



FEATURED OPTIONS RADAR REPORT



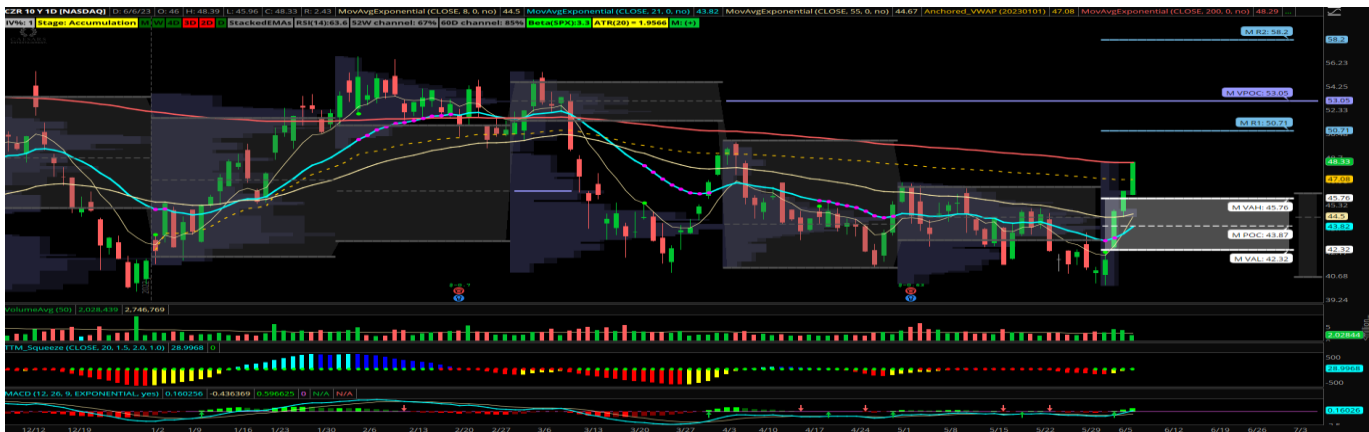
Casino with Improving Balance Sheet Sees Bullish Flow Accumulate

Ticker/Price: CZR (\$48.31)

Analysis:

Caesars (CZR) on 6/6 saw bullish flow with an opening sale of 1250 September \$45 puts at \$3.17, adjusting some June short puts and a buyer of 1400 June 30th \$46 calls at \$2.14. This follows last week's large buyer of 3900 June \$43.50 calls at \$2.50 for a short-term bull looking for upside while also recent opening sales of 1600 September \$44 puts for \$5.85 and the September \$45 calls bought 2700x on 5/23 for \$3.95. CZR still has large bullish trades in open interest including 1500 January \$50 calls bought 3/29 for \$6.80 and over 2000x each of the January \$40 and \$38 short puts sold to open. The \$10.4B company trades at 39.8x earnings, 2.9x sales, 14.2% FCF yield while revenue expected to grow +7% in FY23 and growth estimated at +3% in FY24. Caesars Entertainment, Inc. is a gaming and hospitality company that owns and operates gaming facilities. Nevada reported April statewide gaming numbers were up 2.8% to \$1.16B and +5.3% y/y to \$624.7M on the Las Vegas Strip. CZR beats revenues recently on their earnings report and said digital segment was nearly break even in the quarter despite launching operations in Ohio and Massachusetts which bodes well for the remainder of the year. Trends in Las Vegas remained strong during Q1, delivering 24% revenue growth and 33% EBITDA growth versus last year. Strong occupancy in ADRs led to record in cash hotel revenues and food and beverage results. CZR also saying they will be EBITDA positive this year as they continue to reduce their debt balance. The company says 80% of digital business is non-Nevada and expects digital business EBITDA to breakeven in seven months. Says could be pushing toward \$5B of EBITDA by 2025. Shares have been basing in the lower 40s the past few months and now seeing buyers since June began near that 40 level and pushing back to above monthly value area 45.75 while today now clearing YTD VWAP resistance at 47. A pullback to the 8 EMA is warranted but likely a solid buy point with 21/55 EMA bull cross looming and casinos back in play. CZR has an upside VPOC target at 53 overhead while a larger breakout move may target 66.50 top of 2022 yearly value area. Average analyst target is \$70. JPM raised its target to \$69 and has an Overweight rating and sees Las Vegas, digital and free cash flow momentum for Caesars. B Riley is a large bull on the name and recently boosted its target to \$111 from \$102 and keeps a Buy rating saying shares are likely to double as it estimates the company's land-based portfolio is worth \$91 per share. Riley estimates the digital value at \$20 per share value when using a DraftKings-like valuation. Short interest is at 3.0%. Hedge fund ownership fell 1.1%. David Tepper holds a 430k share stake in the stock.

Hawk Vision:



Hawk's Perspective: CZR is popping nicely off these lows so any dip back to the 8 EMA is buyable with solid upside towards the mid-60s in due time.

Confidence Ranking: \$\$