

# Fourth quarter and full-year 2025 results

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# Important information

## Forward-looking statements and other important information

This document and the related oral presentation, including responses to questions following the presentation, contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future Adjusted EBITA\*, future restructuring and acquisition-related charges and other costs, future developments in Philips' organic business and the completion of acquisitions and divestments. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include, but are not limited to, macro-economic and geopolitical changes – including the war in Ukraine and ongoing tensions in the Middle East – as well as measures such as enacted and proposed tariffs and trade actions introduced in response to rising global tensions; Philips' ability to keep pace with the changing health technology environment; Philips' ability to gain leadership in artificial intelligence and health informatics in response to developments in the health technology industry; integration of acquisitions and their delivery on business plans and value creation expectations; ability to meet expectations with respect to ESG-related matters; securing and maintaining Philips' intellectual property rights, and unauthorized use of third-party intellectual property rights; failure of products and services to meet quality or security standards, adversely affecting patient safety and customer operations; the resilience of our supply chain; challenges in simplifying our organization and our ways of working; attracting and retaining personnel; breach of cybersecurity; challenges in driving operational excellence and speed in bringing innovations to market; treasury and financing risks; tax risks; reliability of internal controls; compliance with regulations and standards involving quality, product safety, (cyber) security and artificial intelligence; and compliance with business conduct rules and regulations including privacy, existing and upcoming ESG disclosure and due diligence requirements. As a result, Philips' actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Further information chapter included in the Annual Report 2024.

## Third-party market share data

Statements regarding market share contained in this document, including those regarding Philips' competitive position, are based on outside sources such as specialized research institutes, as well as industry and dealer panels, in combination with management estimates. Where information is not yet available to Philips, market share statements may also be based on estimates and projections prepared by management and/or based on outside sources of information. Management's estimates of rankings are based on order intake or sales, depending on the business.

## Market Abuse Regulation

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation..

## Use of non-IFRS Information

In presenting and discussing the Philips Group's financial position, operating results and cash flows, management uses certain non-IFRS financial measures. These non-IFRS financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measure and should be used in conjunction with the most directly comparable IFRS measures. Non-IFRS financial measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. A reconciliation of these non-IFRS measures to the most directly comparable IFRS measures is contained in this document. Further information on non-IFRS measures can be found in the Annual Report 2024.

## Presentation

All amounts are in millions of euros unless otherwise stated. Due to rounding, amounts may not add up precisely to totals provided. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2024. Certain prior-year balances have been reclassified to conform to the current period presentation. From September 30, 2025 uncertain tax liabilities were reclassified from non-current tax liabilities to current income tax liabilities. Per share calculations for all periods presented have been retrospectively adjusted to reflect the issuance of shares in 2025 with respect to the share dividend for 2024.

## Key takeaways

- Delivered FY 2025 outlook; strengthened our company while navigating a dynamic macro-environment
- Order intake +7% in Q4 and +6% in FY, led by North America
- Comparable Sales Growth of +7% in Q4, broad-based across all businesses and geographies; +2% for FY
- Adjusted EBITA margin improvement driven by innovation, mix, and productivity, despite tariffs
  - +160 bps to 15.1% in Q4
  - +80 bps to 12.3% in FY
- Strong exit momentum, providing solid foundation for sales acceleration, margin expansion and Free Cash Flow generation in 2026



# Fully delivered on 2025 outlook; well-positioned for accelerating profitable growth in 2026

	2025 Outlook	2025 Actuals		2026 Outlook	Drivers
Comparable sales growth	1-3%	2.3%	✓	3.0 – 4.5%	Order intake momentum, innovation and commercial execution
Adj. EBITA margin	11.3-11.8%	12.3%	✓	12.5 – 13.0%	Sales growth, favorable mix, and productivity, partly offset by tariff headwinds
Free cash flow	EUR 0.2 billion -0.4 billion	EUR 0.5 billion <sup>1</sup>	✓	1.3 – 1.5 billion	Higher earnings, and lower adjusted items, offset by disciplined capital expenditure and tax
Net Debt/ Adj. EBITDA	1.8x	1.7x	✓	1.6 – 1.8x	Maintaining a strong investment-grade credit rating

1. Includes cash payment of EUR 1,025 million for Philips Respironics recall-related medical monitoring and personal injury settlements |  
 Note: Philips' 2026 outlook includes currently known tariffs. It excludes ongoing Philips Respironics-related proceedings, including the investigation by the US Department of Justice.

