



**PHILIPS**

# Philips at J.P.Morgan Healthcare Conference

**Roy Jacobs**

Chief Executive Officer

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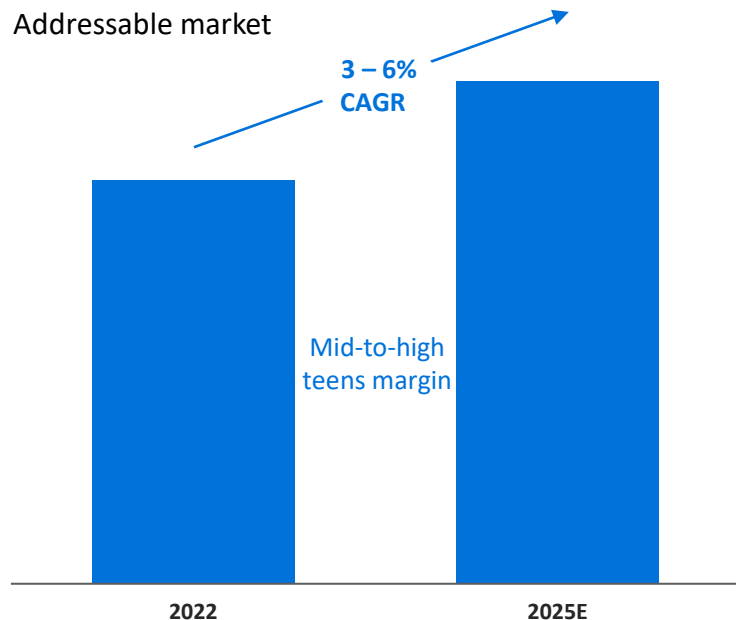
innovation  you





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

# We see significant opportunities in the attractive HealthTech segments where we operate



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Aging population, growing demand for care

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Higher costs and labor shortages drive productivity need

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Increasing need for insights from growing health data

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Shift to ambulatory monitoring, imaging and treatment

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Increasing spend on personal health and care

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# Increasing gap between growing demand and constrained supply of care (globally)

## Staff shortages and burnout

“Improve performance and get patients out faster with optimized workflows, shorter exam times and user-friendly operations.”

## Increasing chronic, complex diseases and data explosion

“We need pathway orchestration, workflow management and automation to drive consistent quality care delivery.”



Better health outcomes



Improved patient experience



Improved staff experience



Lower cost and sustainable care

## Increasing volumes, cost pressure, outpatient settings

“Consumers embraced care outside of the doctor’s office during the pandemic. We expect this shift to sustain.”

## Need for accelerated digital transformation

“It’s going to take investments in technology to be successful in healthcare going forward.”

We partner with care providers and ecosystem players to improve outcomes, drive productivity and maximize lifetime value

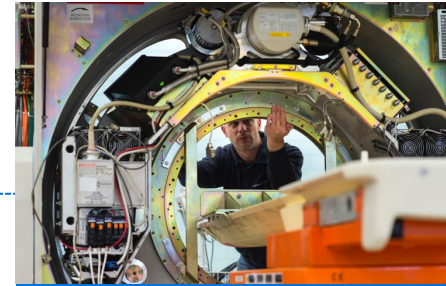
Sustainability embedded across the value chain



Improved patient outcomes



Drive productivity



Maximize lifetime value

Innovating the workflow and business models with combination of hardware, software and services, close to and with customers, powered by AI

# Leveraging our unique ecosystem and open approach in AI and informatics

## Philips Image Management

70+ AI-powered clinical apps      50% productivity improvement<sup>1</sup>

Brand agnostic

## Interoperability and surveillance

1000+ unique medical devices connected

## Tele care solution

20+ years experience in eICU,

brand-agnostic Radiology Operations Command Center



1. Results following implementation of a unified radiology workspace with enterprise disaster recovery back-up system at Campus Bio-Medico University Hospital, Rome, Lazio, Italy | Note: "Largest Enterprise Informatics business" in Philips addressable markets



We offer differentiated solutions by applying unique innovation, design and sustainability capabilities



# Building on our cardiology leadership, Philips serves as a technology platform in the home and hospital



Leveraging strong leadership positions across imaging, interventional and monitoring, bolstered by services and informatics



