



Forward, together.

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Constant currency information contained within this report is non-conforming financial information, as defined by the NZ FMA and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot financial currency fluctuations and hedging results, and has been prepared on a consistent basis each financial year. A reconciliation between reported results and constant currency results is available on page 13 of this report. The company's constant currency framework can be found on our website at [www.fphcare.com/ccf](http://www.fphcare.com/ccf).

This report is dated 24 November 2021 and is signed on behalf of Fisher & Paykel Healthcare Corporation Limited by Scott St John, Board Chair and Lewis Gradon, Managing Director and Chief Executive Officer.



SCOTT ST JOHN, BOARD CHAIR



LEWIS GRADON, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

For nearly two years now, our customers have been working selflessly to care for patients during a pandemic, and our people have been committed to delivering for those customers.

It may yet be a long journey to get to a point where business and life are more predictable. Whatever the future holds, we are focussed on moving forward, together.



## HALF YEAR financial highlights

### OPERATING REVENUE

**\$900.0M**

▼ 1% | 1H FY21 \$910.2M

### NET PROFIT AFTER TAX

**\$221.8M**

▼ 2% | 1H FY21 \$225.5M

### GROSS MARGIN

**63.1%**

### INTERIM DIVIDEND FULLY IMPUTED

**17CPS**

▲ 6% | 1H FY21 16CPS

### SPEND ON R&D

**\$75.7M**

8% OF OPERATING REVENUE

### HOSPITAL REVENUE

**\$670.2M**

▼ 2% | 1H FY21 \$681.0M

### HOSPITAL NEW APPLICATIONS CONSUMABLES REVENUE GROWTH

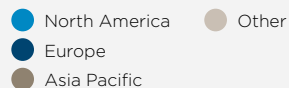
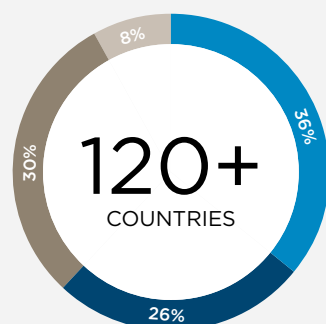
**↑24%**

(CONSTANT CURRENCY)

## HALF YEAR business updates

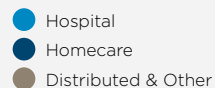
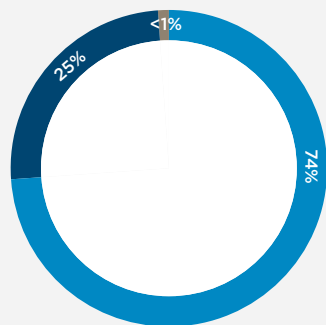
### REVENUE BY REGION

6 MONTHS TO 30 SEPTEMBER 2021



### REVENUE BY PRODUCT GROUP

6 MONTHS TO 30 SEPTEMBER 2021



**CONTRIBUTED** to the fight against COVID-19 by providing convenient access to vaccinations for our employees.

**LAUNCHED** F&P Visairo™ mask for noninvasive ventilation and F&P Evora™ Full mask for obstructive sleep apnea.

**APPOINTED** Dr Lisa McIntyre to the Board of directors.

**COMMENCED** construction on our third manufacturing facility in Mexico and started earthworks on our fifth facility in New Zealand.

**INITIATED** search for property to build a second R&D and manufacturing campus in New Zealand.

**CONTINUED** to expand our global reach by placing sales representatives into additional countries.



## Product group overview

Our business is structured in two parts: Hospital and Homecare.

Our Hospital product group includes products used in invasive ventilation, noninvasive ventilation, nasal high flow therapy, and laparoscopic and open surgery. Not only do these products help healthcare providers improve patient outcomes, they often deliver economic benefits as well, by reducing the need to escalate care and shortening patient stays in hospital.

### Hospital



74%

OF OPERATING REVENUE

OPERATING REVENUE  
1H FY22 ▼ 2%

\$670.2M

CONSTANT CURRENCY REVENUE FROM  
NEW APPLICATIONS CONSUMABLES

↑24%

The Homecare product group includes devices and systems used to treat obstructive sleep apnea (OSA) and provide respiratory support in the home. These include our CPAP therapy masks as well as flow generators, interfaces, and data management technologies.

## Homecare



F&P Evora Full

# 25%

OF OPERATING REVENUE

OPERATING REVENUE  
1H FY22 ▲ 0.3%

# \$226.9M

CONSTANT CURRENCY  
REVENUE

# ↑3%

# Half year review

**As we write this, the world has surpassed 250 million recorded cases of COVID-19. Some countries appear to have flattened the curve, and others are responding to third and fourth waves.**

Healthcare providers have been caring for COVID-19 patients, along with patients with other illnesses, for nearly two years now. A simple 'thank you' cannot begin to express the gratitude they deserve. Working under incredibly demanding circumstances, they have shown remarkable compassion and commitment.

The people of Fisher & Paykel Healthcare and our suppliers have also been working under demanding circumstances – maintaining higher production levels, advancing new projects, and supporting customers while dealing with the daily impacts of COVID-19 in their communities and homes. Thanks to their effort, we have achieved another extraordinary result.

## Financial result

The first half of the previous financial year was a period of extraordinary demand during the initial surges of COVID-19. Our results for

the first half of the 2022 financial year have continued to be very strong.

