RESEARCH / EARNINGS AND VALUATION

Vertex Stock Q3 2026: Revenue Up 12% as Alyftrek Takes Over

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> **As of:** Figures are as of Vertex Pharmaceuticals Incorporated's Q3 2026 results (quarter ended 30 September 2026, reported 2 November 2026). Balance-sheet figures are from the condensed balance sheet in the Q3 2026 earnings release; the Form 10-Q for the quarter had not been filed on 2 November. The share price is the Nasdaq close of VRTX on 2 November 2026, $553.15, before the results were released. Published 2 November 2026.

The short answer. Vertex stock in Q3 2026 is a bet that cystic fibrosis keeps paying for everything else long after its patents run out. Revenue rose 12% to $3.44bn, Alyftrek nearly tripled to $706m as patients switched from Trikafta, and Vertex raised its 2026 revenue guidance to $13.15-13.25bn. Our risk-adjusted NPV puts Vertex at **$318.10 per share**, about 42% below the $553.15 close on 2 November 2026: the market is paying for cystic fibrosis profits well beyond Alyftrek's 2039 patent expiry and for a kidney pipeline that has yet to reach the market.

Vertex Pharmaceuticals reported Q3 2026 results after the market closed on 2 November 2026. Total revenue rose to $3,440.8m from $3,076.4m a year earlier, with US revenue up 10% to $2.17bn and revenue outside the US up 16% to $1.27bn, helped by currency. Chief executive Reshma Kewalramani called it "excellent third quarter results marked by strong revenue growth across the increasingly diversified portfolio" (Vertex Q3 2026 earnings release). GAAP EPS fell to $2.56 from $4.20, mainly because of about $500m of compensation and transaction costs for the Crinetics Pharmaceuticals acquisition; non-GAAP EPS was $4.76, against $4.80.

In this article we go through Vertex's Q3 2026 numbers against a year earlier, the switch from Trikafta to Alyftrek in cystic fibrosis (CF), the newer products Casgevy, Journavx and Palsonify, the raised 2026 guidance, the patent expiries behind the CF franchise, the pipeline led by povetacicept, inaxaplin and atumelnant, and our valuation of VRTX, with the assumptions laid out so you can argue with them.

Key takeaways

- **Valuation:** QSILabs values Vertex Pharmaceuticals Incorporated (Nasdaq: VRTX) at $318.10 per share as of Q3 2026, against a $553.15 close on 2 November 2026, about 42% below the market price. Our bear and bull cases are $244.35 and $343.68.
- **Q3 2026 results:** Vertex's total revenue rose 12% to $3.44bn in the quarter ended 30 September 2026; GAAP net income fell to $654m from $1.08bn, GAAP EPS was $2.56 and non-GAAP EPS $4.76, against $4.20 and $4.80 a year earlier.
- **Cystic fibrosis:** CF revenue rose 8% to $3.27bn. Alyftrek, the once-daily successor to Trikafta, sold $706m, up from $247m, while Trikafta fell 8% to $2.44bn as patients switched.
- **New products:** Casgevy sold $99m, nearly six times a year earlier; Journavx $58m, nearly triple; and Palsonify, added with Crinetics on 1 September, $10m in its first month.
- **Guidance:** Vertex now expects 2026 revenue of $13.15-13.25bn (previously $13.1-13.2bn), including $40-50m from Palsonify, and combined non-GAAP R&D, acquired R&D and SG&A of about $6.0bn (previously $5.65-5.75bn).
- **Pipeline:** the FDA is due to decide on povetacicept in IgA nephropathy by 30 November 2026; interim data for inaxaplin in APOL1-mediated kidney disease are due in early 2027.

Key numbers from Vertex's Q3 2026 earnings

$3.44bn Q3 2026 total revenue, +12% YoY (US +10%, outside the US +16%) 8-K EX 99.1	**$706m** Alyftrek revenue, from $247m; Trikafta $2.44bn, -8% 8-K EX 99.1
$3.27bn Cystic fibrosis revenue, +8%, 95% of the total 8-K EX 99.1	**$4.76** Non-GAAP diluted EPS, against $4.80; GAAP EPS $2.56 8-K EX 99.1
$13.15-13.25bn 2026 revenue guidance, from $13.1-13.2bn 8-K EX 99.1	**$318.10** QSILabs rNPV value per share QSILABS RNPV

Q3 2026 VS Q3 2025, $M	Q3 2025	Q3 2026	CHANGE
Total revenues	3,076.4	3,440.8	+12%
Cystic fibrosis product revenue	3,039.9	3,273.2	+8%
Trikafta/Kaftrio	2,653.6	2,436.9	-8%
Alyftrek	247.0	705.8	+186%
Other CF products	139.3	130.5	-6%
Casgevy	16.9	99.2	n/m
Journavx	19.6	58.3	+197%
Palsonify	-	10.1	n/m
Research and development (GAAP)	977.7	1,320.6	+35%
Selling, general and administrative (GAAP)	445.1	844.1	+90%
Income from operations	1,186.2	712.9	-40%
Net income	1,082.9	653.6	-40%
GAAP diluted EPS ($)	4.20	2.56	-39%
Non-GAAP diluted EPS ($)	4.80	4.76	-1%

Source: Vertex Q3 2026 earnings release (Form 8-K, Exhibit 99.1, accession 0000875320-26-000287).

Vertex stock Q3 2026: what happened in the quarter?

Revenue grew by $364m. Alyftrek added $459m and Casgevy $82m, Journavx $39m and Palsonify $10m; Trikafta lost $217m as patients moved to Alyftrek, and older CF medicines $9m. Vertex said US growth came from "continued strong CF patient demand, including from new initiations of ALYFTREK" and higher realised net prices in CF, and growth outside the US from CF, more Casgevy infusions and a favourable currency effect. Chief financial officer

Charlie Wagner, on his last earnings call before handing over to Jonathan Poole, said currency added about 1 percentage point (Q3 2026 earnings call).

Costs rose faster than revenue. On a non-GAAP basis, gross margin was 85.6%, R&D rose 9% to $936m and SG&A rose 51% to $556m. Wagner said nearly 80% of the extra SG&A went on commercial capabilities, led by the launch build for povetacicept and the kidney franchise, Journavx and Palsonify. The GAAP figures also carry the roughly $500m of Crinetics-related compensation and transaction costs, which is why GAAP operating income fell 40% to $713m. The non-GAAP tax rate was 18.0%.

