ASX Announcement

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ANSELL ANNOUNCES THE ACQUISITION OF KIMBERLY-CLARK CORPORATION'S PERSONAL PROTECTIVE EQUIPMENT BUSINESS AND ASSOCIATED EQUITY RAISING

8 April 2024 – Ansell Limited (ASX:ANN, **Ansell** or the **Company**) has entered into a binding agreement to acquire 100% of the assets that constitute Kimberly-Clark's Personal Protective Equipment business (**KCPPE**) (the **Acquisition**) from Kimberly-Clark Corporation (**K-C**) for US$640[1] million in cash (**Consideration**).

KCPPE Overview & Summary Strategic Rationale

- KCPPE designs and markets differentiated hand, body and eye protection products under well-known Kimtech™ and KleenGuard™ brands to customers in global Scientific (including Life Sciences) and Industrial segments.
- The Acquisition is expected to:
  - Accelerate delivery of Ansell's growth strategy, enhancing its global position in attractive and growing segments, including Scientific, where Ansell's differentiation is highly valued.
  - Generate economies of scale with a focus on combined supply chain and organisational efficiency.

Key Financials

- Implied EV/EBIT multiple of 9.7x[2] which reduces to 7.8x[2] after adjusting for pro forma run-rate net cost synergies and the net present value (**NPV**) of expected tax benefits.
  - Expected run-rate net cost synergies of ~US$10 million p.a. achieved by the third full year of ownership.
  - Expected ~US$50 million NPV of tax benefits arising from the amortisation of US goodwill[3].
- Mid-to-high single-digit EPS accretive pre synergies and low-teens EPS accretive including run-rate net cost synergies on a FY24 pro forma basis[4].

Funding

- A$400 million (US$263 million[5] equivalent) fully underwritten institutional placement (**Placement**) and US$377 million of committed new debt (**Bridge Facility**).
- Ansell will also undertake a non-underwritten Share Purchase Plan (**SPP**) offered to eligible shareholders targeting to raise up to A$65 million[6] (the SPP together with the Placement, the **Equity Raising**, and together with the Bridge Facility, the **Transaction Funding**).
- Total Transaction Funding resulting in leverage of 2.3x pro forma CY23 EBITDA[7].
- Expected deleveraging through strong cash flow generation to bring leverage below 2.0x within 12 months post completion of the Acquisition, preserving sufficient headroom to maintain Ansell's credit rating.

Completion of the Acquisition

- Expected to occur during the first quarter of FY25, subject to satisfaction of antitrust approval and other customary closing conditions.

FY24 Outlook

- Ansell's FY24 Adjusted EPS[8] guidance of US94¢ to US110¢ remains unchanged from the FY24 Half Year results released on 20 February 2024, excluding the impact of the Acquisition and Transaction Funding.
- The Placement is expected to reduce FY24 Adjusted EPS[8] by US1¢ to US2¢[9], which includes the effects of new shares issued and interest income on related equity cash proceeds prior to completion of the Acquisition.

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[1] Acquisition price on a cash-free, debt-free basis, subject to completion adjustments including movements in working capital.
[2] Based on pro forma EBIT for the year ended 31 December 2023, excluding any purchase price allocation adjustments.
[3] Stepped-up US tax base value of intangible assets acquired is amortisable over a 15-year period for US tax purposes.
[4] FY24 pro forma EPS accretion is calculated on an adjusted basis, excluding one-off costs associated with the Accelerated Productivity Investment Program and legal costs associated with the shareholder class action (**Significant Items**) and one-off costs associated with the KCPPE Acquisition and Transaction Funding. Pro forma run-rate net cost synergies of ~US$10 million p.a. by the third full year of ownership.
[5] Converted to USD at AUD/USD of 0.6578.
[6] Ansell will have the ability to accept more or less than the target SPP size at its absolute discretion. Proceeds raised under the SPP to reduce leverage.
[7] Leverage is calculated as net debt divided by EBITDA. Net debt is calculated on a post-IFRS 16 basis including the lease liabilities of Ansell and estimated lease liabilities of KCPPE being assumed, and excluding proceeds from the SPP. Ansell's EBITDA excludes Significant Items in FY24, and one-time items associated with the Russia exit in FY23. KCPPE's CY23 EBITDA calculated on a pre-IFRS 16 basis and excludes the impact of one-off and unusual items and any purchase price allocation adjustments.
[8] Excludes Significant Items and one-off costs associated with the KCPPE Acquisition and Transaction Funding.
[9] Includes the impact of the increased share count from the Placement and interest income from resulting incremental cash on balance sheet. Assumes no earnings contribution from the Acquisition in FY24 given completion is expected in the first quarter of FY25. Excludes any shares issued and related financial impacts from the SPP.

