

Investor presentation

October 28, 2024

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 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: Philips' ability to gain leadership in health informatics in response to developments in the health technology industry; Philips' ability to keep pace with the changing health technology environment; macroeconomic and geopolitical changes; integration of acquisitions and their delivery on business plans and value creation expectations; securing and maintaining Philips' intellectual property rights, and unauthorized use of third-party intellectual property rights; Philips' ability to meet expectations with respect to ESG-related matters; failure of products and services to meet quality or security standards, adversely affecting patient safety and customer operations; breaches of cybersecurity; challenges in simplifying our organization and our ways of working; the resilience of our supply chain; attracting and retaining personnel; challenges in driving operational excellence and speed in bringing innovations to market; compliance with regulations and standards including quality, product safety and (cyber) security; compliance with business conduct rules and regulations including privacy and upcoming ESG disclosure and due diligence requirements; treasury and financing risks; tax risks; reliability of internal controls, financial reporting and management process; and global inflation. 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 2023. Reference is also made to section Risk management in the Philips semi-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 2023.

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 2023. Prior-period amounts have been reclassified to conform to the current-period presentation; this includes immaterial organizational changes. Effective Q1 2024, Philips has revised the order intake policy to reflect the full contract value for software contracts that start generating revenue within an 18-month horizon, instead of only the next 18-months-to-revenue horizon. This change has been implemented to better align with the specific business model of our software businesses, simplify the order intake process, and better align with peers. Prior-period comparable order intake percentages have been restated accordingly. This revision has not resulted in any material changes to the order intake percentages for the periods presented. Per share calculations have been adjusted retrospectively for all periods presented to reflect the issuance of shares in the second quarter of 2024 in connection with the 2023 share dividend.

