



## FEATURED OPTIONS RADAR REPORT



### TripAdvisor Bullish Positioning Accumulates Across Expirations

Ticker/Price: TRIP (\$22.40)

#### Analysis:

**TripAdvisor (TRIP)** early action today buying over 6,500 September \$23 calls and now volumes running over 12,750X on the morning up to \$1.45. TRIP has seen buyers in the September \$22 calls and sellers in the March \$18 puts recently with plenty of longer-term bullish flow out into January from April. Shares are slowly working out of a multi-week base and above the downtrend from the late 2018 highs and back around the 200-day at \$23.75, a big potential inflection with room back to \$30. The \$3.04B company trades 33.5X earnings and 2X sales with limited near-term debt and plenty of liquidity after recent actions by management. TRIP has seen all of their near-term estimates slashed due to COVID but expects to be back on track for mid-20% revenue growth in FY22. TRIP has seen Y/Y monthly unique visitors inflect higher since April and positive linearity through July as US travel trends continue to improve. They're also seeing better booking activity on their restaurant side with consumer demand in Europe back near January levels and experiences traffic rising strong in countries where lockdown measures were better enacted than the US – placed like Germany, Italy, and Japan. Analysts have an average target for shares of \$25. Needham starting coverage recently at Buy with a Street High \$26 PT. RBC positive on 8-10 as the worst is over for the company. Short interest is 8.9% but steadily trending down since 2018. Hedge fund ownership rose 4.3% in Q1. Soma Equity Partners, a rather concentrated fund, big buyers of call options. TRIP CEO bought \$1M in stock in March near \$21.75, the first open market buy in years.

#### Hawk Vision:



**Hawk's Perspective:** TRIP is interesting with the large January bull risk reversals in OI though overall always been lower quality name, once to keep smaller and more alluring for its M&A potential.

**Confidence Ranking:** \$\$