



ResMed

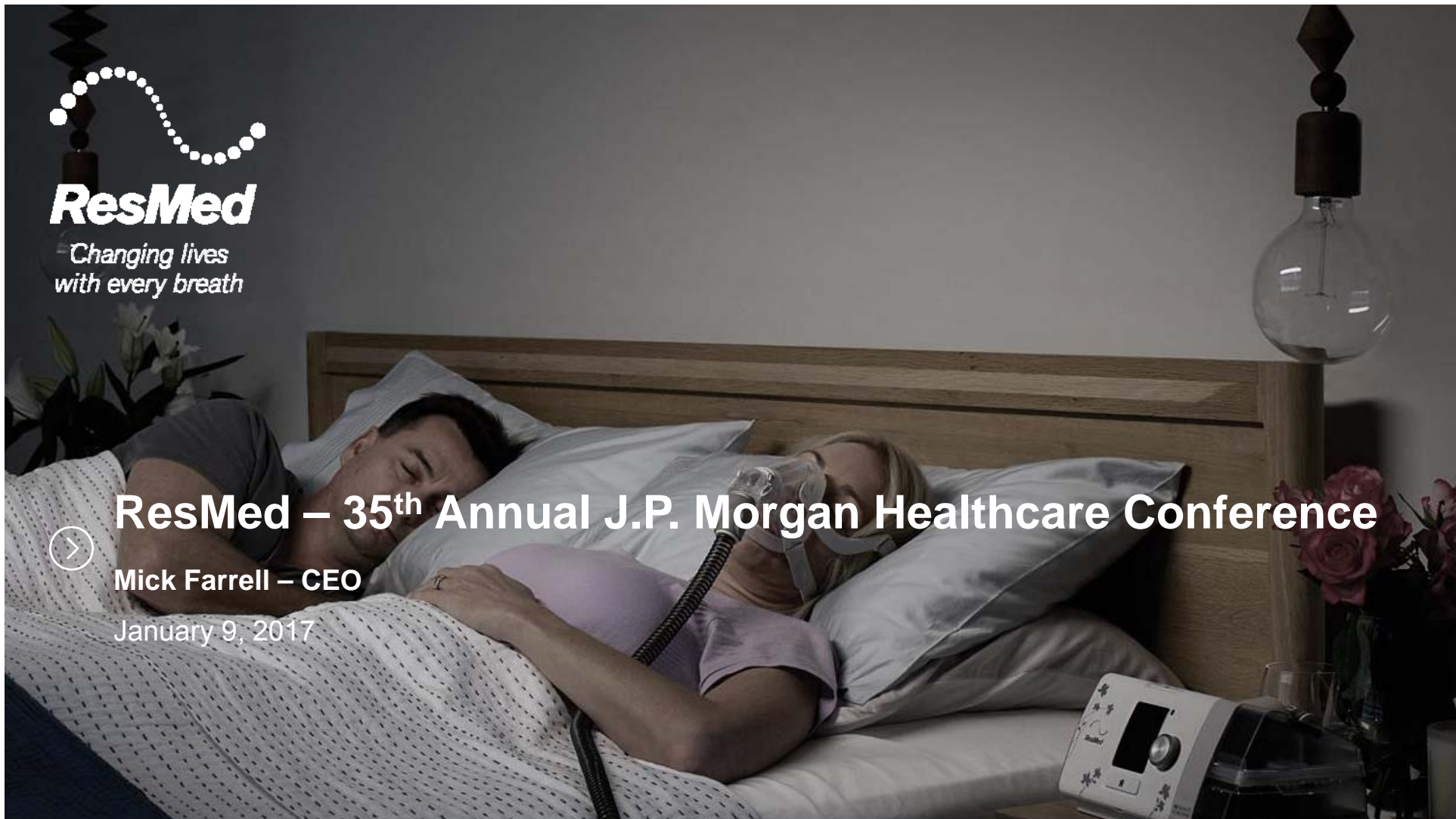
*Changing lives
with every breath*

ResMed – 35th Annual J.P. Morgan Healthcare Conference



Mick Farrell – CEO

January 9, 2017



➤ Safe Harbor Statement

Statements contained in this presentation that are not historical facts are “forward-looking” statements as contemplated by the Private Securities Litigation Reform Act of 1995. These forward-looking statements — including statements regarding ResMed's projections of future revenue or earnings, expenses, new product development, new product launches and new markets for its products and the integration of acquisitions — are subject to risks and uncertainties, which could cause actual results to materially differ from those projected or implied in the forward-looking statements. Additional risks and uncertainties are discussed in ResMed's periodic reports on file with the U.S. Securities & Exchange Commission. ResMed does not undertake to update its forward-looking statements.

