

# PHILIPS

## Kitchen Appliances Philips Airfryer - *Trade Presentation*

Updated Q4 2013



## Agenda



## Philips Kitchen Appliances has over 80 years of innovations

*We have the knowledge to deliver superior consumer experience*



30's



50's



70's



90's



Present



# Philips is an established & dominant global kitchen brand

- #3 company in kitchen appliance sales worldwide
- Portfolio built on performance, quality, design
- Leverage global scale & local insights to localize global propositions
- Innovate around consumer insights and needs



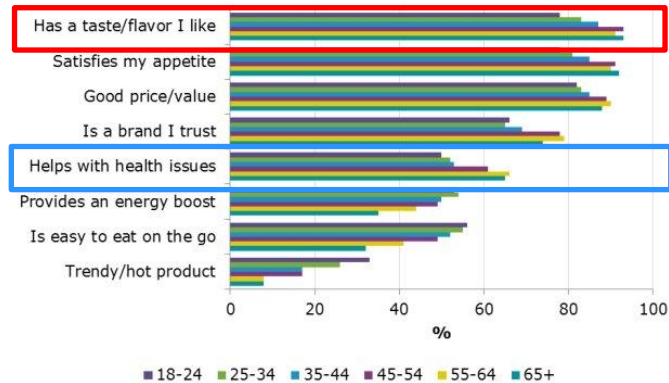
# We see significant potential in the US for Philips to deliver a differentiated kitchen appliance portfolio that meets local needs

## Americans crave **healthy** alternatives...

- 49% of women are interested in buying products that help them have a healthier diet
- 63% of parents indicate they try to eat healthy to provide a better example to their children

## ...while **taste** and flavor still of primary importance...

*"When you choose 'packaged foods' to eat, how important are each of these other attributes?"*



## ...but please make it **easy**!



Source: Mintel, March 2012 survey

# Philips Airfryer

## *Product Concept*

### **Insight**

“I like to serve my family healthy home made food almost everyday. Some of the food they like, seems less healthy, like fried food. Of course we indulge now and then but I wish I could make the food they really like in a healthier way”.

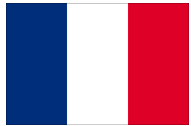
### **Benefit**

Indulge your family with their favorite fried foods in a healthier way.



## The Airfryer has been a huge success globally since 2010, selling over 1MM units

### Rave reviews from consumers and the popular press



★★★★★ (189)



★★★★★ (224)



★★★★★  (392 customer reviews)



GQ Magazine  
100 best things  
in the world  
right now



Top UK Gadget Magazine



Top test  
organization UK



Top Consumer Award  
Netherlands

# There is huge potential for the Airfryer in the US

## Size of prize = 8.6M households

- 121M households in the US
- 20M households with \$75K income or more
- 43% of adults are interested in buying products that help them have a healthier diet

Source: Mintel

## Comparable categories are \$250M - \$350M

- Deep fryers = \$284M
- Convection ovens = \$250M
- Toaster ovens = \$347M

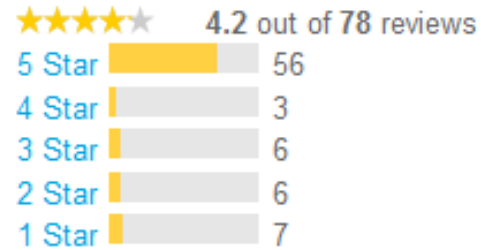


Source: Euromonitor

**Selling an Airfryer to just 1% of this group is a \$20M+ retail business**



# With its test launch in 2013, the Airfryer has proven to resonate with US consumers



**Great product!**

★★★★★ GlindaGirl OH

Review Date: 6/22/2013

Great for air frying all sorts of foods - french fries, appetizers, even breaded fish or chicken. Appreciate that oil is not usually required. Great for those seeking a fried food without the extra calories that a normal deep fryer adds. This was definitely a good purchase for my family.

Source: Review from HSN.com 2013



## Introducing the Philips Airfryer

*Enjoy your favorite fried foods with little or no oil*



**Includes recipe book  
with 20+ recipes**

### Dishwasher safe parts



### Retractable cord



### 30 minute timer



### Adjustable temperature





## What makes the Airfryer so unique?

Rapid Air technology for superior taste without the oil

1



Perfect frying: Crispy on the outside soft and tender on the inside

Patented technology for fast and precise circulating hot air that mimics frying

2



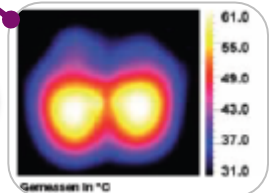
Patented Starfish design  
For evenly cooked food without turning

