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# SUPERIOR TRANSACTION FOR SALE OF SMITHS MEDICAL

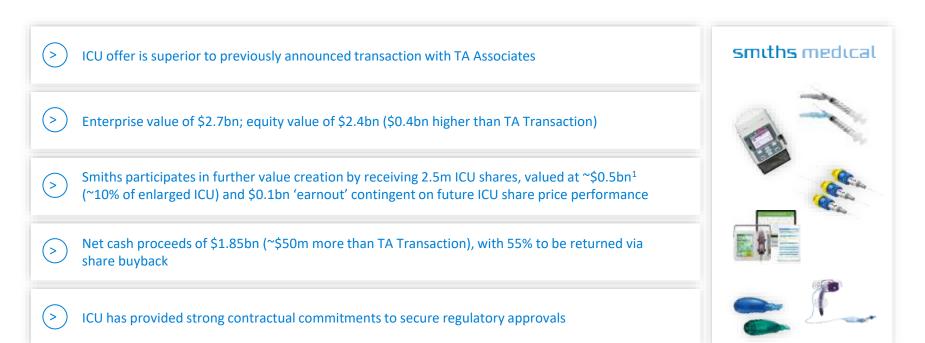
8 SEPTEMBER 2021

# Paul Keel

# **Chief Executive Officer**



# Summary | Proposed sale of Smiths Medical to ICU Medical



#### Superior proposal – higher value and strong position to share in future value creation



### **Comparison to TA Associates Transaction**

# ICU Transaction

- Enterprise value \$2.7bn + \$0.1bn 'earnout'; equity value \$2.4bn
- Net cash proceeds \$1.85bn
- 2.5m shares valued at \$0.5bn<sup>1</sup> (10% of enlarged ICU). Six month lock up
- Smiths to take one seat on ICU Board
- ICU break fee of \$300m (\$200m cash and \$100m ICU shares); no Smiths break fee
- Expected completion during H1 CY2022

### ) TA Transaction

- Enterprise value \$2.3bn + \$0.2bn 'earnout'; equity value \$2.0bn
- Net cash proceeds \$1.80bn
- \$0.2bn reinvestment for 30% stake in Smiths Medical
- Smiths to take two Board seats
- No TA break fee; no Smiths break fee
- Expected completion by end of CY2021

Board expected to unanimously recommend ICU Transaction; recommendation of TA Transaction withdrawn

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### Timeline and Use of Proceeds

## ) Approval timeline

- Non-binding consultation with French Works Council to begin shortly, after which Board expects to unanimously recommend ICU Transaction
- Shareholder circular to be distributed as soon as practicable
- Transaction subject to shareholder and regulatory approvals
- Strong contractual commitments from ICU to secure regulatory approvals
- Expected completion during H1 CY2022

# Use of proceeds

- Expected initial net cash proceeds of \$1.85bn
- Board anticipates returning 55% of initial net cash proceeds, via share buyback
- 45% of initial net cash proceeds retained to enable strong balance sheet and support investment in value creative growth opportunities

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# QUESTIONS & ANSWERS

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# **IMPORTANT NOTICES**

#### **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 any adjustments required under the terms of the transaction; tax; and 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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#### Rounding

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