Important information

Forward-looking statements and other important information

This document and the related oral presentation, including responses to questions following the presentation, contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future Adjusted EBITA *), future restructuring and acquisition related charges and other costs, future developments in Philips' organic business and the completion of acquisitions and divestments. Forward-looking statements can be identified generally as those containing words such as “anticipates”, “assumes”, “believes”, “estimates”, “expects”, “should”, “will”, “will likely result”, “forecast”, “outlook”, “projects”, “may” or similar expressions. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include but are not limited to: Philips’ ability to gain leadership in health informatics in response to developments in the health technology industry; Philips’ ability to keep pace with the changing health technology environment; macroeconomic and geopolitical changes; integration of acquisitions and their delivery on business plans and value creation expectations; securing and maintaining Philips’ intellectual property rights, and unauthorized use of third-party intellectual property rights; Philips’ ability to meet expectations with respect to ESG-related matters; failure of products and services to meet quality or security standards, adversely affecting patient safety and customer operations; breaches of cybersecurity; challenges in simplifying our organization and our ways of working; the resilience of our supply chain; compliance with regulations and standards including quality, product safety and (cyber) security; compliance with business conduct rules and regulations including privacy and upcoming ESG disclosure and due diligence requirements; treasury and financing risks; tax risks; reliability of internal controls, financial reporting and management process; global inflation. As a result, Philips’ actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Risk management chapter included in the Annual Report 2023.

Third-party market share data

Statements regarding market share, contained in this document, including those regarding Philips’ competitive position, are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates. Where information is not yet available to Philips, market share statements may also be based on estimates and projections prepared by management and/or based on outside sources of information. Management’s estimates of rankings are based on order intake or sales, depending on the business.

Market Abuse Regulation

This slide deck contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Use of non-IFRS information

In presenting and discussing the Philips Group’s financial position, operating results and cash flows, management uses certain non-IFRS financial measures. These non-IFRS financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measure and should be used in conjunction with the most directly comparable IFRS measures. Non-IFRS financial measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. A reconciliation of these non-IFRS measures to the most directly comparable IFRS measures is contained in this document. Further information on non-IFRS measures can be found in the Annual Report 2022.

* Non-IFRS financial measure. Refer to reconciliation of non-IFRS information
Company overview

Creating value with sustainable impact

Path to value creation
It is our purpose to improve people’s health and well-being through meaningful innovation.
Philips at a glance

EUR 18.2bn\(^1\) in sales; \(~70\%\) from #1 or #2 positions

\(~40\%\) of sales from recurring revenues

\(~9\%\) of sales invested in R&D

Active in >100 countries, \(~70\,000\) employees

100\% carbon-neutral in operations since 2020

---

Global sales footprint\(^1\)

North America
42\%

Western Europe
21\%

Other mature geographies
9\%

Growth geographies\(^2\)
28\%

---

1. 2023 full-year | 2. Growth geographies consist of all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note: Leadership in Philips-addressable markets
We see significant opportunities in the attractive HealthTech segments where we operate

Addressable market, EUR billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Mid-to high-teens margin (market)</th>
<th>3 – 6% CAGR</th>
<th>2022</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>~150</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>165 – 180</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 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
Strong position across our portfolio of businesses

**Diagnosis & Treatment**
~50% of sales (2023 full-year)

- **Diagnostic Imaging**
- **Ultrasound**
- **Image Guided Therapy**

- Systems, smart devices, software and services, powered by AI-enabled informatics
- Supporting precision diagnosis and minimally invasive treatment in a growing number of therapeutic areas such as cardiology, peripheral vascular, neurology, surgery, and oncology

**Connected Care**
~30% of sales

- **Enterprise Informatics**
- **Monitoring**
- **Sleep & Respiratory Care**

- Ambulatory, home-based and in-hospital monitoring and workflow solutions fueled by advanced interoperability and patient data insights
- Connecting patients and caregivers across care settings, delivering clinical, operational and therapeutic solutions

**Personal Health**
20% of sales

- **Personal Health**

- Broad range of consumer solutions to support people in proactively managing their health and wellbeing

Market-leading capabilities integrating platforms, informatics, and services

Note: Excluding Segment ‘Other’
# Diagnosis & Treatment

## Total

<table>
<thead>
<tr>
<th>EUR 8.8bn(^1)</th>
<th>sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.6%(^1)</td>
<td>adjusted EBITA margin</td>
</tr>
<tr>
<td>~28k</td>
<td>employees</td>
</tr>
</tbody>
</table>

