UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): August 7, 2019

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware	94-3023969
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

932 Southwood Boulevard
Incline Village, Nevada 89451
(Address of principal executive offices, with zip code)

(775) 832-8500
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Item 2.02 Results of Operations and Financial Condition.

On August 7, 2019, PDL BioPharma, Inc. (the Company) issued a press release announcing its financial results for the second quarter ended June 30, 2019. A copy of this earnings release is furnished hereto as Exhibit 99.1. The Company will host an earnings call and webcast on August 7, 2019, during which the Company will discuss its financial results for the second quarter ended June 30, 2019.

Item 7.01 Regulation FD Disclosure.

Presentation Materials

On August 7, 2019, the Company posted to its website a set of presentation materials that it will use during its earnings call and webcast to assist participants with understanding the Company's financial results for the quarter ended June 30, 2019. A copy of this presentation is attached hereto as Exhibit 99.2.

Information Sheet

On August 7, 2019, the Company distributed to analysts covering the Company's securities a summary of certain information regarding the Company's financial results and business (the Information Sheet) to assist those analysts in valuing the Company's securities. The Information Sheet and its associated tables are attached hereto as Exhibit 99.3.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, the information in Items 2.02, 7.01 and 9.01 of this report, including the exhibits, shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

The following exhibits are furnished with this report:

Exhibit No.	Description
99.1	Press Release
99.2	Presentation
99.3	Information Sheet

Cautionary Statements

This filing and its exhibits include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company's assets or business are disclosed in the "Risk Factors" contained in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 15, 2019 and subsequent filings. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.
(Company)

By: /s/ Peter S. Garcia
Peter S. Garcia
Vice President and Chief Financial Officer

Dated: August 7, 2019

Exhibit Index

Exhibit No.	Description
99.1	Press Release
99.2	Presentation
99.3	Information Sheet

Exhibit 99.1

Contacts:

Peter Garcia
PDL BioPharma, Inc.
775-832-8500
Peter.Garcia@pdl.com

Jody Cain
LHA Investor Relations
310-691-7100
jcain@lhai.com

PDL BioPharma Reports 2019 Second Quarter Financial Results

INCLINE VILLAGE, Nev. (August 7, 2019) – PDL BioPharma, Inc. ("PDL" or "the Company") (Nasdaq: PDLI) reports financial results for the three and six months ended June 30, 2019:

Second Quarter and Recent Financial Highlights

- Generally Accepted Accounting Principles ("GAAP") net loss attributable to PDL's shareholders of $4.4 million or $0.04 per share.
- Non-GAAP net income attributable to PDL's shareholders of $12.7 million. A reconciliation of GAAP to non-GAAP financial results can be found in Table 3 at the end of this news release.
- Cash and cash equivalents of $284.9 million as of June 30, 2019.
- Invested $60.0 million in Evofem Biosciences, Inc. ("Evofem") in the second quarter of 2019.
- Investment in Evofem resulted in an unrealized gain of $45.5 million due to the significant increase in Evofem's stock price at the end of the second quarter of 2019.
- Repurchased 8.0 million shares of common stock in the open market during the second quarter of 2019 for $26.0 million. The $100 million share repurchase program was completed in July 2019.

"Our investment in Evofem reflects our strategic shift with a focus on applying our capital and expertise to support the successful development and commercialization of innovative therapeutics by our partner companies," said Dominique Monnet, president and CEO of PDL. "We are transitioning away from our legacy portfolio of passive investments to build a focused portfolio of actively managed companies with exciting revenue growth potential.

"Indeed, a highlight of the second quarter is the completion of our $60 million equity investment in Evofem Biosciences," he added. "We are committed to working with Evofem's experienced and inspired management team to support the successful launch of its flagship product, Amphora®, with the ultimate goal of building the company into a leader in women's health. This investment is a strong fit with our mission of creating value for shareholders and patients alike by enabling partner companies to maximize the potential of their novel therapeutics that address underserved needs. We expect to have an active role in managing this investment, as I have been appointed to the Evofem board of directors and PDL also has a board observer.

"We see significant revenue potential with Evofem's investigational non-hormonal, on-demand contraceptive, Amphora, which addresses a considerable market opportunity," Monnet continued. "Evofem is preparing for a U.S. commercial launch in 2020, subject to FDA product approval, and has a well-defined commercial strategy designed to maximize product adoption and a strong balance sheet to support precommercial activities.

"The disappointing non-cash writedown of the fair market value of the AcelRx royalty asset underlines the importance of shifting our business model from passive investments to actively managed assets. We are pleased with the continued performance of our operating companies, Noden and LENSAR, which are both on target with the execution of their 2019 plans. We continue to receive significant royalties from the Assertio royalty asset and have ample cash on hand to execute on our

business strategy. We expect cash flow generated by our current business will be in excess of our operational needs, thereby providing additional cash to invest in our future. We continue to review numerous opportunities and consider a broad range of potential transactions to build our portfolio," concluded Monnet.

Revenue Highlights

- Total revenues for the second quarter of 2019 of negative $22.5 million included:
  - Product revenue of $17.8 million, which consisted of $7.4 million of product revenue from the LENSAR® Laser System and $10.4 million from the sales of the Company's branded prescription medicine products Tekturna® and Tekturna HCT® in the U.S. and Rasilez® and Rasilez HCT® in the rest of the world, as well as revenue generated from the sale of an authorized generic form of Tekturna in the U.S. (collectively, "the Noden Products").
  - Net royalty payments from acquired royalty rights and a change in fair value of the royalty rights assets of negative $40.4 million, primarily related to the non-cash AcelRx royalty asset fair value decrease of $60.0 million in the second quarter of 2019.

