



## Size Call Buys Accumulate in Lyft

**Ticker/Price:** LYFT (\$67.70)

### Analysis:

**Lyft (LYFT)** buyer of 2000 January \$65 calls \$8.80 offer, a spot where 4,000 were bought a week ago for \$2.95M and LYFT has seen a bullish bias including the 10,000 October \$62.5 calls that opened on 4/16. LYFT will next report on 8/7 and shares finishing the week breaking out of consolidation with room to run back to \$75 near-term. The \$19.3B ride-sharing Co. is trading 7.2X EV/Sales with revenues seen rising 54% this year. LYFT is purely a US play currently and has ambitions to expand to autonomous vehicle and internationally. LYFT has been showing impressive market share gains and stated 2019 is the peak year for its spending, but the main drawback is it is a clear #2 brand to Uber. However, it is a massive and growing market with a shift away from car ownership moving to Transportation-as-a-Service (TaaS) for the new on-demand economy. Consumers spent \$1.2 Trillion on transportation in 2017, the 2nd largest household expenditure. Ridesharing currently accounts for less than 3% of total vehicle miles traveled. In a 2016 survey, 57% of U.S. respondents who used sharing services said that well-priced and convenient offerings could cause them to give up ownership altogether. Investors will be focusing on company-specific metrics like Active Riders and Revenue per Active Rider. Analysts have an average target of \$72 on shares. Jefferies recently with a \$90 target citing improvements to profit margins and per-ride metrics with potential to out-execute **UBER** due to a higher focus and gain share in the duopoly.

### Hawk Vision:



**Hawk's Perspective:** LYFT is freshly breaking out and not looking to chase the move but if it sets back up I like how options are positioning and the trend.

**Confidence Ranking:** \$\$