

Solutions & Partnerships

Transforming healthcare together

Ronald de Jong

Chief Market Leader Royal Philips



Key takeaways

- We develop innovative **integrated solutions** around the **needs of consumers, patients and healthcare systems**
- Our solutions aim to improve **consumer- and patient experience, clinical- and financial outcomes** by
 - **Empowering consumers** with personalized and connected solutions
 - **Innovating patient centric solutions** across the health continuum
 - **Growing our leadership in multi-year strategic partnerships** with hospitals and health systems
- Growth in solutions and recurring revenues will drive overall **growth and margins** for Philips

We innovate around the needs of consumers, patients and healthcare systems

Consumers



How can I monitor my health?

How can I improve my health and well-being?

Where do I get coaching on my lifestyle?

Patients



How do I get access to the care I need?

Can I receive care with a minimal impact on my daily life?

Which options are available for me to age at home?

Hospitals and Health systems



How do we improve productivity?

How do we improve clinical outcomes?

How do we improve the patients experience?

Innovative integrated solutions

Improving consumer- and patient experience, clinical- and financial outcomes

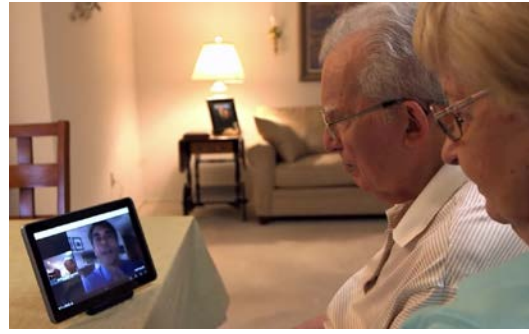
Empowering consumers



Consumer

- New business models with recurring revenues
- Leveraging consumer data for consumable sales (e.g. brush heads, masks, blades)

Innovating patient centric solutions



Banner Health

- Reduced costs of care by more than 25% and hospitalizations by 45%

Philips Medication Dispensing

- More than 50% reduction in emergency room visits with medication dispensing services

Expanding partnerships



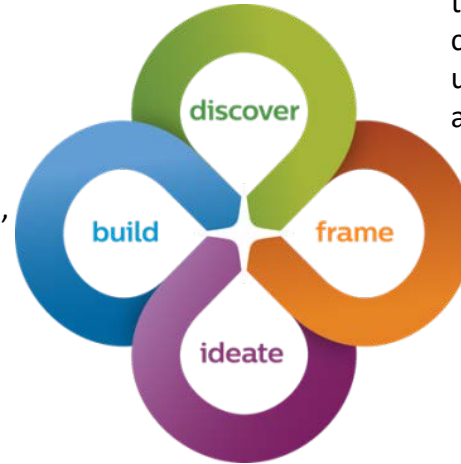
AU Health

- Significant improvement of imaging capacity (up to 40%)
- Reduced non-actionable alarms by 32%, improving patient experience



We co-create solutions with our customers

Driving outcomes:
We drive continuous improvement in clinical, patient and financial outcomes and shared accountability



Discovering: We work together with our customers to deeply understand their needs across their environment

Co-creating solutions: We jointly develop solutions with customers to solve complex problems while establishing innovative business models



Co-created solutions for multi-year strategic partnerships



Driving productivity and efficiency



Rijnstate

- Productivity increase in Ultrasound over 30% in outpatient clinics (versus last year)

Driving patient experience



- New care pathways by integrating patient care, clinical research and education; a 14-year contract with the Stockholm County Council

Driving financial outcomes



- Regained trauma center designation to safeguard USD 15 million of annual revenue

We are consistently investing in capabilities

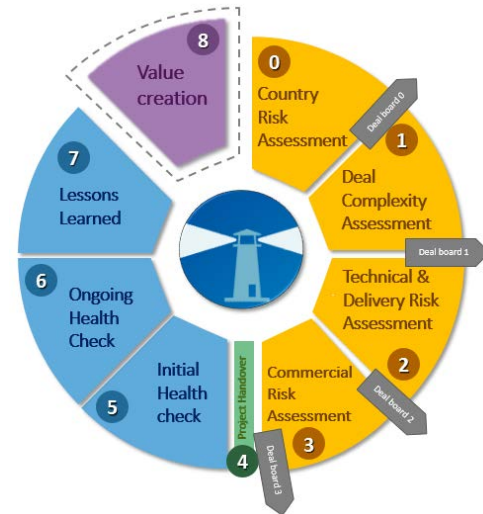
Pivot to consultative relationships and new business models

Capabilities and support structures

- Solution Teams in Markets
- Integrated Solutions Centers
- Philips Capital
- Consulting Services
- Hospital IT Integration Services
- Hospital Integrated Planning Solutions
- Leveraging consumer data for consumable sales

