



> Investor Presentation

Q3 2019

May 2, 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.

Overview

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



➤ Why invest? – *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
- 5,500+ patents and designs¹
- ~ 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

1. Pending and issued patents and designs as of 3/31/2019

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

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

MACRO

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.

Healthcare System Pain Points

MICRO

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

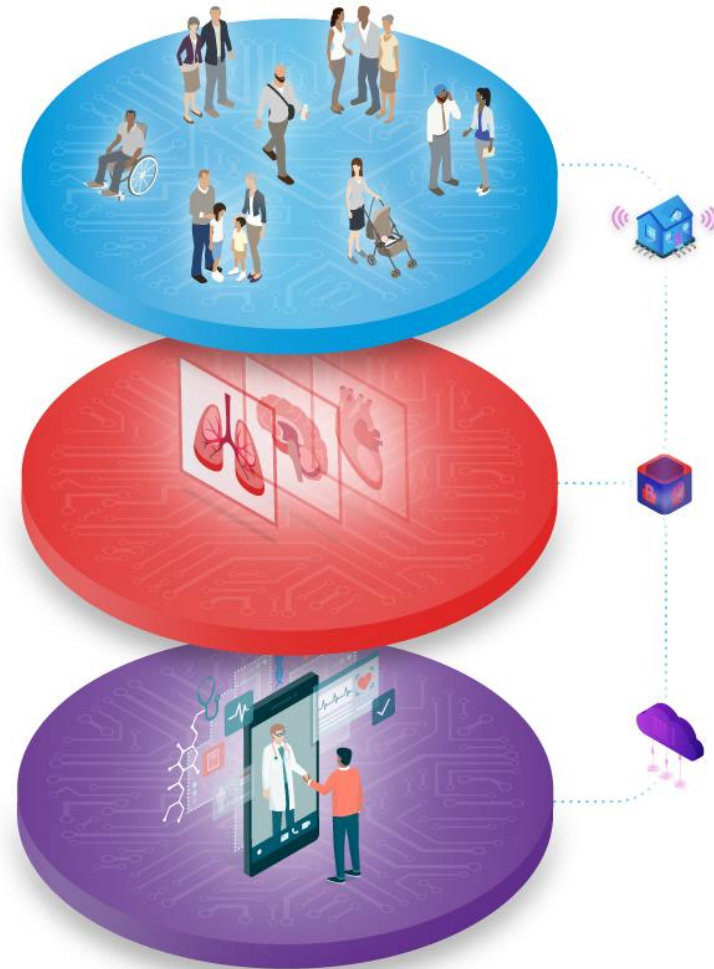
- Global health epidemics in **sleep apnea**, **COPD**, other major chronic conditions, and caring for patients with **SaaS** solutions in the out-of-hospital setting

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
- Digital health technology leadership in our markets



➤ 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

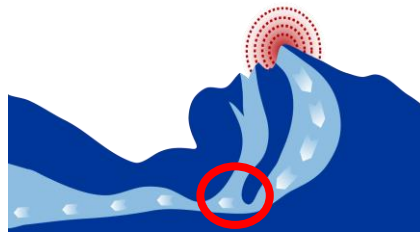
Collaboration – Operating Excellence – Lean Innovation – High Performance Culture – Talent

➤ 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



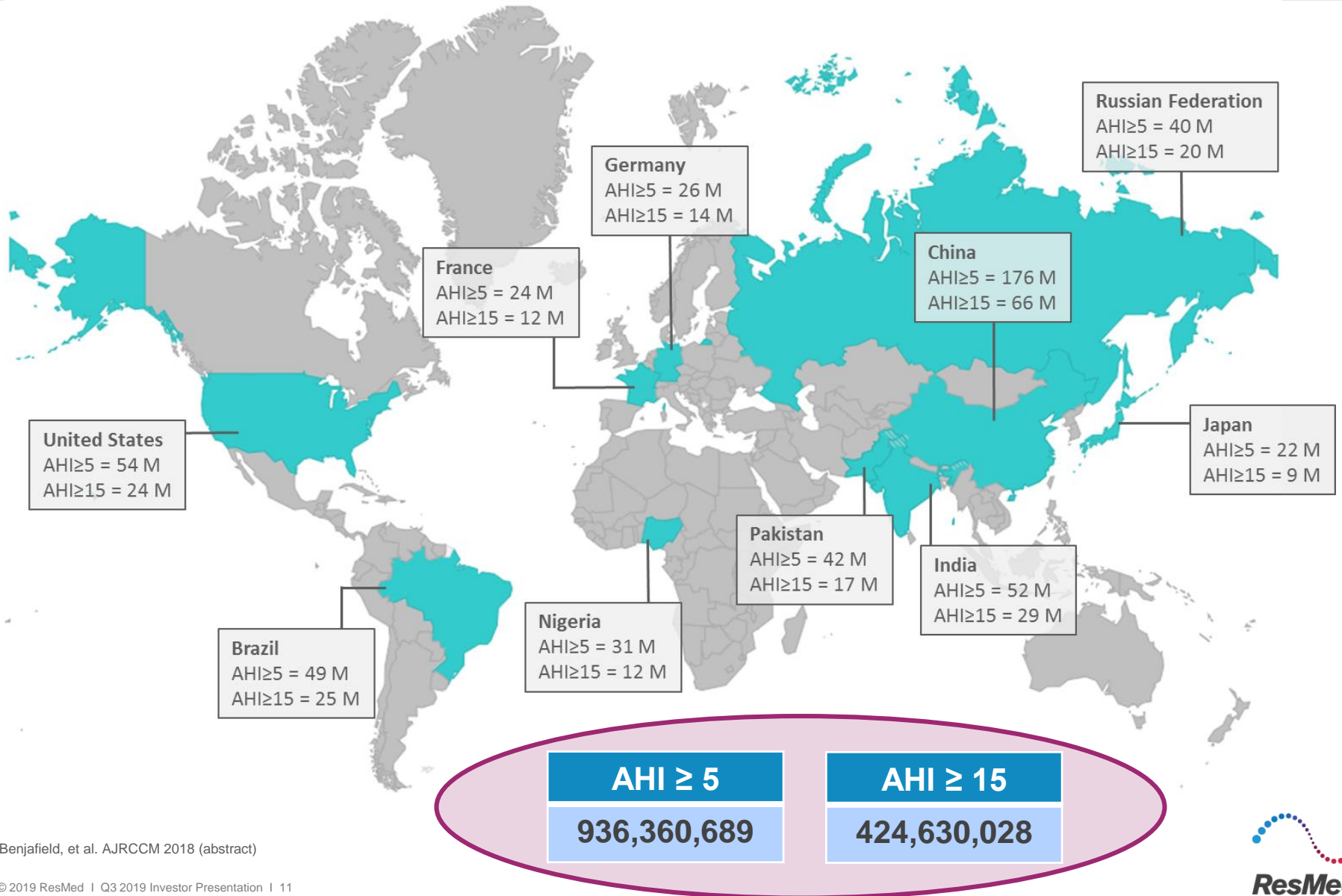
Obstructed airway



Arousal



Global prevalence of obstructive sleep apnea (OSA) presents opportunity to drive increased awareness



➤ Sleep apnea is more than 80% undiagnosed

For every 100 U.S. adults...

