

10 November 2022

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

ANSELL LIMITED: 2022 Annual General Meeting - Chairman's Address, CEO's Address & Slides

Please find attached the address to be given by the Chairman and the address and slide presentation to be given by the Chief Executive Officer at Ansell Limited's Annual General Meeting, to be held today.

This release was authorised by the Board of Directors of Ansell Limited. Yours sincerely



Catherine Stribley
Company Secretary
Ansell Limited
Tel: +61 3 9270 7125
Email: catherine.stribley@ansell.com

ANSELL LIMITED ANNUAL GENERAL MEETING 2022 CHAIRMAN'S ADDRESS

Good morning, Ladies and Gentlemen.

My name is John Bevan and I am your Chairman of Ansell Limited.

It is my great pleasure to welcome you today to the 2022 Ansell Annual General Meeting. I'd like to begin by acknowledging the traditional owners and custodians of the land on which we meet today, the Wurundjeri people of the Kulin Nation. I pay my respects to their Elders both past and present.

I'd like to make some general remarks on the company's recent performance, the business conditions we face, and to briefly cover some issues specific to our industry and our operating jurisdictions.

It's fair to say that the pandemic brought the global PPE industry into the forefront of public attention everywhere. In turn it branded Ansell as a major PPE player. Prior to the pandemic, the PPE sector was relatively invisible, but Ansell is now strongly identified with a clear global PPE sector. We are seen to occupy a leading position in this sector, in recognition of our extensive portfolio, our geographical reach, and our unique suite of marketing, manufacturing and technical capabilities.

This global recognition as a major PPE player is timely and positive for our company. We were put to the test by unprecedented events over the last couple of years, and we effectively responded to deliver critical products to our customers.

As experienced by many companies in numerous sectors, the pandemic has generated market uncertainties, which are not dissipating at the same speed with which they were generated. This was a factor which led us to revise our outlook earlier in this calendar year.

Our experience over the year since has told us that significant uncertainties still linger. The forces unleashed by the pandemic have mostly moved through, but our markets and supply chains are yet to settle to a new normal.

While these times are challenging, they present enormous opportunity. This year the company has largely seen through its Asian capacity expansions, with a view to consolidating our sector leadership. In addition, we have taken significant steps towards leadership in social and environmental performance.

But I caution that neither Ansell, nor the PPE sector or even the international economy have returned to anything like business as usual and we continue to place top priority on organisational agility and speed of responsiveness to change.

Now I will briefly turn in more detail to two themes that are fundamental to the future of our business and of great interest to shareholders. Firstly, our commitment to environmental leadership. During the year Ansell committed to achieve net zero by 2040 for its own operations, supported by a mid-term target of a 42% reduction in Scope 1 and Scope 2 emissions by 2030.

Our focus is on long-term decarbonisation within own operations. This is in-line with the ambition of the Paris Agreement to limit global warming to 1.5°C. We also have a broader ambition to reduce end-to-end value chain emissions (Scope 3) but further engagement with our supply chain is needed before we can define what this commitment looks like.

Secondly, I want to reiterate our position on human rights and modern slavery risks. Ansell is committed to respecting human rights and identifying, remediating and preventing modern slavery. The location of some of Ansell's own operations and the location of many of our third-party suppliers expose us to higher risks of labour exploitation. These are complex issues and as a market leader, we are actively promoting good working conditions across our own operations, our third-party supply chain and the wider industry.

Ansell is deeply concerned by the recently reported forced labour allegations made by employees of one of our third-party suppliers, Brightway Group, detailed in a lawsuit against Ansell and Kimberley Clark. We take the labour practices of our suppliers seriously, and any allegation of forced labour is of the highest concern. As these allegations are subject to a lawsuit, there are constraints on our ability to comment on them, however we are defending our business and operations.

