

## News Release

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

### 2023 Annual Shareholders' Meeting Speech and Presentation

Auckland, New Zealand, 29 August 2023 – Fisher & Paykel Healthcare Corporation Limited has provided the attached Chair's speech and CEO's slide presentation for the 2023 Annual Shareholders' Meeting.

There is no new material information contained within the speech or the presentation.

The speech is available on the company's website at <https://www.fphcare.com/nz/corporate/investor/events/> and the presentation can be found at <https://www.fphcare.com/nz/corporate/investor/reports/>.

Fisher & Paykel Healthcare's Annual Shareholders' Meeting is scheduled for 2pm NZST, 12pm AEST (10pm US EDT) on Tuesday, 29 August. To participate go to: <http://www.virtualmeeting.co.nz/fph23>.

### 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](http://www.fphcare.com).

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Authorised by Fisher & Paykel Healthcare Corporation Limited's VP Corporate.

**FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED**  
**ANNUAL SHAREHOLDERS' MEETING**  
**29 AUGUST 2023**

**ADDRESS BY SCOTT ST JOHN, CHAIR**

I'd like to begin my remarks by thanking our customers, clinical partners and our people. Last year, approximately 20 million patients were treated with Fisher & Paykel Healthcare products.

This is not something that happens without great effort from many individuals. We applaud those who work tirelessly to get products to where they're needed and administer care to patients.

The past year has been a welcome change from the pandemic period. Our people have taken advantage of open borders to strengthen connections with customers, clinicians and each other – we'll play a short video later in the agenda that demonstrates this.

In May, we announced a solid performance for the 2023 financial year. We were again lapping a period which saw a significant COVID-19-related impact on sales. The result was softened somewhat by hospital customers working through excess inventory during the first half, but this trend largely abated in the second half. We have seen more stable ordering patterns since then.

Full-year operating revenue was \$1.58 billion and net profit after tax was \$250.3 million.

Hospital product group revenue for the full year was \$1.02 billion, a 15 per cent decrease compared to the previous year and 18 per cent lower in constant currency. Taking a five-year view provides more perspective – you can see on the screen that our five-year compound annual growth rate is 12 per cent.

Homecare product group revenue for the full year was a record \$553.8 million, 18 per cent higher than the previous year, and 13 per cent higher in constant currency. Our Evora Full mask has been very well received since its launch last year and our team is hard at work on upcoming additions to our range.

Gross margin for the year was 59.4 per cent, compared to 62.6 per cent a year earlier. Headwinds such as elevated freight rates and manufacturing inefficiencies are easing, though inflationary raw material and manufacturing costs remain a factor. We expect that returning to our normal focus on operational efficiencies rather than our supply-at-all-costs approach during the pandemic will get us back to our long-term gross margin target of 65 per cent within the next three-to-four years. Across the global business, we are very focused on this and are putting our shoulder to the wheel.

The Board approved a dividend of 23 cents per share for the second half, taking the total dividend for the 2023 financial year to 40.5 cents per share, an increase of 3 per cent over the 2022 financial year. This was paid to shareholders on 7 July 2023.

We also reactivated our dividend reinvestment plan through which eligible shareholders can opt to reinvest all or part of their cash dividends in additional shares at a 3 per cent discount.

Turning to the present, we updated the market this morning with our latest line of sight for the 2024 financial year. Lewis will take you through that in more detail shortly.

Setting financials aside for a moment, there have been a number of significant milestones elsewhere.

We've taken some big strides in our long-term infrastructure planning. We acquired a 105-hectare site in Karaka for our second New Zealand campus, and we were pleased to receive approval from the Overseas Investment Office earlier this year to proceed. We are now working through the necessary zoning and plan changes.

We opened our third building in Tijuana, we are making good progress on the development of a new facility in China, and there is plenty of activity happening here on site in East Tāmaki.

Environmental & Social Responsibility continues to occupy a suitable space in our board discussions.

There's a lot I could say on this, but I think the expression that captures our mentality best is that there's no finish line for us on this journey. We're always looking to do better and we seek to identify and implement the best solution rather than routinely adopting practices designed for others.

Our newly established Environmental & Social Responsibility governance group continues to provide structure to these efforts.

Those that have been with us on the journey for a while will know that we have a bias toward the long view. 'Short-term-ism' does not feature in the way we craft our plans.

That being said, I'm heartened by the amount of progress achieved in the here-and-now, whether it be in our development of our long-term carbon reduction plan, the continued strength of our Ecodesign program, or the important progress we're making in sustainable procurement and preventing modern slavery.

Turning now to your Board.

Last year we farewelled Geraldine McBride and welcomed Cather Simpson. Cather has extensive experience commercialising scientific research and has been involved in several high-tech ventures. She has brought a valuable perspective to the board table since joining us.

We've also been fortunate to have Tracey Barron in the mix as part of the Future Directors program. This continues to be a positive format for upskilling aspiring directors and bringing in an outside perspective to established boards.

