Third quarter 2026 results

Roy Jakobs, Chief Executive Officer
Charlotte Hanneman, Chief Financial Officer

November 3, 2026

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Important information

Forward-looking statements and other important information
This document and the related oral presentation, including responses to questions following the presentation, contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future Adjusted EBITA*, future restructuring and acquisition-related charges and other costs, future developments in Philips' organic business and the completion of acquisitions and divestments. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include, but are not limited to, macro-economic and geopolitical changes – including the war in Ukraine and ongoing tensions in the Middle East – as well as measures such as enacted and proposed tariffs and trade actions introduced in response to rising global tensions; Philips' ability to keep pace with the changing health technology environment; Philips' ability to gain leadership in artificial intelligence and health informatics in response to developments in the health technology industry; integration of acquisitions and their delivery on business plans and value creation expectations; ability to meet expectations with respect to ESG-related matters; securing and maintaining Philips' intellectual property rights, and unauthorized use of third-party intellectual property rights; failure of products and services to meet quality or security standards, adversely affecting patient safety and customer operations; the resilience of our supply chain; challenges in simplifying our organization and our ways of working; attracting and retaining personnel; breach of cybersecurity; challenges in driving operational excellence and speed in bringing innovations to market; treasury and financing risks; tax risks; reliability of internal controls; compliance with regulations and standards involving quality, product safety, (cyber) security and artificial intelligence; and compliance with business conduct rules and regulations including privacy, existing and upcoming ESG disclosure and due diligence requirements. As a result, Philips' actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Further information chapter included in the Annual Report 2025.

Third-party market share data
Statements regarding market share contained in this document, including those regarding Philips' competitive position, are based on outside sources such as specialized research institutes, as well as industry and dealer panels, in combination with management estimates. Where information is not yet available to Philips, market share statements may also be based on estimates and projections prepared by management and/or based on outside sources of information. Management's estimates of rankings are based on order intake or sales, depending on the business.

Market Abuse Regulation
This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Use of non-IFRS Information
In presenting and discussing the Philips Group's financial position, operating results and cash flows, management uses certain non-IFRS financial measures. These non-IFRS financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measure and should be used in conjunction with the most directly comparable IFRS measures. Non-IFRS financial measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. A reconciliation of these non-IFRS measures to the most directly comparable IFRS measures is contained in this document. Further information on non-IFRS measures can be found in the Annual Report 2025.

Presentation
All amounts are in millions of euros unless otherwise stated. Due to rounding, amounts may not add up precisely to totals provided. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2025. Certain prior-year balances have been reclassified to conform to the current period presentation.

* Non-IFRS financial measure. Refer to reconciliation of non-IFRS information

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Key takeaways

Q3 highlights

- Comparable order intake increased by 8%, driven by very strong Diagnosis & Treatment
- Comparable sales grew 3%, led by Personal Health and Connected Care, with Diagnosis & Treatment flat; 3.5% growth YTD 2026
- Adj. EBITA margin increased 70 bps to 13.0%; 30 bps expansion YTD 2026 despite cost inflation and tariffs, excluding the US tariff refund
- Disciplined cost management and productivity initiatives delivered EUR 170 million in net savings; EUR 427 million YTD 2026
- Respironics reached an agreement in principle with the U.S. DOJ and recorded a provision of EUR 288 million[1]

2026 Outlook reiterated:

- Comparable sales growth: 3% - 4.5%
- Adj. EBITA margin: 13.5% - 14.0%, including a US tariff refund benefit of ~1%
- Free cash flow: EUR 1.5 - 1.7 billion, including a net US tariff refund benefit of ~EUR 200 million

Note: within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs and assumes payment of the US DOJ settlement in the first quarter of 2027. The outlook excludes other ongoing Philips Respironics-related proceedings, including the investigation by the US State Attorneys General.

