



Investor Presentation

Q4 2019

July 25, 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, ~\$18B market cap
- World-leading connected health company with approximately 10 million 100% cloud-connectable devices
 - More than 11 million patients in AirView monitoring ecosystem
 - Nearly 90 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 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 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

Total Shareholder Return *(NYSE shares as of 6/30/19):* **1-yr 20%** ▪ **3-yr 103%** ▪ **5-yr 164%**

1. Pending and issued patents and designs as of 6/30/2019



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

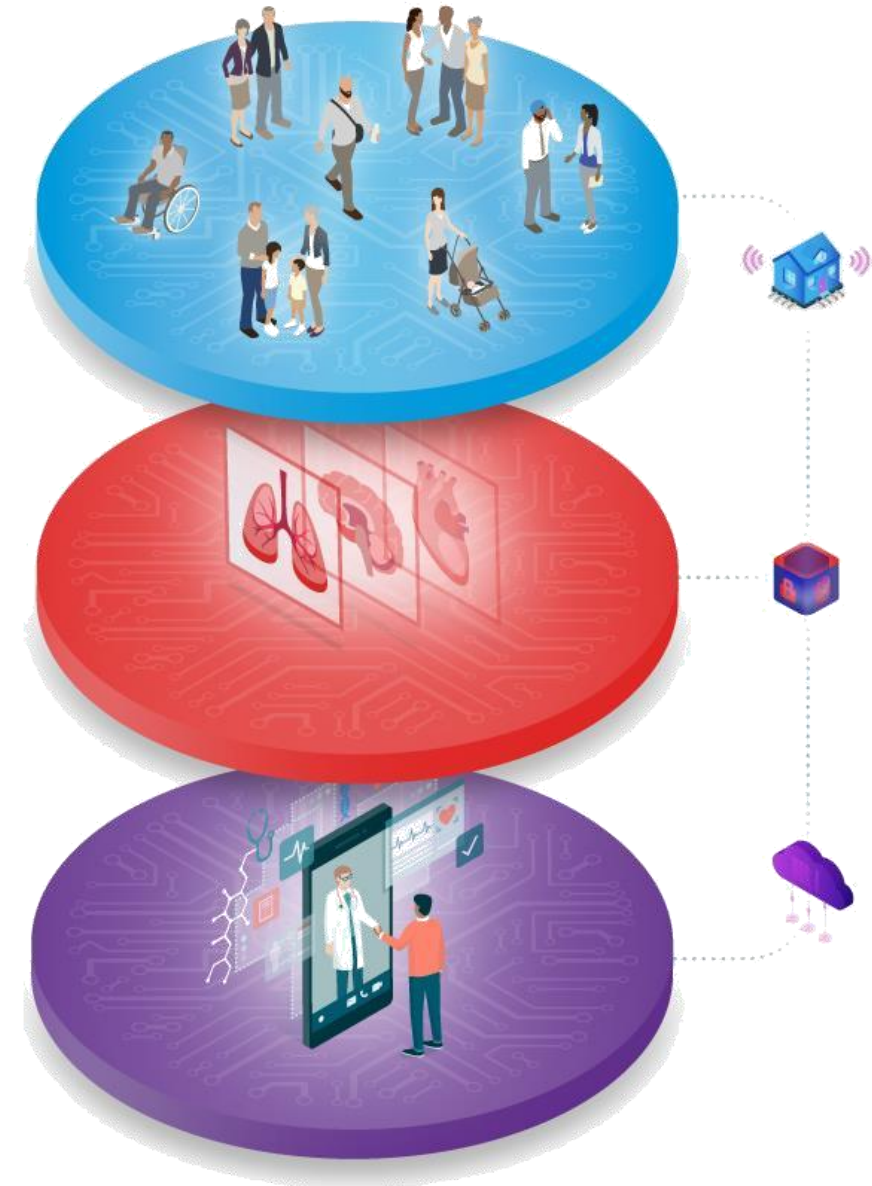
- Global health epidemics in **sleep apnea**, **COPD**, other major chronic conditions, and caring for patients with **SaaS** solutions in the out-of-hospital setting

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



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

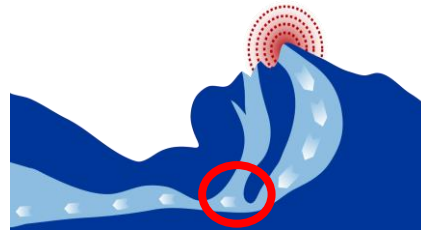
Collaboration – Operating Excellence – Lean Innovation – High Performance Culture – Talent

> What is sleep-disordered breathing?

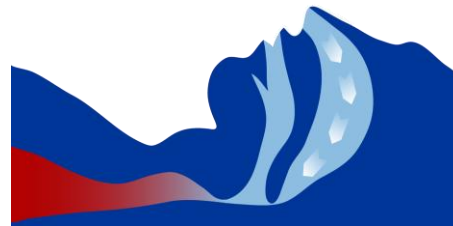
- Abnormal respiration during sleep – the cessation of breathing or “sleep suffocation”
- Most prevalent is **obstructive sleep apnea** – collapse of the upper airway despite ongoing effort
- Other types include central sleep apnea -- lack of breathing *and* lack of effort -- and mixed apnea



