ResMed

Credit Suisse 28th Annual Healthcare Conference

Rob Douglas, President & COO

November 12, 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.

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Company Overview & Strategy

Who we are / what we do

- Listed on NYSE & ASX, ~$20B market cap

- World-leading connected health company with over 10 million 100% cloud-connectable devices
  - More than 11 million patients in AirView monitoring ecosystem
  - More than 93 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

ResMed 2025

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

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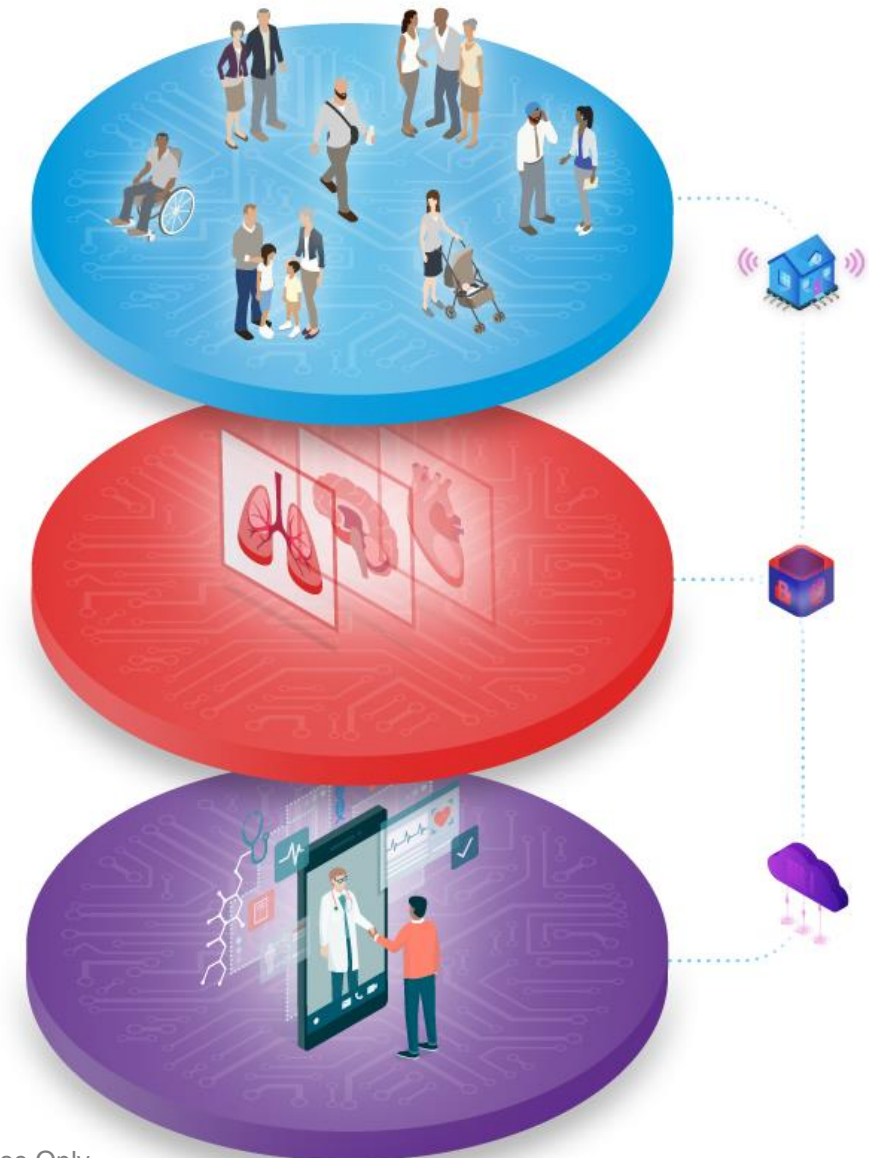
Our Business - Sleep

Sleep business strategy

Deliver a world-class patient experience through innovative solutions that lower overall costs for treating sleep apnea patients and improve clinical outcomes

OPTIMIZE EFFICIENCIES FOR PROVIDERS

- Home medical equipment / home care provider-facing solutions that drive workflow efficiencies
- Long-term adherence solutions that improve patient management and meet the needs of referring physicians

DELIVER BEST-IN-CLASS PATIENT EXPERIENCE

- Patient facing solutions, from identification to treatment, that streamline the experience and improve long-term adherence
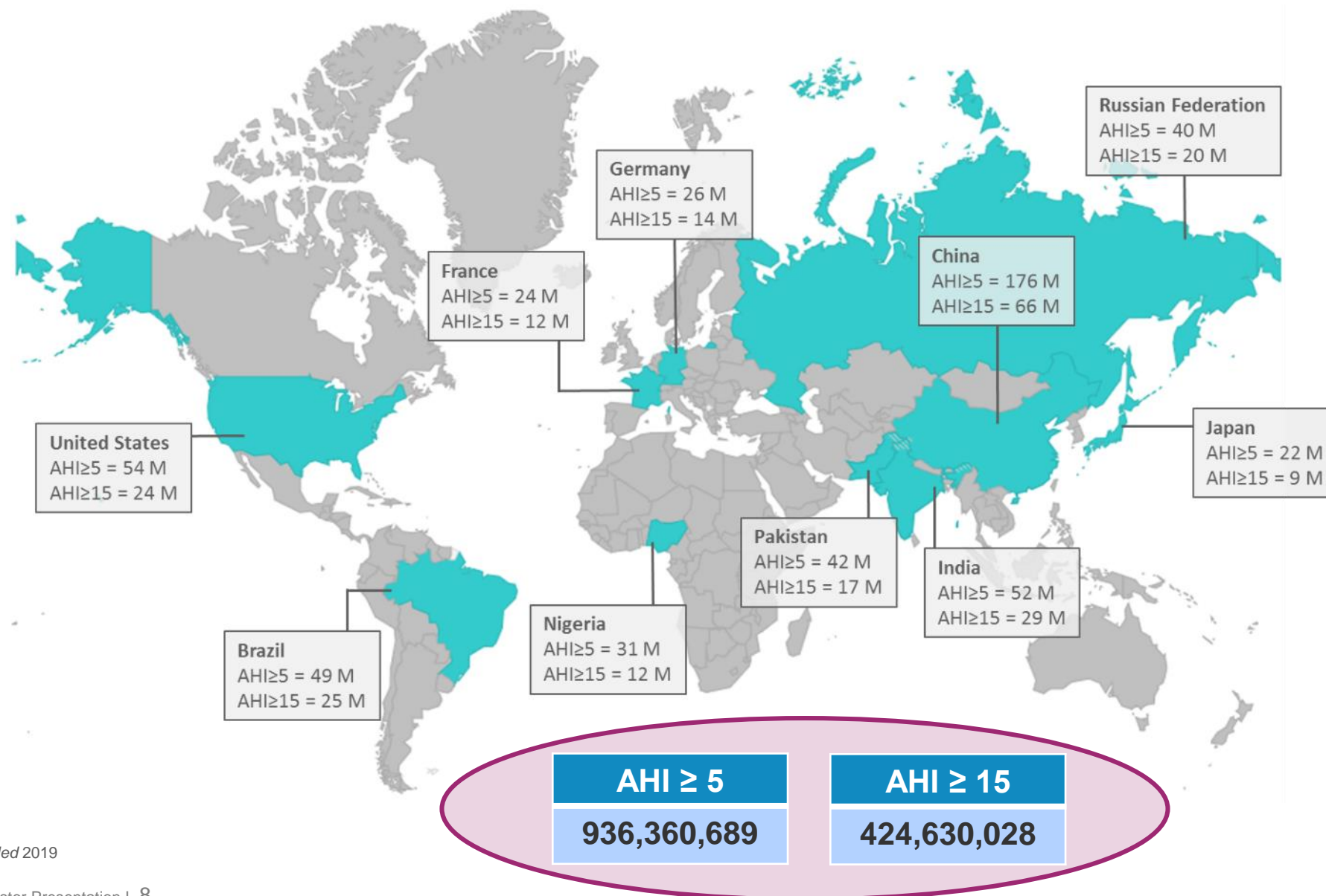
EMBRACE AND ENABLE INTEGRATED CARE MODELS