1. The settlement is subject to finalization of the relevant documentation.

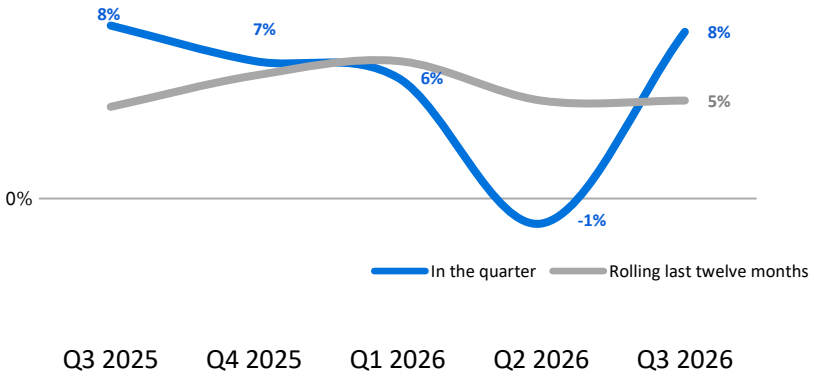


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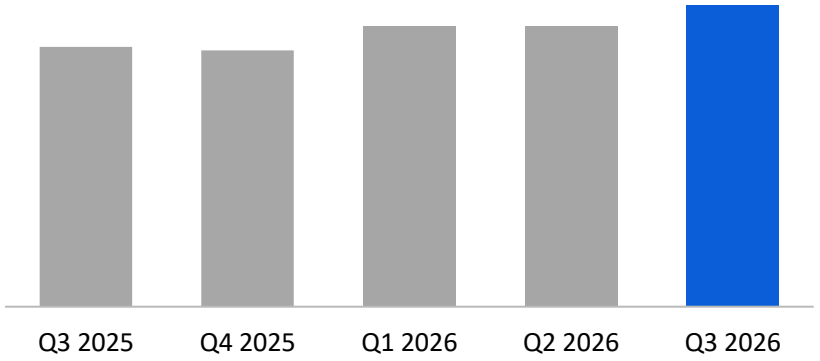
Commercial momentum and a strong order book support delivery of our 2026 outlook and beyond

Comparable equipment order intake growth[1]



- Growth approached 20% in Diagnosis & Treatment; broad-based strength and double-digit growth in both Image-Guided Therapy and Precision Diagnosis
- Connected Care declined mid-single digits, against over 20% growth in the prior-year and reflecting the timing of large orders

Indexed equipment order book[1] development



- Order book higher sequentially and year-on-year, with inherent quarterly unevenness
- Growing share of multi-year Monitoring- and Software-as-a-Service agreements, driving recurring revenue growth
- Order book accounts for ~40% of revenue

1. Mainly composed of equipment orders in Diagnosis & Treatment and Connected Care businesses

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AI-enabled innovations and strategic partnerships driving strong commercial momentum

Diagnosis & Treatment









Innovations contributing to order momentum

Spectral CT portfolio
order book grew double digits YoY

CT 5300
order book nearly doubling YoY

BlueSeal MR
~75% of our MR systems shipped year-to-date were helium-free

Winning vendor-of-choice positions at major US health systems

One open integrated interventional platform creating opportunities for growth and installed base expansion

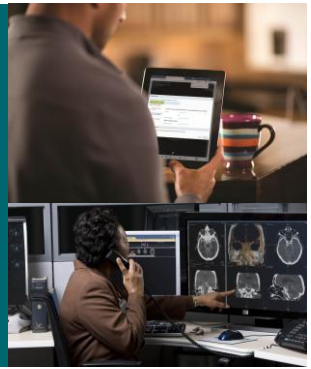


Connected Care

Building durable growth through long-term as-a-service agreements

Partnerships with Avera Health and Ontario Health expand our reach across monitoring and enterprise imaging informatics

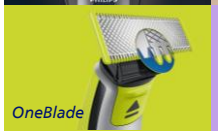
Supporting standardized patient monitoring across multiple hospitals and province-wide imaging modernization

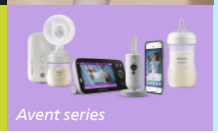


Personal Health









Driving category growth for our top retail partners

Market share gains and strong sell-out, driven by category leadership, innovation and premiumization—winning more shelf space with key retailers

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Our platforms, clinical differentiation and AI capabilities extend leadership and create new growth opportunities across the portfolio

Image-Guided Therapy



Philips selected for ARPA-H[1]

Advancing AI-enabled robotic stroke care through Azurion

with Johns Hopkins University and Boston University, developing remote-assisted and increasingly automated interventions

