



PHILIPS

Delivering innovation that matters to you

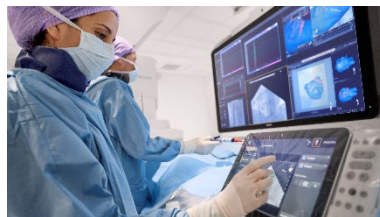
January 30, 2023

innovation  you

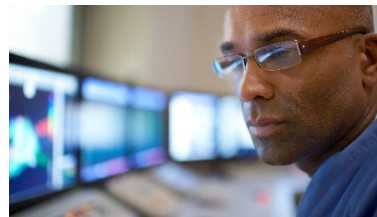
Contents



1. A focused leader in health technology



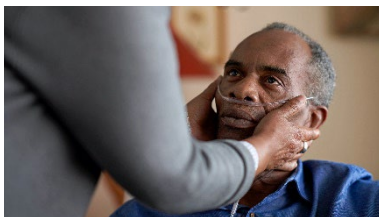
2. Innovating for you



3. Digital transformation of healthcare



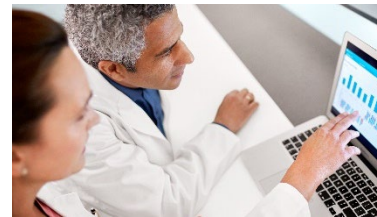
4. Doing business responsibly and sustainably



5. The Philips brand



6. Philips Foundation



7. Facts and figures

1. A focused leader in health technology

Philips, a born innovator

For over 130 years, we have been improving people's lives with a steady flow of ground-breaking innovations



Philips has reinvented itself many times



**Founded on innovation
and entrepreneurship**



**Expanding
beyond lighting**



**Global expansion
post-WWII**



**Diversified industrial
conglomerate**



**Strategic portfolio
choices sharpening focus**

Our journey
continues...



Products come and go ...
Technologies change ...

But Philips is still
about one thing:
Creating meaningful
innovation that improves
people's lives

It is our purpose to improve people's health and well-being through meaningful innovation.

We aim to improve the lives of 2.5 billion people per year by 2030.*

* 2 billion by 2025





Our purpose statement – in full

As a leading health technology company, it is our purpose to improve people's health and well-being through meaningful innovation. We aim to improve 2.5 billion lives per year by 2030.

We will be the best place to work for people who share our passion, promoting personal development, inclusion and diversity.

Together we will deliver superior, long-term value to our customers and shareholders, while acting responsibly towards our planet and society, in partnership with our stakeholders.

Economic realities are driving the need for new approaches in healthcare

Volume

Value

Response

Prevention

Episodic

Continuous

Limited

Accessible



Four profound trends are shaping the future of health technology



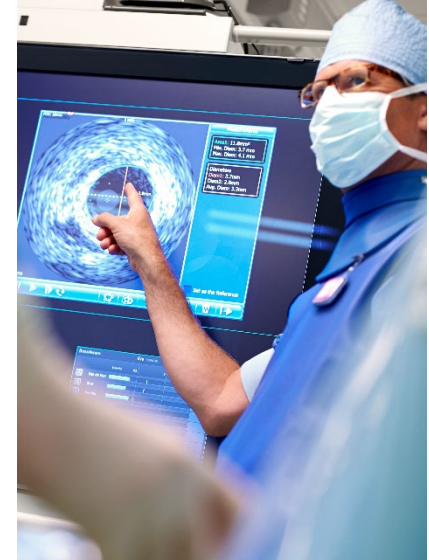
Global resource constraints



Aging populations and the rise of chronic illnesses



Increasing consumer engagement



Digitalization



“At Philips, we’re empowering people to take care of their health and well-being and helping doctors and nurses to provide better, more sustainable and more convenient care – in hospitals, clinics and the home.”

Roy Jacobs
CEO Philips

Helping our customers address the Quadruple Aim



**Better
health outcomes**



**Improved
patient experience**




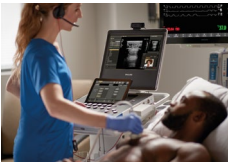



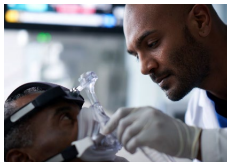

**Improved
staff experience**



**Lower
cost of care**



We have a strong and focused portfolio driving innovative solutions that promote health and improve healthcare delivery

Diagnosis & Treatment			Connected Care			Personal Health
						
Diagnostic Imaging	Ultrasound	Image Guided Therapy	Enterprise Informatics	Monitoring	Sleep & Respiratory Care	Personal Health
<p>Patient- and staff-centered solutions that simplify workflow and deliver more precise diagnosis and clear pathways with predictable outcomes</p> <p>Uniquely integrating best-in-class imaging with specialized devices to innovate procedures and improve lives</p>			<p>Patient care solutions, advanced analytics and patient and workflow optimization across all care settings</p> <p>Therapies to support patients in their chronic care needs</p>			<p>Products and services to support healthier lifestyles and disease prevention</p>