3

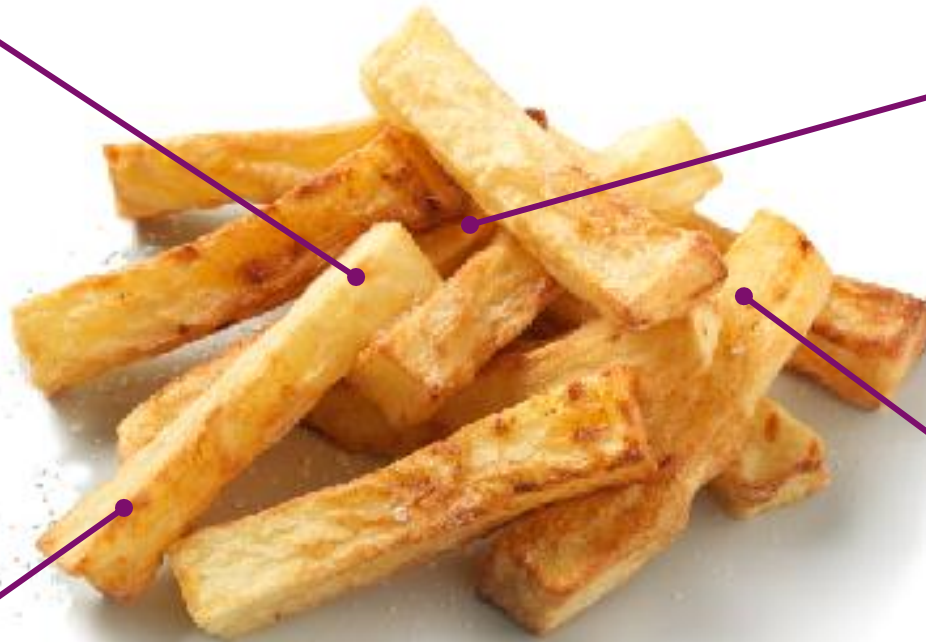


Grill element for perfect browning

4



Optimal temperature profile to ensure food is tender inside





## The Airfryer can do much more than just fry

Rapid Air technology allows you to *bake, roast and grill*, making the Philips Airfryer the one stop cooking solution in your kitchen

Did you know that with the Airfryer you can make...

Vanilla Souffle



Terriyaki-glazed Halibut



Fry

Bake

Roast

Grill

Caramelize





# Airfryer outperforms the competition in 3 key areas: taste, health, speed



Airfryer



Actify



Traditional fryer



Oven

## Tastier\*



Taste (\*)

**2/3 more preferred**

## Healthier\*\*



Health (\*\*)

**1.5%**  
fat in fresh food

**73% more fat**  
for fresh food

**446% more fat**  
in fresh food

**86% more fat in**  
fresh food

## Faster\*\*\*



Time (\*\*\*)

Up to  
**2X Faster**  
than Actify

**30 min**

**15 min**

**18 min**  
(1.2 slower than  
the Airfryer)

\*Compared to Tefal Actify and conventional fryer. Test conducted by Rogil Research in France (n=308) and Belgium (n=311) 2010

\*\*Test conducted by ipi-Institut Germany May 2010

\*\*\* According preliminary internal tests with 750 g of frozen fries. No pre-heating time. To be validated in consumer test done in Q4 2012.



