Smith+Nephew

Q3 2026 Results Presentation

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Presentation

Deepak Nath

CEO, Smith+Nephew

Good morning and welcome to the Smith+Nephew Q3 2026 results presentation. I was introduced on Deepak Nath. I am the Chief Executive Officer. Joining me is Pierre Palassian, who is the interim Chief Financial Officer. Welcome, Pierre. Today, we reported underlying revenue growth of 3.4% for the quarter, which is an acceleration from Q2. As expected, Sports Medicine & ENT performed strongly again, including double-digit growth in joint repair for the fourth consecutive quarter. We also saw improved performance in Wound led by acceleration in advanced wound devices. Orthopaedics returned to growth with strength across international and emerging markets. In the US, we saw continued weak performance in knees and hips, partly reflecting market softness. We are also navigating a tricky period in knees as we remain impacted by the market shift towards cementless, where we have not had a full offering. We were therefore pleased to receive FDA approval for the cementless version of LANDMARK, our next-generation knee in the quarter. More than 100 LANDMARK cases have now been completed, with positive early surgeon feedback. This begins to address an important portfolio gap and should support acceleration in knees as the launch scales during 2027. US hip growth has also been slower than expected. CATALYSTEM continues to have good momentum, but the pace of set deployment has limited our ability to fully capture that opportunity.

Looking further ahead, we expect to strengthen our competitive position in both knees and hips as our new product cycle builds. This includes the continued scale up of LANDMARK, with the cemented version expected in Q2 2027, further CATALYSTEM set deployment and CORI execution on hip starting in Q1 of 2027. Innovation remains central to our business. More than 50% of our growth comes from products launched within the last five years, and many key products are delivering double-digit growth, including CATALYSTEM, CONCELOC, AETOS, CORI, REGENETEN, Q-FIX, FASTSEAL, LEAF and PICO. We are also making good progress with TESSA, a first in industry spatial surgery platform designed to bring greater precision to arthroscopic procedures.

Following FDA approval in Q2, we completed the first femoral cases during Q3, marking an important step in the early introduction to the platform. Q3 overall was broadly in line with our expectations. However, given our outlook for US knees and hips in Q4 and current market conditions, we are no longer expecting a material improvement. As a result, we are updating our guidance for the year and now expect approximately 3% revenue growth for the full year. Trading profit is still expected to exceed revenue growth, but as a result of the lower revenue outlook, we now expect to deliver on 1.25 billion in trading profit.

Free cash flow is expected to be around 750 million, representing continued strong cash conversion. Well, there remains work to do in Orthopaedics. We have strengthened the business and built a better foundation for future growth. Sports and Wound remain on track to deliver on the attractive long-term opportunities identified through RISE. You will have seen the recent press commentary around a potential transaction involving Smith+Nephew and J&J's DePuy Synthes business. Those discussions followed an approach we made earlier in the year as part of the work already underway to consider strategic options for Orthopaedics. While those discussions have now ended, we remain actively engaged in that broader work and will continue

to explore the full range of strategic options for this business as we seek the best outcome for our shareholders, patients, customers and our colleagues. At the same time, our operational focus remains on execution and successful delivery of our key product launches, as well as continuing to invest behind our higher growth, higher margin Sports and Wound businesses where we see significant opportunities to strengthen our market positions and drive long-term value.

For now, I will hand over to Pierre to take you through the quarter in more detail. Pierre.

Presentation

Pierre Palassian

CFO, Smith+Nephew

Sub-title

Thank you, Deepak. Revenue for the quarter was $1.55 billion, representing 3.4% underlying growth and 3.4% reported with no impact from FX. Trading days were unchanged year on year. Geographically, the US grew 3%. Other established markets grew 3.2% and emerging markets grew 4.8%. Excluding China, group growth was 4% on an underlying basis, and we continue to expect China to be broadly neutral to growth for the full year. Let me now take you through the business units in more detail.

Starting off with Sports Medicine & ENT, it grew 7.9% on an underlying basis, including double-digit growth in the US across all three segments. Joint Repair grew 11.2%, with broad-based trends across both regions and the portfolio, including shoulder, hip, and small joint repair. REGENETEN maintained its strong growth trajectory with further penetration in rotator cuff repair and expansion beyond the Shoulder. CARTIHEAL is also building momentum in the US ahead of the Category 1 code in '27, alongside further international and expansion. TENDON SEAM remains on track with more surgeons coming on board. Together, these differentiated platforms give us confidence in the sustainability of growth and position the business well for 2027. In ADP, FASTSEAL and services were again the main contributors to growth. China ADP has not yet been implemented in either our ADP or ENT businesses, although we continue to see an impact from inventory management in the channel ahead of implementation. We still expect the profit headwinds from China VBP to be around $15-$20 million for the full year. In ENT, outside of China, the business delivered double-digit growth, led by strong demand from our ARIS Wand and HALO Wand for tonsil and adenoid surgeries.

Turning now to advanced wound management, which declined 0.2% in the quarter. Advanced wound care grew 1.2%. We saw strong growth in the US, driven by ALLEVYN COMPLETE CARE, which has now launched in most major markets internationally. We expect this product to drive continued above-market growth in foam dressings. In bioactives, revenue declined 8.8% for the quarter. SANTYL returned to modest growth following a weak Q2, which reflected the product's normal quarterly volatility.

In skin substitutes, performance was stable sequentially. We continue to face headwinds in the US following the CMS reimbursement changes introduced at the start of the year, with the market adapting more slowly than expected. Despite these near-term dynamics, we remain confident in the long-term fundamentals of the segment beyond this transition year and are well-positioned as market conditions normalise. We continue to expect the trading profit

headwind from skin substitutes to be towards the upper end of the previously guided 20-40 million range. Advanced wound devices grew 10.7%, a strong acceleration from the first half, reflecting the investments we are making behind PICO and LEAF. PICO delivered strong growth in the US and performed well internationally, while LEAF had its strongest quarter ever.

Let us now turn to Orthopaedics. This grew 2.5% on an underlying basis, an acceleration from last quarter. In the US, we saw soft market conditions and continued weak performance in knees and hips. Within US knees, the decline primarily reflects the ongoing impact of business loss in previous periods, rather than significant new losses in the quarter. The continued shift towards cementless remains a near-term headwind for us. Cementless penetration is now approaching 40% of the US market, compared with around 10% of our new portfolio. With the launch of the cementless version of LANDMARK, our new kinematic knee system, we can more effectively compete in the growth of this part of the market. Importantly, we are better positioned to execute this launch than we have ever been in the past. Through Ortho 360, we have introduced a more disciplined and targeted approach to product launches, and the success of CATALYSTEM launch is just one example of the progress we have made. With LANDMARK, we now have a differentiated product addressing a clear market opportunity which we believe can strengthen our competitive position in knees over time. Within US hips, we remain encouraged by the uptake and utilisation of CATALYSTEM, which now represents 38% of our hips. However, alongside some market softness, we were held back by the pace of CATALYSTEM set deployment, which limited our ability to convert and retain our legacy hip customers.

