



FEATURED OPTIONS RADAR



Large Put Sale Sees Low in for Top Diabetes Management Company

Ticker/Price: PODD (\$73.30)

Analysis:

Insulet (PODD) saw a large trade on 11/22 that sold 750 December 2024 \$190 puts to open for \$2.63M in premium. PODD has previously seen 1300 January \$130 short puts open, small buys of 700 March \$190 calls and a buyer of 600 January \$210/\$170 strangles. PODD also with a Director buying \$1M in stock in May at \$304.75/share and the CEO on 8/29 bought \$1M in stock at \$181.41. PODD is one of the MedTech names slammed the hardest on GLP-1 concerns with shares -37% YTD though we are starting to see those fears as overdone with CGM being complimentary to GLP-1 users. PODD's selloff nearly reached lifetime VWAP near \$101 that lines up as a retest of a key breakout from 2019. PODD has rebounded the last few weeks and weekly MACD freshly crossing bullish though the 21-week and VWAP off the highs as resistance levels of \$191.50 and \$201.50 respectively. A 38.2% Fibonacci target is \$206.25 while a 50% retracement lines up near key VPOC at \$231. PODD is a maker of its proprietary Omnipod® System, a continuous insulin delivery system for people with insulin-dependent diabetes. Approximately 40% of the type 1 diabetes population in the United States and even less of the international type 1 diabetes population use insulin pump therapy. Omnipod 5 is interoperable with a third-party continuous glucose monitor sold separately that obtains glucose values and integrates with the Pod. It's partner Glooko provides a cloud-based application for clinicians and users accessible through a kiosk, home computer, or a mobile application on the user's smartphone that provides users and their healthcare providers access to insulin delivery trends, blood glucose levels, and other integrated data. Customers report the device revolutionizing their diabetes management, and certain endos have shifted over their pump prescriptions almost entirely to Omnipod 5. Management also notes that GLP-1s may delay disease progression, they are not repairing beta cells, so eventually patients will still require insulin. Management believes there is significant pent-up demand in international markets as well. PODD has a market cap of \$13B and trades 75X Earnings, 8.35X Sales and 320X FCF, rich valuation with revenues seen rising 18-20% in 2024/2025 along with 27-31% annual EPS growth. Analysts have an average target of \$217 with short interest subdued at 4.3% of the float. Baird with a lowered \$180 target positive on PODD's growth and management continues making good progress on G7 and L2 integration efforts, early O5 EU launch efforts, and the Secure T2 O5 trial.

Hawk Vision:



Hawk's Perspective: PODD has already jumped 50% from lows and not one to look at upside calls considering valuation constraints, but a strong quality grower where put selling makes the most sense, \$175 near-term support to target.

Confidence Ranking: \$\$