Magnetic Resonance



Philips and Imricor introduced

First commercially available cardiac interventional MR lab solution

enabling radiation-free, MR-guided cardiac interventions

Personal Health



First at-home IPL hair removal device

Lumea 9900 Pro

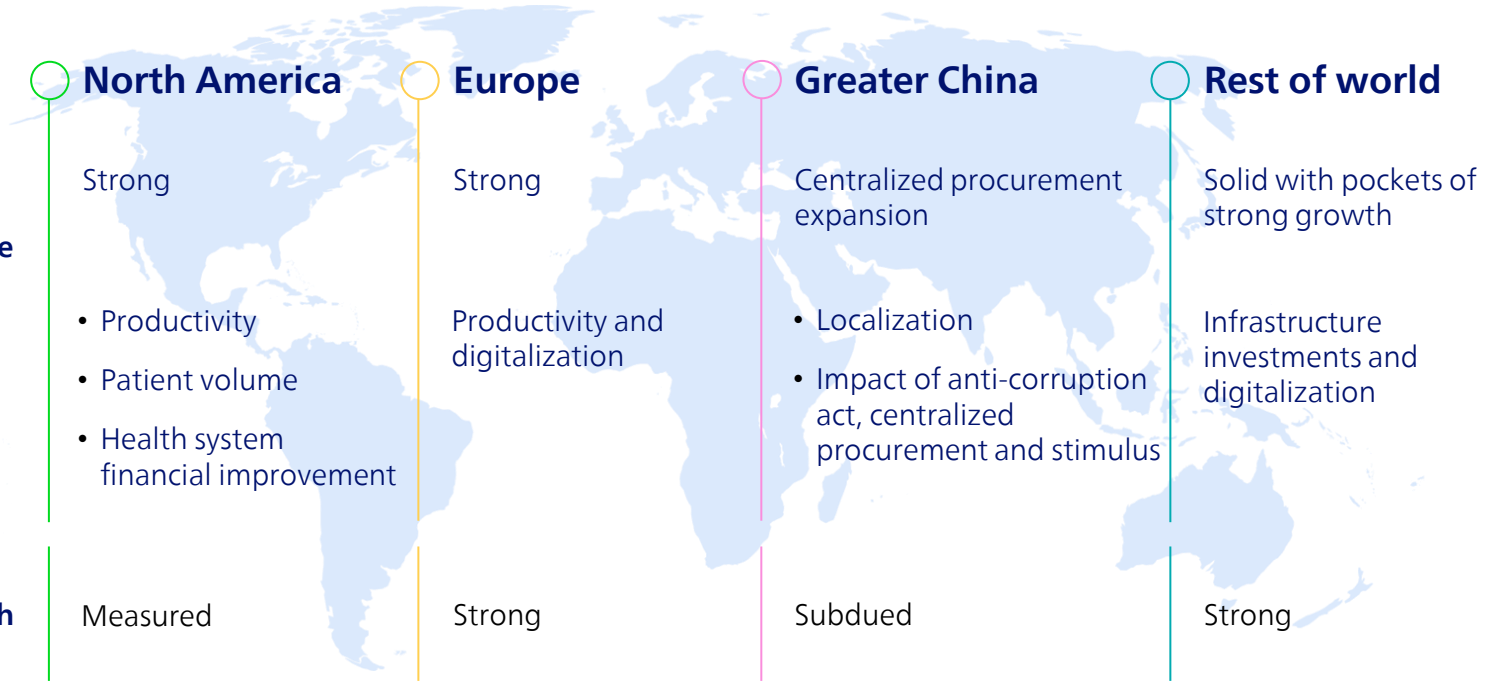
with real-time audio feedback and motion guidance that talks to you[2]

1. Advanced Research Projects Agency for Health, an agency within the U.S. Department of Health and Human Services (HHS) Autonomous Interventions and Robotics (AIR) program | 2. Based on at home IPL devices in market

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Global hospital demand and consumer sentiment



	North America	Europe	Greater China	Rest of world
Diagnosis & Treatment and Connected Care	Strong	Strong	Centralized procurement expansion	Solid with pockets of strong growth
Key drivers	• Productivity • Patient volume • Health system financial improvement	Productivity and digitalization	• Localization • Impact of anti-corruption act, centralized procurement and stimulus	Infrastructure investments and digitalization
Personal Health	Measured	Strong	Subdued	Strong

