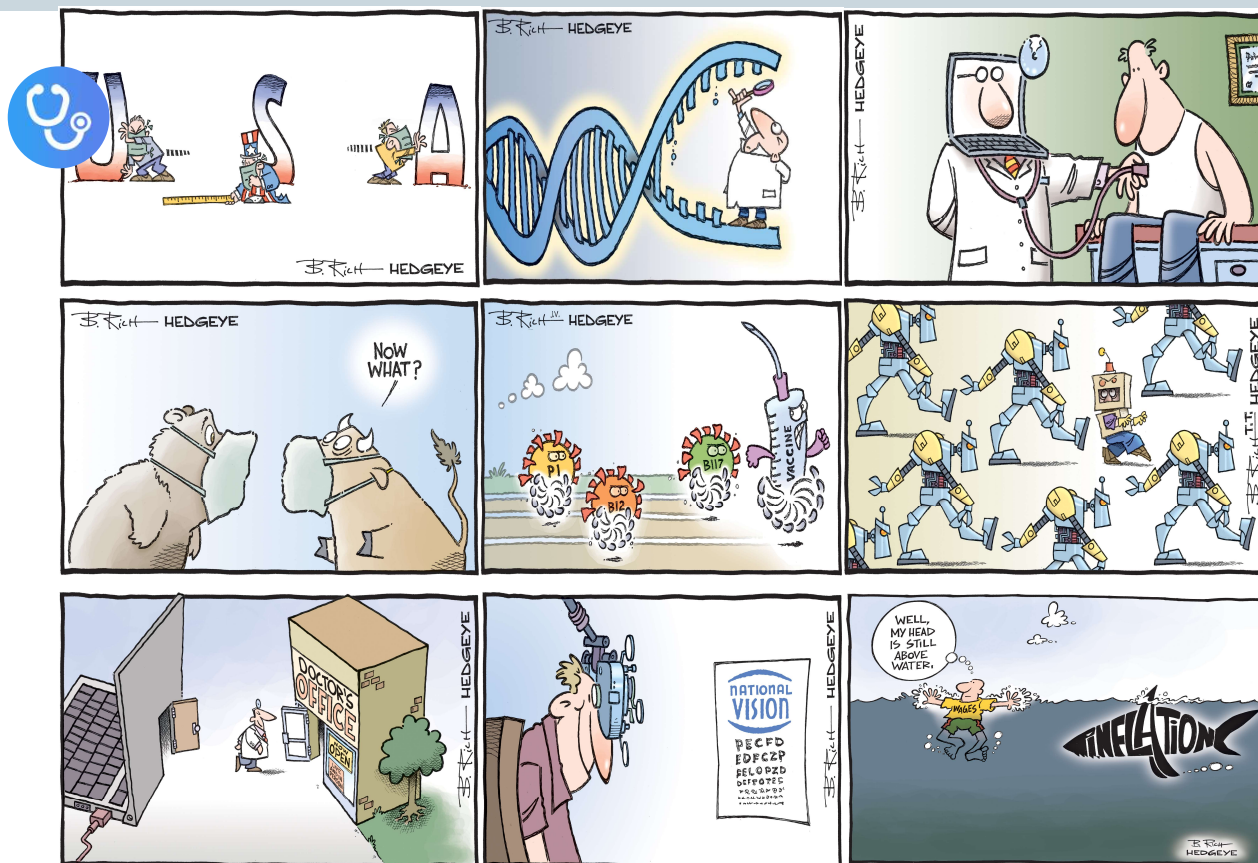


HEDGEYE

Hedgeye Health Care: Weekly Sector Distillation

For the week ending Dec. 23, 2021

December 27, 2021



Hedgeye Health Care

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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

HEDGEYE

For Week of December 27, 2021: Added XHS to the Short side

Best Ideas - Longs						Best Ideas - Shorts					
		Price	Mkt Cap (\$B)	Trend	Tail			Price	Mkt Cap (\$B)	Trend	Tail
Active Longs						Active Shorts					
NTRA	Natera, Inc.	\$ 92.04	\$8.7B	✓	✓	ACHC	Acadia Healthcare Company, Inc.	\$ 58.85	\$5.3B	x	x
LFST	Lifescience Health Group, Inc.	\$ 10.37	\$3.9B	✓	✓	TDOC	Teladoc Health, Inc.	\$ 92.97	\$14.9B	x	x
AMN	AMN Healthcare Services, Inc.	\$ 126.62	\$6.0B	✓	✓	EXAS	Exact Sciences Corporation	\$ 74.42	\$12.8B	x	x
ONEM	1Life Healthcare, Inc.	\$ 17.11	\$3.3B	✓	✓	XHS	SPDR S&P Health Care Services ETF	\$ 105.53	\$0.1B	x	x
DGX	Quest Diagnostics Incorporated	\$ 168.89	\$20.7B	✓	✓	ARKG	ARK Genomic Revolution ETF	\$ 62.14	\$5.3B	x	x
DRIO	DarioHealth Corp.	\$ 13.23	\$0.2B	✓	✓						
ATIP	ATI Physical Therapy, Inc. Class A	\$ 3.23	\$0.7B	✓	✓						
Long Bias						Short Bias					
CTKB	Cytek Biosciences, Inc.	\$ 17.06	\$2.3B			UHS	Universal Health Services, Inc. Class B	\$ 128.20	\$9.4B		
GDRX	GoodRx Holdings, Inc. Class A	\$ 33.47	\$14.8B			AMWL	American Well Corporation Class A	\$ 6.17	\$1.4B		
DOCS	Doximity, Inc. Class A	\$ 52.23	\$3.2B			ME	23andMe Holding Co Class A	\$ 7.25	\$0.9B		
TXG	10x Genomics Inc Class A	\$ 146.42	\$13.4B								
EYE	National Vision Holdings, Inc.	\$ 48.37	\$4.0B								
NVTA	Invitae Corp.	\$ 15.13	\$3.4B								
GH	Guardant Health, Inc.	\$ 96.17	\$9.8B								
BFLY	Butterfly Network, Inc. Class A	\$ 6.96	\$1.2B								
NEO	NeoGenomics, Inc.	\$ 33.26	\$4.1B								