Commenting on the Acquisition, Managing Director and CEO Neil Salmon said:

"For many years, we have assessed a combination with KCPPE as one of our most attractive acquisition opportunities and I'm delighted that we have now reached agreement with K-C that the optimal path forward for this business is under Ansell ownership.

With this Acquisition we are enhancing our sales of specialist products designed for clean room applications and recorded today under the Life Sciences SBU, while also widening our portfolio of products sold into Scientific verticals which include manufacturing of pharmaceuticals, medical devices and semi-conductors, and laboratories for academic and industrial research.

The Kimtech™ and KleenGuard™ brands we are acquiring and the experienced KCPPE business team behind them have strong reputations for quality and innovation built over many years of industry leadership. These are similar qualities to Ansell, however KCPPE has particular areas of strength across product portfolio, geographic position and sustainability differentiation that will meaningfully enhance Ansell's overall position in the marketplace and customer differentiation.

Our existing footprint, in addition to our global organisation and supply chain, creates the opportunity to generate significant synergy value from the acquisition while also enhancing our combined organic growth potential and we are excited about the benefits this will create for Ansell's customers and shareholders."

About KCPPE

KCPPE is a leading global personal protective equipment business, designing, marketing and selling innovative and differentiated safety products including gloves, protective apparel and safety eyewear.

KCPPE products are marketed and sold under two leading brands, Kimtech™ and KleenGuard™. Kimtech™ branded products, principally gloves and protective apparel, are sold into the attractive global Scientific market, where KCPPE is a trusted supplier in the fast-growing cleanroom sub-segment, supported by a technical sales force with strong end user relationships. KleenGuard™ branded products, including chemical protective clothing and safety eyewear, are sold into a variety of Industrial end markets. KCPPE's customer base is global, with the majority of sales in North America.

In addition to its portfolio of differentiated products, KCPPE offers value-enhancing services to its customers, including The RightCycle™ Program PPE end of life recycling service which helps customers further their sustainability goals.

For the 12 months ended 31 December 2023, KCPPE generated revenue[10] of US$272 million and EBIT[11] of US$66 million, at an EBIT margin of ~24%.

Strategic Rationale

- **KCPPE's Scientific business is highly complementary to Ansell**
  - Improves organic growth potential through increased presence in fast-growing Scientific verticals.
  - Delivers ownership of the Kimtech™ brand, a leading global brand in cleanroom and laboratory personal protection solutions.
  - Substantially enhances Ansell's end-user customer presence through combining the expertise of both companies' sales and marketing teams.
- **Improves Ansell's position in Chemical Protective Clothing**
  - Enhances Ansell's presence in North America, complementing Ansell's existing positions in other regions.

[10] Based on pro forma revenue for the year ended 31 December 2023.
[11] Based on pro forma EBIT for the year ended 31 December 2023, excluding any purchase price allocation adjustments.

– Provides ownership of the leading KleenGuard™ brand, improving customer relevance.

- **Provides Ansell with enhanced services capability**
  – Improves Ansell's product lifecycle sustainability differentiation with ownership of KCPPE's The RightCycle™ Program product recycling service, the industry leading alternative to land-fill disposal.
- **Drives economies of scale benefits for Ansell**
  – Strengthens Ansell's EBIT margin.
  – Offers scale benefits from leveraging Ansell and KCPPE's combined supply chain and organisational teams.
- **Represents a significant value creation opportunity for Ansell shareholders**
  – Accretive to key Ansell financial metrics.
  – Attractive returns underpinned by ~US$10 million p.a. run-rate net cost synergies expected to be achieved by the third full year of ownership.

Transaction Overview

The Acquisition Consideration of US$640 million on a cash-free, debt-free basis, represents an implied multiple of 9.7x CY23 EV/EBIT[12] (pre-synergies). Adjusting for the NPV of expected tax benefits and pro forma run-rate net cost synergies of ~US$10 million p.a. reduces the multiple to 7.8x.

The Acquisition will be funded by a A$400 million (US$263 million equivalent[13]) fully underwritten institutional placement and a new US$377 million Bridge Facility. The Bridge Facility is expected to be repaid by permanent long-term debt financing which will be sourced in the first half of FY25. Ansell will additionally undertake a non-underwritten SPP targeting up to A$65 million[14] to enable retail investor participation.

Ansell's balance sheet remains strong, with Transaction Funding resulting in leverage of 2.3x pro forma CY23 EBITDA[15]. Ansell expects deleveraging through strong cash flow generation to bring leverage below 2.0x within 12 months post completion of the Acquisition, preserving sufficient headroom to maintain Ansell's credit rating.

