Morgan Stanley | RESEARCH

UPDATE

September 15, 2026 06:55 PM GMT

Tempus AI, Inc. | North America

What's New from MS GHC Fireside Chat

Kallum L Titchmarsh
Equity Analyst
Kallum.Titchmarsh@morganstanley.com +1 212 761-2351

Jakob Dodd
Research Associate
Jakob.Dodd@morganstanley.com +1 212 761-0797

Jason Lai
Research Associate
Jason.Lai@morganstanley.com +1 212 761-4848

Tempus AI, Inc. (TEM.O, TEM US)

Life Science Tools & Diagnostics | United States of America

Stock Rating	**++**
Industry View	**In-Line**
Price target	**++**
Shr price, close (Sep 14, 2026)	$62.21
Mkt cap, curr (mm)	$11,225
52-Week Range	$104.32-40.77

Key Takeaways

- Management views TEM's proforma model for PSNL as more conservative around indication expansion and ASP assumption.
- TEM and PSNL independently contracted with MRK / MRNA; long-term volume split still TBD per management.
- Moat around the Data business described as durable by management.

Annual Global Healthcare Conference. We highlight below what stood out to us from the conversation as most meaningful and incremental to prior commentary.

Incremental color on PSNL deal: According to management, TEM was pleased with the exclusive distributor arrangement with PSNL in the lead-up to the acquisition announcement and may not have pursued the deal until early '27, but the confluence of MolDX coverage expansions and a competitive bid for PSNL accelerated TEM's timeline. Management believes the discrepancies between the two parties' proforma models for PSNL as shown in recent filings are mostly a result of different assumptions around indications expansions and ASPs, where TEM sees its projections as more conservative. Management also noted that PSNL trading above the deal price does not make sense in the context of competitive bids having already played out and since TEM and MRK (with their meaningful voting share in PSNL) are in favor of the deal closing.

MRK / MRNA V940 vaccine: We asked management for a bit more clarity around TEM's and PSNL's respective roles in the individualized neoantigen therapy (INT) co-developed by MRK / MRNA that read out Phase 3 data in melanoma recently. According to management, PSNL was selected to be the sequencing partner for clinical trial work, and subsequently, TEM won a RFP to be the national partner ahead of commercialization. The ultimate sequencing volume split between TEM / PSNL is still a being refined, but regardless of the pending acquisition, TEM expects to handle the majority of testing (and another company cannot be substituted given that the sequencing specifications are part of the regulated manufacturing process) – all according to management.

Biopharma / Data: TEM sees the Data business growing sustainably around +30% y/y, driven by existing trends in utilization by pharma companies, with potential for upside if hyperscalers enter the mix seeking the kind of de-identified multi-modal data TEM offers. Management characterized the moat around the Data business as durable, with relatively little traction seen from several companies that have launched competing offerings.

investors should be aware that th

Research as only a single factor i
decision.

**For analyst certification and oth
refer to the Disclosure Section, l
report.**



connection with its definitive agreement to acquire Personalis, Inc. ("Personalis"), as announced on July 20, 2026. The proposed transaction is subject to approval by Personalis' shareholders, as well as receipt of applicable regulatory approval and other customary closing conditions. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action by a security holder. Tempus has agreed to pay fees to

report.