

Smith+Nephew

First Quarter Trading Update 2026

6 May 2026



Forward looking statements and non-IFRS measures

This document may contain forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and trading profit margins, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. For Smith+Nephew, these factors include: economic and financial conditions in the markets we serve, especially those affecting healthcare providers, payers and customers; price levels for established and innovative medical devices; developments in medical technology; regulatory approvals, reimbursement decisions or other government actions; product defects or recalls or other problems with quality management systems or failure to comply with related regulations; litigation relating to patent or other claims; legal compliance risks and related investigative, remedial or enforcement actions; disruption to our supply chain or operations or those of our suppliers; competition for qualified personnel; strategic actions, including acquisitions and dispositions, our success in performing due diligence, valuing and integrating acquired businesses; disruption that may result from transactions or other changes we make in our business plans or organisation to adapt to market developments; relationships with healthcare professionals; reliance on information technology and cybersecurity; and numerous other matters that affect us or our markets, including those of a political, economic, business, competitive or reputational nature. Please refer to the documents that Smith+Nephew has filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended, including Smith+Nephew's most recent annual report on Form 20-F, for a discussion of certain of these factors. Any forward-looking statement is based on information available to Smith+Nephew as of the date of the statement. All written or oral forward-looking statements attributable to Smith+Nephew are qualified by this caution. Smith+Nephew does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in Smith+Nephew's expectations. The terms 'Group' and 'Smith+Nephew' are used for convenience to refer to Smith & Nephew plc and its consolidated subsidiaries, unless the context requires otherwise.

Certain items included in 'trading results', such as trading profit, trading profit margin, trading attributable profit, tax rate on trading results (trading tax expressed as a percentage of trading profit before tax), Adjusted Earnings Per Ordinary Share (EPSA), trading cash flow, free cash flow, trading profit to trading cash conversion ratio, leverage ratio, and underlying revenue growth are non-IFRS financial measures. The non-IFRS financial measures in this announcement are explained and, where applicable, reconciled to the most directly comparable financial measure prepared in accordance with IFRS in our Fourth Quarter and Full Year 2025 Results announcement dated 2 March 2026.

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



Summary

- +** Underlying revenue growth of +3.1% in Q1, consistent with expectations
 - Business unit performance continues to trend well overall, with strength in Sports Medicine offsetting weakness in US knees
 - Growth includes one fewer trading day vs 2025 and was +4.7% on an ADS* basis
- +** Key platforms driving growth
 - >50% of growth came from products launched in last 5 years
 - Strong double-digit growth or higher from CATALYSTEM[◇], AETOS[◇], Q-FIX[◇], REGENETEN[◇], CARTIHEAL[◇], AGILI-C[◇], FASTSEAL[◇], OASIS[◇] and LEAF[◇]
- +** On track for full year guidance on all metrics; returning capital to shareholders
 - Continue to expect revenue growth to improve over the year, driven by ramp up of product launches, stabilisation in US skin substitutes and improving trajectory in US knees
 - \$500m share buyback, funded by 2026 free cash flow and existing cash balances



