



# 42<sup>nd</sup> Annual William Blair Growth Stock Conference

Rob Douglas, President & COO

*June 8, 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.

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.

# Company Overview & Strategy



# Who we are / what we do

- Listed on NYSE & ASX, ~\$30B market cap
- World-leading digital health company with over 17 million 100% cloud-connectable devices
  - 19+ million patients in AirView monitoring ecosystem
  - 115+ million patient accounts in out-of-hospital care network
- Innovative designer and manufacturer of award-winning devices and cloud-based software solutions
  - Diagnose, treat, and manage sleep apnea, chronic obstructive pulmonary disease, and other respiratory conditions
- Products and solutions designed to improve patient quality of life, reduce impact of chronic disease, and lower healthcare costs
- Cloud-based software solutions and devices designed to provide connected care, improving patient outcomes and efficiencies for healthcare providers
  - Tools that allow fewer people to manage more patients
  - Empower patients to track own health outcomes

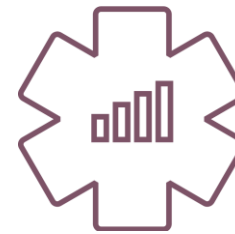


# Why invest? – *driving long-term shareholder value*



## Growth & Innovation

- Global leader in digital health for sleep and respiratory care
- Long-term growth opportunities
- 8,900+ 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

**Total Shareholder Return** *(NYSE shares as of 03/31/2022):*

**1-yr 26%   ■   3-yr 139%   ■   5-yr 255%**



# ResMed 2025 | Patient-centric, digitally-enabled strategy



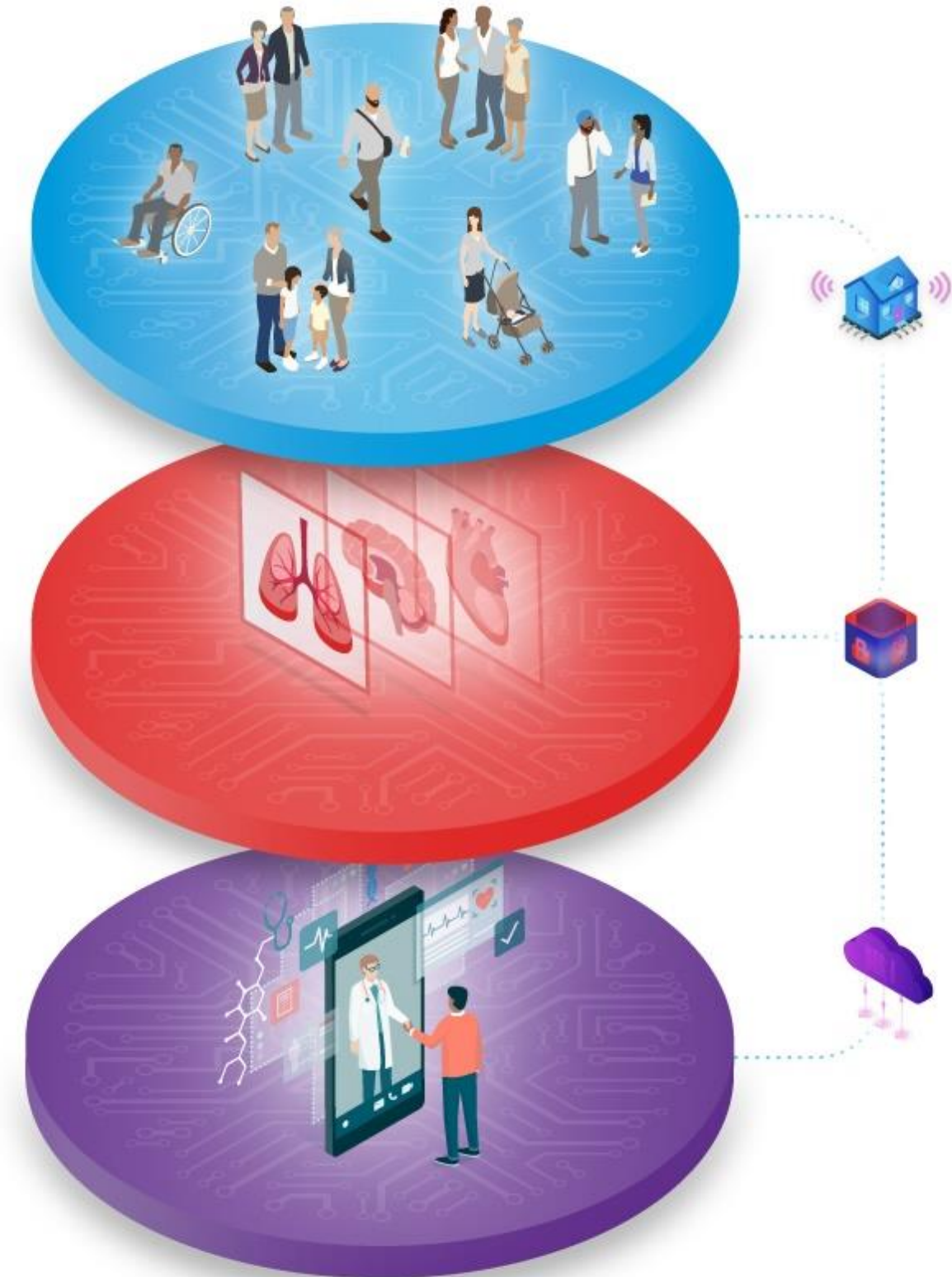
250 million lives improved  
in out-of-hospital healthcare  
in 2025!

