UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☒ Soliciting Material under Rule 14a-12

PDL BioPharma, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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): March 11, 2020

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 March 11, 2020, PDL BioPharma, Inc. (the "Company") issued a press release announcing its financial results for the fourth quarter ended December 31, 2019. A copy of this earnings release is furnished hereto as Exhibit 99.1. The Company will host an earnings call and webcast on March 11, 2020, during which the Company will discuss its financial results for the fourth quarter ended December 31, 2019.

Item 7.01 Regulation FD Disclosure.

Presentation Materials

On March 11, 2020, 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 December 31, 2019. A copy of this presentation is attached hereto as Exhibit 99.2.

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

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 11, 2020. 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/ Dominique Monnet
Dominique Monnet
President and Chief Executive Officer

Dated: March 11, 2020

Exhibit Index

Exhibit No.	Description
99.1	Press Release
99.2	Presentation

Exhibit 99.1

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

PDL BioPharma Reports 2019 Fourth Quarter and Full Year Financial Results and Announces Plan to Dissolve the Company by Year-End 2020

- 2019 Revenue Guidance Exceeded -
- Monetization Process Underway -
- PDL Board Approved Plan of Complete Liquidation and Plans to Seek Stockholder Approval for Dissolution of the Company -
- Targeting to File a Certificate of Dissolution under Delaware Law by Year-End 2020 -
- Conference Call at 4:30 p.m. Eastern Time Today -

INCLINE VILLAGE, Nev. (March 11, 2020) - PDL BioPharma, Inc. ("PDL" or "the Company") (Nasdaq: PDLI) provides an update on its strategic plans and reports financial results for the three and twelve months ended December 31, 2019:

Strong Start in the Implementation of Monetization Strategy - Accelerating Completion Timeline

In September 2019, the Company engaged financial advisors and initiated a review of its strategy; this review was completed in December 2019. At such time, management and the board of directors decided to halt the execution of the Company's growth strategy, cease making additional strategic transactions and investments and pursue a formal process to unlock the value of its portfolio by monetizing its assets and ultimately distributing net proceeds to stockholders. In February 2020, the board of directors approved a formal plan of complete liquidation and passed a resolution to seek stockholder approval at its next Annual Stockholders' Meeting (the "2020 Annual Meeting") to dissolve the Company under Delaware state law.

Subsequent to its announcement in December 2019, PDL has taken the following steps to monetize the assets of the Company and distribute net proceeds to its stockholders in the form of share repurchases, cash dividends or other distributions:

- Board of directors authorized common stock and convertible note repurchases up to $275.0 million in mid-December 2019
- Retired $119.3 million principal value of convertible notes, or 80% of the Company's debt, in mid-December 2019, for $97.9 million of cash and 13.4 million shares of Company common stock. The Company also repurchased 3.2 million shares of Company common stock in this transaction
- Immediately thereafter entered into a 10b5-1 program for $120.0 million to allow for the continued repurchase of convertible notes and the repurchase of common stock. The 10b5-1 program limit was set at approximately the amount remaining under the board of directors' $275.0 million authorization after the mid-December 2019 convertible note repurchases. Pursuant to this program:
    - Retired $13.7 million principal value of convertible notes in 2020. Approximately $17.0 million of convertible notes remain outstanding
    - Retired 3.8 million shares of common stock through March 10, 2020
- Engaged financial advisors to evaluate the sale of the entire Company, or the sale or distribution of its holdings of Evofem Biosciences, Inc. ("Evofem") common stock, the portfolio of royalty assets and the Company's Noden and LENSAR subsidiaries

- Negotiated a cooperation agreement with Engine Capital, Inc. that enables the Company to focus on the expeditious return of net proceeds to stockholders with input from a new board member with relevant experience in corporate sales process

As part of the monetization process, the Company has engaged the following parties:

- BofA Securities, Inc. has been engaged by the Company to act as its financial advisor in connection with the potential sale of the Company or its royalty asset portfolio.
- Torreya has been engaged to lead the effort in selling the Noden subsidiary or its assets and the Company's equity stake in Evofem.
- SVB Leerink has been engaged to evaluate opportunities available to LENSAR, with a focus on maximizing the value of the LENSAR subsidiary. PDL remains committed to LENSAR and the development of its next generation technology while it pursues the optimal path to monetize this investment. PDL's past capitalization of LENSAR has positioned it for growth, which has resulted in positive revenue and volume growth and a current capitalization allowing it to continue with its growth initiatives. SVB Leerink has also been engaged to advise the Company's management and board of directors on overall liquidation and distribution strategies.

"We are pleased with the progress we are making on the execution of our monetization strategy and with our results for the fourth quarter and full year 2019. While we wrote down the value of certain of our assets at year end, our strong operating results are a testament to the quality and intrinsic value of our assets," said Dominique Monnet, president and CEO of PDL.

