Investor presentation
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 transform its business model to health technology solutions and services; macroeconomic and geopolitical changes; integration of acquisitions and their delivery on business plans and value creation expectations; securing and maintaining Philips’ intellectual property rights; Philips’ ability to meet expectations with respect to ES&G-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 connection with Philips’ strategy to improve execution and other business performance initiatives; the resiliency of our supply chain; attracting and retaining personnel; challenges to drive operational excellence and speed in bringing innovations to market; 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 2022. Reference is also made to section Risk management in the Philips semi-annual report 2023.

The risk factors discussed in Philips’ 2022 Annual Report (section 6.3) include the strategic risk that the company’s global operations are exposed to geopolitical and macroeconomic changes. The current situation in Israel further increases economic and political uncertainty and may affect the company’s results of operations, financial position and cash flows. Philips is present in Israel with several subsidiaries, mainly in Diagnosis & Treatment and Connected Care, that are primarily involved in manufacturing and research and development (R&D) activities. Please refer to our 2022 Country Activity and Tax Report (p. 37) for further information on our activities in Israel.

Philips has recognized a provision related to the voluntary recall notification in the US/field safety notice outside the US for certain sleep and respiratory care products, based on Philips’ best estimate for the expected field actions. Future developments are subject to significant uncertainties, which require management to make estimates and assumptions, about items such as quantities and the portion to be replaced or repaired. Actual outcomes in future periods may differ from these estimates and affect the company’s results of operations, financial position and cash flows. Furthermore, Philips is a defendant in several class actions involving personal injury claims, and is in ongoing discussions with the FDA regarding a proposed consent decree. Given the uncertain nature of the relevant events, and of their potential financial and operational impact and associated obligations, if any, the company has not made any provisions in the accounts for these matters, except for the following. In the first quarter of 2023, Philips Respironics recorded a provision in connection with an anticipated resolution of the economic loss class action pending in the US. The provision is subject to final court approval of the negotiated settlement agreement and is based on Philips’ best estimate for the expected settlement amounts, which is, in part, based on the expected number of claims ultimately filed pursuant the settlement once it is approved. Actual outcomes in future periods of the above matters may differ from these estimates and affect the company’s results of operations, financial positions and cash flows.

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 press release 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 standardised 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.

We aim to improve the lives of 2.5 billion people per year by 2030.
Philips at a glance

EUR 18.5bn\(^1\) 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, ~70k employees

100% carbon-neutral in operations since 2020

Global sales footprint\(^1\)

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>42%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>21%</td>
</tr>
<tr>
<td>Other mature geographies</td>
<td>9%</td>
</tr>
<tr>
<td>Growth geographies(^2)</td>
<td>28%</td>
</tr>
</tbody>
</table>

1. Last twelve months  | 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 operate in attractive HealthTech segments

Addressable market, EUR billion

- Aging population, growing demand for care
- Increasing healthcare costs driving productivity needs
- Increasing need for insights from growing health data
- Shift to ambulatory monitoring, imaging and treatment
- Increasing spend on personal health and care

<table>
<thead>
<tr>
<th>Year</th>
<th>Addressable Market (EUR billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>~150</td>
</tr>
<tr>
<td>2025E</td>
<td>165 – 180</td>
</tr>
</tbody>
</table>

Mid-to high-teens margin (market) 3 – 6% CAGR
Diagnosis & Treatment at a glance

Total

**EUR 8.9bn**\(^1\) sales

**12.1%**\(^1\) adjusted EBITA margin

**~33k** employees

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**Diagnostic Imaging**

- ~40% of sales
- Top 3 player

**Ultrasound**

- ~20% of sales
- #1 Cardiac

**Image Guided Therapy**

- ~40% of sales
- #1 Systems and Devices
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>48% of sales (last twelve months)</td>
<td>29% of sales</td>
<td>19% of sales</td>
</tr>
</tbody>
</table>

**Diagnosis & Treatment**
- **Diagnostic Imaging**
- **Ultrasound**
- **Image Guided Therapy**

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

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

- **Diagnostic Imaging**
  - 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

- **Ultrasound**

- **Image Guided Therapy**

- **Enterprise Informatics**
  - 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

- **Monitoring**

- **Sleep & Respiratory Care**

- **Personal Health**

**Market-leading capabilities integrating platforms, informatics, and services**

Note: Segment Other accounts for 4% of sales
Flagship innovations across our portfolio will drive our growth

