



Large Put Buys into Plantronics Earnings, More Struggles Seen

Ticker/Price: PLT (\$28.50)

Analysis:

Plantronics (PLT) size buyer 2700 March \$30 puts up to \$3.70 and August \$25 smaller puts bought 300X, total puts running 10X daily average and becomes the only notable open interest. The \$1.17B maker of communication products such as enterprise headsets and other voice solutions is likely being disrupted by higher growth peers. PLT did see a Director purchase \$500K in stock in November \$24.88 to \$25.89. PLT is trading 8.7X EV/EBITDA and 47.2X FCF with a 2.21% dividend yield. Forecasts see revenues growing 5.9% this year and 3.2% in FY21 with EPS set to fall 37% this year and EBITDA down 18.5%. PLT will next report earnings after the close tomorrow night, 2/4. Analysts have an average target of \$40 and short interest has surged to a new high at 11% of the float. PLT has seen activist speculation in the past though has struggled with its quarterly reports, sharply lower the last three. JP Morgan started shares Neutral with a \$33 target in December noting the company is losing market share and needs to see success in new product launches, if not the balance sheet could come under stress. Hedge Fund ownership rose 10% in Q3 filings.

Hawk Vision:



Hawk's Perspective: PLT is in rough shape and likely sees another weak report sending shares under \$23 recent lows, and names like **Zoom (ZM)** are thriving.

Confidence Ranking: \$\$