Lannett

TIM CREW, CEO

MARTY GALVAN, CFO

December 2018

FORWARD-LOOKING STATEMENTS

Except for historical facts, the statements in this presentation, as well as oral statements or other written statements made or to be made by Lannett Company, Inc. (the "Company"), are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties. For example the guidance for fiscal 2019, planned product launches, the expected positive FDA inspection results of the Company's manufacturing facilities and product approvals, anticipated growth and future operations, the current or expected market size for its products, the success of current or future product offerings, continued relationships with the Company's alliance partners, suppliers and customers, the research and development efforts, the Company's ability to file for and obtain U.S. Food and Drug Administration (FDA) approvals for future products, and the Company's ability to obtain and maintain necessary licenses and permits, are forward-looking statements. Forward-looking statements are merely the Company's current prediction of future events. The statements are inherently uncertain and actual results could differ materially from the statements made herein. There is no assurance that the Company will achieve the sales levels that will keep its operations profitable or that FDA filings and approvals will be completed and obtained as anticipated. For a description of additional risks and uncertainties, please refer to the Company's filings with the Securities and Exchange Commission, including its latest Annual Report on Form 10-K and its latest Quarterly Reports on Form 10-Q. The Company assumes no obligation to update its forward-looking statements to reflect new information and developments.

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USE OF NON-GAAP FINANCIAL MEASURES

This presentation contains references to non-GAAP financial measures, which are financial measures that are not prepared in conformity with accounting principles generally accepted in the United States (GAAP). Management uses these measures internally for evaluating its operating performance. Adjusted operating income is adjusted to exclude, among other things, impairments, the effects of amortization of purchased intangible assets and other purchase accounting entries, acquisition and integration-related expenses, restructuring expenses, separation expenses, as well as certain other items considered unusual or non-recurring in nature. We believe that our presentation of non-GAAP financial measures provides useful supplementary information regarding operational performance, because it enhances an investor's overall understanding of the financial results for the Company's core business. Additionally, it provides a basis for the comparison of the financial results for the Company's core business between current, past and future periods. A reconciliation of non-GAAP financial measures to the nearest comparable GAAP amounts are contained in the Company's financial results press releases. Non-GAAP financial measures, including Adjusted total net sales and Adjusted operating income, should be considered only as a supplement to, and not as a substitute for or as a superior measure to, financial measures prepared in accordance with U.S. GAAP.

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MANAGEMENT TEAM

Timothy Crew
CEO
25 years in industry; 1 at Lannett; Teva, Cipla, Dr. Reddy's, Bristol-Myers Squibb

Martin Galvan, CPA
CFO
37 years in industry; 7 at Lannett; Viasys Healthcare, Rhone-Poulenc Rorer, Revlon Health Care

John Kozlowski
Chief of Staff and Strategy Officer
9 years in industry; 9 at Lannett; Optium, Finisar

Maureen Cavanaugh
SVP and Chief Commercial Operations Officer
30 years in industry; 1 at Lannett; Teva, PAR, Sandoz, Bristol Myers-Squibb

Samuel Israel, Esq.
Chief Legal Officer and General Counsel
20 years in industry; 1 at Lannett; Fox Rothschild

Robert Ehlinger
VP and CIO
24 years in industry; 11 at Lannett; MedQuist, Kennedy Health Systems

John Abt, DBA
VP and Chief Quality and Operations Officer
30 years in industry; 3 at Lannett; Teva, Alpharma, RP Scherer

Kristie Stephens
VP Regulatory Affairs
20 years in industry; 18 at Lannett; Eurofins

Kristin Arnold, PhD
VP Research & Development
29 years in industry; 1 at Lannett; Norwich Pharmaceuticals, URL Pharma, FMC, Alpharma, Monsanto

Grant Brock
VP Operations
18 years in industry; 1 at Lannett; Aprecia, Teva, PMC

Alicia Evolga
VP Marketing
10 years in industry; 1 at Lannett; Cipla, Lupin, Apotex, Impax

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AT A GLANCE

	SEYMOUR, IN	**CARMEL**, NY	**PHILADELPHIA**, PA
			
EMPLOYEES	**~630**	**~90**	**~225**
ANNUAL CAPACITY	**3B+** units of capacity, and growing	**5.3M** bottles **1.2M** liters	N/A
CAPABILITIES / TECHNOLOGY	IR and ER Tablets IR and ER Capsules OROS technology (laser drill) Pellets Packaging and distribution center 24x7 operations	Oral solutions, Oral suspensions Packaging	Corporate HQ R&D and QC labs

Not included: Philadelphia and Cody, WY facility (held for sale).

