



FEATURED OPTIONS RADAR REPORT



Fortive Unusual Call Buying into Next Week Earnings

Ticker/Price: FTV (\$71.5)

Analysis:

Fortive (FTV) August IV rose in the afternoon with buyers active in August \$70 ITM calls at \$4.10 to \$4.30 for more than 3000 contracts, a name set to report on 7-28. FTV has little open interest but June 2021 \$75 calls with 750X bought for \$455K in early June and 500 of the \$45 puts sold to open a few days later. FTV shares are flagging tightly beneath the upper value range resistance for 2020 YTD, and above \$72.30 would clear a major weekly volume zone and start working out of a one year downtrend. FTV has closed lower 7 of its last 9 earnings reports. Fortive is a diversified industrial technology growth company encompassing businesses that are recognized leaders in attractive markets. Its well-known brands hold leading positions in field solutions, product realization, sensing technologies, health, and transportation technologies. Professional Instrumentation segment consists of our Advanced Instrumentation & Solutions, Sensing Technologies, and Advanced Sterilization Products and Censis businesses. Its field solutions products include a variety of compact professional test tools, thermal imaging and calibration equipment for electrical, industrial, electronic and calibration applications, online condition-based monitoring equipment; portable gas detection equipment, consumables, and software as a service (SaaS) offerings including safety/user behavior, asset management, environmental, health and safety (EHS) quality management and compliance monitoring; subscription-based technical, analytical, and compliance services to determine occupational and environmental radiation exposure; and software, data analytics and services for critical infrastructure in utility, industrial, energy, construction, facilities management, public safety, mining, EHS, and healthcare applications. Sensing Technologies business offers devices that sense, monitor and control operational or manufacturing variables, such as temperature, pressure, level, flow, turbidity, and conductivity. Industrial Technologies segment offers critical technical equipment, components, software and services for manufacturing, repair and transportation markets worldwide. FTV has a market cap near \$24B and trades 16.5X FY21 EV/EBITDA, 20.4X Earnings and 22X FCF with a small dividend yield and solid balance sheet. FTV grew revenues 12% and 13% the last two years while this year impacted by the Macro slowdown seeing 7.8% revenue declines before recovering strong in 2021. Analysts have an average target of \$75 and short interest low at 2.2% of the float. FTV could eye further portfolio optionality after its separation of the Transportation Tech and Franchise Distribution businesses. RW Baird upgraded to Outperform with an \$80 target in June and MSCO raised its target to \$83. Vertical Research upgraded shares to Buy in early June. Hedge Fund ownership fell 3% in Q1 filings, Viking Global and Champlain notable top holders that added to positions.

Hawk Vision:



Hawk's Perspective: FTV has a healthy set-up and interesting Industrial with a Tech feel to it, like the name longer term.

Confidence Ranking: \$\$