



Smith+Nephew

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David Addington: That's the music stopped. That's my cue. Good afternoon, everybody. I'm David Addington. I head up the JP Morgan MedTech research team in Europe. It's my pleasure to introduce CEO of Smith & Nephew, Deepak Nath. He's also joining on stage by CFO Anne-Francoise.

There will be Q&A afterwards in this room. With that, Deepak, please.

Deepak Nath: Thank you, David. It's a pleasure to be here today. Anne-Francoise is here next to me. She gets all the hard questions. That's why she's here. It's a pleasure, as I said, to be here.

What I wanted to do is take you through where Smith & Nephew is today, the 12-point plan that we've initiated to improve our execution and deliver to the targets we've committed, and the early progress that we've made so far.

I'm going to reemphasize what I mentioned, our Q3 earnings. Then, I want to talk you through what our ongoing innovation looks like. I'll start briefly with what Smith & Nephew is. We're a medical device company.

We're present in four segments, three major markets, and we're one of the leading players in each of them. In sports, we are the number two player. We're the number four player in orthopedics. In a fragmented space, we are the number two player in wound management segments.

The weighted average in the segments in which we participate is about four percent in terms of our growth rate. That's driven by long-term growth drivers, of course, demographics -- as in much of MedTech -- higher levels of physical activity, particularly in later stages of life, driving a need for treatment and intervention, then greater access to health globally, particularly in emerging markets.

If you look across the three major franchises that I'll talk about today, we've got a clear right to win in each of our segments that gives us the confidence to deliver on our growth ambitions.

In orthopedics, that comes from a full product portfolio and technology. That's across knees and hips. There have been gaps in the past in our portfolio, which we've recently closed.

We have highly differentiated implants, particularly on the knee side. We have a full and robust portfolio in hip, with a clear spike in the revision segment. We've got platform technologies in robotics. We have some unique indications, some assets on our CORI platform.

In Oxinium, we have a highly engineered material that offers best-in-class durability and wearability in terms of our portfolio in orthopedics. In sports, we enjoy a leading position in enabling technologies in the tower. We've got a number two position in joint repair.

We've got a full offering, and there are clear synergies with our orthopedics business, for example, in the ASC channel, but just not limited to the ASC channel. In fact, across the board, there's good synergies as we see in orthopedics.

In wound, which is the heritage of Smith&Nephew, we've got the broadest portfolio across all segments, biologics, devices, films, and dressings. We've got a leading position in negative pressure.

We're particularly excited about the penetration potential, the market expansion potential that we have in negative pressure. We also have strong clinical evidence for a particular biologics portfolio that sets us apart from the value segment of wound.

As I mentioned, clear right to win across all of our franchises. Two out of the three major ones, we're already performing well. They account for about 60 percent in revenue terms of our portfolio. In sports, we've been outperforming the market for many years. It comes from consistent commercial excellence.

We've got depth and breadth of relationships with sports surgeons that we've built over many, many years. We've got a steady stream of innovation in products, good procedure innovation in sports, and successful integration of our acquired assets. Regeneten, which is our biologic, is the most recent example of that.

This is a business that's firing on all cylinders, with the constraint being supply with semiconductors and polymers has been pacing our growth here. We've got the product portfolio, we've got the innovation, we've got the teams, and we've got the execution capability in sports.

Wound is very much the same theme. As I mentioned, a very broad, highly differentiated portfolio. It's a fragmented space. We've done a good job of executing on our acquisitions. We've driven margin expansion at the same time.

We've, as I mentioned in the previous slide, built and invested behind developing clinical evidence and outcome measures for this part of the portfolio. We're well-placed in both sports and wound, and we're looking forward to building upon a strong position here.

Orthopedics is where our challenges are. We've been held back by execution and by supply chain that's resulted in product availability issues. Only some of that is related to exogenous factors. A lot of it is in our hands, where we haven't executed to the level that we could. That's where our focus is, in trying to address the challenges that we currently face today.

We were not always in this shape. We have, over the longer term, been an out-performer in orthopedics. The challenge is about how we've trailed the market since 2020. COVID hasn't been particularly kind to us.

It's exposed certain challenges we've had over the long term. The good news with that is we know what we're facing. We know what we need to get there. Our focus is about now getting to address the issues.

Historically, we've had some product gaps in our portfolio. The most salient one, which we've in the past called attention to, is cementless knees. As that became a factor within the knee replacement market, we were disadvantaged in our ability to go convert competitive accounts when we didn't have a cementless offering in that portfolio.

