

# Q3 FY2024 Earnings

April 25, 2024

# Presentation of financial information & forward-looking statements

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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.

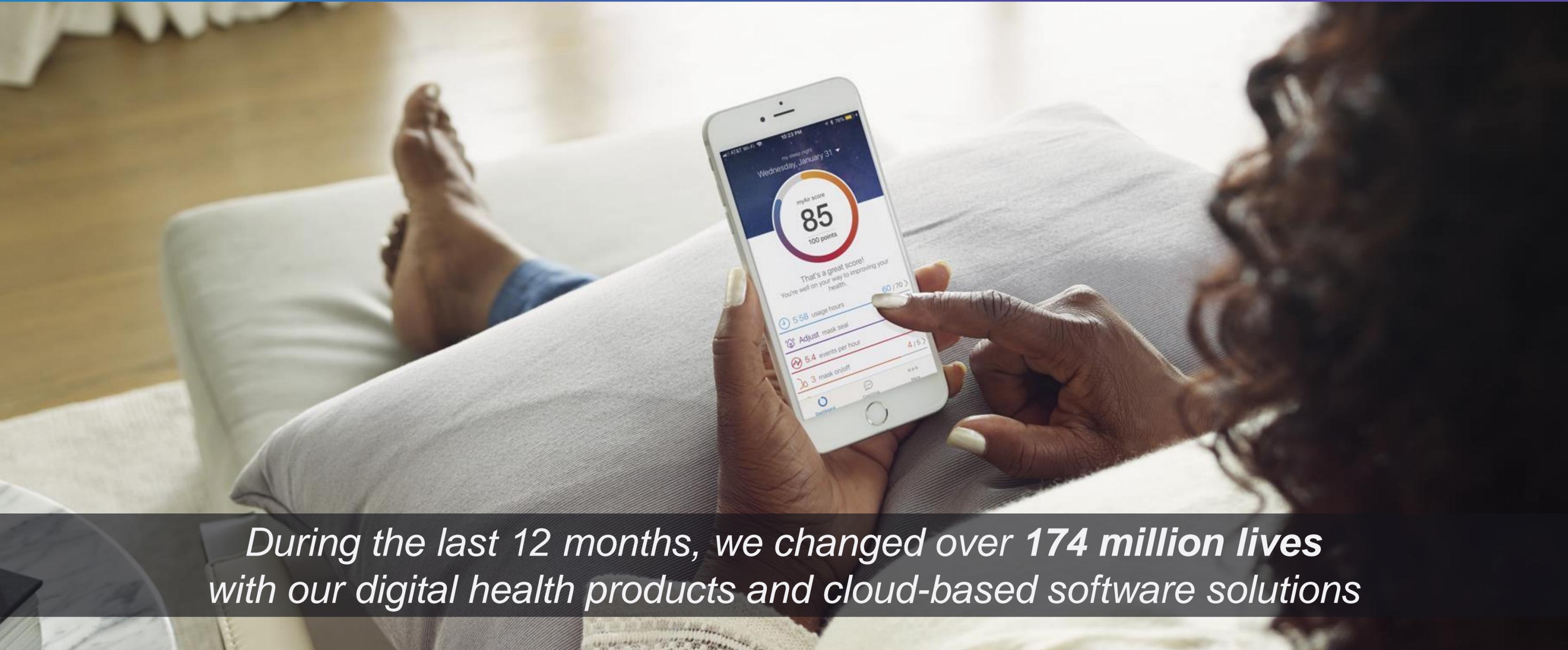
This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States, or GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures in this presentation, which include non-GAAP Income from Operations, 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](https://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 “believe,” “expect,” “intend,” “anticipate,” “will continue,” “will,” “estimate,” “plan,” “future,” and other similar expressions or variations of these terms, 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.

# ***Our mission is to change 250 million lives in 2025***

*We're proud to offer digital and connected health solutions that help those with sleep apnea, COPD, and other respiratory diseases live happier, healthier lives in the comfort of home or care setting of their choice*

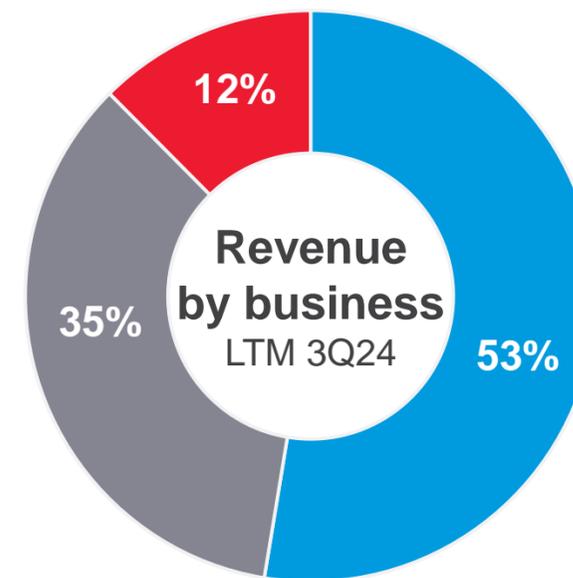


*During the last 12 months, we changed over 174 million lives with our digital health products and cloud-based software solutions*