# Delivered order intake and sales growth acceleration, strong margin expansion and free cash flow in Q4 2025

## Financial performance

<i>In millions of EUR unless otherwise stated</i>	Q4 2025	Q4 2024
Sales	5,097	5,044
Comparable sales growth <sup>1</sup>	7%	1%
Comparable order intake <sup>1</sup>	7%	2%
Adj. EBITA margin <sup>2</sup>	15.1%	13.5%
Income from operations	540	199
Operating cash flow	1,391	1,459

## Q4 2025 highlights

- Strong sales growth, broad-based across segments and geographies, in line with expected phasing in the year
- Adjusted EBITA margin increased by 160 bps, driven by sales growth, favorable mix, and productivity measures, partly offset by higher tariffs
- Income from operations increased, supported by higher gross margin, and lower impairment charges and adjusting items, partly offset by higher tariffs
- Operating cash flow in Q4 2025 driven by higher income from operations; prior-year included a EUR 367 million Respiroics insurance cash inflow

# Delivered full year 2025 outlook with order intake and sales growth acceleration and strong margin expansion

## Financial performance

<i>In millions of EUR unless otherwise stated</i>	2025	2024
Sales	17,834	18,021
Comparable sales growth <sup>1</sup>	2%	1%
Comparable order intake <sup>1</sup>	6%	1%
Adj. EBITA margin <sup>2</sup>	12.3%	11.5%
Income from operations	1,424	529
Operating cash flow	1,172	1,569

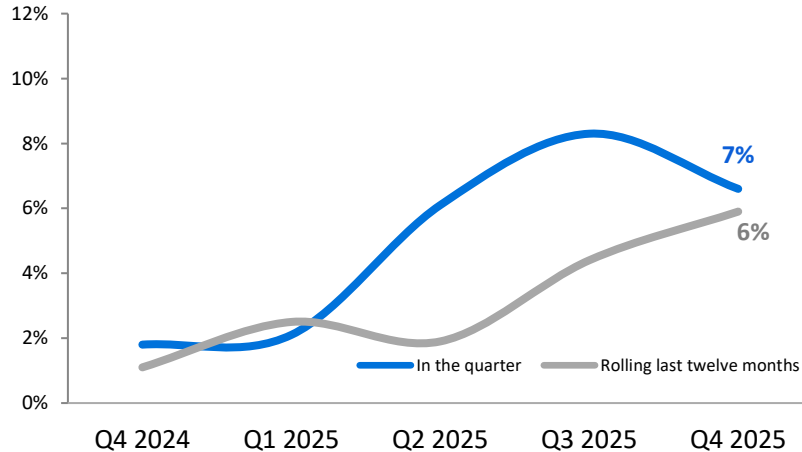
## 2025 highlights

- Sales growth driven by high-single digit growth in Personal Health, low-single-digit growth in Connected Care and flat Diagnosis & Treatment
- Adj. EBITA margin improved by 80 bps, mainly driven by sales growth, favorable mix and productivity measures, partly offset by higher tariffs
- Income from operations<sup>3</sup> mainly driven by higher gross margin and lower adjusting items and impairment charges in relation to intangible assets
- Solid delivery on operating cash flow, despite a EUR 1 billion payment for Respiroics recall-related litigation settlements in 2025

1. Comparable sales growth (CSG); comparable order intake growth (OIT) | 2. Excluding restructuring costs, acquisition-related charges and other items; 3. Includes the comparative impact of EUR 984 million for the Respiroics litigation provision (which was partly offset by EUR 538 million insurance income related to the Respiroics product liability claims)

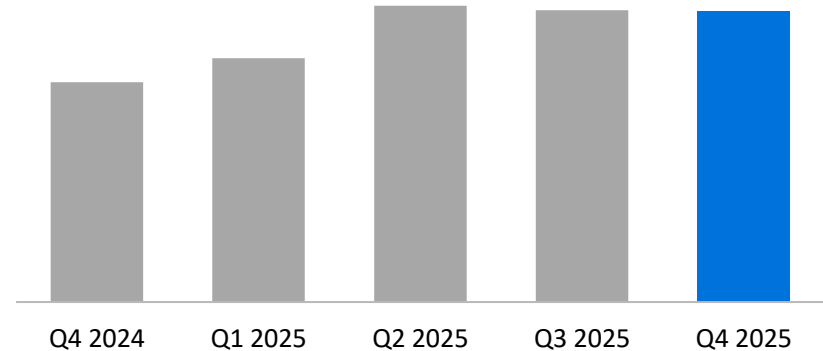
# Sustained order intake growth and a robust order book support profitable growth acceleration in 2026