We've had complexity in our portfolio. In contrast to our competitors, we have three knee families. We have 12 to 15 families of hip. That adds to operational complexity. Orthopedics is a logistics business. When you're dealing with the diversity in product families you have, that can make an already complicated job that much more difficult.

Off course, there are the costs involved in the dis-efficiencies that come from running multiple product families. The way that we've operated the business, we haven't been the most efficient in terms of capital management. In effect, for a lot of our commercial organization, capital has been effectively free.

We've been not as disciplined as we could have been around capital management with both instrument sets and our implants that's not optimally placed, in other words, matching demand to supply. To address these, what we've embarked on or put together is a structured program to cover our biggest opportunities.

You've heard me talk, if you paid attention to some of our earnings over the last couple of quarters, our comprehensive 12-point plan aimed at addressing three areas. First, to avoid all euphemisms, to fix orthopedics, to fix the issues in 40 percent of our business. There's five initiatives that cover that, and I'll detail out what that looks like.

The second is improving productivity. There's a cost component to it. How we operate and how efficiently we do our operations is a key part of that. There's four initiatives that underpin that aspect. At the same time, in the spirit of walking and talking and chewing gum at the same time, to be able to accelerate our performance in sports and wound.

There's a reason why we've called all of these things out. It's to signal that we're going to have to do these things in parallel. That accounts for the number of initiatives that you see here today. Going back here, as important as these 12 points are and there's quite a bit of detail and robustness to the plans and activities that underpin this, how we approach the execution of these plans is equally as important.

In years past, we've legitimately gotten criticism for not being the most disciplined at execution, and we deserve some of that criticism. To address that, what we've brought is a level of rigor into how we operate and govern these initiatives as part of the 12-point plan. We meet as a senior team as an exco every two weeks. It's a meeting that I personally chair. It involves Anne-Francois as well.

We go through each of the 12 points of the plan. There's a schedule by which we do this every two weeks. The intention here is a signal to us in telling the organization to drive the rigor that we've lacked in the past but that we need to do now and to address the imperatives that we have.

Also, to speed up decision making so that any roadblocks that we see and, more importantly, the tradeoff decisions that ultimately are involved in these get made at pace, on schedule. I did want to highlight the what is important, but the how is equally as important on our transformation journey.

Fixing orthopedics, here there's a couple things I'd like to call out. You've heard me articulate the

rewiring of orthopedics. To put it simply, where we've been challenged is bringing our commercial and operations together. As I said, orthopedics is a logistics-intensive business.

The level of planning that we do on the demand side in commercial and the level of planning we do on the supply side have not necessarily been at the detail that we need and hasn't been coordinated to the extent that we need.

What that has resulted in is last-mile logistics being compromised, sets not being necessarily placed where they can be best utilized. At the same time, we've had increasing levels of inventory over time and been producing things that are not necessarily matched up with demand.

Those of you in the orthopedics business know that you can get into this situation fairly quickly if you're not paying attention, and it can take a while to get yourself out of it. That is the situation that we face here today. The important thing is we know what the issue is, we know how we got here, and we know what needs to be done to work our way out of it.

We have a leadership team, and not just around my table, but folks who are a couple levels deep within the operations area, within the supply chain area, within the commercial area that come from this business, know what good looks like, have operated in an environment where there's a maturity of process, and they're leading the way along this chart.

I feel very, very good about having a handle on the problem, what we're executing to, but also who is leading key parts of this initiative here.

The other piece is around commercial. I talked about the product gaps that existed with us. We've largely closed these gaps. We've got the wherewithal to drive competitive conversions in this business. In orthopedics, share changes don't happen very dramatically. There tends to be a fairly robust category share. Trades happen in the fractions of a point rather than a point or two over the course of time.

Recognizing that, we have growth vectors that we've lined up in a relatively short period of time -- call it middle of last year into the first couple quarters of this year -- where never before in our history as a company have you had these many factors line up. CORI, our new robotic platform, the only 1 second-generation robotic platform on the market.

The acquisition of Engage gave us a highly differentiated offering in the partial-knee segment. The only company to have a revision knee indication, which is about 10 percent of the knee

cases today. That offers us an opportunity to talk about some cutting-edge stuff in knee. With EVOS, a full portfolio on trauma to compete with the market leader there.

No one of these factors is alone enough to change our trajectory, but the combination of these things is what gives us optimism to change trajectory in orthopedics. Of course, having the product portfolio is important, but it's not sufficient to drive the commercial performance that you need.

