



Trend Watch

Healthcare Renaissance

November 2022

A Letter From Our Founders

This MegaTrends report is special.

Over the last few months, we've covered emerging consumer trends that have a somewhat tight time frame.

Essentially, these prior opportunities and shifts in behavior are examples of reflexive consumer responses to macroeconomic pressures.

But this report is extremely forward-looking. It addresses long-term emerging opportunities in healthcare.

And it's been in the works for months, actually.

You see, we started to notice a shift not just in how consumers seek healthcare, but in what consumers consider to BE healthcare.

It feels like a Renaissance – and the more we uncover, the more this theme of rebirth and new ideas holds true, especially in the healthcare sector.

We're addressing major areas of consumer priority, including mental health, preventive cancer screenings, and even the beneficial effects of "alternative treatments" from once-taboo psychedelics.

To be clear – we believe we are still in the pregame phases of this Renaissance. But it's the perfect time to get ahead of the game!

Enjoy,

Andy and Landon Swan



Healthcare Renaissance – Overview

COMPASS Pathways (CMPS)

COMPASS Pathways is attempting to tackle a very costly consumer problem (treatment-resistant depression) in a new way: psilocybin. Treatment-resistant depression costs payers and employers an estimated [\\$29 billion to \\$48 billion annually](#) in the U.S. As regulators across the globe become more receptive to alternative treatment, CMPS opportunity grows... especially if trials continue to perform successfully.

Atai Life Sciences (ATAI)

Atai Life Sciences holds a minority stake in CMPS and may trade in tandem alongside positive psilocybin results. ATAI distinguishes itself through the *additional* compounds in its arsenal that could also provide alternative treatments for psychological ailments, namely arketamine. This diverse research pipeline could provide growth opportunities in multiple sectors and helps to insulate the company from major setbacks due to a single trial disappointment.

Insulet Corporation (PODD)

Insulet is known for its Omnipod device, a tubeless insulin pump that helps diabetics effectively manage their blood sugar. Recent clearances from the FDA and regulators in Europe suggest room for demographic and international expansion. The company's launch of the Omnipod 5 device has resonated well with consumers.

Exact Sciences Corporation (EXAS)

EXAS is a leader in early cancer detection, offering testing solutions for patients addressing colon, breast, and prostate cancer. Its most famous test, Cologuard, is viewed by many consumers as an easy and effective alternative to invasive testing. We're monitoring EXAS efforts to expand testing services and deepen relationships with providers.

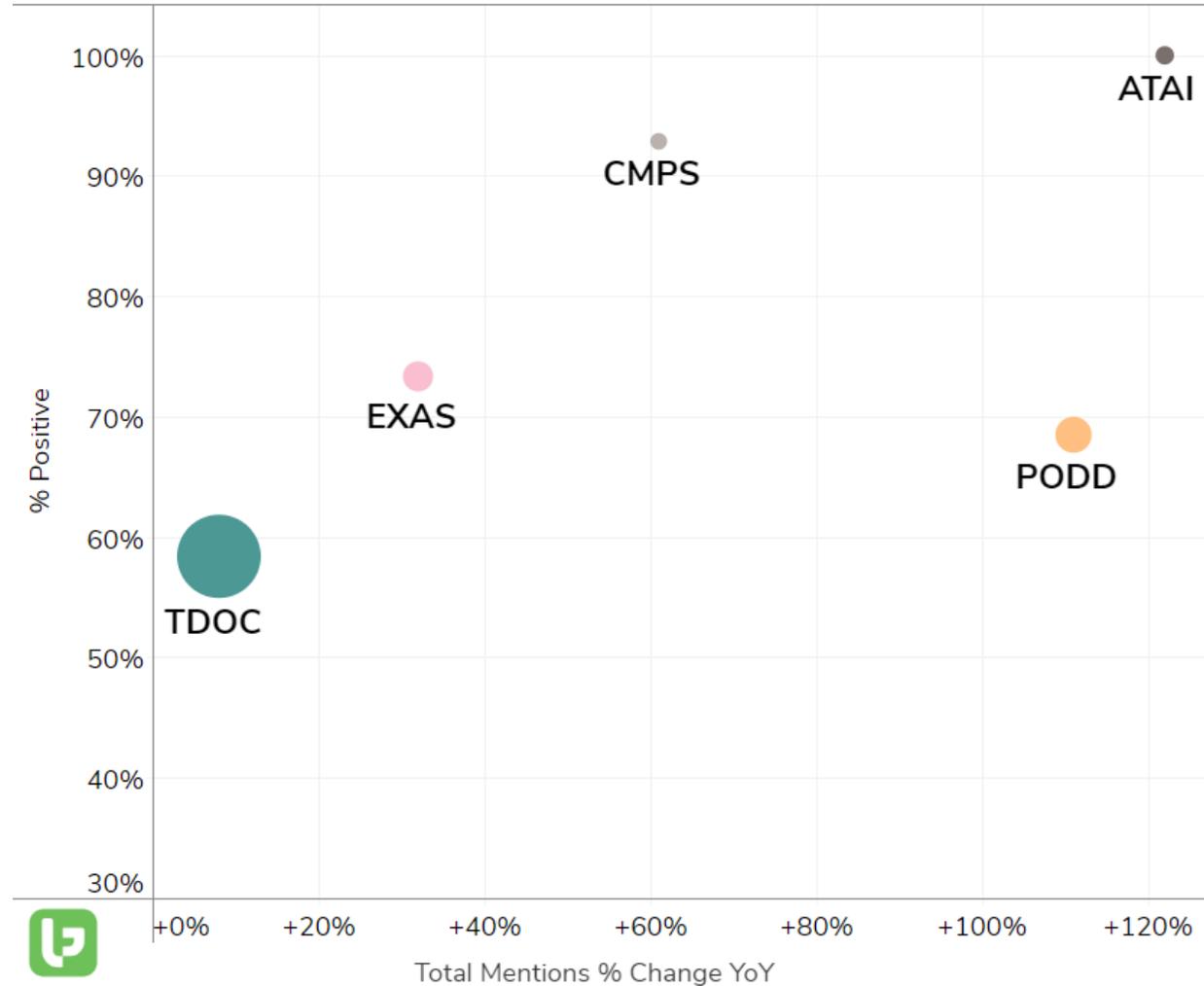
Teladoc Health (TDOC)

Teladoc boomed during the pandemic as consumers flocked to virtual care. Growth has since slowed and share values have returned to earth. But looking ahead, the company has its sights set on three core growth areas: Mental Health, Primary Care, and Chronic Care. While data doesn't suggest major traction yet, this could change.



Healthcare Renaissance – Emerging Therapy

Total Mentions vs. Sentiment, 30-day Moving Average



A woman with long, dark, curly hair is sitting in a meditative lotus position on a pink yoga mat. She is wearing a black ribbed tank top and leggings. Her eyes are closed, and she has a serene expression. The room is bright and modern, with a wooden floor, a white wall, and a large window with sheer curtains. In the background, there is a white floor lamp, a vase with green leaves, and a vase with dried plants. A laptop is open on the floor in front of her.

Trend Watch



Trend Watch: Major Shifts in Healthcare

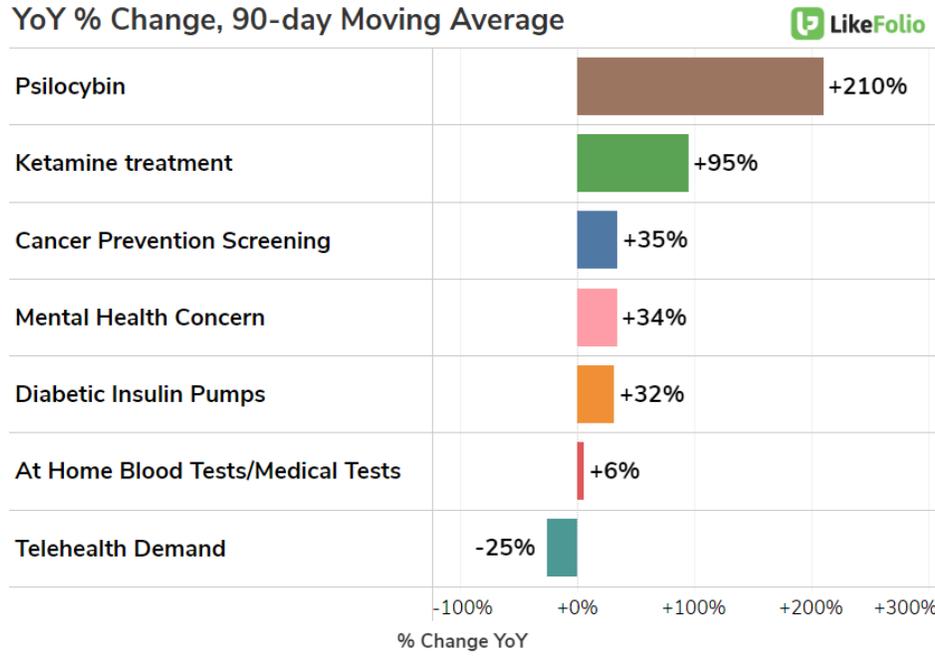
Macro Trend Watch:

Many of the fastest-growing trends in healthcare are related to emerging and alternative treatments.

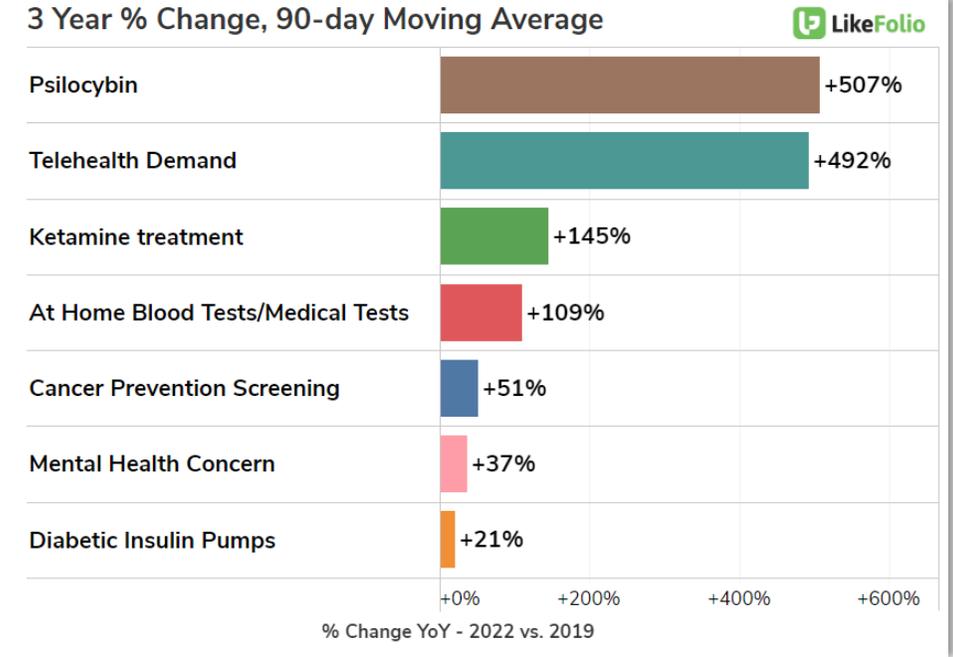
These treatments include psychedelics, ketamine, special devices, preventive screenings, and virtual care.

Note that all trends analyzed have grown tremendously over the last three years.

However, a handful of trends reveal explosive growth even on a YoY basis, indicative of long-term staying power.



Building Momentum: YoY View



Long-term view: Pre-Covid vs. Now



A close-up photograph of a hand holding a small, light-brown mushroom with a thin stem. The background is a soft-focus forest scene with green foliage and brown leaves. A dark blue banner is overlaid at the bottom of the image.

CMPS



Key Points

CMPS
COMPASS
Pathways PLC



Money Dial: Bullish

97



COMPASSION
Navigating Mental Health Pathways

Mentions:

+108% YoY

Trend Watch:

Psilocybin: +210% YoY

Mental Health Concerns: +34% YoY

Sentiment:

92% Positive

Actionable Trade Ideas

Buy Compass Pathways (CMPS) stock up to \$12/share**

Alternative approaches would include selling out-of-the-money (OTM) put options with a strike price 5% below the current price of the stock each month to generate income until a position is established.

We believe this stock could gain by more than 100% within the next two years.

**ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital.

Buy CMPS Jan '24 17.5/20 Call Spread @ \$0.40

Max Gain: CMPS trading above \$20 on Jan. 19, 2024:
+\$210 per contract

Max Loss: CMPS trading below \$17.5 on Jan. 19, 2024:
-\$40 per contract

Note: Options on CMPS are not very liquid. This trade will be difficult to fill. Buying shares may be the better choice.



Company Overview: CMPS

COMPASS Pathways PLC (CMPS) is a London-based mental healthcare company developing alternative treatments for individuals facing mental health challenges who are not helped by current, traditional offerings.

Alternative treatments include the development of a new model of psilocybin therapy, in which a proprietary formulation of synthetic psilocybin, COMP360, is administered in conjunction with psychological support.

- Psilocybin is an active ingredient in some species of mushrooms, often referred to as “magic mushrooms.”
- **Early studies have shown signs that psilocybin could be a safe and effective medicine for patients with depression, anxiety, addiction, and other mental illnesses when administered with psychological support from specially trained therapists.**
- COMP360 has been designated a Breakthrough Therapy by the U.S. Food and Drug Administration (FDA) and has received Innovative Licensing and Access Pathway (ILAP) designation in the U.K. for treatment-resistant depression (TRD).
- COMP360 therapy involves digital tools in addition to the formulation and psychological support. A patient app, therapist portal, and AI-driven analytics platform enhance the patient experience and outcomes.

CMPS has raised hundreds of millions of dollars to conduct clinical trials at 150 sites in Europe and North America, which it believes is key to winning over regulators in multiple countries and for convincing both private and government insurers to cover psychedelic therapies.

- **CMPS has completed a Phase IIb clinical trial of psilocybin therapy** for treatment-resistant depression involving 233 participants at 22 sites in 10 countries across Europe and North America. Topline data showed a statistically significant and clinically relevant improvement for patients who received a single high dose of COMP360 psilocybin with psychological support.
- **Plans to start a Phase 3 program by the end of 2022** and will be conducted across ~150 sites in 14 countries. Phase 3 pivotal program design has been finalized and several clinical sites have been initiated.
- **The company is also running Phase II clinical trials of COMP360 psilocybin therapy** for post-traumatic stress disorder (PTSD) and anorexia nervosa (AN).



