



maynepharma

Mayne Pharma Group Limited

1HFY19 Results Presentation
22 February 2019

Scott Richards, Chief Executive Officer
Nick Freeman, Group Chief Financial Officer



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.

Non-IFRS information

- Other than as indicated, the financial information contained in this document is directly extracted or calculated from the audited Financial Statements. Throughout this document some non-IFRS financial information is stated, excluding certain specified income and expenses. Results excluding such items are considered by the Directors to provide a meaningful basis for comparison from period to period.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) – a non-IFRS term – is considered by Directors to be a meaningful measure of the operating earnings and performance of the Group and that this information may be useful for investors.
- The non-IFRS financial information has not been audited by the Group's auditors.

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 continuing 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.

Glossary

- A glossary of industry terminology is contained in the Mayne Pharma Annual Report which can be accessed at maynepharma.com/investor-relations/results-reports and product descriptions are detailed at maynepharma.com/us-products and maynepharma.com/australian-products.

Executive summary

Financial results

- Reported revenue up 13%, reported gross profit up 67% and reported EBITDA up 184% on the prior corresponding period (pcp)
- Underlying EBITDA up 16% and underlying NPAT up 35% on pcp
- Positive operating cash flow of A\$53.5m up 11% on pcp
- Balance sheet strengthened with bank leverage ratio (net debt / EBITDA) reducing to 1.5x

Operational highlights

- Strengthened dermatology offering with acquisition of LEXETTE™¹ (halobetasol) foam and multi-source EFUDEX® (fluorouracil) cream
- Received FDA approval for TOLSURA™ (SUBA®-itraconazole) antifungal capsule and established a new hospital based field team to promote
- Generic Products gross profit grew 58% on pcp driven by lower stock obsolescence and favourable product sales mix
- Specialty Brands tripled sales and gross profit with FABIOR®, SORILUX® and the DORYX® franchise all contributing to the growth
- Metrics Contract Services benefited from Greenville investments in new plant and equipment and now has 3 commercial manufacturing clients up from zero in the prior period
- Assumed control of SUBA®-itraconazole BCCNS program from HedgePath Pharmaceuticals, Inc. with 100% interest in the program up from 54%
- Refinanced debt facility and introduced new receivables financing facility to provide greater operating flexibility with improved terms

(1) Proposed tradename LEXETTE™ is conditionally acceptable to the FDA

1HFY19 key financial metrics¹

Reported basis
Revenue
A\$274.4m,
+13%

Reported basis
Operating cashflow

↑ A\$53.5m, **+11%**

Reported basis
Gross Profit

↑ A\$160.4m, **+67%**

Underlying basis
EBITDA²

↑ A\$81.2m, **+16%**

Reported basis
EBITDA

↑ A\$65.4m, **+184%**

Underlying basis
NPAT

↑ A\$21.1m, **+35%**

Reported basis
NPAT

↑ A\$2.6m, **loss in pcp**

(1) EBITDA and NPAT is profit attributable to members of the Company.

(2) Adjustments to underlying EBITDA include A\$4.2m non-cash credit arising from an increase in the fair value of earn-out liabilities, A\$1.5m of legal costs associated with drug pricing investigations, A\$8.4m non-cash fair value restatement of HedgePath Pharmaceuticals, Inc. (HedgePath) warrants and A\$1.7m to remove HedgePath losses.

Profit and Loss – attributable to members

	Half Year Ending		Change	
A\$million	31 Dec 18	31 Dec 17	\$	%
Reported revenue	274.4	243.3	31.1	13%
Reported gross profit	160.4	95.9	64.5	67%
<i>Gross profit %</i>	<i>58%</i>	<i>39%</i>		
Underlying EBITDA	81.2	69.9	11.3	16%
Adjustments ¹	(15.8)	(46.9)	31.1	(66%)
Reported EBITDA	65.4	23.0	42.4	184%
Depreciation / amortisation	(44.7)	(40.8)	(3.9)	10%
Impairment	-	(183.5)	183.5	Nm
Net interest	(7.2)	(8.4)	1.6	(14%)
Tax	(10.9)	35.5	(46.4)	Nm
Reported Net income/(loss)	2.6	(174.2)	176.8	Nm
Underlying NPAT	21.1	15.6	5.5	35%
Average USD:AUD FX rate	0.724	0.779		

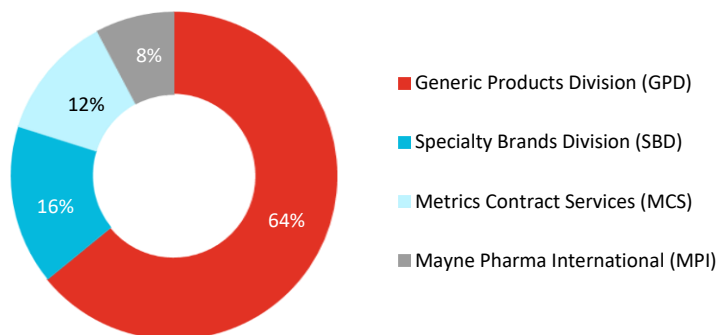
(1) Adjustments to underlying EBITDA include A\$4.2m non-cash credit arising from an increase in the fair value of earn-out liabilities, A\$1.5m of legal costs associated with drug pricing investigations, A\$8.4m non-cash fair value restatement of HedgePath Pharmaceuticals, Inc. (HedgePath) warrants and A\$1.7m to remove HedgePath losses.

Segment performance

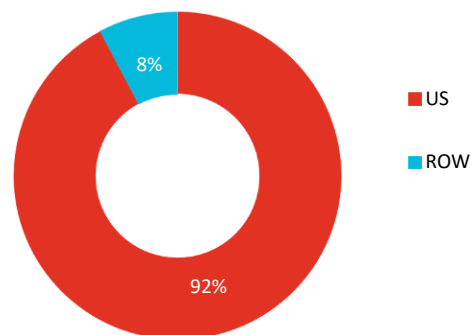
A\$million	1HFY19	2HFY18	1HFY18
SBD	43.3	30.9	13.8
GPD	175.9	204.8	180.9
MCS	33.9	33.4	29.7
MPI	21.3	18.0	18.8
Reported revenue	274.4	287.0	243.3
SBD	37.8	25.9	11.6
GPD	100.3	113.8	63.6
MCS	16.5	17.9	15.8
MPI	5.8	3.0	5.0
Reported gross profit	160.4	160.6	95.9
<i>Gross profit %</i>	<i>58%</i>	<i>56%</i>	<i>39%</i>

Change 1HFY19 v 1HFY18	Change 1HFY19 v 2HFY18
213%	40%
(3%)	(14%)
14%	2%
13%	18%
13%	(4%)
227%	46%
58%	(12%)
4%	(8%)
17%	96%
67%	0%

1HFY19 revenue by segment (A\$m)



1HFY19 revenue by geography (A\$m)





