

## Investor presentation

July 29, 2025

# Important information

## Forward-looking statements and other important information

This document and the related oral presentation, including responses to questions following the presentation, contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future Adjusted EBITA\*), future restructuring and acquisition-related charges and other costs, future developments in Philips' organic business and the completion of acquisitions and divestments. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include, but are not limited to, macro-economic and geopolitical changes—including the war in Ukraine and ongoing conflicts in Israel and the Middle East—as well as measures such as announced and proposed tariffs and trade actions introduced in response to rising global tensions; Philips' ability to keep pace with the changing health technology environment; Philips' ability to gain leadership in health informatics and artificial intelligence in response to developments in the health technology industry; integration of acquisitions and their delivery on business plans and value creation expectations; ability to meet expectations with respect to ESG-related matters; securing and maintaining Philips' intellectual property rights, and unauthorized use of third-party intellectual property rights; failure of products and services to meet quality or security standards, adversely affecting patient safety and customer operations; the resilience of our supply chain; challenges in simplifying our organization and our ways of working; attracting and retaining personnel; breach of cybersecurity; challenges in driving operational excellence and speed in bringing innovations to market; treasury and financing risks; tax risks; reliability of internal controls; compliance with regulations and standards involving quality, product safety, (cyber) security and artificial intelligence; and compliance with business conduct rules and regulations including privacy, existing and upcoming ESG disclosure and due diligence requirements. As a result, Philips' actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Risk management chapter included in the Annual Report 2024.

## Third-party market share data

Statements regarding market share contained in this document, including those regarding Philips' competitive position, are based on outside sources such as specialized research institutes, as well as industry and dealer panels, in combination with management estimates. Where information is not yet available to Philips, market share statements may also be based on estimates and projections prepared by management and/or based on outside sources of information. Management's estimates of rankings are based on order intake or sales, depending on the business.

## Market Abuse Regulation

This slide deck contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation

## Use of non-IFRS Information

In presenting and discussing the Philips Group's financial position, operating results and cash flows, management uses certain non-IFRS financial measures. These non-IFRS financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measure and should be used in conjunction with the most directly comparable IFRS measures. Non-IFRS financial measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. A reconciliation of these non-IFRS measures to the most directly comparable IFRS measures is contained in this document. Further information on non-IFRS measures can be found in the Annual Report 2024.

## Presentation

All amounts are in millions of euros unless otherwise stated. Due to rounding, amounts may not add up precisely to totals provided. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2024. Per share calculations for all periods presented have been retrospectively adjusted to reflect the issuance of shares in 2025 with respect to the share dividend for 2024.

# Company overview

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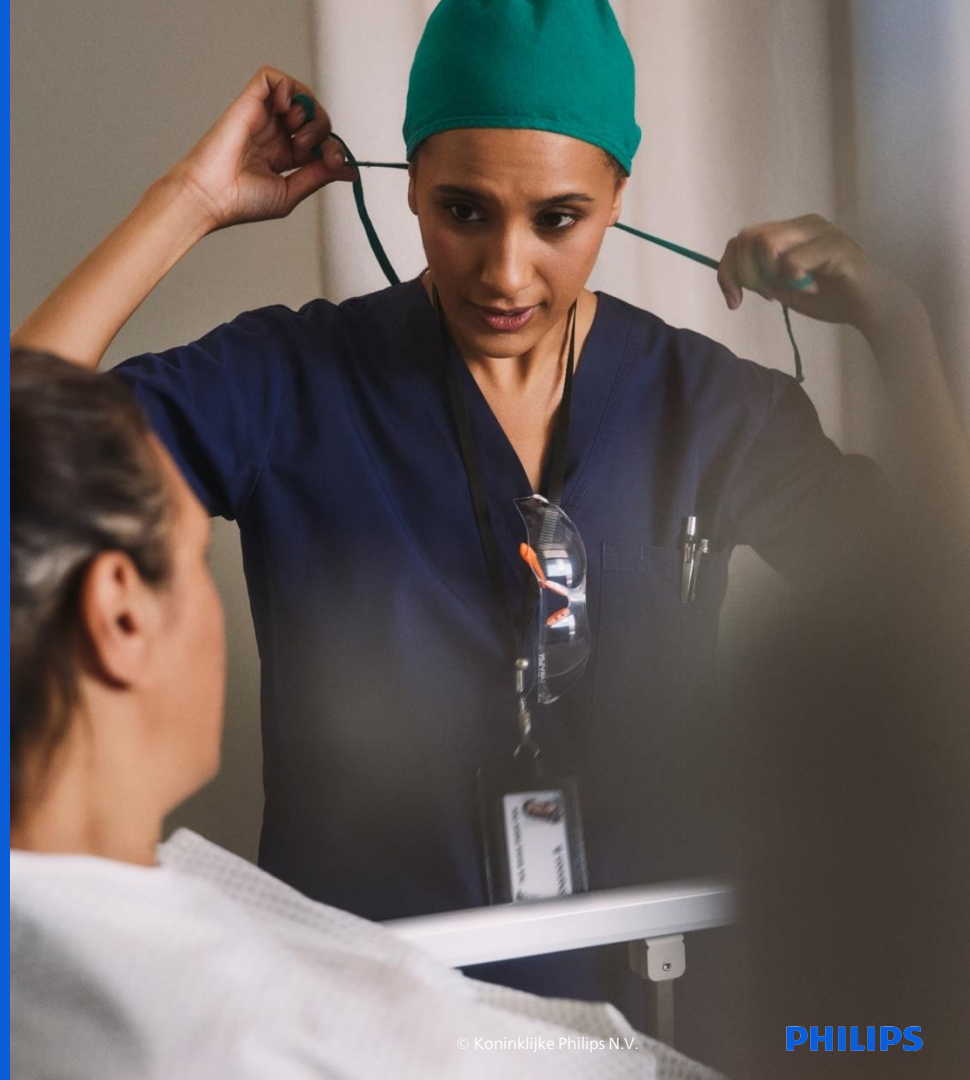
Creating value with sustainable impact