**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



# Positioned to win

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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>

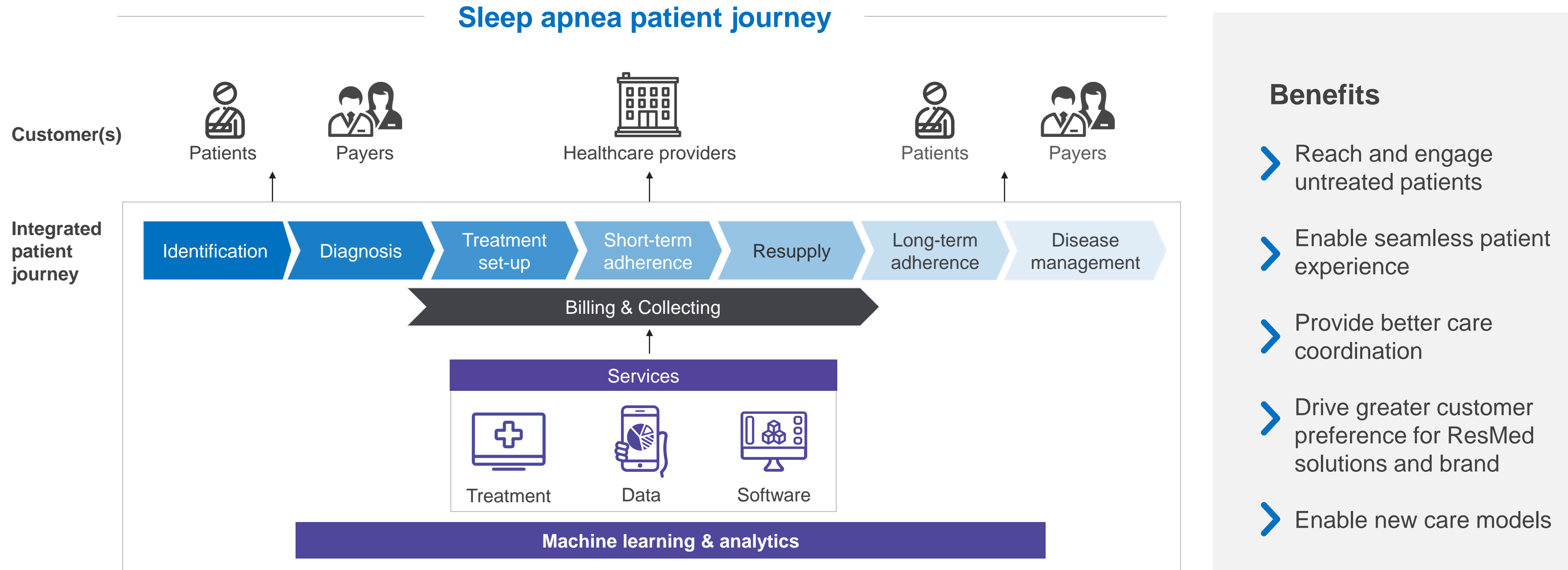
330M asthma patients<sup>6</sup>

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> The Global Asthma Report 2018. <http://globalasthmareport.org/burden/burden.php>. Accessed April 26, 2022.



# Transforming care by enabling an integrated healthcare model



Driving digital innovation across all aspects of the patient journey

# Leadership in OSA treatment with physical devices

## Devices

Latest launch



AirSense™ 11



AirSense™ 10



