



PHILIPS

Capital Markets Day

Continuing the momentum to deliver improved performance

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innovation  you

Key takeaways

- Diagnosis & Treatment strategy is aligned with the Quadruple Aim
- Gaining strong traction with **new, differentiated solutions of systems, smart devices, software and services**
- Growing market share and profitability:
 - Image-Guided Therapy: **Growing leadership in cardiovascular and broadening in new applications**
 - Ultrasound: **Strong value creation via growth** in the core and attractive adjacencies
 - Diagnostic Imaging: **Gaining markets share and delivering on productivity to improve profitability**
 - **Investing in Radiology, Cardiology and Oncology solutions** to deliver superior value for customers and patients
- Raised growth target to deliver **5-7% sales growth, Adj. EBITA margin of 14-16%** by 2020

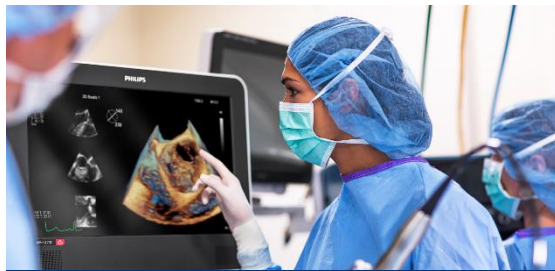


Leading positions in Diagnosis & Treatment portfolio



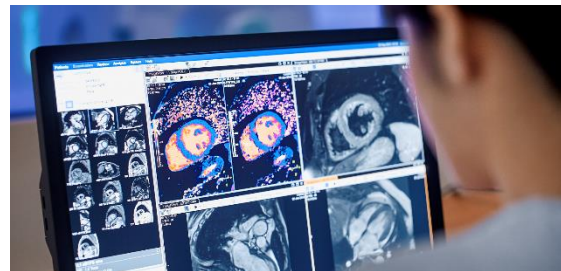
Image-Guided Therapy

EUR 2.0 billion sales



Ultrasound

EUR 1.5 billion sales



Diagnostic Imaging

EUR 3.4 billion sales

Deep integration with informatics and AI to drive productivity, diagnostic confidence and intelligent workflows¹

#1 global player in cath labs
#1 global player in IVUS and
physiology

#1 global player in cardiology
#2 global player overall

#3 global player

40% recurring revenues coming from services, devices and software

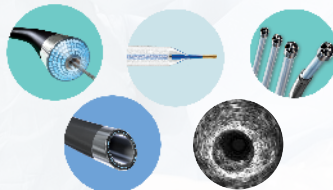
Addressing attractive, minimally invasive surgery space – Strong traction with unique Image-Guided Therapy portfolio

> 40% market share in cath labs systems and **gaining more with new applications**

Azurion drives **+300 bps market share gain**

Double-digit OIT growth LTM Q3 2018

On track to improve profitability of the acquired device businesses to double-digit



High-single-digit growth and high-teens profitability targeted by 2020 for Image-Guided Therapy business

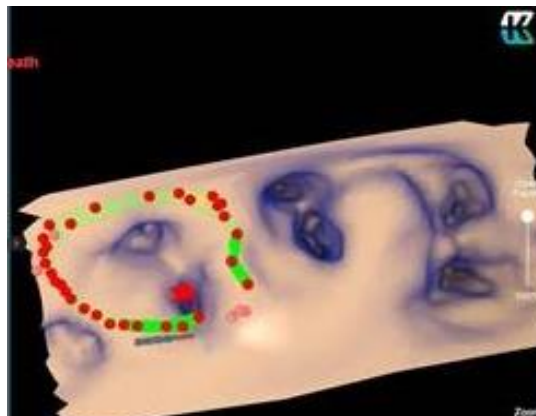


Picture: Azurion – a state-of-the-art system for cath labs

Image-Guided Therapy: Unique suite of innovative procedural solutions to support the right therapy delivery in real-time



Azurion combined with IntelliSpace Cardiology
Seamless workflow in the cath lab enabling 20% more patients



Entering into attractive electrophysiology market
Breakthrough EPD imaging and navigation technology



Instant wave-Free Ratio–Proven (iFR)
More cost-effective and better for patient than fractional flow reserve (FFR)

Significant value creation via growth in Ultrasound CV, GI, POC and OB/GYN

Expanding leadership in cardio vascular through industry-leading apps to drive efficiency and diagnostic quality

