



Business Highlights

- Released five innovative new products over the last year:
 - F&P 950™ heated humidification system
 - F&P Nivairo™ hospital mask
 - F&P Brevida™ OSA mask
 - F&P Optiflow Junior™ 2 nasal cannula range
 - F&P SleepStyle™ CPAP device
- Completed purchase of 15 hectare site in Mexico and commenced earthworks
- Commenced earthworks for fourth building on our NZ site

Innovative new products launched



F&P Nivairo



F&P 950 system



F&P Optiflow Junior 2



F&P SleepStyle



F&P Brevida

Hospital Product Group

Operating revenue growth	H2 FY2017
NZ\$	+11%
Constant currency	+16%

New applications consumables revenue growth	H2 FY2017
(Noninvasive ventilation (NIV), Optiflow™, AIRVO, Surgical)	
NZ\$	+19%
Constant currency	+24%

- New applications consumables made up 55% of H2 FY2017 Hospital consumables revenue, up from 52% in H1 FY2017
- Strong customer demand for our Optiflow™ and AIRVO™ systems

Further positive clinical trial results:

- Use of Optiflow™ nasal high flow therapy in infants with bronchiolitis had a significantly lower treatment failure rate than standard oxygen therapy (Franklin, D et al, PARIS study – abstract published at PAS 2017)



Homecare Product Group

Operating revenue growth

H2 FY2017

NZ\$	+4%
Constant currency	+7%

Mask revenue growth

H2 FY2017

Constant currency	+12%
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- Masks continue to take market share



F&P Simplus™



F&P Eson™ 2



F&P Brevida™



F&P SleepStyle™

Second Half Financial Highlights

H2 FY2017 (6 months to 31 March 2017)

	Δ PCP^	Δ CC*
Operating revenue	+8%	+12%
Gross margin (bps increase)	+250bps	+120bps
Net profit after tax	+12%	+14%
Hospital operating revenue	+11%	+16%
Hospital new applications consumables revenue	+19%	+24%
Homecare operating revenue	+4%	+7%
OSA masks revenue	+9%	+12%

^ PCP = prior comparable period * CC = constant currency

Full Year Financial Highlights

FY2017 (12 months to 31 March 2017)

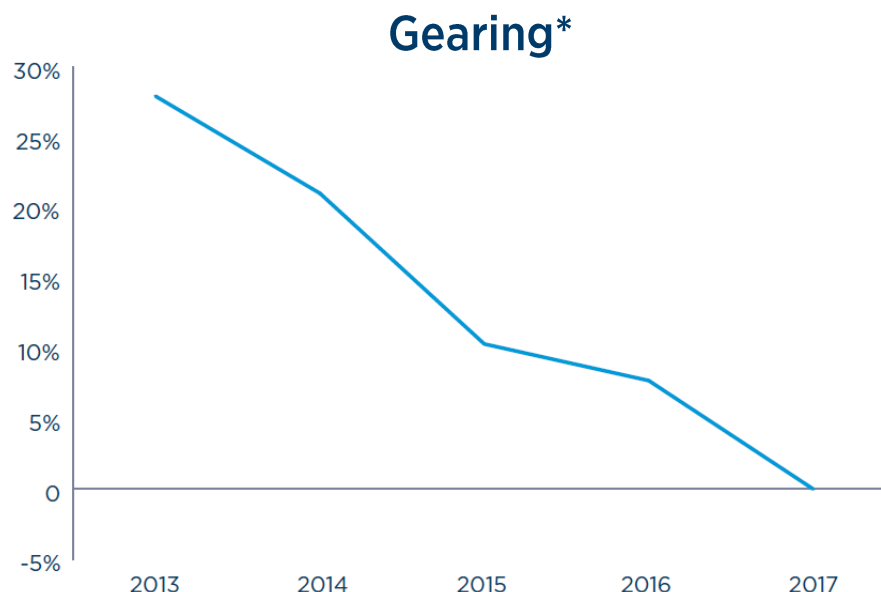
	NZ\$M	ΔPCP^	ΔCC*
Record operating revenue	894.4	+10%	+14%
Gross margin (bps increase)		+205bps	+206bps
Record net profit after tax	169.2	+18%	+21%
Record Hospital operating revenue	500.4	+15%	+19%
Hospital new applications consumables revenue		+24%	+29%
Record Homecare operating revenue	381.5	+4%	+8%
OSA masks revenue		+9%	+13%

**Recurring items, consumables and accessories
approximately 86% of operating revenue (FY16: 83%)**

^ PCP = prior comparable period * CC = constant currency

Dividend and Gearing

- Increased final dividend by 13%:
 - 11.25 cps + 4.375 cps imputation credit for NZ residents (gross dividend of NZ 15.625 cps)
 - Fully imputed
 - 1.9852 cps non-resident supplementary dividend
 - Dividend reinvestment plan available for New Zealand and Australian residents, no discount will apply
- Gross dividend 27.0833 cps, yield ~2.7%
- Target gearing ratio* of +5% to -5% debt to debt plus equity
 - Gearing ratio at 31 March 2017 was 0.0%



- Expect at current exchanges rates (of NZD:USD 0.69 and NZD:EUR 0.63 as at 22 May 2017):
 - Operating revenue – approximately NZ\$1 billion
 - Net profit after tax – approximately NZ\$180 – NZ\$190 million

The background of the slide features a close-up, low-angle shot of several blue corrugated pipes. The pipes are arranged in a way that creates a strong sense of depth and perspective, with lines converging towards the top right. The lighting is bright, highlighting the texture of the corrugations. The word 'Overview' is superimposed in the center in a large, white, sans-serif font.

Overview

Fisher & Paykel Healthcare at a Glance

Global leader in respiratory humidification devices

- Medical device manufacturer with leading positions in respiratory care and obstructive sleep apnea
- 45+ years' experience in changing clinical practice to solutions that provide better clinical outcomes and improve effectiveness of care
- Estimated US\$6+ billion and growing market opportunity driven by demographics
- Significant organic long-term growth opportunities in respiratory care, OSA, COPD and surgery
- Large proportion (86%) of revenue from recurring items, consumables and accessories
- High level of innovation and investment in R&D with strong product pipeline
- High barriers to entry

Global presence



Strong financial performance

- Continued target, and history of, doubling our revenue (in constant currency terms) every 5 to 6 years
- Long-term targets for gross margin of 65% and operating margin of 30%
- Growth company with targeted dividend pay-out ratio of approximately 70% of net profit after tax

Consistent growth strategy

Our Competitive Advantage

- Significant expertise in, and history of, changing clinical practice to therapies that improve clinical outcomes, are more effective and efficient and that ultimately reduce cost to the healthcare system
 - Heated humidification in invasive ventilation
 - Heated humidification in CPAP therapy for OSA patients
 - Optiflow nasal high flow therapy displacing use of conventional oxygen therapy in the hospital
 - Optiflow nasal high flow therapy in the home for the treatment of patients with chronic respiratory conditions
 - Introduction of heated humidification in open and laparoscopic surgery



~US\$6+ Billion and Growing Market Opportunity

HOSPITAL

Invasive Ventilation



Noninvasive Ventilation



Hospital Respiratory Support



Surgical Humidification



HEMOCARE

Home Respiratory Support



CPAP Therapy



“NEW APPLICATIONS”

