



Altice NV separates itself from Altice USA as part of a restructuring that aims to cut its debt stack and lift performance

By Danielle Randall-Saba / Senior Reporter, Connectivity Business

- Dutch telecoms operator plans to unload majority equity position in spun-out US-based counterpart
- Spinoff is intended to reduce debt and improve performance

Dutch telecoms operator Altice NV (AMS:ATC) plans to unload its majority equity position in its recently spun-out counterpart Altice USA (NYSE:ATUS) as part of a complete restructuring of its business amid investor concerns about its future growth.

The board's decision to further separate itself from the US operations comes after the company struggled with performance in key markets, such as France and Portugal, whilst carrying a near US\$60bn in net debt obligations...

Jim Osman, CEO of a consulting firm called The Edge, believes investors should watch Altice for additional spin-off activity as a means to boost performance and reduce debt.

In his opinion, Altice should consider the spin-off of its French mobile and broadband group SGR, as the segment has dragged down overall company performance due to its declining customer base and limited growth opportunities for the business.

He said the proof is in the data and analysis collected on the performance of telecoms parent companies' performance post spin-offs during the past 15 years. It showed returns of -6% for telecom sector companies following the spinning off of their businesses a year from the effective date, which is better than the -11% performance seen by the MSCI World Telecom Index, according to The Edge. Telecoms parent companies pull out of the rut to outperform the index in the second year post-spin, seeing an 18% return compared to the -5% performance by the MSCI World Telecom Index.

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