## Diagnostic Imaging

- ~39% of sales
- Top 3 player

## Ultrasound

- ~22% of sales
- #1 Cardiac

## Image Guided Therapy

- ~39% of sales
- #1 Systems and Devices

\(^1\) 1. 2023 full-year
Connected Care

Total

EUR 5.1bn\(^1\)
sales

7.2%\(^1\) adjusted EBITA margin

~18k employees

Enterprise Informatics

~22% of sales

#1 Imaging leader in PACS and interoperability

Monitoring

~60% of sales

#1 in Hospital
#1 in Ambulatory

Sleep & Respiratory Care

~17% of sales

#2 Globally

1. 2023 full-year
Scaling largest multi-vendor Enterprise Informatics business

**Philips Image Management**

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

**Interoperability and surveillance**

- 1000+ unique medical devices connected

**Tele care solution**

- 20+ years experience in eICU remote care management
- Expanding leadership in radiology, cardiology, and pathology

End-to-end business set up to scale

- Growing ~2x faster than Philips
- **EUR 1.5bn** revenues by 2025

---

1. Results following implementation of a unified radiology workspace with enterprise disaster recovery back-up system at Campus Biomedico University Hospital, Rome, Lazio, Italy.
   Note: “Largest Enterprise Informatics business” in Philips addressable markets

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Personal Health

Total
- EUR 3.6bn\(^1\) sales
- 16.6%\(^1\) adjusted EBITA margin
- ~9k employees

Oral Healthcare
- ~35% of sales
- #2 in Oral Healthcare

Personal Care
- ~54% of sales
- #1 in Male Grooming

Mother & Child Care
- ~11% of sales
- #2 in Infant Feeding

\(^1\) 2023 full-year
### Examples of innovation to empower clinicians across imaging

<table>
<thead>
<tr>
<th>MR SmartSpeed</th>
<th>CT 5100 Incisive</th>
<th>Next gen EPIQ</th>
<th>HealthSuite Imaging</th>
<th>ROCC(^2) &amp; PerformanceBridge(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award-winning, deep-learning AI reconstruction</td>
<td>Industry-leading CT Smart Workflow</td>
<td>AI-guided ultrasound capabilities</td>
<td>PACS(^1) over the cloud with Advanced AI-enabled tools</td>
<td>Industry’s first multi-vendor, multimodality ROCC</td>
</tr>
<tr>
<td>AI acceleration; scan 3x faster</td>
<td>Enhanced confidence, fastest AI reconstruction on the market</td>
<td>Expanded tele-ultrasound capability</td>
<td>Web-enabled diagnostic workspace from anywhere</td>
<td>Connects imaging experts with technologists at scan location</td>
</tr>
<tr>
<td>Boost clinical confidence with 65% higher resolution</td>
<td>Low total cost of ownership</td>
<td>3D-like vascular flow advanced imaging</td>
<td>Expansion of collaboration with AWS on generative AI</td>
<td>Real-time data analytics</td>
</tr>
</tbody>
</table>

**Data acquisition**
- Award-winning, deep-learning AI reconstruction
- AI acceleration; scan 3x faster
- Boost clinical confidence with 65% higher resolution

**Data liquidation in the cloud**
- PACS\(^1\) over the cloud with Advanced AI-enabled tools
- Web-enabled diagnostic workspace from anywhere
- Expansion of collaboration with AWS on generative AI

**Clinical operational workflow solution**
- Industry’s first multi-vendor, multimodality ROCC
- Connects imaging experts with technologists at scan location
- Real-time data analytics
Responsible and sustainable business for Philips and customers

**ESG focus**
- Carbon-neutral in our operations since 2020
- Partnering with customers/suppliers on 1.5 ºC target
- Leading in sustainable innovation (Helium-free MR, etc.)
- Circular revenues from 16% to 25% of sales by 2025
- 2 billion lives improved by 2025\(^1\) of which 300 million in underserved communities

**ESG ratings and recognition**

**ecovadis**
Top 3% of the companies assessed

**RepTrak**
First Dutch company among world’s 15 best reputed companies

**Dow Jones Sustainability Indexes**
Top health technology company in the 2023 DJSI

**CDP**
CDP’s ‘A List’ for the 11th year in a row

\(^1\) Source: Philips lives improved methodology
ESG highlights
Selected achievements highlighting progress towards our goals

Environment
First HealthTech company to have entire value-chain CO₂ emissions targets approved by SBTi
100% carbon-neutral in operations since 2020

