



Earnings Snapshots 11/4/2024

PLTR, ARM, DKN, PINS

Palantir (PLTR) will report results 11/4 after the close with the Street expecting \$0.09 EPS and \$704M in Revenues (+26%) while Q4/FY25 seen at \$0.09/\$744M and \$0.43/\$3.324B implying 21% EPS growth and 20.5% Revenue growth in 2025. PLTR shares have closed strongly higher five of the last seven reports with a six-quarter average max move of 20%, one of the more volatile names on earnings days. PLTR has built four principal software platforms, Palantir Gotham ("Gotham"), Palantir Foundry ("Foundry"), Palantir Apollo ("Apollo"), and Palantir Artificial Intelligence Platform ("AIP"). Gotham and Foundry enable institutions to transform massive amounts of information into an integrated data asset that reflects their operations, and AIP leverages the power of our existing machine learning technologies alongside large language models directly within Gotham and/or Foundry to help connect AI to enterprise data. AIP is designed for customers across the commercial and government sectors, enabling them to derive value from recent breakthroughs in artificial intelligence via the combination of existing software platforms with LLMs. PLTR has a market cap of \$95B and trades 99X Earnings, 83X EBITDA and 136X FCF, crazy valuation but a name with a lot of momentum and sharply rising estimates. Palantir's deep technical expertise on effectively utilizing an organization's data to solve real world problems is a hugely valuable asset. Analysts have an average target of \$29 and short interest at 4.3% of the float. MSCO sees an achievable Q3 setup for the stock but see limited medium-term upside revision potential for FCF, which tilts us more negative on the sustainability of the stock's current valuation at 32x EV/CY25 Sales or 1.45x growth-adjusted, a 113% premium to the Large-Cap average at 0.68x EV/CY25 Sales/Growth. Wedbush says recent channel checks indicate incrementally more enterprises are strategically discussing how the company's Artificial Intelligence Platform will be deployed in their enterprise during 2025. On the chart, PLTR was a top performer last quarter and last week pulled back to near the 8-week EMA. PLTR has some support at \$41 followed by the \$38 retest level while upside level of note at \$45. PLTR options are pricing in a 9.45% move on earnings and 30-day IV Skew at +1 compares to the -0.3 52-week average. PLTR put/call open interest ratio at the 97th percentile and average IV30 crush is -29%. PLTR has 30,000 December \$65 calls bought in open interest, low Delta, and 18,000 December \$45 calls. PLTR bear flow centered on December \$44 puts with three sessions of buying and 10,000 in open interest. Looking to 2025 we have seen buyers in March \$50 and \$60 calls and February \$55 calls.

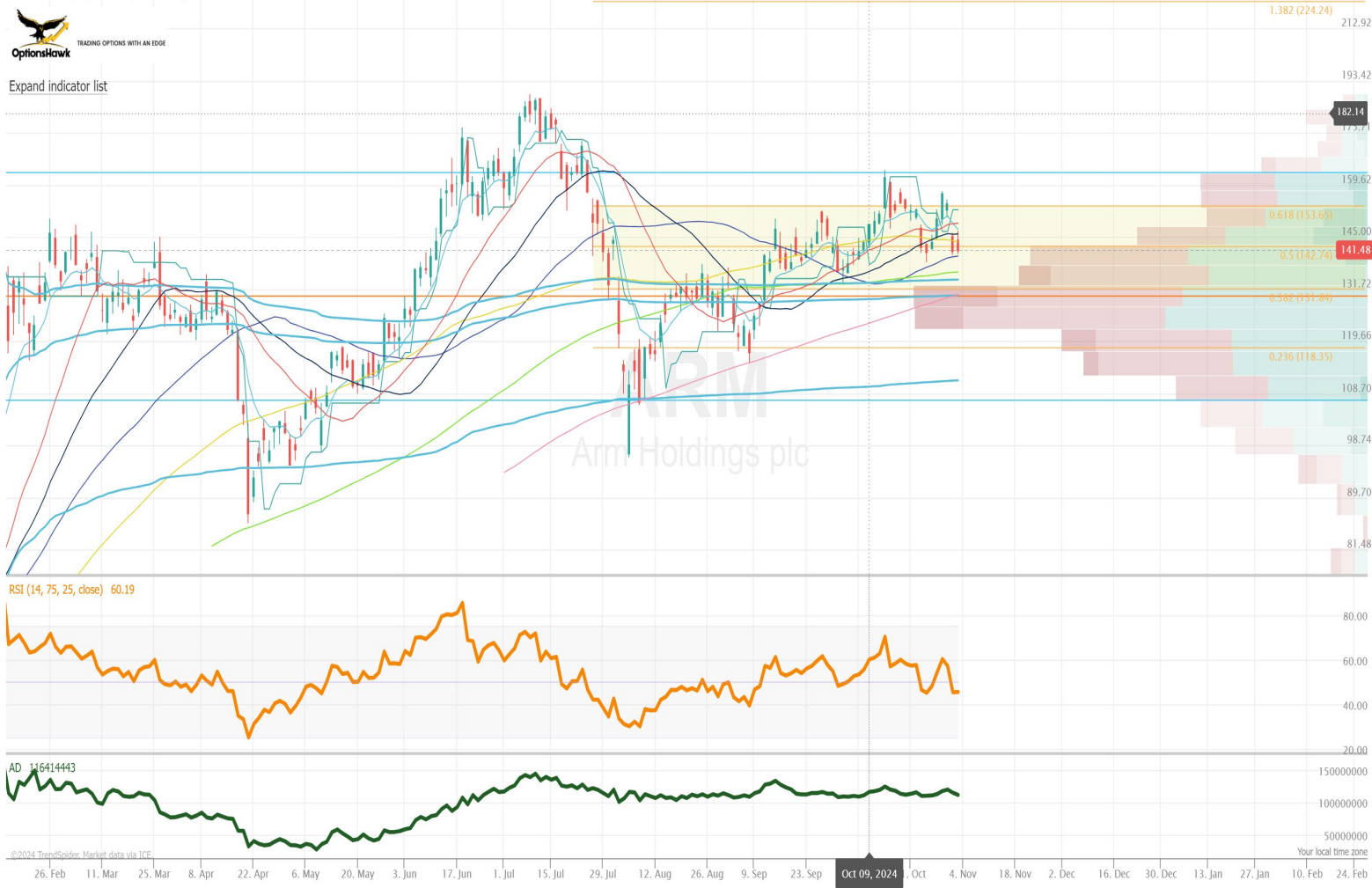
Trade to Consider: Long **PLTR** December \$45/\$50 Call Spreads at \$1.35 Debit