Disciplined execution across evolving demand and geopolitical dynamics

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Diagnosis & Treatment

Financial performance

In millions of EUR unless otherwise stated	Q3 2026	Q3 2025
Sales	2,085	2,080
Comparable sales growth	0%	1%
Adj. EBITA margin	12.3%	11.8%
Income from operations	219	200

Q3 2026 highlights

- Mid-single-digit growth in Image-Guided Therapy; mid-single-digit decline in Precision Diagnosis, due to Ultrasound and China
- Ultrasound impacted by shipment delays related to manufacturing process improvements; production ramping since late Q3
- Adj. EBITA margin increased 50 bps to 12.3%, driven by higher gross margin from innovation and productivity measures, partly offset by cost inflation



Image-Guided Therapy
Azurion

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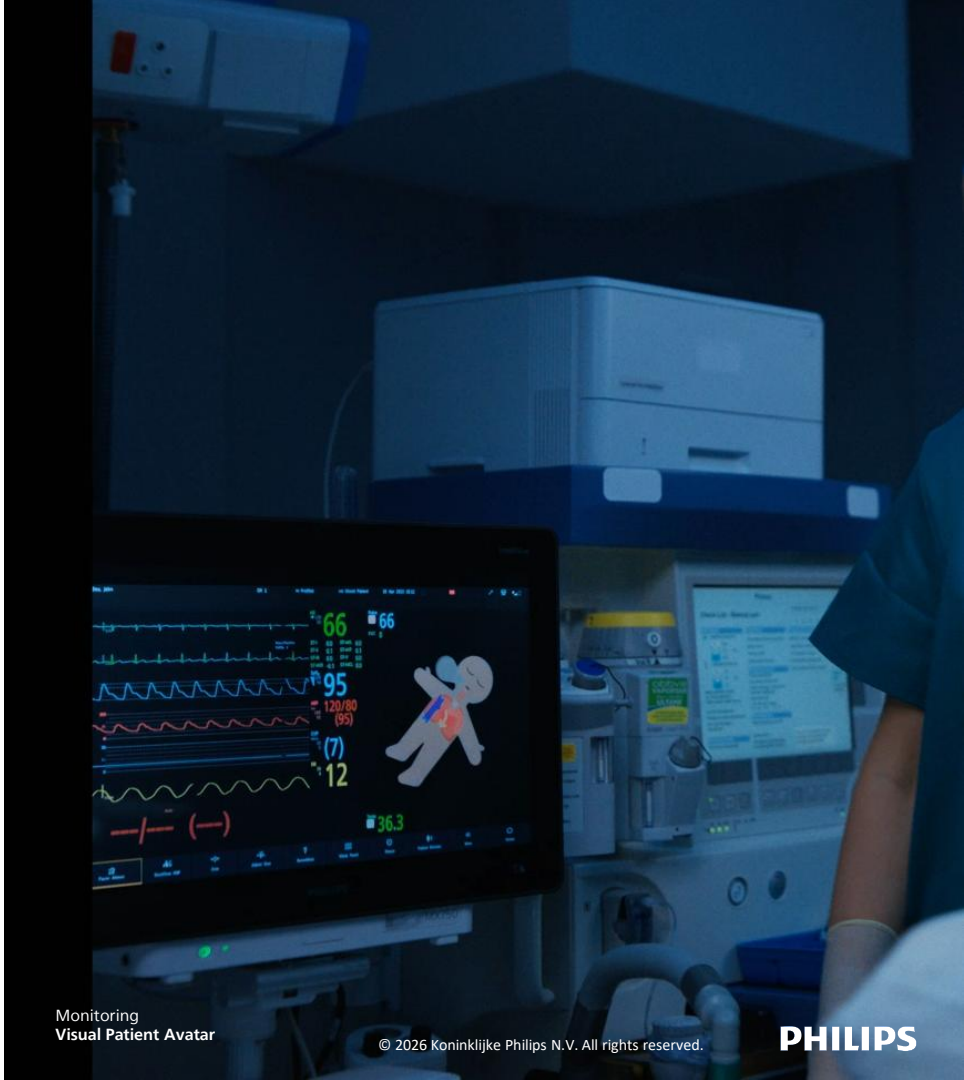
Connected Care

