



## FEATURED OPTIONS RADAR REPORT



### Strategists See Strong Reward/Risk in Travel Software Provider

**Ticker/Price:** SABR (\$8.75)

**Sabre (SABR)** bull spreads bought 27,500 March \$11 calls and sold 18,000 February \$9 puts to open on 1/26 and followed buyers of 13,000 March \$10 calls on 1/24 with the \$8 puts being sold to open. SABR still has 5000 July \$9/\$15 call spreads in open interest from a 12/20 trade and 5000 April \$9/\$7 bull risk reversals from a trade on 12/2 while April \$10 calls have more than 15,000 bought in OI. SABR shares recently pulled back to a major VPOC at \$7.25 on lows and have rebounded though remain in a downtrend but with a nice volume pocket to fill back to \$11 and have traded sideways the last two months. SABR is a software and technology company that powers the global travel industry with solutions ranging from airline and hotel reservations systems to high-value marketing and operations solutions, such as planning airline crew schedules, re-accommodating passengers during irregular flight operations and managing day-to-day hotel operations. SABR has a market cap of \$3B and trades 2.6X FY22 EV/Sales with revenues accelerating to 50.7% growth in 2022 and set to turn EBITDA-positive in 2022, a company that has over \$1B in EBITDA in 2018. SABR was hit last quarter as Expedia shifted a portion of its GDS business away from SABR while bulls see the long-term upside based on the recovery in corporate and international travel. SABR has made strategic and competitive improvements with its Google partnership and should emerge as a stronger margin company. SABR is also undergoing a tech transformation moving more of their operations to the cloud which will ultimately give them better scalability and lower costs. Analysts have an average target of \$11 and short interest remains elevated at 16% of the float.

#### Hawk Vision:



**Hawk's Perspective:** SABR looks to be forming a multi-week bottoming pattern and the valuation is very cheap as a travel recovery play though traders in this name have been wrong before.

**Confidence Ranking:** \$\$