



# Our company

1. Facts and figures
2. Making the difference in health technology
3. Innovating for you
4. The Philips brand
5. Healthy people, sustainable planet
6. The Philips Foundation
7. Our transformation journey
8. Turning our vision into reality

# 1. Facts and figures

Philips, a born innovator

For over 125 years,  
we have been  
improving people's  
lives with a steady  
flow of ground-  
breaking innovations

The founding fathers of Philips



Frederik



Gerard



Anton



We strive to make the world  
**healthier and more sustainable**  
through innovation

We're aiming to **improve the lives** of

**3 billion**  
**people a year**  
by 2025

# Royal Philips in 2016



**2.1**  
**billion**  
lives improved<sup>1</sup>

**EUR**  
**1.7 billion**  
invested in R&D

**58,000+**  
patent rights  
**34,000+**  
trademarks

**EUR 11.3 billion**  
brand value<sup>2</sup>

<sup>1</sup> Includes contribution of Philips Lighting

<sup>2</sup> As measured by Interbrand

# Royal Philips in 2016



**EUR 17.4**  
billion sales

**More than 1/4**  
of sales from solutions

**5%**  
comparable  
sales growth

**~71,000**  
employees in over 100 countries

# Our businesses in 2016<sup>1</sup>



## Personal Health businesses



**41%** of Group sales

## Diagnosis & Treatment businesses



**38%** of Group sales

## Connected Care & Health Informatics businesses



**18%** of Group sales

**Sales of EUR 17.4 billion**

<sup>1</sup> As per Q2 2017, Other accounts for 3% of sales and includes HealthTech Other and Legacy Items

# Royal Philips in Q2 2017



**4%**

comparable  
sales growth

**EUR 4.3 billion** sales

**~71,000**

employees in over 100 countries





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## Royal Philips Sales in Q2 2017

# 4%

comparable sales  
growth

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Personal Health businesses

**+6%** to EUR 1.8 billion

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Diagnosis & Treatment businesses

**+3%** to EUR 1.7 billion

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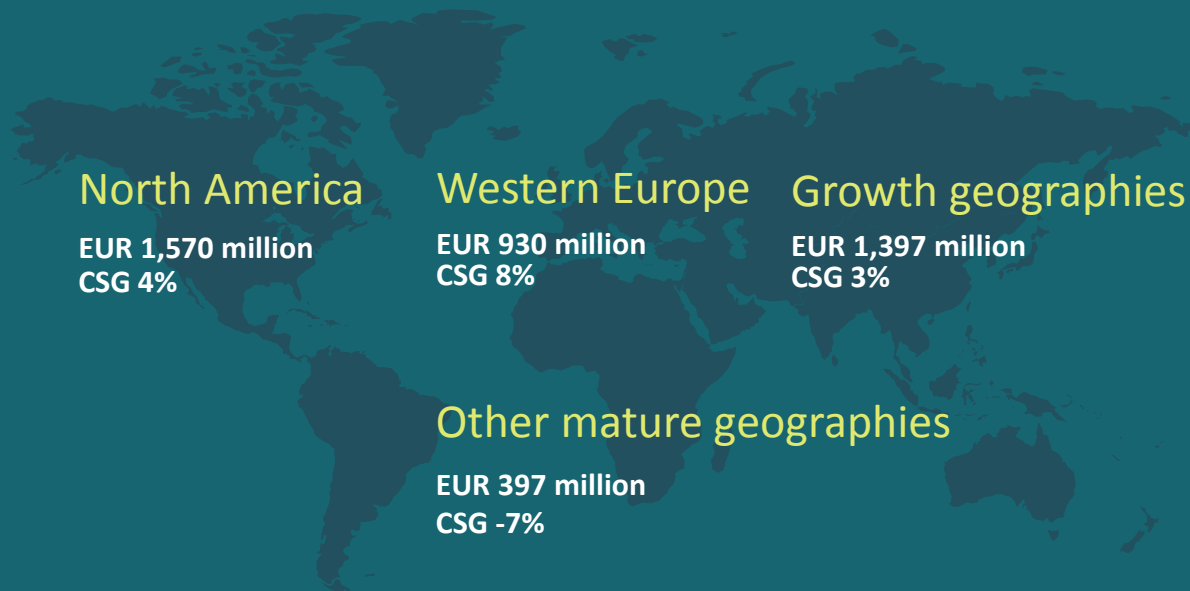
Connected Care & Health Informatics businesses

