



FEATURED OPTIONS RADAR REPORT



Size Call Buyer Adjusts Position in Leading Small Business Software Provider

Ticker/Price: BILL (\$286.30)

Bill.com (BILL) with a massive block trade on 10/26 as 2500 February \$300 calls bought to open \$34.67 as some of the November \$280 calls adjusted out and up. BILL has also seen some buyers in the November \$290 and \$300 calls but originally has 6000 of the \$280 calls that have been closing/adjusting. BILL also with 2100 January 2023 \$250 puts sold to open back in September also remain in open interest. BILL shares jumped sharply after reporting last quarter and have continues higher with a consolidation under new highs the past two weeks, and a measured move to \$350 on a breakout. BILL is a leading provider of cloud-based software that simplifies, digitizes, and automates complex back-office financial operations for SMBs. Its artificial-intelligence (AI)-enabled financial software platform creates seamless connections between customers, suppliers and clients. Customers use the platform to generate and process invoices, streamline approvals, make and receive payments, sync with their accounting system, and manage their cash. BILL bought DivvyPay for \$2.3B back in June, a cloud-based software solution that provides a secure financial platform for businesses to manage payments and subscriptions, build strategic budgets, and eliminate the need for expense reports. The acquisition added \$9B to the TAM in expense management and corporate card solutions and also opens up cross-selling opportunities. BILL currently has a market cap of \$29.25B and trades at a premium valuation of 56.5X FY22 EV/Sales with revenues growing 67% in 2019, 45.5% in 2020, and 51% in 2021 and expected to jump 105% in 2022. Analysts have an average target of \$300 on shares with short interest at 8.2% of the float. BILL has a highly efficient go to market motion through 4k+ accounting firms, financial institutions, software vendors like Intuit, and direct. BILL has a gross CAC of 0.48, among the lowest in all of software. BILL should post 20-25% billings growth CAGR the next five years. Deutsche Bank started shares Buy with a \$360 target last week seeing it uniquely positioned across accounts payables and accounts receivables automation as well as electronic payment offerings like virtual cards, instant transfers and cross-border currency. Temasek, Whale Rock, Abdiel and Melvin notable top holders.

Hawk Vision:



Hawk's Perspective: BILL trades at a crazy valuation but also a compelling growth story in the early innings with strong unit economics, so a name to continue to favor and own for the long haul.

Confidence Ranking: \$\$