



Q2 FY2022 Earnings

January 27, 2022

Presentation of financial information & forward-looking statements

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.

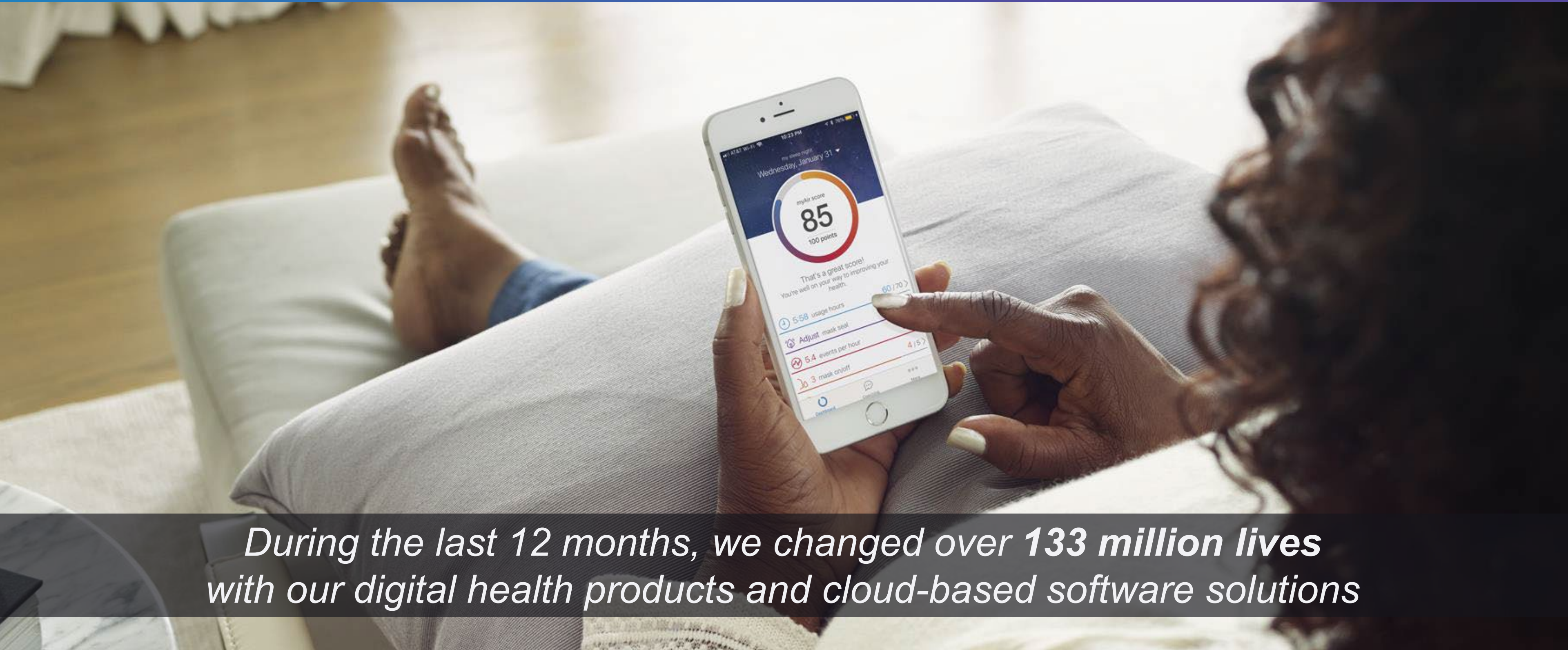
This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States, or GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures in this presentation, which include non-GAAP Income from Operations, 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).

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, and tax outlook. 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.

ResMed’s expectations, beliefs, and forecasts are expressed in good faith and are believed to have a reasonable basis, but actual results could differ materially from those stated or implied by these forward-looking statements. ResMed assumes no obligation to update the forward-looking information in this presentation, whether as a result of new information, future events, or otherwise. For further discussion of the various factors that could impact actual events or results, please review the “Risk Factors” identified in ResMed’s quarterly and annual reports filed with the SEC. All forward-looking statements included in this presentation should be considered in the context of these risks. Investors and prospective investors are cautioned not to unduly rely on our forward-looking statements.