More recently, we were pleased to announce Graham McLean's appointment to the Board, effective 1st of October.

Graham joins us following 16 years as an executive at leading medical device manufacturer Stryker Corporation, most recently as President of the Asia Pacific region based in Hong Kong and Singapore.

He is currently a director and CEO of CleanSpaceHoldings and chair of Universal Biosensors, two ASX-listed healthcare companies.

We are confident Graham will add a valuable perspective to your Board. Graham will commence as a director on 1 October, and given that the appointment process was completed after this year's Notice of Meeting was circulated, his appointment will be put to shareholders for their consideration at next year's ASM.

Donal is retiring at the end of December after 11 years of incredibly valuable service to Fisher & Paykel Healthcare. Donal will say a few parting words shortly, and I'll hold my thanks and acknowledgement until then.

We are very active in our consideration of succession in all its forms. There are interrelationships between the Chair, the board, board committees and management. We are also very conscious of having the right mix of skills, characteristics, freshness and continuity on the board. We are a global company. We recruit globally, including for the board. Looking forward, you may see some board members with slightly-harder-to-acquire skills, such as global med tech, perhaps have tenures slightly longer than the average of the board. You might also see people like me whose skills are more readily available in Australasia likely serving a more typical 3x3 year term to ensure we manage this well. I should add that we are not bound to a rigid textbook rendering of succession.

Before I close, my thanks go to the people of Fisher & Paykel Healthcare for putting in the work day-in, day-out to see that patients are treated with the highest quality product.

And finally, I would like to thank you, our shareholders, for continuing to back us. The opportunities before us are significant and we appreciate your support as we pursue them.

**ADDRESS BY LEWIS GRADON  
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**

Please refer to separate PowerPoint slide presentation.




Annual Shareholders' Meeting 2023

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# Your Board

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Scott St John



Lewis Gradon



Sir Michael Daniell



Pip Greenwood



Lisa McIntyre



Neville Mitchell



Donal O'Dwyer



Cather Simpson

# Agenda

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- Chair's Address and Board Subcommittee Updates
- Managing Director and Chief Executive Officer's Address
- Financial Statements
- Resolutions
- Voting
- General Questions



