategic priorities, and
- to provide additional capital return to shareholders with residual available cash.

Debt Repayment
In 2024, Signify successfully repaid EUR 440 million of gross debt and reduced its US pension liabilities by USD 48 million by settling the main defined benefit plan. The net debt/EBITDA leverage ratio reduced to 1.3x, from 1.7x in 2023, while avoiding a significant increase of annual interest charges in the coming years.

Dividend
Signify proposes a cash dividend of EUR 1.56 per share for 2024, in line with its policy to pay an increasing annual cash dividend per share year on year. The dividend proposal is subject to approval at the Annual General Meeting of Shareholders (AGM) to be held on April 25th, 2025. Further details will be provided in the agenda for the AGM.

Launch of share repurchase program
Signify announces a share repurchase program for a total of EUR 350-450 million of shares until the end of 2027. This will include share repurchases to cover share-based remuneration obligations. Signify intends to cancel the remainder of the shares repurchased. This initiative underscores our commitment to create value for shareholders while maintaining financial flexibility to support growth opportunities.

As part of this program, Signify intends to repurchase shares for an amount of up to EUR 150 million to be completed by the end of 2025, starting in Q1. This will include an allocation of approx. EUR 30 million to cover share-based remuneration obligations, with the remainder allocated for the cancellation of shares.

Signify is committed to the planned three-year share repurchase program, subject to changes in corporate activities, such as M&A, or material changes in the business environment. The share repurchase program will be executed within the limitations of the existing authority granted by the AGM held on May 14, 2024 and of the authority to be granted by future AGMs.

Financial review

Fourth quarter				Twelve months		
2023	2024	change	*in millions of EUR, except percentages*	2023	2024	change
		-2.8%	**Comparable sales growth**			**-6.6%**
		-1.8%	*Currency effects*			*-1.8%*
		—%	*Consolidation effects*			*—%*
1,734	**1,655**	-4.6%	**Sales**	**6,704**	**6,143**	-8.4%
707	673	-4.8%	Adjusted gross margin	2,660	2,501	-6.0%
40.8%	**40.7%**		**Adj. gross margin (as % of sales)**	**39.7%**	**40.7%**	
-445	-425		Adj. SG&A expenses	-1,791	-1,701	
-75	-61		Adj. R&D expenses	-284	-264	
-520	-486	-6.4%	Adj. indirect costs	-2,075	-1,965	-5.3%
30.0%	**29.4%**		**Adj. indirect costs (as % of sales)**	**31.0%**	**32.0%**	
209	205	-1.9%	Adjusted EBITA	670	606	-9.6%
12.1%	**12.4%**		**Adjusted EBITA margin**	**10.0%**	**9.9%**	
-101	-11		Adjusted items	-221	-63	
108	194	78.7%	EBITA	449	543	20.9%
89	**179**	**101.4%**	**Income from operations (EBIT)**	**369**	**477**	**29.4%**
-18	-23		Net financial income/expense	-102	-82	
-12	-37		Income tax expense	-53	-60	
59	**119**	**101.3%**	**Net income**	**215**	**334**	**55.3%**
295	188		Free cash flow	586	438	
0.44	0.92		Basic EPS (€)	1.61	2.60	
31,920	29,459		Employees (FTE)	31,920	29,459	

Full year
Nominal sales decreased by 8.4% to EUR 6,143 million, including a negative currency effect of 1.8% from USD and CNY depreciation. Comparable sales declined by 6.6%, mainly due to the accelerated decline in Conventional business, weakness in the European professional lighting business and in China. The agriculture lighting segment rebounded after experiencing a temporary slowdown in 2023.

The Adjusted gross margin improved by 100 bps to 40.7%, as positive sales mix and effective COGS management more than compensated price pressure in some of Signify's markets. Adjusted indirect costs as a percentage of sales increased by 100 bps to 32.0%, as benefits from the cost reduction program were offset by the decline in the topline.

Adjusted EBITA was EUR 606 million. The Adjusted EBITA margin was 9.9%, as the gross margin improvement was offset by an under-absorption of fixed costs. The continued decline of the Conventional business had a adverse effect of 40 bps on the Adjusted EBITA margin.

Adjusted items were EUR -63 million, as restructuring costs were partly compensated by a gain from real estate transactions and other items. In the previous year, Adjusted items amounted to EUR -221 million including -167 million of restructuring costs.

Net income increased to EUR 334 million, mainly attributable to lower restructuring costs and financial expense.

Fourth quarter
Nominal sales decreased by 4.6% to EUR 1,655 million, including a negative currency effect of 1.8% caused by a mix of different currencies. Comparable sales declined by 2.8%, still impacted by softness in China and Europe Professional markets, partly offset by good performance in the Agriculture lighting segment.

