



Philips at J.P.Morgan Healthcare Conference

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Chief Executive Officer
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PURPOSE

Improve people's health and well-being
through meaningful innovation

VISION

Better care for more people

CULTURE

Impact with care

For patients, people and planet
with patient safety, quality, and integrity at the heart.



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

Addressable market¹

EUR ~90 billion
in 2025

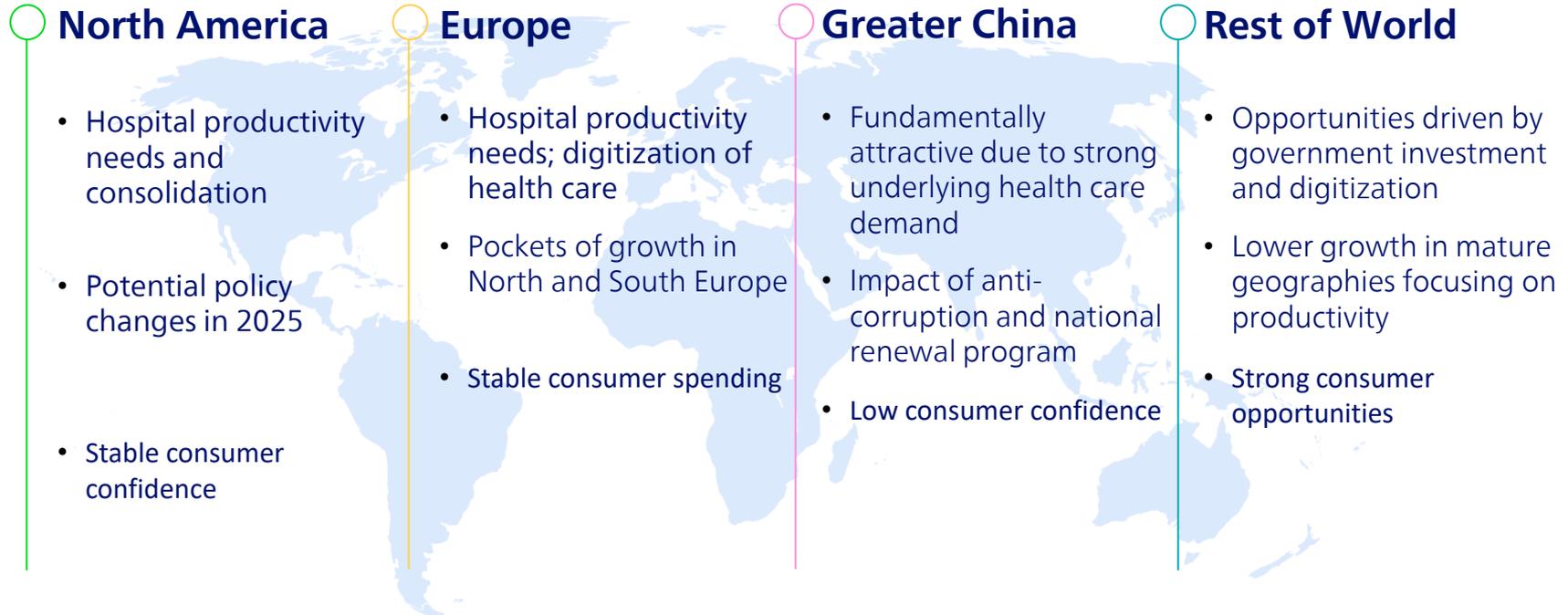
3-6%
2022-2025 CAGR

Structural and increasing gap between demand and supply of care

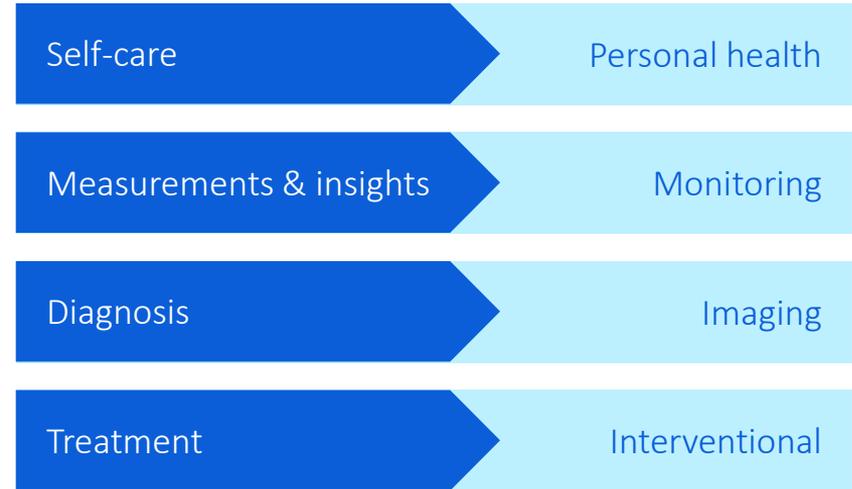
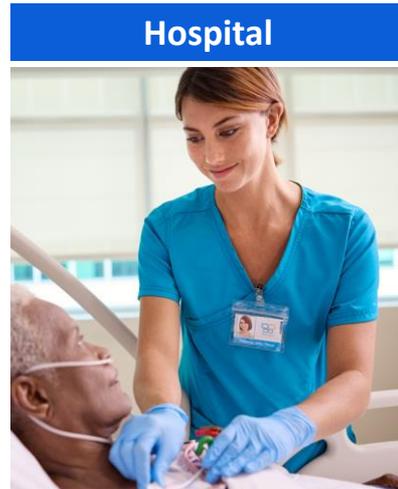
- Aging population and more patients
- Growing chronic and complex diseases
- Increasing spend on self-care and personal health
- Staff shortages and rising cost require productivity solutions
- Expanding access to healthcare