Following is a brief discussion by business segment:

Medical Devices

The Medical Devices segment consists of revenue derived from the LENSAR Laser System sales made by the Company's subsidiary, LENSAR, Inc. ("LENSAR") and associated costs of operating the business. LENSAR is a medical device company focused on the next generation femtosecond cataract laser technology for refractive cataract surgery.

Product revenue from the LENSAR Laser System was $7.4 million, a 26% increase from the second quarter of 2018, and a 10% increase from the first quarter of 2019. Revenue generated outside the U.S. accounted for the majority of the increases. LENSAR procedure volume for the three months ended June 30, 2019 increased by 28% from the prior-year period and 7% from the first quarter of 2019.

Pharmaceutical

The Company's Pharmaceutical segment consists of revenue derived from the Noden Products and associated costs of operating the business.

Product revenue from the Noden Products for the three months ended June 30, 2019 was $10.4 million, compared with $25.9 million in the prior-year period. Sales in the three months ended June 30, 2019 were comprised of $2.7 million in the U.S. and $7.7 million in the rest of the world, compared with $10.4 million and $15.5 million, respectively, in the prior-year period.

- The decline in U.S. revenue in the three months ended June 30, 2019 is primarily due to the previously disclosed initial inventory stocking of the authorized generic launched late in the first quarter of 2019, which limited shipments of the authorized generic in the second quarter of 2019.
- Sales of branded Tekturna in the U.S. declined due to both the Company's launch of an authorized generic and the launch of a third-party generic form of aliskiren late in the first quarter of 2019.
- Branded Tekturna and the authorized generic of Tekturna maintained a 74% U.S. market share at the end of the second quarter of 2019.
- Sales of Rasilez and Rasilez HCT in the rest of the world declined primarily due to the initial inventory stocking in Japan in the second quarter of 2018 and to lower sales volume of Rasilez in other territories.

Income Generating Assets

The Company's Income Generating Assets segment consists of revenue derived from (i) royalty rights - at fair value, (ii) notes and other long-term receivables, (iii) equity investments and (iv) royalties from issued patents in the U.S. and elsewhere covering the humanization of antibodies ("Queen et al. patents") and associated costs to manage these assets.

PDL recognized negative $40.4 million in revenue from royalty rights - change in fair value, compared with $12.8 million in the prior-year period.

- The decrease is primarily related to a non-cash adjustment to the AcelRx royalty asset fair value of $60.0 million.
  - Due to the slower than expected adoption of Zalviso® (sufentanil sublingual tablet system) since it was launched in Europe by Grünenthal relative to the Company's estimates and the increased variance noted between the Company's forecast model and actual results in the three months ended June 30, 2019, the Company utilized a third-party expert in the second quarter of 2019 to reassess the market and expectations of the product.
    - Key findings from the third-party study included: the post-surgical PCA (Patient-Controlled Analgesia) market was smaller than previously forecasted; the price of the product was higher relative to alternative therapies; the product was not being used as a replacement for systemic opioids; and, the design of the delivery device, which is pre-filled for up to three days of treatment, restricted its use for shorter recovery time procedures. The reduction in forecasted sales had a direct impact on both the sales-based royalties and the sales-based milestones expected to be received through 2033.
- This decline was partially offset by higher royalty rights - change in fair value from the Assertio royalty asset.
- PDL received $20.1 million in net cash royalties from all of its royalty rights in the three months ended June 30, 2019 compared with $19.4 million in the three months ended June 30, 2018.

- Total revenues for the first half of 2019 were $16.4 million, compared with $85.1 million for the first half of 2018.

Following is a brief discussion by business segment:

Medical Devices

Product revenue from the LENSAR Laser System for the six months ended June 30, 2019 increased by $3.3 million, or 30%, to $14.1 million from $10.9 million for the six months ended June 30, 2018. Revenue generated outside of the U.S. was responsible for the majority of the increase. LENSAR procedure volume for the six months ended June 30, 2019 increased by 31% from the prior-year period.

Pharmaceutical

Product revenue from the Noden Products for the six months ended June 30, 2019 was $30.4 million, a $13.8 million decrease from $44.2 million for the prior-year period. Sales in the six months ended June 30, 2019 were comprised of $14.9 million in the U.S. and $15.5 million in the rest of the world, compared with $20.9 million and $23.3 million, respectively, in the prior-year period.

- The decrease in sales of the Noden Products in the U.S. is due primarily to the launch and related initial inventory stocking of an authorized generic form of Tekturna in the U.S. and the launch of a third-party generic form of aliskiren late in the first quarter of 2019.
- The decline in sales in the rest of the world is due to initial inventory stocking in Japan in the second quarter of 2018 and lower sales volume of Rasilez in other territories, in part reflecting additional measures to maximize the product profitability.

Income Generating Assets

Revenue from royalty rights - change in fair value was negative $28.1 million for the first half of 2019, compared with $23.9 million in the prior-year period.

- The decrease is primarily related to a non-cash adjustment to the AcelRx royalty asset fair value of $60.0 million.
- PDL received $32.7 million in net cash royalties from its royalty rights in the first half of 2019.