The Adjusted gross margin remained broadly stable at 40.7%, as positive sales mix and effective COGS management largely compensated price pressure in some of Signify's markets. Adjusted indirect costs as a percentage of sales decreased by 60 bps to 29.4%, mainly reflecting the acceleration of the cost reduction program.

Adjusted EBITA increased to EUR 205 million. The Adjusted EBITA margin increased by 30 bps to 12.4%, mainly driven by lower indirect costs.

Adjusted items were EUR -11 million as restructuring costs of EUR 30 million were partly offset by incidental items of EUR 13 million related to a gain in a real estate transaction, and acquisition-related gains of EUR 5 million mainly related to balances of prior acquisitions.

Net income increased to EUR 119 million, mainly resulting from lower restructuring costs compared to last year.

The number of employees (FTE) decreased from 31,920 at the end of Q4 23 to 29,459 at the end of Q4 24. The year-on-year decrease is mostly related to the 2023 restructuring program and a reduction of factory personnel due to lower production volumes. In general, the number of FTEs is affected by fluctuations in volume and seasonality.

Professional

Fourth quarter				Twelve months		
2023	2024	change	*in millions of EUR, unless otherwise indicated*	2023	2024	change
-3.0%	-3.4%		Comparable sales growth	-4.4%	-5.8%	
1,095	1,036	-5.4%	Sales	4,254	3,933	-7.6%
128	111	-13.2%	Adjusted EBITA	412	367	-10.9%
11.7%	10.8%		Adjusted EBITA margin	9.7%	9.3%	

Includes Intelligent Lighting Controls since March 1, 2023

Full year
Nominal sales decreased by 7.6% to EUR 3,933 million, including a negative currency effect of 1.8%. Comparable sales decreased by 5.8%, impacted by challenges faced in the indoor professional lighting market in Europe, as well as the weaker construction sector in China. The Adjusted EBITA margin decreased by 40 bps to 9.3%, mainly explained by under-absorption of fixed costs.

Fourth quarter
Nominal sales decreased by 5.4% to EUR 1,036 million, including a negative currency effect of 2.0%. Comparable sales decreased by 3.4%, mainly due to weakness in Europe and China. The Adjusted EBITA margin decreased by 90 bps to 10.8%, mainly due to the under-absorption of fixed costs.

Consumer

Fourth quarter				Twelve months		
2023	2024	change	*in millions of EUR, unless otherwise indicated*	2023	2024	change
-5.3%	4.0%		Comparable sales growth	-9.3%	-1.2%	
387	396	2.5%	Sales	1,342	1,297	-3.4%
55	69	25.8%	Adjusted EBITA	120	144	20.5%
14.2%	17.4%		Adjusted EBITA margin	8.9%	11.1%	

Full year
Nominal sales decreased by 3.4% to EUR 1,297 million, including a negative currency effect of 2.2%. Comparable sales decreased by 1.2% as the sales growth in most markets was offset by a weak performance in China. The Adjusted EBITA margin increased by 220 bps to 11.1%, primarily coming from effective COGS management and lower indirect costs.

Fourth quarter
Nominal sales increased by 2.5% to EUR 396 million, including a negative currency effect of 1.5%. Comparable sales increased by 4.0%, driven by strong connected sales during the main selling season. The Adjusted EBITA margin increased by 320 bps to 17.4%, driven by top-line recovery, a strong connected consumer performance and benefits from the cost reduction program.

OEM

Fourth quarter				Twelve months		
2023	2024	change	*in millions of EUR, unless otherwise indicated*	2023	2024	change
-23.7%	-1.2%		Comparable sales growth	-23.0%	-2.0%	
107	103	-3.5%	Sales	457	437	-4.5%
9	9	2.1%	Adjusted EBITA	43	48	12.3%
8.1%	8.5%		Adjusted EBITA margin	9.4%	11.1%	

Full year
Nominal sales decreased by 4.5% to EUR 437 million, including a negative currency effect of 2.5%. Comparable sales decreased by 2.0%. The Adjusted EBITA margin increased by 170 bps to 11.1%, driven by the stabilization of the topline and benefits from the cost reduction program.

Fourth quarter
Nominal sales decreased by 3.5% to EUR 103 million, including a negative currency effect of 2.3%. Comparable sales decreased by 1.2%, as growth in Europe was offset by a weaker performance in China. The Adjusted EBITA margin increased by 40 bps to 8.5%, reflecting the benefits from the cost reduction program.

Conventional

Fourth quarter				Twelve months		
2023	2024	change	*in millions of EUR, unless otherwise indicated*	2023	2024	change
-29.6%	-24.5%		Comparable sales growth	-18.4%	-29.2%	
136	101	-25.4%	Sales	627	437	-30.2%
23	20	-15.8%	Adjusted EBITA	127	78	-38.3%
17.1%	19.3%		Adjusted EBITA margin	20.3%	17.9%	

Full year

Nominal sales decreased by 30.2% to EUR 437 million, including a negative currency effect of 1.0%. Comparable sales decreased by 29.2%, due to the structural decline of the business, which was exacerbated by continued impact of the fluorescent bans in Europe. The Adjusted EBITA margin decreased by 240 bps to 17.9%, mainly due to an under-absorption of fixed costs.

