



## FEATURED OPTIONS RADAR REPORT



### Bulls Look to Multi-Year Growth Story at Semi Services and Robotics Play

**Ticker/Price:** TER (\$103.8)

#### Analysis:

**Teradyne (TER)** large trade on 5/25 bought 3000 October \$100 calls to open for \$2.65M and on 5/26 June \$105 calls bought 2000X to open in an adjustment from the \$100 strike. TER also has 4275 Oct. \$80 short puts in open interest and 1750 January \$90 short puts. TER shares are +18.7% YTD and put in a strong week with the Semiconductor rally after lagging through May. TER put in a strong bottom at \$89 lower value support and VPOC is up at \$116.25 while upper value at \$126.75 on the weekly chart. TER has some resistance in the \$106/\$109 zone as VWAP off the 2021 highs. TER is a developer of automatic test systems and robotics products. The automatic test systems are used to test semiconductors, wireless products, data storage and complex electronics systems in many industries including consumer electronics, wireless, automotive, industrial, computing, communications, and aerospace and defense industries. Its robotics products include collaborative robotic arms and autonomous mobile robots (“AMRs”) used by global manufacturing, logistics and industrial customers to improve quality, increase manufacturing and material handling efficiency and decrease manufacturing and logistics costs. TER has a market cap of \$15B and trades 22.2X Earnings, 5X Sales and 41.9X FCF with revenues seen down 15.5% in 2023 and EPS down 34.4% before a strong multi-year growth cycle kicks in next year with FY26 estimates at \$8.40 EPS and \$4.75B in Revenues from 2023 estimates of \$2.79/\$2.67B. Strength in the Eagle Test business (serving automotive and industrial markets) contributed to strong results in the quarter, while expectations for smartphone SOC test came in lighter though a strong recovery seen in 2024. The industrial automation business is seen as a \$500B opportunity with a 25%+ CAGR. Analysts have an average target of \$110 on shares with short interest at 2.4% of the float. JPM cut to Underweight in April on lackluster Apple demand. Citi raised its target to \$125 looking forward to the steady recovery in Apple mobile sales.

#### Hawk Vision:



**Hawk’s Perspective:** TER is an exciting combination of Semi and Industrial Automation and see no reason this stock can not trade back to \$150 next year.

**Confidence Ranking:** \$\$