

Third Quarter 2023



Forward looking statements and non-IFRS measures

This document may contain forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and trading profit margins, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. For Smith+Nephew, these factors include: risks related to the impact of Covid, such as the depth and longevity of its impact, government actions and other restrictive measures taken in response, material delays and cancellations of elective procedures, reduced procedure capacity at medical facilities, restricted access for sales representatives to medical facilities, or our ability to execute business continuity plans as a result of Covid; economic and financial conditions in the markets we serve, especially those affecting healthcare providers, payers and customers (including, without limitation, as a result of Covid); price levels for established and innovative medical devices; developments in medical technology; regulatory approvals, reimbursement decisions or other government actions; product defects or recalls or other problems with quality management systems or failure to comply with related regulations; litigation relating to patent or other claims; legal and financial compliance risks and related investigative, remedial or enforcement actions; disruption to our supply chain or operations or those of our suppliers (including, without limitation, as a result of Covid); competition for qualified personnel; strategic actions, including acquisitions and disposals, our success in performing due diligence, valuing and integrating acquired businesses; disruption that may result from transactions or other changes we make in our business plans or organisation to adapt to market developments; relationships with healthcare professionals; reliance on information technology and cybersecurity; disruptions due to natural disasters, weather and climate change related events; changes in customer and other stakeholder sustainability expectations; changes in taxation regulations; effects of foreign exchange volatility; and numerous other matters that affect us or our markets, including those of a political, economic, business, competitive or reputational nature. Please refer to the documents that Smith+Nephew has filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended, including Smith+Nephew's most recent annual report on Form 20-F, which is available on the SEC's website at www.sec.gov, for a discussion of certain of these factors. Any forward-looking statement is based on information available to Smith+Nephew as of the date of the statement. All written or oral forward-looking statements attributable to Smith+Nephew are qualified by this caution. Smith+Nephew does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in Smith+Nephew's expectations. The terms 'Group' and 'Smith+Nephew' are used for convenience to refer to Smith & Nephew plc and its consolidated subsidiaries, unless the context requires otherwise.

Certain items included in 'trading results', such as trading profit, trading profit margin, trading attributable profit, tax rate on trading results (trading tax expressed as a percentage of trading profit before tax), Adjusted Earnings Per Ordinary Share (EPSA), trading cash flow, trading profit to trading cash conversion ratio, leverage ratio, and underlying revenue growth are non-IFRS financial measures. The non-IFRS financial measures in this announcement are explained and, where applicable, reconciled to the most directly comparable financial measure prepared in accordance with IFRS in our Second Quarter and Half Year 2023 Results announcement dated 3 August 2023.

◊ Trademark of Smith+Nephew. Certain marks registered in US Patent and Trademark Office.



Summary

+ Strong momentum continued in Q3

- Ortho step up in growth, as expected
- Good underlying performance in Sports and AWM

+ 12-Point Plan continuing to advance

- Improved product availability across business units
- Operational KPI progress translating into better revenue growth

+ Refining 2023 guidance

- Revenue growth towards higher end of 6-7% guidance range
- Trading margin of around 17.5%



