

Penang Webinar 2021 European Session Smith+Nephew

Mark Arthun



Agenda



Smith and Nephew
Operations Overview

Sharing Our Learnings

Recommendations for
Medical Device
Manufacturers

Smith+Nephew Sdn. Bhd. Overview



Smith+Nephew at a Glance

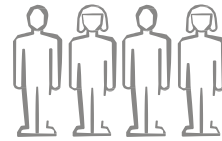


Smith+Nephew is a leading portfolio medical technology company, that designs and makes technology that takes the limits off living.



Three global franchises:

- Sports Medicine & ENT
- Orthopaedic Reconstruction
- Advanced Wound Management



18,000

We have more than 18,000 employees around the world.



FTSE100

A constituent of the UK's FTSE100, our shares are traded in London and New York.



\$4.6bn

Revenues in 2020

Smith+Nephew Operations Sdn Bhd



- Orthopaedic franchise: Surgical implants for knees, hips and trauma
- Capacity expansion – first in SE Asia
- Greenfield project in Batu Kawan – Mainland Penang

250,000 sq ft,
\$100m+
800 people



Products: Hip and Knee Replacements



Location: Penang Mainland

Timeline of Events

November 2019

Contract signing ceremony



February 2020

Ground breaking



March 2020

Construction started



March 2021

Significant Completion



June 2021

Building to be Complete



Q3 2022

First Production

Sharing our Learnings



Why Smith+Nephew Chose Penang, Malaysia



Malaysia Overall

- **Government support and incentives**
 - Tax allowances, R&D grants, subsidised land
- Low natural disaster risk
- Opportunity to optimize cost
- **Proximity to growth markets – APAC**
- 50+ years of foreign direct investment
- **Good infrastructure**
- English widely spoken



Penang

- **Talent, talent, talent**
- **Precision machining capability**
- Educational institutions - PSDC
- **Support from InvestPenang**
- Strengthening medical device presence
- Strong multinational presence
- **Local vendor base to support med device**
- Industrial Parks and rapid build capability

Experience Sharing – Getting Started



Key Takeaways

- Process was fast, but could be faster if desired
- Penang is well equipped to **rapidly facilitate purchases and build factories**
- Know your design before starting the process
- Identify a plot of land that will **allow for expansion**

InvestPenang helped facilitate the following

- Site selection
- Contact with local manufacturers, educational institutions and associations
- Streamlining necessary approvals with authorities
- Provided space for key meetings
- Assisted with trouble shooting

Living as an Expat



 **BMCC Malaysia (Official Account)**
@BMCCMalaysia

#LiveUpdate Thank you, panellist, Mark Arthun from Smith & Nephew, Karen Westley from @Shell & YM Tengku Dato' Ab. Aziz from PNB Merdeka Ventures Sdn Bhd for joining our 1st session on Green Investments for Environment & Business Benefits. #BMCCGreenConference2020 #GreenIsGREAT



3:44 PM · Nov 17, 2020 · Twitter Web App



We Stand By MALAYSIA

“ We chose Malaysia for its manufacturing expertise and history of welcoming investment, qualities unaffected by COVID-19. ”

MARK ARTHUN
Managing Director & Site Leader
Smith +Nephew



 Welcoming Investors, Keeping You Safe

Recommendations for Medical Device Manufacturers



Recommendations for Future Investors



- Take time to **build relationships** and **understand the local culture**
- Use **MIDA** and **Invest Penang**
- Leverage **local supply base** and **manufacturing skills**
- Hire **local employees** early in project – HR, Facilities, HSE
- Take time to find the **most talented** employees
- Penang is an **attractive location** for expats, visitors and support
- Get involved in **medical device community**
- Startup: Send decision makers for **long stays** in Malaysia





Smith+Nephew