



ResMed

*Changing lives
with every breath*



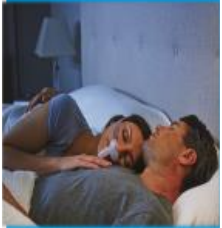
Investor Presentation

Q4 2015

July 30, 2015

➤ Safe Harbor Statement

Statements contained in this presentation that are not historical facts are “forward-looking” statements as contemplated by the Private Securities Litigation Reform Act of 1995. These forward-looking statements—including statements regarding ResMed's projections of future revenue or earnings, expenses, new product development, new product launches and new markets for its products—are subject to risks and uncertainties, which could cause actual results to materially differ from those projected or implied in the forward-looking statements. Additional risks and uncertainties are discussed in ResMed’s periodic reports on file with the U.S. Securities and Exchange Commission. ResMed does not undertake to update its forward-looking statements.



WHO WE ARE



WHY INVEST



WHERE WE'RE GOING

Leading global developer, manufacturer and marketer of medical solutions to treat and manage sleep-disordered breathing, chronic obstructive pulmonary disease and other chronic respiratory conditions.

- Operate in more than 100 countries directly and with distribution partners
- Integrated global manufacturing operations:
 - Australia, France, Singapore, and USA
- Invest ~6-7% of revenue in R&D
- Greater than 5,000 patents and designs
- FY 2015 annual revenue > US\$1.7 billion
- Over 4,000 employees world-wide
- Listed: New York Stock Exchange (NYSE) and in Australia (ASX)



➤ Holy Grail: Improve outcomes & reduce healthcare costs

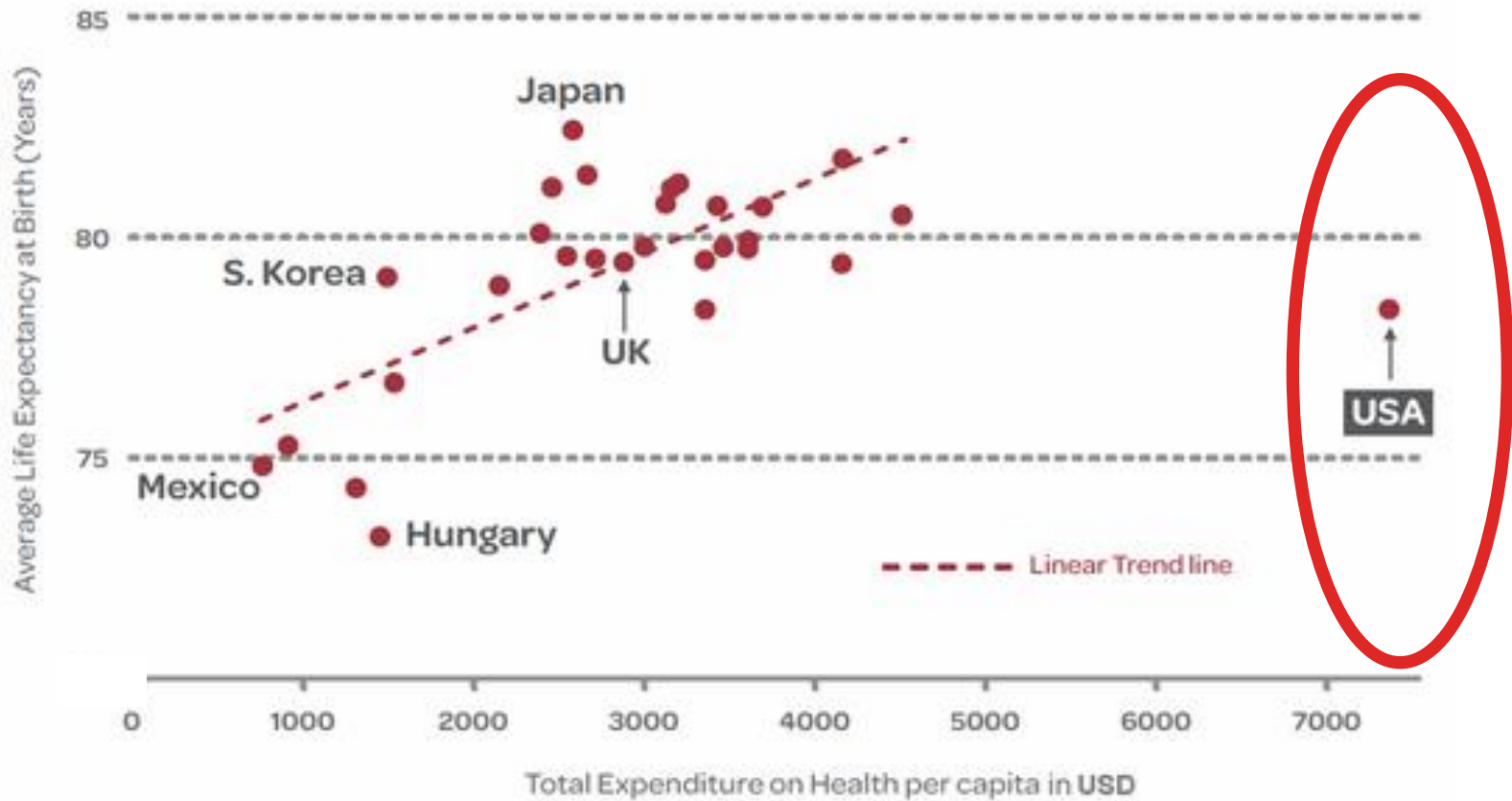
- **Improve quality of life for patients**
- **Prevent chronic disease progression**
- **Reduce costs of managing chronic disease**





