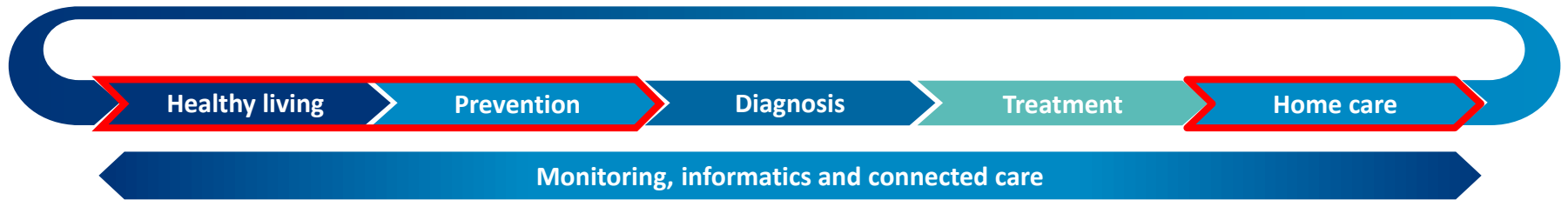


Personal Health

Pieter Nota
CEO Personal Health

Helping consumers live healthier, better lives based on locally relevant innovation



Personal Care



Advanced appliances that help consumers with personal hygiene so they look and feel their best

Health & Wellness



Providing innovation for oral hygiene and improving the health and happiness of mother and baby

Domestic Appliances



Supporting people to live a healthy life in a healthy home environment

Sleep & Respiratory Care



Providing solutions for individuals to live healthier at home and work together with their care providers to manage their sleep and respiratory conditions



We leverage our deep consumer expertise and our extensive healthcare know-how

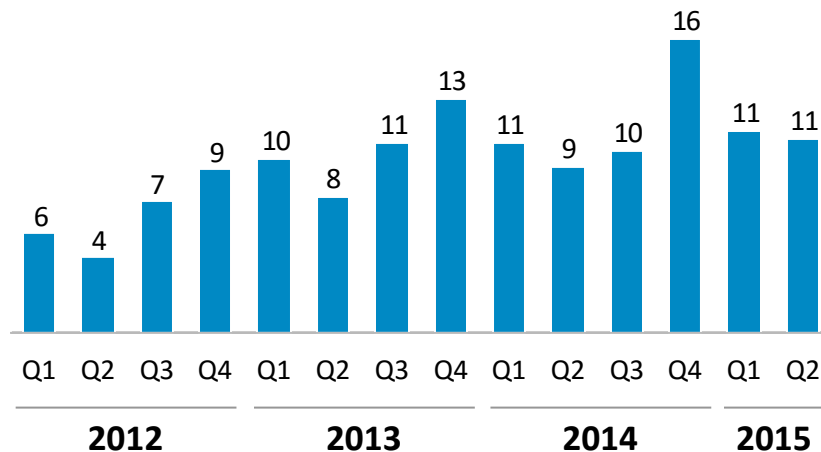
- Driving the consumerization and retailization of health
- In synergy with the strategic direction of important Retail Customers and as advocated by healthcare professionals
- Consumers increasingly want to take control of their own health

Focus on health and well-being drives strong performance as demonstrated in Consumer Lifestyle

Consumer Lifestyle Sector

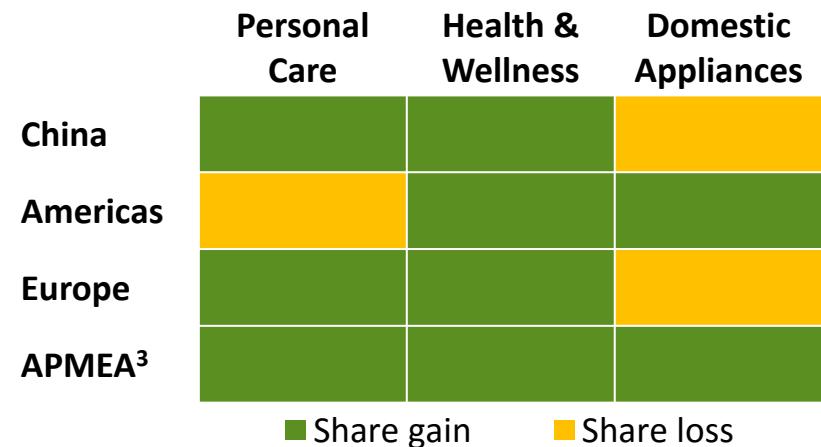
Consistent y-o-y quarterly EBITA improvement

EBITA as % of sales¹



We continue to build leadership positions

Market share²
Last 12 months



Mid to high-single-digit growth on an annualized basis, above market level, demonstrated by continuous market share gains

¹ Corrected for Senseo deal result in Q1 2012. ² GfK, Nielsen, ZYK, MAT-May 2015 ³ APMEA: Asia Pacific, Middle East & Africa.

Our growth and profit momentum going forward is well underpinned

Proven operating model

Strong Performance Management based on Business Market Combinations

- We plan, resource and manage performance by Business Market Combination, enabling locally relevant innovation

Philips Business System

- The Philips Business System defines how we operate and deliver on our Mission and Vision



Innovation is the key to our success

Global scale

- Proven success with existing champion products
 - Airfryer
 - DiamondClean
- New global propositions
 - Sonicare for Kids Connected
 - Smart Shaver 7000

Local relevance

- Locally-relevant innovation across markets, leveraging global platforms based on our Business Market Combination approach
 - Avance Rice Cooker with OmniSpiral IH technology
 - Noodle Maker in China

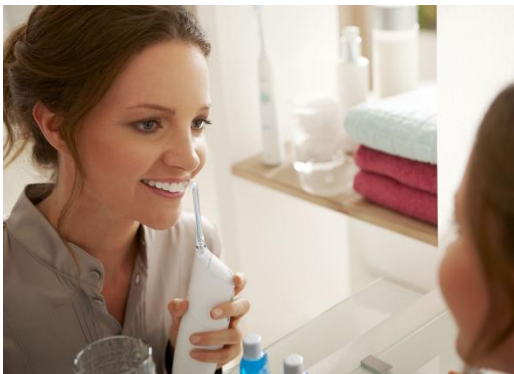
Strong marketing capabilities and geographical expansion further underpin growth momentum

Proven successful activation in the markets

- Our strong marketing capabilities support strong growth and market share expansion
 - E.g. Oral Healthcare - North America
- Continued strong focus on Return On Investment of our advertising and promotion investments

Addressing BMC¹ white spots

- We continue our geographical expansion, with plenty of opportunities to address BMC white spots with proven propositions:
 - Airfryer - North America
 - Oral Healthcare - DACH²
 - Oral Healthcare - China



¹ Business Market Combination. ² Germany, Austria and Switzerland.

