



## Yeti Bulls Active into Holiday Shopping Season

**Ticker/Price:** YETI (\$27.65)

### Analysis:

**Yeti (YETI)** IV rising today with IV30 up 6% in a tape with volatility contracting and seeing over 6,500 November \$35 calls open \$0.90 to \$1.10, early action bidding up the calls aggressively. YETI no longer has any other major notable open interest, the puts that positioned for a pullback expired in August. YETI is also seeing 750 February \$30 calls bought today. YETI shares are basing above its rising 200 day MA and a 38.2% retracement of the post-IPO range, a higher base from the one in May. The \$2.27B high-end consumer products company trades 20.5X Earnings, 2.75X Sales and 31.75X FCF. YETI grew revenues 21.8% in FY18, 13.8% growth seen this year, and 12.5% next year while EPS grows 18-20% annually. YETI has seen drinkware sales slow a bit but has a number of opportunities in new areas like apparel. It has consistently raised its outlook since coming public and next reports in late November. It has a number of growth pathways with expanding its brand presence, new products, expanding Internationally, and accelerating the DTC channel. Analysts have an average target of \$37 on shares and short interest has steadily been rising to more than 20% of its float. Piper called recent earnings weakness a buying opportunity seeing easier comps ahead and limited tariff impact. Jefferies with a \$45 target back in May noted the strong search trends with ample runway to expand its addressable market. Hedge Fund ownership surged 44% in Q2 filings.

### Hawk Vision:



**Hawk's Perspective:** YETI is a name I continue to like at this valuation for the growth potential, though a lot of people betting against it. I would like to see it work out of this small base first, and then can target a run to new highs.

**Confidence Ranking:** \$\$