➤ ResMed – *Driving Value for Shareholders*



Long-term growth

opportunities across all three horizons of ResMed's strategy



Proven innovator

in products and Connected Care for sleep apnea, COPD, neuromuscular disease and other chronic diseases



Underpenetrated markets

For sleep-disordered breathing and respiratory care



Reduce healthcare costs; improve outcomes

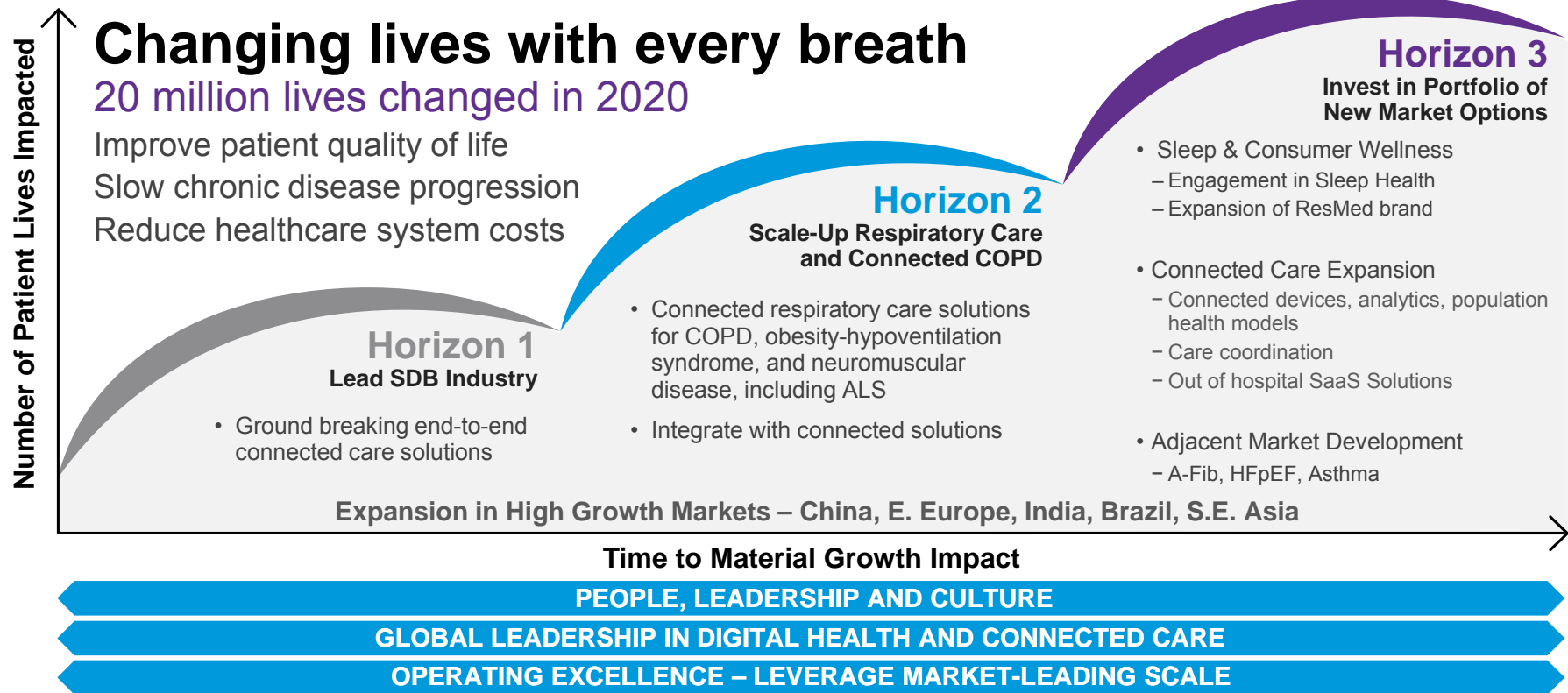
Improve quality of life for patients
Prevent chronic disease progression
Reduce costs of managing chronic disease



Disciplined financial management

Operational excellence,
strong capital deployment history,
committed to investing in innovation and
returning excess cash to shareholders

ResMed's Growth Strategy



➤ Global Leader in Sleep Apnea Management



AirSense™ 10



myAir™



AirView™

➤ Strong Pipeline of Sleep Products



When I was on the road
my sleep therapy stayed home.
Now it's my favorite travel partner.
Rewrite your bedtime stories.

