

Rani Therapeutics Holdings, Inc. (RANI: NASDAQ)

RANI: Chugai Deal Announced

Rani's valuation relies on a DCF model and a 15% discount rate applied to our cash flow estimates. We apply various success probabilities to the portfolio programs based on their stage of development and program risk. We apply a declining scale of probabilities over the life of the arrangement. The model includes contributions from the United States and rest of world.

Current Price (10/17/2025) **\$1.64**
Valuation **\$7.00**

SUMMARY DATA

52-Week High **2.72**
52-Week Low **0.39**
One-Year Return (%) **-37.6**
Beta **0.0**
Average Daily Volume (sh) **8,236,317**

Shares Outstanding (mil) **198.0**
Market Capitalization (\$mil) **324.7**
Short Interest Ratio (days) **0.5**
Institutional Ownership (%) **17.0**
Insider Ownership (%) **19.5**

Annual Cash Dividend **\$0.00**
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates
Sales (%) **N/A**
Earnings Per Share (%) **N/A**
Dividend (%) **N/A**

P/E using TTM EPS **N/A**
P/E using 2025 Estimate **N/A**
P/E using 2026 Estimate **N/A**

Zacks Rank **N/A**

OUTLOOK

Rani is a clinical-stage biotherapeutics company developing the ingestible robotic RaniPill (RP) that enables oral delivery of biologics & other large molecules. Its pipeline features clinical assets RT-102 (teriparatide for osteoporosis) & RT-111 (ustekinumab for psoriasis). Both programs have completed Ph1 trials characterizing safety tolerability & pharmacokinetics. Adalimumab for psoriasis (RT-105) & teriparatide for hypo-parathyroidism (RT-110) are in preclinical development. Partnership deals were recently signed with ProGen & Chugai for development of selected assets.

Other Rani initiatives include development of larger capacity pills & collaborations with biopharmaceutical companies. It plans to start a Phase II for RT-102 and a combined dose finding/Phase II for RT-111.

RP expands delivery options for biologics that now require parenteral administration. An oral option would provide product life cycle management, improved comfort of administration, greater compliance and improved dosing regimens which would improve efficacy and reduce side effects.

We expect clinical trials will be completed and approval granted for the various assets in Rani's portfolio over the succeeding years. If RP proves successful in delivering biologics for these initial indications, we see material penetration opportunity into the biologics market.

Risk Level **Above Average**
Type of Stock **Small-Growth**
Industry **Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue

(In millions of USD)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$0.0 A	\$0.0 A	\$0.0 A	\$1.0 A	\$1.0 A
2025	\$0.1 A	\$0.0 A	\$0.0 E	\$10.0 E	\$10.2 E
2026					\$9.0 E
2027					\$12.8 E

Earnings per Share

	Q1	Q2	Q3	Q4	Year
2024	-\$0.29 A	-\$0.26 A	-\$0.24 A	-\$0.27 A	-\$1.05 A
2025	-\$0.22 A	-\$0.18 A	-\$0.09 E	-\$0.01 E	-\$0.34 E
2026					-\$0.20 E
2027					-\$0.17 E

WHAT'S NEW

With investors perched on the edge of their seats for months, Rani Therapeutics Holdings, Inc. (NASDAQ: RANI) announces a deal including upfront milestones and partner-funded asset development. On October 18th Rani and Chugai Pharmaceutical disclosed a collaboration and license agreement that includes a \$10 million upfront payment, the potential for \$75 million in technology transfer and development milestones, \$100 million in sales milestones and single digit royalties on product sales. The event was preceded by a [research agreement](#) signed between the two in August 2024. Rani concurrently announced a \$60 million financing with several new and existing investors. The capital will be used to advance its pipeline and in particular its lead asset RT-114. We see the deal with Chugai as a vote of confidence for the Rani Pill (RP) and potentially a sign of future deals. Management has been in advanced discussions with several other suitors this year while simultaneously negotiating limited exclusivity in existing relationships generating a profile that is attractive to both partners and acquirors.

Collaboration with Chugai Pharmaceuticals

Rani announced its collaboration with Chugai in an October 17th [press release](#)¹ and [Form 8-K](#) filing. The deal provides Rani with a \$10 million upfront payment and the potential for \$57 million in technology transfer, \$18 million in development and \$100 million in sales milestones along with a single digit royalty on sales. The primary biologic to be combined with RP HC will treat hemophilia A and will be the successor to Hemlibra.² While similar in structure to Hemlibra, the molecule in question will be a new biologic entity and have all of the associated costs and benefits related to that status with respect to clinical trial requirements and patent protection. The new product is expected to allow for longer dosing intervals and, of course, oral administration, improving patient convenience. The two parties will share development responsibilities for the product allocating preclinical, CMC, manufacturing and supply responsibilities between each other. Chugai will be solely responsible for clinical, regulatory and commercial efforts and its drug. Rani will focus on the device.

