



## MAYNE PHARMA PROVIDES UPDATE ON FIRST QUARTER 2024 TRADING AND OUTLOOK

- Improved performance in first quarter of FY24 (Q1 24), with all segments delivering positive contribution margin
- Significant improvement in Group financial performance driven by strong Net Sales revenue, improving Gross Margin and Operating and Cash EBITDA
- Initiated program of cost and efficiency initiatives across the Group with ~ US\$10 million identified and executed during 1H 24 to drive sustainable improvement in EBITDA
- Key priority is delivering growth and returns from existing portfolio, with no plans to deploy capital on acquisitions
- Mayne Pharma will seek shareholder approval at the Annual General Meeting to increase its current on-market buy-back, to acquire up to 15% of shares on issue within 12 months of the AGM

**18 October 2023, Adelaide, Australia:** Mayne Pharma Group Limited (ASX: MYX) provides an update on trading for the first quarter of FY24 (Q1 24). This information is based on unaudited management accounts and is provided on continuing operations following the disposal of Metrics Contract Services (MCS) and US Retail Generics businesses during FY23.

Mayne Pharma generated revenue of \$A92.3 million, an increase of 35% on Q4 23 driven by strong growth in Net Sales in the BPD/Women's Health and Dermatology segments. Gross Margin of A\$53.4 million was 81% higher than Q4 23.

Each operating segment BPD/Women's Health, Dermatology, and International generated positive Direct Contribution (Gross Margin less direct selling expenses).

Operating EBITDA which includes direct and indirect allocated operating expenses was a loss of A\$0.18 million, a significant improvement on Q4 23 which was a loss of \$A18.6 million. This result reflects tight cost control in both direct and indirect costs and revenue leverage.

"Cash" EBITDA is a new metric that includes the impact of earn out liabilities/royalties and lease payments. This metric improved from a loss of A\$19.5 million in Q4 23 to a loss of A\$1.7 million in 1Q 24.

GROUP in AUD'000	Q1 FY23	Q4 FY23	Q1 FY24
Total Net Sales	30,001	68,176	92,277
Total Gross Margin	16,382	29,495	53,365
Total Gross Margin % of Net Sales	55%	43%	58%
Direct OPEX	28,806	30,561	35,325
Indirect OPEX	19,249	17,775	18,520
Underlying EBITDA	(31,454)	(18,609)	(184)
Earn-out liability	933	(264)	1,950
Lease payments	857	934	1,043
Share related expense (non-cash)	1,171	(201)	1,450
"Cash" EBITDA	(32,073)	(19,480)	(1,727)

\* Continuing operations only: excluding MCS, RGx

\*\* OPEX Q1 is higher vs Q4 in part as result of certain annual payments (seasonality) & WH investment. Indirect OPEX includes and shared functions

\*\*\* Cash EBITDA: underlying EBITDA less earnout and lease payments (capitalised) + non-cash share expense – effectively EBITDA excluding Net Working Capital (NWC) movements

### Mayne Pharma Group Limited

ABN 76 115 832 963

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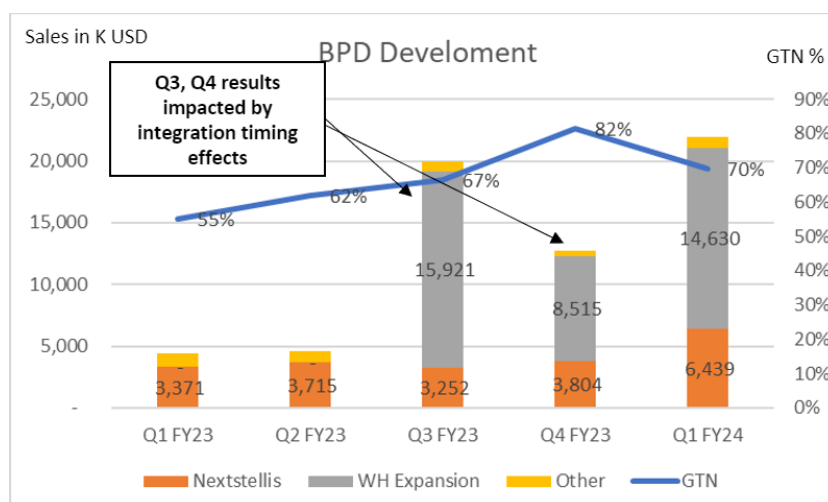
## Women's Health / BPD

Net Sales of \$US21.9 million represents an increase of 72% on Q4 23. Gross Margin of US\$18.0 million reflects a “go-forward” margin of 82%. Direct Contribution of \$US2.1 million reflects a substantial improvement from a loss of US\$3.5 million in Q4 23.

BPD in USD'000	Q1 FY23	Q4 FY23	Q1 FY24
<b>Total Net Sales</b>	<b>4,435</b>	<b>12,714</b>	<b>21,913</b>
<b>Total Gross Margin</b>	<b>3,637</b>	<b>11,499</b>	<b>18,020</b>
<i>Total Gross Margin % of Net Sales</i>	82%	90%	82%
Direct OPEX	11,927	14,954	15,947
<b>Direct Contribution</b>	<b>(8,290)</b>	<b>(3,455)</b>	<b>2,073</b>
Earn-out liability	-	(389)	1,743
<b>"Cash" Contribution</b>	<b>(8,290)</b>	<b>(3,066)</b>	<b>330</b>

\* Direct contribution calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead including med affairs

\*\* Cash contribution calculated as direct contribution less proportional earn-out liability: portion of earnout liability related to revenues for the period independent of timing / capitalised amount



NEXTSTELLIS® Net Sales improved to US\$6.5 million, with recovery in Net Selling Price to prior levels, coupled with a 9.7% increase in unit sales compared to Q4 23. Script/cycle growth is currently behind target; however Mayne Pharma maintains its commitment to a targeted breakeven run rate in 1H24. This will be driven by script growth along with a reduction in direct operating expenses from current initiatives to drive ROI and reduce cost by ~US\$8 million. Initiatives include reduction of direct-to-consumer (DTC) marketing and removing six non-profitable sales territories.

The licenced portfolio comprising ANNOVERA®, BIJUVA®, IMVEXXY® and pre-natal vitamins has recovered from a disappointing Q4 23, with Net Sales of \$US14.6 million in Q1 24. We will maintain a conservative treatment of provisioning for gross to net as we complete the integration. This portfolio has delivered US\$27.3 million of Direct Contribution and US\$24.3 million of cash (pre working capital charges) in the 9 months since transaction completion.

