



Large Call Position Opens in IQVIA into Investor Day

Ticker/Price: IQV (\$137.50)

Analysis:

IQVIA (IQV) large opening trade for 9,500 June \$145 calls at \$1.75 with shares basing nicely the last few weeks. IQV has seen 2,000 May \$140 puts open tied to long stock and 700 June \$145 calls bought back on 4/24. Shares have trended strong since the reversal weekly candle in December that retested its big flag breakout from 2018 and currently consolidating at the lower end of its 2019 range and retest of the 2018 high breakout. The \$27.2B CRO leader to the life sciences industry trades 19.1X Earnings, 34.2X FCF, 15.7X EBITDA and 2.7X Sales. IQV is forecasted to hit 5.8% topline growth this year and accelerated back above 6% next year while EPS seen growing 14%/year for the next 3-5 years. IQV has a sizable backlog, over \$16B, and seeing strength in Tech & Analytics and their R&D solutions business. IQV launched their OCE next-generation cloud-based commercial platform recently which connects sales, marketing, and medical, a collaboration with Salesforce. The company sees a big market opportunity to gain share with few major players in the space. Analysts have an average target of \$160 on shares and short interest has been declining to just 1.7% of the float. CSFB out last week with a \$159 target with traction in its Next Gen offering, accelerating TAS organic growth and sees the June 18th Investor Day as a positive catalyst. Piper out on 4/18 seeing positives from the "Cures Act" driving demand for innovative solutions to improve efficiencies in clinical trials. Hedge Fund ownership rose 1% in Q4 filings, Melvin Capital adding a significant amount and Point-72 and Suvretta taking new positions.

Hawk Vision:



Trading Strategy: IQV basing looks fantastic here and a great catalyst upcoming, one of my favorite plays in the hot CRO space.

Confidence Ranking: \$\$\$