Delivering innovation that **matters to you**

Month, Year

innovation + you

PHILIPS

Our company

1. Facts & figures
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4. The Philips brand
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1. Facts and figures

We strive to make the world healthier and more sustainable through innovation

We're aiming to improve the lives of

three billion people

a year by 2025

Philips, a born innovator

Philips' founding fathers: Frederik, Gerard and Anton Philips

Founded in 1891, in Eindhoven, The Netherlands, to manufacture incandescent lamps and other electrical products.

For 125 years, we have been improving people's lives with a steady flow of ground-breaking innovations.

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Company overview[1]

HealthTech

Diagnosis & Treatment

Enabling efficient, first time right diagnosis and precision therapies through digital imaging and clinical informatics solutions

28% of revenues

9.4% adj. EBITA

Connected Care & Health Informatics

Empowering consumers and care professionals with predictive patient analytics and clinical informatics solutions

13% of revenues

10.3% adj. EBITA

Personal Health

Enabling people to take care of their health by delivering connected products and services

30% of revenues

15.6% adj. EBITA

EUR 17.4 billion of sales and adj. EBITA of 11.0%

Lighting

Philips retains a 71.225% stake in Philips Lighting

Enriching lighting experiences that make people feel safe, comfortable, focused, energized and entertained

29% of revenues

9.1% adj. EBITA

Philips

EUR 24.5 billion sales in 2016, 70% B2B

Adj. EBITA of 10.5%

EUR 2 billion in 2016 for R&D, ~79,000 patents rights, ~49,000 trademarks

More than 1/4th of sales from solutions

~105,000 employees in over 100 countries

[1] Based on the full year 2016 numbers

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Present in more than +100 countries

Philips' seven largest markets

[1] Seven largest markets by sales in 2016.

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Present in more than +100 countries

Philips has 60 R&D sites and manufacturing in all continents

[1] Source: Philips Annual Report 2015.

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Improving people's lives worldwide

2 billion per year in 2015

[1] Source: Philips Annual Report 2015 – global distribution of Philips 'Lives Improved' metric
Color coded by percentage of country population

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2. Making the difference in HealthTech

With our understanding of many of the longer-term challenges our world faces, we see major opportunities to apply our innovative competencies and create value for our stakeholders.

Market trends and opportunities in HealthTech

Consumers increasingly engaged in their health

Shift to value-based healthcare will reduce waste, increase access and improve outcomes

Care shifting to lower cost settings and homes

Digitalization of healthcare

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How are countries around the world positioned to meet long-term global health challenges?

future health index

The Future Health Index provides deeper insights into key HealthTech trends, based on perceptions of 25,000 patients and 2,600 healthcare professionals

The United Arab Emirates ranks highest on the Future Health Index, Japan lowest.

Developed markets score better in terms of access to healthcare; emerging markets are blazing a trail for technology adoption

Integration is viewed as worth pursuing by both patients and healthcare professionals

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We deliver innovative solutions across the **health continuum**, empowering people to live life to their fullest potential

We target healthcare customer and consumer needs along the health continuum

Health continuum

Making a difference across the health continuum

275 million

patients tracked with our patient monitor in 2015

1 million

patients monitored in their homes every day

6.5 million

people **improved their oral health** with our oral healthcare products last year

21 petabytes

of imaging study data managed for healthcare providers

101 million

lives improved globally through access to diagnostic X-Ray

250 million

appliances sold each year **making homes healthier**

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Our strong portfolio has >60% of sales from leadership positions[1]

Diagnosis & Treatment	**Diagnostic Imaging** *Global Top 3*	**Ultrasound** *Global Leader*	**Image-Guided Therapy** *Global Leader*	**Smart Catheters** *Global Leader*	
Connected Care & Health Informatics	**Patient Monitoring** *Global Leader*	**ICU Remote Monitoring** *#1 in North America*	**Non-invasive Ventilation[2]** *Global Leader*	**Personal Emergency Response** *#1 in North America*	**High-end Radiology and Cardiology Informatics** *#1 in North America*
Personal Health	**Male Grooming** *Global Leader*	**Oral Healthcare** *Global Leader*	**Sleep & Respiratory Care** *Global Leader*	**Mother & Childcare** *Global Leader*	**Air Purifiers** *#1 in China*

[1] Leadership position refers to #1 or #2 position in Philips addressable market; [2] Based on non-invasive ventilators for the home

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We innovate across the health continuum

Providing propositions for healthy living

Supporting predictive and preventative care

Connecting care in the home to improve quality of life

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Healthy cooking is foundational to your health

Worldwide, there are **387 million** people living with **diabetes** and more than **1.9 billion** adults are **overweight**.