OB/GYN gaining share with advanced applications in women's health

Double-digit OIT growth LTM Q3 2018

Gaining market share

Maintaining market-leading margins

Ultrasound: Industry-leading, tailored applications and sharper imaging drive growth in the core and adjacencies

Tailored applications

Tailored applications, faster data processing, sharper imaging, robust automated quantification, improved workflow



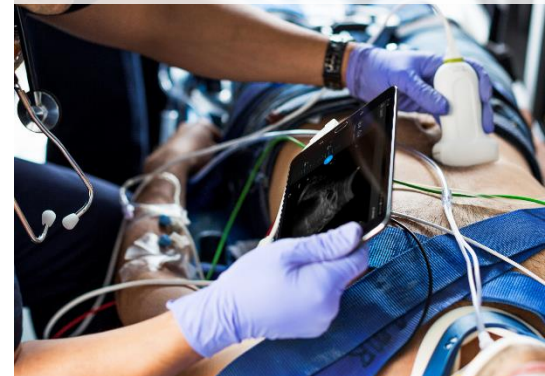
Photo-realistic imaging

Superior diagnostic capabilities with photo-realistic imaging and improved workflow



Portable ultrasound

Exceptional portable ultrasound from your smart device with integrated tele-ultrasound solution



Diagnostic Imaging gaining market share and improving profitability

Our strategy is delivering value built around innovation, customer-centricity, and productivity

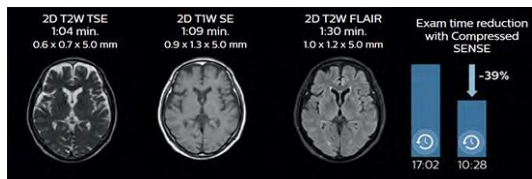
Investing in advanced solutions for precision diagnosis

+120 bps market share gain with strengthened go-to-market

70% portfolio renewed with deep integration with informatics

Double-digit OIT growth across modalities
LTM Q3 2018

Diagnostic Imaging: Intelligent, AI-enabled applications combined with successful innovations in our systems platforms