"Based on the strong progress made to date and through the leadership of our board of directors and the commitment of our employees, we now believe that we can either execute a whole Company sale or monetize our key assets and distribute a significant portion of the net proceeds to our stockholders by the end of 2020. Further, we are confident this plan provides the best strategy to minimize costs and to maximize net proceeds to our stockholders."

While the Company pursues this monetization strategy, it will continue its efforts to minimize operating costs. A cost management committee of the board was formed to oversee these cost reduction initiatives.

Under the Company's monetization plan, should PDL conclude that a whole Company sale will not optimize stockholder returns, it would then target the filing of a certificate of dissolution under Delaware law by the end of 2020, subject to the approval of the Company's stockholders. The Company would remain post-2020 soley to manage potential litigation, unresolved claims, post-dissolution distributions and the monetization of any remaining assets, as well as address remaining stockholder matters and administrative issues.

Full-Year 2019 Revenues Exceeded Guidance Announced in Third Quarter Earnings Press Release

- LENSAR product revenue of $30.7 million exceeded the Company's upwardly revised guidance of $29.0 million.
- Cash received from royalty assets totaled $79.3 million, significantly exceeding guidance of $60.0 - $65.0 million.
- Noden product revenue of $55.1 million exceeded the guidance range of $50.0 - $55.0 million.

Fourth Quarter Financial Highlights

- Total revenues were negative $5.8 million, including $21.0 million in product revenue and negative $26.8 million in revenue from royalty rights - change in fair value.
- LENSAR revenues were $8.5 million, an increase of 19% over the prior-year period, with procedure volume up 41%.
- Net cash from all royalty rights was $21.0 million, up from $20.9 million for the prior-year period.
- U.S. market share for branded Tekturna® and authorized generic of Tekturna of approximately 73% remained steady with the third quarter of 2019.
- GAAP net loss was $54.9 million. Non-GAAP net income was $4.2 million. A reconciliation of GAAP to non-GAAP financial results can be found in Table 4 at the end of this news release.

Revenue Highlights

- Total revenues for the fourth quarter of 2019 included $21.0 million in product revenue and negative $26.8 million in revenue from royalty rights - change in fair value.

- Product revenue from the LENSAR Laser System® was $8.5 million, a 19% increase from the fourth quarter of 2018. Revenue generated outside the U.S. accounted for the majority of the revenue increase. LENSAR procedure volume for the fourth quarter of 2019 increased 41% from the prior-year period.
- Net royalty revenues from acquired royalty rights, which include cash royalties received and a change in fair value of the royalty rights assets, were negative $26.8 million compared with $19.1 million in the prior-year period. The decrease is primarily related to the decrease in fair value of the royalty rights for the Type 2 diabetes products acquired from Assertio Therapeutics. PDL received $21.0 million in net cash from all its royalty rights in the fourth quarter of 2019, up from $20.9 million in the prior-year period. See Table 3 for a rollforward of royalty asset for the fourth quarter and full year 2019 compared with the comparable periods in 2018.
- Product revenue from Noden was $12.4 million compared with $18.8 million in the prior-year period. Revenues for the U.S. and rest of the world were $4.3 million and $8.1 million, respectively, compared with $9.8 million and $9.0 million, respectively, in the prior-year period. The U.S. market share for branded Tekturna and the authorized generic of Tekturna was 73%, relatively unchanged from the third quarter of 2019.

- Total revenues for 2019 were $54.8 million and included $85.8 million in product revenue and negative $31.0 million in revenue from royalty rights - change in fair value.
  - Product revenue from the LENSAR Laser System was $30.7 million, a 25% increase over 2018. Revenue generated outside of the U.S. accounted for the majority of the increase. LENSAR procedure volume for 2019 increased 33% over the prior year.
  - Revenue from royalty rights - change in fair value was negative $31.0 million for 2019, compared with $85.3 million in 2018. The decrease is primarily related to a non-cash adjustment to the AcelRx and Assertio royalty asset fair values of negative $60.0 million and negative $46.3 million, respectively. PDL received $79.3 million in net cash from its royalty rights in 2019, compared with $78.0 million in 2018.
  - Product revenue from the Noden Products was $55.1 million compared with $80.8 million for the prior year. Sales for 2019 were comprised of $25.3 million in the U.S. and $29.8 million in the rest of the world, compared with $40.5 million and $40.3 million, respectively, in 2018. The decline in sales of branded Tekturna in the U.S. is due primarily to the launch of an authorized generic of Tekturna in the U.S. and the launch of a third-party generic of aliskiren late in the first quarter of 2019. The decline in sales in the rest of the world is due to lower sales volume of Rasilez® in certain territories, in part reflecting additional measures to maximize product profitability.
  - Interest revenue decreased by $2.3 million from 2018 due to modifications to the Company's agreement with CareView Communications ("CareView"), which deferred interest payments for 2019.
  - Royalties from PDL's licensees to the Queen et al. patents were less than $0.1 million for 2019, compared with $4.5 million for 2018, reflecting the runout of the royalties on the sales of Tysabri®.

