

Moderna Inc., a clinical stage biotechnology company, develops therapeutics and vaccines based on messenger RNA for the treatment of infectious and cardiovascular diseases, rare diseases, immunological conditions, and cancer. The company has approximately 5,800 employees.

Analyst's Notes

Analysis by Jasper Hellweg, May 23, 2025

ARGUS RATING: HOLD

- Earnings expected to continue to decline
- While sales of Moderna's COVID-19 vaccine had sold particularly well during much of the pandemic and continues to be updated for emerging variants of the virus, its sales have fallen as the pandemic shifted to a new phase.
- In addition, its RSV vaccine was approved more than a year after two other competing products, limiting its sales as doctors had already become accustomed to some of these other options.
- Looking ahead, management expects the company to generate \$1.5-\$2.5 billion of revenue in 2025, representing a decline of 23%-54% from its 2024 results. Within this, due to the seasonality of the company's business, it expects to generate revenue of approximately \$200 million through the first half of the year.
- We would consider an upgrade when the company is able to return to a period of earnings growth and when it has more of its product candidates approved and sold on the market.

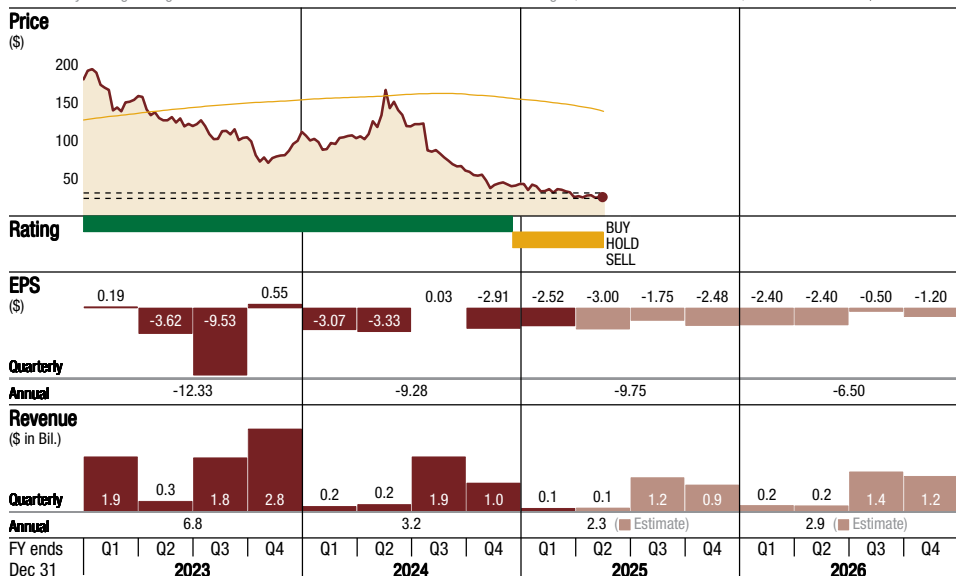
INVESTMENT THESIS

We are reiterating our HOLD rating on Moderna Inc. (NYSE: MRNA). The company, which develops therapeutics and vaccines based on messenger RNA for the treatment of infectious and cardiovascular diseases, rare diseases, immunological conditions, and cancer, has two products currently approved for human use. One of these products is one of the three approved COVID-19 vaccines in the United States, while its other product is an mRNA vaccine for respiratory syncytial virus (RSV). While sales of its COVID-19 vaccine had sold particularly well during much of the pandemic and continues to be updated for emerging variants of the virus, its sales have fallen as the pandemic shifted to a new phase. Meanwhile, while its RSV vaccine provides robust protection against this virus, the product was approved more than a year after two other competing products, limiting its sales as doctors had already become accustomed to some of these other options. Still, the company does have a robust pipeline, with 31 mRNA development candidates across 41 development programs in its portfolio, although these will take time, and significant further investment, before they are able to reach the market. Looking ahead, management expects the company to generate \$1.5-\$2.5 billion of revenue in 2025,

Market Data

Pricing reflects previous trading week's closing price.

