



ResMed Inc.

36th Annual J.P. Morgan Healthcare Conference

Mick Farrell – CEO

January 8, 2018

➤ 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.

➤ Why invest in ResMed? - *Driving long-term shareholder value*



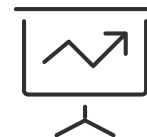
Market Dynamics

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



Growth & Innovation

- Global leader in connected health for sleep and respiratory care
- Long-term growth opportunities
- 5,000 + patents
- ~ 7% of revenue invested in R&D



Financial Results

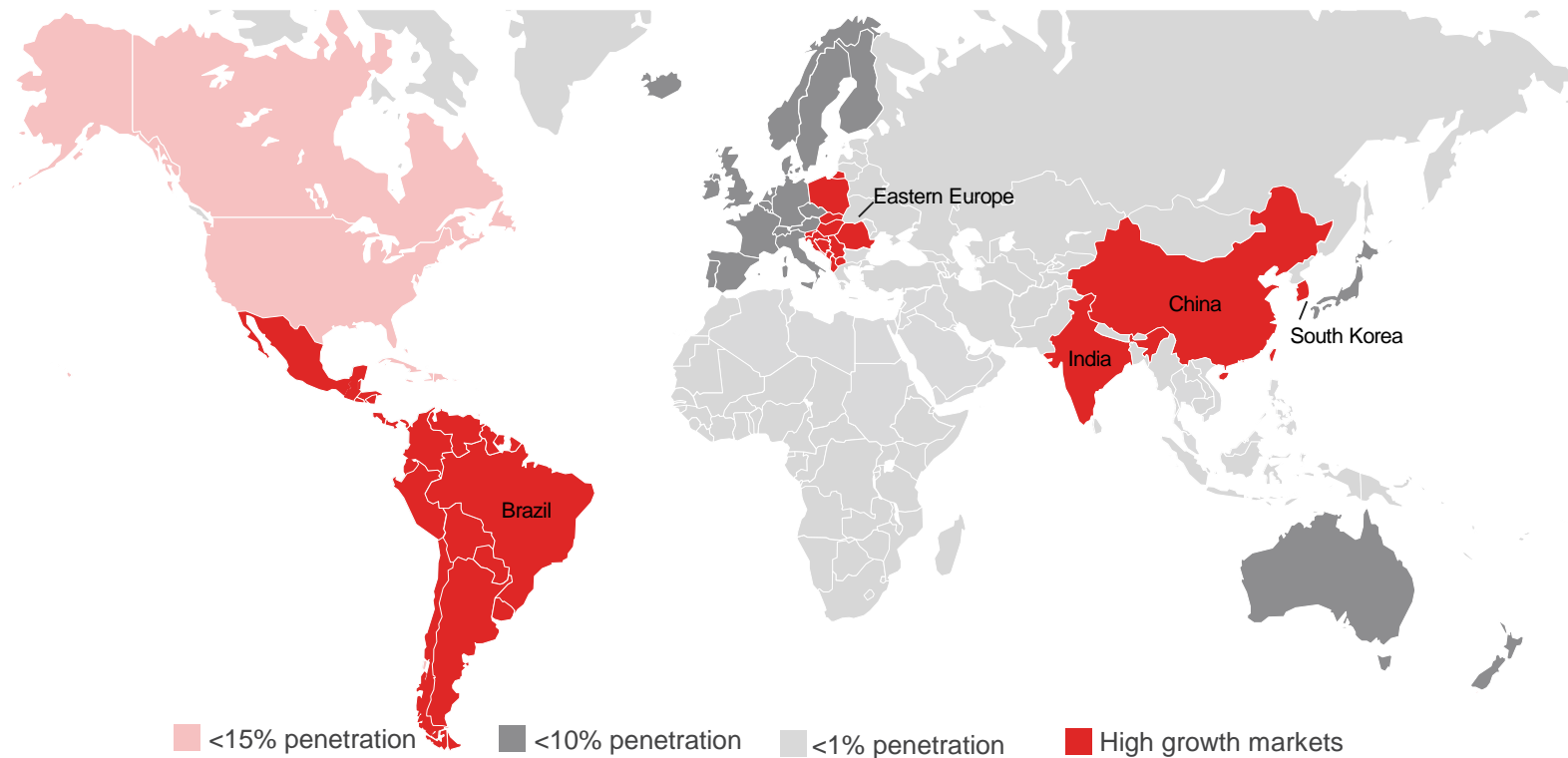
- Historical revenue and profit growth
- Recurring revenue
- Operating excellence program
- Strong track record of capital deployment