Operating Expense Highlights

- Operating expenses for the fourth quarter of 2019 were $64.0 million, a $52.4 million increase from the fourth quarter of 2018. The increase was primarily due to:
  - An impairment in the Noden intangible assets of $22.5 million due to a change in the strategy for Noden,
  - a prior-year benefit for the release of the Noden contingent consideration liability of $19.2 million with no comparable adjustment in the current year quarter,
  - a $10.8 million impairment of the CareView note receivable compared to an $8.2 million impairment in the prior year quarter,
  - higher R&D costs for LENSAR associated with its next-generation technology,
  - higher G&A expenses primarily due to higher compensation costs, mainly as a result of the prior-year expense reversal of a significant portion of the employee long-term incentive award,
  - increased professional service expense, and
  - an increase in cost of goods sold primarily due to Noden product sales outside of the United States, partially offset by:
  - a decrease in sales and marketing expenses for our Noden subsidiary.

- Operating expenses for 2019 were $154.6 million, a $94.1 million decrease from the prior year. The decrease was primarily due to:
    - A $22.5 million impairment of the Noden intangible assets in the current year compared to a $152.3 million impairment in 2018,
    - lower intangible asset amortization expense of $9.5 million due to the 2018 impairment,
    - decreased sales and marketing expenses of $8.7 million primarily due to the cost savings from the change in our marketing strategy to a non-personal promotion strategy for Noden in anticipation of a launch of a third-party generic form of aliskiren. This non-personal promotion strategy was subsequently discontinued upon the launch of our authorized generic form of Tekturna, partially offset by:
    - the prior-year benefit from the release of the Noden contingent consideration liability of $41.6 million,
    - increased cost of goods sold of $5.2 million primarily due to termination provisions in a Noden supply agreement amended in June 2019 involving end of contract fees and increased LENSAR product sales,
    - increased research and development expenses of $4.4 million primarily related to the acquisition of intellectual property supporting our second-generation LENSAR product, and
    - a $10.8 million impairment of the CareView note receivable in 2019 compared to an $8.2 million impairment in 2018.

Other Financial Highlights

- The market value of the Company's investment in Evofem increased $18.3 million in the 2019 fourth quarter and $36.4 million in the 2019 full year. The Company acquired its investment in Evofem in two tranches in the second quarter of 2019, paying total consideration of $60.0 million.
- On a GAAP basis, the net loss attributable to PDL's stockholders for the fourth quarter of 2019 was $54.9 million, or $0.48 per share, compared with GAAP net income attributable to PDL's stockholders of $16.3 million, or $0.11 per share on a fully diluted basis, for the prior year period. Non-GAAP net income attributable to PDL's stockholders was $4.2 million for the fourth quarter of 2019, compared with non-GAAP net income of $15.7 million for the fourth quarter of 2018.
- The GAAP net loss attributable to PDL's stockholders for 2019 was $70.4 million, or $0.59 per share, compared with a GAAP net loss attributable to PDL's stockholders of $68.9 million or $0.47 per share, for the prior year. Non-GAAP net income attributable to PDL's stockholders was $39.1 million for 2019, compared with non-GAAP net income of $60.4 million for the prior-year.
- PDL had cash and cash equivalents of $193.5 million as of December 31, 2019, compared with cash and cash equivalents of $394.6 million as of December 31, 2018.
    - The $201.1 million reduction in cash and cash equivalents during 2019 was primarily the result of the repurchase of convertible debt of $97.9 million, common stock repurchases of $86.9 million, the Company's investment in Evofem of $60.0 million, net cash used in operations of $32.4 million and costs incurred in the exchange of convertible debt of $4.4 million. This reduction was partially offset by the proceeds from royalty rights of $79.3 million and cash proceeds from the sale of intangible assets of $5.0 million.

Stock Repurchase Programs

- In January 2020, PDL began repurchasing shares of its common stock in the open market pursuant to the 10b5-1 program entered into in December 2019. The Company acquired 3.8 million shares for $12.9 million, at an average cost of $3.42 per share, including commissions through March 10, 2020.
- Pursuant to this program, the Company also repurchased $13.7 million par value of convertible notes through February 2020.
- Since initiating its first stock repurchase program in March 2017, the Company has repurchased 56.9 million shares for $167.9 million, at an average cost of $2.95 per share.
- As of February 29, 2020, the Company had approximately 123.6 million shares of common stock outstanding.

Conference Call and Webcast

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 https://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 8017938. 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 8017938.

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

About PDL BioPharma, Inc.

Throughout its history, PDL's mission has been to improve the lives of patients by aiding in the successful development of innovative therapeutics and healthcare technologies. PDL BioPharma was founded in 1986 as Protein Design Labs, Inc. when it pioneered the humanization of monoclonal antibodies, enabling the discovery of a new generation of targeted treatments that have had a profound impact on patients living with different cancers as well as a variety of other debilitating diseases. In 2006, the Company changed its name to PDL BioPharma, Inc.