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Path to value creation

**Our purpose:**  
To improve people's  
health and well-being  
through meaningful  
innovation.

**Our vision:**  
Better care for  
more people.



# Philips at a glance

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EUR 18.0bn in sales; 11.5% Adjusted EBITA margin<sup>1</sup>

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~70% sales from #1 or #2 positions  
~40% of sales from recurring revenues

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~9% of sales invested in R&D

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Leader in ESG in various rankings<sup>3</sup>

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## Global sales footprint<sup>1</sup>

North America

**43%**

Western Europe

**22%**

Other mature geographies

**8%**

Growth geographies<sup>2</sup>

**27%**

1. 2024 full-year | 2. Growth geographies consist of all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel |

3. Including S&P ESG rating, CDP Carbon Disclosure Project, EcoVadis

Note: Leadership in Philips-addressable markets

# Well-positioned to capture growing and attractive markets, enabling better care for more people through sustainable innovation

Addressable market<sup>1</sup>

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**EUR ~90 billion**  
in 2025

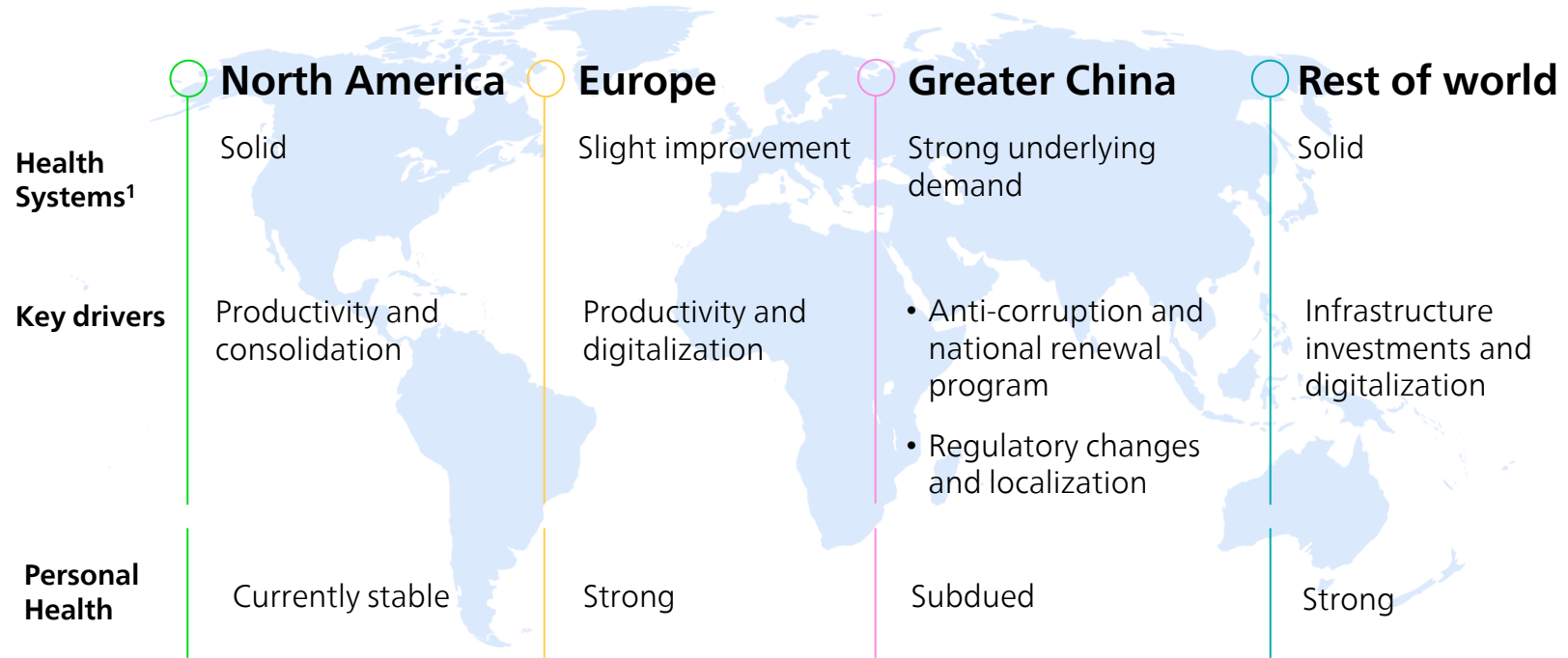
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**Mid-single digit**  
2022-2025 CAGR

