

**Exhibit 2**

# Updated Sales Forecast Scenarios

11/22/2017

DRAFT



PROPRIETARY AND CONFIDENTIAL

DRAFT



# Summary

- The addressable branded ERO NBRx market is small relative to the entire market which continues to decline
- Sales forecast scenarios were updated to reflect 3 key changes:
  1. ERO Market Decline
  2. Xtampza ER sNDA impact on OxyContin
  3. Nektar-181 impact on OxyContin
- Base case scenario provides the best opportunity to:
  - Successfully begin diversification
  - Realize deal model synergies for Symproic
  - Support investment for growth
- Commercial organization will need to be adjusted
  - Hybrid sales force (Purdue and CSO)
  - Additional savings beyond those presented in October

DRAFT



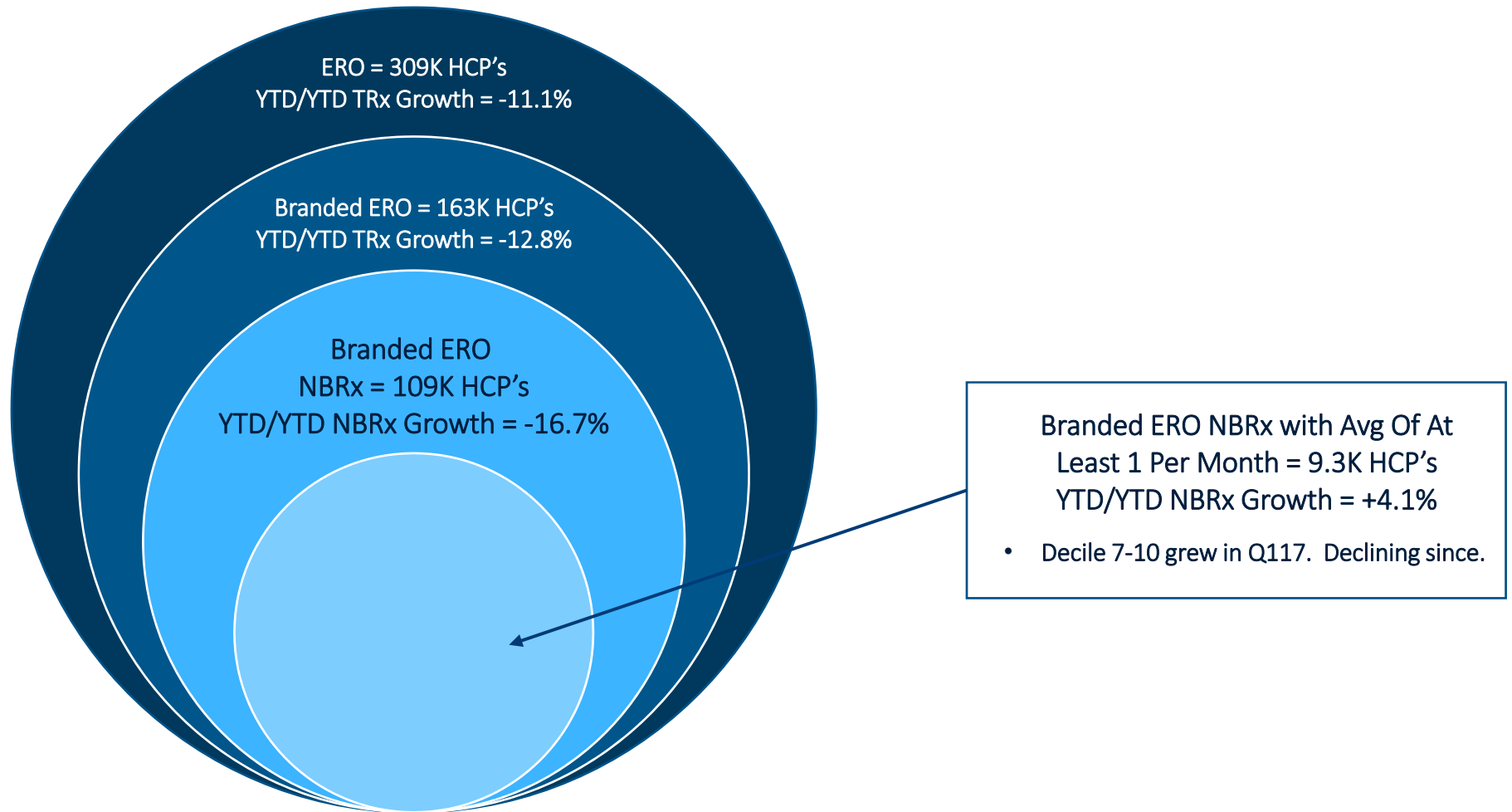
# Promotional Mix Model

PROPRIETARY AND CONFIDENTIAL

DRAFT



# Addressable ERO Market



DRAFT

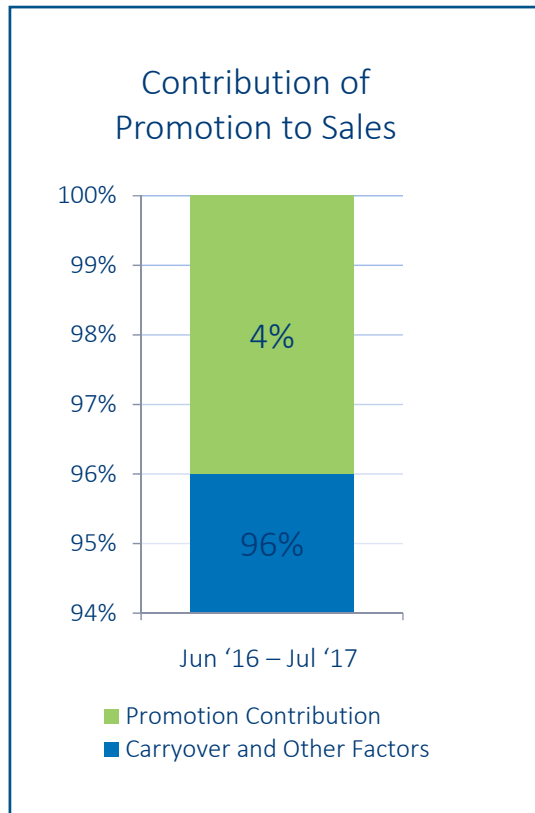


# Promotional Mix Model

- Rigorous Promotional Mix Model
  - Multiple regression with lagged and interactive terms
  - Machine learning to refine and validate results
  - Results are at HCP level
- Results are influenced by
  - Strategic choices
  - Execution
  - External events
  - Competition
- Approach is industry standard with enhancements
- Results have been validated by ZS associates, KMK, McKinsey and others