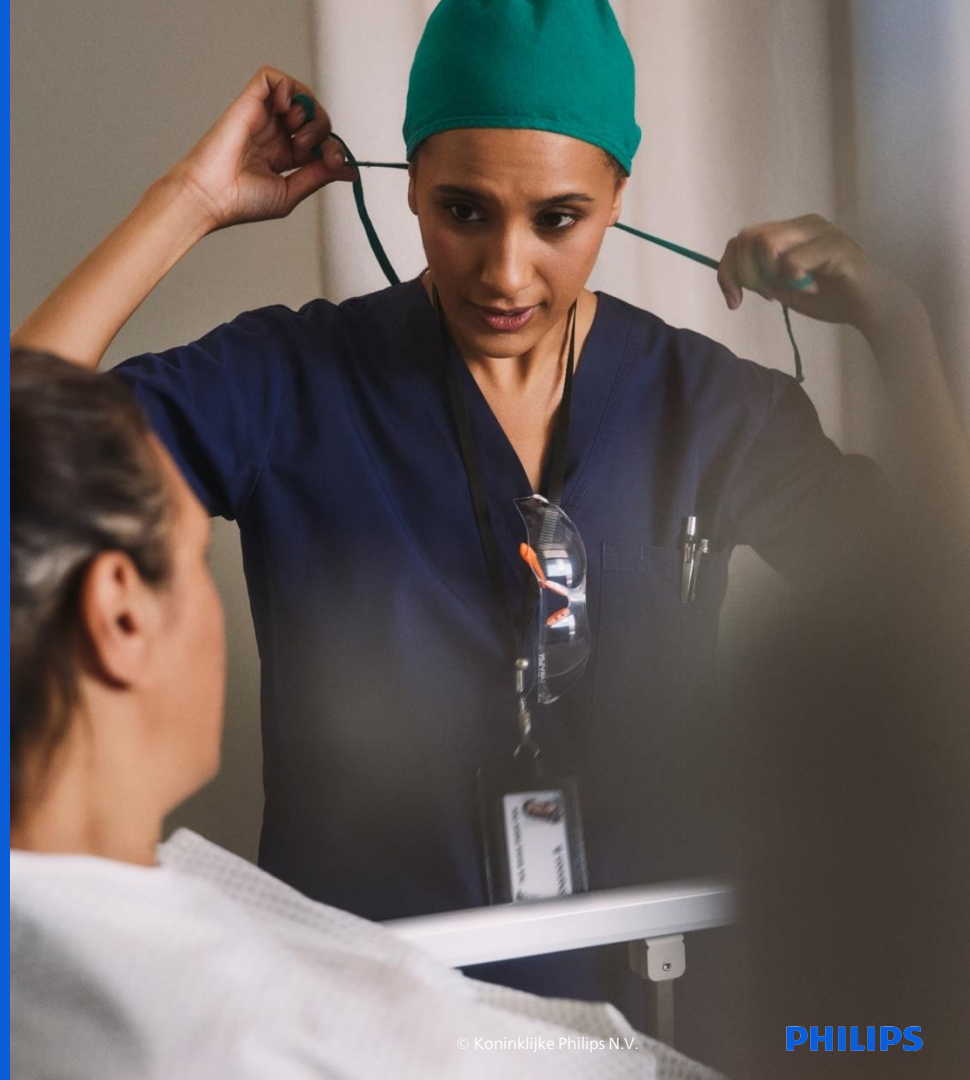
Company overview

Creating value with sustainable impact

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

EUR 18.2bn in sales; 10.6% Adjusted EBITA margin¹

~70% sales from #1 or #2 positions

~40% of sales from recurring revenues

~9% of sales invested in R&D

Leader in ESG as highest ranking HealthTech company³

Global sales footprint¹

North America

42%

Western Europe

21%

Other mature geographies

9%

Growth geographies²

28%

1. 2023 full-year | 2. Growth geographies consist of all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel |

3. In Dow Jones Sustainability Index World

Note: Leadership in Philips-addressable markets

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

Addressable market¹

EUR ~90 billion
in 2025

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

Our businesses

Diagnosis & Treatment



EUR **8.8 billion**
sales

11.6%
adjusted EBITA margin

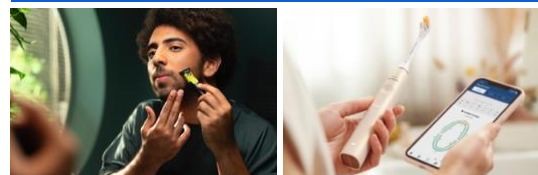
Connected Care



EUR **5.1 billion**
sales

7.2%
adjusted EBITA margin

Personal Health



EUR **3.6 billion**
sales

16.6%
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

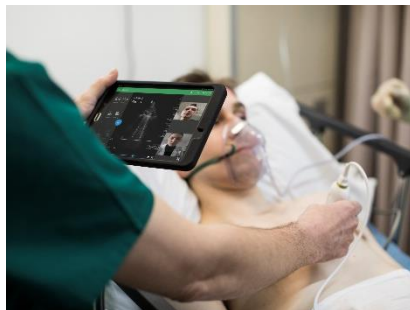
Treatment

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 PACS¹ and inter-operability

Diagnosis & Treatment – 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

#1 Globally

- #2 Coronary devices
- #1 Peripheral vascular devices
- #1 Lead management
- #1 3D Intracardiac echography

Market leading installed base

Connected Care - Leader in Monitoring, largest vendor-agnostic Enterprise Informatics business

Monitoring



#1 Globally
in Hospital and Ambulatory

Enterprise Informatics



#1 PACS¹, interoperability

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 as highest ranking HealthTech company¹

Environment



- Maintain carbon neutrality² 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 deploy our new culture of delivering impact with care, building on the right team and HealthTech capabilities



The right team and capabilities

>50%

Renewal of Executive Committee

75%

Executive hires with HealthTech
and clinical background

78%

Employee engagement score

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**
Image-Guided Therapy
Precision Diagnosis a.i^{1,2}
Bert van Meurs
Dutch



International Markets³
Edwin Paalvast
Dutch



Human Resources
Heidi Sichien
Belgian



Operations
Wim Appelo
Dutch

Company overview

Creating value with sustainable impact

Path to value creation



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

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

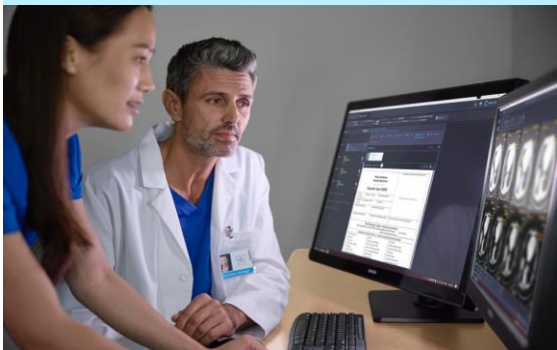
Restore business profitability
and position