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STRONG RECORD
OF REGULATORY COMPLIANCE

Recent successful FDA inspections:
Seymour, Indiana, Cody, Wyoming
and Carmel, New York facilities

AT A GLANCE

FOCUSED MANUFACTURING

2*
U.S. based manufacturing locations

2
Primary R&D centers

3+ billion
Units of total manufacturing capacity

ROBUST PORTFOLIO

100+
Marketed products

$600+
****FY19 revenue guidance**

20+
Number of commercial alliances

STRONG PIPELINE***

20+
Approved products not yet launched

20+
Filed ANDAs pending at FDA, plus 1 NDA

20+
Products under development

~10
Expected ANDA submissions in FY19

*Not included: Philadelphia and Cody, WY facility (held for sale)

**Guidance at mid-point on 11/7/2018.

***Includes strategic alliance partners.

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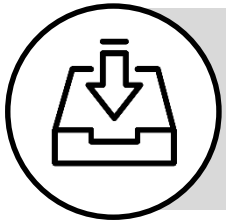
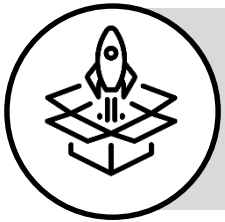
NEW OPERATING ENVIRONMENT:

- Loss of key distribution relationship effective 3/23/19

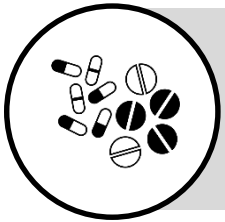
A RENEWED, REVITALIZED LANNETT:



ANDA **SUBMISSIONS** **~5**

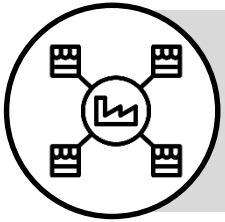


PRODUCT **LAUNCHES** **~16**



IMPROVED **OPERATING EFFICIENCES**

PRODUCTS **ACQUIRED** **~28**



PRODUCTS **LICENSED** **~8**

- $50 million upfront payment secured for early transition of distribution relationship
- Recently announced covenant amendment to Term A Loans

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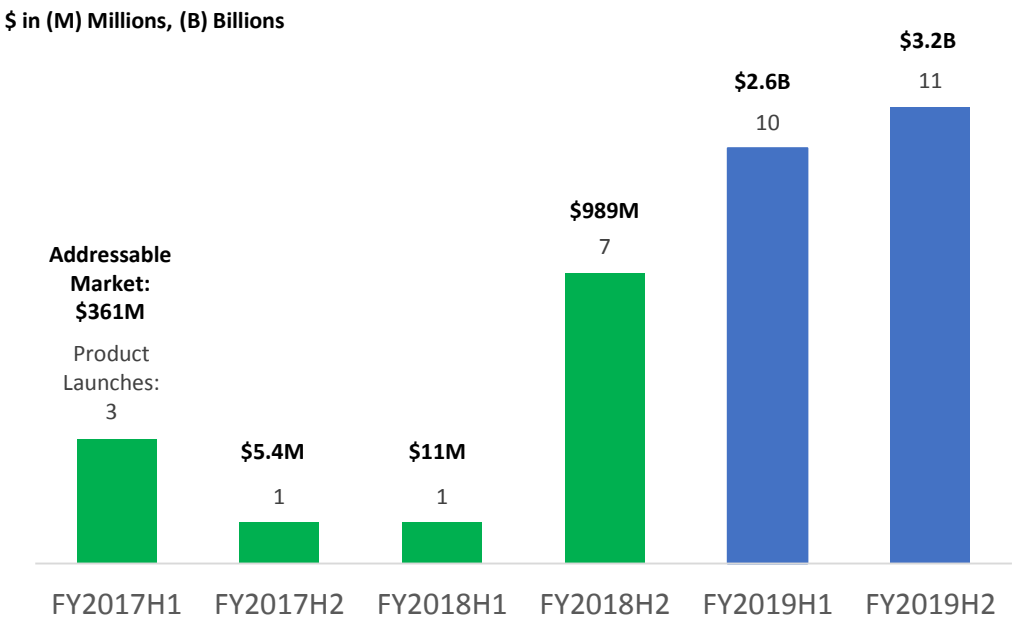
NEW PRODUCT LAUNCHES

