Pfizer and Moderna could score $32 billion in Covid-19 vaccine sales – in 2021 alone

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New York (CNN Business) The imminent authorization of Pfizer's Covid-19 vaccine in the United States is a momentous occasion for science, the economy and humanity. The milestone is also a major moneymaker for the companies that developed the vaccines.

Wall Street analysts are projecting Pfizer and Moderna will generate $32 billion in Covid-19 vaccine revenue -- next year alone.
That doesn't take into account the goodwill boost these companies will receive by helping to end the worst pandemic in a century. That boost is magnified for Moderna (MRNA), a young biotech company that few people had heard of before 2020 that could now be on the cusp of getting its own FDA authorization.
Pfizer (PFE) by itself is projected to haul in $19 billion in Covid-19 vaccine revenue in 2021, according to Morgan Stanley. That's on top of an estimated $975 million in 2020 vaccine revenue.
Pfizer will split its revenues with BioNTech (BNTX), the German company it partnered with to develop the vaccine. A panel of FDA advisers recommended Thursday that the agency grant emergency use authorization to the vaccine candidate the pair developed. US officials have said they are working "rapidly" to give the vaccine the green light.

The Pfizer vaccine was already authorized by the United Kingdom earlier this month.

The mind-boggling logistics of transporting one of the most important vaccines in history
Pfizer is expected to take in $9.3 billion more in combined Covid-19 vaccine revenue in 2022 and 2023 as the world continues to get vaccinated, Morgan Stanley projected.
The vaccine breakthrough has not set off a boom in Pfizer's share price because the drug maker is already a huge company. Pfizer's shares are up just 12% this year, narrowly trailing the S&P 500's 13.5% overall gain.

Still, Pfizer's expected take of the revenue in 2021 would vastly surpass the company's bestselling product from last year: a pneumonia vaccine that generated $5.8 billion in sales.
Although Pfizer's stock has barely budged, partner BioNTech is booming: Its US-listed shares have spiked nearly 300%, pushing the German biotech company's valuation to nearly $30 billion.

Moderna had just $60 million in revenue last year
Meanwhile, Moderna's Covid-19 vaccine candidate has already transformed a virtually unknown company into a $62 billion powerhouse. Shares have skyrocketed nearly 700% this year and Morgan Stanley estimates that around half of the company's market value is attached to the vaccine.
Moderna is expected to rake in $13.2 billion in Covid-19 vaccine revenue next year, according to Goldman Sachs. Others are more bullish. Morgan Stanley said Moderna's skyrocketing share

price implies investors expect the company will make $10 billion to $15 billion off Covid-19 vaccine sales in both 2021 and 2022, followed by billions more in booster sales.
These are staggering sums for a company that generated just $60 million in sales in 2019 and has never previously licensed a product.
"It's epic," said Alan Carr, a biotech analyst at Needham. "It's an historic achievement in drug development. To take a new technology in such a young company and have it ready just in time for the worst pandemic in a century is hard to imagine."

Wall Street is very bullish on Moderna's pipeline

Both Pfizer and Moderna have released data indicating their vaccine candidates are highly effective at preventing Covid-19 -- more so than analysts had been anticipating.
Investors believe that achievement validates Moderna's mRNA technology, which seeks to take advantage of normal biological processes to create a desired therapeutic effect. Wall Street now has much more confidence in Moderna's entire pipeline, betting that this won't be the company's only blockbuster.

Worldwide distribution of Covid-19 vaccines is crucial for the economy, Melinda Gates says

Moderna's coronavirus vaccine "demonstrated that the technology is safe and effective, which unlocks the potential of other vaccines in the pipeline," Morgan Stanley analyst Matthew Harrison wrote in a recent note to clients.
More than one-quarter of Moderna's market value is now assigned to its other mRNA vaccines, Morgan Stanley estimates.
Now the big debate on Wall Street is how long the Covid-19 vaccines will be a revenue stream for these companies. It's still unknown how long the treatments will provide protection and how often individuals will need to get booster shots.
Harrison said it will take at least a few years of follow-up data to understand how effective boosters are. During that time, public health officials are likely to encourage high-risk and elderly populations to be boosted, he said.

The debate over profiting during a health crisis

The medical breakthroughs are likely to be game-changers for the hurting world economy, paving the way for recoveries of airlines, hotels, casinos, restaurants and other sectors decimated by the pandemic. The vaccines could eventually lead to the rehiring of millions of workers whose jobs were derailed during the health crisis.
Still, the tens of billions of dollars Pfizer and Moderna stand to make off the vaccines has drawn criticism given the human suffering. The pandemic has killed nearly 300,000 people in the United States alone.
Rival drug makers Johnson & Johnson (JNJ) and AstraZeneca (AZN) have promised to make their vaccines available on a not-for-profit basis during the pandemic.

This extremely intense gym is expanding even as Covid cases soar

"It is absolutely wrong for drug companies like Pfizer and Moderna to profiteer, and for their executives to make egregious personal fortunes, off of Covid-19 vaccines that have been so heavily subsidized and supported by American taxpayers," said Eli Zupnick, a spokesman for Accountable.US, a progressive watchdog and patient advocacy group.

Neither Pfizer nor Moderna responded to requests for comment.
In a statement last month, Pfizer said its Covid-19 vaccine development and manufacturing costs "have been entirely self-funded, with billions of dollars already invested at risk."
"The company will continue bearing all the costs of development and manufacturing in an effort to help find a solution to this pandemic as fast as possible," Pfizer said at the time.

The role of the federal government

Although Pfizer did not accept money from Operation Warp Speed, the Trump administration's vaccine initiative, the federal government did agree to pay $1.95 billion for the first 100 million doses. That agreement served as a safety net of sorts for Pfizer, providing the company with a lucrative guaranteed market if the FDA gave the vaccine its blessing.
Moderna tapped the capital markets for some funding. In May, the company raised $1.3 billion through a share sale. Some Moderna executives cashed out tens of millions of dollars in stock through pre-scheduled transactions that nonetheless raised eyebrows from former SEC officials.
Moderna also took a chunk of taxpayer money to develop its vaccine candidate. The federal government awarded Moderna about $955 million in grants designed to support the development of the drug. Moderna also worked closely with government scientists on testing its vaccine.
Carr, the Needham analyst, said the coming revenue hauls for Moderna and Pfizer were motivating factors that helped make the medical breakthroughs possible.
"There is nothing like a revenue stream to incentivize them," he said.