



Bulls Position in Synopsys as Top Chip Complexity Theme Play

Ticker/Price: BILL (\$73)

Analysis:

Bill.com (BILL) trading nearly 4X average puts today with 1,450 August \$65 puts sold to open from \$8 down to \$6.60, willing buyer of stock just below the recent range. BILL doesn't have a lot of other notable open interest but did see buyers in the June \$65 puts in early May. BILL shares have traded down from around \$90 in early May with the lockup expiration this week in focus but consolidating nicely right at the February highs and back above the 8- and 20-day today. Longer-term, BILL has room up to \$115. The \$5.12B software company trades 2.73X cash after a recent offering and 29.5X EV/sales with forecasts for mid-teens revenue growth in FY21 and 25%+ in FY22. BILL is a disruptive name for small businesses as their platform replaces paper invoices and checks for things like billing to vendors and getting paid for services. BILL has been rapidly expanding their network integrating with Quickbooks for greater SMB adoption and expanding partnerships with larger institutions like Chase. BILL sees massive opportunity in B2B payment flows and has launched a wide range of functionality in the last couple years including cross-border payments, virtual card payments, same-day ACH, and now testing real-time payments through The Clearing House. SMB have slowed spending in the near-term due to COVID-19 but BILL expects to be a key part of a post-COVID world as their platform gives SMB better visibility into costs and transactions. Short interest is 5.6% and down from 8.5% at the beginning of June. Hedge fund ownership jumped 25% in Q1. Abdiel Capital, Whale Rock, and Tiger Global all notable holders. Analysts have an average target for shares of \$68. Piper upgrading to Buy on 5-28 citing the benefits of both the recurring sub model as well as digital payment growth levers. They also highlighted the opportunity, "BILL has just 1.5% penetration of 6M small businesses within the U.S. with a TAM pegged at \$9B and even larger opportunity globally at \$30B."

Hawk Vision:



Hawk's Perspective: BILL has been a favorite since its IPO and setting up so beautifully here looking to make a run to \$100, a long-term own.

Confidence Ranking: \$\$