



Inside Today's Blitz

- Yields Rise, Bonds Fall as Concerns Over Fed Balance Sheet Continue
- China Services Sector Hit Hard by Omicron Surge in March
- **UBER** adding trains, flights to UK app in push for 'super app'; **PLAY** is buying Main Event Entertainment for \$835M; **LSTR** sees Q1 above

Market Outlook

Futures indicating a weak open for the day with the **Dow** down 50 bps, **S&P** down 70 bps, and **Nasdaq** down 1.1%. The **Russell** is down 60 bps. Energy is hot again with **WTI** up 1.45%, **Brent** up 1.2%, and **Natural Gas** up 1.7%. **Gold** is up slightly while **silver** is down 55 bps. **Copper** is down 65 bps. The **dollar** is up 10 bps. **Bonds** are down 1.1% while **yields** continue to climb. **VIX** is 23.90. Stocks are continuing their sell off overnight, but news has been quiet overall. There continues to be jitters over the Fed balance sheet plans after Lael Brainard's comments yesterday. We'll get the Fed Minutes later today and focus will be on any discussion of the runoff pace. Elsewhere, China services PMI was flat out ugly this morning while German factory data was also soft. The US and EU are moving forward with further sanctions on Russia due to war crimes. In Washington, it seems the very brief hope that BBB could be revived is gone as Sen. Sinema said yesterday the deal would need to be significantly smaller to be considered.

Asian markets are weak this morning with the Hang Seng down 1.87%, Shanghai flat, and the Nikkei down 1.58%. In Europe, the major indices are lower as well. The DAX is down 1.45%, CAC is down 1.4%, and the FTSE is down 30 bps. Tech stocks led losses with **Infineon** and **ASM International** down 3%. **Volkswagen** fell 2.5% on reports they plan to axe many ICE models around the world by the end of the decade. **Hyve Group** rose 1% as the events organizer is selling its Russian operations to Rise Expo for up to £72M. **Imperial Brands** rose 3% as the tobacco company said it remains on track to deliver full-year results in line with guidance.

Calendar

Today... FOMC Minutes; **Earnings After the Close:** LEVI, RGP, CXM;
Analyst Days: CSTM

Tomorrow... Weekly Claims, Fed's Bostic, Bullard and Williams Speak; **International Data:** Australian Import/Exports, China FX Reserves, German Industrial Production; **International Earnings:** Entain, Hella, Bang & Olufsen; **Earnings Before the Open:** ANGO, APOG, CAG, STZ, LW; **Earnings After the Close:** PSMT, WDFC;
Analyst Days: TEAM, ACN, WLK, HHC

Overnight Markets

| | | |
|-------------|--------|--------|
| VIX | 23.95 | 2.98% |
| Natural Gas | 6.13 | 1.65% |
| Oil (WTI) | 103.41 | 1.42% |
| Brent Crude | 108.03 | 1.30% |
| Gold | 1929.7 | 0.11% |
| US Dollar | 99.53 | 0.10% |
| Silver | 24.41 | -0.51% |
| Copper | 4.7645 | -0.65% |
| Bitcoin | 45165 | -0.75% |
| Bonds | 144.91 | -1.02% |
| Ethereum | 3333 | -2.15% |

Technical View



Key Levels to Watch

S&P Futures (ES_F) are weak this morning and outside of yesterday's range after breaking the key 4512 level. The trend has been weak but coming into notable support and could see responsive buyers push back up above 4500. Support is at 4485-4475 aligning with VWAP from the 3/15 low and then 4467. The 38.2% Fibonacci retracement from the mid-March rally is at 4440.

Economic Data

- **German** factory orders fell 2.2% in Feb. vs -0.3% est.
- **China** Caixin services PMI was 42 vs 49.7 est.
- **India** services PMI was 53.6 vs 51.8 prior
- **Eurozone** PPI was 1.1% vs 1.3% est.