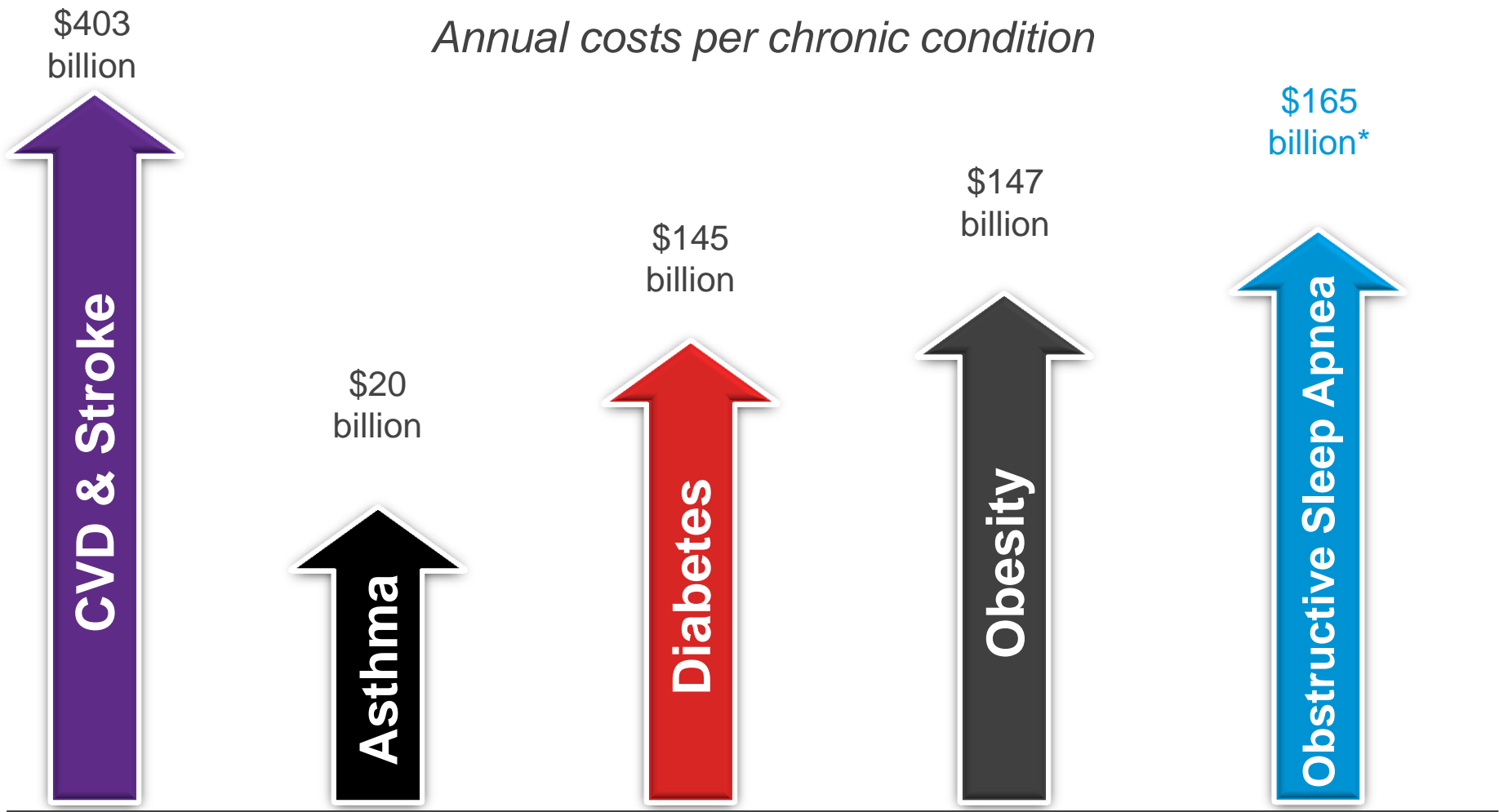
Opportunity to shift care from hospital to home

Healthcare Spending per capita vs. Average Life Expectancy Among OECD Countries



Source: OECD report (2011) – WHY IS HEALTH SPENDING IN THE UNITED STATES SO HIGH? www.oecd.org

> We can reduce costs of key chronic diseases



MMWR, Vol 60, 2011

CDC National Asthma Control Program

CDC, National Diabetes Fact Sheet, 2011

Eric A. Finkelstein, et al, Health Affairs 28, no. 5 (2009): w822-w831

McKinsey & Company analysis Harvard Medical School, 2010



WHO WE ARE



WHY INVEST



WHERE WE'RE GOING

➤ Why invest

Strong Portfolio

- Broad range of products & solutions
 - Wireless, cloud-connected devices
 - End-to-end patient management solutions
 - Consumer sleep wellness offerings
- Over 100 countries



Strong Performance

- Solid revenue growth track record
- Operational excellence is part of our DNA
- Strong cash flow
- Active capital management: share repurchases; dividends



Growth Drivers

- Underpenetrated global SDB market
- New adjacent markets in COPD, CAD & AF
- A portfolio of high growth markets including China, India and Brazil
- Product and service innovation



Q4 2015 Results

Key Financial Metrics	Q4 2015
Revenue	\$453M +9% (17% CC)
Non-GAAP gross margin*	58.4%
Non-GAAP net income*	\$96M +3%
Non-GAAP EPS	\$0.68 +3%
GAAP EPS	\$0.61 Flat
Operating profit	\$100M
Cash flow from operations	\$100M
Free cash flow	\$87M

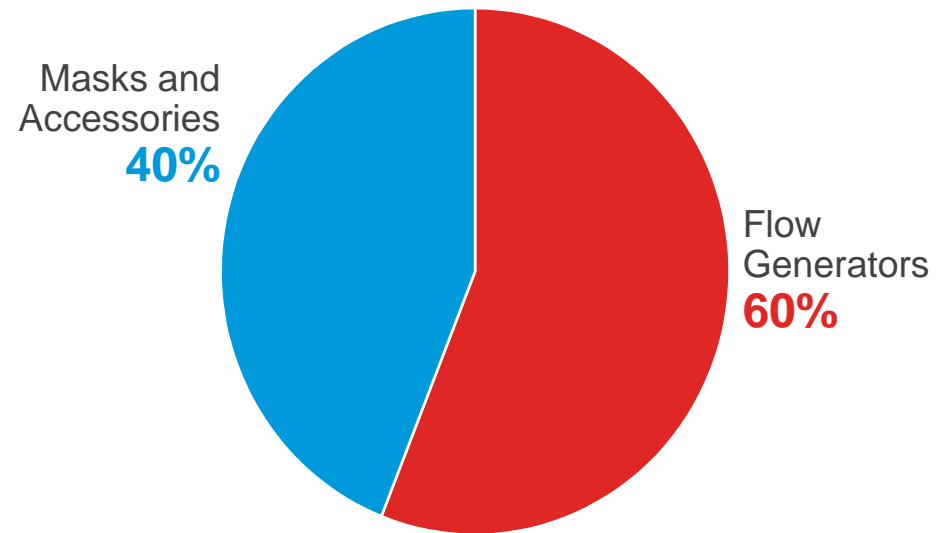
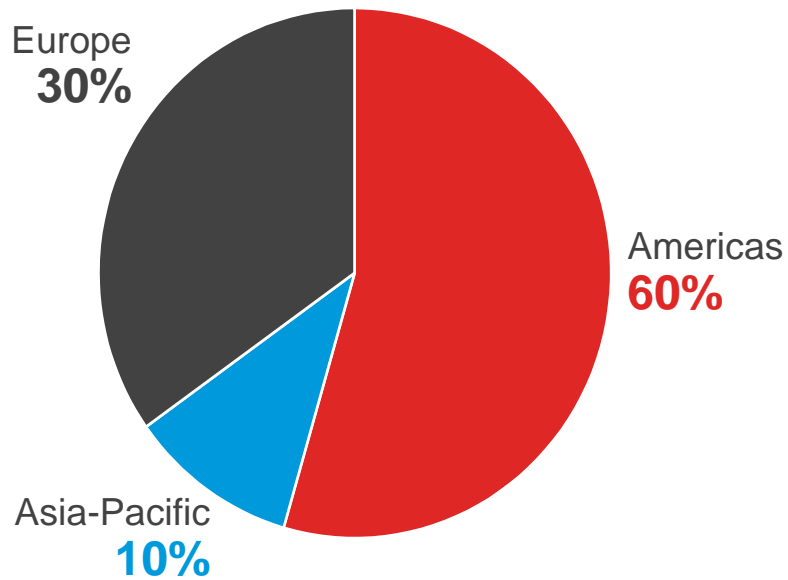
* Excludes \$5 million in expenses associated with the SERVE-HF field safety notice, donations, and amortization of acquired intangibles

> FY 2015 Results

Key Financial Metrics	Fiscal Year 2015
Revenue	\$1.7B +8% (13% CC)
Non-GAAP gross margin*	60.5%
Non-GAAP net income*	\$367M +3%
Non-GAAP EPS	\$2.57 +4%
GAAP EPS	\$2.47 +3%
Operating profit	\$409M
Cash flow from operations	\$383M
Free cash flow	\$321M

