



39th Annual William Blair Growth Stock Conference

Mick Farrell, CEO

June 6, 2019



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.

Company Overview & Strategy



Who we are / what we do

- Listed on NYSE & ASX, ~\$15B market cap
- World-leading connected health company with more than 9 million 100% cloud-connectable devices
 - More than 10 million patients in AirView monitoring ecosystem
 - Nearly 80 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 health applications 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





Key demographic, political, and healthcare trends present multiple opportunities for ResMed

MACRO

Healthcare continues to rise in importance as a major topic on social and political agendas around the world.

Increasing Chronic Disease Burden



Aging Population



Healthcare Costs Growing



Physician Shortages



The shift to value-based healthcare and consumerization-of-care is here to stay.

MICRO

Healthcare System Pain Points

Delivering the correct care when needed

Delivering care in lower cost settings

Patient Engagement

Documentation

Data Availability

Communication

Analytics

Integration of **Data & Technology** is key to driving increased awareness & treatment



ResMed's 2025 strategy



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

Purpose

- Empower people to live healthier and higher quality lives in the comfort of their home

Growth Focus

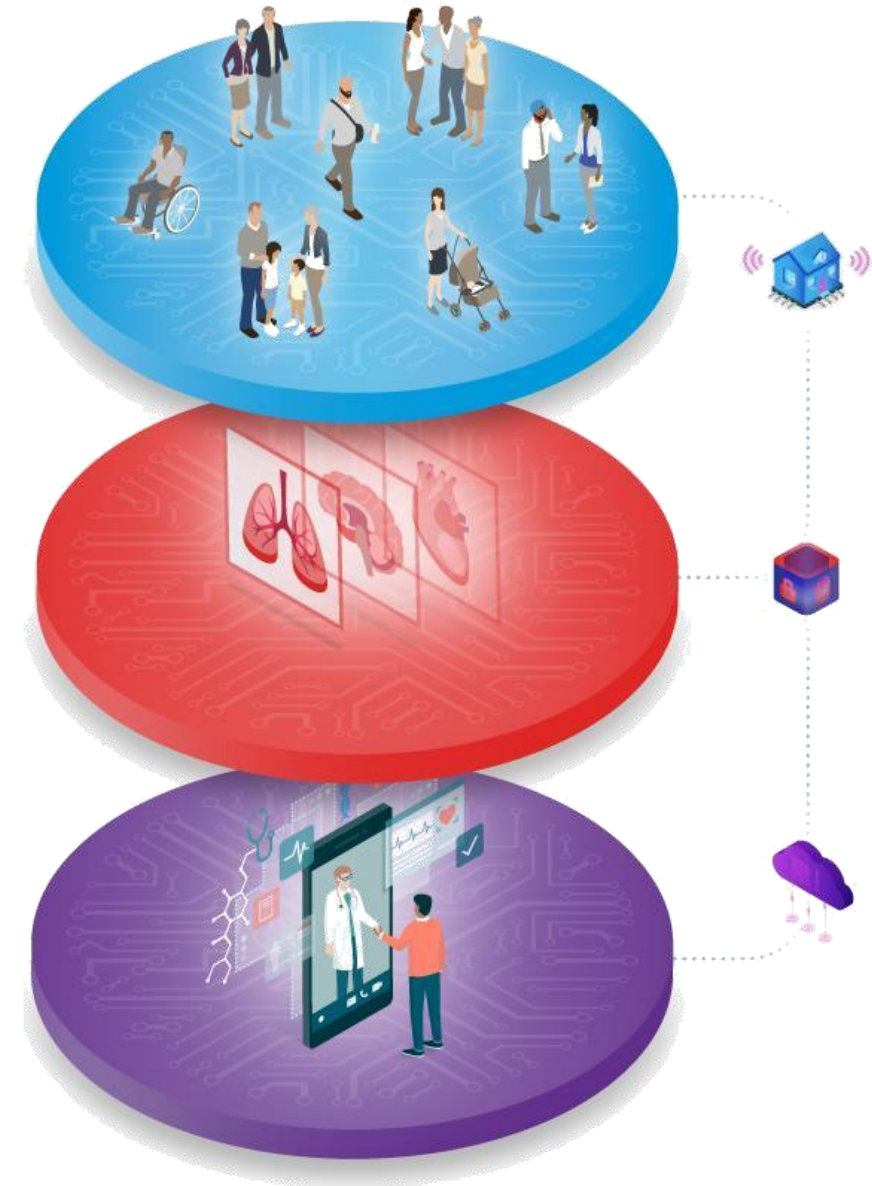
- Global health epidemics in **sleep apnea**, **COPD**, other major chronic conditions, and caring for patients with **SaaS** solutions in the out-of-hospital setting

Growth Advantage

- Transform patient 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
- Advanced analytics leadership in our markets



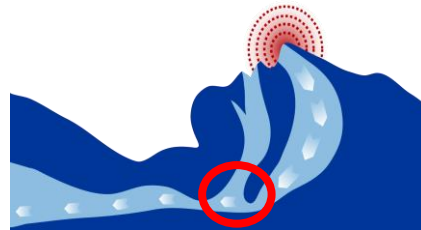
Our Business - Sleep

> What is sleep-disordered breathing?

