Press Release

April 24, 2026

Signify reports first quarter 2026 results with resilient margins and cash flow amid continued market softness

Highlights [1]

- Signify's installed base of connected light points increased to 171 million in Q1 26
- Sales of EUR 1,274 million with a CSG of -5.1% (Q1 25: -2.8%)
- Adj. EBITA margin of 6.5% (Q1 25: 8.0%)
- Net income of EUR 8 million including restructuring costs of EUR 63 million mainly related to the recently announced cost reduction program (Q1 25: EUR 67 million)
- Free cash flow of EUR 47 million (Q1 25: EUR 40 million)
- Signify launched its new Brighter Lives, Better World 2030 program, designed to expand the reach of impactful, energy and resource-efficient lighting to improve lives, save energy, and preserve resources

Eindhoven, the Netherlands – Signify (Euronext: LIGHT), the world leader in lighting, today announced the company's first quarter results of 2026.

"In a period of heightened global volatility, we delivered a resilient gross margin and cash flow generation, supported by disciplined cost and price management. Sales were reflective of continued softness in our markets. We are taking actions to outperform the market, while completing our strategic portfolio review to position the company for future success." said As Tempelman, CEO, Signify.

"We stay close to our customers and suppliers and remain confident in our ability to respond to market risks and opportunities. Based on current market visibility, we confirm our full-year guidance and remain focused on disciplined execution to build momentum through the remainder of 2026."

Outlook

Signify anticipates the challenging conditions to persist through 2026. Considering the diverging dynamics in its end markets, the company is not providing guidance on full-year sales at this stage. Signify continues to expect an adjusted EBITA margin of 7.5-8.5%, and free cash flow generation of 6.5-7.5% of sales.

[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.

Financial review

in millions of EUR, unless otherwise stated	First quarter 2025	2026	change
Comparable sales growth			**-5.1%**
Currency effects			-7.0%
Consolidation effects			0.1%
Sales	**1,448**	**1,274**	-12.0%
Adjusted gross margin	591	517	-12.6%
Adj. gross margin (as % of sales)	**40.8%**	**40.6%**	
Adj. SG&A expenses	-427	-389	
Adj. R&D expenses	-64	-58	
Adj. indirect costs	-491	-447	-9.0%
Adj. indirect costs (as % of sales)	**33.9%**	**35.1%**	
Adjusted EBITA	116	83	-28.1%
Adjusted EBITA margin	**8.0%**	**6.5%**	
Adjusted items	-16	-54	
EBITA	100	30	-70.4%
Income from operations (EBIT)	**85**	**17**	**-80.3%**
Net financial income/expense	-13	-12	
Income tax expense	-4	3	
Net income	**67**	**8**	**-88.3%**
Free cash flow	40	47	
Basic EPS (€)	0.53	0.05	
Employees (FTE)	29,697	26,008	

First quarter
Nominal sales decreased by 12% to EUR 1,274 million, including a negative currency effect of 7.0% primarily related to USD depreciation. Comparable sales declined by 5.1%, reflecting a softer performance in the Professional and Consumer businesses, while the OEM business showed early signs of stabilization.

The Adjusted gross margin decreased by 20 bps to 40.6% but remained at a solid level above 40% and improved sequentially from Q4, driven by disciplined pricing and effective COGS management. Adjusted indirect costs as a percentage of sales increased to 35.1%, as lower volumes led to under-absorption of fixed costs.

Adjusted EBITA decreased to EUR 83 million. The Adjusted EBITA margin decreased by 150 bps to 6.5%, mainly due to the under-absorption of fixed costs and currency effects, partly offset by cost reductions.

Restructuring costs were EUR 63 million, acquisition-related results were EUR 3 million, and incidental items were EUR 6 million. The restructuring costs booked in Q1 mainly relate to the EUR 180 million cost reduction program announced in January 2026.

Net income decreased to EUR 8 million, driven by higher restructuring costs.

The number of employees (FTE) decreased from 29,697 at the end of Q1 25 to 26,008 at the end of Q1 26. The year-on-year decrease is mostly related to the reduction of factory personnel due to lower production volumes. In general, the number of FTEs is affected by fluctuations in volume and seasonality.

Professional

	First quarter		
in millions of EUR, unless otherwise stated	2025	**2026**	change
Comparable sales growth	-1.8%	-3.7%	
Sales	942	839	-10.9%
Adjusted EBITA	67	61	-8.5%
Adjusted EBITA margin	7.1%	7.3%	

Includes Nemalux since November 1, 2025

First quarter
Nominal sales decreased by 10.9% to EUR 839 million, including a negative currency effect of 7.3% primarily related to the depreciation of the USD. Comparable sales declined by 3.7%, driven by continued softness in the trade channel and public projects across Europe and the US, while connected lighting solutions continued to grow. Sequential improvements in Europe driven by indoor project growth. Growth in emerging markets, including China and India, more than offset declines in the Middle East.