Financial performance

In millions of EUR unless otherwise stated	Q3 2026	Q3 2025
Sales	1,176	1,200
Comparable sales growth	5%	5%
Adj. EBITA margin	13.3%	11.4%
Income from operations	-195[1]	12

Q3 2026 highlights

- Mid-single-digit growth in Monitoring and Sleep & Respiratory Care; high-single-digit growth in Enterprise Informatics, partly benefiting from the timing of larger implementations
- Broad-based growth across all regions
- Adj. EBITA margin increased 190 bps to 13.3%, driven by higher sales, higher gross margin, favorable mix effects, and productivity measures, partly offset by cost inflation



Monitoring
Visual Patient Avatar

1. Including a EUR 288 million Respironics DOJ settlement provision

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Personal Health

Financial performance

In millions of EUR unless otherwise stated	Q3 2026	Q3 2025
Sales	953	883
Comparable sales growth	8%	11%
Adj. EBITA margin	17.7%	17.1%
Income from operations	165	143

Q3 2026 highlights

- Broad-based growth across all businesses and regions, driven by category leadership, innovation and premiumization
- Strong Europe and Growth geographies; North America grew following a double-digit prior-year increase
- Adj. EBITA margin expanded 60 bps to 17.7% driven by higher sales and productivity measures, partly offset by advertising & promotion spend to sustain demand for our innovations



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Continued momentum and disciplined execution despite an uncertain macro-environment

Q3 2026 vs Q3 2025
In millions of EUR unless otherwise stated

Sales	Adjusted EBITA	Free Cash Flow
4,393	569	384
Comparable Sales Growth 3%	Adjusted EBITA margin 13.0%, +70 bps	Year-on-year improvement +212

- Growth led by Personal Health and Connected Care with Diagnosis & Treatment flat
- Growth across all regions, led by Europe

- Margin expansion across all three segments
- Mainly driven by higher sales, higher gross margin, and productivity measures, partly offset by cost inflation

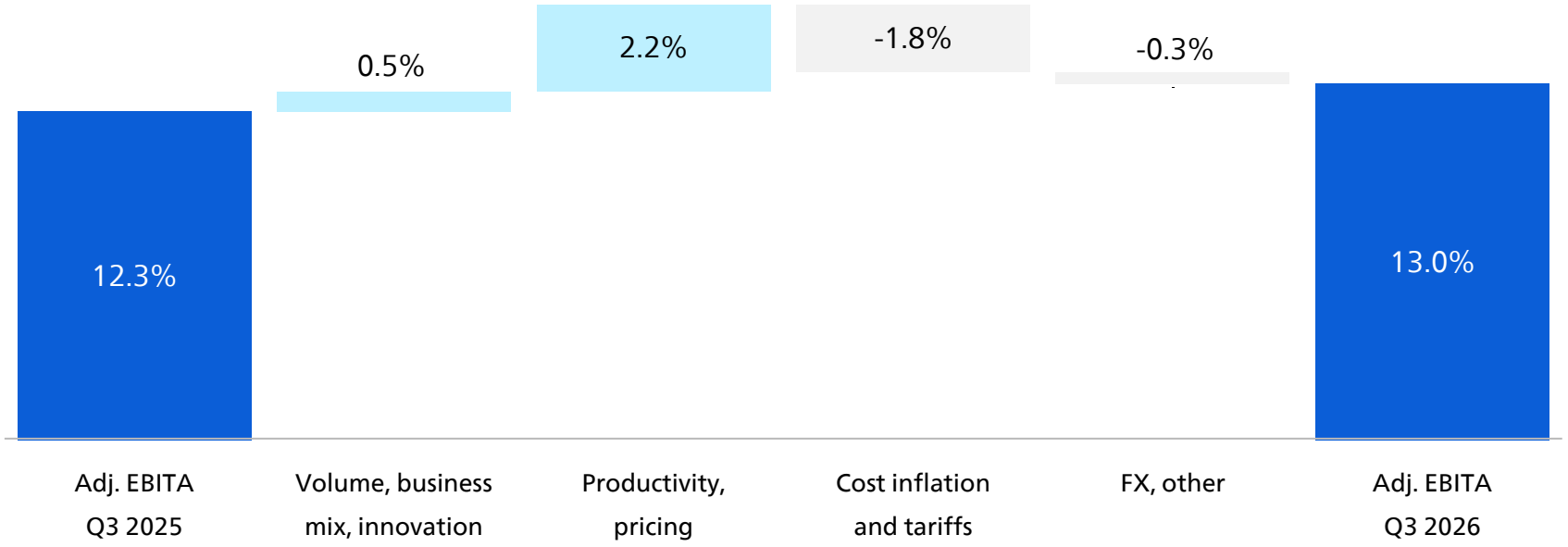
- Free cash flow driven by higher cash earnings and lower working capital outflows
- Leverage ratio[1] improved from 2.2x to 1.7x

