



## FEATURED OPTIONS RADAR REPORT



### Bulls Load Up in Citrix on Post-Earnings Pullback

Ticker/Price: CTXS (\$140)

#### Analysis:

**Citrix Systems (CTXS)** with early buyers of 400 September \$125 calls up to \$14.00 and volume now up to 700X with shares pressing to session highs. CTXS has seen the Aug. \$150 calls and \$160 calls bought recently while longer-term the Sept. \$165 and January \$165 calls with bullish positioning. CTXS still has 1,000 Sept. \$140 puts in OI from April. Shares have pulled back to multi-month support after earnings and trying to put in a reversal candle today. A move higher targets the high-end of value for the year at \$155 and then into some space as it continues the long-term bull trend. The \$17.4B company trades 22.3X earnings, 5.7X EV/sales, and 32X FCF with a 1% yield. CTXS took FY estimates up last week and now seeing more than \$7.45/share in earnings power by FY22 with the topline accelerating over the next two years. CTXS has seen some tailwinds recently from the Work-from-Home surge as demand for cloud-based collaboration and workflows has grown and noting on the call it's a long-term positive that mindsets are shifting towards remote work. They see the overall opportunity still largely under-penetrated as they expand into more DaaS services, analytics, and virtualization. CTXS has a diversified exposure to a number of industries and could see tailwinds into the Fall as more Universities shift to remote collaboration. Analysts have an average target for shares of \$152.75. Barclays upgrading shares to Overweight on 7-20 with a \$180 PT noting that in recent survey work 67% of the resellers expect a potentially strong uptake of Citrix's Workspace cloud within the next twelve months. Wells Fargo positive on 7-14 noting the MSFT collaboration noting that it doesn't hurt their core product base but rather a positive as it provides a new version of the Windows 10 operating system on top of which CTXS can provide higher-end and value-add features for its traditional large enterprise customer base. Short interest is 3.7%, down from 6% in March and over 11% in August 2019. Hedge fund ownership fell 7.85% in Q1. Jericho Asset Management, Wedge Capital, and SRS Investment notable buyers.

#### Hawk Vision:



**Hawk's Perspective:** CTXS declines since a solid report seem way over-blown and like the name versus May lows.

**Confidence Ranking:** \$\$