



H1 FY2019 Business Highlights

+ WELCOMED

first major clinical study into the use of Optiflow nasal high flow therapy in the home

+ AWARDED

two Gold Pins at the New Zealand Design Awards for our F&P InfoSmart web application and F&P SleepStyle patient application

+ ANNOUNCED

the appointment of Lyndal York as Chief Financial Officer and Neville Mitchell as a new non-executive director

+ INCLUDED

in the Dow Jones Sustainability Asia Pacific Index and the Dow Jones Sustainability Australia Index

+ LAUNCHED

the F&P 950 neonatal heated humidification system into New Zealand and Australia

+ PROGRESSED

with construction of our two building projects in New Zealand and Mexico

First Half Financial Highlights

H1 FY2019 (6 months to 30 September 2018)

	NZ\$M	ΔPCP [^]	ΔCC*
Record operating revenue	511.3	+12%	+8%
Record Hospital operating revenue	297.3	+13%	+11%
Record Homecare operating revenue	211.1	+10%	+6%
Hospital new applications consumables revenue		+24%	+22%
OSA masks revenue		+6%	+2%
Gross margin (basis points increase)		+77bps	+22bps
Record net profit after tax	97.4	+20%	+14%

Recurring items, consumables and accessories
approximately 86% of operating revenue (H1 FY18: 87%)

Hospital Product Group

H1 FY2019

58%

OF OPERATING REVENUE

H1 FY2019

HOSPITAL OPERATING REVENUE
NZ\$

↑13%

CONSTANT CURRENCY

↑11%

NEW APPLICATIONS*
CONSUMABLES REVENUE

NZ\$

↑24%

CONSTANT CURRENCY

↑22%



Respiratory humidification and support



F&P 950 System



F&P 850 System



F&P AIRVO2



F&P Optiflow



Surgical technologies



F&P HumiGard

- New applications consumables* made up 60% of H1 FY2019 Hospital consumables revenue, 55% in H1 FY2018
- 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 US and Canada

Homecare Product Group

H1 FY2019

41%

OF OPERATING REVENUE

H1 FY2019

HOMECARE OPERATING REVENUE
NZ\$

↑ 10%

CONSTANT CURRENCY

↑ 6%

MASKS REVENUE

NZ\$

↑ 6%

CONSTANT CURRENCY

↑ 2%



CPAP therapy / Obstructive Sleep Apnea (OSA)



F&P Simplus



F&P Eson2



F&P Brevida



F&P SleepStyle



Home respiratory support



F&P myAIRVO 2



F&P 810System



F&P Optiflow+

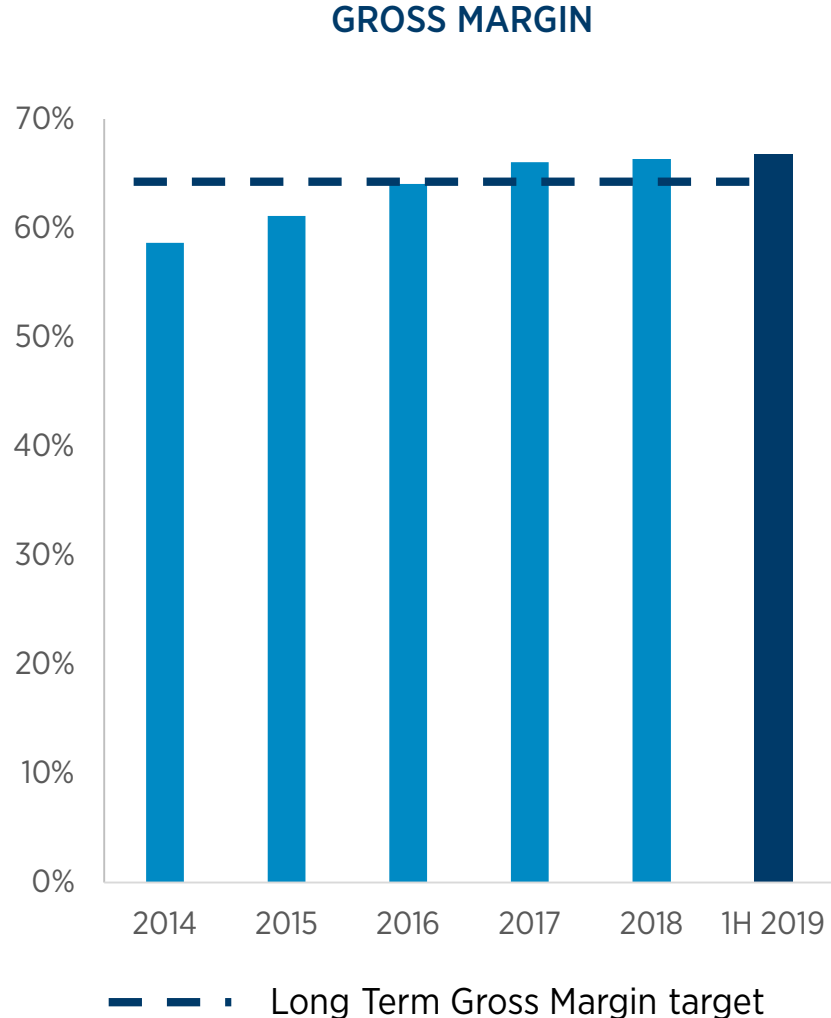
Fisher & Paykel
HEALTHCARE

First Half Operating Results

H1 FY2019 (6 months to 30 September 2018)

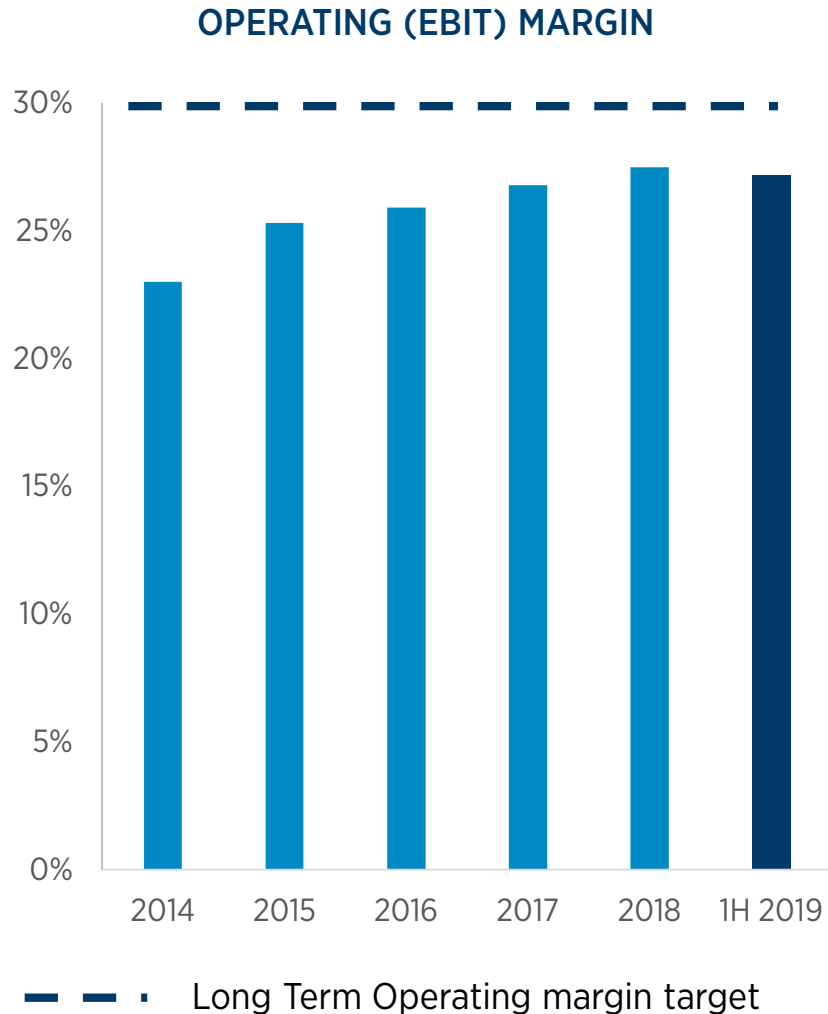
	% of Revenue	NZ\$M	ΔPCP [^]	ΔCC [*]
Operating revenue	100%	511.3	+12%	+8%
Cost of sales	33.2%	169.7	+9%	+8%
Gross profit	66.8%	341.6	+13%	+9%
Other income (R&D grant)		2.5	0%	0%
SG&A	31.2%	159.4	+11%	+8%
R&D	8.9%	45.7	-3%	-3%
Total operating expenses	40.1%	205.1	+8%	+5%
Operating profit	27.2%	139.0	+21%	+14%
Profit after tax	19.0%	97.4	+20%	+14%

