

Stock Exchange Announcement

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

Fisher & Paykel Healthcare commences planning for new manufacturing facility

Auckland, New Zealand, 21 August 2020 – Fisher & Paykel Healthcare Corporation Limited announced at its annual shareholders' meeting today that it has commenced planning for its third manufacturing facility in Mexico, which is to be commissioned within the next two years.

"As indicated in June we are continuing to grow manufacturing capacity to ensure a further increase in supply of our respiratory products is available if required. To expedite availability, the company is utilising its existing infrastructure and property in Tijuana, Mexico," said Managing Director and CEO Lewis Gradon.

The company completed its second Mexico facility in January 2019 and its fourth New Zealand facility, the Daniell Building, in May 2020. Together with the planned new Mexico building, these three buildings add an additional 17,000 m² of cleanroom manufacturing space, to a base of 28,400 m² available prior to their construction.

Board subcommittee appointments

As announced in November last year, Board chair Tony Carter retires from the Board with effect from the close of today's annual shareholders' meeting. Current director Scott St John succeeds Mr Carter as chair and has also been appointed as a member of the company's Quality, Safety & Regulatory Committee.

The company also announced that the Board has appointed current director Neville Mitchell to replace Scott St John as chair of the Audit & Risk Committee from the conclusion of the meeting. Mr Mitchell is considered by the Board to be an independent director. He is the former CFO of Cochlear Limited and has been a Board member of Fisher & Paykel Healthcare since November 2018.

The company has provided the Chair's speech, CEO's speech and slide presentation for the 2020 Annual Shareholders' Meeting to the NZX and ASX today.

The Annual Shareholders' Meeting is scheduled to begin at 2pm NZST, 12pm AEST (10pm USEDST) and will be a virtual-only meeting broadcast over the internet. To view the webcast, go to: www.virtualmeeting.co.nz/fph20.

About Fisher & Paykel Healthcare

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

ENDS

Authorised by Fisher & Paykel Healthcare Corporation Limited's Board of Directors

Media & Investor Contacts:

Karen Knott
Senior Communications Manager
karen.knott@fphcare.co.nz
+64 (0) 21 713 911

Hayden Brown
Investor Relations Manager
hayden.brown@fphcare.co.nz
+64 (0) 27 807 8073

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED
ANNUAL SHAREHOLDERS' MEETING
21 AUGUST 2020

ADDRESS BY TONY CARTER, CHAIR

Introduction

I opened last year's meeting by stating that Fisher & Paykel Healthcare is a global leader in medical devices and systems for use in respiratory care, surgery and the treatment of obstructive sleep apnea. Today, I think it's important to point out that the company is also the world's largest manufacturer of two of the primary respiratory therapies used to treat patients admitted to hospital with COVID-19.

This year has certainly presented some unexpected challenges, but we can all be proud of our company's world-leading role during the global pandemic. In the 2020 financial year, Fisher & Paykel Healthcare products touched the lives of an estimated 16 million patients. With that in mind, I'll take you through the highlights of the company's performance.

Financial

Because of COVID-19, we announced our 2020 full-year results a month later than usual, at the end of June. After a particularly strong second half, the company delivered operating revenue of 1.26 billion, up 14 per cent over last year in constant currency. Net profit after tax was \$287 million, up 37 per cent over the previous year.

The total dividend to shareholders for the financial year was 27.5 cents per share, up 18 per cent over last year.

In FY20 the Hospital product group made up 63 per cent of revenue, and the Homecare product group made up 36 per cent.

The Hospital product group includes products for invasive and noninvasive ventilation, Optiflow nasal high flow therapy, and surgery. Last year hospital revenue grew 21 per cent in constant currency terms. This increase was largely driven by three factors: growth in the use of Optiflow, demand for products to treat COVID-19 patients, and strong hardware sales throughout the course of the year.

Looking at the Homecare product group now – this includes products for obstructive sleep apnea and other therapies used in the home. Homecare revenue increased by 4 per cent in constant currency to \$457.3 million. The expansion of the Vitera full-face mask and launch of the Evora compact nasal mask for OSA contributed to these results.