Consumer-based insights drive home care innovation, enhancing our Sleep & Respiratory Care business

Sleep: Comfort & wearability

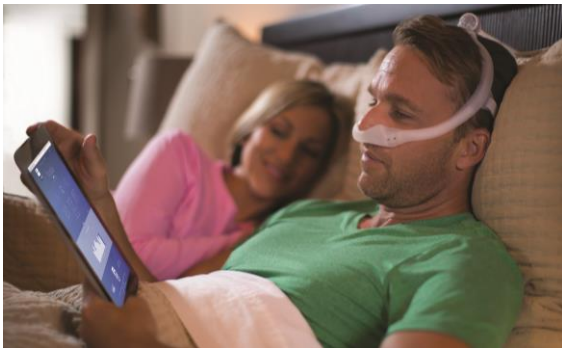
- Ramp up consumer focus in large underserved markets
- Extend range of sleep solutions
- DREAM Series; integrated sleep platform with significant enhanced comfortability and wearability, and connected to E-Suite

Respiratory: Solutions on the go

- Build on strong innovation and quality track record
- Leverage hospital to home platform
- SimplyGo Mini; ultra lightweight portable oxygen concentrator

Connectivity: Patient adherence

- Integrate our solutions digitally to unlock new, service-driven value propositions
- Direct patient coaching through Sleep Adherence Service (>80% adherence)



We have a strong position with care solutions in the home

The opportunity

- We offer winning propositions that enable patients to get care in the home environment rather than the hospital
- Leveraging the intersection of consumer and clinical spaces
- Examples:
 - Lifeline (home medical alert system)
 - DreamStation (positive airway pressure device – sleep apnea)
 - Trilogy200 (portable life support)
 - eTrAC (at-home patient support to lessen readmission)



DreamStation



Trilogy200

Going forward

- Integrate our solutions digitally to unlock new, service-driven value propositions
- Grow brand and consumer pull
- Expand our solutions portfolio across the Health Continuum



Connectivity drives growth further, empowering consumers to take control of their health

Personal Health Programs based on data of connected devices

- **Measure:** Capturing bio-metric data with connected devices
- **Monitor:** Connected platform with clinically proven Health Care Professional (HCP) expert-based data analytics and algorithms
- **Motivate:** Clinically relevant, behavioral coaching (human and digital) strengthened by HCP endorsement model



Connected Blood Pressure Monitor



Connected Body Analysis Scale

Coaching based on clinically validated programs

- We build a service model providing lifestyle coaching
- We coach and improve people's lifestyles based on clinically validated programs and data from connected devices
- Leveraging Philips' deep clinical expertise and Professional endorsement





Key takeaways

- **Personal Health** plays a **strong role on the Health Continuum** in Healthy Living, Prevention and Home Care
- We leverage our deep **consumer expertise** with our extensive **healthcare know-how driving the consumerization and retailization of health**
- Our **growth** and **profit momentum** going forward is well **underpinned**
 - Proven operating model
 - Locally relevant innovation
 - Proven successful marketing activation
 - Addressing geographical white spots
- **Connectivity** will be a **driver of further growth**, empowering consumers to take control of their health
- Announcing Personal Health Programs that focus on **Population Health** and enable people to **live healthier lives**



Advancing Diagnostics

Robert Cascella
CEO Diagnosis & Treatment

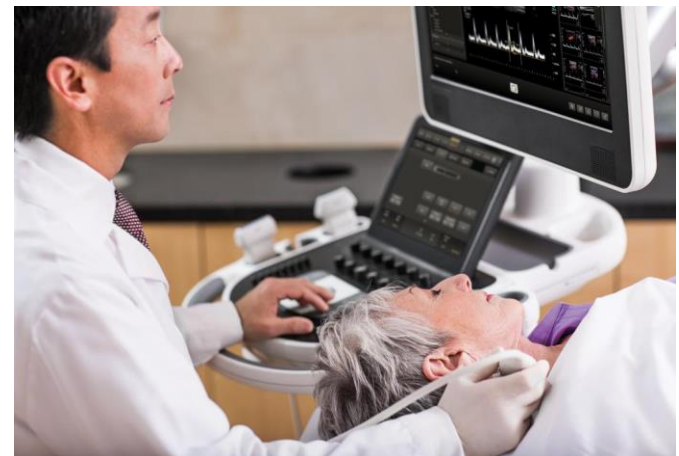
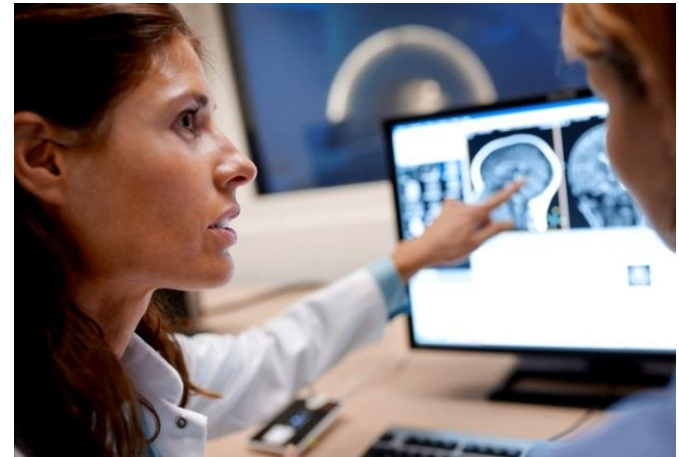
Diagnosis is at the heart of the Health Continuum with imaging evolving towards a broader role



- Diagnostic Imaging and Informatics at the foundation of Advancing Diagnostics
- Evolving to a broader role:
 - Patient consultation
 - Disease localization and quantification
 - Surgical planning
 - Treatment guidance and assessment
- Towards first-time-right diagnosis by combining multi-modality information and integration of patient data

Diagnostic Imaging and Informatics' market is EUR 28 billion¹, growth driven by key fundamentals

- Market of EUR 28 billion, with low to mid-single digit growth
- Growth drivers
 - Increasing number of patients
 - Proliferation of technology: growth in developing markets and in expanding clinical setting
 - Demand for services and solutions
- Barriers to entry remain high: technology, IP, sales and service network, portfolio and solutions offering, key opinion leader networks
- Technologies becoming more disease-specific; introduction of specialized software applications



¹ Source: Philips analysis based on external sources such as COCIR, NEMA.

We have a strong offering in Advanced Diagnostics, well beyond traditional imaging

Imaging systems and services

- Only vendor with digital offering in all modalities
- Full portfolio of imaging systems and services
 - MR (Ingenia)
 - CT (IQon)
 - PET/CT (Vereos)
 - Ultrasound (EPIQ)
- Leader in Cardiac Ultrasound and 3T MR



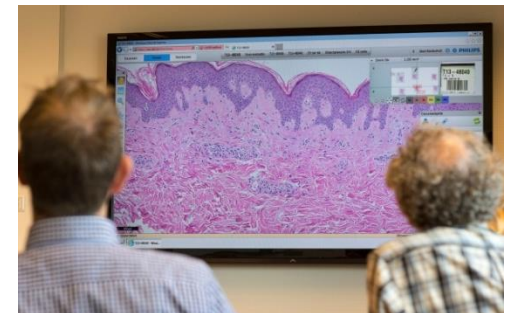
Applications and solutions

- Broadest multi-vendor multi-modality image application portfolio
- Broad solutions around
 - visualization (IntelliSpace Portal)
 - informatics (IntelliSpace PACS)
- Rapid increase of disease-specific applications and solutions
 - Image-guided biopsy



Digital pathology

- Leader in clinical segment
- Combine pathology images with data, test results and clinical information
- Partnership with Mount Sinai
- Enabler for personalized medicine



Value creation strategy

Improving:

Efficiency program
and focused investments



- Commitment to quality and compliance
- Stronger organization
- Product life-cycle cost reduction

Growing:

Expanding applications
and driving partnerships



- Continue to expand in innovative applications
- Leverage enterprise-wide deals and long-term partnerships

Building:

Expanding solutions



- Integrated Radiology solutions that benefit customers and patients
- Disease-focused, imaging-based Oncology solutions

Financials

Current

- CSG: low-single digit
- EBITA margin¹: high-single-digit

Future aspiration

- CSG: mid-single-digit
- EBITA margin¹: mid-teens



¹ Excludes impact from IG&S split.