The Adjusted EBITA margin increased by 20 bps to 7.3%, supported by gross margin expansion and continued price and cost discipline.

Consumer

	First quarter		
in millions of EUR, unless otherwise stated	2025	**2026**	change
Comparable sales growth	3.1%	-4.6%	
Sales	311	276	-11.5%
Adjusted EBITA	34	16	-53.1%
Adjusted EBITA margin	10.8%	5.7%	

First quarter
Nominal sales decreased by 11.5% to EUR 276 million, including a negative currency effect of 6.8%, mainly related to the depreciation of the Indian Rupee and US dollar. Comparable sales declined by 4.6%, reflecting retail channel inventory adjustments impacting sell-in, while consumer sell-out remained strong. Performance was further affected by weaker results in Klite, offset by continued growth in India. The Adjusted EBITA margin decreased to 5.7% mainly driven by the negative volume effect.

OEM

in millions of EUR, unless otherwise stated	First quarter 2025	2026	change
Comparable sales growth	-10.7%	-4.8%	
Sales	92	82	-10.4%
Adjusted EBITA	4	2	-47.3%
Adjusted EBITA margin	4.2%	2.5%	

First quarter
Nominal sales decreased by 10.4% to EUR 82 million, including a negative currency effect of 5.6% mostly related to the depreciation of the US dollar. Comparable sales declined 4.8%, reflecting continued market softness, with pricing pressure beginning to ease and performance showing clear signs of stabilization. The Adjusted EBITA margin decreased to 2.5%, as gross margin was impacted by lower volumes. This was partly offset by cost actions.

Conventional

in millions of EUR, unless otherwise stated	First quarter 2025	2026	change
Comparable sales growth	-23.9%	-17.9%	
Sales	92	71	-23.5%
Adjusted EBITA	17	9	-46.0%
Adjusted EBITA margin	18.4%	13.0%	

First quarter
Nominal sales decreased by 23.5% to EUR 71 million, including a negative currency effect of 5.6% mostly related to the depreciation of the US dollar. Comparable sales declined by 17.9% reflecting the structural decline of the business. The Adjusted EBITA margin decreased to 13.0%, reflecting temporarily higher manufacturing costs related to the site rationalization. The business is on track to restore its profitability in the second half of the year as these temporary effects unwind.

Other

First Quarter
'Other' reflects the P&L of Signify's venture businesses, in addition to centrally incurred costs not assigned to individual businesses, predominantly those related to exploratory research initiatives and audit activities. Adjusted EBITA was EUR -5 million (Q1 2025: EUR -6 million).

Working capital

in millions of EUR, unless otherwise stated	Mar 31, 2025	Dec 31, 2025	Mar 31, 2026
Inventories	1,023	929	929
Trade and other receivables [1]	914	848	790
Trade and other payables	-1,448	-1,363	-1,328
Other working capital items [2]	-47	-85	-44
Working capital	**442**	**329**	**347**
As % of LTM sales [3]	7.2%	5.7%	6.2%

1 As of March 31, 2025, December 31, 2025 and March 31, 2026, trade and other receivables exclude USD 51 million, USD 53 million and USD 54 million, respectively, of insurance receivables for which a legal provision is recognized for the same amount.
2 As of March 31, 2026, other working capital items exclude EUR 25 million of non-operating items. The exclusion was not applicable as of March 31, 2025 or December 31, 2025.
3 LTM: Last Twelve Months.

First quarter

Working capital increased from EUR 329 million at the end of December 2025 to EUR 347 million at the end of March 2026. The increase is driven by a reduction in payables, partly offset by lower receivables. As a percentage of last twelve-months sales, working capital increased by 50 bps to 6.2%.

Compared with March 2025, working capital decreased by EUR 95 million. This decrease is explained by lower receivables and lower inventories, partly offset by lower payables. As a percentage of last twelve-months sales, working capital decreased by 100 bps.

Cash flow analysis

	First quarter	
in millions of EUR	2025	2026
Income from operations (EBIT)	85	17
Depreciation and amortization	61	57
Additions to (releases of) provisions	31	65
Utilizations of provisions	-42	-44
Changes in working capital	-65	-1
Net interest and financing costs received (paid)	1	-4
Income taxes paid	-20	-11
Net capex	-25	-30
Other	13	-2
Free cash flow	**40**	**47**

First quarter
Free cash flow increased to EUR 47 million, primarily due to improved working capital management, partly offset by a lower income from operations. Free cash flow included a restructuring payout of EUR 22 million (Q1 25: EUR 13 million).

