

14 February 2023

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

ANSELL LIMITED (ASX:ANN)
Half Year Report & Accounts (Appendix 4D) for the period ended 31 December 2022

Please find attached for release to the market Ansell Limited's Half Year Report & Accounts (Appendix 4D) for the period ended 31 December 2022.

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

Yours sincerely

A handwritten signature in black ink, appearing to be "Catherine Stribley".

Catherine Stribley
Company Secretary
Ansell Limited



APPENDIX 4D

For the six months ended 31 December 2022

Ansell Limited and Subsidiaries

ACN 004 085 330

Results for Announcement to the Market			US\$m
Revenue from ordinary activities	down	(17.2%)	835.3
Profit after tax attributable to members from ordinary activities	down	(17.2%)	63.9
Net Profit for the period attributable to members	down	(17.2%)	63.9

Dividends (distributions)	Amount per share US cents	Franked amount per share US cents
Dividend	20.10	Nil

Record date for determining entitlements to the dividend 21 February 2023

Dividend Reinvestment Plan election cut off date 22 February 2023

Dividend payment date 9 March 2023

For non-resident shareholders, the dividend will not attract withholding tax as it is sourced entirely from the Company's Conduit Foreign Income Account

	31 December 2022 US\$m	30 June 2022 US\$m	31 December 2021 US\$m
Net Tangible Asset Backing			
Equity attributable to Ansell Limited Shareholders	1,553.7	1,542.9	1,533.5
Less Intangible Assets	1,051.0	1,049.4	1,065.9
Net Tangible Assets	502.7	493.5	467.6

	31 December 2022 US\$m	30 June 2022 US\$m	31 December 2021 US\$m
Net tangible asset backing per ordinary share	\$3.95	\$3.88	\$3.66

- Refer to the accompanying Half Year Financial Report (which includes the Report by the Directors), ASX announcement and Investor Presentation for the commentary on the figures reported above and the remainder of the information requiring disclosure to comply with Listing Rule 4.2A.3.
- This report is presented in United States dollars.



Condensed Consolidated Half Year Financial Report

For the six months ended 31 December 2022

Ansell Limited and Subsidiaries

ACN 004 085 330

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

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Report by the Directors

This Report by the Directors of Ansell Limited (the Company) is made pursuant to the provisions of the *Corporations Act 2001* (Cth) for the half year ended 31 December 2022 and is accompanied by the Condensed Consolidated Half Year Financial Report of the Company and its subsidiaries (the Group) for the half year ended 31 December 2022, in the form of ASX Appendix 4D.

The information set out in this Report is to be read in conjunction with that appearing in the attached Half Year Results Announcement.

Directors

The name of each person who has been a Director of the Company at any time during or since the end of the half year are:

Non-Executive

- John A Bevan – Chairman
- Leslie A Desjardins
- Morten Falkenberg
- Nigel D Garrard
- Debra L Goodin¹
- William G Reilly
- Christina M Stercken
- Christine Y Yan

Executive

- Neil I Salmon – Managing Director and Chief Executive Officer

1. Appointed on 5 December 2022

Review and Results of Operations

A review of the operations of the Group during the half year ended 31 December 2022 and the results of those operations is contained in the attached Half Year Results Announcement.

Significant Events Since Balance Date

On 13 February 2023, Ansell Limited announced the acquisition of the remaining 50 percent shareholding in Careplus (M) Sdn Bhd for a total consideration of RM 37.5 million (approximately US\$ 9 million), subject to customary closing conditions. This delivers Ansell a 100 percent shareholding and full operational control.

Auditor's Independence Declaration

A copy of the independence declaration received from the Company's auditor, KPMG, in accordance with section 307C of the *Corporations Act 2001*, in respect of the review undertaken in relation to the Condensed Consolidated Half Year Financial Report for the half year financial period ending 31 December 2022, is set out on page 5.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the Consolidated Half Year Financial Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

This Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



J A Bevan
Chairman



N I Salmon
Managing Director and Chief Executive Officer

Dated in Melbourne this 14th day of February 2023

Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ansell Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ansell Limited for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG
KPMG


Penny Stragalinis

Partner

Melbourne

14 February 2023

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Condensed Consolidated Income Statement

