



FEATURED OPTIONS RADAR REPORT



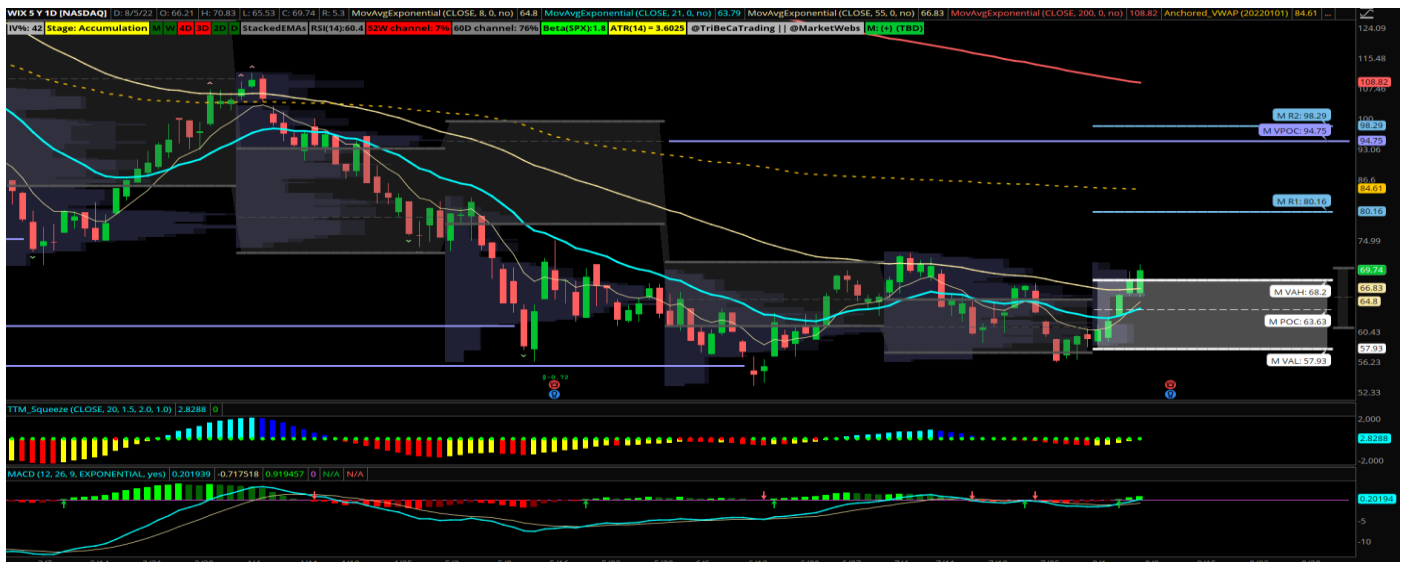
Cloud Based Web Platform Sees Large Call Buy

Ticker/Price: WIX (\$69.72)

Analysis:

Wix.com (WIX) on 8/4 saw a large buyer for 580 January \$70 calls at \$12.35, nearly \$750k bought while the January \$60 puts were sold to open 600x at \$8.10 for over \$500k in premium sold. This follows some bullish flow last week in the name as the January \$85 calls were bought 575x at \$3.70. Shares are curling higher and have a nice, rounded base formed while breaking out above monthly value as the 8/21 EMA bull cross confirmed this week. The stock is very oversold still and found recent support at the early 2018 lows near 57. A potential to bounce back to YTD VWAP at 84 on a continued market stabilization of growth stocks this quarter. Lots of space above 70 for a upside breakout higher as earnings approach next week on 8/10. Options implying a 12.5% move on earnings while the name as been lower the last 5 reports for a median closing move of -5.9%. The \$3.9B company trades 43x FY23 EBITDA, 2.1x EV/sales, with a FCF yield of +1.6%. Revenue is seen growing +11% this year and +16% in FY 23. WIX is a leading global cloud-based web development platform for millions of registered users and creators worldwide. WIX has opportunities across ecommerce tools, payments, coding and more while also starting to expand Internationally. In June WIX approved a \$500M buyback of shares and during its May investor day the company stated that with regard to the overall free cash flow margin, we believe that it will be improved in the next 3 years, mostly because of leverage that we are seeing from hiring less people, as we mentioned before. But also, for the long term, we believe the margin are going to increase to about 30%, bring us to 45% in terms of the Rule of 40. Average analyst target is \$93 with a Street high of \$260. Needham reiterated their Buy rating in late June and a \$85 price target Jefferies recently adjusted their price target to \$100 while keeping a Buy rating and citing declining economic conditions. Evercore removed WIX from its Underperform list after their investor day and maintained a \$105 target with Outperform rating while stating headwinds to estimates from near-term operational exposure to Ukraine and potential revenue shortfalls and costs overruns have played out and they are incrementally constructive on the stock. Short interest is at 9.0%. Hedge fund ownership rose 1.6%.

Hawk Vision:



Hawk's Perspective: WIX has a promising chart as the base has formed all summer, buying the break above value here can likely use a stop below monthly VPOC at 63.50

Confidence Ranking: \$\$