



## FEATURED OPTIONS RADAR REPORT



### Bullish Spreads Position in Software Leader Down Sharply Post-Earnings

**Ticker/Price:** VEEV (\$295)

**Veeva (VEEV)** weak performer since last earnings report and touched the rising 200-MA today, seeing afternoon trades buy 1200 December \$320 calls \$6.60 to \$6.80 and sell 1000 December \$270 puts to open \$8.19. VEEV on 9/10 with 1000 January \$270 puts sold to open while the March \$350 calls sold to open 1000X on 9/17. VEEV has 2000 January \$330 calls bought in OI from 1/12 that spread versus 1000 January \$250 short puts. VEEV shares are at an interesting level with the 200-day moving average as well as VWAP off March 2021 lows near \$288 and retesting its big base breakout from earlier this year. VEEV also this week is hitting a 50% retracement of the 2021 range. Veeva is the leading provider of industry cloud solutions for the global life sciences industry. VEEV continues to see expanded usage of their Vault platform with plenty of opportunity to upsell and expand into new products. VEEV also sees upside from growth in decentralized clinical trials – doing more clinical trials in a patient’s home – which will drive demand for their MyVeeva application, eConsent, and Site Connect. The company likely continues investing in expanding options in the space as it gains in momentum from the CRO and pharma space. VEEV has also been positive on the opportunity in Digital Trials, commenting last quarter “So digital trials is really about all types of trials and not really related to COVID or the Delta variant. It's about making the trial faster and less expensive. So we have a target of 25% faster, 25% less expensive. And how we're going to do that is have it be really patient-centric and really paperless. So you might hear about something, the category called decentralized clinical trials. There's a lot of talk about that. That's an area where Veeva is into. But we're taking a broader, broader approach, overall digitizing the whole clinical trial starting from the sponsor side, the clinical data management, clinical operations to the clinical research side and then right out to the patient.” VEEV has a market cap of \$45.8B and trades 73X Earnings and 23.4X EV/Sales with revenues seen growing 25% this year (FY22) and 17-18% the next two years and the company outlined a target of \$3B in revenues by 2025. Analysts have an average target of \$345 with short interest low at 1.3% of the float. UBS raised its target to \$320 from \$270 on 9/2 and Citi raised its target to \$356 citing reaccelerating growth in both commercial cloud and Vault. The analyst noted the earnings beat was smaller than usual and sees the weakness as a buying opportunity. RBC started shares Outperform with a \$400 target in July seeing multiple growth drivers and a best-in-class financial model.

#### Hawk Vision:



**Hawk’s Perspective:** VEEV rarely pulls back to its 200-MA and it is a high quality name providing a nice reward/risk here with key chart support, though shares do remain pricey on valuation and the \$270 level with short put open interest would be ideal entry.

**Confidence Ranking:** \$\$