

# PHILIPS

## Building a Healthier Society through Technology

**Royal Philips (NYSE: PHG, AEX: PHIA) is a leading health technology company focused on improving people's health and wellbeing, and enabling better outcomes across the health continuum – from healthy living and prevention, to diagnosis, treatment and home care.**

Philips leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. Headquartered in the Netherlands, the company is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care.

Philips generated 2020 sales of EUR 17.3 billion and employs approximately 78,000 employees with sales and services in more than 100 countries.

The company began its Singapore operations in 1951, and currently employs over 500 personnel in the city state. Philips APAC Center in Singapore, which also serves as the regional headquarters, signals the commitment to ground-breaking technology and innovative solutions, especially in health and wellness.

### INNOVATION FOR BETTER HEALTH OUTCOMES

This multinational conglomerate unlocks insights leading to innovative solutions that address the quadruple aims: improved patient experience (including quality and satisfaction), better health outcomes, improved staff experience, and lower cost of care.

With leading research, design and innovation capabilities, Philips partners with its customers to transform the delivery of healthcare. In this journey, Philips looks beyond technology to the experiences of consumers, patients, providers and caregivers across the health continuum, from healthy living and prevention to diagnosis, treatment and home care.

With the depth of perspective across hospital and home, they are in a good position to break boundaries of organising patient-centric healthcare.

### ECONOMIC REALITIES ARE DRIVING THE NEED FOR NEW APPROACHES IN HEALTHCARE

Philips intends to move from:

- Volume-based to value-based healthcare: Clinical and economic outcomes are driving provider reimbursement, compliance to standards of care and the 'consumerization' of healthcare.
- Responsive to preventive healthcare: Making the shift from treating illness to maintaining population wellness, meaning resource allocation will shift to preventive care and reduction of complications and readmissions.
- Episodic to continuous healthcare: Connecting information across the care ecosystem to enable more appropriate, timely clinical intervention and decision-making.
- Limited to accessible healthcare: Expanding affordable access to care for all will include solving challenges related to affordability, remote access, and clinical talent.

With innovation as the key driver, Philips is on the path to becoming a health technology front-runner. Though, it needs to break eggs to make an omelet. Fundamental changes in their business models are inevitable, such as shifting from selling products to selling whole solutions while building long-term relationships with customers and consumers.

### LEGACY OF BREAKTHROUGH INNOVATION

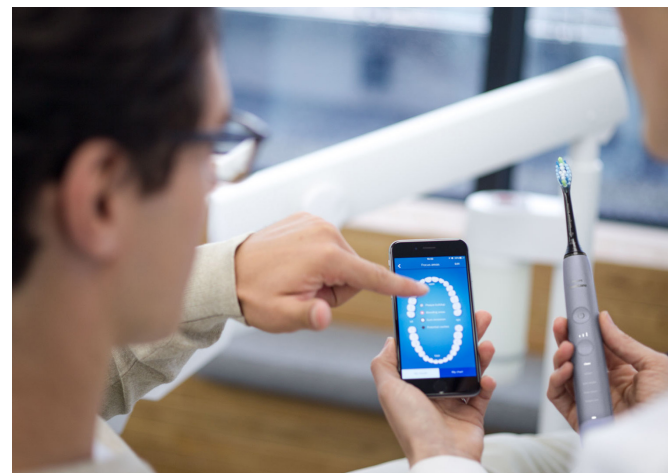
Its long history of breakthrough innovation made Philips into a true legacy. The company began in lighting and found

ed its first research lab in 1914. Applying its technical knowledge to healthcare, Philips introduced a medical X-ray tube in 1918. This marked the point when the company began to diversify its product range and to systematically protect its innovations with patents in areas stretching from X-ray radiation to radio reception.

Along the way, Philips been behind some truly ground-breaking discoveries and standards in different industries, such as the Rotalix X-ray tube, the high-pressure mercury lamp, the triple-headed dry electric razor, the Compact Cassette, the Brilliance 40-slice CT scanner, CD, DVD, Ambilight TV, and more recent innovations such as, Lumify portable ultrasound, and the all-digital Vereos PET/CT scanner.

Recent innovations in the area of medical devices include Philips Azurion which is basically the next-generation image-guided therapy platform that enables clinicians to perform a wide range of routine and complex procedures, helping them to optimise interventional lab performance and provide superior care.

Besides, Philips has a large Informatics and Connected Care portfolio. These solutions have complemented local hospitals' efforts to deliver better and more efficient care for patients. Some of these solutions and technologies have also been used in the current pandemic.



## DEVELOPING AND DELIVERING INNOVATIVE INTEGRATED SOLUTIONS

Taking their customer's strategy and needs as their starting point, Philips is now centralising innovative integrated solutions that really make a difference across health ecosystems. It translates into a better match for customer needs and the capturing of greater.