DRAFT

## OxyContin Sales Are Mainly From Carry-Over, Typical of a Mature Brand



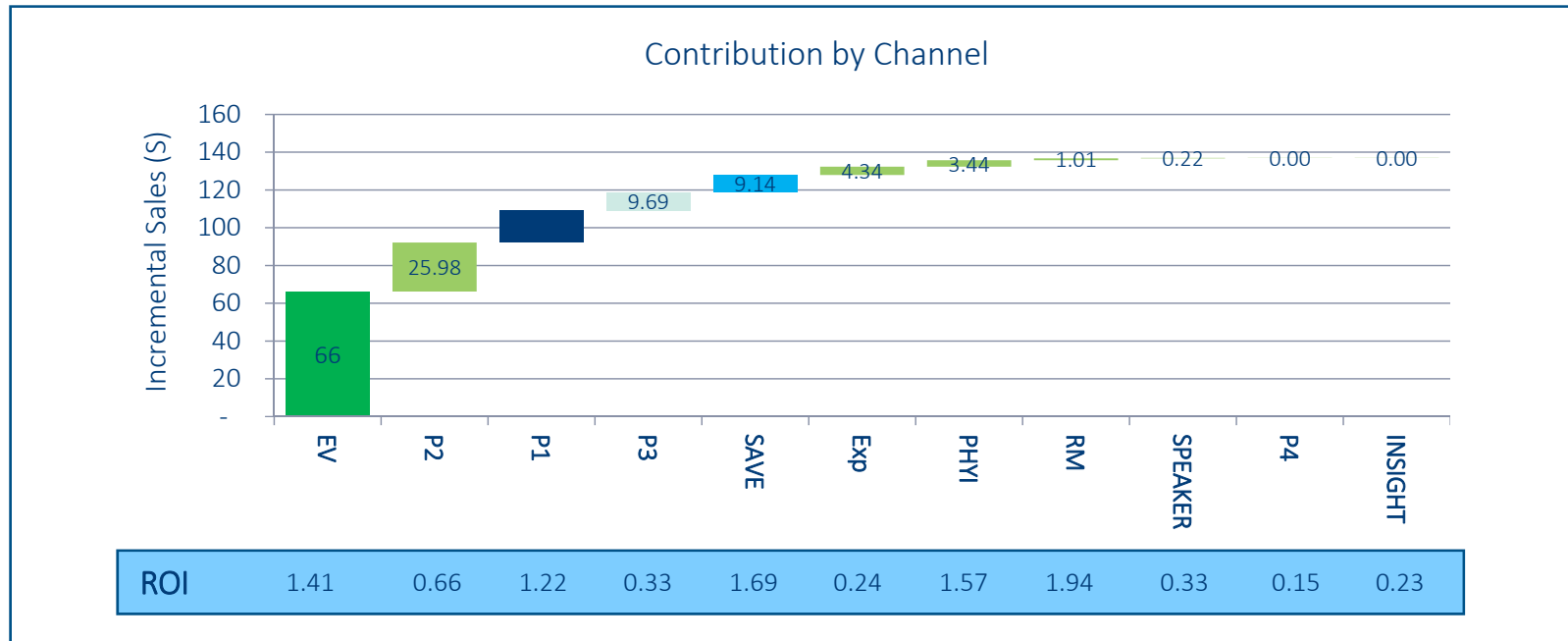
- As a matured product, Oxycontin TRx has 4% contribution from promotion channels.
- Remaining 96% is estimated to be carry over.
- \$33MM incremental revenue was generated, with a ROI of 0.87.
- Being a brand launched for a long period, its ROI is relative stable.

DRAFT



## OxyContin Data Signal 5 Key Channels: Primary / Secondary / Tertiary Calls, Savings