AirCurve™ 10



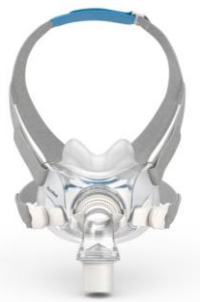
## Key differentiators

- ✓ 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)



# Leadership in OSA treatment with data applications



## Key differentiators

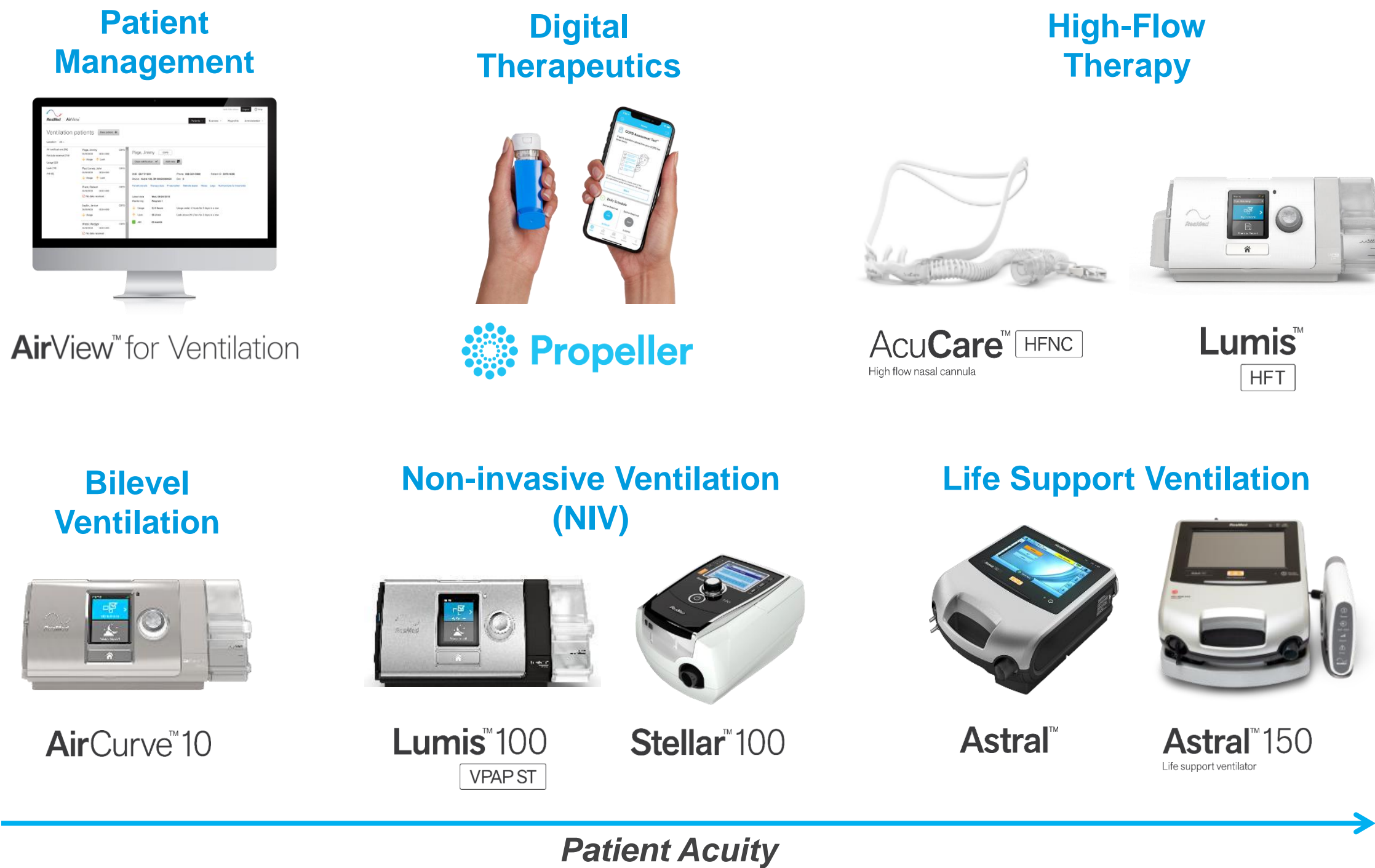
- ✓ User-friendly, intuitive platform provides milestone accomplishments and motivation to patients, increasing therapy adherence, and improving sleep quality
- ✓ Focused on app enhancements to enable long-term adherence for life vs. short-term (e.g., app-based nudges)
- ✓ Clear-cut market leader with over 4M 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 19M 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



