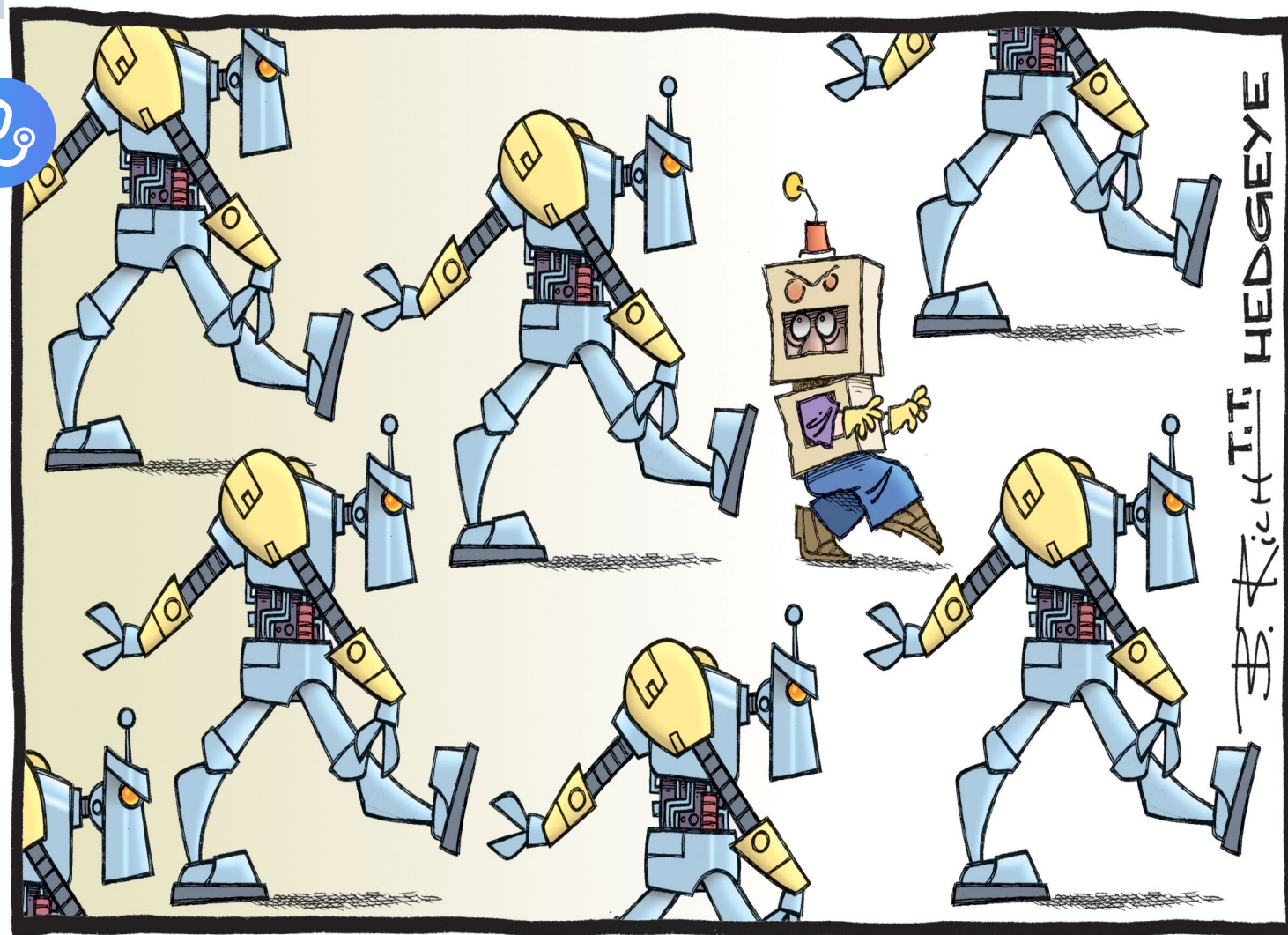


HEDGEYE

Health Care Position Monitor Update

CGM Data, HCA & MD Forecast Algorithms, NIH Data, and Claims Data

February 3, 2020



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Please submit questions* to
qa@hedgeye.com