Consumer Buzz:

COMPASS Pathways buzz catapulted in the last quarter following the publication of positive trial findings in the New England Journal of Medicine.

This was significant because it added legitimacy to the company's treatment offerings for consumers and those in the medical community.

Company mentions have risen by more than 100% YoY.

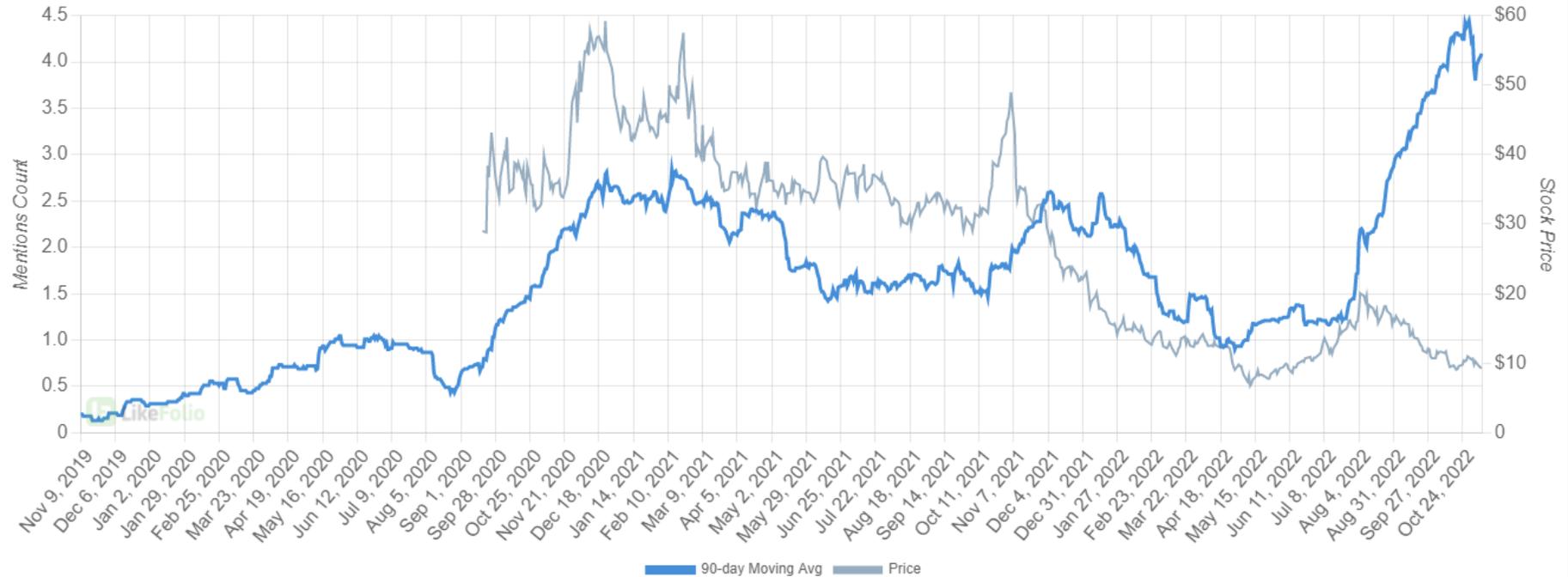


CMPS: Trial Buzz is Rising

COMPASS Pathways (CMPS): Full Company

Mentions Count

90-day change: QoQ: +103%, YoY: +108%



 **Roger S. McIntyre, MD, FRCPC** @rogersmcintyre · Nov 3

Great to see the results of this study with have been presented previously published. It is a hopeful first step for psilocybin in treatment resistant depression.



globenewswire.com
COMPASS Pathways announces publication of ph...
After a single 25mg dose of COMP360 psilocybin therapy, approximately 30% of patients with ...

4 retweets, 16 likes

 **public journal number 1** @benhizzard · Nov 3

I have goosebumps reading this. I wonder though, is this synthetic formulation of psilocybin (Comp 360 by **Compass Pathways**) as beneficial as the real deal or is Big Pharma planning to alter this ancient psychedelic to remove its hallucinogenic properties?



nejm.org
Single-Dose Psilocybin for a Treatment-Resistant ...
Original Article from The New England Journal of Medicine — Single-Dose Psilocybin for a Treatment...

2 retweets, 1 like

Trend Watch: Psychedelic Clinical Trials

Macro Trend Watch:

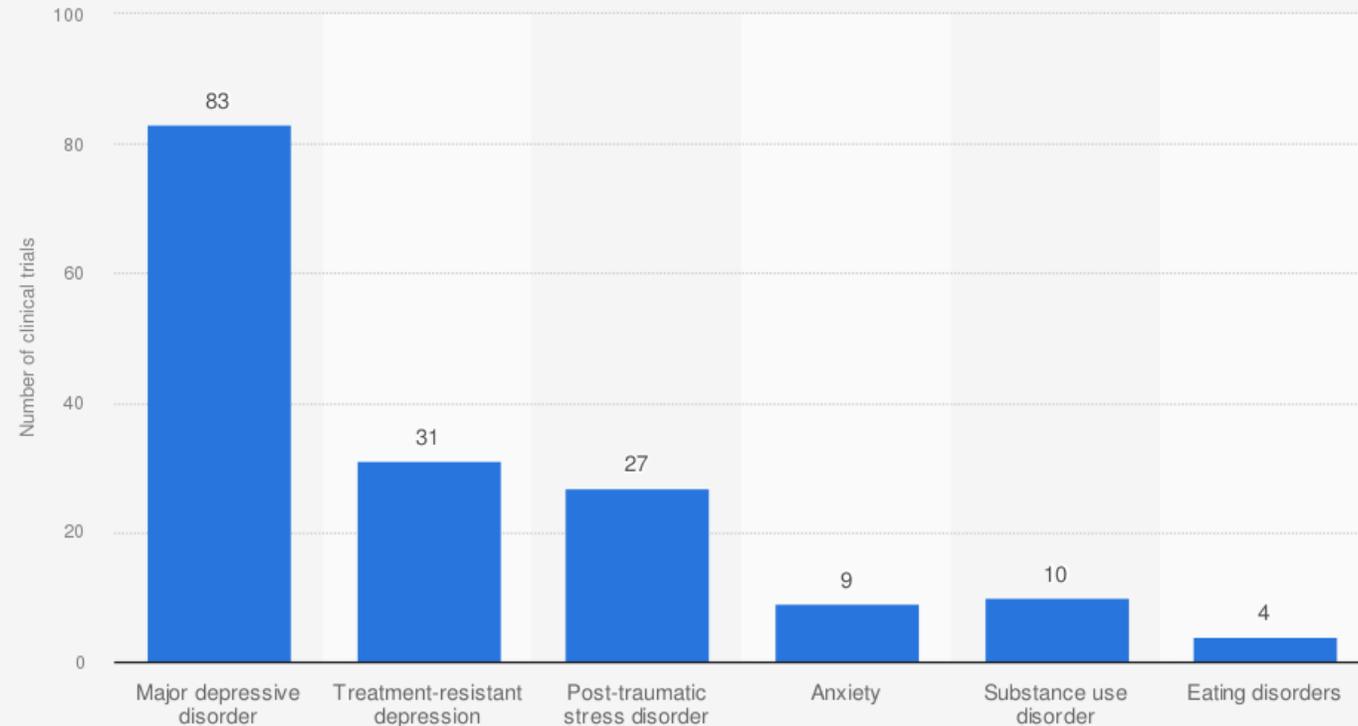
Researchers are exploring psychedelic treatments for psychological disorders – namely depression, PTSD, substance use disorder, anxiety, and even eating disorders, despite legal hurdles.

Namely, the classification of psilocybin as a Schedule I substance. This classification was born from Richard Nixon's "War on Drugs" and the passage of the Controlled Substances Act, which restricted not only personal use but research projects as well.

The proliferation of additional studies would be dependent on the rescheduling of psilocybin. Legislative approaches to expand research appear to be a bipartisan issue, with legislation sponsored by Alexandria Ocasio-Cortez (D–N.Y.), former Texas Gov. Rick Perry, and Dan Crenshaw (R–Texas).



Number of clinical trials using psychedelics as medicine in North America from 2000 to 2021, by condition



Sources
ClinicalTrials.gov; Psych
© Statista 2022

Additional Information:
North America; ClinicalTrials.gov; From 2000 to 2021

Macro Trend Watch:

Though most psychedelic drugs remain illegal under federal law, the Food and Drug Administration has become more receptive to new uses for them. The agency is weighing approval for psilocybin, which is undergoing accelerated review.

Seattle, Denver, Oakland, Calif., and Washington, D.C., are among a score of municipalities that have decriminalized psilocybin mushrooms. In January 2023, Oregon will become the first state to offer psilocybin therapy in a clinical setting. A vote in Colorado to approve a legal use for psychedelic mushrooms was too close to call at the time of publication.

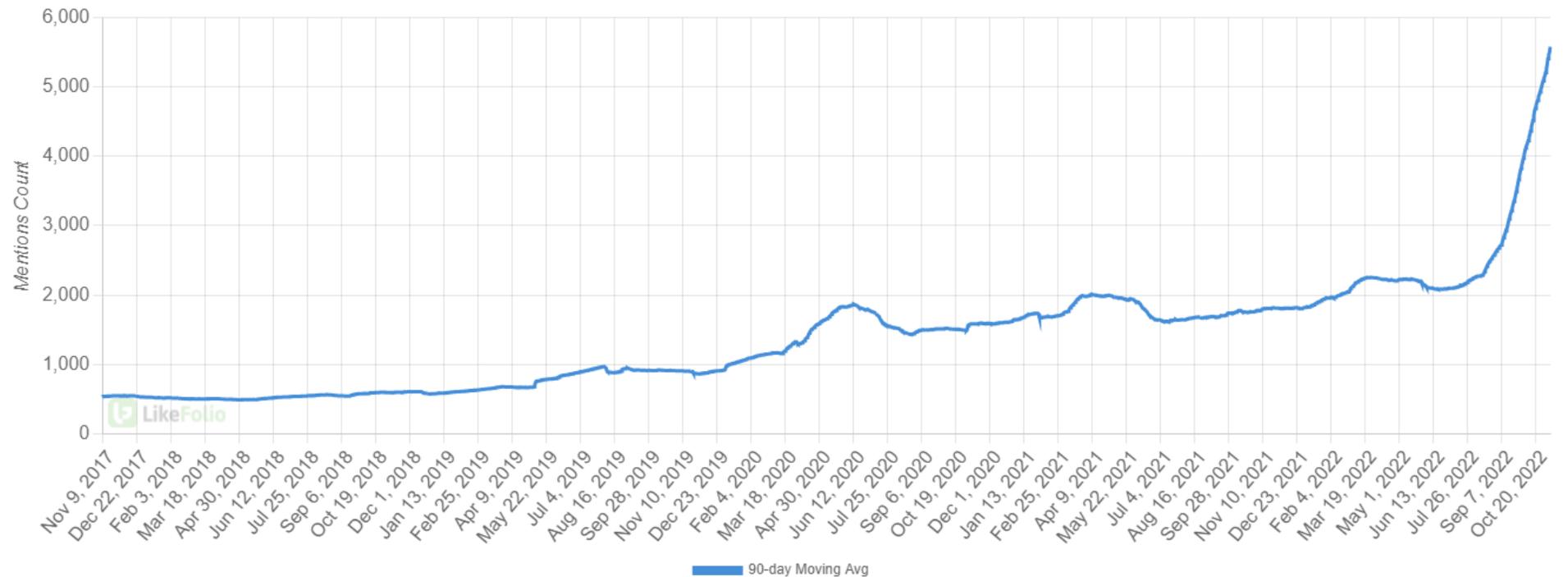
Consumer interest in the potential applications of psilocybin are driving interest in the substance, now at all-time highs, +210% higher YoY.



Trend Watch: Psilocybin Interest Booms

Psilocybin: Mentions Count

Consumer discussions surrounding Psilocybin, a substance found in certain mushrooms.



Trend Watch: Psilocybin Applications

Amelia Boone @ameliaboone · 7h
Colorado!! 🇺🇸

7 2 115

Kilian Jornet Fan Account @AndIGetBuckets · 7h
Replying to @ameliaboone
Big shrooms fan?

7 3

Amelia Boone @ameliaboone
Replying to @AndIGetBuckets

I do hope that passes, actually! The studies around treatment uses for psilocybin are incredibly promising

8:20 AM · Nov 9, 2022 · Twitter for iPhone

Andy Hadfield @andyhadfield · Nov 3
Promising results. Especially considering the non addictive nature of psilocybin.

STAT @statnews · Nov 3
The hype around psychedelic therapy has been put to the test, with the publication of the largest-ever study of #psilocybin to treat depression. Read more: trib.al/FtP81Uf

1

James D. Hallifax: Psychedelic News @Psy_Invest

#Psilocybin vs SSRIs for depression: "Just look at the data, is what I say.... Very promising" - @RCarhartHarris

#Psychedelics #WonderlandMiami

The image shows a man in a blue jacket and khaki pants standing on a stage, pointing to a large flowchart displayed on a screen behind him. The flowchart is titled 'Post-acute' and '2-week'. It shows a box labeled 'Psychological Insight' with an arrow pointing to a box labeled 'Well-being' with a coefficient of 0.22***. Another arrow points from 'Psychological Insight' to a box labeled 'R²' with a coefficient of 0.24***. A third arrow points from a box labeled 'g' to 'Psychological Insight' with a coefficient of 0.57***. A fourth arrow points from a box labeled 'e' to 'Psychological Insight' with a coefficient of -0.12*.



Consumer Happiness:

Most CMPS mentions are related to clinical trials underway that explore varying applications of alternative therapy.

Happiness is rising alongside positive results in clinical trials. Sample size can be expected to remain low through the company's research and development phase.

