



FEATURED OPTIONS RADAR REPORT



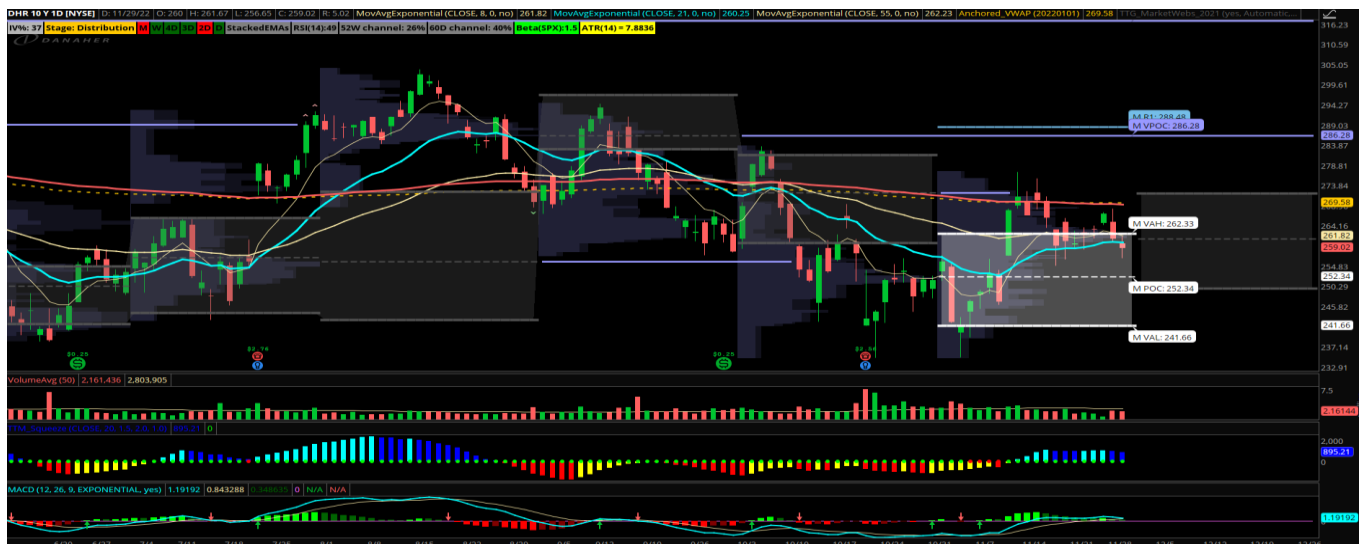
Life Sciences and Diagnostics Leader Sees Bullish Positioning

Ticker/Price: DHR (\$259.02)

Analysis:

Danaher (DHR) on 11/29 saw a large buyer of 1900 January \$270 calls at \$7.10 for over \$1.3M in premium bought. This follows a massive trade on 10/31 when 400 January 2024 \$290/\$280 bull risk reversals opened at a \$21.30 credit and still in open interest. DHR also still has over 500 January 2024 \$250 short puts in OI from opening put sales on 8/12 for \$18.30 showing confidence in the 250 level which has held nicely as support recently. Shares have been consolidating and forming a small, inverted head and shoulders pattern the past few months with the 250 level showing buyers each time it gets tested and is just above the 246 yearly value area low from 2021. DHR has its developing YTD VPOC at 266 so a weekly close back over that level can see follow through higher to 285 which is a higher volume node. The \$188.6B company trades at 24.8x earnings, 6.7x sales, with FCF yield at 2.8% while revenue is expected to grow +4% FY22 and flat growth estimated in FY23. Danaher designs, manufactures and markets professional, medical, industrial, and commercial products and services. The Company operates through three segments: Life Sciences, Diagnostics, and Environmental & Applied Solutions. DHR beat EPS and Revenue estimates on their earnings report last month and stated growth was broad-based across all three segments, a testament to the durability and attractive end-market positioning of the franchises that comprise Danaher. Average analyst target is \$307. JPM lowered its target to \$315 from \$350 and keeps an Overweight rating saying the company reiterated its 2022 base business core growth guide and views the post-earnings share selloff as overdone. RBC lowered its target to \$302 and keeps an Outperform rating citing the company's solid Q3 operating beat was paced by broad portfolio strength and upside COVID test revenues, but its bioprocessing orders were down a disappointing 20% vs. last year against tough comps. The analyst continues to see biologics as the longer-term growth engine for Danaher and view its shares as being attractively near the low-end of their historical earnings multiple range. Bernstein has a Street high \$340 target and initiated with an Outperform back in August. Short interest is at 0.7%. Hedge fund ownership fell -0.4% last quarter. Third Point (Dan Loeb) increased their position to 2.7M shares from 2.3M.

Hawk Vision:



Hawk's Perspective: DHR is a nice setup on a break back above 262.50 can trade long against the 252 POC for potential upside to 285-300.

Confidence Ranking: \$\$