



FuboTV Inc

(FUBO - NYSE)

Beta: 0.52

Purchase Price < \$27.30

Target Price: \$42.39

Potential Stop-Loss: \$26.00

A Streaming and Gambling 2-in-1

Overview & Catalysts

FuboTV Inc. is an internet television service that focuses primarily on channels that distribute live sports, news, network television series, and movies. Recently, they have expressed interest in entering sports gambling as well.

- Entrance into Sports Betting:** FuboTV acquired sports betting start-up Vigtory in January and Balto Sports in December as it ramps up plans to integrate sports betting into their streaming platform. This is expected to be released in Q4 and has been in the works all year. We are in the end-game and have seen an MVP and demos: this will immediately make FUBO more valuable
- Most undervalued Streaming Company:** Fubo has been increasing their ARPU and subscribers on a consistent basis: a trend we believe will continue as they lag in valuation vs competitors. It trades at 6.9x EV/'22 Revenue while competitors trade at 18.4x EV/'22 Revenue. The upside is there as the company is undervalued based off competition and financials: especially post-Q2 earnings.

Forecasts

FUBO over-delivered through Q1 earnings and had a blow-out Q2: revenue growth accelerated from 98% in Q4 to 135% in Q1 and hours streamed grew. They beat analyst estimates in Q2 with \$130.9M in revenues vs \$120M estimate. This across-the-board growth is even more promising when compared with weak numbers from competitors like Roku. Fubo also guided higher on both revenue and subscribers, with increasing margins as FUBO achieves economies of scale. FUBO should continue to add subscribers at a fast pace: closing the gap with competitors.

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Price Target USD 42.39 | +57%



Scenario Analysis & Key Statistics

Downside Scenario	Current Price	Price Target	Upside Scenario
\$18.00	\$27.75	\$42.39	\$60.00

Shares O/S (MM): 140.5

52-week range: \$8 - \$62.29

Avg Daily Volume (MM): 21,096

EPS (TTM): \$-10.60

Market Capitalization: 2.85B USD

Debt/Cap: 4.79%

EV/'22 Rev: 6.9x

Beta: 0.52

Expected Portfolio Performance

Initial Investment	\$100,000
Dividend Return	\$0
Expected Price Appreciation	\$56,420
Exit Value	\$156,420
% Expected Return	56.42%

Valuation & Recommendation

FUBO is an inexpensive way for investors to participate in the U.S streaming market: with much lower valuation multiples vs competitors while not sacrificing on growth prospects. FUBO markets itself a sports-first streaming service: this is more evident with their ongoing plans to launch a gambling platform by the end of 2021. Their gambling business should provide plenty of positive sentiment from consumers as this would be a unique offering in two rapidly expanding industries that should have significant synergies related to lead generation. The target price is based off analyst estimates for future growth and we believe there could be higher upside if they achieve the guidance that has been set. An upside scenario of \$60 reflects this sentiment as they continue to deliver earnings beats quarter after quarter. The stock sits near support levels right now, after correcting further from all-time highs reached this year.

Client

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