



ResMed

*Changing lives
with every breath*

> Investor Presentation

Q1 2018

October 26, 2017

➤ 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 and the integration of acquisitions — 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 & Exchange Commission. ResMed does not undertake to update its forward-looking statements.

> ResMed – *Driving Value for Shareholders*



Long-term growth

opportunities across all three horizons of ResMed's strategy



Reduce healthcare costs; improve outcomes

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



Proven innovator

in products and Connected Care for sleep apnea, COPD, neuromuscular disease and other chronic diseases



Disciplined financial management

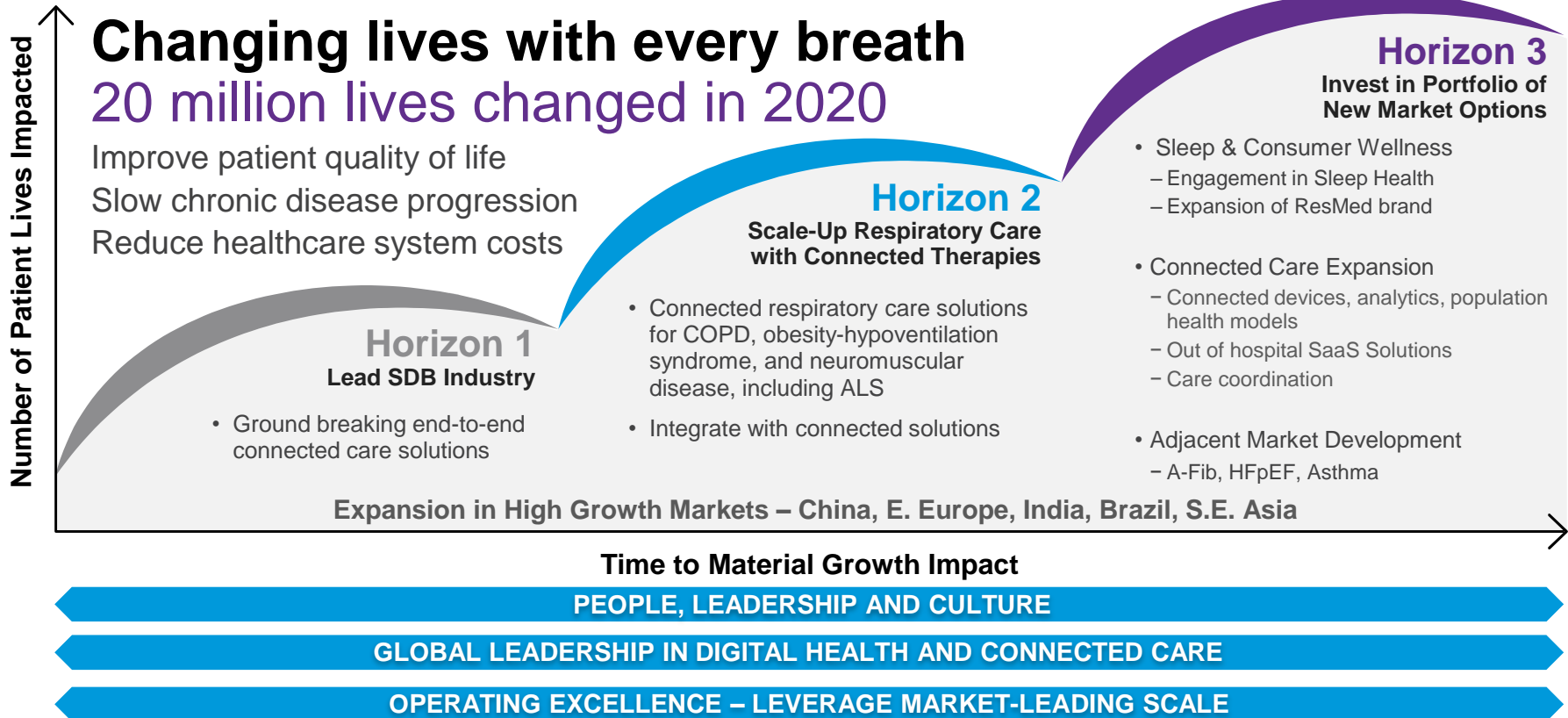
Operational excellence, strong capital deployment history, committed to investing in innovation and returning excess cash to shareholders



Underpenetrated markets

For sleep-disordered breathing and respiratory care

ResMed's growth strategy



Global leader in sleep apnea management



AirFit™ P10
Nasal Pillows System



AirFit™ N20
Nasal mask



AirFit™ F20
Full face mask



AirTouch™ F20
Full face mask

AirSense™ 10



AirMini™



AirView™



myAir™



➤ We have launched the world's smallest CPAP



When I was on the road
my sleep therapy stayed home.

Now it's my favorite travel partner.

Rewrite your bedtime stories.

