



20th September 2023

Subject: Price Change for Lighting Products commencing Monday 23rd October 2023

Dear Scott,

All regions from where Signify source products have continued to experience raw material, componentry, and production price increases. This has seen impact on product prices with quarter-on-quarter increases to Signify NZ continuing since January 2021. In addition to this, Signify over the past ~20 months has also experienced substantial increases in the local cost of business.

Whilst we have tried to mitigate these cost increases and delayed an increase that was planned for February 2023, we have not been able to absorb everything noting:

- Increased raw material costs
 - Continued increases in Metals, (Cooper, Steel and aluminum inc), Phosphor (rare earth Tb), packaging, Rare Gas, E-components, Plastic (Resins), Transportation
 - Declining factory volumes
 - Electronics industry chips & semi-conductors continue to be impacted by demand of automotive, medical and 5G devices.
- Increased local costs of business
 - Increased cost of sales (salaries/wages, vehicles/fuel, merchandising)
 - Increased rent, warehousing and distribution costs.
 - Substantial working capital investment in NZ warehouse stock holding.
- Unfavourable FX movements NZD vs USD & EUR.

As a result of the above we will be implementing a market wide price increase effective Monday 23rd October 2023 with an approximate 10% increase on Wiz and 15% increase on selected HUE products.

Yours sincerely,

Nick Morse

Commercial Manager - Consumer

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