* ADS: adjusted daily sales



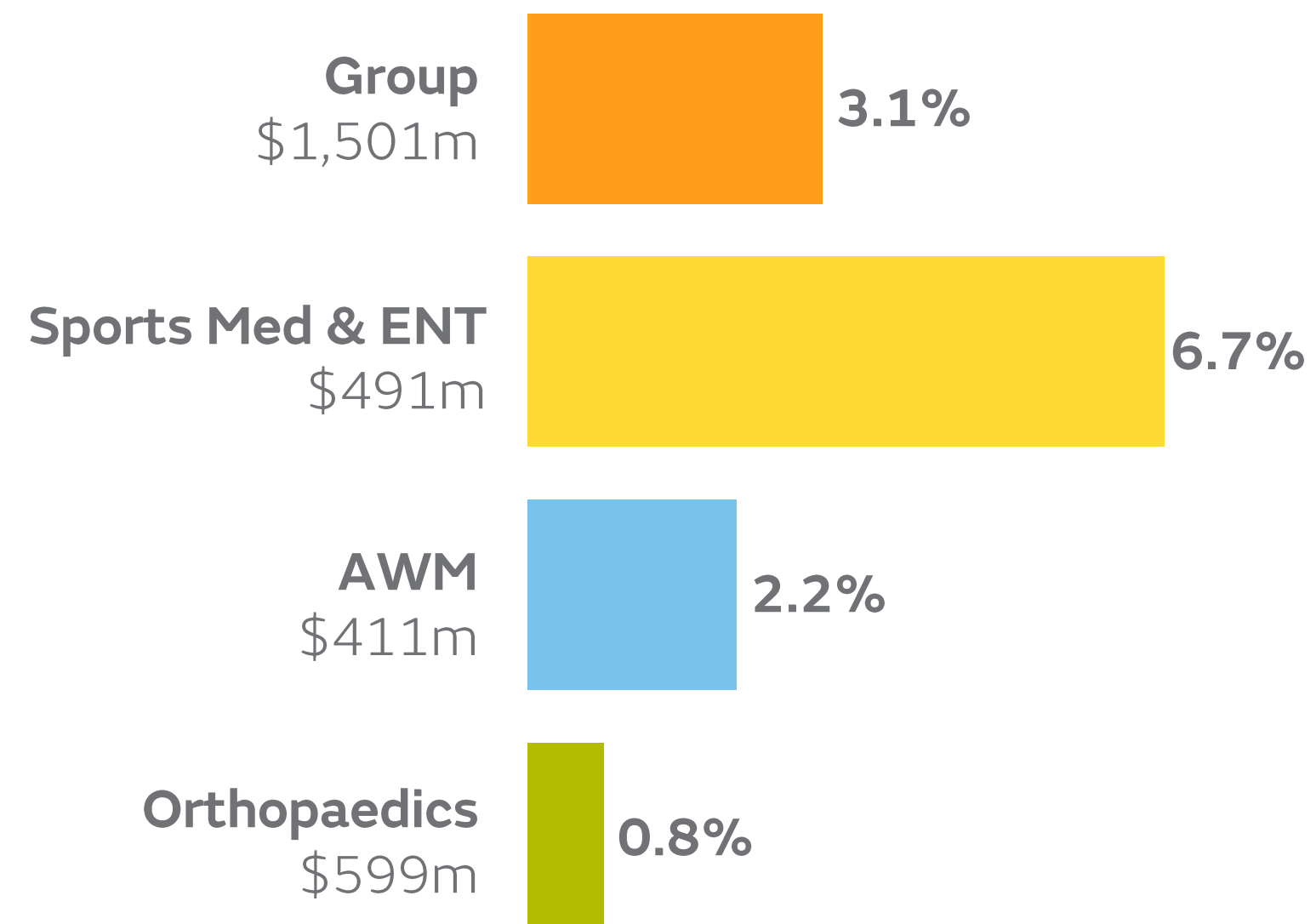
Q1 2026 revenue

Q1 2026 summary revenue performance

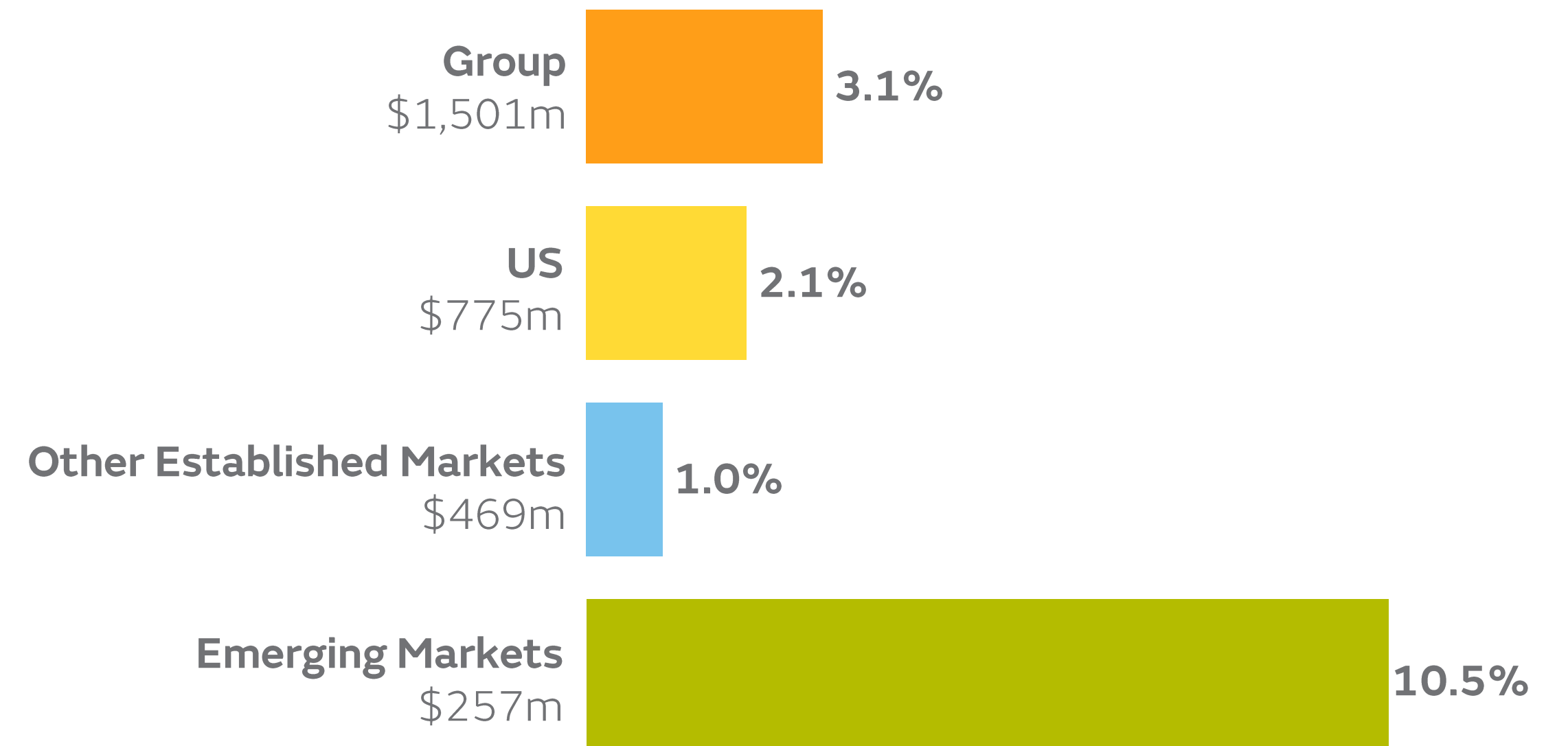
Total revenue of \$1,501m

- Underlying revenue growth of +3.1%; reported 6.6%
- One fewer trading day vs Q1 2025
- 350bps tailwind from FX on reported growth