Largest vendor-agnostic Enterprise Informatics business

EUR 1.2 billion sales

~2x Philips growth

Imaging informatics



Diagnosing patients by reviewing images

#1 Radiology

#1 Cardio

#3 Pathology

Clinical integration



Integrating and analyzing data from >1,200 medical devices

#1 Medical device integration (US)

Telecare



Enable remote care delivery

#1 eICU

#1 Critical care EMR

Creating value for stakeholders through high-impact innovation

€1.7bn
>9% of
sales
in 2023, industry leading

~50% of
sales
from new and upgraded
products launched in last 3
years

>50% of R&D
workforce on software,
data & AI

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

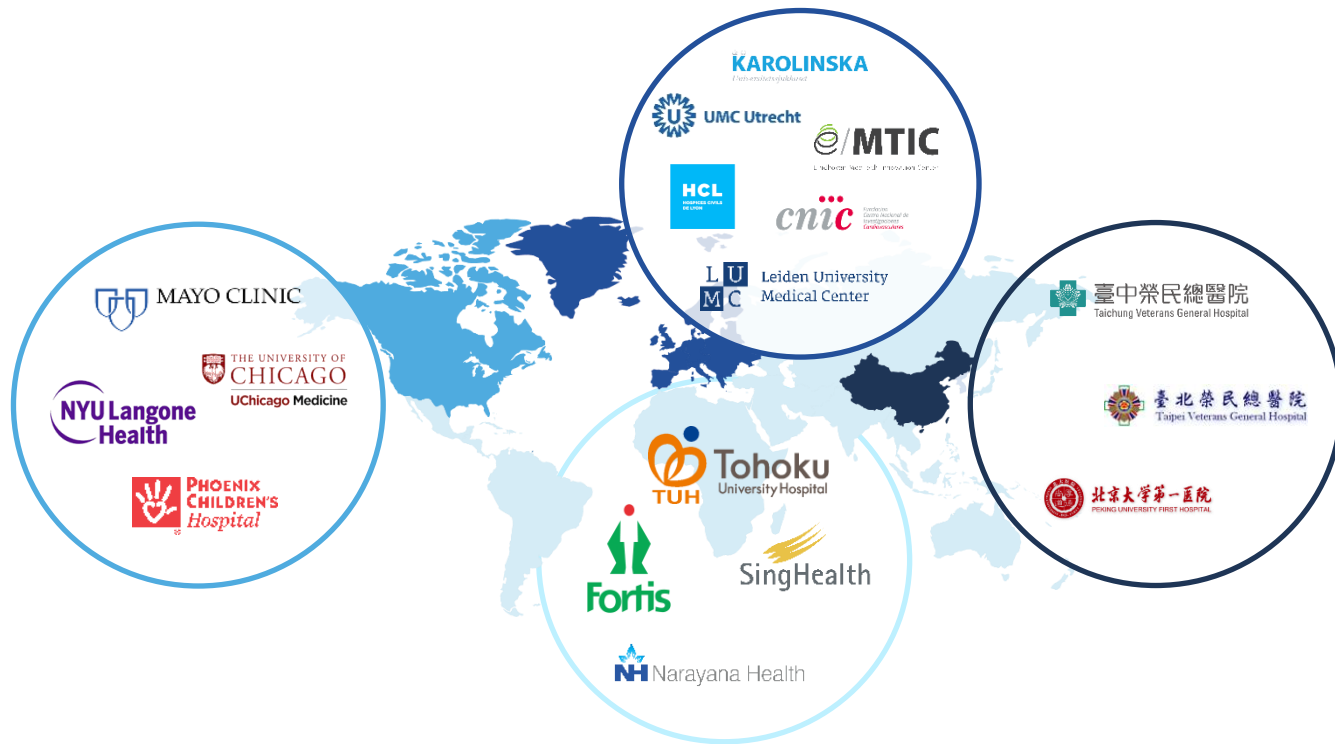


Scalable

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

R&D spend

90%

Diagnosis & Treatment



Diagnostic Imaging



Ultrasound



Image-Guided Therapy

Connected Care



Monitoring



Enterprise Informatics



Sleep & Respiratory Care