Normal airway



Partially obstructed airway



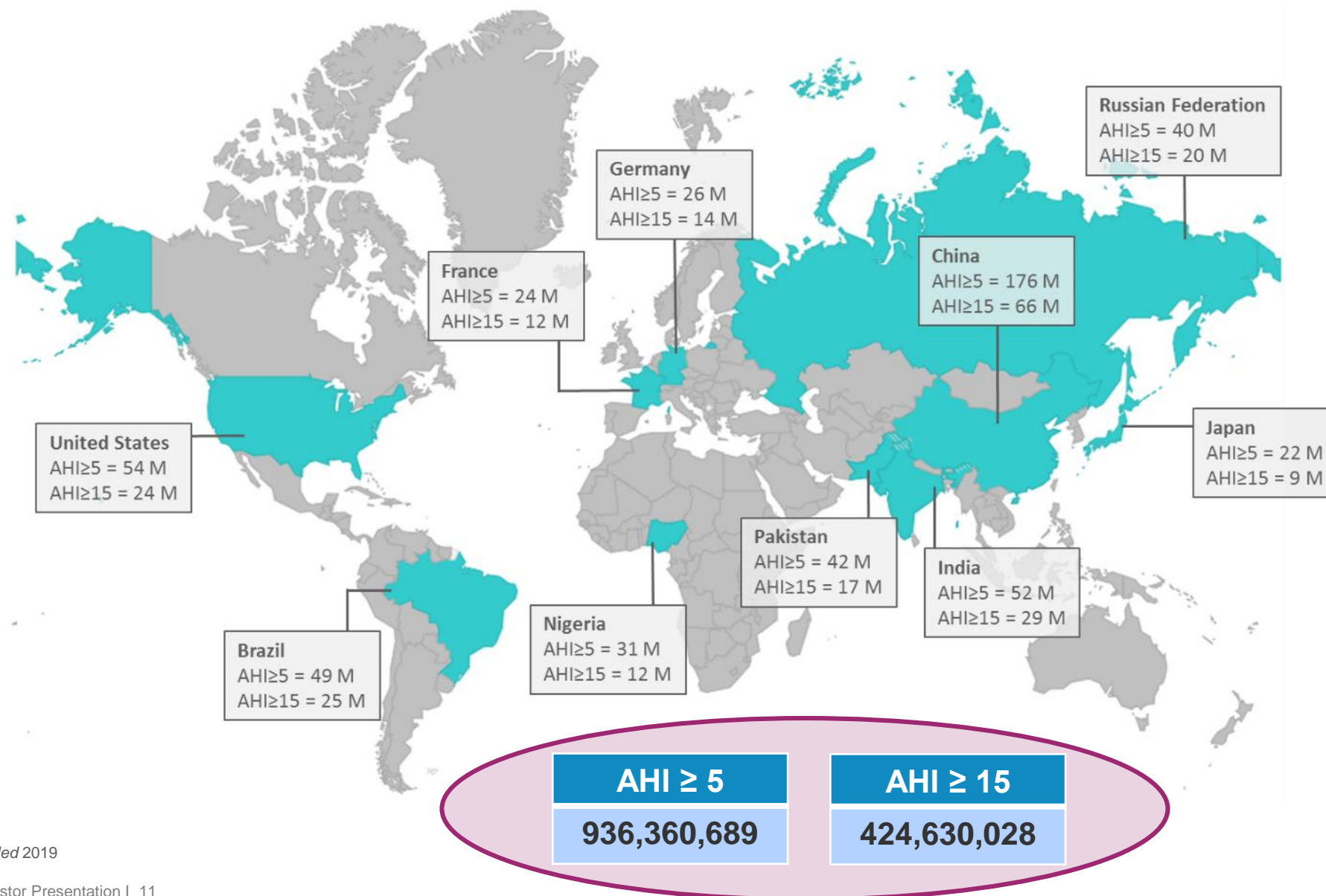
Obstructed airway



Arousal



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





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

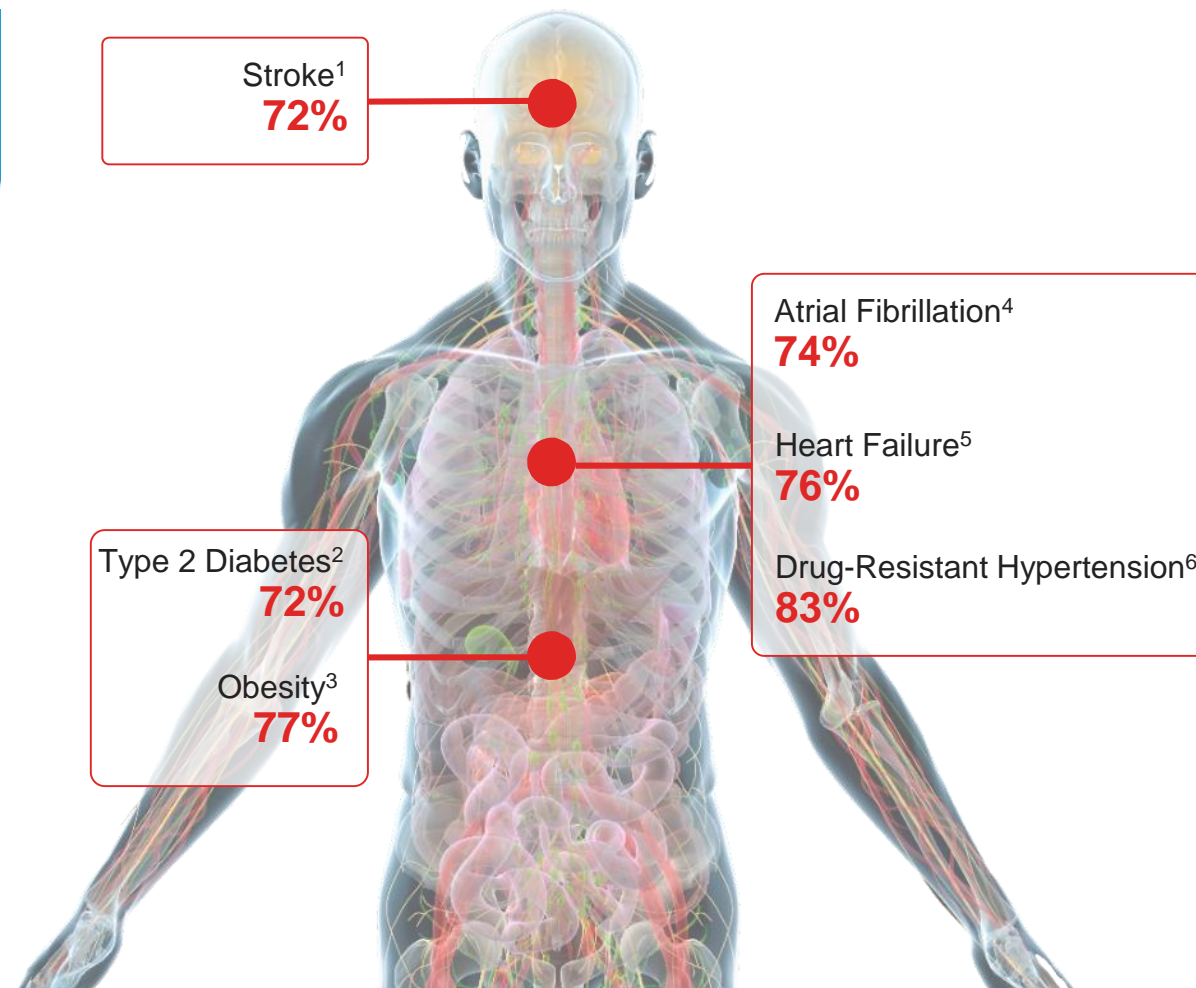
....and is highly prevalent in other chronic conditions

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

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



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™



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



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

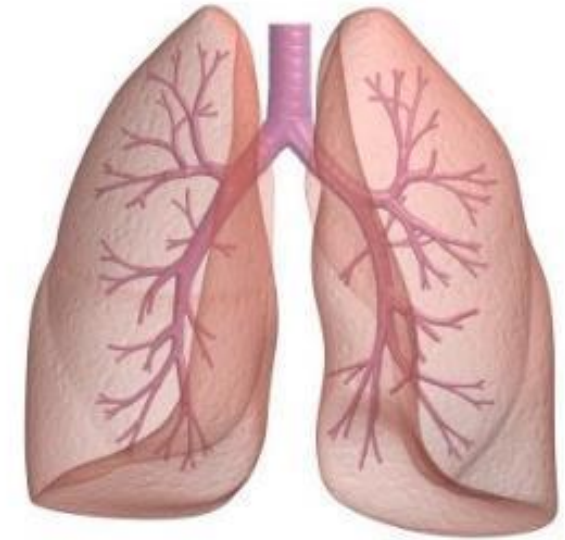
Causes include:

- 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

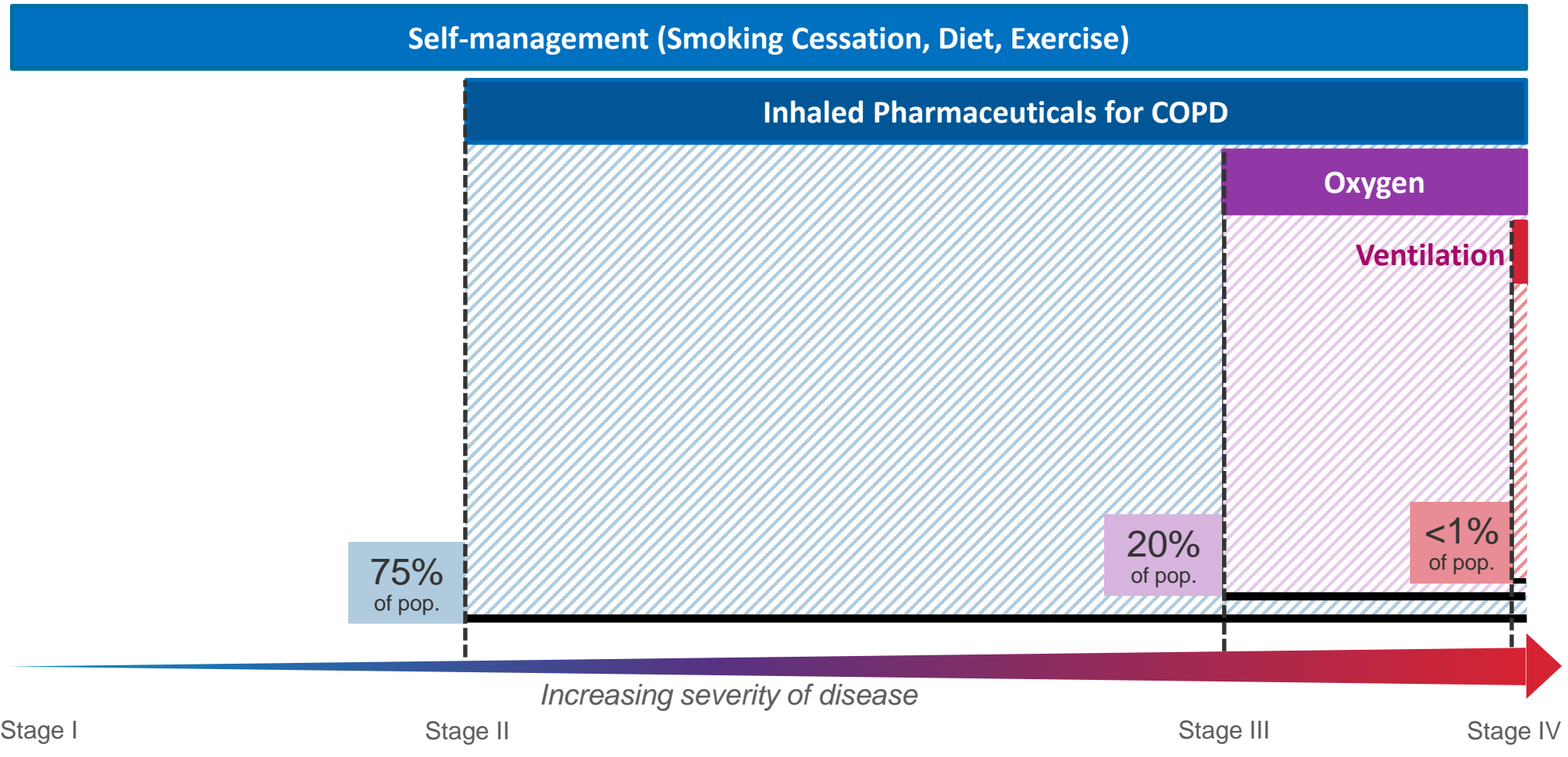
⁵Guarascio et al. Dove Med Press, 2013 Jun 17