Macro News

- **EU** is set to add more high-level **Russian** executives to their sanctions list as they look to pressure Putin, per FT
- **EU, US** are moving forward with sweeping new sanctions against **Russia**, per NYT, in response to evidence of war crimes
- **Chinese** tourism spending plunged during the recent holiday as the country grappled with COVID and recent lockdowns, per CNBC
- **Build Back Better** is unlikely to be revived, says Sen. Sinema, unless its cut down far beyond its current size, via the NYT
- **Fed's Daly** said the Fed needs to combat high inflation, per CNBC, which can be as harmful as not having a job
- **Yellen** will warn today in a speech about the economic impact from Russia's invasion of Ukraine, per NYT
- **Corporate buyback** volumes are hitting fresh records into Q1 earnings season, per Reuters

Movers

Gainers: TUFN 39%, ARRY 18%, RIVN 3.5%, CX 3.5%, IOVA 2.5%, SAVA 2%

Losers: CANO -8.5% SGH -3.5%

Insider Buying

CNNE, VERA, IGMS, CUE

IPO Calendar

Nothing Notable

Stock-Specific News

Consumer Goods

- **RIVN** says Q1 production was 2,553 vehicles, in-line with estimates
- **GIS** is being investigated by the FDA over illnesses related to Lucky Charms, says the NY Post.
- **Volkswagen** is cutting dozens of ICE models, per FT, and will ultimately sell fewer units overall while focusing on more profitable, premium cars going forward
- **Imperial Brands** is higher in Europe today after the company said Q1 is tracking in-line with estimates, per Reuters

Sympathy Movers

PM, MO could see a sympathy move with Imperial Brands which is outperforming in the UK today

Consumer / Business Services

- **Uber (UBER)** is adding trains, flights to their UK app this year, per FT, as they look to expand beyond ride booking
- **SBUX** is working on digital innovation through NFTs, CEO Schultz says
- **DISCA** – HBO Max is losing a number of executives ahead of the merger with Discovery, per Variety.
- **PLAY** is buying Main Event Entertainment for \$835M. Upon closing of the deal, Main Event's CEO will become the CEO of the NewCo
- **Instacart** approached both **DoorDash (DASH)** and **UBER** about selling itself but found neither interested in a deal, says WSJ. The company also planned for an IPO which has since been scrapped

On the Chart

UBER is flagging above April's value high and a dip back to \$33.85 would be a nice risk/reward spot for a run up to \$37-\$40 from this range

Financials

- **HSBC** is lifting their stake in their Chinese securities venture to 90%, per WSJ, as the company looks to take greater ownership of their investment banking operations in mainland China
- **CBOE** says ADV in Q1 was 13.4M per day, all-time high
- **GS** is seeing a surge in employment interest, says CNBC, with internship applications jumping 16% Y/Y to a new record high

Healthcare

- **UTHR** Tyvaso DPI shows safety and tolerability in PAH
- **BTAI** announced FDA approval of IGALMI Sublingual Film for Acute Treatment of Agitation Associated with Schizophrenia or Bipolar I or II Disorder in Adults

Energy & Materials

- **NUE** is investing \$15M in NuScale Power, a developer of small modular reactor nuclear plants

Industrials

- **Spirit (SAVE)** confirmed an unsolicited approach from **JetBlue (JBLU)** that valued the company \$3.6B or \$33/share, all-cash. JBLU says the offer is the most attractive opportunity for Spirit investors
- **LSTR** sees Q1 guidance above the Street a \$1.95B to \$1.97B vs \$1.8B est. The firm sees EPS of \$3.30-\$3.35 vs \$2.96
- **BA, GOOG** are partnering to support cloud migration
- **BA** is extending a partnership with **MSFT** in digital aviation

Technology

- **Analog Devices (ADI)** laid out long-term plans at their analyst day seeing \$15/share in EPS and 40% FCF by 2027. The company sees long-term revenue growth of 7-10% CAGR
- **TWTR** is testing an edit feature and expecting to kick off trials within their premium Blue labs soon
- **FB** will debut a new developer tool soon that will allow users to share videos directly on the Reels platform, per Reuters, as they look to win back share from TikTok
- **TUFN** is being acquired by Turn/River Capital for \$13/share in cash
- **INTC** is suspending business in Russia, per Reuters
- **IBM** debuted their new z16 next-gen mainframe system
- **Toshiba** investor 3D Partners, the second largest holder, is pushing for the company to resume their strategic review, per FT
- **Memory firms** are cautious about end-market demand prospects, per Digitimes, with downstream module makers all lowering prospects for the year citing weak consumer electronics sales so far in 2022