Our mission is to change 250 million lives in 2025

We're proud to offer digital and connected health solutions that help those with sleep apnea, COPD, and other respiratory diseases live happier, healthier lives in the comfort of home or care setting of their choice

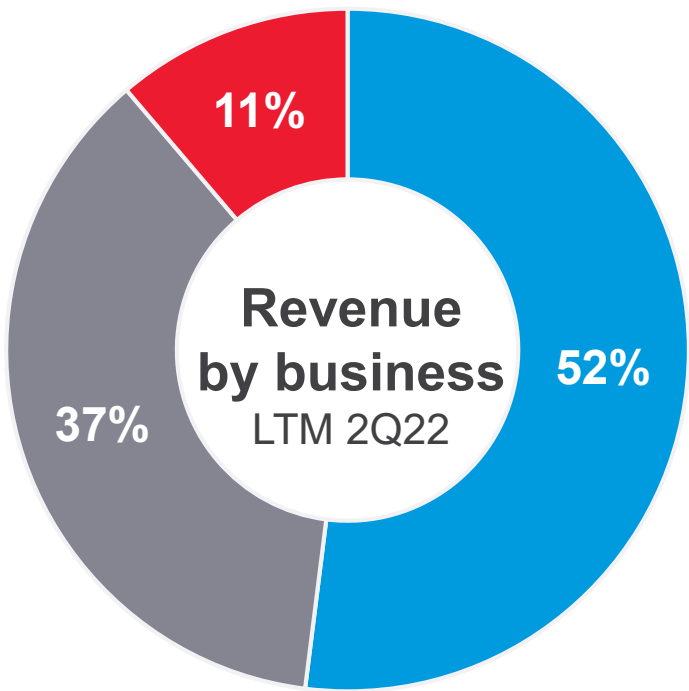


*During the last 12 months, we changed over **133 million lives** with our digital health products and cloud-based software solutions*

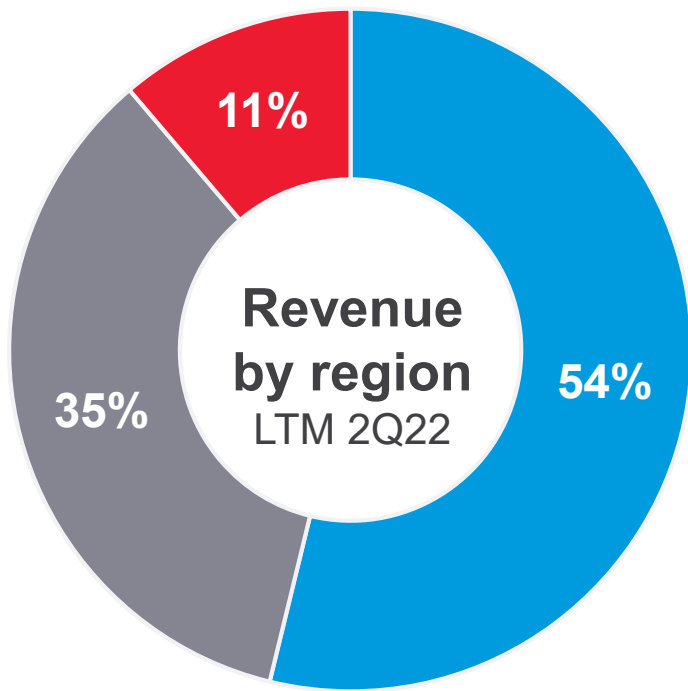
ResMed | The global leader in connected and digital health

Key Statistics¹

Headquarters	San Diego, CA
Founded	1989
LTM 2Q22 revenue	\$3.4B
Listed (NYSE, ASX)	1995, RMD
Market cap	~\$35B
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