Royalties from PDL's licensees to the Queen et al. patents were less than $0.1 million for the first half of 2019, compared with $4.0 million for the prior-year period, reflecting the runout of the royalties on the sales of Tysabri®.

Interest revenue decreased by $1.5 million from the prior-year period due to modifications to the Company's agreement with CareView Communications which suspended interest payments for the first half of 2019.

Operating Expense Highlights

- Operating expenses for the three months ended June 30, 2019 were $27.4 million, a $144.3 million decrease from $171.7 million for the three months ended June 30, 2018. The decrease was primarily a result of:
  - the $152.3 million impairment of the Noden Products intangible assets in the second quarter of 2018 due to the increased probability of a third-party generic version of aliskiren being launched in the U.S.,
  - a $4.8 million decline in amortization expense for the Noden intangible assets as a result of the 2018 impairment recorded for these intangible assets,
  - a $4.0 million, or 28%, decline in general and administrative expenses primarily due to lower professional fees,
  - a $3.3 million, or 62% decline in sales and marketing expenses, reflecting the cost savings from the change in the Company's marketing strategy for the Noden Products, and
  - a $2.2 million decrease in cost of product revenue.
  - The decrease was partially offset by:
  - the $22.1 million reduction to the contingent liability in the second quarter of 2018 for future Noden products milestone payments that were less likely to be made with the increased probability of a third-party generic version of aliskiren being launched in the U.S., and
  - increased research and development expenses of $0.2 million associated with product development in our Medical Devices segment.

- Operating expenses for the six months ended June 30, 2019 were $55.8 million, a $150.1 million decrease from $205.9 million for the prior-year period. The decrease was primarily a result of:
  - the net impact of the above-described impairment of the Noden Products intangible assets in the second quarter of 2018 and related reductions to the Noden Products contingent liability and amortization expense associated with those intangible assets, which, in aggregate, accounted for $139.1 million of the decrease,
  - a $5.2 million, or 20%, decline in general and administrative expenses primarily due to lower professional fees, and
  - a $6.1 million, or 56%, decline in sales and marketing expenses, reflecting the cost savings from the change in the Company's marketing strategy for the Noden Products.
  - The decrease was partially offset by:
  - increased research and development expenses of $0.3 million associated with product development in our Medical Devices segment.

Stock Repurchase Programs

- In November 2018, PDL began repurchasing shares of its common stock pursuant to the $100.0 million share repurchase program authorized by the Company's board of directors in September 2018. During the second quarter of 2019, the Company repurchased 8.0 million shares for an aggregate purchase price of $26.0 million.
  - Subsequent to the close of the second quarter of 2019, the Company repurchased 1.3 million shares of its common stock for a total of $4.1 million. These repurchases concluded this share repurchase program. Under this program, the Company repurchased a total of 31.0 million shares for $100.0 million, at an average cost of $3.22 per share.
- Since initiating its first stock repurchase program in March 2017, the Company has repurchased a total of 53.1 million shares for $155.0 million, at an average cost of $2.92 per share.
- As of July 30, 2019, the Company had approximately 114.2 million shares of common stock outstanding.

Other Financial Highlights

- PDL had cash and cash equivalents of $284.9 million as of June 30, 2019, compared with cash and cash equivalents of $394.6 million as of December 31, 2018.
- The $109.7 million reduction in cash and cash equivalents during the first six months of 2019 was primarily the result of common stock repurchases of $71.3 million and the Company's investment in Evofem of $60.0 million, partially offset by the proceeds from royalty rights.
- In August 2019, PDL received a royalty payment from Bausch Health in the amount of $11.3 million for royalties earned on sales of Glumetza for the month of June. This royalty payment will be recognized in the third quarter of 2019.

Conference Call and Webcast Details

PDL will hold a conference call to discuss financial results and provide a business update at 4:30 p.m. Eastern time today. Slides to accompany the conference call will be available in the Investor Relations section of www.pdl.com.

To access the live conference call via phone, please dial 844-535-4071 from the U.S. and Canada or 706-679-2458 internationally. The conference ID is 9787426. A telephone replay will be available beginning approximately one hour after the call through one week following the call and can be accessed by dialing 855-859-2056 from the U.S. and Canada or 404-537-3406 internationally. The replay passcode is 9787426.

To access the live and subsequently archived webcast of the conference call, go to the Investor Relations section of www.pdl.com and select “Events & Presentations.”

About PDL BioPharma, Inc.

PDL’s mission is to improve the lives of patients and create value for our shareholders and our people by applying our capital and expertise for the successful development and commercialization of innovative therapeutics by our partner companies. We deliver on our mission by entering into strategic transactions involving innovative late clinical-stage or early commercial-stage therapeutics with attractive revenue growth potential. For more information please visit www.pdl.com

Forward-looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Important factors that could impair the value of the Company’s assets and business are disclosed in the risk factors contained in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 15, 2019 and subsequent filings. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