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

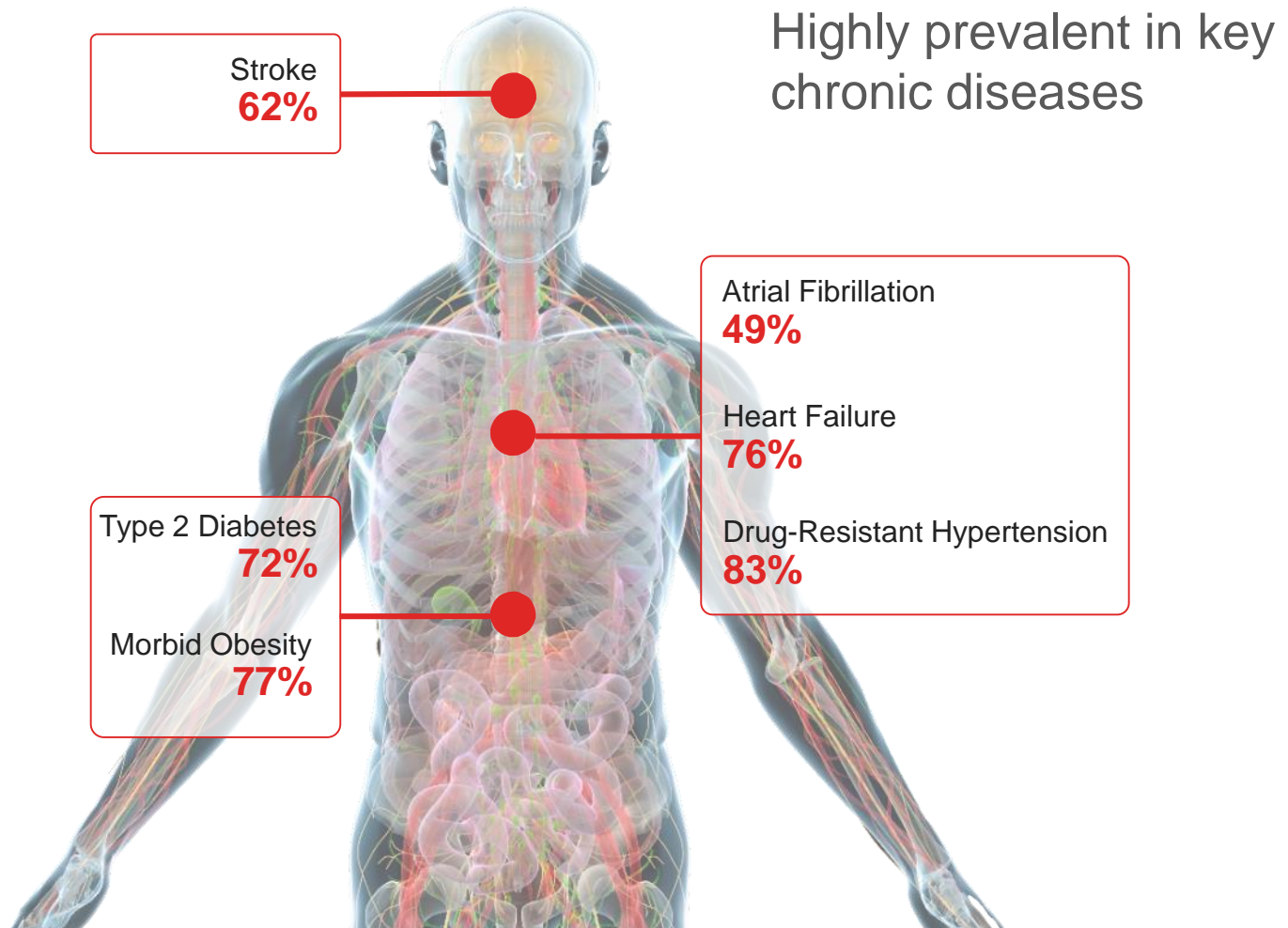


22 DON'T KNOW THEY HAVE IT^{1,2}

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

² Young T et al. *Sleep* 1997

> Sleep apnea is prevalent in other chronic conditions



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

Surg 2004, Einhorn

➤ 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™ N30i
Nasal cradle mask



AirFit™ P30i
Nasal pillows mask



AirFit™ F20
Full face mask



AirFit™ F30
Full face mask



AirTouch™ F20
Full face mask

Connected



AirView™



myAir™

➤ Working with others to raise sleep as a public priority



• • •
• **Consumer tech joint venture** with Dr. Oz and Pegasus Capital

• • •
• World's first non-contact sleep tracking mobile app

• • •
• Shows people how they sleep, and how they can improve their sleep



• • •
• **Sleep research joint venture** with Verily

• • •
• To study the health and financial impacts of untreated sleep apnea

• • •
• Based on research: Develop software solutions to help identify, diagnose, treat and manage those with OSA

➤ 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

> What is chronic obstructive pulmonary disease (COPD)?

COPD is a serious lung disease that over time, makes it hard to breathe

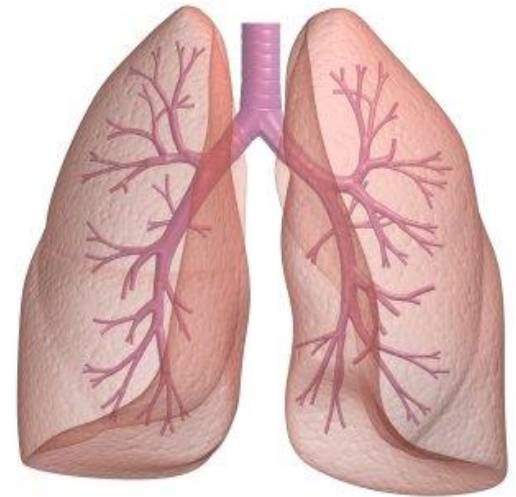
Causes include:

- smoking & second hand smoke
- pollution
- occupational exposure to noxious gases
- a history of childhood infections (could be a catalyst)
- genetic inheritance, leading to its onset



➤ 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*

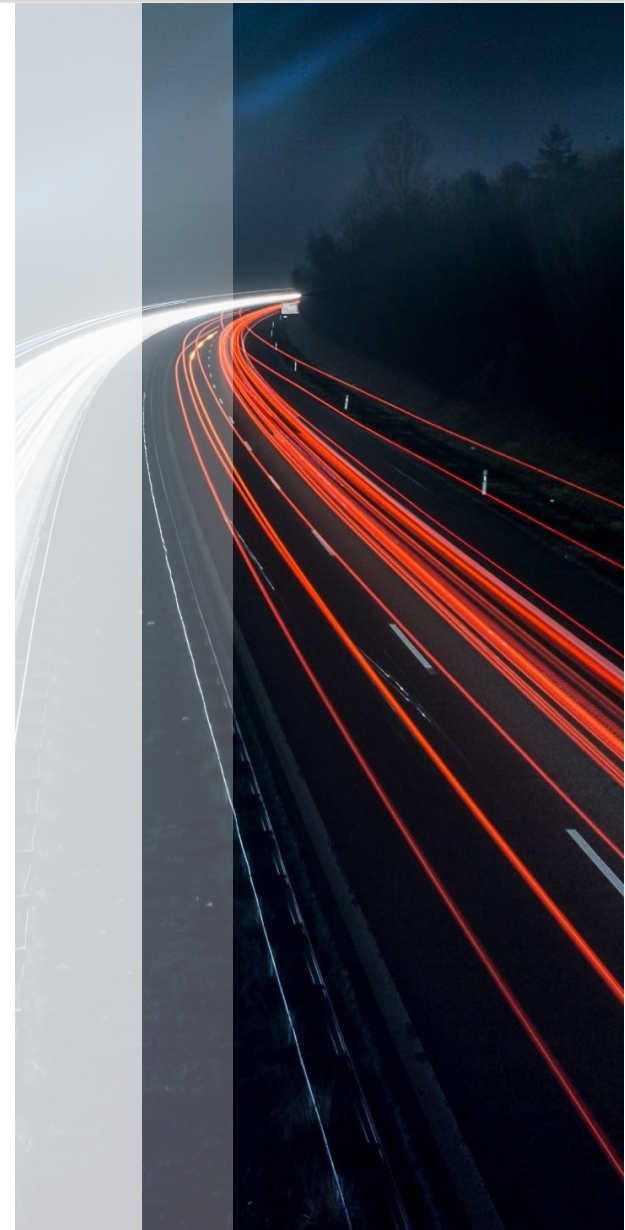
⁴European Respiratory Society, *European Lung White Book* <http://www.erswhitebook.org/chapters/the-economic-burden-of-lung-disease/> accessed 20Jul16

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

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

➤ Respiratory Care: Our point of view

- People with COPD are not well served by healthcare systems today
 - Better solutions are needed for patients, physicians, care providers, and payers
- Technology-enabled medical devices will be incorporated within integrated care models to more effectively manage patient needs
- Improving outcomes in respiratory care will require solutions that reach the patient much earlier in their disease progression
- Digitally-enabled, end-to-end solutions will be key to reaching and supporting the millions of patients with chronic respiratory diseases in emerging markets