Elevated demand for most of our hospital products has followed the global surges of COVID-19, and this is reflected in our revenue for the first half. For the six months ended 30 September 2021, total operating revenue was \$900.0 million. This was 1 per cent below the same period of the previous financial year, or a 2 per cent increase in constant currency. Net profit after tax was \$221.8 million, a 2 per cent decline from the same period in the previous financial year, or a 1 per cent decline in constant currency.

Once again, our result was largely driven by our Hospital product group, which comprised 74 per cent of revenue. Within the Hospital product group, revenue for the first half was \$670.2 million, a decline of 2 per cent compared to the first half of the 2021 financial year, or an increase of 1 per cent in constant currency.

When we announced our year-end results in May, we expected that Hospital hardware sales would continue to be impacted by COVID-19-related hospital admissions. This proved to be the case in the last two months of the half-year, as North America in particular experienced a COVID-19 hospitalisation surge. Hospital hardware



**SCOTT ST JOHN**  
Board Chair



**LEWIS GRADON**  
Managing Director and  
Chief Executive Officer



It may be a long journey to get to the point where business and life are more predictable.

sales declined 10 per cent in constant currency for the half, and we do not expect our Hospital hardware sales to remain at this elevated level for the remainder of the year. Sales of Hospital consumables grew in the first half, up 8 per cent over the prior comparable period in constant currency. Sales of new applications consumables grew 24 per cent in constant currency in the first half, reflecting the change in clinical practice towards nasal high flow therapy.

In our Homecare product group, revenue was \$226.9 million, a 3 per cent increase over the first half of the previous financial year in constant currency. Continuing COVID-19 restrictions, along with a limited supply of continuous positive airway pressure (CPAP) devices worldwide, may have impacted the number of new patients diagnosed with obstructive sleep apnea (OSA). Our Vitera™ and Evora masks are performing well, and we were pleased to see 3 per cent growth in constant currency in OSA masks and accessories compared with the first half of the 2021 financial year.

### Strategic progress

While there are still some challenges accessing our customers in hospitals to test and trial our new products, we are continuing to make progress with product

launches. In August, we released the Visairo mask for noninvasive ventilation in the United States, and in October, we launched the Evora Full mask for OSA in New Zealand and Australia. Our commitment to researching and developing new products is unwavering, and our investment in R&D for the first six months of the financial year was \$75.7 million.

In the first half, we also made good progress on new buildings to support our growth. We have always carried additional manufacturing and distribution capacity so that we can scale up quickly in response to a crisis. Maintaining that ability requires space and buildings, and over the next five years, we expect to invest approximately \$700 million for this purpose. This includes constructing a fifth building in Auckland, completing our Auckland campus, and acquiring land for a second New Zealand campus where we can co-locate R&D and manufacturing. Our long-term plan is to add an additional three manufacturing facilities located outside New Zealand, the first of which is currently under construction in Tijuana, Mexico.

### Board update

Our search for a Board member to replace Tony Carter was a lengthy one, made more difficult by COVID-19 travel restrictions. In October, we were delighted to appoint Dr Lisa McIntyre to the Board. Lisa has extensive knowledge in health and technology, with experience in strategy, finance, technology transformation and data analytics. She has already provided valuable insights, and we believe we will benefit from her deep understanding of international markets.

### Dividend

The Board of Directors has approved an interim dividend of 17 cents per share for the six months to 30 September 2021, which is an increase of 6 per cent from the first half of the 2021 financial year. The dividend will be paid on 15 December 2021 with a record date of 3 December.

### Profit share

Our people continue to manage demand surges for our products due to COVID-19, as well as ongoing supply chain challenges obtaining raw materials and delivering finished goods to our customers. All of our facilities around the world continue

to change and evolve their work practices in response to local conditions – to keep our people safe and our product supply stable for the patients who rely on us. We want to recognise everyone for uniting together to mitigate the global impact of the pandemic, as well as the efforts of our global team toward our goal of getting 100 per cent of our people vaccinated. The Board has therefore decided to double the interim discretionary profit-sharing bonus for everyone who has worked with us for a qualifying period. The profit-sharing bonus totals \$12 million.

### Moving forward together

Ongoing localised surges in COVID-19 cases and civic responses indicate that it may yet be a long journey to get to a point where business and life are more predictable. Whatever the future holds, we are focussed on moving forward together. Our purpose unites us – improving care and outcomes through inspired and world-leading healthcare solutions – and we are unified in our belief that doing what is best for patients will deliver the best outcomes for the business.

### Thank you

On behalf of the Board, we would like to express our appreciation to our customers for their perseverance. We would also like to thank the people of Fisher & Paykel Healthcare for their relentless commitment, and our suppliers for going the extra mile. As always, we thank you, our shareholders, for your ongoing support.



SCOTT ST JOHN  
BOARD CHAIR



LEWIS GRADON  
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

# Financial report

A blurred background image showing laboratory glassware, including test tubes and flasks, with a blue color scheme.

