

Esperion (ESPR) Bullish Flows Accumulate with Big Opportunity As Commercial Ramps

Date: 6/2/20

Esperion (ESPR) with some notable bullish trades recently including 1,000 July \$50 calls bought on 5/28, 500 September \$50 calls bought on 5/29, and big bullish spread on 5/20 that sold the July \$50 ITM puts 2000X to buy the September \$55 calls 3,000X.



Date	Description	Volume	Open Int	Price	Delta	Impl Vol	Prob. ITM	Premium Paid
5/29/2020	ESPR 100 18 SEP 20 50 CALL	751	196	\$4.30	0.422	73.92%	27.15%	\$322,930
5/28/2020	ESPR 100 17 JUL 20 50 CALL	1,025	192	\$1.62	0.29	71.81%	20.33%	\$194,750
5/20/2020	ESPR 100 17 JUL 20 50 PUT	2,002	0	\$8.26	-0.6	67.84%	69.86%	\$1,653,652
5/20/2020	ESPR 100 18 SEP 20 55 CALL	3,003	161	\$4.22	0.39	71.51%	24.38%	\$1,411,410
3/17/2020	ESPR 100 19 JUN 20 55 PUT	301	129	\$25.65	-1	-	100.00%	\$772,065
2/14/2020	ESPR 100 19 JUN 20 75 PUT	1,000	1	\$12.00	-0.47	81.51%	62.18%	\$1,200,000
6/10/2019	ESPR 100 15 JAN 21 65 PUT	110	0	\$23.50	-0.45	62.53%	74.56%	\$258,500
3/1/2019	ESPR 100 15 JAN 21 50 CALL	107	6	\$14.75	0.65	58.13%	33.84%	\$157,825

ESPR shares have rallied a bit off the March lows and now pulling back to the 50-day MA where they are finding support. Channel support is also holding and projects a move up to \$55+. Shares are just above VWAP from the recent low, a nice spot to lean against.



The \$1.16B biotech trades 7.36X cash and expects revenue growth to ramp from FY20 around \$246M to over \$415M by FY22. They expect profitability in FY22. ESPR got approval for their cholesterol medication Nexletol for use in conjunction with diet to lower LDL-C. Bempedoic acid looks to lower levels of LDL-C without negative side effects associated with statins including less inflammation. ESPR sees a big opportunity with launch as there are 96M people with elevated LDL-C and 18M with a cardiovascular disease despite taking a current therapy. Phase 3 studies have shown improvement in LDL-C levels (down 23% vs 5% placebo) while the combo study with ezetimibe showed a 29% lowering of LDL-C levels with used with statin. Analysts have an average target for shares of \$81.50. Citi raising their PT to \$56 citing management's comfort with consensus 2020 U.S. sales estimates, decreased cash burn, and an increased sales multiple for the target bump. JMP with a \$191 PT after the company signed a recent partnership with Otsuka Pharma. They think Otsuka is a strong strategic partner in Japan with an

established commercial focus in the cardio-renal space. Short interest is 30%. Hedge fund ownership rose 7.25% in Q1. ESPR's CEO has been active buying stock adding over \$1.8M in stock since March 2019.

Trade to Consider: Long the **ESPR** September \$50 Calls for \$4.75