

Amsterdam, April 7, 2021

Updated reporting to reflect the treatment of the Domestic Appliances business as discontinued operations

- On March 25, 2021, Philips announced that it had signed an agreement to sell its Domestic Appliances business to Hillhouse Capital. The transaction is expected to be completed in the third quarter of 2021, subject to customary closing conditions, including the relevant regulatory approvals.
- As of the first quarter of 2021, the Domestic Appliances business will be presented as discontinued operations. As a result, sales and results from the Domestic Appliances business will no longer be included in the results of continuing operations.
- Relevant assets and liabilities of the Domestic Appliances business will be reported under Assets and Liabilities classified as held for sale in the Condensed consolidated balance sheets from March 31, 2021 onwards.
- Philips will continue to consolidate Domestic Appliances under International Financial Reporting Standards (IFRS) until the sale is completed.
- Financial reporting is in accordance with IFRS. The definition of non-IFRS information can be found in Chapter 12.3 'Reconciliation of non-IFRS information' of the Annual Report 2020.
- All data included in this report are preliminary and unaudited.

Key figures

Sales composition in millions of EUR

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	1,722	2,063	2,117	2,582	8,485	1,827	1,919	1,971	2,458	8,175
Connected Care	1,014	1,161	1,145	1,354	4,674	1,107	1,324	1,556	1,582	5,568
Personal Health (excluding DA)	770	828	802	1,116	3,516	668	644	805	1,056	3,173
Other	120	97	82	173	472	90	87	79	140	396
Total	3,627	4,149	4,147	5,225	17,147	3,693	3,974	4,411	5,235	17,313

Comparable sales growth in %

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	2%	6%	9%	5%	5%	2%	(9)%	(3)%	1%	(2)%
Connected Care	(1)%	6%	5%	2%	3%	7%	14%	42%	24%	22%
Personal Health (excluding DA)	6%	4%	4%	9%	6%	(14)%	(21)%	5%	0%	(7)%
Total	2%	6%	6%	4%	5%	(1)%	(5)%	10%	6%	3%

Income from operations (EBIT) in millions of EUR

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	51	168	222	219	660	9	104	99	285	497
Connected Care	20	75	(10)	184	269	44	172	280	215	711
Personal Health (excluding DA)	114	135	113	226	589	38	(4)	106	215	356
Other	-	(64)	(68)	(19)	(152)	(82)	(68)	(88)	(62)	(300)
Total	185	314	257	610	1,366	9	205	396	654	1,264

EBITA in million of EUR

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	77	214	250	314	856	41	225	125	315	706
Connected Care	55	110	104	220	488	78	205	307	399	989
Personal Health (excluding DA)	118	140	118	231	607	42	0	110	219	371
Other	2	(62)	(66)	(17)	(144)	(68)	(67)	(87)	(61)	(282)
Total	253	401	405	748	1,807	92	364	456	872	1,784

EBITA in %

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	4.5%	10.4%	11.8%	12.2%	10.1%	2.2%	11.7%	6.3%	12.8%	8.6%
Connected Care	5.4%	9.5%	9.1%	16.2%	10.4%	7.0%	15.5%	19.7%	25.2%	17.8%
Personal Health (excluding DA)	15.3%	16.9%	14.7%	20.7%	17.3%	6.3%	0.0%	13.7%	20.7%	11.7%
Total	7.0%	9.7%	9.8%	14.3%	10.5%	2.5%	9.2%	10.3%	16.7%	10.3%

Adjusted EBITA in million of EUR

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	107	254	297	420	1,078	117	166	192	344	818
Connected Care	84	141	130	263	620	109	236	422	431	1,198
Personal Health (excluding DA)	133	145	140	255	672	49	36	120	222	426
Other	(24)	(33)	(49)	5	(100)	(66)	(48)	(50)	(1)	(165)
Total	301	508	518	943	2,270	208	390	684	995	2,277

