



## Danaher Calls Bought as Shares Near Range Break to New Highs

Ticker/Price: DHR (\$146.60)

### Analysis:

**Danaher (DHR)** with 2,000 January \$145 calls this morning up to \$5.10 to open and still has over 4,500 December \$145 calls in OI from buyers. DHR also has some Jan. \$150 calls in OI from earlier this year, near 2000X. Shares are near a multi-week breakout above \$147.50 and pulling back to the rising 8-EMA today. A move higher has a measured move to \$160. The \$106.25B company trades 26.35X earnings, 5X sales, and 37.3X FCF with a small yield. DHR is guiding to low-double digit EPS and revenue growth the next two years with the GE Biopharma deal expected to close in March. DHR has a lot of moving parts recently including the divestiture of their Envista shares (by 12/13) and more asset sales to Sartorius. The moves are ultimately making DHR a more focused entity with better end-markets, margins, and growth prospects. The company was at the Baird Industrials conference last month and noted their remaining businesses given them better visibility, more secular tailwinds from evolving regulatory standards, and a significant global footprint across life sciences, diagnostics, and water quality. Analysts have an average target for shares of \$147.50. Credit Suisse resuming coverage at Outperform on 10-14 with a \$151 PT. They think DHR's increasing exposure to "faster-growing" end markets like biopharma will help it to continue expanding its exposure to recurring revenue streams. Short interest is minimal at 0.7%. Hedge fund ownership fell 3.2% in Q3. Miura Global and Healthcor Management two notable buyers. DHR has seen some insider buying this year from its COB with \$248k in stock in May at \$130.78 and then \$348k at \$139.52 in August.

### Hawk Vision:



**Hawk's Perspective:** DHR has long been a strong ROIC name and these moves look to be positives although I prefer TMO in the Life Sciences space.

**Confidence Ranking:** \$\$