

Technology

## Billionaire Xavier Niel Offers \$4.1 Billion to Buy Millicom

- Niel's Atlas is already Millicom's biggest shareholder
- Millicom's board hasn't made a formal recommendation



Xavier Niel *Photographer: Ludovic Marin/AFP/Getty Images*

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Billionaire Xavier Niel offered to buy out other shareholders of [Millicom International Cellular SA](#) in a deal valuing the Latin American carrier at about \$4.1 billion.

Niel's Atlas Luxco Sarl is offering \$24 a share in cash, it said in a [statement](#)  Monday, below the company's Friday closing share price of \$24.55. The shares held steady at market open on Monday.

While the board hasn't made a formal recommendation, Millicom's independent board committee rejected the price as too low in anticipation of an offer last week. Bloomberg News [previously reported](#) on Niel's buyout plan on May 23.

The offer is fully financed through funds available to Atlas and financing provided by banks.

Atlas, already the top shareholder of Millicom, has been exploring a bid to buy out other shareholders for months. It marks at least the second time in two years that Millicom has been an active takeover target.

Millicom's board hasn't made a formal recommendation regarding the offers. But its committee of independent board directors signaled disapproval of the anticipated offer last week in a statement □□, saying it "would significantly undervalue" the company based on its second-quarter financial performance.

A spokesperson for the carrier declined to comment further.

"Atlas wants to continue expanding the reach and capacity of Millicom's networks and distribution capabilities to grow its customer base and better leverage its comprehensive telecom expertise," Atlas said in the statement.

Millicom, which is headquartered in Luxembourg and provides fixed and mobile telecom services under the Tigo brand to more than 50 million subscribers in Latin America, was in talks last year on a possible sale to Apollo Global Management Inc. and Claire Group. Niel took a stake in the company amid those discussions.

Atlas' proposed deal is a sign Niel sees Millicom's cash-generation potential as undervalued, said BI analyst Matthew Bloxham, who compared it to French billionaire Patrick Drahi's investment in BT.

"These wealthy private investors made their money in the sector, suggesting they have a high degree of confidence in their ability make an attractive return on the investments," he said.

Millicom's Latin American operations have shown a mixed performance in recent years, he added, reflecting competition in its key markets, a volatile economy and demand.

"That's been a key factor in keeping valuation multiples subdued," he said.

The company serves customers in Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Paraguay. It reported sales last year of \$5.6 billion, according to its website.

BNP Paribas SA, Credit Agricole SA, JPMorgan Chase & Co., Lazard Inc., Societe Generale SA and Svenska Handelsbanken AB are advising Niel on the deal. BNP, Credit Agricole, JPMorgan, Natixis and Societe Generale are providing financing.

*(Updates with shares and board committee's response.)*

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