> 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

> Extending connected health solutions to COPD & asthma

Acquired Propeller Health in January 2019

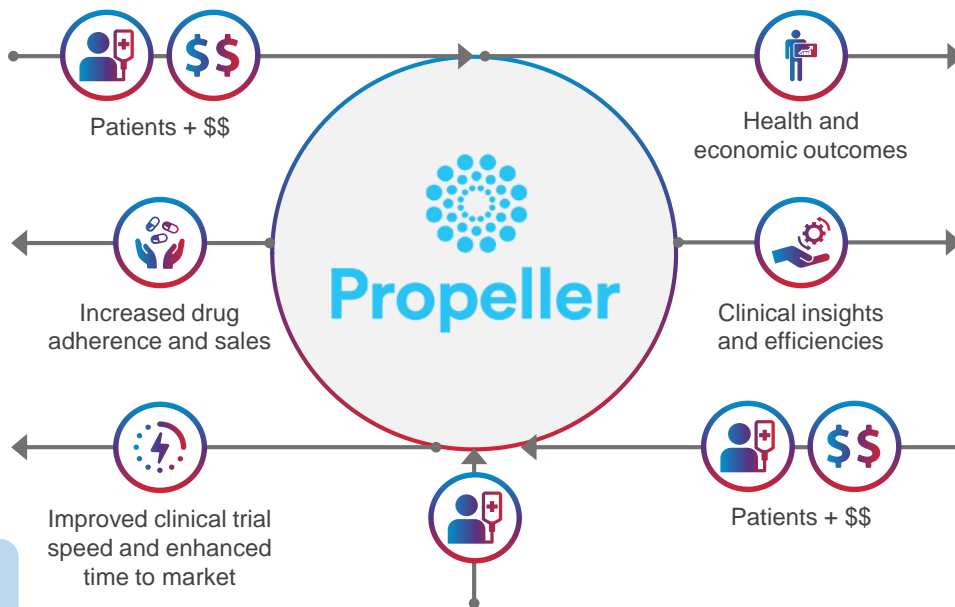
- Digital therapeutics company providing connected health solutions for people with COPD and asthma
- Uses sensors with inhalers to track medication usage and provide personal feedback and insights
- Establishes ResMed as a leading provider of COPD and asthma patient management solutions
- Enables integration 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



Patient Acquisition

> Propeller has demonstrated compelling clinical outcomes

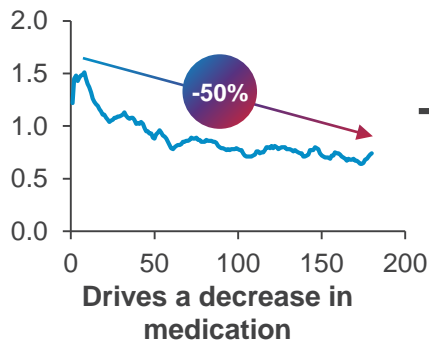


Impact of the Propeller solution tracking inhaler usage and location

Uncontrolled COPD

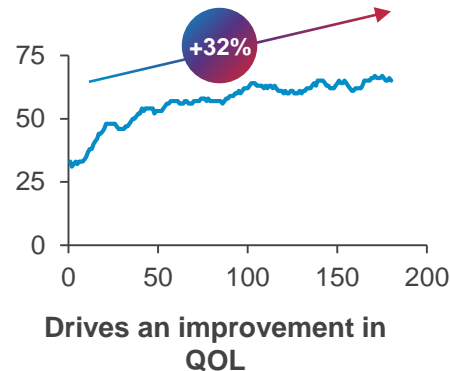
SABA use over time

per day



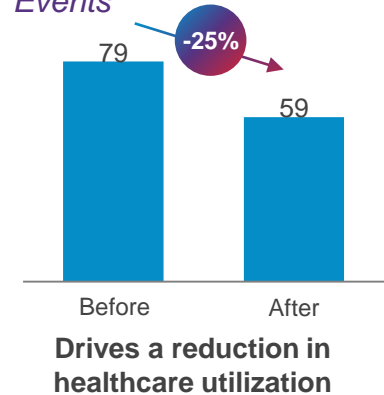
Symptom free days

%



Healthcare utilization

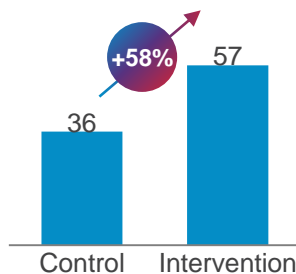
Events



Adherence

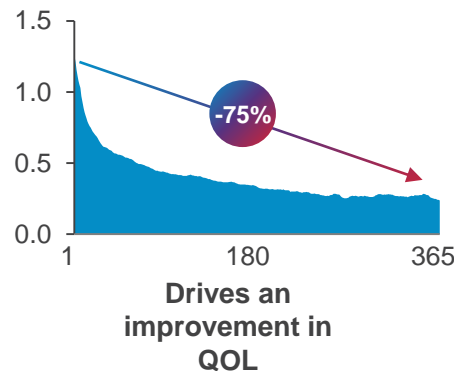
%

Uncontrolled Asthma



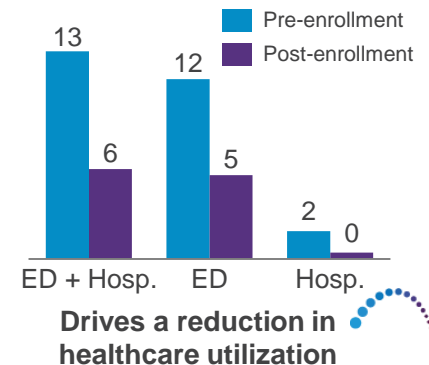
QoL: Rescue Inhaler use per day

times used

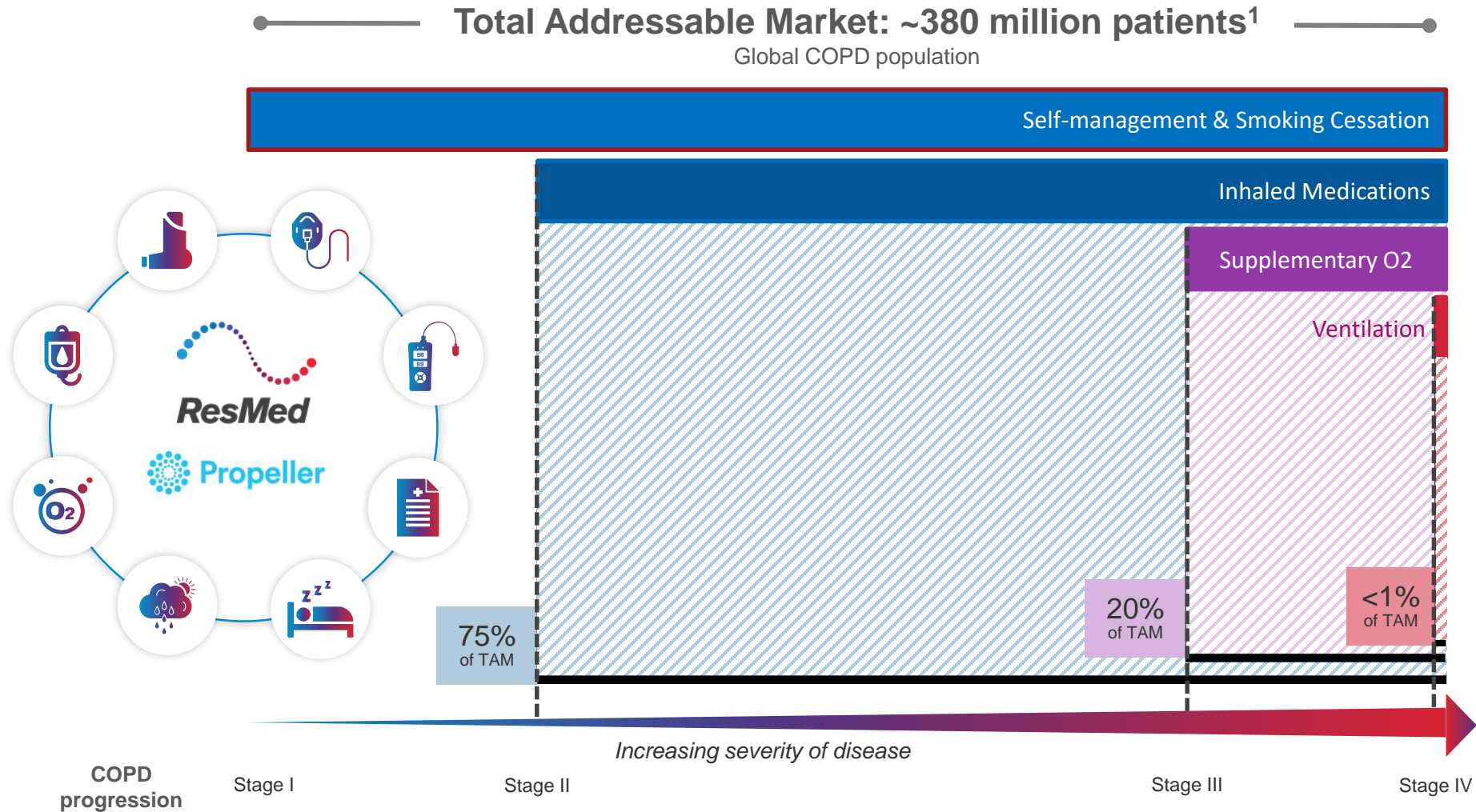


Acute care utilization

Events per 100 patient years



> ResMed + Propeller = platform for entire patient journey



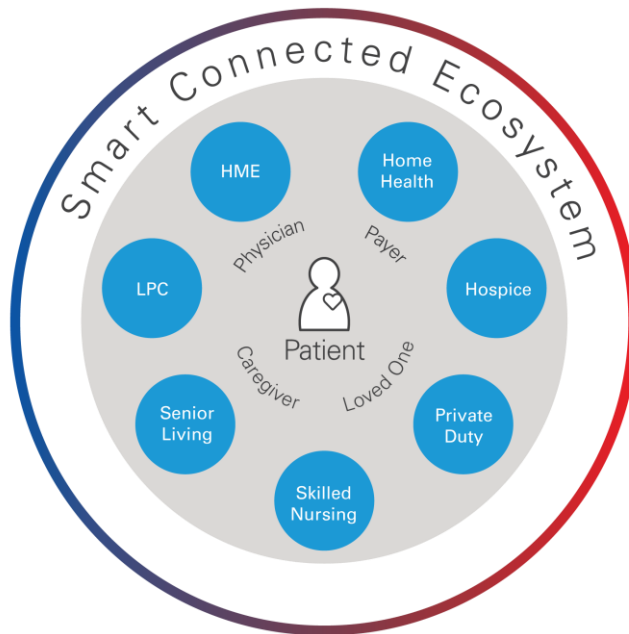
1. Source: <https://www.ncbi.nlm.nih.gov/pubmed/26755942>

