Business Highlights

+ 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.

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

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

+ 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.

+ IMPACTED
the lives of approximately 14 million patients around the world.

+ INCLUDED
in the FTSE4Good and Dow Jones Sustainability Indices for 2018.
### Key Full Year Financial Results

**FY2019 (12 months to 31 March 2019)**

<table>
<thead>
<tr>
<th></th>
<th>% of Revenue</th>
<th>NZ$M</th>
<th>△PCP</th>
<th>△CC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>100%</td>
<td>1,070.4</td>
<td>+9%</td>
<td>+8%</td>
</tr>
<tr>
<td>Hospital operating revenue</td>
<td>60%</td>
<td>642.3</td>
<td>+12%</td>
<td>+11%</td>
</tr>
<tr>
<td>Homecare operating revenue</td>
<td>39%</td>
<td>421.4</td>
<td>+6%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Gross margin / Gross profit</strong></td>
<td>67%</td>
<td>715.8</td>
<td>+56bps</td>
<td>+58bps</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>31%</td>
<td>327.8</td>
<td>+13%</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>9%</td>
<td>100.4</td>
<td>+6%</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>40%</td>
<td>428.2</td>
<td>+11%</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>27%</td>
<td>292.6</td>
<td>+8%</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>20%</td>
<td>209.2</td>
<td>+10%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

Recurring items, consumables and accessories approximately 86% of operating revenue (FY18: 87%)

* PCP = prior comparable period * CC = constant currency
Hospital Product Group

FY2019

60% OF OPERATING REVENUE

H2 FY2019 HOSPITAL OPERATING REVENUE

NZ$ ¥11%

CONSTANT CURRENCY ¥12%

NEW APPLICATIONS* CONSUMABLES REVENUE

NZ$ ¥19%

CONSTANT CURRENCY ¥20%

• New applications consumables* made up 64% of H2 FY2019 Hospital consumables revenue, 60% in H1 FY2019
• Strong customer demand for our Optiflow and AIRVO systems, driven by clinical trial results
• F&P 950 to be released in Europe mid-2019, followed by Canada and US

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

FY2019

39% OF OPERATING REVENUE

H2 FY2019
HOMECARE OPERATING REVENUE

NZ$  ↑ 2%

CONSTANT CURRENCY  ↑ 1%

MASKS REVENUE

NZ$  ↓ 2%

CONSTANT CURRENCY  ↓ 2%

• Strong contribution from successfully completed roll out of our new SleepStyle OSA CPAP system
• Home Respiratory Support business continued to grow strongly
• Hiatus in OSA mask launches impacted masks revenue
• New F&P Vitera OSA mask launched in May 2019
Gross Margin Improvements

- Gross margin for the full year:
  - increased by 56 bps to 66.9%
  - increased by 58 bps in constant currency
- Primarily driven by favourable product mix
- Offset by OSA price declines

Note: the long term gross margin target is based on an assumption of a continuation of the current business environment.
Operating Margin

Research & Development expenses
- NZ$100.4M
- +6% (+6% CC) compared to FY18
- Lower than revenue growth following several years of above revenue growth
- Long term plan to grow in line with constant currency revenue growth

Selling, General & Administrative expenses
- NZ$327.8M
- +13% (+11% CC) compared to FY18
- Continuing expansion of sales teams and promotional activities
- Patent litigation expenses: $23.4M (FY18 $15.6M)

Note: the long term operating margin target is based on an assumption of a continuation of the current business environment.
## Cash Flow and Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2018 NZ$M</th>
<th>2019 NZ$M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Year (for the 12 months ended 31 March)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>247.8</td>
<td>253.3</td>
</tr>
<tr>
<td>Capital expenditure (including purchases of intangible assets)</td>
<td>98.7</td>
<td>133.3</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>149.3</td>
<td>120.0</td>
</tr>
<tr>
<td><strong>Full Year (as at 31 March)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash (including short-term investments)</td>
<td>49.9</td>
<td>54.4</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,025.1</td>
<td>1,206.7</td>
</tr>
<tr>
<td>Total equity</td>
<td>761.4</td>
<td>913.2</td>
</tr>
<tr>
<td>Pre-tax return on average total assets</td>
<td>28.1%</td>
<td>26.1%</td>
</tr>
<tr>
<td>Pre-tax return on average equity</td>
<td>37.6%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Gearing (debt/debt + equity)*</td>
<td>-7.3%</td>
<td>-6.7%</td>
</tr>
</tbody>
</table>

