



MILlicom
THE DIGITAL LIFESTYLE

2016 Q1 results

Mauricio Ramos, CEO

Tim Pennington, CFO

26th April 2016

We believe in better. We believe in **tigo**

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CEO review

Mauricio Ramos,
26th April 2016

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Key Messages

1

We confirm 2016 full year outlook: Q1 is on track

2



Continued strategic rebalancing of our revenue mix

3

Focused strategy execution

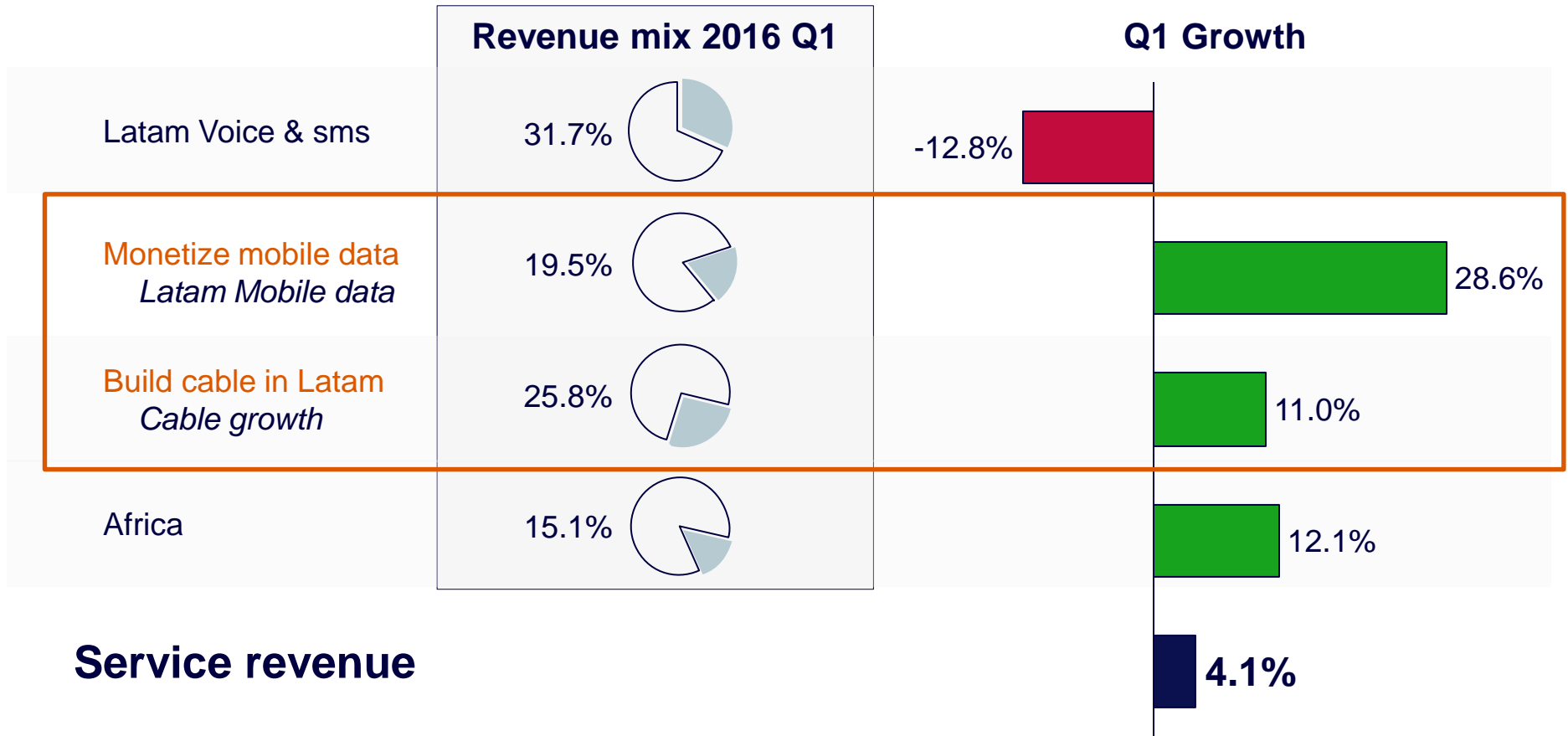
1 2016 – Q1 results

Q1 on track with 2016 full year guidance

		Organic growth	Guidance	
Service revenue	1,435 US\$ million	+4.1%	Mid-single digit	
Adjusted EBITDA	550 US\$ million	+7.0%	Mid to high-single digit	