Note

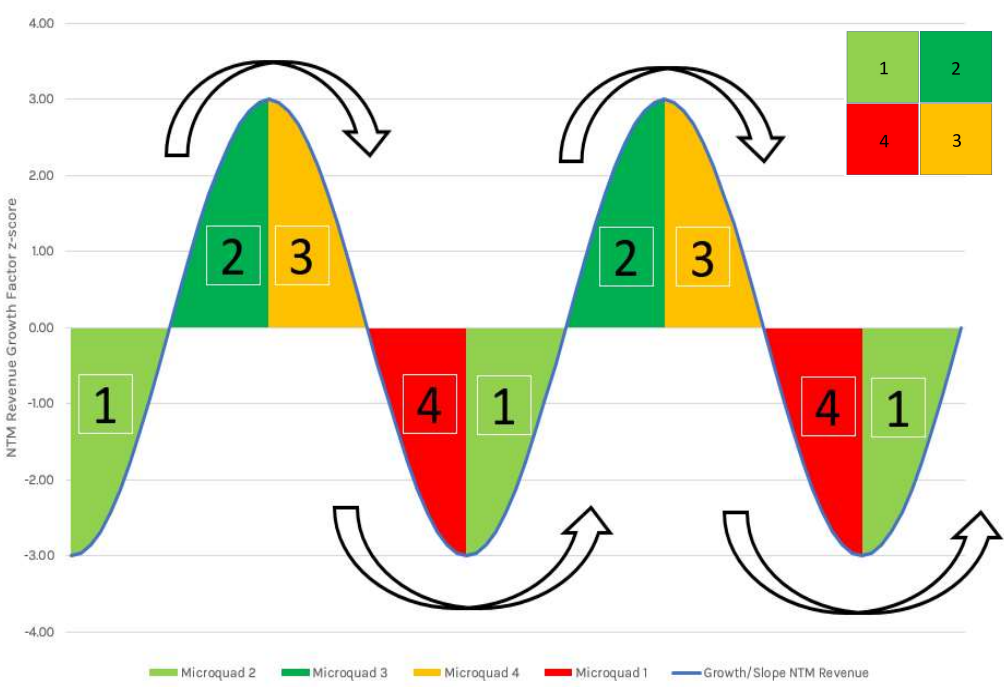
Best Idea Longs/Shorts are high conviction ideas that we've either presented a Black Book for already or have one in the works (similar to other Hedgeye teams). Bias ideas are ones in which we've done the bulk of the work, but there may be another question we need to answer to move it over the line.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

Disclaimer

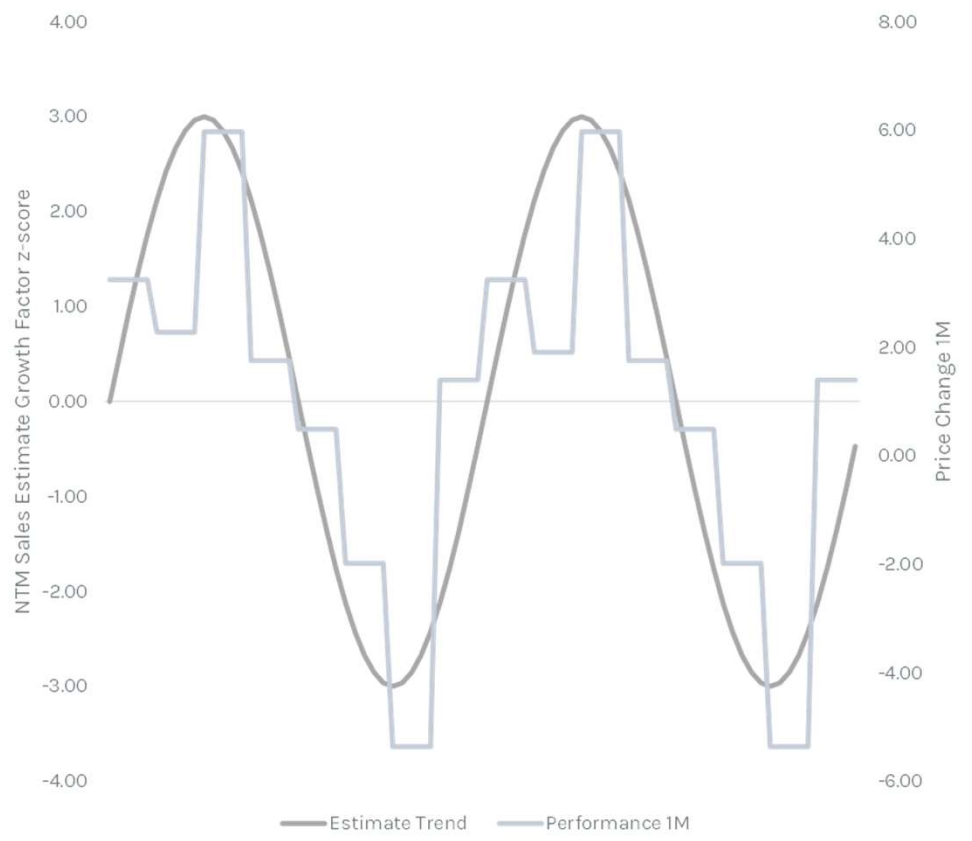
Hedgeye's "bias" represents Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on the bias and representation of a company on the bias does not forecast 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. 23

HEDGEYE

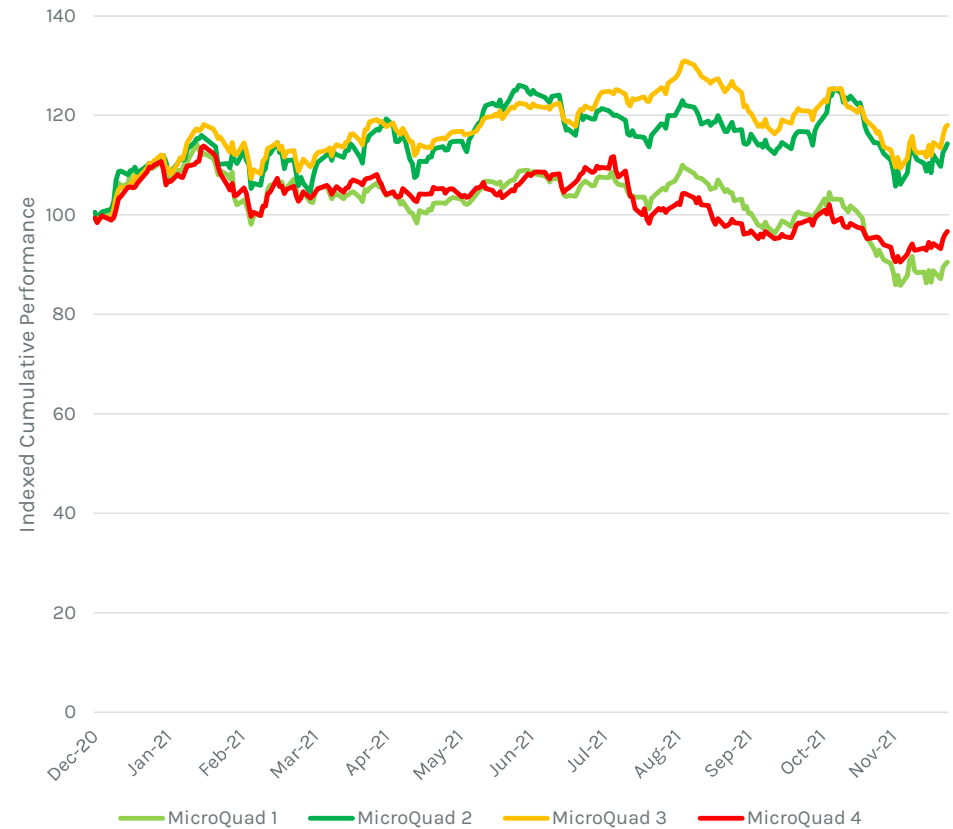
MicroQuad – Percentage Change

Average Performance (%)					
MicroQuad	1WK	1M	3M	6M	12M
1	1.73	-2.47	-11.20	-17.34	-17.95
2	2.25	-0.05	0.12	-9.32	5.37
3	3.48	1.32	-3.89	-3.55	11.76
4	2.46	1.31	0.39	-11.89	-8.94

