

Ansell Limited F'20 Full Year Results

Magnus Nicolin – Chief Executive Officer
Zubair Javeed – Chief Financial Officer

25 August 2020

Disclaimer and Non-IFRS Measures

The following presentation has been prepared by Ansell Limited (**Ansell** or the **company**) for information purposes only. The information contained in this presentation is a summary only and does not purport to be complete. It should be read in conjunction with Ansell's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

The presentation may contain forward looking statements or statements of opinion. No representation or warranty is made regarding the accuracy, completeness or reliability of the forward looking statements or opinion or the assumptions on which either are based. All such information is, by its nature, subject to significant uncertainties outside of the control of the company.

Additionally, certain forward looking statements contained in this presentation are targets, goals or aspirations rather than financial forecasts. Statements of this kind can generally be identified with the words "target", "goal", "aspires" or "ambition". These statements should be read as being the goals that the company has set for itself in assessing its future performance rather than a representation that the company believes that those targets will be met (which it is not currently in a position to do).

Ansell, its related bodies corporate and any of their respective officers, directors, employees, agents or advisers (**Ansell Parties**), do not make any representation or warranty, express or implied, in relation to the accuracy, reliability or completeness of the information contained herein, and to the maximum extent permitted by law disclaim any responsibility and liability flowing from the use of this information by any party. To the maximum extent permitted by law, the Ansell Parties do not accept any liability to any person, organisation or entity for any loss or damage arising from the use of this presentation or its contents or otherwise arising in connection with it.

The information included in this presentation is not investment or financial product advice. This presentation is not and should not be considered as an offer or recommendation with respect to the subscription for, purchase or sale of any security and neither this document, nor anything in it shall form the basis of any contract or commitment. Before making any investment decision, you should seek appropriate financial advice, which may take into account your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

NON-IFRS MEASURES

Ansell's financial results are reported under International Financial Reporting Standards (IFRS). This release includes certain non-IFRS measures including Adjusted EBIT, Profit Attributable and EPS, and EBITDA, Operating Cash Flow, Organic Growth, Constant Currency and Adjusted Results. These measures are presented to enable understanding of the underlying performance of the Company without the impact of non-trading items and foreign currency impacts. Non IFRS measures have not been subject to audit or review.

AUTHORISED FOR RELEASE BY THE BOARD OF ANSELL LIMITED

FULL YEAR RESULTS F'20

Ansell, The Safety Company

Safer.

Committed to the safety of all workers in our supply chain and that of our customers.

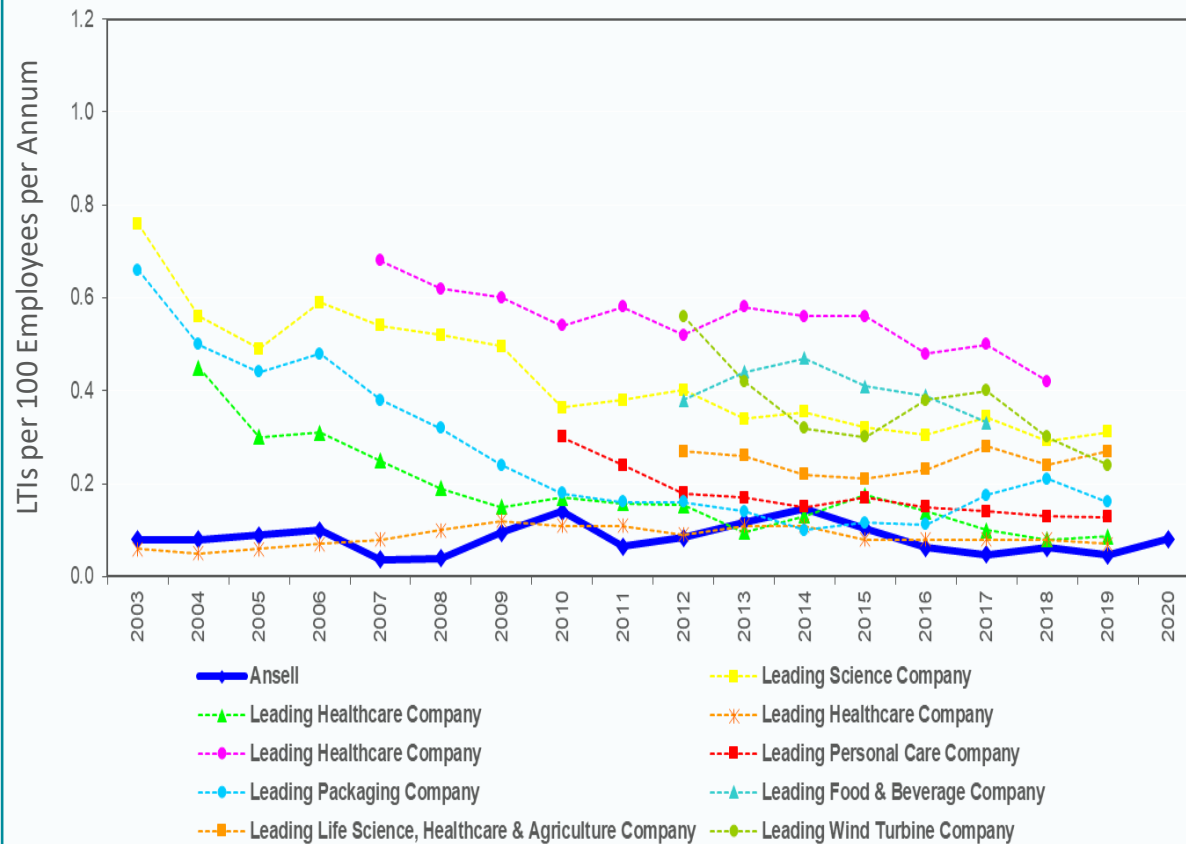
Smarter.

Committed to innovative products and processes for sustainable and long-term performance.

Stronger.

Achieved 125+ years of stability and differentiation, even as our business continues to grow.

LOST TIME INJURY (LTI)



Source: Bureau of Labor statistics and company websites

ANSELL SAFETY EXPERTISE

- **Strong safety performance**, recording injury rates amongst lowest of global peers
- **COVID-19 safety practices** stringently applied to plants and offices worldwide, increasingly advising customers on how to operate safely in the current COVID-19 environment
- **Ansell GUARDIAN®** used as proprietary service to help companies select the right PPE solutions and improve their safety and business performance
- Focused on **ethical and responsible business** conduct across all parts of our operations, including our suppliers
- Operating in **accordance with all applicable national laws as a minimum** and applying more stringent working conditions in situations where national standards do not meet the Company's own health and safety standards



CONTENTS

01 Business Update
Magnus Nicolin

02 Financial Results
Zubair Javeed

03 F'21 Outlook
Magnus Nicolin

04 Appendix

01 Business Update
Magnus Nicolin

FULL YEAR RESULTS F'20

Statutory Results

(US \$million) ^{1,2,3}	F'19	F'20	Δ %	Δ CC ⁴ %
Sales	1,499.0	1,613.7	7.7%	9.3%
EBIT	157.3	219.7	39.7%	61.2%
Profit Attributable	111.7	158.7	42.1%	67.8%
EPS (US¢)	82.6¢	121.8¢	47.5%	74.2%
Dividend (US¢)	46.75¢	50.00¢	7.0%	

Delivering increased dividends as a result of strong results across all metrics

1. Financials presented in US dollars millions on all slides of this presentation unless otherwise specified
2. F'20 financial information prepared under AASB 16 Leases; F'19 financial information prepared under AASB 117 Leases (refer to Slide 33 for further details)
3. F'19 results include \$45.5m of Transformation costs (see Slide 30 for adjustments). F'20 results have no adjustments
4. Constant Currency compares F'20 to F'19 results restated at F'20 average FX rates; Refer to Slide 32 for further details

Effective Execution Delivering Strong Performance Despite COVID-19 Operational Challenges

SALES

\$1,613.7m

+7.7% Growth,
+9.3% CC & 7.6% Organic⁶



EPS¹

121.8¢

+9.2% Growth
+23.6% CC



ROCE %^{1 2}

14.0%

Up +85bps vs F'19



EBIT¹

\$219.7m

+8.3% Growth
+21.0% CC



DPS

50.0¢

17th year of
increase



Leverage Ratio³

\$171.4m/0.6x

Net Debt Position
\$57.6m Lease Liabilities

Profit Attributable¹

\$158.7m

+5.2% Growth
+19.0% CC



Operating Cash Flow⁴

\$191.7m

+117.7% cash
conversion⁵



Share Buyback

\$67.9m

3.8m shares acquired

KEY POINTS

- Delivered 7.6% Organic⁶ Growth. Exceptional performance from HGBU +13.4%. IGBU delivered +1.3% despite softening macro backdrop
- EBIT growth supported by sales growth, Transformation benefits, net favourable raw material costs; partly offset by increased costs due to temporary plant shutdowns, other COVID-19 related costs and adverse FX movements
- EPS increased by 23.6% on a CC basis
- Exceptional cash generation
- Increasing ROCE and continued disciplined capital deployment
 - \$67.9m share buyback
 - \$64.8m capital expenditure including capacity expansion and automation
- Net Debt increase largely due to change in new lease accounting standard, partly offset by strong cash generation