Philips provides people with **healthier**, tastier and easier ways to cook.

In Japan, the Philips NoodleMaker is made suitable for **diabetes patients** and people with **food allergies**.

The Philips Airfryer cooks food with up to **80% less fat**.

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Breathing clean air has a positive impact on your health

We inhale an amazing 14kg of air by taking approximately **24,000 breaths** daily.

Philips helps families create **healthier** home environments.

With the **Philips Smart Air Purifier**, people can remotely track and control air quality in their home in real-time via their smartphone.

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Helping to give babies the best start in life

Every year, well over a **100 million babies** are born of which 15 million babies preterm.

At home or in the hospital, Philips provides solutions to support the healthy development of **all** babies.

With the Philips Avent Comfort Breast pump and Natural Bottle Philips aims to help mothers **breastfeed for longer**.

The Philips Avent uGrow Smart Baby Monitor allows parents to **watch over their baby** from anywhere at any time.

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Good oral healthcare is a key contributor to your health

Severe gum disease can lead to increased **risk of stroke and heart attack.**

Philips supports people building good **oral health routines** for healthier mouths.

Philips Sonicare AirFloss Ultra provides an easy and effective way to achieve **healthier gums** in just four weeks.*

Philips Sonicare electric toothbrushes clean up to **10 times more plaque** than a manual toothbrush.

* All references can be found in the speaker notes

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Taking care of your skin is important for health and aesthetic reasons

Our skin is our largest organ and **protects us** from external factors like weather, injury and bacteria.

Philips brings **professional skincare treatments** to the home.

Philips VisaPure skin cleansing device offers **10 times better cleansing** than cleansing by hand.

Philips VisaCare beauty tool delivers **firmer-feeling, radiant skin** in just six weeks.

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Transforming critical care delivery, improving outcomes

The **cost of critical care** is rising and there is a **shortage of intensivists** in the US.

Providing quality care with few resources at a low cost is very difficult, except with an eICU program.

The **eICU program** offers automated monitoring and remote care by specialists to support bedside ICU teams — **standardizing high-quality care**.

Patients cared for in an eICU are **26%** more likely to **survive** the ICU and discharged **20% faster.***

* All references can be found in the speaker notes

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Unlocking new clinical solutions with Image Guided Therapy

Cardiovascular disease is the number one cause of death globally.

Philips creates new customer-centric solutions enabling **novel and effective minimally invasive procedures** to diagnose and treat cardiovascular diseases.

We offer integrated systems, software and smart devices that help provide **exceptional quality care to patients**.

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Helping provide a confident diagnosis quickly and efficiently

Physicians want to focus on their patients and **make informed decisions** based on relevant data.

Our advanced visualization solutions, like the **IntelliSpace Portal**, enable physicians to provide fast, confident diagnosis and treatment.

By **providing a unified view** of multiple scans and data, Physicians can answer critical questions quickly.

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Supporting predictive and preventative care

Clinical Decision Support is all about patient data that supports **predictive and preventative care.**

40% of unanticipated hospital **deaths** happen on the **general ward.***

IntelliVue Guardian Solution, Early Warning Scoring (EWS) can help you **spot patient deterioration quickly** and send proper notification to Rapid Response Teams.**

* All references can be found in the speaker notes

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Actionable, care-specific information when and where it's needed

Monitors must go where care is delivered. That means everywhere – the emergency room, ICU, hospital transport, the general ward and even at home.

Philips makes clinical information available to care providers **at their point of need**.

275 million patients are monitored each year with **Philips' best-selling portfolio**.*

* All references can be found in the speaker notes

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Connecting home care for improved quality of life

More than **75% of the USA's health care spending** is on people with chronic conditions.*

The Philips Intensive Ambulatory Care program helps facilitate **effective chronic care management** at home. **

The Philips eCareCompanion app helps **patients take a more active role** in managing their health.

