



FEATURED OPTIONS RADAR REPORT



Unusual Call Buys in BioTelemetry

Ticker/Price: BEAT (\$52.45)

Analysis:

BioTelemetry (BEAT) traded 18X daily calls on 11/24 as 1050 May \$55 calls were actively bought near \$5.80, highly unusual in a name lacking any other notable open interest. BEAT was a big gainer from 2013 to 2019 and in September 2019 pulled back to retest a key early 2018 breakout and forming a large monthly base on the chart with RSI starting to move bullish out of that basing range. On a move above \$55 the highs near \$80 come into play and potentially higher highs. BEAT is the leading remote medical technology company focused on delivery of health information to improve quality of life and reduce cost of care. BEAT provides remote cardiac monitoring, centralized core laboratory services for clinical trials, remote blood glucose monitoring, and original equipment manufacturing that serves both healthcare and clinical research customers. Its cardiac monitoring business accounts for 85% of revenues. The \$1.76B company trades 25.25X Earnings, 4X Sales and 24.6X FCF with a solid balance sheet and revenues seen growing 15% in 2021 and EBITDA rising 17%. BEAT has 28% adjusted EBITDA margins and a 2.3% FCF yield. Analysts have an average target of \$55 on shares with short interest at 11.6% of the float up 20% Q/Q hitting a five year high. BEAT is coming off a strong beat quarter with a sharp rebound in business. Needham started shares Buy on 9/11 citing the sales mix shift in Healthcare, continued ramp of Geneva Health Solutions remote monitoring, and strong Research bookings should contribute to revenue growth acceleration. BEAT has ample room to take share from ECG monitors. Hedge Fund ownership jumped 10% in the latest quarter filings. BEAT's cardiac monitoring services tracks cardiology office visits, which were down 18% Y/Y in Q3 and remain constrained by COVID restrictions. BEAT is expanding its sales team 15-20% to support a myriad of growth opportunities and collaborations. The Research business is the smallest portion of business, but high margins and recurring with the largest TAM, and BEAT sees revenues doubling Y/Y the next few years.

Hawk Vision:



Hawk's Perspective: BEAT at \$46 was ideal entry, this monthly base is massive, and though the short float is a concern, potential to be a real winner among small caps.

Confidence Ranking: \$\$