Delivering sustainable, profitable growth

Fisher & Paykel HEALTHCARE

Important Notice

Disclaimer

The information in this presentation is for general purposes only and should be read in conjunction with Fisher & Paykel Healthcare Corporation Limited's (FPH) 2018 Annual Report and accompanying market releases. Nothing in this presentation should be construed as an invitation for subscription, purchase or recommendation of securities in FPH.

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.

FY2018 Business Highlights

+ 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
OUR NEW PRODUCTS, SLEEPSTYLE, NIVAIRO AND OPTIFLOW JUNIOR 2 INTO GLOBAL MARKETS

+ 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

+ IMPACTED
THE LIVES OF 13 MILLION PATIENTS AROUND THE WORLD

Hospital Product Group

FY2018

58%

OF OPERATING REVENUE

H2 FY2018

HOSPITAL OPERATING REVENUE

NZ$ ↑17%

CONSTANT CURRENCY ↑15%

NEW APPLICATIONS*
CONSUMABLES REVENUE

NZ$ ↑27%

CONSTANT CURRENCY ↑25%

Respiratory humidification and support

F&P 950 System

F&P 850 System

F&P AIRVO 2

F&P Optiflow

Surgical technologies

F&P HumiGard

- New applications consumables* made up 59% of H2 FY2018 Hospital consumables revenue, up from 55% in H1 FY2018
- Strong customer demand for our Optiflow and AIRVO systems
- Further positive clinical trial results for Optiflow nasal high flow therapy

*New applications = Noninvasive ventilation (NIV), Optiflow™, AIRVO™, Surgical

Homecare Product Group

FY2018

41%

OF OPERATING REVENUE

H2 FY2018

HOMECARE OPERATING REVENUE

NZ$

↑4%

CONSTANT CURRENCY

↑3%

MASKS REVENUE

NZ$

↑4%

CONSTANT CURRENCY

↑2%

CPAP therapy / Obstructive Sleep Apnea (OSA)

F&P Simplus

F&P Eson 2

F&P Brevida

F&P SleepStyle

Home respiratory support

F&P myAIRVO 2

F&P 810 System

F&P Optiflow+

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Second Half Financial Highlights

H2 FY2018 (6 months to 31 March 2018)

	NZ$M	△PCP^	△CC*
Record operating revenue	522.5	+11%	+9%
Record Hospital operating revenue	310.5	+17%	+15%
Record Homecare operating revenue	207.0	+4%	+3%
Hospital new applications consumables revenue		+27%	+25%
OSA masks revenue		+4%	+2%
Gross margin (basis points increase/decrease)		-48bps	+22bps
Record net profit after tax	108.9	+20%	+21%

^ PCP = prior comparable period * CC = constant currency

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Full Year Financial Highlights

FY2018 (12 months to 31 March 2018)

	NZ$M	△PCP^	△CC*
Record operating revenue	980.8	+10%	+9%
Record Hospital operating revenue	572.1	+14%	+13%
Record Homecare operating revenue	398.1	+4%	+4%
Hospital new applications consumables revenue		+23%	+22%
OSA masks revenue		+6%	+5%
Gross margin (basis points increase)		+31bps	+34bps
Record net profit after tax	190.2	+12%	+12%

Recurring items, consumables and accessories approximately 87% of operating revenue (FY17: 86%)

^ PCP = prior comparable period * CC = constant currency

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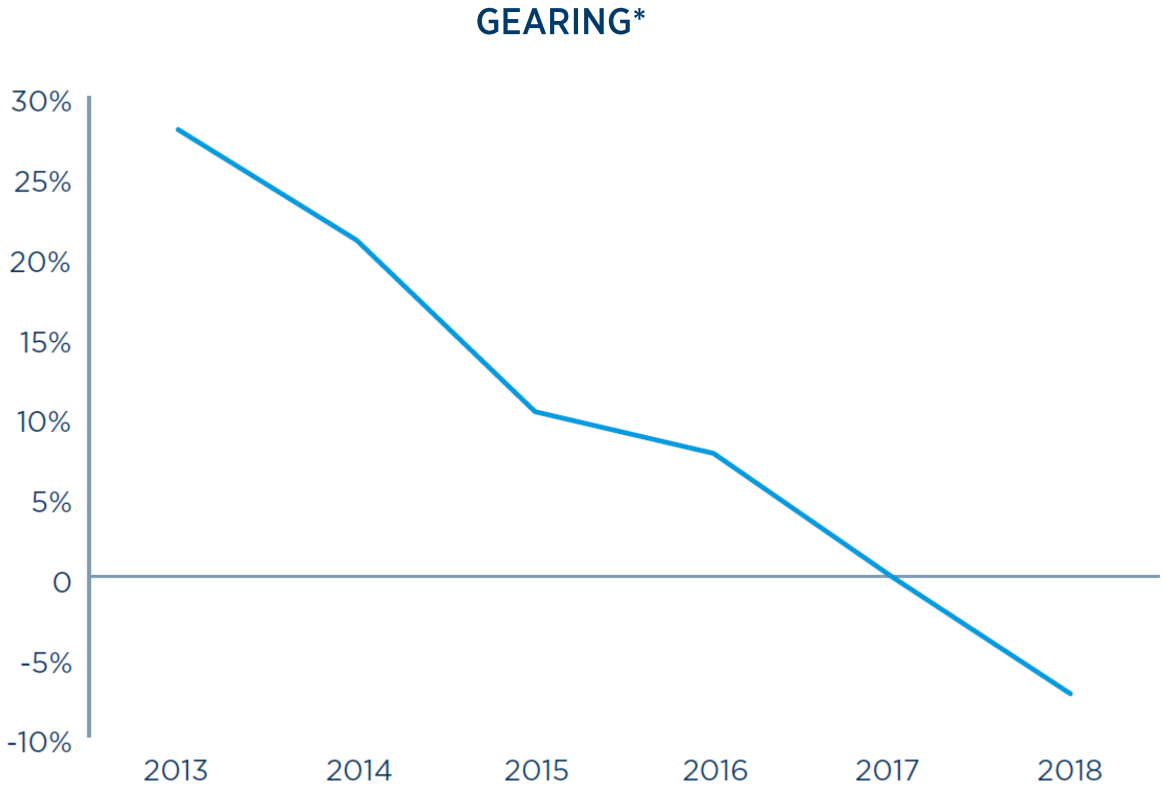
Dividend and Gearing

- Increased final dividend by 11%:
  - 12.50 cps + 4.861 cps imputation credit for NZ residents (gross dividend of NZ 17.361 cps)
  - Fully imputed
  - 2.206 cps non-resident supplementary dividend
  - Dividend reinvestment plan available for New Zealand and Australian residents. No discount will apply
- Target gearing ratio* of +5% to -5% debt to debt plus equity
  - Gearing ratio at 31 March 2018 was -7.3%



* Calculated using net interest bearing debt (debt less cash and cash equivalents) to net interest-bearing debt and equity (less hedge reserve).

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Outlook FY2019

Expect at current exchange rates (of NZD:USD 0.695, NZD:EUR 0.59):

- Operating revenue – NZ$1.05 billion
- Net profit after tax – approximately NZ$210 million

Capital expenditure for FY19 expected to be approximately NZ$160 to $170 million

- New facilities in New Zealand and Mexico
- Increased manufacturing capacity and new product tooling

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 (87%) 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
- Targeting 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

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~US$6+ Billion and Growing Market Opportunity

