

A nighttime cityscape featuring several tall skyscrapers with illuminated windows. In the center, there is a large, brightly lit roundabout with a fountain. The scene is overlaid with several glowing green circles of varying sizes. The text '@signify' is positioned in the upper middle part of the image.

@signify

# Annual General Meeting of Shareholders 2023

# I. Presentation by CEO Eric Rondolat





# Full year 2022







## Building our agility in an increasingly volatile external environment

- Sales, profit, and cash for the digital divisions represent >85% (FY 21: 80%)
- Connected light points rose to 114m (FY 21: 96m)
- Connected lighting business & growth platforms grew to almost EUR 2 billion
- Comparable sales grew by 1.2%
- Adjusted indirect costs reduced to 28.9% of sales
- Invested 3.9% of sales in R&D
- Adjusted gross margin declined to 37.3%
- Adjusted EBITA margin declined to 10.1%
- Free cash flow of EUR 445m (FY 21: EUR 614m)
- Second year of Brighter Lives, Better World 2025 completed
- Acquired Pierlite and Fluence



# Brighter Lives, Better World 2025 - 2022 results

Doubling our positive impact on the environment and society

			2019 Baseline	2022 Result	2025 Target	
Better World	Climate action	 	Carbon reduction over value chain against Paris Agreement	0	On track	324 MT
	Circular economy		Circular revenues	16%	29%	32%
Brighter Lives	Food availability Safety & security Health & wellbeing	 	Brighter lives revenues	16%	27%	32%
	Great place to work		Women in leadership positions	17%	28%	34%





A list for climate and supply chain

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

DJSI World Index and top 1% in our industry



EcoVadis Platinum Medal and top 1%

 On track  
 Off track

# Signify's 5 Frontiers strategy

# Signify's 5 Frontiers strategy



## Build a customer-centric organization

- Strong customer Net Promoter Score of 44 globally

# Signify's 5 Frontiers strategy



## Deliver differentiated lighting offers

- Expanded our Ultra Efficient LED portfolio and extended it into the professional sector

# Signify's 5 Frontiers strategy



## Drive growth for sustainability

- >100 million IoT-connected devices
- WiZ and Philips Hue lamps first to support the Matter standard
- Connected lighting and growth platform sales grew to almost EUR 2 billion
- Growth platform revenues grew to almost EUR 400 million



# Signify's 5 Frontiers strategy



## Digitalize and transform for the future

- Direct online sales made up 12.5% of revenues
- Launched new digital channels, improved online presence and platforms

# Signify's 5 Frontiers strategy



## Be a great place to work

- Employee Net Promoter Score of 36
- Nearly 80% of senior management and leadership roles were filled internally

