



## MAYNE PHARMA TO PRESENT AT THE JEFFERIES LONDON HEALTHCARE CONFERENCE

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**14 November 2023, Adelaide, Australia:** Mayne Pharma Group Limited (ASX: MYX) today announced that Shawn Patrick O'Brien, Chief Executive Officer of Mayne Pharma, will present at the Jefferies London Healthcare Conference as follows:

Date: Tuesday, 14 November 2023  
Time: 2:00pm GMT / 9:00am ET (1.00am on 15 November 2023 AEDT)  
Webcast: [Click here](#)

A copy of the presentation slides is attached.

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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).

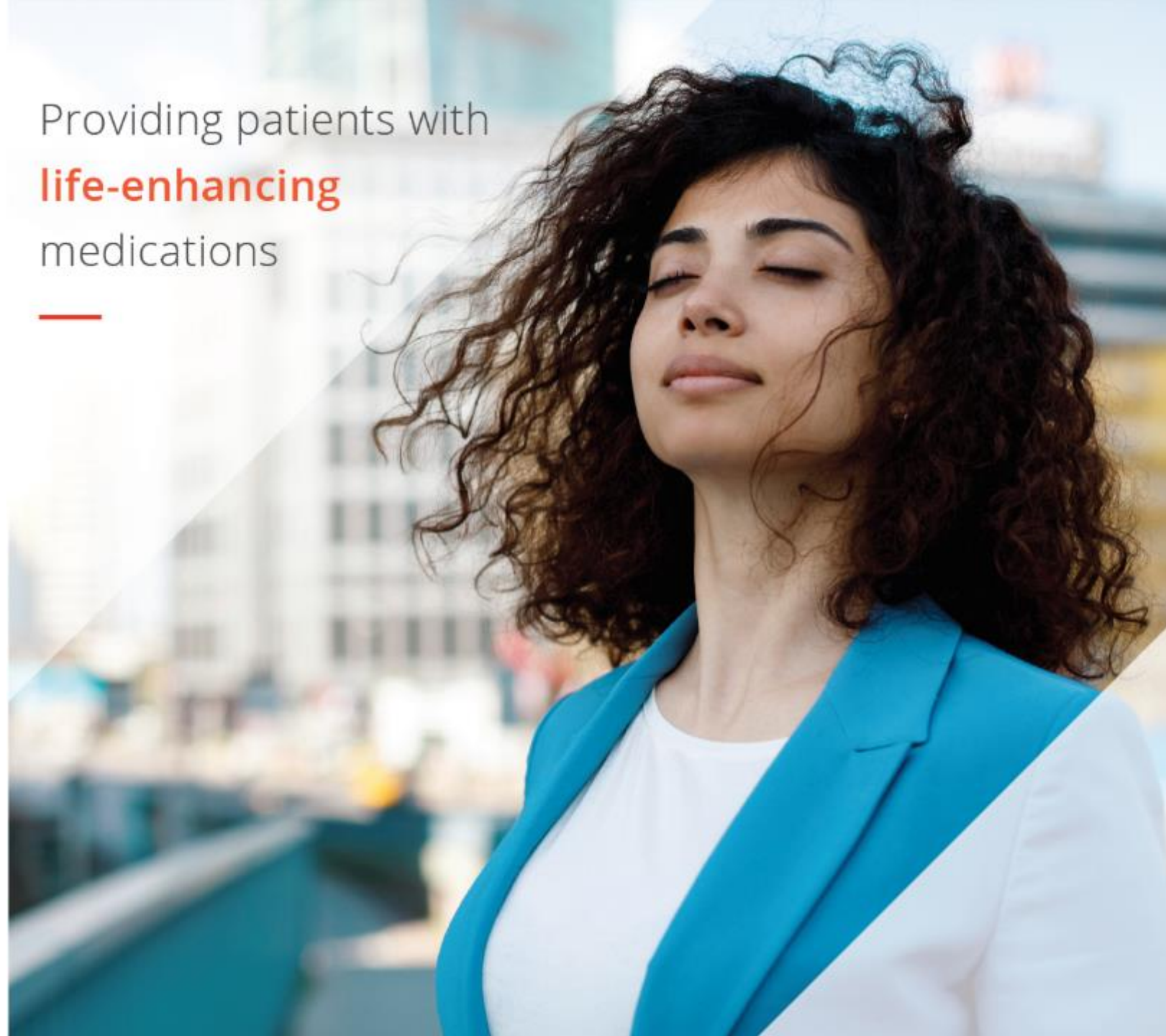
# Mayne Pharma Group Limited

Jefferies London Healthcare  
Conference  
November 14, 2023

*Shawn Patrick O'Brien, CEO*



Providing patients with  
**life-enhancing**  
medications



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 other 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', 'target' 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 including approval of our products as well as their decisions on label claims, competitive developments affecting our products, changes in behaviour of major customers, suppliers and competitors, interruptions to manufacturing or distribution, acquisitions and divestitures, the success of research and development activities and research collaborations and the Company's ability to protect its intellectual property.

