Smith+Nephew

Fourth Quarter and Full Year 2024

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: economic and financial conditions in the markets we serve, especially those affecting healthcare providers, payers and customers; 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 compliance risks and related investigative, remedial or enforcement actions; disruption to our supply chain or operations or those of our suppliers; competition for qualified personnel; strategic actions, including acquisitions and dispositions, 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; 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, 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 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, free cash flow, trading profit to trading cash conversion ratio, adjusted ROIC, 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 Fourth Quarter and Full Year 2024 Results announcement dated 25 February 2025.

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Transformation on track

12-Point Plan delivery driving financial improvement

- Operations and commercial actions leading to higher growth; margin expansion from leverage and productivity improvements; better working capital and asset utilisation drive cash flow and returns
- Good availability of consumables and capital, US recon sequentially stronger, key product launches contributing well

FY 2024 revenue growth of +5.3%*, +60bps trading margin expansion

- Cost savings and leverage more than offset inflation and VBP margin headwinds; 95% trading cash conversion, ROIC** of 7.4%
- Q4 2024: Strong finish to the year, particularly for US Sports, AWB, ENT; growth included benefit from two extra trading days, and 280bps headwind from China

Poised for further step-up in returns

- Reiterating 2025 guidance: expect around 5% underlying growth; 19.0-20.0% trading margin, as manufacturing network savings benefit P&L
- Continued momentum and efficiency gains for further expansion in 2026 and 2027

*All references are to underlying growth, unless stated to be reported
** All references are to adjusted ROIC

A comprehensive programme to drive value

Fixing Orthopaedics

Initiatives 1-5

Rewire Orthopaedics commercial delivery

- Rebuild demand planning process
- Improve asset utilisation
- Strengthen last-mile logistics

1 initiative

Win market share with our technology

- Expansion of CORI◊ base and use
- Accelerate trauma through EVOS◊
- Launch of AETOS◊ shoulder

3 initiatives

Streamline our recon portfolio

- Sales focus on key brands
- Reduce number of implant systems in each category

1 initiative

Improving productivity

Initiatives 6-10

Improve value and cash processes

- Standardised order-to-cash process excellence
- Implementing company-wide product pricing process

2 initiatives

Optimise procurement

- More consistent purchase price management across company
- Building greater supply resilience

1 initiative

Manufacturing optimisation

- Driving lean across operations
- Further review of manufacturing network

2 initiatives

Accelerating Sports & AWM

Initiatives 11-12

Scale Negative Pressure Wound Therapy

- Drive competitive conversions in traditional NPWT
- Expand single use market globally

1 initiative

Drive cross-selling in ASCs

- Pursue cross-business unit deals with improved coordination, incentives and planning

1 initiative

12-Point Plan achievements

Comprehensive programme of actions taken

- Plan initiatives delivered across all aspects of the business
- Move to global business unit model, driving accountability and execution at pace

Shift to consistently higher revenue growth

- Four consecutive years of growth above historical average
- Growth underpinned by successive waves of innovation, with strong pipeline

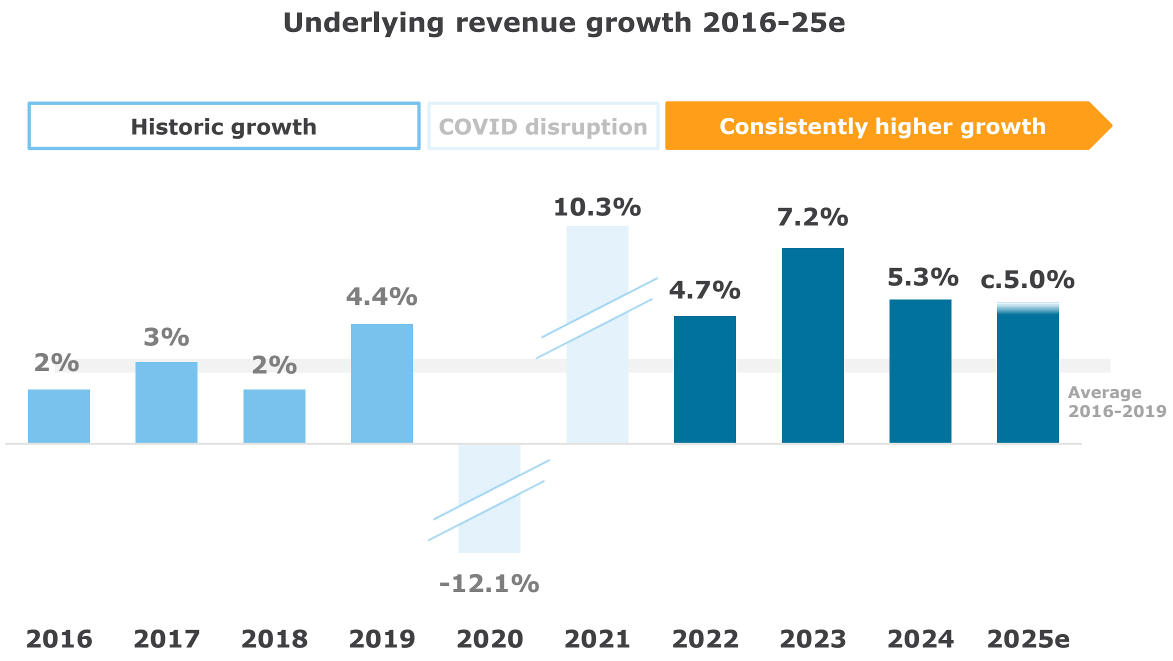
Cost efficiency and trading margin expansion

- 80 bps improvement since 2022, while absorbing major macro headwinds
- Poised for profitability to step up in 2025 and beyond

Step up across range of cash and returns metrics

- ROIC rising, expected to exceed cost of capital in 2025
- DSIs starting to turn, restructuring costs falling, free cash flow rising

12-Point Plan: Consistently higher revenue growth



Sustained acceleration

- Revenue growth above historical levels for fourth consecutive year

Fixed operational foundations

- Product and capital availability at or better than target for 2024
- 90% reduction in overdue orders since 2022

Better commercial execution

- Progressive improvement in US Recon performance
- T&E established as high-growth platform with EVOS and AETOS

12-Point Plan: Waves of innovation delivery

>60%
of 2024 growth from launches in last 5 years

c.3.5pts
of growth from innovation in both 2023 and 2024

Continuing to drive existing platforms: CORI and REGENETEN◊

CORI
Surgical System

- 10 new CORI features launched since 2022
- Robotics installed base of >1,000 units; around a third of US knees now placed robotically

REGENETEN
Bioinductive Implant

- Growing strong double-digit on rotator cuff, new tendon applications
- 510k clearance for use in extra-articular ligament repair opens up further growth opportunity

Next wave of launches underway: AETOS and CATALYSTEM◊

AETOS
Shoulder System

- Provided around a quarter of T&E growth in Q4 2024
- Further developing platform with stemless implant and CORI compatibility

CATALYSTEM
Primary Hip System

- Positive initial surgeon feedback on precision, efficiency, reproducibility
- Early set utilization ahead of launch plans

Key projects in 2025: Next generation arthroscopy and trauma devices

Digitally enabled arthroscopy

- Adding video-based navigation to the tower; enhanced visualisation and mixed reality
- More consistent patient outcomes, more efficient surgeon decision-making

Next-generation IM nails

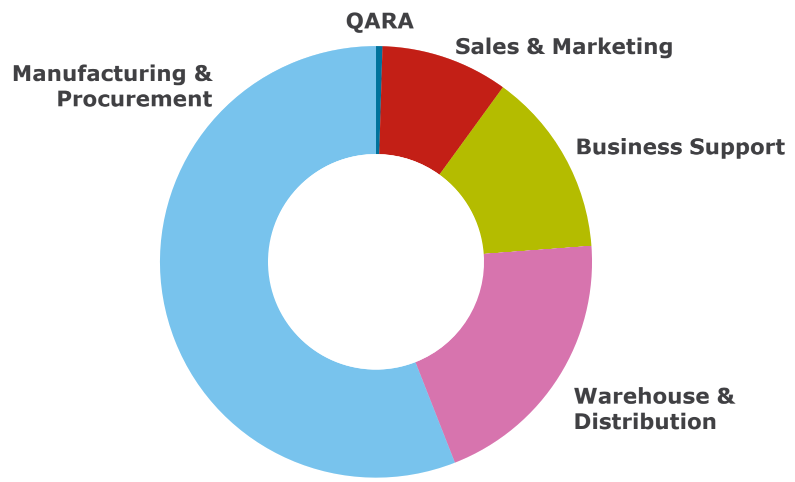
- Building on already strong position in $1.3bn IM nails category
- New nails planned in both tibial and hip fractures

