

**Emily Heaven** Good afternoon, everyone, and good morning to those joining from the US on the webcast. For those of you who don't know me, I'm Emily Heaven. And just a few months ago, I would have been sitting amongst you in the audience as an investor myself. Today, I'm excited to be standing here on the other side as head of Investor Relations, and I'm delighted to welcome you to Smith + Nephew's London Capital Markets Day 2025. The first of two events taking place this week.

Before we get started, just some logistics. If there were to be a fire alarm to go off, you follow the green signs, and staff will lead you to the exits. We've got a full agenda for you all today. Don't worry, we've also included two coffee breaks, so please do check out the product fairs across the hall then. And with that, please welcome to the stage Deepak Nath, our Chief Executive Officer.

**Deepak Nath** Thank you, Emily. Let me add my warm welcome to you all. Thank you for taking the time to be here today. I'm absolutely thrilled to bring you all together to launch our exciting new strategy, which we call RISE. This strategy is ambitious, but achievable. It delivers acceleration in both revenue, organic revenue, and trading profit, along with a step-up in return on invested capital.

Over the next three years, you'll see a company that's firing on all cylinders, with each business unit playing its role in value creation. Through innovation and disciplined execution, Sports, Wound and ENT will deliver above market growth, while Ortho grows at market to drive margin expansion and improved ROIC. All this will come with strong free cash flow generation that give us optionality for strategic, inorganic moves. Over the next four hours, we'll bring all of this to life. With that, let's dive in.

Our actions under the 12-Point Plan created a fundamentally stronger business today than it was three years ago, with a springboard for future growth. You'll have seen a summary of our new strategy and three-year ambition in this morning's release. Today, I will take you through each component in detail and explain why we believe it will elevate Smith + Nephew to the next level, delivering 6 to 7% organic CAGR, 9 to 10% trading profit CAGR. Through continued strong cash generation, we expect free cash flow to reach \$1 billion by 2028, and we'll get ROIC to 12 to 13%, which is significantly above our cost of capital.

Before we go into it, let's start with a video that showcases our rich 170-year heritage from our foundation in the north of England to the Global MedTech Company that we are today. With that, cue up the video.

**Deepak Nath** We are rightly proud of our heritage and how we've developed the business to reach category leading positions across our key markets, with a strong, diversified portfolio. Our combination of business units is unique, with each focusing on improving treatment outcomes and each exposed to favourable underlying demographics. As people live longer, with greater expectation of quality of life and activity levels in their later years, and with technological advances that meet previously unmet needs.

We operate in a total addressable market of over \$50 billion that's growing at about 6%. We are the second largest player in the fast growth global Sports Medicine market that's worth \$7 billion, with leading positions in a number of categories, including meniscus repair, hip repair, COBLATION, and mechanical resection. We're the second largest player in the fragmented global wound market that's worth \$13 billion, with leading positions in biologics and single use negative pressure therapy.

While we have a smaller position in the much larger orthopaedic market, we have differentiated technology that allows us to remain relevant and provides avenues for growth ahead of the market in certain categories. We also have a 9% share in the fragmented ENT market, where we have introduced game-changing innovation.

Our revenues are well diversified across our business units, providing a balanced portfolio from which to better withstand volatility in any particular category, and that provides multiple avenues for growth. We also have a strong geographic diversification across key markets, with more than 50% of revenues in the US and nearly a third in developed international markets.

Since our inception in 1856, we've delivered leading innovation that's transformed patient care from the first experimental bandage, Elastoplast, that was introduced in 1928, to our DYONICS system, which introduced arthroscopic visualisation in the 1980s. We followed that up by launching an innovative technology for soft tissue resection called COBLATION, and, more recently, OXINIUM, a unique material for joint replacements, which we introduced in 2001. In trauma, we have revolutionised hip fracture repair with our INTERTAN locking nail. And we've pioneered a portable, single-use device for negative pressure wound therapy that we call PICO.

Let me take a moment now to highlight the outstanding team that will be leading the strategy forward. I believe we've built one of the best management teams in the industry through a combination of home-grown talent and talent that we've brought in from the outside. You can find their bios in the appendix of this presentation.

Our executive committee, many of whom will speak today, brings deep hands-on experience in their respective areas. This is a team of industry and functional leaders that have built, scaled and transformed businesses at every stage of growth. What truly differentiates them is not just tenure. They're subject matter experts, recognised not only for the strategic impact and technical expertise, but also, importantly, in the manner in which they lead. Together, they bring decades of proven leadership in navigating complex transformations, driving operational excellence and accelerating innovation. As important, they develop their own teams to provide the bench strength to feed our strong succession talent pipeline.

This experience is exactly what positions us to elevate our growth trajectory. We have the right leaders with the right expertise that are aligned around a clear strategy and committed to disciplined execution. In short, this is the team that's working together towards the clear strategy that we will lay out for you today. This team will take us from where we are, to where we intend to be, faster, stronger, and more confident.

What we've outlined is our heritage as a business. Let's now turn our focus to more recent times. Since I arrived as CEO on April Fool's Day in 2022, my priority has been executing the 12-Point Plan. This plan had three pillars designed to fix orthopaedics, improve productivity, and nurture our leading Sports and Wound businesses. Within orthopaedics, we've addressed product availability issues, tackled high inventory, and right-sized capacity, closing five manufacturing facilities to better match demand. We improved our Memphis site to industry standards and rewired our operations for greater efficiency.

At the same time, we strengthened our commercial engine by streamlining its structure, appointing the right leadership, shifting to more growth oriented incentive schemes, and tightening the management of business. And we built out our hip, trauma and robotics portfolio. These actions have returned trauma and hip to market levels, or higher. And I'm proud that we've accelerated underlying orthopaedics growth from 1.9% in 2022 to about 5% this

year. While we fixed orthopaedics, we accelerated our Sports and Wound businesses to above market in both of those segments.

While we've made progress overall, there are some areas where we did not meet our ambitions. In knees, our product gap widened as market trends shifted. This remains a priority, and we are accelerating development to close that gap with a strong pipeline of product introductions over the next 18 months, each of which will benefit from our more efficient commercial engine starting from launch.

On inventory, we've taken positive steps to improve alignment between supply and demand, and have laid the groundwork for continued inventory reductions, but are about a year behind where we expect it to be at this stage. We do anticipate further margin improvement as a result of these positive actions, which Craig, our President of Orthopaedics, will take you through later. Finally, in Wound, we've made significant progress in single-use negative pressure wound therapy, and are refining our approach to traditional negative pressure therapy in the US in order to be more competitive.

The 12-Point Plan was designed not only to deliver specific actions in the near term, but also to embed fundamental, lasting changes in our behaviours, operations and performance, and elevate how we deliver for each of our stakeholders, our patients, our customers, and, of course, you, the shareholders. I'm pleased to confirm that we've successfully embedded these changes, thanks to the collective efforts of every single Smith + Nephew employee. We've put in new processes to transform how we work, bringing greater focus, rigour, and consistency to everything that we do.

In 2023, we've moved our commercial operations from a complex matrix model, the split across franchises and regions, to a simpler business unit structure, with vertical teams for each of Orthopaedics, Sports Medicine, ENT separated out, and Wound Management. This is, in fact, driving greater accountability, faster decision making and execution, and has allowed us to increase customer focus in every area of our portfolio.

We now have a single point of leadership for upstream and downstream marketing and sales, better alignment across regions and countries, and dedicated presidents with full global P&L responsibility. We've embedded our new way of working and aligned performance metrics to strategic priorities, to reward the right behaviours. We're now set up to win, striving to be better every day through our continuous improvement mindset and behaviours. Elga Lohler, our Chief HR Officer, will talk you through this in more detail.

Perhaps more important, we've sharpened our focus on cash and capital returns through a number of initiatives and aggressively tackling our cost base. The move to our new vertical model has led to an 8% reduction in central costs, following the reallocation of those costs to business units. In addition, we started with an initial programme of \$200 million of savings at the beginning of the 12-Point Plan. In 2024, after John started with us, we built on that by applying a Zero Based Budgeting approach to identify further opportunities. We're well on track to deliver the \$325 to \$375 million of gross cost benefits, of which the largest chunk is from manufacturing and procurement. But there are savings across all parts of our businesses as well, and we'll step up these savings further in 2026. And, John, you'll take us through the details later.

We've introduced much greater rigour and discipline in capital allocation, improving set terms, and by deploying these sets to more productive accounts. In IT, we deployed less CapEx and cost because we made the business units more accountable for their IT spend so they no longer viewed it as a free resource. The resultant increase in free

cash flow allowed us to step up our focus on innovation and launch a number of new products during these transformation years. It would have been easy to cut back on R&D to protect margin, but that would not have been the right thing to do for the business in the long term. The result of this is a robust pipeline and a higher cadence of launches, which Vasant will take you through shortly. Finally, we completed a \$500 million share buyback in Q3 of this year.

The numbers speak for themselves. We moved Smith + Nephew from a low single digit revenue grower, to a mid-single digit growth company. We expanded trading margin by over 200 bps, from 17.3% in 2022 to at least 19.5% this year. What is impressive about this expansion is that we overcame some 1,000 bps of macro challenges from VBP in China and higher inflation. John will cover these in more detail in his section.

Our increased focus on cash and capital returns has yielded an impressive 14-fold increase in free cash flow, from \$56 million in 2022 to an anticipated 800 million this year. And finally, ROIC has improved by 300 bps from 6.6% to 9.5% this year, which is above our cost of capital. I'm incredibly proud of this achievement. We have proven that we are capable on executing on multiple high-priority initiatives at the same time. We emerged as a stronger organisation as a result. But as I've always said, this is just the beginning, and this isn't the limit of our ambition.

As we now come to the end of 2025 and the successful completion of our 12-Point Plan, we're now excited to be looking ahead to the next chapter of our growth story, a strategy that launches just as we prepare to celebrate our 170th year as a company in 2026. RISE is that strategy. It's a bold strategy that elevates Smith + Nephew. But as ambitious as it is, it is achievable. And it positions us for success over the next three years.

We have four clear aims. To reach more patients by driving adoption of our differentiated portfolio and taking share across more indications, new settings, and geographies. To innovate, to enhance the standard of care through accelerating new product launches and rapidly scaling existing innovation platforms. And to scale through strategic investment, allocating capital to high returning, high growth opportunities that are aligned with our portfolio priorities. And importantly, to execute efficiently, driving group wide productivity and asset efficiency, particularly in orthopaedics, to expand our margins and our returns.

We'll build on the behaviours that we embedded through the 12-Point Plan with our Way to Win. And that's our programme, to simply be better every day through a continuous improvement mindset and the behaviours that come with it.

Let me now dive into the elements of this new strategy in more detail. First, building on the strong foundation and momentum of the 12-Point Plan, this strategy will allow us to reach more patients where we expect to go from serving 15 million patients per year to about 20 million patients in 2028. Our rich portfolio contains several key product launches already launched, and each with significant growth potential. We're sharpening our focus on these to maximise the reach of our most highly differentiated products through our new market entry and expanded indications. We'll access new patient populations, driving adoption globally, and to enter high growth channels and new care settings.

These products include REGENETEN, where we're redefining tendon and ligament repair with our bioinductive implant. CARTIHEAL AGILI-C, which is addressing unmet needs in cartilage repair. PICO, which transforms negative pressure wound therapy in the outpatient to home settings and beyond. And ALLEVYN Complete Care, our unique five-layer dressing. And CORI, our differentiated approach to robot-assisted orthopaedic surgery. Each of these

products is a growth engine in its own right, and together, they represent a powerful portfolio that expand the market and take share.

Through these products, we can reduce recovery times and readmissions, and we can get people back to their daily lives and return to work more quickly. All of which is good for patients, their families, for health care systems, and overall economies.

We're well positioned to take full advantage of market shifts, such as the transition of joint replacement from hospitals to ambulatory service centres. And that's with our CORI system, which provides a solution for all major joints on one platform. We'll transform the standard of care with disruptive products like TULA. And increase adoption in high growth emerging markets. Through these actions, we will achieve our clear ambition to move from category leadership to market leadership in Sports and in wound.

In addition to these key products, we will maintain our industry leading cadence of new product introductions with more than 75 launches over the last five years. We're excited by the pipeline of products we have coming in orthopaedics over the next 18 months, including the launch of our new LANDMARK knee, which will not only close a product gap we have, but it will also leapfrog ahead of the competition in its differentiating features.

We have significant opportunity to enhance the standard of care with our scalable Biologics platform, which we can accelerate to deliver more highly differentiated solutions across our group and along the full continuum of care. And with solutions like TESSA, our first in industry spatial surgery arthroscopic platform, we will remain on the cutting edge of care through procedural advances to improve surgical outcomes. Through our patient-first approach, we're focusing innovation where there is the greatest unmet need, such as our next-generation, cloud-based LEAF sensor to prevent pressure injuries. We'll explore our innovation platforms in depth, both here and in New York later this week.

We've demonstrated our ability to generate significant cash through our strengthened business. And going forward, we look to allocate this capital to higher growth segments. These initiatives will focus primarily on our Sports and Wound businesses, where we leverage our capabilities in market access to develop compelling health economic outcomes, while investing productivity gains to further strengthen our commercial execution and innovation.

For example, we will accelerate our M-TECH platform capabilities to scale up solutions that we can deploy across the group through targeted inorganic partnerships. M-TECH is our term to define innovation across musculoskeletal technologies, to enhance care and healing.

Within our mature Orthopaedics business, we'll be focussed on allocating capital and deploying inventory to these platforms, which have proven returns, and these include robotics. We'll deploy increased free cash flow into our high growth, high return businesses, and see opportunity for M&A to support strategy to build on our areas of strength.

We recently appointed Ajay Dhankhar as Chief Corporate Strategy and Development Officer. Ajay has significant experience in health care strategy and M&A, having held leadership roles, including Global Head of Strategy at McKinsey, across all industries. And more recently, having served as Managing Director and Global Head of Medical Technology, Diagnostics and Tools at Lazard, where he led multiple high-impact transactions.

While there are many M&A opportunities in MedTech, we remain laser focussed on pursuing only those that fit our strategy. We have a strong track record of successful M&A, particularly where we've been able to add value by

deploying significant expertise in coding and reimbursement and medical education to accelerate new product routes to market. And a great example of this, of success, actually, is CARTIHEAL, which is an acquisition we made in 2023 through which we acquired AGILI-C, where we recently secured a new category 1, or CPT 1 code, which will be a game changer for us.

We've embedded new ways of working in Orthopaedics through our Ortho 360 programme, which is our way to operate this business better than we have in the past, intentionally balancing growth, margin, and asset deployment. Craig will take you through detail of this in a little bit.

We'll continue to reduce the complexity of our entire portfolio by exiting low return categories across Sports, Wound and Ortho, and improve inventory health by shifting towards higher turning SKUs and away from the slow movers. This will enable better service levels, and ultimately lower working capital. We'll adopt a single global ERP platform and will leverage analytics and AI to drive performance and productivity across the group. A single ERP system will drive simplification, standardisation of processes, and sharper execution through tighter controls. We'll employ AI, machine learning and data analytics to drive improvements in critical processes, such as supply chain, manufacturing, inventory management, and pricing. This will reduce our cost to serve and improve accuracy of our supply, inventory and operations planning down to the SKU level.

In commercial functions, we'll employ digital platforms to strengthen our customer engagement, expand virtual training and service, and generate evidence of value for our providers. Finally, we'll continue to drive group-wide productivity improvements and reinvest these gains back into innovation and our commercial capabilities.

But actions can only take us so far. Our purpose and culture will ensure successful delivery of our strategy. Everyone at Smith + Nephew is united by our purpose to allow patients to live Life Unlimited. This is supported by a strong culture which is developed by our colleagues and characterised by three pillars of care, courage, and collaboration. We're well prepared for the years ahead as we focus on our Way to Win by being better every day through the continuous improvement mindset that I referred to earlier.

