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Capital Markets Day

Personal Health

Driving profitable growth through
relentless focus on innovation

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November 6, 2020

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Key takeaways

- Leadership positions in **strong growth categories**
- Reaching more people through **consumer-driven product and solutions innovation**
- **Accelerating online growth and engaging more people** through end-to-end digital
- Expanding ecosystem through **partnerships with leading retailers and new business models**
- Average annual **comparable sales growth to 5-6%**, while delivering **19-20% Adjusted EBITA** margin by 2025



Strong and established leadership positions in resilient growth categories that are recovering strongly

Oral Healthcare



Top 2 player
power toothbrush globally
#1 China

EUR 1.2 billion sales

Male Grooming



#1 electric shaving
#1 electric grooming

EUR 1.4 billion sales

Beauty



Top 2 player hair removal

EUR 0.4 billion sales

Mother & Child Care



Top 2 player bottle feeding
#1 pregnancy engagement app

EUR 0.4 billion sales

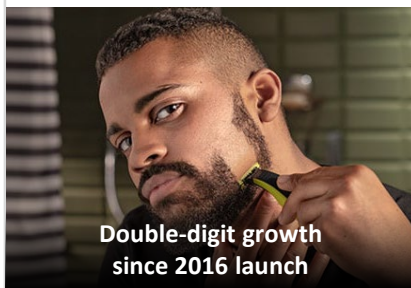
Growth through products and solutions

Reaching more people through consumer-driven product and solutions innovation

New segments



Launched Oct 2020 in NAM

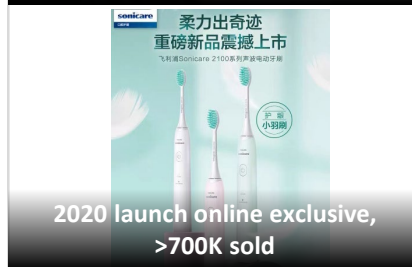


Double-digit growth
since 2016 launch

Geographic expansion



2019 launch,
18-24 yr old preferred shaver



2020 launch online exclusive,
>700K sold

New categories



#1 IPL brand globally;
>1M Lumea Prestige sold

New launches

Stay tuned

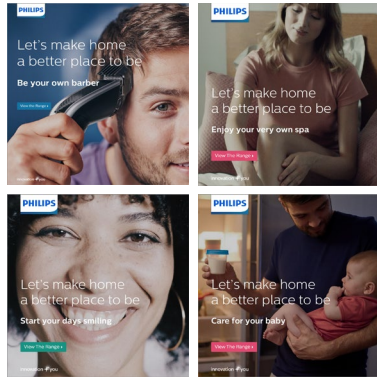
Winning innovation already in market

Additional growth

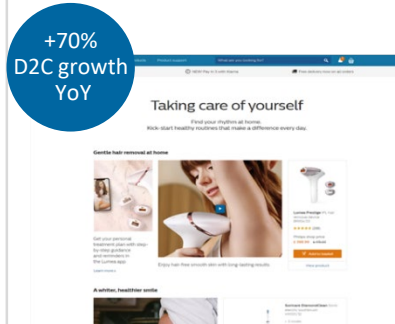
Growth through online channels and digital

Accelerating online growth and engaging more people through end-to-end digital

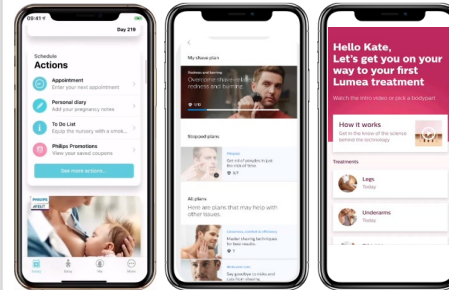
75% of media spend digital



Direct-to-Consumer growing 70%+



6 million+ monthly active users engaged through our apps



Online-first packaging



Growth through partnerships and new business models

Expanding our ecosystem through partnerships with leading retailers and scaling new business models

Co-creation with leading retailer platforms



Leverage live-stream marketing

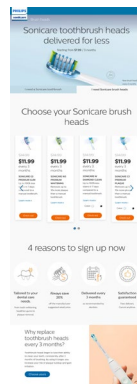


Customer Big Data-enabled propositions



Leverage partner technology standards

New business models



10%
Discount on
Replace & Refresh



Lumea
Try & Buy
EUR 39.95
per month

Grow recurring revenues through subscription and services in Oral Healthcare, Male Grooming and Beauty

A woman with voluminous curly brown hair is smiling and brushing her teeth with a black Philips electric toothbrush. She is wearing an orange top. The background is a blurred blue and white pattern.