# Scott St John

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Board Chair

# FY2023 Financial Highlights

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Operating Revenue

**\$1.58B**      ↓      **-6%**

Net Profit After Tax

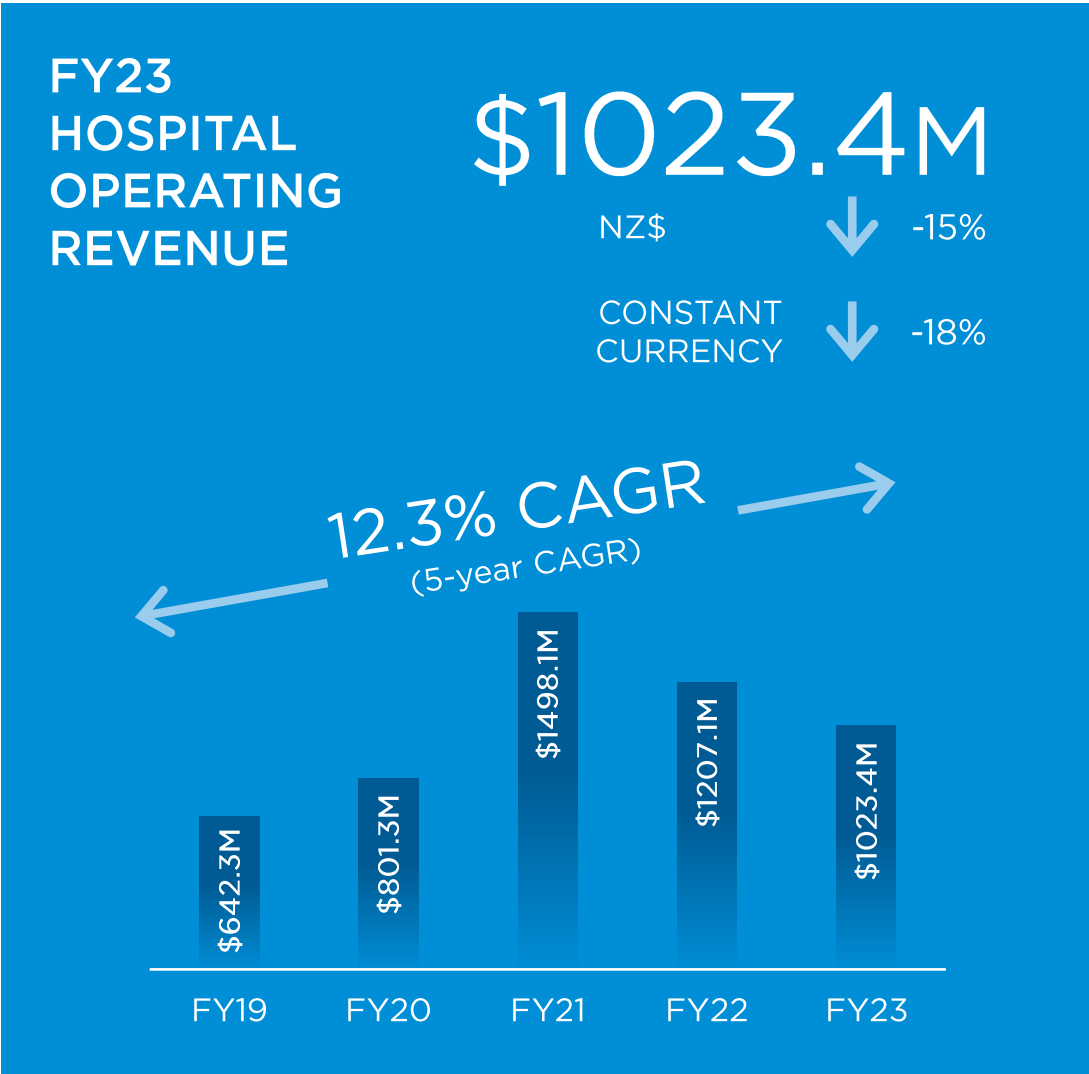
**\$250.3M**      ↓      **-34%**

Total Dividend