In terms of margin – gross margin was down slightly at 66.1 per cent compared with 66.9 per cent in 2019. This was due to start-up costs for our second Mexico manufacturing facility and increased air freight costs associated with COVID-19. However, it remains above our long-term target of 65 per cent. Operating margin was 30 per cent, right on our long-term target.

The pandemic has generated a lot of attention for existing products and therapies; however at Fisher & Paykel Healthcare, innovation is seen as the key to long-term success. Last year the company invested \$118.5 million in research and development, which was 9 per cent of revenue. Safeguarding that investment by protecting the company's intellectual property remains a high priority.

The company could not have achieved these financial results without the people of Fisher & Paykel Healthcare going ‘above and beyond’ to get essential products into the hands of customers. Every six months a profit-sharing bonus is paid to the company’s employees around the world, and in the 2020 financial year, this bonus totalled \$12 million. It was well-deserved, and I’d like to take this opportunity to personally thank everyone for their contributions.

Your Board

Turning now to your Board.

Last year there were no changes to the Board; however, we did welcome Toni Moyes as part of the Future Directors Programme. Toni is chief operating officer at Montoux, a software-as-a-service company in the life insurance industry. Toni has a range of experience in leadership, management, governance, legal and operational roles, and she has brought valuable insights and expertise that complement the other Board members.

As we have announced previously, I will be retiring at the close of today’s meeting, and Scott St John will take over as Board Chair. The Board has commenced a search for a replacement non-executive Director, and with that appointment will maintain seven non-executive Directors.

The Board operates with the support of three Board subcommittees, which are the Audit & Risk Committee, the People & Remuneration Committee and the Quality, Safety & Regulatory Committee.

The Chairs of each of those committees – Scott, Pip, and Donal – will now provide an update on their areas of focus over the past year. Please note these updates have been pre-recorded so that we minimise any technical

issues in this virtual meeting. Pip is standing for re-election as a Director of the Board at this meeting and so she will also address that.

[Pre-recorded committee updates]

Thank you Scott, Pip and Donal.

As Scott mentioned, he will be taking my place as Chair of the Quality, Safety & Regulatory Committee, and leadership of the Audit & Risk Committee will transition to Neville Mitchell.

Conclusion

Before closing, I'd like to say that it has been a privilege to be involved with Fisher & Paykel Healthcare for ten years – a business that has grown into New Zealand's largest listed company.

I'd like to thank everyone I've worked with, particularly the management, Mike Daniell and Lewis Gradon, and each of the directors. And of course I'd like to thank the team of 6,000 people who design and deliver the products that are helping so many patients.

I'm confident about the future of this company. I know that Fisher & Paykel Healthcare will continue to fulfil its purpose of improving care and outcomes, whatever lies over the horizon.

Finally, I would like to thank you, the shareholders, for your continued support and loyalty. Your investment in Fisher & Paykel Healthcare has impacted many lives around the world.

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED
ANNUAL SHAREHOLDERS' MEETING
21 AUGUST 2020

**ADDRESS BY LEWIS GRADON,
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**

This is a very different year, and I'd like to begin in a different way, by reading a message from one of our shareholders.

It says:

"My mother was diagnosed with coronavirus about three weeks ago. She was in hospital for eight days, including three in ICU, and was treated with Fisher & Paykel Healthcare equipment. She has made a full recovery and is now back home. So, from our family I just wish to extend the utmost thanks for your life-saving technology. It is one thing to be a shareholder studying your company, quite another being someone relying on your equipment."

We think that really sums up our purpose of improving care and outcomes through inspired and world-leading healthcare solutions. It's about making a difference for each individual patient and their loved ones.

As we became aware of the coronavirus threat, we acted quickly and decisively to protect our people, products and patients. We cancelled travel and international meetings, limited the number of people on site and transitioned a number of our office employees to working from home. In January we activated our crisis response team, and by March we were managing ten separate work streams. Since then we have continued to adapt our work environment as

conditions change, and our people are living out our purpose with more drive and clarity than I have ever seen.

Since January, we have steadily increased output on our hospital hardware products, and we've added about 1500 people in manufacturing across New Zealand and Mexico. There's been a massive effort behind the scenes to meet the global demand for our products, while our people continue to innovate and develop new ones.

In June, we allowed TVNZ One News to visit our site. I think their story sums up the work we've been doing this year, and we'd like to play that for you now.