We expect US hip performance to improve as additional sets are deployed and customer access expands. The planned launch of CORI Hip in Q1 27 and the CORI Hip Impactor in Q3 27 will further strengthen our ability to convert and win new business as robotic hip workflows become increasingly important for our customers. Outside of the US, performance was strong in both hips and knees. Both delivered double-digit growth in emerging markets, and hips continued to benefit from the launch of CATALYSTEM in Japan. Trauma and extremities delivered solid growth with good performance in IM Nails and double-digit growth from our AETOS Shoulder System. We had a very strong quarter for other recon, with growth of 44.7%. It was our best Q3 ever for CORI replacement globally, and we are pleased with the continued traction we are seeing in enterprise level multi-site deals in the US. CORI Shoulder is also performing well.

Coming now to our updated outlook. Reflecting our outlook for US hips and knees in Q4 and market conditions, we now expect full year underlying revenue growth to be around 3%. Trading profit is still expected to exceed revenue growth, but reflecting the lower revenue outlook, we now expect to deliver around $1.25 billion of trading profit, including marginal dilution from the Integrity acquisition. We also expect to deliver around $750 million of free cash flow and the return on invested capital of around 9%. This represents strong cash conversion and demonstrates significant and sustained improvement in cash generation. At the start of the 12-point plan in 2022, free cash flow was $56 million and trading cash conversion was 49%. In contrast, we now expect to finish ‘26 with free cash flow of around 750 million and trading cash conversion of around 95%. Our $500 million share buyback also remains on track, with 250 million completed by the end of Q3, demonstrating our disciplined approach to capital allocation and returning capital to shareholders. As previously disclosed, we expect the net year-on-year impact of tariffs to be broadly neutral to trading profit and the headwind from skin substitutes to be towards the upper end of the previously guided $20-40 million range.

The acquisition of Integrity Orthopaedics is expected to be marginally dilutive to trading profit in '26, broadly neutral in '27 and accretive from 2028.

With that, I will now hand you back to Deepak to look at each of our business units through a longer term lens and how we are positioning them to deliver sustainable growth and create value.

Presentation

Deepak Nath

CEO, Smith+Nephew

Thank you, Pierre. Our RISE strategy remains focussed on improving performance, enhancing operational efficiency and allocating capital to the highest value opportunities across the group. RISE also requires us to make disciplined choices about where we deploy capital and resources. As a result, we are investing behind Sports Medicine and advanced wound management, where we see a clear path to market leadership and significant longer term value creation.

In Orthopaedics, we remain focussed on improving performance as we execute the next product cycle, while continuing the work already underway to consider the full range of strategic options for the business.

So let us now go through each business unit in more detail. Starting with Sports Medicine, we have a leading position in a highly attractive market worth about $7 billion that is growing at about 6%. We hold the number one and number two position in every major segment in which we compete and are gaining share across the portfolio. Alongside a strong core of established products, we are creating new categories through our big four: REGENETEN, CARTIHEAL AGILI-C, TENDON SEAM, and TESSA. Together, these expand our addressable market and provide additional opportunities to deepen penetration and broaden our reach over time. We are also making good progress across our pipeline. We continue to strengthen the clinical evidence supporting REGENETEN, such as its inclusion in the AAOS guidelines and new evidence demonstrating superior outcomes versus standard of care. During the quarter, we completed the first femoral cases using TESSA and submitted a 510(k) application for tibial tunnel placement. We also launched Q-FIX KNOTLESS for shoulder repair and expanded the international rollout of CARTIHEAL AGILI-C. We are executing well commercially through our dedicated Sports Medicine sales channel. Growth is well balanced geographically with our principal regions consistently delivering high single-digit to low double-digit growth. We believe Sports Medicine remains one of the most compelling opportunities within Smith+Nephew to deliver sustainable, above-market growth over the long term. With category leading positions and differentiated portfolio, strong commercial execution and expanding addressable markets, we see significant scope to extend our leadership across the broader market.

Turning now to advanced wound management, we operate in a large and attractive global market worth about $13 billion. We are the joint largest player globally with around 14% share and hold a number one and number two position across each of the three principal segments of the wound market. But the only major player competing across advanced wound care devices and bioactives with leading products including ALLEVYN, PICO, RENASYS, and SANTYL. This gives us one of the broadest and most differentiated portfolios in the industry. This breadth gives us exposure to some of the fastest growing areas of wound care, including surgical site complication prevention, pressure injury prevention, and chronic hard-to-heal wounds. To

capture this opportunity, we are investing behind innovation and commercial execution. This year, we have further strengthened the clinical evidence for ALLEVYN COMPLETE CARE, with initial results showing improvements across a number of important clinical measures, including exudate control and wound status. For PICO, we are building on an already extensive clinical and economic evidence base to drive further penetration and establish it as the standard of care for select procedures. During Q3, alongside investments in the PICO salesforce to drive further penetration, we launched RENASYS DYNAFLOW and introduced ALLEVYN COMPLETE CARE in Europe and in the UK. We see significant scope to deepen market penetration, expand our participation in these attractive segments and deliver sustainable long-term growth.

Turning now to Orthopaedics. We operate in a large and attractive global market worth about $33 billion. Fixing Orthopaedics was a central pillar of the 12-point plan. And today, Orthopaedics is a materially stronger business. We have improved product supply, simplified the portfolio, strengthened commercial execution and improved margins and returns on capital. We have also brought much greater discipline to innovation and product launches. These improvements ahead of our next product cycle will make our portfolio more competitive and position us to recapture the ground that we have lost. This quarter, we received FDA approval for LANDMARK, which can begin to address an important gap in our cementless knee offering. And we recently published evidence demonstrating that CORI-assisted total knee arthroplasty improves operating room efficiency and reduces workload demands compared with conventional methods.