Product Launches & Addressable Market*



- 16 products launched January through November, forecasted to contribute $75M+ of revenues in Fiscal 2019
- Blended gross margin of products launched January through November projected ~35% to 40%
- Majority of products planned for launch in second half of Fiscal 2019 internally developed
- Current pace of product launches expected to continue

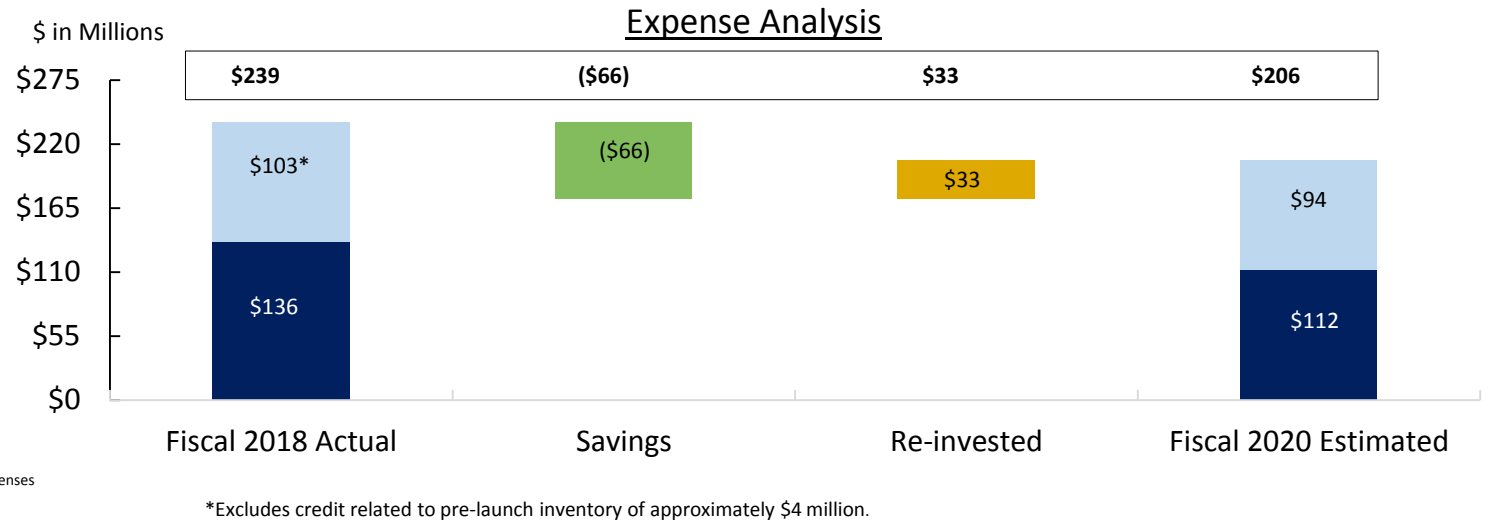
Actual
Plan

New Products launched January 2018 through November 2018: Buprenorphine and Naloxone SL Tablets | Clarithromycin ER Tablets | Diclofenac Sodium ER Tablets | Diphenoxylate Atropine Sulfate IR Tablets | Dronabinol IR Capsules | Esomeprazole Magnesium ER Capsules | Hydrocodone Bitartrate and Acetaminophen IR Tablets | Lansoprazole DR Capsules | Levofloxacin Oral Solution | Memantine HCl IR Tablets | Methylphenidate HCl CD ER Capsules | Metolazone IR Tablets | Metoprolol Succinate ER Tablets | Niacin ER Tablets | Oxycodone and Acetaminophen IR Tablets | Vardenafil HCl IR Tablets

*Addressable market based on IQVIA estimates, actual generic market expected to be smaller.