As previously stated, Ansell does not automatically cancel supplier contracts upon the allegation of forced labour, instead we choose to provide the supplier with the opportunity to demonstrate a commitment to improve working conditions through meaningful action. This approach allows continued employment for the supplier's workforce and improves workers' conditions, and is aligned with the advice of human rights and labour experts. However, if we determine suppliers are not working in good faith to progress positive change in their labour standards compliance, we will take further action, including finding alternate sources for our product and terminating the supplier relationship.

Neil will provide some further comments on trends and progress being made in regards to modern slavery risks in our supply chain.

We also recognise the importance of freedom of association and collective bargaining. We see this as fundamental to maintaining healthy industrial relations and social dialogue, and it is of particular importance in countries with vulnerable worker populations, to provide workers an ability to voice concerns, organise and participate in decisions that impact their employment. Worker councils and worker committees are established where workers choose not to join unions. We currently have worker councils, worker committees or unions at 10 plants. At the remaining Asian plant, a worker committee will be established in this financial year.

Another development during the year that is important to note is the advent of the Ukraine war which ultimately saw Ansell withdraw from production in Russia. This was unexpected and unfortunate. All of us were sad to lose our connections with our Russian employees but there were no alternatives.

To conclude, after the two-year hiatus, the Board has begun to travel again, with the recent opportunity to visit Ansell plants in Thailand, Malaysia and Sri Lanka. It is visits like this that highlight to the Board the resilience and passion of the Ansell team.

ANSELL LIMITED ANNUAL GENERAL MEETING 2022

CEO ADDRESS

Good day to my fellow shareholders.

Following a record year in FY21 in which Ansell sales exceeded US\$2bn for the first time, the external environment was much more challenging for Ansell overall in FY22 and as this slide shows we recorded declines in sales revenue and earnings metrics during FY22 vs the prior year.

At the onset of the year, we were clear on market conditions remaining uncertain due mainly to the on-going global impacts of the pandemic, and that we expected pricing and demand to decline for the products previously most in demand for protection against Covid-19. Whilst demand declined more sharply than we had anticipated for these products, we saw the potential to offset through meeting the very strong demand we were seeing for other products, notably within our Life Science and Surgical gloves businesses. Frustratingly though, the Covid-19 related disruption to global supply chains continued for much longer than we initially anticipated, including from reduced labor availability and manufacturing outages. In late January this year we updated shareholders regarding the circumstances affecting our business, including also the unexpected government-enforced shutdown of our main surgical glove manufacturing facility in Malaysia in January 2022, as Covid cases rose during the first Omicron wave.

The continuing global supply chain disruptions from the pandemic prevented us from being able to fulfill the demand opportunity in surgical and life science, meaning we were unable to offset weaker trends in examination single use gloves. These trends were exacerbated by the decision of the US customs agency also in January, to issue a withhold release order on one of our main suppliers of examination single use products to the US market.

As the second half progressed business performance was in line with our revised expectations, and as you can also see on this slide, we secured an improved second half performance on all key measures. Most importantly, margins improved, and we achieved a satisfying cash conversion at 90% overall for FY22.

Concurrently, Ansell committed its strong cash flows to growth and gained ground in FY22 in many foundational areas that we expect will create value for shareholders.

We have completed the first phase of our US\$80m greenfield investment in India, and commenced packing operations for Surgical gloves there. We are making good progress in the second phase of dipping line construction. Completion of our new India facility is anticipated towards end of FY24, and will represent an important step forward in achieving our environmental goals given plans for the facility to be 100% powered by renewable energy, and meet zero liquid discharge and zero waste to landfill standards. It also has significant expansion capability to accommodate a wide range of Ansell products, supporting our differentiated growth strategy in the coming years.

Construction of our Single Use expansion in Thailand is complete. And we are progressively commissioning those new production lines for our unique chemical resistant TouchNTuff® Single Use product range and other highly differentiated styles.