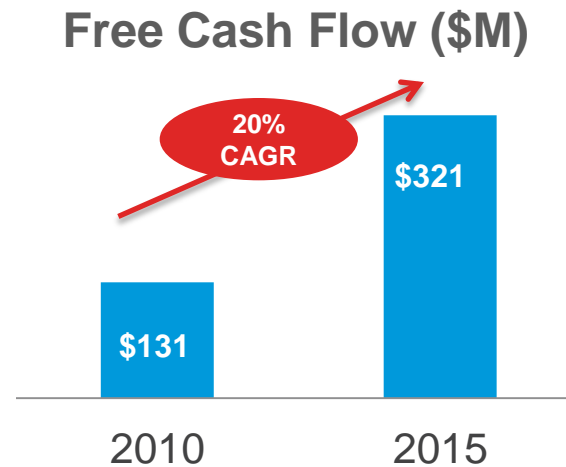
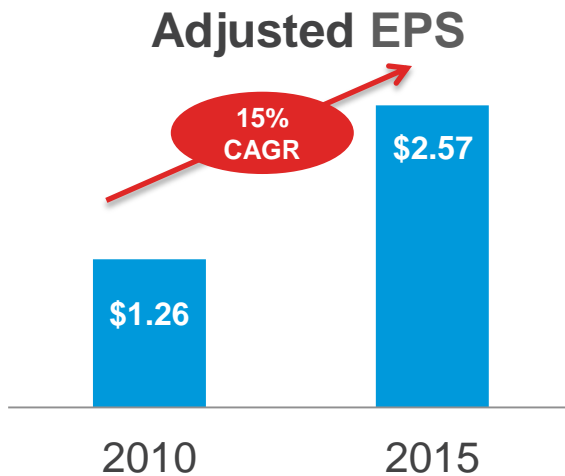
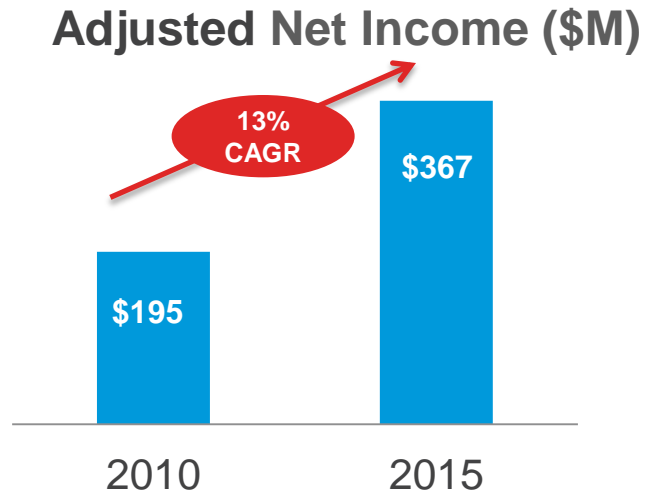
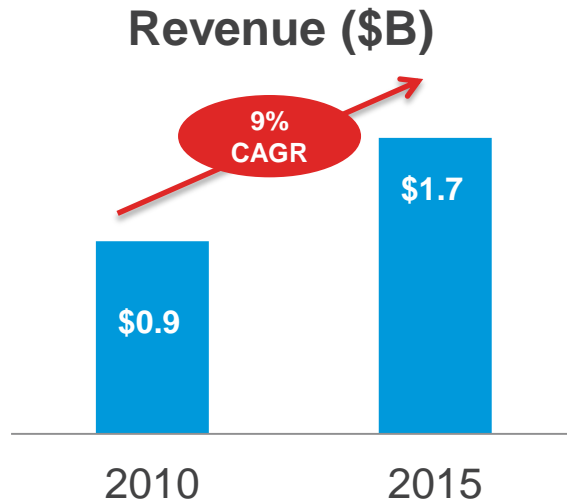
* Excludes \$5 million in expenses associated with the SERVE-HF field safety notice, donations, and amortization of acquired intangibles

> Diversified revenue sources by region & product



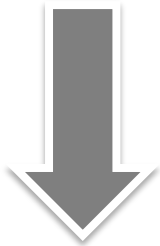
Note: Represents Q4 2015 revenue breakdown

> Strong financial performance



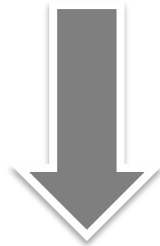
> Robust capital management

Capital Deployment



Free Cash Flow returned to Shareholders

- FY 2015 combined dividend and stock repurchase = 97% of free cash flow



Increasing Dividend

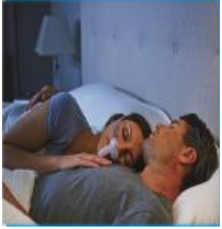
- FY 2015 dividend payout ratio of 45% of net income
- 2015 dividend per share increased 12% over prior year