Arm (ARM) will report earnings 11/6 after the close with the Street consensus at \$0.26/\$809M and Q4/FY25 seen at \$0.34/\$1.265B and \$1.56/\$3.965B implying 41.75% EPS growth and 22.65% revenue growth in 2025. ARM shares have closed lower three of its four reports with an average max move of around 25% skewed by a 64% max move in February. Arm architects, develops, and licenses high-performance, low-cost, and energy-efficient CPU products and related technology, on which many of the world's leading semiconductor companies and OEMs rely to develop their products. Arm CPUs run the vast majority of the world's software, including the operating systems and applications for smartphones, tablets and personal computers, data centers and networking equipment, and vehicles, as well as the embedded operating systems in devices such as smartwatches, thermostats, drones and industrial robotics. ARM generates most of its revenues from customers who enter into license agreements and pay royalties. ARM has a \$148B market cap and trades 69X Earnings, 71X EBITDA and 182X FCF, another crazy valuation name but seeing estimates rise. Global cloud service provider (CSP) capex consensus now points to \$237bn/\$272bn for CY24/CY25E (+46%/+15% YoY). ARM key drivers include growing use of v9 designs, custom silicon, and the use of CPU extensions. Analysts have an average target of \$137 and short interest low at 1.4% of the float. MSCO sees Arm as best positioned to benefit from the adoption of Edge AI (on device AI computation). Bernstein cut to Underperform with a \$100 target on valuation concerns. On the recent QCOM license cancellation, JPMorgan says the cancellation of the license will mark an escalation of the disagreement between the companies, but an eventual settlement is still the most likely outcome given that the move will impact revenues for both companies. On the chart, ARM consolidating for weeks now with major support near \$140 followed by the 200MA at \$130 while post-IPO AVWAP at \$112. ARM key upside levels are \$158 and \$165 and then can test highs from earlier this year at \$189. ARM options are pricing in an 8.2% earnings move and 30-day IV Skew at +1 compares to the -0.9 52-week average. ARM put/call open interest ratio at the 59th percentile and average IV30 crush just -4.75%. ARM has 15,000 Dec. 2026 \$115 calls bought in OI and 9500 of the \$130 strike calls along with 10,000 of the \$110 call strikes, longer-term mega bulls in this one. The Dec. 2026 \$120 and \$125 calls also with large buys in open interest.

Trade to Consider: Sell the **ARM** December \$130/\$120 Put Spreads for a \$3.30 Credit

Arm Holdings plc, Daily, Nasdaq O 144.07 H 148.64 L 142.15 C 148.43 Period +3.03% Market closed