TABLE 1
PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS DATA
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues				
Product revenue, net	$ 17,837	$ 31,761	$ 44,523	$ 55,085
Royalty rights - change in fair value	(40,399)	12,842	(28,142)	23,933
Royalties from Queen et al. patents	6	1,218	9	4,001
Interest revenue	—	751	—	1,500
License and other	30	3	(3)	574
Total revenues	(22,526)	46,575	16,387	85,093
Operating Expenses				
Cost of product revenue (excluding intangible asset amortization and impairment)	12,348	14,524	25,158	25,090
Amortization of intangible assets	1,598	6,384	3,170	12,677
General and administrative	10,483	14,529	20,945	26,190
Sales and marketing	2,073	5,385	4,803	10,898
Research and development	886	684	1,755	1,477
Impairment of intangible assets	—	152,330	—	152,330
Change in fair value of contingent consideration	—	(22,135)	—	(22,735)
Total operating expenses	27,388	171,701	55,831	205,927
Operating loss	(49,914)	(125,126)	(39,444)	(120,834)
Non-operating income (expense), net				
Interest and other income, net	1,650	1,376	3,524	3,290
Interest expense	(2,984)	(2,811)	(5,939)	(6,396)
Equity affiliate - change in fair value	45,487	—	45,487	—
Total non-operating income (expense), net	44,153	(1,435)	43,072	(3,106)
(Loss) income before income taxes	(5,761)	(126,561)	3,628	(123,940)
Income tax (benefit) expense	(1,247)	(14,265)	1,525	(13,246)
Net (loss) income	(4,514)	(112,296)	2,103	(110,694)
Less: Net loss attributable to noncontrolling interests	(95)	—	(158)	—
Net (loss) income attributable to PDL's shareholders	$ (4,419)	$ (112,296)	$ 2,261	$ (110,694)
Net (loss) income per share				
Basic	$ (0.04)	$ (0.76)	$ 0.02	$ (0.74)
Diluted	$ (0.04)	$ (0.76)	$ 0.02	$ (0.74)
Shares used to compute income per basic share	118,285	146,923	123,484	149,186
Shares used to compute income per diluted share	118,285	146,923	124,040	149,186

TABLE 2
PDL BIOPHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(Unaudited)
(In thousands)

	June 30, 2019	December 31, 2018
Cash and cash equivalents	$ 284,941	$ 394,590
Notes receivable	$ 63,827	$ 63,813
Royalty rights - at fair value	$ 315,642	$ 376,510
Investment in equity affiliate	$ 88,533	$ —
Total assets	$ 890,461	$ 963,736
Total convertible notes payable	$ 128,520	$ 124,644
Total stockholders’ equity	$ 665,424	$ 729,779

TABLE 3
PDL BIOPHARMA, INC.
GAAP to NON-GAAP RECONCILIATION:
NET (LOSS) INCOME
(Unaudited)
(In thousands)

A reconciliation between net (loss) income on a GAAP basis and on a non-GAAP basis is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP net (loss) income attributed to PDL's stockholders as reported	$ (4,419)	$ (112,296)	$ 2,261	$ (110,694)
Adjustments to Non-GAAP net income (as detailed below)	17,078	127,793	22,253	141,829
Non-GAAP net income attributed to PDL's stockholders	$ 12,659	$ 15,497	$ 24,514	$ 31,135

An itemized reconciliation between net (loss) income on a GAAP basis and on a non-GAAP basis is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP net (loss) income attributed to PDL's stockholders, as reported	$ (4,419)	$ (112,296)	$ 2,261	$ (110,694)
Adjustments:				
Mark-to-market adjustment to fair value - royalty assets	60,505	6,528	60,868	14,060
Mark-to-market adjustment to equity affiliate - common stock	(37,907)	—	(37,907)	—
Non-cash interest revenues	—	(76)	—	(150)
Non-cash stock-based compensation expense	2,175	1,261	3,344	2,218
Non-cash debt offering costs	1,953	1,779	3,876	3,911
Non-cash depreciation and amortization expense	521	1,024	1,649	2,028
Mark-to-market adjustment on warrants held	(7,610)	(3)	(7,577)	(74)
Impairment of intangible assets	—	152,330	—	152,330
Non-cash amortization of intangible assets	1,598	6,384	3,170	12,677
Mark-to-market adjustment of contingent consideration	—	(22,135)	—	(22,735)
Income tax effect related to above items	(4,157)	(19,299)	(5,170)	(22,436)
Total adjustments	17,078	127,793	22,253	141,829
Non-GAAP net income	$ 12,659	$ 15,497	$ 24,514	$ 31,135

Use of Non-GAAP Financial Measures

We supplement our consolidated financial statements presented on a GAAP basis by providing an additional measure which may be considered a "non-GAAP" financial measure under applicable rules of the Securities and Exchange Commission. We believe that the disclosure of this non-GAAP financial measure provides our investors with additional information that reflects the amounts and financial basis upon which our management assesses and operates our business. These non-GAAP financial measures are not in accordance with generally accepted accounting principles and should not be viewed in isolation or as a substitute for reported, or GAAP, net income, and is not a substitute for, or superior to, measures of financial performance performed in conformity with GAAP.

"Non-GAAP net income" is not based on any standardized methodology prescribed by GAAP and represents GAAP net income adjusted to exclude (1) mark-to-market adjustments related to the fair value election for our investments in royalty

rights presented in our earnings, which include the fair value re-measurement of future discounted cash flows for each of the royalty rights assets we have acquired, (2) market-to-mark adjustment to our equity affiliate, (3) non-cash interest revenue from notes receivable (4) non-cash stock-based compensation expense, (5) non-cash interest expense related to PDL debt offering costs, (6) mark-to-market adjustments related to warrants held, (7) non-cash amortization of intangible assets, (8) mark-to-market adjustment related to acquisition-related contingent consideration, (9) non-cash depreciation and amortization expense and (10) the related tax effect of all reconciling items within our reconciliation. Non-GAAP financial measures used by PDL may be calculated differently from, and therefore may not be comparable to, non-GAAP measures used by other companies.