Investment for Growth

- New products
- Geographic expansion
- Acquisitions

**Combined dividend and buy-back over rolling 5 years
= 98% of free cash flow**

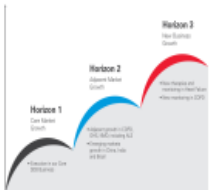


WHO WE ARE



WHY INVEST

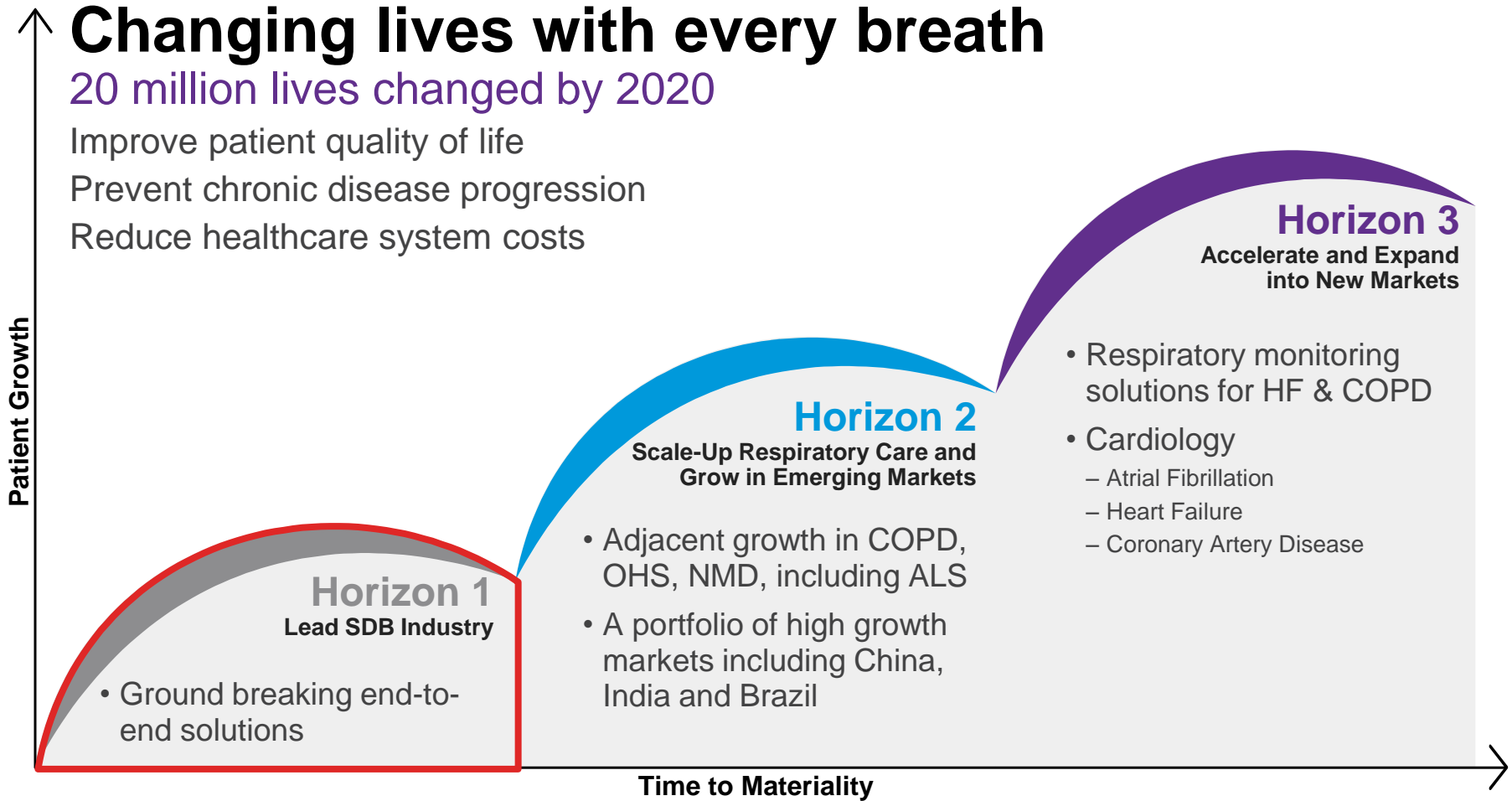
Three horizons of growth



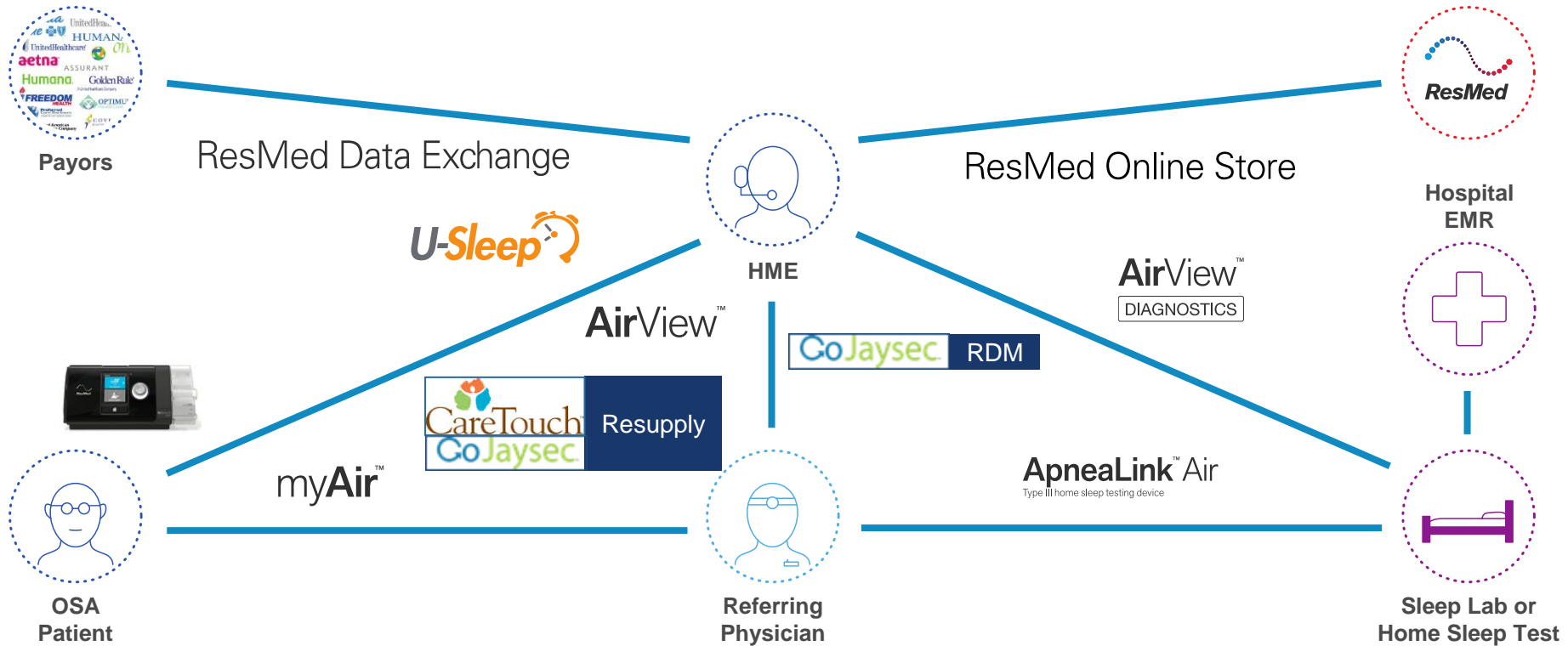
WHERE WE'RE GOING



ResMed's Three-Horizon Growth Strategy



> The optimized delivery model with Air Solutions



Diagnosis > Therapy > Monitoring & Management > Patient Engagement > Billing

> Proven HI Solutions builds competitive advantage

The ability to predict outcomes, communicate insights and act on data effectively and efficiently keeps ResMed in a leadership position.



➤ Air Solutions – *Better Efficiency, Better Outcomes*

AirView™



- Outcomes
 - Reduced waiting times
 - Doubling of clinic capacity for assessments
 - 60% increase in capacity for set up appointments
- 58% reduction in nurse time/cost
 - Total nurse time cost per patient in the old system £34.00 vs. £13.45 in the new system
- Precise therapy monitoring
 - Improved quality of service

U-Sleep



Proven ability to maintain positive patient outcomes with significant reductions in labor.

Results	SOC Group**	U-Sleep Group*
Residual AHI	2.8 ± 3.8	3.0 ± 4.1
Medicare Adherence	73%	83%
Mean Hours of CPAP Usage	4.7 ± 2.1	5.1 ± 1.9
Mean Minutes of Coaching	58.3 ± 25	23.9 ± 26

* Source: ATS Abstract A6570 San Diego May 2014

59% reduction in labor!