➤ Market Dynamics

> Sleep apnea is a huge and underpenetrated market



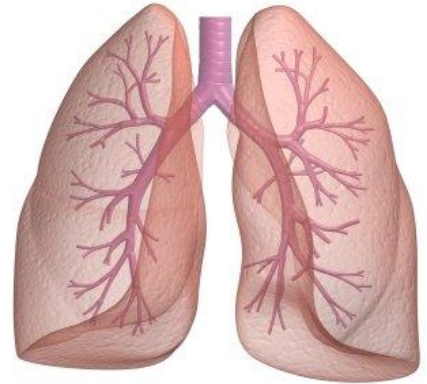
Sleep Heart Health Study: 26% of adults have sleep apnea



> 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

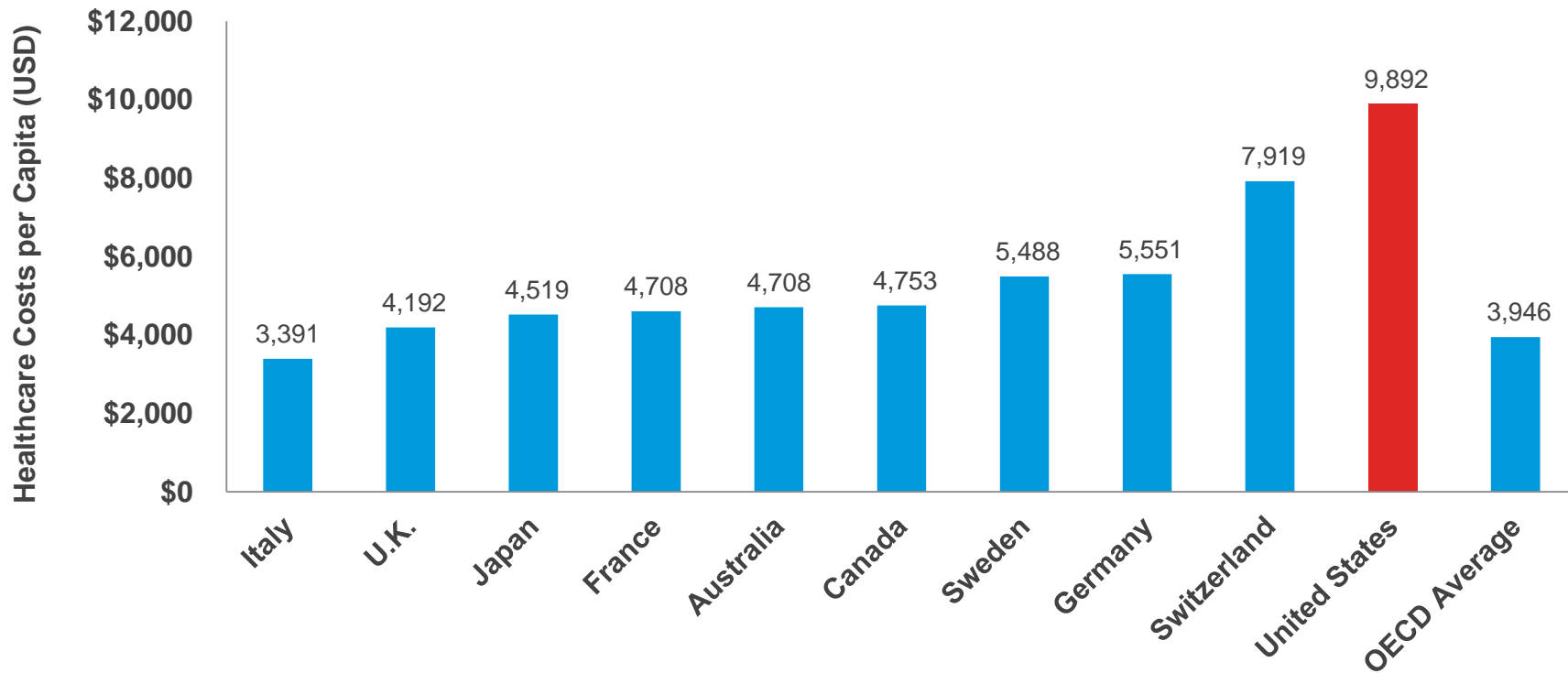
³Company estimates based on World Health Organization estimates and Zhong et al. "Prevalence of Chronic Obstructive Pulmonary Disease in China" *Respiratory and Critical Care*

