

### Financial update to reflect the changes in segment reporting structure

Amsterdam, March 29, 2019

- On January 10, 2019 Philips announced the realignment of the composition of its reporting segments, applicable as of January 1, 2019.
- The most notable changes are the shifts of the Sleep & Respiratory Care business from the Personal Health segment to the renamed Connected Care segment and the main parts of the Healthcare Informatics business from the Connected Care segment to the Diagnosis & Treatment segment.
- The change in segment reporting structure has no impact on total Philips financials.
- Prior-period financials have been restated to reflect the above changes.
- Financial reporting is according to IFRS. The definition of non-IFRS information can be found in chapter 10 'Other information' of The Annual Report of 2018.
- As disclosed in the Annual Report 2018, IFRS 16 - leases is applicable as of January 1, 2019. Prior years comparative information related to IFRS 16 standard change has not been restated.
- The impact of adopting IFRS 16 on the key financial measures income from operations, EBITA and Adjusted EBITA are not considered material. The impact on Adjusted EBITDA is approximately EUR 150 million improvement for full year 2019, reflecting the depreciation on the leases capitalized under the new standard.
- All data included in this report are unaudited.

## Key figures per segment

### Sales per segment in millions of EUR

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	1,594	1,783	1,751	2,236	7,365	1,635	1,878	1,868	2,345	7,726
Connected Care	1,036	1,058	1,027	1,210	4,331	965	1,045	1,050	1,281	4,341
Personal Health	1,314	1,360	1,265	1,746	5,685	1,238	1,282	1,265	1,740	5,524
Other	90	93	105	112	400	103	83	124	220	530
<b>Philips</b>	<b>4,035</b>	<b>4,294</b>	<b>4,148</b>	<b>5,303</b>	<b>17,780</b>	<b>3,942</b>	<b>4,288</b>	<b>4,306</b>	<b>5,586</b>	<b>18,121</b>

### Comparable sales growth in %

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	1.8	2.4	2.5	6.1	3.4	8.9	7.9	5.9	4.6	6.6
Connected Care	4.0	2.8	8.4	3.2	4.5	2.3	3.6	1.1	3.6	2.7
Personal Health	4.8	6.6	3.9	6.1	5.4	2.7	0.7	3.6	2.4	2.3
<b>Philips</b>	<b>3.0</b>	<b>3.5</b>	<b>4.1</b>	<b>4.6</b>	<b>3.9</b>	<b>5.1</b>	<b>4.0</b>	<b>4.2</b>	<b>5.5</b>	<b>4.7</b>

### Income from operations in millions of EUR

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	35	114	95	267	512	22	152	183	271	629
Connected Care	50	69	99	205	424	61	82	105	151	399
Personal Health	176	179	175	304	834	171	152	171	303	796
Other	(18)	(110)	(70)	(53)	(252)	(52)	(88)	(8)	44	(105)
<b>Philips</b>	<b>243</b>	<b>252</b>	<b>299</b>	<b>723</b>	<b>1,518</b>	<b>201</b>	<b>298</b>	<b>451</b>	<b>769</b>	<b>1,719</b>

### EBITA in millions of EUR

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	45	122	114	287	568	39	172	203	313	727
Connected Care	86	104	133	239	562	95	115	138	192	539
Personal Health	187	189	184	313	873	180	161	177	309	827
Other	(13)	(87)	(67)	(50)	(217)	(50)	(18)	(6)	47	(27)
<b>Philips</b>	<b>305</b>	<b>328</b>	<b>364</b>	<b>789</b>	<b>1,787</b>	<b>263</b>	<b>430</b>	<b>512</b>	<b>861</b>	<b>2,066</b>

### EBITA in %

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	2.8%	6.8%	6.5%	12.8%	7.7%	2.4%	9.2%	10.9%	13.3%	9.4%
Connected Care	8.3%	9.8%	13.0%	19.8%	13.0%	9.8%	11.0%	13.1%	15.0%	12.4%
Personal Health	14.2%	13.9%	14.5%	17.9%	15.4%	14.5%	12.6%	14.0%	17.8%	15.0%
<b>Philips</b>	<b>7.6%</b>	<b>7.6%</b>	<b>8.8%</b>	<b>14.9%</b>	<b>10.1%</b>	<b>6.7%</b>	<b>10.0%</b>	<b>11.9%</b>	<b>15.4%</b>	<b>11.4%</b>

### Adjusted EBITA in millions of EUR

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	56	155	200	336	747	81	196	223	372	872
Connected Care	112	143	177	252	684	119	150	166	228	662
Personal Health	188	188	183	320	879	181	181	182	315	860
Other	(58)	(47)	(27)	(24)	(157)	(37)	(45)	(3)	57	(28)
<b>Philips</b>	<b>298</b>	<b>439</b>	<b>532</b>	<b>884</b>	<b>2,153</b>	<b>344</b>	<b>482</b>	<b>568</b>	<b>971</b>	<b>2,366</b>

### Adjusted EBITA in %

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	3.5%	8.7%	11.4%	15.0%	10.1%	5.0%	10.4%	11.9%	15.9%	11.3%
Connected Care	10.8%	13.5%	17.2%	20.8%	15.8%	12.3%	14.4%	15.8%	17.8%	15.2%
Personal Health	14.3%	13.8%	14.5%	18.3%	15.5%	14.6%	14.1%	14.4%	18.1%	15.6%
<b>Philips</b>	<b>7.4%</b>	<b>10.2%</b>	<b>12.8%</b>	<b>16.7%</b>	<b>12.1%</b>	<b>8.7%</b>	<b>11.2%</b>	<b>13.2%</b>	<b>17.4%</b>	<b>13.1%</b>

Adjusted EBITDA in millions of EUR

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	111	207	243	395	956	138	255	286	437	1,116
Connected Care	154	191	217	304	866	161	193	210	275	839
Personal Health	223	221	216	360	1,021	214	217	216	352	1,000
Other	(26)	(9)	10	13	(11)	(1)	(4)	38	106	138
<b>Philips</b>	<b>463</b>	<b>611</b>	<b>686</b>	<b>1,073</b>	<b>2,832</b>	<b>512</b>	<b>661</b>	<b>750</b>	<b>1,170</b>	<b>3,093</b>

Adjusted EBITDA in %<sup>1)</sup>

	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
Diagnosis & Treatment	7.0%	11.6%	13.9%	17.7%	13.0%	8.4%	13.6%	15.3%	18.6%	14.4%
Connected Care	14.9%	18.1%	21.1%	25.1%	20.0%	16.7%	18.5%	20.0%	21.5%	19.3%
Personal Health	17.0%	16.3%	17.1%	20.6%	18.0%	17.3%	16.9%	17.1%	20.2%	18.1%
<b>Philips</b>	<b>11.5%</b>	<b>14.2%</b>	<b>16.5%</b>	<b>20.2%</b>	<b>15.9%</b>	<b>13.0%</b>	<b>15.4%</b>	<b>17.4%</b>	<b>20.9%</b>	<b>17.1%</b>

<sup>1)</sup> Updated to reflect correct percentages

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