As of December 2019, PDL ceased making additional strategic transactions and investments and is pursuing a formal process to unlock the value of its portfolio by monetizing its assets and ultimately distributing net proceeds to stockholders.

For more information please visit https://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, including the implementation or success of the Company's monetization strategy/plan of complete liquidation, are disclosed in the risk factors contained in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on March 11, 2020. 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.

Important Additional Information and Where to Find It

The Company plans to file a proxy statement (the "2020 Proxy Statement") with the SEC in connection with the solicitation of proxies for the 2020 Annual Meeting, together with a WHITE proxy card. STOCKHOLDERS ARE URGED TO READ THE 2020 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Stockholders will be able to obtain, free of charge, copies of the 2020 Proxy Statement, any amendments or supplements thereto and any other documents (including the WHITE proxy card) when filed by the Company with the SEC in connection with the 2020 Annual Meeting at the SEC's website (http://www.sec.gov), at the Company's website (http://investor.pdl.com/investor-relations/sec-filings) or by contacting Okapi Partners by phone (for stockholders, banks and brokers) at 877-259-6290 or (all others outside the U.S.) at 212-297-0720, by email at info@okapipartners.com or by mail at Okapi Partners LLC, 1212 Avenue of the Americas, 24th Floor, New York, NY 10036.

Participants in the Solicitation

The Company, its directors and certain of its executive officers and other employees may be deemed to be participants in the solicitation of proxies from stockholders in connection with the 2020 Annual Meeting. Additional information regarding the identity of these potential participants, none of whom owns in excess of one percent (1%) of the Company's shares, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the 2020 Proxy Statement and other materials

to be filed with the SEC in connection with the 2020 Annual Meeting. Information relating to the foregoing can also be found in the Company's definitive proxy statement for its 2019 annual meeting of stockholders (the "2019 Proxy Statement"), filed with the SEC on April 30, 2019. To the extent holdings of the Company's securities by such potential participants (or the identity of such participants) have changed since the information printed in the 2019 Proxy Statement, such information has been or will be reflected on Statements of Change in Ownership on Forms 3 and 4 filed with the SEC. You may obtain free copies of these documents using the sources indicated above.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	**2018**	**2019**	**2018**
Revenues				
Product revenue, net	$ 20,967	$ 25,976	$ 85,835	$ 105,448
Royalty rights - change in fair value	(26,765)	19,139	(31,042)	85,256
Royalties from Queen et al. patents	—	2	9	4,536
Interest revenue	—	83	—	2,337
License and other	3	(81)	(45)	533
Total revenues	(5,795)	45,119	54,757	198,110
Operating Expenses				
Cost of product revenue (excluding intangible asset amortization and impairment)	13,428	11,444	53,619	48,460
Amortization of intangible assets	1,561	1,577	6,306	15,831
General and administrative	12,561	6,019	45,598	45,420
Sales and marketing	1,967	2,772	8,482	17,139
Research and development	1,243	806	7,308	2,955
Impairment of intangible assets	22,490	—	22,490	152,330
Asset impairment loss	10,768	8,200	10,768	8,200
Change in fair value of contingent consideration	—	(19,198)	—	(41,631)
Total operating expenses	64,018	11,620	154,571	248,704
Operating (loss) income	(69,813)	33,499	(99,814)	(50,594)
Non-operating income (expense), net				
Interest and other income, net	1,046	1,958	6,030	6,065
Interest expense	(2,454)	(2,895)	(11,404)	(12,157)
Equity affiliate - change in fair value	18,293	—	36,402	—
Gain on sale of intangible assets	—	—	3,476	—
Gain on investments	—	—	—	764
Loss on exchange and extinguishment of convertible notes	(4,530)	—	(8,430)	—
Total non-operating income (expense), net	12,355	(937)	26,074	(5,328)
(Loss) income before income taxes	(57,458)	32,562	(73,740)	(55,922)
Income tax (benefit) expense	(2,630)	16,283	(3,049)	12,937
Net (loss) income	(54,828)	16,279	(70,691)	(68,859)
Less: Net (loss) attributable to noncontrolling interests	60	—	(280)	—
Net (loss) income attributable to PDL's stockholders	$ (54,888)	$ 16,279	$ (70,411)	$ (68,859)
Net (loss) income per share				
Basic	$ (0.48)	$ 0.12	$ (0.59)	$ (0.47)
Diluted	$ (0.48)	$ 0.11	$ (0.59)	$ (0.47)
Shares used to compute net (loss) income per basic share	114,671	141,247	118,631	145,669
Shares used to compute net (loss) income per diluted share	114,671	142,608	118,631	145,669

