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<<Tyler Van Buren, Analyst, TD Cowen>>

Good afternoon, everyone. Thanks again for being here at TD Cowen's 44th Annual Health Care Conference. My name is Tyler Van Buren, a senior biotech analyst here at TD Cowen.

For this next session, we have a fireside chat with Arcutis. It's my pleasure to introduce Frank Watanabe, CEO. And Frank, thanks for very much for being here.

<<Frank Watanabe, President and Chief Executive Officer>>

My pleasure. Always good to be here.

<<Tyler Van Buren, Analyst, TD Cowen>>

So before I get started, if you guys have questions, feel free to raise your hand so you can ask them during the session. But with that, let's go ahead and start with the latest, most exciting launch. ZORYVE foam. So you guys put up, obviously, a great quarter with the cream, but wanted to start with the foam since prescriptions are taking off like a rocket ship, even though the essays won't allow me to put that in the note.

<<Frank Watanabe, President and Chief Executive Officer>>

That's right, yeah. That's vertical and not rocket.

<<Tyler Van Buren, Analyst, TD Cowen>>

I put that in the title and then they edited out. Not fun. But can you just talk about the initial factors that contribute – is contributing to the early uptake of the foam for prescriptions?

<<Frank Watanabe, President and Chief Executive Officer>>

Sure. Yeah. Honestly, I think the single most important driving factor in the uptake is the lack of innovation SebDerm space. Right. It's been over 20 years since there's been a new treatment for seborrheic dermatitis, and the existing therapies left a lot to be desired. So there was a great deal of excitement and anticipation for something new. And I think you couple that with the strength of our data in seborrheic dermatitis, and dermatologists and a lot of patients were very excited and very much anticipating this launch.

Beyond that, I think that the fact that a lot of dermatologists already have experience with ZORYVE cream and know both how effective and how well tolerated it is, that's made the selling message around the foam really easy, because we're building on all that positive

experience and momentum with the cream. And then I think the third is that the process for writing and fulfilling and getting reimbursement for ZORYVE foam is identical to the cream. And the dermatologists have all figured it out. Right. So it's very much a plug and play sort of option for them.

It just fits in their workflow versus with the new product, you're having to teach them the process and which pharmacy to send it to and all of the hoops they have to jump through. So, I think all of those combined have really come together to deliver this really outstanding launch that we've seen.

<<Tyler Van Buren, Analyst, TD Cowen>>

Yeah, I remember early last year, right, with the cream from March to May. Right, with the third PBM there was a little hiccup there that you guys have clearly far recovered from. So in terms of that and that process and coverage and getting scripts covered and written, you guys feel like you're basically where you need to be now.

<<Frank Watanabe, President and Chief Executive Officer>>

Yeah, I mean, I think there's always work to be done, but I think for ZORYVE cream and commercial patients, we're in a very good place in terms of reimbursement, and we're over 80% commercial coverage. We're seeing very good trends in terms of the percentage of prescriptions that are being covered. And that's being reflected in our gross nets folks may have seen, we had a really nice improvement quarter-over-quarter in the fourth quarter. We're down in the low 60s or mid 60s now. And we anticipate that we'll hit a steady state by the end of the year, probably somewhere in the mid 50s, which I think is very doable given what we're seeing on the reimbursement front.

By the way, the foam has had a very accelerated rate of coverage, right? Todd Edwards, our Chief Commercial Officer, mentioned on the quarterly call the other day, we're already seeing almost half of our foam scripts being reimbursed as well five weeks into the launch, which that's just unheard of in this day and age, right to have reimbursement that fast. And I think atopic dermatitis will see a similar kind of accelerated curve to reimbursement.

The next wave for us really is going to be Medicare and Medicaid. And we're actively engaged in discussions right now with the Medicare Part D plans. And I say plans because there are multiple plans that manage Part D and then also with the states for Medicaid coverage. And we expect to start seeing some government coverage coming online still this year.

<<Tyler Van Buren, Analyst, TD Cowen>>

For Medicare Part D, what percentage of your patients do you think, though?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, it's only about a third of psoriasis patients have Medicare or Medicaid. But in the SebDerm and the atopic dermatitis markets, it's about half of all patients have government insurance. So those are really big, important opportunities for us. And folks may recall we made a strategic decision very early on that we wanted to target the Medicare and Medicaid business. And so we priced ZORYVE in such a way that we're optimally positioned to win Medicare and Medicaid business and to have it available reasonably easily for those patients as well.