Gross Margin Improvements



- Gross margin for the first half:
 - increased by 77 bps to 66.8%
 - increased by 22 bps in constant currency
- Primarily driven by favourable product mix
- Offset by OSA price declines

Operating Margin



Research & Development expenses

- NZ\$45.7M
- -3% (-3% cc) compared to 1H FY18
- Higher one-off costs in the prior half relating to product introductions and patent renewal fees
- Underlying rate of R&D increasing

Selling, General & Administrative expenses

- NZ\$159.4M
- +11% (+8% cc) compared to 1H FY18
- Continuing expansion of sales teams and promotional activities
- Patent litigation expenses: \$7.7M

Cash Flow and Balance Sheet

H1 FY2019 (for the 6 months ended 30 September 2018)	NZ\$M
Operating cash flow (+14%)	93.4
Capital expenditure (including purchases of intangible assets)	61.1
Depreciation and amortization	20.9
H1 FY2019 (as at 30 September 2018)	NZ\$M
Net cash	14.8
Total equity	776.7
Total assets	1,044.0
	%
Gearing (debt/debt + equity)	-2.0%

Gearing and Dividend

- Target gearing ratio* of +5% to -5% debt to debt plus equity
 - Gearing ratio at 30 September 2018 was -2.0%
- Increased interim dividend by 11%:
 - 9.75 cps + 3.792 cps imputation credit for NZ residents (gross dividend of NZ 13.542 cps)
 - Fully imputed
 - 1.721 cps non-resident supplementary dividend
 - Dividend reinvestment plan available for New Zealand and Australian residents. No discount will apply.



Foreign Exchange Effects

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

	Year to 31 March						
Hedging position for our main exposures (as at 26th November 2018)	FY19	FY20	FY21	FY22	FY23	FY24	FY25-27
USD % cover of expected exposure	95%	75%	50%	10%	-	-	-
USD average rate of cover	0.681	0.668	0.654	0.660	-	-	-
EUR % cover of expected exposure	95%	70%	50%	40%	35%	25%	5%
EUR average rate of cover	0.604	0.572	0.542	0.522	0.509	0.500	0.471

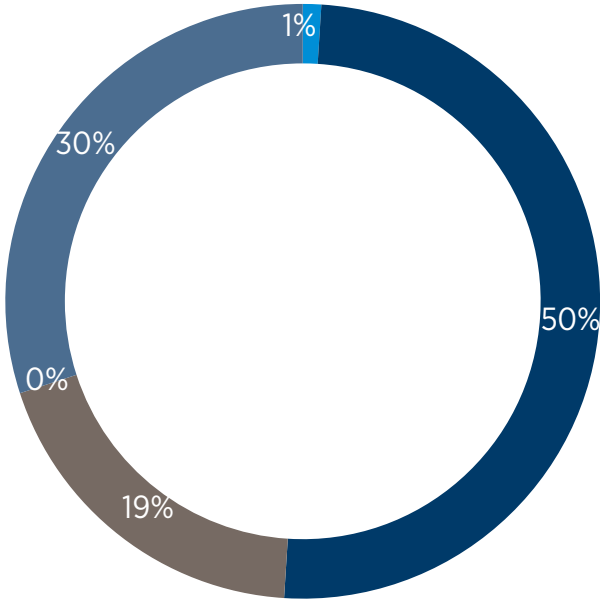
Hedging cover percentages have been rounded to the nearest 5%

	6 months ended 30 September		
	2016 NZ\$M	2017 NZ\$M	2018 NZ\$M
Reconciliation of Constant Currency to Actual Income Statements			
Profit before tax (constant currency)	106.9	109.1	126.1
Spot exchange rate effect	(0.6)	(5.5)	6.6
Foreign exchange hedging result	9.7	10.4	(2.1)
Balance sheet revaluation	(4.8)	0.1	5.3
Profit before tax (as reported)	111.2	114.1	135.9

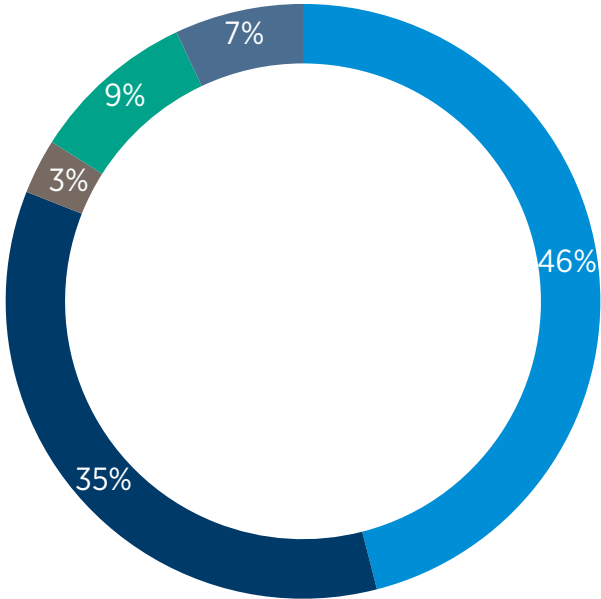
Profit & Loss by Currency

1H FY2019 (for the 6 months ended 30 September 2018)

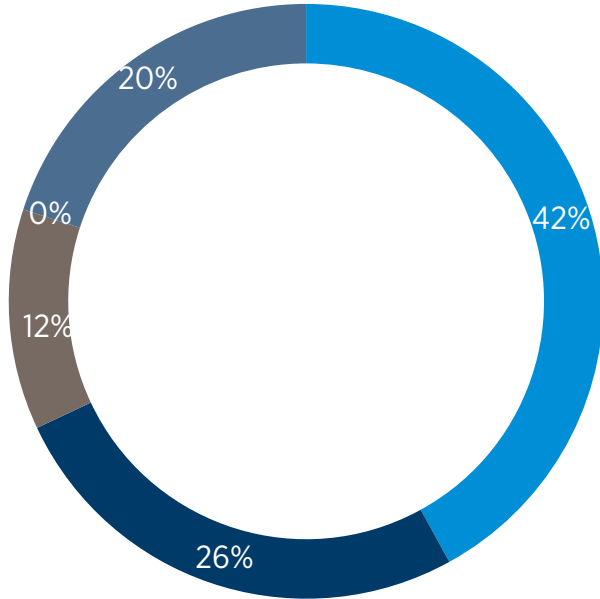
REVENUE BY CURRENCY



COST OF SALES BY CURRENCY



OPERATING EXPENSES BY CURRENCY



■ NZD ■ USD ■ EUR ■ MXN ■ Other

■ NZD ■ USD ■ EUR ■ MXN ■ Other

■ NZD ■ USD ■ EUR ■ MXN ■ Other

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
- 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