Actions taken on business structure and cost base

Global business units to drive customer centricity, efficiency, performance

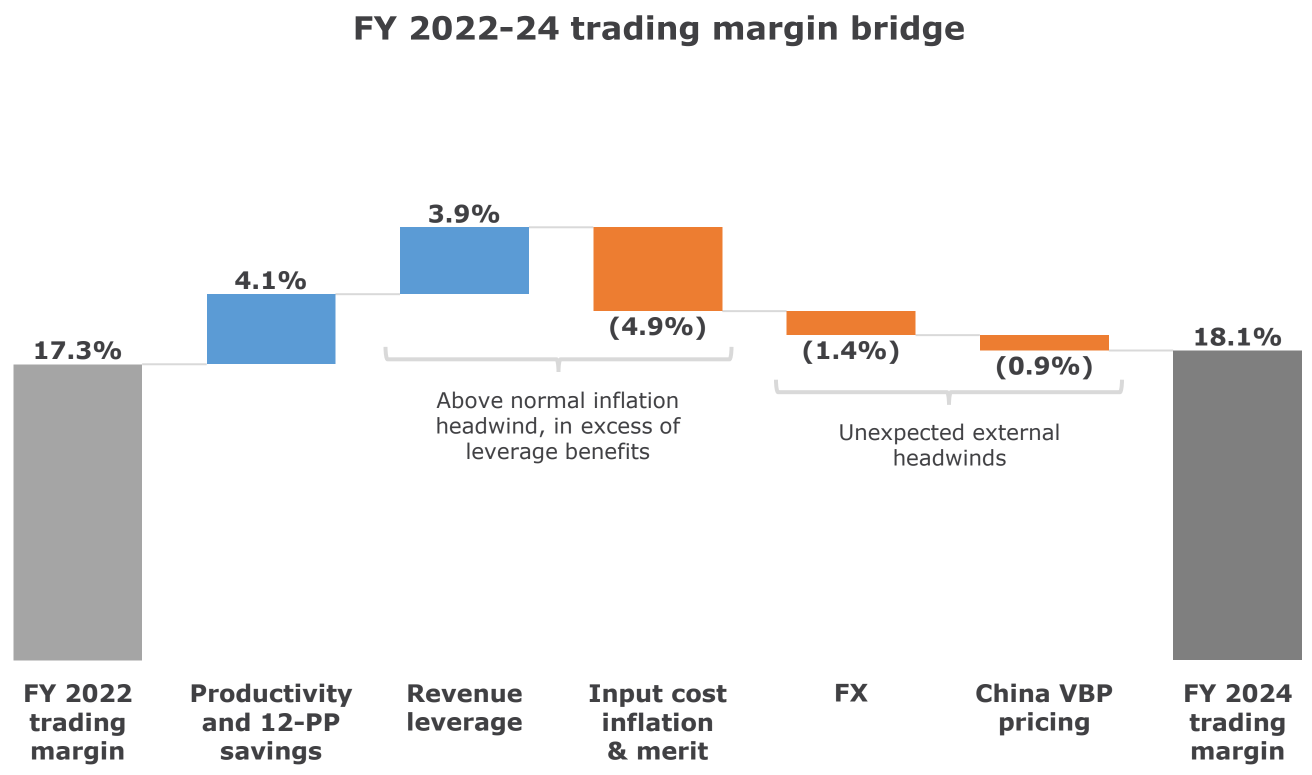
From	To
Customer centricity diluted by franchise regional/country focus	Specialised and focused global execution driven by customer needs
Matrixed structure impeding agility and speed of decision-making	Single point of accountability with speed of decision making
Inefficient processes and systems with duplication of effort across global/regional/local	Increased productivity and value creation, clear alignment of resources

Total gross run-rate savings of c.$325-375m in 2027



QARA: Quality Assurance and Regulatory Affairs

12-Point Plan: Cost efficiency and margin expansion



2022-4 productivity gains offset significant external pressures

- 410bps of incremental cost savings in two years, offsetting unexpected external headwinds and above normal inflation
- 80bps of trading margin expansion since 2022

Capacity reductions, cost savings, more normal macro in place for 2025 step-up

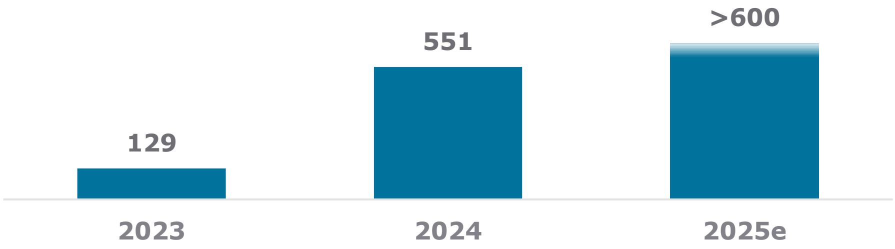
- Closure of four Orthopaedics facilities, c.9% headcount reduction since 2022
- Total savings on course to significantly exceed original $200m plan target
- Inflation and leverage now back in balance

Positioned for further expansion beyond 2025

- Enabled by better aligned supply and demand; capacity reduction; timing of lower costs passing through inventory

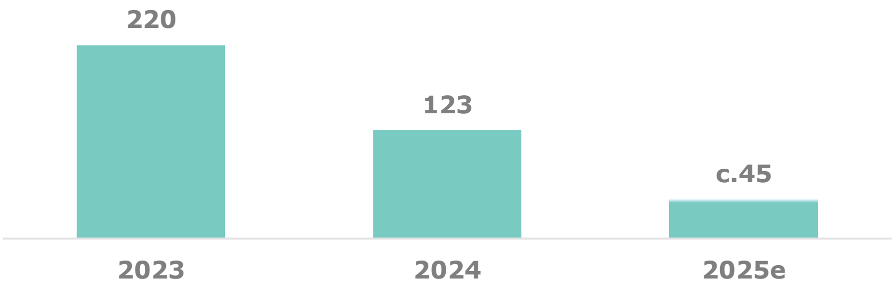
12-Point Plan: Step up across ROIC and cash metrics

Free cash flow ($m)



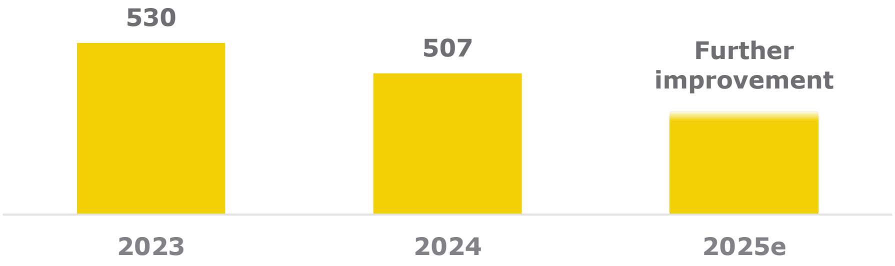
>$400m increase in 2024; further improvement expected in 2025

Restructuring costs ($m)



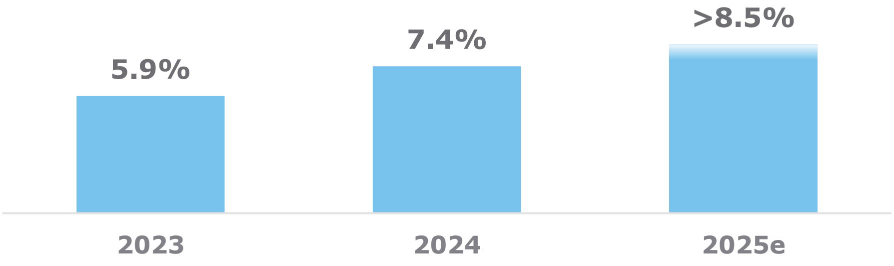
P&L charge to reduce by >75% in two years

Days sales of inventory (DSI)*



23 day improvement in 2024, further progress expected in 2025

ROIC



150bps improvement in 2024; expect to exceed 8.5% cost of capital in 2025

*DSI numbers are shown on a constant currency basis. On a reported currency basis, Group DSI were 20 days lower at the end of 2024 than at the end of 2023