I want to leave you all with some key messages. The 12-Point Plan has delivered, and we are now a much stronger business with a solid foundation to deliver the next phase of growth. We have an ambitious, yet achievable new strategy, RISE, which will enable us to reach 5 million more patients by 2028. Through increased investments in innovation and execution, we will drive share gains in Sports, Wound and move from category leadership to market leadership in these areas. We'll continue to gain share in our core ENT market, while maintaining our share in Orthopaedics. Our positive actions under Ortho 360 to normalise supply and right-size capacity sets us on a clear path to get to 20% margin in Orthopaedics by 2030.

Our continued focus on group wide productivity and further operational efficiencies will drive profit growth. And we aim to drive some 300 to 400 bps of Ortho margin expansion by 2028, and expect to exceed the 20% by 2030, and in the process, doubling our ROIC in that business. Finally, our strong cash generation provides optionality for strategic M&A to reinforce our success.

Before I conclude my introduction, I want to reiterate the financial targets that our RISE strategy will deliver. Through continued innovation and execution, it will drive organic growth to 6 to 7%, which will be above the market. And our continued focus on productivity, operational efficiencies, and capital discipline will drive 9 to 10% trading profit growth and get us to \$1 billion in free cash flow by 2028. And that will all result in 12 to 13% ROIC by 2028.



As I've mentioned, innovation is a key tenet of our strategy. I'm now going to hand over to Vasant Padmanabhan, who is our president of R&D, but also wears multiple hats and leads our ENT business and our Emerging Markets business. And he'll go into this in more detail. But while Vasant takes his place at the podium, I'd like to play a video that showcases our innovation strategy. Vasant, would you come up?

**Video** Innovation is the engine driving our next era of growth. Accelerating progress in M-TECH and Biologics. M-TECH is driven by our AI capabilities, shaping the future of musculoskeletal surgery, revolutionising surgical precision for greater accuracy and improved patient outcomes. Redefining surgical navigation, using AI and tracking to see previously unseen anatomy. Integrating novel sensor technology to reduce pressure injuries and unlock measurable cost savings.

In Biologics, we're not only treating symptoms, we're reshaping the disease trajectory, preventing cartilage degeneration by slowing, halting, and even reversing disease progression. Preparing tissue to accelerate healing in burns, wounds, and surgical sites, promoting the body's natural tendon regeneration, restoring function faster, and reducing re-tears. Our innovation engine, backed by compelling clinical evidence and proven economic value, is reaching more patients, improving more lives, and redefining what's possible in health care.

**Vasant Padmanabhan** Thank you, Deepak. I am absolutely delighted to talk about the role of innovation at Smith + Nephew and how it supports our strategy. I'd like to start by building on the comments Deepak made about our track record and rich history of disruptive innovation. Starting with Sports Medicine, we launched the DYONICS system that introduced arthroscopic visualisation and mechanical resection for the first time ever in the 1980s. We followed that up by launching an innovative technology for soft tissue resection called COBLATION.

Similarly, in Orthopaedics, we brought OXINIUM to the market, which is currently available in our LEGION and JOURNEY knee systems that Craig will cover later. OXINIUM is a unique, patented material that has the hardness and wear resistance of ceramic, but the strength and durability of a metal. This is in contrast to standard coatings used by many of our peers that do not have the same wear resistance, and can therefore peel or delaminate.

Also in Orthopaedics, our TRIGEN INTERTAN nail revolutionised hip fracture repair. And, as Craig will discuss later, we'll be launching the next generation nail in the coming few quarters. And finally, as Deepak mentioned, in Wound Management, we launched the first-ever portable single-use negative pressure wound therapy system, PICO, in 2012.

This level of innovation has been made possible through a consistent increase in investment in R&D. And I'm proud that we've maintained this investment through COVID and the 12-Point Plan. In fact, we'll be increasing R&D investment in 2026 and will continue to maintain investment at about 5% of revenue. For this investment, we have delivered an impressive cadence of new products, launching more than 75 products in the last five years, and have been punching above our weight. Looking ahead, we expect to maintain this cadence and add to our intellectual property with increased investment and new models of development with external partnerships.

Finally, our innovation portfolio has contributed and will continue to contribute to group growth in a meaningful way. Over the last four years, more than 50% of our revenue growth has come from new products launched within the last five years. And we will continue to deliver to this level in 2025 and beyond.

Here are some of the more recent major product launches that have driven growth and will continue to drive growth for the coming years. There are three key messages I want you to take away. First, we have a broad portfolio with product launches spanning the breadth of every business unit, segment, and sub segment.

Second, these launches comprise both incremental and transformative innovation. The former is very important to MedTech to maintain competitive differentiation, such as our TRIGEN nail. And the latter, like AGILI-C and REGENETEN, will enhance the standard of care, or create new categories entirely.

Third, looking at 2026 and beyond, we'll round out our knee portfolio with the launch of the LANDMARK knee that Craig will talk about later. And most importantly, we have two major scalable technology platforms that we call M-TECH and Biologics. I'm really excited to discuss these two platforms, which will deliver new products across multiple business units.

M-TECH is comprised of several technologies, visualisation, navigation, robotics, sensors, augmented reality, and artificial intelligence, to name a few. With the help of these technologies, we're able to provide our surgeons with the ability to see the unseen. And we do this by leveraging advanced AI and deep learning, to uncover critical insights and patterns that are not always visible to the human eye. And in order to provide M-TECH solutions that address the various unmet needs in surgery, we have built robust competencies in surgical robotics, deep learning algorithms, and advanced image processing.

These competencies will enable us to develop and deploy solutions. We accelerate several product platforms, including our handheld robotics platform, CORI, our spatial surgery platform for arthroscopy, TESSA. Our visualisation platform, INTELLIO and LUMOS, and our patient monitoring platform, LEAF. I'll be going into details of these shortly.

The second key innovation platform is Biologics, which, like M-TECH, is built to enhance quality of life through improve surgical outcomes. Biologics is an emerging fast growth segment in the wider MedTech space. And I believe that Smith + Nephew is unique in having a scaled platform with almost \$800 million of revenue across multiple business units, through products like REGENETEN, AGILI-C, SANTYL, and amniotic skin substitutes. These products continue to gain adoption in new areas and indications. And we have a pipeline of more new technologies that will further strengthen this platform.

CORI. When we embarked on our robotics journey, we noted that most competitive offerings comprised of large saw-based, fixed-arm systems, which essentially replicated how the procedure was already being done manually. Based on our assessment of the user needs and working with our surgeon customers, we decided to take a different approach. CORI was intentionally designed to make robotics scalable, flexible, and image agnostic. We are now developing the third generation of CORI, which is called CORI XT, and I'm absolutely thrilled to say that we just got FDA clearance of CORI XT, almost a quarter ahead of schedule.

This upgraded system will offer several unique advantages over the competition. Number one, it is flexible and scalable. As Deepak pointed out, it's able to work across multiple applications, knee, hip and shoulder, with a range of hardware and software and options to suit a wide range of surgeon preferences and settings, including the ASC. It is also the only system with an FDA approved revision indication. Our robot covers uni knees, total knees, revision knees, and then hips and shoulder as well. A truly comprehensive offering.



Second CORI provides handheld robotic position. And unlike competing systems with fixed robotic arms, CORI gives surgeons more control. Finally, CORI is image agnostic. It supports image-free planning that can streamline workflows, reduce costs, and reduce patient exposure to radiation, but also supports image based planning using both MRI and CT. Ultimately, with the CORI platform, we're well positioned to compete well, because we have well designed and clinically backed implants with a rapidly evolving robotic platform to drive procedure innovation across all major joints.

We acquired CORI through Blue Belt Technologies in 2016, which was a start-up out of Carnegie Mellon University. And as this page shows, we've launched since then almost 20 new functions or upgrades. And as Craig will cover in more detail in the next section, we are thrilled that CORI XT, our third generation, will lead to shoulders and hips in 2026 and 2027, respectively.

TESSA. TESSA stands for Tracking Enabled Spatial Surgery Assistant. It uses real-time tracking, augmented reality, and advanced imaging to help guide surgeons through arthroscopic procedures such as ACL reconstruction. And I'd like to use a car navigation analogy to explain the transformative power of TESSA. If the surgery is the journey and the surgeon is driving the car, then basic surgical planning is like reading a physical map and plotting the journey in advance. With TESSA's capabilities, the surgeon gets real-time assistance to stick to the surgical plan he or she created at the beginning of the surgery, just like Google Maps, making sure that the surgery is completed exactly as planned.

So, how do we do this? Preoperatively, TESSA uses sophisticated deep learning algorithms for segmenting image scans to create a 3D model of the patient's knee, as an example. This model can then be used by the surgeon to create the surgical plan. Then, intra-operatively using augmented reality and real-time video image processing, TESSA registers and overlays the 3D model in the live surgical field, thus enabling the surgeon to implement the surgical plan with precision and accuracy exactly as planned. In doing so, TESSA eliminates guesswork, reduces technical errors, and ensures surgeons stay on the most accurate path to optimal outcomes.

We acquired TESSA as a technology from P3D, a start-up company from Portugal, which has strong partnerships with the University of Coimbra. Like CORI, TESSA is a scalable platform for multiple arthroscopic procedures. We'll start with ACL reconstruction, adding features and functionality over time, and Scott will discuss TESSA in a lot more detail as well.

And finally, in Wound, our M-TECH platform relates to the incorporation of sensors to enhance patient care. LEAF is the first of this product from this platform, acquired in 2019 and designed to monitor and prevent pressure injuries. We're now developing our next-generation LEAF system, which will be cloud based, to drive more efficient installation and updates. By investing in digital capabilities, we will unlock faster innovation cycles and deliver enhanced value and service to our customers. Rohit will cover LEAF in his section as well. With CORI, TESSA and LEAF, we have three scalable M-TECH platforms that deliver products for the coming years.

Turning to Biologics, we see the opportunity to deliver solutions that address the full continuum of care. And we will do this via Prevent, Prepare, and Promote framework across musculoskeletal and wound care. Prevent is focussed on disease modification. And our goal is not just to treat symptoms, but to change disease trajectory, slowing, halting, or reversing progression. As an example, with AGILI-C, we're redefining early intervention, helping patients avoid joint replacement and restoring function sooner.

Prepare refers to tissue optimisation. Before any surgical intervention, we focus on optimising the biological environment, ensuring the wound or surgical site is primed for healing. With SANTYL, for example, we enzymatically remove non-viable tissue while preserving healthy tissue, creating an ideal foundation for healing.

And finally, Promote is our approach to accelerate healing. REGENETEN is a great example of how bio-inductive scaffolds can do this, restoring function faster and reducing re-injury risk. Together, this Prevent, Prepare, and Promote model demonstrates how Smith + Nephew is building a scalable, high margin Biologics platform, and could improve on technologies with the potential to expand further through strategic partnerships and M&A.

Innovation by itself is not enough to drive growth. And I'm so happy to talk about our track record of delivering compelling evidence through our centres of excellence in clinical affairs, market access, health economics and operations research. Through these centres of excellence, we're driving market access, reimbursement, and market adoption of our differentiated technologies. A few examples. In Sports, as Deepak pointed out, we recently were able to establish a new category 1 CPT code for our AGILI-C cartilage repair implant. This new code will streamline reimbursement processes for providers and payers, and support the integration of AGILI-C into standard clinical practice.

Another example in Wound, a recent study demonstrated the use of PICO post C-section significantly reduced the likelihood of surgical site infection and complications, compared to competition, leading to cost savings. And finally, we recently published Level 1 RCT data that showed that handheld robotic assisted total knee arthroplasty, also known as TKA, significantly improved patient outcomes at two years compared to conventional TKA.

I'm particularly proud of our recent progress with TULA, where we successfully navigated the US coding coverage payment journey in order to drive practice change. And in late October, the Centre for Medicare and Medicaid Services officially set a formal payment rate for TULA, which is an important step toward reimbursement by private insurance and more widespread adoption.

Innovation is not only about what we do, but how we do it. First, from a structural perspective, our innovation in new product development teams are business unit and customer focussed. Our innovation roadmaps and projects are driven by our business units and delivered by our cross-functional and multidisciplinary project teams. At the same time, our centres of excellence, whether it's in robotics or industrial design, or human factors or clinical operations, they work together across the enterprise to ensure efficient and consistent new product development.

We are collectively focussed on three imperatives, innovation that matters. Our engineers, scientists, and marketers work in partnership with our customers to identify solutions to meet unmet needs, and to turn those into products. Flawless NPD execution, led by the business units and supported by our project management office, we follow a prioritisation process to work with agility. And we also work with development partners across the world to drive new products to market. Compelling evidence of clinical and economic value. Finally, as Deepak has described, we create compelling evidence of both clinical and economic value to enable market access and drive adoption.

In closing, I'd like you to keep in mind these three messages, these key messages. We have a history of driving rich innovations that truly matter and punch above our weight in terms of the impact they've had on clinical practice. Our innovation strategy is led by our business units and supported by our enterprise wide centres of excellence and clinical evidence capabilities. We have two key, scalable, enterprise wide innovation platforms, M-TECH and

Biologics. We will continue to deliver both incremental and transformative innovation and maintain a strong cadence of product launches across all business units.

I am just so excited and confident that our R&D model, our people, our technology, and our capabilities will help our innovation engine deliver on our mid-term ambitions. I'll now hand over to the business unit presidents, starting with Scott Schaffner for Sports Medicine. But before Scott comes up, let's bring the focus back to our patients. They are the reason we do what we do. Thank you.

**Scott Schaffner** I never get tired of hearing patients talk about the kind of impact that we can have on their lives. It's very, very powerful. Thank you, Deepak and Vasant. Now, let me talk to you about our Sports Medicine business.

I am pleased to report that our Sports Medicine business commands a strong position in a very attractive market, worth some \$6.6 billion and growing at around 5%. This market serves a broad patient population, not just elite athletes, but people of all ages are more active than ever before, and they expect a rapid, full recovery when they get injured. Their doctors want to achieve the best possible outcomes, while treating them as efficiently and minimally invasively as possible.

At Smith + Nephew, we want to help our patients live Life Unlimited. And today, our Sports Medicine business is in a very good place to do just that. We occupy the number one or number two position in almost every sub-segment in which we compete, and consistently generate above market growth across product categories. We're executing well commercially through our dedicated global Sports Medicine sales channel, and performance is well balanced geographically, with our major regions and markets consistently delivering high single to low double-digit growth today.

Now, our roots run deep in Sports Medicine. We have truly been a pioneer, delivering innovations that have created whole new technological and procedural categories, and have advanced the practice of arthroscopic surgery globally. Here are just a few examples. Last year, we celebrated 30 years of saving the meniscus at Smith + Nephew. And in 2026, we will honour the 30th anniversary of COBLATION. Many of our innovations remain the industry gold standard today. And throughout our history, Smith + Nephew has played a pivotal role in shaping the world of sports medicine.

As a business, we've been building tremendous momentum in sports over the last 12 years, delivering 5% revenue CAGR, despite headwinds from COVID, global supply shortages and China VBP policies. This has resulted in seven percentage points of market share gains over that period. We've successfully integrated several acquisitions, significantly strengthened our product portfolio, and dramatically improved commercial execution, and actively invested in market development.

Now, as we embark on the next strategy as a group, our positive momentum will continue, and we are confident we can accelerate growth further through RISE. And as you might expect, our customers and the patients we serve must remain the centre of our attention. We will reach more of them by growing our product portfolio across core segments and expanding indications for REGENETEN and AGILI-C, driving wider adoption globally.

Innovation, as Vasant has outlined, will remain at the heart of what we do. We will launch our revolutionary, first-in-class TESSA platform, which, combined with extended indications for REGENETEN and AGILI-C, will help us achieve our ambition to be the number one sports medicine company in the world. Now, bringing innovation to life involves

more than just products and technology. We will continue to invest in market development. We will open market access with compelling clinical evidence and strong advocacy to drive coverage and reimbursement of our products. We will scale our platform by amplifying our digital marketing and medical education efforts. And, of course, as our portfolio grows in terms of size and complexity, our commercial teams must have the right scale, structure and support.