## Structural and increasing gap between demand and supply of care

- Aging population and more patients
- Growing chronic and complex diseases
- Increasing spend on self-care and personal health
- Staff shortages and rising costs
- Expanding access to healthcare

# Global hospital demand and consumer sentiment



Closely monitoring hospital demand and consumer sentiment

# Our businesses

Full year 2024

## Diagnosis & Treatment



EUR **8.8 billion**  
sales

**11.6%**  
adjusted EBITA margin

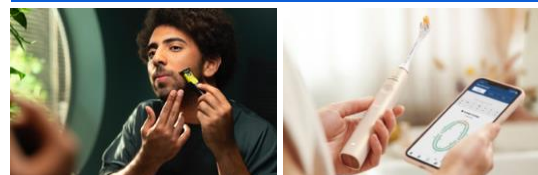
## Connected Care



EUR **5.1 billion**  
sales

**9.6%**  
adjusted EBITA margin

## Personal Health



EUR **3.6 billion**  
sales

**16.7%**  
adjusted EBITA margin



# We leverage platforms for personal health, monitoring, imaging and interventional to serve our customers across care settings

## Home



## Hospital



Self-care

Personal health

Measurements &  
insights

Monitoring

Diagnosis

Imaging

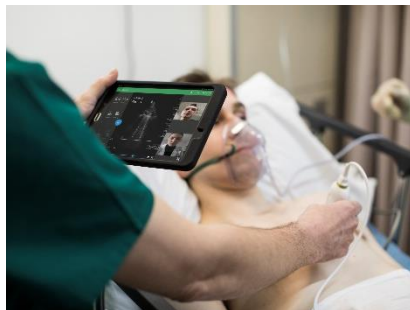
Treatment

Interventional

Enabled and connected by Enterprise Informatics and services

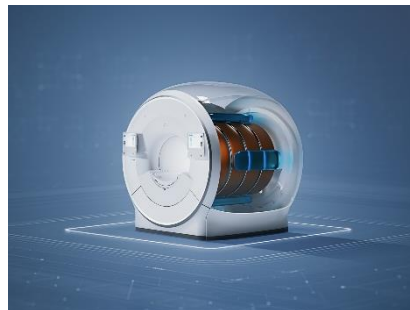
# Diagnosis & Treatment - advancing outcomes for more patients and hospital productivity with precise and predictive imaging

## Ultrasound



Top 2 Globally – #1 Cardiovascular

## Diagnostic Imaging – MR, CT, DXR



Top 3 Globally

Enabled by industry leading Enterprise Informatics  
#1 in PACS<sup>1</sup> and inter-operability

# Diagnosis & Treatment – a global leader uniquely integrating systems, software, and devices in one interventional platform

## Image-Guided Therapy Systems



## Image-Guided Therapy Devices



#1 Globally

- #1 Cath lab systems
- #1 Interventional cardiology
- #2 Interventional neurovascular

Top 3 Globally

Market leading installed base

# Connected Care – global leader in hospital and ambulatory Monitoring, largest vendor-agnostic Enterprise Informatics

## Monitoring



#1 Globally  
in Hospital and Ambulatory

## Enterprise Informatics



#1 Radiology  
#1 Cardio  
#1 Medical device integration (US)

## Sleep & Respiratory Care



#2 Globally

# Personal Health - strong leadership across businesses, supported by innovation and a trusted brand

## Personal Care



#1 Electric shaving & grooming  
#1 Intense Pulsed Light

## Oral Healthcare



#2 Globally  
#1 US Rechargeable power  
toothbrush

## Mother & Childcare



#2 Bottle feeding  
#1 Pregnancy engagement app

# ESG integrated in our purpose and strategy

## Leader in ESG in various ratings<sup>1</sup>

### Environment



- Maintain carbon neutrality<sup>2</sup> and Science Based Targets for scope 1-3
- Innovation in line with Eco-design requirements