## Comparable equipment order intake growth<sup>1</sup>



- Solid full-year performance; Diagnosis & Treatment up mid-single digit and Connected Care up high-single-digit
- Strong Q4 2025, with growth across both segments, led by continued double-digit growth in North America

## Indexed equipment order book<sup>1</sup> development



- Order book up 5% year-on-year, with inherent quarterly unevenness
- Order book accounts for ~40% of revenue



# Continued demand momentum in North America driven by multi-year partnerships across Diagnosis & Treatment and Connected Care

Key partnerships signed in Q4 2025

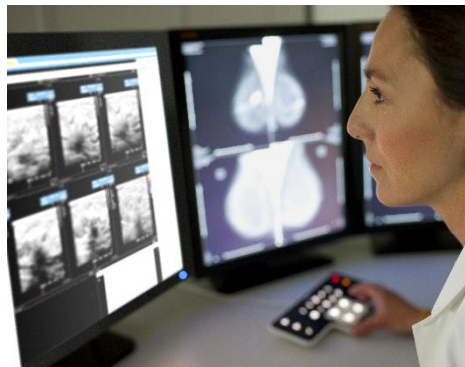


## 10-year partnership, with one of the largest Health Systems in the US

Image-Guided Therapy collaboration, spanning 80+ interventional labs to advance system-wide cardiac care

## 5-year strategic partnership with AdventHealth

Replacing and upgrading patient monitors across the network, coupled with Software Evolution Service program, supporting workflows, patient safety and future-ready infrastructure across care settings



## Landmark Enterprise Informatics partnership

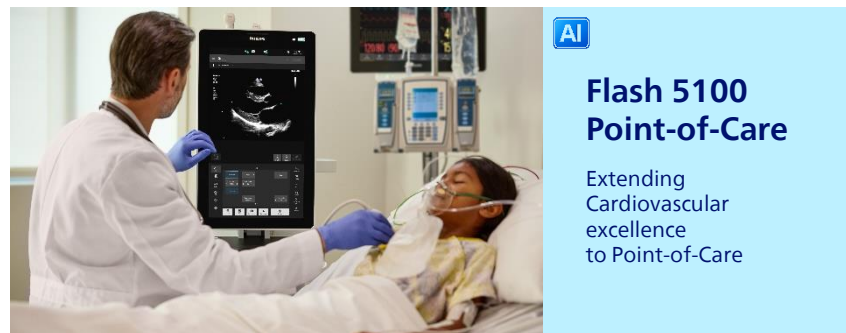
standardize cloud-based PACS, hosted on AWS, across 27 hospitals, supporting than 4 million+ imaging studies annually with scalable diagnostic workflows

# Industry-leading, margin-accretive innovations unveiled at RSNA 2025, supporting our growth pipeline into 2026 and beyond

