



### ABNB, DKNB, COIN, ROKU

**Airbnb (ABNB)** will announce results 2/13 after the close with the Street looking for \$0.62 EPS and \$644M in Revenues while Q1/FY24 seen at \$0.22/\$2.03B and \$4.40/\$11.04B implying 12% revenue growth and 13.6% EBITDA growth in 2024. ABNB shares have closed lower five of its last six earnings reports with an average max move of 9.55% but held up well last week after a disappointing report from Expedia. ABNB is the leader in alternative accommodations as everyday people host guests across 100,000 cities and towns across the globe. Total bookings for alternative accommodations are seen growing to \$85B in 2026 from \$40B in 2019. ABNB management is targeting long-term 30%+ Adjusted EBITDA margins in improved variable costs, marketing efficiency & managing fixed expenses. ABNB has not even tapped into a massive potential market of Experiences, and it is also quietly expanding into hotels with its deal for HotelTonight. ABNB's results speak to 3 key underlying strengths of the ABNB platform: 1) Long term stays are ramping; 2) Supply initiatives are working; 3) EBITDA flow through is rising on better expense controls. ABNB is benefiting from the recovery in travel volumes as well as trends towards urban areas and International should materially benefit the company. ABNB has a market cap of \$94.5B and trades 33.9X Earnings, 21.5X EBITDA and 22.25X FCF. Airbnb downloads/DAUs both decelerated in January on tough comps. AirDNA's Nov/Dec. data for Airbnb suggests healthy travel demand during the holiday season. Fee change supports the bullish Airbnb thesis that the company has the ability to raise take rates over time, driving faster revenue growth and higher margins. The potential for bookings and ADR moderation remains the concern. Analysts have an average target of \$140 with short interest down 45% Q/Q to 9.9% of the float. Cowen notes that ABNB's new cross-currency booking fee could drive 4-10% upside to FY25 EBITDA. Citi raised its target to \$170 on 12/20. Barclays cut to Underweight in December expecting travel growth to slow as pent-up demand becomes exhausted and alternative accommodations as an industry is maturing. On the chart ABNB sits just above VWAP from its IPO and a major VPOC and just under the 50% lifetime range retracement and key volume shelf at \$151. A move over \$151 should allow for a key weekly range break to target \$165-\$170. On weakness support levels come in at \$137.50 monthly VPOC and \$133.30 lower value followed by the 200MA at \$131. ABNB options are pricing in a 6.55% earnings move and 30-day IV Skew is at +0.2 that compares to the +2.8 52-week average. ABNB's put/call open interest is at the 49<sup>th</sup> percentile and average IV30 crush is -24.5%. ABNB has a large short put position in January 2025 \$140 strike and January 2025 \$120 strike. ABNB has seen 2500 February \$140 calls bought but also 3500 September \$115 puts bought while June \$115 puts have sold to open 2000X.

Trade to Consider: Long **ABNB** March \$145/\$135/\$125 Put Butterfly Spreads \$1.70 Debit



**DraftKings (DKNG)** will report earnings 2/15 after the close with the Street expecting \$0.08 EPS and \$1.24B in Revenues (+45%) while Q1/FY24 seen at (\$0.33)/\$1.04B and (\$0.28)/\$4.69B with the 2024 outlook implying 27.7% revenue growth and 438% EBITDA growth. DKNG shares have closed higher on results the last four reports as it has shown better profitability with an average six-quarter max move of 19.9%. DKNG is a digital sports entertainment and gaming company that provides users with online sports betting, online casino and daily fantasy sports offerings. Its path to profitability is based on the acceleration of positive contribution profit growth driven by increased revenue and gross profit generation from ongoing efficient customer acquisition. DKNG has a market cap of \$22B and trades 47.7X FY24 estimated EBITDA and 4.2X EV/Sales. DKNG has shown recent strength after pulling back in late 2023 on fears of competition from BetMGM and ESPN Bet. Investors will be keenly focused on market share in the report for GGR. AGA expects 44% Y/Y growth in betting on the Super Bowl to \$23.1B in wagers. Barstool Sports is in advanced talks on a wide-ranging sports betting deal with DraftKings was reported by Sportico recently. Analysts have an average target of \$41 with short interest rising 26% Q/Q to 7.5% of the float. Stifel upgraded to Buy on 1/19 with a \$45 target seeing market share headwinds from competition promotions fading and positive on marketing discipline and fixed cost efficiencies. On the chart, DKNG shares are near-term overbought after running last week. A retest of upper value at \$38 is a potential bounce spot on weakness followed by the \$35 level. Next upside resistance is in the \$47.50-\$50 zone. DKNG options are pricing in a 9.3% earnings move and 30-day IV Skew at 0 compares to the +2.4 52-week average. DKNG put/call open interest ratio is at the 34<sup>th</sup> percentile and average IV30 crush is -13.5%. DKNG had massive buys in May \$45 calls last week on adjustments and has seen a ton of bullish positioning though has plenty of short call open interest as well in March, May and June.

Trade to Consider: Long the **DKNG** February/March \$39 Put Calendar Spreads for \$0.60 Debit



**Coinbase (COIN)** will report results 2/15 after the close with the Street consensus at \$0.02 EPS and \$824M in Revenues (+31%) with Q1/FY24 seen at (\$0.08)/\$877M and (\$0.22)/\$3.44B with 2024 outlook implying 16.5% revenue growth and 15.6% EBITDA growth. COIN shares closed higher four of the last six reports with an average max move of 9.75%. COIN is the largest centralized cryptocurrency exchange in the US and second largest in the world and has established a robust customer base. Coinbase is uniquely positioned to benefit from the large and rapidly growing global crypto economy given its trusted brand, easy to use products, and focus on compliance and regulation. Crypto has exited its down-cycle and has shown relative strength in 2H23 while the approval of Bitcoin ETFs is a tailwind for further institutional support and COIN as the most trusted custodian stands to benefit. COIN has a market cap of \$34B and trades 30.7X FY24 estimated EBITDA and 9.3X EV/Sales. 4Q data points to a COIN transaction volume beat after reaching multi-year lows in 3Q but crypto market unpredictability, lack of revenue diversification, and lingering regulatory/legal issues remain as concerns. COIN gained a slight 70bps of market share in 4Q according to CoinGecko. Analysts have an average target of \$130 and short interest is around 11% of the float. OpCo upgraded to Outperform with a \$160 target on 1/26 seeing multiple positive catalysts developing. JPM cut to Underweight on 1/23 seeing ETF approval deflating token prices, trading volumes and ancillary revenue opportunities for COIN. On the chart, COIN's recent pullback held right at lower monthly value and also AVWAP from its IPO setting up a potential launching pad low. The recent high came at the 38.2% lifetime range Fibonacci at \$181.80. A move over \$152.50 frees shares up for a return to \$180 while under \$132 likely revisits the \$115 level. COIN options are pricing in an 8.25% earnings move with 30-day IV Skew bullish inverted at -3.5 compared to the +3.5 52-week average. COIN put/call open interest is at the 16th percentile and average IV30 crush is -14.85%. COIN has nearly 25K March \$130 calls bought in open interest form a large trade and more March \$150 call buys added on 2/9 while June \$200 calls have seen mixed flow. A buyer of 2000 June \$150 calls on 11/20 sits up 150%.

Trade to Consider: Long **COIN** March \$145/\$160 Call Spreads at a \$5 Debit





**Disclaimer:**

These trade ideas are to be self-managed as there will be no follow-up, and each user must take full responsibility of the trade, and only take action on trades that fit his/her risk profile and are comfortable trading.

**Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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