# 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

# Leveraging our scale with data and digital solutions

With more than 11.5 billion nights of therapy usage data we have a unique ability to create actionable insights:

## Now

### For Patients

- Coaching and usage help in context through myAir app

### For Providers

- Patient management by exception, streamlined workflows, lower costs, higher adherence, and increased revenue

### For Payors

- Increased patient adherence and improved ROI on therapy

## Next

### For Patients

- **Personalized** coaching in myAir based on Machine Learning

### For Providers

- Patient management by **prediction**

### For Payors

- **Proof** that it pays to find and treat sleep apnea patients; improved patient management with PROMs

Benefitting all stakeholders with better outcomes and lower costs

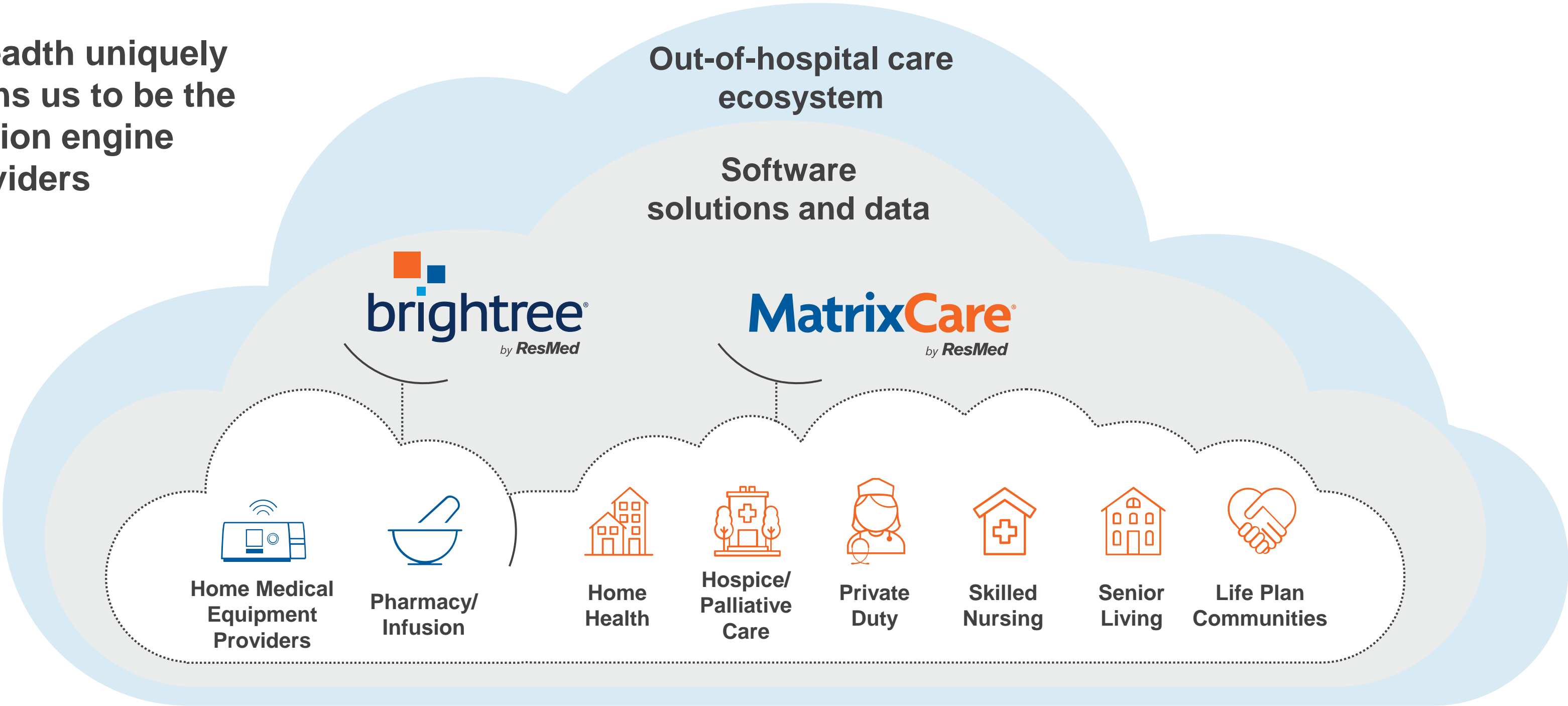


# Our Business: Software as a Service (SaaS)



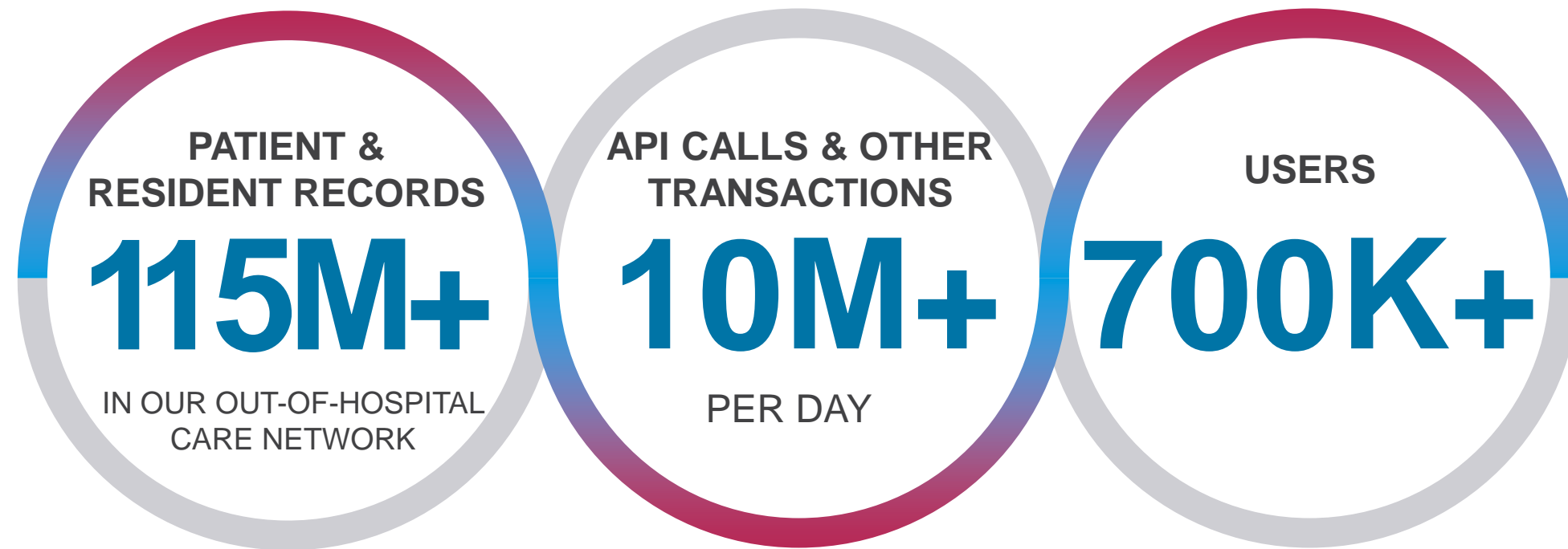
# Leading provider of cloud-based software for out-of-hospital care providers across multiple settings