- Payer-facing solutions that enable population management, backed by our data insights, outcomes research, and market access

Collaboration – Operating Excellence – Lean Innovation – High Performance Culture – Talent

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Russian Federation
AHI≥5 = 40 M
AHI≥15 = 20 M

Germany
AHI≥5 = 26 M
AHI≥15 = 14 M

France
AHI≥5 = 24 M
AHI≥15 = 12 M

China
AHI≥5 = 176 M
AHI≥15 = 66 M

United States
AHI≥5 = 54 M
AHI≥15 = 24 M

Japan
AHI≥5 = 22 M
AHI≥15 = 9 M

Pakistan
AHI≥5 = 42 M
AHI≥15 = 17 M

India
AHI≥5 = 52 M
AHI≥15 = 29 M

Brazil
AHI≥5 = 49 M
AHI≥15 = 25 M

Nigeria
AHI≥5 = 31 M
AHI≥15 = 12 M

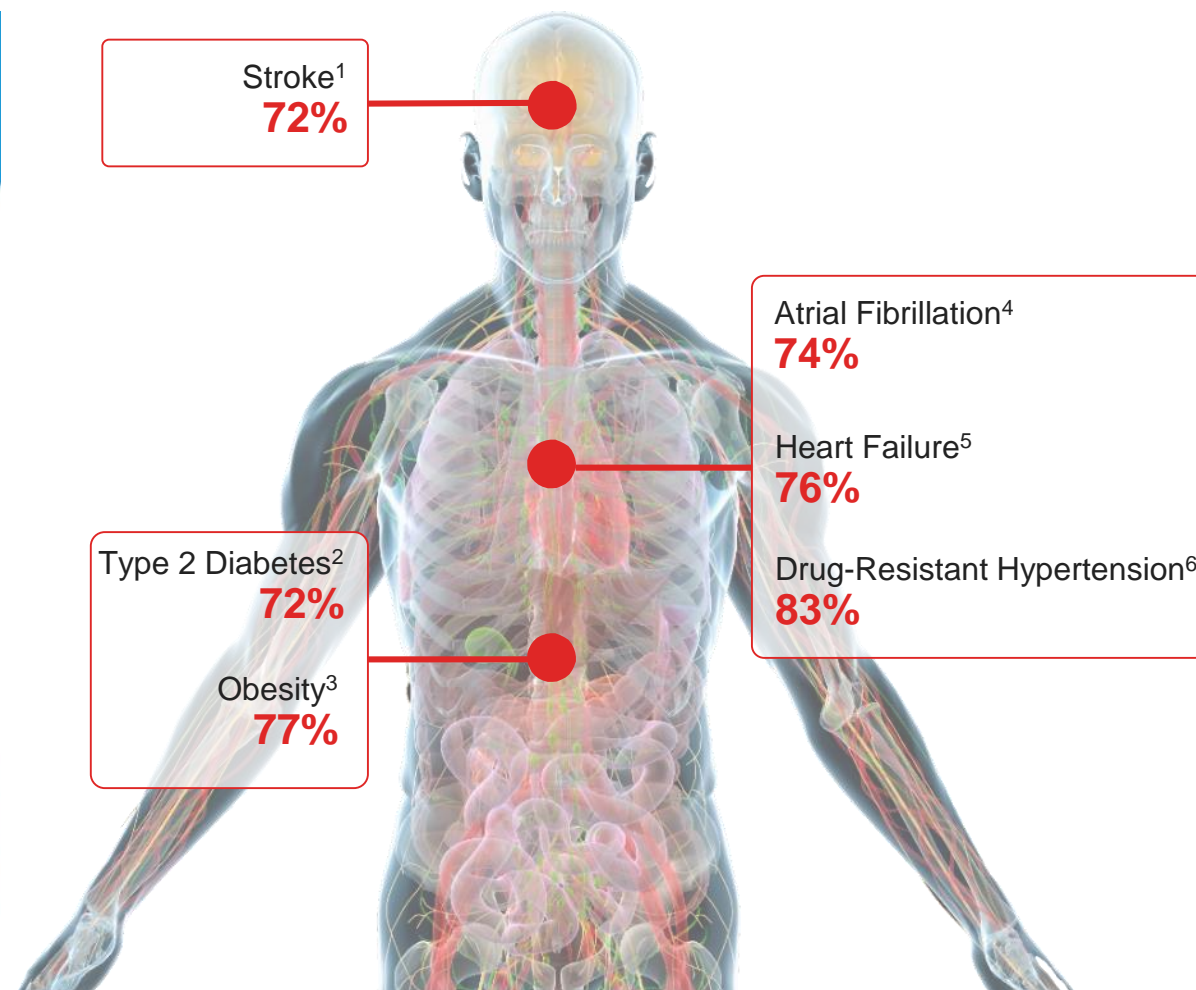| AHI ≥ 5	AHI ≥ 15
936,360,689	424,630,028