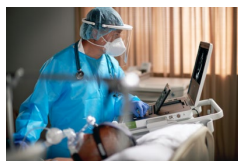
Strong positions across our portfolio of businesses*

Diagnosis & Treatment



Diagnostic Imaging

Top 3 player



Ultrasound

#1 Cardiac



Image Guided Therapy

#1 Systems & Devices

Connected Care



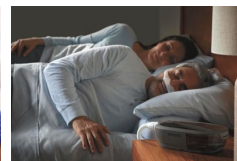
Enterprise Informatics

#1 Imaging
Leader in PACS
and interoperability



Monitoring

#1 in Hospital
#1 in Ambulatory



Sleep & Respiratory Care

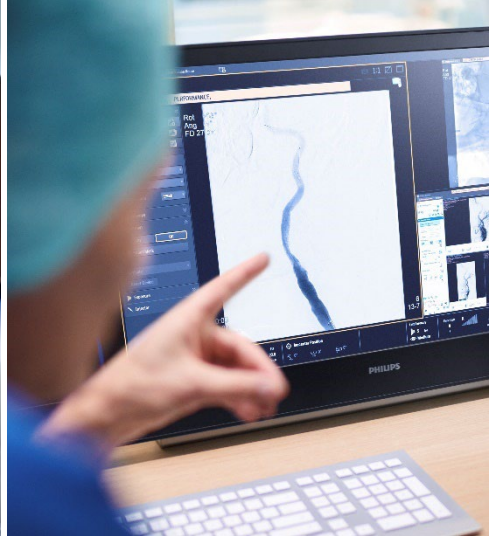
#2 globally



Personal Health

#1 Male Grooming
#2 Oral Healthcare
#2 Infant Feeding

Market-leading capabilities integrating platforms, informatics, and services



Our solutions –
driving quality
of care and
productivity for
our customers

Innovative integrated solutions

Developed to better meet customer needs and capture greater value

Image-guided therapy solutions



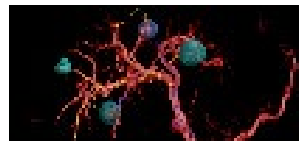
Image-guided therapy systems

+



Smart catheters

+



Disease-specific navigation software

+



Cath lab managed services, consulting

Early warning of patient deterioration



Monitoring

+



Wireless measurement, biosensors

+



IntelliVue Guardian software

+



Integration, services, consulting

Total sleep management solutions



Dream Series therapy devices

+



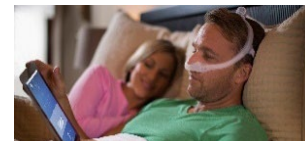
Care Orchestrator Care Management Platform

+



Patient services

+



DreamMapper patient engagement

Our services for better outcomes at lower cost

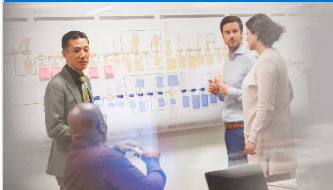
Plan and design



"Help me understand what I need to do and why"

Our **planning services** help you achieve your strategic objectives and assist in making decisions that impact your department, hospital or facility.

Implement and integrate



"Help me and my organization get up and running with something new"

Our portfolio of **implementation services** helps you deploy new technology in a sustainable fashion, with minimum impact.

Monitor and optimize



"Help me perform over time and continuously improve"

With our **optimization services**, we can help you increase process efficiency and practice continuous operational improvement.

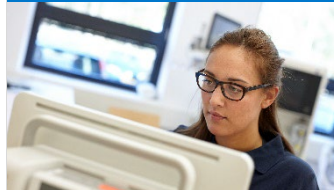
Prevent and maintain



"Help me to prevent issues but respond effectively should they occur"

Our portfolio of **maintenance services** is dedicated to maximizing your technology uptime.

