

20th April 2016

TMT

Altice

Price EUR14.26

Refinancing again!

Fair Value EUR16,3 (+14%)

BUY

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	32.2 / 10.0
Market Cap (EURm)	15,599
Avg. 6m daily volume (000)	2 595

ANALYSIS

- Altice announced that it successfully priced USD1.5bn of 10-year Senior secured notes yesterday. The proceeds will be used to refinance the entire USD1.481bn principal amount of loans under Suddenlink's existing term loan facility that matures in February 2019.
- On this basis, the average maturity of Suddenlink's capital structure has been extended from 5.7 to 7.3 years, and the weighted average cost of Suddenlink's debt will increase from 5.3% to 5.5%. The USD coupon will be 5.5%.
- Following NC-SFR's USD5.2bn operation on 7th April and yesterday's USD2.75bn operation, Altice is currently taking advantage of strong demand for its bonds as well as good market conditions to refinance significant portions of its debt.
- We are positive about these operations, since they allow Altice to extend its debt maturity at marginal extra costs, postponing the main repayments well beyond 2019, leaving enough time for synergies and strong cash flows to kick in.

VALUATION

- We stick to our Fair Value of EUR16.3, with a BUY recommendation.

NEXT CATALYSTS

- Altice Q1 results on 10th May.

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	1 M	3 M	6 M	31/12/15
Absolute perf.	-15.3%	10.8%	-27.7%	7.6%
Telecom	0.2%	1.7%	-1.8%	-5.0%
DJ Stoxx 600	2.2%	4.9%	-4.1%	-4.5%

	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%

NEUTRAL ratings 0%

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