

# PHILIPS

sense **and** simplicity

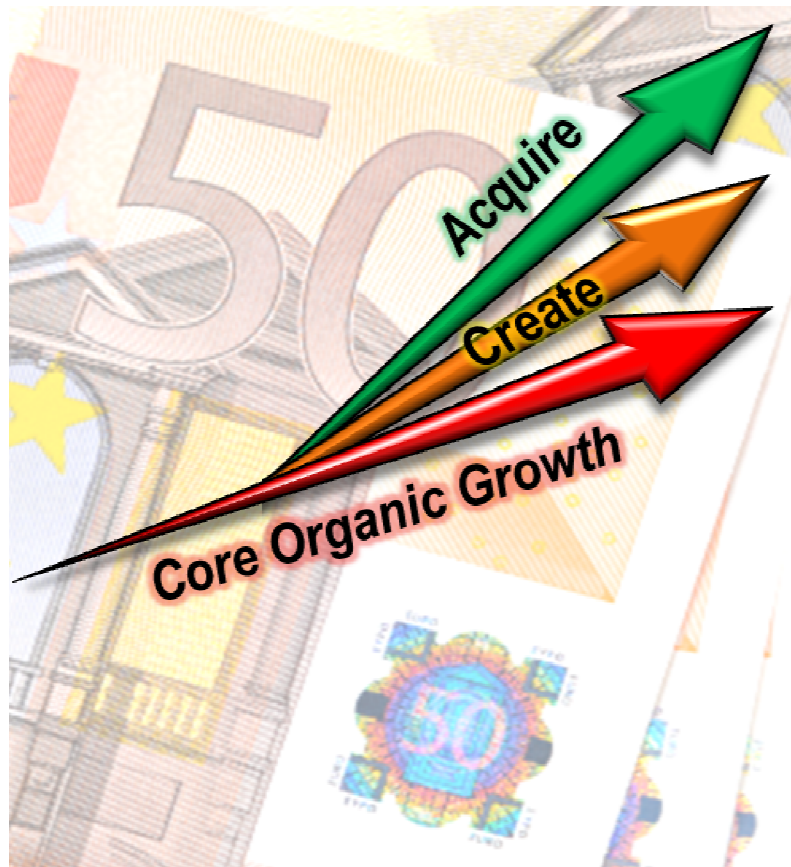
## Growth in New Segments: Home Healthcare Solutions

Brent Shafer, *CEO Home Healthcare Solutions*

John Frank, *GM Respiratory Care*

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## Strategy: Build from the Core



2009 '10 '11 '12 '13 '14 2015

- Strong positions in growth markets
- Opportunities for market creation in adjacent spaces
- Small to medium acquisitions

## Strong positions in growing markets

### Sleep



#### Recovering position

- Global leadership
- Many undiagnosed patients
- Significant co-morbidities
- Patient compliance very important

Market size €1.6B

Market growth 8-10%

### Respiratory Care



#### Continued high growth

- Global leadership
- Large patient populations
- Opportunities for innovation
- Emerging market needs

Market size €1.3B

Market growth 6-8%

### Home Monitoring



#### Strategically positioned

- N.A. leadership
- Aging population drives growth
- Global expansion opportunities
- Hospital to Home connection

Market size €1.5B

Market growth 5-7%

## System One: Changing customer expectations

*High quality, easy to use with focus on comfort and compliance*



- Humidity Control
- Resistance Control
- Advanced Event Detection
- Flex Family Technologies
- Encore Data Management & Reporting

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## “My Life” series

*Addressing patient and provider needs*

**EasyLife**



**FullLife**



**FitLife**



“A patient who struggled for 8 years called me after the first night with EasyLife and said he slept like a baby for the first time in years. He is so relieved. Thanks for making my job easier and helping people get the rest some of us take for granted.”

