



Investor Presentation

Q2 2020

January 30, 2020

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, ~\$23B market cap
- World-leading connected health company with nearly 11 million 100% cloud-connectable devices
 - More than 12 million patients in AirView monitoring ecosystem
 - More than 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 solutions 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*



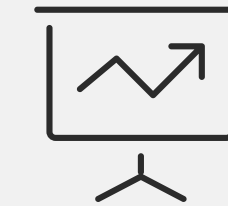
Market Dynamics

- 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 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

Total Shareholder Return *(NYSE shares as of 12/31/19):*

1-yr 38% ■ 3-yr 161% ■ 5-yr 201%

ResMed 2025: a patient-centric, digitally-enabled strategy



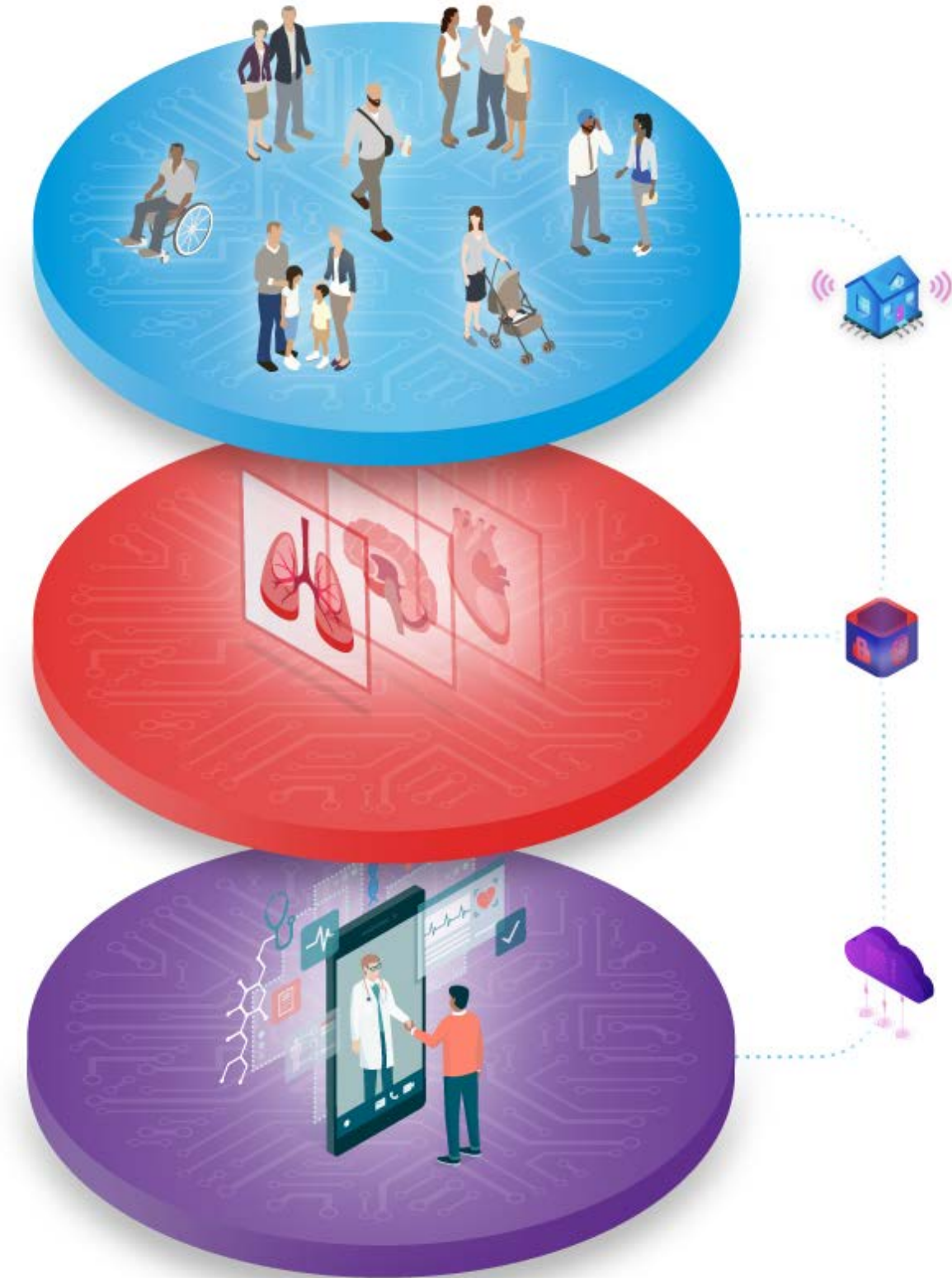
250 million lives improved
in out-of-hospital healthcare
in 2025!

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



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

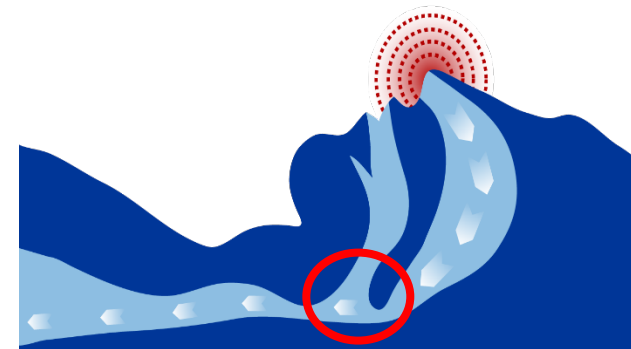
Collaboration – Operating Excellence – Lean Innovation – High Performance Culture – Talent

What is sleep-disordered breathing?

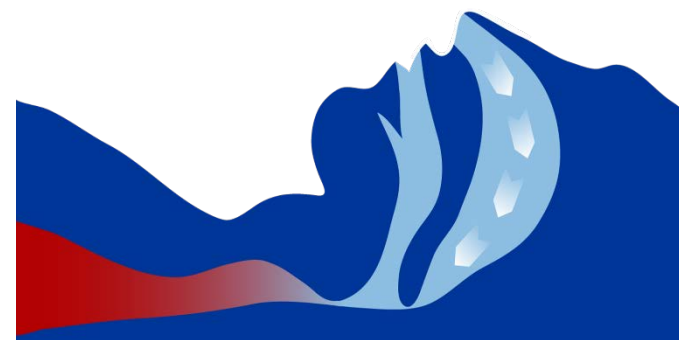
- Abnormal respiration during sleep – the cessation of breathing or “sleep suffocation”
- Most prevalent is **obstructive sleep apnea** – collapse of the upper airway despite ongoing effort
- Other types include central sleep apnea -- lack of breathing *and* lack of effort -- and mixed apnea



Normal airway



Partially obstructed airway



Obstructed airway



Arousal

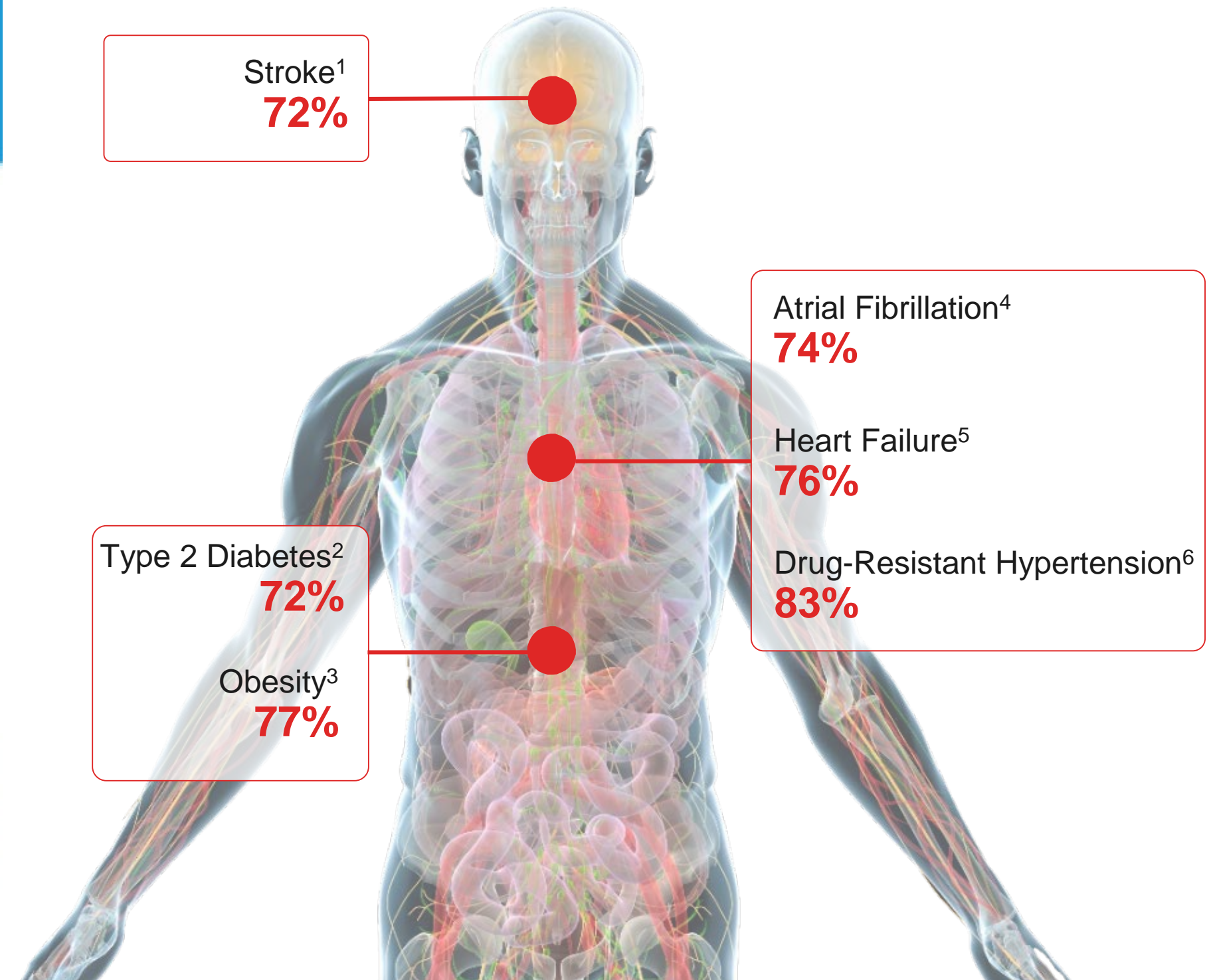
Sleep apnea is more than 80% undiagnosed...and is highly prevalent in other chronic conditions

