

News Release

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FPH), AUSTRALIA (FPH)

Fisher & Paykel Healthcare Provides FY22 Trading Update

Auckland, New Zealand, 18 August 2021 – Fisher & Paykel Healthcare Corporation Limited has provided an update on the first four months of the 2022 financial year, which ended 31 July 2021. The company is holding a virtual-only annual shareholders' meeting today at 2pm.

Revenue for the first four months was \$583M, with 74% of revenue from the company's Hospital product group and 26% from its Homecare product group.

In constant currency, revenue for the four months was 2% below the prior comparable period, which was a period of high demand during the initial surges of COVID-19 in North America and Europe.

Managing Director and CEO Lewis Gradon said, "We would like to express our gratitude for the incredible efforts of healthcare professionals who are caring for patients during another difficult year.

"We would also like to acknowledge the people of Fisher & Paykel Healthcare working behind the scenes in our manufacturing facilities, warehouses, offices and at home to meet the ongoing global demand for respiratory products during the pandemic," said Gradon.

Hospital product group

In the company's Hospital product group, constant currency revenue for the four months of the 2022 financial year was 3% below the prior comparable period. This consisted of a 13% decline in hardware sales, partially offset by 2% growth in consumables.

For the four months ended 31 July 2021:

- 66% of Hospital revenue was from the sale of consumables, and 34% was from hardware sales.
- Compared to pre-COVID-19 levels, overall hardware volume remained elevated, largely driven by some regions experiencing COVID-19 hospitalisation surges during the period.
- In North America and Europe, total hardware sales declined 62% and total consumables sales declined 14% from the prior comparable period, in constant currency, influenced by reduced COVID-19 hospital admissions and customers' stockholding decisions. Compared with pre-COVID-19 levels, sales volumes in North America and Europe remained elevated.
- Outside North America and Europe, hardware grew 42% and consumables grew 31% over the prior comparable period in constant currency.
- The company's Hospital consumables sales continue to reflect the clinical practice shift from invasive ventilation toward the use of Optiflow™ nasal high flow therapy, as demonstrated by new applications consumables growth of 17% in constant currency.

Homecare product group

In the company's Homecare product group, constant currency revenue for the four months ended 31 July 2021 was 4% above the prior comparable period, with 4% growth in obstructive sleep apnea (OSA) masks.

Outlook for the remainder of the 2022 financial year

Given the continuing uncertainties associated with vaccination rates, the efficacy of various vaccines against variants of the coronavirus, and public and civic responses to COVID-19 case numbers, the company is not providing quantitative revenue or earnings guidance for the remainder of the 2022 financial year.

“With the ongoing global vaccination activity, and most countries now having experienced a COVID-19 hospitalisation surge resulting in a corresponding boost in hospital treatment capacity, we do not expect our Hospital hardware revenue to continue at this elevated level for the remainder of the financial year,” said Mr Gradon.

“Over the short term, we expect our Hospital sales will continue to be impacted by COVID-19-related hospital admissions. This is currently evidenced by North America where we are seeing an increase in demand in conjunction with localised COVID-19 surges.

“Individual customers’ stockholding decisions in response to rapid increases and decreases in COVID-19 related demand and the length of time it takes to return to normal hospital admissions are likely to influence our consumable sales over the short term. This all contributes to an environment which is very difficult to predict.

“The longer-term impact from COVID-19 for our Hospital business has been an increased installed base of our hardware and increased global physician awareness and experience with our therapies and products throughout hospitals. We are confident this will result in an increasing number of patients receiving the benefits of these therapies and products in the years to come.

“In our Homecare product group, growth in OSA masks is dependent on new patient diagnosis rates, which we currently expect will continue to be at or above FY21 rates for the remainder of the 2022 financial year.

“Freight costs have remained elevated, and we have continued growing our investment in R&D and SG&A as we discussed in May,” said Gradon.

The company has provided the Chair’s speech, CEO’s speech and slide presentation for the 2021 Annual Shareholders’ Meeting to the NZX and ASX today.

The virtual-only Annual Shareholders’ Meeting is scheduled to begin at 2pm NZST, 12pm AEST (10pm USED). To view the webcast, go to: www.virtualmeeting.co.nz/fph21.

About Fisher & Paykel Healthcare

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. The company’s products are sold in over 120 countries worldwide. For more information about the company, visit our website www.fphcare.com.

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Authorised by Fisher & Paykel Healthcare Corporation Limited’s Board of Directors.