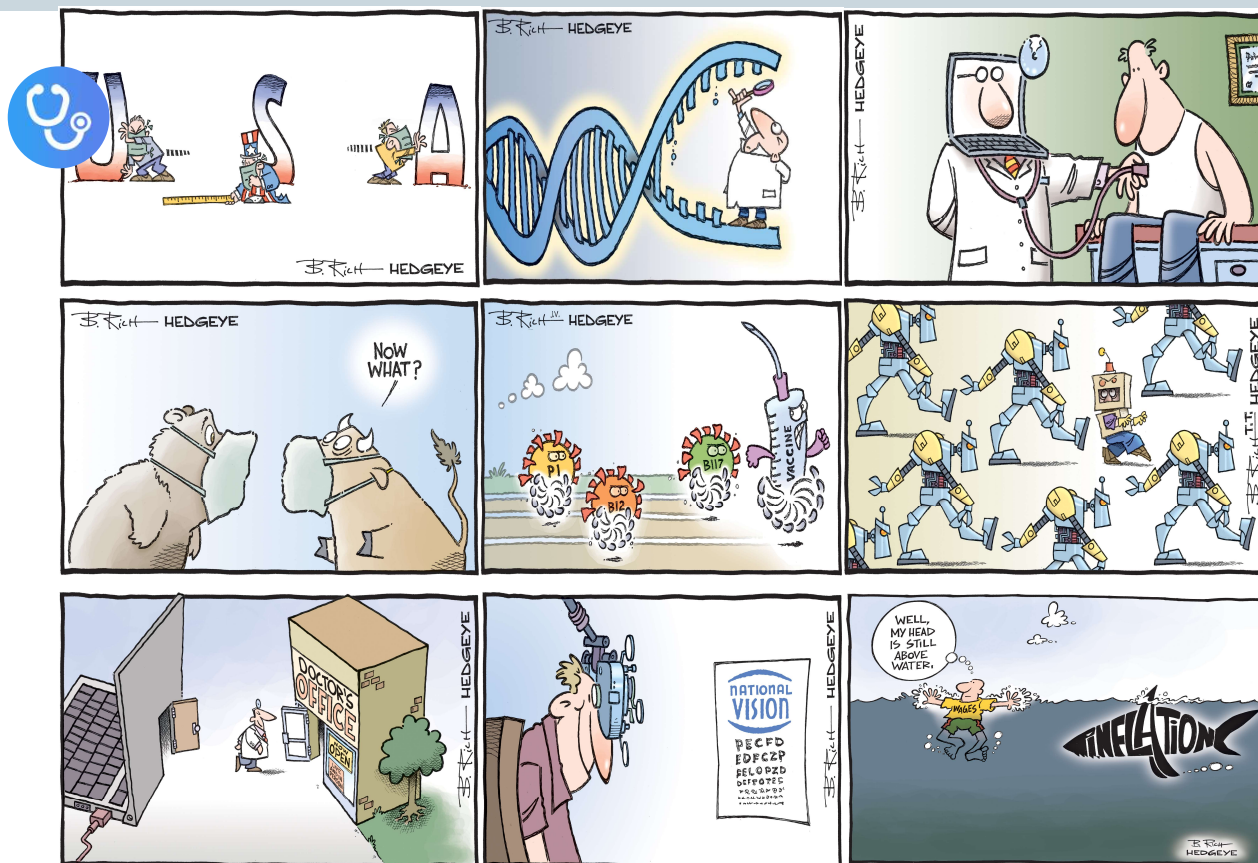


HEDGEYE

# Hedgeye Health Care: Weekly Sector Distillation

For the week ending Dec. 17, 2021

December 20, 2021



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## MICROQUAD RESULTS

While we have up to five (5) years of data on the securities in the MicroQuads model, not all securities in the model have five years of trading history, and while we make every effort to assure the accuracy of the data, we cannot guarantee its accuracy. The methodology used to arrive at the results displayed herein is proprietary to Hedgeye and involves aggregating the actual historical results for each security while it "resides" in the appropriate MicroQuad over the defined periods of time. These results do not include any consideration for trading costs, commissions, or other factors that could impact results, we make no representations or warranties that past results will or can be repeated, and the data have not been verified by a third-party.

## PERFORMANCE MONITOR FORWARD/PROSPECTIVE PRICE CHANGES

The data for each security are based on historic price performance and average forward returns and are not a guarantee of future performance. We make every effort to assure the accuracy of the calculations and forecasts; however, we cannot guarantee their accuracy or that performance will be repeated.

# Health Care Position Monitor

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For Week of December 20, 2021: LFST and ACHC “promoted”

Best Ideas - Longs						Best Ideas - Shorts					
LONG		Price	Mkt Cap (\$B)	Trend	Tail	SHORT		Price	Mkt Cap (\$B)	Trend	Tail
Active Longs						Active Shorts					
NTRA	Natera, Inc.	\$ 86.26	\$8.2B	✓	✓	ACHC	Acadia Healthcare Company, Inc.	\$ 56.92	\$5.1B	×	×
LFST	Lifestance Health Group, Inc.	\$ 8.79	\$3.3B	✓	✓	TDOC	Teladoc Health, Inc.	\$ 94.78	\$15.2B	×	×
AMN	AMN Healthcare Services, Inc.	\$ 111.23	\$5.3B	✓	✓	EXAS	Exact Sciences Corporation	\$ 80.84	\$13.9B	×	×
ONEM	1Life Healthcare, Inc.	\$ 17.29	\$3.3B	✓	✓	ARKG	ARK Genomic Revolution ETF	\$ 59.26	\$5.0B	×	×
DGX	Quest Diagnostics Incorporated	\$ 157.64	\$19.3B	✓	✓						
DRIO	DarioHealth Corp.	\$ 14.50	\$0.2B	✓	✓						
ATIP	ATI Physical Therapy, Inc. Class A	\$ 3.21	\$0.6B	✓	✓						
Long Bias						Short Bias					
CTKB	Cytek Biosciences, Inc.	\$ 18.93	\$2.5B			UHS	Universal Health Services, Inc. Class B	\$ 126.06	\$9.2B		
GDRX	GoodRx Holdings, Inc. Class A	\$ 38.58	\$14.8B			AMWL	American Well Corporation Class A	\$ 6.29	\$1.4B		
DOCS	Doximity, Inc. Class A	\$ 57.56	\$3.5B			ME	23andMe Holding Co Class A	\$ 7.88	\$1.0B		
TXG	10x Genomics Inc Class A	\$ 135.05	\$12.4B								
EYE	National Vision Holdings, Inc.	\$ 47.24	\$3.9B								
NVTA	Invitae Corp.	\$ 15.39	\$3.5B								
GH	Guardant Health, Inc.	\$ 88.71	\$9.0B								
BFLY	Butterfly Network, Inc. Class A	\$ 6.64	\$1.1B								
NEO	NeoGenomics, Inc.	\$ 31.61	\$3.9B								

