# Press Release

April 25, 2025

## Signify reports first quarter sales of EUR 1.4 billion, operational profitability of 8.0% and a free cash flow of EUR 40 million

**First quarter 2025**[1]

- Signify's installed base of connected light points increased to 153 million in Q1 25
- Signify is the only lighting company to feature on the 2025 Corporate Knights Global 100 Most Sustainable Corporations, ranking 15th overall
- Sales of EUR 1,448 million; nominal sales decline of -1.3% and CSG of -2.8%
- Adj. EBITA margin of 8.0% (Q1 24: 8.3%)
- Net income of EUR 67 million (Q1 24: EUR 44 million)
- Free cash flow of EUR 40 million (Q1 24: EUR 80 million)
- Signify completed 2025 share repurchases to cover share-based remuneration; continues with the share repurchases for capital reduction

**Eindhoven, the Netherlands** – Signify (Euronext: LIGHT), the world leader in lighting, today announced the company's first quarter 2025 results.

"Our performance in the first quarter landed in line with expectations, showing sequential improvements across most of our businesses, with a strong contribution from our connected offerings. The Consumer business grew in all regions, improving both top and bottom-line performance. The Professional business maintained a resilient profit margin as improvements in other markets compensated for continued headwinds in Europe. In China, we saw a faster-than-expected return to growth in both professional and consumer segments.

We are now focused on executing our plan to mitigate the short-term impact of tariffs in Q2, while implementing more structural measures to address the second half of the year. Based on our visibility of the market and the measures we are taking across the business, we confirm our guidance for the year.

Our connected and specialty lighting offerings now represent more than a third of our business. We are pleased to see these continue to perform and gain market share, despite the current market volatility. Our strategy to further strengthen these businesses will ensure we are well positioned to capture share as the market develops." said Eric Rondolat, CEO of Signify.

[1] This press release contains certain non-IFRS financial measures and ratios, which are not recognized measures of financial performance or liquidity under IFRS. For further details, refer to "Non-IFRS Financial Measures" in "Important information" of this press release.

## Brighter Lives, Better World 2025

The first quarter 2025 marked the start of Signify's fifth and the final year of its Brighter Lives, Better World 2025 sustainability program commitments that contribute to doubling its positive impact on the environment and society.

**Double the pace of the Paris Agreement**
Signify is tracking ahead of its 2025 target to reduce emissions across the entire value chain by 40% against the 2019 baseline - double the pace required to achieve the Paris Agreement's climate ambitions.

**Double Circular revenues**
Circular revenues increased to 36%, up 1% versus the previous quarter and surpassing the 2025 target of 32%. The main contribution was from serviceable luminaires in the professional business, with a strong performance from horticulture lighting.

**Double Brighter lives revenues**
Brighter lives revenues remained at 33%, ahead of the 2025 target of 32%. This includes a strong contribution from both consumer and professional products with EyeComfort that support health and well-being.

**Double the percentage of women in leadership**
The percentage of women in leadership positions decreased by 1% to 27%, which is not in line with our 2025 ambitions. Signify continues its actions to increase representation through focused hiring practices for diversity across all levels, and through retention and engagement actions to reduce attrition.

In the first quarter, Signify received several external recognitions for its leadership in Sustainability. Signify has been named in the Global 100 most sustainable corporations by Corporate Knight and is recognized in the Clean200, a list of companies putting sustainable investments at the heart of their strategy.

## Outlook

Signify is focused on executing its plan to mitigate the short-term impact of tariffs in Q2, while implementing structural measures to address the second half of the year. Based on the current visibility of the market and the measures being taken across the business, Signify confirms the guidance for the year.

Signify continues to expect 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.

