

# Macro Ops Breakout Alerts

*No Dead Money  
July 24 2020*





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How To Interpret The Breakout Alerts: [Here](#)



# Past Alerts: Buy, Sell and Stop Signals

## BUY TRIGGERS

- Square Enix (9684)
- MobileIron (MOBL)
- Nagaiben (7447)
- Attendo AB (ATT.SO)
- Advanced Micro Devices (AMD)

## PROFIT TARGET TRIGGERS

- Checkpoint Software (CHKP)

## STOP-LOSS TRIGGERS

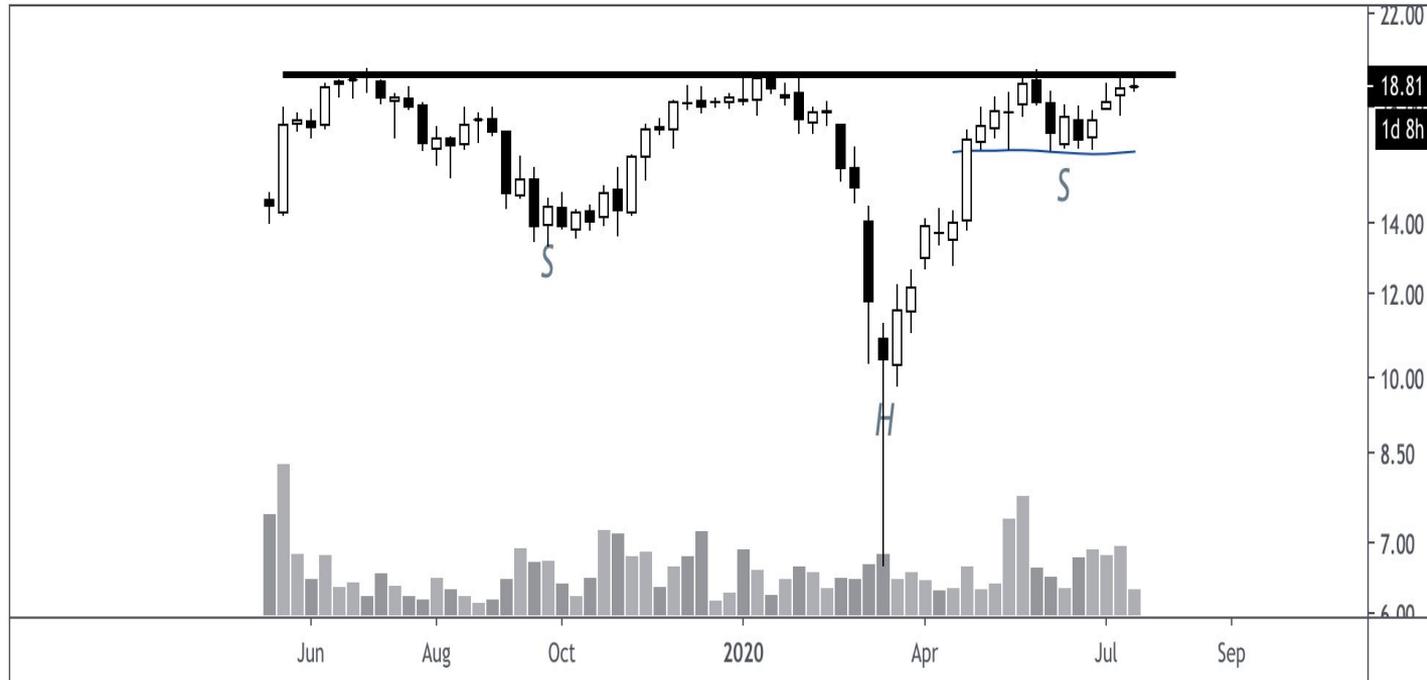
- Chunghwa Telecom (CHT)



