

Second quarter 2026 results

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July 28, 2026

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 2025.

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 presentation 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 2025.

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 2025. Certain prior-year balances have been reclassified to conform to the current period presentation.

Key takeaways

Q2 highlights

- Comparable sales grew 4%, with growth across all business segments, led by Personal Health; 4% growth in H1 2026
- Adjusted EBITA margin increased 400 bps to 16.4%, including a ~420 bps US tariff refund benefit,
- Excluding the US tariff refund benefit, Adj. EBITA margin declined 20 bps to 12.2% due to higher tariffs and cost inflation; expanded 10 bps in H1 2026
- Disciplined cost management and productivity initiatives delivered EUR 132 million in savings; EUR 258 million in H1 2026

2026 Outlook

- Comparable sales growth reiterated: 3% - 4.5%
- Adj. EBITA margin and Free Cash Flow raised to reflect the US tariff refund benefit

Including the US tariff refund benefit:

- Adjusted EBITA margin: 13.5% - 14.0%
- Free cash flow: EUR 1.5 - 1.7 billion

Excluding the US tariff refund benefit, reiterated:

- Adjusted EBITA margin: 12.5% - 13.0%
- Free cash flow: EUR 1.3 - 1.5 billion

Note: within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs. It excludes ongoing Philips Respironics related proceedings, including the investigation by the US Department of Justice and the State Attorneys General.



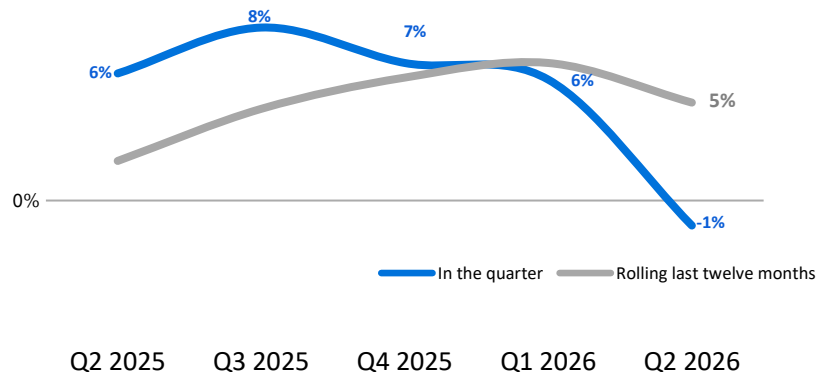
Image-guided Therapy
Azurion 7 M20 System

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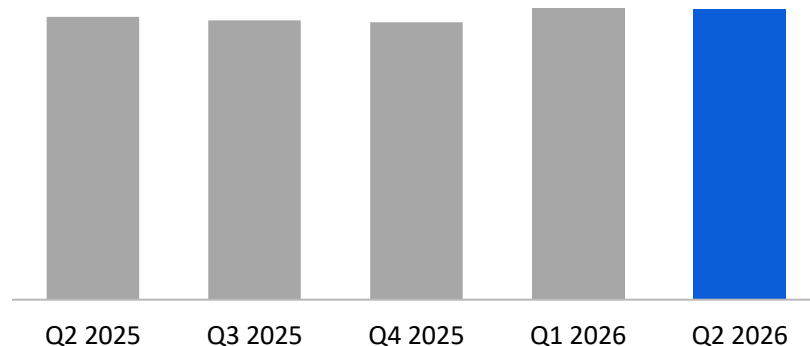
Commercial momentum and a solid order book support acceleration of profitable growth in 2026