**+1%** to EUR 0.8 billion

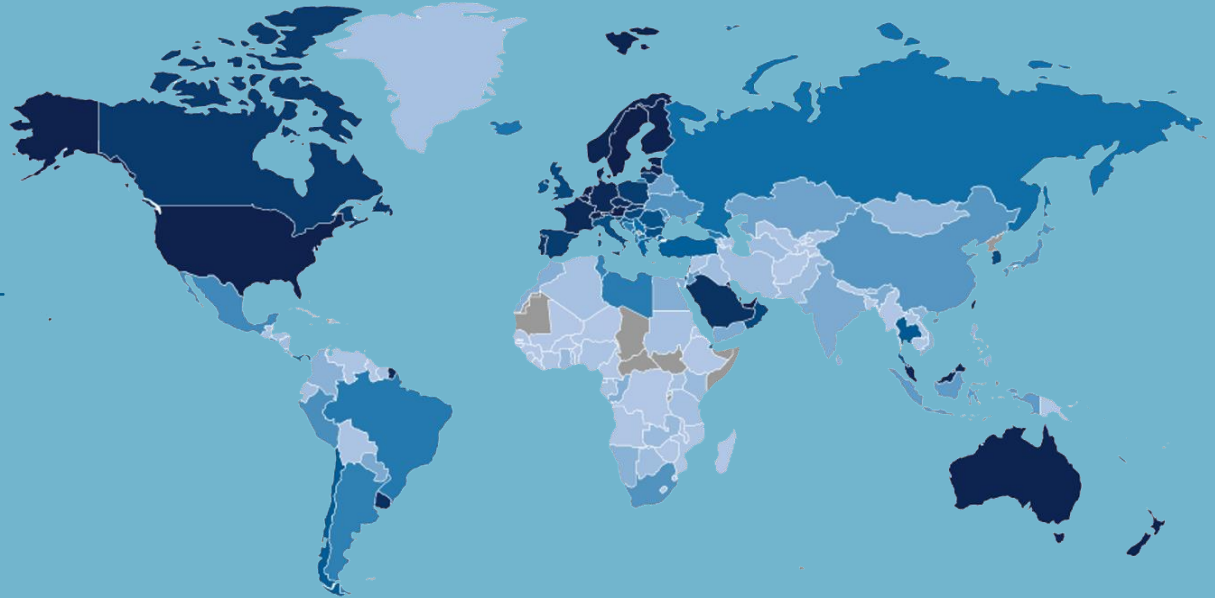
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# Royal Philips

## Q2 2017 sales per geographic cluster



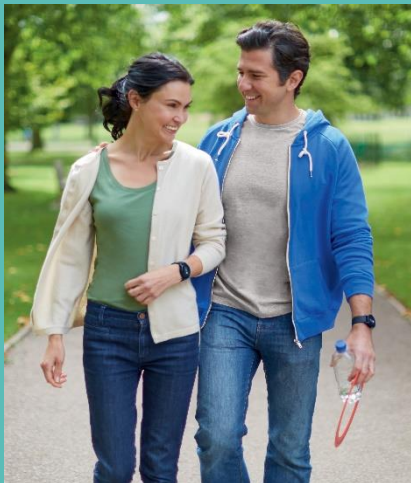
Lives improved  
around the world  
2.1 billion lives  
improved in 2016<sup>1</sup>



Source: Philips Annual Report 2016 – global distribution of Philips 'Lives Improved' metric  
1 Color coded by percentage of country population

## 2. Making the difference in health technology

# Trends in health technology



**Increasing consumer engagement in their own health**



**Shift to value-based healthcare will reduce waste, increase access and improve outcomes**



**Care shifting to lower-cost settings and the home**



**Digitization of healthcare**

Economic realities are driving the need for new approaches in healthcare

**Volume**

**Value**

**Response**

**Prevention**

**Episodic**

**Continuous**

**Limited**

**Accessible**







We are on a journey to transform Philips into a **health technology leader**

**Technology**

**Health technology**

**Product**

**Solution**

**Transaction**

**Relationship**

**Fragmented**

**One Philips**



We uncover  
healthcare  
needs through  
extensive  
international  
perception  
research



The Future Health Index provides valuable insight to identify areas of focus to help achieve a better long-term future for healthcare through health technology

[www.futurehealthindex.com](http://www.futurehealthindex.com)



2017 edition  
Expanded from  
13 to 19 countries  
and empirical data  
added



Access

to healthcare across the  
entire health continuum

Integration

of health systems

Adoption

of connected care  
technology



We deliver innovative  
solutions across the  
**health continuum**,  
empowering people to  
live life to the full