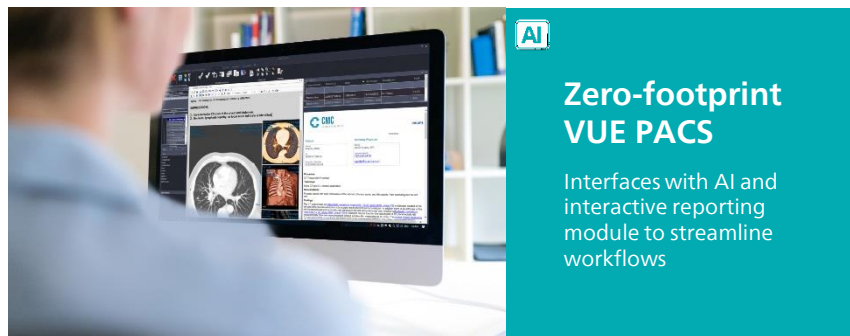
## Magnetic Resonance



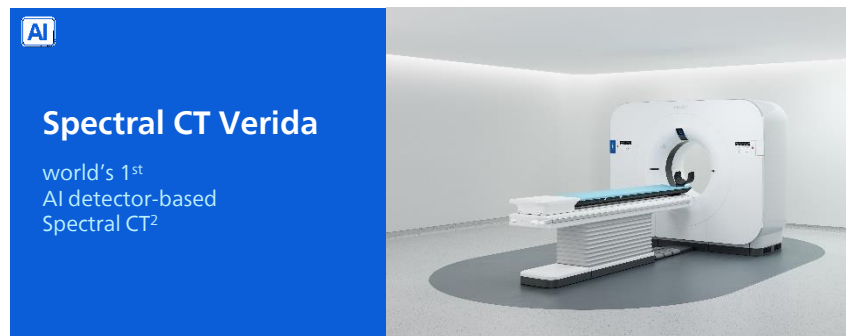
## Ultrasound



## Enterprise Informatics



## Computed Tomography





## Execution as key value driver



Patient impact and quality  
as highest priority

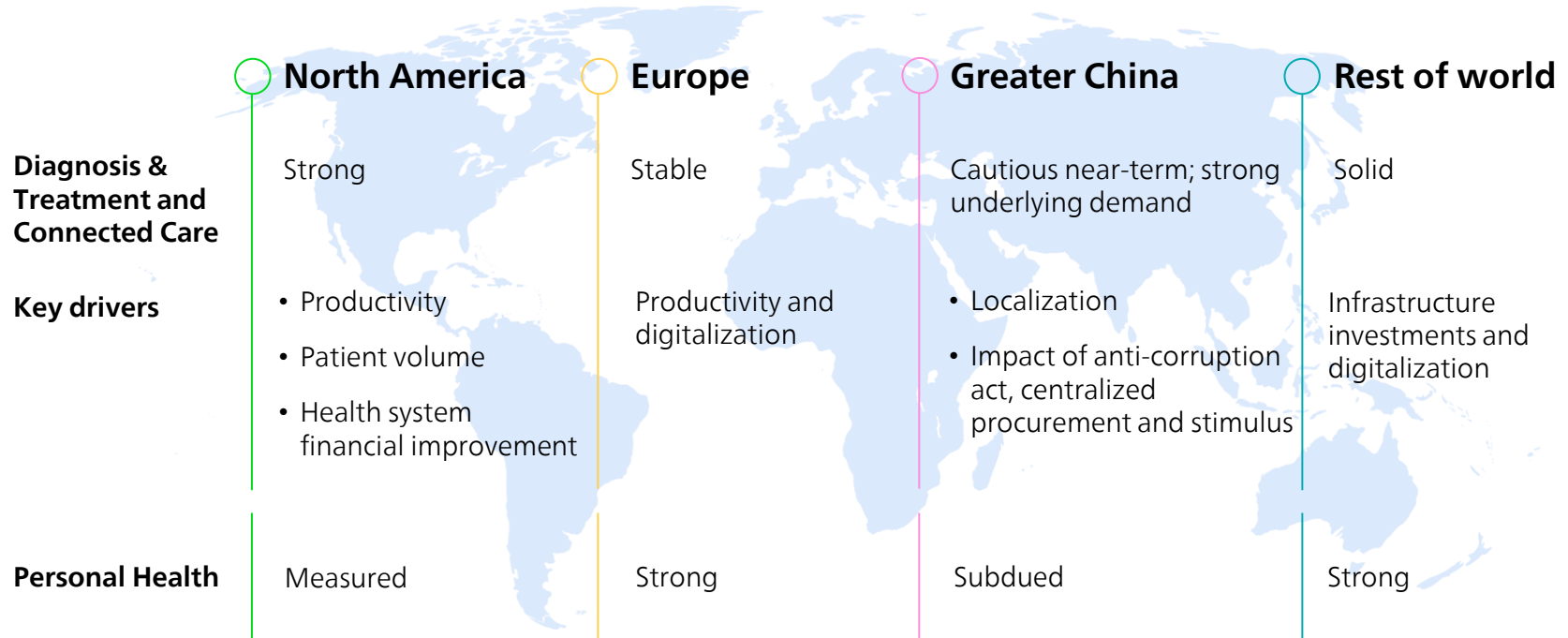


Reliable end-to-end  
supply chain



Simplified  
operating model

# Global hospital demand and consumer sentiment



Continuing to closely monitoring hospital demand and consumer sentiment



# Diagnosis & Treatment

## Financial performance

<i>In millions of EUR unless otherwise stated</i>	Q4 2025	Q4 2024	2025	2024
Sales	2,403	2,440	8,531	8,790
Comparable sales growth	4%	-1%	0%	1%
Adj. EBITA margin	11.8%	12.1%	11.7%	11.6%
Income from operations	225	3	804	592