### Social



- Improve health and well-being of 2.5bn people, 400m underserved
- Be best place to work, purpose driven, living diversity and inclusion

### Governance



- Maintain highest standards of ethics and governance
- Transparent plans, activities, results and contributions



# We are deploying our new culture of impact with care, building on the right team and Healthtech capabilities



## The right team and capabilities

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**70%**

Renewal of Executive Committee

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**75%**

Executive hires with Healthtech  
and clinical background

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**77%**

Employee engagement score

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# Experienced and passionate executive team



**CEO**  
**Roy Jakobs**  
Dutch / German



**Personal Health**  
**Deeptha Khanna**  
Singaporean



**North America**  
**Jeff DiLullo**  
American



**Innovation & Strategy**  
**Shez Partovi**  
Canadian



**CFO**  
**Charlotte Hanneman**  
Dutch



**Connected Care**  
**Julia Strandberg**  
American



**Greater China**  
**Ling Liu**  
Chinese



**Patient Safety  
& Quality**  
**Steve C de Baca**  
American



**ESG & CLO**  
**Marnix van Ginneken**  
Dutch



## Diagnosis & Treatment

**Bert van Meurs**  
Dutch



**Jie Xue**  
American / Chinese



**International Regions**  
**Özlem Fidanci**  
Turkish



**Human Resources**  
**Heidi Sichien**  
Belgian



**Operations**  
**Wim Appelo**  
Dutch



Company overview

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Creating value with sustainable impact

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Path to value creation



## Our plan

### Strategy

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Focused growth and value creation

### Innovation

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People and patient-centric innovation,  
business-led, at scale

### Execution

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1. Patient Safety and Quality
2. Reliable end-to-end supply chain
3. Simplified operating model

*Supported by a culture of impact with care and HealthTech talent and capabilities*

# Focused growth and value creation strategy

## 70%

of revenue,  
industry leading margins

Accelerating growth  
in attractive  
**leadership segments**

Image-Guided  
Therapy

Ultrasound

Monitoring

Personal Health

## 30%

of revenue,  
margin upside

Capture **value upside** with  
clear **execution roadmap**

Enterprise  
Informatics

**Scale** to unlock insights and  
deliver **profitable growth**

Diagnostic Imaging

**Enhance operational excellence**,  
focus on customer productivity

Sleep  
& Respiratory Care

**Restore business** profitability  
and position

# We turn possibilities into great innovations

**9.4% of sales**  
invested in R&D in 2024

**700 new  
patents**  
filed in 2024

Philips named  
**Clarivate Top 100  
Global Innovator™**  
for 12<sup>th</sup> year in a row in 2025

