

PHILIPS

Philips Capital Markets Day 2026

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Introduction

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Welcome

Good morning, everyone, and welcome to Philips' Capital Markets Day. I'm Durga Doraisamy, Head of Investor Relations. On behalf of the company and the Investor Relations team, thank you very much for being here today, and also to those of you who have joined the live stream.

Agenda

We have a very exciting agenda for you. Let me walk you through it briefly. Roy Jakobs, our CEO, will start with how we are driving profitable growth to deliver sustainable value. Charlotte Hanneman, our CFO, will then discuss our financial framework and how we approach capital allocation. We will then follow with a Q&A session before the lunch break.

In the afternoon, when we reconvene, we will move deeper into business perspectives across Diagnosis & Treatment, Connected Care and Personal Health led by our business unit leaders. After a short break, we will reconvene again for a Q&A session, followed by a moderated panel discussion featuring three Philips customers based in North America.

Roy will then close the day with a few final remarks. We hope those of you who are here in-person will join us for a networking reception afterwards.

Disclaimer

Before we begin, a few important points. As you would expect, today's presentation includes forward-looking statements that are subject to risks and uncertainties which could cause actual results to differ materially. Please refer to the safe harbour language on the screen and in the presentation materials, including non-GAAP reconciliations and our public filings for further details. And finally, the sessions are being recorded and live webcast.

With that, I'm delighted to kick off Philips Capital Markets Day 2026. Thank you.

[VIDEO PRESENTATION]

Speaker: For over 130 years, Phillips has been an innovation powerhouse. As a global health technology leader, that focus matters more than ever. Powered by AI, our platform-based innovations have already improved the lives of two billion people. Around the world, from hospital to home, Philips platforms connect people, technology and data, delivering impact at scale. We are number one in catheterisation lab systems, number one in interventional cardiology, number one in cardiac ultrasound, a top three leader in diagnostic imaging, number one in grooming, number two in oral healthcare, number two in infant feeding, number two in sleep and respiratory care, number one in PACS, number one in medical device integration, and number one in hospital and ambulatory monitoring. Team Philips is energised and looking ahead with confidence. Together, we'll drive profitable growth to deliver sustainable value. Together, we'll deliver better care for more people. Philips.

Driving Profitable Growth to Deliver Sustainable Value

Roy Jakobs

CEO, Philips

Welcome

Welcome. Thank you for joining us today at Philips Capital Markets Day. I'm really excited to be here with all of you, and it's great to see so many of you in the room but also virtually. A very warm welcome. Thank you for taking the time to be with us. We'll promise we have a lot of relevant information to share today that hopefully excites you about the journey of Philips and our exciting future ahead.

It's a chance to step back, look at what we achieved and look forward. For more than 130 years, Philips has been innovating to improve people's lives, shaping everyday experiences and supporting people's health and wellbeing in hospitals and in the home.

Today marks the beginning of a next phase for Philips. We have stabilised the company, significantly improved our culture, our team and the fundamentals of our business. And with bigger innovation and better performance, we are now focused on driving profitable growth to deliver sustainable value.

On a personal note, I'm, of course, also looking forward to continue my journey, and I'm pleased that the Supervisory Board has proposed to nominate me for reappointment at the forthcoming AGM. Together with all my colleagues and the leadership, we are fully energised by the opportunity to fully unlock Philips' potential and to deliver better care for more people.

Driving profitable growth to deliver sustainable value

As we enter this next phase, we are significantly stronger. We have strengthened Philips at its core, our fundamentals, our resilience and our execution agility. We have strengthened our Impact with Care culture led by an expert leadership team empowered by engaged colleagues. And we have changed how we innovate, focusing on getting the right innovation to market in the right way.

Today, we are faster, leaner, more resilient and agile. We are more competitive. And from here, we will accelerate growth and do it in a profitable manner, building on our leading AI-powered innovations and our scalable platform advantage, powered by our strengthened and strong execution capabilities, with an extra focus on commercial excellence in the period to come.

Philips is guided by a clear purpose, vision and culture

At Philips, we are guided by a clear purpose and vision and by our culture of Impact with Care. That's why people join us.

From the very beginning, Philips has remained relevant by delivering innovation for over 130 years. Today, we direct all of this innovation power towards better health and self-care with a clear focus to deliver better care for more people. Better care means better outcomes and better experiences. For more people means greater access for the benefit of all across the world.

In 2025, our innovations improved the lives of two billion people. And our ambition is to improve 2.5 billion lives by the year 2030.

Impact culture focused on performance, innovation and growth

Delivering sustainable value ultimately comes down to our people. And let me, therefore start by thanking our 65,000 colleagues across more than 100 countries for their commitment and for what they deliver every single day. I hear from customers all the time how much they love our people. Our people make the difference.

I also want to thank my leadership team. We have built a team with deep domain expertise and with confidence to lead Philips in its next phase of growth acceleration. Since '23, more than half of my executive team has been renewed, and we have refreshed leadership at all levels across Philips. We strengthened capabilities, deepened experience and raised execution discipline.

Later today, you will hear directly from a few members of my executive committee. Together, they reflect the depth and the breadth of the leadership we have built at Philips. Each of them brings decades of deep experience in their domains, and we have a shared commitment to our purpose.

Charlotte has led in med-tech and finance including at Stryker. Deeptha has built consumer brands at global scale, including at J&J and P&J – and P&G. Jie has driven imaging products and services for all her lifetime, including at GE Healthcare. And Julia has led in informatics and patient monitoring, including at Medtronic. While Bert has built Philips' outright leadership in Image-Guided Therapy.

As a leadership team, we have made tough choices along the way and we changed what needed to be changed, to respond to the expectations of our customers, our consumers and our stakeholders, and we will continue to evolve, to learn and to grow. And just as importantly, we have been driving a real shift in our culture, focus on performance, innovation and now growth.

We empowered our people with very clear accountabilities. And the successful execution of our plan depends on that new talent with deeper med-tech capabilities, but also on the engagement that we have increased by more than 10% towards 80% high-performance norm in 2025.

And as we look ahead, we do see the confidence and determination of our teams. With the capabilities and the culture we have built, Philips is ready to enter into its next phase of profitable growth acceleration.

Our portfolio offers sustainable value creation opportunities

Today, Philips is a focused health technology company. We are organised around three segments. They all have strong leadership positions across healthcare and self-care needs.

Diagnosis & Treatment helps clinicians to diagnose and treat patients more precisely using intelligent imaging and minimally invasive solutions, improving both clinical and operational productivity.

Connected Care supports care teams across hospitals and beyond with continuous monitoring and digital solutions that help detect issues earlier and extend care safely beyond hospital, including into ambulatory and home settings.

And Personal Health helps to take care of people's everyday health through a strong brand and a trusted consumer innovation franchise that supports self-care routine and health and wellbeing at a global scale.

Since 2023: Improved performance and financial resilience

Over the past three years, we set out to strengthen the foundation and our performance. And as you can see here, we did just that.

We strengthened the company's resilience and delivered on our commitments, and we delivered within an uncertain macro environment that we navigated well. We exited 2025 with growth momentum, strong margin expansion, and we did that despite the headwind of tariffs, and we generated a solid cash amount by the end of the year.

We more than that ended the year with a robust pipeline of product launches across all three segments, which each segment have a clear focus and the right plan to drive sustainable growth. None of this happened by chance. We executed on our plan which focused on strengthening our foundation, but also on innovation and disciplined execution across Philips.

Since 2023: Strengthened foundation, innovation and execution capability

And since launching our plan in '23, we have radically shifted how we innovate. Our innovation is now business-led and closer to the customers and consumer segments that we serve. We set very clear and tough thresholds for new innovations. We stopped projects that did not scale. We doubled the speed of innovation in ultrasound. We launched world first in imaging and we doubled down on our neurology beyond cardiology and a stronghold in interventional.

You will hear cardiology coming back in presentations all across today because we are the leader in cardiology across all our platforms.

Strengthening our focus on fundamentals starts with putting the patient and patient safety and quality first. We have made significant progress in resolving the consequences of the Respironics recall, including the personal injury and medical monitoring litigation in the US. Our focus remains on the diligent implementation of the consent decree requirements and to resolve the remaining litigation.

We also simplified and strengthened our quality systems. We have significantly reduced the number of aged and open complaints and act fast when needed. We reduced overlapping quality management systems by more than 75%, improving visibility, creating simplification and efficiency.

And in parallel, we strengthened our supply chain resilience and agility. We improved customer fill rates by more than 20% to around approximately 90% today. We brought our lead times back to fully competitive levels. We are making things simpler and stepping up an impact. We simplified the portfolio by reducing low-performing SKUs. And we demonstrated that we can deal with tariffs quickly and effectively, and this work continues.

All of this was supported by a sharper operating model. We simplified how Philips operates and moved decision-making closer to the businesses that we serve and the segments that we serve. This was a big and critical change. We shifted to a more business-led and a more decentralised model. We became simpler, leaner, faster and better organisation.

Over the past years, this also contributed to the €2.5 billion in productivity savings that we delivered.

Innovation is the opportunity to solve for the widening supply-demand gap in health and self-care

As we look ahead, the opportunity before us is attractive. It's sizable and it's growing because the demand for healthcare continues to increase strongly, driven by rapidly aging population, higher chronic disease prevalence and higher expectations of patients to get better quality and more access to care. This is particularly evident in the demand for cardio, neuro and oncology services.

And at the same time, health systems are constrained. They're constrained by workforce shortages, capacity limits. They are pressured. The World Health Organisation estimates a global shortfall of more than 10 million health workers by 2030 across the world, including even high-income markets like the US.

And what we see in parallel is that people taking more charge of their own health. There's a rapid growth in self-care, preventative health and consumer health experiences, all accelerated by digital connectivity. This widening gap between supply for care and demand for care, it's where the innovation opportunity is. That's where we will rise to the challenge of this exciting €90 billion to €100 billion market, which on average is growing 3% to 5% a year.

Data, AI, and platforms are reshaping health and self-care markets

For many years, healthcare was seen as a slow adopter of digital technology. Today, that has changed. Healthcare is on a tremendous pressure, and that pressure is acting as a catalyst, a catalyst for healthcare to use the forefront of data and AI to improve their operation. And we are moving towards the future of an integrated, AI-driven continuous workflow.

For example, where our AI agents assist clinicians to make decisions better and faster. In fact, I see everyone experimenting, from clinicians to nurses, to the C-suite. In healthcare, AI is augmenting instead of replacing people, and that's where the difference is. It's not a threat. It's the opportunity to deliver better and more care.

I hear from healthcare leaders all across the globe about the urgency, the challenge and the opportunity they see in front of them, and they need innovations to deal with it. And this opportunity will only increase as data is collected and continues to scale, as AI continues to mature, as agents come into the mix. And that's where our platform-based innovation will come into play as a unique differentiator.

But let me be clear, AI alone doesn't determine who wins. In healthcare, value is created where data, workflows and trust already exist in the systems that the clinicians use today and the experiences that people rely on in their everyday lives. And that's where the next phase of growth will be decided. And that's where Philips is strongest with our infrastructure that supports the healthcare systems as well as the consumers in the home.

Our installed base, unique data sets and strong brand create a scalable platform advantage

Philips' global footprint includes an installed base of more than 2.5 million systems across the globe, supporting healthcare across different care settings. We are reaching 80% of top hospitals globally. It's our most powerful access point to tonnes of data, workflow and real-world use. Very few companies can combine such a large scale installed base with such a strong brand to turn it into innovation.

Our platforms are where our innovations connect hardware, software, data, AI and human intelligence. And this conversions of the installed base connections and the data orchestration will drive compounding value over the lifetime, and it will leverage data for health and self-care.

A clear path to mid-single-digit growth and mid-teens margin

This brings us to our financial targets. We are moving to the next phase of profitable growth. We have a clear path getting to mid-single-digit CAGR and mid-teens margins in 2028, with strong cash generation of €4 to €5 billion – €4.5 to €5 billion over the plan period. And today, we will outline how we will deliver on these commitments as Philips and within each segment.

Our strategy to drive profitable growth to deliver sustainable value

Our strategy is built on three pillars. Number one, focused value creation. We have specific strategies to maximise the full potential of each segment. We will create consistent value across the portfolio and deliver sustainable growth through focused segment strategies. Segment strategies that cater to different markets, different customers and different technologies that require different approaches.

This clarity allows us to allocate capital more effectively, focused investment where it creates the most value, both organically and inorganically, with disproportionate focus on our attractive monitoring and interventional businesses. We use the same clarity and rigour to maximise growth geographically, for example, in our high-growth North American region. I will explain in more detail our geographical strategy later on.

Bringing me to the second pillar of our strategy, innovation growth, the heart of who we are. We will scale data, AI and innovations to unlock our unique, highly differentiated platform advantage. Our innovation power is a core strength that we will leverage to increase the speed of innovation and direct translation of these innovations into impact for customers and consumers.

We will do this in close collaboration with clinicians, with healthcare partners, but also with consumers, co-innovating solutions that address real workflow challenges, specific clinical needs such as in cardio and self-care routines such as in oral care.

And that brings me to the number three, disciplined execution. This was the core of our '23 to '25 plan, and this focus is here to stay. We will continue to drive quality, simplify our way of working, but also significantly step up in commercial excellence.

Our portfolio offers sustainable value creation opportunities

Across our portfolio, we have been very deliberate about how we drive value. Over the past three years, we executed against what we described and shared with you earlier as a 70-30 strategy. And that strategy has delivered.

Around 70% of our businesses, which were already operating in higher-margin territory, we were targeting for growth, and they delivered a sales CAGR of around 5% in the planned period '23 to '25. Those were businesses like IGT, Ultrasound and PH. We have been driven growth there, whilst also continuing to expand margins, making them a strong contributor to Group performance.

And the other 30%, our focus of the portfolio was on margin acceleration, and we expanded margin by 500 basis points between '23 and '25, coming from Imaging, SRC and EI.

Enterprise Informatics firmly established us as a software leader in healthcare. I will discuss how we actually take EI to the next stage later as we move for more stand-alone to integrated software, data and AI approach in our imaging and monitoring platforms.

Looking ahead, our portfolio is no longer about 70-30. It's about very clear differentiated strategies for each segment because we see growth and margin opportunities in every single one of them, specific to the market they serve. And we can accelerate growth, in particular, but also continue on our strong margin expansion trajectory.

As I said, this will allow us to allocate capital more clearly, with focused investments where the returns are best, where it creates the most value for Philips and the shareholders and maximises growth and returns segment by segment.

Diagnosis & Treatment: Elevate imaging, diagnosis and intervention through differentiated AI-powered systems and platforms

Let me start by Diagnosis & Treatment. It's a key growth engine for Philips. It sits at the heart of challenges our customers face today, where there's high demand for imaging and interventional procedures and constrained supply. There's an urgent need for productivity and efficiency in this, and that's where our platform strategy truly matters.

We are a global leader in image-guided therapy, and that's built on a unique platform that integrates systems, software and devices. We have around 45% global market share and the largest installed base in interventional systems. We have 10 years of leadership in this space, and we are defining this market. Customers are with us to co-create the next generation of interventional procedures.

So, the question is, what will be next? And today, we will be announcing the future of Azurion. I cannot wait for you to see it, but you will have to wait for Bert to present it later today.

Next is Precision Diagnosis, where our foundation in the period has been significantly strengthened. We had to start with strong operations, and those delivered improved margins. But we also, at the end, started to restart our innovation engine, as you have seen at our recent launches at RSNA, where we came out with the world's first in 3T, helium-free MR, the Ultrasound Flash and the CT Verida.

Going beyond products is important in imaging. That's where our open imaging platforms bring together systems, Enterprise Informatics and PACS, data and AI to create a unified diagnostic environment across modalities, across sites and across care settings. And with a stronger innovation portfolio and our strong operations and disciplined execution, this will actually start to step-by-step accelerate growth.

We have a clear strategy for D&T. We are well-positioned to drive customer impact and to deliver sustainable growth for Philips.

That brings me to Connected Care.

Connected Care: Scale secure, longitudinal care intelligence platforms

Connected Care builds on our outright leadership and patient monitoring. We operate the industry's leading real-time patient data and insights platform, a platform that extends monitoring from ambulatory to home, and actually that supports half of all patients globally with our monitoring.

We deployed in 90% of all top 100 hospitals, and we fully interoperable and open through our capsule capacity in Enterprise Informatics. In Enterprise Informatics, we created a focused home for stand-alone software solutions. Our priority was making data liquid through software and cloud. Today, that ambition has evolved even further as AI reshapes healthcare delivery. The entire portfolio is cloud-ready and AI is embedded across workflows.

Looking ahead, Enterprise Informatics will support growth and value creation embedded across all our portfolios and platforms. In fact, at RSNA, we showcased more than 40 AI-enabled innovations. One exciting opportunity in here is the opportunity of integrated diagnostics. What we hear from customers is that they want us to integrate the data. And as the number one in PACS, we are best positioned to do so to further integrate, for example, with digital pathology to bring over time real-time data into this. So that together, it delivers on the need for integrated diagnostics to support the different clinical areas.

We also have Sleep and Respiratory Care in Connected Care. This remains an attractive growing market, and we are very committed to this space. We are still the number two. We continue to build the business outside of the US and we expanded profitability in the last period and started to restart our innovation engine to get ready for re-entry with disciplined execution and including commercial excellence.

This is where we see a clear upside when we re-enter the US market for sleep systems. But I want to be clear that the timing of this return is not in our control. It's obviously subject to regulatory approvals. We are working diligently to meet all of these requirements so that we get the injunction lifted, but we have not included that in our plan.

Personal Health: Drive expansion through innovation, execution and brand strength

Personal Health contributes meaningfully to growth, margins and cash generation, and it does so at scale. This is a business with reach and resilience. PH leverages and supports our brand. By understanding consumer needs over time, we move from one-time products to platforms that deliver lifetime experiences people rely on.

Once you start using Sonicare, you don't want to get back. If you start using our OneBlade, you don't want to get back, and you will continue to use it for your life. That is the platform strategy we're using in Personal Health.

Let me also talk about the role of Personal Health in our portfolio. Personal Health is a well-performing and attractive business, is subject to regular and rigorous review as part of our disciplined capital allocation strategy. It delivers high-quality earnings, cash flow, and reinforces our purpose and brand, both in healthcare and self-care. And we also see strong and growing network effects with Philips for PH and our other segments.

As a health technology company at the forefront of platforms, data and AI, having consumer innovation in your portfolio helps to deliver world class experiences to patients as well. And as part of a med-tech company, it's very clear to have these experiences across our care settings does differentiate us.

And for Personal Health, having access to leading-edge software AI and data capabilities as well as the regulated capabilities for more personalisation in self-care is a unique asset.

Regionally differentiated growth opportunities with North America as core growth engine

Across the globe, we are balanced and agile in how we follow growth, leaning into regions where we see the momentum, adjusting where conditions are more challenging and allocating resources with discipline.

