

Fisher & Paykel expects net profit of \$74.22 mn

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Singapore: Fisher & Paykel Healthcare raised its earnings guidance for the financial year ending March 31, 2014, at its annual shareholders' meeting. The company expects net profit after tax to be in the range of \$70.32 million (NZ\$90 million)-to-\$74.22 million (NZ\$95 million), after taking into account an exchange rate of approximately 80 cents and increased underlying growth and margin improvement.

The full year net profit guidance provided by the company in May, based on an exchange range of 80 cents-to-85 cents for the NZ dollar to the US dollar, was \$66.41 million (NZ\$85 million)-to-\$70.32 million (NZ\$90 million). At current exchange rates, the company expects operating revenue for the first half to be approximately \$242.20 million (NZ\$310 million) and net profit after tax to be approximately \$33.60 million (NZ\$43 million) dollars.

This would represent about 30 percent net profit growth, driven by a combination of robust revenue growth, improving gross margins and favourable hedging. Assuming an exchange rate of approximately 80 cents, the company now expects full year operating revenue to be in the range of \$488.31 million (NZ\$625 million)-to-\$503.94 million (NZ\$645 million).

Mr Michael Daniell, CEO, Fisher & Paykel Healthcare, said that, "Growth so far this year has continued to be robust and we expect first half revenue to grow approximately 15 percent in constant currency. Demand for our RAC care products has continued to be particularly strong, with the proportion of our revenue from products used in new applications continuing to increase. We expect RAC constant currency revenue growth of about 18 percent for the first half. For our OSA product group, mask revenue growth continues to be very encouraging and we are expecting first half constant currency revenue growth to also be well above market at about 14 percent."

"There is a global trend to carefully manage growth in healthcare expenditure, which fits very well with our strategy of offering innovative medical devices that can help to reduce the overall healthcare costs per patient, by improving effectiveness and efficiency of care. That in turn is supportive of margins, as we increasingly demonstrate the benefits our products can offer," added Mr Daniell.