Comparable equipment order intake growth¹



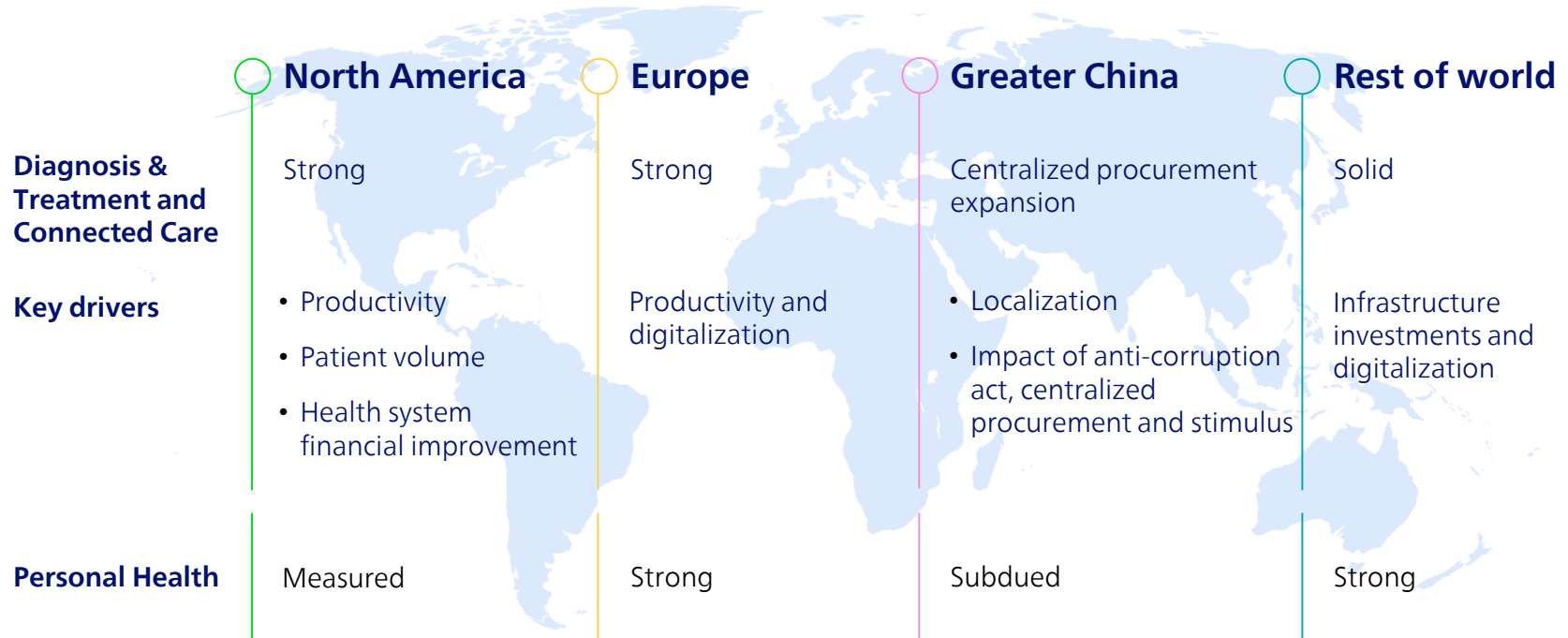
- Diagnosis & Treatment delivered resilient low-single-digit order growth driven by recent innovations, following double-digit growth in Q2 2025
- Connected Care declined mid-single-digit, primarily reflecting the timing of larger orders between quarters

Indexed equipment order book¹ development



- Order book slightly higher year-on-year, with inherent quarterly unevenness; remained at a record level
- Order book accounts for ~40% of revenue

Global hospital demand and consumer sentiment



Disciplined execution across evolving demand and geopolitical dynamics

Diagnosis & Treatment: innovation and strategic partnerships strengthen momentum

Strategic partnerships

Agreement signed for 14 cath labs in the US

With one of the largest nonprofit healthcare organizations, supporting advanced minimally invasive procedures and expanding access to high-quality cardiovascular care

Modernizing more than 200 hospitals in Poland

The large-scale deployment of imaging, image-guided therapy, ultrasound and patient monitoring solutions expands access to high-quality care nationwide

Landmark strategic alliance with WellSpan

To co-develop and validate AI-enabled technologies; a continuation of the long-term commercial agreement signed in Q1 to be WellSpan's preferred vendor across CT, MR, digital X-ray, ultrasound, and image-guided therapy



Recent innovations driving order intake



Verida CT¹



Rembra CT¹



Helium-free MR



Ultrasound Flash 5100
point-of-care

Advancing innovation across the portfolio

Image Guided Therapy



Smart IQ for Azurion

Advances coronary image quality and dose management, using over 50% less X-ray radiation than current low-dose settings

