

# Delivering value in Personal Health

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Chief Business Leader Personal Health and CMO



## Key takeaways

- **Personal Health** plays an important role on the health continuum, delivering integrated, connected solutions **supporting healthier lifestyles and living with chronic disease**
- Continued **strong growth** and **margin expansion** are driven by:
  - Innovation at the **forefront of Digital Health**, based on **deep consumer insights**
  - Value propositions leveraging **consumer data**, unlocking **recurring revenue streams**
  - High-impact **consumer marketing** programs
  - **Geographical expansion** with proven propositions
- We consistently drive **above market growth** and we are **stepping up profitability towards the high-teens**, building on a **strong track record**

# Personal Health plays an important role on the health continuum

Delivering integrated, connected solutions supporting healthier lifestyles and living with chronic disease



## Personal Care



Advanced appliances that help consumers with personal hygiene to look and feel their best

## Health & Wellness



Providing innovative solutions for oral hygiene and improving the health and happiness of mother and baby

## Domestic Appliances



Supporting people to live a healthy life in a healthy home environment

## Sleep & Respiratory Care



Providing solutions for individuals to live healthier at home and work together with their care providers to manage their sleep and respiratory conditions

# Our winning value creation strategy in Personal Health

We consistently drive above market growth and we are stepping up profitability towards the high-teens, building on a strong track record

## Improve

Continuous operational improvement through Accelerate!



- DfX program
- Overhead cost reduction
- Manufacturing footprint
- Continuous strong focus on improving Quality and reducing Cost-of-non-Quality

## Grow

Drive growth, mix and gain scale



- Category leadership through innovation and customer intimacy
- Gain scale through geographical expansion with proven propositions
- Mix and pricing power, enabled by strong Consumer Ratings & Reviews

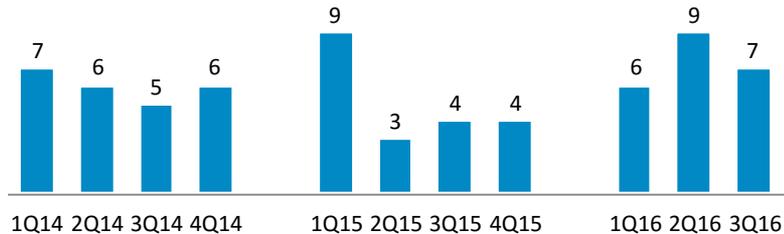
## Build

Leveraging consumer data, unlocking recurring revenue

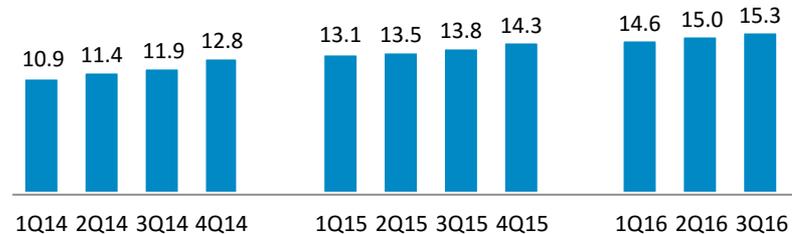


- Direct-to-Consumer programs / Consumer Relationship Management unlock recurring revenue streams
- Launching wide-range of connected personalized Health solutions, leveraging Philips Health Suite Digital Platform