Upgrade and secure



"Help me stay current and secure"

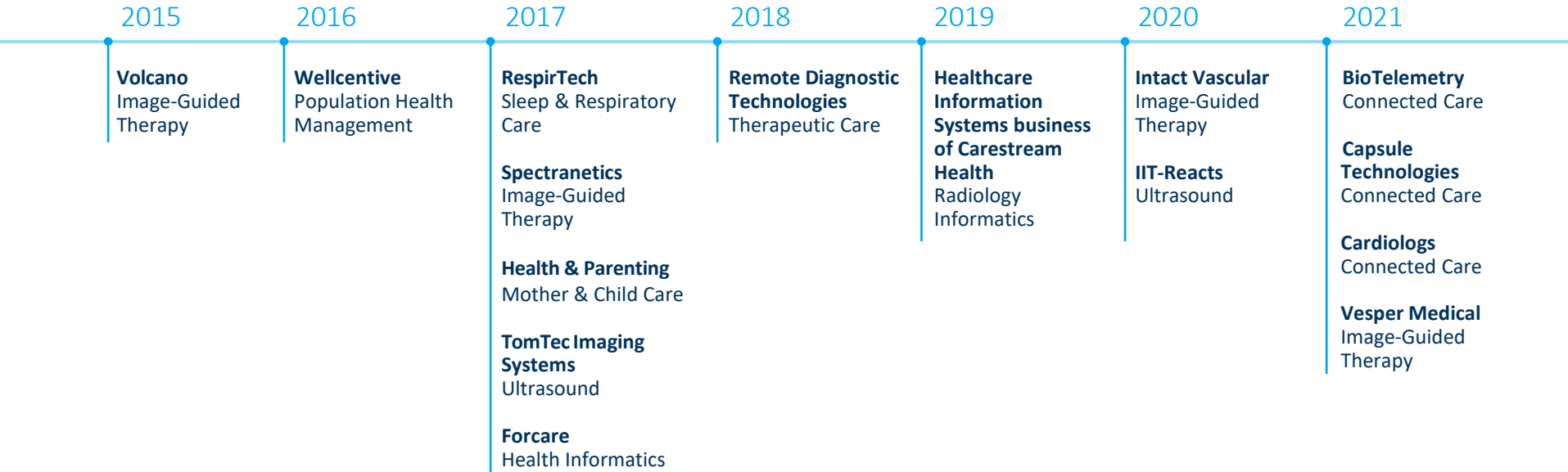
Our portfolio of **upgrading services** ensures that your technology is always current, secure and up-to-date for your specific situation.

A photograph of three business professionals in an office setting. On the left, a woman with short dark hair, wearing a light blue lab coat over a white shirt, is smiling broadly and shaking hands with a man whose back is to the camera. In the center, a woman with short brown hair, wearing a dark patterned blazer, looks on with a slight smile. The background is a bright, out-of-focus office window. A blue text box is overlaid on the right side of the image.

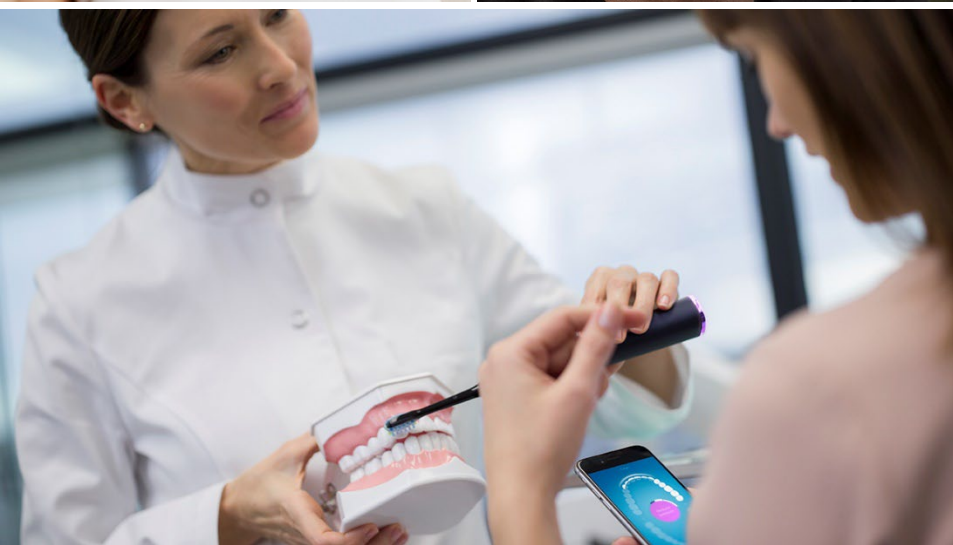
Long-term strategic partnerships enable us to find the answers to the challenges our customers are facing – **together**

Selected acquisitions*

Expanding our capabilities in health technology



* This overview is not exhaustive; see Notes for details of these and other acquisitions



Helping people
take care of
their health
and well-being

All around the world,
we make a difference to
people's lives by
delivering locally relevant,
connected solutions that
support healthier lifestyles
and those living with
chronic disease.





2. Innovating for you



“We innovate with purpose based on the voice of the customer and to elevate the human experience.

Our innovations connect people, technology, and data-driven insights, all delivered within clinical workflows or the daily consumer routines.

Our goal is a world where technology beautifully meets the needs of people anywhere.”