Benjafield, et al. *Lancet Respir Med* 2019

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….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]

Stroke[1]
72%

Atrial Fibrillation[4]
74%

Heart Failure[5]
76%

Type 2 Diabetes[2]
72%

Drug-Resistant Hypertension[6]
83%

Obesity[3]
77%

1 Peppard PE et al. *Am J Epidemiol* 2013
2 Young T et al. *Sleep* 1997

1 Johnson KG and Johnson DC. J Clin Sleep Med 2010
2 Einhorn D et al. Endocr Pract 2007
3 O'Keeffe T and Patterson EJ. Obes Surg 2004

4 Bitter T et al. Dtsch Arztebl Int. 2009
5 Oldenburg O et al. Eur J Heart Fail 2007
6 Logan AG et al. J Hypertens 2001

verily

Our **sleep research joint venture** with Verily

- Develop software solutions to help identify, diagnose, treat and manage those with OSA

- To study the health and financial impacts of untreated sleep apnea
  – Prove the ROI for treating OSA

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

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Our Business– Respiratory Care

Respiratory care strategy

Changing the lives of COPD patients by bringing new solutions for unmet patient needs

WIN IN THE CORE

- Reach more COPD patients through connected non-invasive ventilation
- Drive profitable growth in life-support ventilation
- Grow POC sales through business model innovation

INNOVATE AND EXPAND INTO ADJACENCIES

- Treat patients earlier in COPD disease progression through a connected ecosystem
- Continue to leverage investments in life support and NIV
- Further innovate & scale the portable oxygen business model
- Better prove connected health value propositions

TRANSFORM COPD HEALTHCARE DELIVERY

- Build intelligent therapy solutions enabled by sensor technologies, data analytics, AI and ML with improved patient/care giver engagement
- Create value propositions in longitudinal care, predict exacerbations, and prevent hospitalization
- Support new business models & tailored products in emerging growth markets

Collaboration – Operating Excellence – Lean Innovation – High Performance Culture – Talent

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What is chronic obstructive pulmonary disease (COPD)?

COPD is a progressive, chronic lung disease that has no cure, needing treatment for life

Causes include:

- smoking, vaping, & second-hand smoke
- air pollution from industrialized cities
- occupational exposure to noxious gases

- history of childhood lung infections (catalyst)
- genetic inheritance leading to COPD onset (DNA)

- COPD is the third leading cause of death worldwide[1]

- More than 380 million people worldwide are estimated to have COPD[2]

  - Largely undiagnosed COPD sufferers in high-growth markets such as China, India, Brazil and E. Europe may be well over 100 million[3]

- Cost to healthcare systems from COPD is enormous:

  - Europe: ~€48 billion per year[4]

  - United States: ~$50 billion per year[5]

- More than 3 million people worldwide die each year due to COPD[6]
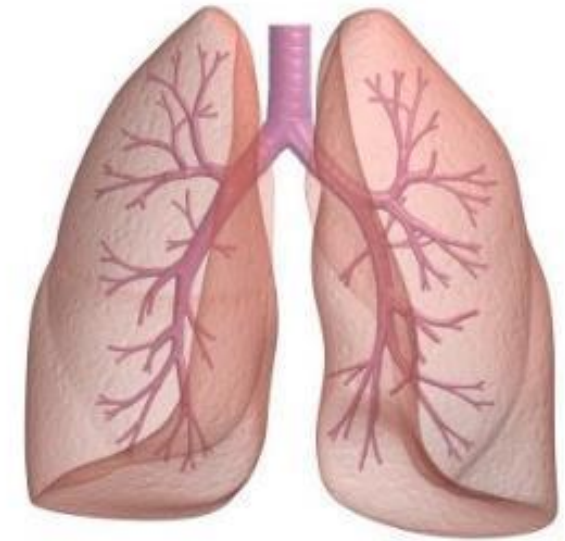
[1] World Health Organization. The top 10 causes of death: Fact sheet: No310 (2014, May) accessed 20Jul16
[2] https://www.ncbi.nlm.nih.gov/pubmed/26755942
[3] Company estimates based on World Health Organization estimates and Zhong et al. "Prevalence of Chronic Obstructive Pulmonary Disease in China" *Respiratory and Critical Care*
[4] European Respiratory Society, *European Lung White Book* http://www.erswhitebook.org/chapters/the-economic-burden-of-lung-disease/ *accessed 20Jul16*
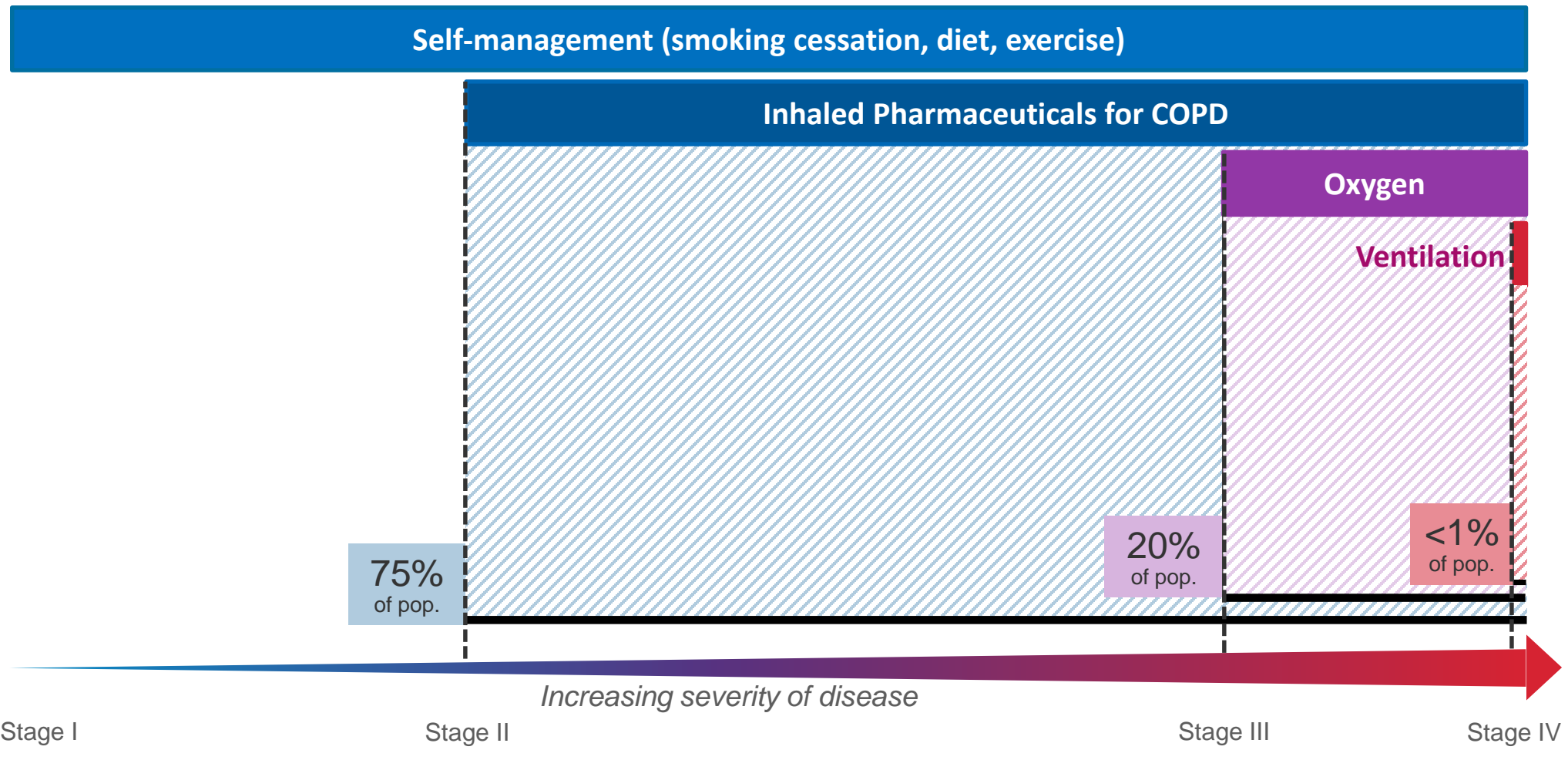[5] Guarascio et al. Dove Med Press, 2013 Jun 17
[6] World Health Organization. Chronic obstructive pulmonary disease (COPD): Fact sheet No315. 2015 accessed 20Jul16