Healthy living

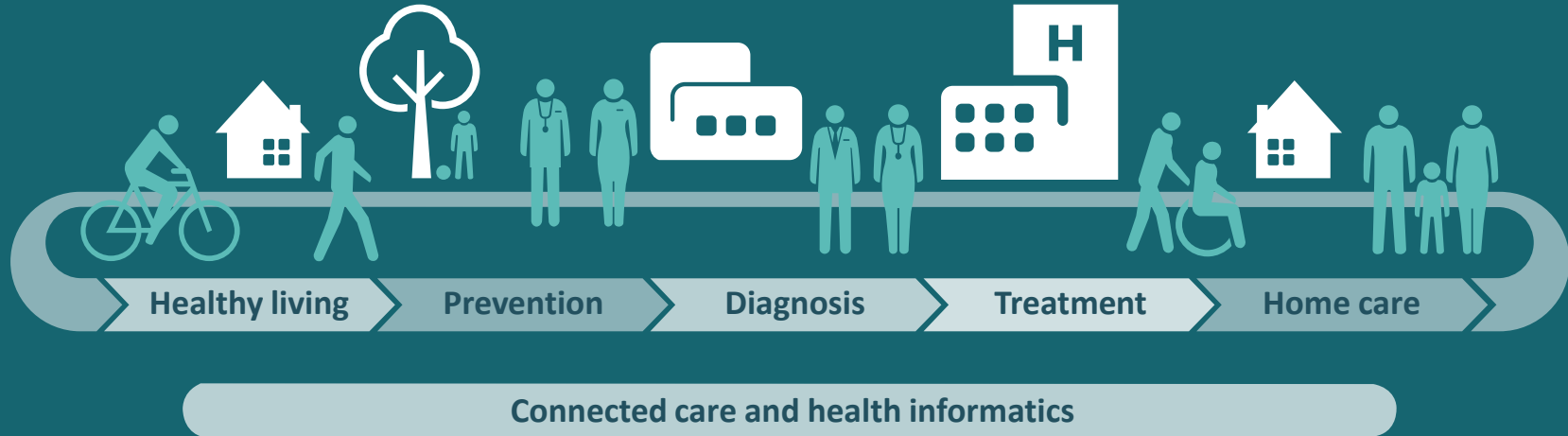
Prevention

Diagnosis

Treatment

Home care

We address customer and consumer needs along the **health continuum**



# We innovate **across the health continuum**



Healthy living

Prevention

Diagnosis

Treatment

Home care



Providing propositions for  
healthy living



Supporting predictive and  
preventative care



Connecting care in the home  
to improve quality of life



# Winning propositions

>60% of sales from leadership positions<sup>1</sup>

|                                     |  |   |  |   |   |
|-------------------------------------|--|---|--|---|---|
| Personal Health                     | <b>Male grooming</b><br>Global leader      | <b>Oral healthcare</b><br>Global leader             | <b>Sleep and respiratory care</b><br>Global leader           | <b>Mother and child care</b><br>Global leader             | <b>Air purifiers</b><br>#1 in China   |
|                                     |  |   |  |   |   |
| Diagnosis & Treatment               | <b>Diagnostic imaging</b><br>Global top 3  | <b>Ultrasound</b><br>Global leader                  | <b>Image-guided therapy</b><br>Global leader                 | <b>Smart catheters</b><br>Global leader                   |   |
|                                     |  |   |  |   |   |
| Connected Care & Health Informatics | <b>Patient monitoring</b><br>Global leader | <b>ICU remote monitoring</b><br>#1 in North America | <b>Non-invasive ventilation<sup>2</sup></b><br>Global leader | <b>Personal emergency response</b><br>#1 in North America | <b>High-end radiology and cardiology informatics</b><br>#1 in North America |
|                                     |  |   |  |   |   |

<sup>1</sup> Leadership position refers to #1 or #2 position in Philips addressable market

<sup>2</sup> Based on non-invasive ventilators for the home

Source: GfK, Nielsen, Euromonitor, Frost and Sullivan, Home Healthcare TBS, PCMS market insight