2 Revenue mix rebalancing to higher growth

Service revenue mix evolving towards higher growth opportunities

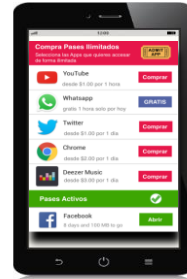


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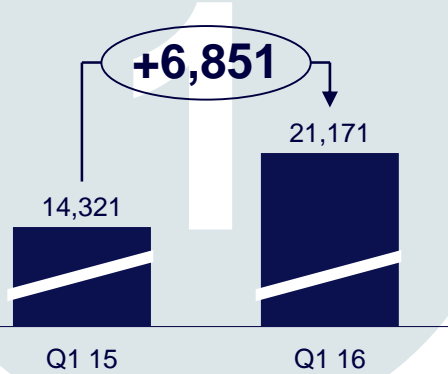
Monetizing data



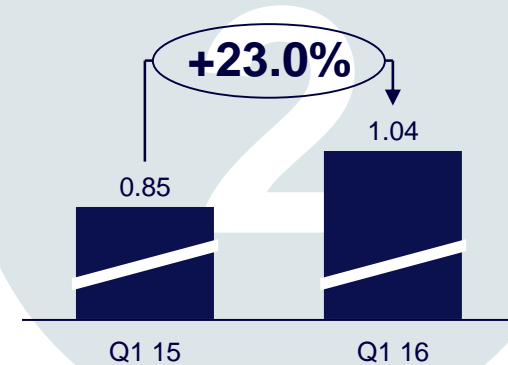
Data monetization strategy paying off



Smartphone users
Thousands



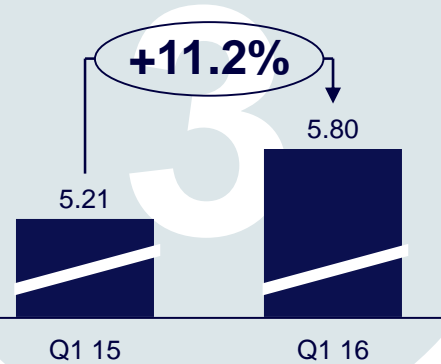
Data usage
GB/user/month



29.8%

YoY mobile data growth

Data ARPU