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

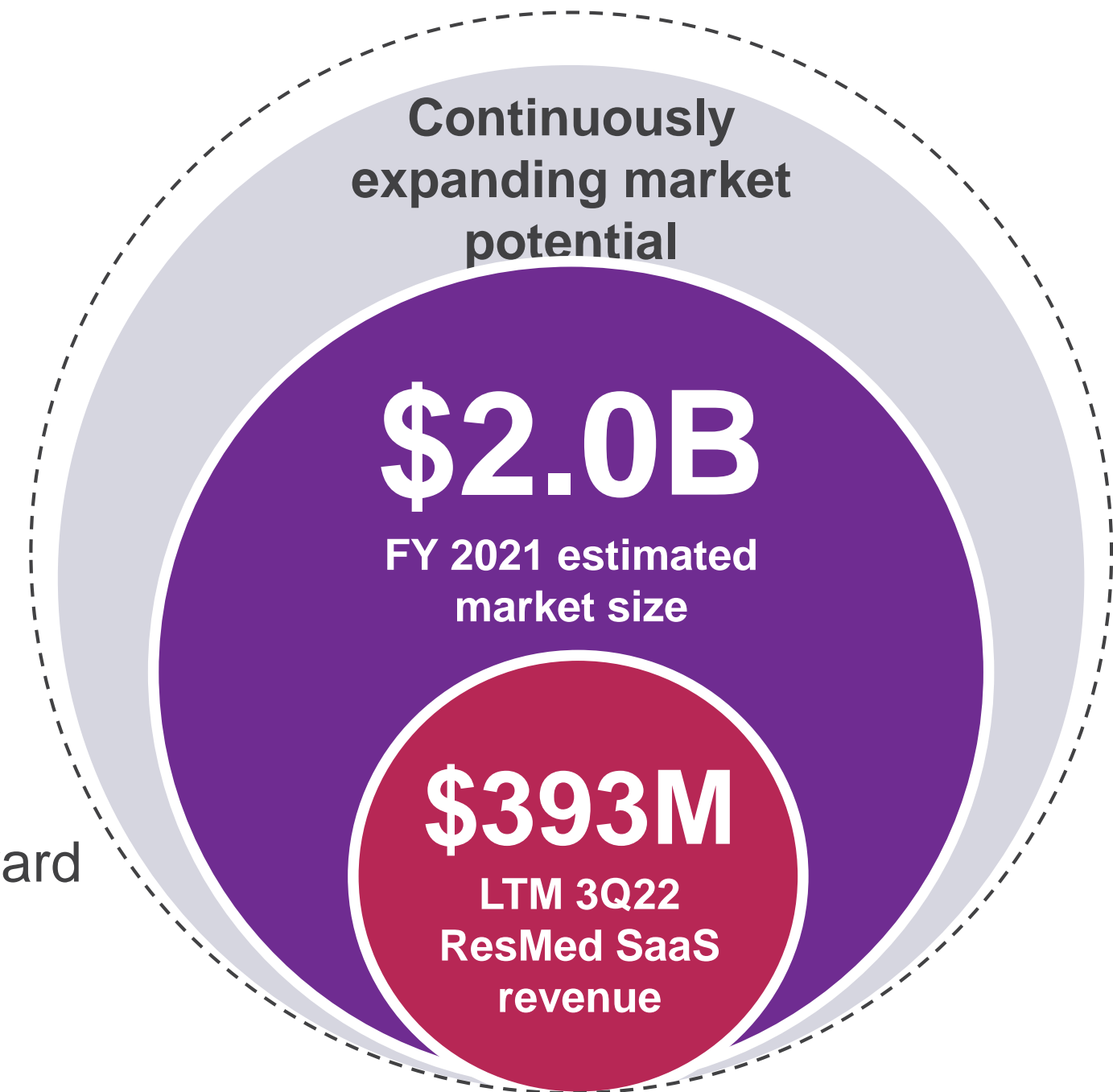


We are the gateway to out-of-hospital care

# We have a leading position across these markets



- ✓ **HME: #1 position** and expanding into Pharmacy / Home Infusion
- ✓ **Home Health & Hospice - Large:** 2020, 2021, 2022 Best in KLAS Award
- ✓ **Skilled Nursing Facility:** Multi-year winner of Best in KLAS Award



One of the leading market positions across the markets we serve – with room to grow

# 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

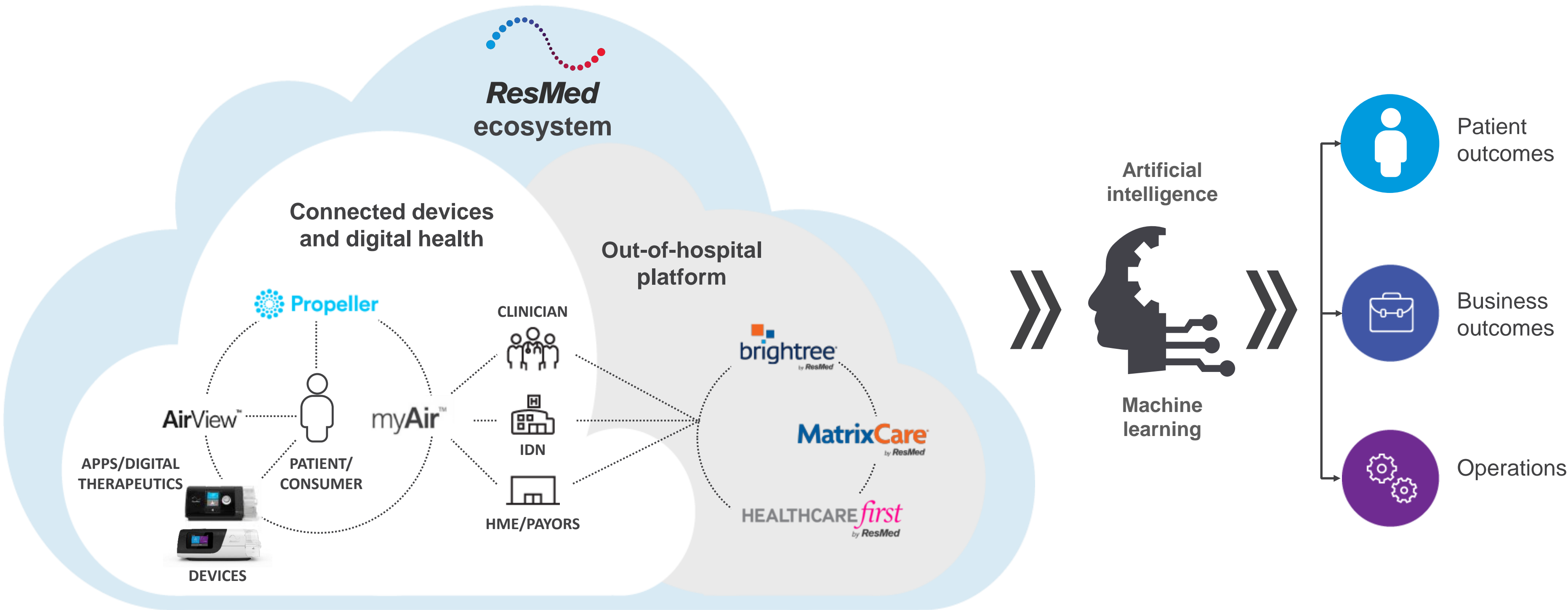
- Providers are diversifying and lines are blurring across the continuum; Skilled nursing facility owners are moving into home-based care
- We are working with our customers to address their needs, holistically across the markets they serve
- Our solutions are supported by the richness of our data

