



FEATURED OPTIONS RADAR REPORT



Call Buyers See Upside in ANGI HomeServices

Ticker/Price: ANGI (\$14)

Analysis:

ANGI's HomeServices (ANGI) with a buyer of 4000 May \$17.50 calls to open on 1/28 at the \$1.85 offer and has recently seen March \$17.5 and \$20 calls each open 5000X with buyers and already has substantial open interest in February including 15,000 of the \$17.50 calls from buyers back in October. ANGI shares have been volatile this week but working out of a weekly consolidation wedge and looking to clear trend resistance off 2018 and 2020 highs and above \$16.50 would break shares out into a low volume zone. ANGI HomeServices Inc. connects quality home service professionals across 500 different categories, from repairing and remodeling to cleaning and landscaping, with consumers. Over 250,000 domestic service professionals find work through ANGI HomeServices, and consumers turn to at least one of our brands to find a professional for more than 25 million projects each year. ANGI HomeServices has established category-transforming products with brands such as HomeAdvisor, Angie's List, Handy and Fixd Repair. ANGI estimates it operates in a \$500B highly fragmented market with low digital penetration with > 20% of home service projects being fulfilled online. It sees future opportunities in subscriptions, service bundles and managed home. The \$7.55B company trades 4.7X FY20 EV/Sales and 35.7X FY21 EBITDA with revenues growing 17% in 2019, 10.4% in 2020, and forecasted at 12% growth in 2021 with estimates seeing acceleration every quarter through 2022. Analysts have an average target of \$14 and short interest elevated at 23.5% of the float. Deutsche Bank raised its target to \$15 last week. On 12/16 The Information reported that Facebook is building a rival marketplace. CSFB in October started shares Outperform with a \$19 target on positive secular and demographic trends with a wave of new first time home buyers and the push to digital in a massive market opportunity.

Hawk Vision:



Hawk's Perspective: ANGI feels way undervalued for its potential opportunity and do like the name and call flows, a potential play for 2-3 earnings.

Confidence Ranking: \$\$