You've got to have all of the other things lined up, the rewiring that I talked about, the incentive structure to drive the behavior that you need to see, the talent that you need to drive this, and the discipline and execution commercially to execute plays, to combine the one or two or three factors in a menu that I've outlined to address your customer needs and create the differentiation at an account level.

Those are some of the details that underpin the commercial aspects of it.

Finally, in terms of streamlining our portfolio, I talked about the number of product families that we've got. There's easy, quicker, and slower ways of doing this. If you wanted to execute and rationalize your product families quickly, you can do this with putting at risk top line if you are not careful about migrating your customers.

Given the position we're in, we're going to take a more thoughtful, more deliberate approach to doing this, which means that this will take time for us to execute, but it's a conscious choice we've made to streamline that portfolio.

The other consideration within this is, of course, making sure we've got a complete set or complete portfolio within each family. Today, our portfolio is complete across different families. That's one way of achieving that. What we're trying to get to as we rationalize is that we have a full portfolio within a product family.

That's another factor that we need to take into which we'll pace the timescale over which we would see impact on this. It is important that we need to start this because we've been putting this off over many years here.

In terms of productivity, that's the second clunk that you see here where there's two initiatives that we've aimed at improving our out-order-to-cash process and improving our pricing process across the board.

I'm not talking about the near-term ability to pass through price in an inflationary environment, but a strategic pricing aspect that's important where we've, from a commercial execution standpoint, left opportunity on the table. From a procurement standpoint, a scenario where we've had a very fragmented base of suppliers.

We have not always been thoughtful in terms of taking a strategic approach to procurement as a basis of blocking and tackling. In an inflationary environment here, we've got to be mindful about what you can capture and take to the bottom line. This is an area that, from a discipline standpoint, we need to get to a higher level of performance here.

From a manufacturing standpoint, I would say, some of our factories in our network embrace lean wholeheartedly. An important aspect of part of our business in orthopedics, we've got work to do to drive lean thinking and lean methodologies into our network.

That journey's already begun, but it's called out here to emphasize the lever that we see in delivering margin expansion back of actually operating our network, particularly in orthopedics, in a more lean fashion.

The other factor here I'd like to call out, given the macro environment in which we operate, we have to take another look at our manufacturing network. This is particularly in orthopedics. This is something that, in a normal steady-state environment, we might have had the luxury of pacing this perhaps in the outer years.

Given the environment in which we operate, we are going to have to use that as a lever in the near term to drive the margin expansion, which is the reason why we've called this out here. As you can imagine, it is a longer-term lever. It's going to take time to do this the right way to capture the opportunity that exists here, but is an important lever.

Then as I mentioned, sports medicine and wound management are important parts of our business that are working well. The opportunity that we see in negative pressure is around penetration, both across settings of care, going into a hospital segment where we are strong today, going into step-down settings, going into at-home settings. Also, taking a look at traditional negative pressure therapy, but also single-use negative pressure.

Those are multiple levers that we have that's going to require investments in sales force. We have a great team here that has a very robust plan for how we want to expand this and drive

greater penetration in this part of the market.

With ASCs, as I mentioned, we're naturally quite strong in this area by virtue of our presence in sports. A lot of the sports medicine cases get done in ASC settings, particularly in the United States and in certain other geographies. We see an opportunity to use our strength in that area to drive further adoption into orthopedics.

CORI, our robotic platform, is very well positioned for a range of settings, including the ASCs. We've called this out because we see an opportunity here to leverage our strength in ASCs across our portfolio.

We're housing this effort within our sports franchise where there is the incumbency, where there is that familiarity with that setting, and of course, there's a distinct organization on the orthopedic side that's going to come in and capitalize on that opportunity.

Those are the elements. There's more detail behind this, but I just thought I would survey where we are. We've made good progress. This has now progressed beyond just the stage of plans. There's some early proof points I can offer up in terms of progress in terms of the rewiring of orthopedics, addressing the product availability challenges that we have there.

There's different ways to get at that. What we look at, of course, is levels of back orders, but that's not enough to get at how we're doing it and look at things like life for line-item fill rate, on-time and full, open overdue orders. These are all the things that we look at internally to get a fact-based view as to how we're doing around product availability.

What I can call out here for the purposes of this audience, we've reduced our back orders by 15 percent from their peak -- sounds like a fairly modest number, but the steps that we had to take to get at this have been quite significant.

