

## Millicom accelerates cable expansion with acquisition of Cable Onda in Panama

### Highlights

- Cable Onda is the leading provider of broadband internet, pay-TV, fixed telephony and B2B telecommunications services in Panama.
- Cable Onda increases Millicom's cable exposure to more than 40% of Latam service revenue and significantly enhances Millicom's B2B capabilities.
- Cable Onda completes Millicom's Central America footprint and connects it with our leading operations in Colombia.
- Panama is an investment grade country with a dollarized and fast-growing economy.
- Strategic partnership with current shareholders who will retain 20% equity stake.
- The purchase price implies an EV/EBITDA of 7.9x and an EV/OCF of 14.9x<sup>1</sup>

**Luxembourg, October 7, 2018** – Millicom announced today it is acquiring a controlling 80% stake in Cable Onda, the largest cable and fixed telecommunications services provider in Panama, Latin America's fastest-growing economy. The transaction values 100% of Cable Onda at an enterprise value of \$1,460 million, with a cash consideration of approximately \$1,002 million (subject to customary adjustments). The selling shareholders will retain a 20% equity stake in the company. The transaction is subject to customary closing conditions and consent from Cable Onda's bondholders, and it is expected to close by year-end 2018.

Cable Onda is the leader in Panama's broadband internet, pay-TV, fixed telephony and B2B telecommunications markets, serving more than 500,000 customers using mostly its state-of-the-art Hybrid Fibre-Cable (HFC) network. For the half-year ended June 30, 2018, Cable Onda generated revenue of \$195 million and EBITDA of \$83 million, for a margin of 42.4%. Capex for the period was \$46 million.

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<sup>1</sup> Management projections of 2019 EBITDA of \$184 million and OCF of \$98 million exclude one-time integration costs as well as possible adjustments for acquisition accounting, intercompany eliminations, and reconciliations for differences in accounting policies and standards. OCF refers to EBITDA less Capex.

The purchase price implies an EV/EBITDA of 7.9x and an EV/OCF of 14.9x based on 2019 management projections for Cable Onda, which has grown consistently over the last two decades. Management expects that the addition of Cable Onda will positively enhance Millicom's overall growth.

Mauricio Ramos, CEO of Millicom said: "Our acquisition of Cable Onda is consistent with our strategy of accelerating the deployment of high-speed data networks in Central and South America. With the addition of Panama, we now have contiguous country operations from Guatemala to Colombia, which will significantly enhance our B2B capabilities, given the country's increasingly important role as a business hub for the region. We are excited about expanding to Panama, an investment grade country with a diversified, dollarized, and robust economy. Disposable income levels in Panama are now among the highest in Latin America, yet penetration rates for digital services remain comparatively low. We look forward to working with our strong local partners to extend the company's market leadership and bring Digital Lifestyle services to even more Panamanians and contribute to the ongoing socio-economic development of the country."

Nicolás Gonzalez Revilla, CEO of Cable Onda commented: "For the past two decades, the dedicated employees of Cable Onda have built a world-class organization capable of competing, and winning, against some of the largest telecom service providers in the world. This is a true Panamanian success story that we can all be proud of, and this is also something that we have in common with Millicom, the clear leader in most of its markets. We are excited to partner with Millicom for this next step in Cable Onda's journey."

Millicom will fund the investment with existing cash resources and new debt, and the company has secured funding commitments from a group of banks to help finance the acquisition. Proforma for the acquisition, Millicom's proportionate net debt to EBITDA as at June 30, 2018 would have been 2.2x on an underlying basis and 2.5x on a proportionate basis.

As part of the transaction, Millicom and the selling shareholders have entered into a shareholder agreement which, among other items, grants to Millicom the right to acquire and to the selling shareholders the right to sell, the remaining 20% of Cable Onda's equity.

Goldman Sachs & Co. LLC acted as exclusive financial advisor to Millicom for this transaction.

# PRESS RELEASE



Millicom management will host a **conference call** for the global financial community on October 8, 2018 at 14:30 (Luxembourg/Stockholm) / 13:30 (London) / 08:30 (Miami). **Presentation slides** are available on the company's website at: [www.millicom.com/investors](http://www.millicom.com/investors).

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A replay of the call will be available for 7 days at:

Sweden: +46 (0) 8 5199 3077                      UK: +44 (0) 207 660-0134                      US: +1 719 457-0820  
Replay passcode is: 3699113

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## About Millicom

Millicom is a leading provider of cable and mobile services dedicated to emerging markets in Latin America and Africa. Millicom sets the pace when it comes to providing high-speed broadband and innovation around The Digital Lifestyle services through its principal brand, Tigo. As of December 31<sup>st</sup>, 2017, Millicom employed more than 19,000 people and provided mobile services to approximately 51 million customers, with a cable footprint of more than 9 million homes passed. In 2017, Millicom reported revenues of \$6.0 billion and EBITDA of \$2.2 billion. Founded in 1992, Millicom International Cellular SA is headquartered in Luxembourg and listed on Nasdaq Stockholm under the symbol MIC\_SDB. Millicom has announced plans to also list its shares in the US in 2019.

## About Cable Onda

Cable Onda is the largest provider of Pay TV and fixed telecommunications services in Panama. As of December 31<sup>st</sup>, 2017, Cable Onda had approximately 2,300 employees and served 433,000 residential and 34,000 business and government customers. For the year ended December 31<sup>st</sup>, 2017, Cable Onda reported revenue of \$374 million, EBITDA of \$160 million, tax expense of \$20 million, and it invested \$85 million in capital expenditures.

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*This information was prior to this release inside information and is information that Millicom is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out above, at 21:00 CET on October 7, 2018.*