

Philips holds firm on 2016 outlook after healthy quarter

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Electronics giant Philips posted a jump in third-quarter net profit Monday on robust sales in its health businesses, where the Dutch company has shifted its focus.

Philips said it was maintaining its forecasts for the full year as it expected a good last quarter but warned it remained concerned about volatile markets.

Net profit surged by 18 percent to 383 million euros (\$417 million) in the third quarter, while sales inched up by one percent to 5.9 billion euros, the company said in a statement.

Philips in 2014 announced it was selling off its lighting business—a mainstay for more than a century—to focus more on medical equipment, where margins are stronger and less vulnerable to competition from emerging markets.

Philips Lighting successfully listed on the Amsterdam stock exchange at the end of May and Philips currently holds a majority 71-percent share.

Philips said third-quarter sales in its core health technology business grew by five percent with order intake up 8 percent on a currency comparable basis.

"Our outlook for 2016 remains unchanged, as we expect further earnings improvements in the fourth quarter of the year," chief executive Frans

van Houten said in the statement.

"Going forward, we remain concerned about risk due to volatility in the markets in which we operate."

The Amsterdam-based company said sales in western Europe were stagnant, when the effects of currency fluctuations were stripped out, grew by one percent in North America, but were strongest in China, Latin America and central and eastern Europe.

Founded in the southern Dutch city of Eindhoven in 1891, Philips employs 112,000 people worldwide.

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