Also what's important is the back orders that remain are not necessarily the most critical SKUs but in the more outer-lying SKUs. The composition of the remaining back order's also gotten better, underneath the 15 percent.

Also in terms of deploying our sets, both instrument sets and implant sets where we've had these things be mis-positioned relative to where they can be best used, we undertook a point-in-time effort where we looked at five percent of all the sets deployed in the US and took a concerted effort to replenish those sets and put them to better use in accounts and could better utilize them.

That has gone well. It's a point-in-time effort. We need to do that, but the long-term benefit is make sure you have a process in place where you don't end up in this position in the first place. That's the real improvement, and we're well along the path of that journey. I did want to call out that this initial redeployment effort went off largely according to plan.

In terms of robotics, we passed the 500 units placement milestone earlier this year. There's opportunities to do even better, but we've been paced by supply, semiconductor supply in particular, where we're not able to produce as much demand as we see in the market with CORI. It's important to keep that limitation in mind.

As important as placement is, I'm looking beyond placement. What's important to me is making sure we're placing in the right kind of accounts. We're not just placing this in friends and family. We're using this as a lever among others to drive competitive conversions, to drive the pull through-of implants. We're also looking at utilization as an important measure.

Placement is key, but it's not just about placement. It's where we're placing them, the quality of the deals that underpin this, and, of course, the type of utilization we're seeing in these accounts. I'm quite pleased with the level of interest there is. Of course, we've got a long ways to go. We're in early innings of market adoption here.

We've also, over the course of the last year, adapted our strategies in terms of how we bring this to market and also have gotten better at capital placement. We know how to do this on the sports side. In orthopedics, this is a new capability we've had to develop.

We've had some challenges along the way during the year, but we are ending the year in a pretty good place in terms of having the capabilities and the processes to be able to drive good placements.

In terms of one of the levers I called out around improvement in value and cash processes, we were able to offset some of the price declines we normally see in this business by passing through some of the price increases. Those of you who are in MedTech know this very well. It's not a category where you can pass along price increases. Typically, our contracts don't have CPIs in them.

Our team's done a good job of being able to pass through price where they can take it and then that impact of it, as we called out in Q3, is we were able to get to about flat. As to whether we can

do this over the long term, I'm less optimistic about that, but in this environment, in an exceptional inflationary environment, we were able to pass through some of our inflationary cost increases.

That's to give you a little bit of a snapshot as to how we did in Q4. You can expect me to talk more about further progress along some of these measures and beyond, just to give you a glimpse as to how we're progressing along our journey of transformation.

Turning now to innovation, I'm quite pleased with our R&D organization and the pipeline that we've delivered on the orthopedic side. We've historically been focused on implants, but now we're pivoting our R&D efforts, our energies, into robotics and digital surgery.

That's paid off quite well. We've maintained our levels of investment in R&D during the peak years of COVID, and that's paid off. We were able to deliver some great indications, features, and benefits onto the robotic platform.

Knee revision, I've called out, as we're the only company to have knee revision. On the hip side, we've got the hip modeler that we were able to bring out earlier this year. On wound management, Duramax, our silicone superabsorbent dressing, is another one that gives us entrance into a high growth category for high exuding wounds, which is an important addition to our films and dressings portfolio.

On the sports medicine side, we're very, very excited about Regeneten as a platform. I think it was Q3, maybe it was Q2, I forget now, we talked about interim results from the randomized control trial in Europe that showed a clear benefit, statistically significant, relative to current standard-of-care, use of Regeneten versus not. That's related to tear rates at different time points.

It gives you an indication of the real power that exists within this technology. Currently, in the shoulder, what we're excited about is taking it to other areas, to the knee, to the ankle, and so forth. It's a real great platform technology, and the team's done a nice job of developing that, building the evidence base, and taking it beyond where it's currently indicated.

In summary, we have a good handle on what we need to do to address the challenges that we have, primarily one aspect of our business that's in orthopedics. We've got a pretty comprehensive plan, well-structured, to address the issues that we have and capitalize the opportunities that are before us.

We have some early wins with this 12-point plan and you can look forward to me talking more about that in Q4 and beyond. We're also bringing together the technology and the rigor and execution to drive the type of performance improvement that you'd want to see from us. With that, I'll pause. I think we've got some time here for questions.

David: Perfect. Maybe I'll kick off here with a market question around how procedure volumes have been recovering post-COVID. Do you think we're back up to pre-COVID levels at the moment? Obviously, one of the challenges that your customers have faced has been access to healthcare workers and being able to meet demand.