Learn more at ResMed.com/AirMini

➤ Full spectrum of products for respiratory care



Portable Oxygen Concentrator



Activox™

High-Flow Therapy



AcuCare™ nasal cannula

Bilevel Ventilation



AirCurve 10

Non-invasive Ventilation (NIV)



Lumis™



Stellar™

Life Support Ventilation



Astral™



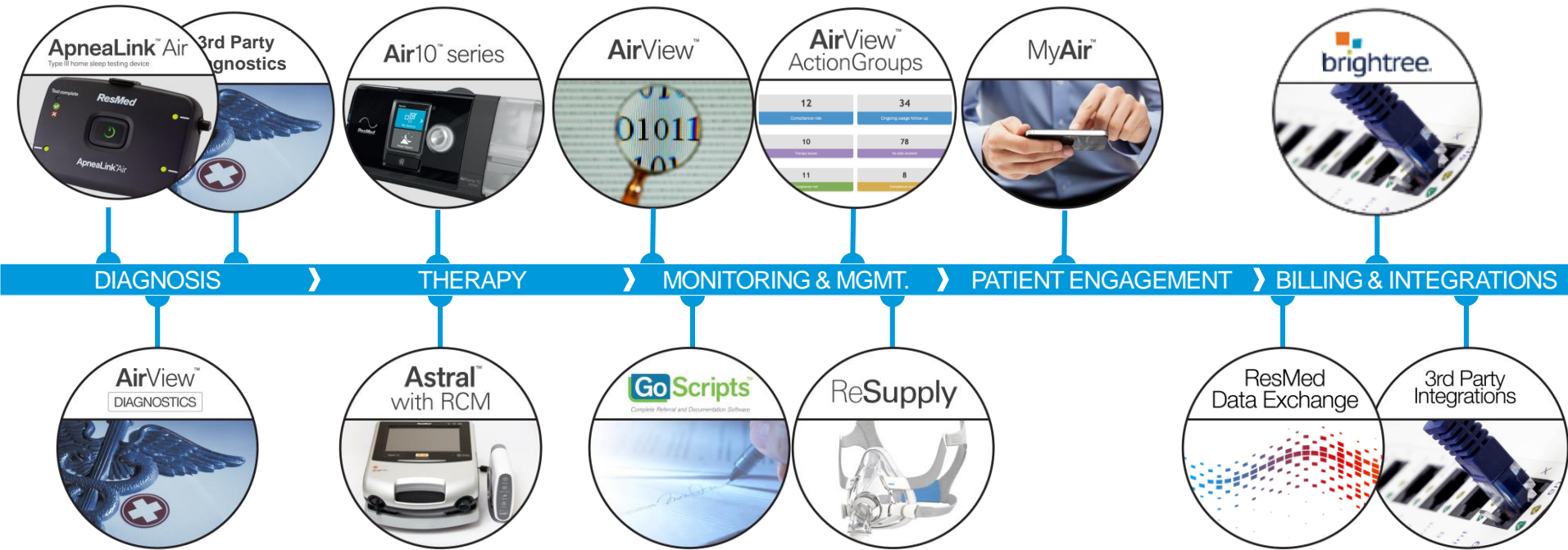
Astral™ with RCM

➔ Patient Acuity

End-to-end solutions for sleep apnea & respiratory care



Over 4 million cloud-connected med devices liberating data daily through AirView





AirView™ has over
6 million+ patients

4 million+ patients
monitored at **home** with
connected care

200,000+ diagnostic tests
processed **in the cloud**

Brightree has **45 million+**
patient accounts as part of its
post-acute care network