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

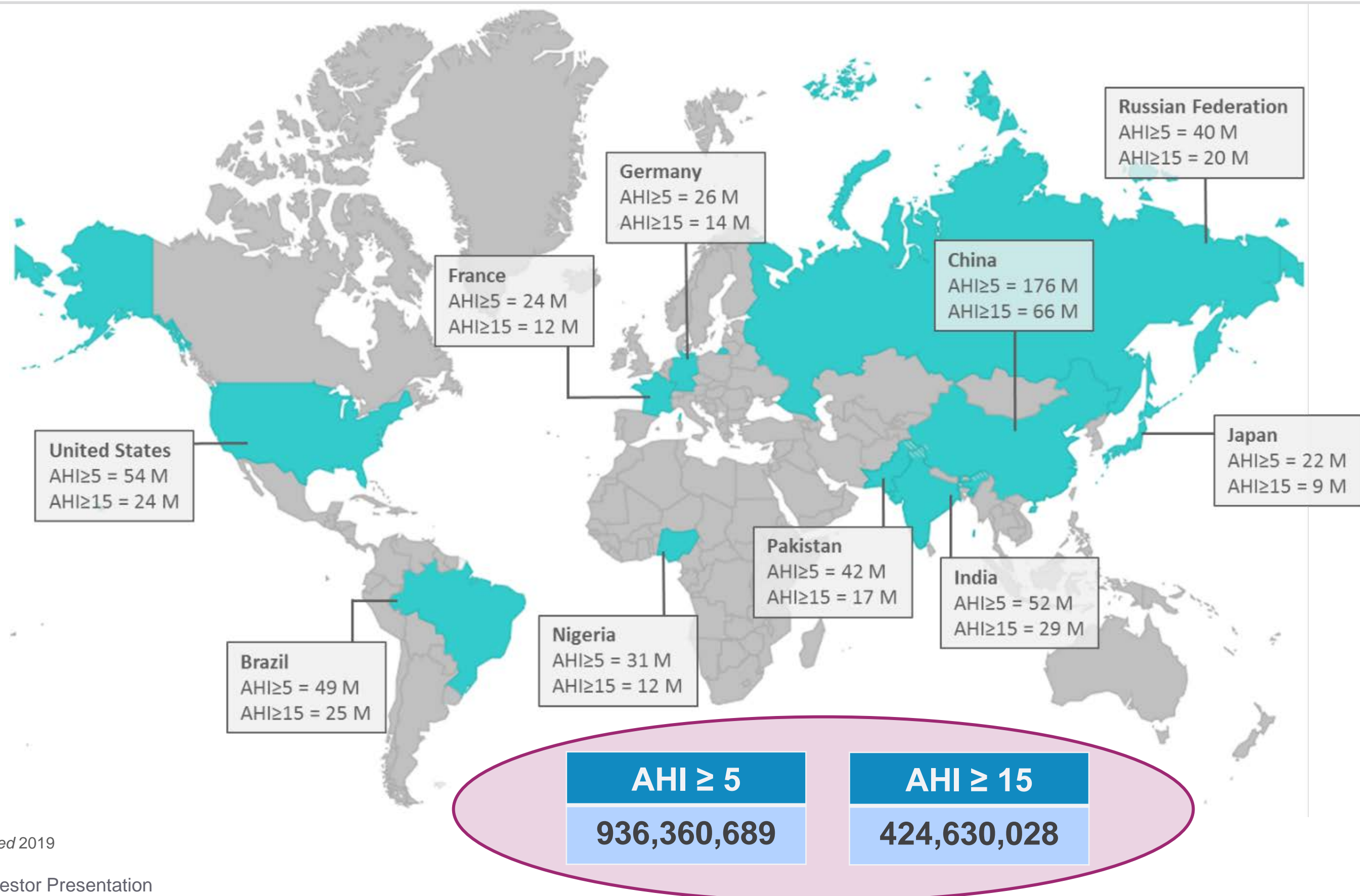
3 O'Keefe T and Patterson EJ. *Obes Surg* 2004

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

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



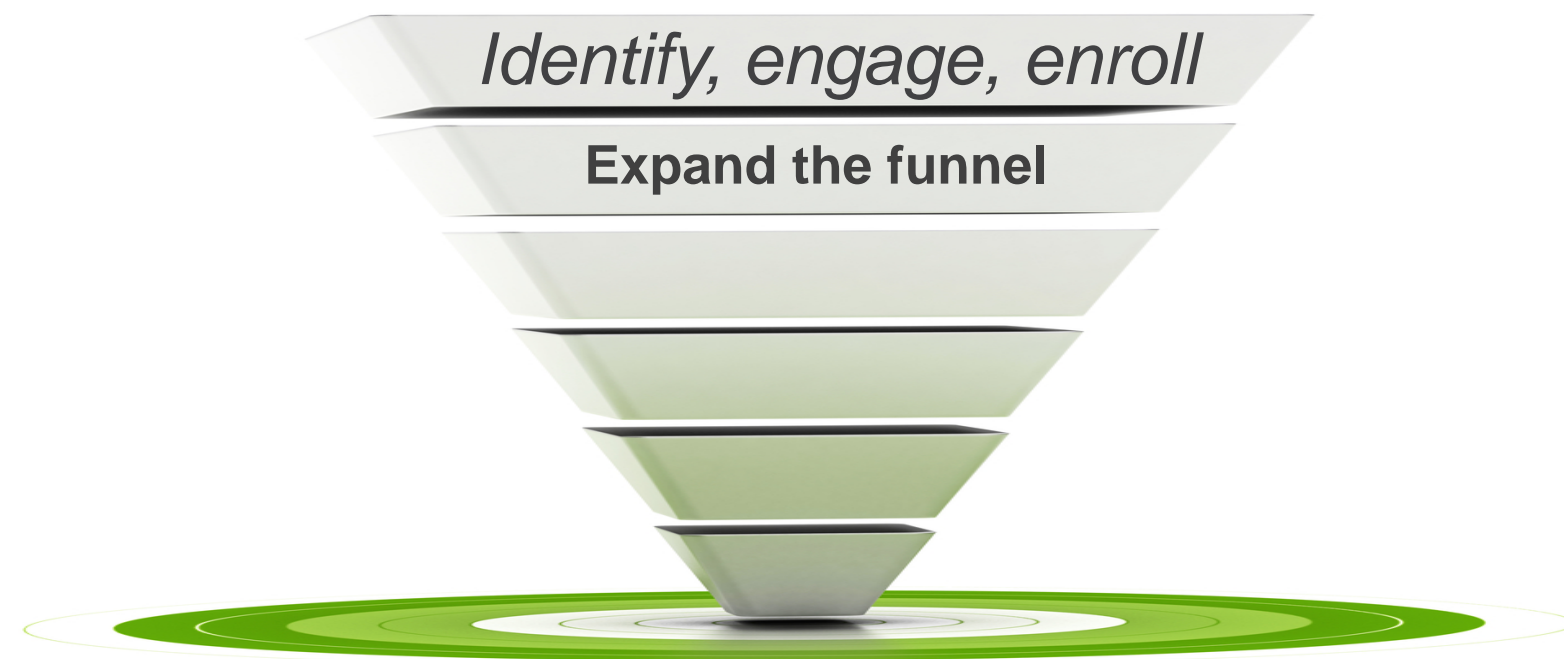
Benjafield, et al. *Lancet Respir Med* 2019

Our partnerships will address sleep health as a public health crisis



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

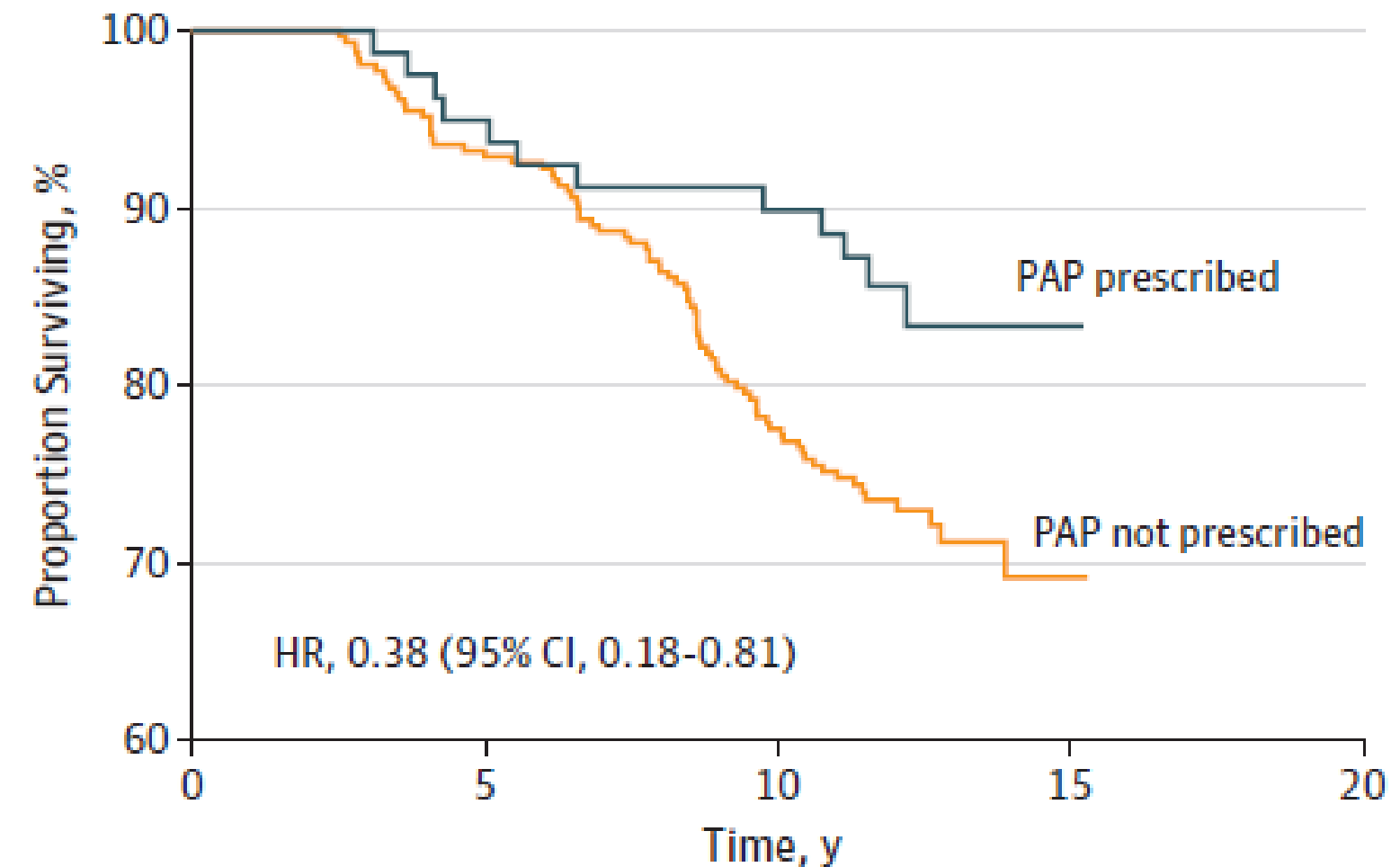
Reducing mortality with PAP therapy

U.S. multicenter, population-based cohort study

Sleep Heart Health Study

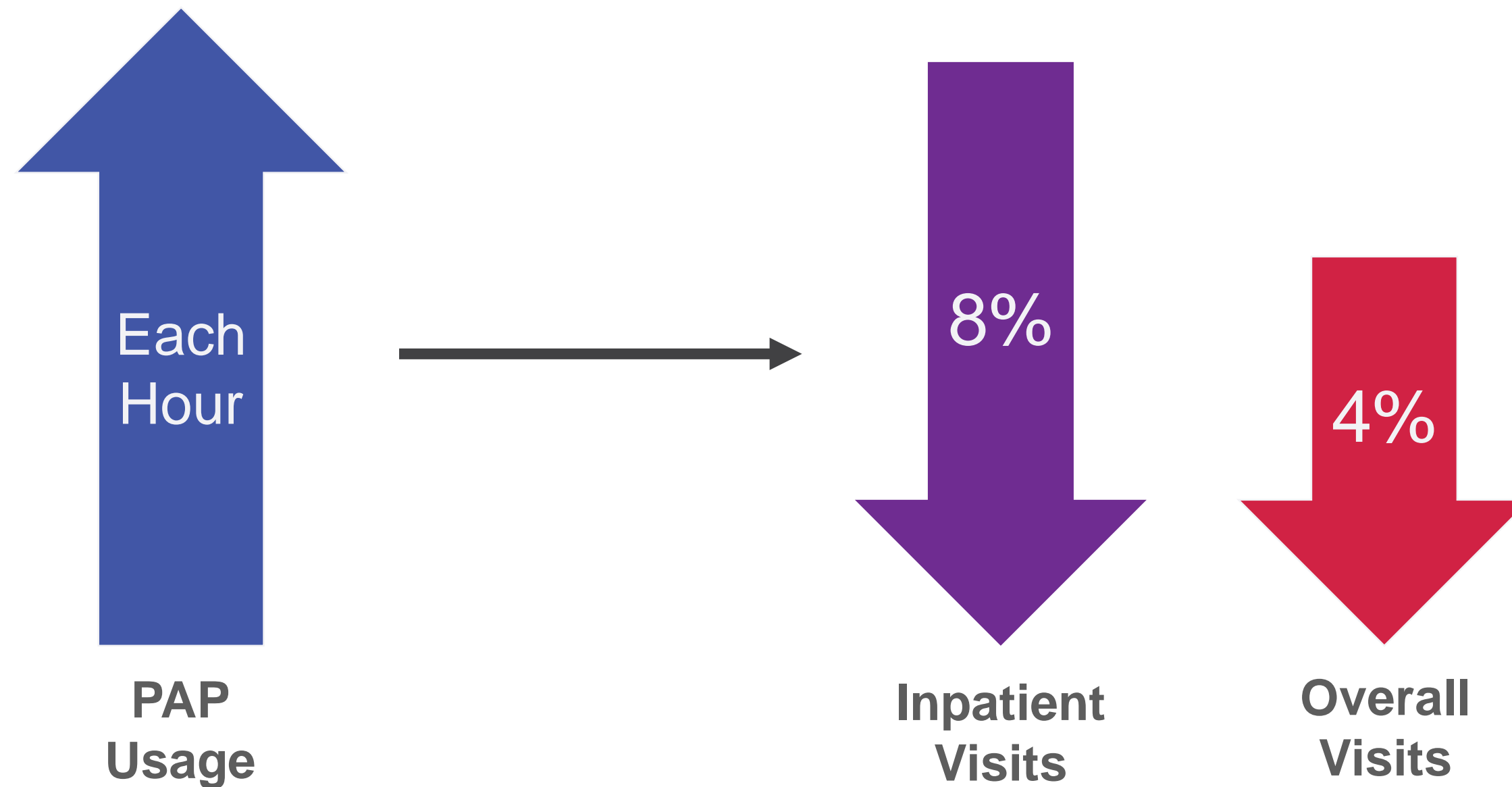


- Study included 392 patients with sleep apnea, with 11 years of follow-up
- Positive airway pressure therapy associated with a **62% lower risk of all-cause mortality**
- Death rate was twice as high for persons who did not receive positive airway pressure therapy
 - (24.7 vs 12.8 deaths per 1000 person years, $p = 0.03$)