The balance sheet changed with the Crinetics deal. Vertex completed the acquisition on 1 September for about $10.0bn of equity value, or $9.0bn net of the cash Crinetics held, and borrowed $4.5bn in term loans, at about 4.8% according to Wagner. Cash, equivalents and marketable securities fell to $9.8bn from $12.3bn at the end of 2025. Vertex bought back about 250,000 shares for about $120m in the quarter, and about 2m shares for $921m this year.

VERTEX'S THIRD QUARTER AND WHAT COMES NEXT

6 JUL 2026	Vertex agrees to buy Crinetics Pharmaceuticals; it says Palsonify and atumelnant could exceed $5bn of combined peak sales	Reuters via Yahoo Finance
7 JUL 2026	FDA approves Vera Therapeutics' atacicept (Trutakna) in IgA nephropathy, a rival to povetacicept	Ainvest
JUL 2026	FDA approves Casgevy for children aged 2 and over with sickle cell disease or beta thalassemia	8-K Ex 99.1
1 SEP 2026	Crinetics acquisition completed, for about $10.0bn of equity value; Palsonify joins the portfolio	8-K Ex 99.1
2 NOV 2026	Q3 2026 results after the close; 2026 revenue guidance raised to $13.15-13.25bn	8-K Ex 99.1
30 NOV 2026	FDA action date (PDUFA) for povetacicept in IgA nephropathy	8-K Ex 99.1
EARLY 2027	Interim analysis of the AMPLITUDE study of inaxaplin, for potential US accelerated approval	8-K Ex 99.1
MID-2027	Phase 3 results for suzetrigine in diabetic peripheral neuropathy; Journavx patient support programme to end	8-K Ex 99.1; Q3 2026 call

The shares closed at $553.15 on 2 November, before the results came out. Over 12 months VRTX has risen about 30%, from $426.00 on 3 November 2025, with a 52-week closing low of $409.47 on 7 November 2025 and a closing high of $558.88 on 30 October 2026. At $553.15 the market value is about $141bn on 255.2m diluted shares.

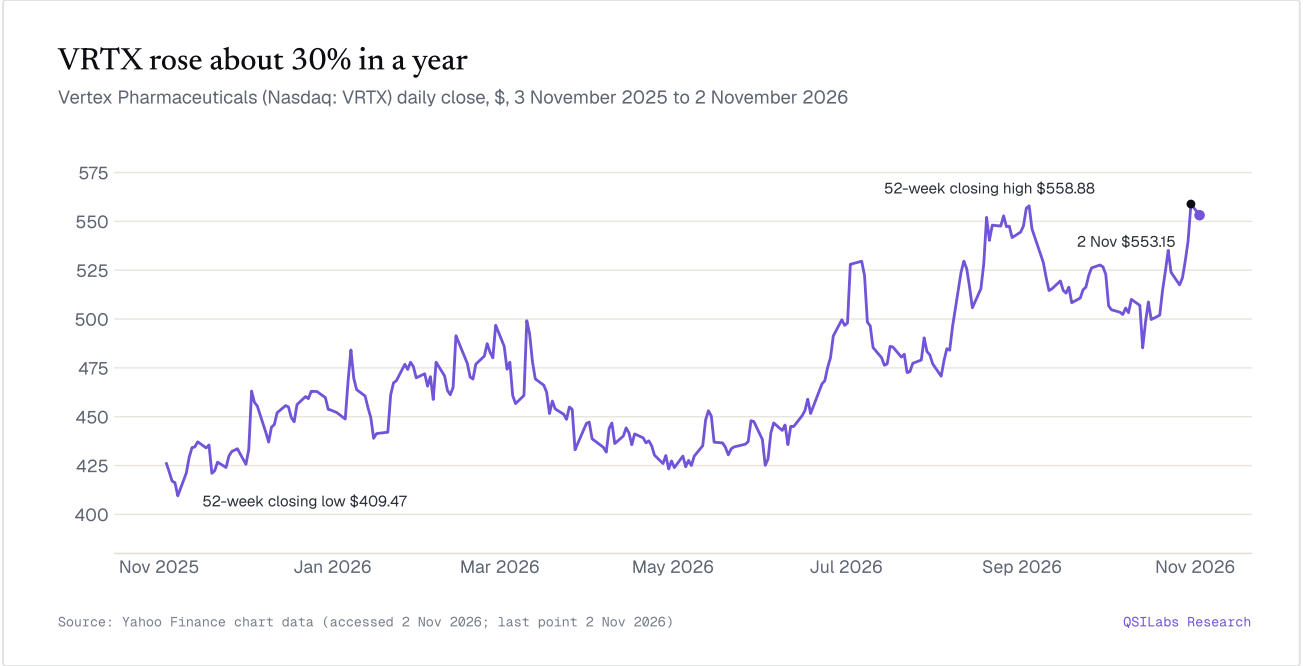


FIGURE 1 Vertex's share price rose about 30% in a year. Source: Yahoo Finance.

How is the switch from Trikafta to Alyftrek going?

Cystic fibrosis is still 95% of Vertex's revenue. CF revenue was $3,273m in Q3 2026, up 8%, with 5% growth in the US and 12% outside it (10% at constant currency). Vertex's CFTR modulators can treat about 95% of people with CF in its core markets.

Inside that total, the franchise is moving from Trikafta (Kaftrio in Europe) to Alyftrek, a once-daily triple combination. Alyftrek sold $706m in the quarter and $1,704m in the first nine months, and chief commercial officer Duncan McKechnie said more than 18,000 patients now take it and that US sales this year have passed $1bn. It is now reimbursed in 32 countries, 7 more than in June. Trikafta fell 8% to $2,437m and older CF medicines 6% to $131m.

The switch matters for more than growth. Alyftrek's patents run to 2039 in the US and Europe, two years longer than Trikafta's 2037, and the royalty Vertex pays to the Cystic Fibrosis Foundation's assignee is lower: 9.33% on Trikafta and, in Vertex's view, 4% on Alyftrek. Royalty Pharma, which holds those rights, argues in arbitration that the Alyftrek rate is about 8%. Vertex is also filing Alyftrek for children aged 2 to 5, and McKechnie listed the drivers of future CF growth as label expansions in rare mutations, younger patients, more countries and the longer survival of patients on CFTR modulators. Behind Alyftrek, a triple combination with the next-generation corrector VX-828 cut sweat chloride by 6.6 mmol/L at four weeks against a Trikafta baseline in a Phase 1 study; Vertex will decide which, if any, of

its next-generation regimens to advance once two more correctors have proof-of-concept data.

