



FEATURED OPTIONS RADAR REPORT



Tenable Bulls Eye New Highs with Cyber Security in Focus in 2021

Ticker/Price: TENB \$53.65

Analysis:

Tenable (TENB) trading near 17X average calls today with buyers of 1850 March \$65 calls for \$1.85 to \$1.95 and follows buyers of 1,000 of those calls earlier this week, interesting action in a name with little other notable open interest. Shares are flagging in a nice multi-week range under \$56 with a breakout targeting \$65 and continuation of the long-term trend. The \$5.5B company trades 20.5X cash and 11.9X EV/sales with near 20% growth, expanding margins and improving FCF. TENB has come into focus recently with the Solar Winds hack and their cloud-based threat detection software for remote networks. TENB was at the Barclays TMT conference in December and said they're benefitting from legacy displacements in 2020 and noting that they think their TAM is much larger than anticipated and just 25% to 30% penetrated overall on major enterprise accounts. Analysts have an average target for shares of \$49.50 and Street high \$67 from MSCO this week as they think The recent nation-state cyberattack perpetrated against SolarWinds (SWI), often referred to as "SolarStorm," is a significant event that is likely to increase security spending in the space. BTIG starting at Buy on 1/11 as they think TENB is positioned well relative to peers in the vulnerability management market and confident in the company's ability to maintain revenue at or above a 20% pace in the next few years. Short interest is 3%. Hedge fund ownership surged 43% in Q3.

Hawk Vision:



Hawk's Perspective: TENB sets up well above \$55 for a breakout and a very nice story in 2021 with the continued margin expansion and big market opportunity

Confidence Ranking: \$\$