The Acquisition is expected to complete in the first quarter of FY25, subject to satisfaction of antitrust approval and other customary closing conditions.

Details of the Placement

To partially fund the Acquisition, Ansell is undertaking a fully underwritten placement of new fully paid ordinary shares in Ansell (**New Shares**) to eligible institutional investors to raise approximately A$400 million (**Placement**).

The Placement will be conducted at a fixed price of A$22.45 per New Share (**Placement Price**), representing a:

- 6.0 per cent discount to the last close of A$23.89 on 5 April 2024; and
- 8.0 per cent discount to the five-day Volume Weighted Average Price (**VWAP**) of A$24.41 up to, and including 5 April 2024

The Placement will result in approximately 17.8 million New Shares being issued, representing approximately 14 per cent of Ansell's existing issued share capital. New Shares issued under the Placement will rank equally with existing Ansell shares from their date of issue.

It is intended that Ansell's eligible institutional shareholders who bid for an amount equal to, or less than, their pro rata

[12] Based on pro forma EBIT for the year ended 31 December 2023 and excluding any purchase price allocation adjustments.
[13] Converted to USD at AUD/USD of 0.6578.
[14] Ansell will have the ability to accept more or less than the target SPP size at its absolute discretion. Proceeds raised under the SPP to reduce leverage.
[15] Leverage is calculated as net debt divided by EBITDA. Net debt is calculated on a post-IFRS 16 basis including the lease liabilities of Ansell and estimated lease liabilities of KCPPE being assumed, and excluding proceeds from the SPP. Ansell's EBITDA excludes Significant Items in FY24, and one-time items associated with the Russia exit in FY23. KCPPE's CY23 EBITDA calculated on a pre-IFRS 16 basis and excludes the impact of one-off and unusual items and any purchase price allocation adjustments.

share of New Shares under the Placement will be allocated their full bid on a reasonable endeavours basis[16].

Details of the Share Purchase Plan

Following the completion of the Placement, Ansell will offer eligible shareholders the opportunity to participate in a non-underwritten share purchase plan (**SPP**), targeting to raise up to A$65 million[17].

Under the SPP, eligible Ansell shareholders, being shareholders who had a registered address in Australia or New Zealand on Ansell's register at 7.00pm (Australian Eastern Daylight Time) on Friday, 5 April 2024, will have the opportunity to apply for up to A$30,000 of New Shares free of any brokerage, commission or transaction costs. The SPP will be priced at the lower of the Placement Price and a 2.0 per cent discount to the five-day VWAP of Ansell shares up to, and including, the closing date of the SPP, which is currently scheduled for Monday, 6 May 2024.

Key Dates for the Placement and SPP

Description	Date
Record date for SPP	7.00pm, Friday, 5 April 2024
Trading halt and announcement of Acquisition, Placement and SPP	Monday 8 April 2024
Placement bookbuild	Monday 8 April 2024
Announcement of completion of Placement and trading halt lifted – trading resumes on ASX	Tuesday 9 April 2024
Settlement of New Shares issued under the Placement	Thursday 11 April 2024
Issue and commencement of trading of New Shares issued under the Placement	Friday 12 April 2024
SPP offer opens and SPP booklet is dispatched	Monday 15 April 2024
SPP offer closing date	5.00pm, Monday, 6 May 2024
Issue of New Shares under the SPP	Monday 13 May 2024
Commencement of trading of New Shares issued under the SPP	Tuesday 14 May 2024
Despatch of holding statements in respect of New Shares issued under the SPP	Wednesday 15 May 2024

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Placement and the SPP is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Ansell reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice. All times above are Australian Eastern Standard Time, excluding the Record date for SPP which is Australian Eastern Daylight Time.

Approach to Integration

Ansell will enter a transitional services agreement with K-C, who will help transition customers, suppliers and employees to Ansell and provide various business support services for a period of up to 12 months.

~US$10 million p.a. run-rate net cost synergies are expected to be achieved by the third full year of ownership. Run-

[16] For this purpose, an eligible institutional shareholder's 'pro rata' share of New Shares issued under the placement will be estimated by reference to Ansell's latest available beneficial shareholder register prior to launch of the Placement, but without undertaking any reconciliation processes and ignoring New Shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholder's actual 'pro rata' share of New Shares issued under the Placement. Nothing in this announcement gives a shareholder a right or entitlement to participate in the Placement and Ansell has no obligation to reconcile assumed holdings (e.g., for a recent trading or swap position) when determining a shareholder's 'pro rata' share of New Shares issued under the Placement. Institutional shareholders who do not reside in Australia or other eligible jurisdictions will not be eligible to participate in the Placement – see 'International Offer Restrictions' in the investor presentation for the eligible jurisdictions and relevant selling restrictions. Ansell disclaims any duty or liability (including for negligence) in respect of the determination of a shareholder's 'pro rata' share of New Shares issued under the Placement.