## Financial review

| *in millions of EUR, except percentages* | First quarter 2024 | 2025 | change |
|---|---|---|---|
| **Comparable sales growth** | | | **-2.8%** |
| *Currency effects* | | | *1.4%* |
| *Consolidation effects* | | | *—%* |
| **Sales** | **1,468** | **1,448** | -1.3% |
| Adjusted gross margin | 605 | 591 | -2.3% |
| **Adj. gross margin (as % of sales)** | **41.2%** | **40.8%** | |
| | | | |
| Adj. SG&A expenses | -431 | -427 | |
| Adj. R&D expenses | -70 | -64 | |
| Adj. indirect costs | -501 | -491 | -2.0 % |
| **Adj. indirect costs (as % of sales)** | **34.1%** | **33.9%** | |
| | | | |
| Adjusted EBITA | 122 | 116 | -4.9% |
| **Adjusted EBITA margin** | **8.3%** | **8.0%** | |
| Adjusted items | -40 | -16 | |
| EBITA | 82 | 100 | 22.9% |
| | | | |
| **Income from operations (EBIT)** | **64** | **85** | **31.9%** |
| Net financial income/expense | -16 | -13 | |
| Income tax expense | -4 | -4 | |
| **Net income** | **44** | **67** | **53.5%** |
| | | | |
| Free cash flow | 80 | 40 | |
| Basic EPS (€) | 0.35 | 0.53 | |
| Employees (FTE) | 31,339 | 29,697 | |

**First quarter**
Nominal sales decreased by 1.3% to EUR 1,448 million, including a positive currency effect of 1.4%. Comparable sales declined by 2.8%, including a drag effect of 190 bps related to the declining Conventional business. Growth in the Consumer business and a faster than expected recovery in China were offset by weaker OEM sales and continued weakness in the Professional business in Europe.

The Adjusted gross margin decreased by 40 bps to 40.8%, but remained at a solid level, mainly driven by effective COGS management, which largely compensated price pressure in some of Signify's markets. Adjusted indirect costs as a percentage of sales slightly decreased to 33.9%, as benefits from the cost reduction program were offset by lower volumes and adverse segment mix.

Adjusted EBITA decreased to EUR 116 million. The Adjusted EBITA margin decreased by 30 bps to 8.0%, mainly due to the under-absorption of fixed costs as well as the weakness of the high-margin Professional business in Europe causing an adverse segment mix effect.

Restructuring costs were EUR 11 million, acquisition-related charges were EUR 2 million and incidental charges were EUR 3 million.

Net income increased to EUR 67 million, driven by lower restructuring costs and financial expenses.

The number of employees (FTE) decreased from 31,339 at the end of Q1 24 to 29,697 at the end of Q1 25. 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

| in millions of EUR, unless otherwise indicated | First quarter 2024 | 2025 | change |
|---|---|---|---|
| Comparable sales growth | -7.6% | -1.8% | |
| Sales | 943 | 942 | -0.1% |
| Adjusted EBITA | 70 | 67 | -3.6% |
| Adjusted EBITA margin | 7.4% | 7.1% | |

**First quarter**
Nominal sales decreased by 0.1% to EUR 942 million, including a positive currency effect of 1.7%. Comparable sales declined by 1.8% as the continued softness in Europe, particularly in trade channel and the public segment, was partly compensated by growth in agriculture lighting. Most other markets continued to show sequential improvements.

The Adjusted EBITA margin decreased by 30 bps to 7.1%, as the weakness of the high margin Europe business continues to cause an adverse segment mix impact for the business, thereby offsetting the positive effect of indirect cost savings.

## Consumer

| in millions of EUR, unless otherwise indicated | First quarter 2024 | 2025 | change |
|---|---|---|---|
| Comparable sales growth | -5.7% | 3.1% | |
| Sales | 299 | 311 | 4.2% |
| Adjusted EBITA | 31 | 34 | 8.1% |
| Adjusted EBITA margin | 10.4% | 10.8% | |

**First quarter**
Nominal sales increased by 4.2% to EUR 311 million, including a positive currency effect of 1.1%. All regions contributed to the comparable sales growth of 3.1%. During the quarter, Signify continued to see strong demand for its connected home offerings. The Adjusted EBITA margin improved by 40 bps to 10.8% driven by topline growth.

## OEM

| in millions of EUR, unless otherwise indicated | First quarter 2024 | 2025 | change |
|---|---|---|---|
| Comparable sales growth | -7.4% | -10.7% | |
| Sales | 103 | 92 | -10.2% |
| Adjusted EBITA | 9 | 4 | -56.9% |
| Adjusted EBITA margin | 8.8% | 4.2% | |

**First quarter**
Nominal sales decreased by 10.2% to EUR 92 million. The comparable sales decline of 10.7%, is partly attributable to two large customers. In addition, the business experienced intensified price competition in the component business. The Adjusted EBITA margin decreased to 4.2%, as the gross margin was impacted by negative pricing, and an under-absorption of fixed costs.