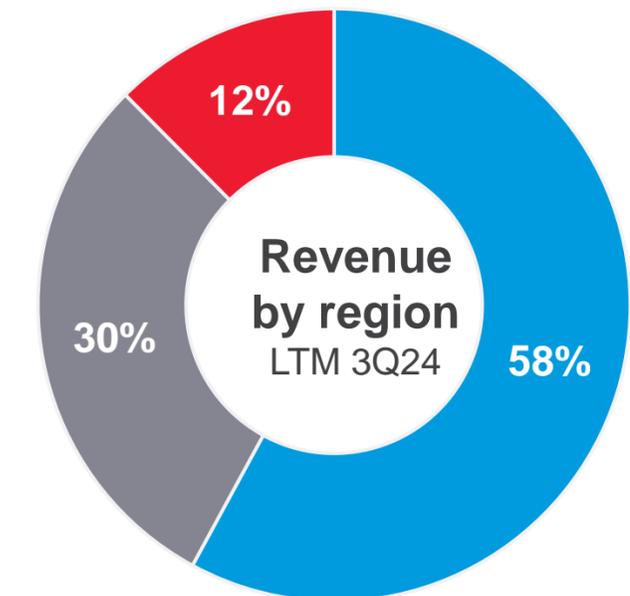
# ResMed | The global leader in connected and digital health

## Key Statistics<sup>1</sup>

<b>Headquarters</b>	San Diego, CA
<b>Founded</b>	1989
<b>LTM 3Q24 revenue</b>	\$4.6B
<b>Listed (NYSE, ASX)</b>	1995, RMD
<b>Market cap<sup>2</sup></b>	~\$25B
<b>Countries served</b>	140+
<b>Total employees</b>	>10,000



- Devices
- Masks & Other
- OOH SaaS



- U.S., Canada, and Latin America
- Europe, Asia, and Other
- OOH SaaS (U.S. & Germany)

## Our businesses

### Sleep Apnea

Delivering a market-leading patient experience through innovative solutions that lower overall costs for treating sleep apnea patients and improve clinical outcomes by leveraging global digital health solutions

### Respiratory Care

Improving the lives of patients with COPD, asthma, and other key chronic respiratory diseases on their healthcare journey – lowering costs, preventing hospitalization, and creating end-to-end care solutions

### Software as a Service (SaaS)

Providing a network out-of-hospital healthcare SaaS management solutions that help providers deliver more personalized care, measurable results, and improved health outcomes across large populations

<sup>1</sup>As of 3/31/24

<sup>2</sup>As of 4/25/24, date of Q3 2024 earnings

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



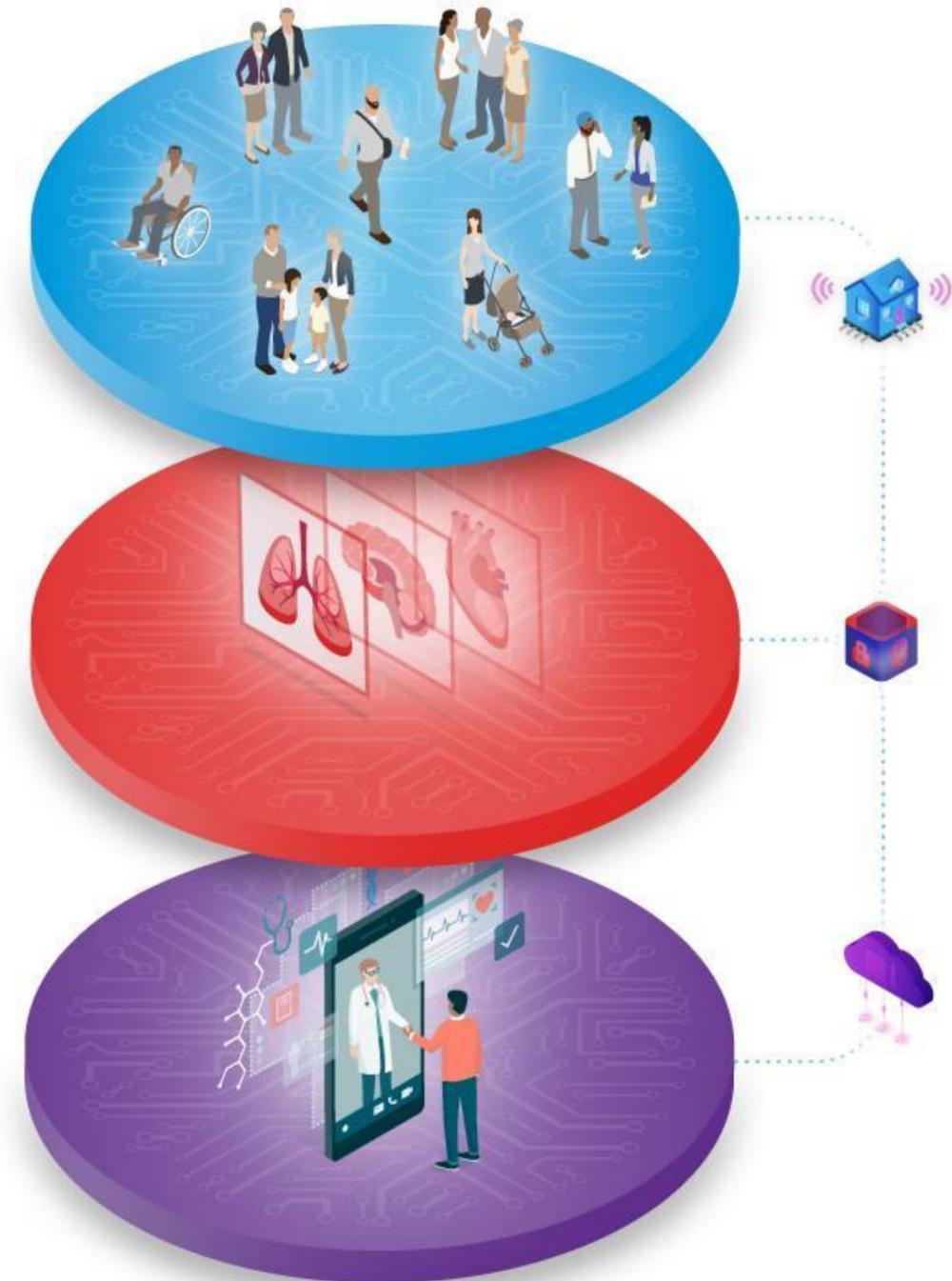
250 million lives improved in out-of-hospital healthcare in 2025!

