It is our purpose
to improve people’s health
and well-being
through meaningful innovation
We see significant opportunities in the attractive HealthTech segments where we operate

- Aging population, growing demand for care
- Higher costs and labor shortages drive productivity need
- Increasing need for insights from growing health data
- Shift to ambulatory monitoring, imaging and treatment
- Increasing spend on personal health and care
Increasing gap between growing demand and constrained supply of care (globally)

Staff shortages and burnout

“Improve performance and get patients out faster with optimized workflows, shorter exam times and user-friendly operations.”

Increasing chronic, complex diseases and data explosion

“We need pathway orchestration, workflow management and automation to drive consistent quality care delivery.”

Key needs

- Better health outcomes
- Improved patient experience
- Improved staff experience
- Lower cost and sustainable care

Increasing volumes, cost pressure, outpatient settings

“Consumers embraced care outside of the doctor’s office during the pandemic. We expect this shift to sustain.”

Need for accelerated digital transformation

“It’s going to take investments in technology to be successful in healthcare going forward.”
We partner with care providers and ecosystem players to improve outcomes, drive productivity and maximize lifetime value.

Innovating the workflow and business models with combination of hardware, software and services, close to and with customers, powered by AI.
Leveraging our unique ecosystem and open approach in AI and informatics

**Philips Image Management**

70+ AI-powered clinical apps  
50% productivity improvement\(^1\)

Brand agnostic

**Interoperability and surveillance**

1000+ unique medical devices connected

**Tele care solution**

20+ years experience in eICU, 
brand-agnostic Radiology Operations Command Center

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1. Results following implementation of a unified radiology workspace with enterprise disaster recovery back-up system at Campus Bio-Medico University Hospital, Rome, Lazio, Italy | Note: "Largest Enterprise Informatics business" in Philips addressable markets
We offer differentiated solutions by applying unique innovation, design and sustainability capabilities
Building on our cardiology leadership, Philips serves as a technology platform in the home and hospital.

Leveraging strong leadership positions across imaging, interventional and monitoring, bolstered by services and informatics.

Note: Diagnostic devices used within the procedural suite.
We understand people, technology and clinical needs across care settings
Creating value with sustainable impact
Strong position across our portfolio of businesses

<table>
<thead>
<tr>
<th>Diagnosis &amp; Treatment</th>
<th>Connected Care</th>
<th>Personal Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of sales</td>
<td>30% of sales</td>
<td>20% of sales</td>
</tr>
<tr>
<td>Diagnostic Imaging</td>
<td>Enterprise Informatics</td>
<td>Personal Health</td>
</tr>
<tr>
<td>Ultrasound</td>
<td>Monitoring</td>
<td>#1 Male Grooming</td>
</tr>
<tr>
<td>Image Guided Therapy</td>
<td>Sleep &amp; Respiratory Care</td>
<td>#2 Oral Healthcare</td>
</tr>
<tr>
<td>Top 3 player</td>
<td>#1 in Hospital</td>
<td>#2 Infant Feeding</td>
</tr>
<tr>
<td>#1 Cardiac</td>
<td>#1 in Ambulatory</td>
<td></td>
</tr>
<tr>
<td>#1 Systems &amp; Devices</td>
<td>#2 Globally</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Market-leading capabilities integrating platforms, informatics, and services

Note: Excluding segment 'Other'
Creating value with sustainable impact
Enabled by culture of accountability and strong HealthTech talent and capabilities

Strategy of focused organic growth

Patient-, people-centric and scalable innovations

Execution as value driver
- Patient safety and quality as highest priority
- Reliable supply chain
- Simplified operating model
Focused organic growth

Accelerate growth in attractive leadership segments

- Image Guided Therapy
- Ultrasound
- Monitoring
- Personal Health

Scale to unlock insights

- Enterprise Informatics

Improve operational excellence & services

- Diagnostic Imaging

Address recall and restore business position

- Sleep & Respiratory Care
Innovation model for focused scalable innovation

Focus on segments with right to win

- Significant R&D investments
- Re-target and resource to scale high-impact innovations
- Business model and service innovation (Emaas/Saas)

> EUR 1.7 billion R&D, 
~9% of sales
vs. ~7.5% industry average

Empower business execution

- Tailor innovation to segment we serve
- Focused, fewer projects, scaling innovation faster
- People and patient centric design, experience

90% business-led
10% corporate in 2023
From 70% and 30% in 2022
**Execution with decisive action as key value driver**

<table>
<thead>
<tr>
<th>Patient safety and quality as highest priority</th>
<th>Reliable end-to-end supply chain</th>
<th>Simplified operating model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture, accountability, competencies</td>
<td>End-to-end value chain by business</td>
<td>End-to-end, P&amp;L-accountable business</td>
</tr>
<tr>
<td>Patient safety and quality at heart of innovation</td>
<td>Leadership and competencies</td>
<td>Simplification, de-layering, less KPIs</td>
</tr>
<tr>
<td>Expanded patient safety and quality program</td>
<td>Product pruning and (re)design</td>
<td>Reduction of 10k roles</td>
</tr>
<tr>
<td>Finalize Respironics recall</td>
<td>Strategic supplier management</td>
<td>Leadership and talent</td>
</tr>
</tbody>
</table>

15
Progressive value creation
Supported by balanced capital allocation

<table>
<thead>
<tr>
<th>2023¹</th>
<th>Medium-term 2025</th>
<th>2025+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address challenges and lay growth foundation</td>
<td>Profitable growth acceleration</td>
<td>Deliver on full potential of our segments</td>
</tr>
<tr>
<td>Comparable Sales Growth</td>
<td>Adj. EBITA margin</td>
<td>Free Cash Flow</td>
</tr>
<tr>
<td>Low-single-digit</td>
<td>Mid-single-digit</td>
<td>Mid-single-digit</td>
</tr>
<tr>
<td>High-single-digit</td>
<td>Low teens</td>
<td>Mid-to-high teens</td>
</tr>
<tr>
<td>EUR 0.7 – 0.9 billion</td>
<td>EUR 1.4 – 1.6 billion</td>
<td>&gt; EUR 2 billion</td>
</tr>
</tbody>
</table>

Excludes the impact of the ongoing discussion on the proposed consent decree beyond current assumptions as well as ongoing litigation and the investigation by the US DoJ related to the Respironics field action

¹ As provided on January 30, 2023
The progress and the strong performance in 2023 reinforce our confidence in delivering on the three-year plan.