



FEATURED OPTIONS RADAR REPORT



WW Call Buyers Active Ahead of Seasonally Strong Period

Ticker/Price: WW \$26.25

Analysis:

WW International (WW) buyers of 1,000 January \$25.50 calls on 12/22 and follows accumulation of 4,650 January \$27.50 calls and 1,000 April \$27.50/\$20 bull risk reversals recently. Shares broke out of a narrow multi-month range recently and pulling back to 2020 VPOC over the last week ahead of a seasonally strong period for the stock. A move back above \$27.50 key to clearing a big volume shelf and run with a gap back to \$30 in the short-term and then gap to \$37.50. The \$1.86B company trades 11.96X earnings, 1.34X sales, and 14.2X FCF. WW has been shifting to a more 'digital-first' and 'wellness' vision in the last 12 months including expanding digital health tools and a more personalization. The pandemic has been a tailwind for the company's efforts and reduction of gym capacity and membership has also led to a boost in subs. In Q3, they had 23% growth in digital subscribers with double-digit growth in repeat purchases. They expect to launch new products on the e-commerce side including meal kits and coffee while signing up more partnerships like their deals with Kohls and Amazon. Analysts have an average target for shares of \$31 and DA Davidson with a Street High \$38. Their recent brand sentiment assessment showed a 6th consecutive quarter of increase on Reddit and a second consecutive quarter of improvement on YouTube. B Riley positive on 10/9 noting that there will be long-term tailwinds coming out of the pandemic around weight-loss and leading healthier lives. Short interest is 7% and near 2-year lows. Hedge fund ownership fell less than 1%. Sessa Capital and Thorntree both top holders with 2.5M and 1.7M shares respectively. WW CEO Mindy Grossman bought \$260,000 in stock in 2019 at \$21.70.

Hawk Vision:



Hawk's Perspective: WW candle on Monday gives a nice low to lean against for a possible rebound and potential to see their digital transformation efforts pay off into a busy part of the year

Confidence Ranking: \$\$