Learn more at [ResMed.com/AirMini](https://www.ResMed.com/AirMini)

➤ Full Spectrum of Products for Respiratory Care



Portable Oxygen Concentrator



Activox™



AcuCare™ high flow nasal cannula

Bilevel Ventilation



AirCurve 10

Non-invasive Ventilation (NIV)



Lumis™



Stellar™

Life Support Ventilation



Astral™



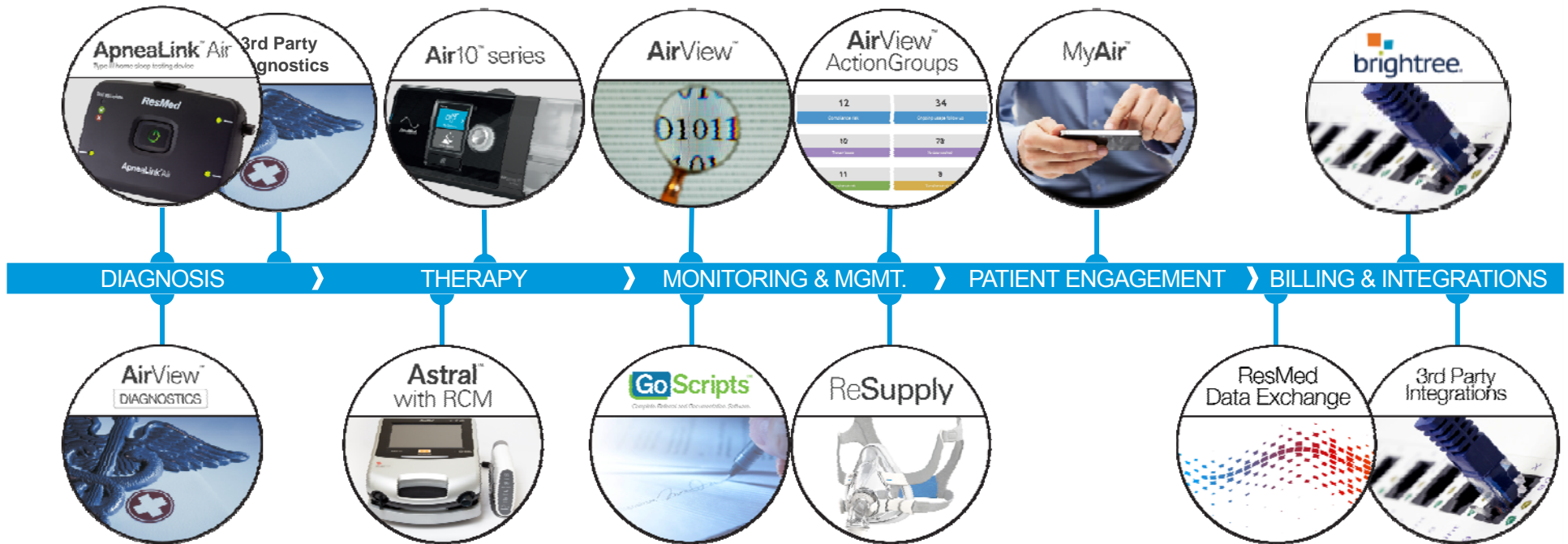
Astral™ with RCM

→
Patient Acuity

➤ End-to-End Solutions for Sleep Apnea & Respiratory Care



Over 2 million cloud-connected med devices liberating data daily through AirView



➤ Global leader in Connected Care for Medical Devices



AirView™ has over
4 million+ patients

200,000+ diagnostic tests
processed **in the cloud**

15 API calls per **second**
from integrators

2 million+ patients
monitored at **home** with
connected care

Brightree has **45 million+**
patient accounts as part of its
post-acute care network

