

Zacks Small-Cap Research

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Arrowhead Pharmaceuticals, Inc.

(ARWR-NASDAQ)

ARWR: Interim ARO-MAPT Data Shows Potential for TRiM™ Platform in CNS Diseases

Based on our probability adjusted DCF model that takes into account potential future revenues from the company's development products, ARWR is valued at \$105/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 (10/15/26) \$58.37
Valuation **\$105.00**

OUTLOOK

On October 14, 2026, Arrowhead Pharmaceuticals, Inc. (ARWR) announced interim results from the ongoing Phase 1/2a trial of ARO-MAPT as a potential treatment for Alzheimer's disease (AD) and other tauopathies. The results showed deep and durable reductions in tau expression in the brain following the subcutaneous administration of ARO-MAPT, with a mean reduction of up to 73% at Day 105 and a maximum reduction of 85%. The Day 105 value was 90 days following the final dose, thus supporting the potential for dosing once every three months. The reported results were from healthy volunteers and all those cohorts are fully enrolled with a data update expected in 2027. The company is also conducting Part 2 of the study which is examining the effect of ARO-MAPT in patients with early AD, with a data update also expected in 2027.

SUMMARY DATA

52-Week High \$89.59
52-Week Low \$35.96
One-Year Return (%) 52.84
Beta 1.29
Average Daily Volume (sh) 2,280,637

Shares Outstanding (mil) 141
Market Capitalization (\$mil) \$8,222
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 2026 Estimate -12.3
P/E using 2027 Estimate -18.5

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	264.0 A	73.7 A	75.3 A	50.0 E	463.0 E
2027					300.0 E
2028					320.0 E

Earnings per Share

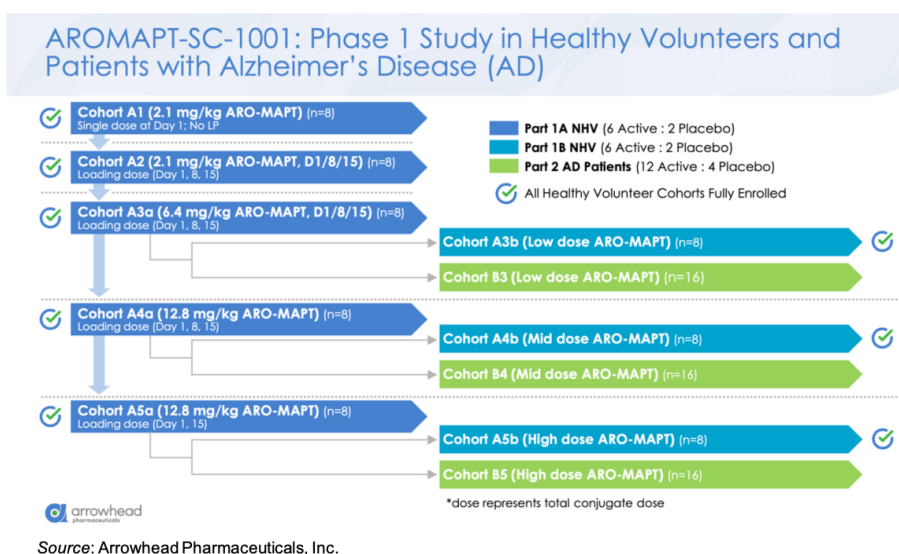
	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2025	-\$1.39 A	\$2.78 A	-\$1.26 A	-\$0.17 A	-\$0.01 A
2026	\$0.22 A	-\$0.93 A	-\$1.36 A	-\$1.35 E	-\$3.45 E
2027					-\$4.33 E
2028					-\$4.33 E