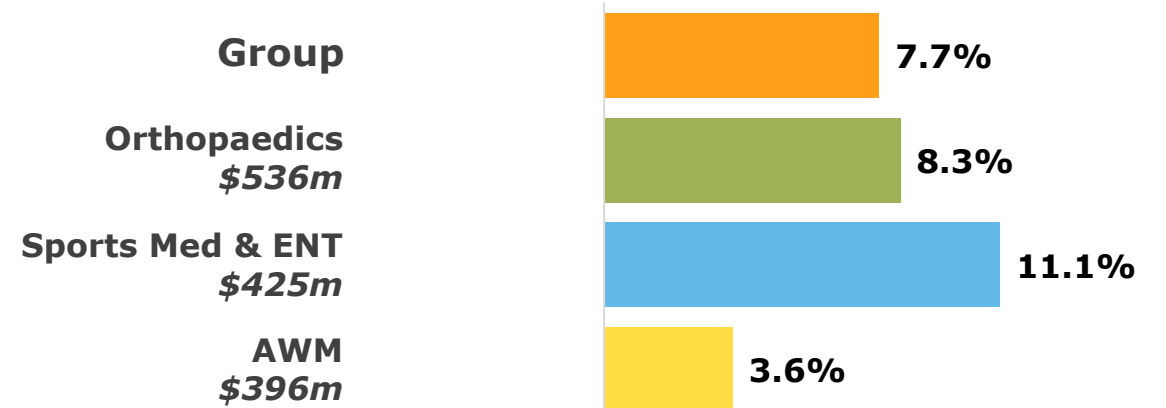
Q3 2023 revenue



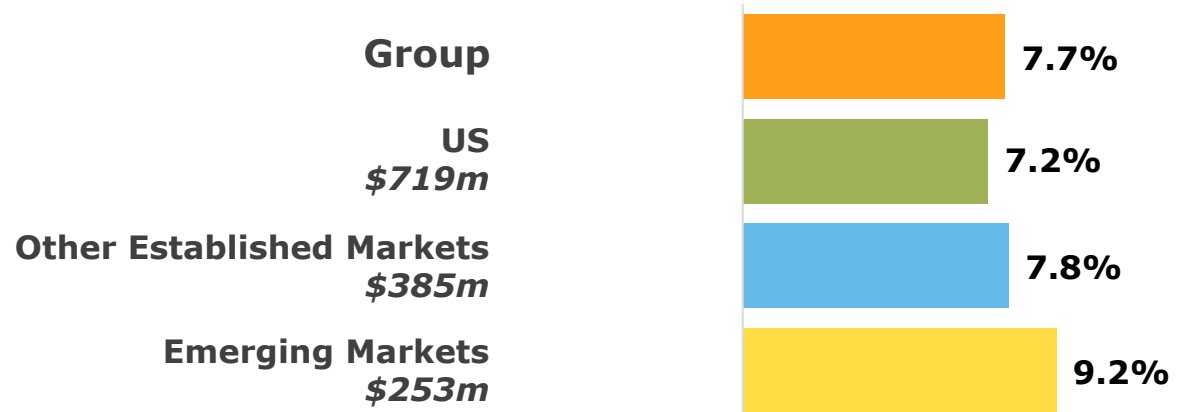
Q3 2023: Broad-based growth across businesses and regions