<<Tyler Van Buren, Analyst, TD Cowen>>

And with the foam, 50% of prescriptions being covered basically immediately, how do you expect that to progress throughout the end of the year? Maybe, I understand you can't guide a specific number, but do you expect it to catch up with the cream in terms of?

<<Frank Watanabe, President and Chief Executive Officer>>

Yes, we would expect that the foam and the cream across indications will all have the same gross to net eventually. When we negotiated the contracts with PBMs, it was for ZORYVE as a whole. And so we're not having to go back and renegotiate contracts with these additional indications and line extensions. It will take some time, because we have all three PBMs now covering the foam. But about half of the plans are on the PBM formulas and the other half are on downstream health plans like Aetna, Cigna, UnitedHealthcare. And so we've got to go now and negotiate with the downstream plans to get coverage as well. And that just takes a little time. But the foam will eventually catch up with the cream, and it'll happen, I think, reasonably quickly.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay. And obviously, it'd be great if foam prescriptions continued going vertically, but I assume that's not going to happen forever.

<<Frank Watanabe, President and Chief Executive Officer>>

I mean, like a rocket ship. At some point, right, the trajectory starts to level off. I mean I don't think it's going to flatten, certainly, the number of patients out there, but we do expect to see an attenuation in the rate of growth. I don't think you can take the first five weeks and extrapolate indefinitely. But having said that, this is a very large market. It's about 4.5 million patients being actively treated for seborrheic dermatitis with a topical. About half those patients in the dermatology office.

And with a lack of innovation in the dermatology space, and frankly, our lack of competition, there are no products being promoted other than ZORYVE foam for seborrheic dermatitis. We have such a good profile, we think we're going to get a pretty good chunk of this marketplace.

<<Tyler Van Buren, Analyst, TD Cowen>>

Scalp and body psoriasis filing in the second half. Can you talk about that indication and that opportunity relative to SebDerm?

<<Frank Watanabe, President and Chief Executive Officer>>

Yeah, absolutely. So scalp occur – involvement in scalp occurs in almost half of psoriasis patients about 40% or so of psoriasis patients will have involvement in the scalp. And it's not pathologically any different than psoriasis anywhere else. It's just psoriasis on your head. Right. So the issue really is just a matter of drug delivery. Having said that, there are not good options for scalp psoriasis either. You basically have a bunch of different options that all contain topical steroids.

And for all the reasons the doctors don't like using steroids anywhere else. They don't like using it on the scalp either. The other issue with a lot of the other options for scalp is the formulation, the shampoos, or solutions, they tend to run all over the place. They're messy. Our foam is really optimally designed for use in the hair. I actually have some in my pocket if you would like to try it.

<<Tyler Van Buren, Analyst, TD Cowen>>

I don't know if you actually tried the foam before. Why not?

<<Frank Watanabe, President and Chief Executive Officer>>

So this is actually vehicle. There's no active in here, but it's identical to the real thing. So you can see it's a nice stiff foam. Holds up until you touch it, and then it will break. And then the patient just takes their hair and they part it and they just rub it on their scalp like that, and they're done. Doesn't mess up your hair. You don't have to wash it out.

<<Tyler Van Buren, Analyst, TD Cowen>>

There's a residue. I'm going to tell people.

<<Frank Watanabe, President and Chief Executive Officer>>

All right. It's optimally designed for use in the hair, but it also can be used on the body.

<<Tyler Van Buren, Analyst, TD Cowen>>

It's good. Yeah. Can't feel it anymore.

<<Frank Watanabe, President and Chief Executive Officer>>

So what we expect, in our study, we did a co-primary of scalp and body. So we expect to have the foam approved for scalp and body psoriasis. And then the patient would just have one prescription if they had scalp.

<<Tyler Van Buren, Analyst, TD Cowen>>

No, it's great. Okay, so with scalp and psoriasis, do you think that the initial uptake there could look like SebDerm? Like, do you think there's a bolus of patients? Or are these patients slightly different from SebDerm?

<<Frank Watanabe, President and Chief Executive Officer>>

I think it probably will be faster than the cream initial launch and maybe a little bit slower than the SebDerm launch. But somewhere in between, there hasn't been a lot of innovation in the space. There isn't really much competition. There are a few other foams available, but they tend to be very expensive, difficult to obtain, and some of them just aren't. Like, one of them feels like Vaseline. You don't want to put Vaseline in your hair. Right.