*Answered at the end of the call

Health Care Position Monitor

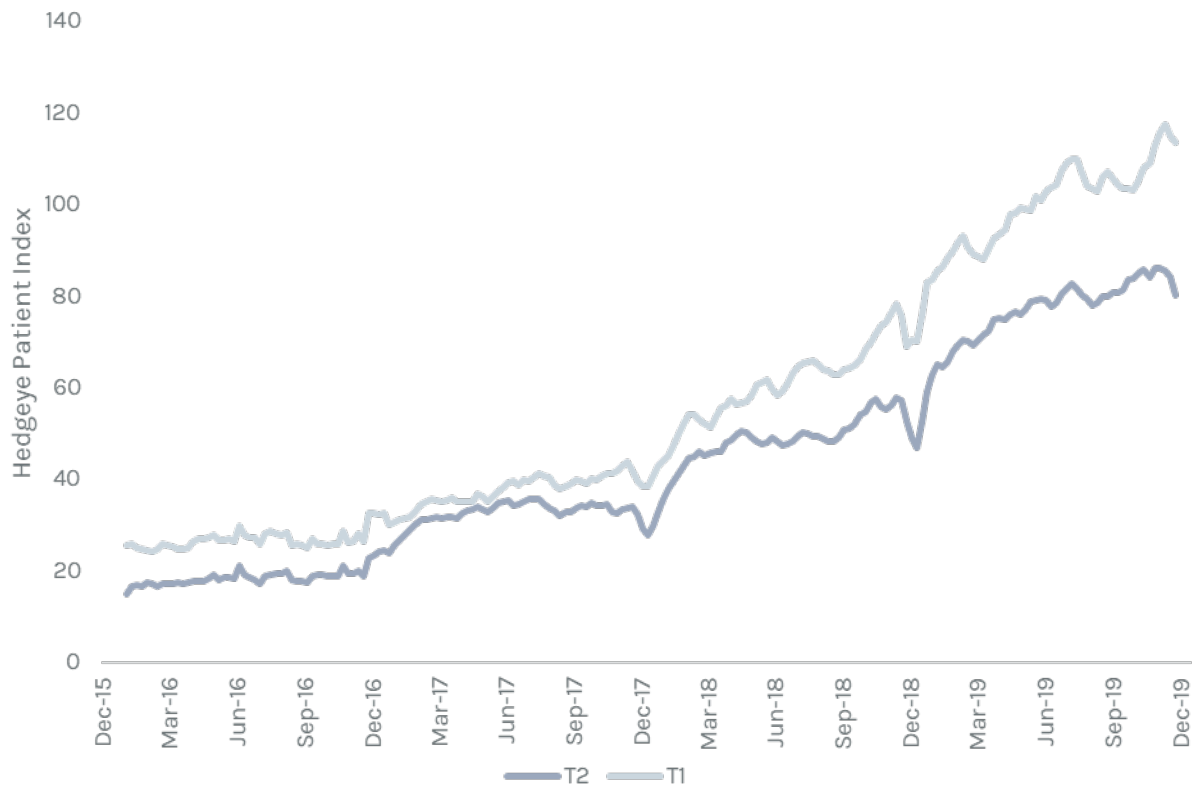
For Week of February 3, 2020

Best Ideas - Longs						Best Ideas - Shorts					
LONG		Price	Mkt Cap (\$B)	Trend	Tail	SHORT		Price	Mkt Cap (\$B)	Trend	Tail
Active Longs						Active Shorts					
MD	MEDNAX, Inc.	\$ 23.07	\$1.9B	✓	✓	HQY	HealthEquity Inc	\$ 66.06	\$4.7B	×	×
AMN	AMN Healthcare Services, Inc.	\$ 67.38	\$3.1B	✓		NVTA	Invitae Corp.	\$ 18.65	\$1.8B	×	×
ANTM	Anthem, Inc.	\$ 265.28	\$67.3B	✓		DXCM	DexCom, Inc.	\$ 240.75	\$22.0B	×	×
ILMN	Illumina, Inc.	\$ 290.07	\$42.6B	✓	✓						
THC	Tenet Healthcare Corporation	\$ 31.64	\$3.3B	✓	✓						
GH	Guardant Health, Inc.	\$ 76.04	\$7.1B	✓	✓						
ZBH	Zimmer Biomet Holdings, Inc.	\$ 147.90	\$30.4B	✓	✓						
Long Bias						Short Bias					
TDOC	Teladoc Health, Inc.	\$ 101.71	\$7.4B			MYGN	Myriad Genetics, Inc.	\$ 27.65	\$2.1B		
TXG	10x Genomics Inc Class A	\$ 91.39	\$1.9B			EXAS	Exact Sciences Corporation	\$ 93.28	\$13.7B		
SGRY	Surgery Partners, Inc.	\$ 16.87	\$0.8B			UNH	UnitedHealth Group Incorporated	\$ 272.45	\$258.1B		
UHS	Universal Health Services, Inc. Class B	\$ 137.11	\$11.0B			DVA	DaVita Inc.	\$ 79.87	\$10.2B		
						HCA	HCA Healthcare Inc	\$ 138.80	\$47.1B		

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 bench and representation of a company on the bench does not forecast whether Hedgeye will or will not issue any additional material on that company.

