

A nighttime photograph of a city skyline. In the foreground, a wide road with traffic leads towards a brightly lit central plaza. Several tall skyscrapers are visible in the background, their windows glowing with light. The sky is dark, and the overall scene is illuminated by the city's lights. The text "@signify" is overlaid in a green, stylized font at the top center.

@signify

Annual General Meeting of Shareholders

1. Presentation by CEO Eric Rondolat



Guanyin Altar, Mount Putuo, China


Full year 2020

Improving and building a sustainable future in a year of unprecedented challenges

- LED-based sales increased to 80% (FY 19: 79%)
- Connected light points rose to 77m (FY 19: 56m)
- Comparable sales declined by 12.7%
- Adjusted indirect cost base decreased by EUR 166m
- Operational profitability improved to 10.7% (FY 19: 10.4%)
- Free cash flow increased to EUR 817m (FY 19: EUR 529)
- Cooper Lighting Solutions and Klite integration and delivery of synergies ahead of plan
- 2020 Sustainability targets overachieved

Successfully completed our Brighter Lives, Better World 2020 program

Overachieving on our 2020 Sustainability targets

	2020 achievements		2020 objectives
Sustainable revenues	84.1% sustainable revenues	  	80%
	2.9 billion LED lamps & luminaires delivered		> 2 billion
Sustainable operations	Carbon neutrality for all operations		
	All our sites sending zero waste to landfill		
	Best-ever safety performance with a TRC of 0.22		TRC < 0.35
	99% sustainable supply chain		90%



A list for climate and supply chain

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

World Index since our IPO



Top 1% in electronics industry



Platinum
Top 1%

Global Climate Action
United Nations Climate Change



Signify's **5 Frontiers strategy**

Signify's **5 Frontiers strategy**



Customer
centricity

Build a customer-centric organization

- Customer NPS improved by 9 points to 41
- Implemented a new operating model that is enhancing customer-centricity

Signify's **5 Frontiers strategy**



Deliver differentiated lighting offers

- B-brand and Private Labels sales increased by over 20%
- 4.4% of sales invested in R&D

Signify's **5 Frontiers strategy**



Drive growth for sustainability

- Our installed connected light points increased by 38% to 77 million
- Growth platforms (Agriculture, Solar, UV-C, 3D Printing) revenue increased to ~EUR 250m

Signify's 5 Frontiers strategy



Digitalize and transform for the future

- Direct online sales of consumer products doubled

Signify's 5 Frontiers strategy



Be a great place to work

- Employee NPS improved to 29 points
- Participation rate stood above 80%

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

€6.5bn

sales in 2020,
~ 75% professional

37,000

people in 74 countries







100%

Carbon neutral operations

Our new Brighter Lives, Better World 2025 program

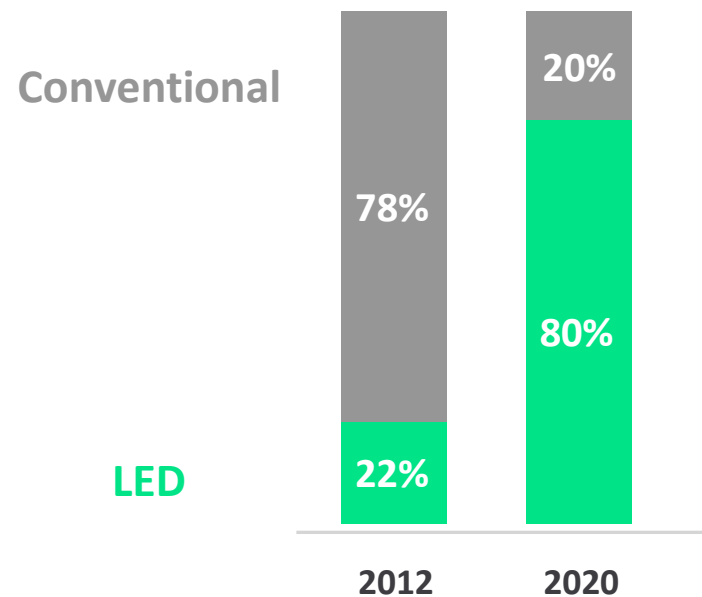
Doubling our positive impact on the environment and society