## Q4 2025 highlights

- Sales growth driven by double-digit growth in Image Guided Therapy; Precision Diagnosis sales were stable
- Mature geographies delivered low-single-digit growth. Growth geographies drove high-single-digit growth
- Adj. EBITA declined mainly due to tariffs, partly offset by higher gross margin from innovation and productivity measures



# Connected Care

## Financial performance

*In millions of EUR  
unless otherwise stated*

	Q4 2025	Q4 2024	2025	2024
Sales	1,422	1,426	5,076	5,134
Comparable sales growth	7%	7%	3%	2%
Adj. EBITA margin	16.5%	15.0%	10.7%	9.6%
Income from operations	92	58	89	-466

## Q4 2025 highlights

- Sales growth driven by double-digit growth in Monitoring and mid-single-digit growth in Enterprise Informatics
- Mature geographies drove high-single-digit growth. Growth geographies delivered low-single-digit growth
- Adj. EBITA increase mainly driven by operating leverage, improved gross margin and productivity, partly offset by tariffs



# Personal Health

## Financial performance

*In millions of EUR  
unless otherwise stated*

	Q4 2025	Q4 2024	2025	2024
Sales	1,118	1,027	3,673	3,486
Comparable sales growth	14%	-2%	8%	-1%
Adj. EBITA margin	23.0%	18.0%	18.0%	16.7%
Income from operations	250	176	631	544

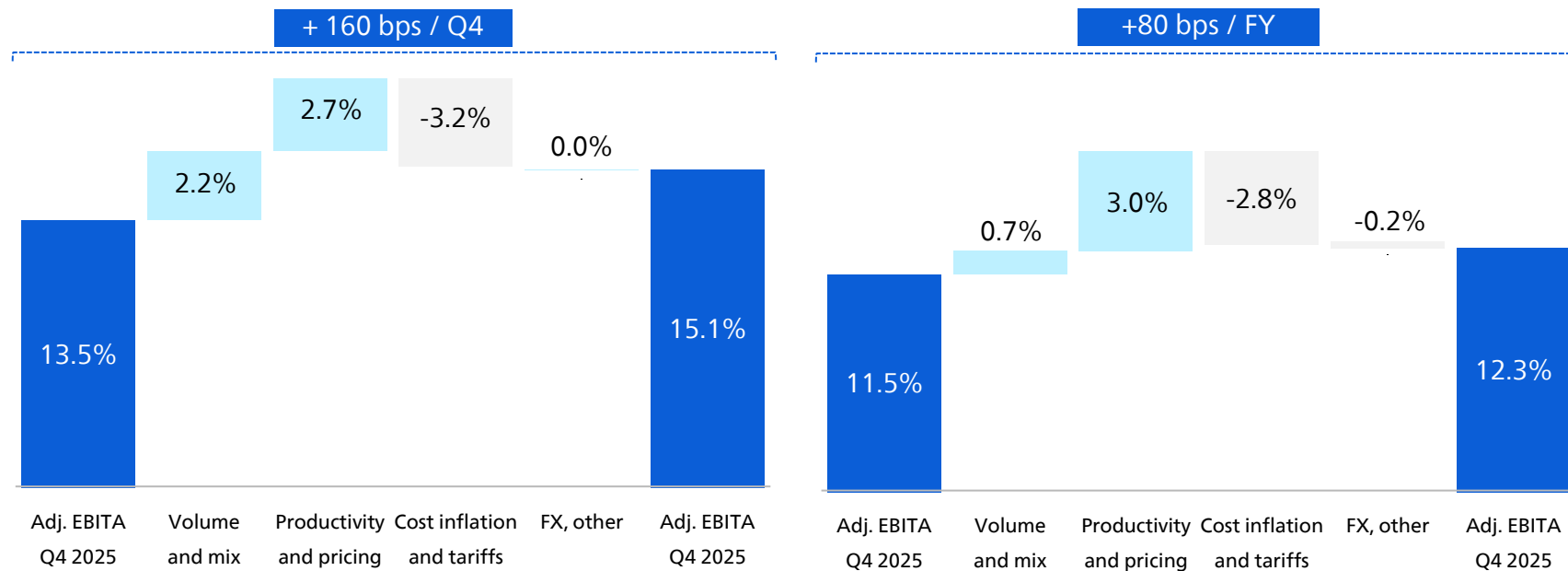
## Q4 2025 highlights

- Sales growth driven by all businesses and geographies
- Double-digit growth in Growth geographies, supported by an easier comparison base in China; mid-single-digit growth in Mature geographies
- Adj. EBITA margin expansion mainly driven by higher sales and productivity measures, partly offset by tariffs



