



## FEATURED OPTIONS RADAR REPORT



### Large Calls See Opendoor as a Tech Disruptor

Ticker/Price: OPEN (\$28.55)

#### Analysis:

**Opendoor Technologies (OPEN)** with large buying on 2/3 of the August \$28 calls as more than 10,000 traded on the day with early action at \$8.10 to \$8.50, significant premium bought. OPEN shares are forming a nice consolidation triangle and above \$30 shares can breakout to new highs. OPEN is a former SPAC now trading public under its new symbol. OPEN is a leading digital platform for residential real estate. OPEN's vision is to reinvent one of life's most important transactions with a new, radically simple way to buy and sell a home with more convenience, control and cost savings than ever before. In 2019 alone, more than 5.3 million existing homes were sold, representing more than \$1.6 trillion in transactions. Yet, in a world with purchases increasingly migrating online, the real estate transaction has largely remained unchanged. Online penetration represents less than 1% of home transactions, based on iBuyer volumes in 2019. Over the coming years, OPEN plans on increasing market share, launching dozens of cities, and expanding products and services to become a digital, one-stop shop for buyers and sellers of residential real estate. By selling to Opendoor, homeowners can avoid the stress of open houses, home repairs, overlapping mortgages and the uncertainty that can come with listing a home on the open market. OPEN currently has a market cap of \$14.9B which is around 4.8X FY21 EV/Sales with revenues seen rising 40% in 2021 and 78.5% in 2022 while profitability not likely in the next few years. OpCo started coverage in December with a \$34 target noting OPEN dominates the industry with 75% revenue share. Wedbush on 1/6 started shares Outperform with a \$31 target seeing a large opportunity and increased adoption in coming years to the iBuyer market.

#### Hawk Vision:



**Hawk's Perspective:** OPEN is quickly emerging as one of these early-stage growth companies with a massive TAM and a disruptor to a massive industry, so I see it as a good "story-name" to ride higher.

**Confidence Ranking:** \$\$