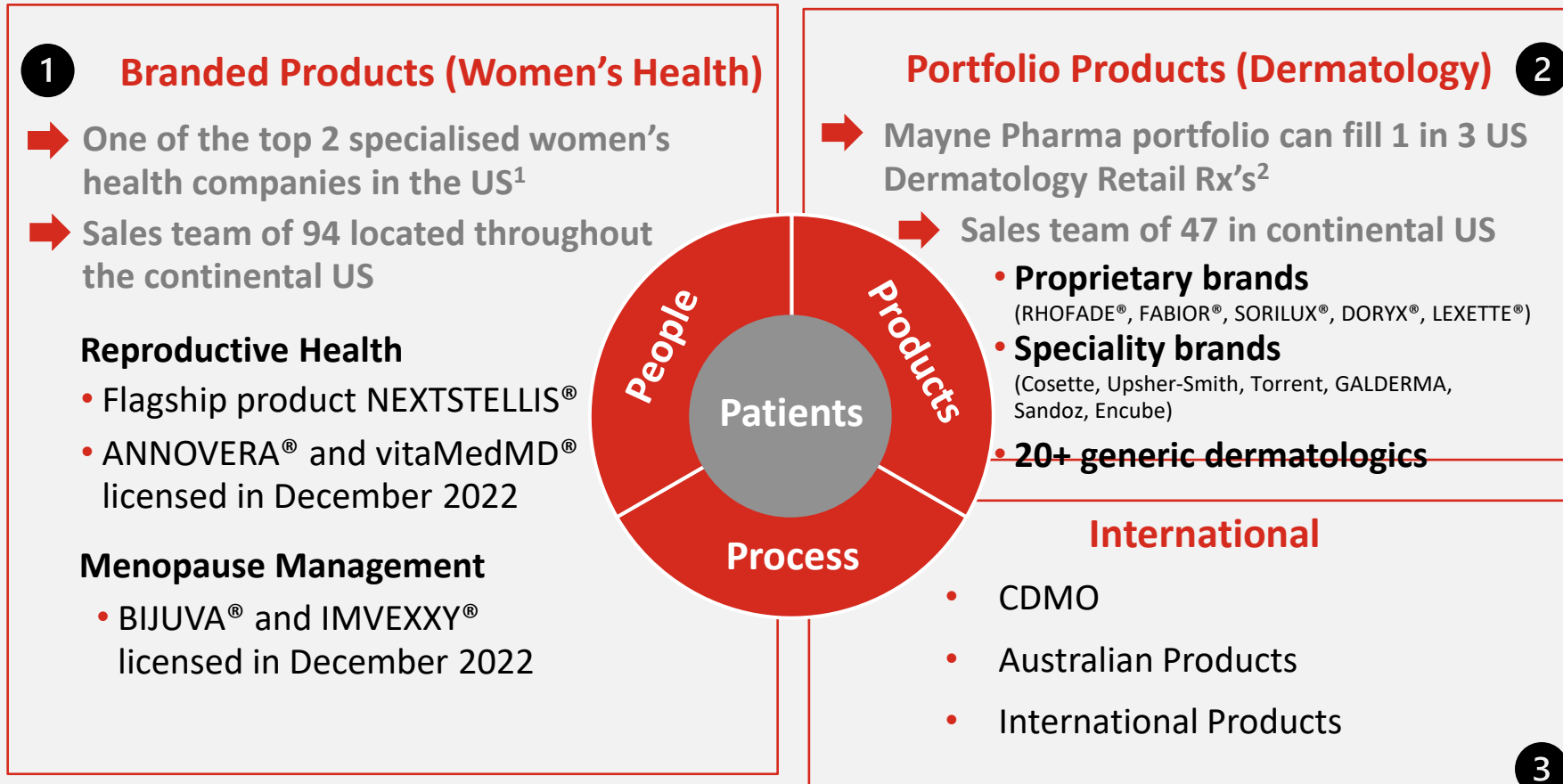
## Other

- 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).
- ABSORICA<sup>®</sup>, ACZONE<sup>®</sup>, ANNOVERA<sup>®</sup>, BIJUVA<sup>®</sup>, EPIDUO<sup>®</sup>FORTE, IMVEXXY<sup>®</sup>, NEXTSTELLIS<sup>®</sup>, ORACEA<sup>®</sup>, and VITAMED<sup>®</sup> are trademarks of third parties.