**40.50cps**      ↑      **3%**



# Hospital product group



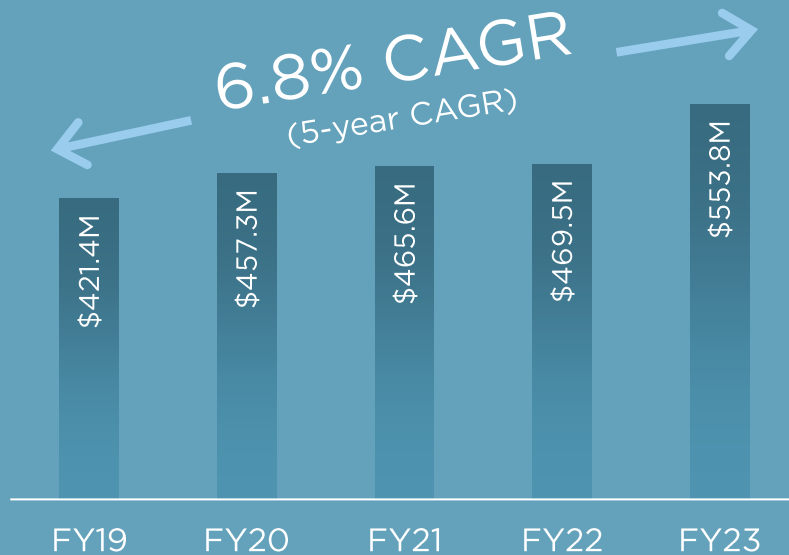
# Homecare product group

## FY23 HOMECARE OPERATING REVENUE

\$553.8M

NZ\$ ↑ 18%

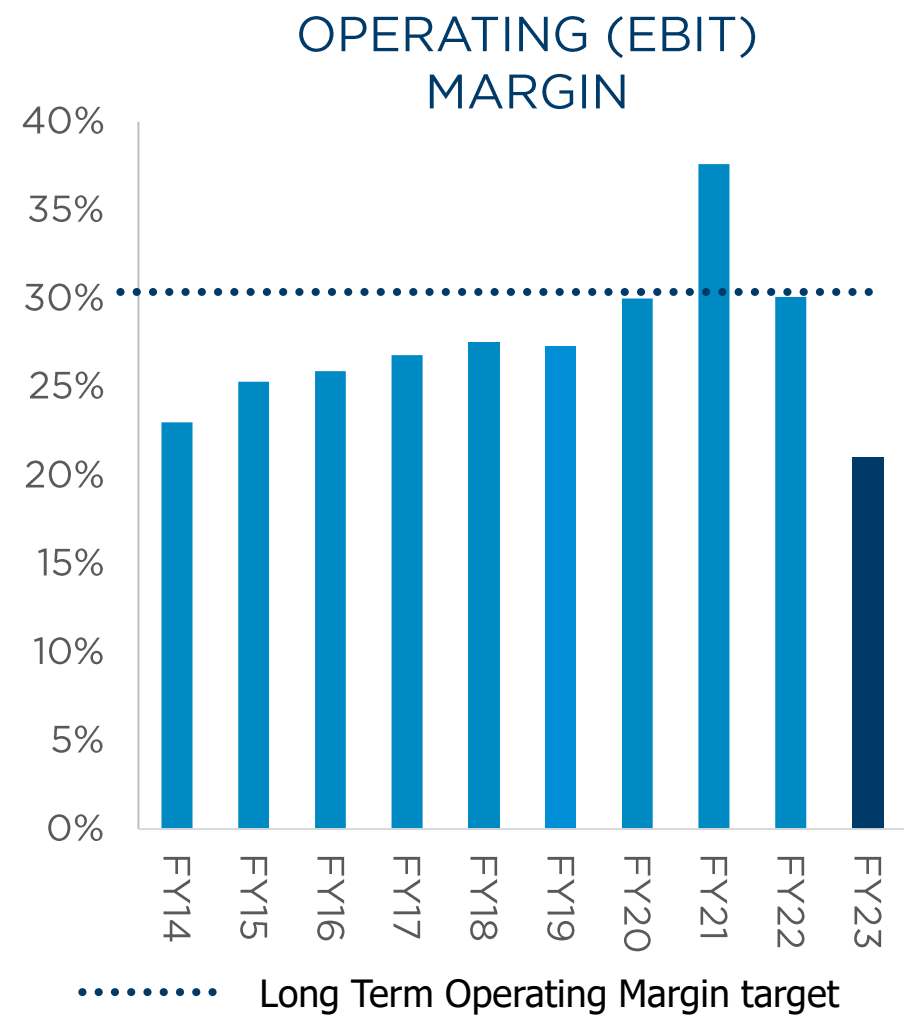
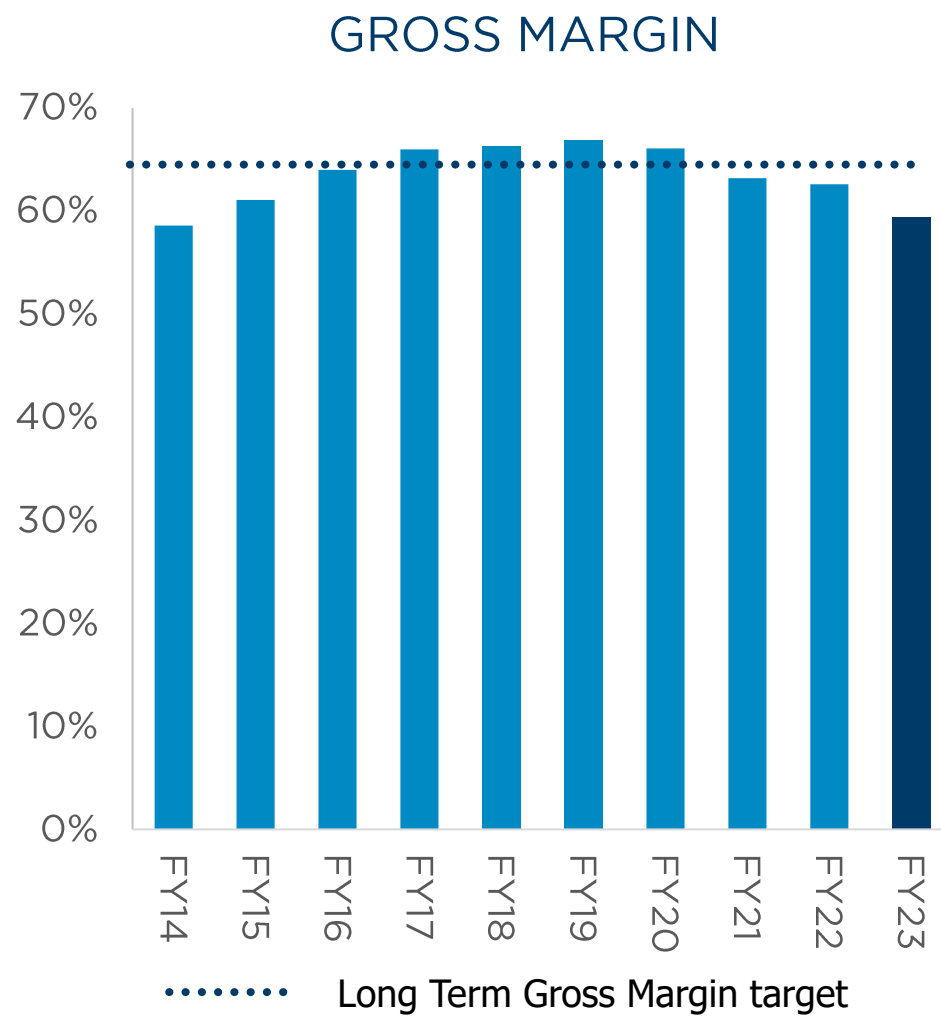
CONSTANT  
CURRENCY ↑ 13%