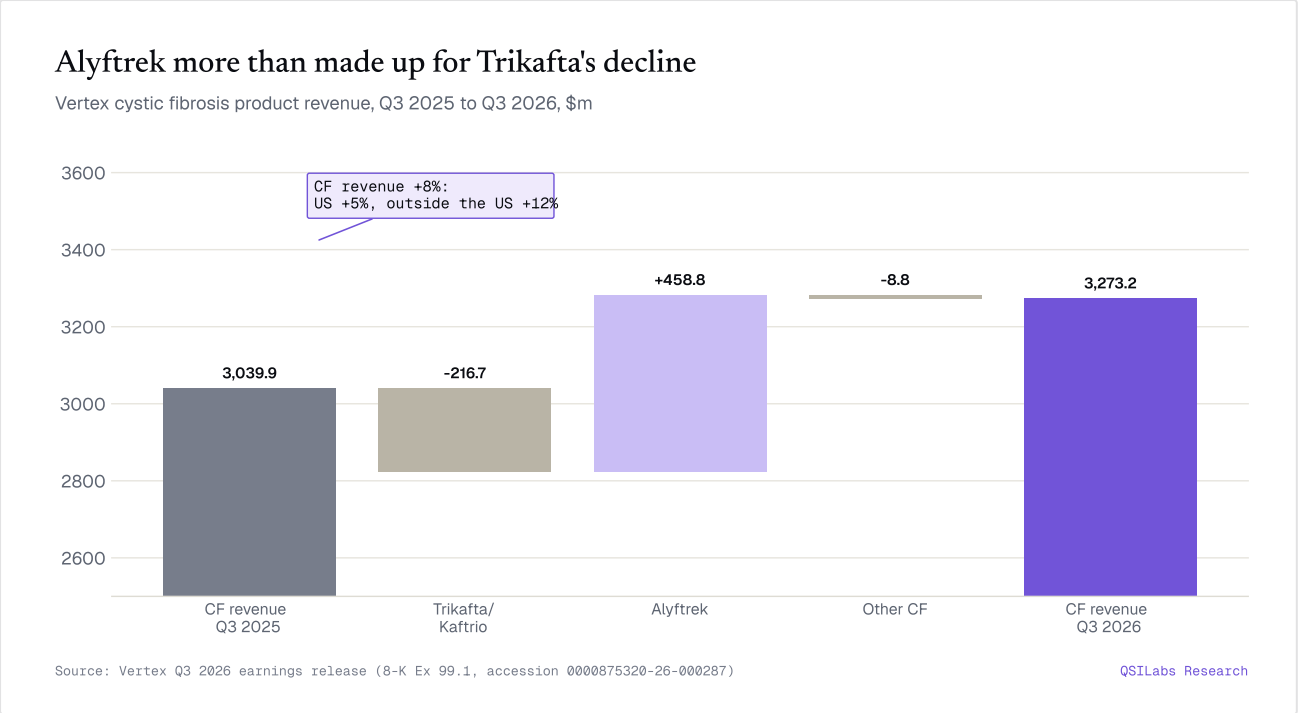


FIGURE 2 How Vertex's cystic fibrosis revenue grew from Q3 2025 to Q3 2026. Source: Vertex Q3 2026 earnings release.

How did Casgevy, Journavx and Palsonify do?

Casgevy, the CRISPR gene-edited cell therapy for severe sickle cell disease and transfusion-dependent beta thalassemia that Vertex shares with CRISPR Therapeutics, sold $99m, up 30% from the second quarter and against $17m a year earlier. About 200 patients have been infused since launch and more than 750 have started the process, with over 100 new starts in each of the last four quarters. In July the FDA approved Casgevy for children aged 2 and over. McKechnie said Casgevy is "on its way to achieving its own blockbuster potential", but warned that infusions vary from quarter to quarter.

Journavx (suzetrigine), the non-opioid pain pill, sold $58m, up 18% from the second quarter. Prescriptions grew faster: more than 750,000 in Q3, up over 40% from the second quarter, and Vertex says Journavx became the most prescribed branded oral pain medicine in the US in August. Revenue lags prescriptions because Vertex is still paying for a patient support programme for people whose insurance does not yet cover the drug. It will extend the programme into 2027 and expects the gross-to-net discount to settle at 50-60%, like other mass-market brands, when it ends in mid-2027. McKechnie described the goal as "a sustainable, long-term, multi-billion dollar pain business".

Palsonify (paltusotine), a once-daily oral treatment for acromegaly, came with Crinetics and sold $10m in September, or about $24m for the full quarter including the months before the deal closed. About 500 of the 3,200 US endocrinologists who treat most acromegaly patients prescribe it, and it has more than 40% of patients starting or switching treatment. It was approved in Europe in April 2026, with launches planned for the second half of 2027.

