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Prepare for COVID-22 and COVID-24, Ansell CEO warns

Simon Evans *Senior Reporter*



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The world should be preparing for COVID-22 and COVID-24, and a stop-start economy, because coronavirus variants are popping up fast and vaccines cannot keep up, says the chief executive of [Ansell](#).

Magnus Nicolin, who runs the \$5 billion surgical gloves and [protective suits manufacturer](#), said it was planning for higher demand for its medical gloves and protective medical suits for several years because the [pandemic would keep rolling on](#).

“I feel we’re going to be talking not just about COVID-19, but COVID-22 and COVID-24,” Mr Nicolin said from Brussels.





Ansell CEO Magnus Nicolin. **Ben Rushton**

The knock-on effects to economies and the way people go about their lives will be with us for an extended period, he said.

“We’re going to have the stop-start economy for quite a while. I think we’re going to need to be prepared for a long haul.”

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The company has a workforce of 13,500 people across factories in countries such as Malaysia, Sri Lanka, Thailand, Vietnam, Portugal, Brazil and China. It is bringing on eight new production lines in the June half to keep up with the strong demand. It already added an extra five production lines in the six months ended December 31.

Ansell shares rose from \$28 in late April 2020 to above \$43 in mid-November as investors piled into the stock on the expectation of robust sales revenue. The stock closed at \$38.67 on Friday.

The global reach of the company puts Mr Nicolin in a unique vantage point as it closely monitors demand in hundreds of countries.

New hot zones

“COVID is not done. We’re seeing new hot zones pop up,” he said. [India and Brazil](#) were showing worryingly high levels of infections.

He pointed to Chile as an example of how vaccinations were not fully able to halt the spread of COVID-19. Chile is one of the leaders in the speed at which countries are vaccinating their people, and running only just behind Israel and the United Arab Emirates in the percentage of population vaccinated. But the number of new cases there has been jumping sharply.

The new variants of COVID-19 including one in the UK and one in South Africa and [two different types out of Brazil](#) show the uphill battle ahead.

The efficacy of some of the vaccines being used in the world was not at a high enough level to give confidence that it would be brought under control soon, Mr Nicolin said. The peaks of the third waves of COVID-19 were at higher levels than the first waves.

“Unfortunately, the vaccines do not have the features to entirely block the new variants,” he said.

By 2022-23, Ansell would have doubled the capacity for the production of single-use medical and surgical gloves, and protective suits.

The booming demand for these products helped the company lift its interim dividend by 53 per cent to US33.2¢ per share in the December half from US21.75¢ a

year ago. First-half net profit jumped 62 per cent to \$US106.5 million (\$137.4 million), and revenue was up 24.5 per cent.

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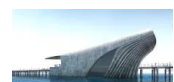


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