Demonstrated positive dose-response relationship between increased CPAP usage and lower healthcare costs

For every **one hour per night** increase in PAP usage there was an **8% decrease** in inpatient visits and a **4% decrease** in overall acute care visits.¹



1. Kirsch et al., *Association of PAP use with acute care utilization and costs*, JCSM 2019
"Overall visits" includes inpatient, ED, and observation visits.

New study demonstrates the effectiveness of CPAP therapy and quality of life improvements for those with mild obstructive sleep apnea

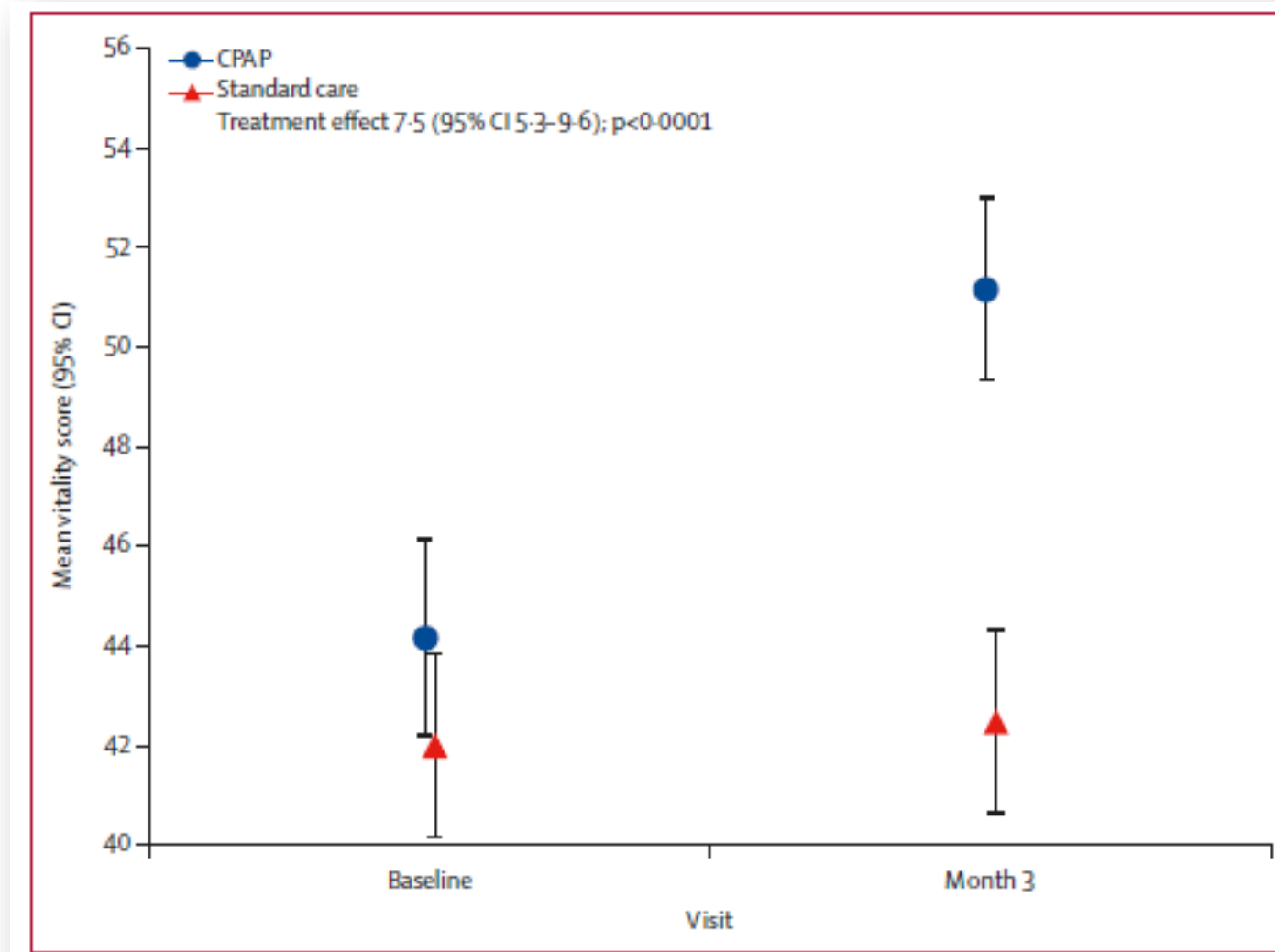


MERGE trial: clinical effectiveness of CPAP treatment in patients with mild obstructive sleep apnea

- Demonstrated improvement in Quality of Life (SF-36 vitality scale) for CPAP patients vs. standard care
- Symptomatic benefits:
 - Reductions in sleepiness
 - Improvements in fatigue and depression

Compelling evidence supports the need and benefits of treating mild OSA

Combined with recently published Global Prevalence research, 936M patients worldwide can benefit from PAP treatment



Change in SF-36 Vitality Scale
in Patients with Mild OSA per AASM 2012

MERGE



UK Respiratory Sleep
Research Network

Transforming the treatment & management of sleep apnea



Quiet



AirSense™ 10



AirSense™ 10

AUTOSET FOR HER



AirCurve™ 10

Compact



Comfortable

Minimalist

Small. Light. Simple.



AirFit™ F30
Full face mask



AirFit™ N30



AirFit™ P10
Nasal Pillows System



AirTouch™ F20
Full face mask

Ultra Soft

Patented memory foam offers unique comfort.

Freedom

Sleep in any position.



AirFit™ F30i



AirFit™ N30i
Nasal cradle mask



AirFit™ P30i
Nasal pillows mask

Universal Fit

Classic designs that fit nearly every face.



AirFit™ F20
Full face mask



AirFit™ N20
Nasal mask

Connected



AirView™
Cloud-based patient management system



myAir™
Patient engagement program

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, vaping, & 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



More than 380 million people worldwide are estimated to have COPD

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



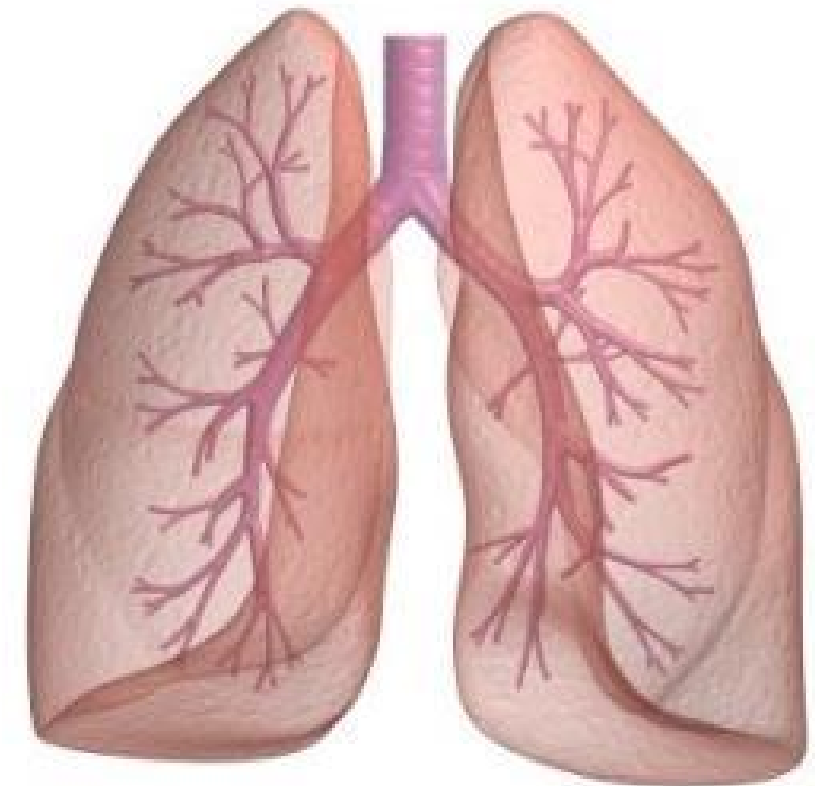
Cost to healthcare systems from COPD is enormous:

–Europe: ~€48 billion per year

–United States: ~\$50 billion per year



More than 3 million people worldwide die each year due to COPD



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>

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*

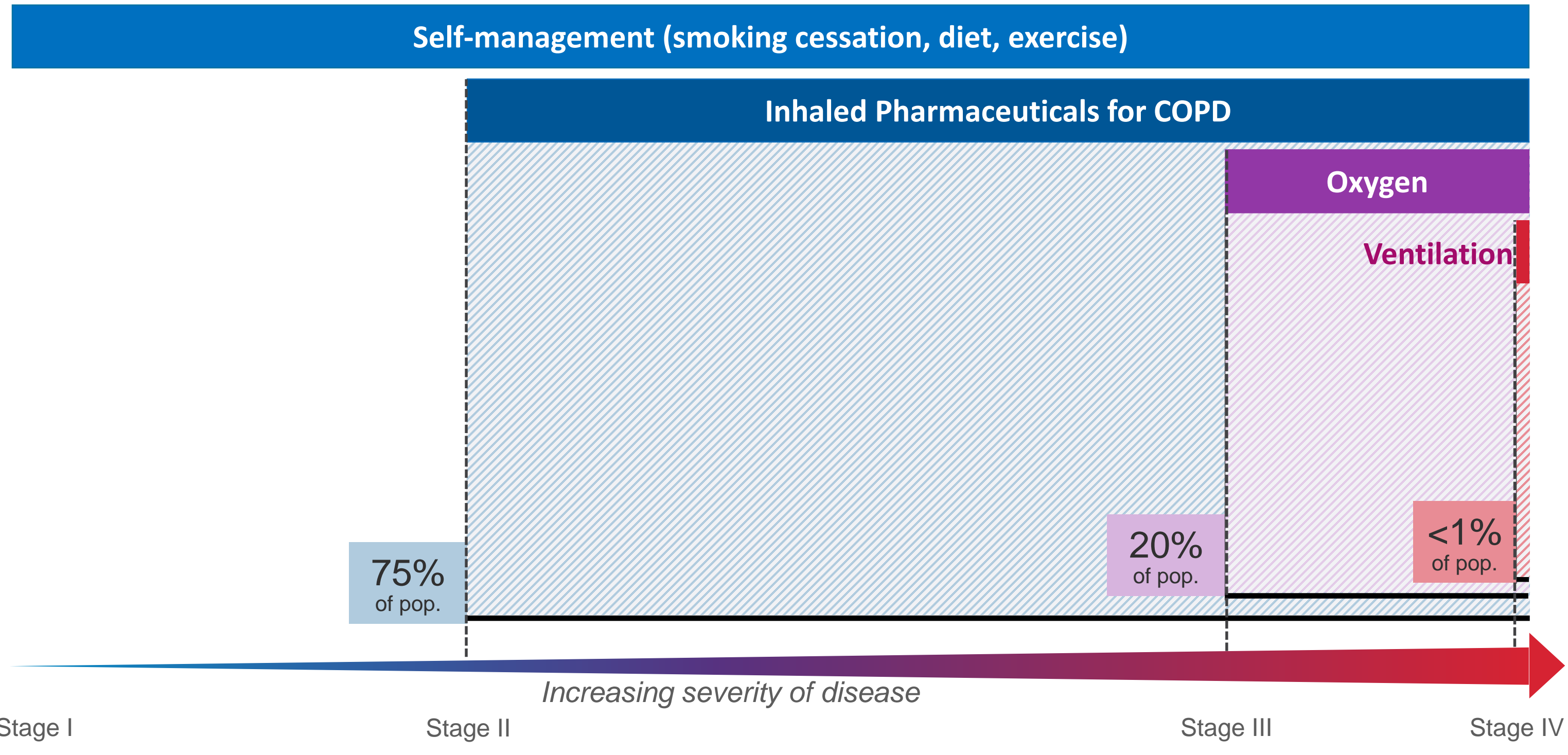
⁴ European Respiratory Society, *European Lung White Book* <http://www.erswhitebook.org/chapters/the-economic-burden-of-lung-disease/> accessed 20Jul16

