



## FEATURED OPTIONS RADAR REPORT



### Bloom Energy Unusual Large Call Purchase

Ticker/Price: BE (\$17.85)

#### Analysis:

**Bloom Energy (BE)** buyer of 4,000 August \$20 calls this morning for \$2.80, sizable buy looking for momentum to continue in the hot name. Shares are pretty extended in the near-term after a run from around \$11 in early July and starting to break out of a big weekly base above \$15 that measures to \$25. BE traded as high as \$36 in 2018 and working out of a big downtrend with the recent strength. The \$2.09B company trades 2.83X sales and 24.5X FCF. BE expects to hit profitability within two years with revenue growth of 26% to 30% annually with optionality for upside as they add new partnerships and contracts. BE focuses on solid-oxide fuel cell systems for on-site power generation and has application use across a number of end-markets. Their primary product is the Bloom Energy Server which is a stand-alone power generation platform which converts natural gas or hydrogen into electricity without combustion. BE sees their product addressing a massive market with more than 90% of US electricity generation from nat gas, coal, nuclear and others. They see a huge opportunity to win share from traditional green sources as well like solar given the install requirements are significantly less and financial barrier to entry is lower. Globally, they see a \$2.4T market for electric power and currently \$175B serviceable addressable market where they are already installed. Analysts have an average target for shares of \$11 with limited coverage. MSCO has a Street High \$21 PT and recently positive on their new electrolyzer product to create "green hydrogen" which meaningfully expands their TAM and adds further upside optionality for shares. The firm notes that the hydrogen equipment ecosystem, and green hydrogen in particular, are seeing a rapid increase in development and investor interest. Short interest is 16.4% and down overall since November when it was around 20%. Hedge fund ownership jumped 26% in Q1. The Kuwaiti government a big buyer of 10M shares.

#### Hawk Vision:



**Hawk's Perspective:** BE is one of these real interesting names missed the current run and expect there will be opportunities ahead once it cools and bases properly.

**Confidence Ranking:** \$\$