



PHILIPS

Capital Markets Day

Connected Care

Winning by connecting care

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Chief Business Leader Connected Care

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innovation  you

Key takeaways

- In 2020, we leveraged our **leadership positions to steeply grow** in monitoring, hospital ventilation & informatics to successfully convert COVID-19 demand
- While this demand will taper off in 2021, **our strategy in re-affirmed** by the structural trends accelerated by COVID-19
- We are ready to scale solutions for **patient care management**, anytime/anywhere, combining **monitoring, telehealth & informatics & therapeutic devices**, for hospital and home
- Targeting an average annual **comparable sales growth of 5-6%** and **17-19% Adjusted EBITA** margin by 2025



Strong leadership positions in attractive, growing segments

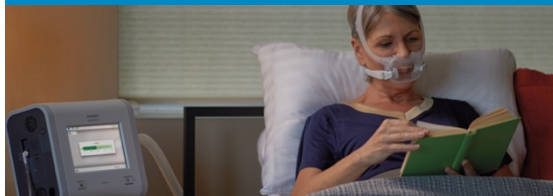
Monitoring & Analytics EUR 1.9 billion sales



#1 in patient monitoring
300 million patients per year

#1 in fetal monitoring
40 million babies birthed

Sleep & Respiratory Care EUR 2.2 billion sales



#1 in sleep diagnostics

#1 in home ventilation

Leading digital services
>10 million patients in the cloud

Leading service solutions
>600,000 patients managed

Connected Care Informatics and Therapeutic Care EUR 0.5 billion sales



#1 in eICU
4 million patients monitored (5 years)

#1 in clinical workflows
3 million patients managed per year

#1 installed base in AEDs

Build on our strengths to further consolidate market leadership in the core
whilst building on market momentum to scale informatics

Portfolio structured to serve changes in healthcare delivery

Smart devices and systems



- Boost ICU productivity with integrated monitor and ventilator solution
- First-time-right fit for OSA¹ masks with facial scanning software and new masks

Solutions



- Reduce patient complications with real-time, continuous monitoring
- Capitalize on increase in telehealth with end-to-end informatics

Geographic expansion



- Increase penetration in Chinese sleep market
- Increase North American market share with solutions offering

New business models



- Monitoring as a Service, opex models
- Sleep services that benefit physicians and DME² suppliers

Operational excellence

customer experience, quality, productivity

Platforms




scaling our cloud investments

Clinical expertise

as strategic differentiator


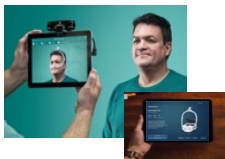

Reaping returns from investments in growth areas and focus on operational excellence

In Monitoring, fueling growth by real-time clinical insights to drive better patient management and improved outcomes

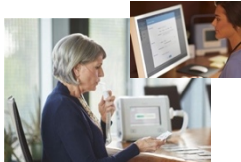

Customer needs and insights	Solutions	Benefits / Why we win
Reduce preventable complications ¹	 <p>Best-in-class sensors and monitors</p>	<ul style="list-style-type: none"> Continuous monitoring reduces risk of mortality by 39% and length of stay by >3 days³
Increase ICU capacity in efficient and integrated manner	 <p>Wearable sensors and Remote Patient Management</p>	<ul style="list-style-type: none"> Hospital admissions reduced by 90% during COVID-19 clinical trial of patient triage
Extend monitoring architecture into home care for post-acute-care patients due to COVID-19 ²	 <p>Care management informatics</p>	<ul style="list-style-type: none"> ICU admission mortality reduced 41% by real-time clinical decision support⁴

Driving growth and profit by building on our monitoring base in hospital to the home - at scale

In Sleep Care, building our leading position globally via innovation and services in an underdiagnosed market




Customer needs and insights	Solutions	Benefits / Why we win
<p>1 in 5 adults have obstructive sleep apnea (OSA) and 80% are undiagnosed</p>	 <p>Dream Family portfolio</p>	<ul style="list-style-type: none"> • Modular mask system accommodates >95% of patients, drives efficiency • Preferred choice of therapy by physicians
<p>First-time-right OSA diagnosis and fit to increase adherence and efficiency</p>	 <p>Digital diagnosis and therapy</p>	<ul style="list-style-type: none"> • Only clinically validated solution, 90% of patients need only one mask at initial set-up • 52% reduction in refits
<p>High growth opportunities in underpenetrated markets</p>	 <p>End-to-end sleep services with Care Orchestrator</p>	<ul style="list-style-type: none"> • 82% 90-day adherence rate*, ensuring reimbursement • 3.7 million patient contacts, 200% increase in home delivery and remote set-up
<p>Unique capabilities and innovation to capture growth and empower caregivers to deliver solutions in the home</p>		

In Respiratory Care, expanding our strong positions in hospital and home to offer care management across settings

Customer needs and insights	Solutions	Benefits / Why we win
Avoid risks and patient complications associated with invasive ventilation	 Hospital ventilation portfolio	<ul style="list-style-type: none"> • Non-invasive ventilation (NIV) avoids intubation in 54% of treated patients³ • Interoperability with monitoring device and system for seamless in hospital care
Demand for home treatment, 40% of physician/patient encounters conducted remotely ¹	 Portable ventilator with Care Orchestrator	<ul style="list-style-type: none"> • #1 respiratory brand of pulmonary physicians • Expanded patient population and seamless transitions, 68% reduction in readmissions⁴
Growing, costly COPD population, 3 rd leading cause of death globally ²	 Chronic care management	<ul style="list-style-type: none"> • 88% reduction in readmissions with COPD NIV program⁵ • Leading connected ventilation for lower cost of care in home

Profitable growth by empowering caregivers to deliver high quality solutions at lower costs of care from hospital to home

In Informatics, leveraging our global installed customer base, our modular portfolio and market momentum to scale solutions

Customer needs and insights	Solutions	Benefits / Why we win
Digitalization, rapid adoption of AI and cloud to drive efficiency	 Integrated workflow with enterprise care management	<ul style="list-style-type: none"> • 20% revenue increase for providers • 200% capacity increase in oncology workflow
Increasing investments in virtual care to enable care across settings	 Tele-ICU for in-hospital telehealth	<ul style="list-style-type: none"> • 30% reduction of length of stay in ICU¹ • USD \$6500. saved per ICU patient² • 26% reduction in mortality³
Efficient transition of in-hospital and out-of-hospital patients	 Patient engagement applications	<ul style="list-style-type: none"> • 15% reduction in lumpectomy⁴ reoperation rates • 30% reduction in unnecessary inpatient stays⁴

Single, modular, and scalable HealthSuite platform to unlock potential with the customer

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