1,000+ patients a day
sign up for **myAir™**

➤ Liberating sleep data and providing predictive analytics

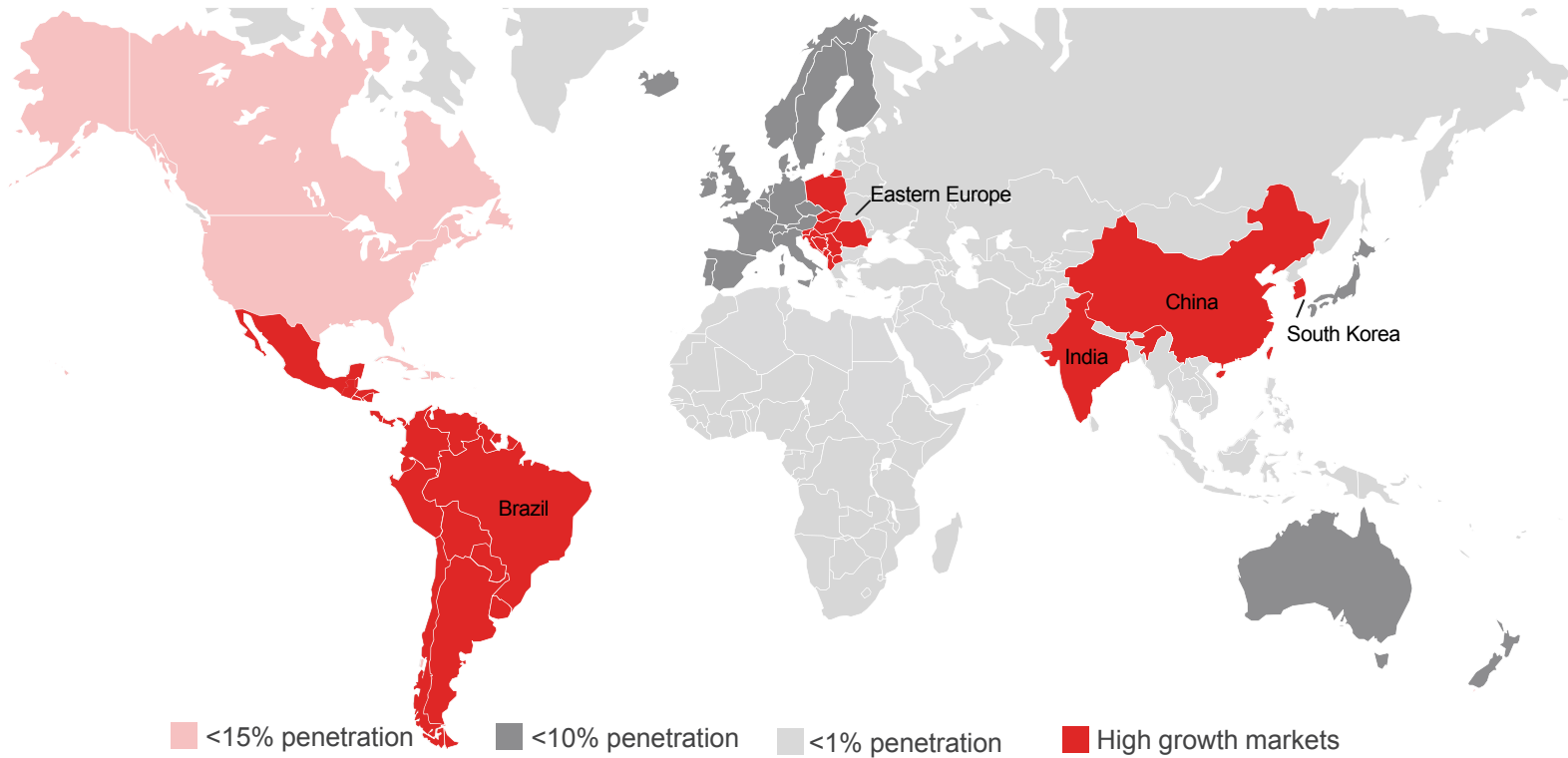


- Over 1 billion nights of sleep data
- Receiving over 2 million nights of data daily
- Clinically proven devices and solutions
- Leading solutions consulting services
 - improve healthcare outcomes
 - unlock value for patients, physicians, providers and payers

➤ Sleep apnea is a huge and underpenetrated market



Sleep Heart Health Study: 26% of adults have sleep apnea



➤ COPD is a large and growing market



- Chronic obstructive pulmonary disease (COPD) is the third leading cause of death worldwide¹
- More than 200 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 COPD⁵



¹World Health Organization. The top 10 causes of death: Fact sheet: No310 (2014, May) accessed 20Jul16