➤ AirFit range – *World-leading Patient Interfaces*



AirFit™ P10

Nasal Pillows System

- ✓ 50% quieter & lighter
- ✓ Easy to fit
- ✓ Visual freedom



AirFit™ N10

Nasal Mask

- ✓ Compact, user-friendly design
- ✓ Ease of use; comfort
- ✓ Visual freedom
- ✓ Patients ranked #1 compared to industry masks

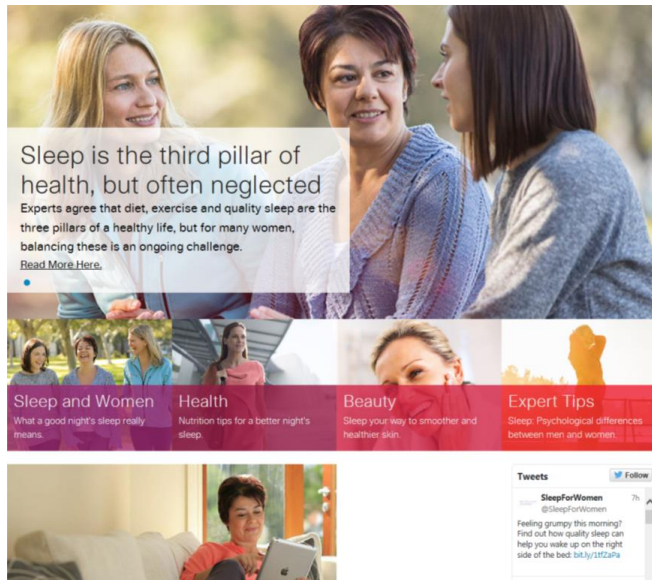


AirFit™ F10

Full Face Mask

- ✓ Compact design
- ✓ Ease of use
- ✓ Patients ranked #1 for seal, comfort and ease of use

> We continue to build sleep apnea awareness

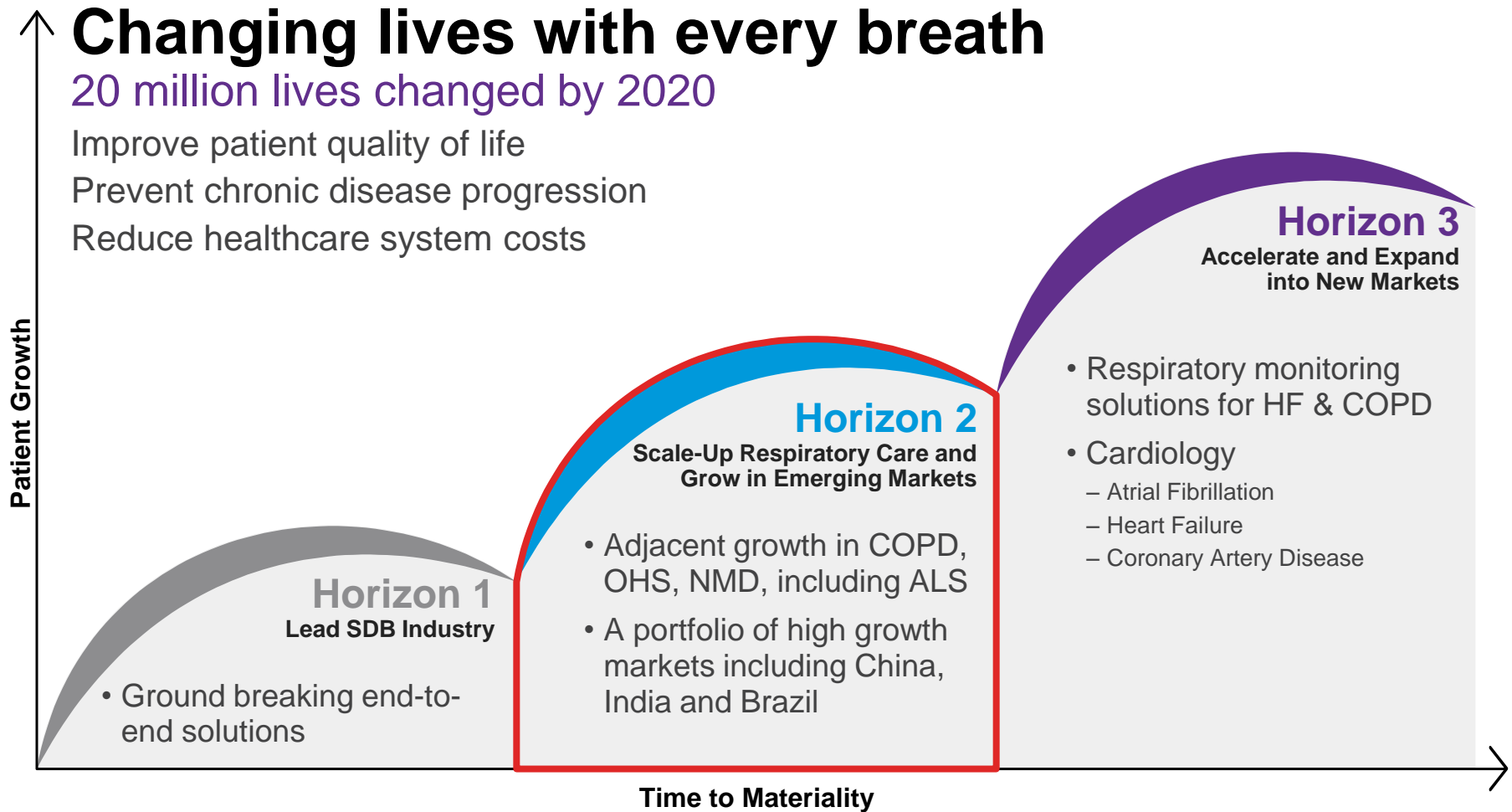


“Ignorance is our major competitor”

- “**Better Sleep for Women**” education and product focused campaign
- **S+ by ResMed** – consumer sleep management solution available online and retail; connected to Apple HealthKit



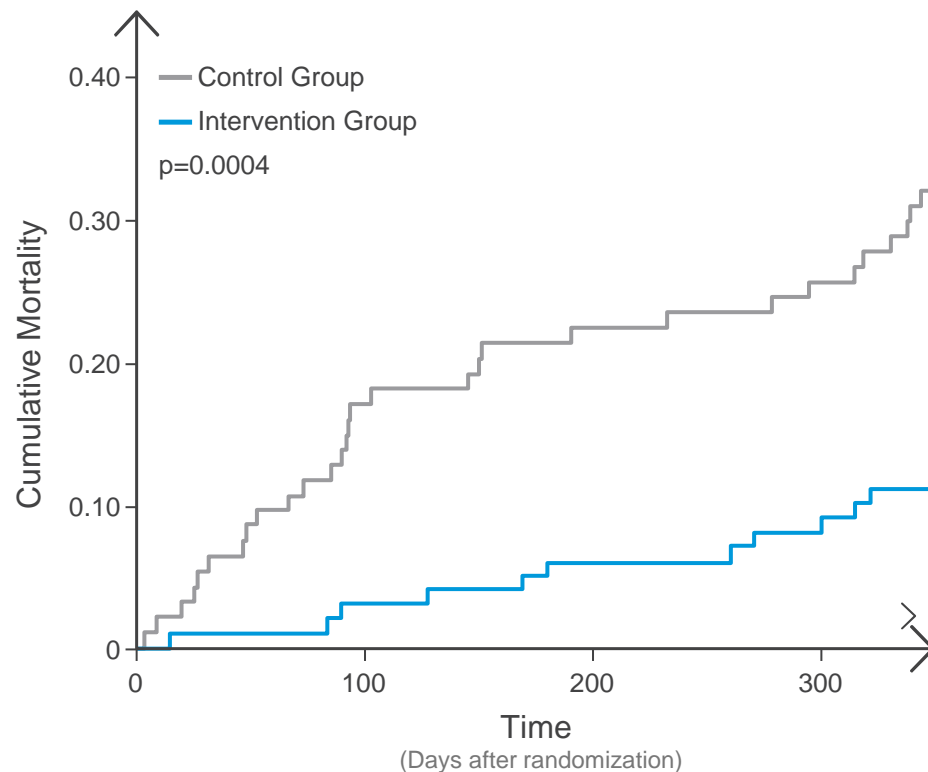
ResMed's Three-Horizon Growth Strategy





Horizon 2: Huge potential to improve outcomes in COPD

- Mortality risk reduced by over 60% on a relative basis when using long-term non-invasive ventilation (NIV) treatment in chronic obstructive pulmonary disease (COPD)
- One-year mortality in the two matched COPD cohorts was:
 - 12% mortality (NIV therapy)
 - 33% mortality (no intervention)
- 80 Million COPD patients worldwide
 - NIV underpenetrated as treatment for COPD
 - Significant upside: Europe, US, China, Brazil



