

## News Release

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

### **STRONG HALF YEAR RESULT FOR FISHER & PAYKEL HEALTHCARE: NET PROFIT UP 24%**

Auckland, New Zealand, 27 November 2019 - Fisher & Paykel Healthcare Corporation Limited today announced its financial results for the half year ended 30 September 2019. Net profit after tax was \$121.2 million, up 24%, and operating revenue was \$570.9 million, 12% above the first half last year.

"We've had a strong start to the 2020 financial year, mainly driven by our Hospital product group, which delivered operating revenue growth of 19 per cent," said Managing Director and CEO Lewis Gradon. "We saw strong demand across our Hospital product portfolio, but in particular, for our Optiflow™ and Airvo™ systems, which continued to benefit from the growing body of clinical research in the use of nasal high flow therapy."

In the Hospital product group, which includes humidification products used in respiratory, acute and surgical care, operating revenue increased 19% to a record \$353.6 million. This represented 17% growth in constant currency, during an extended flu season in the United States. Products in the Hospital group made up 62% of the company's operating revenue.

In the Homecare product group, which includes products used in the treatment of obstructive sleep apnea (OSA) and respiratory support in the home, operating revenue rose 2% to NZ\$214.7 million, or a decline of 1% in constant currency.

"Revenue from our new F&P Vitera™ full face mask in Australasia, Canada and Europe has partially offset declines in sales of some of our legacy OSA masks, resulting in Homecare revenue in line with expectations for the first half. Vitera was launched in the United States in October, and we are encouraged by the early response from customers," said Mr Gradon.

Gross margin increased by 26 basis points to 67.1% compared to the first half last year, with benefits from product mix offsetting the additional start-up costs of the company's second Mexico manufacturing facility.

The company's directors have approved an interim dividend of 12 cents per ordinary share, an increase of 23% on the interim dividend last year. The interim dividend, carrying full New Zealand imputation credit, will be paid on 19 December 2019 with a record date of 9 December 2019.

### **Outlook for the remainder of FY2020**

"In the second half of the 2020 financial year we anticipate consistent underlying trends in our Hospital product group. Assuming a moderate flu season for FY20, for the second half we expect constant currency Hospital revenue growth similar to the second half of FY19.

"In our Homecare product group we also expect a continuation of recent trends with strong growth in home respiratory support and ongoing pressure in legacy OSA masks, resulting in Homecare revenue for the 2020 financial year similar to the previous financial year, in constant currency terms.

"At current exchange rates we continue to expect full year operating revenue for the 2020 financial year to be approximately \$1.19 billion and net profit after tax to be in the range of approximately \$255 to \$265 million.

“We recently celebrated our fiftieth anniversary. Looking ahead, an exciting future awaits us ‘beyond fifty’, as we continue to innovate to improve care and develop new applications for our technologies,” concluded Mr Gradon.

### **Overview of key results for the first half**

- 24% growth in net profit after tax to a record \$121.2 million.
- 23% increase in interim dividend to 12 cps (2019: 9.75 cps).
- 12% growth in operating revenue to a record \$570.9 million, 9% growth in constant currency.
- 19% growth in Hospital operating revenue, 17% growth in constant currency.
- 23% constant currency revenue growth for new applications consumables; i.e. products used in non-invasive ventilation, Optiflow nasal high flow therapy, and surgical applications, accounting for 63% of Hospital consumables revenue.
- 2% growth in Homecare operating revenue, 1% decline in constant currency.
- 1% decline in constant currency revenue in OSA masks.
- Investment in R&D was 9% of revenue, or \$54 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](http://www.fphcare.com).

### **Ends**

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### **Accompanying Documents**

Attached to this news release are the following additional documents:

- Results in Brief
- Interim Report 2020, including financial commentary and constant currency analysis
- Investor Presentation
- NZX Results Announcement
- NZX Distribution Notice

### **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 11 of the company's Interim Report 2020, and the company's constant currency income statement framework can be found on the company's website at [www.fphcare.com/ccis](http://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 remainder of the 2020 financial year. The conference call is scheduled to begin at 10:00am NZDT, 8:00am AEDT Wednesday 27 November (4:00pm USEST, Tuesday 26 November) and will be broadcast simultaneously over the Internet.

To listen to the webcast, access the company's website at [www.fphcare.com/investor](http://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 five minutes prior to the scheduled call time and identify yourself to the operator. When prompted, please quote the conference code of: **8908013**.

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