North America is a clear growth engine across D&T, Connected Care and PH. We see a strong growth with large scale health systems that need platforms to standardise care, drive productivity, ensure security and support their staff and patients. We are 90% of top US hospitals, and we are serving them with colleagues in every single US state.

Later today, you will hear directly from some of our North American customers who will share with us why they partner with us and why this market remains such a compelling opportunity. Every quarter in 2025, we saw double-digit growth in North America. The North America growth story is one of success, with more to come.

In our international region, we see moderate growth in European market. There, we built on strong presence in our leading segments of D&T and Connected Care, and we see actually very strong growth in Personal Health.

In our growth markets, we see solid growth and exciting opportunities search, for example, the SIHREN deal that we closed in interventional last year in Indonesia. We continue to tap into strategic opportunities that we see, whereas Indonesia, India is doing very well, Saudi Arabia, and also some opportunities in LATAM. And we see very good strong growth momentum for PH in the international region.

China remains a long-term addressable market opportunity, particularly for us, for D&T and Personal Health. And we are long-term committed to this market, but we are also realistic about the near-term environment and disciplined in how we allocate capital to it. We continue not only to see China as a market, but also as a source of innovation and a source for manufacturing.

Between 2023 and 2025, we started in full motion our innovation engine, and we radically shifted the way how we innovate, which is now business-led and very much close to customers and consumers. This allows us to build and scale platforms across all three segments. In this plan, innovation will drive 70 to 100 bps of growth acceleration as part of our 2023 to 2025 launches, as well as some really exciting new platforms that we will launch in this period, including: a breakthrough in Image-Guided Therapy, the launch of a new care intelligence platform and monitoring, and of course, unveiling the 3D BlueSeal in imaging. You will hear about these innovations in the segments later today in much more detail.

Beyond 2028, we see a future where people care for more people and that scales to a different level. We see AI-native interventional platforms that augment caregivers to innovate and execute the procedure in a completely new way, removing barriers to procedures across the world, where autonomous imaging means that you have self-scanning by patients across care settings, where agentic AI-driven care intelligence scales and engages directly with patients. And where self-care becomes truly personalised and premiumised.

And this is only the beginning of the scaling and the impact of platform-enabled innovations that will drive where people and agents are served customers, consumers and patients.

Our open platform innovation turns data into scalable growth and impact, delivering better care for more people

I want to explain in a bit more what I mean by a platform, as I have talked a lot about it. Let me illustrate this with an example for monitoring.

Data is generated from sensors and monitors from patients across our installed base globally. Philips monitors are embedded across ICUs, step-down units, wards, ambulatory sites and homes. They collect vast amounts of continuous, high-quality, real-time data. This data needs to be securely stored, integrated and orchestrated. That's exactly what our PIC iX system does. Together with Capsule, we connected with many more inputs from other devices, also non-Philips devices, to bring it all into an open patient information and single clinical workflow.

The valuable compound of that as data moves from isolated silos to one single view of the patient. Once you have the single view of the patient and these data collected, we apply intelligence to it. What do I mean? A single view of the patient is augmented with AI to support better clinical decisions. Think about powerful clinical decision support tools, early warning scores, advanced algorithms to identify patients in need, predict patient deterioration, understand heart rhythm failures, prevent heart attacks with the support of AI algorithms.

This is the impact our platforms deliver today through intelligence. And that same platform will extend beyond hospital, with monitoring continuing at home through connected consumer devices.

We innovate with leading partners to accelerate scale, impact and returns

This is just one example of the Philips platform play end-to-end. From data generation to data orchestration, to intelligence and impact for the ones that we serve. Partnerships are a force multiplied in this. They allow us to move faster, scale smarter and deliver greater impact than we could do alone. We do this through strong clinical partnerships, technical partnerships and customer partnerships.

Our world-class clinical partnerships help us accelerate innovation and drive the impact where it needs to happen. You see many examples behind me. Another example which I'm very excited about is our research collaboration with Mayo Clinic, where we're applying AI to cardiac MRI technology to help shorten exam times and streamline workflows and improve patient experience. We have taken exam time together from 60 to 20 minutes with our SmartHeart technology, and we're driving it towards 10 minutes. That is what I mean with real impact.

Our leading technology partners help us integrate best-in-class technology. This approach gives us speed, scale, cost competitiveness, whilst also keeping our platforms open, secure and future-ready.

Our expanded partnership with Amazon Web Services is advancing cloud-enabled diagnostics, including radiology, cardiology and digital pathology. It unifies workflows, improves access to key insights and help clinicians to deliver better care.

With our partnership with Nvidia, we are building a foundational AI model for MRI, pioneering a new frontier in medical imaging.

Our 2030 Impact Ambitions support sustainable value creation

We also have real, very strong partnerships with many of other stakeholders, including with our people and with the planet.

We are introducing today realistic grounded 2030 impact ambitions. This is an evolution from our traditional ESG commitments ambitions that are fully embedded in our business strategy now, and that drive – and that we will drive with performance management. This is not only the right thing to do, but it also creates sustainable value and growth.

We are already delivering impact today focused on three clear categories that reinforce our value creation and build on the areas we have been leading in for long. These ambitions guide us how we innovate, how we invest and how we measure success.

You can see this in action already in our portfolio. LumiGuide improves lives by enabling safer, more precise interventions. BlueSeal reduces environmental impact by eliminating the need for helium, lowering energy use, simplifying operations, but also setting MR-free. So therefore, also improving customer economics.

Execution capability underpins growth acceleration in 2026 and beyond

We know that innovation drives impact when it's executed well. We have strengthened our execution capability, and we continue to push very hard to drive this further every day. The biggest next step change will be in commercial excellence. This will deliver a contribution of 40 to 70 bps to growth acceleration in the plan period.

And on the commercial side, our teams now operate with one shared view of our customers, their installed base and the pipeline. Our visibility has significantly increased. We also put very clear priorities and a cadence on deal discipline. This is already translating into better conversion rates and an improved mix, particularly in our biggest market like in the North American market.

On the service side, we have introduced remote resolution. We have better uptime and response time. We increased contract penetration, and we expanded software and services attachment rates across our installed base.

I want to be clear how important services for our customers and for us. Customers expect reliable operations, and for us it's a real opportunity to drive attachment rate, loyalty, but also margins.

Continued step-up in growth, margin, and cash generation

What excites me is the progress we have made already because what we are doing from '23 onwards is translating into a step-by-step improvement and increasing momentum. And the part we are now showing is clearly indicating how we continue to do that and how it will evolve. Because taking this together, we will get to mid-single-digit sales CAGR, mid-teens margin in 2028 as strong cash generation.

From 2026 onwards, expect further improvement, reflecting continued progress in innovation and execution. And we will sustain that trajectory in '27 and '28 to deliver what we promised to deliver. Charlotte and the business leaders will take you through drivers of growth acceleration, but also of margin expansion in more detail.

This is the profile of a business that is ready to scale, a business that is innovating with purpose and executing with discipline. It has a strong team powering this next phase of growth acceleration.

We are moving from foundational work to acceleration of growth and margins. We recognise that there will be challenges ahead, some within our control, others not within our control. But we remain focused, realistic on the world around us and determined as we continue our journey.

Our compass is clearly set and we share it today. We will stay the course, no matter how turbulent the world will be.

Driving profitable growth to deliver sustainable value

Let me close by coming back to what gives me real confidence in the future of Philips. As I shared, we have built a much stronger foundation. We have a clear competitive advantage with our platforms. And together, that puts us in a very strong position to deliver better care for more people, whilst driving profitable growth and create sustainable value.

The 2025 results showed that we are on the right track. The outcome that we are working towards is very clear, mid-single-digit sales, mid-teens margins. This is grounded in the progress that we made, the momentum that we see today and a clear compelling plan which we will execute with discipline.

I am truly excited about what Philips will achieve in the next years. And as you will hear today, we have the team, the innovations and the capabilities to deliver on our plan.

And finally, again, I want to thank our teams and employees for their ongoing dedication to deliver on this. For customers that partner with us, and for our shareholders and stakeholders for their continued trust.

Thank you. And let me now hand over to Charlotte for all financial details. Thank you so much.

Driving Profitable Growth to Deliver Sustainable Value

Charlotte Hanneman

CFO, Philips

Welcome

Good afternoon. Very nice to be here. I am very happy to be joining you for what is my first Capital Markets Day at Philips.

Over the past 1.5 years, I have seen first-hand the depth of Philips' capabilities and the huge opportunities that lie ahead. We have made clear progress, and there is much more to go after. These opportunities will grow as we get better at consistently executing, sharpening our focus and strengthening financial discipline.

Let me explain what financial discipline means to me. It starts with a rigorous resource and capital allocation, with a rewired performance management culture, holding people accountable, focusing on what matters most, all to accelerate profitable growth to deliver sustainable value. Today, I will show you how.

A clear path to mid-single-digit growth and mid-teens margin

As Roy mentioned just a few minutes ago, we have a clear path to deliver on our financial commitments. The plan is designed to continue to deliver consistent progress year-after-year.

Starting with growth. We have shown we can return to growth, delivering a sales CAGR of around 3% in the past three years. From here, we plan to step up to 3% to 4.5% growth in 2026 and deliver mid-single-digit sales CAGR over the plan period. With a strong innovation pipeline, sharper commercial execution and focused resource allocation as key drivers underpinned by strong order intake momentum, we have full confidence in the trajectory.

On profitability, the direction is clear. Over the past three years, we have expanded our margins by almost 500 basis points to over 12%. With the additional initiatives and operating leverage I'll take you through, this gives us confidence to expand to mid-teens over the next three years.

Then cash flow. After delivering €3 billion cumulatively over the past three years, we are targeting €1.3 to €1.5 billion in 2026 and €4.5 to €5 billion cumulatively over the plan period. We have already significantly deleveraged from 3 times in 2022 to 1.7 times in 2025.

Supported by earnings and free cash flow, we intend to keep leverage in a range that's consistent with our solid investment-grade rating throughout the plan period.

And finally, returns. Organic ROIC moved from mid-single-digit to low teens over the prior plan period, and we are confident we can reach mid-teens in 2028, driven by focused investments and continued operational discipline.

Of course, we still live in an uncertain macro environment. Our plan includes currently known tariffs and excludes any potential impact from the ongoing Philips' Respiroics related proceedings.

Strong margin expansion and cash delivery, strengthened foundation for further acceleration

We start the next phase from a position of strength. Over the past three years, we've made a lot of progress, meaningfully strengthening the foundation for the next phase of acceleration in sales, margin expansion and cash, all with a strengthened balance sheet.

Let me double-click into cash flow generation. We delivered €3 billion of cumulative free cash flow over the last three years despite significant cash outs related to Respiroics. Importantly, we released around €1 billion of cash from working capital driven by inventory reduction, the result of structural improvements in the supply chain.

We have proven we can execute, but we also know there is much more to do and to go after. The last three years have built resilience and a stronger foundation, and that is what gives us confidence as we step into the next phase.

Today's full year results show the Philips' flywheel is spinning. It can and it will go faster. Let's start with how the finance priorities are enabling this momentum.

Financial framework creates value through consistent execution and disciplined capital allocation

Disciplined and focused capital and resource allocation is already visible in the choices we're making, so that every euro goes to the highest return opportunity. On organic investments, that means fewer, bigger and better initiatives, including in R&D, where clear investment cases and clear return expectations across the organisation, including funding our high-growth leadership businesses, such as interventional and monitoring that Roy has highlighted.

And on inorganic growth, it means staying focused on deals with measurable value-accretion and applying full cycle rigour from evaluation to integration to deliver the value we committed to. We have changed the pace of the organisation and the performance management culture with more clarity, simplicity and a stronger foundation.

The sense of urgency is real. We now operate in a rhythm of days and weeks, not months and quarters. Transparency and accountability have improved, enabled by our simpler business-led operating model, making performance more visible, ownership clear and decision-making faster. Businesses are in the lead with regions and function supporting. This is now deeply embedded in our culture.

We understand and are focused on exercising the levers that have improved execution. We have sharpened our incentive plans to more strongly reward profitable growth and hold businesses accountable for consistency and predictability as a major part of our performance culture.

We are also driving focused improvement initiatives. Two key focus areas have been targeting: fundamental reduction in adjusted items and rigorously prioritising R&D investments with clear business cases, milestones and accountability.

This flywheel, which provides the discipline around prioritisation and execution, is fundamental to the performance improvement we are confident in delivering to achieve our planned targets.

Profitable sales growth enabled by innovation platforms and commercial execution

To bring this flywheel to life, let me start with the first leg, accelerating sales growth to mid-single-digit CAGR over the plan period.

Three levers will get us there. First, innovation, the largest contributor, almost half of the acceleration. Focused on growth-enabling platforms where we have clear clinical relevance, differentiation and attractive returns. You heard examples from Roy, and you'll hear much more from the businesses, but think of next-generation IGT and monitoring systems, the world's first helium-free 3T MR or our renewed Sonicare platform.

Second, commercial execution. We are doubling down on this. We will convert innovation and demand into growth more consistently, with better visibility, tighter funnel and win rate management and more focused resource allocation. We already have proof points in Europe. A region-wide focus on visibility and stronger funnel discipline has contributed to outgrowing the equipment market over five quarters.

This approach is helping us win partnerships across other geographies and businesses. For instance, in North America, strategic accounts, where a more targeted deployment of commercial capacity is driving stronger performance, including higher services contract penetration.

Throughout 2025, we signed multiple partnerships there, most recently with AdventHealth, which Roy highlighted earlier this morning as part of our Q4 highlights. We see the same playbook working in PH, where strengthened top customer relations are resulting in strong category growth and continued market share gains.

Third, market mix. While we remain cautious on China in the near-term, we expect stabilisation versus headwinds in the last three years when we saw a significant market decline. More

broadly, we see 3% to 5% global market expansion with higher growth in the areas we are prioritising such as Image-Guided Therapy and Monitoring.

Put together, these three levers: innovation, stronger commercial execution and market mix, underpin our confidence in delivering mid-single-digit growth through 2028 in a way that builds sequentially and supports the rest of the flywheel, margins, cash and disciplined capital allocation.

Fewer, bigger, better innovations accelerating profitable growth

Innovation, our biggest growth driver, is focused on developing scalable solutions that will drive profitable growth. We are maintaining industry-leading R&D investment at around 9% of sales. But the real shift is how we deploy that spend. We continue to move to a more structured systematic resource allocation. Again, in simple terms, fewer, bigger and better. That means being very deliberate about what we fund, scaling what works and stopping what doesn't.

And we are doing this with a clear operating model, full ownership and accountability in the businesses combined with strong central coordination to ensure consistency, standards and the right portfolio choices across the Group.

We are focusing on fewer innovations, but those where we have a clear differentiation and high-return potential. You can see that in the platform choices we're making. For example, Azurion in Interventional or IntelliVue in Monitoring, both of which are significant revenue but also margin generators. We are doubling the average investment of our top 10 new product versus 2022, while anticipated sales from these are up by more than 60%.

Together with significantly higher anticipated net present values, this reinforces that the pipeline is getting bigger in impact and stronger in returns. The pipeline is designed to deliver more scalable wins and not just for growth, but also for margin quality.

We are also structurally improving R&D effectiveness and R&D capabilities. Stronger governance, we're driving tighter business cases, clear milestones and stronger execution discipline. We are already seeing progress.

In Ultrasound, for example, we doubled innovation releases in 2025 versus the prior year and significantly shortened the time to market by streamlining the development process.

Sources of growth, building on 2025 momentum

What also gives us confidence in our growth outlook is the momentum we built through 2025, coming from multiple reinforcing sources.

First, our order intake. That is the clearest signal. We delivered 6% order intake growth in 2025. It is broad-based across segments and most geographies, led by double-digit growth in North America, which has been achieved throughout all quarters of last year.

Outside of North America, we're also seeing major wins like the landmark SIHREN project in Indonesia, where we're already deploying our Image-Guided Therapy systems across the world's fourth most populous country.

Second, services, software and consumables. We are driving higher service attach rates, a step-change in remote serviceability and connectivity and expanding in areas where we can monetise the installed base more effectively. At the same time, this will also drive an outsized increase in services margins during the plan period.

Another example is SmartSpeed in MR, an upgrade that can speed up imaging of an existing equipment up to three times, improving throughput for customers and strengthening our services pull-through.

In IGT, we're growing above average through device expansion and the recently announced SpectraWAVE acquisition will support that direction.

In Monitoring, we're scaling consumables, both organically and through partnerships, alongside deeper penetration of our Enterprise Monitoring-as-a-Service offering.

Third, Personal Health. It performed very strongly in 2025, winning market share. We are building on that momentum. As an example, more than six million consumers worldwide have chosen a medical-grade Lumea IPL. Such innovation leadership, combined with the strength of the Philips' brand and commercial execution, is helping us outperform the market with a pipeline that supports continued profitable growth.

Growth acceleration and productivity driving margin expansion to mid-teens in 2028

Let me now talk about what is really changing in our margin story. Previously, productivity was the main engine of margin expansion. That successfully got us to 12%. The next phase has a stronger contribution from growth, while productivity remains an important driver. As growth accelerates, operating leverage begins to kick in.

At the same time, we continue to drive better business mix as fast-growing and higher-margin businesses like IGT and Monitoring become more prominent. And the innovation I've just taken you through is what is enabling that mix shift. That combination, growth, innovation and mix is what drives the first leg of margin expansion.

The second leg is productivity. It's an ongoing work to simplify how we operate, fewer complexities, cleaner processes and a more efficient footprint. In the current environment, that also means being deliberate about where we manufacture, particularly in North America, to manage both cost and risk.

Importantly, this productivity is net of the investments we're making to support growth and improve margins, especially in North America and in scaling platforms like IGT and Monitoring.

We're also realistic about the headwinds we face. Cost inflation hasn't disappeared even though it's moderating. Tariffs add pressure in the near-term and mitigation takes time to fully flow through. That is why margin expansion in 2026 is more measured on the back of strong improvement in 2025 and why it accelerates again after that.

Finally, because this is a volatile environment, we've built in an adjustment for macro uncertainty and FX.

So, the path to mid-teens is not dependent on one single lever. It is a balanced, executable road map, growth doing more over time, productivity staying disciplined and risk managed along the way.

Productivity savings complementing growth-led margin expansion

We control the controllables. In our model, productivity is the key enabler that lets us keep investing in growth while structurally expanding margins.

Over the past three years, we have delivered €2.5 billion of productivity savings, ahead of plan. We have a proven productivity engine. Importantly, we still see meaningful opportunity to

further improve our cost competitiveness. That is why we're launching an additional €1.5 billion productivity programme for the next three years, focused on three areas.

First, cost competitiveness. Simplifying what we build and how we build it. We have reduced our low-performing catalogue items by 35% and will reduce by another 35% in 2026. And have improved margins by reducing the number of platforms, for example, in CT, from seven to three, as Roy already mentioned.