Batting Average					
MicroQuad	1WK	1M	3M	6M	12M
1	0.614	0.498	0.474	0.471	0.483
2	0.608	0.465	0.487	0.479	0.494
3	0.691	0.525	0.513	0.506	0.515
4	0.662	0.541	0.528	0.505	0.498

Slugging Percentage					
MicroQuad	1WK	1M	3M	6M	12M
1	1.063	-1.231	-5.306	-8.170	-8.670
2	1.371	-0.025	0.057	-4.459	2.650
3	2.407	0.693	-1.995	-1.794	6.059
4	1.628	0.707	0.207	-6.009	-4.449

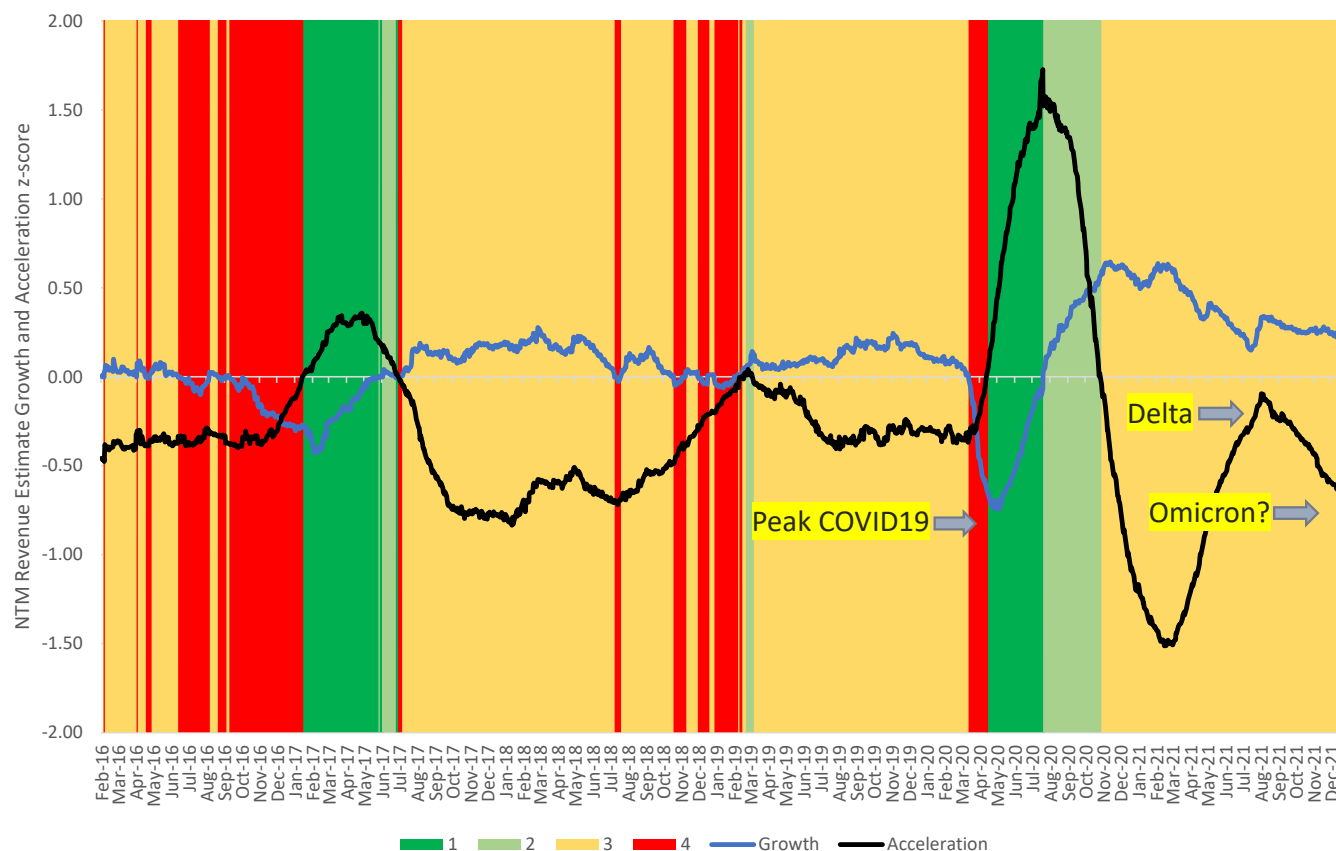
Percentage Change – 1Y Index by MicroQuad



Estimate Revision Trend | December 23, 2021

HEDGEYE

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



Data updated through 12/23/2021. 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, the low rate of hospitalizations relative to exploding case counts and prior waves is encouraging.

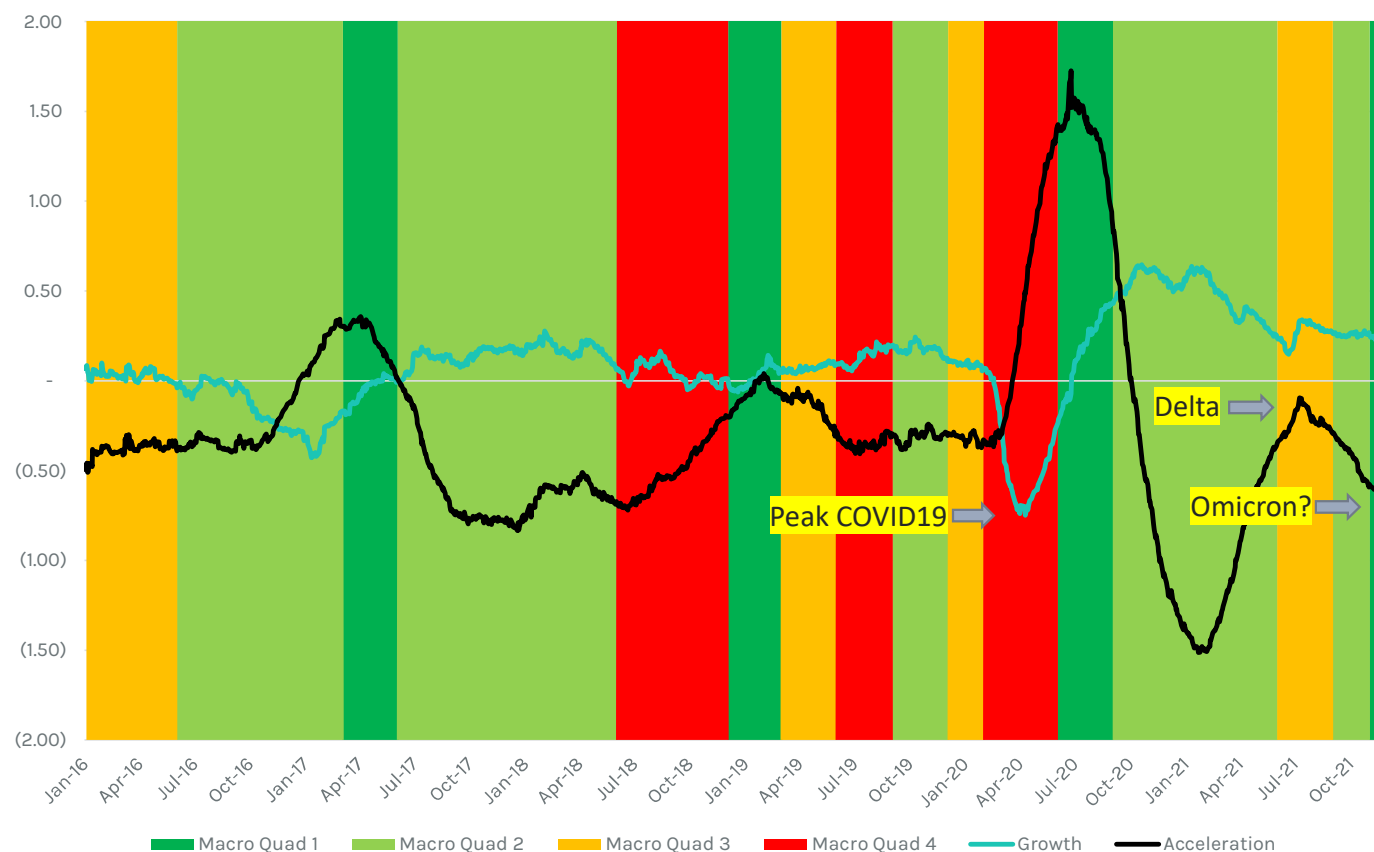
If the peak in cases comes in January, with the current Macro Quad 1/4 backdrop heading into 1Q22, we could see the rates of change improve as FY 2022 comes into focus for sell side analysts.