Helium-free MR

0 helium refill over lifetime

Up to 53% lower power consumption per patient scan (32% on average)\(^1\)

Winner 2023 Best New Technology Solution for Radiology – MedTech Breakthrough Award program

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1. Philips SmartSpeed power consumption versus Philips SENSE based scanning. Based on COCIR and in-house simulated environment. Results can vary based on site conditions.
Flagship innovations across our portfolio will drive our growth

Spectral CT

34% decrease in diagnosis time¹

26% decrease in follow-up scans²

1. Analysis by CARTI Cancer Center, Little Rock, AR, USA.
2. Analysis by LSU, New Orleans, LA, USA. Results from case studies are not predictive of results in other cases. Results in other cases may vary.
Flagship innovations across our portfolio will drive our growth

Ultrasound Compact 5000

22% increase in diagnosis confidence

42% reduction in button pushes

1. Based on internal bench test with an ultrasound phantom, using the CS-1 transducer | 2. Compared to using the semi-automated Biometry Assist versus manual operation
Flagship innovations across our portfolio will drive our growth

Azurion
Image Guided Therapy platform

17% time saving per procedure\textsuperscript{1}

28% post-procedure lab time reduction\textsuperscript{1}

\textsuperscript{1} Results are specific to the institution where they were obtained and may not reflect the results achievable at other institutions
Connected Care at a glance

**Total**

EUR 5.4bn\(^1\) sales

6.5%\(^1\) adjusted EBITA margin

~17k employees

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**Enterprise Informatics**

~20% of sales

#1 Imaging leader in PACS and interoperability

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**Monitoring**

~60% of sales

#1 in Hospital
#1 in Ambulatory

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**Sleep & Respiratory Care**

~20% of sales

#2 Globally
Flagship innovations across our portfolio will drive our growth

Philips BioTelemetry

4.6x more patients with atrial fibrillation detected by MCOT compared to ILR alone

8x lower costs achieved with improved detection rates and reduction of secondary stroke risk due to new anticoagulant use in subjects with MCOT-patch-detected atrial fibrillation

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Flagship innovations across our portfolio will drive our growth

IntelliVue

dynamic care solution

alarm fatigue:
40% total alarm reduction

workflows:
Reduced time to process from 5 minutes to 3.9 seconds

1. Team-Based Interventions to Reduce the Impact of Nonactionable Alarms in an Adult Intensive Care Unit. Justin Yeh, Rusi Wilson, LuFei Young, Lisa Pahl, Steven Whitney, Kevin C. Dell sperger, Pascha E. Schafer
2. Results from baseline and post time & motion studies conducted by Phillips and Jackson Health Internal teams in the high acuity units (ED, TICU, CCU).
Scaling largest multi-vendor Enterprise Informatics business

Philips Image Management

70+ Al-powered clinical apps  50% productivity improvement¹

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
Personal Health at a glance

**Total**

- EUR 3.6bn\(^1\)
- 15.7\(^1\)\% adjusted EBITA margin
- ~9k employees

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales Percentage</th>
<th>Market Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oral Healthcare</td>
<td>~35% of sales</td>
<td>#2 in Oral Healthcare</td>
</tr>
<tr>
<td>Personal Care</td>
<td>~55% of sales</td>
<td>#1 in Male Grooming</td>
</tr>
<tr>
<td>Mother &amp; Child Care</td>
<td>~10% of sales</td>
<td>#2 in Infant Feeding</td>
</tr>
</tbody>
</table>

1. Last twelve months
Flagship innovations across our portfolio will drive our growth

Sonicare 9900 Prestige
Power toothbrush

4.7 star rating globally

20x more plaque removal vs. manual toothbrush
Responsible and sustainable business for Philips and customers

**ESG focus**

- Carbon-neutral
- 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

**ESG ratings and recognition**

*ecovadis*

Top 1% of the companies assessed

*RepTrak*

First Dutch company among world’s 15 best reputation companies

*S&P Global*

Ratings
91/100 in the ESG assessment (highest to date)

*CDP*

CDP’s ‘A List’ for the 10th 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
1.8 billion lives improved, 0.2 billion in underserved communities
39% gender diversity in workforce with 30% in senior management positions

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

Injecting HealthTech expertise

75%
Executive hires with Health Tech and healthcare background

>50%
of non-executive hires in 2022 came from Health Tech
Our experienced and passionate executive team

