



FEATURED OPTIONS RADAR REPORT



Wix.com Bulls See Support Holding in Top Name to Own

Ticker/Price: WIX (\$281)

Analysis:

Wix.com (WIX) with 600 September \$280 puts sold to open this afternoon for \$17.80 to \$16.10 and WIX also with 600 October \$280 puts sold to open \$23.30 to \$21.90. WIX recently had buyers in the October \$280 calls and Sept. \$280 and \$290 calls, smaller sizes but high-dollar trades. Shares have run a lot since we last wrote up the name in March and consolidating above the 50-MA here with a move above \$315 targeting \$370. The \$16B cloud-based website creator trades 16.8X EV/sales with 25% annual revenue growth projected and estimates looking for \$2/share in EPS power within two years. WIX remains positioned well in the current environment to take advantage of a big shift to digital for many companies where foot traffic and brick-and-mortar will run at diminished capacity due to COVID. They posted 164% Y/Y customer growth last quarter with a higher conversion rate from the freemium model into a paid user as well. The company continues to expand marketing capacity which they see delivering long-term FCF and revenue growth despite the near-term expense to P&L. Analysts have an average target for shares of \$290. Deutsche Bank raising their estimates to \$342 today as the firm believes Payments will be a meaningful opportunity to scale gross profit dollars. OpCo positive on 8-7 as the company's momentum continues into July and shows that their initial pull-forward in March/April has continued strong. JMP with a \$363 PT as they think more customers are not just joining WIX for the first time but many are expanding across more of WIX's higher-valued products which will improve their overall mix. Short interest is 2.9% and down from 6% in May. Hedge fund ownership fell 5.5% in Q1. Winslow Capital a big buyer of 739k shares in a new position.

Hawk Vision:



Hawk's Perspective: WIX getting it like a lot of the top quality growth names and is likely an opportunity, one of my favorite long term names positioned perfectly for a number of secular shifts.

Confidence Ranking: \$\$