In aggregate, our universe remains in MicroQuad 3.

Estimate Revision Trend | December 23, 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.

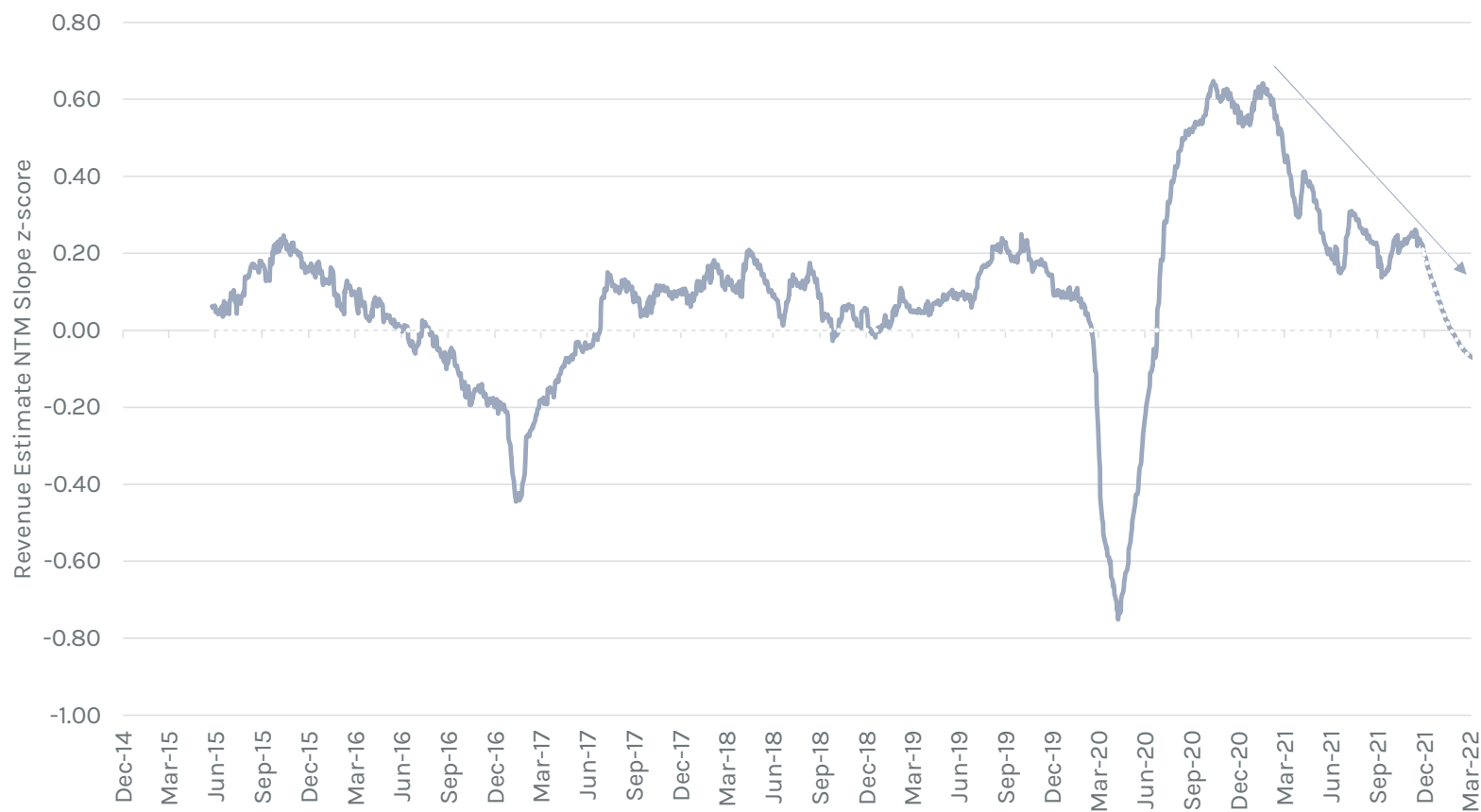
The data here go back 5 years, and it looks like mid-Quad 2 there's a shift that pushes the acceleration higher, and then in Macro Quad 4, there's a meaningful uptick as well (while growth - the blue line) falters.

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, possibly early 2Q22...



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, or maybe early 2Q22 given how steep the forecast is.

MicroQuad Screen | Dec 23, 2021

Active Long

Active Short

Bench Long

Bench Short

HEDGEYE

MicroQuad1

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

MicroQuad2

BDX
 CERN
 CHNG
 ENSG
 HRC
 LHCG
 LLY
 OMCL
 SGRY
TXG

MicroQuad3

ABMD IART PEN WAT
 ALGN ICUI 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 PRSC
 HUM **NTRA** VCRA
 HCAT **NVTA** UNH