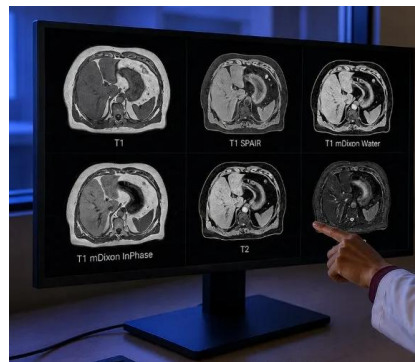
Ultrasound



Elevate Plus

AI-powered imaging and automation to flagship EPIQ Elite and Affiniti ultrasound systems; FDA 510(k) cleared and CE marked

Magnetic Resonance



4D MR-RT

First-of-its-kind multi-contrast 4D MR imaging solution for radiotherapy simulation; AI-powered solution that supports more precise radiation therapy planning



3.0T MRI - Titanion

Next-generation ultra-high-gradient 3.0T MRI system, designed to advance quantitative imaging beyond anatomical and functional imaging

Diagnosis & Treatment

Financial performance

<i>In millions of EUR unless otherwise stated</i>	Q2 2026	Q2 2025
Sales	2,085	2,084
Comparable sales growth	2%	-1%
Adj. EBITA margin	13.9%	13.5%
<i>Excluding the US tariff refund benefit</i>	9.3%	
Income from operations	252	226

Q2 2026 highlights

- High-single-digit growth in Image Guided Therapy driven by Europe and North America
- Low-single-digit decline in Precision Diagnosis primarily due to continued pressure in China
- Excluding the US tariff refund benefit, adjusted EBITA margin declined. Productivity measures were more than offset by cost inflation, higher tariffs, and currency effects



Image Guided Therapy
Lumiguide

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Connected Care: Strengthening our position as a strategic partner of choice for healthcare providers

Monitoring

Multi-year partnership in the US

to standardize monitoring across 50+ hospitals with advanced technology and digital capabilities to support high-quality patient care



Region Stockholm's first region-wide hospital-at-home initiative

the consortium was selected through a tender led by Karolinska University Hospital for an advanced remote-monitoring program serving patients with complex or chronic conditions



Enterprise Informatics

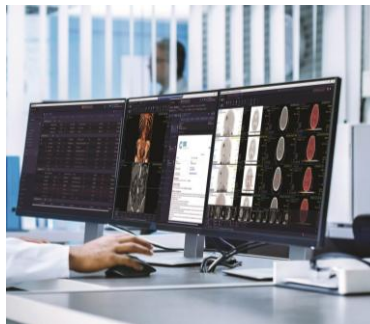
10-year enterprise imaging strategic partnership in the US

to deliver a cloud-based imaging ecosystem that connects care teams, streamlines workflows, and enables faster access to critical patient information



Extended enterprise imaging partnership with Imperial College Healthcare NHS Trust in London

marking the first full-cloud PACS deployment in Europe, with HealthSuite Imaging SaaS and cloud-based Advanced Image Insights



Connected Care

Financial performance

<i>In millions of EUR unless otherwise stated</i>	Q2 2026	Q2 2025
Sales	1,184	1,272
Comparable sales growth	2%	-1%
Adj. EBITA margin	17.8%	10.4%
<i>Excluding the US tariff refund benefit</i>	11.7%	
Income from operations	152	67

Q2 2026 highlights

- Mid-single-digit growth in Monitoring driven by North America and Europe
- Low-single-digit growth in Sleep & Respiratory Care led by Europe and Japan
- Mid-single-digit decline in Enterprise Informatics; strength in International Region primarily offset by North America
- Excluding the US tariff refund benefit, adjusted EBITA margin expanded as productivity measures more than offset the higher tariffs and cost inflation