# Financial commentary

## INCOME STATEMENTS

For the six months ended 30 September	2020 NZ\$M	2021 NZ\$M	Change Reported %	Change CC <sup>1</sup> %
<b>Operating revenue</b>	<b>910.2</b>	<b>900.0</b>	-1	+2
Gross profit	561.9	567.7	+1	+3
<b>Gross margin</b>	<b>61.7%</b>	<b>63.1%</b>	135 bps	53 bps
SG&A expenses	(188.1)	(189.6)	+1	+5
R&D expenses	(64.6)	(75.7)	+17	+17
Total operating expenses	(252.7)	(265.3)	+5	+8
<b>Operating profit</b>	<b>309.2</b>	<b>302.4</b>	-2	-2
<b>Operating margin</b>	<b>34.0%</b>	<b>33.6%</b>	-37 bps	-121 bps
Net financing income (expense)	3.8	(1.3)	-	-
<b>Profit before tax</b>	<b>313.0</b>	<b>301.1</b>	-4	-2
<b>Tax expense</b>	<b>(87.5)</b>	<b>(79.3)</b>	-9	-4
<b>Profit after tax</b>	<b>225.5</b>	<b>221.8</b>	-2	-1

<sup>1</sup> Constant currency (CC) removes the impact of exchange rate movements. This approach is used to assess the Group's underlying comparative financial performance without any impact from changes in foreign exchange rates. See further details on page 13.

Total profit after tax for the period was \$221.8 million, a 2% decline from the prior comparable period (1% decline in constant currency).

### Revenue

Total operating revenue was \$900.0 million. This was a 1% decline from the same period last year or a 2% increase in constant currency. The first half of last financial year was a period of extraordinary demand during the initial surges of COVID-19. The revenue in this period has continued to be very strong. Hospital revenue grew 1% in constant currency. Homecare revenue grew 3% in constant currency.

### Gross margin

Gross margin increased by 53 basis points in constant currency due to a lower level of elevated freight costs and air freight utilisation in this period compared to the prior year. Excluding the additional freight costs, a 65% gross margin was achieved in reported currency.

### Operating expenses

Operating expenses increased 5% (8% in constant currency) to \$265.3 million, reflecting ongoing expenditure to support global sales growth and development of our product pipeline.

R&D spend of \$75.7 million grew 17% reflecting underlying growth and the timing of R&D and clinical projects. Over the long term R&D spend is expected to grow in line with constant currency revenue growth.

### Financing expenses

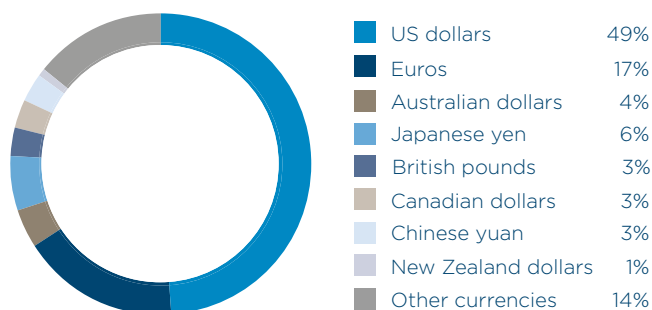
The net financing expense increase reflects the gain on foreign exchange revaluations in the prior period not repeating this period. Excluding the impact of foreign currency movements, net financing expense was in line with the prior period.

### Tax

The effective tax rate for the period was 26.3%, down from 28.0% in the prior year. The R&D tax credit reported this period of \$7.4 million (Sep 2020: \$6.4 million) represents the estimated eligible R&D expenditure incurred during the period. Excluding the R&D tax credit the effective tax rate was 28.8% (Sep 2020: 30.0%).

## FOREIGN CURRENCY IMPACTS

The Group is exposed to movements in foreign exchange rates, with approximately 99% of operating revenue generated in currencies other than NZD as shown below.



Approximately 60% of COGS and over 50% of operating expenses are in currencies other than NZD.

During the period since 31 March 2021, the NZD weakened slightly against major currencies. The effect of balance sheet translations for the period resulted in an increase in operating revenue of \$2.5 million (Sep 2020: \$10.6 million decrease) and an increase in profit after tax of \$2.4 million (Sep 2020: \$3.6 million decrease). The hedging programme contributed a pre-tax gain of \$21.1 million (Sep 2020: \$1.4 million loss).

The average daily spot rate and the average conversion exchange rate (i.e. the accounting rate, incorporating the benefit of forward exchange contracts in respect of the relevant financial year) of the main foreign currency exposures for the reported periods are set out in the table below.

## Average daily spot and conversion rates for the period ended 30 September

	Average daily spot rate		Average conversion exchange rate	
	2020	2021	2020	2021
Six months ended 30 September				
USD	0.6403	0.7077	0.6551	0.6769
EUR	0.5639	0.5938	0.5559	0.5594

Net profit after tax was reduced by \$1.6 million compared to the prior period due to the impact of foreign currency. Excluding the impact of favourable balance sheet translations, unfavourable impacts reflect a stronger NZD and higher average exchange rates compared to the prior comparable period, particularly against the USD (See further details on page 13).

## Foreign exchange hedging position

In line with our hedging programme, additional hedges have been added for future years, in particular for financial years 2023 to 2024. The hedging position for our main currency exposures as at 11 November 2021 is:

Year to 31 March	2022	2023	2024	2025	2026-27
USD % cover of estimated exposure	95%	70%	50%	30%	-
USD average rate of cover	0.675	0.665	0.656	0.624	-
EUR % cover of estimated exposure	95%	70%	45%	35%	5%
EUR average rate of cover	0.554	0.537	0.526	0.508	0.481

Hedging cover has been rounded to the nearest 5%.