> Our Business - *Software as a Service (SaaS)*

> SaaS strategy – revolutionizing out-of-hospital healthcare



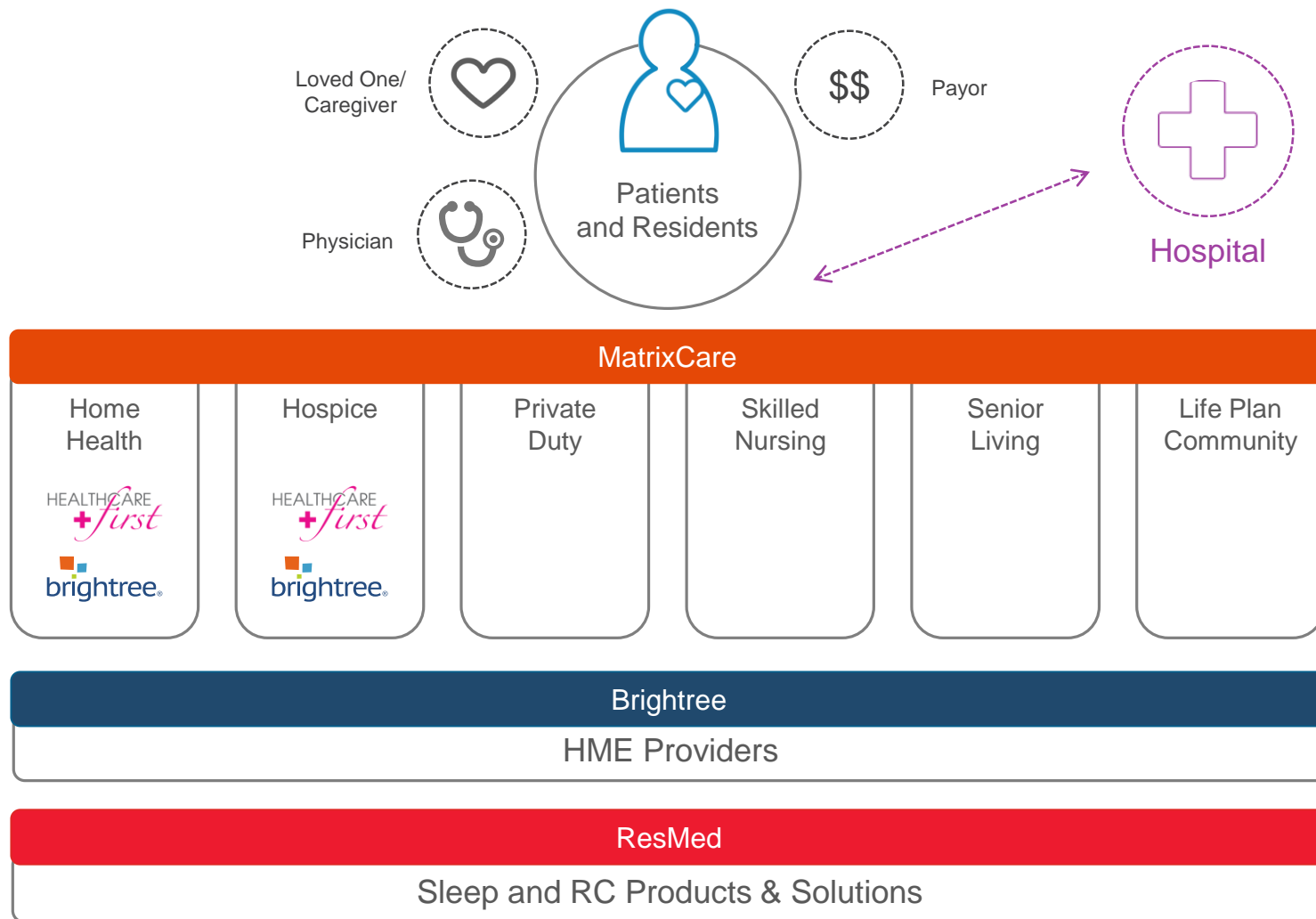
Better patient experience.
Improved clinical outcomes.
Lower overall cost of care.












- 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

Connected systems deliver the best outcomes for value-based care

> Broad portfolio of out-of-hospital verticals



➤ History of successful SaaS acquisitions and integrations

Company	Location	Date	Key Product	Status
	Halifax, NS Canada	Aug 2012	U-Sleep	Integrated into AirView.
	Knoxville, TN	Feb 2015	GoJaysec	Rebranded as GoScripts.
	Denver, CO	Jul 2015	CareTouch 360	Rebranded as ResMed ReSupply.
	Lawrenceville, GA	Feb 2016	Brightree Core	Operating as a wholly-owned subsidiary.
	Girard, PA	Jun 2017	MyForms	Integrated into Brightree.
	Joliet, IL	Jul 2017	Brightree ConnectPRO	Integrated into Brightree.
	Springfield, MO	Jul 2018	<i>first</i> HOMECARE Software (EHR)	Integrated with Brightree and MatrixCare.
	Bloomington, MN	Nov 2018	MatrixCare One	Operating as a wholly owned subsidiary.
	Media, PA	Dec 2018	Apacheta ACE (a mobile enterprise application platform)	Operating as a part of Brightree, with an independent brand.

> Summary

The portfolio is financially attractive on its own and we have leading positions in key segments.



Supports growth for existing businesses (HME) and chronic diseases, sleep apnea and COPD in particular.



The ecosystem and scale creates our competitive advantage.