Growth by Business Unit*



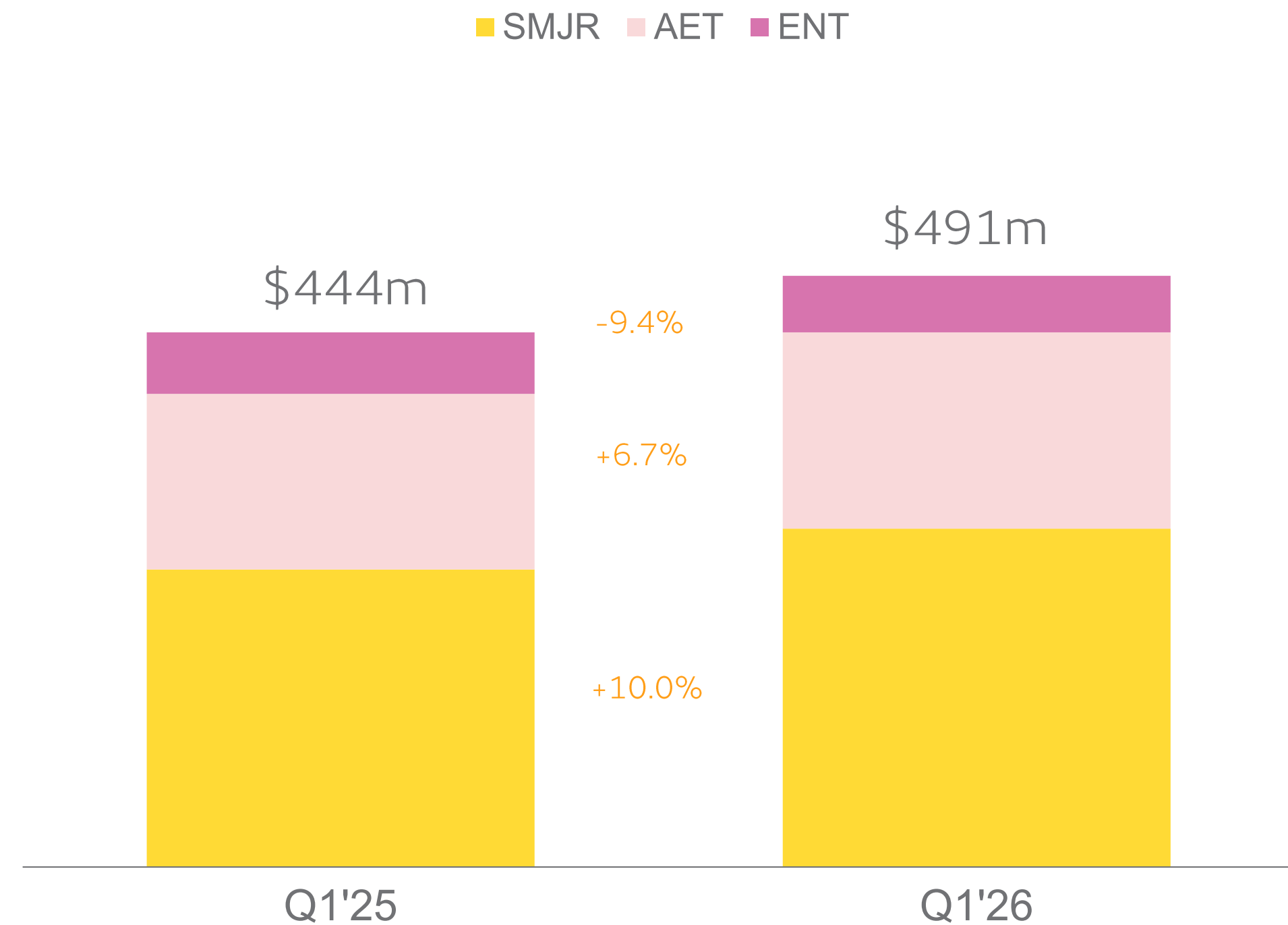
Growth by Region*



Sports Medicine & ENT

Strong growth in Joint Repair and AET; ENT impacted by China VBP

Revenue of \$491m:
+6.7% underlying*; +10.4% reported



Q1 sales factors

- **Sports Medicine Joint Repair +10.0%:**
 - Continued strong growth from REGENETEN and Q-FIX KNOTLESS
 - All regions contributed to growth
- **AET +6.7% (+4.9% ex China):**
 - Strong growth in FASTSEAL and Services
 - China VBP still to be implemented
- **ENT -9.4% (+2.9% ex China):**
 - Strong growth in Nose, as well as in Other Established Markets
 - Inventory channel reductions in China ahead of VBP implementation