Alongside LANDMARK, the launch of CORI Hip and our CORI Hip Impactor will further strengthen the portfolio and contribute to Orthopaedics performance over time. CORI Hip will be the first robotic solution to provide execution on both sides of the hip. Importantly, that includes the femoral side, which is particularly relevant to the fast-growing direct anterior approach and can help surgeons achieve accurate leg length. Our CORI Hip Impactor will add guided cup impaction while reducing the physical demands on the surgeon. It will also be the only tracked automated impactor on the market. We expect 2027 to be an important year of product launches and the start of a new chapter in Orthopaedics. It is from this strengthened position that we have for some months been considering our strategic options for Orthopaedics. We will continue to actively explore the full range of options to deliver value for this business. In parallel, our operational focus remains firmly on improving performance by successfully delivering the product launches I have highlighted over the next 12 months.

Coming on to our key messages, underlying growth accelerated to 3.4% this quarter with continued strength in Sports Medicine, improved performance in Wound, and a return to growth in Orthopaedics. Across the group, recent product launches are showing good momentum, with more than 50% of our growth coming from products launched in the last five years. Our updated guidance reflects our outlook for US knees and hips in Q4 and current market conditions. We continue to expect trading profit to grow ahead of revenue, supported by the operational improvements we have made across the business, alongside strong working capital discipline and strong cash conversion. We will give 2027 guidance alongside our Q4 results, and we will provide an update on our medium-term outlook at that time.

Before we close, I would like to step back for a moment. We remain firmly focussed on creating long-term shareholder value through improved performance, greater operational efficiency and disciplined capital allocation. The work, already underway to explore the full range of strategic

options for Orthopaedics reflects that same focus on shareholder value. At the same time, we remain disciplined about where we allocate capital and resources, including investing behind the attractive opportunities we see in higher growth, higher margin Sports and Wound businesses.

And with that, Pierre and I would be happy to take your questions.

Q&A

Operator: Thank you very much. To ask a question, please press star followed by one on your telephone keypad now. If you change your mind, please press star followed by two. When preparing to ask your question, please ensure your device is unmuted locally. Our first question today is from David Adlington from JP Morgan. Your line is now open. Please go ahead.

David Adlington (JP Morgan): Thanks for taking the question. Maybe firstly on the strategic review, if you could just give us a bit more colour, give us some guides around what you think the most likely options are in any particular timing. More specifically, if you go down the spin route; what would be the likely stranded costs in the core business and what additional costs would the spun ortho business require.

Deepak Nath: Sure. David, thanks for the question. So in terms of the strategic options that we are considering, we have been looking at the portfolio strategy question that has been front and centre for the board for quite some time now. And in that context, as I mentioned, we had reached out to J&J to explore a combination between their DePuy Synthes business and Smith+Nephew. And as we acknowledged, those talks took place, they were quite intensive; but they are no longer active. Now that was not the only option. We have other options that we are looking at and are actively going to be pursuing at this point forward. It would not be helpful for us to give a time frame other than to say that it is a very active process. And in terms of what the range of options are, it is the full range that we are considering. It would not be helpful for me to speculate on what the likely outcome for that would be. But as you can imagine, with any effort like this, there are lots of considerations to take into account, among which are stranded costs, and, of course, if we were to pursue the spin route, then all the costs involved in standing up a separate business. So those are all important things to consider. But at this point, it would not be helpful for me to telegraph what the specific option might be, or indeed what the time frame other than to say it is a very active process.

David Adlington: Thank you.

Operator: Thank you, David. Our next question is from Hassan Al-Wakeel from Barclays. Your line is now open. Please go ahead.

Hassan Al-Wakeel (Barclays): Good afternoon. Thank you for taking my questions. A couple from me, please. Firstly, on the decline in US knees, with cementless LANDMARK now launched, when should we expect the business to return to growth, and will it need to wait until you have cemented in the second half of next year? And how has the early feedback on LANDMARK been, and what are you seeing in terms of new customer wins versus retention?

And then secondly, Deepak, you previously described Smith+Nephew as a 6-7% growth company. Following another guidance cut this year, landing at around 3%, do you still believe that that is the right range for your company? And how should we think about the margin

trajectory if revenue growth remains below the 6-7%? And asked specifically about '27 and whether you think you can expand margins, particularly if VBP in Sports Med is shifted to next year. Thank you.

Deepak Nath: Great. Thank you for the question, Hassan. So first, regarding knees. So as you know, the launch of cementless is an important part of the offering. We are now early in our experience. We have completed 100 cases. Those have been done by surgeons who are closely involved in the development of the product and who are high volume surgeons. But the feedback has been very, very good in terms of what they expect to see in real-world practice. We are very encouraged by what they are seeing. As you well know, launches in Orthopaedics take time to build. We saw that with CATALYSTEM and we expect to see the same with cementless as well. It will take 18+ months for this to build over time.

The other confounding factor with knees is that a platform is complete when you have got cemented and cementless versions. For now, what we have is cementless LANDMARK paired with our JOURNEY cemented. But as the Cemented version of LANDMARK comes to market in Q2 of 2027, then we have a full portfolio and that, in effect, begins the start of the LANDMARK journey. So that is the answer on how we expect to bring LANDMARK to market. All of that adds up to basically the second half of '27 being the most relevant time frame for when you start to see traction with LANDMARK.

In terms of retention and conversions, as I mentioned with cementless today, it is mostly retention, and even that it is with surgeons who have been involved in the development of the product. Look for this to be more commercially relevant as we go from this point forward, but really it is in the back half of '27 where you will start to see this be commercially relevant.

In terms of our mid-term guidance, as I indicated, we will come back to you when we announce our Q4 results and give you the shape or an update on midterm. Obviously, we will take into account where we outturn in the year. But the fundamental growth drivers that underpin RISE remain intact. In Orthopaedics, it was the completion of the portfolio, which LANDMARK, which is on time. And the addition within hip of not only hip execution, but CORI-enabled impaction. That is on time. And we have got the big four in sports and the growth drivers, particularly in devices and in ALLEVYN COMPLETE CARE in Wound. So when you stack up the growth drivers that underpin the 6-7% growth, those are very much in intact. Obviously, we are going to be working off of a lower base given where we expect to outturn the year and we will take that into account. But we remain on track actually with Sports and in Wound largely. And even in Orthopaedics, outside the US, we remain on track to what was assumed under RISE. This should give you a sense for the moving pieces.

Pierre, do you want to comment on the colour for margin?