## CASH FLOWS

The full statement of cash flows is provided on page 17.

	2020 NZ\$M	2021 NZ\$M	Change NZ\$M
<b>For the six months ended 30 September</b>			
Operating profit before financing costs	309.2	302.4	(6.8)
Plus depreciation and amortisation	37.0	46.0	9.0
Change in working capital and other	(45.5)	(31.2)	14.3
Net interest paid	(1.9)	(1.7)	0.2
Net income tax paid	(80.7)	(188.0)	(107.3)
<b>Operating cash flows</b>	<b>218.1</b>	<b>127.5</b>	<b>(90.6)</b>
Lease repayments	(5.3)	(6.6)	(1.3)
Purchase of land and buildings	(13.5)	(14.7)	(1.2)
Purchase of plant and equipment	(64.9)	(50.1)	14.8
Purchase of intangible assets	(16.1)	(16.5)	(0.4)
<b>Free cash flows</b>	<b>118.3</b>	<b>39.6</b>	<b>(78.7)</b>
Dividends paid	(89.1)	(126.8)	(37.7)

### Operating cash flows

Cash flows from operations for the period decreased 42% to \$127.5 million. Excluding the tax payments, operating cash flows increased 6%. Working capital continued to be impacted by increases in inventories relating to building raw materials and finished goods to be able to meet potential surge demand.

### Capital expenditure

Property plant and equipment and intangible asset purchases for the period were \$81.3 million, a decrease of \$13.2 million from the prior year. Capital expenditure was elevated in the prior period due to the acceleration of manufacturing equipment projects.

### Dividends

Dividends paid of \$126.8 million were 42% higher than the prior period representing the increase in final dividend.

## BALANCE SHEET

	31 March 2021 NZ\$M	30 September 2021 NZ\$M	Change NZ\$M
<b>As at</b>			
Trade receivables	191.7	201.7	10.0
Inventories	270.6	291.8	21.2
Less trade and other payables *	(145.8)	(126.4)	19.4
<b>Working capital</b>	<b>316.5</b>	<b>367.1</b>	<b>50.6</b>
Property, plant and equipment **	882.1	917.4	35.3
Intangible assets	80.0	83.4	3.4
Other net assets (liabilities)	(16.9)	49.0	65.9
Lease liabilities	(43.7)	(42.2)	1.5
Net cash	302.9	216.1	(86.8)
<b>Net assets</b>	<b>1,520.9</b>	<b>1,590.8</b>	<b>69.9</b>

\* Trade and other payables excludes all non-current payables and all employee entitlements and provisions

\*\* Property, plant and equipment includes lease assets recognised

Trade receivables at 30 September 2021 reflected the continued strong sales and collections. Debtor days were within the normal range at 41 days (March 2021: 43 days). Inventories balances increased with the continued build in raw materials and finished goods to enable the supply of products in the event of any surges in demand. Trade and other payables reduction includes timing associated with key capital projects and due dates for payment of suppliers.

The increase in property, plant and equipment included capital additions (including leased assets) of \$68.9 million, the majority of which related to production tooling and equipment additions. These increases were offset by \$32.4 million of depreciation. During the period, the build of the third manufacturing facility in Mexico commenced, and earthworks began in preparation for a fifth building in New Zealand.

Intangible assets increased by \$3.4 million, including patent acquisition costs. Included in intangible assets is ERP system capital spending with our global SAP rollout continuing over the next two to three years.

Other net assets/liabilities movements included the reduction in tax payables of \$101.6 million offset by a decrease in net derivative financial instrument assets of \$43.1 million. All currency derivatives continued to be effective hedges.

**Net cash and debt facilities**

As at	31 March 2021 NZ\$M	30 September 2021 NZ\$M	Change NZ\$M
Loans and borrowings			
– Current	–	–	–
– Non-current	(62.8)	(63.5)	(0.7)
Bank overdrafts	(11.9)	(8.8)	3.1
<b>Total interest-bearing liabilities *</b>	<b>(74.7)</b>	<b>(72.3)</b>	<b>2.4</b>
Cash and cash equivalents	97.3	103.2	5.9
Short-term investments	280.3	185.2	(95.1)
<b>Total cash and investments</b>	<b>377.6</b>	<b>288.4</b>	<b>(89.2)</b>
<b>Net cash</b>	<b>302.9</b>	<b>216.1</b>	<b>(86.8)</b>
Gearing	-27.2%	-16.6%	10.6%
Undrawn debt facilities	167.2	185.0	17.8

\* Excluding lease liabilities

The average maturity of loans and borrowings of \$63.5 million was 1.4 years and the currency split was 92% USD; 5% Australian dollars; and 3% Canadian dollars (with no NZD denominated debt).

On 30 September 2021, a NZ\$30 million facility expired and was replaced with a US\$40 million revolving facility that commenced on 22 September 2021 and expires on 31 October 2024.

Cash and short-term investments, mainly in NZD, were \$288.4 million at 30 September 2021. This balance, and operating cash generated in the second half of FY2022, will fund the payment of the interim dividend, provisional tax and ongoing capital expenditure including manufacturing capacity expansion and building projects in Mexico and Auckland.