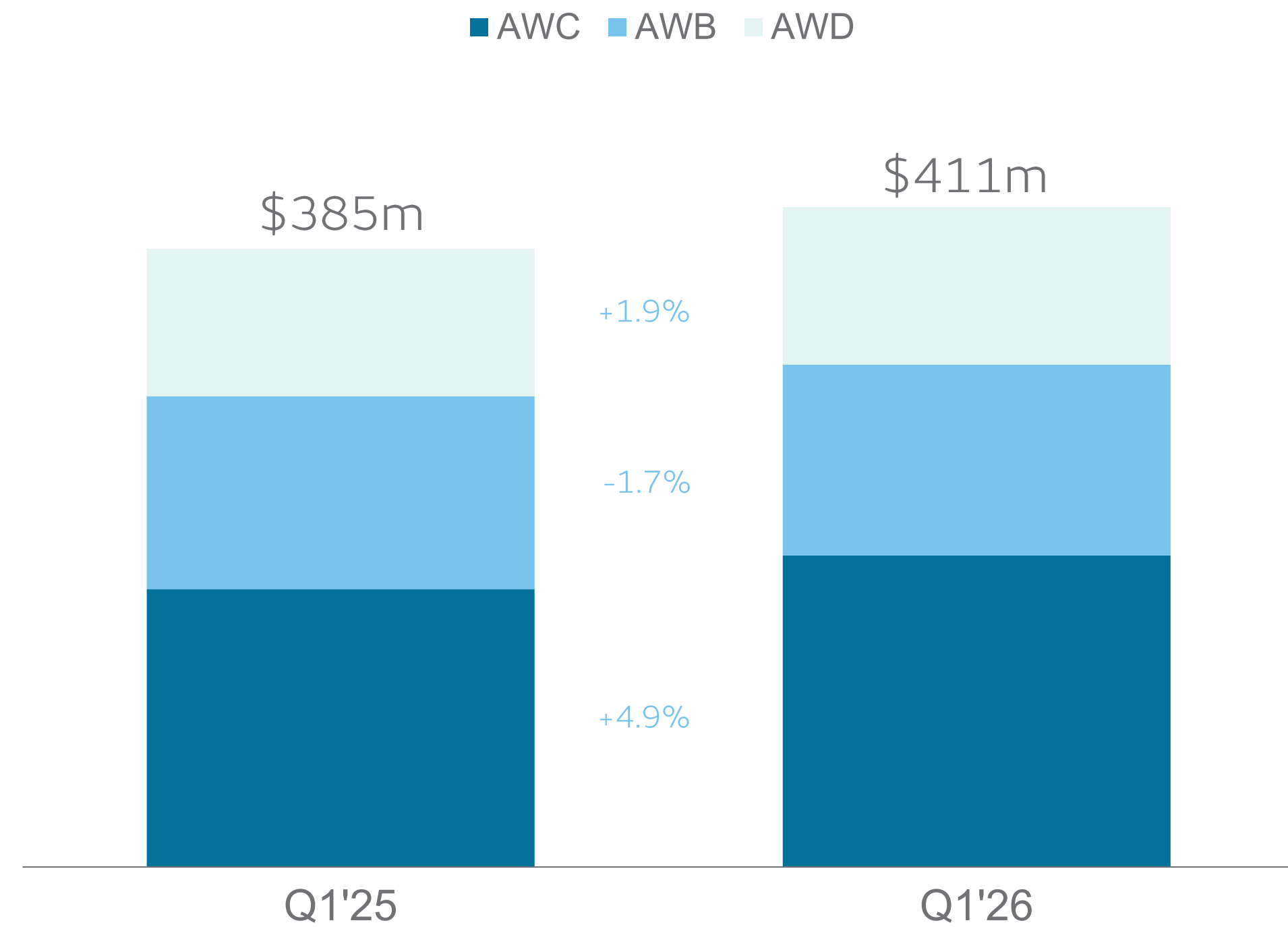
RISE: 2026 drivers

- Drive further market penetration of REGENETEN
- Capitalise on strength of shoulder portfolio
- Launch TESSA[◇], our FIRST IN INDUSTRY spatial surgery arthroscopic platform

Advanced Wound Management

Solid growth across the business; AWB impacted by US reimbursement change and AWD by tough prior year comp

Revenue of \$411m:
+2.2% underlying*; +6.6% reported



Q1 sales factors

- **Advanced Wound Care +4.9%:**
 - Good growth led by ALLEVYN[◇] LIFE and Emerging Markets
 - ALLEVYN COMPLETE CARE US launch contributing to growth
- **Advanced Wound Bioactives -1.7%:**
 - Strong growth in SANTYL[◇]
 - Decline in skin substitutes due to CMS reimbursement change inline with expectations
- **Advanced Wound Devices +1.9%:**
 - Solid performance given very strong prior year comparator
 - Good growth from PICO[◇] in Negative Pressure Wound Therapy and LEAF Patient Monitoring System