1. On a net debt to adjusted EBITDA basis

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Strong margin expansion driven by sales growth, higher gross margin and productivity measures, more than offsetting inflation

Group Adj. EBITA margin[1] Q3 2026



1. Excluding restructuring costs, acquisition-related charges and other items

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Productivity initiatives delivered EUR 427 million year-to-date; on track to deliver our EUR 1.5 billion program 2026-2028

Productivity initiatives net savings

In millions of EUR unless otherwise stated

		Q3 2026	To date Q1 2026 – Q3 2026
Cost competitiveness Project Synchronize	• Platform & SKU optimization • Lower costs and unlock R&D capacity • Improve quality & supply chain reliability	**EUR 170 million**	**EUR 427 million**
Lean enabling functions Simplify to Perform	• Lean central functions, operating at best-in-class cost benchmark levels • AI-enabled efficiencies in Marketing, R&D, Services		
Tariff mitigation	• Currently known tariff impact fully mitigated by end of 2028 • Accelerate targeted regionalization • Supplier and network optimization		

Note: Within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs and assumes payment of the US DOJ settlement in the first quarter of 2027. The outlook excludes other ongoing Philips Respironics-related proceedings, including the investigation by the US State Attorneys General

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2026 outlook

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Philips reiterates 2026 outlook

Full-year 2026

Comparable sales growth 3%-4.5%	• Diagnosis & Treatment: upper end of low-single-digit range; Q4 acceleration supported by Ultrasound shipments phasing from Q3 and order book conversion • Connected Care: within the outlook range of 3%-4.5% • Personal Health: lower end of high-single-digit range • Growth led by North America and International Regions; Greater China expected to be broadly stable
Adj. EBITA margin 13.5%-14.0%	• Expansion driven by sales growth, innovation, favorable mix effects and productivity • Annualized tariffs and input cost inflation, with mitigation actions expected to increase during the second half of the year through supply chain optimization, cost discipline, and selective pricing • Includes a US tariff refund benefit of ~1%
Free Cash Flow EUR 1.5-1.7 billion	• Higher earnings and lower adjusting items, partly offset by a targeted increase in capital expenditure related to selective localization, multi-modality manufacturing, and tax • Includes a net US tariff refund benefit of ~EUR 200 million • Assumes payment of the US Department of Justice settlement in Q1 2027

Note: Within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs and assumes payment of the US DOJ settlement in the first quarter of 2027. The outlook excludes other ongoing Philips Respironics-related proceedings, including the investigation by the US State Attorneys General.

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Restructuring, acquisition-related charges and other items

Full-year 2026

Restructuring costs ~60 bps	• Cost competitiveness (Project Synchronize) • Lean enabling functions (Simplify to Perform)
Other items ~280 bps ~120 bps excl. DOJ settlement, unchanged vs. prior outlook	• Mainly related to the Consent Decree, other quality action-related charges, and acquisition-related charges • Includes a EUR 288 million Respironics DOJ settlement provision recorded in Q3 2026

Q4 2026

Restructuring costs, other items	• EUR 170 million: Diagnosis & Treatment 30 million, Connected Care 55 million, Personal Health 5 million, segment Other 80 million

Note: Within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs and assumes payment of the US DOJ settlement in the first quarter of 2027. The outlook excludes other ongoing Philips Respironics-related proceedings, including the investigation by the US State Attorneys General.

