



AGM 2026 – Speech by Roy Jakobs, CEO Philips

Ladies and gentlemen, welcome to the 2026 Annual General Meeting of Royal Philips. Thank you for joining us today. We are meeting at a time of significant change – shaped by geopolitical tensions and the transformative rise of AI – creating both uncertainty and unprecedented opportunity. In this context, I especially value the chance to connect with you and reflect on our progress.

It is a privilege to lead Philips, together with the Board of Management, the Executive Committee and under the guidance of our Supervisory Board and Chair, Feike Sijbesma.

Before I continue, I would like to acknowledge the proposal for my reappointment. Leading Philips is a responsibility I carry with great care. It is a responsibility not only to our shareholders, but to the millions of people who rely on our innovations every day. I am proud of the progress we have made and encouraged by the momentum we are building, but I remain very aware that we have more work to do in executing our plan for the next phase.

Over the past years, we have taken important steps to strengthen Philips, delivering on our purpose and creating value for all our stakeholders. If reappointed, I will continue to lead with that same focus, discipline and passion – building on this foundation to further accelerate value creation.

In 2025, amid continued global uncertainty, we focused on delivering better care for more people, creating value with sustainable impact. When we started our three-year plan in 2023, we faced significant challenges. We committed to rebuilding our foundations, improving execution and making tough choices. In 2025, the results of this work became increasingly visible.

We delivered solid progress, continuing to bring meaningful innovation to market and improving 2 billion lives around the world. We improved order intake and returned to comparable sales growth, reflecting stronger demand for our innovations. We expanded our margins and generated solid cash flow through disciplined cost management, productivity improvements and simplification of how we work. In an environment shaped by geopolitical developments and tariffs, we stayed focused and acted decisively, strengthening our supply chain resilience and continuing to reduce complexity across the organization.

With quality at the heart of our operations, we continued to strengthen our processes, controls and culture, and improved our early warning systems. We are fully committed to continuing our close work with regulators, ensuring that our standards consistently meet the expectations of patients, customers and all stakeholders. At the same time, we continue to live a culture where people feel empowered to speak up, because this is essential to deliver safe and high-quality care. An example of this includes how we introduced the Blue Heart Series for all employees.

When I stepped into the role of CEO, I set out a clear direction: to innovate closer to our customers and focus on delivering greater impact. Today, I'm pleased to see that this approach is yielding tangible results – delivering impact for patients, customers and consumers, and society.

In 2025, we introduced several world-first innovations, underlining our AI-enabled innovation power. We unveiled our latest innovations in helium-free MRI, which combine breakthroughs in hardware with AI-powered software to improve outcomes for both clinicians and patients. Verida, the world's first detector-based spectral CT powered by AI, advances diagnostic precision while improving clinical and operational performance. Together, these launches reflect how AI is now a foundational capability across our innovation portfolio.

In acquiring SpectraWAVE, we doubled down on image-guided therapy and expanded our portfolio in the coronary intervention segment, further advancing our leadership and ability to innovate in this critical area of care.

We also introduced an innovative monitoring platform designed to help address critical challenges in cardiac care, with a key component being the next-generation Telemetry Monitor 5500. These innovations are not only advancing clinical and operational performance, but also helping address the growing pressure on healthcare systems.

In the home, we continued to bring meaningful innovation to people in their daily lives – from oral care to baby feeding to personal grooming. We launched our Lumea IPL in the US, extending the world's number one Intense Pulsed Light hair-removal brand to more people, and expanded our OneBlade platform into an all-body solution.

Our valued partners are key to scaling this impact. A strong example is our long-term partnership with the Ministry of Health in Indonesia, where we are helping expand access to critical care. Together, we are enabling the rollout of cath labs across the country's many islands, bringing life-saving cardiac and stroke care closer to communities.

This is how we bring our purpose to life.