US\$ constant FX

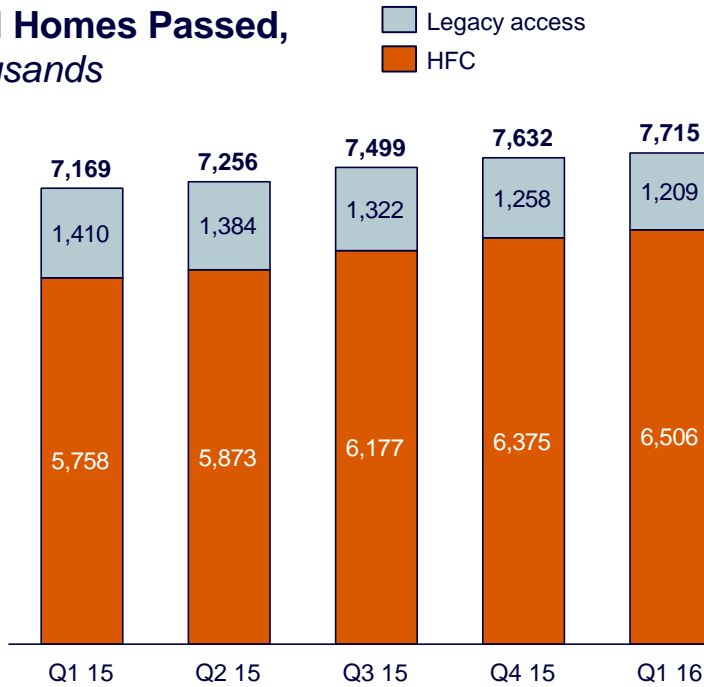


2 Building cable

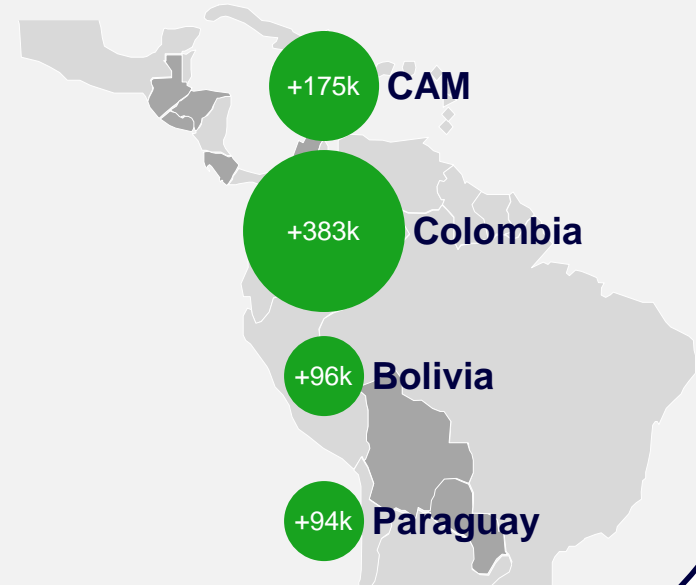


Cable: building the network continues

Total Homes Passed, Thousands



Increase in HFC Homes Passed Q1 15 to Q1 16 Thousands



+13.6%

YoY growth in home revenue

2 Diversified portfolio of countries

Our Latam portfolio is well balanced in size and contribution

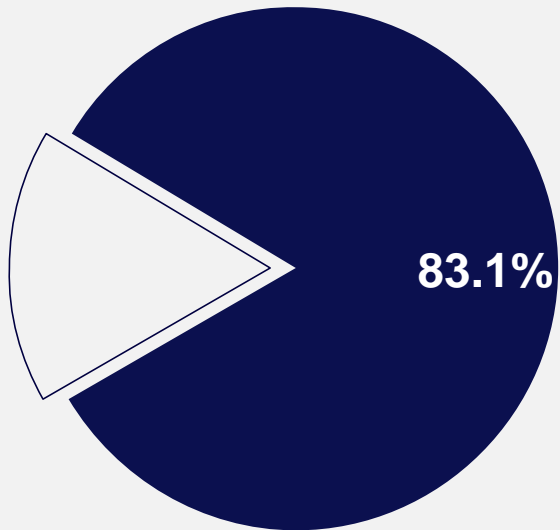
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Top 6 = 83.1%

