



Large Call Position Opens in EuroNet

Ticker/Price: EEFT (\$158)

Analysis:

EuroNet (EEFT) a hot name in payments for years now flying under the radar of many with 1,500 November \$180 calls opening \$5.25 in a stock replacement as shares reach new highs and the only notable open interest now in the name. EEFT shares are in a parabolic move after breaking out last September and have shown impressive resilience even in weak tapes. The \$8.1B Company now trades 19.1X Earnings, 21.65X FCF and 2.7X EV/Sales. EEFT delivered 15% and 12.5% revenue growth the last two years with 12% seen each of the next two years while EPS seen rising to \$9.20/share by 2021 from \$5.53/share in 2018. EEFT revenues came in below estimates last quarter but offered upside guidance for Q2. The EFT segment operates high-value ATMs across Europe and India, the EPAY segment uses its integrated payments cloud and capitalizing on a \$1 Trillion spend market and Money Transfer segment is also seeing strong growth. Analysts have an average target of \$171 on shares and short interest is 5.7% of the float, up 15.7% Q/Q. EEFT management met with SunTrust the last two days. Wells Fargo raised its target to \$164 on 4-11 and on 4-5 DA Davidson raised its target to \$165 seeing solid growth the next two years and 11X FY20 EBITDA is attractive valuation. Euronet's growth is poised to accelerate on Visa's (V) dynamic currency conversion fee enablement, stronger e-pay growth and expanding revenue opportunities enabled by its digital cloud platform. Hedge Fund ownership fell 1% in Q1 filings.

Hawk Vision:



Trading Strategy: EEFT has been a stellar investment for years and continue to see it as an attractively positioned name in payments, extended near-term, but always a name to be stalking on pullbacks.

Confidence Ranking: \$\$