On the Chart

ADI bounced off of April VPOC yesterday at \$157.35 and room above to \$168.25 and then up to \$175.50 out of this range

Analyst Notes

Upgrades

- **INVH** raised to Outperform at Evercore as strong rent growth in 2022 should provide for further revenue growth tailwinds in 2023. Invitation's stock is in the penalty box near-term due to the pending lawsuit in California, but the risk/reward provides a compelling entry point for investors who can look toward when the issue is resolved
- **GWW** raised to Outperform at Wolfe
- **TREX** raised to Buy at B Riley
- **PJT** raised to Outperform at KBW

On the Chart

GWW strong chart flagging below the late 2021 high and nearing a major breakout for a trend-move higher as weekly MACD crossed bullish

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- **LEA, APTV** raised to Buy from Underperform at BAML
- **ARRY** raised to Buy at Guggenheim
- **CFR** raised to Outperform at RJF

Downgrades

- **MKTX** cut to Neutral at RJF as the analyst previously thought that a return of credit market volatility would result in accelerating market share gains for MarketAxess but the spike in credit spreads in February and March proved a virtual non-event for market share
- **CANO** cut to Underweight at Piper as with affiliate financials consolidated, reported results overstate Cano's visibility, growth, and profitability
- **GTES, IR** cut to Neutral at Wolfe
- **JAZZ** cut to Neutral at Goldman
- **AMP** cut to Underweight at Piper
- **CRMT, CAR** cut to Underperform at BAML; **KMX** cut to Neutral

Initiations

- **UPST** started Buy at Loop Capital, positive on the platform as the company's AI technology expands consumer credit in a responsible and inclusive way as it drives the consumer funnel and facilitates matches between borrowers and bank/loan buyers
- **OXY** started Buy at Stifel and continues to see upside despite the recent run given Occidental's best-in-class 2022 free cash flow yield and 2022 EV/EBITDA that he notes is more than half-a-turn below the peers
- **NPCE, RMD, STE, LIVN, STE, EW, SILK, AXNX, SWAV, SHC** started Outperform at Wolfe Research
- **IRTC, NVRO** started Underperform at Wolfe Research
- **GPN, SQ, FIS** started Overweight at Stephens

Other Notes

- **ESTC** dips should be bought – Citi
- **FMC** target to \$150 from \$130 at Wells Fargo

Hawk Database

APTV has over 4000 May \$135 short puts in open interest currently underwater and could see a move back to that level

Hawk Database

LIVN the interesting one here with a strong chart, the buyer of 1K Oct. \$85 calls on 4/5 and did a deep dive on it a few weeks ago

Trade Ideas

Quidel (QDEL) strong flag forming above its rising 8-EMA and just above the top of April value with room above to \$125 and then \$133 as it fills a volume gap from January. QDEL hit a recent high near \$180 in December but has pulled back and now basing and starting to work back into the big volume node from the 2H of 2021.



Technical Scans

Weekly MACD Bull

Crossover: AMT, CCL, MUSA, PLD, ADP, CC, AWK, FIVN, FIS, LIN, EW, BJ, WST, GWW, RBA, BAM, MA, GLOB, POST, WB, ANET, FAST, LULU, FTNT, DOC, GRMN, LESL, ASND