# Mayne Pharma at a Glance

Capitalising on commercial opportunities across three attractive business units

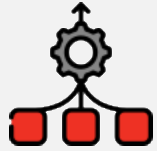
Putting the right people, products, and processes in place to address the needs of patients and drive long-term sustainable growth in each of our three segments



1. Based on size of US Women's Health Commercial Operations calling on OB/GYNs

2. IQVIA recent 12-month TRx totals by molecule, October 2023

# FY23 Performance Highlights



## REFOCUSED ON CORE BUSINESS

- Completed sale of Metrics Contract Services and US Retail Generics for a combined sale price of US\$565m
- Expanded US Women’s Health portfolio via license of exclusive rights to commercialise a portfolio of on-market women’s health products



## IMPROVED FINANCIAL PERFORMANCE & RESET CAPITAL STRUCTURE

- Delivered revenue growth across all segments 2H vs. 1H FY23
- Positive 2H direct contribution and operating free cash flow
- Transformed balance sheet – net cash of \$176.2m (vs FY22 net debt \$317m)
- Delivered \$46.7m special dividend and commenced on-market buyback up to 10% of the Company’s issued capital



## GREW ALL THREE SEGMENTS

- **BPD/Women’s Health** – strong revenue growth following relaunch of NEXTSTELLIS® and 2H launch of women’s health portfolio products; significant 2H improvement in segment gross profit and direct contribution
- **PPD/Dermatology** – delivered significant 2H turnaround in revenue and gross profit as new commercial discipline introduced to rebase business following poor 1H result
- **International** – revenue, gross profit and direct contribution growth delivered in 2H; commenced business improvement program to improve plant efficiency and secure international CDMO growth



# First Quarter FY2024 Update<sup>1</sup>

## Pivoting to growth

A\$million	Q1 FY23	Q4 FY23	Q1 FY24	Chg YoY	Chg QoQ
Total Net Sales	30.0	68.2	92.3	+207%	+35%
Total Gross Margin	16.4	29.5	53.4	+226%	+81%
Gross Profit %	55%	43%	58%	300bp	1500bp
Underlying EBITDA	(31.5)	(18.6)	(0.2)	+94%	+99%
“Cash” EBITDA	(32.1)	(19.5)	(1.7)	+95%	+91%

### Dermatology gaining momentum

- Net sales of US\$26.1M, **up 53%** on Q4FY23
- Gross margin recovery reflecting core portfolio profitability and new product launches

### Women’s Health fundamentals improving

- Net sales of US\$21.1M, **up 71%** on Q4FY23
- NEXTSTELLIS® net selling price (NSP) restored to prior levels
- Licensed TXMD products generating robust returns, maintaining conservative gross-to-net (GTN)

### Strong total company results

- All 3 operating segments delivered positive contribution margin<sup>2</sup> for Q1
- Net sales **up 35%** vs Q4FY23
- Gross margin **up 81%** vs Q4FY23
- Initiated a new targeted cost management program, removing US\$10M of costs
- Proposed increase to share buyback program

1. All Q1 results unaudited

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



## **Branded Products Division (BPD) / Women's Health**



# Women's Health / Branded Products Division (BPD)

Leader in U.S. Women's Health

- A leading position in strong and growing market with four novel women's healthcare products
- Licensing rights acquisition added a complementary portfolio of stable products with long patent lives to the Company's flagship women's health product, NEXTSTELLIS®
- One of the top 2 specialised women's health companies in the US<sup>1</sup>
- Strong commercial infrastructure in place with sales team of 94 able to reach target customers

## Reproductive Health



## Menopause Management



## Prenatal Vitamins



1. Based on size of US Women's Health Commercial Operations calling on OB/GYNs.



# Women's Health / Branded Products Division (BPD)

## Q1 FY24 results<sup>1</sup>

- Quarter on quarter segment net sales +72% for BPD
- Segment performance reflects growth in expansion portfolio as well as improved performance of NEXTSTELLIS® following access improvements (co-pay) and new targeting strategy implemented in December
- Continuing to refine NEXTSTELLIS® marketing strategy: reduction of DTC due to insufficient ROI and removed 6 non-profitable territories
- Direct OPEX increase vs prior year driven by sales force expansion; but have eliminated US\$8 million in segment costs for fiscal year 24
- Q1FY24 gross margin representative of go-forward profile

US\$million	Q1 FY23	Q4 FY23	Q1 FY24
Total Net Sales	4.4	12.7	21.9
Total Gross Margin	3.6	11.5	18.0
Gross Profit %	82%	90%	81%
Direct operating expense	11.9	15.0	15.9
Direct contribution <sup>2</sup>	(8.3)	(3.5)	2.0

## FY24 Women's Health Outlook



- Complete integration of expansion portfolio with a focus on growth and improving net selling prices
- Deliver Rx growth across all brands
- NEXTSTELLIS® breakeven run rate in 1HFY24<sup>3</sup>
- BIJUVA® half strength launch Q3 FY24
- Take advantage of changes to ACA law