Doubling objectives

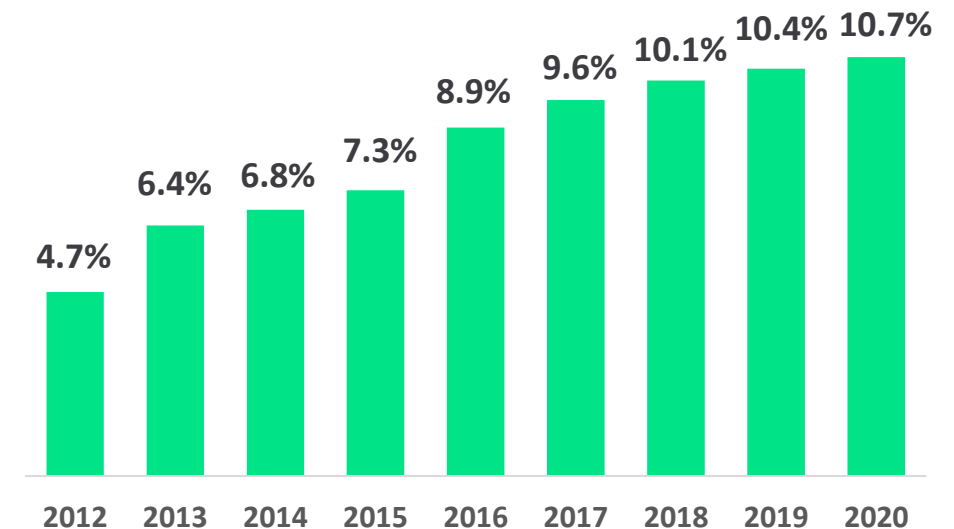
Better World	Climate action			Double the pace we achieve the 1.5°C scenario of the Paris Agreement
	Circular economy			Double our Circular revenues to 32%
Brighter Lives	Food availability Safety & security Health & wellbeing			Double our Brighter Lives revenues to 32%
	Great place to work			Double our % of women in leadership to 34%

Transitioned successfully to an LED-based company with eight years of consecutive operating margin improvement

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



Development of Adj. EBITA margin





First quarter 2021

Demonstrating execution of our strategy with growth driven by connected businesses and growth platforms

- Installed base of connected light points increased to 83m in Q1 2021 (at the end of 2020: 77m)
- Sales of EUR 1,599 million; 12.0% nominal sales growth and CSG of 3.2%
- Adj. EBITA margin improved by 290 bps to 10.8%
- Free cash flow increased to EUR 168 million (Q1 20: EUR 112 million)
- Started to make progress towards doubling our positive impact on environment and society

Outlook 2021

Following the operational performance in the first quarter and based on current visibility, Signify now anticipates:

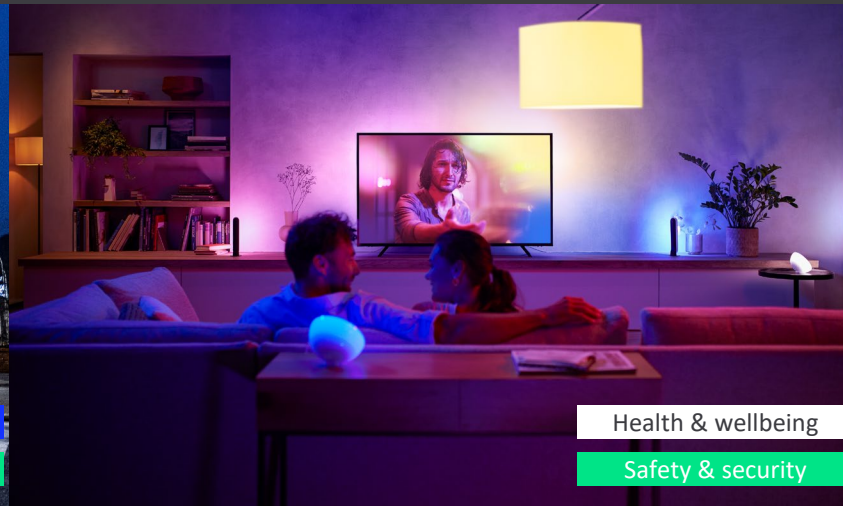
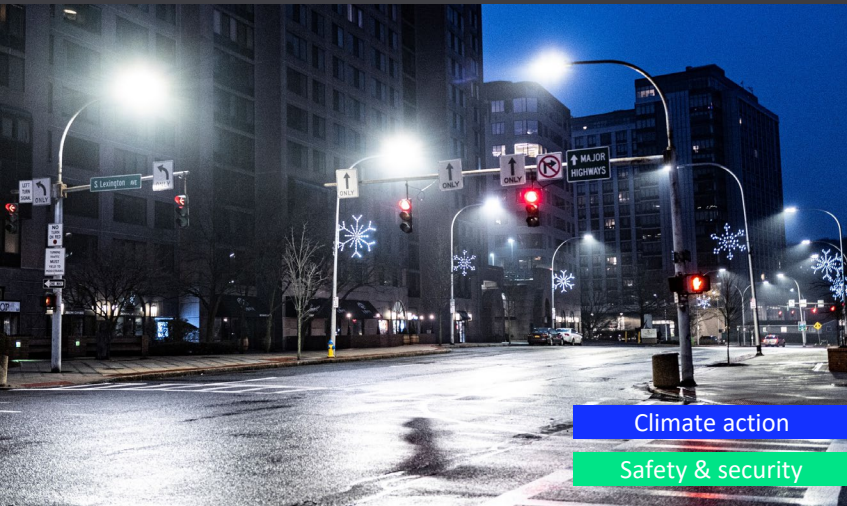
- CSG of 3% to 6% for FY 2021
- Adjusted EBITA margin of 11.5% to 12.5%
- A free cash flow to exceed 8% of sales for the full year 2021
- To reduce its debt by the committed EUR 350m