RSI Leading: CAG, NUS, SNP, EEFT, IBN, ABNB, KB, CHEF, ALB, RRR, DDOG, UBS

13/34 Bull Cross: K, AJRD, DLR, TROW, GPN, AXON

Insider Buys

DoubleVerify (DV) with a rare open market buy this week from the CEO, Mark Zagorski, of 19,846 shares at \$25.65, a \$500K investment. This the largest open market buy in the name since its debut in 2020. DV is a \$3.95B company that focuses on a software platform for digital media measurement, data, and analytics. Their solutions essentially provide advertisers with a single measure of digital ad quality and effectiveness which allows them to better spend their dollar and target the audience that will give them the best ROI. Shares trade 7X 2023 EV/sales with mid-30% growth and improving profitability in each year. DV held an investor day in early March where they outlined how they plan to grow the business long-term that includes pushing brand safety and quality for advertisers. The company also plans to improve their audience targeting through their partnership with Comscore that will open up the first cross-platform audience and verification platform. DV estimates they processed over 215B transactions in 2021 and growing faster than digital ad spend, programmatic, CTV, and social. Their long-term drivers include new production evolution, channel expansion, client growth, international opportunities, and M&A. Canaccord with a \$40 PT for shares and the analyst continues to see its "Rule of 60" financial profile, product leadership, and scale as key pillars of a steady long-term growth roadmap, and the stock should emerge as a high-quality growth leader once inflation and global unrest fears subside and provide a more constructive foundation for tech stocks.

Event-Driven Options Flow

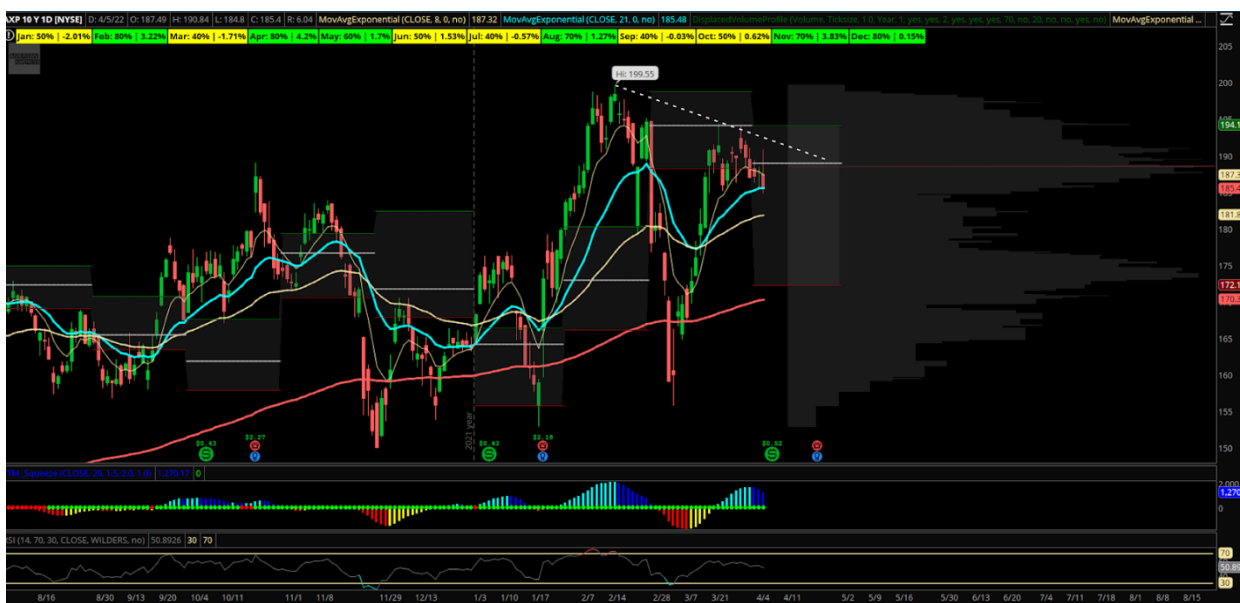
Spartan Nash (SPTN) shares have pulled back off recent highs to the rising 21-day moving average and is an intriguing event-driven play shaping up as 10,000 May \$35/\$45 call spreads bought on 3/18. SPTN shares jumped on 3/18 after receiving a notice to nominate three Macellum Advisors and Ancora candidates to the board and issued a statement to drive shareholder value. Macellum and Ancora own about 4.5% of the company's stock noting at least one financial buyer and multiple real estate firms that have been interested in

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pursuing transactions with SpartanNash over the past two years. SpartanNash delivers groceries for Amazon.com Inc.'s Amazon Fresh, and also operates commissaries for the U.S. military. It owns 134 supermarkets, mostly under the names Family Fare, Martin's Super Markets and D&W Fresh Market. The investors said that SpartanNash had underperformed its peers from an operational and shareholder return perspective. It's also sitting on \$1 billion of real estate that is on its balance sheet. SPTN has a \$1.13B market cap and trades 14.4X Earnings, 21.1X FCF and yields a 2.48% dividend. Ancora sees SPTN worth at least \$50/share which would fully satisfy the call spreads opened.

