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Arrowhead Pharmaceuticals, Inc. (ARWR-NASDAQ)

ARWR: REDEMPLO® Approved by FDA for the Treatment of FCS…

Based on our probability adjusted DCF model that takes into account potential future revenues from the company's development products, ARWR is valued at $76/share. This model is highly dependent upon the continued clinical success of those programs and will be adjusted accordingly based upon future clinical outcomes.

Current Price (11/19/25)	$40.47
Valuation	**$76.00**

OUTLOOK

On November 18, 2025, Arrowhead Pharmaceuticals, Inc. (ARWR) announced that the U.S. Food and Drug Administration (FDA) approved REDEMPLO® (plozasiran) for the treatment of adults with familial chylomicronemia syndrome (FCS). Arrowhead has set a wholesale acquisition cost (WAC) for REDEMPLO of $60,000 per year. This is approximately 1/10th of the cost of Tryngolza, although Ionis Pharmaceuticals has stated that if approved to treat severe hypertriglyceridemia (SHTG) the price of Tryngolza would be in the $10,000-$20,000/yr range. With the approval in FCS, Arrowhead is initially focused on the approximately 6,500 FCS patients in the U.S. However, the company recognizes the much larger potential commercial opportunity in SHTG, for which the drug is currently being tested in the SHAST-3, SHASTA-4, and MUIR-3 studies, with those results expected in the third quarter of 2026.

SUMMARY DATA

52-Week High	**$42.39**
52-Week Low	**$9.99**
One-Year Return (%)	**117.58**
Beta	**1.27**
Average Daily Volume (sh)	**1,695,997**
Shares Outstanding (mil)	**138**
Market Capitalization ($mil)	**$5,595**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**63**
Insider Ownership (%)	**4**
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	**-23.1**
P/E using 2026 Estimate	**-16.4**

Risk Level	**Above Avg.**
Type of Stock	**Large-Growth**
Industry	**Med-Drugs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2024	3.6 A	0.0 A	0.0 A	0.0 A	3.6 A
2025	2.5 A	542.7 A	27.8 A	135.0 E	708.0 E
2026					550.0 E
2027					300.0 E

Earnings per Share

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2024	-$1.24 A	$1.02 A	-$1.38 A	-$1.37 A	-$5.00 A
2025	-$1.39 A	$2.78 A	-$1.26 A	-$0.23 E	-$0.07 E
2026					-$0.83 E
2027					-$2.62 E

WHAT'S NEW

Business Update

REDEMPLO® Approved by FDA

On November 18, 2025, Arrowhead Pharmaceuticals, Inc. (ARWR) announced that the U.S. Food and Drug Administration (FDA) has approved REDEMPLO (plozasiran) as a treatment for adults suffering from familial chylomicronemia syndrome (FCS). This is the first approved product utilizing Arrowhead's TRiM™ platform. The label contains no contraindications, warnings, no necessity for genetically-confirmed FCS, the drug can be self-administered once every three months, and it shows a benign adverse event (AE) profile with the most common AEs (≥10% of REDEMPLO-treated patients) being hyperglycemia, headache, nausea, and injection site reaction.

Arrowhead has set the wholesale acquisition cost (WAC) of $60,000 per year, which was very close to the $50,000 per year we estimated in our model. The company has decided on a pricing model that sets a single, consistent price for multiple potential indications, thus the price will not change if, for example, plozasiran is approved for severe hypertriglyceridemia (SHTG). This is in stark contrast to Ionis Pharmaceuticals TRYNGOLZA® (olezarsen), which is approved for FCS and for which the WAC is $595,000 per year. However, Ionis has indicated a potential WAC for sHTG of $10,000 - $20,000 per year, which would be well below the WAC for REDEMPLO. We don't view this as an impediment for Arrowhead, however, as plozasiran has already shown what we believe to be is superior triglyceride (TG) lowering with treatment only once every three months, in comparison to TRYNGOLZA's once monthly dosing, along with a numerical decrease in cases of acute pancreatitis (AP).

In the PALISADE trial, pooled 25 mg and 50 mg plozasiran data showed 2 (8%) cases of AP compared to 5 (20%) in the control group, thus showcasing the potential pharmacoeconomic benefit of the drug. AP is the most serious potential complication of FCS and can sometimes be fatal. It is associated with frequent hospitalizations, intensive care, and surgeries that lead to a significantly diminished quality of life for patients, with costs estimated to exceed $100,000. Guidelines recommend lowering triglycerides (TGs) to below 500 mg/dL in order to reduce the risk of AP. Given how effective REDEMPLO is at reducing TG levels (-80% change from baseline vs. -17% in the placebo group in the PALISADE trial), we view the company's price point as being somewhat aggressive but justifiable, particularly if the SHASTA-5 trial, which will be specifically looking at the effect of plozasiran on incidence of AP, is positive.

