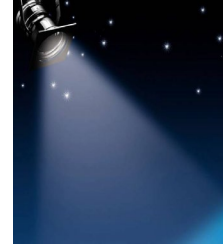


SPOTLIGHT OPTION TRADE



Bull Put Spreads in Energy Transition Leader with Attractive Financials

TRADE SNAPSHOT

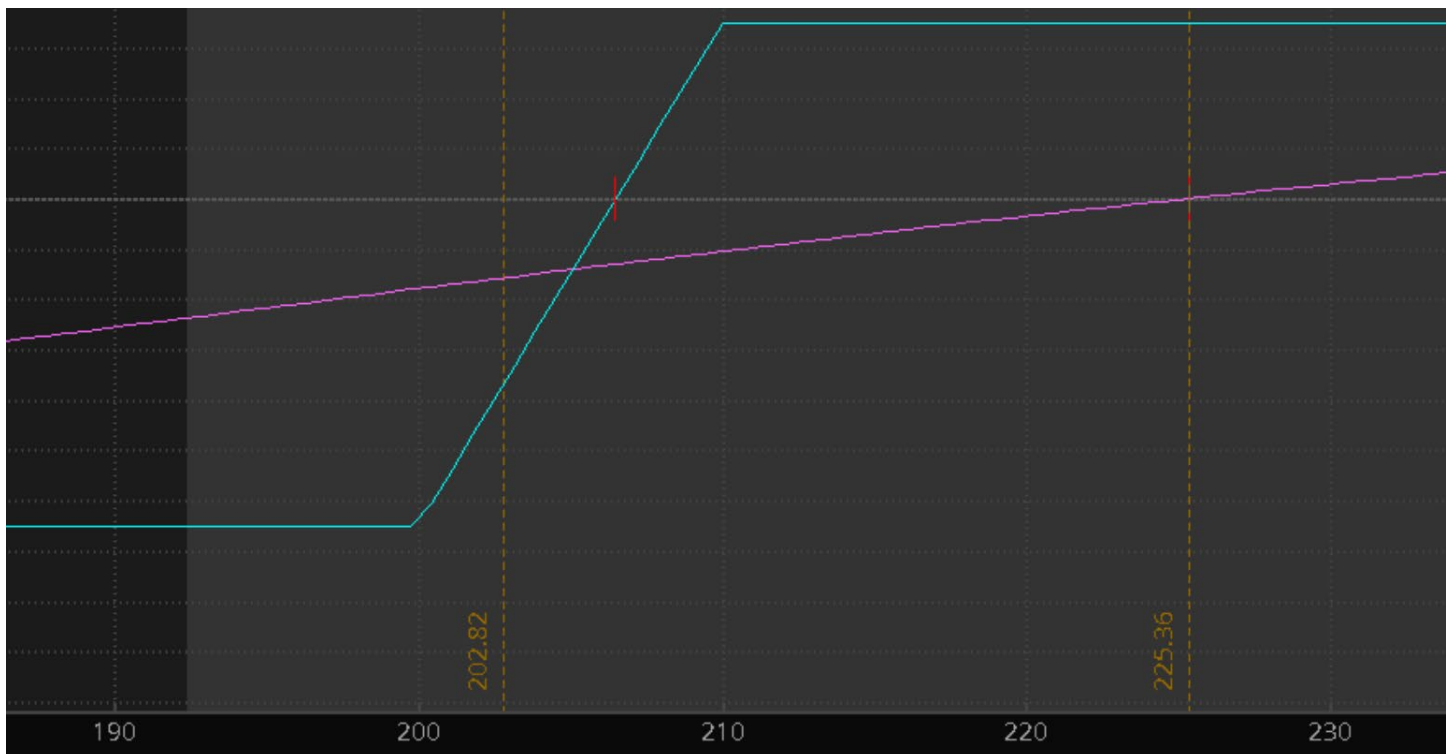
TICKER	SEDG
SECURITY	Solar Edge Tech
SECTOR	Tech – Solar
CURRENT PRICE	\$225
LONG/SHORT	Long Bias
TARGET	> \$210
STOP	None – Defined Risk
TIMEFRAME	1 Month

Trading Strategy: Sell the SEDG June \$210/\$200 Put Spreads to Open for \$3.50 Credit (Bull Put Spreads)

Net Debit/Credit: Credit \$3.50

Profitability Zone: SEDG Above \$206.50 on June OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: SEDG has pulled back to a familiar level of support and looking for shares to once again defend this area considering the attractive valuation/growth and overall relative strength.