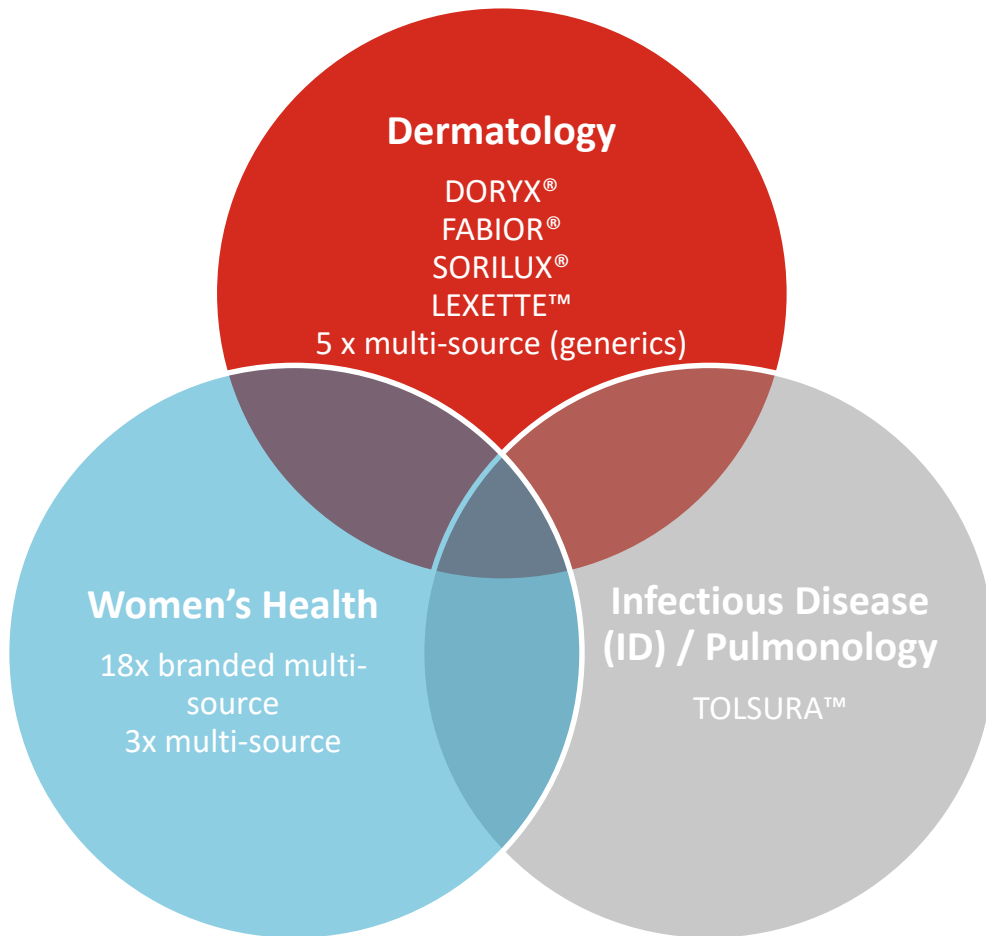
Market and business overview



US pharma market dynamics

Topic	Event	Mayne Pharma's response
Pharma pricing and drug access	<ul style="list-style-type: none"> • More stabilised retail generic pricing environment • Increasing managed care pricing pressures and drug access issues for patients • Government legislation / Trump Blueprint 	<ul style="list-style-type: none"> • Targeting clinically differentiated branded products • Portfolio optimisation • Therapeutic area (TA) focus • Alternate distribution models • New partnerships with innovative technology providers
Channel dynamics	<ul style="list-style-type: none"> • Retailer/PBM/insurer consolidation • JP Morgan/Berkshire Hathaway/Amazon partnership • New pharmacy distribution channels evolving 	<ul style="list-style-type: none"> • Channel development with complementary multi-source and branded offering in core TA • Focused on getting 'closer to the patient' • New partnerships with innovative technology providers
Restructuring of US players continues	<ul style="list-style-type: none"> • Recent corporate activity includes <ul style="list-style-type: none"> - Sandoz generics → Aurobindo - Allergan branded dermatology → Almirall - Teva plant and product rationalisation - Perrigo generics sale process - Mallinckrodt generics spin off - Nestlé branded Skin Health (Galderma) sale process 	<ul style="list-style-type: none"> • Exploring further business development opportunities • Product rationalisation and ANDA withdrawals by competitors creating new opportunities

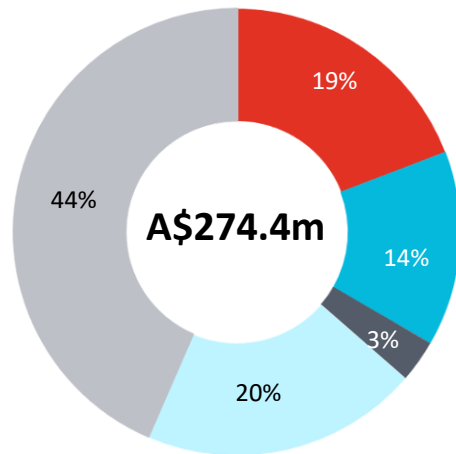
Mayne Pharma's key therapeutic focuses are dermatology, women's health and ID/pulmonology



- Mayne Pharma's US commercial infrastructure is scalable to support further products and therapeutic areas
- Targeting therapeutic categories aligned to preferred distribution model
- Branded and multi-source products are sold together through an established multi-channel distribution platform
- Shared services across customer service, medical information, compliance, pricing and contracts, managed care and business analytics

Actively rebalancing the portfolio toward sustainable high growth therapeutic areas and channels

1H19 revenue breakdown (A\$m)



- Dermatology
- Women's Health
- Infectious Disease
- MCS / MPI
- Other



- Development pipeline focused on expanding portfolio within these therapeutic platforms
 - >75% of 1H FY19 R&D spend directed to key therapeutic categories
 - Brand pipeline includes two rare disease dermatology programs and two early stage foam dermatology programs
 - Added two topical multi-source dermatology products into development in 1H FY19 targeting US\$450m of IQVIA sales¹
- Acquisitions and licensing activity also focused on these therapeutic platforms
 - LEXETTE™ foam and multi-source EFUDEX® cream are dermatology products
 - Actively targeting further complementary dermatology, women's health and infectious disease products
- MCS and MPI provide further diversification of earnings and are well positioned for further growth



Mayne Pharma has a unique and differentiated dermatology platform...

- Mayne Pharma has a differentiated dermatology portfolio with an established front end commercial platform
 - 4 patent protected dermatology brands and 5x multi-source products
 - 115 sales reps
 - Multi-channel distribution including B2B, government, specialty pharma
 - Top 20 US topical dermatology company¹
- Dermatology is Mayne Pharma's largest therapeutic category with a unique distribution profile
 - Significant business in alternate channels
 - Gross margin >80% and contribution margin² >30%
- Strong shares in key product markets³
 - 62% share of DORYX[®] market
 - 39% share of ACTICLATE[®] market
 - 28% share of EFUDEX[®] market
- Key strategic priorities
 - Improve sales force effectiveness
 - Broaden pipeline and continue to drive patient / physician centric offerings
 - Leverage women's health portfolio in dermatology

Mayne Pharma dermatology portfolio by key skin diseases

Skin disease	US Patient prevalence ⁴ (millions)	Branded	Generic	Pipeline
Actinic keratosis	58		Gx EFUDEX [®]	Foam
Acne	50		Gx DORYX [®] Gx ACTICLATE [®] Gx MONODOX [®]	Topical
Atopic dermatitis	28		Gx LIDEX [®]	Foam
Pruritus	23-44			Topical
Rosacea	16			Topical
Psoriasis	7.5			Oral solid

(1) IQVIA NSP Sales, Dec 2018, topical dermatologicals






(2) After sales team and marketing costs

(3) IQVIA, weekly TRx, 8 Feb 2019. Excludes B2B business. DORYX[®] includes Mayne Pharma brands and generics

(4) American Academy of Dermatology; Skin Cancer Foundation; National Eczema Foundation; Epidemiology of Chronic Pruritus: Where have we been and where are we going?