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

	Note	31 December 2022 US\$m	31 December 2021 US\$m
Revenue			
Sales revenue	2	835.3	1,009.2
Expenses			
Cost of goods sold		(529.7)	(683.8)
Distribution		(50.9)	(49.9)
Selling, general and administration	3	(161.7)	(161.8)
Total expenses, excluding financing costs		(742.3)	(895.5)
Operating profit		93.0	113.7
Share of loss of equity accounted investment, net of tax	9	(1.5)	(2.7)
Profit before net financing costs and income tax expense		91.5	111.0
Net financing costs	3	(9.2)	(10.1)
Profit before income tax		82.3	100.9
Income tax expense		(17.5)	(23.3)
Profit for the period		64.8	77.6
Profit for the period is attributable to:			
Ansell Limited shareholders		63.9	77.2
Non-controlling interests		0.9	0.4
Profit for the period		64.8	77.6

	Note	31 December 2022 US cents	31 December 2021 US cents
Earnings Per Share			
Basic Earnings Per Share	6	50.6	60.6
Diluted Earnings Per Share	6	50.3	59.9

The above Condensed Consolidated Income Statement should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Comprehensive Income

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

	31 December 2022 US\$m	31 December 2021 US\$m
Profit for the period	64.8	77.6
Other comprehensive income		
<i>Items that will not be reclassified to the Income Statement:</i>		
Retained earnings		
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	1.3	0.9
Tax expense on items that will not be subsequently reclassified to the Income Statement	(0.3)	(0.2)
Other reserve		
Change in fair value of equity investment designated as fair value through other comprehensive income	0.3	-
Tax expense on items that will not be subsequently reclassified to the Income Statement	(0.1)	-
Total items that will not be reclassified to the Income Statement	1.2	0.7
<i>Items that may subsequently be reclassified to the Income Statement:</i>		
Foreign currency translation reserve		
Net exchange differences on translation of financial statements of foreign subsidiaries	(3.1)	(17.8)
Hedging reserve		
Movement in effective cash flow hedges for the year	(8.7)	8.6
Movement in time value of options for the year	(1.3)	(0.2)
Tax benefit/(expense) on items that may subsequently be reclassified to the Income Statement	3.5	(2.4)
Total items that may subsequently be reclassified to the Income Statement	(9.6)	(11.8)
Other comprehensive income for the period, net of tax where applicable	(8.4)	(11.1)
Total comprehensive income for the period	56.4	66.5
Attributable to:		
Ansell Limited shareholders	55.6	66.2
Non-controlling interests	0.8	0.3
Total comprehensive income for the period	56.4	66.5

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

of Ansell Limited and Subsidiaries as at 31 December 2022

	Note	31 December 2022 US\$m	30 June 2022 US\$m
Current assets			
Cash at bank and short-term deposits		168.3	203.0
Restricted cash and deposits		3.3	3.2
Trade and other receivables		195.4	201.7
Derivative financial instruments		8.0	17.2
Inventories		590.0	521.3
Other current assets		29.5	38.1
Total current assets		994.5	984.5
Non-current assets			
Trade and other receivables		1.3	1.7
Derivative financial instruments		3.4	1.9
Equity accounted investment	9	-	9.6
Financial assets		6.4	8.4
Property, plant and equipment		347.1	299.4
Right-of-use assets		50.8	57.2
Intangible assets		1,051.0	1,049.4
Deferred tax assets		75.5	65.1
Retirement benefit assets		2.5	2.4
Other non-current assets		26.8	26.6
Total non-current assets		1,564.8	1,521.7
Total assets		2,559.3	2,506.2
Current liabilities			
Trade and other payables		283.0	276.3
Derivative financial instruments		8.9	6.2
Interest bearing liabilities		9.4	-
Lease liabilities		16.4	18.2
Provisions		48.4	49.1
Current tax liabilities		18.4	10.5
Total current liabilities		384.5	360.3
Non-current liabilities			
Trade and other payables		0.6	0.7
Derivative financial instruments		0.4	-
Interest bearing liabilities		434.9	426.3
Lease liabilities		38.9	41.3
Provisions		8.8	8.7
Retirement benefit obligations		7.3	8.2
Deferred tax liabilities		80.3	80.4
Other non-current liabilities		24.5	23.7
Total non-current liabilities		595.7	589.3
Total liabilities		980.2	949.6
Net assets		1,579.1	1,556.6
Equity			
Contributed equity	4	756.8	743.8
Reserves		(170.9)	(142.9)
Retained profits		967.8	942.0
Total equity attributable to Ansell Limited shareholders		1,553.7	1,542.9
Non-controlling interests		25.4	13.7
Total equity		1,579.1	1,556.6