Healthy fundamentals; annual market growth rate may vary because of macro environment

Fundamentally attractive market whilst short term dynamics differ per region



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



Enabled and connected by **Enterprise Informatics and Services**

We have strong and leading positions across our businesses



Diagnosis & Treatment

50% of sales

Image-Guided Therapy
#1

Ultrasound
#1 Cardiovascular

Diagnostic Imaging¹
Top 3



Connected Care

30% of sales

Monitoring
#1 Hospital & ambulatory

Enterprise Informatics
#1 PACS², interoperability

Sleep & Respiratory Care
#2



Personal Health

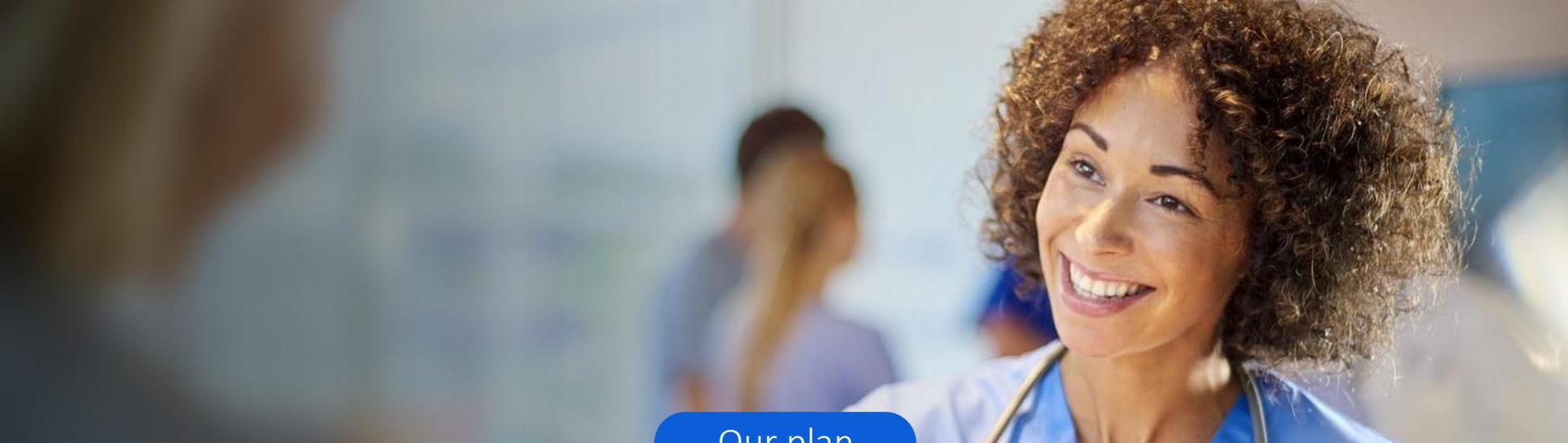
20% of sales

Personal Care
#1 Grooming

Oral Health Care
#2

Mother & Childcare
#2 Bottle feeding

End-to-end care pathways for Cardiovascular, Neurology and Oncology



Our plan

Strategy

Focused growth and value creation

Innovation

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

Execution

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

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



The right team and capabilities

70%

Renewal of Executive Committee

75%

Executive hires with HealthTech and clinical background

78%

Employee engagement score

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

Innovation, design and sustainability 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

Setting the standard across segments of care



BlueSeal MR

- MR access everywhere due to helium-free
- Smart AI doubles volume
- >1500 systems installed



Azurion

- One more patient a day (15%)
- Industry leader cardiac, neuro next
- 5 million procedures a year



Patient Information Center iX

- Platform for all acuity settings
- Real time / minute data for 1,600 patients
- In 1 out of 2 hospitals in US



OneBlade

- Created new hybrid category
- 90% market share
- 100+ million blades, 50+ million handles sold

Leader in Health Informatics and AI across the portfolio



Enterprise Informatics

- Largest vendor agnostic leader
- Imaging, Clinical Integration, Telecare
- Radiology, Pathology, Cardio, Critical Care



AI-powered clinical insights

- Proprietary data AI development
- Cardio, Alzheimer, Oncology, MS
- Open AI platform thru AI Manager



AI-enabled productivity

- Productivity: up to 38% faster exams¹
- Prediction; 48hrs event management
- Automatic prioritization and delegation

Making progress on our plan to create value with sustainable impact

	2022	2023-2025 Plan As provided Jan 30, 2023	2023 - 2024 Including outlook ³
Comparable Sales Growth	declining	From low to MSD	3.2% – 3.7% CAGR
Adj. EBITA margin ¹	7.4 %	From high single to low teens	~11.5% end of 2024
Free Cash Flow ²	negative	EUR 3.0-3.6 billion total	EUR 2.5 billion
Capital allocation ² Net Debt/Adj. EBITDA	3.0	Deleverage to 1.5	Deleveraged to 2.0

Note: the outlook excludes the potential impact of the ongoing Philips Respironics-related legal proceedings, including the investigation by the US Department of Justice
 1. Excluding restructuring costs, acquisition-related charges and other one-time charges and gains | 2. Excluding payment of settlement related to the Respironics litigation for which a provision was booked in Q1 2024, as announced on April 29, 2024 | 3. As provided October 28, 2024. FY CSG of 0.5%-1.5%, ~11.5% Adj. EBITA, ~0.9bn EUR FCF

2023-2025

Execute our plan,
drive profitable growth

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 businesses

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

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