RIAT, Ivanovo, Russia

Connected Lighting Systems & Growth platforms

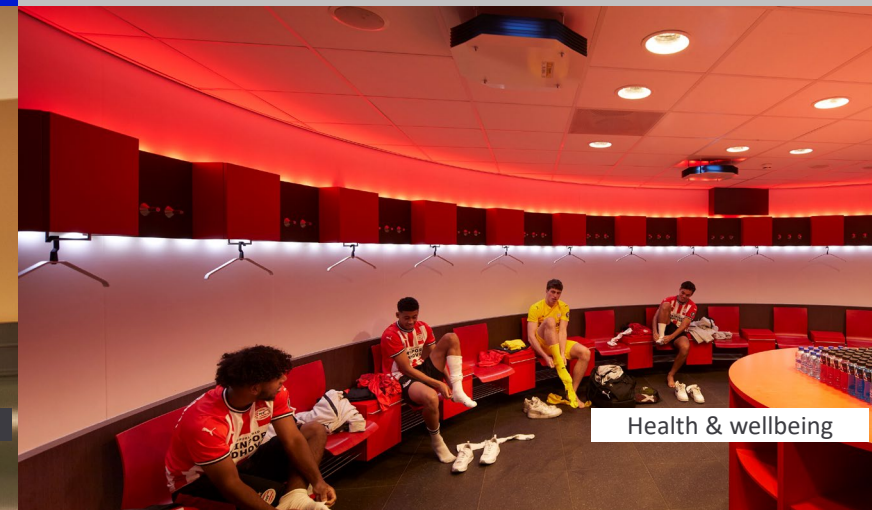
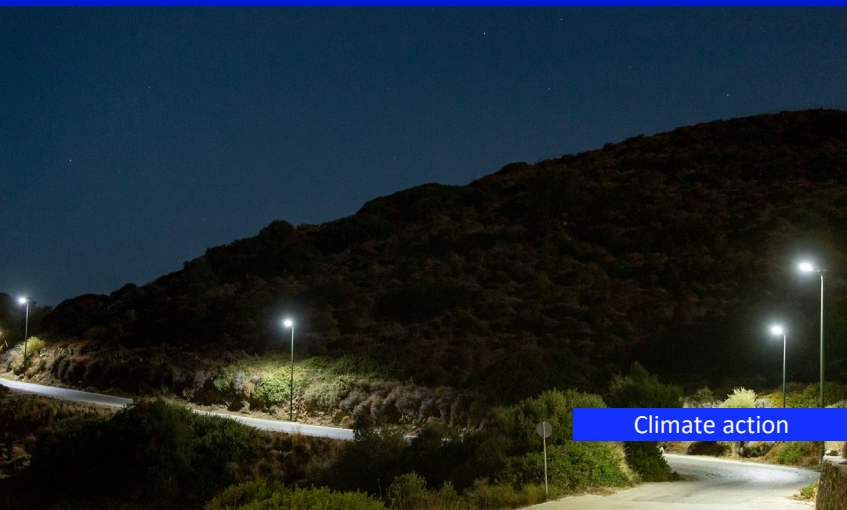
Growth for Sustainability



Professional systems

Consumer systems

Agriculture



Solar

3D printing

UV-C



Ha Giang Province, Vietnam

Corporate Social Responsibility

Enabling access to the benefits of sustainable lighting solutions for underserved communities

Lighting lives by enabling access to sustainable lighting technology

- 6 million lives lit

Building local capacity and enabling community development by supporting lighting entrepreneurs

- 9200+ entrepreneurs supported

Providing humanitarian lighting to increase safety and security in natural and man-made disaster contexts

- 590+ health centers lit



Thank you

2. Remuneration report

Remuneration Board of Management 2020

Board of Management	Base Salary Jan 1, 2020 (+2.5%)	Base Salary Oct 1, 2020 (+1%)	Annual (Cash) Incentive (% of Base Salary)			Long-term Equity-based Incentive at target (% of Base Salary)
			Min.	Target	Max.	
E.H.E. Rondolat	€ 892,775	€ 901,703 ¹	0	80	160	100
C.L. van Schooten	€ 583,225	€ 589,057 ¹	0	60	120	80
F.J. van Engelen	€ 590,000 ²		0	60	120	80
M.L. Mariani	€ 570,000 ³		0	60	120	80

¹ April 1, 2020 increase, as per COVID-19 measures, was delayed to October 1, 2020

