
Philips Delivers on Q1 results, with Ongoing Order Intake Growth



Q1 2025 Group performance

- Group sales EUR 4.1 billion, reflecting a 2% decline in comparable sales growth mainly due to China; slightly ahead of company outlook due to Personal Health growth and royalty phasing
- Comparable order intake increased 2% despite China decline
- Income from operations increased to EUR 154 million
- Adjusted EBITA margin declined 80 bps to 8.6% of sales, driven by sales phasing
- Free cash outflow of EUR 1,091 million included EUR 1,025 million payment for Philips Respironics recall-related medical monitoring and personal injury settlements in US
- Updated full year 2025 outlook for Adjusted EBITA margin and free cash flow; sales outlook remains unchanged

Roy Jakobs, CEO of Royal Philips:

“We remain dedicated to serving our customers, driving profitable growth and delivering better care for more people. Our order intake growth continued with strong momentum particularly in the US, coupled with positive growth in personal health, providing an encouraging start to the year.

In an uncertain macro environment that has intensified due to the potential impact of tariffs, we are focused on what we can control. We are improving our supply chain agility, taking decisive cost actions to mitigate financial impact where possible, and ensuring we can continue to serve our customers and consumers.

Patients around the world rely on our medical technology and innovations every day. We are committed to ensuring access to care as we focus on execution, with patient safety and quality as our number one priority.”

Group and segment performance

Comparable order intake increased 2%, primarily driven by strong performance in North America, offsetting a decline in China.

Group comparable sales decreased 2%, reflecting double-digit declines across all segments in China and a high comparison base in Diagnosis & Treatment globally. Comparable sales increased slightly outside of China, mainly driven by positive Personal Health growth in most other markets.

Adjusted EBITA margin decreased 80 basis points to 8.6%, mainly due to the decline in sales, partly offset by higher gross margins from innovations and productivity measures. Income from operations increased to EUR 154 million. Free cash flow was an outflow of EUR 1,091 million, mainly due to the EUR 1,025 million payment relating to the Philips Respironics recall-related medical monitoring and personal injury settlements in the US.

Diagnosis & Treatment comparable sales decreased by 4%, due to a double-digit decline in China and on the back of a high comparison base in prior years. Image-Guided Therapy continued its strong performance, reinforcing its position as a global leader in minimally invasive therapy. Adjusted EBITA margin improved, driven by productivity measures, mix effects and innovation, partly offset by lower fixed cost absorption due to lower sales.

Connected Care comparable sales were broadly flat across businesses and Adjusted EBITA margin was 3.5%, mainly due to an unfavorable mix and cost phasing, partly offset by productivity measures and innovation.

Personal Health comparable sales increased 1%. High-single-digit growth was largely offset by a double-digit decline in China. Adjusted EBITA margin remained in line with last year.



Innovation highlights

- Philips was the leading applicant in medical technology at the European Patent Office (EPO) in 2024, and Clarivate recognized Philips as the top-ranked medical technology company in the Top 100 Global Innovators 2025.
- Philips introduced new AI technologies to accelerate precise imaging and enhance patient outcomes. In MRI systems, advanced AI algorithms are integrated through SmartSpeed Precise powered by Dual-AI engines. In ultrasound, innovative Elevate software in EPIQ Elite and Affiniti ultrasound systems is enhanced by AI, and AI-driven measurement capabilities for the Compact Ultrasound 5500CV is proven to reduce cardiac imaging time by 50%.
- Philips signed partnerships to improve patient monitoring and modernize workflows with Citadelle Hospital in Belgium, the region of Norrbotten in Sweden, and Hospital Israelita Albert Einstein in Brazil.
- Philips' Dynamic Coronary Roadmap reduces contrast media use by 28.8% during an Image-Guided Therapy procedure to open blocked coronary arteries, called percutaneous coronary intervention (PCI), according to findings from the DCR4Contrast trial. A secondary analysis highlighted further benefits for complex conditions.
- HealthSuite's innovative cloud services launched in Europe, managed by Philips and hosted on AWS. In the US, approximately 12 million medical imaging studies will be migrated to the cloud for Rochester Regional Health in New York, and in Massachusetts, a partnership with Mass General Brigham will integrate device data via the vendor-agnostic Capsule Medical Device Information Platform.

Productivity

Productivity initiatives delivered savings of EUR 147 million in Q1: operating model savings of EUR 42 million, procurement savings of EUR 46 million, and other programs savings of EUR 59 million; Philips is on track to deliver savings of EUR 800 million in 2025. Since 2023, productivity initiatives have delivered savings of more than EUR 1.9 billion.

Outlook

In an uncertain macro environment, Philips' outlook for full year 2025 is updated to include the assumed impact of currently announced tariffs. This includes current bilateral US-China and rest of world tariffs, the resumption of the paused US tariffs on July 9 and excludes potential wider economic impact.

- Philips' outlook for comparable sales growth remains unchanged at 1%-3%
- Adjusted EBITA margin range to be 10.8%-11.3%, including an estimated net tariff impact of EUR 250-300 million after substantial tariff mitigations, a 100 bps reduction versus previous outlook, based on the above-referenced assumptions
- As a result, free cash flow to be slightly positive for the full year, after the payout of EUR 1,025 million Philips Respironics recall-related medical monitoring and personal injury settlements in the US
- The company continues to anticipate 2025 performance will be skewed toward the latter part of the year, with Q2 showing modest improvement from Q1.

This outlook excludes ongoing Philips Respironics-related proceedings, including the investigation by the US Department of Justice.

Source & Image Credit: [Philips](#)

Published on : Tue, 6 May 2025