



FEATURED OPTIONS RADAR REPORT



Smartsheet Calls Bought into Support Test

Ticker/Price: SMAR (\$51.75)

Analysis:

Smartsheet (SMAR) call volume ran 8X daily average on 11/10 with byers active for 1475 January \$55 calls and 2500 January \$60 calls. SMAR has 4,400 February \$70 calls in open interest from a buyer on 9/3 and still has some open interest in January \$50 calls at 1600X from a 7/29 buyer while December \$70 calls were recently sold to buy \$55/\$50 put spreads as protective, earnings scheduled for early December. SMAR shares pulled back with Tech growth this week to test the rising 200 day moving average and a key VPOC and setting up on the weekly with a large ascending triangle pattern and above \$58 sets up for a move to \$75 or higher. The \$6.2B software company trades 15X FY21 EV/Sales with revenues seen rising 37% in 2021 after 52.4% growth in 2020. Smartsheet provides a cloud-based enterprise work management platform that enables individual users, teams and an entire business' knowledge workers to capture, plan, manage, automate and report on work. The company's strategy is to become the system of record for managing unstructured work. Unstructured work often entails thousands of processes not managed in standard package applications like ERP, CRM or HCM and that traditional approaches such as email, spreadsheets, whiteboards, phone calls and in-person meetings are ill suited to address. The market opportunity is large and potentially addresses almost 1 billion knowledge workers on the planet. Smartsheet has seen growth in dashboard usage accelerate recently. Customers have created over 5.5 million dashboards in total. Proofs created has reached over 140,000 as customers continue to leverage the platform for content creation and collaboration. Customers have also triggered over 4 million automated workflows every month (with that number growing 20% month over month). SMAR looks to have a clear path to \$1B in revenues. Analysts have an average target of \$61 and short interest is 133.7% of the float. Truist raised its target to \$68 in September seeing improvement across metrics and a record pipeline build in August. OpCo and RBC each raised its targets to \$65 after September results expecting accelerate adoption. Hedge Fund ownership fell less than 1% in Q2 filings, notable top holders include Abdiel, Coatue, and Whale Rock.

Hawk Vision:



Hawk's Perspective: SMAR will report early December and at least like the play in calls as an earnings run-up with 200 MA support nearby while also liking the long-term potential with it having just a \$6B market cap, potential takeout name.

Confidence Ranking: \$\$