



# 40<sup>th</sup> Annual J.P. Morgan Healthcare Conference

Mick Farrell - CEO

January 10, 2022

# Presentation of financial information & forward-looking statements

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Historical financial and operating data in this presentation reflect the consolidated results of ResMed Inc., its subsidiaries, and its legal entities, for the periods indicated.

This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States, or GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures in this presentation, which include non-GAAP Income from Operations, non-GAAP Net Income, and non-GAAP Diluted Earnings per Share, should be considered in addition to, but not as substitutes for, the information prepared in accordance with GAAP. For reconciliations of the non-GAAP financial measures to the most comparable GAAP measures, please refer to the earnings release associated with the relevant reporting period, which can be found on the investor relations section of our corporate website ([investor.resmed.com](https://investor.resmed.com)).

In addition to historical information, this presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on ResMed’s current expectations of future revenue or earnings, new product development, new product launches, new markets for its products, integration of acquisitions, leveraging of strategic investments, litigation, tax outlook, and the length and severity of the recent coronavirus outbreak, including its impacts across our business and operations. Forward-looking statements can generally be identified by terminology such as “may”, “will”, “should”, “expects”, “intends”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential”, or “continue”, or variations of these terms, or the negative of these terms or other comparable terminology.

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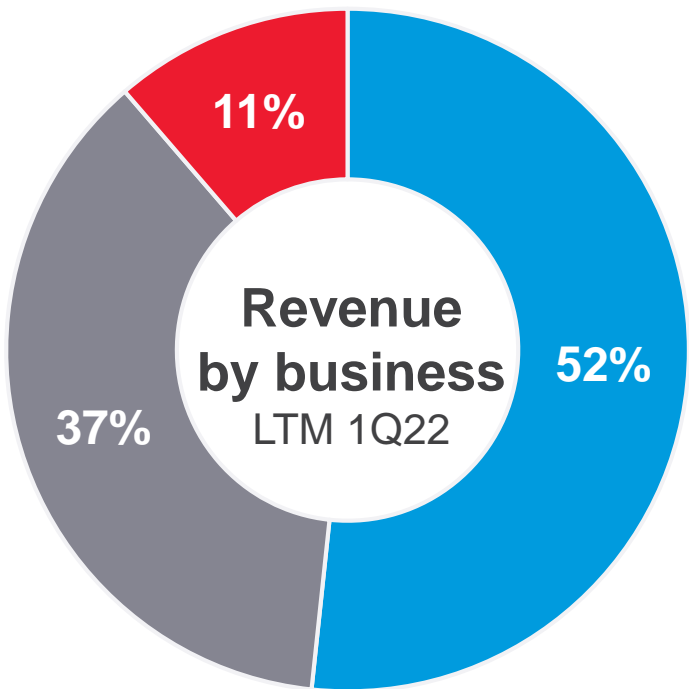
# Company Overview & Strategy



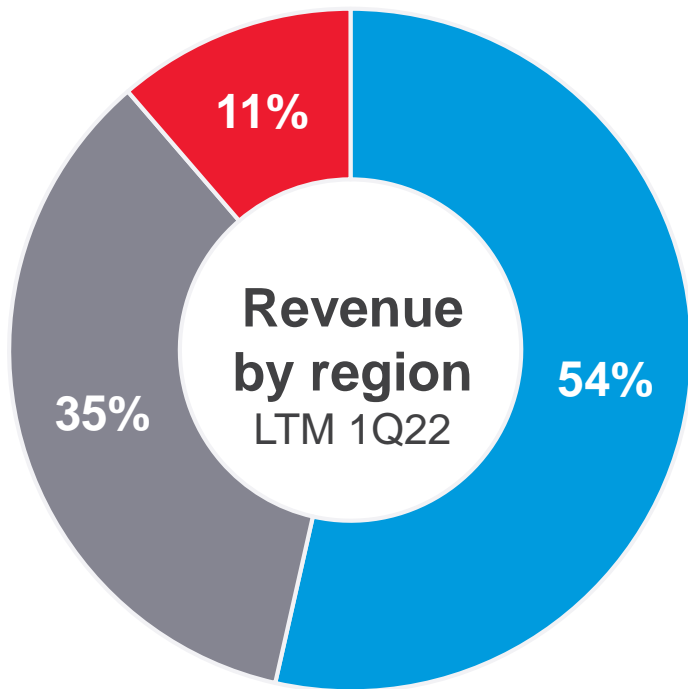
# ResMed | The global leader in connected and digital health

## Key Statistics<sup>1</sup>

|                    |               |
|--------------------|---------------|
| Headquarters       | San Diego, CA |
| Founded            | 1989          |
| LTM 1Q22 revenue   | \$3.2B        |
| Listed (NYSE, ASX) | 1995, RMD     |
| Market cap         | ~\$40B        |
| Countries served   | 140+          |
| Total employees    | ~8,000        |



- Devices
- Masks & Other
- OOH SaaS



- U.S., Canada, and Latin America
- Europe, Asia, and Other
- U.S. SaaS

## Our businesses

### Sleep Apnea

Delivering a market-leading patient experience through innovative solutions that lower overall costs for treating sleep apnea patients and improve clinical outcomes by leveraging global digital health solutions

### Respiratory Care

Improving the lives of patients with COPD, asthma, and other key chronic respiratory diseases on their healthcare journey – lowering costs, preventing hospitalization, and creating end-to-end care solutions

### Software as a Service (SaaS)

Providing a network out-of-hospital healthcare SaaS management solutions that help providers deliver more personalized care, measurable results, and improved health outcomes across large populations