# Adjusted EBITA improvement driven by sales and productivity, partly offset by higher tariffs after substantial mitigation

## Group Adjusted EBITA margin<sup>1</sup> in Q4 2025 and Full-year 2025



1. Excluding restructuring costs, acquisition-related charges and other items  
Note: Amounts may not add up due to rounding



# Successfully delivered on three-year, EUR 2.5 billion productivity program, including EUR 0.8 billion of productivity savings in 2025

## Productivity initiatives savings<sup>1</sup>

*In millions of EUR*

		Q4 2025	FY 2025	3-year plan Q1 2023-Q4 2025
Operating model	<ul style="list-style-type: none"> <li>Simplified operating model</li> <li>R&amp;D prioritization, reduction of corporate research projects</li> <li>End-to-end supply chain, simplifying planning, eliminating duplications</li> </ul>	61	189	956
Procurement	<ul style="list-style-type: none"> <li>Bill-of-material savings via redesign, value analysis, engineering</li> <li>Reductions in warehousing, transportation and consulting</li> </ul>	92	237	680
Other productivity	<ul style="list-style-type: none"> <li>Manufacturing footprint optimization and service productivity</li> <li>R&amp;D platform simplification and footprint optimization</li> <li>GBS and hyper-automation</li> <li>Sleep &amp; Respiratory Care rightsizing</li> </ul>	95	389	887
		<b>EUR 248 million</b>	<b>EUR 815 million</b>	<b>EUR 2,522 million</b>

# 2026 outlook

# 2026 outlook: accelerating profitable growth

Full-year 2026

## Comparable sales growth

3%-4.5%

- All business segments growing within the range: Diagnosis & Treatment at the lower end; Connected Care and Personal Health at the upper end
- Growth led by North America and International Regions; Greater China sales expected to be stable
- All four quarters expected to be within the full-year range, with Q1 at the lower-end

## Adj. EBITA margin

12.5%-13.0%

- Expansion driven by sales growth, innovation, favorable mix effects and productivity
- Annualized tariffs of EUR 250–300 million, net of substantial mitigations
- Q1 margin expected to decline slightly due to incremental tariff headwinds

## Free Cash Flow

EUR 1.3-1.5 billion

- Higher earnings and lower adjusting items, partly offset by a targeted increase in capital expenditure related to selective localization, multi-modality manufacturing, and tax.

# 2026-2028: Additional productivity savings expected to complement growth-led margin expansion

## Productivity initiatives savings<sup>1</sup>

<b>Cost competitiveness</b> Project Synchronize	<ul style="list-style-type: none"><li>• Platform &amp; SKU optimization</li><li>• Lower costs and unlock R&amp;D capacity</li><li>• Improve quality &amp; supply chain reliability</li></ul>	} <b>EUR 1.5 billion</b>
<b>Lean enabling functions</b> Simplify to Perform	<ul style="list-style-type: none"><li>• Lean central functions, operating at best-in-class cost benchmark levels</li><li>• AI-enabled efficiencies in Marketing, R&amp;D, Services</li></ul>	
<b>Tariff mitigation</b>	<ul style="list-style-type: none"><li>• Currently known tariff impact fully mitigated by end of 2028</li><li>• Accelerate targeted regionalization</li><li>• Supplier and network optimization</li></ul>	

1. Gross productivity initiatives and re-investments, before inflation, expected in 2026 -2028

Note: Within the context of an uncertain macro environment, Philips' mid-term targets include currently known tariffs. They exclude ongoing Philips Respironics-related proceedings, including the investigation by the US Department of Justice

# Restructuring, acquisition-related charges and other items

Full-year 2026

**Restructuring costs**  
~80 bps

- Cost competitiveness (Project Synchronize)
- Lean enabling functions (Simplify to Perform)

**Other items**  
~120 bps

- Mainly related to the Consent Decree, other quality action-related charges, and acquisition-related charges

Q1 2026

**Restructuring costs,  
other items**

- EUR 115 million: Diagnosis & Treatment 10 million, Connected Care 60 million, Personal Health 5 million, segment Other 40 million