²Ferkol T et al. *Annals ATS* 2014

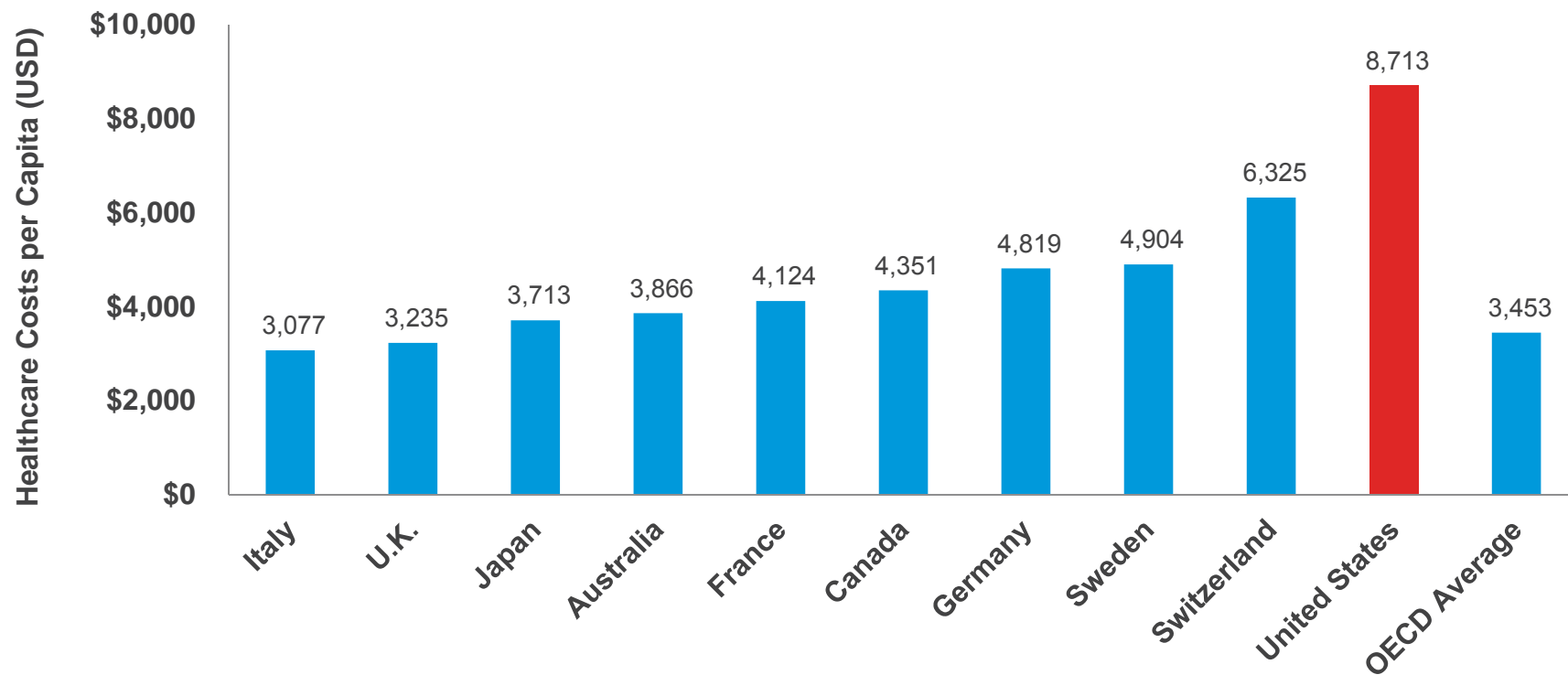
³Company estimates based on World Health Organization estimates and Zhong et al. "Prevalence of Chronic Obstructive Pulmonary Disease in China" *Respiratory and Critical Care*

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

➤ Opportunity to shift care from hospital to home



Source: Organization for Economic Cooperation and Development, OECD Health Statistics 2015, July 2015. As compiled by the Peter G. Peterson Foundation. Per capita health expenditures all from 2013, except Australia for which 2012 data are the latest available. Chart uses purchasing power parities to convert data into U.S. dollars

