

Could Vodafone Be AT&T's Next Big Deal?

By [Jonathan Chaplin](#) | May 19, 2019

AT&T would tell you that they have created value over the last 20 years by doing deals. We aren't sure they have created value over the last 20 years, but if they have, it certainly isn't through operating prowess. So, sure...let's say they have a special competence in acquiring things.

AT&T closed the Time Warner deal in June 2018, after a longer than expected fight. We are coming up on the one-year anniversary, which means we are probably a year or so away from them looking for their next deal.

Finding deals is getting harder for AT&T as they swell in size and as their multiple swoons relative to assets they might like to buy. They are hobbled by an enormous dividend and a core business that has been declining. Whatever they buy has to be cheap. Very cheap. AT&T is trading at less than 10x earnings and FCF.

So, could Vodafone be next?

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Full 12-month historical recommendation changes are available on request

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