30 API calls per **second**
from integrators

1,300 patients a day
sign up for **myAir™**

➤ Liberating sleep data and providing predictive analytics

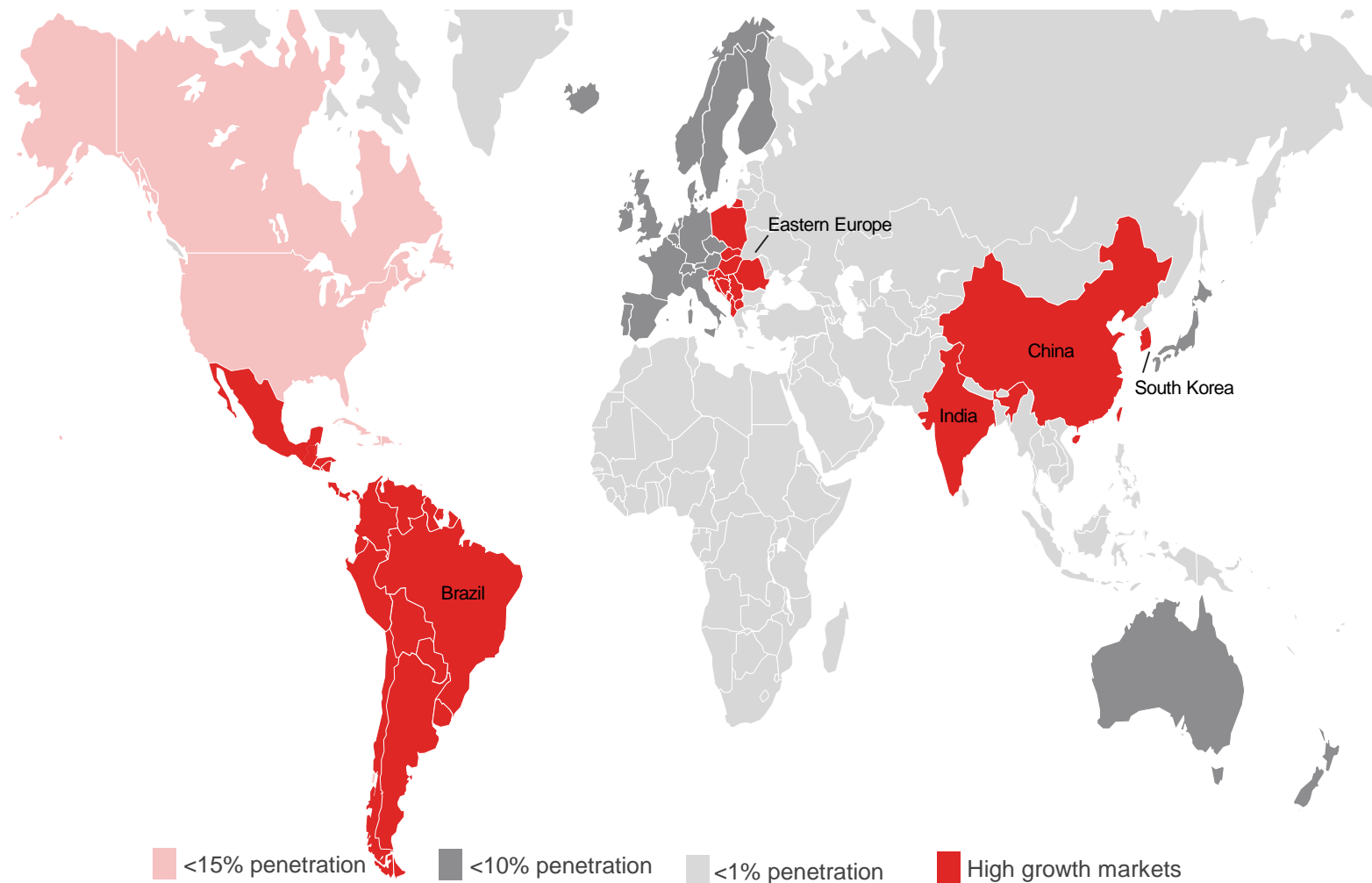


- Over 1 billion nights of sleep data
- Receiving over 4 million nights of data daily
- Clinically proven devices and solutions
- Leading solutions consulting services
 - improve healthcare outcomes
 - unlock value for patients, physicians, providers and payers

➤ Sleep apnea is a huge and underpenetrated market



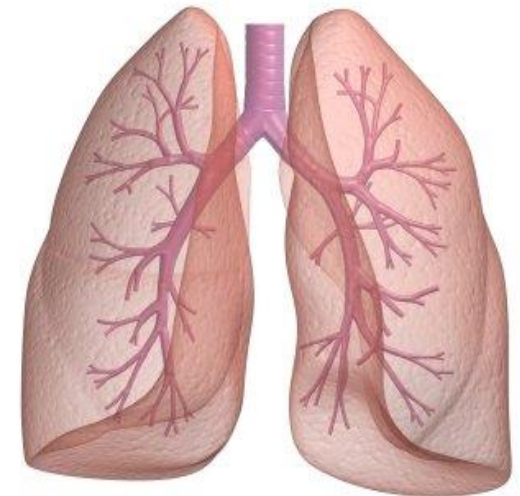
Sleep Heart Health Study: 26% of adults have sleep apnea



➤ COPD is a large and growing market



- Chronic obstructive pulmonary disease (COPD) is the third leading cause of death worldwide¹
- More than 380 million people worldwide are estimated to have COPD²
 - Largely undiagnosed COPD sufferers in high-growth markets such as China, India, Brazil and E. Europe may be well over 100 million³
- Cost to healthcare systems from COPD is enormous:
 - Europe: ~€48 billion per year⁴
 - US: ~\$50 billion per year⁵
- More than 3 million people worldwide die each year due to COPD⁵



¹World Health Organization. The top 10 causes of death: Fact sheet: No310 (2014, May) accessed 20Jul16

²Ferkol T et al. Annals ATS 2014

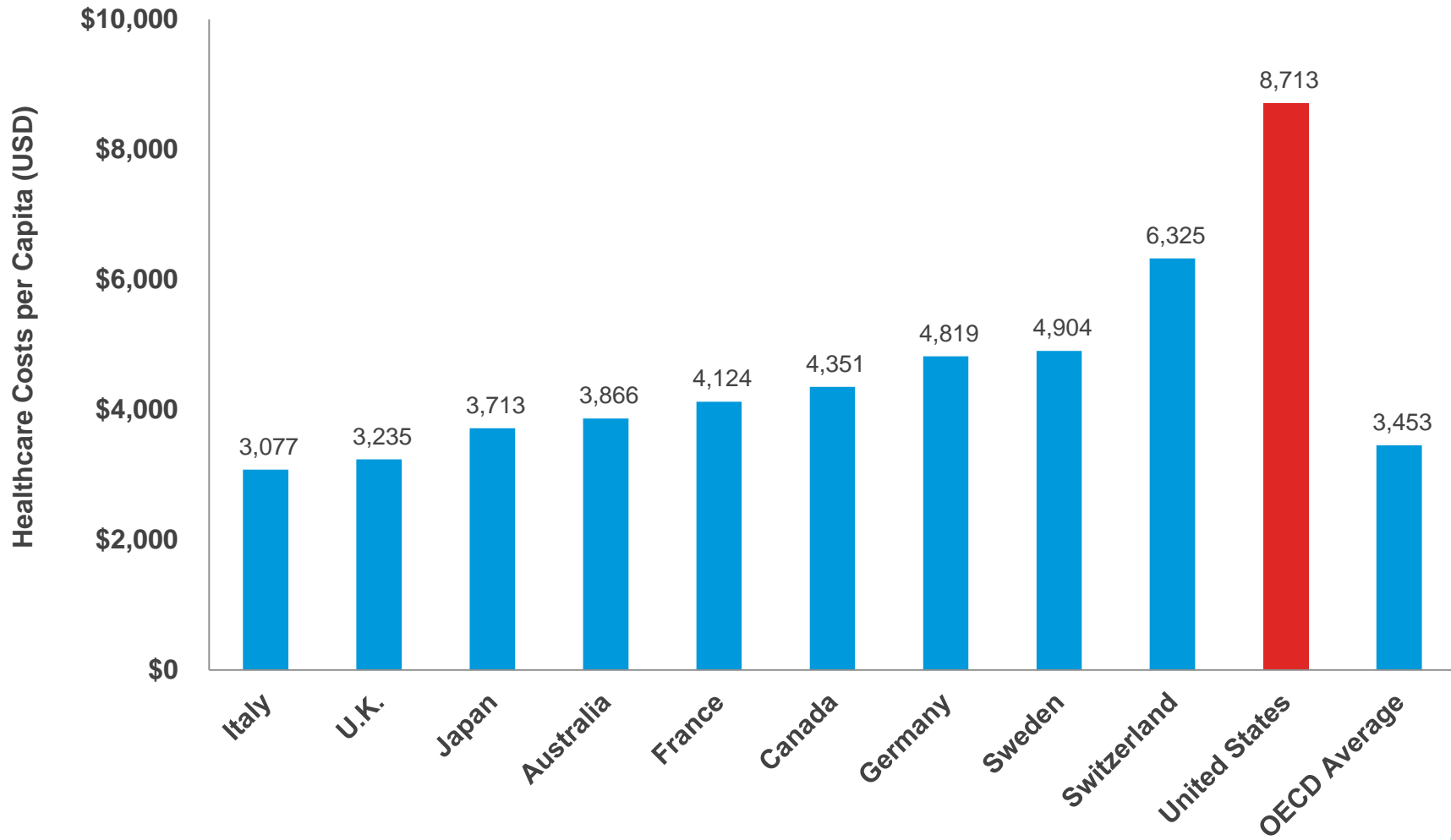
³Company estimates based on World Health Organization estimates and Zhong et al. "Prevalence of Chronic Obstructive Pulmonary Disease in China" *Respiratory and Critical Care*