Healthy cooking  
is foundational  
to your health

Healthy living

Prevention

Diagnosis

Treatment

Home care



Breathing  
clean air has a  
positive impact  
on your health

Healthy living

Prevention

Diagnosis

Treatment

Home care



Helping  
to give babies  
the best start  
in life

Healthy living

Prevention

Diagnosis

Treatment

Home care





Good oral  
healthcare is a  
key contributor  
to your health

Healthy living

Prevention

Diagnosis

Treatment

Home care



Taking care of  
your skin is  
important for  
health and  
aesthetic  
reasons

Healthy living

Prevention

Diagnosis

Treatment

Home care



Transforming  
critical care  
delivery,  
improving  
outcomes

Healthy living

Prevention

Diagnosis

Treatment

Home care





# Unlocking new clinical solutions with Image-Guided Therapy

Healthy living

Prevention

Diagnosis

Treatment

Home care



Helping provide  
a confident  
diagnosis  
quickly and  
efficiently

Healthy living

Prevention

Diagnosis

Treatment

Home care





# Supporting predictive and preventative care

Healthy living

Prevention

Diagnosis

Treatment

Home care



Actionable,  
care-specific  
information  
when and  
where it's  
needed

Healthy living

Prevention

Diagnosis

Treatment

Home care



# Connecting home care for improved quality of life

Healthy living

Prevention

Diagnosis

Treatment

Home care





Providing  
confidence,  
reliability,  
peace of mind  
and saving lives

Healthy living

Prevention

Diagnosis

Treatment

Home care



Opening up  
a new world  
of cloud-based  
collaborative  
care

Healthy living

Prevention

Diagnosis

Treatment

Home care



Connected  
for a healthier  
future

Healthy living

Prevention

Diagnosis

Treatment

Home care





# Transforming the delivery of care

Healthy living

Prevention

Diagnosis

Treatment

Home care

# Our unique approach to customer engagement

## Co-creating solutions together



**Understanding the  
entire experience**



**Giving stakeholders  
a voice**



**Leveraging the  
power of data**



**Co-creating the  
solutions**



**Implementing  
and transforming**

# 3. Innovating for you

Our innovation is based on **deep human insights**



# Innovation

Philips is passionate  
to invent and partner to  
apply technology that  
helps people succeed

# People

Demanding professionals  
and consumers want  
innovation to be personal,  
relevant and impactful

We turn  
possibilities  
into **great**  
**innovations**

**EUR 1.7 billion**  
invested in R&D in 2016

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**58,000+** patents

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**~60%** of R&D work in software





We  
innovate  
with our  
partners

We are a world leader in  
**people-centric design**

Philips consistently wins  
more than **100 key design  
awards** each year



red**dot** design award



## 4. The Philips brand



We improve  
people's lives  
through  
**meaningful  
innovation**





We deliver  
**innovation**  
**that matters**  
**to you**

innovation  you



# The Philips brand is **a vital asset**

Philips HealthTech portfolio



Deep market  
insights



Technology  
innovation



Global  
footprint



Philips  
brand



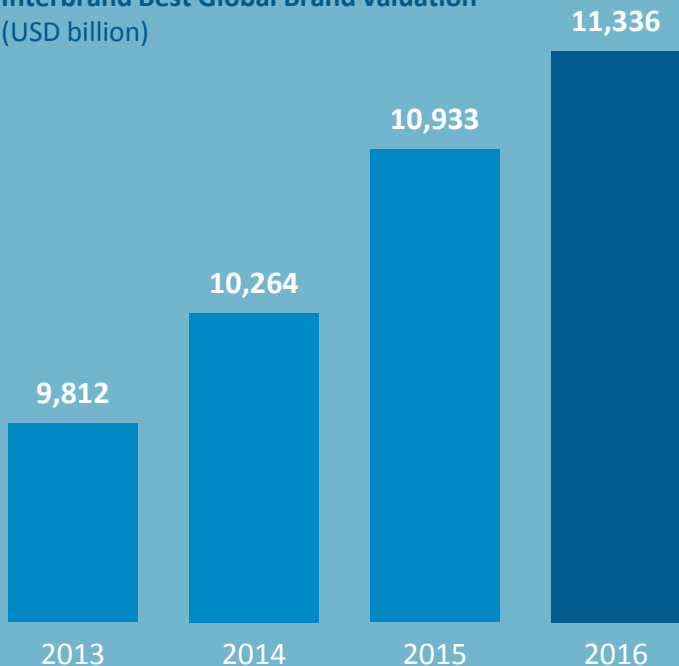
Our  
people

Balance sheet



# In 2016, ranked as third most purposeful brand and **most valuable Dutch brand**

Interbrand Best Global Brand valuation  
(USD billion)