Approximately  
**1 out of 2**  
R&D personnel in  
software and data  
science

**50,500**  
patents

**#1 company for  
medical technology  
patent applications**  
with European Patent Office in  
2024

# Innovating sustainably with quality as highest priority



## People and patient-centric

Ecosystem with clinical and technology partnerships



## Business-led

Businesses are accountable to deliver innovation from creation to delivery

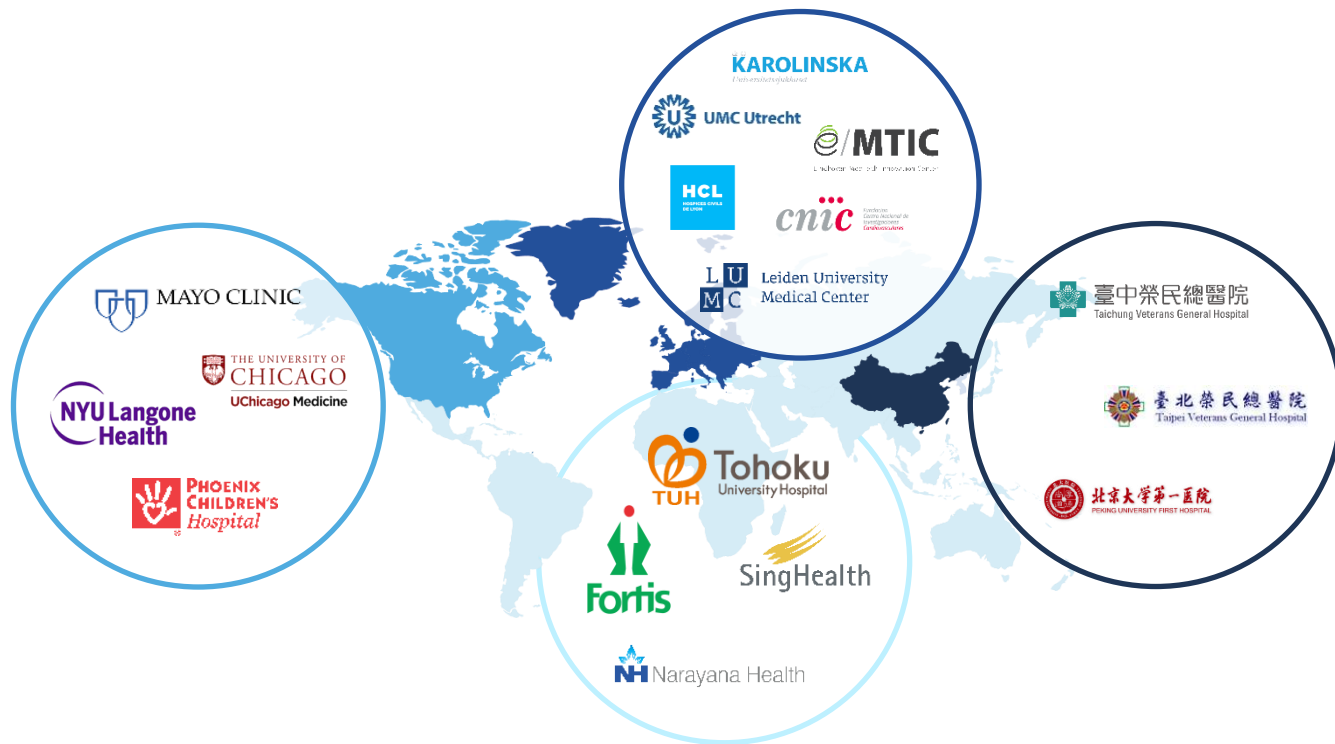


## Scalable

Focused, standard-setting innovation with higher return

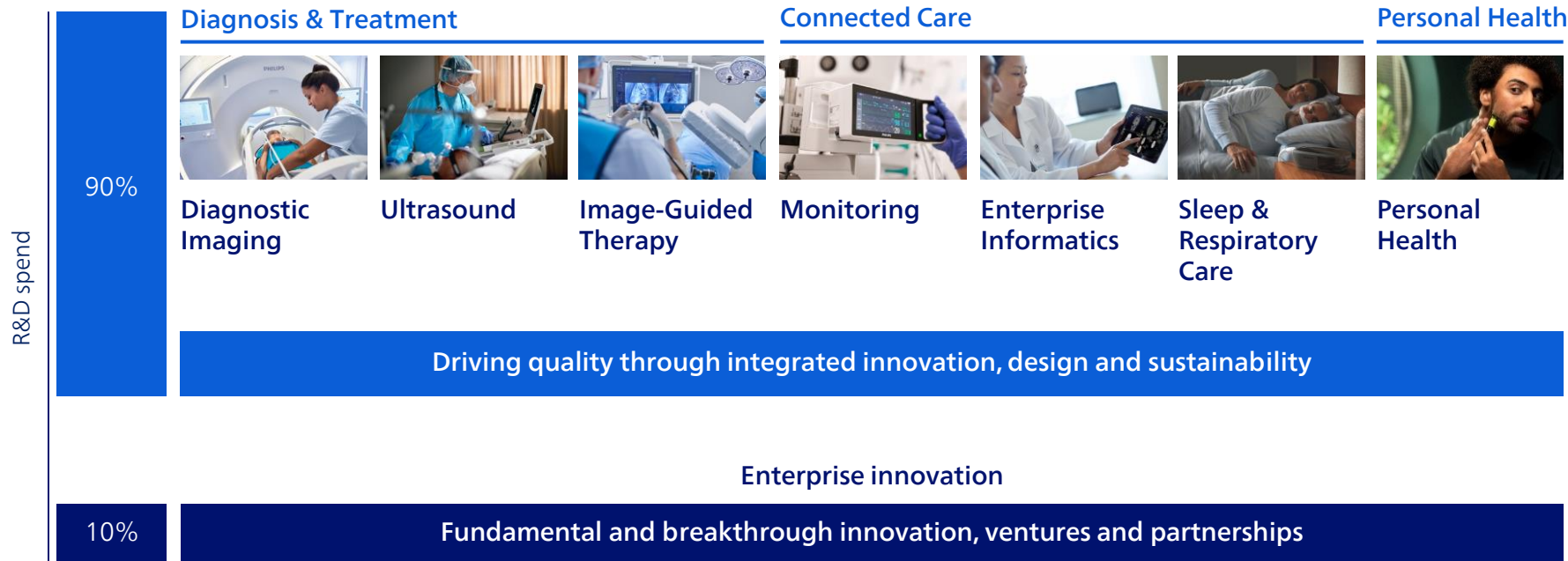


# Innovation is deeply clinically embedded through global partnerships





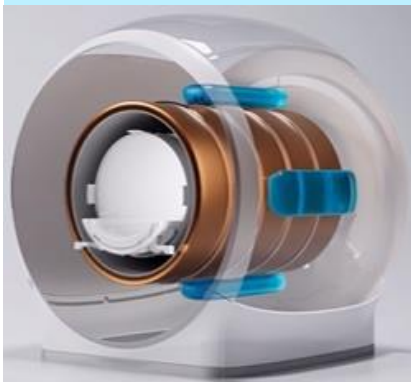
# Businesses are accountable to deliver innovation from creation to delivery





