

has a pipeline of investigational small molecule drugs for other illnesses, beyond CF, such as pain and kidney disease, and has programs for cell and genetic therapies. Approved CF drugs incl.:

Rock, 9.4% (4/21 proxy). Chrmn.: Dr. Jeffrey M. Leiden. Pres. & CEO: Dr. Reshma Kewalramani, Inc.: MA. Addr.: 50 Northern Ave... Boston, MA 02210. Tel.: 617-341-6100. Internet: www.vrtx.com

Current Liab. 1877.5 1914.3 ANNUAL RATES Past Past Est'd '18-'20 of change (per sh) to '24-'26 34.5% Revenues "Cash Flow" 14.5% 36.0% 18.0% Earnings 18.5% Nil 24.0% Dividends Book Value 23.0% 39.5%

1247.2

1334.8

1722.4

1786.4

Cal- endar	QUAR Mar.31	TERLY RE Jun.30	VENUES Sep.30		Full Year
2018	640.8	752.2	784.5	870.1	3047.6
2019	858.4	941.3	949.8	1413.3	4162.8
2020	1515.1	1524.5	1538.3	1627.8	6205.7
2021	1724.3	1793.4	1984.2	1998.1	7500
2022	2000	2000	2050	2050	8100
Cal-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2018	.81	.80	.50	d.05	2.06
2019	1.03	1.03	.22	2.23	4.51
2020	2.29	3.18	2.53	2.30	10.29
2021	2.49	.26	3.28	3.17	9.20
2022	3.00	3.00	3.00	3.00	12.00
Cal-	QUARTERLY DIVIDENDS PAID				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2017			-		
2018	NO CASH DIVIDENDS				
2019	BEING PAID				
2020					
2021					

Vertex Pharmaceuticals continues to see robust momentum in its cystic fibrosis (CF) franchise. In fact, the company's newest therapy *Trikafta* (*Kaftrio* in the EU), a triple-drug blend of elexacaftor, tezacaftor, and ivacaftor approved in 2019 for the debilitating lung disease in patients ages 12 and up, has been going strong so far. The drug has also undergone a rapid uptake after its recent U.S. approval for kids ages 6-11. Its sturdy sales are offsetting weakness from Vertex's older CF therapies (Kalydeco, Orkambi, and Symdeko). Still, efforts to bolster the CF lineup continue, mostly via label expansions and reimbursement in new markets (now in more than 20 countries outside the U.S.) - all part of Vertex's strategy to target a broader, younger patient population in the earlier stages of CF.

Pipeline opportunities beyond CF remain a focus, too. Vertex is making progress with several mid- or late-stage studies addressing such serious illnesses and conditions as sickle cell disease, beta thalassemia, Type 1 diabetes, kidney disease, pain, and protein deficiencies. For example, VX-880 is being explored in a

Phase I/II clinical trial as a stem cellderived replacement therapy for Type 1 diabetes. VX-147 is undergoing a Phase II study for kidney disease, with data due out soon. Vertex is also developing CTX001 for beta thalassemia and sickle cell disease, in collaboration with CRISPR Therapeutics. (Recall the partnership agreement was recently amended from a 50%-50% split to a 60%-40% set-up, with Vertex's share of costs, future sales, and profits to be 60%. As part of the deal, Vertex paid CRISPR \$900 million upfront, and may make a \$200 million milestone payment on regulatory approval.)

The overall picture looks rosy. Management again raised its 2021 revenue forecast, to a range of \$7.4 billion-\$7.5 billion, on Trikafta's strong growth, though the \$900 million payment to CRISPR may be a drag on profits this year. Still, Vertex should deliver solid earnings in 2022 and beyond, as it expands its drug portfolio.

Vertex stock has appeal. While its share price has retreated some, pending drug-related news, VRTX remains timely and has wide long-term upside potential. J. Susan Ferrara December 3, 2021

(A) Diluted earnings. Excl. non-recur. (charges)/gains: '05, (63¢); '06, 6¢; '18, \$6.03 (one-time tax benefit). Next egs. rpt. due early

(B) In millions. Note: share count in '13 reflects carryforwards of about \$1.327 bill. and tax the conversion of convertible notes into 8.3 credits of \$428 million. mill. shs.

(C) As of 12/31/20, had total net oper. loss

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability** 

A+ 65 85 30