1. All Q1 results unaudited

2. Direct contribution calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead incl med affairs

3. NEXTSTELLIS® Breakeven is defined as annualised gross margin at exit period less annualised direct opex

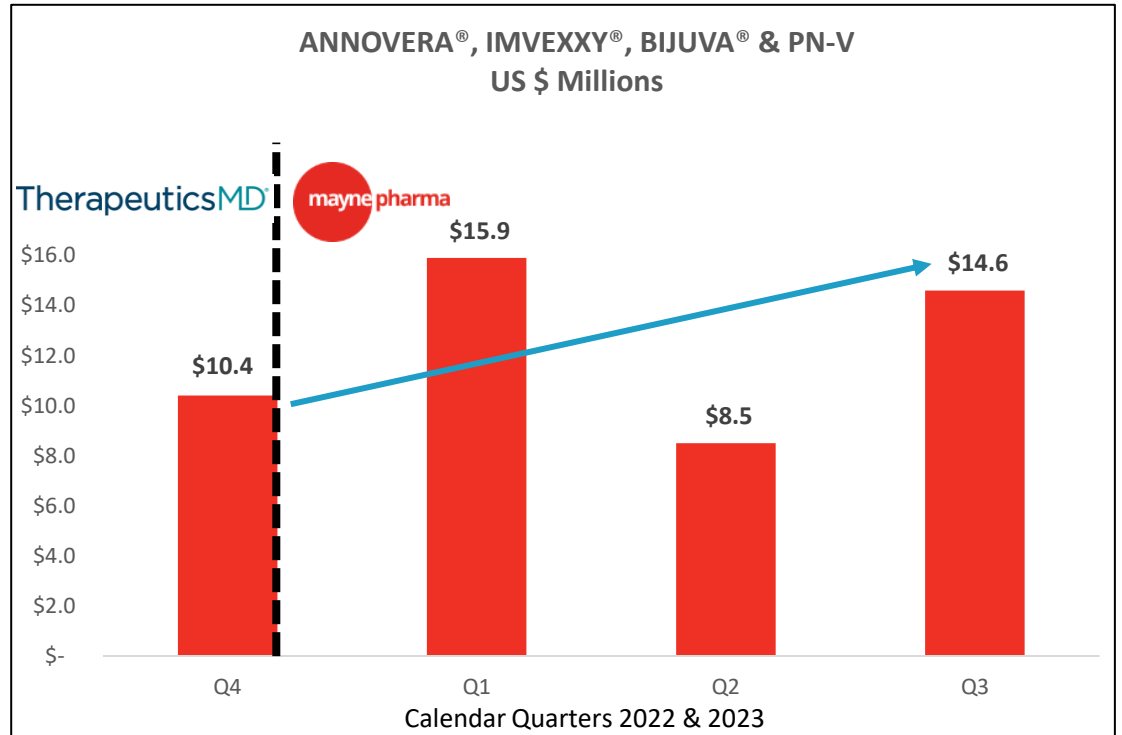
## Weekly NEXTSTELLIS® cycles<sup>1</sup> seeing steady growth



- 1Q24 vs 4Q23 unit growth of 9.7%, net revenue +69%, NSP restored to above 1HFY23 level
- Refreshed marketing strategy and Medical Affairs support
- Additional US patent protection to NEXTSTELLIS® granted – expiry 2036

# Expanded Women's Health branded portfolio adding significant value

- Cash return of US\$24.3 million during nine months of ownership<sup>1</sup> or ~24% annualised
- Transaction to date (9 months) assets performing at ~4.2 years simple payback<sup>2</sup>
- Intellectual property protection 2032 through 2039
- Ongoing optimization of operating efficiencies
- BIJUVA<sup>®</sup> half strength launch opportunity in the second half of FY24



1. Contribution minus royalties paid or due

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



## **Portfolio Products Division (PPD) - Dermatology**



# Dermatology / Portfolio Products Division (PPD)

Building market leadership and scale

- Five proprietary brands and 20 generic dermatologics
- Recent acquisition of RHOFADÉ®, an FDA-approved topical cream used to treat rosacea (launched 10/2/2023)
- Mayne Pharma portfolio can fill 1 in 3 US Dermatology Retail Rx's<sup>1</sup>
- Market presence as top 10 US products by revenue - gABSORICA® (isotretinoin) capsules, gEPIDUO® FORTE (adapalene/benzoyl peroxide) gel and gACZONE® (dapson) gel
- Building on market position with a strong and profitable pipeline of products to meet broader patient needs
- Differentiated channel strategy through specialty pharmacy growth and online platforms like GoodRx



+20 generic dermatologics

1. IQVIA recent 12-month TRx totals by molecule

# Dermatology / Portfolio Products Division (PPD)

## Q1 FY24 results<sup>1</sup>

- Q1 FY24 Net Sales +285% vs PCP, +53% vs prior quarter
- Q1 FY24 Gross Margin +224% vs PCP, +302% vs prior quarter
- 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
- Co-pay monitoring expected to deliver improvements beginning Q2 and continuing throughout the FY

US\$million	Q1 FY23	Q4 FY23	Q1 FY24
Total Net Sales	6.8	17.1	26.2
Total Gross Margin	3.7	2.9	11.8
Gross Profit %	54%	17%	45%
Direct operating expense	5.2	3.9	5.3
Direct contribution <sup>2</sup>	(1.6)	(0.9)	6.6

1. All Q1 results unaudited

2. Direct contribution calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead incl med affairs

## FY24 Dermatology Outlook



- Positive profit and contribution FY24
- Revenue growth via new/recent product launches (RHOFADÉ<sup>®</sup>, isotretinoin, generic of ORACEA<sup>®</sup>, DORYX<sup>®</sup> MPC 60 mg)
- Transition unique prescriber patient fulfilment process from pilot to fully scaled operation
- Enter into capital light, accretive business arrangements and drive commercial excellence

