

Altice

Price EUR16.38

Exchange offer on SFR too imprecise according to AMF

Fair Value EUR16,5 (+1%)

BUY

Bloomberg	ATC NA
Reuters	ATCA.AS
12-month High / Low (EUR)	20.3 / 10.0
Market Cap (EURm)	17,924
Avg. 6m daily volume (000)	1 495

ANALYSIS

- After blocking Altice's exchange offer on SFR on Tuesday, AMF said on Wednesday it had blocked the operation because it **lacked information** for minority shareholders to make an appropriate and informed judgment.
- The AMF pointed out that the parity was at a **low point**, but **did not reject the offer for that reason**. It said that Altice had provided "**imprecise**" information about the planned remuneration model between SFR and Altice, it could not be taken into account in the analysis of the proposed parity and minority shareholders **needed more information** to analyse the offer.
- "In this context, it is therefore not possible to consider that the information provided to the minority shareholders, including the basis of the selected exchange ratio, is **complete, intelligible and consistent**" the AMF said.
- We indeed believe the planned remuneration model, which could represent **between 2% and 3% of SFR revenues**, could have a **negative impact** on SFR, benefiting Altice, and therefore **influencing decisions by SFR's minority shareholders**.

VALUATION

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

NEXT CATALYSTS

- Q3 results on 10th November

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