HOSPITAL

Invasive Ventilation

Hospital Respiratory Support

Non-invasive Ventilation

Surgical Humidification

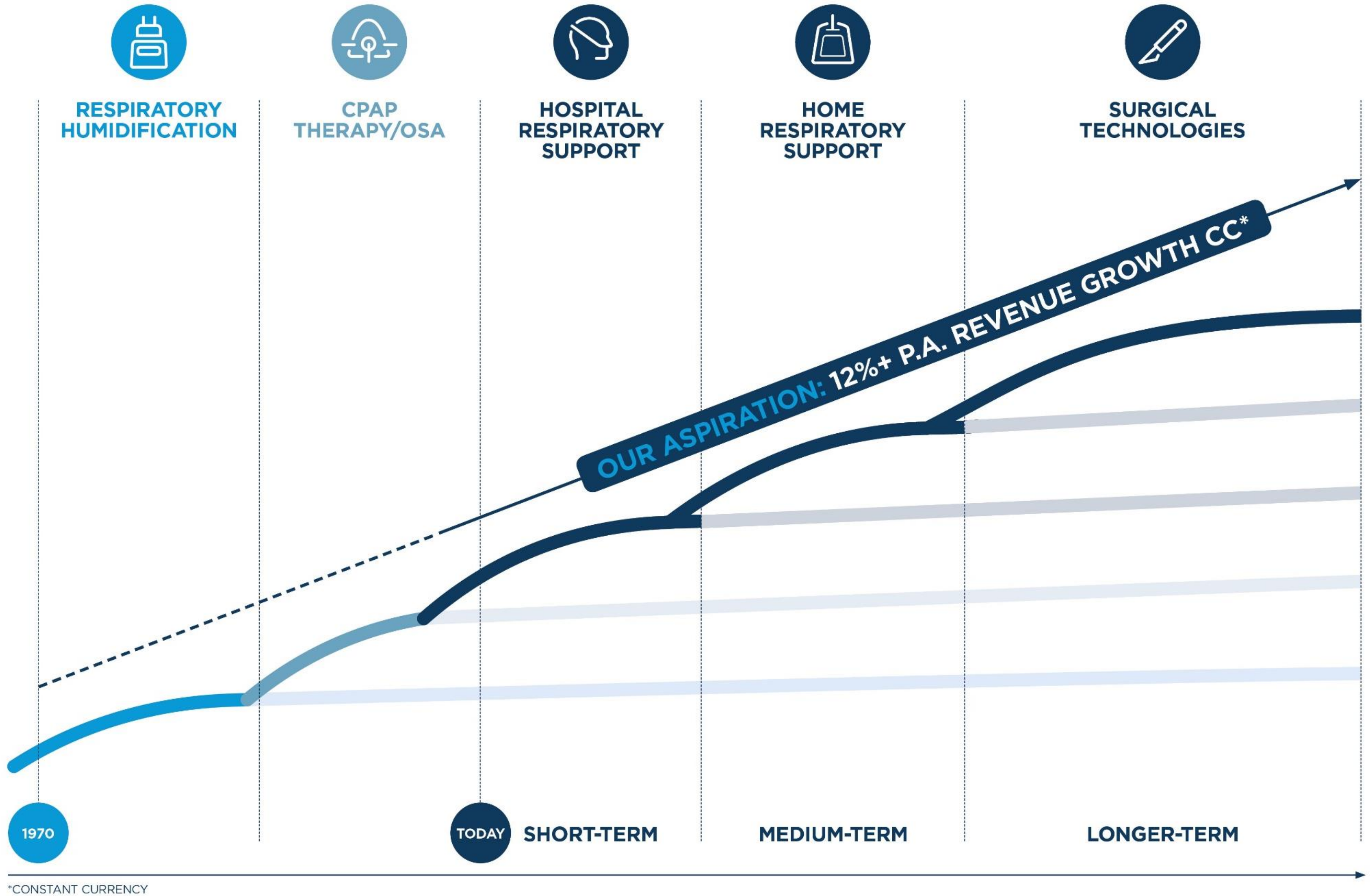
HOMECARE

Home Respiratory Support

CPAP Therapy

“NEW APPLICATIONS”
Applications outside of invasive ventilation

Our Aspiration



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

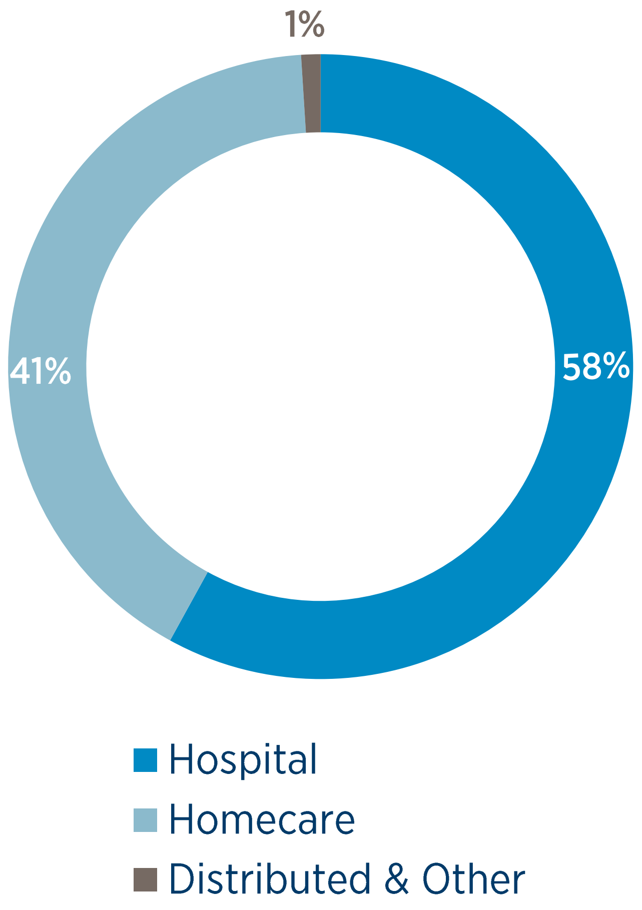
*CONSTANT CURRENCY

Markets & Products

- Hospital
  - Heated humidification
  - Respiratory care
  - Neonatal care
  - Surgery
- Homecare
  - Masks
  - Flow generators
  - Data management tools
  - Respiratory care in the home

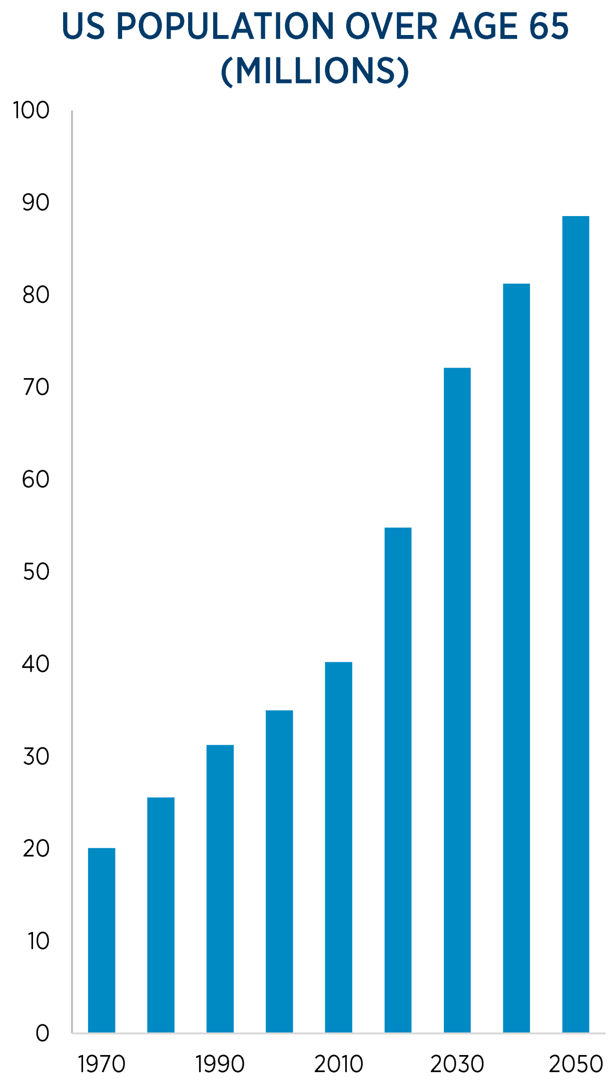
Recurring items, consumables and accessories approximately 87% of operating revenue (FY17: 86%)

REVENUE BY PRODUCT GROUP
12 MONTHS TO 31 MARCH 2018



Impact of Changing Demographics

- Population age and weight both increasing
  - US population 65 years+ to grow ~80% over next 20 years[1]
  - US males 60 - 74 years, average weight increased 0.4 kg/year since 1960[2]
- 60% of US healthcare cost is after age 65 years[3]
- Developing markets increasing healthcare spending
  - China healthcare expenditure projected to grow at 12% per year between 2014-2018[4]



