



## EQT Corp Calls Position for Turnaround Under New Management in 2020

Ticker/Price: EQT (\$10.30)

### Analysis:

**EQT Corp (EQT)** with buyers of more than 18,000 January 2021 \$15 calls on 10/29 adding to open interest at \$1.25 to \$1.45 and also with 2300 January \$11/\$9 stock-collars opened. EQT also has 9,500 December \$16 short puts in open interest that are well underwater. EQT shares are making a strong move this week off multi-year lows as Natural Gas prices show some strength. The \$2.63B Company trades 3.7X EV/EBITDA and 8.8X FCF with a 1.16% yield. EQT is considered to have a world-class asset base with its large-scale position in the core of the Appalachian Basin, owning 660,000 Marcellus acres. EQT has seen a significant amount of insider stock buys since August 2018 for around \$4M. EQT bought Rice Energy in 2017 and since has become an activist situation, the Board and Management team changed up in July 2019 with the mission to create a modern, digitally enabled energy producer focused on lowering well costs to maximize free cash flows. EQT plans to unveil 2020 guidance that reflects the potential of EQT assets by year-end, and set to report 10-31 before the open. Analysts have an average target of \$15.50 on shares and short interest sits at 6.6% of the float. Analysts have been quiet in the name the last few months awaiting further deal of the new management's vision. Hedge Fund ownership fell 12% in Q2 filings, Alyeska taking a new position and Kensico remaining a large holder.

### Hawk Vision:



**Hawk's Perspective:** EQT is a pure turnaround story and a clear level to trade against the recent base if interested in the Energy, specifically Natural Gas, space.

**Confidence Ranking:** \$\$