- Reported and CC growth compared to F'19 Adjusted EBIT, Profit Attributable, EPS and ROCE (see Slide 30 for adjustments)
- ROCE is calculated as EBIT over average capital employed on Slide 24
- Leverage Ratio = Net Debt divided by Trailing 12 Month EBITDA. Net Debt includes Lease Liabilities adjusted under AASB16 – Slide 24
- Operating Cash Flow defined as Net Receipts from Operations per the Consolidated Statement of Cash Flows adjusted for net expenditure on property, plant equipment, intangible assets, lease repayments, net interest and tax. See Slide 23
- Cash conversion calculated as defined on Slide 23
- Organic growth compares F'20 to F'19 results at Constant Currency (see above) and excludes the effects of acquisitions

FULL YEAR RESULTS F'20

Exceeded Financial Goals for all Metrics

FINANCIAL GOALS	F'20 RESULT	KEY COMMENTS
3-5% ORGANIC GROWTH PER ANNUM	+7.6% Organic, +9.3% CC	Exceeded target, strong performance entering F'20 H2, further accelerated due to COVID-19 Full year contribution from Ringers & Digitcare
5-10% EPS GROWTH PER ANNUM	23.6% CC on F'19 Adjusted	GPADE margin growth supported by pricing, net favourable raw materials and transformation benefits Benefits from share buyback program
ROCE IMPROVING TO 14-15% RANGE BY F'20	14.0% Up 85bps	Strong ROCE as a result of EBIT growth
STRONG CASH FLOW GENERATION	117.7% Cash Conversion	Operating cashflow of \$191.7m with strong cash conversion including favourable working capital movement

Actions Taken in COVID-19 Environment

FOCUS ON SAFETY

Ensuring Safety of our Employees

- Temporary closure of offices worldwide and cancellation of in-person sales & customer meetings and trade shows
- Very effective remote working platforms upgraded last year, increased communication and well-being support
- New measures implemented at manufacturing and distribution facilities including entry screening (i.e. temperature, travel history), social distancing, PPE, increased sanitation of surfaces and workflow changes



FOCUS ON MANUFACTURING

Maximising Supply to Meet Demand

- Focused on maintaining continuity of operations – short-term gov't mandated shutdown at Sri Lanka and Malaysia
- Temporary rationalisation of product portfolio to help maximise output
- Increased capacity of Chemical Protective Clothing at Xiamen & Sri Lanka. Also 2 new Chemical glove lines going live in F'21 Q1 at Malaysia
- Capacity expansion at Thailand progressing well. TouchNTuff single use capacity will increase ~35% in F'21
- Recent Careplus investment fortuitous and will add further Exam/SU & Surgical capacity
- In the process of adding Surgical capacity at Malaysia and Sri Lanka

FOCUS ON CUSTOMERS

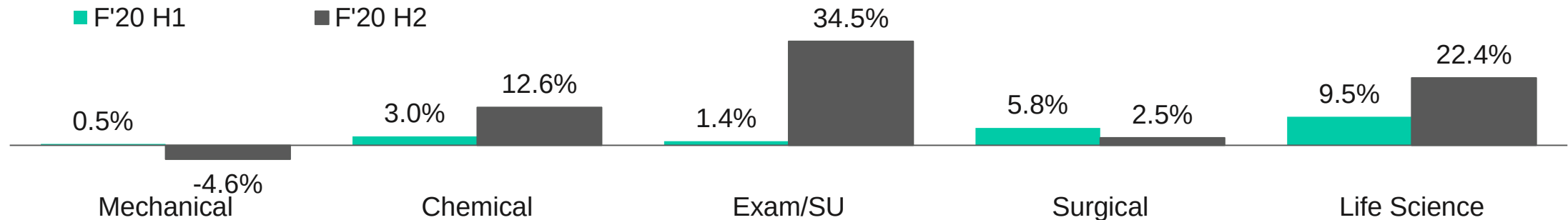
Supporting Distributors & End Users

- Focused on existing customers. Strict product allocation and prioritisation, revised daily
- Implemented price surcharges as a result of increased prices for certain raw material inputs i.e. outsourced Exam/SU gloves, chemical clothing
- Switched to virtual selling including Guardian. Changed sales force attention from heavy industrial & automotive to higher growth verticals such as cleaning, food & gov't
- Increased end customer support to companies in getting employees back to work safely
- Monitoring of credit limits and outstanding payments



COVID-19 Impacted Organic Growth by SBU Differently

F'20 ORGANIC GROWTH BY SBU



F'20 resulted in different growth rates for H1 vs H2 predominately due to the impact of COVID-19. COVID-19 drove significant growth for Exam/SU and Chemical Protective Clothing as a number of the products provide users protection against infection

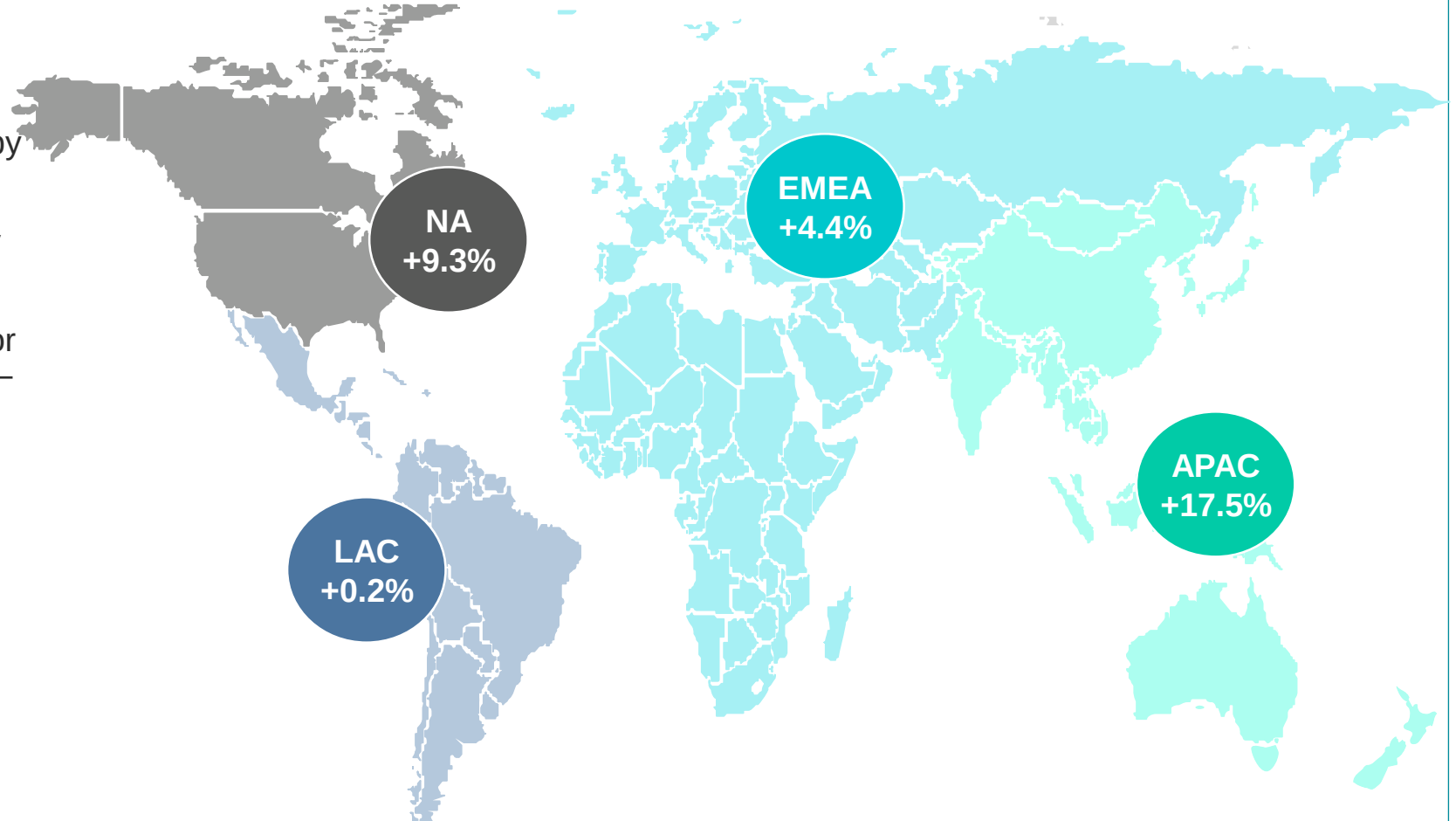
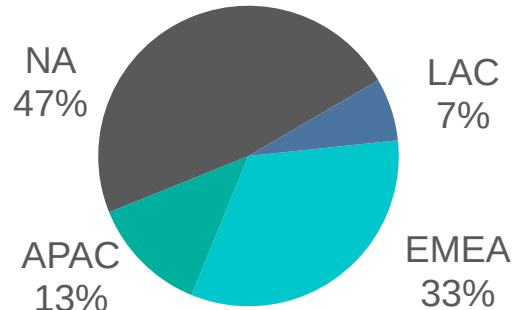
- **Mechanical** saw some stockpiling at the beginning of COVID-19 but started to see a decline in April 2020, initially in EMEA which spread to NA/LAC due to softening economic conditions. Started to pivot to higher growth verticals and reposition existing as well as launch new products to meet needs in a COVID-19 environment i.e. antiviral and antimicrobial
- **Chemical** Protective Clothing demand also elevated in H2 (+31.8%) due to strong demand from Governments, NGOs and private sector. Products provide multi-risk protection (Chemical + Virus). Chemical Gloves demand remained robust in H2 +3.0%
- **Exam/SU** demand was growing through H1 but constrained due to backorders. Higher volumes delivered to the market starting in Jan-20 helped to drive strong H2 performance across both Industrial (+34.3%) and Medical (+34.9%) sectors. Industrial sector demand elevated due to increased focus on protection, particularly across food, logistics and cleaning sectors
- **Surgical** and **Life Sciences** growth strong as a result of successful strategy, albeit Surgical was negatively impacted in Q4 due to COVID-19 driven postponement of elective surgeries