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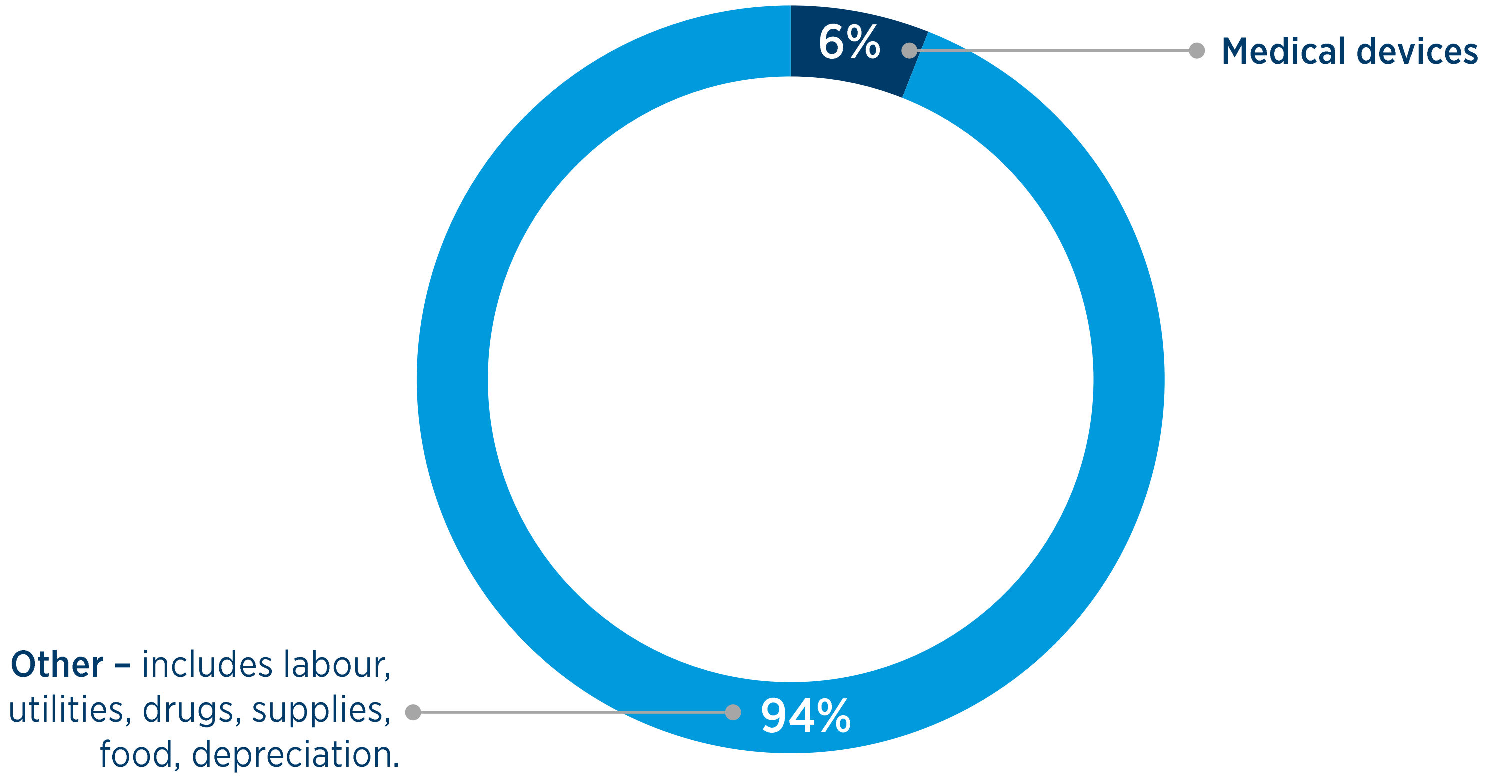
Hospital Cost Breakdown



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

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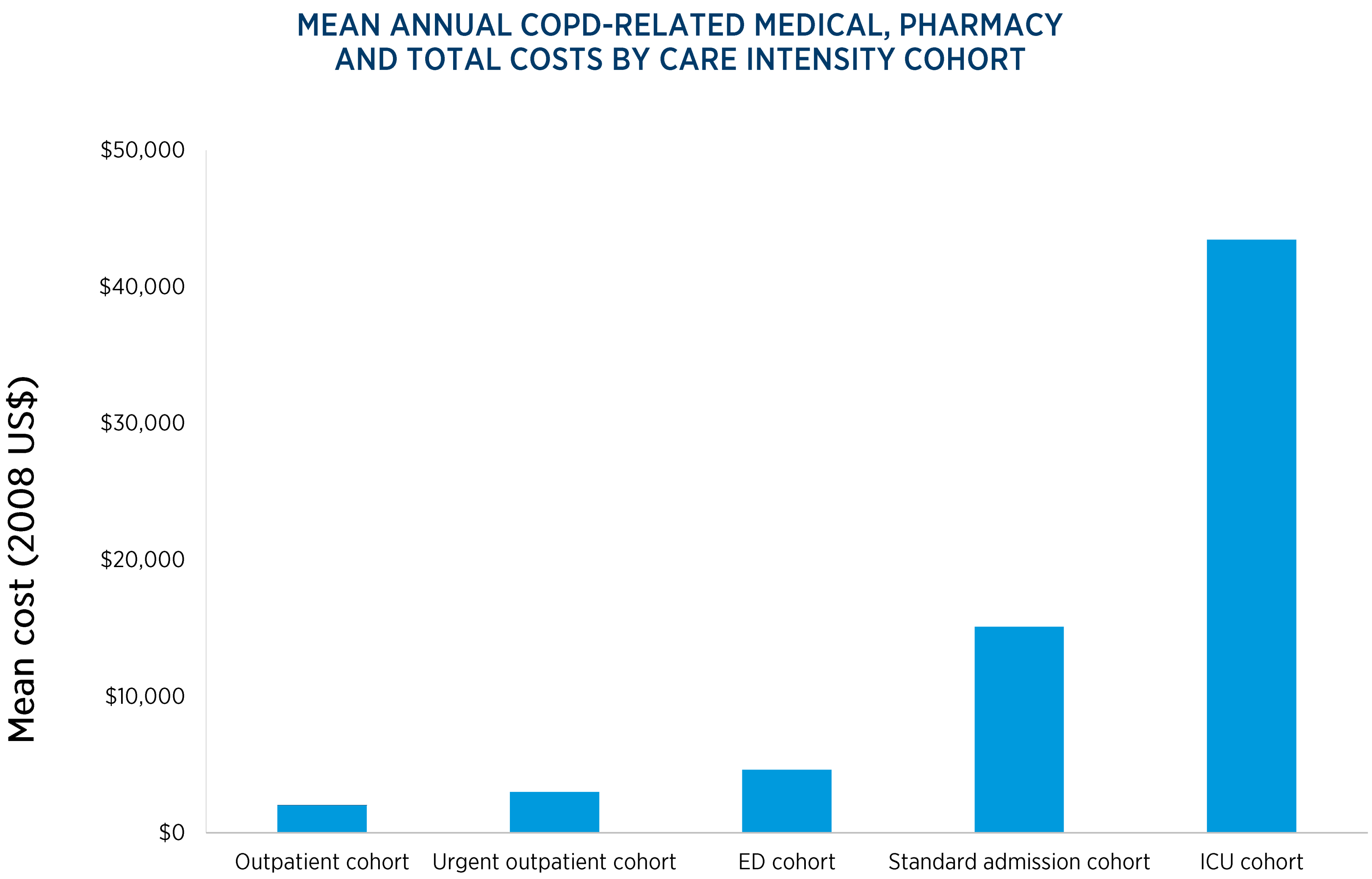
Lower Care Intensity = Lower Cost

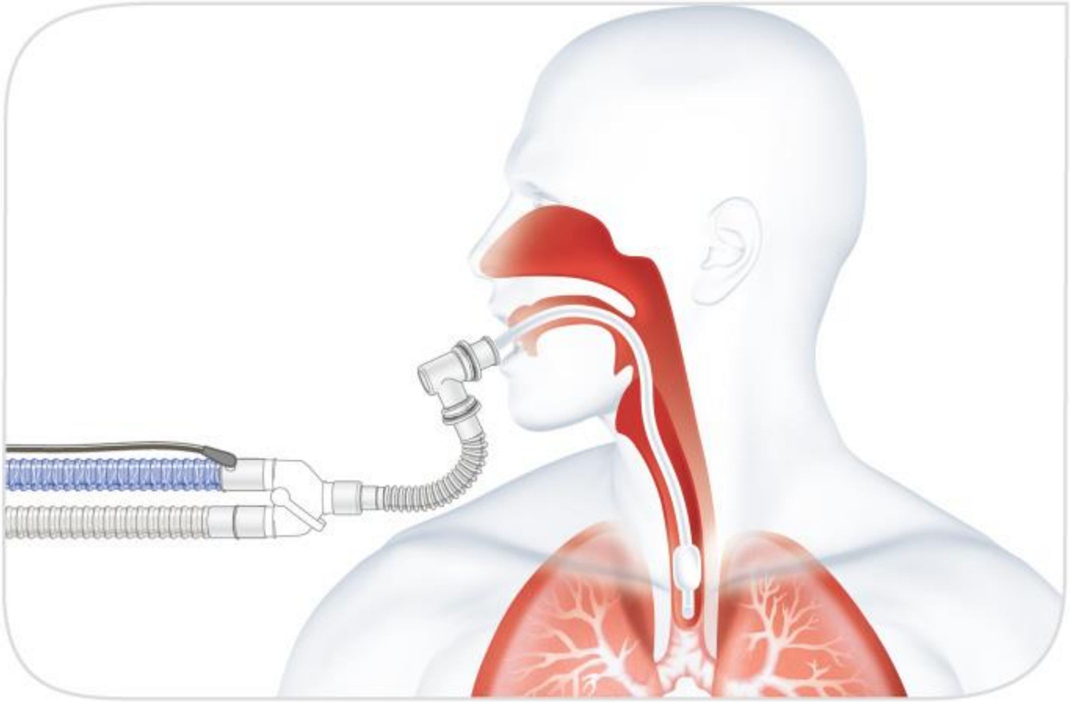


Source: Anand A Dalal, Laura Christensen, Fang Liu, and Aylin A Riedel. Direct costs of chronic obstructive pulmonary disease among managed care patients. *Int J Chron Obstruct Pulmon Dis*. 2010; 5: 241-249.

