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FOR IMMEDIATE RELEASE

8 September 2021

SMITHS GROUP PLC

Superior transaction for sale of Smiths Medical

Smiths Group plc (“Smiths” or the “Group”) announces that it has agreed the sale of Smiths Medical to ICU Medical, Inc. (“ICU Medical”) (the “ICU Transaction”) on terms that are superior to the previously announced transaction entered into with TA Associates on 2 August 2021 (the “TA Transaction”). The ICU Transaction delivers \$0.4bn more value to shareholders and carries future material upside through both participation in ICU Medical equity and a \$0.1bn ‘earnout’. In light of this, the Smiths board (the “Board”) has withdrawn its recommendation of the TA Transaction.

Highlights

- Agreement to sell Smiths Medical to ICU Medical on terms which are superior to previously announced TA Transaction
- The ICU Transaction values Smiths Medical at an enterprise value of \$2.7bn, plus an additional \$0.1bn contingent on the future share price performance of the enlarged ICU Medical business
- After deduction of debt and other liabilities, the equity value of the ICU Transaction is \$2.4bn, approximately \$0.4bn higher than under the TA Transaction
- Smiths expects to receive initial net cash proceeds on completion of the ICU Transaction of \$1.85bn (equivalent to £1.34bn), about \$50m more than under the TA Transaction
- In addition to the initial net cash proceeds, Smiths will also receive 2.5m new ICU Medical shares, worth \$0.5bn at ICU Medical’s closing share price on 7 September 2021 of \$205.98, equivalent to approximately 10% of the fully diluted enlarged ICU Medical share capital
- As shareholder input has already informed the amount and mechanism of return in the TA Transaction, the same approach is proposed in the ICU Transaction. Specifically, the Board proposes to return 55% (equivalent to £737m at current exchange rates) of initial net cash proceeds to shareholders via a share buyback. The retained net cash proceeds will be used to create a strong balance sheet and to support investment in value creative growth opportunities
- The sale of Smiths Medical simplifies and positions Smiths for focused growth in its core industrial technology business

- Completion and receipt of the initial cash proceeds is expected in the first half calendar year 2022, subject to approval by Smiths' shareholders and customary regulatory approvals
- The Board has withdrawn its recommendation of the TA Transaction

On 2 August 2021, Smiths announced that it had entered into an agreement for the sale of Smiths Medical to Trulli Bidco Limited ("Trulli Bidco"), a wholly owned subsidiary of funds advised by TA Associates LLP ("TA"). The TA Transaction valued Smiths Medical at an enterprise value of \$2.3bn (equivalent to £1.7bn), plus an additional \$0.2bn contingent on the future performance of Smiths Medical and was unanimously recommended by the Board. The TA Transaction was conditional upon the approval of Smiths shareholders and customary regulatory clearances and would have been expected to complete by the end of calendar year 2021. At the point of announcement, the TA Transaction was superior to all other proposals received during the separation process.

After announcement of the TA Transaction, ICU Medical offered to acquire Smiths Medical on terms that are superior to those of the TA Transaction. The ICU Transaction values Smiths Medical at a headline enterprise value of \$2.7bn (equivalent to £2.0bn), on a cash and debt free basis.

After deduction of debt and other liabilities, the equity value of the ICU Transaction is \$2.4bn, approximately \$0.4bn higher than the TA Transaction. The ICU Transaction consideration is comprised of \$1.85bn in cash and 2.5m of new ICU Medical shares, worth \$0.5bn at ICU Medical's closing share price on 7 September 2021 of \$205.98, equivalent to approximately 10% of the fully diluted enlarged ICU Medical share capital.

The ICU Transaction will create an expanded global medical device company, bringing a combined portfolio of products and solutions to more patients and providers worldwide. The combination represents a meaningful value creation opportunity through both revenue and cost synergies. Smiths will participate in this value creation through its 2.5m ICU Medical shares and an additional \$0.1bn consideration contingent on the future share price performance of the enlarged ICU Medical business. The earnout will be satisfied in cash and requires Smiths to retain beneficial ownership of at least 1.25m ICU Medical shares and for the ICU Medical share price to average \$300 or more for any 30 day period during the first three years post completion, or for any 45 day period in the fourth year post completion.

As part of the ICU Transaction, Smiths and ICU Medical have agreed the terms of a shareholders' agreement to govern the relationship between Smiths and ICU Medical in respect of Smiths' holding of shares in ICU Medical. Smiths shall have the right to nominate up to one non-executive director to the ICU Medical board and appoint such director to the audit committee of ICU Medical for as long as Smiths owns at least 5% of the fully diluted enlarged ICU Medical share capital. Under the terms of the shareholders' agreement, Smiths' shares in ICU Medical shall be subject to a six-month lock-up.