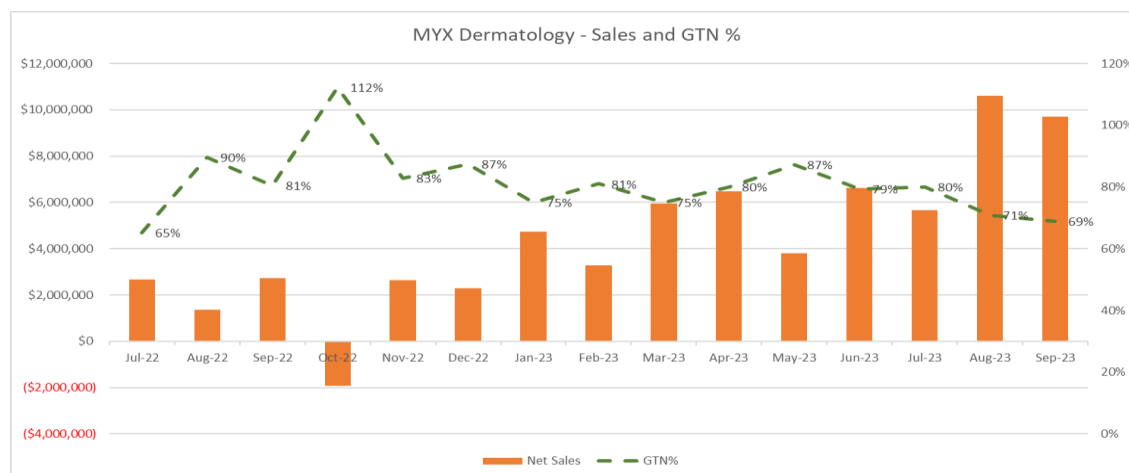
## Dermatology

Derm in USD'000	Q1 FY23	Q4 FY23	Q1 FY24
<b>Total Net Sales</b>	<b>6,784</b>	<b>17,081</b>	<b>26,169</b>
<b>Total Gross Margin</b>	<b>3,660</b>	<b>2,945</b>	<b>11,845</b>
<i>Total Gross Margin % of Net Sales</i>	54%	17%	45%
Direct OPEX	5,213	3,876	5,255
<b>Direct Contribution</b>	<b>(1,553)</b>	<b>(931)</b>	<b>6,590</b>
Earn-out liability	125	125	125
<b>"Cash" Contribution</b>	<b>(1,678)</b>	<b>(1,056)</b>	<b>6,465</b>

\* Direct contribution calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead  
Q1 FY23 impacted by channel inventories FY22 end

\*\* Cash contribution calculated as direct contribution less proportional earn-out liability: portion of earnout liability related to revenues for the period independent of timing / capitalised amount

Net Sales of US\$26.1 million increased 53% vs Q4 23 and Gross Margin increased by 302% to US\$11.8 million. Margin improvement to ~45% reflects the improved financial performance of the core portfolio and the positive impact of new product launches including DORYX® MPC 60 mg and the authorised generic ORACEA®. Gross-to-Net pricing has stabilised following the channel inventory issues in 1H FY23.



## International

International in AUD'000	Q1 FY23	Q4 FY23	Q1 FY24
<b>Total Net Sales</b>	<b>13,338</b>	<b>23,072</b>	<b>17,939</b>
<b>Total Gross Margin</b>	<b>5,545</b>	<b>7,191</b>	<b>7,090</b>
<i>Total Gross Margin % of Net Sales</i>	42%	31%	40%
Direct OPEX	2,829	2,942	2,917
<b>Direct Contribution</b>	<b>2,716</b>	<b>4,249</b>	<b>4,173</b>
Earn-out liability	808	-	82
<b>"Cash" Contribution</b>	<b>1,908</b>	<b>4,249</b>	<b>4,091</b>

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\*\* Cash contribution calculated as direct contribution less proportional earn-out liability: portion of earnout liability related to revenues for the period independent of timing / capitalised amount

International Net Sales have declined 22% on Q4 23 attributable to timing of production runs, whilst Gross Margin and Direct Contribution are in line with Q4 23, largely as a result of the benefit of inventory revaluation. The business improvement program continues, and new business pipeline is well advanced.

## Cost Structure and Capital Management

Mayne Pharma continues to transition to a simpler and more transparent business following the disposal of MCS and US Retail Generics in FY23.

The addition of the licenced portfolio of Women's Health branded products required additional cost to fully integrate into the Group. Despite this, the Company is focussed on cost control. US\$10 million of cost reductions have been identified and executed in the current half, largely in the Women's Health segment including a rebalance of DTC spend and sales team rationalisation. Further cost and efficiency initiatives include increased ROI hurdles for continued investment, review of supply chain and logistics, review of external provider arrangements, as well as a number of programs to drive business improvement via monitoring and analytics of co-pay, and the shift of cash business to Adelaide Apothecary.

The Company finished the quarter with a cash balance of A\$163 million, a decline of \$57.6 million from the start of the period. Operating cash flow was -A\$32.5 million. The A\$57.6 million includes several one-off payments including A\$14 million of catch-up payments and charge backs, seasonal OPEX and other charges totalling A\$32.5 million.

An additional A\$25 million was invested in the repayment of the receivables facility, the on-market share buy-back and the acquisition of RHOFADÉ®. As communicated previously, we expect to deliver positive operating cash flow for FY24.

The Board of Mayne Pharma continues to adopt a conservative position regarding capital structure whilst the transition is completed. Significant work has been undertaken to improve trading terms and working capital management as well as inventory across the business and in the close out of integration topics.

The Board believes that at present, future growth is best achieved through management attention on integrating and driving performance from the existing product portfolio. Accordingly, there are no current plans to deploy capital on acquisitions.

Further, the Board considers that the on-market buy-back is the most effective form of capital management. The Company will seek approval at the upcoming Annual General Meeting to increase the current buy-back program to up to 15% of issued capital within 12 months of approval.

## Outlook

Mayne Pharma confirms that it expects all three business segments to deliver positive contribution margin in FY24, with positive EBITDA and operating cash flow for the Group.



The targeted breakeven run rate for NEXTSTELLIS® is expected to be achieved by the end of 1HFY24, with the impact of lower cost offsetting the lagging script growth, and an expected stabilisation of net selling price.

The cost and efficiency program will continue through the year to drive financial returns.

The Board will seek shareholder approval to increase the on-market share buy-back to up to 15% of issued capital in the 12 months following the AGM and expects to increase the pace of execution.

**Mayne Pharma CEO Shawn Patrick O'Brien said:** "We are very pleased to report the progress of Mayne Pharma as we continue our transition phase and simplify our business. The first quarter of FY24 reflects the hard work undertaken to improve operating performance and drive revenue and margin. Our team are engaged to deliver on the potential of our portfolio in the markets we operate in."

