



Press Release

January 13, 2021

Signify returns solidarity contribution to employees, proposes extraordinary dividend of EUR 1.35 per share and commits to further debt reduction, based on robust profitability and cash flow performance in 2020

Eindhoven, the Netherlands – [Signify](#) (Euronext: LIGHT), the world leader in lighting, today announces that its robust financial performance in 2020 enables the company to return contributions to employees who participated in the 2020 solidarity program. In response to the COVID-19 pandemic, a vast majority of Signify's global employees voluntarily supported a 20% worktime reduction and a pro-rata pay adjustment over April-June 2020.

Furthermore, Signify proposes to declare an extraordinary dividend of EUR 170 million (EUR 1.35 per share) to its shareholders. The amount is in line with the dividend proposal of EUR 1.35 for 2019, which was withdrawn to ensure the company's resilience and to strengthen its financial position during the COVID-19 crisis. This extraordinary dividend will be in addition to the regular dividend for 2020, which will be announced along with its full year results 2020 on January 29, 2021. Both dividend proposals will be subject to approval at the AGM to be held on May 18, 2021.

Signify also announces its intention to repay a minimum of EUR 350 million of debt in 2021, thereby confirming its commitment to further deleverage to a net debt/EBITDA ratio of less than 1x by the end of 2022. Signify expects to report a year-end 2020 net debt/EBITDA ratio of 1.7x.

Based on preliminary and unaudited figures, Signify expects a full year 2020 comparable sales growth of approx. -12.7%. In addition, Signify expects an adjusted EBITA margin of approx. 10.7%, up 30 bps vs. 2019. This includes the cost of the repayment to its employees who participated in the 2020 solidarity program. Signify also expects a full year 2020 free cash flow of approx. EUR 815 million, mainly driven by continued strong working capital discipline.

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About Signify

[Signify](#) (Euronext: LIGHT) is the world leader in lighting for professionals and consumers and lighting for the Internet of Things. Our [Philips](#) products, [Interact](#) connected lighting systems and data-enabled services deliver business value and transform life in homes, buildings and public spaces. With 2019 sales of EUR 6.2 billion, we have approximately 37,000 employees and are present in over 70 countries. We unlock the extraordinary potential of light for brighter lives and a better world. We [achieved](#) carbon neutrality in 2020, have [been](#) in the Dow Jones Sustainability World Index since our IPO for four consecutive years and were named [Industry Leader](#) in [2017](#), [2018](#) and [2019](#). News from Signify is located at the [Newsroom](#), [Twitter](#), [LinkedIn](#) and [Instagram](#). Information for investors can be found on the [Investor Relations](#) page.

Forward-looking statements

This release contains forward-looking statements that reflect the intentions, beliefs or current expectations and projections of Signify, including statements regarding strategy, estimates of sales growth and future operational results. By their nature, these statements involve risks and uncertainties facing Signify, and a number of important factors could cause actual results or outcomes to differ materially from those expressed or implied 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 political developments, the impacts of COVID-19, technological change, competition in the general lighting market, development of lighting systems and services, successful implementation of cost-savings initiatives and business transformation programs, impact of acquisitions and other transactions, reputational and adverse effects on business due to activities in Environment, Health & Safety, compliance risks, ability to attract and retain talented personnel, adverse currency effects, pension liabilities, and exposure to international tax laws. Signify 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 Abuse Regulation

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