We will also continue to monitor and act on inorganic opportunities that support our strategy. We will ensure that our teams across all functions are well equipped with the proper tools, capabilities to execute consistently and efficiently. We will strive to be better every day through our continuous improvement mindset, and we will re-invest productivity gains to fuel future growth.

Now, I'd like to provide a little more detail on the strategic priorities that I've just outlined. Let's start with how we will reach more patients with our core portfolio. The core Sports Medicine categories in which we compete represent 85% of our business today, with the remainder driven by newer technologies like REGENETEN and AGILI-C. But our core represents our strong business foundation. Knee, shoulder, hip, and foot and ankle are the major procedural categories in Sports Medicine joint repair, collectively worth over \$4 billion. And within this, the largest subsegments, ligament reconstruction and rotator cuff repair, represent 1 million procedures annually, or \$1 billion in value. AET, which includes capital platforms and consumables required to perform these arthroscopic procedures, represents another \$2.4 billion. Underlying market growth and our continued success in these segments will remain critical drivers for us in our long-range plans. We have a robust R&D pipeline plan and new product roadmap in place to support the present and future health of our business.

Now, beyond our core, we own three highly differentiated and innovative platforms that have the potential to significantly advance arthroscopy and sports medicine surgery. Most companies would like to have one, and we have three. We have REGENETEN, AGILI-C and TESSA. I'm now going to take you through each platform in a little more detail.

When we acquired Rotation Medical and the REGENETEN Technology, we knew tendon healing was one of the most significant unmet needs in sports medicine. Since that time, we have fully invested in the development of REGENETEN. We have improved the lives of more than 200,000 patients and shaped how tendon tears are treated by sports medicine surgeons. The clinical data we've generated, with the help of the medical and scientific community, is compelling. A recently published Level 1 study, a multicentre, randomised controlled trial, shows a 65% reduction in retear rates when REGENETEN is used to enhance the repair of full thickness rotator cuff tears. And of course, lower retear rates link directly with better patient outcomes, faster return to activity, and lower overall burden on health care costs.

Based on this study and others we conducted, the American Academy of Orthopaedic Surgeons just updated its clinical practice guidelines, which will be published in 2026 to include a strong recommendation for the use of bio-inductive implants to augment rotator cuff repairs. And we will build on the success we've had with REGENETEN to date, and continue funding, studies, education, and awareness to support significant growth in the years ahead. And we have room to expand the use of REGENETEN for rotator cuff and other tendon repairs, including hip and Achilles, and see opportunities to further penetrate markets all over the world.

Now, cartilage repair has long been another of the holy grails of sports medicine. A significant problem in need of an effective solution. And after many years of scanning the landscape, we believe that AGILI-C has the potential to

revolutionise cartilage repair in the same way that REGENETEN is meeting unmet needs in tendon and ligament repair today. And we are earlier in our journey with AGILI-C, particularly when it comes to market access. But we love the AGILI-C technology. It is a simple, single stage, off the shelf solution for treating cartilage and osteochondral lesions in the knee, with or without mild to moderate osteoarthritis. And AGILI-C is the only FDA-approved device for this indication, having received Breakthrough Device Designation from the US Food and Drug Administration.

Since the acquisition of CARTIHEAL, we have worked to generate further evidence and establish widespread use of the AGILI-C implant. As a result, in October we announced that the American Medical Association established a Category 1 CPT code for procedures involving the AGILI-C cartilage repair implant, which will go into effect 1 January 2027. The new code recognises the clinical significance and the growing adoption of AGILI-C. This will streamline reimbursement processes for providers and for payers, support the integration of the implant into standard clinical practice, and unlock the enormous potential of the US market.

We are right on track with our plan for this product, and we are excited about the next steps. We will continue to build the body of clinical and health and economic outcomes evidence to support wider adoption and global market expansion for AGILI-C.

The TESSA concept began with our recognition of the role AI and advanced technology could potentially play in the future of arthroscopy. In 2020, we acquired a cutting edge company called P3D, as Vasant mentioned earlier, and integrated their expertise into Smith + Nephew. And after five years of investment and commitment to the programme, spatial surgery is now poised to be the next opportunity for Smith + Nephew to advance the way arthroscopic surgery is practised. Powered by AI and an Nvidia GPU, TESSA will combine personalised pre-operative planning with real-time intraoperative tracking, guidance and assisted arthroscopic navigation. And, as Vasant described, TESSA brings the navigation and safety systems we have in our cars today to arthroscopic surgery.

TESSA will connect with the Smith + Nephew arthroscopic tower and visualisation systems, including our next generation LUMOS platform. Over time, we anticipate TESSA supporting applications across the broad spectrum of arthroscopic procedures, starting with ACL reconstruction, where tunnel placement and trajectory remain significant clinical challenges. And that's just the beginning for the TESSA platform. TESSA is currently under review by FDA through a DeNovo 510(k) regulatory pathway, and we anticipate clearance in 2026.

We are excited about our innovation pipeline, especially the Big Three, which collectively are expected to contribute around \$400 million in revenue in 2028. They fit perfectly with our Sports Medicine business and align well with our enterprise innovation strategy on M-TECH and Biologics.

Now, to maximise the full potential of our portfolio, which will continue to increase in scale and complexity, and to support our growth aspirations, we will need to maintain the global commercial footprint, sales force capabilities and channel strategy to match. Therefore, we plan to reinvest productivity gains into commercial capacity, skills and tools, including AI salesforce enablement, to equip our sales teams for success. Our salespeople focus every day on serving the needs of our customers, and that level of customer centricity applies to all of us. We will elevate our customer experience at all touchpoints, including through a comprehensive continuum of medical education.

A medical education is one of the most significant ways in which we engage and interact with our surgeons. Med ed allows us to reinforce our priorities and drive innovation. And for many of these programmes, we utilise Smith +

Nephew Academies, our world-class medical education facilities throughout the US, in London, Munich, and in Singapore.

We have also been amplifying our volume in the market through a greater digital and marketing presence. You may have noticed our ongoing partnership with UFC and sponsorship of players at Wimbledon over the last couple of years, and our association with these highly recognised global sporting organisations has given us a unique platform. We are able to showcase our latest innovations in treating sports injuries and highlight how Smith + Nephew technology can serve the needs of both the world's most demanding athletes and, thankfully, for the rest of us, everyday people, too. Because, in truth, our purpose of Life Unlimited applies to everyone.

Now, finally, we'll step up our investment in R&D to ensure we remain the pioneer in Sports Medicine, leading the development of next generation of cutting-edge products, technologies, and categories. We are proud of our history in Sports Medicine. And as we look ahead, we believe the best is still to come. Our ambition is crystal clear. We will generate high single-digit revenue growth to become the market leader and drive margin expansion over the next three years.

I'd like to finish with just some key messages. First, we are very well positioned in Sports today with a strong portfolio and tremendous momentum. Combined with our robust R&D pipeline and our core fast growth categories, we will move from category to market leadership. We will invest in our Big Three platforms to expand the market and reach more patients. And we have a proven track record of developing early stage assets to create new categories. Our ability to reinvest productivity gains to fuel our growth will enable us to achieve our mid-term growth aspirations. I'm confident in our plan for Sports Medicine, and trust in our team to deliver it. I'll now pass it back to Vasant to talk you through our ENT business.

**Vasant Padmanabhan** It is absolutely my privilege to be back and present our ENT business unit strategy on behalf of our global ENT team and the patients we serve, mostly children. To begin with, I'd like to spend a few minutes on the ENT market. ENT is a fragmented market. In fact, there isn't a widely accepted definition for what it is. We've categorised the market into three areas. The first is core ENT, represented by the red section of the pie. And this is where we play today. And we have category leadership positions in tonsils, adenoids, turbinates and laryngeal segments.

The second is what we call the addressable market that we don't play in at this point in time. They are the pink sections, and that includes FESS, balloon sinuplasty, and eustachian tubes. When you put the core and addressable segments together, it represents more than \$2.3 billion in total, growing around 2%.

And then you have the third category, the dark blue sections are ENT adjacencies, including the much larger cochlear implants and sleep segments. Our ENT business, though smaller in scale than the other three businesses, with \$210 million in revenue in 2024, has delivered strong above market growth and a high trading profit margin, which is accretive to the group. More recently, we've been growing at high single digits, two to three times faster than the market, despite the fact that procedure volumes have remained flat since they began to stabilise post-COVID at the end of 2023.

This high growth has been possible due to market share gains and premium pricing for our innovative proprietary technology called COBLATION. Within COBLATION, one of the standout growth drivers has been COBLATION intracapsular tonsillectomy, CIT, and I'll discuss this procedure in a little more detail later.



The group strategy of RISE is a great framework for ENT, as we continue to drive sustained above market growth in our core markets. Expanding CIT and TULA to standard of care is the first step in our strategy to help us reach more of our paediatric patients. We believe every child should benefit from the fewer complications and faster return to normal life that CIT enables. With our TULA product, we wish to make in-office tubes an option for every child that needs it.

We already have a strong portfolio that represents the foundation of our business, and we will continue to drive it forward through innovation. Our next-generation COBLATION platform, called PHOENIX, is a great example of this. We will continue to invest in market development efforts, including medical education, value generating clinical evidence, and market access to expand market penetration. And finally, we will invest to make our commercial execution even more efficient. This includes strategic pricing, channel optimisation, ensuring the right go-to-market model to deliver productivity improvements, and best-in-class service. We'll also invest in analytics and funnel management with a speciality sales team to support TULA.

Let's go through the strategy in a little bit more detail. Tonsillectomy. We will reach more patients with CIT, which is now established as the standard of care for tonsillectomies and adenoidectomies. The biggest advantage of CIT is that it allows for the precise ablation of the tonsil tissue and minimal damage to the surrounding tissue, so that the tonsillar capsule is preserved. The post-operative patient benefit of this includes a 64% reduction in the risk of post-tonsillectomy haemorrhage, and being pain free 4.2 days sooner. Worldwide, there are about 3 million of these procedures performed annually and we'll grow market share to more than 20% globally. In some markets, like the UK, CIT already accounts for more than 40% of procedures.

TULA. TULA is an innovative approach for ear tubes or tympanostomy procedures. Around 650,000 of these are performed in the US every year, predominantly in children. A tube is placed in the ear to alleviate the build-up of the fluid that's quite common in general, but can lead to prolonged ear infection. With TULA, we have the potential to transform these procedures by eliminating the need for general anaesthesia. This means the procedure can be moved from the operating room to ENT physician offices, which not only lowers the cost significantly, but also allows the child to stay with their parent, sat on their laps, in most cases, throughout the procedure.

In order to increase market adoption of TULA, we're continuing to navigate the US market access coding coverage payment journey to help drive practice change. And I'm very proud to report, as I said earlier, that we made some great progress. And in October, the US centres for Medicare and Medicaid Services set a national payment rate for TULA procedures, with effect from 1 January, 2026. This outcome is a critical step, as we continue the market access journey, because the CMS rate serves as a benchmark for commercial insurers to set their own physician reimbursement rates and will ultimately drive greater adoption of TULA in ENT offices.

Our differentiated innovation portfolio, when combined with clinical evidence, medical education and commercial execution, is a key enabler. I've already described how solutions and throat and ear drive game-changing benefits for patients. And in nose, we have solutions for turbinates and septoplasty, which improve procedure efficiency and can minimise recurrent bleeding for those who suffer with severe nosebleeds with epistaxis.

I'd like to share our excitement about the future of our pipeline. Next year, we launch our new laryngeal wand, LYNX. This wand will allow us to expand into new indications in the laryngeal segment. Starting 2027, we have plans to launch a next-generation comprehensive COBLATION platform called PHOENIX, followed by wands that will unlock new capabilities, reduce COGS, and provide IP protection. PHOENIX will also support a new CIT specific wand called

AURA, which will leverage proprietary COBLATION technology and clog-resistant internal components to address unmet needs and drive further adoption of CIT.

Our ambition is clear. It's for ENT to deliver revenue growth above market, continue to expand the market with our new products alongside modest margin expansion, and reinvest productivity gains back into R&D. In summary, we have a strong category leadership position within the fragmented 5.4 billion global ENT market, and we have significantly outpaced market growth in recent years and will continue to do so. We will reach more patients and transform the standard of care with our disruptive new products, like CIT and TULA. We have a full pipeline of new products on PHOENIX, our new comprehensive ENT platform, and we will invest productivity gains in R&D, market development, and our commercial teams.

Thanks. We will now take a 20-minute coffee break. I'd encourage you all to wander around the product fair to learn more about our exciting innovation. Thank you.

**Rohit Kashyap** Welcome back, everyone, and thank you, Vasant. I really did hope TULA was around 11 years ago when my daughter was having the same procedure. That would've been awesome. I am Rohit Kashyap, President of AWM, and I'm delighted to take you through our business unit strategy. Which, as you will remember from the opening video, is where the company started back in the 1800s. But we'll jump ahead to today.

We operate in a large global market worth \$13 billion, and we are the second largest player with 13% market share. This excludes \$6 billion of revenue associated with skin sub products, where, as you all know, reimbursement changes will come into effect January of 2026.

The market is made up of three segments, mainly distinguished by their mode of action. Advanced wound care consists of dressings that passively create an optimised environment for healing. Advanced wound devices activate healing pathways in the body. And then advanced wound biologics that include biologically active components, like growth factors, to support healing. Smith + Nephew is the only major player that competes in all three segments and has a number one or number two position in each.

The total wound care market is very fragmented, with the top four players collectively making up 43% of the market. Excluding the rapid expansion of biologics, we still anticipate sustained mid-single digit growth over the next three years, driven by an ageing population, and the rising incidence of both chronic disease and complex procedures. In AWC, we are the second largest player, competing in the largest category of foam dressings with ALLEVYN. In AWD, we are the second largest player with RENASYS in traditional negative wound therapy, and PICO in single use negative pressure wound therapy. In AWB, we are the largest player amongst the established companies in a highly fragmented segment. And our major products here are Santyl Collagenase for debridement of wounds, and allograft or xenograft tissue products used for wound repair and regeneration.

We are strongly positioned to participate with a number one or two position in both the US and OUS, and in each of the three segments that make up the wound market. We have one of the broadest portfolios of differentiated products, an experienced leadership team, and following the 12-Point Plan initiatives, an invigorated business, which has delivered nearly 6% revenue growth ex-China, with continued margin expansion over the past three years. This performance has been achieved by focusing on key segments of the market with our strong culture of engagement and execution. We have improved our commercial rigour, built capabilities in key account management, and improved our go-to-market strategy in negative pressure wound therapy, and emerging markets.

Consequently, we believe we are now well positioned to deliver our new RISE strategy. And that would accelerate growth to become the global leader of wound management. We will reach more patients by taking our portfolio into high growth segments, offering solutions across the full continuum of care, from prevention to treatment, and expanding our global reach in emerging markets. We will step up our R&D investment to focus in areas like pressure injury prevention, chronic wounds, and surgical site complications. We will support innovation by increasing investment in compelling clinical evidence to shift adoption of these advanced therapies by demonstrating lower cost of care and better patient outcomes.

In Wound, we will scale by expanding our reach and deploying capital into high growth segments, where we can lead by adding channels and products. We will execute efficiently as we improve further our commercial engine to deliver sustainable growth above market. We will leverage digital tools to improve our productivity and effectiveness, and strengthen capabilities in pricing and national accounts. We will build on our foundational pillars of continuous improvement and customer focus. We win in Wound with our patient-first approach to navigate what is a complex market with unique treatment pathways and channels.

