

PHILIPS

Creating value with sustainable impact

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CEO

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A healthcare worker, likely a nurse or doctor, is shown in a clinical setting. She is wearing a light blue surgical gown, a light blue surgical mask, and a purple surgical cap. She is looking through a blue drape that is partially covering her. The background is slightly blurred, showing a white wall with the word "PHILIPS" visible. The overall color palette is dominated by blue and purple.

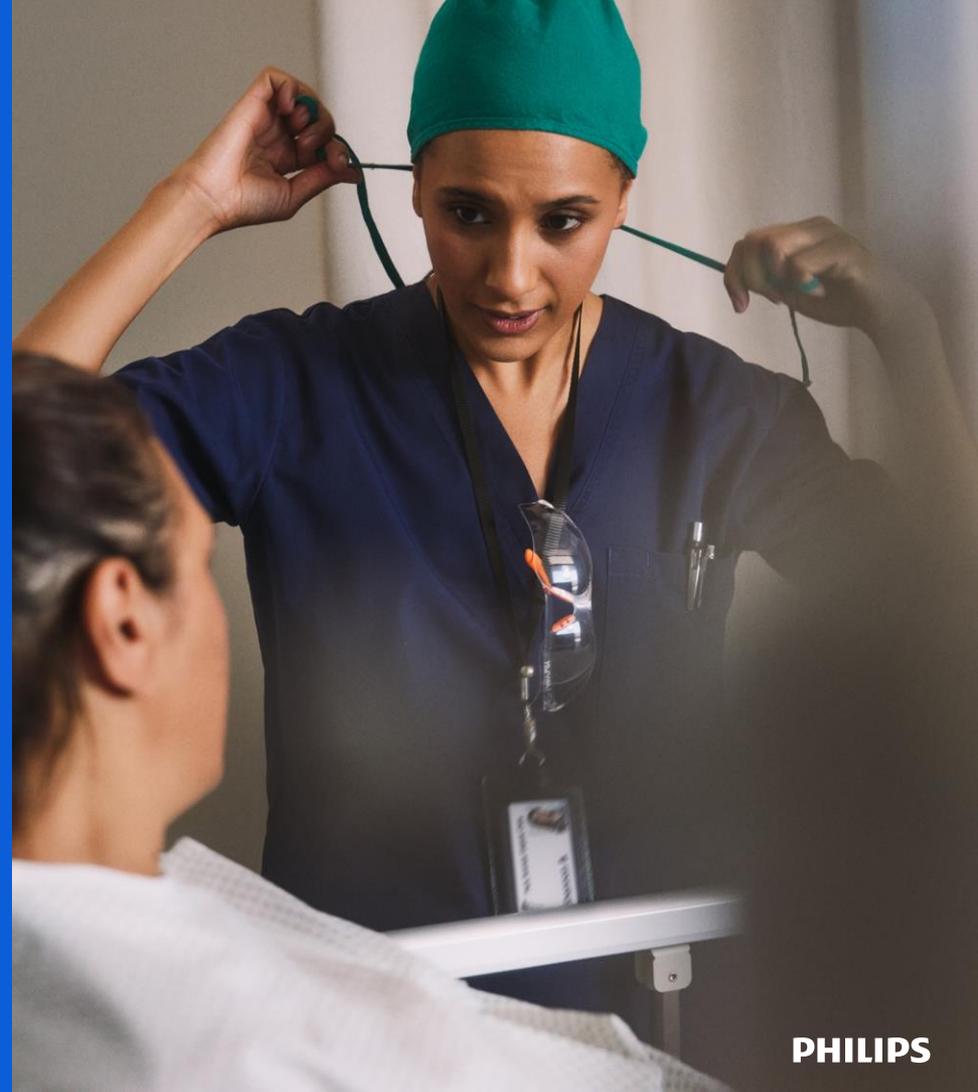
Welcome

Our purpose:

To improve people's health
and well-being through
meaningful innovation.

Our vision:

Better care for
more people.