References: Köhnlein et al. *Lancet Respir Med* 2014

➤ Our new respiratory care platform: *Astral*

ResMed introduces the Astral life support ventilator globally:

Designed to enrich life for patients

- Freedom: *patient quality-of-life*
- Ease of use: *saves clinician time*
- Low total cost of ownership: *efficiency*

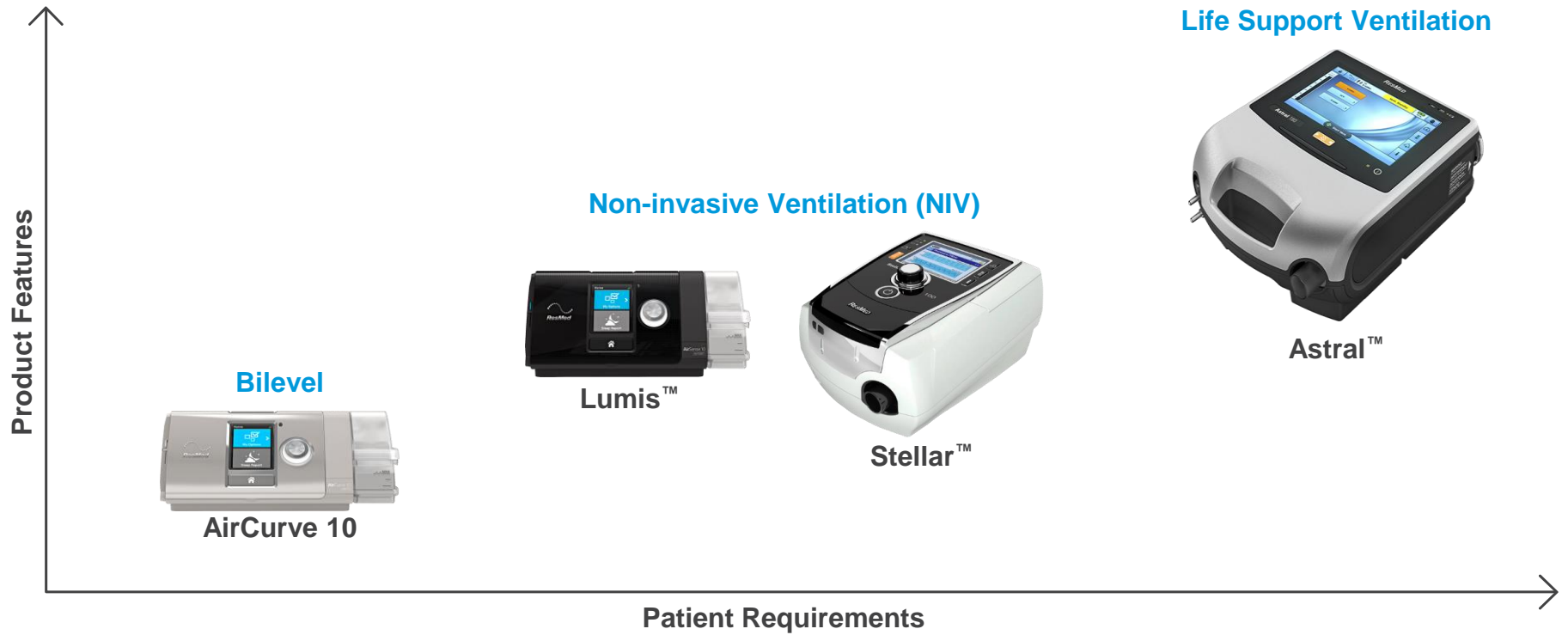


reddot design award
product design 2014

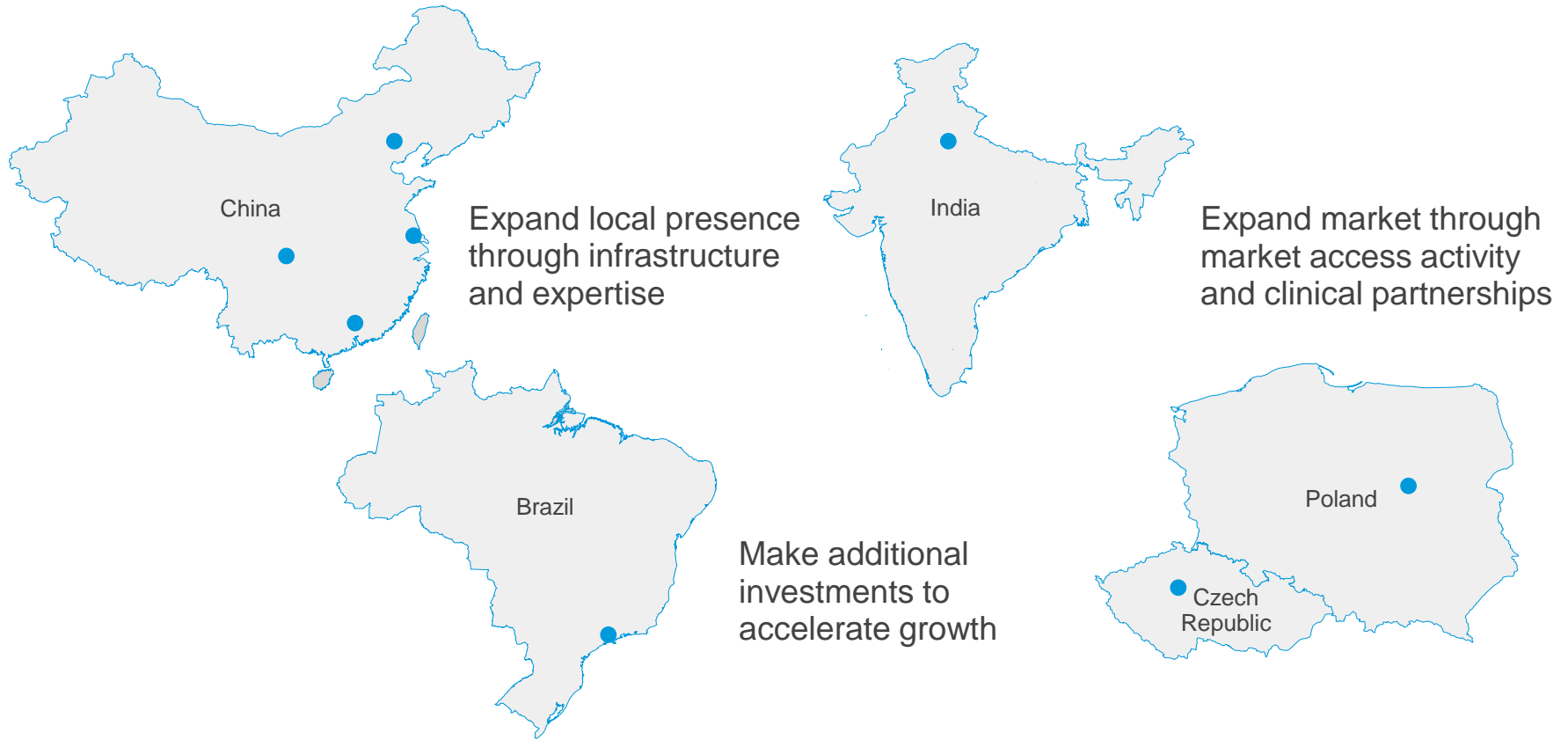


* The Astral™ platform is water resistant, but is not waterproof. Please consult the users' manual for further information.