Global population of COPD patients: ~380 million[1]

Self-management (smoking cessation, diet, exercise)

Inhaled Pharmaceuticals for COPD

Oxygen

Ventilation

75% of pop.

20% of pop.

<1% of pop.

Increasing severity of disease

COPD progression

Stage I

Stage II

Stage III

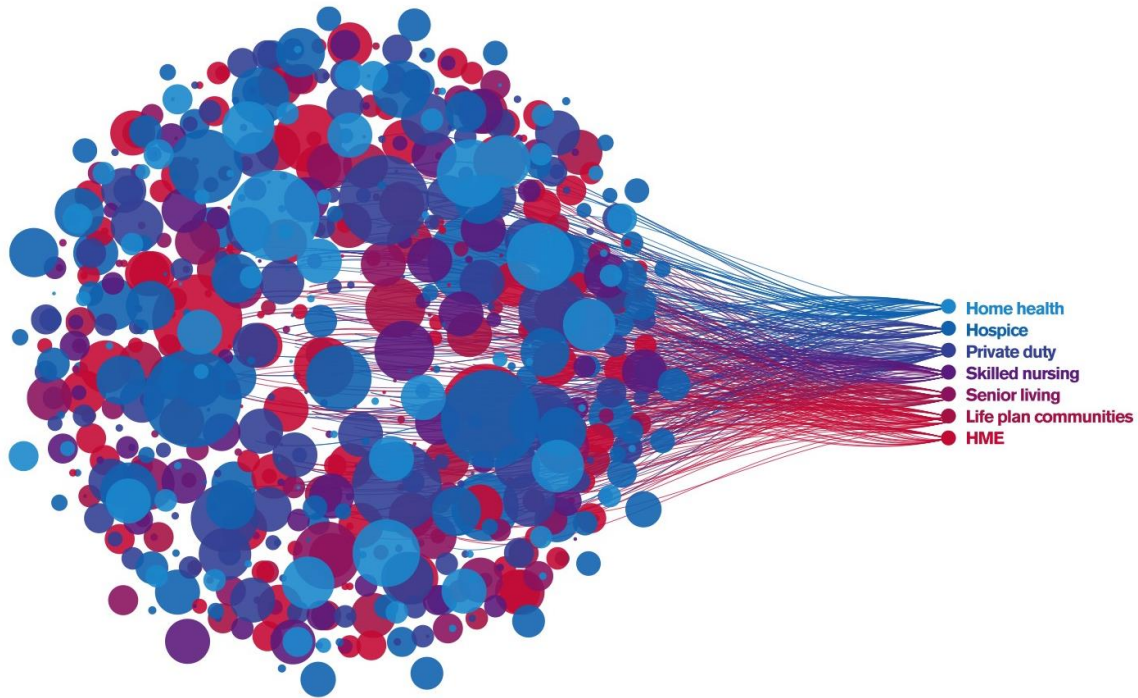Stage IV

1. Source: https://www.ncbi.nlm.nih.gov/pubmed/26755942

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Our Business – Software as a Service (SaaS)

Better patient experience.
Improved clinical outcomes.
Lower overall cost of care.

