

## SPOTLIGHT OPTION TRADE



### Durable Growth Content Company Poised for Strong Year with Key Upcoming Releases

#### TRADE SNAPSHOT

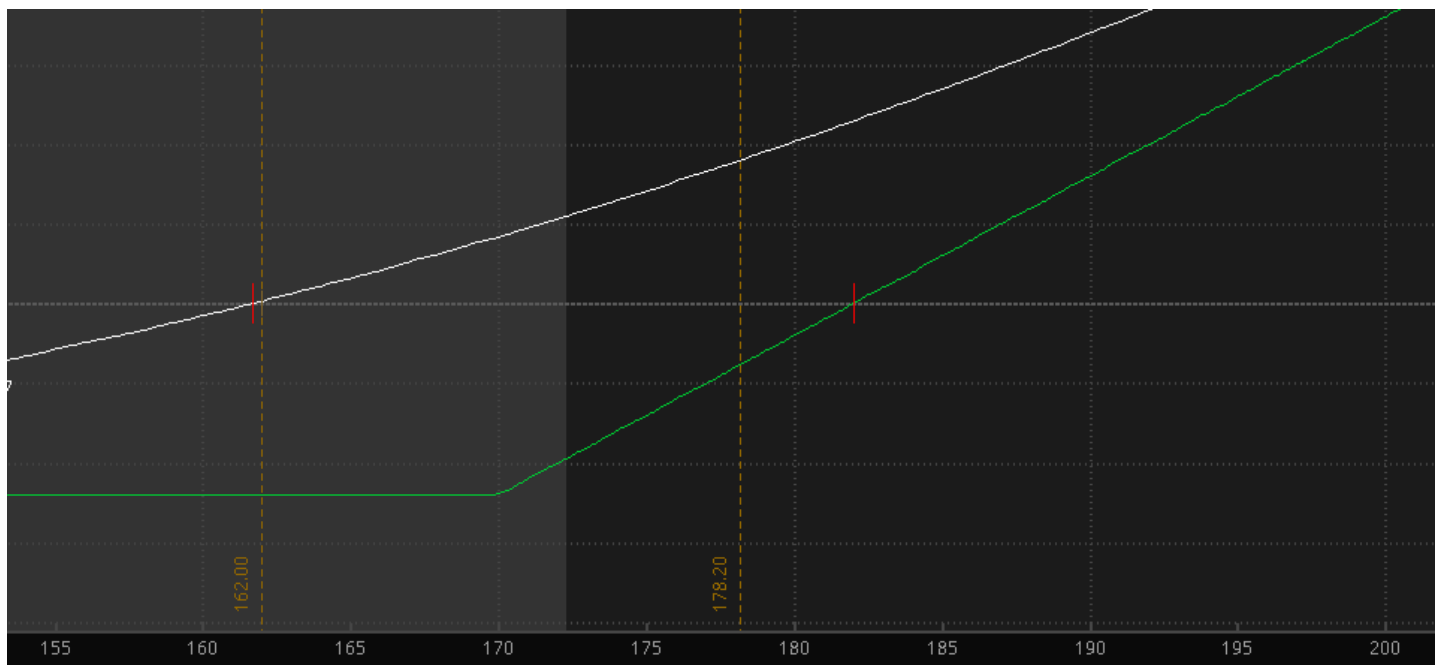
TICKER	TTWO
SECURITY	Take-Two Interactive
SECTOR	Consumer Goods – Video Games
CURRENT PRICE	\$162
LONG/SHORT	Long
TARGET	\$200
STOP	\$154
TIMEFRAME	3 Months

**Trading Strategy:** Long TTWO June \$170 Calls at \$12 or Better

**Net Debit/Credit:** Debit of \$12

**Profitability Zone:** TTWO Above \$182 on June OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** TTWO is forming a large weekly falling wedge while staying in an uptrend and looks poised for an upside breakout above \$177 which would set-up for a run back to \$200.