MicroQuad4

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

MicroQuad 2 Screen

HEDGEYE

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

MicroQuad 2														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
BDX	Becton, Dickinson and Company	\$248.91	-3.23	0.94	-1.69	88,382	70,950	0.06	1.59	0.84	19,661	5,573	\$12.71	1	1	1	1	3	2	2	2	2
CERN	Cerner Corporation	\$91.84	15.54	24.23	25.84	28,488	26,837	0.16	5.84	0.54	6,083	2,064	\$3.67	3	3	2	2	2	2	2	2	2
ENSG	Ensign Group, Inc.	\$81.80	7.50	0.17	8.49	5,632	4,520	1.10	6.20	0.93	2,883	369	\$3.93	3	1	1	1	2	2	2	2	2
HRC	Hill-Rom Holdings, Inc.	\$155.96	0.00	0.24	3.97	12,288	#N/A	0.00	11.01	0.87	3,154	701	\$6.69	3	3	3	3	2	2	2	2	3
LHCG	LHC Group, Inc.	\$135.99	9.15	4.41	-15.15	4,819	4,307	1.91	3.25	0.76	2,449	287	\$6.04	2	2	2	2	2	2	2	2	2
OMCL	Omnicell, Inc.	\$175.66	0.23	-4.34	13.88	8,546	7,719	0.28	11.10	0.96	1,286	285	\$4.12	3	2	2	2	2	2	3	3	3
SGRY	Surgery Partners, Inc.	\$53.49	16.97	13.69	27.36	8,299	4,730	2.78	3.49	0.61	2,464	368	\$0.28	3	3	4	2	2	2	3	3	3
TXG	10x Genomics Inc Class A	\$146.09	7.31	-0.80	-5.23	15,677	13,380	1.22	3.16	0.85	679	4	-\$0.30	2	2	2	2	2	2	2	2	2
CHNG	Change Healthcare, Inc.	\$21.35	2.20	3.09	-0.09	11,592	6,650	0.46	13.60	0.61	3,599	1,126	\$1.64	2	2	2	2	3	2	2	2	2
LLY	Eli Lilly and Company	\$273.10	-2.13	4.25	17.88	262,197	261,245	0.78	1.97	0.90	27,888	9,845	\$8.38	1	1	1	4	2	2	2	2	2

MQ2 – CERN was the big winner following the ORCL buyout news, but SGRY has also been marching higher recently.

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

HEDGEYE

Slowing, with some deteriorating further in 4Q21, but these stocks are still Longs...

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.	\$352.21	13.62	7.32	0.53	15,519	16,024	1.31	4.12	0.56	1,138	304	\$4.79	2	2	2	3	3	3	3	3	3	
ALGN	Align Technology, Inc.	\$653.98	9.90	-0.50	-9.83	50,861	51,568	1.66	2.70	0.90	4,786	1,458	\$13.45	3	3	3	3	3	3	3	3	3	
AMN	AMN Healthcare Services, Inc.	\$122.33	7.56	4.86	6.14	6,598	5,783	0.32	2.10	0.92	3,648	520	\$6.11	3	3	4	4	3	3	3	4	4	
ATRC	AtriCure, Inc.	\$73.36	10.22	-2.69	2.24	3,332	3,370	1.89	3.90	0.85	321	-3	-\$0.90	2	2	3	3	3	3	3	3	4	
BSX	Boston Scientific Corporation	\$42.72	5.66	6.19	-4.43	68,689	60,876	1.15	1.62	0.89	12,931	3,654	\$1.86	2	2	3	3	3	3	3	4	4	
CNMD	CONMED Corporation	\$142.02	7.42	-0.58	9.44	5,249	4,154	1.35	8.93	0.93	1,103	232	\$3.73	2	2	2	3	3	3	4	4	4	
COO	Cooper Companies, Inc.	\$411.21	4.14	3.20	-6.41	22,129	20,317	0.81	4.97	0.88	3,191	1,081	\$14.42	3	3	2	2	3	3	3	3	3	
DXCM	DexCom, Inc.	\$572.01	8.06	-3.05	2.01	56,673	55,440	1.27	4.39	0.96	2,977	602	\$3.55	1	2	3	3	3	3	3	4	4	
GMED	Globus Medical Inc Class A	\$72.22	9.03	8.15	-11.08	6,993	5,708	1.07	1.55	0.89	1,047	374	\$2.23	2	2	2	3	3	3	3	4	4	
HCA	HCA Healthcare Inc	\$252.05	-0.76	4.30	-1.67	117,094	78,393	1.04	2.03	0.88	61,566	12,918	\$18.64	2	3	3	3	3	3	3	4	4	
HUM	Humana Inc.	\$460.54	0.67	5.33	15.45	67,506	59,195	0.49	1.65	0.90	92,591	4,786	\$23.92	1	2	3	3	3	3	4	4	4	
IART	Integra LifeSciences Holdings Corporation	\$68.28	7.78	2.14	-5.40	7,017	5,783	0.91	14.73	0.59	1,628	443	\$3.42	2	2	2	2	2	3	3	3	3	
ICUI	ICU Medical, Inc.	\$235.65	3.99	-2.73	-2.95	4,630	5,005	0.63	2.39	0.57	1,308	283	\$7.67	3	3	3	3	3	3	3	3	3	
ILMN	illumina, Inc.	\$382.29	0.90	4.53	-11.67	59,762	59,752	0.77	2.00	0.88	4,859	1,006	\$4.28	3	3	3	3	3	3	3	3	3	
INOV	Inovalon Holdings, Inc. Class A	\$41.06	0.00	0.00	1.61	7,044	#N/A	0.00	#N/A	0.78	883	310	\$0.00	3	3	3	3	3	3	3	3	3	
IRTC	iRhythm Technologies, Inc.	\$118.81	18.85	22.97	103.41	3,358	3,496	0.49	2.14	0.63	363	-46	-\$3.24	1	1	3	2	3	3	3	4	4	
ISRG	Intuitive Surgical, Inc.	\$363.94	8.79	8.35	-65.12	129,454	129,916	1.56	1.64	0.70	6,403	2,744	\$5.56	3	3	3	3	3	3	3	4	4	
MEDP	Medpace Holdings, Inc.	\$223.37	6.57	5.06	12.69	8,125	8,028	0.83	3.87	0.92	1,430	273	\$5.47	4	2	2	3	3	3	4	4	4	
MMSI	Merit Medical Systems, Inc.	\$63.73	5.08	-6.92	-11.80	3,952	3,598	1.15	5.10	0.51	1,123	226	\$2.37	1	2	3	3	3	3	3	4	4	
MOH	Molina Healthcare, Inc.	\$316.73	3.21	3.34	10.11	16,522	18,497	1.49	3.26	0.89	30,520	1,511	\$16.82	3	3	3	3	3	3	4	4	4	
MTD	Mettler-Toledo International Inc.	\$1,626.23	3.86	6.69	4.46	39,553	37,380	0.84	4.12	0.91	3,905	1,216	\$37.53	3	3	3	3	3	3	4	4	4	
NTRA	Natera, Inc.	\$93.80	5.12	-1.81	-20.59	8,043	8,873	1.26	6.20	0.92	758	-427	-\$4.98	3	3	3	3	3	3	3	4	4	
NVTA	Invitae Corp.	\$16.61	7.44	-5.84	-44.74	4,102	3,760	1.41	5.97	0.77	647	-500	-\$2.84	2	2	2	3	3	3	3	3	2	
PEN	Penumbra, Inc.	\$275.55	11.51	7.38	-1.14	10,265	10,294	1.23	12.11	0.91	859	86	\$1.27	3	3	3	3	3	3	3	3	3	
PRSC	ModivCare Inc.	\$152.14	11.96	5.53	-14.13	3,022	2,130	1.28	5.75	0.87	2,340	217	\$7.49	4	1	1	1	3	2	3	3	3	
Q	IQVIA Holdings Inc	\$278.01	4.34	4.80	6.27	65,216	53,111	0.98	2.26	0.93	14,858	3,310	\$10.10	3	3	3	3	3	3	3	4	4	
QDEL	Quidel Corporation	\$137.39	-9.84	1.65	-6.50	5,398	5,726	-1.38	5.78	0.78	969	495	\$7.37	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 smaller allocations on the long side 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	\$24.29	4.70	-4.14	13.88	8,501	6,743	0.79	6.12	0.86	1,695	406	\$0.64	2	2	2	3	3	3	3	3	3	
RGEN	Repligen Corporation	\$264.65	3.03	-1.92	-18.13	14,875	14,632	-0.03	4.02	0.97	795	259	\$3.13	3	3	3	3	3	3	4	4	4	
RMD	ResMed Inc.	\$258.82	1.99	1.75	-7.39	38,684	37,716	0.89	1.76	0.96	3,937	1,362	\$6.65	2	2	3	3	3	3	4	4	4	
SEM	Select Medical Holdings Corporation	\$29.03	3.13	-4.41	-18.46	8,427	3,894	1.65	3.11	0.72	6,284	939	\$2.94	2	2	3	3	3	3	3	3	4	
STAA	STAAR Surgical Company	\$96.26	9.36	-6.98	-32.47	4,601	4,582	1.73	5.49	0.88	293	53	\$0.97	3	3	3	3	3	3	3	3	3	
TECH	Bio-Techne Corporation	\$494.65	7.18	4.64	-8.21	20,509	19,437	0.98	1.97	0.98	1,161	468	\$8.33	3	3	3	3	3	3	3	3	3	
TMO	Thermo Fisher Scientific Inc.	\$650.70	-1.60	2.84	6.71	267,988	256,407	0.42	1.91	0.98	39,880	11,179	\$21.38	1	1	1	1	3	3	3	4	4	
UNH	UnitedHealth Group Incorporated	\$495.38	0.51	10.79	21.69	503,322	466,574	0.81	1.74	0.94	315,755	30,274	\$21.57	3	3	3	3	3	3	3	3	3	
VCRA	Vocera Communications, Inc.	\$65.52	8.78	8.08	44.19	2,303	2,280	0.09	11.88	0.84	265	46	\$0.82	3	3	3	3	3	3	3	3	3	
WAT	Waters Corporation	\$361.71	3.32	5.57	-8.10	23,429	22,077	0.92	5.12	0.89	2,904	1,000	\$11.79	3	3	3	3	3	3	3	4	4	
MRK	Merck & Co., Inc.	\$75.73	-0.24	-8.54	2.88	208,545	191,290	-0.04	1.15	0.75	56,153	23,688	\$7.18	1	1	1	4	2	3	3	3	4	
PFE	Pfizer Inc.	\$58.71	-4.15	14.94	33.61	346,573	329,531	-1.23	1.50	0.63	94,853	40,950	\$6.00	3	3	4	4	3	3	3	3	4	
ZTS	Zoetis, Inc. Class A	\$242.51	4.17	8.43	18.45	118,988	114,738	0.64	1.51	0.97	8,385	3,631	\$5.21	3	3	3	3	3	3	4	4	4	
IQV	IQVIA Holdings Inc	\$278.01	4.34	4.80	6.27	65,216	53,111	0.98	2.26	0.93	14,858	3,310	\$10.10	3	3	3	3	3	3	3	4	4	
EYE	National Vision Holdings, Inc.	\$47.84	3.01	-3.99	-21.19	5,189	3,956	0.92	6.67	0.60	2,212	281	\$1.33	2	2	2	3	3	3	4	4	4	
PHR	Phreesia, Inc.	\$44.23	10.80	-28.55	-32.32	1,868	2,266	1.00	4.62	0.84	258	-121	-\$3.61	-	3	3	3	3	3	3	3	3	
HCAT	Health Catalyst, Inc.	\$39.48	6.24	-10.82	-26.48	1,681	2,055	1.37	10.07	0.76	291	-2	-\$0.45	-	2	3	3	3	3	3	3	2	
PCRX	Pacira Biosciences, Inc.	\$61.66	9.64	13.43	6.57	2,664	2,747	0.82	15.94	0.69	706	265	\$4.01	2	2	3	3	3	3	3	3	3	
TWST	Twist Bioscience Corp.	\$84.50	8.92	-12.61	-24.63	3,662	4,194	2.24	5.20	0.80	201	-232	-\$4.73	-	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.

