



## Unusual Calls Bought in Exciting Small Cap Growth Name Vicor

**Ticker/Price:** VICR (\$53.5)

### Analysis:

**Vicor (VICR)** shares coiled in a flag after a strong run and over 500 December \$50 ITM calls bought for \$12.50 to \$12.90. VICR has seen buyers in the February ITM \$40 calls on 1-17 and 1,000 April \$60 calls on 1-15. Shares pulled back to their rising 20-day MA this week, a rare pullback in the name that is up over 85% since October. VICR is back around the 2018 highs near \$60/\$65 with the 23.6% Fibonacci at \$49.25 near-term support to watch while the 50-day is below at \$45.50. The \$2.14B company trades 7.8X sales and 26X cash with accelerating profitability seeing \$1.45/share in earnings power by FY21, up from \$0.45 this year. They're guiding to mid-teens revenue growth as they benefit from an industry-wide shift to 48V power configurations. VICR designs and manufacturers modular power components for use in a number of end-markets from aerospace and industrial automation to telecom, networking, and test equipment. They see a big opportunity with energy efficient components becoming more critical for data center, AI processing, cloud and other high-intensity computing applications. They have some notable customers including Google (GOOG), Nvidia (NVDA). VICR sees an \$8B TAM as data centers undergo refreshes or new builds and exchange out legacy PDN racks. Analysts have an average target for shares of \$44.75 but limited coverage, four buy ratings. Needham raising their PT to \$57 on 1-7 expecting the launch of several advanced GPUs and AI accelerators to drive increasing adoption of 48V power management solutions for compute-intensive applications in the hyperscale data center and high performance computing markets in 2020. Craig Hallum with a Buy rating as well, positive on long-term topline growth and a 'blue sky' scenario of \$150/share. Short interest is 4%. Hedge fund ownership fell sharply in Q3 but a lightly held name overall and buyers in S-Squared and Apis Capital.

### Hawk Vision:



**Hawk's Perspective:** VICR is a really intriguing name and looks great in this trend with a stop on a move under the 50 level.

**Confidence Ranking:** \$\$