95251 | Continuous Glucose Monitoring



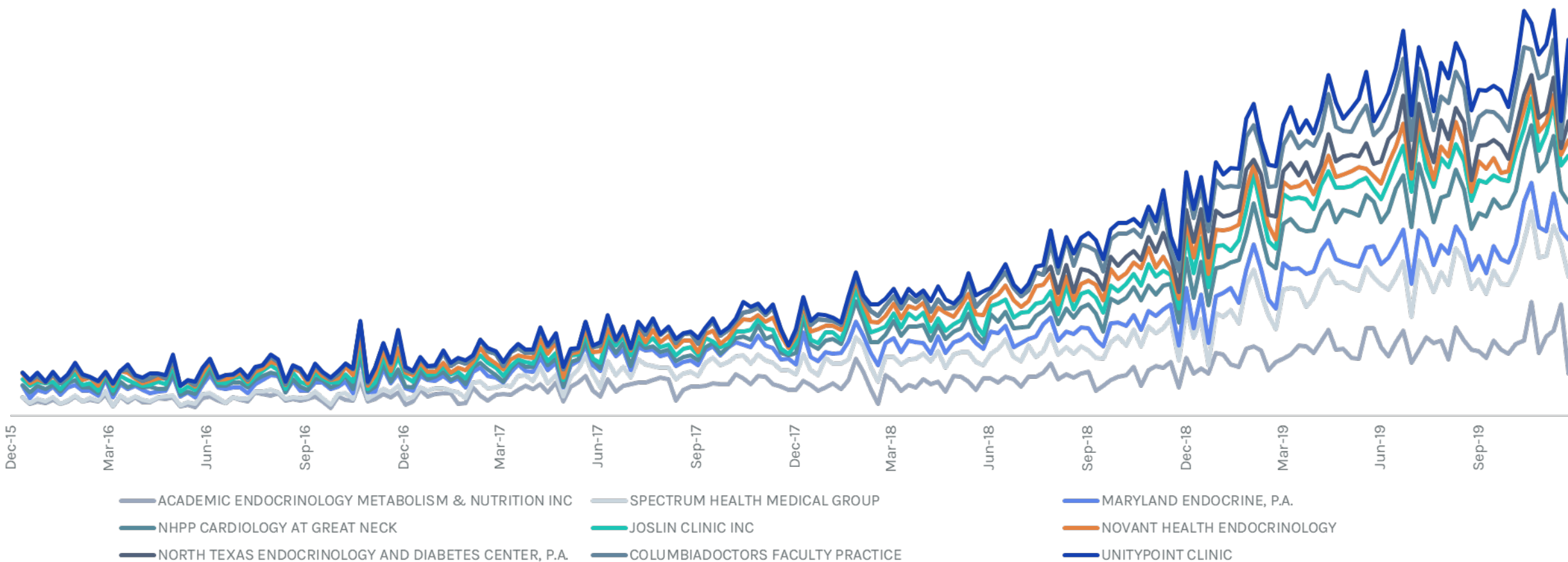
Total patient index for continuous glucose monitoring data interpretation, diagnosis of T1 or T2 diabetes, weekly claims.



New patient index for continuous glucose monitoring data interpretation, diagnosis of T1 or T2 diabetes, weekly claims.

95251 | Volume Practice Trend High Volume Practices

Adoption ramped across a number of large practices in 2019



HCA Same Facility Equivalent Admissions

The Forecast Points to Meaningful Acceleration



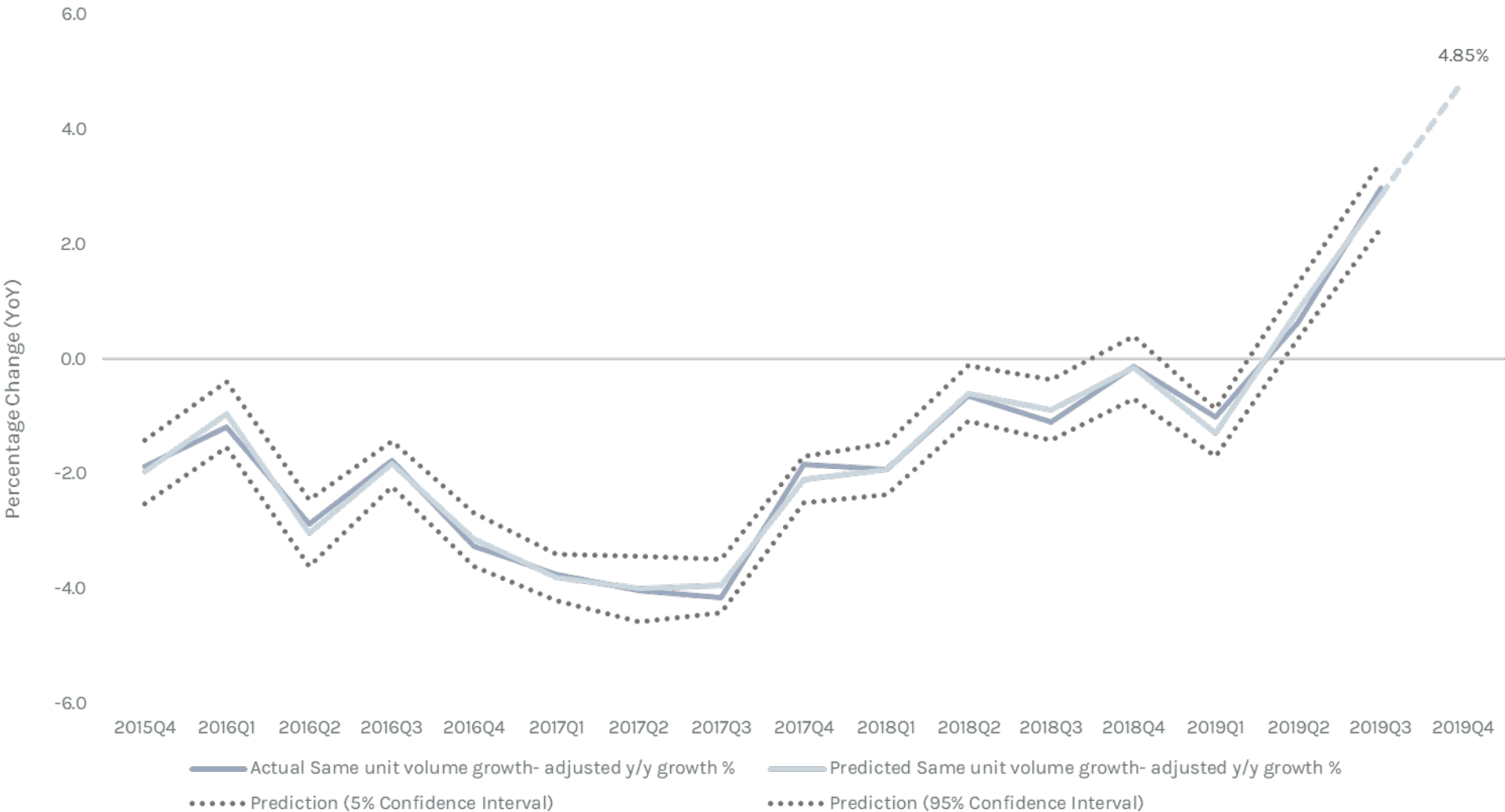
HCA is likely a trading long into earnings based on the current quad set up and this forecast for same facility growth acceleration.

