



FEATURED OPTIONS RADAR REPORT



Anaplan Calls Bought in Size into Dip

Ticker/Price: PLAN (\$56.4)

Analysis:

Anaplan (PLAN) buyers 1060 December \$57.50 calls \$4.70 to \$4.90 this morning and now volumes over 5,000 with a big block bought \$5.20 to open. PLAN recently had buyers in the Jan. \$75 calls while the Dec. \$65 calls remain in OI over 5000X from a buyer on 8/27. Shares are trading back near the earnings gap from August at \$55 and trying to put in a reversal day today, nice risk/reward spot for a move back up to \$64. Longer-term, PLAN is consolidating in a weekly flag around new highs with a lot of upside potential through this current two-year range. The \$7.56B company trades 24.5X cash and 15.6X EV/sales with mid-20% revenue growth and profitability expected within two years. PLAN is a leader in cloud-based planning software which is getting a boost from the pandemic and shift to WFH with companies pursuing faster digital transformations. PLAN had 48% subscription revenue growth last year and 122% dollar-based net expansion while growing large-dollar deal customers steadily. They continue to see strong sell-through from their partner network with most of their deals over \$500K coming from that channel and recent additions of big names like Deloitte should accelerate that into year-end. Analysts have an average target for shares of \$62 and a Street High \$75 from RBC. Jefferies starting coverage with a Hold recently, positive on the company overall citing a "long runway for growth," market share gains, partner ecosystem builds and international expansion. They're cautious on valuation. Monness Crespi positive on 9/21 seeing further upside as companies are on the hunt for next-gen planning tools. They also like the company's "enhanced alliance" with Deloitte which includes the launch of new Deloitte intelligent solutions powered by the Anaplan platform and made available to joint customers. Short interest is 13.7% and steadily higher since September 2019 when it was around 2.5%. Hedge fund ownership fell 8.5% in Q2, Melvin Capital selling a big part of their stake while Lone Pine also closing 2.2M shares. Viking Global adding 5.6M shares and Kensico a new 3.3M share position.

Hawk Vision:



Hawk's Perspective: PLAN at the low-end of a range with a large gap below, and the \$55 level makes for an easy to manage stop to try and catch a reversal in a growth name.

Confidence Ranking: \$\$