Stronger organization and focus on quality and cost will drive margin improvement

- Substantial progress in strengthening the organization
- Embedding solid regulatory controls throughout the organization
- Increasing production levels in Cleveland
- Product and life-cycle cost reduction: material, labor, overhead, design, manufacturing, footprint consolidation
- Shifting towards software applications and disease-focused solutions on common hardware platforms

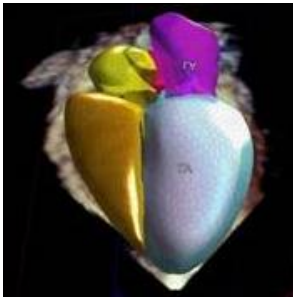


Growth driven by continued expansion of our leading innovative solutions and applications

Example: Diagnosis and planning in Cardiology

Ultrasound

- Anatomical Intelligence: deep clinical knowledge embedded in software applications
- Increasing diagnostic confidence
 - Reducing operator variability & delivering more reproducible results
 - Streamlining exam time & efficiencies



IntelliSpace Portal

- Broad range of clinical applications
 - Comprehensive software packages for all modalities
 - Multi-modality, multi-vendor, multi-user, multi-site, all in one solution
- Integrate with Cardiovascular information systems
 - Bring advanced visualization to Cardiologist
- Patient management from one chair
 - Diagnosis, Treatment Planning

Enabled by strong in-house technology and clinical knowledge, partnering with customers, leading research institutions and other service providers



Changing customer needs in Radiology create additional opportunities for growth

- Changing customer needs: seeking more value and addressing outcome-based healthcare
- Large multi-year deals, building on deep experience partnering with leading healthcare systems

15 years



Belfast

Westchester
USA

8-10 years

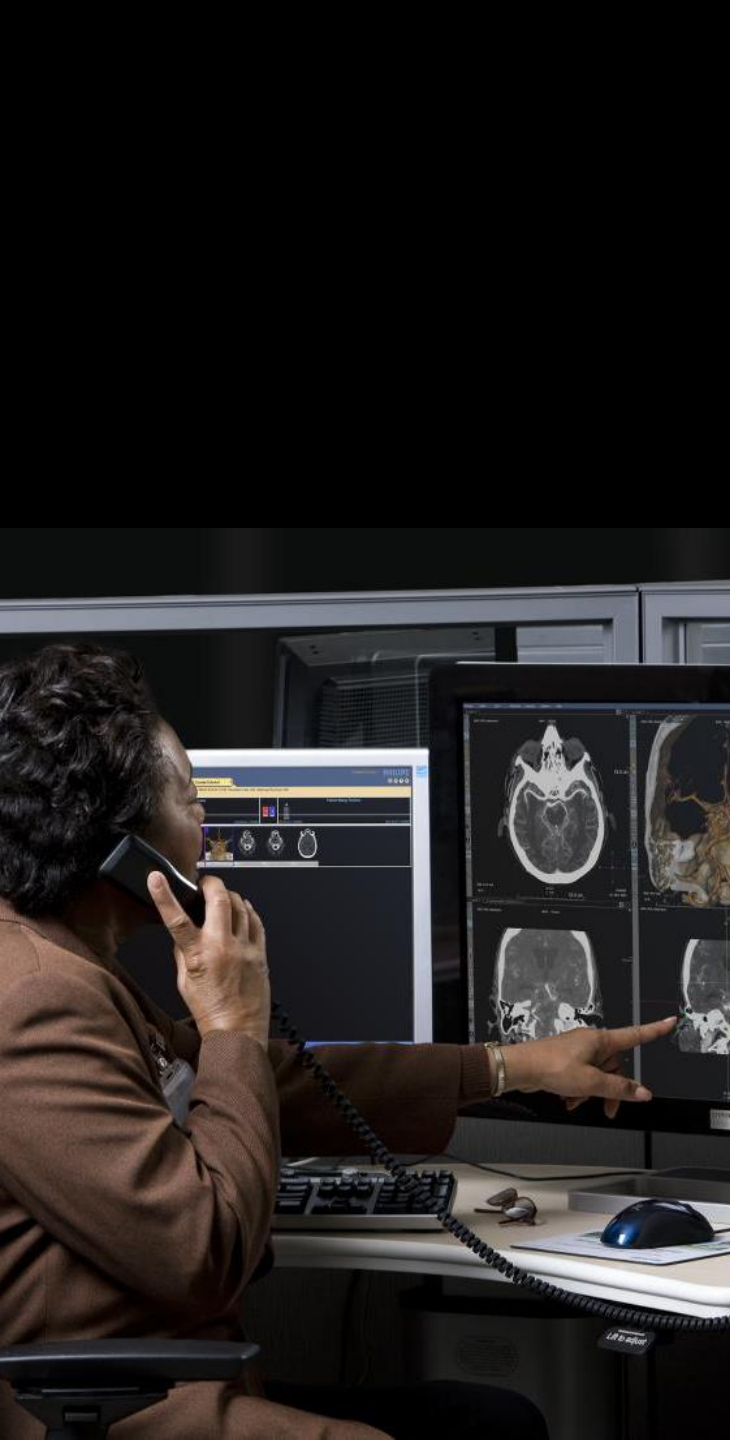


Spain

Rijnstate

Netherlands

- Growth in value segment
 - Tripled number of products over past 4 years
- Integrated Radiology solutions, connecting disparate data sources and leveraging our deep understanding of Radiology
 - Drive department efficiency





Expanding with disease-focused, imaging-based Oncology solutions along the Health Continuum

Lung – screening

- Comprehensive package for implementing lung cancer screening programs
 - Consultative services for program implementation
 - Patient and data management
 - Radiology software for detection and follow-up
 - Web-based education



Prostate – diagnosis

- First-time-right image-guided biopsy
- Merge diagnostic MR image with real-time Ultrasound
- Complete clinical solution: visualize and target suspicious areas in the prostate
 - Advanced visualization and analysis software
 - Interventional planning



MR Linac – treatment

- Radiation therapy with real-time image guidance
- Promise to define new standard of care in radiation therapy
 - Increased accuracy and precision
 - Real-time adoption of therapy
- MRI technology partner of Elekta





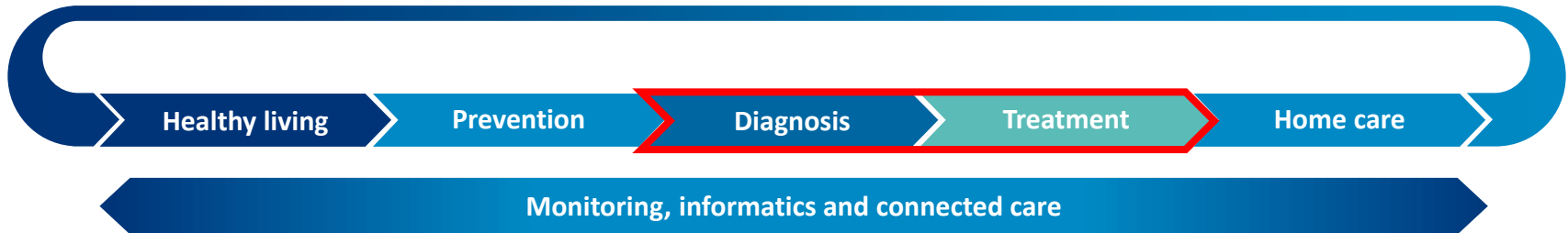
Key takeaways

- Advancing Diagnostics is at the **heart of the Health Continuum**
- **Large market** with multiple areas of growth
 - Increasing number of patients, proliferation of technology
 - **Customers** seeking more **value** and **outcome-based** healthcare
- Philips has a **strong range of offerings**, with leading positions, leveraging hardware, software & services
- **Improving margins** by focus on quality and cost
- **Continued investment** in innovation and disease-specific applications

