



## FEATURED OPTIONS RADAR REPORT



### Intuit Call Buy Sees Longer Term Upside

**Ticker/Price:** INTU (\$307)

#### Analysis:

**Intuit (INTU)** with a large trade late on 9/17 as 500 January 2022 \$340 calls opened at \$34 in a stock replacement, a name lacking a lot of notable open interest. INTU jumped to record highs after earnings in late August but faded the move and this week has hit its rising 89-day MA and near a key volume support at \$295 and could base in this zone. INTU is coming off a strong tax season as it continues to grow its DIY category and continues to be a beneficiary of the Entrepreneurial Society. The \$83.5B software company trades 32.75X Earnings, 46.5X FCF and 9.3X EV/Sales with revenues seen growing 7.8% in 2021 and 10.9% in 2022. INTU struck a \$7.1B deal for Credit Karma earlier this year which expanded its TAM to \$275B with consumer finance now in focus. INTU posted its highest customer growth in four years last quarter. INTU continues to improve TurboTax Live which is growing at 70%. Analysts have an average target of \$355 and short interest minimal at 1% of the float. INTU will hold its annual Investor Day on 9/23 at a near-term catalyst. Argus raised its target to \$400 on 8/27 though cites some risks with lower employment levels, INTU tends to always exceed expectations. RBC raised its target to \$405 as it benefits from an accelerating shift to digital as well as improving cyclical macro factors. Stifel raised its target to \$405 noting the stock will play catch up with the economic re-accelerating faster than previously expected. Hedge Fund ownership rose modestly in Q2 filings, Edgewood and Fundsmith adding to large positions while notable top holders also include Lindsell Train, Findlay Park and Winslow Capital.

#### Hawk Vision:



**Hawk's Perspective:** INTU is a top-tier own and though price-action weak would love to see a nice base form ahead of the Investor Day for entry.

**Confidence Ranking:** \$\$