Net debt and total equity

in millions of EUR	Mar 31, 2025	Dec 31, 2025	Mar 31, 2026
Short-term debt	420	489	485
Long-term debt	1,134	1,090	1,097
Gross debt	1,554	1,579	1,583
Cash and cash equivalents	644	621	650
Net debt	**910**	**957**	**933**
Total equity	**3,172**	**2,767**	**2,768**

First quarter
Compared with the end of December 2025, the cash position increased by EUR 29 million to EUR 650 million, while gross debt remained broadly stable at EUR 1,583 million. Net debt decreased by EUR 24 million to EUR 933 million. Total equity remained largely unchanged increasing to EUR 2,768 million (Q4 25: EUR 2,767 million).

Compared with the end of March 2025, the cash position increased by EUR 6 million, primarily due to the free cash flow generation offset by the dividend payment and share buy back program. Gross debt increased by EUR 29 million over the same period. As a result, the net debt increased by EUR 23 million year on year. At the end of March 2026, the net debt/EBITDA ratio was 1.7x (Q1 25: 1.2x).

Brighter Lives, Better World 2030

On March 9th, Signify launched Brighter Lives, Better World 2030, a new program designed to expand the reach of impactful, energy and resource-efficient lighting designed to improve lives, save energy, and preserve resources.

Benefits beyond illumination
Signify aims to expand the role of lighting that improves quality of life: supporting well-being, safety and security in homes, buildings and cities, enabling more efficient food production, and increasing access to solar lighting.

- 2030 ambition: Beyond illumination revenues to reach 41%, rising from 31% in 2024.

Energy efficiency
Through continuous advances in LED and connected lighting, Signify aims to help customers reduce energy use, costs, and resulting emissions.

- 2030 ambition: Deliver a cumulative saving of 60 TWh of energy for customers by 2030.
- 2030 ambition: Achieve a 35% reduction in portfolio CO2 annualized emission intensity.

Resource efficiency and circular value
Signify will scale circular products and services that aim to reduce the consumption of virgin materials and energy while delivering long-term customer value.

- 2030 ambition: Reach 27.5% Signify Circle revenues in Professional Europe.

Progress on Signify's Brighter Lives, Better World 2030 program will be reported on a quarterly basis, in line with the company's financial results starting in Q2 2026.

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
As Tempelman (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 2026 results. A live audio webcast of the conference call will be available via the Investor Relations website.

Financial calendar 2026

April 24, 2026	Annual General Meeting of Shareholders
April 30, 2026	Ex-dividend date
May 4, 2026	Dividend record date
May 11, 2026	Dividend payment date
June 23, 2026	Capital Markets Day
July 24, 2026	Second quarter results 2026
October 23, 2026	Third quarter results 2026

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About Signify
Signify (Euronext: LIGHT) is the world leader in lighting for professionals and consumers. We proudly bring to market the world's best lighting brands, from Signify, Philips, Philips Hue, Signify Interact, Signify Dynalite, Color Kinetics and many more. Our advanced products, connected systems and services unlock the extraordinary potential of light for brighter lives and a better world. In 2025, we had sales of EUR 5.8 billion, approximately 27,000 employees, and a presence in over 70 markets. We are in the Dow Jones Sustainability World Index earned a CDP 'A' score for climate performance and transparency and hold the EcoVadis Platinum rating.

News and updates from Signify can be found in the Newsroom, on 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, and there may be many factors that could cause actual results or outcomes to differ materially from those expressed in or implied by these statements. These risks, uncertainties and other factors include macroeconomic volatility, geopolitical and regulatory changes including trade tariffs, competitive price pressure, technological disruptions, reduced governmental funding for energy efficiency and sustainability, currency risks, changes in international tax laws, effects of environmental crises, climate change and natural disasters, cybersecurity risk, and export controls and sanctions.

The above risks may not include all factors that ultimately affect the Group. Additional risks and uncertainties that are currently not known to the Group or not considered material may have a material adverse effect on the business, strategy, results of operations, financial condition and prospects of the Group, or prevent the forward-looking events discussed from occurring. 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 2025.

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 is unaudited. Unless otherwise indicated, financial information has been prepared in accordance with the accounting policies as stated in the Annual Report 2025.