**F&P** Evora Full



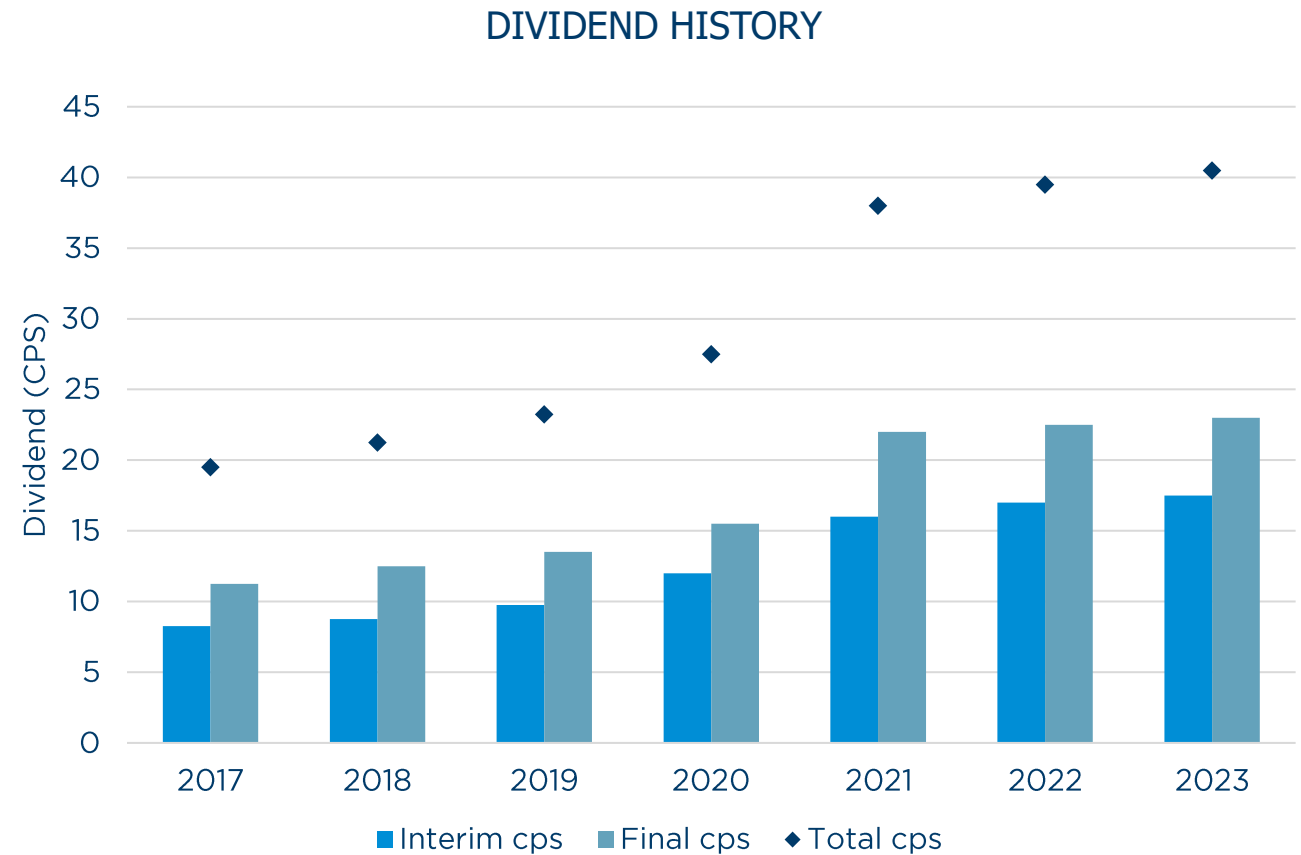
# Gross and operating margins





# Dividend

- Total dividend for the year increased by 3% to 40.5 cps
- The company's dividend reinvestment plan is available for eligible shareholders with a 3% discount



# Scott St John

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Board Chair

# Your Board

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Scott St John



Lewis Gradon



Sir Michael Daniell



Pip Greenwood



Lisa McIntyre



Neville Mitchell



Donal O'Dwyer



Cather Simpson

# Neville Mitchell

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Audit & Risk  
Committee Chair

# Lisa McIntyre

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People &  
Remuneration  
Committee Chair



# Mike Daniell

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Quality, Safety &  
Regulatory  
Committee Chair

# Scott St John

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Board Chair

# Donal O'Dwyer

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Director

# Lewis Gradon

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Managing Director  
and CEO



# Connection video

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# FY24 Financial Outlook

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## First Half

At 31 July 2023 exchange rates\*, and assuming a continuation of trading conditions in the first four months, the company expects:

- Operating revenue to be approximately \$790 million.
- Net profit after tax to be within the range of approximately \$95 million to \$105 million.

## Full Year

- Trading to date indicates no material change to the full-year revenue guidance of approximately \$1.70 billion provided on 26 May 2023.
- For the first four months of FY24, OSA masks revenue was stronger and hospital hardware revenue was marginally lower than previously assumed.
- Constant currency group revenue and operating expense results to date remain consistent with full year guidance provided in May.
- Constant currency gross margin improvement approaching 200 basis points for the full year.

\*Referenced 31 July 2023 exchange rates of NZD:USD 0.62, NZD:EUR 0.56, NZD:MXN 10.35.

