



FEATURED OPTIONS RADAR REPORT



Bullish Positions Accumulate in Software Activist Campaign

Ticker/Price: ZEN (\$97.90)

Zendesk (ZEN) large buy last week of 2000 July \$75 calls for over \$5M deep ITM and a name that has plenty of notable bullish open interest including 1000 July \$95 puts sold to open on 11/19 and 3500 December \$95 calls bought to open. ZEN is at an interesting level on the chart testing a 61.8% Fibonacci and retesting the original 2020 breakout level and returning to a large volume zone showing signs of the weekly building a base near \$95. ZEN is a leader in customer relationship management (CRM) with its software solutions that create easy, cohesive, and frictionless experiences. Its flagship product, Zendesk Support, is an easy-to-use system for tracking, prioritizing, and solving customer support tickets across multiple channels, bringing customer information and interactions into one place. Zendesk Chat is live chat and messaging software that provides a fast and responsive way to connect with customers on websites, on mobile devices, and through social messaging applications. ZEN introduced in Q1 Zendesk Suite which incorporates these two products and many more into a complete & comprehensive solution. ZEN has been in the news recently as Jana Partners is urging the company to scrap its deal for Momentive and issued a three-pronged plan to build value. ZEN's market cap is now at \$12B and is trading just 6.8X FY22 EV/Sales with revenues seen rising at a 25%+ VAGR the next few years and also strong growth in profits. Analysts have an average target of \$145 and short interest is 7% of the float. Stifel was out 11/19 keeping shares at Buy with a \$150 target. Cowen cut its target to \$110 on acquisition risks and worried about investor sentiment until execution improves calling ZEN a show-me story.

Hawk Vision:



Hawk's Perspective: ZEN is at a major weekly level giving a nice reward/risk versus the lows, shares are cheap not at this valuation and it's a sticky product.

Confidence Ranking: \$\$