Pierre Palassian: Yeah, Deepak. And thanks, Hassan, for the question. I think as Deepak says, we are not really going to update the guidance. We do that at year end. But to give you, Hassan, some colours, like on the underlying themes for '27 from margin perspective. So first of all, we have to deal with few macro headwinds. As we said in H1, the tariff will be one. In the absence of refunds, we see that as headwind for next year. I think above-average inflation, we see next year there will be some headwinds from that. But on the positive side, as we see the skin subs normalise next year, that will give us the tailwind. And China, although VBP is delayed, most of the impact we are seeing this year with the channel actions like we saw in the

past. So next year's impact will be tempered. And obviously we have to be very realistic about the ortho exit. One thing to mention there with the portfolio completion with LANDMARK and CORI Hip in Q1 and the Hip Impactor in Q3 next year, that will improve the performance of Orthopaedics next year, US Recon in particular, that will have an impact on the margin. And at the same time, we will keep investing behind our growth drivers in Sports and Wound. So those are the underlying themes we have to work them in through it. And when we come to the year end, we will give a better view on '27 and our mid-term guidance on margin.

Deepak Nath: Yeah. Thank you, Pierre. Just to also confirm on the US side, a little bit of a comment on losses in relation to your question, Hassan. Most of what we are experiencing today, even in Q3, are the impact of previous period losses. As I said, there were not significant new losses. There were some, but the majority of what Q3 is about, previous period losses; and, of course, market softness as we indicated. So as we look into next year, we do expect to perform better as we annualise those losses. As it turned out, we had a higher-than-usual amount of impact from a few of our high volume surgeons retiring at the beginning of the year and some exits associated with that. We have not been able to fully offset that as we have gone through the year. But we do expect that there will be an improved trajectory as we go into to '27.

Hassan Al-Wakeel: Really helpful. Thank you, both.

Deepak Nath: Sure thing, Hassan.

Operator: Thank you, Hassan. Our next question is from Veronika Dubajova from Citi. Your line is now open. Please go ahead.

Veronika Dubajova (Citi): Good afternoon, Pierre. Good afternoon, Deepak. Thanks for taking my questions. I am going to keep it to two, please. One, I want to challenge you, Deepak, a little bit on the ortho performance. And actually I am going to talk about hips. I kind of said in your prepared remarks in multiple occasions, you feel that Smith+Nephew ortho is now a better and different run company. But if I look at the hip performance, it seems to be you continue to be foiled by internal execution issues about set deployments. So I just want to understand kind of what is going on there precisely. What is the route to addressing this. And I guess as I think about the LANDMARK rollout, what are the risks that we see a repeat of that? And what are you doing to ensure that that is not the case? Apologies for the bluntness of the question, but I think it sort of needs to be addressed.

Then my second question is around AWC and the meaningful slowdown in the growth rate that we saw there this quarter, especially given the comp was very easy. You did not touch upon it in your remarks, but just curious if you can elaborate on what exactly is going on, is this a market or a Smith+Nephew execution issue, and your degree of confidence in your ability to outgrow the market in the traditional wound care space. Thanks so much.

Deepak Nath: Thanks, Veronika. Always appreciate your questions, provocative or not. In terms of ortho performance and hips, fundamentally, things have slowed a little bit with it. There is a little bit of market, although there is more market impact in these than there is on hip. So CATALYSTEM, we have got a couple of players, us and another player launching, a new platform. When you have that, you have got dynamics where from quarter to quarter you have got some variability as we win some, they win some and so on. So there is a little bit of that

quarterly gyration when you have got two major players launching new hips. So that is one factor to take into account.

Second, part of the discipline of capital deployment is previously in Smith+Nephew's history, when we have launched products, we have taken this as broadly as possible as quickly as possible. Well, that has had some impact on top line. Actually over the longer term, it has come back to haunt us, that level of poor discipline on capital deployment. We brought to bear much more focus, much more discipline around where we deploy CATALYSTEM, where we deploy those sets and where we put them in order to drive the right level of uptake. And that discipline has impacted in the sense that we were not able to allocate as many sets to retaining our business as we might have in retrospect. And that is a consequence of the discipline that we have run. So again, this is not a structural thing. In fact, there is a positive here, which is that we are very mindful about where we place sets and the kind of performance we expect and where we allocate capital.

So coming back to now what the lessons are from this as we take into LANDMARK. First, we do expect to bring the same level of discipline around capital deployment with LANDMARK. It is always a bit more complicated with knees because you have got cemented and cementless versions. But the way we have designed LANDMARK is we have got one instrument tray that caters to both cemented and cementless variants, highly efficient tray design. So we built in a level of capital efficiency in the way we have designed the system, but that level of rigour and account targeting rigour where we want to place sets and how we want to drive the business we plan to bring to LANDMARK as well.

So a little bit of acknowledging the point that we are a little bit behind where we need it to be. Again, also in hip when we decompose our picture, we actually had a couple of high volume hip surgeons retire on us too. So that did impact these numbers. So there is a bit of that within it. But clearly, our performance in hips is better than these, and we expect it to improve as we go into next year. And importantly, as we highlighted in our remarks, in addition to CATALYSTEM, which is, by the way, doing well, the sets that we have placed are turning and are performing well, we have got an important year in terms of robotics. Just to ground everyone, hip robotics today in the market is about 15%. And that is growing. And we expect with the launch of CORI Hip Solutions in Q1, and then, as we said, CORI-enabled Impactor, we expect to actually be in a position to take share in hips. And both of those are highly differentiated offerings in the market. There are things and features that we have that no one else has got. So we have got a lot lined up for hips going into next year.

In terms of AWC, just a little bit of double click on that. We are actually seeing really strong growth in the US driven by the launch of ALLEVYN COMPLETE CARE. Great traction we are getting. Customers who try it like it, and that is translating into commercial business. And we expect that to continue in Q4. We did see a slight slowdown in some specific international markets. And that was largely related to some distributor softness, but we expect to see that return to growth in Q4 as well. Specifically in the UK, the foams market has shifted from prescription to NHS supply chain direct. So we are seeing recontracting of NHS tenders, and complete care will allow us to compete with our competitors due to superior performance. And we also expect to see strong growth in 2027 as the market shift normalises.

In Germany, the health economic environment has changed. The normal pricing trends in Germany are not what they used to be, and wholesale order patterns have changed in response

to general market conditions. So that has reduced the volumes and our orders by about 10% over the quarter. But ALLEVYN AWC orders remain strong, and ALLEVYN COMPLETE CARE launch in Germany is exceeding our expectations. So hopefully it gives you the double click you are looking for on AWC.

Veronika Dubajova: Thanks so much, Deepak.

Deepak Nath: Sure thing.

Operator: Thank you, Veronika. Our next question is from Julien Ouaddour from Bank of America. Your line is now open. Please go ahead.

