Zacks Small-Cap Research
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December 1, 2025
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Arrowhead Pharmaceuticals, Inc. (ARWR-NASDAQ)

ARWR: Multiple Data Readouts Ahead in 2026…

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 (12/01/25)	$52.70
Valuation	**$76.00**

OUTLOOK

On November 25, 2025, Arrowhead Pharmaceuticals, Inc. (ARWR) announced financial results for fiscal year 2026 that ended September 30, 2025. Following the recent approval of REDEMPLO®, Arrowhead is now a commercial-stage company and has drug in channel only a week following approval, which is ahead of schedule. Looking ahead to 2026, Arrowhead has a number of important data readouts, including a first look at obesity data for ARO-INHBE and ARO-ALK7 in January 2026 with a more complete data set expected in mid-2026, interim data for ARO-DIMER-PA in summer 2026, initial ARO-MAPT data looking at tau levels in CSF in summer 2026, topline results from SHASTA-3 and SHASTA-4 in 3Q26 with a potential sNDA filing before the end of 2026, and biomarker data for ARO-RAGE possible by the end of 2026 or in early 2027.

SUMMARY DATA

52-Week High	**$57.71**
52-Week Low	**$9.99**
One-Year Return (%)	**102.46**
Beta	**1.28**
Average Daily Volume (sh)	**2,392,018**
Shares Outstanding (mil)	**136**
Market Capitalization ($mil)	**$7,157**
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	**-22.1**
P/E using 2026 Estimate	**-14.7**

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)
2025	2.5 A	542.7 A	27.8 A	256.5 A	829.4 A
2026	400.1 E	50.3 E	26.2 E	26.4 E	503.0 E
2027					300.0 E
2028					320.0 E

Earnings per Share

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2025	-$1.39 A	$2.78 A	-$1.26 A	-$0.17 A	-$0.01 A
2026	$1.48 E	-$1.14 E	-$1.35 E	-$1.38 E	-$2.42 E
2027					-$3.79 E
2028					-$3.83 E

WHAT'S NEW

Business Update

Multiple Data Readouts Ahead in 2026

Following the recent approval of REDEMPLO® for the treatment of patients with familial chylomicronemia syndrome (FCS), Arrowhead Pharmaceuticals, Inc. (ARWR) is now a commercial-stage company and recently reported that the drug is available for patients only one week following approval, which is ahead of schedule. While the company is focused on a successful commercial launch, there are a number of important data readouts ahead in 2026:

ARO-INHBE and ARO-ALK7: We anticipate initial data for ARO-INHBE and ARO-ALK7 in January 2026 and a more complete look at the data toward the end of the second quarter of 2026. ARO-INHBE targets the *INHBE* gene that encodes activin E, which is a ligand for ALK7. ARO-ALK7 is designed to reduce the ALK7 receptor, which binds activin E, and is a TGF-β superfamily member that is expressed in adipocytes.
Support for targeting *INHBE* derives from two papers that came out in 2022 that described loss of function mutations in *INHBE* that were associated with favorable fat distribution. Deaton *et al*. reported a genome-wide association study (GWAS) from 362,679 individuals that showed a predicted loss of function variant in *INHBE* associated with a lower waist-to-hip ratio adjusted for BMI (WHRadjBMI), which they used as a surrogate for abdominal fat that is causally linked to type 2 diabetes and coronary heart disease (Deaton *et al*., 2022). Akbari *et al*. performed a GWAS in 618,375 individuals and identified an association with favorable fat distribution, favorable metabolic profile, and protection from type 2 diabetes for heterozygous protein-truncating mutations in *INHBE* (Akbari *et al*., 2022). Arrowhead has conducted studies of *Inhbe* silencing in mouse obesity models with results showing reduced weight gain compared to controls. Importantly, the difference in weight gain was primarily due to changes in fat mass with no difference in lean mass.
Similar to the data supporting targeting *INHBE*, a GWAS study in 2019 showed that four variants in the *ACVR1C* gene (which encodes ALK7) were associated with reduced percent abdominal fat in DEXA imaging, a lower WHRadjBMI, and a decreased risk of developing type 2 diabetes (Emdin *et al*., 2019).