## Brand value

**\$11.3**  
billion

## Growth (2016 vs 2015)

**+4%**

## 2016's most fit-for-purpose brands:

An index of the 100 brands best-placed to put purpose into practice

- #1 Unilever
- #2 Lloyds Banking Group
- #3 **Philips**
- #4 British Land
- #5 Novo Nordisk
- #6 Pearson

Sources: Radley Yeldar study Sep 2016,  
Interbrand Best Global Brand rankings 2016



# 5. Healthy people, sustainable planet

# Sustainability is in our DNA – shifting focus



Since 1891:  
**Social programs for employees**

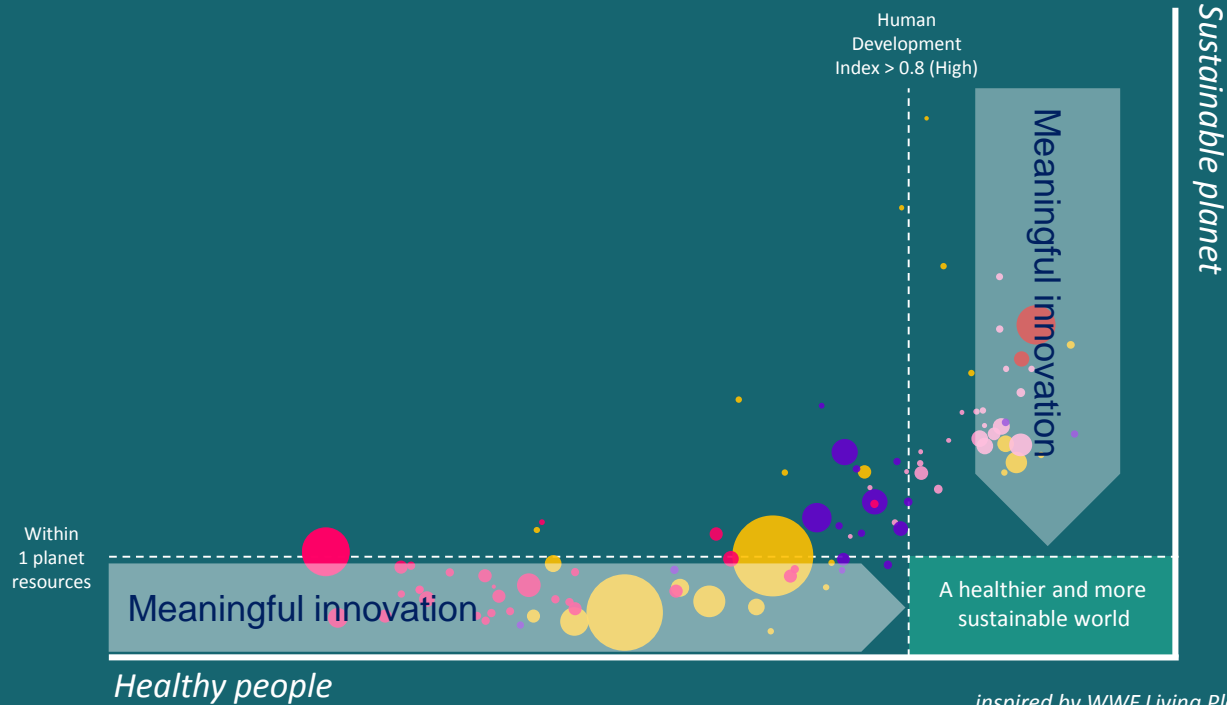


Since 1970:  
**Environmental agenda**



Since 2000:  
**Accelerating sustainability**

# Healthy people, sustainable planet



*inspired by WWF Living Planet Report*

Healthy people,  
sustainable  
planet

Three pillars



Sustainable solutions

**Create value for our customers**

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Sustainable operations

**Lead by example**

---

Sustainable supply chain

**Multiply our impact**

# Our ambitious objectives for 2020

**70%**  
of turnover  
coming from  
Green solutions

**90%**  
of operational  
waste recycled

**100%**  
renewable  
electricity

Strive for a  
**zero-**  
injury and illness  
work environment

**95%**  
of revenue linked to  
the UN Sustainable  
Development Goals

**15%**  
of turnover  
coming from  
circular economy  
solutions



# Sustainable solutions

- *Inclusive health solutions*
- *Circular solutions*
- *Green solutions*

# Sustainable operations

- *Carbon neutrality*
- *Health & safety*
- *Operational waste*



## Sustainable supply chain

- *Supplier sustainability performance*
- *Supplier sustainability compliance*
- *Circular procurement*
- *Environmental footprint China*
- *Responsible sourcing*

## 6. The Philips Foundation



Philips  
Foundation

We're  
committed  
to bringing  
innovation  
to those  
most in need

Strategic partnerships:



ICRC



Together with our  
partners we are  
delivering on our  
commitments to the  
**United Nations'  
Sustainable  
Development Goals**

**SDG 3**



Ensure healthy lives and  
promote well-being for  
all at all ages

**SDG 12**



Ensure sustainable  
consumption and  
production patterns

# 7. Our transformation journey



Accelerate!

