

SPOTLIGHT OPTION TRADE



Attractive Call Spreads in Payments Company Seeking to Create Value

TRADE SNAPSHOT

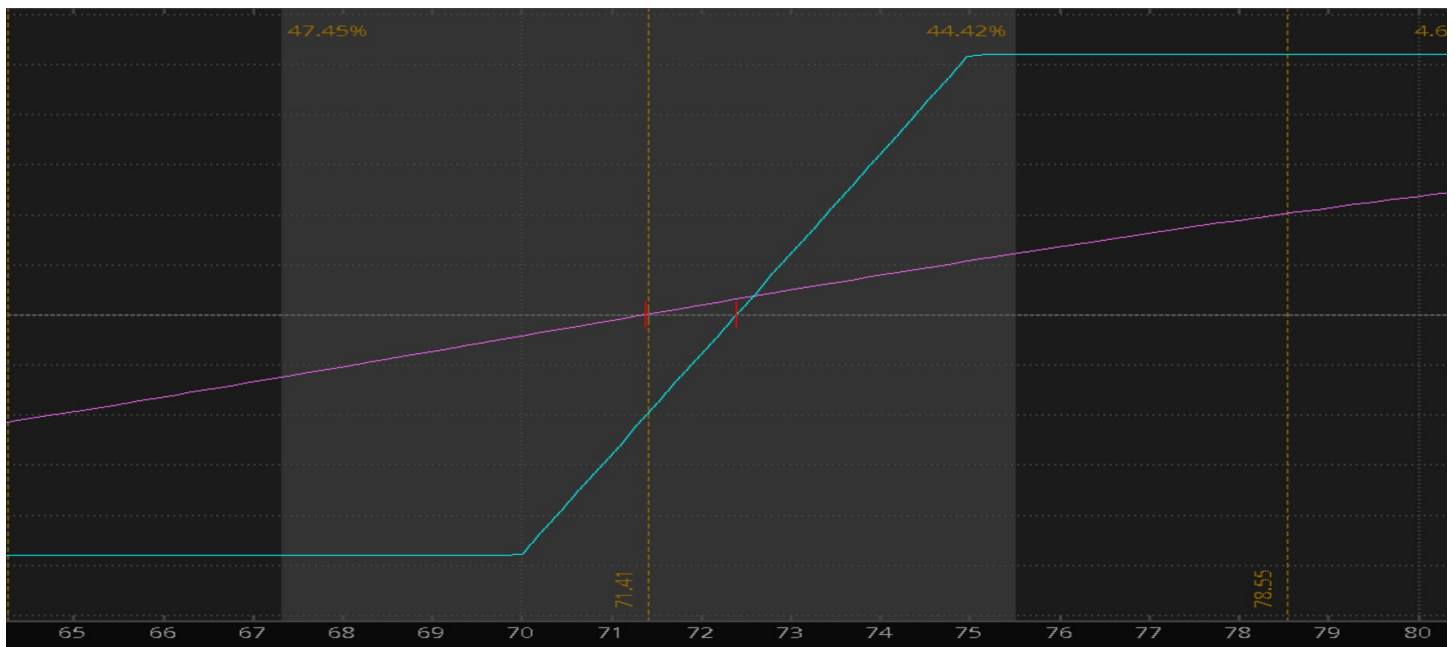
TICKER	FIS
SECURITY	Fidelity Info
SECTOR	Payment Processors
CURRENT PRICE	\$71.40
LONG/SHORT	Long
TARGET	\$78
STOP	\$65.5
TIMEFRAME	3 Months

Trading Strategy: Long the FIS April \$70/\$75 Call Spreads for \$2.40

Net Debit/Credit: Debit of \$2.40

Profitability Zone: FIS Above \$72.40 on April OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: FIS shares on the third week of a bull MACD crossover and a large volume pocket exists above \$72.80 while \$79.16 a likely gap fill target. FIS is breaking out of a narrow range to start the week and above a major volume zone and VPOC with room to run.