Julien Ouaddour (Bank of America): Thank you very much. And good morning, everyone. So I have two. The first one, let me try pushing you a little bit more on next year, Deepak. I know you would not give us guidance right now, but I am just wondering if we can assess a sort of a floor. If US orthopaedics remains weak, LANDMARK contributes only modestly in 2027 and all other things being equal, what is the reasonable floor for the group growth? And would 4% be achievable in a prudent outlook? Also in this scenario, do you think trading margin can remain stable? That is the first question.

The second one is just on the strategic review. When you refer to exploring the full range of options, does it apply equally to Orthopaedics, Wound, and Sports, or is the review primarily focussed on Orthopaedics? And just what would determine which part of the portfolio you act on? Thank you very much.

Deepak Nath: Thank you, Julien, for the questions. So in terms of '27, thank you for trying again. The headline answer, I am afraid, I will have to disappoint you and say that we will come back and give you the proper guidance in '27. But having said that, let me just give you a couple more little morsels. On LANDMARK, you called out LANDMARK as one of the growth drivers; it is not just LANDMARK. We have high expectations for CORI Hip as well for next year. One of the points that I tried to allude to, which I will make more explicit, is that we do not expect '27 to look like '26 in US ortho. And part of it was what I tried to address, there were some losses in '27, a higher-than-normal kind of level of high volume surgeons in both knees and hips that retired or exited their practice earlier in the year. And that did impact. Normally, you offset these things through competitive activity and the wins offsetting the losses. And we had our share of wins as well. But clearly those wins have not offset the level of those losses. In other words, we had a bunch of high volume surgeons exit. We have added new surgeons that were not of similar high volume. So that is basically what is going on in terms of the double click of that. And then encouragingly, in Q3, the majority of the losses were previous period rather than new surgeons that are losing. We lost some, but mainly it was those previous period losses. We are really getting into more steady state with that. What I am trying to get to is, in terms of a floor, '27 is not going to look like '26. Now that is not saying much, but it is something.

The second thing I would say is I would not just take Q4 exit and say that is what the shape of '27 is going to look like because there are important growth drivers. So just to make it more explicit with LANDMARK, we will have some traction with LANDMARK cementless, back to Hassan's question; but really with the portfolio getting complete with the launch of cemented in Q2, that will build over time. But by Q4 of next year, you should see LANDMARK be more relevant. We will have a full year of LANDMARK cementless, but then we will have a quarter-

plus, almost two quarters, of LANDMARK cemented. So we should be exiting Q4 in a much better place with knees.

And with hips, back to Veronika's questions in terms of where we are, but CATALYSTEM continues to perform well, the combination of that and CORI Hip, very differentiated CORI Hip execution, highly differentiated CORI Hip Impactor in Q3, because those two hip CORI launches happen in two quarters across the year, they will be building strength as we go into 2027. So you should expect a better trajectory in '27. I know I am not giving you a lot more, but at least it helps you think about where to set for the US. OUS generally we have been performing well for a number of years. There is always something in this market or the other market. But generally speaking, outside the US, the performance has held up and we expect that to continue in into '27.

In terms of trading margin, there are two things. One is the consequence of where we are going to be exiting in terms of sheer volume of business in the US in Orthopaedics. There is a pretty high level of sensitivity to ortho margin and therefore group margin to US Recon business. So there is that sensitivity. But having said that, as we have said a number of times, the operations of Orthopaedics, the top line in the US notwithstanding, is in a much better place. Our approach to capital deployment and capital cycling, our approach to how we connect supply and demand, how the factory is running and how we manage our inventory, all of those things are in a better place. So the foundation on which we will be launching these products will lead to greater leverage, operating leverage as we go into '27.

However, there are choices that we need to make. What we have called out in RISE is that the reason we have moved away from margin and gone into profit is that we want to be able to invest in Sports and in Wound where we have good, really good positions and high growth, high margin kind of business opportunities that we want to invest behind. And we would like to be able to invest behind those. So those are conscious choices, obviously, that will determine kind of the shape of our margin trajectory.

So hopefully that gives you a little bit of colour against the headline that says we will update you on mid-term with Q4 results.

In terms of ortho strategic review, or strategic options, look, I mean, we have said Orthopaedics for a reason. That is where we are looking. Having said that, the strategic discussions, the portfolio strategic discussions we have had with the board are across the entire group. And I have said now for some time this has been a front-and-centre topic for the board and it continues to be thus, and we are looking at the totality. But the evaluation, active evaluation of strategic options is focussed on ortho keeping in mind the broader picture.

Julien Ouaddour: Thank you very much.

Deepak Nath: Sure thing.

Operator: Thank you, Julien. Our next question is from Julien Dormois from Jefferies. Your line is now open. Please go ahead.

Julien Dormois (Jefferies): Hi. Good morning, Deepak. Good morning, Pierre. Thanks for taking my two questions. The first one is on Sports Medicine and, more particularly, Joint Repair. You have now posted double-digit growth in this space for the last four quarters, if I am right, and you are making, I guess, lots of investments behind what you call the big four, but I think

in joint repair is essentially a big three with REGENETEN, CARTIHEAL, and TENDON SEAM. So just wondering whether you think you can sustain or maybe accelerate that trend in joint repair in the next couple of years.

And the second question is on Trauma. And here it is pretty much the opposite because I think year to date, you have delivered around 2% growth. Other markets, judging by your peers, is still growing at a healthy 6/7% clip. So just curious how you see this franchise evolving going forward and whether '27 just like in the broader ortho market could be a better year for your trauma franchise, or we should expect this to trend in a soft level. Thank you.

Deepak Nath: Look, with joint repair, as you rightly know, Julien, is three of the big four are in that area. So we have a great position. We have opportunities to not only execute on our core portfolio, we call out the big four, or the big three with the joint repair. But the substrate on which all of those rest is the core portfolio. And what we do a nice job commercially is executing on our entire portfolio. So Scott and his team when they drive performance in the business, they are not focussed on one or two products, but actually on the whole portfolio. And they have done a really nice job of maintaining balanced performance not only across product lines, but also across geographies. So the team has got a good track record of doing that and expect that to continue to execute on that core portfolio.

But we have got some wonderful opportunities that will further expand our addressable market, as we said. CARTIHEAL AGILI-C, it is a new category for us. Of course, it is an existing space. They are existing therapies within that space. But we have got on the back of the Category 1 code in January, a great platform that further expands in an area where we were not present. So that is an important thing. REGENETEN, it is penetrated in shoulder. And then we have got about 10%, a different 10% of our business that is outside of the shoulder. So we have got opportunities not only to drive further penetration within rotator cuff, but also we funded clinical trials and investigators are pursuing their own independent trials looking at the applicability of REGENETEN in other joints. Foot and ankle being one; hip is another area. Those studies will take time to deliver results. But the important thing is we are investing behind those. So it is not just about resting on our laurels, but continue to build the clinical evidence.