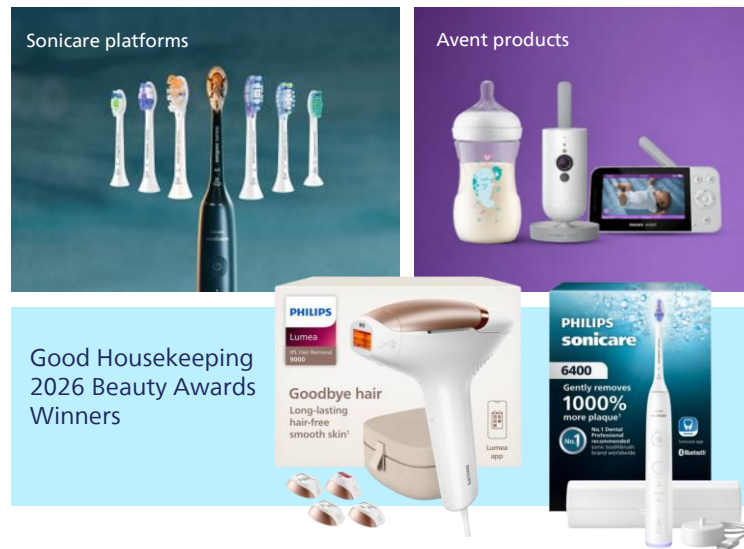


Monitoring
Visual Patient Avatar

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Personal Health: Growth, share gains, and momentum driven by innovation, commercial execution and channel expansion

Broad-based momentum



New launch

飞利浦旋护式剃须刀

专研微提切旋护科技
持久干净超舒适

更干净 -0.01毫米* 深层净剃
更呵护 低镍钢材 更嫩肤
更强劲 Turbo Max 精速马达

全新 鹅卵石Max便携剃须刀 震撼上市

「夜空灰」 「告白粉」 「心晴紫」 「极光蓝」

S800 series Compact Shaver launch in China

Powered by the revolutionary TurboMax motor, which delivers up to 5 million cut per minute for outstanding "clean shave" performance

Personal Health

Financial performance

<i>In millions of EUR unless otherwise stated</i>	Q2 2026	Q2 2025
Sales	909	862
Comparable sales growth	8%	6%
Adj. EBITA margin	23.0%	15.2%
<i>Excluding the US tariff refund benefit</i>	18.0%	
Income from operations	204	122

Q2 2026 highlights

- All three businesses grew. Growth was led by North America, while China benefitted from an easier comparison base
- Excluding the US tariff refund benefit, adjusted EBITA margin expanded. Sales growth, productivity measures and favorable mix were partly offset by cost inflation



Oral Healthcare
Sonicare DiamondClean prestige

Continued momentum and disciplined execution despite an uncertain macro-environment

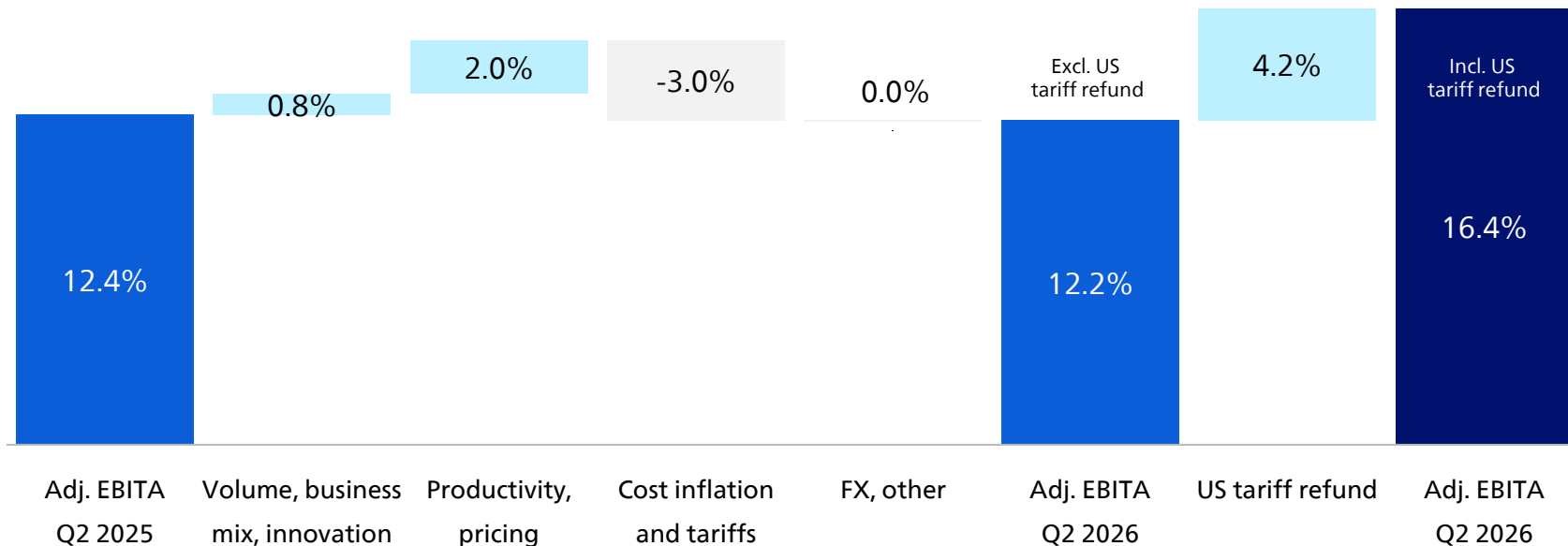
Q2 2026 vs Q2 2025
In millions of EUR unless otherwise stated