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

• Target gearing ratio* of +5% to -5% debt to debt plus equity
  - Gearing ratio as at 31 March 2019 was -6.7%
• Increased final dividend by 8%:
  - 13.5 cps + 5.25 cps imputation credit for NZ residents (gross dividend of NZ 18.75 cps)
  - Fully imputed
  - 2.382 cps non-resident supplementary dividend
  - Dividend reinvestment plan has been suspended
• Total dividend for the year increased by 9%

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

- 50% of operating revenue in USD (FY18: 51%) and 19% in € (FY18: 20%).

<table>
<thead>
<tr>
<th>Hedging position for our main exposures</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD % cover of expected exposure</td>
<td>85%</td>
<td>60%</td>
<td>15%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>USD average rate of cover</td>
<td>0.668</td>
<td>0.656</td>
<td>0.663</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EUR % cover of expected exposure</td>
<td>85%</td>
<td>60%</td>
<td>45%</td>
<td>35%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>EUR average rate of cover</td>
<td>0.575</td>
<td>0.545</td>
<td>0.525</td>
<td>0.509</td>
<td>0.502</td>
<td>0.473</td>
</tr>
</tbody>
</table>

Hedging cover percentages have been rounded to the nearest 5%

<table>
<thead>
<tr>
<th>Reconciliation of Constant Currency to Actual Income Statements</th>
<th>2017 NZ$M</th>
<th>2018 NZ$M</th>
<th>2019 NZ$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax (constant currency)</td>
<td>228.3</td>
<td>255.6</td>
<td>277.6</td>
</tr>
<tr>
<td>Spot exchange rate effect</td>
<td>(9.3)</td>
<td>(3.2)</td>
<td>14.3</td>
</tr>
<tr>
<td>Foreign exchange hedging result</td>
<td>22.1</td>
<td>14.7</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Balance sheet revaluation</td>
<td>(2.7)</td>
<td>0.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Profit before tax (as reported)</td>
<td>238.4</td>
<td>267.8</td>
<td>291.2</td>
</tr>
</tbody>
</table>
Profit & Loss by Currency

FY2019 (for the 12 months ended 31 March 2019)
Outlook FY2020

Expect at current exchange rates (of NZD:USD 0.65, NZD:EUR 0.58):
  • Operating revenue – approximately NZ$1.15 billion
  • Net profit after tax – approximately NZ$240 million to NZ$250 million

Capital expenditure expected to be approximately NZ$150 million
  • New facility in New Zealand
  • Increased manufacturing capacity and new product tooling

Assumptions
  • Approximately 75% of R&D will be eligible for R&D Tax Credit at 15%
Key Financials
# Key Full Year Financial Results

FY2019 (12 months to 31 March 2019)

<table>
<thead>
<tr>
<th></th>
<th>NZ$M</th>
<th>△PCP^</th>
<th>△CC*</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Homecare operating revenue</td>
<td>421.4</td>
<td>+6%</td>
<td>+4%</td>
</tr>
<tr>
<td>Hospital new applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>consumables revenue</td>
<td></td>
<td>+22%</td>
<td>+20%</td>
</tr>
<tr>
<td>OSA masks revenue</td>
<td></td>
<td>+2%</td>
<td>+0%</td>
</tr>
<tr>
<td>Gross margin (basis points</td>
<td></td>
<td>+56bps</td>
<td>+58bps</td>
</tr>
<tr>
<td>increase)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>209.2</td>
<td>+10%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

\(^{\text{PCP}} = \text{prior comparable period}\) \(^{\text{CC}} = \text{constant currency}\)
## Key Second Half Financial Results