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

	December 31, 2019	December 31, 2018
Cash and cash equivalents	$ 193,451	$ 394,590
Notes receivable	$ 53,410	$ 63,813
Royalty rights - at fair value	$ 266,196	$ 376,510
Investment in equity affiliate	$ 82,267	$ —
Total assets	$ 716,119	$ 963,736
Total convertible notes payable	$ 27,250	$ 124,644
Total stockholders’ equity	$ 593,278	$ 729,779

TABLE 3
PDL BIOPHARMA, INC.
CONDENSED ROYALTY ASSET DATA
(Unaudited)
(In thousands)

	Three Months Ended					
	December 31, 2019			December 31, 2018		
(in thousands)	Cash Royalties	Change In Fair Value	Total	Cash Royalties	Change In Fair Value	Total
Assertio	$ 19,245	$ (46,298)	$ (27,053)	$ 19,425	$ (1,331)	$ 18,094
VB	218	(872)	(654)	242	222	464
U-M	1,452	(818)	634	1,194	(1,929)	(735)
AcelRx	66	222	288	59	2,105	2,164
KYBELLA	1	19	20	—	(847)	(847)
	$ 20,982	$ (47,747)	$ (26,765)	$ 20,920	$ (1,780)	$ 19,140

	Twelve Months Ended					
	December 31, 2019			December 31, 2018		
(in thousands)	Cash Royalties	Change In Fair Value	Total	Cash Royalties	Change In Fair Value	Total
Assertio	$ 72,225	$ (45,699)	$ 26,526	$ 71,502	$ 12,333	$ 83,835
VB	966	(518)	448	1,062	(272)	790
U-M	5,664	(5,197)	467	4,631	(1,174)	3,457
AcelRx	307	(57,428)	(57,121)	249	(2,514)	(2,265)
Avinger	—	—	—	366	(396)	(30)
KYBELLA	110	(1,472)	(1,362)	159	(690)	(531)
	$ 79,272	$ (110,314)	$ (31,042)	$ 77,969	$ 7,287	$ 85,256

(in thousands)	Fair Value as of December 31, 2018	Royalty Rights - Change in Fair Value	Fair Value as of December 31, 2019
Assertio	$ 264,371	$ (45,699)	$ 218,672
VB	14,108	(518)	13,590
U-M	25,595	(5,197)	20,398
AcelRx	70,380	(57,428)	12,952
KYBELLA	2,056	(1,472)	584
	$ 376,510	$ (110,314)	$ 266,196

TABLE 4
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 December 31,		Twelve Months Ended December 31,	
	2019	**2018**	**2019**	**2018**
GAAP net (loss) income attributed to PDL's stockholders as reported	$ (54,888)	$ 16,279	$ (70,411)	$ (68,859)
Adjustments to Non-GAAP net income (as detailed below)	59,132	(592)	109,555	129,240
Non-GAAP net income attributed to PDL's stockholders	$ 4,244	$ 15,687	$ 39,144	$ 60,381

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	**2018**	**2019**	**2018**
GAAP net (loss) income attributed to PDL's stockholders, as reported	$ (54,888)	$ 16,279	$ (70,411)	$ (68,859)
Adjustments:				
Mark-to-market adjustment to fair value - royalty assets	47,747	1,781	110,314	(7,287)
Mark-to-market adjustment to equity affiliate	(15,067)	—	(31,641)	—
Non-cash interest revenues	—	(83)	—	(312)
Non-cash stock-based compensation expense	1,716	(56)	7,119	4,758
Non-cash debt offering costs	1,461	1,864	7,237	7,609
Non-cash depreciation and amortization expense	606	635	2,901	3,696
Mark-to-market adjustment on warrants held	(3,228)	81	(4,715)	(33)
Impairment of intangible assets	22,490	—	22,490	152,330
Non-cash amortization of intangible assets	1,561	1,577	6,306	15,831
Mark-to-market adjustment of contingent consideration	—	(19,198)	—	(41,631)
Valuation allowance on deferred tax assets	8,866	11,384	8,866	11,226
Income tax effect related to above items	(7,020)	1,423	(19,322)	(16,947)
Total adjustments	59,132	(592)	109,555	129,240
Non-GAAP net income	$ 4,244	$ 15,687	$ 39,144	$ 60,381

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 Fourth Quarter and Full Year Financial Results Conference Call

March 11, 2020

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:

- Failure to successfully identify or complete a potential sale, divestiture, spin-off, merger, combination or similar transaction, or the failure of any such transaction to yield additional value for shareholders;
- Market conditions, including as a result of public health risks, which may affect the timing and/or execution of, and/or amount of net proceeds from, any potential sale, divestiture, spin-off, merger, combination or similar transaction in connection with our monetization strategy;
- Activities by shareholder activists, including a proxy contest or any unsolicited takeover proposal;
- Tax treatment of any distributions we may make in connection with our monetization strategy;
- The amounts or timing of distributions to stockholders in connection with our monetization strategy, including if we were to file for dissolution;
- 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 our investments and income generating assets;
- 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;
- 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.

