



FEATURED OPTIONS RADAR REPORT



Bulls Position in Intuit for Tax Season

Ticker/Price: INTU (\$375)

Analysis:

Intuit (INTU) size buying of 1300 April \$390 calls \$21.50 to \$22 to open, consolidating under a new high and positioning for a strong tax filing season, INTU recently with March \$380 calls opening 800X for \$1.5M and seen some large buys in January 2022 calls accumulate. INTU is in a firm uptrend with the rising 21-week MA supportive on dips since April and still has a measured move target to around \$410 from the breakout in July. The \$99B software company with a focus on taxes trades 38.6X Earnings, 10.8X FY21 EV/Sales and revenues seen rising 15% each of the next two years, a long time best-in-class name. INTU struck a \$7.1B deal for Credit Karma earlier this year which expanded its TAM to \$275B with consumer finance now in focus. INTU posted its highest customer growth in four years last quarter. INTU continues to improve TurboTax Live which is growing at 70%. INTU is coming off a strong tax season as it continues to grow its DIY category and continues to be a beneficiary of the Entrepreneurial Society and with all the new business start-ups should continue to gain traction. Analysts have an average target of \$400 with short interest low at 0.8% of the float. MSCO raised to Overweight in October noting a shift in strategic focus from customer base growth to "a formula more heavily weighted towards growth in revenue per customer" should not change the long-term growth profile of the company but should unlock material margin expansion. Piper raised its target in October noting Intuit's financial technology platform has multiple growth avenues, differentiated product offering, and relentless customer focused innovation. JPM raised to Overweight on 12/9 with a \$450 target, and Wells Fargo recently to a \$425 target. Hedge Fund ownership rose 3% in Q3 filings, Edgewood and Fundsmith notable top holders with large positions while also a top position for Lindsell Train.

Hawk Vision:



Hawk's Perspective: INTU has always been a favorite buy the dip name and one I think would be an awesome acquisition target for Microsoft, although it would be a massive deal. If shares can pull in a bit more these will be worth looking at, particularly as they are positioned way out in April.

Confidence Ranking: \$\$