

Annual Review

For the year ended 31 March 2019



OPERATING REVENUE ↑9%
NZ\$

**1.07
billion**

NET PROFIT AFTER TAX
NZ\$M ↑10%

209.2

TOTAL DIVIDEND FOR YEAR
NZCPS FULLY IMPUTED ↑9%

23.25

GROSS MARGIN

66.9%

HOSPITAL REVENUE GROWTH
NZ\$M ↑12%

642.3

NEW APPLICATION
CONSUMABLES
REVENUE GROWTH
(CONSTANT CURRENCY)

↑20%



Dear Shareholder

We are pleased to report on what has been another successful year for our company with net profit after tax up 10% to \$209.2 million. Of particular note, we were delighted to achieve the milestone of becoming a NZ\$1 billion company, with operating revenue of \$1.07 billion.

Our consistently improving results are a reflection of our innovative products, the dedication of our teams around the world, a culture of continuous improvement, and the value we offer for clinicians and patients.

It is now 50 years since Fisher & Paykel's prototype respiratory humidifier was first developed. Fifty years on, we are a substantial business, operating successfully on the global stage and with a proven track record. Our product range has grown to include over 1,400 products and sales have grown from just \$20,000 in 1972 to be over \$1 billion now.

Dividend

The Board has approved an increased final dividend for the year of 13.5cps. This takes the total dividend for the financial year to 23.25cps, an increase of 9% on the previous year.



Tony Carter

Our business is structured into two parts – Hospital and Homecare – both of which delivered revenue and operating profit growth in FY19. Revenue in our Hospital product group grew 12% to \$642.3 million and 62% of hospital consumables revenue was contributed by newer applications for our technology in the hospital, including Optiflow™ nasal high flow therapy, non-invasive ventilation and surgical humidification.

Operating revenue in our Homecare product group grew 6% to \$421.4 million during the year. A hiatus in obstructive sleep apnea (OSA) mask launches since the successful release of our F&P Brevida™ mask in 2016 was offset by a strong contribution from the successfully completed roll out of our new SleepStyle™ OSA continuous positive airway pressure (CPAP) system to all major markets, and from home respiratory support.



Lewis Gradon

Over the past year we were also pleased to launch neonatal breathing circuits for the F&P 950 heated humidification system, our new Optiflow 3S nasal cannula and, more recently, our new Vitera™ mask.

Achieving \$1 billion in revenue is a milestone for our company, however, we are not sitting still. We will continue to build on our strengths and continuously improve and expand our portfolio of valued solutions for healthcare providers and patients.

At current exchange rates we expect operating revenue for the 2020 financial year to be approximately NZ\$1.15 billion and net profit after tax to be approximately NZ\$240 million to NZ\$250 million.

We look forward to continuing to deliver consistent sustainable growth and value for our communities and our shareholders for another 50 years and more.

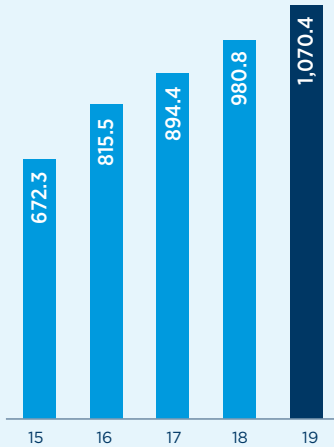
Handwritten signatures of Tony Carter and Lewis Gradon in black ink.

TONY CARTER, CHAIRMAN

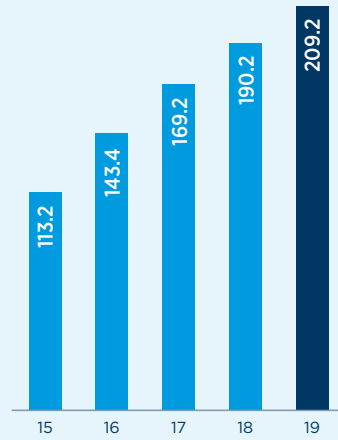
LEWIS GRADON,
MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER

Results in brief

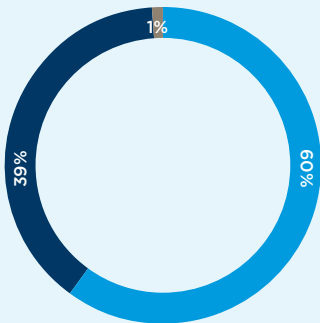
OPERATING REVENUE
NZ\$ MILLIONS



NET PROFIT AFTER TAX
NZ\$ MILLIONS

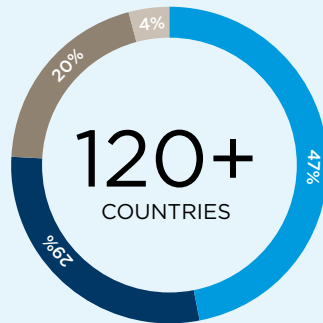


REVENUE BY PRODUCT GROUP
12 MONTHS TO 31 MARCH 2019



● Hospital
● Homecare
● Distributed & Other

REVENUE BY REGION
12 MONTHS TO 31 MARCH 2019



● North America
● Europe
● Asia Pacific
● Other

+ INTRODUCED

F&P Vitera™ full face mask, F&P Optiflow™ 3S nasal cannula, and new neonatal breathing circuits for the F&P 950™ Heated Humidification System.

+ AWARDED

two Gold Pins in the User Experience category at the NZ Best Design Awards for F&P InfoSmart™ Web and our F&P Sleepstyle™ patient app.

+ CONTINUED

with the global roll-out of our enterprise resource planning system (ERP).

+ PROGRESSED

an exciting product pipeline, with several new product launches anticipated.

+ IMPACTED

the lives of approximately 14 million patients around the world.

+ GREW

the body of clinical evidence supporting the use of Optiflow nasal high flow, including a key publication demonstrating significant benefits for Chronic Obstructive Pulmonary Disease (COPD) patients in the home using our myAirvo™ device.

+ COMPLETED

construction of our second manufacturing facility in Tijuana, Mexico with operations to commence during FY20.

+ INCLUDED

in the FTSE4Good and Dow Jones Sustainability Indices for 2018.

+ WELCOMED

Neville Mitchell as a non-executive director and two new members of our Executive Management Team; Lyndal York as CFO and Marcus Driller as VP-Corporate.



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.

60%

OF OPERATING REVENUE

OPERATING REVENUE GROWTH
(NZ\$642.3M)

↑12%

CONSTANT CURRENCY
CONSUMABLE REVENUE GROWTH
FROM NEW APPLICATIONS

↑20%



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.

39%

OF OPERATING REVENUE

OPERATING REVENUE GROWTH
(NZ\$421.4M)

↑6%

OSA FLOW GENERATOR
CONSTANT CURRENCY GROWTH

↑27%

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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