



FEATURED OPTIONS RADAR REPORT



Unusual Calls Accumulate in Relative Strength Auto Parts Name

Ticker/Price: XPEL (\$85)

Analysis:

Xpel (XPEL) trading 8.5X average calls today with buyers of 1000 January \$70 ITM calls from \$19.20 to \$20.80 throughout the day. XPEL doesn't have any other notable open interest. Shares have traded well in 2021, up 60%, and flagging above the rising 55-MA where it found support today. A breakout over \$90 has room up to \$110 and continuation of the run. The \$2.32B company trades 55X earnings, 12.75X sales, and 65X cash. XPEL is a leading provider of protective films and coatings, including automotive paint protection film (PPF), surface protection film, automotive and architectural window films, and ceramic coatings. XPEL has been expanding their international footprint and boosting opportunities in non-automotive markets in 2021 as they look to diversify their revenue streams.

XPEL is coming off of record quarter with 82.7% revenue growth driven by strong US auto sales. They expect some impact from the semiconductor shortage into the 2H but noted in May they likely see more dealership business as they restock which will keep growth steady. Analysts have an average target for shares of \$95 and a Street High \$110, albeit limited coverage. B Riley with the Street High and positive in late May on the company's recent deal for PermaPlate which accelerates Xpel's penetration into the mid-range segment of the automotive window film market, in addition to general expansion of the company's overall footprint. The firm thinks XPEL has a long, profitable pathway for substantial growth. Craig Hallum positive on the name in May as well noting that XPEL will continue to benefit from further penetration of PPF throughout the world, new and complementary products, and strategic M&A. Short interest is 2.87%. Hedge fund ownership rose 11% in Q1, Cowbird Capital a buyer of 357K shares.

Hawk Vision:



Hawk's Perspective: XPEL has been a very strong small-cap find from mid-2020 and continues to outperform despite the lumpiness in the auto market this year; shares are giving a nice low to trade against today for a move back through the \$90 level

Confidence Ranking: \$\$