We are not done yet, and we can and will scale further across Philips. We also see further opportunity to bring our bill of materials cost to benchmark.

Second, lean central functions. We have made progress to simplify our central functions as well, and there is more to go after in that area. We are bringing all of our central functions cost to first quartile benchmark level, resulting in an overall 15% to 20% reduction compared to when we started. This will increase speed and effectiveness and further drive accountability into the businesses.

AI is a real lever. Roy spoke about AI and our innovations, but we're also applying it internally to make our own operations more efficient. For example, in PH, 80% of marketing content is created or enhanced with Gen AI. In Enterprise Informatics, R&D is accelerated through greater use of AI-generated codes. And in customer support, AI agents help reduce support cost by 80%.

For currently known tariffs, our plan assumes full mitigation by 2028. We are accelerating regionalisation and optimising supplier and manufacturing networks.

The \$150 million total investment we announced recently to expand our North American footprint, starting with local ultrasound manufacturing expansion in Reedsville demonstrates the strategy in action.

Proven margin performance, with clear levers for further expansion

The levers for further expansion are clear. They're in our control, and they are already working. The progress we have delivered over the past three years demonstrate that both in gross margin expansion as well as in lower operating costs.

Further gross margin expansion will be supported by growth, innovation, and cost efficiency to offset the tariff impact. And our continued simplification efforts will keep operating costs under control and support operating leverage.

2026 is an important building block, with margin progression coming again from both higher gross margin and lower operating expenses, and we will continue to build on these levers through to 2028.

Rigorous execution driving stronger cash generation

We are stepping up cash conversion and aim to deliver €4.5 to €5 billion cumulatively over the next three years. Two key drivers: earnings improvement through growth and margin expansion and a significant reduction in adjusting items, which I will explain in a minute.

We have significantly optimised working capital. Inventories are now in line with industry levels, and on-time and full delivery performance is back at industry benchmarks. We will keep improving and still expect working capital to be a source of cash over the next three years.

However, after the exceptional release driven by supply chain normalisation in the prior plan period, the inflow will be lower. Given the higher tariff environment, we are stepping up capital expenditure to speed up regionalisation to fund both growth and innovation.

Significant step-down in adjusting items

Improving the quality and predictability of our earnings has been one of my key focus areas. Adjusting items have been too high in recent years. And while we are seeing a clear step down from 2023 to 2025, it continues to be a focus, and there is still work to do.

What gives us confidence in the direction is that we're addressing the root causes, not just the symptoms, continued quality-related operational improvements, simplification of the operating model and stronger governance with more transparency and tighter performance management.

In parallel, a number of legacy one-off items, including the Respiroics recall-related costs, are tapering off over time. In 2026, we expect around 200 basis points of impact, mainly related to Respiroics recall-related quality actions and restructuring. From there, we will continue to make progress with the target to reach industry levels by the end of the plan period.

Disciplined capital allocation drives long-term value creation

Our disciplined capital allocation underpins balance sheet strength. A strong investment-grade rating gives us resilience and flexibility in a volatile world. We are committed to retaining it.

Our capital allocation priorities for 2026 to 2028 are clear. First, invest for organic growth. This is where the majority of capital is allocated through R&D and CAPEX with a sharp focus on returns. It links directly to the prioritisation of highest return opportunities and funding of our high-growth leadership businesses as well as the push on R&D effectiveness that I spoke about earlier.

Second, dividend stability. We remain committed to a stable dividend in line with our policy, continuing to target a payout ratio of 40% to 50%.

Third, M&A, selective and value-focused. We apply the same discipline on M&A as elsewhere in the business and have a clear framework with return expectations. We have been active in portfolio shaping, 13 divestments completed over the past three years, with proceeds exceeding what we deployed in bolt-on M&As, and we will continue to sharpen the portfolio.

Fourth, share buybacks. We will evaluate these periodically and only pursue them when they make economic sense and align with our priorities.

Underpinning all of this is ROIC growth. Progress here demonstrates our value creation path.

Profitable growth through segment-specific strategies

Our plan is built bottom-up with clear segment-specific strategies to deliver profitable growth across the portfolio. You will hear more from the business leaders later.

The growth and margin levers differ by business. That is what makes our portfolio both resilient and balanced. But the direction is consistent. We expect improvement in all businesses.

In Diagnosis & Treatment, growth will be supported by AI-enabled platform-based innovation. Margins will expand through scale, mix, margin-accretive innovation and productivity.

In Image-Guided Therapy, we will further extend our leadership with next-generation interventional platform launches.

In Precision Diagnosis, we will build our momentum through a more focused portfolio, industry-leading innovation and sharper commercial execution.

For Connected Care, we expect broadly similar growth rates across the segment, with monitoring as the primary growth and margin driver, given its roughly 60% share of the business. Following the step-up in Connected Care margins from single digits to low teens, we see a clear path to mid-teens, supported by operating leverage in monitoring and cloud migration and scale in Enterprise Informatics.

In Sleep & Respiratory Care, margins have already improved meaningfully as we returned to markets outside of the US, with further progress to come.

In Personal Health, Growth will be driven by innovation, increased adoption and broader channel diversification. This will support margin expansion through innovation-led mix, while selective reinvestment underpins continued adoption and channel expansion.

In summary, we have a portfolio that combines highly profitable AI-driven platforms. We have businesses where margin expansion is delivered through growth and productivity. And we have focused areas where we are deliberately reinvesting to create long-term value. That is why we run distinct strategies by segment. And why, even in the face of tariffs, our margin progression at the Group level has been so consistent with further expansion, both achievable and sustainable.

Financial framework creates value through consistent execution and disciplined capital allocation

Bringing this all together, the foundation of our value creation is disciplined financial execution, translating strategy into measurable execution, clear accountability, focused resource and capital allocation.

Our finance priorities will make the flywheel turn faster, disciplined and focused capital and resource allocation, data-driven performance management and consistent, predictable execution.

We have clearly demonstrated strong delivery over the past three years. We will build on that momentum. I am absolutely certain of that.

Now we are happy to take your questions, but first, let me invite Roy back on stage.

Q&A

Hassan Al-Wakeel (Barclays): Thank you. Hi. It's Hassan Al-Wakeel from Barclays. Two questions, please. Firstly, as you look out to 2028 and the margin bridge, what drives the acceleration in 2027 and '28? And the range – it ranges from 60 basis points to 160 basis points per year based on your outlook.

And then more broadly, how do you see the relative importance of: A, the mix shift from some of your high-growth, higher-margin businesses, such as IGT; and B, improving margins in some of your lower profitable businesses?

And then secondly, we capital allocation. Do you expect to do more M&A in this strategic period given an improved earnings but also leverage profile? And where do you see the key areas of white space?

And then related to this, as you scan your portfolio, do you think there are any more meaningful divestments to be done? Thank you.

Charlotte Hanneman: Thank you, Hassan. A lot of questions in one there. But let me know if I missed anything. Let me start with your margin question.

So, as I said just now, we expect gradual improvement of our margins over the three years, right? In 2026, as we also said this morning on the call, our tariffs will annualise, which actually holds back our margin acceleration a little bit. Hence, we guided for the 20 to 70 bps expansion.

If when we move into 2027 and 2028, the impact of our tariff mitigation will start kicking in, which will give us an additional kicker. On top of that, we, of course, have growth that will continue to accelerate based on the innovations that Roy took you through and also the business leaders will talk about. That is another big driver also of margin expansion because it will drive operating leverage, and also the innovations are margin-accretive. So those would be two things that I would call out there, specifically.

And then on the segment level, because that was your other question. On a segment level, we've given segment-specific guidance there on – that I just spoke through. And what is very important to remember is we are asking all of our business to contribute both in sales and in margin expansion. We are letting no one off the hook. And that is very important.

So, we are – we have stepped away from the 70-30 to really go into the segment-specific strategies, where each of our business leaders together, in a bottom-up plan, we have developed strategies where everyone will improve.

Roy Jakobs: Maybe I'll take the second one and just one more point. The other thing that we, of course, have been driving very hard is productivity. And actually, we like that discipline in actually going after costing out. It makes us more competitive, but it also makes us leaner and faster. So actually, you've seen the €1.5 billion that will remain to be there. And that, of course, will not come in one year, that will come as a continuous feed into margin expansion. But of course, you also see some of that we invest back.

And on the second piece in terms of capital and M&A, we have been very disciplined. Of course, the first period, we strengthened our financial resilience substantially. So, moving forward, we will be more open also to M&A. But the most important is that our portfolio, as we have today, carries this plan. We have a huge organic opportunity that we're excited about. But if we see the right opportunities in M&A, we can also go after now.

We mentioned that we see a disproportionate resource allocation to Monitoring and Interventional, because, of course, those are strongholds where we also have strong margins. SpectraWAVE was the first one where you saw that kind of if we see a real, very attractive targets, we will kind of strike. Now we actually already closed that, and we're really excited about that how it will fuel our cardiology play and our clinicians are really excited about that one.

So, we will do it when it's relevant, but also as Charlotte outlined, we are very clear on the return profile we expect. So, we will be disciplined. But if there's an opportunity, of course, we can also now go after it in a better manner than before.

Hugo Solvet (BNP Paribas Exane): Thank you. Hugo Solvet from BNP Paribas. I have two. First, a follow-up on capital allocation. Given the strong free cash flow guidance, how are you

thinking about incremental shareholder return, share buyback or anything else? And on Respiratory, you excluded a return on the US CPAP market from the 2028 guide, which I think is fair. But you also mentioned that you started to reinvest in that business. So just curious – how you think – how likely you think you'll be able to return to the US market within the time frame of the plan? Probably give us a bit more details on the last step quality metrics that the FDA is asking you about?

And you mentioned Roy that the US – the retail on the US market is value upside. Just want to clarify, is that only sales but also – and also profitability?

Charlotte Hanneman: Let me start with the first one, and then I'll hand over to Roy for the second one.

So, the first one on capital allocation. I mean we've been clear today on the capital allocation priorities. We see a lot of organic upside in this business. That is what we laid out today. So, our first capital allocation priority is organic value creation.

And then the second one is dividend. And as we've also announced today, we will go back to a scrip dividend without a cap over 2025. So, we moved the cap given our better cash profile. But we also know that there's still more to do also from a legal overhang perspective. So that is also where, of course, that what we need to take into account.

And then third, and Roy laid it out, we have already done the SpectraWAVE acquisition. We remain very disciplined, and we have a really good framework in place. But of course, there's – we're looking at M&A as well.

Roy Jakobs: Let me then take SRC. So just on SRC, as I said, a few things. A, attractive market. We still see the sleep market growing in attractiveness. There's also a very nice overlap between sleep and cardiac. And as the number one in cardiac, actually, we see a lot of diagnosis that we get from sleep that actually also flows into cardiac and vice versa.

Secondly, in the first plan, we have been doing two things. One, we have been really bringing this business back to good financial health. So, we significantly expanded our margins and came back into very good profitability because we want to continue to reinvest in that business.

Secondly, we're also driving it where we can drive it, meaning that we are investing in patient interface. We're investing in growing outside of the US. Yes, we are also pruning our portfolio, right? So, we really make choices where we want to play, very clear on Sleep & Respiratory in the home.

And then the last part is we have been very diligent on working through all the consent decree requirements, and we remain on that. As I mentioned before, we are still on track with the requirements that are laid out. So actually, we will remain on that and in close collaboration with the regulator, we will learn when they feel this is good enough for them to kind of give us an injunction lift.

We just don't want to pre-empt that and don't want kind of to speculate on timing. That's why we said, let's be on the safe side, let's park this as a value upside. Value upside is, of course, coming back to sell and then it will also generate margin because we know sleep market is a good and attractive margin business too. So that's kind of how you should look at the plan.

Of course, as we did last time, we'll keep you abreast on any kind of further progress on it, but we also don't want to kind of build a plan on it because actually we can deliver all that you have seen without it. And that's, I think, the prudent approach that we wanted to take on this plan.

Veronika Dubajova (Citigroup): Excellent. Thank you so much. A couple of questions on the mid-term targets. First, Charlotte, I want to understand the 150 basis points to 200 basis points that you've included in the margin bridge as a headwind from FX. How much of that do you expect to occur in '26? And what have you kind of kept in your pocket for '27 and '28, just to give us a bit of sense for that safety margin that you have.

And then actually – Roy, apologies, my second question is going to be for Charlotte again. Free cash flow. Obviously, if I look at what you generated this year versus the cumulative that you're expecting for '26 to '28 in spite of better earnings on an absolute basis, we're not seeing any uplift. I know you touched upon some of the things that are explaining that. But just curious why there is not more of an acceleration in the free cash flow generation. And I guess, in particular, I'm thinking '27 and '28 don't seem to be stepping up at all from the guidance that you've given for 2026. Thank you.

Charlotte Hanneman: Yes. Thank you, Veronika. So let me start with the first question on the margin. So, in that bridge, you saw, indeed, a column with FX Other, and that also includes our risk adjustment, right? Because as we said, we know it's a volatile world at this point. So we want to make sure that we build in some buffers for the things that we do not know about today, but some things that will invariably happen.

So, as you have seen, we've built for 2026, we are giving a guidance of 20 to 70 basis points of margin expansion, which is including the full annualisation of tariffs and is including all the things that we mentioned in the bridge, so there's going to be growth. We guided to 3% to 4.5% growth. So that is a growth uplift which will drive margins. There is productivity. So, part of that €1.5 billion plan that we outlined today will be in there. And then there's the uplift improved commercial execution.

So those three elements are all in, in 2026 already, but the reality is that 2026 is the year where tariffs annualise. So yeah, that is going to just hit us a little bit harder in '26. And then as we go into 2027 and our tariff mitigation plans will start to kick in, and you have seen that we're investing for it, which is also a little bit of a bridge to your cash flow question, but I'll get to that in a second. But that is when it starts kicking in in '27, '28, and that is when you see the margin lifting. So that is on your margin question.

On your cash flow question, a few things there. We are very focused on free cash flow because it's very important to us because it really drives ultimately our capital allocation priorities. A few things that are important to keep in mind. We have a significant margin uplift that we've just spoken about, a reduction in adjusting items, which we know we need to focus on. So that is driving cash flow. At the same time, what we've seen in the last three years is a significant release of working capital and just the cash upside.

For instance, as we've been working through inventory and inventory reduction, which has led to a release of €1 billion in the past three years. Look, that was exceptional. We will not be able to do that again because if you think about where we are, for instance, from an inventory level, we still have more work to do, but a little bit more work to do, not a lot more work to do. So that is one component.

The other component is around capital expenditures. We will be very disciplined in how we spend our capital expenditures, but at the same time we know that the world is regionalising. And because the world is regionalising, we need to invest a little differently. And that is why we also announced \$150 million investment in the US in manufacturing facilities, where we now have the ultrasound manufacturing already in Reedsville. There will be a little more coming there, but we know that we need to invest a little bit closer to the customer.

We're going to be disciplined about it. We're going to have good business cases, but it's just the reality we wanted to take into account. Thank you.

Marc Hesselink (ING): Thanks. Marc, ING. I think you also – a few times you mentioned benchmarking versus other companies in your space. And I think if you look at your Personal Health business, clearly, you're performing very well compared to other companies. In the rest of the business, even with the improvement, you're still a bit below some of your peers. How can you bring that up closer to maybe even beyond the current programme towards the level of your peers? Do you need significantly more volume, more of these things that are in your control, cost cutting and maybe there – what's still the difference between those companies?

Roy Jakobs: Yeah, maybe I can start. So, I think if you look into segment-specific areas, of course, you see different profiles. And that's also why we said we are going to go after very specific segment-based strategies. Because if you look at the interventional space, we are actually leading in growth and in margin. So actually, there, we see further upside in growth and in margin by actually expanding the franchise, right?

If we look 10 years back, we doubled our franchise. When we started in 2015, we started to build Interventional. We said we would have €1.7 billion by around '21, '22. We are now at €3.5 billion in that franchise, and that has continued to accelerate to growth with higher margins. So that actually will be a growth driver and a margin driver in the period. That's also why we say we continue to disproportionately focus on it because we have such a strong leadership position. It's also not only systems but devices, and now also software and AI is kicking in more. So that's an important space.

If you look into Monitoring, we are the leader – outright leader in monitoring. Actually, we also have good margin, and we can accelerate growth. Traditionally, and I think that's very exciting about Monitoring. Monitoring before COVID was maybe a low single-digit growth area. As I mentioned, if you now look into CAPEX plans and what we see also in the order intake coming into Monitoring, the level of awareness that you need to actually measure your patients much more diligently to provide better patient care and up your security levels in your infrastructure and up the insights that you want to kind of get from it with cloud and AI actually makes this space, one that actually is accelerating in growth, also has margin expansion but it's already, of course, then also the mix that kicks in because these two, of course, also in the mix contribute.

Now the obvious one in our portfolio where we have been driving for margin expansion, and we delivered significantly in the first plan period is the PD business. Now there, we have been doing the first leg. We still see further opportunity to kind of expand that. Jie will also talk about that in terms of how we plan to do it. That is a mix of how we go after further cost and productivity and operational improvement.

But now we also see the growth coming in, because we did not have the growth acceleration in the first plan period. That actually, with the innovations we have now lined up, will contribute to growth in that segment. That will catch up first competition. Yes, there's a volume difference with competition. So, we don't – we'll have direct comparable margins, but we also don't need it for a plan, right? We have distinct margin kind of targets that contribute to it.

Then if you look to PH, of course, very strong contributor to margin and also has further room to grow and to expand margins. There, of course, is also very attractive, both mix contributor because given their significant strong margin, any additional growth there will really help you in the mix. Also, from a cash perspective, of course, very attractive because of the cash efficiency that that business has. So there, you see that we have different levels.

Another important one that we invested in was Enterprise Informatics, right? Enterprise Informatics has brought us really software leadership. And in the world, that's accelerating on data and AI, that has proven to be the right investment. But it was an investment business. Also there, we have been stepping up margin. And we see it now accelerating. You saw the Q4 order intake of Enterprise Informatics was far beyond Group and it's really doing well. Also turning it into the cloud makes it more attractive.

So, we have levers in all different pieces of the business. And then, of course, we have SOC, which we brought back to profitability. We see further expansion. But of course, the bigger lift will come there in that business once we get the return to market in the US. So, I think we have quite a few margin levers that we feel comfortable about. That's also why we have shown we are in command of margin, but we have more to do, and that will come after our mix of product – of growth, from the innovations, the productivity that we continue to drive, but also kind of tuning it segment by segment, what we can get out of it.

David Adlington (JP Morgan): Thank you. David Adlington, JPMorgan. Every Capital Markets Day since 2016 has pointed towards acceleration to 4% to 6% top line growth, and you've only hit that three in the last 12 years, I think. Margins have consistently been pointed towards expansion, 15% was targeted by 2020. Obviously, haven't achieved that either. Just wondered what fundamentally has changed in the business or end markets that means it's going to be less risk to those new target as we sit here today?

