



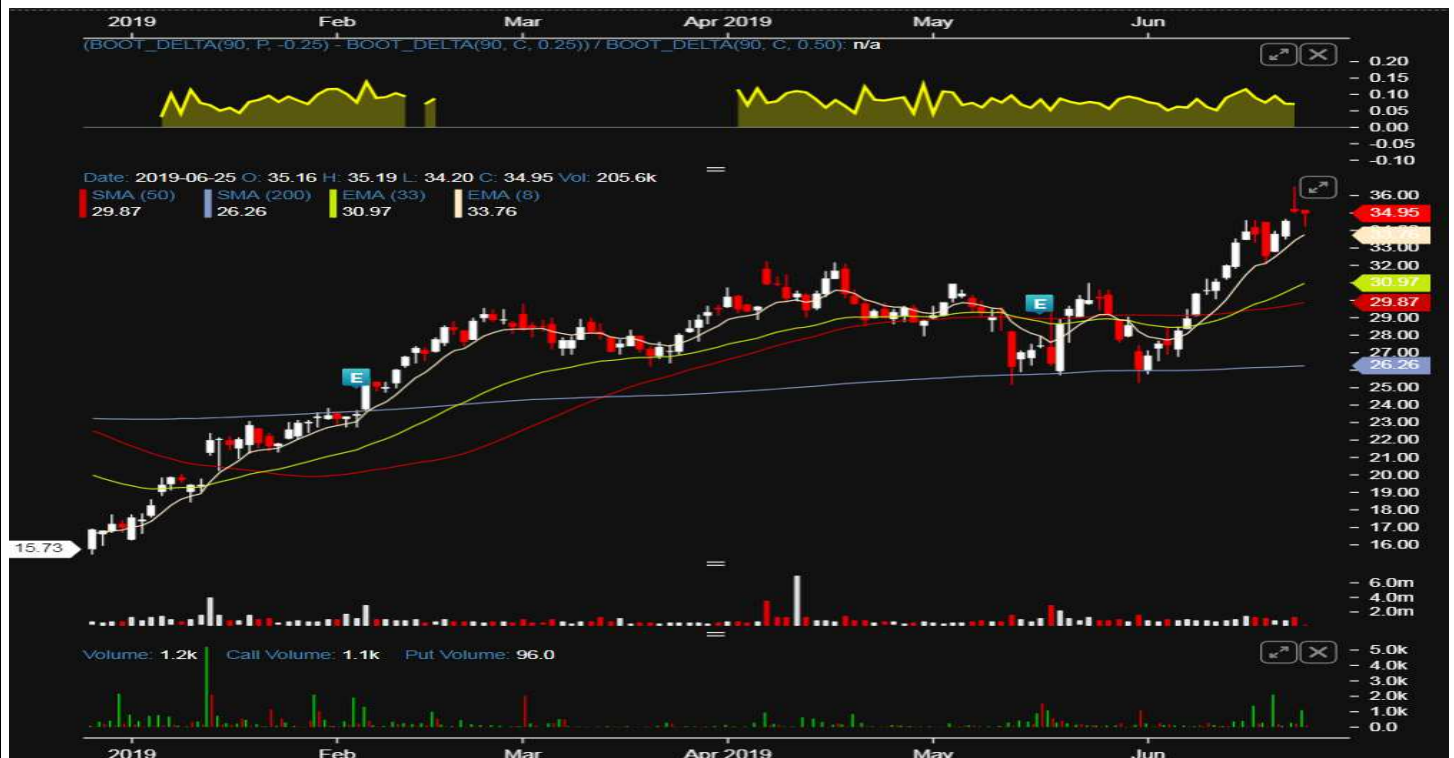
Traders See More Upside for Boot Barn

Ticker/Price: BOOT (\$35)

Analysis:

Boot Barn (BOOT) buyers active today for 950 August \$35 calls for \$3.50 to open and follows 2,000 July \$35 calls bought last week. BOOT also had 875 November \$35 calls bought recently to open which remain in OI. Shares have traded strong since late 2017 and moving out of a big weekly range in June above \$31.50 which target \$43.50. Shares have been riding the 8-EMA higher over the last two weeks and long-term outperformance vs the broader retail sector since the December lows up 133% vs up 8.5%. The \$993M company trades 19X earnings, 1.28X sales, and 27.75X FCF with EPS growth of 21.1% and 18.9% through 2022. BOOT sees 11.5% revenue growth in 2021 and expected to hit \$1B in sales within two years. BOOT is coming off a strong quarter with comps up 8.7% driven by a stronger rodeo season in Texas. The company continues to see better full-price selling and lower shrink as margins expand to multi-year highs. Analysts have an average target for shares of \$33 with 7 buy ratings and 2 hold. DA Davidson starting at Buy last week with a \$41 PT. The firm thinks BOOT has multiple avenues to growth and remains the clear leader in western and work sector gear. They think BOOT can dominate its core niche as they roll out more private label products and gain greater brand recognition. Cowen raised their PT to \$42 yesterday expecting comps to jump 7% in Q1. Short interest is 14.3% but down from 26.8% in late 2017. Hedge Fund ownership fell 9% last quarter. Shellback Capital a buyer of 700k shares.

Hawk Vision:



Trading Strategy: BOOT has made an incredible move since choosing it is a top opportunity in a tough Retail group in Q4 2018. Shares continue to be attractively valued and stand out among its peers.

Confidence Ranking: \$\$