The agreement grants Chugai an exclusive, worldwide right and license to RP HC intellectual property to research, develop, manufacture, commercialize and market the drug-device combination. Rani has the right to manufacture and supply the device and will receive payment from Chugai to do so. Chugai retains the right to replace the identified compound with another, a time-limited right of first refusal for a select group of additional targets and an option to extend its rights to five additional drug targets.

Last Year's Research Agreement with Chugai

A May 19th, 2025 [press release](#) informed investors that Rani had signed a research agreement with Chugai Pharmaceutical Co. on August 13th, 2024. The agreement granted Chugai rights to develop two molecules with undisclosed targets. Since the signing, the partner has demonstrated bioavailability comparable with delivery via the subcutaneous route for both molecules. The partners have now evaluated feasibility of applying Rani's technology to these antibodies generating the agreement announced above.

Chugai Pharmaceutical is a research and development-oriented pharmaceutical company based in Tokyo, Japan established in 1925. It operates as a subsidiary of Hoffmann-La Roche which owns a 62% stake and trades on multiple exchanges including the OTC under the ticker CHGCY. Chugai has developed and marketed several globally recognized pharmaceuticals, often in partnership with Roche. This includes Hemlibra, Actemra, and Alecensa among other products. Chugai also discovered orforglipron and licensed it to Eli Lilly in 2018.

Concurrent Financings

Concurrent with the Chugai collaboration announcement, Rani [priced](#) a \$60.3 million private placement of 42,633,337 Class A common shares and 82,366,667 pre-funded warrants to close on October 21st, 2025. Each Class A share or pre-funded warrant has a warrant attached with an exercise price of \$0.48 with a five-year life. H.C. Wainwright and Maxim Group acted as placement agents. Gross proceeds are estimated to be \$60.3 million, prior to deducting related fees and expenses. We estimate that net proceeds will be approximately \$56 million after expenses are recognized.

¹ See link here for Chugai [press release](#).

² Hemlibra is expected to generate \$5.7 billion in revenues in 2025 with sales by Roche and Chugai based on analyst data compiled by Evaluate Inc. It is a subcutaneous injection dosed at varying intervals from once per week to once per month. It is a prescription medicine used to prevent or reduce bleeding episodes in adults and children with hemophilia A. It is an antibody that mimics the function of coagulation factor VIII, allowing blood to clot properly. The drug is administered via subcutaneous injection, typically once a week, every other week, or once a month.

Investors in the deal include Samsara BioCapital, RA Capital Management, Anomaly, Special Situation Funds, Invus and founder Mir Imran. Each of these investors has a specialty in life sciences investing with longer term investment horizons compared to the average generalist capital provider. After the financing closes, Samsara and Anomaly may each designate one member to Rani's board. The number of board members will not change. Samsara and Anomaly will maintain their right to a board seat as long as they continue to own 25% of the securities issued to them as part of the capital raise.

In 2022, Rani entered into a loan agreement with Avenue Venture Opportunities Fund and as of June 30th, 2025 carried long term debt of \$17.2 million on its balance sheet. Along with the equity capital raise, Rani converted \$6 million of this obligation for 12.5 million shares of Class A Rani stock. This is equivalent to \$0.48 per share. Each share includes an attached warrant with an exercise price of \$0.48.

Milestones

- Research [agreement](#) with Chugai Pharmaceutical – August 2024
- Launch of Phase I trial for RT-114 – 4Q:25
- End of NASDAQ minimum market value requirement resolution period – October 2025
- Collaboration with Chugai Pharmaceutical – October 2025
- \$60 million capital raise and debt conversion – October 2025
- End of NASDAQ \$1.00 minimum bid price resolution period – December 2025
- PG-102 Phase II readout from ProGen – 1H:26

Exhibit I – Rani Therapeutic Pipeline

	INDICATION(S)	PRE-CLINICAL	PHASE 1	PHASE 2	PHASE 3	NEXT EXPECTED KEY MILESTONE*
CORE PROGRAMS						
RT-114	Obesity	GLP-1/GLP-2**				Initiate Phase 1 in 2025
RT-111	Psoriasis	Ustekinumab***				Advance Clinical Development at Higher Doses
RT-102	Osteoporosis	PTH-OP				Initiate Phase 2
RT-105	Psoriatic Arthritis	Adalimumab***				Initiate Phase 1
RT-110	Hypo-parathyroidism	PTH-Hypo				Initiate Phase 1

Source: Rani Therapeutics September 2025 Corporate Slide Deck (Excludes Chugai asset)

Valuation

We add our cash flow estimates for the Chugai partnership to our valuation using a probability-adjusted discounted cash flow model. The \$10 million upfront is recognized immediately while future cash flows totaling \$75 million representing technology transfer and development milestones are recognized over the 2026 to 2030 period with probabilities ranging from 90% to 70%. We anticipate first sales of the next generation of Hemlibra in the Rani Pill to begin in 2031.