Hospital

Respiratory Humidification

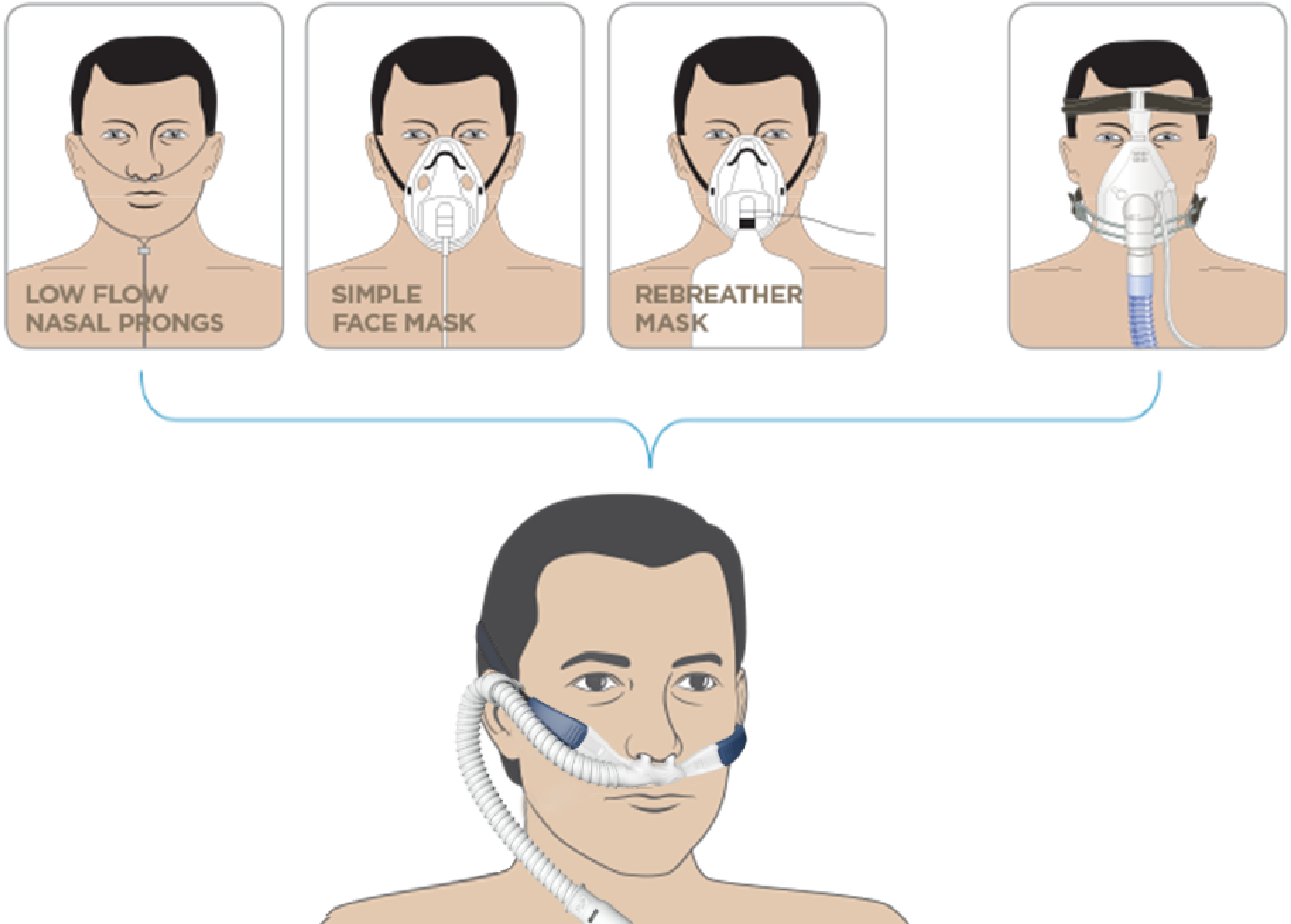
- Normal airway humidification is bypassed or compromised during ventilation or oxygen therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
  - 37°C body core temperature
  - 44mg/L 100% saturated



Optiflow - Displacing Conventional Oxygen Therapy

CONVENTIONAL OXYGEN THERAPY

NON-INVASIVE VENTILATION



Clinical Outcomes of Optiflow Nasal High Flow Therapy

Optiflow NHF therapy is associated with:

ADULTS:

- REDUCED intubation[5]
- REDUCED re-intubation[6, 7, 8]
- REDUCED bilevel ventilation[7]
- REDUCED nursing workload[7]
- INCREASED ventilator free days[5]
- IMPROVED comfort & patient tolerance[6]
- IMPROVED compliance[6]

PAEDIATRICS:

- REDUCED intubation[9]
- REDUCED length of stay[10]
- REDUCED respiratory distress[11]

NEONATES:

- NON-INFERIORITY with nasal CPAP[12]
- REDUCED nasal trauma[13, 14]
- REDUCED respiratory distress[15]