Roy Jakobs: Of course, great to point to history. I would point to the last three-year history. We came from minus 2% growth, we ended last year plus 2%, and we're now putting that plan back up to go to the mid-single digits. And we're stepping up into the range 3% to 4.5% into '26, and then we kind of build from there.

Why should you believe? 6% order intake growth coming into 2025 coming from before, right, low order intake growth. So, you have the leading indicators that show you where the growth will come through in health systems, Personal Health, regain momentum, share gains, very strong positioning, so there you can trust that actually it will continue to deliver the sales growth.

On the margin mix, we came from 7.4% margin. We are above 12% margin. We increased 500 bps in the plan period. We have very specific plans to continue to expand. So why should you believe? We have been really working on a foundation, structural improvement of how we operate our business, very exciting innovations that are here and are driving the order intake

and the consumer uptake. And therefore, we believe we have a very credible part also for the next few years. And that will start, of course, with delivering in 2026.

Charlotte Hanneman: And maybe if I can add to that. We have become much more disciplined over the past 1.5 years, and I said it earlier today, we are holding people very much accountable week-by-week, month-by-month, quarter-by-quarter. We have also sharpened our incentive plans to ensure exactly that. And that is a real shift in the way we do things. So that is another driver that really gives me personally confidence that we're going to deliver on those targets.

Durga Doraisamy: All right. I think it's time now to break for lunch. So, we will reconvene in an hour back here. So please, there's lunch right outside, and –

Charlotte Hanneman: More time for Q&A later as well.

Durga Doraisamy: Yes, there will be a second session.

Charlotte Hanneman: Yeah, absolutely. Don't worry. Yeah.

Roy Jakobs: Thank you.

Charlotte Hanneman: Thank you.

[BREAK]

Diagnosis & Treatment: Image-Guided Therapy

Bert van Meurs

Chief Business Leader D&T, Image-Guided Therapy, Philips

Welcome

Okay. Well, welcome back. I hope you enjoyed your lunch. And good afternoon. My name is Bert van Meurs. I'm the Chief Business Leader for Image-Guided Therapy. And together with my colleague, the Jie Xue, we co-lead Diagnosis & Treatment. And I'm very excited to start our business presentations first with Diagnosis & Treatment.

Elevate imaging, diagnosis and intervention through differentiated AI-powered systems and platforms

Now as Roy already mentioned, D&T, we elevate imaging, diagnosis and intervention through differentiated AI-powered systems and platforms. And we have proven leadership positions, like we are the global number one in Image-Guided Therapy. We are number one in cardiovascular ultrasound. And we are among the top three in diagnostic imaging, including the world's first helium-free MR.

And Diagnosis & Treatment represents €8.5 billion of sales with 11.7% adjusted EBITA margins. While we have a strong plan to accelerate our growth to mid-single-digit with mid-teens adjusted EBITA margins by 2028.

2026-2028: Accelerating profitable growth

So let's have a look at the bridge, how to get there. We already exited 2025 with solid order intake and margin momentum, and we expect to continue on this trajectory.

And then, our path to mid-single-digit growth has three main levers. First, margin-accretive innovation. And as Jie and I will discuss later, we have a strong innovation pipeline with multiple world firsts, supporting growth in the plan period and beyond.

Now second, commercial and service execution. And here, we are improving visibility and win rates, leveraging the strength of our installed base and expanding service attachment.

And third, a renewed market mix strategy. And while we remain cautious on China in the near-term, we expect stabilisation versus the headwinds in the last three years. And we will leverage our strong position in North America of our IGT business and Ultrasound business.

And together, growth, productivity and tariff mitigation are expected to drive us to mid-teens margins. This expansion coming from both Image-Guided Therapy and Precision Diagnosis.

Diagnosis & Treatment

Image-Guided Therapy

So now over to Image-Guided Therapy. And what I want you to take away is simple. We are the global leader in this space, and we didn't get here by chance. We have been shaping this market for decades through a consistent strategy of procedure innovation, deep clinical partnerships and disciplined execution, and thus helping our customers to treat patients better.

And today, we are already building the interventional platform of the future. As Roy already mentioned, we are building an AI-native workflow that improve outcomes and productivity.

Image-Guided Therapy

So in 2025, in IGT, we delivered €3.5 billion in revenue, which is divided over €2.4 billion from systems and software and €1.1 billion from our devices business. And we've held the number one position in systems for over a decade. And we operate at scale. We have over 20,000 systems in more than 80 countries.

And this installed base is not just a footprint. It's the engine that let us deploy innovation fast and drive impact at scale. And here is where we are truly unique. We are the only company integrating systems, software and devices into one interventional platform. And did you know that every second – every second – a patient somewhere in the world is being treated on a Philips interventional system.

Proven global leadership with consistent performance and market share gains

So over the past decade, we've more than doubled our revenue to €3.5 billion and we gained share driven by a clear and consistent strategy, platform leadership, disciplined M&A and long-term partnerships. And that's building on the compounded effect of the synergy between systems and devices. And we also shape entire markets like our partnership with the government of Indonesia, where we are delivering hundreds of labs across the entire nation.

Now looking ahead, we aim to continue on our strong growth trajectory of mid-to high-single-digit revenue growth, of which 50% is from recurring revenue. And this enables us to target a low 20s EBITA margin by 2028. And we already executed targeted acquisitions like Volcano and Spectranetics.

And now, we continue to reinforce our coronary leadership with the acquisition of SpectraWAVE. And we will further accelerate our growth with inorganic and organic investments like the AI innovation with Azurion Eye that I will explain later much more.

Attractive market driven by procedure growth and patient volume

So image-guided therapy remains a very attractive market with strong structural drivers. The addressable market is around €12 billion in 2025 and is growing at around 7% to 2028.

And demand is driven by a number of key value drivers. An aging population and large growing patient volumes that still remain underserved. And at the same time, hospitals face staff shortages and productivity pressure, so workflow efficiency is now a strategic imperative. And we address this with clinically proven innovation, enabling more complex procedures and supporting guidelines and reimbursement. And that combination is accelerating the shift towards AI-supported interventions. And this is exactly where we are the strongest.

We serve underpenetrated, high-growth interventional therapy procedures

And Image-Guided Therapy spans many different disease-specific applications. And all of these have large patient pools and also strong procedure growth with even double-digit growth in areas like structural heart or stroke in neurovascular.

But the bigger point here is the unmet need. Many patients who could benefit from these interventional procedures still remain untreated. And our approach is to innovate the procedure with disease-specific applications, but all built on a single integrated platform, so hospitals can scale capabilities across service lines and improve outcomes and treat more patients.

Market-leading integrated interventional platform delivering procedure innovation in complex clinical areas

And at the heart of that strategy is our Philips interventional platform based on the Azurion. And here, we integrate interventional imaging with multimodal image fusion and AI. And an integrated device console that is seamlessly connecting our diagnostic and therapeutic devices. And this is not just a collection of products. It's a cross-system workflow that's based on market-leading platforms. So also integrating our Ultrasound and Monitoring platforms.

Now why is this important? Because it delivers measurable value. Reduced procedure time, reduced variation and a smoother experience for the entire team. The largest installed base gives us a unique advantage and our one commercial team drives adoption with deep clinical support and customer intimacy.

Industry shaping innovation track record and roadmap

So over the last three years, we already delivered growth by focused innovation. And we have refreshed our Azurion platform, and we are starting to scale now the world's first LumiGuide for radiation 3D guidance. And we did many, many more.

But looking ahead, we have a strong roadmap focused on further improving workflow efficiency and radiation reduction, like an upgraded fully integrated IntraSight Plus device control, our Next-gen Digital IVUS and that comes with AI interpretation, and the integration of our SpectraWAVE portfolio.

And we are already proving the model of co-creation at scale with DeviceGuide. DeviceGuide is codeveloped with Edwards Lifesciences and it integrates ultrasound and x-ray into a single AI-powered guidance solution for mitral valve repair. And that is a concrete example of how we make emerging complex therapies easier to adopt and scale and enabling treatment for patients that could not even be treated before.

On top of that, we will progressively release our AI-enabled future platform, the Azurion Eye. And this will revolutionise the way interventions are done and will also be the foundation for our robotic procedure automation in the future.

So let's now have a look at the largest value pool in interventions, coronary artery disease.

Most advanced and complete portfolio for coronary interventional procedures in the industry

Coronary artery disease is still the global leading cause of death with over 250 million patients worldwide and more than 25 million interventions. And it has been clinically proven that next to angiography, the use of intravascular imaging and physiology improves patient outcomes. And here, we are leading with our Azurion systems integrated with our intravascular ultrasound or Digital IVUS and this physiology assessment with our OmniWire.

But now with the acquisition of SpectraWAVE, we are even expanding our leadership position, because SpectraWAVE has ultra-high resolution enhanced vascular imaging and plaque characterisation, which is really a leapfrog solution for complex procedures, and that's a segment that's growing at more than 40% per year.

And likewise, SpectraWAVE's AI-enabled image-based physiology is a great complement to our OmniWire. It's enabling fast, non-invasive insights in physiology. And that's a segment that's growing more than 20% per year. So together with SpectraWAVE, we offer the most advanced and complete portfolio to address the largest interventional value pool.

And besides that, SpectraWAVE brings a very strong culture of AI and clinical capabilities. And it's a perfect match with Philips and it's really an acquisition I'm very excited about.

But don't just take my word for it. Let's hear from two leading interventional cardiologists, Dr Ziad Ali and Dr Evan Shlofmitz from the St Francis Hospital in New York. And they're using SpectraWAVE during a live patient procedure at the OPCI conference.

[VIDEO PRESENTATION]

Speaker: Hey guys, welcome to St Francis. Today, we've got something exciting for you. It's the newest SpectraWAVE catheter. This is a HyperVue Starlight system. HyperVue is the system. Starlight is the catheter. The interesting thing about the Starlight system is that it's a combined OCT near catheter. It's a DeepOCT system. What that means is that it has a really high resolution. All I'm going to do here is a little flush to see if we can clear the artery and I inject and it's going to automatically pull back. And that's how easy it is to do a SpectraWAVE. Then you see the lesion and you'll see an area that's yellow, and that's the area that's got a high lipid content. So a lipid content greater than 32.5%.

Speaker: And this is one of the things that you're not used to seeing from some of the alternative OCT imaging software is then this basically incorporates the dual-imaging modality part of the catheter where it uses near or near infrared spectroscopy to detect where there's lipid. And for PCI planning, I find the lipid detection so important because we know we want to avoid landing to stent edge in a lipidic plaque. So very, very helpful in determining exactly where we want to have our stent edge. Inject.

Speaker: And so you can see, again, it's a very, very quick pullback. Looks pretty good. I think that's gold guys. I think I'm done here.

[End of VIDEO PRESENTATION]

Bert van Meurs: So that's the clinical reality. You see faster insights, better decision-making and a workflow that supports the team. Now – and that brings me to the next step and Roy already mentioned, where we are announcing our platform strategy, building the cath lab of the future with Azurion Eye.

Building the Cath Lab of the future with Azurion Eye

Today, we already have the platform with the leading workflow. But we are not stopping there. And we have asked ourselves how can we bring the next breakthrough in optimising workflow and drastically change operational efficiency in the cath lab. And our answer is Azurion Eye. Azurion Eye is an industry-first, AI-powered software platform to drive procedural and operational efficiency and optimise outcomes.

So, let's have look at the next video showing our vision.

[VIDEO PRESENTATION]

Speaker: In today's interventional lab, complexity is rising, procedures are more demanding, and hospital leaders are expected to deliver more procedure volumes with better outcomes despite tighter cost pressure. Our customers are clear. They need a smarter system to make procedures safer, faster, and more consistent.

Now imagine an interventional platform that could sense what's happening in real time, where signals across imaging, haemodynamics, devices and workflow would come together, where automation would reduce friction and anticipate next steps, so clinicians can focus on what matters most, the patient.

This is the Azurion Eye vision, an AI-driven software platform seamlessly integrated into the Azurion ecosystem, an ambient copilot supporting the care team, orchestrating workflows and streamlining reporting. Built to scale and fuelled by a growing portfolio of AI capabilities, the Azurion Eye platform will be co-created with clinical institutions and industry partners to continuously innovate the procedure.

For hospitals, this would mean measurable improvements in efficiency, consistency and outcomes. For clinicians, it would democratise their clinical skill sets, broadening access to care, so more patients can be treated.

This is how we lead. This is how we care. This is Azurion Eye.

[End of VIDEO PRESENTATION]

Building the Cath Lab of the future with Azurion Eye

Bert van Meurs: So, this is how we see the future. But we are building this already today. And we're not doing this alone. We are working with the clinical consortium of leading institutes like Stanford, UCSF, Amsterdam UMC and Baptist Health South Florida to co-develop AI propositions to solve real clinical and operational bottlenecks.

And together with industry partners, such as NVIDIA and Edwards Lifesciences, we are building the foundation for AI in the cath lab. This for us is also a significant growth opportunity with adjacent high-growth software and it's deployable across our existing and future installed base and accelerated leadership in AI and data-enabled interventions. And we will release modules progressively over the next three years.

Driving profitable growth through disciplined execution

Now, I'd like to reinforce what I've said before. We drive disciplined execution for profitable growth. So let me highlight just a few critical points.

First, patient impact and quality remain our highest priority. Second, operationally, we are improving resilience through selective localisation to address the current geopolitical changes.

And finally, we are already accelerating commercial and service excellence by improving our visibility and win rate and driving share gain. We are expanding our devices footprint, and we improve service efficiency through remote diagnosability.

Image-Guided Therapy*Key takeaways*

So let me summarise. We are the global leader in Image-Guided Therapy, with the largest installed base and a uniquely integrated interventional platform, system software and devices seamlessly working together. We serve underpenetrated high-growth therapy areas and have the most complete portfolio in the largest value pools in interventional care. And we are accelerating the next chapter of procedure innovation, expanding coronary leadership with SpectraWAVE and building the catalogue of the future with Azurion Eye.

And this positions us to deliver mid-to high-single-digit revenue growth and adjusted EBITA above 20% by 2028.

So, we are very proud of the leadership that we've built over the last decades and even more excited about the next phase of innovation.

And with that, let me introduce Jie, who will now present Precision Diagnosis. Thank you.

Diagnosis & Treatment: Precision Diagnosis

Jie Xue

Chief Business Leader D&T, Precision Diagnosis, Philips

Welcome

Thank you very much, Bert. Good afternoon, everyone. This is my first Capital Markets Day at Philips. Great to meet all of you. I joined Philips just over a year ago after more than two decades in the imaging industry because I saw real opportunities here.

Precision Diagnosis is a business with tremendous strength to be unlocked. Having brought many groundbreaking firsts to the world, Philips has shaped imaging for over 100 years, and we continue to do that today. Imaging serves as the eyes of the clinicians, enabling earlier, more confident diagnosis decisions to better care for patients.

Today, I will walk you through how we have strengthened this business, how we're unlocking its potentials to be the sharpest eyes for the clinicians and how this positions us for growth and value creation in the coming years.

Precision Diagnosis

Precision Diagnosis is a €5 billion business with roughly a third coming from ultrasound and two-thirds from diagnostic imaging. We hold leadership positions in key technologies across the portfolio.

In Ultrasound, we are number one in cardiovascular. We also lead in premium systems and customer services. In imaging, we lead in helium-free MR and spectral multi-energy CT. All of this is powered by Enterprise Informatics, where we are number one in PACS. Enterprise Informatics enables integrated diagnostics across imaging and pathology for all care areas.

2023-2025: strengthened foundations and renewed leadership team with strong domain expertise

Let me briefly step back and summarise the transformation Precision Diagnosis has undergone over the past three years, where I would describe as a strengthening phase. Through the pandemic years, execution was in our own way. We struggled with supply, fulfilment and other operational items.

From 2023 to 2025, we deliberately refocused the organisation on what matters most, patient impact and quality, strengthening execution rigour, stabilising supply and restoring delivery reliability. Quality improvement is a multiyear journey. We continue to put quality front and centre, remain vigilant and disciplined. We have made a massive improvement. The vast majority of the work is done.

In parallel, we made clear strategic choices on where to play. We exited the value segment, reduced the platform and skill complexity and simplified the portfolio to sharpen our focus on performance in the premium segments. We also energised our innovation pipeline, launching major innovations across all modalities with a much stronger emphasis on quality and differentiation. And throughout the process, we also renewed the leadership team.

With that, came a strong cultural shift, a stronger focus on performance management, accountability and the rigour in execution driven deep down into the organisation. As a result, we delivered on our earlier strategy, expanding margins from mid-single-digit to high-single-digit.

Precision Diagnosis today is fundamentally stronger, more focused and leaner, ready for move into the next phase, which is about growth, profitable growth.

Rising demand for imaging and precision diagnosis in pressured healthcare systems requires smarter, integrated solutions

Now to explain how we plan to grow this business, it's important to start with the problems we are solving for our customers. Demand for imaging and precision diagnosis continues to rise, while healthcare systems operate under increasing pressure.

Radiology departments face capacity and workforce constraints, rapidly growing data volumes and the rising expectations for speed and quality. We see these challenges as clear opportunities to help our customers outcomes improve, increase productivity and manage cost sustainably, not just with more systems but with smarter, more integrated solutions.

From products to productivity: connecting systems, data, and intelligence

This is what we mean when we talk about smarter, more integrated solutions. Imaging is no longer about individual systems. It must be organised around the ecosystem focused on productivity and workflow. Imaging is moving closer to where the patient is.

In additions like our helium-free MR remove location constraints. Images also needs to be read where the clinician is. With our open vendor-agnostic Enterprise Informatics, images flow across modalities in sites, allowing radiologists to access and interpret studies wherever they are in real time.

And finally, AI closes the loop by supporting interpretation, generate insights and helping clinicians manage growing volumes and the data complexity. This is how we remove friction across the diagnostic process, connecting systems, data and intelligence into one continuous ecosystem that helps healthcare providers care for more patients.

Intelligent workflows that elevate productivity and outcomes across the diagnostic journey

Let me show you how our imaging platform approach comes to life across the patient diagnostic journey, delivering tangible benefits for both patients and the care teams. It starts with preparation. AI helps simplify patient study set up and reduce variability, making exams easier to perform and more consistent across operators.

During scan and image generation, AI is embedded directly into our systems. This enables better image quality, shorter exams, helping care teams work faster without compromising clinical outcomes.

As we move into post-processing, reading and reporting, our informatics and workflow solutions streamline how images are managed, shared and interpreted. This reduces administrative burden and a non-reading time, allowing clinicians to focus on diagnosis.

Imaging volumes continue to grow. We support radiologists with a broad and expanding set of AI-powered clinical applications that help prioritise cases, support interpretation and improve diagnostic confidence. This is how advanced technology translates into everyday clinical practice, improving efficiency across the diagnostic journey.

A focused, multi-year innovation roadmap driving profitable growth

Let me now give you a view of our innovation roadmap and how it propels us into a clear growth phase over the coming three years.

