



FEATURED OPTIONS RADAR REPORT



Calls Surge in UiPath on Reversal as a Hyper-Growth Name

Ticker/Price: PATH (\$68.35)

Analysis:

UiPath (PATH) on 7/8 traded 17,200 calls which is 9.5X daily average as IV30 rose 16.7%. The action was focused on August with 2,480 of the \$70 calls, 1000 of the \$75 calls, 1,175 of the \$80 calls, 2700 of the \$95 calls and 1,570 of the \$90 calls. PATH did not have a lot of notable open interest prior to the action. PATH shares closed the session higher by 6.7% with a strong reversal candle after selling off since late May back near post-IPO lows and with a strong close to the week would put in a nice weekly reversal hammer. The \$70.50 level will be key to clear as VWAP off the March highs and \$71.30 is VWAP since it started trading in April. PATH is an automation platform provider offering a robust set of capabilities to discover automation opportunities and build, manage, run, engage, measure, and govern automations across departments within an organization. It utilizes AI with actions such as logging into applications, extracting information from documents, moving folders, filling in forms, and updating information fields and databases. Its robots' ability to learn from and replicate workers' steps in executing business processes drives continuous improvements in operational efficiencies and enables companies to deliver on key digital initiatives with greater speed, agility, and accuracy. The Intelligent Process Automation market is estimated to grow at a 4-year CAGR of 16% to \$30B by 2024 according to IDC though PATH sees its global market opportunity at greater than \$60B which will grow as automation adoption increases and customers continue to further explore the use cases that our platform addresses. PATH has a market cap of \$35B and is trading rich at 38.5X FY22 EV/Sales with revenues seen rising 40% in FY22 and 31.6% in FY23 after rising 126% and 80.8% the last two years. PATH has impressive metrics like a 145% dollar-based net retention rate and ARR has grown at an 86% CAGR quarterly since Q4 2019. PATH recently added key new product additions, such as Task Mining, Automation Cloud and Automation Ops that are likely to drive new upsell activity. Analysts have an average target of \$77 with short interest around 4% of the float. DA Davidson started Buy with an \$85 target citing strong growth, rising large customer adoption and expanding operating margins & FCF. Ark Investment has been actively buying PATH lately boosting its position.

Hawk Vision:



Hawk's Perspective: PATH is right up there with SNOW for crazy valuation but both with massive opportunities delivering insane growth so trade the trend which PATH is nearing those key VWAP breakouts and could push to 90-100.

Confidence Ranking: \$\$