

12th September 2016

TMT

Altice

Price EUR15.75

Successful refinancing of existing debt at Optimum

Fair Value EUR16.5 (+5%)

BUY

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	24.5 / 10.0
Market Cap (EURm)	17,235
Avg. 6m daily volume (000)	1 666

	1 M	3 M	6 M	31/12/15
Absolute perf.	5.0%	3.3%	12.6%	18.9%
Telecom	-1.7%	-4.1%	-8.2%	-13.6%
DJ Stoxx 600	0.2%	1.3%	1.9%	-5.5%

	2015	2016e	2017e	2018e
P/E	NS	NS	18.7x	12.7x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- This morning Altice announced the **successful pricing of USD2.5bn of 8-year Senior Secured Term Loan B and USD1.31bn of 10.5-year Senior Guaranteed Notes**. The funds raised will be used to **refinance the entire USD3.8bn principal amount** of loans under Optimum's existing term loan facility that matures in October 22.
- Following the refinancing, the average maturity of Optimum's capital structure has been extended **from 5.9 years to 6.6 years**. The weighted average cost of Optimum's debt will **decrease from 7.4% to 7.2%**.
- This operation, which **strengthens Altice's liquidity profile**, allows **improved maturity and reduced cost at the same time**. It confirms Altice's **efficient management of debt** and highlights the **US debt market's confidence in the company**. As of June 30th, Altice's total net debt was **EUR49bn**, with **5.8x** net debt / EBITDA leverage.

VALUATION

- We stick to our fair value of EUR16.5 and maintain our BUY recommendation.

NEXT CATALYSTS

- Q3 results on November 8th.

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