# treasurytoday Adam Smith Awards 2025

## Highly Commended Winner
## Best Cash Pooling Solution

## Moderna Inc.

Michael Laurent, Associate Director, Treasury
Paul Baranello, Treasurer


*Michael Laurent and Paul Baranello, Moderna and Alan Shortt, Citi*

moderna

Moderna Inc. is an American pharmaceutical and biotechnology company based in Cambridge, Massachusetts and focuses on RNA therapeutics, primarily mRNA vaccines.

# Household name sets up IHB and MCNP during COVID-19 pandemic

## The challenge

In 2020, Moderna's COVID-19 vaccine was made available under Emergency Use Authorisation, becoming one of the leading vaccines used globally, before receiving commercial approval from the Food and Drug Administration (FDA) in 2022. The company commenced US sales and embarked on a global expansion in 2021, with product sales reaching US$18.4bn in 2022. Over the past few years, the company has continued to invest in research and development (R&D) and has set a goal of ten product approvals within the next three years. The company is also completing build-out of manufacturing in Australia, the UK and Canada.

From 2021 to 2023, Moderna set-up treasury processes rapidly to support the global expansion, but the team quickly realised the decentralised nature of its operations were highly inefficient. This led to the launch of an innovative treasury transformation project to support the rationalisation of the international treasury function, which looked to position the company for future success in its next growth stage. The primary goal of this initiative was to attempt to enable corporate treasury to have visibility and access to cash in all the relevant regions and build a strong and scalable foundation for potential future growth.

Moderna's objective was to rollout an in-house bank (IHB) function with a complimenting multi-currency notional pool (MCNP) structure to automate the global movement of cash to a centralised source for further deployment and yield optimisation to reinvest in R&D. Adding to the challenge the treasury team faced, they had limited headcount in the US, minimal in-country representatives and significant technology projects already underway that required technology staffing. These competing technology projects included the simultaneous implementation of major treasury and financial technology platforms and solutions. At the same time, Moderna was also transitioning to XML ISO 20022 standards for further synergies globally.

## The solution

To address these challenges, Moderna did a deep dive into existing processes, accounts and pockets of cash in each region to determine the most optimal solution. Because Moderna operates in several 'restricted' or 'semi-restricted' markets that required complex cash management practices to effectively consolidate the operational cash, innovative solutions were required. Following a year-long evaluation, Moderna launched its treasury transformation initiative involving a global structure using treasury best practices for managing global businesses with next-generation technology, to help accelerate Moderna's operations at the same pace as its intended growth plans. The final structure created was an international framework for current and future accounts that centred around a global pooling structure based in the UK with a single-entity MCNP structure. The company opened 64 accounts across 20 country branches with physical accounts zero-balancing, cross-border to the pool and virtual accounts (VA) being built directly from the pool. This transformational solution allows comprehensive visibility and maximum cash concentration of cash globally and arguably stands as a true best practice.

## Best practice and innovation

Moderna's unique global treasury structure was designed to include innovative virtual accounts to further rationalise in-country EUR, USD and GBP accounts, as well as help support future expansion demands. The key components of this first-rate project include:

- An agile global IHB structure with single-entity MCNP.
- 64 account implementation projects with 13 currency pool header accounts, 32 physical operating accounts and 19 virtual accounts.
- Physical cross-border, zero-balancing of local accounts to the notional pool.
- Virtual accounts to reduce the number of physical accounts required with USD, GBP and EUR VA structures linked to MCNP. Moderna has three use cases for virtual accounts for the operating companies, including Eurozone entities, centralisation of foreign currency flows, specifically all international USD and GBP operational accounts.
- In-country accounts – Moderna intends for accounts held in the currency clearing centre to leverage alternative payment methods (APM) including instant payments.
- Forward-thinking – the pathway is also set to incorporate cross-currency sweeping to capture more liquidity in semi-restricted markets and enable resilient and responsive treasury with real-time liquidity and funding solutions.

## Key benefits

- Cost savings.
- Process efficiencies.
- Return on investment.
- Increased automation.
- Risk mitigated.
- Improved visibility.
- Errors reduced.
- Number of banking alliances/bank accounts reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Forward-thinking solution.
- Exceptional implementation (budget/time).
- Improved key performance indicators.

> "We are honoured to be considered alongside so many other great companies. As we build the treasury foundation by which Moderna will operate in the future, knowing that we are creating a treasury structure on par with other world-class companies is very validating and proof that our financial organisation is as forward-looking as our science."
>
> Michael Laurent, Associate Director, Treasury

Congratulations to the Moderna team on being named a Highly Commended Winner for the Best Cash Pooling Solution! Founded in 2010, Moderna is one of the leading pioneers in the field of mRNA medicine. Since 2021, the company has embarked on a global expansion, building presence in dozens of countries as well as manufacturing plants in Australia, UK and Canada. In addition to its existing marketed products, the company has a robust product pipeline. Moderna has built a truly flexible and scalable treasury management and cash pooling infrastructure that should help facilitate the company's future growth as a global biotech leader.

**Eugene Yermash, Managing Director, Banking, Healthcare**
**Citi**

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