Fourth quarter

Nominal sales decreased by 25.4% to EUR 101 million, including a negative currency effect of 0.9%. Comparable sales decreased by 24.5%. The Adjusted EBITA margin improved by 220 bps to 19.3%.

Other

Full year

'Other' represents amounts not allocated to the businesses and mainly includes costs related to ventures, exploratory research and audits. Adjusted EBITA was EUR -32 million (2023: EUR -31 million).

Fourth quarter

Adjusted EBITA was EUR -4 million (Q4 23: EUR -6 million).

Working capital

in millions of EUR, unless otherwise indicated	Dec 31, 2023	Sep 30, 2024	Dec 31, 2024
Inventories	1,050	1,089	1,035
Trade and other receivables[1]	1,012	979	1,018
Trade and other payables	-1,539	-1,548	-1,588
Other working capital items	-62	-41	-43
Working capital	**461**	**480**	**422**
As % of LTM sales[2]	6.9%	7.7%	6.9%

1 As at December 31, 2024 and September 30, 2024,Trade and other receivables exclude USD 50 million and USD 50 million, respectively, of insurance receivables for which a legal provision is recognized for the same amount

2 *LTM: last twelve months*

Fourth quarter

Compared to September 2024, working capital decreased by EUR 58 million to EUR 422 million, coming from a reduction of inventories and an increase of payables partly offset by higher receivables. As a percentage of last twelve-month sales, working capital decreased by 80 bps to 6.9%.

Compared to December 2023, working capital decreased by EUR 39 million, driven by lower inventories, and higher payables. As a percentage of last twelve-month sales, working capital remained stable at 6.9%.

Cash flow analysis

Fourth quarter			Twelve months	
2023	2024	*in millions of EUR*	2023	2024
89	179	Income from operations (EBIT)	369	477
69	63	Depreciation and amortization	274	255
107	39	Additions to (releases of) provisions	266	140
-46	-98	Utilizations of provisions	-192	-289
121	77	Changes in working capital	87	48
-1	-13	Net interest and financing costs received (paid)	-41	-53
-23	-28	Income taxes paid	-81	-66
-28	-17	Net capex	-110	-77
8	-14	Other	15	1
295	**188**	**Free cash flow**	**586**	**438**

Full year
Free cash flow decreased to EUR 438 million, mainly reflecting the non-recurring cash impact related to the 2023 restructuring program and the reduction of US pension liabilities. Free cash flow included a total restructuring payout of EUR 133 million (2023: EUR 69 million).

	Twelve months
In millions of EUR	2024
Professional	397
Consumer	147
OEM	81
Conventional	55
Other*	-243
Signify free cash flow	**438**

** Non-allocated free cash flow items (e.g. tax, interest and costs in 'Other' not allocated to the businesses).*

In 2024, the Professional, Consumer and OEM Businesses generated the majority of the company's free cash flow, contributing 92% of Signify's free cash flow excluding 'Other'.

Fourth quarter
Free cash flow decreased to EUR 188 million, mainly resulting from the reduction of the US pensions liabilities, higher utilization of provisions and a lower working capital inflow, as Q4 last year benefited from a stronger reduction of inventories. Free cash flow included a restructuring payout of EUR 28 million (Q4 23: 16 million).

Net debt and total equity

in millions of EUR	Dec 31, 2023	Sep 30, 2024	Dec 31, 2024
Short-term debt	1,038	567	416
Long-term debt	1,192	1,141	1,137
Gross debt	2,230	1,708	1,553
Cash and cash equivalents	1,158	612	633
Net debt	**1,071**	**1,096**	**920**
Total equity	**2,947**	**2,903**	**3,267**

Fourth quarter
Compared with the end of September 2024, the cash position increased by EUR 21 million to EUR 633 million, mainly driven by free cash flow generation. During the quarter, Signify repaid EUR 488 million of short term debt originally maturing in November 2024 and January 2025. At the same time, the company issued EUR 325 million of short-term debt. As a result, gross debt decreased by EUR 155 million to EUR 1,553 million. Net debt reduced to EUR 920 million mainly attributable to a higher cash position and reduction in gross debt. Total equity increased to EUR 3,267 million (Q3 24: EUR 2,903 million), primarily due to currency translation results and net income.

Compared with the end of December 2023, the cash position decreased by EUR 525 million and the gross debt decreased by EUR 677 million. As a result, the net debt reduced by EUR 151 million. At the end of December 2024, the net debt/EBITDA ratio was 1.3x (Q4 23: 1.7x).