<<Tyler Van Buren, Analyst, TD Cowen>>

Unless you're looking for the bro cream look.

<<Frank Watanabe, President and Chief Executive Officer>>

So we think that the uptake will be quite good, and we aren't going to face the sort of competition that we saw in the cream with the cream in the psoriasis base.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay. And for the foam body psoriasis. So that's, like, other than your scalp hair bearing areas where there's...

<<Frank Watanabe, President and Chief Executive Officer>>

You can use it anywhere. Right. There's no point in writing a script for the cream and the foam. Just give the patient one thing, the foam and the cream are identical, except that we put more water in the foam and we put less oil in the foam. But other than that, it's the same ingredients, same concentration. And we actually showed in our Phase 3 studies that the foam performs identical to the cream on the body. It outperforms on the scalp for reasons we don't fully understand yet, but the efficacy is comparable to the cream. So, I think one patient would just get a script for the cream or the foam, depending on whether they had scalp involvement or not.

<<Tyler Van Buren, Analyst, TD Cowen>>

If a patient was using the foam for their body, would they be able to get the same mileage out of it as the cream?

<<Frank Watanabe, President and Chief Executive Officer>>

Yeah. In terms of how long it lasts...

<<Tyler Van Buren, Analyst, TD Cowen>>

Yeah, surface area, okay. And approximately how long do you expect it to last?

<<Frank Watanabe, President and Chief Executive Officer>>

It depends on the patient and the disease. It really depends on how much of your body is involved. But for psoriasis patients, we estimate, based on looking at other topical usage for older drugs, it's probably around two to three tubes a year or two to three cans a year. It's probably somewhat less for SebDerm, because SebDerm covers less of the body, and then for atopic dermatitis, it's probably going to be more, because atopic dermatitis tends to be more extensive, and so they just consume more of the product.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay, any questions on the foam before we move to the cream? All right. So with the cream getting back to that, the last couple of quarters, you guys obviously had nice jumps, beat expectations in Q4, you've said gross-to-net will reach steady state 50% by the end of the year or mid 50s. What do you need to do to get there? What is left to get to that gross-to-net? Is it just these downstream plans that you're working?

<<Frank Watanabe, President and Chief Executive Officer>>

No, I think there's several levers that you've got to pull. Obviously, it's getting coverage, and we already have very good coverage on the cream. And then it's also making sure that the doctors and the pharmacies are doing what they need to do in order to get the reimbursement. I think a lot of the progress that we've made over the last several quarters has been around that pull through piece, making sure that everything's being done properly. We have a dedicated team that works with offices and pharmacies to make sure that happens. And then we continue to fine tune our copay assistance as well. And that's been a contributor.

So, I think you pull all those three together, and that's what's going to get us eventually down to our steady state gross-to-net. Medicare and Medicaid will also probably contribute to that. And we do expect that our Medicare and Medicaid business will be quite profitable and roughly comparable to the commercial business, which is a little unusual, but that's because of our pricing.

<<Tyler Van Buren, Analyst, TD Cowen>>

What's the average copay with your program?

<<Frank Watanabe, President and Chief Executive Officer>>

So if a patient's insurance covers it, it's zero copay to the patient. If the insurance company doesn't cover it, it's between \$35 and \$75.

<<Tyler Van Buren, Analyst, TD Cowen>>

And in terms of just driving prescription growth through the end of the year, we'll get to 80 in a second with the cream obviously that can help. But just within psoriasis, are you going to be expanding the sales force or you think you're going to be able to do that with your existing salesforce by just getting deeper into the practices that you're already in?

<<Frank Watanabe, President and Chief Executive Officer>>

Yeah. So, I think for psoriasis, plaque psoriasis and seborrheic dermatitis, we're right sized in terms of our salesforce and we have good coverage already. Todd mentioned on the call the other day, we already have almost 11,000 prescribers out of our 13,000 writers. So the penetration is good. You can always bump up frequency, maybe a little bit. But I think the two drivers for growth are going to be one is the positive, continued positive experience clinically with the drug. Doctors who use the drug really like the drug and so they tend to use more of it. Todd made reference, I think on the call in about 80% of physicians we see this sort of steadily increasing utilization of the product. And then I think the expansion in Medicare and Medicaid will be a really meaningful contributor to growth as the year progresses as well.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay, so if you did increase the salesforce, it would be in anticipation of the AD launch or scalp and body psoriasis.

