But not all analysts following the name are overly enthusiastic.

UBS analyst Eric Sheridan initiated coverage of the daily fantasy sports (DFS) provider and sportsbook operator today with a lukewarm “neutral” rating and a price target of $52. That implies upside of just 7.39 percent from Monday’s close.

Sheridan’s tepid view of DraftKings stock isn’t weighing on the name today. In midday trading, it’s higher by about 0.80 percent, extending a run that’s seen it tack on 12.40 percent over the past week. 동행복권파워볼

The UBS analyst is encouraged by what he calls an “open field ahead” for DraftKings. But he adds risk-reward for the stock is a tug of war between just how large the US sports betting market can grow and frothy equity multiples. The shares trade at 40.55x sales with a price-to-book ratio of 9.43x, according to Morningstar data.

Lacking Enthusiasm, UBS Forecast Stands Out
Sheridan’s outlook on DraftKings is far from bearish. His rating on the stock isn’t the equivalent of a “sell” and his price projection implies upside, albeit modest, from current levels. Taken in a vacuum, the analyst’s new coverage of this beloved gaming name is simply average or tepid.

However, the UBS call stands out when compared to some of the other recent analyst chatter on DraftKings. For example, Piper Sandler started coverage of the stock last week with an “outperform” rating and a $58 price target.

Some analysts previously tagged the stock with forecasts in the $70s. But that cake was taken last week by Loop Capital, which issued a $100 call on DraftKings stock.
Sheridan isn’t alone in his lukewarm assessment of the sportsbook operator. Nine analysts rate it “neutral,” or something along those lines. However, the 15 other analysts covering the stock all grade it the equivalent of “buy” or “strong-buy,” and the consensus price forecast is $60.45, well above the UBS call of $52.

Addressable Market Concerns
Wall Street is broadly bullish on DraftKings, with many analysts willing to overlook higher customer acquisition costs and lack of near-term profitability. They do so in favor of the growth

of US sports wagering, with estimates varying regarding just how large that market will be here when it reaches maturity and what percentage of the industry DraftKings will claim.

At the lower end, some analysts forecast sports betting in the US will swell from $15 billion to $20 billion from $3 billion last year. Others offer more ambitious projections that are double or triple the end of that range.

Piper Sandler says US sports betting should reach $18 billion and could vault to $40 billion. That research firm points out that DraftKings has an advantage because it can convert many of its four million DFS players into sports wagering and/or online casino clients.