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 (2017), Health spending (indicator). Chart uses purchasing power parities to convert data into U.S. dollars

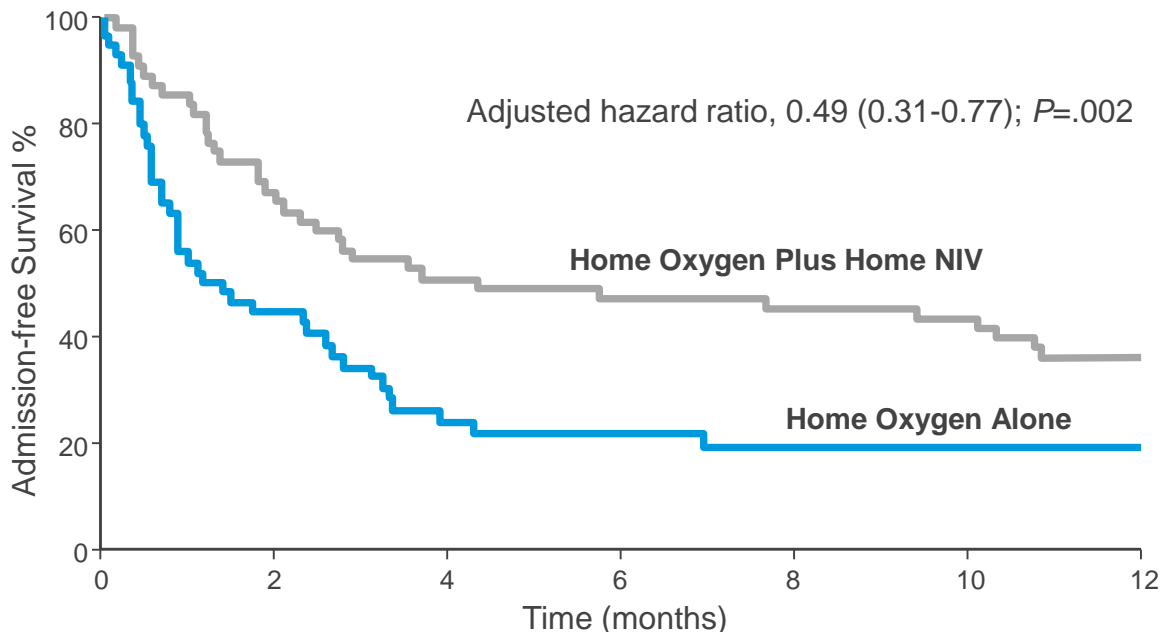
> Non-invasive Ventilation and Oxygen: *Better outcomes*



Combining non-invasive ventilation (NIV) with home oxygen therapy (HOT):

- **Reduced hospitalization and mortality by 51%**
- Increased time to re-admission or death by ~90 days