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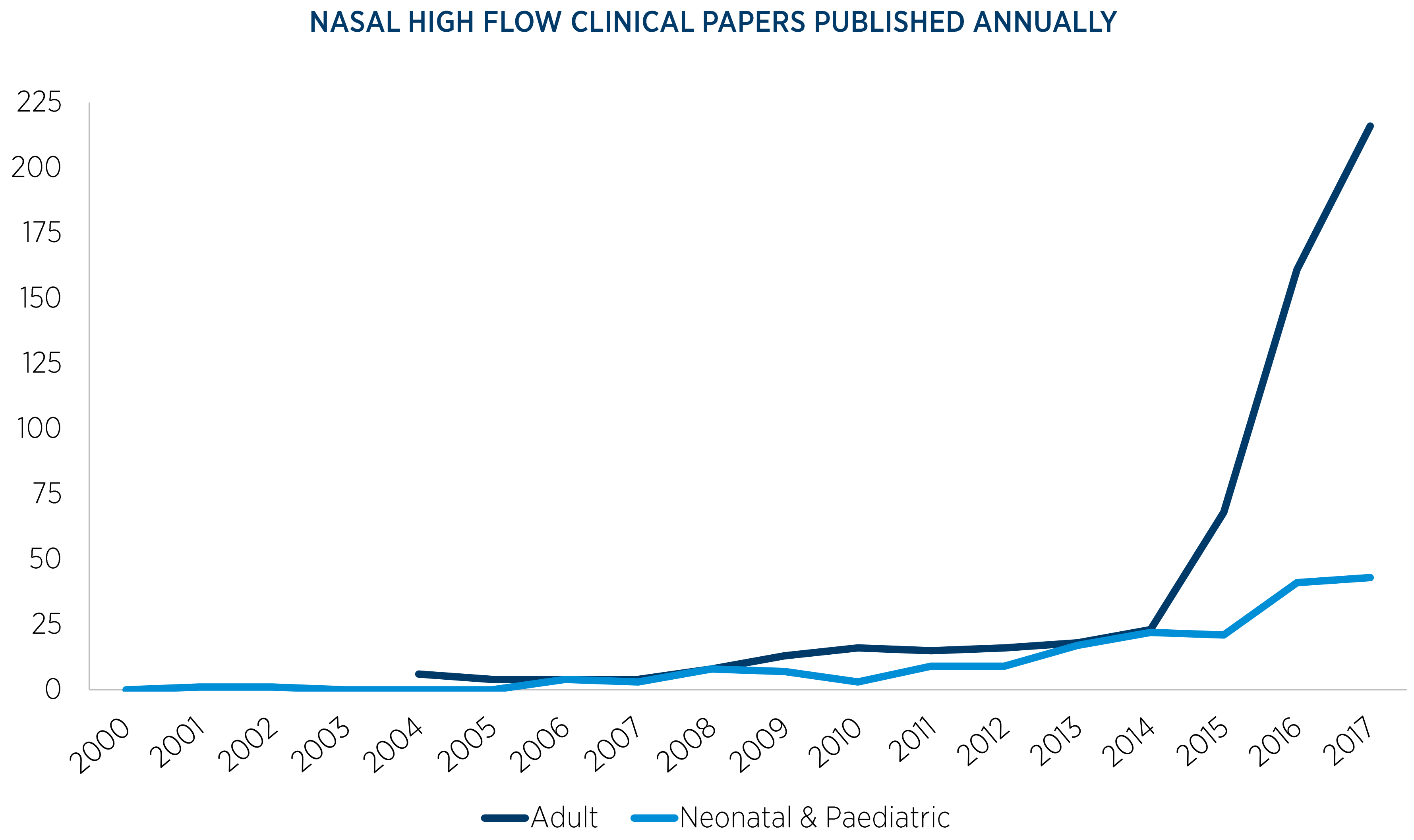
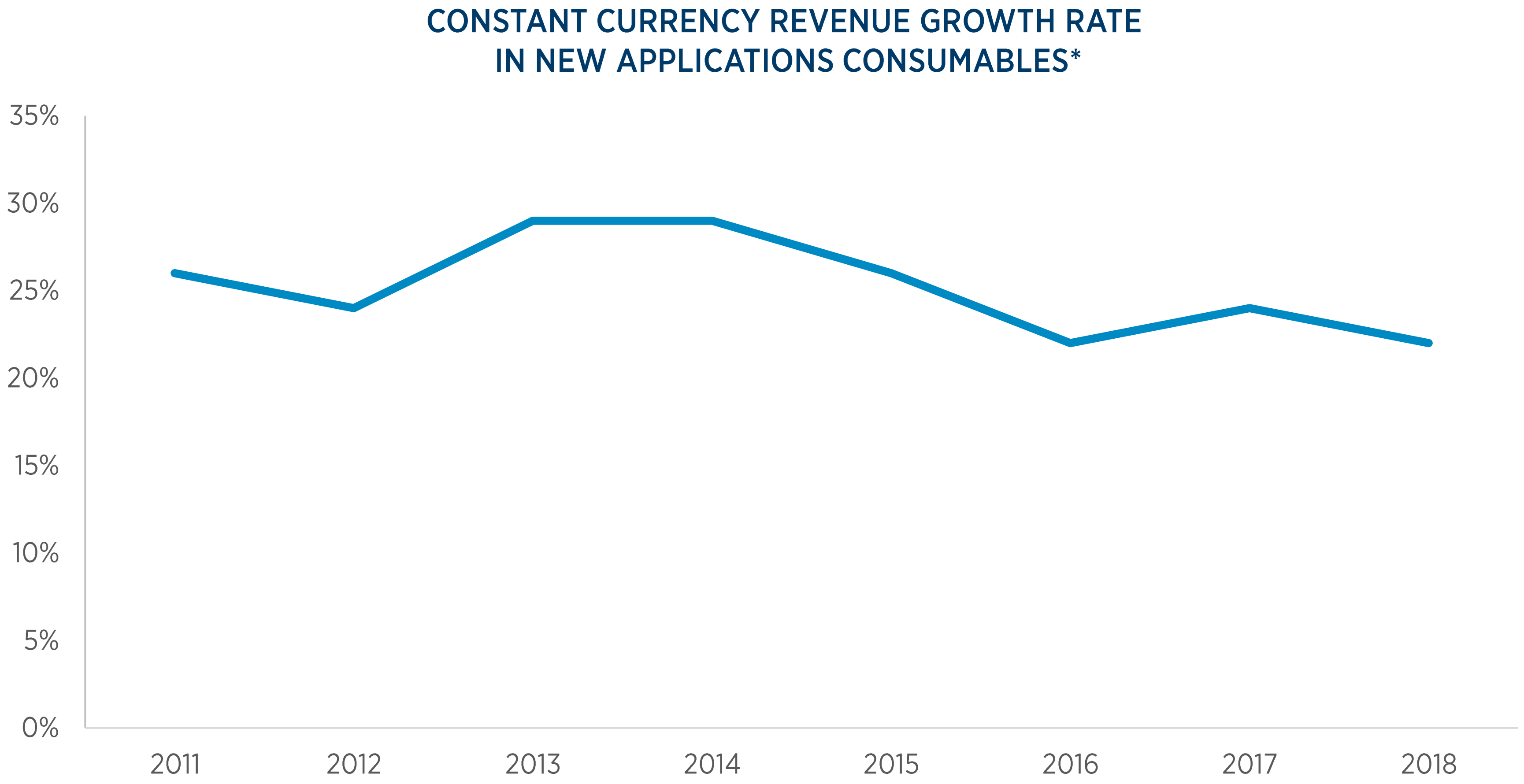
Optiflow NHF - A Growing Body of Clinical Evidence



Source: PubMed

Consistently Strong Growth in Hospital New Applications



- New applications consumables now make up 59% of Hospital consumables revenue, up from 50% in FY2016 and 54% in FY2017

New applications consumables: Non-invasive ventilation, Optiflow, AIRVO, Surgical
* Adjusted to exclude impact of US distribution transition in FY16 and FY17

Homecare

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.
- 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

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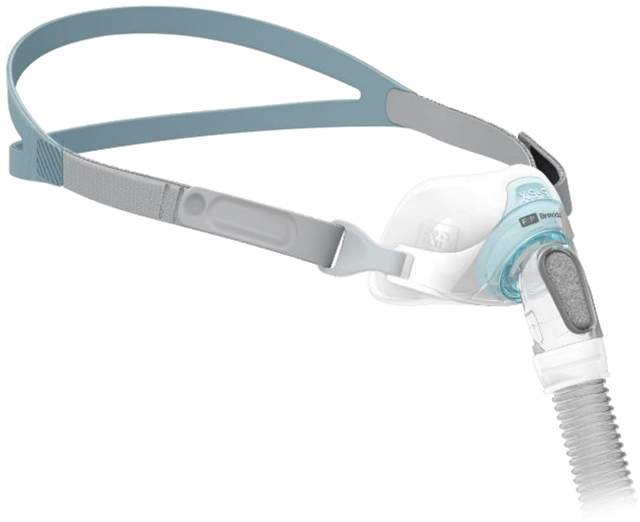
Revolutionary Masks

- 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™

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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 US[16]
- 6% of US adults have been diagnosed with COPD[17] (~15 million people)
- 4-10% COPD prevalence worldwide[18] (~400 million people)