All 2014 Airfryer skus built on the same technological platform



**VIVA (current)**  
\$199/\$249

- + 30-min timer



**DIGITAL VIVA**  
\$299/\$349

- + Digital UI
- + Double layer rack
- + 60-min timer



**AVANCE XL**  
\$349/\$399

- + 50% more capacity
- + 30% faster
- + Smart preset
- + 60-min timer

All models available in white/silver as well

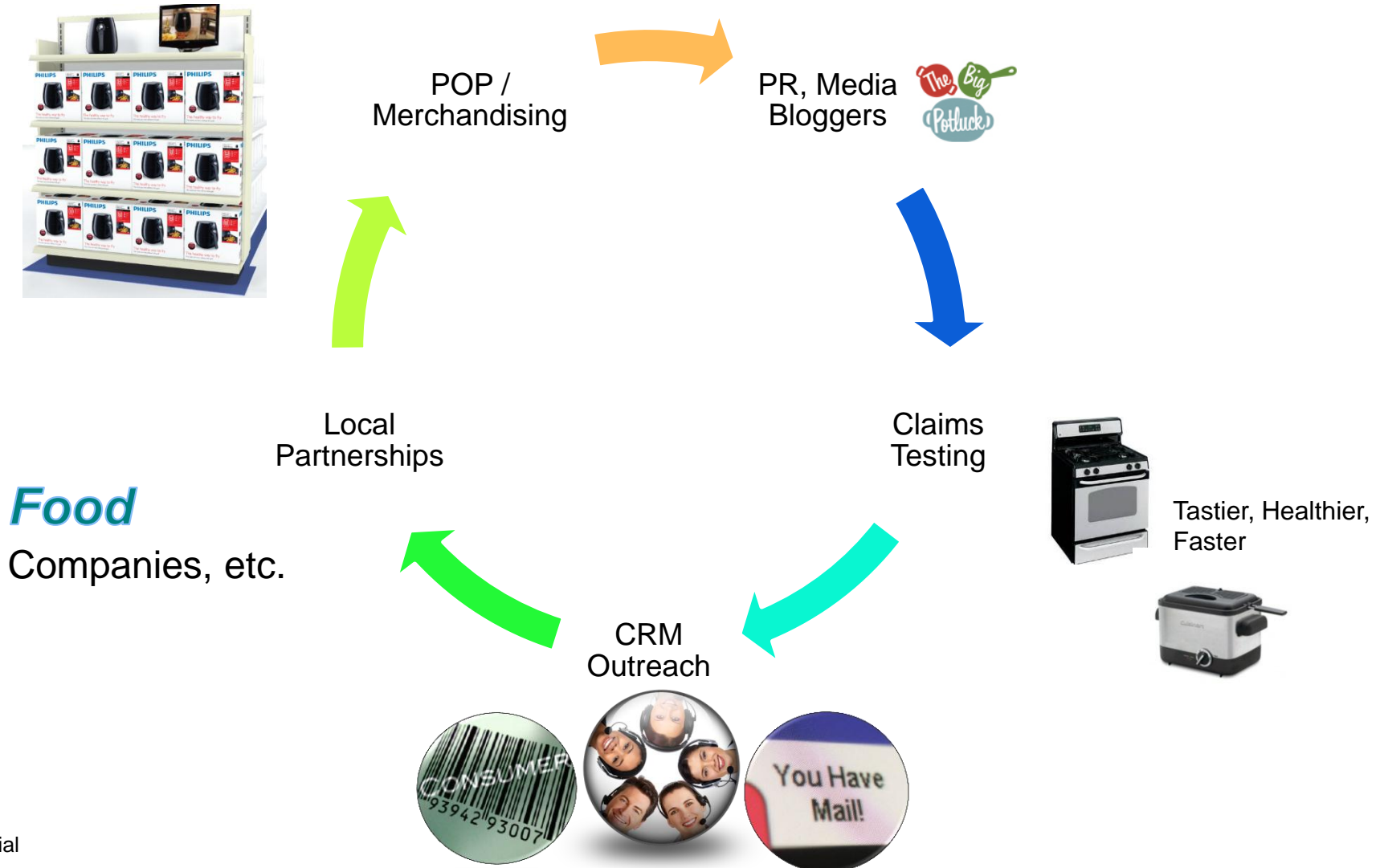


# Airfryer Viva Fact Sheet

<p><b>Proposition</b></p> <ul style="list-style-type: none"> <li>• Enjoy your favorite foods with less oil</li> <li>• Perfect size for one or two people...or just for kids</li> </ul>	<p><b>Product</b></p> <ul style="list-style-type: none"> <li>• 1 tbsp oil or less for most food</li> <li>• Cooks faster than an oven</li> <li>• Dishwasher safe parts</li> <li>• Comp. to Actifry @ \$199</li> <li>• Phase in when possible (soft launch)</li> </ul>	<p><b>Packaging</b></p> <ul style="list-style-type: none"> <li>• The healthy way to fry</li> <li>• Claims on speed and less fat (TBD)</li> <li>• Showcase variety of foods</li> </ul>	<p><b>Price</b></p> <ul style="list-style-type: none"> <li>• <b>MSRP:</b> \$249.99</li> <li>• <b>Invoice price:</b> \$150.00</li> <li>• <b>MAP:</b> \$199.99</li> <li>• Entry sku in Airfryer range</li> </ul>	<p><b>Promotion</b></p> <ul style="list-style-type: none"> <li>• Available January</li> <li>• <b>Peak period:</b> <ul style="list-style-type: none"> <li>– January</li> <li>– MD/FD</li> <li>– Back-to-school</li> <li>– Q4</li> </ul> </li> </ul>
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# Marketing Support - 360° program to drive awareness and local relevance