Applications outside of invasive ventilation

Markets & Products

○ Hospital

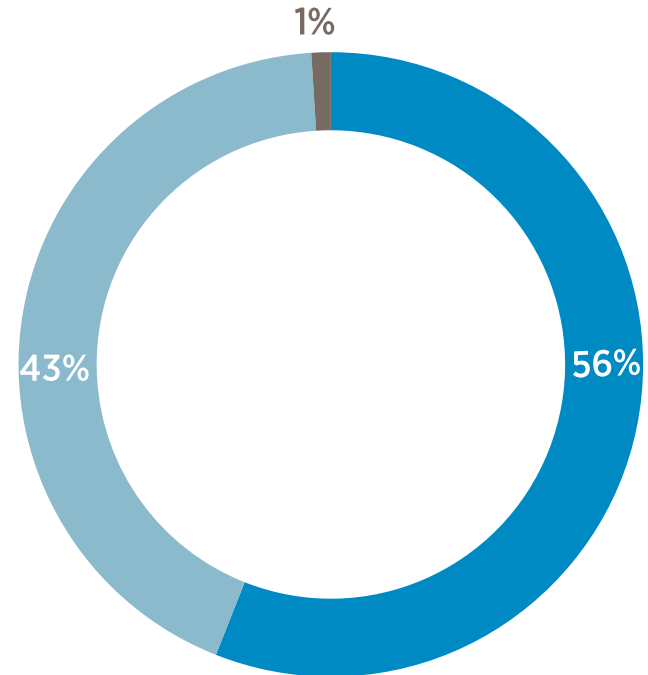
- Heated humidification
- Respiratory care
- Neonatal care
- Surgery

○ Homecare

- Masks
- Flow generators
- Data management tools
- Respiratory care in the home

Recurring items, consumables and accessories approximately 86% of operating revenue (H1 FY17: 86%)

**Revenue by Product Group
12 months to 31 March 2017**



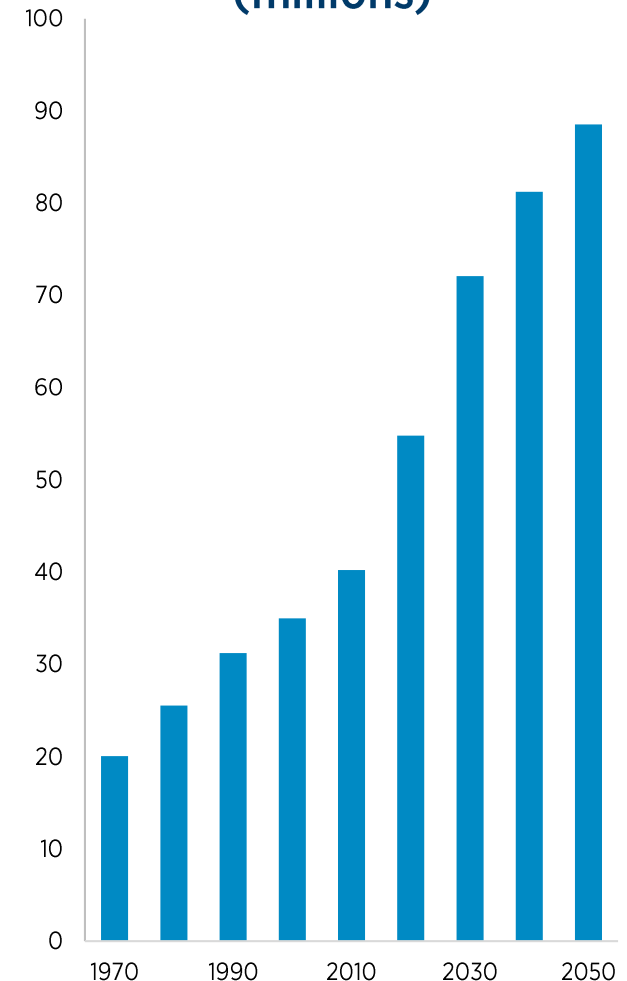
- Hospital
- Homecare
- Distributed & Other

Impact of Changing Demographics

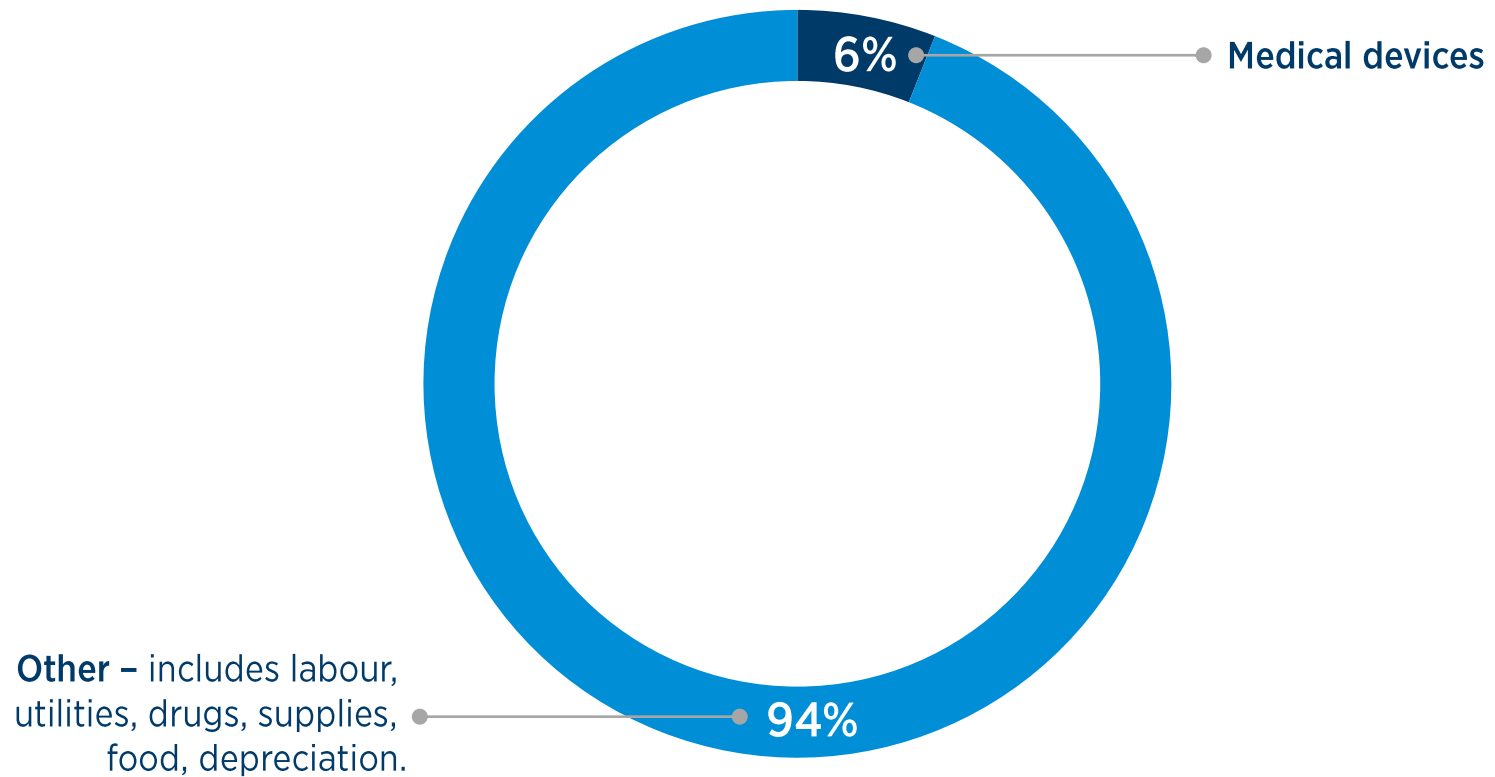
- Population age and weight both increasing
 - US population 65 years+ to grow ~80% over next 20 years¹
 - US males 60 - 74 years, average weight increased 0.4 kg/year since 1960²
- 60% of US healthcare cost is after age 65 years³
- Developing markets increasing healthcare spending
 - China healthcare expenditure projected to grow at 12% per year between 2014-2018⁴