WHAT'S NEW

Business Update

Interim Data for ARO-MAPT Shows Promise for TRiM™ Platform in CNS Diseases

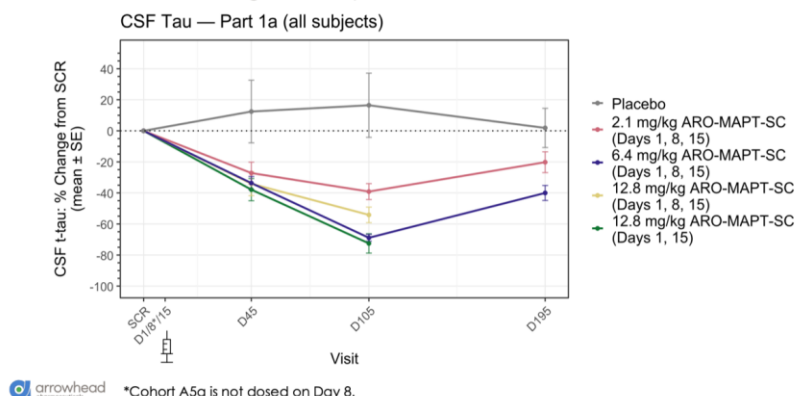
On October 14, 2026, Arrowhead Pharmaceuticals, Inc. (ARWR) announced interim results for the Phase 1/2a study of ARO-MAPT, which is designed to silence expression of the microtubule associated protein tau (MAPT) gene that encodes for the tau protein, and help a webinar to discuss the program, which can be accessed [here](#). The study is designed to evaluate the safety, tolerability, pharmacokinetics, and pharmacodynamics of ARO-MAPT in up to 64 normal healthy volunteers (NHV) and up to 48 subjects with early Alzheimer's disease (AD). In Part 1a of the study, NHVs are receiving between one and three doses of ARO-MAPT or placebo by subcutaneous injection. In Parts 1b and 2a, NHVs and subjects with early AD will receive between two and three doses followed by one to two additional doses of ARO-MAPT or placebo.



The following image shows the reduction in tau in the cerebrospinal fluid (CSF) following three doses of ARO-MAPT on Days 1, 8, and 15. The maximum decrease in CSF tau was 85% with a mean reduction of 73% at Day 105 for the 12.8 mg/kg dose, which was 90 days following the last dose. Thus, these data strongly support the potential for dosing once every three months.

Loading Dose of ARO-MAPT Achieved Individual CSF tau reduction of Up to **85%** with Mean Reduction of Up to **73%** at Day 105, Duration Supports Dosing Every 3 Months

CSF t-tau: Part 1A, Loading Dose Only



The safety data for ARO-MAPT looks very encouraging as the drug was generally well tolerated with no serious treatment-emergent adverse events (TEAEs), deaths, or TEAEs that led to discontinuation of study treatment or participation in the study. In addition, most TEAEs were Grade 1 or mild, with the most commonly reported being injection-site reactions, vessel puncture-site bruising, upper respiratory tract infection, back pain, and headache.

ARO-MAPT Demonstrates a Favorable Safety Profile

N of Subjects with Treatment-Emergent AEs

Characteristic	Placebo (N=15)	ARO-MAPT Part 1A (N=30)	ARO-MAPT Part 1B (N=12)
Overall			
Any TEAEs, n (%)	8 (53.3)	27 (90.0)	10 (83.3)
Serious TEAEs, n (%)	0 (0.0)	0 (0.0)	0 (0.0)
Deaths, n (%)	0 (0.0)	0 (0.0)	0 (0.0)
Discontinuations due to TEAE, n (%)	0 (0.0)	0 (0.0)	0 (0.0)
Reported in >10% of the Study Participants			
Injection site reaction, n (%)	1 (6.7)	6 (20.0)	3 (25.0)
Vessel puncture site bruise, n (%)	0 (0.0)	4 (13.3)	3 (25.0)
Upper respiratory tract infection, n (%)	0 (0.0)	5 (16.7)	2 (16.7)
Back pain, n (%)	1 (6.7)	5 (16.7)	0 (0.0)
Headache, n (%)	2 (13.3)	6 (20.0)	4 (33.3)

✓ ARO-MAPT was **well tolerated** in normal healthy volunteers.

- Most TEAEs were Grade 1 (mild)
- No serious TEAEs
- No TEAEs led to study or study drug discontinuation

✓ No persistent anemia or neurobehavioral AEs.

 arrowhead
pharmaceuticals
Data cutoff Aug 25, 2026

Source: Arrowhead Pharmaceuticals, Inc.

Arrowhead has completed enrollment and is working to complete dosing in the NHV cohorts. Simultaneously, the company is enrolling the early AD cohorts and we anticipate a data update in 2027. Based on these results showing the drug successfully crossed the blood brain barrier, the company will be initiating regulatory discussions regarding planned studies in MAPT-associated frontotemporal dementia and Progressive Supranuclear Palsy to expand the CNS pipeline.

