



Bulls Position in Ecolab for Reopening Demand Surge

Ticker/Price: ECL (\$193)

Analysis:

EcoLab (ECL) consolidating under resistance and 700 June \$210 calls are bought \$2.80 and volume up over 2400X now with buyers paying \$3, a name that sees very little options trading but long considered a high quality name. ECL had very positive outlook given exposure to food safety, water safety, and hygiene as a lot of public places look to invest more ahead of re-openings. Shares have a sloppy weekly chart now like many names and a move above YTD VPOC near \$197 can set up a return to new highs. ECL is a global leader in water, hygiene and energy technologies and services that protect people and vital resources. They deliver comprehensive programs, products and services to promote safe food, maintain clean environments, optimize water and energy use, and develop and improve operating efficiencies for customers in the food, healthcare, energy, hospitality and industrial markets in more than 170 countries around the world. It's cleaning and sanitizing programs and products, and pest elimination services, support customers in the foodservice, food and beverage processing, hospitality, healthcare, government and education, retail, textile care and commercial facilities management sectors. Its products and technologies are also used in water treatment, pollution control, energy conservation, oil production and refining, primary metals manufacturing, papermaking, mining and other industrial processes. ECL is mostly a recurring business model and capital light while increasingly leveraging digital capabilities to its business. ECL is planning to merge its Upstream Energy business with Apergy in a Reverse Morris Trust transaction. The \$57B Company currently trades 32X Earnings, 3.8X Sales and 50.85X FCF with a 0.97% dividend yield. Analysts have an average target of \$185 and short interest low at 1.2% of the float. Deutsche Bank cut its target to \$170 from \$220 on 3/20. Hedge Fund ownership rose 3% in Q4 filings, Edgewood a top concentrated holder.

Hawk Vision:



Hawk's Perspective: ECL is a high quality compounder and traded to bargain prices in March, currently consolidating and a worthwhile investment in this changing environment.

Confidence Ranking: \$\$