



## FEATURED OPTIONS RADAR REPORT



### Unusual Bullish Spreads in Recent IPO American Well

Ticker/Price: AMWL (\$30.45)

#### Analysis:

**American Well (AMWL)** options unusually active today with bull covered risk reversals, the June 2021 \$22.50 and \$20 puts each with 1175X sold to open while the \$30 and \$35 calls are bought spread with \$45 and \$50 calls. The \$7.15B provider of telehealth applications is set to report next week. AMWL is a newer name that ran up after its IPO but gave most of it back in October and now jumping back off a higher low. AMWL is a leading telehealth company enabling digital delivery of care for healthcare's key stakeholders. The Amwell Platform is a complete digital care delivery solution that equips the health system, health plan and innovator, including government, clients with the tools to enable new models of care for their patients and members. As of June 30, 2020, AMWL powered the digital care programs of 55 health plans, which support over 36,000 employers and collectively represent more than 80 million covered lives, as well as 150 of the nation's largest health systems, encompassing more than 2,000 hospitals. AMWL estimates the current subscription revenue market opportunity for health plan and health system customers to be approximately \$8.7 billion and \$3.7 billion, respectively. For AMG, estimate the urgent care and telepsychiatry visit revenue market opportunity to be approximately \$18.2 billion and \$3.9 billion, respectively. AMWL currently has a \$6.8B market cap and trades 29X FY21 EV/Sales with revenues seen growing 55.7% in FY20, 12.6% in FY21 and 28% in FY22. Analysts have an average target of \$38.50 on shares. CSFB started shares Outperform with a \$41 target citing the pull forward of telehealth adoption. Berenberg started shares Buy with a \$39 target citing its dual channel approach to telemedicine and few peers can offer a similar breadth of offerings. Piper started at Overweight with a \$44 target citing first-mover advantage as a networked virtual care model and sees compelling recurring revenue and margin potential.

#### Hawk Vision:



**Hawk's Perspective:** AMWL is a leader in an exciting telehealth industry and now we have some peers for long-time favorite TDOC. I see an opportunity for multiple winners in this secular shift and AMWL has a strong offering.

**Confidence Ranking:** \$\$