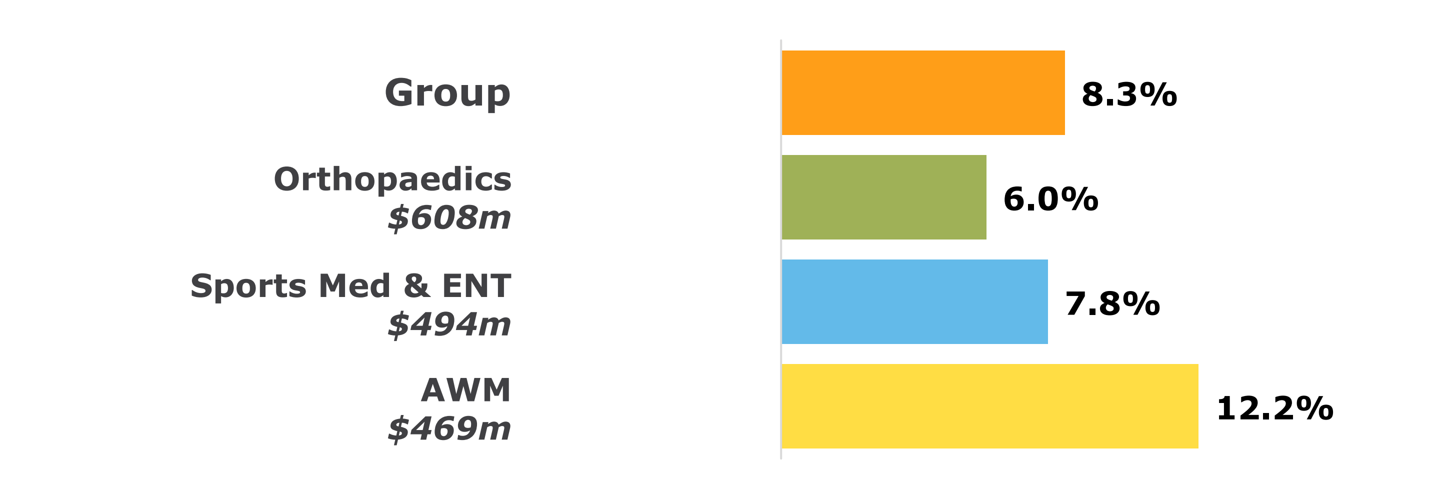
Q4 2024 Revenue

Q4 2024 summary revenue performance

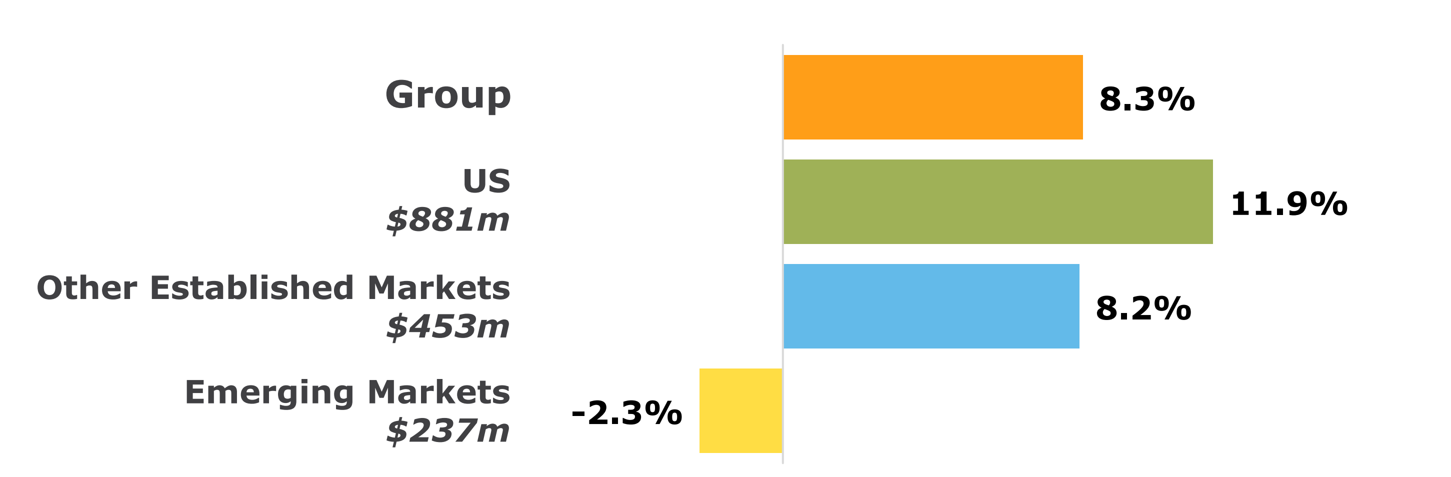
Total revenue of $1,571m

- Underlying revenue growth **+8.3%**, **+7.8%** reported
- Two extra trading days vs Q4 2023
- Strong finish from US Sports, AWB, ENT; 280bps China headwind

Growth by Business Unit*



Growth by Region*

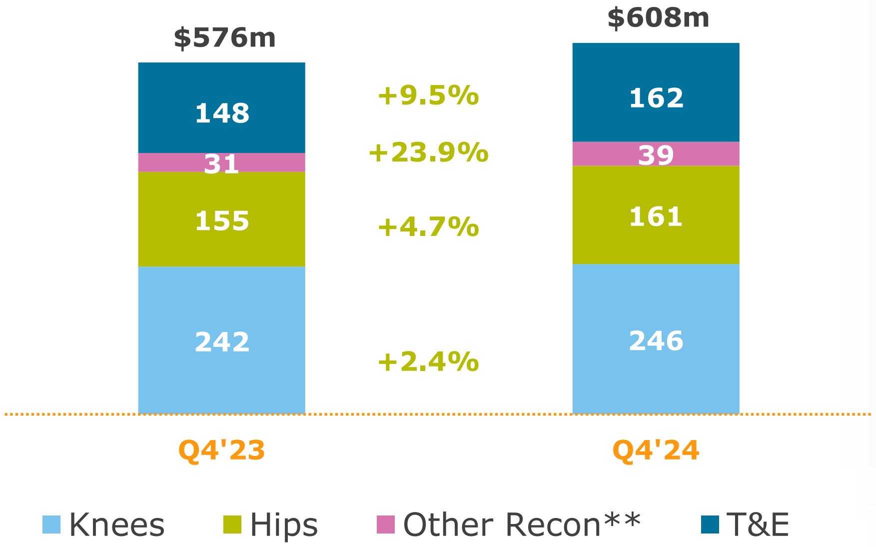


*Growth rates are versus Q4 2023. Business Unit and Regional growth figures are on an underlying basis and without adjustments for number of selling days

Orthopaedics

US recon growth continues to improve sequentially; T&E momentum returns

Revenue of $608m:
+6.0% underlying*
+5.5% reported



Q4 sales factors

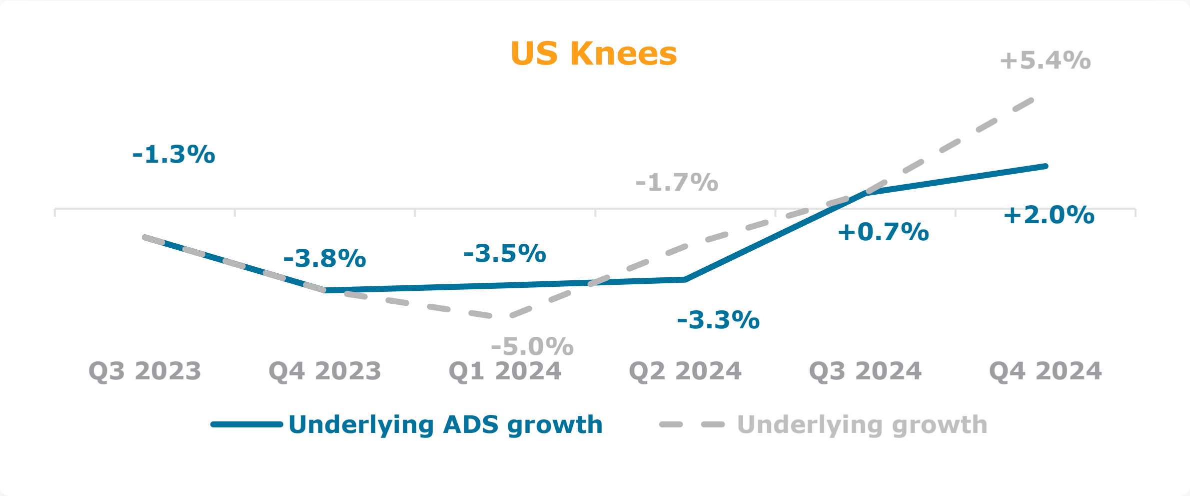
- **Global Knees and Hips +2.4% and +4.7%:**
  - US Knees and Hips +5.4% and +7.6%, showing continued growth improvement, both as reported, and after adjusting for selling days
  - OUS Knees and Hips -1.3% and +1.2%. Continued solid performance in established markets; c.7% headwind in Knees from slower China, c.6% in Hips
- **Other Reconstruction +23.9%**:
  - Reflects record quarter of CORI placements, continued consumables growth
- **Trauma & Extremities +9.5%:**
  - Continued good momentum for EVOS, legacy trauma systems improved after slow Q3; AETOS Shoulder becoming significant contributor to segment growth

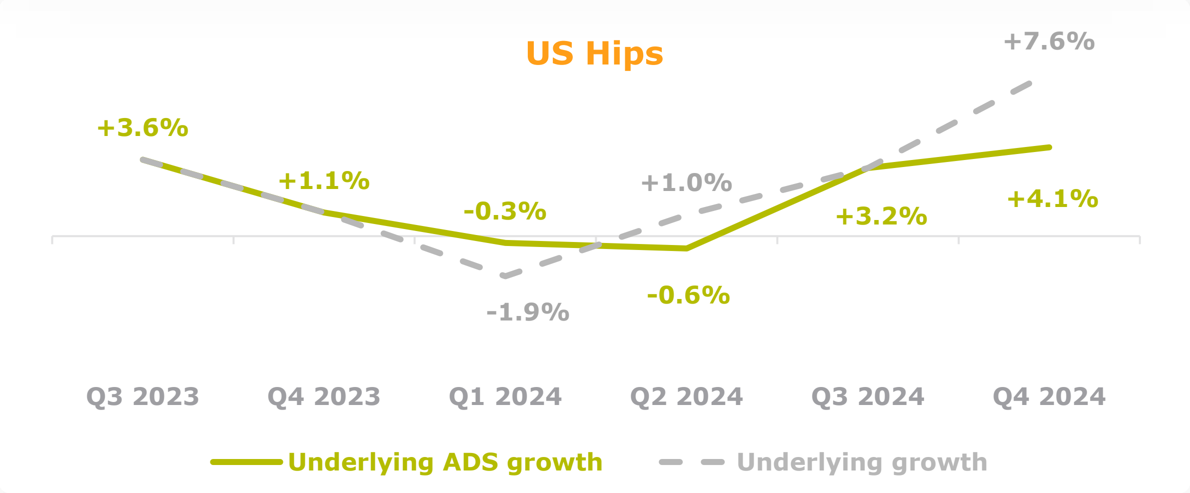
Near-term growth drivers

- Continued flow through of 12-Point Plan improvements in US Recon; CATALYSTEM Hip System adoption ahead of plans, accelerating manufacturing
- AETOS Shoulder System capital deployment and customer conversions

* Growth rates are versus Q4 2023
** Other Recon includes robotics capital sales, joint navigation and bone cement

US Recon steadily improving both on underlying growth and adjusted for trading days





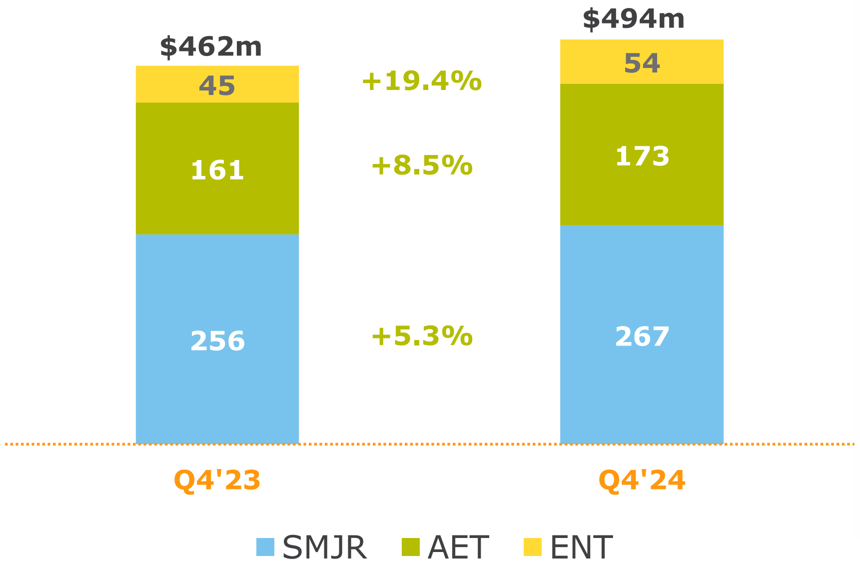
- Improvements in product availability, commercial execution and key launches driving improvement in US Recon
- Consecutive quarters of improvement in Knees and Hips, both on an underlying basis and on an ADS growth basis
- Adjustments reflect two more trading days in Q4 2024 than in the prior year; one more in Q2 2024; and one fewer in Q1 2024