# Signify is the world leader in lighting

We provide high-quality energy efficient lighting products, systems and services

Light sources



Luminaires



Systems and Services



No. 1

Conventional, LED  
and Connected

€7.5bn

sales in 2022

>34,000

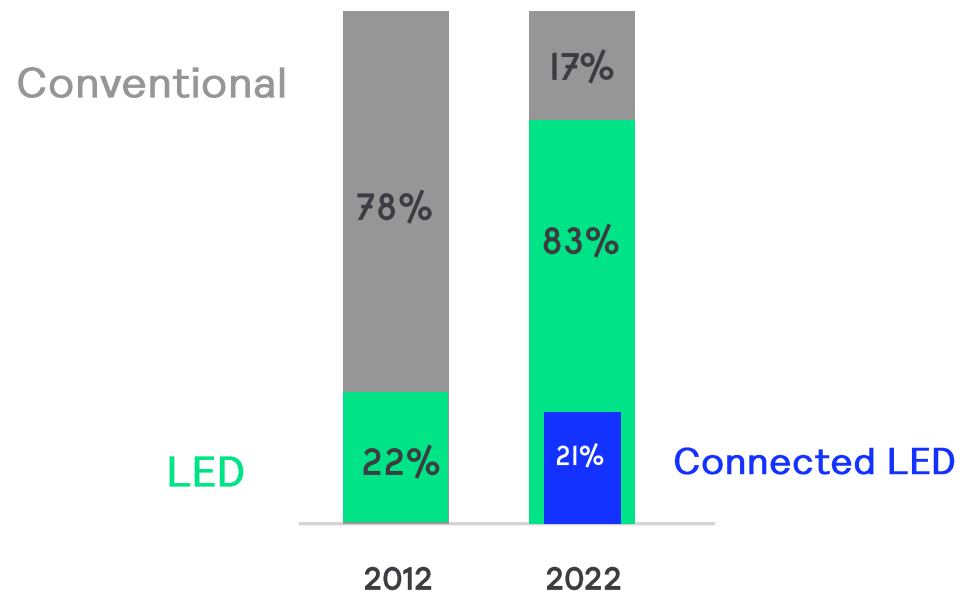
people in 74 countries

100%

Carbon neutral  
operations

# Transitioned successfully to an LED-based company

Transition from conventional to LED-based sales (in % of total sales)



*Philips LED A-class bulb*





## First quarter 2023

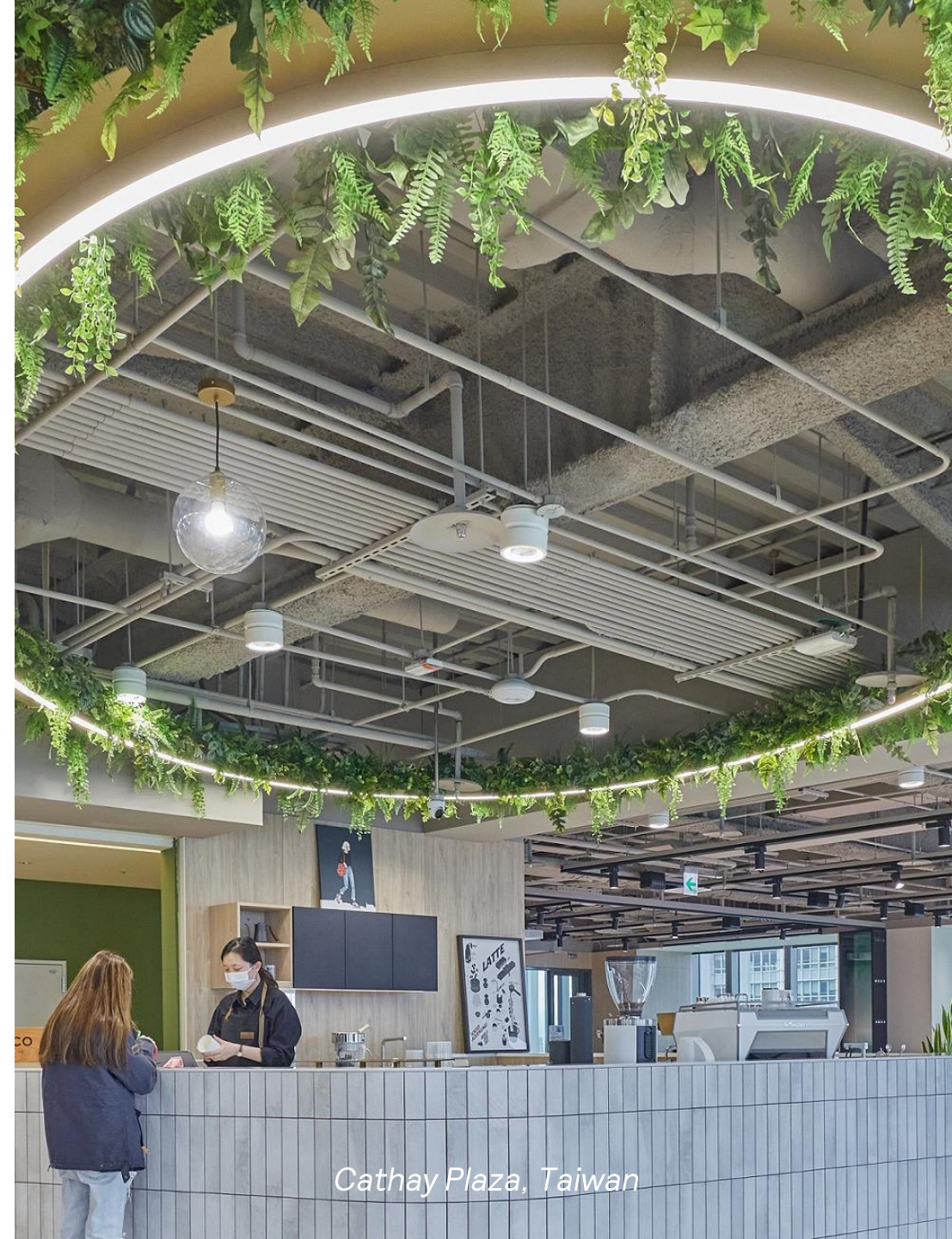
- Sales of EUR 1.7 billion
- Comparable sales of -9.1%
- Operational profitability was 8.9%
- Connected light points rose to 117 million
- LED-based sales represented 82% of total sales