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



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

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



Full spectrum of solutions for respiratory care

Digital Therapeutics



Propeller

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



New research: Propeller's digital medicine platform drives reduced healthcare utilization



Cleveland Clinic



Propeller

Study Overview:

Cleveland Clinic enrolled people into Propeller as part of their routine clinical care and monitored them for at least one year. Providers monitored drug use and adherence to inhaled controller medications, providing follow-up as needed.

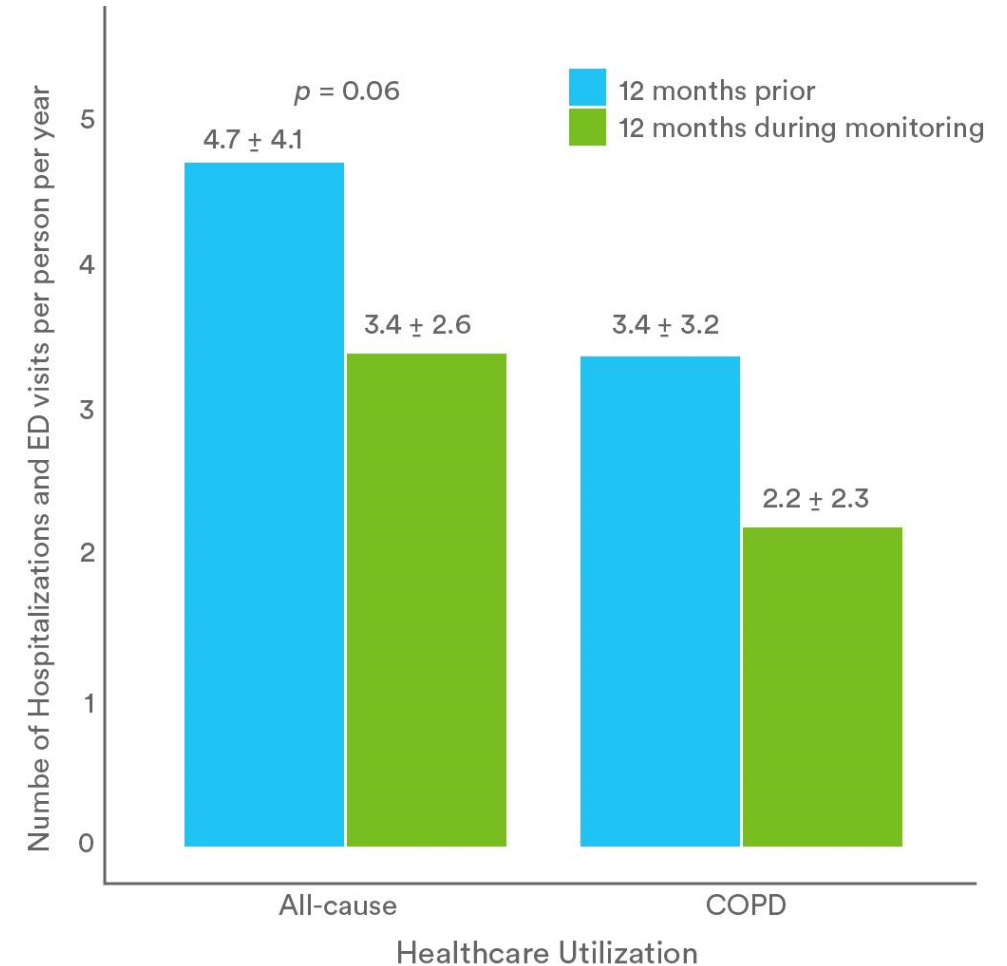
Population:

- COPD patients with ≥ 1 utilization (Emergency Department ("ED") visit or hospitalization) in prior 12 months
- N = 39; mean age: 69 years, 51% male, 69% African American, mean FEV₁¹ predicted: 47.2%, mean CAT: 19²

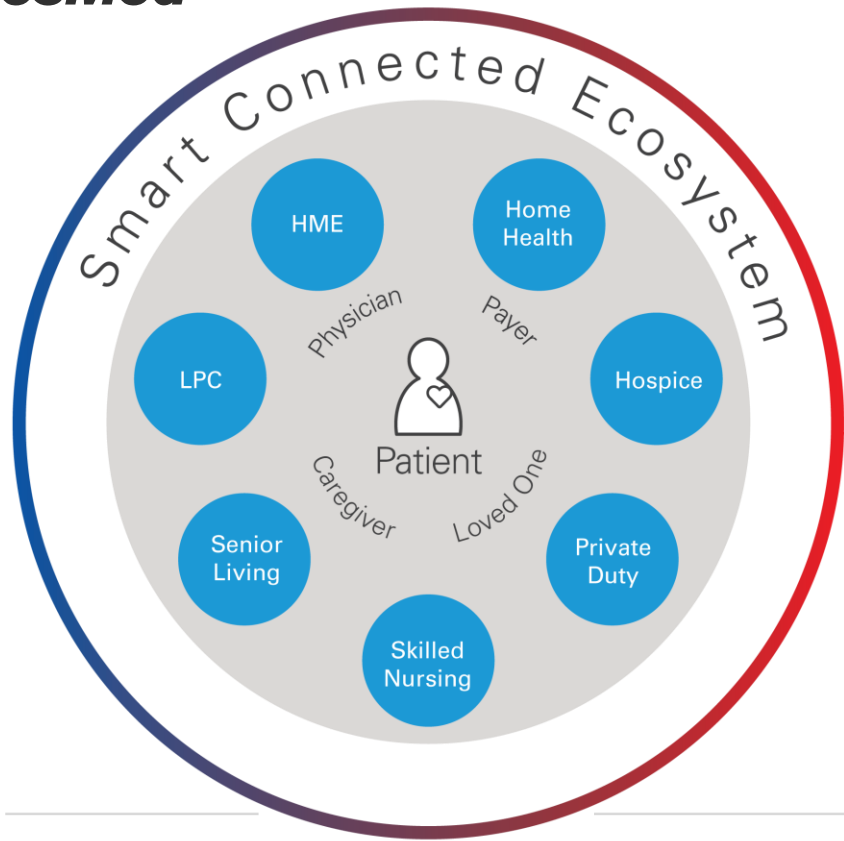
1. FEV₁ = Forced Expiratory Volume in 1 second – the volume of air that can be forcibly blown out in the first second after full inspiration. Values between 80% and 120% are considered normal
2. CAT = COPD Assessment Test – an eight-item questionnaire designed to quantify the impact of COPD symptoms on a patient's health status.. Scored between 0-40, <10 Low, 10-20 Medium, 21-30 High, >30 Very high