US Population over age 65 (millions)



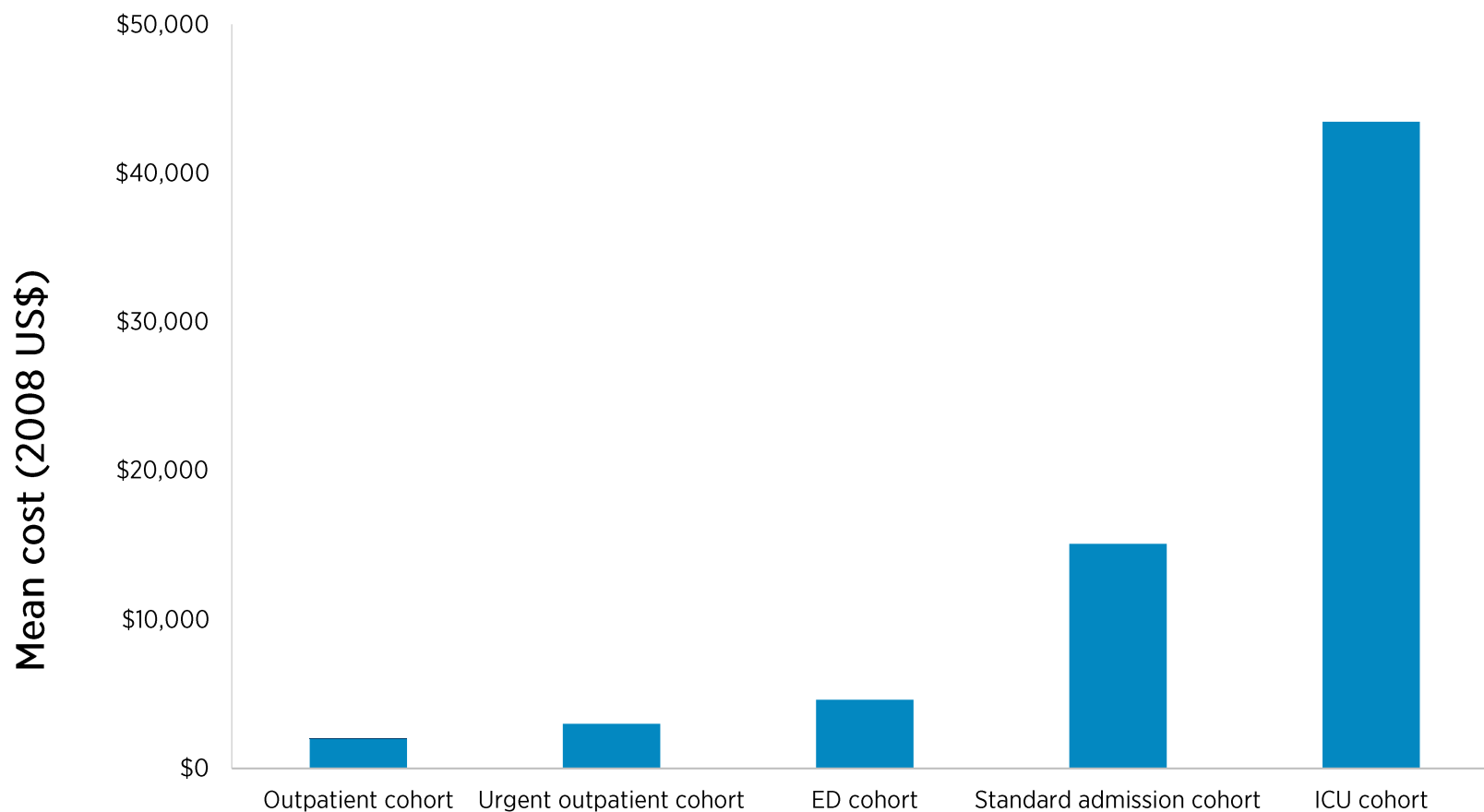
Hospital Cost Breakdown



Source: Estimates of Medical Device Spending in the United States, Donahoe, G and King, G, June 2014

Lower Care Intensity = Lower Cost

Mean Annual COPD-Related Medical, Pharmacy, and Total Costs by Care Intensity Cohort



Source: Anand A Dalal, Laura Christensen, Fang Liu, and Aylin A Riedel. Direct costs of chronic obstructive pulmonary disease among managed care patients. *Int J Chron Obstruct Pulmon Dis*. 2010; 5: 241-249.

Hospital Product Group

Invasive
Ventilation



Noninvasive
Ventilation



Hospital
Respiratory Support



Surgical
Humidification

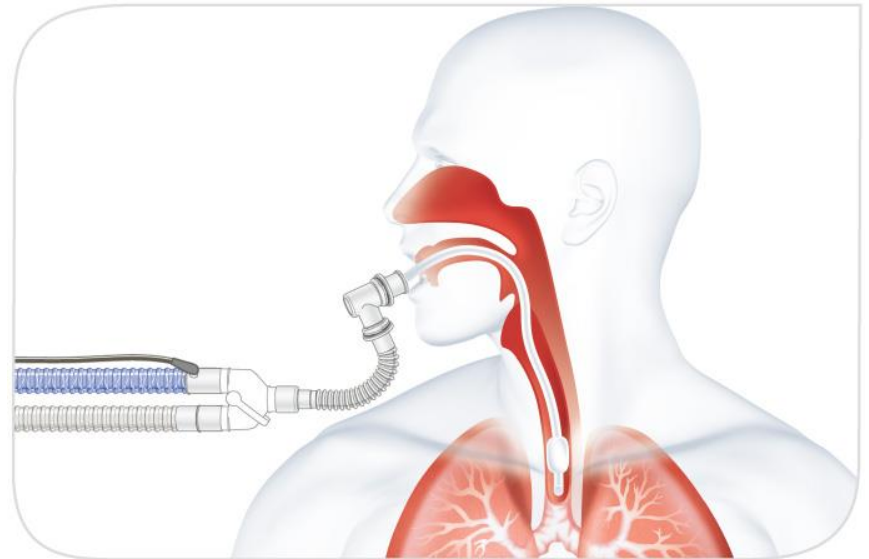


“NEW APPLICATIONS”

Applications outside of invasive ventilation

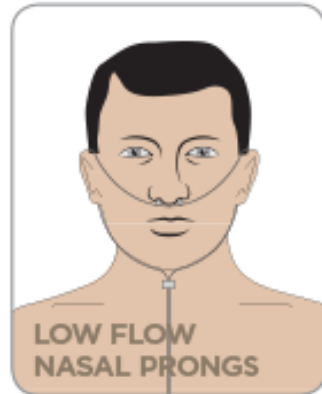
Respiratory Humidification

- Normal airway humidification is bypassed or compromised during ventilation or oxygen therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
 - 37°C body core temperature
 - 44mg/L 100% saturated