## Conventional

| in millions of EUR, unless otherwise indicated | First quarter 2024 | 2025 | change |
|---|---|---|---|
| Comparable sales growth | -34.1% | -23.9% | |
| Sales | 119 | 92 | -22.8% |
| Adjusted EBITA | 21 | 17 | -19.2% |
| Adjusted EBITA margin | 17.6% | 18.4% | |

**First quarter**
Nominal sales decreased by 22.8% to EUR 92 million, including a positive currency effect of 1.1%. Comparable sales declined by 23.9% reflecting the structural decline of the business. The Adjusted EBITA margin improved by 80 bps to 18.4%, mainly driven by gross margin expansion.

## Other

**First quarter**
'Other' represents amounts not allocated to the businesses and mainly includes costs related to ventures, exploratory research and audits. Adjusted EBITA was EUR -6 million (Q1 2024: EUR -9 million).

## Working capital

| in millions of EUR, unless otherwise indicated | Mar 31, 2024 | Dec 31, 2024 | Mar 31, 2025 |
|---|---|---|---|
| Inventories | 1,064 | 1,035 | 1,023 |
| Trade and other receivables[1] | 937 | 1,018 | 914 |
| Trade and other payables | -1,486 | -1,588 | -1,448 |
| Other working capital items | -42 | -43 | -47 |
| **Working capital** | **473** | **422** | **442** |
| As % of LTM sales[2] | 7.3% | 6.9% | 7.2% |

1 As at March 31, 2024, December 31, 2024 and March 31 2025, Trade and other receivables exclude USD 48 million, USD 50 million and USD 51 million, respectively, of insurance receivables for which a legal provision is recognized for the same amount.
2 LTM: Last Twelve Months

**First quarter**
Working capital increased from EUR 422 million at the end of December 2024 to EUR 442 million at the end of March 2025. The increase is driven by a reduction in payables, partly offset by lower receivables. As a percentage of last twelve-month sales, working capital increased by 30 bps to 7.2%.

Compared with March 2024, working capital decreased by EUR 31 million. This decrease is explained by lower inventories and lower receivables, partly offset by lower payables. As a percentage of last twelve-month sales, working capital decreased by 10 bps.

## Cash flow analysis

| in millions of EUR | First quarter 2024 | 2025 |
|---|---|---|
| Income from operations (EBIT) | 64 | 85 |
| Depreciation and amortization | 68 | 61 |
| Additions to (releases of) provisions | 39 | 31 |
| Utilizations of provisions | -66 | -42 |
| Changes in working capital | 1 | -65 |
| Net interest and financing costs received (paid) | -3 | 1 |
| Income taxes paid | -18 | -20 |
| Net capex | -22 | -25 |
| Other | 17 | 13 |
| **Free cash flow** | **80** | **40** |

**First quarter**
Free cash flow decreased to EUR 40 million, primarily due to higher cash outflow from working capital, partly offset by a lower payout related to restructuring. Free cash flow included a restructuring payout of EUR 13 million (Q1 24: EUR 34 million).

## Net debt and total equity

| in millions of EUR | Mar 31, 2024 | Dec 31, 2024 | Mar 31, 2025 |
|---|---|---|---|
| Short-term debt | 1,247 | 416 | 420 |
| Long-term debt | 1,158 | 1,137 | 1,134 |
| Gross debt | 2,406 | 1,553 | 1,554 |
| Cash and cash equivalents | 1,403 | 633 | 644 |
| **Net debt** | **1,003** | **920** | **910** |
| **Total equity** | **3,090** | **3,267** | **3,172** |

**First quarter**
Compared with the end of December 2024, the cash position increased by EUR 11 million to EUR 644 million, while gross debt remained broadly stable at EUR 1,554 million. Net debt decreased by EUR 10 million to EUR 910 million. Total equity decreased to EUR 3,172 million (Q4 24: EUR 3,267 million), primarily due to currency translation results offset partly by net income.

Compared with the end of March 2024, the cash position decreased by EUR 759 million, primarily due to the repayment of net debt and dividend payment, partly offset by free cash flow generation. Gross debt decreased by 852 million over the same period. As a result, the net debt decreased by EUR 93 million year on year. At the end of March 2025, the net debt/EBITDA ratio was 1.2x (Q1 24: 1.6x).

## 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 first quarter 2025 results. A live audio webcast of the conference call will be available via the Investor Relations website.