By the way, we are working on our next-generation REGENETEN as well. So those are now longer term. But back to your question, that is about expanding the market rather than just taking share. So we have got two out of the three there that is about expanding the market. And then third of the three is in TENDON SEAM with the acquisition of Integrity. There we are a very, very strong player within shoulder, but we have got market share capture opportunity by having a full offering there, not just TENDON SEAM together with our legacy portfolio, but the combination of TENDON SEAM and REGENETEN. So you put those things together, Julien, it is fair to say that we have got opportunities to accelerate. Those are baked in to the guidance that we provided. And as I said in response to I think it was Hassan's question, as we think about mid-term, the growth drivers and the trajectory in Wound and Sports remain largely intact.

Coming now to Trauma. We have done pretty nicely with Trauma almost three years now. And early in our 12-point plan journey where we were suffering mildly for lack of supply in Trauma, once we addressed our supply challenges there, we have been able to drive nice performance within Trauma. So we have got effectively the product portfolio, particularly now with the launch

of pelvic plates. We have got a full offering within plates, and we have got the commercial execution to go with it.

What we are doing, though, is you have got two of our peers, larger peers that comprise roughly 80% of the market who have product launches on their own. And so we have got a very good offering. I think we are very competitive from a product standpoint and commercial standpoint, but you expect to have some level of trialling activity as those players launch into the market. So you are seeing some impact within that. But as we call out IM Nails, we have got a new offering there that is doing quite nicely for us. So it is a competitive space. But, as I responded in connection with Veronika's questions, you have got multiple players launching products. You are going to have share trades and you are going to have quarters up and down. But fundamentally, though, we have got the product portfolio, we have got a team that is executing against that portfolio, and we feel good about where we are positioned there.

Julien Dormois: Thanks a lot.

Deepak Nath: Sure.

Operator: Thank you, Julien. Our next question is from Jack Reynolds-Clark from Morgan Stanley. Your line is now open. Please go ahead.

Jack Reynolds-Clark (Morgan Stanley): Hi there. Thank you for taking the questions. Two for me also, please. First is on the Orthopaedics market. Could you quantify, Deepak, the contribution from the softer market in Q4 across hips and knees? And based on what you're hearing from your customers, what do you think is the driver of the softer market? Is it demand issue? Is it a supply issue? Kind of what is the driver there and when would be your estimate of a return?

And then on LANDMARK, I appreciate it is very early days, but how is the launch tracking versus your expectations? And following up on Veronika's question earlier, how are you specifically managing the trade-off between set availability and supporting growth? Obviously, appreciate the one set kind of solution, but the planning piece, how are you managing that, kind of taking lessons from CATALYSTEM? Thank you.

Deepak Nath: Great. Thanks for the questions, Jack. So in terms of ortho market, this group will note that historically I have been loathed to comment on the market in the US because we have had performance issues. And our wiring of Orthopaedics was such that we had great data independently from which to make comments. That has changed, I would say, beginning in the earlier part of this year. I was more open to making comments about the market from our own data sets. Obviously, we look at third-party data, we look at what our customers say, the big hospital chains and everything else. We track all of those things. But in terms of what we can see from our own account base, from our own teams, I have been much more able to comment on the market based on the quality of the data and the insights we are able to generate.

And in fact, last quarter, I had called softer market because we had seen it in our own set of numbers. And we are seeing that today when we look at kind of our stable base of surge in customers, what they are doing, and we know that they are either not trying competitive products or they have had vacations or absences or other type of temporary factors. When we look at that stable account base, we absolutely see the impact of softer market, a couple

hundred bps of headwind, particularly on knees. And as you know, knees are more elective than hips. So the impact is more pronounced on knees and hips.

As to the reasons why, obviously we cannot see that from our own base. We do not know why the patients are not showing up. So that is obviously inferred from what other players within the system observe on what they experience. And there again, I am speaking now based on what others have commented rather than what we see from our own account base. But there certainly seems to be an impact of insurance premiums going up, the impact of ACA disenrollment; those things having an impact on surgeons or patients wanting to get elected procedures such as joint replacement, particularly knees. We are also seeing or heard reports of inflation weighing on patients and their willingness to undergo procedures. Again, those are from third-party sources, not necessarily from our data. But the impact is real. And we have called that out in Q3. And I signal that actually last quarter as well.

In terms of LANDMARK, it is early, very early days. We are 100 cases in. So it is hard to say that we are on track. We are on track to the early phases of launch, but that is not saying a great deal. But I am very, very pleased with the experience of LANDMARK in real world. And we are now at 100 cases in, if there were issues, you would start to see them, and we are not. In fact, surgeons are very, very pleased with what they are seeing. And that does augur well for the uptake of LANDMARK kind of down the road.

The way we are approaching this is in contrast to CATALYSTEM where we deployed those in competitive situations, with LANDMARK, we are going to have to do a mix. There are clearly surgeons that we talk to today who are not Smith+Nephew surgeons who are looking forward to LANDMARK. They have heard it. They have experienced it in various contexts, in a lab or what have you. And so there is a high level of interest among competitive surgeons. So we know that there is pent up demand for this. And there is some unique features that LANDMARK has that none of the other platforms in the market do, particularly a combination of LANDMARK and CORI. So we know that there is competitive interest.

We also know that in our current situation, particularly for JOURNEY users who want to adopt cementless, we do not have a good solution for them. So we are going to have to prioritise our current customers who do want to adopt cementless. So we are going to need to have a mixed strategy there. And we have got it thought through in terms of how we recycle the capital that comes out of these accounts, where we redeploy them and all the rest of it. So again, back to the discipline. I know it is hard to appreciate when we are posting negative seven, negative eight kind of numbers in the US. But the fundamentals of how we operate the business are in better shape. So once the product portfolio gets complete, I do think the machinery that now is in a better place will start to yield results. So hopefully that gives you the colour that you are looking for. Good early data certainly meets or exceeds our expectations. And in terms of set deployments, we have given you the colour for how we are approaching it.

Jack Reynolds-Clark: That's great. Thank you very much.

Deepak Nath: Sure thing.

Operator: Thank you, Jack. Our next question is from Ryan Zimmerman from US Bancorp BTIG. Your line is now open. Please go ahead.