¹As of 12/31/2021



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



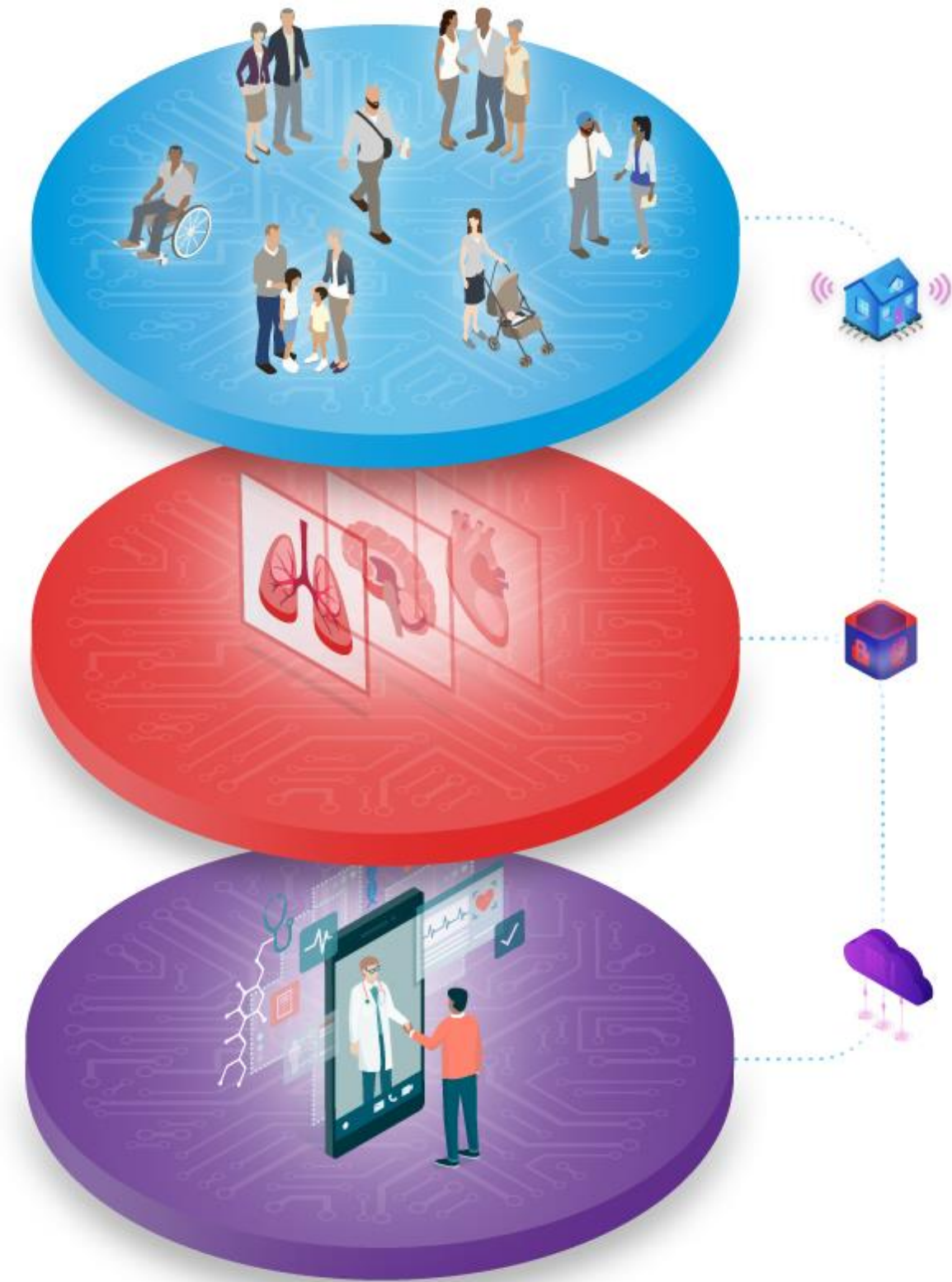
250 million lives improved
in out-of-hospital healthcare
in 2025!