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

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

Global population of COPD patients: ~380 million¹



COPD progression

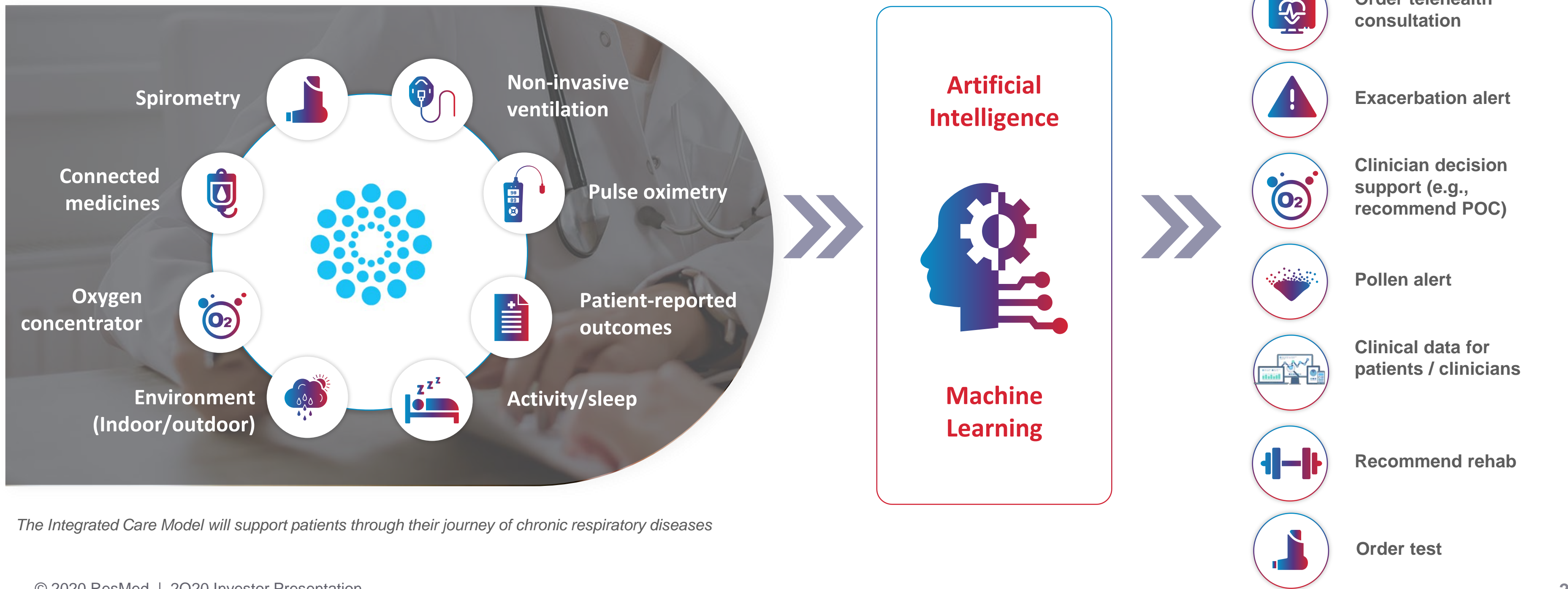
Our digital health platform supports COPD patients on their healthcare journey



The digital respiratory Integrated Care Model we are creating through Propeller

Data processed by a powerful insights engine

Driving value propositions for stakeholders

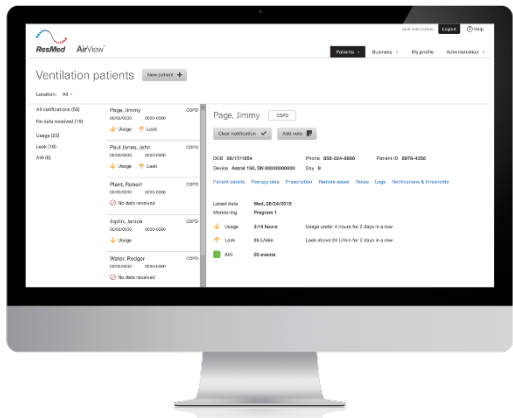


The Integrated Care Model will support patients through their journey of chronic respiratory diseases

We have the full spectrum of solutions for respiratory care



Patient Management



AirView™ for Respiratory

Digital Therapeutics



Propeller

Portable Oxygen



Mobi™

High-Flow Therapy



AcuCare™ high flow

Bilevel Ventilation



AirCurve 10™

Non-invasive Ventilation (NIV)



Lumis™



Stellar™

Life Support Ventilation



Astral™



Astral™ with RCM



Our Business: Software as a Service (SaaS)



SaaS portfolio well positioned to improve outcomes and lower costs across out-of-hospital healthcare

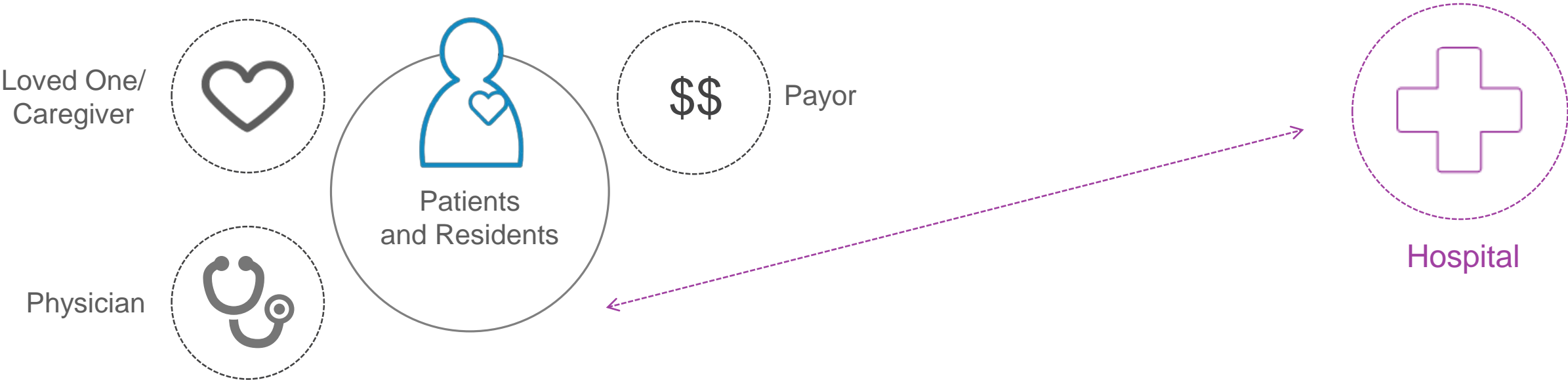
Better patient experience. Improved clinical outcomes. Lower overall cost of care.

- 
- A decorative graphic on the left side of the slide, consisting of numerous thin, overlapping lines in shades of blue, purple, and red, creating a sense of flow and connectivity.
- **Intelligent workflow**
 - **Privacy**
 - **Security**
 - **Advanced analytics**
 - **Interoperability**

- 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

Leading provider of cloud-based software for out-of-hospital care providers across multiple settings



MatrixCare					
Skilled Nursing	Home Health HEALTHCARE <i>first</i> by ResMed brightree by ResMed	Hospice HEALTHCARE <i>first</i> by ResMed brightree by ResMed	Private Duty	Senior Living	Life Plan Community



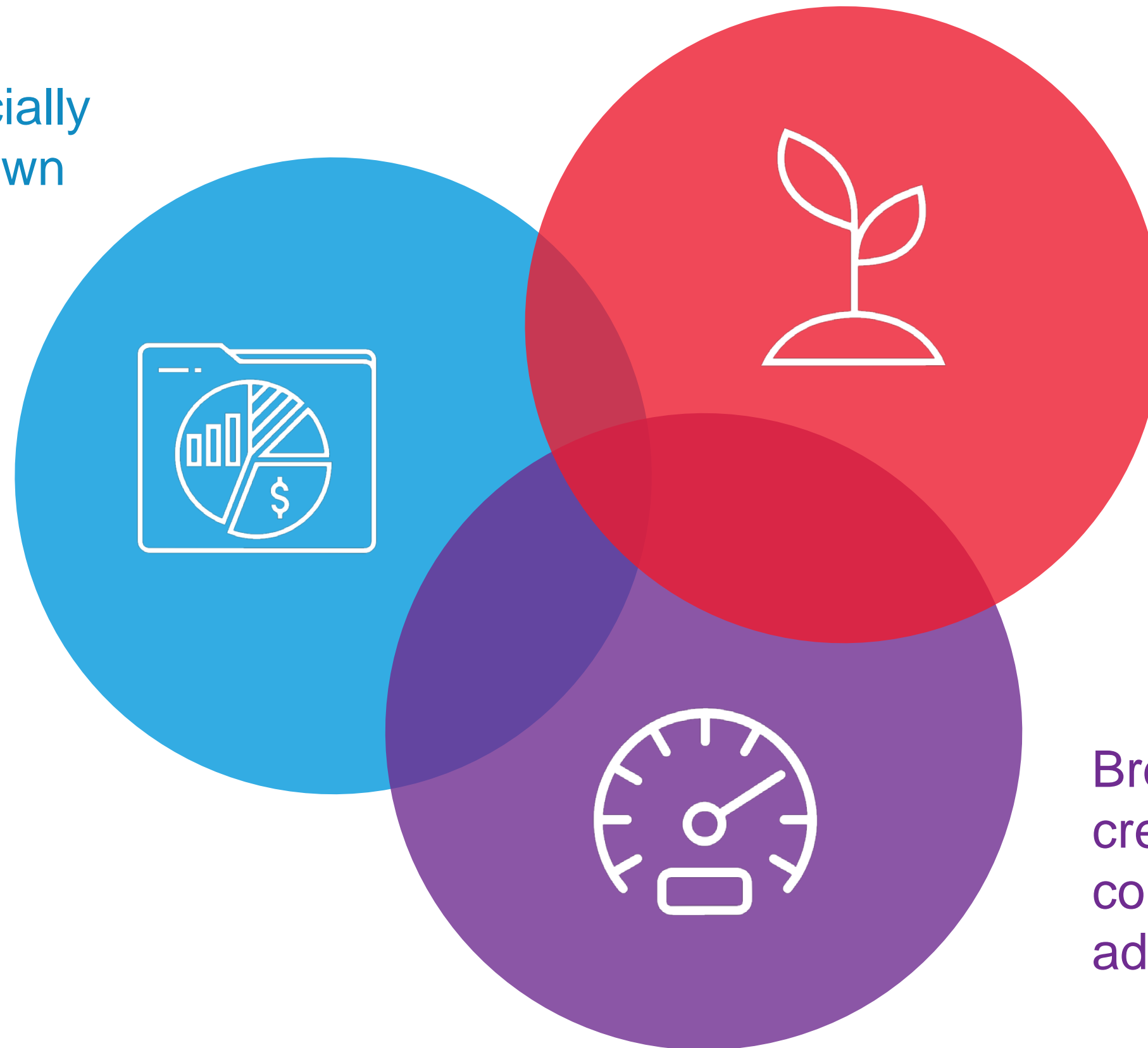
Brightree	
HME Providers	



ResMed	
Sleep and RC Products & Solutions	

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.