Sales	Adjusted EBITA		Free Cash Flow
4,360	Incl. US tariff refund 717	Excl. US tariff refund 530	222
Comparable Sales Growth 4%	Adjusted EBITA margin 16.4%, +400 bps	Adjusted EBITA margin 12.2%, -20 bps	Year-on-year change -8

- Growth across all three segments, led by Personal Health
- Strong Europe, resilient North America
- Excluding the US tariff refund benefit, adjusted EBITA margin declined 20 bps, in line with expectations
- Sales growth, favorable mix effects and productivity measures were more than offset by cost inflation and higher tariffs
- In H1 2026, excluding the US tariff refund benefit, adjusted EBITA margin expanded 10 bps
- Broadly in line with last year, as higher working capital outflows were largely offset by US tariff refund
- Leverage ratio¹ improved from 2.2x to 1.8x

Solid underlying margin performance despite cost inflation and tariff headwinds

Group Adj. EBITA margin¹ Q2 2026



Productivity initiatives delivered EUR 258 million year-to-date; on track to deliver our EUR 1.5 billion program 2026-2028

Productivity initiatives savings

In millions of EUR unless otherwise stated

		Q2 2026	To date Q1 2026 - Q2 2026
Cost competitiveness Project Synchronize	- Platform & SKU optimization - Lower costs and unlock R&D capacity - Improve quality & supply chain reliability	EUR 132 million	EUR 258 million
Lean enabling functions Simplify to Perform	- Lean central functions, operating at best-in-class cost benchmark levels - AI-enabled efficiencies in Marketing, R&D, Services		
Tariff mitigation	- Currently known tariff impact fully mitigated by end of 2028 - Accelerate targeted regionalization - Supplier and network optimization		

Note: within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs. It excludes ongoing Philips Respironics related proceedings, including the investigation by the US Department of Justice and the State Attorneys General

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2026 outlook

Philips reiterates 2026 comparable sales growth outlook; raises Adj. EBITA margin and Free Cash Flow outlook to reflect US tariff refund

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 broadly stable
- All four quarters expected to be within the full-year range, with Q3 at the lower end

Adj. EBITA margin

13.5%-14.0%

excl. US tariff refund: 12.5%-13.0%

- Expansion driven by sales growth, innovation, favorable mix effects and productivity
- Annualized tariffs¹ and input cost inflation, with mitigation actions expected to increase during the second half of the year through supply chain optimization, cost discipline, and selective pricing
- Q3 expected to be lower than the prior year

Free Cash Flow

EUR 1.5-1.7 billion

excl. US tariff refund: 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

1. Annualized tariffs include currently known tariffs, which are more favorable than assumed in February 2026; February 2026 outlook assumed annualized tariffs of EUR 250–300 million, net of substantial mitigations