As Vasant has already covered, everything starts with a commitment to provide compelling evidence for the products that we have. We have more than 1,000 publications, and we partnered with societies and thought leaders to develop both real-world clinical and economic data. We have the broadest portfolio and continue to strengthen it with innovation. We have launched 20 new products in the last five years and have a full pipeline of products for the future. We build awareness by educating about 50,000 professionals each year and have teams around the globe that provide clinical and reimbursement support.

We have strong reach, with 1,700 sales professionals globally. All of which means we have scale and category leadership positions with several brands that are delivering more than \$100 million in annual revenue, helping patients to live their Life Unlimited.

Over the next three years, we will focus our resources on the five key market opportunities listed here. The breadth of our portfolio is well positioned to serve each of these opportunities by using products from across the categories of AWC, AWD and AWB, thereby increasing our participation in the highest growing segments of the market. These are all large market opportunities, offering mid-single or double digit growth. And our key products pictured here are well positioned in all five segments. With this portfolio, we will expand the market and drive share gains, moving from category leadership to overall market leadership. I will now take you through each opportunity in more detail, starting with pressure injury prevention.

Pressure injuries create a huge burden on both the patient's quality of life and the health care system. It is well known that turning the patient every two hours and using tools to redistribute pressure over bony prominences can prevent pressure injuries. Yet, the rate of injury has not reduced over the last couple of decades. Our data for LEAF and ALLEVYN clearly demonstrate that pressure ulcers are preventable in significant numbers. We are introducing new innovation in both monitor and prevent the pressure injury from occurring, with the launch of our next-generation LEAF and our new ALLEVYN complete care dressing. I will talk about this in more detail later and invite you to learn more about these products in the displays outside.

Chronic wound represents a huge market worth about \$5 billion, growing in the mid-single digits, due to an ageing population with increasing comorbidities. A staggering one in five patients with chronic wounds are readmitted to the hospital after 30 days. This is not only bad for the individual, but it also place a financial strain on the health care

systems. Healing chronic wounds is complex along the continuum of care, requiring a significant amount of resource in both the acute and the community setting. We are uniquely positioned with the breadth of our portfolio and that of our reach to meet these needs along the way, from prevention to treatment.

Our primary aim is to capture share in two large segments, form dressings and traditional NPWT. We will do this through solid commercial execution in combination with our enhanced portfolio, with the launch of ALLEVYN Complete Care and the next-generation NPWT systems. We see further opportunity for market expansion and share gain in emerging markets across our portfolio as well.

As I've mentioned ALLEVYN Complete Care multiple times, I would like to highlight why we are excited about the launch of this product, which addresses both the chronic wound healing market and the pressure injury prevention market. Our newest five-layer foam dressing has 51% superior exudate management. And with the new silicone adhesive, 95% stayed in place, compared to 91% for competitive products, making it a superior product for chronic wound healing.

Also, the dressing is the only five-layer dressing where the layers are not bonded, so prevent shearing of the skin, a feature we call SHEAR DEFENCE. This is in addition to the 55% greater reduction in strain relative to competition, making it ideally suited for pressure injury prevention market. I'm confident that as we introduce ALLEVYN Complete Care to the market over the next few years, we will capture share in the largest and fastest growing segments of wound dressing.

Surgical site complication is a \$2 billion market with double digit growth. Products in this category support the recovery of soft tissue injuries post-surgery. In patients with underlying conditions like diabetes, obesity, and smoking, post-surgical recovery can be compromised, leading to wound complications. The solution is to prevent these complications from occurring in the first place. Our PICO system has the most clinical evidence and the broadest set of claims, and has demonstrated cost savings that have been endorsed by the recognised assessment firms. This gives us the ability to position our product for maximum success.

In the near term, we are investing in further clinical and health economic evidence to continue to drive penetration and establish PICO as the standard of care for select procedures. We are partnering with both leading KOLs to generate the evidence and to educate the market, and you will have a chance to learn more about this at the New York event in a few days' time.

The wound bed preparation market is worth more than \$1.5 billion, with mid-single digit growth. It is critical to remove dead tissue from the wound bed if the wound has to have any chance of healing. The most common approach is to surgically remove the dead tissue, but this has obvious limitations related to site of care and skill. Our portfolio comprises SANTYL, the market leader in enzymatic debridement. And VERSAJET, a sharp debridement solution using hydrosurgery.

We have a really strong, compelling body of evidence showing the effectiveness of our products in burn patients and in chronic wounds. With more than 60% of the chronic wounds currently receiving inadequate debridement, we will remain focussed on optimising our go-to-market approach to best serve our customers, and to remove the friction that exists in getting the right product with the right dosage at the pharmacy.

Wound repair and regeneration is a market worth more than \$5 billion and growing in double digits. This segment comprises products for both surgical and chronic wounds, where there is a significant loss of soft tissue. Healing is

often complicated and requires a user of synthetic or biologic material to provide a matrix to support and promote cell proliferation. In some cases, the matrices also incorporate growth factors that simulate healing.

As I've already mentioned, there is a change to the reimbursement of skin substitutes in the non-hospital setting coming in January. We feel we have a strong portfolio with GRAFIX and OASIS, backed by our clinical evidence that allows us to compete effectively and gain share. We also recently launched CENTRIO, which will be used in combination with skin substitutes or on a standalone basis, and carries additional reimbursement in both the hospital outpatient and physician office channel. Our strategy is focused on developing products and strengthening the channel, while monitoring appropriate inorganic opportunities to support the growth in this attractive market.

Our ambition is clear. It is to deliver reliable, high single digit organic revenue growth as we move from category leadership to market leadership. Through our ongoing efficiency actions, we anticipate further modest margin expansion and a step up in ROIC. We will reinvest further productivity gains back into commercial execution, innovation, and market development to help fuel the overall top line growth.

In summary, we are the only player with leading positions in the three segments of AWC, AWD and AWB. We will move from category to market leadership by focusing on high growth segments and in emerging markets. Our broad portfolio and robust pipeline position us to capture share and expand the market with highly differentiated products, such as ALLEVYN Complete Care, LEAF and PICO. We will continue to strengthen our commercial engine through pricing excellence, key account management, and digital tools. And we will reinvest productivity gains in innovation, clinical evidence generation, and market development. My team is confident about delivering the commitments outlined here. With that, I will hand over to Craig to talk you through the Orthopaedics business. Craig.

**Craig Gaffin** Thanks, Rohit. It is my pleasure to present our Orthopaedic business to you today. The global orthopaedic business that we play in is worth \$33 billion, which represents the largest market that Smith + Nephew operates in today. As you know, the market is made up of a number of large players, and we have been able to maintain our number four position with a portfolio of highly differentiated products. Our sales are well balanced across our segments, with knees being the largest.

Recently, we have accelerated growth in the hip segment, driven in part by the recent launch of CATALYST. But we're also building a strong position in the faster growth markets of shoulder and robotics. We have pioneered handheld robotic surgery, which has led to strong adoption in both penetration and utilisation in the hospital and the ASC setting, in particular. Which I will talk about later in greater detail in this presentation.

I am really proud of the progress we have made as a business over the last three years. Fix Orthopaedics was one of the three pillars of the 12-Point Plan, and we are in a much stronger position today as a result of the actions we have taken. A crucial first step was the reorganisation of the business into a vertical business unit structure, with global alignment driving far greater accountability. This action allowed us to completely transform operations and revamp our commercial engine. We have strengthened our leadership team, restructured our sales territories and sales incentive structures, and have tightened performance management processes. As a result, we are in a great place today, with a strong platform and a springboard for future growth.

Signs of progress are showing in our top line. We have reinvigorated revenue growth in OUS ortho, US trauma, and US hips, increasing orthopaedic growth from just under 2% in 2022 to an anticipated 5% in 2025. Fix Orthopaedics was also about margin expansion. We have right-sized production, removing overhead, and driven productivity

across all areas of operations. At the same time, we've reduced inventory volumes, we've improved inventory health and improve cash flow.

We've become more disciplined with our deployment of capital. Restructuring our approach to innovation by prioritising key projects, combining this with an improved launch excellence process allows us to maximise commercial impact. These actions have driven a significant step-up in trading margin, around 300 bps since 2022, with nearly 500 bps increase in ROIC to around 7% this year.

Importantly, though, none of these actions have kept us from launching new innovative products like CATALYSTEM, AETOS and LEGION MS. And we have a great pipeline to come over the next 18 months that I will discuss in a few minutes. So, yes, there is still work to do, but the hard yards are behind us. And we will continue to operate in a better way to drive further growth, margin expansion, and an increase in ROIC. And I am really, really excited about the next three years.

We will reach more patients through a strengthened commercial organisation that will fuel growth by capitalising on our differentiated technologies through targeted global expansion. We will continue to innovate across our portfolio with specific call outs in knees, with the introduction of our new knee. And we will continue to develop CORI, our unique, procedurally scaled platform, offering even greater value to our customers. We will scale through disciplined capital allocation, precise inventory placement, and deliberate market-by-market strategies that we will execute with intent. With the continued shift of procedures to the ambulatory surgery centres, we are well positioned to drive growth in this channel.

Finally, Orthopaedics will execute efficiently, as we drive Ortho 360. Our enhanced operational model, which is now firmly embedded into our organisation. This model will drive clear choices in portfolio mix and go-to-market strategies, leading to continued improvement in inventory and portfolio optimisation. Let's dive into those aims in more detail.

Our goal to reach more patients starts with our strengthened commercial engine. When I became business president nearly two years ago, I revamped the leadership team, consolidated geographic regions from five to three, and right-sized our sales teams. We are laser focussed on having great talent at the field level management team, which I believe is the key differentiator. We changed our compensation programme from one that was driven by retention to one that rewards growth and excellence. Performance management is in my DNA. I set specific KPIs that flow through every layer of sales management. Everyone in the sales organisation knows what is expected of them. Sales leadership uses these metrics in their monthly reviews that play an integral role in the management of low performance.

I am really proud, too, of how we have streamlined the product launch process, as demonstrated by the successful launch of CATALYSTEM. The old product launch strategy saw new sets distributed evenly across regions. Leveraging my experience in trauma, launch sets are now sent to the top surgeon targets. We also now have key requirements before an asset is deployed. The sales force knows this, and it raises the bar on execution right out of the gate. Simply stated, the best targets get the sets. It's why, just one month after the launch of LEGION MS in September, turn rates are more than twice our target.

And it's not all about new deployment of sets, though. We closely monitor asset turns and surge in productivity. This oversight allows us to quickly redeploy sets where the need is greatest. This redeployment strategy helps us manage



our CapEx. With great support from my operations team, we can reduce yearly CapEx, which helps our margin and our inventory levels. Just to be clear, this isn't just a US thing, though. I am equally proud of my OUS team. Candidly, the OUS organisation was in better shape than the US when I started. But the shift to the BU model has given the OUS team line of sight to the full P&L. Now, the team has better visibility to balance the growth opportunity with the inventory and asset requirements in each market.

Finally, with all that we have done, I do want to add that the Gallup engagement scores were the highest since COVID. Which I believe is a clear reflection of people wanting to be a part of a high performance culture. Bottom line, I am really pleased with how we have progressed over the last two years. We are now much stronger as an organisation.

As Vasant has already mentioned, we believe our unique robotic solution, CORI, and its associated procedural applications, is the key to reach more patients as we unlock increased procedural growth across reconstruction. We have pioneered the handheld robotics market, deliberately choosing a path different from competing systems that offered fixed robotics arms. With over ten years of innovation, we have placed control in the hands of the surgeons.

CORI has the largest geographical footprint of any robotic system, and is currently available in 50 countries. In the US, in accounts where CORI is established, over 65% of knee implants are performed with robotic assistance. And our US knee growth is more than 850 bps higher in CORI accounts than in our non-CORI accounts. We believe we have a unique value proposition with one robotic platform for all large joints. Our platform offers a low cost of ownership, a clinically differentiated digital tensioner, and an ideal size for space constrained settings.

Our hit performance proves that our revamped commercial organisation is delivering tangible improvements, with 6% growth in hips versus the market rate of 4% since the launch of CATALYSTEM. This is a product that is special to me, because I am not only the Ortho president, but I am also a CATALYSTEM patient, having had both my hips replaced in the last year. In late 2024, I was one of the first hundred patients to receive this and was the world's first CORIOGRAPH hip patient. But don't worry, I don't test all our new products on me before launch. I wouldn't be able to travel.

Over 40% of US hip procedures are performed using the direct anterior approach. CATALYSTEM was designed to make this type of surgery easier to perform, and the system features a single modular tray to reduce sterilisation costs. This product is also a great example of our new launch excellence programme in practice. Our optimised launch process ensured over 50% competitive conversions. We continue to maintain a strong funnel, which leaves plenty more room for growth.

We anticipate further adoption as we build out CORI functionality. We already have preoperative planning with simulated patient movements to optimise outcomes, and we'll soon launch a robotic reamer and an automatic hip impactor. The planned launch of our RI.HIP intraoperative execution solution will complete our hip portfolio and make it probably the strongest hip portfolio in the industry.

As you know, our knee performance has lagged the market, driven by a mix of deliberate decisions we made and a shift in market dynamics. We have a strong portfolio, but it is complex with four knee families, ANTHEM, GENESIS II, LEGION and JOURNEY, which historically contributed to our excess inventory. In 2025, as core product availability was resolved through the 12-Point Plan, we began transitioning surgeons from GENESIS II to LEGION and JOURNEY,

to simplify our offering and improve efficiency. While this involves some trade-offs, it was the correct decision to make to drive margin improvement. And we continue to review our portfolio with the same disciplined approach.

You can also see in this slide that the market has seen significant shift in surgeon preferences in recent years, with a growing number of surgeons who wanted the cruciate retaining knee that offered cementless and medial stabilised options. Our complexity made it harder for us to respond to this shift as quickly as we would have liked, and as some of our peers did. And noticeably, the shift towards cementless and medial stabilise.

Coming into the role in 2024, I knew we had to address this to get back on offence, but do so in a way that was capital efficient and would continue to streamline the portfolio. This said, we have great products, but we also have a clear plan to build out the portfolio to leap ahead of the competition. We have already delivered our first step of this plan in Q3 2025, when we launched our LEGION medial stabilised knee. This meets the needs of a fast growing segment, and we are really pleased with our early momentum.

The next leap comes in 2026. By this time next year, we will have our most differentiated knee system yet, one that leverages the history of both our LEGION and JOURNEY systems. And this new knee is called LANDMARK. LANDMARK has been built off of JOURNEY's advanced kinematics, and will offer the next level of personalisation with enhanced robotic workflows and easier implementation. Available in both porous and cement, LANDMARK will leverage existing instrumentation, thereby mitigating the need for upfront capital investment. Leading to a more simplified, accelerated launch for both existing customers and new conversions.

It will have best-in-class tray configuration for maximum efficiency, making it particularly attractive in the ASC segment. We will launch and scale up LANDMARK, while continuing to drive a SKU reduction of over 30% in our femur portfolio. Again, this is an outcome of deliberate choices we have made, both through the design process and target portfolio mix. We will share more details on LANDMARK in the coming months. But as you can see, we are set up for success in the near term with the launch of LEGION MS, our differentiated CORI platform, which provides personalised solutions, and our digital tensioner for optimised ligament balancing.

OXINIUM remains a key differentiator for us. Our clinical results of over 2 million patients and a ten-year survival rate of almost 98% are a testament to OXINIUM's properties and its place for a range of patients, including those with nickel sensitivity. Coated implants are nothing new. In fact, we have seen several launched over the last two decades. Yet, none have come close to OXINIUM's adoption and clinical success.

All this, in addition to the upcoming release of our LANDMARK knee system, mean Smith + Nephew is poised to accelerate its performance in the knees segment, just as we have done in CATALYST and hips. I cannot tell you how excited my leadership team is about the potential for this new product.