HCAT and NVTX look interesting on the long side, but there's a lot less green looking out to March 2022.

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.	\$157.80	4.64	1.95	-8.47	49,781	47,656	0.92	2.17	0.93	6,789	1,935	\$4.91	3	3	3	3	3	4	4	4	4	
ABC	AmerisourceBergen Corporation	\$129.53	4.48	4.75	5.91	32,622	26,960	0.66	1.46	0.82	240,532	3,568	\$10.85	3	3	3	3	3	4	4	4	4	
ANTM	Anthem, Inc.	\$455.71	1.75	7.57	19.51	130,418	110,608	0.81	1.74	0.87	152,698	10,286	\$28.53	4	4	4	4	4	4	4	4	4	
BIO	Bio-Rad Laboratories, Inc. Class A	\$746.26	1.62	0.69	-7.06	21,445	22,339	0.29	4.32	0.94	2,845	619	\$13.15	4	3	3	3	3	4	4	4	4	
CHE	Chemed Corporation	\$525.31	5.05	5.06	12.15	8,436	8,087	0.72	3.22	0.98	2,214	468	\$19.73	1	4	3	3	4	4	4	4	4	
DGX	Quest Diagnostics Incorporated	\$167.05	-2.82	10.60	9.12	24,663	20,493	0.10	3.78	0.78	8,880	1,866	\$8.55	1	1	1	1	4	4	4	4	4	
DHR	Danaher Corporation	\$320.79	0.72	2.32	-1.14	257,538	229,229	0.23	2.14	0.96	30,755	10,504	\$10.15	3	3	3	3	4	4	4	4	4	
EXAS	Exact Sciences Corporation	\$78.12	2.12	-8.15	-18.64	14,619	13,462	1.56	7.16	0.79	1,979	-377	-\$3.38	1	1	1	1	1	4	4	1	1	
IDXX	IDEXX Laboratories, Inc.	\$645.02	6.17	4.04	-5.09	56,620	54,694	1.37	1.68	0.96	3,532	1,156	\$9.44	3	3	3	3	3	4	4	4	4	
LH	Laboratory Corporation of America Holdings	\$301.91	-2.65	5.60	1.87	33,635	28,893	0.44	1.94	0.88	14,387	2,781	\$17.65	1	1	1	1	4	4	4	4	4	
MCK	McKesson Corporation	\$240.78	3.58	6.33	18.52	43,403	36,763	0.71	2.17	0.64	256,340	4,892	\$22.20	1	1	1	1	4	4	4	4	4	
MDT	Medtronic Plc	\$102.90	0.68	-9.24	-20.86	154,582	138,355	0.70	1.32	0.70	33,543	10,516	\$6.01	2	2	2	2	3	4	4	1	3	
PKI	PerkinElmer, Inc.	\$193.77	3.20	7.88	5.95	27,087	24,454	0.23	4.17	0.95	4,307	1,204	\$6.57	1	1	1	1	3	4	4	4	4	
STE	STERIS Plc	\$241.07	4.40	5.33	9.47	27,543	24,113	0.81	1.66	0.84	4,910	1,416	\$8.45	3	3	3	3	3	4	4	4	4	
TNDM	Tandem Diabetes Care, Inc.	\$151.80	6.26	16.20	22.65	9,555	9,644	1.41	9.02	0.94	825	127	\$0.74	3	3	3	3	3	4	4	4	4	
VEEV	Veeva Systems Inc Class A	\$260.61	2.51	-9.64	-13.11	40,193	36,229	1.26	1.70	0.96	2,135	841	\$3.95	3	3	3	3	3	4	4	4	1	
WST	West Pharmaceutical Services, Inc.	\$459.84	3.38	6.77	0.60	34,575	34,065	0.57	2.76	0.91	3,075	984	\$9.03	3	3	3	3	3	4	4	4	4	
JNJ	Johnson & Johnson	\$168.25	-2.75	4.70	2.37	452,979	442,934	0.16	2.07	0.86	98,136	35,678	\$10.37	3	3	3	4	4	4	4	4	4	
ABBV	AbbVie, Inc.	\$133.09	0.99	11.95	24.30	305,000	235,287	0.34	2.66	0.71	59,655	32,010	\$13.93	4	4	4	4	4	4	4	4	4	
AMGN	Amgen Inc.	\$223.79	0.54	9.42	4.77	152,218	126,053	0.54	4.12	0.84	27,050	16,366	\$17.96	1	1	1	1	1	4	4	4	4	
VRTX	Vertex Pharmaceuticals Incorporated	\$223.45	5.10	19.59	21.70	51,943	56,813	0.09	1.33	0.72	8,175	4,439	\$13.55	4	4	4	4	4	4	4	4	4	
OPCH	Option Care Health Inc	\$27.96	8.41	3.52	14.08	6,092	5,029	1.50	1.94	0.70	3,683	317	\$0.92	1	1	1	1	4	4	4	4	4	
MRNA	Moderna . INC.	\$249.99	-11.36	-9.55	-41.88	119,620	119,527	-0.95	0.98	0.92	20,718	14,783	\$27.11	4	4	4	4	4	4	4	4	4	

