



## FEATURED OPTIONS RADAR REPORT



### Nautilus Call Buyers See Fitness Trends Maintaining

Ticker/Price: NLS (\$20.38)

#### Analysis:

**Nautilus (NLS)** traded more than 17,000 calls on 3/2 which is 4X daily average and IV30 rose to above 100% with the main focus in October \$22.50 calls with some size lot buys at \$5.73 where more than 7000 traded on the day. NLS still has 1200 July \$15 calls in open interest and some elevated OI across March and April calls. NLS shares pulled back sharply last week and sit just above its rising 34-week moving average, and the \$18/\$20 zone a high-volume area. Its diverse brand portfolio includes Bowflex®, Schwinn®, JRNY® and Nautilus® a broad selection of exercise bikes, cardio equipment, strength training products, as well as the JRNY® digital fitness platform. The \$570M maker of fitness equipment trades just 9X Earnings and 1.03X Sales with a strong balance sheet. NLS estimates see revenue growth flat in 2021 as it faces tough comps after 78.7% revenue growth in 2020 but forecasts see a return to 14% growth in 2022. NLS is launching a lot of new products in the connected fitness space. NLS is partnered with Dick's and Amazon and recently added Best Buy at Costco as retail distributors. Analysts have an average target of \$32.25 with short interest elevated at 16% of the float. Lake Street raised its target to \$40 in November and overall NLS does not see a lot of analyst coverage.

#### Hawk Vision:



**Hawk's Perspective:** NLS has pulled back with most of the "tough comp" names though its extremely cheap on valuation and I think the at-home fitness trend will continue to gain market share with all the new equipment and connected theme, so this weakness looks to be an opportunity.

**Confidence Ranking:** \$\$