While a smaller segment of orthopaedics with a global market value of 2 billion, the shoulder market is growing at 12% and presents an attractive opportunity for us. We are uniquely positioned for success as we leverage our existing relationships with shoulder specialists throughout our Sports Medicine business. Our shoulder business has grown double digits every quarter since the launch of AETOS in 2024. The system meets surgeons' needs across total shoulder, reverse shoulder, and short stem procedures with market leading tray efficiency.

The recent launch of our pre-operative CORIOGRAPH software creates a key point of differentiation versus other shoulder systems, as it provides surgeons with valuable information to help personalise the procedure in line with the patient's specific active daily living needs. The differentiation will be further enhanced by the launch of our RI

shoulder execution solution, which I am really proud to announce that I got a call late Friday night, that we got that approval. As Vasant mentioned earlier, it was a quarter earlier than expected, so great job by your team. This will leverage CORI's handpiece design and function to support preparation of both the glenoid and the humerus for reverse and anatomic procedures. We are taking the lead in robotics for shoulder.

While we have delivered recent innovations in our Trauma business, most of our actions over the last three years have been focussed on efficient execution. You will be well aware of the unique nature of the trauma market, leading to high levels of slow moving inventory. And a lot of the focus of the 12-Point Plan was to right size this business to profitable growth. I previously led the Trauma business here before assuming responsibility for Orthopaedics, so I am particularly pleased by our performance to date, driving growth above the market rate. With a deliberate focus on certain key subsegments, where we have truly innovative products.

The core Trauma segment and our key markets is worth 6.3 billion, where we now have 8% share. We will continue to invest strategically in new product development, as evidenced by the recent launch of TIBIA MAX nail to strengthen our nail portfolio. And Core Trauma has been a key driver of ortho margin expansion over the last three years. Over the next three years, we will continue to further reduce trauma inventory, working in close partnership with our operations team to ensure our set deployment hits our key term metrics.

The reason why I'm so excited about the future is that we have a front loaded pipeline that will deliver a robust cadence of new launches over the next 18 months. As I've covered, this pipeline will, one, build out our knee portfolio with the introduction of a brand new, differentiated knee, combined with more streamlined and enhanced CORI workflow. We'll launch a new CORI XT console and increased CORI functionality, creating even more differentiation across every major joint.

Finally, Core Trauma continues its innovation cycle with the launch of INTERTAN MAX and EVOS pelvic. Now, while I'm really excited about getting these new products to market, there is one channel that will really support our scale ambition, the ASCs. As we all know, COVID was the accelerator in the site of care shift from inpatient to outpatient. And that is a trend that we expect will continue for many years.

There are currently over 4,000 ASCs in the US. And while there are many similarities to a hospital's requirements, there are also some critical differences it needs, due to constraints such as space and sterilisation, that will position us well to win. First, let me start by saying I'm pleased with our performance to date and the ASCs. We have above market share in knee and hip implants and a high installed base of CORIs. In fact, 25% of all our CORI systems are in ASCs, and the rate is accelerating, with 35% of our total units sold in ASCs this year.

The unique features of our robot are clearly resonating with our ASC customers. We deliver a comprehensive and effective solution to ASCs. It starts with our strong implant portfolio across knees, hips, and shoulders where, as you know, procedural growth is really accelerating with the recent changes to CMS. Yet, while the strength of our implant portfolio is important, tray implant efficiency is equally important, perhaps even more so due to the sterilisation challenges and leaner staffing.

All our new platforms have been deliberately streamlined, which is why both our CATALYST and AETOS systems, with one to two trays each, have been so well received. You then follow this up with enabling tech tailored to an ASC. Why? Well, let's look at CORI with its differentiated procedural breadth, covering all large joints. Its small, portable footprint is optimal for space constraints, and its portability allows the centre to give better utilisation,

which only adds to our favourable cost of ownership. This is really important, as ASCs encounter different financial challenges from hospitals.

And then, finally, we can leverage the strength of our Sports Medicine business with their leading footprint in ASCs. They have been an incredible partner to our orthopaedic business, allowing us to benefit from their relationships and their scale.

As Deepak laid out earlier, a critical intent of the 12-Point Plan was to fix orthopaedics, building off that momentum and the new ways of working I have already described. I then implemented Ortho 360 at the start of this year. Our Ortho 360 model is designed to unlock value and eliminate past inefficiencies. Previously, under the matrix structure, coordination was low, goals misaligned, and incentives conflicted. Regions held decision rights that often optimise local trading margin at the expense of global performance. This led to an inaccurate demand signal, poor portfolio execution, and SKU proliferation, as regional teams acquired products that only had local relevance without global coordination. This drove excess inventory, increased operational complexity, and eroded returns.

Ortho 360 changed this. With globally aligned decisions and clear focus on returns, efficiency, and disciplined portfolio management, it is steered by my global leaders across commercial, supply chain, manufacturing, and finance. Objectives and metrics are integrated cross functionally. We have defined market parameters that drive deliberate choices in our portfolio simplification, efficient use of capital, and an optimal cost of serve.

Finally, we will continue to strengthen our sales inventory and operations planning process, which I probably will refer to SIOP moving forward, if that's all right. It's a mouthful. But that will further mature to an integrated business process in 2026. This will deliver continued inventory and DSI reductions, unlock E&O savings, and ensure all ortho teams worldwide operate under one set of numbers.

Ortho 360 is our powerhouse and the driving force behind our trading margin expansion, ROIC improvement, and cash flow generation. As we announced this morning, our Ortho 360 model has identified opportunities to simplify our product range. This work builds on the portfolio rationalisation that started with the 12-Point Plan. We had 128 major product families across the Orthopaedic business before the 12-Point Plan.

Under the first wave of rationalisation, we identified 19 families to phase out, and a gradual process to protect revenue. The majority of those families were knees and hips. And today, we are about 50% through that process. Today, we have commenced wave two, identifying a further 50 families to phase out, predominantly in Trauma. We expect to complete this process over the next three to five years, by which time we will have just 59 product families, a reduction of 54% since the beginning. We anticipate that wave two will reduce gross inventory by about 500 million.

To achieve this significant and ongoing reductions in the capital requirements of the business, we will take a non-cash provision in our 2025 accounts, which we currently estimate to be around 200 million. Combined with the expansion and redesign of our life cycle management process, this will leave our portfolio simpler, easier for customers to understand, and puts the company in a stronger position to drive growth, improve margins, and improve capital returns.

We've strengthened our portfolio, developed a pipeline of exciting products that will launch over the next 18 months, and transformed our commercial manufacturing processes. The hard work is behind us, and that's thanks to

the outstanding efforts of our operations and supply chain team over the last three years. I now want to lay out how we will get back to 20% plus margins and 13% ROIC.

From 2017 to 2021, overproduction drove excess inventory. In 2022, we deliberately reduced production below demand to correct this, which temporarily pressured margins because of lower cost absorption and increased inventory value. The introduction of our SIOP process aligns supply and demand at the SKU level, which has improved product availability and overall inventory health. To further optimise operations, we've right-size capacity by closing five sites, and reducing both overhead and headcount.

Ongoing productivity initiatives are now helping to offset inflation. And the combined impact of these actions is a reduction of standard costs. As a result, inventory would be revalued downward, creating short-term margin pressure, but this sets the stage for margin expansion moving forward.

Portfolio rationalisation remains a key focus, ensuring that resources are allocated efficiently. And when combined with the Ortho 360 operating model, we will balance growth, profitability and asset efficiency as the organisation moves forward. I am confident that continued growth in revenues, combined with the impact of actions already taken and our Ortho 360 operating model, it will deliver significant margin and ROIC expansion.

Now, let me walk through this in a little bit more detail. Here, you can clearly see the level of overproduction we inherited. From 2017 to 2021, production exceeded demand, inflating inventory and complexity. In 2022, we corrected the demand signal and scaled back output. A bold move, given product availability concerns at the time. We also reduced overhead to match demand, carrying some unabsorbed costs initially. But now, as volumes grow into remaining capacity, we're improving leverage and lowering standard costs, further strengthening margins.

Now you can clearly see how we cut back production versus capacity, creating short-term margin pressure. We reduced our manufacturing footprint by 33%, closing five of eight sites and cutting headcount by 30%. We saw zero disruption during this period, and, in fact, saw an overall improvement in both product availability and employee engagement. This was a fundamental reset to drive productivity and lower costs sourcing, while preserving enough capacity to meet demand through 2030 without major investment.

Memphis is transforming through operational excellence and automation, while Malaysia, our purpose built site, provides low cost capacity to support the majority of our OUS needs. Together, these two sites deliver over 80% of production, doubling revenue per square feet and reducing overhead. Our positive actions to correct for the overproduction of the past have had a profound impact on inventory and our cash generation. But to date, these impacts have been masked by the associated inventory revaluation. You can see that we have significantly reduced our inventory volume since the peak in 2022, which was exacerbated by the acquisition of Integra and the launch of EVOS small plates.

While we rapidly reduced our manufacturing overhead burden, we went even faster with our production cuts. This preserved cash and drove down raw material purchases, but left us with stranded overhead burden. While we reduce the absolute number of units in inventory, the value of those units increase, as you can see on the right-hand side. As our cost reductions have now caught up with our volume reduction, we will see inventory revalued downwards from 2026.

The chart below clearly shows how our standard cost has moved over the past few years through high inflation and unabsorbed overhead. The rate of increase has slowed since 2024, and in 2026, as a result of the footprint and

productivity actions I mentioned earlier, we see standard costs start to reduce and continue to reduce throughout the next five years. Most of the actions and costs required to deliver this improvement are already complete.

As the manufacturing variances unwind through the P&L, we can see the net margin impact, shown here on the left-hand side. In 2023, reduced absorption and inflation have a negative impact on net productivity and net margin. As costs are reduced through network optimisation and the benefits of lean manufacturing and improved SIO planning, this leads to a positive net margin impact in 2024 and beyond. On the right-hand chart, you can see the impact of the inventory revaluation unwind on the P&L. This has had a negative impact on margin in 2024 and beyond, and has masked the operational improvements shown on the left-hand chart. We expect to see a continued headwind to margins in 2026 from this inventory reval unwind, which should start to reduce in 2027 and beyond, when the full operational benefits flow through to the P&L.

The Orthopaedic business has a clear path to more than 20% margin over the next five years, with some 300 to 400 bps of expansion by 2028. The primary drivers for margin expansion are continued revenue growth and disciplined P&L spend. The impact of decisions made on manufacturing footprint, country and portfolio mix, will also support margin expansion, helping to offset the impact of inflation and tariffs.

As I've just described, inventory revaluation is pressuring margins through 2028, with a significant impact in 2026. But our actions will provide sustainable, long-term reductions in the cost of production. Beyond 2028, revenue growth will continue to drive margin accretion, and disciplined P&L management will drive further margin expansion, while absorbing all inflation impacts. As costs to produce target level off at future target rates, the impact of revaluation will provide a tailwind toward the 2030 margin ambition. ROIC improvement will come from improved profitability and our diligent use of capital.

Our ambition is clear. With a steady cadence of new product launches over the next 18 months, and a uniquely positioned robotic solution, we expect to return to market growth in knees, while maintaining growth at or above the market in hips, shoulders, and trauma. We anticipate further margin expansion with a 300 to 400 step-up between 2025 and 28 and continued expansion in ROIC.

I've covered a lot today. I want to leave you with six things to remember. We have strengthened and upgraded our commercial engine and significantly improved growth. Our differentiated portfolio, exciting pipeline and launch excellence process will help us reach more patients. Our unique CORI platform will fuel procedural growth, offering solutions across all large joints. We will transform knee growth with our LANDMARK system, replicating the success we have seen in hips and in trauma. We will win in ASCs with tailored, efficient solutions which complement our CORI platform. And finally, our Ortho 360 operational model is the powerhouse to drive further operational efficiencies.

I want to close by saying, we have the people, products and plan, and are poised to deliver on our commitments. With that, I'll hand over to Elga to talk you through our culture and Way to Win.

**Elga Lohler** Thanks, Craig. I'm Elga Lohler, Chief Human Resource Officer here at Smith + Nephew. I'm excited to have this opportunity to share with you how Smith + Nephew's unique purpose of Life Unlimited, and our culture of care, collaboration, and courage have contributed both to our performance over the last couple of years, as well as positioned us to execute our RISE strategy. But first, let's hear what our colleagues feel about working at Smith + Nephew.



**Video**

Smith + Nephew is a fantastic organisation to work for. I'm grateful to be part of a team that values quality, development and mutual respect. The culture here makes it easy to stay motivated and do my best work every day. I am glad to be a part of Smith + Nephew. Working for a leading medical device company is rewarding. I appreciate the opportunities to learn, grow, and contribute in a meaningful way. I truly value the trust and encouragement extended by the leadership, which plays a vital role in keeping us motivated and engaged. The idea of restoring health and enabling life resonates deeply with me. The culture, vision, and employee centric policies have made this a standout place to work. The combination of leadership, a caring and collaborative environment, and a strong market standing makes this an exceptional workplace.

**Elga Lohler**

At Smith + Nephew, our purpose of Life Unlimited serves as our North Star. It resonates deeply with our employees and guides everything we do. Our strategy, our culture, our engagement, and our performance. It aligns our employees with shared objectives, informs our decision making processes, and supports long-term success by imparting that purpose to all our work.

This approach establishes a direct and significant link between the actions and the value delivered to our key stakeholders, our customers, and their patients. However, Life Unlimited does not stand on its own. It's activated through our culture, a culture that was co-created with our employees to promote global ownership and ensure sustained alignment on the what and the how, through all strategic decisions and daily activities. And it fosters a workplace that is productive and highly engaged.

Hearing this in the direct words of our employees in the video you just saw, is more powerful than any presentation. It's a clear, important differentiator that our culture is at Smith + Nephew. And I can say this because I'm not just the chief HR officer here at Smith + Nephew, I'm also a 20-year employee. And I can tell you with great, great confidence that I've seen more progress, both operationally and culturally, over the past three years here at Smith + Nephew, than in the 17 years before combined. I have seen how this integrated framework of our purpose and our culture has provided the clarity and motivation during our transformation. Even during times of intense, intense change, this framework has anchored us in why this transformation is necessary, and it's enabled us to give tangible examples of how the behaviours we are driving are connected.

For example, the KPI mindset and the high levels of accountability we built are tied directly to our culture of courage. The commercial and operational partnership that was necessary to address the supply chain challenges was a clear example of improved collaboration. And even those most difficult people decisions, restructuring to a business unit verticalization, which impacted people in roles, was handled and carried out with respect and fairness, a clear link to our culture of care.

As I mentioned, these cultural pillars are not just corporate phrases that were developed by a marketing company. No, they were co-created with our employees through focus groups that were centred on the kind of organisation we wanted to be for ourselves and for our stakeholders. Seeing these phrases echoed back is the most powerful way, and creates this unique, natural way for our employees to connect, live, and breathe them every single day.

And the impact is quite evident. I see it in our employee referrals, our inclusion and belonging events. Our employee and inclusion groups at Smith + Nephew. Our wellness activities, our flexible working arrangements and the operational impact we have seen in the 12-Point Plan delivery.

Over the three years, the 12-Point Plan has significantly strengthened both discipline and accountability. We've strengthened these behaviours by moving to a BU verticalized structure, where they are clear points of accountability, and we ensure that every single people leader has KPIs that are aligned to that strategy. KPI delivery is a non-negotiable, and we believe that what gets measured gets done. Objectives and those expected behaviours are cascaded from our executive leadership team, and they are cascaded to every single employee. Why is this important? Because it ensures that we have alignment and connection, which in turn results in that higher level of engagement and performance.

Clear objectives cascaded to the organisation with KPIs have built the rigour and the discipline, and we are now instilling continuous improvement mindsets, which will further strengthen and operationalise with our Way to Win as an enabler of our RISE strategy.

