



Unusual Call Buys in Tenable

Ticker/Price: TENB (\$29.50)

Analysis:

Tenable (TENB) with buyers active for 1650 August \$30 calls this morning for \$1.70 to \$1.90, trading nearly 15X average. TENB has over 900 September \$30 calls and \$35 calls in OI from buyers earlier this year. Shares are working on a nice multi-week base under \$30 with a long-term channel target up to \$38. Shares have downtrend resistance at \$32.50 from the 2018 highs. The \$2.55B company trades 9X cash and 8.7X EV/sales with 25.2% and 23.5% sales growth expected over the next two years. TENB continues to grow their user base with over 2M unique downloads and 27,000 customers with a significant part of their mix large companies. They have over 90% recurring revenue, up from 86% in 2017. TENB is benefiting from growing demand from enterprise operations for vulnerability detection with a surge in applications, IoT, and cloud opportunities. The VM market is expected to hit \$6B in 2021, up from \$3.7B in 2017, while TENB sees a potential \$16B opportunity to expand into new analytics products and expand services outside of traditional IT assets. Analysts have an average target for shares of \$37.50 with 9 buy ratings and 2 hold. Cowen starting at Outperform on 5-23 with a \$36 PT seeing the company well positioned to capitalize on the growing important of Vulnerability Management which is becoming a core element of all cyber solutions. They see the TAM continuing to expand for the next 3-5 years. Wedbush with a \$44 PT on 5-1. They see upside to billings for the remainder of the year. Short interest is 2% and down from 3% earlier this year. Hedge Fund ownership rose 86.6% last quarter. Millennium Management, Vista Equity, Glynn Capital, Gladstone Capital, and Alta Park all notable holders.

Hawk Vision:



Trading Strategy: TENB is an attractively valued asset in an industry group of elevated valuations, and has a well-defined base to trade against.

Confidence Ranking: \$\$