Image-Guided Therapy

Bert van Meurs
CEO Image-Guided Therapy

Driving more efficient and effective treatments



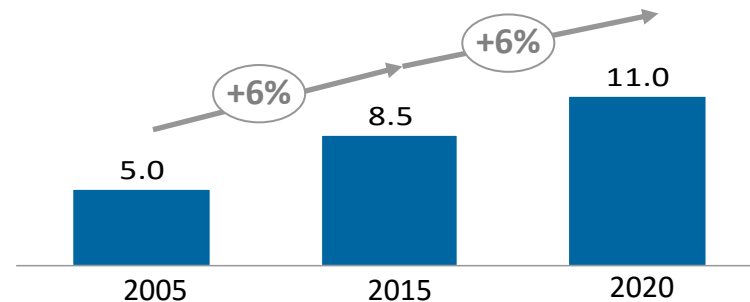
- From surgical procedures to minimally-invasive treatments:
 - Image-guided therapy (IGT) is changing the delivery of healthcare
 - Many new minimally-invasive procedures on the horizon
- Philips has created a unique position with the acquisition of Volcano:
 - Solutions to decide, guide and confirm effectiveness of treatment
 - Accelerating growth in devices and therapy
- Addressable IGT market is EUR 4 billion with high-single-digit growth and high-teens EBITA margins

Continued strong growth in image-guided therapies

- Minimally-invasive procedures provide key benefits for healthcare systems and patients
 - Reduced patient trauma and shorter recovery time
 - Shorter hospital stay
 - New treatment option for previously untreatable patients
- Growth in new procedures enabled by technology
 - Real-time imaging and measurements
 - Data processing and integration
 - Innovative and intelligent devices
 - Advanced therapy guidance

Strong growth in image-guided minimally-invasive cardiovascular procedures¹

in millions and CAGR



Opportunities in other fast-growing segments

- Interventional Oncology procedures exhibit double-digit growth¹
- Neurological procedures grow at 9%¹
- Range of new clinical applications on the horizon, e.g. hypertension and diabetes

¹ Source: Philips internal analysis using sources like Millennium Research Group, Credit Suisse, company analyses and Medtech Insights.

Winning in Image-Guided Therapy: Growth beyond our core leadership

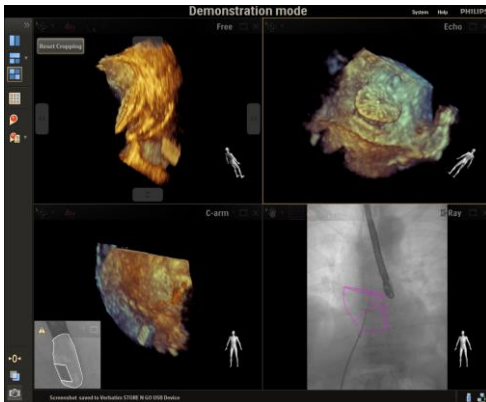


We have strengthened our core with disease specific software applications and new services

Cardiology

Hybrid Operating Room

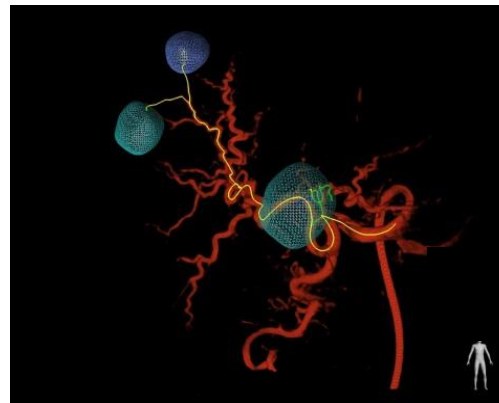
- Enabling minimally invasive and surgical procedures of the heart and blood vessels



Oncology

OncoSuite

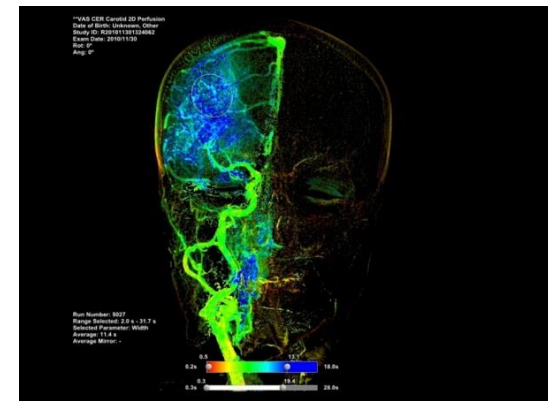
- Complete interventional solution for tumor embolization and ablation



Neurology

NeuroSuite

- Visualize small blood vessels in the brain for e.g. stroke treatment



Integration, consultancy, education, financing and managed equipment services

We are now expanding and accelerating growth supported by Volcano acquisition

Integrated operating rooms

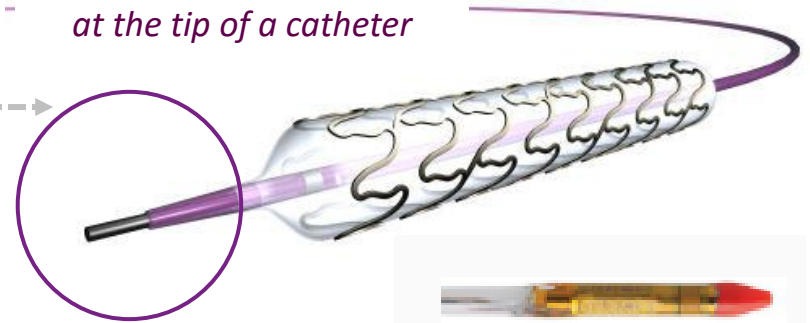
- Philips system integration; streamlining workflow, common user interface, IT integration
- New business models with recurring revenue streams



Leading to procedure innovation

- Enabled by Volcano's leadership in intravascular imaging (IVUS¹) and measurements (FFR²)
- Philips IGT expanding into therapy with smart catheters

Intelligence at the tip of a catheter



Combining industry leading interventional systems and solutions with therapy guidance tools

¹ Intravascular ultrasound. ² Fractional flow reserve.