Demand Was Particularly Elevated in NA & APAC

F'20 ORGANIC GROWTH BY REGION

- COVID-19 associated increase in demand started in China in February 2020. This then expanded to EMEA in March 2020 and was shortly followed by NA/LAC
- EMEA & LAC lower growth rates partly due to higher mechanical exposure
- Emerging markets revenue of \$338m or ~21.0% sales (+8.4% organic growth) – continued focus on China and India acceleration

F'20 GEOGRAPHIC CONTRIBUTION BY SALES



Ansell Strategy Delivering Benefits

CONTINUED OPTIMISATION OF PORTFOLIO

- Deliberate shift of Ansell to **focus on safety** and securing #1 or #2 position in each segment worldwide has been successful
- Over **\$1.1bn in acquisitions** in the last 10 years including expansion into new areas i.e. Chemical Protective Clothing, Life Sciences and Industrial Exam (BSSI). \$600m divestitures of non core areas i.e. Boots and Sexual Wellness has delivered improved resiliency and value
- Current **performance vs GFC downturn better** in spite of the macro effects being far worse
- **Shift to emerging markets** (21% vs 14% in F'10) also provide portfolio balance we did not have before

INVESTING IN MANUFACTURING CAPABILITY

- With around **\$500m in capital expenditure** in the last 10 years, selected manufacturing capability acquisitions and broad expansion of engineering teams, Ansell has become a leading manufacturer in the space
- Numerous **patent and trade secrets guard the differentiated capability** in Mechanical, Chemical, SU, Surgical and Life Sciences areas
- The **more differentiated products are all produced in-house** whereas lower end, less differentiated products are outsourced
- **Safety practices are world class** and CSR and sustainability focus is industry leading

TRUSTED BRANDS AND SALES FORCE EXPANSION

- The **core brands** led by Hyflex, Microflex, AlphaTec and Gammex now account for **>80% of Ansell sales** (up from 45% 8 years ago). These brands are the most well known in the industry globally
- A deliberate **expansion of the sales force** to more than 800 worldwide provide market leading coverage and capability
- **Digital and business intelligence** support capabilities further enhance this point of differentiation
- Guardian™ safety audits drive business growth and help **reduce injuries/infections and improve productivity for end users worldwide**

Healthcare GBU – Outstanding Sales Momentum with Margin Growth

SUMMARY HIGHLIGHTS

SALES

- Organic growth +13.4%
- Emerging markets +16.1% (China, India, Latin America and CEE strong performers)

ORGANIC GROWTH BY SBU

Exam/Single Use +18.2%

- Strong performance from Industrial Applications +19.1% and Medical Applications +16.3%

Surgical & Safety Solutions +4.1%

- Slowdown in growth in Q4 due to COVID-19 impact on elective surgeries globally
- Continued growth in emerging markets +9.2%

Life Science Growth +16.3%

- Strong demand for BioClean™ clean and sterile products +14.5%
- Major account wins and share growth in North America, sales up +53%

EBIT

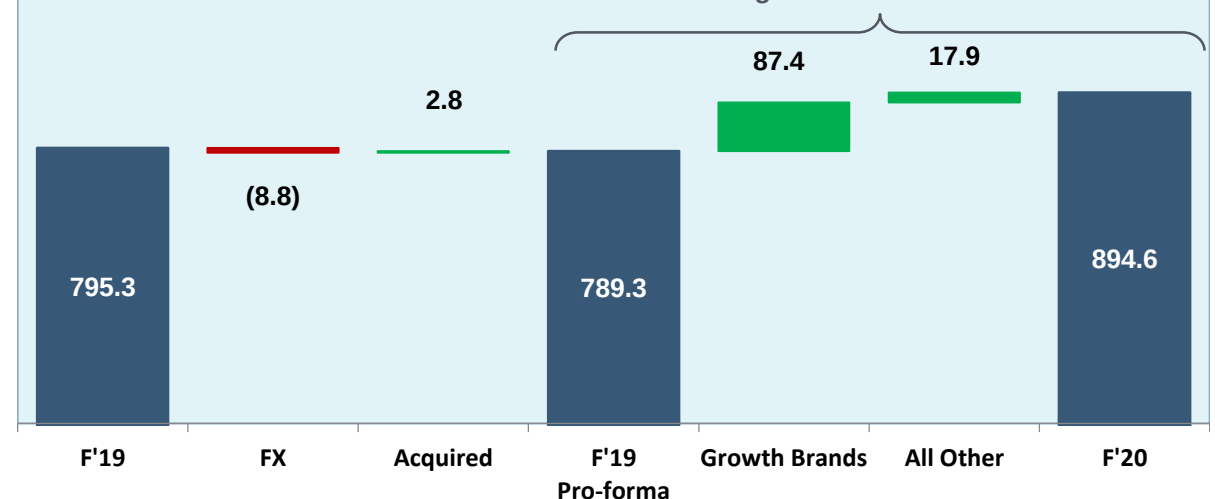
- With 135bps improvement, HGBU margins benefited from lower raw material costs, manufacturing efficiencies, higher volumes and pricing initiatives. This was partly offset by COVID-19 related costs. Adverse FX movement impacted EBIT margins by 111bps

	F'19	F'20	GROWTH %	CC GROWTH %
Sales	\$795.3m	\$894.6m	12.5%	13.8%
EBIT ¹	\$115.3m	\$141.8m	23.0%	34.7%
% EBIT/Sales	14.5%	15.9%	135bps ²	246bps ²

- F'19 EBIT Adjusted to exclude items disclosed on Slide 30 for the Group
- Represents change in EBIT margin

ANALYSIS OF SALES VARIANCES COMPARING F'20 TO F'19

Organic Growth +13.4%



FULL YEAR RESULTS F'20 Healthcare GBU Highlights

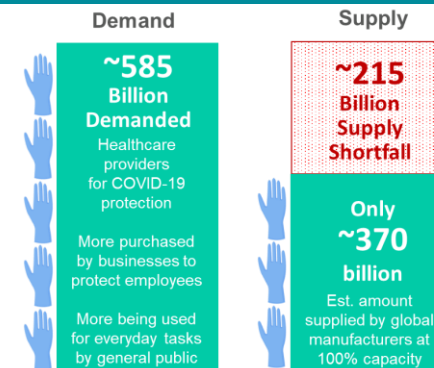
EXAM & SINGLE USE STRONG PERFORMANCE WITH MARKET IMBALANCE



TouchNTuff® 92-500

MICROFLEX® 93-143

- Significant demand driving higher sales across both medical and industrial sectors
- The market is experiencing extreme supply shortages – translating to large price increases from outsourced suppliers which are being passed onto customers. ~80% of Exam/SU sales are of outsourced products. Pricing is expected to remain dynamic through F'21
- Significant progress has been made in relation to the Thailand expansion which will increase our internal manufacturing capacity by ~35% in F'21