Card, and eVoucher

- Sales force details represent 53% of total investment and 38% of total promotional contribution
- Details, eVoucher, and saving cards account for 93% of all contribution





DRAFT



## Hysingla ER Promotion Contribution and Carry-Over



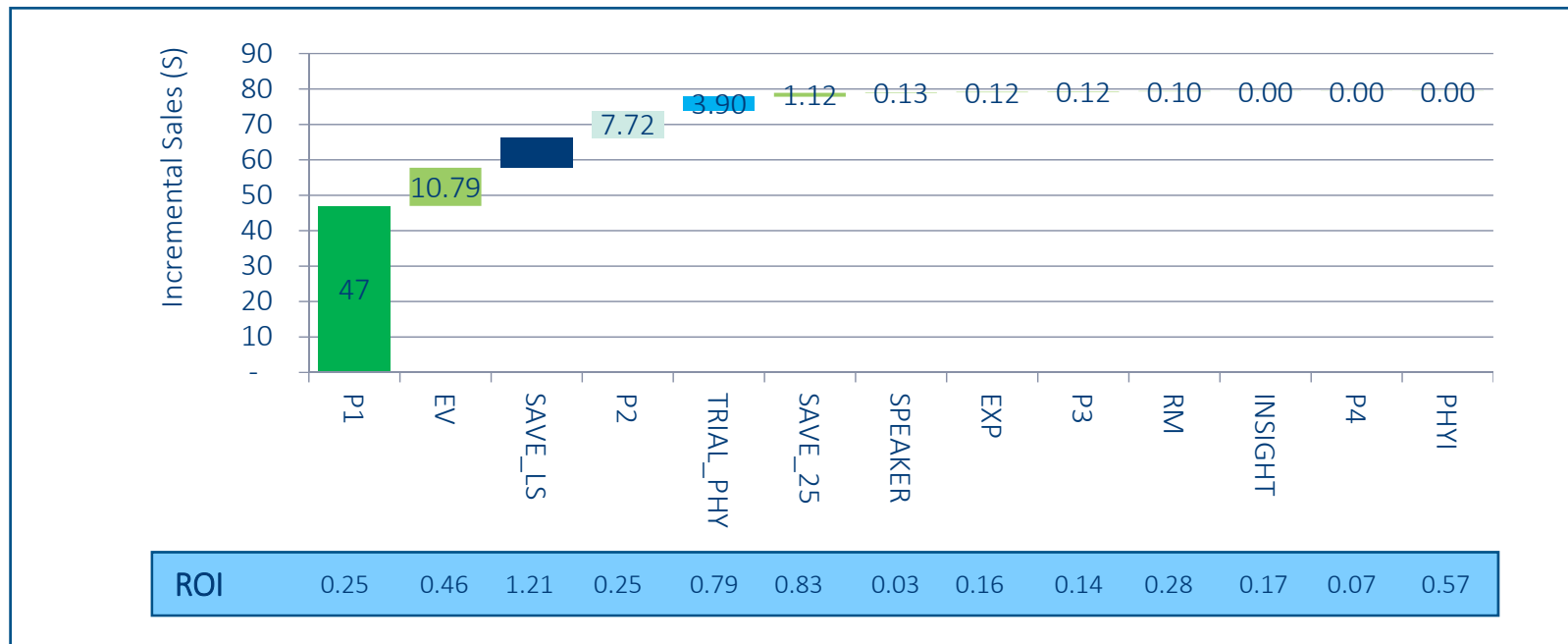
- Hysingla ER TRx has 38% contribution from promotional channels.
- Remaining 62% is estimated to be other factors.
- \$11MM incremental revenue was generated, with a ROI of 0.28.