Integration of Volcano is on track

Sustain the base business

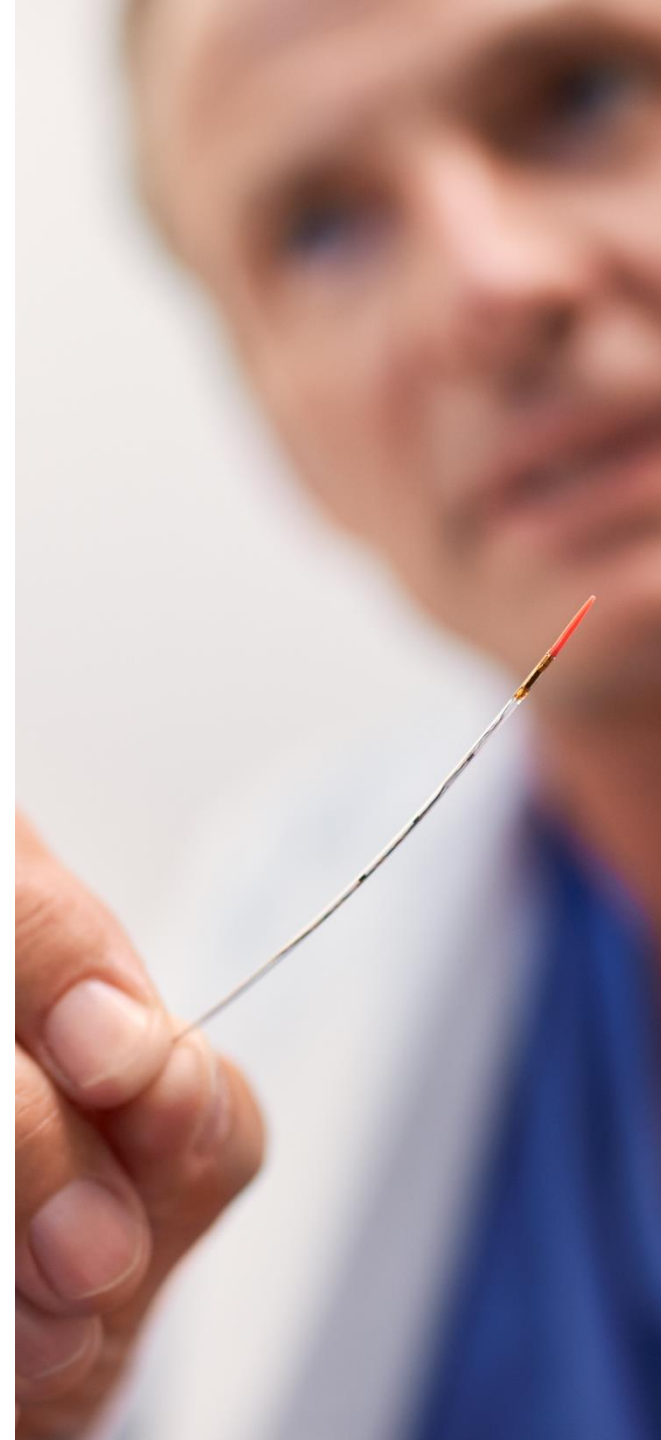
- Retention of key management members
- Volcano product development: launched next generation iFR Scout measurement technology

Capture revenue and cost synergies

- Commercial expansion into China and India
- Conversion of 10 non-Philips customers as a result of channel synergies
- Philips Excellence driving productivity improvements that exceed deal model savings

Unlock full potential by launching new products

- Deployment of strategy and innovation into commercial organizations in order to strengthen our brand in Cardiology
- Started system integration projects like iFR Co-Registration and optimization of the lab



Why we win: Philips' unique assets and capabilities

Insights and expertise

- ✓ Leadership position in interventional X-ray and Ultrasound
- ✓ Leadership position in smart catheters
- ✓ Deep clinical expertise
- ✓ 8k patients in 10+ trials

- ✓ *Unique strength compared to next competitors in interventional X-ray*
- ✓ *Unique strength compared to next competitors in smart catheters*

People and partnerships

- ✓ 7k field service engineers
- ✓ Volcano's sales force enables closer customer relationships
- ✓ 300 in-lab clinical support staff
- ✓ 1,000 physicians and staff educated peer-to-peer annually

Business model innovation

- ✓ New business models with recurring revenue enabled by mix of hardware, software, disposables and services
- ✓ Expansion of services

Financials

Current

- CSG: low-single-digit
- EBITA margin¹: low-teens

2017 Target²

- CSG: high-single-digit
- EBITA margin¹: around 20%



¹ Excludes Volcano's integration costs. ² Excludes impact from IG&S split.



Key takeaways

- Image-guided therapy is a **high-growth market with high-teens profitability** driven by benefits for health systems and patients
- **Volcano integration is on track**
- Philips has **strengthened its leadership** :
 - **Technology leadership** in interventional imaging and smart catheters
 - Unique **combined sales force** capabilities (equipment and consumables)
 - **Intimate partnerships** with leading healthcare providers and technology partners
 - New business models with **recurring revenue streams**

Patient Care and Monitoring Solutions

Dr. Carla Kriwet

CEO Patient Care and Monitoring Solutions

Unique opportunities driven by relevance in the Health Continuum and market dynamics



Patient Monitoring

EUR 3 billion market

- Longstanding leadership to leverage
- Shift to solutions and new business models
- Increased data integration (mobile health)
- Expectation of 'anywhere, anytime' access to meaningful and predictive data



Therapeutic Care

EUR 3.5 billion market

- Clinicians requiring more intelligence in ventilation and resuscitation devices
- Growing adoption of non-invasive ventilation



Medical Consumables and Sensors

EUR 1.5 billion market

- Hospital-wide standardization of consumables
- Disposable and wearable sensors gaining momentum

Philips' advantages driven by market positions and strong capabilities

Patient Monitoring

#1 position in global patient monitoring

- Connected solutions
- Access to high-fidelity, real-time data for patient and operational analytics
- Great interoperability (incl. 3rd-party)
- Premium, mid and value



Therapeutic Care

#1 in non-invasive ventilation

- Leveraging patient monitoring and clinical informatics positions
- Innovative development for invasive ventilation

Resuscitation solutions

- Next-generation CPR¹
- AED remote monitoring



Medical Consumables and Sensors

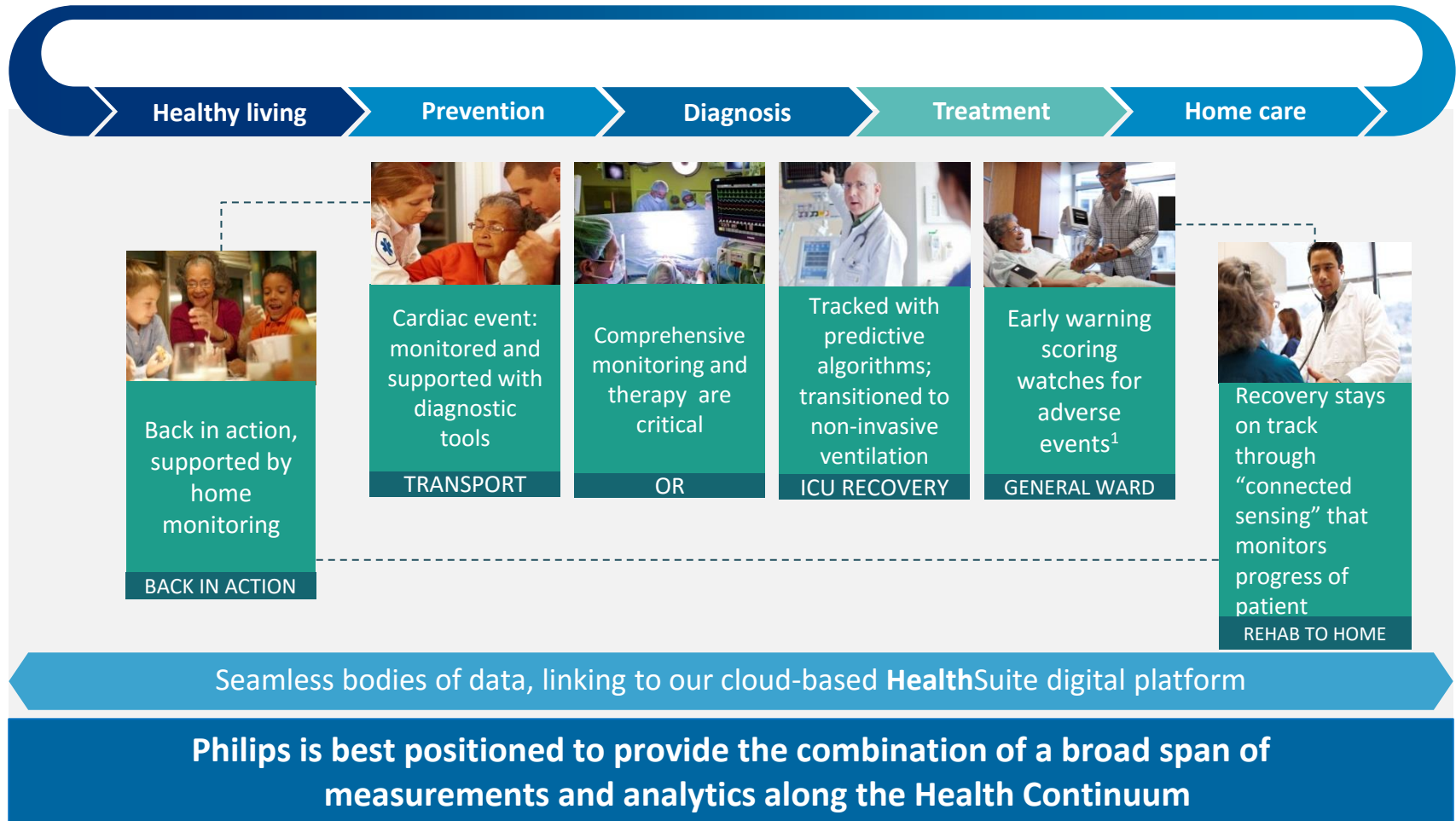
Well positioned to drive growth and lead