**Gearing<sup>1</sup>**

At 30 September 2021 the group had gearing of -16.6%. Gearing was outside the target range of -5% to +5%.

**NOTES – CONSTANT CURRENCY**

Constant currency analysis is non-Generally Accepted Accounting Practice (GAAP) financial information, that is not prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). Constant currency information has been provided to assist users of financial information to better understand and assess the Group's financial performance without the impacts of foreign currency fluctuations, including hedging results.

Constant currency financial information is prepared each month to enable the Board and management to monitor and assess the Group's underlying comparative financial performance without any distortion from changes in foreign exchange rates. Constant currency information is prepared on a consistent basis for reported periods restated into NZD based on "constant" exchange rates, typically the budgeted exchange rates for the current year. This information excludes the impact of movements in foreign exchange rates, hedging results and balance sheet translations.

The Group's constant currency framework can be found on the company's website at [www.fphcare.com/ccf](http://www.fphcare.com/ccf). PwC perform assurance procedures over the constant currency information.

**RECONCILIATION OF CONSTANT CURRENCY TO REPORTED PROFIT AFTER TAX**

For the six months ended 30 September	2020 NZ\$M	2021 NZ\$M	Change NZ\$M
<b>Profit after tax (constant currency)</b>	<b>200.9</b>	<b>198.8</b>	<b>(2.1)</b>
Spot exchange rate effect	29.2	5.4	(23.8)
Foreign exchange hedging result	(1.0)	15.2	16.2
Balance sheet revaluation	(3.6)	2.4	6.0
<b>Profit after tax (reported)</b>	<b>225.5</b>	<b>221.8</b>	<b>(3.7)</b>

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ended 31 March 2022, are USD 0.72, EUR 0.60, AUD 0.93, GBP 0.52, CAD 0.92, JPY 78, MXN 15.2, CNY 4.7, KRW 820, SEK 6.1 and INR 53.

<sup>1</sup> Net interest-bearing debt (debt less cash and cash equivalents and short-term investments) to net interest-bearing debt and equity (less hedging reserves). Net interest-bearing debt excludes lease liabilities.

# Financial statements

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2021

	Notes	Unaudited 2020 NZ\$M	Unaudited 2021 NZ\$M
Operating revenue	3	910.2	900.0
Cost of sales		(348.3)	(332.3)
<b>Gross profit</b>		<b>561.9</b>	<b>567.7</b>
Selling, general and administrative expenses		(188.1)	(189.6)
Research and development expenses		(64.6)	(75.7)
<b>Total operating expenses</b>		<b>(252.7)</b>	<b>(265.3)</b>
Operating profit before financing costs		309.2	302.4
Financing income		0.9	1.2
Financing expense		(2.4)	(2.4)
Exchange gain/(loss) on foreign currency interest-bearing liabilities		5.3	(0.1)
<b>Net financing income (expense)</b>		<b>3.8</b>	<b>(1.3)</b>
Profit before tax	4	313.0	301.1
Tax expense		(87.5)	(79.3)
<b>Profit after tax</b>		<b>225.5</b>	<b>221.8</b>
Basic earnings per share		39.2 cps	38.5 cps
Diluted earnings per share		38.9 cps	38.3 cps

The accompanying notes form an integral part of the financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Unaudited 2020 NZ\$M	Unaudited 2021 NZ\$M
<b>Profit after tax</b>	<b>225.5</b>	<b>221.8</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
<b>Foreign currency translation reserve</b>		
Exchange differences on translation of foreign operations	(4.4)	1.2
<b>Hedging reserves</b>		
Changes in fair value in hedging reserves	143.8	(22.2)
Transfers to profit before tax from cash flow hedge reserve	2.3	(21.0)
Tax on above reserve movements	(40.9)	12.1
<b>Other comprehensive income, net of tax</b>	<b>100.8</b>	<b>(29.9)</b>
<b>Total comprehensive income</b>	<b>326.3</b>	<b>191.9</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 September 2021

	Notes	Share capital NZ\$M	Retained earnings NZ\$M	Reserves NZ\$M	Total equity NZ\$M
<b>Balance at 31 March 2020 (audited)</b>		<b>225.4</b>	<b>686.3</b>	<b>62.1</b>	<b>973.8</b>
<b>Total comprehensive income</b>		<b>–</b>	<b>225.5</b>	<b>100.8</b>	<b>326.3</b>
Dividends paid	9	–	(89.1)	–	(89.1)
Issue of share capital under employee share plans		18.1	–	–	18.1
Movement in treasury shares		1.3	–	–	1.3
Movement in share based payments reserve		–	–	(7.3)	(7.3)
<b>Balance at 30 September 2020 (unaudited)</b>		<b>244.8</b>	<b>822.7</b>	<b>155.6</b>	<b>1,223.1</b>
<b>Balance at 31 March 2021 (audited)</b>		<b>249.1</b>	<b>1,029.2</b>	<b>242.6</b>	<b>1,520.9</b>
<b>Total comprehensive income</b>		<b>–</b>	<b>221.8</b>	<b>(29.9)</b>	<b>191.9</b>
Dividends paid	9	–	(126.8)	–	(126.8)
Issue of share capital under employee share plans		6.4	–	–	6.4
Movement in share based payments reserve		–	–	(1.6)	(1.6)
<b>Balance at 30 September 2021 (unaudited)</b>		<b>255.5</b>	<b>1,124.2</b>	<b>211.1</b>	<b>1,590.8</b>

The accompanying notes form an integral part of the financial statements.