# ResMed 2025: a patient-centric, digitally-enabled strategy



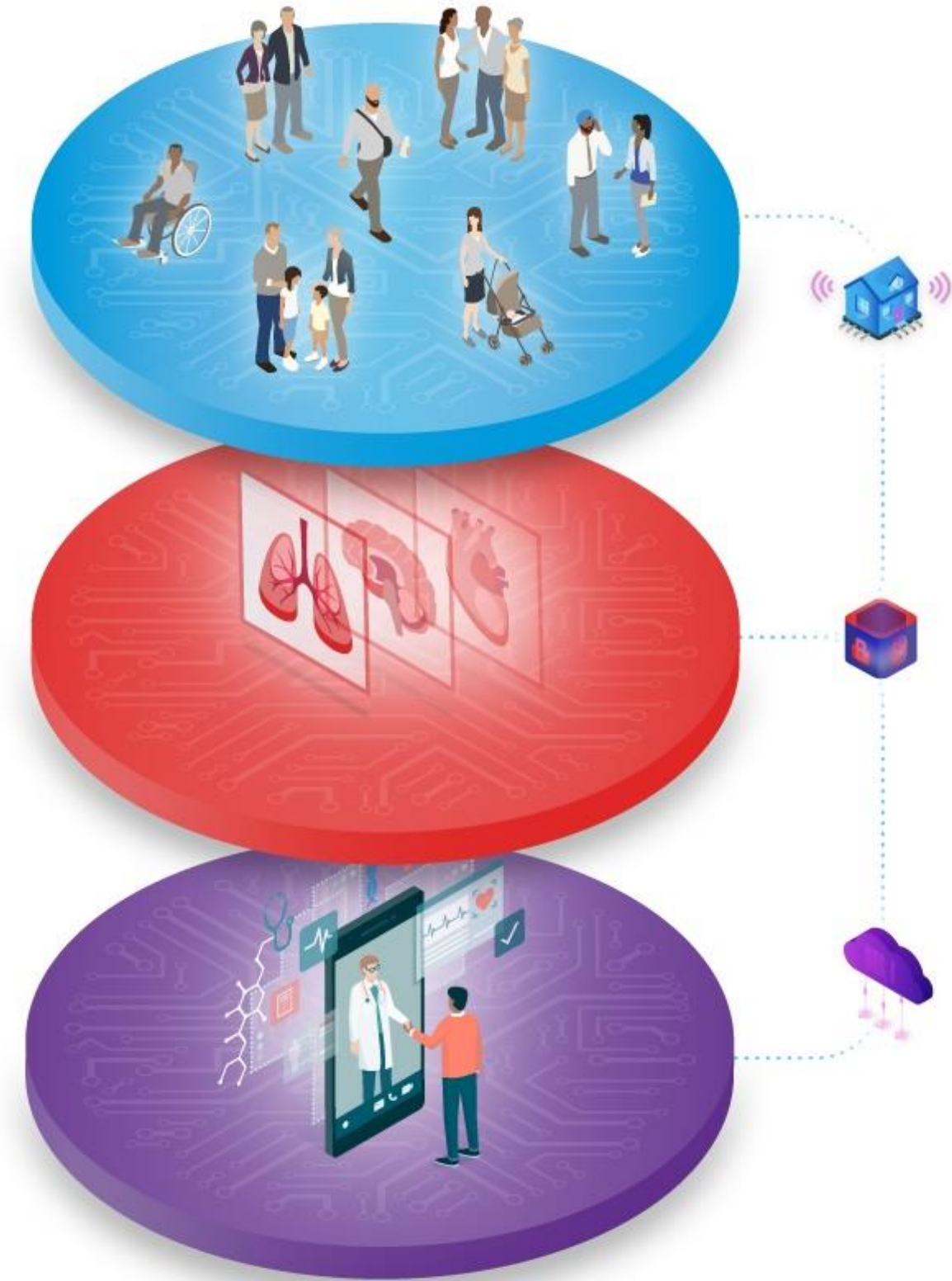
250 million lives improved  
in out-of-hospital healthcare  
in 2025!

**Purpose** • Empower people to live **happier, healthier** and **higher quality lives** in the comfort of their home

**Growth Focus** • Global health epidemics in **sleep apnea, COPD**, other major chronic conditions, and **SaaS** solutions that improve care in out-of-hospital settings

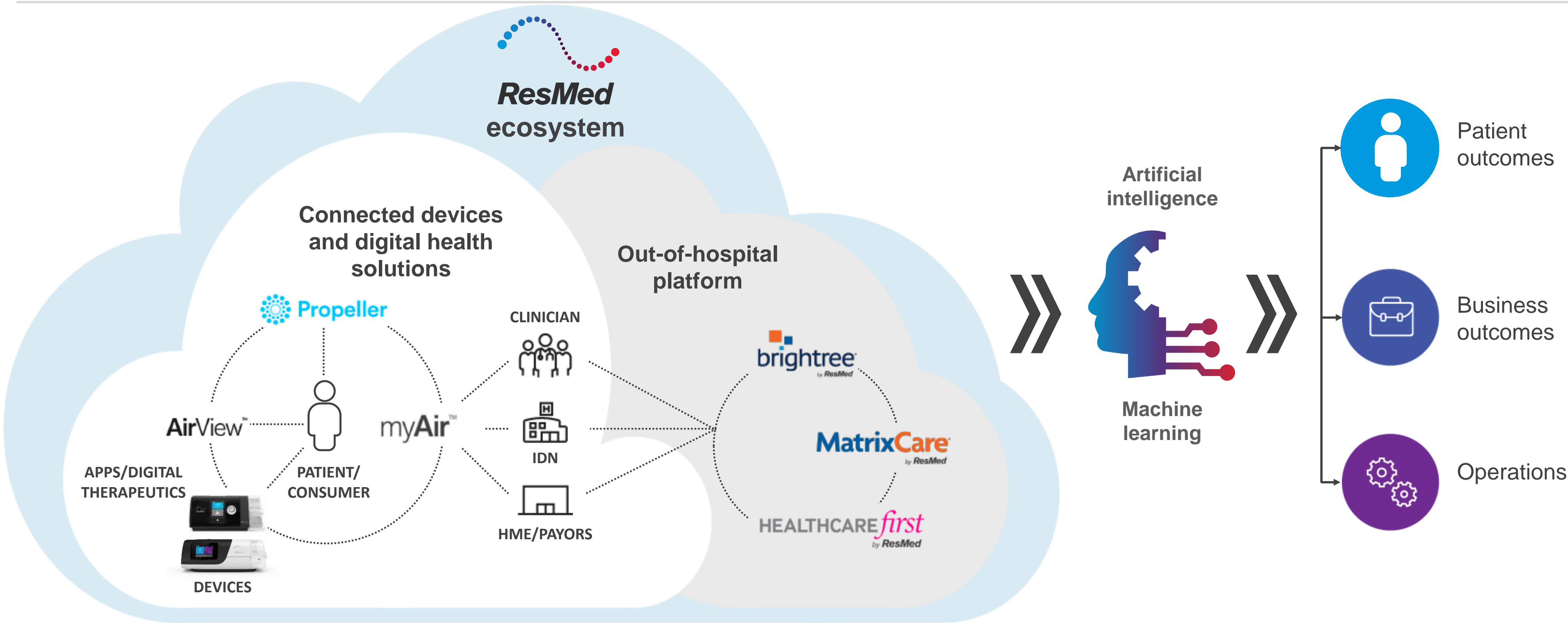
**Growth Advantage** • Transform care through **innovative solutions** and **tech-driven integrated care** to drive superior outcomes, experiences and efficiency

