



## FEATURED OPTIONS RADAR REPORT



### Fastly Seen Hitting Record Highs

**Ticker/Price:** FSLY (\$97.80)

#### Analysis:

**Fastly (FSLY)** on 10/1 with March \$100 calls active above \$22 and over 3000X traded on the session, and a name that has been active with put sales and also still has 1500 December \$100 calls in open interest from a large buyer. FSLY shares have consolidated for twelve weeks in the \$74/\$100 range forming a weekly bull flag with explosive breakout potential as RSI is starting to work out of its pullback trend. The \$9.4B leader in edge computing is trading 25X FY21 EV/Sales with revenue growth of 38.7% in 2019, 48% expected in 2021, and 33% forecasted for 2022. FSLY announced a \$775M acquisition of Signal Sciences in late August. FSLY has been an impressive growth story and 137% net dollar-based expansion rate is very strong as are its 99.3% retention rates. FSLY is benefitting from the acceleration of digital transformation and has a lot of high-profile customers including Tik-Tok. Its future growth plans include International expansion and moving into new verticals. Analysts have an average target of \$97 and short interest continues to trend upwards around 10% of the float. CSFB raised its target to \$110 after the Signal Sciences deal seeing it advancing FSLY's position in edge security, specifically in the context of DevSecOps, and in a way that differentiates from prior generation technology. Ray-Jay upgraded to Outperform on 8/24 positive on the Microsoft relationship and the Compute@Edge offering that will launch in Q4, noting FSLY offers top notch performance and product differentiation with market share gains ahead and durable long-term growth. Hedge Fund ownership rose 2.27% in Q2 filings, Abdiel Capital a top holder as its largest position and added more while Whale Rock added a large position as well.

#### Hawk Vision:



**Hawk's Perspective:** FSLY remains a compelling growth story and not a lot of those left with sub \$10B market caps, the kind of name to hold onto.

**Confidence Ranking:** \$\$