COST SAVINGS BRIDGE

- Total manufacturing costs and operating expenses are anticipated to decline from $239 million in Fiscal 2018 (Actual) to $206 million in Fiscal 2020 (Estimated).
  - Total annualized cost savings of $66 million achieved over two-year period (28% reduction from Fiscal 2018 (Actual).
  - Net annualized cost savings of $33 million over two-year period after re-investments / redeployments of $33 million.
- Cost savings are related to the sale of Cody API operations, closure of the Philadelphia plant and distribution center, reduced brand salesforce, headcount reductions and other initiatives.
  - Of $66 million total savings, $58 million is specifically identified and in-process, and $8 million is completed.
- Re-investments consist of $15 million in capacity expansion at Seymour facility and $9 million in finished dosage R&D projects, and redeployment of $9 million in SG&A for commercial operations, inflation and legal/compliance.
- Total headcount reductions of over 250 employees (20% completed, 65% notified (of which Cody is about half) and 15% in-process). Approximately 20% of workforce.
- Seymour manufacturing capacity to increase to 3.6 billion units by Fiscal 2020 from approximately 2.4 billion units in Fiscal 2018; current run rate of approximately 3.2 billion units.



*Excludes credit related to pre-launch inventory of approximately $4 million.

BUILDING FOR THE FUTURE, TODAY

Aggressively executing on all fronts to secure near, medium and long-term objectives

NEAR TERM – GROW THE BASE

- Remain a reliable partner and supplier of choice for small molecules and traditional oral solids
- Take advantage of opportunities through business development and creative partnerships
- Capitalize on Lannett's size and speed to target sudden product opportunities
- Take advantage of progressive FDA regulation (e.g., CGT designation, limited competition fast-track, etc.)

MEDIUM TERM – VALUE CREATION

- Remain a reliable supplier of choice for small molecules and traditional oral solids
- Larger investments leveraging complex technologies
- Further enhance operational and capital productivity
- Continue pace of product launches

LONG TERM – NEXT GEN GENERICS

- Continue commitment to orals, the bedrock of generic medicines
- Develop strategic focus in niche therapeutic areas (e.g., anti-epileptics, substance dependence management)
- Seek next generation generics, leveraging emerging consolidated strengths of insurers, PBMs and retailers