[VIDEO]

During a respite from COVID here in New Zealand, we opened our fourth building, the Daniell Building. This state-of-the art facility houses some of our research and development teams and greatly expands our manufacturing and distribution capabilities. And today we announced that we've commenced planning for our third manufacturing facility in Mexico.

FY21 progress to date

When we reported our results on the 29th of June, we made some initial assumptions about the progression of COVID-19 around the world, and we provided a guide to the 2021 financial year. But this is a rapidly changing situation. So this week, we provided a trading update on the first four months of this financial year, up to the end of July. You can read that update on our website.

To summarise, Hospital hardware sales have continued to steadily increase, with 390% constant currency revenue growth compared to the prior comparable period. Hospital consumables revenue has grown 48%, and overall Hospital

product group revenue has grown 91%, compared to the prior comparable period and in constant currency terms.

COVID has also impacted revenue in our Homecare product group. We continue to see lower diagnosis rates of OSA globally. Homecare revenue growth was 5% to the end of July in constant currency terms, compared to the prior comparable period.

So what does all this mean for the 2021 financial year?

It has been our historical practice to provide first half guidance at the Annual Shareholders' Meeting. This year, we are not in a position to provide explicit guidance. We can't predict the impact of COVID-19 on global demand, future hospitalisation rates, or clinical practice guidelines and their adoption.

For that reason, we think it's wiser to provide a guide for the full 2021 financial year. Before we get to that, let me recap how we are arriving at our guide. We can't predict the impact of COVID-19, so we are making some assumptions, which we are disclosing, and then our guide is an estimate of how those assumptions would impact our business. It's important to understand that these assumptions aren't predictions, and our guide is not a forecast. So let me recap our current assumptions for you.

First, we assume that global hospitalisations requiring respiratory support steadily return to normal by the end of this calendar year.

Second, we assume that countries around the world continue to build respiratory care infrastructure, including inventory of established ICU ventilators requiring our humidifiers, and that the trend toward nasal high flow as a preferred therapy continues for both COVID and non-COVID patients.

Third, we maintain the assumption that OSA diagnosis rates are reduced for the year.

And finally, we continue to assume that some costs related to COVID-19, particularly freight, remain elevated for the year.

On this basis and at current exchange rates, full year operating revenue for the 2021 financial year would be approximately \$1.61 billion, and net profit after tax would be approximately \$365 million to \$385 million.

These assumptions are not a forecast or a prediction. As I said, we can't predict the course of COVID-19 around the world and the impact on our business.

What we can say is that our strategic direction remains the same, and we still think and plan for the long term. We are still developing new, innovative products and therapies, expanding our global reach, and working with key opinion leaders to help change clinical practice. We expect the COVID-19 pandemic has accelerated our progress.

In closing, I'd like to thank our suppliers, customers, clinical partners, and our own team of more than 6,000 people for their steadfast commitment.

I also want to thank you, our shareholders, for continuing to support Fisher & Paykel Healthcare. Because of you, our products were used to treat around 16 million people last year, and they will likely help even more this year.

Tony, I want to acknowledge and thank you for your outstanding leadership as Board Chair for the past ten years. We wish you the best in your retirement from the Board of Fisher & Paykel Healthcare.

This has been a challenging year for us. We've scaled up manufacturing faster than we thought possible, and we've placed hardware in hospitals all over the world that helps them cope with a global pandemic. Most importantly to us, we have played a role in helping patients get better faster – patients like the mother in the message I shared with you.

We are confident in our ability to respond to the COVID-19 pandemic, and we're optimistic about the future of the company beyond it.

Thank you.

B E Y O N D

Your Board



Tony Carter



Lewis Gradon



Michael Daniell



Pip Greenwood



Geraldine McBride



Neville Mitchell



Donal O'Dwyer



Scott St John

Agenda

- Chair's Address
- Board Subcommittee Updates
- Managing Director and Chief Executive Officer's Review
- Financial Statements
- Resolutions
- Voting
- General Questions