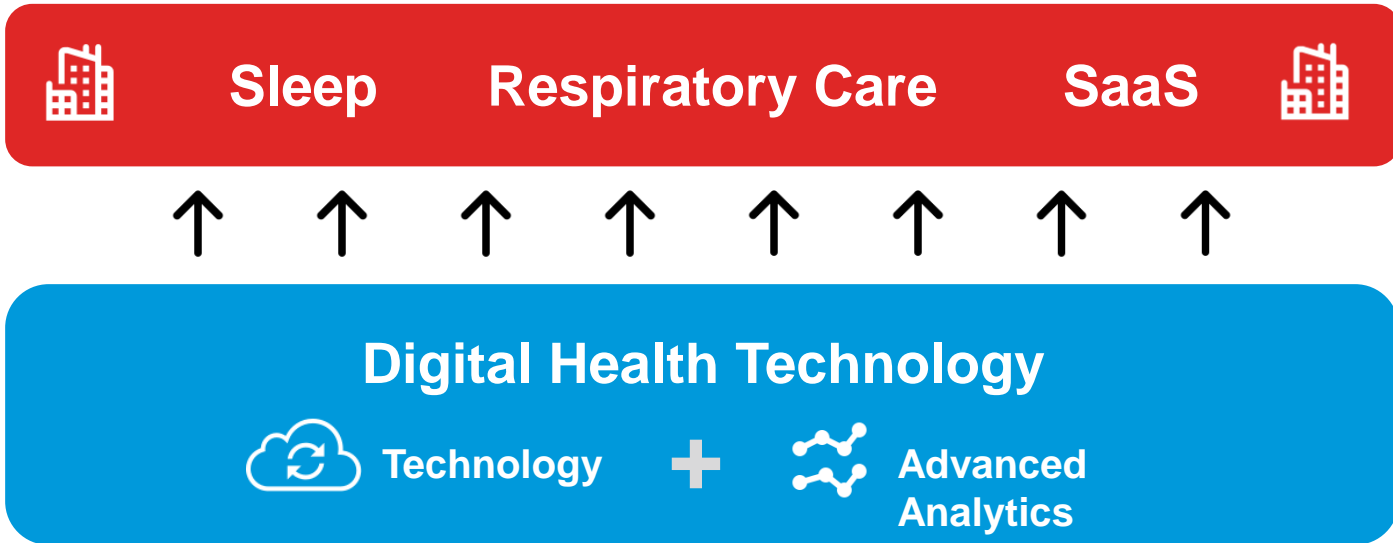


Digital Health Technology



Digital health technology supports all of ResMed

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



➤ 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

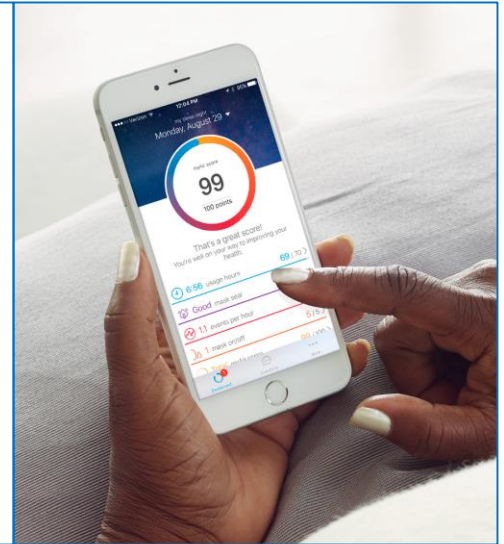
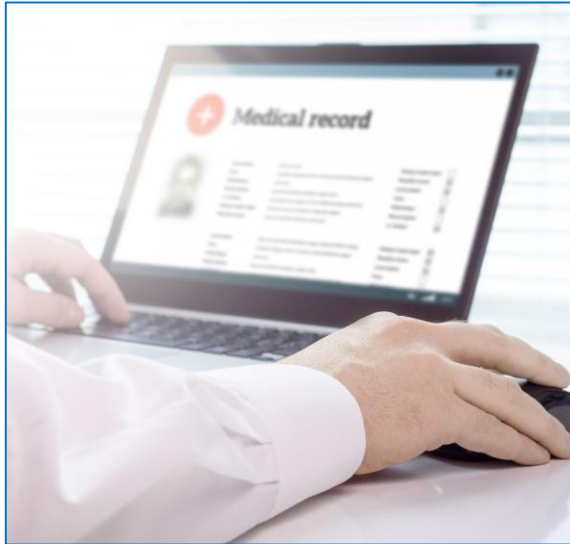
- ePrescribe and Resupply
- Integrations with our SaaS platforms
- Accelerating the ResMed value proposition for our customers and patients



Data Analytics – The AI Journey

- Drive better clinical outcomes for patients and business outcomes for providers
- Leverage big data to derive meaningful actionable insights using 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

> Solving for pain points in the physician/provider/patient ecosystem



**Physician
access to
meaningful
clinical data**

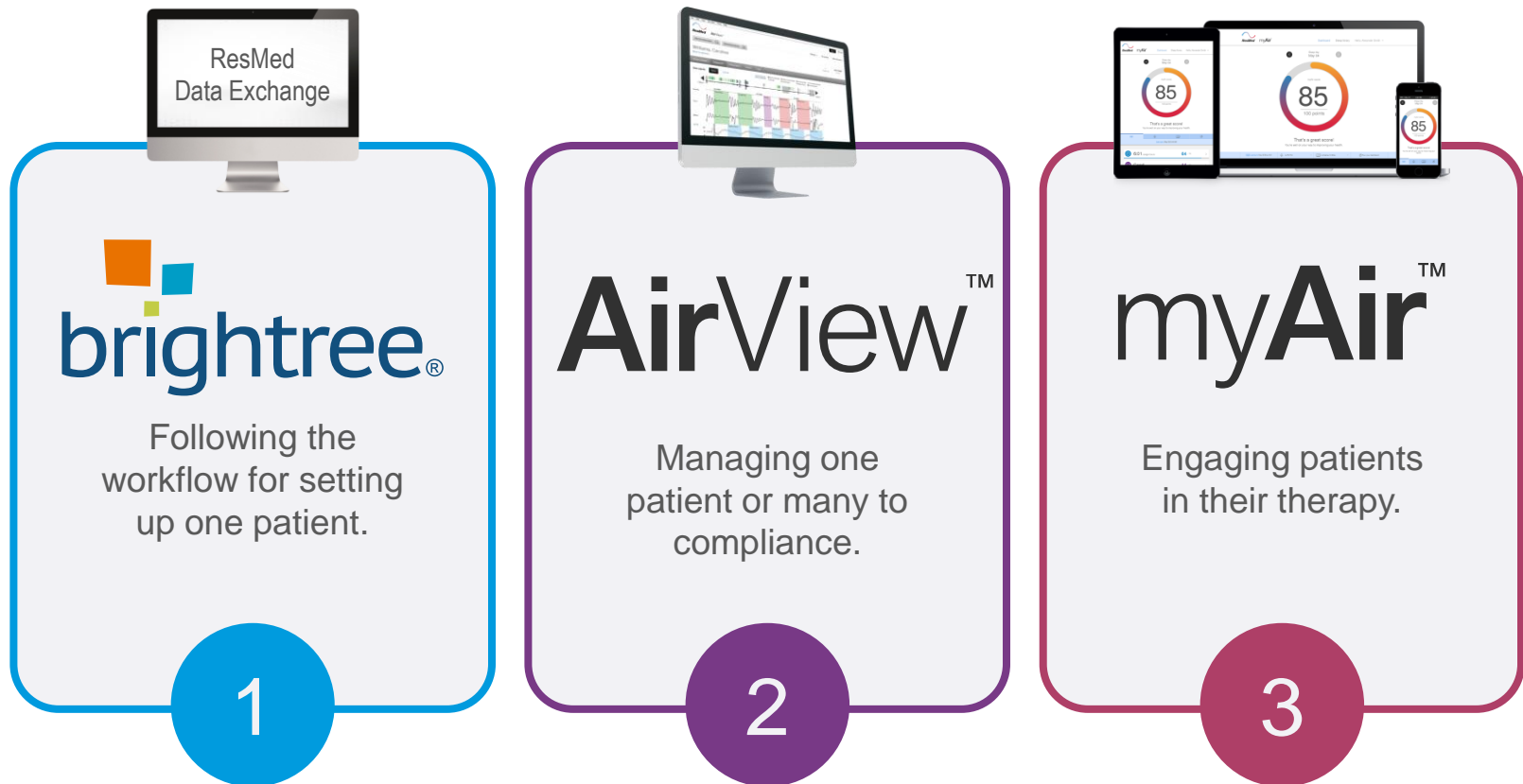
**Evolution from
paper to
electronic record
systems**