Shez Partovi MD

Chief Innovation & Strategy Officer, Royal Philips

Decades of innovation



1905
First patent granted



1924
Introduction of Metalix
X-ray tube



1927
Acquisition of X-ray
firm C.H.F. Müller



1927
First Philips radio with
Miniwatt valve



1939
Introduction of rotary
electric shaver



1947
First 100kV electron
microscope



1950
First Philips TV



1956
First Philips image
intensifier with TV



1976
Sono Diagnost B
ultrasound



1979
Tomoscan whole-
body CT scanner



1983
Gyrosan Nuclear
Magnetic Resonance
system



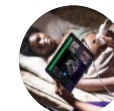
1989
Integris, Philips' first
dedicated interventional
system



2003
Philips Ambient
Experience



2013
IQon Spectral CT
computed tomography
imaging system



2015
Philips Lumify
portable ultrasound



2017
Azurion, Philips' next-
generation image-guided
therapy platform



2018
Philips IntelliSpace Portal



2019
Philips IntelliSite
Pathology Solution



2020
Radiology Operations
Command Center



2021
Spectral CT 7500



We turn possibilities into great innovations

10.5% of sales
invested in R&D in 2022

920 new
patents
filed in 2022

Philips named
Clarivate Top 100
Global Innovator™
for 9th year in a row in 2022

Approximately
1 out of 2
R&D personnel in
software and data science

56,000
patents

#1 for medical
technology
patent filings
with European Patent Office in 2021



We innovate with
our partners

A photograph of two people, a man and a woman, both wearing white lab coats, engaged in a conversation. The man is on the left, wearing glasses and has his hand near his chin. The woman is on the right, gesturing with her hands. The background is a plain, light-colored wall.

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

We are a world leader in people-centric design

In 2022, Philips received a record 171 awards for design excellence

Philips won three 2022 Red Dot Awards 'best of the best' ratings

Philips Experience Design was named Red Dot: Design Team of the Year 2022



reddot design award



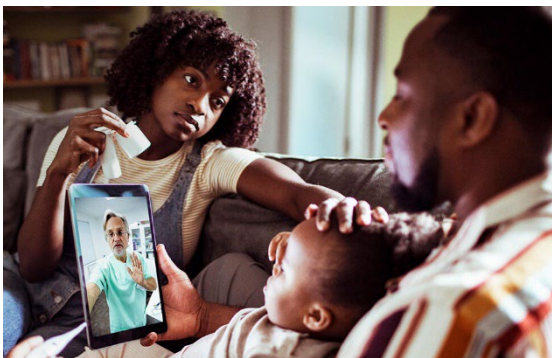
The Future Health Index (FHI) is a research-based platform designed to help determine the readiness of countries to address global health challenges and build sustainable, fit-for-purpose national health systems.

Since its launch in 2016, we have conducted ongoing, best-in-class research focusing on the crucial role digital tools and connected care technology can play in delivering more affordable, integrated and sustainable healthcare.



3. Digital transformation of healthcare

The COVID-19 pandemic has radically accelerated adoption of digital health technology



Telehealth has skyrocketed, changing patient expectations of how care is delivered



Virtual collaboration has extended the reach of specialist care



Data sharing and collaboration across locations has proven to be more vital than ever before

The future of digital health

Personalized

Care pathways and digital health solutions tailored to the individual

Connected

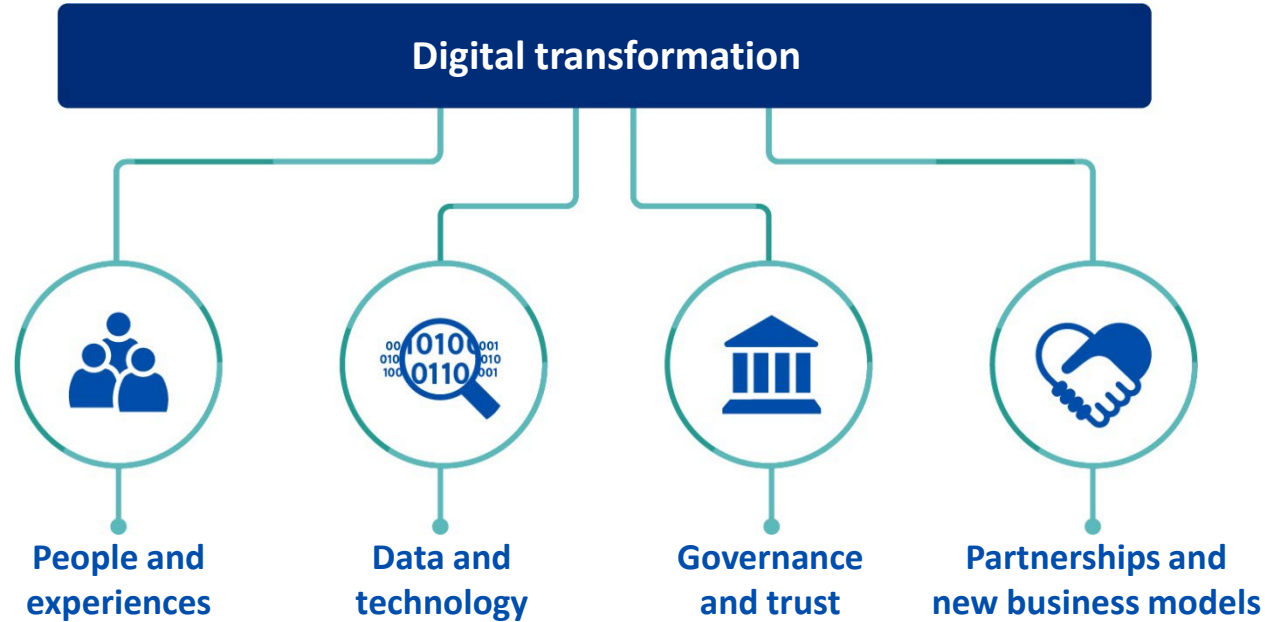
Healthcare delivered “anytime, anywhere” through a distributed, highly accessible network

