



PHILIPS

Capital Markets Day

Winning in Connected Care & Health Informatics

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innovation  you

Key takeaways

- **Connected Care & Health Informatics** plays a critical role for customers, enabling them to deliver the quadruple aim
- Strong, **differentiating value propositions**
 - Enabling superior data-driven clinical decisions
 - Improving staff and equipment productivity
 - Better patient outcomes and engagement
 - Improving staff satisfaction and retention
- Focus on **workflow optimization and outcome management** inside and outside the hospital
- Target to deliver **3-6% organic growth** and **Adj. EBITA margin to 14-16%** by 2020, leveraging leadership positions and scaling our informatics business



Strong leadership positions in Connected Care & Health Informatics



Monitoring & Analytics

EUR 1.9 billion sales

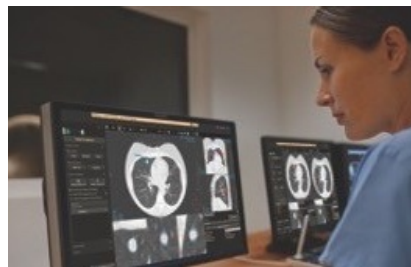
#1 global player



Therapeutic Care

EUR 0.5 billion sales

#1 Non-invasive
ventilation
#1 AEDs



Healthcare Informatics

EUR 0.5 billion sales

#1 Cardiology &
Radiology in the US
#1 EMR in South America



Population Health Management

EUR 0.2 billion sales

#1 Personal Emergency
Response in the US
Leading customer
engagement platform

40% recurring revenues coming from services and software

Regaining growth and strengthening operational performance

Slower revenue growth¹ while gaining market share

- Slower patient monitoring market resulting in soft order intake
- Lengthening order to sales conversion time
- Shift from equipment to service business models
- Impact of Consent Decree on the ECR business

Grow with 3-6% Drive market activation

- Expanding eICU and command centers
- Expanding in low-acuity area
- Driving higher services and consumables