...with a growing dermatology development pipeline

- Pipeline products targeted at major diseases states such as atopic dermatitis, pruritus and rosacea as well as rare diseases such as congenital ichthyosis and Basal Cell Carcinoma Nevus Syndrome (BCCNS)

Product / formulation	Indication	Mkt size (US\$m) ¹	Bx / Gx	Formulation development	Pre-clinical	Phase I	Phase II	Phase III
SUBA®-itraconazole	BCCNS	300	Bx					
Trifarotene	Congenital Ichthyosis	200	Bx					
Foam	Atopic Dermatitis	500	Bx					
Foam	Actinic Keratosis	250	Bx					
4x Topical / oral solid	Acne, Pruritus, Rosacea, psoriasis	900	Gx					

(1) Total addressable market size based on IQVIA MAT Sales data as at Dec 2018 for generic products and target patient population, pricing and current healthcare costs to treat patient population used to determine brand products



Mayne Pharma now controls the development of two dermatology orphan disease programs

SUBA®-itraconazole in BCCNS

- SUBA®-itraconazole is being repurposed as a potential anti-cancer treatment in BCCNS- commonly known as Gorlin's Syndrome
- FDA and EMA granted Orphan Drug Designation for BCCNS
- Mayne Pharma assumed US commercial rights and full control of the BCCNS program from HedgePath in December 2018
- Phase II(b) clinical trial in 38 BCCNS patients completed showing majority of target lesions decreased in size and SUBA®-itraconazole was well tolerated
- Global Phase III multi-center clinical trial planned to commence in CY19
- Global market potential: US\$300m¹
- Formulation and method of use patents with expiries ranging from 2023 to 2035

Trifarotene

- Trifarotene is a new chemical entity under Phase II development for congenital ichthyosis
- Galderma retains rights to common dermatology indications (acne, psoriasis)
- FDA granted Orphan Drug Designation for this indication
- IND approved by FDA in January 2019
- Phase II dose finding study to commence in CY19
- Current treatments are emollients with body wraps, topical and oral retinoids (off label)
- Molecule has potential application in a number of other rare diseases such as BCCNS and T-cell lymphoma
- Global market potential: US\$200m¹
- NCE and formulation patent applications with expiries ranging from 2025 to 2033

Both programs will leverage Mayne Pharma's dermatology capabilities and raise profile in serious disease states and offer global expansion opportunity

Broad Women's Health portfolio covering physician needs

- Mayne Pharma has an extensive women's health portfolio focused on contraceptives
 - 18x branded multi-source and 3x multi-source
 - 3rd largest supplier of oral contraceptives in the US
 - Pipeline includes the largest contraceptive product sold in the US - Gx NUVARING® and three other women's health products
 - Current marketed portfolio covers 48% of OB-GYN oral contraceptive prescriptions
 - Multi-channel distribution including tele sales, B2B, government, specialty pharmacy
- Market a number of oral contraceptives with an acne indication prescribed by dermatologists e.g. ZARAH®, TILIA® FE
- Key strategic priorities
 - expand channels to market
 - optimise supply network to improve manufacturing costs
 - addition of complementary branded products and establishing a direct sales team

Mayne Pharma contraceptive portfolio

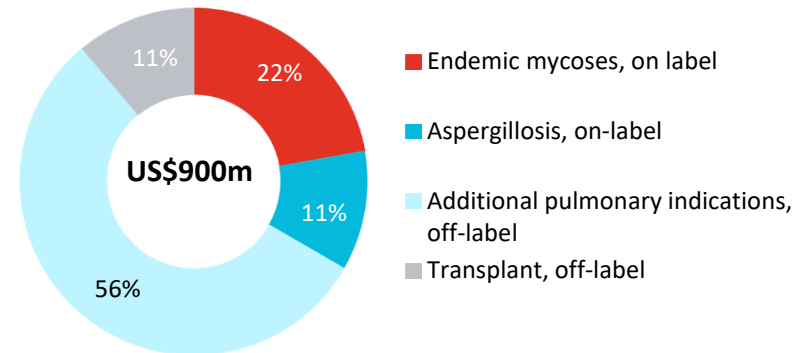
Type of contraceptive	Market TRx ¹ (millions)	Mayne Pharma's marketed products	Mayne Pharma's pipeline
Monophasic (same hormone throughout cycle)	45	LEVORA® LOW-OGESTREL® LUTERA® MICROGESTIN® MICROGESTIN® FE NECON® SRONYX® ZARAH® ZOVIA®	
Multiphasic (different level of hormones throughout cycle)	14	CAZANT® TRIVORA® LEENA® TILIA® FE	NATAZIA™
Extended cycle (limit period to every 3 months)	2	AMETHIA® AMETHIA® LO Gx QUARTETTE®	
Shortened hormone-free interval	13	AZURETTE®	Oral solid
Progestin only	5	CAMILA® ERRIN®	
Emergency (prevent pregnancy)	na		
Ring	4		Gx NUVARING®



Launch of TOLSURA™ establishes a new Infectious Disease / Pulmonology platform

- Launch of TOLSURA™ (SUBA®-itraconazole) has enabled Mayne Pharma to establish a new infectious disease / pulmonology platform
 - TOLSURA™ is a new formulation of itraconazole indicated for the treatment of certain systemic fungal infections in adult patients
 - Specialised experienced field team of 15 (averaging 18+ years of hospital experience)
- Creates new institutional / hospital sales capability
- US addressable market: US\$200m endemic mycoses
- Key strategic priorities
 - Successful launch of TOLSURA™
 - Broaden therapeutic use of TOLSURA™ through further clinical programs to access other markets (US\$900m addressable market including pulmonary indications / prophylaxis in transplant patients)
 - Expand product portfolio in channel
 - International expansion following US approval

Potential expanded addressable market



Treated patients per annum (US patients)

Condition	Estimate of US Infection rate / treated patients ¹	TOLSURA Label	IDSA Practice Guidelines ²
Blastomycosis	6,000	✓	✓
Histoplasmosis	10,000-20,000	✓	✓
Coccidioidomycosis	10,000-25,000		✓
Lung transplant	2,000		✓
Bone marrow transplant	20,000		✓
Refractory aspergillosis	300,000-350,000	✓	✓
Fungal asthma	500,000-750,000		✓



(1) US Department of Health and Human Services, Centres for Disease Control and Prevention and Management Estimates

(2) Infectious Disease Society of American Guidelines where use of itraconazole is recommended

Significant future value potential from SUBA®-itraconazole as an inhibitor of the Hedgehog signalling pathway

- Whilst SUBA®-itraconazole is used to treat fungal infections, it also has notable anti-cancer effects through inhibition of the Hedgehog signalling pathway
- In 1HFY19, Mayne Pharma assumed US commercial rights to the SUBA®-itraconazole BCCNS program from HedgePath
 - 100% interest in BCCNS program in the US up from 54% with full control of development and commercialisation
 - HedgePath has the rights to progress development of SUBA®-itraconazole in prostate, lung and certain proliferative disorders in the US
 - 100% interest in other SUBA®-itraconazole cancer programs in the US up from 54%