**Financial calendar 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. We unlock the extraordinary potential of light for brighter lives and a better world. Our advanced products, 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 feature in the Dow Jones Sustainability World Index and hold the EcoVadis Platinum rating, placing in the top one percent of companies assessed. News from Signify can be found in the Newsroom, on LinkedIn, Instagram and X . Information for investors is located on the Investor Relations page.

Signify global brands include: Philips, Philips Hue, WiZ, Interact, ColorKinetics, Dynalite, Telensa, Signify myCreation, Signify BrightSites, NatureConnect, Trulifi.

## 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 and indirect costs, EBITA, adjusted EBITA, free cash flow, Net debt, Working capital, Brighter lives revenues, Circular revenues 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. 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 a number of non-IFRS financial measures to the most directly comparable IFRS financial measures is contained in appendix B, Reconciliation of non-IFRS financial measures, of this document. For further information on non-IFRS financial measures, see "Chapter 18 Reconciliation of non-IFRS measures" in the Annual Report 2024.

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

**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*

| | First quarter | |
|---|---|---|
| | **2024** | **2025** |
| Sales | 1,468 | 1,448 |
| Cost of sales | (886) | (862) |
| **Gross margin** | **582** | **586** |
| Selling, general and administrative expenses | (447) | (435) |
| Research and development expenses | (71) | (66) |
| Other business income | — | 1 |
| Other business expenses | — | (1) |
| **Income from operations** | **64** | **85** |
| Financial income | 15 | 8 |
| Financial expenses | (31) | (22) |
| Results relating to investments in associates | — | — |
| **Income before taxes** | **48** | **71** |
| Income tax expense | (4) | (4) |
| **Net income** | **44** | **67** |
| | | |
| **Attribution of net income for the period:** | | |
| Net income (loss) attributable to shareholders of Signify N.V. | 44 | 67 |
| Net income (loss) attributable to non-controlling interests | (1) | — |

*Amounts may not add up due to rounding.*

## B. Condensed consolidated statement of comprehensive income

*in millions of EUR*

| | First quarter | |
|---|---|---|
| | **2024** | **2025** |
| **Net income (loss)** | **44** | **67** |
| Pensions and other post-employment plans: | | |
| Remeasurements | 4 | — |
| Income tax effect on remeasurements | (1) | — |
| **Total of items that will not be reclassified to profit or loss** | **3** | **—** |
| Currency translation differences: | | |
| Net current period change, before tax | 83 | (136) |
| Income tax effect | — | — |
| Net investment hedge | | |
| Net current period change, before tax | — | — |
| Income tax effect | — | — |
| Cash flow hedges: | | |
| Net current period change, before tax | 2 | (7) |
| Income tax effect | (1) | 2 |
| **Total of items that are or may be reclassified to profit or loss** | **85** | **(141)** |
| **Other comprehensive income (loss)** | **88** | **(141)** |
| **Total comprehensive income (loss)** | **131** | **(74)** |
| **Total comprehensive income (loss) attributable to:** | | |
| Shareholders of Signify N.V. | 130 | (71) |
| Non-controlling interests | 1 | (3) |

*Amounts may not add up due to rounding.*

## C. Condensed consolidated statement of financial position

*In millions of EUR*

| | December 31, 2024 | March 31, 2025 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 568 | 541 |
| Goodwill | 2,903 | 2,810 |
| Intangible assets, other than goodwill | 608 | 580 |
| Investments in associates | 7 | 6 |
| Financial assets | 38 | 33 |
| Deferred tax assets | 391 | 380 |
| Other assets | 26 | 26 |
| **Total non-current assets** | **4,541** | **4,377** |
| | | |
| **Current assets** | | |
| Inventories | 1,035 | 1,023 |
| Financial assets | — | 3 |
| Other assets | 147 | 151 |
| Derivative financial assets | 17 | 6 |
| Income tax receivable | 52 | 61 |
| Trade and other receivables | 1,066 | 961 |
| Cash and cash equivalents | 633 | 644 |
| Assets classified as held for sale | 13 | 21 |
| **Total current assets** | **2,964** | **2,869** |
| **Total assets** | **7,505** | **7,246** |
| | | |
| **Equity** | | |
| Shareholders' equity | 3,162 | 3,072 |
| Non-controlling interests | 105 | 100 |
| **Total equity** | **3,267** | **3,172** |
| | | |
| **Non-current liabilities** | | |
| Debt | 1,137 | 1,134 |
| Post-employment benefits | 255 | 243 |
| Provisions | 192 | 174 |
| Deferred tax liabilities | 17 | 17 |
| Income tax payable | 68 | 56 |
| Other liabilities | 145 | 161 |
| **Total non-current liabilities** | **1,815** | **1,786** |
| | | |
| **Current liabilities** | | |
| Debt, including bank overdrafts | 416 | 420 |
| Derivative financial liabilities | 11 | 14 |
| Income tax payable | 19 | 17 |
| Trade and other payables | 1,588 | 1,448 |
| Provisions | 192 | 195 |
| Other liabilities | 196 | 190 |
| Liabilities from assets classified as held for sale | — | 5 |
| **Total current liabilities** | **2,423** | **2,289** |
| **Total liabilities and total equity** | **7,505** | **7,246** |