FY2020 Financial Highlights

Operating Revenue \$1.26B ↑ 14%_{CC*}

Net Profit After Tax \$287.3M ↑ 37%

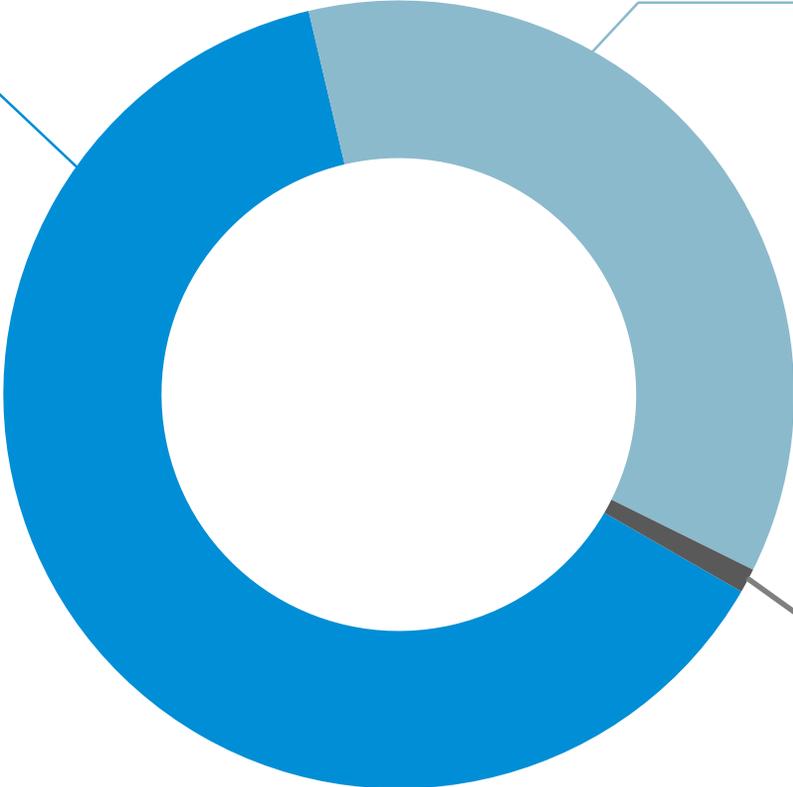
Dividend 27.5 cents ↑ 18%

*CC = Constant currency

FY2020 Revenue by Product Group

Hospital
63%

OF OPERATING REVENUE



Homecare

36%

OF OPERATING REVENUE

Distributed & Other

<1%

OF OPERATING REVENUE

Hospital



Photo used with permission

COVID-19 Patient – Brussels, Belgium

Fisher & Paykel
HEALTHCARE

Hospital Product Group

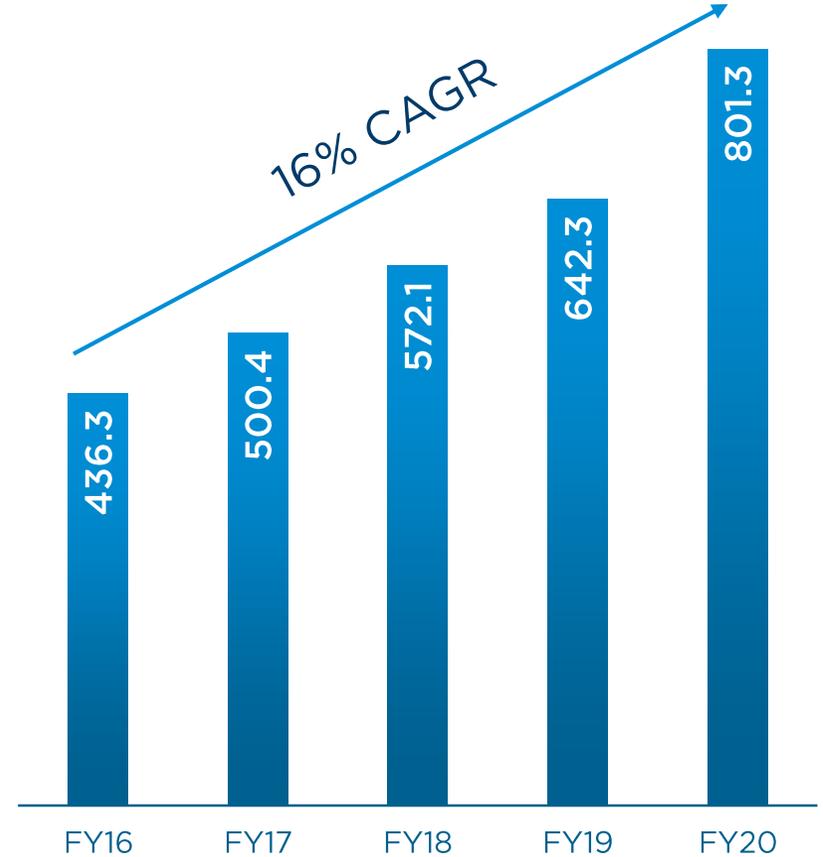
FY20 Result

Revenue **\$801.3M**

FY20 Revenue Growth

NZ\$ **↑ 25%**

Constant
Currency **↑ 21%**



Homecare



F&P Evora™ compact nasal mask

Homecare Product Group

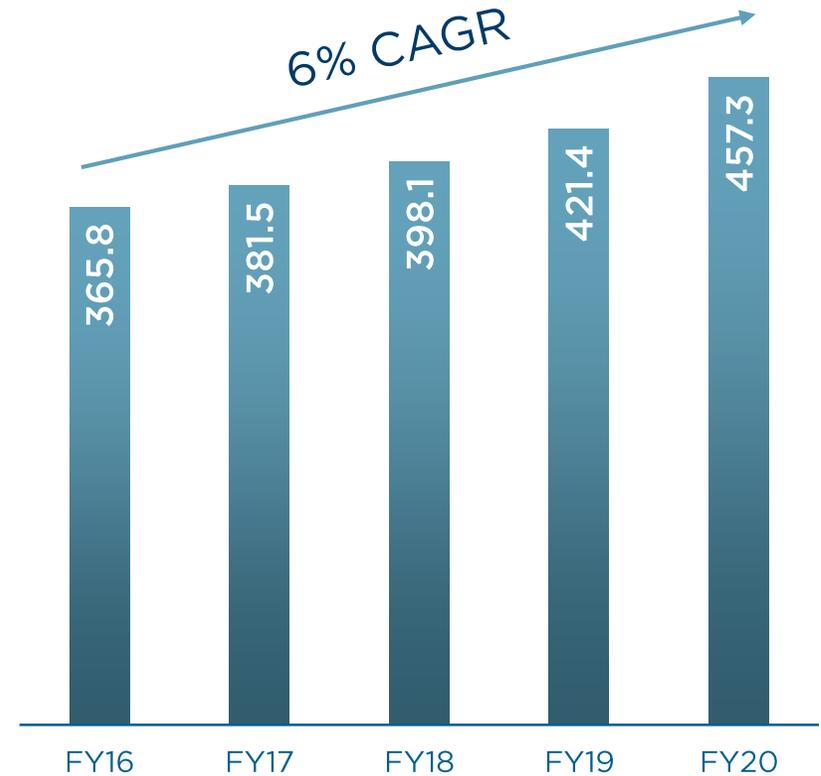
FY20 Result

Revenue **\$457.3M**

FY20 Revenue Growth

NZ\$ \uparrow 9%

Constant
Currency \uparrow 4%



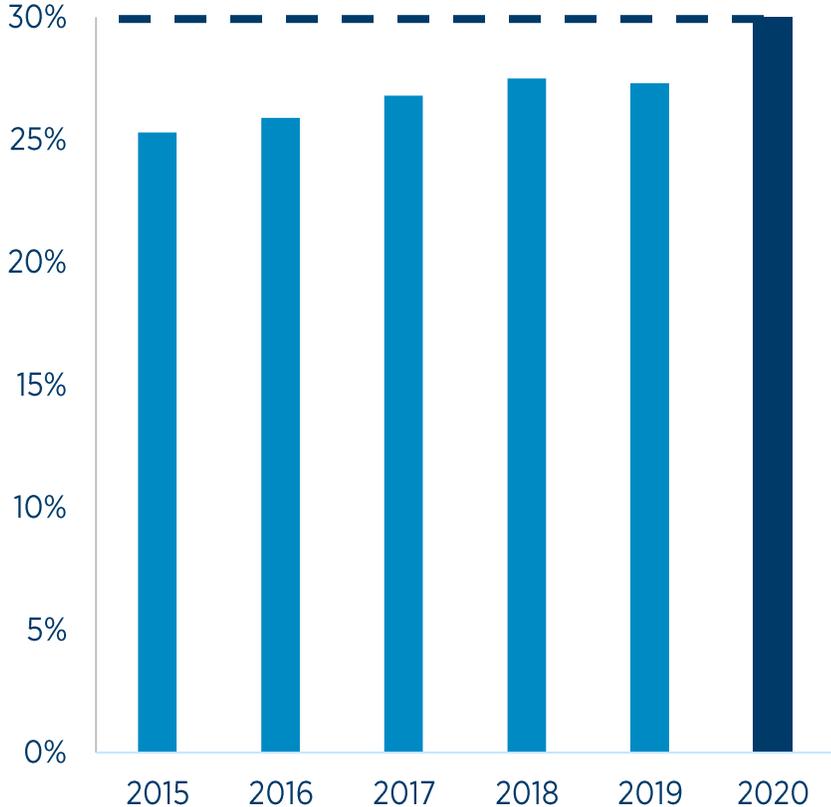
Gross and Operating Margins

Gross Margin



--- Long Term Gross Margin target - 65%

Operating (EBIT) Margin



--- Long Term Operating Margin target - 30%



Research and development - \$118.5 million investment



Rapid response team planning before COVID-19 arrived in New Zealand

FY21 Trading Update

First four months of FY21

- Strong demand for the company's Hospital respiratory care products
- Hospital product group revenue +91%
 - Hardware revenue +390% cc
 - Consumables revenue +48% cc
- Homecare product group revenue +5% cc

FY21 Guide

Assumptions for FY21 Guide

- Respiratory hospitalisations return to normal by end of calendar year
- Countries continue to build respiratory care infrastructure
- Trend toward nasal high flow continues for COVID and non-COVID patients
- OSA diagnosis rates are reduced for the year
- Costs, particularly freight, remain elevated
- On the basis of these assumptions and at current exchange rates, guide for FY21 is:

Operating Revenue

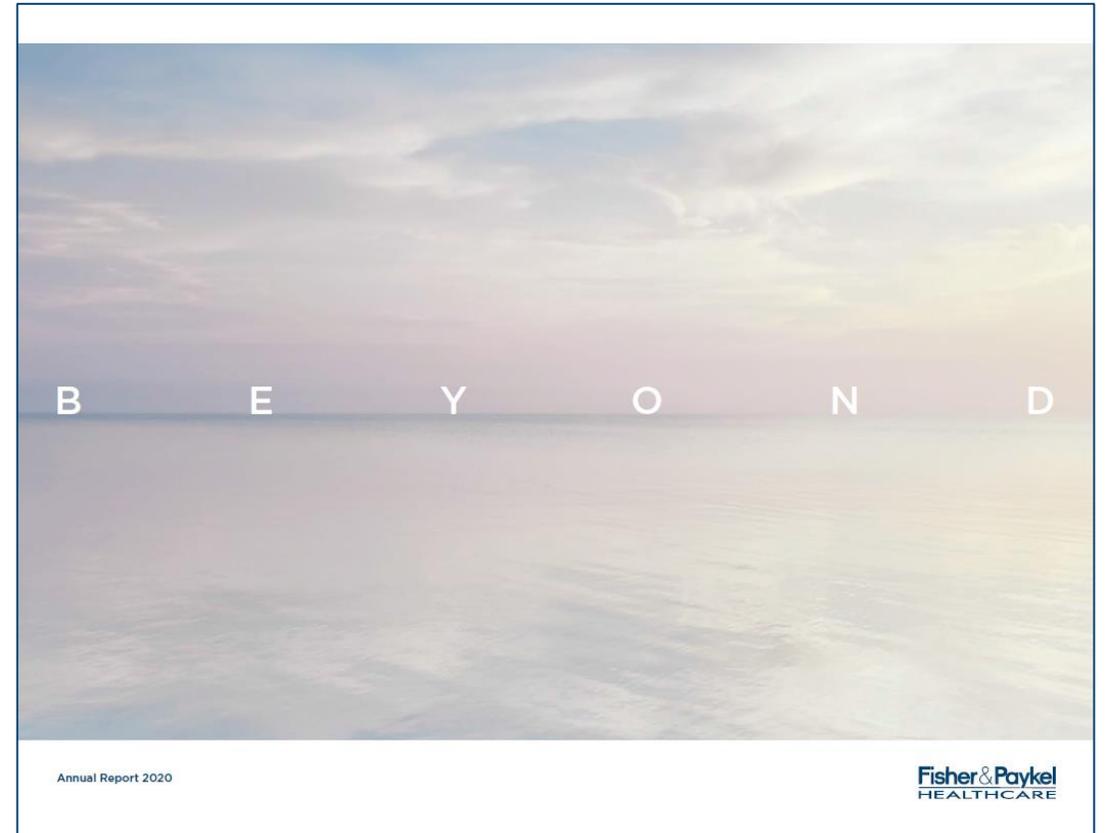
Approximately \$1.61 billion

Net Profit after Tax

Approximately \$365 - \$385 million

Financial Statements

- Opportunity for shareholders to ask any questions specifically on the financial statements, the auditor's report or the company's 2020 annual report.
- There will be an opportunity to ask any general questions once all items on the agenda have been considered.



Resolutions

1. Re-election of Pip Greenwood as Director
2. Re-election of Geraldine McBride as Director
3. Auditor's Remuneration
4. Directors' Remuneration
5. Issue of Performance Share Rights
6. Issue of Options
7. Long Term Variable Remuneration Issue to North American Employees

How to Vote Online

The screenshot shows a virtual meeting interface. At the top left is the F&P logo and the text "Virtual Meeting POWERED BY LINK MARKET SERVICES". At the top right is the "HELP NUMBER 0800 200 220" and two buttons: "Ask a Question" and "Get a Voting Card". The main area is a video player showing a sunset over water with the word "BEYOND" in large letters. Below the video, there are callouts: "Voting box" pointing to a button with a plus sign and "Get a Voting Card" text, and "Question box" pointing to a button with a question mark and "Ask a Question" text. To the right of these buttons is a "Downloads" section with links for "Notice of meeting" and "Annual report". The video player controls at the bottom show "LIVE", a progress bar, and the "vimeo" logo.

Resolution 1: Re-election of Pip Greenwood

That Pip Greenwood, who retires by rotation and, being eligible, offers herself for re-election, be re-elected as a director of the Company.



Click “Submit Vote” to lodge your vote.

Need help?

Call the Link Market Services helpline

0800 200 220

Resolution 2: Re-election of Geraldine McBride

