

News Release

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

Costs forecast to increase under new US tariff regime

Fisher & Paykel Healthcare Corporation Limited, Auckland, New Zealand, 3 February 2025; 8:30am NZDT

Yesterday the United States announced a 25% tariff would be imposed on products imported from Mexico and Canada, and a 10% tariff would be imposed on products imported from China, with effect on or after 12:01am on 4 February 2025 UEST.

Fisher & Paykel Healthcare currently manufactures approximately 45% of its volume in Mexico and approximately 55% in New Zealand, and for the first half of the 2025 financial year approximately 43% of the company's revenue came from the US. Approximately 60% of US volumes are supplied from the company's Mexico manufacturing facilities.

The company does not currently anticipate a material impact from the announced tariffs on its net profit after tax for the 2025 financial year.

For the 2026 financial year, the company's costs would likely increase due to the introduction of the new tariffs, acknowledging that the economic environment, global response to US tariffs and foreign currency movements may be fluid over this period.

The company continues to expect to reach its gross margin target of 65% through its long-standing continuous improvement activities across the entire business, coupled with efficient growth into existing infrastructure. The US tariffs announced yesterday may have added two to three years to that expectation.

The company is currently working through the complexities associated with the imposition of the tariffs and will provide an update on outlook for the 2026 financial year as well as an updated estimate of the timeframe to return to the gross margin target, at its full year results at the end of May.

Managing Director and CEO Lewis Gradon said, "The company takes a long-term view and will be working with global suppliers and US customers to provide solutions to best mitigate the impact of the tariffs on all parties. Fundamentally, our products and therapies are designed to improve care and outcomes for patients and to reduce the overall costs of providing healthcare. Across the business we are continuing to make improvements that reduce costs or improve efficiencies. This proven combination is how we navigate all the various cost challenges that come our way over time."

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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