

# Philips set to rake in 750 mn euros in IPO windfall

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Dutch electronics giant Philips set a price of 20 euros per share Thursday, a day ahead of a highly anticipated IPO of its lighting arm, and said it was expecting to raise 750 million euros.

"The total number of offered shares is 37.5 million, representing 25 percent of the shares," the Amsterdam-based Philips said in a statement.

"The total proceeds of the offering... to be received by Royal Philips amount to 750 million euros (\$839 million)," it added.

The electronics group said earlier this month it would float its lighting arm on the Amsterdam stock market at 0700 GMT on Friday in a "historic" initial public offering after failing to find a buyer over the last 18 months.

Philips announced in September 2014 that it was selling off its core lighting business—a mainstay of its income for more than a century—to focus more on medical equipment.

It said it was making the move into medical technology where margins are strong and less vulnerable to competition from emerging markets.

"This strategic milestone will allow Royal Philips to focus on the fast-growing health technology market," Philips group chief executive Frans van Houten said in the statement.

Philips Lighting chief executive Eric Rondolat added: "I am excited about the level of interest from both institutional and retail investors, which underpins our belief that our investment case is solid."

Earlier this month Philips, a household name around the world for its home appliances, however acknowledged its lighting arm would still carry some 4.32 to 4.92 billion euros in debt.

Philips sold its first light bulb a few years after it was founded in 1891, but for the past dozen years has increasingly shifted its focus to medical equipment, which now accounts for more than 40 percent of sales.

But its lighting business, which produces LED lights, halogen and fluorescent lamps and other electronic components, remains a major money-spinner, selling products in around 180 countries.

Last year Philips Lighting raked in 547 million euros in adjusted earnings before interest, tax, and amortisation, the company said.

It has manufacturing plants in more than 20 countries and holds a patent portfolio of over 14,000 patent rights.

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