Alshabani K, et al. Electronic inhaler monitoring and healthcare utilization in chronic obstructive pulmonary disease. J Telemed Telecare. 2019

Results:



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

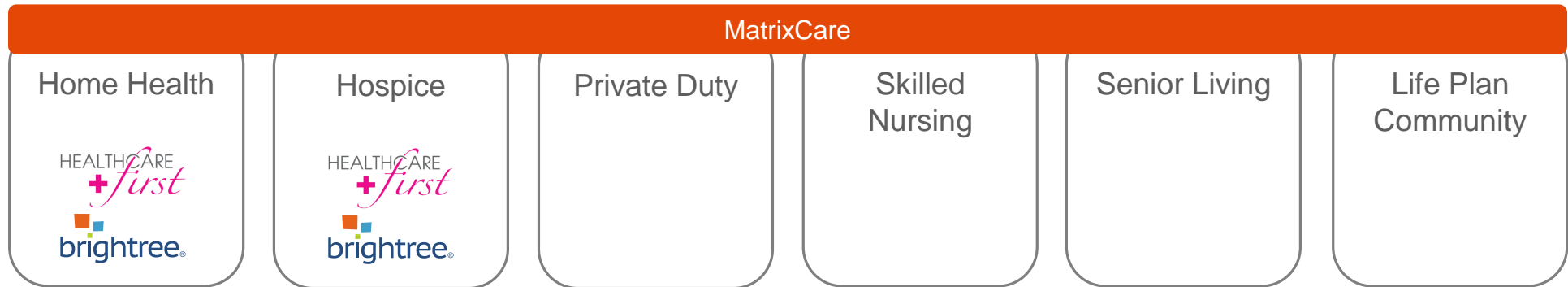
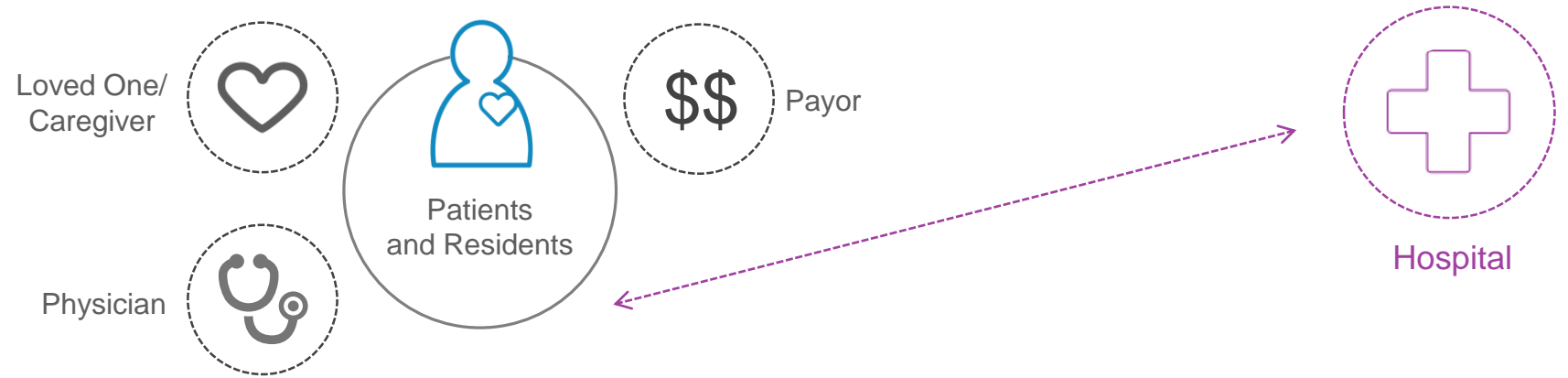
Connected systems deliver the best outcomes for value-based care

> Our SaaS portfolio...





...supports a broad portfolio of out-of-hospital verticals



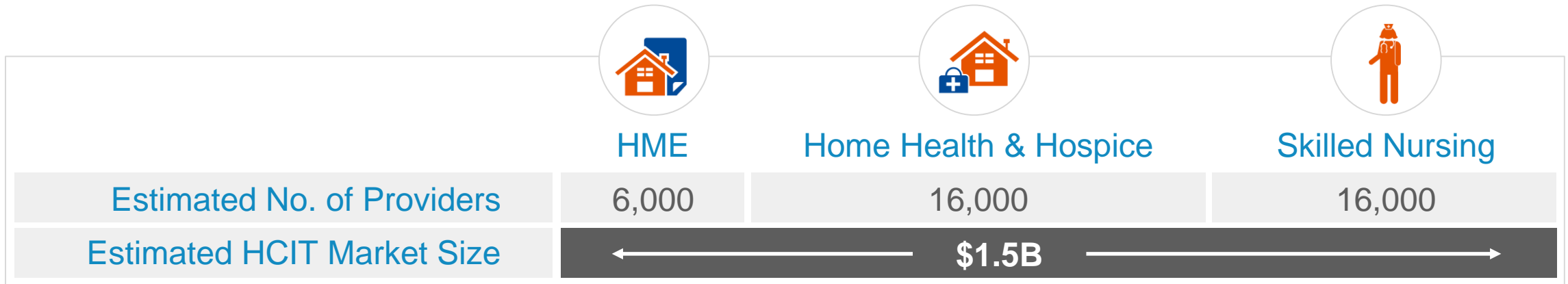


Strong positioning within key segments

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

Moving upmarket in **Home Health and Hospice** with Brightree and HEALTHCARE*first* combined offering managed by MatrixCare

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



Increased competitive advantage as market moves to value based care models and providers look to integrate across care settings



SaaS portfolio is operating at scale and creating value

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.

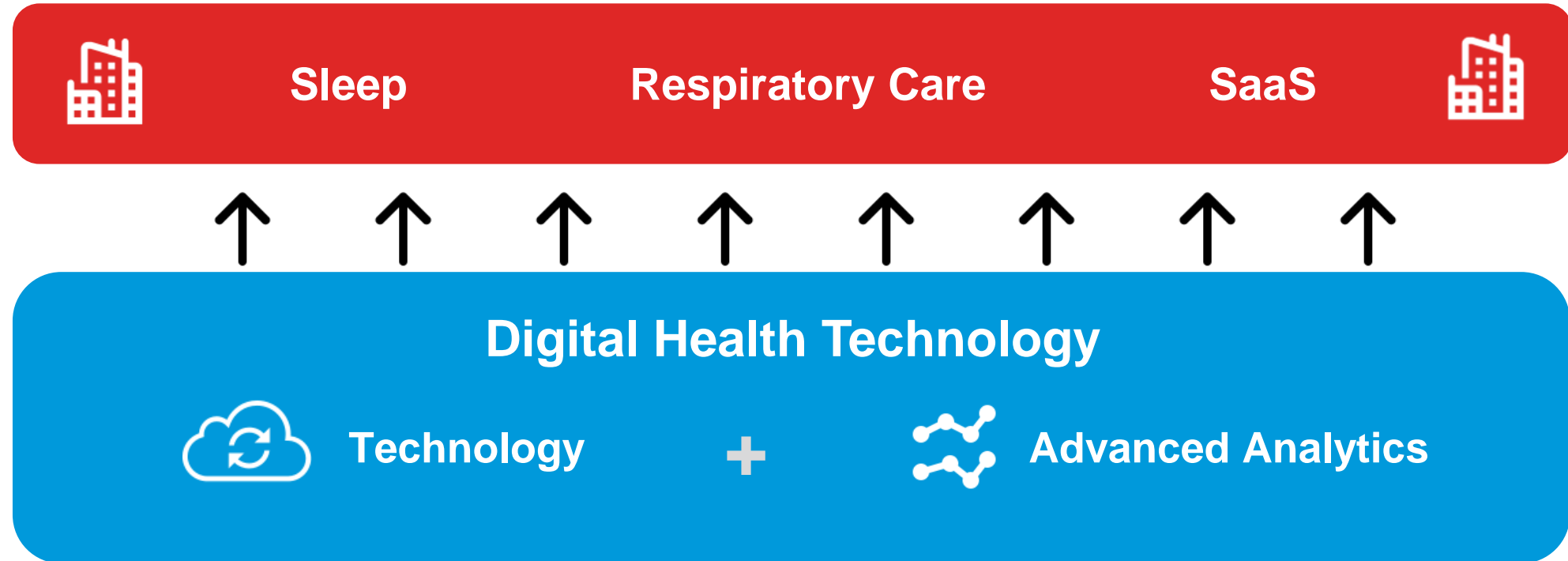


Digital Health Technology



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



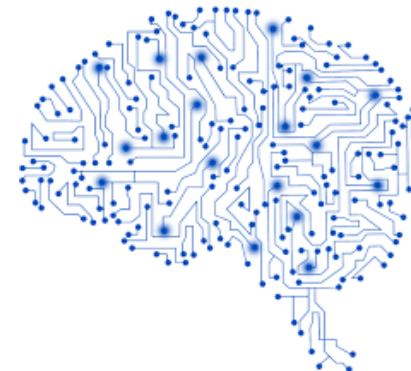
Connected Health Ecosystem

- 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

MatrixCare
Integrated Care. Better Outcomes.