⁴European Respiratory Society, *European Lung White Book* <http://www.erswhitebook.org/chapters/the-economic-burden-of-lung-disease/> accessed 20Jul16

⁵Guarascio et al. Dove Med Press, 2013 Jun 17

⁶World Health Organization. Chronic obstructive pulmonary disease (COPD): Fact sheet No315. 2015 accessed 20Jul16

Opportunity to shift care from hospital to home



Source: Organization for Economic Cooperation and Development, OECD Health Statistics 2015, July 2015. As compiled by the Peter G. Peterson Foundation. Per capita health expenditures all from 2013, except Australia for which 2012 data are the latest available. Chart uses purchasing power parities to convert data into U.S. dollars



AirView™

↑ 21%

patient adherence
with **automated
compliance
coaching**¹

Labor
Costs²

↓ 59%

New
Patient
Setups³

↑ 55%

myAir™



World's largest study for adherence

> 128,000 patients

↑ 24%

patient adherence
with **patient
engagement**⁴

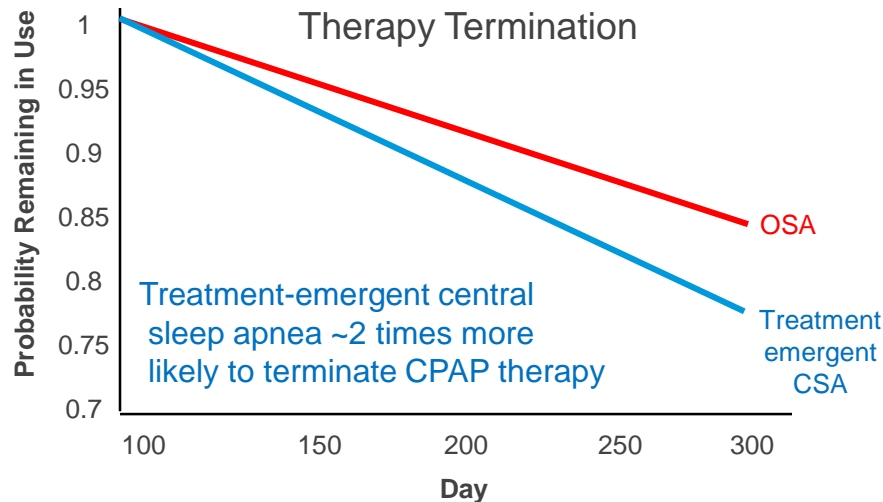
1. Hwang, et al., AJRCCM 2017
2. Munafò, et al., Sleep Breath 2016
3. Data based on monthly patient setups and compliance rates of DME customers from February 2014 – March 2015. Historical results for this provider over the stated time
4. Crocker, et al., Abstract CHEST 2016

> Big data insights on central sleep apnea

CSA ~two times chance of quitting therapy



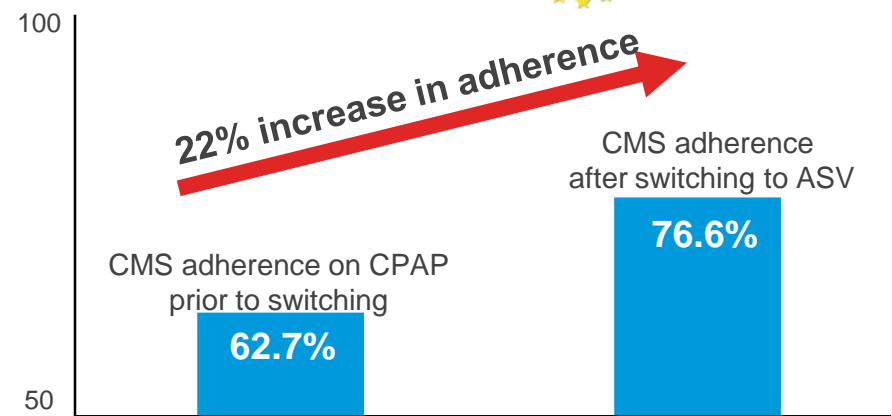
- Big Data Study ~135,000 patients showed those with treatment-emergent central sleep apnea (CSA) are two times more likely to terminate therapy
- Analysis highlights rethinking conventional therapeutic options
- Regularly monitoring patients to support adherence to treatment
- Early diagnosis of CSA to minimize risk of therapy termination