# Latest FX, below the line items and segment Other outlook

	Q1 2026	Full year 2026
FX, consolidation and deconsolidation impact on sales <sup>1</sup>	-9%	-4%
Diagnosis & Treatment	-8%	-3%
Connected Care (including divestment of Emergency Care <sup>2</sup> )	-14%	-9%
Personal Health	-7%	-3%
Effective tax rate		24-26%
Financial income and expense (EUR million)		-250 to -270
Segment Other (EUR million)		
Sales	~130	570 – 600
Adj. EBITA	~0	~0
EBITA	~-40	~-70

1. Based on January 2025 FX rate. Final impact subject to change based on FX movements and geographic sales mix | 2. Completed in Q4 2025 and represented ~5% of Connected Care sales in 2026 and a low margin profile. The divestment is expected to be slightly accretive to Adjusted EBITA margins, with no expected impact on Comparable Sales Growth  
 Note: Philips' 2026 outlook includes currently known tariffs. It excludes ongoing Philips Respironics-related proceedings, including the investigation by the US Department of Justice

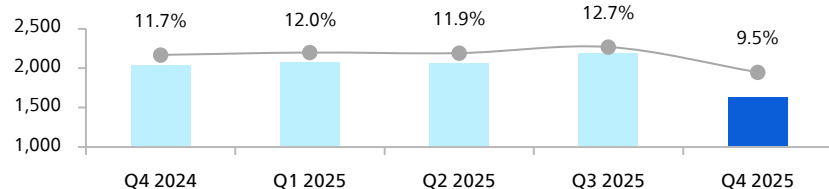
# Financial appendix

# Working capital and inventories

## Group working capital<sup>1</sup>

In millions of EUR unless otherwise stated

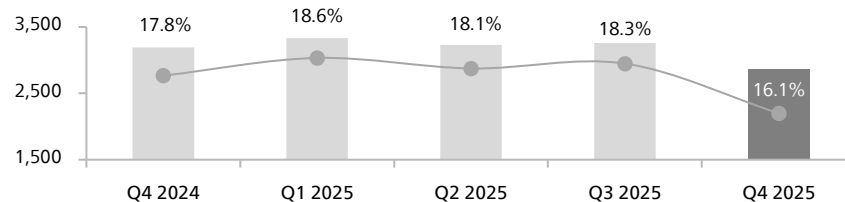
— as % of last twelve months sales<sup>2</sup>



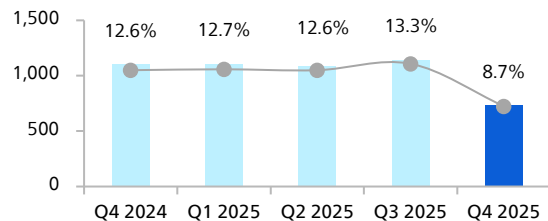
## Group inventories

In millions of EUR unless otherwise stated

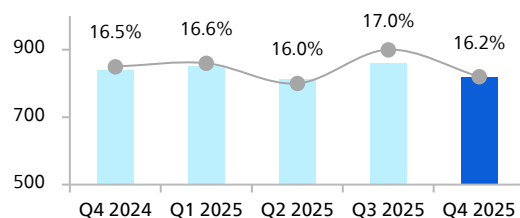
— as % of last twelve months sales<sup>2</sup>