— 200-Day Moving Average ● 52 Week High: \$30.30 ○ 52 Week Low: \$23.16 ● Closed at \$24.86 on 5/16



Please see important information about this report on page 5

Argus Recommendations

Twelve Month Rating	SELL	HOLD	BUY
Five Year Rating	SELL	HOLD	BUY
Sector Rating	Under Weight	Market Weight	Over Weight

Argus assigns a 12-month BUY, HOLD, or SELL rating to each stock under coverage.

- BUY-rated stocks are expected to outperform the market (the benchmark S&P 500 Index) on a risk-adjusted basis over the next year.
- HOLD-rated stocks are expected to perform in line with the market.
- SELL-rated stocks are expected to underperform the market on a risk-adjusted basis.

The distribution of ratings across Argus' entire company universe is: 73% Buy, 27% Hold, 0% Sell.

Key Statistics

Key Statistics pricing data reflects previous trading day's closing price. Other applicable data are trailing 12-months unless otherwise specified

Market Overview

Price	\$26.26
Target Price	--
52 Week Price Range	\$23.15 to \$170.47
Shares Outstanding	386.74 Million
Dividend	\$0.00

Sector Overview

Sector	Healthcare
Sector Rating	OVER WEIGHT
Total % of S&P 500 Market Cap.	10.80%

Financial Strength

Financial Strength Rating	HIGH
Debt/Capital Ratio	6.4%
Return on Equity	--
Net Margin	-105.7%
Payout Ratio	--
Current Ratio	3.67
Revenue	\$3.18 Billion
After-Tax Income	-\$3.36 Billion

Valuation

Current FY P/E	--
Prior FY P/E	--
Price/Sales	3.20
Price/Book	1.01
Book Value/Share	\$26.01
Market Capitalization	\$10.16 Billion

Forecasted Growth

1 Year EPS Growth Forecast	N/A
5 Year EPS Growth Forecast	17.00%
1 Year Dividend Growth Forecast	N/A

Risk

Beta	1.19
Institutional Ownership	73.11%

Analyst's Notes ...Continued

representing a decline of 23%-54% from its 2024 results. Within this, due to the seasonality of the company's business, it only expects to generate revenue of approximately \$200 million through the first half of the year. Given these factors, we believe that the 12-month upside for the stock is currently limited. As such, we are reiterating our HOLD rating. We would consider an upgrade when the company is able to return to a period of earnings growth and when it has more of its product candidates approved and sold on the market.

RECENT DEVELOPMENTS

The MRNA shares have underperformed the market over the past quarter, falling 22% compared to a decline of 3% for the S&P 500. The stock has also underperformed over the last year, falling 84% versus a gain of 10% for the index. Over the past five year, the stock has declined%, underperforming the gain of 91% for the index.

Moderna continues to develop its COVID-19 vaccine to respond to mutations of the virus and increase its functionality, while also working to expand the reach of its vaccine. On January 24, the company announced that it had been awarded a tender for the supply of its mRNA COVID-19 vaccine in the EU, Norway, and North Macedonia. Under the resulting agreement, 17 participating countries can access Moderna's mRNA COVID-19 vaccine for up to four years. Moderna can provide its COVID-19 vaccine in several formats, including prefilled syringes, which are

the preferred product presentation for healthcare providers as it can decrease the risk of administration errors and save time, which may ultimately improve vaccination campaign efficiency.

Moderna is also developing vaccines for other diseases and unmet medical needs. On May 21, the company announced that, in consultation with the FDA, it had voluntarily withdrawn the pending Biologics License Application (BLA) for mRNA-1083, its flu/COVID combination vaccine candidate for adults aged 50 years and older. The company plans to resubmit the BLA later this year, after vaccine efficacy data from the ongoing Phase 3 trial of its investigational seasonal influenza vaccine, mRNA-1010, are available. Moderna continues to expect interim data from the mRNA-1010 trial to be available during the 2025 summer.

Earlier, on March 31, the Australian Therapeutic Goods Administration (TGA) granted approval for Moderna's mRNA respiratory syncytial virus (RSV) vaccine, mRESVIA, to prevent lower respiratory tract disease caused by RSV infection in adults aged 60 years and older. mRESVIA's approval marks a significant milestone as it is the first mRNA vaccine in Australia approved for use against a disease beyond COVID-19. RSV is a highly contagious respiratory virus that causes a substantial burden of disease, particularly in older adults. To date, Moderna has received marketing authorizations for its RSV vaccine in the U.S., the EU, Canada, Qatar, the UAE, Taiwan, and the UK, and has submitted regulatory applications in other markets worldwide.