**Multiple systems
increase
potential for
errors**

**Increased
documentation
requirements**

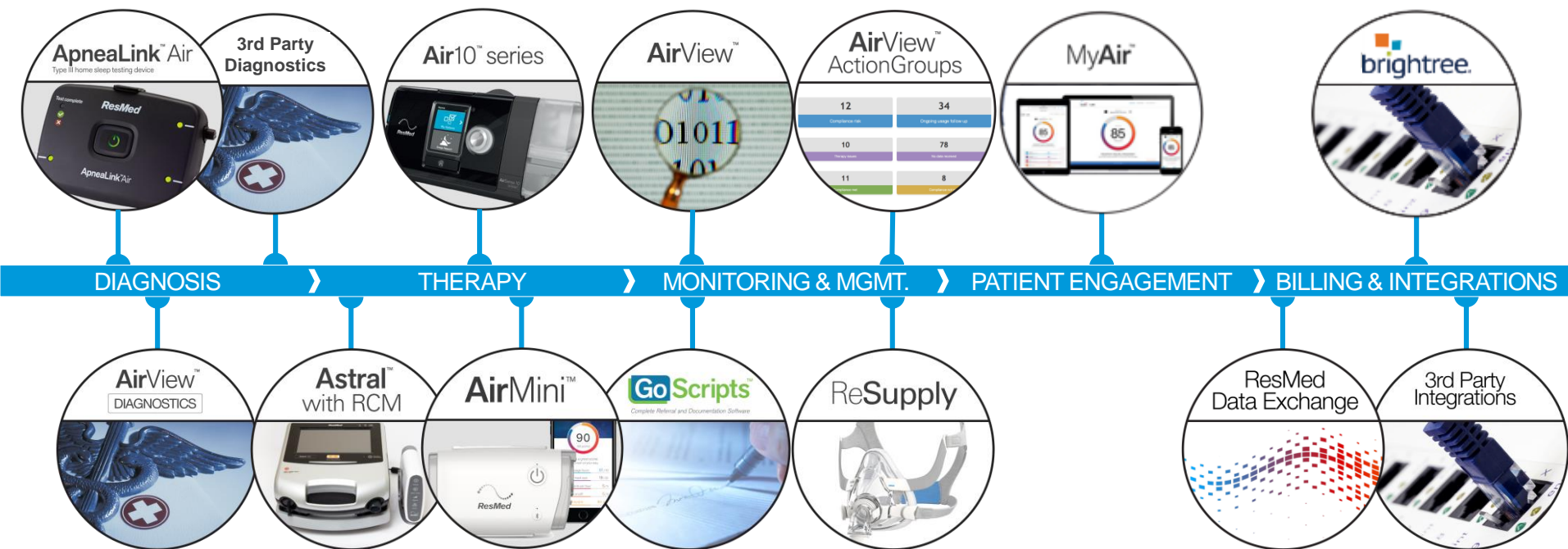
**Real-time patient
engagement**

> Improving outcomes for patients, physicians, and providers



➤ Transforming 4+ billion nights of medical data into useful outcomes

Global Leader in Cloud-Connected Medical Devices



> Global leadership in digital health

AirView™ has over
10 million+ patients

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

84 API calls per **second**
from integrators

9 million+

100% cloud connectable
devices worldwide

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

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



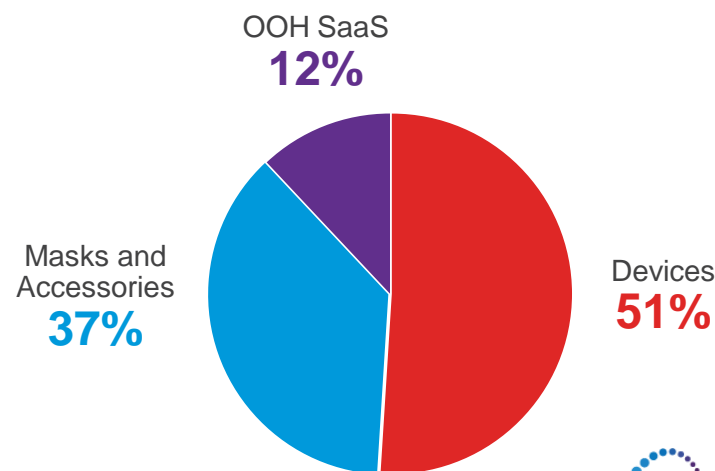
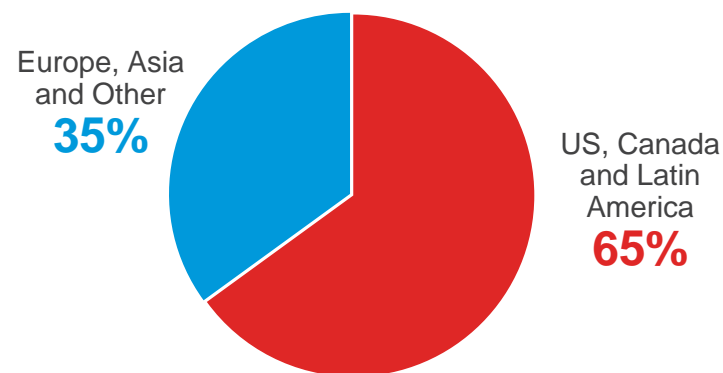
> Financial Results

> Key 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 net income*	\$128.1M (3)%
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, deferred revenue fair value adjustment, the impact of U.S. tax reform on income tax expense, acquisition-related expenses, and restructuring-related expenses 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.

Diversified revenue by geography & by business



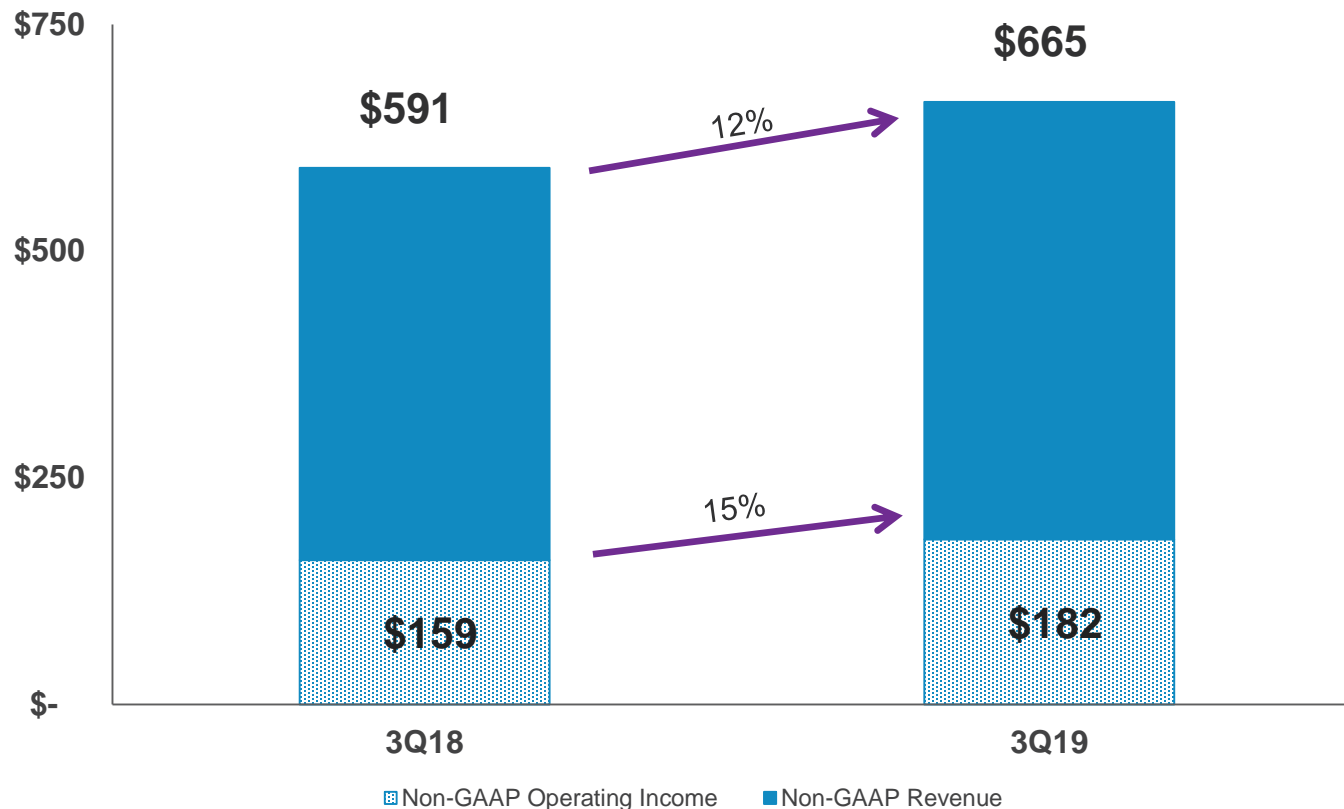
> Focus on operating excellence and fiscal discipline driving continued improvements in operating leverage

(\$ in millions)

**Non-GAAP
Operating
Profit Margin**

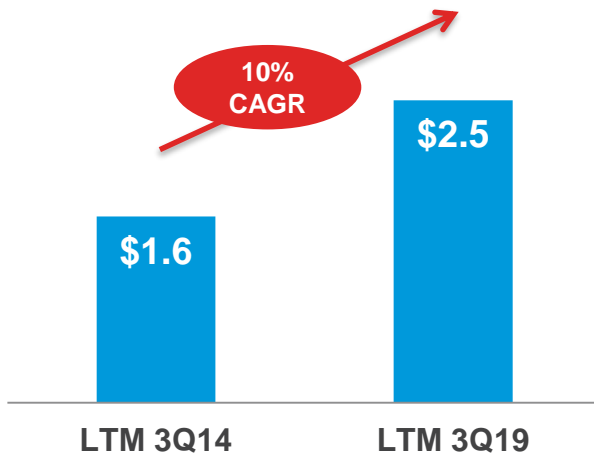
26.9%

27.4%

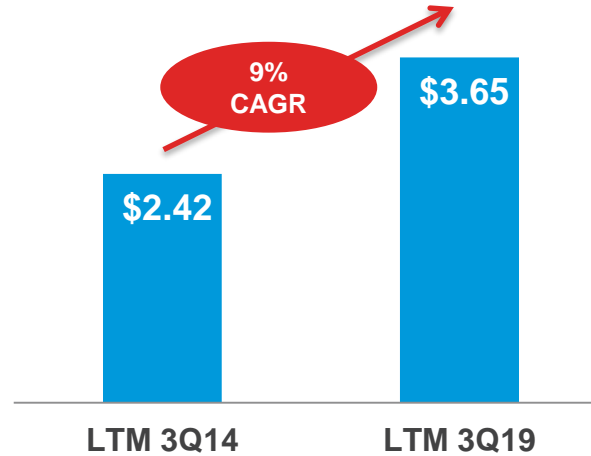


➤ Track record of disciplined financial growth

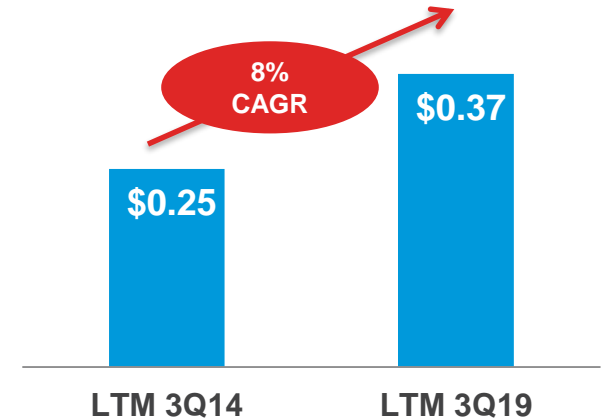
Revenue (\$B)