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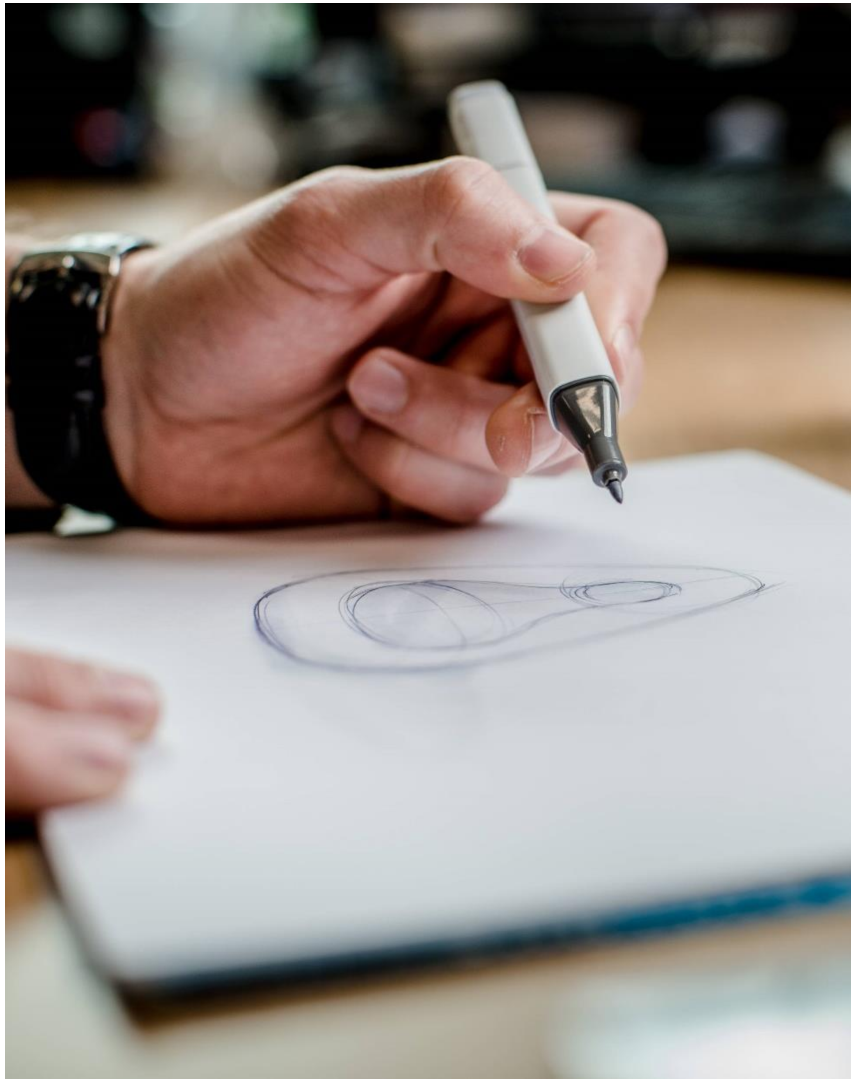
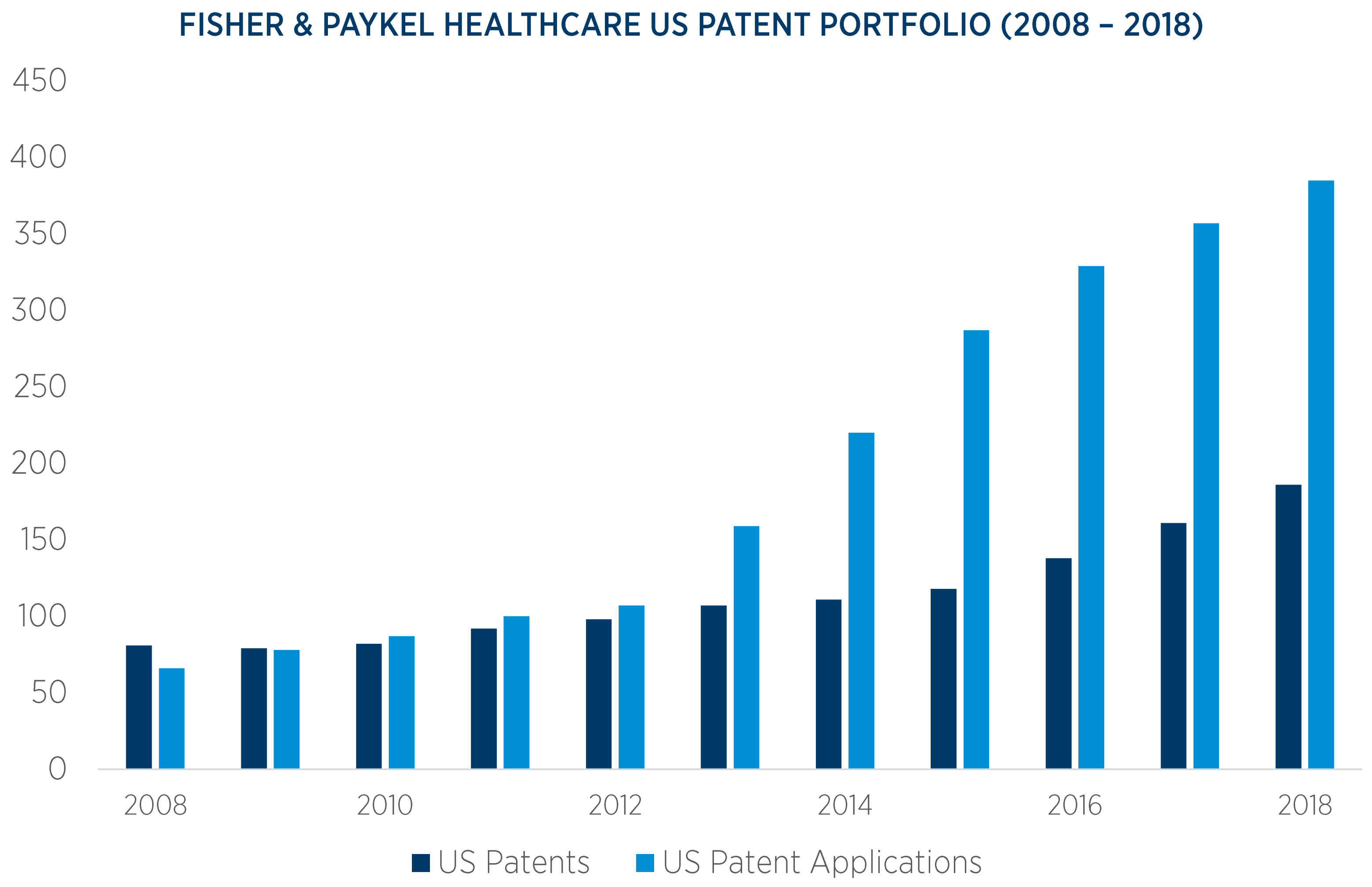
High Level of Innovation and Investment in R&D

- R&D represents 9.7% of operating revenue:* NZ$94.7M
- Product pipeline includes:
  - Humidifier controllers
  - Masks
  - Respiratory consumables
  - Flow generators
  - Compliance monitoring solutions
- 186 US patents, 385 US pending, 870 ROW, 912 ROW pending†



* For 12 months ended 31 March 2018
† As at 31 March 2018

Growing Patent Portfolio



Average remaining life of FPH patent portfolio (all countries): 12 years*

* As at 31 March 2018

Manufacturing & Operations

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

Auckland, New Zealand

- Three buildings:
  82,000 m^2 / 885,000 ft^2 total
- 100 acres / 40 hectares land
- Fourth building underway

Tijuana, Mexico

- 18,000 m^2 / 200,000 ft^2
- Consumables capacity ramping up
- Construction of second building to be completed in FY19

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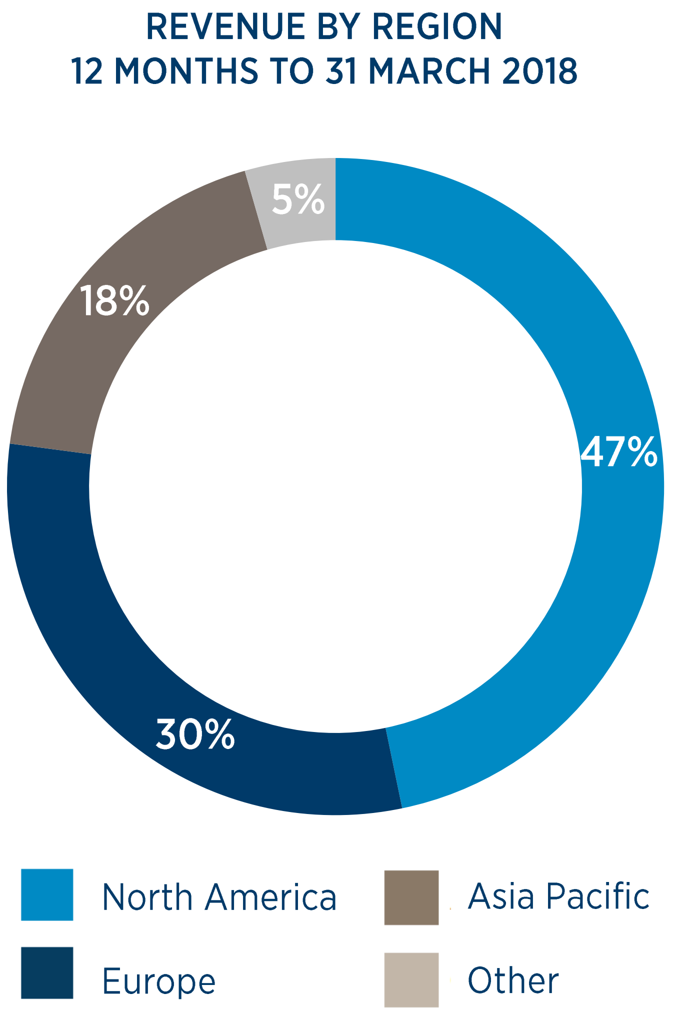
Strong Global Presence

- 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 950 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