# Avantor, Inc. (AVTR): Inverse Head & Shoulder

rockvuecap published on TradingView.com, July 23, 2020 08:23:06 EDT

BATS:AVTR, 1W 18.81 ▲ +0.15 (+0.8%) O:18.81 H:19.15 L:18.65 C:18.81



## Long Trade:

- 3% Entry: \$19.86
- 1.50% Entry: \$19.57
- Stop-Loss: \$16.38
- Profit Target: \$28.75
- Reward/Risk: 2.88x



# Avantor, Inc. (AVTR): Business Description

Avantor, Inc. provides products and services to customers in the biopharma, healthcare, education and government, advanced technologies, and applied materials industries worldwide. The company offers materials and consumables, such as purity chemicals and reagents, lab products and supplies, formulated silicone materials, customized excipients, customized single-use assemblies, process chromatography resins and columns, analytical sample prep kits, education and microbiology products, and clinical trial kits.

It also provides equipment and instrumentation products, including filtration systems, virus inactivation systems, incubators, analytical instruments, evaporators, ultra-low-temperature freezers, biological safety cabinets, and critical environment supplies. - TIKR.com



# Avantor, Inc. (AVTR): Fundamental Info

## Financials:

- Market Cap: \$10.82B
- Enterprise Value: \$16.53B
- Gross Margins: 32%
- Operating Margins: 10%
- EV/EBIT: 17,.47x
- EV/FCF: 20x
- Net Debt / EBITDA: 4.90x

## What We Like:

- 30% Gross Margins
- Consistent profitability past five years
- Minimal cap-ex requirements
- 10% FCF margin

## What We Don't Like:

- Highly leveraged cyclical stock
- Private Equity owns 19% (potentially dilutive)



# Casella Waste Systems (CWST): Cup & Handle

rockvuecap published on TradingView.com, July 23, 2020 08:32:57 EDT

BATS: CWST, 1W 53.82 ▲ +0.35 (+0.66%) O: 54.40 H: 55.31 L: 53.25 C: 53.82



Long Trade:

- 3% Entry: \$56.55
- 1.50% Entry: \$55.72
- Stop-Loss: \$49.55
- Profit Target: \$75.03
- Reward/Risk: 3.13x



# Casella Waste Systems (CWST): Business Description

Casella Waste Systems, Inc., together with its subsidiaries, operates as a vertically-integrated solid waste services company in the northeastern United States. The company operates through Eastern Region, Western Region, Recycling, and Other segments.

It offers resource management services primarily in the areas of solid waste collection and disposal, transfer, recycling, and organics services to residential, commercial, municipal, and industrial customers. The company provides a range of non-hazardous solid waste services, including collections, transfer stations, material recovery facilities, and disposal facilities. - TIKR.com



# Casella Waste Systems (CWST): Fundamental Info

## Financials:

- Market Cap: \$2.6B
- Enterprise Value: \$3.2B
- Gross Margins: 32%
- Operating Margins: 8%
- EV/EBIT: 59x
- EV/FCF: 86x

## What We Like:

- 5 straight Qs of 10%+ revenue growth
- FCF positive last five years
- 50% of revenue is from collection (durable business)

## What We Don't Like:

- Lower operating margins
- Low/no insider ownership of any meaning



# Fulgent Genetics (FLGT): Cup & Handle

rockvuecap published on TradingView.com, July 23, 2020 08:47:44 EDT

BATS:FLGT, 1D 19.56 ▲ +0.25 (+1.29%) O:19.21 H:20.05 L:19.21 C:19.56



Long Trade:

- 3% Entry: \$21.37
- 1.50% Entry: \$21.06
- Stop-Loss: \$15.31
- Profit Target: \$34.78
- Reward/Risk: 2.39x



# Fulgent Genetics (FLGT): Business Description

Fulgent Genetics, Inc., together with its subsidiaries, provides genetic testing services to physicians with clinically actionable diagnostic information. Its technology platform integrates data comparison and suppression algorithms, adaptive learning software, and genetic diagnostics tools and integrated laboratory processes.