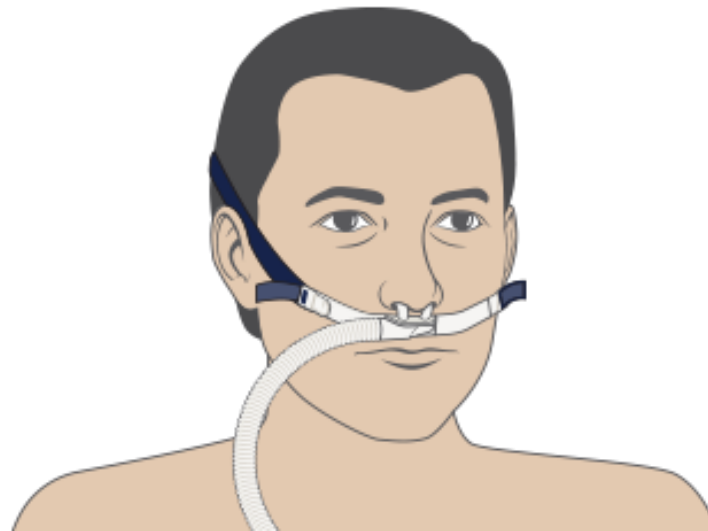
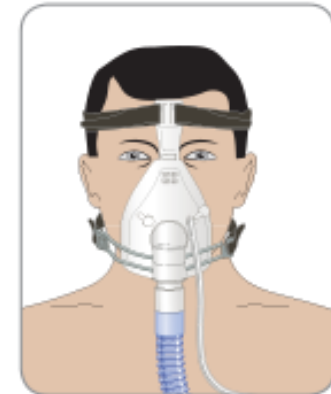


Optiflow - Displacing Conventional Oxygen Therapy

CONVENTIONAL OXYGEN THERAPY



NONINVASIVE VENTILATION



Clinical Outcomes of Optiflow Nasal High Flow Therapy

Optiflow NHF therapy is associated with:

ADULTS:

- REDUCED intubation⁵
- REDUCED re-intubation^{6, 7, 8}
- REDUCED bilevel ventilation⁷
- REDUCED nursing workload⁷
- INCREASED ventilator free days⁵
- IMPROVED comfort & patient tolerance⁶
- IMPROVED compliance⁶

PAEDIATRICS:

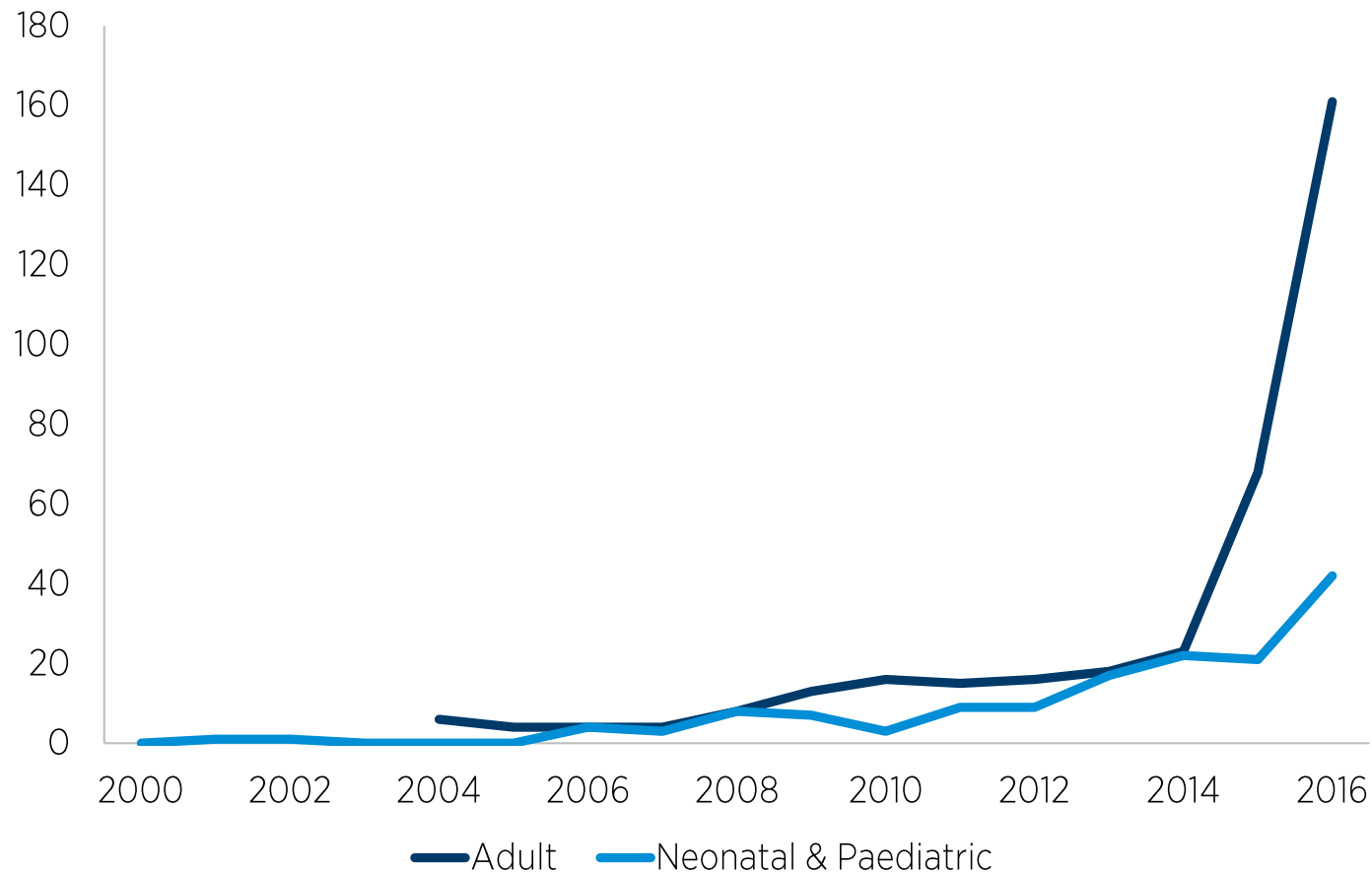
- REDUCED intubation⁹
- REDUCED length of stay¹⁰
- REDUCED respiratory distress¹¹

NEONATES:

- NONINFERIORITY with nasal CPAP¹²
- REDUCED nasal trauma^{13, 14}
- REDUCED respiratory distress¹⁵

