



FEATURED OPTIONS RADAR REPORT



Teladoc Bull Sets Sights on New Highs

Ticker/Price: TDOC \$200.70

Analysis:

Teladoc (TDOC) size buyer of 1,000 October \$230 calls this morning from \$14.15 to \$15.30 to open with shares in a small flag just off of new highs. TDOC is also seeing some August \$250 calls active today and has seen buyers in the August \$200 and \$220 calls recently. Shares pulled back just above the 21-MA this week and now back above the 8-day and set to break out to new highs above \$208. The recent range since mid-April targets a run up to \$250. The \$14.83B company trades 29X cash and 24.5X sales with next-to-zero debt. TDOC expects to hit profitability in FY22 and revenue growth estimates taking a big jump in 2020, now seeing mid-20% growth annually. TDOC has taken the lead in the telehealth market which is estimated to be around \$150B and growing at a 20% rate with COVID-19 pulling forward significant adoption. They're seeing huge jumps in utilization through COVID-19 and expansions into areas like behavioral health and remote patient monitoring opening up significant markets for expansion. They saw near 100% growth in fee revenue last quarter and 60% growth in paid membership. Analysts have an average target for shares of \$161 with Piper at a Street High \$220. They were out yesterday noting that recent surveys point to a 10X increase in annualized utilization for telemedicine in Q2 and this likely signals a 'transformational shift' in the preferred delivery modality from in-person to virtual care. The firm also notes that if the PHE gets extended beyond July 25, it would set up another huge quarter of favorable policy in Q3. Short interest is 10.8% but sitting at multi-year lows and down from around 37% in November. Hedge fund ownership fell 16% in Q1. Trident Capital a notable holder.

Hawk Vision:



Hawk's Perspective: TDOC is a must-own kind of name in this environment with a huge opportunity set in front of it and massive potential for disruption in the healthcare market, setting up well here for new highs

Confidence Ranking: \$\$