We are also putting more emphasis than ever before on improving the productivity and quality of key business processes with an emphasis on digital commerce, improving the information flow and purchasing experience of our distributors, building out our e-commerce capability and investing in modern digital solutions in supply chain and manufacturing. Four sizeable manufacturing entities were successfully migrated into modern cloud-based enterprise resource planning (ERP) platforms, and in recent days we went live on the first phase of our new advanced cloud-based supply chain planning system.

Overall, these investments are well set to increase capacity, improve our manufacturing effectiveness, enhance Ansell's customer experience and also our sales effectiveness and competitiveness.

Ansell's mission is synonymous with safety, which applies to our employees as much as our customers. After establishing global standards for High Risk Tasks and Core Operating Procedures in FY21, this year we achieved an effectiveness score in these areas of more than 85% in four plants, which indicates world class performance. Our medical treatment injury rate in FY22 was 0.161, our best

performance in years, perhaps ever. Our Lost Time Injury rate continues to meet our target of 10% Y-O-Y reduction.

There has been significant attention recently on the issue of Modern Slavery. John has commented on the historical allegations against the practices of one of our former suppliers. I will now focus my comments on recent trends in our industry as I believe we have made substantial and meaningful progress in improving the conditions of workers across our supply chain.

There are three elements to our approach.

Firstly, being really clear in our principles, our policies, our supplier expectations and our decision-making processes. The continued roll out of our supplier management framework is the primary vehicle to achieve this. Our membership of the Responsible Glove Alliance is also key to establishing clear industry standards

Secondly strengthening our insight into actual working conditions at our suppliers' facilities through enhancing our audit program and other mechanisms including requiring suppliers to have independent grievance mechanisms such as those provided by the Responsible Glove Alliance.

And thirdly, setting and reporting against clear, measurable targets and goals and sharing that information with all stakeholders. For example, I am able to confirm today that suppliers representing 98% of Ansell's finished goods spend in Malaysia have declared that they have completed their recruitment fee reimbursement program, reimbursing over US\$30 million to more than 18,000 migrant workers. And we believe all our current Malaysian finished goods suppliers have substantially addressed the other major causes of concern regarding modern slavery, including freedom of movement and migrant worker living conditions. Through our ongoing audit program our focus will be on validating these reports of improved conditions ensuring the progress is sustained and extended to all suppliers. Overall, I am confident that our actions have helped to improve working conditions in our industry, and we will continue to be part of the effort to drive the systemic change necessary to further improve the working conditions in our industry.

Turning now to the environmental aspect of sustainability, John has already commented on our new ambitious emissions and waste reduction targets that we

committed to a few months ago. I want to comment on the customer reaction to both our social compliance and environmental initiatives. Consistently we hear from customers that they see us as a leader in this space. They appreciate our comprehensive embrace of sustainability and our transparency on goals and status. Ultimately, I believe that this will be a source of meaningful differentiation and competitive advantage for us.

Let me now turn to our expectations for the current fiscal year. As I commented at the time of our FY22 results release, we expect lower revenues in FY'23 as prices continue to normalize on Examination and other Single Use gloves. Although we expect profit margins to improve on a constant currency basis, the strong US\$ is significantly unfavorable to our US\$ reported earnings, and our exit from our Russian operations will mean the loss of earnings from that business.

As the current year has progressed we have seen industrial activity globally remaining generally favorable in most major markets. This has supported a good start to the year by our mechanical business, although there is widespread commentary on the risk of recessionary conditions taking hold in industrial markets later in this fiscal year.

Through last fiscal year and at the start of this year, we have commented on the widespread destocking wave across the healthcare industry as end-users and distributors have worked down very high levels of excess inventories after overordering in the scramble for PPE at the peak of the pandemic. This has affected demand on our less differentiated examination gloves and chemical protection clothing. For these product categories, while the destocking phase is not over, we do see initial signs of improving trends and a healthy pipeline of new business opportunities.