\$1,357m: +7.7% underlying*,
+8.5% reported

Business unit growth



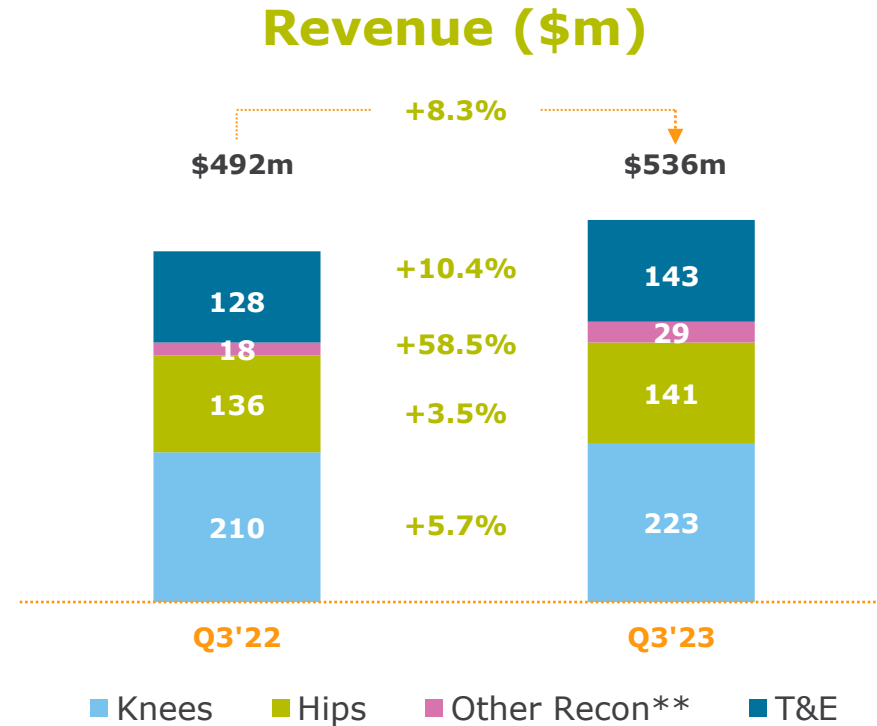
Geographical growth



* Growth rates are versus Q3 2022

Orthopaedics

\$536m: +8.3% underlying*, +8.8% reported



Knees: US -1.3%, OUS +15.2%
Hips: US +3.6%, OUS +3.4%

Q3 sales factors

- Hips and Knees include return to growth in China, VBP fully lapped
- CORI[◇] penetration continues to accelerate; first cases completed with Saw Solutions
 - EVOS[◇] driving acceleration in Trauma & Extremities

Future drivers

- Multiple factors lining up with improving implant supply and set availability; increasing penetration of robotics capital and software
- Preparing for broader rollout of AETOS[◇] Shoulder, following initial deployment to design surgeons

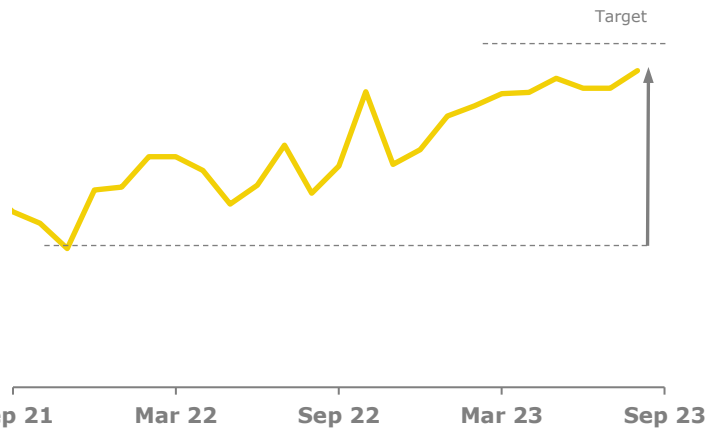
* Growth rates are versus Q3 2022

** Other reconstruction includes robotics capital sales, our joint navigation business, and cement

US Ortho: Product availability, set deployments enabling T&E growth; Recon earlier on the same path

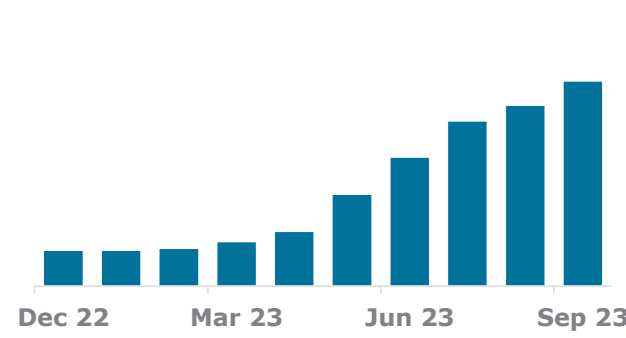


Orthopaedics US non-set LIFR*(%)



*LIFR = Line Item Fill Rate: percentage of customer order lines filled

EVOS Large set deployments (\$)