Just as we measure and continuously improve our business performance, the same is true for culture and engagement. We prioritise measurement of our employee engagement and our culture as our operational heartbeat. Our annual Global Employee Survey, using the Gallup Q12, measures how well care, courage, and collaboration are embedded, by asking employees about experiences that reflect these values. For example, feeling supported and recognised, directly linked to care. Having opportunities to take initiative and share their opinions, directly linked to courage. And working effectively towards common goals, directly linked to collaboration.

And high engagement scores indicate that these culture behaviours are consistently lived. And as the slide illustrates, our engagement scores, measured by Gallup, have consistently improved. This stability, achieved despite internal and external changes, confirms our culture's resiliency. And as a result of this consistent focus on culture and engagement, we continue to make good progress, even as we've executed some operational and organisational transformations. In fact, we've received Gallup's Exceptional Workplace Award for two years running, and in fact, I've just been invited to participate for a third year.

Not only have their engagement scores improved, but so have our participation rates, reaching 95% in this year's administration of the survey. We don't incentivise our employees to participate. We simply ask them, letting them know that their views matter. Increasing participation rates tell us that our employees see the value in participating in a survey because their feedback will result in positive change.

Part of this reason for this trust is the rigour that we have embedded in the way we do engagement at Smith + Nephew. It's not a nice to do. It's part of the way we do things, our operational rhythm. And it's personal for our employees. It's personal to me, and it's personal to our leadership team. Following our annual Employee Survey, our Executive Committee has a full review of those results, including any areas of strength and areas of opportunity. And we look at it through multiple dimensions to identify any of those big themes that may need to be targeted for an intervention or reinforcement.

By strategically managing our culture, measuring engagement, and fostering the environment where employees thrive, we are not only creating a workplace, we are, in essence, doubling down on our odds of success across every critical business measure. We know that when employees feel connected to our cultural pillars, they are more motivated, they are more productive, and they are more emotionally connected. This means that our culture is not just stated, but experienced daily.

As our business evolves, so does our culture. And this next evolution of this is our Way to Win. Our purpose and our cultural pillars will remain unchanged. But through our Way to Win, we will build and strengthen those behaviours we've developed over the 12-Point Plan, clearly aligned with those cultural pillars. Our Way to Win is a programmatic, continuous improvement framework, which will include tools, behaviours, and mindsets that will allow us to be better, better every day for our customers, their patients, and each other.

Giving you a few examples of the areas that we will focus on. We're going to continue to strengthen accountability by focusing on clear leadership expectations, dedicate time to thorough strategic workforce planning, and shift intentionally from performance management to performance enablement. To strengthen continuous improvement, we are hardwiring consistent, repeatable Lean/Six Sigma processes to ensure behaviours of accountability are systemic and not episodic. And to continue on our path to higher engagement, and thus higher performance, we are upgrading programmes such as our recognition programme, offering rewards for differentiated performance, and refreshing our employee value proposition.

In closing, our culture has enabled us to navigate market volatility, drive operational efficiency, and deliver on our commitments to our investors. And as I look to 2028, our vision is clear. To be a future-ready organisation that is high performing, delivering Life Unlimited for our patients, our customers, our employees, and our shareholders. And our culture will continue to be the multiplier of our strategy, enabling us to adapt, innovate, and grow, and sustainably rise to new heights of performance. Thank you. I'll now hand over to John to talk you through the financials.

**John Rogers** Thank you, Elga, and good afternoon, everyone. As Deepak has already covered, the 12-Point Plan delivered a very strong turnaround in financial performance, with revenue growth acceleration, margin expansion, and a step up in both free cash flow and ROIC.

I'm not going to drain this slide, as I think the numbers speak for themselves, but I would like to go off script just a little here and just say a big thank you to Deepak for his leadership over his life and the 12-Point Plan. And also a big thank you to the team for the results that have been delivered.

I'm particularly pleased with the margin expansion over the period 2022 to 2025, given the significant, unforeseen headwinds we experienced. Not just higher cost inflation for longer, but VBP in China, and to a lesser extent, FX. Collectively, these represent around 1,000 bps of impact. But through revenue leverage, our disciplined focus on operational improvements, we were able to more than offset this and are on track to deliver around 220 bps of margin expansion. This includes over 280 million of savings delivered through our 12-Point Plan and Zero Based Budgeting programmes. With more savings to come in 2026 and beyond, which I'll take you through in a later slide.

Craig has already taken you through the impact of the actions we took to optimise our orthopaedic manufacturing network and our focus on lean manufacturing. But I wanted to demonstrate the progress we've made to reduce DSI, day sales inventory, across the group. Inventory volumes have fallen, albeit absolute inventory values have remained relatively flat due to the impact of the inventory revaluation. As Craig covered earlier, inventory health has also improved. There's also been a significant reduction in DSI by each business unit.

By the end of 2025, enterprise DSI is expected to be down around 10% from 2022, with Ortho improving by around 20%. Looking ahead, we see further structural gains. By 2028, we project best-in-class DSR in Sports and ENT, and

Wound. And performance well within industry norms in Ortho, driving a 35% plus enterprise DSI reduction versus 2022.

Now, given that we are nearly at the end of the year, I thought you'd all appreciate an update on trading to date. As we said at the Q3 results in November, we remain on track to meet our 2025 guidance of around 5% revenue growth and are now confident of delivering a trading margin of at least 19.5%. We now expect free cash flow to be around 800 million versus the around 750 million we guided to at our Q3 trading statement, and significantly ahead of our original 60 million expectation at the start of the year.

This improvement has been driven by continued operational cost savings and discipline in working capital, particularly a reduction in inventory. We also expect a step up in our ROIC to over 9%, exceeding our cost of capital for the first time in a few years, primarily driven by a doubling of our Ortho ROIC year on year. All of which sets us up nicely for 2026.

Now, we wouldn't normally give guidance to 2026 until the prelim results are presented in March, but we feel it would be helpful to lay out some of the key drivers to support your understanding of the trajectory of the new strategy. As I've already said, we anticipate sequential improvement in revenue growth to around 6%, with profit growth ahead of revenue growth. We expect continued strong cash generation, leading to free cash flow around \$800 million. And finally, ROIC will step up again to above 10%, significantly ahead of our WACC.

Despite the significant headwinds in 2026, we expect to deliver profit growth ahead of revenue growth. Let me walk you through the margin bridge for 2026 set out on this page. First, there's the usual impact of cost inflation. Then we have specifically called out those areas where we're investing for growth. These are the investments necessary in our business to drive our sales CAGR from around 5% to 6 to 7% over the next three years. These include investments in areas such as medical education, clinical evidence generation, and strengthening our commercial execution, as called out by the business unit presidents earlier in their presentations.

Then we have the impact of the inventory revaluation that Craig took you through earlier. As he said, this will start to reduce in 2027, but we have a year or so to work through where it has a meaningful impact. Then, of course, the impact of tariffs and changes to wound reimbursement, where we called out the 25 to 50 bps of headwind at our Q3 trading statement. And lastly, the small impact of VBP in China, which continues to be a drag, albeit a much smaller one than historically, as China overall becomes a much smaller percentage of our business.

These are offset by good revenue leverage delivered by the 6% revenue growth and further operating savings that I'll take you through on the next slide. We anticipate operational savings of circa 150 million in 2026. Roughly half from our 12-Point Plan and Zero Based Budgeting savings, and half from other opportunities above and beyond this. If you remember, we set out plans at our interims in 2024 to deliver 12-Point Plan, ZBB savings of 325 to 375 million by 2027. And I called out earlier savings of circa 280 million anticipated to the end of 2025, giving us another 50 to 100 million of savings through 26 and 27. And you see this on the chart on the right-hand side.

Notwithstanding considerable margin headwinds, these operational savings give us confidence that trading profit will grow ahead of sales in 2026. And I'll provide a little more detail on these operational savings when we come to our prelims next March.

As I set out earlier, we made great progress through the 12-Point Plan to build a much stronger business, and are now poised to elevate the company through our new RISE strategy. As you've seen laid out by the BU presidents, we

have a clear path to revenue growth acceleration through improved commercial execution and new product development. By expanding the reach of our existing portfolio, delivering innovation at scale, and disciplined strategic investment, we are targeting 6 to 7% revenue CAGR over the 25 to 28 period, a step up from our 5% growth trajectory over the last few years.

And through efficient execution, commercial excellence, and our culture of continuous improvement, we expect to see continuous margin improvement. We've demonstrated an ability to deliver significant operational savings across the business, spanning manufacturing, procurement, warehouse and distribution, business support, sales and marketing, and have now embedded this culture of continuous improvement in our day-to-day operations. We're targeting a 9 to 10% profit CAGR over the 2025 to 2028 period.

You've heard from Deepak earlier how we will remain laser focussed on cash generation through delivery of high group revenue growth and efficient execution. We will continue to reduce inventory, as I covered earlier, and expect to see continued low restructuring charges in the coming years. Consequently, we expected to deliver over a billion of free cash flow in 2028. We anticipate improved trading profit margin and working capital, driven by better asset efficiency alongside lower inventory, particularly in orthopaedics.

You've also heard Deepak mentioned that we expect to scale through strategic investment with disciplined capital allocation to the higher growth Wound and Sports businesses, which deliver overall high returns on capital. Consequently, we expect to increase ROIC to 12 to 13% by 2028, all of which will unlock significant shareholder value.

This slide summarises the financial role now played by each business unit in contributing towards our RISE strategy. You'll notice that the majority of revenue growth will come from our Sports and Wound businesses, which are exposed to faster underlying market growth, and where we see greater opportunity for innovation and high returns. That said, we also expect the Orthopaedic business to grow as we build out the knee portfolio and invest in CORI, taking advantage of the expansion of the ASC channel in particular.

Trading profit is expected to grow faster than revenue through greater growth in the higher margin Sports and Wound businesses, and group wide efficiency improvements. But the greatest driver of group margin expansion in this next three-year period is the Orthopaedics business, as we build on our 12-Point Plan initiatives and drive a step up in margin to over 20% by 2030, as Craig set out in detail earlier. In line with the above, while we anticipate continued improvement in ROIC in each of our business units, the greatest increase, again, will come through Orthopaedics, where we target not only a step-up in margin improvement, but also a greater focus on set turns and inventory reduction, both of which contribute to a significant step-up in ROIC. We aim to double our Ortho ROIC by 2030.

Coming on now to our capital allocation framework. As before, we will prioritise investment to drive organic growth and then inorganic growth to expand into high growth segments. We'll deploy our increased free cash flow into high growth and high return businesses and see opportunity for M&A to support our strategy and build on our areas of strength, while being disciplined about only pursuing those opportunities that fit our strategic objectives. We are willing to increase our leverage beyond our target for acquisitions with a deleveraging profile, back to target within the following 18 to 24 months. And, of course, any surplus capital will be returned to shareholders. As example, we just completed our 500 million share buyback earlier this year.

Right, now it's time for a well-earned coffee break, after which we'll move to our panel Q&A session with all the speakers you've heard from today. Please be back in your seats by ten past four. Thank you.

**Deepak Nath** Welcome back. We're saving the best for last. This is the Q&A. We'll spend 45 minutes, so we'll just make sure we're all on time. So far, we've been doing all right. We ran over about five minutes in the last session. We'll take 30 minutes in terms of questions in the room, and then the balance of the webcast, if we don't have any, we'll come back here in the room, and then we'll just have some closing remarks from me, and then we'll have some more time on the foyer so you have the opportunity to interact with us and the extended team. That sound like a plan? With that, fire away. Hassan, you're right in my line of sight, so I'll go with you.

**Hassan Al-Wakeel** Good afternoon. Thank you. It's Hassan Al-Wakeel from Barclays. Three, if I can. Firstly, can you talk about your growth ambition and what, to your mind, is driving the acceleration, not only from this year, but also into 2027? What is being assumed for price and volume in Ortho over the period? And how much of a buffer have you built in for the potential for slowing hospital utilisation in the US, or indeed, anything else, such as further share losses?

Secondly, on 2026, could you provide a bit more in terms of the headwinds and tailwinds and the extent of margin expansion that you expect? And why should this accelerate meaningfully in 2027? And how significant is Ortho to this improvement?

And then finally, scale through strategic improvement is a key element of your new strategy. Where do you see the key whitespace or investment opportunities across your business segments? And should we expect a meaningful step up in M&A over the coming period? And will look more likely be in Sports Medicine and Wound versus Ortho?

**Deepak Nath** Hassan, thanks for the question. I'll maybe take the first and the third. And, John, you want to take the margin. And then, Craig, you can colour, if you'd like, on the Ortho margin piece. First off, the nice thing about how the growth stacks up, the acceleration stacks up, is it is multifactorial. There is very nice levers of growth across each of our businesses. And you saw that laid out to rich detail in each of our business unit presidents' talk about their business. That's number one. It's across all the businesses.

The second thing, actually, is across geographies as well, and that you have to interpolate to get to that. But there is continued growth and actually getting to market growth in the US with Orthopaedic, so that's a net delta, that's an acceleration. And then what you picked up in Rohit's comments is actually where we see opportunities for growth in emerging markets in Wound. And there are some variations of the theme across those two ends of the spectrum. Both in terms of businesses and across how they're laid out geographically, you've got multiple sources of growth, and that's one of the key features, actually, of this programme.

And what's also one more point around this is the temporal component to this. What we see here, this is not a backend loaded plan. What you see is actually nice acceleration. You saw John put in the 26. Some of that is the unwind from China, but there's actually continued growth on top of that. Temporally as well, this is not wait until 28 and then you see the revenue, you will see that build over time as well.

What we've also done is build in contingencies here. This is not an all green lights kind of plan. Everything's got to go 100% in order for us to deliver. What we've done is actually build in some contingencies to take into account. We're in a fairly uncertain macro environment. We have a reasonable handle of the known unknowns. Obviously, unknown unknowns are a little bit more hard to telegraph. But we've got a plan that's got some headroom to it. We feel very,



very comfortable with how this stacks up temporally across businesses, geographically. And we feel good about having contingency in there, where we see a couple of different ways of making the number. You want to just take the margin point.

**John Rogers** Just to give you a little bit more colour on the margin. We are confident of the 9 to 10% profit CAGR over the three years. We've got very good visibility of delivering that profit growth. Now, the phasing, 2026 will be lower than the 9 to 10%, and then correspondingly, 27 and 28 will be slightly higher. That's not wishful thinking or a hockey stick effect. That's really the result of the inventory reval, the headwind that we see in 26, coming off a little bit in 27, and actually in 28, it almost works in our favour. This is something that we've got very clear visibility on in terms of delivering this profit growth over the life of the plan. And as Deepak says, we've also sensibly built some contingency in there.

But maybe let me take you through some of the component parts for 26 as well, just to give you a little bit of colour on those. We've got the headwinds. We talked about the tariffs, and we talked about for 2025, we said 15 to 20 million on tariffs. That will be, actually, we think, roughly 60 million in 2026. Effectively, a 45-bip increase 26 on 25, that's about 70 bps of headwind. On the inventory reval, we talked about roughly 110 bps or so of reval headwind. The Wound pricing, again, that Rohit mentioned and talked through, that's going to be about 40 bps of headwind. ENT, the VBP component in China will be about 20. We're facing some quite considerable headwinds in 26.

Notwithstanding that, because of the operational leverage and because of the 150 million of savings that we believe we can deliver, we're still going to deliver an increase in profit that's greater than our increase in sales in 26. We're very confident of that. And then as you move into 27 to 28, we're not going to give you the detailed margin bridges for those years, but clearly, the inventory reval diminishes. And we got all the actions, as Craig said earlier on, all the actions to deliver that improvement have already been taken. This just flows through over time, as the manufacturing variances and the inventory reval flows through the P&L.

Obviously, the tariffs, actually from a P&L perspective, will potentially come off a little bit going forwards, but we certainly won't see the same year-on-year increase in 27 and 28. And again, these things will annualise. In 27 and 28, we'll see the operational leverage really fall through in both those years, which is why we can be confident that the growth in 27 and 2028 will be above the 9 to 10%. And 26, slightly below the 9 to 10%. We've got very clear visibility on this.