**CEO**
Roy Jakobs  
Dutch/German

**CFO**
Abhijit Bhattacharya  
Indian

**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

**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
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 1.8Bn lives ’22 and 12Bn 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
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
  - Monitoring
  - Personal Health

- Scale to unlock insights
  - Enterprise Informatics

- Improve operational excellence & services
  - Diagnostic Imaging

- Address recall and restore business position
  - 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

<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrates with systems &amp; devices</td>
<td></td>
</tr>
<tr>
<td>Vendor-agnostic</td>
<td></td>
</tr>
<tr>
<td>Unlocks data to generate AI-insights</td>
<td></td>
</tr>
<tr>
<td>Supports hospital &amp; remote workflows</td>
<td></td>
</tr>
<tr>
<td>Improves staff productivity</td>
<td></td>
</tr>
</tbody>
</table>

**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

- Smart diagnostic systems
- Optimized workflows
- Integrated diagnostics

Supported by Enterprise Informatics image management platform

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

Higher margins
Resolving the recall for patients remains our highest priority

<table>
<thead>
<tr>
<th>2023</th>
<th>YTD 2023</th>
<th>2023-2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalize recall of sleep therapy devices</td>
<td>Remediation of &gt;99% of sleep therapy devices complete; ventilators ongoing</td>
<td>Finalize recall and testing</td>
</tr>
<tr>
<td>Agree details of further testing with FDA</td>
<td>FDA feedback received on testing and analysis for sleep therapy devices</td>
<td></td>
</tr>
<tr>
<td>Manage litigation, DoJ investigation</td>
<td>Reached agreement to resolve economic loss class action in the US</td>
<td>Manage litigation, DoJ investigation</td>
</tr>
<tr>
<td>483 remediation and clarity on proposed Consent Decree</td>
<td>483 remediation in progress</td>
<td>Manage impact of proposed Consent Decree</td>
</tr>
<tr>
<td></td>
<td>Started serving new patients with sleep therapy devices outside the US</td>
<td>Gradually restore position</td>
</tr>
</tbody>
</table>

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.

2. Over 99% of the sleep therapy device registrations that are complete and actionable have been remediated.

Note: More information on the Respironics recall can be found [here](#);
Innovation model for focused scalable innovation
“Fewer, better, bigger”

Focus on segments with right to win

• Significant R&D investments
• Re-target and resource to scale high-impact innovations

>EUR1.7 billion\(^1\),
~9% R&D of sales
from 10.5%, industry leading
(vs. ~7.5% industry average)

Empower business execution

• Tailor innovation to segment we serve
• Focused, fewer projects, scaling innovation faster

90% business-led
10% corporate in 2023
From 70% and 30% in 2022

1. Expected R&D spend
Execution with decisive action as key value driver
Enabled by culture of accountability and strong HealthTech capabilities

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
Company overview

Creating value with sustainable impact

Path to value creation
## Progressive value creation

Supported by balanced capital allocation

<table>
<thead>
<tr>
<th>2023&lt;sup&gt;1&lt;/sup&gt;</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>
</tbody>
</table>

### Comparable Sales Growth
- Low-single-digit
- Mid-single-digit
- Mid-single-digit

### Adj. EBITA margin
- High-single-digit
- Low teens
- Mid-to-high teens

### Free Cash Flow
- EUR 0.7 – 0.9
- EUR 1.4 – 1.6 billion
- > EUR 2 billion

Guidance 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 30th, 2023; as announced October 23, 2023, Philips now expects to deliver 6-7% comparable sales growth and an Adjusted EBITA margin of 10-11% for the full year 2023, with free cash flow at the upper end of the target range of EUR 0.7-0.9 billion.
Driving organic growth and margin improvement

### Diagnosis & Treatment

- **Comparable Sales Growth**
  - FY 2023E: Mid-single-digit
  - Medium-term 2025: Mid-single-digit
  - 2025+: Medium-single-digit

- **Adj. EBITA margin**
  - Improvement: Mid-teens

### Connected Care

- **Comparable Sales Growth**
  - FY 2023E: Mid-single-digit
  - Medium-term 2025: Mid-single-digit
  - 2025+: High-single-digit

- **Adj. EBITA margin**
  - Improvement: High-teens

### Personal Health

- **Comparable Sales Growth**
  - FY 2023E: Low-single-digit
  - Medium-term 2025: Mid-single-digit
  - 2025+: Mid-single-digit