Personal Health



Personal Health

Driving quality through integrated innovation, design and sustainability

Enterprise innovation

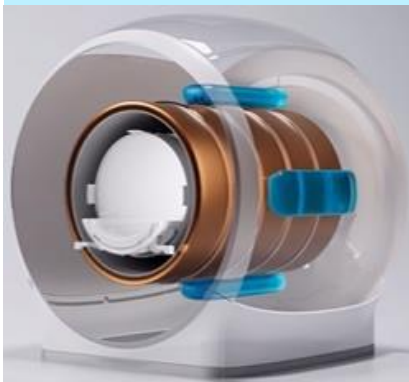
10%

Fundamental and breakthrough innovation, ventures and partnerships



Scalable innovations setting the standard across segments of care

BlueSeal MR



- Helium-free
- Installable everywhere
- AI-enabled
- >1400 systems installed

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



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**

Enhancing patient
safety and quality

Innovation, quality design,
integrated process

Improving compliance



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

Supply chain set-up

Product simplification

Supplier reliability



**Simplified operating model
driving accountability
and agility**

Business in lead –
clear accountability, lean, agile

Right team, HealthTech capabilities

Deploying culture of impact with care

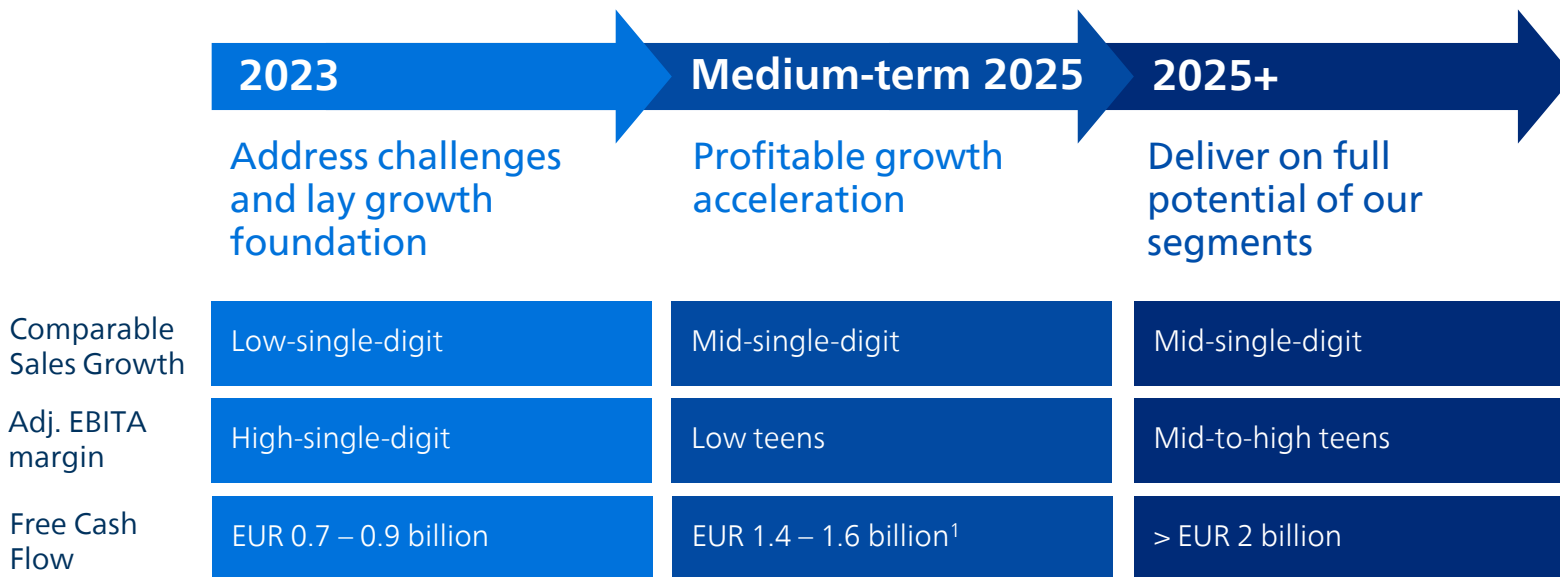