Source: CY2020 Management Estimates

STRONG BRANDS & SUCCESSFUL INNOVATIONS

GAMMEX®

PI Hybrid success, enabled by HYBRID Technology innovation, continuing to grow in mature markets



GAMMEX® PI Hybrid



Disposable garment offering true aseptic donning for sterile controlled/critical environment

BioClean™ S-BDSH

BioClean

MICROFLEX®

Continued growth and development of innovative multi-layer single use gloves



MICROFLEX® 93-260

CAREPLUS JOINT VENTURE



**CAREPLUS (M)
SDN BHD**



- ~\$9m investment for 50% stake (completed 14 May 2020) providing valuable exam and surgical supply
- Manufacturing plant in Malaysia with plans in place to further expand Exam and Surgical capacity
- Planned investments to provide differentiated high value products

Industrial GBU – Modest Organic Growth and Transformation Benefits Offset by FX and COVID-19 Related Costs

SUMMARY HIGHLIGHTS

SALES

- Organic growth +1.3%, mixed SBU and regional performance
- Solid growth APAC +13.1%, EMEA +3.1%, Americas flat -0.7%, weak LAC -4.5%
- Emerging markets +3.0% (strong performance from China, Russia and Brazil, decline in Mexico & CEE)
- Growth brands +1.8% - Alphatec +6.9%, EDGE +12.8% offset HyFlex decline of -1.3%

ORGANIC GROWTH BY SBU

Mechanical -2.0%

- Decline in Cut and Specialty due to demand trends in auto, heavy industry and O&G caused by H2 COVID-19 impact on the economy
- Multi-purpose growth +5.4% due to demand from logistics, warehousing and trend to increase protection and new hygiene protocols

Chemical +7.9%

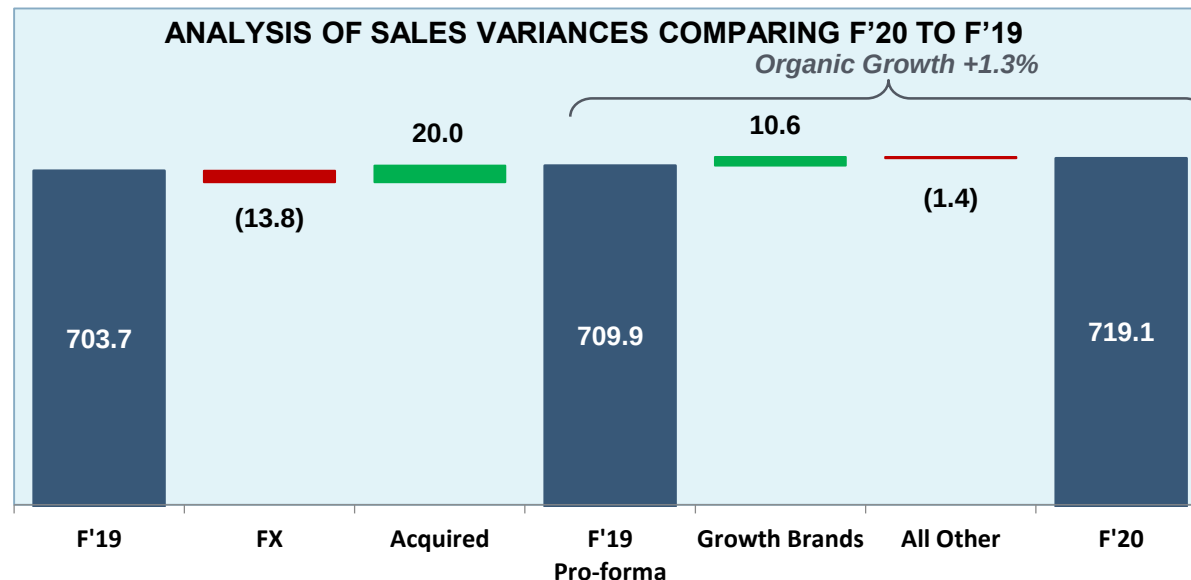
- Strong H2 performance from clothing category due to COVID-19
- Gloves demand remained robust with increased demand for reusable cleaning/sanitisation despite industrial demand slowing in H2

EBIT

- EBIT margin adversely impacted by 151bps due to FX. Product mix, increased labour and COVID-19 related costs were also a negative impact. However, these were partly offset by higher volumes, pricing benefits and Transformation program

	F'19	F'20	GROWTH %	CC GROWTH %
Sales	\$703.7m	\$719.1m	2.2%	4.2%
EBIT ¹	\$98.7m	\$92.4m	(6.4%)	7.0%
% EBIT/Sales	14.0%	12.8%	(118bps) ²	33bps ²

1. F'19 EBIT Adjusted to exclude items disclosed on Slide 30 for the Group
2. Represents change in EBIT margin



Industrial GBU Highlights

CHEMICAL PROTECTIVE CLOTHING CATEGORY



AlphaTec® 2000

- Chemical Protective Clothing category grew +16.5%, driven by our AlphaTec multi-risk Chemical + Virus products (formerly Microguard & Microchem)
- Demand increased predominately due to COVID-19, including Government, NGOs and private sector
- Increased capacity at China (Xiamen) and Sri Lanka by >40% compared to pre COVID-19. Additional investments planned for F'21 H1 to double capacity, including localisation of production at Brazil (supporting LAC) and Lithuania (supporting EU)



AlphaTec® 2300

STRONG BRANDS & SUCCESSFUL INNOVATIONS

AlphaTec®

Surpassed \$200m Sales for the first time

AlphaTec® 37-310



Food processing gloves, reusable offering multi-risk protection from chemicals and viruses (EN ISO 374-5)

HyFlex®

#1 Global Brand¹ Approaching \$300m

HyFlex gloves and sleeves designed with INTERCEPT Technology for best-in-class cut protection



Hyflex® 11-280 + 11-542

CONTINUED STRENGTH OF MULTI-PURPOSE

- The HyFlex Fortix Platform (11-840 and 11-841) continues to grow and outperform the competition as Light Weight, Light Duty Multi-purpose Gloves with exceptional grip
- Trusted by high profile blue chip customers
- Doubled capacity at Sri Lanka with planned expansion at Portugal for F'21, enabling a 'Made in Europe' product



Hyflex® 11-840

CSR & Sustainability Highlights

MODERN SLAVERY & SAFETY

- Continued to strengthen and further develop our human rights policy framework, procedures and modern slavery and labour rights systems
- Took steps to ensure all Ansell manufacturing operations meet or exceed WHO and local requirements for containment of COVID-19
- Engaged with major suppliers to ensure alignment on employee protection during COVID-19
- Continued focus on zero recruitment fees policy



For workers' rights.
For better business.

TCFD

- Undertook climate change scenario analysis for our largest manufacturing sites in Malaysia and Sri Lanka
- Incorporated consideration of climate-related risks in our risk management process
- Continued to disclose climate-related information in our Annual Report, Sustainability Report, and Carbon Disclosure Project (CDP) climate and water responses improving our alignment to the TCFD Recommendations



COMMUNITY

- Hands-On with HyFlex® Day across six locations globally to keep our communities clean, safe & beautiful
- Support for Australian Bushfires with monetary and product donations
- Donated close to 4 million pieces of PPE, including gloves, masks and protective suits, to 55 organisations around the world in relation to COVID-19





02 Financial Results

Zubair Javeed

FULL YEAR RESULTS F'20

Profit & Loss Summary

	F'19			F'20	
	Total Group	Transformation ¹	Adjusted	Total Group	Δ % ²
Sales	1,499.0	-	1,499.0	1,613.7	7.7%
GPADE	514.1	-	514.1	556.3	8.2%
SG&A	(356.8)	45.5	(311.3)	(336.6)	8.1%
EBIT	157.3	45.5	202.8	219.7	8.3%
Net Interest	(13.6)	-	(13.6)	(17.4)	27.9%
Taxes	(30.6)	(6.3)	(36.9)	(42.2)	14.4%
Minority Interests	(1.4)	-	(1.4)	(1.4)	0.0%
Profit Attributable	111.7	39.2	150.9	158.7	5.2%
EPS (US¢)	82.6¢	28.9¢	111.5¢	121.8¢	9.2%
Dividend	46.75¢			50.0¢	7.0%

SUMMARY HIGHLIGHTS

- F'20 Results are unadjusted. F'19 statutory results adjusted for \$45.5m of Transformation costs
- Interest cost \$3.8m higher in F'20. \$1.5m due to lease interest cost as a result of AASB 16. Interest income was lower in F'20 due to lower rates on cash invested
- Tax rate in F'20 is 20.9% vs 19.5% in F'19 mainly due to expiry of a tax concession in one of our SE Asian entities as well as a change to tax concession rates