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

# Digital Health Technology



# Our digital health solutions improve outcomes and lower costs

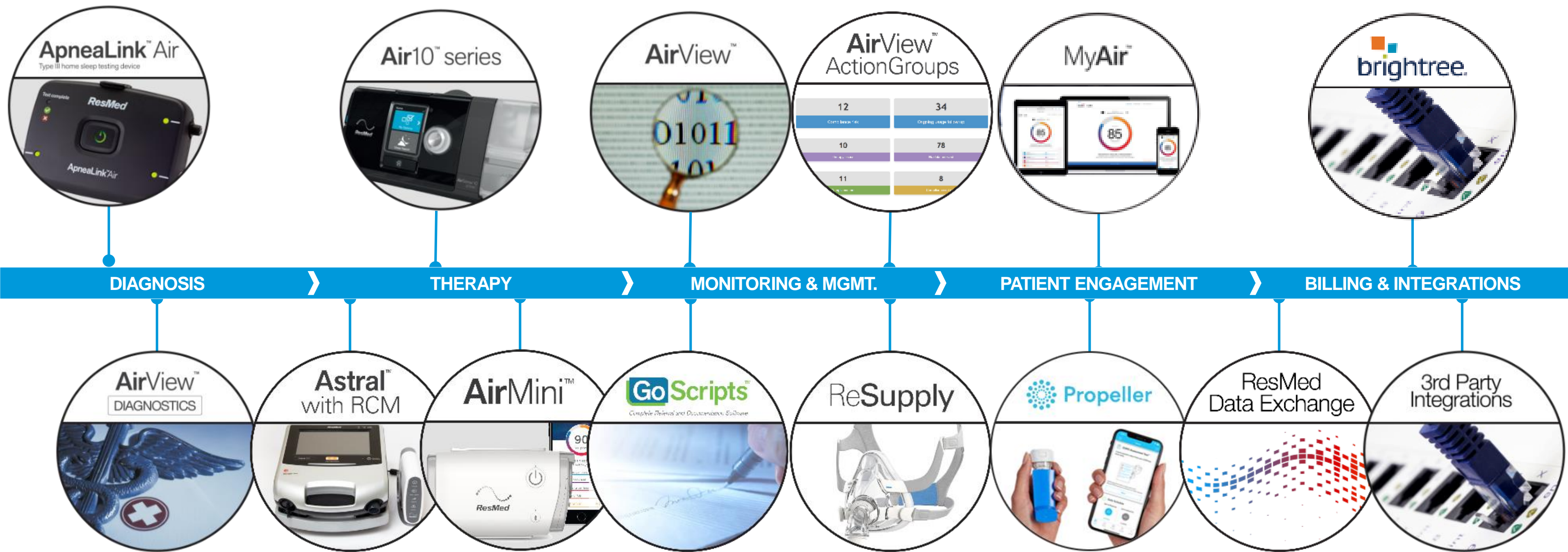


Focused on interoperability so our ecosystem works with the broader healthcare ecosystem



# We transform 11.5+ billion nights of medical data into useful outcomes

*End-to-end digital health solutions in sleep, respiratory care, and out-of-hospital healthcare*



# Global leader in digital health



**19+ million**  
patients on AirView™



**>17 million**  
100% cloud connectable devices worldwide



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



**>115 million**  
accounts in out-of-hospital care network



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



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

# Recent Quarterly Results

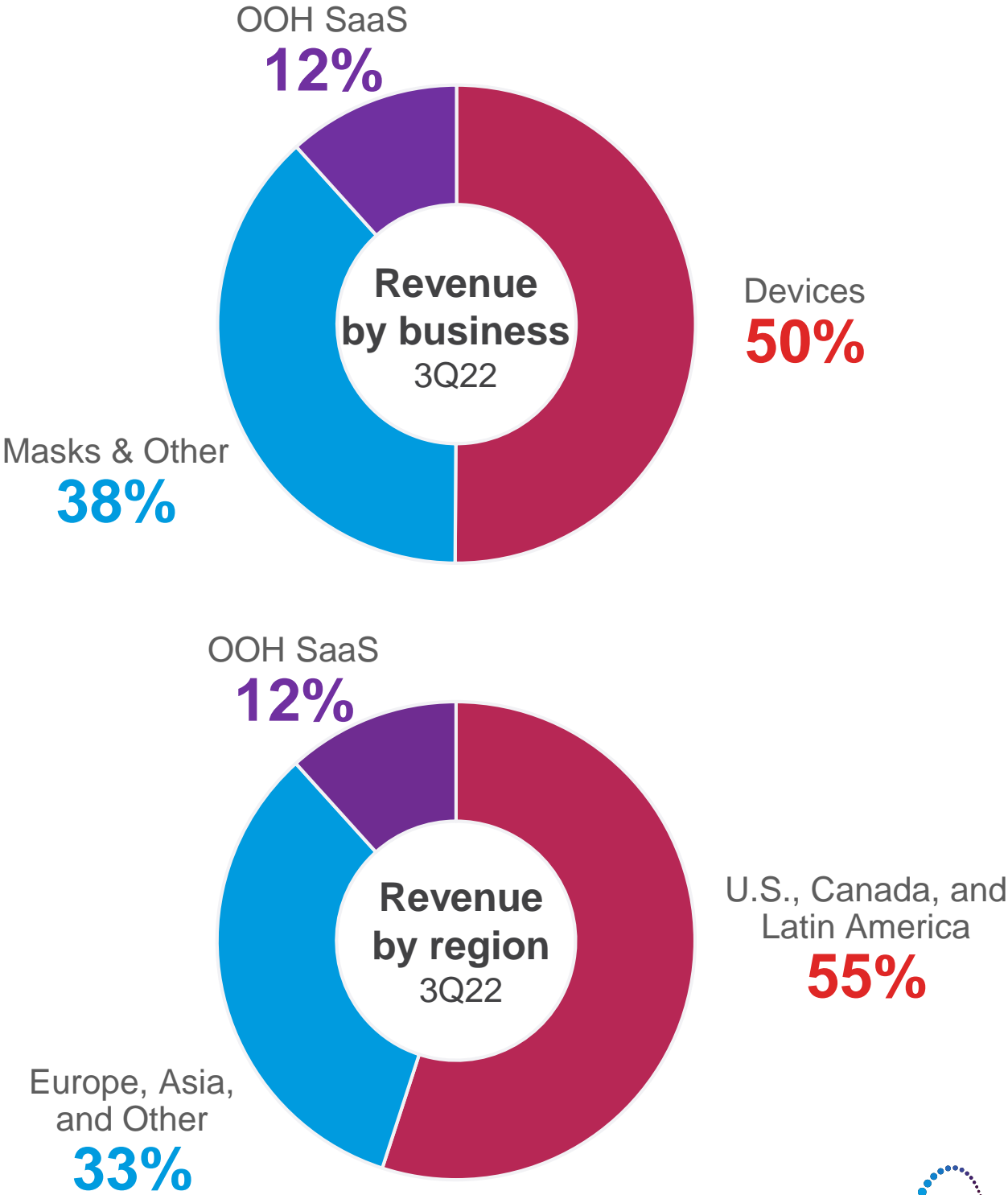


# Q3 FY22 financial results

\$ in millions, except per share amounts		3Q22
Revenue		\$864.5 +12%, +14% CC
Non-GAAP gross margin*		58.1% (150) bps
Non-GAAP operating income*		\$253.0 +5%
Non-GAAP EPS*		\$1.32 +2%

\* Refer to Non-GAAP reconciliations in the Appendix.