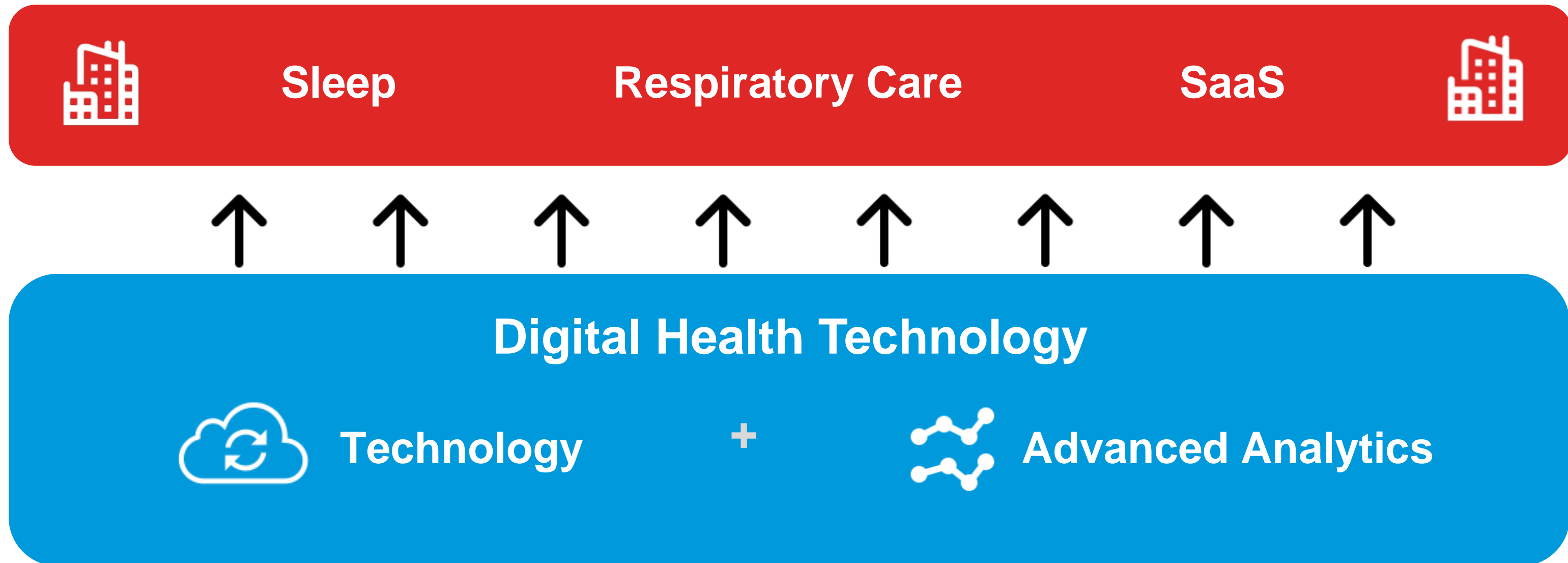
Breadth and scale creates our competitive advantage.

Digital Health Technology

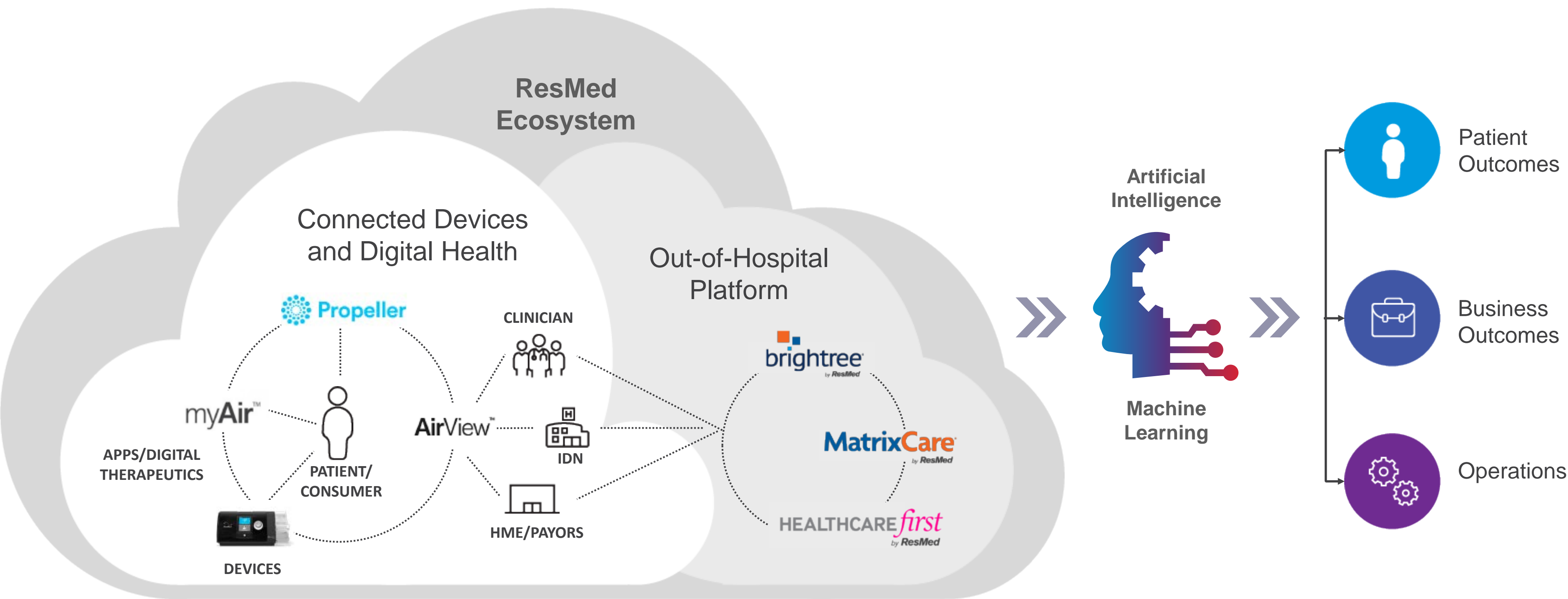


Digital health technology is our foundation

Purpose: Enable all ResMed businesses to achieve their business objectives by leveraging technology, data, and advanced analytics.



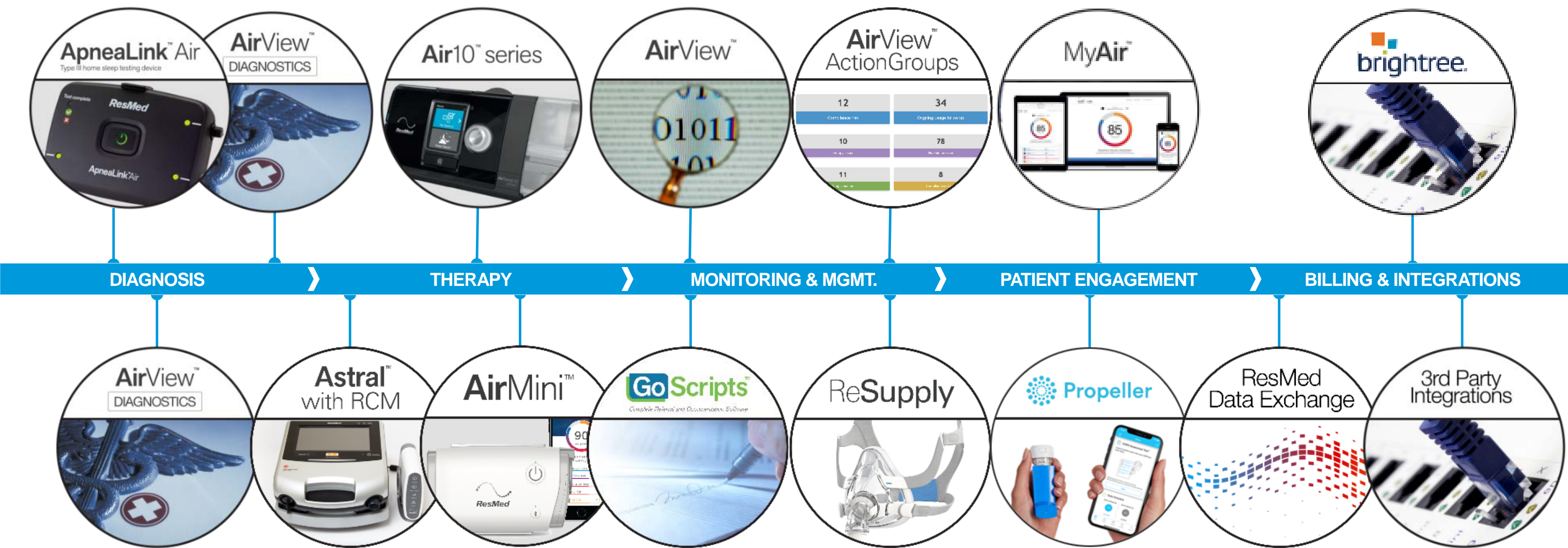
Our digital health solutions improve outcomes and lower costs