Important Additional Information and Where to Find It

The Company plans to file a proxy statement (the "2020 Proxy Statement") with the U.S. Securities and Exchange Commission (the "SEC") in connection with the solicitation of proxies for the Company's 2020 annual meeting of stockholders (the "2020 Annual Meeting"), together with a WHITE proxy card. STOCKHOLDERS ARE URGED TO READ THE 2020 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Stockholders will be able to obtain, free of charge, copies of the 2020 Proxy Statement, any amendments or supplements thereto and any other documents (including the WHITE proxy card) when filed by the Company with the SEC in connection with the 2020 Annual Meeting at the SEC's website (http://www.sec.gov), at the Company's website (http://investor.pdl.com/investor-relations/sec-filings) or by contacting Okapi Partners by phone (for stockholders, banks and brokers) at 877-259-6290 or (all others outside the U.S.) at 212-297-0720, by email at info@okapipartners.com or by mail at Okapi Partners LLC, 1212 Avenue of the Americas, 24th Floor, New York, NY 10036.

Participants in the Solicitation

The Company, its directors and certain of its executive officers and other employees may be deemed to be participants in the solicitation of proxies from stockholders in connection with the 2020 Annual Meeting. Additional information regarding the identity of these potential participants, none of whom owns in excess of one percent (1%) of the Company's shares, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the 2020 Proxy Statement and other materials to be filed with the SEC in connection with the 2020 Annual Meeting. Information relating to the foregoing can also be found in the Company's definitive proxy statement for its 2019 annual meeting of stockholders (the "2019 Proxy Statement"), filed with the SEC on April 30, 2019. To the extent holdings of the Company's securities by such potential participants (or the identity of such participants) have changed since the information printed in the 2019 Proxy Statement, such information has been or will be reflected on Statements of Change in Ownership on Forms 3 and 4 filed with the SEC. You may obtain free copies of these documents using the sources indicated above.

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Robust Progress Toward Monetization

- Disciplined, cost-effective monetization strategy with focus on optimizing return of net proceeds to stockholders
- Comprehensive Plan of Complete Liquidation approved by Board enabling potential liquidation tax treatment for distributions
- Engaged leading investment banks as advisors
  - BofA Securities for sale of whole Company or royalty portfolio
  - Torreya for sale of Noden and sale of Evofem stock
  - SVB Leerink to pursue pathway for LENSAR and advise on overall liquidation and distribution strategies
- Goal is to sell whole company or monetize key assets by year-end 2020 and return net proceeds to stockholders in tax-efficient manner
  - Potential transactions include whole company sale, divestiture of assets, subsidiary spin-off or combination of transactions
  - Confidence in quality of assets
- Speed in implementation will minimize operating costs and maximize tax efficiencies

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Path to Dissolution

- If whole company sale is not consummated, the Company will pursue dissolution as the most efficient wind-down mechanism
- Targeting stockholder vote at 2020 Annual Meeting to permit filing of a certificate of dissolution in Delaware
  - Detailed proposal in 2020 proxy statement
- The Company remains after filing of the certificate of dissolution solely for wind-down purposes
  - Adequately funded to manage potential litigation, resolve claims and disputes, facilitate distributions and the monetization of any remaining minor passive assets
  - Will handle remaining shareholder and administrative issues and make final distribution upon final dissolution

PDL

Rapid Execution Underway

- Will reduce Board size from 9 at 2019 Annual Meeting to 7 following the 2020 Annual Meeting
  - Highly experienced with deep expertise in areas important to monetization strategy
- Retired 80% of 2021 and 2024 convertible notes in December 2019
  - $144M transaction: $98M in cash and 13.4M shares
  - Enables broader flexibility in executing monetization strategy
  - Avoids $12.6M in cash coupon interest and $9.4M in accretion interest upon 2024 notes maturity
- Board authorized $275M share and convertible notes repurchases. Through March 10, 2020:
  - Repurchased 7M shares of common stock at an average price of $3.43 per share
  - Retired an additional $13.7M principal value of convertible notes, eliminating additional future interest expense
  - Deployed $184.2M of the authorized $275M

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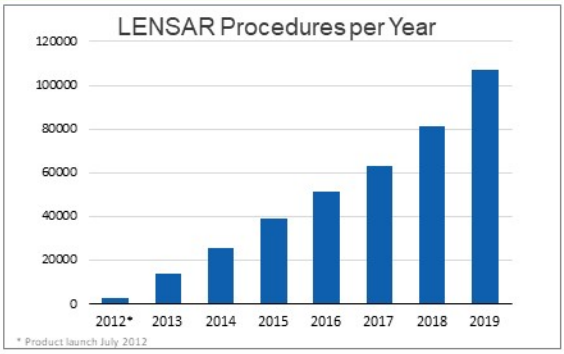
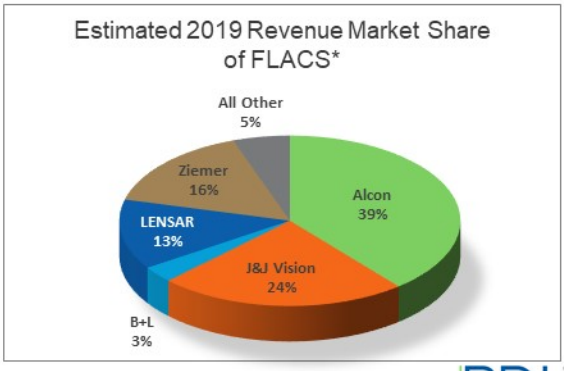
LENSAR: Innovation Driving Growth