Seasonal Stock Setup: Payments Name Showing Relative Strength Near Highs

American Express (AXP) – AXP is a \$122.95B integrated payments company. The Company provides its customers with access to products, insights and experiences that builds business. It also provides credit and charge cards to consumers, small businesses, mid-sized companies, and corporations around the globe. The stock has been a strong performer in 2022 staying impressively above its 55 and 200 day EMA outside of the small correction in late February in the markets overall. AXP has its strongest 10 year seasonality in April as well, being up 8 of the last 10 years for an average return of +4.2%. The stock is up about 8% YTD in a weak market and not too far from a new 52 week high. It may need a few days of consolidation but testing the 21 EMA today while it builds a choppy bull flag above its stacked EMA's. On an upside move it can trend to new highs above 200 as its seasonal strength likely helps provide momentum. Earnings due 4/22 so a bit later in the month compared to other financial peer stocks. Options flows on Tuesday saw a large buy for September \$175 ITM calls at \$22 for over \$1M.



Extras

Taiwan Semi (TSM) afternoon buyer 1000 September \$95 calls at \$13.20 offer

Sentinel-One (S) late day buyer 1450 January \$65 calls for \$2.30

Sea (SE) with 1300 June \$155 calls sold to open \$5.25 late day

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Chewy (CHWY) with 1300 October \$55 calls bought \$4.50 to \$4.55 into the close

MP Materials (MP) late day buys 1200 September \$45 puts up to \$4.90 offer

Brunswick (BC) aggressive buyer above the offer for 1000 May \$80 calls at \$2.90

FreshPet (FRPT) with 1000 May \$100 puts bought above \$5 to open into the close spread versus the \$80 puts

Lincoln National (LNC) buyers of 2500 May \$70 calls \$1.55 to \$1.70

GrafTech (EAF) unusual late day buys of 10,000 May \$10 calls \$0.60 to \$0.65

American Express (AXP) buyer 450 September \$175 calls \$22.20 offer

Universal Display (OLED) aggressive buys of 675 January \$130 puts at \$10.30 offer, weekly bear flag forming

Salesforce (CRM) opening sale 650 December \$210 puts for \$22.75

Beyond Meat (BYND) with 1900 November \$50 puts selling to open \$13.15 bids

HubSpot (HUBS) opening sale 190 January 2024 \$450 puts for \$104

Open Interest Checks

| Ticker | Contract | Prior OI | New OI | OI Change |
|--------|-----------------------------|----------|--------|-----------|
| JPM | 20 MAY 22 135 CALL | 2,871 | 5,757 | 100.52% |
| DAL | 16 SEP 22 35 PUT | 4,178 | 7,085 | 69.58% |
| SBUX | 19 JAN 24 80 PUT | 1,493 | 2,506 | 67.85% |
| SBUX | 20 JAN 23 90 PUT | 2,999 | 5,010 | 67.06% |
| QCOM | 17 JUN 22 150 CALL | 1,524 | 2,538 | 66.54% |
| CRWD | 20 JAN 23 220 PUT | 1,706 | 2,561 | 50.12% |
| PARA | 20 MAY 22 42.5 CALL | 3,845 | 5,760 | 49.80% |
| LMND | 17 JUN 22 25 PUT | 10,472 | 15,501 | 48.02% |
| PINS | 20 JAN 23 25 CALL | 2,044 | 2,977 | 45.65% |
| TWTR | (Weeklys) 29 APR 22 50 CALL | 12,263 | 17,161 | 39.94% |
| TSM | 16 SEP 22 95 CALL | 1,293 | 1,776 | 37.35% |
| CAT | 17 JUN 22 220 PUT | 855 | 989 | 15.67% |
| DOCN | 20 JAN 23 100 CALL | 1,532 | 1,747 | 14.03% |
| PATH | 20 JAN 23 25 CALL | 968 | 1,016 | 4.96% |
| ADI | 16 SEP 22 145 PUT | 5,803 | 5,787 | -0.28% |
| VZ | 19 AUG 22 52.5 CALL | 14,074 | 8,535 | -39.36% |
| S | 20 JAN 23 65 CALL | 1,863 | 513 | -72.46% |