Social
1.9 billion lives improved, >220 million in underserved communities
39% gender diversity in workforce with ~30% in senior management positions help by women

Governance
Patient safety and quality leadership elevated to Executive Committee
Extension of supplier risk management to deeper tiers, and diversified sourcing of high-risk components
Reinvigorating patient and people-centric culture

Accountability & empowerment

Patients and people at the heart of everything we do

Execution focus and simplicity

Transparency, growth mindset

Driving impact with care

Injecting HealthTech expertise

78% Executive hires with Health Tech and healthcare background

50% of non-executive hires in 2023 came from Health Tech
Experienced and passionate executive team

**CEO**
Roy Jakobs  
Dutch/German

**CFO**
Abhijit Bhattacharya  
Indian

**From Oct 1, 2024**
Charlotte Hanneman  
Dutch

**ESG & CLO**
Marnix van Ginneken  
Dutch

**Personal Health**
Deeptha Khanna  
Singaporean

**Connected Care**
Julia Strandberg  
American

**Diagnosis & Treatment**
Image-Guided-Therapy  
Bert van Meurs  
Dutch

**Precision Diagnosis**
Bert van Meurs  
Dutch

**North America**
Jeff DiLullo  
American

**Greater China**
Andy Ho  
Chinese/Canadian

**International Markets**
Edwin Paalvast  
Dutch

**Innovation & Strategy**
Shez Partovi  
Canadian

**Patient Safety & Quality**
Steve C de Baca  
American

**Human Resources**
Heidi Sichien  
Belgian

**Operations**
Wim Appelo  
Dutch

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1. Ad interim  
2. Precision Diagnosis includes Diagnostic Imaging and Ultrasound  
3. All geographies excluding North America and Greater China
Company overview

Creating value with sustainable impact

Path to value creation
Our four key strengths to build on

1. **Leading positions**
   - ~70% of sales from #1 or #2 positions
   - Leading innovation; hardware, software and services
   - Strong professional and personal health (home) positions

2. **High customer intimacy**
   - Preferred strategic and innovation partner
   - 300+ partnerships, ~EUR 1.5Bn orders/year
   - ~40% recurring revenue

3. **Innovation aligned to customer needs**
   - Solutions across imaging, therapy and monitoring
   - Enhanced clinical and operational productivity
   - Largest Enterprise Informatics – multi-vendor

4. **Strong purpose, brand and ESG**
   - Improved 1.9Bn lives ’23 and 11Bn brand value
   - Carbon-neutral, circularity, sustainable innovation
   - 85% of products Ratings & Reviews > 4.3 (out of 5)

Source: Lives improved methodology; R&R scores: BazaarVoice

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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 & quality as highest priority
  - Reliable supply chain
  - Simplified operating model
# Focused organic growth

| Accelerate growth in attractive leadership segments | Image-Guided-Therapy | Ultrasound |
| Scale to unlock insights | Monitoring | Personal Health |
| Improve operational excellence & services | Enterprise Informatics |
| Address recall and restore business position | Diagnostic Imaging | Sleep & Respiratory Care |
Leveraging attractive leadership positions to drive growth

~70% of Philips revenue

Drivers

- Leading Cardiac workflow support
- Software, Hardware and Services pull-through
- Leading growth platforms (Azurion, IntelliVue, etc.)
- Unique informatics capabilities
- Integrated acquisitions
Scale enterprise informatics, unlocking access and insights from combined data pools of imaging and monitoring

Integrates with systems & devices
Vendor-agnostic
Unlocks data to generate AI-insights
Supports hospital & remote workflows
Improves staff productivity

Scale informatics

3k+
Sites with Philips Radiology PACS

20M+
Patients with device to EMR connectivity per year

15k+
ICU beds with remote population health management
Driving operational excellence and services in Diagnostic Imaging

<table>
<thead>
<tr>
<th>Smart diagnostic systems</th>
<th>Optimized workflows</th>
<th>Integrated diagnostics</th>
</tr>
</thead>
</table>

Supported by Enterprise Informatics image management platform

- Impactful, sustainable innovation
- Supply chain improvement
- Services pull through
- Conversion of strong order book

Higher margins
Innovation model for focused scalable innovation
Patient and people centric innovation with focus on segments with right to win

• Tailor innovation to segments we serve
• Focused, fewer projects, scaling faster
• People, patient-centric design & experience
• Integral design approach
• Business model and service innovation (Emaas/SaaS)