- Single view of the patient

- Comprehensive interoperability

- Care transition, coordination and collaboration

- Seamless access to information for patients and those who care for them

- Manage populations across provider / care settings

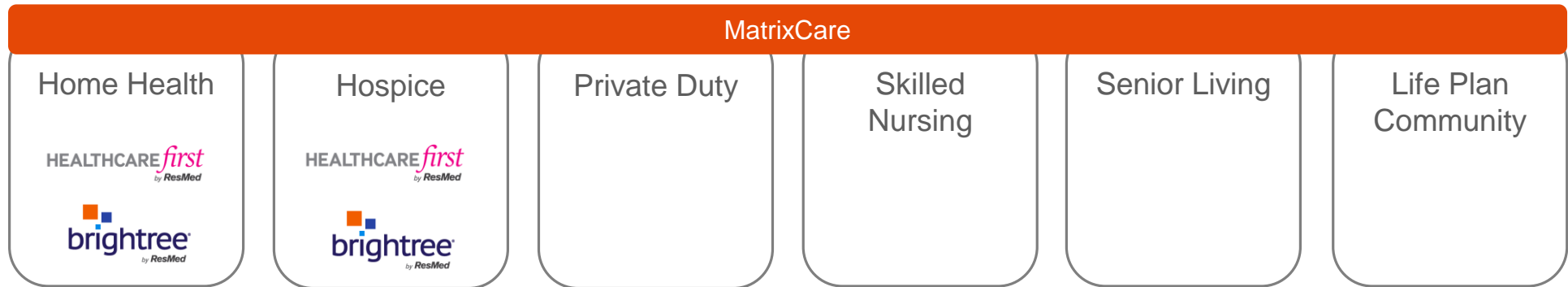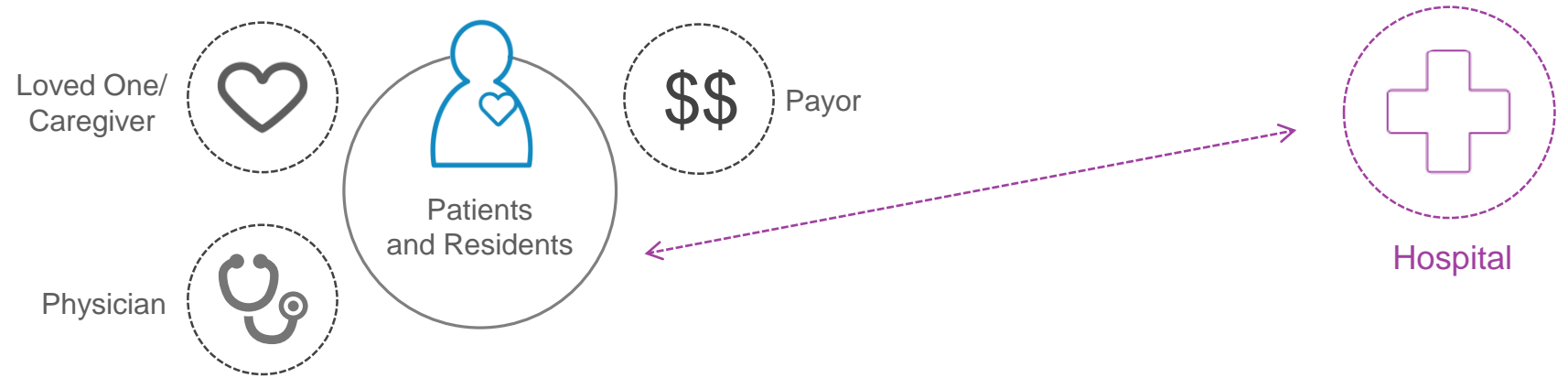- Data insights to enable better care / better results

Home health
Hospice
Private duty
Skilled nursing
Senior living
Life plan communities
HME

Connected systems deliver the best outcomes for value-based care

Loved One/ Caregiver

Patients and Residents

Payor

Physician

Hospital

MatrixCare

MatrixCare

Home Health	Hospice	Private Duty	Skilled Nursing	Senior Living	Life Plan Community
HEALTHCARE *first* by ResMed	HEALTHCARE *first* by ResMed				
brightree by ResMed	brightree by ResMed				

brightree by ResMed

Brightree

HME Providers

ResMed

ResMed

Sleep and RC Products & Solutions

ResMed

Strong positioning within key segments

- Brightree – **#1 in HME market** with opportunity to grow

- Moving upmarket in Home Health and Hospice (HHP) with Brightree and HEALTHCARE*first* combined offering managed by MatrixCare
  - HHP platform recently named the preferred solutions partner by Cerner, a leading provider of hospital systems

- MatrixCare awarded third straight Best in KLAS Award for Long-Term Care Software

	HME	Home Health & Hospice	Skilled Nursing
Estimated No. of Providers	6,000	16,000	16,000
Estimated HCIT Market Size	←	$1.5B	→
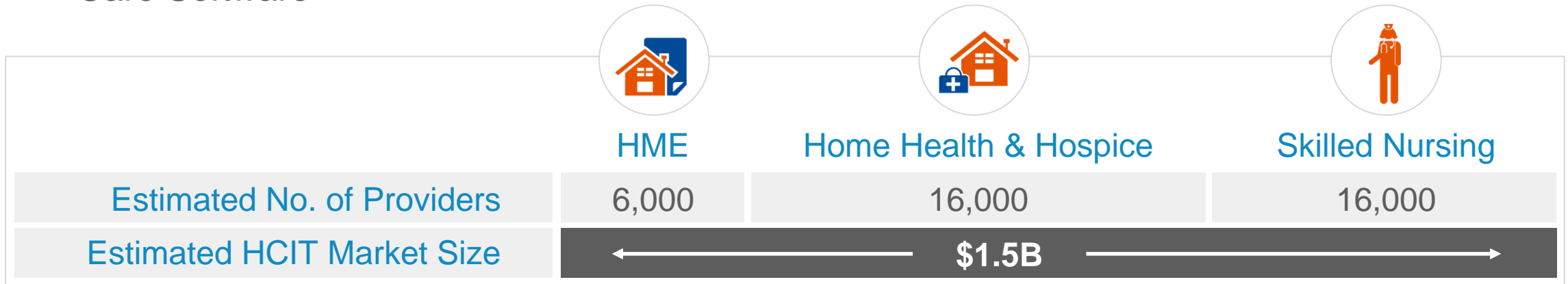
Increased competitive advantage as market moves to value based care models and providers look to integrate across care settings