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Latest FX, below the line items and segment Other outlook

	Q4 2026	Full year 2026
FX, consolidation and deconsolidation impact on sales[1]	1.5%	-2.5%
Diagnosis & Treatment	2.5%	-2.0%
Connected Care (including divestment of Emergency Care[2])	-3.0%	-8.0%
Personal Health	1.5%	-2.0%
Effective tax rate		24 – 26%
Financial income and expense (EUR million)		~ -230[3]
Segment Other (EUR million)		
Sales	~185 – 195[4]	~ 720 – 730[4]
Adj. EBITA	~ -10	~0
EBITA	~ -90	~ -120

1. Based on September 2026 FX rate. Final impact subject to change based on FX movements and geographic sales mix | 2. Completed in Q4 2025 and represented ~5% of Connected Care sales in 2026 and a low margin profile. The divestment is expected to be slightly accretive to Adjusted EBITA margins, with no expected impact on Comparable Sales Growth | 3. Previous outlook: EUR -240 million to -260 million | 4. Segment Other sales outlook increased from EUR 680–700 million previously to EUR 720–730 million, mainly reflecting divestment-related activities that are excluded from Comparable Sales Growth and contribute only a negligible amount to Adjusted EBITA. Related sales are expected to be approximately EUR 50 million in Q4 2026 and EUR 170 million for the full year 2026.
Note: Within the context of an uncertain macro-environment, Philips' 2026 outlook includes currently known tariffs and assumes payment of the US DOJ settlement in the first quarter of 2027. The outlook excludes other ongoing Philips Respironics-related proceedings, including the investigation by the US State Attorneys General.

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Financial appendix

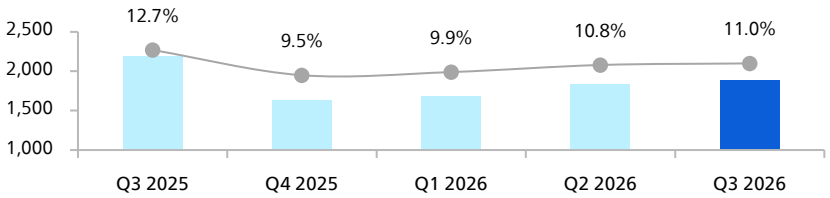
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Working capital and inventories

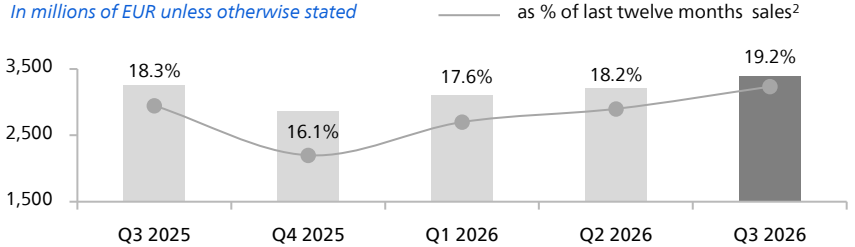
Group working capital[1]

In millions of EUR unless otherwise stated

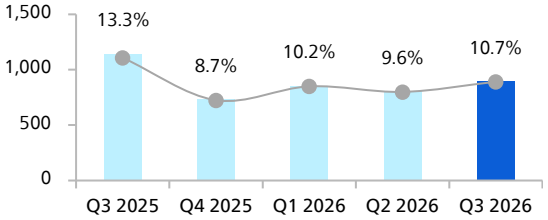


Group inventories

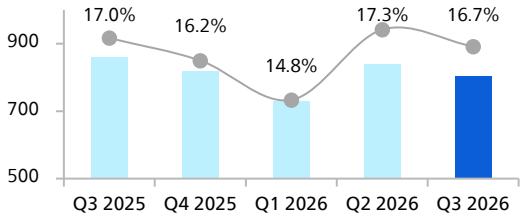
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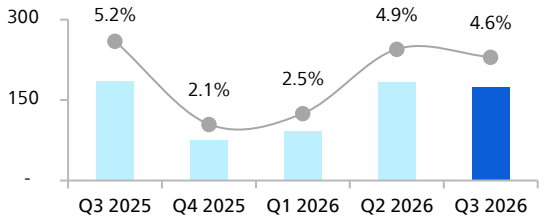
Diagnosis & Treatment