Admission-free survival by treatment arm over one year



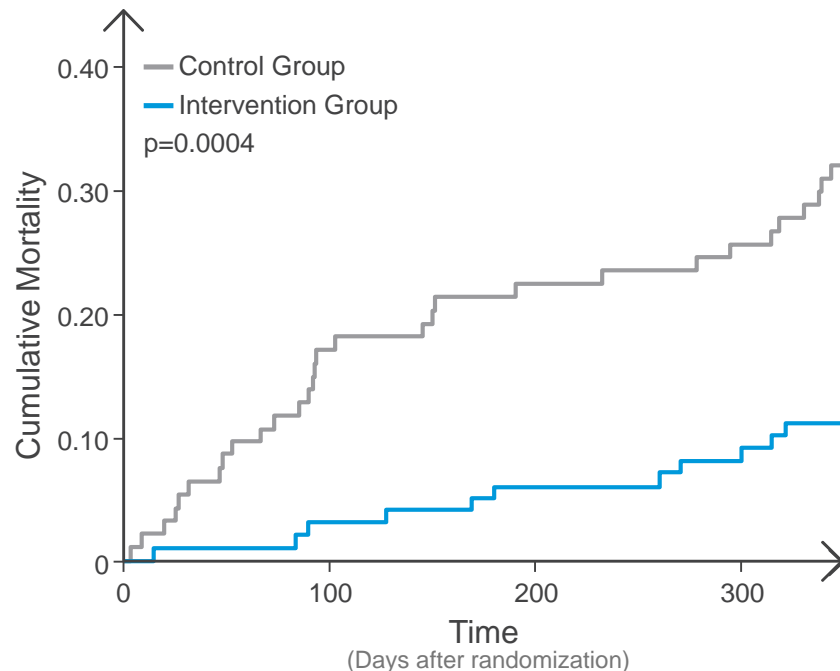
1 P. Murphy et al., Effect of Home Noninvasive Ventilation With Oxygen Therapy vs Oxygen Therapy Alone on Hospital Readmission or Death After an Acute COPD Exacerbation. A Randomized Clinical Trial, JAMA .Published online May 21, 2017. doi:10.1001/jama.2017.4451.

> NIV: *Potential to improve outcomes in COPD*



THE LANCET Respiratory Medicine

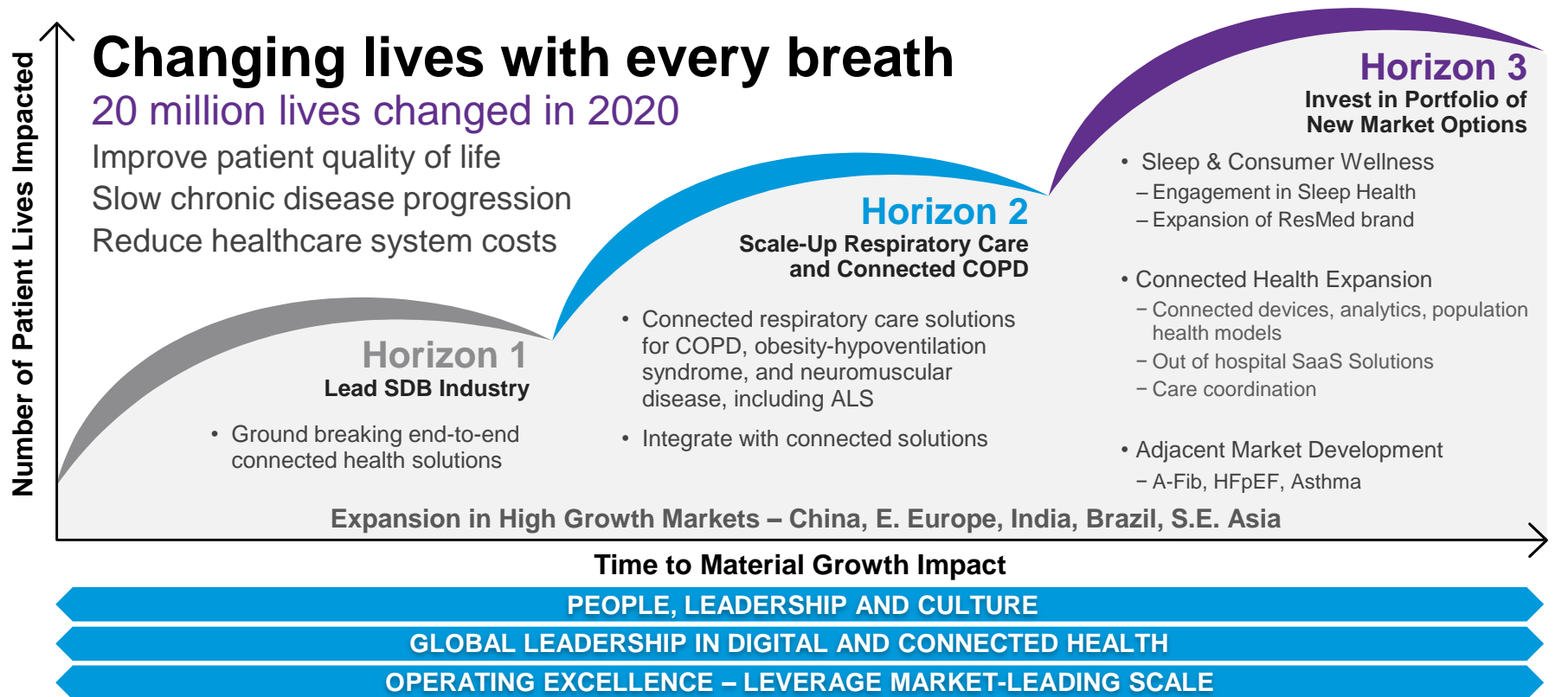
- Mortality risk reduced by over 60%* using long-term non-invasive ventilation (NIV) treatment in severe, hypercapnic chronic obstructive pulmonary disease (COPD)
- One-year mortality in the two matched COPD cohorts:
 - 12% mortality (NIV intervention group)
 - 33% mortality (control group)
- Significant 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