We transform 5.5+ billion nights of medical data into useful outcomes



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



AirView™ has over
12 million patients

~11 million
100% cloud connectable
devices worldwide

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

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

~100 API calls per
second from integrators

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

Recent Financial Results

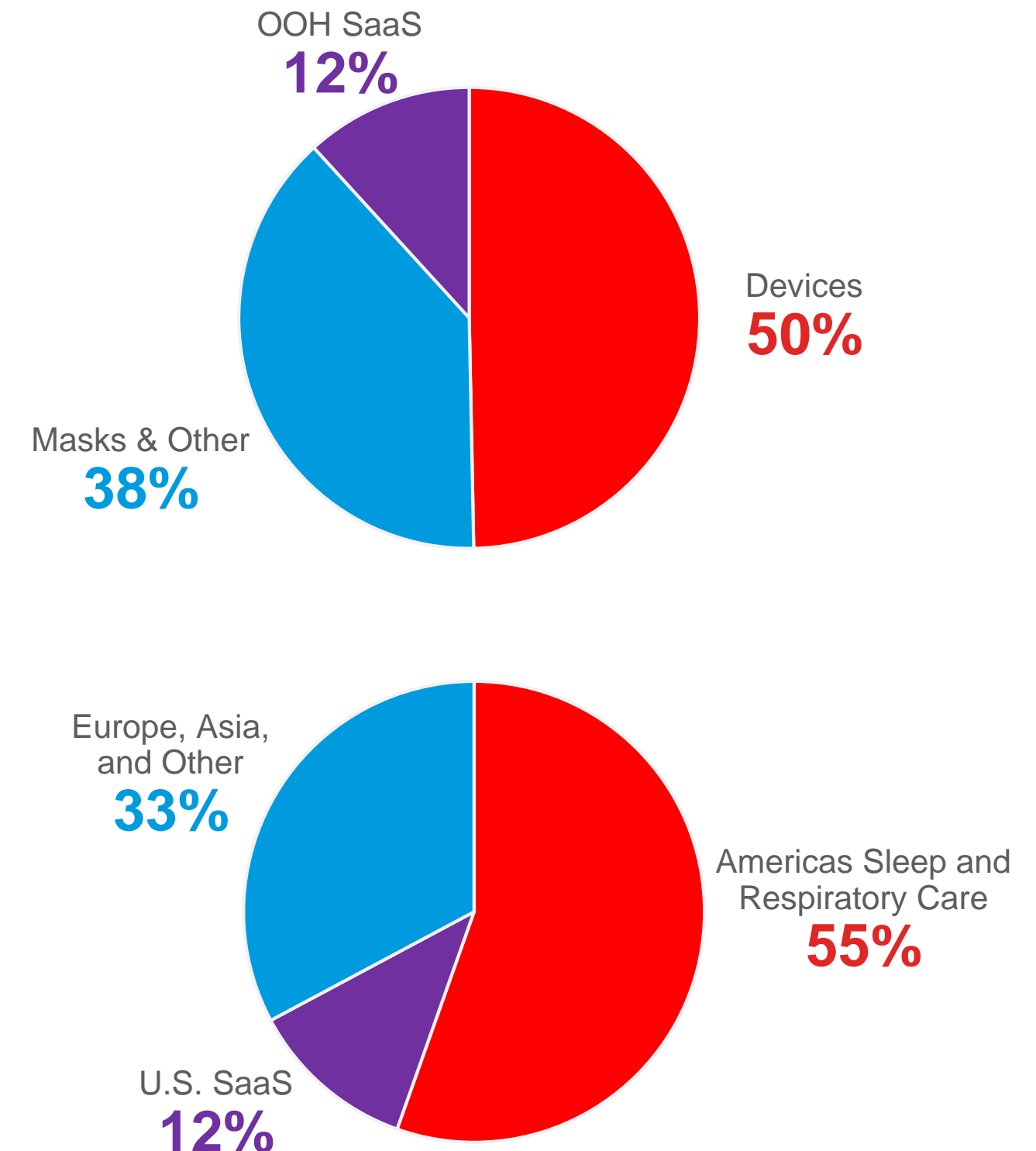


Q2 FY20 financial results

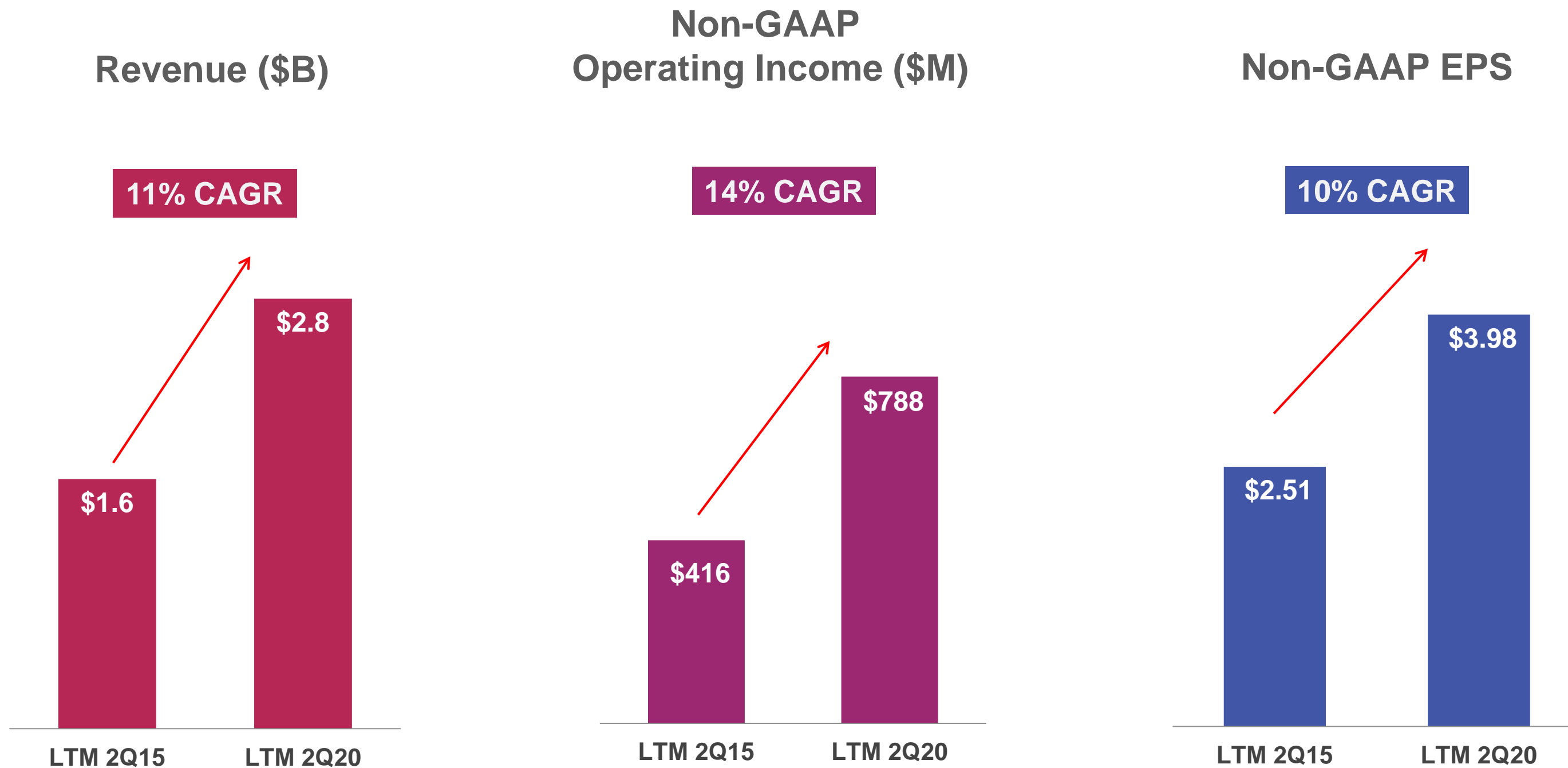
	2Q20
Revenue	\$736.2M +13% (+14% CC)
Non-GAAP Gross margin	59.7% +60 bps
Non-GAAP operating income*	\$218.5M +21%
Non-GAAP EPS*	\$1.21 21%
Free cash flow	\$44.8M

* 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.

*Diversified revenue
by business & by geography*



Track record of strong financial returns for shareholders




Total Shareholder Return *(NYSE shares as of 12/31/19):*

1-yr 38% ■ 3-yr 161% ■ 5-yr 201%

Striving for excellence in environmental, social, and governance processes



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
- #125 on WSJ’s 2019 Management Top 250 of the U.S.’s most well-run companies for customers, employees, and investors



ResMed is the global leader in connected & digital health



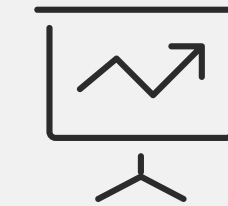
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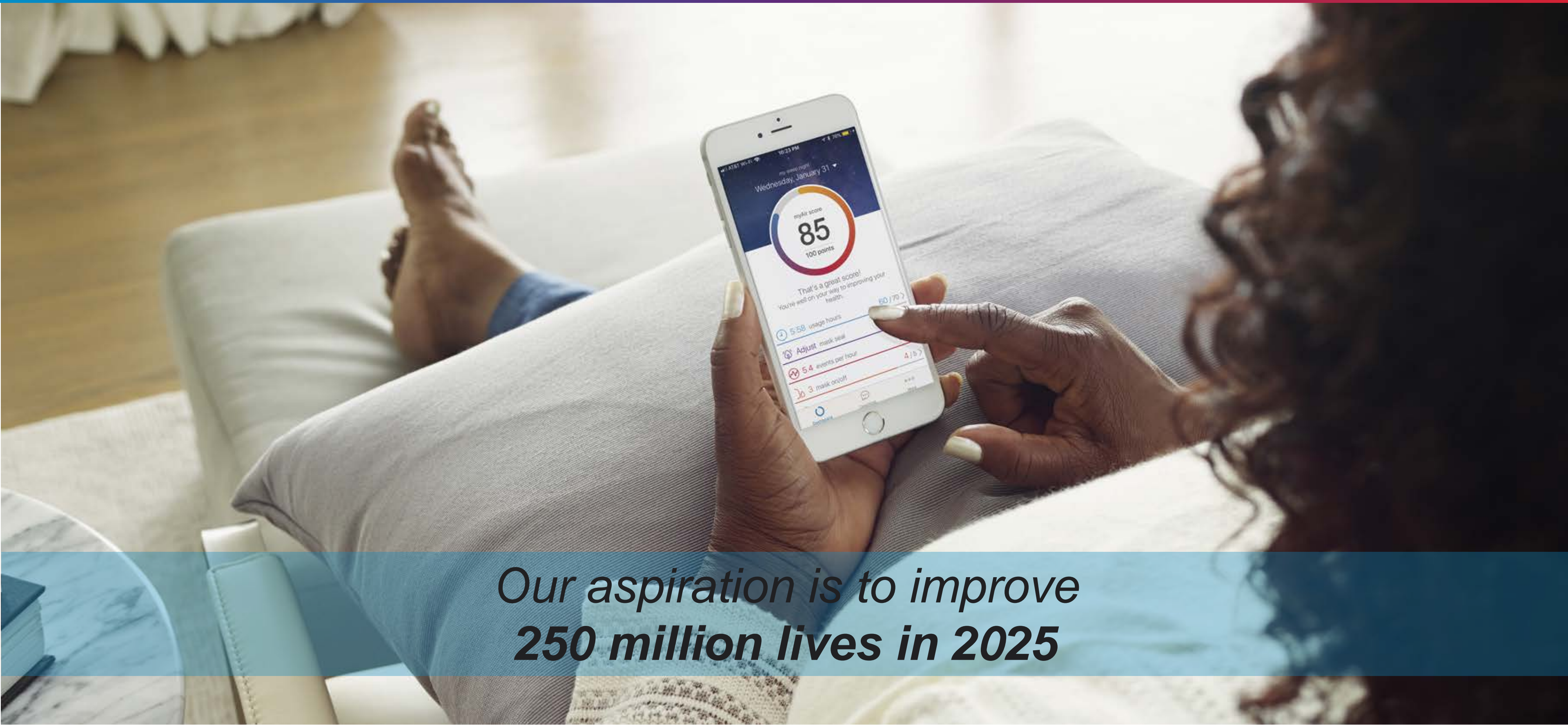
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In the last 12 months, we changed over 100 million lives with our digital health products and cloud-based software solutions



