



## Large Call Buy in Anaplan into Weakness

Ticker/Price: PLAN (\$43.50)

### Analysis:

**Anaplan (PLAN)** with buyers of 5,000 January \$45 calls today from \$7.00 to \$7.40 and name that still has 3,500 of the January \$43 calls in open interest, although some have closed since the initial buy. Shares have rebounded well off the March lows and back at the 200-day where it has found some resistance. Today's move has taken shares back to the rising 20-MA as well as May VPOC and the value-area high from April, key area to hold in the short-term. PLAN has a gap above from February to \$58. The \$6.2B software company trades 20X cash and 12.5X EV/sales with long-term expectations for low-30% revenue growth. PLAN had a mixed quarter given customer delays around budgeting and spending but positive longer-term on growth for strategic planning software in a post-COVID world as digital transformation projects are in higher demand. PLAN also noted that this dynamic creates a significant opportunity for them to generate new sales and launched new trials with non-profits, government organizations, and other customers to help them address shutdown challenges. PLAN continues to see a massive TAM with Gartner recently noting that 70% of all new cloud financial planning and analysis projects moving to connected planning over the next five years. Analysts have an average target for shares of \$55. Deutsche Bank with a \$55 PT seeing PLAN as well positioned to outperform upon an IT budget recovery given its strengthened value proposition in this environment. Mizuho with a \$58 PT noting that the company's sales reorganization continues to stabilize and management's commentary validates the thesis that the need for robust planning tools has been heightened. Short interest is 9.8% and up from around 2% in August. Hedge fund ownership jumped 19% in Q1. Tiger Global adding 4.6M shares, Steadfast Capital a new 3.58M share position, and Lone Pine with a new 2.2M share position. PLAN shares are back around a level where insiders were last active as well with a director buying \$1.5M in stock at \$41.75 in June 2019.

### Hawk Vision:



**Hawk's Perspective:** PLAN with a nice bounce off the 34 MA and retest level sets up nicely here, a high growth Software name at a more reasonable valuation than many peers.

**Confidence Ranking:** \$\$