



OraSure Calls See Strength into Fall

Ticker/Price: OSUR \$18.73

Analysis:

OraSure (OSUR) with 3,000 October \$17.50 calls bought on 7/30 to open for \$4.60 and follows buyers on 7/27 of 500 January \$30/\$35 call spreads and buyers in late June in the August \$12.50 and \$15 calls. OSUR hit new highs yesterday and nearly doubling since early July with a clear path back to the 2017/2018 highs around \$22. OSUR is a bit extended near-term but dip back to the 20-MA around \$16 in focus. The \$1.36B company trades 8.75X sales and 8X cash with very little debt. OSUR focuses on oral fluid diagnostic tests and collection as well as other diagnostics like a quick HCV test and rapid HIV test. OSUR has gained attention lately with their work on a rapid in-home, self-testing platform for COVID-19. The company got a BARDA grant and likely files for EUA sometime later this Summer. Analysts have an average target for shares of \$13.75 with Lake Street at a Street High \$19. The firm notes that after four acquisitions, one divestment, and several newly-developed products since 2018, OraSure is poised for a return to growth in FY21. COVID-19 collection kits sold to third parties and internally-developed antigen and antibody tests approaching emergency use authorization could drive an additional uptick in demand. Short interest is 8.8% and jumping lately from around 2.5% in February. Hedge fund ownership fell 2.8% in Q1. Archon Capital, Pura Vida, and Point72 all notable buyers. OSUR has seen insiders active this year as well with both the CFO and General Counsel buying stock around \$8.50 to \$9 back in May.

Hawk Vision:



Hawk's Perspective: OSUR has shown relentless price action since early July and tough to chase at these levels without a pullback or consolidation, but should continue to see positive news-driven tailwinds

Confidence Ranking: \$\$