SUBA®-itraconazole clinical programs

Cancer	Program sponsor	Global Mkt size (US\$m)	US patient prevalence / New US cancers diagnosed ¹	Pre-clinical	Phase I	Phase II	Phase III
BCCNS	Mayne Pharma	300	10,000				
Prostate	HedgePath	na	174,000				

- Other potential programs include ovarian, basal cell carcinoma (BCC) and bowel cancer where itraconazole has also been shown to have activity
 - Princess Margaret Cancer Centre – Phase I/II study in ovarian cancer patients using hydroxychloroquine and itraconazole
 - Stanford University – Exploratory Phase II study in patients with BCC and showed anti BCC activity by reducing BCC cell proliferation by 45%, hedgehog activity by 75% and tumour area by 24%
 - Cancer Research UK Cambridge Institute – Pre-clinical study in mice showing itraconazole eliminates sleeping bowel cancer cells

(1) BCCNS is the US estimated patient prevalence and prostate is the number of US patients diagnosed / annum

A thin, light gray diagonal line extending from the left edge of the slide towards the top right.

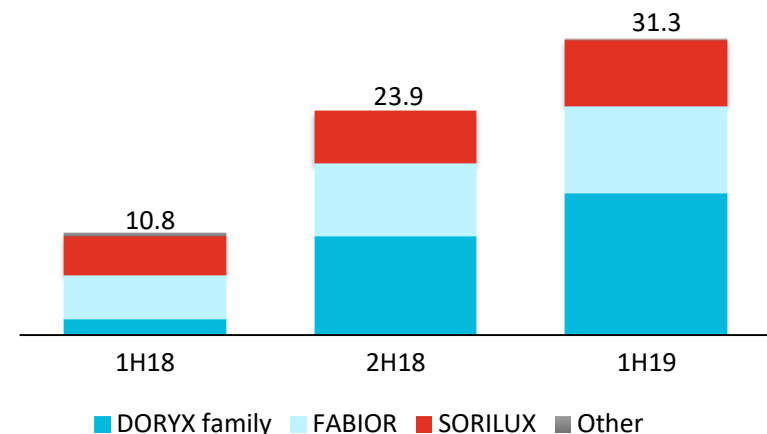
Segment overviews



- In USD terms, SBD revenue was US\$31.3m, up 190% on pcp and up 31% on 2HFY18
- FABIOR® and SORILUX® revenue up 97% and 73% respectively versus pcp
- DORYX® family rebounded strongly in 1HFY19 following the significant one-off DORYX® returns in the pcp
- Now market 5 patent protected products
 - Psoriasis: LEXETTE™ and SORILUX®
 - Acne: DORYX® MPC and FABIOR®
 - Infectious disease: TOLSURA™
- Internally developed TOLSURA™ (SUBA®-itraconazole) anti-fungal capsules received FDA approval in December 2018 and was launched in January 2019 through new hospital-based field team
- Acquired LEXETTE™ (halobetasol) foam to treat plaque psoriasis and launched in February 2019

A\$million	1HFY19	1HFY18	Change 1HFY19 v 1HFY18
Revenue	43.3	13.8	213%
Gross Profit	37.8	11.6	227%
Gross Profit %	87%	83%	

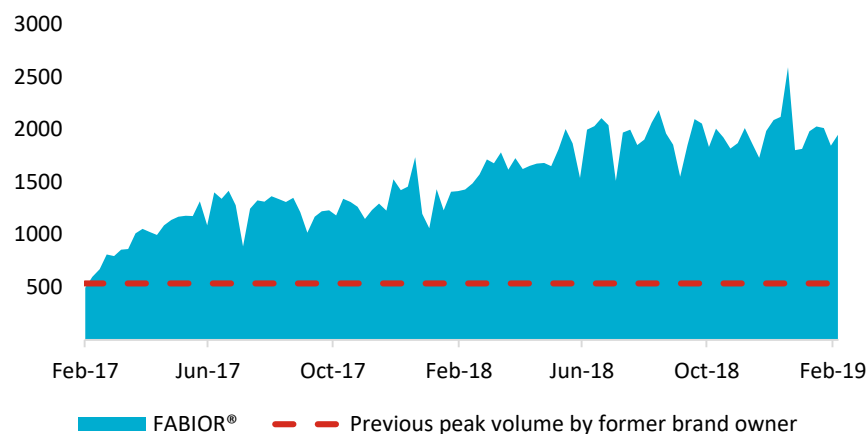
SBD revenue by product¹ (US\$m)



(1) 1H18 included US\$10m of abnormal one-off Doryx returns

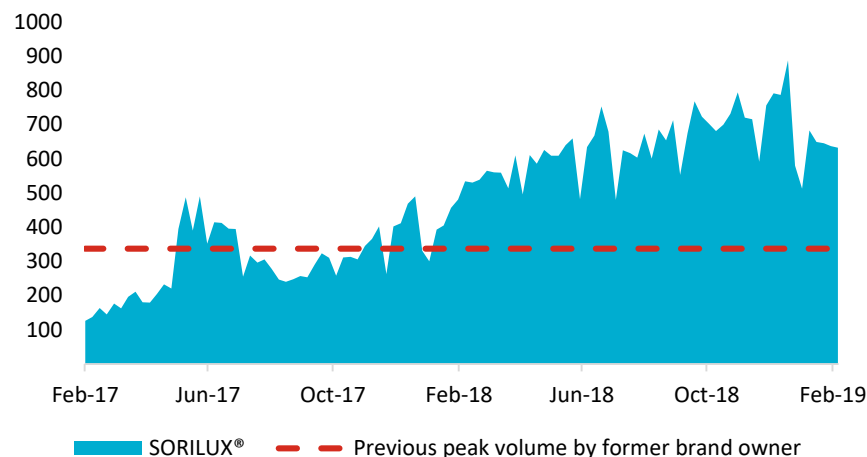
Expanded sales team and marketing driving prescription growth of foams

FABIOR® weekly prescriptions (TRx)



- 60 person acne sales team promoting FABIOR® and DORYX® family
- FABIOR® TRx growth of 52% 1HFY19 v pcp
 - FABIOR® TRx 3.5x previous peak volume of the former brand owner
- Breadth of writing continues to increase with FABIOR® writers up 30% in 1HFY19 versus pcp
- New marketing programs including patient experience program

SORILUX® weekly prescriptions (TRx)