# Our growth opportunities



# ~NZ\$25+ billion and growing market opportunity

Total addressable market estimates

## HOSPITAL

~150+ million patients

Invasive Ventilation



Noninvasive Ventilation



Hospital Respiratory Support



Anesthesia



Infant Care



Surgical



## NEW APPLICATIONS

Applications outside of invasive ventilation

## HEMOCARE

~100+ million patients

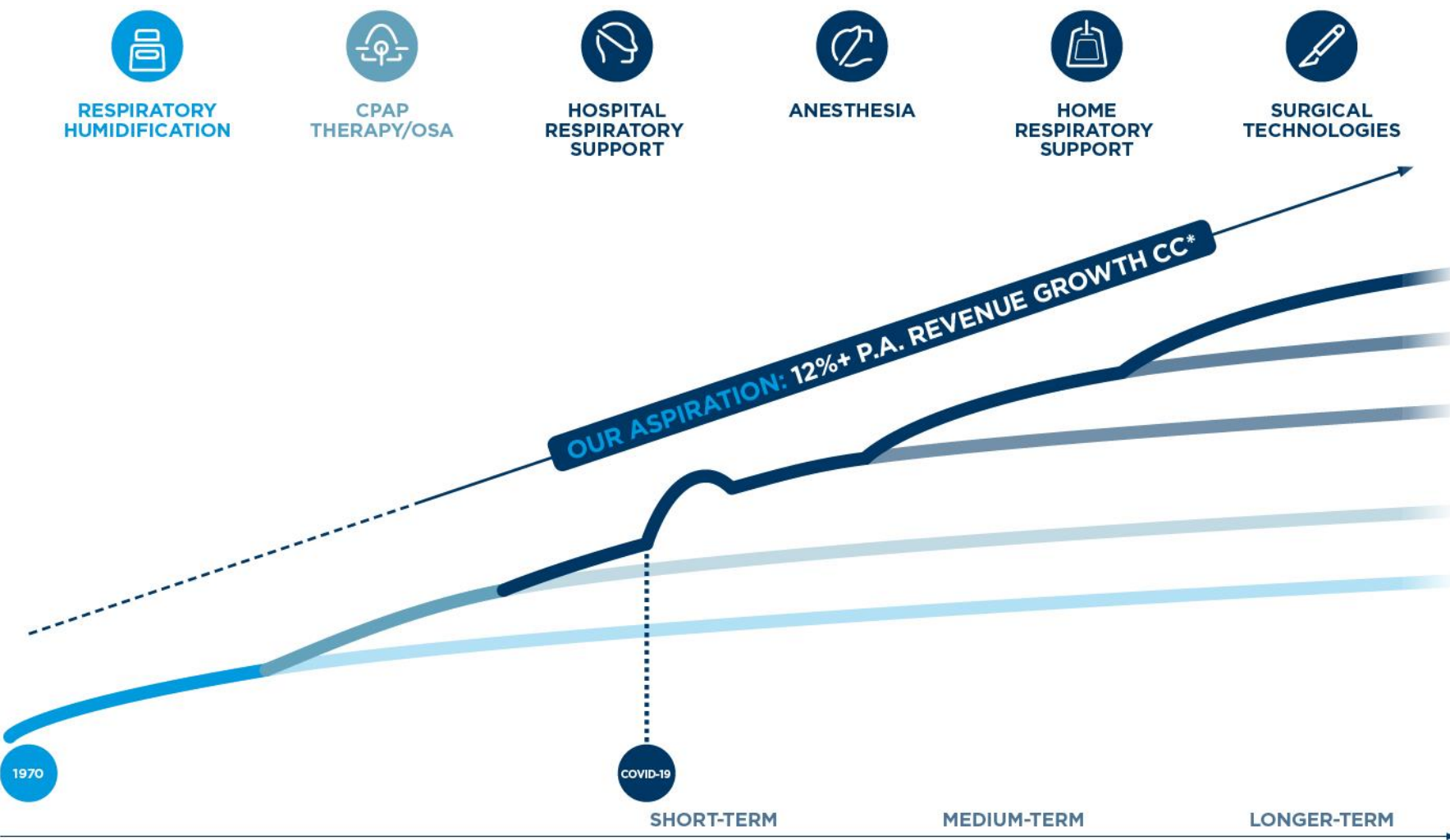
Home Respiratory Support



Obstructive Sleep Apnea



# Our aspiration
















**OUR ASPIRATION:**  
**Sustainably**  
**DOUBLING**  
our constant  
currency revenue  
every 5-6 years.

The image above is an illustration of the company's long-term growth aspirations. It is not a graph and should not be interpreted as being indicative of levels of revenue or profitability in the short term.