1. Further details on Transformation adjustments can be found on Slide 30
2. Δ % compared to F'19 adjusted financials

FULL YEAR RESULTS F'20

Profit & Loss Summary

	F'19 Adj	F'20	Δ CC % ¹
Sales	1,499.0	1,613.7	9.3%
GPADE	514.1	556.3	14.3%
SG&A	(311.3)	(336.6)	10.4%
EBIT	202.8	219.7	21.0%
Net Interest	(13.6)	(17.4)	28.4%
Taxes	(36.9)	(42.2)	26.5%
Minority Interests	(1.4)	(1.4)	7.7%
Profit Attributable	150.9	158.7	19.0%
GPADE : Sales	34.3%	34.5%	
SG&A : Sales	20.8%	20.9%	
EBIT : Sales	13.5%	13.6%	
Effective tax rate	19.5%	20.9%	
EPS (US¢)	111.5¢	121.8¢	23.6%

SUMMARY HIGHLIGHTS

- Organic growth of 7.6%. Unprecedented growth in HGBU (strong performance entering H2 further accelerated due to COVID-19). IGBU performance mixed but still positive
- GPADE growth driven by sales growth (price & volume), net favourable impact from raw materials, Transformation and acquisitions; partly offset by impact from plant shutdowns and other COVID-19 related costs
- SG&A as % sales improved on F'20 H1 and is at similar levels to F'19. It includes \$5m impact from acquisitions, \$19m from higher employee costs (including selling & marketing) and increased R&D costs

CONSIDERATIONS FOR F'21

- Organic growth expected to be substantially higher than 3-5% target range, predominantly due to pass through of raw material cost increases. Positive volume growth is also anticipated
- GPADE margins expected to be impacted by higher raw material costs
- SG&A as % sales expected to be at similar levels to F'20 (prior to pricing impact to sales)

1. Constant Currency compares F'20 to F'19 results restated at F'20 average FX rates; refer to Slide 32 for further details

FULL YEAR RESULTS F'20

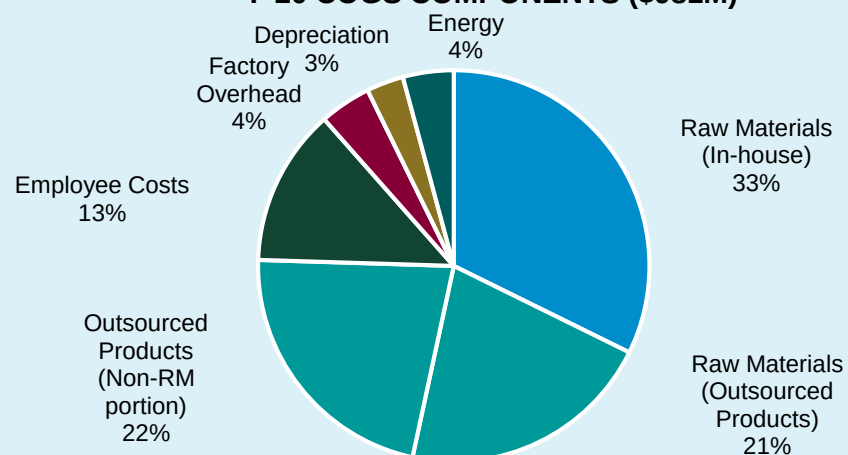
Raw Material Cost Impact

RAW MATERIAL COSTS IN F'20 WERE POSITIVELY IMPACTED BY LOWER NITRILE PRICES

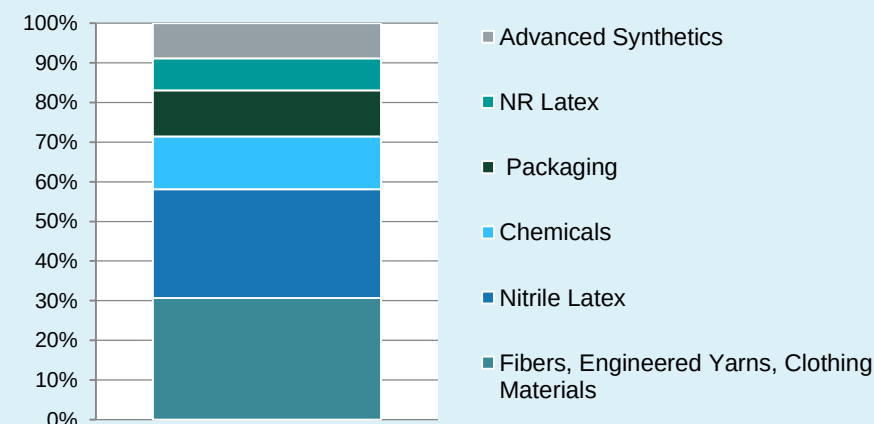
- The largest raw material category is Fibers & Engineered Yarns at 31%. Nitrile and Natural Rubber raw materials represent ~35% of raw material mix
- F'20 saw lower NBR (Nitrile) prices -12% but higher NRL prices of +5%. Raw materials for Chemical Protective Clothing and Exam/SU outsourced supplier costs increased during Q4
- We are expecting to see raw material cost increases in F'21, particularly for Exam/SU outsourced suppliers

F'20 COGS COMPONENTS AND MIX

F'20 COGS COMPONENTS (\$981M)



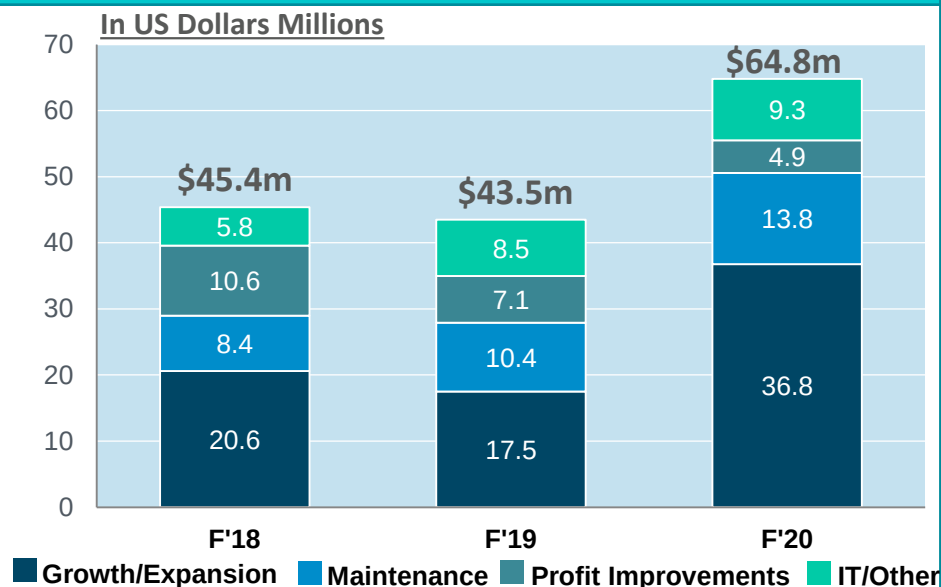
F'20 RAW MATERIAL MIX



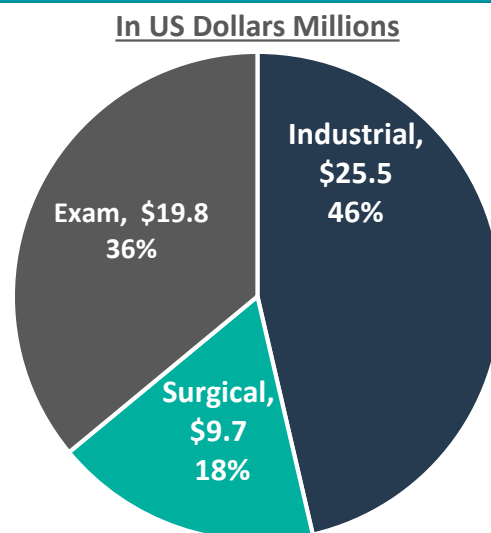
FULL YEAR RESULTS F'20

Capex Spend

CAPEX BY CATEGORY



Operations Capex by SBU



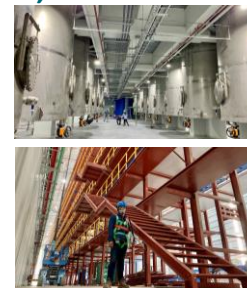
KEY POINTS

- F'20 capex of \$64.8m, at lower end of \$65-75m forecast. There were some temporary delays to shipments and installation as a result of COVID-19
- Large amount of capex spend was for growth/expansion. It included \$17m spend to expand Thailand Single Use capabilities for our TNT products which is on track for F'21 Q2 launch
- F'21 capex spend expected to be \$95m-\$105m, large increase over F'20 due to continued focus on capacity expansions across all SBUs to meet demand for our products and increased attention on automation