~US\$6+ Billion and Growing Market Opportunity

HOSPITAL

Invasive Ventilation



Hospital Respiratory Support



Non-invasive Ventilation



Surgical Humidification



HEMOCARE

Home Respiratory Support



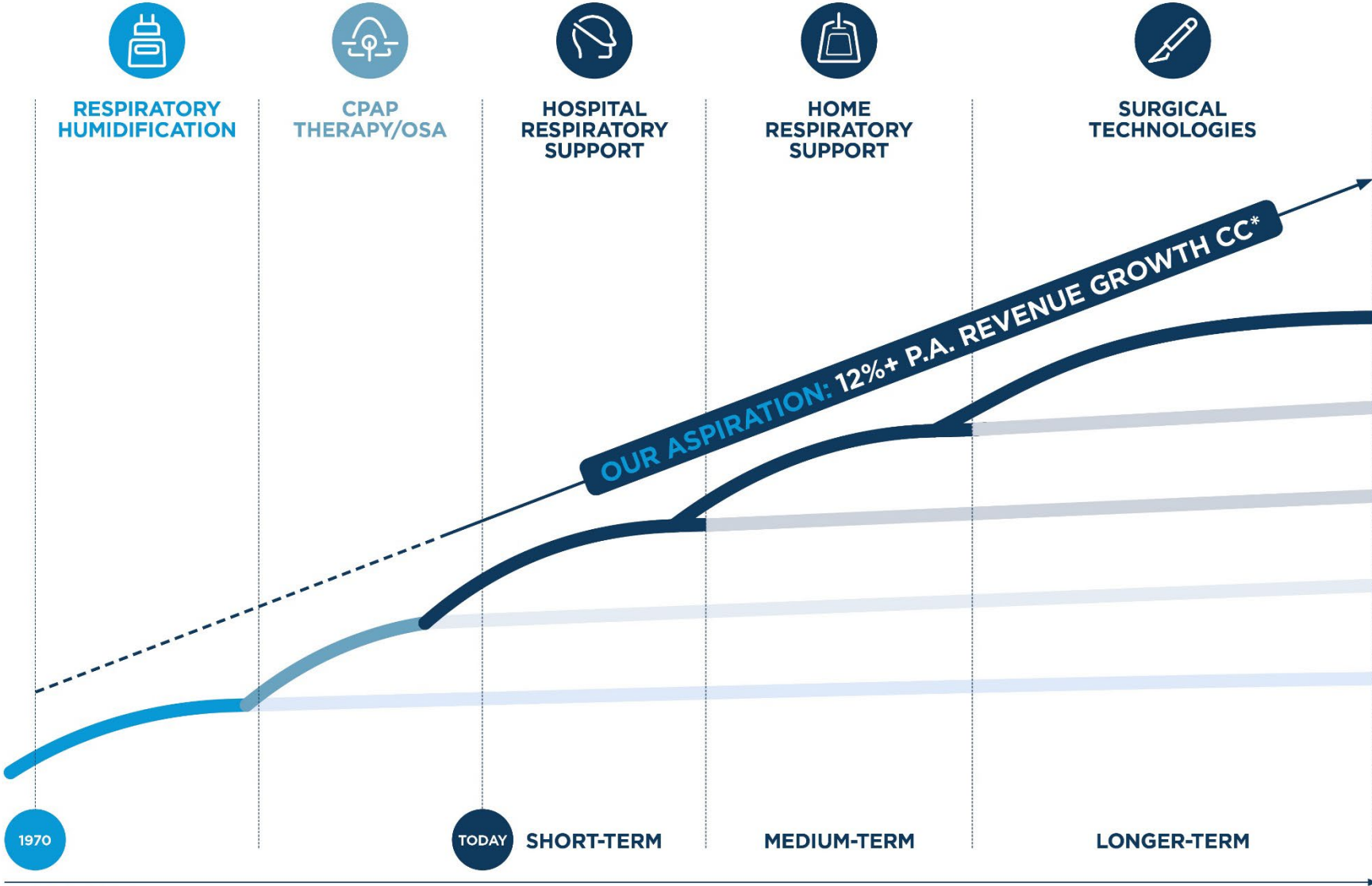
CPAP Therapy



“NEW APPLICATIONS”

Applications outside of invasive ventilation

Our Aspiration



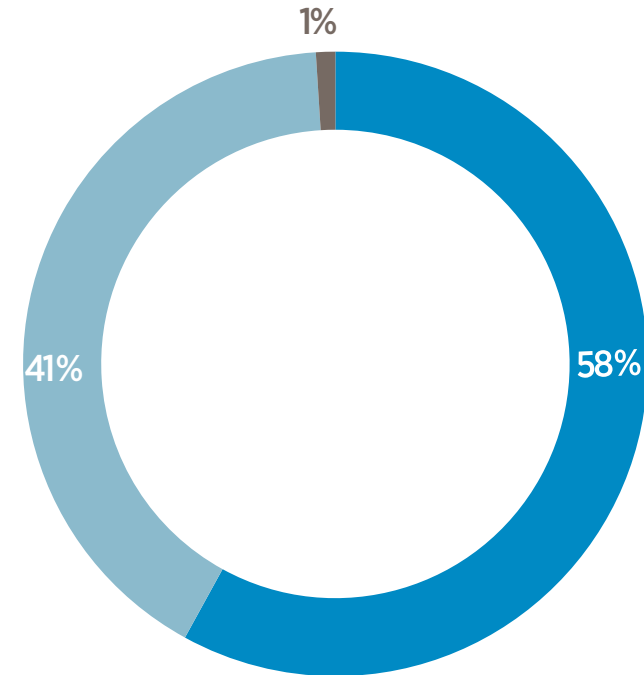
OUR ASPIRATION:
Sustainably
DOUBLING
 our constant
 currency revenue
 every 5-6 years.

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 (1HFY18: 87%)

REVENUE BY PRODUCT GROUP
12 MONTHS TO 30 SEPTEMBER 2019



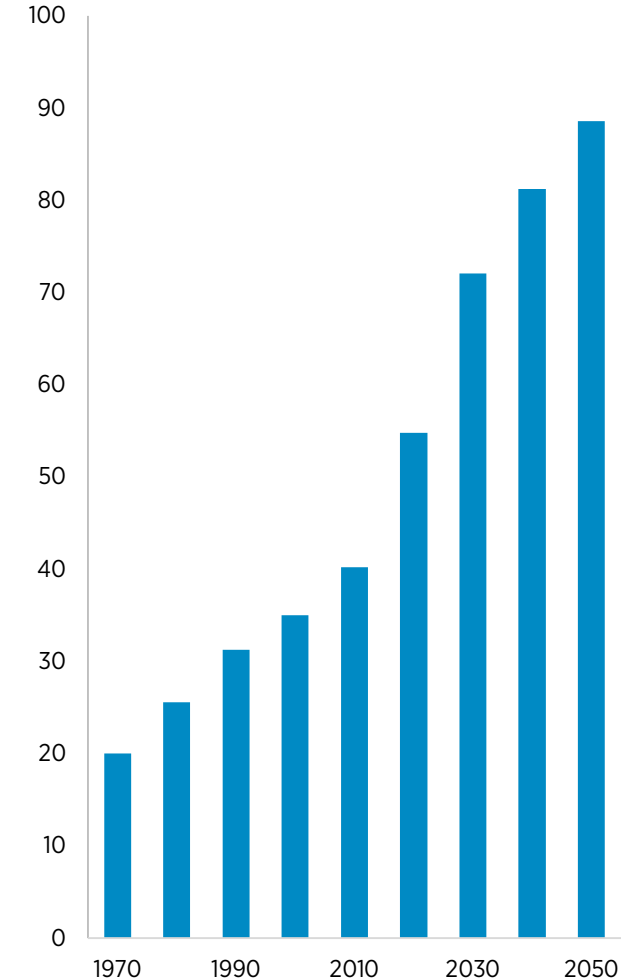
- Hospital
- Homecare
- Distributed & Other