<<Frank Watanabe, President and Chief Executive Officer>>

Exactly. Yeah, we would expect to probably expand the sales force around the atopic dermatitis launch. And that's really just making sure that we maintain our share of voices. We now have three and soon four different products that we're selling to the same customer.

<<Tyler Van Buren, Analyst, TD Cowen>>

How do you think about the initial trajectory of the AD launch relative to psoriasis or SebDerm?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, I think again, I would expect it to be muted compared to SebDerm. SebDerm is a very unusual setup. Right. A really big market with no competition. That just doesn't happen in this business very often. Atopic dermatitis is a very competitive marketplace like psoriasis and so I think it will be a knife fight, but we think we have a really compelling product profile. It's been a while since they've had a non-steroidal that could be used in first-line therapy as opposed to some of the other agents that were more second and third-line therapy. So we think we'll have good uptake, but I wouldn't expect the rocket ship like uptake that we've seen with SebDerm.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay.

<<Frank Watanabe, President and Chief Executive Officer>>

Sorry. I should mention just back on your earlier point about growth. The other thing I think is worth mentioning is, we have made a number of changes in our commercial organization over the last couple of quarters and I think we're already seeing the payoff in terms of that execution. We brought in a new Chief Commercial Officer, Todd Edwards, and he made another number of other changes. And I think that's another really important contributor to the growth that we've been seeing the last couple of quarters is the enhanced execution.

<<Tyler Van Buren, Analyst, TD Cowen>>

He's basically taken the learnings from the insight launches. Right?

<<Frank Watanabe, President and Chief Executive Officer>>

And the insight and other experiences as well. Yeah. Todd's been in the dermatology space for a very long time. Very well established. Kent Taylor who took over our salesforce, similarly experienced. We brought in another leader from Sanofi who has been in the derm space for many, many years. It's a really strong commercial team and I think they're executing very, very well.

<<Tyler Van Buren, Analyst, TD Cowen>>

And July 7, PDUFA for atopic dermatitis.

<<Frank Watanabe, President and Chief Executive Officer>>

Exactly.

<<Tyler Van Buren, Analyst, TD Cowen>>

Can you just reiterate where you are in the review process and your confidence in an approval honor by July 7?

<<Frank Watanabe, President and Chief Executive Officer>>

We don't comment on ongoing regulatory reviews. We feel good about the August 7 day or July 7 date. Excuse me. Think about it. When the FDA reviews a drug, there are really three things they're looking for, right. One is are they comfortable with the manufacturing? Well, they've approved ZORYVE now twice. Right. So I don't think that's much risk. And then they're looking at efficacy and safety and tolerability. If you look at our Phase 3 data, the efficacy is crystal clear. Very good efficacy. And there essentially are no safety or tolerability issues with this drug. So you can never say never. But this is a very low risk supplemental NDA in my view.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay. And obviously the cream already has coverage. But when it's a new indication, there's a few steps you have to take to get up to speed there. Right?

<<Frank Watanabe, President and Chief Executive Officer>>

Yeah. I think AD will probably track similarly to SebDerm. We would expect that the PBMs view it as a line extension. So we would expect coverage almost immediately, if not immediately, from the PBMs. And then we'll need to negotiate with the downstream plans. But if you look at the first approval we had with plaque psoriasis, it took us 12 months to get all three PBMs. The foam we got all three PBMs on the first day. So that gives you some sense of the compression. And then the downstream plants can't come on until the PBM comes on. So that would be accelerated, we would expect, with the cream and AD as well.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay, so you have that bar graph in your deck, right, where you show the additional patients with each indication. And then the primary care bar is very large. It is very large. So when's that coming?

<<Frank Watanabe, President and Chief Executive Officer>>

So we're actively engaged in discussions with potential partners in primary care. We won't do primary care ourselves. That's just a really good way of pissing away a lot of shareholder money. But there's definitely an interest and so we'll progress those discussions. What we have said all along is that we would like to have the primary care partner sometime around the AD Launch. And I say around, because I don't think you necessarily need it at approval.

You really have to win with the derms first. Right. The primary care docs are not going to move until they see the derms use it. So we've got to launch into derm establish to put a hold in derm, and then we can move into primary care. So late in the year, second half of the year, I think is the right time frame for that deal to start. If it happened earlier, that would be great, but I don't think we need it before then.

