



## FEATURED OPTIONS RADAR REPORT



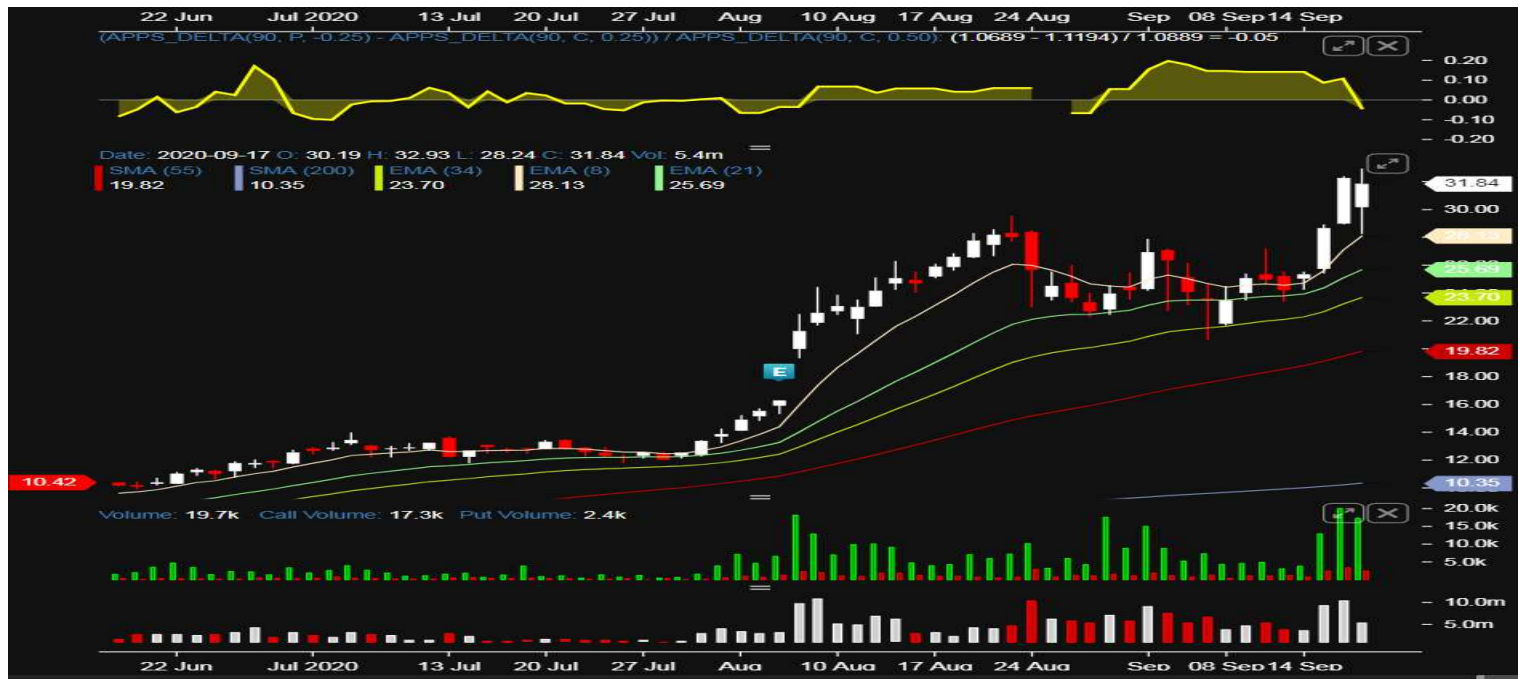
### Digital Turbine Calls Heat Up, Impressive Small Cap Growth Story

**Ticker/Price:** APPS (\$31.8)

#### Analysis:

**Digital Turbine (APPS)** pulled back after strong two day run but held the 8 MA and seeing 2370 Oct \$40 OTM calls active with buyers as well as near 1,000 January \$40 calls into weakness here paying \$3.95 to \$4.30. APPS trading over 17,000 calls the first two hours is 4X daily average and been active calls the entire week. APPS has been a top mover since the March lows with shares up 8X and working out of a weekly flag this week with the rising 8 week MA supportive. The \$2.9B company provides media and mobile communication products. Its on device media platform powers frictionless app and content discovery, user acquisition and engagement, operational efficiency and monetization opportunities. APPS announced a \$66M deal for Mobile Posse earlier this year, a content discovery platform provides valuable media & advertising solutions for operator & OEM partners. In the latest quarter APPS posted nearly 100% growth in revenues, a 250% increase in EBITDA and over 150% growth in non-GAAP earnings per share. The applications business grew 45% with demand strong driven by our social media, gaming, streaming audio and streaming video verticals. APPS is also expanding to over-the-top TV streaming with its software platform set to launch across all the major U.S. mobile operators, including T-Mobile, AT&T and Verizon. The software will be assisting in powering the applications and management of the content on these devices, ranging from delivering the content, advertising, notifications and ultimately, may include cross-device integration in the living room. APPS continues to ramp with Samsung and international carriers such as America Movil and Telefonica. APPS is currently trading 11X EV/Sales with revenues seen rising 76% this FY. Analysts have an average target of \$23.40 and short interest is 5.2% of the float. APPS saw a number of target raises after its latest quarter, though most targets well below current price, all positive on the strong business trends. Hedge Fund ownership fell 9.5% in Q2 filings.

#### Hawk Vision:



**Hawk's Perspective:** APPS triggered a buy alert earlier this week and made a big move, but this flow and the strong trends appear to take this for a much higher ride.

**Confidence Ranking:** \$\$