**Growth Foundations** • High-performing, diverse and entrepreneurial people  
• Industry-leading innovation and business excellence  
• Digital health technology and scientific leadership





# Our digital health solutions improve outcomes and lower costs



Focused on interoperability so our ecosystem works with the broader healthcare ecosystem

# We transform medical data into actionable outcomes at scale

*Transforming over 10 billion nights of medical sleep apnea, COPD, and asthma data into actionable outcomes for patients*



**17.5+** million  
patients on AirView™



**>15.5** million  
100% cloud connectable devices worldwide



**1.5+** million  
diagnostic tests processed in the cloud



**>110** million  
accounts in out-of-hospital care network



**~100** API  
calls per second from integrators



**4+** million  
patients have signed up for myAir™

# Priorities that guide our daily focus, and our triple-aim

Grow and differentiate our core sleep apnea, COPD, and asthma businesses across global markets

Deliver world-leading medical devices and digital health technology to engage physicians, providers, and patients

Build the world's best software solutions network for healthcare that is delivered outside the hospital

## Our triple aim:

- I. Slow chronic disease progression
- II. Reduce overall healthcare system costs
- III. Improve the quality of life for the patient

Empower people to live happier, healthier, and higher quality lives in the comfort of their homes



# Positioned to win: Growth, Innovation, Transforming Care

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## Growing the market

through commercial excellence and expanding market access

## Driving digital innovation

in sleep and respiratory care to radically improve patient experience and outcomes

## Transforming out-of-hospital care at scale

to drive better outcomes, lower costs, and improve quality of life

# Our Business: Sleep & Respiratory Care



# Proactive care to capture significant underpenetrated markets

## Chronic disease is the largest driver of healthcare spending in developed economies

### Sleep apnea

- **Leading indicator**, and a contributing factor, to many chronic illnesses
- More than **80% undiagnosed**
- Demonstrated positive dose-response relationship between **CPAP usage and lower healthcare costs**

### COPD

- Largely undiagnosed COPD sufferers in high-growth markets such as China, India, Brazil, and E. Europe >100M<sup>2</sup>
- Acute treatment costs to healthcare systems are large
  - Europe: €48B per year<sup>4</sup>
  - U.S.: ~\$50B per year<sup>5</sup>
- More than 3M people worldwide die each year due to COPD<sup>1</sup>

### Asthma

- Significant opportunity to improve adherence and improve patient-physician interaction
- Leveraging Propeller for increased data related to symptom occurrence and acute triggers
- Opportunity to partner with patients, providers, pharmaceutical companies, and payors to drive improved quality of life

## Total addressable market

936M sleep apnea patients

380M COPD patients<sup>2,3</sup>

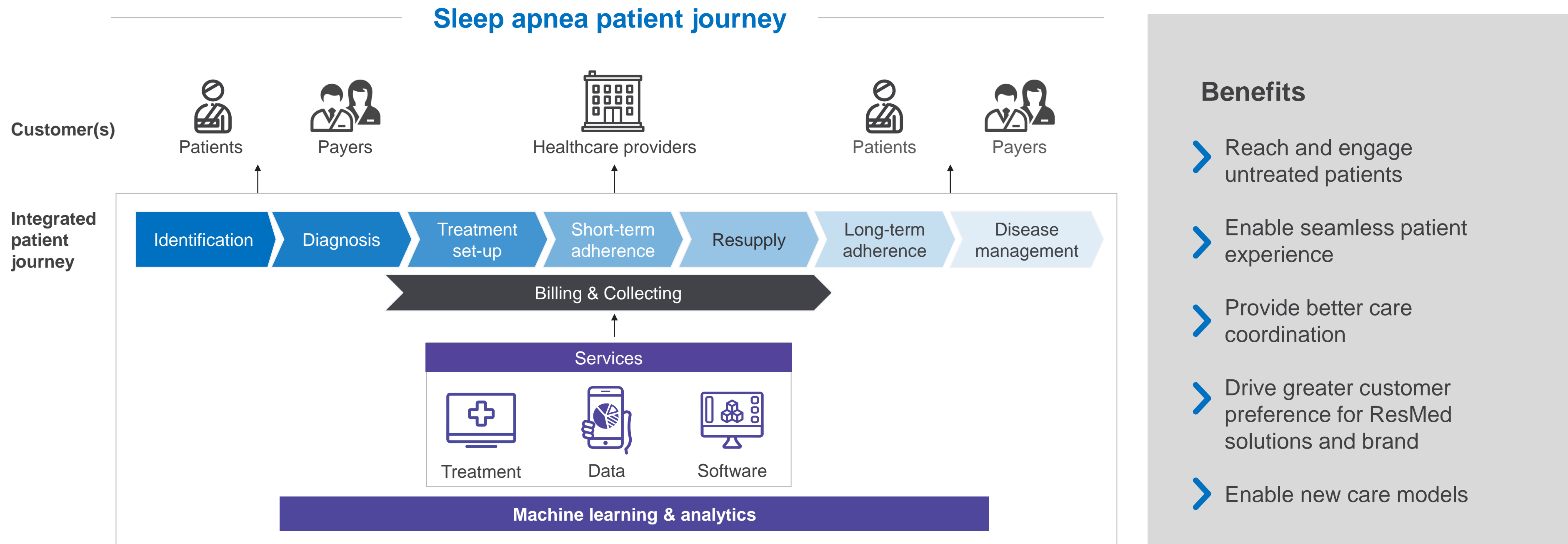
330M asthma patients<sup>6</sup>

Well-positioned to expand proactive treatment of chronic diseases

<sup>1</sup>World Health Organization. The top 10 causes of death: Fact sheet: No310 (2014, May) accessed 20Jul16 <sup>2</sup> <https://www.ncbi.nlm.nih.gov/pubmed/26755942> <sup>3</sup> Company estimates based on World Health Organization estimates and Zhong et al. "Prevalence of Chronic Obstructive Pulmonary Disease in China" *Respiratory and Critical Care* <sup>4</sup> European Respiratory Society, *European Lung White Book* <http://www.erswhitebook.org/chapters/the-economic-burden-of-lung-disease/> accessed 20Jul16 <sup>5</sup> Guarascio et al. Dove Med Press, 2013 Jun 17 <sup>6</sup> World Health Organization. Chronic obstructive pulmonary disease (COPD): Fact sheet No315. 2015 accessed 20Jul16