- Respiratory Therapist

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## Respiratory Care

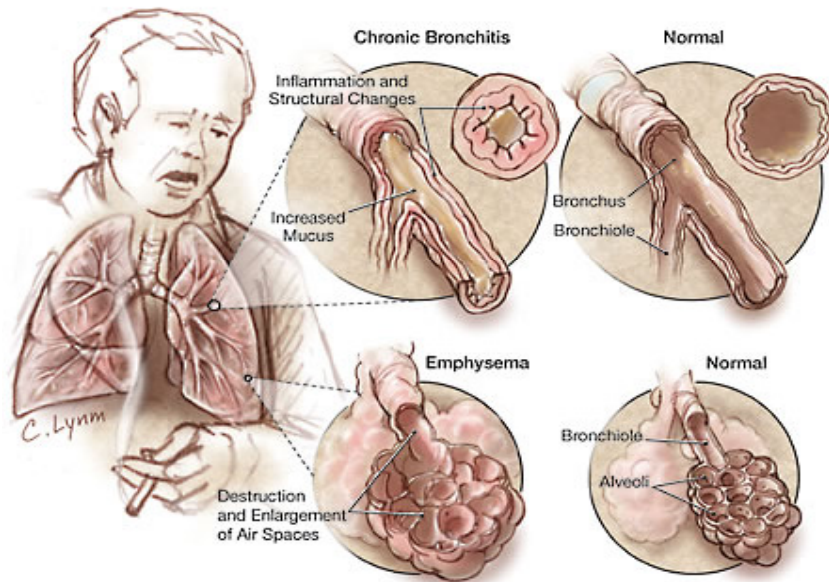


- Focus on patients with chronic respiratory diseases
- Global leadership in key markets
- New product introductions fueling double digit growth
- Significant emerging market opportunities

## Respiratory Disease

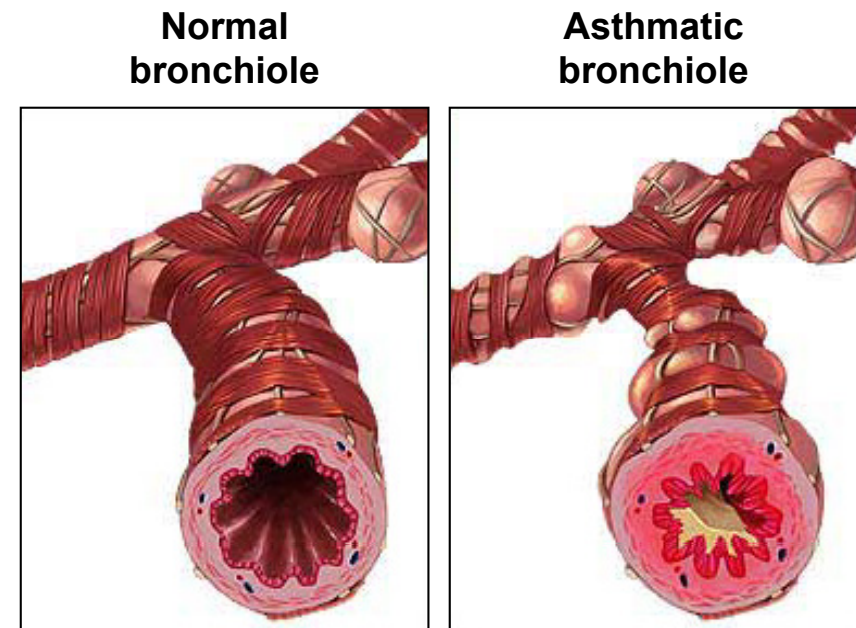
### COPD

- 210m patients world wide
- 5<sup>th</sup> leading cause of death/3<sup>rd</sup> by 2020
- High cost of hospital re-admittance
- Oxygen therapy a standard of care



### Asthma

- 300m patients world wide
- Death rate increasing
- Impacts children and adults
- Drug delivery to lungs critical