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

		Attributable to Ansell Limited shareholders					Retained profits	Total	Non-controlling interests	Total equity
		Contributed equity	Share-based payment reserve	Hedging reserve	Other reserve	Foreign currency translation reserve				
31 December 2022	Note	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Balance as at 30 June 2022		743.8	43.6	8.8	14.1	(209.4)	942.0	1,542.9	13.7	1,556.6
Effect of change in functional currency of a subsidiary		-	-	-	-	-	(0.8)	(0.8)	-	(0.8)
		743.8	43.6	8.8	14.1	(209.4)	941.2	1,542.1	13.7	1,555.8
Comprehensive income										
Profit for the year		-	-	-	-	-	63.9	63.9	0.9	64.8
Other comprehensive income		-	-	(6.5)	0.2	(3.0)	1.0	(8.3)	(0.1)	(8.4)
Total comprehensive income		-	-	(6.5)	0.2	(3.0)	64.9	55.6	0.8	56.4
Transactions with owners										
Share-based payments expense		-	(4.1)	-	-	-	-	(4.1)	-	(4.1)
Shares used to settle the Group's Long-Term Incentive plans		14.6	(14.6)	-	-	-	-	-	-	-
Share buybacks		(1.6)	-	-	-	-	-	(1.6)	-	(1.6)
Dividends paid*	5	-	-	-	-	-	(38.3)	(38.3)	-	(38.3)
Non-controlling interests of entities controlled	9	-	-	-	-	-	-	-	10.9	10.9
Total transactions with owners		13.0	(18.7)	-	-	-	(38.3)	(44.0)	10.9	(33.1)
Total equity as at 31 December 2022		756.8	24.9	2.3	14.3	(212.4)	967.8	1,553.7	25.4	1,579.1

* Dividends paid includes \$0.2m paid to the Ansell Limited Employee Share Plan Trust due to the Trust holding unallocated shares at the record date for the final dividend. Refer to Note 10 Ansell Limited Employee Share Plan Trust.

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2022

		Attributable to Ansell Limited shareholders						Non-controlling interests	Total equity
		Contributed equity	Share-based payment reserve	Hedging reserve	Other reserve	Foreign currency translation reserve	Retained profits		
	Note	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
31 December 2021									
Balance as at 30 June 2021		769.0	72.5	(1.1)	13.1	(169.1)	866.8	1,551.2	1,564.6
Comprehensive income									
Profit for the year		-	-	-	-	-	77.2	77.2	77.6
Other comprehensive income		-	-	6.0	-	(17.7)	0.7	(11.0)	(11.1)
Total comprehensive income		-	-	6.0	-	(17.7)	77.9	66.2	66.5
Transactions with owners									
Share-based payments expense		-	8.3	-	-	-	-	8.3	8.3
Shares used to settle the Group's Long-Term Incentive plans		23.3	(26.3)	-	-	-	-	(3.0)	(3.0)
Share buybacks		(7.1)	-	-	-	-	-	(7.1)	(7.1)
Purchase of treasury shares		(26.5)	-	-	-	-	-	(26.5)	(26.5)
Dividends paid*	5	-	-	-	-	-	(55.6)	(55.6)	(55.6)
Total transactions with owners		(10.3)	(18.0)	-	-	-	(55.6)	(83.9)	(83.9)
Total equity as at 31 December 2021		758.7	54.5	4.9	13.1	(186.8)	889.1	1,533.5	1,547.2

* Dividends paid includes \$0.1m paid to the Ansell Limited Employee Share Plan Trust due to the Trust holding unallocated shares at the record date for the final dividend. Refer to Note 10 Ansell Limited Employee Share Plan Trust.