ADS: Average Daily Sales

Sports Medicine & ENT

Established markets led by REGENETEN, China VBP remains headwind into 2025

Revenue of $494m:
+7.8% underlying*
+7.1% reported



Q4 sales factors

- **Sports Medicine Joint Repair +5.3%:**
  - +15.9% ex-China; continued strong growth from REGENETEN in rotator cuff
  - China headwind reflects strong price headwind from VBP implementation
- **Arthroscopic Enabling Technologies +8.5%:**
  - Broad-based growth across arthroscopic tower categories; strong double-digit growth for WEREWOLF◊ FASTSEAL
  - VBP expected in H2 2025, c.$25m FY2025 sales headwind expected from price impact and channel adjustments
- **ENT +19.4%:**
  - Acceleration reflects more normal comp, catch-up after slow procedures in Q3

Near-term growth drivers

- Further market penetration of REGENETEN and product expansion to foot and ankle
- Continued high cadence of innovation across consumables and arthroscopic tower

* Growth rates are versus Q4 2023

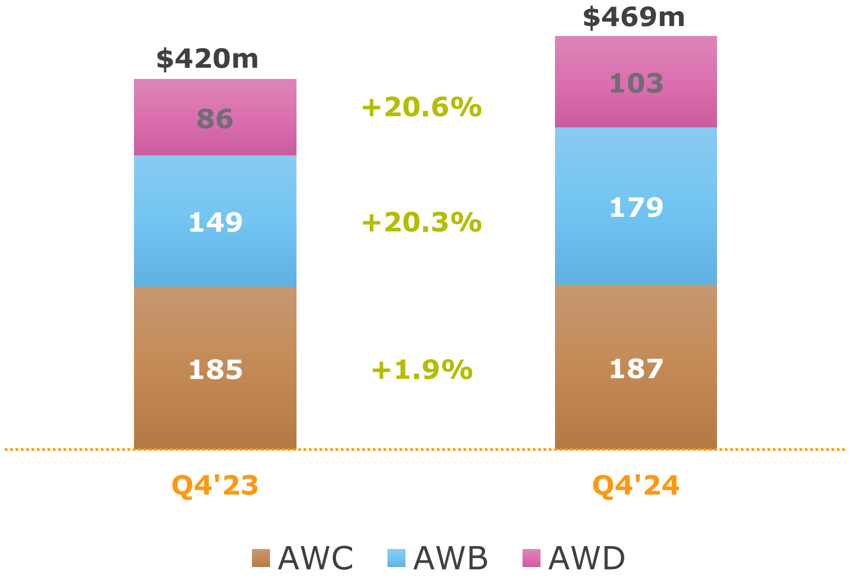
Advanced Wound Management

Skin substitutes and NPWT drive double-digit business unit growth

Revenue of $469m:

+12.2% underlying*

+11.7% reported



Q4 sales factors

- **Advanced Wound Care +1.9%:**
  - Led by ALLEVYN◇ family of foam dressings
- **Advanced Wound Bioactives +20.3%:**
  - Growth rate reflects typical quarterly volatility in the category
  - Double-digit growth in skin substitutes following launch of GRAFIX PLUS◇
- **Advanced Wound Devices +20.6%:**
  - Strong double-digit growth from PICO◇ in Negative Pressure Wound Therapy; good quarter from LEAF◇ Patient Monitoring System

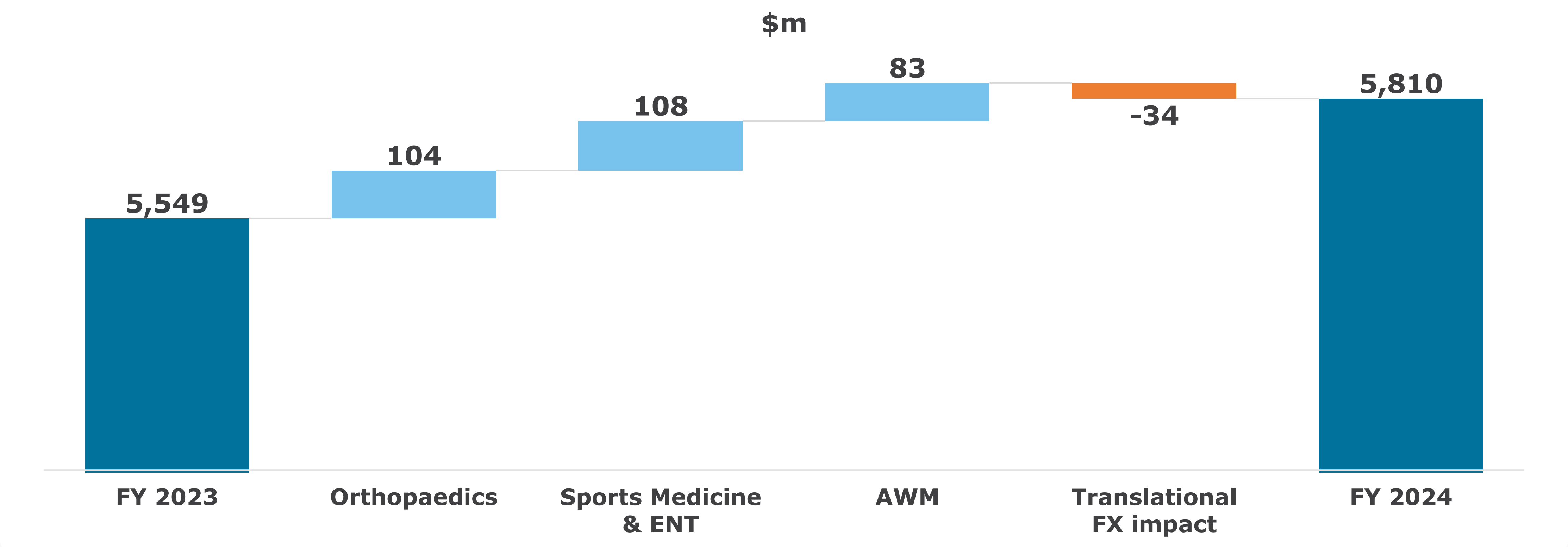
Near-term growth drivers

- Continued focus on NPWT acceleration plans, for both PICO◇ and RENASYS◇
- Ongoing refresh of the portfolio across categories

* Growth rates are versus Q4 2023

FY 2024 Financials

FY revenue growth by Business Unit



	Orthopaedics	Sports Medicine & ENT	AWM	Translational FX impact	FY 2024
Revenue ($m)	2,305	1,824	1,681		5,810
Reported growth	4.1%	5.5%	4.7%	(0.6%)	4.7%
Underlying growth	4.6%	6.2%	5.1%		5.3%

FY trading income statement

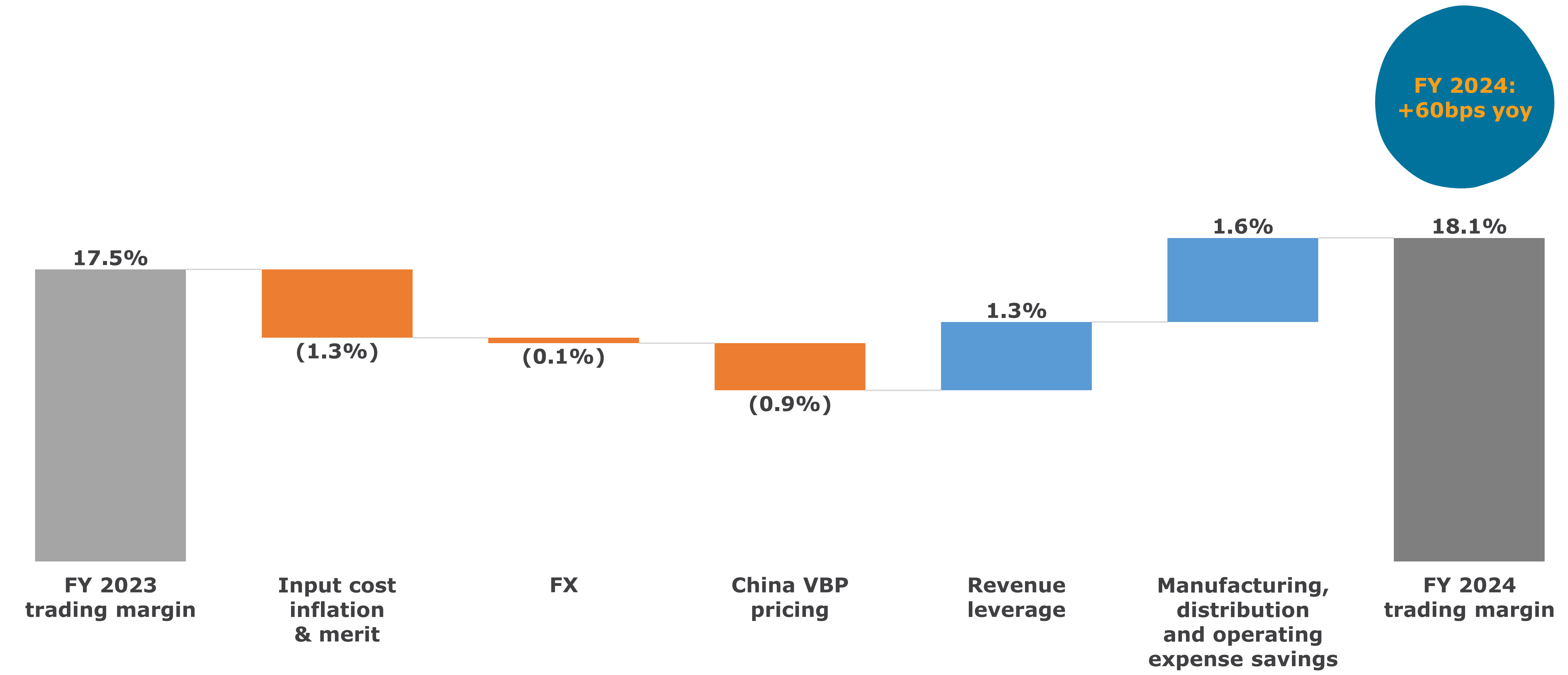
	FY 2024 $m	FY 2023 $m	Reported growth
Revenue	**5,810**	**5,549**	**4.7%**
Cost of goods sold	(1,725)	(1,626)	
Gross profit	**4,085**	**3,923**	**4.1%**
Gross profit margin	*70.3%*	*70.7%*	
Selling, general and admin	(2,748)	(2,653)	3.6%
Research and development	(288)	(300)	(3.9)%
Trading profit	**1,049**	**970**	**8.2%**
Trading profit margin	*18.1%*	*17.5%*	