We understand people, technology and clinical needs  
across care settings





# Creating value with sustainable impact

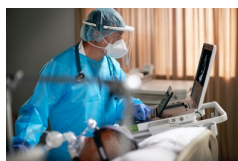
# Strong position across our portfolio of businesses

## Diagnosis & Treatment 50% of sales



Diagnostic Imaging

Top 3 player



Ultrasound

#1 Cardiac



Image Guided  
Therapy

#1 Systems  
& Devices

## Connected Care 30% of sales



Enterprise  
Informatics

#1 Imaging  
Leader in PACS and  
inter-operability



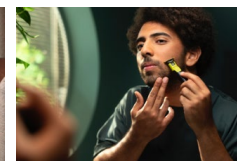
Monitoring

#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

# Creating value with sustainable impact

Enabled by culture of accountability and strong HealthTech talent and capabilities



## Strategy of focused organic growth



## Patient-, people-centric and scalable innovations



## Execution as value driver

- Patient safety and quality as highest priority
- Reliable supply chain
- Simplified operating model

# Focused organic growth

Accelerate growth in attractive leadership segments

Image Guided Therapy

Ultrasound

Monitoring

Personal Health

Scale to unlock insights

Enterprise Informatics

Improve operational excellence & services

Diagnostic Imaging

Address recall and restore business position

Sleep & Respiratory Care

# Innovation model for focused scalable innovation

## Focus on segments with right to win

- Significant R&D investments
- Re-target and resource to scale high-impact innovations
- Business model and service innovation (Emaas/Saas)

> EUR 1.7 billion R&D,  
~9% of sales

vs. ~7.5% industry average

## Empower business execution

- Tailor innovation to segment we serve
- Focused, fewer projects, scaling innovation faster
- People and patient centric design, experience