## Note

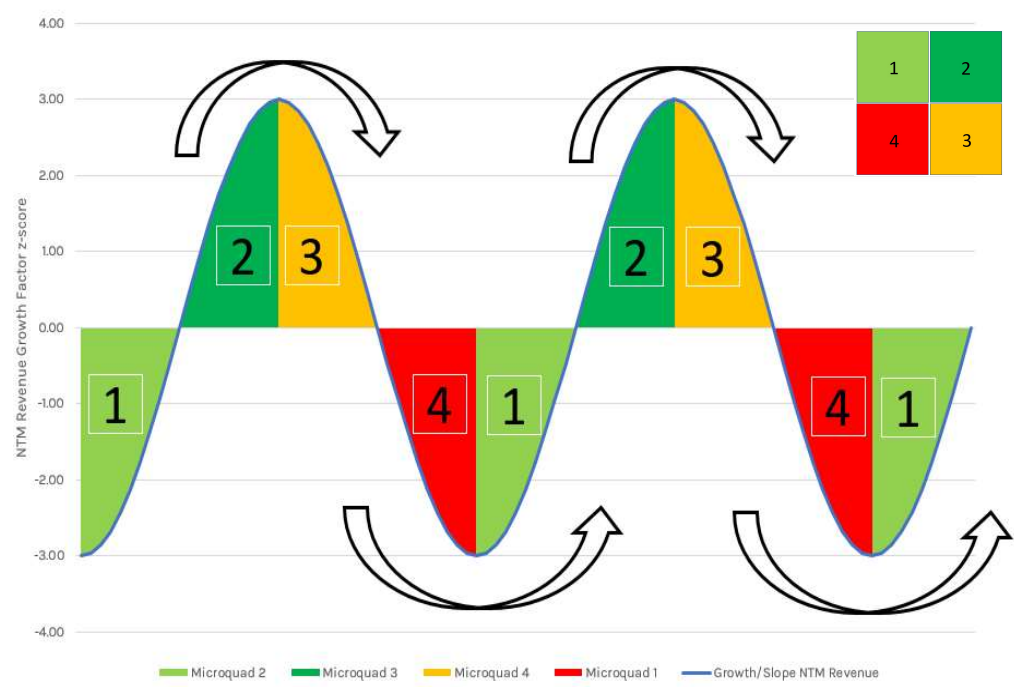
Best Idea Longs/Shorts are high conviction ideas that we've either presented a Black Book for already or have one in the works (similar to other Hedgeye teams). Bias Ideas are ones in which we've done the bulk of the work, but there may be another question we need to answer to move it over the line. All active positions are higher conviction than bias ideas. We rank active versus active and bias versus bias.

## Disclaimer

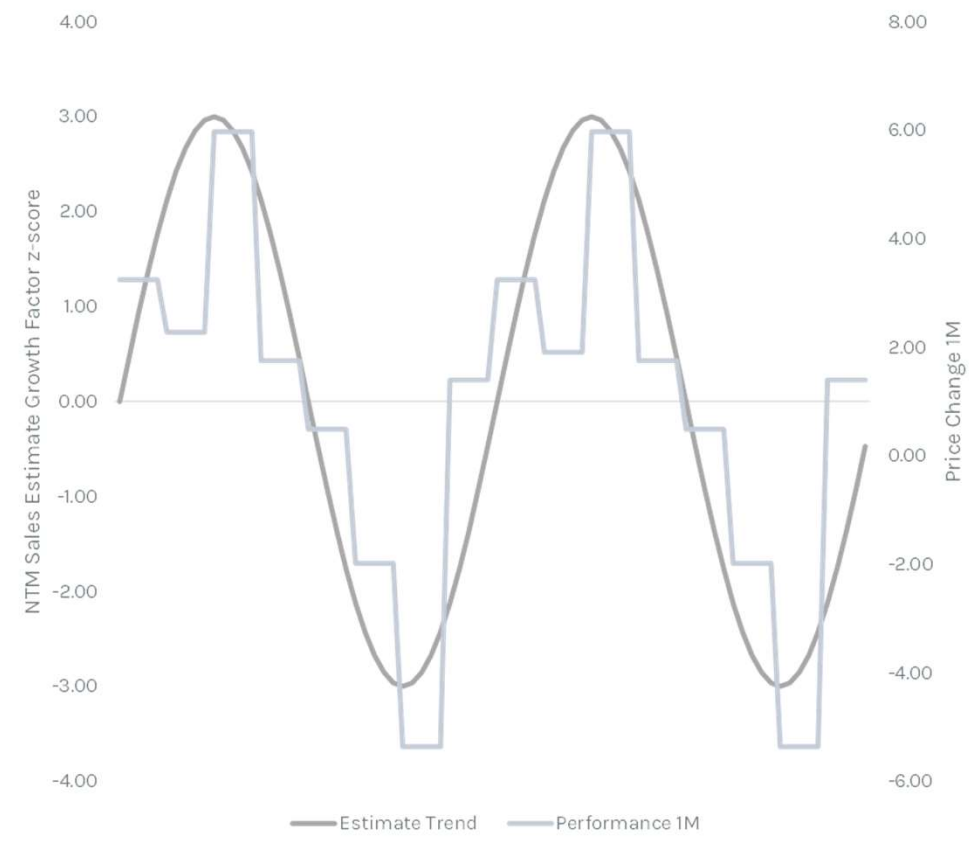
Hedgeye's "bias" represents Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on the bias and representation of a company on the bias does not forecast whether Hedgeye will or will not issue any additional material on that company.

# MicroQuad | Model vs Backtest

MicroQuad – Generic Growth Curve Progression



Historical 1M Performance vs MicroQuad Curve



# MicroQuad Results Stats Through Dec. 17

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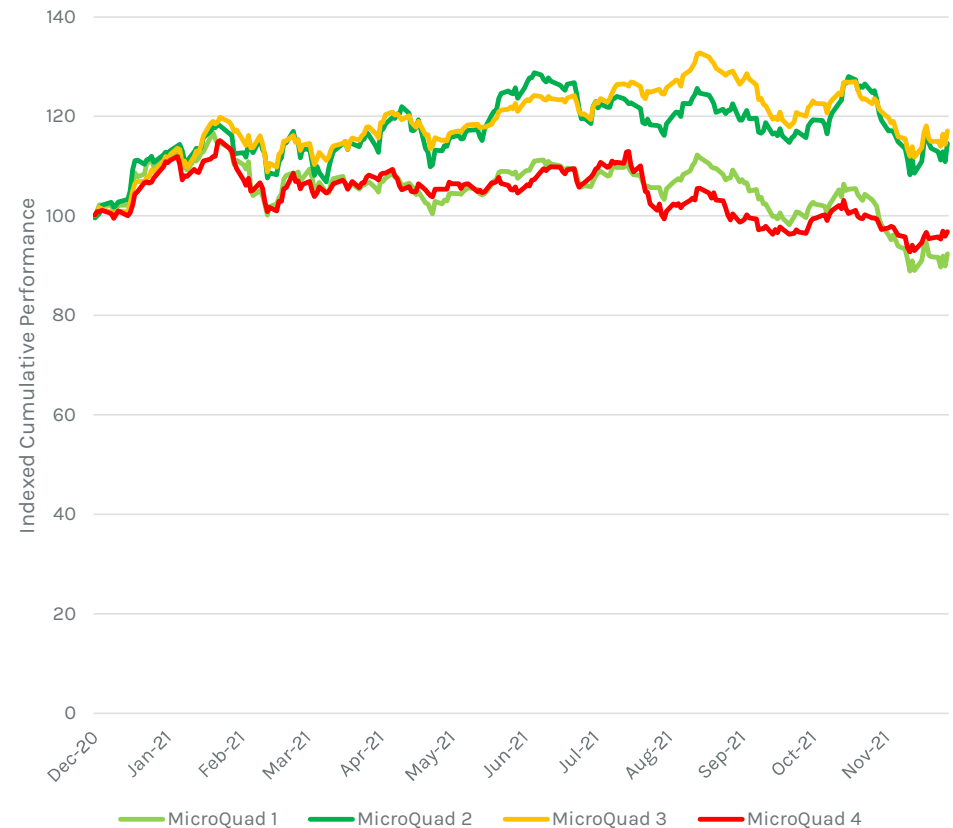
## MicroQuad – Percentage Change