Gaining market share | Mid-single-digit order intake growth²

Our strategy is aligned with the needs of our customers



CEO

Transitioning to
value-based
healthcare

Focusing on
outcomes and new
business models



CIO

Achieving system
interoperability across
care sites

Data and system
security concerns



CNO

Boosting patient
satisfaction and
outcomes

Improving caregiver
satisfaction



CMO

Managing patients
outside of the
hospital with
networked care

Managing clinical
operations and
optimizing workflow



CFO

Managing cost
pressures and
improving efficiencies

Working with new
payment and
financing models



Improved health
outcomes



Improved patient
experience

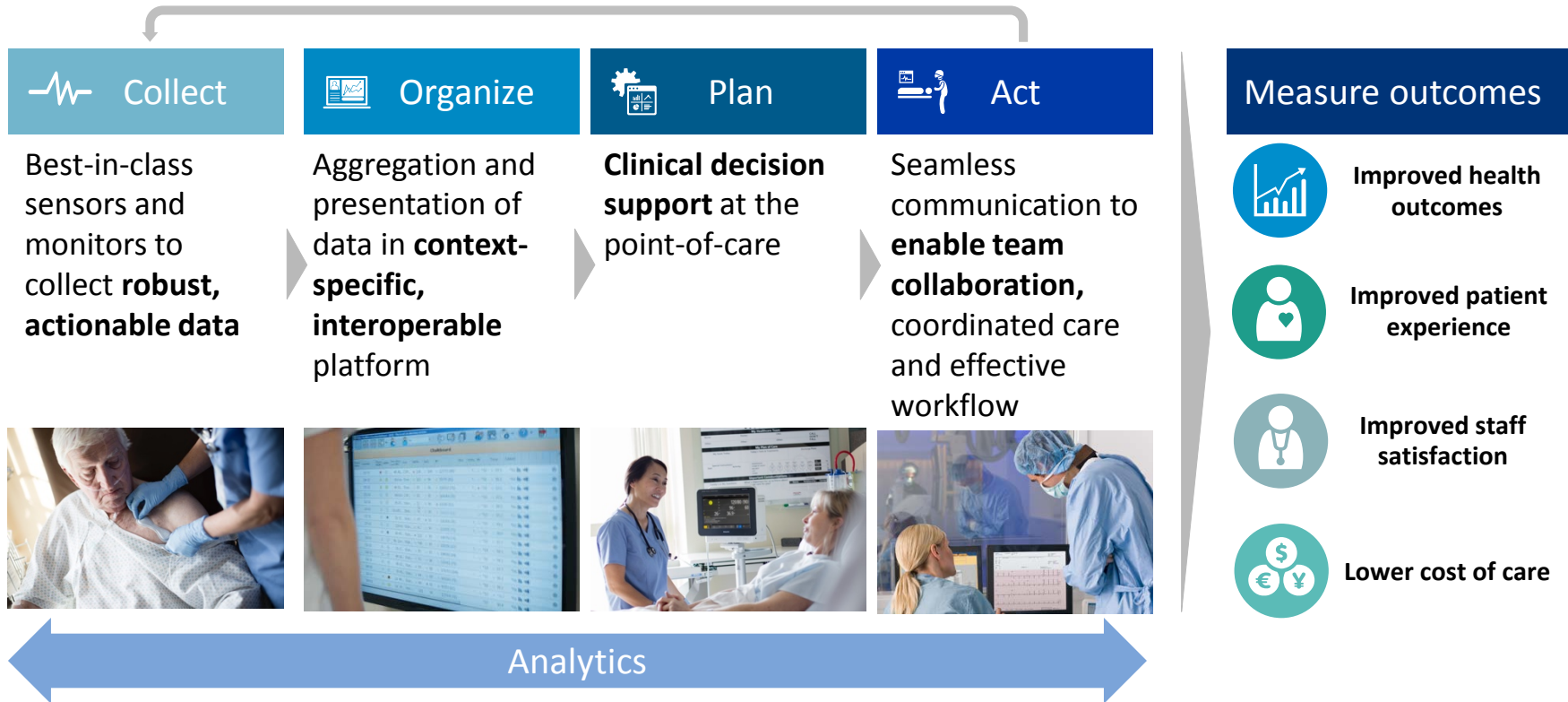


Improved staff
satisfaction



Lower cost of care

Enabling workflows to deliver on the Quadruple Aim



Guardian Early Warning connected care solution – addressing the Quadruple Aim



Health outcomes

86% reduction of Cardiopulmonary Arrests¹

66% reduction in mortality of patients transferred to the ICU¹



Patient experience



Patients feel safer in general care unit²



Faster hospital discharge²



Cost of care

24% reduction in ICU admission rate¹



can reduce length of stay²



Staff satisfaction

35% reduction of severe Adverse Events¹

52% improvement in notifications to trigger interventions¹

We solve our customers need to address “missed deterioration” in the General Ward



True global hospital issue

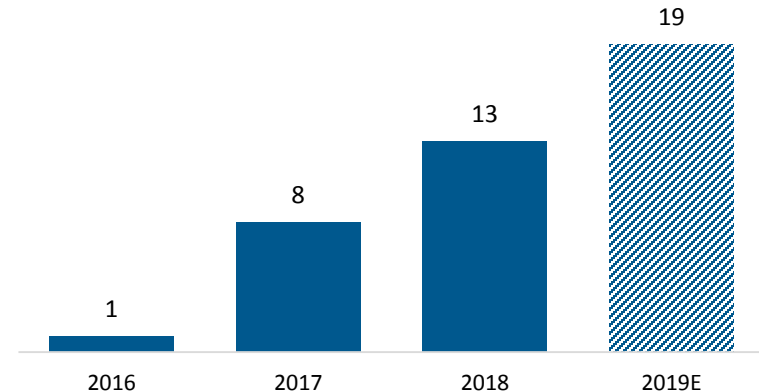
Largely unaddressed market

- USD 3 billion is a direct cost of “missed deterioration” in the General Ward¹
- Changing patient populations and low-acuity under-resourcing accelerating the problem
- C-level topic for customers managing the Quadruple Aim