# Outlook 2023

Signify guidance for 2023 is:

- Adjusted EBITA margin in the range of 10.5–11.5%
- Free cash flow between 6–8% of sales

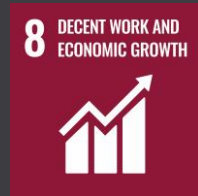


*Cathay Plaza, Taiwan*

# Connected Lighting Systems & Growth platforms

# Connected Lighting Systems & Growth platforms

## Health & well-being and Safety & security



86 of our offices have installed Signify's Interact IoT platform, NatureConnect, UV-C disinfection lighting, and Trulifi lighting



# Connected Lighting Systems & Growth platforms

## Climate Action and Circular Economy



Elevating the training experience at Everlast gyms, UK



# Connected Lighting Systems & Growth platforms

## Climate action and Safety & security



Energy efficient LED battens and solar-powered street lighting for a vocational training center in Tanzania





# Connected Lighting Systems & Growth platforms

## Food availability



Nedre Hanasand (Norway) increased tomato yield by 30% with Philips GreenPower LED toplighting

# Connected Lighting Systems & Growth platforms

## Health & well-being



UV-C disinfection devices for schools and public spaces in Bad Dürkheim, Germany





# Corporate Social Responsibility through the Foundation

## Lighting lives

- 8.3 million lives lit; on track to light 10 million lives by end-2025

## Supporting entrepreneurs

- Over 12,000 local lighting entrepreneurs supported

## Humanitarian relief

- EUR 800,000 committed for immediate relief and medium-term support for Ukraine
- Over 35,000 lights sent to international aid agencies





