



## 8X8 Attracts Bullish Positions on Work from Home Theme

**Ticker/Price:** EGHT (\$17.50)

### Analysis:

**8X8 (EGHT)** with a sale of 1000 December \$17.50 ITM puts to open for \$4, recent opening of 1000 May \$20 calls in the name. EGHT shares pulled back with the market recently though held 10 year trend support and a strong bounce off the \$11.50 level to current price near \$17.50. The \$1.5B Tech company is a player in the cloud communications area that has seen a lot of M&A the past two years and currently trades 4.2X EV/Sales though does have a levered balance sheet. EGHT did a \$125M deal for Wavecell last year, a Singapore-based CPaaS provider allowing EGHT entry into a large market and broadens its global footprint. EGHT looks to benefit from a \$60B legacy communications market migrating to the cloud with 4 compelling markets as UCaaS, CCaaS, VCaaS and CPaaS. EGHT sees a \$60B TAM with plenty of key growth drivers including a recent space that is hot with current events, Video Collaboration. Analysts have an average target of \$25 while short interest at near 20% of the float continues to climb. B. Riley cut to Sell with a \$13 target on 3/26 with concerns on execution and margin declines. It did admit the work from home culture could be a tailwind but prefers ZM/RNG. Hedge Fund ownership fell 7.25% in Q4 filings, Syblera Capital a top concentrated holder.

### Hawk Vision:



**Hawk's Perspective:** EGHT has already seen a sharp rally off lows, and while interesting as a play on work from home, its balance sheet and history of poorer growth than peers keeps me on the sidelines.

**Confidence Ranking:** \$\$