

5th September 2016

TMT

Altice

Price EUR15.45

Proposed buy-out of SFR minorities

Fair Value EUR16,5 (+7%)

BUY

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	24.5 / 10.0
Market Cap (EURm)	16,907
Avg. 6m daily volume (000)	1 658

ANALYSIS

- Altice is proposing an exchange offer for SFR group shares, in order to simplify ownership structure and enhance organisation flexibility. The offer is eight Altice class A shares for five SFR group shares. The exchange offer is not subject to any ownership threshold. The operation is expected to close in Q4 2016.
- Dilution impact at Altice is 11.8% (12.8% excluding minority shares). On our estimates, the impact on our 2017e EPS works out to +6.3%, and Patrick Drahi will retain a majority voting right.

	1 M	3 M	6 M	31/12/15
Absolute perf.	18.1%	-1.0%	8.3%	16.6%
Telecom	2.0%	-6.4%	-8.8%	-12.9%
DJ Stoxx 600	4.5%	1.8%	2.8%	-4.2%

VALUATION

- We stick to our Buy recommendation with a Fair Value of EUR16.5.

	2015	2016e	2017e	2018e
P/E	NS	NS	18.4x	12.4x
Div yield (%)	NM	NM	NM	NM

NEXT CATALYSTS

- Analyst's conference call at 2PM, 5th September.

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BUY ratings 72%

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