FY operating profit and EPSA

	FY 2024 $m	FY 2023 $m	Reported growth
IFRS operating profit	**657**	**425**	**54.6%**
IFRS operating profit margin	*11.3%*	*7.7%*	
Adjusted earnings per share ("EPSA")	**84.3¢**	**82.8¢**	**1.7%**
Earnings per share ("EPS")	**47.2¢**	**30.2¢**	**56.3%**
Dividend per share	**37.5¢**	**37.5¢**	**-**

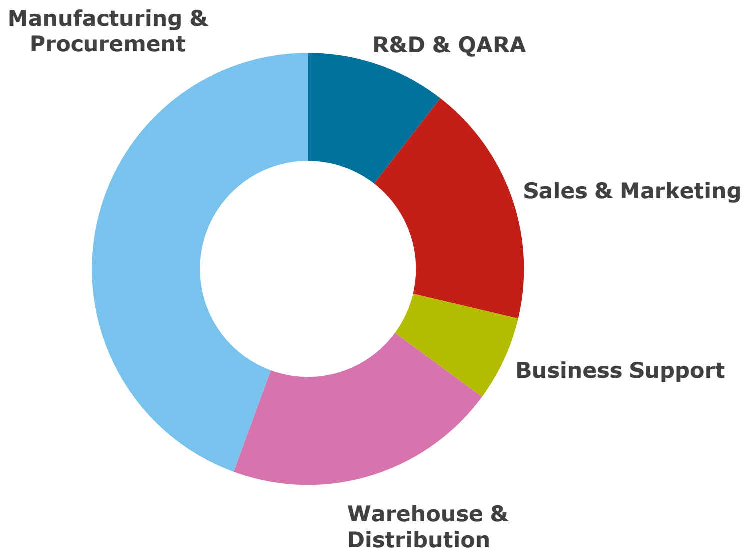
FY 2024 trading margin bridge

60 basis points expansion over 2023

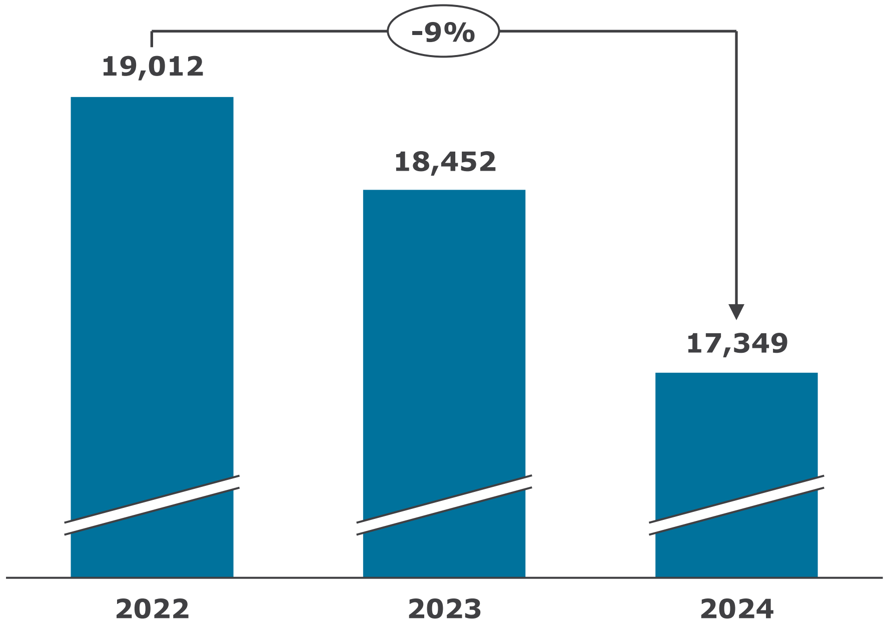


2023-24 Efficiency savings across Group

Gross run-rate savings of ~$210m* at the end of 2024

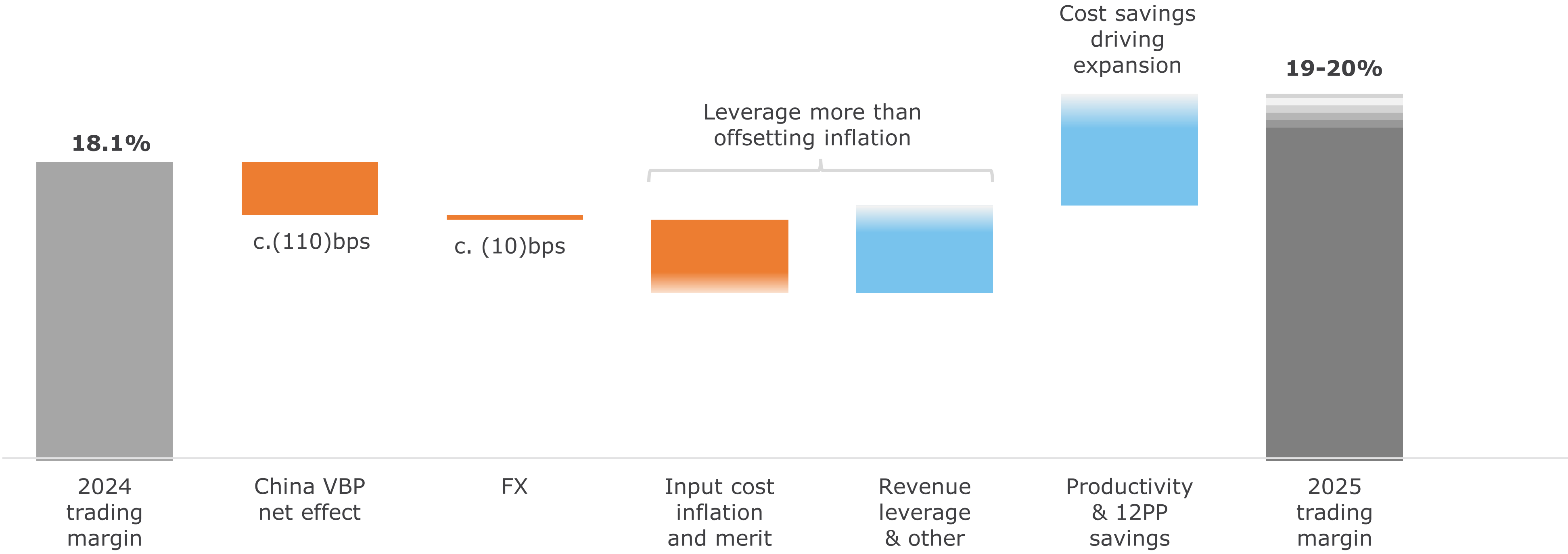


2024 year-end headcount c.9% lower than in 2022



*Gross savings before inflation and other potential margin headwinds.
2023 total savings included c.$55m relating to previous cost plans

2024 progress sets up for mid-term margin delivery

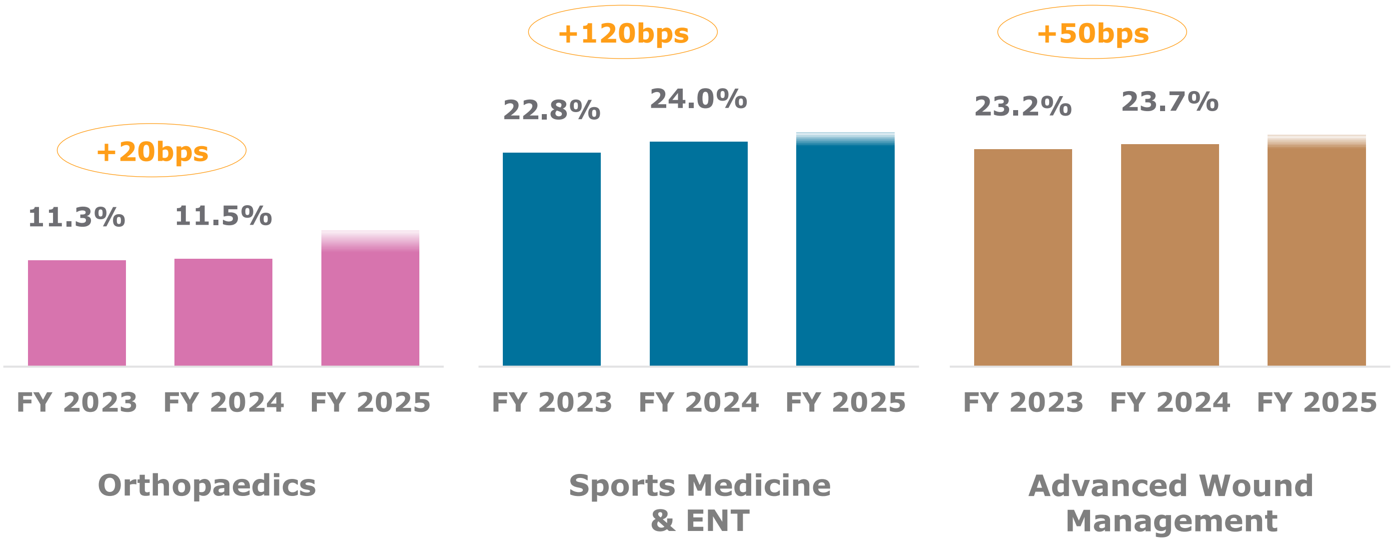


2026+ continued expansion:

- Productivity and 12PP savings
- Revenue leverage
- Lower manufacturing costs

- Ongoing but moderating input cost inflation
- AET VBP impact annualising

Trading margin by business unit



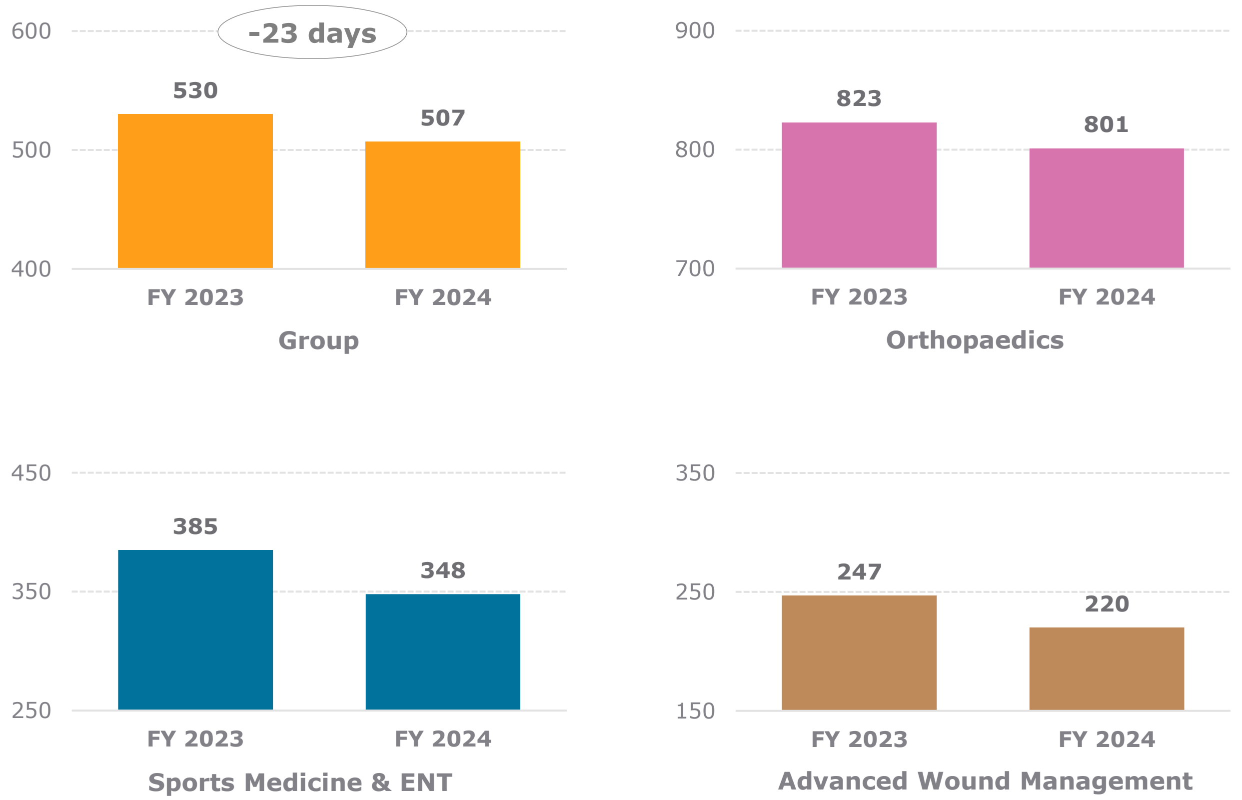
- **Opex savings and leverage across all business units in 2024**
- **2025 trading margin expansion to be led by Orthopaedics**
- **Business unit margins reflect full allocation of attributable costs**
- **Remaining unallocated corporate costs of $52m** (2023: $47m)

* 2023 trading margins reflect 2024 methodology of corporate cost allocations. Under previous methodology, 2023 trading margins were Orthopaedics: 18.0%; Sports Medicine & ENT: 29.1%; Advanced Wound Management: 29.4%

Inventory by business unit

DSI below prior year in all BUs; continued improvement remains a focus for 2025

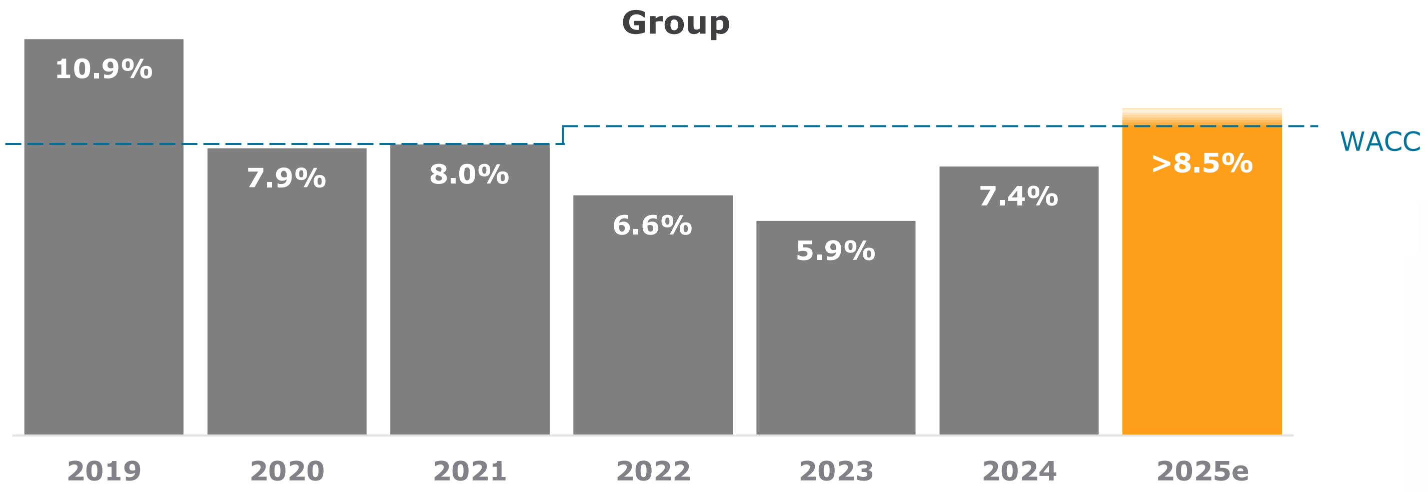
Group and Business Unit DSI*

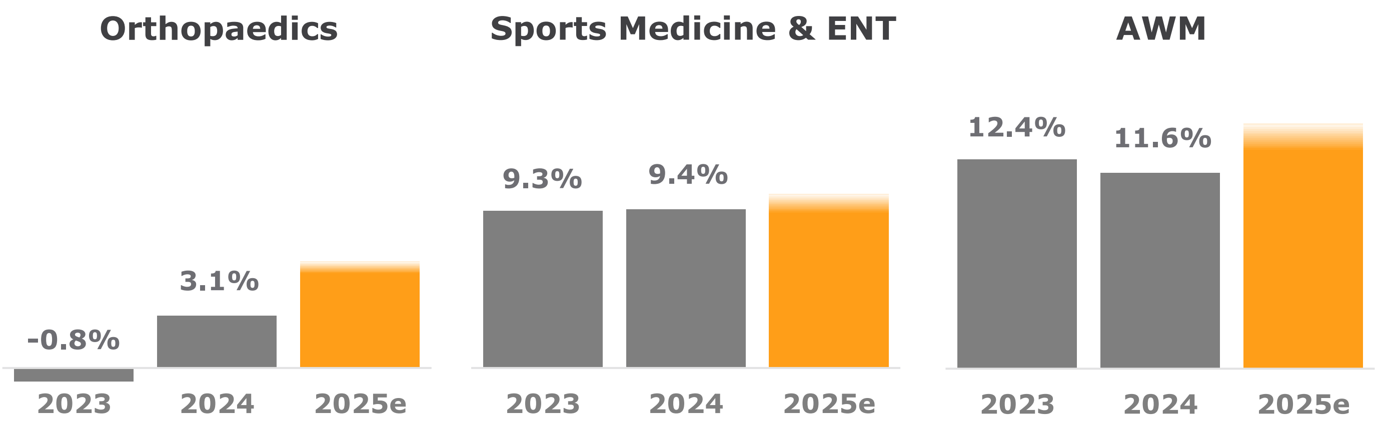


- **Group DSI down 23 days during 2024**, due to progress on launches and set deployments
- **Similar reductions achieved across all business units**
- **Improving mix**, with 17% unit reduction for slowest turning quartile of SKUs
- **Long-term improvement from SIOP process** adopted under 12-Point Plan, with better alignment of production plans and commercial delivery

*DSI: Days sales of inventory. DSI numbers are shown on a constant currency basis. On a reported currency basis, Group DSI were 20 days lower at the end of 2024 than at the end of 2023