On the left are products we have launched over the last two to three years. These innovations are now scaling globally already contributing to revenue and gross margin expansion. In the middle are products we recently announced. They are the primary growth engines for 2026 to 2028, extending strong existing franchises into new use cases and new settings while also delivering a higher margin profile.

In Ultrasound, we are extending cardiovascular leadership into point-of-care settings. In MR, we're expanding our helium-free platform to higher field strength. In CT, we're embedding AI into spectral imaging to simplify workflow and speed diagnosis.

We continue to invest in future innovations for the long run, increasing automation and reducing complexity. Services amplify this road map. Higher service attachment, software upgrades

and life cycle offerings increase recurring revenue and boost margin, which further strengthens the quality and the resilience of growth.

We are driving a step change in commercial execution to scale what's already available and announced in the market. We will start to see the order book impact in 2026 and more substantially in 2027 and beyond as we obtain regulatory clearances in major markets.

With that context, let me now go deeper into Ultrasound, MR and CT, starting with Ultrasound.

Ultrasound: Expanding access by leveraging best-in-class technology and clinical solutions

Ultrasound is a higher growth, structurally higher-margin business, an important contributor to Precision Diagnosis, Image-Guided Therapy and our cardiology leadership position.

There are three clear growth drivers for us. First, leadership. We hold number one position in cardiovascular ultrasound, supported by differentiated transducers and a broad clinical-proven AI portfolio that improves consistency and diagnostic confidence.

Second, expand access to care. While cardiovascular remains our anchor, our growth increasingly comes from general imaging and point of care. By embedding AI in a simplifying use, we're extending ultrasound to more users, more patients and more settings, including previously underserved populations. For example, babies born with congenital heart disease can now be diagnosed with our industry-leading 3D TEE transducer as we have miniaturised the transducer in size.

Third, autonomy. We are deliberately driving ultrasound toward greater automation, reducing operator dependency and workload, which is critical in environments facing ongoing workforce constraints. Supported by a step-up in innovation speed, these levers position our ultrasound business to continue to grow and sustain attractive margins.

MR: Setting the new standard in high-performance helium-free imaging

Let me now turn to another strength in our portfolio: MR. I would like to start with a video that shows how we are redefining high-performance imaging with the combination of helium-free technology and AI.

[VIDEO PRESENTATION]

The high-rise location you just saw at the end of the video is inspired by one of our systems installed in the middle of Hong Kong. Isn't that amazing? And only a few miles away from here in Wood Green, London, Philips MR is working hard in a community diagnostic centre inside a shopping mall.

By going helium-free, we are not only preserving a non-renewable resource doing the right thing for our planet, we're also fundamentally changing where MR can be deployed. It's no longer confined to basements, giving providers the freedom to place scanners anywhere even on mobile trucks.

We are the industry leader in helium-free MR. It's proven, scaled and attested in demanding clinical environments up to 100 exams a day. That's industry-leading throughput.

With the recent announcement of 3.0 Tesla, we are on track to be the first to have 100% helium-free MR portfolio. We deliberately combined this hardware breakthrough with AI-powered automation because MR remains one of the most complex imaging modalities.

AI enables faster, more consistent scans with high image quality, making advanced MR accessible across a broader range of skill levels, including cancer screenings and health checks at scale.

Our strategy is already translating into commercial momentum. In Europe, we have gained share for five consecutive quarters, reflecting strong customer adoption. This also supports margin expansion as we structurally reduce, eliminate helium-related costs across manufacturing, logistics, installation and service.

Looking ahead, the combination of helium-free technology and AI also forms the foundation for our vision of autonomous MR, addressing complexity, workforce constraints and the throughput challenges.

CT: Spectral leadership today, primed for Spectral Photon Counting next

Let me now turn to CT. Philips was the first to introduce detector-based always-on Spectral CT with over 800 systems in everyday clinical use right now. This broad adoption has allowed us to help define how spectral information is used in routine clinical practice without adding complexity to workflow.

Building on this, we have announced Verida, our AI-embedded spectral CT. By embedding AI directly into the image chain and the spectral workflow, starting from the detector, Verida delivers sharper images and a faster reconstruction for demanding clinical needs, including acute and ultra-high throughput environments, supporting up to 270 exams a day.

This same spectral foundation prepares us for what comes next: Spectral Photon Counting CT. Photon counting is spectral by design, and our deep expertise in spectral acquisition, interpretation and workflow supports us to bring this technology into everyday clinical practice anywhere. Altogether, we are well positioned to build on our proven spectral base, drive broader adoption, gain share in premium segments and support margin expansion.

Driving profitable growth through disciplined execution

Now, execution is the critical driver of how innovation turns into impact. With a strengthened foundation in place and a continuous cultural shift toward higher performance, rigour and accountability, we operate today with much greater clarity and confidence.

Our highest priority remains patient impact and quality, improving diagnostic outcomes by reducing variabilities and the delays, supported by a simplified high-quality product portfolio. We continue to strengthen operational resilience, future-proofing manufacturing and the supply chains to operate efficiently and reliably in a more uncertain world.

In parallel, we're driving productivity and speed through a platform-driven approach, reducing complexity, lowering costs and freeing up R&D capacity. We are putting particular focus on commercial and service excellence to ensure our differentiation translates into value. We are tightening pricing discipline and portfolio mix, working closely with clinicians, key opinion leaders and building deep clinical and technology partnerships.

We're also continuously improving customer experiences by upgrading our large installed base with AI-powered software, allowing customers to benefit from our latest innovations without replacing hardware and using AI to proactively improve system reliability, often identifying issues before they are visible to customers.

This gives us clear confidence that the strategy you have seen today will be delivered consistently, commercially and at scale.

Precision Diagnosis

Key takeaways

Let me close with a few key takeaways. Serving as the eyes of the clinicians, imaging sits at the centre of healthcare. Demand is rising, systems are under pressure and expectation for quality, productivity and integration continue to rise. We are built for this challenge.

We have made clear choices in our platform and where we invest in innovation and in how we execute. And these choices are translating into real momentum across the business. With a differentiated imaging platform, a focused road map in performance and the premium segments and the disciplined commercial and service execution, we are confident in both our direction and our ability to deliver.

This underpins a clear outlook for Precision Diagnosis. Low to mid-single-digit revenue growth from 2026 to 2028 and the low teens adjusted EBITA margin in 2028.

Thank you very much. Let me now welcome Julia to the stage and share about our Connected Care business.

Connected Care

Julia Strandberg

Chief Business Leader Connected Care, Philips

Welcome

Good afternoon. I'm excited to be here with you today. At the heart of Connected Care is about connecting life longitudinally, from hospital to home and everywhere in between.

Connected Care is a key growth driver for Phillips and plays a central role in delivering to our mission: better care for more people. We deliver better care by building platforms that ground us in data, intelligence and trust. And we reach more people by expanding our installed base of devices, software and services.

This combination of platform, scale, plus intelligence is what makes Connected Care a strategic part of the healthcare ecosystem.

Global leader in care intelligence

Connected Care has three businesses: Monitoring, Enterprise Informatics and Sleep & Respiratory care, all with a common foundation of care intelligence.

Monitoring remains the key growth engine, representing 60% of this portfolio. Monitoring is the leader across hospital and ambulatory settings through real-time data platform, patient monitoring devices and diagnostics.

Enterprise Informatics is the leader in device integration and imaging informatics. Monitoring and Enterprise Informatics together form the world's largest monitoring ecosystem.

Earlier, Roy spoke in detail about the Sleep & Respiratory Care business. Our strategy is twofold: one is executing on our remediation plan to return back to the US; and two, accelerating growth in international markets.

2026-2028: Accelerating profitable growth

Connected Care is well-positioned for profitable growth. Over the past three years, our growth has been temporarily constrained by post-COVID normalisation in monitoring, supply chain disruptions and the Sleep & Respiratory Care portfolio – Sleep & Respiratory Care recall. Those headwinds are largely behind us. We have built a robust order book that underpins our mid-single-digit growth.

Innovation drives our growth by winning competitive accounts. Our continued hospital and home software releases strengthen our enterprise value. And our hardware innovation across monitors and consumables secures and expands our installed base.

Commercial execution also adds to our growth. We'll continue to grow our Monitoring-as-a-Service model and other commercial innovations. For example, Hoag Health, one of California's largest health systems signed a 10-year partnership with Philips. This partnership includes our hospital platform, our suite of IntelliVue monitors and our Capsule medical device integration. Hoag adds to a growing list of our large Global-as-a-Service customers.

Each business across Connected Care will contribute to our growth. On profitability, we've already made meaningful progress and we see a clear path to mid-teens margins, led by mix and operation – operating leverage. Overall, Connected Care has strong fundamentals and momentum.

Data and AI are driving a fundamental shift in care intelligence

Our enterprise value proposition is highly aligned to key market forces. Financial pressures are accelerating for health systems. Costs have nearly doubled over the last five years. At the same time, healthcare data – healthcare is generating a tremendous amount of data. The average hospital produces 50 petabytes of data every year and is growing at an increasing rate of 47% per year.

To create this financial relief valve, our customers are looking to AI and care intelligence. And that is why 90% of health systems today have already deployed at least one AI use case. But to enable AI at scale, both Philips and our customers must focus on cybersecurity.

I've already had many conversations with health system CEOs that say a cyber risk is bigger, a bigger issue than the pandemic costing them approximately \$10 million per incident. Healthcare is being reshaped by these market forces, and that's how new markets are being created.

Today, we operate in a €23 billion market growing at 4%. By addressing these challenges, drives faster – drives expansion into faster-growing adjacencies with several billions of incremental opportunity.

Now, I'm going to take a deep dive into Monitoring in partnership – and in partnership with Enterprise Informatics is positioned to unlock this opportunity.

Monitoring

Monitoring is at an inflection point. What started as individual bedside devices has evolved into something much more: care intelligence. Care Intelligence transforms continuous patient data into action and insight supporting earlier interventions, reduce complexity for clinicians and improved patient outcomes.

Monitoring is no longer just about observing patients. It's about the data fuelling performance across the health system.

To bring to life our portfolio, I'd like to introduce you to Philips Monitoring.

[VIDEO PRESENTATION]

Speaker: Every healthcare journey begins with uncertainty, but for patients with heart trouble, the clock starts ticking fast. With Philips, information doesn't wait. An integrated cardiac platform delivers the patient data and insights clinicians need. In the ED, a groundbreaking AI tool quickly analyses a patient's heart failure risk, helping clinicians get to the right diagnosis.

With AI, specialists can also compare a new ECG to past results, identifying trends without tedious manual work, even when they're off site. It's how innovation can accelerate cardiac care and help address ED congestion. With options to extend care beyond hospital walls, stable patients don't need to be admitted just in case. They can go home with connected monitoring that keeps heartbeats in view, opening bed capacity for the sickest patients while maintaining high quality oversight for those monitored at home.

Philips is secure by design, so when action is needed, patient data moves with the team protected every step of the way.

Accurate insights starts at the point of measurement. Philips consumables are designed to deliver reliable patient data from the very start. When interventions begin, clarity matters just as much as continuity. Philips brings design to the data, helping clinicians quickly recognise changes when seconds matter most, whether in the OR or the cath lab, the same device stays with the patient, avoiding the need to re-cable along the way.

Healing needs quiet as much as vigilance. Clinicians on the go receive critical alerts from the bedside, enabled by an open ecosystem of over 1,000 unique third-party devices. Without constant bedside alarms, patients can rest and recover. As patients regain strength, monitoring adapts, supporting mobility without sacrificing continuity of data and oversight. Behind the scenes, centralised teams help filter distractions, validate alarms, and keep clinicians focused on what's actionable.

All of those data points, every cardiac journey coming together to drive operational efficiency across the entire network. One gapless monitoring ecosystem, one integrated platform, one end-to-end cardiac solution.

Philips enables you to support continuous connected care from hospital to home and every step in between. Philips.

[End of VIDEO PRESENTATION]

Platforms and deep customer relationships driving growth and margin expansion

Julia Strandberg: Monitoring is growing faster than the market and expanding margins, driven by durable, reinforcing advantages.

First, our industry-leading installed base is our competitive moat. Most likely, you will enter a hospital sometime this year and there is over a 50% chance that you will see the Philips monitoring brand.

We expand this advantage in three dimensions. Number one, as hospitals consolidate and standardise, Philips becomes the default monitoring platform for newly acquired hospitals and networks. Two, monitoring is expanding beyond high acuity areas like the ICU and the OR to lower acuity settings like the gen care floor.

And three, health systems extending are their use of monitoring outside of the hospital to the home. Our platform and our innovation is how we win new business and dislodge competitors.

Philips operates one of the largest real-time data and insights platforms in healthcare, processing billions of high-fidelity clinical data points every day. Together with Enterprise Informatics, we form the largest open and interoperable ecosystem in a single monitoring platform. And this is accelerated, but it accelerates our AI innovation and is enabled by our ECG and hospital marketplaces where we can deploy both Philips and partner algorithms.

Monitoring is fortifying its place as a top strategic partner for health systems today.

Differentially positioned to gain share through scalable care intelligence

We have built a scalable infrastructure and an enterprise value proposition that drove significant share gains in Monitoring. Monitoring relies on Enterprise Informatics to integrate the world's largest installed base of patient monitoring devices, and the world's largest ecosystem of partner devices with more than 1,000 third-party medical devices and health information systems, including EMRs.

Intelligence is delivered in four critical locations: at the bedside, in central monitoring units, on mobile devices for clinicians and in remote facilities for care at home. Our platform scales to every bed and connectivity node. And we will continue to deliver this intelligence across many of our health systems.

Large health systems investing in our care intelligence – with an installed base across 90% of the top 100 systems globally

We are serving multiple health systems today with our portfolio. And in fact, we serve 90% of the top 100 systems globally today. Bon Secours and Inova are creating a standardisation and default on Philips using our Care Intelligence platform across their enterprise.

And because of our global reach, we are impacting some of the most innovative health systems, again, across the globe. Our customers are seeing measurable impact by giving more time back to clinicians, lowering per patient costs and saving lives. This is an x-ray of our product architecture.

Industry-leading real-time care intelligence platform – optimising health system performance around each patient case

Philips builds our platform architecture not by disparate applications, but a unified and seamless experience across devices and users. We drive this continuity with responsible practices, focusing on data privacy, cybersecurity and ethical AI, all with trustworthy technology at the heart of our architecture.

Again, we bring in our world's largest installed base of patient monitoring devices, married with the world's largest ecosystem, ecosystem of technology and partner devices to make sure that we deliver across the entire platform.

Connected Care: A focused, multi-year innovation roadmap

Innovation is our growth engine. Over the last strategic period, we delivered and scaled our hospital software platform through continuous SaaS-like software releases. In addition, we delivered hardware innovation, which drives continued growth between '26 and '28.

In the short-term and mid-term, we're going to create catalysts, which continue across software, services, consumables and AI. While at the same time, we're investing in transformative AI-enabled platforms built with intelligence at its core.

Our next-generation platform represents billions of opportunities from both expanding and securing our installed base. Our innovation is our foundation, and we will drive faster growth and sustained leadership. I'd love to show you our next generation.

[VIDEO PRESENTATION]

Speaker: The single greatest challenge in healthcare is determining the right path for each patient. Every moment of uncertainty comes at a cost. But what if clarity came sooner, thanks to a health system that stayed one step ahead? Faster diagnosis, earlier interventions and fully connected hospital to home monitoring.

That's the Philips intelligent health system driven by AI. For the first time, clinical, operational and financial intelligence will be unified into a single view. The power of AI we're leveraging today is just the beginning. Imagine connecting the power of the world's largest real-time patient dataset with the operational data from the industry's largest network of health systems. That's the real breakthrough.

In the future, in-room cameras and sensors will lessen the impact of staffing challenges, feeding continuous data to AI agents that will automate tasks and optimise resources across the entire health system. Patients' medical information will flow into a single view, connecting lab results, monitoring data and patient records, providing the context for AI to power personalised clinical decisions. And insights into risk-reducing reimbursable services will guide earlier, safer discharge, helping patients avoid readmission and freeing hospital beds for those who need them the most.

By partnering with Philips, health systems could see shorter hospital stays, lower readmission rates and better patient outcomes, transforming monitoring from a cost centre to a care and system optimiser. That's the promise of what's next with Philips: personalised care pathways for every patient, backed by health systems that are financially stronger and operationally smarter.

Only Philips can deliver the connected health system of tomorrow, driving better care for more people. Philips.

[End of VIDEO PRESENTATION]

Connected Care: Driving profitable growth through disciplined execution

Julia Strandberg: Looking ahead, we're focused on disciplined execution in two key areas: one, patient impact in safety; and two, commercial excellence.

Our patient impact and safety focuses on how we secure both our health systems and the patients that they serve. And then two, in commercial excellence, we focus on AI-enabled advanced analytics to support predictability, customer relevance and win rates.

Connected Care

Key takeaways

Healthcare is undergoing a fundamental transformation towards real-time care intelligence. And this is where Philips is uniquely positioned. Data and AI convert our installed base into leverage and that leverage has already translated to results. This positions us for durable value creation over the strategic period of time.

Phillips will power the intelligent health system and deliver better care for more people. Thank you. I'm thrilled to have Deeptha come up.

Personal Health

Deeptha Khanna

Chief Business Leader Personal Health, Philips

Welcome

Good afternoon, everyone. My name is Deeptha Khanna. It has been my privilege to lead the Personal Health segment for Philips over the last five years. And I'm truly proud of the fundamentally stronger engine we've been building, improving both our innovation and execution capabilities, backed by a fundamentally stronger end-to-end team that has clearly accelerated results versus competition.

I'm excited to give you more insights today into what we're building, and more importantly, to share all the potential that lies ahead of us.

Strong leadership, recruiting a new generation of consumers through technology innovation, trusted brand and operational excellence

Now when you think about Personal Health at the end of 2025, we are €3.7 billion in revenue and 18% in EBITA, some of the strongest performance across our industry. This revenue is 60% in Grooming and Beauty products that we report as Personal Care, 30% in Oral Healthcare products and services and 10% in Mother and Child Care.

What's important is we have leading positions across multiple product categories and segments in all of these three divisions. And as Roy reminded us, what's exciting is, across this portfolio, we are on a mission to truly elevate the standard of self-care for consumers at home, leveraging the power of our technology and innovation, the phenomenal Philips brand and operational excellence in all that we do.

What do I mean by that? Let me give you an example in shaving. The category standard for men is moving away for young men as well as many of you in this room from just a clean shave to actually wanting and desiring more versatility and how you express yourself.

Our OneBlade platform sets the category standard for versatility and performance that is unmatched. And as Roy said, once you start with this platform, you will be a fan for life. Or take our IPL, Intense Pulsed Light devices. This is permanent hair-removal that is often

accessible to consumers only in a high-end spa or a salon. And these are products that are medically regulated in many of our markets.

We bring the Philips medical safety standards to bring IPL devices into the homes of consumers to access this care.