Entry into FDA STAR Pilot Program for Plozasiran in sHTG

On October 7, 2026, Arrowhead announced the U.S. FDA has granted plozasiran entry into the Split Real Time Application Review (STAR) pilot program for the company's upcoming supplemental new drug application (sNDA) for severe hypertriglyceridemia (sHTG). The purpose of the STAR program is to shorten the review time of an sNDA submission to six months compared to the standard 10-month review. In addition, the FDA is aiming for an "expedited review" for efficacy supplements in the STAR program, with means an action at least one month before the Priority Review goal date. Arrowhead does not need to use a Priority Review Voucher (PRV) since plozasiran was granted entry into the STAR program, thus the company will retain the recently acquired PRV and use it for a future product as PRVs do not have an expiration date. We continue to anticipate the sNDA filing for sHTG to be completed by the end of 2026 followed by additional regulatory activities ex-U.S. in the ensuing months.

Conclusion

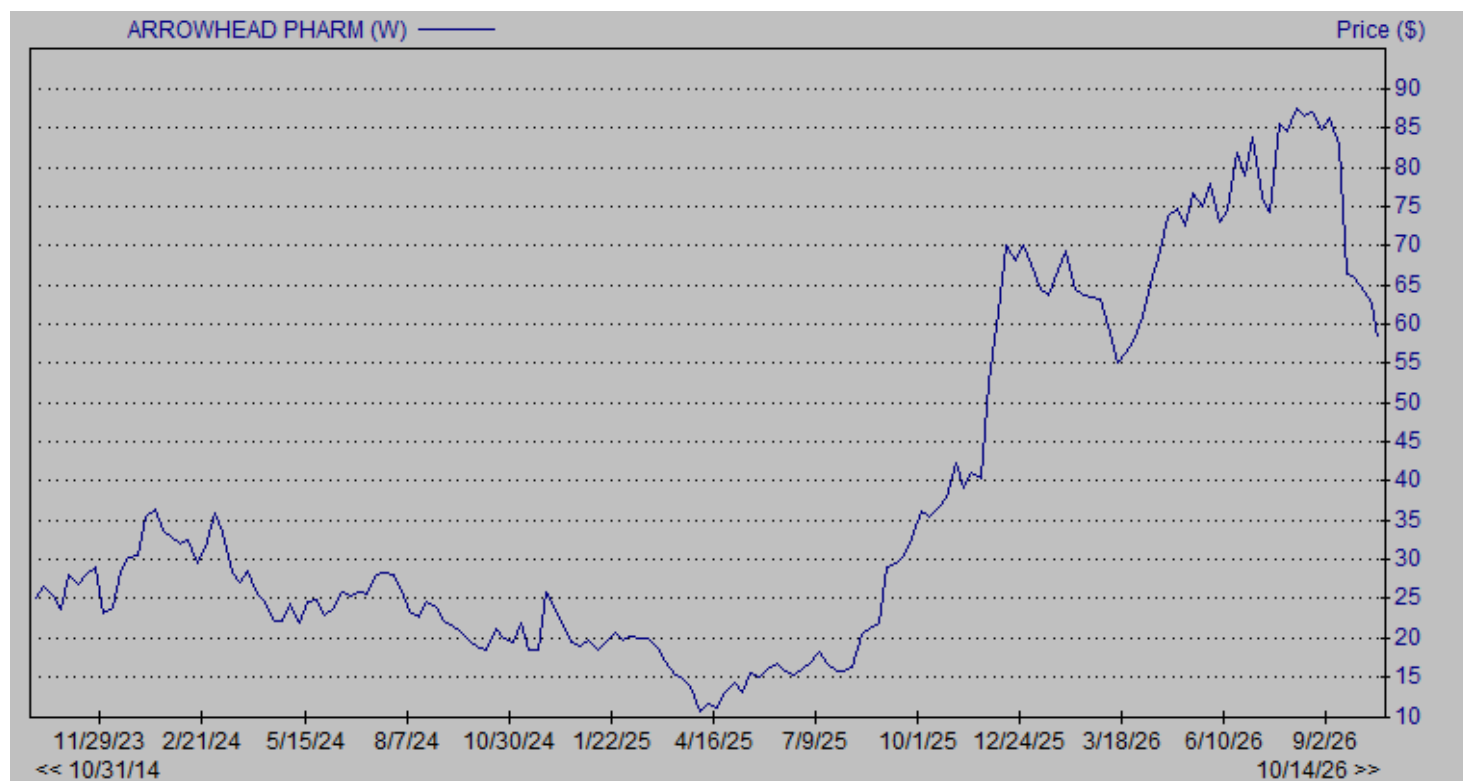
The initial ARO-MAPT data are very encouraging as the company has now shown proof-of-concept for the subcutaneous administration of an siRNA product that can cross the blood-brain barrier and impact expression of genes in the CNS. This opens the door for Arrowhead to potential target a wide range of diseases in the CNS, with the company initially focused on expanding to MAPT-associated frontotemporal dementia and Progressive Supranuclear Palsy. Based on these results, we have increased the probability for success of the MAPT program along with the potential for several additional CNS indications, which has increased our valuation to \$105 per share.