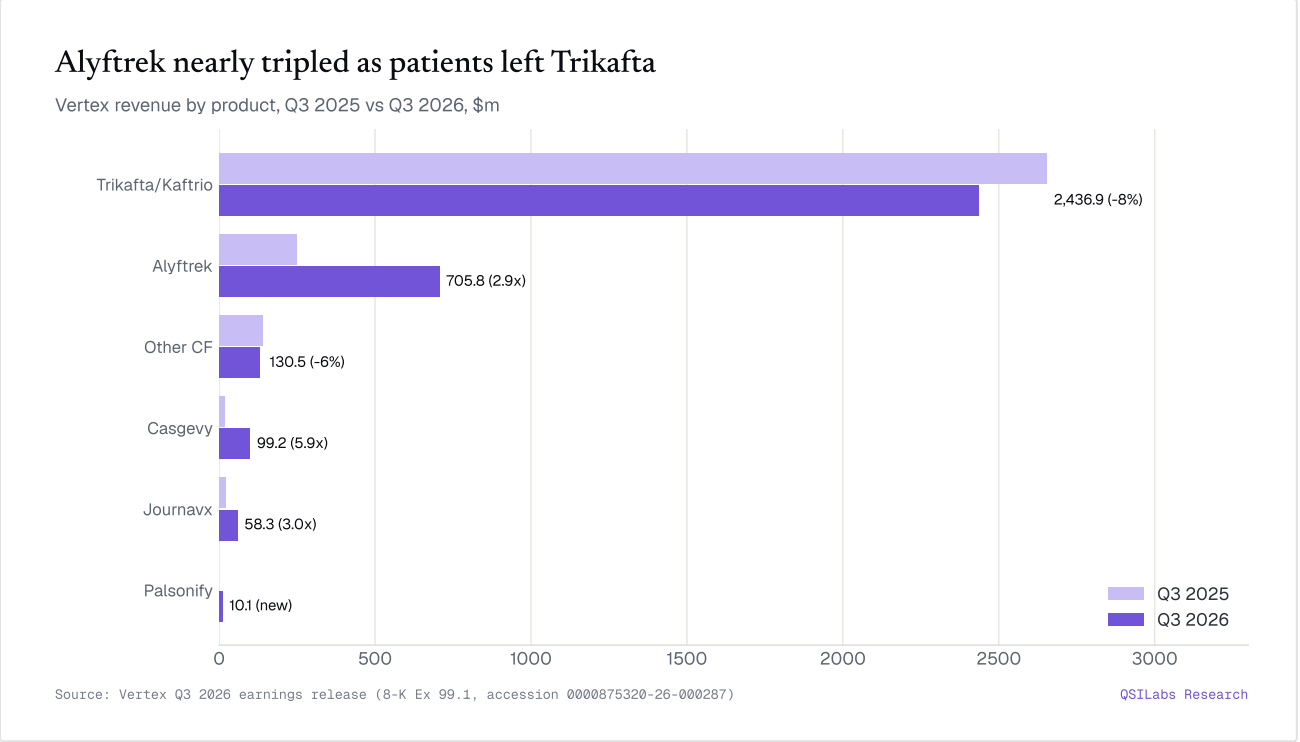


FIGURE 3 Vertex's Q3 2026 revenue by product against a year earlier. Source: Vertex Q3 2026 earnings release.

What is Vertex's 2026 guidance after Q3?

Vertex raised its 2026 revenue guidance to $13.15-13.25bn from $13.1-13.2bn. The increase is Crinetics: Vertex expects $40-50m from Palsonify, and Wagner said the underlying drivers were unchanged. Vertex still expects at least $500m of combined revenue from Casgevy and Journavx, and about 150 basis points of currency benefit.

Cost guidance rose more, by about $300m at the midpoint against $50m for revenue. Vertex now expects combined non-GAAP R&D, acquired R&D and SG&A of about $6.0bn, up from $5.65-5.75bn, and combined GAAP costs of $7.15-7.2bn, up from $6.3-6.45bn, mainly for running and integrating Crinetics. The non-GAAP tax rate guidance is unchanged at 19.5-20.5%.

2026 GUIDANCE	BEFORE Q3 RESULTS	2 NOVEMBER 2026
Total revenue	$13.1-13.2bn	$13.15-13.25bn
Casgevy and Journavx revenue	$0.5bn or more	unchanged
Palsonify revenue	-	$40-50m
Combined GAAP R&D, acquired R&D and SG&A	$6.3-6.45bn	$7.15-7.2bn
Combined non-GAAP R&D, acquired R&D and SG&A	$5.65-5.75bn	about $6.0bn
Non-GAAP effective tax rate	19.5-20.5%	unchanged

Source: Vertex Q3 2026 earnings release.

The 32 analysts tracked by StockAnalysis expect 2026 revenue of about $13.24bn and 2027 revenue of about $14.60bn (StockAnalysis). Our model uses $13.22bn for 2026 (the first nine months plus a fourth quarter at the Q3 rate) and matches the $14.60bn consensus for 2027.

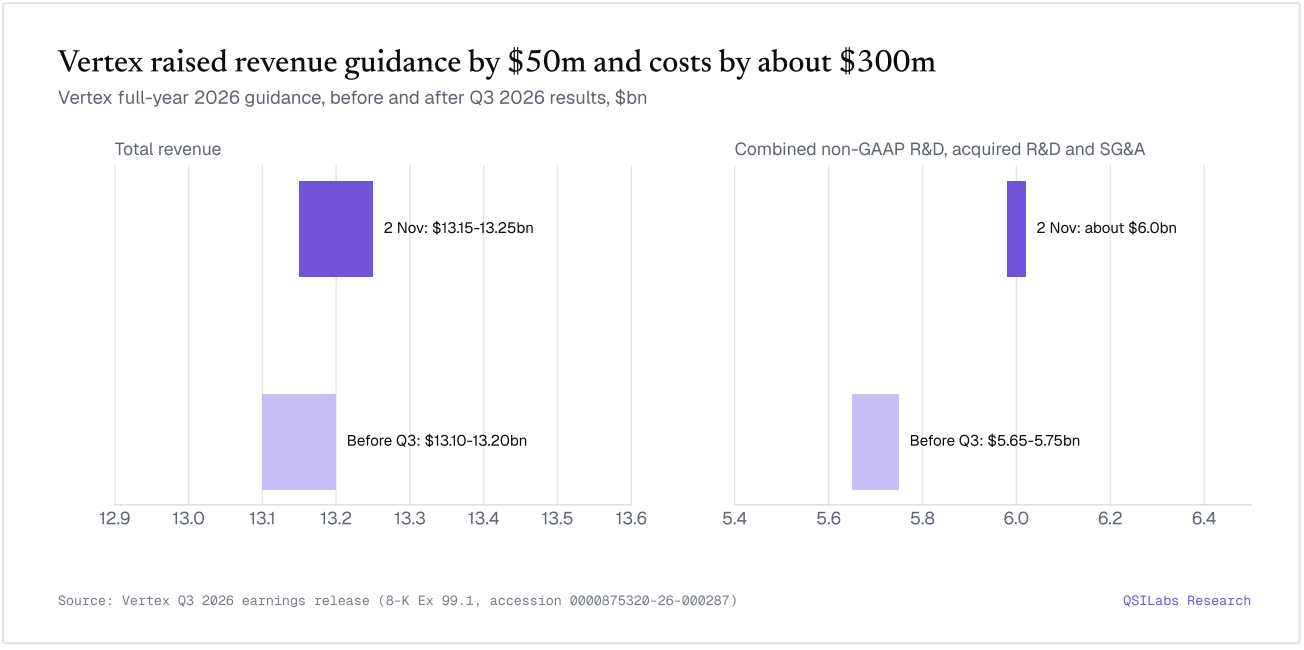


FIGURE 4 Vertex's 2026 revenue and cost guidance before and after Q3 results. Source: Vertex Q3 2026 earnings release.

When do Vertex's cystic fibrosis patents expire?

Vertex's 2025 Form 10-K lists the expiry of each medicine's main patents in the US and Europe (2025 Form 10-K). These dates set the shape of our forecast more than anything else.