Impact of Changing Demographics

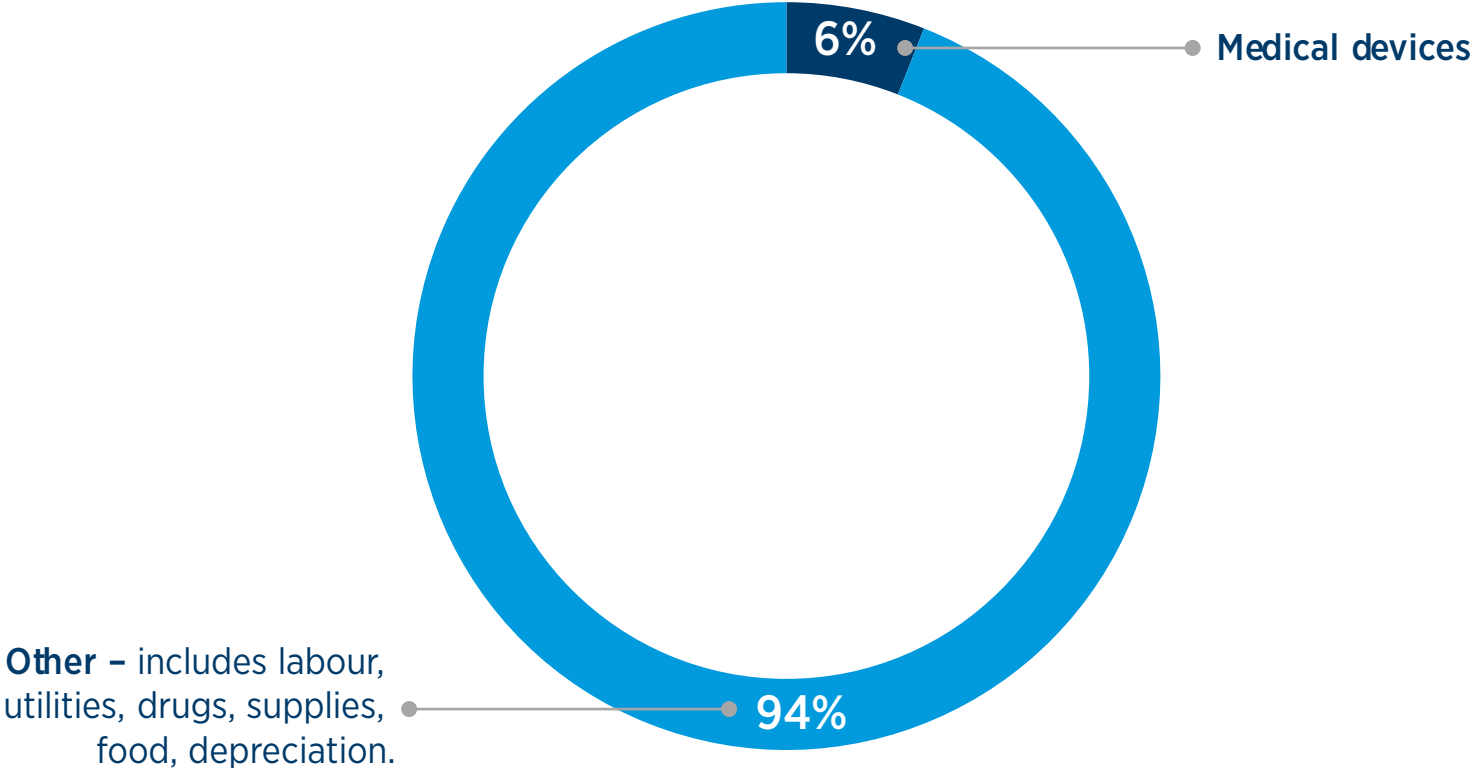
- Population age and weight both increasing
 - US population 65 years+ to grow ~80% over next 20 years¹
 - US males 60 - 74 years, average weight increased 0.4 kg/year since 1960²
- 60% of US healthcare cost is after age 65 years³
- Developing markets increasing healthcare spending
 - China healthcare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



US POPULATION OVER AGE 65
(MILLIONS)

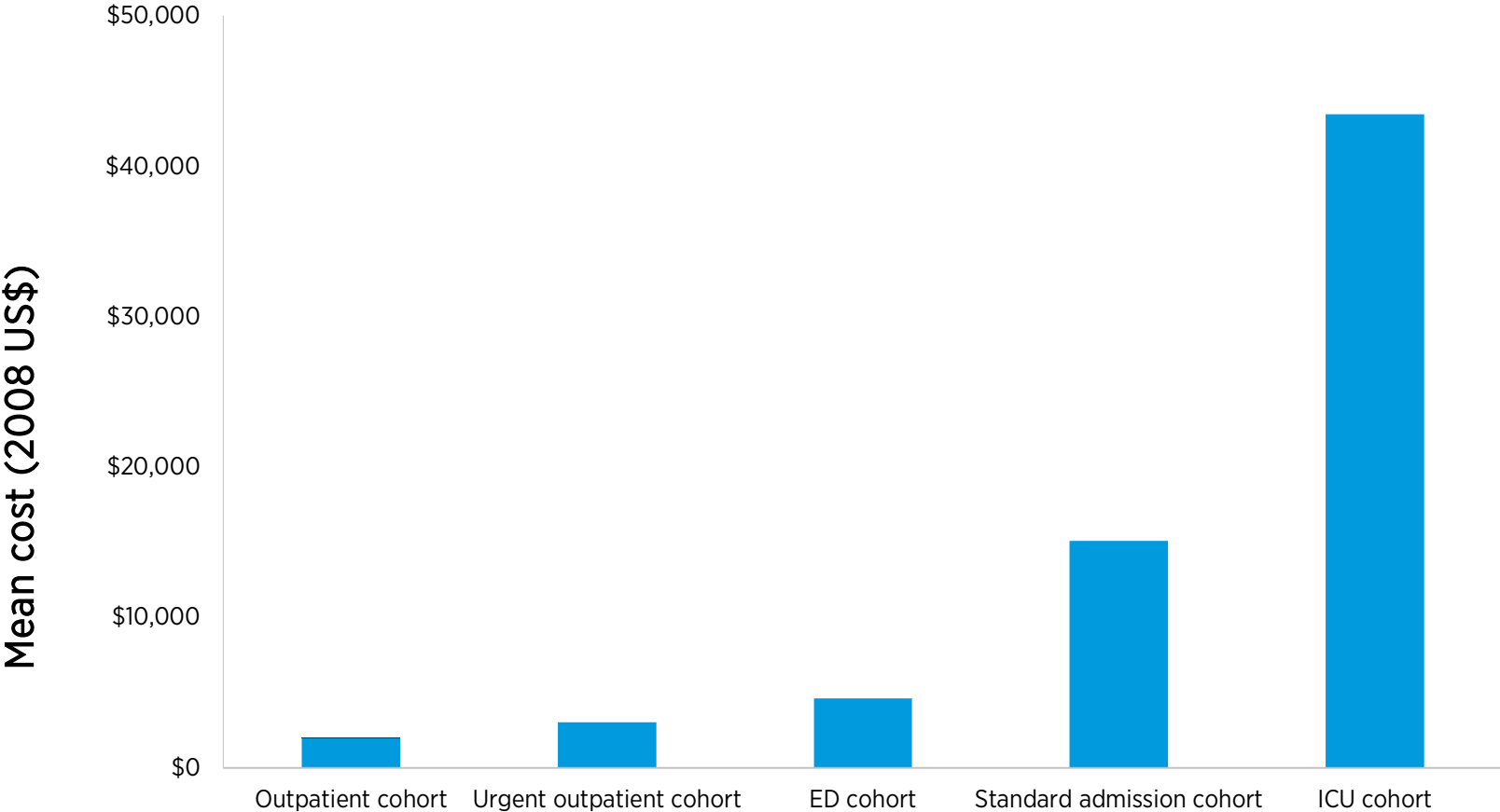


Hospital Cost Breakdown



Lower Care Intensity = Lower Cost

MEAN ANNUAL COPD-RELATED MEDICAL, PHARMACY AND TOTAL COSTS BY CARE INTENSITY COHORT



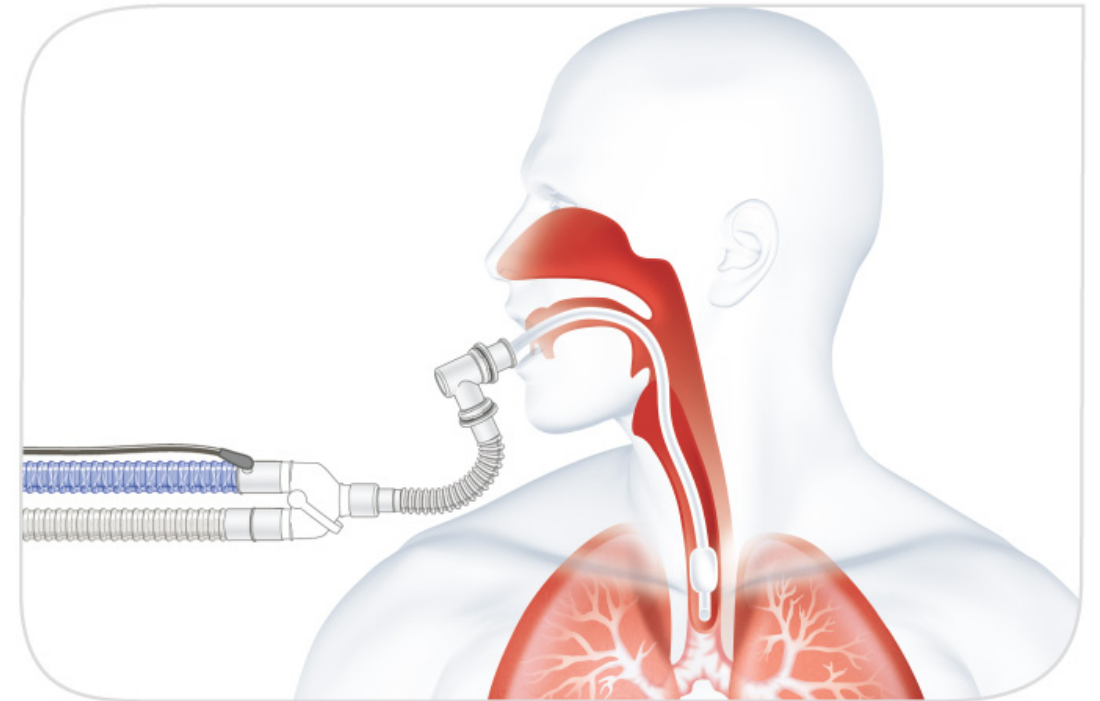


Hospital



Respiratory Humidification

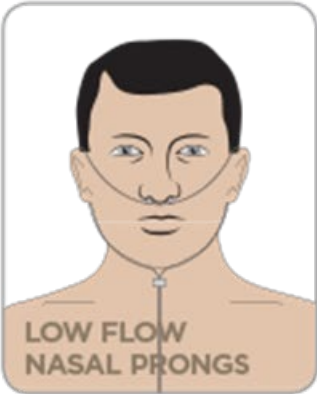
- Normal airway humidification is bypassed or compromised during ventilation or oxygen therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
 - 37°C body core temperature
 - 44mg/L 100% saturated



