



## FEATURED OPTIONS RADAR REPORT



### Ballard Power Sees Surge in Call Buying in Early Action

Ticker/Price: BLDP (\$18.90)

#### Analysis:

**Ballard Power (BLDP)** buyers of more than 7500 August \$23 calls from \$1.05 to \$1.35 and now volumes running over 19,500X. BLDP has over 4500 August \$18 calls in OI from buyers recently. Shares are consolidating in a multi-week range under \$21 after a big run from the May lows and the rising 21-MA just below at \$17.60. A move back above \$20 can set up an explosive run back to the highs and out with a measured move to \$25. The \$4.59B company trades 25X cash and 40X sales with little-to-no debt, especially looking at shorter-duration maturities. BLDP expects to hit profitability within three years with revenue growth in the mid-25% range annually through FY22. BLDP is a leading developer of fuel-cell products for heavy-duty vehicles like buses and trams, portable power, and other engineering services. BLDP has surged recently with the focus on Tesla (TSLA), Nikola (NKLA) and others and the greater secular shift away from internal combustion engines in big vehicles and tailwinds from regulatory changes globally driven to reduce emissions. The company sees their M/HD fuel cells for heavy-duty vehicles as the best value for manufacturers given the lowest-barrier to current infrastructure and most efficient way to hit those emissions targets set forth by the EU and others. They see China as a huge opportunity with their partner Weichai as the new vehicle program set forth by Beijing gives extensive policy support to EVs. Analysts have an average target for shares of \$19 and Raymond James at a Street High \$28. Roth Capital positive on 7-16 noting that several near-term catalysts that could materially impact the revenue trajectory, and extend its leadership in fuel cell technology for heavy-duty and light-duty vehicles. They highlight another possible major Tier-1 OEM program and probable FC module orders as two to watch while China fuel cell subsidy visibility should improve in the second half of 2020, which will support shipments of 2,000-3,000 HD FC modules a year with partner Weichai. Short interest is 4.6%. Hedge fund ownership surged 140% in Q1.

#### Hawk Vision:



**Hawk's Perspective:** BLDP and PLUG have been on strong runs, the Fuel Cell opportunity worth diving into further, and currently BLDP has a nice flag set up.

**Confidence Ranking:** \$\$