- Abnormal respiration during sleep – the cessation of breathing or “sleep suffocation”
- Most prevalent is **obstructive sleep apnea** – collapse of the upper airway despite ongoing effort
- Other types include central sleep apnea -- lack of breathing *and* lack of effort -- and mixed apnea



Normal airway



Partially obstructed airway



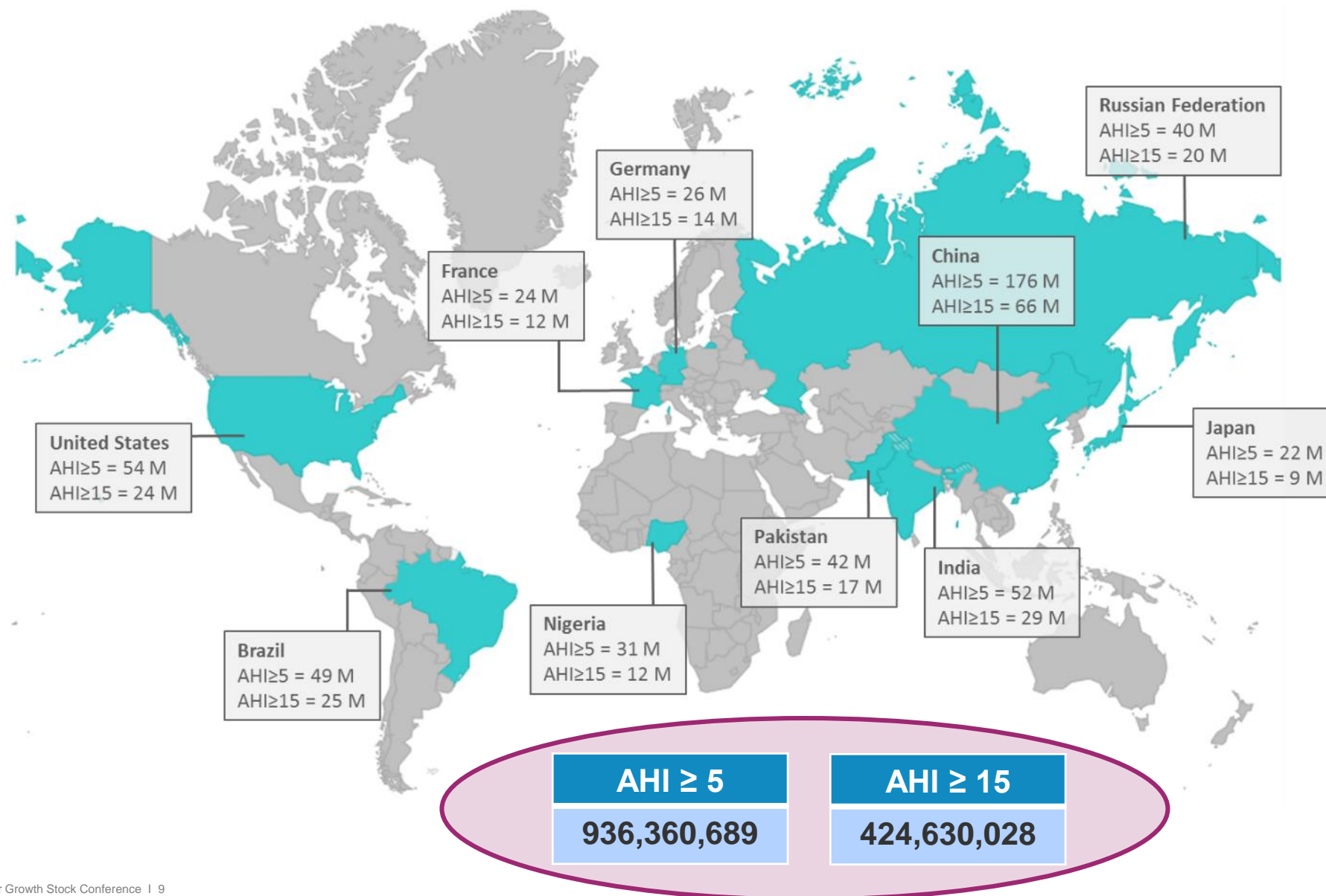
Obstructed airway



Arousal



The global prevalence of sleep apnea is enormous and growing...





Sleep apnea is more than 80% undiagnosed....

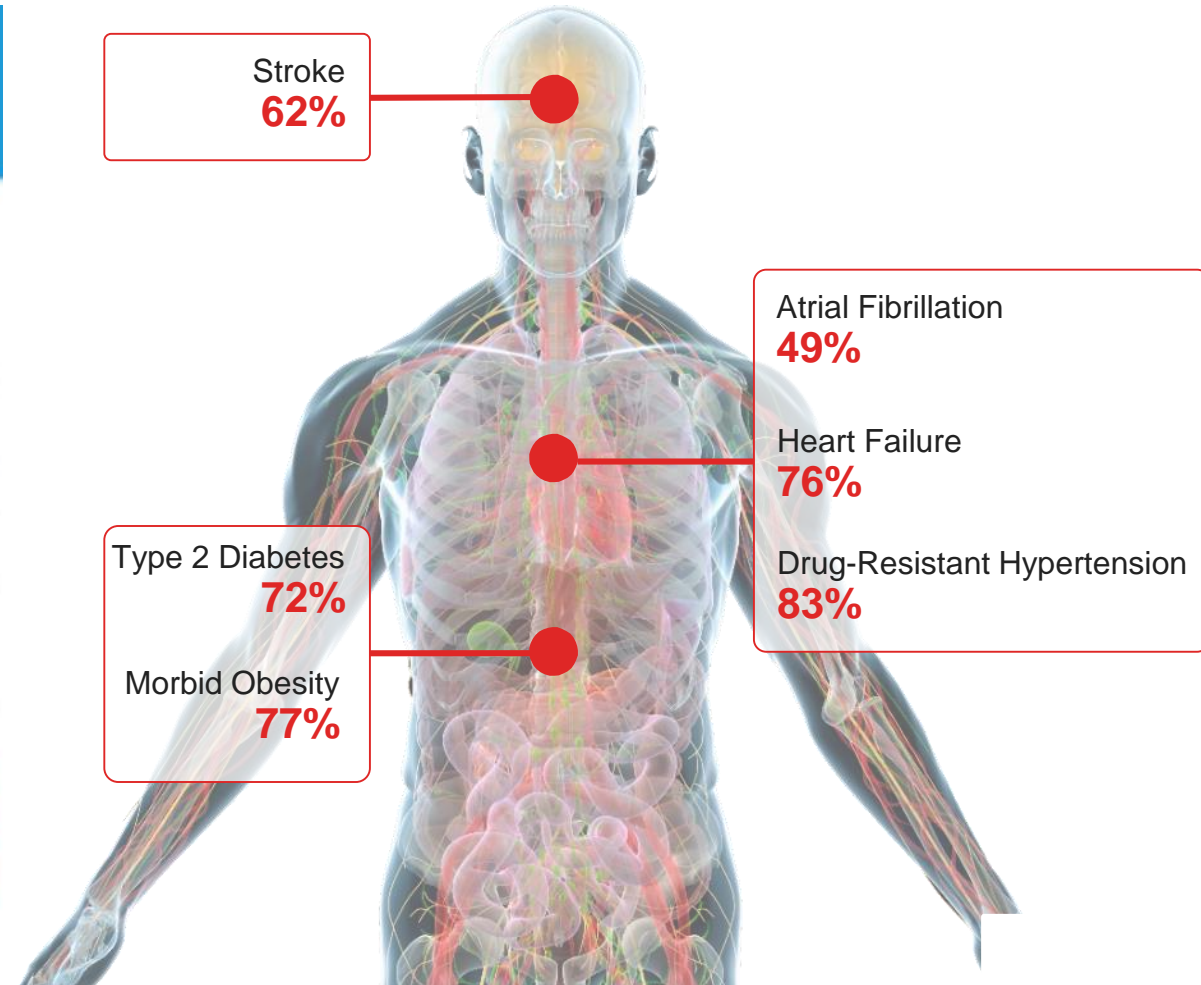
....and is highly prevalent in other chronic conditions