Average Performance (%)					
MicroQuad	1WK	1M	3M	6M	12M
1	0.68	-6.93	-14.26	-18.87	-13.78
2	1.71	-5.98	-6.62	-12.84	5.31
3	2.05	-4.42	-11.53	-6.36	12.05
4	1.05	-1.45	-3.43	-12.70	-5.41

Batting Average					
MicroQuad	1WK	1M	3M	6M	12M
1	0.458	0.434	0.458	0.468	0.482
2	0.473	0.415	0.478	0.476	0.494
3	0.520	0.453	0.495	0.500	0.515
4	0.570	0.486	0.513	0.498	0.497

Slugging Percentage					
MicroQuad	1WK	1M	3M	6M	12M
1	0.314	-3.010	-6.535	-8.827	-6.645
2	0.808	-2.484	-3.167	-6.106	2.620
3	1.067	-1.999	-5.702	-3.184	6.202
4	0.600	-0.704	-1.759	-6.328	-2.688

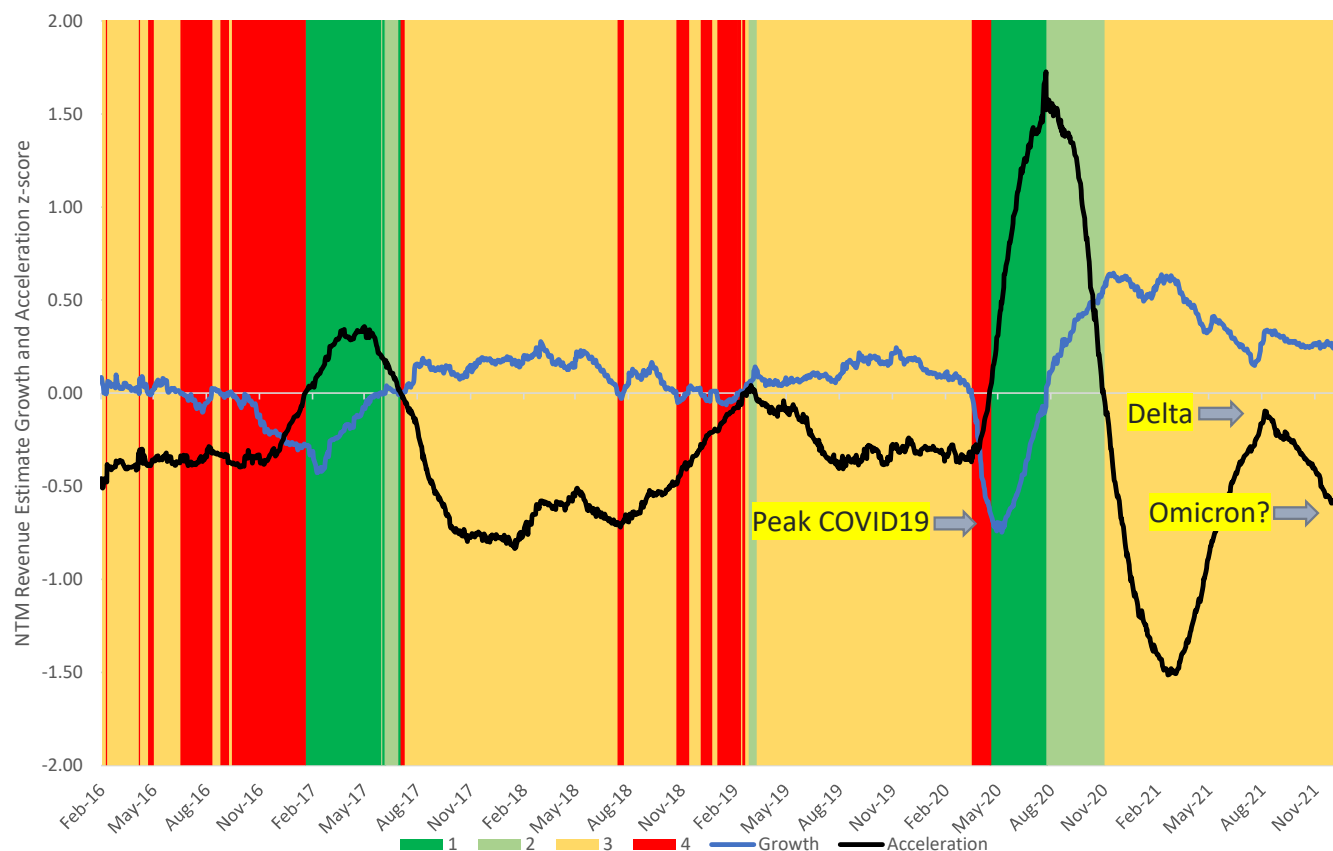
## Percentage Change – 1Y Index by MicroQuad



# Estimate Revision Trend | December 17, 2021

HEDGEYE

Revision trend rate of change: Growth deteriorating, Acceleration pullback continues..



Data updated through 12/17/2021. We thought that the **estimate trend slope had largely put COVID-19 behind it**, but perhaps Omicron + labor/staffing concerns are enough to prevent an inflection.

The media is having a field day with Omicron (B.1.1.529), but we continue to believe that hospitalizations are the key metric to watch. Specifically, we'd like to see a low rate of hospitalizations relative to total COVID-19 cases stay low.

If the peak in cases comes in January, with the current Macro Quad 1/4 backdrop heading into 1Q22, we could see the rates of change improve as FY 2022 comes into focus for sell side analysts.

