



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
1.50	1.16	.51	.70	6.74	7.03	5.18	2.40	4.19	6.86	9.83	11.94	16.07	23.88	29.76	34.75	37.85	40.40	Revenues per sh	50.00
d2.74	d2.83	d3.06	d3.56	.31	d.32	d1.70	d2.79	d2.01	d.20	1.28	2.38	4.96	10.86	9.70	13.50	14.35	15.30	"Cash Flow" per sh	18.75
d3.03	d3.27	d3.71	d3.77	.14	d.50	d1.98	d3.14	d2.31	d.46	1.04	2.06	4.51	10.29	9.01	12.82	13.50	14.50	Earnings per sh ^A	17.50
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.24	.21	.12	.19	.17	.33	.22	.21	.18	.23	.39	.37	.29	1.00	.92	.80	.90	1.00	Cap'l Spending per sh	1.20
2.04	1.58	5.48	2.48	3.76	4.60	5.80	4.45	3.82	4.66	8.01	17.38	23.50	33.43	39.69	54.13	66.65	80.40	Book Value per sh	120.00
132.88	151.25	199.96	203.52	209.30	217.29	233.79	241.76	246.31	248.30	253.25	255.17	258.99	259.89	254.48	257.01	255.00	255.00	Common Shs Outst'g ^B	250.00
--	--	--	--	NMF	--	--	--	--	--	NMF	NMF	41.2	24.6	22.8	21.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
--	--	--	--	NMF	--	--	--	--	--	NMF	NMF	2.19	1.26	1.23	1.23			Relative P/E Ratio	1.20
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CAPITAL STRUCTURE as of 12/31/22		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Total Debt None		1212.0	580.4	1032.3	1702.2	2488.7	3047.6	4162.8	6205.7	7574.4	8930.7	9650	10300	Revenues (\$mill)	12500						
Leases, Uncapitalized Annual rentals \$58.4 mill.		NMF	NMF	NMF	4.3%	18.3%	24.2%	31.4%	48.0%	38.3%	49.2%	48.0%	48.0%	Operating Margin	50.0%						
No Defined Benefit Pension Plan		48.4	63.3	62.3	61.4	61.4	72.4	106.9	125.6	148.3	155	165	Depreciation (\$mill)	185							
Pfd Stock None		d445.0	d737.6	d556.3	d112.1	263.5	533.7	1176.8	2711.7	2342.1	3322.0	3500	3740	Net Profit (\$mill)	4500						
Common Stock 257,091,441 shs. as of 1/31/23		--	--	--	--	--	--	--	12.7%	15.6%	13.0%	14.2%	21.5%	Income Tax Rate ^C	20.0%						
MARKET CAP: \$75.5 billion (Large Cap)		NMF	NMF	NMF	NMF	10.6%	17.5%	28.3%	43.7%	30.9%	37.2%	36.3%	36.3%	Net Profit Margin	36.0%						
CURRENT POSITION 2020 2021 12/31/22 (\$MILL.)		1190.8	1178.2	900.8	1039.0	1841.7	2722.8	3488.0	6255.9	7418.6	10492.7	12500	15000	Working Cap'l (\$mill)	22000						
Cash Assets		48.8	319.9	266.9	35.0	20.5	19.7	--	--	--	--	Nil	Nil	Long-Term Debt (\$mill)	Nil						
Receivables		1356.4	1075.0	940.0	1156.6	2028.6	4435.2	6085.2	8686.8	10100	13913	17000	20500	Shr. Equity (\$mill)	30000						
Inventory		NMF	NMF	NMF	NMF	12.9%	12.0%	19.3%	31.2%	23.2%	24.0%	20.5%	18.0%	Return on Total Cap'l	15.0%						
Other		NMF	NMF	NMF	NMF	13.0%	12.0%	19.3%	31.2%	23.2%	23.9%	20.5%	18.0%	Return on Shr. Equity	15.0%						
Current Assets		NMF	NMF	NMF	NMF	13.0%	12.0%	19.3%	31.2%	23.2%	23.9%	20.5%	18.0%	Retained to Com Eq	15.0%						
Accts Payable		--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil						
Debt Due		1722.4	1947.0	2438.2																	
Other		1877.5	2142.0	2742.1																	
Current Liab.																					