For every 100 U.S. adults...

4 KNOW THEY HAVE SLEEP APNEA^{1,2}



22 DON'T KNOW THEY HAVE IT^{1,2}



¹ Peppard PE et al. *Am J Epidemiol* 2013

² Young T et al. *Sleep* 1997

References: Gami AS et al. *Circulation* 2004, O'Keefe and Patterson, *Obes Surg* 2004, Logan et al. *J. Hypertension* 2001, O'Keefe T and Patterson E.J. *Obes Surg* 2004, Einhorn D et al. *Endocr Pract* 2007, Bassetti C and Aldrich M. *Sleep* 1999



Transforming the treatment & management of sleep apnea

Quiet



AirSense™ 10



AirSense™ 10 AutoSet for Her



AirCurve™ 10

Compact



Comfortable



AirFit™ P10
Nasal Pillows System



AirFit™ N20
Nasal mask



AirFit™ F20
Full face mask



AirFit™ P30i
Nasal pillows mask



AirFit™ N30i
Nasal cradle mask



AirFit™ F30
Full face mask



AirTouch™ F20
Full face mask

Connected



AirView™



myAir™



Global leadership in digital health

AirView™ has over
10 million patients

9 million+
100% cloud connectable
devices worldwide

800,000+ diagnostic tests
processed **in the cloud**

~80 million accounts in
out-of-hospital care network

84 API calls per **second**
from integrators

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

* Data as of 9/30/2018

> Turning big data into actionable information

Pioneering *innovation* and providing *clinical evidence* that support better patient outcomes and improved business efficiencies for customers



AirView™



Labor
Costs²



New
Patient
Setups³



myAir™



World's largest study for adherence

> 128,000 patients



1. Hwang, et al., AJRCCM 2017
2. Munaf, 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



Working with others to raise sleep as a public priority



- **Sleep research joint venture** with Verily
- To study the health and financial impacts of untreated sleep apnea
- Based on research outcomes: Develop software solutions to help identify, diagnose, treat and manage those with OSA



With Verily, we can unlock richer, more holistic insights about sleep apnea and the value of treating it

POTENTIAL INSIGHTS

- Sleep apnea phenotypes and determinants
- Sleep apnea risk stratification and identifying parameters
- Ideal diagnostic and treatment approach by phenotype
- Long-term health, quality of life and economic benefits of treating sleep apnea by phenotype
- Impact of treating sleep apnea on related chronic conditions and corresponding value



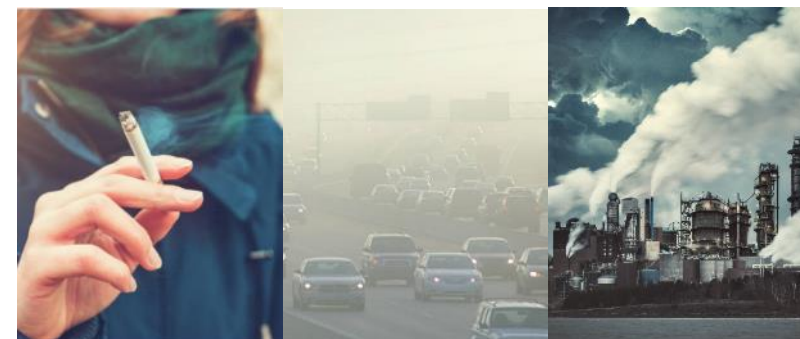
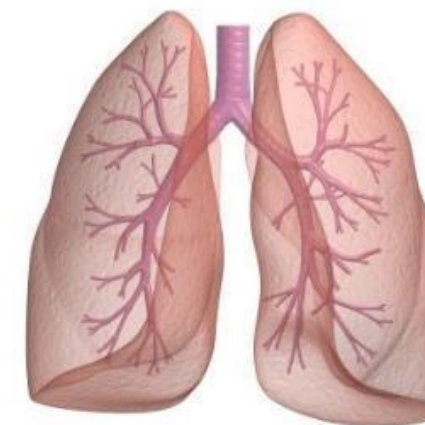
POTENTIAL APPLICATIONS

- Improved sleep apnea devices and masks
- More tailored and effective sleep apnea diagnostic, treatment and care management models – clinically validated
- Partner with customers and other stakeholders to deliver new care models, and better position for value-based care

Our Business— Respiratory Care

> COPD is a large and growing market

- 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 COPD⁶



¹World Health Organization. The top 10 causes of death: Fact sheet: No310 (2014, May) accessed 20Jul16

² <https://www.ncbi.nlm.nih.gov/pubmed/26755942>

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

⁵ Guarascio et al. Dove Med Press, 2013 Jun 17

⁶ World Health Organization. Chronic obstructive pulmonary disease (COPD): Fact sheet No315. 2015 accessed 20Jul16