**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



# We provide market-leading solutions for four of the world's most prevalent and significant chronic diseases

In our primary market, *sleep apnea*, the global prevalence is **enormous and growing**<sup>1</sup>



**~1B**  
with sleep apnea

Our secondary markets of COPD, asthma, and insomnia provide additional opportunities for **digital health innovation** and **improved health outcomes**

**~480M**  
with COPD

**~330M**  
with asthma

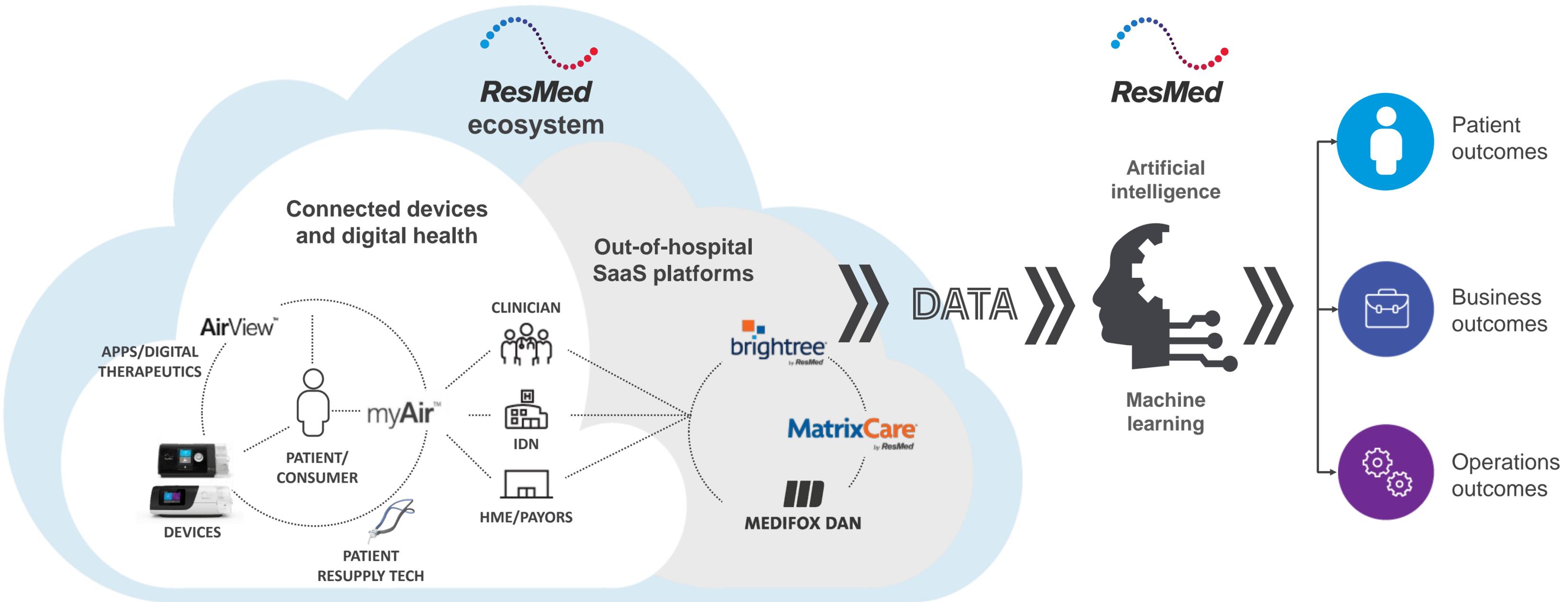
**~870M**  
with insomnia

We are leveraging our leadership position and capabilities to improve the lives of more than **2.5 billion people**<sup>2</sup> with sleep apnea, insomnia, COPD, and asthma

<sup>1</sup> Sleep apnea prevalence expected to be 1.4B by 2050; more than 80% remain undiagnosed

<sup>2</sup> >30% of the global population

# We do this by delivering digital health solutions that *improve* outcomes and *lower* costs



Focused on interoperability so our solutions work with the broader healthcare ecosystem

# ResMed is the *global leader* in connected & digital health

Over **18 billion nights** of respiratory medical data



**27+ million**  
patients in AirView™



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



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



**145+ million**  
accounts in out-of-hospital care network



**175+ API**  
calls per second from integrators



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

# Priorities that guide our daily focus

Grow and differentiate our core sleep apnea, COPD, and asthma businesses across global markets

