

BioNTech



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What it does

BioNTech, founded in 2008, is a biotech company using next generation immunotherapy, to individualise cancer treatment based on the characteristics of each patient's tumour. The company has pioneered mRNA-based cancer vaccines, which work by teaching the immune system to recognise and destroy cancerous cells. They have also developed a vaccine for COVID-19.

Why we own it

- BioNTech has a differentiated approach in trying to address cancer which consists of employing multiple therapies in combination (including but not limited to mRNA based therapies). This is based on the belief that no single silver bullet in cancer treatment is likely to be successful. Should this approach prove successful, it will bring new hope to advanced cancer patients who currently have limited options. Longer term, it may even render chemotherapy redundant.
- Unlike other biotech companies, BioNTech is platform agnostic, instead favouring a deep understanding of the biology and identifying the best therapeutic methods to address cancers, through smart partnerships.

How it could be worth many times more

Each of the below scenarios would generate a substantial return:

- BioNTech takes a 15% share of the \$150bn mRNA therapeutic market. Further, mRNA market could grow to at least the same size as the \$200bn rDNA market.
- Global chemotherapy market is currently c.\$70bn, ¼ of those patients might be addressable by BioNTech's therapeutics instead of conventional chemotherapy.
- Cancer immunotherapy market is \$100bn today. If this approach becomes the norm relative to other types of cancer treatment, this could become \$150bn in 5-10 years, with BioNTech taking a 15% share.

Where we might be wrong

- Current programmes underway fail to demonstrate efficacy and underwhelm.
- Too many things going on and a lack of focus leads to lots of minor successes, but no large ones.

Short 10 questions

Can sales double in the next five years?

1

Yes. Revenue uptick from the approved Covid-19 vaccine will be significant, boosted by multiple product candidates in clinical trials.

Ten years and beyond?

2

Multiple products on a ten-year view in infectious disease, oncology, cardiovascular, strokes and even ageing.

Competitive advantage?

3

Variety of technology platforms allow BioNTech to take a patient-centric approach and tailor therapeutics.

Is the business culture different?

4

Husband and wife founders, Ugur Sahin and Ozlem Tureci, both leading figures in cancer research, stand out as passionate, open-minded and committed individuals. BioNTech is their lives' work.

Customers like you? Contribute to society?

5

Yes. Ambitions to pioneer therapeutics for cancer and beyond, to patients worldwide.

Are returns worthwhile?

6

Not yet. But given the low cost of goods sold associated with mRNA, future returns can be worthwhile at even lower prices and for more markets.

Will they rise or fall?

7

Covid-19 has rapidly transformed BioNTech to a commercial company, helping financially, providing global reach and name recognition. This is just the beginning.

How is capital allocated?

8

Mostly on registrational trials, but also some acquisitions.

Could it be worth 5x as much?

9

Yes, potential to become a global, multi-product, immunotherapy powerhouse.

What doesn't the market understand?

10

The unusual scope and scale of its ambitions in immunotherapy and determination of founders, along with highly selective partners.

Risk factors

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