Adjusted EPS



Quarterly dividend



Fiscal Years ended June 30

> Proven capital management

Capital Deployment



Investment for Growth

- New Products
- Geographic expansion
- Acquisitions



Free Cash Flow returned to Shareholders

- Last twelve months combined dividend and stock repurchase = 67% of free cash flow



Increasing Dividend

- YTD FY2019 dividend payout ratio of 41% of adjusted net income
- Dividend per share increased by 6% over prior year

Combined dividend and buy-back over rolling 5 years
= **65% of free cash flow**

> Recognized by Forbes at #1 in category for corporate citizenship

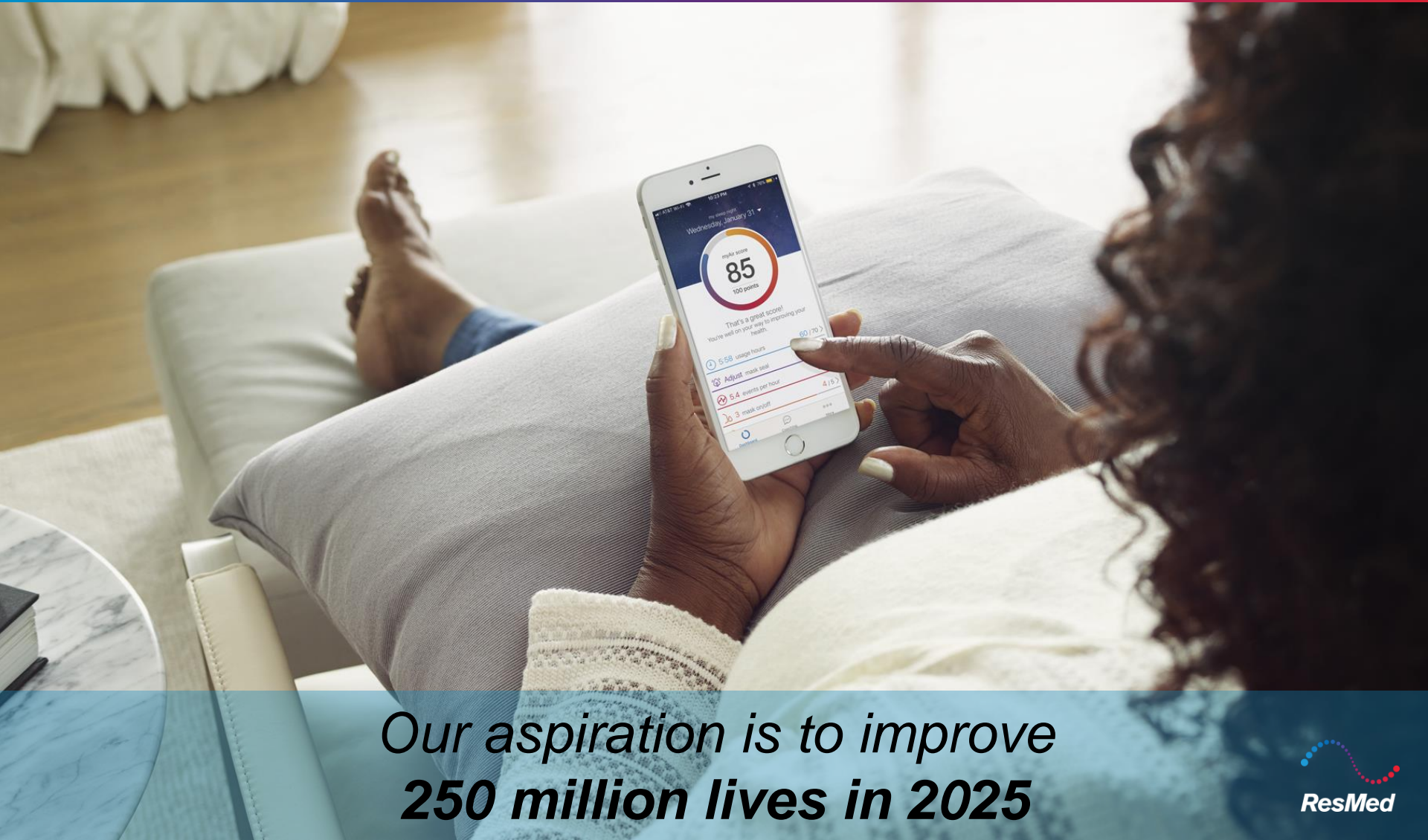
Eliminating unnecessary waste	Minimizing pollution	Product stewardship	Responsible compliance	Increased awareness and continual improvement
We work to eliminate unnecessary waste in all our systems & processes, such as minimizing our use of natural resources .	We are minimizing pollution, in particular 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

*In the last 12 months, we changed more than **14 million lives** with our products and improved nearly **80 million more** via our out-of-hospital care network*



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

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- 5,500+ patents and designs¹
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Financial Results

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

1. Pending and issued patents and designs as of 3/31/2019



Contact Investor Relations

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Email: investorrelations@resmed.com

Website: www.investors.resmed.com

> APPENDIX

➤ Market-leading connected health solutions

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



AirView™

↑21%

patient adherence
with **automated
compliance
coaching**¹

Labor
Costs²

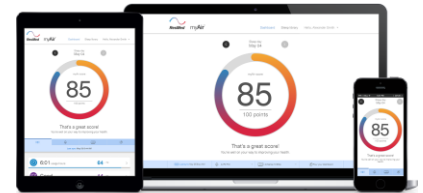
↓59%

New
Patient
Setups³

↑55%

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

myAir™



World's largest study for adherence

> 128,000 patients

↑24%

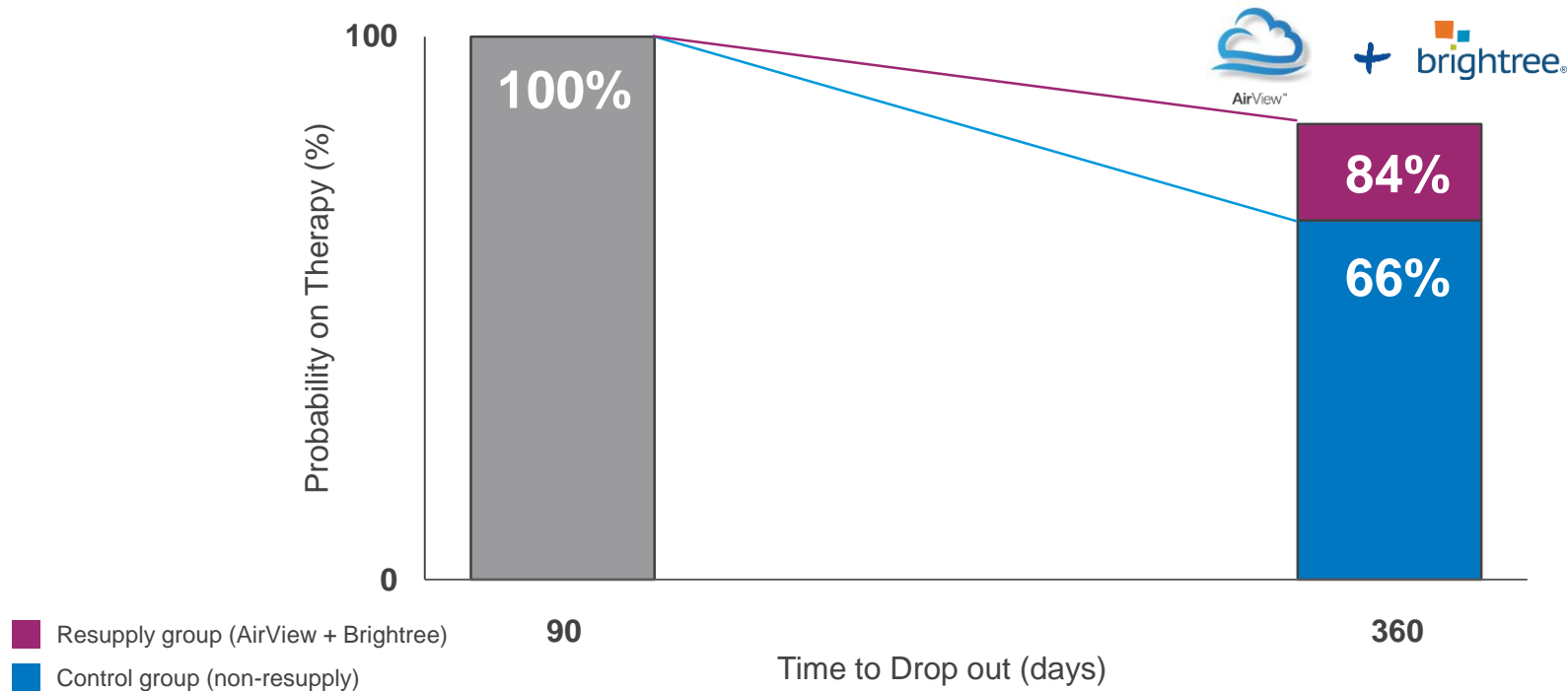
patient adherence
with **patient
engagement**⁴



