

Fisher & Paykel HY profits up by 18%

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Singapore: Auckland-based Fisher & Paykel Healthcare reported net profit after tax of \$27.17 million (NZ\$33.3 million) for the six months ending September 30, 2012, an increase of 18 percent as compared to the first half of last year.

In constant currency terms, the company's operating profit grew 46 percent, primarily as a result of revenue growth, improved gross margins and operating efficiencies. Operating revenue was a record \$217.84 million (NZ\$266.9 million), which was six percent above the same period last year, or eight percent growth in constant currency terms. The company's respiratory and acute care (RAC) product group operating revenue increased by 11 percent and obstructive sleep apnea (OSA) product group revenue increased by three percent in constant currency terms.

"Strong growth in our RAC product group was driven by ongoing growth in acceptance of our respiratory humidification systems which assist to improve patient care in a wide range of applications, including invasive ventilation, non-invasive ventilation, oxygen therapy and humidity therapy," commented Mr Michael Daniell, CEO, Fisher & Paykel Healthcare. "Growth in revenue from new applications beyond invasive ventilation was particularly encouraging, with consumables revenue from those increasing 20 percent in constant currency.

"In our OSA product group, revenue for our mask range grew five percent in constant currency terms, reflecting a ramp-up in growth during the half following the introduction of our new Pilairo nasal pillows and Eson nasal masks. Customer response to both masks has been very positive, with constant currency mask revenue growth of 11 percent in the second quarter. Revenue for our ICON flow generator range grew five percent in constant currency over the first half last year, offset by the expected decline in revenue from our legacy SleepStyle range," he added.

The company's directors have approved an interim dividend for the financial year ending March 31, 2013, of 4.4 cents (5.4 NZ) cents per ordinary share (2012: 4.4 cents), carrying full imputation. For New Zealand resident shareholders that equates to a gross dividend of 6.12 cents (7.5 cents) per ordinary share. Eligible non-resident shareholders will receive a supplementary dividend of 0.777 cents (0.953 NZ cents) per ordinary share. The interim dividend will be paid on December 14, 2012, with a record date of November 30, 2012, and ex-dividend dates of November 26, 2012, for the ASX and November 28, 2012, for the New Zealand stock exchange.

Research and development (R&D) expenses increased by 7 percent over the prior comparable period to NZ\$21.3 million, representing 8 percent of operating revenue. The company continued to expand its product and process research and development activities, and current new product projects include OSA masks, flow generators, humidifier systems and respiratory and acute care consumables.

Selling, general and administrative (SG&A) expenses increased six percent to \$62.84 million (NZ\$77.0 million), or seven percent in constant currency terms, as the company continued to expand its operations and its sales teams in the North America, Europe and Asia Pacific regions. In September we acquired selected assets from our distributor in South Korea and established our own sales operation.