Diversified revenue  
by business & by geography



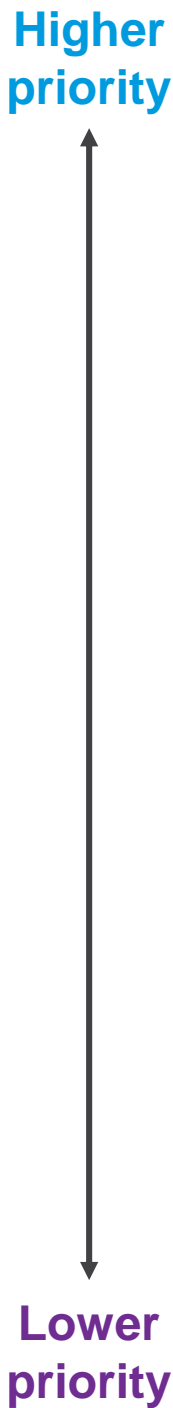


# Capital allocation

\$ in millions	3Q22
Cash and cash equivalents	\$202
Debt	\$681
Net debt	\$479
Free cash flow	\$69
Unused borrowing capacity	\$1,570

NOTE: Values may not calculate due to rounding

During 3Q22
<b>\$67M</b> invested in R&D (8% of revenue)
Paid <b>\$61M</b> in dividends to shareholders



Reinvest for growth

- Reinvest in product development for high-return organic growth
- 7-8% of 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

# Track record of strong financial returns for shareholders

(Financial data as of March 31, 2022)

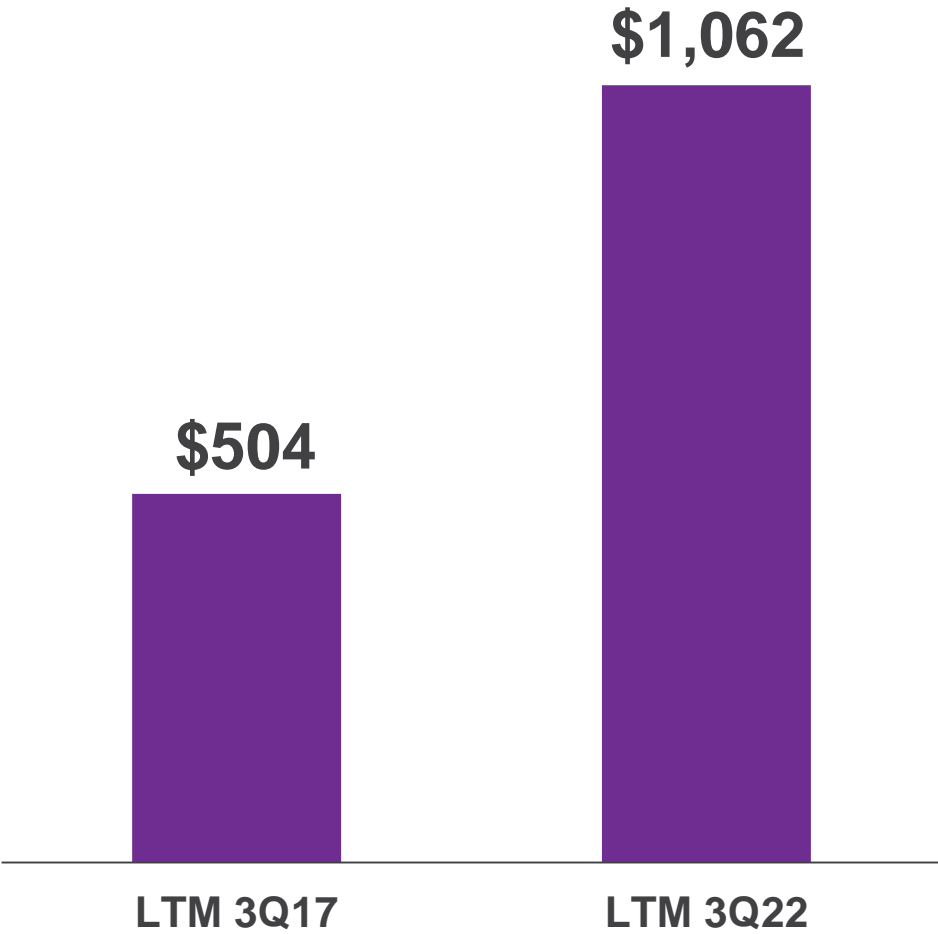
## Revenue (\$B)