That Geraldine McBride, who retires by rotation and, being eligible, offers herself for re-election, be re-elected as a director of the Company.



Click “Submit Vote” to lodge your vote.

Need help?

Call the Link Market Services helpline

0800 200 220

Resolution 3: Auditor's Remuneration

That the Directors be authorised to fix the fees and expenses of PwC as the Company's auditor.

Click "Submit Vote" to lodge your vote.

Need help?

Call the Link Market Services helpline

0800 200 220

Resolution 4: Directors' Remuneration

That the maximum aggregate annual remuneration payable to non-executive Directors be increased by NZ\$405,000 from NZ\$1,050,000 to NZ\$1,455,000 (plus GST as appropriate).

Click “Submit Vote” to lodge your vote.

Need help?

Call the Link Market Services helpline

0800 200 220

Resolution 5: Issue of Performance Share Rights

That approval be given for the issue of up to 60,000 performance share rights under the Fisher & Paykel Healthcare Performance Share Rights Plan to Lewis Gradon, Managing Director and Chief Executive Officer of the Company.

Click “Submit Vote” to lodge your vote.

Need help?

Call the Link Market Services helpline
0800 200 220

Resolution 6: Issue of Options

That approval be given for the issue of up to 190,000 options under the Fisher & Paykel Healthcare 2019 Share Option Plan to Lewis Gradon, Managing Director and Chief Executive Officer of the Company.

Click “Submit Vote” to lodge your vote.

Need help?

Call the Link Market Services helpline

0800 200 220

Resolution 7: North America - LTV Remuneration

That the 2019 Performance Share Rights
Plan Rules – North American Plan and the
2019 Share Option Plan Rules - North
American Plan be approved.

Click “Submit Vote” to lodge your vote.

Need help?

Call the Link Market Services helpline

0800 200 220

This concludes the 2020 Annual Shareholders' Meeting.

Thank you for attending.