Optiflow NHF - A Growing Body of Clinical Evidence

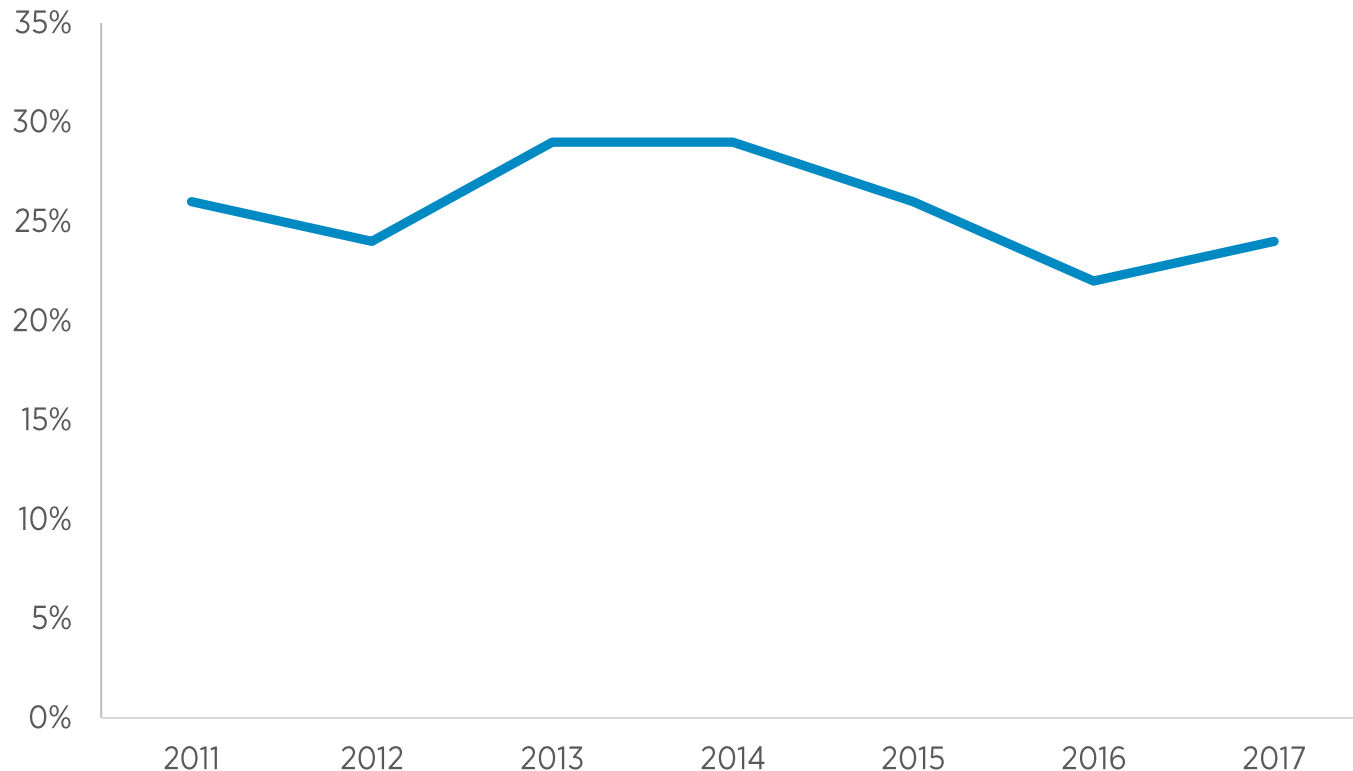
Nasal High Flow Clinical Papers Published Annually



Source: PubMed

Consistently Strong Growth in Hospital New Applications

Constant Currency Revenue Growth Rate in New Applications Consumables*



- New applications consumables made up 54% of Hospital consumables revenue in FY2017, up from 51% in FY2016 and 46% in FY2015

New applications consumables: Noninvasive ventilation, Optiflow, AIRVO, Surgical

22 * Adjusted to exclude impact of US distribution transition in FY16 & FY17

Homecare Product Group

Home
Respiratory Support



CPAP
Therapy



Obstructive Sleep Apnea

- Temporary closure of airway during sleep
- Can greatly impair quality of sleep, leading to fatigue; also associated with hypertension, stroke and heart attack
- Estimated US\$3+ billion worldwide market. We estimate the market is growing approximately 6-8% p.a.
- Estimate >50 million people affected in developed countries
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
 - Key issue with CPAP is compliance
 - Humidification provides significant acceptance and compliance improvements



Revolutionary Masks

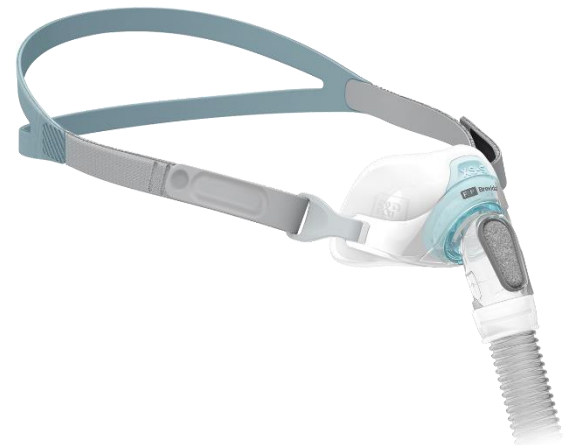
- Market leading mask technology
- Unique, patented designs
- Mask Matters Most
 - Masks are key to compliance



F&P Eson 2™



F&P Simplus™



F&P Brevida™

Home Respiratory Support

- Chronic obstructive pulmonary disease (COPD) is a lung disease which is commonly associated with smoking
- Emphysema and chronic bronchitis are both forms of COPD
- Chronic respiratory disease, primarily COPD, is the third leading cause of death in the US¹⁶
- 6% of US adults have been diagnosed with COPD¹⁷ (~15 million people)
- 4-10% COPD prevalence worldwide¹⁸ (~400 million people)



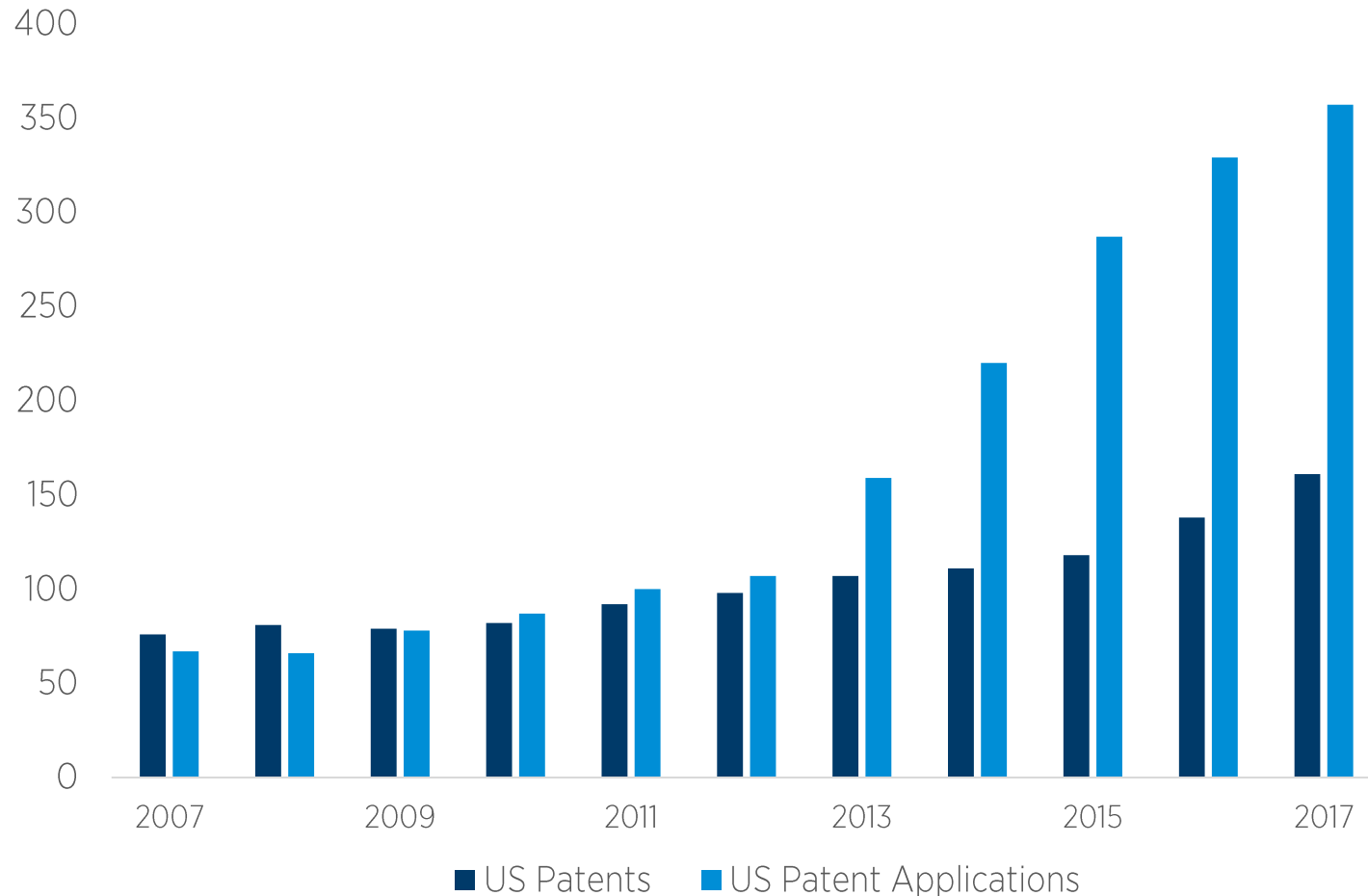
High Level of Innovation and Investment in R&D