The commercialization strategy for REDEMPLO is based on three core groups of patients with elevated triglycerides: FCS patients (persistent TGs ≥ 880 mg/dL and prevalent history of AP; approximately 6500 patients in the U.S.), high-risk SHTG (TGs ≥ 880 mg/dL or ≥ 500 mg/dL with prior AP history; approximately 1 million patients), and SHTG (TGs ≥ 500 mg/dL and elevated risk of AP; approximately 2 million patients). For FCS patients, the company will be focused on four types of specialists that primarily treat FCS patients: lipidologists, endocrinologists, preventive cardiologists, and internal medicine. At $60,000/yr, the FCS market is only valued at ~$390 million, however with approximately 3 million SHTG patients that the company is hoping to target (assuming positive results in the ongoing SHTG clinical trials), that market is a potential multi-billion-dollar opportunity.

Conclusion

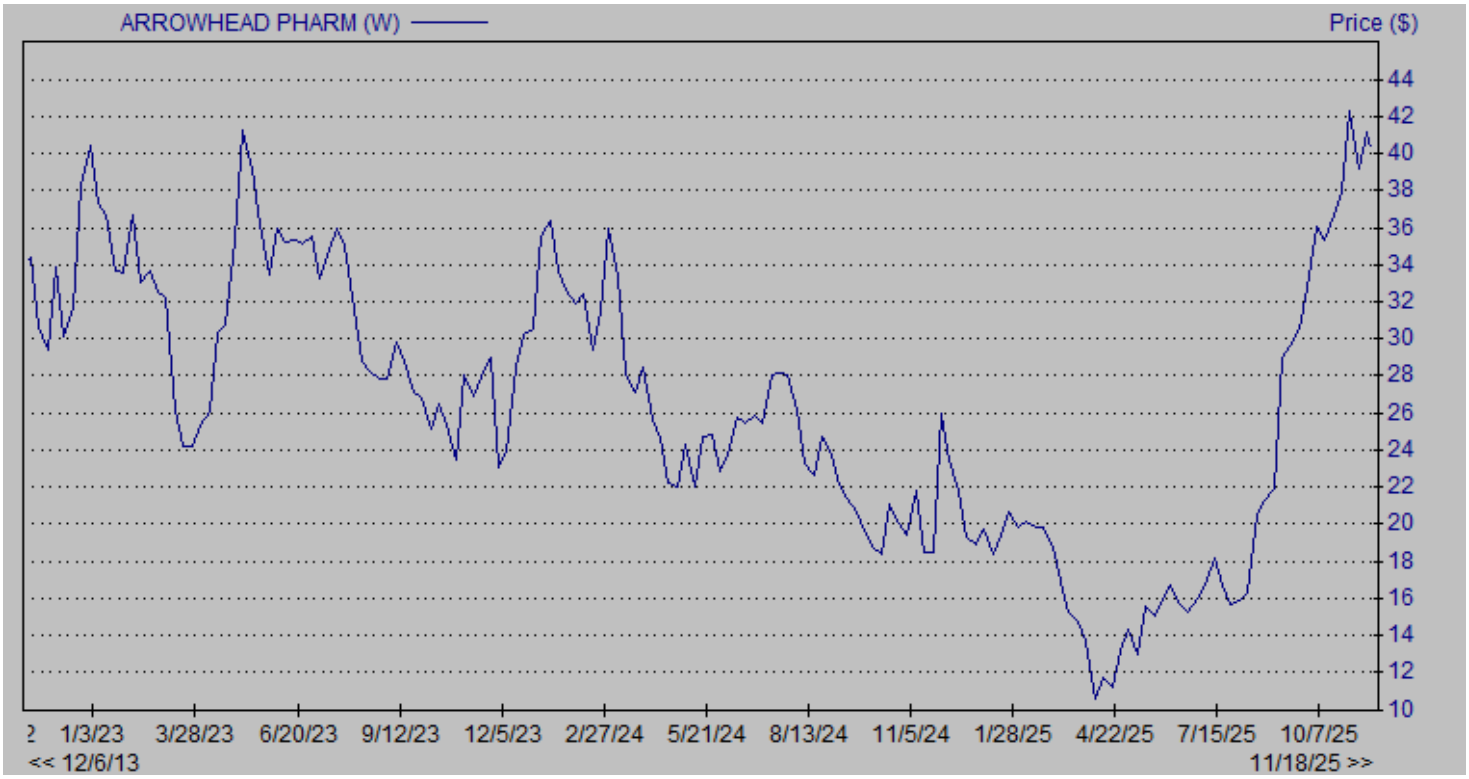
We congratulate the team at Arrowhead on the first approval for the company, which has fully validated the TRiM platform and which we believe will pave the way for many additional drug approvals in the future. The company indicated that REDEMPLO will be available for patients before the end of 2025, however it is the results of the SHASTA-3, SHASTA-4, and MUIR-3 trials that hold the most economic opportunity for the drug. We anticipate results from those studies in the third quarter of 2026, with a potential sNDA filing (assuming positive results) in the fourth quarter of 2026 and a subsequent launch in SHTG in late 2027/early 2028. We have incorporated the approval of REDEMPLO into our model, which has resulted in a slight increase in our valuation to $76 per share.