Other information

Appendix A – Selection of financial statements
Appendix B – Reconciliation of non-IFRS financial measures
Appendix C – Financial Glossary

Conference call and audio webcast
Eric Rondolat (CEO) and Željko Kosanović (CFO) will host a conference call for analysts and institutional investors at 9:00 a.m. CET to discuss the fourth quarter and full-year 2024 results. A live audio webcast of the conference call will be available via the Investor Relations website.

Financial calendar

February 25, 2025	Annual Report 2024
April 25, 2025	First quarter results 2025
April 25, 2025	Annual General Meeting
April 29, 2025	Ex-dividend date
April 30, 2025	Dividend record date
May 7, 2025	Dividend payment date
July 25, 2025	Second quarter and half-year results 2025
October 24, 2025	Third quarter results 2025

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About Signify
Signify (Euronext: LIGHT) is the world leader in lighting for professionals, consumers and the Internet of Things. Our Philips products, Interact systems and data-enabled services, deliver business value and transform life in homes, buildings and public spaces. In 2024, we had sales of EUR 6.1 billion, approximately 29,000 employees and a presence in over 70 countries. We unlock the extraordinary potential of light for brighter lives and a better world. We have been in the Dow Jones Sustainability World Index since our IPO for eight consecutive years and have achieved the EcoVadis Platinum rating for five consecutive years, placing Signify in the top one percent of companies assessed. News from Signify can be found in the Newsroom, on X, LinkedIn and Instagram. Information for investors is located on the Investor Relations page.

Important information

Forward-Looking Statements and Risks & Uncertainties
This document and the related oral presentation contain, and responses to questions following the presentation may contain, forward-looking statements that reflect the intentions, beliefs or current expectations and projections of Signify N.V. (the “Company”, and together with its subsidiaries, the “Group”), including statements regarding strategy, estimates of sales growth and future operational results.

By their nature, these statements involve risks and uncertainties facing the Company and its Group companies, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties. Such risks, uncertainties and other important factors include but are not limited to: adverse economic and geopolitical developments including the potential impact of trade tariffs, the impact of the increasing conflicts globally, volatility in interest rates, inflation and currency fluctuations, changes in international tax laws, economic downturns in key geographies to the company, supply chain disruptions, new technological disruptions, cybersecurity risk, competition in the general lighting market, reputational and adverse effects on business due to activities in Environment, Health & Safety, compliance risks, ability to attract and retain talented personnel, pension liabilities.

Additional risks currently not known to the Group or that the Group has not considered material as of the date of this document could also prove to be important and may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group or could cause the forward-looking events discussed in this document not to occur. The Group undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

Market and Industry Information
All references to market share, market data, industry statistics and industry forecasts in this document consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of the Group’s own assessment of its sales and markets. Rankings are based on sales unless otherwise stated.

Non-IFRS Financial Measures
Certain parts of this document contain non-IFRS financial measures and ratios, such as comparable sales growth, adjusted gross margin, EBITA, adjusted EBITA, free cash flow, and other related ratios, which are not recognized measures of financial performance or liquidity under IFRS. The non-IFRS financial measures presented are measures used by management to monitor the underlying performance of the Group’s business and operations and, accordingly, they have not been audited nor reviewed. Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis and these measures and ratios may not be comparable to measures used by other companies under the same or similar names. A reconciliation of these non-IFRS financial measures to the most directly comparable IFRS financial measures is contained in this document. For further information on non-IFRS financial measures, see “Chapter 19 Reconciliation of non-IFRS measures” in the Annual Report 2023.

Presentation
All amounts are in millions of euros unless otherwise stated. Due to rounding, amounts may not add up to totals provided. All reported data are unaudited. Unless otherwise indicated, financial information has been prepared in accordance with the accounting policies as stated in the Annual Report 2023 and the Semi-Annual Report 2024.

Change in reportable segments
Effective Q1 2024, Signify reports against four businesses with vertically integrated P&Ls, adapted from the previous three divisions as follows:

- The **Professional** business will offer LED lamps, luminaires, connected lighting systems and services to customers in the professional segment.
- The **Consumer** business will offer LED lamps, luminaires, and connected products, including Philips Hue and WiZ, to customers in the consumer segment.
- The **OEM** business will offer lighting components to the industry.
- The **Conventional** business will offer special lighting, digital projection, and lamp electronics.