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™



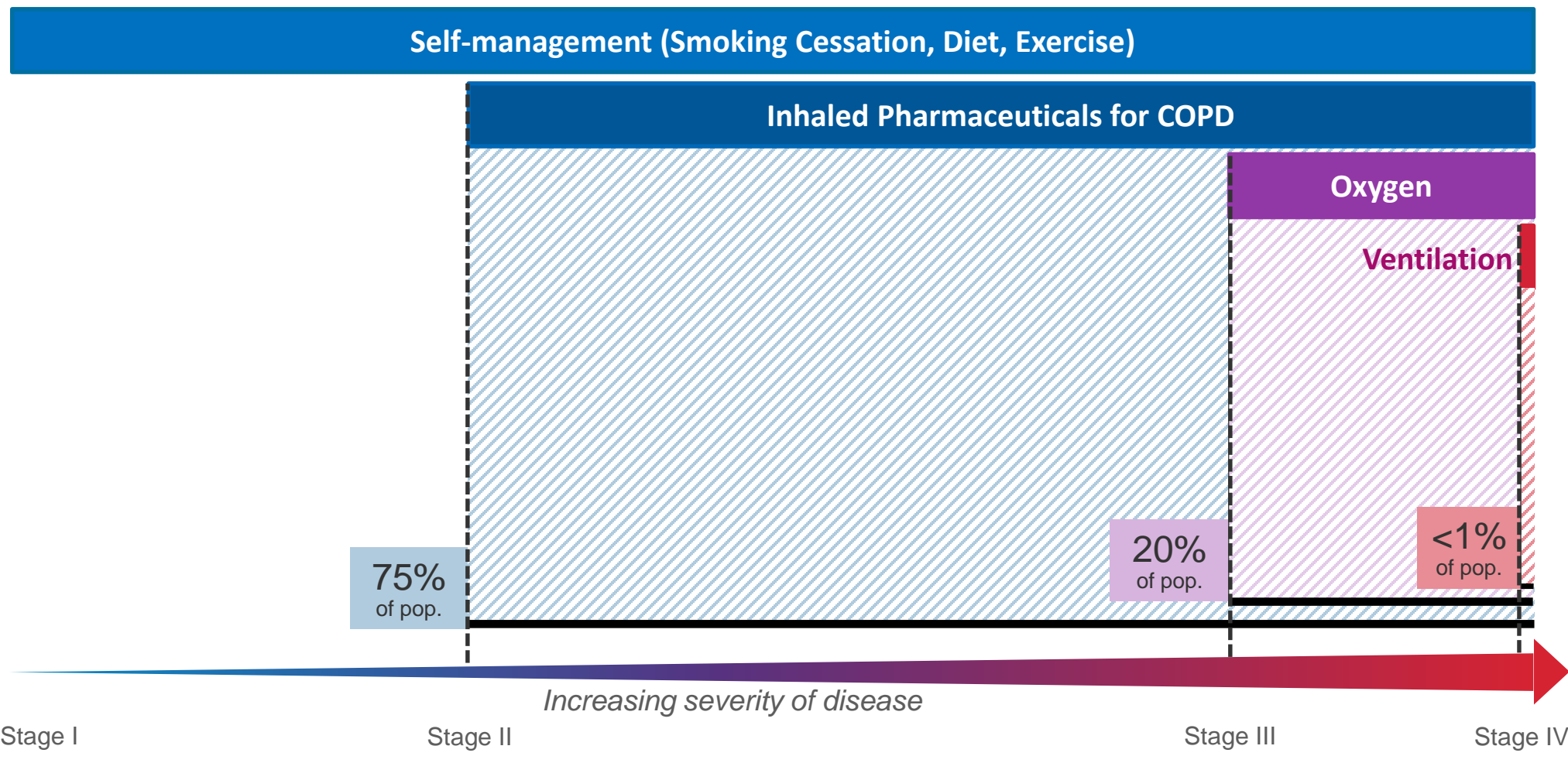
Astral™ with RCM

Patient Acuity



There is a need for end-to-end solutions for COPD patients

Global population of COPD patients: ~380 million¹



COPD
progression

Stage I

Stage II

Stage III

Stage IV

Increasing severity of disease



Digital health solutions for inhaled COPD pharmaceuticals

Acquired Propeller Health in January 2019

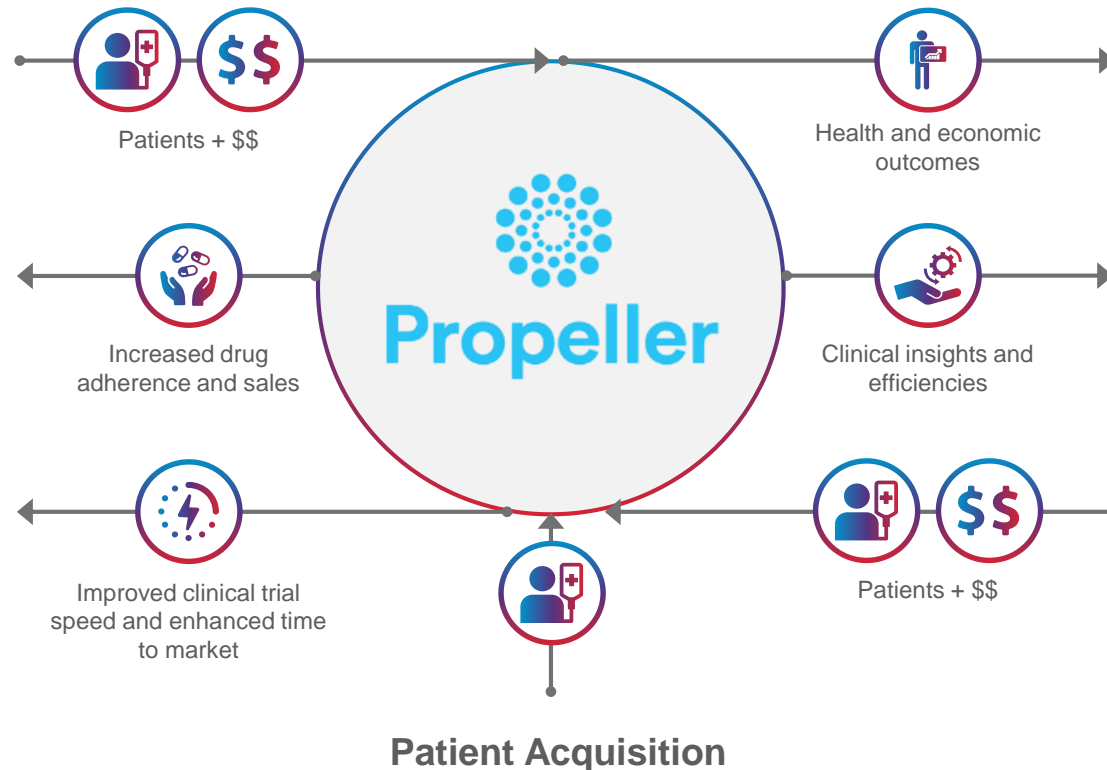
- ResMed now has end-to-end solutions for Digital Health for COPD patients across stages I, II, III, IV of the disease
- Uses sensors with inhalers to track medication usage and provide personal feedback and insights
- Establishes ResMed as a leading provider of COPD and asthma patient management solutions
- Enables digitally-enabled integration of care through the progression of the disease

