



PHILIPS

Managed Services

Financing



Your partner in maximizing healthcare investments

Philips Capital



Shifting the balance to maximize healthcare investments

Today healthcare providers are driven to perform more as resources become scarcer. Innovation is the only way to achieve this, yet the rapid pace of technological advances poses challenges. As a result, many providers are turning to service-based healthtech solutions and financing as a way to access the latest diagnostic and treatment innovations with less performance risk and more financial predictability.

We support you in maximizing your healthcare investments with flexible and innovative financing solutions provided by Philips Capital. Together we can achieve healthcare transformation that supports better health outcomes, improves patient and staff experience, and lowers the cost of care.

Key benefits of financing your healthcare transformation

- Stay up-to-date with latest healthtech solutions
- Share financial risk to maximize flexibility and better manage fluctuating patient volumes
- Improve cash flows and optimize Total Cost of Ownership (TCO)
- Customize financing terms and repayment plans to match patient revenues

"In times of limited financial resources, this partnership [with Philips] helps us to provide and secure high quality and efficient healthcare for our patients..."

Holger Baumann, CEO
Kliniken der Stadt, Cologne, Germany

Tackling today's challenges and tomorrow's realities in partnership

Managed Services is Philips' comprehensive, vendor-neutral partnership approach, designed to guide and support you in achieving optimized business outcomes. Our flexible agreements are grounded in actionable data insights and sound financial advice from the specialists at Philips Capital to help you make confident investment decisions. We can provide financing for both Philips and third-party healthcare solutions.

This approach is intended to address the rising demand for clinical services and increased pressure from regulators to improve quality and patient outcomes. So even with investment limitations, you can optimize aging medical equipment. A Managed Services solution offers a true partnership for today's challenges and tomorrow's realities.



Common goals and shared benefits of Managed Services for your hospital



Modernize your aging technologies
with latest generation medical equipment



Make cash flows predictable with lower capital outlay and reduced Total Cost of Ownership (TCO)



Improve operational efficiency of your clinical workflows



Partner with Philips to co-create technologies, business models & solutions



Grow your hospital and extend care delivery models



Transition to value-based care

A structured approach for continuous improvements



Financing models for Managed Services partnerships

Managed Services partnerships can be financed as hybrid structures with a mix of financed capital and operating expenses. All financing structures offer flexible payment solutions, so you can access the latest healthcare technology, improve your operational efficiency, and maximize the value of your investment.

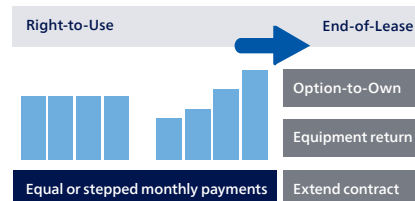


Healthtech Leases

Keep quality high and costs low to make innovative technology accessible and affordable

Right-to-Use the latest Philips solutions, including maintenance and services while conserving cash. Ideal if you want the most up-to-date technology and payment flexibility within strict budgets.

Gain flexibility to adapt to future changes

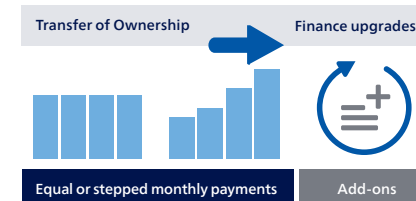


Extended Payment Terms

Acquire Philips technology to advance patient care and increase revenues by tapping new funding sources

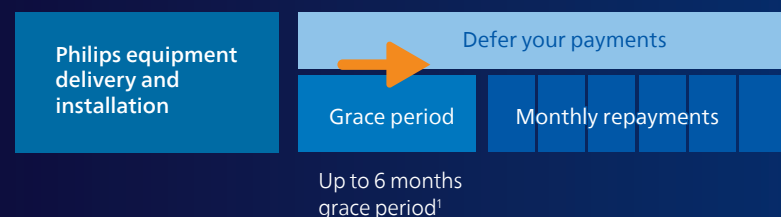
Right-to-Own healthtech solutions and help you spread repayments over a longer period to improve cash flows, bringing expenses on technology investments in line with patient revenues. Keep bank lines of credit available for other purposes.

Distribute high up-front costs over life of solution



Deferral Payment Program¹

Postpone payments for a pre-agreed period and deliver immediate care to your patients. Take advantage of a grace period to restart your healthcare services or accrue income to finance health technology.



Access Philips healthtech solutions with no immediate cash outflows



All Managed Services financing offerings are available with Deferral Payment Program

"The long-term nature of our partnership allows our hospital to not only participate in future technological leaps in healthcare, but also to lead the way. This will enable us to offer our patients diagnostic and therapeutic procedures that always meet the latest standards."