HCA reported same facility adjusted admissions of 5%, ahead of our algorithm and consensus of 3%.

“...we saw great growth in high-end services ... neonatal services”

MD | Forecast algorithm for same unit volume

Same unit volume adjusted for net additions of physicians existing practices

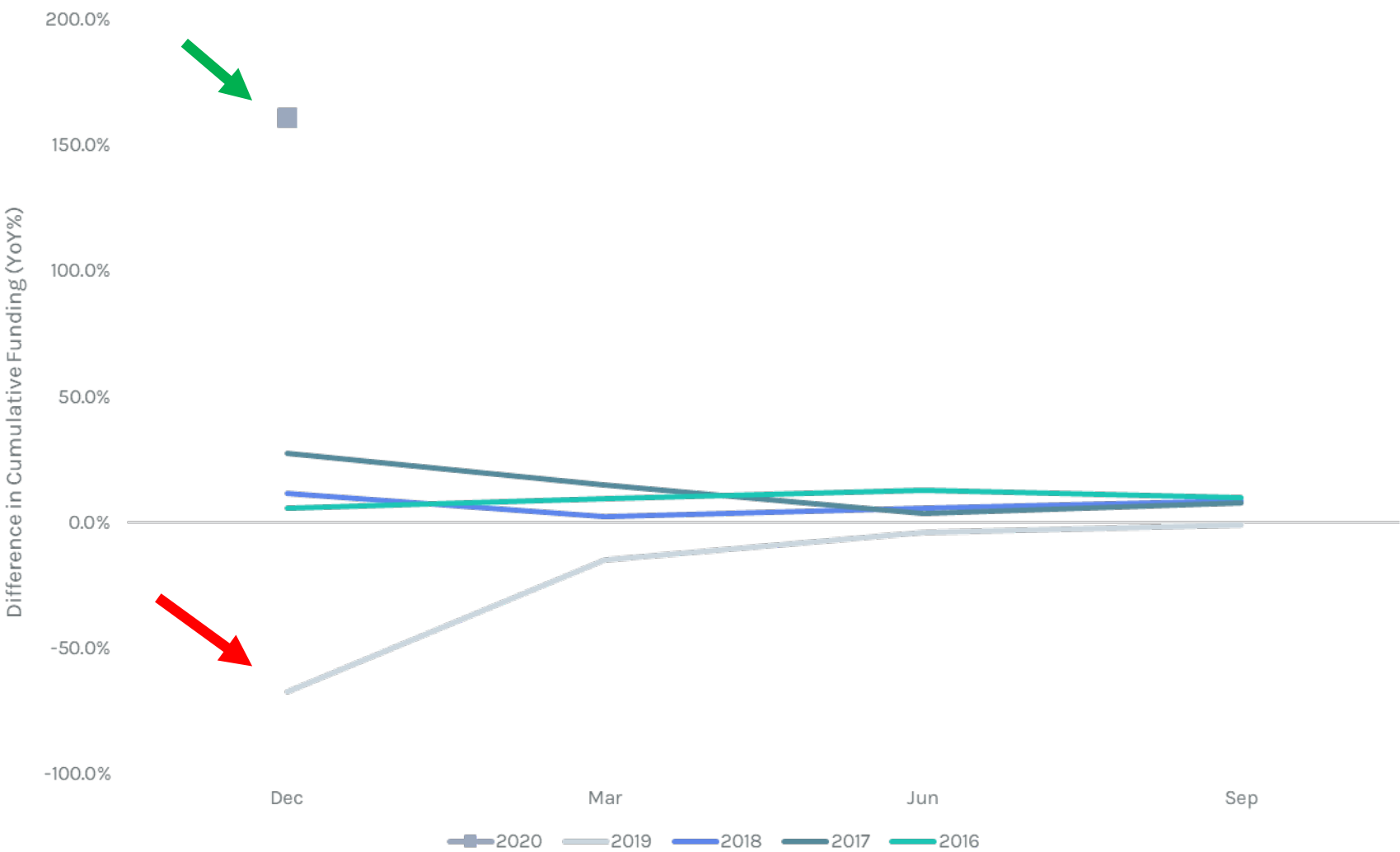


Mednax same unit volume is adjusted for same practice physician net gain and losses and then used as the basis to generate a forecast from public health care data sources.