Company overview

Creating value with sustainable impact

Path to value creation

Progressive value creation

Supported by balanced capital allocation



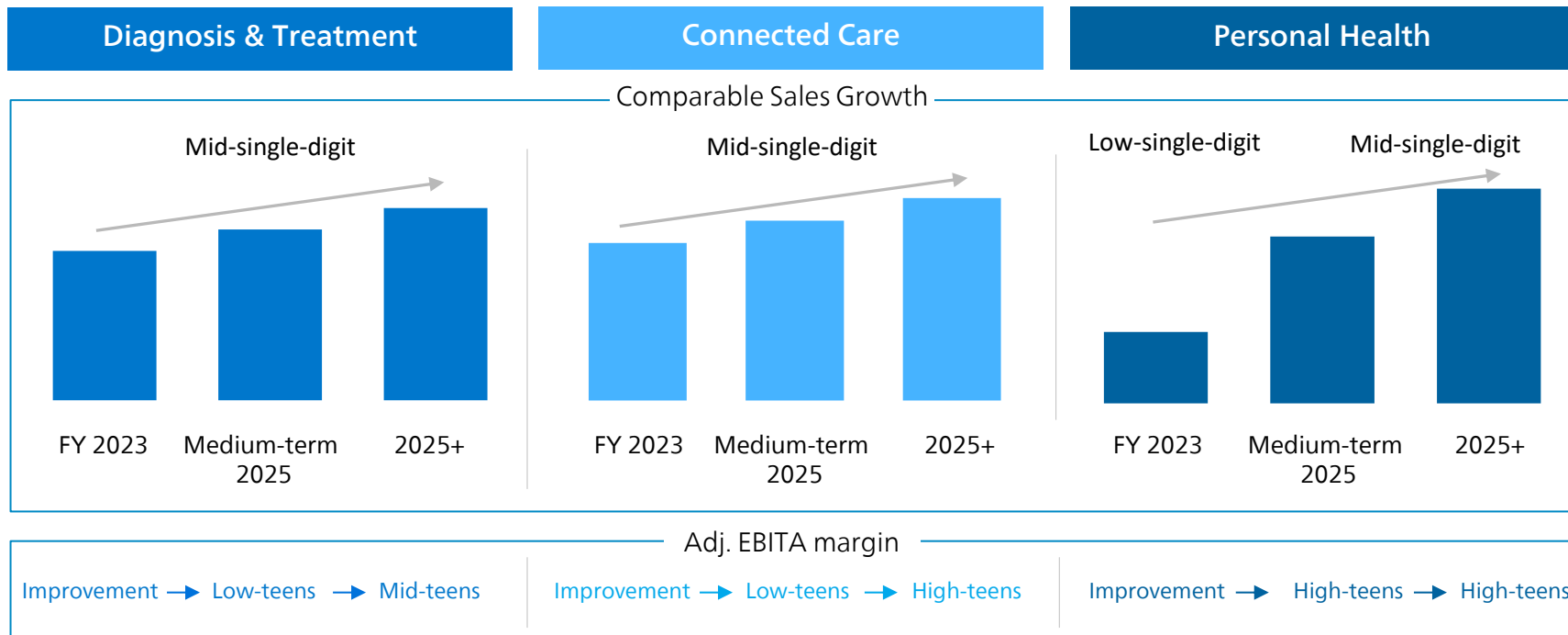
Note: As provided on January 30, 2023. To view actual 2023 results, visit [results hub](#). The outlook excludes the potential impact of the ongoing Philips Respironics-related legal proceedings, including the investigation by the US Department of Justice

1. Excluding payment of settlement related to the Respironics litigation for which a provision was booked in Q1 2024, as announced on April 29, 2024

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Driving organic growth and margin improvement



Note: As provided on January 30, 2023. To view actuals 2023 result, visit [results.hub](#). The outlook excludes the potential impact of the ongoing Philips Respironics-related legal proceedings, including the investigation by the US Department of Justice