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EXPANDING PORTFOLIO BREADTH

ALREADY **MARKETED**

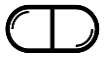
Sumatriptan Nasal Spray

Generic Imitrex®

UNDER **DEVELOPMENT or** PENDING AT **FDA**

Methylphenidate ER

Generic Concerta®



Thalidomide

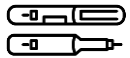
Generic Thalmoid®

Cocaine Topical Solution

Numbrino™

Zolmitriptan Nasal Spray

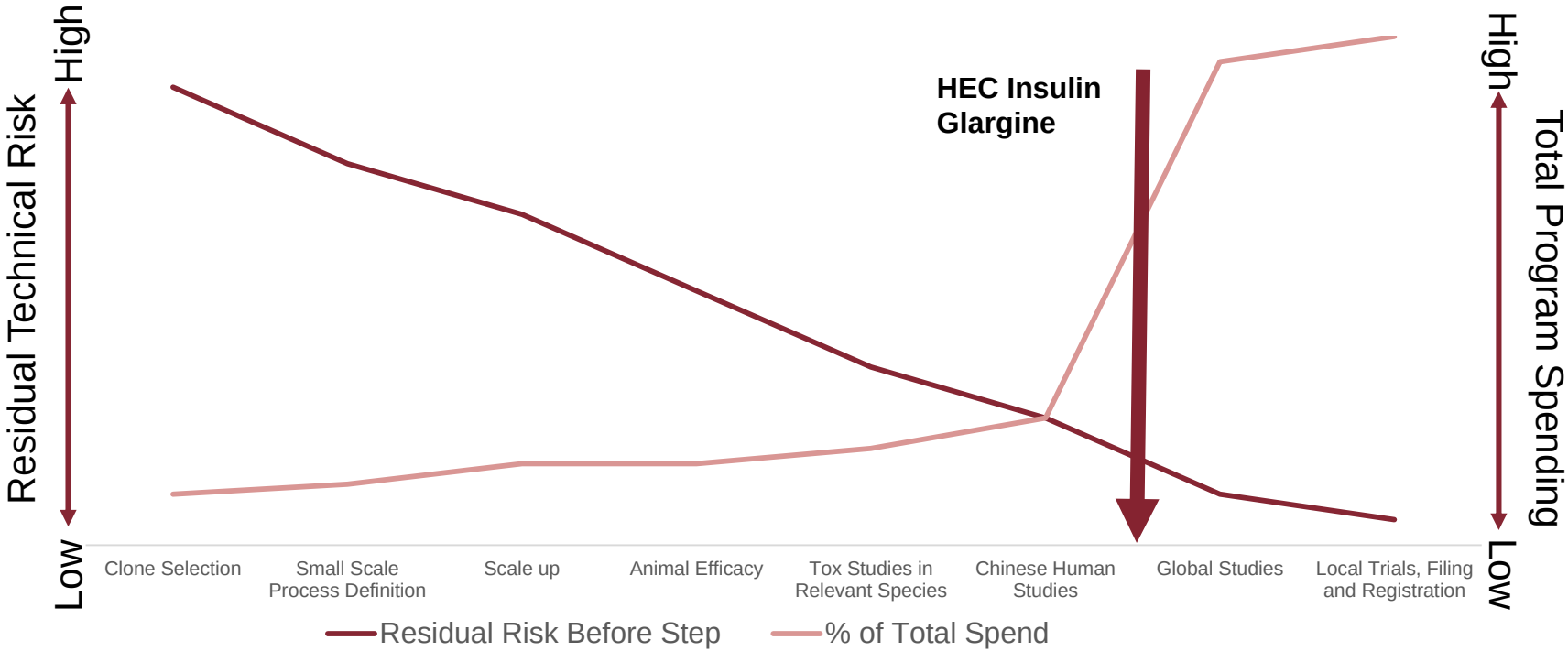
Generic Zomig®



Insulin Glargine

Generic Lantus®

SYSTEMATICALLY REDUCE RISK



Most Program Spending For Global Trials vs. US Lantus® Occurs After Reducing Most Technical Risk

Conceptual explanation of the remaining relative technical risk of developing a biosimilar. Percentages not based on a comprehensive review of all biosimilar development programs.

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INVESTMENT HIGHLIGHTS

Generic Volume Is Significant And Growing

- Vast majority of prescriptions dispensed are generic
- Political environment for cost containment is favorable

New Sales Growth

- LCI well-positioned as mid-market player for continued growth in multiple categories
  - Acquired, in-licensed more than 30 products since January 1, 2018
  - Launched 16 new products since 1/18
    - Launched Vardenafil, a first to market generic, Dronabinol and Clarithromycin
    - For Vardenafil and Clarithromycin, LCI currently one of only two suppliers
  - Expanding key customer relationships

Pipeline For Future Sales Growth

- ~20 approved products pending launch; 1 NDA and ~20 ANDAs pending at FDA; ~20 product candidates in development
- Rapidly expanding new partnerships
- Funding numerous attractive R&D opportunities
- Driving enterprise efficiencies
- Capacity at main plant expanding rapidly
- Significant recent reductions in operating expenses

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ADDITIONAL INVESTMENT CONSIDERATIONS

- Lannett manufactures its products in **USA**
- Favorable impact from tax reform in FY19 and beyond
- Cash Flow is strong; **Adjusted EBITDA margin ~ 35%**
- Well within **Debt Covenant Ratio, covenant to Term A Loans recently amended**
- Received **$50 million upfront payment** for sales of Levothyroxine - December 1, 2018 through March 23, 2019
- Compliance history with FDA and DEA is **exemplary e**nsuring high quality and reliable supply to customers and their patients

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NYSE: LCI | Lannett.com