# We provide digital end-to-end integrated healthcare



Driving digital innovation across all aspects of the patient journey

# Data-driven sleep apnea therapy – *improve patient adherence*

- AirSense 11 is a **two-way communication data platform**
  - **Both** cellular and Bluetooth connectivity
  - **Seamless pairing with myAir app** and directly to the cloud
    - Very rich **consumer-like experience** on myAir app
    - Patient questions and prompts **on the device**
  - **Built for Over-the-Air (OTA) upgrades**
    - Add new features without new hardware
- **Improved patient adherence**
  - 60% uptake of myAir patient engagement app vs 25% on AS10
  - 87% adherence with use of myAir, AirView, AirSense platform
- **Even more streamlined provider workflows and lower costs**
- **Improved patient management**
  - Future: Patient Reported Outcomes Metrics (**PROMs**) for payors and health systems

## AirSense™ 11



AirSense 11 is the device platform that will enable us to deploy AI/ML into sleep therapy



# Leadership in OSA treatment with data applications

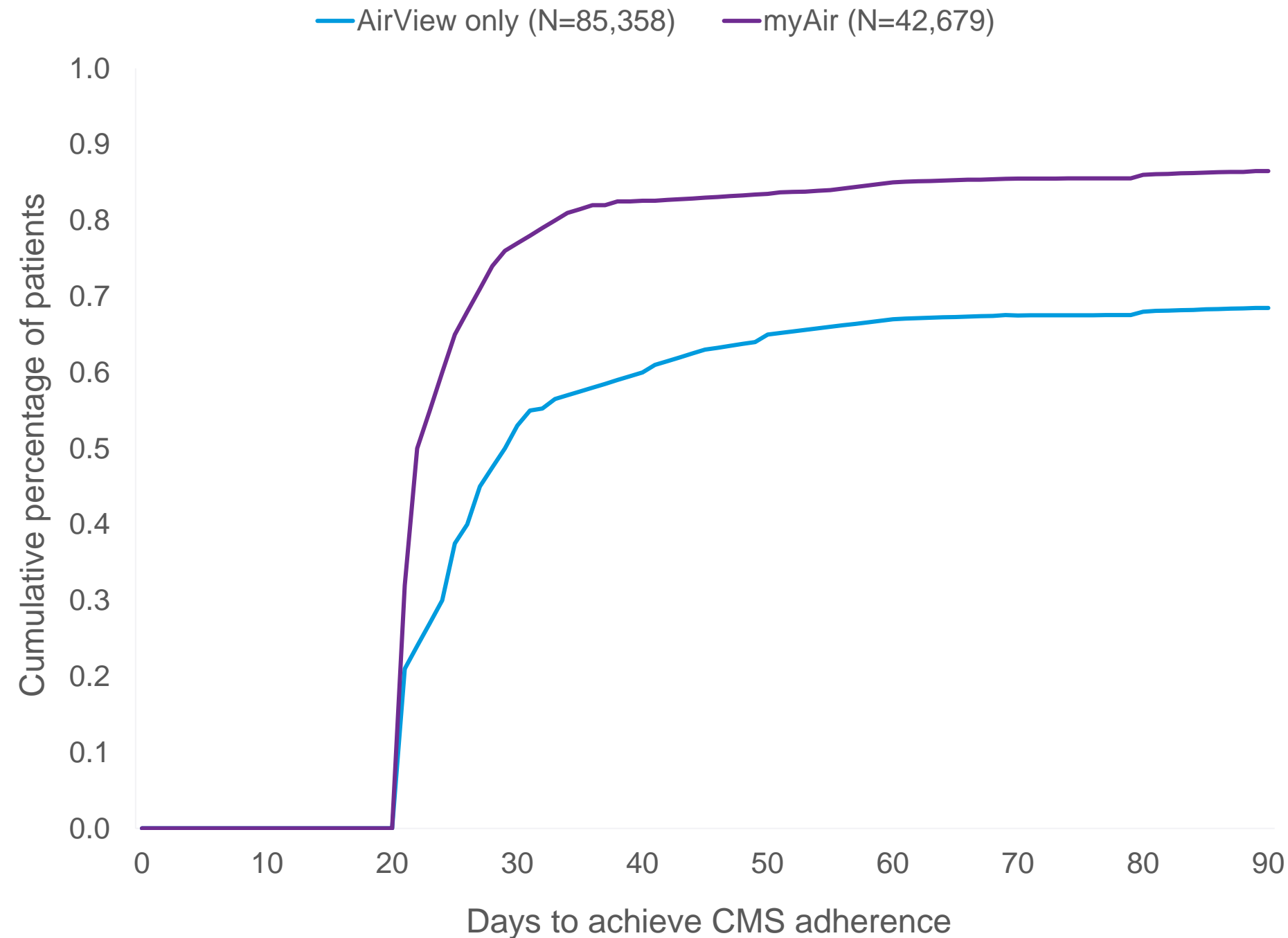


## Key differentiators

- ✓ User-friendly, intuitive platform provides milestone accomplishments and motivation to patients, increasing therapy adherence, and improving sleep quality
- ✓ Focused on app enhancements to enable long-term adherence for life vs. short-term (e.g., app-based nudges)
- ✓ Clear-cut market leader with 4.0M U.S. patients registered to the myAir platform across the website and app
- ✓ Recently launched upgraded version: myAir 2.0
- ✓ Large installed base with over 17.5M patient enrolled in our cloud-based software solution
- ✓ Seamless integration with ResMed devices enhances provider efficiency and improves patient monitoring through industry-leading remote diagnostic tools
- ✓ Increased data capture enables us to drive more personalized care to improve the patient experience

Unlocking value for both patients and providers

# Patient engagement drives 87% adherence to PAP therapy



## About the clinical study

- Largest clinical study<sup>1</sup> to date assessing the impact of adding the myAir patient engagement tool for PAP patients already using AirView
- Resulted in more than 137 million nights of data
- Patients in both groups were treated with PAP therapy over the 90 days

## Personalized engagement benefits everyone

- Significantly improves adherence
- Can be achieved with minimal burden on providers