**CONSOLIDATED BALANCE SHEET**

As at 30 September 2021

	Notes	Audited 31 March 2021 NZ\$M	Unaudited 30 September 2021 NZ\$M
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		97.3	103.2
Short-term investments		280.3	185.2
Trade and other receivables		222.5	236.6
Inventories		270.6	291.8
Derivative financial instruments	5	42.9	38.9
Tax receivable		6.4	12.0
<b>Total current assets</b>		<b>920.0</b>	<b>867.7</b>
<b>Non-current assets</b>			
Derivative financial instruments	5	104.0	70.0
Other receivables		7.6	1.8
Property, plant and equipment		882.1	917.3
Intangible assets		80.0	83.5
Deferred tax assets		81.3	105.1
<b>Total assets</b>		<b>2,075.0</b>	<b>2,045.4</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing liabilities		11.9	8.8
Lease liabilities		14.7	14.7
Trade and other payables		233.3	224.6
Provisions		15.6	13.8
Tax payable		149.6	48.0
Derivative financial instruments	5	2.4	4.4
<b>Total current liabilities</b>		<b>427.5</b>	<b>314.3</b>

	Notes	Audited 31 March 2021 NZ\$M	Unaudited 30 September 2021 NZ\$M
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities		62.8	63.5
Lease liabilities		29.0	27.5
Provisions		10.5	22.7
Other payables		22.8	22.0
Derivative financial instruments	5	1.5	4.6
<b>Total liabilities</b>		<b>554.1</b>	<b>454.6</b>
<b>EQUITY</b>			
Share capital		249.1	255.5
Retained earnings		1,029.2	1,124.2
Reserves		242.6	211.1
<b>Total equity</b>		<b>1,520.9</b>	<b>1,590.8</b>
<b>Total liabilities and equity</b>		<b>2,075.0</b>	<b>2,045.4</b>

The accompanying notes form an integral part of the financial statements.

On behalf of the Board  
24 November 2021

**Scott St John**  
Board Chair

**Lewis Gradon**  
Managing Director and Chief Executive Officer



**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 September 2021

	Unaudited 2020 NZ\$M	Unaudited 2021 NZ\$M
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	884.0	883.1
Interest received	0.8	1.0
Payments to suppliers and employees	(583.3)	(565.9)
Tax paid	(80.7)	(188.0)
Interest paid	(1.9)	(1.9)
Lease interest paid	(0.8)	(0.8)
<b>Net cash flows from operating activities</b>	<b>218.1</b>	<b>127.5</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net short-term investments	12.6	95.1
Purchases of property, plant and equipment	(78.4)	(64.8)
Purchases of intangible assets	(16.1)	(16.5)
<b>Net cash flows from investing activities</b>	<b>(81.9)</b>	<b>13.8</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital under employee share plans	1.5	1.5
Lease liability payments	(5.3)	(6.6)
Dividends paid	(89.1)	(126.8)
<b>Net cash flows from financing activities</b>	<b>(92.9)</b>	<b>(131.9)</b>
Net increase in cash	43.3	9.4
Opening cash	36.4	85.4
Effect of foreign exchange rates	(0.5)	(0.4)
<b>Closing cash</b>	<b>79.2</b>	<b>94.4</b>
<b>RECONCILIATION OF CLOSING CASH</b>		
Cash and cash equivalents	93.2	103.2
Bank overdrafts	(14.0)	(8.8)
<b>Closing cash</b>	<b>79.2</b>	<b>94.4</b>

	Unaudited 2020 NZ\$M	Unaudited 2021 NZ\$M
<b>CASH FLOW RECONCILIATION</b>		
<b>Profit after tax</b>	<b>225.5</b>	<b>221.8</b>
Add (deduct) non-cash items:		
Depreciation – right-of-use assets	5.0	6.7
Depreciation and amortisation – other assets	32.0	39.3
Share based payments	3.7	3.7
Movement in provisions	7.8	10.4
Movement in deferred tax assets / liabilities	(21.4)	(11.7)
Movement in net tax payables	32.0	(107.2)
Foreign currency translation	(7.4)	1.0
Other non-cash items	3.8	(0.3)
	55.5	(58.1)
Net working capital movements:		
Trade and other receivables	(14.1)	(8.4)
Inventories	(87.1)	(21.3)
Trade and other payables	38.3	(6.5)
	(62.9)	(36.2)
<b>Net cash flows from operating activities</b>	<b>218.1</b>	<b>127.5</b>

The accompanying notes form an integral part of the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 1. GENERAL INFORMATION

#### Reporting entity

Fisher & Paykel Healthcare Corporation Limited (the “Company” or “Parent”) together with its subsidiaries (the “Group”) is a leading designer, manufacturer and marketer of medical device products and systems for use in both hospital and homecare settings. Products are sold in over 120 countries worldwide. The Company is a limited liability company incorporated and domiciled in New Zealand.

#### Statement of compliance

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The Company is also listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

#### Basis of preparation

These consolidated financial statements for the six months ended 30 September 2021 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34) and International Accounting Standard 34: Interim Financial Reporting (IAS 34). The Company and Group are designated as profit-oriented entities for financial reporting purposes.