>EUR1.7 billion\(^1\),
~9% R&D of sales
(vs. ~7.5% industry average)

90% business-led
10% corporate
**Execution with decisive action as key value driver**

<table>
<thead>
<tr>
<th>Patient safety and quality as highest priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture, accountability, competencies</td>
</tr>
<tr>
<td>Patient safety and quality at heart of innovation</td>
</tr>
<tr>
<td>Expanded patient safety and quality program</td>
</tr>
<tr>
<td>Finalize Respironics recall</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reliable end-to-end supply chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-to-end value chain by business</td>
</tr>
<tr>
<td>Leadership and competencies</td>
</tr>
<tr>
<td>Product pruning and (re)design</td>
</tr>
<tr>
<td>Strategic supplier management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Simplified operating model</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-to-end, P&amp;L-accountable business</td>
</tr>
<tr>
<td>Simplification, de-layering, less KPIs</td>
</tr>
<tr>
<td>Reduction of 10k roles</td>
</tr>
<tr>
<td>Leadership and talent</td>
</tr>
</tbody>
</table>
Execution with decisive action as key value driver
Examples of progress in 2023

Patient safety and quality as highest priority
- Elevated PS&Q to the ExCo
- Boosted regulatory competencies (incl. AI)
- PS&Q time out day for 70K employees
- Strengthened talent, design controls
- Future fit assessments of platforms
- ~50% reduction in # of QMS
- Progress on Respironics Field action (see next page)

Reliable end-to-end supply chain
- Completed move to End-to-End value chain by business
- New supply chain leaders with business expertise in all businesses
- ~75% PCBAs redesigns completed
- ~20% increase in service level
- De-risked all high-risk components

Simplified operating model
- New operating model live 1 April
- Completed re-alignment of workforce
- New performance management cadence (innovation, quality, results)
- Reduced roles by ~8K (vs 7K planned)

PS&Q time out day for 70K employees
- Boosted regulatory competencies (incl. AI)
- PS&Q time out day for 70K employees
- Strengthened talent, design controls
- Future fit assessments of platforms
- ~50% reduction in # of QMS
- Progress on Respironics Field action (see next page)
Philips Respironics Field Action

Progress to date

Remediation of sleep therapy devices almost complete; ventilation ongoing

FDA feedback received on testing and analysis for sleep therapy devices¹

Reached agreement to resolve economic loss, personal injury, and medical monitoring litigation in the US

Reached agreement with US government on a consent decree

Back to market outside the US; servicing US market under agreed conditions part of the consent decree

Priorities ahead

Finalize recall and testing

DoJ investigation, other legal proceedings

Demonstrate compliance with the regulatory requirements and restore Respironics business

Gradually restore position

¹ Following ongoing communications with the FDA, Philips Respironics has agreed to implement additional testing to supplement current test data on PE-PUR foam. The FDA stated that current testing is extensive and conducted with independent parties and expressed no concerns with its validity or objectivity. Philips Respironics is in discussions with the FDA on the details of further testing. Note: More information on the Respironics recall can be found here.
Company overview

Creating value with sustainable impact

Path to value creation
Strong full-year 2023 results driven by solid execution of the plan to create value with sustainable impact

### 2023 outlook
**as of January 30, 2023**

<table>
<thead>
<tr>
<th>Comparable Sales Growth</th>
<th>2023 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-single-digit</td>
<td>7%* ✓</td>
</tr>
</tbody>
</table>

- Solid execution and supply chain improvements
- Strong sales from equipment, as well as software, services, and consumables

<table>
<thead>
<tr>
<th>Adjusted EBITA margin¹</th>
<th>2023 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-single-digit</td>
<td>10.5%* ✓</td>
</tr>
</tbody>
</table>

- Increased sales, pricing and productivity measures, partly offset by cost inflation

<table>
<thead>
<tr>
<th>Free Cash Flow</th>
<th>2023 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 0.7 – 0.9 billion</td>
<td>EUR 1.6 billion ✓</td>
</tr>
</tbody>
</table>

- Higher cash earnings and improved working capital management
- Includes ~150m cash outflow related to resolution of the economic loss class action

---

¹ Excluding restructuring costs, acquisition-related charges and other one-time charges and gains

*) Excluding provisions charged to sales of EUR 174 million in Q4 2023 mainly in connection with the Respironics consent decree
Confident in delivering the plan for 2023-2025, with further performance improvement in 2024

