



Tableau Calls Accumulate into Weakness

Ticker/Price: DATA (\$123.50)

Analysis:

Tableau (DATA) with 1,500 May \$120 calls opened yesterday for \$1.4M and has a \$21M position in October \$120 calls that opened on 2/20. Shares have pulled back with Tech to its rising 21 week MA that has been supportive for most of 2018 and 2019 on dips. The \$11.3B business analytics software Co. trades 54.45X Earnings, 84X FCF and 7X FY19 EV/Sales with 11.8% FCF margins. DATA posted 31.7% revenue growth last year and sees 18-20% each of the next three years with EPS also entering a strong operating leverage phase with over \$3/share seen in 2020 after registering a \$0.30/share loss in 2018. DATA has been seeing strength in Enterprise and large deals with strong ARR growth. Analysts have an average target of \$136 on shares and short interest is elevated at 9.5% of the float and jumping 100% Q/Q. BAML was out with a \$152 target after the latest quarter seeing better than consensus growth. BTIG raised its target to \$150 on 2-6 citing the transition to subscription model is making major strides and new disclosures show the real healthy of the business to investors. Stifel has a \$145 target after an “impressive quarter across the board.” Hedge Fund ownership jumped 7.45% in Q4 filings, Alkeon with a new call option disclosure and CoatueMgmt. added to its large position. DATA was one name Barron’s named as a potential takeover target for Google in a report November 26th, 2018. DATA was also on the Salesforce (CRM) leaked list of acquisition targets and Tableau reportedly explored a sale back in 2016.

Hawk Vision:



Trading Strategy: DATA looks to have a nice support level near \$120 to trade against and the upside can be large as it trades at a cheap valuation to its peers.

Confidence Ranking: \$\$