Fundamental Analysis: FIS is a leading provider of technology solutions for merchants, banks, and capital markets firms globally. The Merchant segment is focused on serving merchants of all sizes globally, enabling them to accept, authorize and settle electronic payment transactions. The Banking segment is focused on serving financial institutions of all sizes with core processing software, transaction processing software and complementary applications and services, many of which interact directly with core processing software. The Capital Markets segment is focused on serving global financial services clients with a broad array of buy- and sell-side solutions. FIS spoke at a BAML Conference in March outlining why the market is undervaluing shares with its premier assets and 70% of revenue is generated from software and services to clients with deep, long-term and recurring relationships while the other 30% is generated via consumer spending. FIS currently has a market cap of \$42B and trades 10.75X Earnings, 9.2X EBITDA and 17X FCF with a healthy balance sheet in an industry known for consolidation. FIS forecasts see 3-5% revenue and EBITDA growth in 2023. There is a value creation opportunity through divestiture of underwhelming merchant business, better company operation, better guidance management, and improved earnings quality. In December the Chief Executive Officer and Board of Directors have initiated a comprehensive assessment of the Company's strategy, businesses, operations and structure with the goal of positioning the Company to drive stronger results, increase shareholder value and enhance client services. FIS entered in a cooperation agreement with D.E. Shaw, which reflects a customary standstill, voting, and other provisions, with this agreement also reflecting discussions with JANA Partners. Analysts have an average target of \$88 with short interest at 1% of the float. SIG reiterated a \$100 target recently seeing conservatism from management and potential progress later in 2023.

Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI	Price %
12-15-2022	FIS	FIS 100 21 APR 23 75 CALL	895	\$4.2	499	0.43	36.05%	\$402,750	\$3.55	14,040	▲ 15.48%
12-28-2022	FIS	FIS 100 21 APR 23 75 CALL	11,083	\$2.85	1,302	0.34	37.59%	\$3,158,655	\$3.55	14,040	▲ 24.56%
01-11-2023	FIS	FIS 100 17 MAR 23 75 CALL	1,016	\$2	719	0.31	37.47%	\$208,280	\$2.7	12,601	▲ 35%
01-12-2023	FIS	FIS 100 17 MAR 23 75 CALL	11,501	\$2.15	1,736	0.33	37.23%	\$2,530,220	\$2.7	12,601	▲ 25.58%
11-25-2022	FIS	FIS 100 21 APR 23 65 PUT	625	\$5.26	140	-0.42	34.7%	\$331,250	\$2.5	5,924	▲ 52.47%
12-21-2022	FIS	FIS 100 21 APR 23 65 PUT	10,000	\$4.6	876	-0.38	38.54%	\$4,700,000	\$2.5	5,924	▲ 45.65%
11-28-2022	FIS	FIS 100 21 APR 23 70 CALL	2,574	\$4.3	356	0.44	35.38%	\$1,106,820	\$6	3,248	▲ 39.53%
12-27-2022	FIS	FIS 100 21 APR 23 70 CALL	2,504	\$4.3	3,093	0.46	37.67%	\$1,126,800	\$6	3,248	▲ 39.53%
11-29-2022	FIS	FIS 100 20 JAN 23 70 CALL	1,051	\$2.76	588	0.44	34.3%	\$294,280	\$1.75	3,226	▼ 36.59%
11-29-2022	FIS	FIS 100 21 APR 23 90 CALL	1,493	\$0.75	87	0.12	35.92%	\$149,300	\$0.3	3,186	▲ 60%
11-30-2022	FIS	FIS 100 21 APR 23 90 CALL	1,941	\$0.85	1,545	0.15	34.63%	\$232,920	\$0.3	3,186	▲ 64.71%
12-28-2022	FIS	FIS 100 17 MAR 23 67.5 CALL	1,416	\$5.1	211	0.53	42.11%	\$722,160	\$6.24	1,460	▲ 22.35%
11-21-2022	FIS	FIS 100 20 JAN 23 65 CALL	1,384	\$1.55	614	0.32	31.45%	\$221,440	\$6.35	1,346	▲ 309.68%
12-06-2022	FIS	FIS 100 19 JAN 24 65 PUT	1,005	\$7.6	62	-0.34	35.76%	\$773,850	\$6.25	1,216	▲ 17.76%

Potential Catalysts: Earnings; Strategic Review

Disclaimer:

Not Investment Advice or Recommendation

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