This “bin” remains relatively full of COVID-comp stocks. DGX remains in the penalty box, but the stock has performed well for us. MRNA and LH remain; AMGN, ABBV, JNJ, and others look vulnerable.

The average for EXAS remains a headwind through January. We'll be watching the out months.

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	\$139.16	2.26	11.79	11.89	257,878	246,075	0.42	1.72	0.96	39,973	11,524	\$4.75	1	1	1	1	1	1	1	2	2
AMED	Amedisys, Inc.	\$161.51	6.05	0.77	3.97	5,776	5,266	1.78	1.90	0.90	2,371	303	\$5.95	1	1	1	1	1	1	1	3	2
BAX	Baxter International Inc.	\$85.55	1.95	9.11	5.81	46,512	42,834	0.40	2.86	0.74	13,132	3,283	\$3.92	3	3	3	1	1	1	1	2	2
CRL	Charles River Laboratories International, Inc.	\$369.20	2.31	-0.21	-19.44	22,026	18,631	0.92	2.04	0.91	3,911	1,014	\$11.45	3	3	3	3	4	1	1	1	1
EHC	Encompass Health Corporation	\$64.11	1.63	0.53	-16.75	10,161	6,378	0.84	2.79	0.75	5,489	1,080	\$4.41	3	3	3	3	4	1	4	2	2
FLGT	Fulgent Genetics, Inc.	\$100.21	9.77	15.72	17.56	2,690	2,989	-0.23	4.67	0.95	600	298	\$6.47	4	4	1	1	1	1	1	1	1
GH	Guardant Health, Inc.	\$97.48	-0.28	4.94	-24.08	9,819	9,909	0.92	2.88	0.77	472	-366	-\$4.40	2	3	3	3	4	1	1	3	2
GKOS	Glaukos Corp	\$46.80	11.61	0.28	-7.51	2,262	2,194	1.38	2.78	0.64	270	-21	-\$1.49	3	1	1	1	1	1	3	2	2
HOLX	Hologic, Inc.	\$76.12	-2.31	2.38	-0.47	21,743	19,138	0.27	2.45	0.85	3,936	1,407	\$3.77	1	1	1	1	1	1	4	2	2
MASI	Masimo Corporation	\$293.34	7.14	2.51	3.45	16,295	16,199	0.96	6.18	0.97	1,346	409	\$4.36	4	3	4	4	3	4	4	4	4
NEO	NeoGenomics, Inc.	\$34.33	8.71	-7.91	-26.74	4,278	4,227	1.22	7.84	0.94	559	-8	-\$0.49	1	1	1	4	4	1	1	4	2
OPK	OPKO Health, Inc.	\$4.77	19.55	12.24	27.20	3,205	3,250	1.23	11.44	0.61	1,354	120	\$0.05	1	1	1	1	1	1	4	2	2
PODD	Insulet Corporation	\$273.26	5.61	-6.03	-5.51	19,453	18,846	1.52	8.05	0.98	1,276	241	\$1.34	3	3	2	2	4	1	2	2	2
SYK	Stryker Corporation	\$268.25	6.68	5.39	-3.03	113,077	101,195	1.19	2.47	0.96	18,315	5,372	\$10.17	1	1	1	1	1	1	1	1	1
TDOC	Teladoc Health, Inc.	\$95.09	8.76	-7.89	-29.51	15,624	15,223	0.91	3.76	0.72	2,565	351	-\$1.77	4	1	1	1	1	1	1	1	1
TFX	Teleflex Incorporated	\$327.38	2.95	3.83	-15.64	17,218	15,336	1.24	1.55	0.90	2,947	911	\$14.25	2	2	2	2	1	1	3	2	2

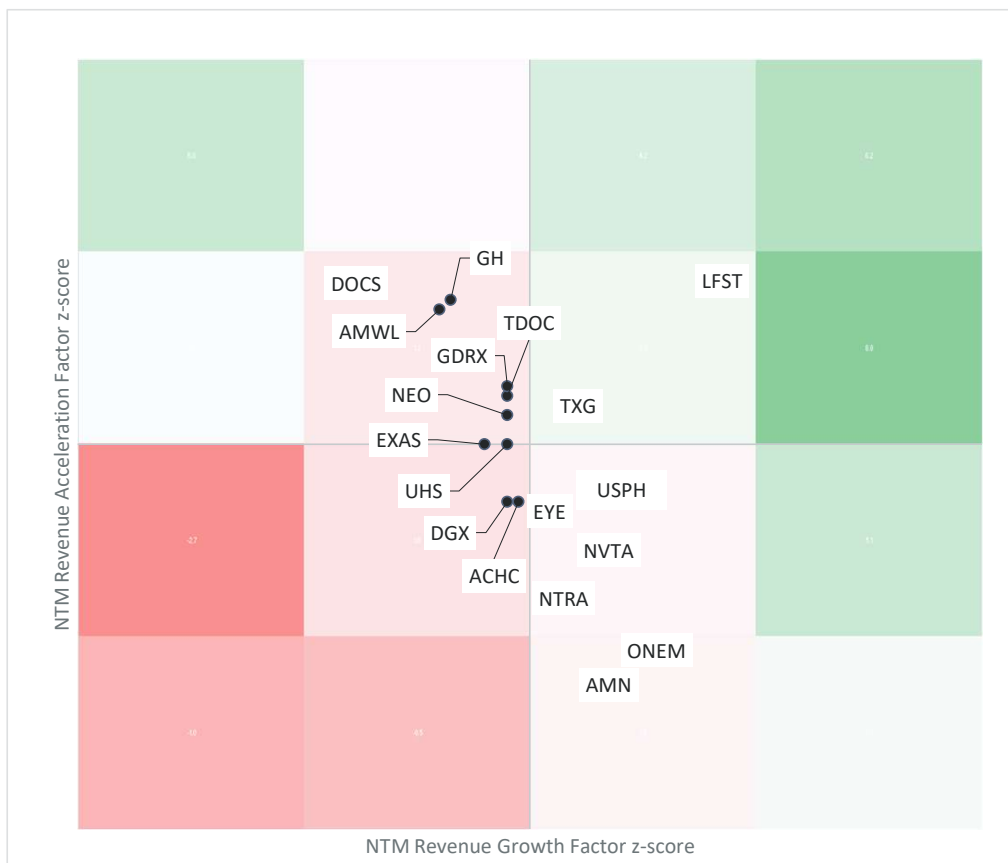
GH, TDOC, and NEO remain. MASI slips back to MQ1 after a brief stay in MicroQuad 2.