Expansion of Chemical Clothing in Xiamen, China



Expansion of SU in Bangkok, Thailand

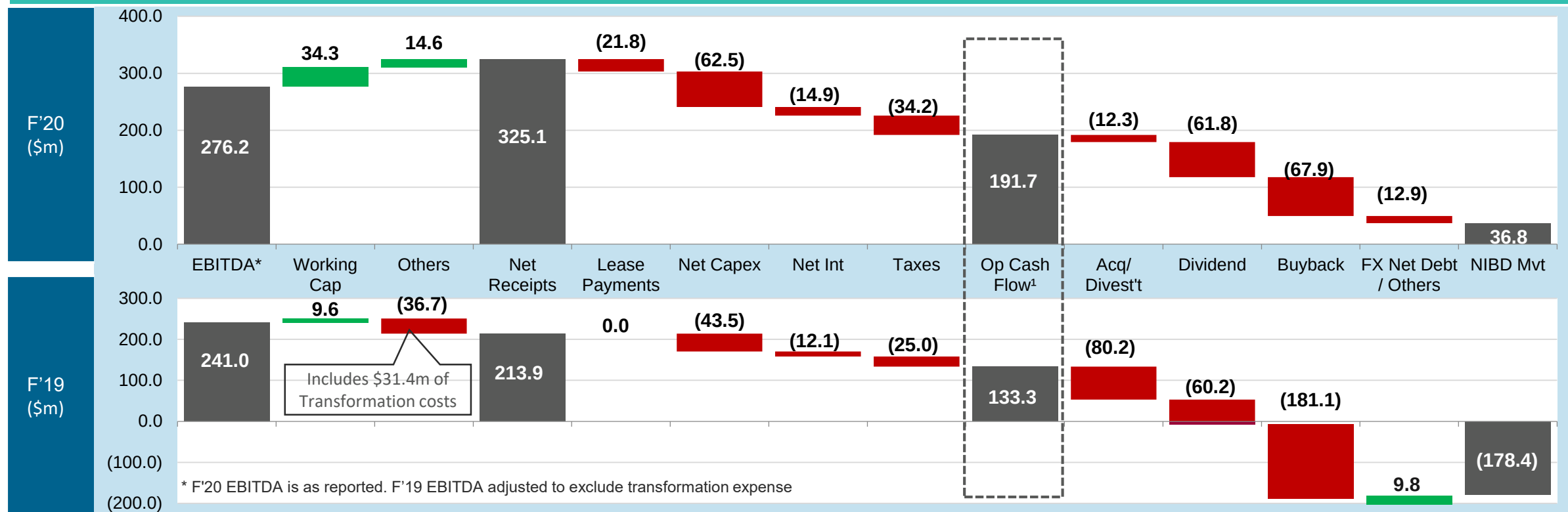


Expansion of RIGS in Kedah, Malaysia



FULL YEAR RESULTS F'20

Consistent Strong Cash Generation



1. Op Cash Flow means Net Receipts from Operations per the Consolidated Statement of Cash Flows adjusted for net expenditure on property, plant, equipment, intangible assets, lease payments, net interest and tax

COMMENTS

- Cash inflow from Working Capital due to lower receivables and higher payables. This was partly offset by higher inventories
- Lease Payments treated as financing under AASB16 but included as operating to allow year on year comparison
- Higher Net Capex takes into account increased investment for growth and capacity expansion discussed on previous page
- FX Net Debt / Others include FX on Net Debt and payments for shares acquired for Long Term Incentive Plan
- Cash Conversion (Net Receipts From Operations / EBITDA) = 117.7%.

Strong Balance Sheet Providing us the Opportunity to Further Advance our Strategy

BALANCE SHEET ¹ (\$M)	F'19	F'20
Fixed Assets	229.8	251.5
Intangibles	1,082.6	1,065.9
Right of Use Assets	-	55.5
Other Assets/Liabilities	(93.9)	(91.5)
Working Capital	342.5	293.4
Capital Employed	1,561.0	1,574.8
Net Debt	150.6	171.4
Shareholders' Funds	1,410.4	1,403.4
Net Debt: EBITDA ² (b/f lease accounting changes)	0.6x	0.4x
Net Debt: EBITDA ²	-	0.6x
ROCE% (pre tax) Adjusted ³ (b/f lease accounting changes)	13.2%	14.2%
ROCE% (pre tax) ³	-	14.0%
ROE% (post tax) ⁴	10.3%	11.4%

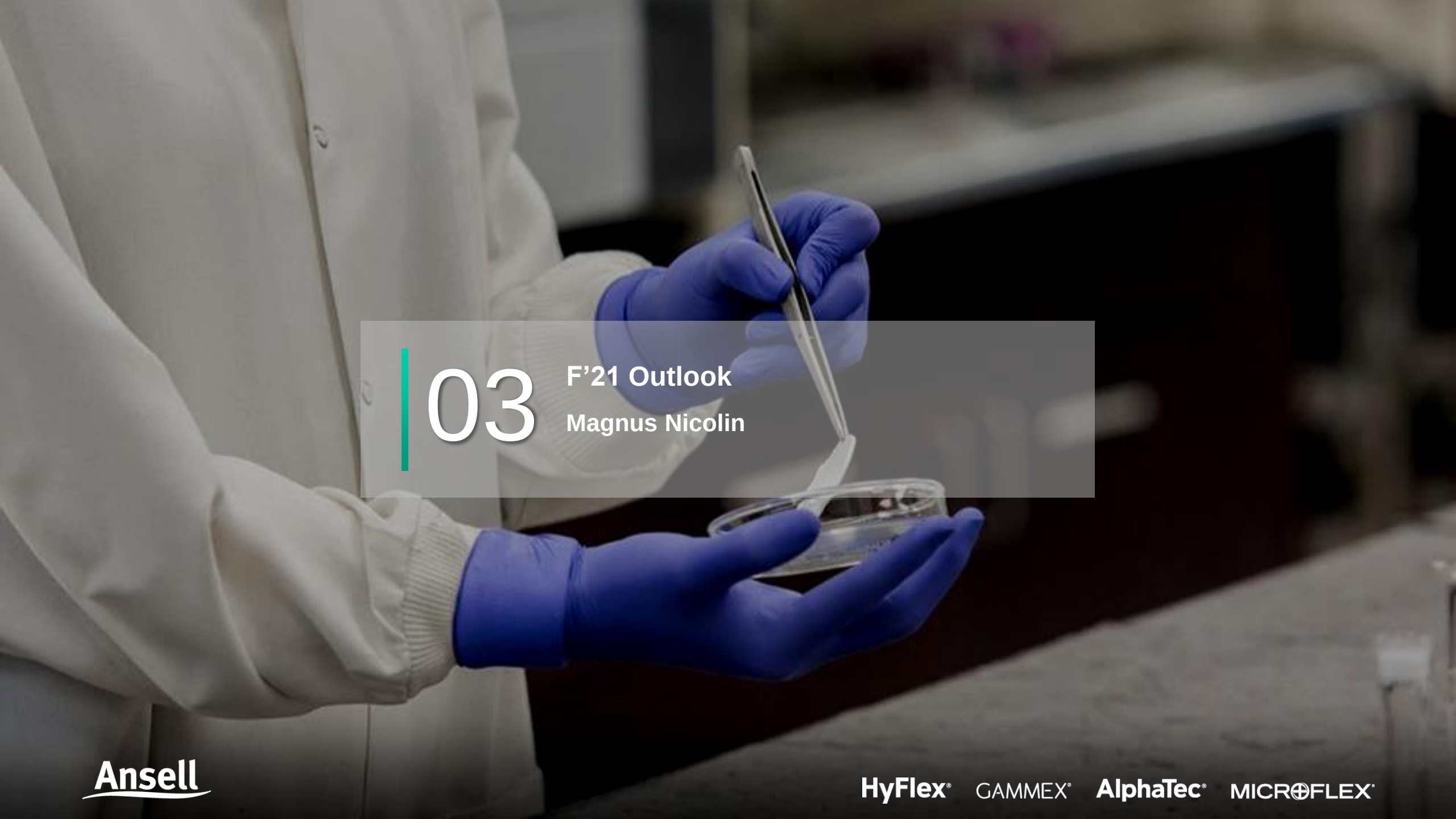
1. F'20 financial information prepared under AASB 16: Leases, F'19 financial information prepared under AASB 117: Leases
2. Net Debt: EBITDA is based on LTM Adjusted EBITDA
3. ROCE% calculated as LTM EBIT over average net operating assets. F'19 based on adjusted EBIT
4. ROE% calculated as LTM NPAT over average shareholder funds. F'19 based on adjusted NPAT