## Respiratory Care product line up

### Home Ventilation



#### Trilogy/BiPAP

- #1 in NIV
- New market entry with Trilogy
- Hospital to Home

### Airway Clearance



#### CoughAssist

- #1 position
- Focus on neuromuscular patients

### Oxygen Therapy



#### EverFlo/EverGo

- #2 position
- Strong range of ambulatory products

### Respiratory Drug Delivery



#### Nebulizers

- #1 position
- Proprietary technology with I-Neb



## Innovation

*Providing solutions for the ambulatory patient*

**EverGo**



**UltraFill**



**HomeLOX**

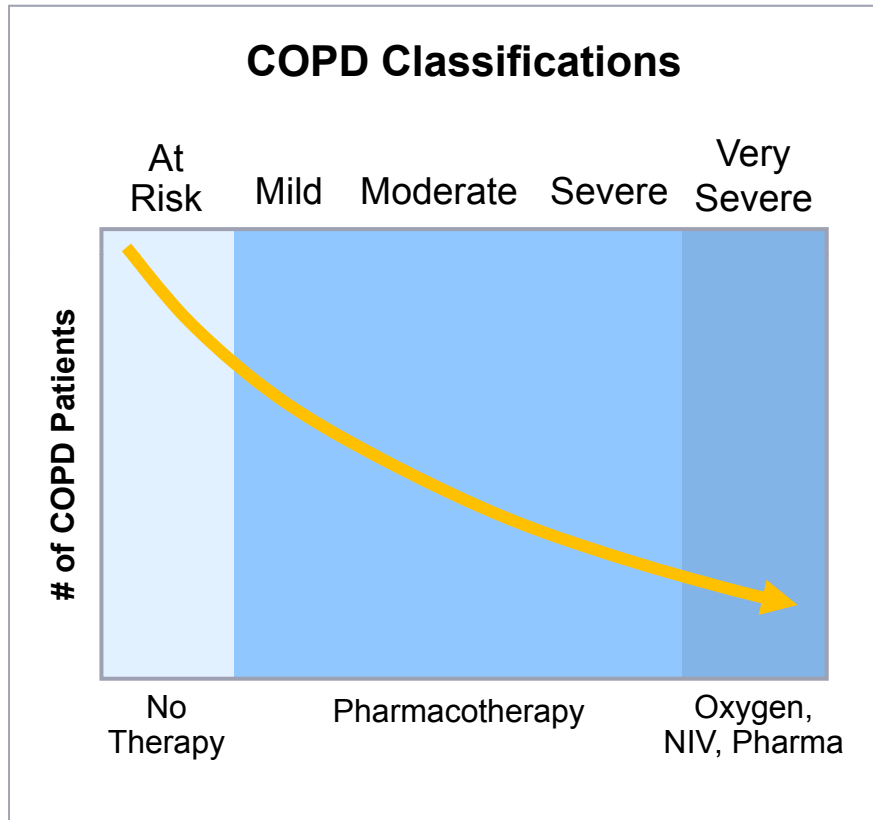


### *Our competitive differentiators*

- We offer the widest range of ambulatory products
- We offer the longest range of use – minimum of 8 hours

