



FEATURED OPTIONS RADAR REPORT



Call Buyers Target Luxury Apparel Maker Ahead of Fall Launch

Ticker/Price: GOOS (\$41.75)

Analysis:

Canada Goose (GOOS) into dip with aggressive buyers of January \$40 calls \$6.40 offer for 1000X this morning and name that has recently seen buyers in the October \$46 calls. The October \$40 calls and January 2023 \$37 short puts also active over the last two months but otherwise a quiet name. Shares have run well from the June 2020 lows and now forming a wide base under 52-week highs at \$47.65. GOOS is flagging nicely on the longer-term chart under a low-volume node with room to \$52 and then \$57, a big area of interest from 2018's peak. The \$2.42B company trades 63.5X earnings and 2.7X sales. GOOS is a leader in premium winter outerwear with only Italy's Moncler on a similar level in terms of cost and prestige. GOOS was initially hit hard during the pandemic as they lacked a substantive ecommerce platform but they saw a late-year resurgence in popularity and in May said they've shifted from recovery to growth mode beyond 2019 levels. Their digital business rose 123% in Q4 and up triple-digits in all regions as they executed on a plan 'over months' that was planned to take 'years.' GOOS is now looking to build up a strong omnichannel business with stores reopening and plans to expand their square footage in 2021 with 10 new locations. GOOS is also investing in footwear with the commercial launch of their new line this Fall, an area where they see significant opportunity to expand and capitalize on their loyal base. Analysts have an average target for shares of \$44 and a Street High \$68. OTR Global positive recently noting that the brand has regained some popularity in North America which is supporting renewed sales growth while China sales during the Lunar New Year were solid, a big geography for the company. Short interest is 7.5%. Hedge fund ownership fell 2.3% in Q1, Miller Value a big holder with 1.8M shares.

Hawk Vision:



Hawk's Perspective: GOOS sets up well versus the 200-MA and the longer-term bull flag has explosive potential above \$46, so fairly nice risk/reward in the name with a clear catalyst into the Fall and better digital strategy in place

Confidence Ranking: \$\$