

SPOTLIGHT OPTION TRADE



Vaccine Approvals and Mandates May Drive a Surge in Discretionary Entertainment 2H21

TRADE SNAPSHOT

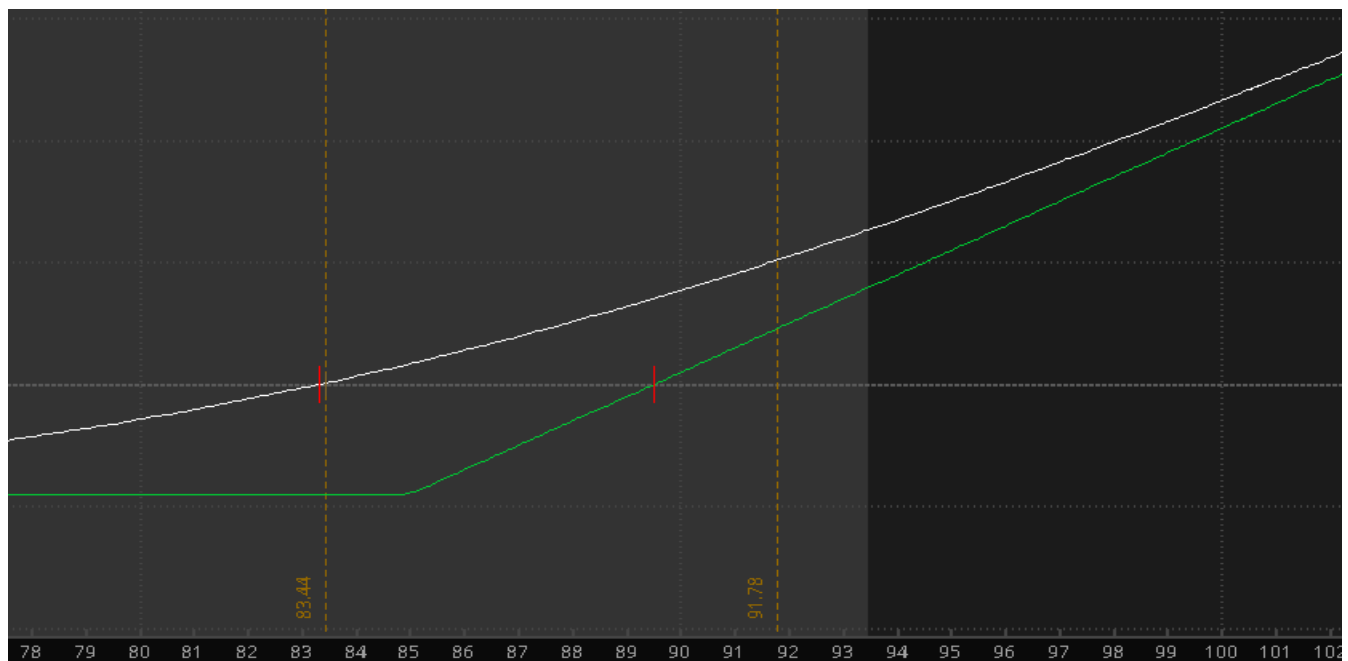
TICKER	LYV
SECURITY	Live Nation
SECTOR	Consumer – Media – Entertainment
CURRENT PRICE	\$83.45
LONG/SHORT	Long
TARGET	\$100
STOP	\$78
TIMEFRAME	2 Months

Trading Strategy: Long the LYV October \$85 Calls at \$4.50 or Better

Net Debit/Credit: Debit \$4.50

Profitability Zone: LYV Above \$89.50 on October OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: LYV has formed a great base along the rising 200-day moving average and also the recent low retested the 2021 breakout and 2020 high which is now established support. The weekly looks coiled in a nice range and MACD pushing higher nearing a bull cross with potential for a strong upside breakout to develop.



Fundamental Analysis: Live Nation is considered the largest live entertainment company in the world, connecting over 580 million fans across its concerts and ticketing platforms in 46 countries. Live Nation owns, operates, has exclusive booking rights for or has an equity interest in 289 venues. Ticketmaster provides ticket sales, ticket resale services and marketing and distribution globally. Live Nation's Concerts segment is involved in the promotion of live music events, planning and operation of festivals, management of music venues, and provision of artist management services and accounts for 82% of revenues. Live Nation sells advertising and sponsorship opportunities at its live events and on its online properties which accounts for 13% of revenues. Live Nation's ticketing segment operates as a ticketing agent and broker in both the primary and secondary ticketing markets and accounts for 5% of revenues.

On its latest earnings call LYV noted "And momentum for the return of live has been building every month, with ticket sales and concert attendance pacing faster than expected, underscoring the strength and resilience of the concert business and live events in general." June was Ticketmaster North America's fourth best month in history for transacted ticket volume. LYV is also building out its direct-to-consumer business with initiatives ranging from streaming concerts to NFTs to artist merchandise. LYV has a market cap of \$18.1B and trades 17X FY22 EBITDA estimates and 1.6X EV/Sales with revenues seen rising 163% in 2021 and 162% in 2022 quickly surpassing its record 2019 levels. LYV has potential to continue to gain market share while also growing higher-margin ancillary revenues. Live Nation has stated (with 4Q20 results) that 45 high-profile artists are set to go on touring cycle in 2022, nearly twice as many as is typical.