UPSTREAM

Customers include:



Pharma companies signed represent 90% of long-acting respiratory inhalation drugs



DOWNSTREAM

Payers



PBMs



Health systems



Pharmacies





Propeller has demonstrated compelling clinical outcomes

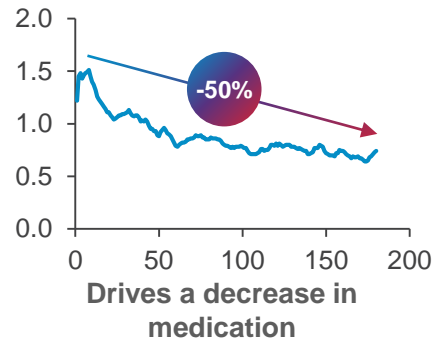


Impact of the Propeller solution tracking inhaler usage and location



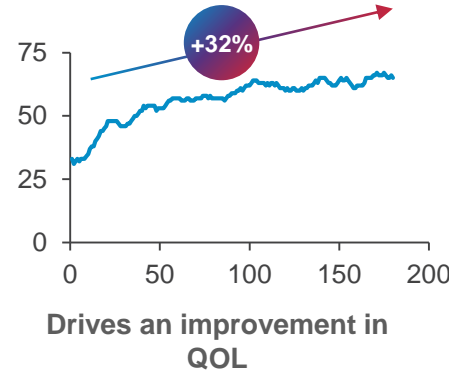
SABA use over time

per day



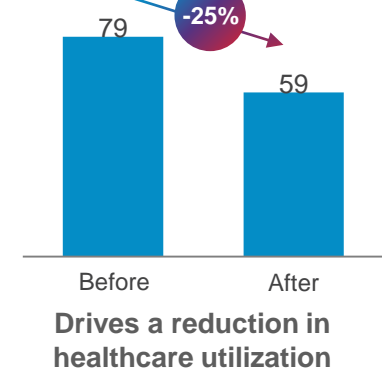
Symptom free days

%



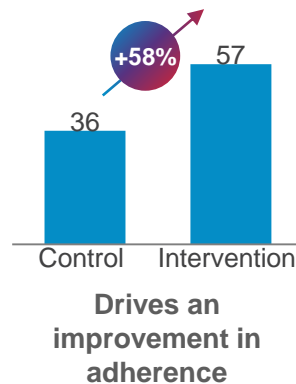
Healthcare utilization

Events



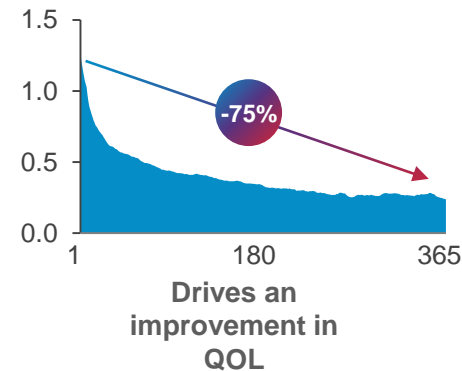
Adherence

%



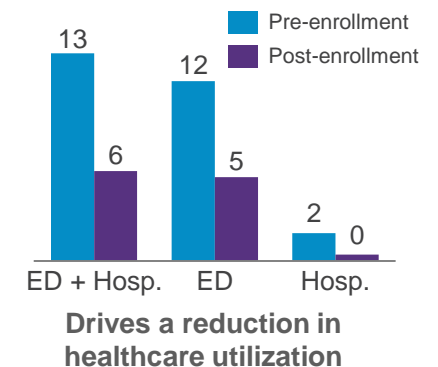
QoL: Rescue Inhaler use per day

times used



Acute care utilization

Events per 100 patient years



Our Business – Software as a Service (SaaS)



History of successful SaaS acquisitions and integrations....

....serve as the foundation of our growing SaaS Business

The logo for UMB3AN, featuring the letters "UMB3AN" in a bold, sans-serif font. The number "3" is stylized with a small orange lightbulb icon above it.

Aug 2012

The logo for brighttree, featuring the word "brighttree" in a blue, lowercase, sans-serif font. Above the "i" in "bright" are three small squares: an orange one, a blue one, and a yellow one.

