



FEATURED OPTIONS RADAR REPORT



Unusual Call Buys in Frictionless Travel Play into Key Rollout

Ticker/Price: YOU (\$27.30)

Analysis:

Clear Secure (YOU) aggressive buys of 1000 May \$29.75 calls this morning \$3.30 offer which follows a recent opening seller of 2200 August \$22.50 puts and the same May calls bought 1500X on 1/3. YOU shares are forming a two-week base above its rising 200-day moving average and trend support with room to break out above the 21-MA near \$29. YOU activity is interesting considering it screened as a top M&A target in Software in my analysis back in October. YOU has a secure identity platform operating under the brand name CLEAR. Members enroll in CLEAR to create an unbreakable link between their identity and biometrics. CLEAR's current offerings include: CLEAR Plus, a consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints nationwide; the flagship CLEAR App including Home to Gate and Health Pass; and Reserve powered by CLEAR, our virtual queuing technology that enables customers to manage lines. The \$4.26B company trades 6.7X FY23 EV/Sales with revenues seen rising 28.7% in 2023 after 70.5% growth in 2022 while also profitable with FCF margins seen at 21.25%. YOU sees a major opportunity for more predictable and friction-free travel experiences and the TSA precheck rollout a potential forward catalyst. YOU has over \$700M in cash as well. Analysts have an average target of \$32.50 and short interest is high at 18% of the float with some likely concerns of tough comps post-pandemic.

Hawk Vision:



Hawk's Perspective: YOU looks to have a nice risk/reward versus the \$26 level and see M&A potential. The high short float is a concern but the TSA rollout can be a momentum catalyst through 1H23.

Confidence Ranking: \$\$