# Our transformation



**Make us more  
customer-focused**



**Resource our  
business/market  
combinations to win**



**Create lean  
end-to-end customer  
value chains**



**Implement a  
simpler, standardized  
operating model**



**Drive a growth and  
performance culture**

# Ensuring success is repeatable

**The Philips Business System** is the way we run our company to deliver on our mission and vision.





## 8. Turning our vision into reality

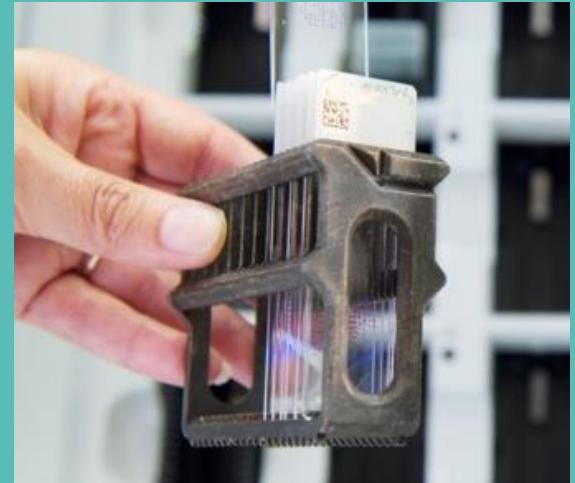
# Our impact in the markets



**In China, Philips partners with Alibaba on cloud-based applications for a smarter and healthier lifestyle.**



**In Indonesia, Philips and Bunda Hospital are seeking to reduce high maternal and fetal mortality rates.**



**In the US, Mount Sinai and Philips are partnering to advance clinical research and ultimately enable better care for complex diseases.**