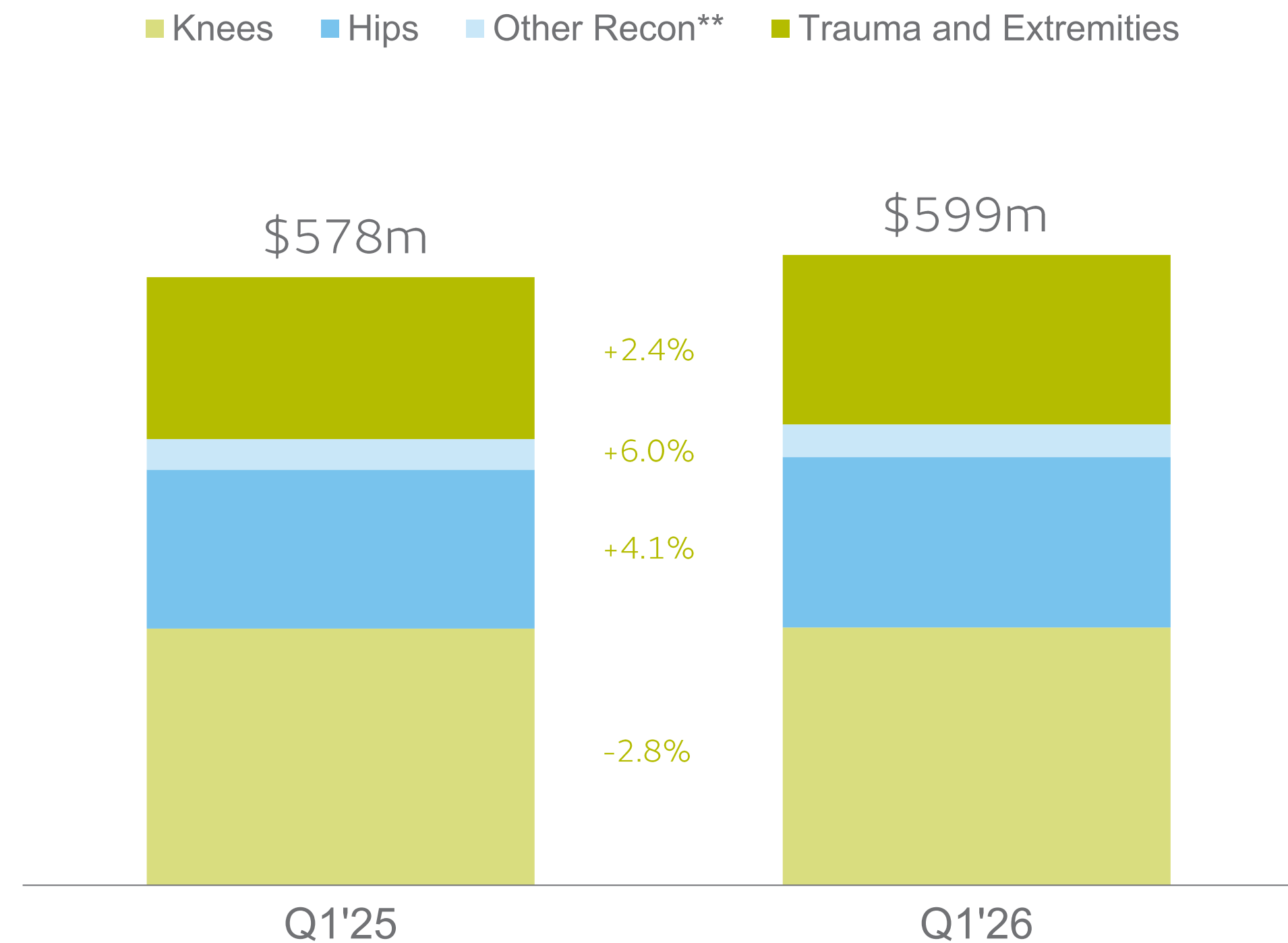
RISE: 2026 drivers

- Take share with ALLEVYN COMPLETE CARE
- Navigate CMS reimbursement change to skin substitutes
- Access new settings and patient populations with products including PICO and LEAF

Orthopaedics

Continued good growth in Hips and T&E; weak performance in US Knees

Revenue of \$599m:
+0.8% underlying*; +3.7% reported



Q1 sales factors

- **Global Knees and Hips -2.8% and +4.1%:**
 - **US Hips +5.8%**; continued positive momentum in Hips through CATALYSTEM, and **Knees -10.3%**; gap versus market widened due to deliberate trade-offs ahead of LANDMARK[◇] launch
 - **OUS Knees +6.0%** and **Hips +2.1%**; both led by strong performance in emerging markets and solid performance in established markets
- **Trauma & Extremities +2.4%:**
 - EVOS[◇] plating system continues to drive core trauma
 - Strong double-digit growth in Shoulder
- **Other Reconstruction +6.0%**, impacted by strong prior year comparator and contract mix; signed largest ever multi-system CORI[◇] deal in US

RISE: 2026 drivers

- Drive growth with CORI, supported by launch of Shoulder execution
- Launch LANDMARK knee
- Deliver operational efficiencies with Ortho 360 operational model

2026 guidance unchanged

c.6%
revenue
growth*



c.8%
trading profit
growth*



c.\$1.3b
trading profit
incl marginal
Integrity dilution



c.\$800m
FCF



>10%
ROIC*



Additionally, new \$500m share buyback fully funded by 2026 free cash flow and existing cash balances