Thank you

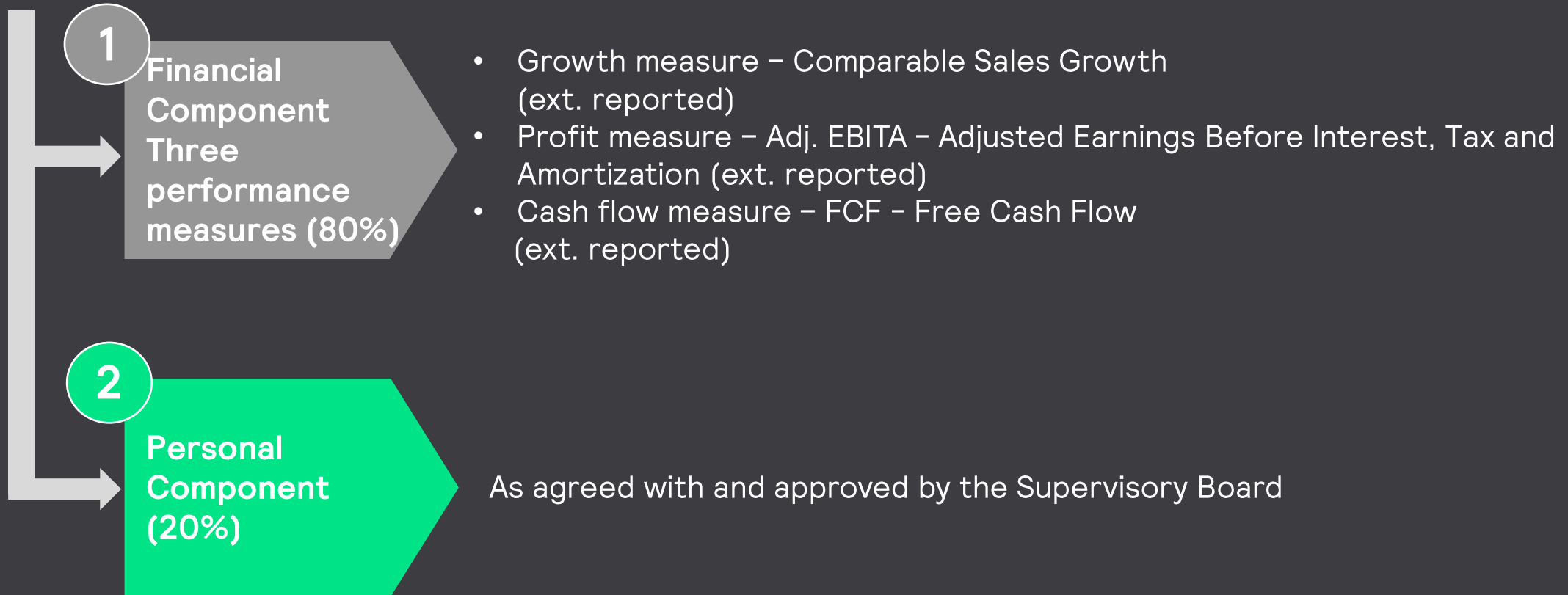
## 2. Remuneration report 2022



# Remuneration Board of Management 2022

Board of Management	Base Salary Jan 1, 2022 (+3%)	Annual (Cash) Incentive (% of Base Salary)			Long-term Equity-based Incentive at target (% of Base Salary)
		Min.	Target	Max.	
E.H.E. Rondolat	€ 947,330	0	80	160	100
F.J. van Engelen	€ 619,855	0	60	120	80
M.L. Mariani	€ 619,855	0	60	120	80

# Annual Incentive 2022



# Long-term Incentive 2022

Long-term Incentive 2022 performance measures:



# Annual Incentive Realization 2022

Performance measures	Weighting	Threshold 50%	Realized	Realized %	Multiple achieved
Comparable sales growth	30%	3.0%	1.2%	-%	-%
Adjusted EBITA	30%	11.6%	10.1%	-%	-%
Free Cash Flow	20%	8.0%	5.9%	-%	-%
Team and individual performance measures	20%		–	60%	12.0%
<b>Multiple achieved</b>					<b>12.0%</b>

	Annual base		On-target % of annual base		Multiple achieved		Realized annual incentive (in EUR)
E.H.E. Rondolat	€ 947,330	x	80%	x	12.0%	=	€ 90,944
F.J. van Engelen	€ 619,855	x	60%	x	12.0%	=	€ 44,630
M.L. Mariani	€ 619,855	x	60%	x	12.0%	=	€ 44,630

# 2020 Long-Term Incentive Grant Performance Achievement and Vesting Levels

	Achievement	Weighting	Vesting level
TSR	0%	25%	0%
Free Cash Flow	110%	25%	27.5%
Return on Capital Employed	200%	25%	50%
Sustainability	150%	25%	37.5%
<b>Total</b>			<b><u>115.0%</u></b>



# Remuneration Supervisory Board 2022

Supervisory Board	Membership	Committees	Other compensation <sup>1</sup>	Total
A.P.M. van der Poel	€ 110,000	€ 25,000	€ 5,000	€ 140,000
G. van der Aast	€ 85,000	€ 28,000	€ 5,000	€ 118,000
E. Blok <sup>2</sup>	€ 28,225	€ 9,800	€ -	€ 38,025
P. Knapp	€ 75,000	€ 32,500	€ 17,500	€ 125,000
R.S. Lane	€ 75,000	€ 20,500	€ 27,500	€ 123,000
F. Lubnau	€ 75,000	€ 30,000	€ 17,500	€ 122,500
B. Schot <sup>3</sup>	€ 75,000	€ 16,250	€ 5,000	€ 96,250

