



## FEATURED OPTIONS RADAR REPORT



### Unusual Call Buying in Commvault as Company Transforms into Relevant Cloud Player

Ticker/Price: CVLT (\$57.35)

#### Analysis:

**Commvault (CVLT)** unusual buy 500 February \$57.50 calls \$3.70 offer which followed 500 February \$52.5 calls bought on 1/6 and has unusual 2300 January \$57.50 calls sitting in open interest. CVLT moved out of a two-year downtrend in November and currently flagging under a key volume node and above \$58.5 can run back to \$70 highs. CVLT is a provider of an enterprise data platform that enables its customers to cost-effectively protect and manage their data throughout its lifecycle. CVLT is under transformation with 7 new independent directors and a new CEO reinvigorating the company. CVLT is shifting to a subscription model and seen a 65% ACV CAGR since 2018. CVLT's newly introduced solutions are helping customers move to the cloud faster, its Metallic SaaS offerings has seen strong customer growth with its ties to Office 365. CVLT also introduced DevOps-oriented multi-cloud container data management and expanded data protection capabilities with Kubernetes workloads. CVLT has a \$2.65B market cap and trades 28X Earnings and 3.3X EV/Sales with revenues seen accelerating growth the next few quarters. Analysts have an average target of \$52.50 and short interest is 4% of the float. Wells Fargo on 10/27 noting improving execution and sees shares undervalued with a number of catalysts positioning it as a play on hybrid data management. Starboard Value holds a \$200M position and Elliott also involved.

#### Hawk Vision:



**Hawk's Perspective:** CVLT action is highly unusual and the more I dig into the story the more I like it, a name I have always seen as a M&A target but could just be a re-rate play on new product cycles and the subscription transformation.

Confidence Ranking: \$\$