



## FEATURED OPTIONS RADAR REPORT



### Call Buyers Target Digital Banking Stock Amid Transformation

**Ticker/Price:** NCR (\$41)

#### Analysis:

**NCR Corp (NCR)** one of the more unusual trades in the last week on 10/1 when a buyer opened 5,750 November \$45 OTM calls for \$1.25. NCR has seen buyers recently in the January 2023 \$45 calls, October \$45 calls, and December \$45 calls, the latter over 3,500X on 8/2 for \$3M. NCR has a lot of bullish open interest in the January options as well. Shares are working above monthly value this week with the 55-EMA at \$41.50. NCR has been forming a big weekly descending bull wedge and a breakout above \$43-\$44 has explosive potential up to \$50+. The \$5.09B company trades 10.75X earnings, 0.8X sales, and 9X FCF with high-single digit growth. NCR is coming off of a mixed quarter as they transition their mix into more recurring revenues. The company has been a transformation story over the last year as they grow their exposure to the Retail and Hospitality refresh cycle where digital and self-check out demand is growing and should continue into 2022. NCR closed their \$2.5B deal for Cardtronics in June and plans to use the deal to accelerate its as-a-service strategy and non-hardware revenue. NCR sees CATM's Allpoint ATM network as complementary to their payments platform which will also benefit from the bigger network and installed base. Analysts have an average target for shares of \$48 with Street High \$61. MSCO positive on 8/4 recommending investors 'buy the dip' given what the firm sees as the increasingly strategic portfolio with growth accelerating in strategic segments like Digital Banking, Hospitality, and Payments. Short interest is 6.85%. NCR hasn't seen a lot of insider buying in 2021 but did have a buyer in August \$40.68. Hedge fund ownership fell 7% last quarter. NCR has an interest, low-probability catalyst with the CEO teasing last December about potentially breaking up parts of the company. When asked at their Investor Day about finding value in their separate parts, Oliver said that the company would take some time to evaluate their momentum before looking at any strategic alternatives but any option could be on the table.

#### Hawk Vision:



**Hawk's Perspective:** NCR has an explosive look above \$44 and the fundamental story should continue to improve as their mix shifts while the low probability option of strategic action seems to be not factored in currently, a nice speculative add versus recent lows

**Confidence Ranking:** \$\$