DRAFT



## Hysingla ER Signal 5 Key Channels: Primary / Secondary Calls, Trial Card, Savings Card, and eVoucher

- Details, eVoucher, trial cards and saving cards account for 99.4% of all contributions



DRAFT



# Sales Forecast Scenarios

---

PROPRIETARY AND CONFIDENTIAL

DRAFT



# Sales Forecast Assumptions

	June 5 Year Plan	Base
ERO Market Decline 2018-2019	2017-2018 9.3% 2019-2020 6% 2021-2022 3%	2017 11.1% 2018-2022 10.5%
Price Increases	2018 OxyContin & Hysingla ER 6%, Butrans 9.5% 2019-2022 9.5%	2018-2019 9.5% 2020-2022 6.0%
Sales Force	~500 reps	248 reps + 102 CSO reps
Brand Pressures	Current trend continues through 2018 and slows for 2019-2022	Current trend continues
Xtampza ER sNDA additional impact	No	Modest (see backup slide)
Nektar-181 impact on OxyContin	Risk adj. 2019 launch	Risk adj. 2019 launch
Cebranapadol impact on OxyContin	70% risk adj.	30-50% risk adj.
Triphentín	Not included	Included
Symproic	Deal forecast	Deal forecast
MSER ADF	Not Included	Included
Targiniq ER	Not Included	Not Included
Consumer Health	4% CAGR	20% CAGR



DRAFT



## Sales Forecast Assumptions

	Oct. Presentation	Base	Downside	New Commercial Model
2017-2022 Cumulative Net Sales	\$6,215MM	\$5,879MM	\$4,566MM	\$5,426MM
ERO Market Decline 2018-2019	2018-2019 10.5% 2020-2022 3-4%	2018-2022 10.5%	2018-2022 10.5%	2018-2022 10.5%
Price Increases	9.5% all years	2018-2019 9.5% 2020-2022 6.0%	2018-2019 9.5% 2020-2022 6.0%	2018-2019 9.5% 2020-2022 6.0%
Sales Force	360 reps	248 reps + 102 CSO reps	260 reps + 50 maintenance reps	260 reps on Symproic
Brand Pressures	Current trend continues	Current trend continues	Trend accelerates	Current trend continues
Xtampza ER sNDA additional impact	No	Modest (see backup slide)	Steeper (see backup slide)	Modest (see backup slide)
Nektar-181 impact on OxyContin	Risk adj. 2022 launch	Risk adj. 2019 launch	2019 launch not risk adj.	Risk adj. 2019 launch
Cebranapadol impact on OxyContin	70% risk adj.	30-50% risk adj.	30-50% risk adj.	30-50% risk adj.
Triphentín	Not included	Included	Not included	Included
Symproic	Deal forecast	Deal forecast	Lower Market Lower chronic use	Deal forecast
MSER ADF	Included	Included	Not Included	Included
Targiniq ER	Included	Not Included	Not Included	Not Included
Consumer Health	Relatively flat	20% CAGR	Flat	20% CAGR