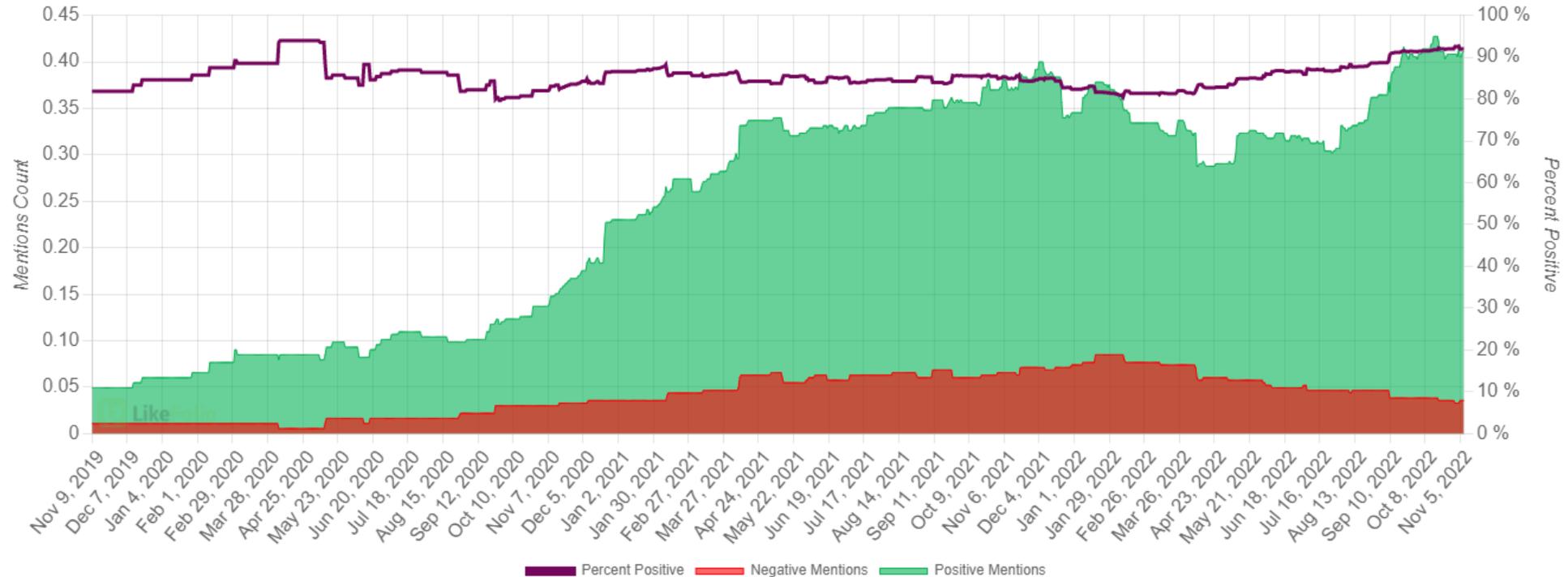


CMPS: Happiness Is High

COMPASS Pathways (CMPS): Full Company

Consumer Happiness Mentions

365-day change: QoQ: +4%, YoY: +7%



Reports and Business Updates

For the first time in decades, the National Institutes of Health has begun funding psychedelic research, and many of the country's premier universities have been racing to set up psychedelic research centers. Several of them have also entered into partnerships with drug companies, which are seeking to patent new therapies — and share any future profits.

The psychedelic therapeutics market was worth \$3.6 billion in 2021 and is expected to reach \$8.3 billion by 2028.

COMPASS Pathways is pursuing an aggressive patent strategy ([at least 50 claims](#)), which has been instrumental in coaxing more than \$400 million from investors, among them PayPal co-founder Peter Thiel.

On its last earnings release, CMPS recorded:

- Cash position: \$173.1 million compared to \$273.2 million in December 2021
- Net loss year-to-date: \$60.6 million versus \$46.1 million in same period of 2021

Earlier this month, CMPS touted a positive review published in [The New England Journal of Medicine](#) of its Phase IIb COMP360 trial for patients with treatment-resistant depression. [Study synopsis](#):

- **Rapid reduction in symptoms:** Approximately 30% of patients in the 25mg group were in remission at week 3 (29.1%).
- **Sustained response:** Double the number of patients who received a 25mg dose had a sustained response at week 12, compared to those who received 1mg (20.3% of patients in the 25mg group versus 10.1% in the 1mg group).
- **Tolerated well:** COMP360 psilocybin was generally tolerated well. On the day of COMP360 administration, headache, nausea, and dizziness were the most common adverse events where a dose-related increase in incidence was evident.
- **Safety monitoring:** Suicidal ideation and intentional self-injury were seen in all treatment groups, as is common in TRD studies. Most cases occurred more than a week after the COMP360 psilocybin session. There was no mean worsening in any treatment group of suicidal ideation scores on the Montgomery-Asberg Depression Rating Scale (MADRS).





ATAI



Key Points

ATAI

Atai Life
Sciences NV



Money Dial: Bullish

94



Mentions:

+110% YoY

Trend Watch:

Psilocybin: +210% YoY

Ketamine Treatment: +95% YoY

Mental Health Concerns: +34% YoY

Sentiment:

91% Positive

Actionable Trade Ideas

Buy Atai Life Sciences (ATAI) stock up to \$3.25/share**

Alternative approaches would include selling out-of-the-money (OTM) put options with a strike price 5% below the current price of the stock each month to generate income until a position is established.

We believe this stock could gain by more than 75% within the next two years.

Due to limited options offerings and liquidity, there are no great options trades recommended on ATAI.

****ON ALL TRADES**, it is important to use proper risk management to correctly allocate and protect your capital.



Company Overview: ATAI

Atai Life Sciences NV (ATAI) is a Berlin-based biopharma company founded to address unmet needs related to **mental health** disorders with a focus on emerging treatments, including [psychedelic compounds](#) and digital therapies. As a response to the technical risks associated with central nervous system drug development, Atai focuses on compound classes with prior evidence in humans and uses a decentralized drug development process.

Potential mental health applications include:

- **Depression** – Approximately [one-third of patients](#) with major depressive disorder are diagnosed with treatment-resistant depression.
- **Anxiety** – Anxiety disorders are considered to be the most common mental illness in the United States, affecting approximately 40 million adults, or 18% of the population.
- **Schizophrenia** – It is estimated that schizophrenia affects more than 21 million people globally and approximately 2.4 million people in the United States. Approximately 300,000 new cases are diagnosed each year in the United States.
- **Substance Use Disorder** – More than 20 million people live with a substance use disorder (SUD) in the U.S., and since the opioid drug epidemic started in 1999, there have been more than 900,000 overdose fatalities. In combination with COVID-19, drug overdose [deaths increased about 30% in 2020](#), most of which involved opioids.
- **Traumatic Brain Injury** – In the United States, an estimated 1.7 million people sustain a traumatic brain injury annually.

ATAI manages 12 active programs: eight drug and discovery programs and four enabling technologies, focusing on differentiated, potentially disease-modifying therapies. ATAI also works closely with COMPASS Pathways (COMP 360 development), as it holds a [minority stake in the company](#).

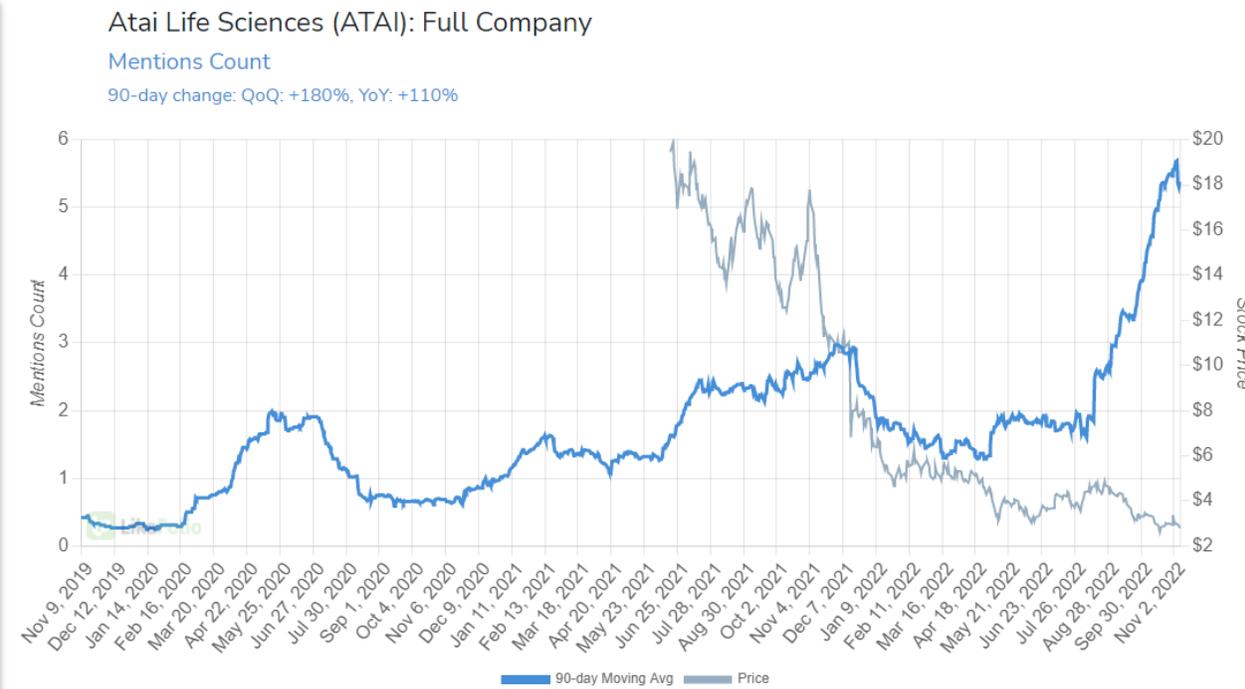


ATAI: Buzz Rising in Tandem with CMPS

Consumer Buzz:

ATAI company buzz is rising alongside positive trial results from partner COMPASS Pathways.

Prior to this recent boost, mentions have been steadily gaining steam since early 2020.



Trend Watch: Ketamine Clinical Trials

Macro Trend Watch:

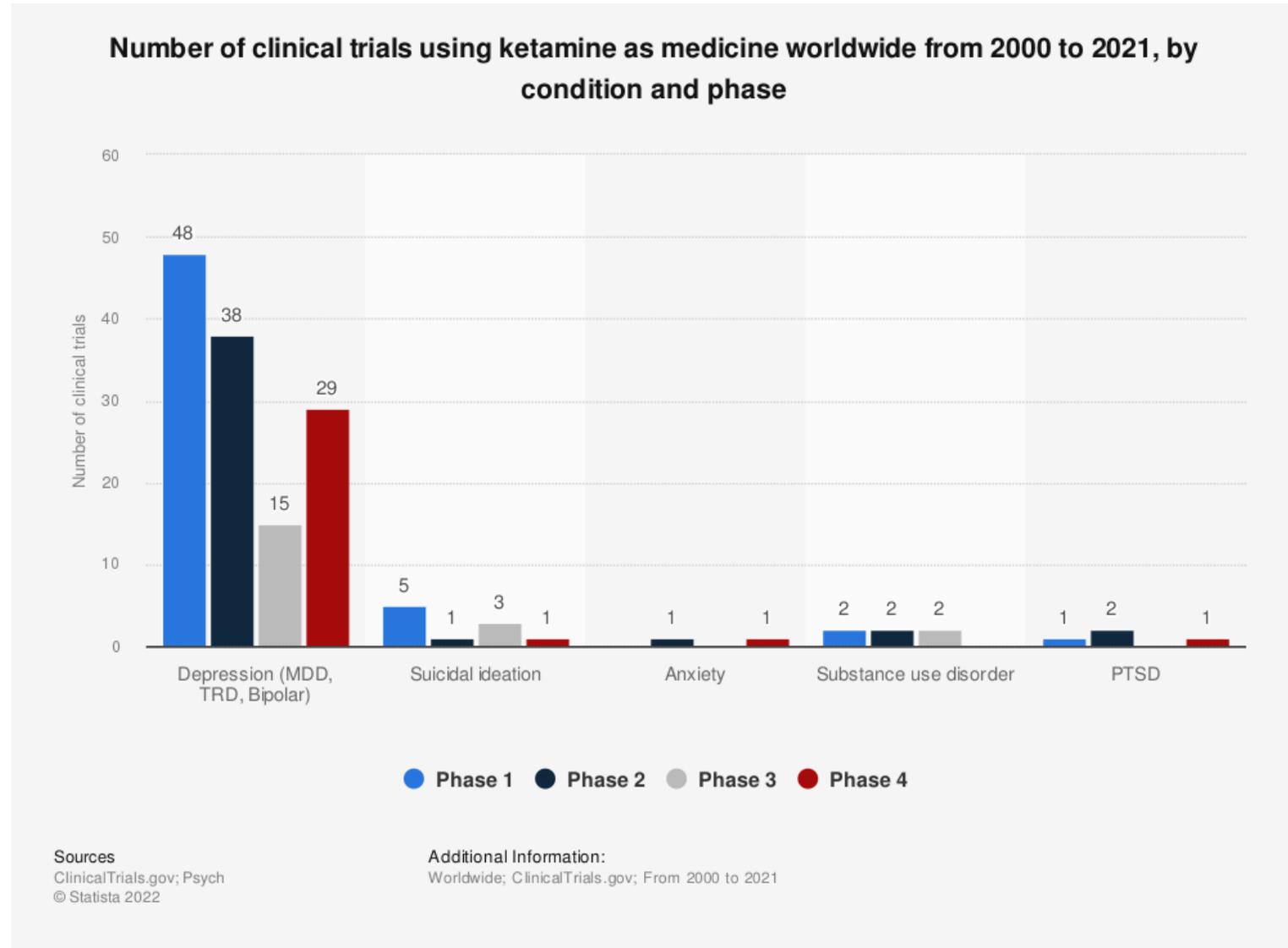
Ketamine, considered a psychedelic by some professionals, operates in a different manner than traditional psychedelic substances like LSD, psilocybin, and DMT.

Users seeking ketamine for therapeutic purposes report “gentler” lifting experiences vs. other psychedelics. *Psychology Today* described an easy way to understand the difference between the two substances:

“To visualize this, think of two means of increasing water flow into a building. Ketamine increases flow by increasing the diameter of the pipes, thus allowing more water to be delivered without substantially increasing pressure. Following the metaphor, psychedelics instead increase water pressure in the same-sized pipes.”

Ketamine clinical trials are exploring similar use-cases as other psychedelic treatments.

ATAI studies *Arketamine*, free from dissociative effects and thought to carry lower abuse potential.



Trend Watch: Ketamine Treatments

Macro Trend Watch:

ATAI is advancing multiple psychedelic compounds through regulatory development, describing an urgent need for innovation:

- 1/3 of patients with depression respond inadequately or relapse with current treatments and are classified as “treatment resistant”
- Frontline treatments for depression have slow onset (4-12 weeks)
- Over 1/3 of patients experience one or more side effects as a result of SSRI antidepressants
- Only 7 new drugs have been approved by the FDA for depression since 2017

Three years ago, the F.D.A. approved esketamine, a nasal spray derived from the anesthetic ketamine, for depression that is resistant to other types of treatment.