# Scalable innovations setting the standard across segments of care

BlueSeal MR



- Helium-free
- Installable everywhere
- AI-enabled
- >1700 systems installed
- 2.75 million liters of helium saved since 2018

Azurion



- One more patient a day
- Industry leader cardiac care, extending to brain
- 5 million procedures a year on Azurion system

Patient Information Center  
iX



- Monitoring ecosystems across all acuity settings
- Up-to-minute data for 1,600 patients
- 1 in 2 hospitals use this PIC iX monitor in the US

OneBlade



- New hybrid shaving category
- 90% market share
- 100+ million blades & 50+ million handles sold



# Recently launched AI innovations



## Visual Patient Avatar

Activating peripheral vision in the operating room



## SmartSpeed Precise

Dual-AI MR reconstruction for 3x faster scans with 80% sharper images



## BlueSeal MR technology

Industry first 1.5T helium-free MR with AI-enabled Smart Workflow, installable everywhere



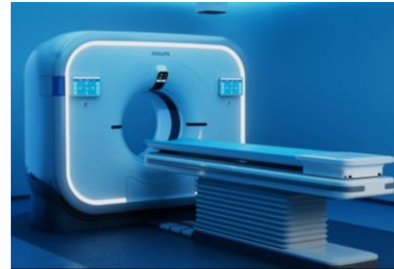
## HealthSuite Imaging

Cloud-based, AI-driven imaging for remote access to critical data



## Elevate Ultrasound

AI-solution for advanced imaging, intuitive workflows



## AI-enabled CT5300

Powerful AI reconstruction for lower dose, higher image quality, next-level confidence



## Azurion Neurobiplane

Our most flexible biplane system, secure and fast parking, capturing from every angulation



## I9000 shaver

Intelligent personalization, premium technology



## Execution as key value driver



Patient safety and quality  
as highest priority



Reliable end-to-end  
supply chain



Simplified  
operating model

# We have made solid progress on our execution priorities



**Patient safety and quality  
embedded in businesses,  
innovation and culture**

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Enhancing patient  
safety and quality

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Innovation, quality design,  
integrated process

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Improving compliance

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**End-to-end supply chain  
delivering better  
lead times and service**

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Supply chain set-up

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Product simplification

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Supplier reliability

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**Simplified operating model  
driving accountability  
and agility**

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Business in lead –  
clear accountability, lean, agile

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Right team, HealthTech capabilities

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Deploying culture of impact with care

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# Company overview

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## Creating value with sustainable impact

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### Path to value creation

# Continued solid execution of the three-year plan

	2023-2025 plan As provided Jan 30, 2023	2023-2024 progress	
Comparable Sales Growth	From low to mid single digits	~3.5% CAGR	Driven by solid growth ex-China
Adj. EBITA margin <sup>1</sup>	From high single digits to low teens	+410 bps	Operational improvements, productivity savings and pricing
Free Cash Flow <sup>2</sup>	EUR 3.0-3.6 billion <sup>3</sup>	EUR 2.5 billion	Higher earnings, working capital management, financial discipline
Net Debt/ Adj. EBITDA	1.5x	1.8x	Significant deleveraging

# Increasing Adjusted EBITA margin and FCF outlook, including currently announced tariff levels; reiterating comparable sales growth outlook

	Previous 2025 outlook	Updated 2025 outlook
Comparable sales growth	<p>1%-3%</p> <p>All business segments growing within the range</p>	<p>Reiterated: 1%-3%</p> <p>Diagnosis &amp; Treatment and Connected Care growing within the range; Personal Health growing above the range</p>
Adjusted EBITA margin	<p>10.8%-11.3%</p> <p>EUR 250-300 million tariff impact net of substantial mitigations</p>	<p>Revised: 11.3%-11.8%</p> <p>+50 bps vs. previous outlook EUR 150-200 million tariff impact net of substantial mitigations</p>
Free cash flow <sup>1</sup>	<p>Slightly positive<sup>1</sup></p>	<p>Revised: EUR 0.2 billion-0.4 billion<sup>1</sup></p>