**H2 FY2019 (6 months to 31 March 2019)**

<table>
<thead>
<tr>
<th></th>
<th>NZ$M</th>
<th>△PCP^</th>
<th>△CC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>559.1</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>Hospital operating revenue</td>
<td>345.4</td>
<td>+11%</td>
<td>+12%</td>
</tr>
<tr>
<td>Homecare operating revenue</td>
<td>210.4</td>
<td>+2%</td>
<td>+1%</td>
</tr>
<tr>
<td>Hospital new applications consumables revenue</td>
<td></td>
<td>+19%</td>
<td>+20%</td>
</tr>
<tr>
<td>OSA masks revenue</td>
<td>-2%</td>
<td></td>
<td>-2%</td>
</tr>
<tr>
<td>Gross margin (basis points increase)</td>
<td>+37bps</td>
<td></td>
<td>+91bps</td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>111.8</td>
<td>+3%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

^ PCP = prior comparable period * CC = constant currency
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
- 50 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

- 303 of our people in Europe
- 38 Our people are located in 38 countries
- 335 of our people in the rest of the world
- 1,493 of our people in North America
- 2,416 of our people in New Zealand

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
~US$6+ Billion and Growing Market Opportunity

HOSPITAL

Invasive Ventilation
Hospital Respiratory Support
Non-invasive Ventilation
Surgical Humidification

HOME CARE

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.
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 (FY18: 87%)
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\(^4\)
Hospital Cost Breakdown

Other – includes labour, utilities, drugs, supplies, food, depreciation.

Medical devices

6%

94%
Lower Care Intensity = Lower Cost

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

Mean cost (2008 US$)

- Outpatient cohort
- Urgent outpatient cohort
- ED cohort
- Standard admission cohort
- ICU cohort

Hospital
Hospital Product Group

FY19 HOSPITAL REVENUE COMPOSITION

HARDWARE

CONSUMABLES

Invasive ventilation
Non-invasive ventilation
Optiflow nasal high flow
Surgical

F&P 950 System
F&P 850 System
F&P AIRVO 2
F&P HumiGard

Hardware
Consumables
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
- Low Flow Nasal Prongs
- Simple Face Mask
- Rebreather Mask

NON-INVASIVE VENTILATION

3 million

Estimated patients were treated with our Optiflow Nasal High Flow Therapy over the past year.
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\(^6\)
- REDUCED COPD exacerbations\(^9\)

**PAEDIATRICS:**
- REDUCED intubation\(^10\)
- REDUCED length of stay\(^11\)
- REDUCED respiratory distress\(^12\)

**NEONATES:**
- NON-INFERIORITY with nasal CPAP\(^13\)
- REDUCED nasal trauma\(^14,15\)
- REDUCED respiratory distress\(^16\)
Optiflow NHF - A Growing Body of Clinical Evidence

The publication of 247 clinical papers on NHF continues to signify a high level of clinical interest in the therapy.

Source: PubMed
## Optiflow outside medical ICU: recent clinical studies

<table>
<thead>
<tr>
<th>Study</th>
<th>Setting</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZOCHIOS 2019</td>
<td>Surgical ICU</td>
<td>Reduced escalation/readmission, reduced hospital length of stay</td>
</tr>
<tr>
<td>MACE 21 2019</td>
<td>Emergency Department</td>
<td>Reduced respiratory rate, improved oxygenation, reduced PaCO2</td>
</tr>
<tr>
<td>OZTURAN 22 2019</td>
<td>Emergency Department</td>
<td>Reduced respiratory rate, improved oxygenation</td>
</tr>
<tr>
<td>TOMRUK 23 2019</td>
<td>Emergency Department</td>
<td>Reduced respiratory rate, improved oxygenation</td>
</tr>
<tr>
<td>FRANKLIN 24 2018</td>
<td>ED/Ward</td>
<td>Reduced respiratory rate, improved oxygenation</td>
</tr>
<tr>
<td>STORGAARD 9 2018</td>
<td>Home</td>
<td>Reduced respiratory rate, improved oxygenation</td>
</tr>
<tr>
<td>SPOLETINI 25 2018</td>
<td>Intermediate Care</td>
<td>Reduced respiratory rate, improved oxygenation</td>
</tr>
</tbody>
</table>

