



FEATURED OPTIONS RADAR REPORT



Large Call Buy on Hot Streaming Growth Name Fubo

Ticker/Price: FUBO (\$27)

Analysis:

fuboTV (FUBO) on 12/4 with 10,000 January \$30 calls bought for \$3.85 as December \$30 calls adjusted, a large trade in a small cap name. FUBO shares have made a strong move since September and currently consolidating in a narrow range under highs. fuboTV is the leading sports-first, live TV streaming platform, offering subscribers access to tens of thousands of live sporting events annually as well as leading news and entertainment content. fuboTV's platform allows customers to access content through streaming devices, and on SmartTVs, mobile phones, tablets and computers. fuboTV reached 286,126 paid Subscribers on June 30, 2020, which represented a 47% increase from fuboTV Pre-Merger's paid Subscribers on June 30, 2019. The number of cord-cutting and cord-never households continues to accelerate in the U.S., as cable and satellite subscribers increasingly favor the streaming experience. This creates significant opportunities for vMVPDs to address the \$84 billion U.S. and \$226 billion global pay TV services market. Streaming platforms also enable new opportunities including online subscriptions, eCommerce transactions, and other services. FUBO's sports-first product offering is particularly well suited to one day facilitate sports wagering services as a natural extension of its premium sports content. Sports wagering is a rapidly growing and large opportunity. FUBO on 12-1 announced a deal for Balto Sports, its first move into the online sports wagering market. The \$1.8B company trades 5.6X FY21 EV/Sales with revenues seen rising 78% in 2021 and posting some incredible growth numbers, subscription revenues +64% and Ad revenues +153% in the latest quarter. FUBO added 167,000 paid subscribers, a 58% increase. FUBO sits firmly at the intersection of 3 megatrends: The first is the secular decline of traditional television viewership; the second is the shift of TV ad dollars to connected devices; and the third is online sports wagering. Needham started shares at Buy in November as an inexpensive way to participate in the shift to streaming TV and excited about the high-margin odd-on revenue streams like up-sells, advertising, sports-betting and channel fees. Roth raised its target to \$36.50 last week after the Balto Sports deal, seeing it as one of many to come, layering on another monetizable segment. Berenberg started at Buy on 11/19 with a \$28 target noting the sports niche, focus on technology and future plans for online wagering will driver strong subscriber growth and profit growth.

Hawk Vision:



Hawk's Perspective: FUBO looks impressive, hard to argue with its growth numbers and future aspirations, a stock that could easily double from here.

Confidence Ranking: \$\$