



FEATURED OPTIONS RADAR REPORT



COVID Vaccine Play Draws Upside Calls Ahead of Critical FDA Submission

Ticker/Price: NVAX (\$259)

Analysis:

Novavax (NVAX) strong setup and seeing bullish flow all week including buyers in the December \$340 calls on 9/2 for \$1.5M. The January \$310 calls, January \$340 calls, and January 2023 \$360 calls seeing buyers recently while bullish flow across the January options has been as high as the \$450 strike as well. Shares are trying to break out of a wide base this week above \$255 with room back to the February highs and measured move to \$350+. The \$19.6B company trades 8X earnings, 16.5X sales and 9.5X cash. NVAX delayed seeking EUA from the FDA earlier this year as they looked to shore up manufacturing for their COVID vaccine and now see themselves in a good position to produce 100M doses a month and 150M by year-end. They see a big role for their shot in the current environment given the broad need to vaccinate more individuals and also given their safety profile and storage ease which will help export more vaccine to developing countries. NVAX is likely to submit data to the FDA in October. In studies released in August, NVAX said their shot boosted antibodies by 450% and their booster performs well against Delta. Their efficacy in June was 90.4%. Analysts have an average target for shares of \$250 with a Street High \$294. B Riley positive on 8/30 encouraged by the role Novavax has to play in driving increased penetration among the unvaccinated segments within the U.S. and globally, given NVX-CoV2373's safety advantage relative to the mRNAs vaccines. Novavax's adjuvanted subunit protein platform allows for rapid generation of multi-valent vaccines, as already demonstrated by success noted with late-stage development of NanoFlu, which should guide company's industry-leading efforts for developing a Covid-flu combination candidate. Cantor positive on 8/4 noting that the recent EC deal for 200M doses of vaccine is a big positive as it suggests that all bottlenecks have been resolved. Short interest is 9.5%. In May, a director bought \$100K in stock. Hedge fund ownership fell in Q2.

Hawk Vision:



Hawk's Perspective: NVAX is clearly an event-driven play and should be sized accordingly but starting to break out of a range and poised to run, a name with a lot of upside

Confidence Ranking: \$\$