ARO-DIMER-PA: We anticipate early data for ARO-DIMER-PA in summer 2026. In October 2025, Arrowhead filed a CTA to initiate a Phase 1/2a clinical trial of ARO-DIMER-PA, which is designed to prevent atherosclerotic cardiovascular disease (ASCVD) due to mixed hyperlipidemia by silencing the expression of two genes: proprotein convertase subtilisin/kexin type 9 (*PCSK9*) and apolipoprotein C3 (*APOC3*). This is the first RNAi clinical candidate to target two genes simultaneously in one molecule. Mixed hyperlipidemia is characterized by elevated low-density lipoprotein cholesterol (LDL-C) and triglycerides (TGs) and is a major risk factor for ASCVD. Preclinical data for ARO-DIMER-PA were presented at the 2025 National Lipid Association Annual Scientific Sessions in May 2025. A copy of the poster presentation can be accessed here. The results of those studies showed that ARO-DIMER-PA potently lowered serum PCSK9 and APOC3 while also decreasing levels of non-HDL cholesterol, LDL-C, and TGs in dyslipidemic nonhuman primates.

ARO-MAPT: We anticipate early data for ARO-MAPT in summer 2026. In September 2025, Arrowhead filed a CTA to initiate a Phase 1/2a trial of ARO-MAPT, which is being developed for the treatment of tauopathies, including Alzheimer's disease. This is the first therapy developed by Arrowhead that can penetrate the blood-brain-barrier to enable knockdown of target genes in the central nervous system (CNS). Tau protein is encoded by the *MAPT* gene and is highly expressed in neurons, where it stabilizes microtubules in axons. Hyperphosphorylation of tau protein promotes neurofibrillary tangles, which are correlated with neurodegeneration. In Alzheimer's disease, tau neurofibrillary tangles are predictive of cognitive decline, and currently available anti-amyloid therapies only result in minimal tau reduction. At the 2025 RNA Leaders USA Congress, Arrowhead presented preclinical data that showed deep knockdown of *MAPT* mRNA throughout the CNS following subcutaneous administration of ARO-MAPT in nonhuman primates. This reduction in *MAPT* mRNA translated into long-lasting reduction in tau protein with pharmacokinetic (PK) data showing the potential for once monthly or once quarterly dosing.

Plozasiran: We anticipate topline data from the SHASTA-3 SHASTA-4, and MUIR-3 trials of plozasiran in the third quarter of 2026. SHASTA-3 and SHASTA-4 are designed to compare reductions in TGs compared to

placebo over 12 months in patients with severe hypertriglyceridemia (SHTG). MUIR-3 is being conducted in patients with mixed hyperlipidemia and is designed to supplement the safety database for when the sNDA is filed for SHTG. The company will not be filing for approval in mixed hyperlipidemia patients at this time. Arrowhead completed enrollment of those trials in June 2025. Positive results will lead to a sNDA filing for SHTG before the end of 2026.

Financial Update

On November 25, 2025, Arrowhead announced financial results for fiscal year 2025 that ended September 30, 2025. The company reported revenue of $825.9 million for fiscal year 2025 compared to approximately $3.6 million for fiscal year 2024. The revenue in 2025 was primarily related to collaboration agreements with Sarepta, Sanofi, and Amgen.

R&D expenses for the year ending September 30, 2025 were approximately $607.2 million compared to $505.9 million for the year ending September 30, 2024. The increase was primarily due to increased candidate costs, salaries, facilities-related expenses, and R&D discovery expenses. G&A expenses for fiscal year 2025 were $123.9 million compared to $98.8 million for fiscal year 2024. The increase was primarily due to increased salaries, professional services, and non-cash stock-based compensation.