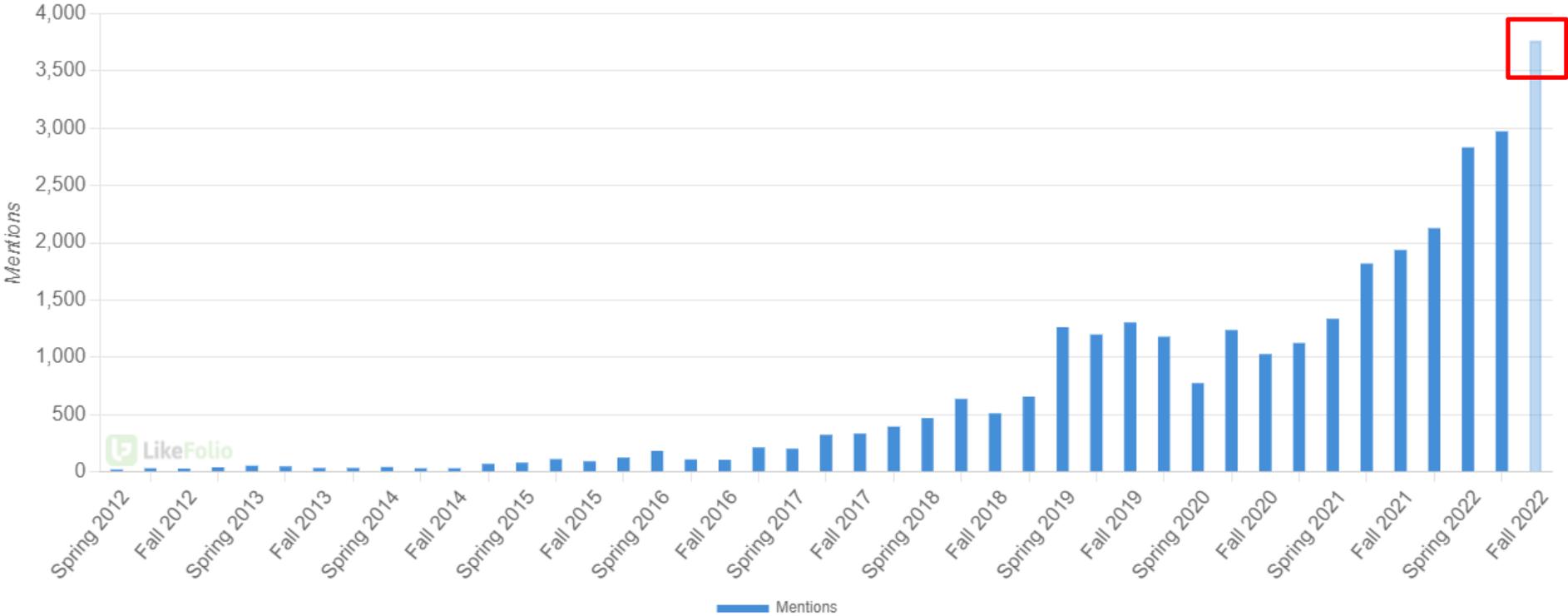
A typical ketamine clinic with five rooms makes \$75,000 to \$100,000 per month. The profit margin can be more than 30%. Insurance rarely covers ketamine for mental health.

Consumer interest in ketamine treatment is at all-time highs.



Ketamine Treatment: Mentions Count

Consumer discussions surrounding Ketamine treatment.



Trend Watch: Arketamine Efficacy

Todd Feller @tfeller

Replying to @GreenLaneCap @Serotonin2arec and 3 others

\$ATAI's PCN-101 (Ketamine) has estimated sales of 750M / annually (article below) and at home ketamine services like Nue.Life and MIndbloom are doing fantastic.



fiercebiotech.com
Investors are tripping on psychedelics startups despite a murky path to commerce... This story is part one in a two-part series looking at the psychedelics drug development landscape. | Eighteen venture capital firms have poured more than...

8:24 AM · Jul 23, 2022 · Twitter Web App

James D. Hallifax: Psychedelic News @Psy_Invest · Oct 25

atai Life Sciences Completes Enrollment for Phase 2a Clinical Trial of PCN-101 (R-Ketamine) for Treatment-Resistant Depression

This is exciting. Hopefully, the patients get the help they need.



ir.atai.life
atai Life Sciences Company, Perception Neuroscie...
Completed enrollment of Phase 2a proof-of-concept, randomized, double-blind, placebo-...

1 3 12

Jake Slomowitz @Serotonin2arec

Replying to @Eugene_T_Erlikh and @Psy_Invest

Racemic ketamine is used which is made up of esketamine and arketamine. Atai is isolating the r-ketamine and hopes it has the same efficacy or better but WITHOUT the dissociative effects.

1:20 PM · Oct 25, 2022 · Twitter for iPhone

t1m cook @t1mcook · Oct 28

While I disagree w @C_Angermayer re telehealth — ketamine, for ex, is legal and can be safely prescribed w formal patient in-take, a guided app, and music — his comments about patents are important to note. I've wrestled w this as well, but it's the only way \$ATAI ↴

Business Trip @businessstripfm · Oct 27

New episode with @C_Angermayer.

We discuss:

- What the psychedelic field will look like in the next couple years
- His views on patents, ketamine telehealth, & 1st vs. 2nd gen psychedelics
- Learnings from his psychedelic experiences

businessstrip.fm/podcast/episod...



Consumer Happiness:

Consumer chatter related to ATAI research is overwhelmingly positive (+91% positive), though somewhat speculative at this point.

Sample size can be expected to remain small through research and development.

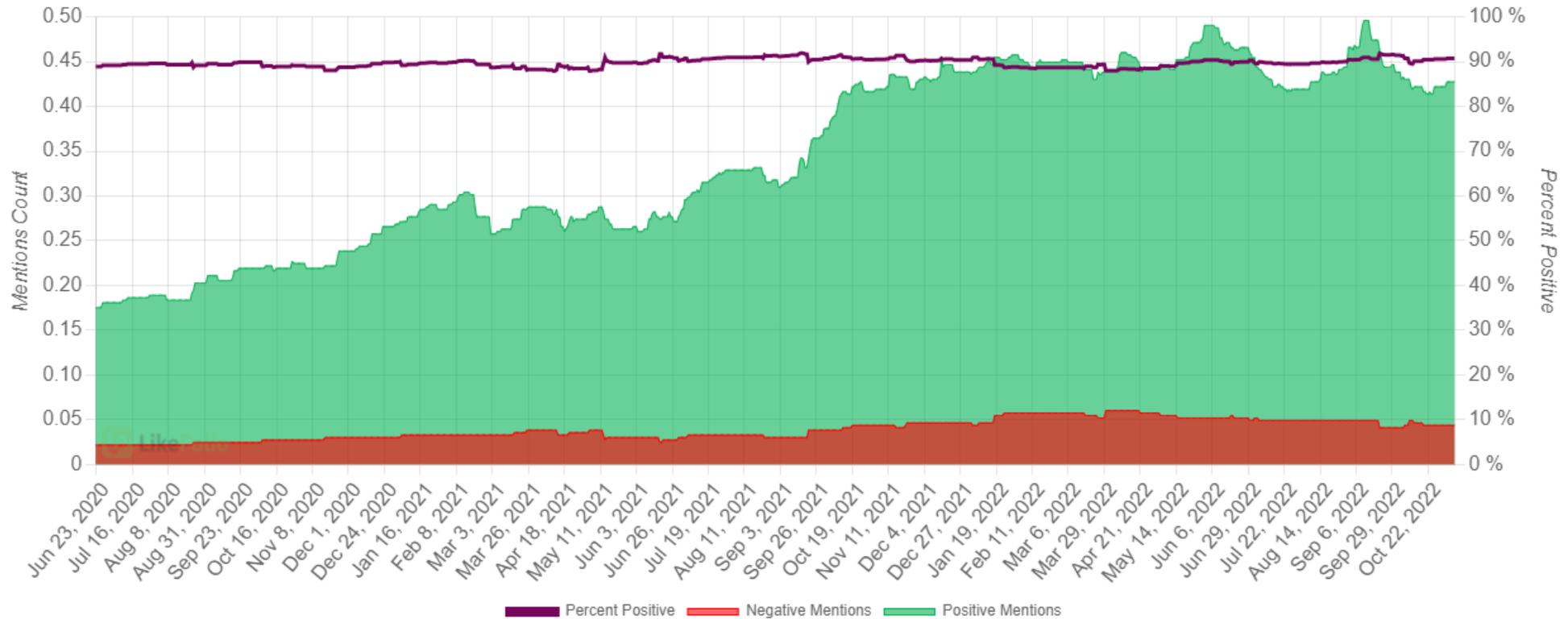


ATAI: Consumers Are Optimistic

Atai Life Sciences (ATAI): Full Company

Consumer Happiness Mentions

365-day change: QoQ: +1%, YoY: 0%



Reports and Business Updates

ATAI's lead program is [PCN-101 / R-ketamine](#) for treatment-resistant depression in affiliation with Perception Neuroscience. The program is a Phase 2 proof-of-concept study. ATAI is aiming to develop PCN-101 as a rapid-acting antidepressant with potential for at-home use.

- ATAI owns 58.9% of subcutaneous R-ketamine, aka PCN-101. Arketamine (also known as R-ketamine) belongs to a new generation of glutamate receptor modulators with the potential for rapid-acting antidepressant (RAAD) activity and anti-suicidal effects.
- Primary target is TRD (treatment-resistant depression), and potential other indication is SUD (substance use disorder).
- Phase 1 trial showed safety and tolerability of R-ketamine at doses up to 150mg; testing a 30mg and 60mg dose in Phase 2.
- Phase 2 will involve 93 patients with TRD in 3 cohorts. The primary endpoint is the Montgomery-Asberg Depression Rating Scale (MADRS) at 24 hours.
- Phase 2 data expected by the end of 2022.

ATAI has a **strong cash position**. The company ended its [third quarter](#) with \$304 million in cash, which, combined with the non-dilutive funding facility from Hercules, provides anticipated runway into 2025. The company detailed two positive clinical trial results and noted eight compounds currently in clinical development.

ATAI is also [looking at numerous other compounds](#) for a range of indications, including classic psychedelics like ibogaine for opioid use disorder (OUD) and N,N-dimethyltryptamine (DMT) for TRD. The company has a [robust pipeline](#), with drug-development programs across several mental health indications with large unmet needs.



A close-up photograph of a person's arm and hand. The person is wearing a black, textured wristband on their left wrist. Their hand is wearing a white sock. The background is a blue denim shirt. A dark blue banner is overlaid at the bottom of the image.

PODD



Key Points

PODD

Insulet
Corporation



Money Dial: Bullish

87

Insulet Corporation

Purchase Intent:

+144% YoY

Trend Watch:

Diabetic Insulin Pumps: +32% YoY

Sentiment:

72% Positive

Actionable Trade Ideas

Buy Insulet Corp. (PODD) stock up to \$310/share**

Alternative approaches would include selling out-of-the-money (OTM) put options with a strike price 5% below the current price of the stock each month to generate income until a position is established.

We believe this stock could gain by more than 100% within the next two years.

Buy PODD Jun '23 340/350 Call Spread @ \$3.00

Max Gain: PODD trading above \$350 on June 16, 2023: +\$700 per contract

Max Loss: PODD trading below \$340 on June 16, 2023: -\$300 per contract

**ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital.



Company Overview: PODD

Insulet Corporation (PODD) is most known for its insulin pump technology called [Omnipod](#):

- Omnipod provides nonstop insulin delivery through a tubeless, waterproof insulin pump called a Pod — without multiple daily injections
- Provides three days (up to 72 hours) of continuous insulin delivery
- It is wearable and tangleproof (unlike traditional insulin pumps)
- 97% of Omnipod users would recommend the product to a friend
- The original Omnipod DASH includes an integrated bolus calculator, presets, and the CalorieKing® library of 80,000+ foods
- Insulet offers a [free 30-day trial](#) of Omnipod DASH

Insulet's [Omnipod 5](#) System has SmartAdjust technology that automatically increases, decreases, or pauses insulin every 5 minutes based on a customized target to protect users from blood sugar highs and lows. In January 2022, PODD's Omnipod 5 was given clearance by the U.S. Food and Drug Administration for individuals aged six years and older with Type 1 diabetes.

PODD is one of 3 companies with FDA-approved automated insulin-delivery systems. Approved competitors include Medtronic and Tandem Diabetes. Insulet has developed and will soon submit to the FDA a 510(k) for a new basal-only pod for individuals with Type 2 diabetes.

Hundreds of thousands of patients with Type 1 and Type 2 diabetes use the Medtronic, Tandem, and Insulet devices. The devices are available with a prescription for [around \\$6,000](#), some of which is typically covered by insurance. Insulin cartridges and other supplies can cost hundreds of dollars a month without insurance.



