



Unusual Call Buying in Boingo Wireless

Ticker/Price: WIFI (\$23.50)

Analysis:

Boingo Wireless (WIFI) early unusual buys 1,075 May \$25 calls up to \$1.30, and action continuing this morning with volume up to 2,080. WIFI is now also seeing 895 November \$25 calls bought up to \$3.50 to open, and today's action the first notable open interest in the name. It is interesting because **WIFI** was mentioned by OpCo on 3-27 "We expect cash EBITDA margins to double in seven years, but the company is highly likely to be acquired before then." On the chart shares put in a nice base above the \$20 level, and next major resistance is clearing \$25.50 as shares work on a weekly bull engulfing candle this week. The \$990M maker of wireless connectivity solutions trades 4X Sales and 6.65X Cash. WIFI has a long runway for growth as they continue to accumulate wireless rights at airports, military bases, and stadiums, building out small-cell networks and monetization efforts from carrier fees. The company is benefitting from the growth in mobile data traffic with 80% of consumption through wi-fi and views their current market opportunity at just 8% penetration. WIFI sees 10-12% revenue growth each of the next three years. It is the largest operator of indoor wireless networks and has an impressive RFP win rate and a massive market potential as it scales. It sees big opportunity in Military and Multi-Family settings. Analysts have an average target of \$32 on shares and short interest elevated near a three year high at 8.8% of the float. CSFB has an Outperform rating and \$29 target it recently lowered as it steps up CapEx estimates and lowered DAS revenue growth estimates. Guidance was recently lowered due to an extension of large NY DAS contracts which caused confusion for investors Craig Hallum noted and would be aggressive buyers. Hedge Fund ownership rose 4.6% in Q4 filings.

Hawk Vision:



Trading Strategy: WIFI activity is very suspicious from the M&A angle perspective and like the name versus the \$20 level.

Confidence Ranking: \$\$