# # #

Exhibit 99.2

2019 Second Quarter Financial Results Conference Call

August 7, 2019

Forward-Looking Statements

This presentation contains forward-looking statements including PDL's expectations with respect to its future royalty revenues, expenses, net income and cash provided by operating activities. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Factors that may cause differences between current expectations and actual results include, but are not limited to, the following:

- Our ability to realize the benefits of our investments in Evofem Biosciences, Inc., Noden Pharma DAC and LENSAR, Inc. and our income generating assets;
- Risks related to the commercialization of our products or those of our counterparties, including but not limited to, competition from other products (including generic products), compliance with laws and regulatory requirements, pricing, intellectual property rights, reliance on a third party for commercialization of our authorized generic product, standards of care as they apply to the use of our products, unexpected changes to tax, import or export rules;
- Our reliance on third-party manufacturers who may not perform as expected;
- The productivity of acquired income generating assets may not fulfill our revenue forecasts and, if secured by collateral, we may be under-secured and unable to recuperate our capital expenditures in the transaction;
- Failure to obtain or maintain regulatory approvals relating to our products and those underlying certain of investments and income generating assets;
- Failure to acquire additional products or other sources of revenues sufficient to continue operations;
- Competitive or market pressures on our products, licensees, borrowers and royalty counterparties;
- Changes in any of the assumptions on which PDL's projected revenues are based;
- Changes in foreign currency exchange rates;
- Positive or negative results in PDL's attempt to license or acquire products or income generating assets;
- Our ability to utilize our net operating loss carryforwards and certain other tax attributes;
- The outcome of litigation or disputes, including potential product liability; and
- The failure of licensees to comply with existing license agreements, including any failure to pay royalties due.

Other factors that may cause PDL's actual results to differ materially from those expressed or implied in the forward-looking statements in this presentation are discussed in PDL's filings with the SEC, including the "Risk Factors" sections of its annual and quarterly reports filed with the SEC. Copies of PDL's filings with the SEC may be obtained at the "Investor Relations" section of PDL's website at www.pdl.com. PDL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in PDL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based for any reason, except as required by law, even as new information becomes available or other events occur in the future. All forward-looking statements in this presentation are qualified in their entirety by this cautionary statement.

PDL

Second Quarter 2019 Overview

- Strategic shift to build focused portfolio of actively managed operating companies
- Completion of Evofem Biosciences securities transaction
  - Total $60 million investment
  - Collaborating with Evofem team to support launch of Amphora®
  - Q2 non-cash gain on investment of $45 million
- Noden and LENSAR on target for 2019 expectations
- Considering options to streamline balance sheet for underperforming legacy assets
  - Q2 revenue impacted by writedown of AcelRx royalty
  - Assertio royalties continue to perform
  - Ample cash on hand for future investments, expect cash flows will be in excess of operational needs

PDL

Evofem Exemplifies PDL Growth Strategy

- Strong fit with PDL's mission to create value for shareholders and patients
  - Enables Evofem to maximize potential of novel therapeutics to address underserved needs
  - Significant revenue potential for Amphora through sizable market opportunity
- CEO Dominique Monnet appointed to Evofem Board; VP Jill Jene as board observer
- PDL and Evofem are highly aligned in goal of developing leading company with novel solutions for women's health

PDL

Evofem: Terms of Transaction

- Total investment of $80 million; $60 million by PDL
- 2 PDL tranches of $30 million each closed on April 11th and June 10th
  - Investment price of $4.50 per share
  - Long-time EVFM investors, Woodford Investment Management and Invesco Asset Management, invested $10 million each in 2nd tranche under the same terms as PDL
- PDL is the second largest investor; >13.3 million shares of EVFM common stock or 29% of shares outstanding
- PDL holds >3.3 million EVFM warrants, exercisable for seven years beginning six months after issuance date

PDL

Factors Supporting Evofem Investment

- Amphora®: investigational, on-demand, acid-buffering MVP-R™ vaginal gel with bio-adhesive properties
- Results of AMPOWER Phase 3 study
  - Met primary endpoint of prevention of pregnancy
  - Favorable safety profile and well tolerated
  - Analysis of an exploratory endpoint suggests improved sexual satisfaction with positive impact on women's sex lives
- Considerable market opportunity in U.S.
  - 16 million sexually active women using no contraceptive and do not want to get pregnant
  - 88% of women in AMPOWER survey said the non-hormonal aspect is either "important" or "extremely important"
  - Expected to be widely reimbursed with little or no copay through Affordable Care Act
  - Potential label expansion for prevention of chlamydia
  - Well-defined commercial strategy supported by strong balance sheet
  - Experienced and passionate management

PDL

Evofem: Multiple Near-Term Catalysts

○ Re-submit NDA: Amphora® for prevention of pregnancy	4Q-2019
○ Top-line Phase 2b data: Amphora® for prevention of chlamydia	4Q-2019
○ PDUFA date: Amphora® for prevention of pregnancy	2Q-2020*
○ Commercial Launch: Amphora® for prevention of pregnancy**	2H-2020