PODD: Demand at all-time highs

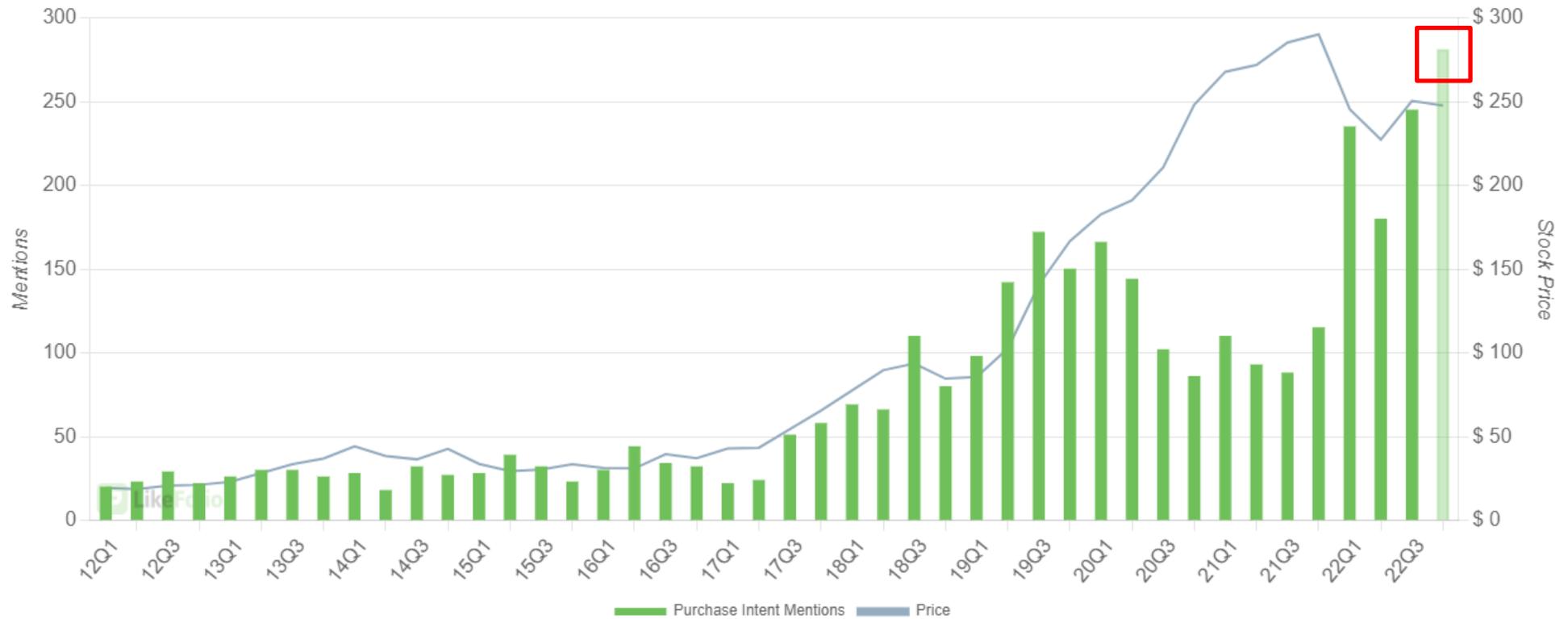
Consumer Demand:

Insulet product demand is pacing for all-time highs in the fourth quarter of 2022, which ends Dec. 31.

The company reported its “highest U.S. revenue growth rate in at least a decade” in the third quarter, and LikeFolio data suggests the company continues to build on this strength.

Insulet (PODD): Full Company

Consumer Purchase Intent Mentions



Macro Trend Watch:

Three main types of diabetes exist (Type 1, Type 2, and gestational), and Omnipod offers solutions for two of these.

Type 1: Usually diagnosed in children and young adults and caused by an autoimmune reaction that stops the body from making insulin (5-10% of diabetics). This audience is most likely to benefit from PODD solutions, as consumers need to administer insulin every day to survive.

Type 2: Typically diagnosed in adults and results from the body's inability to use insulin well and regulate blood sugar (90-95% of diabetics). This type can often be prevented or delayed with weight loss and lifestyle changes involving healthy diet and activity. Type 2 diabetics requiring daily insulin can benefit from PODD solutions.

The figure on the right demonstrates the prevalence and geographic distribution of diabetes diagnosis in the U.S., rising steadily over the last two decades.



Trend Watch: Diabetes Diagnosis Rising

County-Level Prevalence Among Adults

Among US adults aged 20 years or older, age-adjusted, county-level data indicated:

- In 2019, estimates of diagnosed diabetes prevalence varied across US counties, ranging from 4.1% to 17.6% (Figure 3).
- Median county-level prevalence of diagnosed diabetes increased from 6.3% in 2004 to 8.4% in 2019.

Figure 3. Age-adjusted, county-level prevalence of diagnosed diabetes among adults aged 20 years or older, United States, 2004, 2012, and 2019



Trend Watch: Diabetic Insulin Pumps

Macro Trend Watch:

Diabetic insulin pumps increasingly serve as an ideal alternative for users who are tired of pricks from injections and testing.

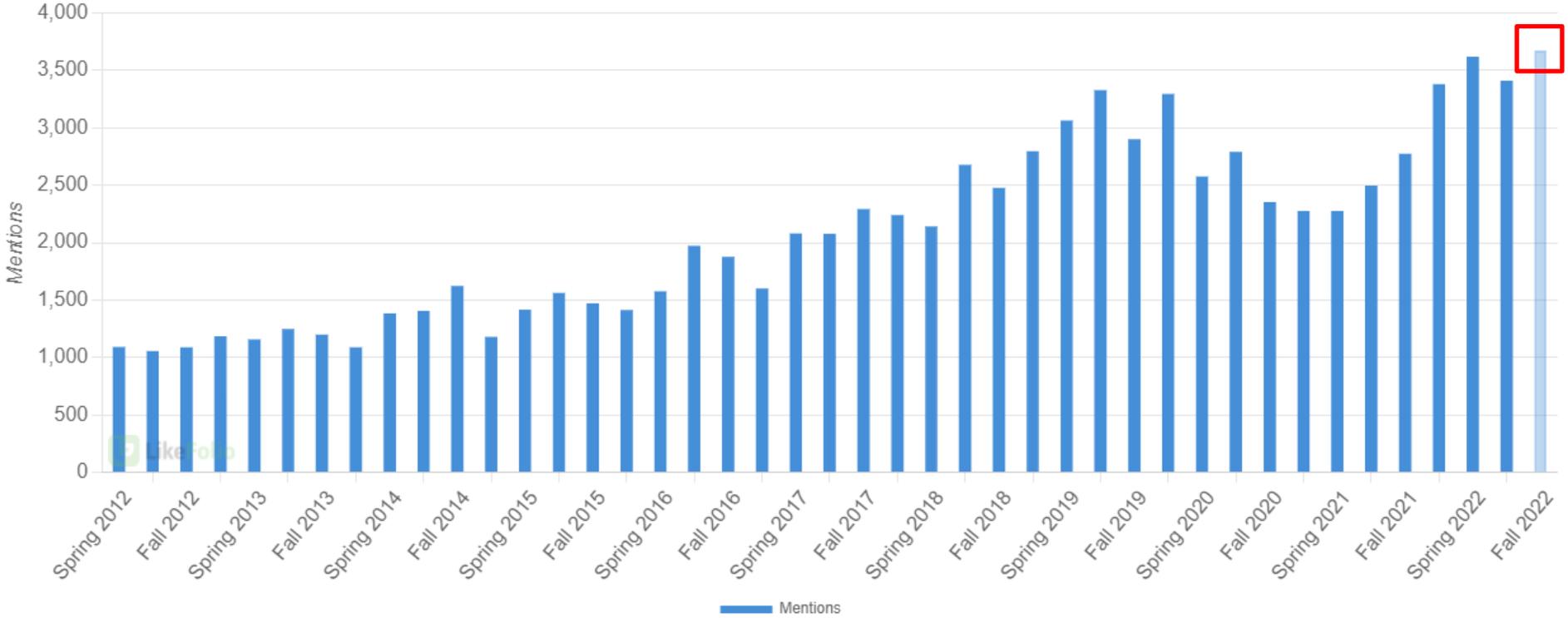
Now, many pumps like Insulet's Omnipod integrate with continuous glucose monitors (produced by DexCom and Abbott) to better calibrate when and how insulin is administered to optimize blood glucose targets.

Many consumers prefer the convenience and effectiveness of pumps in tandem with other technology to manage their disease.

Consumer demand for insulin pump devices is trending at all-time highs.

Diabetic Insulin Pumps: Mentions Count

Consumer mentions about diabetic insulin pumps.



PODD: Sentiment Dinted by Mass Adoption

Consumer Happiness:

Consumer happiness levels for PODD have slipped as adoption for its Omnipod pump rocketed.

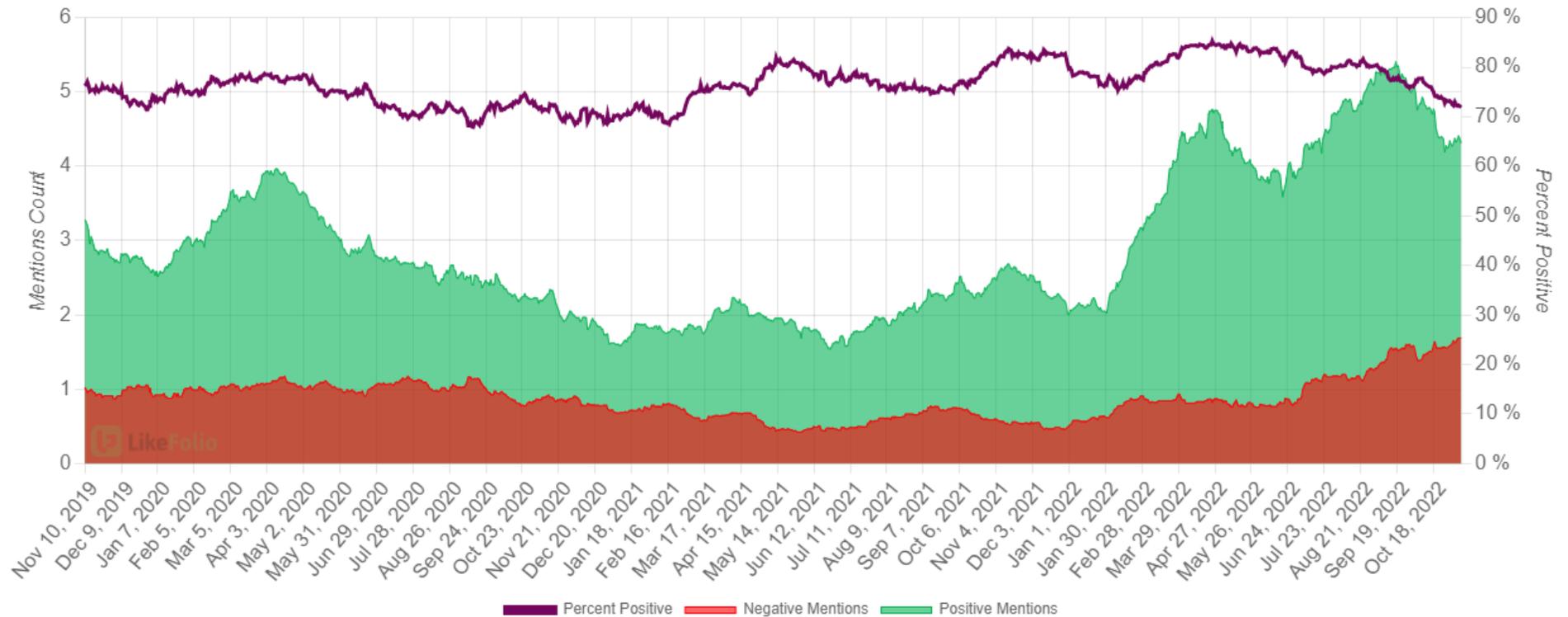
This is typical alongside a new product launch as consumers express concern over battery life and many anxiously await the launch of the Omnipod 5 iPhone app.

Consumer happiness remains high at 72% positive.

Insulet (PODD): Full Company

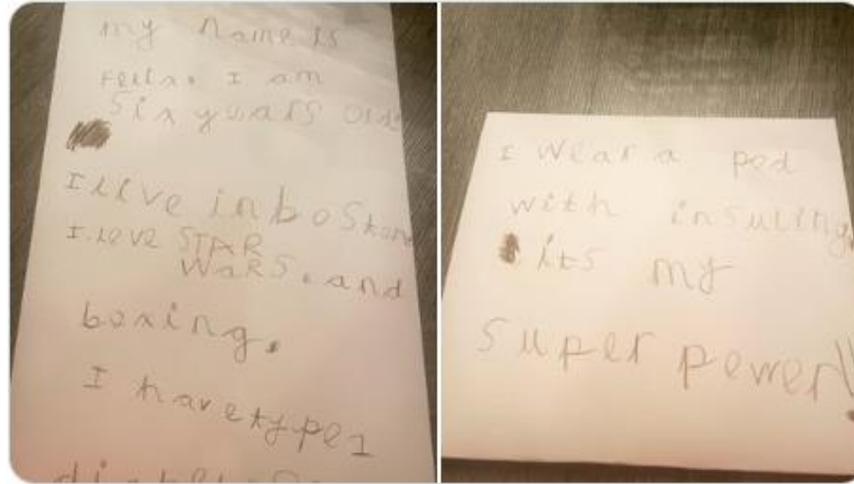
Consumer Happiness Mentions

90-day change: QoQ: -9%, YoY: -10%



Sentiment: Consumers Tout Superpowers

Holly Watson @hollywa99183494 · Oct 4
Thankyou @myomnipod @dexcom @JDRFUK. We owe you everything! ❤️



1 5 24

Nick Coates @Nick_Coates

Replying to @hollywa99183494 @myomnipod and 2 others

🥺🥺🥺🥺. My 4 year old is a T1 and we decorate his POD with marvel tattoos. Anything to make it a little easier for him. We are loving the Omnipod 5.

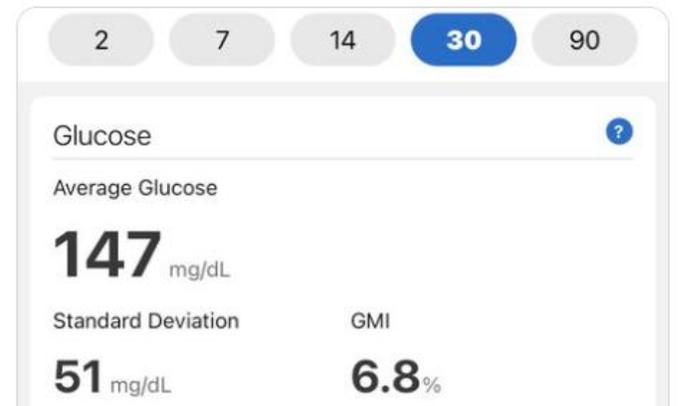
4:01 PM · Oct 5, 2022 · Twitter Web App

casualit @casuAli_T · Jul 13
So far @myomnipod 5 is doing a great job keeping my blood sugar stable, I've had it for a week now and it's been within the range 100% after a couple tweeks, very impressed with it :)



2 28

Michelle Demars @MLD705 · Aug 28
The @myomnipod 5 has been a game changer for me! No nighttime lows and significant increase of my TIR



Reports and Business Updates

PODD released better-than-expected earnings results for its third quarter, sending shares higher. Highlights included:

- [Q3 revenue](#) increased +24% YoY to \$340.8 million (96% was Omnipod revenue, and 73% was U.S. Omnipod revenue)
- Net loss of \$0.08 per share missed expectations but revenue was ahead of the Street's \$312 million estimates
- Achieved record quarterly U.S. and Total Omnipod new customer starts
- Expanded Omnipod 5's U.S. indication for use in patients as young two years old (prior FDA-approved age limit was 6 years old)
- Secured [CE Marking](#) for Omnipod 5 under the European Medical Device Regulation
- Raised full-year revenue growth guidance from 14-17% to 18-19%
- Insulet [CEO stated](#) the adoption of the Omnipod 5 device "is exceeding our expectations and proving to be the game changer we knew it would be."