Horizon 2: Full spectrum of ventilation products



➤ Horizon 2: Invest in a portfolio of key high growth markets



> High growth markets: Investing in China

- Accelerating our strategy to invest and grow in China and other high growth markets
- ResMed and Curative combined will be the leader in sleep and respiratory care in China
- Complementary sleep and respiratory care products and Curative product manufacturing, sales and R&D in China
- Transaction expected to close before the end of CY 2015



ResMed and Curative Medical



Preserve

- Maintain separate business models, teams and segmentation
- Retain local business culture, relationships and brands



Strengthen

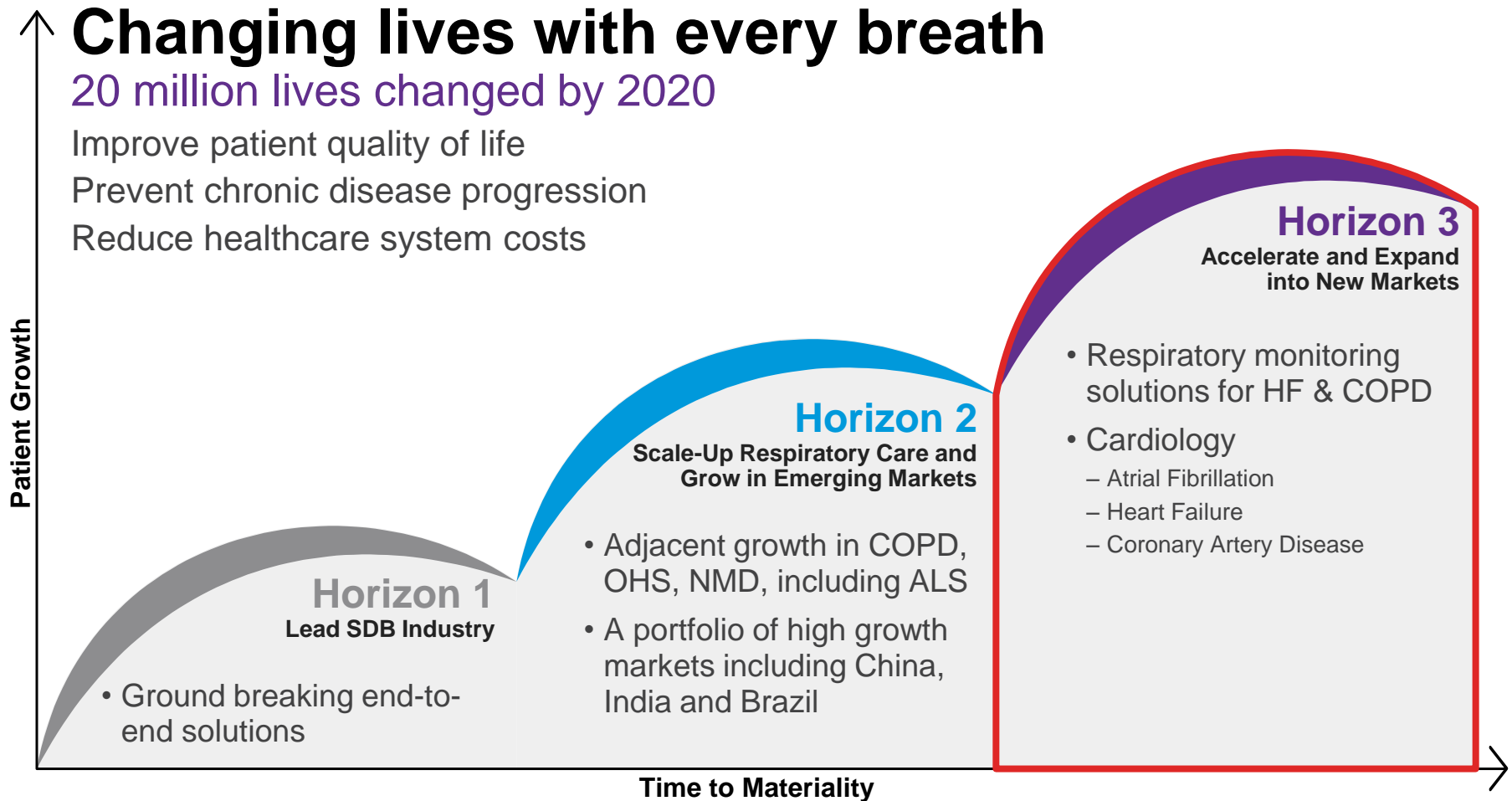
- Strategic alignment and collaboration
- Enhance local R&D, manufacturing and channels to market