Note: The outlook excludes the potential impact of other, previously disclosed, Philips Respironics related legal proceedings, including the investigation by the US DoJ. 1. Excluding payment of settlement related to the Respironics litigation for which a provision was booked in Q1 2024, as announced on April 29, 2024.
Driving organic growth and margin improvement

### Diagnosis & Treatment
- **Comparable Sales Growth**
  - 2024E: 3-5%
  - Medium-term 2025: Mid-single-digit
  - 2025+: Mid-single-digit

### Connected Care
- **Comparable Sales Growth**
  - 2024E: 3-5%
  - Medium-term 2025: Mid-single-digit
  - 2025+: Medium-

### Personal Health
- **Comparable Sales Growth**
  - 2024E: 3-5%
  - Medium-term 2025: Mid-single-digit
  - 2025+: Mid-single-digit

### Adj. EBITA margin
- Improvement → Low-teens → Mid-teens
- Improvement → Low-teens → High-teens
- Improvement → High-teens → High-teens
Productivity initiatives\(^1\) to deliver EUR 2.0 billion in the 2023-2025 period

<table>
<thead>
<tr>
<th>Productivity initiatives(^1) (in millions of EUR unless otherwise stated)</th>
<th>FY 2023 Actuals</th>
<th>2023 – 2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Model</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Simplified operating model with reduction of 10k roles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• R&amp;D prioritization, reduction of Corporate Research</td>
<td>496</td>
<td>920 – 1,050</td>
</tr>
<tr>
<td>• End-to-end supply chain, simplifying planning, and eliminating duplications</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Bill-of-material savings via redesign, value analysis, engineering</td>
<td>219</td>
<td>550 - 600</td>
</tr>
<tr>
<td>• Reductions in warehousing, transportation and consulting</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other productivity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Manufacturing footprint optimization and service productivity</td>
<td>241</td>
<td>400 - 450</td>
</tr>
<tr>
<td>• R&amp;D platform simplification and footprint optimization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• GBS and hyper-automation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• S&amp;RC rightsizing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EUR 956 million EUR 2.0 billion

1. Gross productivity initiatives and re-investments, before inflation; cumulative in the period
Margin increase from productivity, pricing & supply chain improvements – cumulative drivers 2023-2025

Adj. EBITA margin\(^1\)

- **Performance actions**
  - 3-4%
  - 4-5%
  - ~(6)%
  - ~(2)%
  - 7.4%
  - Low-teens

- **Adj. EBITA FY2022**
- **Volume**
- **Pricing, mix, CoGS**
  - End-to-end supply chain and procurement
  - Pricing actions
  - Mix and innovation
- **Non-manufacturing cost reduction**
  - Reduction in roles
  - R&D prioritization
  - GBS and hyper-automation
- **Inflation**
- **Risk**
- **Adj. EBITA FY2025E**

Note: The outlook excludes the potential impact of other, previously disclosed, Philips Respironics related legal proceedings, including the investigation by the US DoJ.

1. Investments in patient safety and quality and supply chain improvements included.
Balanced capital allocation focusing on organic growth, margin improvement and cash

<table>
<thead>
<tr>
<th>1. Organic growth</th>
<th>• Main premise of our value creation</th>
</tr>
</thead>
</table>
| 2. Dividend stability | • Pay-out of 40-50% of net recurring income  
                          • Continued, stable dividend policy |
| 3. M&A              | • Disciplined, bolt-on M&A in core areas |
| 4. Share buy-backs  | • In April 2024, completed EUR 1.5 billion program announced in July 2021  
                          • Continuing to evaluate periodically |

Shareholder returns

Maintain strong investment grade rating

In April 2024, completed EUR 1.5 billion program announced in July 2021

Continuing to evaluate periodically
Our context...

Attractive HealthTech Market
- 3-6% revenue CAGR
- Mid-to-high-teens margins
- Megatrends, sustainable healthcare

Strengths
- Leading positions, innovation
- Innovation, design, sustainability
- High customer intimacy
- Strong purpose, brand, ESG

Challenges
- Strategy implementation
- Execution
  - Patient safety and quality
  - Supply
  - Complex organisation & culture

Creating value with sustainable impact

...our future

Focused organic growth and scalable innovation
- Expand leadership positions in Image-Guided-Therapy, Ultrasound, Monitoring, and Personal Health
- Scale Enterprise Informatics
- Improve Diagnostic Imaging, restore S&RC Patient-
- People-centric, scalable innovation

Execution as main value driver
1. Patient safety & quality highest priority
2. Reliable supply chain
3. Simplified operating model
Culture of accountability and HealthTech capabilities