BUSINESS: Vertex Pharmaceuticals Inc. discovers, develops, and commercializes transformative medicines for serious diseases. Current treatments are primarily focused on cystic fibrosis (CF). It also 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.: *Kalydeco* (ivacaftor) (1/12); *Orkambi* (lumacaftor/ivacaftor) (7/15); *Symdeko* (tezacaftor/ivacaftor) (2/18); *Trikafta* (10/19). Has about 4,800 empl. Off./dirs. own less than 1% of comm. stock; Black-Rock, 9.4% (4/22 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.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '20-'22 to '26-'28

Revenues	18.5%	31.0%	12.0%
"Cash Flow"	--	--	13.5%
Earnings	--	--	13.5%
Dividends	--	--	Nil
Book Value	26.0%	46.0%	22.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	1515.1	1524.5	1538.3	1627.8	6205.7
2021	1724.3	1793.4	1984.1	2072.6	7574.4
2022	2097.5	2196.2	2334.3	2302.7	8930.7
2023	2350	2350	2450	2500	9650
2024	2500	2550	2600	2650	10300

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	2.29	3.18	2.53	2.30	10.29
2021	2.49	.26	3.28	3.00	9.01
2022	2.96	3.13	3.59	3.15	12.82
2023	3.20	3.40	3.60	3.30	13.50
2024	3.50	3.70	3.80	3.50	14.50

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019					
2020					
2021					
2022					
2023					
2024					

NO CASH DIVIDENDS BEING PAID

We think another record showing is on tap at Vertex Pharmaceuticals in 2023, after last year's outstanding performance. To wit, revenues and earnings surged to their highest levels in 2022, driven by continued rapid sales uptake of *Trikafta* (*Kaftrio* in the EU), a triple-drug blend of elexacaftor, tezacaftor, and ivacaftor approved for treating cystic fibrosis (CF), a debilitating lung disease, in patients ages 12 and up. And results stand to climb further this year. Vertex expects revenues of \$9.55 billion-\$9.7 billion in 2023, as label expansions of the key CF therapy (targeting patients ages 6 and up, and pending approval for kids 2-5 years old) gains traction outside the U.S. Despite currency headwinds, clinical development and commercialization investments, and \$300 million in milestone payments to be made, profits may well set another record. **A new drug could soon be launched.** Recall that Vertex, together with CRISPR Therapeutics, recently developed a gene-editing therapy called exa-cel (formerly CTX001) for beta-thalassemia and severe sickle cell disease. The drug has been moving through the regulatory process in

the EU and the U.K., while in the U.S., Vertex is on track to complete its filing for a biologics license by the end of March. **Efforts to bolster the core CF franchise continue.** Indeed, label expansions, reimbursement in new markets, and new drugs are part of Vertex's strategy to treat the underlying disease across a broader, younger patient group. The company currently awaits the regulatory blessing on *Trikafta*/*Kaftrio* for kids ages 2-5, in the U.S., EU, and the U.K., and on *Kalydeco* in some global markets for infants of 1-4 months. Vertex is working with Moderna to explore mRNA therapies for CF, too. **Other R&D programs beyond CF are making headway, too.** Besides beta thalassemia and sickle cell diseases, mid- and late-stage studies are ongoing, addressing such illnesses/conditions as Type 1 diabetes, kidney disease, pain, protein deficiencies, and muscular dystrophy. **Good-quality Vertex stock is timely.** But, while an expanding CF lineup and other pipeline opportunities should boost profits out to 2026-2028, the issue's appreciation potential is unexciting at this price. *J. Susan Ferrara* March 3, 2023

(A) Diluted earnings. Excl. non-recur. gain: '18, \$6.03 (one-time tax benefit). Qlty. egs. may not sum due to difference in shs. outstg/rounding. Next egs. rpt. due early May. (B) In millions. Note: share count in '13 reflects the conversion of convertible notes into 8.3 mill. shs. (C) As of 12/31/22, had total net oper. loss carryforwards of about \$770.5 mill. and tax credits of \$295.0 million.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	80
Earnings Predictability	30