CPAP to ASV increased adherence



- Largest-ever analysis: ~200k patients
- Switching from CPAP to ASV **improves relative adherence by 22 percent**
- Patients who switched from CPAP to ASV had significantly fewer apneas and hypopneas (breathing stoppages or reductions) during sleep



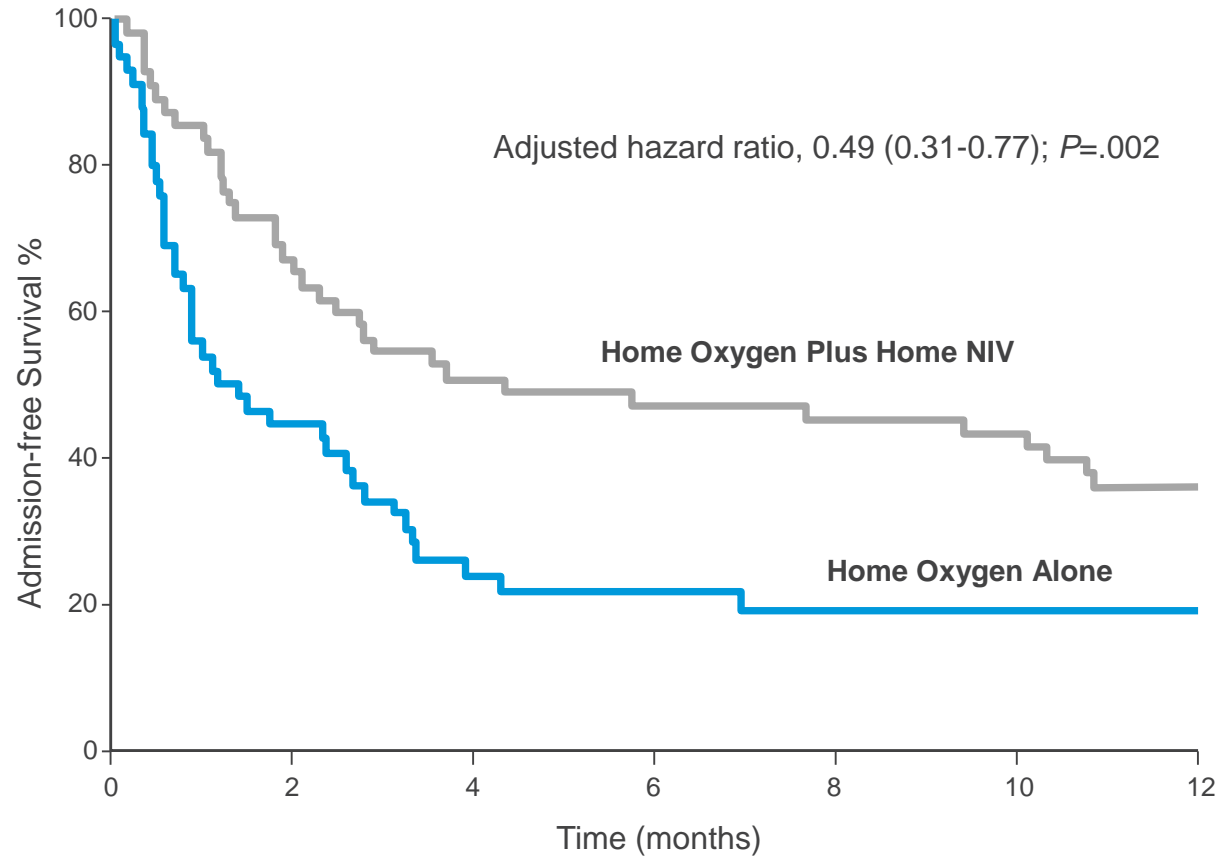
Non-Invasive Ventilation: *Reduces hospital admissions*



Admission free survival by treatment arm over one year

Combining non-invasive ventilation with home oxygen therapy:

- **Reduced likelihood of hospital re-admission or death by 51%**
- Increased time to re-admission to hospital or death by ~90 days



1 P. Murphy et al., *Effect of Home Noninvasive Ventilation With Oxygen Therapy vs Oxygen Therapy Alone on Hospital Readmission or Death After an Acute COPD Exacerbation. A Randomized Clinical Trial*, JAMA. Published online May 21, 2017. doi:10.1001/jama.2017.4451.