Productivity initiatives¹ to deliver EUR 2.0 billion in the 2023-2025 period

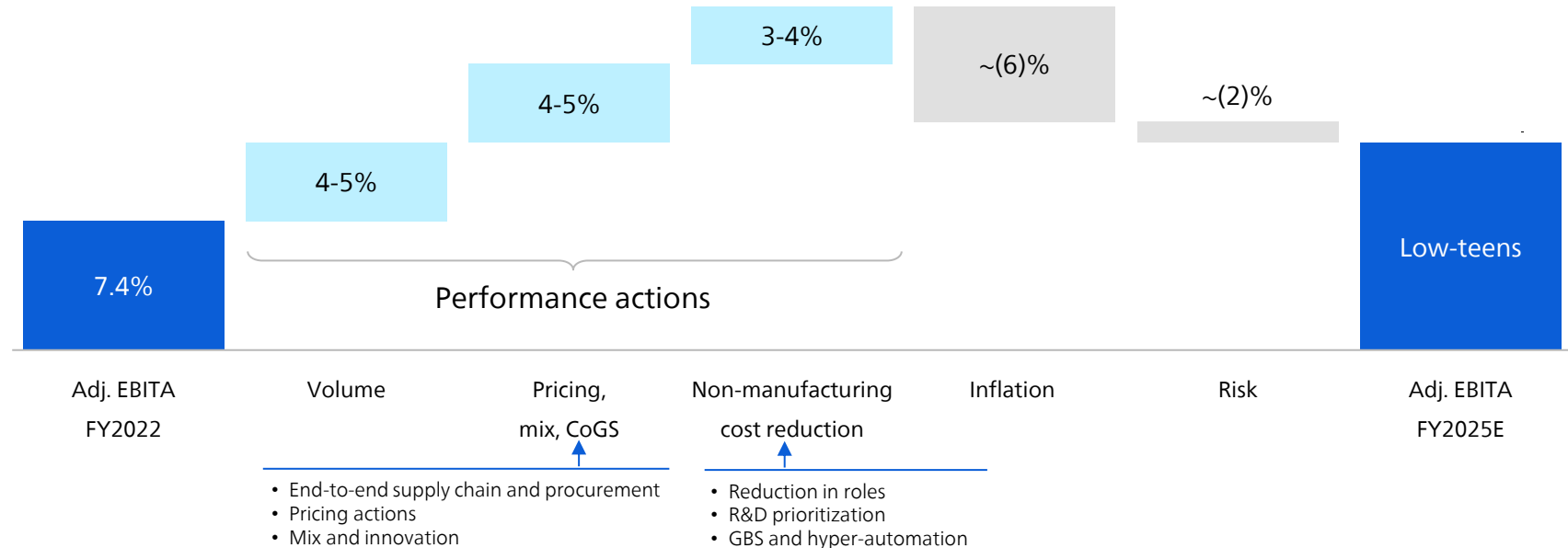
Productivity initiatives savings¹

In millions of EUR unless otherwise stated

		2023 – 2025 target
Operating model	<ul style="list-style-type: none">• Simplified operating model with reduction of 10k roles• R&D prioritization, reduction of Corporate Research• End-to-end supply chain, simplifying planning, and eliminating duplications	920 – 1,050
Procurement	<ul style="list-style-type: none">• Bill-of-material savings via redesign, value analysis, engineering• Reductions in warehousing, transportation and consulting	550 – 600
Other productivity	<ul style="list-style-type: none">• Manufacturing footprint optimization and service productivity• R&D platform simplification and footprint optimization• GBS and hyper-automation• Sleep & Respiratory Care rightsizing	400 – 450

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

Adj. EBITA margin¹



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

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

Making solid progress on our plan:

- Embedding patient safety and quality
- Enabling better lead times and service
- Driving accountability and agility
- Deploying culture and upgrading capabilities