- **Adj. EBITA margin**
  - Improvement: High-teens

1. As provided on January 30th, 2023; as announced October 23, 2023, Philips now expects to deliver high-single-digit – double-digit comparable sales growth for Diagnosis & Treatment, and low-single-digit – mid-single-digit comparable sales growth for Connected Care.
Productivity initiatives\(^1\) to deliver EUR 2.0 billion in the 2023-2025 period

Operating Model
- Simplified operating model with reduction of 10k roles
- R&D prioritization, reduction of Corporate Research
- End-to-end supply chain, simplifying planning, and eliminating duplications

Procurement
- Bill-of-material savings via redesign, value analysis, engineering
- Reductions in warehousing, transportation and consulting

Other productivity
- S&RC rightsizing
- Manufacturing footprint optimization and service productivity
- R&D platform simplification and footprint optimization
- GBS and hyper-automation

\(^1\) 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\textsuperscript{1,2}

<table>
<thead>
<tr>
<th>Adj. EBITA FY2022</th>
<th>Volume</th>
<th>Pricing, mix, CoGS</th>
<th>Non-manufacturing cost reduction</th>
<th>Inflation</th>
<th>Risk</th>
<th>Adj. EBITA FY2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.4%</td>
<td>4-5%</td>
<td>4-5%</td>
<td>3-4%</td>
<td>~(6)%</td>
<td>~(2)%</td>
<td>Low-teens</td>
</tr>
</tbody>
</table>

Performance actions

- End-to-end supply chain and procurement
- Pricing actions
- Mix and innovation

- Reduction in roles
- R&D prioritization
- GBS and hyper-automation

\textsuperscript{1} Guidance 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

\textsuperscript{2} Investments in patient safety and quality and supply chain improvements included
Balanced capital allocation focusing on organic growth, margin improvement and cash

1. Organic growth
   - Main premise of our value creation

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
   - EUR 1.5 billion on-going program\(^1\)
   - Continuing to evaluate periodically

Shareholder returns

Maintain strong investment grade rating

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1. The program has been executed through a number of forward purchase transactions and (in the fourth quarter of 2021 and January 2022) open market purchases. The open market repurchases under the program have been concluded and the forward transactions are expected to be settled in 2023 and 2024. Further information can be found on [Investor Relations website](#).
Our context...

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

Strengths
• Leading positions, innovation
• High customer intimacy
• Strong purpose, brand, ESG

Creating value with sustainable impact

Challenges
• Strategy implementation
• Innovation model
• Quality
• Supply chain reliability
• Complex operating model

...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
• Medium-term 2025: mid-single-digit growth, low-teens Adj. EBITA margin, EUR 1.4-1.6 billion FCF
• 2025+: mid-single-digit growth, mid-to-high teens Adj. EBITA margin, >EUR 2 billion FCF

Note: Guidance 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.
## Historical financial performance summary

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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>17,313</td>
<td>17,156</td>
<td>17,827</td>
</tr>
<tr>
<td><strong>Comparable sales growth</strong></td>
<td>2.9%</td>
<td>(1.2)%</td>
<td>(2.8)%</td>
</tr>
<tr>
<td>Income from operations</td>
<td>1,264</td>
<td>553</td>
<td>(1,529)</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>(44)</td>
<td>(39)</td>
<td>(200)</td>
</tr>
<tr>
<td>Investments in associates, net of income taxes</td>
<td>(9)</td>
<td>(4)</td>
<td>(2)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(212)</td>
<td>103</td>
<td>113</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>999</td>
<td>612</td>
<td>(1,618)</td>
</tr>
<tr>
<td>Discontinued operations, net of income taxes</td>
<td>196</td>
<td>2,711</td>
<td>13</td>
</tr>
<tr>
<td>Net income</td>
<td>1,195</td>
<td>3,323</td>
<td>(1,605)</td>
</tr>
<tr>
<td>Adjusted EBITA(^1)</td>
<td>2,277</td>
<td>2,054</td>
<td>1,318</td>
</tr>
<tr>
<td><strong>as a % of sales</strong></td>
<td>13.2%</td>
<td>12.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Adjusted income from continuing operations attributable to shareholders(^2) per common share (in EUR) - diluted</td>
<td>1.74</td>
<td>1.65</td>
<td>0.96</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.