



Live-Person Sets Up with Bullish Open Interest

Ticker/Price: LPSN (\$28.35)

Analysis:

LivePerson (LPSN) shares consolidating in a multi-month bull flag just above the 20-week EMA and under \$30 after a big move higher to start the year. LPSN has notable bullish open interest including 1,000 July \$30 calls, 825 October \$30 calls bought in March and the OTM October \$35 calls with over 3,000 from buyers on 5-2 and 5-15. A move over \$30 and out of this narrow range targets \$35 but longer-term trend continues out above \$40. Weekly MACD and RSI are both back off of recent highs and turning back higher, ready to run. The \$1.81B company trades 7.6X cash and 6.8X EV/sales. The company sees making \$0.25/share in FY21 after losing around \$0.10 this year with revenue growth of 19% and 18.6%. LPSN is building a leading AI-powered enterprise platform for Conversational Commerce. The company helps businesses communication with patrons via automated chat, web apps, and social media platforms. LPSN sees a \$60B go-to-market opportunity spread across enterprise, midmarket, and small business. They've seen exponential growth on their platform since launch in 2016 with 2M conversations in year-one up to 20M in year-two. They have long-term goals of 25% revenue growth and 15% Adj. EBITDA. Analysts have an average target for shares of \$32 with 13 buy ratings. Jefferies with a \$36 PT seeing LPSN well positioned to benefit from consumers' increasing preference for engaging with brands via messaging, which is driving the rise of "conversational commerce. Piper has a \$39 PT as the secular shift of voice to messaging to artificial intelligence is both "real and massive," and as an early mover with legacy roots and advantages, the company will benefit greatly. Short interest is 5.9% and up from 2% in late October. Hedge Fund ownership rose 15%. RGM Capital, Polar Capital, and Vista Equity partners notable holders

Hawk Vision:



Trading Strategy: LPSN is looking nice with this base to trade against, a move above \$29 a clear trigger.

Confidence Ranking: \$\$