We use consolidated sales of Hemlibra as a reference point for our cash flow estimates. Hemlibra sales are expected to top \$5.7 billion in 2025. At a 5% royalty,³ this would generate \$287 million in sales. While it will take time for Roche and Chugai to transition patients to the new formulation, we think this is a reasonable target after several years of conversion.

Within this framework, we estimate \$14 million of royalty and milestone revenue payable to Rani in 2031 growing to \$240 million by year five. Growth is expected to continue in the 20% range and fall to 10% by the end of our forecast period. The growth rate adds several percentage points to reflect future development of other biologics using RP that are granted in the agreement. Probability of success for these product revenues and milestones

³ Rani notes a single digit royalty in its Form 8-K discussing the transaction. We assume the midpoint of 5%.

starts at 50% in 2031 and declines to 33% in successive years. We believe a premium to the DCF valuation is merited to reflect the value of the platform across the \$400 billion biologics market where no viable alternative for oral delivery exists. The Chugai deal further validates the RP technology and reduces the perception of risk for other licensing arrangements.

Despite the increase in enterprise value as a result of the deal and the associated goodwill from a deal being struck, we cannot ignore the dilution from the share expansion. Claims on equity increased from about 76 million shares mid-year 2025 to almost 335 million shares (including in the money warrants) following the October transactions. While some of the share increase is tied to debt reduction, the majority arises from the capital raise and the associated warrants and all have a claim on future growth of the enterprise. Adjusting our model to reflect the anticipated balance sheet changes in debt, cash and anticipated claims on equity, our DCF model estimates yield a target price of \$7.00.

Summary

Rani announced a deal with Chugai that provided a \$10 million upfront payment and may bring over \$1 billion in revenues plus royalties into its coffers. In conjunction with the deal announcement, Rani also raised \$60 million in new capital from new and existing investors that will support the advancement of other assets in its pipeline. The company is conducting other advanced discussions with established biopharmaceutical companies that may yield future deals and accrue additional value.

Our valuation now recognizes the Chugai hemophilia asset along with the additional shares, warrants and debt conversion. While this adds significant value to Rani's enterprise value, the claims on equity rise as well. We think Chugai putting money and its reputation on the table lends additional confidence in Rani's platform and is accretive to its value. After making the aforementioned adjustments, we generate a target price of \$7.00 per share.

We note that other oral options using robotic or smart pills have faded with Rani's primary competitor having declared bankruptcy. There is little press showing development of other devices in this class since our initiation last year. With two deals signed and limited exclusivity granted to partners, we think an acquisition could take place at a premium to the value of the arrangements signed with ProGen and Chugai.