Insulet is well positioned for international expansion. The company's [CE Mark approval of Omnipod 5](#) means the device is now available throughout the entire European Union. International Omnipod revenue accounted for just over a quarter of device revenue in the last quarter and is primed for growth.

Insulet received [negative press](#) recently related to consumer complaints of battery issues with the Omnipod DASH. PODD issued a [voluntary medical device correction](#) on Oct. 17.





EXAS



Key Points

EXAS

Exact Sciences
Corp.



Money Dial: Bullish

76

EXACT SCIENCES

Mentions:

+40% QoQ, +39% YoY

Trend Watch:

Cancer Prevention Screening: +35% YoY

At-Home Blood/Medical Tests: +6% YoY

Sentiment:

69% Positive

Actionable Trade Ideas

Buy Exact Sciences (EXAS) stock up to \$50/share**

Alternative approaches would include selling out-of-the-money (OTM) put options with a strike price 5% below the current price of the stock each month to generate income until a position is established.

We believe this stock could gain by more than 125% within the next two years.

Buy EXAS Jan '24 90/100 Call Spread @ \$1.00

Max Gain: EXAS trading above \$100 on Jan. 19, 2024: +\$900 per contract

Max Loss: EXAS trading below \$90 on Jan. 19, 2024: -\$100 per contract

**ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital.



Company Overview: EXAS

Exact Sciences (EXAS) operates in the field of early cancer detection. It is best known for its Cologuard colorectal cancer screening test, which accounts for approximately [two-thirds of the company's total revenue](#). Cologuard works by detecting altered DNA or blood in stools and has been shown to detect [92% of colorectal cancers](#). According to EXAS, [10 million people](#) have been screened with Cologuard and 361,000 precancerous or early-stage cancers have been detected.

EXAS believes its Cologuard stool sample test is more effective than competitors' blood-based cancer DNA screens. It claims its stool test has [90% sensitivity](#) for Stage 1 colon cancer, while blood tests are expected to show 70% sensitivity. Cologuard has 42% sensitivity for precancers, while blood tests are expected to have 15% sensitivity.

The company is moving toward FDA approval of a [Cologuard 2.0 test](#) that aims to improve its accuracy and its detection of precancerous polyps. Results of a pivotal trial evaluating the updated version are expected in late 2022 or early 2023.

EXAS has potential for expansion in cancer prevention and detection markets, including breast cancer testing via its Oncotype DX brand and hereditary cancer testing via its recent acquisition of PreventionGenetics – both of which are complementary to its core competencies.

The Oncotype DX tests analyze the individual biology of a tumor to provide deeper insight to patients and their doctors. Tests are targeted to breast cancer, prostate cancer, colon cancer, and even advanced-stage cancer to better tailor treatment therapy. In the third quarter EXAS delivered 960,000 total tests.



Consumer Buzz:

EXAS buzz is rising as the company expands its product portfolio beyond its well-known Cologuard test.

Mentions have increased by +39% YoY.

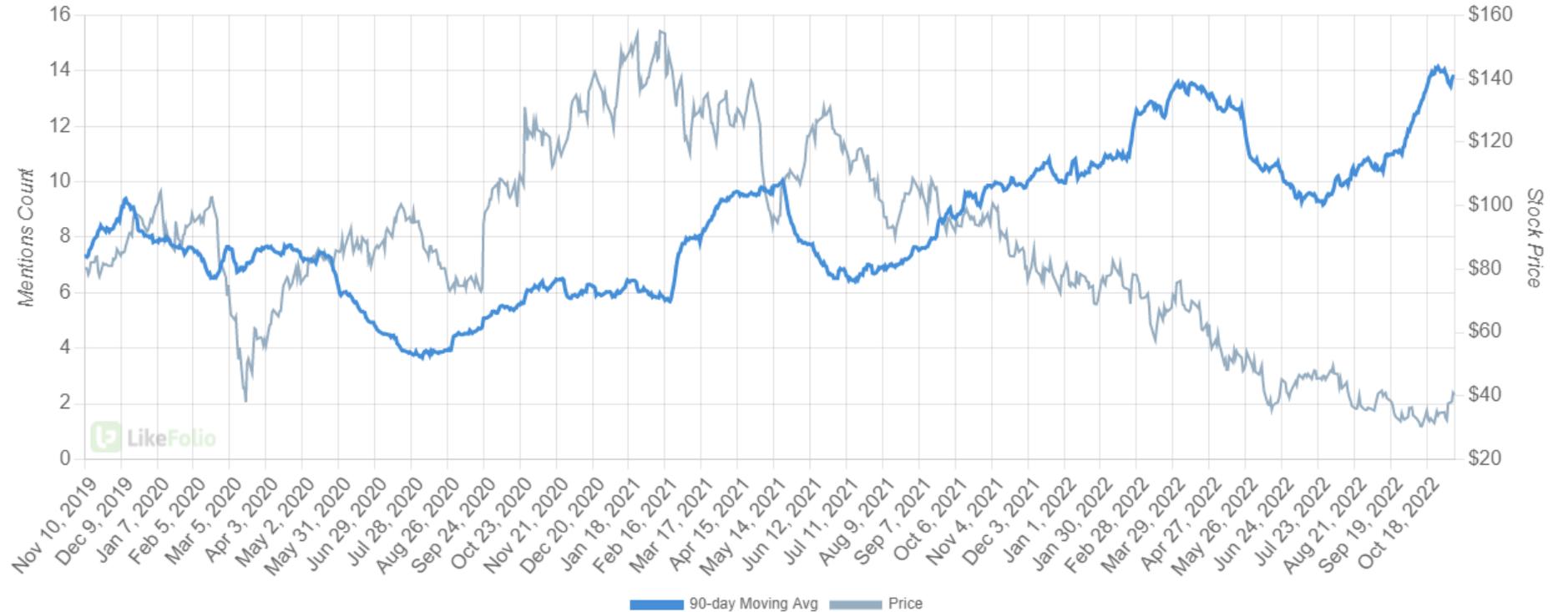


EXAS: New Products Drive Mentions

Exact Sciences (EXAS): Full Company

Mentions Count

90-day change: QoQ: +40%, YoY: +39%



Trend Watch: New Cancer Cases

Macro Trend Watch:

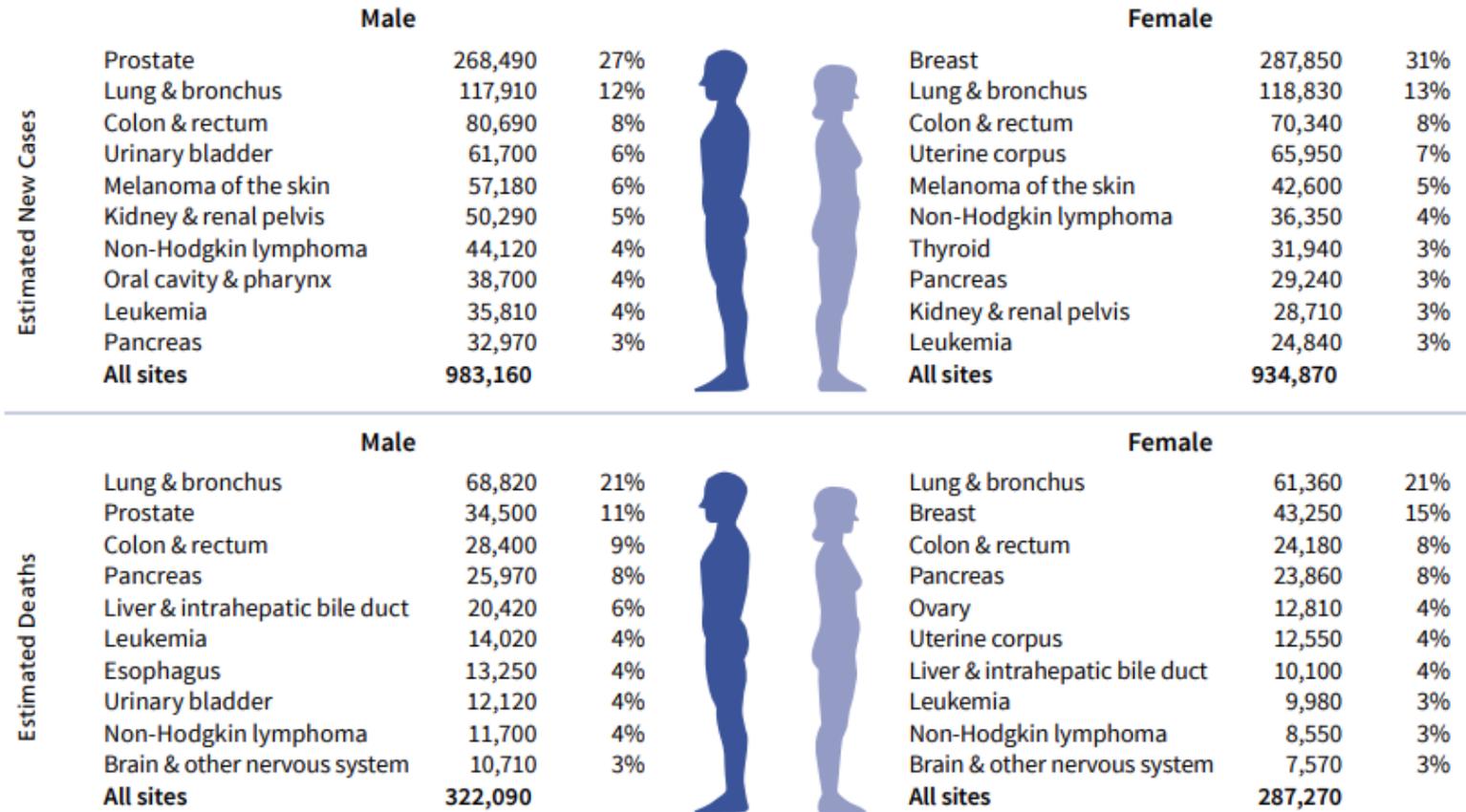
Cancer is the second-most-common cause of death in the U.S., trailing heart disease.

Figure 3 displays the leading sites for new cancer in men and women, along with mortality rates.

Note the prevalence of Prostate, Breast, and Colon/rectum cancer in both sexes.

EXAS operates in this space, aiming to provide advanced screening and individual testing for these types of cancers through its Cologuard and Oncotype DX tests.

Figure 3. Leading Sites of New Cancer Cases and Deaths – 2022 Estimates



Estimates are rounded to the nearest 10, and cases exclude basal cell and squamous cell skin cancers and in situ carcinoma except urinary bladder. Estimates do not include Puerto Rico or other US territories. Ranking is based on modeled projections and may differ from the most recent observed data.

©2022, American Cancer Society, Inc., Surveillance and Health Equity Science



Trend Watch: Cancer Prevention Screening

Macro Trend Watch:

Even though cancer contributes to a significant number of deaths, these rates are declining in several types.

This has been attributed to improved treatments as well as earlier diagnosis, driven partially by preventive screenings.

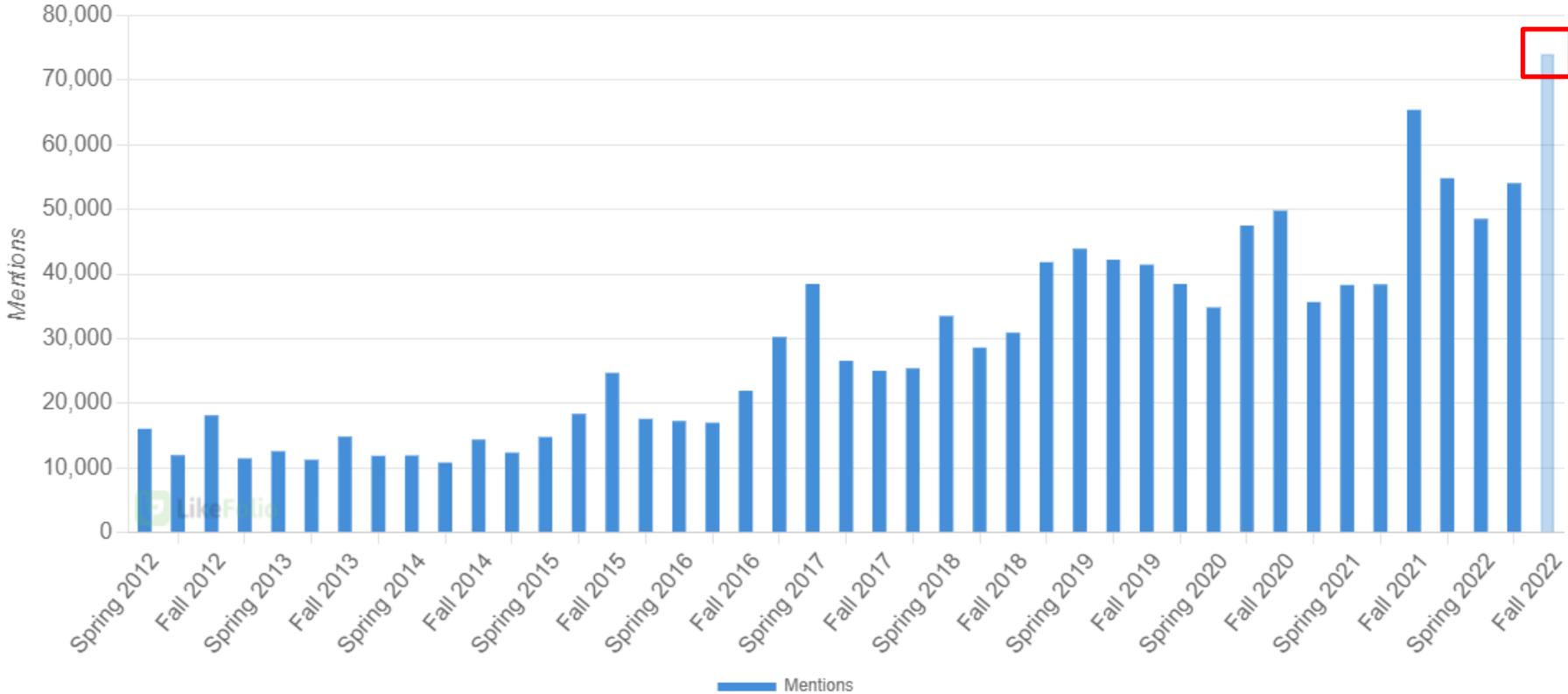
According to the American Cancer Society: “The breast cancer death rate among females peaked in 1989, and has since declined by 42% as of 2019, mainly because of earlier detection through screening, as well as increased breast cancer awareness and improved treatment. This decrease translates to approximately 431,800 fewer breast cancer deaths during this time period than would have been expected in the absence of this progress.”