Mix of proportionate EBITDA generation

Q1 2016

Before corporate costs



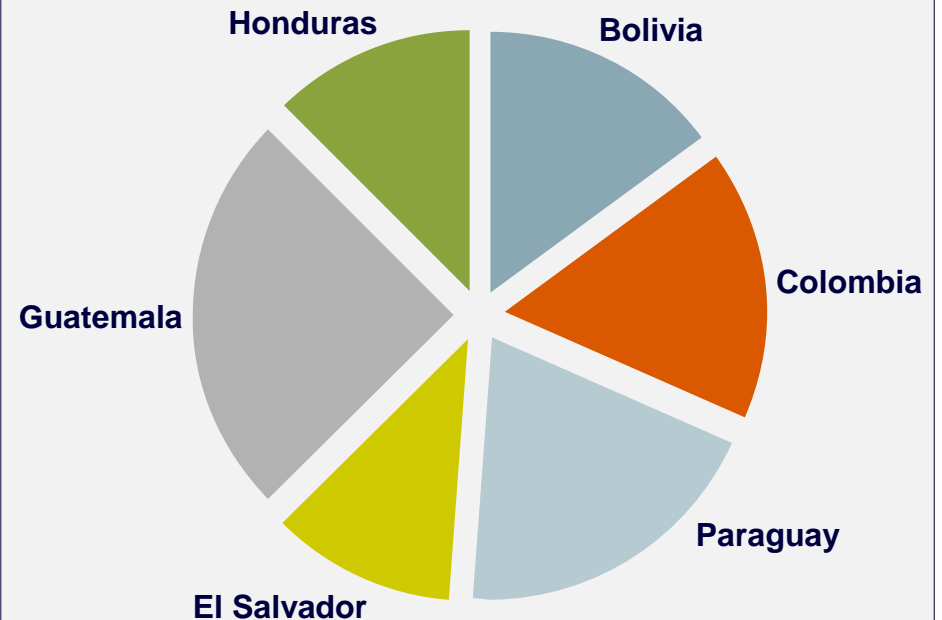
2

Diversified Top 6

Top 6 relative contribution

Q1 2016

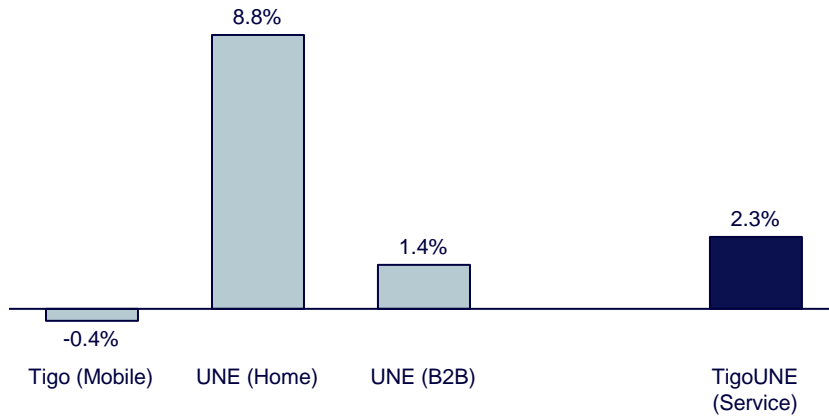
% of the 83.1%



Our operational strategy execution is progressing

Colombia,

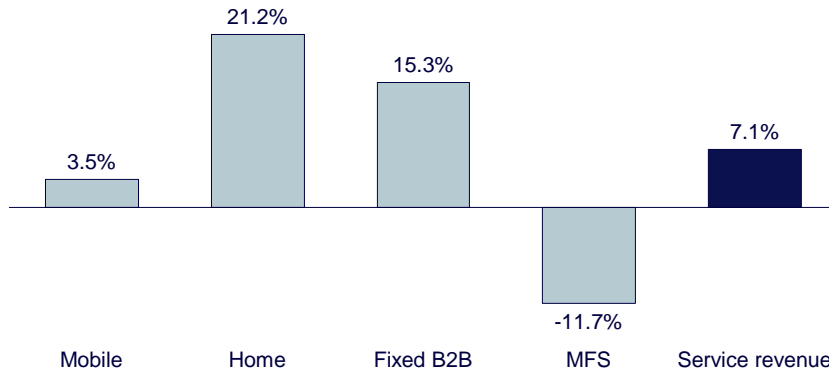
Q1 2016, YoY growth in LC