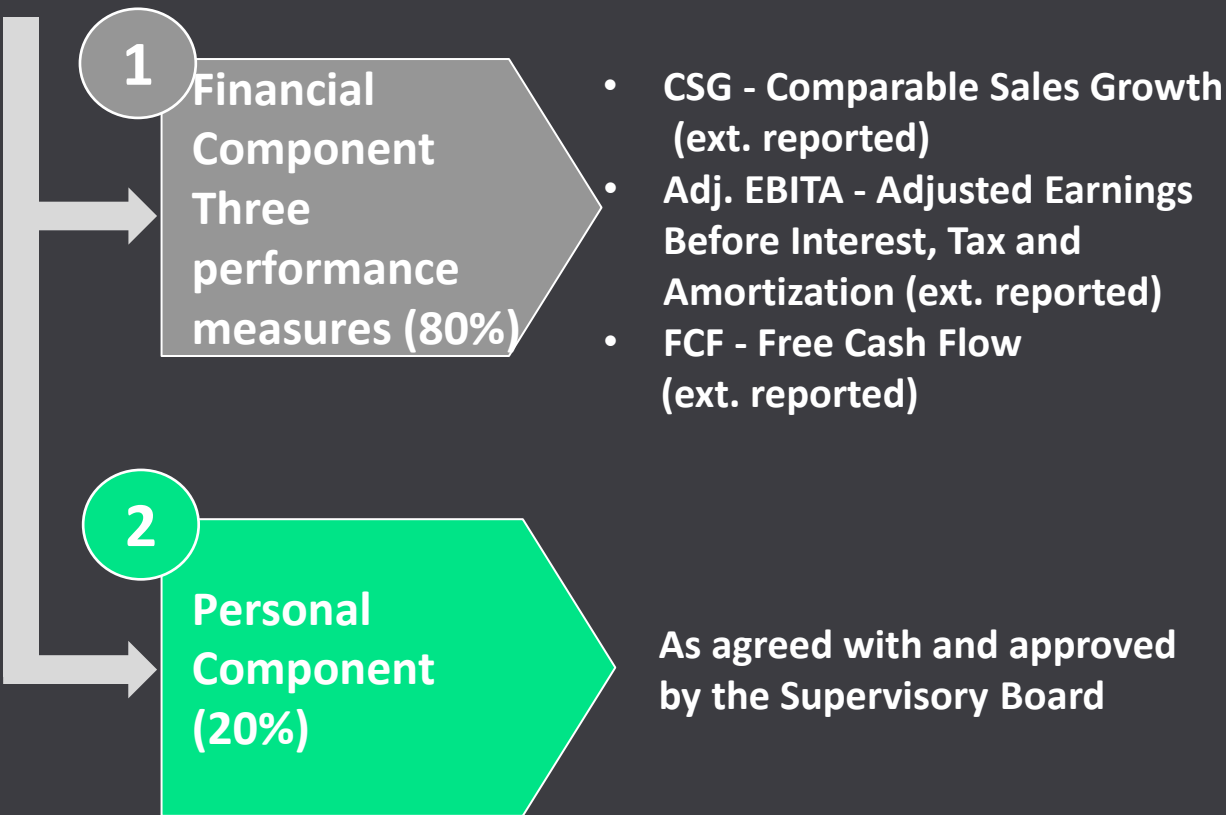
Board of Management members volunteered for a 20% reduction in salary during Q2 2021.

² Base salary as per date of hire: June 15, 2020. Appointed Board of Management member per October 27, 2020