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



Priorities that guide our daily focus

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:

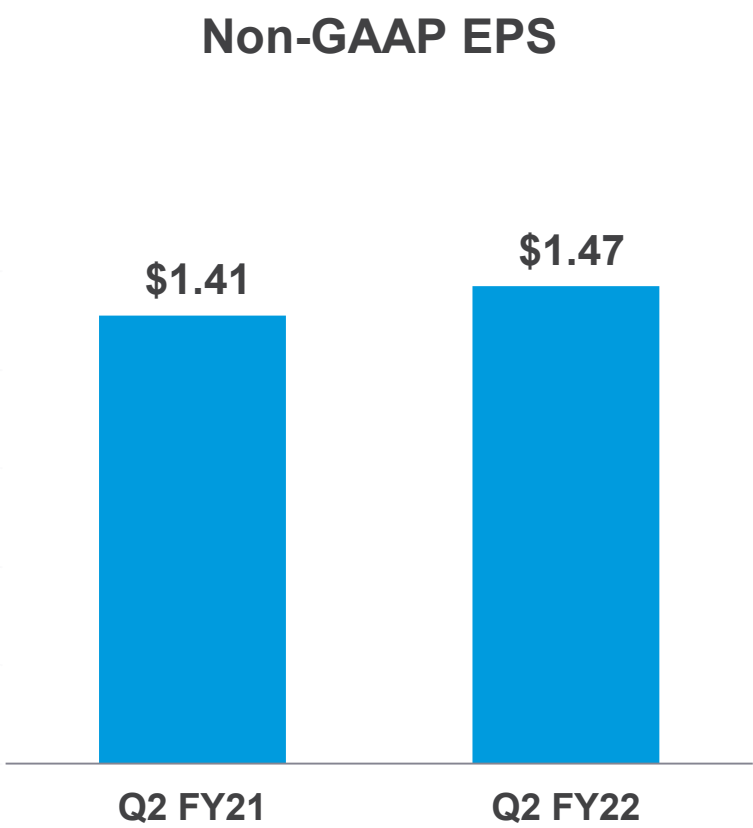
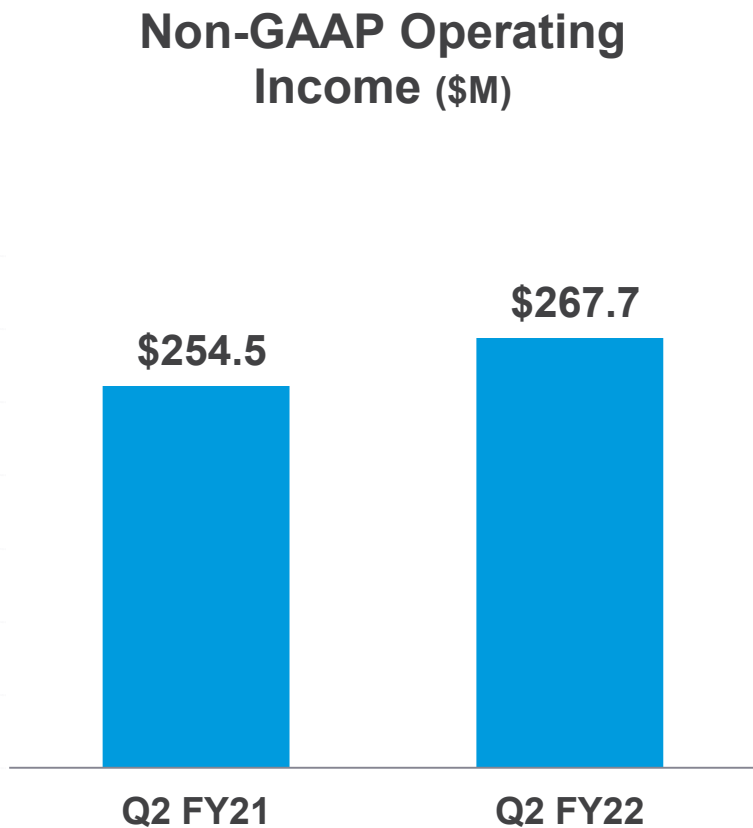
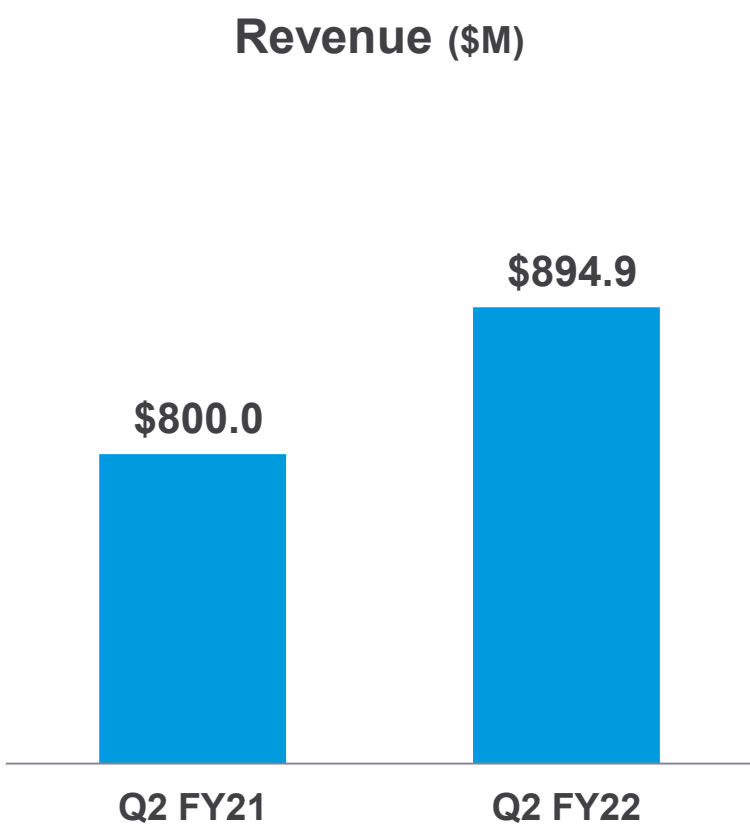
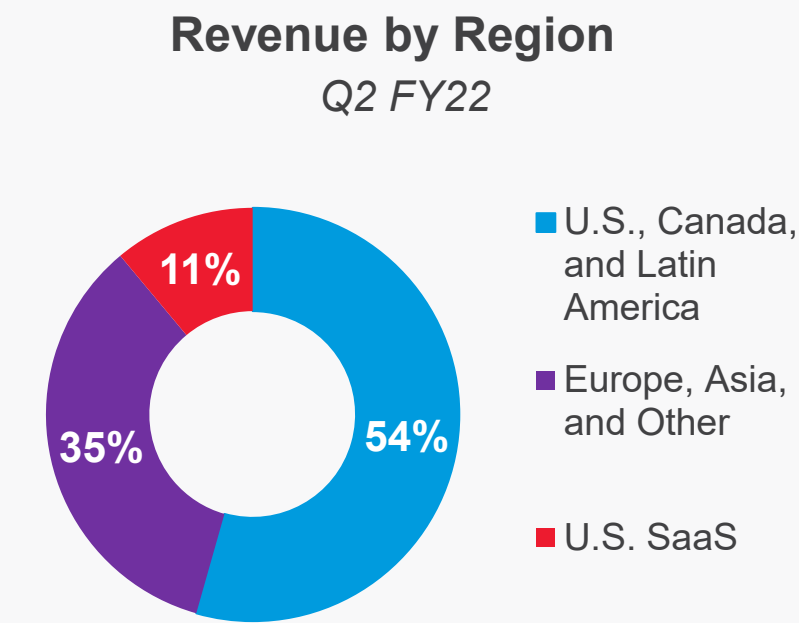