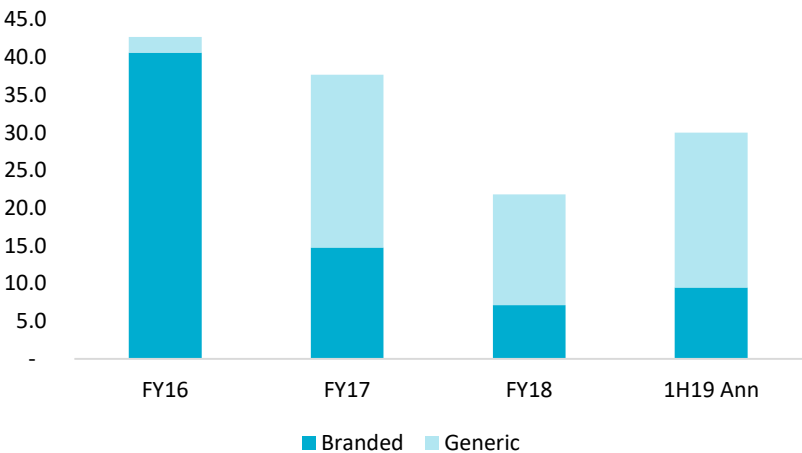


- 55 person psoriasis focused sales team promoting LEXETTE™ and SORILUX®
- SORILUX® TRx growth of 114% 1HFY19 v pcp
 - SORILUX® TRx 2x previous peak volume of the former brand owner
- Breadth of writing continues to increase with SORILUX® writers up 40% in 1HFY19 versus pcp
- New SORILUX® direct to-patient campaign during the period and patient experience program

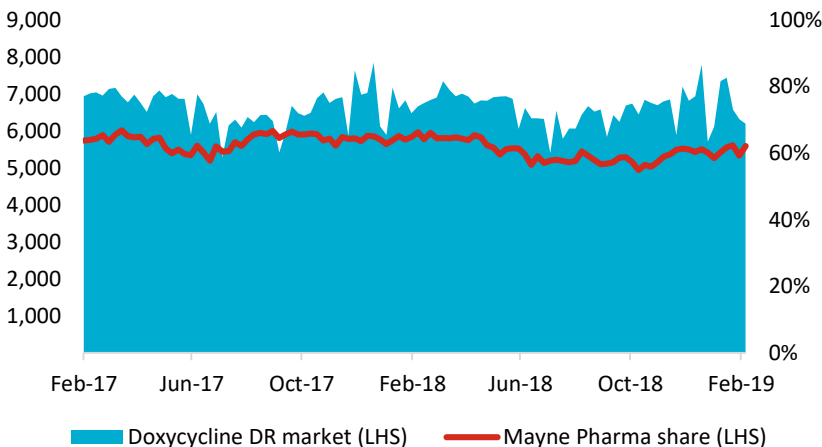
DORYX® remains a key franchise

- The acquisition of DORYX® in 2015 for US\$50m has delivered substantial benefits to Mayne Pharma
 - New specialty brands platform created and enabled follow on acquisitions of SORILUX®, FABIOR® AND LEXETTE™
 - Delivered strong returns on invested capital and achieved more than 100% payback of acquisition price in 2 years
 - Successful defense of loss of exclusivity through participation in the generic market
- Following loss of exclusivity on the 50mg and 200mg in FY16, Mayne Pharma has retained 60% share of doxycycline DR TRx
- DORYX® franchise continues to outperform from new formulations and favourable product sales mix
- Settlement of DORYX® MPC patent litigation with generic filers Teva and Lupin during 1HFY19

DORYX® net sales (adjusted for returns) US\$m



Doxycycline DR TRx market¹



(1) IQVIA, weekly TRx. Mayne Pharma's share includes brands and generics



Recent US launches of TOLSURA™ and LEXETTE™ to drive further growth of Specialty Brands

Specialty Brands Division
(SBD)



- New formulation of itraconazole to treat certain systemic fungal infections
- Approved by FDA December 2018
- Launched January 2019
- 15-person institutional field team
- US addressable market: US\$200m / 150,000 TRx¹ (systemic antifungal market / endemic mycoses)
- 4 Orange Book listed patents with expiries ranging from 2023 to 2033

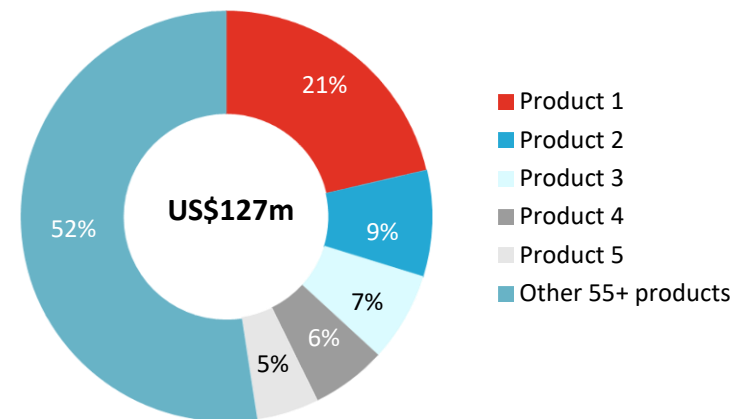


- New formulation of halobetasol to treat plaque psoriasis
- Approved by FDA May 2018
- Launched February 2019
- 55-person psoriasis field team promoting this product alongside SORILUX®
- US addressable market: US\$600m / 8m TRx¹ (potent topical corticosteroid market)
- Marketing exclusivity until May 2021
- 4 pending patents with the US Trademark and Patent Office

- In USD terms, GPD revenue was US\$127m down 10% on pcp and down 19% on 2HFY18 with dofetilide the key contributor of the decline
 - Gross profit was up 47% on pcp
- Excluding dofetilide, GPD revenue grew 10% and gross profit grew more than 100% on pcp in USD terms
 - Dofetilide revenue declined 73% to US\$9m
- Key other contributors to GPD result were
 - Liothyronine became the largest generic product capturing 45% of total prescriptions¹
 - Fluorouracil is now a top 10 product following its acquisition in July 2018
 - Amiodarone benefited from the transfer of manufacturing in house in January 2018
 - Butalbital family benefited from a new product launch in July 2018 (butalbital / APAP capsule)
- Significantly improved stock obsolescence which declined to 3% of net sales in 1HFY19 (versus 9% in 1HFY18)

A\$million	1HFY19	1HFY18	Change 1HFY19 v 1HFY18
Revenue	175.9	180.9	(3%)
Gross Profit	100.3	63.6	58%
Gross Profit %	57%	35%	

GPD 1HFY19 sales by product (US\$m)



Select US Gx product market share

Product	IQVIA product market size (US\$m)	# of Gx approvals	# of Gx actively marketed	Change in product TRx market share 4QCY18 v 2QCY18	Leading edge product market share (week ending 8 Feb 2019)
Dofetilide capsule (Gx TIKOSYN [®])	135	6	5	-19%	41% ¹
Doxycycline tablet (Gx ACTICLATE [®])	70	3	4	+4%	39% ²
Fluorouracil cream (Gx EFUDEX [®])	55	2	3	Acquired July 2018	28%
Liothyronine tablet (Gx CYTOMEL [®])	105	5	2	+13%	45%
Methylphenidate ER capsule (Gx RITALIN LA [®])	80	2	3	-4%	39%

Mayne Pharma's average market share is 26% with the average number of competitors 3.7³