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

Contact Investor Relations

Phone: (858) 836-5971

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



AirViewTM



Labor
Costs²

↓59%

New
Patient
Setups³

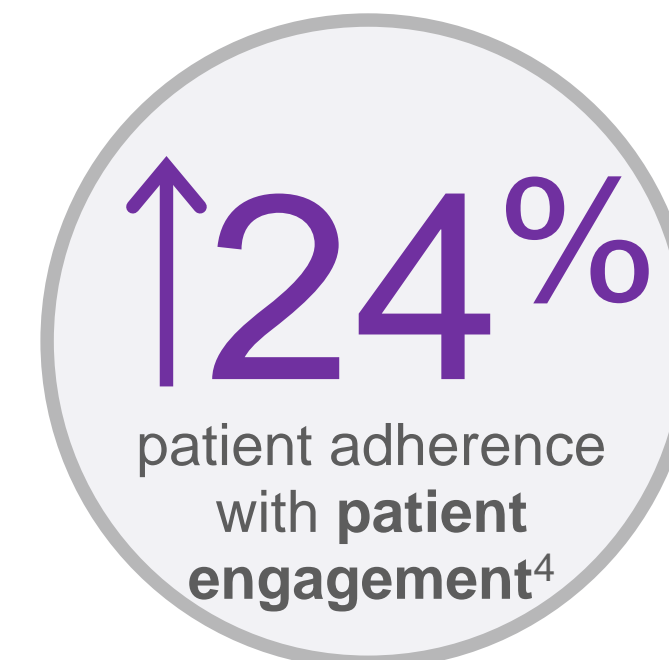
↑55%

myAirTM



World's largest study for adherence

> 128,000 patients

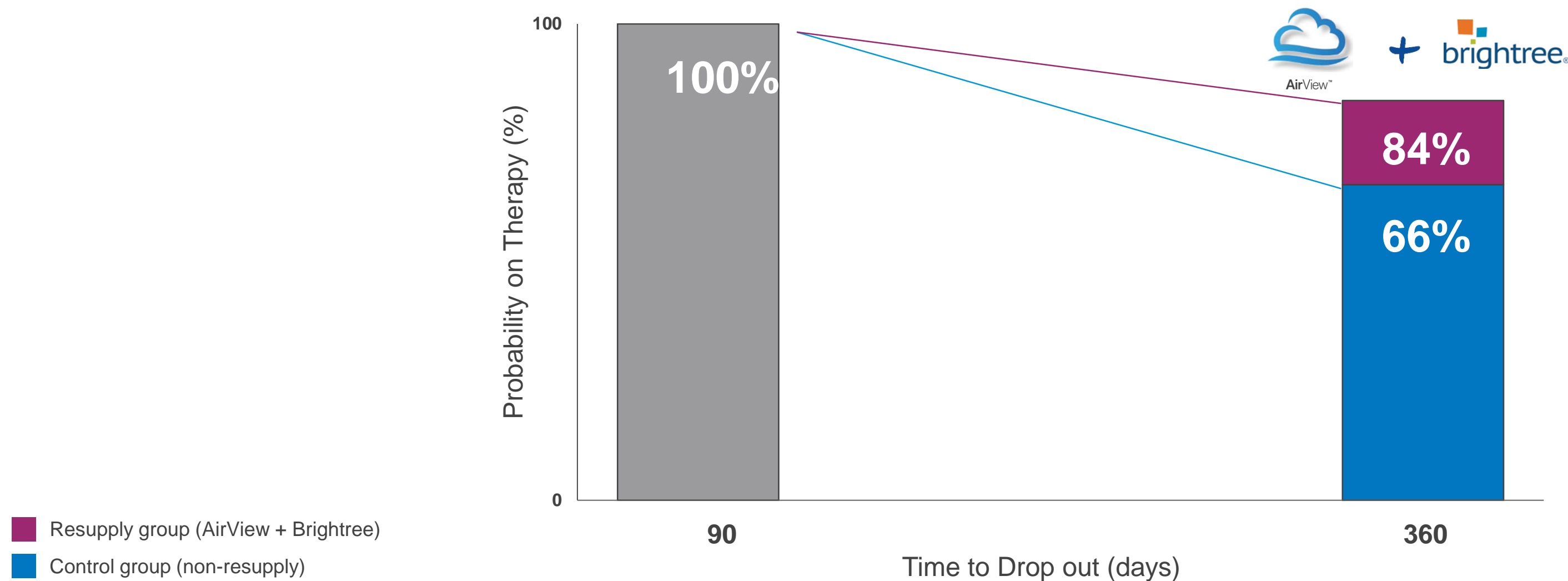


1. Hwang, et al., AJRCCM 2017
2. Munafo, et al. Sleep Breath 2016
3. Data based on monthly patient setups and compliance rates of DME customers from February 2014 – March 2015. Historical results for this provider over the stated time
4. Crocker, et al., Abstract CHEST 2016

Improving adherence to therapy with patient monitoring and resupply

ResAdhere: remote monitoring + mask resupply drive improved adherence

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

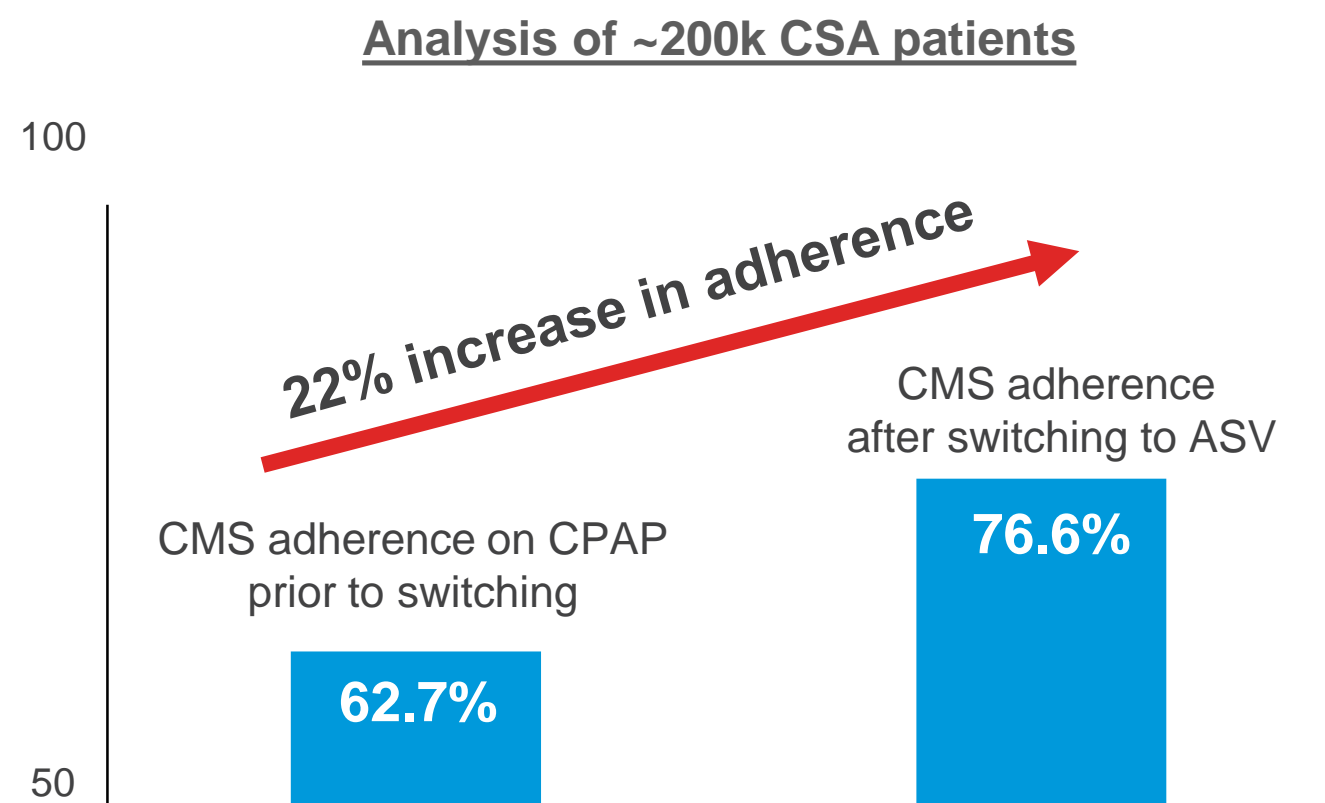


...the likelihood of therapy termination decreased by >50% after one-year
and there was a significant increase in daily PAP usage

Big data analysis drives insights for treatment of central sleep apnea

Patients with treatment-emergent central sleep apnea (CSA) are 2x more likely to terminate therapy

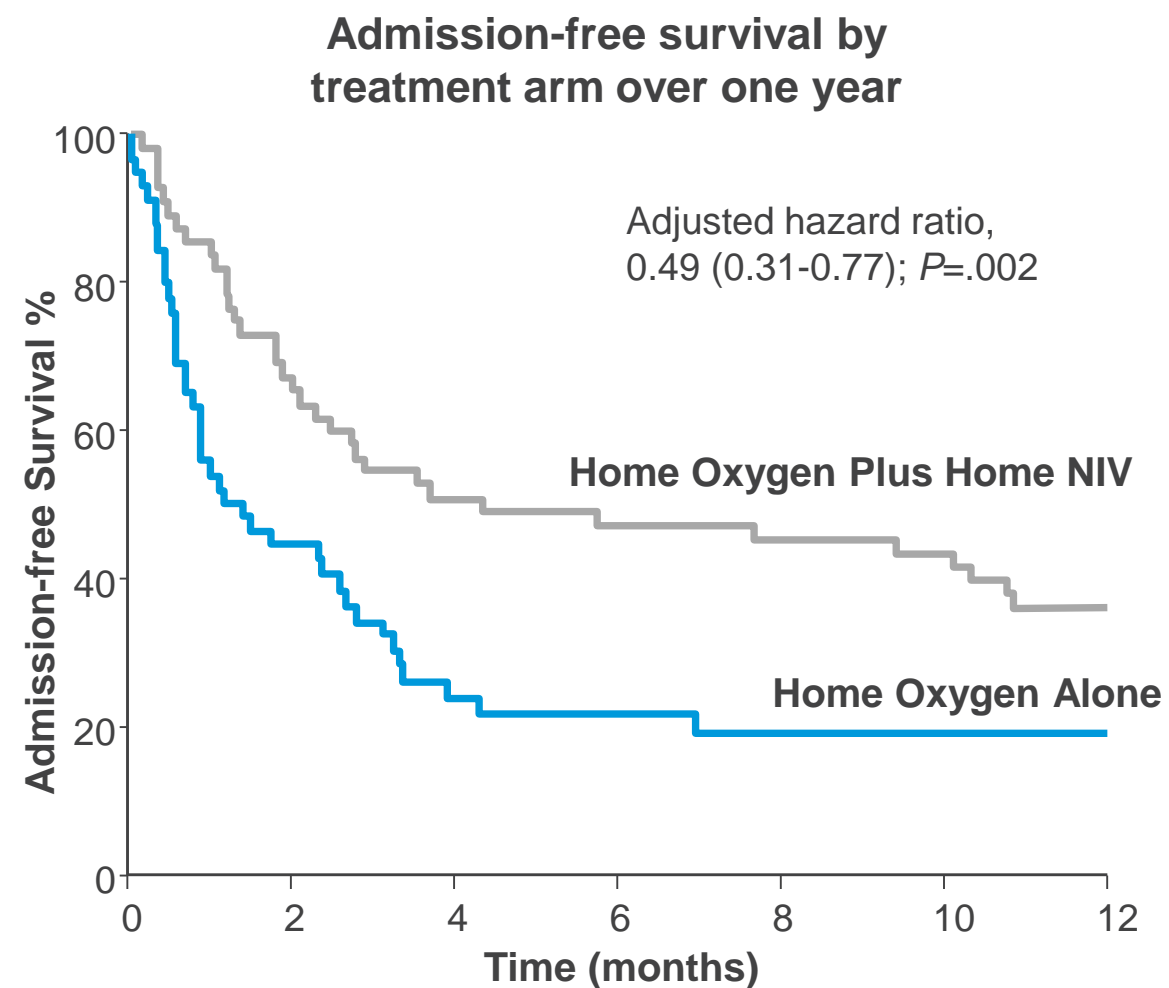
- Opportunity to rethink conventional therapeutic options
- Minimize risk of therapy termination through early diagnosis
- Regularly monitor patients to support adherence to treatment