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

	31 December 2022 US\$m	31 December 2021 US\$m
Cash flows related to operating activities		
Receipts from customers	844.4	1,052.7
Payments to suppliers and employees	(769.7)	(994.0)
Net receipts from operations	74.7	58.7
Income taxes paid	(18.8)	(26.2)
Net cash provided by operating activities	55.9	32.5
Cash flows related to investing activities		
Payments for businesses, net of cash acquired	-	(0.9)
Payments for property, plant, equipment and intangible assets	(33.0)	(32.6)
Proceeds from the sale of property, plant and equipment	-	0.1
Net cash used in investing activities	(33.0)	(33.4)
Cash flows related to financing activities		
Proceeds from borrowings	15.3	90.0
Repayments of borrowings	(11.2)	(28.2)
Repayments of lease liabilities	(10.8)	(10.7)
Payments for share buybacks	(1.6)	(7.1)
Payments for shares acquired to settle the Group's Long-Term Incentive plans	-	(3.0)
Payments for purchases of treasury shares	-	(26.5)
Dividends paid - Ansell Limited shareholders*	(38.3)	(55.6)
Interest received	0.9	0.1
Interest on interest bearing liabilities and financing costs paid	(8.7)	(10.8)
Interest paid on lease liabilities	(0.8)	(0.7)
Net cash used in financing activities	(55.2)	(52.5)
Net decrease in cash and cash equivalents	(32.3)	(53.4)
Cash and cash equivalents at the beginning of the financial year	206.2	240.2
Effect of movements in exchange rates on cash held	(2.3)	(3.9)
Cash and cash equivalents at the end of the period	171.6	182.9

* Dividends paid includes \$0.2m (2021: \$0.1m) paid to the Ansell Limited Employee Share Plan Trust due to the Trust holding unallocated shares at the record date for the final dividend. Refer to Note 10 Ansell Limited Employee Share Plan Trust.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

1. Summary of Significant Accounting Policies

General

Ansell Limited (the 'Company') is a company domiciled in Australia. The Company and its subsidiaries (together referred to as the 'Group') is a global leader in protection solutions. The Group is a for-profit entity and designs, develops and manufactures a wide range of hand, arm and body protection solutions and clothing and is organised around two Global Business Units (GBUs) as detailed in Note 2 Segment Information.

- Healthcare GBU
- Industrial GBU

Statement of Compliance

The condensed consolidated half year financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and are presented in United States dollars.

The consolidated financial statements were authorised for issue by the Board of Directors on 14 February 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the financial report and Directors' Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated. The consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal operations.

Accounting Estimates and Judgements

In preparing these half year financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense and the relevant disclosures of contingencies. Contingencies include but are not limited to pending, potential or future legal, judicial, regulatory and other proceedings of a litigious nature that cannot be predicted with certainty. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies for recognition and measurement and the key sources of the related estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2022.

Significant Accounting Policies

The accounting policies applied in these half year financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2022. The accounting policies have been applied consistently by all entities in the Group.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

2. Segment Information

The Group comprises the following operating segments:

Healthcare GBU: surgical and examination gloves, healthcare safety devices and active infection prevention products for healthcare professionals and patients and single use industrial application gloves.

Industrial GBU: multi-use hand and body protection solutions for industrial worker environments and specialty applications.

	Operating Segments			Total Group US\$m
	Healthcare US\$m	Industrial US\$m	Unallocated US\$m	
31 December 2022				
Sales revenue	467.0	368.3	-	835.3
Operating profit/(loss)	57.4	42.8	(7.2)	93.0
Share of loss of equity accounted investment, net of tax	(1.5)	-	-	(1.5)
Profit/(loss) before net financing costs and income tax expense	55.9	42.8	(7.2)	91.5
Net financing costs				(9.2)
Profit/(loss) before income tax expense				82.3
Income tax expense				(17.5)
Profit after income tax				64.8
Non-controlling interests				(0.9)
Net profit attributable to Ansell Limited shareholders				63.9
Segment depreciation and amortisation	15.1	16.4	2.2	33.7
Segment capital expenditure	21.4	8.4	1.1	30.9