Amounts may not add up due to rounding

Adjusted EBITA in %

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	6.2%	12.3%	14.0%	16.3%	12.7%	6.4%	8.7%	9.7%	14.0%	10.0%
Connected Care	8.3%	12.1%	11.4%	19.4%	13.3%	9.8%	17.8%	27.1%	27.2%	21.5%
Personal Health (excluding DA)	17.3%	17.5%	17.5%	22.8%	19.1%	7.3%	5.6%	14.9%	21.0%	13.4%
Total	8.3%	12.3%	12.5%	18.1%	13.3%	5.6%	9.8%	15.5%	19.0%	13.2%

Adjusted EBITDA in million of EUR

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	170	323	368	496	1,357	189	235	265	422	1,111
Connected Care	129	186	176	313	804	154	289	475	497	1,415
Personal Health (excluding DA)	158	172	168	296	794	79	70	149	258	556
Other	44	42	27	91	204	24	36	35	86	180
Total	502	722	738	1,197	3,159	445	630	924	1,263	3,262

Adjusted EBITDA in %

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Diagnosis & Treatment	9.9%	15.7%	17.4%	19.2%	16.0%	10.3%	12.2%	13.4%	17.2%	13.6%
Connected Care	12.7%	16.0%	15.4%	23.1%	17.2%	13.9%	21.8%	30.5%	31.4%	25.4%
Personal Health (excluding DA)	20.5%	20.8%	20.9%	26.5%	22.6%	11.8%	10.9%	18.5%	24.4%	17.5%
Total	13.9%	17.4%	17.8%	22.9%	18.4%	12.0%	15.9%	20.9%	24.1%	18.8%

Amounts may not add up due to rounding

Condensed consolidated statements of income

in millions of EUR unless otherwise stated

	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Sales	17,147	3,693	3,974	4,411	5,235	17,313
Cost of sales	(9,249)	(2,042)	(2,315)	(2,427)	(2,710)	(9,493)
Gross margin	7,899	1,651	1,660	1,984	2,525	7,820
Selling expenses	(4,125)	(1,019)	(964)	(971)	(1,109)	(4,064)
General and administrative expenses	(586)	(149)	(155)	(156)	(160)	(620)
Research and development expenses	(1,790)	(466)	(434)	(456)	(465)	(1,822)
Other business income	154	3	107	1	11	122
Other business expenses	(186)	(10)	(9)	(6)	(149)	(173)
Income from operations	1,366	9	205	396	654	1,264
Financial income	114	33	67	27	40	158
Financial expenses	(233)	(52)	(47)	(53)	(59)	(202)
Investment in associates, net of income taxes	1	(4)	-	(5)	(1)	(9)
Income before taxes	1,248	(14)	226	365	634	1,211
Income tax expense	(258)	30	(30)	(86)	(126)	(212)
Income from continuing operations	990	17	195	279	508	999
Discontinued operations, net of income taxes	183	22	14	61	99	196
Net income	1,173	39	210	340	607	1,195
Attribution of net income						
Income from continuing operations attributable to shareholders ¹⁾	985	16	194	277	504	991
Net income attributable to shareholders ¹⁾	1,167	38	208	338	603	1,187
Net income attributable to non-controlling interests	5	1	2	2	4	8
Earnings per common share						
Weighted average number of common shares outstanding (after deduction of treasury shares) during the period (in thousands): ¹⁾						
- basic	921,062	907,382	906,870	909,355	907,303	907,721
- diluted	930,771	915,760	914,273	916,946	915,209	916,625
Income from continuing operations attributable to shareholders ¹⁾						
- basic	1.07	0.02	0.21	0.30	0.56	1.09
- diluted	1.06	0.02	0.21	0.30	0.55	1.08
Net income attributable to shareholders ¹⁾						
- basic	1.27	0.04	0.23	0.37	0.66	1.31
- diluted	1.25	0.04	0.23	0.37	0.66	1.29

¹⁾ Shareholders refers to shareholders of Koninklijke Philips N.V. Per share and weighted average share calculations have been adjusted retrospectively for all periods presented to reflect the issuance of shares for the share dividend in respect of 2019.

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