**Board Chair Frank Condella said:** "The Board is encouraged with the trends seen during the first quarter of FY24. We are focussed on revenue growth and reducing costs. The Board expects cash generation from operations to improve moving into the second half of the year and this will support our planned expansion of the on-market share buy-back program."

Following the acquisition of rights to ANNOVERA®, IMVEXXY®, BIJUVA® and RHOFADÉ®, Mayne Pharma has a portfolio of products that will generate positive EBITDA and cash flow in FY24. The Company is focussed on growing returns from its current suite products and maximising the value of its existing pipeline and commercial relationships and does not currently intend to deploy capital on acquisitions.

Mayne Pharma's CEO Shawn Patrick O'Brien and CFO Aaron Gray will host a webcast for investors and analysts today (Wednesday, 18 October) at 10.00am AEDT. Participants can register for the webcast by navigating to <https://s1.c-conf.com/diamondpass/10034484-jnrd02.html> (phone registration) or <https://ccmediaframe.com/?id=MJtlqAa9> (webcast registration).

Please note that registered participants will receive their dial in upon registration.

A copy of the presentation materials is attached to this announcement.

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Authorised for release to the ASX by the Chair



### About Mayne Pharma

Mayne Pharma is an ASX-listed specialty pharmaceutical company focused on commercialising novel pharmaceuticals, offering patients better, safe and more accessible medicines. Mayne Pharma also provides contract development and manufacturing services to clients worldwide. Mayne Pharma has a 40-year track record of innovation and success in developing new oral drug delivery systems. These technologies have been successfully commercialised in numerous products that continue to be marketed around the world. To learn more about Mayne Pharma, please visit [maynepharma.com](http://maynepharma.com).

RHOFADE is a registered trademark of EPI Health, LLC.

ORACEA is a registered trademark of Galderma Holding S.A.





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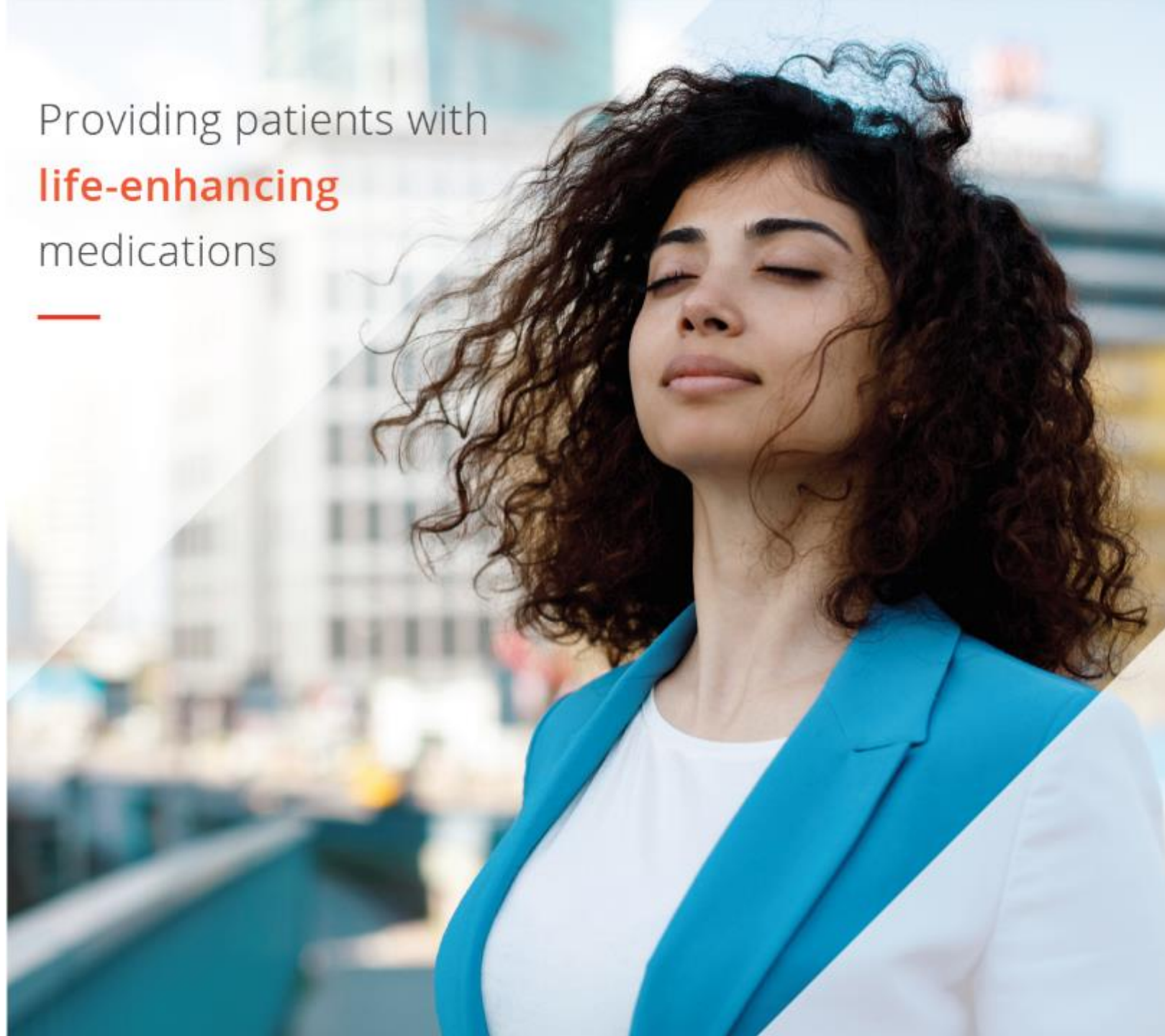
# Mayne Pharma Group Limited

**October 2023 Market Update**

*Shawn Patrick O'Brien (CEO)  
Aaron Gray (CFO)*

Providing patients with  
**life-enhancing**  
medications

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The information provided is general in nature and is in summary form only. It is not complete and should be read in conjunction with the company's audited Financial Statements and market disclosures. This material is not intended to be relied upon as advice to investors or potential investors.

## Forward looking statements

- This presentation contains forward-looking statements that involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to the Company. These forward looking statements use words such as 'potential', 'expect', 'anticipate', 'intend', 'plan' and 'may', and other words of similar meaning. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements. Subject to the Company's continuous disclosure obligations at law and under the listing rules of the Australian Securities Exchange, the Company disclaims any obligation to update or revise any forward looking statements. The factors that may affect the Company's future performance include, among others: changes in economic conditions, changes in the legal and regulatory regimes in which the Company operates, litigation or government investigations, decisions by regulatory authorities, changes in behaviour of major customers, suppliers and competitors, interruptions to manufacturing or distribution, the success of research and development activities and research collaborations and the Company's ability to protect its intellectual property.

