



ResMed

*Changing lives
with every breath*

➤ **ResMed Inc.**

Acquisition of Brightree

February 22, 2016



➤ Forward Looking Statements

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.

➤ Transaction Overview – *Accretive after close*

Transaction

- \$800 million, all cash
- 2015 EBITDA multiple: 13.5x with tax benefits, 18.8x without
- Closing expected by the end of Q4 fiscal year 2016, subject to customary conditions

Leverage

- Financed with cash and debt from existing bank syndicate
- Proforma leverage of 1.0x Net Debt to LTM EBITDA

Tax Synergies

- Significant cash tax benefit improves cash flow, acquisition multiple

Accretion

- Accretive to Non-GAAP EPS after close and continues to be accretive in subsequent years

➤ Strategic Rationale – *Reinforces ResMed's tech-driven focus*

- Strengthens ResMed's global leadership in connected care solutions
 - Adds to growth opportunities for software revenues
 - Complements ResMed's Air Solutions platform
 - Creates expansion opportunities in home health, hospice and post-acute coordination
- Combination gives new tools to HME customers to help improve operating efficiencies, cash flows and patient care
- Adds recurring stream of software revenue

➤ Brightree – *Profitable with strong financials*

Brightree by the Numbers

80%+

2015 CY Recurring Revenue

\$113M

2015 CY Revenue

~\$43M

2015 CY EBITDA

Business Overview

- Headquarters: Atlanta, GA
- Year founded: 2002
- Total customers: 2,500
- Value of claims filed \$14B
- No. of patients: 48M lives
- No. of employees: 450

➤ Tax synergy – *A benefit to cash flow and acquisition multiple*

- Brightree is structured as a limited liability company, allowing transaction to be treated as an asset sale for all tax purposes
 - ResMed to receive a step-up in the cost basis of the assets being acquired
- ResMed expects a reduction in future cash income taxes as a result of tax-deductible goodwill
- Anticipated cash tax benefit improves acquisition multiple
 - PV of the tax benefit reduces acquisition price, brings multiple to 13.5 times 2015 adjusted EBITDA
 - Without the tax benefit, the acquisition multiple would be 18.8 times 2015 adjusted EBITDA
 - Benefit estimated at ~\$300 million over 15 years, with a present value estimated at ~\$225 million

➤ Brightree - *A leader in post-acute technology and solutions*

Brightree Description

Leading cloud-based provider of HME billing, inventory management and accounts receivable software

- Recognized industry leader with broad customer and partnerships

Cloud-based Software & Solutions

Leader in attractive market segments

- HME/DME billing and management
- Home health and Hospice
- Infusion/Non-retail pharmacy
- Revenue cycle management

Market Opportunities

Drive integrations with existing and Brightree customer base, add more efficiencies for customers and expand to other market segments

- Recurring, stable revenue growth through solutions in HME/DME billing and management
- Leverage ResMed end-to-end solution expertise with Brightree technology to expand in other market segments like home health and hospice

> Brightree - *Recognized industry leader with unmatched footprint*

Strong credentials and deep relationships with a diverse network of customers

Industry Recognition



3 consecutive years



6 consecutive years



2 consecutive years



6 consecutive years

Thought Leadership



First dedicated post-acute care vendor to become a member of the CommonWell Alliance – a not-for-profit organization focused on advancing HCIT interoperability



preview. plan. connect.