- Leverage leading patient monitoring position to sell consumables
- Medical wearables expand clinical reach and leverage monitoring leadership



Source: Philips internal study. ¹ Cardiopulmonary resuscitation.

Ubiquitous care & monitoring: addressing cardiology, the #1 cause of death



¹ 40% of unanticipated hospital deaths occur in the General Ward. Philips' monitoring algorithms can detect a patient deterioration up to 8 hours before a critical event happens – (documented study)

Value creation strategy

Improving: Driving efficiency of the base business



- Operational efficiency, lower overhead, bill of material savings, cost of non-quality
- Expand EBITA margin: 1 - 2% pts driven by new product introductions
- Increase EBITA margin of existing base business

Growing: Accelerating growth



- Leverage installed base to grow services and consumables
- Growth in key segments, connected solutions and patient analytics
- Increase market share: Grow faster than market by 3%

Building: Investing in new growth areas



- Drive sustainable growth by reinvesting savings in R&D:
 - Ventilation, anesthesia
 - Solutions, new models
 - Medical wearables/connected sensing
 - Analytics and clinical decision support

Financials

Current

- CSG: low-single-digit
- EBITA margin¹: high-teens

Future aspiration

- CSG: mid to high-single-digit
- EBITA margin¹: at least 20%



¹ Excludes impact from IG&S split.



Accelerating growth

Example: leveraging the installed base to realize our full services potential

Significant expected growth in services, with EBITA margin above average of the business through:

- Intensification of current service activities:
 - Grow contract penetration
 - Grow software maintenance agreements
 - Grow education offering
 - Grow lifecycle sales
- Expansion of services:
 - From routine maintenance to extended service portfolio (Clinical, IT, Technical, Remote)
 - From limited to strong services proposition (education, product, consumables)

Additionally strengthens Patient Care & Monitoring Solutions value proposition, differentiation and customer relations





Key takeaways

- PCMS has unique opportunities driven by **relevance on the Health Continuum** and **market dynamics**
- Advantages driven by **positions of strength** particularly in **patient monitoring** and **non-invasive ventilation**
- Value creation strategy driven by **profitable growth**
 - **Improving:** Improving efficiency of the base business
 - **Growing:** Accelerating growth by leveraging the installed base for new business models
 - **Building:** Investing in new growth areas such as invasive ventilation, connected sensors, and predictive analytics

Transformational Solutions enabled by Information Technology

Jeroen Tas

CEO Healthcare Informatics, Solutions & Services



We are enabling
connected care by
helping customers
transform to a
networked, **patient-**
centric delivery model

PHILIPS

Three key drivers of the transformation

Transforming from

To

By

Episodic

Continuous

Orchestrating comprehensive, 24/7 care with focus on the chronically ill

Fragmented

Connected

Connecting patients and care givers, utilizing integrated workflows and data

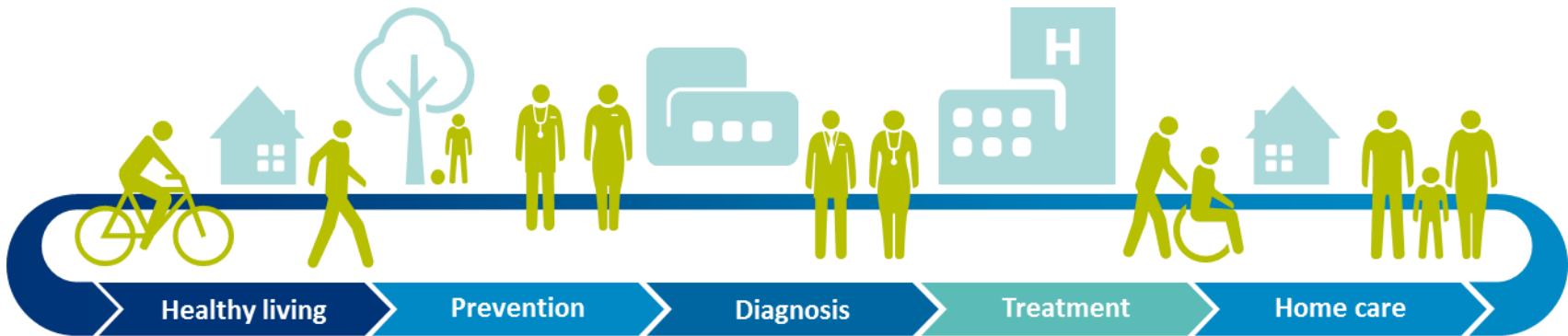
Volume

Value

Optimizing resources for better health outcomes across populations

Through information technology-based services and solutions

Driving growth along 4 domains



1 Healthcare Transformation Services

- Crafting complex solutions based on customer needs
- Healthcare eco-system to deliver solutions
- Innovation in business models and applying digital technologies

2 Population Health

CareSage predictive analytics platform

eCareCoordinator care coordination platform

eCareCompanion patient engagement platform

3 Clinical Informatics

Combining genomics, digital pathology, EMR data with advanced visualization to enable complex clinical decision support

4 HealthSuite digital platform

Secure, scalable **digital infrastructure** to enable connected care, with multiple ecosystem partners (e.g. Salesforce.com)

Philips has a market leading position in tele-health and home monitoring

World class tele-health solutions for the ICU

~80% US market share in the ICU tele-health space

12% of US ICU beds under monitoring

>2.5M patient records as part of our eICU program



Leadership position in home monitoring solutions

>7M seniors served via home monitoring solutions

#1 Medical alert service provider (US)



Delivering unique Population Health Management solutions, supported by strong business models

Health analytics

CareSage

Suite of predictive analytics to deliver appropriate programs based on patient profiles and enabling algorithmic risk assessment



Care coordination

eCareCoordinator

Care coordination programs based on patient profile

Response center

Provides personalized patient response and intervention

Patient engagement

eCareCompanion

Suite of connected patient engagement tools and services



Banner Health®

Serving a range of customers

- Lifeline programs sold directly to consumers (USD 30-65/patient/month), home-health distributors and hospitals; many contracted for reimbursement as part of Medicaid
- Acute care programs to Integrated Delivery Networks (IDNs); USD 5k - 10k per bed license

In a rapidly growing market (>20% CAGR¹), with ~90% recurring revenue

¹ F&S report.