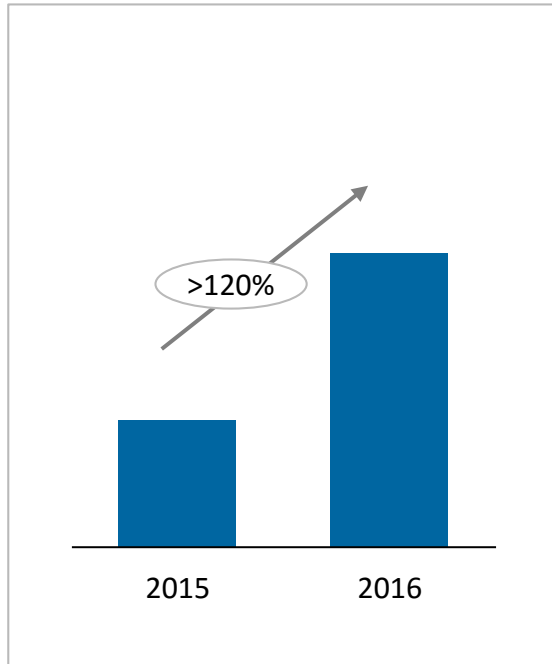
Risk management

- Quantitative measurements (risk-return)
- Ensuring structured execution using health checks

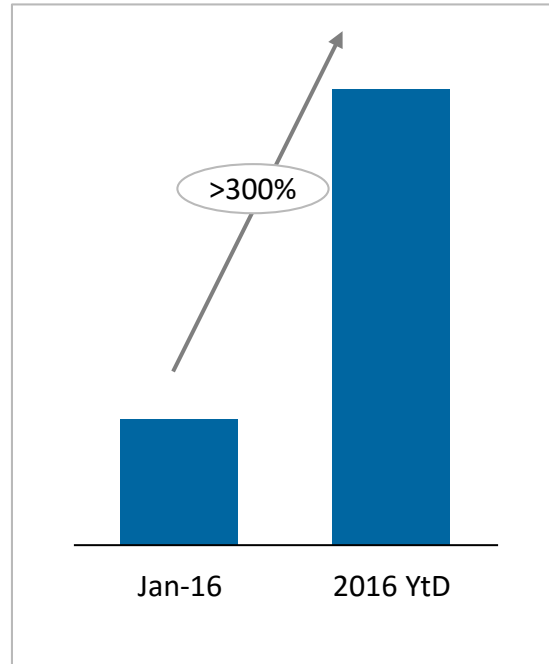


Leading to a significant global expansion of partnerships

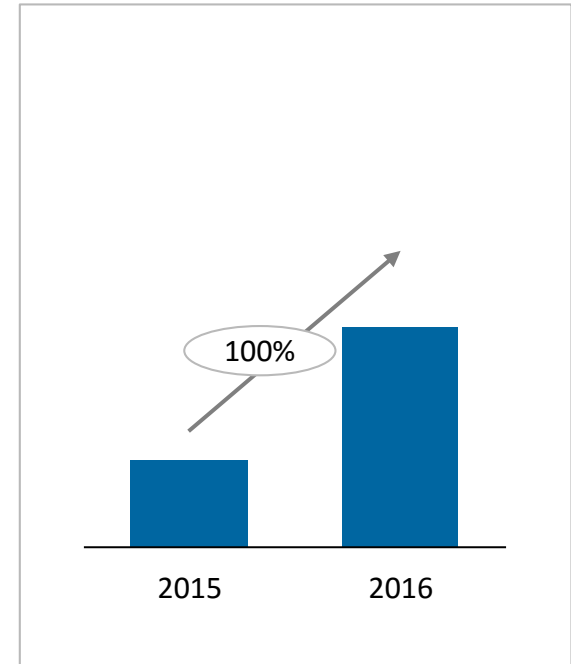
Global expansion (# of countries)



Funnel growth (# of projects)



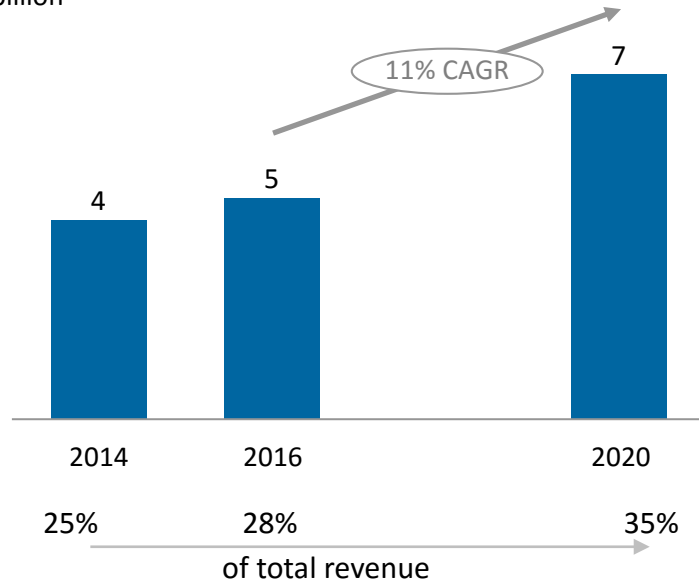
Signed # of partnerships



Better value for customers, higher margins, recurring revenue models

Solution revenues and CAGR¹

EUR billion



Solutions business characteristics:

- Suites of systems, smart devices, software and services
- Revenue accelerates to double-digit growth
- Higher margins than stand-alone products
- Sticky customer relationships with committed future revenue



Key takeaways

- We develop innovative **integrated solutions** around the **needs of consumers, patients and healthcare systems**
- Our solutions aim to improve **consumer- and patient experience, clinical- and financial outcomes** by
 - **Empowering consumers** with personalized and connected solutions
 - **Innovating patient centric solutions** across the health continuum
 - **Growing our leadership in multi-year strategic partnerships** with hospitals and health systems
- Growth in solutions and recurring revenues will drive overall **growth and margins** for Philips