	Operating Segments			Total Group US\$m
	Healthcare US\$m	Industrial US\$m	Unallocated US\$m	
31 December 2021				
Sales revenue	632.1	377.1	-	1,009.2
Operating profit/(loss)	66.4	56.3	(9.0)	113.7
Share of loss of equity accounted investment, net of tax	(2.7)	-	-	(2.7)
Profit/(loss) before net financing costs and income tax expense	63.7	56.3	(9.0)	111.0
Net financing costs				(10.1)
Profit before income tax expense				100.9
Income tax expense				(23.3)
Profit after income tax				77.6
Non-controlling interests				(0.4)
Net profit attributable to Ansell Limited shareholders				77.2
Segment depreciation and amortisation	13.7	16.3	2.6	32.6
Segment capital expenditure	22.7	8.8	1.1	32.6

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

2. Segment Information *continued*

	Assets		Liabilities	
	31 December 2022 US\$m	30 June 2022 US\$m	31 December 2022 US\$m	30 June 2022 US\$m
Operating Segments				
Healthcare	1,301.3	1,239.2	151.8	141.2
Industrial	945.5	928.4	135.2	149.5
Unallocated	312.5	338.6	693.2	658.9
Total Group	2,559.3	2,506.2	980.2	949.6

Regional Information

Sales revenue is disclosed in the four geographical regions based on where the products are sold to external customers.

Assets (excluding goodwill, brand names and other intangibles) are allocated to the geographical regions in which the assets are located.

Asia Pacific: manufacturing facilities in Malaysia, Thailand, Sri Lanka, China, India and Vietnam.

Europe, Middle East and Africa: manufacturing facilities in Lithuania and Portugal.

Latin America and Caribbean: manufacturing facility in Brazil.

North America: manufacturing facility in Mexico.

	Sales Revenue		Regional Assets	
	31 December 2022 US\$m	31 December 2021 US\$m	31 December 2022 US\$m	30 June 2022 US\$m
Regions				
Asia Pacific	121.6	132.0	561.4	508.8
Europe, Middle East and Africa	250.8	332.5	234.6	222.0
Latin America and Caribbean	80.5	74.8	102.8	93.3
North America	382.4	469.9	301.5	287.5
Total regions	835.3	1,009.2	1,200.3	1,111.6

Country of Domicile

The Company's country of domicile is Australia. The sales revenue and assets for the Australian entities (reported within the Asia Pacific region) are as follows:

	31 December 2022 US\$m	31 December 2021 US\$m
Sales revenue	26.7	31.5
	31 December 2022 US\$m	30 June 2022 US\$m
Assets	13.2	16.0

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

3. Profit Before Income Tax

	31 December 2022 US\$m	31 December 2021 US\$m
Interest expense on interest bearing liabilities	7.7	7.7
Interest expense on lease liabilities	0.8	0.7
Other financing costs	1.7	1.8
Interest income	(1.0)	(0.1)
Net financing costs	9.2	10.1
Depreciation – Property, plant and equipment	19.9	18.7
Amortisation – Intangibles	2.8	3.2
Depreciation – Right-of-use assets	11.0	10.7
Depreciation and amortisation	33.7	32.6

4. Contributed Equity

	Ordinary shares		Executive Share Plan shares		Treasury shares		Contributed equity	
	Number	US\$m	Number	US\$m	Number	US\$m	Number	US\$m
At 30 June 2022	127,268,751	777.1	2,900	-	(1,406,988)	(33.3)	125,864,663	743.8
Buyback/cancellation of shares	(100,633)	(1.6)	-	-	-	-	(100,633)	(1.6)
Shares used to settle the Group's Long-Term Incentive plans	-	-	-	-	598,450	14.6	598,450	14.6
At 31 December 2022	127,168,118	775.5	2,900	-	(808,538)	(18.7)	126,362,480	756.8
At 30 June 2021	128,006,327	791.7	44,700	-	(700,000)	(22.7)	127,351,027	769.0
Buyback/cancellation of shares	(313,506)	(7.1)	(41,800)	-	-	-	(355,306)	(7.1)
Shares used to settle the Group's Long-Term Incentive plans	-	-	-	-	755,232	23.3	755,232	23.3
Purchase of treasury shares	-	-	-	-	(1,062,220)	(26.5)	(1,062,220)	(26.5)
At 31 December 2021	127,692,821	784.6	2,900	-	(1,006,988)	(25.9)	126,688,733	758.7

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

5. Dividends Paid or Declared

	31 December 2022 US\$m	31 December 2021 US\$m
Dividends paid		
A final dividend of US31.20 cents per share unfranked for the year ended 30 June 2022 (June 2021: US43.60 cents unfranked) was paid on 15 September 2022 (2021: 16 September 2021)	38.3	55.6

Dividends Declared

Since the end of the half year the Directors have declared an interim dividend of US20.10 cents per share unfranked, to be paid on 9 March 2023. The financial effect of this dividend has not been brought to account in the financial statements for the half year ended 31 December 2022 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 31 December 2022 was nil (2021: nil).

