



Delivering on the performance potential in Diagnosis & Treatment

Robert Cascella
Chief Business Leader Diagnosis & Treatment



Key takeaways

- Diagnosis & Treatment is **at the heart of our HealthTech strategy**
- **Grow market share and profitability** by:
 - Leveraging exciting line up of **new and innovative products**
 - Driving **operational excellence in Diagnostic Imaging**
 - Growing **Image-Guided Therapy business to EUR 3 billion**
 - **Scaling up Ultrasound** in attractive adjacencies
 - **Expanding solutions** in Radiology, Oncology and Cardiology
- We target to deliver **above-market growth (3-5%)** and **adjusted EBITA of 14-16%** by 2020

Diagnosis & Treatment at the heart of our HealthTech strategy

Growing market share across multiple modalities



Diagnostic Imaging

50% of sales, EUR 3.4 billion

Global Top 3

Image-Guided Therapy

29% of sales, EUR 2.0 billion

Global leader in Systems and Smart Devices






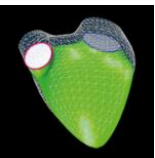




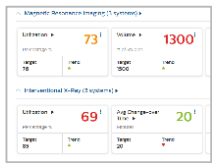




Ultrasound

21% of sales, EUR 1.5 billion

Global leader

Extensive new introductions in 2017/18 to drive growth

>60%¹ of portfolio new

<p>MR</p>  <p><i>To be introduced soon</i></p>	<p>CT</p>  <p><i>IQon Spectral CT Ingenuity CT Access CT</i></p>	<p>Image-Guided Therapy</p>  <p><i>Azurion</i></p>  <p><i>Stellarex Drug-Coated Balloon</i></p>	<p>Ultrasound</p>  <p><i>Suite of OB/GYN Software</i></p>  <p><i>Cardiology Software TOMTEC</i></p>  <p><i>Xperius</i></p>  <p><i>InnoSight</i></p>	
<p>X-Ray</p>  <p><i>X-Ray CombiDiagnost</i></p>	<p>Advanced Molecular Imaging</p>  <p><i>Vereos Digital PET CT</i></p>	<p>Applications, Software and Services</p>		
 <p><i>PerformanceBridge</i></p>	 <p><i>PerformanceBridge Practice</i></p>	 <p><i>Illumeo</i></p>	 <p><i>IntelliSpace Portal 9.0</i></p>	 <p><i>RTdrive MR Sim</i></p>

Diagnostic Imaging to gain market share while driving profitability to double-digit by 2020



Strategic

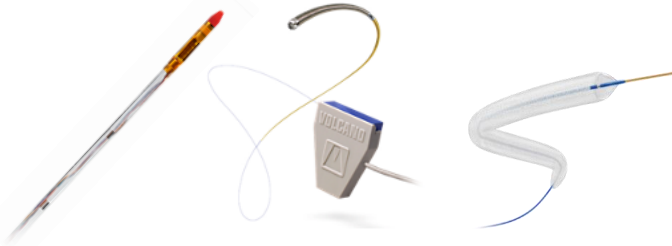
- 70%¹ of portfolio new
- Gaining market share in North America and China
- Share growth enabled by services and informatics business
 - Offering workflow, operational performance and Clinical Decision Support

Operational

- Delivering results of the Quality Management Systems improvement program
- Shipping full portfolio of CT and AMI products
- Productivity program driven by:
 - Procurement savings
 - Manufacturing productivity
 - Overhead cost reduction
- Continued improvement in working capital on top of 570 bps delivered in past 24 months²

Growing to a EUR 3 billion Image-Guided Therapy business

Targeting high-single-digit growth and high-teens profitability by 2020



*Eagle Eye
Platinum
IVUS*

*Verrata Plus
Functional
measurement*

*Stellarex
Drug-Coated Balloon*

Building a EUR 1 billion Device business with differentiated solutions

- Portfolio for coronary and vascular interventions, growing mid-teens
- Spectranetics provides strong platform for growth in attractive peripheral, coronary, and electrophysiology markets
- Execute on integration following successful Volcano blueprint
- Further organic expansion of portfolio in new treatment areas

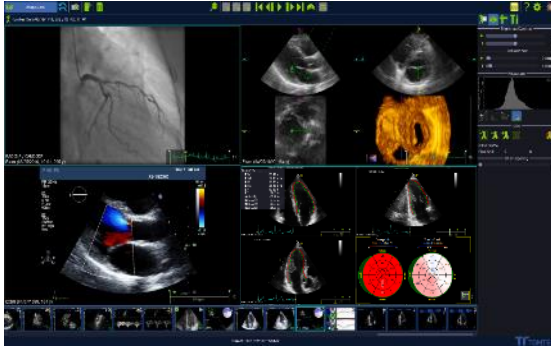


Azurion strengthens our #1 position in IGT Systems

- Increased efficiency: reduced procedure time, patient preparation time
- Improved staff satisfaction: workflow, low radiation dose
- Extensive set of software tools; expanding clinical applications
- Addressing new market segments, such as spine surgery and lungs

Grow Ultrasound in our core and attractive adjacencies

Targeting mid-single-digit growth while maintaining industry-leading profitability



Expanding our Cardiology leadership through software, applications and analytics

- Add intelligence to remove operator dependency and streamline workflow via solutions. E.g. Heart Model, Anatomical Intelligence
- TOMTEC strengthens image processing, quantification and reporting



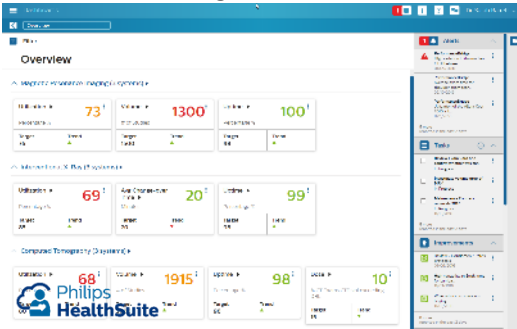
Accelerating in attractive adjacencies

- Strong double-digit growth in OB/GYN in the past twelve months
 - New products and software tools e.g. fingertip control, enhanced versatility and Anatomical Intelligence
 - New channel development
- Expanding in Point of Care with new products and B.Braun partnership

Expanding solutions portfolio to drive value for customers

Radiology

Performance Bridge



- Services for workflow, operational improvements and compliance
- Enabled by analytics and benchmarking
- Growing our Services business

Oncology



- Combine broad range of Philips assets
 - Improved outcome for patients, enhanced workflow for professionals
- Supported by analytics and cloud infrastructure

Cardiology



- Cathlab Managed Services to improve clinical and operational performance
 - Existing portfolio, combined with additional building blocks. e.g. IT management, infrastructure design

Enabling new business models with improved profitability

Growth and performance drivers in Diagnosis & Treatment

Focus on	Driven by	2020 targets
 Growth in core businesses	<ul style="list-style-type: none">• Full portfolio of new innovative products launched 2017/18• Strengthen go-to-market in the US and China• Shipping full portfolio of CT and AMI products	Comparable sales growth 3-5% Adj. EBITA 14-16%
 Growth in adjacencies	<ul style="list-style-type: none">• Building a EUR 1 billion Device business• Solutions, Value Added Services and long-term partnerships• Expansion in Ultrasound OB/GYN and Point of Care markets	
 Customer and operational excellence	<ul style="list-style-type: none">• Quality Management Systems improvement program• Productivity program and working capital management• Integration of Volcano and Spectranetics	



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