



FEATURED OPTIONS RADAR REPORT



Bulls Position for Upwork Investor Day

Ticker/Price: UPWK (\$48.70)

Analysis:

Upwork (UPWK) closed strong on 4/8 after the June \$55 calls saw buyers in the morning at \$3.20 and also late in the afternoon up to \$3.70 with 4500X trading on the day and followed a buyer of 1000 on 4/6. UPWK is a growth name that held up well basing along its rising 21-week moving average for five weeks and this week emerging out of that pattern and clearing its 55-day moving average, and weekly RSI held above 50 the entire move. Shares can make a run to new highs out of this pattern. UPWK has grown into the world's largest work marketplace by GSV and seeing record adoption. Their offering gives large companies more flexibility, accelerates time to market on projects, and allows them to invest in highly specialized labor as more businesses look to remote work solutions. UPWK continues to execute well on platform upgrades and expanding SEM on mobile and better international reach positions them for continued records on the client adds side in 2021. UPWK will be a key winner in the revolution of the global labor market as freelancing gains more share of the market. UPWK has a strong moat with its data algorithms and machine learning power offering a valuable service. It has opportunities to grow its client base significantly, grow spend from existing clients, expand into new categories, and focus on the large opportunity in Enterprise. The \$5.5B company is trading 12.7X EV/Sales with revenues seen growing 20-25% each of the next three years and profitability set to ramp with EBITDA seen reaching \$220M in 2025 from \$17M in 2021. UPWK will report earnings 5-4 and will host an Investor Day in mid-June. Analysts have an average target of \$68 and short interest at 7.4% of the float has risen 55% Q/Q. Citi on 2/25 raised its target to \$75 on better margin guidance. MKM raised its target to \$69 after a quarter of record new client additions, accelerating spend retention and strong take rates.

Hawk Vision:



Hawk's Perspective: UPWK was a top pick into 2021 and love the chart here, sets up very well for a momentum move to new highs.

Confidence Ranking: \$\$