Grow

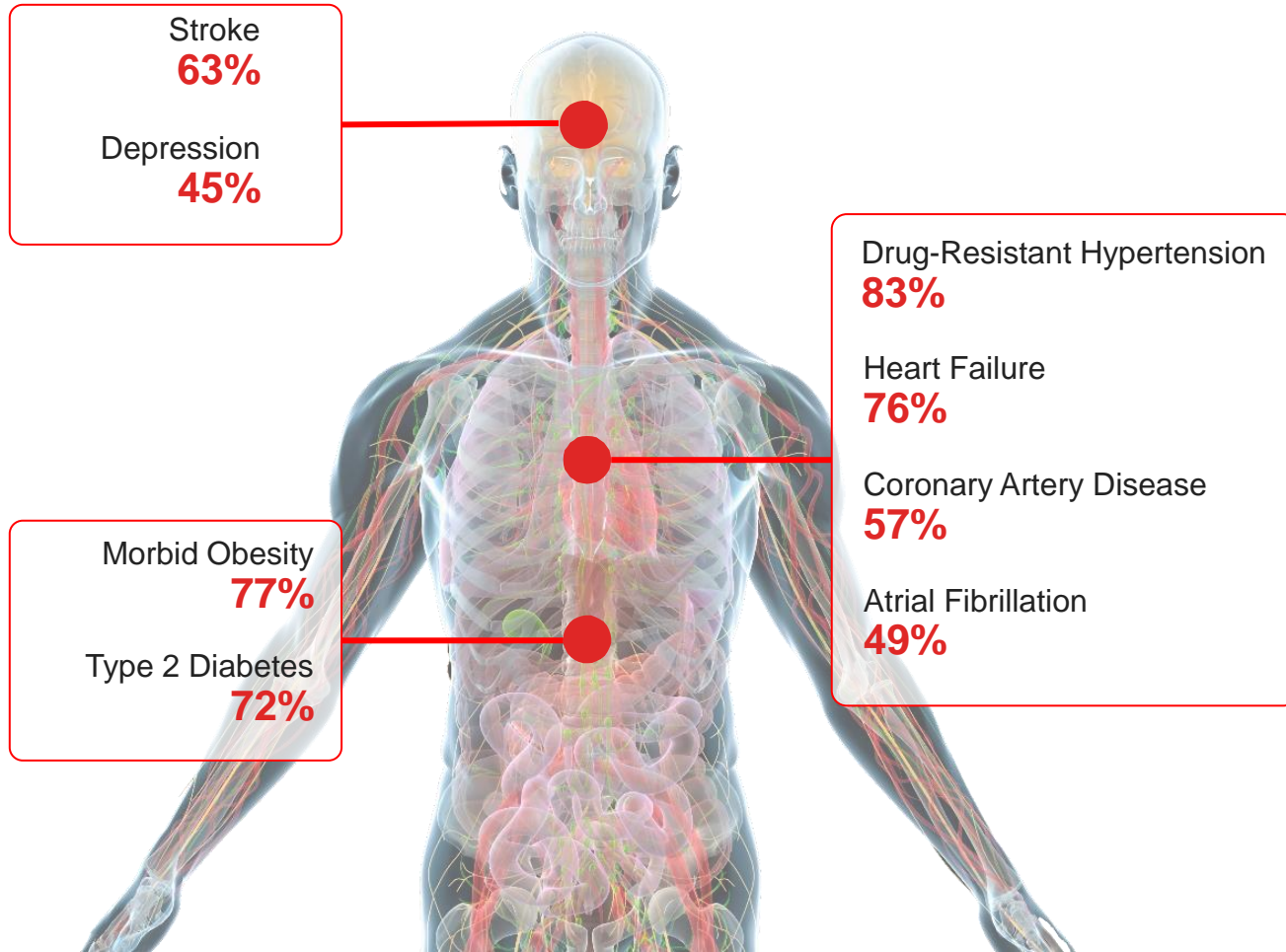
- Invest in local market development and innovation
- Leverage combined scale to grow market share

ResMed's Three-Horizon Growth Strategy





Sleep apnea: *Highly prevalent in key diseases*



References: Logan et al. *J. Hypertension*; O'Keefe and Patterson, *Obes Surgery*; Oldenburg et al., *Eur J Heart Failure*; Einhorn et al. *Endocrine Prac*; Basseti et al. *Stroke*

> Horizon 3: Atrial Fibrillation (AF)

JACC: CLINICAL ELECTROPHYSIOLOGY
© 2015 BY THE AMERICAN COLLEGE OF CARDIOLOGY FOUNDATION
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<http://dx.doi.org/10.1016/j.jacep.2015.02.014>

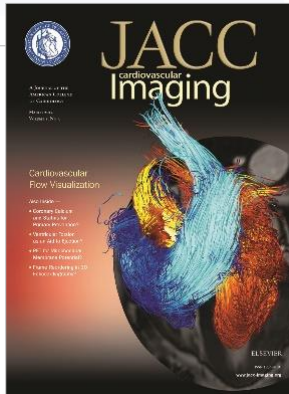
Effect of Obstructive Sleep Apnea Treatment on Atrial Fibrillation Recurrence

A Meta-Analysis

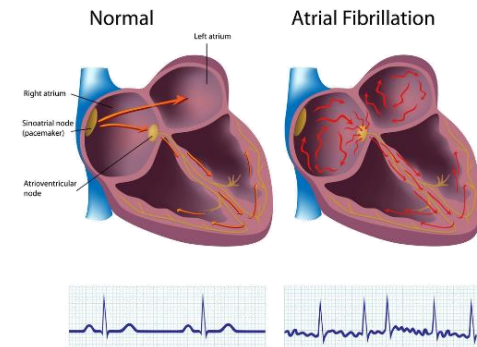
Ashish Shukla, MD, MPH, Anthony Aizer, MD, MSc, Douglas Holmes, MD, Steven Fowler, MD, David S. Park, MD, PhD, Scott Bernstein, MD, Neil Bernstein, MD, Larry Chinitz, MD

ABSTRACT

OBJECTIVES This study aimed to evaluate the cumulative effect of treatment of obstructive sleep apnea (OSA) with continuous positive airway pressure (CPAP) on atrial fibrillation (AF) recurrence.



- Conclusion of study in JACC:
 - CPAP use associated with reduced AF recurrence
 - Reduced AF recurrence seen in two key groups
 - Patients who underwent catheter ablation
 - Patients who underwent non-ablation medical mgmt.
 - Data included 7 studies with n=1,087 patients



> Horizon 3: Heart Failure

Dose-response relationship between SDB and cardiovascular outcome



- **Goal:** Clinical trial focused on treatment of sleep disordered breathing in Heart Failure
- **Status:** Enrollment complete and continuing the clinical trial as a pilot study to inform future research

> Horizon 3: Coronary Artery Disease (CAD)

Impact of CPAP Treatment on Cardiovascular Outcomes in Coronary Artery Disease and Obstructive Sleep Apnea: The RICCADSA trial

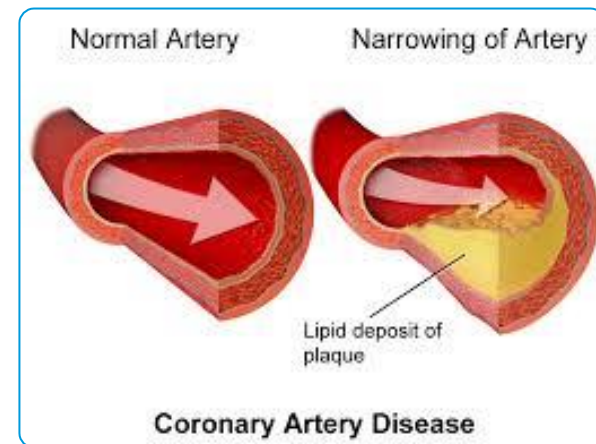
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¹Dept. of Molecular and Clinical Medicine/Cardiology, Sahlgrenska Academy, University of Gothenburg, Sweden; ²Dept. of Pulmonary Medicine, Marmara University, Istanbul, Turkey; ³Dept. of Internal Medicine, Skaraborg Hospital, Lidköping, Sweden;

⁴Dept. of Medical Biometry and Epidemiology, University Medical Center, Hamburg-Eppendorf, Germany; ⁵Center of Prehospital Care of Western Sweden, University College of Borås and Sahlgrenska University Hospital/Sahlgrenska, Gothenburg, Sweden;

⁶Dept. of Cardiology, Sahlgrenska University Hospital/Östra, Gothenburg, Sweden

- Conclusion of data from ATS
 - Results suggest CPAP reduces risk for adverse cardiovascular outcomes in revascularized patients with CAD and non-sleepy OSA
 - CPAP usage of at least 4 hours per night is crucial to achieve this risk reduction



➤ Changing lives with every breath

In the last 12 months, we changed more than 8 million lives, literally keeping patients breathing... and we are just getting started.



Our aspiration is to change 20 million lives by 2020

➤ Why invest

Strong Portfolio

- Broad range of products & solutions
 - Wireless, cloud-connected devices
 - End-to-end patient management solutions
 - Consumer sleep wellness offerings
- Over 100 countries



Strong Performance

- Solid revenue growth track record
- Operational excellence is part of our DNA
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