* All references can be found in the speaker notes

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Providing confidence, reliability, peace of mind and saving lives

One out of three older adults falls each year. *

Philips Lifeline medical alert systems support seniors to **live more confident lives** by providing quick access to help when a fall is detected.

Philips Lifeline has saved more lives than any other medical alert service.

* All references can be found in the speaker notes

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Opening up a new world of cloud-based collaborative care

Seven out of ten U.S. adults track health indicators for themselves or a loved one.*

Philips strives to help patients to take a more active role in **managing their health** and enhance care provider's **clinical decision making**.

The **Health**Suite digital platform is designed to connect devices and data from hospital to home.

* All references can be found in the speaker notes

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Connected for a healthier future

We believe a healthier, more sustainable world is possible through data and connectivity.

By connecting people to actionable information and each other across the health continuum, we will enhance collaboration, empower healthy choices and expand care from the hospital room to the living room.

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Transforming the delivery of care

The U.S. Department of Health & Human Services seeks to have **85%** of Medicare fee-for-service payments in value-based purchasing (categories 2 through 4) by 2016 and **90% by 2018**.*

Together with our customers and partners we **co-create** solutions that enable integrated **people-centric** healthcare delivery.

Our **long-term partnerships** are based on business models that offer **shared accountability** for achieving results.

* All references can be found in the speaker notes

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Our unique approach to customer engagement

Co-creating solutions together

Understanding the entire experience

Experience flow mapping displays and documents opportunities for improvement.

Give stakeholders a voice

Soliciting broad stakeholder input captures the insights needed to effect deep, meaningful change.

Leverage the power of data

Analysis of multiple data sources offers fact-based underpinning for recommendations and tracking.

Co-create the solutions

Mutual “ownership of the recommendation” improves the implementation of improved processes.

Implement and transform

Expert program and change management resources oversee thorough and effective deployment.

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3. Innovating for you

We bring together our R&D, and design expertise and our local business-creation capabilities to address people’s needs.

We uncover healthcare needs through extensive international perception research

The Future Health Index provides valuable insight to identify areas of focus to help achieve a better long-term future for healthcare through health technology

To see the full report visit **www.futurehealthindex.com**

PHILIPS

We manage a dynamic portfolio of businesses and turn possibilities into great innovations

+40
businesses

79,000
patents

€2
billion
in R&D

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We innovate with our partners

We actively participate in **open innovation** through relationships with academic and industrial partners.

We are a technology solutions partner of choice to:

- **major hospitals** looking to increase effectiveness along the health continuum
- **health insurers** looking to empower consumers and patients to realize their health potential

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We are a world leader in people-centric design

Since 1925 Philips design has evolved into being a key strategic partner for the business, improving people's lives through meaningful innovation.

Philips has consistently won more than **100 key design awards** each year.

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4. The Philips brand

Our trusted brand is present in over 100 countries –

providing us with unique insights into local challenges and customers' needs.

The Philips brand is a vital asset

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In 2016, ranked as 3rd most purposeful brand and most valuable Dutch brand

2016's Most Fit For Purpose Brands:

01. Unilever 89.3%	02. Lloyds Banking Group 87.7%	03. Philips 85.9%
04. British Land 79.0%	05. Novo Nordisk 78.2%	06. Pearson 77.8%

An index of the 100 brands best-placed to put purpose into practice

ry.

Brand value
11.3
USD billion

Growth
+4%
2016 vs. 2015

Interbrand Best Global Brand valuation **USD 'billion**

Source: Radley Yelder study Sep 2016, Interbrand BGB rankings 2016

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We improve lives through
meaningful innovation

Our innovation is based on deep human insights

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We deliver
innovation that
matters to you

Philips delivers innovation that matters to you
Caring
Innovative
Impactful

Making a real difference in people’s lives

innovation you

5. Healthy people, sustainable planet

Sustainability is in our DNA – shifting focus

Philips 125 years

Structured programs since 1994

Since 1891:
Social programs for employees

Since 1970:
Environmental agenda

Since 2000:
Accelerating sustainability

Healthy people, sustainable planet

inspired by WWF Living Planet Report

Healthy people, sustainable planet – 3 pillars

Create value for our customers

Sustainable Solutions

Lead by example

Sustainable Operations

Multiply our impact

Sustainable Supply Chain

An overview of our most ambitious objectives for 2020

- Improve the lives of 2.5 billion people a year
- 70% of our turnover coming from green solutions
- 15% of our turnover coming from circular economy related solutions
- 95% of Philips' revenue linked to the Sustainable Development Goals
- Be carbon neutral in our operations, employing 100% renewable electricity
- Recycle 90% of operational waste recycled and send zero waste to landfill
- Strive for a zero injury, zero illness work environment with a preventative mindset
- Collaborative approach with our suppliers to ensure structural sustainable improvements along the chain