- R&D represents 9.6% of operating revenue:* NZ\$86M
- Product pipeline includes:
 - Masks
 - Respiratory consumables
 - Flow generators
 - Compliance monitoring solutions
- 161 US patents, 357 US pending, 714 ROW, 732 ROW pending*



Growing Patent Portfolio

Fisher & Paykel Healthcare US Patent Portfolio (2007 – 2017)



○ Average remaining life of FPH patent portfolio: 12 years*

Manufacturing & Operations

- Vertically integrated
 - COGS improvements: Mexico, lean manufacturing, supply chain
- Ample capacity to grow

Auckland, New Zealand

- Three buildings:
82,000 m² / 885,000 ft² total
- 103 acres / 42 hectares land

Tijuana, Mexico

- One building:
18,000 m² / 200,000 ft²
- 37 acres / 15 hectares land



Strong Global Presence

○ Direct/offices

- Hospitals, home care dealers
- Sales/support offices in North America, Europe, Asia, South America, Middle East and Australasia, 15 distribution centres
- More than 700 staff in 29 countries
- Ongoing international expansion

○ Distributors

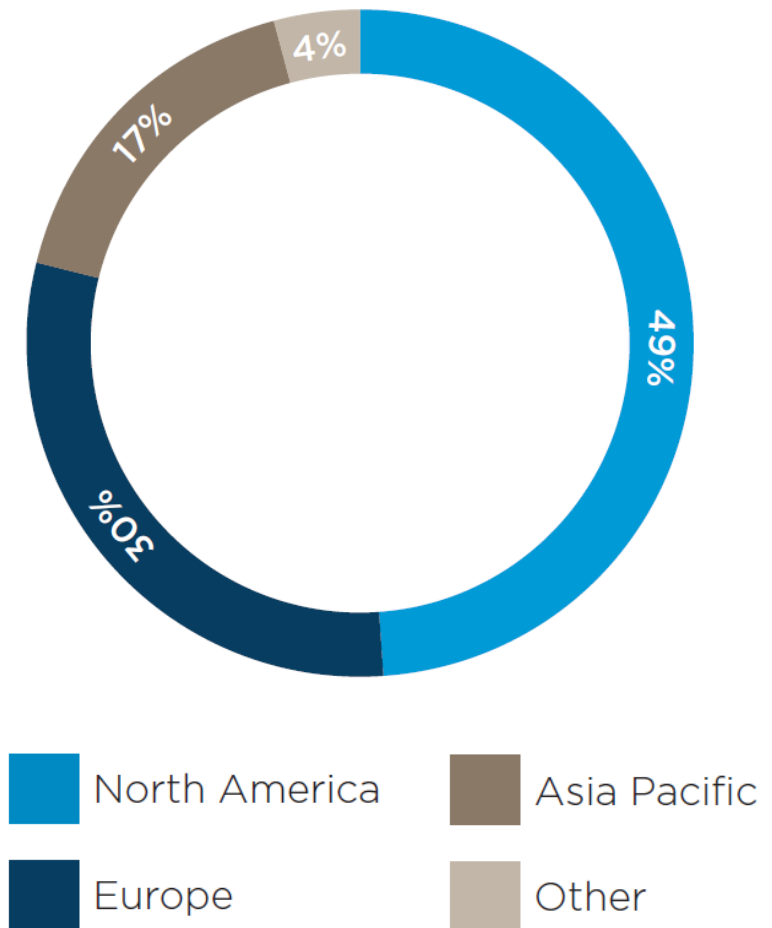
- 100+ distributors worldwide

○ Original Equipment Manufacturers

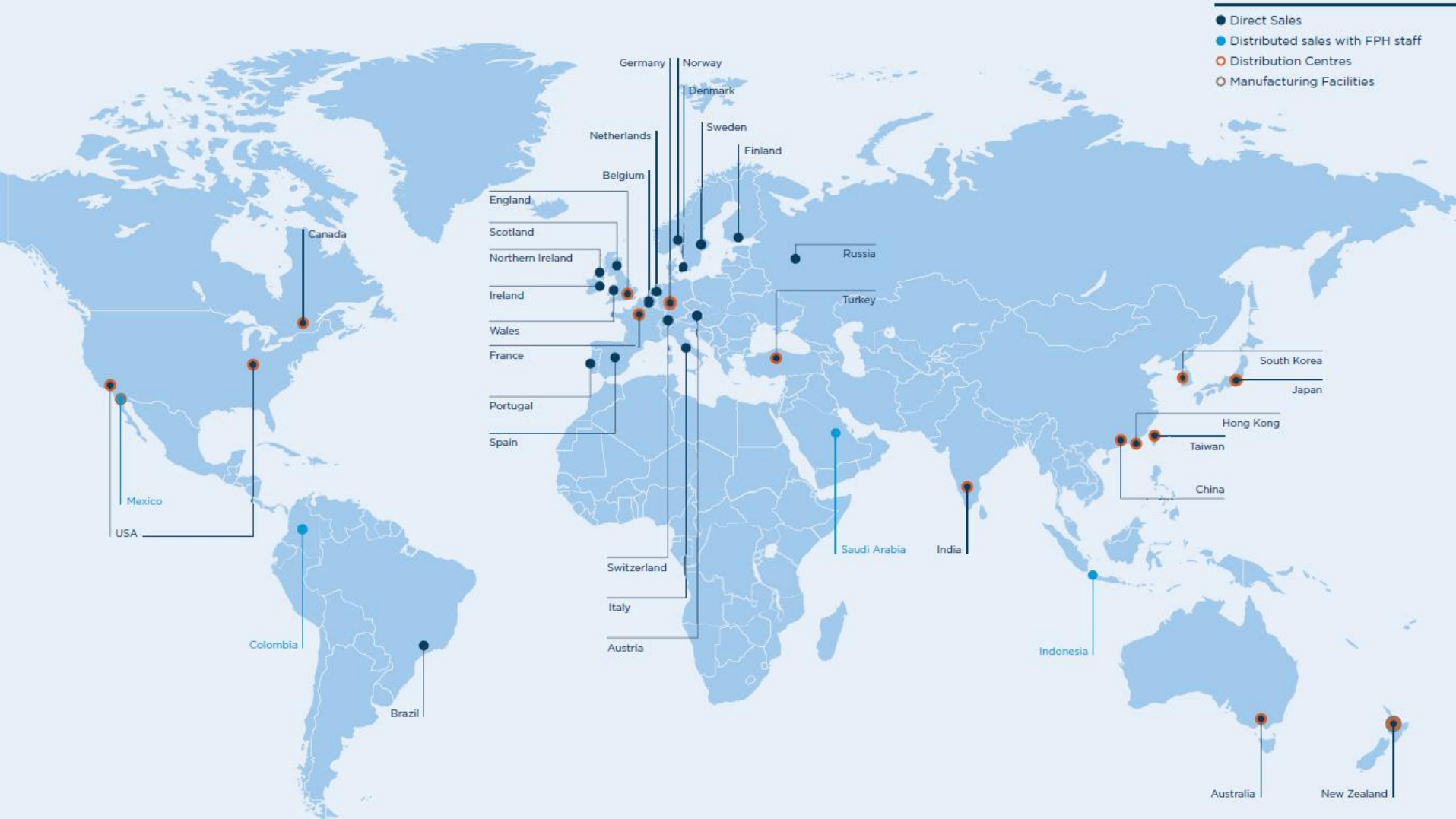
- Supply most leading ventilator manufacturers

