

4th May 2016

TMT

Altice

Price EUR13.15

FCC signs off on Altice's Cablevision Buy

Fair Value EUR16,3 (+24%)

BUY

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	32.2 / 10.0
Market Cap (EURm)	14,384
Avg. 6m daily volume (000)	2 402

ANALYSIS

- On Tuesday, the US Federal Communications Commission consented to Altice's proposal to buy Cablevision. In a public memorandum, the FCC said that "the likely public interest benefits outweigh any potential public interest harms" and that "the transaction on balance, serves the public interest". Altice confirmed closing should happen before the end of H1 2016.
- As a reminder, in its discussions with the FCC, Altice committed to upgrade the Cablevision network so that all existing customer locations are able to receive broadband service of up to 300 Mbps, and also agreed to introduce a low income broadband package, subject to eligibility requirements.
- This decision from the FCC is positive, as we believe US expansion is key for Altice. As stated in our initiation report, the US is allowing Altice to diversify in a less competitive market, with great synergy expectations. We expect Altice to deliver synergies of around USD550m at Cablevision in our model.

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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Distribution of stock ratings

BUY ratings 72%

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