Mentions from consumers related to cancer prevention screenings have increased by +35% YoY.



Cancer Prevention Screening: Mentions Count

Consumer mentions about cancer prevention screening.



Trend Watch: Screening Benefits

 **Mosey** @MoseyDm · 18h ...
Apparently I am the age that I should screen for colon cancer but not old enough that they really worry.

I wasn't expecting to be sent a home test kit.

Yup, apparently I am supposed to send poop via the mail.

8 ↻ ❤️ 28 ↗

 **Morty303** @JOSHUAEMORY1 ...
Replying to @MoseyDm

It's either mail poop or get the long camera invasion. You are allowed to request a colonoscopy instead of a ColoGuard test if laxatives and camera invasions are more to your liking.

I prefer mailing the box, myself.

7:12 PM · Nov 9, 2022 · Twitter for Android

 **Tanja Howard** @TanjaHoward19 ...
Replying to @kacdn91

I had one at age 50 - the cleansing part for me was extremely debilitating & quite painful. I had to muffle my screams from pain in the bathroom. My doc said it was time to have one again a few years ago (15 years later). I refused & she ordered the Cologuard kit - easy peasy.

12:38 PM · Nov 7, 2022 · Twitter for iPhone

 **The Breast Cancer Research Foundation** @BCRFcure · Sep 28 ...
#ResearchIsTheReason @katiecouric's breast cancer was caught early—when it is more easily treated. She knew she had dense breasts and got additional screening.

Because of BCRF-supported research (the **Oncotype DX** test) she could safely forgo chemotherapy.



katiecouric.com
Why NOT Me?
June 21, 2022, was the first day of summer, my 8th wedding anniversary, and the day I found out I had breast cancer.

1 ↻ ❤️ 2 ↗

 **Kaan** @dmelanogaster ...
Replying to @jack_turban

In school, we are being taught that there isn't any benefit to having uni mastectomy vs. lumpectomy + xrt. However, I think there are so many nuances related to decision making. I would suggest Oncotype Dx if she chooses the lumpectomy path. It assesses the benefit of chemo.

8:25 PM · Aug 31, 2022 · Twitter for iPhone



Consumer Happiness:

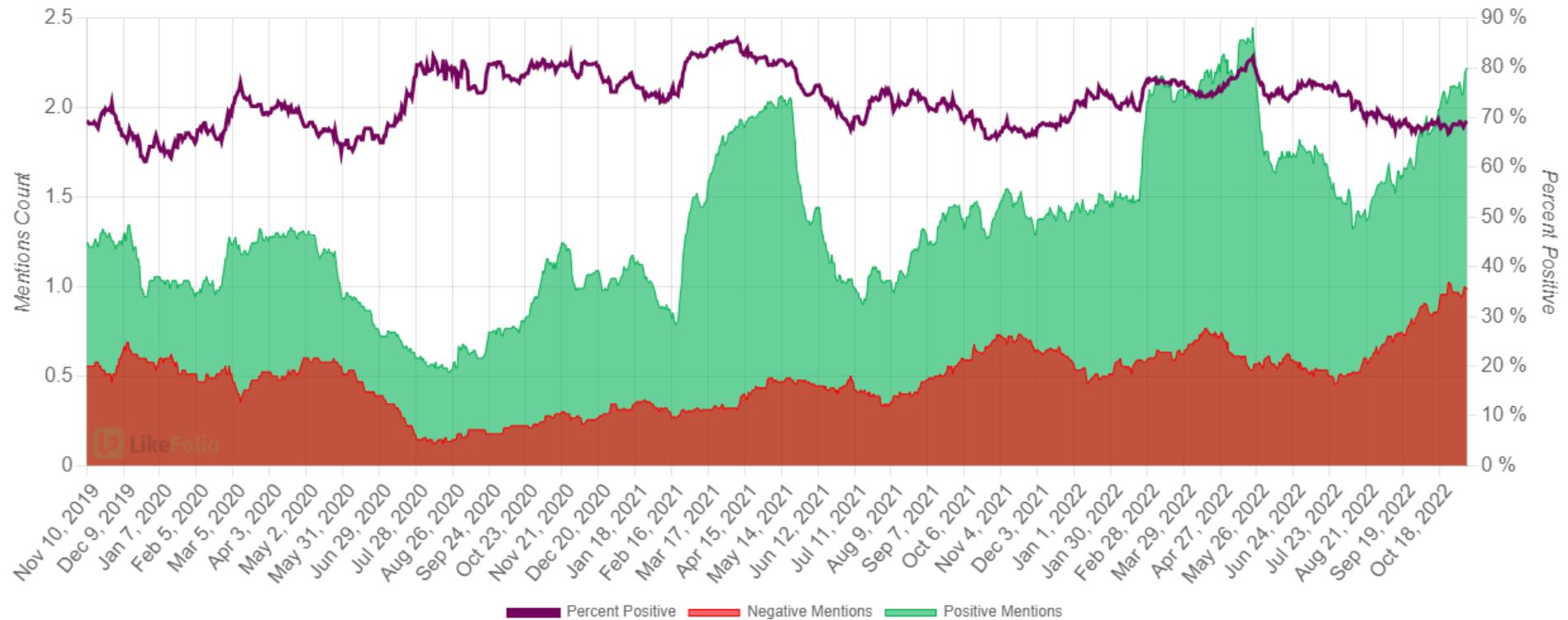
Consumer happiness levels for EXAS testing products and services remains consistent, currently 69% positive, unchanged from prior-year levels.

EXAS: Sentiment Is Stable

Exact Sciences (EXAS): Full Company

Consumer Happiness Mentions

90-day change: QoQ: -3%, YoY: 0%



Reports and Business Updates

EXAS shares surged after the company reported [better-than-expected third quarter results](#) and raised its outlook.

Highlights included:

- \$523.1 million in sales versus \$502 million expected (+15% YoY). Excluding the impact of Covid tests (demand has dropped significantly), revenue increased +20% YoY.
- Posted EPS loss of \$0.84, an improvement from the \$0.97 loss posted in the same quarter a year prior
- Increased full-year sales outlook by \$33 million

EXAS aims to deepen its relationship with doctors. 10,000 new healthcare providers ordered Cologuard during the quarter and more than 292,000 have ordered since product launch. The company expects Cologuard to become a preferred screening standard, stating: “Proof points that Cologuard is becoming a preferred screening standard include nearly 10 million people have completed the test. More than 150,000 healthcare providers ordered during the third quarter, a new record. We saw a 25% increase in orders from the first week of August to the last week of October, and its Net Promoter Score has nearly doubled since early 2021. *The longer a healthcare provider has been ordering Cologuard, the more ingrained it becomes in their practice.*”

EXAS plans to expand its level of testing for existing patients. “Next year, we plan to offer additional genomic tests to patients, oncologists, and our biopharma and academic partners, including minimum residual disease and enhanced therapy selection with RNA analysis. Combining information from our test at different stages of cancer treatment will provide a more complete picture of each patient's disease.”





TDOC



Key Points

TDOC

Teladoc Health
Inc.



Money Dial: Neutral

65

TeladocTM

HEALTH

Purchase Intent:

+8% QoQ, -17% YoY

Trend Watch:

Telehealth Demand: -25% YoY, +492% vs. 2019

Mental Health Concerns: +34% YoY

Sentiment:

60% Positive, -8% YoY

Actionable Trade Ideas

Buy Teladoc Health (TDOC) stock up to \$38/share**

Alternative approaches would include selling out-of-the-money (OTM) put options with a strike price 5% below the current price of the stock each month to generate income until a position is established.

We believe this stock could gain by more than 110% within the next two years.

Buy TDOC Jan '24 65/75 Call Spread @ \$0.95

Max Gain: TDOC trading above \$75 on Jan. 19, 2024:
+\$905 per contract

Max Loss: TDOC trading below \$65 on Jan. 19, 2024:
-\$95 per contract

**ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital.



Company Overview: TDOC

Teladoc (TDOC) provides virtual healthcare for a wide range of services from mental health to the management of chronic conditions like diabetes and heart failure. The company boasts a wide portfolio of brands (outside its namesake brand) that provide consumers with access to healthcare 24 hours a day, 7 days a week, 365 days a year. The median [response time is less than 10 minutes](#) in the U.S. for general inquiries.

The pandemic [accelerated](#) a massive consumer transition to telemedicine, and video medical visits are likely to continue to play a big role in healthcare moving forward. But after [lockdowns and fear of infection](#) kept people at home and TDOC memberships in high demand, the return to normal has presented a new challenge for Teladoc: How can the company reinvigorate growth in the aftermath of a highly favorable pandemic?

Teladoc is focused on expanding its chronic care offerings. In February 2022 it launched “[Chronic Care Complete](#),” the first unified chronic condition management experience for patients. It is designed to improve health outcomes through personalized, high-quality support to address diabetes, hypertension, weight management, and mental health concerns. Members get glucometers, blood pressure cuffs, and other devices and work with Chronic Care Professionals (CCP). Four in 10 adults in the U.S. [have at least two chronic conditions](#), with obesity, depression, and high blood pressure [leading the way](#).

On its last earnings call, TDOC noted value-based care is a high priority for organizations. It [used an example](#) of a chronic care shared-savings pilot with fully insured members of a large Blue Cross Blue Shield plan: “Our team just concluded a study with this partner's actuarial team, who determined that we have exceeded our medical cost savings target by 60%. Not only do we drive better outcomes for our members and drive more savings for our clients, but we were able to realize a small, shared-savings bonus. We believe the outcome of this pilot and others like it validate our ability to move further toward value-based contracting over time.”



TDOC: Normalizing Post-Pandemic

Consumer Buzz:

Demand for Teladoc services continues to normalize following pandemic-induced highs.

Consumer mentions of using a Teladoc service have dropped by -17% YoY, though these mentions remain significantly higher versus pre-pandemic levels, demonstrating long-term adoption.

Teladoc (TDOC): Full Company

Consumer Purchase Intent Mentions

90-day change: QoQ: +8%, YoY: -17%



TDOC: BetterHelp Brand Driving Growth

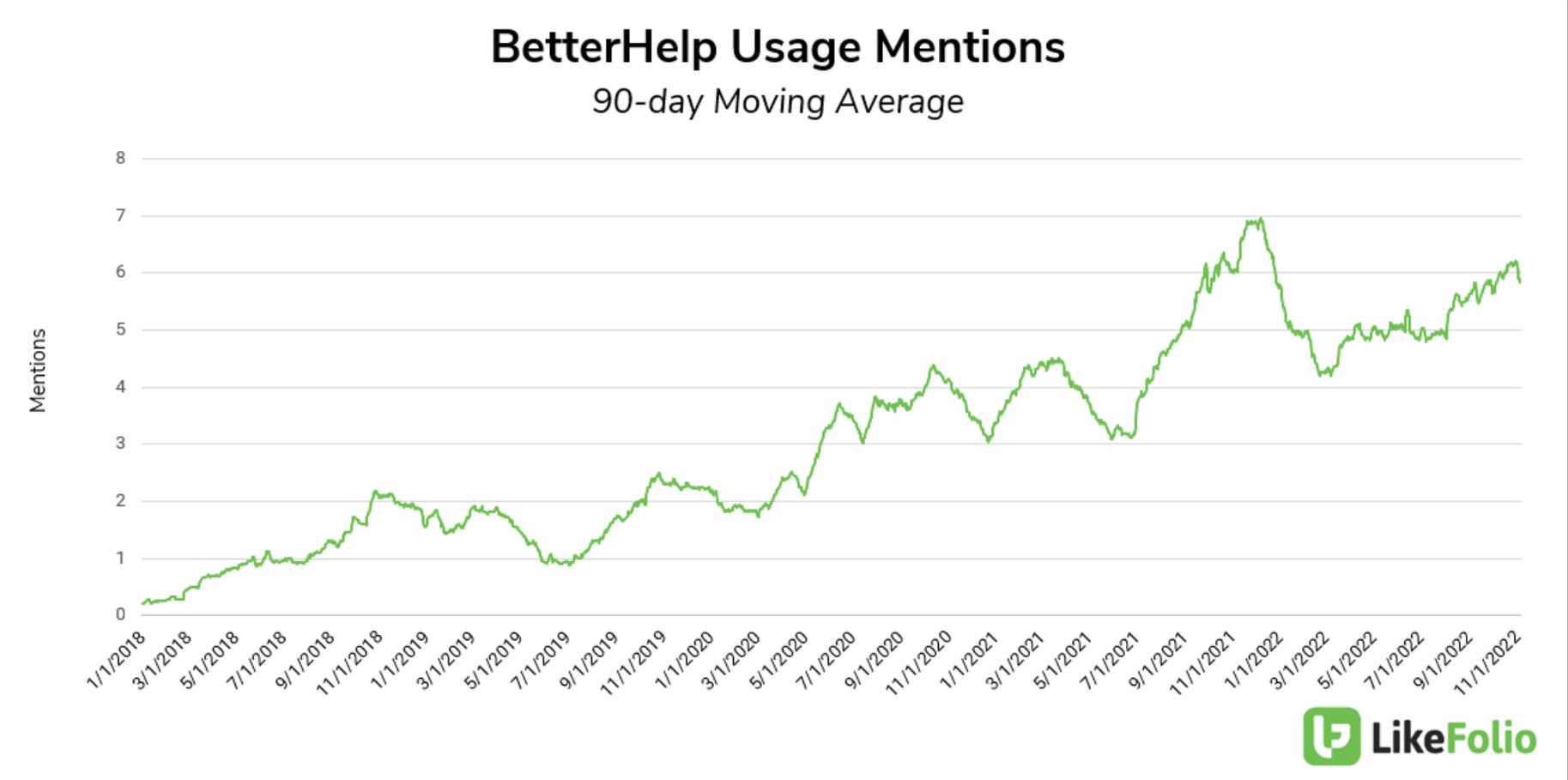
Consumer Buzz:

Teladoc acquired BetterHelp, a direct-to-consumer mental health platform in 2015.