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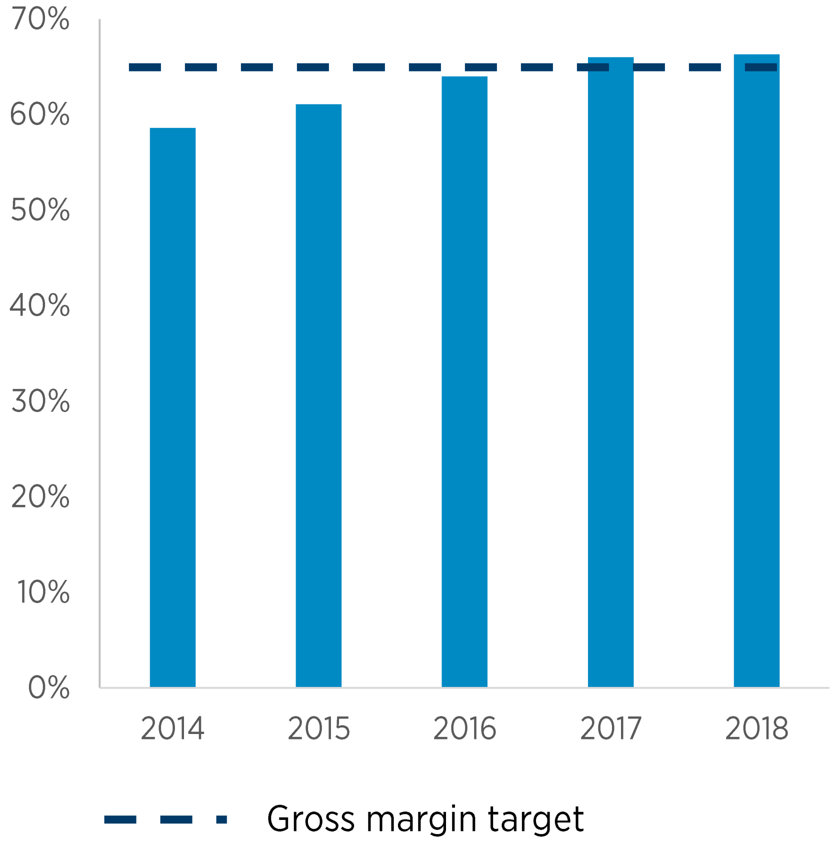
Long Term Margin Targets

GROSS MARGIN



OPERATING MARGIN

Note: the long term margin targets are based on an assumption of a continuation of the current business environment.

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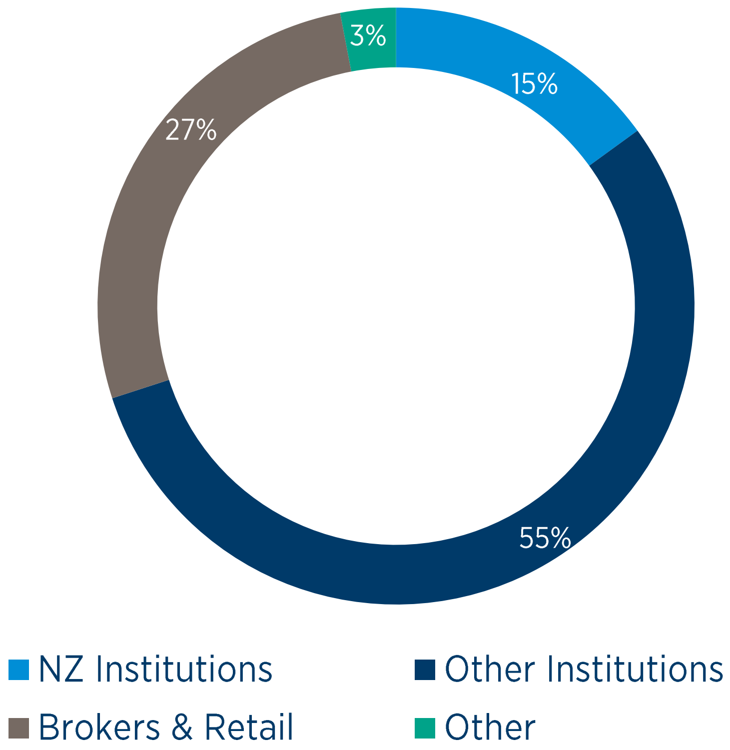
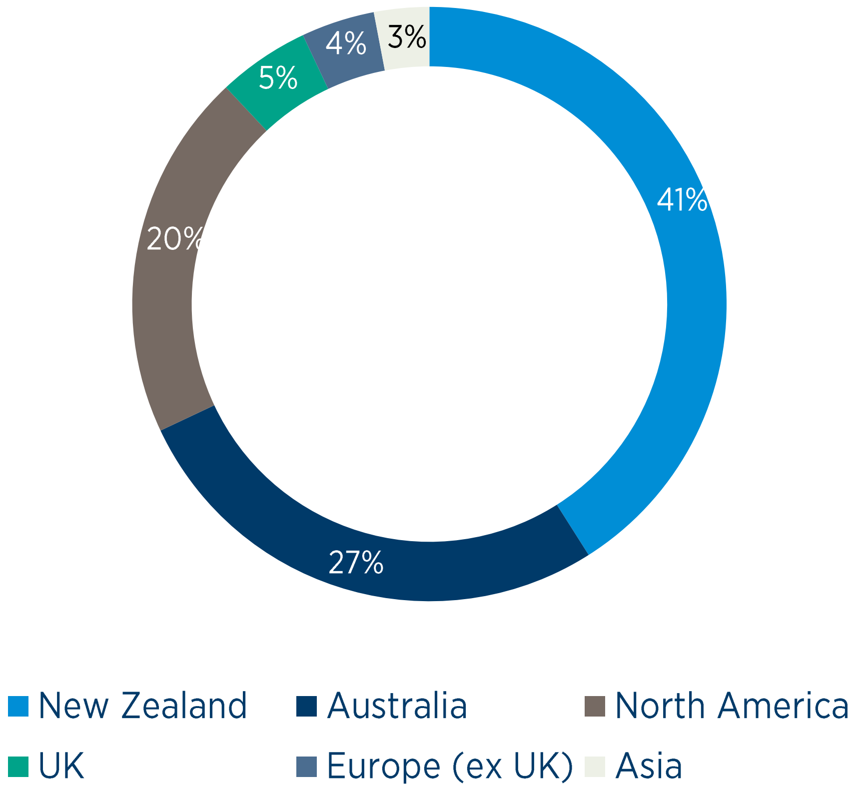
Ownership Structure and Listings

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

SHAREHOLDING STRUCTURE AS AT 31 MARCH 2018



GEOGRAPHICAL OWNERSHIP AS AT 31 MARCH 2018



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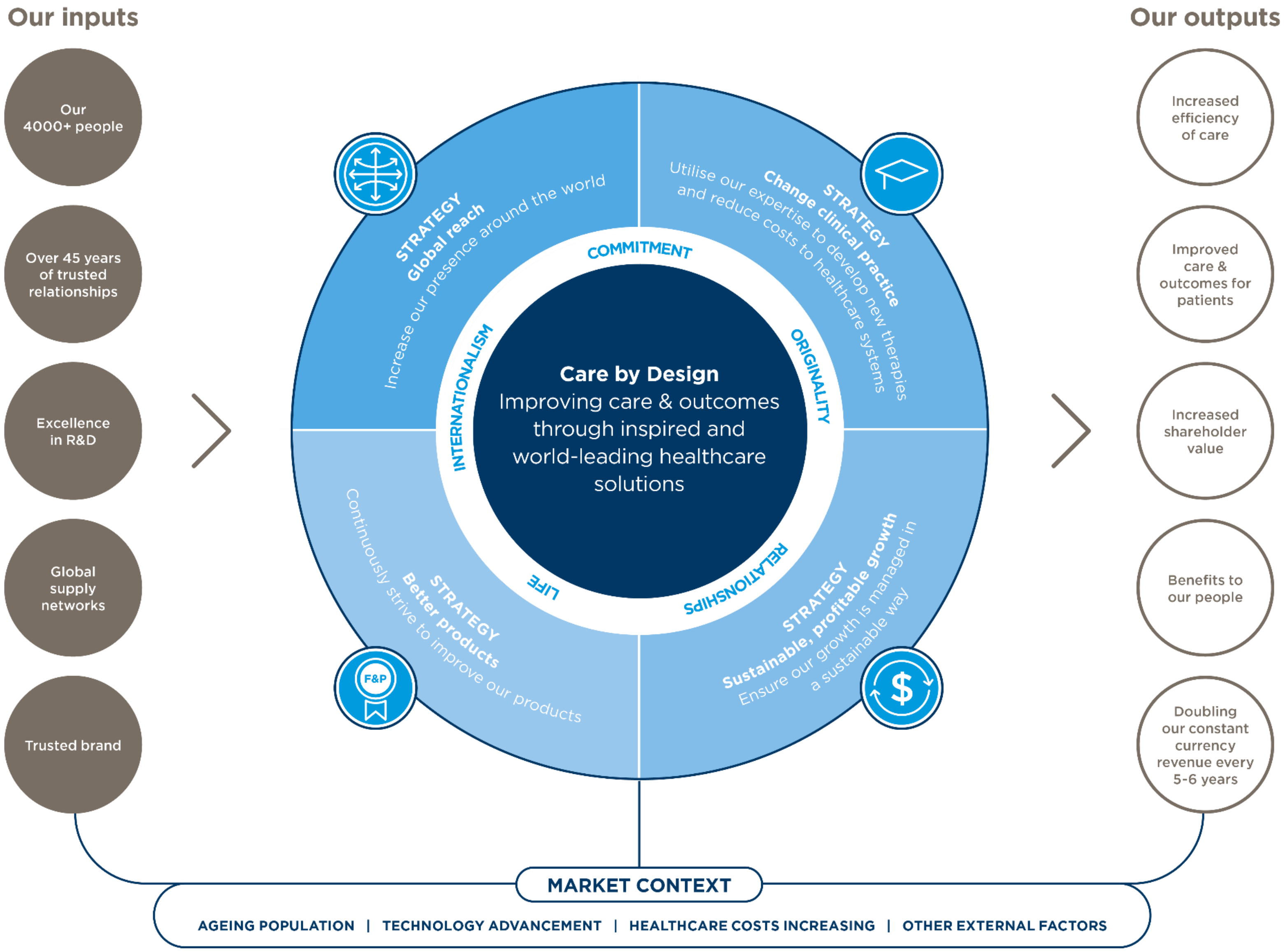
Consistent Growth Strategy