Deliver world-leading medical devices and digital health technology to engage physicians, providers, and patients

Build the world's best software solutions network for healthcare that is delivered outside the hospital

## Our triple aim:

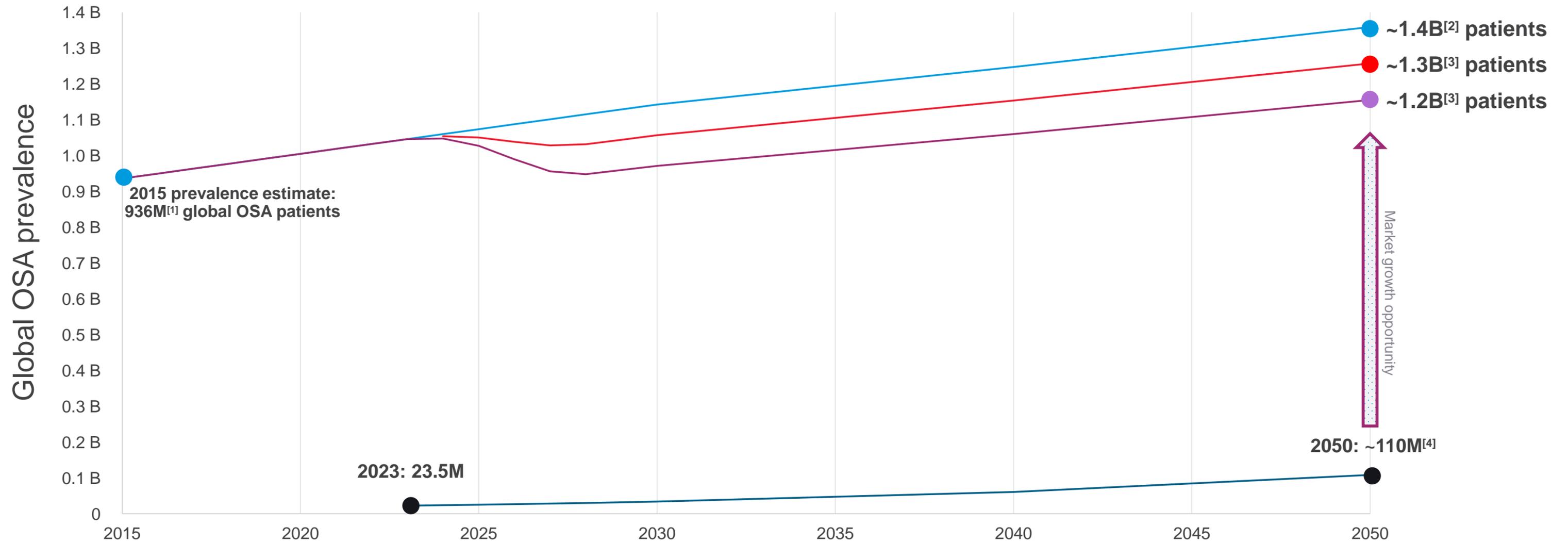
- I. Slow chronic disease progression
- II. Reduce overall healthcare system costs
- III. Improve the quality of life for the patient

Empower people to live happier, healthier, and higher quality lives in the comfort of their homes

# ResMed has a very large, under-penetrated opportunity to reach and serve OSA patients globally, including a broad range of pharma impact scenarios

- TAM without pharma impact
- TAM mid-pharma impact
- TAM high-pharma impact
- ResMed Connected Devices in market

## Global OSA patient prevalence from latest epidemiology data



[1] Benjafield AV, Ayas NT, Eastwood PR, et al. Estimation of the global prevalence and burden of obstructive sleep apnoea: a literature-based analysis. Lancet Respir Med. Aug 2019;7(8):687-698.

[2] Internal ResMed analysis based on World Bank forecasted population growth for those aged 30-69 across 193 countries

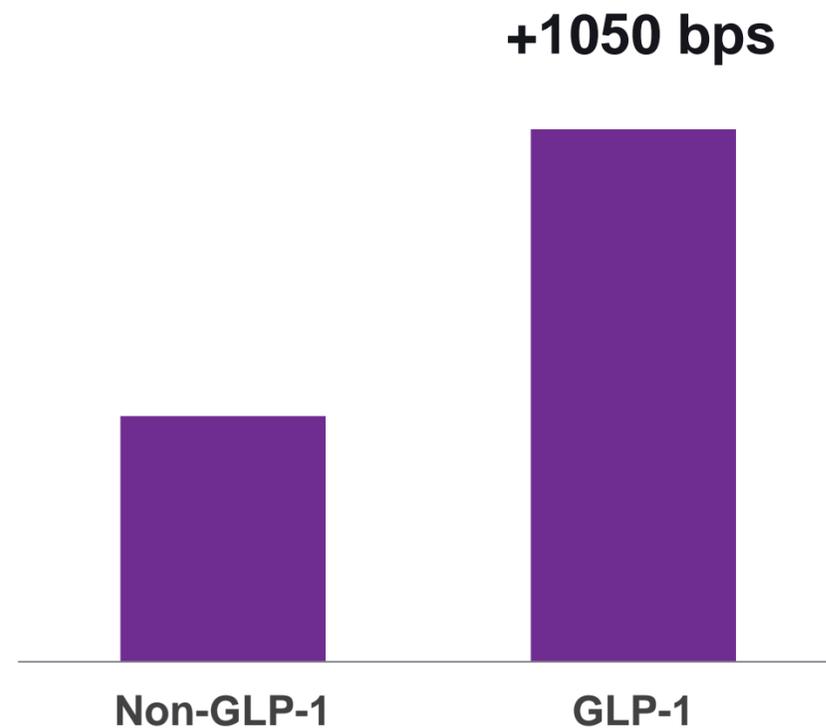
[3] Mid-to-high impacts ranging from ~7.5% to 15% OSA prevalence reduction due to weight-loss pharma, with impact starting in 2024 and ramping by 2029