DRAFT



## 2018 -2022 Sales Forecast: Base Case

\$M	2017	2018	2019	2020	2021	2022
OxyContin	\$1,062	\$792	\$608	\$529	\$466	\$400
Butrans	174	46	13	6	7	8
Hysingla ER	58	64	71	61	60	58
Other	6	5	4	3	3	3
Consumer Health - trend	70	73	73	73	73	73
<b>Legacy Brands</b>	<b>\$1,369</b>	<b>\$980</b>	<b>\$769</b>	<b>\$672</b>	<b>\$609</b>	<b>\$542</b>
Symproic	3	36	73	130	169	166
Triphentín	-	-	-	19	37	58
MSER ADF	-	-	8	8	8	8
Consumer Health - growth	-	-	12	34	66	104
<b>Growth Brands</b>	<b>\$3</b>	<b>\$36</b>	<b>\$92</b>	<b>\$191</b>	<b>\$279</b>	<b>\$336</b>
<b>Total</b>	<b>\$1,372</b>	<b>\$1,016</b>	<b>\$861</b>	<b>\$863</b>	<b>\$888</b>	<b>\$878</b>

\*Triphentín sales are risk adjusted. Non-risk adjusted ADHD sales are \$24MM in 2020, \$46MM in 2021 and \$73MM in 2022



DRAFT



## 2018 -2022 Sales Forecast: Downside Case

\$M	2017	2018	2019	2020	2021	2022
OxyContin	\$1,062	\$756	\$531	\$418	\$341	\$275
Butrans	174	46	13	6	7	8
Hysingla ER	58	57	51	31	24	18
Other	6	5	4	3	3	3
Consumer Health - trend	70	73	73	73	73	73
<b>Legacy Brands</b>	<b>\$1,369</b>	<b>\$938</b>	<b>\$672</b>	<b>\$531</b>	<b>\$449</b>	<b>\$377</b>
Symproic	3	16	35	58	68	70
Triphentoin	-	-	-	-	-	-
MSER ADF	-	-	-	-	-	-
Consumer Health - growth	-	-	-	-	-	-
<b>Growth Brands</b>	<b>\$3</b>	<b>\$16</b>	<b>\$35</b>	<b>\$58</b>	<b>\$68</b>	<b>\$70</b>
<b>Total</b>	<b>\$1,372</b>	<b>\$954</b>	<b>\$707</b>	<b>\$590</b>	<b>\$517</b>	<b>\$447</b>



## 2018 -2022 Sales Forecast: Base Case with New Commercial Model



\$M	2017	2018	2019	2020	2021	2022
OxyContin	\$1,062	773	570	481	410	339
Butrans	174	46	13	6	7	8
Hysingla ER	58	49	30	14	8	5
Other	6	5	4	3	3	3
Consumer Health - trend	70	73	73	73	73	73
<b>Legacy Brands</b>	<b>\$1,369</b>	<b>\$947</b>	<b>\$690</b>	<b>\$577</b>	<b>\$502</b>	<b>\$428</b>
Symproic	3	36	73	130	169	166
Triphentin*	-	-	-	19	37	58
MSER ADF	-	-	8	8	8	8
Consumer Health - growth	-	-	12	34	66	104
<b>Growth Brands</b>	<b>\$3</b>	<b>\$36</b>	<b>\$92</b>	<b>\$191</b>	<b>\$279</b>	<b>\$336</b>
<b>Total</b>	<b>\$1,372</b>	<b>\$982</b>	<b>\$782</b>	<b>\$768</b>	<b>\$781</b>	<b>\$764</b>

\*Triphentin sales are risk adjusted. Non-risk adjusted ADHD sales are \$24MM in 2020, \$46MM in 2021 and \$73MM in 2022