The ICU Transaction will be a Class 1 transaction under the UK Listing Rules and will therefore be conditional upon the approval of Smiths' shareholders. It will also be conditional on receipt of certain merger and other regulatory approvals and the termination of the sale agreement

with Trulli Bidco Limited. ICU Medical has provided strong contractual commitments to Smiths to secure the necessary merger and foreign direct investment clearances and approvals by 8 March 2022 (the “Long Stop Date”). However, in certain limited circumstances, the Long Stop Date may be extended to 8 March 2023. ICU Medical has further agreed that, if it failed to satisfy these anti-trust and other regulatory conditions by the Long Stop Date, it would pay Smiths a break fee of \$300m (the “Reverse Break Fee”), \$200m of which would be payable in cash with the balance of \$100m to be settled by the issuance to Smiths of new ICU Medical shares. Smiths is not required to pay any break fee in the event that the transaction does not complete. ICU Medical will also pay \$250,000 of cash per day to compensate Smiths for the cash which is expected to be generated by Smiths Medical from 1 January 2022 until the ICU Transaction closes.

Under French employment laws, prior to making any decision to enter into the ICU Transaction (including by way of entry into any binding share purchase agreement), Smiths Medical is required to carry out an information and consultation process (the “French Employment Consultation”) with the Social and Economic Committee of Smiths Medical France SAS (the “French Works Council”). It is intended that the consultation process regarding the ICU Transaction will begin following this announcement. Whilst Smiths will ensure the views of the French Works Council are properly considered, the French Works Council opinion on the ICU Medical Offer is consultative and not binding on Smiths or ICU Medical.

The Board, taking into account its overarching statutory and fiduciary duties, has carefully considered the ICU Transaction from a value perspective and evaluated execution risks associated with it and the timing to close. The Board considers that the ICU Transaction is superior to the TA Transaction and accordingly, Smiths has withdrawn its recommendation of the TA Transaction and has entered into a put option agreement (the “Put Option”) with ICU Medical pursuant to which, following completion of the French Employment Consultation, Smiths has the unilateral and unconditional right to require ICU Medical to enter into a binding share purchase agreement on the terms reflected in the ICU Transaction. If Smiths chooses to exercise the Put Option following the end of the consultation process, the Board expects to unanimously recommend the ICU Transaction, and to send the requisite circular to Smiths’ shareholders requesting their approval of it.

As shareholder input already informed the amount and mechanism of capital return in the TA Transaction, the same approach is proposed in the ICU Transaction. Following completion of the ICU Transaction, the Board proposes to return 55% (equivalent to £737m at current exchange rates) of initial net cash proceeds to shareholders via a share buyback programme. The retained net cash proceeds will be used to create a strong balance sheet and to support investment in value creative growth opportunities.

The Board announces that it is withdrawing its recommendation of the TA Transaction and accordingly, at the General Meeting convened for 17 September 2021 to approve the TA Transaction (the “TA General Meeting”) the Chairman will propose a resolution to adjourn the TA General Meeting. Shareholders are advised to take no action in respect of the TA General Meeting at this time. Further information will be provided in respect of the ICU

Transaction and the actions required of shareholders in respect of it as soon as reasonably practicable following any exercise of the Put Option.

Paul Keel, CEO, Smiths Group plc, said:

“Delivering on our commitment to maximise value, the ICU Transaction provides both a higher value for Smiths’ shareholders, as well as future value creation through our 10% holding of the enlarged combined group and a potential \$0.1bn additional contingent consideration. We are focused on concluding this superior transaction and on driving Smiths Group forward, delivering on our significant potential as a leading industrial technology group united by shared purpose, business characteristics and a common operating model.”

Vivek Jain, CEO, ICU Medical, Inc., said:

“The combination of these two businesses makes sense for the medical device marketplace and fits well with ICU Medical’s existing business. By joining two complementary product portfolios to create a leading IV therapy company, we can help simplify customer workflows and add significant value and choice. Together, we will be a scaled global competitor and a US-based medical device company that increases the stability of the medical supply chain and can grow as clinical care models evolve. From an economic perspective, we believe we have presented a well-structured offer that considers the existing offer, minimizes risk, and offers upside to all stakeholders. We look forward to serving more customers as we continue to bring clinical and economic value to the marketplace.”