Market Abuse Regulation
This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Appendix A – Financial statement information

A. Condensed consolidated statement of income

In millions of EUR unless otherwise stated

	Fourth quarter		January to December	
	2023	**2024**	**2023**	**2024**
Sales	1,734	1,655	6,704	6,143
Cost of sales	(1,048)	(1,002)	(4,146)	(3,701)
Gross margin	**686**	**653**	**2,558**	**2,442**
Selling, general and administrative expenses	(503)	(438)	(1,882)	(1,736)
Research and development expenses	(93)	(61)	(308)	(266)
Impairment of goodwill	–	–	–	–
Other business income	3	25	24	41
Other business expenses	(4)	–	(23)	(3)
Income from operations	**89**	**179**	**369**	**477**
Financial income	14	9	32	42
Financial expenses	(32)	(33)	(134)	(124)
Results relating to investments in associates	–	–	–	(1)
Income before taxes	**71**	**156**	**268**	**394**
Income tax expense	(12)	(37)	(53)	(60)
Net income	**59**	**119**	**215**	**334**
Attribution of net income for the period:				
Net income (loss) attributable to shareholders of Signify N.V.	56	116	203	328
Net income (loss) attributable to non-controlling interests	3	3	12	6
Earnings per ordinary share attributable to shareholders				
Weighted average number of ordinary shares outstanding used for calculation (in thousands):				
Basic	126,313	126,169	125,951	126,222
Diluted	127,262	127,444	127,338	127,536
Net income attributable to shareholders per ordinary share in EUR:				
Basic	0.44	0.92	1.61	2.60
Diluted	0.44	0.91	1.59	2.57

Amounts may not add up due to rounding.

B. Condensed consolidated statement of comprehensive income

in millions of EUR

	Fourth quarter		January to December	
	2023	**2024**	**2023**	**2024**
Net income (loss)	**59**	**119**	**215**	**334**
Pensions and other post-employment plans:				
Remeasurements	(13)	8	(14)	11
Income tax effect on remeasurements	2	(2)	2	(3)
Total of items that will not be reclassified to profit or loss	**(11)**	**6**	**(12)**	**8**
Currency translation differences:				
Net current period change, before tax	(181)	236	(143)	181
Income tax effect	–	–	–	–
Net investment hedge				
Net current period change, before tax	2	–	(3)	–
Income tax effect	1	–	1	–
Cash flow hedges:				
Net current period change, before tax	4	5	25	8
Income tax effect	(1)	(1)	(6)	(2)
Total of items that are or may be reclassified to profit or loss	**(176)**	**240**	**(126)**	**187**
Other comprehensive income (loss)	**(187)**	**247**	**(138)**	**196**
Total comprehensive income (loss)	**(128)**	**365**	**77**	**529**
Total comprehensive income (loss) attributable to:				
Shareholders of Signify N.V.	(125)	357	71	518
Non-controlling interests	(2)	8	6	11

Amounts may not add up due to rounding.

C. Condensed consolidated statement of financial position

In millions of EUR

	2023	2024
Non-current assets		
Property, plant and equipment	633	568
Goodwill	2,755	2,903
Intangible assets, other than goodwill	641	608
Investments in associates	12	7
Financial assets	91	38
Deferred tax assets	402	391
Other assets	32	26
Total non-current assets	**4,566**	**4,541**
Current assets		
Inventories	1,050	1,035
Financial assets	2	–
Other assets	147	147
Derivative financial assets	14	17
Income tax receivable	54	52
Trade and other receivables	1,012	1,066
Cash and cash equivalents	1,158	633
Assets classified as held for sale	–	13
Total current assets	**3,438**	**2,964**
Total assets	**8,004**	**7,505**
Equity		
Shareholders' equity	2,817	3,162
Non-controlling interests	129	105
Total equity	**2,947**	**3,267**
Non-current liabilities		
Debt	1,192	1,137
Post-employment benefits	322	255
Provisions	263	192
Deferred tax liabilities	20	17
Income tax payable	79	68
Other liabilities	154	145
Total non-current liabilities	**2,030**	**1,815**
Current liabilities		
Debt, including bank overdrafts	1,038	416
Derivative financial liabilities	17	11
Income tax payable	20	19
Trade and other payables	1,539	1,588
Provisions	206	192
Other liabilities	206	196
Liabilities from assets classified as held for sale	–	–
Total current liabilities	**3,027**	**2,423**
Total liabilities and total equity	**8,004**	**7,505**

Amounts may not add up due to rounding.

