



## AON Calls Unusually Active, Attractive Financial Growth Name

**Ticker/Price:** AON (\$232.25)

### Analysis:

**AON (AON)** a very strong performer trades unusual calls early with 500 April \$230/\$240 call spreads bought early with action at the first hour now above 1600X spreads and call volume at 27X daily average. AON was a highlighted bull flag set-up in November that has broken out and ran a long way, ideally needs to come back to \$228 and base near-term. The \$53.5B UK financial offers a variety of risk solutions and health solutions. AON shares trade 19.8X Earnings, 4.85X Sales and 53.5X FCF with a 0.76% yield and ROE of 35%. AON announced a deal earlier this month for Cytelligence, a cyber-security firm. It is coming off a strong report on 1/31 beating estimates with 7.8% Y/Y revenue growth. Forecasts expect 13.5% EPS growth in 2020. AON has made unmatched investments in proprietary data and analytics for a competitive advantage that differentiates the insights it provide to clients, ultimately allowing them to make better decisions that measurably improve their business or reduce their volatility. It has been disproportionately investing organically and inorganically in priority areas that are defined by attractive growth and margin characteristics. Townsend is just one of the 86 acquisitions made in priority areas over the last 5 years while divesting 84 non-core businesses. Analysts have an average target of \$230 and short interest is low at 0.6% of the float. Citi started shares Buy with a \$245 target on 1/21. Hedge Fund ownership jumped 5.88% in Q3 filings, notable concentrated holders include Longview, Eagle Capital and Mawer.

### Hawk Vision:



**Hawk's Perspective:** AON needs to pull in a bit but a name that was a pleasant surprise to dive into, impressive growth for a \$55B company and liking its strategic vision.

**Confidence Ranking:** \$\$