



FEATURED OPTIONS RADAR REPORT



Long-Term Bull Positions for Upside in Space Infrastructure Leader

Ticker/Price: MAXR (\$34)

Analysis:

Maxar Tech (MAXR) large buyer on 7/14 of nearly 5,300 January 2023 \$30 calls for \$13.20 to \$13.30, spot where buyers opened over 2,200 in mid-May. MAXR has also seen 3,000 November \$45 calls bought since February that remain in open interest. Shares ran strong in 2020 and topped out earlier this year around \$55 before pulling back to VWAP from the March 2020 lows. MAXR is currently forming the right side of a multi-month inverted head and shoulders pattern with a break back above \$40 setting up for a return to recent highs. The \$2.47B company trades 24.37X earnings, 1.42X sales, and 113X cash with a small yield. MAXR sees high-single digit growth in FY22. MAXR provides earth intelligence and space infrastructure solutions. They're a leader in high-resolution Earth imagery, radar data, and space-based infrastructure. They've been focusing on expanding margins with a better mix towards services and cost structure while moving to a lower capital-intensive model. MAXR is launching a low-cost Worldview Legion constellation this Fall, their next-generation imaging satellites which will enable more frequent monitoring for use in remote monitoring, more accurate mapping, and more analytic at scale. The company had nearly \$2B in bookings in 2020 and sees potential for a \$25B+ pipeline over the next five years as they expand across government and large-scale commercial tech. Analysts have an average target for shares of \$48.50 with a Street High \$59. Goldman starting at Buy in June as the company has a gem business in earth intelligence and a turnaround opportunity in space Infrastructure. Shares trade on a 14% FCF yield to 2023 estimates despite a great long-term opportunity in the space market and company fundamentals that are improving. Short interest is 9.37% and down from around 16% in early 2021. Hedge fund ownership rose 45% in Q1. Simcoe Capital a buyer of 485K shares and now have 2M shares. Insiders active over the last year as well with smaller buys from both the CEO and CFO around \$23-\$28.

Hawk Vision:



Hawk's Perspective: MAXR is a leader in a niche space with a lot of room for long-term growth and perhaps unfairly gets overlooked within the space theme with so many eyes on the tourism angle; shares have traded weak recently and under the 200-MA but back at \$31.50 and the recent base an area to watch for a reversal

Confidence Ranking: \$\$