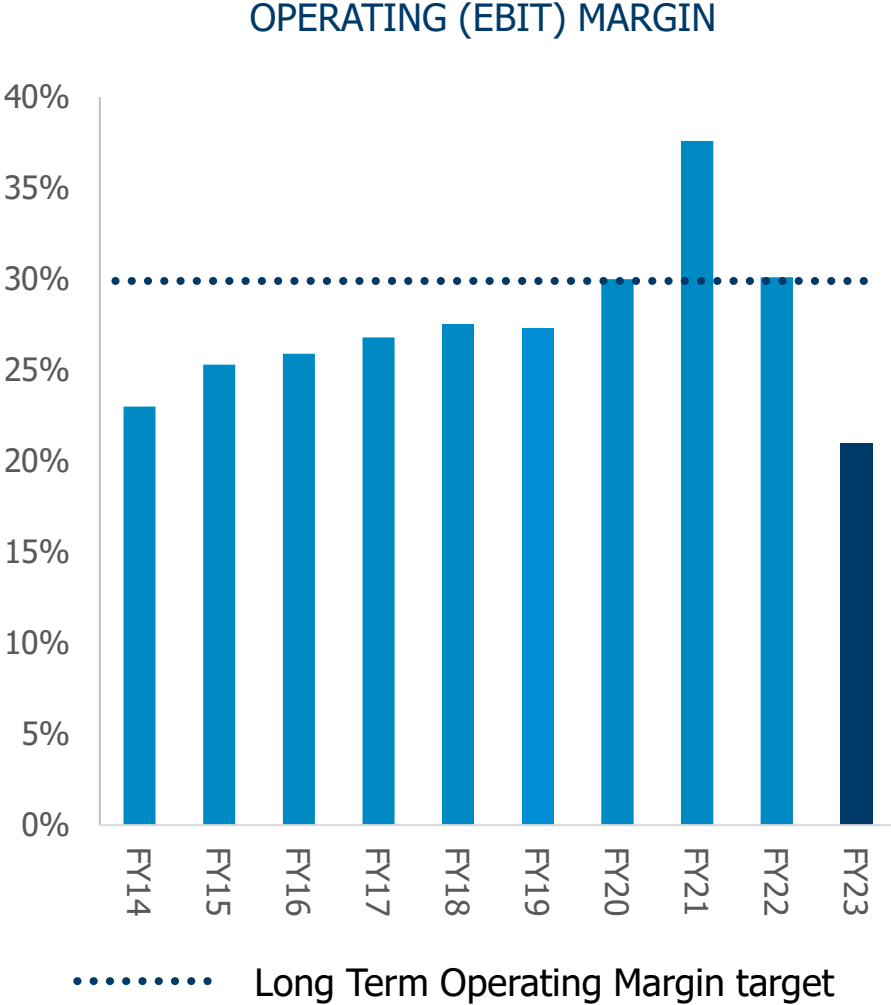
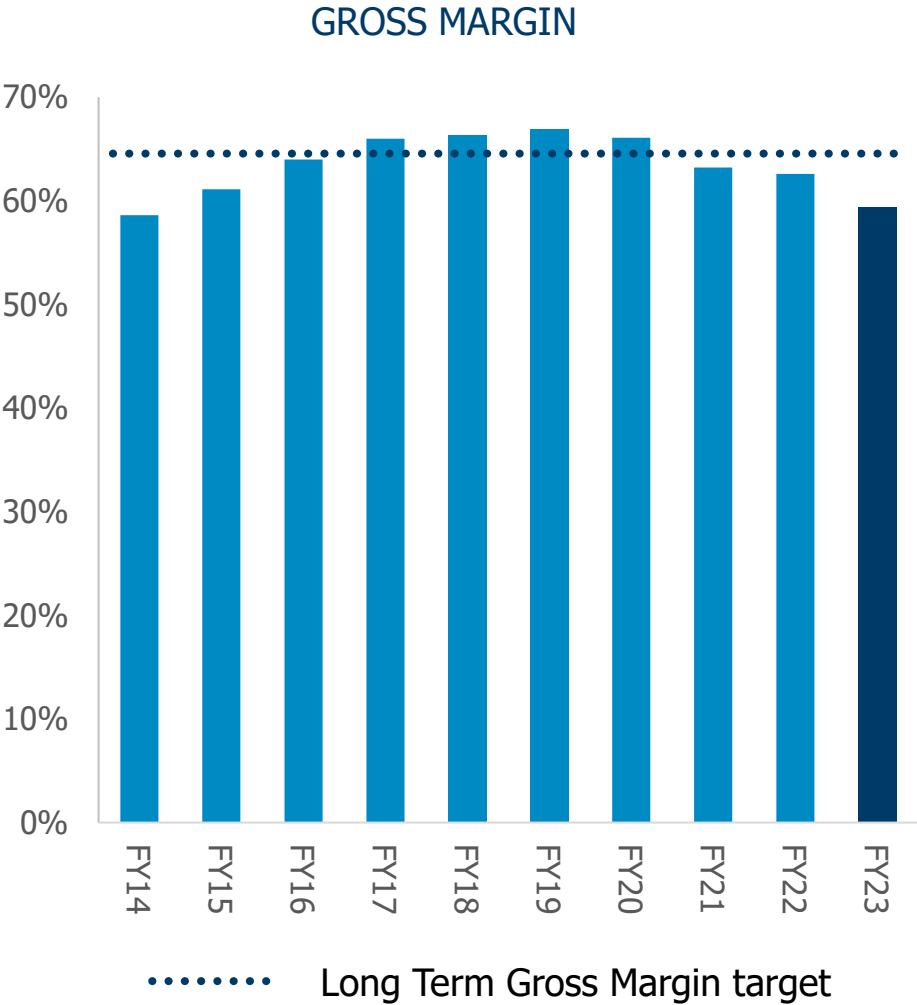