Financials

Full Year Operating Results

FY2018 (12 months to 31 March 2018)

	% of Revenue	NZ$M	△PCP^	△CC*
Operating revenue	**100%**	**980.8**	**+10%**	**+9%**
Cost of sales	33.7%	330.4	+9%	+8%
Gross profit	66.3%	650.4	+10%	+9%
Other income (R&D grant)		5.0	0%	0%
SG&A	29.7%	290.9	+8%	+7%
R&D	9.7%	94.7	+10%	+10%
Total operating expenses	39.4%	385.6	+9%	+7%
Operating profit	**27.5%**	**269.8**	**+12%**	**+12%**
Profit after tax	**19.4%**	**190.2**	**+12%**	**+12%**

^ PCP = prior comparable period * CC = constant currency

Cash Flow & Balance Sheet

FY2018 (for the 12 months ended 31 March 2018)	**NZ$M**
Operating cash flow (+28%)	247.8
Capital expenditure	98.7
Depreciation and amortisation	44.6

FY2018 (as at 31 March 2018)	**NZ$M**
Net cash	49.9
Total equity	761.4
Total assets	1,025.1
	%
Pre-tax return on average equity	37.6%
Pre-tax return on average total assets	28.1%
Gearing (debt/debt + equity)	-7.3%

Foreign Exchange Effects

- 51% of operating revenue in USD (FY17: 52%) and 20% in €.

Hedging position for our main exposures	Year to 31 March 2019	2020	2021	2022	2023
USD % cover of expected exposure	70%	55%	20%	0%	0%
USD average rate of cover	0.675	0.659	0.628	-	-
EUR % cover of expected exposure	80%	55%	25%	25%	25%
EUR average rate of cover	0.608	0.575	0.536	0.519	0.507

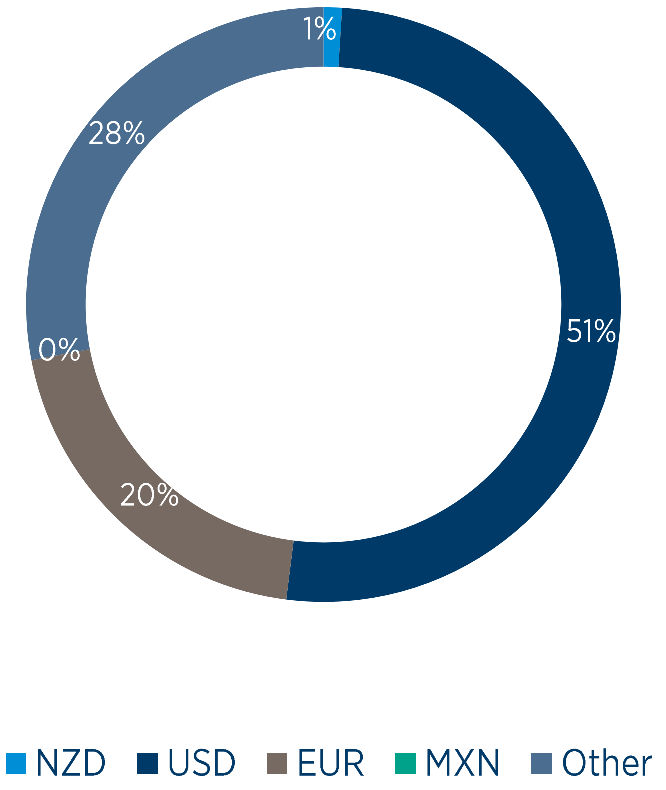
Hedging cover percentages have been rounded to the nearest 5%

Reconciliation of Constant Currency to Actual Income Statements	Year ended 31 March 2016 NZ$M	2017 NZ$M	2018 NZ$M
Profit before tax (constant currency)	**181.0**	**218.7**	**246.8**
Spot exchange rate effect	20.0	0.4	5.6
Foreign exchange hedging result	(4.0)	22.1	14.7
Balance sheet revaluation	3.8	(2.7)	0.7
Profit before tax (as reported)	**200.8**	**238.5**	**267.8**

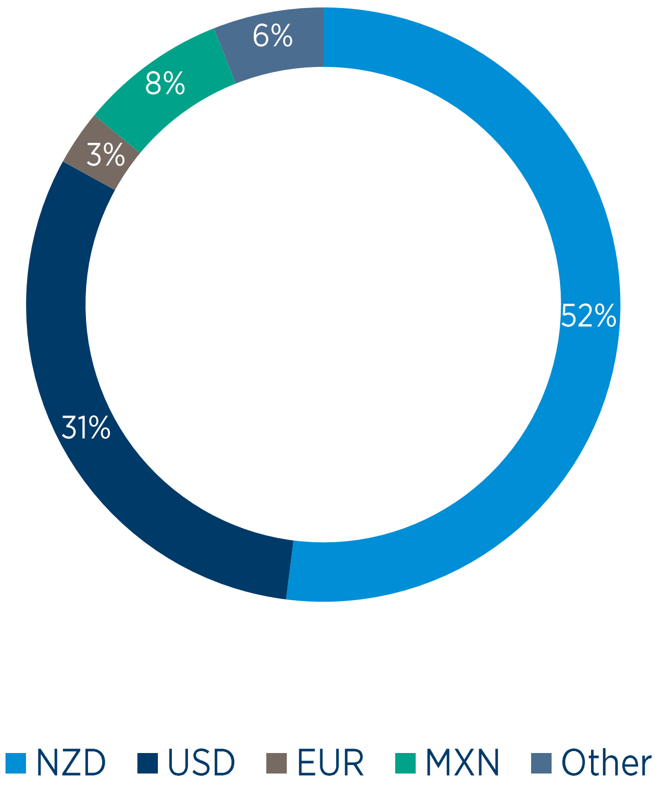
Profit & Loss by Currency

FY2018 (for the 12 months ended 31 March 2018)

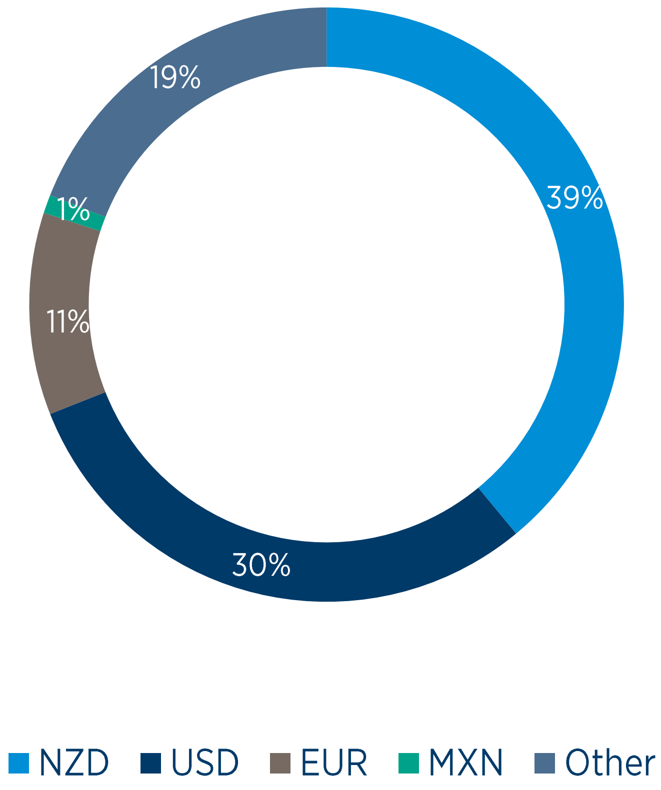
REVENUE BY CURRENCY



COST OF SALES BY CURRENCY



OPERATING EXPENSES BY CURRENCY



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