



FEATURED OPTIONS RADAR REPORT



Bullish Spread in Amyris, Intriguing Synthetic Biotech Company

Ticker/Price: AMRS (\$16.60)

Analysis:

Amyris (AMRS) interesting spreads opened on 4/8 as June \$14 puts sold to open 7500X and the \$16/\$22 call spreads were bought 15,000X. AMRS also with 1000 January \$17 puts sold to open ITM on 4/8. AMRS shares have been on a parabolic run since November and last week pulled back to a 38.2% retracement and also trying to base at the 55-day moving average. AMRS did a share offering last week at \$15.75 for 19M shares that was well-received. Shares need to get back above \$18.50 to work out of the pullback trend. AMRS is a leading synthetic biotechnology company active in the Clean Health and Beauty markets through its consumer brands and a top supplier of sustainable and natural ingredients. Through the combination of its biotechnology platform and industrial fermentation process, AMRS has successfully developed, produced and commercialized thirteen distinct molecules used in formulations by thousands of leading global brands. AMRS believes that synthetic biology represents a third industrial revolution, bringing together biology and engineering to generate new, more sustainable materials to meet the growing global demand for bio-based replacements of petroleum-based and traditional animal- or plant-derived ingredients. AMRS revenues grew 140% in 2019 and 13.5% in 2020 with expectations for 95% growth in 2021. AMRS currently has a market cap of \$4.4B and trades 14X EV/Sales with 50% gross margins and current R&D as a % of Sales at 41.34%. AMRS had an exciting year in 2020 with accelerating product growth, positive Q4 EBITDA, reduced debt, and delivered six new ingredients. AMRS has digitalized its development efforts which has accelerated time to market and lowered costs. The global beauty and personal care market is expected to grow at a 7% CAGR through 2025 reaching \$716B, a large market ripe for disruption and AMRS products are targeting 80% of the global market with skincare, haircare, cosmetics, bath & shower, baby care and sun care. Analysts have an average target of \$26 and short interest elevated at 21% of the float. HCW raised its target to \$35 from \$11 on 3/3 seeing monetization of the ingredients portfolio at \$500M, 30-50% annual revenue growth the next several years, less debt, expanding margins and nearing positive EBITDA margins, potential for 30 commercialized ingredients by 2025, four new brand launches in 2020, and contribution from acquisitions and distribution agreements in International markets like China and Brazil.

Hawk Vision:



Hawk's Perspective: AMRS is a very intriguing small cap with a long runway for growth and all metrics moving in the right direction. There could be some valuation concerns, but watching for momentum above \$18.50.

Confidence Ranking: \$\$