*Amounts may not add up due to rounding.*

## D. Condensed consolidated statement of cash flows

*In millions of EUR*

| | First quarter | |
|---|---|---|
| | 2024 | 2025 |
| **Cash flows from operating activities** | | |
| Net income (loss) | 44 | 67 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | 141 | 111 |
| • Depreciation, amortization and impairment of non-financial assets | 68 | 61 |
| • Result on sale of assets | — | — |
| • Net interest expense on debt, borrowings and other liabilities | 7 | 9 |
| • Income tax expense | 4 | 4 |
| • Additions to (releases of) provisions | 39 | 26 |
| • Additions to (releases of) post-employment benefits | — | 5 |
| • Other items | 23 | 6 |
| Changes in working capital: | 1 | (65) |
| • Changes in trade and other receivables | 84 | 83 |
| • Changes in inventories | (5) | (19) |
| • Changes in trade and other payables | (70) | (113) |
| • Changes in other current assets and liabilities | (9) | (17) |
| Changes in other non-current assets and liabilities | 4 | 12 |
| Utilizations of provisions | (56) | (34) |
| Utilizations of post-employment benefits | (11) | (7) |
| Net interest and financing costs received (paid) | (3) | 1 |
| Income taxes paid | (18) | (20) |
| **Net cash provided by (used for) operating activities** | **103** | **65** |
| | | |
| **Cash flows from investing activities** | | |
| Net capital expenditures: | (22) | (25) |
| • Additions of intangible assets | (12) | (15) |
| • Capital expenditures on property, plant and equipment | (12) | (12) |
| • Proceeds from disposal of property, plant and equipment | 2 | 2 |
| Net proceeds from (cash used for) derivatives and other financial assets | 5 | (1) |
| Purchases of businesses, net of cash acquired | — | — |
| Proceeds from disposition of businesses and investments in associates | — | 5 |
| **Net cash provided by (used for) investing activities** | **(17)** | **(21)** |
| | | |
| **Cash flows from financing activities** | | |
| Dividend paid | — | (1) |
| Proceeds from issuance of debt | 179 | 12 |
| Repayment of debt | (20) | (21) |
| Purchase of treasury shares | — | (23) |
| **Net cash provided by (used for) financing activities** | **159** | **(33)** |
| **Net cash flows** | **244** | **11** |
| Effect of changes in exchange rates on cash and cash equivalents and bank overdrafts | — | — |
| Cash and cash equivalents and bank overdrafts at the beginning of the period [1] | 1,158 | 633 |
| **Cash and cash equivalents and bank overdrafts at the end of the period [2]** | **1,402** | **644** |

[1] *For Q1 2025 and Q1 2024, included bank overdrafts of EUR 1 million and EUR 0 million, respectively.*
[2] *Included bank overdrafts of EUR 0 million and EUR 1 million as at March 31, 2025 and 2024, respectively.*

*Amounts may not add up due to rounding.*

## Appendix B - Reconciliation of non-IFRS financial measures

**Sales growth composition per business in %**

| | First quarter | | | |
|---|---|---|---|---|
| | Comparable growth | Currency effects | Consolidation effects | Nominal growth |
| **2025 vs 2024** | | | | |
| Professional | (1.8) | 1.7 | — | (0.1) |
| Consumer | 3.1 | 1.1 | — | 4.2 |
| OEM | (10.7) | 0.5 | — | (10.2) |
| Conventional | (23.9) | 1.1 | — | (22.8) |
| **Signify** | **(2.8)** | **1.4** | **—** | **(1.3)** |

| | First quarter | | | |
|---|---|---|---|---|
| | Comparable growth | Currency effects | Consolidation effects | Nominal growth |
| **2024 vs 2023** | | | | |
| Professional | (7.6) | (2.5) | 0.3 | (9.8) |
| Consumer | (5.7) | (3.1) | — | (8.8) |
| OEM | (7.4) | (3.0) | — | (10.4) |
| Conventional | (34.1) | (1.6) | — | (35.7) |
| **Signify** | **(10.1)** | **(2.6)** | **0.2** | **(12.5)** |

