



## FEATURED OPTIONS RADAR REPORT



### Okta Bulls See Continued Outperformance

**Ticker/Price:** OKTA \$219.30

#### Analysis:

**Okta (OKTA)** with buyers on 10/1 for 300 January 2022 \$270 calls and 100 January 2022 \$240 calls, the former over \$915K. OKTA has seen recent buyers in the November \$240 calls, October \$230 calls, and November \$170 calls while put sales active in the January 2022 \$195 strike for \$2.5M. Shares are forming a wide weekly flag under \$230 with a breakout targeting \$275. The \$26.57B company trades 10.5X cash and 39.1X EV/sales. OKTA is a leading disruptor in the identity management space which has grown into focus as more people work remotely and cloud security spending grows. OKTA is coming off a strong quarter, although some questions above billings slowing, with their subscription backlog up 56%. They continue to see mid-20% growth driven by the adoption of cloud and hybrid IT, digital transformation, and zero trust security and accelerated by the pandemic. OKTA sees significant opportunity to grow with \$30B spent annually on legacy identity and access management products and share to be won against ORCL and IBM.

They also note that infrastructure for identity management is a \$50B annual market. OKTA has been a top performer in the space with 120% dollar-based net retention. Short interest is 5.9% and down from around 8% in January. Hedge fund ownership rose 12% in Q2. Whale Rock Capital a top holder with 2M shares. Analysts have an average target for shares of \$205 and Citi a Street High \$266. Goldman positive in late August noting that OKTA has a strong position in the identity and access management market which continues to benefit from the intersection between increased focus on enterprise security and digital transformations.

#### Hawk Vision:



**Hawk's Perspective:** OKTA has been a great performer and leader in a big, fast-growing space; its run a little bit already but above \$230 can really gain momentum

**Confidence Ranking:** \$\$