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 intubation⁵
- REDUCED re-intubation^{6, 7, 8}
- REDUCED bilevel ventilation⁷
- REDUCED nursing workload⁷
- INCREASED ventilator free days⁵
- IMPROVED comfort & patient tolerance⁶
- IMPROVED compliance⁶
- REDUCED COPD exacerbations⁹

PAEDIATRICS:

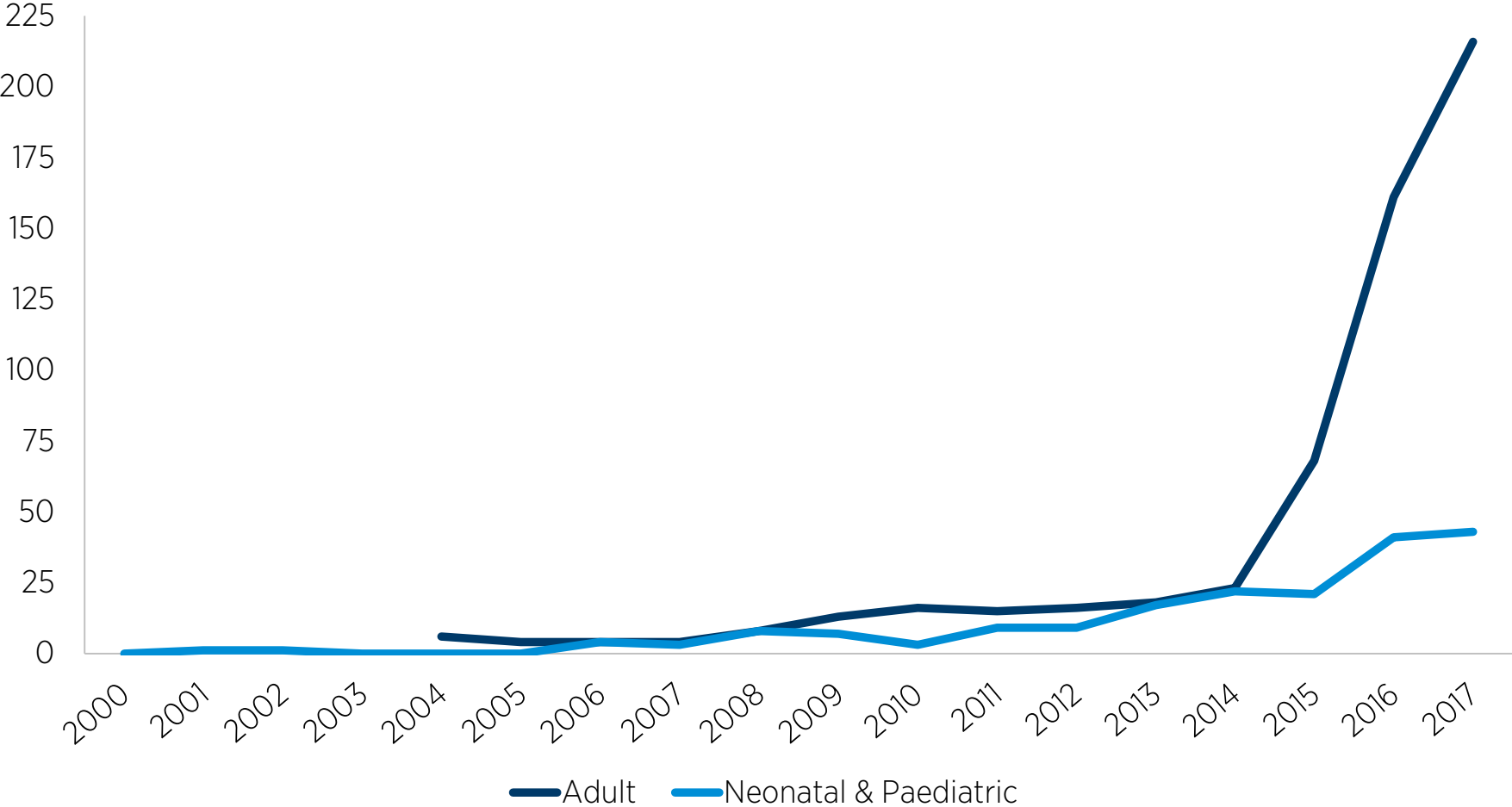
- REDUCED intubation¹⁰
- REDUCED length of stay¹¹
- REDUCED respiratory distress¹²

NEONATES:

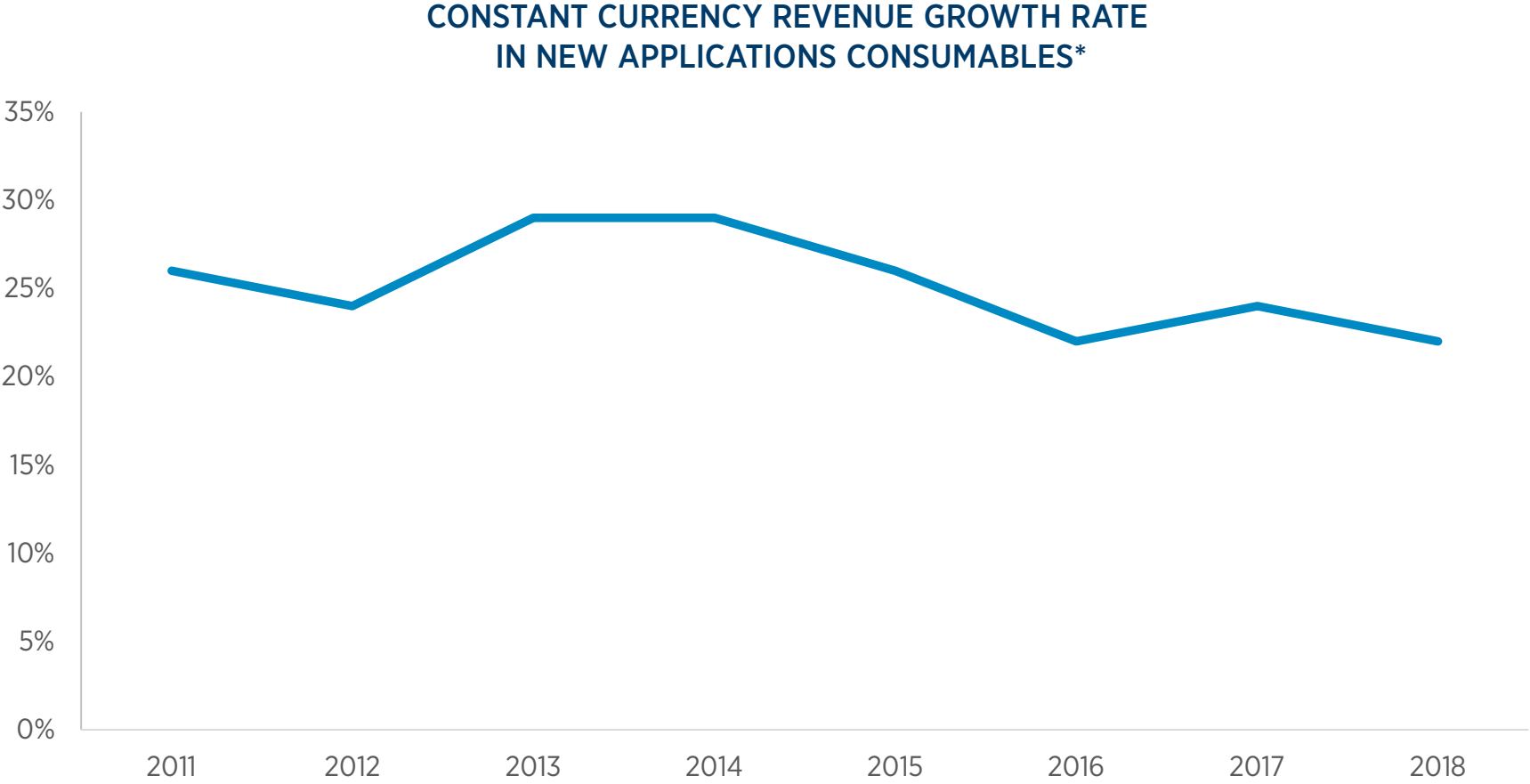
- NON-INFERIORITY with nasal CPAP¹³
- REDUCED nasal trauma^{14, 15}
- REDUCED respiratory distress¹⁶

