



FEATURED OPTIONS RADAR REPORT



Call Buyer Sees Positive Momentum Returning to Payments Name with Scarcity Value

Ticker/Price: FOUR (\$78.65)

Analysis:

Shift Four Payments (FOUR) trading 5X average calls today with buyers of 1,275 October \$80 calls for \$5.50 to \$5.70 to open, high-quality name that has pulled back. FOUR has a lot of open interest expiring tomorrow and lacks other notable volumes lately. FOUR is back at a confluence of support including the low-end of 2021 value, the 38.2% Fibonacci of the strong trend since its IPO, and the 200-MA. A bounce back has room to \$90. The \$6.7B company trades 3.1X EV/sales and 21.8X EV/EBITDA with 30% growth forecast for FY23. FOUR provides payment processing and tech solutions in the US including omnichannel card acceptance, end-to-end payment processing, and POS solutions. The majority of their business, more than 60%, is tied to hospitality with restaurants and hotels. FOUR processed a record quarter payment volume in Q2 of \$11.8B, up 180% Y/Y, and July started even stronger as more stores reopened. They continue to win some notable customers too and expanding into more online sports betting and gaming with their partnership with BetMGM as well as venues like Allegiant Stadium in Las Vegas and the United Center in Chicago. FOUR has upside into 2022 and beyond as they expand into other adjacent verticals and expand ecommerce offerings. Analysts have an average target for shares of \$89 with a Street High \$110. Wolfe upgrading to Outperform in June and MSCO positive on the name citing increasing value as the company undertakes strategic M&A and grows its business organically. Evercore with a \$101 PT seeing the company positioned well for a post-COVID 'rocket launch' as their business volumes should ramp higher with restaurants and hotels resuming to capacity. Short interest is 13.5%. Hedge fund ownership was flat in Q2, Junto Capital a notable buyer of stock.

Hawk Vision:



Hawk's Perspective: FOUR is a name we have liked for a while and think its poised for strong multi-year run as they build out their offerings while gaming/sports betting remains in the early innings of mass adoption; I'd like to see more flows come into the name and reclaim the 200-day, but overall an attractive spot to watch

Confidence Ranking: \$\$