## Other

- A glossary of industry terminology is contained in the Mayne Pharma Annual Report which can be accessed at [maynepharma.com/investor-relations/results-reports](https://www.maynepharma.com/investor-relations/results-reports) and product descriptions are detailed at [maynepharma.com/us-products](https://www.maynepharma.com/us-products) and [maynepharma.com/au-products](https://www.maynepharma.com/au-products).
- DORYX® is a trademark of Mayne Pharma. ANNOVERA®, BIJUVA®, IMVEXXY®, NEXTSTELLIS®, ORACEA® and RHOFADÉ® are trademarks of third parties.



- Key Highlights
- Q1 unaudited results
- Women's health segment
  - NEXTSTELLIS® update: price, cycles, marketing investment changes
  - WH expansion (TXMD) performance: net revenues vs history, contribution
- Dermatology segment
- International segment
- Costs
- Capital
- Outlook

## Key operating highlights – Q1 FY24

- **Q1 result showing positive momentum**
  - All 3 operating segments delivered positive contribution margin\* for Q1
  - Net sales of A\$92.3 M up 35% vs Q4FY23
  - Gross margin of A\$53.4 M up 81% vs Q4FY23
  - Underlying EBITDA (A\$0.2 M), an improvement of A\$18.7 M vs Q4FY23
- **Women's Health fundamentals improving**
  - Women's Health net sales of US\$21.1 M, up 71% on Q4FY23
  - NEXTSTELLIS® Net Selling Price restored to prior levels, unit growth lagging targeted run rates
  - Products from TXMD transaction generating robust returns on investment, maintaining conservative Gross To Net (GTN)
- **Dermatology performance gaining momentum**
  - Net sales of US\$26.1 M, up 53% on Q4FY23
  - Gross margin recovery reflecting core portfolio profitability and new product launches
- **Initiated a new targeted cost management program to drive profitable growth**
  - Removed US\$10 M of costs and continual focus on right sizing the business & ongoing reviews
- **Continued prudent Capital Management maintained – proposing to increase the share buy-back**
  - Board seeking to increase current share buy-back program at the AGM to up to 15% of issued capital for the following 12 months

\*Contribution margin calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead

## Strong Group results Q1 FY 2024 (unaudited, comparable\*)

GROUP in AUD'000	Q1 FY23	Q4 FY23	Q1 FY24
Total Net Sales	30,001	68,176	92,277
Total Gross Margin	16,382	29,495	53,365
Total Gross Margin % of Net Sales	55%	43%	58%
** Direct OPEX	28,806	30,561	35,325
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<b>Underlying EBITDA</b>	<b>(31,454)</b>	<b>(18,609)</b>	<b>(184)</b>
Earn-out liability	933	(264)	1,950
Lease payments	857	934	1,043
Share related expense (non-cash)	1,171	(201)	1,450
*** "Cash" EBITDA	<b>(32,073)</b>	<b>(19,480)</b>	<b>(1,727)</b>

### Highlights

- 1Q Net Sales growth of 35% on Q4FY23 driven by improvements in WH (+72%) and Dermatology (+53%) and Intl (-22%). +208% vs PCP
- Gross margin increase of 81% vs Q4FY23 reflects normalisation of WH margin to ~80%, Dermatology margin recovery to 45% (improved core and new high margin products). +226% vs. PCP
- EBITDA & "Cash EBITDA" turnaround

\* Continuing operations only: excluding MCS, RGx

\*\* OPEX Q1 is higher vs Q4 in part as result of certain annual payments (seasonality) & WH investment. Indirect OPEX includes overhead and shared functions

\*\*\* Cash EBITDA: underlying EBITDA less earnout and lease payments (capitalised) + non-cash share expense – effectively EBITDA excl Net Working Capital (NWC) movements



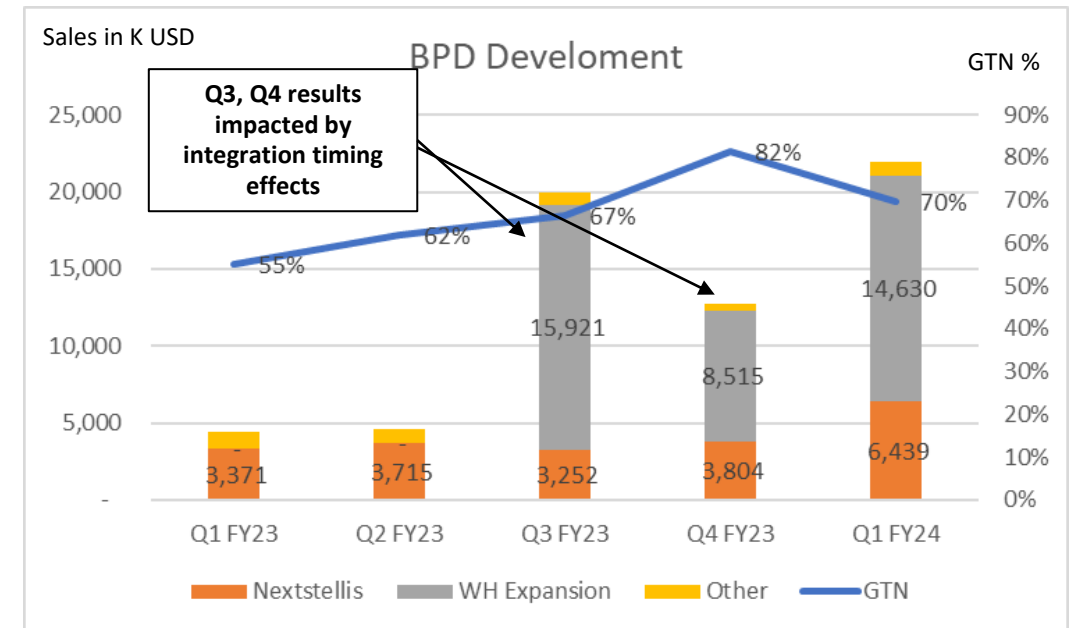
# **BPD (Women's Health)**





## BPD segment (unaudited) shows quarter on quarter growth

BPD in USD'000	Q1 FY23	Q4 FY23	Q1 FY24
<b>Total Net Sales</b>	<b>4,435</b>	<b>12,714</b>	<b>21,913</b>
<b>Total Gross Margin</b>	<b>3,637</b>	<b>11,499</b>	<b>18,020</b>
<i>Total Gross Margin % of Net Sales</i>	82%	90%	82%
Direct OPEX	11,927	14,954	15,947
* <b>Direct Contribution</b>	<b>(8,290)</b>	<b>(3,455)</b>	<b>2,073</b>
Earn-out liability	-	(389)	1,743
** <b>"Cash" Contribution</b>	<b>(8,290)</b>	<b>(3,066)</b>	<b>330</b>