Management is guiding same unit revenue to a range of 1% to 3% substantially below this forecast.

ILMN | NIH Genomic Funding YoY%

Cumulative Funding by Fiscal Year



Cumulative funding for FY 2020 is starting the year off on a positive note as compares for FY 2019 are significantly negative reflecting the funding situation the NIH was in to start FY 2019.

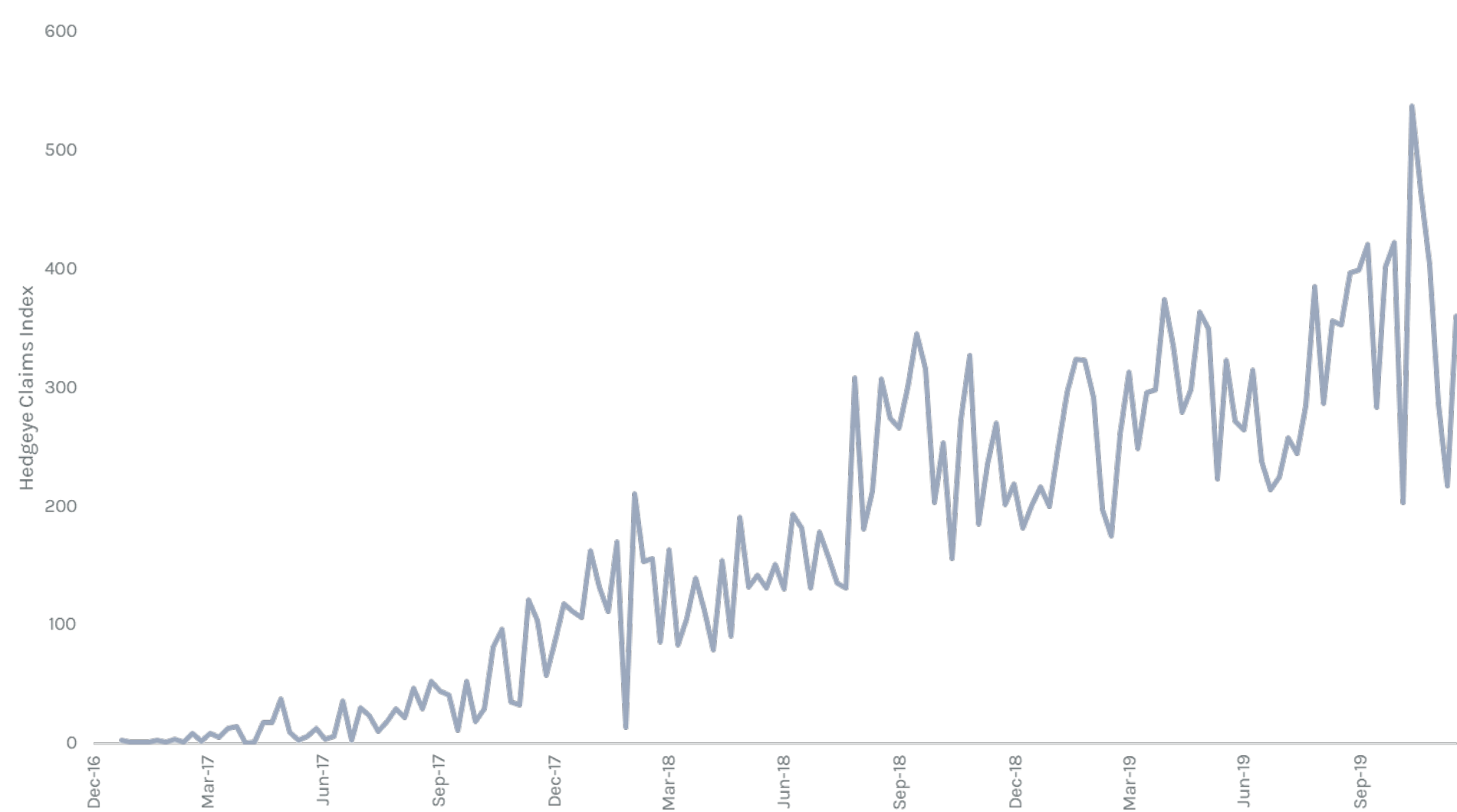
ILMN | Genomic Research Funding by Institution