These consolidated financial statements do not include all of the notes normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2021.

#### Presentation currency

These consolidated financial statements are presented in New Zealand dollars (NZD) to the nearest hundred thousand dollars unless otherwise stated.

#### Accounting policies

All accounting policies have been applied on a basis consistent with those used and described in the audited consolidated financial statements for the year ended 31 March 2021.

### 2. SIGNIFICANT TRANSACTIONS AND EVENTS FOR THE CURRENT PERIOD

The following significant transactions and events affected the financial performance and financial position of the Group for the six month period ended 30 September 2021:

#### COVID-19

In March 2020, the World Health Organisation declared the outbreak of COVID-19 as a pandemic. Since the outbreak of COVID-19, the Company's focus has been on manufacturing and supplying products that are directly involved in treating patients with COVID-19.

Management have assessed the impact of COVID-19 on all aspects of the balance sheet. Specifically, the carrying value of receivables, inventory and warranty exposure were considered, with provisioning reflecting management's best estimate of the impact based on information available at the time of preparing these financial statements. There has been no material impact on the balance sheet.

#### Share capital

During the six months ended 30 September 2021, the Group issued 689,563 shares under employee equity plans.

#### Funding and short-term investments

The Company had total available committed debt funding of NZ\$248 million as at 30 September 2021, of which approximately NZ\$185 million was undrawn. As at 30 September 2021, the weighted average maturity of borrowing facilities was 2.6 years.

As at 30 September 2021, the Group has invested available cash on hand of \$185 million in short-term investments. These investments have maturities between 100 and 277 days with banking institutions that have a long term credit rating of Standard & Poors' A- and above and are invested at average interest rates of 1.1%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. OPERATING REVENUE AND SEGMENTAL INFORMATION

	Unaudited 2020 NZ\$M	Unaudited 2021 NZ\$M
<b>For the six months ended 30 September</b>		
Sales revenue	910.6	879.6
Foreign exchange (loss)/gain on hedged sales	(0.4)	20.4
<b>Total operating revenue</b>	<b>910.2</b>	<b>900.0</b>
<b>Revenue by product group</b>		
Hospital products	681.0	670.2
Homecare products	226.2	226.9
	<b>907.2</b>	<b>897.1</b>
Distributed and other products	3.0	2.9
<b>Total operating revenue</b>	<b>910.2</b>	<b>900.0</b>
<b>Revenue after hedging by geographical location of customer:</b>		
North America	373.9	329.8
Europe	269.9	232.0
Asia Pacific	184.4	267.2
Other	82.0	71.0
<b>Total operating revenue</b>	<b>910.2</b>	<b>900.0</b>

### 4. OPERATING EXPENSES

	Unaudited 2020 NZ\$M	Unaudited 2021 NZ\$M
<b>For the six months ended 30 September</b>		
Profit before tax includes the following expenses:		
Depreciation - right-of-use assets	5.0	6.7
Depreciation and amortisation - other assets	32.0	39.3
Employee benefits expense	287.8	296.3

### 5. DERIVATIVE FINANCIAL INSTRUMENTS

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The carrying value of all financial assets and liabilities approximates fair value.

There have been no changes to the Group's hedging policy during the period. The Group enters into foreign currency option contracts or forward foreign currency contracts within policy parameters to manage the net risk associated with anticipated sales or costs. The Group generally applies hedge accounting to all derivative financial instruments.

All derivative financial instruments continue to be re-measured to their fair value. Derivative financial instruments continue to be classified as being within Level 2 of the fair value hierarchy and there were no changes in valuation techniques during the period.

Contractual amounts of derivative financial instruments were as follows:

	Audited 31 March 2021 NZ\$M	Unaudited 30 September 2021 NZ\$M
<b>Foreign currency forward contracts and options</b>		
Sale commitments forward exchange contracts	1,743.5	1,769.8
Purchase commitments forward exchange contracts	83.2	82.3
Foreign currency borrowing forward exchange contracts	36.1	36.2
NZD call option contracts purchased	-	24.8
Collar option contracts - NZD call options purchased (i)	31.9	31.9
Collar option contracts - NZD put options sold (i)	34.0	34.0
<b>Interest rate derivatives</b>		
Interest rate swaps	29.0	29.3
Interest rate options	10.7	10.9

(i) Foreign currency contractual amounts of put and call options are equal.

Undiscounted foreign currency contractual amounts for outstanding hedges were as follows:

	Audited 31 March 2021 M	Unaudited 30 September 2021 M
<b>Sale Commitments</b>		
United States dollars	US\$627.5	US\$648.5
European Union euros	€280.7	€286.8
Japanese yen	¥8,485.0	¥9,467.5
<b>Purchase Commitments</b>		
Mexican pesos	MX\$1,314.5	MX\$1,309.0

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. COMMITMENTS

	Audited 31 March 2021 NZ\$M	Unaudited 30 September 2021 NZ\$M
Capital expenditure commitments contracted for but not recognised as at the reporting date:		
Within one year	45.9	52.8
Between one and two years	9.2	–
Between two and five years	–	7.1
	<b>55.1</b>	<b>59.9</b>

### 7. CONTINGENT LIABILITIES

Periodically the Group is party to litigation including product liability and patent claims.