PROJECTED FINANCIALS

Arrowhead Pharmaceuticals, Inc.	FY2025 A	Q1FY26 A	Q2FY26 A	Q3FY26 A	Q4FY26 E	FY2026 E	FY2027 E	FY2028 E
Revenue	\$829.4	\$264.0	\$73.7	\$75.3	\$50.0	\$463.0	\$300.0	\$320.0
YOY Growth	391.4%	-51.3%	165.6%	-70.7%	-94.0%	426.2%	918.5%	1260.0%
Total Revenues	\$829.4	\$264.0	\$73.7	\$75.3	\$50.0	\$463.0	\$300.0	\$320.0
YOY Growth	391.4%	-51.3%	165.6%	-70.7%	-94.0%	426.2%	918.5%	1260.0%
Cost of Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	\$2.5	\$5.3
Gross Income	\$829.4	\$264.0	\$73.7	\$75.3	\$49.9	\$462.9	\$297.5	\$314.7
Gross Margin	100.0%	100.0%	100.0%	100.0%	99.7%	100.0%	99.2%	98.3%
R&D	\$607.2	\$177.2	\$173.3	\$198.2	\$180.0	\$728.7	\$720.0	\$740.0
% R&D	73.2%	67.1%	235.0%	263.4%	360.0%	157.4%	240.0%	231.3%
Salary and G&A	\$123.9	\$46.0	\$41.7	\$47.1	\$48.0	\$182.9	\$190.0	\$200.0
% SG&A	14.9%	17.4%	56.6%	62.6%	96.0%	39.5%	63.3%	62.5%
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	\$40.8	(\$141.3)	(\$170.1)	(\$178.2)	(\$448.7)	(\$612.5)	(\$625.3)
Operating Margin	11.9%	-	-	-	-	-96.9%	-204.2%	-195.4%
Other Income (Net)	(\$46.8)	(\$12.5)	\$3.7	(\$8.8)	(\$15.0)	(\$32.7)	(\$15.0)	(\$15.0)
Pre-Tax Income	\$51.5	\$28.3	(\$137.6)	(\$178.9)	(\$193.2)	(\$481.3)	(\$627.5)	(\$640.3)
Net Taxes (benefit)	\$21.4	\$0.0	\$0.0	\$0.0	\$1.8	\$1.8	\$0.0	\$0.0
Net Loss Attributable to Noncontrolling Interest	\$31.7	\$2.6	\$4.8	\$15.4	\$3.5	\$4.5	\$0.0	\$0.0
Reported Net Income	(\$1.6)	\$30.8	(\$132.7)	(\$194.3)	(\$191.5)	(\$487.7)	(\$627.5)	(\$640.3)
Net Margin	-0.2%	-	-	-	-	-105.3%	-209.2%	-200.1%
Reported EPS	(\$0.01)	\$0.22	(\$0.93)	(\$1.36)	(\$1.35)	(\$3.45)	(\$4.33)	(\$4.33)
YOY Growth	-	-	-	-	-	-	-	-
Basic Shares Outstanding	133.8	137.0	142.4	143.4	142.0	141.2	145.0	148.0

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

HISTORICAL STOCK PRICE



Source: Zacks SCR

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