

SPOTLIGHT OPTION TRADE



CyberArk Best Value for Growth in Security Software, Pullback to Ideal Entry Point

TRADE SNAPSHOT

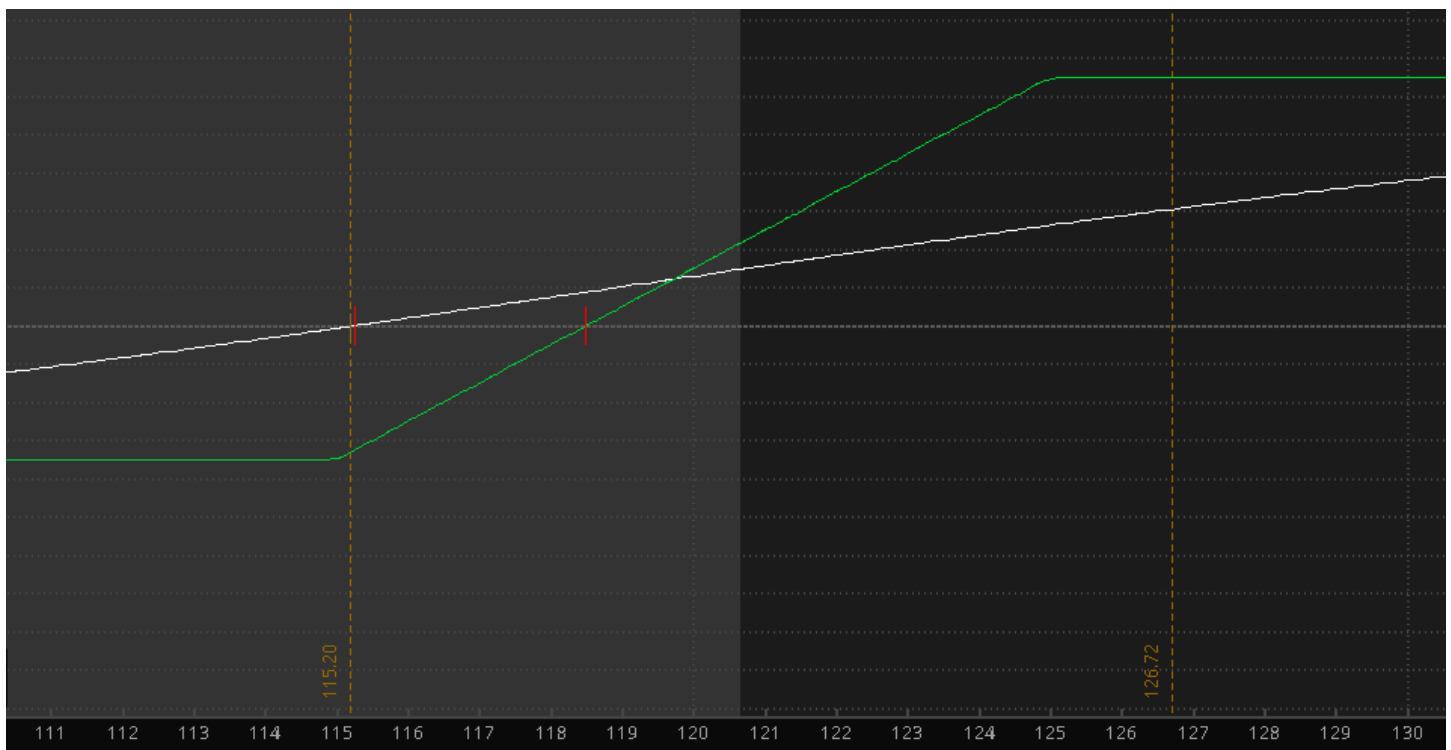
TICKER	CYBR
SECURITY	CyberArk Software
SECTOR	Tech – Software
CURRENT PRICE	\$114.29
LONG/SHORT	Long
TARGET	\$126
STOP	\$108
TIMEFRAME	2 Months

Trading Strategy: Long the CYBR October \$115/\$125 Call Spreads at \$3.50 Debit

Net Debit/Credit: Debit of \$3.50

Profitability Zone: CYBR Above \$118.50 on October OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: CYBR shares pulled back off highs and put in a base just above the rising 200 day moving average and a key 50% retracement level, while the August move lower came with a strong bullish RSI divergence, and looking for shares to recover to YTD VPOC.



Fundamental Analysis: The \$4.4B security software company trades 44X Earnings, 32.7X FCF and 8.8X EV/Sales. CYBR grew revenues more than 30% in 2018 and 23% growth seen in FY19. CYBR is a leader in privileged account security with a differentiated platform. It has over 4600 customers and more than 50% of the Fortune 500, a trusted name in cyber-security. It receives 62% of its revenues in the Americas and 31% in EMEA with Banking its top vertical at 30% followed by Government and Manufacturing at 11% and 10% respectively. CYBR operates with near 88% gross margins and impressive 35% FCF margins. Analysts have an average target of \$145, while short interest is 6.4% of the float and been trending higher the past few months. Cowen recently started coverage at Outperform with a \$145 target as a leader in one of the fastest growth areas of security. Dougherty & Co. raised its target to \$145 in early August after “outstanding results across all metrics.” JPM raised its target to \$160 after the latest quarterly report. Hedge Fund ownership dropped 31% in Q2 filings, and surprisingly lacking many notable investors.

Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol
8/9/2019	CYBR 100 18 OCT 19 110 CALL	342	81	\$15.00	0.72	44.76%	64.54%	\$554,040	.CYBR191018C110
8/9/2019	CYBR 100 20 DEC 19 150 CALL	414	87	\$3.00	0.21	39.60%	14.61%	\$124,200	.CYBR191220C150
8/6/2019	CYBR 100 18 OCT 19 130 CALL	500	216	\$10.10	0.51	49.19%	42.42%	\$520,000	.CYBR191018C130
7/25/2019	CYBR 100 17 JAN 20 145 CALL	612	77	\$17.50	0.58	41.66%	46.01%	\$1,083,240	.CYBR200117C145
7/25/2019	CYBR 100 21 FEB 20 170 CALL	101	0	\$10.20	0.38	40.50%	26.78%	\$103,020	.CYBR200221C170
7/16/2019	CYBR 100 17 JAN 20 160 PUT	104	11	\$26.90	-0.64	37.32%	72.82%	\$279,760	.CYBR200117P160
7/15/2019	CYBR 100 18 OCT 19 150 CALL	816	87	\$8.28	0.44	37.60%	36.71%	\$675,648	.CYBR191018C150
5/28/2019	CYBR 100 18 OCT 19 125 PUT	408	364	\$8.30	-0.32	41.46%	41.25%	\$338,640	.CYBR191018P125
5/21/2019	CYBR 100 18 OCT 19 140 CALL	151	28	\$10.45	0.47	36.91%	38.17%	\$157,795	.CYBR191018C140
5/15/2019	CYBR 100 18 OCT 19 125 CALL	864	565	\$14.00	0.58	39.86%	47.24%	\$1,209,600	.CYBR191018C125
4/16/2019	CYBR 100 18 OCT 19 125 CALL	465	13	\$15.00	0.56	42.71%	44.09%	\$697,500	.CYBR191018C125

Potential Catalysts: Deutsche Bank Conference on 9-10-19

Disclaimer:**Not Investment Advice or Recommendation**

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