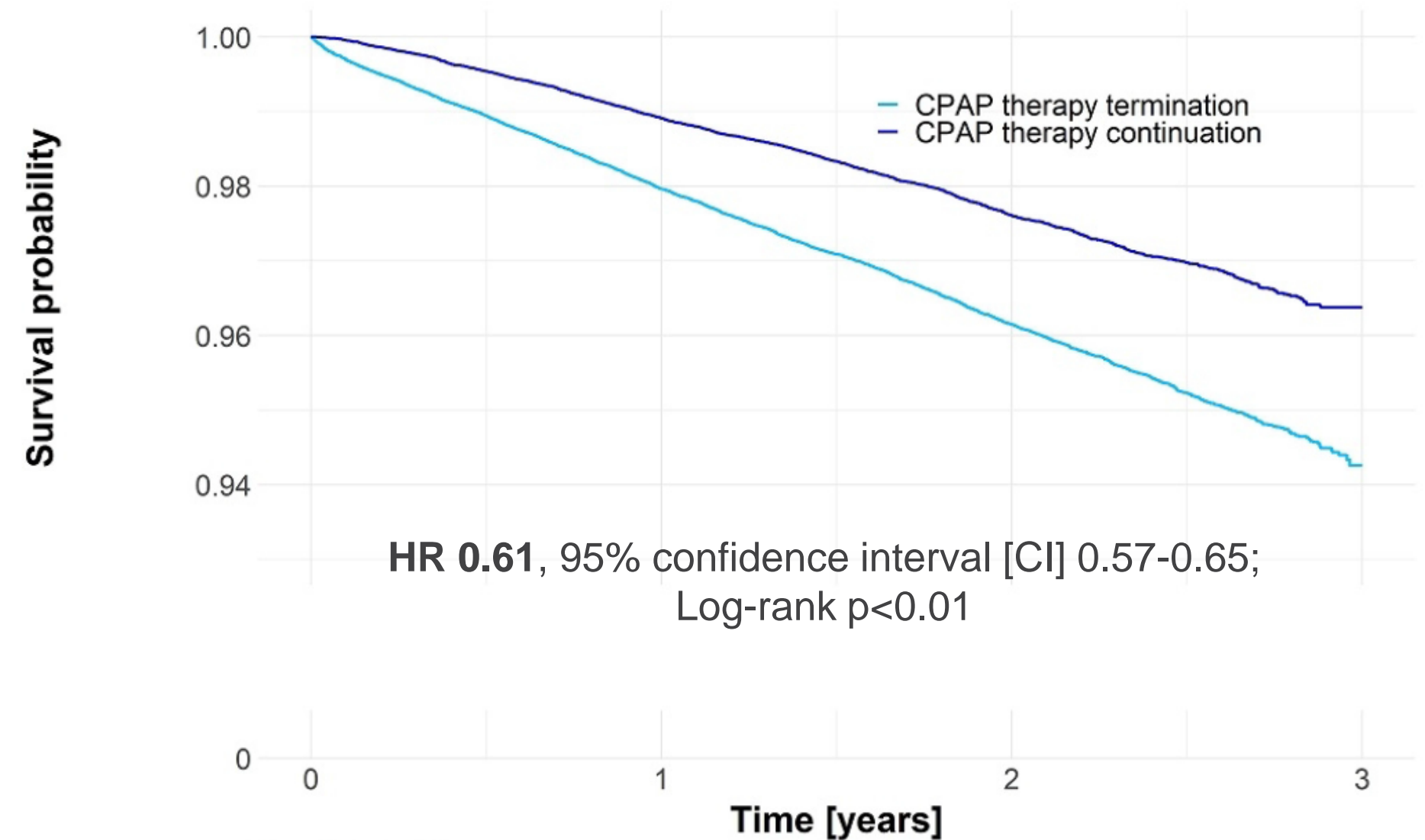
Patients who use myAir *and* AirView improved adherence by 17% over those who only use AirView

1. Malhotra et al CHEST 2018

# Big data analysis demonstrates CPAP treatment decreases mortality rates by 39%

**Objective:** to investigate the effects of CPAP therapy use on all-cause mortality in patients with OSA

- ALASKA study<sup>1</sup> conducted using data from SNDS, one of the largest anonymized claims databases in the world representing over 99% of the French population
  - Included >176,000 people in France
  - New CPAP users aged 18+, initiated treatment Jan'15-Dec'16
- OSA patients who continued CPAP therapy over the 3-year study period were **39% more likely to survive** than those who discontinued CPAP therapy



CPAP treatment is a case of life or death

1. Pepin, et al. ERJ suppl (ERS) 2021

# Leadership in OSA treatment with physical devices

## Devices

Latest launch



AirSense™ 11



AirSense™ 10



AirCurve™ 10



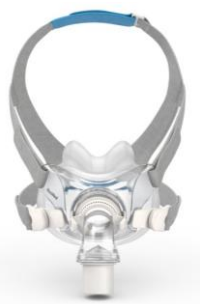
## Key differentiators

- ✓ Quietest, most intuitive devices on the market
- ✓ **AirSense 11:** newest, most connected device
  - Expanding digital tools for patient experience, including patient engagement built into device

