

The background of the entire page is a dark, textured overlay of various financial charts. In the upper right, there is a line chart with a peak and a subsequent decline, labeled with '52.34%'. Below this, there are several bar charts and candlestick patterns, some in blue and some in orange/yellow, set against a grid. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



Krystal Biotech (KRYG)
Healthcare | Biotechnology

Written By: Himanshu Ghorawat
Date: 10/4/2026

This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Investment Overview

Krystal Biotech (KRYS)

Sector: Healthcare | Industry: Biotechnology | Price: \$259.85

Thesis:

Buy Krystal Biotech around \$258 as the company delivers the world's first-ever redosable gene therapy VYJUVEK generating \$389.1M in FY 2025 revenue, a 34% YoY increase. With a 94.1% gross margin, zero long-term debt, \$828M in cash, and multiple blockbuster pipeline candidates across cystic fibrosis, oncology, and ophthalmology, KRYS is positioned to be a rare disease leader with significant re-rating potential as pipeline milestones convert into revenue.

Key Drivers:

VYJUVEK global expansion launched in US, Germany, France, and Japan; international revenue ramp accelerating
Pipeline catalysts: KB407 (cystic fibrosis Phase 1), KB408 (Alpha-1 antitrypsin deficiency Phase 1), KB801 (neurotrophic keratitis FDA Platform Therapy Designation)
94.1% gross margin and 52.6% net profit margin exceptional for a commercial-stage biotech
Zero long-term debt + \$828M cash fully self-funded pipeline development

Key Risk:

Clinical pipeline failure risk — KB407, KB408, KB707 are in early-stage trials; failure would compress valuation
Single-product revenue concentration — 100% of revenue from VYJUVEK
High short interest of 9.88% signals meaningful bearish bets
Ex-US reimbursement delays and pricing negotiations could slow international revenue ramp

Haven Rating: 9.5/10

Recommendation: BUY

Time Horizon: 12-18 months

Risk Level: Moderate - High

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

Q1 2026 Earnings Release: May 11, 2026
expected EPS \$1.50, revenue \$112M
KB407 (Cystic Fibrosis) Phase 1 clinical data update multibillion dollar TAM
KB801 FDA Platform Therapy Designation accelerated regulatory pathway. Continued European reimbursement progress in Germany, France, and Japan pricing ramp

Quick Stats:

- Price: \$259.85
- P/E Ratio: 38.15X
- Market Cap: \$7.55B
- Enterprise Value: \$6.83B
- Revenue (TTM): \$389M
- Cash: \$828M
- Beta (5Y): 0.41

Company Snapshot

Business Description:

- Krystal Biotech, Inc. is a fully integrated, commercial-stage, global biotechnology company founded in 2016, headquartered in Pittsburgh, Pennsylvania. The company discovers, develops, manufactures, and commercializes genetic medicines targeting diseases with high unmet medical needs using its proprietary HSV-1 (Herpes Simplex Virus-1) gene delivery platform.
- VYJUVEK (beremagene geperpavec-svdt / B-VEC) is the company's first approved product and the world's first-ever redosable gene therapy, approved for Dystrophic Epidermolysis Bullosa (DEB) a severe, life-threatening rare skin disease. VYJUVEK is approved in the US, EU (Germany, France), and Japan.
- The company has 295 employees and operates as a single business segment focused on pharmaceutical development, manufacturing, and commercialization.

Revenue Model:

- 100% product revenue from VYJUVEK net sales. Revenue is driven by patient prescriptions, reimbursement approvals (>615 US approvals, >450 US prescribers), and international launch ramp in Europe and Japan. No subscriptions, no royalties pure product commercialization model.

Operating Segments

Segment	% of Revenue
VYJUVEK — US Sales	78%
VYJUVEK — International (EU + Japan)	22%
Total	100%

Key Operating Metrics

- VYJUVEK Total Post-Launch Revenue: Exceeded \$623M cumulative since launch.
- Gross Margin: 94.1% in FY2025 driven by US manufacturing process optimizations approved by FDA; class-leading among commercial biotech.
- US Prescribers: >450 active prescribers; >615 US reimbursement approvals as of Q3 2025.
- Pipeline Depth: 8 active programmes KB407 (CF), KB408 (A1AT), KB707 (NSCLC), KB801 (NK), KB803 (Ocular DEB), KB304 (Aesthetics), KB111 (Hailey-Hailey), KB301 (Aesthetic skin — Phase 2).