# Philips Airfryer vs. T-fal Actifry



	Philips AirFryer	T-fal ActiFry
Integrated air filter to keep your kitchen fresh and clean	✓	✓
Dishwasher-proof parts	✓	✓
Adjustable temperature control	✓	
Automatic shut off	✓	
Digital timer and on/off button		✓
Capacity	1.8lbs	2.2lbs
Recommended cooking time – frozen french fries	12min	25min
Dimensions	11.3" x 12.4" x 15.2"	16.7" x 13.6" x 9.4"

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# Tefal Actifry underperforms in most important features

## Key winning points



**Actifry**



**Digital Viva Airfryer**

### Healthier

Rapid Air Technology  
Less fat %



Up to **50%** less



Up to **80%** less fat

### Tastier

Fries crispiness



**2/3 consumers** prefer Airfryer fries' crispiness\*

Accessories



**By-packed** Grilling accessory  
**+ Optional** grilling, baking and frying accessories

Recipe book



### Faster

Cooking Speed\*

**32 min**

**18 min**

Heater power

**1400W**

**1450W**

Capacity

1000g

800g

Timer controls

Digital timer

Digital timer

Temperature controls



**Digital temp control**

Max temperature

**Up to 160°C**

**200°C**

Variable temperature setting



Suitable for delicate food



Airfryer does not have stirring handle that damage the food

# New Tefal Actifry 2in1 promises, but underdelivers

## Higher price vs. previous models, but lower quality and performance



**1** The manual cooking times do not match the actual cooking time of the food.

**Location and low power of the heater** cooks only food in the top



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RRP 349 Euros



**2** Prevents heat from cooking food in lower part



**3** Very long cooking time  
40 min vs. 20 min Airfryer  
25% more than previous Actifry models



**4** Cannot see progress due to top pan



**5** Undercooked food on bottom section



**6** Fatty food due to frying pan



# Tefal Actifry underperforms on most important features

## What is Tefal Actifry?



=



+



Frying pan

Cheap hair dryer  
heating element

## Tefal Actifry disadvantages

### Less Healthy

- As food is in contact with pan, while oil drips out of food, the fat mixes again with food and add to the fat content.

### Less tasty

- Constant stirring damages delicate foods such as fish, croquets and other delicate foods
- Inferior heating mechanism does not make foods as crunchy and tasty as well as the Airfryer

### Much slower

- Lower temperature results in almost **2X** slower cooking time compared to the Airfryer



# Introducing the Philips Airfryer ( Viva Digital)





## The Philips Airfryer is the healthy way to fry

Enjoy the taste you love without the guilt

**+ Ease of use**  
**+ Premium design**  
**+ More precise cooking**  
**+ Maximized cooking capacity**  
**vs. current Airfryer model @ HSN**



Rapid Air technology



Wide temperature range  
(150F – 390F)



1.8lbs  
Food Basket



Recipe Book



Dishwasher  
safe

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Intuitive digital  
touch UI



1 by-packed  
accessory



MSRP: \$299.99  
Cost: \$195  
Margin: 35%



Philips Viva Collection  
Airfryer with Rapid Air  
technology and Grilling  
Accessory



1400W, 1.8lb, Grilling Accessory

HD9230/26 (Black)

## The healthy way to fry

The taste you love without the guilt



### Healthy

- Rapid Air technology fries, bakes, roast, and grills the tastiest food without the oil
- Unique design to drain excess fat from food during cooking

### Tasty

- Recipe booklet full of inspiring world recipes
- With the Airfryer you can fry, grill, roast, and even bake

### Fast

- Digital screen for easy control of time and temperature
- Maximum cooking capacity for more great tasting meals thanks to the by-packed double layer accessory



# The Airfryer Avance XL is Bigger, Faster and Easier to Use



**1 Capacity** \_\_\_\_\_  
Up to 50% more capacity than Viva Airfryer but even shorter

**+50%**  
Capacity

**2 Speed** \_\_\_\_\_  
2100W efficient motor for even faster cooking speed

**+30%**  
faster

**3 Ease of Use** \_\_\_\_\_  
Digital touch sensitive controls including smart preset



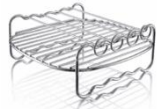





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# Accessories will Also be Available in Q4 2013 and Demonstrate the Versatility of the Airfryer

<p><b>1</b></p>	<p><b>HD9925/00 - Baking accessory</b> For all favorite baking recipes</p>			<p><b>\$39.99</b></p>
<p><b>2</b></p>	<p><b>HD9904/00 - Double Layer Acc. &amp; Skewers</b> Double your cooking surface</p>			<p><b>\$29.99</b></p>
<p><b>3</b></p>	<p><b>HD9910/21 - Fry-grill Pan</b> Versatile non-stick grill pan</p>			<p><b>\$49.99</b></p>

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