D. Condensed consolidated statement of cash flows

In millions of EUR

	Fourth quarter		January to December	
	2023	2024	2023	2024
Cash flows from operating activities				
Net income (loss)	59	119	215	334
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	209	148	705	541
• Depreciation, amortization and impairment of non-financial assets	69	63	274	255
• Result on sale of assets	(1)	(16)	6	(18)
• Net interest expense on debt, borrowings and other liabilities	10	13	43	42
• Income tax expense	12	37	53	60
• Additions to (releases of) provisions	101	30	243	120
• Additions to (releases of) post-employment benefits	6	9	23	21
• Other items	14	11	64	61
Changes in working capital:	121	77	87	48
• Changes in trade and other receivables	52	(14)	50	3
• Changes in inventories	157	88	267	35
• Changes in trade and other payables	(110)	(13)	(272)	28
• Changes in other current assets and liabilities	22	16	42	(17)
Changes in other non-current assets and liabilities	3	1	3	(1)
Utilizations of provisions	(38)	(50)	(153)	(215)
Utilizations of post-employment benefits	(8)	(48)	(38)	(73)
Net interest and financing costs received (paid)	(1)	(13)	(41)	(53)
Income taxes paid	(23)	(28)	(81)	(66)
Net cash provided by (used for) operating activities	**323**	**205**	**696**	**514**
Cash flows from investing activities				
Net capital expenditures:	(28)	(17)	(110)	(77)
• Additions of intangible assets	(19)	(15)	(67)	(48)
• Capital expenditures on property, plant and equipment	(11)	(14)	(51)	(51)
• Proceeds from disposal of property, plant and equipment	2	12	8	22
Net proceeds from (cash used for) derivatives and other financial assets	(2)	5	7	(4)
Purchases of businesses, net of cash acquired	3	8	(13)	8
Proceeds from sale of businesses, net of cash disposed of	–	–	–	–
Net cash provided by (used for) investing activities	**(26)**	**(3)**	**(115)**	**(72)**
Cash flows from financing activities				
Dividend paid	(12)	(18)	(210)	(221)
Proceeds from issuance of debt	222	328	233	513
Repayment of debt	(18)	(507)	(83)	(1,238)
Transactions with minority shareholders	–	1	–	(11)
Purchase of treasury shares	–	–	(7)	(14)
Net cash provided by (used for) financing activities	**192**	**(196)**	**(67)**	**(970)**
Net cash flows	**488**	**6**	**514**	**(527)**
Effect of changes in exchange rates on cash and cash equivalents and bank overdrafts	(18)	15	(31)	2
Cash and cash equivalents and bank overdrafts at the beginning of the period [1]	688	612	676	1,158
Cash and cash equivalents and bank overdrafts at the end of the period [2]	**1,158**	**633**	**1,158**	**633**

[1] For Q4 2024 and Q4 2023, included bank overdrafts of EUR 0 million and EUR 1 million, respectively. For January to December of 2024 and 2023, included bank overdrafts of EUR 0 million and EUR 1 million, respectively.

[2] Included bank overdrafts of EUR 1 million and EUR 0 million as at December 31, 2024 and 2023, respectively.

Amounts may not add up due to rounding.

Appendix B - Reconciliation of non-IFRS financial measures

Sales growth composition per business in %

	Fourth quarter			
	Comparable growth	Currency effects	Consolidation effects	Nominal growth
2024 vs 2023				
Professional	(3.4)	(2.0)	–	(5.4)
Consumer	4.0	(1.5)	–	2.5
OEM	(1.2)	(2.3)	–	(3.5)
Conventional	(24.5)	(0.9)	–	(25.4)
Signify	**(2.8)**	**(1.8)**	**–**	**(4.6)**

	Fourth quarter			
	Comparable growth	Currency effects	Consolidation effects	Nominal growth
2023 vs 2022				
Professional	(3.0)	(5.0)	0.4	(7.6)
Consumer	(5.3)	(5.1)	0.0	(10.4)
OEM	(23.7)	(4.8)	0.0	(28.5)
Conventional	(29.6)	(3.4)	0.0	(33.0)
Signify	**(7.7)**	**(4.9)**	**0.2**	**(12.3)**

	January to December			
	Comparable growth	Currency effects	Consolidation effects	Nominal growth
2024 vs 2023				
Professional	(5.8)	(1.8)	0.1	(7.6)
Consumer	(1.2)	(2.2)	–	(3.4)
OEM	(2.0)	(2.5)	–	(4.5)
Conventional	(29.2)	(1.0)	–	(30.2)
Signify	**(6.6)**	**(1.8)**	**–**	**(8.4)**

	January to December			
	Comparable growth	Currency effects	Consolidation effects	Nominal growth
2023 vs 2022				
Professional	(4.4)	(3.1)	1.4	(6.0)
Consumer	(9.3)	(4.0)	0.0	(13.4)
OEM	(23.0)	(3.6)	0.0	(26.6)
Conventional	(18.4)	(2.5)	0.0	(20.9)
Signify	**(8.3)**	**(3.3)**	**0.8**	**(10.8)**

Adjusted EBITA to Income from operations (or EBIT) in millions of EUR

	Signify	Professional	Consumer	OEM	Conventional	Other
Fourth quarter 2024						
Adjusted EBITA	205	111	69	9	20	(4)
Restructuring	(30)					
Acquisition-related charges	5					
Incidental items	13					
EBITA	**194**					
Amortization [1]	(15)					
Income from operations (or EBIT)	**179**					
Fourth quarter 2023						
Adjusted EBITA	209	128	55	9	23	(6)
Restructuring	(83)					
Acquisition-related charges	(5)					
Incidental items	(13)					
EBITA	**108**					
Amortization [1]	(20)					
Income from operations (or EBIT)	**89**					

[1] Amortization and impairments of acquisition related intangible assets and goodwill.