DRAFT



# Field Force Cost

## Base Case

	2017 LE			2018 Budget			2019 Budget			Cumulative Costs
	PDEs	FTE	Cost	PDEs	FTE	Cost	PDEs	FTE	Cost	2018-2022
Symproic	122,048	223	23.0	452,088	199	68.9	452,088	199	67.1	337.2
OxyContin	273,859	116	51.7	208,354	92	31.7	208,354	92	30.9	155.4
Hysingla	359,657	157	67.9	133,358	59	20.3	133,358	59	19.8	99.5
Butrans	144,650	37	27.3	0	0	0.0	0	0	0.0	0.0
<b>Total</b>	<b>900,214</b>	<b>533</b>	<b>170.0</b>	<b>793,800</b>	<b>350</b>	<b>120.9</b>	<b>793,800</b>	<b>350</b>	<b>117.8</b>	<b>592.1</b>

Notes:

- Budget includes 248 Purdue (Cost per rep: \$373K) and 102 CSO reps (Cost per rep: \$213K)

## Downside Case

	2017 LE			2018 Budget			2019 Budget			Cumulative Costs
	PDEs	FTE	Cost	PDEs	FTE	Cost	PDEs	FTE	Cost	2018-2022
Symproic	122,048	223	23.0	393,120	173	63.5	393,120	173	60.3	304.6
OxyContin	273,859	116	51.7	198,072	87	32.0	198,072	87	30.4	153.5
Hysingla	359,657	157	67.9	111,888	49	18.1	111,888	49	17.2	86.7
Butrans	144,650	37	27.3	0	0	0.0	0	0	0.0	0.0
<b>Total</b>	<b>900,214</b>	<b>533</b>	<b>170.0</b>	<b>703,080</b>	<b>310</b>	<b>113.5</b>	<b>703,080</b>	<b>310</b>	<b>107.8</b>	<b>544.7</b>

Notes:

- Budget includes 260 Purdue (Cost per Rep: \$370K) and 50 concierge reps (Cost per Rep: \$160K). The plan does not meet Symproic PDE requirement, will have to renegotiate the contract

## New Commercial Model

	2017 LE			2018 Budget			2019 Budget			Cumulative Costs
	PDEs	FTE	Cost	PDEs	FTE	Cost	PDEs	FTE	Cost	2018-2022
Symproic	122,048	223	23.0	488,191	260	110.5	488,191	260	102.8	521.8
OxyContin	273,859	116	51.7	0	0	0.0	0	0	0.0	0.0
Hysingla	359,657	157	67.9	0	0	0.0	0	0	0.0	0.0
Butrans	144,650	37	27.3	0	0	0.0	0	0	0.0	0.0
<b>Total</b>	<b>900,214</b>	<b>533</b>	<b>170.0</b>	<b>488,191</b>	<b>260</b>	<b>110.5</b>	<b>488,191</b>	<b>260</b>	<b>102.8</b>	<b>521.8</b>

Notes:

- Budget includes 260 Purdue reps only (Cost per Rep: \$395K)