brightree



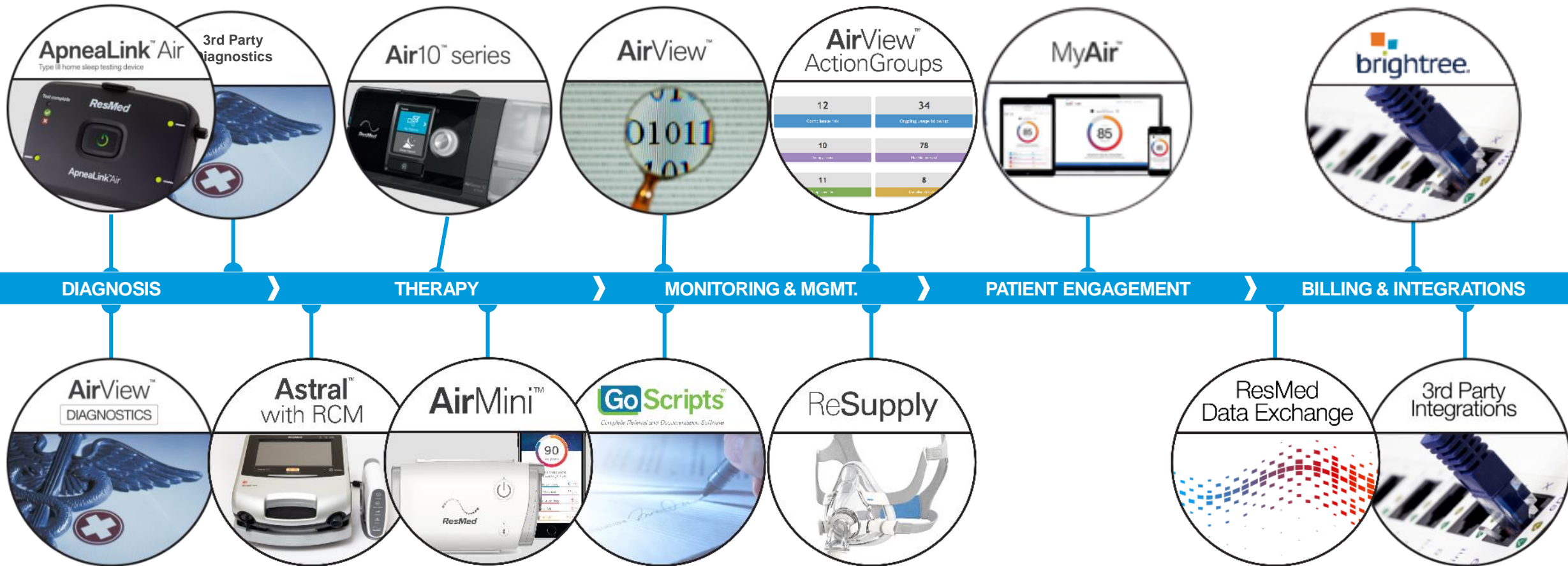
Data Analytics – The AI/ML Journey

- Drive better clinical outcomes for patients and business outcomes for providers
- Leverage big data to derive meaningful actionable insights, more than **4.5 billion** nights of sleep data
- Talented team of data scientists using artificial intelligence and machine learning to improve long-term patient adherence