➤ Growth & Innovation

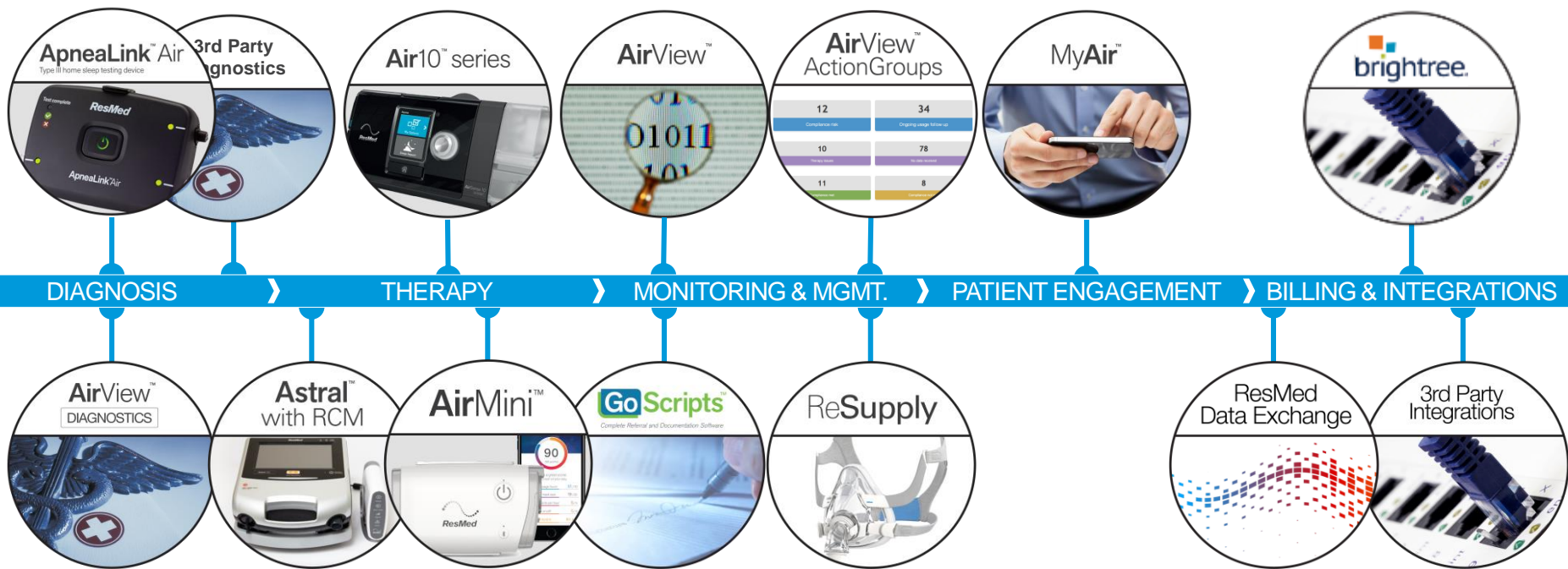
➤ ResMed's growth strategy



> We have over 1.5 Billion nights of data in the cloud



Connected Health solutions from end-to-end in sleep and respiratory care





AirView™ has over
6 million patients

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

30 API calls per **second**
from integrators

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

Brightree has **45 million+**
patients in out-of-hospital
connected health network

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

➤ Connected Health - *Better outcomes, improved efficiencies*



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. Munafo, 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

> AirMini™ - the world's smallest and best travel-CPAP



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

Now it's my favorite travel partner.