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

Supports growth for existing businesses (HME) and chronic diseases, sleep apnea and COPD in particular.
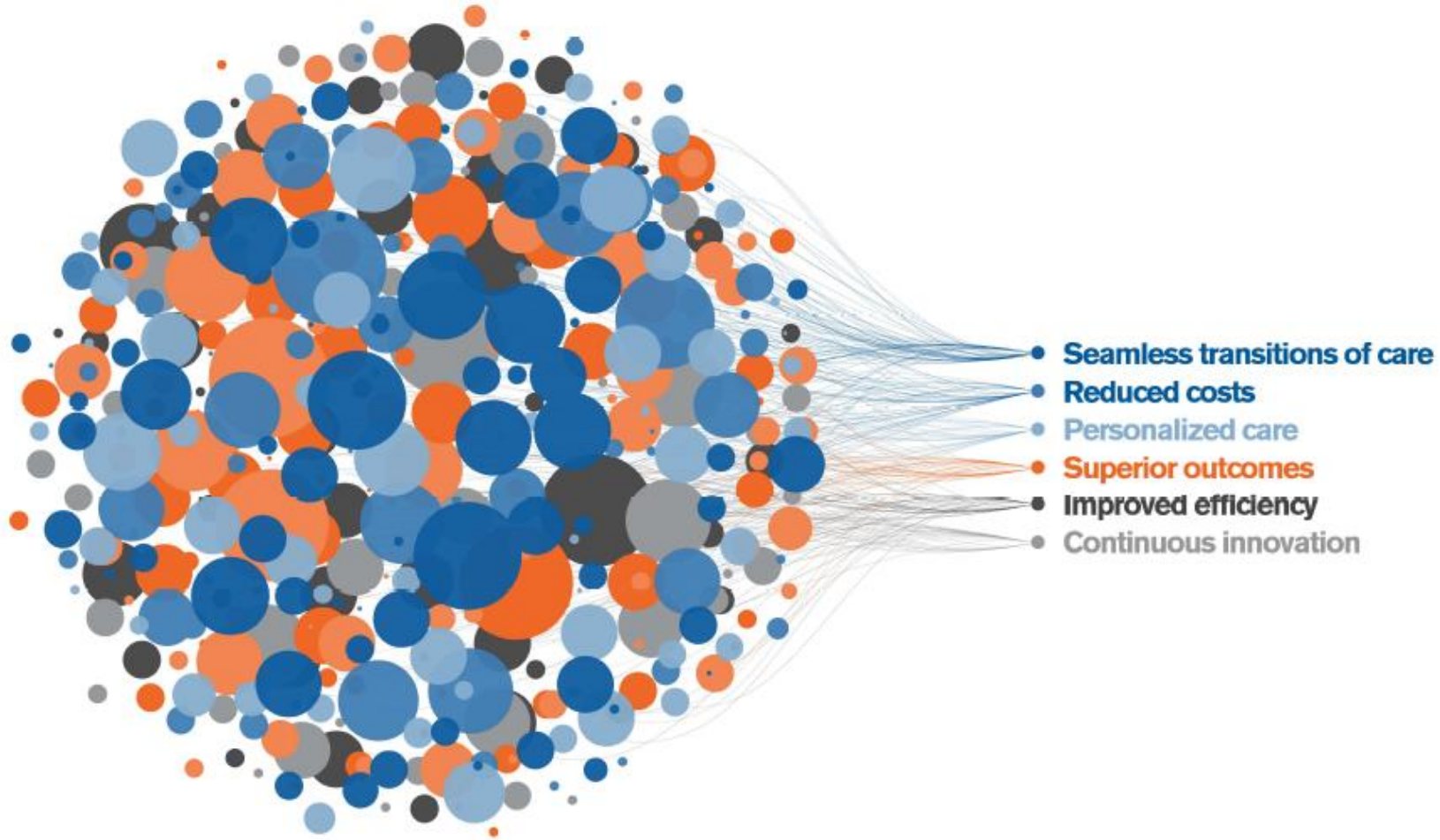
Breadth and scale creates our competitive advantage.

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- Seamless transitions of care
- Reduced costs
- Personalized care
- Superior outcomes
- Improved efficiency
- Continuous innovation

WellConnected
WellConnected
WellConnected
WellConnected

The best of technology comes together seamlessly for the best outcomes in the industry.

Digital Health Technology

Purpose: Enable **all** ResMed businesses to achieve their business objectives by leveraging Healthcare Informatics technology and Advanced Analytics.

Sleep	Respiratory Care	SaaS

Digital Health Technology

Technology **+** Advanced Analytics
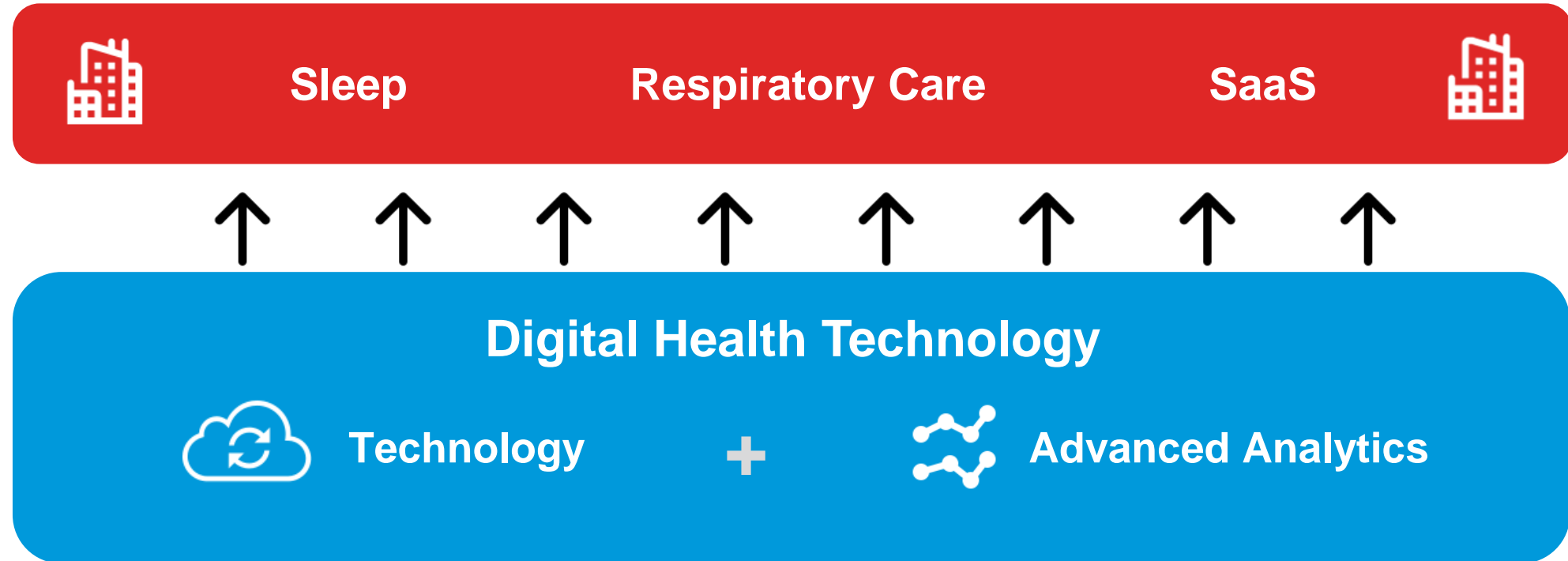
# Digital health technology strategy