Top 20 Organizations by Total Funding and Count of Grants

Rank	Organization Name	Grant Count	Total Funding	Cumulative	2017	2018	2019
1	JOHNS HOPKINS UNIVERSITY	21,602	6,006,181,206	2%	432,782,594	417,715,990	499,514,918
2	UNIVERSITY OF PENNSYLVANIA	20,058	5,042,086,145	4%	378,643,233	355,221,074	415,486,061
3	WASHINGTON UNIVERSITY	16,259	4,762,057,863	6%	336,177,447	348,860,150	389,693,436
4	UNIVERSITY OF WASHINGTON	16,685	4,499,722,725	8%	303,637,597	312,045,613	343,143,762
5	STANFORD UNIVERSITY	16,220	4,402,392,534	10%	370,149,859	392,339,778	398,784,669
6	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	12,011	4,133,118,918	12%	455,148,724	477,289,112	500,435,544
7	YALE UNIVERSITY	15,622	4,119,928,966	13%	330,703,515	319,200,562	352,443,251
8	UNIVERSITY OF PITTSBURGH AT PITTSBURGH	14,219	4,086,538,851	15%	351,409,161	355,493,037	360,182,627
9	MASSACHUSETTS GENERAL HOSPITAL	13,829	3,947,242,326	17%	316,767,239	321,295,566	377,522,580
10	UNIVERSITY OF CALIFORNIA LOS ANGELES	14,923	3,766,982,026	18%	298,787,093	272,294,378	322,449,100
11	BRIGHAM AND WOMEN'S HOSPITAL	10,384	3,662,688,801	20%	333,548,566	248,967,844	266,614,667
12	COLUMBIA UNIVERSITY HEALTH SCIENCES	11,645	3,568,608,096	21%	318,776,549	346,516,349	358,510,673
13	DUKE UNIVERSITY	13,012	3,405,487,504	22%	253,840,842	279,907,807	321,137,100
14	BAYLOR COLLEGE OF MEDICINE	11,974	3,064,000,123	24%	189,151,013	199,422,172	222,155,759
15	UNIV OF NORTH CAROLINA CHAPEL HILL	9,052	3,051,260,089	25%	301,008,117	305,269,461	366,629,521
16	UNIVERSITY OF MICHIGAN AT ANN ARBOR	11,625	2,964,929,615	26%	413,205,788	386,674,164	415,390,534
17	EMORY UNIVERSITY	10,583	2,804,795,037	27%	239,416,470	254,596,417	271,298,657
18	VANDERBILT UNIVERSITY	10,994	2,544,811,166	28%	60,347,749	66,708,345	70,871,641
19	FRED HUTCHINSON CANCER RESEARCH CENTER	5,904	2,387,849,869	29%	212,265,973	116,206,761	145,067,376
20	SCRIPPS RESEARCH INSTITUTE	7,359	2,344,120,845	30%	123,627,260	153,399,812	158,218,038

Genomic funding trends remain concentrated among the top universities. Year to year funding can be more volatile than agency level funding.