MEDICINE	US EXPIRY	EU EXPIRY
Kalydeco	2028	2027
Symdeko/Symkevi	2027	2033
Orkambi	2031	2030
Trikafta/Kaftrio	2037	2037
Alyftrek	2039	2039
Casgevy	2035 (regulatory exclusivity)	2034
Journavx	2040	2040

Crinetics' 2025 Form 10-K gives composition-of-matter expiries of 2037 for paltusotine and 2039 for atumelnant, before any patent term extension (Crinetics 2025 Form 10-K).

In our model, CF revenue keeps growing into the mid-2030s as Alyftrek takes over, then falls sharply when Trikafta loses protection in 2037 and Alyftrek in 2039. Total revenue rises from $13.2bn in 2026 to a peak of $34.9bn in 2035 and falls to $10.6bn by 2039. A small-molecule drug normally loses most of its sales within a few years of generic entry, and nothing in Vertex's filings says CF will be different, but a next-generation CF regimen with later patents would change this picture. We do not model one by name; it sits in our R&D engine.

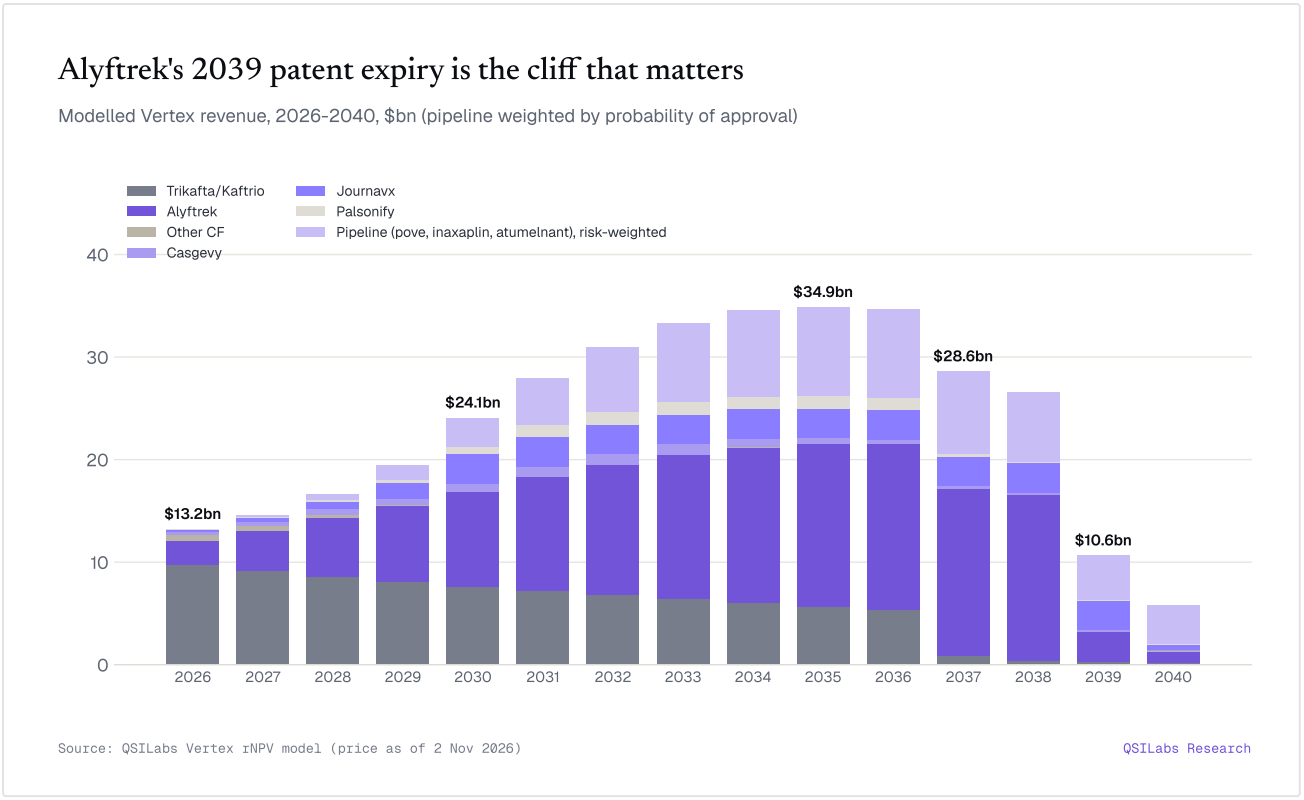


FIGURE 5 Modelled Vertex revenue by product, 2026-2040, with pipeline revenue weighted by probability of approval. Source: QSILabs Vertex rNPV model.

What is in Vertex's pipeline? Povetacicept, inaxaplin and atumelnant

The next launch is in kidney disease. Povetacicept ("pove"), a dual inhibitor of the BAFF and APRIL proteins that drive B-cell autoimmune disease, is under priority FDA review for accelerated approval in IgA nephropathy (IgAN), with an action date of 30 November 2026, based on a 36-week interim analysis of the Phase 3 RAINIER trial. Ainvest reports a 49.8% reduction in proteinuria against placebo in that analysis (Ainvest). Pove will not be first: the anti-APRIL drug sibeprenlimab (Voyxact) was approved in November 2025 and Vera Therapeutics' atacicept (Trutakna), the first dual BAFF/APRIL inhibitor for the disease, on 7 July 2026. McKechnie said the two should end the year with about 3,000 patients on treatment, which "leaves us with 163,000 yet to go". Pove is also in a pivotal study in primary membranous nephropathy and a Phase 2 study in generalised myasthenia gravis, with gMG results due in the first half of 2027.

Inaxaplin targets the APOL1 gene variants behind APOL1-mediated kidney disease (AMKD). The pivotal AMPLITUDE study is fully enrolled, and Vertex expects interim data for a potential US accelerated approval in early 2027. In the Phase 2b AMPLIFIED study, inaxaplin cut the

urine albumin-to-creatinine ratio by 42.7% in patients with modest proteinuria, a group AMPLITUDE does not cover.

Atumelnant, from Crinetics, is a once-daily oral ACTH receptor blocker for classic congenital adrenal hyperplasia (CAH), which affects about 17,000 people in the US. A 150-patient, 32-week Phase 3 trial should finish enrolling in the first quarter of 2027, and a Phase 2/3 study in ACTH-dependent Cushing's syndrome has started. Further back are suzetrigine in diabetic peripheral neuropathy (Phase 3 results expected mid-2027), the islet cell therapy VX-017 for type 1 diabetes (pivotal development planned for 2027, after Vertex chose it over zimislecel), VX-407 in polycystic kidney disease and VX-670 in myotonic dystrophy.