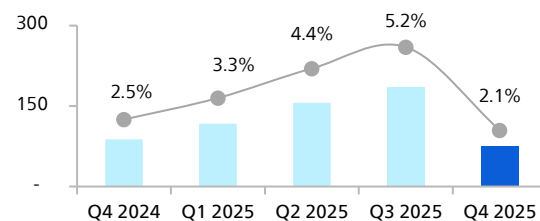
## Diagnosis & Treatment



## Connected Care



## Personal Health





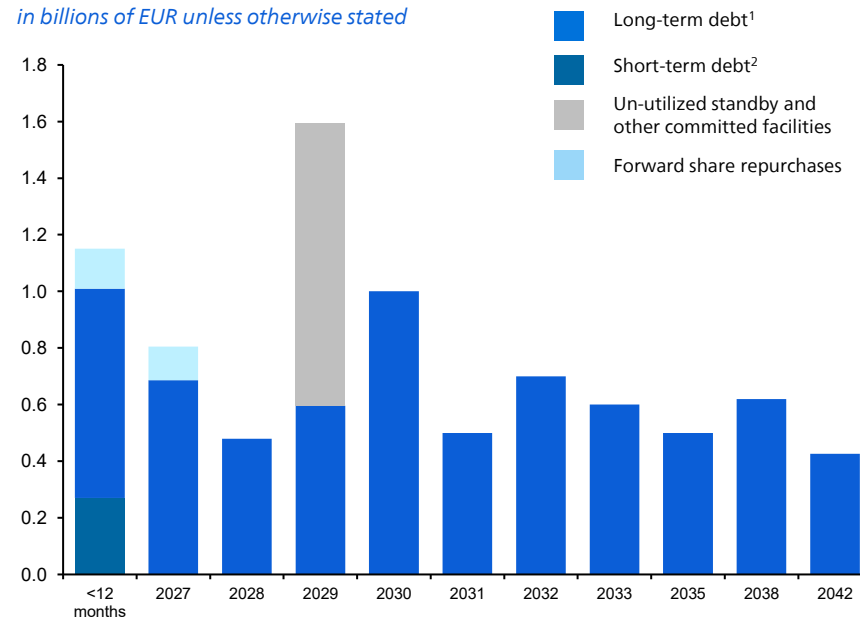
# Debt maturity profile and liability management

## Long-term debt profile and liability management

- Total net debt position of EUR 5.3 billion
- Maturities up to 2042
- Average tenor of long-term debt is 5.8 years<sup>3</sup>
- No financial covenants

## Debt maturity profile as per December 31, 2025

*in billions of EUR unless otherwise stated*



1. Excluding long-term operating leases | 2. Short-term debt includes local credit facilities that are being rolled forward on a continuous basis as well as Commercial Paper | 3. Based on long-term debt only

# Net capital expenditures, depreciation and amortization

*In millions of EUR unless otherwise stated*

	Q4 2025	Q4 2024	FY 2025	FY 2024
<b>Net capital expenditures</b>	-191	-174	-660	-663
<b>Depreciation</b>	-156	-168	-602	-696
<b>Amortization and impairment:</b>	-124	-293	-522	-693 <sup>1</sup>
of acquired intangible assets	-51	-193	-240	-392 <sup>1</sup>
of other intangible assets	-73	-100	-282	-301

1. Includes higher impairment charges in relation to intangible assets  
 Note: Amounts may not add up due to rounding.

# Restructuring, acquisition-related charges and other items

*In millions of EUR unless otherwise stated*

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
<b>Restructuring and acquisition-related charges</b>										
Diagnosis & Treatment	14	15	6	8	43	19	25	16	97	157
Connected Care	15	17	33	60	126	17	18	19	-1	53
Personal Health	3	5	4	4	17	-	17	2	5	25
Segment Other	34	8	13	19	74	14	41	19	17	92
<b>Philips Group</b>	<b>67</b>	<b>46</b>	<b>57</b>	<b>91</b>	<b>260</b>	<b>51</b>	<b>101</b>	<b>56</b>	<b>118</b>	<b>326</b>
<b>Other items</b>										
Diagnosis & Treatment	-	21 <sup>1)</sup>	22 <sup>1)</sup>	33 <sup>1)</sup>	77	-	6 <sup>1)</sup>	-	39 <sup>1)</sup>	45
Connected Care	76 <sup>1)2)4)</sup>	20 <sup>1)2)4)6)</sup>	36 <sup>1)2)4)</sup>	56 <sup>1)2)4)6)</sup>	188	1,078 <sup>1)2)3)4)</sup>	-489 <sup>1)2)4)5)</sup>	50 <sup>2)3)4)</sup>	127 <sup>1)2)4)</sup>	765
Personal Health	-	-	-	-	-	-	-	-	-	-
Segment Other	-	-	7	(2)	5	10	1	7	2	20
<b>Philips Group</b>	<b>76</b>	<b>41</b>	<b>65</b>	<b>88</b>	<b>270</b>	<b>1,088</b>	<b>-483</b>	<b>57</b>	<b>168</b>	<b>830</b>
<b>Restructuring, acquisition-related charges &amp; other items</b>										
Restructuring	61	43	52	86	242	32	83	50	103	268
Acquisition-related charges	6	3	5	5	19	19	19	6	15	58
Other items	76	41	65	88	270	1,088	-483	57	168	830
<b>Philips Group</b>	<b>143</b>	<b>86</b>	<b>122</b>	<b>179</b>	<b>531</b>	<b>1,139</b>	<b>-381</b>	<b>113</b>	<b>286</b>	<b>1,156</b>

1. Quality actions | 2. Respireonics running costs | 3. Provision in connection with Respireonics litigation | 4. Respireonics consent decree charges | 5. Respireonics insurance income  
| 6. Contract settlement gain

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