Take Oral Healthcare. There is increasing evidence that better oral hygiene and habits are important not just for your cosmetics, but actually for your overall health. We have a beautiful portfolio of power devices with the Sonicare brand. And with the Philips heritage, we are able to enrol dental professionals around the world to partner with us in democratising better oral healthcare and bringing this to consumers through their recommendations.

And last but not least, in our Mother and Child Care portfolio, we have a beautiful Philips Avent brand as well as a Pregnancy+ App platform, which is highly preferred by mothers around the world. And we are able to recruit consumers and families at a very sensitive time in their family's care journey into a variety of products and services, both in electronics and feeding, into the trusted Philips Avent brand.

Well positioned to capture growth as technology, personalization, E-commerce, and Gen-Z preferences shape demand

What's exciting is the fundamental consumer trends we do see, especially among those we need to recruit young parents, young Gen-Z are very favourable to all that we bring in Personal Health. The products that I described to you are personal. These are products a lot of consumers will all use on their own bodies. As a result, these are categories in which consumers really value and prefer trusted brands.

These categories have massive penetration opportunity, something that's unique, frankly, in the consumer segment today. Whether you think about power toothbrushes or power shavers, even in mature geographies, the penetration is only 20% to 30%, giving us massive runway for growth and especially so when you then think about emerging markets.

And then when you think about how Gen-Z shops and makes their decisions, where they demand and expect more personalisation and for you to know them and serve them where they are, where they really want to live well, live longer. And there, they truly want and value brands that are ethical. These are all favourable to how Philips does business.

So we look at this category, there is a \$19 billion category opportunity to go after. And the underlying trends make us confident that there is a sustained 4% growth to look for in these categories we compete in. And we expect, as Philips Personal Health, that we will continue to outperform the category.

2026-2028: Accelerating profitable growth

So what you see here, we exit now 2025, looking back three years with an average 3.6% growth that was delivered, albeit with volatility in China, which I will reference to as I talk of the market mix that we expect in the future. And we expect in the coming period to accelerate this to mid-single digits growth.

We also expect while we've reached an 18% EBITA margin, that our continued efficiency and success with our success models will help us to drive the gains more productively and to expand into the high-teens margins even further. And the key building blocks that get us there at the

core, our innovation that strengthens and premiumises the core categories that are recruitment engines for us.

Second, you will hear me describe a lot more how we are systematically and with excitement going after opportunities to expand our access and discovery by partnering with willing customers and top partners around the world. And you will also see that we have a more favourable market mix going into this period. China that was a headwind for us in the past will become a tailwind. We do expect modest growth in this market and we do expect more broad-based growth across North America, Europe and select emerging markets.

Recruiting into core categories through innovation, focus on top customers and operational excellence

So let me share with you under the hood a little more about this engine that I'm so proud that we've been building, which routes on these three key vectors.

First and foremost, consumer-centric experiences in innovating both the proposition and how we show up in our marketing. Second, how we create win-win partnerships with our top customers, where we bring a truly unique valuable lens coming to customers with a story that's about category growth, which is good for them and good for us. And also, improved discipline and productivity in everything we do from an operational perspective.

Innovation-led demand generation through superior propositions with superior presence

So what do I mean when I talk about superior consumer experiences? This shows up both in our product propositions and also in how we attract consumers through our demand mechanisms.

Let me give you an example of our high-end toothbrush. We solve real problems for consumers. When we think of our next generation Sonicare, we want to encourage consumers to more intuitively get a perfect brushing routine two minutes a day – two times a day, two minutes each time without fail. And we are pleased to put more cues into the handle of the toothbrush that actually signals to consumers that it's time to move on to another part of their mouth and signals to them when they finish their two minutes.

Equally, when you think about a proposition like our hands-free breast pumps, we are so proud to support mothers who want to continue to offer their babies the value of breast milk but also to give them back time and flexibility by not having to be tied up to an electric device.

I'm equally proud of how we are executing. Our campaigns and creativity are truly getting to be something special. I'll be pleased to show you some advertising in a little while from now. And importantly, we are modernising how we do our marketing, with 80% of our media on digital platforms, including social. And as Charlotte mentioned, 80% of our content already enhanced or improved through the use of AI.

It's also worth emphasising how much opportunity our execution still has in the retail presence that we enjoy. A great example is electric shaving as a category has very often been relegated to the electronic shelves when you walk into a store. We've been very disciplined in demonstrating to our customer partners that when you put us close to the manual shavers, you will find consumers will upgrade their habits. It's great for consumers. It's great for category growth. It's great for us.

Differentiating through AI, premium design, and sustainability

Now I also want to double-click a little more into the Philips' DNA that truly powers up our approach to innovation, leveraging technology, design and sustainability in all that we do.

Our AI fluency as Philips is a true advantage to us in Personal Health. A couple of examples here. We've just launched in 2025, an upgraded version of our premium 9,000 shavers with AI-powered sensors that ensure that you have the perfect pressure and a perfect shape each time. In fact, unmatched performance was so well regarded the Time Magazine awarded this product one of its top 100 inventions of last year.

Or consider our high-end video monitors. With these monitors, you won't just know if your baby is crying. We have cry interpretation software that will actually tell you why. Imagine how life changing that is for anyone who's a young parent. And what's amazing, of course, is these high-end propositions, elevate the standard of care for the categories and they also premiumise the mix, and we see those benefits back in our P&L.

I'm also really proud to talk about how sustainability is increasingly in the consumer-facing agenda we have. We celebrate it in our advertising, and we show up with pride where consumers shop. For instance, the Climate Pledge Friendly Certificate from Amazon is a great win that we recently had.

Win with top customers: Driving category growth for our top customers and continuing to expand our presence with consumers

Now I'd like to take you a little deeper into how we are driving with discipline the discovery opportunity for our portfolio. As I already mentioned, whether it's brick-and-mortar players or electronic retail or quick commerce or dental professionals, our customer partners really value our partnership with them because we come to them with a pitch that is about category thought leadership.

We elevate the standard of care through innovation. We premiumise, we recruit consumers into lower-end manual habits into actually power. And this creates tremendous value for the shopper, for the consumer, for the customer and for us. So this is truly a win-win approach that we've been systematically building up.

And at the bottom of the slide, you see a few of the many examples of how we are expanding access. Our IPL devices are now FDA-certified and available and launched in the North America market.

When you look at our baby bottles and also our power toothbrushes, we have been systematically building more capabilities to access and win the food drug and pharmacy channel, which is a new muscle for us, and we continue to expand distribution here.

We are also going after more occasions. We've launched travel shavers, which started off as a trend in Asia for people who are on long commutes and would like to shave while they're on their commute. But it seems it's a need that's there globally. And this is a product that we are scaling rapidly.

And we're also proud to expand our amazing OneBlade franchise into not just facial care, but in intimate grooming where it has been very successful.

Let me, in fact, show you a little bit about this beautiful champion platform we have in OneBlade, so you appreciate how delightful it is to discover it.

[VIDEO PRESENTATION]

You had the reaction many of our consumers do, but it's really true. There is so much discovery yet to be had in some of our key champions that are continuing to accelerate and grow.

Proven innovation engine driving growth, share gains, and momentum

So I hope I have shown you what we have been doing these past few years that has been showing up in three years of sequential competitive market share gains. We have been fundamentally strengthening the core of our portfolio with innovation that elevates performance and premiumises the core. And we have been fundamentally strengthening our execution competencies, be it in marketing or in activating shoppers in retail, and we've been improving our operational discipline as we do this.

On the back of this foundation, we're therefore very confident of our ability to expand our gains and continue to win versus competition in the coming period. So you see us lean into the proven model of innovation-led growth, strong customer partnerships and with a more favourable market mix behind us.

Driving profitable growth through disciplined execution

I want to also now mention the discipline with which we are improving our capabilities, so we have productivity and efficiency in all that we do. At the core, we will remain consumer-centric. Winning with consumers with high-quality products with strong reviews and ratings is our license to operate. And we will continue to do this by innovating with more efficiency with the power of R&D and improvements to AI.

In our operations, we've been improving steadily, leaning out our inventory, building more value-based procurement models and also working very hard to have agility to offset our tariff impact by 2028.

I already mentioned in a lot of our marketing efforts, we are getting very fluent in embracing AI in all we do. In addition to content and media, it's worth calling out in aspects like consumer care, our costs are already down 20%.

And as we look forward at our execution agenda, we will continue to work with top customers, expand our channel presence and ensure commercial excellence in all that we do, while also premiumising and delivering value through our innovation.

Personal Health

Key takeaways

So in conclusion, I stand here with you very confident that we, as Personal Health in Philips, are true global leaders in the categories we compete in. We have been building and strengthening a proven and modern success model that there is a lot of opportunity to continue to scale.

We will remain disciplined on the core of driving our growth through innovation and strong customer partnerships, while getting more and more fluent and productive through the use of AI. And as a consequence, we are very confident that we can go from our current performance to even further acceleration into mid-single-digit growth and continued progress into the high teens EBITA.

Let me now conclude and leave you with a video, after which Durga join you.

[VIDEO PRESENTATION]

Durga Doraisamy: All right. So with that, we will take a very short break so we can get the stage ready to have our second Q&A session with Roy, Charlotte and our business leaders. So just a quick five to 10 minute break, and we'll reconvene again. Thank you.

[BREAK]

Durga Doraisamy: Okay. So I think I'll start on this side of the room, and we'll start over here with Graham.

Q&A

Graham Doyle (UBS): Yes. Thank you. It's Graham from UBS. My sulking has clearly worked. Just two questions from me. So one, just on China more generally, and then one specifically for Jie on Photon Counting versus Spectral, and just where the gap in the market is.

And so just on China, in terms of the guidance you've given for health systems, what are you thinking about your development looking like in the next sort of three to five years? And which products do you think will succeed best in China?

And then on Spectral versus Photon Counting, roughly, what's the price differential today? So which part of the market do you think you play in?

Roy Jakobs: Let me start with China. So if you look at China and the plan we have for China, we are very clear on where we have value-add to offer, which is in specific segments where innovation makes a difference. Now we are strongly playing in D&T and PH in China.

If you look in D&T, we see interventional is still growing in terms of the procedures, the patients, and therefore also the footprint. Now, as an outright leader in interventional, they really appreciate also innovation and brand. We actually have a good in-road to make further into next years. So that's a very good stronghold for us in China.

Secondly, in the PD space, we have ultrasound, which has deep penetration in China. Actually, what was really exciting to see on the back of the new EPIQ launch, we are back in growing share in China in ultrasound cardiac. So we have a very strong specific position. And whilst the others are coming into ultrasound as well, you actually see they cannot have the accuracy of what it needs to do cardiac examinations at the level that we have. So actually got more in general imaging, not at the cardiac space. So cardiac ultrasound is a very good space for us.

Then we have in MR, the helium-free, which is resonating well and actually we see also now as we unveiled the 3T is coming, already people really excited about coming and bringing that to the market. You saw the Hong Kong example where we have also the high-rise and the 1.5T. So 1.5T is already finding its penetration. And also Spectral, and maybe also Jie can allude to that.

Spectral is having one of the best penetrations in China because they need engines that do high volume. And actually what you see is that our Precision Diagnosis proposition is very much geared with high quality, but we can process real volume, right, especially our BlueSeal can do that which others cannot. Some launch it, but they cannot do it at high volume. So you disqualify in China.

And then actually in the CT, you also see that Spectral can do that at the highest level. But also the CT 5300 that we launched really is making in-roads. So actually, you see those are very distinct choices that we are making. We exited the value segment. So we kind of play – we exited DXR. So we really play where we see that innovation will be having a future there. And we have also that demand. We are very close to the market and we also develop together.

So the second on PH. Actually, we see that also we have locally relevant innovation that's resonating. Now, in China, you need to be very close to the demand. So you need to be able to actually kind of respond to how the market is trending. Now, our expectation is that the market will slowly strengthen also on the consumer side. And we have seen the sell-out growing.

We also have very strong partnerships. So actually JD, Ali really like us. Actually JD is now coming to Europe. They just bought MediaMarkt and actually they're asking us to help them how they also land in Europe as an e-commerce player. So we have in China. And their grooming, good example also from – we are winning against FLYCO, the local Chinese competition. So we are also showing that actually with our innovations we are beating them in the market. We're actually gaining share and actually we're doing it with protecting our margin.

Oral care, actually, we have been under pressure, but the new platforms are really coming back. And actually, we also saw that under the consumer pressure in the market, many of the competitors actually fall out. So we had many new entrants that are coming. Right? We had more than 30 small new local brands. Majority of that ceased business because they could not sustain in the current environment because it's a high resource market if you want to play big. So actually there we see us also coming back.

So we have distinct area and those are the two areas in Personal Health. So I think it's a combination of clear portfolio choices, playing to your strengths and where you see the market need is, and also making sure you do it in a locally relevant way. Because for health systems, you need to, of course, to be fully locally – local manufacturing. And actually that's what we have been ramping up. But we also use it for innovation. So actually we have innovation centres in China for China, but we also use some of the innovation for outside and especially where you see that US, they're developing AI more horizontally. China is going very deeply vertical.

So actually if you look to vertical AI applications, they go very fast and we use some of that kind of knowledge also to use them across the globe.

Spectral?

Jie Xue: Yeah. Thank you for your question. So when we talk about Photon Counting or Spectral CT and all that, I'd like to just ask you to take a step back and think about what problems we're solving, right?

So we – CT is the Swiss Army knife when it comes to imaging. Then when a patient goes into an emergency room with a stroke or heart attack, that's CT that's at play. So that's the imaging product that speed matters so much, right?

And so when we think about Photon Counting, that brings a lot of potential down the road and all that, it's not yet ready for that kind of high throughput and a high demand clinical environment yet. That day will come. And that's why I will say that, we are very experienced

in spectral imaging which photon counting is also spectral by design. And we are working towards all the different angles when that comes. That's why I say the spectral photon counting is next. When that's ready, we will go do it.

However, photon counting is a very powerful technology. There is another massively powerful technology in the world today, AI. So that's why with all our experience with spectral all these years, we put AI into the image chain, starting from the detector, every step along the image construction. Now we are making the difference.

I mean, you probably took notice on the page I showed. We're reducing 80% in image noise, reducing dosage. We're improving the detectability in the images. So when this AI-powered spectral product that comes out, is named Verida, it actually has CE mark. The very first installation is happening right now in Madrid. And we will have – we are seeking 510(k) clearance. We will get into other markets later this year. We think we have the solution today for today's clinical needs in CT.

And so I think you also asked the question on price difference, right? So the Verida, it's a premium CT product. It's in the range of about 1 to 2 million-ish, let's just say midpoint, it's different markets, different price points and all this, and let's say roughly about 1.5 million in the middle.

I think photon counting I think doubles that, right? And so when it comes to providing what every customer needs in everyday clinical practice and not crushing down their PACS machines and they can access the information, go straight to the diagnostic answer on their workstations and at a cost competitive point, I think we have the right solution.

Durga Doraisamy: Okay. I'm going to go to the other side of the room. Richard?

Richard Felton (Goldman Sachs): Thank you very much. Richard Felton from Goldman Sachs. First question, I guess a theme of some of the presentations has been improving commercial execution, and that being a driver of the acceleration in growth. If I could push you for a few more specific examples of what that means, what are your sales teams doing differently, how have incentives changed, just to help add some colour to that as a driver for the improvement in organic growth?

And then second question, Jie, I'd like to hear more about what having helium-free 3 Tesla means for the overall MRI portfolio and growth? How big is that segment? How fast is it growing? What does it mean for margins? Thank you.

Roy Jakobs: Thank you, Richard. And let's maybe take an example from Monitoring on commercial excellence, because I think one of the things that we have been seeing, how we actually have dialled up commercial excellence effectively, is very much in the monitoring space.

As I said before, traditionally Monitoring was growing low single-digit. We actually have been significantly putting it up. Now, of course, that's based upon the needs that we fulfil. You see that customers have different expectations now what a platform does for them, but also has done or was together with commercial excellence.

So maybe, Julia, you can share a bit of what you did in the monitoring space to kind of dial up commercial excellence.

Julia Strandberg: Sure. So first, market is changing over time. Our customers are looking for a standardised and enterprise approaches and our portfolio delivers exactly to that value proposition. So that's number one.

Number two is their expectation is that it's safe, reliable and cyber-secure. And given that value proposition that we bring into the marketplace, it allows us to deeply penetrate the needs of our entire customer base. In addition, we have done a full redesign from an organisational design standpoint to make sure that we're bringing that value proposition to market with strike and force. And it starts from way upstream to the – what I call the last mile.

So way upstream is really understanding our customer at our core, the segments, how we're targeting territory management, all the way down to predictable funnel dynamics. As I was saying, we're using AI for high level predictability of our orders to order book to revenue conversion, all the way down to the last mile, and how we continue to serve our customers at a given touch point and cadence that allows us to seamlessly deliver our as a service model continually to our customer base.

Jie Xue: The question on helium-free 3T. I'm an MR person for more than a decade, and I'm super, super, super excited by this breakthrough technology, right? But I would like to just request you temper your excitement when it comes to the financials and our numbers because we said – like we said that product is announced, we are still working on getting it to the market. And then we will also get regulatory clearance and all that.

So it will actually probably help us in terms of orders and revenue toward the latter part of the planning period. And MR is an expensive equipment. So they will actually – even there's – from order to sales cycle is a long one as well. But I will say that we have so many excited customers. They are queuing up when they have a new hospital build and when they realise that they don't need to worry about putting the ventilation pipes, they can place the scanner next to where the clinical area is, like, it totally changed the ballgame.

So we have just a lot of customer excitement. But we – I'm also tempering their excitement, just like what I'm doing here now. And – but we are super, super excited. And once we complete that step, we will – because our entire 1.5 Tesla product is already helium-free. And now once we move that step and move entirely 3 Tesla to helium-free, we can get rid of all those expensive helium-related things in our factories, and every step along the way in the manufacturing and all this, it will tremendously boost the margin.

Richard Felton: And from a size perspective where 3T is a very sizable segment, especially if you look to kind of more professional health systems.

Roy Jakobs: So one of the is already –

Jie Xue: Sorry, I missed that one.

Roy Jakobs: But because that's kind of in terms of sizing.

Jie Xue: Yeah.

Roy Jakobs: So 3T is actually very strong segment in terms of volume as well. So one of the – is finding its way into specific segments where high volume is important, but also in every daily clinical use. But you see that 3T, especially also when you're having the growth in the

new MR examinations with the latest imaging needs, you actually see that that's a core backbone of professional hospitals.

So the segment size is big. Actually, it's bigger if you look to addressable from 1.5T. So actually in totality we will think it will cover 80% of the market. And therefore, also what was said earlier, we will be helium-free. Therefore, just after the plan period in totality of our portfolio. So that actually will make this a very attractive plan stronghold because that is where the industry is going and we set the industry standard in that space.

Durga Doraisamy: Aisyah?