Note: within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs. It excludes ongoing Philips Respironics related proceedings, including the investigation by the US Department of Justice and the State Attorneys General

Restructuring, acquisition-related charges and other items

Full-year 2026

Restructuring costs

~60 bps

vs previous outlook of ~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

Q3 2026

Restructuring costs, other items

- EUR 110 million: Diagnosis & Treatment 25 million, Connected Care 65 million, Personal Health 10 million, segment Other 10 million

Latest FX, below the line items and segment Other outlook

	Q3 2026	Full year 2026
FX, consolidation and deconsolidation impact on sales ¹	-1%	-3%
Diagnosis & Treatment	+1%	-2%
Connected Care (including divestment of Emergency Care ²)	-7%	-9%
Personal Health	0%	-2%
Effective tax rate		24-26%
Financial income and expense (EUR million)		-240 to -260 ³
Segment Other (EUR million)		
Sales	~160 ⁴	680 – 700 ⁴
Adj. EBITA	~ -10	~0
EBITA	~ -20	~ -70

1. Based on June 2026 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 | 3. Previous outlook: EUR -250 million to -270 million | 4. Segment Other sales outlook increased from EUR 650–680 million previously to EUR 680–700 million, mainly reflecting divestment-related activities that are excluded from Comparable Sales Growth and contribute only a negligible amount to Adjusted EBITA. Related sales are expected to be approximately EUR 30 million in Q3 2026, EUR 50 million in Q4 2026 and EUR 150 million for the full year 2026.

Note: within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs. It excludes ongoing Philips Respireonics related proceedings, including the investigation by the US Department of Justice and the State Attorneys General.