We transform 4.5+ billion nights of medical data into useful outcomes

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





Global leadership in digital health

AirView™ has over
11 million patients

900,000+ diagnostic tests
processed **in the cloud**

100 API calls per
second from integrators

~10 million

100% cloud connectable
devices worldwide

~90 million accounts in
out-of-hospital care network

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

Recent financial results

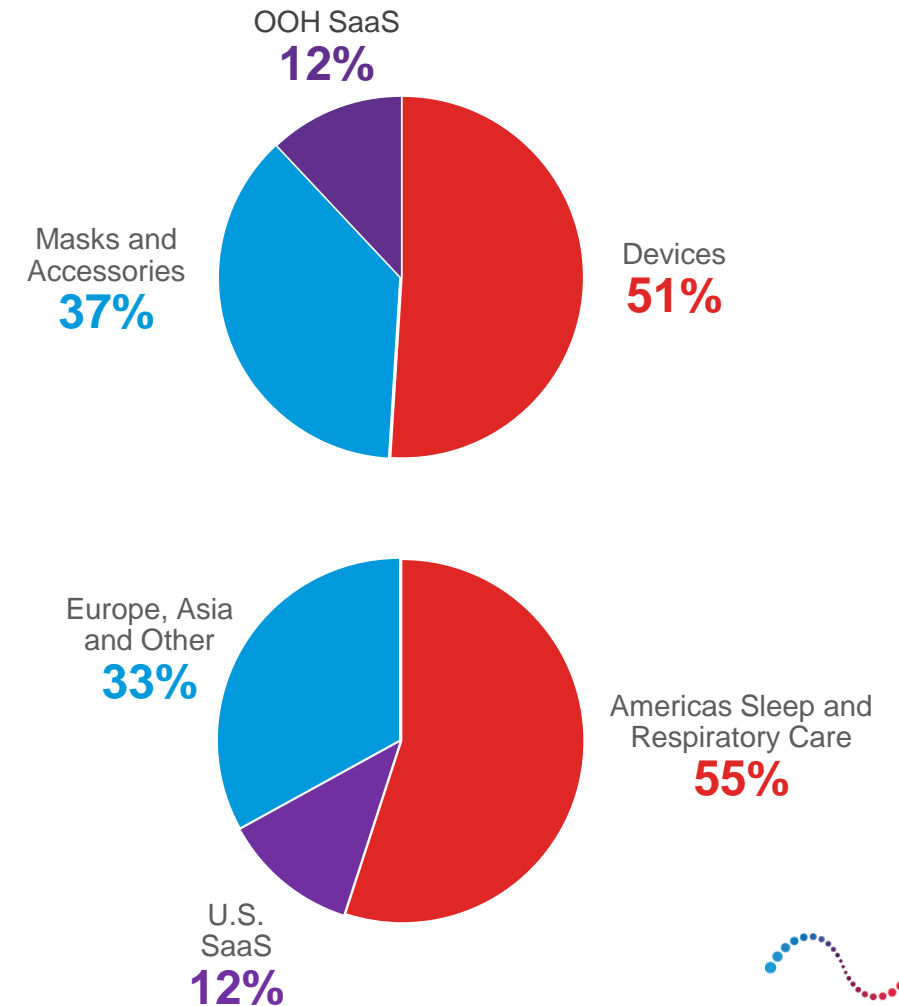


Q4 FY19 financial results

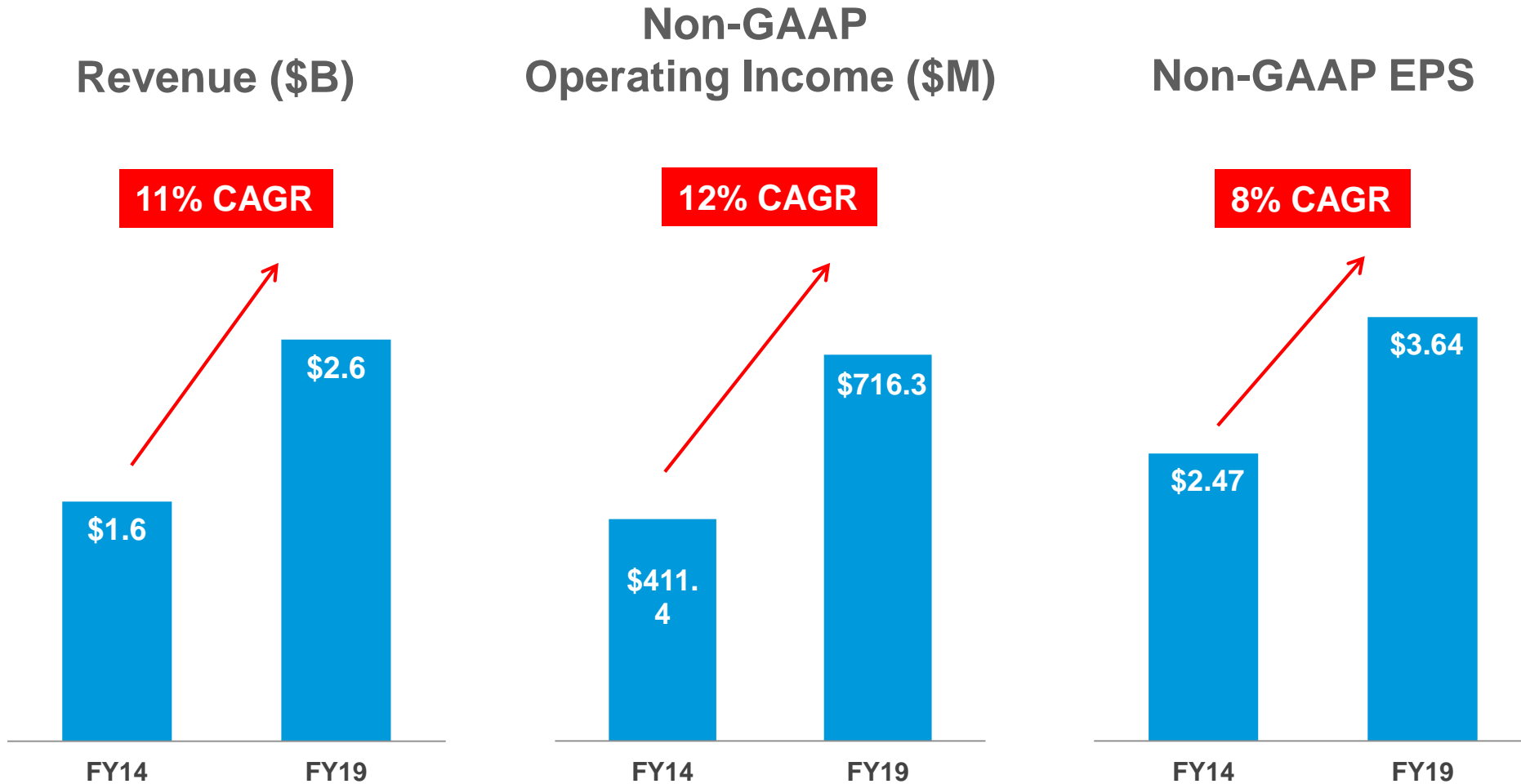
	Q4 2019
Revenue	\$705.0M +13% (+15% CC)
Gross margin	59.3% +120 bps
Non-GAAP operating profit*	\$196.2M +18%
Non-GAAP EPS*	\$0.95 0%
Free cash flow	\$119.6M

* ResMed adjusts for the impact of the amortization of acquired intangibles, deferred revenue fair value adjustment, acquisition-related expenses, restructuring-related expenses, litigation settlement expenses, fair value impairment of investment, and the impact of U.S. tax reform on income tax expense, 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 business & by geography*



> Track record of disciplined financial growth



Fiscal Years ended June 30



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

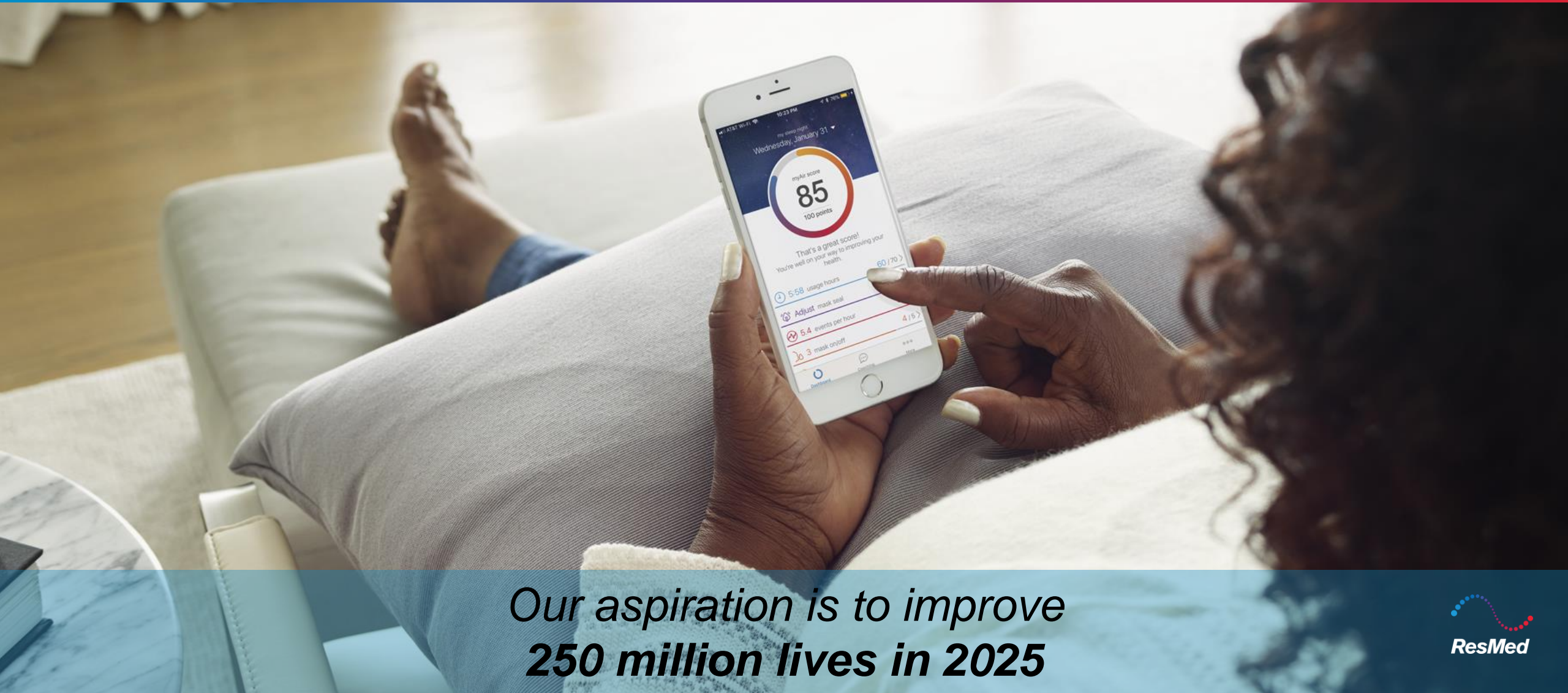
Eliminating unnecessary waste	Minimizing pollution	Product stewardship	Responsible compliance	Increased awareness and continual improvement
We work to eliminate unnecessary waste in all our systems & processes, such as minimizing our use of natural resources.	We are minimizing pollution, in particular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



*In the last 12 months, we changed approximately
15 million lives with our products and improved
90 million more via our out-of-hospital care network*



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



ResMed is the global leader in connected health



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Total Shareholder Return *(NYSE shares as of 6/30/19):* **1-yr 20%** ▪ **3-yr 103%** ▪ **5-yr 164%**

1. Pending and issued patents and designs as of 6/30/2019

Thank you

Contact Investor Relations

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Email: investorrelations@resmed.com