The company primarily serves hospitals and medical institutions. It sells its tests through internal sales force, as well as through independent sales representatives in the United States and internationally. - TIKR.com



# Fulgent Genetics (FLGT): Fundamental Info

## Financials:

- Market Cap: \$426M
- Enterprise Value: \$407M
- Gross Margins: 57%
- Operating Margins: -1.3%
- EV/Sales: 9.7x
- EV/EBITDA: 59x

## What We Like:

- Growing GM while reducing SG&A %
- 12% FCF margin
- Little cap-ex requirements
- Sticky business with high switching costs
- Founder owns 36% of company

## What We Don't Like:

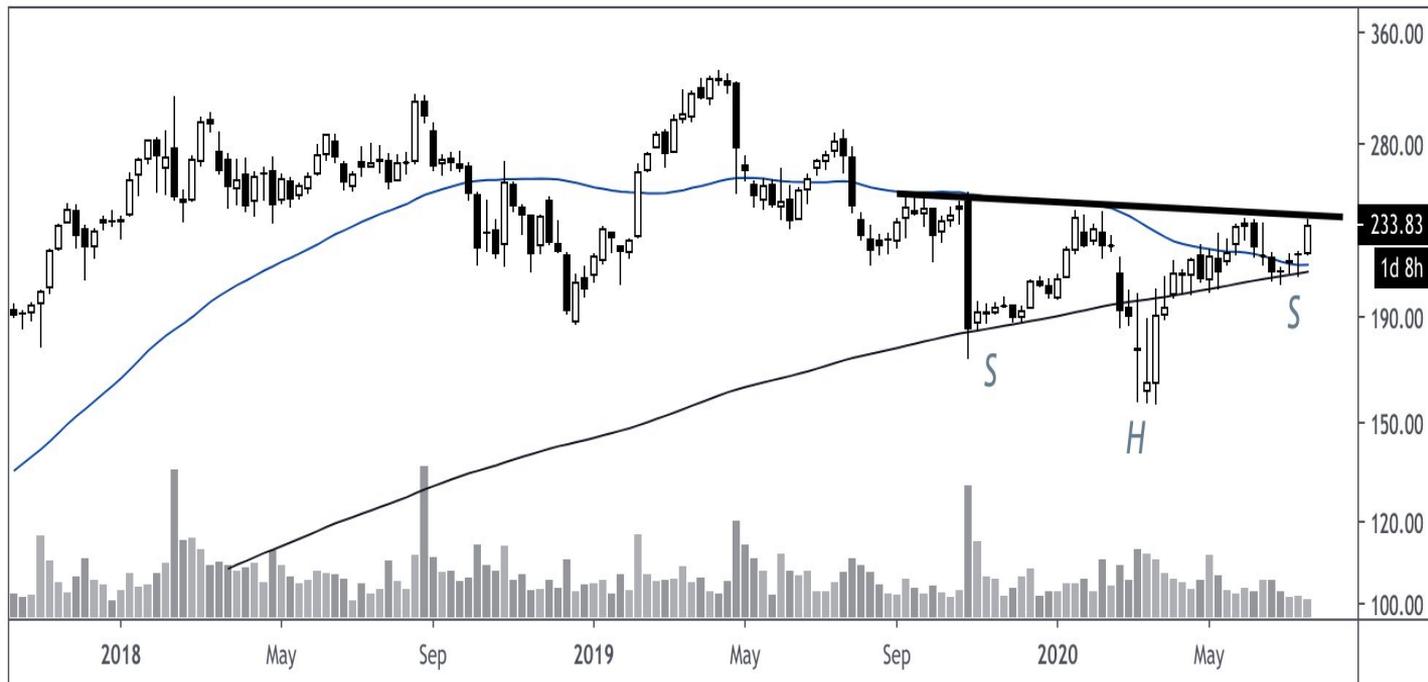
- Negative Operating Income



# Arista Networks (ANET): Inverse Head & Shoulders

rockvuecap published on TradingView.com, July 23, 2020 08:58:53 EDT

BATS:ANET, 1W 233.83 ▲ +5.04 (+2.2%) O:219.53 H:236.75 L:219.00 C:233.83



Long Trade:

- 3% Entry: \$245.50
- 1.50% Entry: \$241.93
- Stop-Loss: \$208.30
- Profit Target: \$326.07
- Reward/Risk: 2.50x



# Arista Networks (ANET): Business Description

Arista Networks, Inc. develops, markets, and sells cloud networking solutions in the Americas, Europe, the Middle East, Africa, and the Asia-Pacific. The company's cloud networking solutions consist of extensible operating systems, a set of network applications, as well as gigabit Ethernet switching and routing platforms, including universal leaf, spline, and universal spine products.

It also provides post contract customer support services, such as technical support, hardware repair and parts replacement beyond standard warranty, bug fix, patch, and upgrade services. - TIKR.com



# Arista Networks (ANET): Fundamental Info

## Financials:

- Market Cap: \$17.7B
- Enterprise Value: \$15.1B
- Gross Margins: 64%
- Operating Margins: 33%
- EV/EBIT: 18x
- EV/FCF: 23x

## What We Like:

- \$2B net cash on balance sheet
- 25%+ 5YR Revenue CAGR
- SG&A % halved in five years
- 25% FCF margin
- Price above 50MA and 200MA

## What We Don't Like:

- Decline in Receivables turnover
- Increased cash conversion



# Hamilton Lane (HLNE): Cup & Handle

rockvuecap published on TradingView.com, July 23, 2020 09:07:39 EDT

BATS:HLNE, 1W 73.79 ▲ +1.49 (+2.06%) O:70.74 H:73.88 L:70.74 C:73.79



Long Trade:

- 3% Entry: \$76.20
- 1.50% Entry: \$75.09
- Stop-Loss: \$65.00
- Profit Target: \$106.80
- Reward/Risk: 3.14x



# Hamilton Lane (HLNE): Business Description

It provides following services: separate accounts (customized to each individual client and structured as single client vehicles); specialized strategies (fund-of-funds, secondaries, co-investments, taft-hartley, distribution management); advisory relationships (including due diligence, strategic portfolio planning, monitoring and reporting services); and reporting and analytics solutions.

For direct investments, the firm invests in mid and late venture, mature companies, growth equity, emerging growth, distressed debt, later stage, turnarounds, bridge financing, mezzanine financing, and buyouts in middle market companies. For fund of fund investments, it invests in mezzanine, venture capital, private equity, turnaround, secondary investments, real estate, and special situation funds. - TIKR.com



# Hamilton Lane (HLNE): Fundamental Info

## Financials:

- Market Cap: \$2.42B
- Enterprise Value: \$2.53B
- Gross Margins: 64%
- Operating Margins: 42%
- EV/EBIT: 19x
- EV/FCF: 48x

## What We Like:

- Very minimal cap-ex spending
- 36% ROC
- 0.28x Net Debt / EBITDA
- Company owns 8% of its stock
- Great business model focused on re-upping clients into PE deals