What They're Saying

Acuity (AYI) earnings call on Intelligent Spaces strength.... "Spaces has had a solid quarter of growth. In both Distech and Atrius, we have a strong product road map to make Spaces smarter, safer and greener. Distech continues to win in the building controls market against significant competition. Through the Eclipse controller products, Distech is at the forefront of the technology curve, presence in key markets and recognized leadership built on open the call technology. In the last quarter, Distech won projects across North America and Canada and saw significant project wins in key verticals, including an education, commercial, infrastructure and in data centers. Distech is now a key

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supplier to 2 of the largest cloud providers. We also continue to develop the Atrius platform, including progress at Atrius Building Insights, and we expect to expand the portfolio over time.”

Quanta (PWR) Analyst Day on the LNG opportunity.... “So when we think about it, I mean, energy security will be a topic I'm highly confident be a topic geopolitically and how we think. We're right in then that would be another place that I believe we have a huge opportunity for growth. And when I think through LNG is certainly something that you've seen FID on couple plans that will require a significant amount of structure. We'll be around that infrastructure for sure, it does create opportunity. And we talked a long time ago around big pie, what would a long-gate big pipe, well LNG would elongate big said before. So there's opportunities there that certainly we can expand our Canadian market. It's quicker to market. In Europe, if you're on the East Coast of Canada. So there's opportunities there with that expansion you're expanding to the West. And I believe Canada will come up through LNG as well as the Australian market where you have costing gas this price of oil is high, that will deliver in Asia much, much quicker in Australia, that market will come up and all around energy security. I still believe Canada is a much better place for us to collaborate with in the places that we do and it's right here. So we need to figure out our borders and think through that with LNG and other things. But we're definitely going to see that as part of the energy security.”