- Quarter on quarter WH segment net sales +71%
- Direct OPEX increase vs pcp driven by addition of WH expansion
- Q1FY24 gross margin representative of go-forward profile
- Q2FY24 cost improvement program expected to deliver US\$8M FY24 benefit

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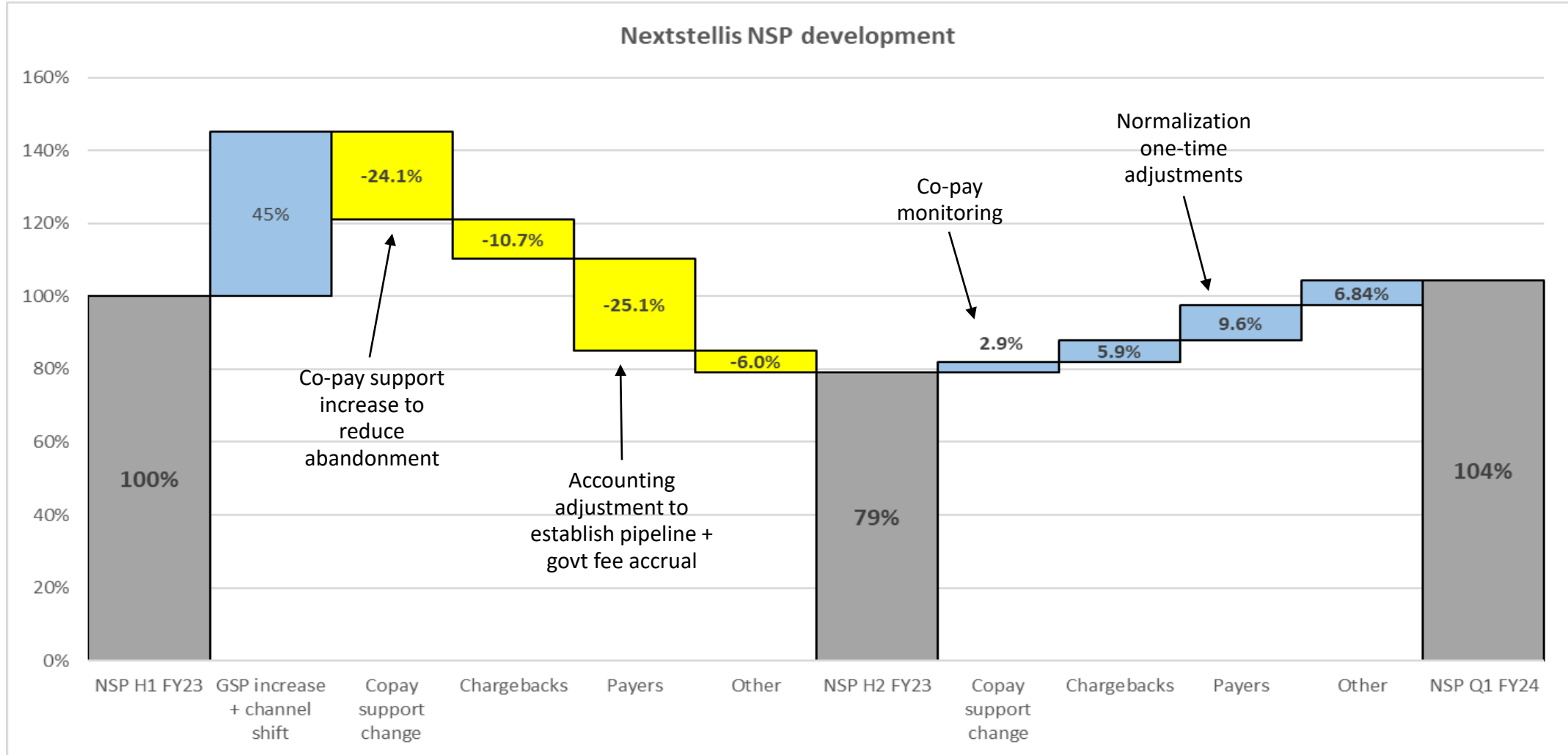
## Weekly NEXTSTELLIS® Cycles seeing steady growth



- Growth expected to continue, however 14K cycles by the end of December is unlikely
- We are focused to deliver on the run rate break-even by the end of December
- Break-even is driven by Net Selling Price (NSP), prescription (Rx) demand and costs



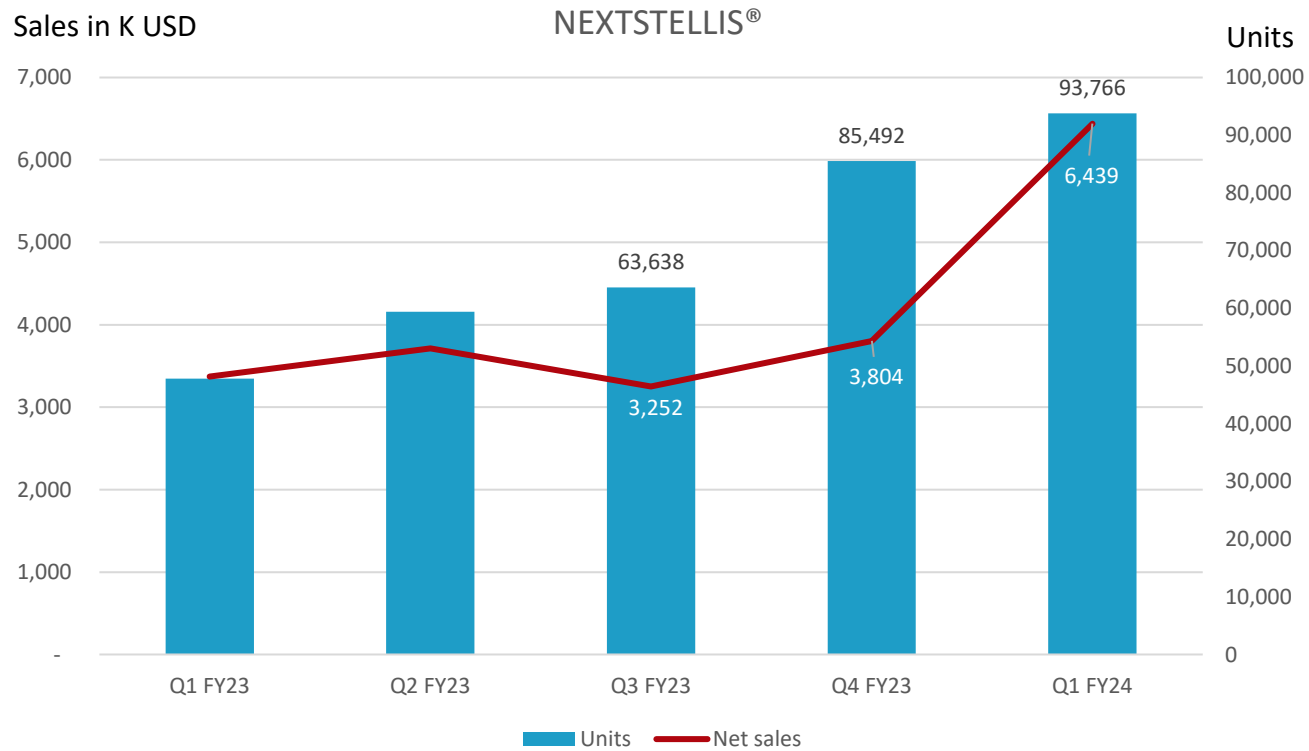
# NEXTSTELLIS® Net Selling Price (NSP) recovers to above H1 FY23 level