# Acquisition of global rights to RHOFADÉ®

Adds to portfolio of products expected to generate positive EBITDA and cash flow in FY24



FDA-approved topical cream proven to reduce persistent facial redness caused by rosacea by at least two grades



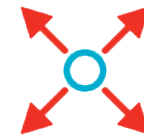
In 29-day trials, patients saw significant redness reduction through 12 hours



Acquired for US\$8 million and launched October 2, 2023



Complementary to authorised generic (AG) ORACEA®



Expands portfolio with minimal added expense, aligning with overall strategy of Dermatology portfolio

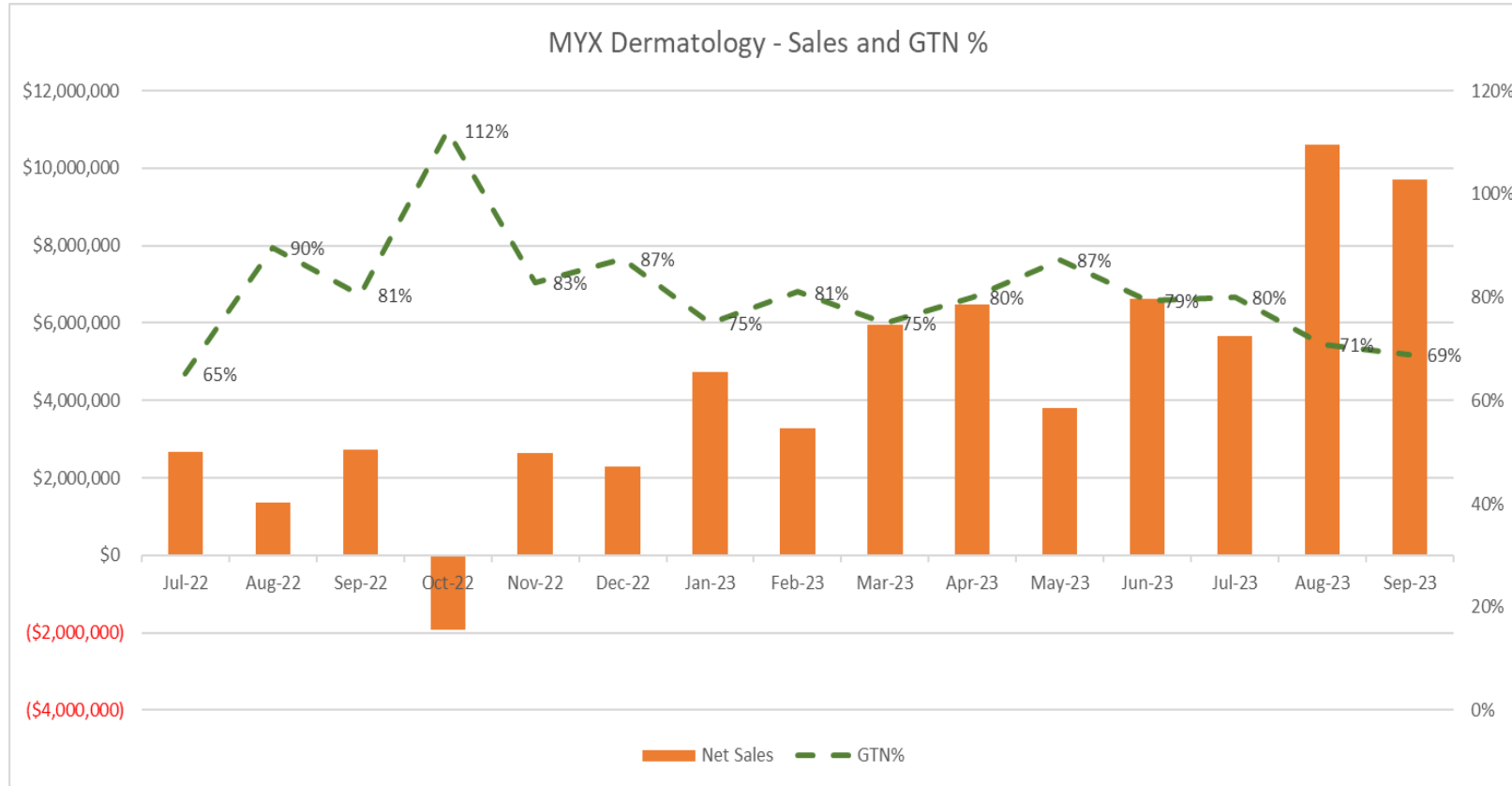


Reported prescription levels are above expectation and demand is returning to prior levels<sup>1</sup>