Integrated

Care teams can make better informed decisions through 360-degree, longitudinal patient views



Driving digital transformation at scale: four enabling areas

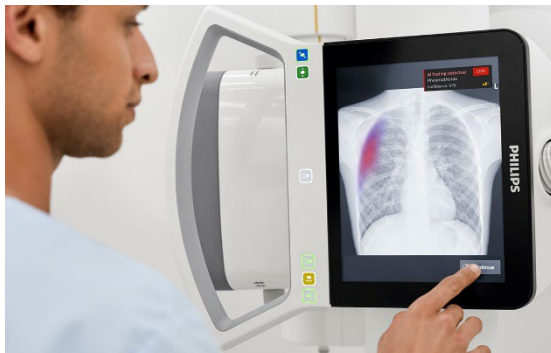


Need-driven innovation supporting the human care experience



Human-centered design

Addressing the unmet needs of patients, health consumers and healthcare professionals



Frictionless experiences

Intuitive solutions integrated into clinical workflows and people's daily health routines



Virtual training and education

Remote training and guidance supporting digital upskilling and continuous learning



Data and technology

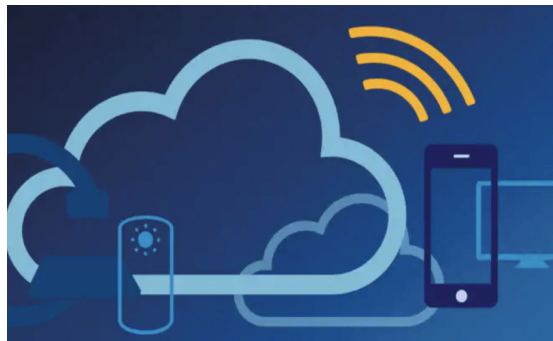


Combining the power of smart connected devices and systems, cloud-based digital platforms, and AI



Smart connected devices and systems

Enhanced with sensors, software apps, AI, and remote services – for connected care anytime, anywhere



Philips HealthSuite cloud-based digital platform

Unlocking data from different systems and devices in and outside the hospital



Turning data into actionable insights with AI

Augmenting the expertise of healthcare providers and improving operational efficiency

Safe, secure, and responsible use of data and AI

Our Data Principles



Security



Privacy



Benefit customers,
patients, and society

Our AI Principles



Health and
well-being



Human oversight



Robustness

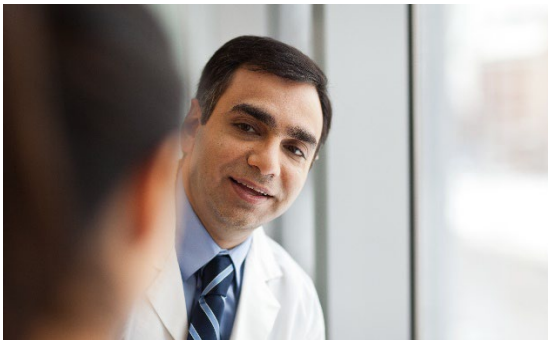


Fairness to avoid bias
and discrimination



Transparency

Driving transformation through collaborative ecosystems



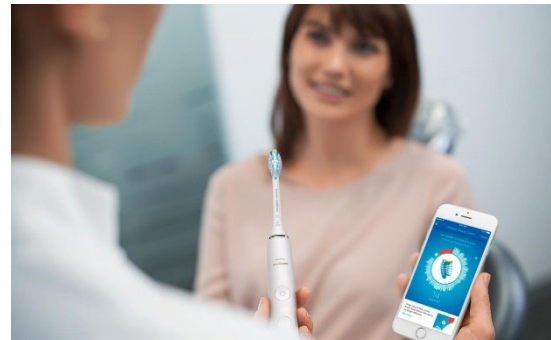
Long-term strategic partnerships

We innovate with leading medical centers to advance digital health around the globe