The Directors are unaware of the existence of any claim or contingencies that would have a material impact on the operations of the Group.

### 8. RELATED PARTY TRANSACTIONS

During the period the Group has not entered into any material contracts involving related parties or Directors' interests. No amounts owed by related parties have been written off or forgiven during the period. Apart from Directors' fees, key executive remuneration and dividends paid by the Group to its Directors as shareholders of the company, there have been no related party transactions.

### 9. DIVIDENDS

On 26 May 2021 the Directors approved the payment of a fully imputed 2021 final dividend of \$126.8 million (22.0 cents per share) which was paid on 7 July 2021. A supplementary dividend of 3.8824 cents per share was also paid to eligible non-resident shareholders.

#### Subsequent event – dividend declared

On 24 November 2021 the Directors approved the payment of a fully imputed 2022 interim dividend of \$98.1 million (17 cents per share) to be paid on 15 December 2021. A supplementary dividend of 3 cents per share was also approved for eligible non-resident shareholders.

### 10. SUBSEQUENT EVENTS

There are no other subsequent events other than the dividend as set out in Note 9.



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders of Fisher & Paykel Healthcare Corporation Limited

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### OUR CONCLUSION

We have reviewed the consolidated financial statements of Fisher & Paykel Healthcare Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 September 2021, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months period ended on that date, and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2021, and its financial performance and cash flows for the six months period then ended on that date, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

#### BASIS FOR CONCLUSION

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibility is further described in the *Auditor's responsibility for the review of the financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of executive remuneration benchmarking and providing market survey data, regulatory tax compliance procedures in Mexico, and other assurance services in relation to constant currency disclosures. The provision of these other services has not impaired our independence.

#### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these consolidated financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITY FOR THE REVIEW OF THE FINANCIAL STATEMENTS

Our responsibility is to express a conclusion on the consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated financial statements.



### WHO WE REPORT TO

This report is made solely to the Company's Shareholders, as a body. Our review work has been undertaken so that we might state to the Company's Shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Keren Blakey.

For and on behalf of:

The logo for PricewaterhouseCoopers, featuring the company name in a stylized, cursive script.

Chartered Accountants

24 November 2021

Auckland



# Directory

## DIRECTORS

Scott St John	Board Chair, Non-Executive, Independent
Lewis Gradon	Managing Director and Chief Executive Officer
Michael Daniell	Non-Executive
Pip Greenwood	Non-Executive, Independent
Geraldine McBride	Non-Executive, Independent
Dr Lisa McIntyre	Non-Executive, Independent
Neville Mitchell	Non-Executive, Independent
Donal O'Dwyer	Non-Executive, Independent

## EXECUTIVE MANAGEMENT TEAM

Lewis Gradon	Managing Director and Chief Executive Officer
Lyndal York	Chief Financial Officer
Paul Shearer	Senior Vice President – Sales & Marketing
Andrew Somervell	Vice President – Products & Technology
Winston Fong	Vice President – Surgical Technologies
Brian Schultz	Vice President – Quality & Regulatory Affairs
Nicholas Fourie	Vice President – Information & Communication Technology
Jonti Rhodes	General Manager – Supply Chain, Facilities & Sustainability
Marcus Driller	Vice President – Corporate
Nicola Talbot	Vice President – Human Resources

## REGISTERED OFFICES

### New Zealand:

Physical address:	15 Maurice Paykel Place, East Tamaki, Auckland 2013, New Zealand
Telephone:	+64 9 574 0100
Postal address:	PO Box 14348, Panmure, Auckland 1741, New Zealand
Website:	<a href="http://www.fphcare.com">www.fphcare.com</a>
Email:	<a href="mailto:investor@fphcare.co.nz">investor@fphcare.co.nz</a>

### Australia:

Physical address:	19-31 King St, Nunawading, Melbourne, Victoria 3131, Australia
Telephone:	+61 3 9871 4900
Postal address:	PO Box 159, Mitcham Victoria 3132, Australia

## STOCK EXCHANGES

The Company's ordinary shares are listed on the NZX Main Board and the ASX.

## SHARE REGISTRAR

### In New Zealand:

#### Link Market Services Limited


Physical address:	Level 30, PwC Commercial Bay, 15 Customs Street West, Auckland 1010, New Zealand
Postal address:	PO Box 91976, Auckland 1142, New Zealand
Facsimile:	+64 9 375 5990
Investor enquiries:	+64 9 375 5998
Website:	<a href="http://www.linkmarketservices.co.nz">www.linkmarketservices.co.nz</a>
Email:	<a href="mailto:enquiries@linkmarketservices.co.nz">enquiries@linkmarketservices.co.nz</a>

### In Australia:

#### Link Market Services Limited

Physical address:	Level 12, 680 George Street, Sydney, NSW 2000, Australia
Postal address:	Locked Bag A14, Sydney South, NSW 1235, Australia
Facsimile:	+61 2 9287 0303
Investor enquiries:	+61 2 8280 7111
Internet address:	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
Email:	<a href="mailto:registrars@linkmarketservices.com.au">registrars@linkmarketservices.com.au</a>





— Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of products and systems for use in acute and chronic respiratory care, surgery and the treatment of obstructive sleep apnea.