Investor and analyst briefing

A conference call for investors and analysts will be held at 08.30am BST on 8 September 2021. The presentation to be discussed on the conference call, together with a copy of this announcement, will be available at: www.smiths.com/investors/results-reports-and-presentations

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White & Case LLP and Freshfields Bruckhaus Deringer LLP are acting as legal advisers to Smiths in connection with the ICU Transaction.

About Smiths Group

Smiths is a global technology company listed on the London Stock Exchange (SMIN) and operates a sponsored level one ADR programme (SMGZY). Its businesses share the same characteristics (technology differentiation; increasing digitisation; sustainably competitive; and a high proportion of recurring revenues generated by aftermarket and services) and a common operating model (The Smiths Excellence System). For more information visit www.smiths.com.

IMPORTANT NOTICES

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of Smiths Group plc is Matthew Whyte, Company Secretary.

Enterprise Value

Throughout the announcement, the enterprise value of Smiths Medical is stated on a debt free, cash free basis and before taking into account any adjustments required under the terms of the ICU Transaction; tax; and associated transaction costs.

Exchange Rates

In this announcement: (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.

The sale proceeds received by Smiths under the terms of the ICU Transaction will be received in USD (\$). Equivalentents have been presented in GBP (£) in this announcement for illustrative purposes using a rate of \$1.38:£1.00 based on the average daily closing rate from 31 August 2021 to 6 September 2021.

Rounding

Certain figures included in this announcement have been subject to rounding adjustments.

Forward Looking Statements

This announcement includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “should” or “will”, or, in each case, their negative or other variations or comparable terminology, “targets”, “aims”, “forecasts” or by discussions of strategy, plans, objectives, goals, future events or intentions.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding Smiths’ intentions, beliefs or current expectations concerning, among other things, the Group, results of operations, financial condition, liquidity, prospects, growth and strategies of the Group and Smiths Medical.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of operations of the Group and Smiths Medical, and the developments of the markets and the industries in which

they operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the results of operations of the Group and Smiths Medical and the developments of the markets and the industries in which they operate are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law and regulation, currency fluctuations, changes in business strategy and political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this announcement reflect Smiths' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial condition, prospects, growth and strategies.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules, the Market Abuse Regulation (EU No. 596/2014) and the Market Abuse Regulation (EU No. 596/2014) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018), Smiths is not under any obligation and Smiths expressly disclaims any intention or obligation (to the maximum extent permitted by law) to update or revise any forward-looking statements in this announcement, whether as a result of new information, future events or otherwise. Neither Smiths nor any of its directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any undue reliance on these forward-looking statements, which speak only as at the date of this announcement.

No profit forecast or estimates

Unless otherwise stated, no statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that earnings, earnings per Smiths share or income, cash flow from operations or free cash flow for the Group or Smiths Medical, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per Smiths share or income, cash flow from operations or free cash flow for the Group or Smiths Medical, as appropriate.

Cautionary statement

This announcement is not intended to, and does not constitute or form part of, any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security or a solicitation of any vote or approval, in any jurisdiction. Smiths' shareholders are advised to read carefully the formal documentation in relation to the ICU Transaction once it has been despatched. Any response to the ICU Transaction should be made only on the basis of the information in the formal documentation to follow.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with these requirements or restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. This announcement has been prepared for the purposes of complying with English law and the UK Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

Important information relating to the joint financial advisers and joint sponsors

Goldman Sachs International ("Goldman Sachs"), which is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA in the United Kingdom, is acting

exclusively as joint sponsor and joint financial adviser to Smiths and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Smiths for providing the protections afforded to clients of Goldman Sachs nor for giving advice in connection with the matters set out in this announcement or any transaction, arrangement or other matter referred to in this announcement.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“J.P. Morgan Cazenove”), is authorised in the United Kingdom by the PRA and regulated by the FCA and the PRA. J.P. Morgan Cazenove is acting exclusively as joint sponsor and joint financial adviser to Smiths and no one else in connection with the ICU Transaction and will not regard any other person as its client in relation to the ICU Transaction and will not be responsible to anyone other than Smiths for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the ICU Transaction or any matter referred to herein.

Gleacher Shacklock LLP (“Gleacher Shacklock”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser to Smiths and for no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Smiths for providing the protections afforded to clients of Gleacher Shacklock nor for providing advice in connection with the matters set out in this announcement or any transaction, arrangement or other matter referred to in this announcement.

White & Case LLP and Freshfields Bruckhaus Deringer LLP are acting as legal advisers to Smiths in connection with the ICU Transaction.

Smiths Group plc’s LEI number is: 213800MJL6IPZS3ASA11