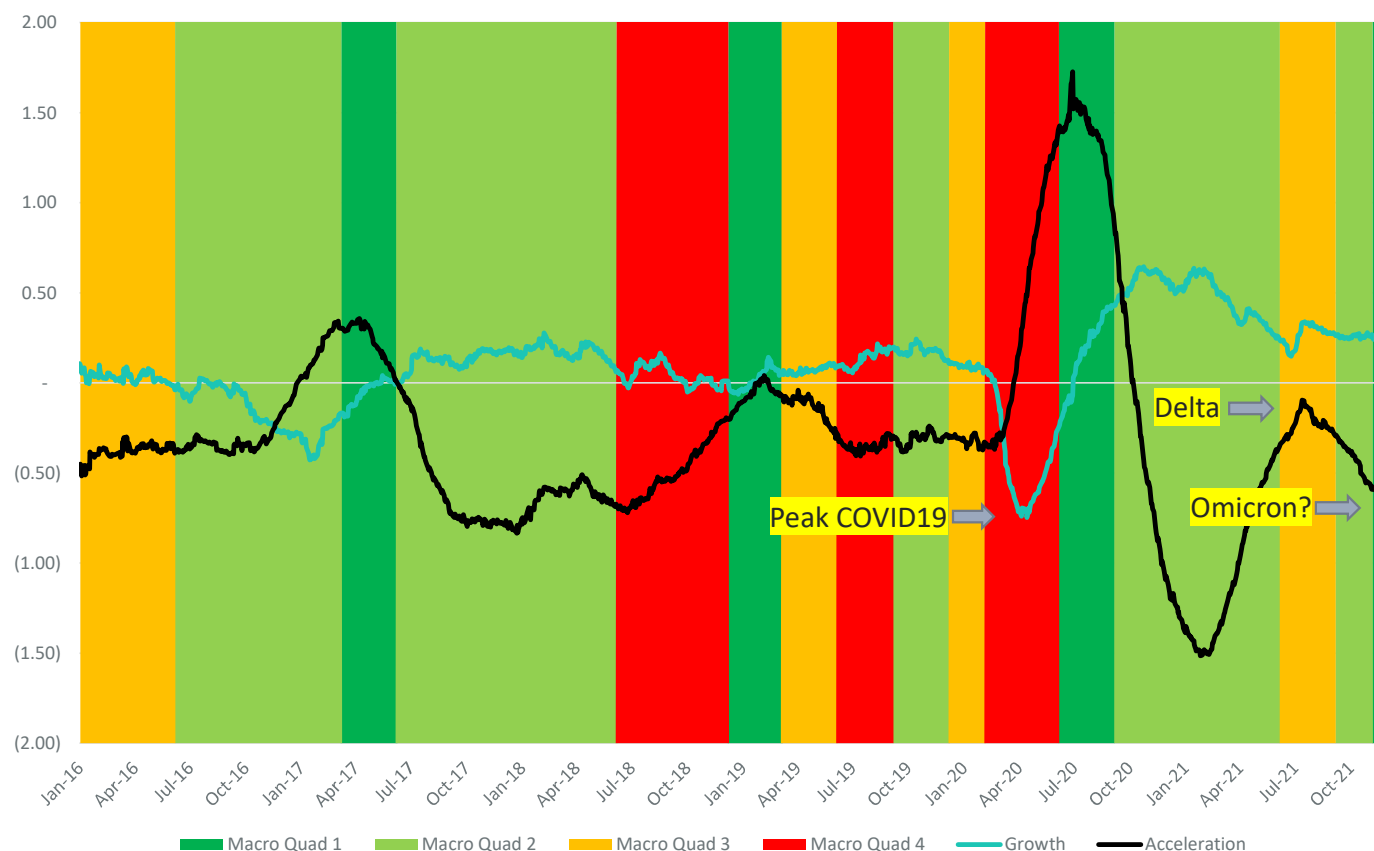
In aggregate, our universe remains in MicroQuad 3.



# Estimate Revision Trend | December 17, 2021

HEDGEYE

## Revision trend rate of change w/ Macro Quad backdrop...



Same growth and acceleration trends as the previous slide, but this time with a Macro Quad backdrop.

The data here go back 5 years, and it looks like mid-Quad 2 there's a shift that pushes the acceleration higher, and then in Macro Quad 4, there's a meaningful uptick as well (while growth - the blue line) falters.

We're taking what does and doesn't work in the new regime(s) into consideration because the call was Macro Quad 1 (as of 11/30), but the Macro Team is seeing a rising probability of a Macro Quad 4 (growth and inflation slowing).

# Estimate Trend | Down and to the right, for now...

HEDGEYE

It still looks like there's going to be a bottom toward the end of 1Q22...



Consensus revenue estimates began to turn negative at the end of February 2021, coincident with the beginning of a slide in performance across our Health Care universe. The recovery stalled and multiples have contracted (especially stocks with high EV/Sales multiples).

**Based on the current forecast trends, we're looking at a bottom toward the end of 1Q22.**



# MicroQuad Screen | Dec 17, 2021

Active Long

Active Short

Bench Long

Bench Short

HEDGEYE

## MicroQuad1

ABT SYK  
 AMED **TDOC**  
 BAX TFX  
 CRL  
 EHC  
 GKOS  
 FLGT  
**GH**  
 HOLX  
**NEO**  
 OPK  
 PODD

## MicroQuad2

BDX  
 CERN  
 CHNG  
 ENSG  
 HRC  
 LHCG  
 LLY  
 OMCL  
 SGRY  
**TXG**  
 MASI

## MicroQuad3

ABMD ICUI PEN WAT  
 ALGN IDXX Q MRK  
**AMN** ILMN QDEL PFE  
 ATRC INOV RCM ZTS  
 BSX IRTC RGEN IQV  
 CNMD ISRG RMD **EYE**  
 COO MEDP SEM PHR  
 DXCM MMSI STAA PCRX  
 GMED MOH TECH TWST  
 HCA MTD TMO  
 HUM **NTRA** VCRA  
 IART **NVTA** UNH

## MicroQuad4

A TNDM  
 ABC VEEV  
 ANTM WST  
 BIO JNJ  
 CHE ABBV  
**DGX** AMGN  
 DHR VRTX  
**EXAS** OPCH  
 LH MRNA  
 MCK MDT  
 PKI  
 STE

# MicroQuad 2 Screen

HEDGEYE

We continue to look for longs here – revenue estimates rising at an accelerating rate...

Ticker	Name	Price	MicroQuad 2										Sales MicroQuad									
			1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22
BDX	Becton, Dickinson and Company	\$257.21	4.94	5.37	-1.81	90,716	73,228	0.08	1.59	0.84	19,640	5,564	\$12.69	1	1	1	1	3	2	2	2	2
CERN	Cerner Corporation	\$79.49	5.78	7.26	5.93	27,870	26,412	0.24	5.84	0.54	6,077	2,061	\$3.66	3	3	2	2	2	2	2	2	2
ENSG	Ensign Group, Inc.	\$76.09	-2.81	-6.71	-2.42	5,410	4,304	0.91	6.20	0.93	2,878	369	\$3.92	3	1	1	1	2	2	2	2	2
HRC	Hill-Rom Holdings, Inc.	\$155.96	0.03	0.24	3.63	12,288	#N/A	-0.01	11.01	0.86	3,151	699	\$6.68	3	3	3	3	2	2	2	2	3
LHCG	LHC Group, Inc.	\$124.59	-4.97	-14.01	-26.27	4,626	4,113	1.87	3.25	0.76	2,444	287	\$6.04	2	2	2	2	2	2	2	2	3
MASI	Masimo Corporation	\$273.78	-1.08	-8.29	-0.24	15,530	15,466	0.89	6.18	0.97	1,344	409	\$4.35	4	3	4	4	3	3	3	3	4
OMCL	Omnicell, Inc.	\$175.26	-2.14	-2.60	9.14	8,520	7,695	0.21	11.10	0.96	1,283	284	\$4.11	3	2	2	2	2	2	2	3	3
SGRY	Surgery Partners, Inc.	\$45.73	-7.88	-10.98	-1.66	7,765	4,145	2.45	3.49	0.61	2,460	368	\$0.27	3	3	4	2	2	2	2	3	3
TXG	10x Genomics Inc Class A	\$136.14	-5.18	-15.22	-16.73	15,385	13,138	0.91	3.16	0.86	676	8	-\$0.28	2	2	2	2	2	2	2	2	2
CHNG	Change Healthcare, Inc.	\$20.89	1.11	0.77	-4.35	11,443	6,507	0.39	13.60	0.60	3,596	1,124	\$1.64	2	2	2	2	3	2	2	2	2
LLY	Eli Lilly and Company	\$279.04	14.88	8.27	21.27	257,023	255,812	0.77	1.97	0.90	27,940	9,817	\$8.34	1	1	1	4	2	2	2	2	3

**MQ2 – CERN is the big winner on the ORCL buyout.** We also see **MASI** circling around and landing in MQ2 this week – it has a noticeably different forecast and continues to be a great case study since late October when we called it out as a MQ4 stock to watch (at ~\$189). If those yellow boxes turn green (or the red March one -> yellow), could be a great long.