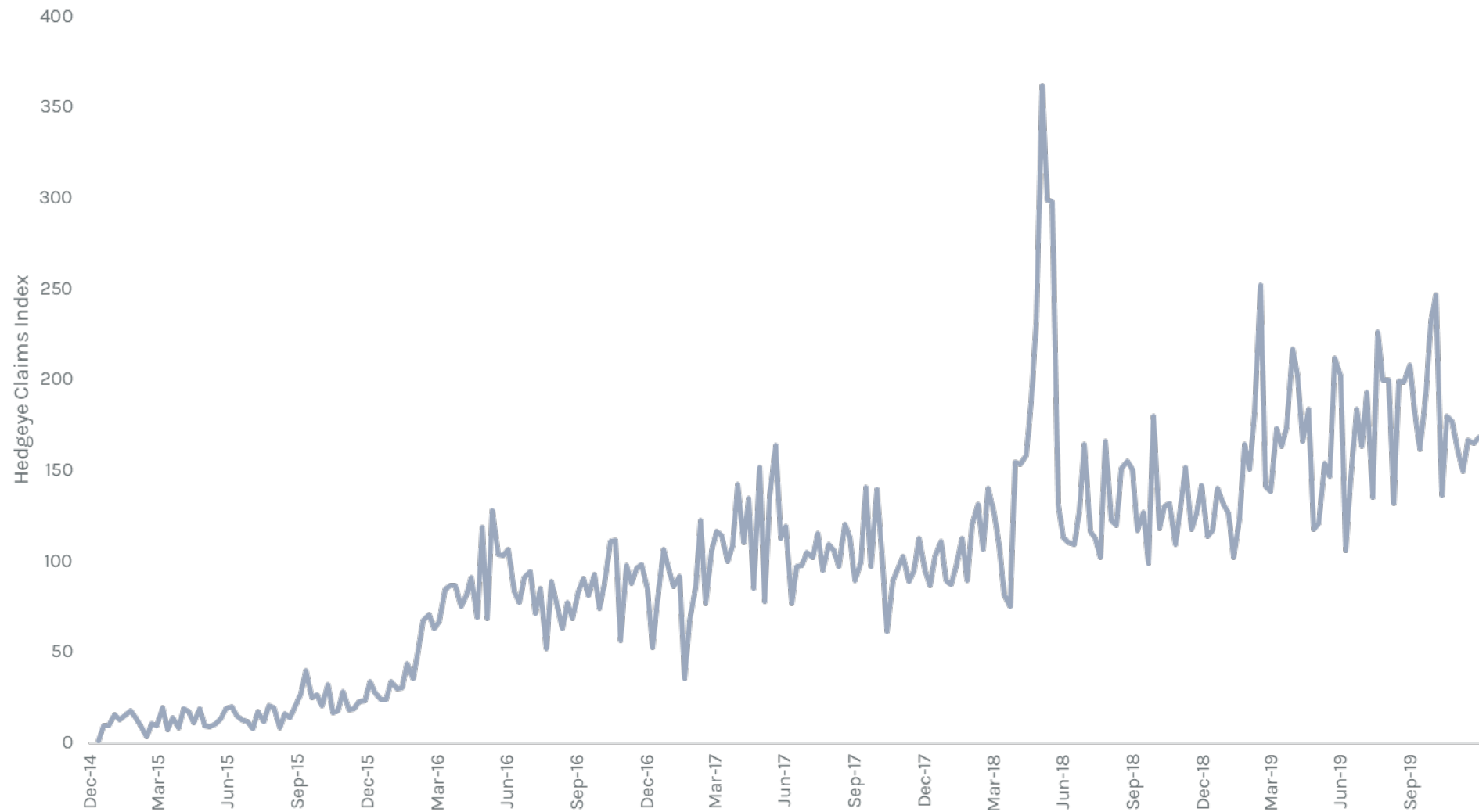
Tempus | Claims Index



The Claims Index includes claims submitted by the company during the period and picked up in our query.

We utilize an adjustment factor to account for the normal lag between service date and claims submission.

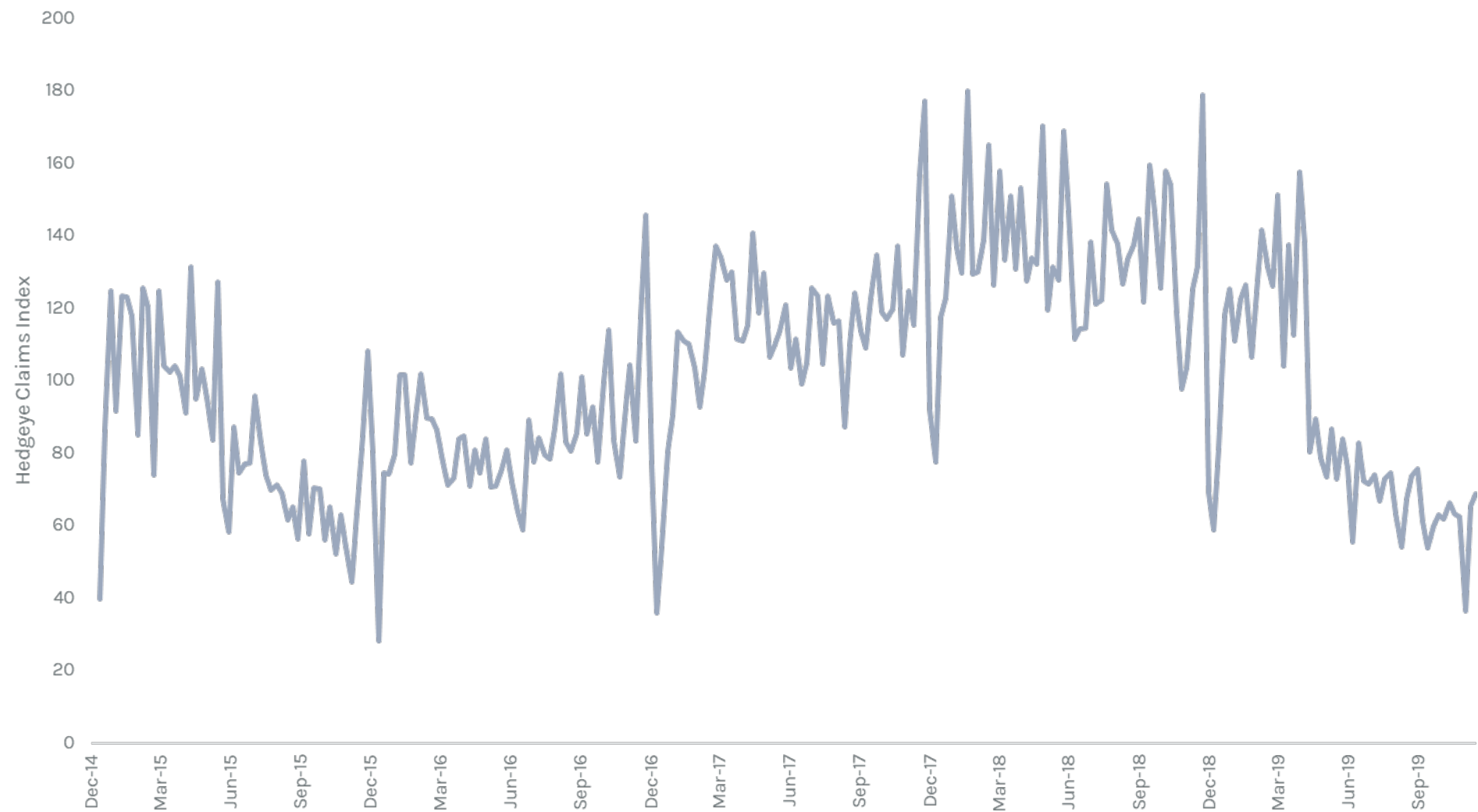
Caris | Claims Index



The Claims Index includes claims submitted by the company during the period and picked up in our query.