Connected Care



Personal Health



1. Working capital excluding segment Other | 2. Excluding acquisitions, divestments, and discontinued operations

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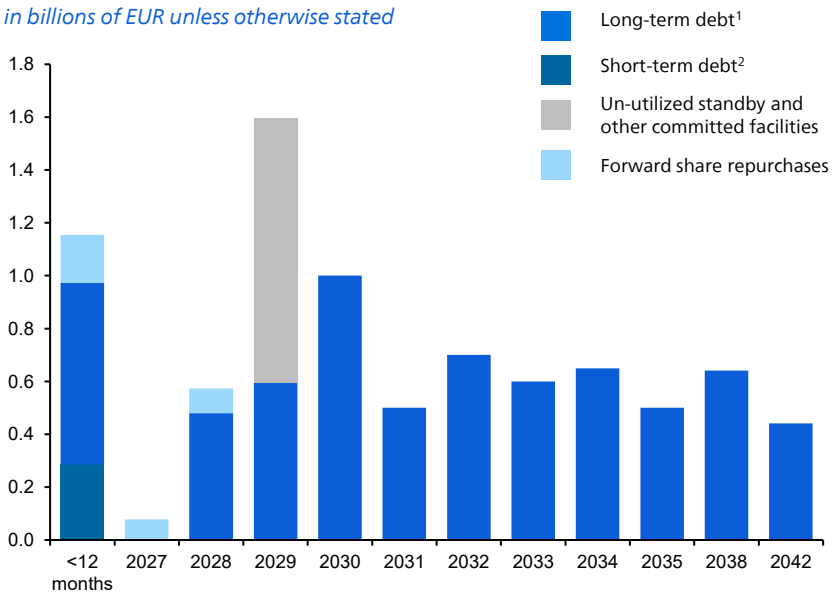
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Debt maturity profile and liability management

Long-term debt profile and liability management

- Total net debt position of EUR 5.4 billion
- Issued EUR 650 million of bonds under the European Green Bond Standard
- Maturities up to 2042
- Average tenor of long-term debt is 6.0 years[3]
- No financial covenants
- EUR 1 billion of committed credit facilities

Debt maturity profile as per September 30, 2026



1. Excluding long-term operating leases | 2. Short-term debt includes local credit facilities that are being rolled forward on a continuous basis as well as Commercial Paper | 3. Based on long-term debt only

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Net capital expenditures, depreciation and amortization

In millions of EUR unless otherwise stated	Q3 2026	Q3 2025
Net capital expenditures	-160	-155
Depreciation	-138	-147
Amortization and impairment:	-117	-156
of acquired intangible assets	-52	-79
of other intangible assets	-65	-78

Note: Amounts may not add up due to rounding

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Restructuring, acquisition-related charges and other items

In millions of EUR unless otherwise stated

	Q1 2026	Q2 2026	Q3 2026	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Restructuring and acquisition-related charges								
Diagnosis & Treatment	(34)	11	11	14	15	6	8	43
Connected Care	23	(101)	5	15	17	33	60	126
Personal Health	2	2	-	3	5	4	4	17
Segment Other	30	3	3	34	8	13	19	74
Philips Group	**22**	**(86)**	**18**	**67**	**46**	**57**	**91**	**260**
Other items								
Diagnosis & Treatment	4	5[1)]	5[1)]	-	21[1)]	22[1)]	33[1)]	77
Connected Care	35[1)2)3)]	101[1)2)3)5)]	322[1)2)3)6)]	76[1)2)3)]	20[1)2)3)4)]	36[1)2)3)]	56[1)2)3)4)]	188
Personal Health	-	-	-	-	-	-	-	-
Segment Other	-	-	7	-	-	7	(2)	5
Philips Group	**39**	**106**	**335**	**76**	**41**	**65**	**88**	**270**
Restructuring, acquisition- related charges & other items								
Restructuring	61	(32)	14	61	43	52	86	242
Acquisition-related charges	(39)	(54)	4	6	3	5	5	19
Other items	39	106	335	76	41	65	88	270
Philips Group	**61**	**20**	**353**	**143**	**86**	**122**	**179**	**531**

1. Quality actions | 2. Respironics field-action running costs | 3. Respironics consent decree charges | 4. Contract settlement gain | 5. Portfolio realignment charges | 6. Respironics DOJ settlement provision

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