KEY POINTS

- Strong Balance Sheet provides significant flexibility for further strategic expansion and investment
- ~\$605m of cash and committed undrawn bank facilities at 30 June 2020
- Right of Use Assets represents AASB 16 Leases impact
- Working Capital declined compared to F'19 levels due to higher payables and lower receivables balance. Inventory balance slightly higher due to increased levels of raw materials and WIP to support future growth
- Conservative gearing with Moody's Baa2 investment grade rating - Net Debt position well below target leverage and no significant upcoming maturities in the near term
- Significant improvement in ROCE due to EBIT growth and leveraging capital assets

	F'19	F'20
Interest Bearing Liabilities (Current & Non Current)	545.3	519.9
Cash at Bank and Short Term Deposits	(394.7)	(406.1)
Net Interest Bearing Debt (NIBD)	150.6	113.8
Lease Liabilities (AASB 16 Leases impact)	-	57.6
Net Debt	150.6	171.4



03

F'21 Outlook
Magnus Nicolin

FULL YEAR RESULTS F'20

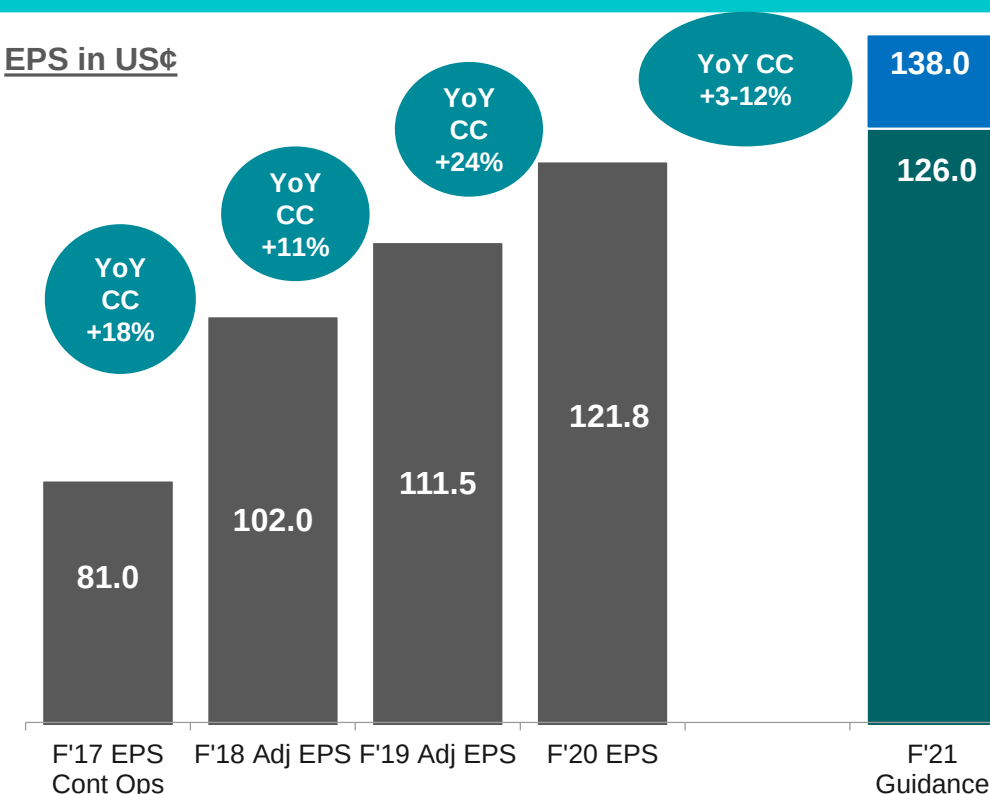
F'21 EPS Guidance

EPS RATIONALE

- Ansell has a balanced portfolio with strong brands and is well positioned to respond and adapt to impacts from COVID-19 which is expected to remain around during F'21 and potentially into F'22.
- The Exam/SU industry is expected to continue to see significant supply shortages, which will result in increased costs from outsourced suppliers and our sales pricing being dynamic. These costs are expected to be recovered however EBIT margin is likely to be negatively impacted due to cost pass through.
- Outlook for our Strategic Business Units is expected to remain mixed throughout F'21, with strong growth in Exam/Single Use, Chemical, Surgical and Life Science, tempered by weakness in Mechanical. We expect organic growth to be substantially higher than 3-5% long term target levels driven by price and volume increases.
- Net interest expense anticipated to be in the range of \$19.5m-\$20.5m, higher than the previous year mainly due to lower rates on cash invested. The effective tax rate is expected to be higher at 22.0-23.0%.
- Based on the above drivers, Ansell is guiding **F'21 EPS** to be in the **range of 126¢ to 138¢**.
- The Company acknowledges that the COVID-19 situation is constantly evolving and presents a significant uncertainty. The EPS range reflects the uncertainties from raw material pricing, foreign exchange, the ability to increase Exam/SU prices as needed and finally our ability to increase supply of critically needed products.

F'21 GUIDANCE – EPS¢

EPS in US¢



- CC = Constant Currency
- F'17 EPS Cont Ops excludes results from Sexual Wellness
- F'18 and F'19 Adjusted EPS excludes transformation costs and/or other one-off adjustments

Virtual Capital Markets Day Reminder



The Ansell Executive Leadership Team look forward to discussing a number of areas including the following:

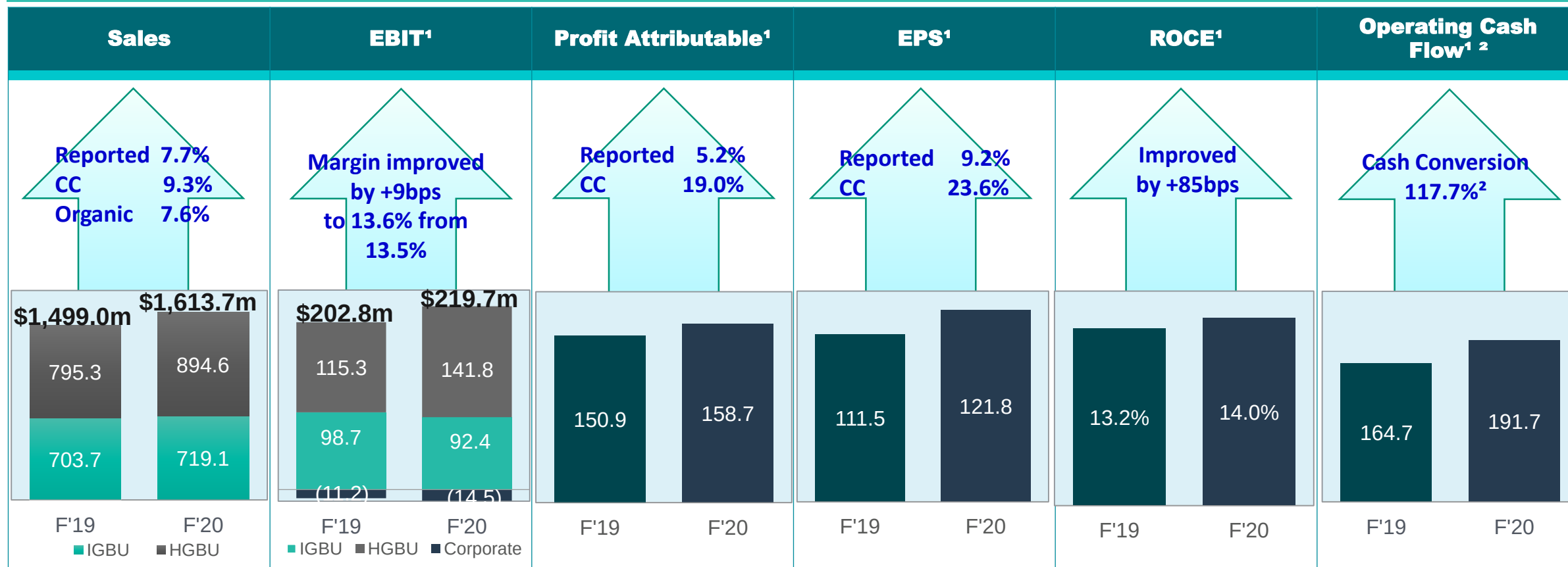
- Update on industry and competitive developments
- Strategic overview with update on key growth drivers in the near to medium term
- Key regional highlights for sustainable market growth and expansion
- Future investments in manufacturing and innovation
- Update on CSR & Sustainability actions and commitments



04 Appendix

FULL YEAR RESULTS F'20

Ansell Group Performance Summary



Delivered strong performance across all metrics

1. F'19 EBIT, Profit Attributable, EPS, ROCE and Operating Cash Flow based on adjusted results
2. Operating Cash Flow and Cash Conversion calculated as defined on Slide 23