Bringing personalized care  
to a wider community in  
Kazakhstan

HealthCity, Kazakhstan

*In Kazakhstan  
the government  
controls **80%**  
of medical  
institutions*

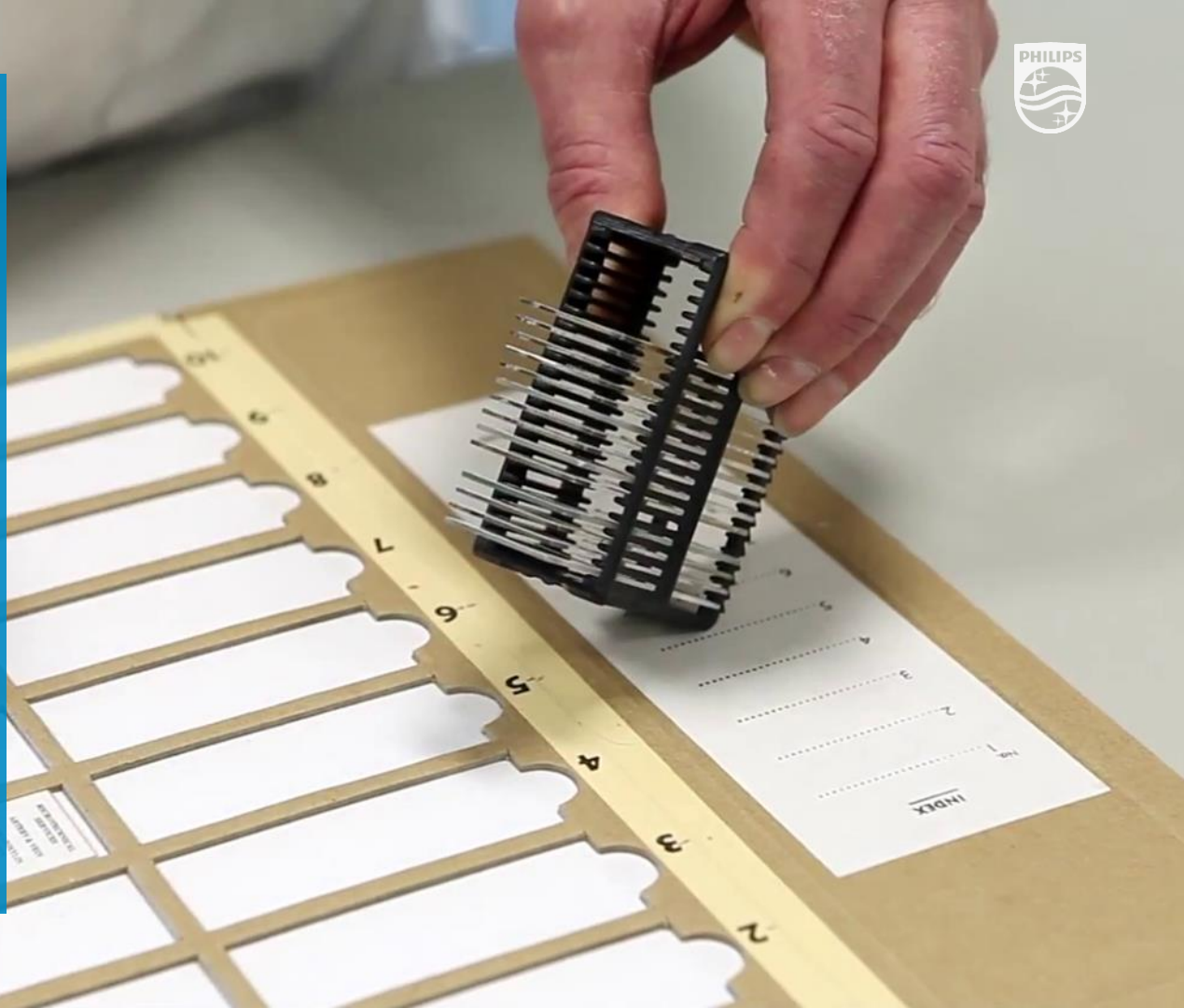




Providing innovative  
digital pathology solutions  
to optimize pre-analytical  
specimen processing

Genomic Health, United States

***Only 10% of  
healthcare  
organizations  
in the US are  
using data and  
analytics to the  
fullest potential***







## Driving strategic healthcare delivery in Marin County

Marin General Hospital, United States

*Strategic partnership  
based on enterprise  
managed service model:*

***Philips will supply MGH  
with a broad range of  
advanced medical  
technologies and  
services***

***The hospital will engage  
Philips' award-winning  
design experts***

MARIN GENERAL HOSPITAL







Partnering to equip the smart hospital of the future  
Mackenzie Health, Canada

*Mackenzie Health will have early  
and ongoing access to the latest  
**Philips technology innovations**  
as well as Philips' clinical and  
design expertise*

Cost savings, workflow efficiencies, and improving patient care

UCHealth, United States

- *Projected five-year, 11.1 million USD savings for UCHealth*
- *Improved workflow*
- *Ready access to images for enhanced patient care*
- *A flexible and nimble structure for future expansion*



Teaming up to provide top  
quality care to oncology  
patients in Russia

European Medical Center, Russia

*The partnership  
resulted in:*

***Ability to provide high-  
quality cancer diagnostic  
and treatment***

***The possibility to supply  
radionuclides to satellite  
medical center or other  
hospitals in the region***







Supporting confident  
clinical management of  
non-invasive ventilation at  
home

St. George's Healthcare NHS Trust and  
Bristol Royal Infirmary, United Kingdom

***Remote  
monitoring***  
*allows clinic time  
to be used with  
patients who  
need it most*



Bringing a new experience  
to children's imaging  
department

Noah's Ark Children's Hospital for Wales,  
Cardiff

72% of respondents say:

***The new  
experience of  
the imaging  
procedure  
itself is 'a lot  
better'***





Helping to increase  
process efficiency and  
patient care in anesthesia  
Hirslanden Klinik Aarau, Switzerland

*Turnover time  
required for  
anesthesia-  
related tasks  
in between  
surgical cases  
**reduced by  
5.5 minutes***



Helping LabPON achieve  
100 percent digital  
diagnosis for clinical cases  
LabPON, Hengelo, Netherlands

***300,000 slides  
of human tissue  
are prepared,  
analyzed,  
diagnosed,  
reported and  
archived  
annually***







Advancing clinical research  
through digital pathology  
Mount Sinai Health System, New York

*Analyzing large  
sets of clinical  
data provides  
**new insights***

Improving care for people  
with severe diabetic foot  
complications

Academic Medical Center, Amsterdam

***Globally, 387  
million people  
are living with  
diabetes – a  
figure that will  
almost double  
in the next  
twenty years***





