

19th April 2016

TMT

Altice

Price EUR14.27

Refinancing goes on!

Fair Value EUR16.3 (+14%)

BUY

Altice has successfully priced USD2.75bn of 10-year senior secured notes. The proceeds will be used to refinance existing debt at Altice International. This is a positive operation for Altice, as it extends the debt maturity at no extra cost, and highlights the high-yield market's confidence in the company.

ANALYSIS

- Altice's total net debt is **EUR35.562bn**, of which **EUR7.842bn at Altice international**, as of December 31st 2015. EUR1.611bn were to be repaid in 2019.
- The USD coupon of the new Senior Secured Notes will be 7.5%, the weighted average cost of Altice International's debt will be **unchanged at 6.0%**, and the maturity will be **extended from 6 to 7.7 years**. On this basis, Altice International has no material repayment due until 2022.
- Following NC-SFR's successful USD5.2bn refinancing on April 7th, this operation shows the **high yield market's confidence** in Altice and in its ability to deliver synergies.
- The extension of Altice's debt maturity should leave the company **enough time to deliver synergies and increase cash flow generation**, leaving the door open to progressive reimbursement or additional refinancing in the future at a favourable cost.

VALUATION

- Altice is currently trading at 8.3x EV/ 2016e EBITDA
- We stick to our Fair Value of EUR16.3, with a BUY recommendation.

NEXT CATALYSTS

- Altice Q1 results on May 10th.

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Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	32.2 / 10.0
Market Cap (EURm)	15,616
Avg. 6m daily volume (000)	2,601

	1 M	3 M	6 M	31/12/15
Absolute perf.	-15.2%	12.3%	-27.7%	7.7%
Telecom	-1.5%	1.3%	-3.0%	-6.6%
DJ Stoxx 600	0.7%	4.7%	-5.2%	-5.9%

	2014	2015e	2016e	2017e
P/E	NS	NS	NS	19.2x
Div yield (%)	NM	NM	NM	NM



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Distribution of stock ratings

BUY ratings 72%

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