



FEATURED OPTIONS RADAR REPORT



Large Put Sale in Disruptive Med-Tech Small Cap

Ticker/Price: INMD (\$109)

Analysis:

InMode (INMD) with a large trade on 8/10 showing confidence the name that is higher by 140% YTD will continue to hold strong as 2000 November \$100 puts sold to open for \$6.40. INMD does not have any other notable open interest outside of August \$105 short calls 1000X in OI. Shares were flagging just below new highs before the sharp move lower on Tuesday and potential to work back to the rising 55-day moving average, trend support, and gap-fill with a retest in the \$94-\$99 zone but a name to buy on any weakness as it continues to consistently raise guidance. INMD is a leading global provider of innovative, energy-based, minimally-invasive surgical aesthetic and medical treatment solutions. Its products and solutions are primarily designed to address three energy-based treatment categories comprised of: (i) face and body contouring; (ii) medical aesthetics; and (iii) women's health. It has developed and commercialized products utilizing medically-accepted RF energy technology, which can penetrate deep into the subdermal fat, allowing adipose tissue remodeling. These technologies are used by physicians to remodel subdermal adipose, or fatty, tissue in a variety of procedures including liposuction with simultaneous skin tightening, face and body contouring and ablative skin rejuvenation treatments. INMD products overcome many of the shortcomings of other aesthetic options by delivering surgical-grade results while significantly minimizing risks of scarring, downtime, pain and other complications typically accompanying surgical procedures. INMD currently has a market cap of \$4.32B and trades 32.7X Earnings, 15X Sales and 30.25X FCF with revenues growing 56% in 2019 and 31.8% in 2020 and seen rising 52.8% in 2021. Analysts have an average target of \$125 with short interest still elevated at 9.5% of the float. Canaccord raised its target to \$120 from \$95 on 7/29 on strong execution opportune product cycles and robust demand for its products. Needham started coverage in May at Buy noting its technologies fill the treatment gap for procedures and INMD margins are among the highest in the medical technology sector.

Hawk Vision:



Hawk's Perspective: INMD is quiet possible the best sub \$5 billion med-tech growth story in the market and expect it to provide strong returns over the next decade.

Confidence Ranking: \$\$