Driving growth in Connected Care & Health Informatics

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Key takeaways

- **Connecting consumers and care professionals** for better health and economic outcomes
- Extending leading positions in **Patient Care & Monitoring Solutions**
- Transformed **Health Informatics** to profitable Software-as-a-Service model
- Launched **HealthSuite Digital Platform**
- Building a **Population Health** ecosystem, by leveraging our assets in analytics, telehealth, and consumer health
- Driving **growth at mid to high-single-digits** and stepping up **profitability to mid-teens**
Connected Care and Health Informatics
Connecting patients across the continuum: Actionable insights and better outcomes

- **Healthy living**
  - Patient Care & Monitoring Solutions
    - Patient monitoring, ventilation and defibrillator smart devices. Solutions for managing patients across care settings

- **Prevention**
  - Health Informatics, Solutions & Services
    - Precision diagnostics for medical specialists: Radiologists, cardiologists, oncologists, neurologists

- **Diagnosis**
  - Population Health Management
    - Preventative, chronic, post acute and elderly care programs supported by eHealth

- **Treatment**
  - Philips HealthSuite Digital Platform
    - Digital Platform supporting digital propositions: Internet of Things, Data integration, Analytics, Pathways

- **Home care**
Leveraging existing positions and building value
Through suites of systems, smart devices, software and data-enabled services

**Improve**
- **Quality** programs for continuous improvement
- **Productivity** programs:
  - DfX
  - Optimization of manufacturing and R&D footprint
  - Reduction of overhead costs
- **Operating leverage**

**Financials**
1. **Current**
   - CSG: Mid-single-digit
   - Adj. EBITA margin: ~10%
2. **Future aspiration**
   - CSG: Mid to high-single-digit
   - Adj. EBITA margin: Mid-teens

**Grow**
- Entering **invasive ventilation**
- Expand patient monitoring across care settings, supported by **clinical analytics**
- **Enterprise clinical informatics** radiology and cardiology
- **World class software capability** with hubs in India, Brazil, Bay area and Boston

**Build**
- **Oncology and neurology** informatics
- Establishing **Population Health**, building on Wellcentive acquisition
- Transforming Personal Emergency Response into **Aging Well services**
- Opening **HealthSuite** to 3rd party propositions

1 Last twelve months September 2016
Expanding strong market positions
Monitoring, Therapeutic Care and Defibrillators

Leading market positions

Global leader in Patient Monitoring

Leading positions in Therapeutic Care
North America market leader in AED
Global leader in non-invasive ventilation

Portfolio expansion to accelerate growth

- Launching new generation **portable monitors** in 2017
- **Grow services and medical consumables**
- Innovative **wearables** and contactless monitoring for patients across care settings
- Launched transformative business models: Clinical analytics and **monitoring-as-a-service**

- Expand into **invasive ventilation**
- **Connected AEDs**
- **Emergency care** (ambulance) solutions
Differentiating propositions using our deep clinical expertise
Driving disease centric solutions in Health Informatics

Leading market positions
Clinical Informatics for specialists
• #1 in High-end Radiology Informatics
• Leading in Cardiology Informatics
• Best-in-KLAS Clinical Portal
• Co-creation with leading institutions

Portfolio expansion to accelerate growth
• Enterprise informatics Software-as-a-Service for definitive diagnosis and personalized treatment
• Clinically aware intelligence at the workstation
• Beyond radiology and cardiology into oncology and neurology

New products launched
• Digital pathology
• Genomics informatics for oncology and infectious diseases
• HealthSuite Digital Platform: 14 digital propositions launched

• Extend digital pathology with quantification (acquisition of PathXL)
• Artificial Intelligence platform for clinical decision support
• HealthSuite single platform for health innovation across Philips’ portfolio and ecosystem partners
Unified clinical experience focused on disease types
Extending beyond Cardiology

**Market leading cardiology solution**
- Enabling definitive diagnosis for cardiologists, with 2,000+ deployments across the world

**Expanding into oncology**
- Enterprise oncology solution with integrated decision support
- Universal Data Management across data types and information systems
HealthSuite: Building Health Ecosystems
Enabling market-specific solutions

Launched the platform

• **14 digital propositions** launched on HealthSuite in both consumer and professional health

• Crafting the HealthSuite ecosystem with partners (Amazon, Qualcomm) to build an infrastructure for Internet of Medical Things and Universal Data Management

Extending the platform

• Enabling faster time-to-market and connectivity of Philips propositions

• Open Platform-as-a-Service for ecosystem plays

• Integrated solutions for large customers
Configurable health programs across population cohorts
Nascent market with high growth

Leading market positions

**Health analytics**
- Acquired Wellcentive, a leader in population health

**Ambulatory programs**
- #1 in ICU remote monitoring
- Hospital-to-home programs

**Elderly care**
- #1 in Personal Emergency Response Service
- 600 thousand seniors using tele-health and emergency monitoring services

Portfolio expansion to accelerate value creation

- Drive better patient and economic **outcomes**
- Stratify patient populations and identify right **care programs**
- **Engage payers** on reimbursement models

- Configurable programs for **chronic disease management**
- **Transitions** in-out of hospitals
- **Coaching** programs to drive lifestyle changes

- Expanding into **Aging Well solutions**
- New propositions for remote sensing, chronic management
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