



FEATURED OPTIONS RADAR REPORT



Unusual Call Buyer in Hibbett as Shows Digital Presence Strength

Ticker/Price: HIBB (\$20.5)

Analysis:

Hibbett Sports (HIBB) unusual buyer of 1500 October \$22.50 calls aggressive \$2.50 to \$2.75, a name that rarely sees action but has 2000 January \$10 calls in open interest, and on 6/19 these October \$22.50 calls bought 930X at \$2.10. HIBB shares are forming a bull flag on the daily below a \$21.75 breakout level and with 33.8% of the float short the move could be explosive. The \$360M retailer of athletic footwear and accessories saw insiders active buying in April \$9.45-\$9.85. HIBB trades 10.15X Earnings, 0.32X Sales and has a lot of cash and little debt. HIBB posted solid results in late May beating estimates with e-commerce sales up 110.5% and now at 22.3% of total sales. Digital traffic was up over 80% and conversion increased 26% for the quarter compared to the prior year. Over 40% of online sales in the second half of the quarter were new customers. SIG upgraded shares to Positive on 5/27 with a \$25 target citing exceptional execution with a best-in-class digital and omni-channel capability leading to improved customer engagement, retention, and acquisition. HIBB announced plans last November for a strategic realignment and accelerated store closure plan. HIBB's long-time CEO left last year, but the last few years were spent bolstering its digital capabilities, including a mobile app, BOPIS (buy online, pick up in-store) and ROPIS (reserve online, pick up in-store). Hedge Fund ownership rose 2.7% in Q1 filings.

Hawk Vision:



Hawk's Perspective: HIBB is a name I had forgotten about, but this is one of the joys of following options action, and here the valuation looks attractive, the digital momentum is a reason to re-rate, and the chart looks ready to squeeze shorts.

Confidence Ranking: \$\$