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

| | Signify | Professional | Consumer | OEM | Conventional | Other |
|---|---|---|---|---|---|---|
| **First quarter 2025** | | | | | | |
| Adjusted EBITA | 116 | 67 | 34 | 4 | 17 | (6) |
| Restructuring | (11) | | | | | |
| Acquisition-related charges | (2) | | | | | |
| Incidental items | (3) | | | | | |
| **EBITA** | **100** | | | | | |
| Amortization [1] | (15) | | | | | |
| **Income from operations (or EBIT)** | **85** | | | | | |
| **First quarter 2024** | | | | | | |
| Adjusted EBITA | 122 | 70 | 31 | 9 | 21 | (9) |
| Restructuring | (22) | | | | | |
| Acquisition-related charges | (3) | | | | | |
| Incidental items | (15) | | | | | |
| **EBITA** | **82** | | | | | |
| Amortization [1] | (17) | | | | | |
| **Income from operations (or EBIT)** | **64** | | | | | |

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

*Amounts may not add up due to rounding.*

### Income from operations to Adjusted EBITA in millions of EUR

| | Reported | Restructuring[2] | Acquisition-related charges | Incidental items[1] | Adjusted |
|---|---|---|---|---|---|
| **First quarter 2025** | | | | | |
| Sales | 1,448 | — | — | — | 1,448 |
| Cost of sales | (862) | 4 | — | — | (857) |
| **Gross margin** | **586** | **4** | **—** | **—** | **591** |
| Selling, general and administrative expenses | (435) | 4 | 1 | 3 | (427) |
| Research and development expenses | (66) | 2 | — | — | (64) |
| **Indirect costs** | **(501)** | **7** | **1** | **3** | **(491)** |
| Impairment of goodwill | — | — | — | — | — |
| Other business income | 1 | — | — | — | 1 |
| Other business expenses | (1) | — | 1 | — | — |
| **Income from operations** | **85** | **11** | **2** | **3** | **101** |
| Amortization | (15) | — | — | — | (15) |
| **Income from operations excluding amortization (EBITA)** | **100** | **11** | **2** | **3** | **116** |
| **First quarter 2024** | | | | | |
| Sales | 1,468 | — | — | — | 1,468 |
| Cost of sales | (886) | 12 | 1 | 11 | (863) |
| **Gross margin** | **582** | **12** | **1** | **11** | **605** |
| Selling, general and administrative expenses | (447) | 9 | 2 | 4 | (431) |
| Research and development expenses | (71) | 1 | — | — | (70) |
| **Indirect costs** | **(518)** | **11** | **2** | **4** | **(501)** |
| Impairment of goodwill | — | — | — | — | — |
| Other business income | — | — | — | — | — |
| Other business expenses | — | — | — | — | — |
| **Income from operations** | **64** | **22** | **3** | **15** | **105** |
| Amortization | (17) | — | — | — | (17) |
| **Income from operations excluding amortization (EBITA)** | **82** | **22** | **3** | **15** | **122** |

[1] *Q1 2025: Incidental items are mainly related to environmental provision for inactive sites and the discounting effect of long-term provisions (EUR 3 million mainly in Professional).*
*Q1 2024: Incidental items are mainly related to a one-day FX loss from the devaluation of the Egyptian Pound by Egyptian government (EUR 10 million, mainly in Professional), environmental provision for inactive sites and the discounting effect of long-term provisions (EUR 4 million mainly in Other) and other items with an effect of EUR 1 million loss.*

[2] *Q1 2025: Restructuring costs consisted of EUR 8 million of employee termination benefits (mainly in Professional) and EUR 3 million of other costs related to the restructuring programs.*
*Q1 2024: Restructuring costs consisted of EUR 15 million of employee termination benefits (mainly in Professional) and EUR 7 million of other costs related to the 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).