What changes are they making in order to be able to do that? Is there anything you can do to improve their productivity?

Deepak: As a headline, from our vantage point, we see procedures largely have come back to pre-COVID levels. We have good insight on the sports side. We are the number two player where we can see that volumes are largely back to pre-COVID levels.

In orthopedics, as I indicated, we lag the market in terms of performance. In terms of having visibility to what happens, it can be difficult to parse market/ procedure recovery from your performance. I need to color that a little bit.

Having said that, from our vantage point, what we can see is procedures seem to be back to pre-COVID levels. Having said that, we do see our customers quite challenged. You talked about staffing shortages. You see this obviously in the United States. We see it in spades in the UK and also in some other markets.

We also see the burden from respiratory infections in the United States, initially in children's hospitals. Over the course of time, it was hospitals around the world. That did put a strain on hospitals in terms of their ability to handle elective cases. Of course, there were some institutions that were impacted in terms of their ability to perform elective cases.

Having said that, you take a step back and take all these into account, what we see is hospitals adapting to these environments and trying to find ways to deliver the care that they need to deliver. There are geographic differences in this. UK, fixed capacity within the NHS.

We're not back to pre-COVID levels in terms of the number of procedures. There's a significant backlog that we're seeing in the UK and we're experiencing in our business. This is a fixed

capacity. There's a variation of that theme in Europe as well. I think the rest of Western Europe is, I'd say, generally back to the pre-COVID levels.

David: Touching the near term, obviously, you pull up the UK there. In addition to the fixed capacity that's being impacted by strikes, are you expecting that to have a further incremental impact in the near term?

Deepak: It's hard to say, David.

Anne-Francoise Nesmes: We've seen some of the strikes in the UK at the end of the year. Of course, you lose a couple of days of procedures. They wouldn't be material in the context of the year. They will catch up as well.

David: Then looking further east, obviously China's at the moment in the midst of a pretty severe COVID outbreak. Any updates in terms of both on the demand side, but also any further potential impact on the supply chains, which I know has been an issue?

Deepak: On the demand side, in terms of the early in the year in Q2, we commented on, particularly on the sports side, where we were impacted by lockdowns at that time. That we were able to recover from in Q3 -- not recover from, the procedures came back in Q3.

From what we can tell in terms of the country opening up and the caseloads going up in hospitals, we haven't necessarily seen that translated into impact to our business in the final months of the quarter. It's too early to tell how that's going to flow through in the early part of the year.

In terms of productivity, I want to come back to a question I don't think I fully answered here, David. Bringing productivity into institutions, we clearly have solutions. Robotics is one example of this where, as important as outcomes are to patients, and that is a key benefit of robotic systems, it's also the benefit of bringing productivity into the system, getting through cases faster, and getting more throughput in the system.

That is a solution we offer. Of course, it's early stages in terms of impact to the health system, but there are solutions we're thinking about. On the wound side, some of the solutions we have to offer do translate into faster recovery time, faster wound healing time. In a hospital setting, that translates into quicker discharges. We do have a portfolio that is aimed at addressing some of the more acute needs in hospital systems today.

David: Should I check if there's any questions in the room?

[pause]

David: Make sure the microphone. Do you have a microphone?

Audience Member: Could you talk about what market are you trying to enter for wound management?

Deepak: What market are we trying to enter?

Anne-Francoise: To enter, yeah.

Audience Member: Wound management.

Deepak: We're present globally today, so we've got quite a reach. There are different segments within wound. There's biologics, there's devices, and there's films and dressings. We have a pretty rich portfolio across all of those segments. The opportunity that I see is greater adoption of our portfolio.

Let's talk about negative pressure on the device side, in other words, using it on patients who could benefit from negative pressure in a postoperative setting, for example. It's greater use of what we have to offer in a range of settings. Geographically, we are pretty well present. We're in 70 countries around the world, and we do commercialize our portfolio across the board.

Of course, what aspect of our portfolio meets the needs of a particular country? That does vary from geography to geography, but we are pretty geographically present extensively. I'm not sure I fully addressed your question, but let me pause and clarify.

Audience Member: We are more interested in what specific disease sectors are you guys trying to enter in.

Deepak: Ah, disease sector. That is across the board. Obviously, diabetics, so diabetic foot ulcers, diabetic wounds, or chronic wounds are a category. We're well present in that today. Postoperatively, whether it's orthopedic procedures or general surgery procedures, our products have pretty broad applicability across disease states.