However, we are seeing a few of our larger industrial and life science distributors in Europe and the US implementing plans to reduce their inventory levels for our more differentiated Single Use styles and our life science portfolio. This has led to reduced orders for these product segments. We anticipate that this effect will be temporary and shorter in duration than the healthcare industry destocking phase. Overall, these factors mean we see downside risk to revenue expectations for the year. We are however maintaining our EPS guidance range while noting that the EPS outcome is more likely to be in the lower half of the range with the downside

risk to revenue being partly offset by a more favorable outlook on costs. Our expectation of a more favorable cost outlook arises from moderately improved assumptions on cost inflation, ensuring a continued and suitably cautious approach to SG&A spending, and an expectation of a tax rate toward the low end of our previous tax rate guidance range.

In conclusion, in this continued challenging external environment we believe the best approach to shareholder value creation is to remain focused on the strategies that drive long term competitive advantage and shareholder returns, while also monitoring carefully and responding quickly to shorter term trend shifts.

I would like to conclude by thanking on your behalf, the hard-working and impressively resilient Ansell team. Across our global operations they are tackling the complexities of the external environment on a daily basis and achieving impressive results to the long-term benefit of our stakeholders.

Thank you for your attention.



Annual General Meeting

2022





CEO's Address



Neil Salmon

FULL YEAR RESULTS FY22

EPS Declined on COVID-19 Demand Normalisation, H2 Improved vs H1

(\$m)	FY21	FY22	FY22 vs FY21	FY22 H1	FY22 H2	FY22 H2 vs FY22 H1
Sales	2,026.9	1,952.1	(3.7%)	1,009.2	942.9	(6.6%)
GPADE ¹	723.6	564.2	(22.0%)	275.5	288.7	4.8%
<i>Margin</i>	35.7%	28.9%	(680bps)	27.3%	30.6%	330bps
Adjusted EBIT^{2,3}	338.0	245.1	(27.5%)	111.0	134.1	20.8%
<i>Margin</i>	16.7%	12.6%	(410bps)	11.0%	14.2%	320bps
Adjusted EPS (US¢)³	192.2¢	138.6¢	(27.9%)	60.6¢	78.0¢	28.7%
Statutory EPS (US¢)	192.2¢	125.2¢	(34.9%)	60.6¢	64.6¢	6.6%
DPS (US¢)	76.80¢	55.45¢	(27.8%)	24.25¢	31.20¢	28.7%
Cash Conversion⁴	60.9%	90.0%	29.2%	59.7%	118.6%	58.9%

1. GPADE is Gross Profit After Distribution Expenses

2. EBIT includes share of profit/(loss) from Careplus joint venture (equity accounted)

3. Adjusted EBIT and Adjusted EPS in FY22 have been adjusted to exclude expenses associated with Russia Business Disruption and Exit. See slide 6 for further details

4. FY22 H1 and FY22 H2 cash conversion adjusted for short term incentives and insurance which were paid in H1 but relate to the full year

5. Financials presented in US dollars millions on all slides of this presentation unless otherwise specified

- Sales declined in FY22 but remain above pre COVID-19 levels. Strong growth from Surgical, Life Sciences and Mechanical were offset by decline from COVID-19 protection products, namely Exam/SU and Chemical Protective Clothing
- GPADE margins declined mainly due to high cost Exam/SU outsourced products being sold at lower than desired prices. This impact was most pronounced in H1 with Ansell margins improving from 27.3% in FY22 H1 to 30.6% in FY22 H2
- EBIT declined due to lower GPADE and loss from Careplus JV, partly offset by lower SG&A
- Cash conversion was 90% for FY22, an increase from 61% delivered in prior year as our focus on working capital delivered results
- Statutory EPS includes \$17.0m one-off expenses for exit from Russia, comprising asset impairment and business restructuring costs