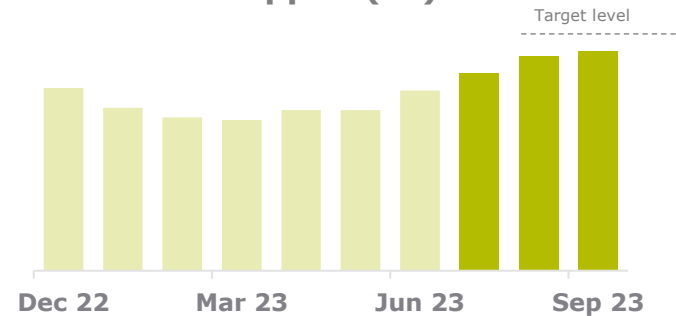


+ >400% increase in sets deployed YTD



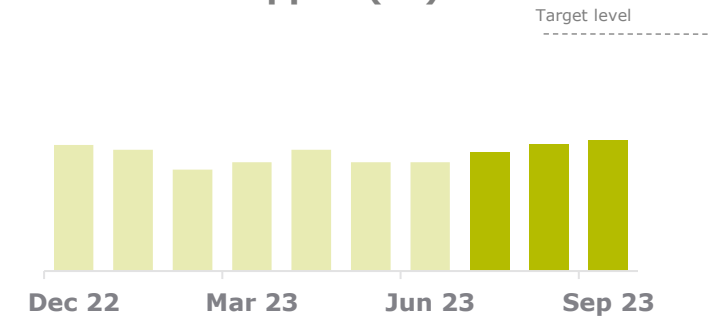
Q3: 10.4% T&E growth
Acceleration followed from higher set shipments

Hip instrument orders shipped (%)



+ Instrument shipments ramping in Q3 2023

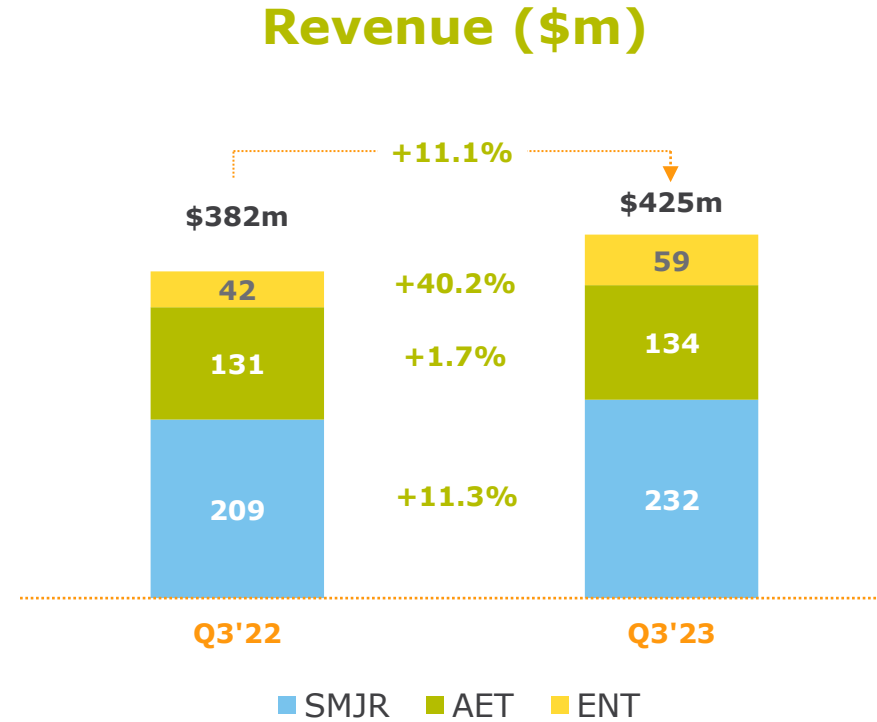
Knee instrument orders shipped (%)



+ Knee shipments at earlier stage, but beginning to rise

Sports Medicine & ENT

\$425m: +11.1% underlying*, +11.3% reported



Q3 sales factors

- Strong growth across Sports categories; product availability improving
- China slower due to pre-VBP ordering patterns and market-wide delays
 - ENT driven by recovering procedure volumes, falling backorders