	Signify	Professional	Consumer	OEM	Conventional	Other
January to December 2024						
Adjusted EBITA	606	367	144	48	78	(32)
Restructuring	(74)					
Acquisition-related charges	5					
Incidental items	7					
EBITA	**543**					
Amortization [1]	(66)					
Income from operations (or EBIT)	**477**					
January to December 2023						
Adjusted EBITA	670	412	120	43	127	(31)
Restructuring	(167)					
Acquisition-related charges	(14)					
Incidental items	(40)					
EBITA	**449**					
Amortization [1]	(80)					
Income from operations (or EBIT)	**369**					

[1] Amortization and impairments of acquisition related intangible assets and goodwill.

Amounts may not add up due to rounding.

Fourth quarter 2024 Income from operations to Adjusted EBITA in millions of EUR

	Reported	Restruc-turing [2]	Acquisition-related charges	Incidental items [1]	Adjusted
Fourth quarter 2024					
Sales	1,655	–	–	–	1,655
Cost of sales	(1,002)	20	1	–	(982)
Gross margin	**653**	**20**	**1**	**–**	**673**
Selling, general and administrative expenses	(438)	10	–	2	(425)
Research and development expenses	(61)	–	–	–	(61)
Indirect costs	**(499)**	**10**	**–**	**2**	**(486)**
Impairment of goodwill	–	–	–	–	–
Other business income	25	–	(6)	(15)	3
Other business expenses	–	–	–	–	–
Income from operations	**179**	**30**	**(5)**	**(13)**	**190**
Amortization	(15)	–	–	–	(15)
Income from operations excluding amortization (EBITA)	**194**	**30**	**(5)**	**(13)**	**205**
Fourth quarter 2023					
Sales	1,734	–	–	–	1,734
Cost of sales	(1,048)	9	1	12	(1,026)
Gross margin	**686**	**9**	**1**	**12**	**707**
Selling, general and administrative expenses	(503)	57	3	(1)	(445)
Research and development expenses	(93)	18	–	–	(75)
Indirect costs	**(596)**	**74**	**3**	**(1)**	**(520)**
Impairment of goodwill	–	–	–	–	–
Other business income	3	–	–	–	3
Other business expenses	(4)	–	1	2	(2)
Income from operations	**89**	**83**	**5**	**13**	**189**
Amortization	(20)	–	–	–	(20)
Income from operations excluding amortization (EBITA)	**108**	**83**	**5**	**13**	**209**

[1] Q4 2024:Incidental items are mainly related to a gain in a real estate transaction amounting to EUR 15 million in Conventional
Q4 2023: Incidental items are mainly related to the one-day FX loss from the devaluation of the Argentine peso by the Argentinian government (EUR 11 million, in Professional and Consumer).

[2] Q4 2024:Restructuring costs consisted of EUR 26 million of employee termination benefits and EUR 4 million of other costs related to restructuring programs.
Q4 2023:Restructuring costs consisted of EUR 77 million of employee termination benefits and EUR 6 million of other costs related to restructuring programs.

Amounts may not add up due to rounding.

January to December 2024 Income from operations to Adjusted EBITA in millions of EUR

	Reported	Restruc-turing [2]	Acquisition-related charges	Incidental items [1]	Adjusted
January to December 2024					
Sales	6,143	–	–	–	6,143
Cost of sales	(3,701)	47	1	11	(3,642)
Gross margin	**2,442**	**47**	**1**	**11**	**2,501**
Selling, general and administrative expenses	(1,736)	25	4	6	(1,701)
Research and development expenses	(266)	2	–	–	(264)
Indirect costs	**(2,002)**	**27**	**4**	**6**	**(1,965)**
Impairment of goodwill	–	–	–	–	–
Other business income	41	–	(10)	(25)	7
Other business expenses	(3)	–	–	–	(3)
Income from operations	**477**	**74**	**(5)**	**(7)**	**540**
Amortization	(66)	–	–	–	(66)
Income from operations excluding amortization (EBITA)	**543**	**74**	**(5)**	**(7)**	**606**
January to December 2023					
Sales	6,704	–	–	–	6,704
Cost of sales	(4,146)	62	3	36	(4,044)
Gross margin	**2,558**	**62**	**3**	**36**	**2,660**
Selling, general and administrative expenses	(1,882)	81	11	(1)	(1,791)
Research and development expenses	(308)	24	–	–	(284)
Indirect costs	**(2,191)**	**105**	**11**	**(1)**	**(2,075)**
Impairment of goodwill	–	–	–	–	–
Other business income	24	–	(2)	(11)	10
Other business expenses	(23)	–	2	16	(5)
Income from operations	**369**	**167**	**14**	**40**	**590**
Amortization	(80)	–	–	–	(80)
Income from operations excluding amortization (EBITA)	**449**	**167**	**14**	**40**	**670**

