



Altice acquires Teads, the No. 1 online video advertising marketplace in the world

March 21, 2017 - Altice N.V. (Euronext: ATC, ATCB) announces today that it has entered into an agreement to acquire Teads, the No. 1 online video advertising marketplace in the world with an audience of more than 1.2 billion unique visitors including 720 million via mobile.

Teads Overview

Teads, founded in 2011, is the inventor of outstream video advertising and No. 1 video advertising marketplace in the world¹. Publishers work with Teads to create brand new video inventory and manage their existing inventory, monetizing it through their own sales force, Teads sales force, or programmatic buying.

Teads' native video advertising solutions encompass a series of formats inserted deep into media content, like the inRead playing inside articles. It is changing the game within the video advertising market by creating unprecedented levels of premium inventory, which did not exist before.

Brands and agencies can access this top-tier, premium inventory, available on the web and on mobile, through programmatic or managed services. Through its managed services capabilities, the Teads team execute on their clients behalf using its platform.

Teads revenue grew by 44% in 2016 to an estimated €187.7 million.

Acquisition Rationale

The acquisition combines the highly complementary strategic assets of Teads and Altice.

- Teads Relationships with 94 of the top 100 advertisers globally
- Partnership with 500+ premium publishers globally and 8,000 vertically specialized publishers
- Powerful digital publisher platform with leading global reach
- R&D innovation center (Montpellier, France and New York, U.S.) with more than 100 engineers and programmers
- Highly entrepreneurial management team and powerful digital sales engine
- Strong standalone financial profile

¹ source: comScore



Altice

- Unique first-party data sets with c.50 million unique fixed and mobile customers globally (over 30 million of which are in the U.S. and France)
- Market leading data analytics capabilities enhanced by recent Audience Partners acquisition
- Global and multi-local advertising sales organization
- Large international advertising business with revenue in excess of € 700 million per year

This acquisition is another critical component for Altice's global advertising strategy. Altice will provide clients with data-driven, audience-based advertising solutions on multiscreen platforms including TV, digital, mobile and tablets. It will also provide an open and intelligent advertising platform to the media industry, programmers and multichannel video programming distributors. Together with sophisticated return on investment analysis capabilities, leveraging multiscreen subscriber data information, this puts Altice in a unique position to grow its global advertising platform and better monetize its core telecommunications access and content business.

Importantly, the combination is expected to provide immediate commercial and financial benefits to Altice's advertising business, in particular as it relates making unique first-party data available to Teads in the US and France.

Transaction Details

The acquisition values Teads at an enterprise value of up to €285 million on a cash and debt free basis. Teads announced record results for 2016, reporting 44% organic revenue growth year over year. The company was EBITDA positive for the fourth year in a row. Since Teads spends only a nominal amount on capital expenditures, the acquisition is immediately accretive to Altice's operating free cash flow before taking into account the expected synergies and strategic benefits of the transaction.

The acquisition purchase price is subject to Teads achieving certain revenue targets in 2017. 75% of the acquisition purchase price will be due at closing. The remaining 25% earn-out is subject to Teads' 2017 revenue performance and will become payable in early 2018.

The senior management of Teads, including Executive Chairman Pierre Chappaz and Chief Executive Officer Bertrand Quesada, will continue to lead the business going forward and have agreed to reinvest a significant portion of their proceeds. Pierre Chappaz will join Altice's Management Board responsible for all of its advertising activities.

The acquisition is subject to certain competition reviews and is expected to close in mid-2017.



Michel Combes, CEO of Altice, said: *"Convergence of telecoms, content, and advertising is at the core of our business. There is significant incremental value to be generated from our assets. Teads, a powerful business in itself, with major presence in Altice footprint notably in the U.S. and France, will enable us to offer a truly unique value proposition to brands and agencies on the one hand and the media industry, programmers and distributors on the other. It is that value proposition – data-driven, measurable and multiscreen – which will enable us to significantly grow our advertising business. We are very excited to partner with Pierre, Bertrand and their talented team."*

Pierre Chappaz, Founder and Executive Chairman of Teads, said: *"We are excited to start this new phase of Teads and become part of the internationally renowned Altice team. Since our inception we have strived to offer our clients with superior advertising solutions based on measurable performance and technological innovation. As part of Altice, we will be able to offer even more tailored, data-driven solutions and take our value proposition from the digital world to a multiscreen platform, which includes TV, digital, mobile and tablets. It is this differentiated offering which will allow Altice and Teads to uniquely prosper in the global advertising market."*

*Press conference with Michel Combes and Pierre Chappaz
2:30 pm CET
14 rue St Fiacre, 75002 Paris*

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About Altice

Founded by telecom entrepreneur, Patrick Drahi, Altice is a multinational cable, fiber, telecommunications, contents, media and advertising company with presence in four regions – Western Europe (comprising France, Portugal and Switzerland), the United States, Israel, and the Overseas Territories (currently comprising the French Caribbean, the Indian Ocean regions and the Dominican Republic). Altice provides very high speed based services (high quality pay television, fast broadband Internet and fixed line telephony) and, in certain countries, mobile telephony services to residential and corporate customers. Altice is also active in the media space with a portfolio of channels (News, Sports, Lifestyle etc.) as well as providing Premium content on nonlinear platforms; it also produces its own original content (Series, Movies etc.).

Altice (ATC & ATCB) is listed on NYSE Amsterdam. For more information, visit www.altice.net