6. Earnings Per Share

	31 December 2022 US\$m	31 December 2021 US\$m
Earnings reconciliation		
Profit for the period	64.8	77.6
Less profit for the period attributable to non-controlling interests	(0.9)	(0.4)
Basic earnings	63.9	77.2
Diluted earnings	63.9	77.2

	Number of Shares (Millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	126.3	127.3
Effect of partly paid Executive Plan shares and Performance Share Rights	0.8	1.8
Number of ordinary shares for diluted Earnings Per Share	127.1	129.1
	US Cents	US Cents
Earnings Per Share		
Basic Earnings Per Share	50.6	60.6
Diluted Earnings Per Share	50.3	59.9

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

7. Financial Instruments

Financial risk management

Ansell has a range of financial policies designed to mitigate any potential negative impact financial risks may have on the Group's results. The Group's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's business units.

These policies remain consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2022.

Financial instruments carried at fair value

Fair Value Hierarchy

The table below analyses financial assets and financial liabilities carried at fair value, including their levels in the fair value hierarchy as well as the valuation method. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The different valuation methods have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31 December 2022			
	Level 1 US\$m	Level 2 US\$m	Level 3 US\$m	Total US\$m
Derivative financial assets	-	11.4	-	11.4
Derivative financial liabilities	-	9.3	-	9.3
Financial assets designated as Fair Value through Other Comprehensive Income (FVOCI)	-	-	4.4	4.4
Financial assets designated as Fair Value Through Profit or Loss (FVTPL)	-	-	2.0	2.0

The Group currently holds Level 2 derivative financial instruments and Level 3 financial assets designated at FVOCI and FVTPL. In order to determine the fair value of level 2 financial instruments, management used valuation techniques in which all significant inputs were based on observable market data. The fair value of level 3 financial assets designated at FVOCI and FVTPL is calculated based on the latest available valuation inputs at each reporting date, including unlisted equity investee's financial information and recent transactions.

Interest rate benchmark reform

A reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative risk-free rates (referred to as 'IBOR reform').

Derivatives

The Group has no Interest Rate Swaps subject to IBOR transition at 31 December 2022.

Non-Derivatives

The Group has \$18.0 million of loans subject USD LIBOR at 31 December 2022. Under Ansell's Syndicated Facility Agreement when USD LIBOR ceases to be published or the Group elects to early opt-in, the new benchmark rate will be Term Secured Overnight Financing Rate (SOFR) plus an adjustment spread or if this is not published the Daily Simple SOFR plus the applicable adjustment spread.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

8. Ownership-based Remuneration Schemes

Grants of Performance Share Rights (PSRs) to the Managing Director and certain senior executives under the Group's Long-Term Incentive (LTI) Plans were made in August 2020, August 2021 and August 2022 and are due to vest (upon the achievement of the performance hurdles stipulated in the LTI Plan) during the 2023, 2024 and 2025 financial years respectively. In the 2021 and 2022 LTI Plan grants, Restricted Stock Units (RSUs) were granted to senior management and vest over a period of one to three years. The value of these PSRs and RSUs has been calculated by an external valuation expert and the related cost is amortised over their respective vesting periods.

9. Control of Subsidiary

On 13 February 2023, the Group announced the acquisition of Careplus (M) Sdn Bhd (CMSB), acquiring the balance of 50% of the issued shares in CMSB from Careplus Group Berhad. The Group is deemed to have obtained control of CMSB based on AASB 10 *Consolidated Financial Statements* and consolidated CMSB as a subsidiary in the Group's financial statements effective 31 December 2022. The purpose of the acquisition is to strengthen business synergies through a combination of innovation and best in class manufacturing and quality assurance practices. This investment, along with other capital investments by the Group's wholly-owned manufacturing facilities, delivers the capacity to continue to grow and satisfy the increasing global demand for surgical gloves.