Arrowhead exited fiscal year 2025 with approximately $919 million in cash, cash equivalents, and investments. In October 2024, Arrowhead announced the closing of a previously announced global licensing and collaboration agreement with Novartis for ARO-SNCA. Upon closing, Arrowhead received a $200 million upfront payment. In November 2025, Arrowhead announced the second development milestone under the Sarepta agreement was reached, which triggers a $200 million payment that will be recorded in the first fiscal quarter of 2026 and received by the company in January 2026. As of November 19, 2025, Arrowhead had approximately 135.8 million shares outstanding and, when factoring in stock options and restricted stock units, a fully diluted share count of approximately 143.0 million.

Conclusion

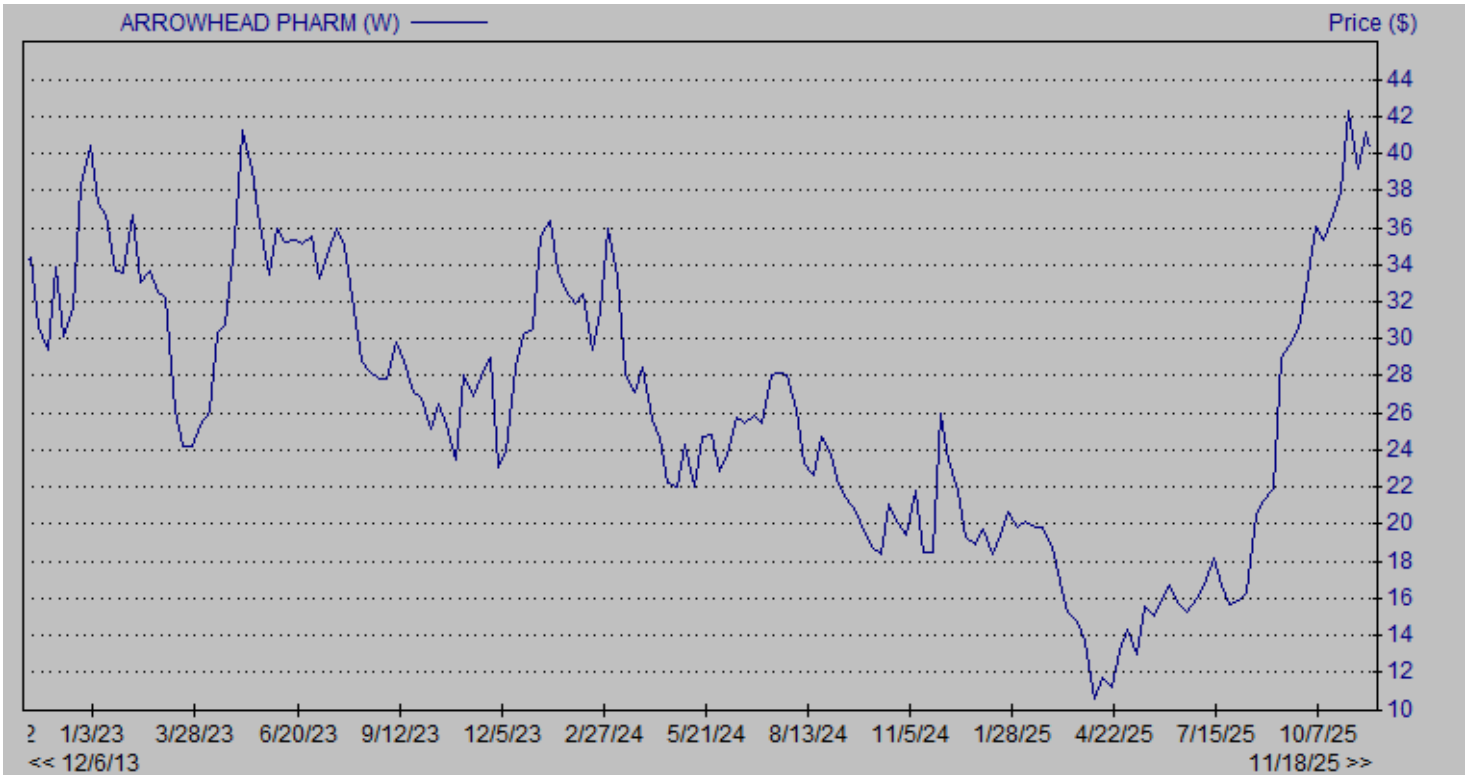
Arrowhead is set to have another important year of data readouts in 2026 and we look forward to updates from the company throughout the year. In addition, we will be interested in how the REDEMPLO commercial launch proceeds, however we expect minimal impact to the company's financial statements from the sale of REDEMPLO to FCS patients. The stock reacted very favorably following the approval of REDEMPLO, however we feel there is additional upside given the expected data readouts over the next 12 months. With no changes to our model our valuation remains at $76 per share.