Analysts have an average target of \$94 and short interest is 7.7% of the float. Goldman recently initiated at Buy with a \$110 target and sees LYV growing attendance by 28% from ~98M in 2019 to 125M in 2025E and event promotions revenue growing 40% from \$8.0B in 2019 to \$11.2B in 2025E. Wolfe started Outperform in May with a \$97 target seeing a multi-year cycle of strong growth and a stronger margin profile with it also set to gain further market share. Hedge Fund ownership fell 11% last quarter, Melvin Capital a top holder and Liberty Media owns 34% of LYV.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
8/23/2021	LYV 100 21 JAN 22 95 PUT	770	56	\$16.55	-0.64	40.92%	73.96%	\$1,274,350	.LYV220121P95			
8/23/2021	LYV 100 21 JAN 22 75 PUT	771	616	\$5.70	-0.31	44.63%	41.61%	\$439,470	.LYV220121P75			
8/20/2021	LYV 100 19 NOV 21 80 PUT	616	78	\$6.80	-0.45	44.29%	53.95%	\$418,880	.LYV211119P80	\$6.80	669	0.00%
8/20/2021	LYV 100 19 NOV 21 70 PUT	1,101	20	\$3.49	-0.26	48.82%	34.35%	\$396,360	.LYV211119P70	\$3.35	1140	-4.01%
8/20/2021	LYV 100 19 NOV 21 65 PUT	3,004	10	\$2.28	-0.18	51.30%	25.45%	\$705,940	.LYV211119P65	\$2.20	3024	-3.51%
8/19/2021	LYV 100 21 JAN 22 100 CALL	1,346	2,320	\$2.90	0.25	43.07%	16.91%	\$417,260	.LYV220121C100	\$2.90	2322	0.00%
8/19/2021	LYV 100 20 JAN 23 95 CALL	8,797	8,126	\$12.40	0.47	44.77%	27.41%	\$10,820,310	.LYV230120C95	\$11.50	16109	-7.26%
8/19/2021	LYV 100 19 NOV 21 85 CALL	1,647	0	\$4.85	0.41	45.74%	32.64%	\$798,795	.LYV211119C85	\$5.20	1325	7.22%
8/17/2021	LYV 100 20 JAN 23 95 CALL	8,300	280	\$11.10	0.47	42.36%	28.12%	\$9,545,000	.LYV230120C95	\$11.50	16109	3.60%
8/11/2021	LYV 100 20 JAN 23 72.5 PUT	500	11	\$9.70	-0.3	39.06%	47.88%	\$485,000	.LYV230120P72.5	\$10.00	711	3.09%
8/11/2021	LYV 100 20 JAN 23 70 PUT	500	220	\$8.80	-0.28	38.98%	45.53%	\$450,000	.LYV230120P70	\$11.50	633	30.68%
8/11/2021	LYV 100 20 JAN 23 100 CALL	2,025	561	\$9.80	0.44	38.23%	27.27%	\$2,146,500	.LYV230120C100	\$10.30	1429	5.10%
8/11/2021	LYV 100 15 OCT 21 85 CALL	1,867	813	\$4.76	0.47	40.65%	40.25%	\$888,692	.LYV211015C85	\$3.25	2916	-31.72%
8/10/2021	LYV 100 15 OCT 21 90 CALL	5,709	923	\$4.00	0.402	41.51%	33.56%	\$2,283,600	.LYV211015C90	\$1.90	6027	-52.50%
8/4/2021	LYV 100 21 JAN 22 85 CALL	10,001	737	\$7.14	0.48	40.26%	37.16%	\$7,300,730	.LYV220121C85	\$7.10	10391	-0.56%
8/4/2021	LYV 100 20 JAN 23 67.5 PUT	250	1	\$8.20	-0.26	39.47%	43.58%	\$215,000	.LYV230120P67.5	\$8.20	251	0.00%
8/4/2021	LYV 100 20 JAN 23 55 PUT	500	2	\$4.50	-0.16	41.68%	31.14%	\$225,000	.LYV230120P55	\$4.70	730	4.44%
7/28/2021	LYV 100 20 JAN 23 90 PUT	253	45	\$21.70	-0.485	40.79%	68.18%	\$549,010	.LYV230120P90	\$23.00	548	5.99%
7/19/2021	LYV 100 20 JAN 23 82.5 CALL	607	223	\$13.30	0.54	42.68%	33.66%	\$807,310	.LYV230120C82.5	\$15.70	676	18.05%
7/19/2021	LYV 100 15 OCT 21 70 PUT	1,002	440	\$3.80	-0.31	43.84%	38.74%	\$380,760	.LYV211015P70	\$1.85	1833	-51.32%
7/16/2021	LYV 100 15 OCT 21 80 PUT	1,109	333	\$5.90	-0.45	38.82%	52.58%	\$665,400	.LYV211015P80	\$5.20	1473	-11.86%
7/15/2021	LYV 100 15 OCT 21 82.5 CALL	8,182	145	\$5.50	0.48	40.45%	40.04%	\$4,500,100	.LYV211015C82.5	\$4.30	8244	-21.82%

Potential Catalysts: Reopening Trends / NFT News

Disclaimer:

Not Investment Advice or Recommendation

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