FY22 ANNUAL GENERAL MEETING

Investments to Support Future Growth

INVESTING IN DIFFERENTIATED PRODUCTION

- India greenfield expansion progressing well. Surgical packing commenced in Jun-22 with manufacturing on track to commence during FY24
- One additional line for TouchNTuff® single use gloves in Thailand started commercial production in Mar-22. Additional two lines delayed due to COVID-19 travel disruptions but will commence in FY23
- Careplus joint venture installed two additional surgical lines with additional exam capacity to come online during FY23 supporting differentiated glove styles and our move to in-house production for certain volumes



IMPROVING OUR BUSINESS PROCESSES

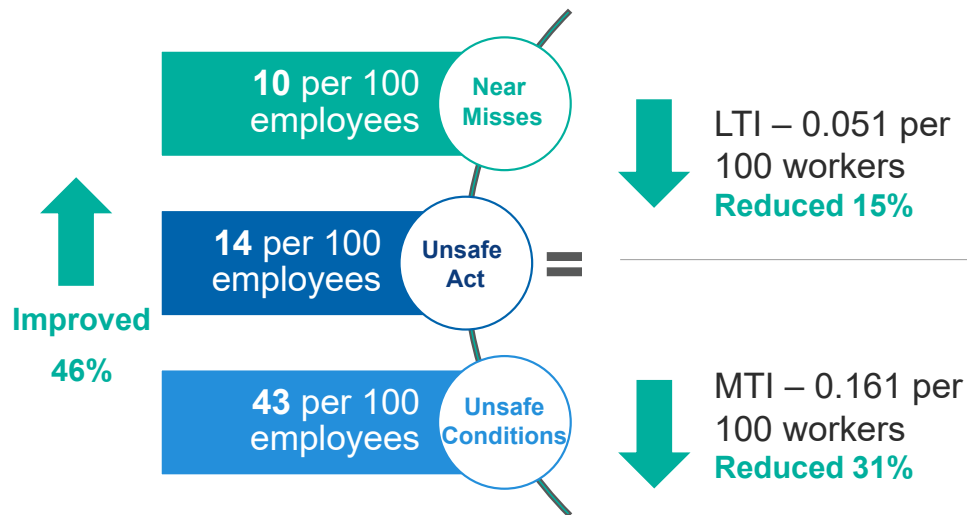
- **Commercial Digital Transformation** – Significant progress made through automation of internal processes, expanded digitisation of customer interaction, channel expansion, and investment in growth accelerating initiatives (e.g. “inside sales”)
- **Integrated Business Planning** – Redesigned our sales and operations planning processes with high focus on improving our customer service levels supported by an overhaul of data architecture and planning systems
- **Modern ERP** – Successfully migrated four sizeable entities onto standardised ERP platforms allowing Ansell to retire legacy technology and drive common, optimal ways of working from across functions

"Ansell Protects" – Ensuring Safety Of All Those Who Work At Ansell

OUR PROGRESS OVER THE LAST YEAR

Leading Indicators

Injury Statistics



1. Metrics based on Jun-22 data using 12 months average calculation compared with data from a year ago (individual leading indicators based on last 12 months average calculation)

COMMENTARY

- Saw a **continued reduction in lost time and medical injuries** which demonstrates the **progress Ansell has made** to implement a leadership culture on safety
- Safety culture is founded on the **proactive identification and mitigation of hazards** at our manufacturing sites. Launched a **real-time reporting tool for hazard identification and monitoring incident investigations** following a successful pilot in the prior year
- Raised good awareness around **High Risk Tasks** through extending accountability beyond EHS team members, increasing awareness, employee training and virtual audits
- Maintained **worker safety in COVID-19** through adhering to controls (screening, wearing masks, sanitation and maintaining social distance), random testing and vaccination drives



Progress Against Labor Rights Objectives

Clarity of Approach

Clear principles, policies, supplier expectations & decision-making processes

- Implementation of our Supplier Management Framework
- Founding member of the Responsible Glove Alliance (RGA) – established to prevent, identify and remediate forced labor in the medical supplies industry in Malaysia