Our focus is not so much to target one disease area versus another. We're more taking the lens of setting -- hospital setting, postoperative, step-down units, rehab centers, and at-home settings. That's more the lens rather than one particular procedure or the other because we've got such broad applicability across the board.

David: Sure thing.

[pause]

Audience Member: Thanks for the presentation. Can you talk about just the path in terms of time?

Deepak: Ah, there you are.

Audience Member: In the back here. Can you talk about the path for ortho rehabilitation at the organizational level? Then explore, post that, the plans and ambitions you might have. You mentioned your fourth-place market share. Is there an opportunity to improve on that?

Deepak: All that I've talked about aims to improve how we operate the business at the scale that we are today. We see plenty of opportunity for us to get back to market levels of growth and then some, restore some of the margin that we've lost over the last couple of years, and then get to a place where we have delivered better returns on capital in that business that we've historically managed.

That gets us to, in a number four position, a better way to run the business. As I indicated, orthopedics tends to be a category where shares don't move all that much from quarter to quarter or year to year. There's incumbency in that space.

Surgeons get trained on a particular implant system, what have you, tend to stick with it for a long period of time. We're in a space that has three strong competitors for whom orthopedics is an important part of their business.

I do believe that we have a right to play and right to win and have a better business at the scale that which we operate and, depending on how successful we are in this over the course of time, to go up the lead tables. Over the next call it three years, the time horizon, what we're going to aim towards is running the business at the scale that we are, but better, and be able to manage.

In terms of the timeline for recovery, which is, I think, the first part of your question, we're on a two-year journey to get orthopedics to where we need to see this. This is not a case of wait two years and magically things get better. Every quarter, you should expect to see improvement in top and bottom.

In the initial quarters, I'll be talking about more operational metrics to show improvement. Then, over the course of time, to have that be translated into higher levels of growth and into margins. It's a two-year recovery.

Some of these we've already begun. I've offered you proof points for the progress that we've made. You'll see more of it in Q4 and then every quarter along the way. Some of the other levers, as I have called out, whether it's the network optimization piece, the family rationalization piece, or other things will take longer to be able to deliver this.

What's important to call out is to be comprehensive in the set of things that we need to do, stage these out over the course of time. That whole thing is about a two-year journey.

David: Thank you. Yeah?

Audience Member: All the way in the back.

David: All the way in the back.

Audience Member: Question. You said that you are planning to increase the adoption of your current technologies. Is there any plans to fill in maybe early gaps right now with other technologies, maybe through acquisitions, mergers, and stuff like that to get you on that stepping stone while you work on that longer three-year plan like you mentioned?

Deepak: First of all, a three-year plan isn't backend loaded in this way. There's things that we've already done, things that we're doing now. It's steps along the way. What we've previously indicated -- I didn't touch on it in this forum -- is M&A is a key part of our strategy.

We've called that out, and it will continue to be a key part of the strategy. We haven't necessarily called out a size for M&A. We've been quite active in this space, mostly in terms of smaller, more tuck-in type of acquisitions over the last few years.

We remain very, very engaged, very open-minded to it, and quite engaged in the community

around new technologies, new approaches to things across all of our franchises. We expect to maintain that robust level of engagement over time.

In terms of a specific transaction or a specific area, obviously, it wouldn't make sense for me to comment on that up here other than to say that it remains a key part of our strategy. Of course, making the case for, if we do go through an M&A like that is, where the value creation is going to come from and why, at a big fundamental level, we'd be the best owners of a particular asset.

Audience Member: Hi. How does everything you mentioned gel with the medium-term plan you have out there? That was set before you took over.

Deepak: I'm sorry, acoustically, I had a hard time...

Audience Member: Whatever you presented, how does that gel with the current mid-term plan out there?

Deepak: Yeah, sure.

Audience Member: That was set before you took over.

Deepak: Fair enough. Back in first half, we lowered our current '22 guidance, and we kept intact the mid-term guidance. At full-year results in February, I will come back with the mid-term guidance, also the expectations for 2023. I'll just defer to that for further commentary on it.

What I do want to say is we're building on the work. The world didn't start when I took over. There's quite a bit of really good work that was done prior to my arrival. We're building all of our efforts on top of that, so there's a continuity to our operations. Look forward to me commenting more on that at full-year results in February.

David: That's great. We're out of time, so thanks very much.

Deepak: Thank you, David.

David: Thank you very much for your time.

[applause]



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