[4] Historical growth in ResMed connected device volumes ranges from 5-6% YOY; Growth here shown as 6%; Note revenue growth historically exceeds device volume growth with recurring revenue from masks, accessories & software.

# Real-world data analysis in Sleep Apnea (OSA) population shows a significant **positive correlation** between GLP-1s and PAP therapy

GLP-1 initiated<sup>1,2</sup> vs. non-GLP-1 initiated OSA patients<sup>1</sup>

Likely to initiate PAP therapy<sup>3</sup>



Patients with an OSA diagnosis **and** prescribed a GLP-1 drug are **10.5% more likely** to initiate PAP therapy

**Large real-world data analysis: n = 660,000 patients with *GLP-1 initiation, sleep apnea diagnosis, and Rx for PAP therapy*<sup>5</sup>**

Source: IQVIA LRX data and Diagnostic claims, July 2021 – December 2023

1. Total patients with an OSA diagnosis claim from July 2021 – December 2023; those who were diagnosed with OSA prior to July 2021 are not included in this analysis.
2. GLP-1 initiation is defined by presence of GLP-1 claim at any point from July 2021 – December 2023 (n=660k patients); initiation does not demonstrate GLP-1 treatment adherence, so patients may not be actively taking GLP-1s today.
3. Values show absolute percentage difference in presence of any PAP-related claim from July 2021 – December 2023 comparing OSA patients who used GLP-1s versus OSA patients with no GLP-1 use.
4. Values show absolute percentage difference in presence of any PAP-related claim at each timepoint post PAP setup from July 2021 – December 2023 comparing OSA patients who used GLP-1s versus OSA patients with no GLP-1 use.
5. Majority of patients in the analysis population were prescribed newer GLP-1 drugs: semaglutide or tirzepatide

# Real-world data analysis in Sleep Apnea (OSA) population shows a significant **positive correlation** between GLP-1s and PAP therapy

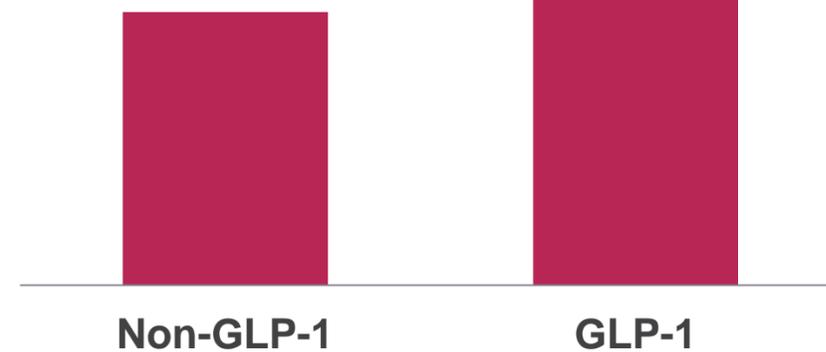
GLP-1 initiated<sup>1,2</sup> vs. non-GLP-1 initiated OSA patients<sup>1</sup>

**PAP resupply rates<sup>4</sup>  
1-year post-setup**

**PAP resupply rates<sup>4</sup>  
2-years post-setup**

**+310 bps**

**+500 bps**



Patients with an OSA diagnosis *and* prescribed a GLP-1 drug have **higher PAP resupply rates** 1-year and 2-years post-setup

**Large real-world data analysis: n = 660,000 patients with *GLP-1 initiation, sleep apnea diagnosis, and Rx for PAP therapy*<sup>5</sup>**

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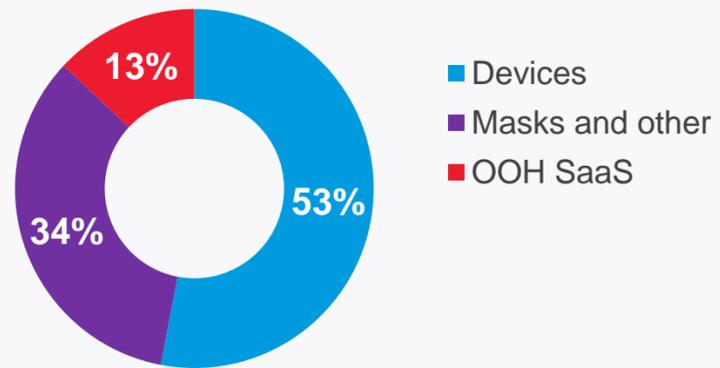
# Financial Results