Aisyah Noor (Morgan Stanley): Hi. Thanks for taking my question. It's Aisyah Noor from Morgan Stanley. Two questions from me. The first one is for D&T as well, specifically the Precision Diagnosis guidance of low-to mid-single-digit growth for the mid-term. I noticed this is quite conservative, in spite of the very full pipeline and some of the product launches you talked about in MR and CT. I think you partly answered the question with the helium-free or 3T. But could you maybe talk more broadly about what buffers you've put in or what downside risks you've built in for perhaps competition, pricing erosion, China, etc.?

My second question is on Personal Health. The margin guidance of high teens over the mid-term. You've just finished the year at 18% margin, so already pretty much there. So would you call this a conservative guidance? And if indeed most of the uplift comes from premiumisation, could you share how much of your market opportunity today is premium and how much conversion opportunity there is? Thank you.

Charlotte Hanneman: Yeah, thank you. Let me start and then I'll hand it off to Jie and afterwards to Deeptha. So let me start with your question on D&T sales CAGR, which is leading up from low-single-digit to mid-single digit.

And indeed, Jie already beautifully answered that earlier. If you look at our pipeline, we are very excited about the innovations that are in our pipeline at this point in time. We have the 3T MR, we have Verida, we have ultrasound innovations. We also have, of course, Azurion Eye. But those will come into the sales a little bit later in the period.

So as you know, the order to sales conversion cycle is actually quite long in some of our products, as you know. So that will take a little bit of time. So we are super excited about the innovation pipeline we have. You just heard both Jie and Bert, but it will just take time to convert that into sales. And that in combination with our strong commercial excellence and – well, Julia highlighted an amazing example in monitoring in D&T. And we are also very much focused on visibility and how that can increase win rates. And that is also very much helping already to increase the sales conversion. And that will do so more over time.

So maybe Jie, I don't know if you want to add anything to that?

Jie Xue: Yeah. Thank you very much, Charlotte. I mean like I explained, it's a long-cycle business when it comes to product development, right. Then after that, it's getting regulatory clearance in the major markets one by one, and they all take time. And once we get past that and the customer – I mean these are million dollar equipment. So the budget cycle it's not like there's all these – that's why I think there's a long lead time then in addition to what Charlotte mentioned from orders to sales, the conversion is nine to 12 months.

So that's why. I'd love to, want to see it sooner too, right.

Charlotte Hanneman: Thank you, Jie. And then on your question on Personal Health, we are obviously very pleased with our margins for Personal Health in 2025, and Q4 particularly, significant margin expansion, and I remind you again, despite tariffs.

Now what I said this morning holds true for Personal Health as well. We want every business to continuously do better including Personal Health.

Now Personal Health, what are the key drivers there? Of course, first, their sales growth and the related operating leverage. There is – and Deeptha can maybe comment to that a little bit more – continued premiumisation of the portfolio that is also helping drive both top and bottom-line growth. There is continued productivity we spoke about – well, for instance, the GenAI-generated marketing content. I think you saw a video of that actually today as well, also driving productivity. And then there's of course continued tariff mitigation and productivity just in general.

So Deeptha, you want to add anything?

Deeptha Khanna: Sure. As Charlotte mentioned, we do believe with our 18% margin, we are already some of the strongest in the industry, and yet have opportunity to grow. And that is a pretty broad-based opportunity. Our NPIs allow us to have better price realisation. We are also investing to grow the premium part of our portfolio mix more deliberately. We'll also see some favourability from our market mix as developed markets like North America and Europe continue to be quite resilient in our mix, and we continue to have productivity gains in how we do everything from R&D to operations to A&P.

Having said that, we also want to make sure that we're very disciplined in our first task of continuing to drive recruitment, and that does mean we will continue to invest in advertising and distribution gains to bring more consumers in and keep the flywheel going, both on the top line and on the bottom.

Roy Jakobs: Maybe last point, just in terms of our planning philosophy. So I think, you know us by now that we want to be realistic in terms of what we put out so that we deliver on it. What you heard very clearly is that we are set out to continue to deliver our improvement path. So we don't count ourselves rich. So if we don't have regulatory approval, we put in there clarity in terms of, okay, this will take some time. If we have uplift somewhere else, we'll take it as it comes.

We also learned from the first plan period that the world is not a very predictable place. We have two more wars since I started. We have kind of a lot of turmoil. We have tariffs. So we want to be also having some room that actually we can absorb what comes in a world that we cannot predict for the next years. So we are set out and the plans underpin very clearly what we have showed you. We will be able to deliver with the portfolio of innovations that we have launched in '23 and '25.

There are new innovations coming that we showed you that we're extremely excited about, like Azurion Eye, like 3T, but we don't count that they start to contribute from '26 onwards, right. So we have taken a measured approach in terms of when they start to kick in and they of course start to first kick in with orders and then to sales. So I think that's just also to continue on our path of staying on our feet, being realistic and deliver what we say we will do.

Durga Doraisamy: Ed, I think you had a question. So if you raise your hand, please.

Edward Ridley-Day (Rothschild & Co): Thank you. Edward Ridley-Day, Rothschild & Co. IGT, Bert, continues to grow very strongly. If we could just go to a bit more detail. Firstly, on IVUS. It's become a very important technology for interventional cardiology. If you could give us a bit more colour framing the opportunity and the size of that business for you and the growth, that would be helpful.

And secondly, a more holistic question. I mean, you highlighted working with Edwards on the new Eye. How much benefit is there? I mean, there clearly is benefit. Can you give us a bit of a guide on other companies you're working with and the benefit to the longer term business profile from that, working with the leading interventional companies?

Bert van Meurs: Yeah. Great question, Ed. First on IVUS. IVUS has been around for a long time already, but adoption always has been slow. But – and that's specifically in IGT. This market is driven by clinical evidence from clinical studies that we also now do with our devices business that drives then reimbursement.

So IVUS has been proven that it has a significant impact on outcomes. And now you see that the adoption rate in the US, for instance, has almost doubled. So that is growing also driven by stronger reimbursement. And we will – we expect that this will continue to grow.

Now the aspect in IVUS is that for coronary procedures, you see that these procedures become more and more complex, as you saw also from Dr Ali, that they want to know what kind of plaque is there and how can I better treat this patient. And that's why different intravascular imaging components come in, like we now do with DeepOCT and with NIRS. And that's where SpectraWAVE is such a great addition to what we already have with Digital IVUS, which is still the most ease of use and therefore market-leading, but complemented with for complex procedures, DeepOCT and NIRS that you have even better outcomes for these patients. So that's where we expected this very strong growth component of our devices business.

Now I forgot your second question. Partners on Edwards. Yeah. So again, these procedures are becoming more and more complex. So what we do, for instance, with Edwards and that's that – and how AI is coming in, that is helping to even democratise the skill level of physicians. The two physicians you saw here in the video are probably one of the best skilled and the most well-trained physicians in the world.

But more and more access to care is needed for every interventional cardiologist. And with AI, like we do with DeviceGuide, we can now detect whether this is the Edwards PASCAL MitraClip. And then we can visualise that MitraClip in the ultrasound image, which we normally don't see. And therefore, we can calculate exactly the right path to position that MitraClip on the mitral valve. And now you can treat that patient much, much easier and much – with much more accuracy and consistency also for, let's say, the average interventional cardiologist.

So that's the impact that it has. And you can only do that if you partner with leading companies like Edwards and some of the others in this space.

Roy Jakobs: And maybe one addition on the partnership approach, because I think it's such an important component from our platform play. We become stronger with partners. Why do partners want to work with us? We have the biggest platforms. If you want to be in the interventional space, you better partner with Bert and team because we are the biggest penetrated kind of foothold in systems.

So it's a razor blade model. If you're device company, you better be with Bert because that's your biggest installed base you can hook into. If you're with monitoring, you're better-off like Masimo and others with Julia because we are the biggest monitoring installed base. Right? That's the platform play that we have.

If you are the infrastructure backbone and you are open as an architecture, everybody actually can join us. Makes us stronger, makes them stronger, most importantly makes the customer benefit because they only have one infrastructure they have to care about. They don't have to have all these different integrations they need to do themselves. We can actually take care of that for the customers. That is where the power of the platform comes in.

Do you then overlay that with what AI and software can do? Then you will really get the catalyst of the added value of playing together, right? That's where you see us in interventional, in monitoring, in imaging, really trying to kind of connect the system that actually is not connected today. And that's where a lot of efficiency is to be gained to make it more seamless for the clinicians, for the nurses, for the technicians, take their time into where they want to spend the time, also take cost out and therefore actually give benefits back to the health system and to the patients.

So that's a really deliberate choice that we have made with this platform play of the future is so important.

Durga Doraisamy: All right. So I think with that, I'm very conscious that we have three guests who have graciously come a long way to participate on a panel. So I think I'd like to invite the North America panel up to the stage, please. So thank you very much, leaders.

Customer Panel

Jeff DiLullo

Chief Market Leader North America, Philips

Shez Partov

Chief Innovation Officer and Chief Business Leader of Enterprise Informatics, Philips

Welcome

Well, okay. I don't know about you, but I feel like that was a pretty inspiring day, right? Now, I love my peers talking about our strategy, but honestly, I think we saved the best for last because we're going to have our customers being the ones speaking during this closing session.

Today, we're going to hear, right next to me, from three leaders that are literally world-renowned in their ability to transform healthcare delivery, leaders who put patient and clinician centric, innovation at the heart of everything they do. It's part of their mission every single day.

Now, who's this guy talking? I'm Jeff DiLullo, I'm Chief Region Leader for Philips North America, the largest and fastest growing healthcare market in the world. And I'm joined on my panel today by Shez Partovi, our Chief Innovation Officer and Chief Business Leader for Enterprise Informatics, also a very good friend. So Shez, welcome.

Now the challenges in healthcare are quite real. They are pressing on health systems everywhere. I often refer to this when I'm speaking with health systems as the triple threat. We have an aging population where many people need care longer and more care, and often more complex care, and we need to bring it closer to home.

Number two, staffing shortages we know will persist. Every forecast will say it will continue to get more challenging and costs are exorbitant and they continue to soar. So this places incredible pressure on our health systems. And I think you have heard about it all day about how we're trying to drive it.

Now, additional balance in the US is that we deal with a very complex reimbursement policy that actually amplifies the effect of that triple threat. So the headwinds are significant for sure, no doubt. And yet we have massive opportunity to make tangible and meaningful difference with innovation that we bring to market.

We also know we can't do that alone. Innovation must serve clinicians. It must be embedded in the workflow that our health systems deliver for their patients. And this is where innovative partnerships are an increasingly growing and meaningful path forward for the industry.

So I'll introduce our panellists. We're joined today by three health systems leaders who bring incredible innovation to their clinicians and to their patients every single day. These leaders are literally jumping the curve on delivering better care for more people.

I'd like to introduce Jodi Pahl, Chief Nursing Officer at Bon Secours Mercy Health. I'd like to introduce Dr Neal Patel, Chief Information Officer at Vanderbilt University Medical Centre, and Nader Mherabi, Chief Digital and Information Officer at NYU Langone Health.

Thank you all for being here. We're absolutely honoured by your presence. I also know this room really wants to hear from you, so I think we should get started.

Let's, maybe we'll start with the first question on how you've seen the industry evolve? Maybe Jodi, we'll start with you. So how have you seen it evolve maybe since the pandemic?

Jodi Pahl (Bon Secours Mercy Health): Yeah. Thanks, Jeff. So really, in North America, we're at a critical inflection point, and I think you heard a lot from Roy and the team this morning already that talked about the aging population, the reimbursement changes. And so I want to emphasise that and go a little deeper.

We are at significant shortages, not only in nursing, but caregivers across America. And secondly, the aging population, guys, we're seeing sicker patients coming into our facilities. We are seeing their comorbidities are incredible. So all this put together – I've been a nurse for 35 years, and nurses take the burden of a lot of this.

So the challenges are real. It is there, folks. But the good news is we are seeing that we're willing to make changes. We want care delivery changes. We want partnerships that will help us get to those care delivery changes.

Jeff DiLullo: That's great, Jodi. Thank you. Neal, how about you, your thoughts?

Neal Patel (Vanderbilt University Medical Centre): Well, everybody knows that the cost of healthcare, especially in North America, is exorbitantly high for a variety of reasons. They were all talked about previously. But as Jeff said, the other compounding factor for us is that we providers are caught in a vice. Whereas the vendors can raise their prices when their costs go

up, our costs for labour go up, our costs for supplies and drugs go up, but reimbursement stays flat. And so we're in that compression. So now more than ever, we have to deal with how we leverage our labour in the best possible manner, not just because of the shortage, but also we can't hire anymore and afford it.

The second part, how do we make best utilisation of our drugs and our supplies to lower the cost for each encounter? Right now more than ever, health systems are relooking at technology not as an adjunct, but as an imperative to really address the cost issues within healthcare and allow our folks that are at the bedside to do what they do best and take away as much burden as we can while delivering high quality care.

Jeff DiLullo: Thanks, Neal. Nader, do you have thoughts?

Nader Mherabi (NYU Langone Health): Just as colleagues said, there's a lot of challenges in healthcare delivery in North America. On the other hand, painting a rosy picture, we deliver exceptional care. The quality is quite good, especially episodic. We do quite well. On the other hand, healthcare is also changing. A lot of it's moving from the hospital setting to ambulatory to home. So there's an enormous opportunity about how we can use underlying technology, including AI, to improve care delivery in that setting.

I'm just very excited about that. We can really improve care and reduce the cost and provide – continue to make the best improvement. And the longevity improved. If you look in the past 30 years, it's an amazing story to tell about how we improve the quality of care, the treatments and the longevity both of men and women in the North America.

Shez Partovi: So, ladies and gentlemen, hearing firsthand directly from health systems, the pressure that they're under to deliver more care, deliver high-quality, better care, while there's not enough staff, shortages everywhere and under financial pressures. And so maybe, Jodi, a question for you, which is – so you have to do more with less. Right, it's the common theme actually everywhere in the world, but certainly this is the life you live. So maybe you can give us an example of how you've been able to do more with less?

Jodi Pahl: Sure. So I'll talk about Project Voyager, it's probably my clearest example. And you guys don't know what that means, and I'll tell you about it in a little bit. But I'm going to take you back to 2019 when Bon Secours and Mercy Health merged. They came together. And as nursing, we realised that we had different monitoring across 49 sites of care.

Now, why is that important? Because I have 100 nurses at the system level that go to all 49 sites of care. I have nurses in the market that hit eight different hospitals. We're creative with that staffing. So we wanted to standardise our monitoring.

So what do we do? We went to our front-line staff, which monitor do you guys want? We brought all different kinds of monitors in. We let them touch them, feel them, what's user friendly to them? And as you saw today, who's your number one in monitoring? Philips. Who did my nurses choose? Philips. So we started our partnership back then, we started buying hardware. So every year we'd buy hardware for different hospitals. We realised that we needed software too. And then we needed data. We needed intelligence. We needed all of this.

So Project Voyager came to be about with a ten-year partnership. So we signed a ten-year partnership with Philips. The first three years are just outfitting our facilities with the latest

and greatest equipment, and we've standardised workflows, we've standardised configurations, we've standardised alarms. You go into every one of our hospitals, the alarms are the same.

So that standardisation allowed for optimisation, which allows us to scale quickly. No pilots, we scale. So we're in this – we're a year and a half into this three-year with the ten-year partnership.

Shez Partovi: So a terrific example of doing more with less. The idea is standardising in a platform, monitoring as an example, looking at workflows across multiple sites of care to be able to improve quality at a reduced resource need.

Jodi Pahl: Absolutely.

Shez Partovi: And so the focus on platform, maybe we'll come to you here because platforms – we hear about bespoke selection versus platform selection. As Chief Digital Officer and Chief Information Officer, you probably have this question all the time of bespoke selection versus platform approach. Maybe you could share with us your thoughts on how you go about doing – going between those two?

Nader Mherabi: Sure. So NYU Langone Health is in New York City, we serve the metropolitan New York, and it's a highly competitive market, consumers and patients have a choice, there's a lot of other great healthcare systems. And our strategy is really to provide the best quality care, efficient care and a great patient experience.

So for that, it's really platform, we are a platform play, because we think that's the best way to make care efficient and high quality. And Philips is one of the platform partners. We have a huge partnership around both patient monitoring, cath lab, digital pathology, ultrasound and a few other things that I'm sure – I've forgotten.

But the strategy is about really using this platform play and partners to really create a system that is highly integrated data flows, which we'll talk about later, about how that's so important. And then so you can provide the best quality. And then reduce all the legacy systems costs. So when we buy a hospital practice, we really replace all the systems with the platform systems, all highly integrated. And that's – that delivers the best practice of medicine on top of that platform and provides the best outcome for our patients. So it's really important to get it off legacy, and then you can spend the money and time with the partners on innovation and innovate on that platform, because you can scale it.

Shez Partovi: So this is good. So you have nursing at the bedside that says platform play is critical for patient care. And then you have sort of running the back office – I don't mean back office – but running the entire infrastructure, from Chief Digital Officer's perspective he's saying platform is important. So no matter who the persona is.

Neal, I'm going to come to you because as CIO and also a physician, maybe get your thoughts on this platform approach as well.

Neal Patel: Well, it is interesting, you used the word bespoke. That's a very fancy term for basically shiny toy. And Vanderbilt –

Shez Partovi: Can't say shiny toy but I'm glad you did.

Neal Patel: So at Vanderbilt, as an academic medical centre, we had a collection of many, many shiny toys. And we could afford it back then, but we can't do it anymore. And we had

to begin to consolidate around core platforms, mainly for the reasons that were already said. Leverage our resources in the most optimal way and scale. Because a lot of times what happens is when you have bespoke solutions, they work in their niche areas, but then you cannot scale them at all, and the resources to continually implement individual little solutions is just too heavy for a health system.

There's a soft place in my heart for Philips. I'm a paediatric cardiac critical care physician, and I've relied on Philips monitoring from the past 35 years. And it was important for me to see that for the longest time, the data stayed trapped in the monitors and/or the central station. But as I got into informatics and really expanding the use of data across the health system, working with Philips, we're beginning to leverage this data in ways so that individuals who are no longer at the bedside, still need access to data.

You can't just rely on being physically present at the bedside or on the nurses' station any longer. You want to be anywhere. And as the video showed, that's how the world is becoming. And what we want to be able to do is leverage these platforms so we deliver the right data to the right person, with the right insights to make the best decision possible.

Shez Partovi: What a terrific three parts of the story. So clinical side, platform scales clinical operations. Back in operations, if you will. Infrastructure operations platforms help that. Then Neal used a key word, scale, for having insights that scale that helps deliver better care across the organisation, platform again plays a role in that approach.

Jodi, I'm going to come back to you. Maybe give us specific details and examples of where Philips actually helped.