* The increase in respiratory rate and dyspnea seen with study comparator was not seen with Optiflow.
Consistently Strong Growth in Hospital New Applications

- New applications consumables now make up 62% of Hospital consumables revenue, up from 54% in FY2017 and 59% in FY2018

New applications consumables: Non-invasive ventilation, Optiflow, AIRVO, Surgical

* Adjusted to exclude impact of US distribution transition in FY16 and FY17
Homecare Product Group

FY19 HOMECARE REVENUE COMPOSITION

- Hardware: 16%
- Consumables: 84%

HARDWARE
- F&P SleepStyle
- F&P myAIRVO 2
- F&P 810System

CONSUMABLES
- CPAP Therapy/OSA
- Home Respiratory Support
- F&P Vitera
- F&P Eson2
- F&P Brevida
Obstructive Sleep Apnea

• Temporary closure of airway during sleep
• Can greatly impair quality of sleep, leading to fatique; 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
Mask Matters Most

- Masks are key to compliance
- Unique, patented designs
- Vitera launched in May in NZ, Australia, Europe and Canada. Will be released in the US and other markets upon receipt of regulatory clearances.
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\textsuperscript{17}
- 6\% of US adults have been diagnosed with COPD\textsuperscript{18} (~15 million people)
- 4-10\% COPD prevalence worldwide\textsuperscript{19} (~400 million people)
High Level of Innovation and Investment in R&D

- R&D represents 9% of operating revenue:* NZ$100.4M
- Product pipeline includes:
  - Humidifier controllers
  - Masks
  - Respiratory consumables
  - Flow generators
  - Compliance monitoring solutions
- 222 US patents, 427 US pending, 988 Rest of world patents, 1,080 Rest of world pending†

* For 12 months ended 31 March 2019
† As at 31 March 2019
Growing Patent Portfolio


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

* As at 31 March 2019
Manufacturing & Operations

• Vertically integrated
• Will grow manufacturing capacity to accommodate future volume growth
  • Modest growth in NZ
  • Most growth outside NZ

Auckland, New Zealand
• Three buildings: 82,000 m² / 885,000 ft² total
• 100 acres / 40 hectares land
• Fourth building due to be completed early 2020
• Co-location of R&D and manufacturing in NZ a competitive advantage

Tijuana, Mexico
• Two buildings: 41,000 m² / 450,000 ft² total
Strong Global Presence

- Direct/offices
  - Hospitals, home care dealers
  - Sales/support offices in North America, Europe, Asia, South America, Middle East and Australasia, 17 distribution centres
  - More than 1,000 employees in 31 countries
  - Ongoing international expansion
- Distributors
  - 100+ distributors worldwide
- Original Equipment Manufacturers
  - Supply most leading ventilator manufacturers
- Sell in more than 120 countries in total
Ownership Structure and Listings

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

SHAREHOLDING STRUCTURE AS AT 31 MARCH 2019

GEOGRAPHICAL OWNERSHIP AS AT 31 MARCH 2019

- NZ Institutions
- Other Institutions
- Brokers & Retail
- Other

- New Zealand
- Australia
- North America
- UK
- Europe (ex UK)
- Asia
Consistent Growth Strategy

Our inputs:
- Our 4,500+ people
- 50 years of trusted relationships
- Excellence in R&D
- Global supply networks
- Trusted brand

Our outputs:
- Improved care & outcomes for patients
- Increased efficiency of care
- Increased shareholder value
- Benefits to our people
- Doubling our constant currency revenue every 5-6 years

Care by Design:
Improving care & outcomes through inspired and world-leading healthcare solutions

MARKET CONTEXT:
AGEING POPULATION | TECHNOLOGY ADVANCEMENT | HEALTHCARE COSTS INCREASING | OTHER EXTERNAL FACTORS
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.

References