



Bullish Flows Accumulate in Emerging Robotic Automation Leader

Ticker/Price: PATH (\$54.35)

UI Path (PATH) bullish flows on 10/25 with 1,000 February \$55 calls bought up to \$5.60 to open and follows recent accumulation of over 8,725 November \$55 calls since late September. PATH had a complex, bullish spread bought on 9/14 that sold the June \$55/\$35 put spread and bought the \$40 ITM calls for near \$2M. PATH still has 2000 January 2023 \$60 ITM calls from 9/1 in a \$4M buy. Shares debuted in April and faded after an initial pop higher with the trend weak since. PATH is forming a rounded bottom recently around \$48-\$50 and clearing a downtrend from the May highs on 10/25 with near-term room back to \$61.50 and VWAP from the IPO. The \$28B company trades 26.2X EV/sales with 31% growth expected in each of the next two years. PATH offers an end-to-end automation platform that offers a range of robotic process automation (RPA) solutions. The company sees a significant opportunity in RPA that's just 5% penetrated versus long-term expectations as more companies look to close the inefficiency gaps in terms of how manual work and labor is done day-to-day. They continue to see strong momentum with ARR growing 60% Y/Y in Q2 behind strong customer adds and their best-in-class dollar-based net retention rate of 144%. Analysts have an average target for shares of \$71 with a Street High \$86. Cowen positive on 10/8 with a \$72 PT and strong long-term outlook as the company's competitive position and new product and channel investments support greater RPA scalability, ease of use, speed to production, and robot resiliency & security, all of which support greater revenue growth potential. RBC positive on 10/7 as they look to expand their share in the \$60B enterprise automation market. The firm notes the need for automation is significant as customers leverage UiPath's software robots to automate work by emulating human behavior. Short interest is 3%. Coatue, Tiger Global, and Sands Capital notable buyers of stock. Altimeter with a 3M share stake as well.

Hawk Vision:



Hawk's Perspective: PATH has a very bright future and I expect it to grow into the high expectations over time as they penetrate a massive market

Confidence Ranking: \$\$