BetterHelp was the most significant driver of growth in TDOC's last quarter.

Teladoc believes it can amplify this growth through group sessions.

“We’re leaning more into digital interactions with consumers as well as group — virtual group therapy sessions, which is a more efficient way of interacting with the consumer, [and it] improves the gross margins,” Teladoc’s CEO said.



Macro Trend Watch:

Mental health concerns and disorders increased significantly as a result of the pandemic.

LikeFolio data depicts lasting (and growing) impacts on mental health from the perspective of consumers.

Consumer mentions expressing mental health concerns have risen by +35% YoY and consumer mentions of taking actions to improve mental health have increased by +12% in the same time frame.



Trend Watch: Mental Health Concerns

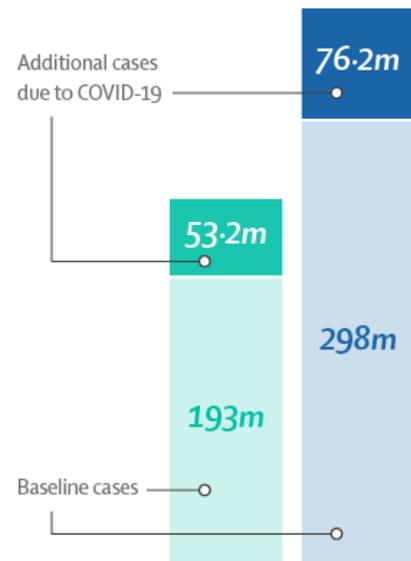
The COVID-19 pandemic has had a large and uneven impact on global mental health

Cases of mental disorders rose sharply during the pandemic

Cases in 2020

Major depressive disorder

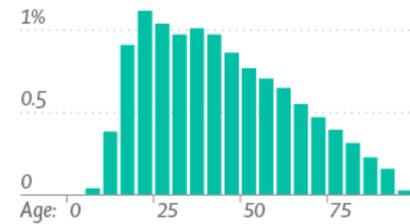
Anxiety disorders



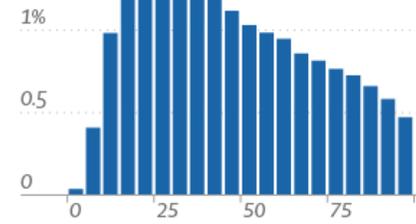
Younger people were hardest hit

Additional prevalence due to COVID-19, by age

Major depressive disorder



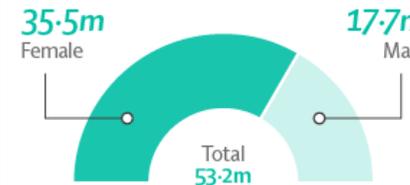
Anxiety disorders



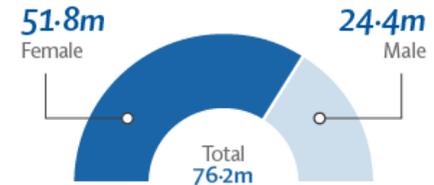
Increases were higher among females than males

Additional cases due to COVID-19, by gender

Major depressive disorder



Anxiety disorders



Read the full paper: Santomauro DF, Mantilla Herrera AM, Shadid J, et al. Global prevalence and burden of depressive and anxiety disorders in 204 countries and territories in 2020 due to the COVID-19 pandemic. *The Lancet* 2021. Published online October 8.

Macro Trend Watch:

The pandemic changed some consumer behavior permanently, and telehealth is a prime example.

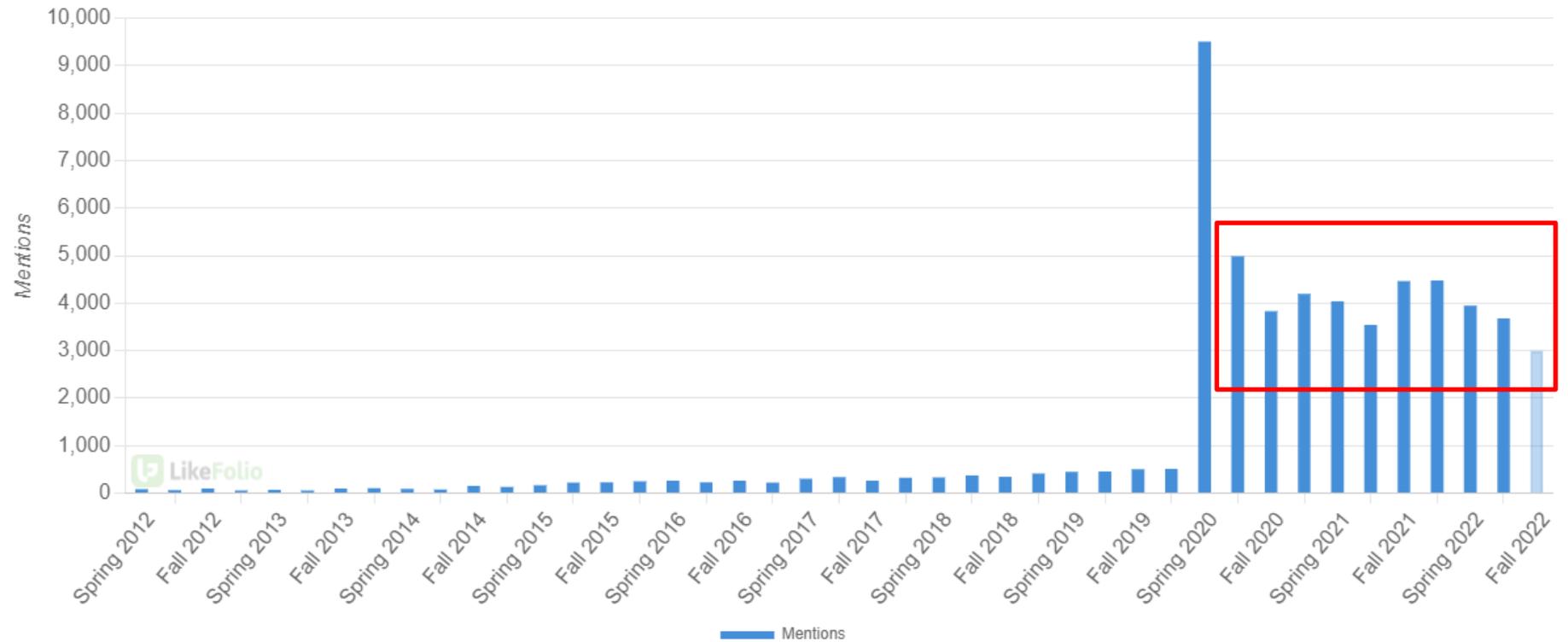
While consumer mentions of accessing telehealth services have declined from 2020 levels, these levels remain more than three times higher than they were prior to the pandemic.

Looking ahead, companies that can capitalize on areas of health where telehealth services make sense (like mental health and chronic care) may bring providers and patients the most value and thus possess the most opportunities for growth.

Trend Watch: Telehealth Stickiness

Telehealth Demand: Mentions Count

Mentions of consumers utilizing telehealth services.



Trend Watch: Telehealth Applications

 **Lyle Berkowitz, MD** @DrLyleMD · Nov 2

New **Telehealth** Survey found that (1) Patients prefer virtual care over office visits for routine urgent and routine **chronic care** issues; and (2) Patients VERY much want their Virtualists to have access to their health system record...lnkd.in/ggYwijV4



prnewswire.com
Survey: Consumers Prefer Telehealth Over In-office Visits for Routine ... /PRNewswire/ -- The popularity of telehealth remains strong -- and even the top choice among consumers needing routine medical care, ...

2

 **Azalea Health** @AzaleaHealth · Oct 31

#Telehealth may be just as good as in-person visits when it comes to some **chronic care**. Treating high blood pressure is one of the things that can be effectively monitored virtually:



heart.org
Telehealth may be just as good as clinic visits for treating high blood p...
Telehealth care coordinated by pharmacists is a safe and effective alternative to clinic-based care for treating high blood pressure, ...

2

 **ava** ❤️ @anorexidiot · 21h

my therapist is such a real one for taking one look at me post-ictal and being like "do you wanna reschedule?" yes bestie i do tism

2 11

 **V_wMia** @V_wMia · 21h

Replying to @anorexidiot

That's so great of her! I actually had one in front of my therapist once it was so embarrassing even though I know it shouldn't be, but pretty sure I drooled all over her couch.

1

 **ava** ❤️ @anorexidiot · 21h

Replying to @V_wMia

oh jeez. we're telehealth still so i just logged into my account and popped up as a video for her, i didn't have to go to an office or anything thankfully. i hope yours handled it well and that you were (and are!) safe!!

1 1

 **V_wMia** @V_wMia

Replying to @anorexidiot

I prefer telehealth appointments I should try to switch to that if it's a possibility... and thank you I was & am. I hope you are too!

5:01 PM · Nov 9, 2022 · Twitter for Android



Consumer Happiness:

Teladoc consumer happiness levels have dropped by -8 points YoY, even as adoption rates decline.

The most common complaint: the cost of BetterHelp offerings.

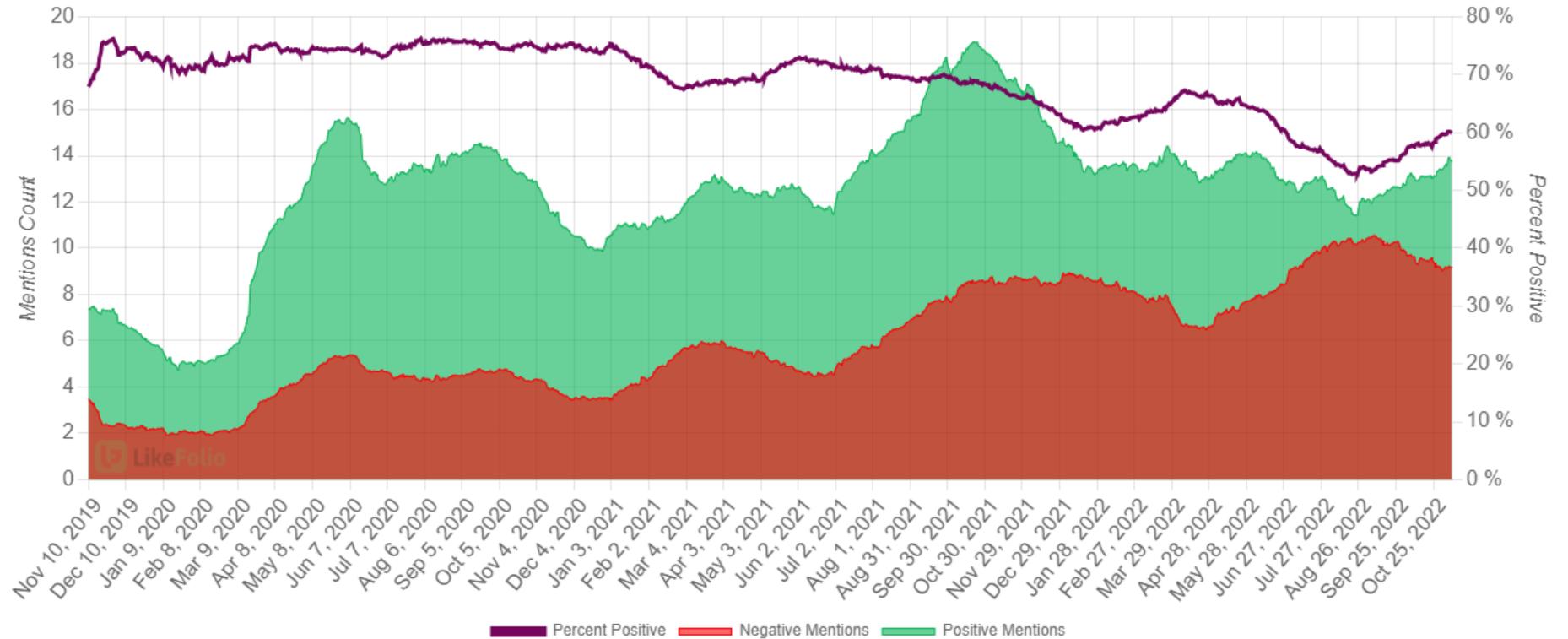


TDOC: Room for Sentiment Improvement

Teladoc (TDOC): Full Company

Consumer Happiness Mentions

90-day change: QoQ: +6%, YoY: -8%



Reports and Business Updates

TDOC [shares jumped +6.5% following its Q3 report](#) due to better-than-expected revenue and [narrower-than-expected losses](#). Report highlights included:

- Revenue increased +17% YoY to \$611 million (versus \$608.9 million expected)
- Access fee revenue increased +20% and accounted for 88% of overall revenue
- Visit fee revenue up 5%
- U.S. revenue accounted for 87% of overall (lots of room for overseas growth)
- Narrower-than-expected loss (-\$0.45 vs – \$0.60-\$0.85)
- Adjusted gross margin expanded 200bps YoY to 69.6%
- Ended the period with [57.8 million paid members](#) in the U.S. (+10% YoY increase)
- Average U.S. revenue per member increased +9% YoY
- Lowered full-year revenue guidance to around \$2.4 billion and narrowed EBITDA range
- The largest driver of growth was Teladoc's BetterHelp direct-to-consumer mental health brand, which logged revenue growth of +35% YoY

Skeptics of TDOC claim there's limited growth in the base virtual medical care business because [penetration of the employer-sponsored health insurance market](#) is already high. Approximately 50% of the employer market has TDOC coverage. Management estimated 1%-5% membership growth in 2022.

Other analysts, like [Goldman](#), think the difficult sales and membership comps were tough for the market to handle but that TDOC's leadership position and managed care organization (MCO) relationships will afford it the opportunity to drive the integration of digital into healthcare, allowing the healthcare tech sector to be more disruptive.



MegaTrend Summary: Healthcare Renaissance

Healthcare is constantly evolving. As science progresses and regulators loosen restrictions, some areas of study appear ripe for growth... pending positive results, of course.

This report examines emerging treatment options in the **very early phases**.

Namely:

- Psychedelic Treatments
- Mental Health Therapies
- Cancer Prevention Screenings and Advanced Tumor Testing

The names featured in this report are operating in one (or more) of the areas above, with many still in the research and development phase.

We're monitoring each company closely to understand consumer reception and adoption to new treatment options. And will be tracking for some time... it's only the beginning and could prove to be extremely volatile in the near term.



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LikeFolio

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