Earnings Grid

| Stock | Next Earn | | Open Interest | Historical Moves (8 Q) | Avg. 8 Q | | | Med. 8 Q | | Sum. 8 Q | | Hist | | |
|-------|-----------|------|--|------------------------------|--------------|----------|------------|------------|-----------|----------------|--------------------|-------------|-----------------|--|
| | Date | Time | | | Implied Move | Max Move | Close Move | Close Move | IV30 Skew | IV30 Avg Crush | Put/Call OI %-tile | Short Float | SI Change (3mo) | |
| AYI | 4/5/2022 | BMO | Bear: \$0.45M (100%) | Even of 8, Higher last 2 | 7.61% | 10.18% | -1.53% | 6.75% | 2.79 | -25.40% | 13.60% | 3.13% | 19.31% | |
| CGNT | 4/5/2022 | BMO | No Trades Since Last Report | Even of 2 | 11.65% | 11.95% | 0.44% | 0.87% | -6.67 | -20.20% | 4.65% | 1.48% | 65.46% | |
| ARRY | 4/5/2022 | AMC | Bull: \$1.14M (67%), Stock: \$0.56M (33%) | Higher 5 of 8, Higher last 2 | 17.54% | 18.17% | 7.59% | 8.31% | 4.51 | -17.70% | 91.82% | 12.60% | 31.08% | |
| RPM | 4/6/2022 | BMO | No Trades Since Last Report | Higher 5 of 8, Higher last 2 | 5.56% | 4.35% | 0.94% | 4.44% | 4.83 | -17.20% | 57.22% | 1.87% | 38.15% | |
| TLRY | 4/6/2022 | BMO | No Trades Since Last Report | Lower 5 of 8, Higher last 3 | 15.42% | 15.36% | -7.30% | -17.70% | -36.8 | -13.80% | 51.50% | 13.70% | 29.00% | |
| SMPL | 4/6/2022 | BMO | No Trades Since Last Report | Even of 8 | 6.16% | 7.28% | -0.14% | -7.09% | -3.62 | -19.60% | 61.55% | 3.25% | 12.93% | |
| GBX | 4/6/2022 | BMO | No Trades Since Last Report | Even of 8, Lower last 2 | 6.23% | 13.74% | -1.62% | 14.60% | 6.78 | -19.80% | 4.75% | 9.83% | -9.50% | |
| SCHN | 4/6/2022 | BMO | Bull: \$0.89M (100%) | Even of 8, Lower last 2 | 7.94% | 7.13% | -0.12% | -15.00% | 3.61 | -4.90% | 20.25% | 2.99% | -15.07% | |
| LEVI | 4/6/2022 | AMC | Bull: \$1.72M (91%), Bear: \$0.16M (9%) | Higher 6 of 8, Higher last 4 | 7.64% | 11.64% | 3.84% | 21.20% | 4.07 | -23.70% | 98.37% | 1.52% | 30.17% | |
| CXM | 4/6/2022 | AMC | Bull: \$0.14M (100%) | Higher 1 of 1 | 14.64% | 21.32% | 11.30% | 11.25% | 7.27 | -18.30% | 35.20% | 2.79% | -33.68% | |
| CTVA | 4/6/2022 | None | Bear: \$3.4M (51%), Bull: \$2.74M (41%), Stock: \$0.54M (8%) | Higher 5 of 8, Higher last 3 | 5.73% | 6.25% | 1.37% | 3.65% | 3.07 | -15.70% | 61.52% | 1.03% | -9.23% | |
| HA | 4/6/2022 | None | Bear: \$0.3M (100%) | Lower 8 of 8, Lower last 8 | 6.58% | 8.00% | -7.37% | -47.37% | 6.15 | -3.44% | 71.79% | 10.86% | 15.14% | |
| STZ | 4/7/2022 | BMO | Bull: \$2.31M (55%), Vol: \$1.51M (36%), Bear: \$0.39M (9%) | Even of 8, Lower last 2 | 4.00% | 4.89% | 0.02% | -0.68% | 4.94 | -17.50% | 98.42% | 0.81% | -31.11% | |
| CAG | 4/7/2022 | BMO | Bear: \$1.7M (47%), Bull: \$1.59M (44%), Stock: \$0.33M (9%) | Even of 8, Lower last 3 | 3.73% | 5.41% | -0.30% | -4.51% | 3.87 | -21.90% | 51.64% | 2.67% | 37.20% | |
| LW | 4/7/2022 | BMO | Bull: \$0.14M (100%) | Lower 6 of 8 | 6.74% | 10.23% | -5.13% | -36.79% | 7.5 | -15.50% | 60.77% | 1.29% | -8.82% | |
| BHF | 4/8/2022 | None | Bear: \$0.74M (100%) | Lower 5 of 8 | 6.05% | 7.74% | -2.12% | -1.32% | 5.03 | -12.60% | 77.11% | 2.79% | 18.82% | |

Earnings Review

| Ticker | Stock | EPS Actual | EPS Est. | Revs Actual | Revs Est. | Y/Y Change | Notes |
|--------|--------------|------------|----------|-------------|-----------|------------|------------|
| SGH | SMART Global | \$0.87 | \$0.72 | \$449.17 | \$435.00 | 47.70% | FY In Line |
| ARRY | Array Tech | -\$0.06 | -\$0.03 | \$219.88 | \$213.19 | 21.80% | FY In Line |

ARRY – Missed on EPS and Beat on Revs - The company executed contracts and awarded orders at December 31, 2021 totaling \$1.8B, a new record. "We delivered revenue in-line with expectations for the fourth quarter and the full year 2021. That said, our full year 2021 revenue and adjusted EBITDA were adversely impacted by approximately \$7 million from the shifting of revenue into future periods due to the restatement of the first three quarters of 2021,

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as discussed in our Form 8-K filed on March 29, 2022. It is, however, important to reiterate that the total overall contractual revenue and cashflow for these projects remains unchanged, and that this shifting is merely a timing issue. Additionally, our adjusted EBITDA in the fourth quarter was impacted by the mix of deliveries which skewed heavier on the legacy, lower margin projects than we had forecasted. As we have stated before, there are a finite number of these contracts that we need to deliver; however, there can be some uncertainty as to the timing of when they will deliver. Further, the Company recognized slightly higher than expected material costs in the quarter due to changes in our supply chain plan to maintain customer delivery schedules," said Jim Fusaro, CEO of Array Technologies.

Disclosures

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