

Smith & Nephew plc (SN.L)

Comparable Companies Method (Market Approach)

Company Name	Company Information		EV/Revenue			EV/EBITDA			EV/EBIT			P/E			Unlevered Beta
	Country	Market CAP (GBP in Billions)	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2024
Zimmer Biomet Holdings, Inc.	United States of America	14.43	4.62x	4.16x	3.48x	14.00x	12.40x	8.80x	16.94x	14.75x	12.16x	93.80x	25.20x	23.20x	0.54x
Stryker Corporation	United States of America	113.00	5.70x	6.30x	7.00x	22.50x	24.10x	25.60x	29.80x	31.20x	31.90x	41.10x	38.40x	50.90x	0.60x
ConvaTec Group PLC	United Kingdom	5.55	3.10x	3.80x	3.40x	14.70x	16.60x	14.30x	26.40x	27.80x	22.40x	85.30x	54.20x	35.30x	0.43x
Boston Scientific Corporation	United States of America	116.96	6.00x	7.10x	9.80x	23.50x	27.30x	37.50x	37.70x	41.90x	54.50x	105.90x	59.10x	84.00x	0.49x
Coloplast A/S	Denmark	16.21	8.20x	7.30x	8.20x	23.90x	23.00x	26.10x	26.90x	26.30x	30.30x	35.80x	32.30x	39.40x	0.29x
Medtronic plc	Ireland / United States of America	83.27	4.60x	4.10x	3.80x	14.90x	14.60x	13.30x	21.30x	22.10x	19.30x	26.70x	29.60x	29.50x	0.60x
Integra LifeSciences Holdings Corporations	United States of America	0.76	3.70x	2.90x	2.20x	15.10x	10.80x	10.40x	23.90x	16.90x	19.90x	25.90x	46.00x	N/A	0.85x
Median			4.62x	4.16x	3.80x	15.10x	16.60x	14.30x	26.40x	26.30x	22.40x	41.10x	38.40x	37.35x	0.54x

TRADING COMPARABLES SUMMARY

Equity Valuation		
COMPARABLE COMPANY ANALYSIS		In GBP Thousands
		EV/Revenue
Median Multiple		3.8x
Less: Size Discount	0%	0.0x
Add: Control Premium	20%	0.8x
Multiple Considered		4.6x
Revenue for FY2024	5,810,000	
Discounting Factor	0.94	
Enterprise value-Gross		24,943,516
Less: Illiquidity discount	0%	-
Enterprise value-Adjusted		24,943,516
Add: Cash and cash equivalents		619,000
Less: Debt		(3,321,000)
Equity value		22,241,516

Levered Beta to Unlevered Beta

	Zimmer	Stryker	ConvaTec	Boston	Coloplast	Medtronic	Integra	Smith and Nephew
Levered Beta		0.78	0.94	0.66	0.69	0.58	0.83	1.27 0.62
Debt		6,204,600	13,597,000	1,201,600	11,147,000	22,629,000	25,024,000	1,984,563 3,321,000
Equity		12,476,200	20,634,000	1,688,900	22,003,000	17,942,000	50,420,000	1,545,280 5,265,000
Debt to Equity ratio		0.5x	0.7x	0.7x	0.5x	1.3x	0.5x	1.3x 0.6x
% Tax Rate		12.70%	14.80%	24.00%	21%	22.00%	23.40%	61.90% 17.3%
Unlevered Beta		0.54	0.60	0.43	0.49	0.29	0.60	0.85 0.41

*Note: Calculated using Effective Tax Rate

WACC RATE - CAPM MODEL

Risk Free Rate (Rf)	A	4.66%
Market Risk Premium (Rm-Rf)	B1	5.13%
Unlevered Beta (β)		0.41

Relevered beta/Relative Risk of Asset Valued (β)	B2	0.60
Premium above risk free rate ($R_m - R_f$)$\cdot\beta$	$B = B1 \cdot B2$	3.08%
Company Specific and General uncertainty risk		0.00%
Cost of Equity (K_e)	D	7.74%
Pre Tax Cost of debt		5.06%
Tax Rate		25.00%
Cost of Debt (K_d)		3.79%
D/E ratio		0.63
% of Equity		61%
% of Debt		39%
WACC		6.21%

(Interest expense/Debt)