## Masks<sup>1</sup>

Full Face

Minimalist



AirFit™ F30

Freedom



AirFit™ F30i

Universal Fit



AirTouch™ F20

Ultra Soft



AirFit™ F20

Nasal



AirFit™ P10



AirFit™ N30



AirFit™ N30i



AirFit™ P30i



AirTouch™ N20



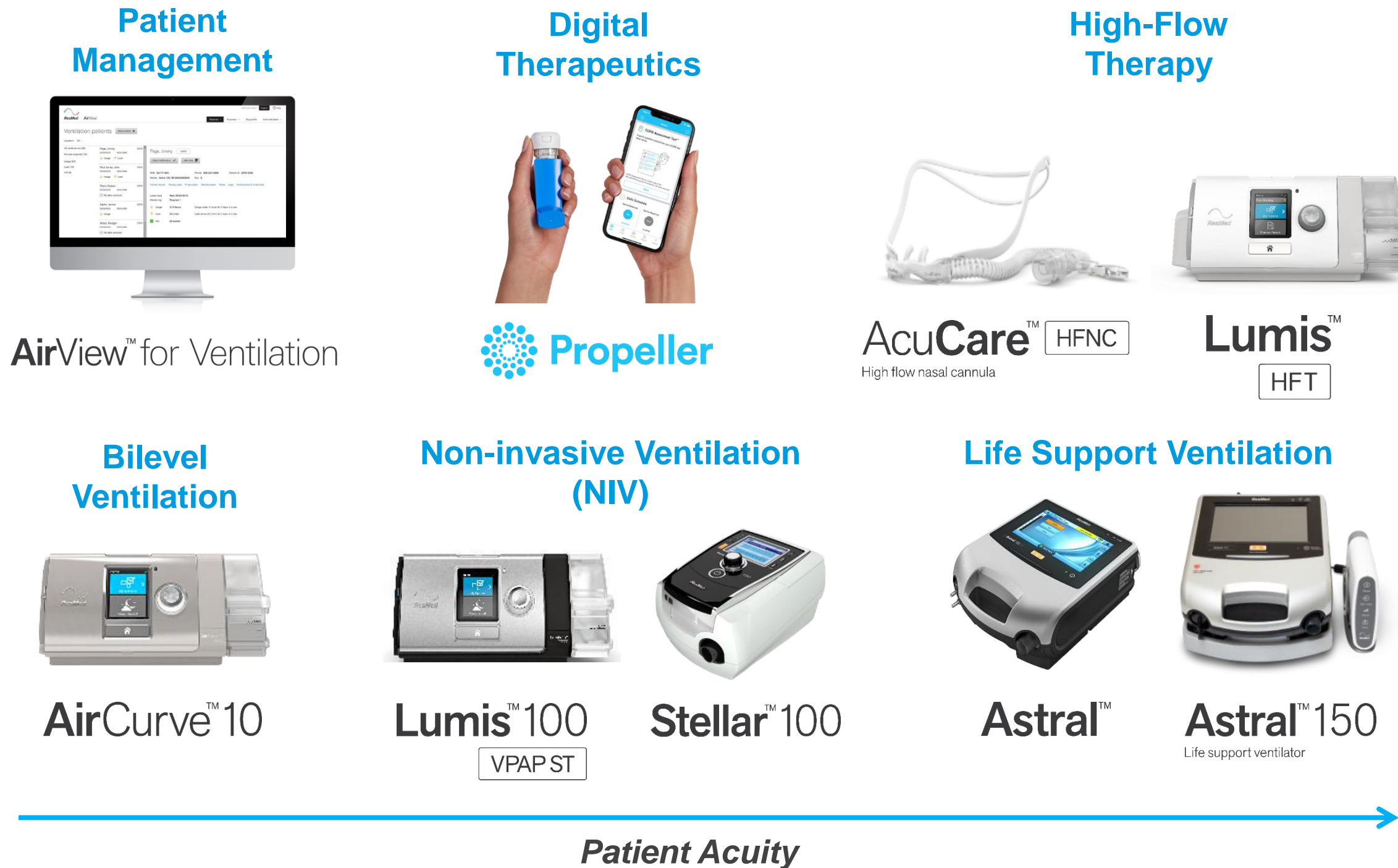
AirFit™ N20

- ✓ Premium comfort and machine-agnostic masks; widest range of masks on the market meeting the broadest set of patient needs
- ✓ Largest database of facial features; focused on designing for fit
- ✓ Expertise and experience in translating clinical knowledge into product features (e.g., comfort, durability)





# At the forefront of Respiratory Care



## Highlights

- Widest range of therapies for higher acuity respiratory patients, including COPD and asthma
- Broadest set of digitally connected respiratory therapy devices
- Market leading platform for managing inhaled medications
- Premier solution for remote management of ventilated patients

The right device, for the right patient, at the right time

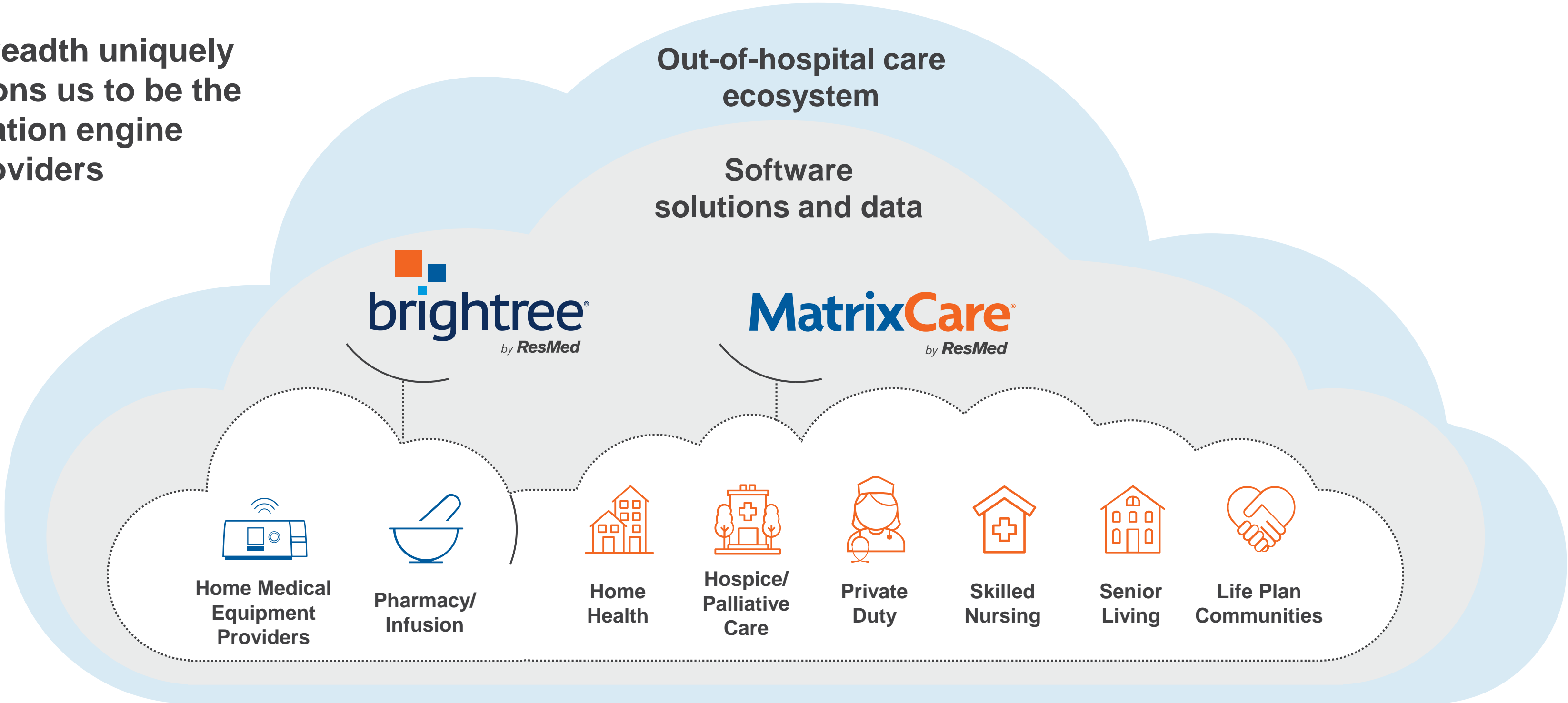


# Our Business: Software as a Service (SaaS)



# Leading provider of cloud-based software for out-of-hospital care providers across multiple settings

Our breadth uniquely positions us to be the innovation engine for providers



We are the gateway to out-of-hospital care

# Uniquely positioned to address provider needs



## Demand for greater coordination across provider markets



Home Medical  
Equipment  
Providers



Pharmacy / Infusion



Home  
Health



Hospice/  
Palliative  
Care



Private  
Duty



Skilled  
Nursing



Senior  
Living



Life Plan  
Communities

- Providers are diversifying and lines are blurring across the continuum; skilled nursing facility owners are moving into home-based care
- We are working with our customers to address their needs, holistically across the markets they serve
- Our solutions are supported by the richness of our data