○ Sell in more than 120 countries in total

Revenue by Region
12 months to 31 March 2017

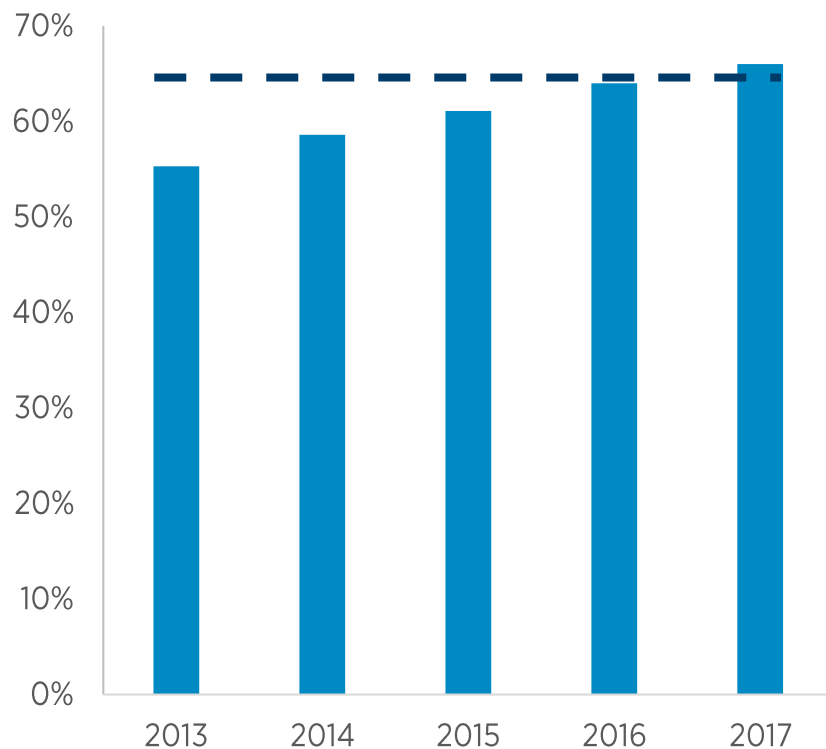


Our Global Coverage

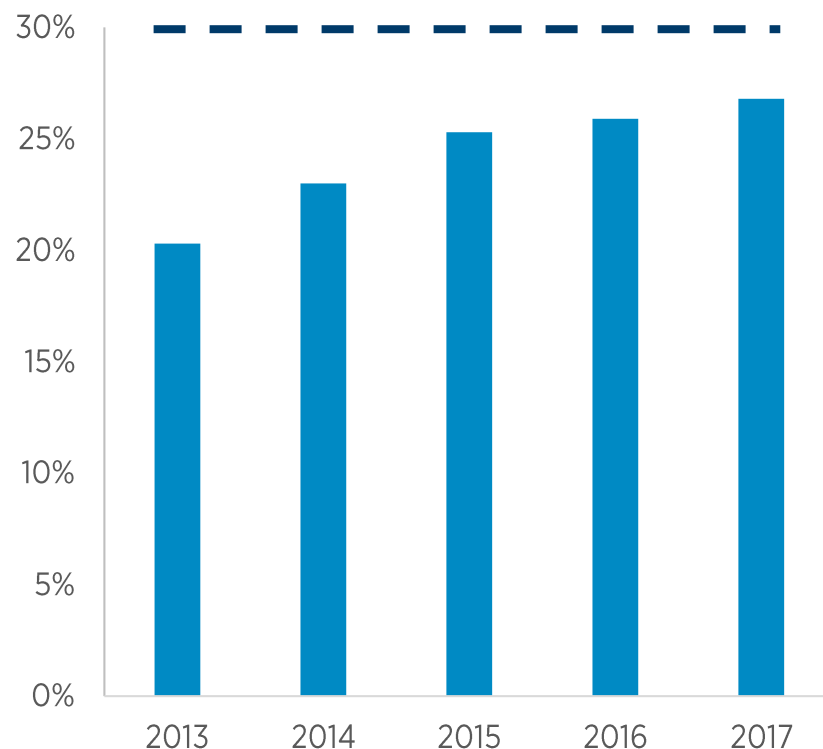


Long Term Margin Targets

Gross Margin



Operating Margin



— — — Long term gross margin target

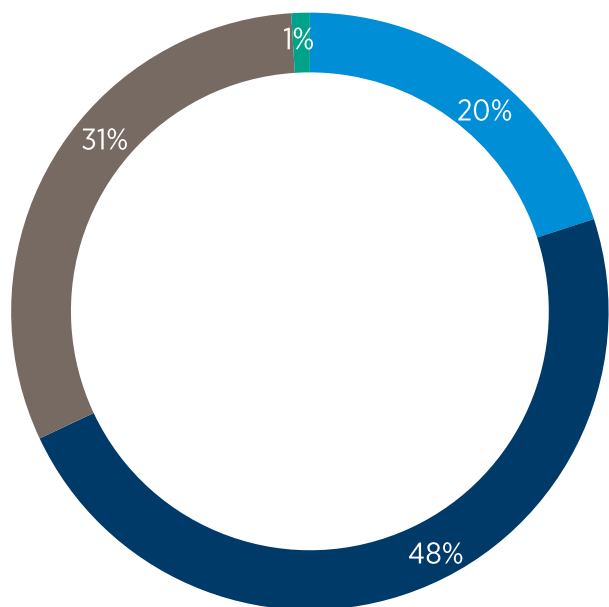
— — — Long term operating margin target

- We expect to see gross margin expansion in FY18 in the range of 50 – 100 bps.