Continuous presence at industry tradeshows and conferences

Large PAC Ecosystem Footprint



2,500+ PAC customers



83,000 users



48M total patient lives



\$14B+ in claims filed annually

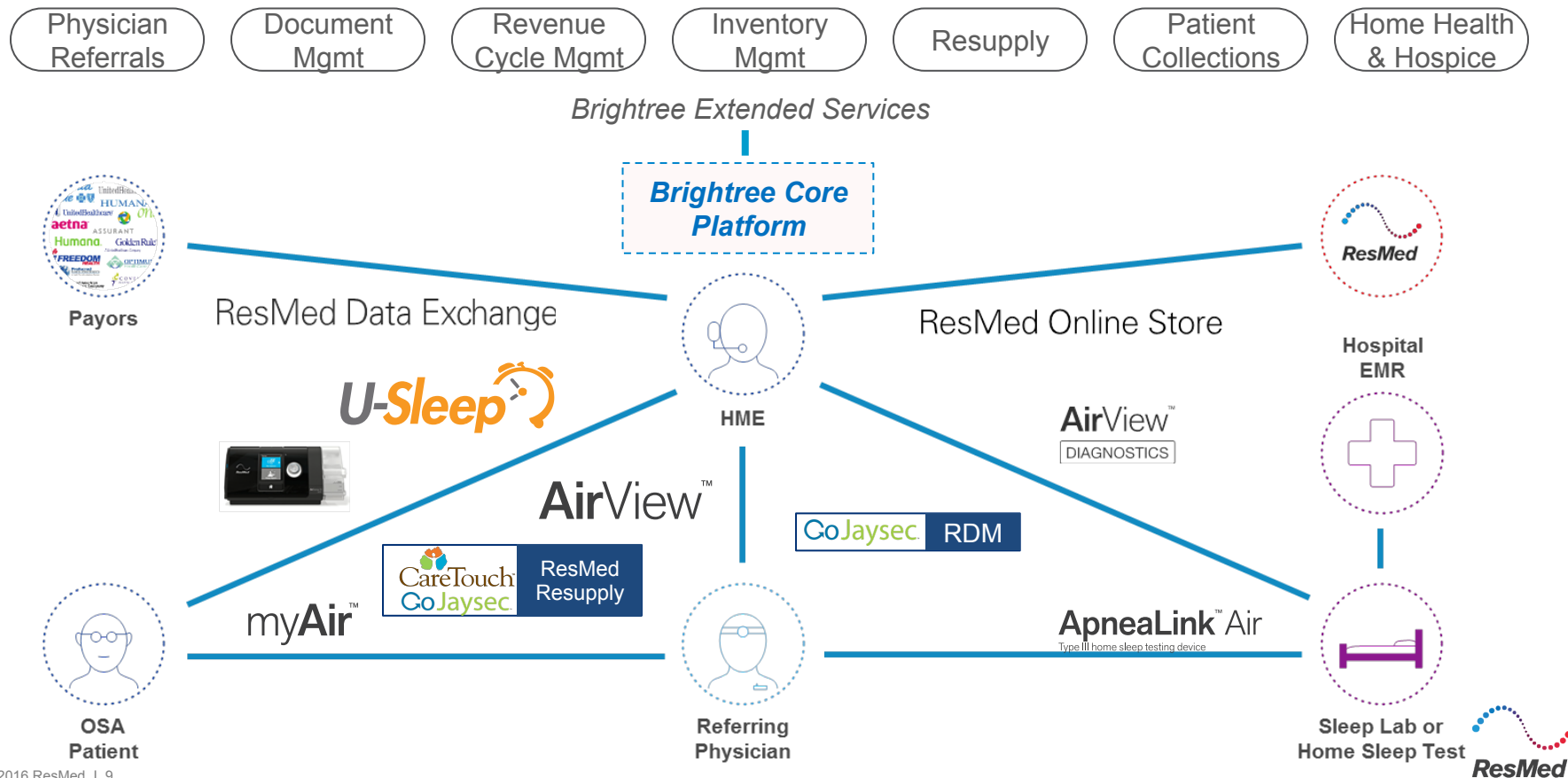


8M new patients added in 2015YTD August



\$572M collected from patients

> Air Solutions - Combined solution delivers efficiency & profitability



➤ After Closing – *Expanded capabilities with little disruption*

- Brightree will operate as a separate entity
- Brightree's suite of business management and clinical software will enhance Air Solutions Platform for our HME customers
- Brightree will expand ResMed's capabilities to help customers be more profitable as they use embedded solutions and resupply to more efficiently manage their business and patients
- The acquisition of Brightree will allow ResMed to drive further enhancements and innovations for a broader range of healthcare providers including home health, hospice and post-acute coordination, across an increasingly interconnected continuum of care

Questions & Answers