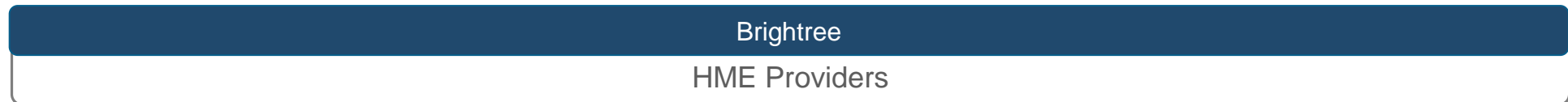
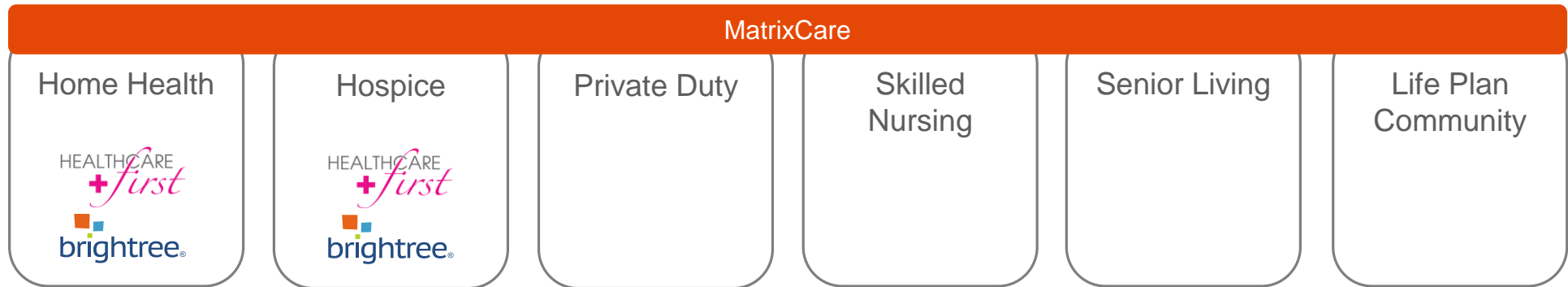
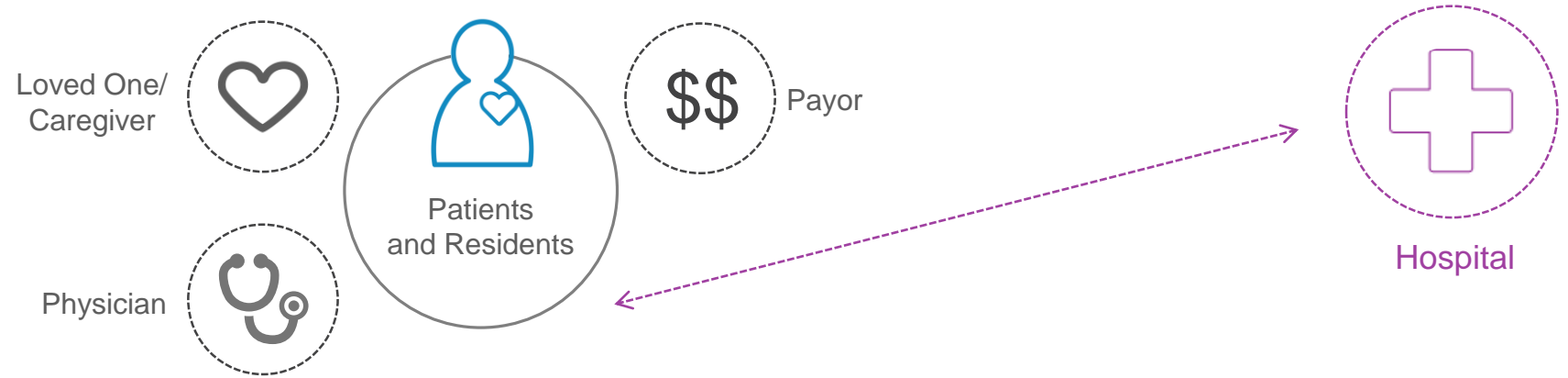
Apr 2016

The logo for MatrixCare, featuring the word "MatrixCare" in a bold, sans-serif font. "Matrix" is in blue and "Care" is in orange. Below the main text is the tagline "Integrated Care. Better Outcomes." in a smaller, blue, sans-serif font.

Nov 2018



Broad portfolio of out-of-hospital verticals



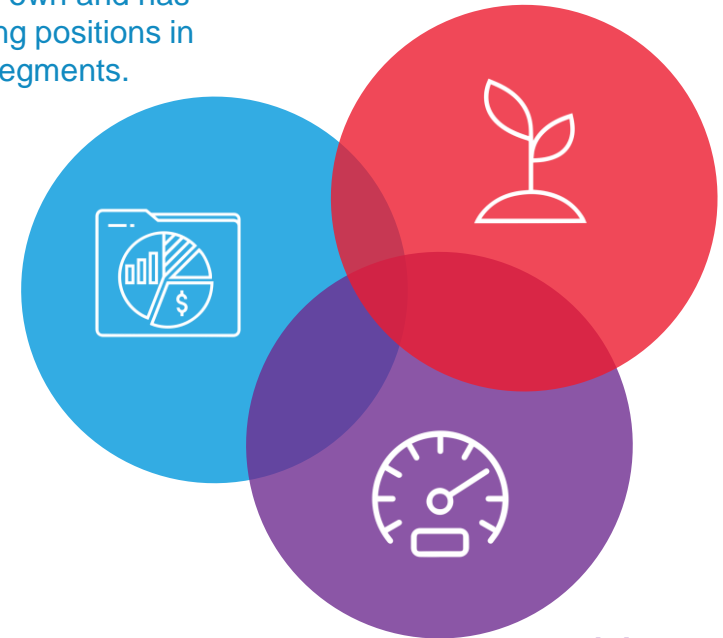


Our SaaS portfolio is operating at scale and creating value

- SaaS portfolio financially attractive
- Brightree has provided value for HME businesses and allowed ResMed to better serve US customers
- Matrixcare offers digital solutions creating efficiencies and seamless movement through care settings
- High prevalence of sleep apnea and COPD among skilled nursing facilities, home health, and hospice
- Upcoming regulatory changes will drive near term value:
 - **Skilled Nursing changes on Oct. 1**
 - **Home Health changes on Jan. 1**



Portfolio is **financially attractive** on its own and has leading positions in key segments.



Supports growth for **HME businesses** and chronic diseases, **sleep apnea** and **COPD** in particular.

Digital Health ecosystem **operating at scale** creates our competitive advantage.

