

SMITH & NEPHEW PLC
Form 6-K
July 26, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of the

Securities Exchange Act of 1934

July 26, 2018

Commission File Number 001-14978

SMITH & NEPHEW plc

(Registrant's name)

15 Adam Street

London, England, WC2N 6LA

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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Form 20-F Form 40-F ___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2 (b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2 (b) : 82-n/a.



Smith & Nephew plc

INDEX TO EXHIBITS

Item 1. Press release entitled “Smith & Nephew Second Quarter and First Half 2018 Results”, dated July 26, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Smith & Nephew plc
(Registrant)

Date: July 26, 2018 By: /s/ Susan Swabey
Susan Swabey
Company Secretary

Smith & Nephew Second Quarter and First Half 2018 Results

Q2 revenue growth of 4% reported and 2% underlying
Full year guidance reconfirmed

26 July 2018

Smith & Nephew (LSE:SN, NYSE:SNN), the global medical technology business, reports results for the second quarter and first half ended 30 June 2018:

	Reported			Trading ²		
	30 June	1 July	Reported	30 June	1 July	Underlying
	2018	2017	growth	2018	2017	growth
	\$m	\$m	%	\$m	\$m	%
Second Quarter Results ¹						
Revenue	1,245	1,194	4	1,245	1,194	2
First Half Results ¹						
Revenue	2,440	2,336	4	2,440	2,336	1
Operating profit	372	414				
Trading profit				507	493	
Operating/trading profit margin (%)	15.3	17.7		20.8	21.1	
EPS/ EPSA (cents)	31.4	37.0		43.7	43.0	

Namal Nawana, Chief Executive Officer, said:

“We delivered 4% reported and 2% underlying growth in the quarter. We reconfirm our full year guidance.

“In my first few weeks at Smith & Nephew I have reviewed our businesses and operations and validated that we have an excellent product portfolio with numerous best-in-class medical technologies. We are now focused on energising and organising the business to accelerate growth.”

Second Quarter Highlights¹

- Q2 reported revenue growth of 4%, including 2% FX tailwind, with underlying growth of 2%
- Established Markets returned to growth, with improved dynamics across Hip and Knee Implants and strong performance from Sports Medicine and Advanced Wound Devices
- Emerging Markets up 6%; double digit China growth offset by lower level of Middle East tenders

First Half Highlights 1

- H1 reported revenue growth of 4%, including 3% FX tailwind, with underlying revenue up 1%
- o Trading profit margin down 30bps, in line with guidance
- o Operating profit margin down 240bps, reflecting \$58 million costs of APEX programme
- APEX programme on track, with actions undertaken in H1 which will deliver more than \$50 million of annualised benefits
- Trading cash flow of \$387 million, up from \$327 million in 2017, with higher trading profit to cash conversion ratio of 76% (2017: 66%)
- Adjusted earnings per share (EPSA) up 2% to 43.7¢, reflecting improved trading (EPS 31.4¢; 2017 37.0¢)
- Interim dividend of 14.0¢ per share, in-line with our progressive dividend policy (2017: 12.3¢)

Full year guidance unchanged

- Underlying revenue growth expected to be in the range 2-3% with a trading profit margin at or above that achieved in 2017
 - Tax rate on trading results expected to be within the range of 20-21% barring changes to tax legislation or other one-off items
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Analyst conference call

An analyst meeting and conference call to discuss Smith & Nephew's second quarter trading and first half 2018 results for the period ended 30 June 2018 will be held today, Thursday 26 July at 9:00am BST / 4:00am EDT. This will be webcast live and available for replay shortly after. The details can be found on the Smith & Nephew website at www.smith-nephew.com/results.

Enquiries

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Smith & Nephew