VERTEX'S LATE-STAGE PIPELINE AFTER Q3 2026

POVETACICEPT (POVE)	Dual BAFF/APRIL inhibitor; BLA for accelerated approval in IgA nephropathy under priority review, PDUFA 30 November 2026; Phase 3 in primary membranous nephropathy and Phase 2 in generalised myasthenia gravis (results 1H 2027)	8-K Ex 99.1
INAXAPLIN	Oral APOL1 inhibitor for APOL1-mediated kidney disease; pivotal AMPLITUDE study fully enrolled, interim analysis in early 2027; FDA Breakthrough Therapy designation	8-K Ex 99.1
ATUMELNANT	Oral ACTH receptor antagonist from Crinetics; 150-patient Phase 3 in classic congenital adrenal hyperplasia, enrolment complete in 1Q 2027; Phase 2/3 in ACTH-dependent Cushing's syndrome	8-K Ex 99.1
SUZETRIGINE IN DPN	Journavx in diabetic peripheral neuropathy; two Phase 3 studies, results mid-2027 (included in our Journavx forecast)	8-K Ex 99.1
VX-017	Allogeneic stem cell-derived islet cell therapy for type 1 diabetes; pivotal development planned for 2027 (in our R&D engine, not modelled by name)	8-K Ex 99.1
VX-828 AND NEXT-GENERATION CF CORRECTORS	Phase 1 triple combination cut sweat chloride by 6.6 mmol/L at four weeks against a Trikafta baseline (not modelled by name)	8-K Ex 99.1
VX-407 AND VX-670	Phase 2 in polycystic kidney disease and Phase 1/2 in myotonic dystrophy type 1 (not modelled by name)	8-K Ex 99.1

Is Vertex stock overvalued after Q3 2026?

On our numbers, yes. Our risk-adjusted NPV gives an equity value of $81.2bn, or **$318.10 per share** on 255.2m diluted shares, against a share price of $553.15 on 2 November 2026, a market value of about $141bn. Our value is 0.58 times the price.

The gap is about $60bn, or $235 a share. That is more than our value for Trikafta and the whole late-stage pipeline put together ($45.9bn). To close it, the market has to be right on one or more of three points: that Vertex keeps most of its CF profits after Alyftrek's patents expire in 2039, most likely through a next-generation regimen; that its research creates far more value than it costs; and that Vertex deserves a lower cost of capital than the biotechnology industry as a whole.

Here is how our value builds up:

COMPONENT	$BN	$ PER SHARE
Marketed products (risk-adjusted NPV)	82.8	324.59
Late-stage pipeline (risk-adjusted NPV)	18.7	73.24
Corporate costs (R&D not tied to a named product)	-40.2	-157.67
Terminal value, capital spending, working capital and tax	-3.1	-12.05
Enterprise value of named products	58.2	228.11
R&D engine (value of future research spending)	17.6	68.81
Cash and investments less debt	5.4	21.18
Equity value	**81.2**	**318.10**

Source: QSILabs Vertex rNPV model. Cash, equivalents and marketable securities of $9,821.2m and debt of $4,496.6m are from the Q3 2026 earnings release balance sheet (the Q3 Form 10-Q had not been filed on 2 November); $80.1m of strategic equity investments is from the Q2 2026 Form 10-Q. No business is carried at book value.

Analysts are far more positive. The 32 analysts tracked by StockAnalysis rate Vertex a Buy, with an average 12-month price target of $571.46, a median of $578 and a range of $350-667 (StockAnalysis). Our bull case, $343.68, is below even the lowest target.

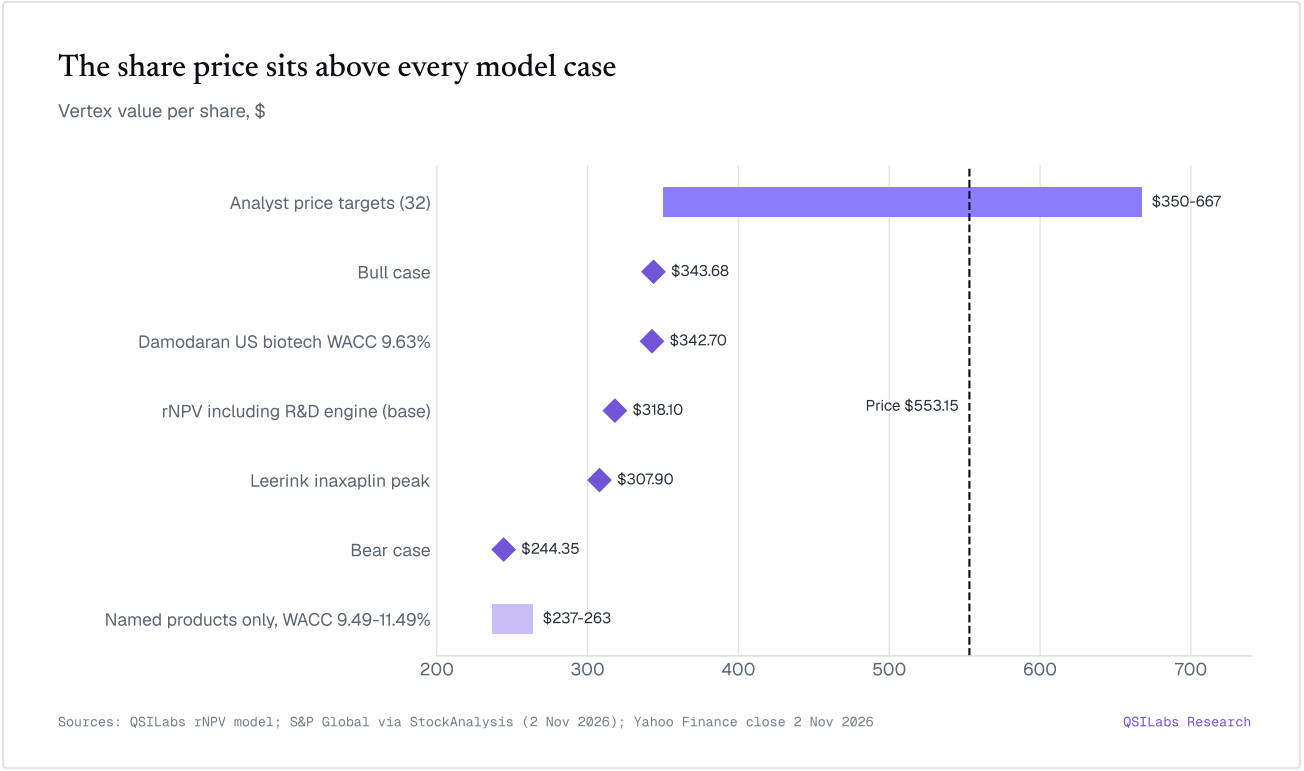


FIGURE 6 Our cases against analyst targets and the share price. Sources: QSILabs; S&P Global via StockAnalysis; Yahoo Finance.

