



**James Reynolds**  
Tenebrist Global, LP



**Founder, CIO - Tenebrist Global, LP (March 2020 - Present)** - 5-stock, L/S, focused on investing in hypergrowth businesses outside the realm of typical growth managers like restaurants, retail, cannabis, healthcare, Nordics, Japan, South Korea, etc.



**Head of Investment Research - ShawSpring Partners (2015-2020)** - \$2B Concentrated Internet Fund. Led investments in Carvana (CVNA), Sea Limited (SE), Match Group (MTCH), etc. and authored quarterly letters 2017-2019. 30%+ CAGR since inception.

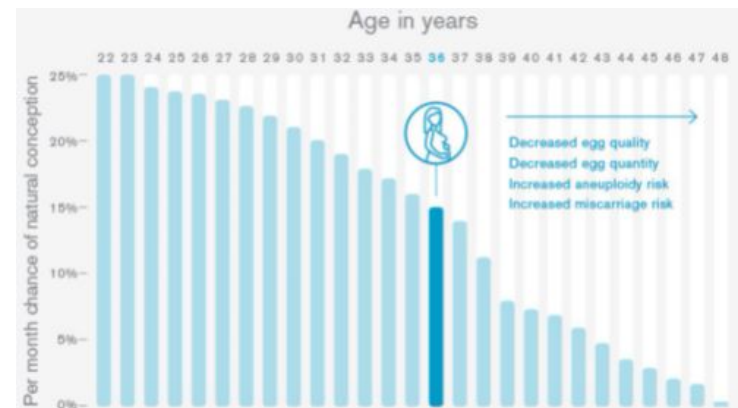
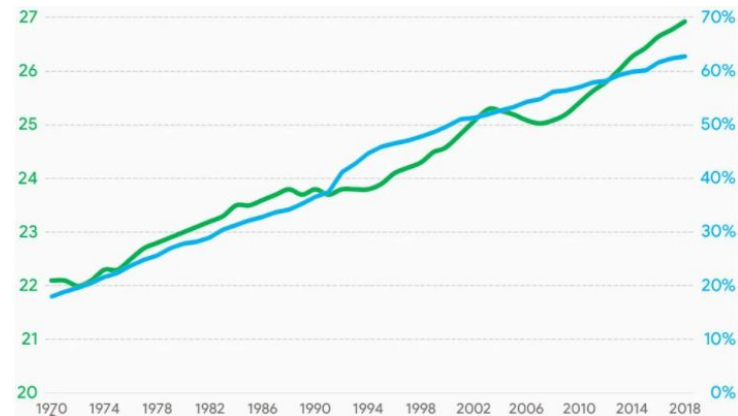


**B.A. / M.A. Economics - Boston University (2011-2015)**

# Macro / Industry Overview

**Infertility is Increasing** - Hard to point to 1-2 factors but big impact to men & women likely coming from lifestyle and health changes: obesity, alcohol/tobacco, low quality food, exposure to chemicals and cosmetics, etc.

**Women Prioritizing Education & Careers** - This is most relevant for our discussion as PGNV sells into companies trying to attract/retain top female talent. As women continue to pursue higher education and careers, they end up starting families later (age 22 in 1970, age 27 in 2020 - top right). Waiting longer has huge impact to fertility (bottom right).



## Progyny (PGNY, \$3.7B Mkt Cap) Sells Fertility Benefits Management to Self-Insured Employers.

- **Function 1:** PGNY connects employees to fertility clinics and pharmaceuticals.
- **Function 2:** PGNY provides customer service to patients.



### Value Proposition:

- **VP 1 (Employees):** Employees get access to fertility benefits to start families.
- **VP 2 (Employers):** Employers better attract / retain female talent that are less stressed during infertility, and spend less time away from work due to fewer highly costly NICU stays.
- **VP 3 (Clinics):** Clinics get incremental high-quality volumes that they get to treat without cutting corners, which drives better results and revenues.
- **VP 4 (Specialty Pharmacies):** Incremental volumes to specialty pharmacies.

**We find long-term thinking is correlated with strong business and investment outcomes. To identify LT oriented managers we focus on owner-operators investing in culture and customer experience.**

- **Culture** - Great cultures are driven by strong missions and underlying values. PGNY's mission is to help people realize their dreams of having a family & proves this mission to employees with quarterly "Progyny Baby" reports. PGNY is customer-centric, and reinforces this to its employees with a constant focus on renewals, NPS, outcomes, and savings. Progyny doesn't lose employees, they have an active internal job board where employees can find a new role.
- **Customer Experience** - We find that only one player in an industry has the discipline to invest up-front to build the ideal CX, while others cut corners. In this ecosystem, Progyny is building out a strong network of vetted captive fertility clinics and pharma companies. Increased scale with each gives PGNY bargaining power to drive cost savings for employers over time. Competitors like Carrot are lightweight copycats where they don't have an in-house PBM or captive clinic relationships. They are just a payments facilitator and a customer service layer.

From current \$40 stock price we think PGNY represents a 39% IRR through 2026.

<b>Progyny (PGNY) Model</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>CAGR</b>
Clients (EoY)	18	33	87	135	207	311	454	642	880	1,171	41%
Members (EoY)	234,000	720,000	1,517,000	2,315,000	3,315,000	4,815,000	6,815,000	9,315,000	12,315,000	15,815,000	37%
<b>Revenue</b>	<b>\$49</b>	<b>\$106</b>	<b>\$230</b>	<b>\$345</b>	<b>\$515</b>	<b>\$779</b>	<b>\$1,102</b>	<b>\$1,506</b>	<b>\$1,991</b>	<b>\$2,557</b>	38%
Fertility Service Revenue	\$49	\$100	\$190	\$254	\$357	\$519	\$735	\$1,004	\$1,328	\$1,705	37%
PBM Revenue	\$0	\$6	\$40	\$91	\$158	\$260	\$367	\$502	\$664	\$852	40%
<b>EBITDA</b>	<b>-\$6</b>	<b>\$3</b>	<b>\$18</b>	<b>\$32</b>	<b>\$69</b>	<b>\$130</b>	<b>\$204</b>	<b>\$297</b>	<b>\$408</b>	<b>\$539</b>	51%
<b>Normalized EBITDA</b>	<b>\$11</b>	<b>\$24</b>	<b>\$53</b>	<b>\$79</b>	<b>\$119</b>	<b>\$179</b>	<b>\$253</b>	<b>\$346</b>	<b>\$458</b>	<b>\$588</b>	38%
Multiple	50x	50x	50x	50x	50x	47x	44x	41x	37x	35x	
EV	\$564	\$1,219	\$2,642	\$3,963	\$5,926	\$8,417	\$11,152	\$14,204	\$16,946	\$20,586	28%
Price Target	\$7	\$15	\$32	\$47	\$67	\$93	\$120	\$149	\$174	\$207	25%



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