The **right software platforms in the right care settings** to capitalize on these opportunities

Digital Health Technology



Digital health technology strategy

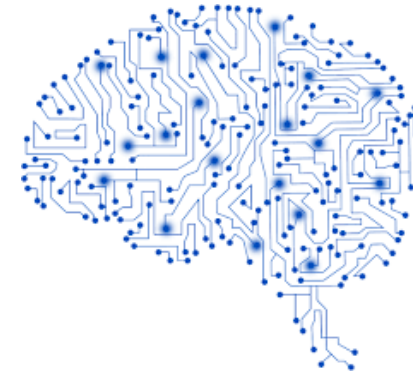


Connected Health Ecosystem

- Innovate for core Sleep and RC business
 - Device connectivity to the cloud
 - Patient monitoring and management
 - Patient engagement

Out-of-Hospital SaaS Ecosystem

- ePrescribe and Resupply
- Integrations with our SaaS platforms
- Accelerating the ResMed value proposition for our customers and patients



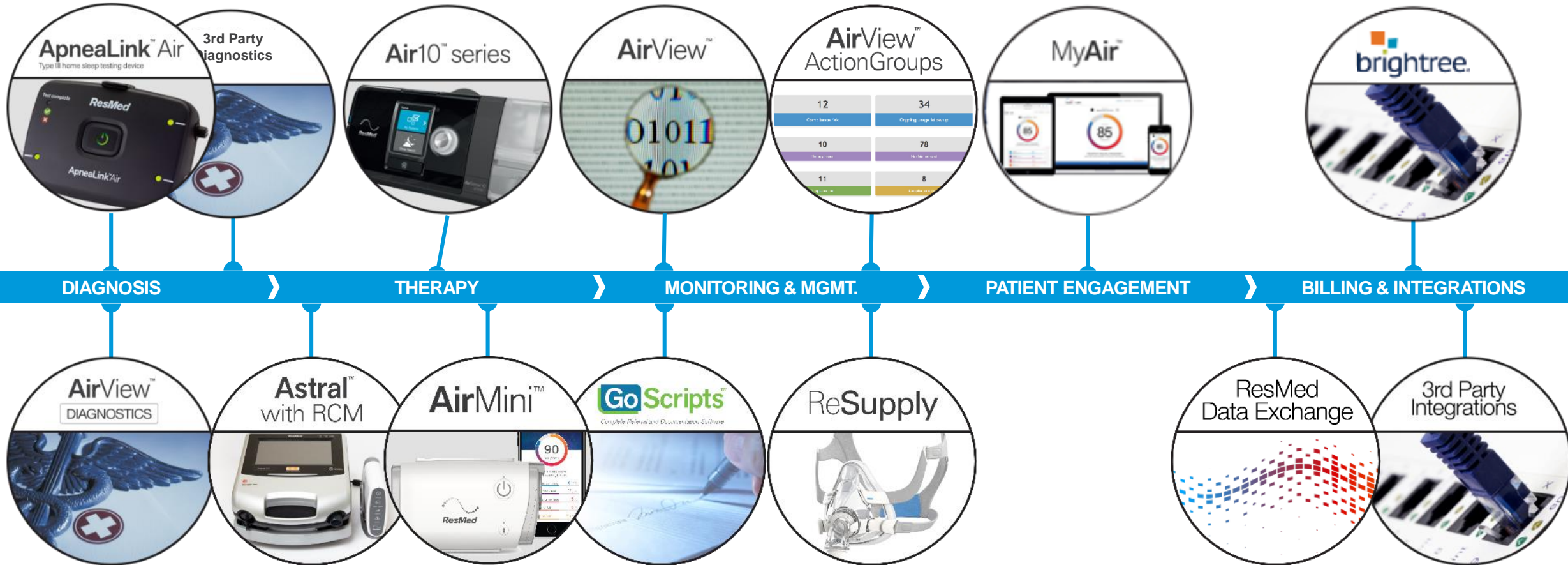
Data Analytics – The AI/ML Journey

- Drive better clinical outcomes for patients and business outcomes for providers
- Leverage big data to derive meaningful actionable insights, more than **4 billion nights of sleep data**
- Talented team of data scientists using artificial intelligence and machine learning to improve long-term patient adherence