Source: IQVIA, Sales, unit and TRx data, Dec 2018

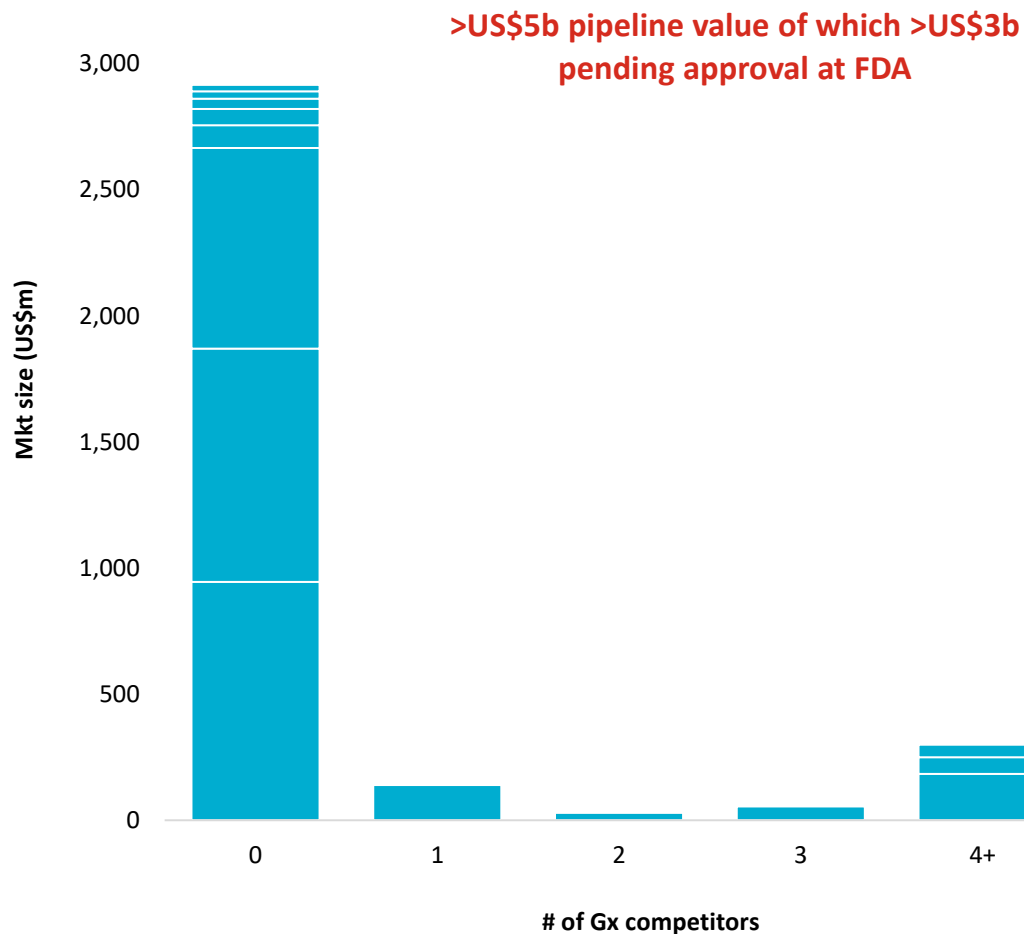
Gx – Generic competitor

(1) Includes Northstar which Mayne Pharma also manufactures

(2) Excludes B2B business

(3) Excludes Mayne Pharma

US filed pipeline by # of multi-source competitors

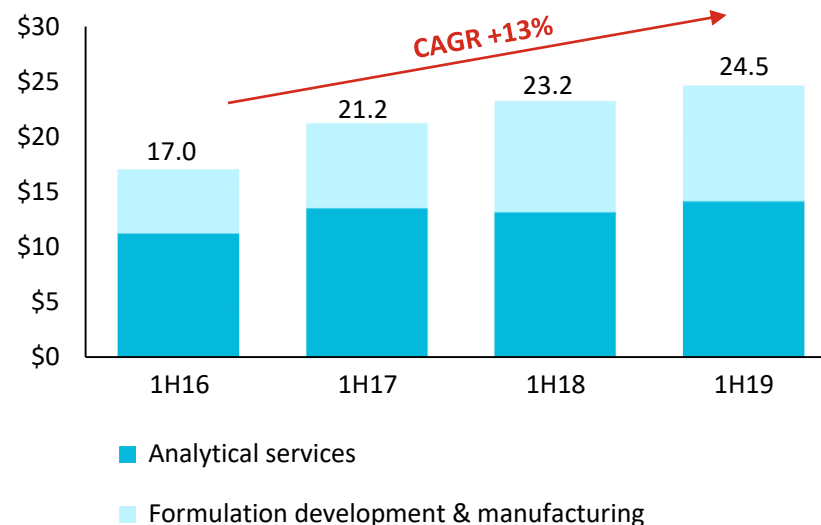


- 8 filed products with no Gx competitors
- Gx NUVARING® remains a key filed pipeline product opportunity
- Expect to respond to FDA questions later in CY19

- In USD terms, MCS revenue was US\$24.5m, up 6% on pcip
- Growth in revenue and gross profit driven by commercial manufacturing revenues following completion of new solid oral dose manufacturing plant
- Added 5 new clients and 8 new programs in 1H FY19
- 2 additional clients in 1H FY19 transferring FDA approved products into Greenville for commercial manufacturing
- 3 NDAs filed with regulatory agencies listing MCS as the manufacturing partner
- Key performance indicators trending favourably
 - Committed business pipeline up 34% from 12 months ago¹
 - Quotes dollars won up 14% in 1H FY19 versus pcip
- Investments in new equipment expanding capabilities
 - Gerteis MiniPactor, Bosch encapsulator, IMA Zenasi R&D encapsulator and HSM III high sheer granulator