Differentiated value creation within SaaS portfolio through breadth and commitment to innovation

# Financials

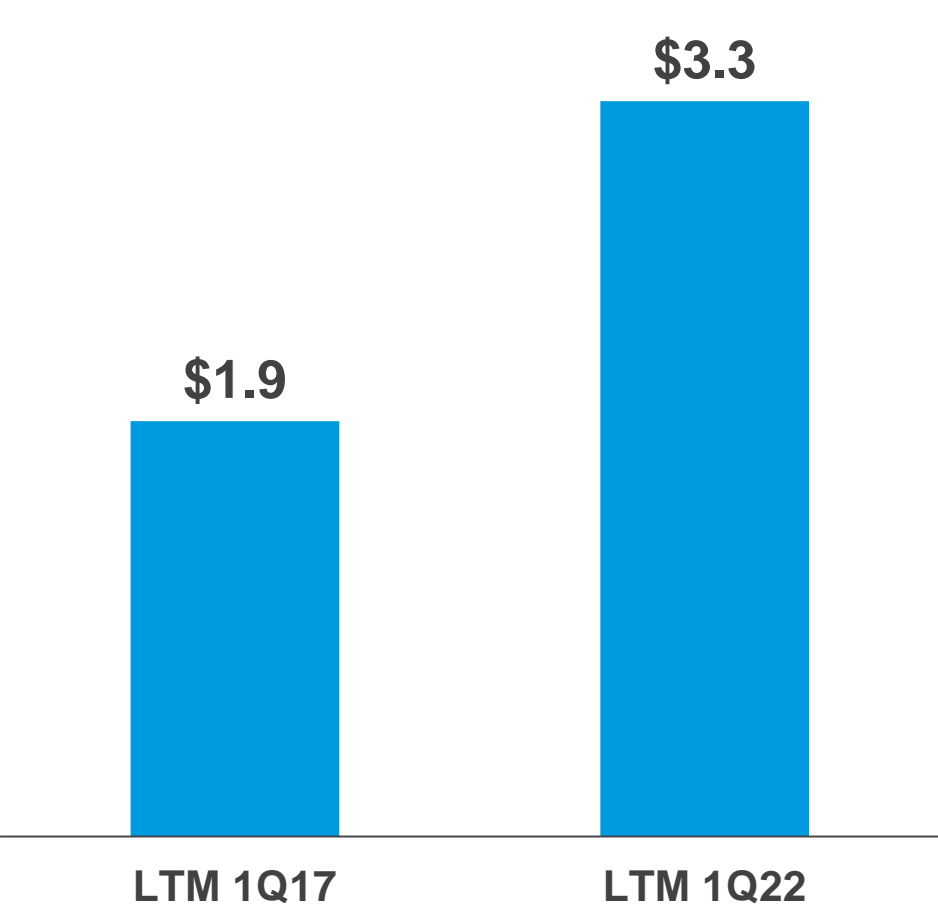


# Track record of strong financial returns for shareholders

(Financial data as of September 30, 2021)

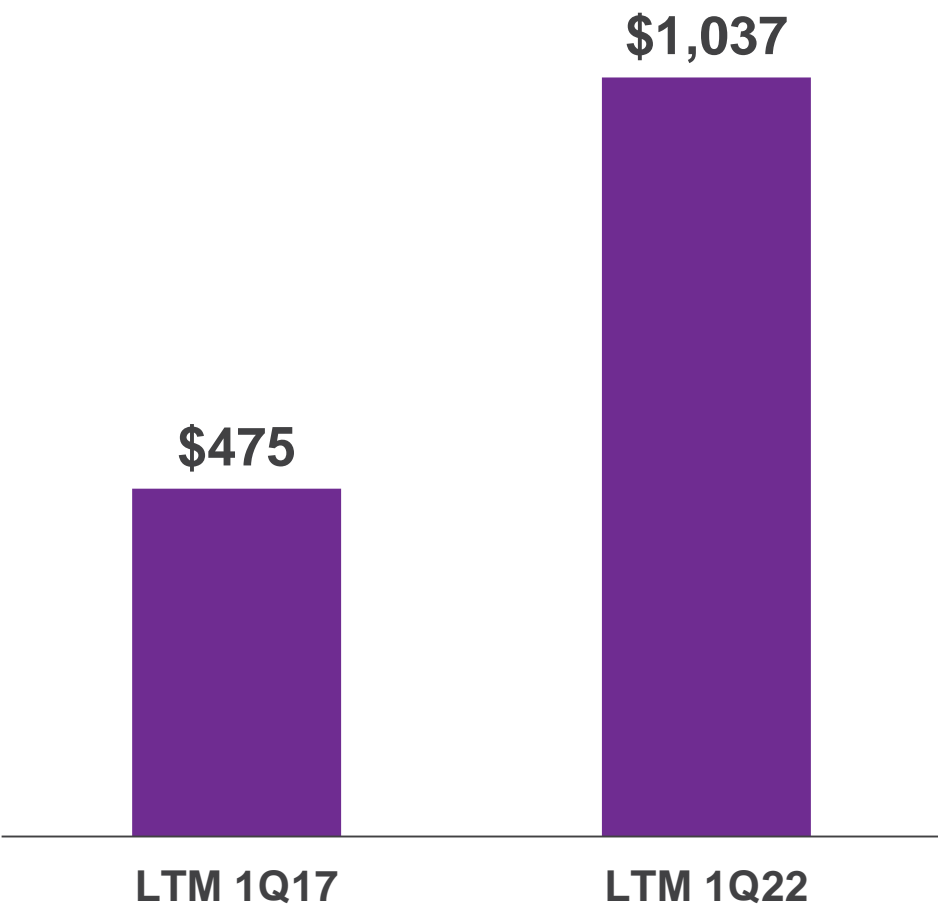
## Revenue (\$B)