Consideration

	US\$m
Remeasurement of pre-existing equity accounted investment	8.0
Fair value of minority equity interest	8.6
Total consideration for 100% equity	16.6
Add: Financial assets	2.3
Add: Shareholder loan from minority interests	2.3
Total consideration, net of cash	21.2

No gain or loss was recognised on the remeasurement of the pre-existing equity accounted investment.

Identifiable net assets acquired and liabilities assumed

As at 31 December 2022, the assets and liabilities of CMSB were measured at fair value with fair values having been determined on a provisional basis, as follows:

	Provisional Fair Value US\$m
Inventories	6.3
Property, plant and equipment	38.8
Lease liabilities	(2.0)
Loans and borrowings	(11.5)
Other net liabilities assumed	(15.0)
Fair value of identifiable net assets (100%)	16.6
Fair value of net assets (100%)	16.6
Goodwill	4.6
Total consideration, net of cash	21.2

Goodwill

Goodwill arising from the consolidation has been recognised as follows:

	US\$m
Non-controlling interest	10.9
Financial asset at amortised cost	2.3
Pre-existing equity accounted investment interest in CMSB	8.0
Fair value of identifiable net assets	(16.6)
Goodwill	4.6

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

9. Control of Subsidiary *continued*

Recognition and measurement

The Group accounts for step acquisitions by remeasuring the previously held equity interest in the acquiree at its fair value and recognises the resulting gain or loss, if any, in the income statement and applies the acquisition method to account for the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at fair value. Any excess of the cost of acquisition over the fair values of the net identifiable assets acquired is recognised as goodwill. Transaction costs are expensed as incurred unless related to the issue of debt or equity securities.

If controlled from 1 July 2022

During the 6 months ended 31 December 2022, a \$1.5 million loss (EPS reduction of 1.2 cents) was recognised in the income statement representing 50% of the net loss of CMSB. If CMSB was deemed to have been controlled by the Group from 1 July 2022, there would have been no change to profit attributable to Ansell Limited shareholders.

	As reported US\$m	If controlled from 1 July 2022 US\$m
For the 6 months ended 31 December 2022		
Share of loss of equity accounted investment, net of tax	(1.5)	-
Profit for the period is attributable to:		
Ansell Limited shareholders	63.9	63.9
Non-controlling interests	0.9	(0.6)
Profit for the period	64.8	63.3

10. Ansell Limited Employee Share Plan Trust

The Group holds shares in itself as a result of shares purchased by the Ansell Limited Employee Share Plan Trust (the Trust). The trustee of Ansell Limited Employee Share Plan Trust is CPU Share Plans Pty Ltd. The Trust was established to manage and administer the Company's responsibilities under the Group's incentive plans through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold 'allocated' and 'unallocated' shares. This Trust is also used to facilitate the acquiring, holding and sale of shares on behalf of the Directors under the Voluntary Share Purchase Plan.

As at 31 December 2022, the Trust held 808,538 treasury shares (unallocated shares) in the Company (30 June 2022: 1,406,988) and 259,654 allocated shares (30 June 2022: 290,452).

11. Subsequent Events

Other than as outlined within Note 9, in the interval between the end of the financial year and the date of this report, there have been no matters or circumstances that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or Group's state of affairs, in the future years.

Directors' Declaration

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022

In the opinion of the Directors of Ansell Limited ('the Company'):

1. the Condensed Consolidated Interim Financial Report (including the notes to the Condensed Consolidated Interim Financial Report) of the Company and its subsidiaries (the Group) for the half year ended 31 December 2022, in the form of ASX Appendix 4D, is in accordance with the *Corporations Act 2001* (Cth) including:
 - a) giving a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance for the half year ended 31 December 2022; and
 - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debt as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



J A Bevan
Chairman



N I Salmon
Managing Director and Chief Executive Officer

Dated in Melbourne this 14th day of February 2023

Independent Auditor's Review Report

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022



Independent Auditor's Review Report

To the shareholders of Ansell Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Ansell Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ansell Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2022
- Condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Ansell Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Independent Auditor's Review Report

of Ansell Limited and Subsidiaries for the six months ended 31 December 2022



Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG
KPMG


Penny Stragalinis

Partner

Melbourne

14 February 2023