Open platform approach integrating third-party offerings

Through Philips HealthSuite, we make digital health innovations available at scale



Ecosystem partnerships for value-based care

We connect providers, patients and payors to promote prevention and better outcomes

4. Doing business responsibly and sustainably



Building on the advances we have made in sustainability over the years and on valuable input gathered talking with our stakeholders, we have – in line with our company purpose – formulated an enhanced and fully integrated approach to doing business responsibly and sustainably.

This approach covers the Environment, Social and Governance (ESG) dimensions that guide our endeavors.



Our purpose statement – in full

As a leading health technology company, it is our purpose to improve people's health and well-being through meaningful innovation. We aim to improve 2.5 billion lives per year by 2030.

We will be the best place to work for people who share our passion, promoting personal development, inclusion and diversity.

Together we will deliver superior, long-term value to our customers and shareholders, while acting responsibly towards our planet and society, in partnership with our stakeholders.

Our key ESG commitments

Environment

We act responsibly towards our planet in line with UN SDGs 12 and 13

Social

Our purpose is to improve people's health and well being through meaningful innovation, in line with UN SDG 3

We act responsibly towards society and partner with our stakeholders

Governance

We aim to deliver superior long-term value for our customers and shareholders, and we live up to the highest standards of ethics and governance in our culture and practices

Frameworks/references



Continued

Doing business responsibly and sustainably

Our key ESG commitments

Environment

We will maintain carbon neutrality and use 75% renewable energy in our operations by 2025. We will reduce CO₂ emissions in our entire value chain in line with a 1.5 °C global warming scenario (based on Science Based Targets).

We will generate 25% of our revenue from circular products, services and solutions, offer a trade-in on all professional medical equipment, and take care of responsible repurposing, by 2025.

We will embed circular practices at our sites and put zero waste to landfill by 2025.

All new product introductions will fulfill our EcoDesign requirements by 2025, with 'Eco-Heroes' accounting for 25% of revenues.

We work with our suppliers to reduce the environmental footprint of our supply chain in line with a 1.5 °C global warming scenario (based on Science Based Targets).

We engage with our stakeholders and other companies to drive sustainability efforts addressing the United Nations Sustainable Development Goals.

Social

We aim to improve the health and well-being of 2 billion people per year by 2025, including 300 million people in underserved communities.

It is our strategy to lead with innovative solutions along the health continuum – helping our customers deliver on the Quadruple Aim (better health outcomes, a better experience for patients and staff, lower cost of care) and helping people take better care of their health.

We aim to be the best place to work for our employees, providing opportunities for learning and development, embracing diversity and inclusion, and assuring a safe and healthy work environment. We pay at least a living wage and aim for employee engagement above the high-performance norm.

Through our supplier development program we will improve the lives of 1,000,000 workers in our supply chain by 2025.

We actively engage with and support the communities in which we operate, e.g. through volunteering, internships, STEM (Science, Technology, Engineering, Mathematics) initiatives. We contribute to the Philips Foundation, which aims to provide access to quality healthcare for disadvantaged communities.

We consider our tax payments as a contribution to the communities in which we operate, as part of our social value creation.

Governance

Our management structure and governance combines responsible leadership and independent supervision.

The Philips Business System is our integrated operating model. It defines how we work together to delight our customers and achieve our company goals, leveraging our global scale and capabilities.

We are committed to delivering the highest-quality products, services and solutions compliant with all applicable laws and standards.

Our remuneration policy is designed to encourage employees to deliver on our purpose and strategy and create stakeholder value, and to motivate and retain them. Our executive long-term incentive plan includes environmental and social commitments.

We ensure ethical behavior through our General Business Principles, with a strong compliance and reporting framework.

Our risk management is designed to provide reasonable assurance that strategic and operational objectives are met, legal requirements complied with, and the integrity of the company's reporting and related disclosures safeguarded.

We are transparent about our plans, activities, results and contributions to society (e.g. tax reporting), and engage with shareholders, customers, business partners, governments and regulators through a variety of platforms.

As a purpose-driven health technology company, we are very conscious of our responsibility towards society and of the need to continue to embed sustainability ever deeper in the way we do business – in our own operations and beyond, together with our partners.

Driving global change, with specific focus on access to care, circular economy and climate action. When it comes to making the world healthier and more sustainable, there is simply no time to lose.



