



FEATURED OPTIONS RADAR REPORT



Large Call Buys Accumulate in Early Stage EV Company

Ticker/Price: RIVN (\$58.85)

Rivian Auto (RIVN) seeing a surge in call accumulation since the late January bottom with 5000 March \$75 calls bought on 2/10, and large call buys in May \$70, \$75, and \$80 call open interest including a large buy of 5000 May \$75 calls on 1/28. RIVN has been falling since losing the \$100 level but recently has showed signs of basing above \$55 and shares currently sit under a falling 21-day moving average with a close above \$66.20 needed to position for a move back to \$75 or higher. Rivian is a maker of electric vehicles for consumer and commercial markets with its first generation R1T a two-row five-passenger pickup truck and R1S a three-row seven-passenger sports utility vehicle. The Rivian Commercial Vehicle (RCV) platform is a collaboration with Amazon with an initial order of 100,000 vehicles. Amazon will have exclusive rights for the first four years and right of first refusal for the subsequent two years (although Amazon can source from others OEMs, and Amazon's order is non-binding). FleetOS is an end-to-end centralized fleet management subscription platform. It encompasses vehicle distribution, service, telematics, software services, charging, connectivity management, Driver+, and lifecycle management. RIVN is dealing with plenty of supply chain issues while demand is no issue at all and though it faces execution risk to ramp production it is set to become a key player in a massive industry. The company is creating a differentiated brand presence focused on its vehicles' adventure-style capabilities (e.g., off-roading, camping, etc.). Rivian is still in the early stages of its ramp, and while the company has a team with industry veterans, Rivian's vertical integration model is expensive with an estimated \$20B cash burn through 2025. Rivian is targeting key segments of the consumer auto market — namely SUVs (about 35% of global light vehicle sales mix and 50% in the US) and pickups — (about 20% of US light vehicle sales mix; where Rivian is first to market with an EV) both in terms of volumes and profitability. RIVN currently has a market cap of \$53B and trades 2X FY25 EV/Revenues. RIVN forecasts call for a 34% revenue CAGR from FY25 to FY30 and positive EBITDA not seen until FY25. Estimates for FY25 seen 240,000 consumer units and 80,000 commercial vehicles operating at 14% gross margins. Analysts have an average target of \$135 with short interest at 6% of the float. MSCO has reiterated its positive view and \$147 target noting RIVN ranks 2nd to only Ferrari as is preferred name for Auto & Share Mobility. It sees Rivian as a call option on Amazon's need to address existential CO2 emissions. Redburn started shares Buy with a \$141 target in January seeing enormous room to grow in pickup trucks and SUVs.

Hawk Vision:



Hawk's Perspective: RIVN is tough in this environment with no profits seen until 2025 and plenty of near-term headwinds for production goals. It should offer plenty of trading opportunities using technical, however.

Confidence Ranking: \$\$