³ Base salary as per date of appointment: May 20, 2020

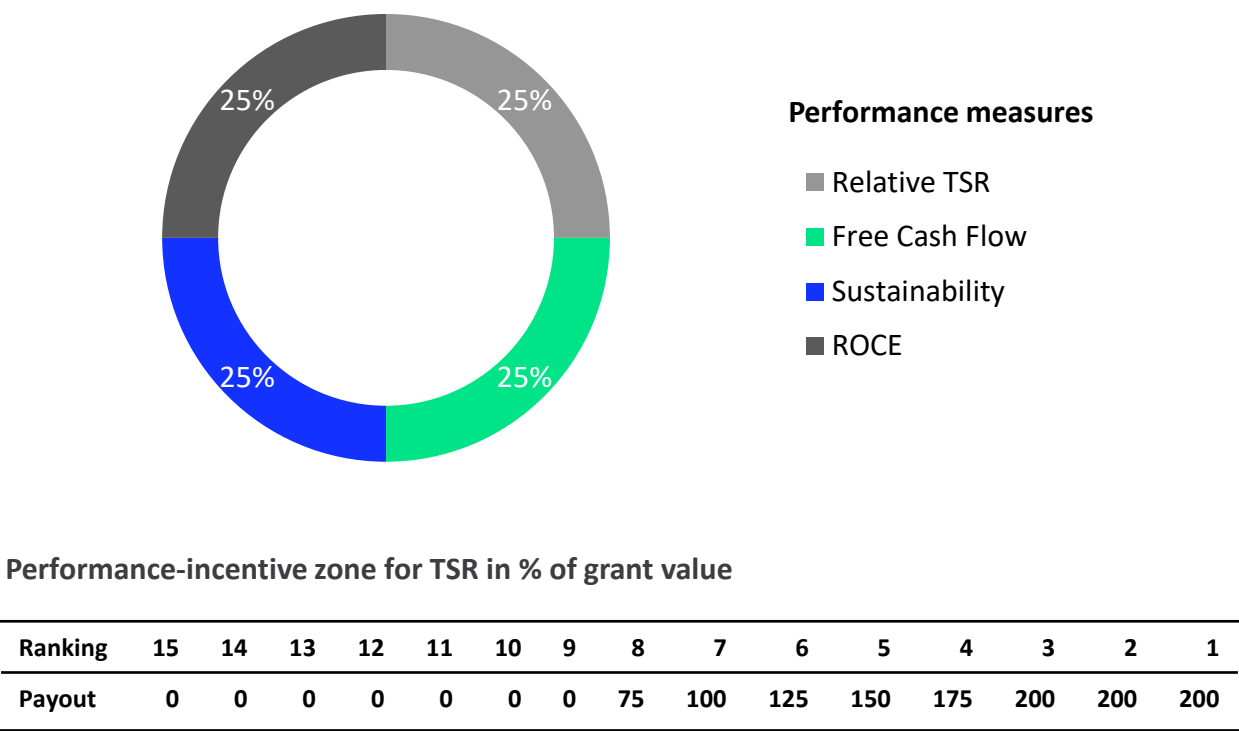
Annual Incentive 2020

The Annual Incentive 2020 consists of two major components:



Long-term Incentive 2020

Long-term Incentive 2020 performance measures:



Annual Incentive Realization 2020

Performance measures	Weighting	Realized	Realized %	Multiple achieved
Comparable sales growth	30%	(12.7)%	0%	0%
Adjusted EBITA	30%	10.5%	57.1%	17.1%
Free Cash Flow	20%	12.1%	200%	40%
Team and individual performance measures ¹	20%	150%	150%	30%
Multiple achieved				87.1%

¹ The 100% realization on team and individual performance measures for F.J. van Engelen Sousa results in a multiple achieved of 77.1%

	Annual base		on-target % of annual base		Multiple achieved		Pro rata factor		realized annual incentive (in EUR)
E.H.E. Rondolat	€ 901,703	x	80%	x	87.1%	x	1	=	€ 628,307
C.L. van Schooten	€ 589,057	x	60%	x	87.1%	x	1	=	€ 307,841
F.J. van Engelen ¹	€ 590,000	x	60%	x	77.1%	x	0.55	=	€ 150,114
M.L. Mariani ¹	€ 570,000	x	60%	x	87.1%	x	0.62	=	€ 184,687

¹ The realized annual incentive reflects the pro-rata amount as of June 15 for F.J. van Engelen Sousa and as of May 20 for M.L. Mariani

2018 Long-Term Incentive grant performance achievement and vesting levels

	Achievement	Weighting	Vesting level
TSR	120%	40%	48%
Free Cash Flow	200%	40%	80%
Sustainability	200%	20%	40%
Total			<u>168%</u>

Remuneration Supervisory Board 2020

Supervisory Board	Membership	Committees	Other compensation ¹	Total
A.P.M. van der Poel	€ 104,500	€ 23,750	€ -	€ 128,250
G. van der Aast	€ 80,750	€ 26,600	€ -	€ 107,350
E. Blok	€ 71,250	€ 19,475	€ -	€ 90,725
R.S. Lane	€ 71,250	€ 16,625	€ -	€ 87,875
J. Lee ²	€ 40,000	€ 12,000	€ 2,500	€ 54,500
P. Knapp ³	€ 52,500	€ 11,698	€ 2,500	€ 66,698
F. Lubnau ³	€ 83,750	€ 4,470	€ 7,500	€ 95,720

¹ Allowance for continental and intercontinental travel

² Stepped down as a member of the Supervisory Board per July 31, 2020

³ Appointed as a member of the Supervisory Board in AGM 2020. The remuneration includes the observer period.