PROJECTED FINANCIALS

Arrowhead Pharmaceuticals, Inc.	FY2024 A	Q1FY25 A	Q2FY25 A	Q3FY25 A	Q4FY25 E	FY2025 E	FY2026 E	FY2027 E
Revenue	$3.55	$2.50	$542.7	$27.8	$135.0	$708.0	$550.0	$300.0
YOY Growth	*-53.5%*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*3701.7%*	*319.4%*	*1767.3%*	*1175.0%*
Total Revenues	**$3.6**	**$2.5**	**$542.7**	**$27.8**	**$135.0**	**$708.0**	**$550.0**	**$300.0**
YOY Growth	*-53.5%*	*#DIV/0!*	*#DIV/0!*	*#DIV/0!*	*3701.7%*	*319.4%*	*1767.3%*	*1175.0%*
Cost of Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$2.5	$4.8
Gross Income	**$3.6**	**$2.5**	**$542.7**	**$27.8**	**$135.0**	**$708.0**	**$547.5**	**$295.2**
Gross Margin	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*99.5%*	*98.4%*
R&D	$505.9	$137.0	$133.1	$162.4	$132.0	$564.5	$540.0	$550.0
% R&D	*14245.8%*	*5480.1%*	*24.5%*	*584.8%*	*97.8%*	*79.7%*	*98.2%*	*183.3%*
Salary and G&A	$98.8	$26.9	$28.4	$30.9	$31.0	$117.3	$110.0	$115.0
% SG&A	*2781.2%*	*1076.4%*	*5.2%*	*111.5%*	*23.0%*	*16.6%*	*20.0%*	*38.3%*
Other expenses	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
% Other	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Operating Income	**($601.1)**	**($161.4)**	**$381.2**	**($165.6)**	**($28.0)**	**$26.2**	**($102.5)**	**($369.8)**
Operating Margin	*-16927.1%*	-	-	-	-	*3.7%*	*-18.6%*	*-123.3%*
Other Income (Net)	($11.4)	($13.7)	($11.6)	($13.5)	($4.0)	($42.8)	($15.0)	($15.0)
Pre-Tax Income	**($612.5)**	**($175.1)**	**$369.6**	**($179.1)**	**($32.0)**	**($16.6)**	**($117.5)**	**($384.8)**
Net Taxes (benefit)	$2.8	$0.1	$1.8	$0.4	$0.0	$1.4	$0.0	$0.0
Net Loss Attributable to Noncontrolling Interest	$10.2	$2.1	$2.6	$3.4	$0.0	$8.1	$0.0	$0.0
Reported Net Income	**($599.5)**	**($173.1)**	**$370.4**	**($175.2)**	**($32.0)**	**($9.9)**	**($117.5)**	**($384.8)**
Net Margin	*-16882.4%*	-	-	-	-	*-1.4%*	*-21.4%*	*-128.3%*
Reported EPS	**($5.00)**	**($1.39)**	**$2.78**	**($1.26)**	**($0.23)**	**($0.07)**	**($0.83)**	**($2.62)**
YOY Growth	-	-	-	-	-	-	-	-
Basic Shares Outstanding	119.8	124.8	133.4	139.0	137.5	133.7	142.0	147.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

HISTORICAL STOCK PRICE



Source: Zacks SCR

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