- Full benefit of co-pay changes will be realised in H2 FY24



# NEXTSTELLIS® performance update



## Adjusting spend and mix of spend to drive profitable growth and expand medical education

- Reduction of DTC marketing investment, insufficient ROI
- Removed 6 non-profitable territories
- Quarter on quarter unit growth: 9.7%
- Quarter on quarter net revenue growth: 69%
- Net Selling Price (NSP) restored
- Expanded Medical Science Liaison (MSL) team to drive efficient medical education
- Enhanced Key Opinion Leader (KOL) speaker program

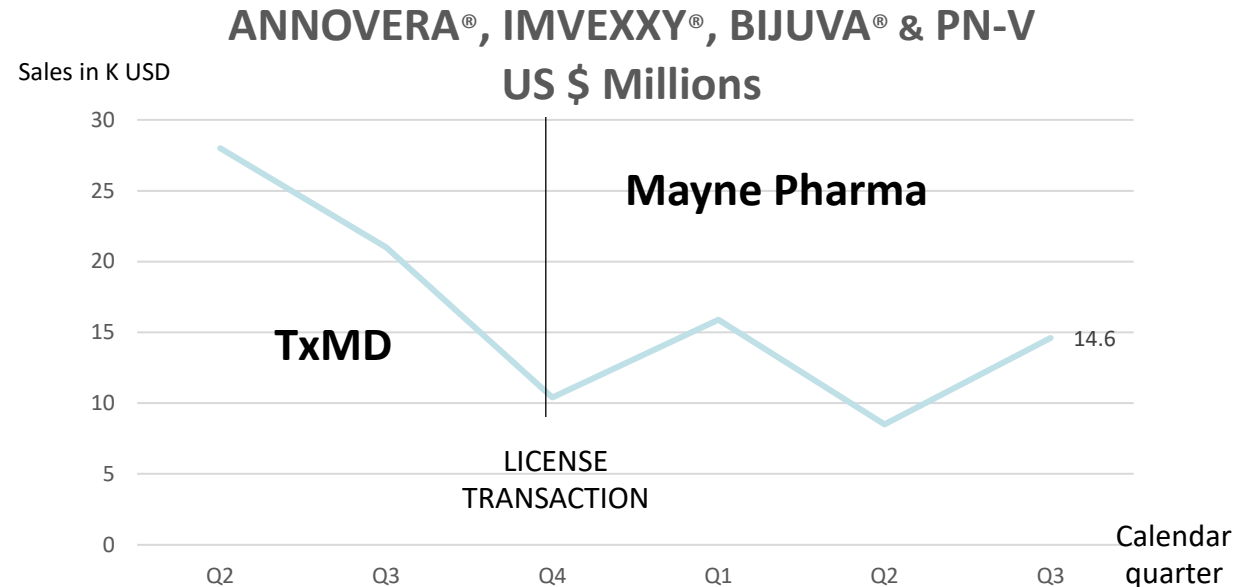
**Balancing cycle growth with OPEX investment to reach breakeven run rate Dec 2023**





# Licensed Women's Health Branded Portfolio adding significant value

<i>in K USD</i>		Acquisition to date
Net revenues		39,066
* <b>Incremental contribution</b>		<b>27,329</b>
Royalty liability		3,043
<b>"Cash" proxy (excl NWC changes)</b>		<b>24,286</b>



- Transaction to date (9 months) assets performing at ~4.2 years simple payback\*\*
- Transaction to date cash return is ~24% annualised
- Intellectual property protection 2032 through 2039
- BIJUVA® half strength launch opportunity

\* Incremental contribution: margin less OPEX added to the company as a result of the license transaction, excludes allocated costs.

\*\* Purchase price + NWC divided by annualised incremental contribution: US\$153M / (US\$27.3M\*1.33) = 4.2



# Dermatology



## Dermatology Segment (unaudited) delivered strong quarter on quarter growth

Derm in USD'000	Q1 FY23	Q4 FY23	Q1 FY24
<b>Total Net Sales</b>	<b>6,784</b>	<b>17,081</b>	<b>26,169</b>
<b>Total Gross Margin</b>	<b>3,660</b>	<b>2,945</b>	<b>11,845</b>
<i>Total Gross Margin % of Net Sales</i>	54%	17%	45%
Direct OPEX	5,213	3,876	5,255
* <b>Direct Contribution</b>	<b>(1,553)</b>	<b>(931)</b>	<b>6,590</b>
Earn-out liability	125	125	125
** <b>"Cash" Contribution</b>	<b>(1,678)</b>	<b>(1,056)</b>	<b>6,465</b>