**Fundamental Analysis:** The \$18.5B videogame maker trades 25.7X Earnings, 5.4X Sales and revenues are seen rising 20% in 2023 with 26% EBITDA growth after a tough comps year in 2021 and 2022 from the pandemic so sequential stronger growth is now kicking into gear. The ZNGA deal brings together some of the most popular IP in the gaming industry and significantly bolsters their presence in mobile which is a massive industry that did \$136B in gross bookings in 2021 and growing in the mid-to-high single digits. TTWO is coming off of a strong quarter driving by further growth in digital sales as they remain one of the best operators executing on growth in DLC and expansions for their biggest titles like GTA. They have some big releases expected in 2022 including WWE 2K22 and a standalone version of GTA Online in mid-March. Analysts have an average target of \$210 and short interest is low at 1.9% of the float. MSCO has a \$215 target after meeting with management noting that Management reiterated their expectation that TTWO will achieve record net bookings and profits in the next few years and GTA VI expected by the end of 2024 sets up as a major long-term upside driver. Management also expects this increased scale to drive significant operating leverage, with margins reaching well above 30% over time. Jefferies positive after the latest quarter with a \$231 target noting the stellar NBA franchise and notes the strong rise in developer headcount points to a very strong future pipeline.

### Options Activity:

Date	Description	Volume	Open_In	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change	OI Differential
2/25/2022	TTWO 100 (Weeklys) 1 APR 22 145 PUT	805	2	\$2.57	-0.181	50.99%	22.52%	\$206,885	.TTWO220401P145	\$2.57	807	0.00%	0.00%
2/24/2022	TTWO 100 14 APR 22 175 CALL	1,071	389	\$5.00	0.31	45.41%	25.24%	\$556,920	.TTWO220414C175	\$4.90	1,475	-2.00%	1.03%
2/24/2022	TTWO 100 17 JUN 22 195 CALL	535	74	\$5.49	0.27	43.75%	19.80%	\$331,700	.TTWO220617C195	\$5.60	643	2.00%	5.58%
2/24/2022	TTWO 100 14 APR 22 135 PUT	1,000	17	\$3.00	-0.17	51.96%	22.47%	\$320,000	.TTWO220414P135	\$2.25	1,111	25.00%	9.24%
2/23/2022	TTWO 100 16 SEP 22 200 CALL	251	4	\$6.30	0.26	39.65%	17.46%	\$158,130	.TTWO220916C200	\$7.20	252	-14.29%	-1.18%
2/22/2022	TTWO 100 14 APR 22 160 CALL	428	10	\$9.61	0.503	43.79%	43.82%	\$411,308	.TTWO220414C160	\$11.87	272	23.52%	-37.90%
2/22/2022	TTWO 100 14 APR 22 180 CALL	854	16	\$3.84	0.25	46.03%	19.95%	\$341,600	.TTWO220414C180	\$3.90	723	-1.56%	-16.90%
2/18/2022	TTWO 100 14 APR 22 195 CALL	2,000	0	\$2.20	0.16	45.84%	11.70%	\$440,000	.TTWO220414C195	\$2.00	2,454	-9.09%	22.70%
2/17/2022	TTWO 100 14 APR 22 190 CALL	1,100	0	\$2.95	0.2	44.06%	15.72%	\$324,500	.TTWO220414C190	\$2.75	1,516	-6.78%	37.82%
2/16/2022	TTWO 100 17 JUN 22 180 CALL	1,004	2,654	\$10.80	0.42	41.02%	33.02%	\$1,084,320	.TTWO220617C180	\$8.60	3,552	-20.37%	-2.90%
2/9/2022	TTWO 100 17 JUN 22 165 PUT	572	75	\$12.30	-0.38	39.65%	47.28%	\$709,280	.TTWO220617P165	\$16.90	163	-37.40%	-74.81%