Please note, the sales MicroQuad is the average for the month, which is why the box for Dec may reflect a different Quad (MASI).

# MicroQuad 3 Screen

Slowing, with some deteriorating further in 4Q21

MicroQuad 3														Sales MicroQuad									
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	
ABMD	ABIOMED, Inc.	\$310.00	-0.70	-11.87	-12.68	13,836	14,356	1.09	412	0.57	1,133	301	\$4.77	2	2	2	3	3	3	3	3	2	
ALGN	Align Technology, Inc.	\$595.06	-11.66	-13.64	-17.28	47,289	48,026	1.37	2.70	0.90	4,770	1,454	\$13.40	3	3	3	3	3	3	3	3	3	
AMN	AMN Healthcare Services, Inc.	\$113.73	2.68	2.09	1.45	6,217	5,409	0.48	2.10	0.92	3,648	522	\$6.13	3	3	4	4	3	3	3	3	4	
ATRC	AtriCure, Inc.	\$66.56	-5.33	-13.08	-13.23	3,077	3,115	1.57	3.90	0.85	320	-3	-\$0.86	2	2	3	3	3	3	3	4	4	
BSX	Boston Scientific Corporation	\$40.43	-2.06	-2.39	-8.88	66,019	58,225	0.87	1.62	0.89	12,913	3,645	\$1.86	2	2	3	3	3	3	3	4	4	
CNMD	CONMED Corporation	\$132.21	-4.20	-12.85	1.68	5,005	3,931	1.25	8.93	0.93	1,102	232	\$3.72	2	2	2	3	3	3	4	4	1	
COO	Cooper Companies, Inc.	\$394.87	-3.32	-5.01	-9.56	21,245	19,441	0.72	4.97	0.89	3,142	1,058	\$14.31	3	3	2	2	3	3	3	3	3	
DXCM	DexCom, Inc.	\$529.36	-5.50	-18.31	-6.00	54,997	53,825	1.16	4.39	0.96	2,967	600	\$3.54	1	2	3	3	3	3	3	4	4	
GMED	Globus Medical Inc Class A	\$66.24	-2.56	-6.98	-17.94	6,575	5,391	0.84	1.55	0.89	1,044	373	\$2.22	2	2	2	3	3	3	3	4	4	
HCA	HCA Healthcare Inc	\$253.98	5.19	5.07	-1.84	117,657	78,934	1.02	2.03	0.88	61,531	12,916	\$18.62	2	3	3	3	3	3	4	4	4	
HUM	Humana Inc.	\$457.47	1.15	3.00	12.18	66,574	58,268	0.58	1.65	0.90	92,408	4,771	\$23.85	1	2	3	3	3	3	4	4	4	
IART	Integra LifeSciences Holdings Corporation	\$63.35	-2.94	-8.81	-9.02	6,806	5,574	0.69	14.73	0.60	1,626	442	\$3.41	2	2	2	2	2	3	3	3	2	
ICUI	ICU Medical, Inc.	\$226.60	0.71	-8.07	-5.72	4,522	4,899	0.61	2.39	0.58	1,308	283	\$7.66	3	3	3	3	3	3	3	3	3	
IDXX	IDEXX Laboratories, Inc.	\$607.56	0.00	-4.05	-8.18	54,186	52,307	1.27	1.68	0.96	3,526	1,154	\$9.42	3	3	3	3	3	3	4	4	4	
ILMN	Illumina, Inc.	\$378.87	2.03	0.10	-15.24	60,165	60,163	0.72	2.00	0.89	4,837	1,011	\$4.28	3	3	3	3	3	3	3	3	3	
INOV	Inovalon Holdings, Inc. Class A	\$41.06	0.00	0.56	1.66	7,044	#N/A	0.01	#N/A	0.78	881	309	\$0.00	3	3	3	3	3	3	3	3	3	
IRTC	iRhythm Technologies, Inc.	\$99.97	5.25	-7.10	51.95	3,007	3,145	0.14	2.14	0.63	363	-46	-\$3.15	1	1	3	2	3	3	4	4	4	
ISRG	Intuitive Surgical, Inc.	\$334.53	-1.71	-7.36	-67.75	119,719	120,442	1.38	1.64	0.72	6,388	2,740	\$5.55	3	3	3	3	3	3	3	4	4	
MEDP	Medpace Holdings, Inc.	\$209.60	1.58	-6.79	12.68	7,806	7,722	0.78	3.87	0.92	1,424	272	\$5.45	4	2	2	3	3	3	4	4	4	
MMSI	Merit Medical Systems, Inc.	\$60.65	-5.66	-12.25	-15.35	3,827	3,475	0.94	5.10	0.52	1,122	225	\$2.37	1	2	3	3	3	3	3	4	4	
MOH	Molina Healthcare, Inc.	\$306.87	3.94	-0.46	10.33	15,714	17,691	1.44	3.26	0.89	30,135	1,506	\$16.75	3	3	3	3	3	3	4	4	4	
MTD	Mettler-Toledo International Inc.	\$1,565.85	-1.03	2.44	1.34	38,456	36,302	0.81	4.12	0.91	3,901	1,214	\$37.45	3	3	3	3	3	3	4	4	4	
NTRA	Natera, Inc.	\$89.23	-2.57	-22.41	-29.38	8,214	9,047	1.14	6.20	0.93	755	-427	-\$4.98	3	3	3	3	3	3	3	4	4	
NVTA	Invitae Corp.	\$15.46	-6.13	-29.44	-50.98	4,476	4,147	1.20	5.97	0.78	644	-500	-\$2.84	2	2	2	3	3	3	3	3	2	
PEN	Penumbra, Inc.	\$247.10	-1.07	-6.90	-13.22	9,424	9,459	0.99	12.11	0.91	857	85	\$1.26	3	3	3	3	3	3	3	3	3	
Q	IQVIA Holdings Inc	\$266.45	-1.01	-0.41	3.95	63,150	51,090	0.95	2.26	0.93	14,838	3,304	\$10.07	3	3	3	3	3	3	3	4	4	
QDEL	Quidel Corporation	\$152.39	10.04	2.10	-0.71	6,433	6,741	-0.63	5.78	0.79	980	503	\$7.62	1	1	1	1	1	3	4	4	4	

It's important to keep an eye on the forward forecast with MQ3 stocks – keep in mind that the last 4 columns are Dec '21, Jan '22, Feb '22, and Mar '22. There's usually higher volatility and the batting average is lower with MicroQuad 3 stocks, but they are longs in the model portfolio...

