



FEATURED OPTIONS RADAR REPORT



Exact Sciences LEAPs See Considerable Upside After Thrive Deal

Ticker/Price: EXAS \$135

Analysis:

Exact Sciences (EXAS) with 775 January 2022 \$175 calls bought today \$15.75 to \$16.35, shares set to clear a bull flag. EXAS has seen a lot of put selling recently in the Jan. 2023 \$100, \$90 and \$75 strikes in size while the Jan. 2022 \$165 calls bought on 10/27 for more than \$2.2M. EXAS has been consolidating just above a big weekly breakout at \$125 and long-term measured move out to \$200. The \$20.37B company trades 15.4X sales and 15.88X cash with high-20% revenue growth. EXAS recently announced a transformative deal to buy Thrive and establish themselves as a leader in blood-based multi-cancer screening adding to their suite that includes Oncotype and Cologuard. Thrive is a liquid biopsy testing firm using their CancerSEEK product which measures DNA and proteins in the blood to screen for several types of cancer in one shot. EXAS sees the deal expanding their TAM out to \$46.5B+. Analysts have an average target for shares for \$127.50 and a Street High of \$160 from Leerink. The firm thinks Cologuard is still "highly under-penetrated" in cancer screening markets with its core Cologuard assay, augmented by strength in standard-of-care Oncotype test and now multi-cancer liquid biopsy longer-term driving TAM expansion long-term. Short interest is 7.41% and near the lowest levels in years. Hedge fund ownership rose 5.5% in Q3, Viking Global a top holder with nearly 3M shares.

Hawk Vision:



Hawk's Perspective: EXAS is extended near-term but given the longer timeframe plenty of opportunity to get involved in a better risk/reward spot for a company with tons of upside

Confidence Ranking: \$\$