AirView™

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

MatrixCare Integrated Care. Better Outcomes.

brightree®
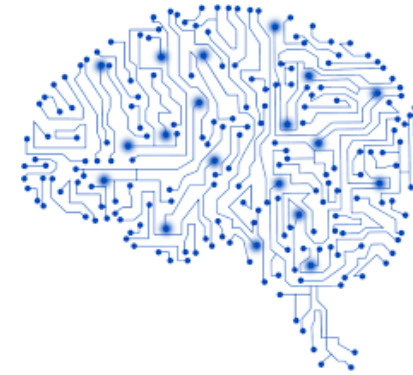
Data Analytics – The AI/ML Journey

- Drive better clinical outcomes for patients and business outcomes for providers

- Leverage big data to derive meaningful actionable insights, more than **5 billion** nights of sleep data

- Talented team of data scientists using artificial intelligence and machine learning to improve long-term patient adherence

ResMed

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

| DIAGNOSIS | THERAPY | MONITORING & MGMT. | PATIENT ENGAGEMENT | BILLING & INTEGRATIONS |
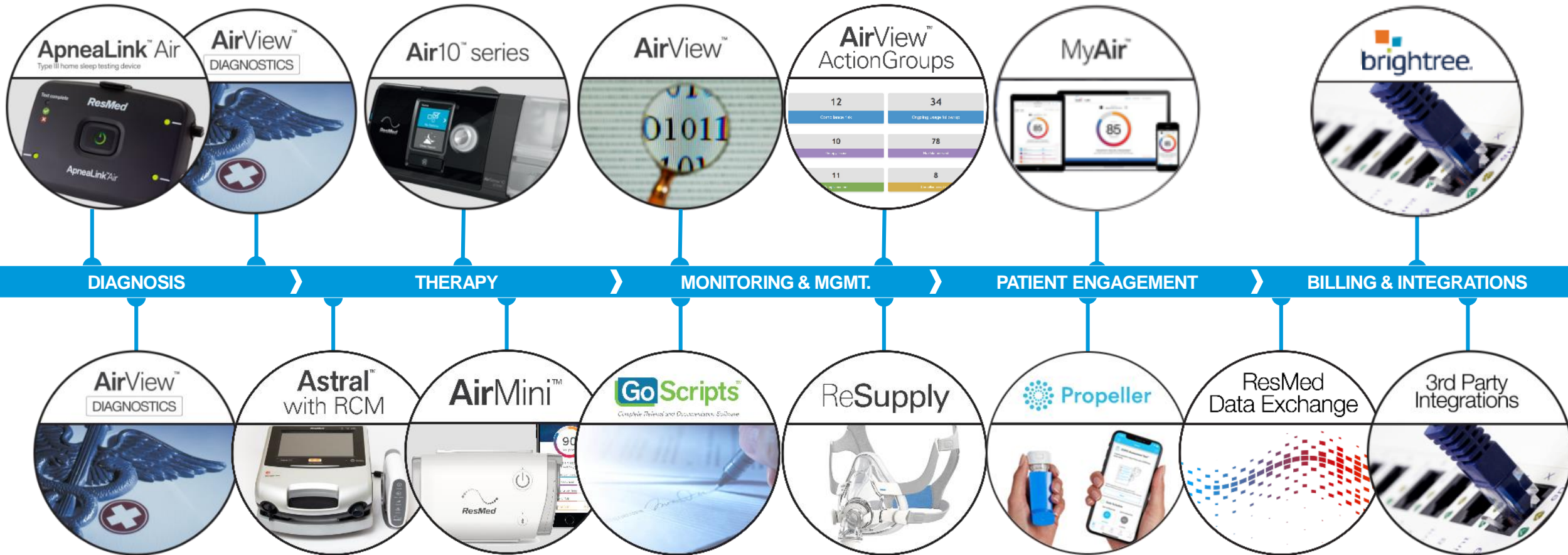
AirView™ has over **11 million patients**

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

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

10+ million
100% **cloud connectable** devices worldwide

~93 million accounts in out-of-hospital care network

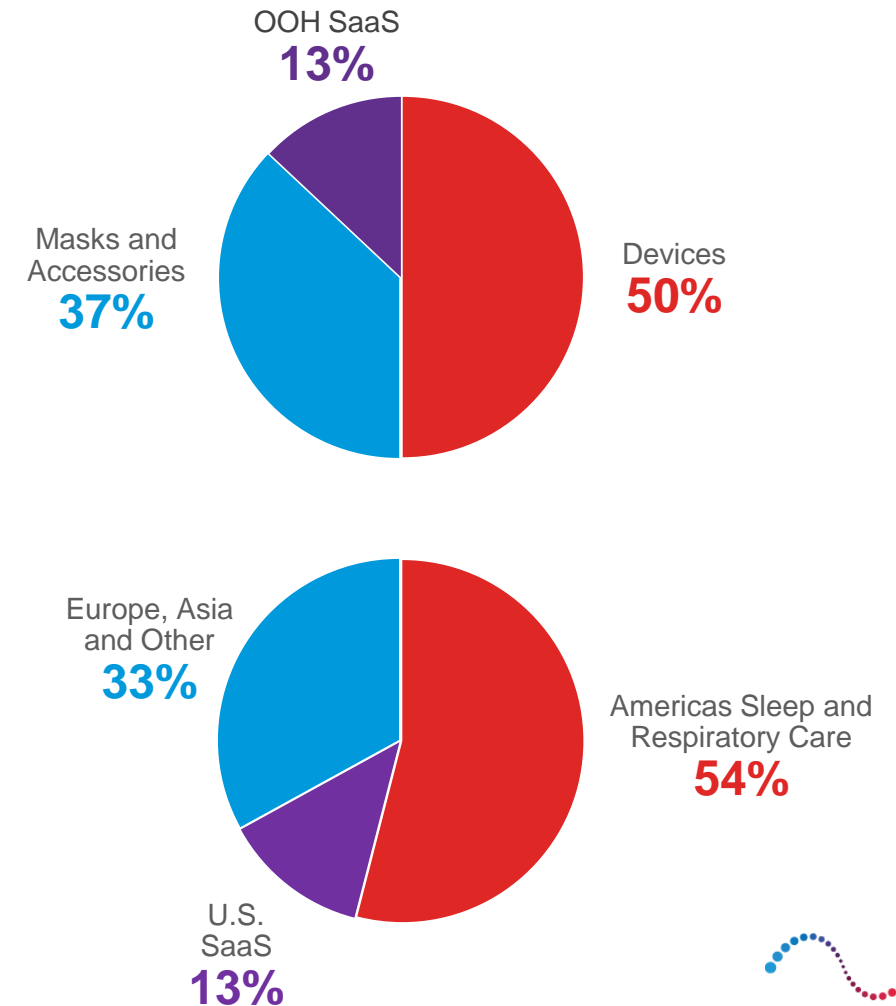**2 million+** patients have signed up for **myAir™**