12% CAGR



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

16% CAGR



## Non-GAAP EPS

15% CAGR




**Total shareholder return, TSR (NYSE shares as of 03/31/2022): 1-yr 26% | 3-yr 139% | 5-yr 255%**

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




Connected therapy devices




Connected medications



Masks



Software solutions

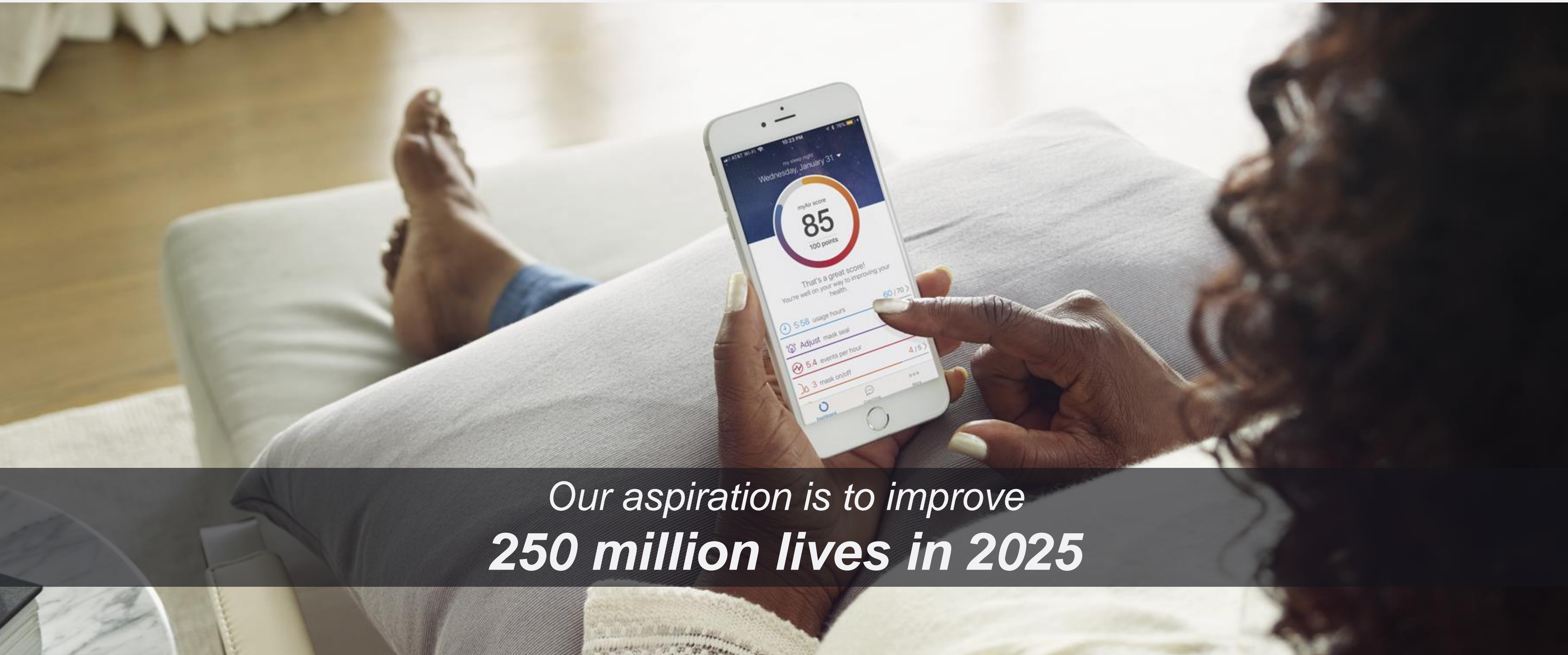


Services (Resmed 360)



Our **business aim** is to make our device therapies and connected systems indispensable by combining them with intelligent data products

*In the last 12 months, we changed over 137 million lives with our digital health products and cloud-based software solutions*



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



# Contact Investor Relations

Phone: (858) 836-5971

Email: [investorrelations@resmed.com](mailto:investorrelations@resmed.com)

Website: [investor.resmed.com](http://investor.resmed.com)

# 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		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue	\$ 864,500	\$ 768,767	\$ 2,663,390	\$ 2,320,722
GAAP Cost of sales	\$ 373,303	\$ 321,509	\$ 1,161,585	\$ 972,319
Less: Amortization of acquired intangibles <sup>(A)</sup>	(10,982)	(10,924)	(33,271)	(34,066)
Less: Restructuring—cost of sales <sup>(A)</sup>	—	—	—	(5,232)
Non-GAAP cost of sales	\$ 362,321	\$ 310,585	\$ 1,128,314	\$ 933,021
GAAP gross profit	\$ 491,197	\$ 447,258	\$ 1,501,805	\$ 1,348,403
GAAP gross margin	56.8%	58.2%	56.4%	58.1%
Non-GAAP gross profit	\$ 502,179	\$ 458,182	\$ 1,535,076	\$ 1,387,701
Non-GAAP gross margin	58.1%	59.6%	57.6%	59.8%

## 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		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GAAP income from operations	\$ 234,265	\$ 223,426	\$ 744,889	\$ 662,040
Amortization of acquired intangibles—cost of sales <sup>(A)</sup>	10,982	10,924	33,271	34,066
Amortization of acquired intangibles—operating expenses <sup>(A)</sup>	7,730	7,445	23,175	23,377
Restructuring—cost of sales <sup>(A)</sup>	—	—	—	5,232
Restructuring—operating expenses <sup>(A)</sup>	—	—	—	8,673
Non-GAAP income from operations	<u>\$ 252,977</u>	<u>\$ 241,795</u>	<u>\$ 801,335</u>	<u>\$ 733,388</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		Nine Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
GAAP net income (loss)	\$ 179,012	\$ (78,481)	\$ 584,376	\$ 279,405
Amortization of acquired intangibles—cost of sales, net of tax <sup>(A)</sup>	8,374	8,395	25,373	26,136
Amortization of acquired intangibles—operating expenses, net of tax <sup>(A)</sup>	5,894	5,721	17,673	17,936
Reserve for disputed tax position <sup>(A)</sup>	—	254,776	4,111	254,776
Restructuring—cost of sales, net of tax <sup>(A)</sup>	—	—	—	4,663
Restructuring—operating expenses, net of tax <sup>(A)</sup>	—	—	—	7,730
(Gain) loss on equity investments <sup>(A)</sup>	—	—	—	(8,476)
Non-GAAP net income <sup>(A)</sup>	<u>\$ 193,280</u>	<u>\$ 190,411</u>	<u>\$ 631,533</u>	<u>\$ 582,170</u>
GAAP diluted shares outstanding	146,962	145,513	147,034	146,394
Anti-dilutive shares excluded from GAAP	—	858	—	—
Non-GAAP diluted shares outstanding	<u>146,962</u>	<u>146,371</u>	<u>147,034</u>	<u>146,394</u>
GAAP diluted earnings (loss) per share	\$ 1.22	\$ (0.54)	\$ 3.97	\$ 1.91
Non-GAAP diluted earnings per share <sup>(A)</sup>	\$ 1.32	\$ 1.30	\$ 4.30	\$ 3.98

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