Our purpose and action plan support the UN's global goals

**Make the world
healthier and more
sustainable through
innovation**

**Improve the lives of
2.5 billion people a year
by 2030**



Improving people's health and well-being, and expanding access to care for underserved communities



Ensuring sustainable use of materials and driving the transition to a circular economy



Ensuring sustainable use of energy, reducing emissions, and operating carbon-neutral



- Teaming up with our suppliers to increase social and environmental impact throughout our supply chain
- Building strong coalitions to drive global change



- Designing our products and services in line with our EcoDesign requirements
- Embedding sustainable practices in our ways of working

Our ambitious targets for 2025



Health and well-being for all

- We improve the health and well-being of 2 billion people per year through meaningful innovation
- As part of this, we enable access to care for 300 million people in underserved communities



Circular economy

- We generate 25% of our revenue from circular products, services and solutions
- We offer a trade-in on all professional medical equipment, and take care of responsible repurposing*
- We embed circular practices at our sites** and put zero waste to landfill



Climate action

- We reduce our CO₂ emissions in line with a 1.5 °C global warming scenario, for example by further improving the energy efficiency of our products during the customer use phase
- We source 100% of our electricity and over 75% of our total energy consumption from renewable sources



Partnerships

- We team up with our partners to deliver sustainable value and drive global change
- We improve the lives of 1 million workers in our supply chain and reduce its environmental footprint



Enablers

- We design 100% of our products and services in line with our EcoDesign requirements, with 'Eco-Heroes' accounting for 25% of revenues
- We embed sustainable practices in our ways of working, as defined by the Philips Business System

* either refurbished at Philips, or locally recycled in line with Philips policies

** including non-manufacturing sites, such as large offices, warehouses and R&D facilities

Philips is a recognized leader in environmental sustainability



Continued **carbon neutrality** in Philips' operations since 2020



Recognized leader – Carbon Disclosure Project for the **10th consecutive year**: 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022



In 2022, Philips became the first health technology company to have its entire value-chain **CO₂ emissions reduction** targets (scope 1-3) approved by the Science Based Targets initiative (SBTi)



Thought leader on **circular economy**

CEO Roy Jakobs became a PACE board member in 2022



Philips has **top scores in supplier rating**: 2018 Crystal Prize for leading change in supply chain sustainability; 2021 Crystal Prize for climate risk reporting

In 2022, Philips was honored in the Fast Company 'Brands That Matter' list based on, among other things, its action on climate change

We are building on a strong reputation across the ESG dimensions



Philips the first Dutch company ranked among the world's top 15 companies with the **best reputation** in 2021, and again in 2022



In 2022, Philips scored 91/100 in the **ESG assessment** by S&P Global Ratings (the highest score awarded to date), building on 2021's record ranking



Philips recognized **Industry Leader** in the DJSI 2015, 2016, 2017; #2 in new industry in 2018, 2019, 2020, 2021



In 2020, Philips came in at #2 in The Wall Street Journal's new **global sustainability ranking**



In 2022, Philips achieved a 78/100 score in the **EcoVadis assessment**, putting the company among the top 1% assessed



In 2022, Philips was named on **Forbes** World's Best Employers List, Best Employers for Diversity List, and Best Employers for Women list