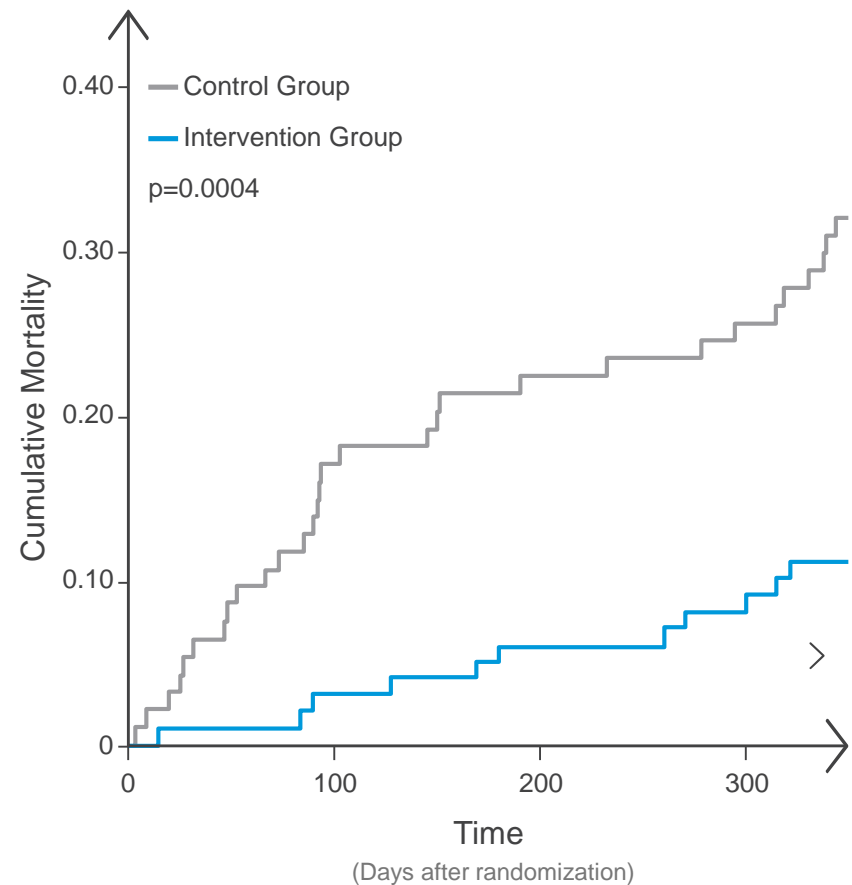




THE LANCET Respiratory Medicine

- Mortality risk reduced by 76% using long-term non-invasive ventilation (NIV) treatment in severe, hypercapnic chronic obstructive pulmonary disease (COPD)
- One-year mortality in the two matched COPD cohorts:
 - 12% mortality (NIV intervention group)
 - 33% mortality (control group)
- Significant potential for NIV growth:
 - NIV underpenetrated as treatment for COPD
 - Key growth areas: US, Europe, China, Brazil

