



## FEATURED OPTIONS RADAR REPORT



### Big Commerce Calls Bought for 2021 Upside

Ticker/Price: BIGC (\$74.70)

#### Analysis:

**Big Commerce (BIGC)** with 710 April \$80 calls bought to open \$15 to \$15.20 zone, shares back to what has been post-IPO support. BIGC has not seen a lot of notable activity to date, minimal dollar-value of open interest active. BIGC ran up to \$145 in August in a multi-day surge before coming back down and \$72 a key volume node level of support while \$88.30 near-term resistance. The \$4.85B software company powers customers' branded ecommerce stores and online marketplaces with Shopify (SHOP) a notable peer. Ecommerce platform spend is expected to grow to \$7.8B in 2024. The BIGC platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. As commerce moves online, businesses must not only anticipate changing customer expectations, but also deliver engaging and highly personalized experiences across channels, necessitating a continuous process of digital transformation. According to IDC, in 2020 B2C sites will account for 67% of total global spend on ecommerce platforms, while B2B sites will account for the remaining 33%. B2C and B2B businesses are spending today to enable the online sales of tomorrow. Forrester predicts that in 2023, 17% of all U.S. B2B sales will occur online. For that same year, eMarketer predicts that 17% of all U.S. B2C spending will occur online. BIGC currently trades 28X FY21 EV/Sales with revenues seen growing 31% in 2020 and 18.8% in 2021. Analysts have an average target of \$90 on shares. Guggenheim started at Sell on 10/26 with a \$65 target while Wedbush at Neutral on 10/23 noting a large market opportunity, strong product but premium valuation. Canaccord noted on 9/10 an acceleration across all key metrics and conservative guidance. MSCO on 9/10 noting BIGC checks all the boxes but like other firms concerned with valuation.

#### Hawk Vision:



**Hawk's Perspective:** BIGC is on watch for a post-IPO downtrend breakout, setting up nicely on reward/risk here though valuation a concern considering results not nearly as strong as SHOP.

**Confidence Ranking:** \$\$