Launch of DTH

Paraguay

Q1 2016, YoY growth in LC

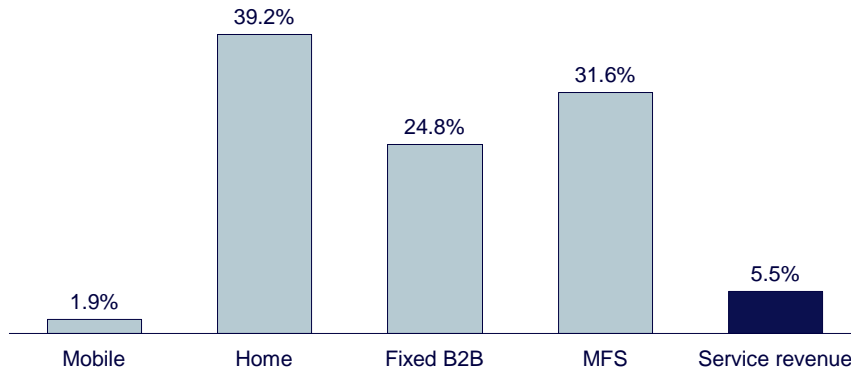


Launch of 4G

3 Operational strategy execution progressing

Our operational strategy execution is progressing

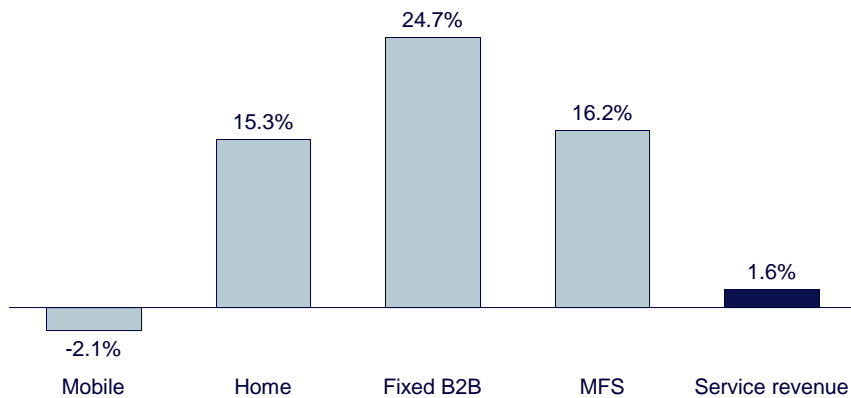
Bolivia,
Q1 2016, YoY growth in LC



Offer simplification from 147 to 6 plans available in Mobile, convergence in Home