1. IQVIA recent 12-month TRx, NRx and RRx for RHOFADÉ® Oct 27, 2023

# Dermatology Growth



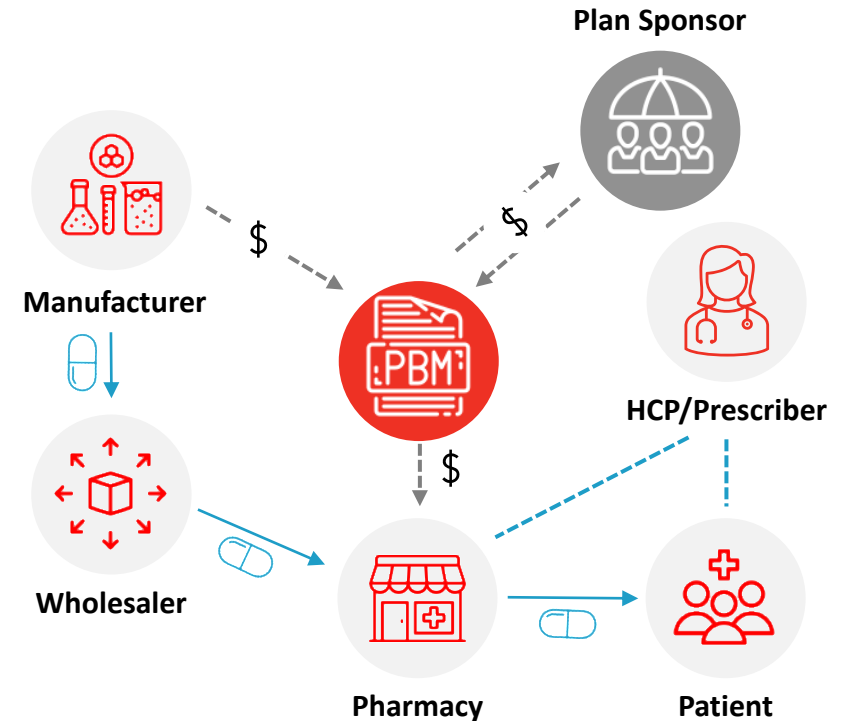
- Net revenues growing steadily, benefitting from improved GTN and NPLs (DORYX<sup>®</sup> MPC 60 mg, AG ORACEA<sup>®</sup>)
- Co-pay monitoring expected to deliver improvements beginning Q2 and continuing throughout the FY
- Unique prescriber patient fulfilment process (disintermediation) is active



## The pharmaceutical value chain is filled with inefficiencies and pain points

- Multiple stakeholders with opposing financial interests cause inefficiencies, higher costs, lack of transparency, and lack of trust
- PBMs are incentivised by rebates and the top 3 control 80% of the market, resulting in higher costs to consumers, fewer choices for prescribers, and margin pressures for manufacturers
- Purchasing alliances control >95% of the market and manufacturer bargaining power is limited
- Consumers face high prices and coverage uncertainty and don't trust online offerings which are difficult to navigate
- Prescribers/HCPs seek reduced administrative burden, greater choice in patient treatment, and simpler patient access to minimise abandonment and promote adherence

## Pharmaceutical Value Chain



**THE GOAL: Help patients receive quality drugs quickly and at the best price while increasing prescriber efficiency and customer satisfaction.**



# Disintermediation Strategy

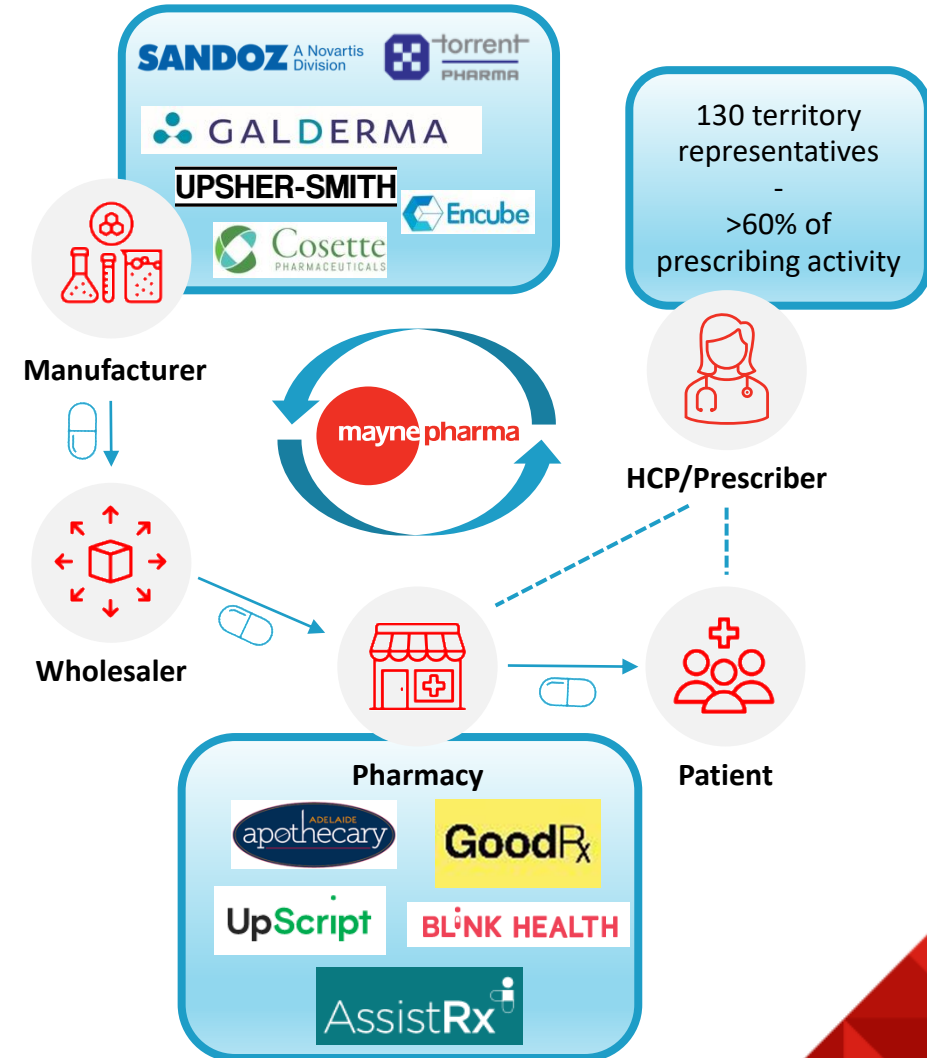
Mayne Pharma's unique platform spans the entire value chain, allowing for the ability to create a comprehensive, frictionless, transparent, and cost-effective experience