# MicroQuad 3 Screen Con't

HEDGEYE

Slowing, with some deteriorating further in 4Q21

MicroQuad 3														Sales MicroQuad									
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	
RCM	R1 RCM Inc	\$23.20	-5.73	-10.11	7.31	8,482	6,726	0.66	6.12	0.86	1,691	405	\$0.63	2	2	2	3	3	3	3	3	3	
RGEN	Repligen Corporation	\$256.86	1.80	-4.51	-16.30	14,919	14,675	0.10	4.02	0.97	790	258	\$3.12	3	3	3	3	3	3	4	4	4	
RMD	ResMed Inc.	\$253.77	-4.08	-4.77	-11.25	37,827	36,865	0.74	1.76	0.96	3,931	1,355	\$6.63	2	2	3	3	3	3	4	4	4	
SEM	Select Medical Holdings Corporation	\$28.15	-4.35	-14.88	-19.62	8,435	3,902	1.42	3.11	0.72	6,281	940	\$2.94	2	2	3	3	3	3	3	3	3	
STAA	STAAR Surgical Company	\$88.02	-4.04	-23.98	-38.61	4,382	4,372	1.59	5.49	0.89	292	53	\$0.97	3	3	3	3	3	3	3	3	3	
TECH	Bio-Techne Corporation	\$461.53	-1.84	-8.52	-13.63	19,517	18,491	0.87	1.97	0.98	1,158	466	\$8.30	3	3	3	3	3	3	3	3	3	
TMO	Thermo Fisher Scientific Inc.	\$661.25	3.80	3.08	10.80	268,135	256,553	0.52	1.91	0.97	39,800	11,188	\$21.42	1	1	1	1	3	3	3	4	4	
UNH	UnitedHealth Group Incorporated	\$492.86	4.13	9.62	17.30	495,434	458,795	0.91	1.74	0.94	315,179	30,214	\$21.52	3	3	3	3	3	3	3	3	3	
VCRA	Vocera Communications, Inc.	\$60.23	2.68	3.36	32.17	2,150	2,131	0.13	11.88	0.83	264	46	\$0.82	3	3	3	3	3	3	3	3	3	
WAT	Waters Corporation	\$350.08	1.85	0.31	-11.73	22,602	21,262	0.94	5.12	0.89	2,901	999	\$11.77	3	3	3	3	3	3	3	4	4	
MRK	Merck & Co., Inc.	\$75.91	4.19	-9.75	5.90	208,444	191,189	0.03	1.15	0.75	56,000	23,599	\$7.15	1	1	1	4	2	3	3	3	4	
PFE	Pfizer Inc.	\$61.25	17.61	23.49	39.55	350,981	333,853	-1.10	1.50	0.59	93,577	40,658	\$5.90	3	3	4	4	3	3	3	3	4	
ZTS	Zoetis, Inc. Class A	\$232.81	1.15	5.74	17.29	115,082	110,858	0.66	1.51	0.97	8,372	3,625	\$5.20	3	3	3	3	3	3	4	4	4	
IQV	IQVIA Holdings Inc	\$266.45	-1.01	-0.41	3.95	63,150	51,090	0.95	2.26	0.93	14,838	3,304	\$10.07	3	3	3	3	3	3	3	4	4	
EYE	National Vision Holdings, Inc.	\$46.44	-1.00	-3.73	-21.13	5,044	3,832	0.77	6.67	0.59	2,209	281	\$1.33	2	2	2	3	3	3	4	4	1	
PHR	Phreesia, Inc.	\$39.92	-6.20	-45.58	-41.64	1,870	2,268	1.12	4.62	0.87	257	-120	-\$3.59	-	3	3	3	3	3	3	3	3	
PCRX	Pacira Biosciences, Inc.	\$56.24	-0.09	-1.39	0.54	2,486	2,572	0.99	15.94	0.69	703	263	\$3.99	2	2	3	3	3	3	3	3	3	
TWST	Twist Bioscience Corp.	\$77.58	-6.42	-33.11	-36.27	3,731	4,264	2.21	5.20	0.81	200	-232	-\$4.74	-	3	3	3	3	3	3	3	3	

A handful of stocks to watch for a slip into MQ4 (long -> short) as we move through December include ABC, BIO, HUM, RGEN, RMD, ISRG, and IQV; NTRA still looks vulnerable but has time in MQ3 for estimates to improve.

ABMD, NVTA, and IART look interesting on the long side.

# MicroQuad 4 Screen

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Good reasons to be short some of these names...

MicroQuad 4														Sales MicroQuad									
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22	
A	Agilent Technologies, Inc.	\$150.80	-2.46	-6.56	-13.30	47,822	45,729	0.84	2.17	0.93	6,780	1,932	\$4.90	3	3	3	3	3	4	4	4	4	
ABC	AmerisourceBergen Corporation	\$123.98	1.88	0.10	0.41	31,715	26,054	0.72	1.46	0.81	240,288	3,564	\$10.84	3	3	3	3	3	4	4	4	4	
ANTM	Anthem, Inc.	\$447.88	6.72	4.05	18.01	127,808	108,032	0.77	1.74	0.87	152,406	10,278	\$28.48	4	4	4	4	4	4	4	4	4	
BIO	Bio-Rad Laboratories, Inc. Class A	\$734.34	-2.58	-4.75	-6.85	20,998	21,884	0.20	4.32	0.94	2,846	620	\$13.19	4	3	3	3	3	4	4	4	4	
CHE	Chemed Corporation	\$500.04	-0.09	-0.51	5.16	8,258	7,915	0.74	3.22	0.98	2,212	468	\$19.72	1	4	3	3	4	4	4	4	4	
DGX	Quest Diagnostics Incorporated	\$171.89	8.98	16.14	11.06	25,182	21,002	0.32	3.78	0.78	8,893	1,879	\$8.62	1	1	1	1	4	4	4	4	4	
DHR	Danaher Corporation	\$318.49	-0.25	4.22	-1.86	252,173	223,956	0.23	2.14	0.96	30,723	10,495	\$10.15	3	3	3	3	4	4	4	4	4	
EXAS	Exact Sciences Corporation	\$76.50	-5.65	-16.38	-29.26	14,989	13,832	1.67	7.16	0.79	1,977	-376	-\$3.36	1	1	1	1	1	4	1	1	1	
LH	Laboratory Corporation of America Holdings	\$310.13	9.99	7.55	4.80	34,219	29,468	0.70	1.94	0.88	14,406	2,803	\$17.81	1	1	1	1	4	4	4	4	4	
MCK	McKesson Corporation	\$232.45	0.74	5.37	11.89	42,204	35,589	0.81	2.17	0.63	256,429	4,896	\$22.21	1	1	1	1	4	4	4	4	4	
MDT	Medtronic Plc	\$102.21	-9.40	-13.37	-21.20	151,506	135,303	0.58	1.32	0.70	33,534	10,504	\$6.01	2	2	2	2	3	4	1	1	2	
PKI	PerkinElmer, Inc.	\$187.77	0.18	0.14	0.11	26,376	23,674	0.24	4.17	0.95	4,319	1,215	\$6.66	1	1	1	1	3	4	4	4	4	
STE	STERIS Plc	\$230.90	-0.63	-2.28	7.35	26,684	23,259	0.68	1.66	0.83	4,928	1,420	\$8.45	3	3	3	3	3	4	4	4	4	
TNDM	Tandem Diabetes Care, Inc.	\$142.86	6.40	0.34	16.69	9,045	9,144	1.56	9.02	0.94	822	126	\$0.73	3	3	3	3	3	4	4	4	1	
VEEV	Veeva Systems Inc Class A	\$254.23	-4.90	-20.52	-15.86	39,593	35,717	1.10	1.70	0.97	2,129	839	\$3.95	3	3	3	3	3	4	4	4	1	
WST	West Pharmaceutical Services, Inc.	\$444.82	3.64	0.59	-0.85	33,813	33,322	0.45	2.76	0.91	3,070	982	\$9.02	3	3	3	3	3	4	4	4	4	
UNJ	Johnson & Johnson	\$173.01	4.29	6.36	5.01	452,925	442,882	0.21	2.07	0.86	98,064	35,640	\$10.36	3	3	3	4	4	4	4	4	4	
ABBV	AbbVie, Inc.	\$131.78	6.15	13.19	22.32	228,674	228,994	0.47	2.66	0.71	59,587	31,979	\$13.90	4	4	4	4	4	4	4	4	4	
AMGN	Amgen Inc.	\$222.58	4.71	8.37	1.46	151,483	125,327	0.58	4.12	0.84	27,039	16,357	\$17.94	1	1	1	1	1	4	4	4	4	
VRTX	Vertex Pharmaceuticals Incorporated	\$212.61	2.02	12.89	12.91	49,629	54,547	0.02	1.33	0.73	8,162	4,441	\$13.54	4	4	4	4	4	4	4	4	4	
OPCH	Option Care Health Inc	\$25.79	2.59	-3.19	0.16	5,749	4,689	1.39	1.94	0.69	3,678	316	\$0.91	1	1	1	4	4	4	4	4	4	
MRNA	Moderna, Inc.	\$282.02	3.60	20.38	-34.42	119,620	119,527	-1.00	0.98	0.92	20,655	14,736	\$27.09	4	4	4	4	4	4	4	4	4	