We utilize an adjustment factor to account for the normal lag between service date and claims submission.

MYGN | Claims Index

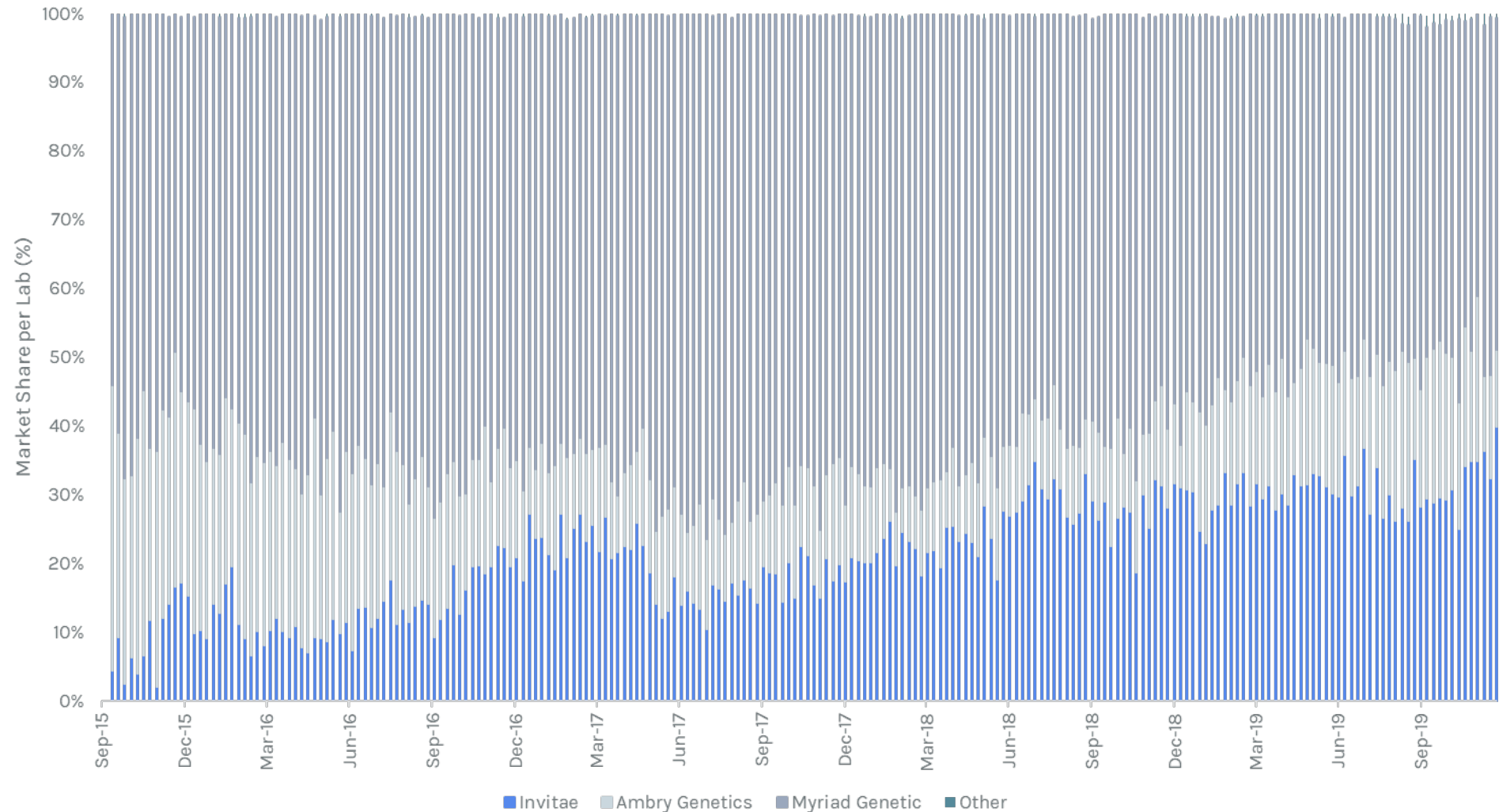


The Claims Index includes claims submitted by the company during the period and picked up in our query.

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MYGN | Market Share of Family History of Cancer Diagnosis

Z80: Family History of Malignant Cancer Diagnosis



Through our analysis, we have found that three major labs dominate the billing of Z80 Diagnosis Codes:

1. Myriad Genetics (48%)
2. Invitae Corp (40%)
3. Ambry Genetics (11%)

While Myriad Genetics stills holds the highest market share, Invitae’s has become a significant competitor in recent quarters.