



## FEATURED OPTIONS RADAR REPORT



### Large Call Buy in Small Cap with Exciting Growth Prospects in EV and Energy Transition Themes

**Ticker/Price:** ASPN (\$50.70)

**Aspen Aerogels (ASPN)** unusual large trade on 1/3 as 2000 June \$60 calls opened for \$6.20 as February \$30 calls bought back on 7/15/21 adjusted that are spread versus \$50 and \$55 calls while 2650 June \$65 buy-write calls also closed. ASPN was a huge small cap winner in 2021, a name we profiled to start the year, and shares nearly tripled. ASPN has pulled back with growth stocks off \$66 highs from November and looking to defend the key rising 21-week moving average. ASPN tested a key volume node into December lows and reversed higher and getting above \$55 would be key at this juncture. ASPN develops and manufactures innovative, high-performance aerogel insulation used primarily in the energy infrastructure and building materials markets. More importantly, ASPN developed a high-potential line of aerogel thermal barriers that enable solutions to thermal runaway challenges in lithium-ion batteries used in the electric vehicle market. Its insulation products are targeted at the estimated \$3.1 billion annual global market for energy infrastructure insulation materials. ASPN currently has a market cap of \$1.7B and trades 10.5X FY22 EV/Sales with revenues growing 23.7% in 2021 and seen rising 21.7% in 2022 and 60% in 2023 though its lack of profitability has left shares out of favor the last few weeks. ASPN signed contracts with two large global OEMs and likely will sign more with it announcing a 2<sup>nd</sup> manufacturing plant a Q1 catalyst. ASPN has more than 260 patents including granted and filed and thus far has successfully defended patent infringements. ASPN has opportunities outside of the massive one in EV as well with legacy energy and emerging hydrogen potential key markets. Analysts have an average target of \$65 with short interest low at 1.7% of the float. B. Riley raised its target to \$70 and called it a top pick for 2022 with additional PyroThin wins a likely key catalyst moving forward. Benchmark started shares Buy in December with a \$70 target noting the company expects to double revenues every 24 months through 2030 with increasing adoption of its products. ASPN could provide a new detailed financial outlook in February to derisk shares.

#### Hawk Vision:



**Hawk's Perspective:** ASPN is one of the most exciting small cap names found last year and may be doing \$1B in revenues within five years, one of the best looking asymmetric bets I can find in the market.

**Confidence Ranking:** \$\$