



Moderna aims for the stars again with ambitious drug development plan

The biotech is telling investors it expects to launch as many as 15 new products, from which it is forecasting billions of dollars in annual sales by 2028.

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The Moderna headquarters is seen on November 30, 2020 in Cambridge, Massachusetts. Maddie Meyer via Getty Images

After pulling off a biomedical triumph with its COVID-19 vaccine, Moderna on Wednesday put out a roadmap for investors that promises billions of dollars from new medicines.

The company aims to launch as many as 15 new products in the next five years, including four by 2025. In 2027, Moderna expects \$8 billion to \$15 billion in respiratory product sales. And on Wednesday, it forecast another \$10 billion to \$15 billion in annual sales from new treatments for cancer and rare and latent diseases it hopes to introduce by 2028.

It's a typically ambitious agenda for Moderna, which says it aims to "change the world." But a lot has to go right for the company to deliver on plans that few, if any, companies of its size have pulled off.

To date, Moderna only has approval to sell its COVID-19 vaccine. This week, it won Food and Drug Administration clearance for an updated version, and U.S. health officials are recommending that

almost everyone get either the new booster from Moderna or a similar one from Pfizer.

Next up, Moderna hopes, is a vaccine for respiratory syncytial virus, for which it expects to receive an FDA approval decision by next April. On Wednesday, the company said its experimental flu shot succeeded in a Phase 3 trial, although previous data have been mixed.

Ultimately, Moderna sees the future in respiratory vaccine combinations, which may be more attractive to patients than any one inoculation alone. It's aiming to bring one to market as early as 2025.

Moderna is also developing vaccines for other viruses, including HIV and Epstein Barr, for a market it estimates is worth between \$10 billion and \$25 billion. Most of the shots are either in early stages of testing or are still preclinical, but the company has pushed an experimental shot for cytomegalovirus into Phase 3.

Meanwhile, Moderna and Merck are working on a therapeutic vaccine that would combine the companies' experimental mRNA-4157 with Merck's blockbuster Keytruda cancer medicine. The companies initiated a Phase 3 trial of the combination in July. And, in May, Moderna released early positive data on one of its rare disease therapies.

To accomplish all of this, Moderna said it expects to invest \$25 billion on research and development from 2024 through 2028, a sizable step up from the \$1.3 billion to \$3.2 billion it's spent annually on R&D the past few years.

The new promises for the future also come amid the backdrop of swiftly declining sales of COVID-19 vaccines as people move on from the pandemic that made Moderna a household name. The

drop is affecting Pfizer, which in August warned it might have to engage in a cost-cutting campaign to compensate.

On Wednesday, Moderna said that it is “currently resizing its manufacturing footprint and supply base” to improve its margins toward a longer-term target of 75% to 80%.