In all, the company has 31 mRNA development candidates

Growth & Valuation Analysis

GROWTH ANALYSIS

(\$ in Millions, except per share data)

	2020	2021	2022	2023	2024
Revenue	274	17,736	18,875	6,754	3,199
COGS	8	2,617	5,416	4,693	1,464
Gross Profit	266	15,119	13,459	2,061	1,735
SG&A	188	567	1,132	1,549	1,174
R&D	1,370	1,991	3,295	4,845	4,543
Operating Income	-763	13,296	9,420	-4,239	-3,945
Interest Expense	-25	-18	-200	-383	-401
Pretax Income	-744	13,285	9,575	-3,942	-3,607
Income Taxes	3	1,083	1,213	772	-46
Tax Rate (%)	—	8	13	—	—
Net Income	-747	12,202	8,362	-4,714	-3,561
Diluted Shares Outstanding	381	431	416	382	384
EPS	-1.96	28.29	20.12	-12.33	-9.28
Dividend	—	—	—	—	—

GROWTH RATES (%)

Revenue	470.8	6,350.7	4.3	-55.5	-44.9
Operating Income	—	—	-29.2	—	—
Net Income	—	—	-31.5	—	—
EPS	—	—	-28.9	—	—
Dividend	—	—	—	—	—
Sustainable Growth Rate	-29.8	109.6	83.7	-22.0	-17.5

VALUATION ANALYSIS

Price: High	\$178.50	\$497.49	\$249.42	\$207.51	\$170.47
Price: Low	\$17.68	\$103.26	\$115.03	\$62.55	\$35.80
Price/Sales: High-Low	248.2 - 24.6	12.1 - 2.5	5.5 - 2.5	11.7 - 3.5	20.5 - 4.3
P/E: High-Low	— - —	17.6 - 3.7	12.4 - 5.7	— - —	— - —
Price/Cash Flow: High-Low	98.4 - 9.7	18.2 - 3.8	15.9 - 7.3	— - —	— - —

Financial & Risk Analysis

FINANCIAL STRENGTH

	2022	2023	2024
Cash (\$ in Millions)	3,205	2,907	1,927
Working Capital (\$ in Millions)	8,508	7,310	5,893
Current Ratio	2.73	3.42	3.67
LT Debt/Equity Ratio (%)	5.3	8.8	6.5
Total Debt/Equity Ratio (%)	6.3	9.0	6.9

RATIOS (%)

Gross Profit Margin	71.3	30.5	54.2
Operating Margin	49.9	-62.8	-123.3
Net Margin	44.3	-69.8	-111.3
Return On Assets	33.1	-21.3	-21.9
Return On Equity	50.3	-28.6	-28.8

RISK ANALYSIS

Cash Cycle (days)	98.0	67.1	-4.2
Cash Flow/Cap Ex	12.5	-4.4	-2.9
Oper. Income/Int. Exp. (ratio)	331.2	-102.7	-149.3
Payout Ratio	—	—	—

Analyst's Notes ...Continued

across 41 development programs in its portfolio, with 38 in clinical studies.

EARNINGS & GROWTH ANALYSIS

Moderna reported 1Q25 results that beat the consensus estimate for earnings but missed on revenue. On May 1, 2025, the company reported that 1Q25 revenue fell 35% to \$108 million, missing the consensus estimate by \$7 million. It also reported a diluted loss per share of \$2.52, improved from a loss of \$3.07 per share a year earlier and beating the consensus call for a loss of \$3.11 per share. R&D expense fell 19% to \$856 million, while SG&A expense fell 23% to \$212 million, and cost of sales fell 6% to \$90 million.

Along with the 1Q25 results, management reiterated its financial framework for 2025. At the top line, the company expects to generate \$1.5-\$2.5 billion of revenue, representing a decline of 23%-54% from its 2024 results. Within this, due to the seasonality of the company's business, it only expects to generate revenue of approximately \$200 million through the first half of the year. From a cost perspective, Moderna expects the full-year cost of sales to be approximately \$1.2 billion. It also looks for R&D expenses of approximately \$4.1 billion and SG&A expenses of approximately \$1.1 billion. Meanwhile, management expects the company to have capital expenditures of approximately \$400 million for the year.