### Highlights

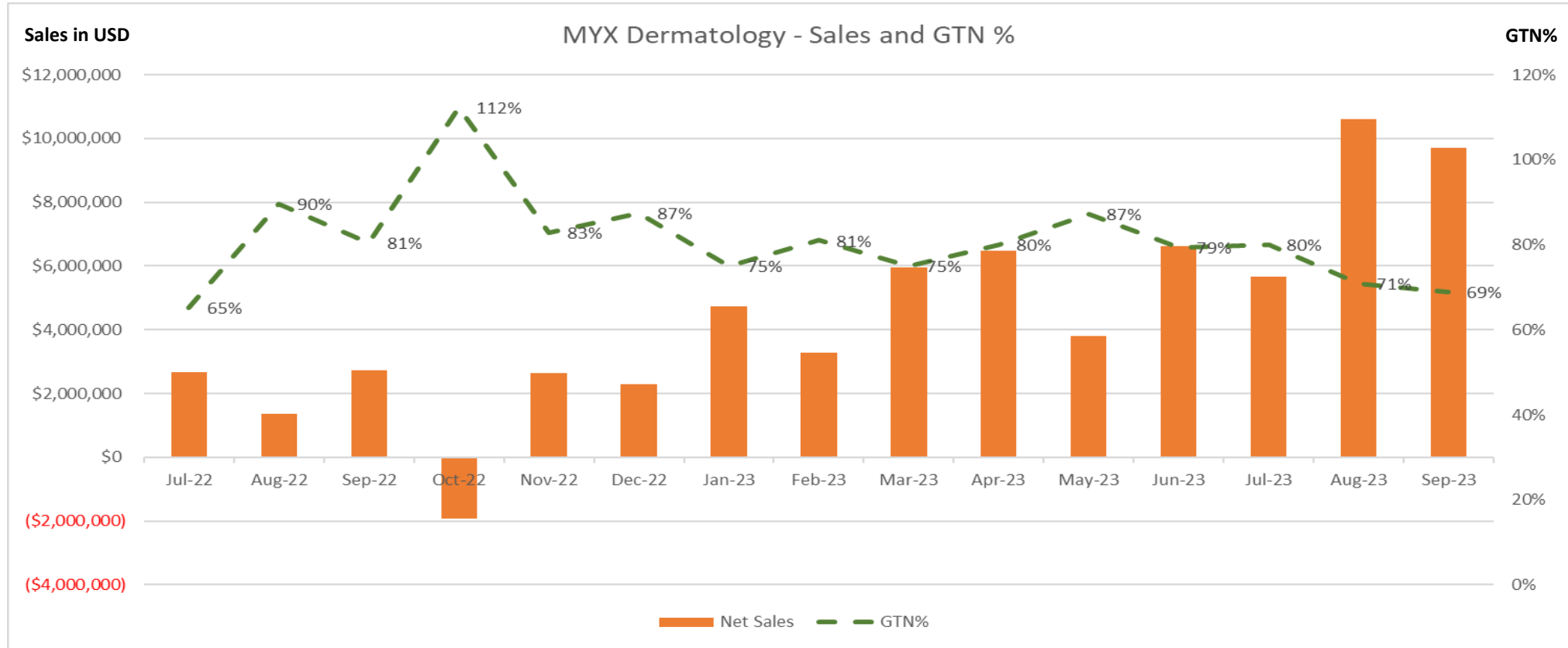
- Q1 FY24 Net Sales +285% vs PCP, +53% vs prior quarter
- Q1 FY24 Gross Margin +224% vs PCP, +302% vs prior quarter
- Segment delivering solid positive contribution YTD

\* Direct contribution calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead.

Q1 FY23 impacted by channel inventories FY22 end

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# Dermatology growth



- Net revenues growing steadily, benefitting from improved GTN and NPLs (DORYX<sup>®</sup> MPC 60 mg, AG ORACEA<sup>®</sup>)
- Unique prescriber patient fulfilment process (Disintermediation) is active
- RHOFADE<sup>®</sup> launched October 2, complimentary to authorised generic (AG) ORACEA<sup>®</sup>
- Co-pay monitoring expected to deliver improvements beginning Q2 and continuing throughout the FY



# International



## International Segment (unaudited) Net Sales down

International in AUD'000	Q1 FY23	Q4 FY23	Q1 FY24
<b>Total Net Sales</b>	<b>13,338</b>	<b>23,072</b>	<b>17,939</b>
<b>Total Gross Margin</b>	<b>5,545</b>	<b>7,191</b>	<b>7,090</b>
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Earn-out liability	808	-	82
** <b>"Cash" Contribution</b>	<b>1,908</b>	<b>4,249</b>	<b>4,091</b>

### Highlights

- Q1 FY23 Net sales, Margin down quarter on quarter, due to production timing, margin thereof offset by stock revaluation benefit
- Business development funnel identified opportunities, progressing

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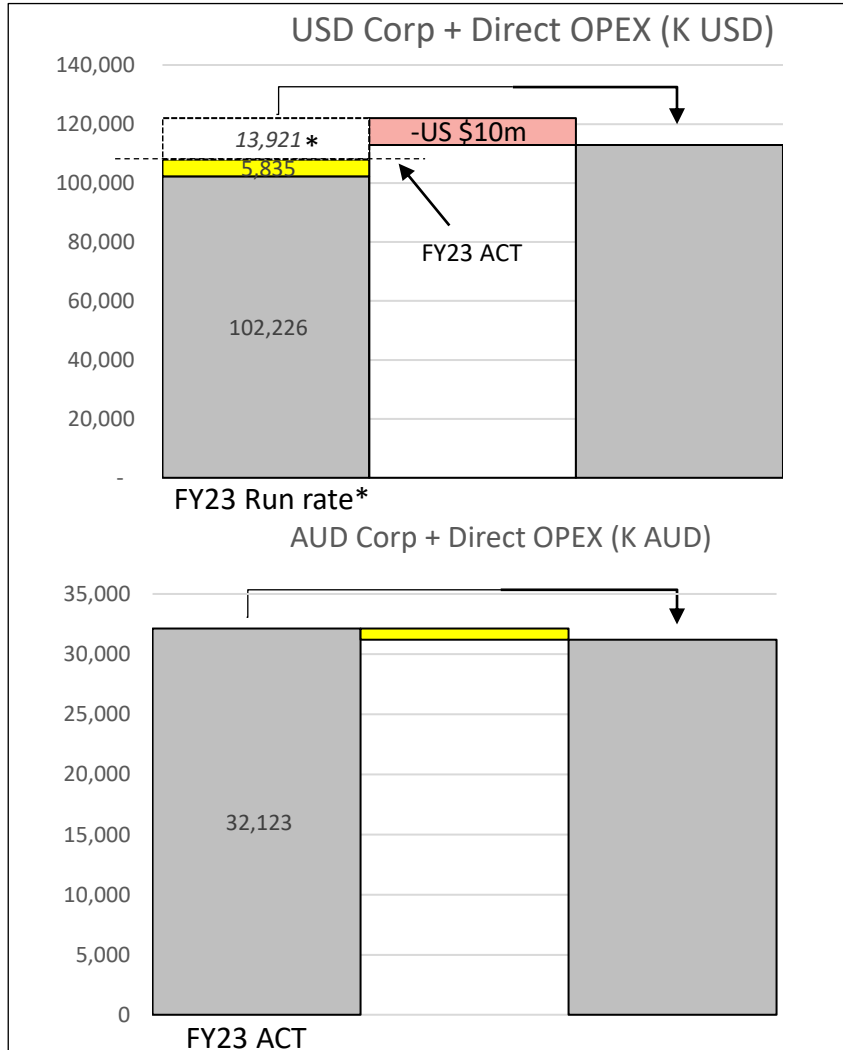