<<Tyler Van Buren, Analyst, TD Cowen>>

What would a PCP deal look like? How would that be structured?

<<Frank Watanabe, President and Chief Executive Officer>>

I mean, that's going to be a subject of negotiation, right? I mean, I think you can do a fee-for-service. I'm not a big fan of fee-for-service, because I don't think there's alignment of interest or you do some sort of revenue or profit split, which is more straightforward. One of the benefits of this particular situation is that they're different prescribers, right.

We've got dermatology, they've got the other specialties, and we can see in the IQVIA data what we're generating versus what they're generating. I'm not going to pay them for what I generate in dermatology. So, I'll keep all of that and then we'll split the non-derm business somehow to compensate them for their time and align interest, frankly.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay. Just can you go over the existing cash runway and what do you think that's enough to bridge you to profitability?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, certainly feel a lot better after last week, thanks to Cowen and the rest of our banking syndicate. Yeah. So we ended last quarter just shy of \$275 million on the balance sheet, and then we added another, let's say 200 to the balance sheet in the last week. So we're very well capitalized. We're generating revenue. What we have said is that the cash that we had after the two transactions last week puts us well into 2026 for cash runway. And I think if we continue to execute commercially, we certainly see a path to profitability.

<<Tyler Van Buren, Analyst, TD Cowen>>

Yeah. And on the expense side, which is kind of related to this, obviously, by runway, what are you guys doing in terms of R&D expenses to?

<<Frank Watanabe, President and Chief Executive Officer>>

Yeah. So some of this is just natural, right? Because we actually this is unusual for a small company like ours. We ran nine Phase 3 studies with roflumilast, some of them very large studies, and there was a lot of expense associated with that. Those are all winding down now. About the only thing left is the long term atopic dermatitis trial. And so our R&D spend just naturally is coming down. But we also went through an exercise late last year to really look at every penny we were investing everywhere in the company and say, what's the most important thing right now?

And we did do some deprioritization of non-commercial facing activities, including R&D. That's allowing us to largely offset the increased SG&A costs as we launch all these drugs by reducing R&D. I think our CFO mentioned last week, we expect 2024 OpEx to be roughly the same as 2023. There might be a very slight increase, but largely, we will be able to self fund the SG&A increases through reduced R&D.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay. I guess, to wrap up the cream and the foam discussion, how big do you think each of these products could be?

<<Frank Watanabe, President and Chief Executive Officer>>

We haven't given guidance per se yet, but we had an Investor Day last year, and we shared some projections that we had internally, we think that SebDerm, AD and psoriasis are each somewhere in the range of three quarters of a billion to a billion and a quarter in peak sales. So this could be a multibillion dollar product.

I think across all the indications, it's going to take us a while to get there, obviously, particularly because we're having to change the practice of medicine and move dermatologists away from topical steroids. But we're confident that that will happen over time. So, yeah, ultimately, we think something in that \$2 billion, \$3 billion range could be certainly achievable for peak sales.

<<Tyler Van Buren, Analyst, TD Cowen>>

I guess, from a business development perspective and strategics. How many strategics are there that are out there, that are interested in these types of products they have conversations with?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, those are two separate questions. I mean, I think from my standpoint, anyone who has a biologic ZORYVE would be a fairly natural tuck-in. I don't know how many of them are actually interested in watching us. We do occasionally get indications that there are strategics sort of watching. I think there haven't been any transactions for any of the newer topicals from strategics.

I think some of that is they're probably watching to see what the trajectory looks like. In our case as well, there's always a question of whether they want to step in front of regulatory risk or whether they want to wait to approval. But I think as the product continues to grow, I suspect that strategic interest will ramp significantly because there are just some natural synergies between having a biologic and having a topical. They don't compete with each other.

<<Tyler Van Buren, Analyst, TD Cowen>>

Since we have a good amount of time left, maybe you could talk about the other assets you have in development. And if you had to point people in the audience to one of them, which one would it be in the near term?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, honestly, nothing in the near term, I would say. But I think the two most exciting ones are the two that we are actively investing in right now. So we have in the clinic, we have a really novel topical JAK inhibitor. Folks are probably aware oral JAKs work quite well in alopecia areata. There have been three different failures of topical JAKs in alopecia areata, including one that works orally and it doesn't work topically. That, to me looks like a drug delivery issue. And we know that the inflammation in alopecia areata is very deep, which is difficult to deliver drugs topically deep in the skin, you hit the capillaries, and the blood just sort of takes all the drug away.