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

	First quarter	
	2025	**2026**
Sales	1,448	1,274
Cost of sales	(862)	(770)
Gross margin	**586**	**504**
Selling, general and administrative expenses	(435)	(418)
Research and development expenses	(66)	(80)
Impairment of goodwill	–	–
Other business income	1	11
Other business expenses	(1)	(0)
Income from operations	**85**	**17**
Financial income	8	5
Financial expenses	(22)	(18)
Results relating to investments in associates	(0)	0
Income before taxes	**71**	**5**
Income tax expense	(4)	3
Net income	**67**	**8**
Attribution of net income for the period:		
Net income (loss) attributable to shareholders of Signify N.V.	67	6
Net income (loss) attributable to non-controlling interests	0	2

Amounts may not add up due to rounding.

B. Condensed consolidated statement of comprehensive income

in millions of EUR

	First quarter	
	2025	**2026**
Net income (loss)	**67**	**8**
Pensions and other post-employment plans:		
Remeasurements	(0)	0
Income tax effect on remeasurements	-	-
Total of items that will not be reclassified to profit or loss	**(0)**	**0**
Currency translation differences:		
Net current period change, before tax	(136)	71
Income tax effect	-	-
Cash flow hedges:		
Net current period change, before tax	(7)	5
Income tax effect	2	(1)
Total of items that are or may be reclassified to profit or loss	**(141)**	**75**
Other comprehensive income (loss)	**(141)**	**75**
Total comprehensive income (loss)	**(74)**	**83**
Total comprehensive income (loss) attributable to:		
Shareholders of Signify N.V.	(71)	78
Non-controlling interests	(3)	5

Amounts may not add up due to rounding.

C. Condensed consolidated statement of financial position

in millions of EUR

	December 31, 2025	March 31, 2026
Non-current assets		
Property, plant and equipment	557	556
Goodwill	2,615	2,661
Intangible assets, other than goodwill	511	514
Investments in associates and joint ventures	19	19
Financial assets	29	32
Deferred tax assets	353	355
Other assets	28	27
Total non-current assets	**4,111**	**4,165**
Current assets		
Inventories	929	929
Financial assets	2	2
Other assets	112	131
Derivative financial assets	11	14
Income tax receivable	37	40
Trade and other receivables	894	837
Cash and cash equivalents	621	650
Assets classified as held for sale	2	0
Total current assets	**2,608**	**2,603**
Total assets	**6,720**	**6,768**

	December 31, 2025	March 31, 2026
Equity		
Shareholders' equity	2,673	2,734
Non-controlling interests	94	34
Total equity	**2,767**	**2,768**
Non-current liabilities		
Debt	1,090	1,097
Post-employment benefits	224	223
Provisions	185	174
Deferred tax liabilities	15	14
Income tax payable	48	40
Other liabilities	155	211
Total non-current liabilities	**1,717**	**1,759**
Current liabilities		
Debt, including bank overdrafts	489	485
Derivative financial liabilities	7	5
Income tax payable	20	20
Trade and other payables	1,363	1,328
Provisions	156	194
Other liabilities	201	209
Liabilities from assets classified as held for sale	0	0
Total current liabilities	**2,235**	**2,241**
Total liabilities and total equity	**6,720**	**6,768**

Amounts may not add up due to rounding.

D. Condensed consolidated statement of cash flows

in millions of EUR

	First quarter	
	2025	**2026**
Cash flows from operating activities		
Net income (loss)	67	8
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	111	126
• Depreciation, amortization and impairment of non-financial assets	61	57
• Result on sale of assets	(0)	(6)
• Net interest expense on debt, borrowings and other liabilities	9	9
• Income tax expense	4	(3)
• Additions to (releases of) provisions	26	61
• Additions to (releases of) post-employment benefits	5	5
• Other items	6	4
Changes in working capital:	(65)	(1)
• Changes in trade and other receivables	83	64
• Changes in inventories	(19)	11
• Changes in trade and other payables	(113)	(56)
• Changes in other current assets and liabilities	(17)	(21)
Changes in other non-current assets and liabilities	12	4
Utilizations of provisions	(34)	(37)
Utilizations of post-employment benefits	(7)	(7)
Net interest and financing costs received (paid)	1	(4)
Income taxes paid	(20)	(11)
Net cash provided by (used for) operating activities	**65**	**77**