[1] Q1-Q4 2024: Incidental items mainly related to one-day FX loss from the devaluation of the Egyptian pound by the Egyptian government (EUR 10 million, mainly in Professional), environmental provisions for inactive sales and the discounting effect of long-term provisions (EUR 7 million, mainly in Other), gains from movements in the indemnification positions with Koninklijke Philips N.V. originating from the separation (EUR 9 million, in Other), and gain in real estate transactions (EUR 15 million, in Conventional).
Q1-Q4 2023: Incidental items relate to results on real estate transactions (EUR 13 million, in Other), environmental provision for inactive sites and the discounting effect of long-term provisions (EUR 16 million, mainly in Conventional), operations in Russia and Ukraine (EUR 3 million, in Professional and Conventional), incidental warranty costs (EUR 5 million, in Professional), one-day FX loss from the devaluation of Argentinian peso by the Argentinian government (EUR 11 million, in Professional and Consumer), gains from movements in the indemnification positions with Koninklijke Philips N.V. originating from the separation (EUR 9 million, in Other), and other insignificant items of EUR 1 million.

[2] Q1-Q4 2024: Restructuring costs consisted of EUR 57 million of employee termination benefits and EUR 17 million of other costs related to restructuring programs.
Q1-Q4 2023: Restructuring costs consisted of EUR 150 million of employee termination benefits and EUR 18 million of other costs related to restructuring programs.

Amounts may not add up due to rounding.

Appendix C – Financial glossary

Acquisition-related charges
Costs that are directly triggered by the acquisition of a company, such as transaction costs, purchase accounting related costs and integration-related expenses.

Adjusted EBITA
EBITA excluding restructuring costs, acquisition-related charges, and other incidental items.

Adjusted EBITA margin
Adjusted EBITA divided by sales to third parties (excluding intersegment). 'Operational profitability' also refers to this metric.

Adjusted gross margin
Gross margin, excluding restructuring costs, acquisition-related charges, and other incidental items attributable to cost of sales.

Adjusted indirect costs
Indirect costs, excluding restructuring costs, acquisition-related charges, and other incidental items attributable to indirect costs.

Adjusted R&D expenses
Research and development expenses, excluding restructuring costs, acquisition-related charges, and other incidental items attributable to research and development expenses.

Adjusted SG&A expenses
Selling, general and administrative expenses, excluding restructuring costs, acquisition-related charges, and other incidental items attributable to selling, general and administrative expenses.

Brighter lives revenues
Percentage of total revenues coming from all products, systems and services contributing to Food availability, Safety & security, or Health & well-being.

Circular revenues
Revenues measured as a percentage of total revenues coming from products, systems and services designed to preserve value and avoid waste categorized as Serviceable luminaires (incl. 3D printing), Circular components, Intelligent systems or Circular services.

Comparable sales growth (CSG)
The period-on-period growth in sales excluding the effects of currency movements and changes in consolidation.

EBIT
Income from operations.

EBITA
Income from operations excluding amortization and impairment of acquisition-related intangible assets and goodwill.

EBITDA
Income from operations excluding depreciation, amortization, and impairment of non-financial assets.

Consolidation effects
In the event a business is acquired (or divested), the impact of the consolidation (or de-consolidation) on the Group's figures is included (or excluded) in the calculation of the comparable sales growth figures.

Currency effects
Calculated by translating the foreign currency financials of the previous period and the current period into euros at the same average exchange rates.

Employees
Employees of Signify at the end of the period, expressed on a full-time equivalent (FTE) basis.

Free cash flow
Net cash provided by operating activities minus net capital expenditures. Free cash flow includes interest paid and income taxes paid.

Gross margin
Sales minus cost of sales.

Incidental items
Any item with an income statement impact (loss or gain) that is deemed to be both significant and not part of normal business activity. Other incidental items may extend over several quarters within the same financial year.

Indirect costs
The sum of selling, general and administrative expenses and R&D expenses.

Net capital expenditures
Additions of intangible assets, capital expenditures on property, plant and equipment and proceeds from disposal of property, plant and equipment.

Net debt
Short-term debt, long-term debt minus cash and cash equivalents.

Net leverage ratio
The ratio of consolidated reported net debt to consolidated reported EBITDA for the purpose of calculating the financial covenant.

R&D expenses
Research and development expenses.

Restructuring costs
The estimated costs of initiated reorganizations which have been approved by the company, and generally involve the realignment of certain parts of the organization. Restructuring costs include costs for employee termination benefits for affected employees and other costs directly attributable to the restructuring, such as impairment of assets and inventories.

SG&A expenses
Selling, general and administrative expenses.

Working capital
The sum of inventories, trade and other receivables (excluding insurance receivables for which a legal provision is recognized for the same amount), other current assets, derivative financial assets minus the sum of trade and other payables, derivative financial liabilities and other current liabilities (excluding dividend-related payables).