Delivering on financial and ESG
commitments in a volatile world

Creating
value with
sustainable
impact

2025+

Deliver on full potential of our businesses

Leverage leading positions in
attractive markets

Focused growth and value
creation strategy

Delivering people and
patient-
centric innovation at scale

Execution as key value driver,
living our culture



Better care for more people

PHILIPS

Historical financial performance summary

Key data in millions of EUR unless otherwise stated

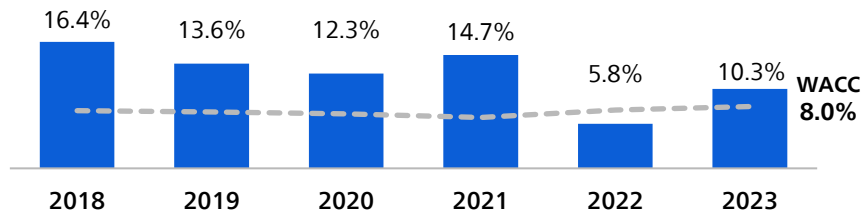
	2021	2022	2023
Sales	17,156	17,827	18,169
<i>Comparable sales growth</i>	<i>(1)%</i>	<i>(3)%</i>	<i>6%*</i>
Income from operations	553	(1,529)	(115)
Financial expenses, net	(39)	(200)	(314)
Investments in associates, net of income taxes	(4)	(2)	(98)
Income tax expense	103	113	73
Income from continuing operations	612	(1,618)	(454)
Discontinued operations, net of income taxes	2,711	13	(10)
Net income	3,323	(1,605)	(463)
Adjusted EBITA ¹	2,054	1,318	1,921
<i>as a % of sales</i>	<i>12.0%</i>	<i>7.4%</i>	<i>10.6%*</i>
Adjusted income from continuing operations attributable to shareholders ² per common share (in EUR) - diluted	1.65	0.92	1.25

1. Excluding restructuring costs, acquisition-related charges and other one-time charges and gains; 2. Shareholders in this table refers to shareholders of Koninklijke Philips N.V.

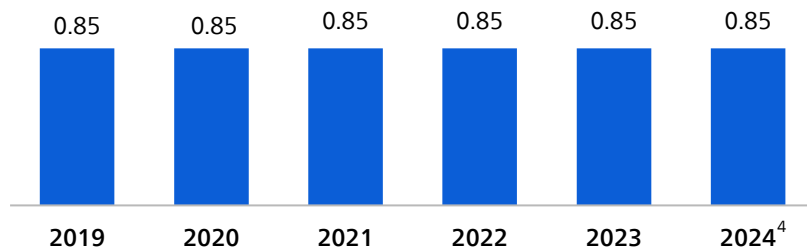
*Excluding provisions charged to sales of EUR 174 million in Q4 2023 mainly in connection with the Respireonics consent decree comparable sales growth was 7% and Adjusted EBITA as a % of sales was 10.5%

Balanced capital allocation policy

Organic Return on Invested Capital^{1,2}

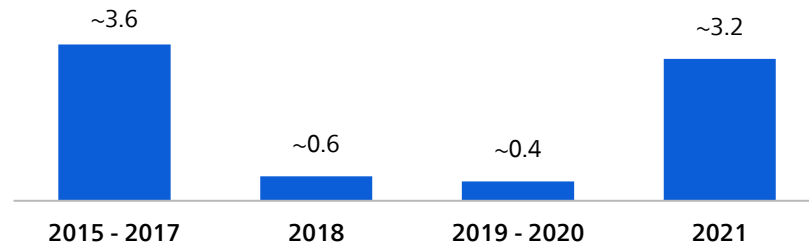


Dividends

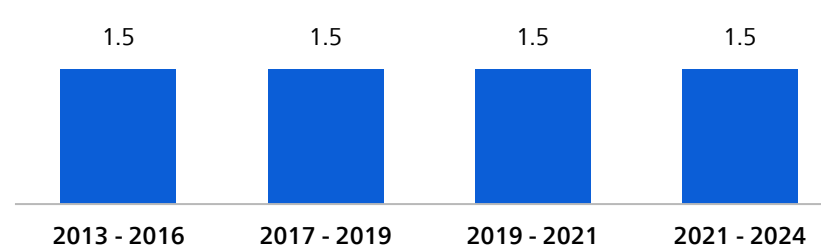


Mergers & acquisitions

(in billions of EUR unless otherwise stated)



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 | 4. Proposed dividend submitted to the Annual General Meeting of Shareholders, to be held on May 7, 2024