# Emerging Market Opportunities: China

## Respiratory Disease/COPD

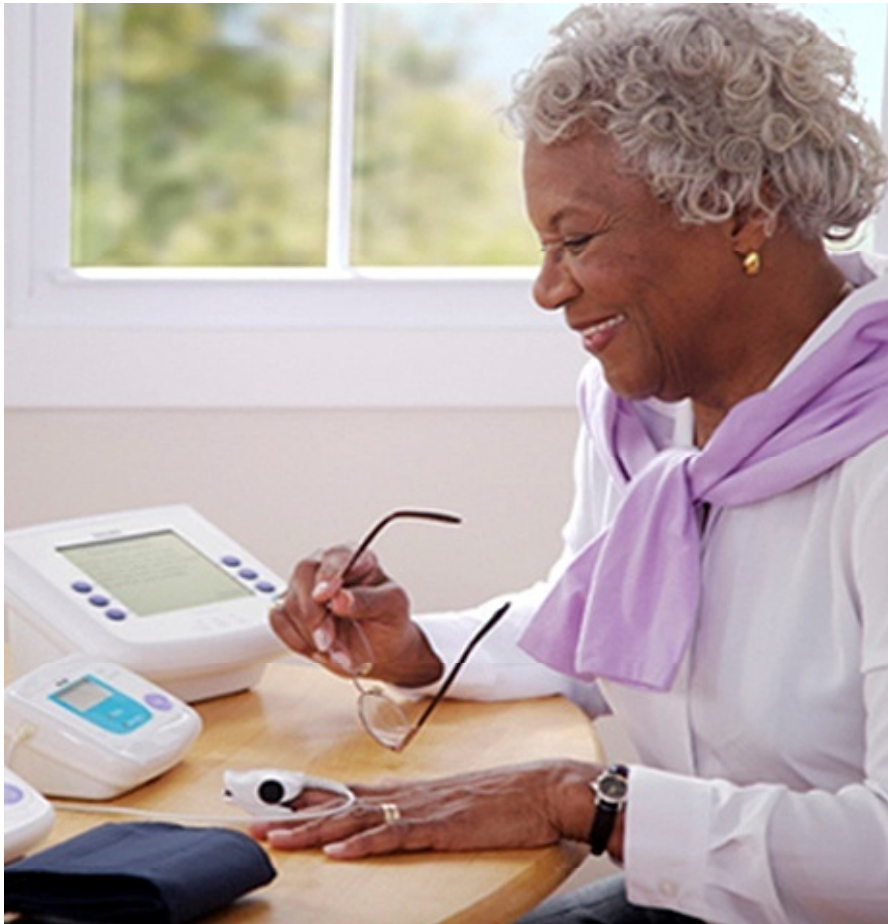


- 380 million smokers in China
  - 1/3 of all global smokers
- In 2000, COPD costs China \$5 billion and was 2nd leading cause of death
- 8-9% prevalence of COPD in adult population (35-40m)
- Greater emphasis on awareness & diagnosis is needed

Per: Journal of Respiratory & Critical Care Medicine (2007)

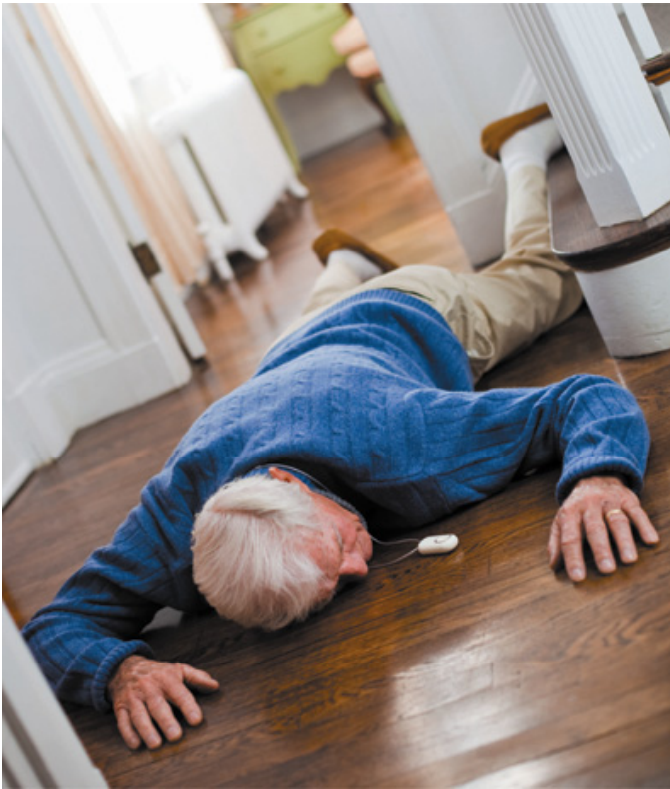
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## Home Monitoring