- Record Q4-19 net sales of $8.5M
  - 19% increase from Q4-18
  - 5% increase from Q3-19
- 2019 revenues of $30.7M
  - 25% increase from 2018
  - Exceeded 2019 guidance of $29M
- Increasingly recognized as technology leader in femtosecond laser-assisted cataract surgery (FLACS) market
- YOY procedure volume up 33%
  - Volume topped 100,000 worldwide in 2019
  - LENSAR holds 13% worldwide revenue market share





*2019 Cataract Surgical Equipment Market Report: A Global Analysis for 2018 – 2024, Market Scope LLC

LENSAR: Positioned for Sustained Growth

- Best-in-class technology with LENSAR Streamline® IV laser
  - Enables optimal treatment of tissue-specific cataract and management of astigmatism
  - 70%-90% of patients who undergo cataract surgery have treatable, visually significant astigmatism, but it remains largely uncorrected post-surgery
- Expect LENSAR to continue gaining market share
  - Laser-assisted cataract surgery expected to grow 7.3% CAGR through 2023* fueled in part by increased adoption of advanced, premium IOLs

*2019 Cataract Surgical Equipment Market Report: A Global Analysis for 2018 – 2024, Market Scope LLC

PDL

LENSAR GEN2: Disruptive New Technology

- Development of GEN2, a compact, integrated, all-in-one femto-phaco workstation will strengthen LENSAR's position as the innovation leader
- LENSAR intellectual property secures premier technology position for GEN2 development and commercialization
- Recent market research of 122 U.S. cataract surgeons supports demand:
  - 40% said GEN2 would increase the number of FLACS procedures they perform
  - 89% believe it's preferable to have the femto laser and phaco system in the same room, but only 34% currently have this arrangement
  - 83% would consider acquiring GEN2 system when replacing a femto laser or a phaco system
  - 83% and 75% would consider acquiring a GEN2 system in addition to their current femto system and phaco system, respectively
  - 66% said GEN2 addresses unmet needs in cataract surgery (average 6.9 on a 10-point scale)
  - Combination femto-phaco configuration ranked higher than the standalone laser for all 5 brands tested
- 510(k) GEN2 submission targeted for end of 2021; commercial launch in 2022
- We remain committed to LENSAR and the development of its next generation technology while we pursue optimal path to monetization

PDL

High-Quality Royalty Portfolio

Product	Licensee	Counterparty	Royalties Until (1)	Investment	Cash Received to date (3)
Glumetza	Depomed	Valeant	indefinite		
Janumet XR	Depomed	Merck	6/2018		
Jentadueto XR	Depomed	Boehringer Ingelheim / Lilly	5/2026(2)	$260.5M	$452.3M
Invokamet XR	Depomed	Janssen	9/2023(2)		
Synjardy XR	Depomed	Boehringer Ingelheim / Lilly	12/2026(2)		
ICLUSIG	ARIAD	ARIAD	Payoff	$100.0M	$120.0M (4)
Cerdelga	University of Michigan	Sanofi Genzyme	4/2022	$65.6M	$18.5M
ZALVISO	AcelRx Pharmaceuticals, Inc.	Grunenthal	2030 or 3X investment	$65.0M	$0.7M
coflex	VB Viscogliosi Bros., LLC	Paradigm Spine	Until $36.7M	$15.5M	$6.8M
kybella	Inventor	Allergan	2/2025	$9.5M	$0.5M

(1) Expected dates based upon current agreements and patent expiry estimates
(2) Expiration for US sales: "ROW" expiry depends on launch dates
(3) As of 12/31/19
(4) Paid off on 03/30/17

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Noden: Focus on Profitability

- Focused on increasing the profitability of Tekturna® (aliskiren) and mitigating the impact of generic competition in the U.S.
- Excluding year-end impairment charge, Noden achieved operational profitability with net operating income of $3.4M for 2019
- Specific actions taken:
  - Discontinued contract sales force in Aug. 2018 resulting in savings of $3.5M-$4M per quarter
  - Launched authorized generic (AG) version of Tekturna through Prasco Laboratories in March 2019
  - Terminated all promotional efforts and restructured U.S. team in Q2-19
  - Branded Tekturna and the AG of Tekturna maintained a 73% U.S. market share at the end of Q4-19