Optiflow NHF - A Growing Body of Clinical Evidence

NASAL HIGH FLOW CLINICAL PAPERS PUBLISHED ANNUALLY



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

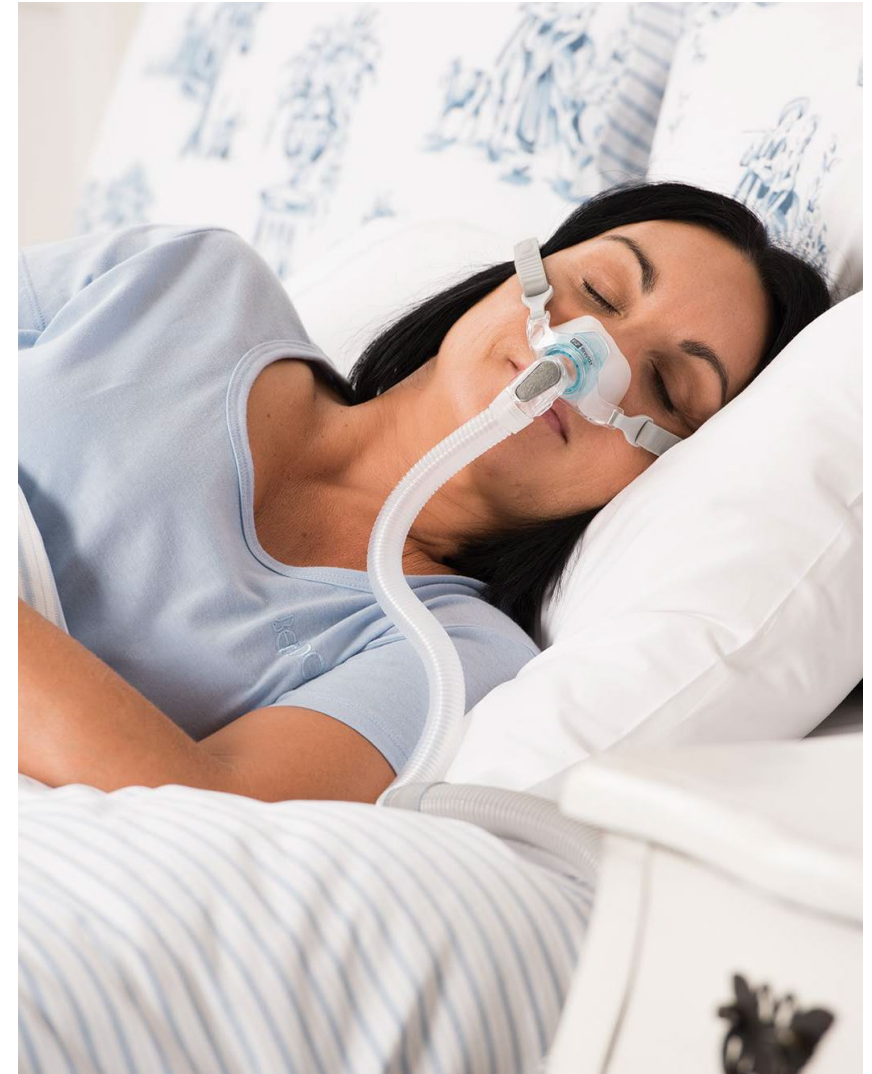
New applications consumables: Non-invasive ventilation, Optiflow, AIRVO, Surgical
* Adjusted to exclude impact of US distribution transition in FY16 and FY17

「 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



Revolutionary Masks

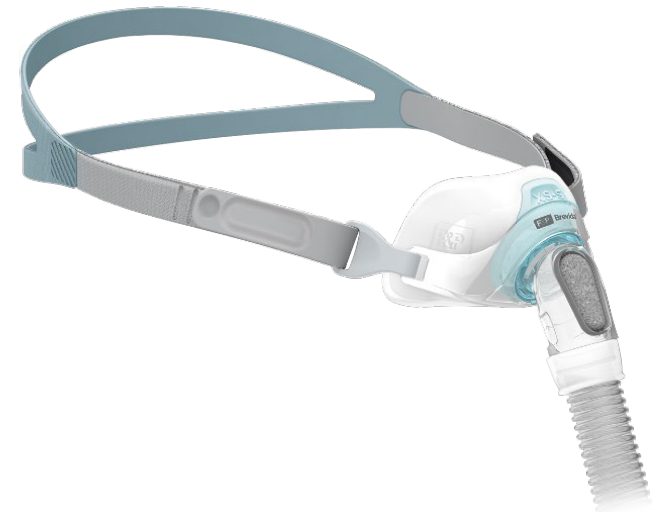
- Market leading mask technology
- Unique, patented designs
- Mask Matters Most
 - Masks are key to compliance



F&P ESON 2™



F&P SIMPLUS™



F&P BREVIDA™

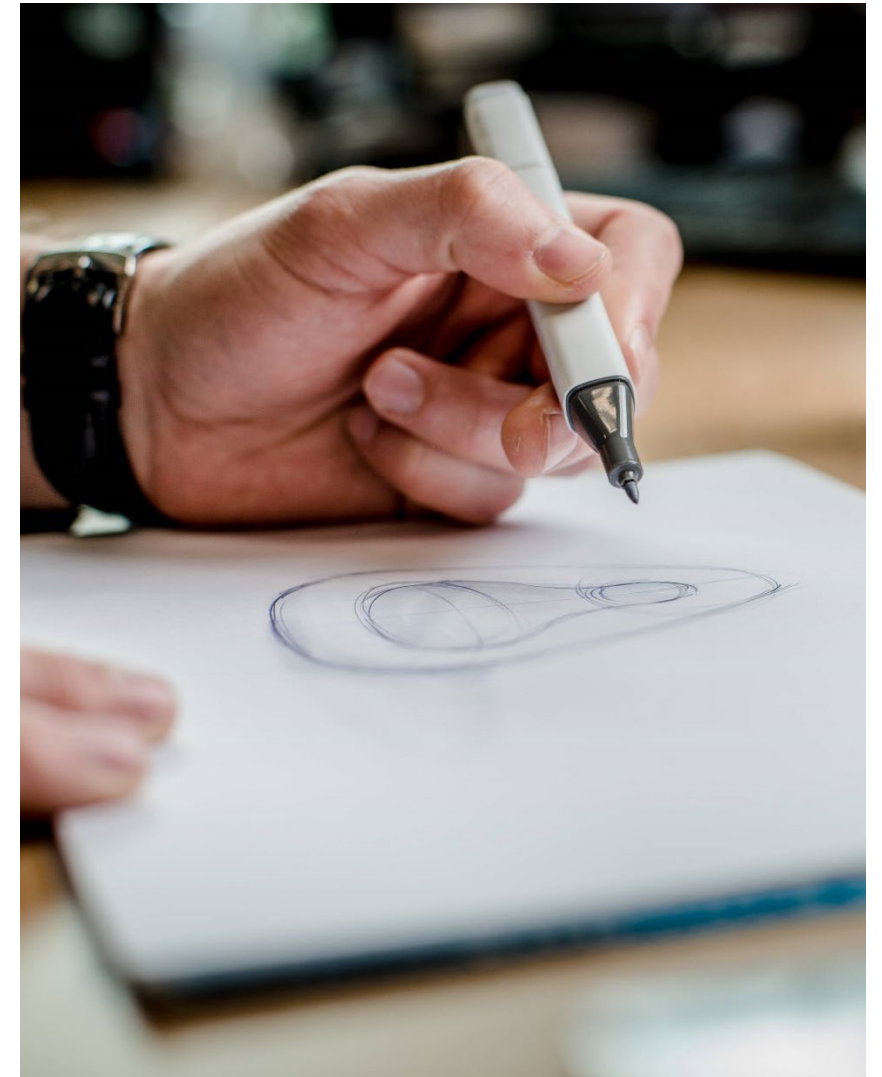
Home Respiratory Support

- 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 US¹⁷
- 6% of US adults have been diagnosed with COPD¹⁸ (~15 million people)
- 4-10% COPD prevalence worldwide¹⁹ (~400 million people)