Industry & Competition

Industry Overview

The global gene therapy market is one of the fastest-growing segments of healthcare, driven by scientific advances in vector-based delivery, growing regulatory acceptance, and massive unmet medical need in rare diseases.

The global rare disease gene therapy market is projected to grow from ~\$8B in 2025 to over \$30B by 2033, representing a CAGR of ~18%. Dystrophic Epidermolysis Bullosa (DEB) alone affects ~500,000 patients globally, with VYJUVEK now the only approved genetic therapy for the condition.

Trends

- Increasing FDA and EMA regulatory approvals for genetic medicines — gene therapy is moving from experimental to standard-of-care in rare diseases.
- Redosable gene therapy (KRYS's core differentiator) gaining preference over single-dose AAV therapies given safety profile and durability advantages.
- International expansion of rare disease therapies into Japan and Europe creating multi-market revenue streams previously unavailable to genetic medicine companies.

Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
BridgeBio Pharma	BBIO	\$4.5B	Rare disease gene therapy pipeline
Halozyyme Therapeutics	HALO	\$7.8B	Drug delivery technology platform
REGENXBIO	RGNX	\$0.9B	AAV gene therapy — DEB competitor

Company Positioning

1. BRIDGEBIO PHARMA (BBIO) — Rare disease pipeline rival
2. HALOZYME (HALO) — Drug delivery peer
3. REGENXBIO (RGNX) — Direct DEB competitive overlap

Valuation

Current Valuation

	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	- 290.5M	- 389.1M	- 480M
P/S	- 24.6X	- 19.4X	- 16X
Market Cap	- 4.5B	- 7.55B	- 8-9B

Peer Comparison

	EV/Revenue	P/S	Market Cap
KRYSTAL BIOTECH	- 17.6X	- 19.4X	- 7.55B
HALOZYME (HALO)	- 7.8X	- 28X	- 7.8B
REGENXBIO (RGNX)	- 3.5X	- Not Mentioned	- 0.9B

Valuation Scenarios

Scenario	Assumption	Implied Value	Upside/Downside
Base Case	- Revenue \$470M, P/S re-rates to 20x on pipeline progress	- \$325	- +26%
Bull Case	- KB407 CF Phase 1 data positive, multiple expansion to 25x P/S	- \$400	- +55%
Bear Case	- Pipeline setbacks, VYJUVEK growth slows, P/S	- \$195	- -25%

Fundamental Analysis

Quantitative Analysis (Financial Health)

Krystal Biotech generated \$389.1M in FY2025 revenue, a 34% YoY increase from \$290.5M in FY2024. Q4 2025 revenue was \$107.1M, beating estimates of \$105.35M — a consecutive quarters-of-beat track record. Net income reached \$204.8M in FY2025, up 129.7% YoY, with net profit margin of 52.6%.

Gross margin of 94.1% is best-in-class for commercial biotech and reflects the company's vertically integrated manufacturing model. EBITDA was \$167.68M with an EBITDA margin of 43.13%. EPS of \$6.84 (diluted) in FY2025 beat estimates, growing 128% YoY.

Balance sheet is fortress-level: \$828M in cash and short-term investments against \$0 in long-term debt. Current ratio of 9.95 — among the strongest in biotech. Net cash per share of \$32.38. Free cash flow positive and growing. Zero equity dilution risk in the near term.

Key Ratios

Krystal Biotech trades at a trailing P/E of 38.15x and a forward P/E of 33.44x, reflecting strong market confidence in continued earnings growth — reasonable given EPS grew 128% YoY to \$6.84 in FY2025. The P/S of 19.4x and EV/EBITDA of 41.01x appear elevated in isolation but are well-supported by a 94.1% gross margin, 41.4% operating margin, and 52.6% net profit margin — metrics virtually unmatched among commercial-stage biotechs. On the balance sheet, a debt-to-equity of just 0.01x and current ratio of 9.95 reflect a fortress-grade financial position, with \$828M in cash against zero long-term debt. ROE of 18.91% and ROIC of 39.46% confirm highly efficient capital deployment, while a beta of 0.41 signals significantly lower volatility than the broader market — an unusual and attractive combination of growth, profitability, and stability that justifies the premium valuation.

