

News Release

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

Fisher & Paykel Healthcare enters agreement to purchase land for a second New Zealand campus

Auckland, New Zealand, 1 September 2022 - Fisher & Paykel Healthcare Corporation Limited (NZX:FPH, ASX:FPH) announced today it has entered into a sale and purchase agreement, conditional on Overseas Investment Office (OIO) approval, to acquire a 105 hectare site in Karaka, Auckland for \$275 million.

The company will construct a second New Zealand campus on the site to complement its existing location at the Highbrook development in East Tāmaki, Auckland.

“With our current site nearing capacity, we are pleased to take this step towards securing additional land to enable our continued growth,” said Scott St John, Board Chair for Fisher & Paykel Healthcare. “We have consistently signalled the importance of long-term infrastructure planning to help us deliver on our sustainable, profitable growth strategy and our aspirations of doubling constant currency revenue every five to six years. In order to take advantage of the opportunities ahead of us, we need more space.”

Development of the new campus will occur over a 20 to 30-year period, with a focus on earthworks and core infrastructure over the next five years.

“Over time, this world-class campus will house a large number of employees in R&D, pilot manufacturing and related roles, providing a major boost to the local area,” said Lewis Gradon, Managing Director and Chief Executive Officer. “We note the separate plans that are underway to develop adjacent areas with improved transportation links and new housing developments, and we firmly believe that our campus will be a positive addition to the area.”

The site is 25 kilometres south of the company’s existing campus and approximately 40 kilometres south of Auckland’s CBD. It sits adjacent to a major rail line and is a short distance from State Highway 1 and the site of the proposed passenger railway station at Drury West.

“We are confident it will be an attractive location for employees to be based,” said Mr Gradon. “Similar to the model we have on our Highbrook campus, R&D and pilot manufacturing will be co-located within the same premises, allowing for close collaboration right across the business – an approach that has delivered results through the years.

“It has also been a standard approach for us here in New Zealand to purchase land rather than lease, given the purpose-built nature of our facilities and the certainty this offers the company over the long term,” concluded Mr Gradon.

The purchase of the Karaka land is subject to approval by New Zealand’s Overseas Investment Office and will be funded through a combination of operating cash flow and debt facilities. The site is currently mixed zoning (future urban and rural).

A 10% deposit is payable on signing and, subject to OIO consent being granted, the balance will be paid on staggered settlement dates (with the majority of the funds expected to be paid in the first half of the 2024 financial year). A summary of the key terms of the sale and purchase agreement is set out at the bottom of this news release.

“Development will be undertaken gradually, and we will be adopting best-in-class sustainable design principles and careful planning to make the campus a suitable fit with its surrounds,” said Jonti Rhodes, VP – Supply Chain, Facilities & Sustainability. “We wish to thank our partners at CBRE and Savills, and our legal advisors at MinterEllisonRuddWatts, for their efforts in helping us identify and secure the right site for us.”

“This is a significant step in our long-term planning as a company,” said Mr St John. “It reaffirms our confidence in our long-term opportunities and demonstrates our strong commitment to R&D and manufacturing in New Zealand.”

Summary of Key Terms of Sale and Purchase Agreement

Properties	Properties at 300-328, 350, 370 and 458 Karaka Road, Karaka, together comprising approximately 105 hectares
Purchaser	Fisher & Paykel Healthcare Properties Limited (FPHP)
Vendor	Karaka Meadows Limited (In respect of 2 land titles, Karaka Meadows Limited to nominate FPHP as its nominee under an existing sale and purchase agreement with Bark 328 Limited; such nomination to occur on 3 April 2023 settlement date).
Total Purchase Price	\$275,000,000
Deposit	\$27,500,000 (payable within 3 business days of signing sale and purchase agreement)
Settlement Dates	Later of 3 April 2023 and 20 working days from satisfaction of the Purchaser Condition - \$189,500,000 27 January 2026 - \$43,000,000 15 December 2026 - \$15,000,000
Purchaser Condition	Obtaining Overseas Investment Office consent for the acquisition of the Properties on terms and conditions acceptable to Fisher & Paykel Healthcare.
Form of Agreement	The current form ADLS Agreement for Sale and Purchase of Real Estate modified to the above terms.

An artist's rendering of the future campus:



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 over 120 countries worldwide. For more information about the company, visit our website www.fphcare.com.

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