Central American countries,
Q1 2016, YoY growth in LC

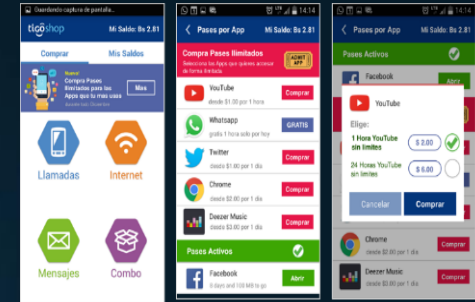


In app upselling, launch of Tigo Play and roll out across the footprint

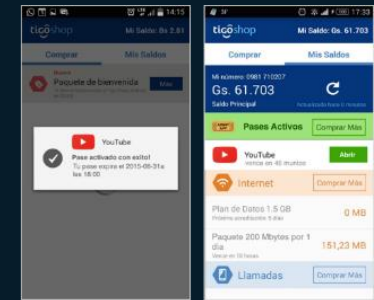


Our operational strategy execution is progressing

App by app
Smart pricing



Prepaid in app upselling



Watch content
anytime, anywhere



Conclusion



Simplified and focused strategic execution



Rebalancing towards higher growth business segments



On track on Full Year outlook



Disciplined capital allocation



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Financial review

Tim Pennington
26 April 2016

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Key Messages

1

Solid organic revenue growth

2

Strong margin improvement

3

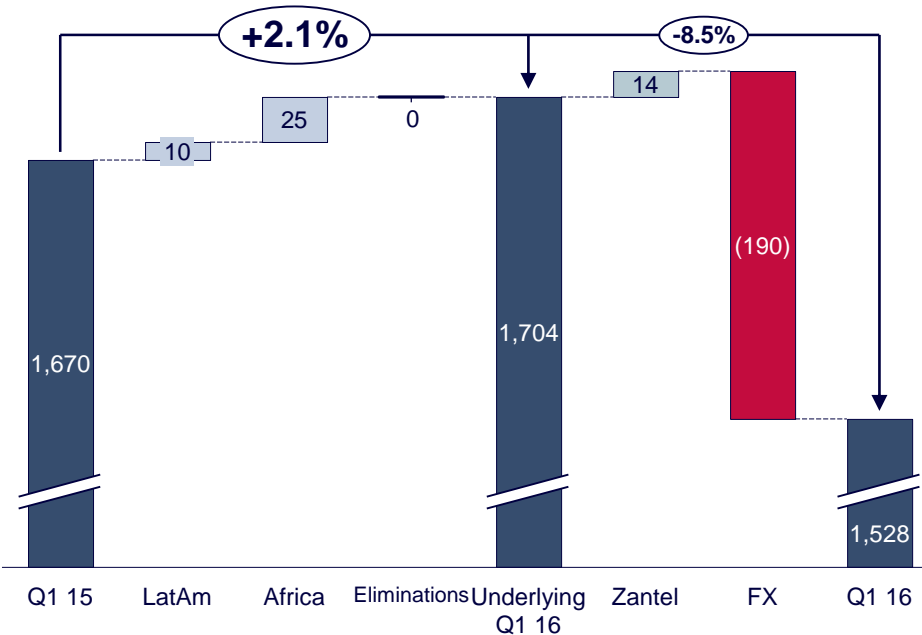
Improved capital structure

Revenue by region

Solid organic growth

Revenue evolution by Region

US\$ million, Q1 2015 – Q1 2016



Q1 organic growth 2.1%

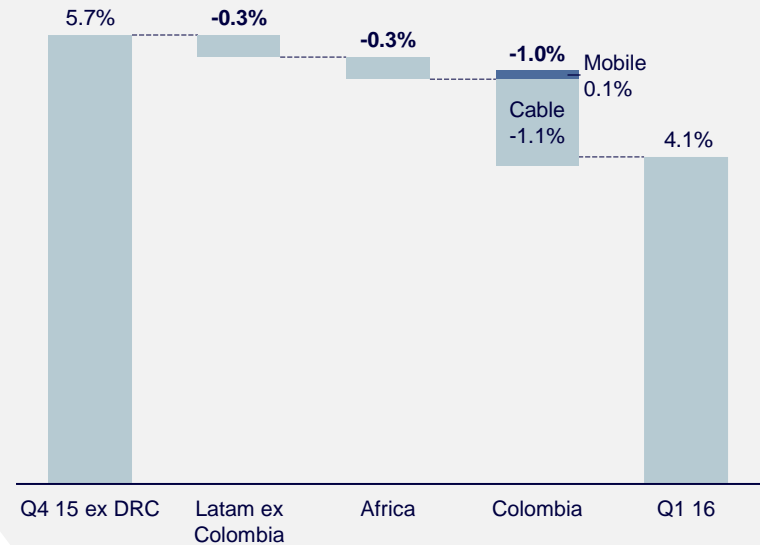
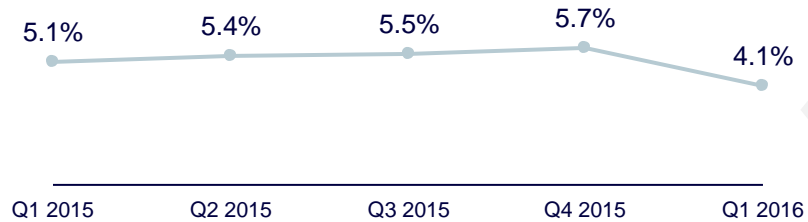
- Latam: Paraguay rebound
- Africa growth remains robust at +11.9%
- Adverse FX impact, reported revenue down 8.5%