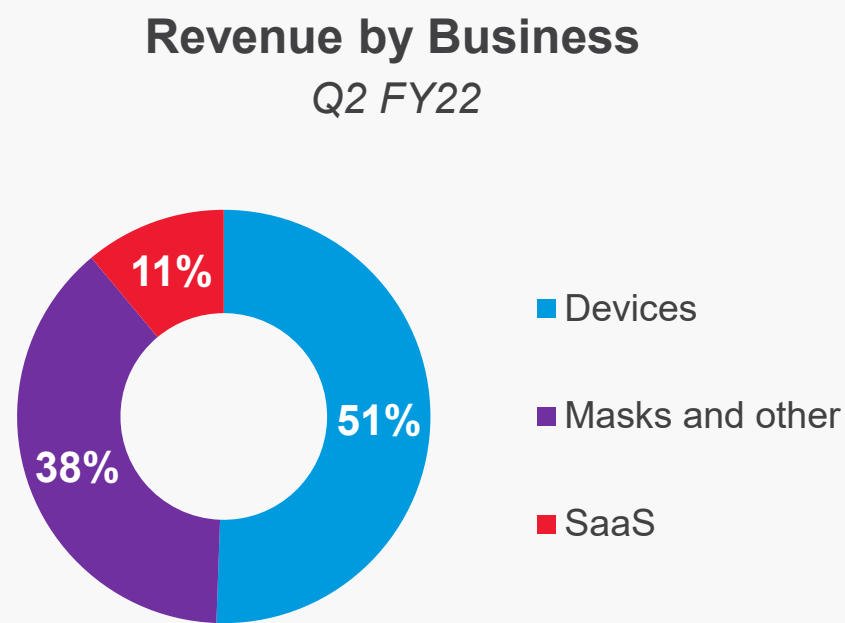
- I. Slow chronic disease progression
- II. Reduce overall healthcare system costs
- III. Improve the quality of life for the patient