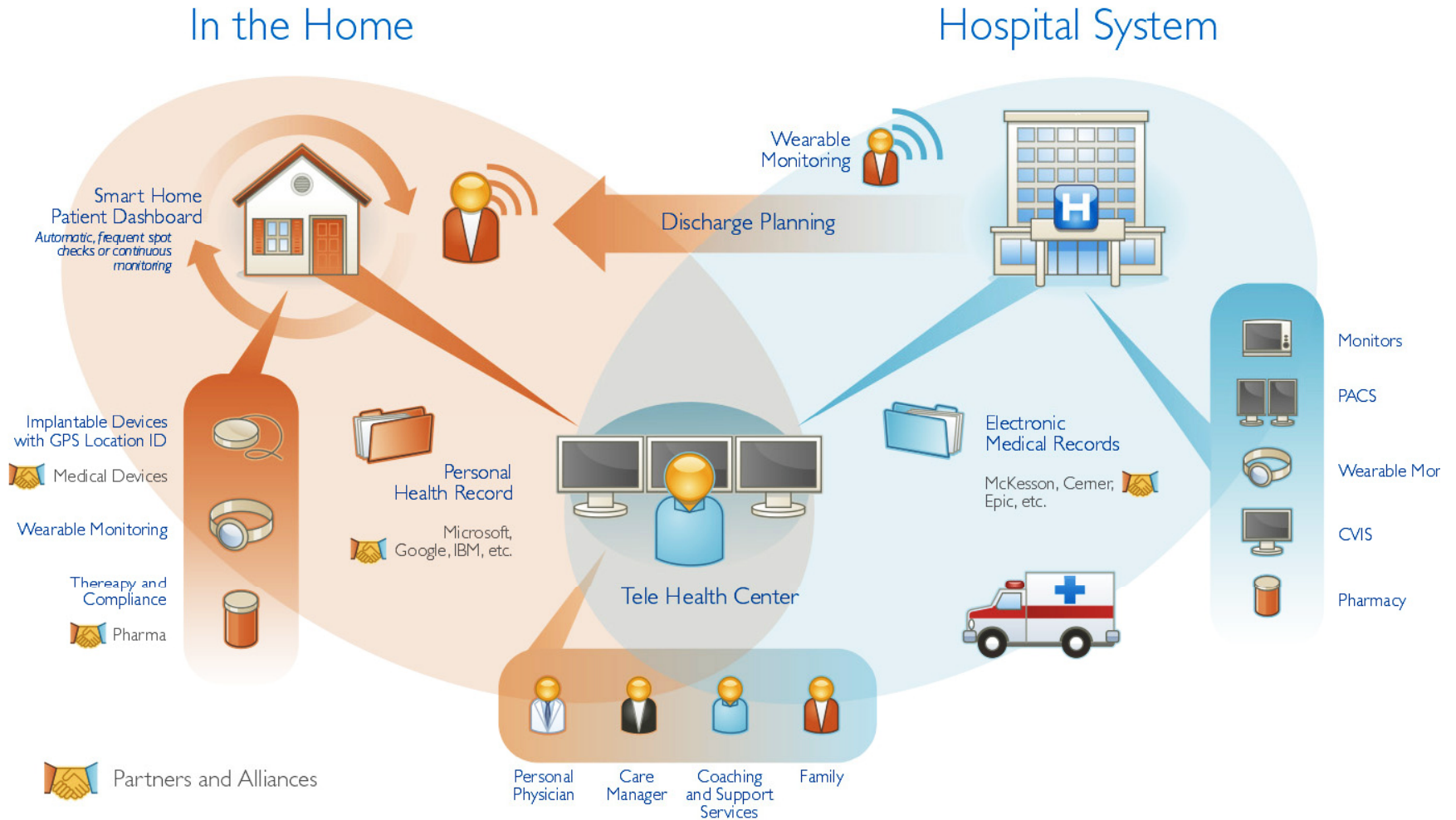
- Monitoring in the home is a fundamental tool for provider cost savings
- Partnerships such as Achmea will create new care models and validate economics
- Opportunities for growth outside N.A.
- Philips Lifeline AutoAlert changing the game in medical alert services