Watching to see if some of the larger cap stocks like SYK and ABT will rotate back to MQ2.

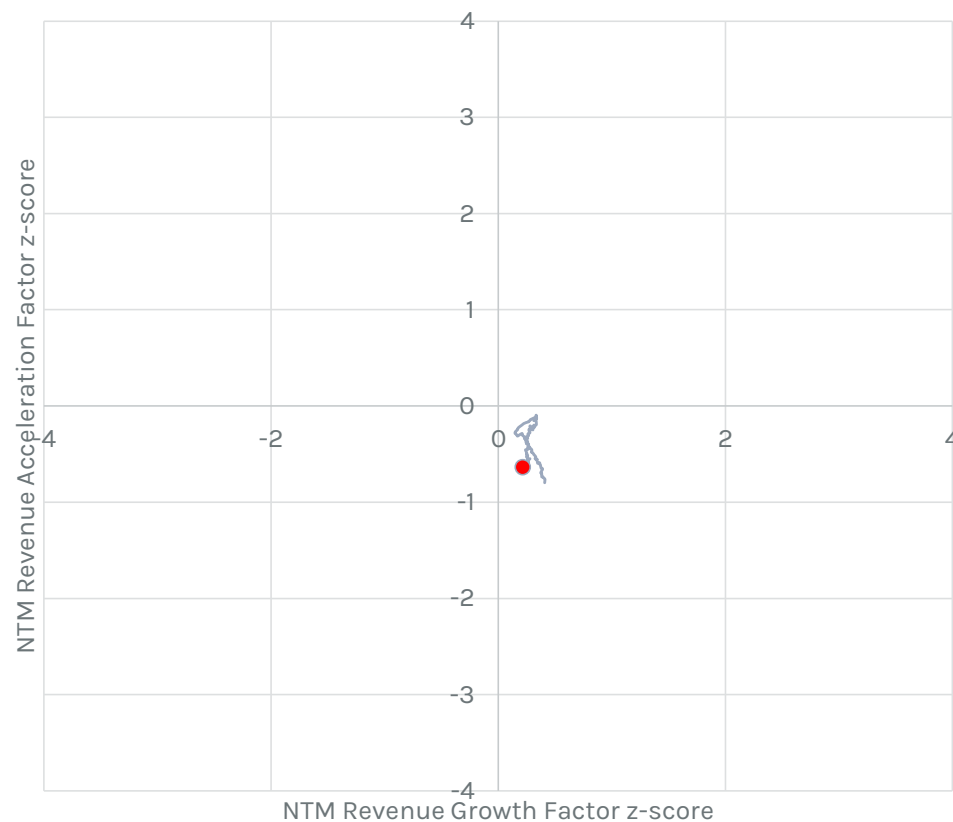
Position Monitor | December 23, 2021

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Sigma Positioning – Current Position Monitor



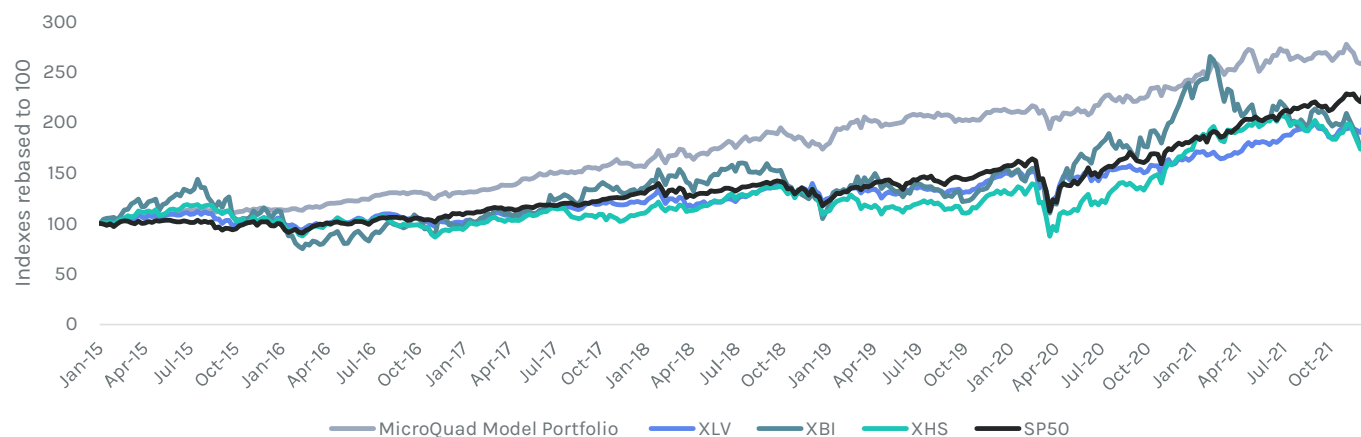
Sigma Positioning – Universe Average



MicroQuad Model Portfolio

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Wrap up for the week of 12/23/2021



For the week ending 12/23/2021, the model portfolio was up 4.4% MoM and +2.5% week/week, with MicroQuad 2 strength having the greatest impact.

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

Particulars	MQ1	MQ2	MQ3	MQ4
Number of Tickers	15	11	45	22
Average % Change	2.0%	3.1%	2.8%	1.4%
Average Weeks	15	15	28	8
Contribution to the weekly P&L	-0.6%	1.4%	1.9%	-0.1%

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

Particulars	WoW	MoM	YTD	YoY	Since 2015
Model Portfolio	2.5%	4.4%	12.6%	11.9%	15.3%
XLV	1.0%	5.6%	22.8%	25.0%	10.6%
XBI	2.3%	1.2%	-16.0%	-21.2%	9.5%
XHS	3.7%	3.8%	8.9%	9.3%	9.5%
SP50	2.3%	2.9%	25.8%	27.6%	12.6%