Jodi Pahl: Absolutely. So as you guys know, monitoring is so important in our facilities and the alarms have to go to the right person at the right time. So part of Project Voyager, Philips' team came in – clinical team, and looked at our workflows, looked at our processes and helped us make meaningful recommendations across all of our facilities.

So you guys may know metric-wise leads off and battery dead is the number one and two serious safety events that occur and cause harm to our patients. So that piece around quality and cost. The second piece I'd say around cost, Philips came in, we went from 10 domains down to – or 50 domains down to 10 domains. So we're saving our IT footprint, decreasing that.

We've decentralised our monitoring. So like Neal talked about, the alarms going to the right person at the right time, that they can do something about it in the right moment. So back in '20 – since 2022, we have decreased our serious safety events, this is quality for our patients, by 39% and since we went live with Project Voyager and those facilities, we are at zero serious safety events. That's where the real work was done, guys. This is all about our patients. It's all about ensuring the high quality of care.

Shez Partovi: Zero events. Amazing. So Neal I can't let you off the hook. I want to come back to you one more time. Maybe your assessment of some metrics and measures you were tracking where the platform approach with Philips helped improve?

Neal Patel: Well, I can't – it's all about the patient. But as a physician, it's also all about the clinician. And making my life easier is really important. Let's talk about these platforms and how technology really needs to impact current workflow.

And I'll use an example from the consumer world. I recently took my car in to be repaired and they gave me a loaner car and lo and behold, it was the latest brand-new BMW. And one of the things that I noticed as soon as I got into that car is that car had bells and whistles around it that responded to the situation and made me a better driver. And that was amazing.

And I think that's hopefully what you saw a sense of with the technology that was displayed today. It's no longer that the clinician should have to use the technology or be forced to use the technology, or have to fight with the technology. It should be that they are surrounded and wrapped by the technology to make them a better clinician as they go, and give them the confidence to deliver the best care possible.

And what we're finding is that the more technology at Vanderbilt that we infuse into the workflow and have people begin to see that their work life is better, that their burden is decreased and they're not as frustrated any longer, those are the keys. And so really, as we continue to focus on these platform plays, it's important not just to put in a platform, but it has to wrap around the clinical workflow to deliver the best patient care, and ultimately the best outcomes for our patients.

Jeff DiLullo: Okay, so this is a lot to unpack here. So what I've heard is shiny toys are fun and interesting, but unhelpful to clinical teams that are really trying to do meaningful work. So point solutions to a degree just don't work. It's about enterprise platforms. It's about simplifying how I collect data and AI and analytics and technology how – and Neal, you said it best I think right now, how do I integrate that into the workflow and make it serve the workflow, not make the clinicians have to adapt. I think that's powerful.

I also heard in here interoperability, Nader. We talked about interoperability, being able to integrate that data across departments so that you create meaningful insights and action-orientation on that patient journey. And what I know to be true is you're doing this from hospital all the way to home, so at scale. So – and now you have the ability to harmonise that data and actually make it actionable. And that's exactly what we're trying to get with our long-term strategic partnerships. That's why we're so heavily vested here. Because what matters is that we help you unlock this hidden productivity around your staff workflow and therefore patient outcomes.

We believe better workflow equals better outcomes, better outcomes for patients, better outcomes for clinicians, and better outcomes for health systems that are trying to do more of what they love to do. So, a take-out of this last section - also requires partnerships. You can't do it all alone, right?

So let's talk about partnerships for a second. I hear a lot deep partnerships matter. We're going to talk – we're talking about that in terms of our strategic partnerships. And yet at the same time, it's not only a trend, but it's a necessity to standardize those platforms. You got to make choices.

So maybe I'll start with you, Jodi. Interesting to hear your perspective on, say, since the pandemic, how have you seen partnerships evolve?

Jodi Pahl: Yeah, they've changed a lot. We have – we're moving at a faster pace. We know we have to fail fast.

Jeff DiLullo: Yeah.

Jodi Pahl: And our partner needs to co-own those outcomes with us. They've got to be partners. And so we want fewer partnerships, but we want deeper partnerships. I think Julia said it best. She said we want data, the data, the intelligence and trust. We've got to remain in that trust, and have that deep, deep partnership.

So Philips has always been great for me. They understand my goals. They understand my company's mission, and they understand and give me meaningful recommendations.

Jeff DiLullo: That's fantastic. So again, you got – being able to be in deeper partnerships. You can open it up and not waste resource on many things. You focus on the few big ones and go deep. That's good. And so I also know partnerships, just like everything else, has to evolve over time, right? It has to be different. And so, Neal, maybe I'll ask you your thoughts on the partnership with Philips and how that's evolved in your tenure?

Neal Patel: Well, as you know, Vanderbilt had a long-standing partnership in imaging for a long time. But obviously lots of Philips' products are used at Vanderbilt. And I think Roy probably winces. The first time he met me, he was not in this position yet. And I laid down some frustrations that we had. And basically the issue was Philips wasn't listening. It was very hard to get their attention. All they were doing was trying to push product instead of actually listening to what was needed at the bedside.

And that's what I've seen evolve over the past five years. It's been amazing to see the cultural transformation to not only listen to the customers and not just tell us how great their product was, and that we should be grateful to use it. It – beyond that, they were listening to not just what the needs were, but how to work with us and take that feedback.

The other part is, as you work with us, let's do it together and not just make it a customer-client – sorry, a vendor-client relationship. Let's work it, because our core mission here is not only to make healthcare better, but it's to save lives. And at the end of the day, when we're focused on that, then it's about using the right tool in the right way.

And that also involves the fact that Philips is opening up. Before, they didn't work very well with other vendors, and so you were stuck with kludgy systems that we would have to figure out how to intersect by ourselves. And now they're completely opening up in a way that we can integrate them more seamlessly, and that gives us a great amount of excitement. So this transformation has been extremely welcome for Vanderbilt, and we are truly excited to see where we can go.

Jeff DiLullo: All right. So I hear fewer, deeper. I hear trust being a big thing, coming alongside clinicians to really understand the workflow. Interoperability is a theme. And in the end, as much as we all love to partner, you need to drive impact.

And so, Nader, maybe I'll ask a question to you. We'll click at a level deeper. The relationship is important. The partnership matters. And then how do you see Philips driving impact for you, whether that's clinical, operational or maybe financial?

Nader Mherabi: So as I said – mentioned before, our partnership with Philips are – both, it's quite vast around monitoring, digital pathology, cath lab and so on. Just one example around digital pathology. So how do you define ROI in a healthcare organisation where we are teaching health system? It's really about value. So value is really about quality, safety and then efficiency.

So when you look at digital pathology, for the past 100-plus years, pathologists used microscopes to actually read a slide of samples. And that hasn't changed. Now we had a hard time recruiting, a shortage of pathologists. We had a hard time recruiting and making new residents excited about going into the field of digital path – the field of pathology. And then it wasn't efficient. And also, there was a quality and safety issue related to – there's – we do about 1.3 million specimens a year. So it's a high-volume throughput.

So with digital pathology, it's really given the opportunity to hone-in on all these three venues of value. One is making the care safe by using AI. Once we digitise all the pathology in the span of 18 months, remove all the microscopes, and everybody can read digitally just like radiology, that's high value. Now we can use AI and then marry that data with electronic health record or other imaging-type data to really provide a lot of value. And our scientists really love the rich data ecosystem that they can do real medical science.

Second is we can have a very fast turnaround time to deliver the samples so that makes the care better and safe.

Thirdly, it really allowed us, our pathologists, we assured this to be able to, one, work-life balance to reach one day now from home remotely. And that allowed us for retention. And now we can also hire pathologists around the country who can reach for us and be credentialed. And then just the field of pathology, we made it much more attractive for a new generation to actually go into the field of pathology because it's different and new. It's much more digital.

So all these values come together. That's how we assess and that's where we are with the Philips as a platform again to really do this. So that's how we look at things.

Jeff DiLullo: All right. So what I'm taking from this, it's really a remarkable transformation that we've seen you do as you've created the platform that speeds diagnostics for better patient outcomes, much better clinical wellbeing and quality of living, a recruiting tool, in fact, for the next generation of pathologists, and building AI stacks on top of that.

Either of you, any other ones, ideas of this platform in the partnership, where you see it building?

Neal Patel: I do think that combining data that Philips has with data that is in other parts of our ecosystem together to create a common view. And I think Roy spoke about it well. At the end of the day, clinicians, nurses, everybody wants to know what's going on with the patient. They don't want to know just what's on the monitor or what's in the EHR or what is somewhere on a piece of paper.

The more we have a way to integrate those solutions, the better. I think that's where the journey is. And really what Julia spoke about with Connected Care is now more imperative than ever.

Jodi Pahl: And from my perspective, we started with Project Voyager. We now have – we like to call our projects – Project Marvel, which is our imaging. So a 10-year partnership with imaging. We're now looking at foetal monitoring. We're looking at ECG. So it's that trusted partnership where we can keep building on, improving and increasing those.

Jeff DiLullo: Yeah. Great.

Shez Partovi: So when we sort of listen back here, we're talking about platforms first and then we talk about partnerships. It's a really important context because platforms to us is not made in a lab and thrown over the fence at our health system partners that are sitting here. We build it together with them. And what you're hearing is it's important for us to come listen and we do. And to work backward from the bedside. You heard Bert talk about Azurion Eye, and he listed all the icons of the organisations with which we are partnering to build Azurion Eye. It's not that we build it in Eindhoven and then see who wants it.

It's that we build it together, and that platform is designed so that it fits hand in glove to the pain-point that's being experienced to automate a procedure, to automate the Azurion lab, the cath lab that you talked about. And so this is an important point that we talk about platforms, but it's done in partnerships together with health systems.

So now we've sat here for a good 20 minutes and the word AI has only come up like twice. So we got to like double-click on that a little bit. So Neal, I want to come to you and maybe talk about as you look – there have been a lot of experiments. I'm sure you've done experiments. I'm sure everyone here has done experiments with artificial intelligence over the past year. And how have you been able to extract value with AI in your organisation and how are you navigating that?

Neal Patel: The first thing is automatically delete an email from a vendor that says AI, and that's resulted in extreme value. But seriously, we all know everybody says that AI is going to do its magic and it's going to solve healthcare and make all of our lives better. But the question is, how? What does it depend upon? Because if you don't know the mechanism with how you're going to get there, then you're really in trouble, and you may be just doing more experiments and trying things and seeing what sticks to the wall, but you won't get anywhere.

And right now, we don't have those resources to waste. We don't have those dollars to waste. And so one of the foundational things we need for AI to work is that it has to work on good data, and it has to work on data that is easily available. And part of the trouble in healthcare is a lot of times data is either in different systems that is not easy to get to, or it's squirreled away and completely impenetrable.

What we focused with Phillips on is to gather that real-time data. And as we're shown in Julia's presentation, how do you take that real-time data with all the work that's already been done with electronic health records, so now you have all the charted data and the historical data of the person - patient, and bring that together in a way that the clinician is not just getting an alert on what's happening right now, but it's actually an alert with context of what is important about the patient.

So yes, sometimes a normal value is normal. Sometimes a normal value is abnormal, especially in paediatrics. And so to be able to have context of each individual patient so that we make the right decision for this patient versus that patient, instead of just applying a standard approach to everybody and hope 75% of the patients do well is just not okay.

And so what we hope is to bring as much data together with the focus of then every encounter, every decision being personalised in context to that situation and to that patient of Vanderbilt. And that holistic view of getting it back into the workflow is where we're going to have the impact on the promise of AI.

Shez Partovi: There's a – thank you. This is such an important point. Every presentation you've seen today, starting from Roy's in the morning and he shows you one slide where there was the imaging, interventional, and monitoring box and hardware on the bottom, and then it went to a data platform for data orchestration. Then it went to AI and it went to workflow and patient impact. You just walked that journey.

And whether it's in monitoring – you saw Jie's presentation starting from before patient enters a department where they – then they sit in the CT scanner and the AI helps to put them in the scanner, to the MRI and then to afterwards for post-image processing, all the same journey – data, even in the Azurion platform, going from data of the patient to going to insights, to having automate the procedure. This is the mission that we're on to go from an interoperable data to data orchestration to AI on top, that as you said, is meaningful.

All right, Jodi?

Neal Patel: If I could follow-up on that.

Shez Partovi: Yeah, please.

Neal Patel: I mean, we went to Eindhoven to hear all the propaganda and we were actually blown away with what Bert's team was doing with the Image-Guided Therapy. And even though it may just look like slick videos, as a clinician to see the tool, you can anticipate how it's going to improve your workflow, where if you're guiding a wire through a vessel in real time and the system overlays the image of the organ that was completely from a different time period, but shows it to you in real time so that it can help you guide your vessel. That is magic. And that level of confidence to be able to make everybody that much better interventionalist helps all of us, because not all of us are going to be able to go to New York City to have the best. Okay? Some of us are.

That's an inside joke. Now it's an outside joke.

Shez Partovi: This is a little inside rivalry happening on stage here. Okay, Jodi. Thank you, Neal. Jodi, you've deployed a lot of technology over the years. So what makes something scale and something fade away?

Jodi Pahl: Yeah. It's so important for clinical folks to be sitting at the table as IT decisions are made. And we're looking at those workflows, those processes. And then in regards to sustainability, which alarms are making sense? We have alarms committee – a system alarms committee. And the nurses will say, we're getting too many alarms at this point. We'll pull the data because now we have all this data coming in and we can make changes in some of those alarms, the configurations.

So having those clinical folks partnering with IT and closely connected, I can't say enough about how that works really well.

Shez Partovi: Nader, you've been quiet. I want to come to your thoughts on this.

Nader Mherabi: I'm thinking about how the best care takes in New York City as always. And it's a fun city. So look, we've been digitising healthcare in the past 20 years, and I think that we have accumulated so much data on every interaction on healthcare, we generate so much data.

So we think of all the industries, healthcare is one of the beneficiaries of the AI revolution. There is no mistake about that. But on the other hand, a lot of AI pilots fail because people don't have their data together. And that's why this platform is very important, because if you don't have good data, you can't use the AI models.

And the other piece, as my colleague is saying, AI models has to be used on good data, operate on good data, deliver timely insight as part of the workflow for clinicians, and if a patient experience for that matter, so that it matters. So that's very important.

So having your data together, just the way we do with digital pathology, for example, we work with Philips and Amazon AWS to push the data into Amazon AWS' ecosystem. So it's available and we can use that in a timely fashion to process. It's very acute to AI – successful AI program in healthcare. But we are very bullish about AI. We really think that partnering with all the key partners in the platform that really enable us to really leverage the AI revolution in healthcare.

Shez Partovi: You mentioned AWS. So I just wanted to maybe add one point that we at Philips also partner with technology companies. You saw Roy talk about that and in some of the presentations, AWS, Nvidia. And so in order for us to be able to leverage the best AI out there, whether it's frontier companies, whether it's infrastructure companies to be able to deliver value to you at the fastest pace. We also don't reinvent the wheel. We will leverage partners who then serve Philips, so that we then partner with you to then serve patients. So that is a sort of daisy chain that goes along.

Jodi, I want to come back to you. So platforms, partnerships - actually, maybe I'll go to Neal first. Yeah, I'll go to Neal first, because then I want to end with you because I started with you. Neal, platforms and partnerships. So you're a CIO, you have to pick where to invest. So how do you navigate understanding the importance of our roadmap to the way you invest, our technology roadmap?

Neal Patel: So I think one of the most important things that has to happen is for you to anticipate what's coming and how you as an institution can be ready, because no longer is it that you just buy something off the shelf, come home into your hospital and just plug it in and it works. It may work, but it may not scale.

And so understanding where a vendor is going with their roadmap allows you to know what adjustments you have to make, or what choices you may have to make in your underlying infrastructure, or in the type of talent you may need to recruit as you go forward.

I think having that opportunity to look at a roadmap and be able to then share in it and potentially influence it. There's a lot of times that we may know something that is truly needed that is not known. And I spoke about going to Eindhoven earlier and the magic that we saw. But what was most exciting for me is how interested the team there was on what our thoughts were of where their tool to go could go. And I think that sort of relationship so that you can truly meet the moment is essential.

We need these tools not to be single threaded. Everybody's trying to get out of silos. Now it's more important than ever with medical devices just the same. And so having whether the data flows in Connected Care or the devices all work together between vendors into a seamless

workflow for the clinician, this is where we need to go. And I've been waiting for it for a long time. I think I only have about 10 years left in my career, so let's get going.

Shez Partovi: Jodi, we're going to come back to you and finish with you.

Jodi Pahl: I probably have about 10 years left too. So I was so fortunate to be able to take an interdisciplinary team to Cambridge. And wow, did we get to see the innovation folks with Philips? And they got to meet our folks. But what was really good about it is we got to see what's on the horizon. But more importantly, they got to understand what bothers us every day. Don't solve for a problem that's not bothering me. Solve for what is bothering me day in and day out. Help make my nurses smarter. Give them a copilot. Give them the AI that's showing them. Here's the labs. Here's the rhythm. This is what you should be looking at. That's what we need.

So again - need a partner that helps me solve the problems that are bothering me every day.

Shez Partovi: And we will end with that. Ladies and gentlemen, what you heard today was the ground truth of the pain-point of health systems and how they are asked to deliver better care, deliver more care with limited resources, with financial constraints. And they rise up to that challenge every single day. And the way we want to help them deliver better care for more people is by building platforms in monitoring, imaging, intervention that's supported by incredible software assets and services, so that you can do the work you do.

And the way we do that is by focusing to partner with them, to listen to the patient physician interaction, to the patient nurse interaction, to the IT and digital leaders of what they need in order to be able to deliver high-quality care at the bedside and to scale. And that's the mechanism which Philips uses to innovate, going from the bedside backward with partners.

And with that, I want to thank each of you for the work you do, for the patients you care for and for joining us today, traveling all this way to be here. Thank you so much. And thank you for listening. And I'm going to ask Roy to come up and close us out.

Closing Remarks

Roy Jakobs

CEO, Philips

All right. It has been a long day. I hope you're still full of excitement and energy as we are, as we could share the story of where Philips has come from, what we worked on in the last three years, which was building this strong foundation, re-energising our innovation engine, but also now accompanying it with the culture and the execution power to really bring this to life with our customers, to make a true impact in delivering better care for more people.

As we share today, and as you hopefully saw from the team this afternoon, we have a very clearly underpinned plan. We know what we are after, mid-single digit growth, mid-teens margin, strong cash generation and consequential improvement through Philips by delivering on what we said we will do.

We have 65,000 more colleagues who are extremely passionate to deliver on that mission every day. So I stand here with pride and confidence that the plan that we have, the future ahead is

an exciting one where we can truly make an impact for patients, for our customers, for consumers, but also for the ones that believe in us and invest in us, our shareholders.

So thank you for your attention, for your time spent today with us. I know it's precious time. I hope we made it worth. Of course, we have still some opportunity now to engage, but thank you again for coming over and enjoying our Capital Markets Day. Have a great afternoon.

[END OF TRANSCRIPT]