



## FEATURED OPTIONS RADAR REPORT



### Bulls Target Danaher After \$9.6B Aldevron Deal

**Ticker/Price:** DHR (\$270.75)

#### Analysis:

**Danaher (DHR)** with 1000 January \$240 puts sold to open on 6/29 for \$8.40, strong recently after their \$9.6B deal for Aldevron was announced. DHR has seen buyers in the January \$320 calls and January 2023 \$270 calls while put sales popular across the September and December expirations. Shares are breaking out of a weekly range to new highs with a measured move to \$285. DHR has a wider base breakout as well that stretches back to mid-2020 that has room up to \$320. The \$194B company trades 29.8X earnings, 7.8X sales, and 30.6X cash. DHR continues to win share across Life Sciences and Diagnostics with key brands like Cytiva, Pall, Radiometer, and Leica Biosystems. They've benefitted from a rebound in China as well as M&A deals which have expanded their capabilities within next-gen sequencing. DHR announced a \$9.6B deal for mRNA manufacturer Aldevron in June. The company helps researchers and biotech firms to develop and distribute breakthrough genetic treatments and also distributes plasmid DNA used in mRNA vaccines for COVID-19 developed by Moderna and Pfizer. Analysts have an average target for shares of \$274 with a Street High \$315 from Keybank citing their dominant position in bioproduction, acceleration and durability of demand for Cepheid's COVID-19 testing demand due to its format, and a quick return to its M&A strategy a year after closing one of the largest deals in LSTs history. Short interest is 0.8%. Hedge fund ownership rose 2.5%. Insiders active buying stock in 2021 including a \$1.4M buy on 3/2 from the COB of the Executive Committee who also bought \$6M in stock on 11/23.

#### Hawk Vision:



**Hawk's Perspective:** DHR is a best-of-breed name and a great acquirer so like the longer-term prospects of the recent deal; shares are short-term extended but re-test of the \$260 level looks nice for a further push towards \$300

**Confidence Ranking:** \$\$