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

Financial Results



Q2 FY22 financial results



NOTE: See reconciliation to GAAP in Appendix



Strong balance sheet and recurring free cash flow

Total debt outstanding	\$680M
Less: Cash & cash equiv.	\$194M
Net Debt	\$486M
Unused borrowing capacity	\$1,570M



Low leverage and strong liquidity provide financial flexibility

(A): LTM 2Q22 operating cash flow and free cash flow positions impacted due to one-time ATO settlement payment of \$284.8M in Sep'21

Track record of strong financial returns for shareholders

(Financial data as of December 31, 2021)

Revenue (\$B)

12% CAGR



Non-GAAP Operating Income (\$M)

16% CAGR



Non-GAAP EPS

15% CAGR



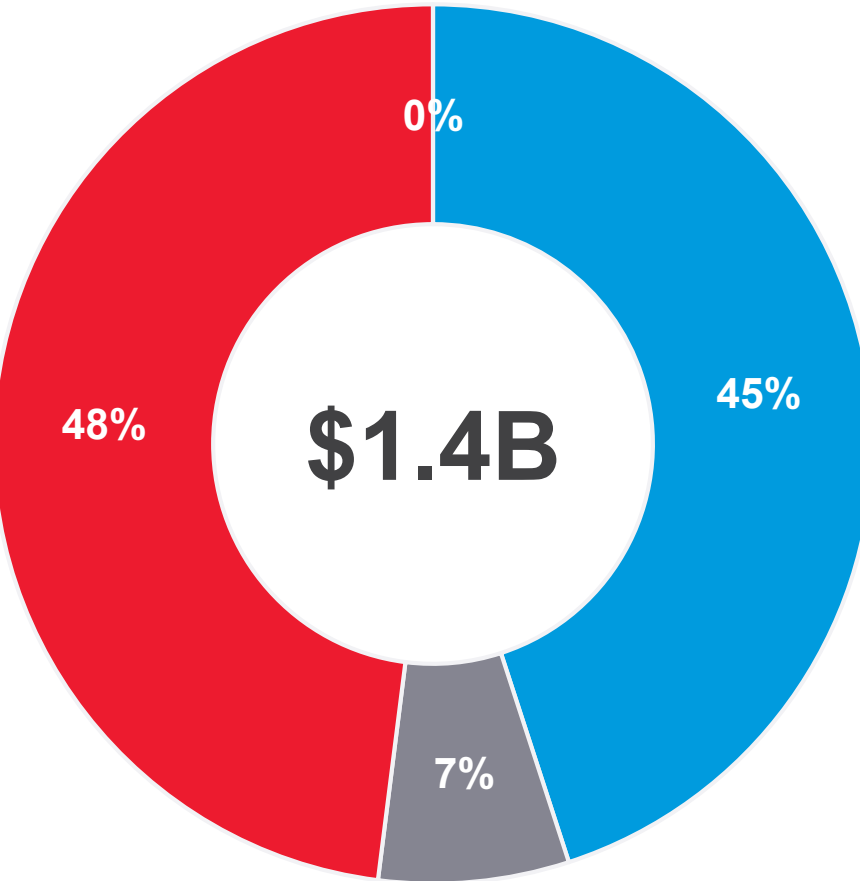
Total shareholder return, TSR (NYSE shares as of 12/31/2021): 1-yr 23% | 3-yr 135% | 5-yr 346%

NOTE: See reconciliation to GAAP in Appendix



Strategic capital allocation framework

Capital deployed over last 3 years
(through December 31, 2021)



- Reinvest in R&D
- M&A
- Dividends
- Share repurchase

Higher
priority

Lower
priority

Reinvest for growth

- Reinvest in product development for high-return organic growth
- 7% of FY 2021 revenue invested in R&D

Pursue M&A

- Actively evaluate potential acquisitions
- Pursue targets aligned with long-term strategic goals and financial objectives

Support dividends

- Regular return of cash to shareholders through dividend at a level that is meaningful and sustained

Opportunistically repurchase shares

- Opportunistic repurchase of shares
- Current program suspended following acquisitions of MatrixCare and Propeller

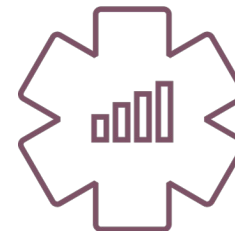
Disciplined focus on ROIC and delivering total return

Driving long-term shareholder value



Growth & Innovation

- Global leader in digital health for sleep and respiratory care
- Long-term growth opportunities
- 8,700+ patents and designs
- ~7-8% of revenue invested in R&D



Market Dynamics

- Underpenetrated markets in sleep and COPD
- Healthcare costs continue to increase
- Focus on improving patient outcomes
- Value-based technology solutions



Financial Results

- Historical revenue and profit growth
- Recurring revenue
- Operating excellence program
- Strong track record of disciplined capital deployment

ResMed is the global leader in connected & digital health

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APPENDIX



Reconciliation of non-GAAP financial measures

The measures “non-GAAP gross profit” and “non-GAAP gross margin” excludes amortization expense from acquired intangibles related to cost of sales and are reconciled below:

(Unaudited; \$ in thousands, except for per share amounts)