* Based on anticipated six-month review

** Assumes regulatory approval

PDL

PDL: Well Positioned to Execute Strategy

- Liquid balance sheet with $285 million in cash; $521 million expected in royalty rights through 2026
- Experienced team in sourcing, executing and consummating transactions, and positioning businesses for profitable growth
- Continuing to evaluate opportunities with a focus on:
  - Pharma assets that can benefit from accessing our capital and expertise with differentiated commercial-stage products, innovative late-stage assets, and high-quality, collaborative teams we can build on
  - Therapies that target underserved categories and/or areas of high unmet need, with the ability to compete commercially with focused sales teams
  - U.S. market as geographic preference
  - Structures that enable attractive returns and the opportunity to be actively engaged

PDL

Share Repurchase Program Update

- Completed the $100 million stock repurchase program in July (was authorized by board in September 2018)
  - Repurchased 31.0 million shares at an average price of $3.22 per share
- Completed three share repurchase programs since 2017
  - Used $155 million to repurchase 53.1 million shares at an average price of $2.92 per share

PDL

LENSAR:
Robust Growth and Continued Innovation

- Revenues of $7.4 million in Q2 2019
  - 26% increase over Q2 2018; 10% increase over Q1 2019
- Significant growth potential in the refractive cataract surgery market
  - #1 surgical procedure globally by volume
- Clear innovation leader in cataract surgery
  - Becoming laser of choice for surgeons implanting intraocular lenses that require greater accuracy and procedure customization
- R&D efforts to increase in the coming quarters
  - Continue to build its leadership position by further enhancing its technology and seeking additional 510(k) approvals for expanded indications

LENSAR
CATARACT LASER WITH AUGMENTED REALITY

PDL

Noden: Continued Focus on Profitability

- Actions to increase the profitability of Tekturna® in the U.S. and mitigate the impact of generic competition include:
  - Launched authorized generic (AG) version of Tekturna (aliskiren) in March 2019 through Prasco Laboratories
    - Branded Tekturna and authorized Prasco generic captured 74% of U.S. market share in the Q2 2019
  - Aliskiren is expensive and difficult to manufacture, therefore unlikely to have additional third-party generic competition
  - Noden ceased all promotional efforts in the U.S. in Q2 2019 and restructured the Noden U.S. team, leading to further expense savings in H2 2019
  - Modest net loss for Q2 2019 due to initial product shipment to Prasco in Q1 2019
  - Noden was profitable for H1 2019 with net income of $5.3 million dollars

NODEN PHARMA

PDL

Second Quarter 2019 Financials (unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Product revenue, net	$ 17,837	$ 31,761	$ 44,523	$ 55,085
Royalty rights - change in fair value	(40,399)	12,842	(28,142)	23,933
Royalties from Queen et al. patents	6	1,218	9	4,001
Interest revenue	-	751	-	1,500
License and other	30	3	(3)	574
Total revenues	(22,526)	46,575	16,387	85,093
Cost of product revenue (excluding intangible asset amortization and impairment)	12,348	14,524	25,158	25,090
Amortization of intangible assets	1,598	6,384	3,170	12,677
General and administrative expenses	10,483	14,529	20,945	26,190
Sales and marketing	2,073	5,385	4,803	10,898
Research and development	886	684	1,755	1,477
Impairment of intangible assets	-	152,330	-	152,330
Change in fair value of contingent consideration	-	(22,135)	-	(22,735)
Total operating expenses	27,388	171,701	55,831	205,927
Operating loss	(49,914)	(125,126)	(39,444)	(120,834)
Interest and other income, net	1,650	1,376	3,524	3,290
Interest expense	(2,984)	(2,811)	(5,939)	(6,396)
Equity affiliate - change in fair value	45,487	-	45,487	-
(Loss) income before income taxes	(5,761)	(126,561)	3,628	(123,940)
Income tax (benefit) expense	(1,247)	(14,265)	1,525	(13,246)
Net (loss) income	(4,514)	(112,296)	2,103	(110,694)
Less: Net loss attributable to noncontrolling interests	(95)	-	(158)	-
Net (loss) income attributable to PDL's shareholders	$ (4,419)	$ (112,296)	$ 2,261	$ (110,694)
Net (loss) income per share - Basic	$ (0.04)	$ (0.76)	$ 0.02	$ (0.74)
Net (loss) income per share - Diluted	$ (0.04)	$ (0.76)	$ 0.02	$ (0.74)

Second Quarter 2019 Financials (unaudited)

GAAP to Non-GAAP Net (Loss) Income Reconciliation *(in thousands)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP net (loss) income attributed to PDL's shareholders, as reported	$ (4,419)	$ (112,296)	$ 2,261	$ (110,694)
Adjustments:				
Mark-to-market adjustment to fair value - royalty assets	60,505	6,528	60,868	14,060
Mark-to-market adjustments to equity affiliate - common stock	(37,907)	-	(37,907)	-
Non-cash interest revenues	-	(76)	-	(150)
Non-cash stock-based compensation expense	2,175	1,261	3,344	2,218
Non-cash debt offering costs	1,953	1,779	3,876	3,911
Non-cash depreciation and amortization expense	521	1,024	1,649	2,028
Mark-to-market adjustment on warrants held	(7,610)	(3)	(7,577)	(74)
Impairment of intangible assets	-	152,330	-	152,330
Non-cash amortization of the intangible assets	1,598	6,384	3,170	12,677
Mark-to-market adjustment of contingent consideration	-	(22,135)	-	(22,735)
Income tax effect related to above items	(4,157)	(19,299)	(5,170)	(22,436)
Total adjustments	17,078	127,793	22,253	141,829
Non-GAAP net income	$ 12,659	$ 15,497	$ 24,514	$ 31,135