Executing our plan also meant becoming a simpler, more agile and more resilient company. We continued to drive productivity and improve profitability, while strengthening our ability to respond to external developments. In response to evolving tariff measures, we moved quickly to mobilize additional savings, adapt our sourcing and manufacturing footprint, and reroute supply flows – ensuring continuity for our customers while mitigating cost impacts.

We have also made important progress in our culture. I see a company that is more open, more connected and more focused on impact. Engagement has increased significantly, rising from 70% in the first half of 2023 to 79% in the second half of 2025, reflecting the dedication and resilience of our people. This gives me confidence that we are not only transforming our business, but also how we work together.

Moments like the opening of our new headquarters in Amsterdam reflect both our heritage and our future, bringing our teams together in new ways. At the same time, we are strengthening our global footprint, including the expansion of our operation in Reedsville, Pennsylvania, as part of our more than USD 150 million investment in US manufacturing capability for our AI-powered health technology.

We continue to integrate sustainability into how we do business – from improving access to care and supporting better health outcomes – to reducing our environmental impact and maintaining strong governance.

We are now entering the next phase with stronger foundations. We have improved our execution, strengthened our balance sheet, reduced risk and built momentum. In parallel, we have consistently protected our investments in innovation – ensuring that our pipeline continued to advance. Importantly, we are now shifting from stabilizing the business to accelerating profitable growth.

We have launched our new three-year plan for 2026 to 2028, focused on driving profitable growth to deliver sustainable value. This is an exciting next phase – where we scale our AI-enabled innovations and unlock new opportunities.

It builds on the progress we have made and is centered on three priorities: creating value through focused strategies, innovation as a key growth driver with platform-based solutions as our differentiator – and continuing disciplined execution across the company.

Platforms are at the core of how we accelerate innovation and deliver impact at scale. Our unique strength lies in bringing together the best of our hardware, software and AI capabilities into integrated, platform-based solutions that deliver meaningful benefits for patients, customers and consumers – and value for Philips.

We will continue to strengthen quality and compliance, increase supply chain resilience, simplify how we operate and step up commercial and service excellence.

This includes accelerating the deployment of AI at scale across Philips, further embedding it across how we innovate, operate and collaborate. We will scale our innovation in the hospital and the home, and expand our leadership in AI-enabled healthcare and selfcare. At the same time, we remain realistic about the complexity and volatility of the world around us – and we are prepared to navigate it with agility and discipline.

With this plan, by the end of 2028 we aim to have achieved between 4 and 6 percent growth on average, expanded our margins towards mid-teens, and significantly grow our cash flow over the period. In addition, we have launched our 2030 Impact Ambitions, reinforcing our commitment to improving 2.5 billion lives a year by 2030 – while acting responsibly towards society and the environment.

Reflecting the progress we have made and our commitment to dividend stability, we propose to maintain the dividend at 85 euro cents per share, with the option for shareholders to receive it in shares or cash.

Healthcare systems around the world remain under pressure. Recent industry insights, including in the latest MedTech report I co-authored, highlight both the scale of these challenges and the critical role innovation must play in addressing them.

Simultaneously, people want to take greater control of their own health and well-being. Philips is uniquely positioned to help meet these needs through our technology, our innovation and our partnerships, because we believe in an ecosystem approach, collaborating deeply with the best hospitals, universities, tech partners, suppliers and government to drive systemic change.

As I look ahead, I am confident and energized by the opportunities before us. We have a clear plan, the right capabilities and a dedicated, passionate team united in our purpose. We have demonstrated that we can execute with discipline and adapt in a changing environment.

In a world in motion – complex, unpredictable but full of opportunity to provide better *and* more care – Philips will lead and innovate to improve lives.

I would like to thank our employees for their dedication and resilience in a demanding environment – and my colleagues in the Board of Management, the Executive Committee and our Supervisory Board for their guidance and commitment. I thank our customers and partners for their collaboration and trust – and you, our shareholders, for your continued support. Finally, I thank my family for their love and care.

At Philips, we have momentum, and we are determined to build on it, delivering better care for more people.

Thank you.

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