Statutory Reconciliation for Items Previously Adjusted in F'19

US\$m	F'19				F'20			
	Sales	EBIT	PA	EPS	Sales	EBIT	PA	EPS
Total Group	1,499.0	157.3	111.7	82.6¢	1,613.7	219.7	158.7	121.8¢
Add Back - Transformation Costs		45.5	39.2	28.9¢	-	-	-	-
Adjusted	1,499.0	202.8	150.9	111.5¢	1,613.7	219.7	158.7	121.8¢

Key Commentary

- The Transformation Program commenced during F'18 and was largely completed during F'19
- The multi-year program aimed to reduce the overhead structure of the post Sexual Wellness business, capture benefits from an improved manufacturing footprint and progress CEO succession
- Transformation Costs included Asset Impairment, Restructuring and costs of the Transformation Program and totalled \$45.5m in F'19
- Further details on the Transformation Program can be found in the F'19 Investor Presentation and in the 2019 Annual Report

FX – Revenue & EBIT Impact of FX Movements

Change in average rates of major revenue and cost currencies			
	Currency Impact from Continuing Operations		Comment
	Revenue	Adjusted EBIT ¹	
F'20 vs F'19	\$(22.6)m	\$(14.8)m	Predominantly due to weakening Euro and GBP vs. USD and strengthening THB vs USD
FX Gain/(Loss) Variance		\$(6.3)m	Net foreign exchange gain in F'19 was \$6.8m, the equivalent number in F'20 was a gain of \$0.5m
F'20 vs F'19 Total		\$(21.1m)	

Forecast			
F'21 vs F'20	\$(6.7)m	\$1.9m	Based on budget rates, anticipate \$1.9m EBIT gain. Adverse movement for revenue currencies more than offset by favourable movement by cost currencies
FX Gain/(Loss) Variance		(\$0.7m)	Net foreign exchange gain in F'20 was \$0.5m, the equivalent number forecast for F'21, based on budget rates, is a loss of ~\$0.2m.
F'21 vs F'20 Total	(\$6.7)m	\$1.2m	

1. F'19 EBIT adjusted to exclude Transformation; F'20 EBIT is not adjusted

Constant Currency

CONSTANT CURRENCY

- The presentation of constant currency information is designed to facilitate comparability of reported earnings by restating the prior period's results at the exchange rates applied in determining the results for the current period. This is achieved by analysing and estimating, where necessary, revenue and cost transactions by the underlying currencies of our controlled entities. These transactions are converted to US dollars at the average exchange rates applicable to the current period on a month by month basis. In addition the following adjustments are made to the current and prior year's results:
 - the profit and loss impact of net foreign exchange gains/losses is excluded; and
 - the foreign exchange impact on unrealised profit in stock is excluded.
- The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board. It is considered as supplemental non-IFRS financial information.

ORGANIC CONSTANT CURRENCY

- Organic constant currency is constant currency information (as described above) after excluding the impact of acquisitions, divestments and exited business lines.

RESTATED PRIOR PERIOD (\$m)

<u>Prior Period Sales</u>	<u>Total</u>
Reported Sales	1,499.0
Currency Effect	(22.6)
Constant Currency Sales	<u>1,476.4</u>

<u>Prior Period EBIT¹</u>	<u>Total</u>
EBIT Reported	202.8
Currency Effect	(14.8)
Net Exchange Gain	(6.8)
Constant Currency EBIT	<u>181.2</u>

<u>Prior Period Profit Attributable¹</u>	<u>Total</u>
Profit Attributable	150.9
Currency Effect	(12.9)
Net Exchange Gain	(4.3)
Constant Currency Profit Attributable	<u>133.7</u>

1. Adjusted to exclude Transformation costs

FULL YEAR RESULTS F'20

Impact of AASB 16 Leasing Standard

COMMENTARY

- Ansell transitioned from AASB 117 to AASB 16 on 1 July 2019, not restating comparatives for practical reasons (as permitted).
- AASB 16 brings majority of leases on balance sheet as a right of use asset and corresponding lease liability
- The standard increases Ansell's net debt for lease liabilities by \$57.6m as at 30 June 2020. The impact on the income statement is an increase in EBIT of \$1.6m and neutral impact to NPAT for F'20. There is no change to overall cash flow for F'20, however there has been a reclassification of \$21.8m from operating cashflow to financing cash flow
- Non-IFRS metrics such as ROCE have been impacted and for F'20 have been disclosed on a before (comparable) and after lease accounting change basis. These metrics will be reported on the new basis for F'21 onwards.

IMPACT ON BALANCE SHEET (JUN-20)

(\$m)	AASB 117	AASB 16
Right Of Use Asset	0.0	55.5
Lease Liabilities	0.0	57.6

IMPACT ON INCOME STATEMENT (F'20)

	AASB 117	AASB 16
Operating Lease Expenses	(19.9)	0.0
Depreciation of Right Of Use Asset	0.0	(18.3)
EBIT	(19.9)	(18.3)
Net Finance Costs	0.0	(1.5)
Income Tax Expense	4.3	4.2
Profit for the Year	(15.6)	(15.6)

IMPACT ON STATEMENT OF CASH FLOWS (F'20)

	AASB 117	AASB 16
Operating Cash Flow		
Operating Lease Payments	(21.8)	0.0
Financing Cash Flow		
Lease Payments (Principal Component)	0.0	(20.3)
Lease Payments (Interest Component)	0.0	(1.5)
Total Lease Payments	(21.8)	(21.8)

1. P&L impact under AASB117 has been estimated by management

Ansell Fact Sheet

KEY FIGURES

- Booked Tax Losses at 30 June 2020: \$26.4m (Australia \$19.6m)
- Unbooked Tax Losses at 30 June 2020: \$7.6m (Tax Effect) (Australia \$nil)
- Unbooked Capital Losses at 30 June 2020: \$59.0m
- Interest Rate on Borrowings for F'20: 3.3%
- F'20 Dividend US50.0¢ a share (Previous year US46.75¢ a share)
- Shares on issue: 30 June 2020 128.5m shares; Weighted Average No. of Ordinary Shares for F'20 EPS calculation 130.3m
- F'20 Share Buyback: 3.8m shares, total cost of US\$67.9m (A\$103.4m)

KEY ASSUMPTIONS

- Budgeted foreign exchange exposures by currency:
Revenue Currencies – USD 55%, Euro 24%, GBP 4%, CAD 4%, AUD 2%
Cost Currencies – USD 62%, MYR 11%, Euro 10%, THB 5%, CNY 3%, AUD 2%, LKR 2%
- FX F'21 budget rate assumptions: Euro 1.115; AUD 0.68; GBP 1.25; MYR 4.3; CNY 7.08; THB 32.00; LKR 185.00
- Tax rates
Forecast Book Tax F'21 22.0% – 23.0%, F'22 22.5% – 23.5%
Forecast Cash Tax F'21 19.5% – 20.5%, F'22 20.0% – 21.0%

FULL YEAR RESULTS F'20

Segment History – Continuing Businesses

		F'14	F'15	F'16	F'17	F'18	F'19	F'20
Industrial	Sales	716.5	668.5	654.8	655.9	715.5	703.7	719.1
	EBIT	90.5	89.0	82.8	79.8	86.9	98.7	92.4
	% Margin	12.6%	13.3%	12.6%	12.2%	12.1%	14.0%	12.8%
Healthcare (Medical & Single Use)	Sales	661.0	759.6	698.0	718.6	774.3	795.3	894.6
	EBIT	88.0	130.7	116.5	110.1	120.1	115.3	141.8
	% Margin	13.3%	17.2%	16.7%	15.3%	15.5%	14.5%	15.9%

Total Ansell Continuing Businesses	Sales	1,377.5	1,428.1	1,352.8	1,374.5	1,489.8	1,499.0	1,613.7
	GBU EBIT	178.5	219.7	199.3	189.9	207.0	214.0	234.2
	% Margin	13.0%	15.4%	14.7%	13.8%	13.9%	14.3%	14.5%

Corporate Costs	(1.8)	(5.8)	(8.3)	(12.1)	(13.9)	(11.2)	(14.5)
-----------------	-------	-------	-------	--------	--------	--------	--------

Ansell Segment EBIT	176.7	213.9	191.0	177.8	193.1	202.8	219.7
Ansell Segment EBIT %	12.8%	15.0%	14.1%	12.9%	13.0%	13.5%	13.6%

1. EBIT and % Margin for F'18 and F'19 are adjusted

2. F'14-F'16 GBU EBIT restated to include overhead costs previously allocated to Sexual Wellness and revised allocation methodology appropriate to new GBUs

Ansell

The Ansell logo features the word "Ansell" in a bold, white, sans-serif font. Below the text is a thick, white, curved line that starts under the 'A', dips slightly, and then rises to end under the 'l', creating a swoosh effect.

HyFlex[®] GAMMEX[®] **AlphaTec[®]** MICROFLEX[®]