Ryan Zimmerman (US Bancorp BTIG): Thank you and thank you for squeezing me in. It is good to be on the call now that we have covered you guys. So maybe I just want to start with maybe talk about skin subs for a minute. I mean, the market is taking longer to adjust to the changes from Medicare. We can all see that. How are you thinking about repositioning your skin substitute business for the changes in Medicare reimbursement here in the US? How long do you think that will take, as you sit here today, to maybe focus primarily on inpatient only? And then just as a follow up to that, can you talk to us about kind of where you are at in terms of SANTYL recovery? I know you saw some recovery, but you did have some distributor dynamics and inventory dynamics that impacted you in the first half. Thank you.

Deepak Nath: Hi, Ryan. Thanks for the questions. With skin subs, we had guided the market up for an impact of $20-$40 million in terms of trading profit impact for the year. We are navigating within that quarter toward the upper end of that range, but we had contemplated range of scenarios, and it is fair to say we are tracking to within the scenarios that we had modelled. So that is the good news of it. We are tracking well within that.

Having said that, as you rightly observe, the adjustment of the market to new reimbursement or the new reimbursement scheme has taken longer than expected. There is friction in the system particularly around billing; so how the market has adapted to the new ways of billing. That noise seems to have, I do not want to say, subsided. I do not hear quite as much as before, but it is not exactly steady state there either. So there is absolutely the impact of administrative burden that is weighing on this. There is also inventory in the channel just because of the level of utilisation in the chronic segment. But we continue to see players getting squeezed out of the market. And related to that, we have always maintained the clinical unmet need is there. I believe CMS recognises that. And I think we are well positioned over the long term to cater to that need.

Just to ground everyone, though, in terms of our mix of business, we never had much exposure to the mobile segment. That, as you know, is the most impacted out of this. And so, we did not have great exposure there. And we continued to kind of do okay as some of that volume migrates into the outpatient setting. And we have got good presence in that segment. Our current portfolio where the market we had called for roughly 90% kind of ASP hit, we were more like around 10% or so with our mix of products. And that is in line with what we are seeing today.

In terms of volume, we had expected to see some level of volume impact as well. And what we are seeing is roughly 10% in terms of volume impact to that. Over time, I think that will adjust. But it is fair to say, given where we are positioned today, I think it will be softer as we go into 2027. Obviously, with the start of a new calendar year, there is a bit of a reset; whereas in this year, the calendar reset, new reimbursement went into effect. And so too did a new mechanism, new administration for how the procedures get built for and paid. By a year into this now, start of '27, there should be players that are more adapted to this.

But having said that, I think it will be slower into 2027. But longer term, we do think that the market is there. We are well positioned within it. You talked about the surgical channel, that has been growing nicely at near double digits. And we have experienced that within our book of business as well. And so we are positioned there.

In terms of SANTYL, there are a couple of moving pieces here. One is inventory. As this group knows, because that runs through distributors, that business is lumpy quarter to quarter. And that remains so as well. But we also had called out the impact of prior authorisations on this, and we continue to navigate that impact. We did not call out anything in particular. I think Q4 is set up for a positive quarter for us relative to where Q3 was for SANTYL. And so all indications are that we will deliver to that. So year on year, while there will be some impact of prior authorisations, we are navigating through that picture is the headline for SANTYL.

Ryan Zimmerman: Thank you, Deepak. I will leave it there in the interest of time. Thank you.

Deepak Nath: Thank you, Ryan.

Operator: Thank you, Ryan. Our next question is from Kane Slutzkin from Deutsche Bank. Your line is now open. Please go ahead.

Kane Slutzkin (Deutsche Bank): Morning, guys. Just a quick follow up just on the strategic review. Sorry to come back to it. But just during that process with J&J, just wondering, how much did you think about sort of past precedents in the sector? Zimmer Biomet is obviously a good example when considering a sort of strategic type. Arguably it was not a great precedent, I guess, for large scale consolidation given some of the disruption there post-deal. So just wondering, how do you balance the sort of potential scale or synergy benefit one would get from such a tie up with a strategic against some of the execution risks or sort of disruption you might have post integration, whether that be also just a very messy P&L because of rationalisation? Just wondering how you think about those two. Thanks.

Deepak Nath: Kane, thank you for the question. What you should expect from us is rigour in our thinking, rigour in our analysis and deep thought across all aspects of a combination like this. And I cannot emphasise enough the level of rigour, the level of thought that has gone into it. Obviously, we are informed by experience. Everyone in the industry knows about the precedence within Orthopaedics. We are eyes wide open on it, but also not limited by one data point or two data points. So it is important to keep that in mind.

That said, the potential combination was not just about bringing two ortho businesses together. That is an important piece of it, of course, and it would have been transformative for the industry. That said, the merit of the case was actually combining the ortho businesses and having a high growth sports business and a growth platform, a scaled growth platform in Wound. So it is actually a MedTech company that has important characteristics of leading businesses with category leadership, potentially, across all subsegments in which the combined company would have been. So the merit of the case was actually across all of the businesses in which we were present, not just in Orthopaedics.

That said, as we indicated, there were serious discussions. Those discussions have terminated. But in all of the calculus before we reached out to J&J, there is quite a bit of work that we did on not only the strategic merit, but where we were going to deliver and create value from this combination, where the synergies were, and exactly how we were planning to deliver those synergies. Those were all important considerations that went into our outreach.

Kane Slutzkin: Okay. Thanks. And would it be fair to say that perhaps in an enlarged group, you might sort of run a risk that your sort of, let's call it, your jewel in Sports Medicine get somewhat lost in a much larger ortho business?

Deepak Nath: I think rather than get into a specific there, Kane, I will just say that when I say there was rigour and there was comprehensive thought that went into this, you can imagine that we did not just forget about the other businesses. There are important considerations that went into how we analyse the situation, how we assess the strategic fit and where the synergies were going to be. So I will leave it at that, but you can imagine there was a lot of thought and rigour that went into it.

Kane Slutzkin: All right. Thanks.

Deepak Nath: Sure thing.

Operator: Thank you, Kane. Our next question is from Caitlin Roberts from Canaccord Genuity. Your line is now open. Please go ahead.

Caitlin Roberts (Canaccord Genuity): Hi. Thanks for taking the questions. Just to start, you noted CORI was strong; maybe speak to where the growth was concentrated globally. And then how are you thinking about CORI demand with lower market growth in hips and knees in the US? And then just CARTIHEAL launching in Europe, speak to the competitive and the regulatory reimbursement environment there and how the launch is going and how you are preparing the team and the market for the CPT code to go into effect here in the US in a couple of months.