Impactful Solutions in Connected Care, across markets



Intensive Ambulatory Care program reduced

- costs of care by 27%
- acute and long term care costs by 32%
- and hospitalizations by 45%



- 23% reduction in admissions
- 20% reduction in cost
- 18% reduction in visits



- 52% reduction in admissions
- 57% reduction in length of stay
- Program across 6 hospitals in Netherlands¹; ~ EUR 1.5K savings per patient

¹ Effective cardio report, October 2014.

Leadership position in Clinical Informatics



Starting from a position of strength



Market leading positions

- ~30% market share in PACS in North America
- Advanced visualization solution rated #1 by KLAS
- Cardiology solution rated #1 in North America (MD Buyline)



Managing rich clinical data pools

- 800+ million studies
- 18+ petabyte images across 1,200 hospitals



- ## Trusted partner of a number of leading academic hospitals
- Co-innovating on various fronts

Evolving into an intelligent comprehensive suite

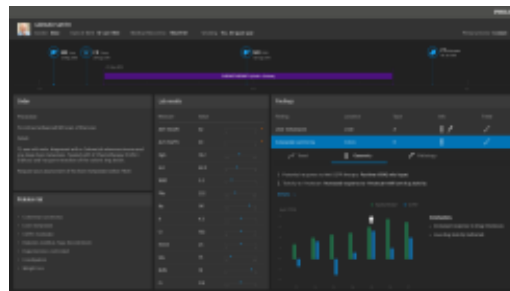
Best of Suite solutions

- Fully integrated, multi-disciplinary solutions
- Cross-enterprise



Clinical decision support

- Access to all relevant information, with clinical orientation
- Aggregated data from multiple systems (including EMR, laboratory, radiology, genomics, digital pathology)



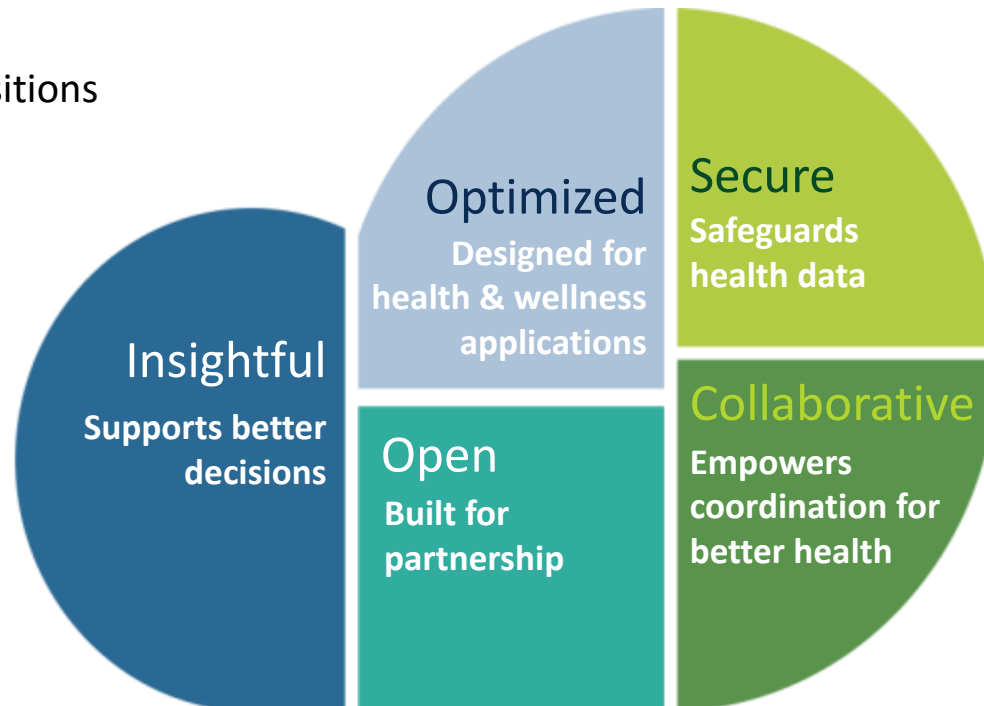
Contextual access to advanced capabilities

- Clinically aware interpretation
- Anatomical and physiological intelligence



Philips HealthSuite digital platform designed to support the Health Continuum

- Platform supporting HealthTech businesses to bring alive the Health Continuum
 - Cross-enterprise integration
 - Analytics
 - Digital propositions
- Healthcare Transformation Services co-creating with customers and ecosystem partners on unique solutions





Key takeaways

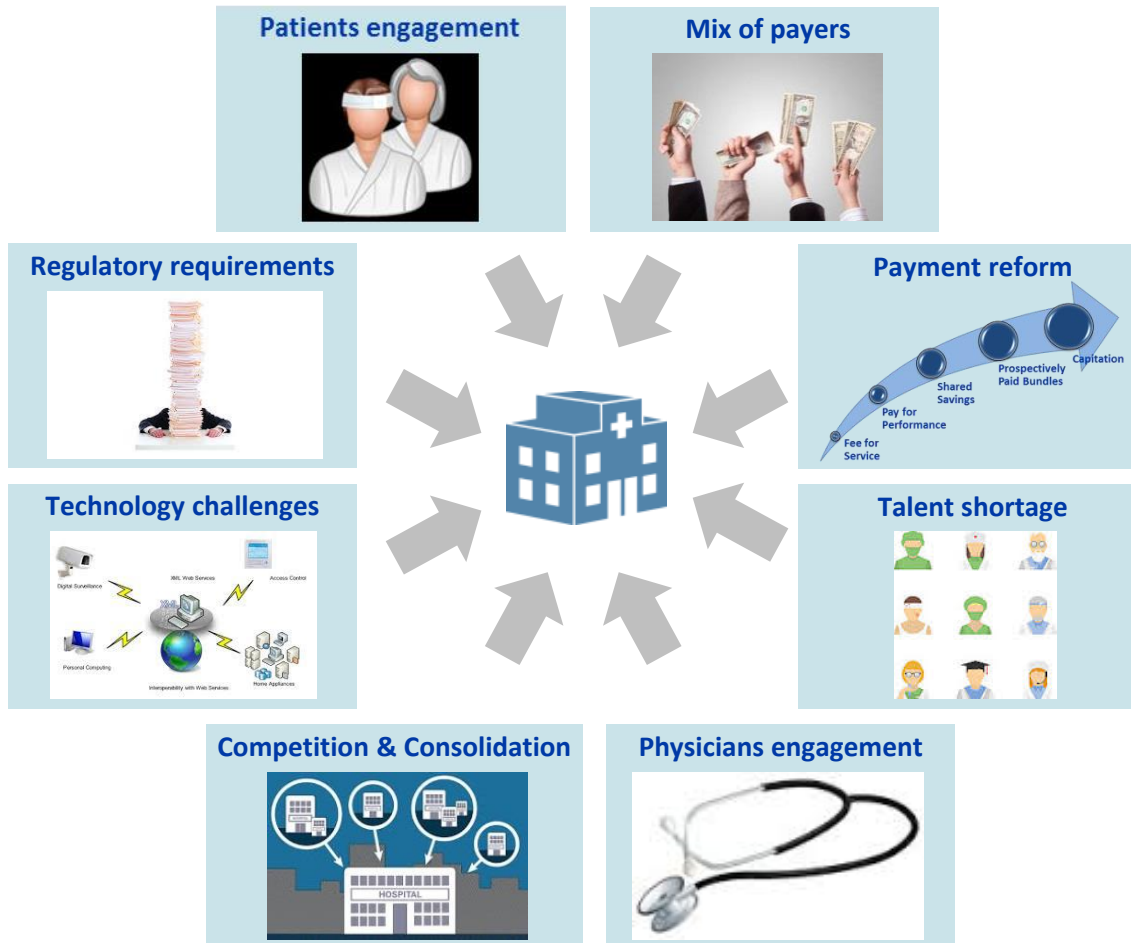
- We enable our customers to **transform** to an **output-based, networked, patient-centric** delivery model
- We do so by leveraging our **deep clinical know-how** and rich data sets, **consumer insights** and **advanced technology**
- We build on a **strong starting position** in tele-health and clinical informatics, evolving into comprehensive **Population Health Management**
- We **craft solutions** to manage patients through their journey along the Health Continuum
- **Recurring revenue** through service-based models
- Investing to create a **high-growth** and **high-margin** business