Service revenue

Service revenue growth mid-single digit

Quarterly group organic service revenue growth

Q1 15 – Q1 16

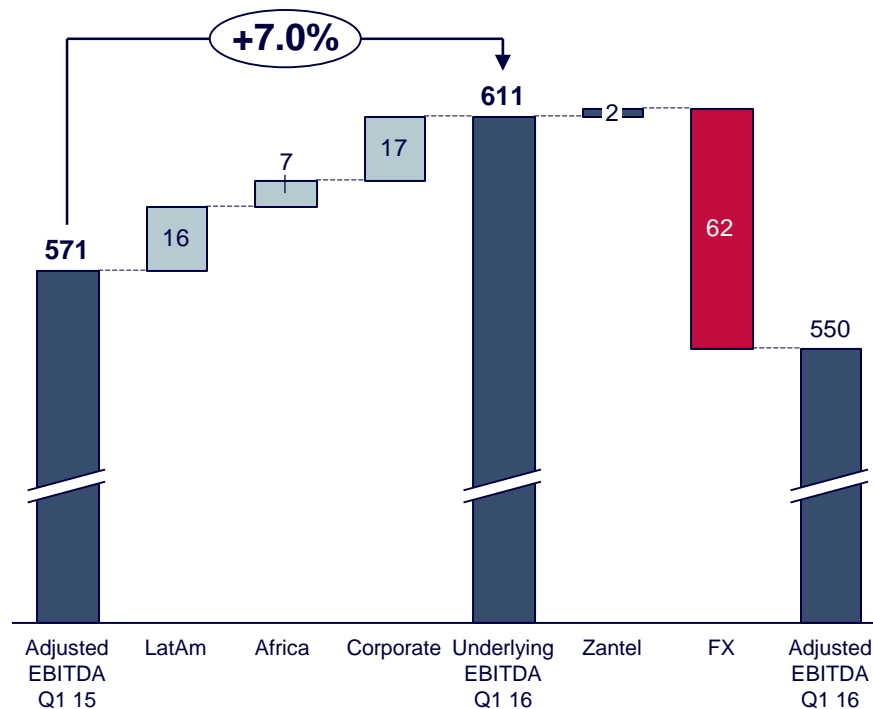


EBITDA

EBITDA improvements driven by efficiency

EBITDA evolution by Region

US\$ million, Q1 2015 – Q1 2016



Adjusted EBITDA +7.0% organic

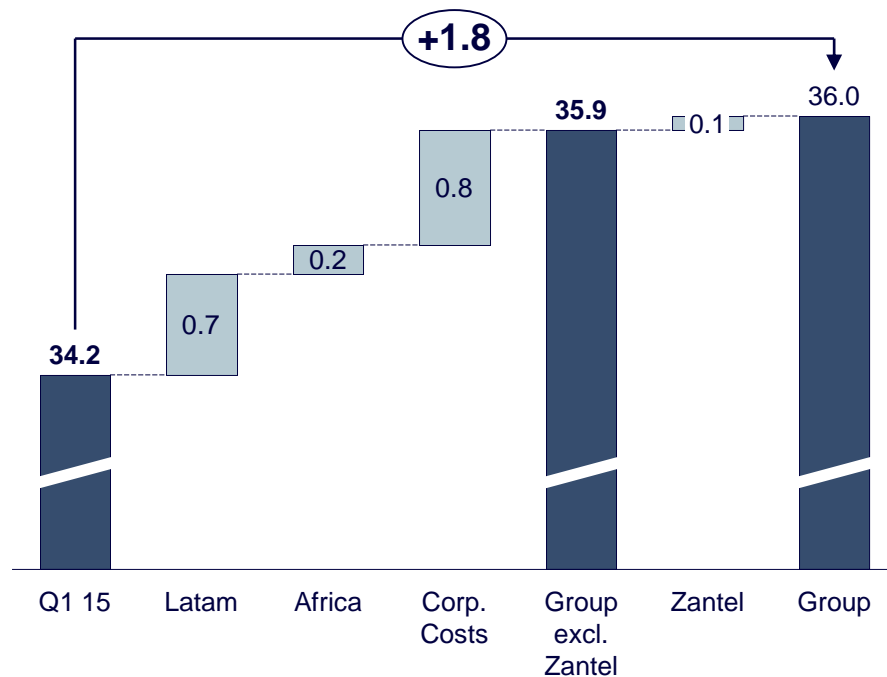
- Latam +2.8%
 - Outperformance from Colombia, Bolivia, Paraguay
 - El Salvador decline due to topline pressure
- Africa +12.3%
- Corporate costs down for the seventh consecutive quarter
- One-offs charges \$8 million (\$7 million in Q1 15)
- FX impact mainly Colombia and Paraguay

EBITDA margin

Positive contributions at all levels

Adjusted EBITDA margin

In %



Adjusted EBITDA +1.8 percentage points

- Latam contribution 0.7 ppts (Bolivia, Colombia)
- Africa contributing 0.2 ppts (Ghana and Senegal offsetting Tanzania)
- Opex down 11.1% year-on-year on lower corporate costs, currency impact on costs and efficiency measures
- Adjusted EBITDA margin on service revenue up from 37.2% in Q1 15 (ex-DRC) to 38.5%

P&L review

Adjusted net profits down on higher taxes

US\$ million	Q1 16	Q1 15	% Var	
Revenue	1,528	1,670	(8)	
Adjusted EBITDA	550	571	(4)	
D&A	(303) A	(330)	(8)	A D&A reducing by 8% on currency devaluation
Operating profit	239	235	2	
Net Finance Charge	(107)	(117)	(9)	
Others	14 B	(72)	N/M	B Others includes \$30 million of FX gains
Associates	(11) C	(13)	(18)	C Negative one-off relative to HTA (\$13 million) offsetting a positive one-off relative to AIH (\$8 million)
Profit before tax	136	33	N/M	
Tax	(62) D	(39)	60	D Tax up \$23 million on higher profitability from Colombia
Minority interests	(39)	(28)	41	
Discontinued ops.	8 E	(12)	N/M	E DRC treated as discontinued operation, \$8 million profit include a positive tax one-off
Net income	43	(46)	N/M	
Adjusted EPS *	0.22	0.38	(42)	