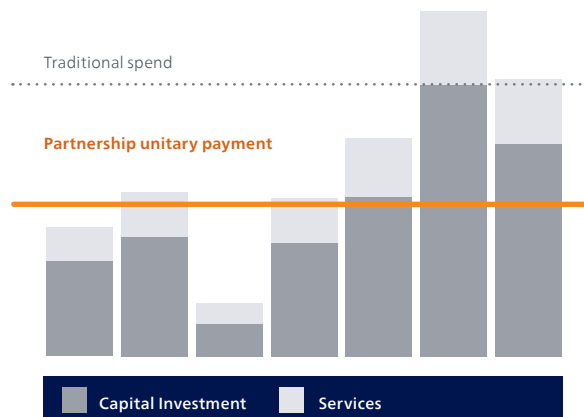
Markus Mord
Managing Director,
Marienhospital Stuttgart, Germany



Unitary Payment Model

Improve operational and financial management of technology investments

Right-to-Use the latest Philips solutions and services with predictable, unitary payments that cover all costs of the Managed Services partnership over the life of the contract. Offers financial stability for facilities with challenging budget constraints.



Managed Services Partnership Best Practice: Marienhospital Stuttgart, Germany

How to manage budgetary planning and operating costs efficiently to advance patient care

Marienhospital key financial challenges

- Hospital impacted by financial fluctuations
- Limited credit resources
- Low cost-effectiveness and efficiencies of services

How we helped

Within the partnership framework, we structured a flexible and innovative financing solution, including health technology investments, services, maintenance and software updates:

- Financing model implemented in multiple waves of up to 10 years with unitary payment structure for optimal cash flow management
- Fee adjustment based on new or updated technology enhancements
- At end of agreement, various options to extend or adjust financing contract, and to buy or return medical equipment

Benefits of Managed Services Partnership for Marienhospital

- Access latest health technology and lower operational costs
- Predictable cash management and optimized Total Cost of Ownership (TCO)
- Bundle medical equipment, software, devices, maintenance and services
- Unitary payment covering the entire Philips solution

"Philips made financing and planning possible for a period of 10 years, which is really unique and innovative. For us, this model also fits into the future."

Johann Marx
Head of Finance and Controlling,
Marienhospital Stuttgart, Germany



“With this unprecedented industrial partnership in the French university hospital world, the Hospices Civils de Lyon is asserting itself as a leading site in medical imaging. Since 2015, we have the most advanced imaging technologies, allowing us to offer our patients high-level diagnostic and interventional care pathways,...”

Raymond Le Moign

General Manager, Hospices Civils de Lyon, France

Managed Services Partnership Best Practice: Hospices Civils de Lyon (HCL), France

Building a world-leading diagnostic and interventional imaging center of excellence to improve patient outcomes

HCL key financial challenges

- Significant investment required to update existing imaging equipment and nuclear medicine technologies
- Management of expenditures to finance innovation and research projects across this large university hospital group of 13 governmental sites

How we helped

A twelve-year strategic partnership to modernize HCL's imaging technologies was financed through a unique business model structure with pre-defined conditions, including:

- Vendor-neutral equipment purchase and replacement program
- Service improvement program
- Maintenance and upgrading services
- Customized training

Benefits of Managed Services Partnership for HCL

- Full optimization of equipment investment plan with over 70% of the imaging fleet being renewed with the newest Philips MR and CT technologies
- Significant improvement in operational efficiencies
- Strengthened financial performance by increasing cash flow predictability
- Better control of expenditure and optimization of revenue through the creation of predictable financial models
- Increased financial support on research projects



“Philips proved to be a reliable medical technology supplier by striving for quality and efficiency and cost savings, which ultimately drives added value for patients through a better overall experience.”

Hospices Civils de Lyon survey

Transformative and sustainable models to deliver lifetime value



To help overcome the interconnected clinical, operational and financial challenges you face, we have developed Healthcare-as-a-service partnerships.

These multi-year partnerships are based on shared purpose, risk, and accountability. They aim to optimize cash management and business outcomes, centered around healthcare solutions, services, and related workflows.

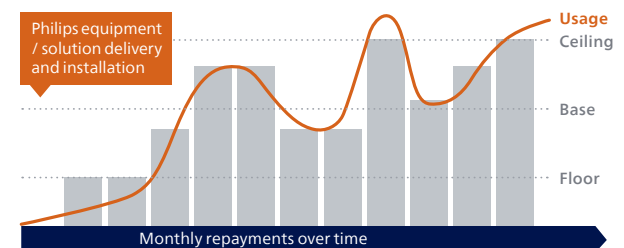


Financing models for Healthcare-as-a-service partnerships

Pay-per-use models

With Healthcare-as-a-service partnerships, we share a part of your operational risk to maximize flexibility and help you better manage fluctuating patient volumes. A portion of your repayments are made based on actual usage of equipment and patient volumes. Below certain volumes, you only pay 'floor payments' and above a pre-agreed 'ceiling' you can use the technology at no additional costs.

A portion of your payments can also be linked to agreed key performance indicators (KPIs) and/or results to allow continuous improvements and realize lifetime value.





Your partner in financing healthcare transformation

Whatever innovations you want to implement across the health continuum, the experts at Philips Capital are here to help. Our flexible financing solutions allow you to access advanced medical technology and services with a choice of cost-efficient payment structures.

As your strategic partner in financing Managed Services solutions, we can bolster your financial resources and reduce your risk to foster innovation across your healthcare operations. All aimed at helping you improve patient lives, balance costs and achieve your goals, by supporting you in making confident investment decisions.



Click on: **Philips Capital financing services** to discover more



¹ Deferral Payment Program: Moratorium of up to 6 months possible, subject to credit approval on a case by case basis; offer valid for a limited time and subject to changes without notice.

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