DRAFT



# Backup

PROPRIETARY AND CONFIDENTIAL

DRAFT



## Xtampza ER Impact

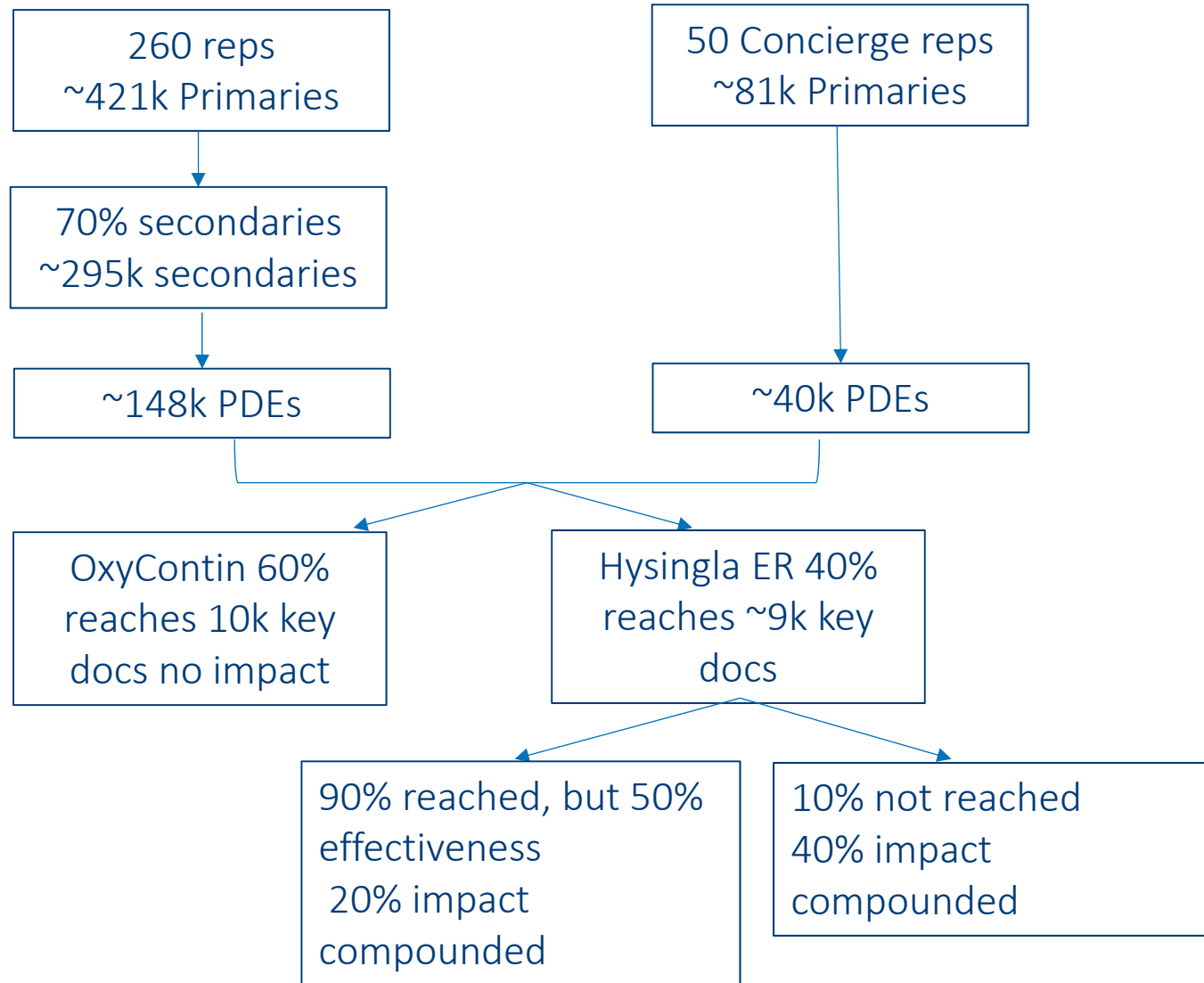
- Incremental negative impact is expected to be the result of additional payers placing Xtampza ER on formulary and excluding OxyContin and Hysingla ER
- We expect to lose 60% of volume in excluded plans (UHC analogue)
  - 40% of volume will become non-rebated and this rebate savings will offset the topline impact
  - Loss of plans occurs over time with peak in 2020
- Spillover into other plans is expected to occur as prescribers encounter obstacles to prescribing and change prescribing habits for patients on plans where coverage is maintained
  - The impact of this will be larger with a higher percentage excluded or a large plan exclusion
- Hysingla ER will not likely be a target, but in some cases impact may occur (e.g. 1 of 1 contracts)
- Specific assumptions by scenario:

	OxyContin Base & New Commercial Model	OxyContin Downside	Hysingla ER
% of rebated volume excluded	20%	35%	10%
Spillover impact	2.5%	5.0%	2.5%
2018 Rx impact	2.6%	4.5%	1.5%
2022 Rx impact	10.1%	17.5%	4.7%