Future drivers

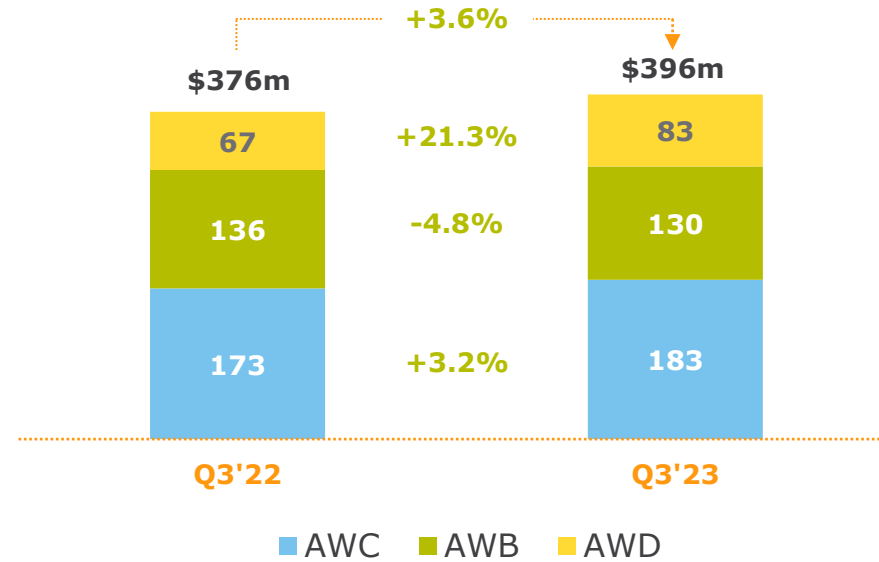
- REGENETEN[◇] region and indication expansion ongoing – launched in Japan and India
- High cadence of new products across major categories

* Growth rates are versus Q3 2022

Advanced Wound Management

\$396m: +3.6% underlying*, +5.4% reported

Revenue (\$m)



Q3 sales factors

- AWC growth driven by strong quarter in Europe
- Slower quarter in Bioactives reflects SANTYL[◇] shipment timing, strong prior year comp
- Double-digit growth for both PICO[◇] and RENASYS[◇] in AWD

Future drivers

- Ongoing focus on commercial execution and value demonstration
- Next generation NPWT device RENASYS EDGE in early stages of launch

* Growth rates are versus Q3 2022

+ Revenue growth expected towards the higher end of the 6-7% guidance range

- Stronger finish expected in AWM; Orthopaedics maintaining momentum
- Slower Q4 in Sports Medicine growth due to China

+ Trading margin now expected to be around 17.5%

- H2 uplift coming through from seasonality, productivity and cost unwind
- Headwind from China in Q4, including pre-VBP provisions and distributor inventory reductions



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Appendices

	October 2023	
Foreign exchange and acquisitions		
Translational FX impact on revenue growth ⁽¹⁾	c. (1.0)%	
Acquisition impact on revenue growth	-	
Non-trading items		
Restructuring costs	c. \$180-190m	
Acquisition and integration (credit)	\$(10-15)m	
European Medical Device Regulation (MDR) compliance costs	\$45-50m	
Amortisation of acquisition intangibles	\$185-190m	
Other	Adjusted	Reported
Loss from associates	\$5-10m	\$20-30m
Net interest ⁽²⁾	c. \$95m	c. \$95m
Other finance costs	\$5-10m	\$10-15m
Tax rate on trading result	c. 17%	