# Productivity initiatives<sup>1</sup> to deliver EUR 2.5 billion in the 2023-2025 period

## Productivity initiatives savings<sup>1</sup>

*In millions of EUR unless otherwise stated*

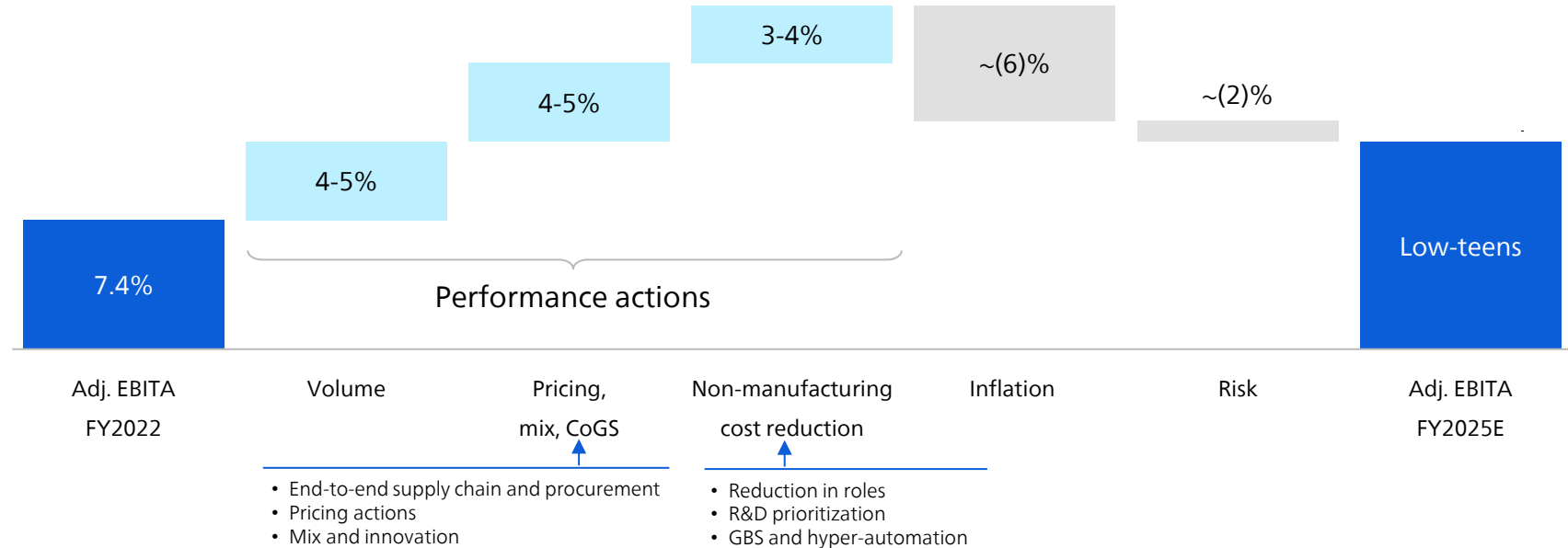
		2023-2025 target
Operating model	<ul style="list-style-type: none"> <li>• Simplified operating model</li> <li>• R&amp;D prioritization, reduction of Corporate Research</li> <li>• End-to-end supply chain, simplifying planning, and eliminating duplications</li> </ul>	1,050-1,150
Procurement	<ul style="list-style-type: none"> <li>• Bill-of-material savings via redesign, value analysis, engineering</li> <li>• Reductions in warehousing, transportation and consulting</li> </ul>	650-700
Other productivity	<ul style="list-style-type: none"> <li>• Manufacturing footprint optimization and service productivity</li> <li>• R&amp;D platform simplification and footprint optimization</li> <li>• GBS and hyper-automation</li> <li>• Sleep &amp; Respiratory Care rightsizing</li> </ul>	700-750
		<b>~2,500</b>

1. Gross productivity initiatives and re-investments, before inflation

Note: Raising productivity savings target from EUR 2 billion to EUR 2.5 billion driven by further simplification of operating model and procurement savings

# Margin increase from productivity, pricing and supply chain improvements – cumulative drivers 2023-2025

Adj. EBITA margin<sup>1</sup>



Note: As provided on January 30, 2023

1. Investments in patient safety and quality and supply chain improvements included

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**PHILIPS**



# Balanced capital allocation focusing on organic growth, margin improvement and cash

## 1 Organic growth

- Main premise of our value creation

## 2 Dividend stability

- Pay-out of 40-50% of net recurring income
- Continued, stable dividend policy

## 3 M&A

- Disciplined, bolt-on M&A in core areas

## 4 Share buy-backs

- In April 2024, completed EUR 1.5 billion program announced in July 2021
- Continuing to evaluate periodically

Shareholder  
returns



Maintain strong  
investment grade  
rating

2023-2025

## Execute our plan, drive profitable growth

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Making solid progress on execution:

- Patient Safety & Quality as first priority
- Reliable supply chain
- Simplification of operating model

Within a more challenging macro environment

Creating  
value with  
sustainable  
impact

2025+

## Deliver on full potential of our segments

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Focused growth and value  
creation strategy

Delivering people and  
patient-  
centric innovation at scale

Execution as key value driver

Delivered by Healthtech talent and culture of impact with care



Better care for more people

PHILIPS

**PHILIPS**

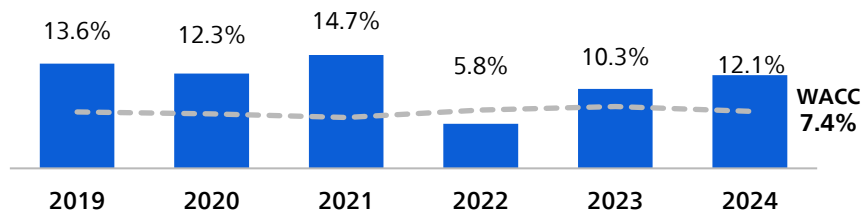
# Historical financial performance summary

**Key data** in millions of EUR unless otherwise stated

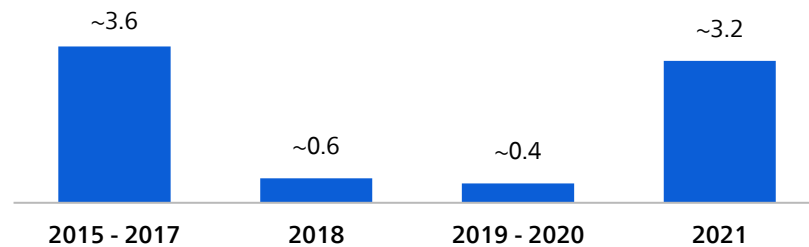
	2022	2023	2024
Sales	17,827	18,169	18,021
<i>Comparable sales growth</i>	(3)%	6%	1%
Income from operations	(1,529)	(115)	529
Financial expenses, net	(200)	(314)	(282)
Investments in associates, net of income taxes	(2)	(98)	(124)
Income tax expense	113	73	(963)
Income from continuing operations	(1,618)	(454)	(840)
Discontinued operations, net of income taxes	13	(10)	142
Net income	(1,605)	(463)	(698)
Adjusted EBITA <sup>1</sup>	1,318	1,921	2,077
<i>as a % of sales</i>	7.4%	10.6%	11.5%
Adjusted income from continuing operations attributable to shareholders <sup>2</sup> per common share (in EUR) - diluted	0.92	1.25	1.38

# Balanced capital allocation policy

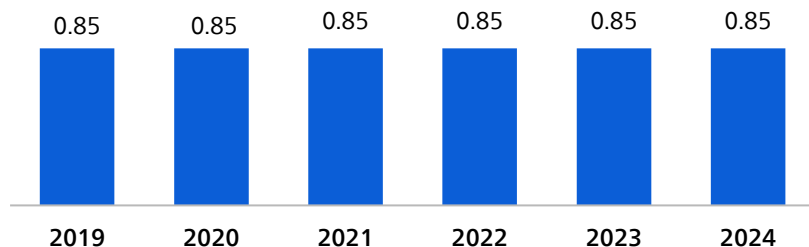
## Organic Return on Invested Capital<sup>1,2</sup>



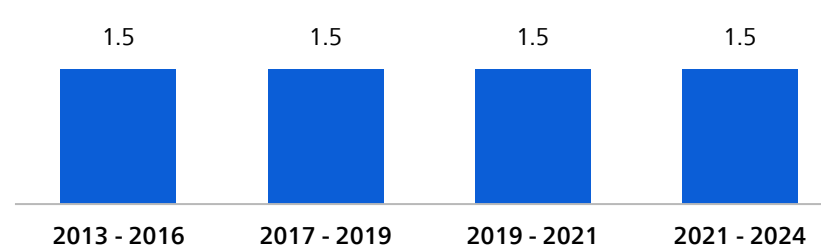
## Mergers & acquisitions (in billions of EUR unless otherwise stated)



## Dividends



## Share repurchase (in billions of EUR unless otherwise stated)



1. Organic ROIC excludes acquisitions over a five years period and other items defined as material and of the same nature as the items excluded from Adjusted EBITA such as pension settlements, significant tax charges and benefits, and one-time legal and other provisions; ROIC % = LTM EBIAT / average NOC over the last 5 quarters; 2. Organic ROIC 2019 and 2021 restated to reflect discontinued operations; 3. Organic ROIC in 2019 includes value adjustments of capitalized development costs and the impact of IFRS 16 lease accounting standard