## What We Don't Like:

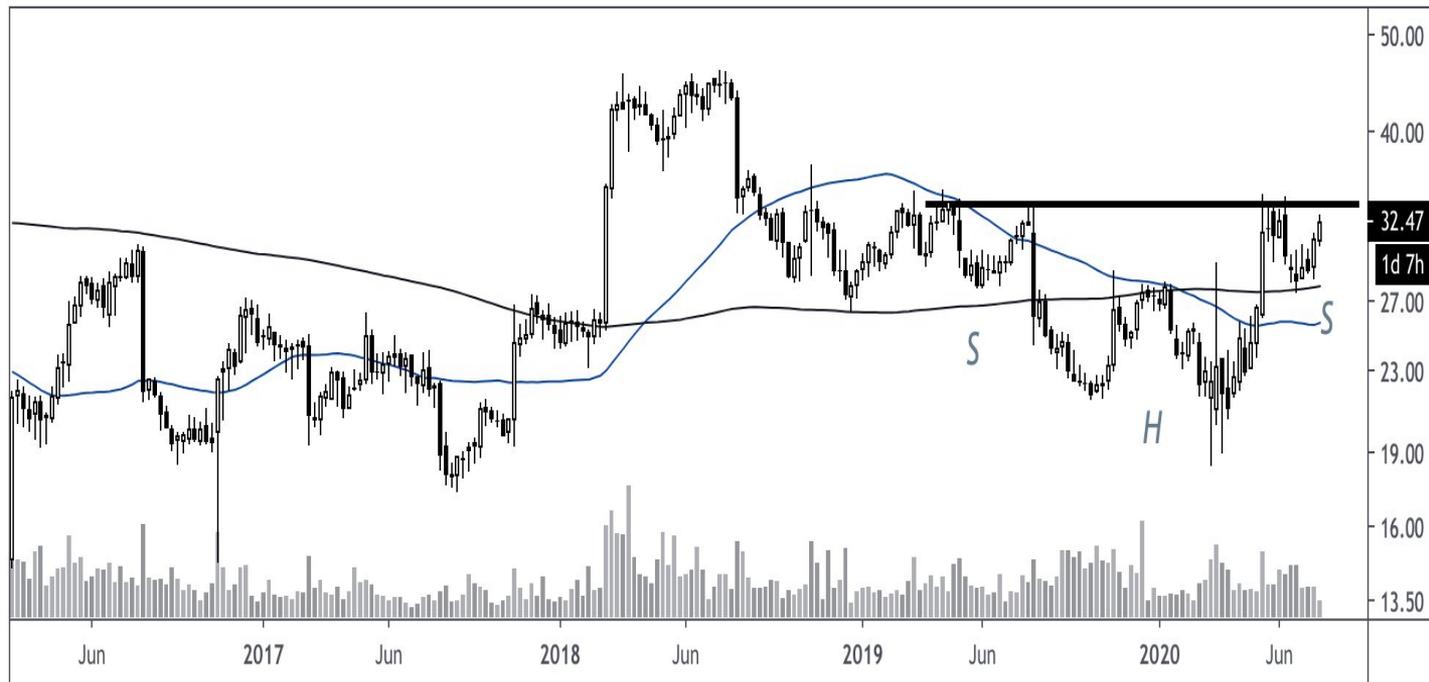
- Reduction in Receivables turnc



# American Public Education (APEI): H&S w/ Double Bottom

rockvuecap published on TradingView.com, July 23, 2020 09:21:14 EDT

BATS:APEI, 1W 32.47 ▼ -0.31 (-0.95%) O:31.03 H:32.96 L:30.68 C:32.47



Long Trade:

- 3% Entry: \$34.74
- 1.50% Entry: \$34.24
- Stop-Loss: \$30.54
- Profit Target: \$47.00
- Reward/Risk: 3.45x



# American Public Education (APEI): Business Description

American Public Education, Inc., together with its subsidiaries, provides online and campus-based postsecondary education. The company operates in two segments, American Public Education and Hondros College of Nursing. It offers 121 degree programs and 111 certificate programs in various fields of study, including business administration, health science, technology, criminal justice, education, and liberal arts, as well as national security, military studies, intelligence, and homeland security.

The company also provides diploma in practical nursing, an associate degree in nursing, and an associate degree in medical laboratory technology. -

TIKR.com



# American Public Education (APEI): Fundamental Info

## Financials:

- Market Cap: \$480M
- Enterprise Value: \$296M
- Gross Margins: 62%
- Operating Margins: 8%
- EV/EBIT: 16x
- EV/FCF: 9x

## What We Like:

- Play on COVID online education
- Receivables turnover (growing)  
QoQ & DSO shrinking
- \$184M in cash on balance sheet
- Trading <1x EV/Revenues
- FCF positive

## What We Don't Like:

- Negative Revenue growth
- <4% operating margins





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