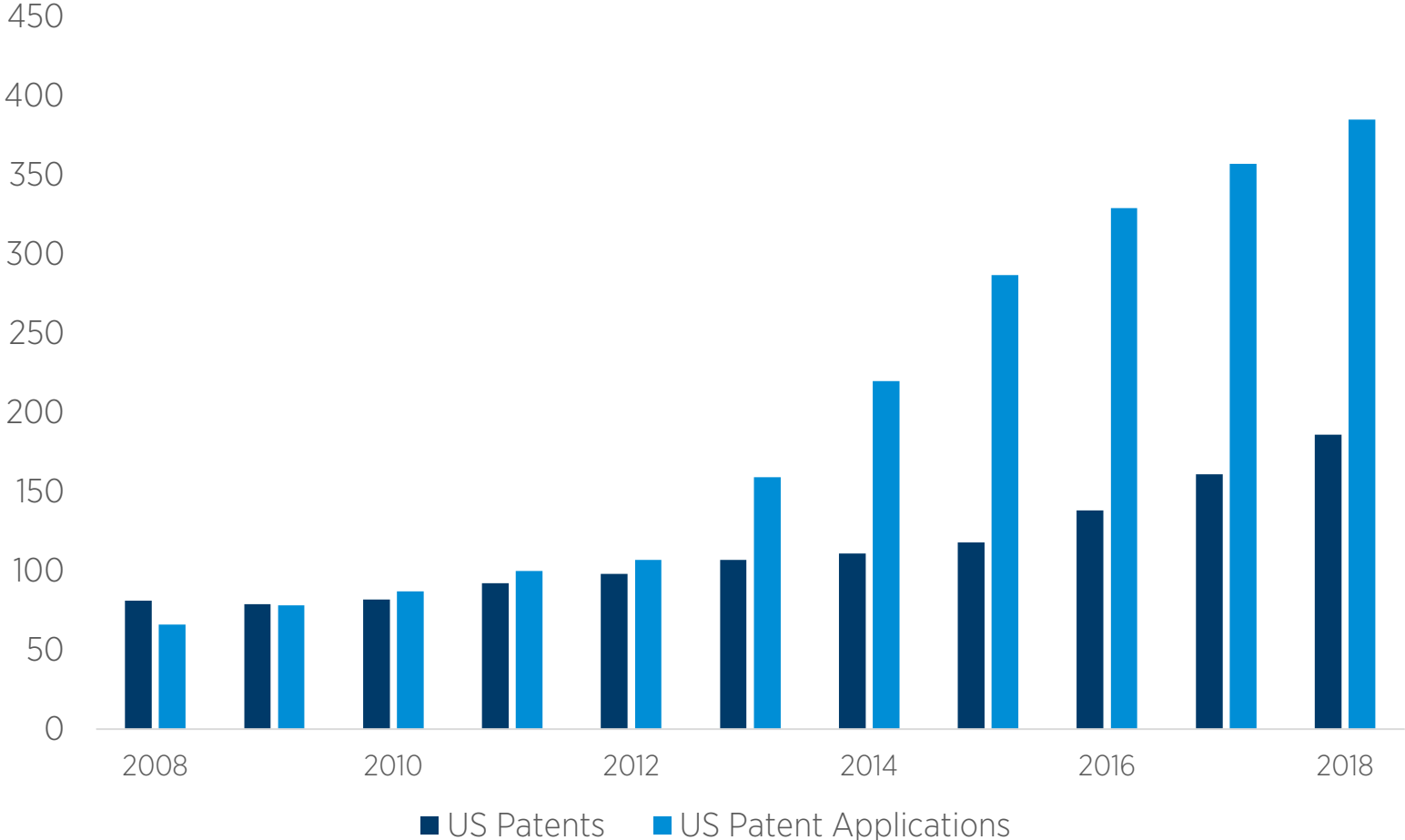
High Level of Innovation and Investment in R&D

- R&D represents 9% of operating revenue:^{*} NZ\$45.7M
- Product pipeline includes:
 - Humidifier controllers
 - Masks
 - Respiratory consumables
 - Flow generators
 - Compliance monitoring solutions
- 186 US patents, 385 US pending, 870 ROW, 912 ROW pending[†]



Growing Patent Portfolio

FISHER & PAYKEL HEALTHCARE US PATENT PORTFOLIO (2008 - 2018)



Average remaining life of FPH patent portfolio (all countries): 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
- 100 acres / 40 hectares land
- Fourth building underway

Tijuana, Mexico

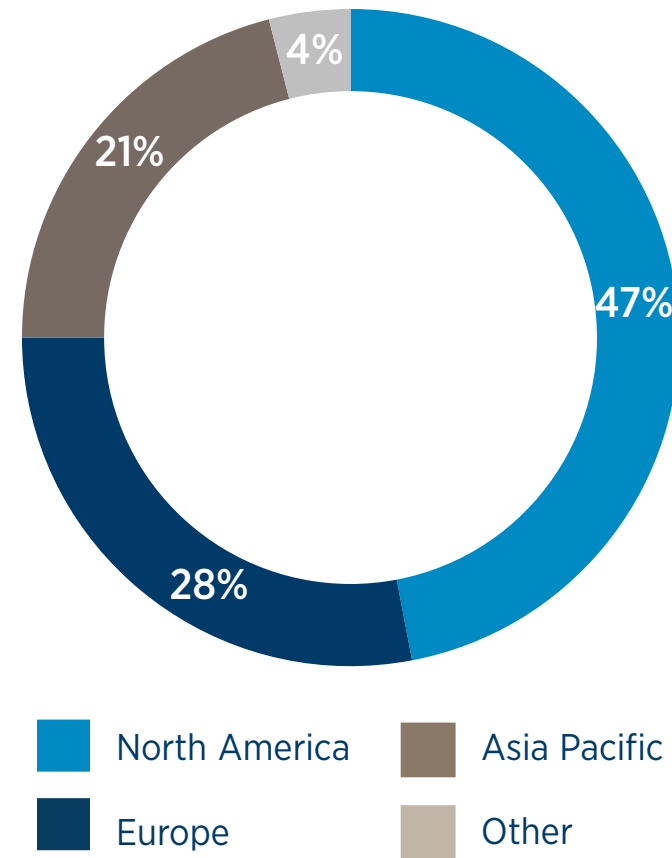
- 18,000 m² / 200,000 ft²
- Consumables capacity ramping up
- Construction of second building to be completed in FY19