IntelliVue Guardian solution

Rapid geographical expansion

Number of countries implementing our solution





Picture: Patient Information Center iX



Picture: wearable biosensor



11-year Monitoring as a Service partnership with Jackson Memorial Hospital



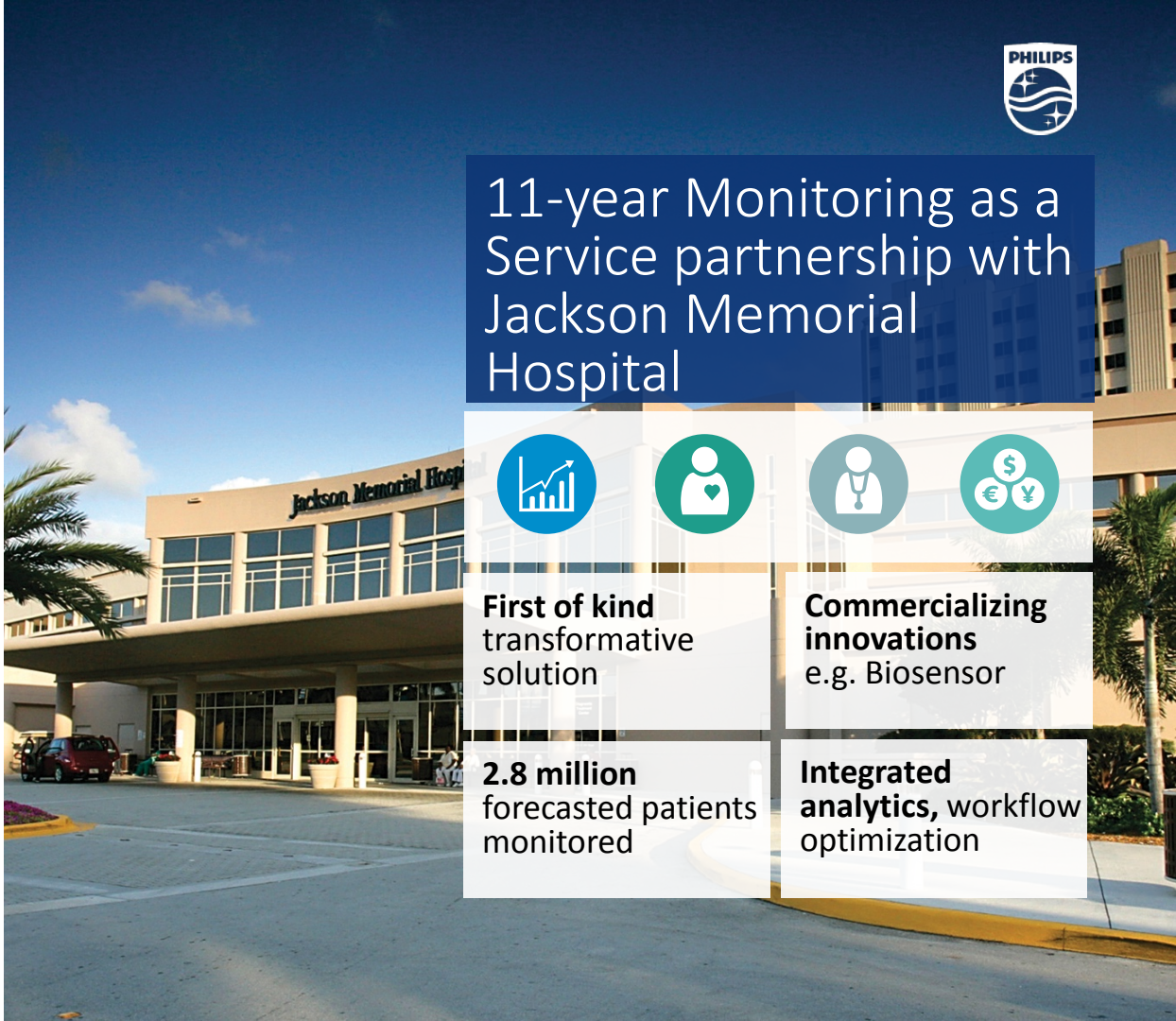
First of kind
transformative
solution



**Commercializing
innovations**
e.g. Biosensor

2.8 million
forecasted patients
monitored

**Integrated
analytics, workflow
optimization**



The growing importance of care beyond the hospital increases demand for our population health solutions

83%

of healthcare executives likely to invest in telehealth¹

31%

lower cost for highly-activated patients³

57%

of hospital and health system executives want to increase access to ambulatory care²

20% increase

in demand for patient-to-provider telemedicine services⁴



CMS expanding reimbursement for remote patient monitoring and virtual care

1. <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>; 2. <https://www.healthcare-informatics.com/news-item/payment/advisory-board-shifting-concerns-health-system-ceos>; 3. <https://www.businesswire.com/news/home/20150302005220/en/New-Study-Confirms-People-Activated-Care-Health>; 4. <https://www.prnewswire.com/news-releases/one-in-five-consumers-would-switch-to-a-doctor-that-offers-telehealth-visits-300394562.html>

Scaling connected care capabilities to help health systems improve and optimize care outside the hospital



COPD

Sleep Disorders

Cardiovascular
Health

Maternity Care
and Pediatrics

Oncology

Diabetes,
Other...

Philips Connected Care Ecosystem

Device-agnostic and open ecosystem

Revenue cycle management

Care pathways and patient engagement

Telemedicine platform

Population health management data aggregation and analytics

Strong position in Population Health Management



wellcentive
VitalHealth
SOFTWARE

- **Analytics and Workflow Optimization** platform
- **Understand, navigate and activate patient populations**
- **Optimizes patient care pathway and care coordination** between the hospital and the home
- **Revenue cycle management** for reimbursement
- **Remote monitoring** improving patient safety and care
- **Patient engagement** improving compliance and activation

Seeding our population health management business in partnership with leading industry players

We are shaping an emerging market

2020

- Growing partner ecosystem utilizing PHM platform
- Driving profitability

2019

- Execute on large and growing funnel
- Further geographic expansion
- Key innovations coming to market

2018

- High-double-digit order growth
- Signing strategic partnership deals
- Vital Health now in 9 countries

Partnering with industry leaders

NewYork-Presbyterian

Large IDN improving patient access in dense urban market, pursuing the Quadruple Aim
Large-scale risk sharing engagement connecting patients to right care in right place, at scale

Humana

Leading provider of health plans with 16 million members
Identifying highest-risk patients and triage to lower cost options

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