

News Release

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FPH), AUSTRALIA (FPH)

RECORD RESULT FOR FISHER & PAYKEL HEALTHCARE: NET PROFIT UP 20%

Auckland, New Zealand, 26 November 2018 - Fisher & Paykel Healthcare Corporation Limited today announced its results for the half year ended 30 September 2018. Net profit after tax was NZ\$97.4 million, up 20%, and operating revenue was NZ\$511.3 million, 12% above the first half last year.

“Overall, results are in line with our expectations for the start of the 2019 financial year,” said Managing Director and CEO, Lewis Gradon. “We remain on track, with our core product groups delivering a 12% increase in revenue, or 9% in constant currency terms.”

Operating revenue for the Hospital product group, which includes products used in respiratory, acute and surgical care, increased 13% to a record NZ\$297.3 million, or 11% growth in constant currency. Products in the Hospital group made up 58% of the company’s operating revenue.

“Our devices and systems used for nasal high flow therapy continue to drive much of the growth in our hospital business,” said Managing Director and CEO, Lewis Gradon. “Our new F&P 950 heated humidification system for neonates is performing well in New Zealand and Australia, and we are looking forward to the release of the 950 in Europe next year.”

In the Homecare product group, operating revenue rose 10% to NZ\$211.1 million, or 6% growth in constant currency. This group includes products used in the treatment of obstructive sleep apnea and respiratory support in the home. Growth in hardware devices used in the home was robust as the company experienced strong demand for its myAirvo and SleepStyle devices. OSA masks and accessories growth of 2% in constant currency was as expected, as the company anticipates the launch of new masks.

“We are pleased with the progress that we have made with our myAirvo device, which is used for patients with chronic respiratory conditions, and sales from this product are an increasing proportion of our Homecare revenue. We anticipate that resolving a manufacturing delay will allow us to introduce our next new OSA mask early in 2019, which will be followed by more new masks during the year.”

Gross margin increased by 77 basis points to 66.8%, or a 22 basis points increase in constant currency, compared to the first half last year, primarily due to favourable product mix and Mexico manufacturing.

The company’s directors have approved an interim dividend of 9.75 NZ cents per ordinary share, an increase of 11% on the interim dividend last year. The interim dividend, carrying full New Zealand imputation credit, will be paid on 21 December 2018 with a record date of 10 December 2018. The dividend reinvestment plan, under which eligible shareholders can elect to reinvest all or part of their cash dividends in additional shares, will again be made available in respect of the 2019 interim dividend. The directors have determined that the DRP will be offered without a discount for the 2019 interim dividend payment.

Outlook for FY2019

“In the second half of the 2019 financial year we are cycling a strong period of growth in our Hospital product group. There was a very strong Northern Hemisphere flu season last year which we estimate contributed between 1 and 2 percentage points to our Hospital revenue growth. At this

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stage it is too early to predict the severity of the upcoming Northern Hemisphere flu season and therefore we have assumed a moderate flu season in our guidance for the 2019 financial year.

“At current exchange rates we expect full year operating revenue for the 2019 financial year to be approximately NZ\$1.07 billion and net profit after tax to be in the range of approximately NZ\$205 to NZ\$210 million.

“We have an exciting future ahead of us. As healthcare systems look for ways to contain costs and care for patients in more effective and sustainable ways, we will continue to innovate, and to aspire to help improve the healthcare of many more millions of patients around the world every year. We are confident that we have the people, potential and philosophy to deliver on the opportunity ahead of us, delivering results for our communities and our shareholders around the world,” concluded Mr Gradon.

Overview of key results for the first half

- 20% growth in net profit after tax to a record NZ\$97.4 million.
- 11% increase in interim dividend to 9.75 cps (2018: 8.75 cps).
- 12% growth in operating revenue to a record NZ\$511.3 million, 8% growth in constant currency.
- 13% growth in Hospital operating revenue, 11% growth in constant currency.
- 22% constant currency revenue growth for consumables used in non-invasive ventilation, Optiflow and surgical applications, accounting for 60% of Hospital consumables revenue.
- 10% growth in Homecare operating revenue, 6% growth in constant currency.
- 2% revenue growth in constant currency in OSA masks.
- Investment in R&D was 9% of revenue, or NZ\$45.7 million.

About Fisher & Paykel Healthcare

Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of products and systems for use in respiratory care, acute care, surgery and the treatment of obstructive sleep apnea. The company's products are sold in over 120 countries worldwide. For more information about the company, visit our website www.fphcare.com.

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Accompanying Documents

Attached to this news release are the following additional documents:

- Results in Brief
- Interim Report 2019, including financial commentary and constant currency analysis
- Investor Presentation
- Appendix 1
- Appendix 7

Constant Currency Information

Constant currency information included within this news release is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and track the company's comparative financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each year. A constant currency analysis is included on page 18 of the company's Interim Report 2019 and the company's constant currency income statement framework can be found on the company's website at www.fphcare.com/ccis.

Half Year Results Conference Call

Fisher & Paykel Healthcare will host a conference call today to review the results and to discuss the outlook for the 2019 financial year. The conference call is scheduled to begin at 10:00am NZDT, 8:00am AEDT Monday 26 November (4:00pm USEST, Sunday 25 November) and will be broadcast simultaneously over the Internet.

To listen to the webcast, access the company's website at www.fphcare.com/investor. An online archive of the event will be available approximately two hours after the webcast and will remain on the site for two weeks.

To attend the conference call, participants should dial in to one of the numbers below at least 5 minutes prior to the scheduled call time and identify yourself to the operator. When prompted, please quote the conference code of: **8261030**.

New Zealand Toll Free	0800 423 970	US/Canada Toll Free	800 458 4121
Australia Toll Free	1800 573 793	Hong Kong Toll Free	800 961 105
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