GAAP to Non-GAAP Revenue Reconciliation *(in thousands)*

	Three Months Ended June 30, 2019			Six Months Ended June 30, 2019		
	GAAP	*Adjustment*	Non-GAAP	GAAP	*Adjustment*	Non-GAAP
Revenues						
Product revenue, net	$ 17,837	$ -	$ 17,837	$ 44,523	$ -	$ 44,523
Royalty rights - change in fair value	(40,399)	59,974 (a)	19,575	(28,142)	59,974 (a)	31,832
Royalties from Queen et al. patents	6	-	6	9	-	9
Interest revenue	-	-	-	-	-	-
License and other	30	-	30	(3)	-	(3)
Total revenues	$ (22,526)	$ 59,974	$ 37,448	$ 16,387	$ 59,974	$ 76,361

(a) To remove the impact of the fair value adjustment to the AcelRx royalty asset.

Second Quarter 2019 Financials (unaudited)

Consolidated balance sheet data *(in thousands)*	June 30, 2019	December 31, 2018
Cash and cash equivalents	$ 284,941	$ 394,590
Notes receivable	$ 63,827	$ 63,813
Royalty rights - at fair value	$ 315,642	$ 376,510
Investment in equity affiliate	$ 88,533	$ -
Intangible assets, net	$ 50,449	$ 51,319
Total assets	$ 890,461	$ 963,736
Convertible notes payable	$ 128,520	$ 124,644
Total stockholders' equity	$ 665,424	$ 729,779

PDL

2019 Guidance

- Noden product revenue of $50-55 million
- LENSAR product revenue of $27-29 million
- Cash royalties guidance raised to $60-65 million
- Evofem
  - Mark-to-market adjustments based on stock price at quarter close
  - Booked as non-operating income or loss as change in fair value to equity affiliate
  - Total investment reflected on balance sheet as investment in equity affiliate

PDL

PDL®

Questions & Answers

Exhibit 99.3

PDL BioPharma, Inc.
Q2 2019
August 7, 2019

Following are some of the key points regarding the Second quarter 2019 financial and business results for PDL BioPharma, Inc. ("PDL" or "the Company").

Second Quarter and Recent Financial Highlights

- GAAP net loss of $4.4 million or $0.04 per diluted share.
- Non-GAAP net income attributable to PDL's shareholders of $12.7 million.
- Cash and cash equivalents of $284.9 million as of June 30, 2019.
- Invested $60.0 million in Evofem Biosciences, Inc. ("Evofem") in the second quarter of 2019.
- Investment in Evofem resulted in an unrealized gain of $45.5 million due to the significant increase in Evofem's stock price at the end of the second quarter of 2019.
- Repurchased 8.0 million shares of common stock in the open market during the second quarter of 2019 for $26.0 million. The $100 million share repurchase program was completed in July 2019.

Recent Developments

Strategic Positions

- For the three months ended June 30, 2019, the Company has recognized an unrealized gain of $45.5 million from its investment of Evofem, of which $37.9 million was related to Evofem common stock and $7.6 million was related to Evofem warrants.
- As of June 30, 2019, the Company owned approximately 29 percent of Evofem's common stock.

Medical Devices

- LENSAR® Laser System revenue for the quarter ended June 30, 2019 was $7.4 million, compared with $5.9 million for the quarter ended June 30, 2018.
  - LENSAR Laser System revenue increased 26 percent over the prior-year period.
- Gross margin on LENSAR revenue in the second quarter of 2019 was 34 percent.

Pharmaceutical

- Noden net revenue for the quarter ended June 30, 2019 was $10.4 million compared with $25.9 million for the quarter ended June 30, 2018. Sales in the three months ended June 30, 2019 were comprised of $2.7 million in the United States and $7.7 million in the rest of the world, compared with $10.4 million and $15.5 million, respectively, in the prior-year period.
- The decline in the U.S. in the three months ended June 30, 2019 is primarily due to the initial inventory stocking of the authorized generic ("AG") form of Tekturna launched late in the first quarter of 2019, which limited shipments of the AG in the second quarter, and to lower sales of branded Tekturna in the U.S. due to both the Company's launch of an AG and a third-party generic form of aliskiren launched late in the first quarter of 2019.
- Branded Tekturna and the AG of Tekturna maintained a 74 percent U.S. market share at the end of the second quarter of 2019.
- Sales of Rasilez and Rasilez HCT in the rest of the world declined primarily due to the initial inventory stocking in Japan in the second quarter of 2018 and to lower sales volume of Rasilez in other territories.
  - Gross margins on revenue in the second quarter were 29 percent, 74 percent in the United States and 13 percent ex-U.S. on Rasilez® and Rasilez HCT®.

Income Generating Assets

Royalty Rights Assets

PDL received $20.1 million in net cash royalties from its royalty rights in the second quarter of 2019, compared with $19.4 million for the prior year period.

Assertio (formerly Depomed, Inc.)

