

[Credit Suisse upgrades Alcatel, expects strong cash flow growth](#) • 1:51 PM

[Eric Jhonsa](#), SA News Editor

- Believing the company "remains on track to turn into a specialist in IP networks," Credit Suisse [has upgraded](#) Alcatel-Lucent ([ALU](#) +2.7%) to Outperform, and hiked its target by €0.50 to €3.75 (\$4.69).
- CS sees Alcatel respectively delivering 2015 and 2016 EPS of €0.23 and €0.30. It also forecasts cash flow (exc. restructuring, pension, and interest expenses) will turn positive this year, and reach €550M next year.
- The firm adds shares sports a forward [EV/sales](#) ratio of just 0.55x, and suggests Alcatel could unload its underperforming mobile infrastructure unit ([perhaps to Nokia?](#)).
- Shares are posting healthy gains with the help of rallies in both U.S. and European markets.

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ALU price at time of publication: \$3.46. [Check ALU price now](#) »

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