PROJECTED FINANCIALS

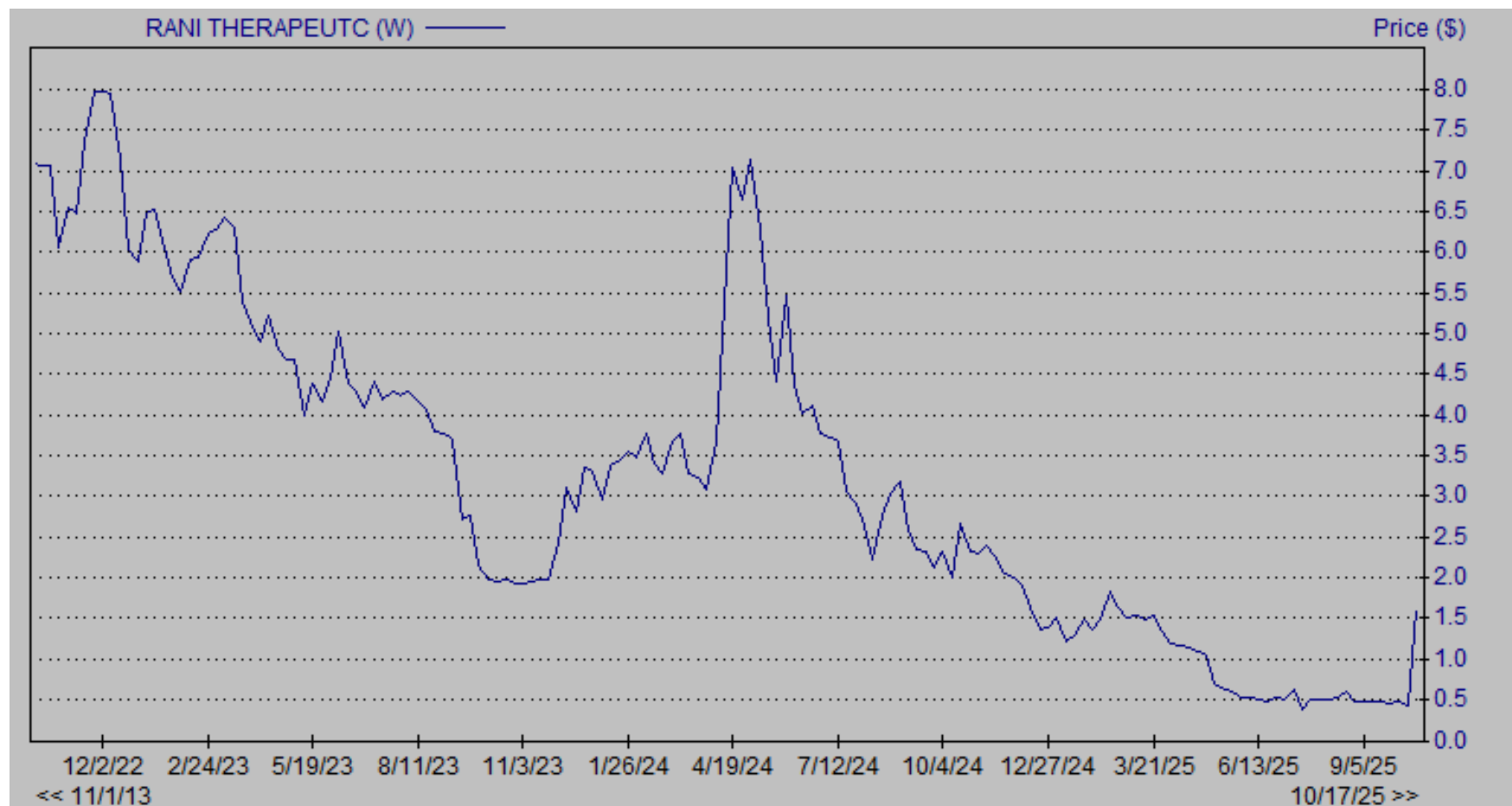
Rani Therapeutics Holdings, Inc. - Income Statement

RANI Therapeutics, Inc.	2024 A	Q1 A	Q2 A	Q3 E	Q4 E	2025 E	2026 E	2027 E
Revenues	\$1,028	\$172	\$0	\$0	\$10,000	\$10,172	\$9,000	\$12,750
Research & Development	\$26,682	\$6,570	\$5,505	\$5,360	\$6,225	\$23,660	\$24,606	\$25,000
General & Administrative	\$23,946	\$5,615	\$5,000	\$5,100	\$5,100	\$20,815	\$21,439	\$23,000
Other Items	\$3,714	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Income	(\$53,314)	(\$12,013)	(\$10,505)	(\$10,460)	(\$1,325)	(\$34,303)	(\$37,046)	(\$35,250)
<i>Operating Margin</i>								
Interest Income, net	\$1,763	\$218	\$158	\$650	\$550	\$1,000	\$950	\$1,000
Other Income (Loss)	(\$5,033)	(\$943)	(\$877)	(\$920)	(\$920)	(\$3,660)	(\$3,600)	(\$3,600)
Loss Before Income Taxes	(\$56,584)	(\$12,738)	(\$11,224)	(\$10,730)	(\$1,695)	(\$36,963)	(\$39,696)	(\$37,850)
Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Controlling Interest	(\$26,566)	(\$5,474)	(\$4,532)	(\$5,258)	(\$492)	(\$15,755)	(\$5,160)	(\$4,921)
Net Loss	(\$30,018)	(\$7,264)	(\$6,692)	(\$5,472)	(\$1,203)	(\$21,208)	(\$34,535)	(\$32,930)
Net Loss Per Share	(\$1.05)	(\$0.22)	(\$0.18)	(\$0.09)	(\$0.01)	(\$0.34)	(\$0.20)	(\$0.17)
Weighted Average Shares	28,476	33,440	36,542	58,000	120,000	61,996	173,000	190,000

Source: Company Filing // Zacks Investment Research, Inc. Estimates

HISTORICAL STOCK PRICE

Rani Therapeutics Holdings, Inc. – Share Price Chart⁴



⁴ Source: Zacks Research System

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