Website: investor.resmed.com

APPENDIX

> 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

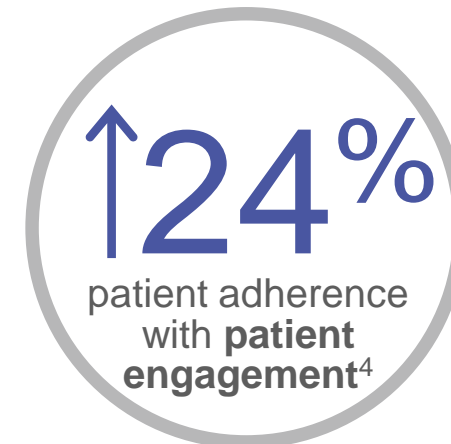


myAir™



World's largest study for adherence

> 128,000 patients



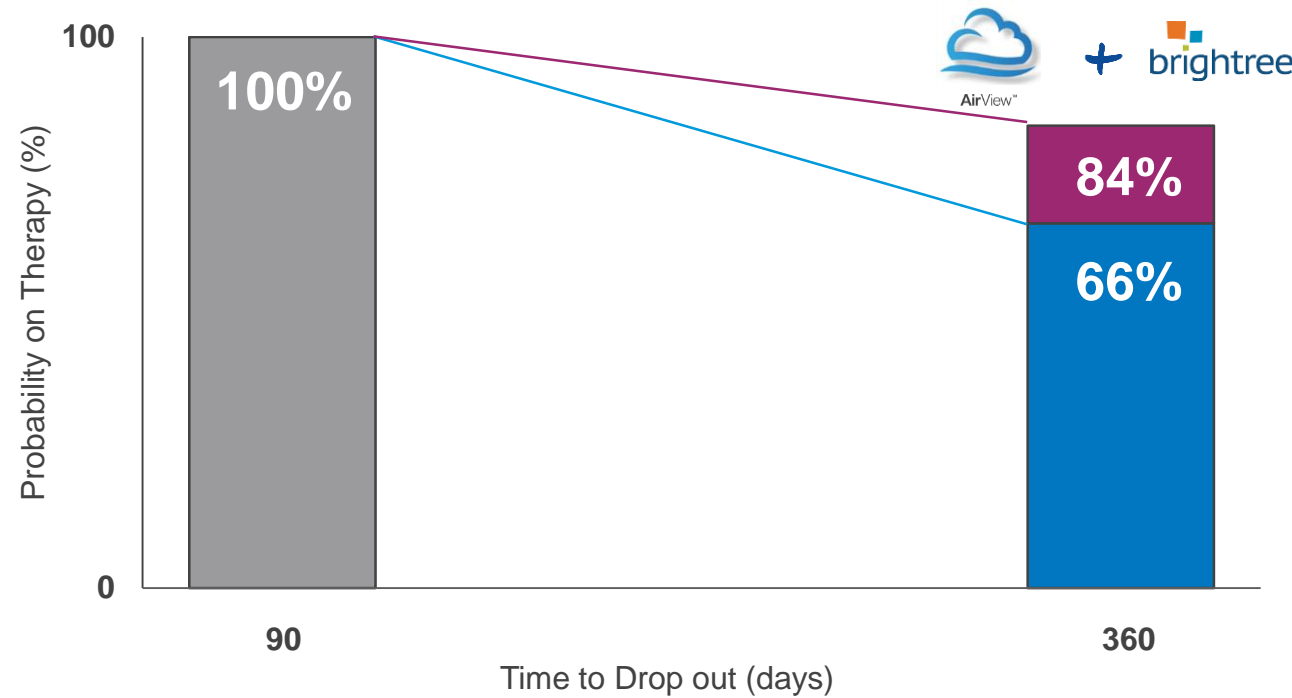
1. Hwang, et al., AJRCCM 2017
2. Munaf, et al. Sleep Breath 2016
3. Data based on monthly patient setups and compliance rates of DME customers from February 2014 – March 2015. Historical results for this provider over the stated time
4. Crocker, et al., Abstract CHEST 2016



Improving adherence to therapy

ResAdhere: remote monitoring + mask resupply drive improved adherence

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



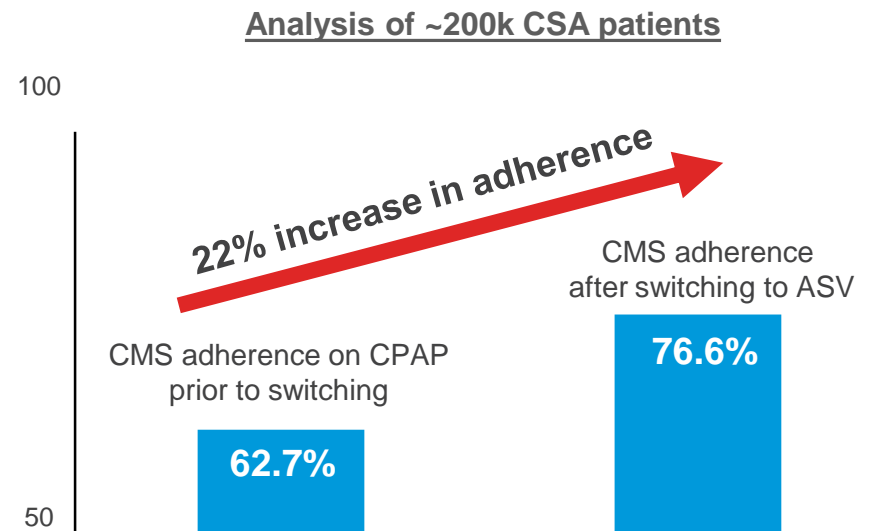
...the likelihood of therapy termination decreased by >50% after one-year
and there was a significant increase in daily PAP usage



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



- 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



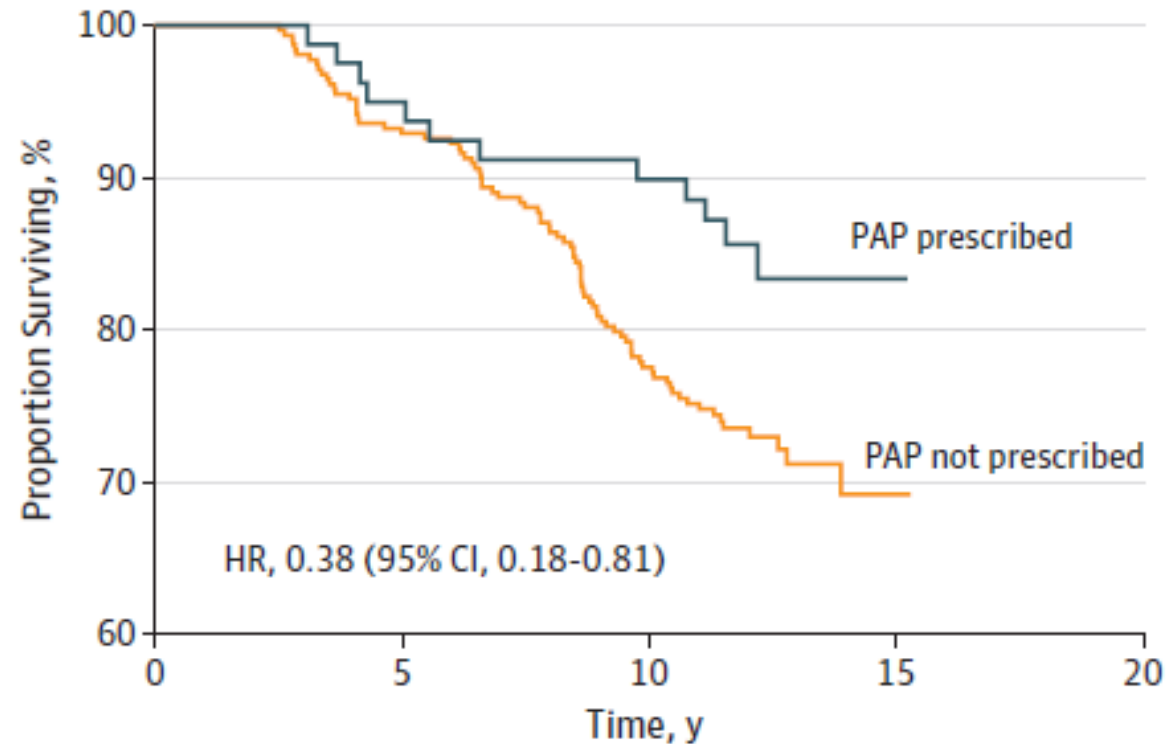
Reducing mortality with PAP therapy

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, $p = 0.03$)