How we value Vertex: the rNPV method and assumptions

We forecast each of 6 marketed product lines and 3 late-stage pipeline programmes year by year to 2045, apply each patent expiry, weight pipeline revenue by the probability of approval at each remaining phase, and discount the cash flows at a weighted average cost of capital (WACC) of 10.49%. The terminal value, on 2045 cash flow with zero growth, is only 1.1% of enterprise value, because the CF franchise has run off long before then.

Revenue. For 2026 we take the first nine months plus a fourth quarter at the Q3 rate, $13.22bn, inside Vertex's guidance. For 2027 total revenue matches the $14.60bn consensus. Trikafta declines at its trailing rate of 5.8% a year as patients switch. Total CF revenue then grows at 8.1% a year from 2028 to 2031, the Emergen Research forecast for the CF drug market from 2026 to 2035, below Mordor Intelligence's 11.6% for 2026-2031, and the growth rate fades in a straight line to zero by 2036 (Emergen Research; Mordor Intelligence). Alyftrek takes the CF growth and the patients leaving Trikafta, reaching $16.3bn by 2036. Journavx rises to $2.9bn by 2030, the projection in Nature's Pharma Insight report, including any diabetic neuropathy use (Nature Pharma Insight). Casgevy reaches $1bn in 2031, in line with management's "blockbuster" comment, and we deduct CRISPR Therapeutics' 40% share

of its profit. Palsonify reaches $1.2bn in 2031, the middle of the $0.8-1.5bn range cited by The Motley Fool (The Motley Fool).

Pipeline. Peak sales come from published broker estimates, grossed up to unrisked figures. Morgan Stanley's 2035 risk-adjusted estimates of $3.5bn for pove (at a 75% probability) and $2.6bn for inaxaplin (at 50%) give unrisked peaks of $4.7bn and $5.2bn (Finimize). For atumelnant we take Vertex's statement that Palsonify and atumelnant together could exceed $5bn at peak, less $1.2bn for Palsonify, giving $3.8bn (Reuters via Yahoo Finance). Probabilities come from the BIO, Informa and QLS study of clinical development success rates for 2011-2020: 90% for pove, which is filed, and about 50% for inaxaplin and atumelnant, which are in Phase 3. Pove's US exclusivity runs to 2038 under the 12-year protection for biologics; we use 2042 for inaxaplin because its patents are not itemised in the 10-K.

Costs and tax. Cost of sales is 14.4% of revenue and SG&A 15.5%, both the first-nine-months 2026 ratios, charged against each product. Corporate R&D runs at 27.5% of revenue, the non-GAAP ratio for the first nine months. We tax profits at 20%, the middle of Vertex's 19.5-20.5% non-GAAP guidance. Capital spending is 3.6% of revenue, the 2025 level, inside Vertex's 2023-2025 range of 2.0-3.9%.

Discount rate. We use Aswath Damodaran's January 2026 global figures for Drugs (Biotechnology): an unlevered beta of 1.13, relevered to 1.17 at Vertex's debt-to-equity ratio of 4.7% (debt plus leases of $6.6bn against a $141bn market value). The equity risk premium is 4.81%, a mix of country premiums weighted by where Vertex earned its revenue in the first half of 2026: 60.6% US, 30.5% Europe and 8.9% other. That gives a cost of equity of 10.73%, and with an after-tax cost of debt of 5.36% and debt at 4.5% of capital, a WACC of 10.49%. Vertex's own five-year beta is much lower, 0.28. Using Damodaran's US biotechnology rate of 9.63% instead gives $342.70 a share; mapping Vertex to Drugs (Pharmaceutical) gives a WACC of 9.68% and $341.28.

R&D engine. Named products and the pipeline alone give $249.29 a share. The R&D engine, $17.6bn or $68.81 a share, is our estimate of the products Vertex's continuing research will create, assuming a 5.9% return on research spending, the figure in Deloitte's study of pharma R&D returns. That is about $10.1bn less than the $27.7bn present cost of the spending, so on our assumptions Vertex's unnamed research earns less than its cost of capital.

How sensitive is the named-product value to the discount rate?

WACC	NAMED PRODUCTS ONLY, $ PER SHARE
9.49%	263.22
9.99%	256.08
10.49% (base)	249.29
10.99%	242.81
11.49%	236.62

Our bear case, $244.35, cuts pipeline peak sales by 30%, cuts probabilities of approval by 30% and delays launches by a year, and cuts marketed products' sales by 20% with their peaks a year later. The bull case, $343.68, raises pipeline peaks by 30% and probabilities by 20%, and marketed sales by 20% with peaks a year earlier. Replacing Morgan Stanley's inaxaplin estimate with Leerink's $1.2bn peak gives $307.90 (BioSpace). Our previous model value, before the Q3 results, was $268.35; the main changes are the Q3 balance sheet after the Crinetics deal, Palsonify and atumelnant, the 2027 consensus and a smooth, sourced CF growth path in place of our own trend.

