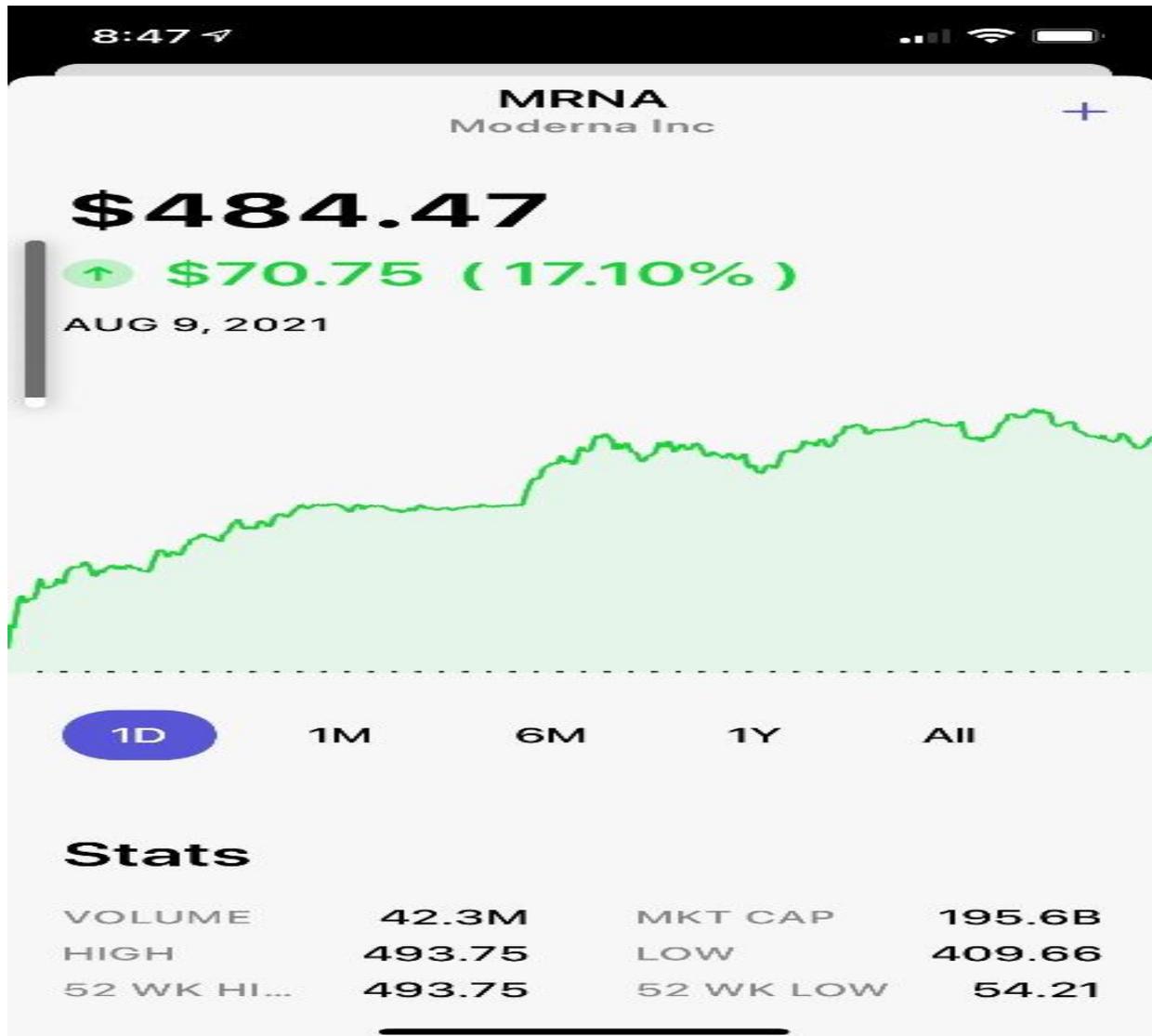


8/10/2021

Moderna Inc. (MRNA) was introduced to the EDGR Index in May of 2021. From June 1st to August 10th, MRNA was up an impressive +162%, from around \$184 to about \$485. This compares to the S&P 500 which was up just about 2% over the same period.



The rally comes as Moderna's Covid-19 shot saw strong efficacy results (93% to 100%) from clinical trials conducted on children between 12 to 17. The company is on track to deliver between 800 million to 1 billion doses for its Covid-19 shot. The company is expected to see windfall profits over 2021 (likely exceeding \$9 billion), with strong earnings likely to follow over 2022 as well.

The emergence of the Delta variant will most likely lead to another wave of lockdowns across the globe. Moderna's performance in the longer term includes boosters of its Covid shot to tackle evolving variants of the novel Coronavirus. In addition, Moderna has exceptionally expanded its pipeline, which include another nine vaccines and 13 therapeutics in areas including rare diseases and immuno-oncology. Moderna is poised for an unyielding 2021, with its primary driver the hugely popular and profitable vaccine with sales for the year topping \$19 billion, up from less than \$1 billion in 2019.

On August 9th, two reports were posted in medRxiv awaiting peer review, claiming that Moderna's mRNA vaccine may be more effective than Pfizer and BioNTech. In a study of more than 50,000 patients Moderna's vaccine dropped from 86% in early 2021 – to 76% in July. During the same period, the Pfizer/BioNTech vaccine had fallen from 75% to 42%.

The pandemic of Covid is slowly turning into endemic, with many experts believing the virus will continue to mutate, potentially making Covid vaccine shots an annual occurrence. Moreover, Moderna will be scaling up further in the coming quarter and year as more doses will be sold to lower-income markets. From the big profits generated this year, Moderna will have the resources to bolster its pipeline further in the coming years.

On the other hand, after such an impressive run, many believe that MRNA stock is overvalued. On August 10th, Bank of America analyst Geoff Meacham wrote to investors that the stock's valuation has gone "from unreasonable to ridiculous." Meacham reiterated an underperform rating for Moderna with a price target of \$115, roughly 75% below the current price of the biotech's shares.

In May 2021 13F filings, MRNA has appeared as one of the top positions for London-based Theleme Partners which was founded in 2009 (www.thelemepartners.com). EDGR ranks Theleme as 93. Other top positions for Theleme include:

- Wells Fargo & Co. (WFC)
- T-Mobile Inc. (TMUS)
- AutoZone Inc. (AZO)
- Micron Technology Inc. (MU)

EDGR index is due for another quarterly rebalance mid-August and it would be interesting to see if Moderna will still remain in the index.