



FEATURED OPTIONS RADAR REPORT



Opening Put Sales Expects Upside for Door & Window Maker

Ticker/Price: JELD (\$21.25)

Analysis:

JELD-WEN (JELD) nice two week base forming and 1500 April \$25 ITM puts are sold to open for \$6.20, a name lacking notable open interest outside of 1000 April \$22.50 calls sold to open back on 8/21. JELD shares traded down to \$7 in March but have rebounded strongly and the weekly chart showing room to make a run back to \$25. The \$2.07B maker of building products, primarily doors and windows, trades 12.3X Earnings, 0.5X Sales and 10.2X FCF with a levered balance sheet. JELD revenues are seen growing 4.5% in 2021 after declining in 2020 while EPS seen up 13.7% this year and 23% next year. JELD beat estimates on 8-4 with revenues down 11% Y/Y but showed margin expansion. JELD has been expanding into Repair/Remodel as the largest global opportunity. It has made 14 bolt-on acquisitions since 2015 and targeting more deals while also looking to bring down debt via its FCF. Analysts have an average target of \$22.50 and short interest is minimal at 1.7% of the float. BAML upgraded to Buy on 8/7 with a \$27 target, encouraged by better execution and cites strong pricing power with solid demand in its markets. Hedge Fund ownership fell 13% in Q2 filings.

Hawk Vision:



Hawk's Perspective: JELD is a name that I have liked on annual screens but been a relative weak performer, but appears at an inflection point and expect strength across the building products names with the housing strength.

Confidence Ranking: \$\$