ROIC by Business Unit





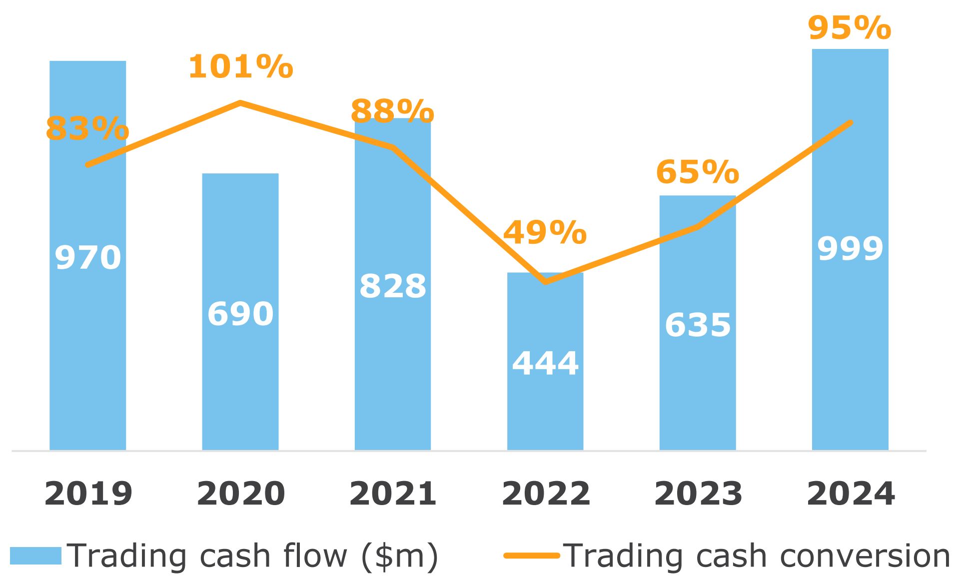
- **ROIC improved by 150bps in 2024,** from increased trading margin, lower non-trading costs; improved capital intensity in Orthopaedics
- **Focus on driving improved returns – group ROIC expected to exceed WACC in 2025**
- **Orthopaedics step up in 2025** from trading margin expansion and lower non-trading costs across the business units

ROIC methodology: Based on NOPLAT and average net operating assets. Includes allocation of corporate costs to business units
WACC: 2019-2021 8.0%; 2022-24 8.5%

FY cash flow and cash conversion

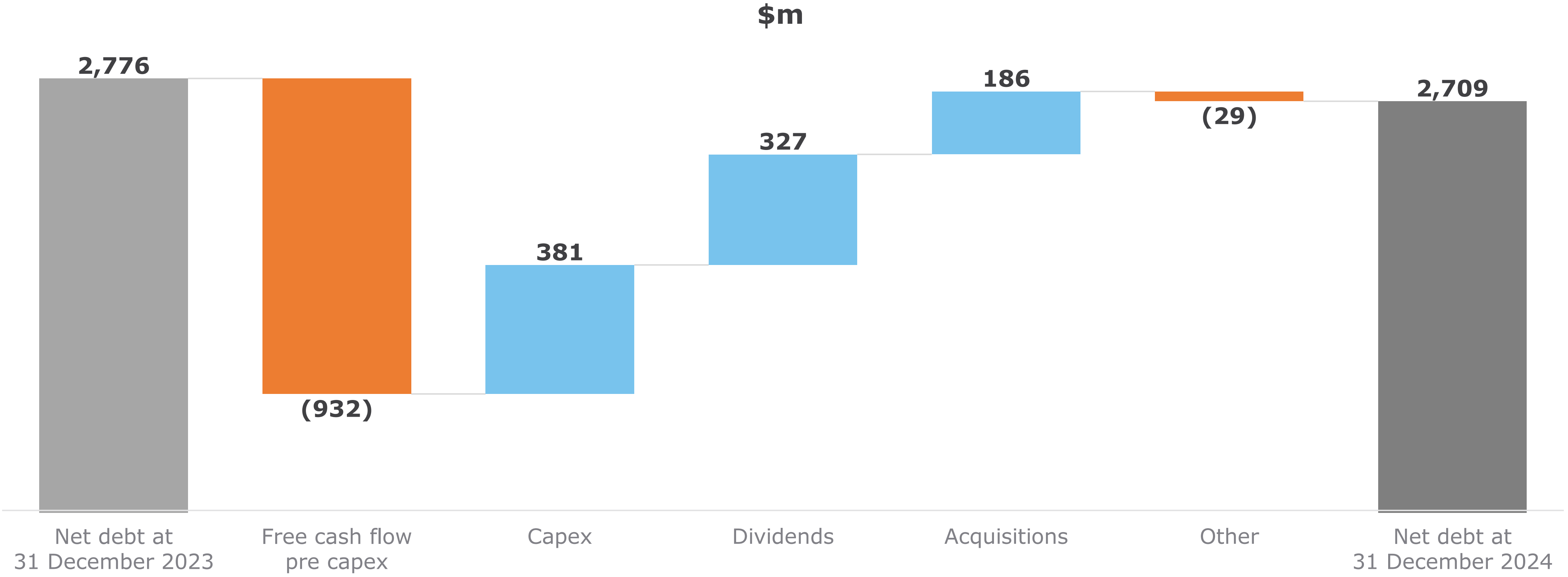
Improved trading and free cash flow on lower capex, working capital, restructuring

	FY 2024 $m	FY 2023 $m
Trading profit	**1049**	**970**
Share based payment	40	39
Depreciation and amortisation	412	375
Lease liability repayments	(55)	(52)
Capital expenditure	(381)	(427)
Movements in working capital and other	(66)	(270)
Trading cash flow	**999**	**635**
Trading cash conversion	*95%*	*65%*
Restructuring, acquisition, legal and other	(190)	(285)
Net interest paid	(118)	(96)
Taxation paid	(140)	(125)
Free cash flow	**551**	**129**



Strong balance sheet

Leverage ratio: 2.1x → 1.9x



Net debt includes lease liabilities

Outlook

Underlying revenue growth of around 5%

- Ongoing improvement in US recon through 12-Point Plan; continued strong performance of Sports (ex-China), ENT and AWM
- Guidance includes c.150bps growth headwind from China; one fewer trading day than 2024

2025 trading margin of 19.0-20.0%

- Expansion driven by cost reductions – annualization of 2024 savings, and benefits of network optimisation
- Savings more than offsetting China headwind (including anticipated VBP extension) and cost inflation

2025 phasing considerations

- Growth to be stronger from Q2; Q1 growth of around 1-2%:
  - China recon growth to improve after Q1; Joint Repair VBP effects to lap mid-year, AET VBP in H2
  - One fewer trading day in each of Q1 and Q2 versus 2024; one extra day in Q4
- Trading margin expansion to nominal in H1 and stronger in H2; increased seasonality vs 2024 reflecting timings of cost savings and China headwinds

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FY 2024 revenue growth of +5.3%*, +60bps trading margin expansion

- Cost savings and leverage more than offset inflation and VBP margin headwinds; 95% trading cash conversion, ROIC** of 7.4%
- Q4 2024: Strong finish to the year, particularly for US Sports, AWB, ENT; growth included benefit from two extra trading days, and 280bps headwind from China

Poised for further step-up in returns

- Reiterating 2025 guidance: expect around 5% underlying growth; 19.0-20.0% trading margin, as manufacturing network savings benefit P&L
- Continued momentum and efficiency gains for further expansion in 2026 and 2027

*All references are to underlying growth, unless stated to be reported
** All references are to adjusted ROIC

Appendices

Technical guidance

	February 2025	
Foreign exchange and acquisitions		
Translational FX impact on revenue growth[1]	**c.(0.2)%**	
Acquisition impact on revenue growth	**-**	
Non-trading items		
Restructuring costs	**c. $45m**	
Acquisition and integration	**$1-5m**	
European Medical Device Regulation (MDR) compliance costs	**-**	
Other	**Adjusted**	**Reported**
Amortisation of acquisition intangibles	**$165-170m**	**$165-170m**
Income/(loss) from associates[2]	**$10-15m**	**$0-5m**
Net interest[3]	**c. $115m**	**c. $115m**
Other finance costs[4]	**$20-25m**	**$25-30m**
Tax rate on trading result	**19-20%**	

(1) Based on the foreign exchange rates prevailing on 19 February 2024
(2) Based on analyst consensus forecasts for associate, sourced from Capital IQ on 21 February 2025
(3) Includes interest associated with IFRS 16 Leases
(4) Includes c.$14m of discount unwind relating to Cartiheal acquisition contingent consideration on both adjusted and reported basis

Q4 consolidated revenue analysis by Business Unit

	Q4 2024 $m	Q4 2023 $m	Reported Growth %	Underlying growth %	Acquisitions/ disposals %	Currency impact %
Orthopaedics	**608**	**576**	**5.5**	**6.0**	**-**	**(0.5)**
Knee Implants	246	242	1.7	2.4	-	(0.7)
Hip Implants	161	155	4.0	4.7	-	(0.7)
Other Reconstruction	39	31	23.7	23.9	-	(0.2)
Trauma & Extremities	162	148	9.4	9.5	-	(0.1)
Sports Medicine & ENT	**494**	**462**	**7.1**	**7.8**	**-**	**(0.7)**
Sports Medicine Joint Repair	267	256	4.4	5.3	-	(0.9)
Arthroscopic Enabling Technologies	173	161	7.9	8.5	-	(0.6)
ENT	54	45	19.6	19.4	-	0.2
Advanced Wound Management	**469**	**420**	**11.7**	**12.2**	**-**	**(0.5)**
Advanced Wound Care	187	185	1.2	1.9	-	(0.7)
Advanced Wound Bioactives	179	149	20.1	20.3	-	(0.2)
Advanced Wound Devices	103	86	19.9	20.6	-	(0.7)
Total	**1,571**	**1,458**	**7.8**	**8.3**	**-**	**(0.5)**

