



PHILIPS

Philips at J.P.Morgan Healthcare Conference

Roy Jacobs

Chief Executive Officer

January 08, 2024

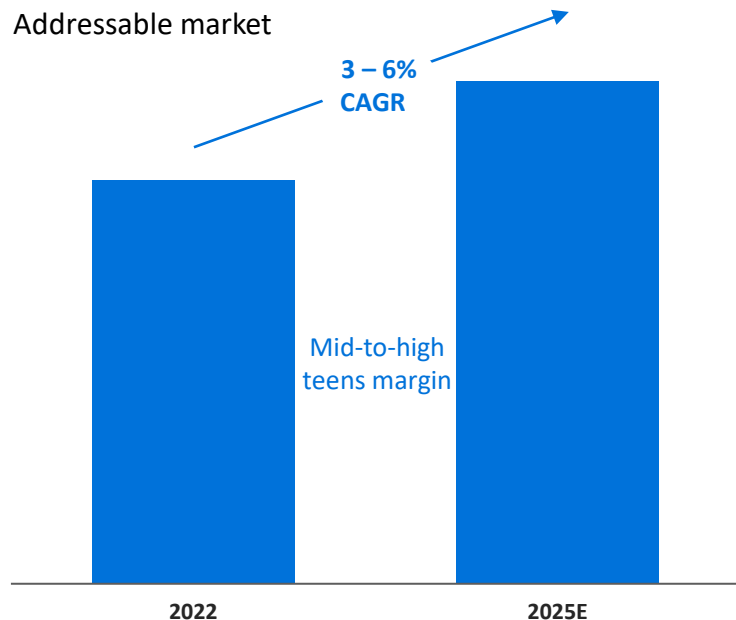
innovation  you





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.”



Better health outcomes



Improved patient experience

Key needs



Improved staff experience



Lower cost and sustainable care

Increasing volumes, cost pressure, outpatient settings

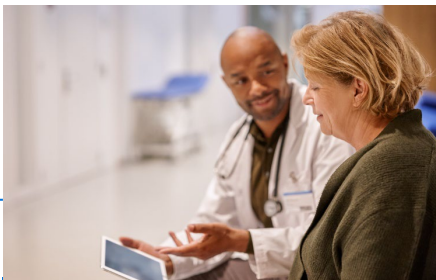
“Consumers embraced care outside of the doctor’s office during the pandemic. We expect this shift to sustain.”

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

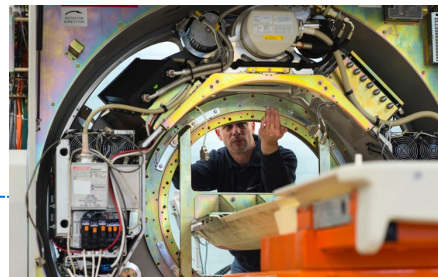
Sustainability embedded across the value chain



Improved patient outcomes



Drive productivity



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 improvement¹

Brand agnostic

Interoperability and surveillance

1000+ unique medical devices connected

Tele care solution

20+ years experience in eICU,

brand-agnostic Radiology Operations Command Center



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



Monitoring

Imaging

Interventional

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

We understand people, technology and clinical needs
across care settings



Creating value with sustainable impact

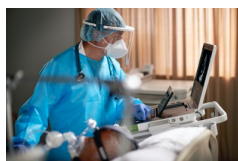
Strong position across our portfolio of businesses