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

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A future of better care
for more people

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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

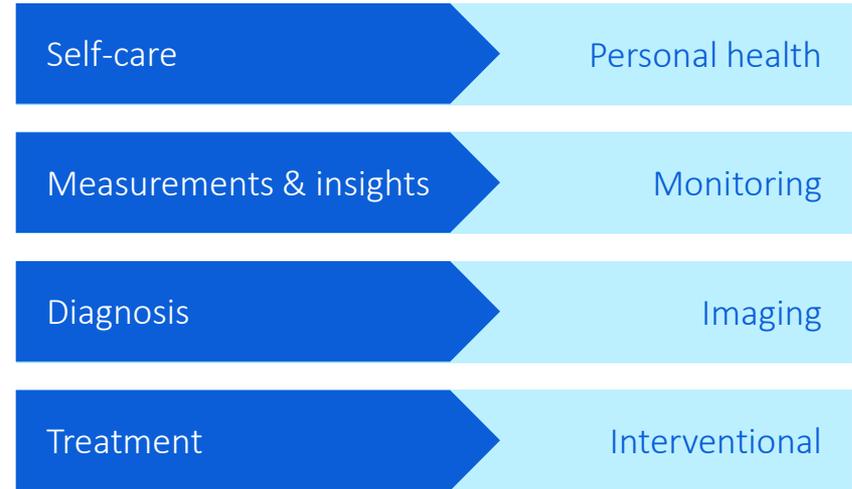
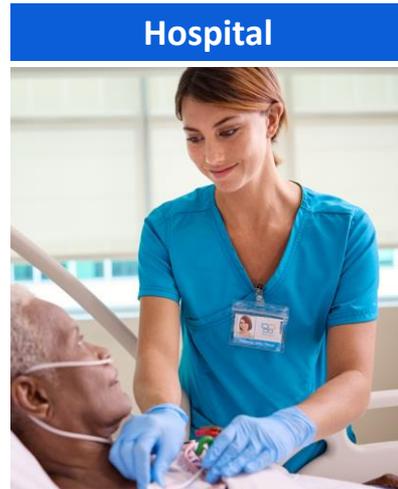


Personal Care
#1 Grooming

Oral Health Care
#2

Mother & Childcare
#2 Bottle feeding

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



The right team and capabilities

>50%

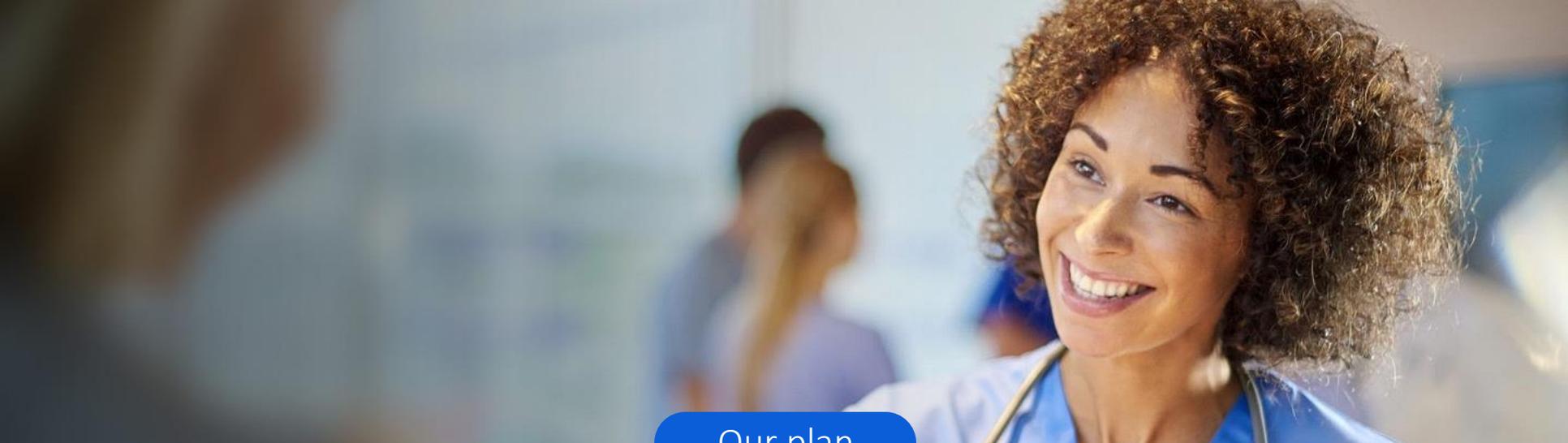
Renewal of Executive Committee

75%

Executive hires with HealthTech and clinical background

78%

Employee engagement score



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

Innovating sustainably with quality as highest priority



**People and
patient-centric**



Business-led



Scalable



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

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

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



We are excited
about the future

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