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



➤ Longer term growth through a portfolio of options



• Sleep & Consumer wellness

- Engagement in Sleep Health
- Expansion of ResMed brand

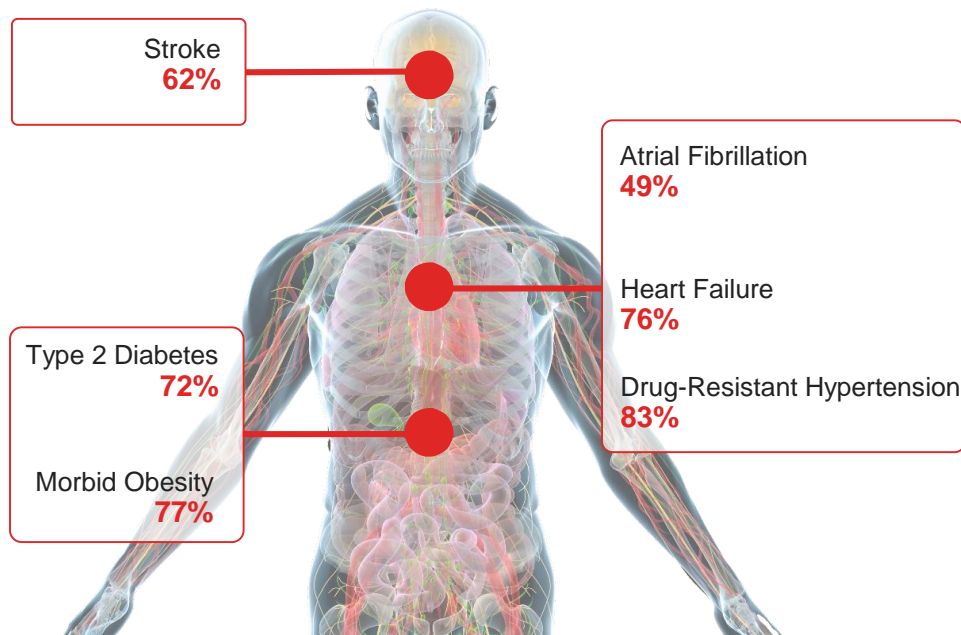


• Connected Care Expansion

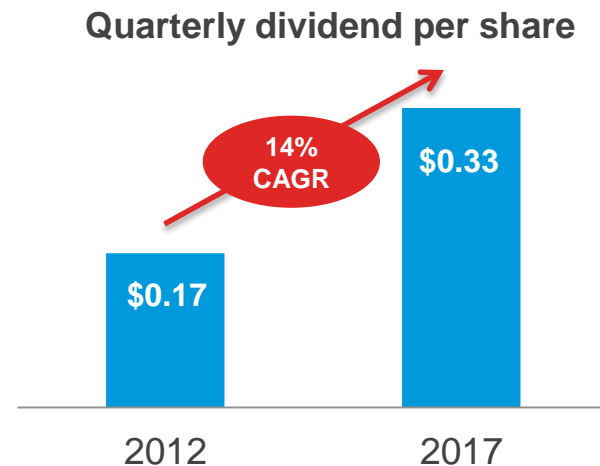
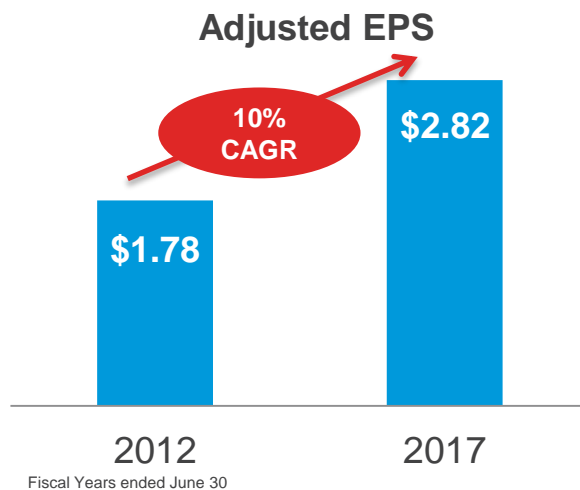
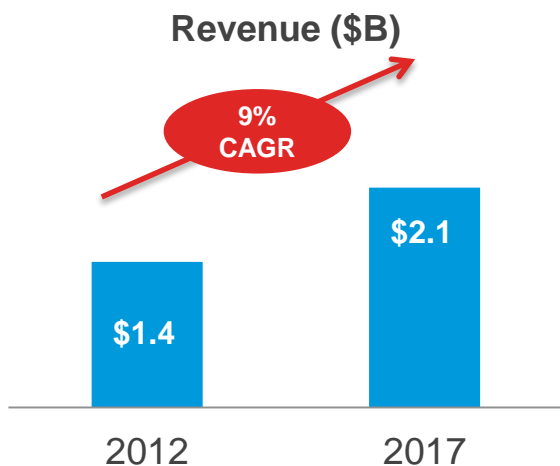
- Connected devices, predictive analytics, population health models
- Out-of-hospital SaaS Solutions
- Care coordination services

• Adjacent Market Development

- A-Fib, HFpEF, Asthma, Monitoring



Disciplined financial track record

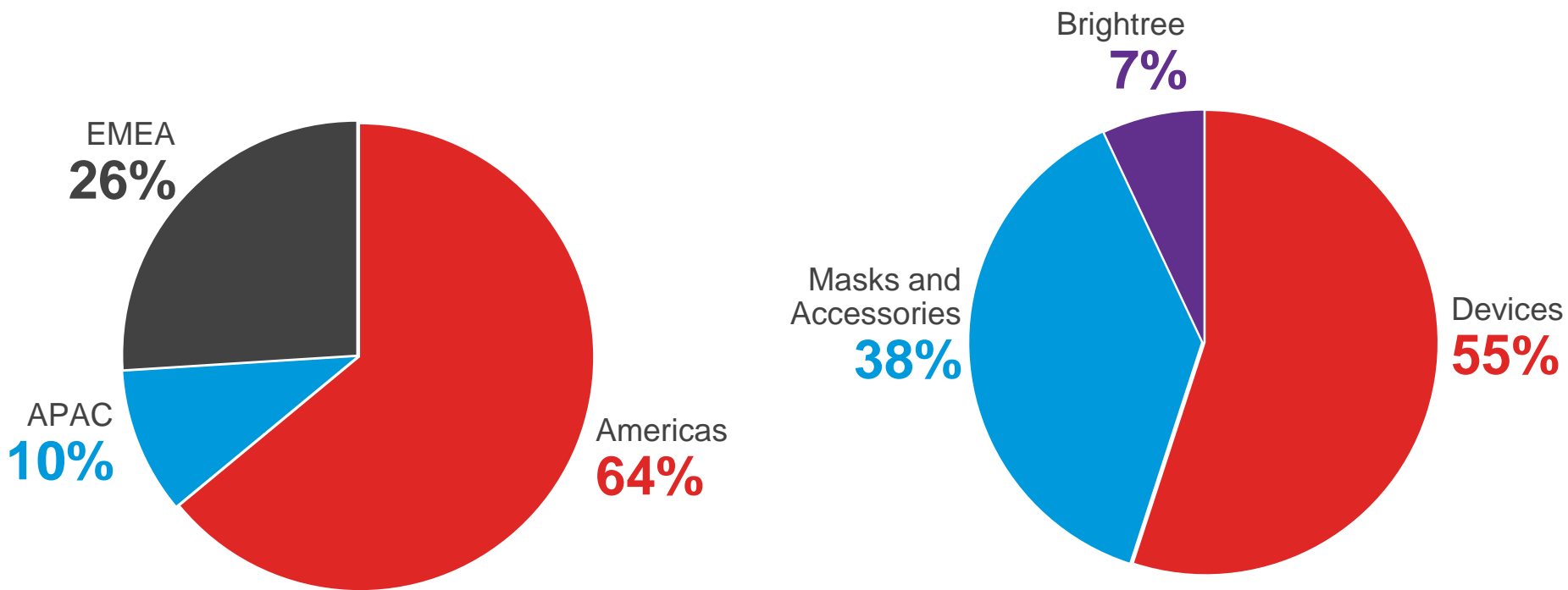


> Q1 2018 results

Key Financial Metrics	Q1 2018
Revenue	\$523.7M +13% (+11% CC)
Gross margin	58.4%
Non-GAAP operating profit*	\$124.3M +12%
Non-GAAP net income*	\$94.1M +7%
Non-GAAP EPS*	\$0.66 +6%
Cash flow from operations	\$94.0M
Free cash flow	\$78.0M