Comparable Sales Growth % per quarter for Personal Health Businesses

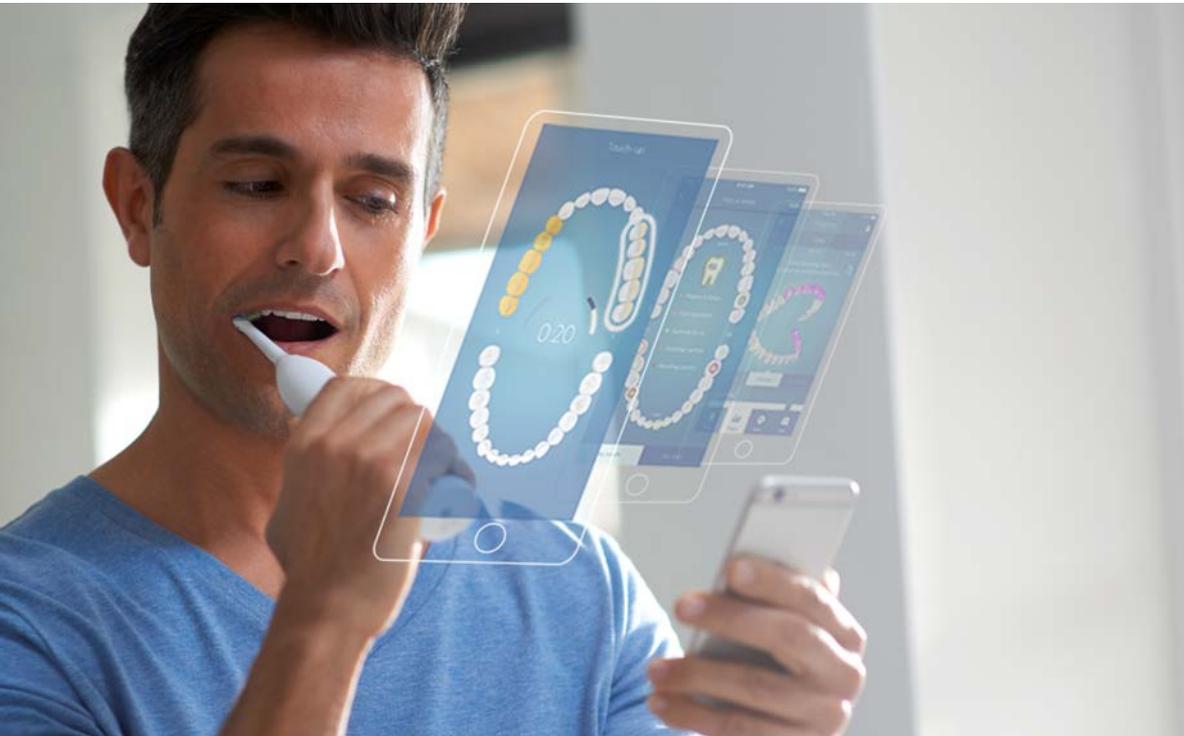


Adj. EBITA as % of sales (LTM) for Personal Health Businesses



# Innovation drives strong growth and margin expansion

At the forefront of Digital Health, based on deep consumer insights



## Oral Health:

### Philips Sonicare Connected toothbrush

- **Innovation**

- Unique smart sensor technology built into toothbrush
- Users receive personalized step-by-step coaching and feedback
- Direct consumer engagement, unlocking recurring revenue streams

- **High-impact consumer marketing**

- We are expanding our geographical presence in Oral Healthcare successfully, increasing our global market share (a.o. in China)

Oral Healthcare has delivered 8 consecutive quarters of double-digit growth

# Innovation drives strong growth and margin expansion

At the forefront of Digital Health, based on deep consumer insights



## **Sleep:**

### **Philips Dream Family – total sleep solution**

Consists of DreamWear mask, DreamStation therapy device and DreamMapper patient engagement app

#### **• Innovation**

- Connectivity keeps patients engaged with their therapy and linked to their care teams
- Superior comfort and wearability supports compliance

#### **• High-impact consumer marketing**

- Regaining market share, leveraging direct consumer engagement and unlocking recurring revenue streams

**4 million consumers already connected today**

# Innovation drives strong growth and margin expansion

Enabled by high-impact consumer marketing programs, based on deep consumer insights



## Male Grooming: Philips OneBlade

- **Innovation**
  - Targets millennial guys experimenting with facial hairstyles
  - Shaves any length of hair in one stroke
  - Patented technology
  - Establishes a new consumable category
- **High-impact consumer marketing**
  - Successful launch in North America, DACH, France and UK (4.3 out of 5 stars at Amazon)
  - Geographical expansion will drive further growth in 2017 and beyond

Innovative Digital Advocacy Marketing  
Program yielding strong results



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