## Why Dermatology?

- ✓ There is great desire for disintermediation in the industry, with the Dermatology segment a logical starting point
- ✓ Most dermatological conditions are not permanently cured, resulting in ongoing demand/continuous refills
- ✓ Long cycle times for treatment
- ✓ Conditions are non-acute and patients are more willing to wait for shipping and shop online
- ✓ Insurance coverage is poor and getting worse

## Why Mayne Pharma?

- ✓ **Drug sourcing ability:**
  - Mayne Pharma portfolio is capable of filling 1 in 3 US Dermatology Retail Rx<sup>(1)</sup>
  - Access to wholesalers and intermediary platforms
  - Established relationships with Bx & Gx manufacturers
- ✓ **Pharmacy network allows for consistent product availability, choice, and pricing:**
  - Adelaide Apothecary for cash-pay claims, licensed to operate in 50 states
  - 400+ specialty pharmacy locations and partnerships for reimbursed claims
- ✓ **Extensive provider/customer coverage:**
  - 145+ field representatives
  - Reach of 50k+ prescribers in targeted therapeutic areas, covering >60% of prescribing activity



1. IQVIA recent 12-month TRx totals by molecule October 2023



**International**



- Q1 FY24 net sales and margin down quarter on quarter, due to production timing
- Costs continue to be managed and our ongoing productivity initiatives are designed to deliver benchmark outcomes in pharma manufacturing
- The new business pipeline to drive large and long run volumes through our FDA and TGA registered Salisbury facility is building; focused on converting these into real opportunities
- Continued progress in growing Opioid Substitution Therapy (OST) opportunities in Europe



A\$million	Q1 FY23	Q4 FY23	Q1 FY24
Total Net Sales	13.3	23.1	17.9
Total Gross Margin	5.5	7.2	7.1
Gross Profit %	42%	31%	40%
Direct operating expense	2.8	2.9	2.9
Direct contribution <sup>1</sup>	2.7	4.2	4.2

## FY24 International Outlook



- Pursue targeted investments and new manufacturing revenue streams
- Continue to drive specialty and generic product sales including NEXTSTELLIS® in Australia
- Invest in a targeted manner in the Salisbury facility to improve our productivity and capabilities

1. Direct contribution calculated as gross margin less direct OPEX – excludes allocation of shared functions & overhead incl med affairs



## **Pivoting to Growth**



# Strategy for 2024 Growth

Continuing positive momentum into FY24

- ✓ Deliver positive contribution margins in all three segments
- ✓ Return Company to positive EBITDA and cash generation in FY24
- ✓ Optimise cost base with OPEX reductions of approximately US\$10M
- ✓ Proposed increase in share buyback from 10% to 15% (to be approved at Company's AGM)

## Women's Health



- Complete integration of licensed portfolio with a focus on growth and improving net selling prices
- Deliver Rx growth across all brands
- NEXTSTELLIS® breakeven run rate in 1HFY24<sup>1</sup>
- BIJUVA® half strength launch
- Take advantage of changes to ACA law

## Dermatology



- Positive profit and contribution FY24
- New product launches
- Transition unique prescriber patient fulfilment process from pilot to fully scaled operation
- Enter into capital light, accretive business arrangements and drive commercial excellence

## International



- Pursue targeted investments and new manufacturing revenue streams
- Continue to drive specialty and generic product sales including with NEXTSTELLIS® in Australia
- Invest in a targeted manner in the Salisbury facility to improve our productivity and capabilities

1. Breakeven is defined as gross margin equivalent to direct OPEX on an annualised basis

## 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 and utilisation Salisbury)
- Accelerate share buy-back:
  - Current 10% limit (1.8M shares bought back, A\$6.9m as at 30 Sept)
  - 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**

# Q&A

Mayne Pharma  
Group Limited  
ASX:MYX

You deserve tomorrow.