➤ AirSolutions™ - Better Outcomes, Improved Efficiencies



AirView™



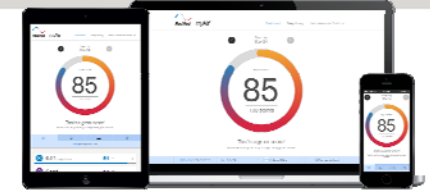
Labor
Costs²



New
Patient
Setups³

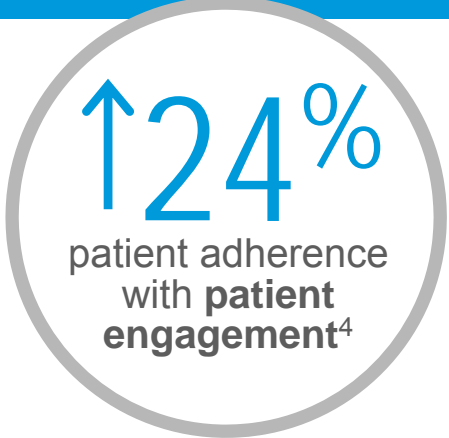


myAir™



World's largest study for adherence

> 128,000 patients



1. Hwang, et al., Tele-OSA study, Abstract SLEEP 2016
2. Munafò, 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

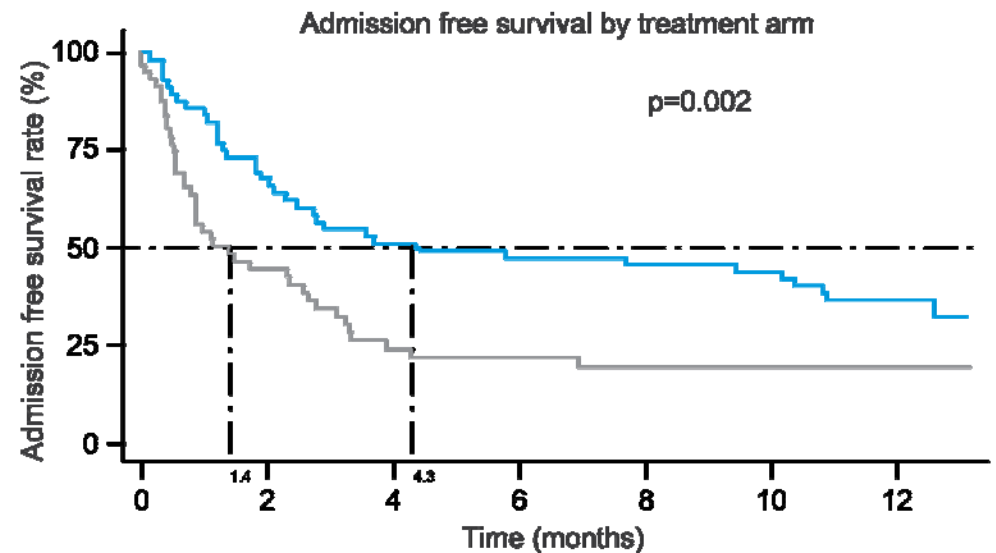


➤ Non-Invasive Ventilation: *Reduces Hospital Admissions*



Combining non-invasive ventilation with home oxygen therapy:

- **Reduced likelihood of hospital re-admission or death by 51%**
- Increased time to re-admission to hospital or death by ~90 days



Number at risk

HOT	59	23	11	10	8	8	6
HOT HMV	57	37	28	26	25	24	16

— HOT — HOT HMV - - - Median admission free survival time

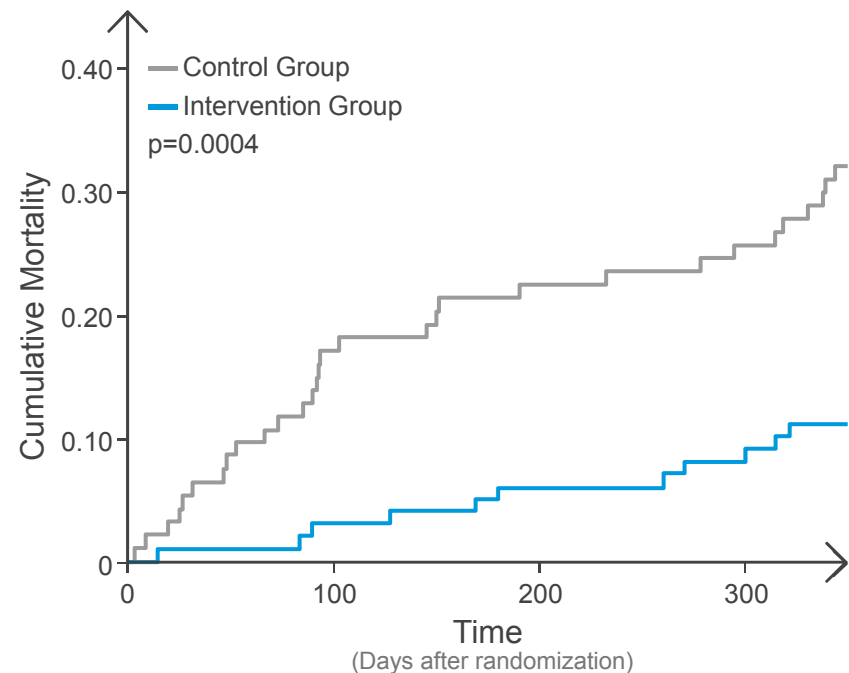
References: Murphy et al. *European Respiratory Society 2016 Late-Breaking Abstract*



➤ NIV: *Potential to improve outcomes in COPD*



- Mortality risk reduced by over 60%* using long-term non-invasive ventilation (NIV) treatment in severe, hypercapnic chronic obstructive pulmonary disease (COPD)
- One-year mortality in the two matched COPD cohorts:
 - 12% mortality (NIV intervention group)
 - 33% mortality (control group)
- Significant potential for NIV growth:
 - NIV underpenetrated as treatment for COPD
 - Key growth areas: US, Europe, China, Brazil



References: Köhnlein et al. *Lancet Respir Med* 2014

* Mortality reduction is 60% on a relative basis from 33% mortality to 12% mortality, which is 21% reduction on an absolute basis

