



## Criteo Call Positions Accumulate in Open Interest

**Ticker/Price:** CRTO (\$27)

### Analysis:

**Criteo (CRTO)** with buyers of 1,000 April \$25 calls today for \$2.65 to \$2.95 and follows 1,500 of the July \$25 calls bought already this week around \$4.80. CRTO also has notable open interest in the July \$22.50 and July \$27.50 calls, the latter with 7,000. Shares are consolidating in a narrow range above the 20-EMA after gapping higher and pulling back on earnings. CRTO has been a steady name off the 2018 lows and channel higher targets a move back above \$30 near-term. Longer-term, it's on the verge of moving above downtrend resistance from the 2017 highs with significant upside back to \$42.50. The \$1.86B company trades 10.5X earnings, 0.8X sales, and 10.8X FCF. They are targeting 16% EPS growth in FY20 and 5-10% growth over the next two years in revenues. CRTO is focusing on expanding their scale through new products, their new self-service platform and their mobile footprint. Their new automated onboard offering launching in Q2 is seen as a key driver of growth in small- and mid-sized clients. Analysts have an average target for shares of \$31 with 5 buy ratings, 9 hold ratings, and 1 sell rating. Sun Trust raising their PT to \$32 on 2/13 seeing potential for accelerating revenue growth, EBITDA margin expansion, and more buybacks. Short interest is 3.7% and down from near 12% in mid-2018. On 12/3, CEO Rudelle bought over 20K shares of stock at \$23.40, a notable position in the name. CRTO will be at the William Blair Tech conference next week, 3/13. In November, media reports indicated that WPP had considered buying Criteo but talks fell apart on valuation.

### Hawk Vision:



**Trading Strategy:** CRTO is shaping up nicely on the chart with a well-defined level to trade against a close under its 50 MA, worth entertaining on the long side.

**Confidence Ranking:** \$\$