90% business-led  
10% corporate in 2023

From 70% and 30% in 2022

# Execution with decisive action as key value driver



## Patient safety and quality as highest priority

Culture, accountability, competencies

Patient safety and quality at heart of innovation

Expanded patient safety and quality program

Finalize Respironics recall



## Reliable end-to-end supply chain

End-to-end value chain by business

Leadership and competencies

Product pruning and (re)design

Strategic supplier management



## Simplified operating model

End-to-end, P&L-accountable business

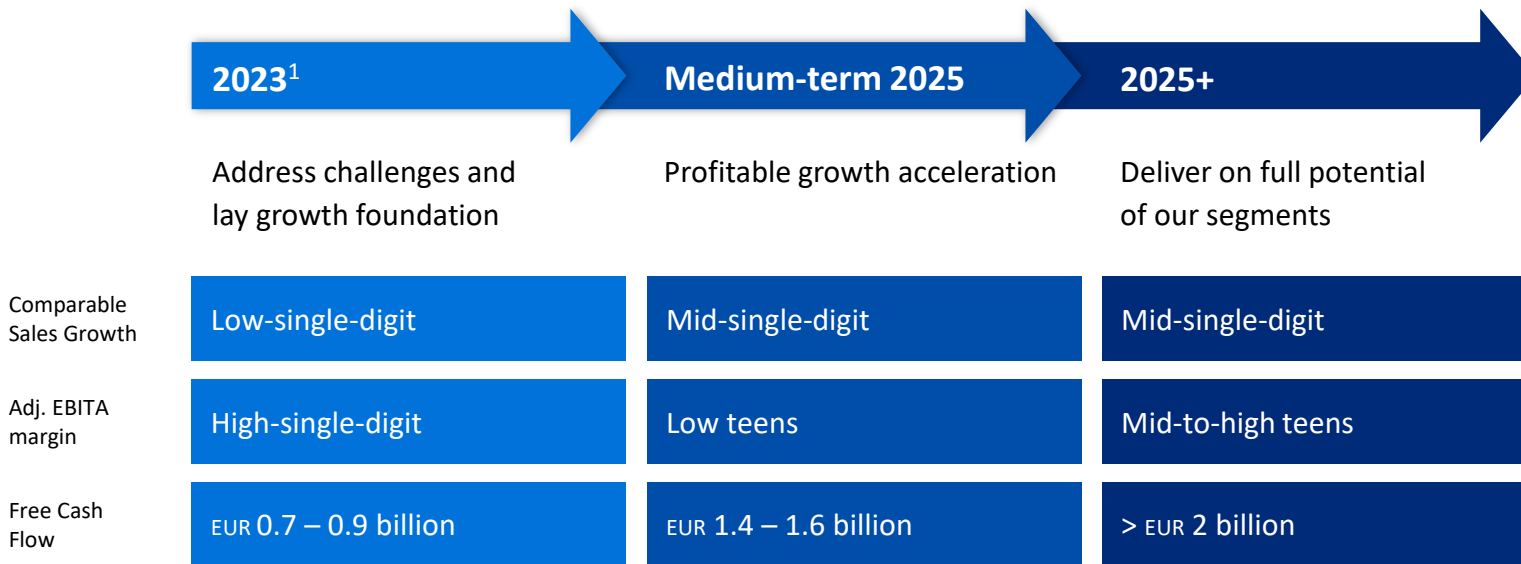
Simplification, de-layering, less KPIs

Reduction of 10k roles

Leadership and talent

# Progressive value creation

Supported by balanced capital allocation

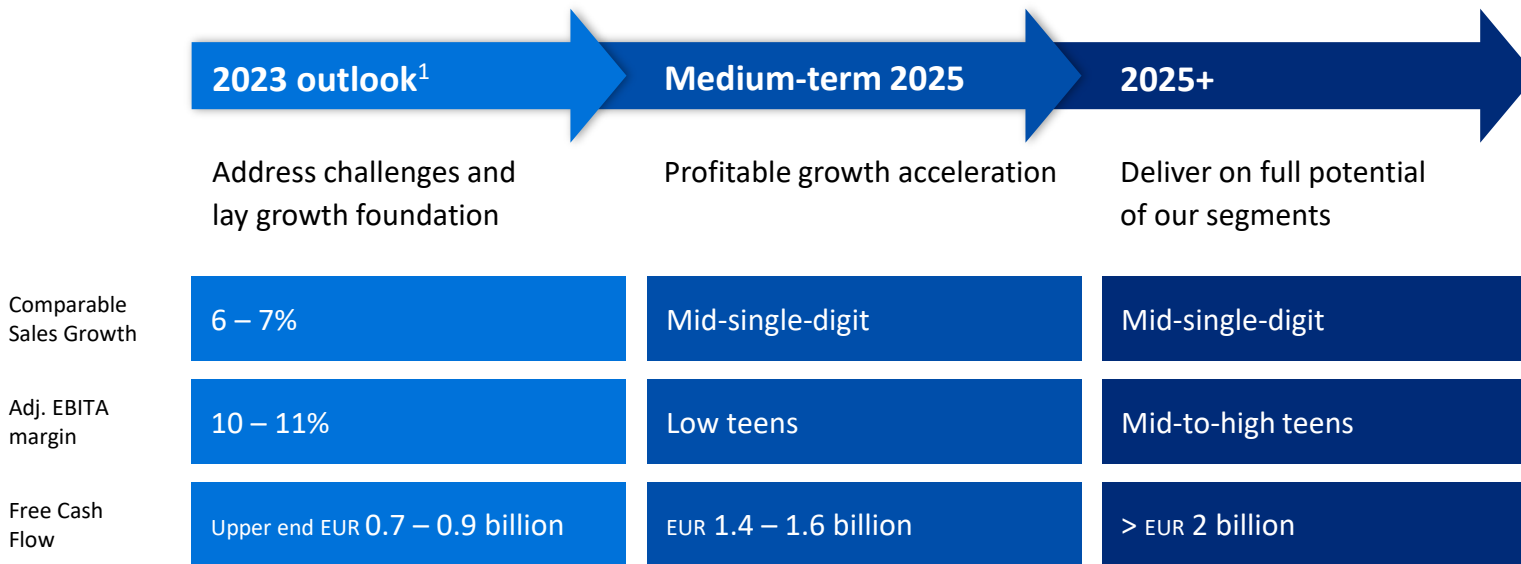


Excludes the impact of the ongoing discussion on the proposed consent decree beyond current assumptions as well as ongoing litigation and the investigation by the US DoJ related to the Respiroics field action



# Progressive value creation

Supported by balanced capital allocation



The progress and the strong performance in 2023 reinforce our confidence in delivering on the three-year plan