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

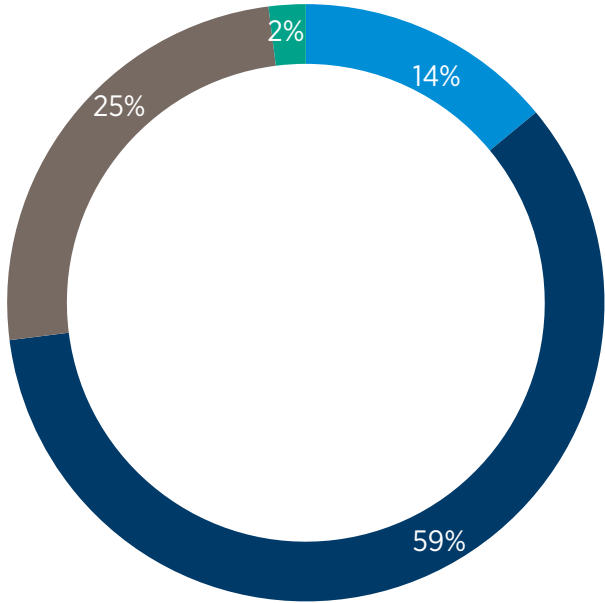
REVENUE BY REGION
6 MONTHS TO 30 SEPTEMBER 2018



Ownership Structure and Listings

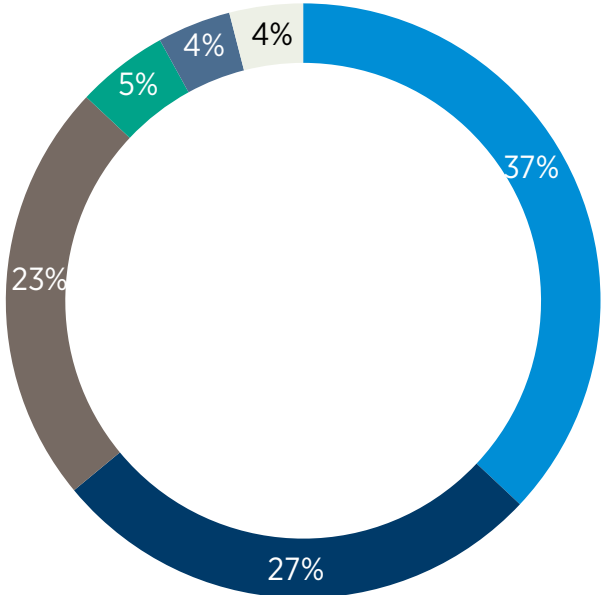
- Listed on NZX and ASX (NZX.FPH, ASX.FPH)

SHAREHOLDING STRUCTURE AS AT 30 SEPTEMBER 2018



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

GEOGRAPHICAL OWNERSHIP AS AT 30 SEPTEMBER 2018

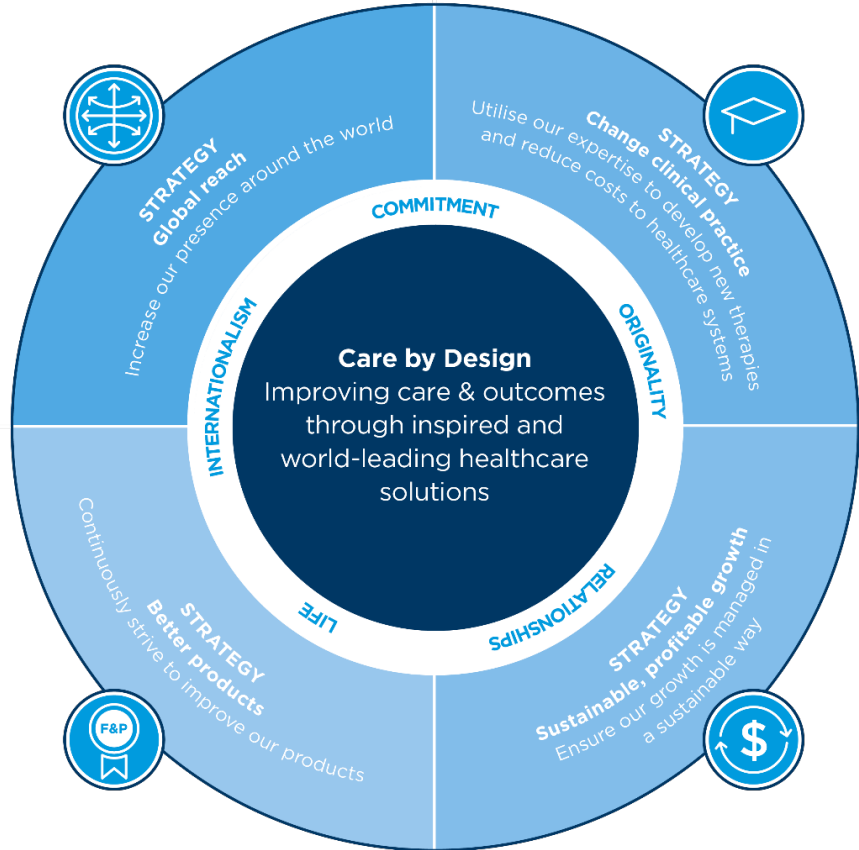


- New Zealand
- Australia
- North America
- UK
- Europe (ex UK)
- Asia

Consistent Growth Strategy

Our inputs

- Our 4000+ people
- Over 45 years of trusted relationships
- Excellence in R&D
- Global supply networks
- Trusted brand



Our outputs

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

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

Important Notice and References

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) 2019 Interim 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.

References

1. Grayson K, Vincent, Victoria A, Velkoff. The Next Four Decades. The Older Population in the United States: 2010 to 2050. US Census Bureau, 2010.
2. Cynthia L Ogden, Cheryl D Fryar et al. Mean Body Weight, Height, and Body Mass Index (BMI) 1960-2002. US Centers for Disease Control and Prevention, 2004.
3. Berhanu Alemayehu, Kenneth E Warner. The Lifetime Distribution of Health Care Costs. Health Serv Res. 2004 June; 39(3): 627-642
4. Sheryl Jacobson, Yvonne Wu. 2015 Health Care Outlook: China. Deloitte 2015.
5. Frat JP, Thille AW, Mercat A et al. High-flow oxygen through nasal cannula in acute hypoxemic respiratory failure. *N Engl J Med*. 2015;372(23):2185-96
6. Maggiore SM, Idrone FA, Vaschetto R et al. Nasal high-flow versus Venturi mask oxygen therapy after extubation. Effects on oxygenation, comfort, and clinical outcome. *Am J Respir Crit Care Med*. 2014;190(3):282-8
7. Stéphane F, Barrucand B, Petit P et al. High-Flow Nasal Oxygen vs Noninvasive Positive Airway Pressure in Hypoxemic Patients After Cardiothoracic Surgery: A Randomized Clinical Trial. *JAMA*. 2015;313(23):2331-9
8. Hernández G, Vaquero C, González P, et al. Effect of Postextubation High-Flow Nasal Cannula vs Conventional Oxygen Therapy on Reintubation in Low-Risk Patients: A Randomized Clinical Trial. *JAMA*. 2016;315(13):1354-1361. doi:10.1001/jama.2016.2711
9. Storgaard LH, Hockey HU, Laursen BS, Weinreich UM. Long-term effects of oxygen-enriched high-flow nasal cannula treatment in COPD patients with chronic hypoxemic respiratory failure. *Int J Chron Obstruct Pulmon Dis* 2018;16:13:1195-1205
10. Wing R, James C, Maranda LS et al. Use of high-flow nasal cannula support in the emergency department reduces the need for intubation in pediatric acute respiratory insufficiency. *Pediatr Emerg Care*. 2012;28(11):1117-23
11. McKiernan C, Chua LC, Visintainer PF et al. High flow nasal cannulae therapy in infants with bronchiolitis. *J Pediatr*. 2010;156(4):634-8
12. Milési C, Baleine J, Matecki S et al. Is treatment with a high flow nasal cannula effective in acute viral bronchiolitis? A physiologic study. *Intensive Care Med*. 2013 Jun;39(6):1088-94
13. Manley BJ, Owen LS, Doyle LW et al. High-flow nasal cannulae in very preterm infants after extubation. *N Engl J Med*. 2013;369(15):1425-33
14. Yoder BA, Stoddard RA, Li M, King J et al. Heated, humidified high-flow nasal cannula versus nasal CPAP for respiratory support in neonates. *Pediatrics*. 2013;131(5):e1482-90
15. Collins CL, Hollberton JR, Barfield C, Davis PG. A randomized controlled trial to compare heated humidified high-flow nasal cannulae with nasal continuous positive airway pressure postextubation in premature infants. *J Pediatr*. 2013;162(5):949-54
16. Saslow JG, Aghai ZH, Nakhla TA et al. Work of breathing using high-flow nasal cannula in preterm infants. *J Perinatol*. 2006;26(8):476-80
17. Hoyert DL, Xu JQ. Deaths: preliminary data for 2011. *Natl Vital Stat Rep*. 2012;61(6):1-65. Hyattsville, MD: National Center for Health Statistics. 2012.
18. Nicole M Kosacz, Antonello Punturieri et al. Chronic Obstructive Pulmonary Disease Among Adults -United States 2011. US Centers for Disease Control and Prevention, 2012.
19. R J Halbert, Sharon Isonaka, Dorothy George, Ahmar Iqbal. Interpreting COPD Prevalence Estimates. *Chest*. 2003; 123:5 1684 - 1692.