Now, we've also baked in, we talked about the operational savings, under 50 million or so. We've baked in all the savings going forwards in 27 and 28, where we've got visibility of those savings. But it's fair to say that we're always looking for more. And obviously, for 27 and 28, we've got other opportunities that we can go after.

**Deepak Nath** And just the final point, Hassan. What we've said is strategic M&A is M&A not for the sake of M&A, but the strategy is a key part of it. And the idea is to allocate capital to drive sustainable growth across our group and areas where we see opportunities. And we have a right to be the rightful owners of the assets that we go after. And the question was around Sports and Wound. And the answer is, those are obviously two of the areas that we look at. Phil Cowdy, who recently retired, put together the nice pipeline in terms of the opportunities that we see. Ajay Dhankhar, who's now stepped into the role, has picked up the baton. We've got a very, very clear view as to what the potential opportunities are, but the timing's got to be right. The valuations have got to be right. But the operative word here is strategic M&A.

**John Rogers** Just to pick your point up on pricing as well. We're not going to split out pricing and volume by business unit per se, but we have seen the benefit of pricing, if you like, start to come off slightly. I think in 24, we talked about price increases of ex-China roughly 1.5%. In 2025, we expect that to be around 1% or so. And in 26, we're assuming around 0.4, 0.5%. We're being very, very sensible about what we're assuming. We're not being overly optimistic about what we expect to achieve through pricing. Now, of course, one thing I can say is our ability to drive through price increases in these markets, through the level of sophistication that we're now using to spot pricing opportunities, is stepped on year on year. The teams involved in looking in depth across all our products, in all our markets, where we can drive price through, I think we're becoming more and more sophisticated about our thinking there. I think we're being sensibly prudent about what price increases we've built into our budgets.

**Deepak Nath** That is actually one of the benefits of the 12-Point Plan. It was one of the initiatives we specifically called out around pricing. Go here and then I saw Graham earlier, and then Jack.

**Julien Dormois** Thank you. Julien Dormois from Jefferies. Three questions on my side. First one is on Orthopaedics. Especially, you said pivoting from defence to offence in the division, and you highlighted LANDMARK as being an important product launch with that regard. Should we think that returning to market growth and maybe above is now a target for 27 and beyond, or could it already happen in 26? That would be the first.

Second on biologics, which essentially relates to the changes in reimbursement. Could you just remind us of what would be the impact on the division in next year, and whether that includes LCD happening or not? Just maybe the two scenarios around this would be super helpful.

And the last one is on free cash flow. The target in 26 is broadly similar now to what you are aiming to deliver in 25. Just trying to reconcile the two and understand why is that and you're not more ambitious.

**Craig Gaffin** From an orthopaedic standpoint, I think playing on offence, obviously, we've been doing that first OUS business or Trauma business has been on offence, hips with CATALYST, clearly the channel. And I think one of the catalysts for knees, for example, will be LEGION MS will be one step of that, as we launched that in Q3, now into Q4, it has gotten our sales force back into, again, there's a retention component, but a fair amount of conversion opportunities as well. LEGION will play to that as we lined out on that slide. And I do think that next leapfrog to get to market share, and our budgets are based on that as well, will be LANDMARK. And we do think that there might be some upside as well. Because I think the commercial engine and the muscle has been built to execute and make sure we maximise that commercial impact.

**Deepak Nath** The ad up, just to get straight to your question, is 26 is when we expect to achieve market. And there's a bit of the composition of how we get there, right? There's knees and hips on the recon side, and then you've got trauma on the other side, and you've got the total Ortho. In Q2, we were overall at market in the combination Q3 we came just a little bit off of it. We expect to exit the market and recon, exit 25 at market, which we have said, and that's still within what to play for. And 26 is the same. It's a little bit of the composition that will vary in terms of how we get there.

**Rohit Kashyap** When we think about the upcoming changes around the use of biologics for Wound, there are three elements within that. One is the PFS, which was impacting the pricing and the reimbursement for the physician office. The other one was ops, which was impacting pricing and reimbursement for the HOPD, or the

wound care clinic setting. And then the third element of that is, which is LCD, which controls which products can you use in either of those settings, and so on.

If you assume, at least we know there's good clarity on the first two about happening, there's still some lack of clarity on the third piece around LCD. But if you work with the assumption that the LCDs are also happening, then we feel in that environment, because of the way the LCDs are structured and our participation in those LCDs with our products, we have four out of the 18 products are from Smith + Nephew, that we have an ability to participate in that market by capturing share.

But overall, the market is going to go through a disrupted environment. It will be disrupted and I think it only becomes clear in the first, I would say, six months or so. Because physician behaviour will change, the patient flow will change. Where do the patients go now? Whether they get treated at home, or do they go to a clinic, or do they go to a physician office? And then the competitive landscape will change, depending upon the LCDs. It's going to be a very active manoeuvring that will go on within that space. But given the assumptions that we have made around the first two, which are known, and assuming that the LCDs also come into play, we feel good about increasing our share and participation. Obviously, there are some impacts from reimbursement, as John already highlighted, as one of the headwinds on the margin side as a result.

**Deepak Nath** Bottom line, you put all these pieces together, even under the downside scenario, we feel good about both the overall number and the stack up to the group, is the moral of that story. John, you want to pick up the free cash?

**John Rogers** On the free cash flow, just to be clear, we had 2025, where we stepped up from the Q3 trading statement from the 750 to 800. Actually, part of that step up is actually a one-off property transaction, which is about 25 million. That's obviously not going to be replicated. So, 775 on a normalised basis, 800 million including the property transaction. And then going into 2026, we'll see the usual step up, driven by the profit growth. But we're also going to be putting a little bit more into capital expenditure to drive on the opening of our new facility in Melton.

And a little bit more into our ERP programmes. I think, Deepak, you covered the plan to have a single ERP solution across our business, actually, which is going to drive operational savings in the future. A little bit of a step up in that, so that's why we are flat year on year. All of that said, of course, just to remind you, we started out last year with a number of 600 million. And obviously, we're now out turning the year with a number of 800 million.

**Deepak Nath** Graham, you were next. And then Jack and Veronica. And then the gentleman in the front.

**Graham** Thank you. It's Graham from UBS. Two questions. One for Deepak just on the guidance and one for Craig and Ortho. The guidance ranges, whether it's this year or next year or the midterm, are quite narrow in terms of the one to two percentage points. Maybe John can step in as well. In terms of your comfort on financial visibility, say now versus 12, 18, 24 months ago, what have you done to give you that confidence on those narrow ranges?

And then just on Ortho, the ASC comment was quite useful, actually, in terms of understanding where the growth is coming from, but implies there's probably a big opportunity still in hospitals. How much of that is product versus maybe the shift in compensation for sales?

**Deepak Nath** I'll start off with the tightness of the range. Part of that, our thinking is not to get anchored to a number. We're coming off of a place where we had a margin target in a specific year, and we're trying to move away from that. And the delicate balance between having two broader ranges you can drive a truck through versus something artificially too narrow. But having said that, you get at something very important here, which is the predictability and forecastability of our business. And we're not, I would say, best-in-class in that yet, but we've made significant steps in that direction. Orthopaedics is an eminently forecastable business. In our hands, it has not been historically. A lot of the work that Craig's been leading around Ortho 360 and everything else is starting to get to a more predictable place. Because you've got a base. You've got your assets deployed, you know where the surgeons are, you know what the base volume is. This should be forecastable.

We're getting there, I would say, over the next go through 2026, we'll be in a better place. One of the things that, Craig, you look at is clean case scheduling. Maybe you have some encouragement to look at that. But what it is, is basically that you have forward visibility to all of the elective cases, because essentially, knees and hips are elective cases so you should have the ability to see out a couple, three weeks, and you translate that into the future. What I'm trying to get at is we are getting better at forecasting. We're not quite there, but you should get to see it. That is one of the underpins around the tightness of range. Anything you want to add to that, John?

**John Rogers** The only thing I would say about the revenue range, around six and then six to seven, I would say that if you look at 2025 and you strip out China and the 170 bip drag, then, on a normalised basis, we're coming out at 6.7%. Now, China for 2026, it is a little bit of a drag, but it's nowhere near as much a drag as it used to be. It's now a much, much smaller part of our overall business. The drag that we expect to see from China next year is not huge. We're exiting on a normalised basis at 6.7. We're providing guidance of six to seven over the next three years and 6% for 2026. I think these are eminently sensible numbers.

**Deepak Nath** Pick up the ASC point.

**Craig Gaffin** Certainly this year again, we continue to see a good trend in ASC. But just to be clear as well, the value proposition in the hospitals, and I think that's where you're going, has been there and continues to be there in addition. It's just that migration, as you know, continues to accelerate. As those surgeons are leaving a hospital setting to open up an ASCU or gets recruited to an ASC or leave fellowship, that's been a big driver for us this year as well. I think we'll continue to see good, strong results in both side of care, and I think CORI's positioned well in both of them.

**Deepak Nath** Thank you. Jack and then Veronica.

**Jack Reynolds-Clark** Thanks. It's Jack Reynolds-Clark from RBC. I just had a couple, please. First, coming back to the midterm growth guidance. Thinking about, obviously, this new level of growth versus the old level of growth, and where expectations are or were ahead of today's announcement. Notwithstanding the commentary around China, which we've run through, but how much of this comes from new launches, or is dependent on new launches versus executing well or better with the existing platforms? And could you just go into a bit more detail on those contingencies that you mentioned in terms of where the buffer is and the guide?

**Deepak Nath** First off, over the last few years, we've been about half of our growth has come from new products. And we expect, with the level of investments we've done in R&D and actually stepping it up into 26 and maintaining it, that will continue to be fuel to the fire, think roughly half of the growth from new product launches.

But an important piece is it's not innovation for the sake of innovation, but having a good commercial engine to go with it. You've seen plenty of evidence of our commercial engine working well in Sports and Wound. The new factor here is Ortho coming into gear, so that we're firing on all cylinders. There we've got CATALYSTEM has already been launched. We're still in the early stages. LEGION MS, we're in December now, it launched in September, so that needs to pay off. REGENETEN, a great driver of growth that's been on the market.

It is a mix of products we've already launched at various stages of commercialisation, and there's new stuff coming. LANDMARK knee is the main thing. There's other things coming in the portfolio as well. There's a nice add up of what's on market, what's to come. But at the end of the day, you've got to have a commercial engine. And the new part is our Ortho engine in the US is starting now in a place where it can also fire.

In terms of contingency, I don't think would be helpful for me to just really go into specifically where the contingencies are. But what we've said is, look, we're going to go above market in Sports. We're going to go above market in Wound. That's not hugely regulatory, because we've been essentially above market in those areas. What you've got to believe is, can these guys keep doing that? And I think hopefully, in the richness of presentation, you have enough to form a perspective on it.

The part in Orthopaedics, as we've said, grow at market. Now, you can do the math and say, is that ambitious enough, or do you think there's headroom? And where we've left ourselves some wiggle room, really, is to say there is some headroom in orthopaedics. We're not going to come out and say that or sign up for that, but there is a bit of not contingency, per se, but perhaps some achievability baked into what we've set out as targets.

**Jack Reynolds-Clark** That's great. Thank you. Then that leads me on nicely to my second question on LANDMARK.

**Deepak Nath** That was one A and one B, I thought that was one and two. Go ahead, Jack.

**Jack Reynolds-Clark** Is there a risk that the rebalancing there and the launch risks some significant customer churn, and there's actually a risk to the near-term business, or is that under control?

**Craig Gaffin** I think one of the things, as I outlined and talk through a little bit, is I think we put a significant amount of time into design, and ultimately, how both the conversion piece of it from getting existing customers, but also having it really attractive to new customers. I think what you'll find is that people who use JOURNEY, this will be an easier transition for them because of some of the things that we're doing. Again, it's using existing instrumentation, so the implantation will be more streamlined. And then that will also be very well received, again, by customers who are looking at options and bringing on new customers.

**Deepak Nath** To put it simply, for an existing JOURNEY customer, LANDMARK offers them a porous option with the current instrumentation. It's a net add to the current JOURNEY customer. For customers who are not JOURNEY users, one of the reasons they're not, is because they feel JOURNEY is hard to put in, so there's a bit of an activation barrier. For them, we now have both a porous and a cemented option on a streamlined tray that offers us one more thing to go out and get competitive surgeons on. As Craig rightly says, it is designed to target both existing JOURNEY users, to give them a porous option. And for new surgeons who are not JOURNEY users, a full portfolio. That's a simple way to think about how we protect our existing business when we go to market with LANDMARK. And tray efficiency is absolutely key, particularly as a shift into ASC. That mindset has been in AETOS, that's in CATALYSTEM, and now we're bringing it to our knee platform. It's CORI, one platform everywhere. It's brand-new

joint portfolio across all major joints, but tray efficiency designed with the ASC in mind, that I think is going to be a key unlock for us. Veronica was next, and the gentleman in white.

**Veronika Dubajova** Hi. Good afternoon, Veronika Dubajova from Citi. Three questions for me, please. One, John, I'd like to go back to the 6% ROIC guidance for 2026. And if I look at consensus, I think it's at 4.7. Just curious if you have a thought, what we're missing, and why the disconnect between what your targets and ambitions are for next year versus our own numbers? That'd be the first one.

My second question is for Craig, and it has two parts, please. The first one is the SKU rationalisation, and to what extent you think that is going to represent a headwind to sales growth and how you're thinking about navigating that? Obviously, it's been somewhat disruptive to knees this year, so just thinking about that in particular in trauma into the next couple of years.

And then my second question for you is around some of the competitive launches that Stryker announced. Sometimes, I guess copying is the best form of flattery. But just curious how you're thinking about the gold product and also the mini Mako/mini CORI, whatever you want to call it. And then maybe my final question...

**Craig Gaffin** I like mini CORI.

**Veronika Dubajova** I'm sure.

**Deepak Nath** Or you could say CORI knock-off.

**Veronika Dubajova** You should get some naming rights on that. And then maybe my final question is for you, Deepak. Obviously, the organisation has gone through a tremendous amount of transformation under your leadership, we're three years in. Very helpful to see the vision, but it seems a little bit more of the same. Maybe just your thought process on strategic change that is bigger than what you've outlined here? And how are you thinking about the merits and the value of that? Thank you.

**Deepak Nath** Sure. John, you were first.

**John Rogers** Obviously, it's a little bit tricky for me to comment on your collective consensus. But all I can say is, from a business point of view, as you would expect us to, we've done a detailed bottom up budgeting process, and we're confident we can deliver the 6%. As I said, just to help you get there, this year alone, we were exiting at 6.7 ex-China, so it's not like it's unprecedented in that sense. But we've looked in detail at all of our businesses, the unders and overs, the challenges on Wound reimbursement, on ENT, reflecting the VBP in China. All the positives and negatives, detailed bottom up, gets us to 6% growth. We're confident of that. There's a little bit of contingency, as you'd expect there to be. We're very comfortable with talking about and around 6% growth for 26.

**Craig Gaffin** I'll go next. First, relative to the inventory, I'll answer that one first. Again, the Ortho 360 operating model, we spend a lot of time and diligence in looking through this whole phase-out period, first off. Relative to trauma, again, it is a fair amount of brands, but a lot of those were legacy brands. And we do feel from a revenue perspective, it's not as much, the risk is more minimal. But we also believe, again, it's a great opportunity to upscale them to our other brands, our key platforms. For us, it is just to get down to EVOS, the nail, MAVERICK, when we look at Core Trauma. But we are, again, hyper focused and during our steering committees and during all our calls, we will monitor that diligently.