Revenue growth given on an underlying basis and trading profit growth on a reported basis
*Excluding M&A

RISE Strategy: Q126

E Execute efficiently

- Continued progress on cost control and productivity gains, including through Ortho360
- Deployment of AI in supply chain through creation of digital twin

S Scale through strategic investment

- Acquisition of Integrity Orthopaedics, creating one of the broadest, most advanced portfolios in shoulder
- Investments in PICO salesforce

I Innovate to enhance standard of care

- REGENETEN: new randomised control trial (RCT) data¹ published confirming significant outcome improvements for patients with partial-thickness rotator cuff tears
- CARTIHEAL AGILI-C: new RCT data² showed superior pain relief and functional gains at 5 years

R Reach more patients

- RI Shoulder on CORI XT launched
- LEAF 3.0 launched
- Japan launch of CATALYSTEM hip



1. Wang A, et al. Orthop J Sports Med. 2026;14(3):23259671261418675.
2. Altschuler N ZK, Di Matteo B, et al. Five-Year Follow-up of a Multicenter Randomized Controlled Trial Comparing an Aragonite-Based Scaffold with Microfracture and Debridement for Chondral and Osteochondral Knee Lesions. Am J Sports Med 2026.

New Orthopaedics Leadership

Nathan Folkert President, Orthopaedics

Career and Experience

- CEO, Orchid Orthopedic Solutions
- VP and GM Orthopedics, CONMED
- President Trauma, Zimmer
- Multiple positions, Stryker
- US Army Officer and UH 60 Blackhawk pilot

