

# Exhibit L



# Financial Outlook

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CONFIDENTIAL

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## Executive Summary

- Operationally, **2016 still is on track** vs. Budget for Sales, Profit and Cash
- \$300M Operating Margin upside mostly due to CMS' ruling on line extension definition
- **Profit & Cash Flow planned to be flat** over next 5 years despite -2% Sales CAGR
- **5-Year Sales Outlook -\$258M lower than November 2015** view due to
  - Butrans revised LOE to 2018
  - Discontinuation of MSR/HCA development programs
  - Lower short/medium term expectations for Hysingla
  - Despite slower erosion than originally anticipated for OxyContin
- **5-Year Profit and Cash Outlook in line with November 2015** view thanks to - \$289M operating expense reductions including a -\$195M reduction in sales & promotion costs
- Long term Plan still calls for **\$2.0 - \$2.5Bn of Investment over the next 5 years** to maintain current sales level (and profit) over the next 10 years
- Executing on all recommended BD opportunities should deliver desired long term financial profile, but would leave **limited additional capital capacity before 2019**