Evofem: Value Creation Catalysts in 2020

- Market value on PDL's 28% stake in EVFM increased $18.3M for Q4-19 and $36.4M since first investment in April 2019
- Resubmitted Amphora® NDA for prevention of pregnancy in Nov. 2019
- Reported positive topline results from the AMPREVENCE Phase 2b trial for Amphora for prevention of chlamydia and gonorrhea in Dec. 2019
- Additional value-creation catalysts expected in 2020
  - Amphora PDUFA date for prevention of pregnancy in late May
  - Commercial launch of Amphora for prevention of pregnancy expected in 2H-20

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Fourth Quarter 2019 Financials (unaudited)

(In thousands, except per share amounts)	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
Product revenue, net	$ 20,967	$ 25,976	$ 85,835	$ 105,448
Royalty rights - change in fair value	(26,765)	19,139	(31,042)	85,256
Royalties from Queen et al. patents	-	2	9	4,536
Interest revenue	-	83	-	2,337
License and other	3	(81)	(45)	533
Total revenues	(5,795)	45,119	54,757	198,110
Cost of product revenue, (excluding intangible asset amortization and impairment)	13,428	11,444	53,619	48,460
Amortization of intangible assets	1,561	1,577	6,306	15,831
General and administrative expenses	12,561	6,019	45,598	45,420
Sales and marketing	1,967	2,772	8,482	17,139
Research and development	1,243	806	7,308	2,955
Impairment of intangible assets	22,490	-	22,490	152,330
Change in fair value of contingent consideration	-	(19,198)	-	(41,631)
Asset impairment loss	10,768	8,200	10,768	8,200
Total operating expenses	64,018	11,620	154,571	248,704
Operating (loss) income	(69,813)	33,499	(99,814)	(50,594)
Interest and other income, net	1,046	1,958	6,030	6,065
Interest expense	(2,454)	(2,895)	(11,404)	(12,157)
Equity affiliate - change in fair value	18,293	-	36,402	-
Gain on sale of intangible assets	-	-	3,476	-
Gain on investment	-	-	-	764
Loss on exchange and extinguishment of convertible notes	(4,530)	-	(8,430)	-
Income (loss) before income taxes	(57,458)	32,562	(73,740)	(55,922)
Income tax (benefit) expense	(2,630)	16,283	(3,049)	12,937
Net (loss) income	(54,828)	16,279	(70,691)	(68,859)
Less: Net income (loss) attributable to noncontrolling interests	60	-	(280)	-
Net (loss) income attributable to PDL's shareholders	$ (54,888)	$ 16,279	$ (70,411)	$ (68,859)
Net (loss) income per share - Basic	$ (0.48)	$ 0.12	$ (0.59)	$ (0.47)
Net (loss) income per share - Diluted	$ (0.48)	$ 0.11	$ (0.59)	$ (0.47)

Fourth Quarter 2019 Financials (unaudited)

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
GAAP net (loss) income attributed to PDL's shareholders, as reported	$ (54,888)	$ 16,279	$ (70,411)	$ (68,859)
Adjustments:				
Mark-to-market adjustment to fair value - royalty assets	47,747	1,781	110,314	(7,287)
Mark-to-market adjustments to equity affiliate - common stock	(15,067)	-	(31,641)	-
Non-cash interest revenues	-	(83)	-	(312)
Non-cash stock-based compensation expense	1,716	(56)	7,119	4,758
Non-cash debt offering costs	1,461	1,864	7,237	7,609
Non-cash depreciation and amortization expense	606	635	2,901	3,696
Mark-to-market adjustment on warrants held	(3,228)	81	(4,715)	(33)
Impairment of intangible assets	22,490	-	22,490	152,330
Non-cash amortization of the intangible assets	1,561	1,577	6,306	15,831
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Valuation allowance on deferred tax assets	8,866	11,384	8,866	11,226
Income tax effect related to above items	(7,020)	1,423	(19,322)	(16,947)
Total adjustments	59,132	(592)	109,555	129,240
Non-GAAP net income	$ 4,244	$ 15,687	$ 39,144	$ 60,381

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

	Twelve Months Ended December 31, 2019
GAAP net (loss) income attributed to Noden's shareholders, as reported	$ (19,048)
Adjustments:	
Impairment of intangible assets	22,490
Non-GAAP net income	$ 3,442

Fourth Quarter 2019 Financials (unaudited)

Consolidated balance sheet data *(in thousands)*	December 31, 2019	December 31, 2018
Cash and cash equivalents	$ 193,451	$ 394,590
Notes receivable	$ 53,410	$ 63,813
Royalty rights - at fair value	$ 266,196	$ 376,510
Investment in equity affiliate	$ 82,267	$ -
Intangible assets, net	$ 23,298	$ 51,319
Total assets	$ 716,119	$ 963,736
Convertible notes payable	$ 27,250	$ 124,644
Total stockholders' equity	$ 593,278	$ 729,779

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Questions & Answers