Education

- MBA, University of Notre Dame
- BS, United States Military Academy, West Point

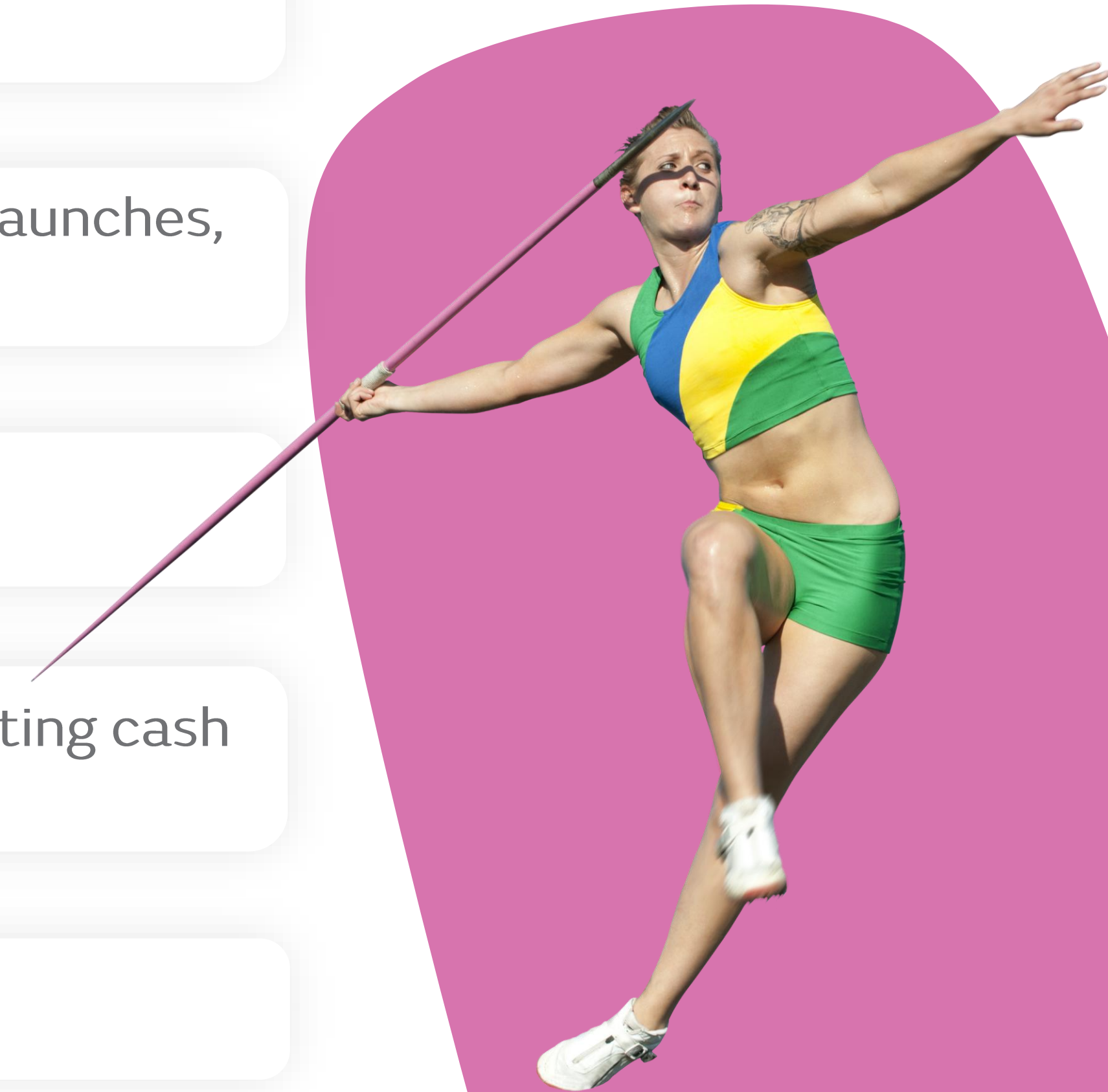
Nationality

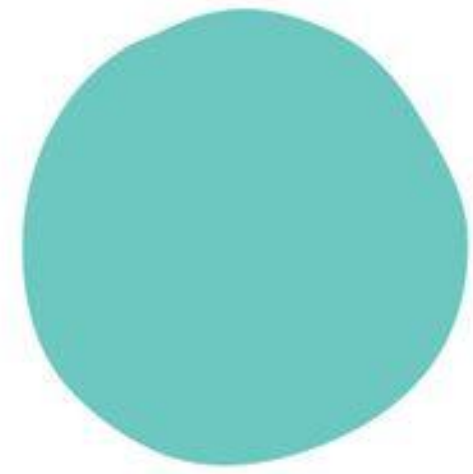
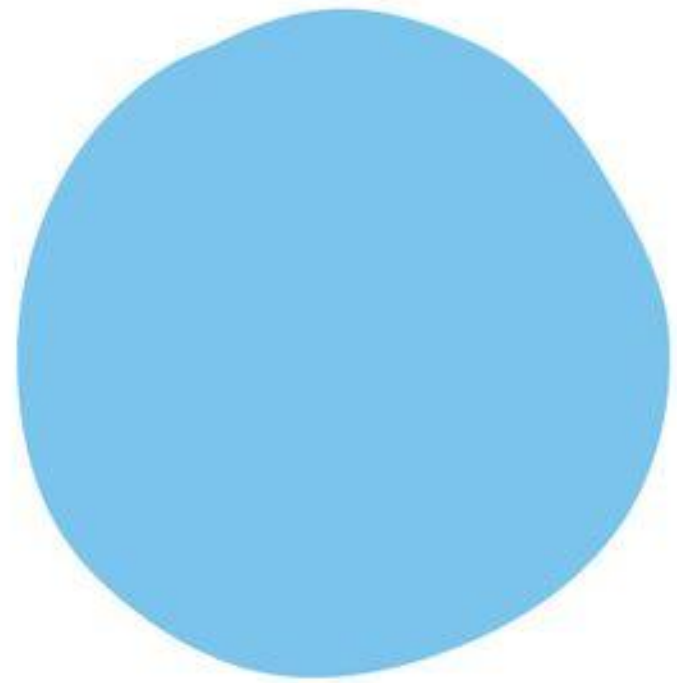
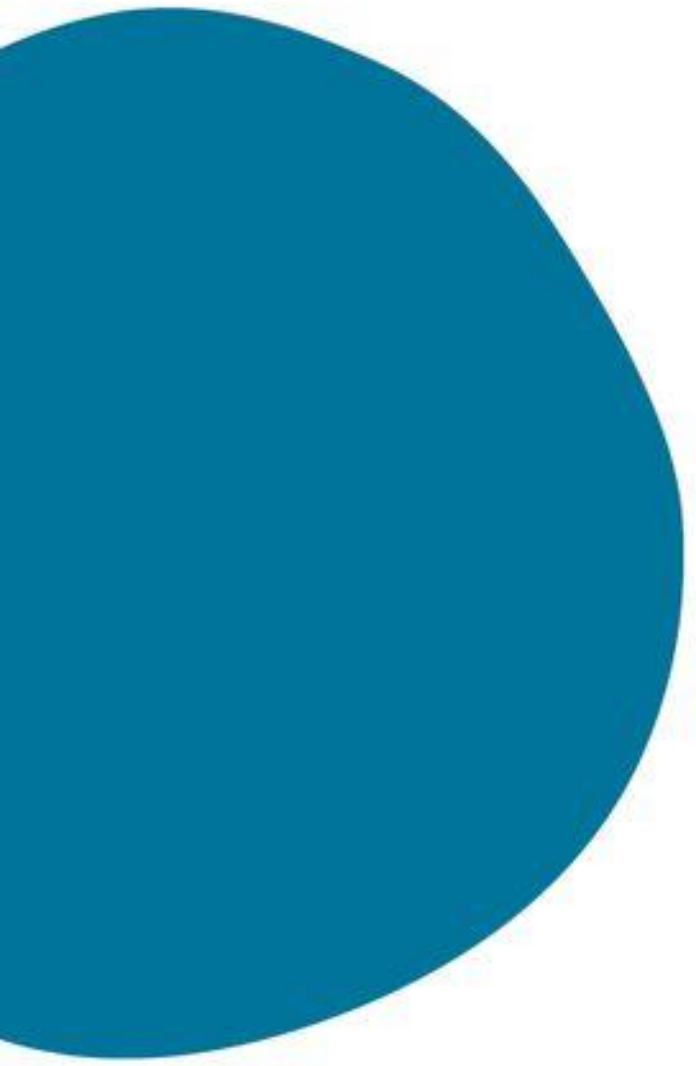
American