I think, getting back to your question about Mako or the handheld, you probably stole my line, so I won't say it again, but we were the leader in robotic handheld surgery. For us, again, it is somewhat validating, it is validating that we were in the right direction ten years ago. It speaks to the innovation that we have as a company, that we were on the right path. And I think from our perspective, one is giving the control to the surgeons, number one. Again, it's probably, if you look at the ASCs, the space constraints, the challenges, they have different economic pressures, again, than a hospital, and how they're looking at technology. Again, from my perspective, potentially following and copying or following the model that we have.

But then, the most important part is we just need to continue to be focussed and diligent about expanding the functionality of CORI. And I think when you look at what we're doing in knees and workflow, I'm really, really, even though I've had my hips done, I would be super excited what we're doing with hips, with reaming and impacting. And then clearly with shoulder, being able to do both humerus and glenoid reverse anatomic. That functionality is, again, we think is best-in-class. We're going to be well positioned. Again, the procedural scale for what an ASC does, is going to really, again, differentiate us to what they have.

I referenced it again in the presentation. OXINIUM, it's been around for a long time. And we have over 2 million plus patients that have been treated with OXINIUM. It's 98% survivorship. There is an extensive clinical data to support and back that. And we feel, as we've seen them before, coming to market, we feel very good about the merits of our technology. And again, it's a material, it's not a coating. Ultimately, again, I think when surgeons are looking at that choice, we feel pretty good about what OXINIUM delivers.

**John Rogers** Just maybe a little bit more colour on the portfolio rationalisation, because it's really important that we understand this. In essence, I see this as being a great opportunity to provide a much simpler and more efficient portfolio offer to our customers. And it actually also allows us to focus on migrating them to our newer products, our more technical products. I think this is the massive opportunity for us, really, in terms of simplifying our business, just as that helps scale it a little bit as well.

It is across both Ortho and Sports, but it's mainly in Ortho. This relates to about over 50% of our SKUs. It's the significant complexity in our portfolio that's been built up over years and years. We've got many SKUs that are specific to a local market, serving a very, very niche need. And these SKUs in totality are less than 10% of our Ortho revenue. 50% of our SKUs reflecting about less than 10% of our Ortho revenue. To me, this is a fantastic opportunity to simplify, to offer better products to our customers, to reduce our cost to serve through that simplicity, to reduce a significant chunk of capital in our business and drive returns. This is a very important next step for us, building on some of the initial portfolio rationalisation that took place to the 12-Point Plan, to massively simplify our portfolio over the next few years.

And we're going to do this on a on a three-, four-, or five-year basis. Most of it will take place over the next three years. Some will take a little bit longer, depending on market by market. But this is not something that we're doing without a very clear and well thought through plan. And there's significant upside driven through this activity.

**Deepak Nath** The key here is balance. You heard the word a couple of times here. It's growth, it's asset deployment, and it's margin. And you've got to navigate that tightly, which is why we're going to take a number of years to get through this, because that's precisely to get revenue right now. Quarter to quarter, maybe have some impact in one place, more so than another. But the key is the counsel or committee, I forget the word you use, Craig, but the body that looks at this is actually going to get that balance right from quarter to quarter.

I just want to make sure I understood your third question around strategic. I heard culture, and then I heard something about more of the same. Can you just make sure... Can you repeat that, so I get the essence of the question right?

**Veronika Dubajova** Just your thoughts on the strategic makeup of your business and how you think about this?

**Deepak Nath** I got you. I thought that's what you... Look, today, Ortho is about 40% of the group. The remaining 60% is Sports, Wound and ENT. When you play this forward over three years or four years, there's some changes, plus minus. But it's not a dramatic change in the composition portfolio. I think that's what you're after. Look, at the end of the day, what we're getting to is this notion of firing on all cylinders. It's super important that we don't have the drag that we've had with Ortho, and that has been a significant, obviously, a margin drag, but it's been a drag on growth as well. And as we shift into this with Ortho growing at market, obviously the other two businesses growing above market, they're going to be carrying the load in terms of pulling the thing forward.

But one of the things about this plan is the margin uplift, 300 to 400 by 28 and close to 600 bps by 2030. That's a very meaningful shift, right? The role of Ortho now has been a huge drag on margin and profit. Now it changes into bringing into better balance. What you're seeing is a top line composition, not change that much, but underneath that, you are going to get a better balanced picture. As we as whether we go far enough or not, that's a different question, with time frame and so forth. But from this point forward is actually a very nice journey of delta.

One last question here. I'm going to go, I promised to call on you. I'm sorry, I didn't get your name.

**Kane Slutzkin** It's Kane Slutzkin from Deutsche. Just on China, quite small in your life now, relative. Just wondering, what is the long-term thinking of your position in that market? I know a couple of months back at the round table, John, I think you might have mentioned 18-to-24-month process or timeline around what you're thinking there. If you could give us a couple of comments there.

Craig, just on the ortho market, we obviously had J&J spinning out the ortho piece. Just wondering if you've got any high-level views on what that might mean for the market? Obviously, maybe a more focussed player.

And, John, just for you on leverage. Can you just remind us what the target is? Was it two times on the balance sheet? Thanks.

**Deepak Nath** The leverage is an easy one, it's two. On the China one, I'll tackle China. Look, at the end of the day, it is a small portion of our group now. And what we're focussed on is building a sustainable business. And what that means is we need to make sure it's contributing both to growth, but also importantly, to margin. And that may inform the selection of which category and segments that we choose to participate in going forward. For example, with trauma, we made the decision to exit trauma when the price levels didn't support a sustainable business. In recon, we took an option to participate, because we want to see how the robotics market develop in the country. Suffice it to say now that we're not seeing it develop as we had hoped and therefore, we're going to make a decision on how we want to participate in that segment. And you'll see us apply that thinking as we go through this.

Taking a step back now, should we be in the market or not? Look, it's a large market. There's a billion somewhat people. It's hard to just simply say we're going to walk away from the market. It's not an idle decision, it's not an idle strategic question, but that's not our starting point. For us it's, can we served that market and patients there sustainably? And so far, in Sports, post VBP, it's still a business we want to be in, both from a top line margin

standpoint. ENT, let's see how things play out, and Wound similarly, it's a small business. Bunch of it has already gone through VPB, we'll see how we get there in terms of the composition.

**Craig Gaffin** I think, again, with the spin out, and as we think about as they're moving into a business unit structure, again, it's something that we've done, again, to get the focus. We certainly, over probably the next 18 to 24 months, we think that there will probably be disruption, obviously, and that could present its opportunities and clearly present some challenges as well. But I think on an overall balance it's a net neutral. Certainly, there'll be a more focussed orthopaedic company in the long term, in the long run, but again, we're going to continue to look at where we can take advantage of some opportunities here in the short term.

**John Rogers** Just on your leverage point, as well, because given that Deepak told you the target, I'll give you a little bit more colour. We think we'll exit this year at 1.7 to 1.8 times, so below our target. And that's notwithstanding, of course, the 500 million share buyback that we did in the last half.

**Emily Heaven** From the webcast, how much above market growth do you need to deliver in Sports and Wound to achieve market leadership? And then I think a clarification. You said your 2028 ambition is that you are at or above market in Orthopaedics. When will knees get back to market?

**Deepak Nath** Scott, you want to take Sports, Rohit, and then Craig?

**Scott Schaffner** In Sports, and I mentioned that we're number one or number two in almost every subsegment in which we compete today, that's true of the geographic markets as well, we're number one and number two. And more than not, we're the number one player in the market today. There are a couple of big ones, like the US, where we're number two, and so those are the areas where we have to continue to grow. And I think that there are a couple of components of that. It is maintaining the strength of our core.

We talked about all the different subsegments, so we've got to continue to invest in that part of it. But we can also shift the competitive conversation to the areas like biologics and regenerative medicine in Sports Medicine, with REGENETEN, with CARTIHEAL, as well as the advanced enabling technology. I think it's a good play. But in terms of where we have to go mathematically, in terms of growth, I think the high single digit growth targets that we talked about, and then opportunities for upside to accelerate beyond that is what will be required to get us to outright number one in all the markets and globally.

**Rohit Kashyap** On the Wound side, if you recall that chart, we were number two, but a close number two, with a 1% difference between the leader and us in our market share. With our projected growth based on our broad portfolio, based on all the things that I mentioned, about which areas we're focusing on and participating, and the high single digit growth projection, relative to what the market leader currently is focussed on, somewhere in the low single digits to mid-single digits. We expect that with this growth trajectory, we would be a market leader in the time horizon that we have talked about.

**Craig Gaffin** I think from a hips perspective, I'll look at Ortho as a whole, I think hips, again, we have CATALYST, which is a driver right now, and then the next phase again will be the CORI RI.HIP, enabling with the reamer and the impactor. Go to Core Trauma, that will be at market or above as we move to Core Trauma with the refresh of the nails, we feel gain, and the EVOS platform, that we'll continue to maintain at or above market. And then shoulder, clearly, as we've been performing above market, granted off a smaller base, that trend will continue at or above market, both as we launch Stemless and then as we have that RI.SHOULDER capabilities.

I think, when it comes to knees, what I would say is that, again, I think there's probably a two phase here, again, with LEGION MS as it gets out here in September and through the fourth quarter, that will be one thing that will carry us. And then, obviously, LANDMARK will be that next phase that leapfrogs us back and attain market share. And our ambition is to go above that as well.

**Deepak Nath** Think end 26 to get to market in these, with the build over time, just to give a rough picture for knees.

**Emily Heaven** I'm going to put a couple of questions together, like a good sell side analyst. You mentioned more than 65% of your US knee implants perform robotically in CORI accounts. How many of your knees overall are performed robotically in the US? In your guide, what have you assumed for pricing within Orthopaedics from 26 to 28? And then, do you think your spend on R&D is sufficient to achieve the goals of the strategy and remain competitive with larger peers?

**Deepak Nath** That's all ortho, is it?

**Emily Heaven** The R&D is a broader question.

**Deepak Nath** Do you want to take the two points, Craig?

**Craig Gaffin** I think the first one was price, correct? I think the question was a little about price volume mix. Our assumptions, again, are from an implant standpoint. When we look at joint recon, obviously, a hyper competitive market. From a pricing standpoint, we're pretty much neutral on the pricing to flat to a little bit negative. I think overall, from trauma, we perform better, so we do anticipate price increase. But I'll come back to the mix. As we continue to move, we'll see good mix shift as well as we move people to CATALYST or to cementless, be it LEGION MS or to the LANDMARK knee. That should be a good mix driver from our standpoint. The second question, Emily my apologies?

**Deepak Nath** What's our robotic knee utilisation?

**Craig Gaffin** From an overall, we're greater than 30%.

**Deepak Nath** We'll give you the Q4 number. We've been at around 30% in the last quarter, but we're navigating above that in terms of the proportion of our knee business that goes through CORI.

**Emily Heaven** And then R&D, the spend on R&D.

**Deepak Nath** Do you want to pick that up, Vasant?

**Vasant Padmanabhan** Yes, I'll take it. The question is, is the spend on R&D sufficient to drive the strategy? Listen, you're unlikely to come across any head of R&D or innovation that says I have enough money to do everything that I want to do. But having said that, the short answer to your question is yes. I think the spend that we have, that we've consistently had over a few years, is not only enough, but will drive the RISE strategy.

A couple of comments just to add to that. And, Deepak, maybe you want to add. Listen, we have a track record of delivering transformative innovation, so we've done that. And even if you take CORI as an example, we're in the third generation. And we've done that through focus on prioritisation, working with the business units. And in R&D,

it's not just about how much money you have to spend, but it's, what do you do with what you have. And when I look at our product portfolio across all our businesses, and you heard from all the BU presidents, our portfolio, I believe, is second to none. I'm confident that with the increased spend in 26 and 27, that the pipeline will contribute to the bold, ambitious plan of RISE and elevates within a few performance and deliver higher returns going forward.

**Deepak Nath** Just two points I want to build to that. In the way we run this, actually the level of R&D is set by the business units. This is not a starting point of how much we want to spend in R&D as a group and then we start to parse this out. Each of you would rather spend more than you possibly can, but you've got the margin imperatives that you're working through. Each of the levels are set by the businesses with an add up overall.

What I would say at a group level, I think what you probably saw, and some of you have used this parlance, which is, if you look at our greatest hits reel, it looks pretty good for a company our size. Vasant used the words punching above our weight class. Generally speaking, we've done well with what we've got in terms of the level of innovation we've brought to market, areas where we actually led the market, and many areas now, we are behind. For example, in orthopaedics, because of the complexity of our portfolio we're in some sense, playing catch up on the implant side. But in CORI, we've talked about others following us in terms of the paradigm we've chosen in robotics.

Even at our scale, even competing with much larger players in orthopaedics, it's not like we're always constantly following. And where we've actually followed, we've not necessarily done a knock off. CORI was a completely different paradigm. We are actually bold in thinking about new paradigms, disrupting the market, looking at first principles in terms of how we assess unmet needs.

What you should take away from that, it's not all about money, although it's an important part of it, but it's actually how we choose to spend the money and how we execute to what we've got. And I'll say, reflecting on my own personal experience across three different companies that were known to varying degrees about our R&D, what we do exceptionally well is our execution engine in R&D. These are a team that come in on budget, on time, at a level that I would say does stand out relative to my own personal experience, which this is now my data point of three. Just something for you to take.

**Emily Heaven** We're out of time.

**Deepak Nath** Not one more. For my close, maybe just all stay on stage. I hope what you were able to take away today is just how ambitious the plan is, but, importantly, how achievable it is that we've got headroom, even as we set our sights higher to a level of ambition that takes the company forward. We've got acceleration and growth, we've got acceleration in terms of profit. We've got free cash flow getting to levels that we've never been at. And ROIC of 12 to 13%, that is very, very significantly above our cost of capital. All of those things hopefully give you a sense for how we've thought about our ambition, but also making sure we've built in enough contingency to be able to give ourselves some headroom.

Hopefully, you've taken away that from today. What also, hopefully, you've taken away is just it's the numbers are the numbers. The aspirations is all of those things, but it's the leadership team, some of whom are sitting on the stage here with me today. And you've seen the bias of those, some of whom are in the room, you didn't hear from directly, but who are every bit a part of the success and taking the strategy forward is the folks who are in this room. And when I say, we've got a world class organisation and leadership team, I hope you see that in how they come across, what they've said, how they've said, but also the manner in which they lead, and the leadership team that

they've built underneath. I'm truly excited, not only about the financial components of the plan, but really just what goes on behind the scenes in terms of who's carrying it forward.

What I hope you've also taken away is just substantially how much stronger we are as an organisation. You can say that, the words are what the words are. But hopefully, we've given you a sense for when we talk about us being stronger, we've made that come to life in the conversations we've had today. Truly, the substrate on which the strategy is built is on a much stronger foundation, where we've got essentially an organisation that's firing on all cylinders.

I hope what you've also taken away is we've got 170 years of history. That heritage is important to us, but we don't take for granted that we get to be around for 170 years. We've got to evolve with the market, we've got to compete with the market. And I hope you've seen us take not only stock of our heritage, but also make sure that we're evolving with the market.

And finally, in terms of the outturn for the year, hopefully, you've gotten a sense for where we expect to land this year. And if we deliver to what we've said we've delivered, this would be a third year in a row that we will have essentially delivered what we said on the top line, what we've said on the bottom line, and giving you a little bit extra in terms of free cash flow generation. I realised that I stood here three years ago in the proverbial whatever, where we had a 20% margin out there. I own the fact that we fell, if we come to where this will be a little bit short of that. But I hope you took away that there were enormous headwinds that we had to overcome to get away from that.

With that, again, I'm very, very proud to be part of this team. I'm personally proud to be part of this organisation. This company has been around for 170 years. I am excited, beyond what I can describe in words, about what our future holds for the next three years, and I hope you share that excitement with us. Thank you very much for the time you took to be with us today, the time you took to review the materials, to be engaged, as you are. And I look forward to coming out, post our results, and continue to engage with you. Thank you very much for your attention.