



## FEATURED OPTIONS RADAR REPORT



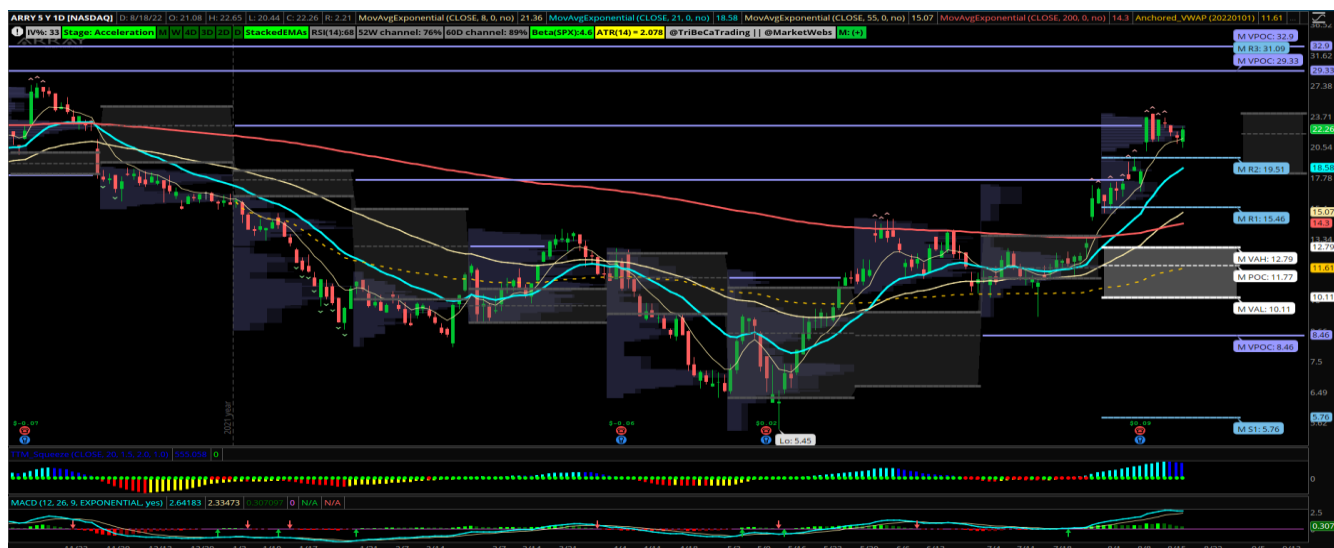
### Solar Tracking Systems Maker Sees Bulls Position for Further Rally

**Ticker/Price:** ARRY (\$22.26)

#### Analysis:

**Array Technologies (ARRY)** on 8/10 saw a large call buyer of over 6000 of the September \$25 calls at \$2.05, about \$1.5M worth while also seeing 1200 January \$22.50 puts sold to open at \$4.90. The stock has had nothing but bullish flow since early Summer and also has size buyers in September \$22.50, \$20 and \$17.50 calls with January \$17.50 short puts also in open interest from opening sales on 8/3 at \$3.90 for over 1200 contracts. Shares are strongly trending since breaking out of a long basing pattern above 15 back in July and have since tested a key level at 23 where there was an open gap from late 2021 and is now forming a bull flag consolidation at these levels. A higher short float name in a strong sector and growing industry so momentum is clearly in play for likely 52-week highs coming above 30. There are upside VPOCs at 29.30 and 32.90 from last year and would be targets on continuation higher as the options flow suggests. Yearly value area high is also at 31.70. The \$3.3B company trades at 32.0x earnings, 2.6x EV/sales, FCF yield of 1.5% with revenues expected to grow 72% in FY22 and 25% growth estimated in FY23. ARRY is a manufacturer and supplier of solar tracking systems and related products for customers across the United States and internationally. The Company's principal product is an integrated system of steel supports, electric motors, gearboxes, and electronic controllers referred to as a single-axis tracker. Its trackers allow one motor to drive multiple rows of solar panels. Average analyst target is \$25, with a Street high of \$33. Northland last week raised its target to \$26 from \$18 and kept an Outperform rating after the company posted a strong Q2 beat and reiterated 2022 guidance. The analyst views the guidance as positive when reading between the lines and believes that each time Array posts sequential margin increases, it supports the narrative and helps restore confidence. They also cite the passage of the IRA bill supporting a higher target. Barclays recently upped its price target to \$22 while Goldman also has a Buy rating and boosted its target last week to \$25 after the IRA Climate Bill passed. ARRY had an insider buy this week on 8/16 as the CFO bought 4,560 shares at \$21.95 for a total \$100k open market buy. This follows a large \$500k insider buy from the CEO back in June at \$13.33. Short interest is at 13.4%. Hedge fund ownership rose 12.8%.

#### Hawk Vision:



**Hawk's Perspective:** ARRY is in a strong trend and a pullback to the 8 EMA at 21 this week looks to be a good entry with stops on close under 18.50.

**Confidence Ranking:** \$\$