



VACCINATE OR EVACUATE?



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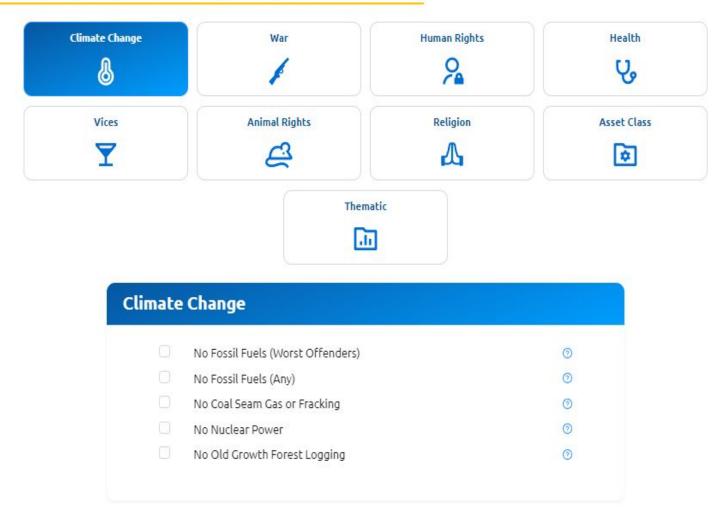
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The Liability Shield: The Foundation of the Industry

Segment Focus	Key Talking Points & Citations
The Cutter Incident (1955)	The industry historically faced infinite liability risk after the Cutter Incident (Polio). This risk-reward imbalance caused a market exodus , resulting in dozens of manufacturers dwindling to a handful by the 1980s.
The NCVIA (1986)	The National Childhood Vaccine Injury Act (NCVIA) of 1986 was the single most important economic event in the sector's history. It created a liability shield for manufacturers and socialized the liability risk while keeping profits private.
RFK Jr.'s Structural Risk	One major RFK risk is a fundamental change in legal coverage . The source material notes that without this liability shield, the private vaccine industry "cannot operationally exist" . Challenging the NCVIA threatens the structural viability of the business model.

Choose themes to screen from your portfolio away from (i.e. remove stocks)



Trump agenda

Segment Focus	Key Talking Points & Citations
The Political Motive	Are policy threats aimed at starving the beast (reducing overall funding/volume), or is the political maneuvering (including that from Trump) a way of "looking for a healthcare bribe" —i.e., extracting political concessions or lower prices in exchange for maintaining the shield?

Pricing, Profits, IRA Threat

Segment Focus	Key Talking Points & Citations
Pricing Pressure Post-Pandemic	The primary constraint now is pricing pressure ; the "blank check" of the pandemic is gone. Political action can manifest as a change in amounts paid .
The IRA's Long-Term Damage	The Inflation Reduction Act (IRA) is cited as a long-term structural threat to US pricing power, which is the industry's profit sanctuary. The IRA will subject vaccines under Medicare (Part D and later Part B) to government price negotiation.
Downside Scenario	The downside scenario (15% probability) includes pricing shocks where IRA negotiations are unexpectedly aggressive , potentially cutting margins by greater than 30% . This political action directly impacts the profitability of the high-margin US market.
Extreme Operating Leverage	Political actions on price or volume are amplified due to the extreme operating leverage of the industry. Because marginal costs are negligible (~\$0.50/dose), every dollar lost to price negotiation or every dose lost to demand erosion drops almost entirely from gross profit. Small changes in volume assumptions create massive swings in FCF forecasts and valuation . Note cost between Serum Institutue of India (1-3) vs Developed (\$100)

Pricing, Profits, IRA Threat

Segment Focus	Key Talking Points & Citations
The Social License Barrier	Public trust is the single most valuable asset. Vaccine hesitancy is identified as a durable, non-economic barrier. If political rhetoric encourages international anti-vaxxers, this compounds the existing difficulty in achieving commercial success and high adoption rates for new products (like RSV).
The Valuation Bifurcation	Legacy players (GSK, Sanofi) are valued based on traditional pharma metrics (P/E), while Platform players (Moderna, BioNTech) are valued like high-growth tech stocks based on the <i>potential</i> of their platform. This means that platform players are exceptionally sensitive to political/trust crises that threaten their ability to commercialize that potential pipeline.
Is This a Buying Opportunity?	Whether prices present a long-term opportunity depends on whether investors believe the structural risks will be realized. If the Reimbursement Risk (#1 risk) is mitigated and the NCVIA shield remains intact, the underlying economics remain strong (80–90%+ gross margins for blockbusters). However, if aggressive IRA pricing freezes adoption and political sentiment prevents US demand from bouncing back, the prices reflect justified fear.
Defining Future Winners	Future winners must possess two key assets : 1) A scalable technology platform (like mRNA) to manage R&D risk, and 2) A global, scaled commercial infrastructure to win adoption and reimbursement battles . The ability to navigate the complex political and regulatory landscape is key to leveraging platform technology.

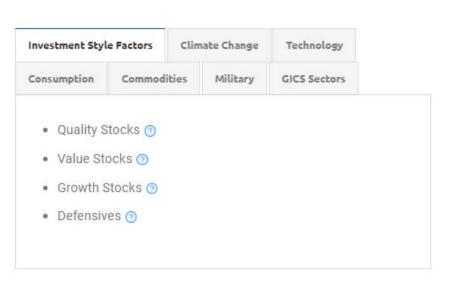
Personalise Your Portfolio

Screens Tilts

You can <u>exclude</u> the below to customise your portfolio

You can <u>add</u> the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	
	- A	rst Offenders) (
No Fossil F		r Fracking ①		
 No Coal Se 		i i i dolling		
No Coal Se No Nuclea	r Power 👩)		



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