Fundamental Analysis: SEDG is a leading provider of an optimized inverter solution that changed the way power is harvested and managed in photovoltaic (also known as PV) systems. The typical SolarEdge optimized inverter system consists of inverters, power optimizers, a communication device which enables access to a cloud based monitoring platform and, in many cases, a battery and additional smart energy management solutions. Its solutions address a broad range of solar market segments, from residential solar installations to commercial and small utility scale solar installations. SolarEdge now offers energy solutions which include not only residential, commercial, and large scale PV systems but also product offerings in the areas of energy storage systems, or ESS, and backup, electric vehicle, or EV components and charging capabilities, home energy management, grid services and virtual power plants (“VPPs”), lithium-ion batteries and uninterrupted power supplies, known as UPS solutions. SEDG has a market cap of \$13.2B and trades 23.5X Earnings, 6X Sales and has forward three-year revenue/EBITDA CAGRs of 27.5% and 32.45% respectively, an attractive value for growth name coming off yet another strong quarter. SEDG has faced rising component price pressures but is raising prices and management expects some of the challenges will be mitigated with the full ramp up of the manufacturing facility in Mexico by year end, improvement in component availability, and the Sella 2 facility ramping up in 2023. SEDG held an Analyst Day in March and is expanding into new markets/products with some investor concern on the margin compression. SEDG is seeing strength in Europe and is a key beneficiary of ongoing policy shifts in Energy. Analysts have an average target of \$350 and short interest is at 3% of the float. Needham raised its target to \$390 seeing meaningfully stronger margins in 2H with the steps management is taking.

Options Activity:

Date	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium	Last	Current OI ▾
02-28-2022	SEDG	SEDG 100 16 SEP 22 350 CALL	304	0	\$42.6	0.49	61.95%	\$1,295,040	\$6.49	1,630
03-01-2022	SEDG	SEDG 100 16 SEP 22 350 CALL	1,000	302	\$45.55	0.50	63.23%	\$4,680,000	\$6.49	1,630
02-28-2022	SEDG	SEDG 100 16 SEP 22 250 PUT	504	0	\$29.8	-0.24	65.75%	\$1,501,920	\$51	1,569
03-01-2022	SEDG	SEDG 100 16 SEP 22 250 PUT	500	501	\$28.75	-0.22	68.81%	\$1,435,000	\$51	1,569
05-04-2021	SEDG	SEDG 100 20 JAN 23 220 PUT	1,000	70	\$60.85	-0.37	54.22%	\$6,490,000	\$36	1,566
04-28-2022	SEDG	SEDG 100 16 SEP 22 145 PUT	1,219	4	\$5.1	-0.08	75.65%	\$646,070	\$8.37	1,186
03-09-2022	SEDG	SEDG 100 16 SEP 22 280 PUT	837	1	\$38.9	-0.29	67.42%	\$3,356,370	\$53	865
04-29-2022	SEDG	SEDG 100 17 JUN 22 250 PUT	552	387	\$26.71	-0.44	75.73%	\$1,474,392	\$39.18	865
03-09-2022	SEDG	SEDG 100 16 SEP 22 450 CALL	837	2	\$24.8	0.32	64.53%	\$2,243,160	\$3.9	851
10-27-2021	SEDG	SEDG 100 17 JUN 22 260 PUT	200	0	\$18.05	-0.19	53.86%	\$361,000	\$45.85	831
04-29-2022	SEDG	SEDG 100 17 JUN 22 260 PUT	561	330	\$32.43	-0.50	73.97%	\$1,819,323	\$45.85	831
05-04-2021	SEDG	SEDG 100 20 JAN 23 200 CALL	1,008	49	\$68	0.68	56.53%	\$6,914,880	\$59.85	803
11-03-2020	SEDG	SEDG 100 20 JAN 23 180 CALL	1,004	10	\$85.5	0.74	66.83%	\$8,975,760	\$97.9	728

Potential Catalysts: Active Conference Schedule (5/11, 5/12, 5/22, 6/7)

Disclaimer:

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

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