

## Philips Healthcare: New Management Structure to Improve Performance



- Healthcare EBITA below market expectations in Q2; Group EBITA broadly in line
- Healthcare business groups to report directly to CEO Frans van Houten
- Healthcare CEO Deborah DiSanzo has decided to leave the company to pursue other

Royal Philips has announced that it is implementing a new management structure in its Healthcare sector to improve performance and allow it to respond better to evolving customer demands in a changing health care landscape. In this new model, the Healthcare business groups will report directly to Philips Chief Executive Officer Frans van Houten, thereby removing one management layer. Deborah DiSanzo, CEO of Philips Healthcare, has decided to leave the company to pursue other opportunities.

“The performance in our Healthcare sector is disappointing, with second-quarter EBITA expected to be approximately EUR 220 million, while expected Group EBITA of approximately EUR 400 million in the second quarter is in line with current market expectations,” said Frans van Houten. “We anticipate, however, EBITA performance in Healthcare to improve in the second half compared to the same period in 2013 as, among others, Cleveland gradually resumes production in the course of the third quarter. Our Healthcare business represents more than 40% of the revenue of Philips and is at the heart of Philips’ mission to deliver meaningful innovation to improve people’s lives. Today’s announcement is an example of how we are taking decisive action to improve our performance and competitiveness, and demonstrates our relentless commitment to quality and meaningful innovation that meet the needs of our customers.”

“The global health care industry is undergoing a paradigm shift, providing significant opportunities for Philips to deliver more integrated solutions across the continuum of care, from prevention, diagnosis and treatment, to monitoring and after care. Our integrated systems and solutions in both professional care facilities and in people’s homes are making us an attractive partner for hospitals and health systems, which position us well to create more multi-year partnerships with medical institutions such as the recently announced partnership with New Karolinska University Hospital in Sweden,” added Frans van Houten.

Commenting on Deborah DiSanzo’s departure, Frans van Houten said “I want to thank Deborah for her leadership of the Healthcare business and wish her the very best with her future endeavors.”

[Source: Philips Healthcare](#)

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