(1) Based on the foreign exchange rates prevailing on 27 October 2023

(2) Includes interest associated with IFRS 16 Leases

Q3 consolidated revenue analysis



Consolidated revenue by business unit	Q3 2023 \$m	Q3 2022 \$m	Reported Growth %	Underlying growth %	Acquisitions/ disposals %	Currency impact %
Orthopaedics	536	492	8.8%	8.3%	-	0.5%
Knee Implants	223	210	6.3%	5.7%	-	0.6%
Hip Implants	141	136	3.5%	3.5%	-	0.0%
Other Reconstruction	29	18	61.7%	58.5%	-	3.2%
Trauma & Extremities	143	128	11.1%	10.4%	-	0.7%
Sports Medicine & ENT	425	382	11.3%	11.1%	-	0.2%
Sports Medicine Joint Repair	232	209	11.4%	11.3%	-	0.1%
Arthroscopic Enabling Technologies	134	131	2.1%	1.7%	-	0.4%
ENT	59	42	39.1%	40.2%	-	(1.1%)
Advanced Wound Management	396	376	5.4%	3.6%	-	1.8%
Advanced Wound Care	183	173	5.9%	3.2%	-	2.7%
Advanced Wound Bioactives	130	136	(4.4%)	(4.8%)	-	0.4%
Advanced Wound Devices	83	67	23.8%	21.3%	-	2.5%
Total	1,357	1,250	8.5%	7.7%	-	0.8%

Business unit revenue analysis



	2022					2023			
	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	Full Year Growth %	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q3 Revenue \$m
Orthopaedics	2.6	(1.1)	2.1	4.1	1.9	3.9	5.8	8.3	536
Knee Implants	12.2	2.7	7.4	5.5	6.8	5.0	7.8	5.7	223
Hip Implants	(0.7)	(3.7)	(1.0)	4.9	(0.2)	4.6	3.4	3.5	141
Other Reconstruction	(19.0)	10.8	(6.0)	7.7	(1.8)	19.7	21.0	58.5	29
Trauma & Extremities	(3.8)	(6.0)	(1.2)	0.6	(2.6)	(0.8)	2.5	10.4	143
Sports Medicine & ENT	8.6	1.9	7.1	9.2	6.7	10.0	12.0	11.1	425
Sports Medicine Joint Repair	13.6	2.1	7.5	11.5	8.7	7.3	12.5	11.3	232
Arthroscopic Enabling Technologies	(0.8)	(0.5)	0.5	4.2	0.9	9.1	4.6	1.7	134
ENT	21.6	11.2	32.1	17.0	20.4	30.8	38.9	40.2	59
Advanced Wound Management	8.0	3.8	6.0	8.0	6.4	7.9	6.2	3.6	396
Advanced Wound Care	8.3	3.3	1.6	7.9	5.2	1.0	2.7	3.2	183
Advanced Wound Bioactives	2.3	2.4	12.7	4.3	5.4	15.2	3.1	(4.8)	130
Advanced Wound Devices	18.6	7.9	5.8	14.9	11.6	12.9	21.4	21.3	83
Total	5.9	1.2	4.8	6.8	4.7	6.9	7.8	7.7	1,357

All revenue growth rates are on an underlying basis and without adjustment for number of selling days.

Regional revenue analysis



	2022					2023			
	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	Full Year Growth %	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q3 Revenue \$m
US	3.1	2.0	6.0	4.8	4.0	11.8	6.3	7.2	719
Other Established Markets ⁽¹⁾	5.9	0.0	0.4	7.3	3.3	7.0	8.5	7.8	385
Established Markets	4.1	1.2	3.9	5.7	3.7	10.0	7.1	7.4	1,104
Emerging Markets	14.3	0.8	8.6	12.1	9.1	(7.3)	11.0	9.2	253
Total	5.9	1.2	4.8	6.8	4.7	6.9	7.8	7.7	1,357

(1) Other Established Markets are Australia, Canada, Europe, Japan and New Zealand.
All revenue growth rates are on an underlying basis and without adjustment for number of selling days

Trading days per quarter

	Q1	Q2	Q3	Q4	Full year
2019	63	63	63	62	251
2020	62	63	63	64	252
2021	64	64	63	60	251
2022	64	63	63	60	250
2023	64	63	63	60	250
2024	63	64	63	62	252