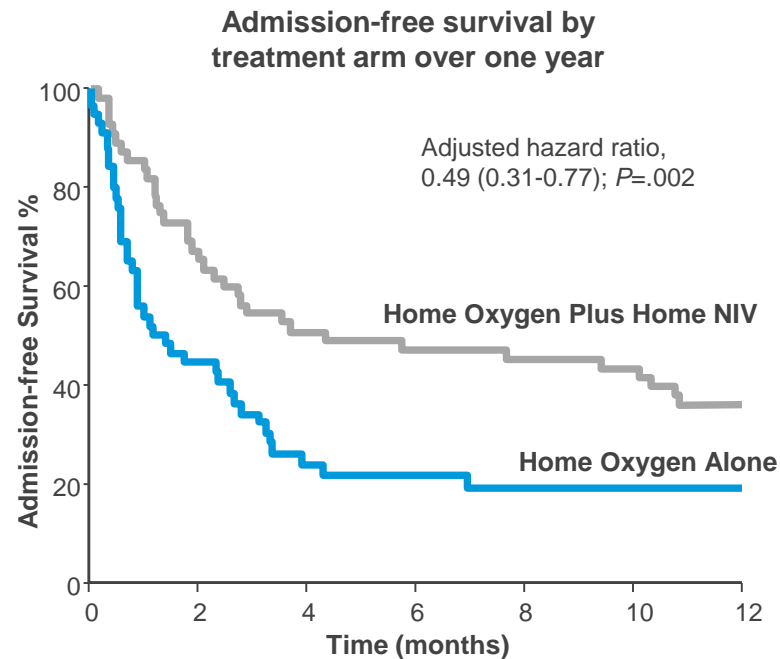




Opportunity to shift care from hospital to home












- 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



- 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.

> History of successful SaaS acquisitions

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.



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 the key to reaching and supporting the millions of patients with chronic respiratory diseases in emerging markets





Digital health solutions for inhaled COPD pharmaceuticals

Acquired Propeller Health in January 2019

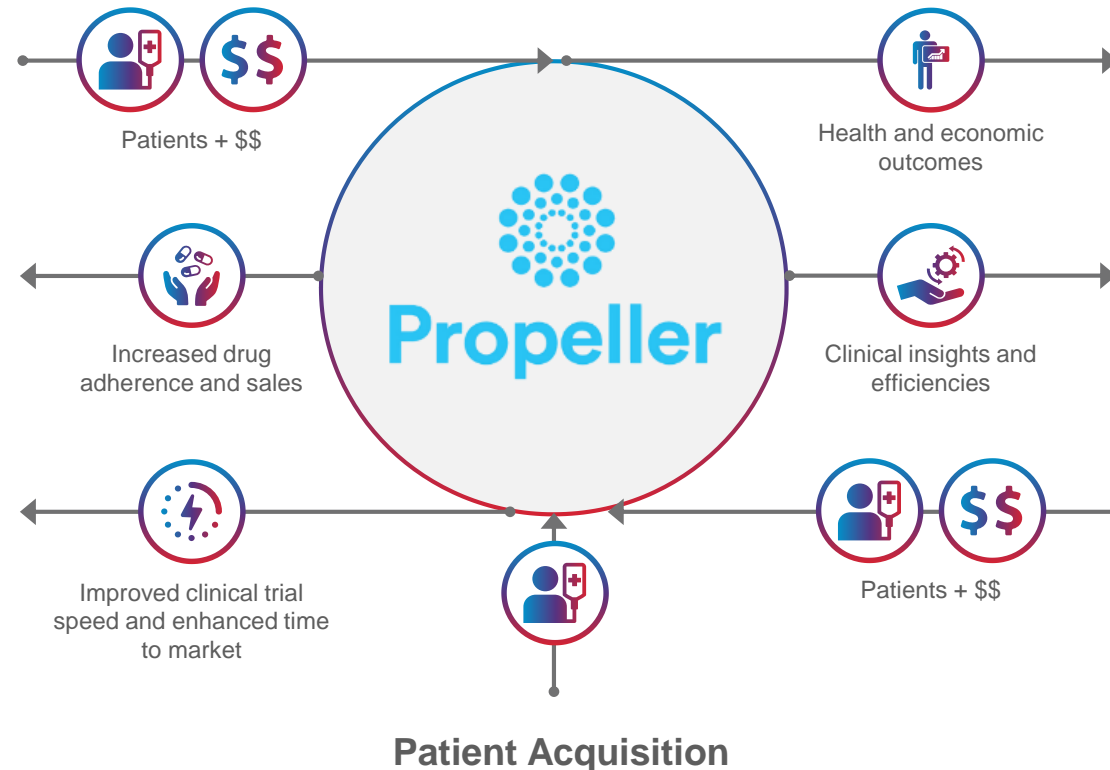
- ResMed now has end-to-end solutions for Digital Health for COPD patients across stages I, II, III, IV of the disease
- Uses sensors with inhalers to track medication usage and provide personal feedback and insights
- Establishes ResMed as a leading provider of COPD and asthma patient management solutions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

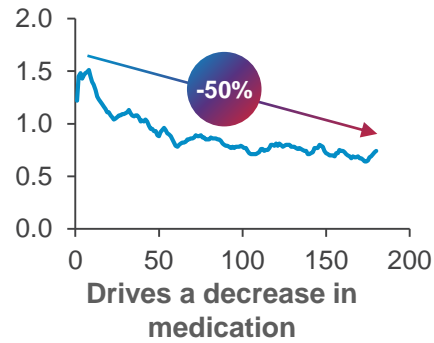


Impact of the Propeller solution tracking inhaler usage and location



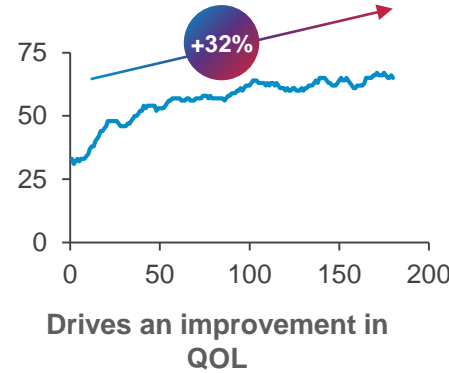
SABA use over time

per day



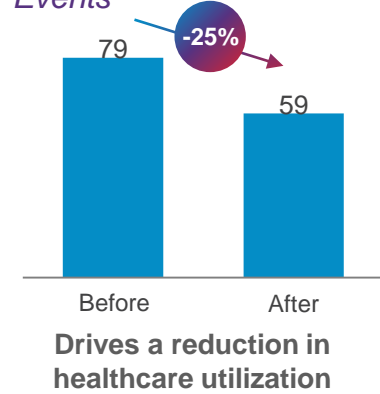
Symptom free days

%



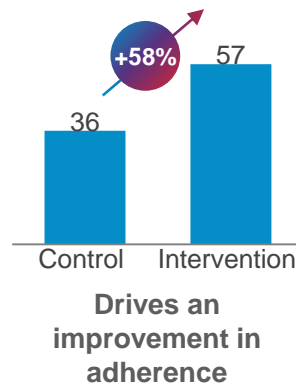
Healthcare utilization

Events



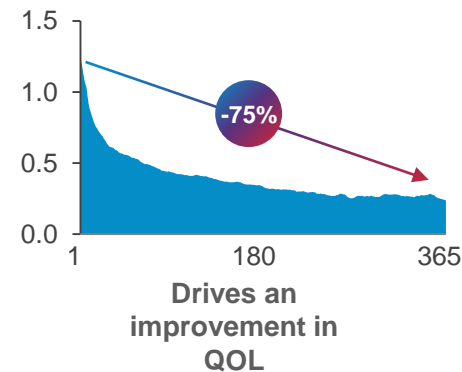
Adherence

%



QoL: Rescue Inhaler use per day

times used



Acute care utilization

Events per 100 patient years