Turning to our estimates, we are reiterating our 2025 loss estimate of \$9.75 per share. While we expect conditions to improve as the company continues to work through its pipeline, we expect a

loss in 2026 as well, given the high costs associated with product launches and the continued investment in other projects. Consequently, we are widening our 2026 loss estimate to \$6.50 from \$6.00 per share. Despite these near-term declines, we believe that the company's long-term prospects will benefit from its current investments, leading to a return to growth in the years ahead.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating on Moderna is High. As of March 31, 2025, the company had cash, cash equivalents, and investments of \$8.4 billion, down from \$9.5 billion at the end of 2024. Neither Moody's nor Standard & Poor's rate the company's debt.

Moderna has a stock-repurchase program, although it did not repurchase any shares during the first quarter. As of March 31, 2025, the company had roughly \$1.7 billion remaining on its repurchase authorization.

Moderna does not pay a dividend, and we do not expect it to initiate one in the next two years.

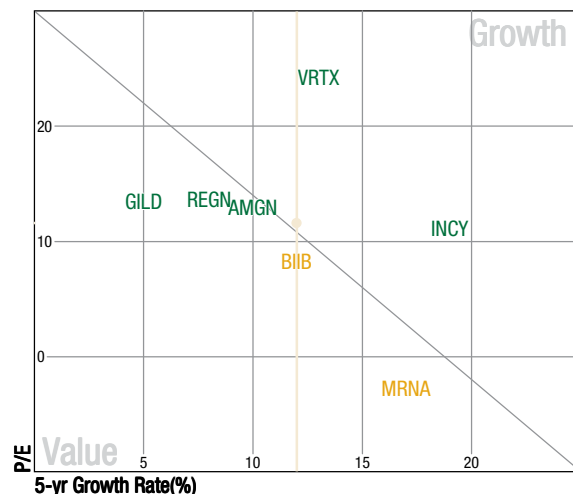
MANAGEMENT & RISKS

Stephane Bancel has been the company's CEO since 2011. He joined Moderna after serving for five years as CEO of the French diagnostics company bioMerieux SA. Steven Hoge is the company's president; he joined Moderna in 2012 from McKinsey & Co. Jamey Mock has served as the company's CFO since August 2022. Mr. Mock had previously served as CFO of PerkinElmer, a life sciences, diagnostics, and analytical solutions company.

Peer & Industry Analysis

The graphics in this section are designed to allow investors to compare MRNA versus its industry peers, the broader sector, and the market as a whole, as defined by the Argus Universe of Coverage.

- The scatterplot shows how MRNA stacks up versus its peers on two key characteristics: long-term growth and value. In general, companies in the lower left-hand corner are more value-oriented, while those in the upper right-hand corner are more growth-oriented.
- The table builds on the scatterplot by displaying more financial information.
- The bar charts on the right take the analysis two steps further, by broadening the comparison groups into the sector level and the market as a whole. This tool is designed to help investors understand how MRNA might fit into or modify a diversified portfolio.

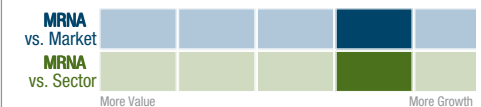


Ticker	Company	Market Cap (\$ in Millions)	5-yr Growth Rate (%)	Current FY P/E	Net Margin (%)	1-yr EPS Growth (%)	Argus Rating
AMGN	AMGEN Inc.	146,073	10.0	13.0	17.4	6.0	BUY
GILD	Gilead Sciences, Inc.	133,561	5.0	13.5	20.8	6.9	BUY
VRTX	Vertex Pharmaceuticals, Inc.	111,964	13.0	24.2	-8.9	11.7	BUY
REGN	Regeneron Phars, Inc	62,451	8.0	13.7	31.9	14.7	BUY
BIIB	Biogen Inc	18,435	12.0	8.3	15.1	5.6	HOLD
INCY	Incyte Corp.	12,437	19.0	11.2	.5	14.8	BUY
MRNA	Moderna Inc	10,156	17.0	-2.7	-105.7	33.3	HOLD
Peer Average		70,725	12.0	11.6	-4.1	13.3	