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Capital Markets Day

Business Zoom: Oral Healthcare

Michael-John Kühne
Business Leader, Oral Healthcare

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Expanding leadership in Oral Healthcare, growing consumer lifetime value, and launching new business models

Enable consumers to maintain daily oral care routines



Continuous innovation to address new consumer segments

Scale consumer direct-to-consumer engagement and channels



Subscription program to drive consumer lifetime value

New business models to drive health outcomes and lower cost of care



Solutions and services for payers and dental professionals

Our innovation enables us to serve new consumer segments and geographies



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sonicare
飞利浦Sonicare 2100系列声波电动牙刷

柔力出奇迹
重磅新品震撼上市

护龈小羽刷


RMB
199-249

Recruit consumers in growth markets with localized innovation



USD
24.99

Recruit young adults with relevant propositions



Upgrade in premium segment through superior user experience



Expanding our presence in entry-level segment to grow category penetration

Introducing Philips One by Sonicare

USD 24.99

Reaching a younger target audience to improve their oral care habits and remove category barriers



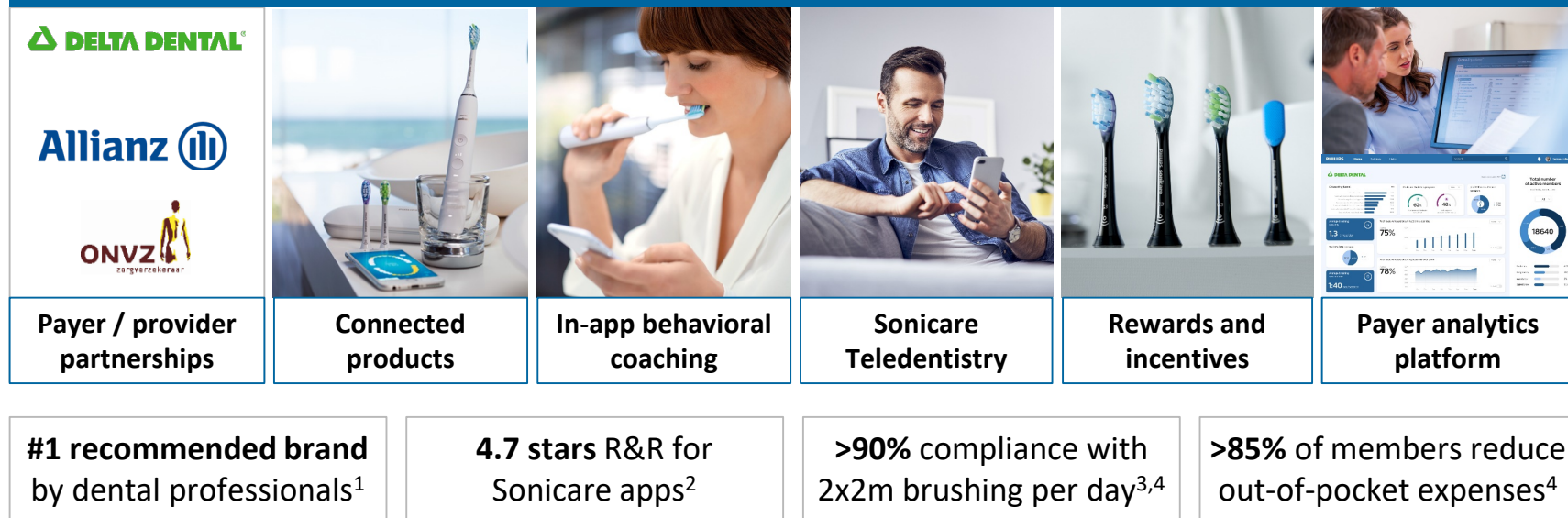
Fresh communication approach: campaigns, channels, direct-to-consumer

One product, from zero to **two** million pieces in <12 months, reaching **three** regions*

*Refers to 2 million pieces sold in three regions (North America, Europe, and China) in 2021

We engage consumers in their personal health routines with smart devices, coaching and novel business models

Oral Healthcare example



1. In the US 2. Ratings & Reviews for Kids and Adult Sonicare apps, on iOS, as of September 13. 3. According to ADA recommendation of brushing twice for two minutes per day

4. Based on data from several pilots

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