



## FEATURED OPTIONS RADAR REPORT



### Bulls See Yeti Momentum Continuing into 2021

Ticker/Price: YETI (\$46.70)

#### Analysis:

**Yeti Holdings (YETI)** with 1,000 February \$45 puts sold to open today for \$7.10 and follows 1,000 September \$45 puts sold on 7/21 to open and recent buyers in the February \$60 calls. YETI is also seeing some buyers in the Aug. 7<sup>th</sup> (W) calls today positioning for earnings next week. YETI has been a strong trending name since March and forming a high and tight bull flag under \$48 with the 8-EMA supportive at today's lows. Shares broke out of a big weekly range in June above \$38 which has a measured move out to \$55. The \$4B consumer products company trades 33.25X earnings and 4.3X sales with expectations for strong revenue growth in both FY21 and FY22. YETI expectations are high in to the quarter given overall tailwinds from the recent grad season and higher outdoor exposure driving purchases of coolers and other gear from first-time buyers. They also likely take positive read-throughs from boating names, RV makers, and ORV producers who all said that demand has been unprecedented. YETI has been shifting more resources and focus to DTC and online to boost margins and tap into their fastest-growing segments and both should continue to grow under the current environment. Analysts have an average target for shares of \$40.50 and a Street High \$60 from Jefferies. The firm out on 7-17 highlighting web traffic, Google search trends, foot traffic analyses, and survey work at U.S. **Dick's Sporting Goods (DKS)** locations pointing to further upward momentum for Yeti. Citi has a \$51 PT and they said in July that current valuation is too low given the "strong growth" it has delivered in recent years and the potential growth from its international expansion opportunities. Stifel last week said checks showed strong channel inventory depletions which will give better visibility to the 2H. Short interest is 9.3% and down from above 20% in February. Hedge fund ownership rose 8% in Q1. Eagle Asset Management and Landscape Capital notable buys.

#### Hawk Vision:



**Hawk's Perspective:** YETI has been a name I have championed since the beginning and also featured as an Outdoor Recreation beneficiary, and continue to love it as a premium brand.

**Confidence Ranking:** \$\$