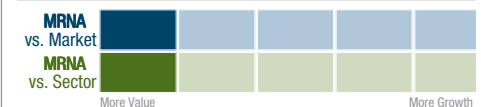
P/E

P/E not available

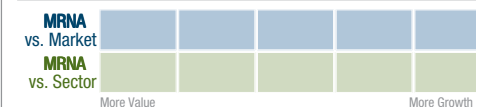
Price/Sales



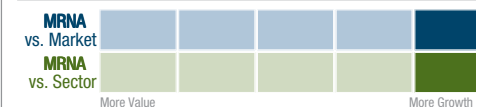
Price/Book



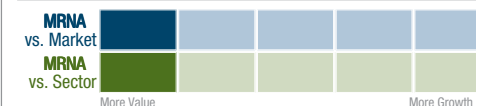
PEG



5 Year Growth



Debt/Capital



Analyst's Notes ...Continued

MRNA investors face risks, as the company's COVID-19 vaccines may be less effective against new variants of the virus. In addition, there is no guarantee that newer, reformulated versions of its vaccine will make it through clinical trials and receive regulatory approval. Moderna also faces significant competition from other vaccine providers.

COMPANY DESCRIPTION

Moderna Inc., a clinical stage biotechnology company, develops therapeutics and vaccines based on messenger RNA for the treatment of infectious and cardiovascular diseases, rare diseases, immunological conditions, and cancer. The company has approximately 5,800 employees.

VALUATION

We think that MRNA shares are appropriately valued at recent prices below \$30. The stock has fallen significantly from a high near \$500 in August 2021 as the COVID-19 pandemic shifted to a new phase. While the stock has attempted to recover some of these losses, short-term gains have often preceded further losses. Given the nature of these movements, while we may expect some limited gains in the future, we do not expect a return to significant growth until at least the stock rises above its near-term resistance around \$35 per share.

On a fundamental basis, as the company has recorded negative annual earnings since 2023, we look ahead to potential sales of its coronavirus, RSV, CMV, influenza and personalized cancer vaccines, and other potential product candidates, when we value the stock. While some of these products have now reached the market, much of the company's product candidates still have yet to be approved. Given this fact, as well as the high expenses that Moderna faces, with its combined R&D, SG&A, and cost of sales far exceeding its revenue in 1Q25, we expect that the company will continue to record negative earnings in the year ahead. As such, we are reiterating our HOLD rating. We would consider an upgrade when the company is able to return to a period of earnings growth and when it has more of its product candidates approved and sold on the market.

On May 23, HOLD-rated MRNA closed at \$26.26, down \$0.46.

About Argus

Argus Research, founded by Economist Harold Dorsey in 1934, has built a top-down, fundamental system that is used by Argus analysts. This six-point system includes Industry Analysis, Growth Analysis, Financial Strength Analysis, Management Assessment, Risk Analysis and Valuation Analysis.

Utilizing forecasts from Argus' Economist, the Industry Analysis identifies industries expected to perform well over the next one-to-two years.

The Growth Analysis generates proprietary estimates for companies under coverage.

In the Financial Strength Analysis, analysts study ratios to understand profitability, liquidity and capital structure.

During the Management Assessment, analysts meet with and familiarize themselves with the processes of corporate management teams.

Quantitative trends and qualitative threats are assessed under the Risk Analysis.

And finally, Argus' Valuation Analysis model integrates a historical ratio matrix, discounted cash flow modeling, and peer comparison.

THE ARGUS RESEARCH RATING SYSTEM

Argus uses three ratings for stocks: BUY, HOLD, and SELL. Stocks are rated relative to a benchmark, the S&P 500.

- A BUY-rated stock is expected to outperform the S&P 500 on a risk-adjusted basis over a 12-month period. To make this determination, Argus Analysts set target prices, use beta as the measure of risk, and compare expected risk-adjusted stock returns to the S&P 500 forecasts set by the Argus Market Strategist.
- A HOLD-rated stock is expected to perform in line with the S&P 500.
- A SELL-rated stock is expected to underperform the S&P 500.

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