➤ Longer term growth through a portfolio of options



• Sleep & Consumer wellness

- Engagement in Sleep Health
- Expansion of ResMed brand

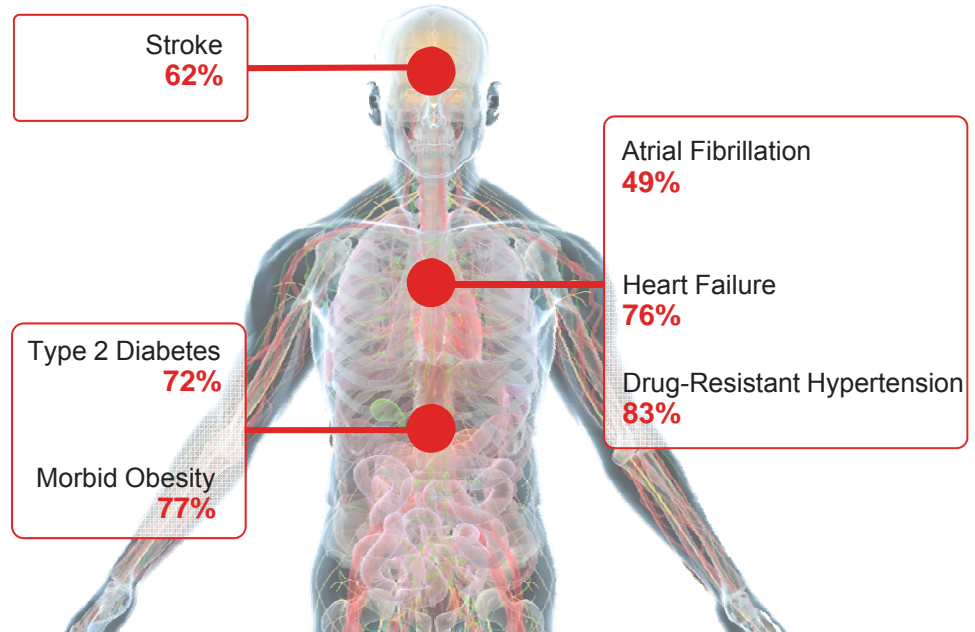


• Connected Care Expansion

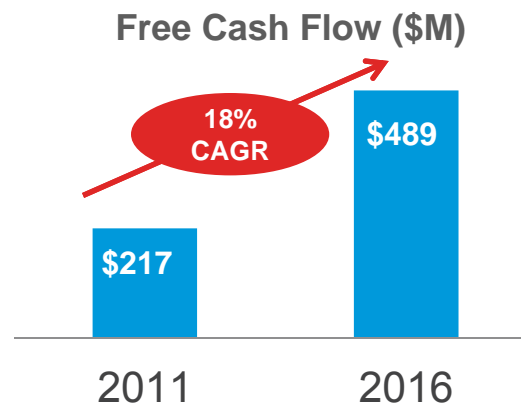
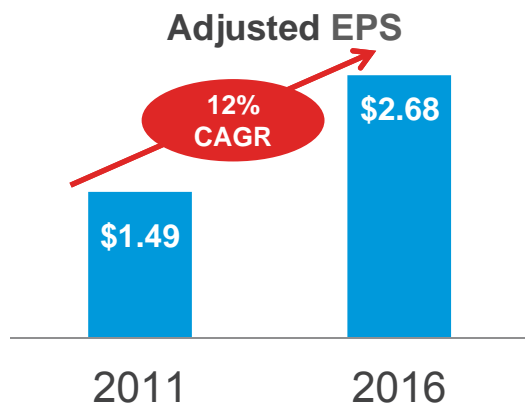
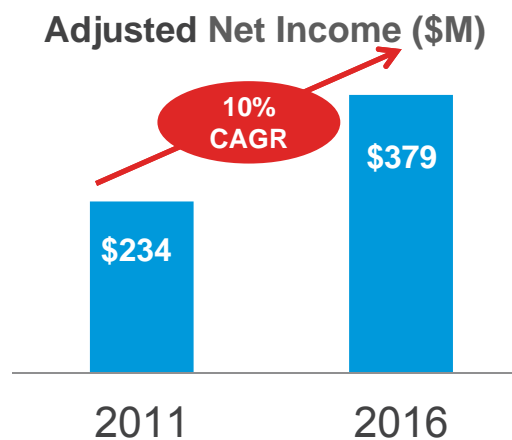
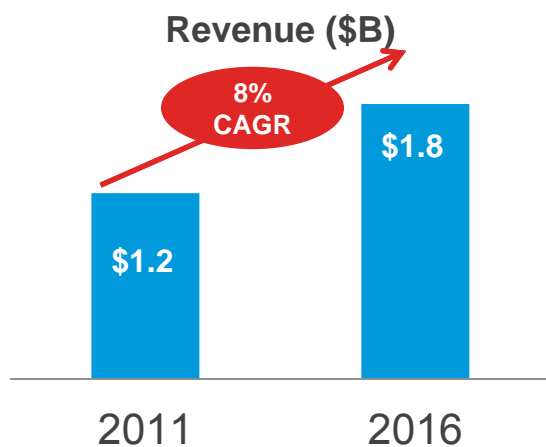
- Connected devices, predictive analytics, population health models
- Care coordination services
- Post acute care SaaS Solutions