Diagnosis & Treatment 50% of sales



Diagnostic Imaging

Top 3 player



Ultrasound

#1 Cardiac



Image Guided
Therapy

#1 Systems
& Devices

Connected Care 30% of sales



Enterprise
Informatics

#1 Imaging
Leader in PACS and
inter-operability



Monitoring

#1 in Hospital
#1 in Ambulatory



Sleep & Respiratory
Care

#2 Globally



Personal Health

#1 Male Grooming
#2 Oral Healthcare
#2 Infant Feeding

Market-leading capabilities integrating platforms, informatics, and services

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



Patient safety and quality as highest priority

Culture, accountability, competencies

Patient safety and quality at heart
of innovation

Expanded patient safety and
quality program

Finalize Respironics recall



Reliable end-to-end supply chain

End-to-end value chain by business

Leadership and competencies

Product pruning and (re)design

Strategic supplier management



Simplified operating model

End-to-end,
P&L-accountable business

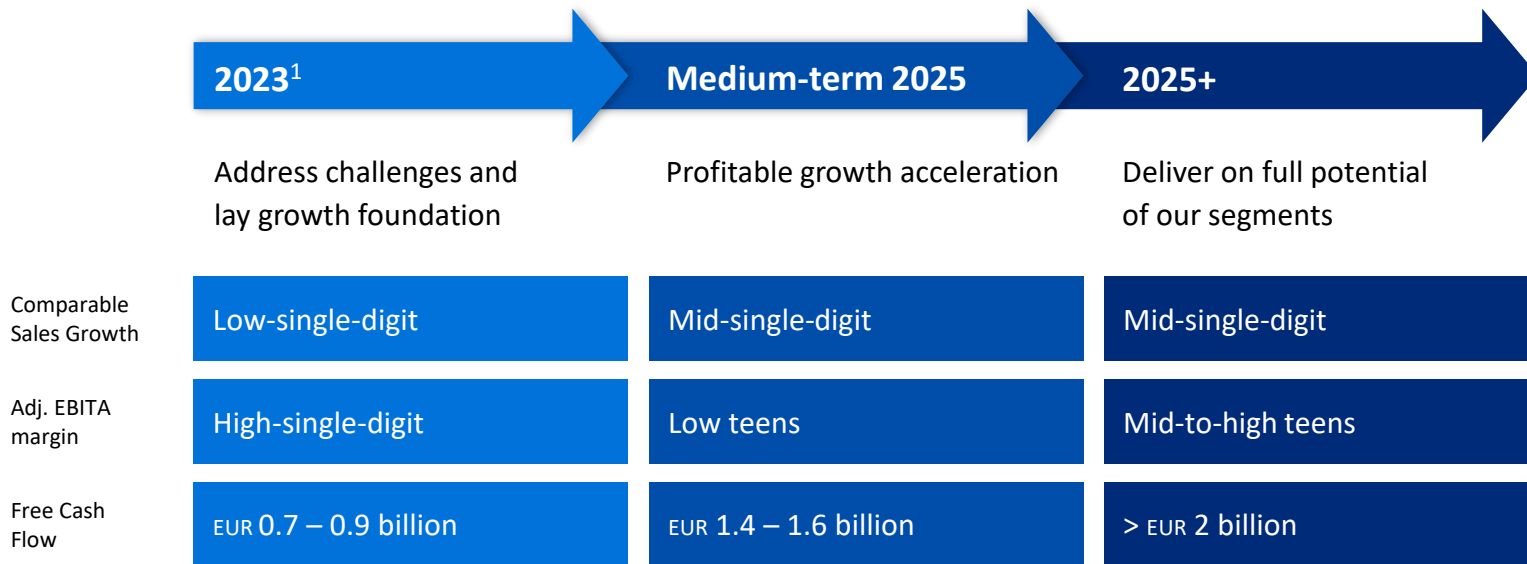
Simplification, de-layering, less KPIs

Reduction of 10k roles

Leadership and talent

Progressive value creation

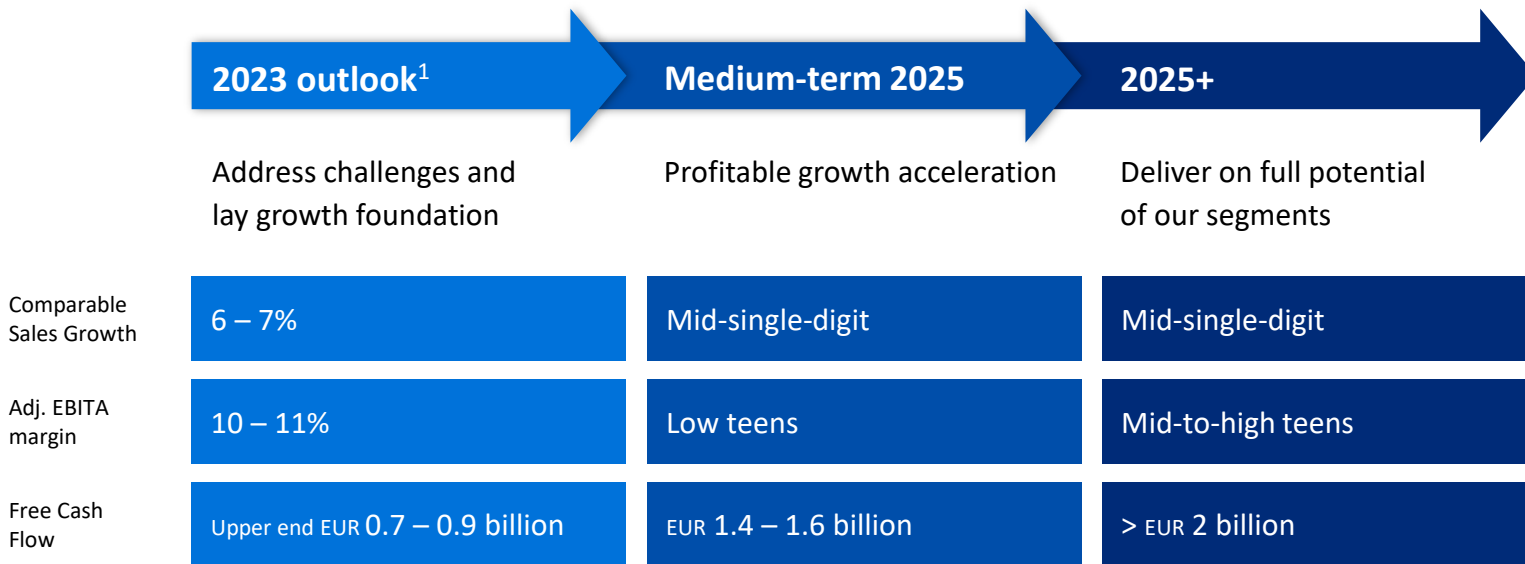
Supported by balanced capital allocation



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 Resprionics field action

Progressive value creation

Supported by balanced capital allocation



The progress and the strong performance in 2023 reinforce our confidence in delivering on the three-year plan