Ownership Structure and Listings

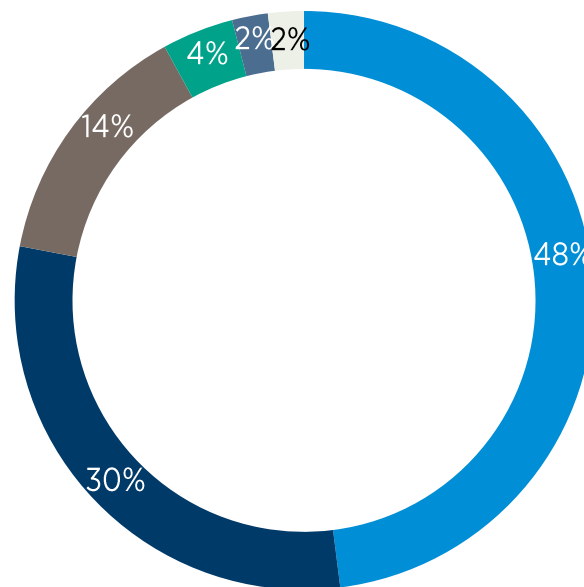
- Listed on NZX and ASX (NZX.FPH, ASX.FPH)

**Shareholding Structure as at
31 March 2017**



■ NZ Institutions ■ Other Institutions
■ Retail & Brokers ■ Other

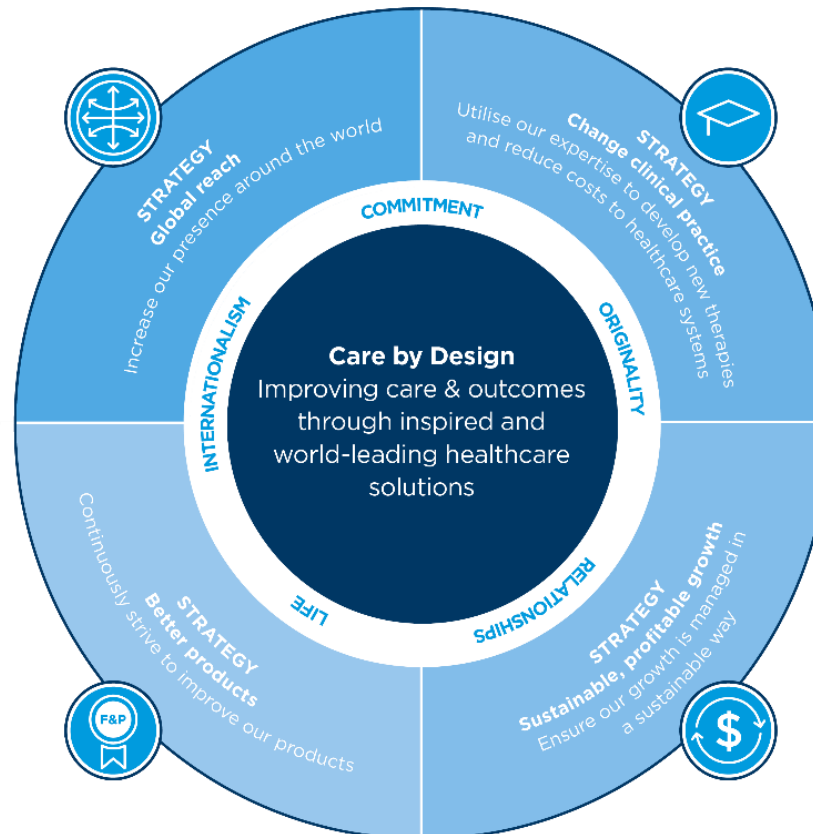
**Geographical Ownership as at
31 March 2017**



■ New Zealand ■ Australia ■ North America
■ UK ■ Europe (ex UK) ■ Asia

Consistent Growth Strategy

Our inputs



Our outputs



MARKET CONTEXT

AGEING POPULATION | TECHNOLOGY ADVANCEMENT | HEALTHCARE COSTS INCREASING | OTHER EXTERNAL FACTORS



Product

Hospital Hardware

- F&P 950 and F&P 850 respiratory humidification systems
 - Invasive ventilation, nasal high flow therapy and non-invasive ventilation
- 810 respiratory humidification system
 - Entry level system
- AIRVO 2 flow generator/humidifier
 - Optiflow™ nasal high flow therapy
- HumiGard surgical humidifier
 - Laparoscopic insufflation
 - Open surgery



F&P 950™ System



F&P 850™ System



F&P AIRVO™ 2



F&P HumiGard™

Hospital Single Use Consumables

- Single-use chambers
 - Patented auto filling MR290
- Single-use breathing circuits
 - Patented spiral heater wire
 - Proprietary Evaqua expiratory tube
 - Minimal condensation
 - Delivery of optimal humidity
- Breathing circuit components
 - Filters, catheter mount, weaning kit
- Approx 30 system set-ups used per controller per year
- Interfaces
 - NIV masks, tracheostomy, Optiflow™+ and Optiflow Junior nasal cannula
- Consumable growth driving revenue growth



Optiflow™ Nasal High Flow Therapy – Delivery Options



F&P 850™ System
F&P 950™ System



F&P AIRVO™ 2

Homecare Hardware and Consumables



F&P **ICON™+**



F&P **SleepStyle™**



F&P **AIRVO™ 2**



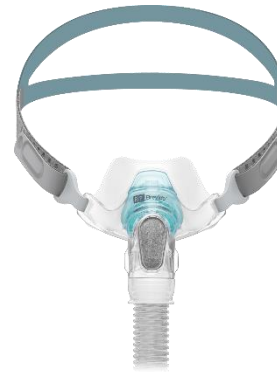
F&P **810™ System**



F&P **Simplus™**



F&P **Eson™ 2**



F&P **Brevida™**



F&P **Optiflow™+**



Financials

Full Year Operating Results

FY2017 (12 months to 31 March 2017)

	% of Revenue	NZ\$M	ΔPCP^	ΔCC*
Operating revenue	100%	894.4	+10%	+14%
Cost of sales	34.0%	304.0	+3%	+7%
Gross profit	66.0%	590.4	+13%	+17%
Other income (R&D grant)		5.0	0%	0%
SG&A	30.1%	269.3	+11%	+16%
R&D	9.6%	86.0	+17%	+17%
Total operating expenses	39.7%	355.3	+13%	+16%
Operating profit	26.8%	240.1	+14%	+19%
Profit after tax	18.9%	169.2	+18%	+21%

^ PCP = prior comparable period * CC = constant currency

Cash Flow & Balance Sheet

FY2017 (for the 12 months ended 31 March 2017)	NZ\$M
Operating cash flow (+34%)	193.6
Capital expenditure	63.0
Depreciation and amortisation	39.1
FY2017 (as at 31 March 2017)	NZ\$M
Net cash	0.2
Total equity	661.6
Total assets	878.2
	%
Pre-tax return on average equity	39.6%
Pre-tax return on average total assets	29.0%
Gearing (debt/debt + equity)	0.0%

Foreign Exchange Effects

- 52% of operating revenue in USD and 20% in €.

	Year to 31 March				
Hedging position for our main exposures	2018	2019	2020	2021	2022
USD % cover of expected exposure	88%	59%	39%	21%	0%
USD average rate of cover	0.677	0.671	0.648	0.624	-
EUR % cover of expected exposure	85%	63%	8%	0%	0%
EUR average rate of cover	0.600	0.619	0.601	-	-

	Year ended 31 March	
	2016	2017
Reconciliation of Constant Currency to Actual Income Statements	NZ\$000	NZ\$000
Profit before tax (constant currency)	199,511	241,209
Spot exchange rate effect	1,509	(22,189)
Foreign exchange hedging result	(4,005)	22,090
Balance sheet revaluation	3,815	(2,666)
Profit before tax (as reported)	200,830	238,444

Important Notice and References

Disclaimer

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This presentation includes forward-looking statements about the financial condition, operations and performance of FPH and its subsidiaries. These statements are based on current expectations and assumptions regarding FPH's business and performance, the economy and other circumstances. As with any projection or forecast, the forward-looking statements in this presentation are inherently uncertain and susceptible to changes in circumstances. FPH's actual results may differ materially from those expressed or implied by those forward-looking statements.

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