• Adjacent Market Development

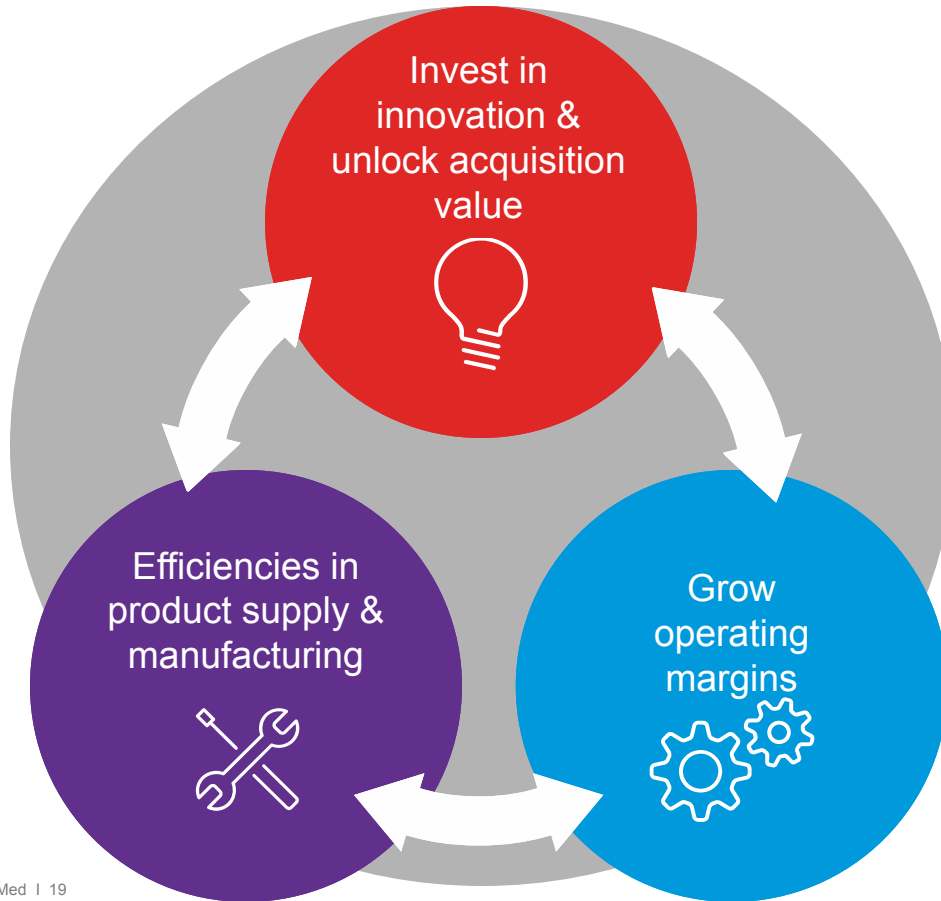
- A-Fib, HFpEF, Asthma, Monitoring



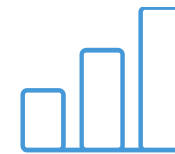
Disciplined financial track record



➤ Operating Excellence: *a continuous process at ResMed*



ResMed's
Operating
Excellence
Process



Expand
Operating
Leverage



➤ 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 = 47% of free cash flow

Increasing Dividend

- FY 2016 dividend payout ratio of 48% of net income
- FY 2017 dividend per share increased by 10% over prior year

Combined dividend and buy-back over rolling 5 years
= **85% of free cash flow**

➤ Changing Lives with Every Breath



*In the last 12 months, we changed
more than 10 million lives.*

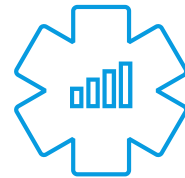
*Our aspiration is to change
20 million lives by 2020*

➤ ResMed – *Driving Value for Shareholders*



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opportunities across all three horizons of ResMed's strategy



Reduce healthcare costs; improve outcomes

Improve quality of life for patients
Prevent chronic disease progression
Reduce costs of managing chronic disease



Proven innovator

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Underpenetrated markets

For sleep-disordered breathing and respiratory care

➤ Thank you

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