



FEATURED OPTIONS RADAR REPORT



Call Buyers Target Additive Manufacturing Leader at Long-Term Support

Ticker/Price: DDD (\$28.35)

3-D Systems (DDD) large buyer of 9/21 for 2,500 January \$27 ITM calls for \$5.10 to \$5.20 to open and follows buyers in the October \$29 calls 2350X on 9/7 and the October \$35 calls 1300X on 9/2. The January \$25 and January 2023 \$25 puts both with notable put sales. Shares are back at the 200-MA and trend support from the July lows with a measured move back to \$35. DDD is in a broader weekly base under \$40 and a break higher can run back to \$55. The

\$3.63B company trades 81.5X earnings, 5.86X sales, and 27.5X cash. DDD recently sold their Simbionix medical simulation business for \$305M and the last part of their broader non-core divestiture process and allows the company to shift focus on growth and margin expansion of its additive assets. DDD is positioned well for continued adoption across each of their primary verticals as they expand their capabilities across metals, polymers and software. They expect healthcare to remain a dominant market in 2021 where they can gain share after expanding capacity by 50% with new facilities in Colorado. They also see regenerative medicine as a huge area of untapped potential, a multi-billion dollar market, where they can offer unique advantages in the development of cosmetics and skin care treatments without animal studies. Analysts have an average target for shares of \$27 with a Street High \$33 from Loop Capital. The firm out on 8/13 citing very strong Q2 earnings and moved their plans forward by completing their exercise of divestitures. Craig-Hallum positive on the asset divestitures in July as they were pleasantly surprised at the multiple and commentary suggests that the company will have \$500M of cash following the sale. Hedge fund ownership rose 9% last quarter. ARK a buyer of 1.8M shares. Insiders active, as well, with a buyer of \$125K in stock on 8/16 at \$29.37 and \$100K bought in May at \$24.70.

Hawk Vision:



Hawk's Perspective: DDD needs to show better price action in the near-term but additive manufacturing remains a very intriguing long-term theme that should continue to see positive tailwinds

Confidence Ranking: \$\$