



## FEATURED OPTIONS RADAR REPORT



### Unusual Call Buying in RealReal as Platform Names Heat Up

Ticker/Price: REAL (\$14.50)

#### Analysis:

**The Real Real (REAL)** with buyers today of 1,425 December \$17.50 calls for \$2.25 to \$2.30 and follows over 6,000 August \$17.50 calls bought in late June. REAL has also seen the November \$12.50 puts sold to open 1,000X which remain in OI. Shares are consolidating in a multi-week bull flag under the 200-MA with a small volume gap back to \$18. REAL just recently cleared the post-IPO downtrend and has a massive volume gap back to \$25 above as well back to its initial trading range. The \$1.31B company trades 4X sales with plenty of cash on hand and virtually zero debt on the balance sheet. REAL sees a path to profitability within the next 3-4 years and trades just 2.1X FY22 EV/sales with estimates looking for 20%+ annual growth. REAL is an online marketplace which focuses on consigned luxury goods like jewelry, handbags, watches, fine art, home décor and other high-end items. They see a huge market opportunity in luxury consignment, especially with more spending shifting online, as they are the established name with the infrastructure in place to provide secure transactions to customers and gives them a big advantage over others like AMZN or EBAY. REAL also expects to see multi-year tailwinds from the shift towards value in consumer trends during and following the pandemic. REAL struggled early during the pandemic as they weren't staffed properly to handle the volume of demand but have since fixed their labor issues and May/June update recently showed positive linearity. Analysts have an average target for shares of \$18 with Keycorp at a Street High \$21. Nomura positive on 6-10 seeing continued recovery in trends throughout May and June as signs that the company's initial struggles during the pandemic are over. BTIG starting at Buy on 6-8 seeing the company in prime position in a post-COVID world as consumer focus has shifted online for personal luxury goods. CSFB positive last September as well noting that REAL is in prime position to win share in the 'closet of the future' which will have more secondhand and less dept. stores in the mix. Short interest is 9.3% and down from 20% in October. Hedge fund ownership fell 3.3% in Q1. Great Hill Partners a top holder.

#### Hawk Vision:



**Hawk's Perspective:** REAL is a quickly forgotten growth story and looks intriguing, especially if clears that 200 MA, a name that can make a big quick run.

**Confidence Ranking:** \$\$