<sup>1</sup> Allowance for continental and intercontinental travel

<sup>2</sup> Stepped down as member of the Supervisory Board on May 17, 2022

<sup>3</sup> Appointment as a member of the Supervisory Board in AGM 2022. The remuneration includes the observer period

# Remuneration Board of Management - Outlook 2023

# Overview of Total Direct Compensation for the Board of Management

Outlook 2023 total direct compensation for members of the Board of Management

In EUR	Base Salary Jan 1, 2023 (+4%)	Short-Term Incentive <sup>1</sup> (% of Base Salary)	Long-term Incentive <sup>1</sup> (% of Base Salary)	Total Direct Compensation <sup>1</sup>
E.H.E. Rondolat	€ 985,223	80%	100%	€ 2,758,624
F.J. van Engelen	€ 644,649	60%	80%	€ 1,547,158
M.L. Mariani	€ 644,649	60%	80%	€ 1,547,158
H.M. Chitale <sup>2</sup>	€ 644,000	60%	80%	€ 1,545,600

<sup>1</sup> Short-Term Incentive, Long-term Incentive and Total Direct Compensation shown as at target level

<sup>2</sup> Appointment subject to shareholder approval

### 3. Explanation of the policy on additions to reserves and dividends



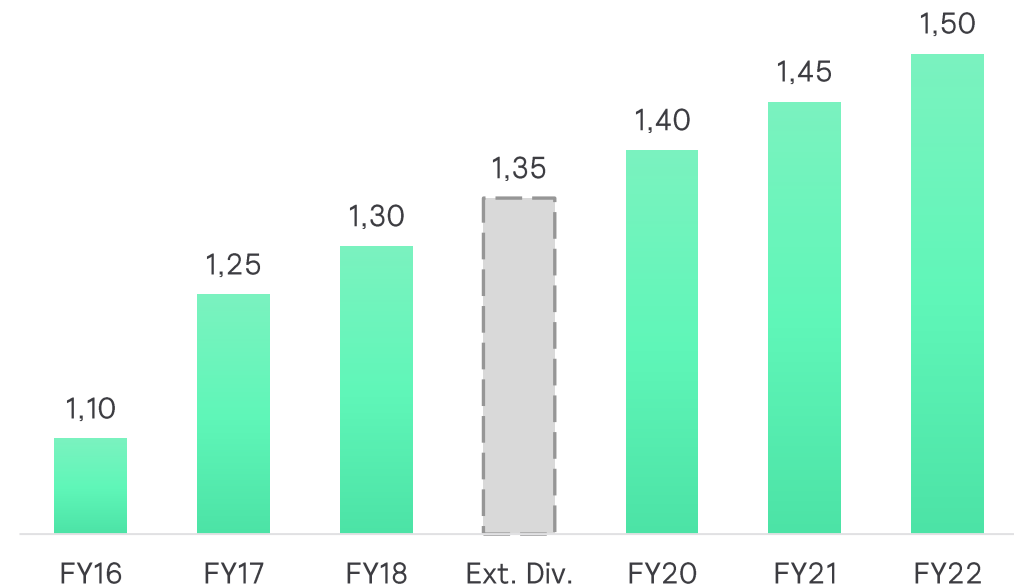
# Signify, as part of its overall capital allocation policy, proposes a 2022 dividend of EUR 1.50 to be paid in cash in 2023

## Capital allocation policy

- Continue to maintain a robust capital structure to support our commitment to an investment grade credit rating
- Pay an increasing annual dividend per share in cash year-on-year
- Continue to invest in R&D and other organic growth opportunities, while pursuing selective M&A opportunities in line with strategic priorities

## Dividend per share since IPO (in EUR)

- Proposed dividend of EUR 1.50 per share (EUR 188m) from the net income for full year 2022<sup>1</sup>