**Appendix – extract from FY23 results presentation**

## FY23 Group Financial Overview

- Results are presented from continuing operations to exclude Metrics Contract Services (MCS) which was divested on 4 October 2022 and to exclude the US Retail Generics business (previously included in the Portfolio Products (PPD) segment) which was divested on 7 April 2023. The results include adjustments to reflect movements to adjust FY22 results to a comparable basis.
- Group Revenue up 17% as growth in BPD (NEXTSTELLIS® and contribution from portfolio of women's health products licenced under the exclusive licencing agreement with TXMD 31 December 2022) and International business exceed decline in PPD (dermatology).
- Increase of reported Gross Profit is offset by a decline in margin to 45.5% vs 50.1% in FY22 reflecting challenges in PPD (dermatology)
- Reported EBITDA loss reflects higher operating expenses to support future growth
- Reported Net Loss after tax includes \$215.4m expenses therein \$134.7m related to depreciation & amortisation and asset (primarily intangibles) impairments, \$47.7m income tax expense, \$28.8m finance expenses primarily discount unwind on earnouts.

A\$ million <sup>1</sup>	FY23	FY22	Change
Reported Revenue	\$183.6	\$157.1	\$26.5
Reported Gross Profit	\$83.5	\$71.6	\$11.9
Reported EBITDA	(\$102.0)	\$9.0	(\$111.0)
Reported Net Loss After Tax	(\$317.4)	(\$220.1)	(\$97.3)
Underlying EBITDA <sup>2</sup>	(\$95.3)	(\$59.6)	(\$35.7)

1. Attributable to members. EBITDA excludes asset impairments.

2. Refer to FY22 Results Presentation for adjustments to underlying EBITDA



# FY23 Segmental Performance

Refocused business delivering improved momentum and positive contribution in 2H

Reported results (A\$m)	1HFY23	2HFY23	FY23	FY22		1HFY23	2HFY23	FY23	FY22
<u>Revenue</u>					<u>Gross profit</u>				
Portfolio Products	11.1	45.9	57.0	92.2	Portfolio Products	-2.6	13.3	10.7	45.4
Branded Products	13.4	48.5	61.9	10.6	Branded Products	10.7	43.2	53.9	8.4
International	27.6	37.1	64.7	54.4	International	8.8	10.1	18.9	17.7
Total	52.1	131.5	183.6	157.1	Total	16.9	66.6	83.5	71.6
<u>Operating expenses</u>					<u>Direct Contribution</u>				
- Dermatology	14.4	13.9	28.3	23.7	- Dermatology	-17.0	-0.7	-17.7	21.7
- Other <sup>1</sup>	3.1	0.1	3.3	1.5	- Other	-3.1	-0.1	-3.3	-1.5
Portfolio Products	17.5	14.1	31.6	25.2	Portfolio Products	-20.1	-0.9	-21.0	20.2
Branded Products	36.0	45.6	81.6	55.1	Branded Products	-25.4	-2.3	-27.6	-46.6
International	6.1	6.0	12.1	9.6	International	2.8	4.1	6.9	8.1
Total	59.6	65.6	125.3	89.9	Total	-42.7	0.9	-41.8	-18.3

1. Other within PPD represents Adelaide Apothecary



# FY23 Group Financial Overview

## Consolidated balance sheet

A\$ million	FY23	FY22	Change
Cash and equivalents	92.6	96.7	(4.1)
Inventory	82.7	108.9	(26.2)
Receivables	194.9	268.2	(73.3)
PP&E	43.7	218.4	(174.7)
Intangibles & goodwill	617.3	427.5	189.8
Income tax receivable	14.6	14.1	0.5
Right of use assets	7.8	7.5	0.3
Other assets	193.8	146.6	47.2
<b>Total assets</b>	<b>1,247.4</b>	<b>1,287.9</b>	<b>(40.5)</b>
Payables	246.5	187.6	58.9
Interest-bearing borrowings (inc leases)	47.5	413.7	(366.2)
Other financial liabilities	296.2	126.1	170.1
Other liabilities	22.8	22.3	0.5
<b>Total Liabilities</b>	<b>613.0</b>	<b>749.7</b>	<b>(136.7)</b>
<b>Equity (attributable to members)</b>	<b>634.4</b>	<b>538.2</b>	<b>96.2</b>
AUD:USD FX rate	0.664	.689	
Net Cash / (Debt)	172.6	(317.0)	489.6

- Working capital reductions reflective of MCS and RGx divestments and transformation journey of the company.
- Payables reflect increase in GTN liabilities YoY due to increased derm GTN profile, increase in returns provision at H1FY23, growth in WH revenues.
- Interest bearing borrowings includes: \$10.8m receivables finance facility, \$28.5m convertible notes, and \$8.2m lease liabilities
- Other Financial Liabilities includes \$291.4m earn out and deferred consideration liabilities relating to TXMD transaction and MCS transaction
- Net cash calculation includes marketable securities held in overnight deposits