The gentleman who was our Founder and has been our Chief Technical Officer until this Christmas when he retired, invented a technology that allows us to actually deliver drug down the hair follicle, down to the bulb. So we believe we're going to be able to get our JAK where it needs to be. And that could put us in a position to be the only topical for alopecia areata. We wouldn't be competing with CIBINQO or some of the other orals, but I think, again, would be complimentary. But we're very excited about that program, we think there's a lot of potential there.

And then the other one, I think that's very exciting. We acquired a company out of the UK last year called Ducentis that has a very promising biologic for autoimmune disorders that targets CD200R. So folks are probably familiar with the checkpoint inhibitors in oncology, one of the newest areas in immune disorders are checkpoint agonists that do the opposite of the checkpoint inhibitors. If you agonize the checkpoints, you actually normalize activated immune cells. And in an autoimmune disorder, that's appealing because you could reduce the autoimmune process without immunosuppressing and creating new side effects.

I think the other interesting thing about the checkpoint inhibitors is they seem to have a checkpoint agonist, excuse me, a very long period of response. Even off drug patients actually go into remission for some period of time. And we think that that could be a really meaningful differentiator. So we're really excited about that program as well. We're working on that IND-enabling work right now and hope to be in the clinic in the not too distant future. We'll update investors as that progresses, and then we have some earlier stage things, but I think those are the two most exciting pipeline programs we have right now.

<<Tyler Van Buren, Analyst, TD Cowen>>

Sorry. On the topical JAK, when's the next update for that program?

<<Frank Watanabe, President and Chief Executive Officer>>

So we're in the clinic, we're still enrolling, and when we complete enrollment, we'll give a specific guidance around when we will see data. But I would hope that maybe late this year or early next year, we'll have some readout. It's important, probably, to caveat. That is a Phase 1 study. We are looking at some biomarkers and we're doing biopsies, but we won't expect to see hair growth because it's just too short a period of time. But we are treating patients in the Phase 1 study, so we'll be able to hopefully get some useful data from that trial.

<<Tyler Van Buren, Analyst, TD Cowen>>

How long do you think you need to treat patients to get hair growth?

<<Frank Watanabe, President and Chief Executive Officer>>

Probably six months. Just by virtue of the hair growth cycle. It takes a long time. I know from personal experience, it takes a long time to grow hair.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay. And that technology you're referring to, it's formulation based, that allows to get into follicle?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, it's formulation based that delivers the drug down the hair follicle. The drug itself is a drug that we license from Jiangsu Hengrui in China. Very, very potent. JAK1 specific JAK inhibitor. Orally. The data looks great. I think they've shown efficacy in UC, in atopic dermatitis and rheumatoid arthritis. We have a really good JAK inhibitor, and now we just need to get it to the right place, and we think our technology will allow us to do that.

<<Tyler Van Buren, Analyst, TD Cowen>>

Okay, great. Any questions before we wrap up? All right, so Frank, I'm going to ask you in closing, what aspect of the Arcutis story do you feel is most underappreciated by investors right now?

<<Frank Watanabe, President and Chief Executive Officer>>

Well, up until a couple of weeks ago, I would have said seborrheic dermatitis, but I think folks are now cottoning onto that. Hopefully they are. I think both atopic dermatitis and scalp psoriasis are also very significant opportunities, and I would argue they're really not baked in the stock price. I think there's a lot of outside for investors in the next 12 months.

And hopefully with the excitement that everyone's seeing around the SebDerm launch, folks will have increased conviction on those other two indications, too.

<<Tyler Van Buren, Analyst, TD Cowen>>

Wonderful. Well, I'm pleased to report that I have no residue on my hand or my hair from the foam.

<<Frank Watanabe, President and Chief Executive Officer>>

Glad to hear that.

<<Tyler Van Buren, Analyst, TD Cowen>>

Thank you very much for the time.

<<Frank Watanabe, President and Chief Executive Officer>>

That's great. Good to see you.

<<Tyler Van Buren, Analyst, TD Cowen>>

Thank you.

<<Frank Watanabe, President and Chief Executive Officer>>

Thank you. That was awesome.