Rewrite your bedtime stories.

> Global leadership in sleep apnea management



AirSense™10



AirView™



myAir™



> Mobi™ – our newest portable oxygen concentrator



➤ Full spectrum of solutions for respiratory care



High-Flow Therapy



AcuCare™ high flow

Portable Oxygen Concentrator



Mobi™

Bilevel Ventilation



AirCurve 10

Non-invasive Ventilation (NIV)



Lumis™



Stellar™

Life Support Ventilation



Astral™



Astral™ with RCM

→
Patient Acuity

➤ Longer term growth through a portfolio of options



• Sleep & Consumer wellness

- Engagement in Sleep Health
- Expansion of ResMed brand

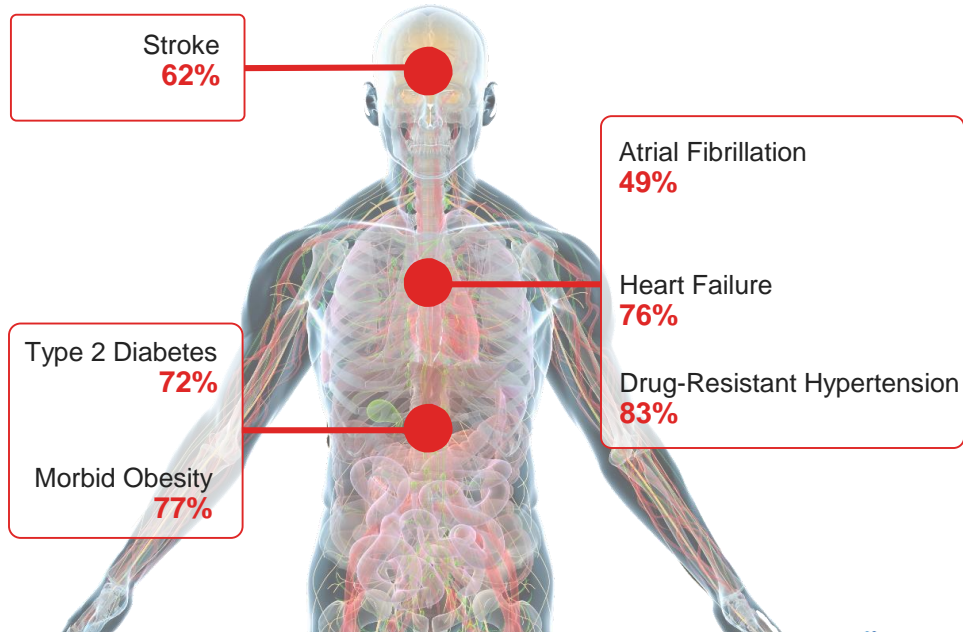


• Connected Health Expansion

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

• Adjacent Market Development

- A-Fib, HFpEF, Asthma, Monitoring



Percentages reflect prevalence of sleep apnea in patients with these conditions

➤ Financial Results

> Q1 FY18 financial results

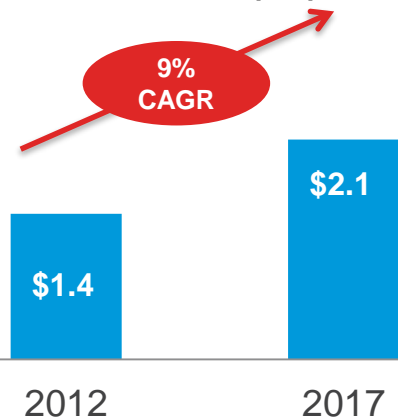


Key Financial Metrics	Q1 2018
Revenue	\$523.7M +13% (+11% CC)
Gross margin	58.4%
Non-GAAP operating profit*	\$124.3M +12%
Non-GAAP net income*	\$94.1M +7%
Non-GAAP EPS*	\$0.66 +6%
Cash flow from operations	\$94.0M
Free cash flow	\$78.0M