2/9/2022	TTWO 100 17 JUN 22 190 CALL	578	174	\$9.10	0.38	38.53%	29.41%	\$531,760	.TTWO220617C190	\$6.20	631	-31.87%	-16.09%
2/9/2022	TTWO 100 15 JUL 22 140 PUT	600	440	\$5.75	-0.2	42.10%	28.04%	\$366,000	.TTWO220715P140	\$8.06	1,010	40.17%	-2.88%
2/8/2022	TTWO 100 17 JUN 22 180 CALL	2,042	499	\$13.97	0.49	41.49%	38.91%	\$2,852,674	.TTWO220617C180	\$8.60	3,552	-38.44%	39.79%
2/8/2022	TTWO 100 17 JUN 22 210 CALL	2,488	424	\$5.40	0.25	40.43%	17.78%	\$1,343,520	.TTWO220617C210	\$3.00	3,187	44.44%	9.44%
2/7/2022	TTWO 100 15 JUL 22 175 CALL	1,931	668	\$20.40	0.56	44.31%	44.38%	\$3,958,550	.TTWO220715C175	\$11.60	2,126	-43.14%	-18.20%
2/7/2022	TTWO 100 15 JUL 22 125 PUT	1,950	83	\$3.82	-0.12	50.37%	19.66%	\$780,000	.TTWO220715P125	\$3.10	1,910	18.85%	-6.05%
2/7/2022	TTWO 100 15 JUL 22 240 CALL	1,894	15	\$3.53	0.16	41.91%	10.04%	\$681,840	.TTWO220715C240	\$1.30	1,918	63.17%	0.47%
2/3/2022	TTWO 100 17 JUN 22 170 CALL	361	34	\$14.20	0.49	42.23%	39.31%	\$512,620	.TTWO220617C170	\$12.45	374	-12.32%	-5.32%
2/3/2022	TTWO 100 17 JUN 22 220 CALL	1,041	23	\$2.69	0.14	40.89%	9.50%	\$286,275	.TTWO220617C220	\$2.21	690	17.84%	-35.15%
2/1/2022	TTWO 100 15 JUL 22 175 CALL	438	288	\$11.40	0.42	41.38%	31.40%	\$529,980	.TTWO220715C175	\$11.60	2,126	1.75%	192.84%
2/1/2022	TTWO 100 17 JUN 22 175 CALL	300	122	\$10.10	0.4	41.07%	30.79%	\$306,000	.TTWO220617C175	\$10.76	517	6.53%	22.51%
1/28/2022	TTWO 100 18 MAR 22 175 CALL	1,012	4,110	\$5.30	0.32	47.53%	26.08%	\$536,360	.TTWO220318C175	\$2.63	3,246	-50.38%	-36.63%
1/28/2022	TTWO 100 18 MAR 22 135 PUT	1,005	237	\$3.72	-0.181	55.02%	23.82%	\$373,860	.TTWO220318P135	\$0.77	742	79.30%	-40.26%
1/19/2022	TTWO 100 18 MAR 22 175 CALL	2,203	750	\$7.90	0.38	43.27%	31.78%	\$1,586,160	.TTWO220318C175	\$2.63	3,246	-66.71%	9.92%
1/19/2022	TTWO 100 15 JUL 22 170 CALL	410	130	\$15.98	0.49	38.21%	38.47%	\$619,100	.TTWO220715C170	\$12.20	550	-23.65%	1.85%
1/18/2022	TTWO 100 19 JAN 24 150 PUT	650	13	\$24.50	-0.38	33.89%	56.57%	\$1,592,500	.TTWO240119P150	\$24.40	862	0.41%	30.02%
1/14/2022	TTWO 100 15 JUL 22 155 CALL	419	4,230	\$14.90	0.531	38.53%	42.32%	\$624,310	.TTWO220715C155	\$21.30	4,618	42.95%	-0.67%
1/14/2022	TTWO 100 15 JUL 22 185 CALL	420	33	\$5.50	0.267	36.44%	19.01%	\$231,000	.TTWO220715C185	\$8.40	488	-52.73%	7.73%
1/12/2022	TTWO 100 18 MAR 22 165 CALL	1,196	1,017	\$6.95	0.41	39.47%	34.95%	\$831,220	.TTWO220318C165	\$5.70	2,225	-17.99%	0.54%
1/12/2022	TTWO 100 15 JUL 22 190 CALL	902	310	\$5.05	0.25	36.88%	17.31%	\$455,510	.TTWO220715C190	\$6.30	1,575	-24.75%	29.95%
1/11/2022	TTWO 100 18 MAR 22 140 PUT	18,013	148	\$7.95	-0.37	43.36%	43.91%	\$14,050,140	.TTWO220318P140	\$1.03	2,593	87.04%	-85.72%
1/11/2022	TTWO 100 15 JUL 22 155 CALL	1,042	67	\$11.83	0.44	38.91%	33.38%	\$1,198,300	.TTWO220715C155	\$21.30	4,618	80.05%	316.41%

**Potential Catalysts:** Earnings in May; GTA Launches

## **Disclaimer:**

### **Not Investment Advice or Recommendation**

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