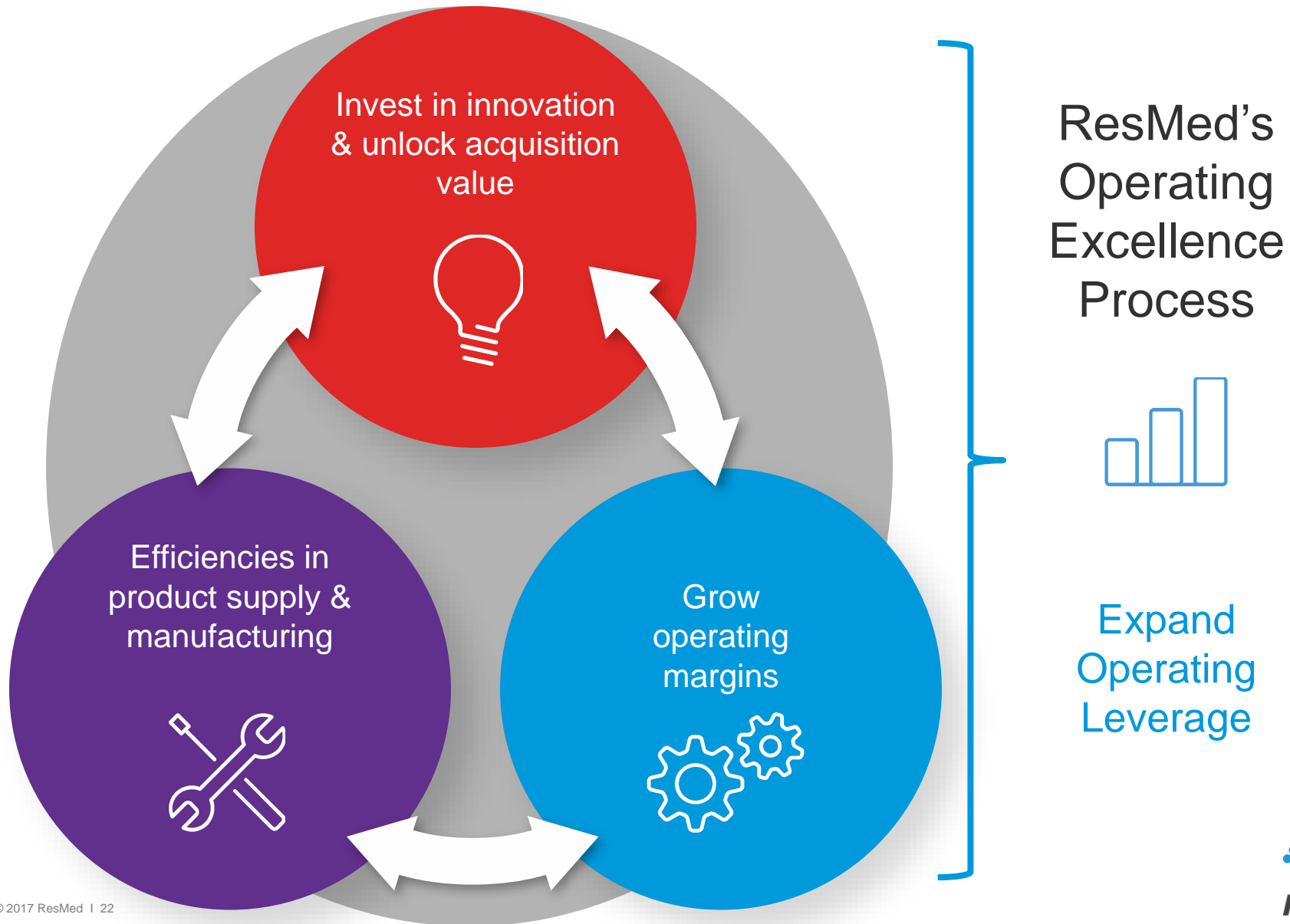
* ResMed adjusts for the impact of the amortization of acquired intangible assets and Astral battery field safety notification expenses from their evaluation of ongoing operations and believes investors benefit from adjusting these items to facilitate a more meaningful evaluation of current operating performance.

> Diversified revenue sources by region & product



Note: Represents Q1 2018 revenue breakdown

> Operating Excellence: *a continuous process at ResMed*





Capital Deployment



Investment for Growth

- New Products
- Geographic expansion
- Acquisitions



Free Cash Flow returned to Shareholders

- Last twelve months combined dividend and stock repurchase = 53% of free cash flow



Increasing Dividend

- FY 2017 dividend payout ratio of 54% of net income
- Dividend per share increased by 6% over prior year

Combined dividend and buy-back over rolling 5 years
= **77% of free cash flow**



*In the last 12 months, we changed
more than **12 million lives.***

*Our aspiration is to change
20 million lives by 2020*

> ResMed – *Driving Value for Shareholders*



Long-term growth

opportunities across all three horizons of ResMed's strategy



Reduce healthcare costs; improve outcomes

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



Proven innovator

in products and Connected Care for sleep apnea, COPD, neuromuscular disease and other chronic diseases



Disciplined financial management

Operational excellence,
strong capital deployment history,
committed to investing in innovation and
returning excess cash to shareholders



Underpenetrated markets

For sleep-disordered breathing and respiratory care



Contact Investor Relations

Phone: (858) 836-5971

Email: investorrelations@resmed.com

Website: www.investors.resmed.com