



Dish Network Flows Shift Bullish on M&A Potential

Ticker/Price: BRKS (\$39)

Analysis:

Brooks Automation (BRKS) IV rising with 2000 August \$37.50 calls being bought to open aggressively up to \$3.60. BRKS does not have much notable open interest, but an interesting company and been consolidating, next earnings report due in early August. The weekly bull flag sets up for a breakout move above \$40 that can target a run to \$45-\$50. The \$2.87B Co. trades 26X Earnings, 4.7X Sales and yields a 1% dividend. BRKS is expected to post 26% revenue growth this year after 21% and 20% the last two years. BRKS bought GENEWIZ for \$450M last year, a genomics service provider. BRKS is split with Semiconductor Equipment 57% of revenues and focused on wafer automation and contamination control, while Life Sciences is 43% of revenues and focused on cold chain services and the new genomics unit. Analysts have an average target of \$44.50 and short interest elevated at 7.4% of the float. There has not been much commentary on the name recently, Stephens and B. Riley with \$43 targets while Janney a mega-bull with a \$56 target a year ago citing strength of the Life Sciences segment that is set to see further M&A and better growth. Hedge Fund ownership rose nearly 15% in Q1 filings.

Hawk Vision:



Hawk's Perspective: BRKS is a favorite small cap investment of mine with a focus on this life sciences segment and liking the acquisitions it has made, improving the growth profile.

Confidence Ranking: \$\$