- Through June 30, 2019, the Company has received cash royalty payments of $409 million from the $240.5 million investment.
- Glumetza (and AG version) royalty: 50 percent of net sales less COGS continue so long as the products are being commercialized.
- Low- to mid-single digit royalties to PDL on new product approvals expected to continue to 2023 for Invokamet XR® U.S., 2026 for Jentadueto XR® and Synjardy XR®, and 2027 for Invokamet XR® ex-US. Royalties on the sale of Janumet® ended in the third quarter of 2018.

AcelRx

- Due to the slower than expected adoption of Zalviso® (sufentanil sublingual tablet system) since it was launched in Europe by Grüenthal relative to the Company's estimates and the increased variance noted between the Company's forecast model and actual results in the three months ended June 30, 2019, the Company utilized a third-party expert in the second quarter of 2019 to reassess the market and expectations of the product.
  - Key findings from the third-party study included: the post-surgical PCA (Patient-Controlled Analgesia) market being smaller than previously forecasted; the higher price of the product relative to alternative therapies, the product not being used as a replacement for systemic opioids and the design of the delivery device, which is pre-filled for up to three days of treatment, which restricts its use for shorter recovery time procedures. Based on this analysis and the impact to the projected sales-based royalties and milestones, the Company wrote down the fair value of the royalty asset by $60.0 million in the second quarter of 2019.

The following table provides additional details with respect to the fair value of the PDL royalty rights assets as of June 30, 2019 and with changes from December 31, 2018 as reflected in our Balance Sheets:

(in thousands)	**Fair Value as of December 31, 2018**	**Royalty Rights - Change in Fair Value**	**Fair Value as of June 30, 2019**
Assertio	$ 264,371	$ (459)	$ 263,912
VB	14,108	265	14,373
U-M	25,595	(1,316)	24,279
AcelRx	70,380	(57,886)	12,494
KYBELLA	2,056	(1,472)	584
	$ 376,510	$ (60,868)	$ 315,642

The following tables provide a summary of activity with respect to our royalty rights - change in fair value for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended					
	June 30, 2019			June 30, 2018		
(in thousands)	Cash Royalties	Change in Fair Value	Total	Cash Royalties	Change in Fair Value	Total
Assertio	$ 18,415	$ 93	$ 18,508	$ 17,690	$ (8,537)	$ 9,153
VB	227	137	364	263	147	410
U-M	1,371	(780)	591	1,288	(433)	855
AcelRx	93	(59,974)	(59,881)	68	2,302	2,370
Avinger	—	—	—	61	(101)	(40)
KYBELLA	—	19	19	—	94	94
	$ 20,106	$ (60,505)	$ (40,399)	$ 19,370	$ (6,528)	$ 12,842

	Six Months Ended					
	June 30, 2019			June 30, 2018		
(in thousands)	Cash Royalties	Change in Fair Value	Total	Cash Royalties	Change in Fair Value	Total
Assertio	$ 29,383	$ (459)	$ 28,924	$ 34,597	$ (17,967)	$ 16,630
VB	494	265	759	543	284	827
U-M	2,638	(1,316)	1,322	2,284	(620)	1,664
AcelRx	161	(57,886)	(57,725)	120	4,539	4,659
Avinger	—	—	—	366	(396)	(30)
KYBELLA	50	(1,472)	(1,422)	83	100	183
	$ 32,726	$ (60,868)	$ (28,142)	$ 37,993	$ (14,060)	$ 23,933

Notes Receivable

CareView Communications, Inc.

- In May 2019, and in consideration of additional capital raised by CareView, the Company modified the loan by agreeing that (i) the first principal and interest payment would be deferred until September 30, 2019, and (ii) the remaining liquidity covenant would be removed.

The following table presents the carrying value and the fair value of our notes receivable investments by level within the valuation hierarchy:

	June 30, 2019		December 31, 2018	
(In thousands)	Carrying Value	Fair Value Level 3	Carrying Value	Fair Value Level 3
Wellstat Diagnostics note receivable	$ 50,191	$ 59,240	$ 50,191	$ 57,322
Hyperion note receivable	1,200	1,200	1,200	1,200
CareView note receivable	11,458	11,458	11,458	11,458
	$ 62,849	$ 71,898	$ 62,849	$ 69,980

Royalty-bearing products relating to Queen et al. Patents

- The Queen et al. patents have expired, and we do not expect any meaningful royalty revenue in 2019.

Stock Repurchase Programs

- In November 2018, PDL began repurchasing shares of its common stock pursuant to the $100.0 million share repurchase program authorized by the Company's board of directors in September 2018. During the second quarter of 2019, the Company repurchased 8.0 million shares for an aggregate purchase price of $26.0 million.
- Subsequent to the close of the second quarter of 2019, the Company repurchased 1.3 million shares for a total of $4.1 million. These repurchases concluded this share repurchase program. Under this program, the Company repurchased a total of 31.0 million shares for $100.0 million, at an average cost of $3.22 per share.
- Since initiating its first stock repurchase program in March 2017, the Company repurchased a total of 53.1 million shares for $155.0 million, at an average cost of $2.92 per share.
- As of July 30, 2019, the Company had approximately 114.2 million shares of common stock outstanding.

Forward-looking Statements

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Important risks and uncertainties with respect to the Company's business are disclosed in the risk factors contained in the Company's Annual Report on Form 10-K, as updated by subsequent reports filed with the Securities and Exchange Commission. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.