DRAFT



# Impact of Sales Force on OxyContin and Hysingla ER



DRAFT



## Roll Forward from June Strat Plan to Base Case

	2017	2018	2019	2020	2021	2022	Cumulative
June Strat Plan	\$1,325	\$1,108	\$1,140	\$1,121	\$1,188	\$1,382	\$7,263
OxyContin price	-	23	27	9	(4)	(18)	37
OxyContin Xtampza ER	-	(26)	(59)	(63)	(47)	(33)	(229)
OxyContin Market	(22)	(31)	(74)	(99)	(142)	(195)	(563)
OxyContin brand pressures continue	-	-	(100)	(117)	(153)	(183)	(553)
OxyContin other*	(6)	(59)	(67)	(4)	(12)	(172)	(320)
Butrans (mostly LoE shift to Jan-18)	17	23	(1)	(3)	(2)	(2)	32
Hysingla ER Market	(1)	(3)	(8)	(12)	(16)	(23)	(64)
Hysingla ER impact of lower calls	(1)	(9)	(10)	(9)	(8)	(8)	(45)
Hysingla ER other*	(9)	(6)	-	(11)	(15)	(26)	(67)
Triphentoin risk adjusted sales	-	-	-	19	37	58	114
2017 prior year accrual reversals	79						79
MSER ADF	-	-	8	8	8	8	32
Consumer Health changes	(4)	(4)	5	24	54	90	165
Symproic delay in launch	(6)	-	-	-	-	-	(6)
<b>Base Case</b>	<b>\$1,372</b>	<b>\$1,016</b>	<b>\$861</b>	<b>\$863</b>	<b>\$888</b>	<b>\$878</b>	<b>\$5,879</b>

\*Includes updated Rx trends, GTN, AG, inventory, institutional volume, tabs per Rx and mix.



PROPRIETARY AND CONFIDENTIAL

DRAFT



## Roll Forward from October Presentation to Base Case

	2017	2018	2019	2020	2021	2022	Cumulative
October Presentation	\$1,339	\$990	\$887	\$953	\$1,016	\$1,019	\$6,215
OxyContin price	-	-	-	(17)	(28)	(40)	(85)
OxyContin Xtampza ER	-	(26)	(59)	(63)	(47)	(33)	(229)
OxyContin Nektar-181 earlier launch	-	-	(4)	(19)	(41)	(80)	(144)
OxyContin 2020-2022 mkt & share				(1)	(55)	(118)	(174)
OxyContin other*	6	37	31	(19)	(24)	10	40
Butrans LoE shift to Jan-18	27	19	1	-	-	-	48
Hysingla ER price	-	-	-	(2)	(3)	(5)	(9)
Hysingla ER 2020-2022 mkt & share				(9)	(12)	(15)	(36)
Hysingla ER other*	-	(2)	3	(1)	(4)	(6)	(11)
Targiniq ER not launching	-	(3)	(8)	(10)	(14)	(16)	(51)
Triphentin risk adjusted sales	-	-	-	19	37	58	114
Consumer Health increases	-	1	10	32	64	103	210
<b>Base Case</b>	<b>\$1,372</b>	<b>\$1,016</b>	<b>\$861</b>	<b>\$863</b>	<b>\$888</b>	<b>\$878</b>	<b>\$5,879</b>

\*Includes updated Rx trends, AG, GTN, inventory, institutional volume, tabs per Rx and mix.



DRAFT



## Changes from Base Case to Downside Case

	2017	2018	2019	2020	2021	2022	Cumulative
Base Case	\$1,372	\$1,016	\$861	\$863	\$888	\$878	\$5,879
Exclude Triphentlin	-	-	-	(19)	(37)	(58)	(114)
Exclude MSER ADF	-	-	(8)	(8)	(8)	(8)	(32)
Flat Consumer Health	-	-	(12)	(34)	(66)	(104)	(216)
Lower Symproic	-	(20)	(38)	(71)	(100)	(96)	(326)
Hysingla ER Sales Force Impact	-	(6)	(20)	(30)	(36)	(40)	(132)
OxyContin add. Nektar impact			(10)	(31)	(45)	(48)	(134)
OxyContin steeper pressures		(30)	(52)	(77)	(94)	(109)	(361)
OxyContin add. Xtampza ER impact		(9)	(6)	(17)	(16)	(4)	(52)
OxyContin other	-	3	(9)	14	30	36	74
Downside Case	\$1,372	\$954	\$707	\$590	\$517	\$447	\$4,585

DRAFT



## Changes from Base Case for New Commercial Model

	2017	2018	2019	2020	2021	2022	Cumulative
Base Case	\$1,372	\$1,016	\$861	\$863	\$888	\$878	\$5,879
OxyContin	-	(19)	(38)	(48)	(56)	(62)	(219)
Hysingla ER	-	(14)	(42)	(47)	(51)	(53)	(207)
Base Case with New Commercial Model	\$1,372	\$982	\$782	\$768	\$781	\$764	\$5,449