Sustainable Solutions

- Inclusive health solutions
- Circular solutions
- Green solutions

Sustainable Operations

- Carbon neutrality
- Health & safety
- Operational waste

Sustainable Supply Chain

- Supplier Sustainability Performance
- Supplier Sustainability Compliance
- Circular Procurement
- Environmental Footprint China
- Responsible Sourcing

6. The Philips Foundation

We're committed to bringing innovation to those most in need through The Philips Foundation

The Philips Foundation seeks to combine the innovation capabilities of Philips and expertise of partners, visionaries and innovators to create lasting impact.

Focus areas

- Disaster relief
- Community engagement
- Social entrepreneurship

Strategic innovation partnerships

- Red Cross (led by ICRC & The Netherlands Red Cross)
- UNICEF

ICRC

unicef

Philips Foundation

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7. Our transformation journey

Accelerate!

is all about delivering meaningful innovation to our customers in local markets - and doing so faster and better than the competition.

Our transformation

Accelerate! change and performance improvement program is making Philips a more agile and entrepreneurial innovator.

make us more customer focused

resource our business/ market combinations to win

create lean end-to-end customer value chains

implement a simpler, standardized operating model

drive a growth and performance culture

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Ensuring success is repeatable

The Philips Business System is the way we run our company to deliver on our mission and vision. It is designed to ensure that success is repeatable, i.e. that we create value for our stakeholders time after time.

- Active portfolio management
- Improving customer centricity
- Relentless focus on operational excellence
- Building our growth and performance culture

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8. Turning our vision into reality

Our impact in the markets

In China, Philips partners with Alibaba for cloud-based applications for a smarter and healthier lifestyle.

In Indonesia, Philips and Bunda Hospital are seeking to reduce high maternal and fetal mortality rates.

In the US, Mount Sinai and Philips are partnering to advance clinical research and ultimately enable better care for complex diseases.

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9. Examples of our meaningful innovation

Innovation and you

Subtitle…

Philips delivers innovation that matters to you

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Bringing personalized care to a wider community in Kazakhstan

HealthCity, Kazakhstan

In Kazakhstan the government controls

80% of medical institutions

Providing innovative digital pathology solutions to optimize pre-analytical specimen processing

Genomic Health, US

3 billion base pairs in DNA, which code for **20,000** genes in the human body[1]

Only **10%** of healthcare organizations in the US are using data and analytics to the fullest potential[2]

Driving strategic healthcare delivery in Marin County

Marin General Hospital, US

Strategic partnership based on enterprise managed services model:

Philips will supply MGH with a broad range of **advanced medical technologies and services**

The hospital will engage **Philips' award-winning design** experts

Partnering to equip the smart hospital of the future

Mackenzie Health, Canada

As part of the strategic partnership, Mackenzie Health will have early and ongoing access to the latest **Philips technology innovations as well as Philips' clinical and design expertise.**

Cost savings, workflow efficiencies, and improving patient care

UCHealth, US

Partnership benefits include:

- Projected five-year, **11.1 million USD** savings for UCHealth
- Ready access to **images for enhanced patient care**
- **Improved workflow**
- A **flexible and nimble** structure for future expansion

Teaming up to provide top quality care to oncology patients in Russia

European Medical Center, Russia

The partnership resulted in:

- **Ability to provide high-quality** cancer diagnostic and treatment
- the possibility to **supply radionuclides to satellite medical centers** or other hospitals in the region

Supporting confident clinical management of non-invasive ventilation at home

St. George's Healthcare NHS Trust and Bristol Royal Infirmary, UK

- **Remote monitoring** allows clinic time to be used with patients who need it most
- Enables the hospital to provide **personalized patient care**
- **Patient-centric approach**, by reducing hospital visits and increasing reassurance in the patient's life with remote monitoring

Bringing a new experience to children's imaging department

Noah's Ark Children's Hospital for Wales, Cardiff

72% of respondents say:
The new experience of the imaging procedure itself is 'a lot better'

89% of users say:
The child experience in the new department is 'better' or 'a lot better'[1]

Helping to increase process efficiency and patient care in anesthesia

Hirslanden Klinik Aarau, Switzerland

Turnover time required for anesthesia-related tasks in between surgical cases reduced by **5.5 minutes**

15-minute gap in patient monitoring during critical patient transport is eliminated, **helping to increase patient care**.