PROJECTED FINANCIALS

Arrowhead Pharmaceuticals, Inc.	FY2025 E	Q1FY26 E	Q2FY26 E	Q3FY26 E	Q4FY26 E	FY2026 E	FY2027 E	FY2028 E
Revenue	$829.4	$400.1	$50.3	$26.2	$26.4	$503.0	$300.0	$320.0
YOY Growth	*391.4%*	*-26.3%*	*81.2%*	*-89.8%*	*-96.8%*	*471.6%*	*918.5%*	*1260.0%*
Total Revenues	**$829.4**	**$400.1**	**$50.3**	**$26.2**	**$26.4**	**$503.0**	**$300.0**	**$320.0**
YOY Growth	*391.4%*	*-26.3%*	*81.2%*	*-89.8%*	*-96.8%*	*471.6%*	*918.5%*	*1260.0%*
Cost of Revenue	$0.0	$0.1	$0.1	$0.1	$0.2	$0.4	$2.5	$5.3
Gross Income	**$829.4**	**$400.1**	**$50.2**	**$26.1**	**$26.3**	**$502.6**	**$297.5**	**$314.7**
Gross Margin	*100.0%*	*100.0%*	*99.8%*	*99.5%*	*99.4%*	*99.9%*	*99.2%*	*98.3%*
R&D	$607.2	$150.0	$155.0	$160.0	$165.0	$630.0	$650.0	$675.0
% R&D	*73.2%*	*37.5%*	*308.2%*	*610.7%*	*625.0%*	*125.2%*	*216.7%*	*210.9%*
Salary and G&A	$123.9	$40.0	$40.0	$40.0	$40.0	$160.0	$170.0	$180.0
% SG&A	*14.9%*	*10.0%*	*79.5%*	*152.7%*	*151.5%*	*31.8%*	*56.7%*	*56.3%*
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	**$98.3**	**$210.1**	**($144.8)**	**($173.9)**	**($178.8)**	**($287.4)**	**($522.5)**	**($540.3)**
Operating Margin	*11.9%*	-	-	-	-	*-57.1%*	*-174.2%*	*-168.8%*
Other Income (Net)	($46.8)	($10.0)	($12.0)	($14.0)	($15.0)	($51.0)	($15.0)	($15.0)
Pre-Tax Income	**$51.5**	**$200.1**	**($156.8)**	**($187.9)**	**($193.8)**	**($338.4)**	**($537.5)**	**($555.3)**
Net Taxes (benefit)	$21.4	$1.0	$1.3	$1.5	$1.8	$5.6	$0.0	$0.0
Net Loss Attributable to Noncontrolling Interest	$31.7	$2.1	$2.6	$3.4	$3.5	$11.6	$0.0	$0.0
Reported Net Income	**($1.6)**	**$201.2**	**($155.5)**	**($186.0)**	**($192.1)**	**($332.4)**	**($537.5)**	**($555.3)**
Net Margin	*-0.2%*	-	-	-	-	*-66.1%*	*-179.2%*	*-173.5%*
Reported EPS	**($0.01)**	**$1.48**	**($1.14)**	**($1.35)**	**($1.38)**	**($2.42)**	**($3.79)**	**($3.83)**
YOY Growth	-	-	-	-	-	-	-	-
Basic Shares Outstanding	133.8	136.0	137.0	138.0	139.0	137.5	142.0	145.0

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

HISTORICAL STOCK PRICE



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