Deepak Nath: Got it. It is a little bit hard to hear particularly the second question, but I think I got the gist of it. In terms of CORI, as Pierre highlighted, this was our strongest Q3. But as we have noted in previous calls, the traction we are getting with CORI, we are pleased with. The uptake within the ASC is great. We are placing a little bit above our share position. And that remains true even today. It has been geographically very nice uptake in Europe and in parts of Asia in addition to the US. So CORI has been performing very, very well for us across geographies and in a range of setting ASCs and in hospitals.

The strategy we are deploying there, we are not following a place-first strategy. We are placing CORI where there's surgeon interest in adopting it and integrate it into our workflow. So one of the measures we look at is how CORIs are being utilised. And where we place them, more than half of the knee cases end up getting done robotically, which is a nice number and tracks very nicely with what some of our other peers have reported.

And when I look at the overall mix of our business across our installed base, we are now into the 30s, I should say, in terms of robotically-enabled procedures, which also tracks very nicely with where the market is. And when you parse that against our market share, the data at this level of resolution kind of hard to come by. So you have to interpolate it. But bottom line, we are at least holding our share, if not placing a little bit above our share. So very nice things in terms of what we are seeing in CORI.

And one of the things we have done right through this period is we have maintained our investments in Orthopaedics. We have been in a challenged position. But actually, in terms of R&D, we have invested very significantly to build out CORI. We have now got the third generation of CORI, which is the CORI XT, which is a modular platform that allows us to bring CORI functionality to all joints; shoulder, hips and knees. And as you will remember from a couple of quarters ago, we brought unique robotic planning and execution capability for shoulder. We are a small player within that, but when you look at our offerings with CORI, we

are a handheld form factor, very, very well suited for shoulder, we have got some unique differentiation there.

I have talked a lot about hips, I would not belabour the point. But on knees, actually, it is the only platform that can do image-based and image-free. So previously on the image-based, we had MR-based planning. By the end of this year, we will actually have CT-based planning on CORI as well. So with knees, we have got image and image-free, MR and CT. We can do revisions and we can do primary knees. And we have got digital tensioner that allows us to do soft tissue balancing before we cut bone. That is a phenomenal set of features on CORI. We will confirm the numbers for you, but in terms of CORI placements, we are not number four, although we are number four player within Orthopaedics. And you can verify that through third-party sources.

So I am very pleased with where we are. And actually with LANDMARK, as important as LANDMARK is, the combination of LANDMARK and CORI is what we are most excited about. And so back to the commentary around it, yeah, we have lost some ground here. We are backs against the wall a little bit in the US, but actually as we look into 2027, particularly in the back half of '27, it will be the start of a new chapter for us in Recon, in the US, and CORI is an important part of it.

And then back to your CPT 1 code, I assume you meant for AGILI-C. That part of it acoustically did not come through, but that is the only thing we have got CPT 1 code for us. There, again, it is early going now. And we would say we are tracking maybe a little bit behind where the deal model had us when we originally acquired CARTIHEAL. But actually the pipeline we have got of surgeons who are interested based on the evidence, based on the reimbursement now coming through, quite a nice pipeline. So we are looking forward to actually coming off the year pretty strong with AGILI-C. So we will plan for us to report on progress periodically in terms of how that launch is going. But we are set up very nicely in terms of interest, in terms of pipeline of surgeons, in terms of our own sales teams trained and ready to go. They know what their targets are. They know how to introduce this properly into the market, how to train surgeons and the rest of it.

Operator: Thank you, Caitlin. Our last question today is from Charles Weston from RBC. Your line is now open. Please go ahead.

Charles Weston (RBC): Hello. Thanks for taking my question. I am just trying to think about the phasing for US Orthopaedics next year. You have got your LANDMARK cementless launch in Q2. And you said it is the same set as cemented. So you will probably have had the opportunity to sort of seed the market already. Right? Can that head start flow through to a proper inflection in sales in Q3, or are we more thinking Q4, Q1 because of the protection for existing customers and having to place them with JOURNEY customers?

And then the other aspect of phasing, you have talked a lot about the loss of some high volume customers. Can you tell me when that headwind expires? Like which quarter will those headwinds expire, please?

Deepak Nath: Yeah, Charles. I mean, you have got the cemented and cementless backwards. It is cementless that we have launched now and cemented that happens in Q2. I think I assume that was a Freudian slip, or a slip of some sort. So look, I think conceptually what you say is true. You deploy instrument set with cementless in an account. And as LANDMARK launches

cemented, then you bring that to bear an account. But where we are deploying cementless LANDMARK is in an existing account where typically it is a JOURNEY user that is obviously using JOURNEY cemented, and then we put cementless in. So when we replace JOURNEY cemented in that account with LANDMARK cemented, that is you are replacing in effect one of our platforms than others. There is some impact there revenue-wise, but that is not the big thing.

What you want with cemented plus cementless, you are actually now able to go to one of our surgeons who do not want to go through this transition of two different instrument sets, JOURNEY and LANDMARK, and would rather wait until they have got the full solution with LANDMARK and then they would convert. So really, operationally, the way that you would see this happening is when you have the full platform and then you can go to one of our surgeons.

And equally, when you go to a competitive surgeon, that is even more true. So you are going with a full solution to a competitive surgeon who believes in the merits of what LANDMARK can offer, which is a degree of personalisation and the ability to execute and deliver kinematic alignment without the type of trade-offs that kinematic alignment sometimes comes with or often comes with. So if they are sold on that, that combined with CORI is a compelling proposition. And for them, it is really starting in Q2 that you are able to deploy.

So as much as I would like the thing to be true where you are getting a running start, you will have some, but the reality is in terms of phasing, this is the back half of '27.

And by the way, that was contemplated within RISE. But within RISE, we had anticipated holding our ground in ortho through '26. And obviously we have given up ground through the first three quarters of the year.

Charles Weston: Thank you. And just the annualisation of the customer losses, the high volume?

Deepak Nath: Oh yeah. Sorry. I forgot about that part of your question. So most of it was in Q1, a little bit into Q2. So post-Q1 is when you should start to see the annualisation.

Charles Weston: Thank you.

Deepak Nath: Yeah.

Operator: Thank you, Charles. We currently have no further questions. So I will hand back to Deepak for some closing remarks.

Deepak Nath: Great. I think we can leave it here. Really appreciate everyone's questions and engagement. And we look forward to coming back to you and updating you on how Q4 went and also, importantly, how we are set up for the mid-term. So thank you, everyone.

[END OF TRANSCRIPT]