# Cost Structure and Capital Management



# Driving profit & cash efficiency

## RATIONALISE STRUCTURE AND INFRASTRUCTURE



## INCREASE LEVERAGE ON ASSETS AND INFRASTRUCTURE

- Salisbury:
  - Create capacity with operational improvements (minimal invest)
  - BD activities to fill capacity created
- Dermatology:
  - Expanded portfolio (capital-light) with bare minimum added cost
    - RHOFADÉ<sup>®</sup>
    - Isotretinoin
  - Unique prescriber patient fulfilment process to drive higher volumes
- WH:
  - BIJUVA<sup>®</sup> half strength launch

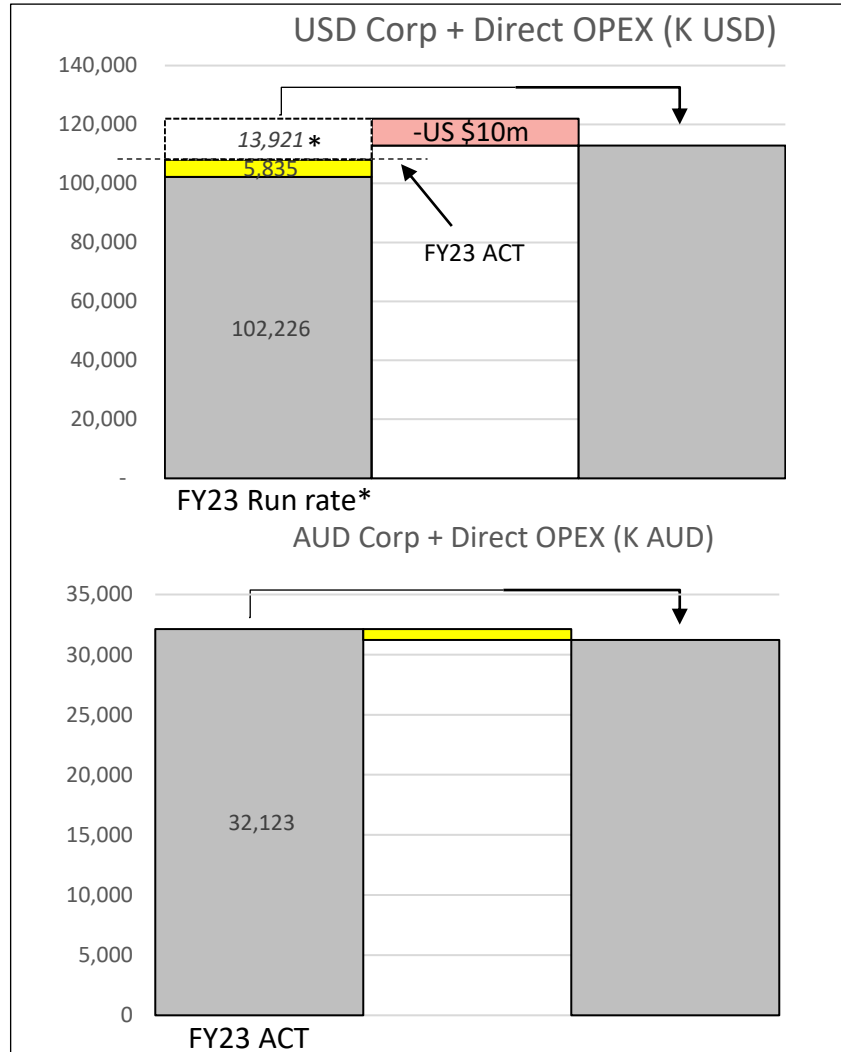
## OPTIMISE (FINE-TUNE)

- Co-pay monitoring: Dermatology & WH
- Co-pay rule modifications (analytics)
- AG ORACEA<sup>®</sup> OPEX reduction + move to consignment
- Shift from VitaCare to AssistRx and shifted cash business to Adelaide Apothecary

\*Run rate used for USD OPEX to reflect the effect (full 12 months) of Women's Health expansion OPEX investments



# Further Cost and ROI Program initiated across the Group to drive profit & cash



- Initiated cost out program across Women’s Health, Dermatology and Corporate – executed on US\$10M of annualised cost savings year to date
- Ongoing program of cost reduction and efficiencies targeted across the group to offset inflationary impacts and reduce total costs
- Sales and marketing ROI hurdle rates increased, and Women’s Health spend allocated to Medical Education
- Headcount reductions delivered
- Supply chain and logistics review
- Renegotiated external provider costs /fees

\*Run rate used for USD OPEX to reflect the effect (full 12 months) of Women’s Health expansion OPEX investments



# Capital Management

## Q1 Capital update

Current company cash balance A\$163m Sept 30, 2023

Q1 cash usage (A\$57m)

### Cash uses Q1 FY24 (A\$):

Repayment receivable facility	10.7m
Share repurchase	1.3m
RHOFADE® transaction	13.1m
<b>Cash used: Financing &amp; investing</b>	<b>25.1m</b>
Catch-up payments and chargebacks	14m
Seasonality of OPEX	7m
Discontinued operations & legal	8m
Other	3.5m
<b>Cash used: Operations</b>	<b>32.5m</b>

## FY24 Capital Management Priorities

- Maintain conservative balance sheet and solid liquidity position through transition phase with planned capital structure review ongoing
- Execute on invested portfolio, no acquisitions planned
- Improvement in cash conversion cycle (Inventory + AR Q1FY24 reduced A\$92M vs pcp)
- Tight management of discontinued business obligations / provisions
- Improve leverage on fixed assets (PP&E – efficiency & utilisation Salisbury)
- Accelerate share buy-back:
  - Current 10% limit (1.8M shares bought back, A\$6.9m)
  - Propose to increase the buy-back capacity to up to 15% in the next 12 months (resolution to be included in AGM)

**Further improvement in profitability & management of discontinued operations expected to deliver positive operating cash Q2 through Q4**

## FY24 Outlook

- All three business units expected to deliver positive contribution margin in FY24, with positive EBITDA and operating cash flow for the group
- Execute on Women's Health portfolio
  - Deliver on NEXTSTELLIS® exit rate break even by end of Q2
  - Deliver Rx growth across all WH brands / ROI sales & marketing
  - BIJUVA® half strength launch Q3
- Dermatology net revenue growth and margin % improvement via:
  - Ongoing active management of financial performance of core portfolio
  - NPLs (RHOFADÉ®, isotretinoin, authorised generic of ORACEA®, DORYX® MPC 60 mg)
  - Unique prescriber patient fulfilment process transition from pilot to fully scaled operation
- Optimising cost base:
  - Cash cost reductions (OPEX & other) to right size for profitable growth. US\$10M+
- Propose to increase share buy-back: most efficient form of capital management
  - Currently buying back up to 10% of Company's issued capital
  - Proposing to increase this to up to 15% over the 12 months following the AGM, subject to shareholder approval

# Q&A

You deserve tomorrow.