## Philips Lifeline with AutoAlert



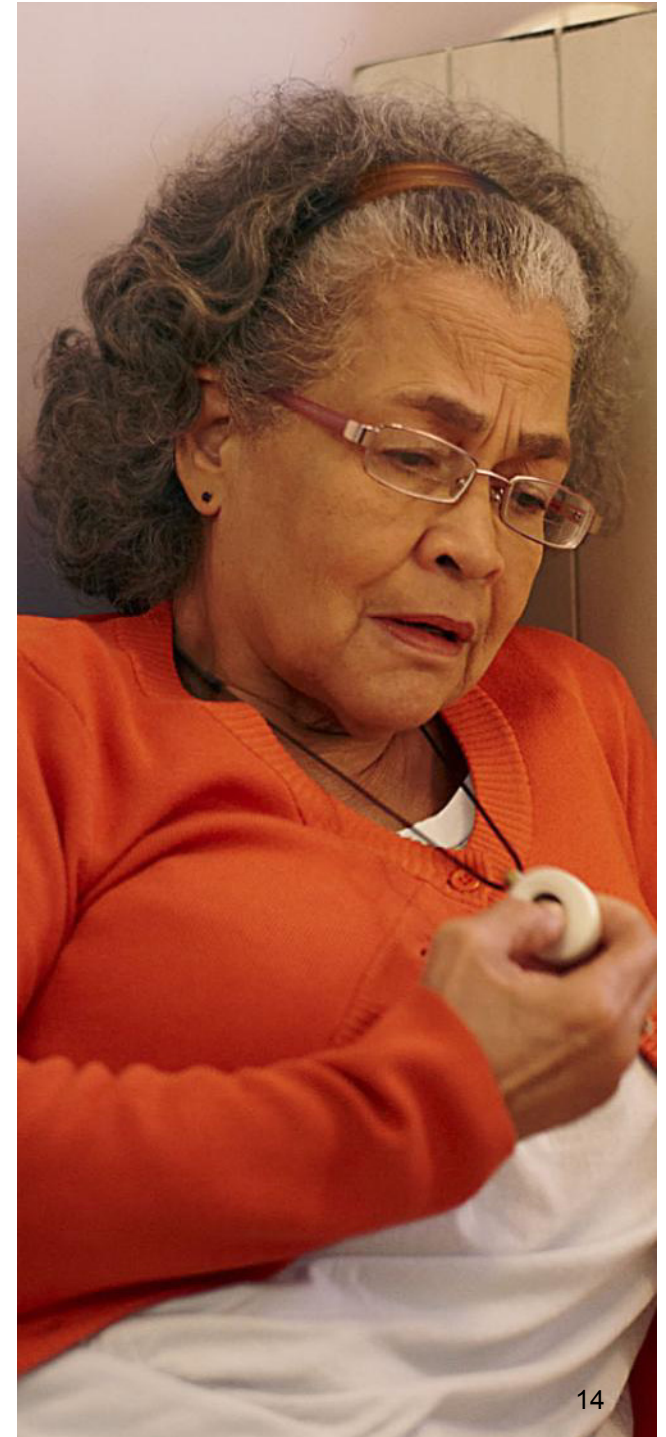
- The Falls Epidemic
- Unmet needs: “What if I can’t press my button”
- AutoAlert: An Added Layer of Protection
  - Calls for help automatically if you fall and can’t press your help button
  - Only from Philips Lifeline
- Empowering
  - Easy to use, easy to wear, intelligent alarm (alarm cancelled if you get up in 30 seconds)
- Extremely popular with customers

## Home Healthcare: Critical to hospital to home vision



## Key takeaways

- Changing demographics will continue to be accretive to home health care growth and margin expansion
- HHS portfolio will continue to be accretive
- Strong new product line-up and pipeline across all the businesses will continue to fuel high single-digit sales growth
- Well positioned in our core markets with opportunities for future innovation; including long term hospital to home strategy
- Globalization of business – especially emerging markets will leverage Philips strengths



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# Q&A

Brent Shafer  
John Frank