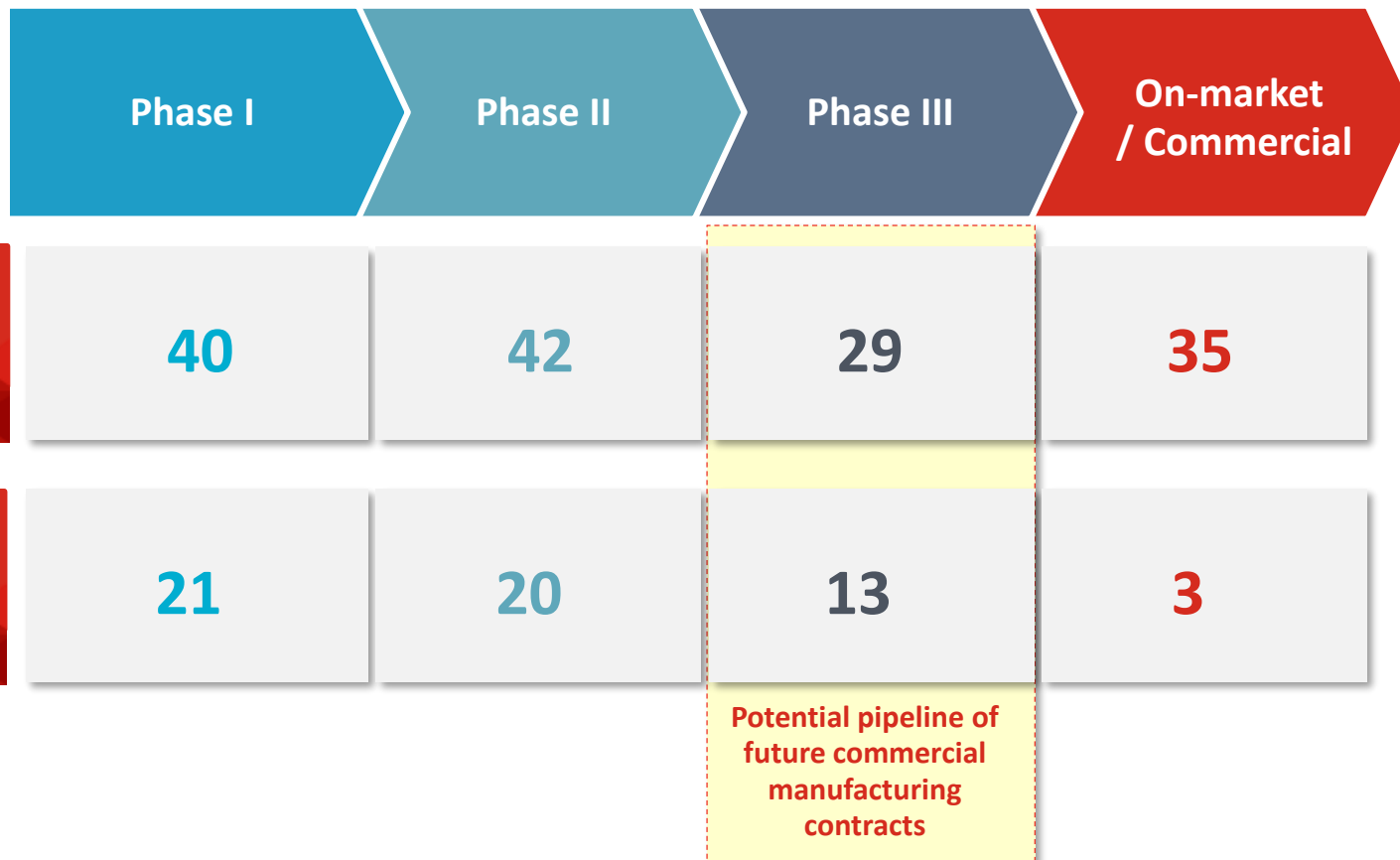
A\$million	1H FY19	1H FY18	Change 1H FY19 v 1H FY18
Revenue	33.9	29.7	14%
Gross Profit	16.5	15.8	4%
Gross Profit %	49%	53%	

MCS sales by service area (US\$m)



(1) Committed business pipeline is the next 6 months of signed purchase orders / statements of work

MCS client products at all stages of development¹



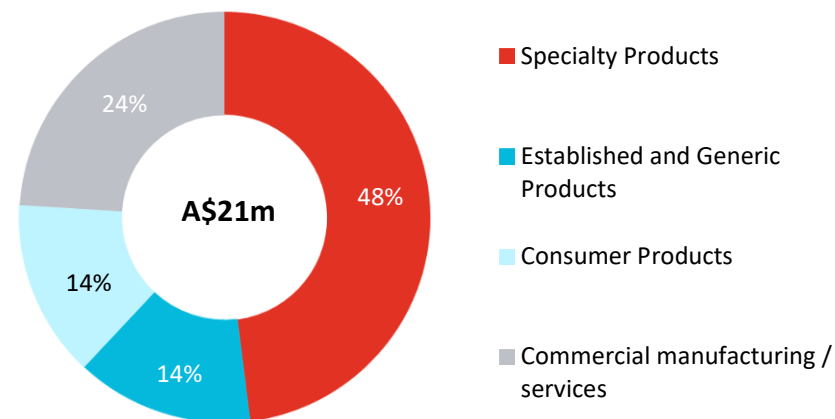
20+ commercial manufacturing quotes with peak unit demand ~250m doses

- MPI sales and gross profit benefited from growth in key specialty products - MONUROL® (fosfomycin trometamol) and UROREC® (silodosin) and growing global sales of morphine sulfate and SUBA®-itraconazole
- Added two third party contract services clients leveraging Salisbury's topical capability
- MPI focused on growing its portfolio of specialty branded products domestically as well as internationally
 - Acquired ex-US rights for SORILUX®
 - SUBA®-itraconazole granted marketing authorization in Italy
 - Signed agreement with Yung Shin to register and distribute ASTRIX® in China
- Key therapeutic areas of focus
 - Dermatology: FABIOR®, SORILUX®, LEXETTE™¹
 - Infectious Disease: LOZANOC®
 - Women's Health: MONUROL®¹
 - Men's Health: UROREC®¹

(1) Australian rights only

A\$million	1HFY19	1HFY18	Change 1HFY19 v 1HFY18
Revenue	21.3	18.8	13%
Gross Profit	5.8	5.0	17%
Gross Profit %	27%	27%	

MPI sales by type (A\$m)



Outlook

Specialty Brands

- Benefit from continued promotion of FABIOR®, SORILUX® and the DORYX® family and new product launches of TOLSURA™ and LEXETTE™

Generic Products

- Performance will depend period to period on many factors including timing of new product launches, cost savings from the transfer of products into Greenville, Salisbury or third party manufacturers, competitor launches or withdrawals on key products, and portfolio optimisation

Metrics Contract Services

- MCS to benefit from growing commercial and clinical manufacturing revenues
- Leading indicators continue to be favourable with a growing pipeline of commercial manufacturing quotes and pipeline of committed contract service business

Mayne Pharma International

- MPI to benefit from growth in key specialty products – MONUROL® and UROREC® in Australia and growth globally from SUBA®-itraconazole, morphine sulfate and dermatology pipeline

Continue to assess acquisitions where they are complementary to existing portfolio and operations and can deliver shareholder value



Financial information



Adjusted earnings attributable to members

	EBITDA		
A\$million	1HFY19	1HFY18	Change
Reported result	65.4	23.0	42.4
Impairment	-	-	-
SBD – abnormal Doryx® returns	-	13.3	(13.3)
GPD – abnormal stock adjustments	-	17.3	(17.3)
Restructuring expenses	-	14.0	(14.0)
HPPI – warrants	8.4	1.5	6.9
HPPI – share of losses	1.7	1.1	0.6
Earnout revaluation	4.2	(0.6)	4.8
DOJ	1.5	0.3	1.2
US tax	-	-	-
Total adjustments	15.8	46.9	(31.3)
Underlying result	81.2	69.9	11.3

	Net income		
A\$million	1HFY19	1HFY18	Change
Reported result	2.6	(174.2)	176.8
Impairment	-	139.8	(139.8)
SBD – abnormal Doryx® returns	-	9.2	(9.2)
GPD – abnormal stock adjustments	-	12.0	(12.0)
Restructuring expenses	-	11.9	(11.9)
HPPI	10.3	0.3	10.0
Earnout revaluation	4.2	(0.6)	4.8
DOJ	1.2	0.2	1.0
US tax	2.8	17.0	14.2
Total adjustments	18.5	189.8	(171.3)
Underlying result	21.1	15.6	5.5

Greater investment in brand R&D and commercial infrastructure to support recent brand launches

R&D spend¹

A\$million	1HFY19	1HFY18	Change
R&D expensed ²	11.7	4.7	7.0
R&D capitalised	11.4	19.2	(7.9)
Total R&D	23.1	23.9	(0.8)
<i>R&D as % sales</i>	<i>8%</i>	<i>10%</i>	
<i>R&D capitalisation rate</i>	<i>49%</i>	<i>80%</i>	