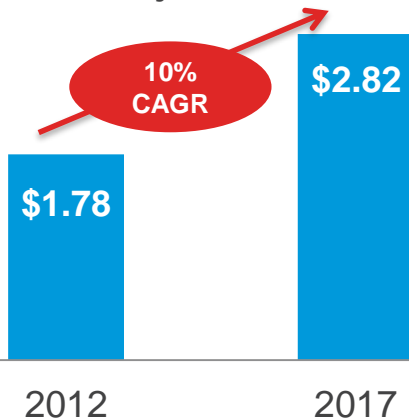
> Disciplined financial track record



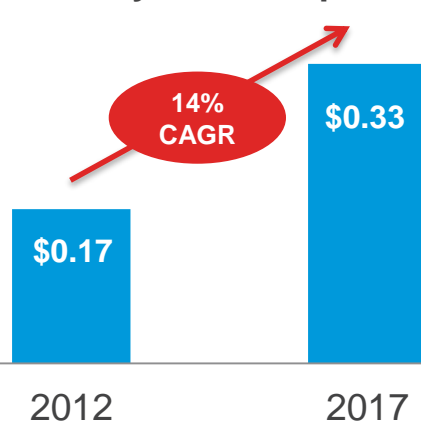
Revenue (\$B)



Adjusted EPS

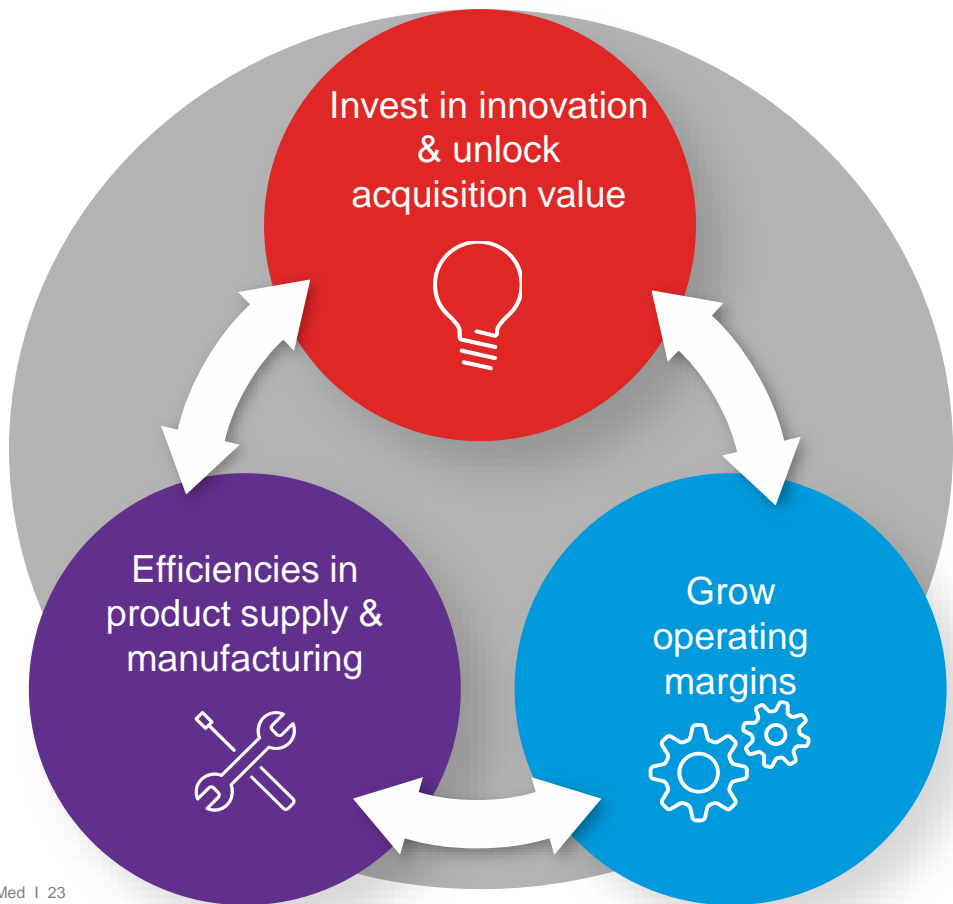


Quarterly dividend per share

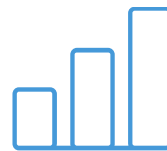


Fiscal Years ended June 30

> Operating Excellence: *a continuous process at ResMed*



ResMed's
Operating
Excellence
Process



Expand
Operating
Leverage



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**

➤ Changing lives with every breath

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

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

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Thank you

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