Solutions Selling

Ronald de Jong
Chief Market Leader

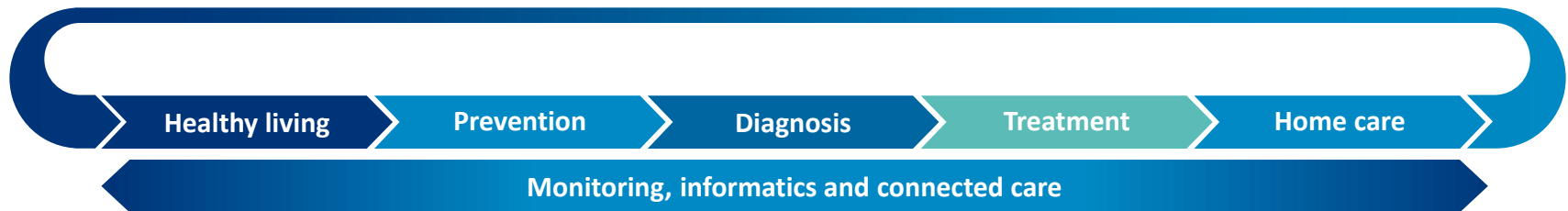
Brent Shafer
CEO North America

Customers are confronted with many challenges



- Lower cost of care to offset lower reimbursement
- High quality of care
- Payer mix shift and consolidation
- System and IT integration to provide total care
- Talent attraction and retention
- Physician engagement
- Change management

Innovative solutions are required along the Health Continuum



Consumers increasingly engaged in their health



+

Shift to value-based healthcare will reduce waste, increase access and improve outcomes



+

Care shifting to lower cost settings and homes



Opportunity to:

- Address increasing chronic disease burdens
- Drive and define convergence of professional healthcare and consumer health across the continuum
- Drive change to outcome-based healthcare through integrated solutions

Philips is uniquely positioned to provide innovative, integrated and scalable solutions along the Continuum

We do this by building on our positions and capabilities

- Leadership positions across the health continuum
- Deep customer, clinical and consumer insights
- World-class innovation, design and marketing capabilities
- Digital analytics and clinical decision support expertise
- Broad channel access in home and clinical environment with trusted Philips brand
- HealthSuite Digital lab methodology to co-create solutions

We can tap into a wide range of capabilities and assets addressing specific customer needs

1

Hardware, software and services help to address unmet needs

2

Consulting, integration and procurement services enhance solution value

3

Integrated solutions offer outcome-driven payment models and drive continuous improvement practices

- Integrated solutions across the enterprise
- Strategic partnering to solve customer problems

- Managed Services - Philips & multi-vendor
- Philips Integration Services
- Philips Healthcare Transformation Services

- Philips Capital
- Philips Education
- Implementation and program management services
- Rightfit Services & Customer Care

- Bundled solutions (hardware + software)

- HealthSuite Digital Platform

- Risk management

We organize and execute around customer needs evidenced by a track record of over 40 strategic engagements

Worldwide experience in developing long-term partnerships with healthcare providers; and a growing funnel



Westchester Medical Center Health Network

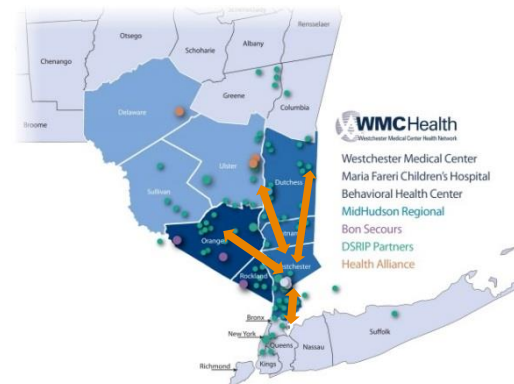
Customer needs

- Transformation into a regional health network and integrated health provider
- Financial security and sustainable growth through performance and business model innovation
- Access to new technology and global best practices, with a focus on delivering care as close to home as possible



Philips – Solution & results

- USD 500 million, 15-year Enterprise Managed Services agreement
- Technology and services across portfolio: imaging, monitoring, tele-health, PACS, operations management, clinical and business consulting, education and IT integration
- Embedded Philips team
- Expansion opportunities
- Transform to new, consumer-centric care models



Georgia Regents – Two years into our relationship

A growing list of accomplishments

Customer needs

- Address the clinical, operational and technology needs of GRHealth's multiple facilities
- Improve outcomes, and deliver more effective, cost-efficient care
- Address challenges of poor payer mix, flat reimbursements, aging technology and inefficient processes

Philips – Solution & results

- USD 300 million, 15-year Enterprise Managed Services agreement
- Customer benefits to date:
 - Transformed from aging to state-of-the-art technology across multiple modalities
 - USD 7 million procurement savings
 - Productivity increases for imaging throughput using fewer employees:
 - CT +11%
 - MRI +33%
 - Ultrasound +29%
 - Vascular +39%
 - Established stable and predictable cash flow structures for GRHealth



Karolinska Institute

Customer needs

- Top quality imaging equipment, procurement, installation, education/training, maintenance and upgrades over a period of 14 years
- Joint innovation and focus on research, development and innovation



Philips – Solution & results

- Partnership to jointly innovate in health care, research, development and innovation
- Led to additional Philips win: care flow optimization tender for stroke, aiming to look at the full care flow continuum
- Initial solution deal enhancing likelihood to earn additional and repeatable business





Key takeaways

- **Foundational changes in healthcare** require innovative solutions along the Health Continuum
- **Customers look for solutions** to address their challenges
- **Philips is uniquely positioned** to provide innovative, integrated and scalable solutions along the health continuum
- We organize and execute around customer needs evidenced by a **track record of 40+ projects**.
Benefits of these projects:
 - Create captive customers and recurring revenue streams
 - Deepen partnership with leading customers; better customer insights and grow with leading player in the field
 - Suitable solutions that drive faster time-to-market
 - Enter into competitive installed base and generate incremental and margin-accretive business