# Q3 FY24 financial results

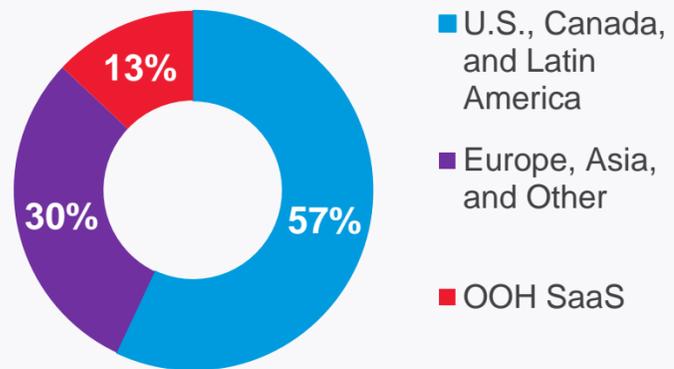
## Revenue by Business

Q3 FY24



## Revenue by Region

Q3 FY24



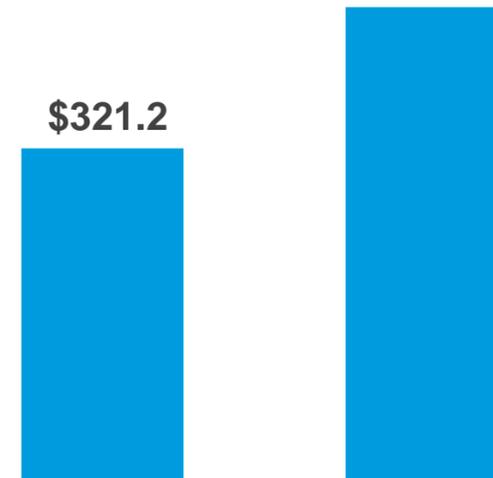
## Revenue (\$M)

\$1,116.9      \$1,197.0



## Non-GAAP Operating Income (\$M)

\$321.2      \$393.6



## Non-GAAP EPS

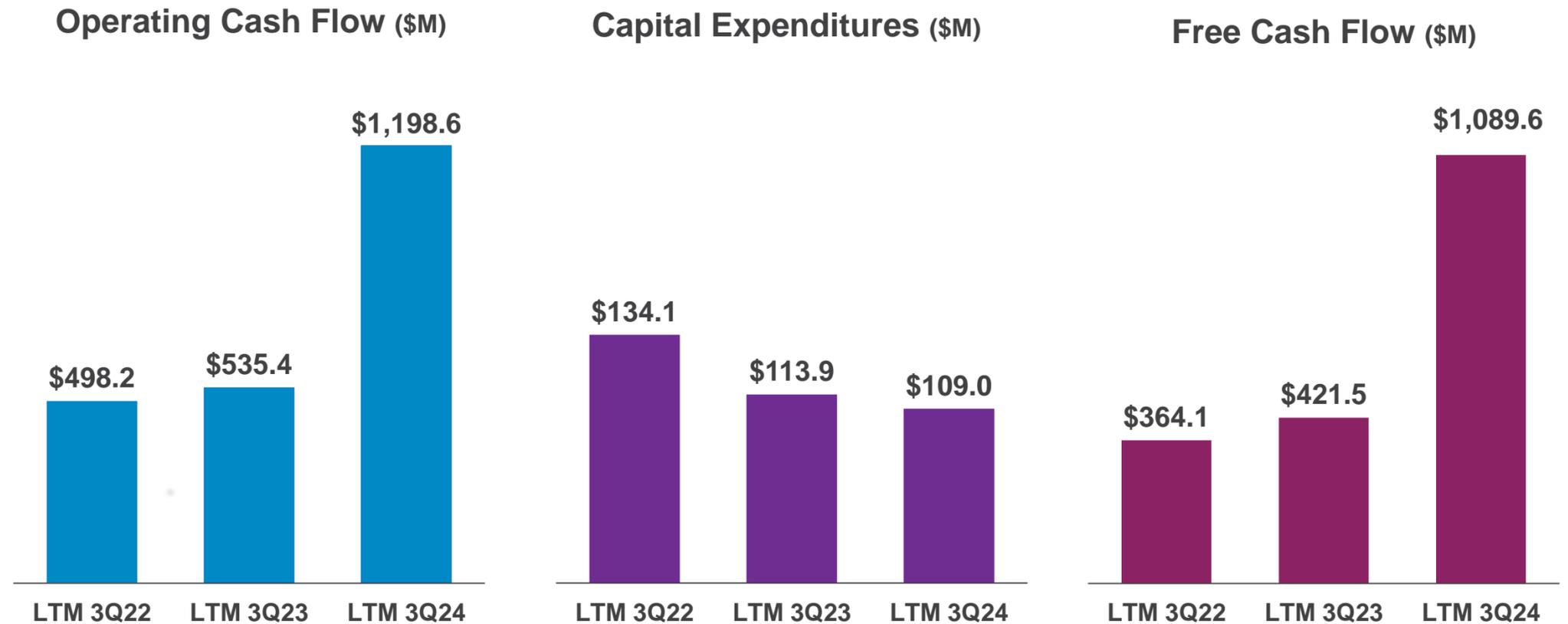
\$1.68      \$2.13



NOTE: See reconciliation to GAAP in Appendix

# Solid balance sheet

Total debt outstanding	<b>\$1,007M</b>
Less: Cash & cash equiv.	<b>\$238M</b>
Net Debt	<b>\$769M</b>
Unused borrowing capacity	<b>\$1,175M</b>



