



## FEATURED OPTIONS RADAR REPORT



### Opening Put Sale Shows Confidence in Cloud Software Name

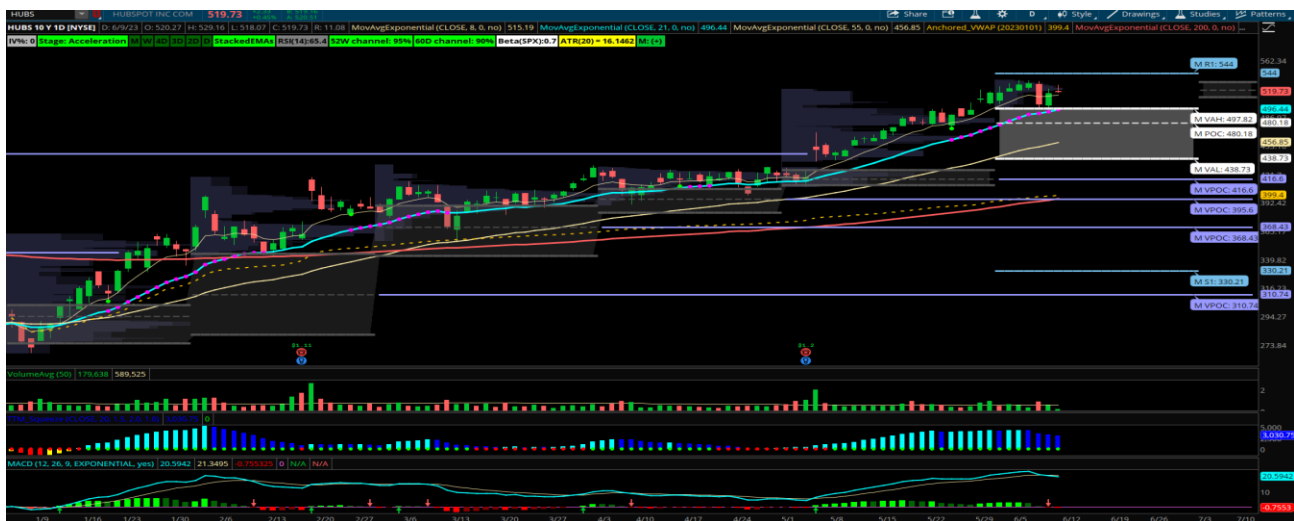
**Ticker/Price: HUBS (\$519.75)**

#### Analysis:

**HubSpot (HUBS)** on 6/8 saw a large, unusual opening put sale of 200 September \$520 puts for \$42.90 and over \$1M in total at the money puts sold into strength showing confidence in the stock at these levels. HUBS rarely sees notable options trades either so this stands out but still has 150 January \$280 deep ITM calls in OI from buyers in late January while the Jan \$450 short puts still holding in OI as well, over a \$2M short put position. The \$25.9B company trades at 86x FY24 earnings, 10.8x sales, FCF yield of 1.0%, while revenue expected to grow +21% in FY23 and growth estimated at +21% in FY24 so a rich valuation but strong growth for multiple years expected and these Tech names back in favor. HubSpot provides a cloud-based customer relationship management (CRM) Platform. The Company's CRM Platform is comprised of a marketing hub, sales hub, service hub, content management system (CMS) Hub, and operations hub as well as other tools, integrations, and a payment solution that enables companies to attract, engage, and delight customers throughout the customer experience.

HUBS is coming off a strong quarter beating EPS and revenues while raising guidance and saying that they delivered more than 4 points of margin expansion year-over-year, bringing operating margins to over 13%. Gross retention remained healthy in the high 80s for the quarter. Shares have been strong since the start of the year as growth names are back in favor and most recently the breakout from a long base near 430 sent the stock up to 530 quickly so now potential for a consolidation to setup a follow through higher. The stock has support at 500 top of monthly value and 21 EMA and resistance not really notable until the 575 level overhead. HUBS recently took out its big 2021 POC volume level at 510 and staying above it. Average analyst target is \$490. Barron's recently out positive on the sector while Goldman was out in April saying that it believes in a faster-than-anticipated margin ramp for the stock as operating leverage acts to improve margins starting FY23. BAML last month raised its target to \$530 and keeps a Buy rating and reiterate the stock as a top pick following strong Q1 results that included meaningful revenue and billings upside. HubSpot maintained the fastest growth rate in large cap software during Q1 at 29% constant currency, which points to its solid execution across a diverse set of growth opportunities. Credit Suisse boosted its target to \$550 from \$480 and has a Outperform citing Top of the funnel momentum and multi-hub adoption continued, demonstrating the power of HubSpot's platform and its ability to land-and-expand customers despite persistent macro and spend optimization pressures. Short interest is at 2.8%. Hedge fund ownership fell 14%.

#### Hawk Vision:



**Hawk's Perspective: HUBS** is a higher valuation name but trending strong most of this year. Any dips to the 21 EMA like this week are buyable with that put seller showing confidence in a floor around these levels.

**Confidence Ranking: \$\$**