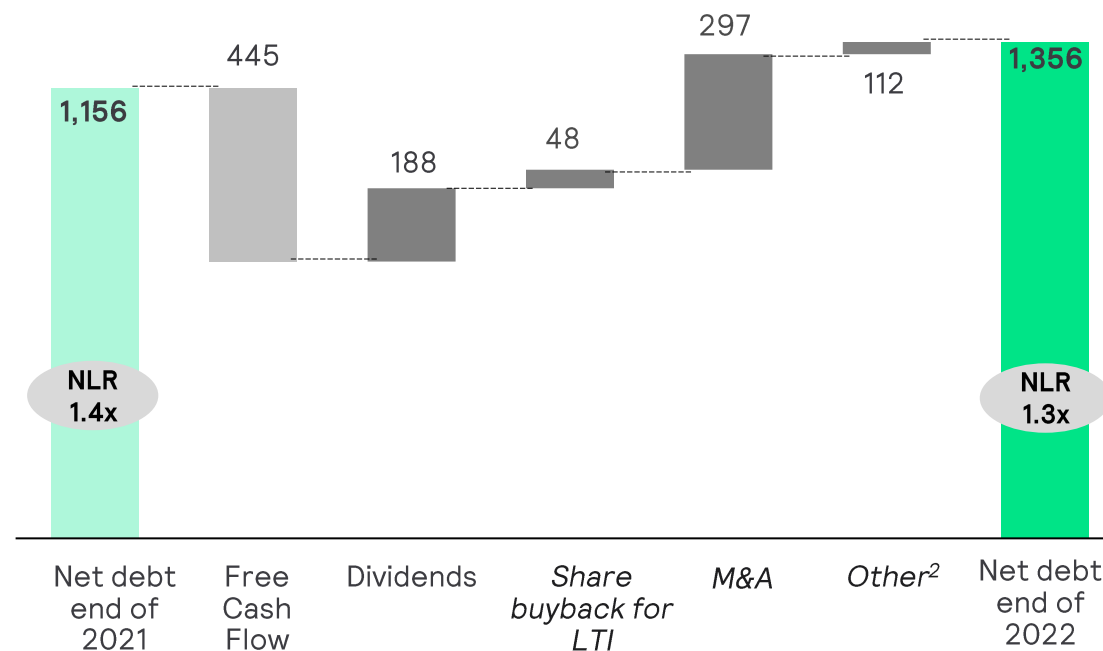
<sup>1</sup> Dividend of EUR 1.50 per share represents an increase of 5 cents per share and a yield of 4.8% over the year end share price of EUR 31.38

# Signify's net leverage reduced to 1.3x, and close to 1.0x excluding Fluence and Pierlite acquisitions

## Characteristics at the end of 2022

- Total net debt position of EUR 1,356 million and Net leverage<sup>1</sup> of 1.3x
- Total gross debt of EUR 2,033 million
- Long term debt includes EUR 1,275 million of Eurobonds and Term Loans of EUR 280 million and USD 225 million
- Total cash of EUR 677 million with Free Cash Flow generation of EUR 445 million in 2022
- Unutilized revolving credit facility of EUR 500 million

## Net debt development in 2022 (in EUR million)



<sup>1</sup> Net Debt to reported EBITDA.

<sup>2</sup> Other includes FX effect on cash, cash equivalents and debt, and payments of lease liabilities.

**4. Financial statements 2022**

**5. Dividend**

**6. Discharge members of the Board of Management and Supervisory Board**



An aerial night view of a city, likely London, showing a dense grid of buildings and streets illuminated by city lights. A large yellow rectangular box is overlaid on the left side of the image, containing text. The EY logo and tagline are visible in the bottom right corner.

# Annual General meeting Signify N.V.

Audit annual report 2022  
Ernst & Young Accountants LLP

May 16, 2023



# Audit approach & focus



# Q&A



# 7. Composition of the Board of Management

# 8. Composition of the Supervisory Board



# 9. Re-appointment of the external auditor of the company

10. Authorizations of the Board of Management to (a) issue shares or grant rights to acquire shares, and  
(b) restrict or exclude pre-emptive rights

## II. Authorization of the Board of Management to acquire shares in the company

# 12. Cancellation of shares



# 13. Any other business

Signify