

21st June 2016

TMT

Altice

Price EUR14.00

Top management reorganisation, Drahi stepping down

Fair Value EUR16,3 (+16%)

BUY

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	32.2 / 10.0
Market Cap (EURm)	15,320
Avg. 6m daily volume (000)	1 901

ANALYSIS

- Altice has announced a reorganisation of its top management, ahead of the closing of Cablevision: **Dexter Goei is named CEO of Altice USA and President of Altice NV**. He will continue to lead Altice NV's global M&A related activities. **Michel Combes is named CEO of Altice NV** and is joining the board. Michel Combes will lead **Altice's executive committee**. **Patrick Drahi will step down from his position as President of Altice NV**, and will now lead the newly formed **Altice Group Advisory Council**.
- These nominations are consistent with the **group's effort to strengthen management structures, and empower experienced top managers to support its development**. We believe Patrick Drahi should remain very **much involved, more in the shadows**. As a **controlling shareholder**, he will **focus on major strategic issues**, while **delegating operational matters** to trustworthy teams.
- Dexter Goei has long been an investment banker in the US and was behind the deals with Cablevision and Suddenlink. His nomination reflects **Altice's ambitions in the US**. Michel Combes's nomination as CEO is a **confirmation and clarification** of his responsibilities within the group. For now, Michel Combes remains CEO and chairman of SFR Group, with Michel Paulin in charge of Telecom activities and Alain Weil in charge of Media activities.

VALUATION

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

NEXT CATALYSTS

- H1 results on 9th August

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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