



FEATURED OPTIONS RADAR REPORT



Unusual Put Sale Confident in Fast Growing China App for Job Seekers

Ticker/Price: BZ (\$19.95)

Analysis:

Kanzhun (BZ) with an unusual trade on 6/1 as 2300 October \$20 puts sold to open for over \$1.1M in premium with shares trading just under the \$20 level and follows some late April buyers of October \$25 calls that now have 2990 in OI. BZ shares came public about a year ago and are -43% YTD with Chinese equities weak. BZ shares have pushed up to the 55-MA this week and showing potential to inflect the downtrend. BZ is a leading online recruitment platform in China with average MAU growing from 11.5 million in 2019 to 19.8 million in 2020 to 27.1 million in 2021. BZ's platform connects job seekers and enterprise users in an efficient and seamless manner mainly via its mobile app BOSS Zhipin. BZ has a market cap of \$8.25B with 435M shares outstanding and carries no debt. Looking at FY23 estimates BZ trades 13X EBITDA and 4.2X EV/Sales. BZ revenues are forecast to grow 48% this year and 65% in FY23 with explosive profit growth as well. BZ should next report later this month and last quarter noted a focus on serving existing customers as growth of new users has slowed as it reached 100M users of the 600M Chinese workforce. Analysts have an average target of \$35 with short interest low near 4% of the float. Jefferies was a bullish initiation in December starting shares at Buy with a \$44 target seeing huge potential as China's online recruitment market is projected to grow around a 32% compound annual growth rate between 2020-2025 and BZ has superior technology with its AI-backed matching and recommendations.

Hawk Vision:



Hawk's Perspective: BZ screens attractively across all metrics though always wary of Chinese stocks and it has a huge share float. It stands out with its strong profitability and based on this put sale likely a good level to own.

Confidence Ranking: \$\$