

smiths

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**PROPOSED SALE  
OF SMITHS MEDICAL**

3 AUGUST 2021

**Paul Keel**

➤ Chief Executive



# Summary | Proposed sale of Smiths Medical to TA Associates

> Immediate value and upside potential - enterprise value of \$2.3bn<sup>1</sup> plus \$0.2bn 'earnout'

> Expected initial net cash proceeds of \$1.8bn

> Smiths to receive 30% stake in Smiths Medical, representing a \$0.2bn reinvestment

> Use of proceeds balanced between investment in growth and return of capital to shareholders

> Transaction is conditional on shareholder and certain regulatory approvals

smiths medical



Simplifies and positions Smiths for focused growth in its core industrial technology business

# Transaction value and future upside

## > Immediate value

- EV \$2.3bn<sup>1</sup>
- Net cash proceeds of \$1.8bn after reinvestment and completion adjustments
- Highest value of the multiple offers received
- Greater value and certainty than demerger
- Positions Smiths Group as a more focused industrial technology company

## > Upside potential

- \$0.2bn 'earnout'
- Retained 30% stake
- Smiths to share in the upside from recent investments in Infusion Systems and Vascular Access
- Creates a strategic partnership with TA, leveraging their significant healthcare expertise and strong track record

# Timeline and Use of Proceeds

## > Approval timeline

- Transaction conditional on Smiths shareholder approval and certain regulatory clearances
- Shareholder circular to be distributed as soon as practicable
- General meeting expected to be held in September 2021
- Completion expected by end of 2021

## > Use of proceeds

- Expected initial net cash proceeds of \$1.8bn
- Use of proceeds balanced between investment in growth and significant return of capital to shareholders
- Consultation with major shareholders on return of proceeds

## A leading industrial technology company

> Simplifies and positions Smiths for focused growth in its core business

> Smiths FY21 performance in line with our expectations

> No change to progressive dividend policy expected

> Update on strategy at capital markets day in November 2021

**MAKING THE WORLD SAFER, MORE EFFICIENT AND BETTER CONNECTED**

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A patient is lying in a hospital bed, wearing a white cap. A medical monitor is positioned above the patient's head, displaying various vital signs and a waveform. The monitor screen shows: 

SpO2 = 99%	rrCO2 = 0"	RR = 17	36.0
PvIa = 65		HR = 62	CO2ml/Hr
50			99
25			IS=02
0			

**QUESTIONS  
& ANSWERS**

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# IMPORTANT NOTICES

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## **Enterprise Value**

Throughout the presentation, the enterprise value of Smiths Medical is stated on a debt free, cash free basis and before taking into account: (i) Smiths Group's reinvestment in Smiths Medical pursuant to the transaction; (ii) any adjustments required under the terms of the transaction; (iii) tax; and (iv) associated transaction costs.

## **Exchange rates**

In this presentation: (i) references to "£" or "GBP" are to the lawful currency of the United Kingdom; and (ii) references to "\$" or "USD" are to the lawful currency of the United States of America.

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