Value creation
- Profitable growth acceleration
- Sustainable value creation
## Historical financial performance summary

### Key data (in millions of EUR unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>17,156</td>
<td>17,827</td>
<td>18,169</td>
</tr>
<tr>
<td><strong>Comparable sales growth</strong></td>
<td>(1)%</td>
<td>(3)%</td>
<td>6%*</td>
</tr>
<tr>
<td>Income from operations</td>
<td>553</td>
<td>(1,529)</td>
<td>(115)</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>(39)</td>
<td>(200)</td>
<td>(314)</td>
</tr>
<tr>
<td>Investments in associates, net</td>
<td>(4)</td>
<td>(2)</td>
<td>(98)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>103</td>
<td>113</td>
<td>73</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>612</td>
<td>(1,618)</td>
<td>(454)</td>
</tr>
<tr>
<td>Discontinued operations, net</td>
<td>2,711</td>
<td>13</td>
<td>(10)</td>
</tr>
<tr>
<td>Net income</td>
<td>3,323</td>
<td>(1,605)</td>
<td>(463)</td>
</tr>
<tr>
<td>Adjusted EBITA¹</td>
<td>2,054</td>
<td>1,318</td>
<td>1,921</td>
</tr>
<tr>
<td><strong>as a % of sales</strong></td>
<td>12.0%</td>
<td>7.4%</td>
<td>10.6%*</td>
</tr>
<tr>
<td>Adjusted income from continuing operations attributable to shareholders² per common share (in EUR) - diluted</td>
<td>1.65</td>
<td>0.92</td>
<td>1.25</td>
</tr>
</tbody>
</table>

1. Excluding restructuring costs, acquisition-related charges and other one-time charges and gains; 2. Shareholders in this table refers to shareholders of Koninklijke Philips N.V.

*Excluding provisions charged to sales of EUR 174 million in Q4 2023 mainly in connection with the Respironics consent decree comparable sales growth was 7% and Adjusted EBITA as a % of sales was 10.5%
Balanced capital allocation policy

Organic Return on Invested Capital\(^1,2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>16.4%</td>
</tr>
<tr>
<td>2019</td>
<td>13.6%</td>
</tr>
<tr>
<td>2020</td>
<td>12.3%</td>
</tr>
<tr>
<td>2021</td>
<td>14.7%</td>
</tr>
<tr>
<td>2022</td>
<td>5.8%</td>
</tr>
<tr>
<td>2023</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

WACC = 8.0%

Dividends

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends (in billions of EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.85</td>
</tr>
<tr>
<td>2020</td>
<td>0.85</td>
</tr>
<tr>
<td>2021</td>
<td>0.85</td>
</tr>
<tr>
<td>2022</td>
<td>0.85</td>
</tr>
<tr>
<td>2023</td>
<td>0.85</td>
</tr>
<tr>
<td>2024</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Mergers & acquisitions (in billions of EUR unless otherwise stated)

<table>
<thead>
<tr>
<th>Year</th>
<th>M&amp;A (in billions of EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 - 2017</td>
<td>~3.6</td>
</tr>
<tr>
<td>2018</td>
<td>~0.6</td>
</tr>
<tr>
<td>2019 - 2020</td>
<td>~0.4</td>
</tr>
<tr>
<td>2021</td>
<td>~3.2</td>
</tr>
</tbody>
</table>

Share repurchase (in billions of EUR unless otherwise stated)

<table>
<thead>
<tr>
<th>Year</th>
<th>Share repurchase (in billions of EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 - 2016</td>
<td>1.5</td>
</tr>
<tr>
<td>2017 - 2019</td>
<td>1.5</td>
</tr>
<tr>
<td>2019 - 2021</td>
<td>1.5</td>
</tr>
<tr>
<td>2021 - 2024</td>
<td>1.5</td>
</tr>
</tbody>
</table>

---

1. Organic ROIC excludes acquisitions over a five years period and other items defined as material and of the same nature as the items excluded from Adjusted EBITA such as pension settlements, significant tax charges and benefits, and one-time legal and other provisions; ROIC % = LTM EBITA/average NOC over the last 5 quarters; 2. Organic ROIC 2019 and 2021 restated to reflect discontinued operations; 3. Organic ROIC in 2019 includes value adjustments of capitalized development costs and the impact of IFRS 16 lease accounting standard | 4. Proposed dividend submitted to the Annual General Meeting of Shareholders, to be help on May 7, 2024

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