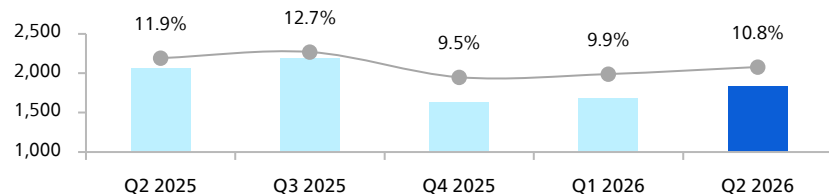
Financial appendix

Working capital and inventories

Group working capital¹

In millions of EUR unless otherwise stated

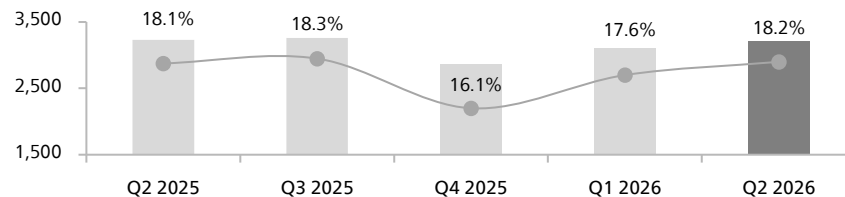
— as % of last twelve months sales²



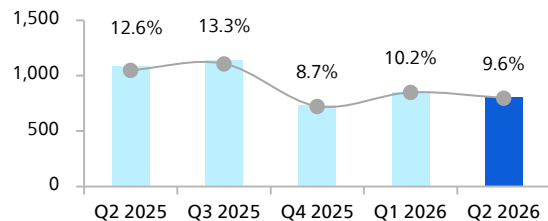
Group inventories

In millions of EUR unless otherwise stated

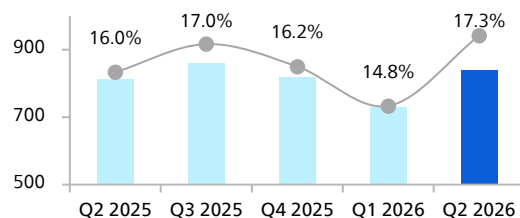
— as % of last twelve months sales²



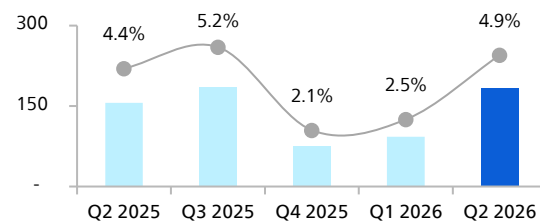
Diagnosis & Treatment



Connected Care



Personal Health



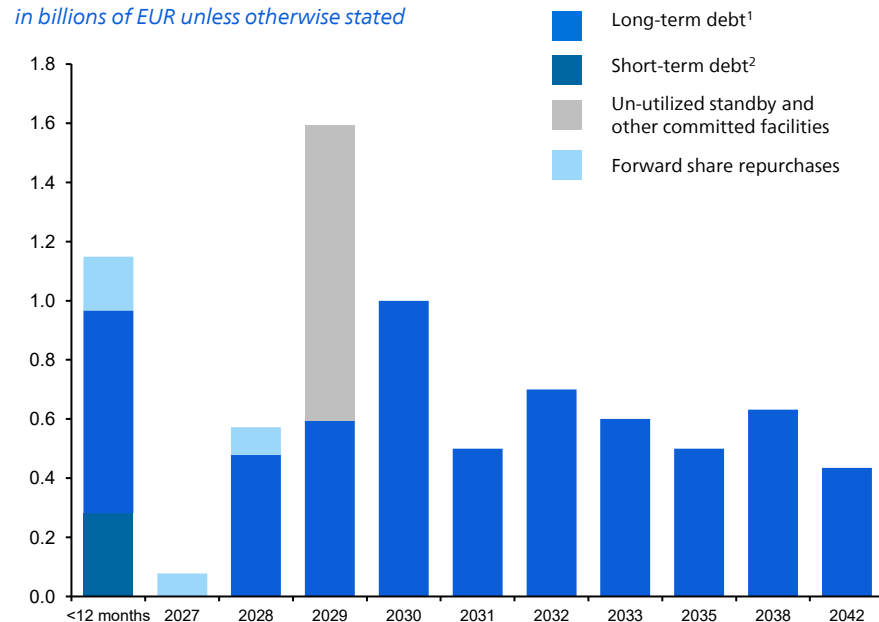
Debt maturity profile and liability management

Long-term debt profile and liability management

- Total net debt position of EUR 5.7 billion
- Maturities up to 2042
- Average tenor of long-term debt is 6.0 years³
- No financial covenants
- EUR 1 billion of committed credit facilities

Debt maturity profile as per June 30, 2026

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

<i>In millions of EUR unless otherwise stated</i>	Q2 2026	Q2 2025
Net capital expenditures	-154	-156
Depreciation	-151	-149
Amortization and impairment:	-230	-118
of acquired intangible assets	-87	-53
of other intangible assets	-143	-64

Restructuring, acquisition-related charges and other items

In millions of EUR unless otherwise stated

	Q1 2026	Q2 2026	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Restructuring and acquisition-related charges							
Diagnosis & Treatment	(34)	11	14	15	6	8	43
Connected Care	23	(101)	15	17	33	60	126
Personal Health	2	2	3	5	4	4	17
Segment Other	30	3	34	8	13	19	74
Philips Group	22	(86)	67	46	57	91	260
Other items							
Diagnosis & Treatment	4	5 ¹⁾	-	21 ¹⁾	22 ¹⁾	33 ¹⁾	77
Connected Care	35 ¹⁾²⁾³⁾	101 ¹⁾²⁾³⁾⁵⁾	76 ¹⁾²⁾³⁾	20 ¹⁾²⁾³⁾⁴⁾	36 ¹⁾²⁾³⁾	56 ¹⁾²⁾³⁾⁴⁾	188
Personal Health	-	-	-	-	-	-	-
Segment Other	-	-	-	-	7	(2)	5
Philips Group	39	106	76	41	65	88	270
Restructuring, acquisition-related charges & other items							
Restructuring	61	(32)	61	43	52	86	242
Acquisition-related charges	(39)	(54)	6	3	5	5	19
Other items	39	106	76	41	65	88	270
Philips Group	61	20	143	86	122	179	531

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