	First quarter	
	2025	**2026**
Cash flows from investing activities		
Net capital expenditures:	(25)	(30)
• Additions of intangible assets	(15)	(17)
• Capital expenditures on property, plant and equipment	(12)	(11)
• Proceeds from disposal of property, plant and equipment	2	(2)
Net proceeds from (cash used for) derivatives and other financial assets	(1)	9
Purchases of businesses and joint ventures, net of cash acquired	(0)	(0)
Proceeds from disposition of businesses and investments in associates	5	0
Net cash provided by (used for) investing activities	**(21)**	**(22)**
Cash flows from financing activities		
Dividend paid	(1)	(1)
Proceeds from issuance of debt	12	6
Repayment of debt	(21)	(24)
Purchase of treasury shares	(23)	(11)
Net cash provided by (used for) financing activities	**(33)**	**(31)**
Net cash flows	**11**	**24**
Effect of changes in exchange rates on cash and cash equivalents and bank overdrafts	(0)	5
Cash and cash equivalents and bank overdrafts at the beginning of the period	633	621
Cash and cash equivalents and bank overdrafts at the end of the period	**644**	**649**

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
2026 vs 2025				
Professional	(3.7)	(7.3)	0.1	(10.9)
Consumer	(4.6)	(6.8)	(0.0)	(11.5)
OEM	(4.8)	(5.6)	(0.0)	(10.4)
Conventional	(17.9)	(5.6)	(0.0)	(23.5)
Signify	**(5.1)**	**(7.0)**	**0.1**	**(12.0)**
Signify excluding Conventional	**(4.3)**	**(7.1)**	**0.1**	**(11.3)**

	First quarter			
	Comparable growth	Currency effects	Consolidation effects	Nominal growth
2025 vs 2024				
Professional	(1.8)	1.7	0.0	(0.1)
Consumer	3.1	1.1	(0.0)	4.2
OEM	(10.7)	0.5	(0.0)	(10.2)
Conventional	(23.9)	1.1	0.0	(22.8)
Signify	**(2.8)**	**1.4**	**(0.0)**	**(1.3)**
Signify excluding Conventional	**(0.9)**	**1.5**	**(0.0)**	**0.6**

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

	Signify	Professional	Consumer	OEM	Conventional	Other
First quarter 2026						
Adjusted EBITA	83	61	16	2	9	(5)
Restructuring	(63)					
Acquisition-related results	3					
Incidental items	6					
EBITA	**30**					
Amortization [1]	(13)					
Income from operations (or EBIT)	**17**					
First quarter 2025						
Adjusted EBITA	116	67	34	4	17	(6)
Restructuring	(11)					
Acquisition-related results	(2)					
Incidental items	(3)					
EBITA	**100**					
Amortization [1]	(15)					
Income from operations (or EBIT)	**85**					

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

Income from operations to Adjusted EBITA in millions of EUR

First quarter 2026	Reported	Restructuring[1]	Acquisition-related results	Incidental items[2]	Adjusted
Sales	1,274	-	-	-	1,274
Cost of sales	(770)	13	0	-	(757)
Gross margin	**504**	**13**	**0**	**-**	**517**
Selling, general and administrative expenses	(418)	29	1	(0)	(389)
Research and development expenses	(80)	21	-	-	(58)
Indirect costs	**(497)**	**50**	**1**	**(0)**	**(447)**
Impairment of goodwill	-	-	-	-	-
Other business income	11	-	(3)	(6)	1
Other business expenses	(0)	-	0	0	(0)
Income from operations	**17**	**63**	**(3)**	**(6)**	**70**
Amortization	(13)	-	-	-	(13)
Income from operations excluding amortization (EBITA)	**30**	**63**	**(3)**	**(6)**	**83**
First quarter 2025					
Sales	1,448	-	-	-	1,448
Cost of sales	(862)	4	0	0	(857)
Gross margin	**586**	**4**	**0**	**0**	**591**
Selling, general and administrative expenses	(435)	4	1	3	(427)
Research and development expenses	(66)	2	0	-	(64)
Indirect costs	**(501)**	**7**	1	**3**	**(491)**
Impairment of goodwill	-	-	-	-	-
Other business income	1	-	-	-	1
Other business expenses	(1)	-	1	0	(0)
Income from operations	**85**	**11**	**2**	**3**	**101**
Amortization	(15)	-	-	-	(15)
Income from operations excluding amortization (EBITA)	**100**	**11**	**2**	**3**	**116**

1 Q1 2026: Restructuring costs consisted of EUR 57 million of employee termination benefits (mainly in Professional), EUR 3 million of assets impairment, EUR 1 million of inventories write-down and EUR 2 million of other costs related to the restructuring programs.
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.

2 Q1 2026: Incidental items are mainly related to gain on real estate transactions (EUR 6 million in Consumer).
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).

Appendix C – Financial glossary

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

Adjusted EBITA
EBITA excluding restructuring costs, acquisition-related results, 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 results, and other incidental items attributable to cost of sales.

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

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

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

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

Consolidation effects
In the event a business is acquired (or divested), the impact of the consolidation (or deconsolidation) 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.

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.

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 and non-operating liabilities).