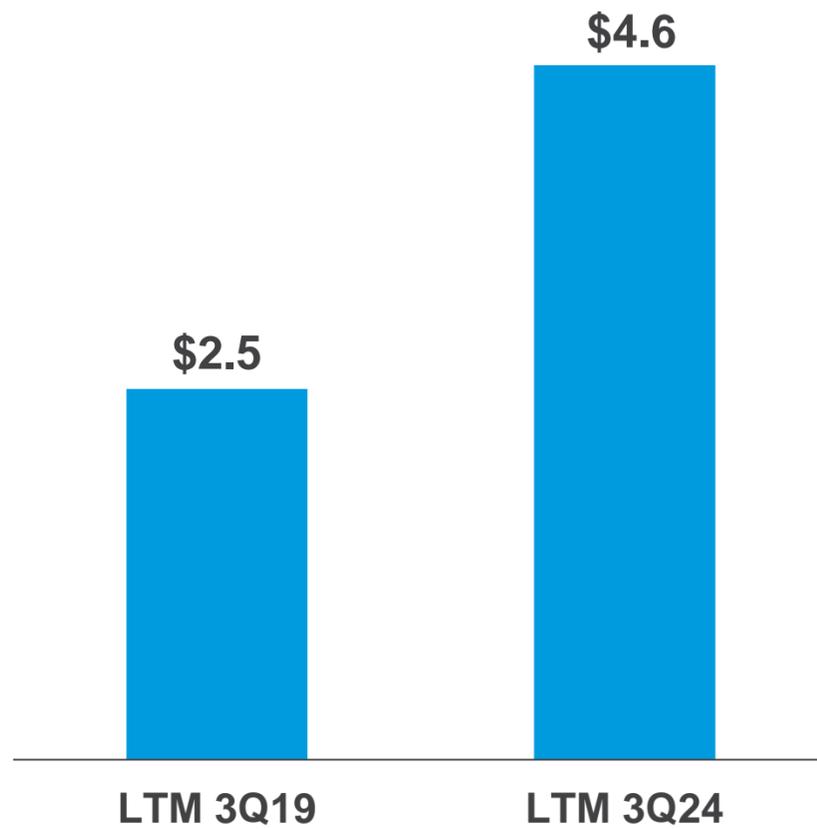
Low leverage and strong cash flow provide financial flexibility

# Track record of strong financial returns for shareholders

(Financial data as of March 31, 2024)

## Revenue (\$B)

13% CAGR



## Non-GAAP Operating Income (\$M)

15% CAGR



## Non-GAAP EPS

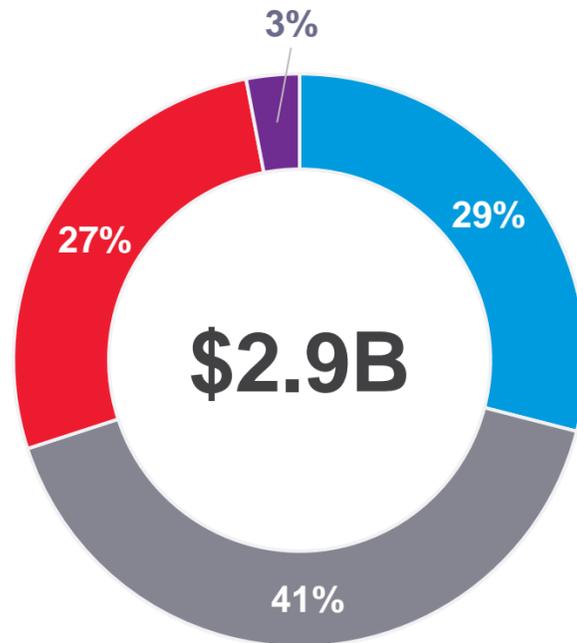
15% CAGR



NOTE: See reconciliation to GAAP in Appendix

# Strategic capital allocation framework

Capital deployed over last 3 years  
(through March 31, 2024)



- Reinvest in R&D
- M&A
- Dividends
- Share repurchase <sup>(A)</sup>

Strategic  
Growth  
Priorities

Capital  
Returns to  
Shareholders

Reinvest for  
growth

- Reinvest in product development for high-return organic growth
- 6% of revenue invested in R&D

Pursue M&A

- Actively evaluate potential acquisitions
- Pursue targets aligned with long-term strategic goals and financial objectives

Support dividends

- Regular return of cash to shareholders through dividend at a level that is meaningful and sustained

Share repurchases

- Opportunistic repurchase of shares
- Resumed share buyback program during 2Q24 (\$50M/qtr)

Disciplined focus on ROIC and delivering total return

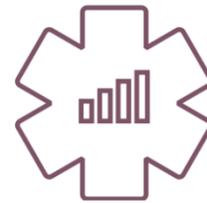
(A): ResMed resumed its buyback program during the quarter ended 12/31/23; program had been paused since the quarter ended 12/31/2019

# Driving long-term shareholder value



## Growth & Innovation

- Global leader in digital health for sleep and respiratory care
- Long-term growth opportunities
- >9,700 patents and designs
- ~7% of revenue invested in R&D