With a strong and focused portfolio Philips is driving innovative solutions through a three-pronged strategy:

### 1. Diagnosis and Treatment

Through this strategy, Philips provides Precision Diagnosis and Image-Guided Therapy.

With Precision Diagnosis, Philips contributes to smart and connected systems, optimises workflows, and integrates diagnostic insights, leading to clear care pathways and predictable outcomes.

With Image-Guided Therapy, Philips innovates minimally invasive procedures in a growing number of therapeutic areas with significantly better outcomes and productivity.

### 2. Connected Care

Philips commits to driving better care management where patients and caregivers from the hospital are seamlessly connecting at home.

### 3. Personal Health

It is also Philips' mission to create solutions enabling healthier lifestyles, enhancing personal hygiene and ameliorating the life with a chronic disease.

By connecting consumers to their caregivers via an app on their devices, Philips aims to generate added value to its consumers. For example, the Sonicare FlexCare Platinum Connected toothbrush offers smart new ways to help kids and adults improve the way they clean their teeth; their Pregnancy+ app gives personalised guidance to new parents; and their Dream Family solution supports those with obstructive sleep apnea.

In the clinical space, Philips has taken a deep dive into integrated solutions like packaged suites of systems, smart

devices, software and services that they put together with their partners and customers to solve a particular problem. In this way, the company is actively addressing the challenges that healthcare providers are facing, helping to improve patient outcomes and productivity. This might involve one department or service, an entire care pathway or even an entire hospital.

Integrated solutions require a full understanding of the healthcare strategy, a mastery of design and technology, a tenacious ability to integrate disparate parts, and strong program management. It helps that Philips has built strong ties with its customers. The company speaks their language, and has the world-class capabilities to design and develop – in a process of co-creation – the solutions that meet their evolving needs.

In short, the company has progressively been partnering with customers in new business models where products are no longer sold in a 'transactional' manner but where long-term strategic partnerships are rather centric to innovate care and manage risk.

It gives the ability to the healthcare providers to anticipate the latest technological trends as they can benefit from Philips' global reach and resources, with value measured by patient outcomes.

## COLLABORATION IS THE KEY TO THE FUTURE

In partnership with Singapore General Hospital (SGH), Philips has announced the establishment of the Singapore General Hospital Digital and Computational Pathology Center of Excellence. The SGH Center of Excellence aims to advance pathology practice by implementing a fully digital histopathology workflow and deploying artificial intelligence (AI) to pursue increased productivity and enhanced patient care.

Furthermore, Philips and Changi General Hospital initiated a pilot project for a telehealth program enabling heart failure patients to monitor and manage their heart condition at home. The results from this pilot study were spectacular as it showed length of stay for heart failure-related readmissions shortened by 67 percent and the to-

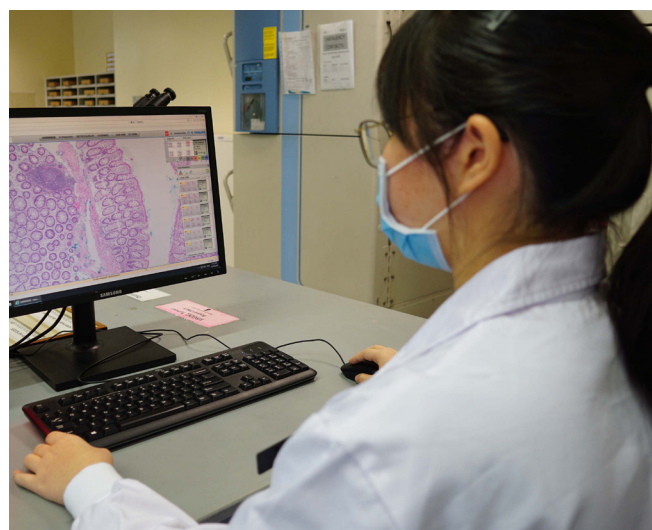


tal cost of heart failure-related care for each patient dropped by 42 percent.

Philips will continue partnering with local hospitals and engage with them in long-term strategic partnerships to innovate value-added, integrated solutions that deliver better outcomes and higher productivity. This combination of compelling solutions and consultative partnerships lifts growth rates and recurring revenues to exceptional levels.

Not only major hospitals looking to increase effectiveness along the health continuum see Philips as their technology partners of choice but also health insurers who want to give their consumers access to the right information to empower them to make the right health decisions.

The world is facing many longer-term challenges. At Philips Innovation Centers in Eindhoven, (Netherlands), Cambridge, MA (USA), Bangalore (India) and Shanghai (China) they take those challenges as opportunities. It is where Philips and its academic and industrial partners are enabling Open Innovation to apply their innovative competencies so as to create value for their stakeholders and to eventually improve people's lives.



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