# Our progress over the last five years

	FY2019	FY2023	Change		Comment
Countries with F&P people	38	53	 39%		• COVID-19 accelerated expansion
Total people	4,547	6,564	 44%		
People in Manufacturing & Operations	2,680	3,975	 48%		• Peaked at 4,989 in FY22
People in R&D	581	846	 46%		• Accelerated R&D investment
R&D as a % of revenue	9%	11%	 165bps		
Land	57 ha	159 ha	 179%		• Added 102 ha for second NZ campus
Manufacturing facilities	5	7	 40%		• Plus preparing China and NZ5
Plant and equipment capex	\$41M	\$100M	 144%		• Cumulative \$434M over the last 5 years
Hospital hardware (% of hospital sales)	12%	15%	 300bps		• Cumulative \$1.2B sales over last 5 years
Patients treated with Optiflow	3M out of 30M	6M out of 50M	 100%		• Peaked at 7M patients in FY21/FY22
NHF clinical practice guidelines	0	7	 N/A		• Guidelines for non-COVID-19 patients
NHF studies published	247	865	 250%		
Anesthesia sales team	20	69	 245%		• Accelerated anesthesia opportunity



# Gross margin and operating margin targets



# Continuous improvement

Our Global CI Awards 2023



Projected total CI initiatives for 2023:  
**4,916**

Total for 2019:  
**1,917**

# Looking ahead

- Large, underpenetrated markets
- Geographic expansion
- Leveraging investment in R&D and infrastructure
- Returning to target margins
- Growing body of clinical evidence
- Promising product pipeline
- Long-term growth opportunities





# Scott St John

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Board Chair



# Financial Statements

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- Opportunity for shareholders to ask any questions specifically on the financial statements, the auditor's report or the company's 2023 annual report.
- There will be an opportunity to ask any general questions once all items on the agenda have been considered.



Annual Report 2023

Fisher & Paykel  
HEALTHCARE


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HEALTHCARE

# Resolutions

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1. Re-election of Pip Greenwood
2. Auditor's Remuneration
3. Director's Remuneration
4. Issue of Performance Share Rights
5. Issue of Options

# How to Vote Online



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# Resolution 1: Re-election of Pip Greenwood

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That Pip Greenwood, who retires by rotation and, being eligible, offers herself for re-election, be re-elected as a director of the Company.



Click “Submit Vote” to lodge your vote.

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# Pip Greenwood

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Director

# Resolution 1: Re-election of Pip Greenwood

---

That Pip Greenwood, who retires by rotation and, being eligible, offers herself for re-election, be re-elected as a director of the Company.



Click “Submit Vote” to lodge your vote.

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# Resolution 2: Auditor's Remuneration

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That the Directors be authorised to fix the fees and expenses of PwC as the Company's auditor.

Click “Submit Vote” to lodge your vote.

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# Resolution 3: Director's Remuneration

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That the maximum aggregate annual remuneration payable to non-executive Directors be increased by NZ\$295,000 from NZ\$1,455,000 to NZ\$1,750,000 (plus GST as appropriate) be approved.

Click “Submit Vote” to lodge your vote.

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# Resolution 4: Issue of Performance Share Rights

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That approval be given for the issue of up  
to 100,000 performance share rights  
under the Fisher & Paykel Healthcare 2022  
Performance Share Rights Plan to  
Lewis Gradon, Managing Director and  
Chief Executive Officer of the Company.

Click “Submit Vote” to lodge your vote.

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# Resolution 5: Issue of Options

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That approval be given for the issue of up to 190,000 options under the Fisher & Paykel Healthcare 2022 Share Option Plan to Lewis Gradon, Managing Director and Chief Executive Officer of the Company.

Click “Submit Vote” to lodge your vote.

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# Questions

• C O N N E C T I O N •

• 2 0 2 3 •



A modern office interior with large windows and people working. The scene is bright and airy, with a high ceiling and a large glass wall. Two people are standing near the window, looking out at a green landscape. In the background, several people are seated at desks, working on computers. The overall atmosphere is professional and collaborative.

This concludes the 2023  
Annual Shareholders' Meeting.

Thank you for attending.

• C O N N E C T I O N •

• 2 0 2 3 •