## Market Dynamics

- Underpenetrated markets in sleep and COPD
- Healthcare costs continue to increase
- Focus on improving patient outcomes
- Value-based technology solutions



## Financial Results

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

ResMed is the global leader in connected & digital health

# Contact Investor Relations

Phone: (858) 836-5971

Email: [investorrelations@resmed.com](mailto:investorrelations@resmed.com)

Website: [investor.resmed.com](http://investor.resmed.com)

# APPENDIX



# Reconciliation of non-GAAP financial measures

The measures “non-GAAP gross profit” and “non-GAAP gross margin” exclude amortization expense from acquired intangibles related to cost of sales and are reconciled below:

(Unaudited; \$ in thousands, except for per share amounts)

	Three Months Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue	\$ 1,196,980	\$ 1,116,898	\$ 3,462,102	\$ 3,100,936
GAAP cost of sales	\$ 504,199	\$ 499,146	\$ 1,522,326	\$ 1,362,661
Less: Amortization of acquired intangibles <sup>(A)</sup>	(7,812)	(8,322)	(24,976)	(22,001)
Less: Masks with magnets field safety notification expenses <sup>(A)</sup>	—	—	(6,351)	—
Less: Astral field safety notification expenses <sup>(A)</sup>	—	—	(7,911)	—
Non-GAAP cost of sales	\$ 496,387	\$ 490,824	\$ 1,483,088	\$ 1,340,660
GAAP gross profit	\$ 692,781	\$ 617,752	\$ 1,939,776	\$ 1,738,275
GAAP gross margin	57.9 %	55.3 %	56.0 %	56.1 %
Non-GAAP gross profit	\$ 700,593	\$ 626,074	\$ 1,979,014	\$ 1,760,276
Non-GAAP gross margin	58.5 %	56.1 %	57.2 %	56.8 %

## Note regarding non-GAAP reconciliations

<sup>(A)</sup> ResMed adjusts for the impact of the amortization of acquired intangibles, restructuring expenses, field safety notification expenses, acquisition-related expenses, and associated tax effects 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.

ResMed believes that non-GAAP diluted earnings per share is an additional measure of performance that investors can use to compare operating results between reporting periods. ResMed uses non-GAAP information internally in planning, forecasting, and evaluating the results of operations in the current period and in comparing it to past periods. ResMed believes this information provides investors better insight when evaluating ResMed’s performance from core operations and provides consistent financial reporting. The use of non-GAAP measures is intended to supplement, and not to replace, the presentation of net income and other GAAP measures. Like all non-GAAP measures, non-GAAP earnings are subject to inherent limitations because they do not include all the expenses that must be included under GAAP.

# Reconciliation of non-GAAP financial measures, cont'd

The measure “non-GAAP income from operations” is reconciled with GAAP income from operations below:

(Unaudited; \$ in thousands, except for per share amounts)

	Three Months Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
GAAP income from operations	\$ 374,584	\$ 300,671	\$ 938,677	\$ 856,602
Amortization of acquired intangibles—cost of sales <sup>(A)</sup>	7,812	8,322	24,976	22,001
Amortization of acquired intangibles—operating expenses <sup>(A)</sup>	11,204	12,188	35,259	29,701
Restructuring <sup>(A)</sup>	—	—	64,228	—
Masks with magnets field safety notification expenses <sup>(A)</sup>	—	—	6,351	—
Astral field safety notification expenses <sup>(A)</sup>	—	—	7,911	—
Acquisition-related expenses <sup>(A)</sup>	—	—	483	9,157
Non-GAAP income from operations	<u>\$ 393,600</u>	<u>\$ 321,181</u>	<u>\$ 1,077,885</u>	<u>\$ 917,461</u>

Note regarding non-GAAP reconciliations

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# Reconciliation of non-GAAP financial measures, cont'd

The measure “non-GAAP net income” and “non-GAAP diluted earnings per share” are reconciled with GAAP net income and GAAP diluted earnings per share in the table below:

(Unaudited; \$ in thousands, except for per share amounts)

	Three Months Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
GAAP net income	\$ 300,492	\$ 232,500	\$ 728,715	\$ 667,892
Amortization of acquired intangibles—cost of sales <sup>(A)</sup>	7,812	8,322	24,976	22,001
Amortization of acquired intangibles—operating expenses <sup>(A)</sup>	11,204	12,188	35,259	29,701
Restructuring expenses <sup>(A)</sup>	—	—	64,228	—
Masks with magnets field safety notification expenses <sup>(A)</sup>	—	—	6,351	—
Astral field safety notification expenses <sup>(A)</sup>	—	—	7,911	—
Acquisition-related expenses <sup>(A)</sup>	—	—	483	9,157
Income tax effect on non-GAAP adjustments <sup>(A)</sup>	(5,083)	(5,213)	(34,969)	(14,484)
Non-GAAP net income <sup>(A)</sup>	<u>\$ 314,425</u>	<u>\$ 247,797</u>	<u>\$ 832,954</u>	<u>\$ 714,267</u>
GAAP diluted shares outstanding	147,450	147,395	147,549	147,400
GAAP diluted earnings per share	\$ 2.04	\$ 1.58	\$ 4.94	\$ 4.53
Non-GAAP diluted earnings per share <sup>(A)</sup>	\$ 2.13	\$ 1.68	\$ 5.65	\$ 4.85

## Note regarding non-GAAP reconciliations

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