> Improving adherence to therapy

ResAdhere: remote monitoring + mask resupply drive improved adherence

In a study of ~100k patients with AirView cloud-connected devices...



...the likelihood of therapy termination decreased by >50% after one-year and there was a significant increase in daily PAP usage

Benjafield, et al. AJRCCM 2018 (abstract)

Note: De-identified data from Brightree and AirView were sent to a third-party independent statistician who provided the anonymized analyses and findings.



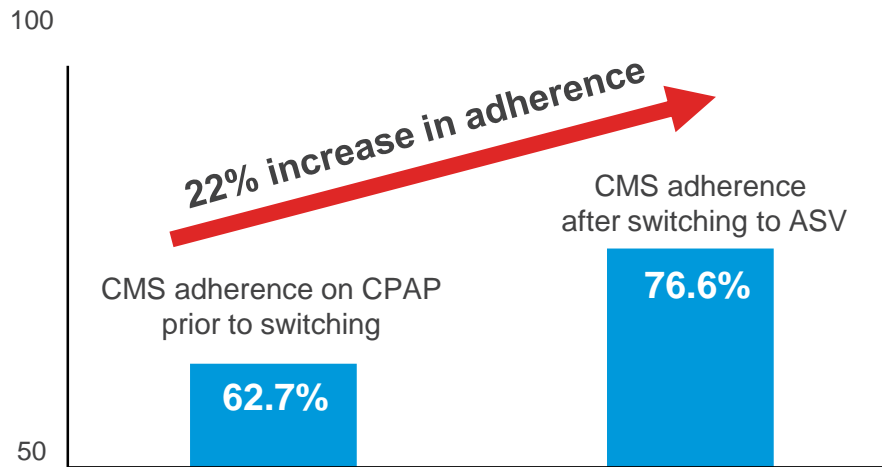
Big data analysis drives insights for treatment of central sleep apnea

Patients with treatment-emergent central sleep apnea (CSA) are two times more likely to terminate therapy

- Opportunity to rethink conventional therapeutic options
- Minimize risk of therapy termination through early diagnosis
- Regularly monitor patients to support adherence to treatment



Analysis of ~200k CSA patients



- Switching from therapy CPAP to ASV improved relative adherence by 22%
- Patients who switched from CPAP to ASV had fewer apneas and hyponeas during sleep

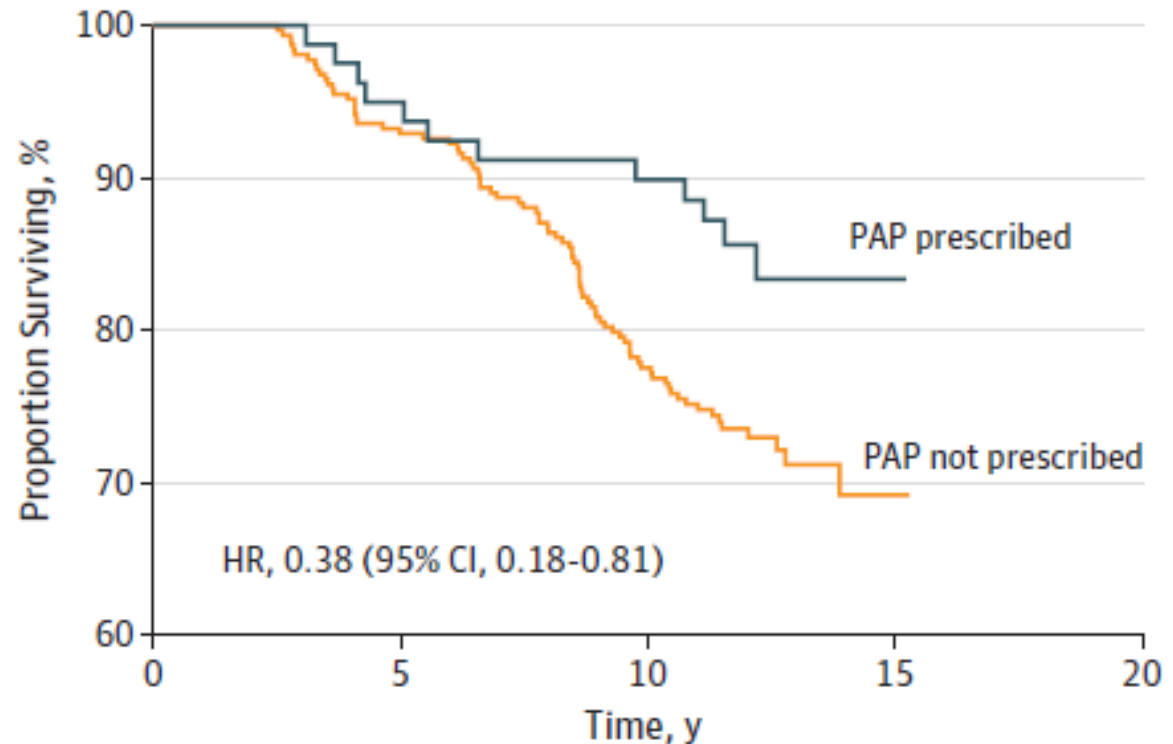
➤ Reducing Mortality with PAP Therapy

U.S. multicenter, population-based cohort study

Sleep Heart Health Study



- Positive airway pressure therapy associated with a **62% lower risk of all-cause mortality**
- Death rate was twice as high for persons who did not receive positive airway pressure therapy
 - (24.7 vs 12.8 deaths per 1000 person years, $p = 0.03$)

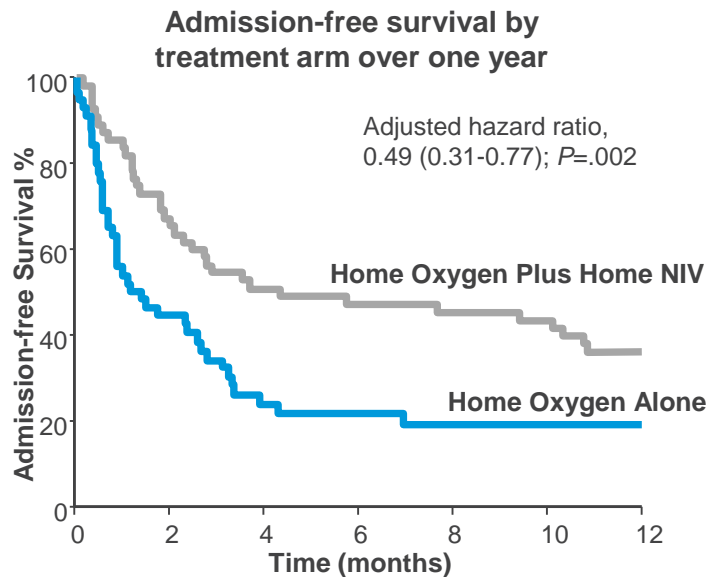


Lisan et al., Association of PAP prescription with mortality in patients with obesity and severe OSA. The Sleep Heart Health Study, JAMA Otolaryngol Head Neck Surg 2019

> Opportunity to shift care from hospital to home

- Healthcare costs are on the rise
- Combining non-invasive ventilation (NIV) with home oxygen therapy (HOT)
 - Reduces hospitalization and mortality by 51%
 - Increases time to hospital readmission or death by ~90 days

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- Combination of HOT with NIV reduced hospital readmissions by 58.3%
- Combination of therapies provided improved patient quality of life and saved >\$50k per quality of life adjusted 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.