5. The Philips brand

There's always
a way to make
life better



The Philips brand is a vital asset



Philips' health technology portfolio



Deep market
insights



Technology
innovation



Global
footprint



Philips
brand



Our
people

Balance sheet



Brand value > USD 11.5 billion
six years in a row
Most valuable Dutch brand

Interbrand

2022 Interbrand Best Global Brands valuation

Brand value

USD 12.8 billion

Interbrand ranking

#59



6. Philips Foundation



Philips
Foundation

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



7. Facts and figures



EUR 5.4
billion sales

3%
comparable
sales growth

~77,000
employees in over 100 countries



Philips sales per business segment in Q4 2022

3%

comparable
sales growth

Diagnosis & Treatment businesses

5%

to EUR 2.8 billion

Connected Care businesses

5%

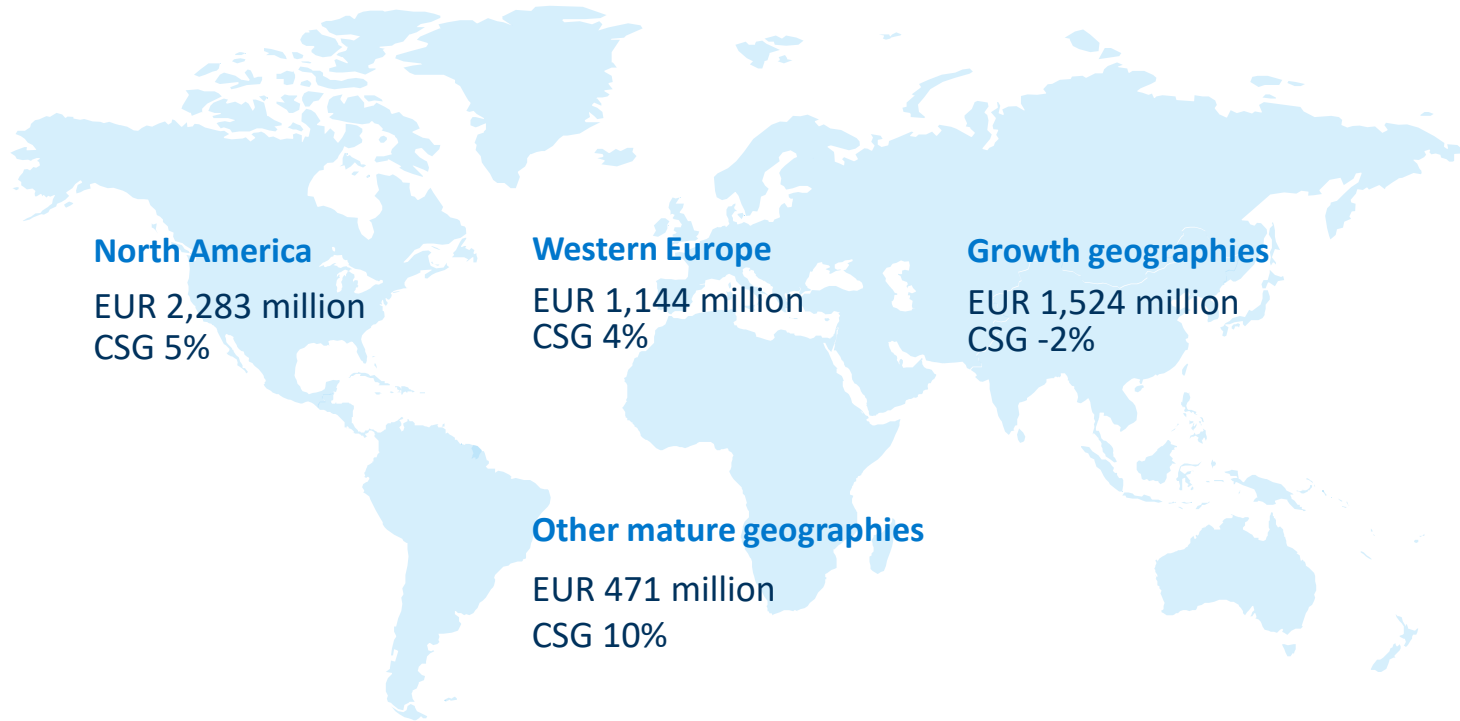
to EUR 1.4 billion

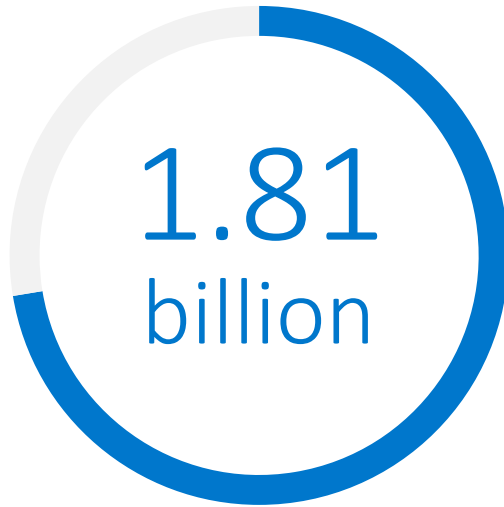
Personal Health businesses

-4%

to EUR 1.1 billion

Philips sales per geographic cluster in Q4 2022





Lives improved
around the world
in Q4 2022

Philips in 2022



EUR 17.8
billion sales

~40%
of sales from recurring revenues

-3%
comparable
sales growth

-3%
growth in
comparable
order intake

~77,000
employees in over 100 countries

Philips in 2022



1.81
billion

lives improved

10.5%
of sales
invested in R&D

56,000
patent rights

33,000
trademarks

USD 12.8 billion
brand value¹

Our businesses in 2022¹

Diagnosis & Treatment



51%
of Group sales

8.4%
Adjusted EBITA margin

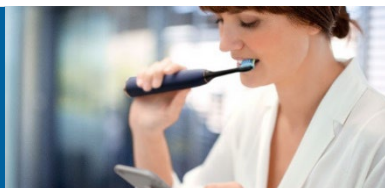
Connected Care



25%
of Group sales

2.2%
Adjusted EBITA margin

Personal Health



20%
of Group sales

14.8%
Adjusted EBITA margin

Sales of EUR 17.8 billion and Adjusted EBITA margin of 7.4%