	Three Months Ended		Six Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue	\$ 894,874	\$ 800,011	\$ 1,798,890	\$ 1,551,955
GAAP Cost of sales	\$ 390,556	\$ 337,528	\$ 788,282	\$ 650,811
Less: Amortization of acquired intangibles	(11,231)	(11,164)	(22,289)	(23,143)
Less: Restructuring - cost of sales	-	(5,232)	-	(5,232)
Non-GAAP cost of sales	\$ 379,325	\$ 321,132	\$ 765,993	\$ 622,436
GAAP gross profit	\$ 504,318	\$ 462,483	\$ 1,010,608	\$ 901,144
GAAP gross margin	56.4 %	57.8 %	56.2 %	58.1 %
Non-GAAP gross profit	\$ 515,549	\$ 478,879	\$ 1,032,897	\$ 929,519
Non-GAAP gross margin	57.6 %	59.9 %	57.4 %	59.9 %

Note regarding non-GAAP reconciliations

ResMed adjusts for the impact of the amortization of acquired intangibles, reserve for disputed tax positions, restructuring expenses and the (gain) loss on equity investments from their evaluation of ongoing operations, and believes that investors benefit from adjusting these items to facilitate a more meaningful evaluation of current operating performance..

ResMed believes that non-GAAP diluted earnings per share is an additional measure of performance that investors can use to compare operating results between reporting periods. ResMed uses non-GAAP information internally in planning, forecasting, and evaluating the results of operations in the current period and in comparing it to past periods. ResMed believes this information provides investors better insight when evaluating ResMed’s performance from core operations and provides consistent financial reporting. The use of non-GAAP measures is intended to supplement, and not to replace, the presentation of net income and other GAAP measures. Like all non-GAAP measures, non-GAAP earnings are subject to inherent limitations because they do not include all the expenses that must be included under GAAP.

Reconciliation of non-GAAP financial measures, cont'd

The measure “non-GAAP income from operations” is reconciled with GAAP income from operations below:

(Unaudited; \$ in thousands, except for per share amounts)

	Three Months Ended		Six Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
GAAP income from operations	\$ 248,711	\$ 221,716	\$ 510,624	\$ 438,612
Amortization of acquired intangibles - cost of sales	11,231	11,164	22,289	23,143
Amortization of acquired intangibles - operating expenses	7,738	7,689	15,445	15,932
Restructuring - cost of sales	-	5,232	-	5,232
Restructuring - operating expenses	-	8,673	-	8,673
Non-GAAP income from operations	<u>\$ 267,680</u>	<u>\$ 254,474</u>	<u>\$ 548,358</u>	<u>\$ 491,592</u>

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Reconciliation of non-GAAP financial measures, cont'd

The measure “non-GAAP net income” and “non-GAAP diluted earnings per share” are reconciled with GAAP net income and GAAP diluted earnings per share in the table below:

(Unaudited; \$ in thousands, except for per share amounts)

	Three Months Ended		Six Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
GAAP net income	\$ 201,751	\$ 179,514	\$ 405,364	\$ 357,886
Amortization of acquired intangibles - cost of sales, net of tax	8,564	8,566	16,999	17,742
Amortization of acquired intangibles - operating expenses, net of tax	5,901	5,900	11,780	12,214
Reserve for disputed tax position	-	-	4,111	-
Restructuring - cost of sales, net of tax	-	4,663	-	4,663
Restructuring - operating expenses, net of tax	-	7,730	-	7,730
(Gain) loss on equity investments	-	-	-	(8,476)
Non-GAAP net income	<u>\$ 216,216</u>	<u>\$ 206,373</u>	<u>\$ 438,254</u>	<u>\$ 391,759</u>
GAAP diluted shares outstanding	147,040	146,421	147,044	146,350
GAAP diluted earnings per share	\$ 1.37	\$ 1.23	\$ 2.76	\$ 2.45
Non-GAAP diluted earnings per share	\$ 1.47	\$ 1.41	\$ 2.98	\$ 2.68

Note regarding non-GAAP reconciliations

ResMed adjusts for the impact of the amortization of acquired intangibles, reserve for disputed tax positions, restructuring expenses and the (gain) loss on equity investments from their evaluation of ongoing operations, and believes that investors benefit from adjusting these items to facilitate a more meaningful evaluation of current operating performance..

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