Key messages

- + Underlying revenue growth of +3.1% (4.7% on ADS basis) in Q1, consistent with expectations, with business units performing well overall
- + Revenue growth to accelerate over the year driven by ramp up of product launches, stabilisation in US skin substitutes and an improving trajectory in US knees
- + On track to meet full year guidance on all metrics
- + Announced \$500m share buyback, funded by 2026 free cash flow and existing cash balances, to be completed over the next 12 months
- + Expert Surgeon Insights Event in London on 9th June





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Appendix

Technical guidance for FY 2026



	May 2026	
Foreign exchange and acquisitions		
Translational FX impact on revenue growth ⁽¹⁾	c.1.7%	
Acquisition impact on revenue growth	-	
Non-trading items		
Restructuring costs	c.\$70m	
Acquisition and integration	\$40-50m	
Other	Adjusted	Reported
Amortisation of acquisition intangibles	\$165-175m	\$165-175m
Income from associates ⁽²⁾	\$15-20m	\$5-10m
Net interest ⁽³⁾	c.\$120m	c.\$120m
Other finance costs ⁽⁴⁾	\$10-15m	\$35-45m
Tax rate on trading result	19-20%	
Dividend payout ratio	35-40%	

(1) Based on the foreign exchange rates prevailing on 1 May 2026

(2) Based on analyst consensus forecasts for associate, sourced from Capital IQ on 22 April 2026 and considering management guidance issued on 5 Mar 2026

(3) Includes interest associated with IFRS 16 Leases

(4) Assumes investment income on deferred compensation arrangements in a range of c\$5m-\$10m



Revenue analysis by Business Unit



	2025					2026	
	Q1 Growth %	Q2 Growth %	Q3 Growth %	Q4 Growth %	Full Year Growth %	Q1 Growth %	Q1 Revenue \$m
Orthopaedics	3.2	5.0	4.1	7.9	5.1	0.8	599
Knee Implants	0.7	2.9	1.5	6.1	2.9	(2.8)	245
Hip Implants	(1.2)	3.4	3.7	5.7	2.9	4.1	162
Other Reconstruction	46.6	39.8	9.7	40.8	33.8	6.0	31
Trauma & Extremities	6.3	4.4	7.5	6.9	6.3	2.4	161
Sports Medicine & ENT	2.4	5.7	5.1	7.3	5.2	6.7	491
Sports Medicine Joint Repair	2.9	8.4	8.6	10.9	7.8	10.0	281
Arthroscopic Enabling Technologies	(0.1)	2.3	0.2	3.4	1.6	6.7	163
ENT	7.8	3.6	4.3	2.3	4.4	(9.4)	47
Advanced Wound Management	3.8	10.2	6.0	2.8	5.6	2.2	411
Advanced Wound Care	2.5	2.6	1.1	4.4	2.6	4.9	194
Advanced Wound Bioactives	(2.0)	18.6	12.2	(0.5)	6.8	(1.7)	119
Advanced Wound Devices	15.7	12.7	6.7	5.4	9.8	1.9	98
Total	3.1	6.7	5.0	6.2	5.3	3.1	1,501

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

Quarterly revenue analysis by region



	2025					2026	
	Q1 Growth %	Q2 Growth %	Q3 Growth%	Q4 Growth %	FY Growth %	Q1 Growth %	Q1 Revenue \$m
US	3.6	8.7	5.5	5.6	5.9	2.1	775
Other Established Markets ⁽¹⁾	5.0	7.4	3.9	7.2	5.9	1.0	469
Established Markets	4.1	8.2	4.9	6.2	5.9	1.7	1,244
Emerging Markets	(1.7)	(0.2)	5.4	6.4	2.5	10.5	257
Total	3.1	6.7	5.0	6.2	5.3	3.1	1,501

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

Q1 consolidated revenue analysis by Business Unit



	Q1 2026 \$m	Q1 2025 \$m	Reported growth %	Underlying growth %	Acquisitions/dis posals %	Currency impact %
Orthopaedics	599	578	3.7	0.8	-	2.9
Knee Implants	245	244	0.2	(2.8)	-	3.0
Hip Implants	162	151	7.3	4.1	-	3.2
Other Reconstruction	31	29	9.3	6.0	-	3.3
Trauma & Extremities	161	154	4.5	2.4	-	2.1
Sports Medicine & ENT	491	444	10.4	6.7	-	3.7
Sports Medicine Joint Repair	281	247	13.8	10.0	-	3.8
Arthroscopic Enabling Technologies	163	146	10.8	6.7	-	4.1
ENT	47	51	(7.2)	(9.4)	-	2.2
Advanced Wound Management	411	385	6.6	2.2	-	4.4
Advanced Wound Care	194	173	11.7	4.9	-	6.8
Advanced Wound Bioactives	119	120	(1.1)	(1.7)	-	0.6
Advanced Wound Devices	98	92	7.0	1.9	-	5.1
Total	1,501	1,407	6.6	3.1	-	3.5



Trading days per quarter



	Q1	Q2	Q3	Q4	Full year
2024	63	64	63	62	252
2025	62	63	63	63	251
2026	61	63	63	64	251
2027	64	64	63	60	251