- 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

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

Digital health solutions for inhaled COPD pharmaceuticals

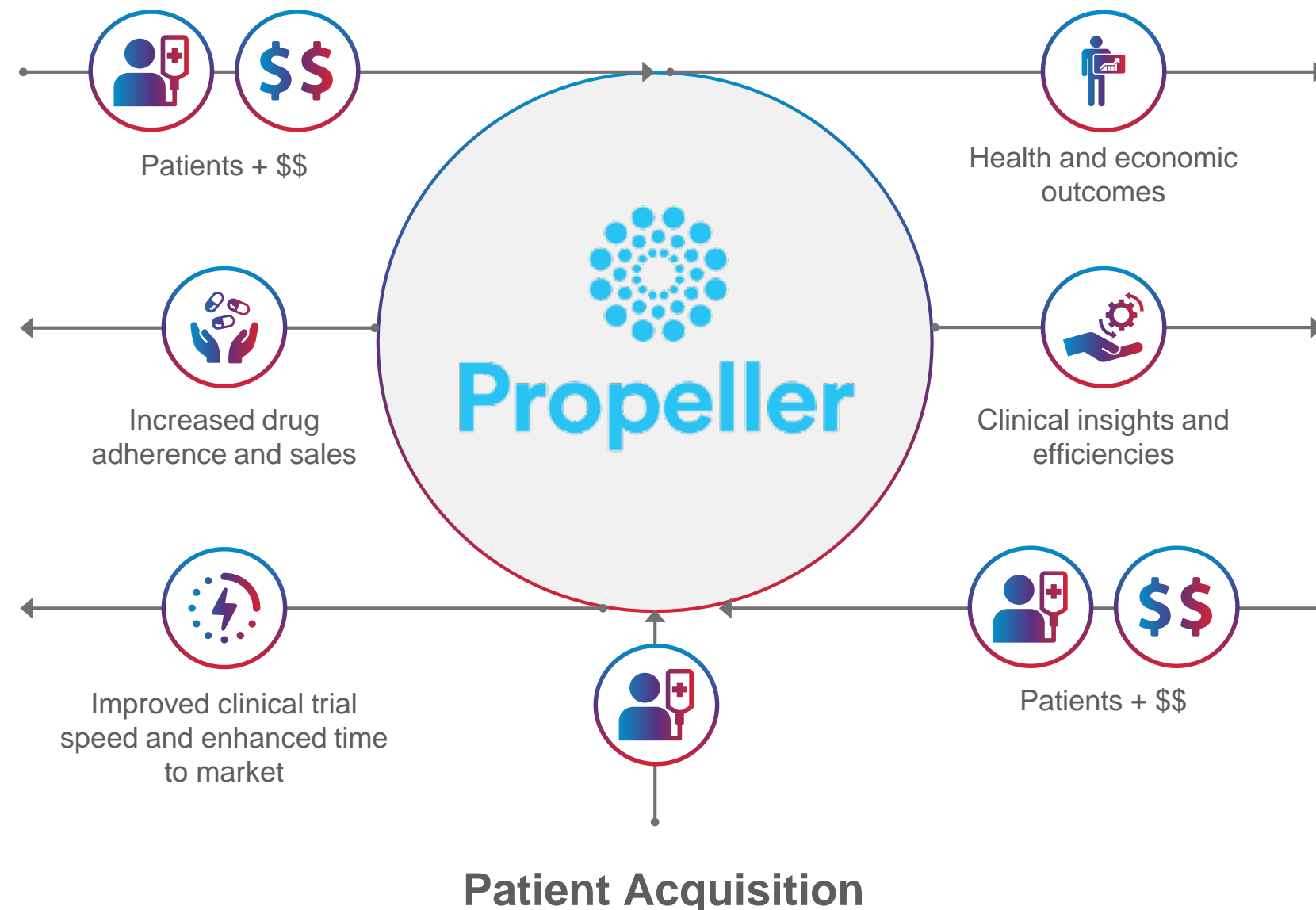
- ResMed now has end-to-end solutions for Digital Health for COPD patients across stages I, II, III, IV of the disease
- Uses sensors with inhalers to track medication usage and provide personal feedback and insights
- Establishes ResMed as a leading provider of COPD and asthma patient management solutions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



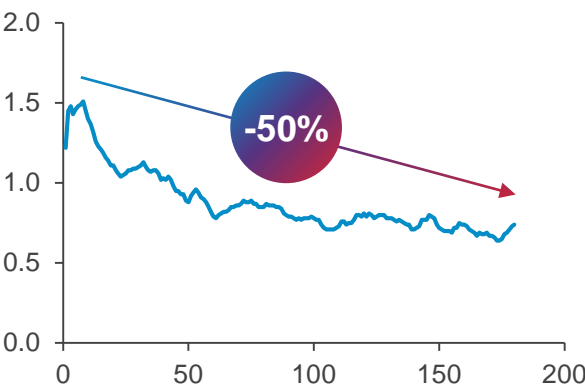
Propeller has demonstrated compelling clinical outcomes

Impact of the Propeller solution tracking inhaler usage and location


Uncontrolled
COPD

SABA use over time

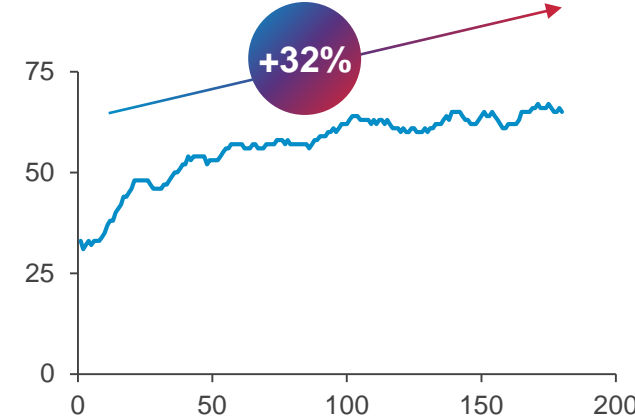
per day



Drives a decrease in
medication

Symptom free days

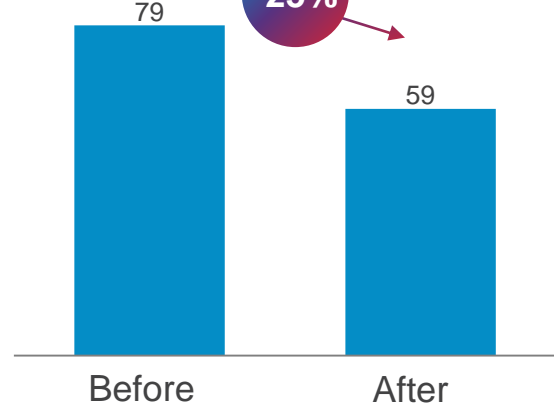
%



Drives an improvement in
QOL

Healthcare utilization

Events

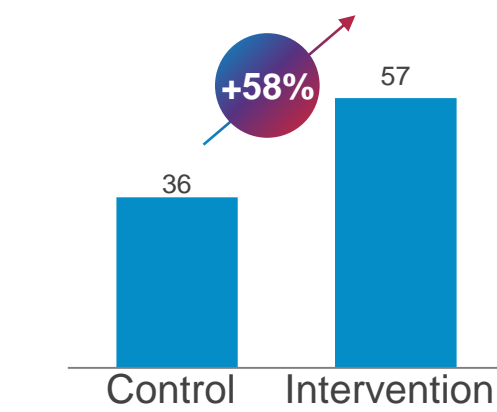


Drives a reduction in
healthcare utilization


Uncontrolled
Asthma

Adherence

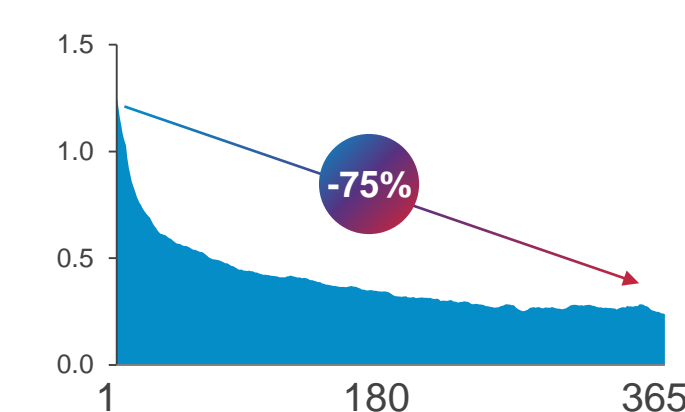
%



Drives an
improvement in
adherence

QoL: Rescue Inhaler use per day

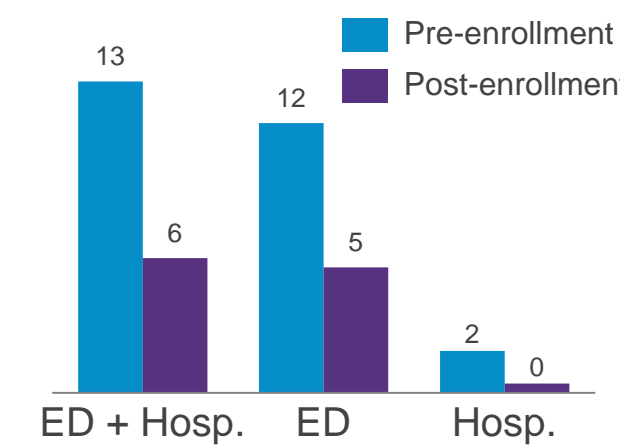
times used



Drives an
improvement in
QOL

Acute care utilization

Events per 100 patient years



Drives a reduction in
healthcare utilization

Propeller's digital medicine platform drives reduced healthcare utilization



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:

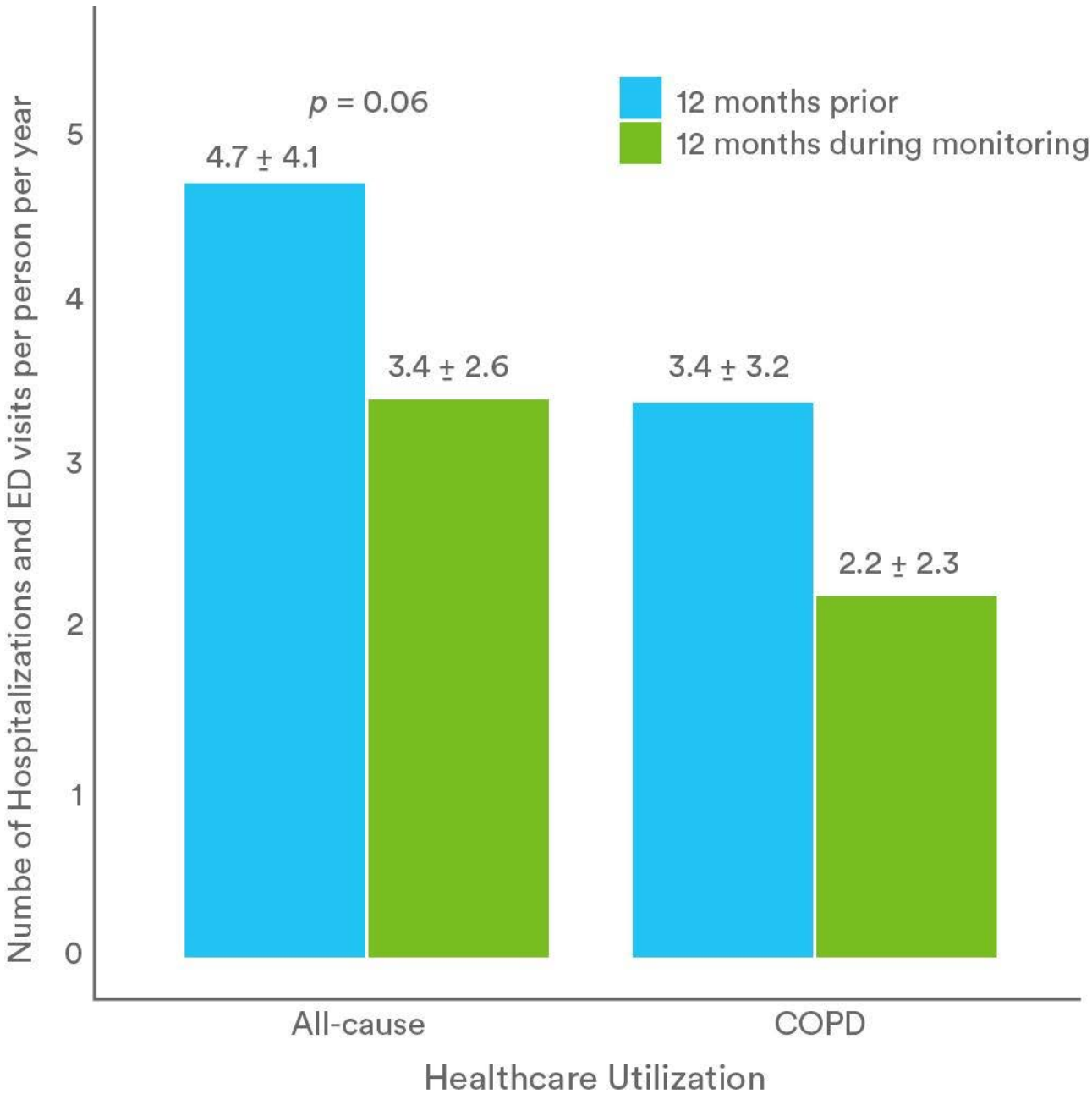
- COPD patients with ≥ 1 utilization (Emergency Department (“ED”) visit or hospitalization) in prior 12 months
- N = 39; mean age: 69 years, 51% male, 69% African American, mean FEV1¹ predicted: 47.2%, mean CAT: 19²

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:



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.