This “bin” remains relatively full. NEO moved out, DGX remains in the penalty box along with a mix of larger cap and COVID-comp names like MRNA and LH....

EXAS has joined the “party” here, and we like seeing that (a lot).

# MicroQuad 1 Screen

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Who can make the turn?

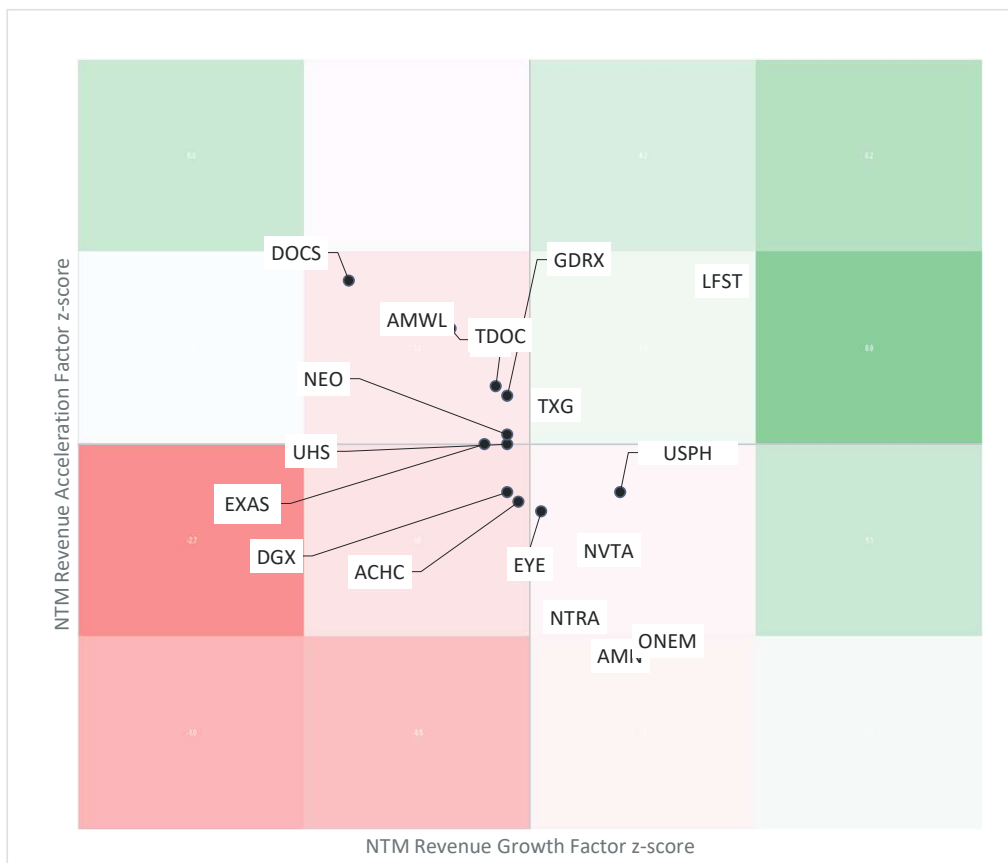
MicroQuad 1														Sales MicroQuad								
Ticker	Name	Price	1W	1M	3M	EV	MCAP	Beta	Days to Cover	Sales Corr	Sales	EBITDA	EPS	J-21	A-21	S-21	O-21	N-21	D-21	J-22	F-22	M-22
ABT	Abbott Laboratories	\$136.09	2.69	3.97	7.33	254,211	242,450	0.38	1.72	0.96	39,954	11,532	\$4.75	1	1	1	1	1	1	4	2	2
AMED	Amedisys, Inc.	\$152.30	-2.94	-15.64	-11.00	5,525	5,017	1.65	1.90	0.90	2,368	303	\$5.96	1	1	1	1	1	1	1	2	2
BAX	Baxter International Inc.	\$83.91	4.16	5.80	0.36	45,541	41,873	0.27	2.86	0.74	13,119	3,279	\$3.95	3	3	3	1	1	1	4	2	2
CRL	Charles River Laboratories International, Inc.	\$360.88	1.07	-8.57	-18.07	21,704	18,316	0.91	2.04	0.91	3,903	1,012	\$11.43	3	3	3	3	4	1	1	1	1
EHC	Encompass Health Corporation	\$63.08	2.05	0.19	-16.91	10,022	6,240	0.78	2.79	0.76	5,481	1,079	\$4.41	3	3	3	3	4	1	4	2	2
FLGT	Fulgent Genetics, Inc.	\$91.29	8.95	-3.01	-0.46	2,707	3,006	0.04	4.67	0.95	607	305	\$6.65	4	4	1	1	1	1	1	1	4
GH	Guardant Health, Inc.	\$97.75	3.70	-7.11	-25.98	10,389	10,481	0.94	2.88	0.78	470	-367	-\$4.39	2	3	3	3	4	1	1	3	2
GKOS	Glaukos Corp	\$41.93	-1.60	-16.32	-22.27	2,113	2,053	1.10	2.78	0.65	270	-20	-\$1.48	3	1	1	1	1	1	2	2	2
HOLX	Hologic, Inc.	\$77.92	3.63	6.48	0.37	22,156	19,538	0.39	2.45	0.85	3,935	1,406	\$3.77	1	1	1	1	1	1	3	2	2
NEO	NeoGenomics, Inc.	\$31.58	-4.45	-22.92	-34.64	4,251	4,200	1.08	7.84	0.94	557	-8	-\$0.48	1	1	1	4	4	1	1	1	2
OPK	OPKO Health, Inc.	\$3.99	3.10	-3.62	1.27	2,970	3,005	1.21	11.44	0.60	1,360	120	\$0.05	1	1	1	1	1	1	4	2	2
PODD	Insulet Corporation	\$258.74	-3.64	-18.38	-11.53	18,718	18,118	1.37	8.05	0.98	1,270	240	\$1.29	3	3	2	2	4	1	3	2	2
SYK	Stryker Corporation	\$251.46	-3.49	-4.13	-7.90	106,560	94,770	1.00	2.47	0.96	18,300	5,367	\$10.15	1	1	1	1	1	1	1	1	1
TDOC	Teladoc Health, Inc.	\$87.43	-7.95	-35.71	-38.93	16,051	15,652	0.91	3.76	0.73	2,554	349	-\$1.80	4	1	1	1	1	1	1	1	1
TFX	Teleflex Incorporated	\$318.00	-0.73	-6.67	-17.52	16,939	15,061	1.09	1.55	0.90	2,944	910	\$14.23	2	2	2	2	1	1	3	2	2