Improving patient monitoring to help reduce costs and patient overflows  
Catharina Hospital, Eindhoven, Netherlands

*78% of staff surveyed at the Catharina Hospital  
agreed that **patient care has improved due to  
the EWS practices***





Focused on the delivery  
of first-class healthcare

OFM Antalya Hospital, Turkey

*Each day OFM Antalya  
Hospital delivers:*



**50** Ultrasounds



**40** MRIs



**30** CT scans





Providing cloud-based applications for a smarter and healthier lifestyle

Alibaba Group, China

*Cloud-based applications like Philips Smart Purifier can **empower people to live smarter and healthier lifestyles***



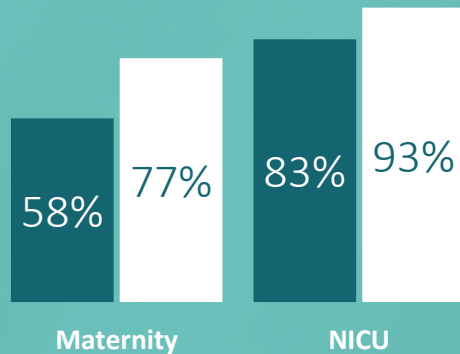
Easy access to innovative  
skincare solutions  
through beauty stores  
Douglas AG, Europe


***Women are  
embracing  
technology  
as part of their  
beauty regime***



Breaking new ground  
in family-centered care  
Máxima Medical Center, Netherlands

## ***Patient satisfaction increased in two years***



A close-up photograph of a newborn baby lying in a hospital bed. The baby is wearing a white headband and has a clear nasal cannula taped to their face. A hand is gently holding the baby's head. The background is blurred, showing hospital equipment.

A benchmark for  
neonatal intensive care  
Mangiagalli Clinic, Milan

*Globally,  
every year,  
an estimated  
**15 million**  
babies are  
born preterm*



Seeking to reduce high maternal and fetal mortality rates in Indonesia

Bunda Hospital, Indonesia

*Approximately **96% of the world population** has access to mobile phones*



Shaping the future of  
healthcare for a rapidly  
aging population in  
Asia-Pacific

Eastern Health Alliance and Changi General  
Hospital, Singapore

*Singapore is  
one of the  
fastest aging  
countries in  
the world\**

\*<http://www.channelnews-asia.com/news/singapore/nus-washington-university/1674920/html>





## Providing transparency and process improvements in anesthesia

Klinikum Esslingen, Germany

### *Results include:*

- *Improvement in **flow of information** and process streamlining*
- ***Better collaboration** with other departments*
- *Improvements in **patient care***
- *Improvements in **hygiene***



A shared commitment to positive change in healthcare

Westchester Medical Center Health Network, Valhalla, New York

***A long-term partnership with Philips:***

- *Access the latest technologies*
- *Extend care beyond the hospital*
- *Improve workflows and optimize efficiency*
- *Reduce technology spending*
- *Improve the patient experience*
- *Focus on care delivery innovation*



A large, modern hospital building with a white facade and red accents. The word "KAROLINSKA" is written in large blue letters on the side of the building. A helicopter is visible in the sky above the building.

KAROLINSKA  
University Hospital

Creating a leading and highly specialized center of healthcare excellence  
Karolinska University Hospital and Stockholm County Council, Sweden

*Karolinska University Hospital will take the role as  
the 'engine' to make the **2025 Life Science ambition**  
become real*



Teaming up to deliver  
innovative, more  
affordable care  
GRHealth, United States

***\$7M*** in market savings vs.  
*"business as usual"*  
procurement in the first  
18 months<sup>1</sup>

*Imaging volumes up to*  
**39%**

1 Financial performance metrics report by Shawn Vincent,  
VP Partnerships, International Healthcare & Strategic  
Affiliations Georgia Regents Health System, April 2015.



ORTHOPEDICS  
↑ STAIRWAY





Strengthening primary  
care and enabling  
community development  
Kiambu Country Government, Kenya

***The number  
of patients  
visiting  
increased  
to 4,000  
per month,  
from 1,000  
previously***







Helping St. Antonius Hospital improve patient care  
and staff satisfaction\*

Sint Antonius Hospital, Netherlands

***A reduction of 40% in alarms  
was achieved***



Helping people receive the care they need while  
living at home

Banner Health, United States

***Telehealth solutions*** give  
*at-home patients access to  
specialized service providers*







Philips delivers  
**innovation that  
matters to you**





