

Smiths forges ahead with medtech separation



[Elizabeth Cairns](#)

Having failed on three separate occasions to sell off its underperforming medical devices business, Smiths Group is going to have another try at separating it out. The engineering conglomerate's medtech unit, Smiths Medical, had sales of \$1.3bn last year, but these are forecast to fall when it reports its 2018 figures. The separation is not a bad idea, and indeed has been awaited for some time, but the group has not said how it intends to get shot of Smiths Medical. A trade sale would be the preferable route, Deutsche Bank analyst say, but it is hard to say who might want to bid for the business, particularly since a stock-based deal with ICU Medical fell through in September. Previous attempts to sell the unit to Carefusion in 2013, and to the private equity group Apax Partners in 2011, also came to nothing. The alternative is of course an IPO, but whether shareholder demand is high enough to sustain yet another billion-dollar medtech float is unclear.

Smiths Group's medtech business

	Global sales (\$m)				
	2018	2020	2022	2024	CAG
Anaesthesia & respiratory	329	344	361	378	+2%
Other medtech	748	781	820	859	+2%
Total medtech sales	1,077	1,125	1,181	1,237	+2%
Non-medtech revenues	3,138	3,386	3,642	3,898	+3%
Total company revenues	4,215	4,511	4,822	5,135	+2%

Source: EvaluateMedTech.