



FEATURED OPTIONS RADAR REPORT



Plug Power Calls Surge as Shares Near Breakout

Ticker/Price: PLUG (\$13.85)

Analysis:

Plug Power (PLUG) with buyers of 4,500 November \$15 calls early and now trading more than 8,000 on the day up to \$1.65. PLUG has 7,000 of next week's \$14 calls in OI from buyers earlier this week while the December \$14 and January \$13 calls with size buys as well. PLUG is setting up right near resistance but plenty of put sales in OI as well and buyers into a dip across the December \$11 and \$12 strikes and March \$11 strikes. A run above \$14.25 targets a move up to \$18 and name that has been volatile since June, so potential for an extended run. The \$4.89B company trades 18.5X sales and 32X cash with a path to profitability within three years. PLUG is guiding to 30-40% annual revenue growth through FY22 as they win new contracts and expand their production capacity. PLUG is an emerging play in the fuel cell market, in specific the \$20B materials handling industry where they can help companies hit higher productivity, lower operational costs, and reach significant carbon footprint goals as ESG mission statements become more universal. The company has been spending recently on consolidating some of their supply chain as they target being more vertically integrated by 2023. Analysts have an average target for shares of \$11 with a Street High \$14 at MSCO. The firm thinks PLUG has year of rapid growth ahead as they grow in Europe and make further progress on their electrolyzer tech. PLUG also has room to sign more deals like the Linde agreement and the Apex partnership. B Riley noting on 9/25 that the company remains on target to hit their 2024 goals despite a 'game changing' announcement from the investor day. Short interest is 15.4% and down from 23.4% in July. Hedge fund ownership jumped 56.5% in Q2, SG Capital and Point72 notable buyers.

Hawk Vision:



Hawk's Perspective: PLUG sets up well and we recently wrote up another intriguing play **BE**, overall very interested in the Hydrogen/Battery space and **APD** favorite stable way to play it, but plenty of likely winners to come out of this theme.

Confidence Ranking: \$\$