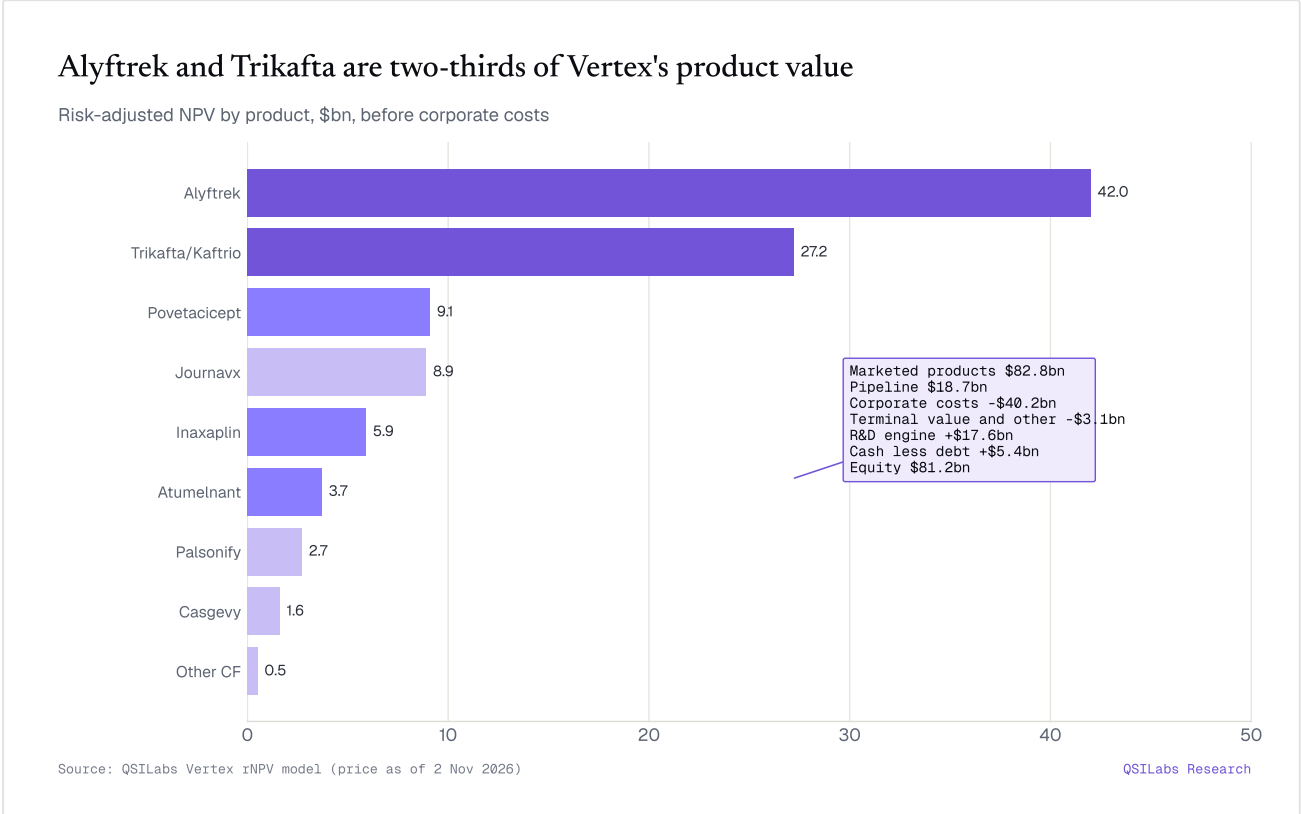


FIGURE 7 Risk-adjusted NPV by product and the bridge to equity value. Source: QSILabs Vertex rNPV model.

What are the main risks for Vertex stock?

- **Concentration in cystic fibrosis.** CF was 95% of Q3 revenue. Anything that slows the switch to Alyftrek, from safety to pricing, hits Vertex's value directly.
- **Patent expiry.** Trikafta loses its main patents in 2037 and Alyftrek in 2039. Unless a next-generation regimen with later patents replaces them, CF revenue falls steeply after 2037 in our model.
- **Kidney competition.** Pove launches into an IgAN market where Voyxact and Trutakna are already approved, and the two-year kidney-function (eGFR) data from RAINIER are still to come.
- **Journavx pricing.** Revenue has lagged prescriptions because of the patient support programme; if the 50-60% gross-to-net discount Vertex expects after mid-2027 proves too optimistic, Journavx falls short of our $2.9bn.
- **Alyftrek royalty.** Royalty Pharma's arbitration claims a royalty of about 8% on Alyftrek, against the 4% Vertex pays; we do not model a change.
- **Crinetics.** Vertex paid about $10.0bn of equity value and borrowed $4.5bn. If Palsonify or atumelnant disappoint, that money buys little.
- **Upside risk.** If next-generation CF medicines keep Vertex's CF profits after 2039, or if pove and inaxaplin reach the higher end of broker estimates (Argus, quoted by Ainvest, sees $4-7bn for pove across three diseases), our value is too low. The analysts' average target, $571.46, assumes much of this.

FAQ

What is QSILabs' valuation of Vertex stock after Q3 2026?

Our risk-adjusted NPV gives $318.10 per share, against a $553.15 share price on 2 November 2026, about 42% below the market. Our bear and bull cases are $244.35 and $343.68. Named products and pipeline alone give $249.29; the remaining $68.81 is the value we place on Vertex's future research spending.

How much did Alyftrek sell in Q3 2026?

Alyftrek sold $705.8m in Q3 2026, against $247.0m a year earlier, and $1,703.8m in the first nine months. More than 18,000 patients take it, and it is reimbursed in 32 countries.

Why did Vertex's GAAP earnings fall in Q3 2026?

GAAP net income fell to $654m from $1.08bn, and GAAP EPS to $2.56 from $4.20, mainly because of about $500m of compensation and transaction costs for the Crinetics acquisition, higher commercial spending and higher interest costs. Non-GAAP EPS was $4.76, against $4.80.

When will the FDA decide on povetacicept?

The FDA's action date for povetacicept in IgA nephropathy is 30 November 2026, under priority review for accelerated approval. If approved, it will be the first product in Vertex's kidney franchise.

How much did Vertex pay for Crinetics?

Vertex completed the Crinetics acquisition on 1 September 2026 for a total equity value of about $10.0bn, or $9.0bn net of the cash and securities it acquired, partly funded by $4.5bn of term loans. It brought Palsonify for acromegaly and atumelnant for CAH.

How fast are Journavx prescriptions growing?

More than 750,000 Journavx prescriptions were filled in Q3 2026, up over 40% from the second quarter and more than four times the 170,000 of a year earlier. Revenue was $58.3m, up 18% from the second quarter.

Is Vertex buying back shares?

Yes. Vertex bought back about 250,000 shares for about $120m in Q3 2026 and about 2m shares for $921m in the first nine months of the year. It does not pay a dividend.

What discount rate does the QSILabs model use for Vertex?

We use a weighted average cost of capital of 10.49%, built from Damodaran's global biotechnology beta of 1.17 at Vertex's debt level and an equity risk premium of 4.81% weighted by where Vertex earns its revenue. Damodaran's US biotechnology rate of 9.63% would give $342.70 a share.

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About this analysis

Written by QSI Labs Research. We read Vertex's filings (the Q3 2026 earnings release, the Q2 2026 Form 10-Q and the 2025 Form 10-K), Crinetics' 2025 Form 10-K and the Q3 2026 earnings call, and value the company with a risk-adjusted NPV model: each marketed product and late-stage candidate is forecast to patent expiry, weighted by its probability of approval and discounted at the cost of capital. Forecasts are QSILabs estimates built on cited consensus, company and market forecasts; every reported figure

is cited to its source. Figures as of Q3 2026 results; price as of the 2 November 2026 close.