

Annual Review

For the year ended 31 March 2018

RECORD NET PROFIT AFTER TAX
NZ\$M ↑12%

190.2

RECORD OPERATING PROFIT
NZ\$M ↑12%

269.8

RECORD OPERATING REVENUE
NZ\$M ↑10%

980.8

TOTAL DIVIDEND FOR YEAR
NZCPS FULLY IMPUTED ↑9%

21.25

GROSS MARGIN

66.3%

HOSPITAL REVENUE GROWTH
NZ\$M ↑14%

572.1

HOMECARE REVENUE GROWTH
NZ\$M ↑4%

398.1

Dear Shareholder

The 2018 financial year was another positive year for our company. We delivered a record financial result of \$190.2 million net profit after tax, up 12% on the previous year. Revenue growth was up 10% to \$980.8 million.

Operating revenue in our Hospital product group grew 14% to a record \$572.1 million. This was driven largely by growth in new applications of 22%, which is our Optiflow™ nasal high flow therapy, non-invasive ventilation and surgery products.

It was particularly pleasing to report growth of 27% in new applications in the second half as more hospitals and clinicians choose to use our Optiflow nasal high flow therapy to treat a broader range of patients with respiratory complications.

Revenue growth of 4% in our Homecare product group was not as strong as the previous few years, but we are pleased with the response to our most recently released mask, the F&P Brevida™ nasal pillows mask.

Our obstructive sleep apnea (OSA) masks incorporate market-leading technology and we look forward to expanding our innovative OSA mask range later this year.

Dividend

The Board has approved an increased final dividend for the year of 12.5cps. This takes the total dividend for the financial year to 21.25cps, an increase of 9% on the previous year.



Tony Carter

Our products used in home respiratory support are growing well, although we are still at the very early stages of the product lifecycle. We are beginning to see clinical evidence supporting the use of Optiflow therapy in the home emerging with encouraging results.

Our global team continues to grow to meet the increasing demands of the healthcare sector. We remain dedicated to producing high quality, innovative medical devices that assist healthcare providers to deliver outstanding patient care, help people recover sooner, and where possible, be treated in the home rather than the hospital.

As healthcare systems strive to balance the need to provide excellent patient care with the growing costs of caring for ageing and growing populations, we will continue to support them with our technology innovations.



Lewis Gradon

At current exchange rates we expect full year operating revenue for the 2019 financial year to be approximately NZ\$1.05 billion and net profit after tax to be approximately NZ\$210 million.

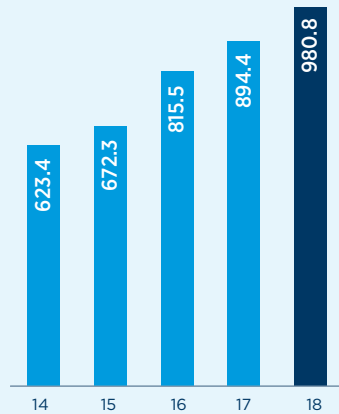
Our outlook is exciting and we are looking forward to another year of positive revenue and earnings growth. We are well positioned to meet the growing demand for our products from an increasing investment in healthcare across the globe.

TONY CARTER, CHAIRMAN

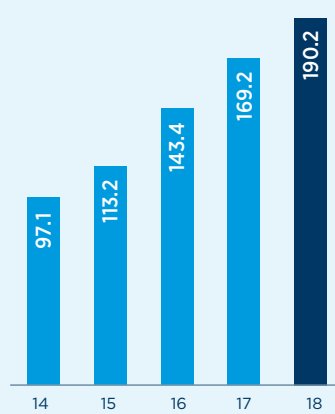
LEWIS GRADON, MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER

Results in brief

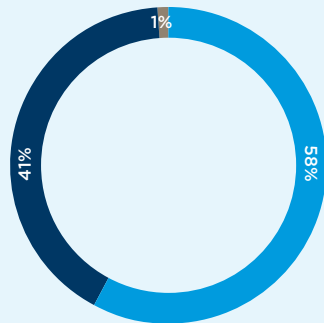
OPERATING REVENUE
NZ\$ MILLIONS



NET PROFIT AFTER TAX
NZ\$ MILLIONS

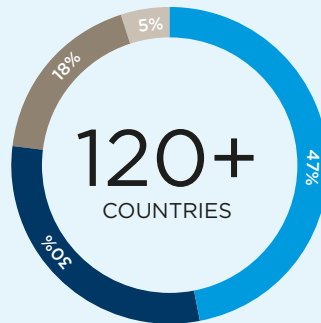


REVENUE BY PRODUCT GROUP
12 MONTHS TO 31 MARCH 2018



● Hospital
● Homecare
● Distributed & Other

GLOBAL PRODUCT SALES
2018



● North America
● Europe
● Asia Pacific
● Other

+ WELCOMED

significant new clinical research using our Optiflow™ Junior and myAirvo™ products

+ ENCOURAGED

by the publication of 259 new clinical studies in nasal high flow therapy in 2017

+ INTRODUCED

F&P SleepStyle™ CPAP device, F&P Nivairo™ non-invasive ventilation mask and Optiflow Junior 2 into global markets

+ INCLUDED

in the MSCI World investor index

+ CONTINUED

with the global roll out of our enterprise planning system (ERP) in Japan, Canada and Korea

+ PROGRESSED

with our building programmes in New Zealand and Mexico

+ AWARDED

prestigious product design awards, such as the Red Dot award for the F&P Brevida™ mask for OSA

+ IMPACTED

the lives of 13 million patients around the world



Hospital

We offer medical devices for use in the hospital where patients are receiving invasive and non-invasive ventilation, nasal high flow therapy or undergoing surgery.

Humidity is crucial to respiratory health and well-being. Our products incorporate patented and proprietary technologies designed to emulate the balance of temperature and humidity that occurs naturally in the body. This approach restores natural balance and seeks to ensure optimal outcomes for patients and their caregivers.

58%

OF OPERATING REVENUE

OPERATING REVENUE GROWTH
(NZ\$572.1M)

↑14%

CONSTANT CURRENCY
CONSUMABLE REVENUE GROWTH
FROM NEW APPLICATIONS

↑22%



Homecare

Obstructive sleep apnea (OSA) occurs when one's airway temporarily closes during sleep, forcing sufferers to wake either partially or completely to breathe again. This can occur up to several hundred times a night, and if left untreated, can lead to serious health problems.

Our continuous positive airway pressure (CPAP) devices and innovative masks are used to treat OSA. CPAP therapy keeps the airway open, and is recognised as a simple and effective treatment for OSA.

We also offer products that provide respiratory support in the home in the treatment of chronic respiratory conditions such as chronic obstructive pulmonary disease.

41%

OF OPERATING REVENUE

OPERATING REVENUE GROWTH
(NZ\$398.1M)

↑4%

CONSTANT CURRENCY REVENUE
GROWTH

↑4%

SHARE REGISTRAR

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For further reading visit:

www.fphcare.co.nz/investor-reports and

<https://annualreport.fphcare.com>

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