



## Unusual Size Call Buyer in Ping Identity as Cloud Security Theme Sees Strength

Ticker/Price: PING (\$33)

### Analysis:

**Ping Identity (PING)** with an unusual 1,000 December \$35 calls bought this morning from \$6.20 to \$6.50 and now volumes over 1,690 up to \$6.80, the only notable open interest in the name which debuted in late 2019. PING shares have been in a strong trend since the March lows, riding the 21-MA, and broke out of a multi-month consolidation in June that targets \$38/\$40. PING has short-term support at the 8-EMA around today's lows. The \$2.73B company trades 10.3X EV/sales and 16X cash with little debt. They expect profitability to double through FY22 with revenue growth in the mid-to-high 20% range. PING has been a leader in identity and access management for nearly 20 years with a focus on user identification and authentication for networks. PING helped define many of the standards in the IAM market and they've seen tailwinds in recent years from the expansion of cloud architectures across both public and private environments. COVID-19 has really accelerated this shift as well with more businesses looking for enhanced security due to remote work. PING is coming off a strong quarter with ARR growing 22%, more notable seven-figure contracts, and an expanded offering with AWS. Analysts have an average target for shares of \$26, although Citi, RBC, and Piper at a Street High \$32. The latter started coverage in May calling PING the best-in-breed in terms of their approach to large enterprises and a clear winner in the \$25B and growing identity market. RBC thinks PING should be able to boost its margins while benefiting from the increase in work-from-home and an expanded security perimeter. Short interest is 3.1% and down from around 5.3% in April. Hedge fund ownership rose 1.9% in Q1. Polar Capital a notable buyer of 1M shares while Vista Equity Partners still holds a large public stake.

### Hawk Vision:



**Hawk's Perspective:** PING is a solid name profiled when it came public and gets less recognition than CRWD/ZS but liking the momentum.

**Confidence Ranking:** \$\$