Quantitative Analysis (Business Fundamentals)

- Krystal Biotech is led by CEO Krish S. Krishnan, co-founder with 40+ years of combined leadership experience. The company's moat rests on: (1) the only approved redosable gene therapy globally, (2) proprietary HSV-1 platform capable of carrying large transgenes — a structural advantage over AAV competitors, (3) fully integrated manufacturing in-house, driving the 94.1% gross margin, and (4) regulatory designations (FDA Platform Therapy for KB801) that accelerate pipeline development.

The company's TAM is expanding rapidly — VYJUVEK addresses DEB (\$2B+ TAM), while KB407 targets cystic fibrosis (~\$10B+ TAM), and KB707 targets solid tumors in oncology. If even one pipeline candidate reaches commercialization, the revenue base would multiply significantly from the current \$389M.

Price Action and Charts

-KRY5 hit an all-time high of \$298.30 on February 17, 2026 before pulling back. As of April 10, 2026, the stock trades at \$258.21 — approximately 13.4% off its ATH, representing a healthy consolidation rather than a trend reversal.

The 52-week range of \$122.80 – \$298.30 reflects the stock's dramatic re-rating over 12 months (+110% from lows), fueled by VYJUVEK's commercial success, international launches, and strong Q3/Q4 2025 earnings beats.

Volume spiked on the ATH in February 2026 and has moderated since, indicating profit-taking from shorter-term traders — not institutional exit. The current pullback on below-average volume (82.59K vs 286.64K average) is a constructive technical signal.

Common Technical Indicators

50-Day MA~\$267–269 (price below — near-term resistance)
200-Day MA~\$193–194 (price well above — long-term bullish)
RSI (14-day)~37–50 — approaching oversold territory;
potential entry signal
MACD Mildly bearish on daily; both MACD and signal line slightly negative
Bollinger Bands Trading near middle-to-lower band — compression signals
volatility expansion ahead
Support Levels \$249 / \$255 / \$261
Resistance Levels \$273 / \$280 / \$285

Core Assumption

KRY5 is a low-beta (0.41) biotech stock, meaning it is less sensitive to broad market swings than typical growth stocks and trades primarily on company-specific catalysts — VYJUVEK revenue beats, pipeline data, and regulatory news. The current RSI near oversold territory (37.72) combined with a stock trading well above its 200-DMA (\$193) presents a technically constructive mean-reversion entry.

Short interest of 9.88% (2.89M shares) is notable but not extreme for a high-growth biotech. A positive earnings surprise or pipeline catalyst could trigger a short squeeze, amplifying upside.

Conclusion/Recommendation

Investment Recommendation

BUY

Core Thesis Summary

Krystal Biotech is the world's only commercial-stage redosable gene therapy company, with VYJUVEK generating \$389.1M in FY2025 revenue (+34% YoY) at a 94.1% gross margin. The company carries zero long-term debt, \$828M in cash, and has 8 pipeline programmes with multi-billion dollar TAMs — particularly KB407 for cystic fibrosis and KB707 for solid tumors. With 9 out of 9 analysts rating the stock Strong Buy, a consensus target of \$311.11, and the stock trading ~13% below its all-time high on no fundamental deterioration, KRYS offers a compelling risk/reward for investors with a 12-18 month horizon.

Key Risks:

Single-product revenue concentration — 100% VYJUVEK dependency until pipeline matures (~2027–28)
High short interest (9.88%) implies meaningful informed bearish positioning
International pricing and reimbursement delays — EU and Japan market access is slower than US

Stock Type

Asset Class: Healthcare — Biotechnology /Genetic Medicines. Size: Mid Cap.
Dividend: No. Next Earnings: May 11, 2026

Target Price & Potential Returns

Target Price: \$325 (12-18 months)
Potential Upside: +26%, Bull Case: \$400 (+55%)

Key Catalysts

Q1 2026 Earnings — May 11, 2026 (EPS estimate \$1.50, Revenue estimate \$112M)
KB407 Phase 1 clinical data update — Cystic Fibrosis (\$10B+ TAM)
KB801 — FDA Platform Therapy Designation opens accelerated approval pathway
Continued Japan and EU revenue ramp — international still <25% of total; massive upside
KB304 potential IND filing for aesthetics — large non-rare disease commercial opportunity

Key Financial Metrics

Revenue: \$389.1M (+34% YoY)
EBITDA Margin: \$167.68M (43.1% margin)
Cash Balance & Investments: \$828M
Market Cap: \$7.55B
P/E Ratio: 38.15x
EPS: \$6.84

Company Snapshot

Ticker: KRYS (NASDAQ)
Current Price: \$259.85