FY consolidated revenue analysis by Business Unit

	FY 2024 $m	FY 2023 $m	Reported Growth %	Underlying growth %	Acquisitions/ disposals %	Currency impact %
Orthopaedics	**2,305**	**2,214**	**4.1**	**4.6**	**-**	**(0.5)**
Knee Implants	947	940	0.7	1.3	-	(0.6)
Hip Implants	619	599	3.2	4.0	-	(0.8)
Other Reconstruction	131	111	18.2	18.5	-	(0.3)
Trauma & Extremities	608	564	7.9	8.1	-	(0.2)
Sports Medicine & ENT	**1,824**	**1,729**	**5.5**	**6.2**	**-**	**(0.7)**
Sports Medicine Joint Repair	982	945	4.0	4.8	-	(0.8)
Arthroscopic Enabling Technologies	632	588	7.4	8.2	-	(0.8)
ENT	210	196	6.9	7.3	-	(0.4)
Advanced Wound Management	**1,681**	**1,606**	**4.7**	**5.1**	**-**	**(0.4)**
Advanced Wound Care	735	725	1.4	2.0	-	(0.6)
Advanced Wound Bioactives	581	553	5.1	5.1	-	0.0
Advanced Wound Devices	365	328	11.5	12.2	-	(0.7)
Total	**5,810**	**5,549**	**4.7**	**5.3**	**-**	**(0.6)**

Quarterly revenue analysis by Business Unit

	2023					2024				
	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	Full Year Growth %	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	Full Year Growth %
Orthopaedics	**3.9**	**5.8**	**8.3**	**4.9**	**5.7**	**4.4**	**5.8**	**2.3**	**6.0**	**4.6**
Knee Implants	5.0	7.8	5.7	3.6	5.5	1.7	2.1	(0.9)	2.4	1.3
Hip Implants	4.6	3.4	3.5	3.6	3.8	3.4	4.0	4.0	4.7	4.0
Other Reconstruction	19.7	21.0	58.5	19.0	28.0	18.0	17.8	13.7	23.9	18.5
Trauma & Extremities	(0.8)	2.5	10.4	5.8	4.4	7.8	11.8	3.3	9.5	8.1
Sports Medicine & ENT	**10.0**	**12.0**	**11.1**	**7.1**	**10.0**	**5.5**	**7.6**	**3.9**	**7.8**	**6.2**
Sports Medicine Joint Repair	7.3	12.5	11.3	8.8	9.9	7.7	6.0	0.1	5.3	4.8
Arthroscopic Enabling Technologies	9.1	4.6	1.7	3.7	4.7	1.0	8.7	15.0	8.5	8.2
ENT	30.8	38.9	40.2	10.7	29.8	9.0	11.6	(6.8)	19.4	7.3
Advanced Wound Management	**7.9**	**6.2**	**3.6**	**7.8**	**6.4**	**(2.0)**	**3.3**	**6.5**	**12.2**	**5.1**
Advanced Wound Care	1.0	2.7	3.2	1.4	2.1	(0.5)	3.0	3.4	1.9	2.0
Advanced Wound Bioactives	15.2	3.1	(4.8)	12.5	6.2	(9.8)	0.7	8.0	20.3	5.1
Advanced Wound Devices	12.9	21.4	21.3	14.9	17.6	8.7	8.0	11.0	20.6	12.2
Total	**6.9**	**7.8**	**7.7**	**6.4**	**7.2**	**2.9**	**5.6**	**4.0**	**8.3**	**5.3**

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

Quarterly revenue analysis by region

	2023					2024				
	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	FY Growth %	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	FY Growth %
US	11.8	6.3	7.2	6.2	7.8	(0.6)	3.6	4.0	11.9	4.8
Other Established Markets[1]	7.0	8.5	7.8	6.1	7.3	4.8	6.9	6.8	8.2	6.7
Established Markets	**10.0**	**7.1**	**7.4**	**6.2**	**7.6**	**1.3**	**4.8**	**5.0**	**10.6**	**5.5**
Emerging Markets	(7.3)	11.0	9.2	7.6	5.1	11.6	9.5	(0.1)	(2.3)	4.3
Total	**6.9**	**7.8**	**7.7**	**6.4**	**7.2**	**2.9**	**5.6**	**4.0**	**8.3**	**5.3**

(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

FY trading income statement

	FY 2024 $m	FY 2023 $m	Reported growth
Revenue	**5,810**	**5,549**	**4.7%**
Cost of goods sold	(1,725)	(1,626)	
Gross profit	**4,085**	**3,923**	**4.1%**
Gross profit margin	*70.3%*	*70.7%*	
Selling, general and admin	(2,748)	(2,653)	3.6%
Research and development	(288)	(300)	(3.9)%
Trading profit	**1,049**	**970**	**8.2%**
Trading profit margin	*18.1%*	*17.5%*	

Full year EPSA

	FY 2024 $m	FY 2023 $m	Reported growth
Trading profit	**1049**	**970**	**8.1%**
Net interest payable	(121)	(98)	
Other finance costs(1)	(22)	(1)	
Share of results from associates	2	(9)	
Adjusted profit before tax	**908**	**862**	**5.3%**
Taxation on trading result	(173)	(140)	
Adjusted attributable profit	**735**	**722**	**1.8%**
Weighted average number of shares (m)	873	871	
Adjusted earnings per share ("EPSA")	**84.3¢**	**82.8¢**	**1.8%**

(1) Other finance costs in 2024 include $11.6m of discount unwind relating to Cartiheal acquisition contingent consideration

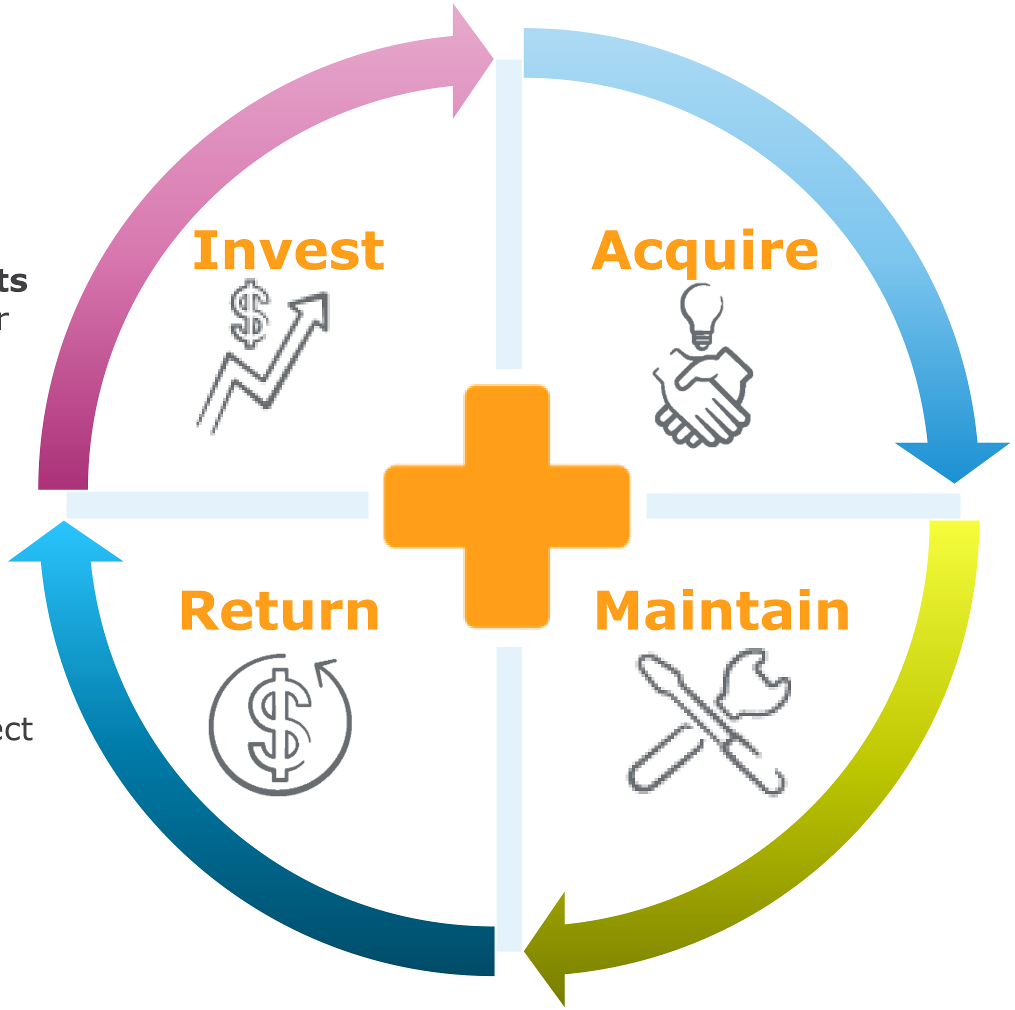
Trading profit by Business Unit

	2023		2024	
	Trading profit $m	Trading profit margin %	Trading profit $m	Trading profit margin %
Orthopaedics	251	11.3	265	11.5
Sports Medicine & ENT	394	22.8	437	24.0
Advanced Wound Management	372	23.2	399	23.7
Segment trading profit	**1,017**		**1,101**	
Corporate costs	(47)		(52)	
Group trading profit	**970**	**17.5**	**1,049**	**18.1**

Capital allocation framework

1. Invest

- **Innovation** to drive organic growth
- **Sustainability targets** and further embed our ESG agenda



2. Acquire

- **New technologies and expand in high growth segments** with strong strategic fit that meet our financial criteria

3. Maintain

- **Optimal balance sheet position:**
  - Investment grade credit ratings
  - Leverage ratio of around 2x
- **Dividend:**
  - 2024: Consistent with recent years at $37.5c for full year with an interim payment of $14.4c
  - 2025 onwards: Progressive with a payout ratio of around 35% - 40%
  - Interim payment of 40% of prior full year dividend

4. Return

- Surplus capital to shareholders
- **Share buyback** subject to balance sheet

Trading days per quarter

	Q1	Q2	Q3	Q4	Full year
2023	64	63	63	60	250
2024	63	64	63	62	252
2025	**62**	**63**	**63**	**63**	**251**
2026	61	63	63	64	251