



Press Release

January 12, 2023

Signify provides update on its performance in Q4 2022

Eindhoven, the Netherlands – Signify (Euronext: LIGHT), the world leader in lighting, provides an update on its Q4 2022 results and performance for the full year 2022, based on preliminary and unaudited figures.

During the fourth quarter, Signify experienced a stronger than anticipated deterioration of its business in China due to ongoing COVID-related disruptions, a much lower growth in the OEM channel and a weaker indoor professional business than expected. Signify now expects a comparable sales decline of 8.8% for the quarter, resulting in a comparable sales growth of 1.2% for the full year 2022, compared to the previous range of 2-3% for the year.

While the gross margin stabilized, fixed costs did not keep pace with lower sales volumes. Signify therefore expects an Adjusted EBITA margin of approximately 10% for both the fourth quarter and the full year 2022. This compares with the previous full-year guidance of the lower end of the 11.0-11.4% range.

During the final quarter, Signify significantly reduced its inventory, leading to a better than expected working capital performance. The company now expects to report a full year 2022 free cash flow of approximately EUR 445 million or 5.9% of sales, compared to the previous guidance of the lower end of the 5-7% range.

Signify will publish its fourth quarter and full-year results 2022 on January 27, 2023.

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Financial calendar 2023

January 27, 2023	Fourth quarter and full-year results 2022
February 28, 2023	Annual Report 2022
May 3, 2023	Q1 results 2023
July 28, 2023	Q2 and half-year results 2023
October 27, 2023	Q3 results 2023

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. In 2021, we had sales of EUR 6.9 billion, approximately 37,000 employees and a presence 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 six 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 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 political developments, in particular the impacts of the Russia-Ukraine conflict, the energy crisis in Europe, the impacts of COVID-19, supply chain constraints, component shortages, cost inflation, rapid technological change, competition in the general lighting market, development of lighting systems and services, successful implementation of 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.

Non-IFRS Financial Measures

This release contains non-IFRS financial measures and ratios, such as comparable sales growth, adjusted gross margin, EBITA, adjusted EBITA, and 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. For further information on non-IFRS financial measures, see “Chapter 18 Reconciliation of non-IFRS measures” in the Annual Report 2021.

Market Abuse Regulation

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