GH, TDOC remain, NEO joins...

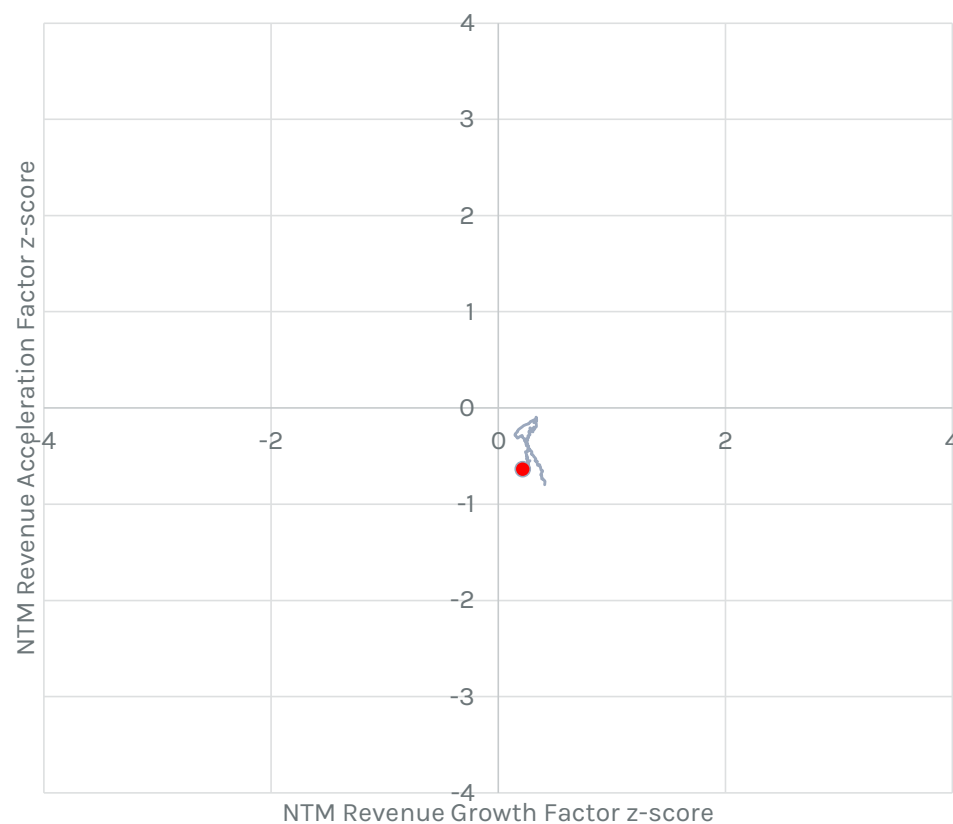
# Position Monitor | December 17, 2021

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## Sigma Positioning – Current Position Monitor



## Sigma Positioning – Universe Average

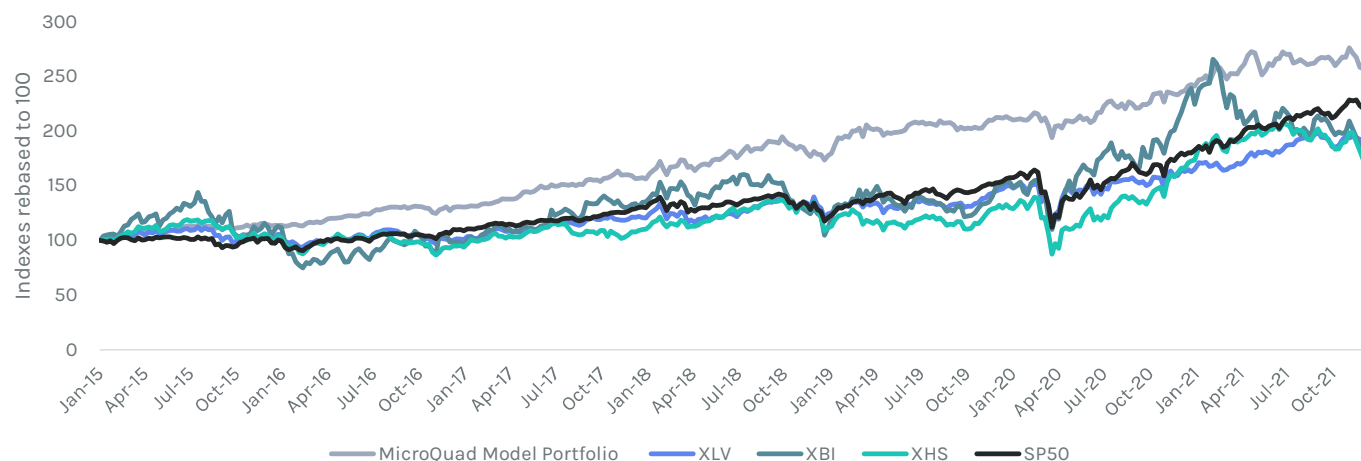




# MicroQuad Model Portfolio

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## Wrap up for the week of 12/17/2021



Particulars	MQ2	MQ3	MQ4	MQ1
Number of Tickers	0	0	0	0
Average % Change	2.5%	2.4%	2.3%	2.8%
Average % Gain/ Loss	2.5%	2.4%	-2.3%	-2.8%
Average Weeks	16	28	9	15
Contribution to the weekly P&L	1.0%	1.7%	-0.2%	-0.8%

For the week ending 12/17/2021, the model portfolio was down 1.6% MoM and up 1.6% week/week, with MicroQuad 2 weakness having the greatest impact.

The allocation for each MicroQuad is based on the Macro Quad 1 allocations listed in the table below.

		Micro Quad			
		1	2	3	4
Macro Quad	1	80%	30%	-10%	-30%
	2	80%	30%	-10%	-40%
	3	70%	20%	-10%	-50%
	4	70%	20%	-10%	-60%

Particulars	WoW	MoM	YTD	YoY	Since 2015
Model Portfolio	1.6%	-1.6%	9.2%	9.0%	14.9%
XLV	2.5%	3.7%	21.6%	22.1%	10.5%
XBI	5.2%	-5.2%	-17.9%	-21.6%	9.1%
XHS	0.7%	-4.3%	5.0%	6.4%	9.0%
SP50	-2.0%	-1.7%	23.0%	24.5%	12.3%