[17] Ansell will have the ability to accept more or less than the target SPP size at its absolute discretion. Proceeds raised under the SPP to reduce leverage.

rate gross cost synergies are expected to be higher than ~US$10 million p.a. but will be partially offset by a small reduction in revenue of less differentiated Industrial Safety products currently supported by the K-C Professional sales force that will not transition to Ansell. This revenue reduction is expected to occur from the first full year of ownership while the business is being transitioned and incurring modest incremental expenses from transitional services. Accelerated organic sales growth and realisation of cost synergies are expected to more than offset this impact from the second year of ownership once transitional services are complete.

The integration of KCPPE is not expected to result in any changes to savings targets under the Accelerated Productivity Investment Program. The go-forward focus of this program is on manufacturing initiatives which are not relevant to the KCPPE business and will be pursued independently.

FY24 Outlook

Ansell's FY24 Adjusted EPS[18] guidance of US94¢ to US110¢ remains unchanged from the FY24 Half Year results released on 20 February 2024, excluding the impact of the Acquisition and Transaction Funding. The Placement is expected to reduce FY24 Adjusted EPS[18] by US1¢ to US2¢[19], which includes the effects of new shares issued and interest income on related equity cash proceeds prior to completion of the Acquisition.

One off transaction costs associated with the Acquisition are expected to be approximately US$24 million. Assuming completion of the Acquisition in the first quarter of FY25, approximately US$12-14 million of these costs will be booked in FY24. These will be treated as significant items and excluded from FY24 Adjusted EPS.

Further Information

Further details of the Acquisition and Equity Raising are set out in the investor presentation released to the ASX today. The investor presentation contains important information including details about key risks and international offer restrictions with respect to the Placement, which should be read together with this announcement.

Analyst and Investor Briefing

Neil Salmon (Managing Director and Chief Executive Officer) and Zubair Javeed (Chief Financial Officer) will host a webcast in relation to the announcement at 10.30am (Australian Eastern Standard Time) on Monday, 8 April 2024.

To watch the webcast, please visit Ansell's Investor Relations website, or click on the following link.

This announcement was authorised for release by the Board of Directors of Ansell Limited.

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[18] Excludes Significant Items and one-off costs associated with the KCPPE Acquisition and Transaction Funding.
[19] Includes the impact of the increased share count from the Placement and interest income from resulting incremental cash on balance sheet. Assumes no earnings contribution from the Acquisition in FY24 given completion is expected in the first quarter of FY25. Excludes any shares issued and related financial impacts from the SPP.

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About Ansell

Ansell (ASX: ANN) is a global leader in safety solutions and an integrated manufacturer of personal protection equipment for healthcare and industrial workplaces. Each day, over 10 million workers in more than 100 countries trust their safety to Ansell brands such as HyFlex, Ringers, MICROFLEX, TouchNTuff, GAMMEX, and AlphaTec. Driven by a vision to lead the world to a safer future, the Company continuously pursues new product and service innovations that predict, prevent, and protect against workplace risk while promoting sustainable sourcing and manufacturing.

Information on Ansell and its products can be found at www.ansell.com. **#AnsellProtects**

Important notice and disclaimer

Forward-looking statements

This announcement should be read subject to the disclaimer contained in the Investor Presentation, such that references in the disclaimer to "this Presentation" were references to this announcement. This announcement is not financial product, investment or other advice. Nothing in this announcement constitutes a recommendation to acquire the New Shares or SPP shares. The Company is not licensed to provide financial advice in relation to the acquisition of securities. This announcement does not contain all the information that investors and their professional advisers may require to make an investment decision in relation to the Company or the Equity Raising, and should be read in conjunction with Ansell's other periodic and continuous disclosure announcements (including the Investor Presentation) available at: https://www.asx.com.au/markets/company/ann. This announcement does not account for the investment objectives, financial circumstances or other particular needs of investors. Investors should seek any independent professional advice they may require in relation to the Equity Raising.

This announcement includes certain "forward-looking statements" such as indications of, and guidance on, future events, future earnings and the future financial performance and financial position of Ansell. Forward- looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "projection", "estimate", "target", "outlook", "guidance" or other similar expressions and include statements regarding the timing and outcome of the Equity Raising, Ansell's strategies, plans and future operational and financial performance, including in relation to the Acquisition. Any forward-looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors, including the risks described in the "Key Risks" section of Investor Presentation, many of which are outside the control of, and are unknown to, Ansell and its officers, employees, agents or associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Ansell). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward looking statements are based on information available to Ansell as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), Ansell undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

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