Helping LabPON achieve 100 percent digital diagnosis for clinical cases

LabPON, Hengelo, the Netherlands

300,000 slides of human tissue are prepared, analyzed, diagnosed, reported and archived annually.

Advancing clinical research through digital pathology

Mount Sinai Health System, New York

Analyzing large sets of clinical data provides new insights

This could lead to the development of new therapies and ultimately improve patient outcomes

Improving care for people with severe diabetic foot complications

Academic Medical Center, Amsterdam

Globally, **387 million**[1] people are living with diabetes –

a figure that will **almost double** in the next twenty years.

Improving patient monitoring to help reduce costs and patient overflows

Catharina Hospital, Eindhoven, the Netherlands

78% of staff surveyed at the Catharina Hospital agreed that patient care has improved due to the **EWS practices**.

Focused on the delivery of first-class healthcare

OFM Antalya Hospital, Turkey

Each day OFM Antalya Hospital delivers:

40 MRIs

30 CT scans

50 Ultrasounds

Providing cloud-based applications for a smarter and healthier lifestyle

Alibaba Group, China

China is facing **accelerating urbanization** and **aging** population

Cloud-based applications like Philips Smart Purifier can empower people to live smarter and healthier lifestyles

Easy access to innovative skincare solutions through beauty stores

Douglas AG, Europe

Our **skin is our largest organ** and protects us from external factors like weather, injury and bacteria

Woman are embracing technology as part of their beauty regime

Breaking new ground in family-centered care

Máxima Medical Center, the Netherlands

A benchmark for neonatal intensive care

Mangiagalli Clinic, Milan

Seeking to reduce high maternal and fetal mortality rates in Indonesia

Bunda Hospital, Indonesia

Shaping the future of healthcare for a rapidly aging population in Asia-Pacific

Eastern Health Alliance and
Changi General Hospital, Singapore

Singapore is one of the fastest aging countries in the world*

20% of population to be aged **65** or older by **2030**

*) http://www.channelnewsasia.com/news/singapore/nus-washington-university/1674920.html

Providing transparency and process improvements in anesthesia

Klinikum Esslingen, Germany

Results include:

- Improvement in **flow of information** and process streamlining
- **Better collaboration** with other departments
- Improvements in **patient care**
- Improvements in **hygiene**

A shared commitment to positive change in healthcare

Westchester Medical Center Health Network, Valhalla, New York, US

A long-term partnership with Philips

- access the latest technologies
- extend care beyond the hospital
- improve the patient experience
- improve workflows and optimize efficiency
- reduce technology spending
- focus on care delivery innovation

Creating a leading and highly specialized center of healthcare excellence

Karolinska University Hospital and Stockholm County Council, Sweden

Stockholm is growing rapidly which poses challenges on the healthcare system.

Karolinska University Hospital will take the role as the “engine” to make the 2025 Life Science ambition become real.

Teaming up to deliver innovative, more affordable care

GRHealth, US

$7M in market savings vs. "business as usual" procurement in the first 18 months[1]

Imaging volumes ↑↑↑ by up to **39%**[2]

All references can be found in the speaker notes

Strengthening primary care and enabling community development

Kiambu Country Government, Kenya

A **community life center** provides:

- Health services
- Clean water
- Energy
- Education
- Employment opportunities
- Local shops
- Secure social area

The number of **patients visiting increase** to 4,000 per month, from 1,000 previously

Helping St. Antonius Hospital improve patient care and staff satisfaction*

Sint Antonius Hospital, the Netherlands

Every 3 to 4 minutes an alarm went off, including many irrelevant alerts

A reduction of **40%** in alarms was achieved

Helping people receive the care they need while living at home

Banner Health, U.S.

In the USA, **5%** of patients account for **50%** of total healthcare expenditure

Telehealth solutions give at-home patients access to specialized service providers