We transform 4+ billion nights of medical data into useful outcomes

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



Recent financial results

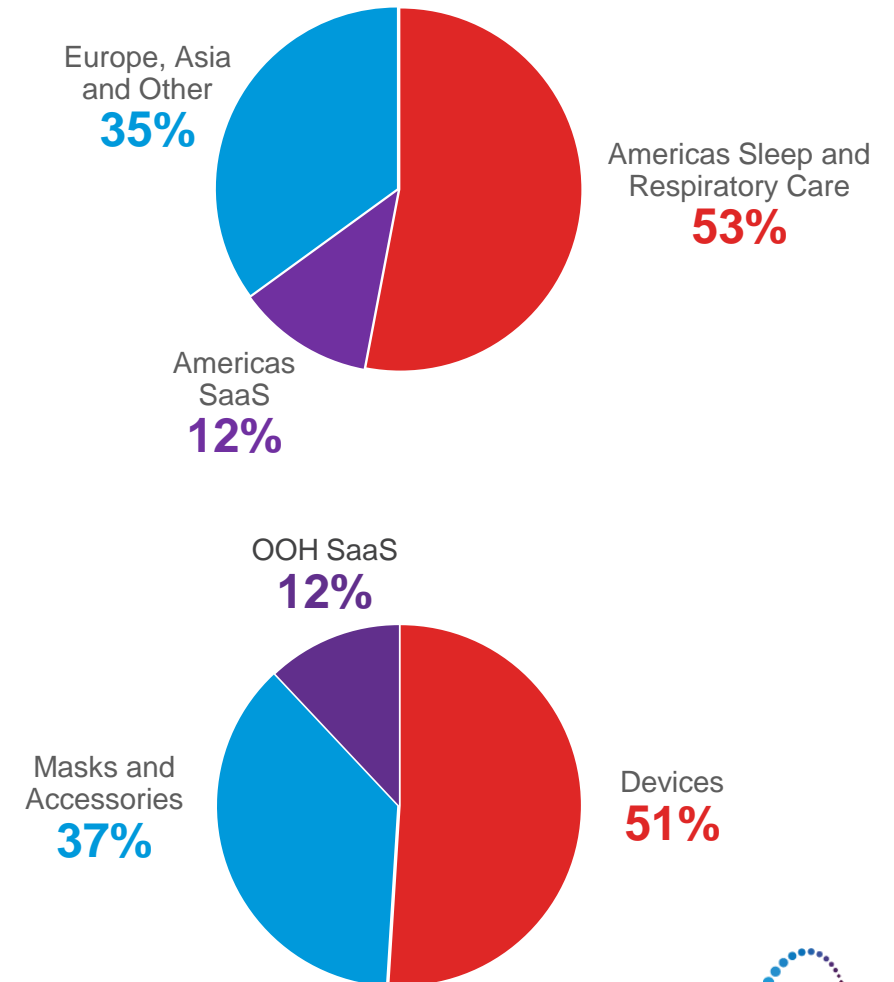


Q3 FY19 financial results

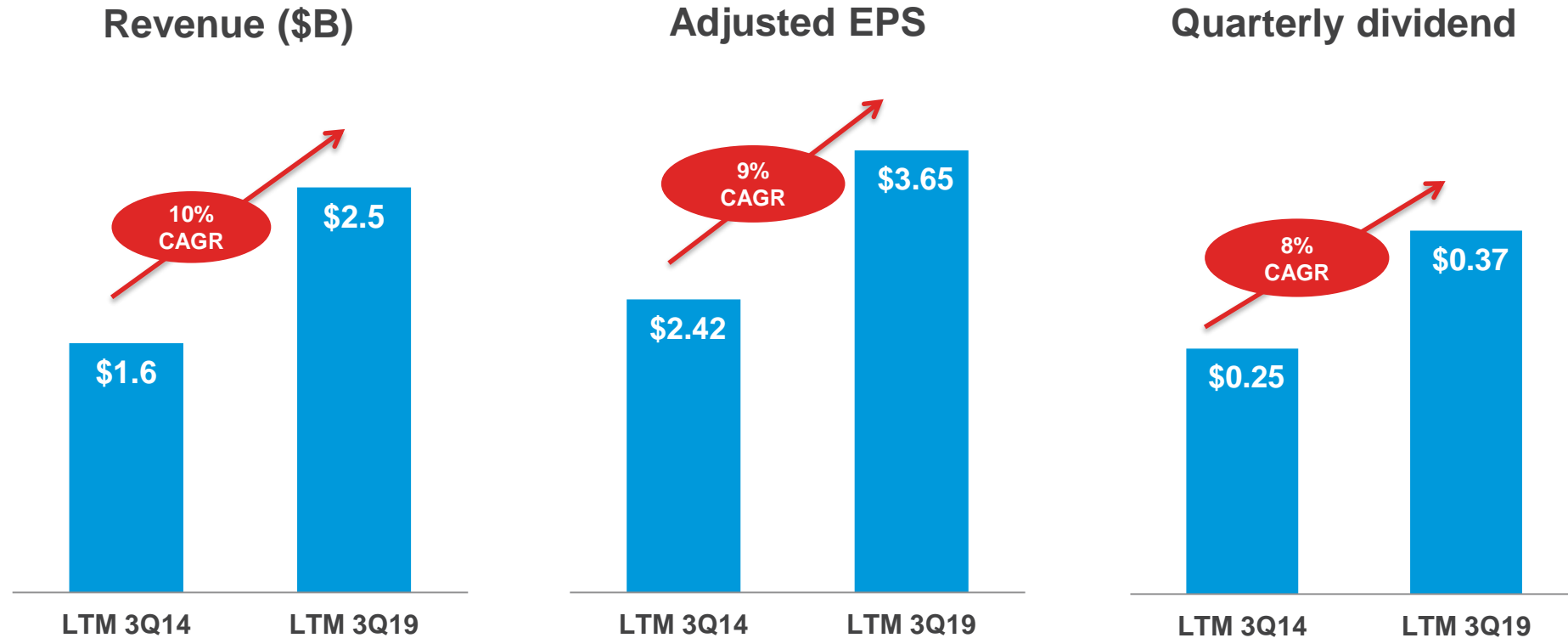
	Q3 2019
Revenue	\$662.2M +12% (+15% CC)
Gross margin	59.2% +100 bps
Non-GAAP operating profit*	\$182.0M +15%
Non-GAAP EPS*	\$0.89 (3)%
Cash flow from operations	\$139.6M
Free cash flow	\$124.6M

* ResMed adjusts for the impact of the amortization of acquired intangibles, impact of U.S. tax reform, and restructuring expenses, from their evaluation of ongoing operations and believes investors benefit from adjusting these items to facilitate a more meaningful evaluation of current operating performance.

*Diversified revenue
by geography & by business*



> Track record of disciplined financial growth





Recognized by Forbes as #1 in our category for corporate citizenship

Eliminating unnecessary waste	Minimizing pollution	Product stewardship	Responsible compliance	Increased awareness and continual improvement
We work to eliminate unnecessary waste in all our systems & processes, such as minimizing our use of natural resources.	We are minimizing pollution, in particular our non-biodegradable waste to landfill.	We design and develop products with reduced impact on the environment through their lifecycle.	We fulfill all relevant and applicable compliance obligations in the countries and communities that we operate in.	We drive internal awareness of environmental impacts and monitor our performance through collaboration with others to make continual improvements
				

Recognized by others for leading in this space:

- #18 on Forbes & Just Capital's "2019 Just 100", #1 in Healthcare Equipment and Services
- #170 on WSJ's 2018 Management Top 250 of the U.S.'s most well-run companies for customers, employees, and investors





ResMed is the global leader in connected health



Market Dynamics

- Underpenetrated markets in sleep and 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
- 5,500+ patents and designs
- ~7-8% of revenue invested in R&D



Financial Results

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

 Thank you

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