Ansell

Strengthening Insights

Improve visibility into real conditions at suppliers

- Supplementing SMETA audits with forced labor assessments against the 11 standards of the International Labor Organization
- Rolled out the Suara Kami Hotline through the RGA to Ansell workers in China, Brazil and Malaysia, with similar demands of suppliers
- Strengthened our Ethical Recruitment Program to ensure we only engage with recruitment agents who meet our requirements



Measurable Progress

Setting clear goals, reporting and sharing progress

- Ansell suppliers covering 98% of finished goods spend have completed their recruitment fee reimbursement program
- Aiming to use audit program to validate progress claims made by suppliers
- Confidence that significant improvements have been made in working conditions for migrant workers over the past few years

HyFlex®

GAMMEX®

AlphaTec®

MICROFLEX®

FY22 ANNUAL GENERAL MEETING Our Environmental Commitments

- Put in place a net zero roadmap by setting targets to reduce Scope 1 and 2 emissions by 42% by 2030 and 100% by 2040, from FY20 baseline. Expected that credible offsets will make up less than 10% of emission reductions
- Replaced Water Stewardship commitments to focus on absolute water withdrawals with a commitment to reduce by 35% by end of FY25
- Signed up to GET program in Malaysia to allow our factories to source 90%+ of their purchased electricity from renewables
- Five plants were certified by Intertek, an independent third-party, for Waste to Landfill diversion rate of >99%
- Awarded a silver rating by EcoVadis based on reporting data for FY2021, placing us in top 25% of all companies assessed and the top 6% of those within our industry
- Achieved full alignment with the Recommendations of Task Force on Climate-related Financial Disclosures



Effluent Treatment Plant in Thailand



FY22 ANNUAL GENERAL MEETING FY23 EPS Guidance

What we assumed in August 2022

External Operating Environment

- External environment remains supportive for continued demand of our products and is expected to drive volume growth for all our SBUs
- Exam/SU price normalization anticipated to result in overall sales decline in FY23

Earnings Drivers

- GPADE margin to improve. We will leverage pricing and operational initiatives with the expectation to fully offset negative headwinds from higher raw material, energy and salary costs
- SG&A costs forecast to increase due to reversal of lower variable employee costs in FY22 and higher than historical levels of wage inflation but will remain below FY21 levels. We will maintain a cautious stance on managing headcount, however we will invest selectively to support longer term growth
- Foreign currency will be a headwind, expected to have an adverse ~\$32m impact to EBIT (and 25.4¢ EPS) compared with the prior year
- Exit from Russia will mean that \$9m EBIT (and 5.8¢ EPS) in FY22 will not reoccur in FY23
- Limited increase in interest costs

Guidance

- **FY23 EPS to be in the range of US115¢ - US135¢**

What we see in November 2022

External Operating Environment

- End user market conditions consistent with August view with industrial demand remaining generally favorable. However, growing concern around global economic outlook.

YTD Performance

- For our Industrial Division, a good start to the year for Mechanical, Chemical returning to growth after cycling period of significant pandemic demand.
- In Healthcare: continued strong growth in Surgical. Distributor destocking continuing in less differentiated Exam/SU products as expected
- Some industrial and life science distributors also destocking as evident in order trends for differentiated Exam/SU and Life Sciences products
- Downside risk to full year revenue partly offset by some moderation in cost inflation, SG&A restraint and improvement in forecast tax rate towards the low end of our guidance range (21.5% - 23.5%)

Guidance

- **Maintain FY23 EPS guidance range, of US115¢ - US135¢ while noting that the final EPS outcome is more likely to be in the lower half of this range.**

**Thank you for attending
the Ansell 2022 Annual
General Meeting**

HyFlex® **GAMMEX®** **AlphaTec®** **MICR⊕FLEX®**