Remuneration Board of Management Outlook 2021

Overview of Total Direct Compensation for the Board of Management

Outlook 2021 total direct compensation for members of the Board of Management

In EUR	Base Salary Jan 1, 2021 (+2%)	Short-Term Incentive ¹	Long-term Incentive ¹	Total Direct Compensation ¹
E.H.E. Rondolat	€ 919,737	80%	100%	€ 2,575,264
F.J. van Engelen	€ 601,800	60%	80%	€ 1,444,320
M.L. Mariani	€ 601,800	60%	80%	€ 1,444,320

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

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

Signify continues to exercise strict financial discipline in the generation and use of cash

Cash available

- Free cash flow generation
- Signify's focus remains on maintaining a robust capital structure and on its policy to prioritize future deleveraging to support its commitment to an investment grade credit rating.

Capital allocation policy

- Pay an increasing annual dividend per share in cash year-on-year ¹
- Deleveraging and achieve < 1x net debt/EBITDA by 2022 ²
- Continue to invest in R&D and other organic growth opportunities, while pursuing selective M&A opportunities in line with strategic priorities

¹ Signify proposes 2020 dividend of EUR 1.40 plus an extraordinary dividend of EUR 1.35, both to be paid in cash in 2021

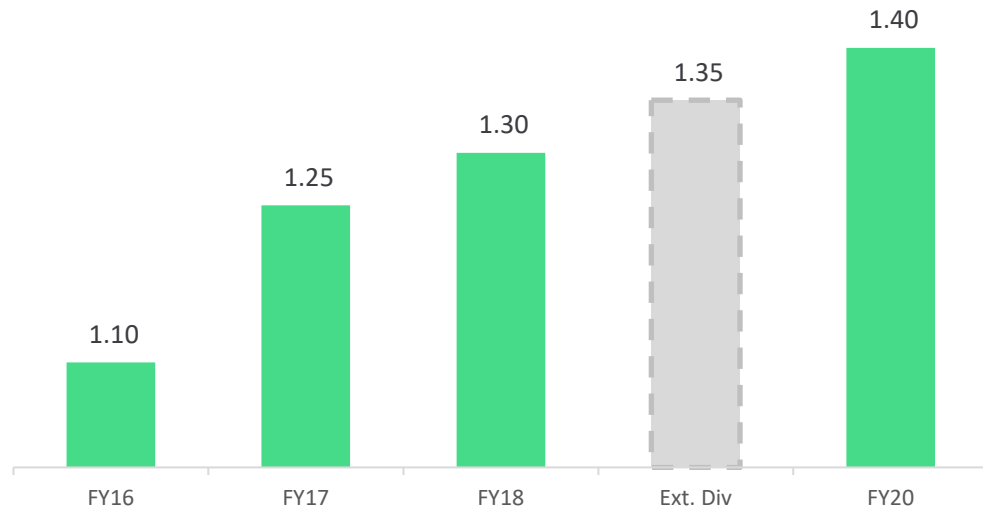
² Signify repaid EUR 350 million of its outstanding term loan debt in 2020 and it is committed to repay a minimum of EUR 350 million in 2021

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Key observations

- The proposed extraordinary dividend of EUR 1.35 per share (EUR 170m), announced on January 13, 2021, is in line with the dividend proposal for 2019, which was withdrawn to ensure the company's resilience during the COVID-19 crisis
- The extraordinary dividend of EUR 1.35 per share is in addition to the proposed dividend of EUR 1.40 per share (EUR 176m) from the net income for full year 2020