- More than 40% of 1HFY19 R&D spend directed to brands
- >75% of 1HFY19 R&D spend directed to key therapeutic categories (dermatology, women's health and infectious disease)
- Additional brand R&D spend has resulted in the level of R&D capitalisation declining significantly to 49% from 80% in the pcg

Operating expenses¹

A\$million	1HFY19	1HFY18	Change
Marketing and distribution expenses	35.1	27.9	7.2
All other admin expenses ³	38.3	29.4	8.9
Total operating expenses	73.4	57.3	16.1
<i>Opex as % sales</i>	<i>27%</i>	<i>24%</i>	

- Growth in operating expenses impacted by strengthening USD
- Increase in marketing expenses reflects the expanded dermatology sales team
- Admin expenses increased driven by foreign currency and increased patent litigation spend (e.g. DORYX[®] MPC)

(1) 100% consolidated

(2) Includes A\$1.3m of depreciation

(3) Refer to Administration and other expenses in note 4 of the Appendix 4D. Excludes non-cash items and adjustments to underlying earnings

Consolidated Balance Sheet Position

	As at	As at	Change
A\$million	31 Dec 18	30 Jun 18	\$m
Cash	96.2	87.3	8.9
Inventory	100.6	82.2	18.5
Receivables	300.8	252.7	48.1
PP&E	238.0	230.1	7.9
Intangibles & goodwill	1,178.8	1,054.5	124.3
Other assets	98.1	123.7	(25.6)
Total assets	2,012.5	1,830.5	182.0
Payables	177.8	152.6	25.2
Interest-bearing debt	394.6	374.1	20.4
Other financial liabilities	79.7	17.8	61.9
Other liabilities	62.9	50.7	12.2
Equity	1,297.4	1,235.2	62.2
Equity (attributable to shareholders)	1,289.8	1,226.5	63.4
USD:AUD FX rate	0.7054	0.7407	

Consolidated Cash Flow – EBITDA to Cash Reconciliation

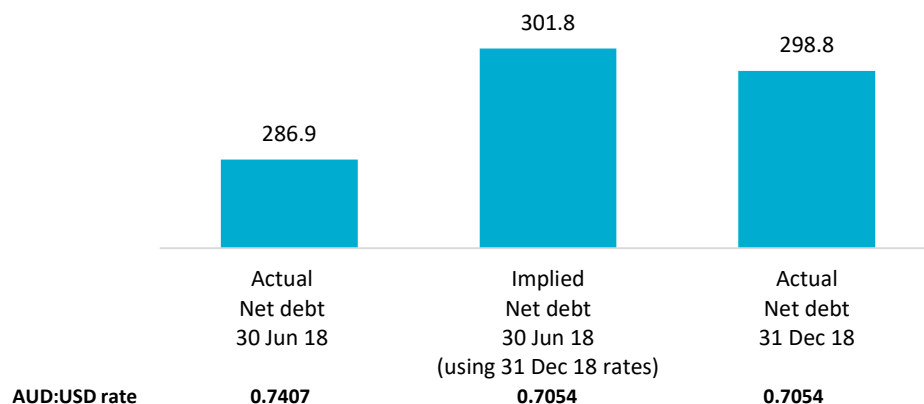
	Half Year ending		Change
A\$million	31 Dec 18	31 Dec 17	\$m
Reported EBITDA attributable to members ¹	65.4	23.0	42.4
Minority share of HPPI EBITDA	(1.4)	(1.1)	(0.3)
Consolidated EBITDA (100% HPPI)	64.0	21.9	42.1
Share based payments (non cash)	4.1	10.3	(6.2)
HPPI warrants fair value (non cash)	8.4	1.5	6.9
Movement in earnouts (non cash)	5.1	0.3	4.8
Provisions (non cash)	(1.8)	20.0	(21.8)
Other	(2.1)	(1.1)	(0.9)
Operating Cashflow Before WC, interest and tax	77.8	52.9	25.1
WC movements ²	(35.1)	8.8	(43.9)
Net tax (paid) / received	16.9	(6.8)	23.8
Net interest paid	(6.1)	(6.9)	0.7
Net operating cash flow	53.5	48.0	5.5
Capitalised R&D	(11.4)	(19.2)	7.9
Acquisitions	(44.3)	(1.9)	(42.4)
Capex	(6.6)	(39.5)	32.9
Earn-out, warrant & deferred settlement payments	(1.1)	(17.8)	16.8
Free cash flow	(9.8)	(30.3)	20.4
Net proceeds borrowings & shares	16.0	24.0	(8.0)
Net cash flow	6.1	(6.4)	12.5

(1) Reported EBITDA in Director's Report is attributable to members. Cashflow in the Financial Statements is on a consolidated basis and includes 100% of HPPI

(2) Cash flow working capital movements based on average AUD/USD exchange rate for the period whereas the June and December balance sheet balances based on closing rates

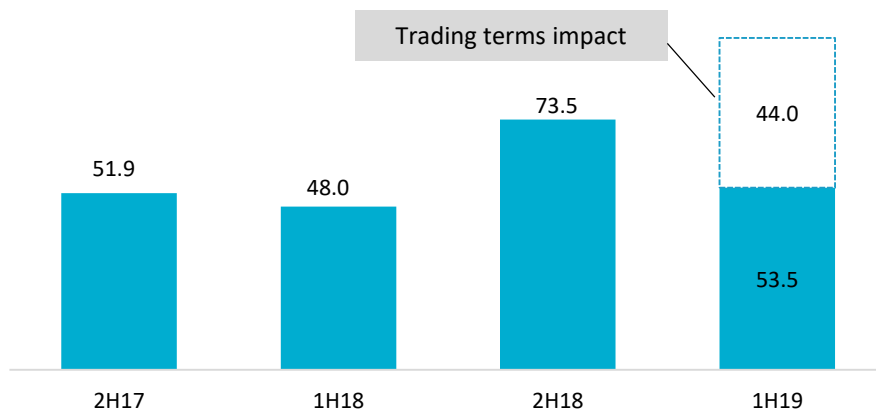
Net debt and operating cashflow

Impact of FX on Net debt (A\$m)



- Increase in net debt driven by strengthening USD
 - AUD:USD 0.7407 (30 June 18)
 - AUD:USD 0.7054 (31 December 18)
- Strengthening USD is positive to Mayne Pharma's net asset value with 90% of assets and revenue in USD

Net operating cashflow (A\$m)



- 1HFY19 net operating cash flow impacted by ~A\$44m trading terms change by one of the major wholesalers
 - One-off impact that is not expected to be repeated in the 2HFY19

Capital structure

- Dual currency debt facility
 - US\$150m, 3 year bullet facility, matures December 2021
 - US\$250m 5 year revolving facility, matures December 2023
 - US\$50m 364 days receivables financing facility (non-recourse facility)
 - US\$20m 2 year working capital facility, matures July 2019
 - A\$10m, 2 year working capital facility, matures July 2019
 - >US\$190m undrawn debt
- Key bank covenants have significant headroom

Financial metrics	As at 31 Dec 18	As at 30 Jun 18
Leverage ratio: Net financial debt ¹ / EBITDA Covenant <3.25x	1.5x	2.1x
Interest cover ratio: EBITDA / interest Covenant >3x	11.9x	11.2x
Shareholders funds Covenant > A\$800m	A\$1.3b	A\$1.2b

(1) Leverage ratio excludes any drawn funds under receivables financing facility