

Chair's Review

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Nigel D Garrard
Chair



Dear Shareholders,

I am delighted to be reporting to our shareholders for the first time since assuming the role of Chair of the Ansell Board last October.

Fiscal 2024 (FY24) was a milestone period for Ansell in which the Group managed the sustained aftermath of COVID-19 while taking decisive steps to position the company for growth.

FY24 Adjusted Earnings Per Share (EPS) were 105.5 cents before allowing for the effect of the capital raise conducted ahead of the acquisition of Kimberly-Clark's Personal Protective Equipment business (which is covered in more detail below). This was within the original guidance range provided in July 2023.

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Kimberly-Clark's Personal Protective Equipment business (renamed KBU) – a transformational acquisition

In April, Ansell announced the acquisition of KBU for US\$640m. The transaction was completed on 1 July 2024.

KBU is a natural fit with Ansell. Its attractive end market exposures and complementary geographic positions create the potential for enhanced growth, which combined with its strong margins and the opportunity for significant cost synergies, makes the transaction strategically and financially compelling.

An oversubscribed capital raising comprising a A\$400m institutional placement and a A\$75m Share Purchase Plan in connection with the acquisition, both at a modest discount to the pre-announcement share price, was a pleasing outcome. This suggests the market shares our confidence in the strategic rationale for the acquisition and its accretive potential.

Embedding customer focus and driving productivity growth

In July 2023, Ansell announced the Accelerated Productivity Investment Program (APIP), a strategic initiative to lift productivity and efficiency and reshape our business to meet the needs of the post-pandemic global PPE market.

In essence, APIP is a multi-year reset of Ansell's business designed to deliver a leaner, more customer-focused operating model, improve manufacturing productivity and efficiency and harmonise global ERP systems.

I am pleased to report strong progress has been made in implementing the key pillars of the program over the past 12 months. This has meant difficult decisions, including the exit of more than 1,400 people from the business as part of our effort to reshape the operating platform. A new, more market-focused executive leadership structure took effect early in the fiscal year.

The transition to a single, group-wide ERP platform is well underway. This platform will replace the previous network of disparate systems across different businesses and geographies and vastly improve our end-to-end forecasting and planning capability. It will also support the work undertaken by Ansell over the past two years to improve customer responsiveness, now evident in our consistently higher service levels.

FY24 APIP costs were funded from inventory reductions, helping contribute to our strong operating cash flow result for the year. The focus on cash will continue as we strive for the optimal balance between delivering certainty for our customers while optimising inventory holdings.

Planet and people – putting Ansell on a sustainable footing

Sustainability continues to be a key focus area.

Ansell is committed to making a meaningful and measurable impact in improving the lives of our workers and workers in our supply chain, and mitigating risks of modern slavery. This year, we further elevated and expanded our labour-related framework and strategies in both our own operations and our third-party supply chain.



In an important step in our Net Zero ambitions, Ansell formally submitted its letter of commitment to the Science Based Targets initiative (SBTi). This letter confirmed Ansell's intention to set a SBTi verified end-to-end value chain net zero target, aligning with the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. This year, Ansell deepened engagement with its supply chain partners on emissions reductions.

While strong progress has been made in reducing or eliminating waste from our sites, our water target – reducing water withdrawals by 35% by FY25 compared to the FY20 baseline – has proved challenging. Following some difficulties optimising the performance of reverse osmosis systems, this target has been delayed by two years.

I recommend that shareholders read our 2024 Sustainability Report and Labour Rights Report, which will provide more details of our sustainability journey.

Ansell poised for growth

The Board is confident that the current strategic platform will enable Ansell to generate improved returns for shareholders in FY25 and beyond.

Continued focus is required to sustain and increase the uplift from the restructuring, productivity and efficiency initiatives set in motion during FY24, and to complete the integration of KBU. These are two key priorities for the year ahead, while we continue to deliver products that meet, and exceed, our customers' expectations.

There were clear signs in the second half of FY24 that the post-pandemic destocking effect is largely behind us and that the performance of the business is improving. We are mindful, however, of the adverse effect on supply chains caused by the shipping issues in the Red Sea, and the effect this has on transit times and the need for inventory holdings.

Ansell is an iconic and enduring Australian brand that is well established on the global stage. It is continually apparent to the Board that the Ansell brand conveys trust and reliability and resonates with our customers. This is a credit to the dedication and commitment of the many thousands of Ansell employees worldwide who work each day to put our quality PPE products in the hands of end users.

On behalf of all shareholders, I would like to sincerely thank the global Ansell team for their continued commitment and efforts over the last year. I would also like to recognise our CEO, Neil Salmon, and his leadership team for their stewardship of Ansell over the past 12 months and for their hard work and dedication towards positioning the company for success in a fast-changing market environment.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nigel D Garrard', written over a white background.

Nigel D Garrard
Chair