Dividend per share since IPO (in EUR)

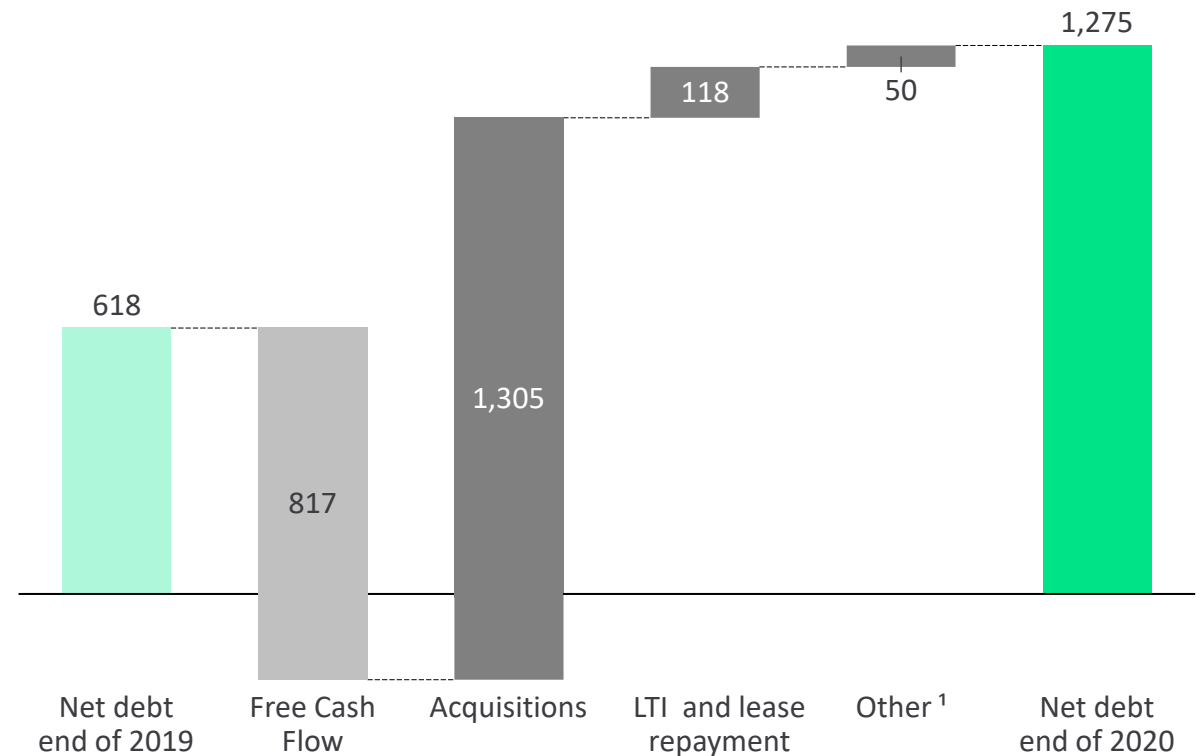


Signify's net debt increased due to the Cooper acquisition

Characteristics at the end of 2020

- Total cash of EUR 1,033 million with Free Cash Flow of EUR 817 million
- Debt consisting of EUR 1,250 million Eurobond, Term Loans of EUR 390 million and USD 500 million
- Total net debt position of EUR 1,275 million
- Net leverage of 1.7x Net Debt to EBITDA
- Unutilized revolving credit facility of EUR 500 million

Net debt development in 2020 (in EUR million)



¹ Other includes FX effect on cash, cash equivalents and debt.

4. Financial statements 2020

5. Dividends: (a) extraordinary dividend, and (b) 2020 dividend

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

Q&A



7. Composition of the Supervisory Board

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

9. Authorization of the Board of Management to acquire shares in the company

10. Cancellation of shares

11. Any other business

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