DraftKings (DKNG) will release quarterly results 11/7 after the close with the Street view at (\$0.25) EPS and \$1.11B in Revenues (+40.5%) while Q4/FY25 seen at \$0.52/\$1.756B and \$1.42/\$6.259B implying 135% EPS growth and 22% Revenue growth in 2025. DKNG shares closed lower its last two reports after being higher the five prior, a six-quarter average max move of 12.9%. DKNG is a digital sports entertainment and gaming company providing online sports betting, online casino (iGaming) and daily fantasy sports as well as retail sportsbook, media and other consumer product offerings. Its business experiences seasonality primarily based on the relative popularity of certain sports. Although sporting events occur throughout the year, users are typically most active in the fourth quarter due to the overlapping calendars of the NFL and NBA seasons, which are the most popular sports for the Sportsbook product offering. DKNG has a market cap of \$32B and trades 50.3X Earnings, 29X EBITDA and 200X FCF. Analysts have an average target of \$50 and short interest at multi-month high above 5% of the float. BAML says 1) slowing handle growth and 2) decelerating app download growth could indicate a slower customer acquisition environment than expected. DKNG will call out the unfavorable NFL outcomes. MSCO expects a Q3 beat and 2025 reaffirmed. Mizuho added DKNG to Top Picks recently saying long-term earnings power is underappreciated. On the chart, DKNG has shown weakness in recent weeks and now a potential right shoulder level at \$35 while major AVAP support off 2023 low at \$31.30 in play below. DKNG needs to clear \$38/\$39 to work to recent upside highs around \$42. DKNG options are pricing in a 7.2% earnings move and 30-day IV Skew at +4.1 compares to the +1.1 52-week average. DKNG put/call open interest at the 25th percentile and average IV30 crush is -13.8%. DKNG has 32,000 January \$40 calls in OI from buyers and 11,000 of the \$32 puts were sold to open. DKNG has 6000 January \$30 calls bought in OI and 7950 Jan. \$47 short calls.

Trade to Consider: Long the **DKNG** January \$35/\$40/\$45 Call Butterfly for \$0.95 Debit



Pinterest (PINS) will announce earnings 11/7 after the close with the Street expecting \$0.34 EPS and \$896M in Revenues (+17.45%) and Q4/FY25 seen at \$0.62/\$1.145B and \$1.78/\$4.233B implying 22% EPS growth and 16.44% Revenue growth in 2025. PINS shares have closed lower five of the last seven reports with a six-quarter average ma move of nearly 16%. There may be some seasonality, PINS strongly higher its last four Q3 reports. Pinterest is where 450 million people around the world come each month to discover and visualize ideas for their daily activities like cooking dinner or deciding what to wear; for major commitments like remodeling a house or training for a marathon; for ongoing passions like gardening or fashion; and for milestone events like planning a wedding or a dream vacation. PINS full funnel advertising solution maps to the consumer buying journey on Pinterest, from building awareness and comprehension at the top of the funnel, to supporting consideration and engagement with brands in the middle of the funnel, to driving purchases at the bottom of the funnel. PINS is deepening engagement and growing monetization seeing record users and shopping with Gen Z a key growth driver. PINS platform enhancements are working for advertisers and PINS expects to grow revenue in the mid- to high teens and improve EBITDA margin to the low 30% range over the coming 3 to 5 years. PINS has a market cap of \$22B and trades 18X Earnings, 18.5X EBITDA, 6.6X Sales and 27.4X FCF, valuation near the low-end of its historical range. Execution in two key areas will be the focus, 1) PINS' ability to drive inspiration to action and increasing shoppability and 2) new ad products and tools driving higher ad revenue per user. PINS recent event showcased various case studies from CPG, eCommerce, and finance advertisers, emphasizing improving ROI on Pinterest and platform's expanding role in performance marketing budgets. Pinterest is also adding a new feature that allows advertisers to add discounts to shoppable items. Promotional ad products include: 1) Personalized promotions that show shoppers deals based on their searches and pins, and 2) Deals Ads, where promotions are featured on the Home Feed, helping brands stand out during sales. Analysts have an average target of \$43 and short interest is low at 3.4% of the float. Goldman believes the company is set up well to continue to compound sales growth at a mid-to-high teens percentage pace and drive steady adjusted EBITDA margin expansion for the next five years. Deutsche Bank views Pinterest as an under-monetized, scaled, increasingly personalized digital catalog that attracts an affluent, high purchase-intent user base. The platform's ability to support those seeking inspiration all the way to the ultimate purchase activity is making Pinterest increasingly indispensable for full-funnel advertisers. On the chart, PINS shares consolidating after moving up off last quarter's reaction lows, coiled under \$34 with the 200MA at \$36. Longer-term perspective shares are crunched between key AVWAPs of \$28 support and \$35.50 resistance. PINS options are pricing in a 10.5% earnings move and 30-day IV Skew at +0.7 compares to the +0.6 52-week average. PINS put/call open interest ratio is at the 78th percentile and average IV30 crush is -40%. PINS open interest of note has January \$32.5 and \$27.5 short puts, January 2026 \$35 short puts and February \$25 short puts as put sales been a popular strategy. PINS does have 4850 Nov. 8th (W) \$37 calls bought in OI. A collar traded 5000X on 9/17 selling the \$37.5 calls and buying \$30/\$25 put spreads. An opening sale 1800 March \$31 puts notable as well.

Trade to Consider: Long **PINS** January \$32.5/\$37.5 Call Spreads \$1.70



Disclaimer:

These trade ideas are to be self-managed as there will be no follow-up, and each user must take full responsibility of the trade, and only take action on trades that fit his/her risk profile and are comfortable trading.

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