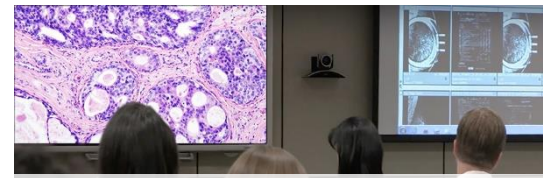
MR Compressed SENSE

Application enabling 50% faster scanning



IntelliSpace Portal

Suite of applications enabling seamless workflow



Oncology Informatics

Deeper insights, confident path to treatment



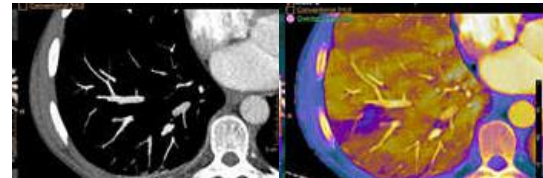
MR Blue Seal magnet

Helium-free operations, light weight Ambition 1.5T MR



Vereos PET-CT

Industry-leading, diagnostic confidence

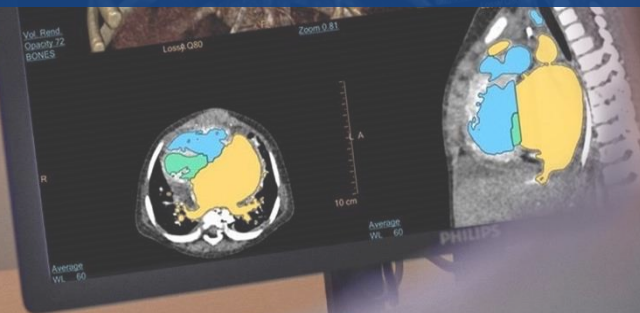
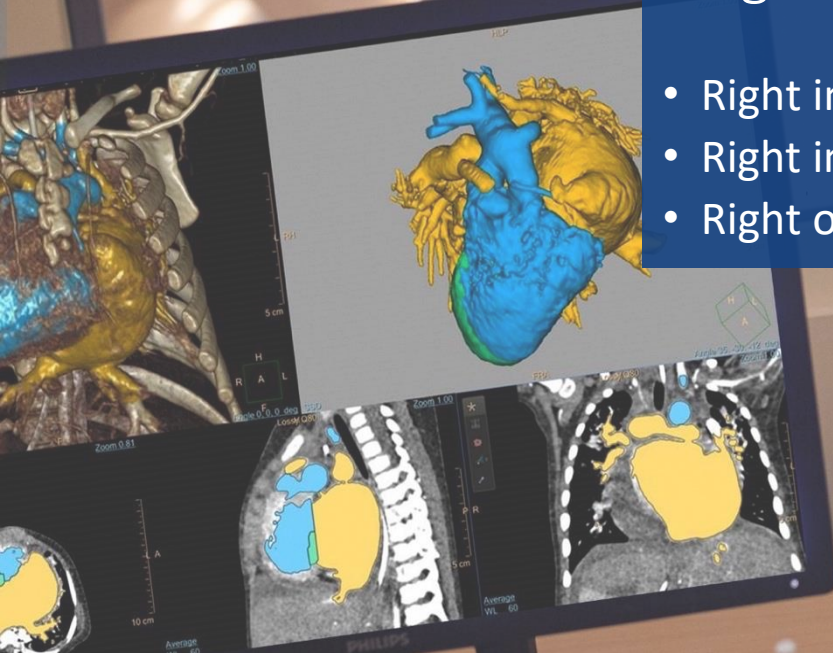


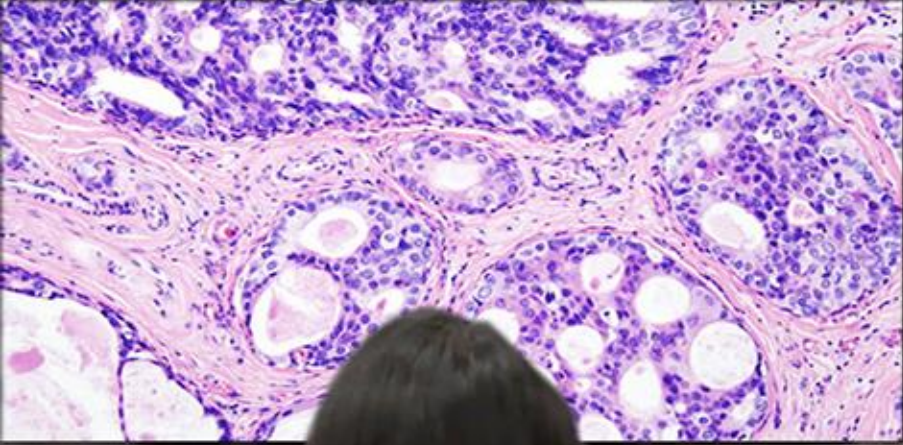
CT - Access, Incisive, IQon

First-time-right superior images

IntelliSpace provides intelligent workflows, insights to enhance productivity and diagnostic confidence – less clicks, less time¹

- Right image acquisition with intelligent support
- Right image interpretation with informatics and AI
- Right operational insights with informatics

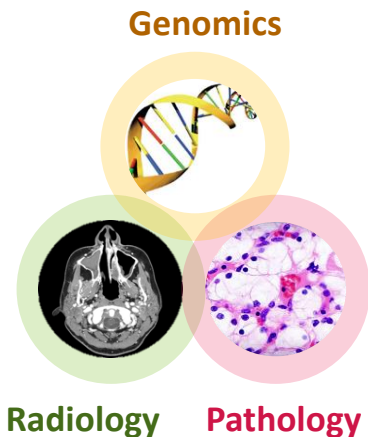




New, innovative digital pathology and computational pathology

- Leadership with pathology lab chains worldwide
- Computational pathology enabling accurate, reliable tumor estimation powered by Deep Learning
- Tele-pathology addressing global staff shortage

Integrating data across modalities to come to precision diagnosis and deliver on the Quadruple Aim



Integrating patient data

Radiology, pathology, genomics and longitudinal data¹



Oncology informatics with AI-enhanced decision support and treatment selection for tumor boards

Addressing variation in clinical pathways to improve outcomes and reduce over-/under-diagnosis, treatment and cost of care

¹ Part of Healthcare Informatics in Connected Care & Health Informatics and Digital Pathology in Other; ² Initial studies show that implementation of Dana-Farber clinical pathways supported by real-time decision support and post-treatment data integration results in significant lower cost of care with no compromise in or even better survival rates

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