12% CAGR



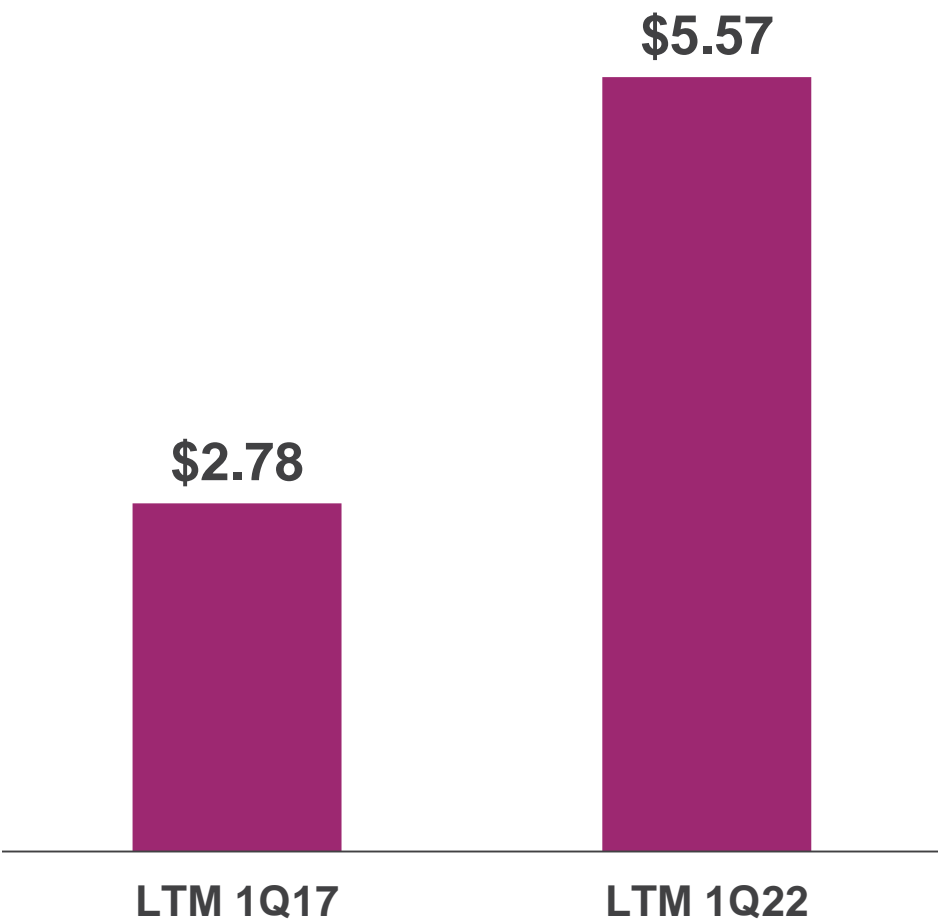
## Non-GAAP Operating Income (\$M)

17% CAGR



## Non-GAAP EPS

15% CAGR



**Total shareholder return, TSR** (NYSE shares as of 9/30/2021): **1-yr 55%** | **3-yr 136%** | **5-yr 334%**

NOTE: See reconciliation to GAAP in Appendix

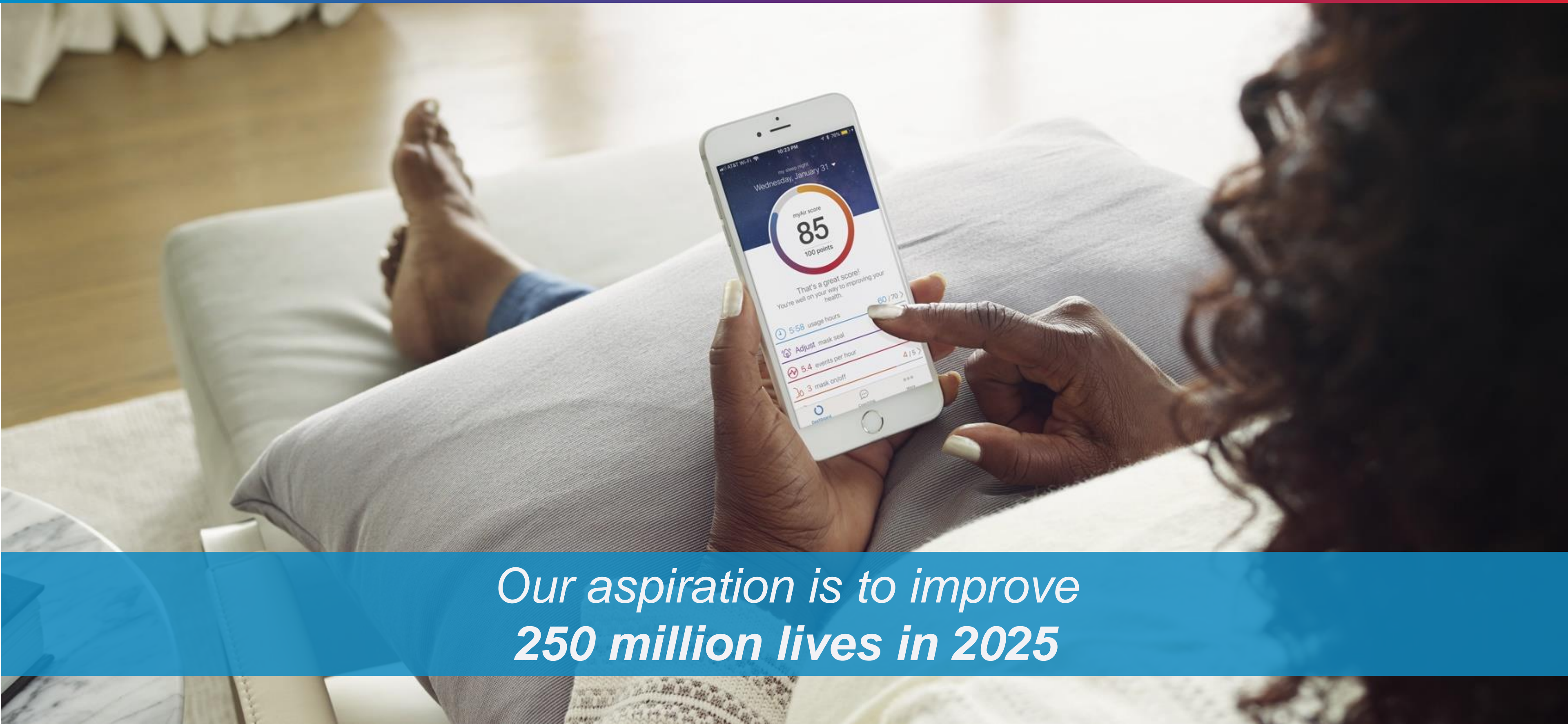




Our **vision** is to empower people to take control of their health so they can sleep better, breathe better, and live better lives outside the hospital



*In the last 12 months, we changed over 130 million lives with our digital health products and cloud-based software solutions*



*Our aspiration is to improve  
**250 million lives in 2025***



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