Recent financial results

*Diversified revenue
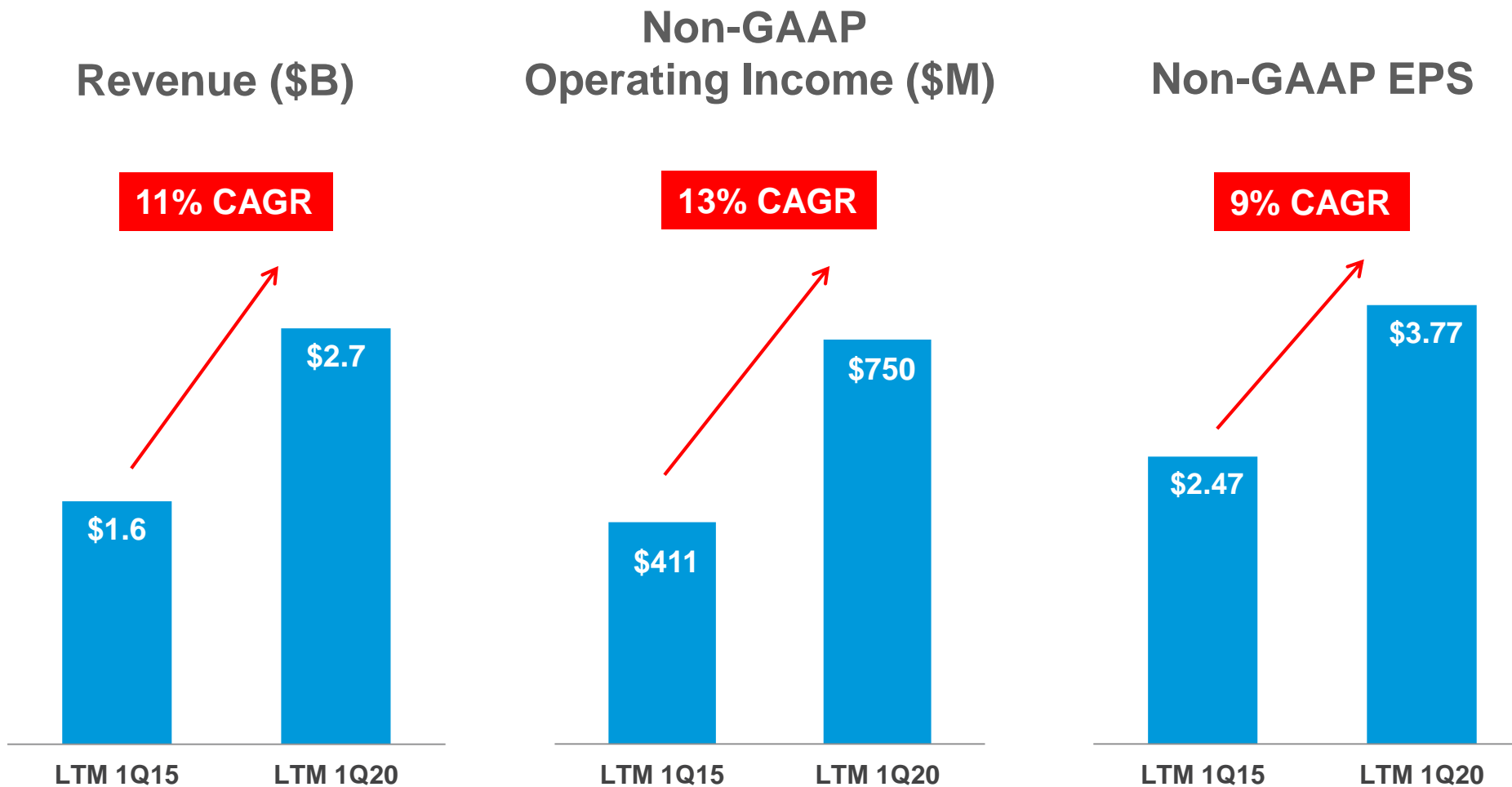by business & by geography*

	1Q20
Revenue	$681.1M *+16% (+17% CC)*
Gross margin	59.5% *+120 bps*
Non-GAAP operating income*	$191.0M *+22%*
Non-GAAP EPS*	$0.93 *15%*
Free cash flow	$139.7M

* ResMed adjusts for the impact of the amortization of acquired intangibles and deferred revenue fair value adjustment 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.

OOH SaaS **13%**

Masks and Accessories **37%**

Devices **50%**

Europe, Asia and Other **33%**

Americas Sleep and Respiratory Care **54%**

U.S. SaaS **13%**

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Track record of disciplined financial growth

Revenue ($B)

11% CAGR

$1.6 — LTM 1Q15
$2.7 — LTM 1Q20

Non-GAAP Operating Income ($M)

13% CAGR

$411 — LTM 1Q15
$750 — LTM 1Q20

Non-GAAP EPS

9% CAGR

$2.47 — LTM 1Q15
$3.77 — LTM 1Q20

Fiscal Years ended June 30

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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

- 5,800+ patents and designs[1]

- ~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

Total Shareholder Return *(NYSE shares as of 9/30/19)*:   *1-yr 19%* ▪ *3-yr 119%* ▪ *5-yr 200%*

Thank you

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