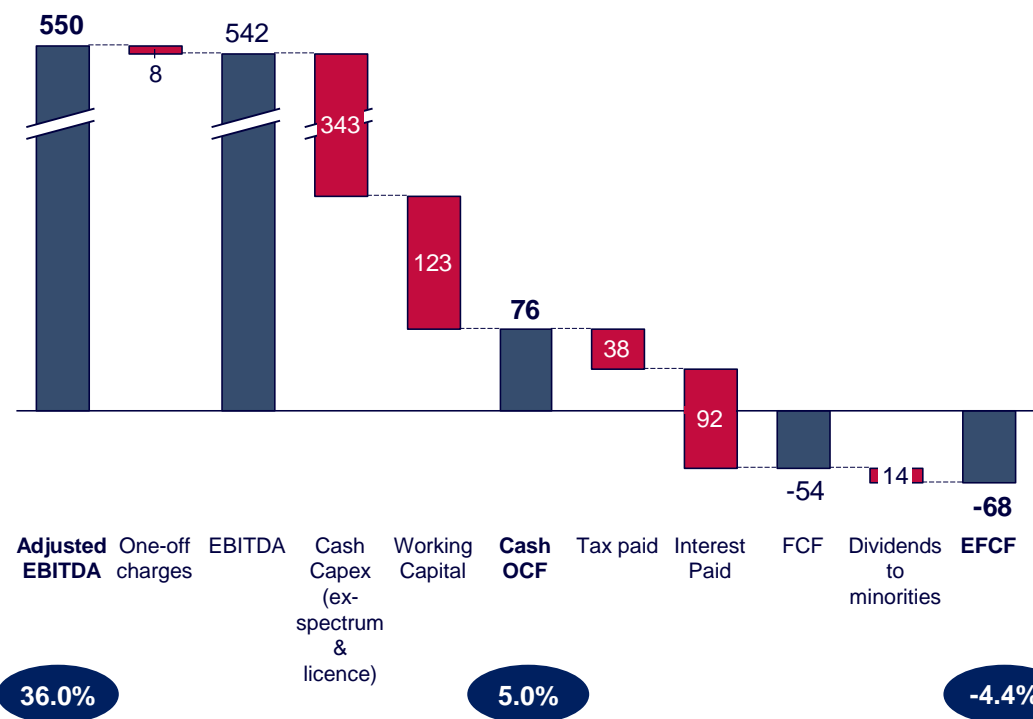
* Adjusted for non-operating items including changes in carrying value of put and call options and similar items classified under 'other non-operating income (expenses)'.

Q1 cash flow

Capex catch-up from Q4

Q1 Cash flow

US\$ million



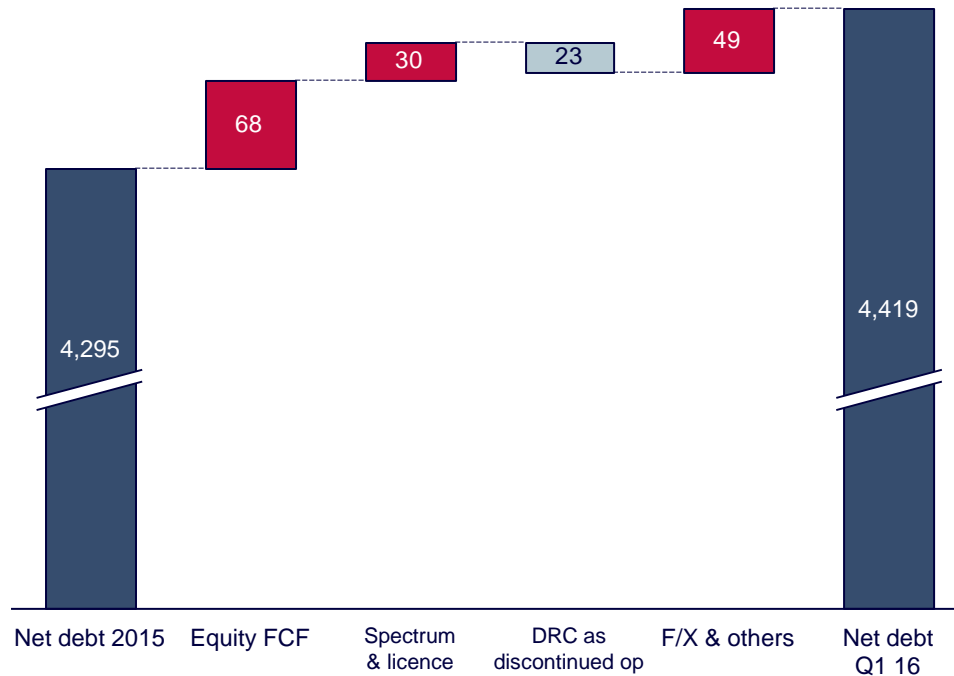
- High level of cash capex as catch-up from Q4
- Working capital outflow in line with Q1 last year
- Tax paid \$12 million lower year-on-year thanks to Colombia refund arising from overpayments

Net debt

Pro forma for DRC, net debt lower

Net debt evolution

US\$ million, 31 December 2015 – 31 March 2016



- Proceeds from DRC received
- Refinancing of the SEK bond on improved terms (20bps lower)
- Spectrum: final payment (\$30 million) for LTE in Paraguay
- Net debt / LTM EBITDA of 2.04x
 - 1.96x pro forma ex DRC
- Proportionate 2.36x

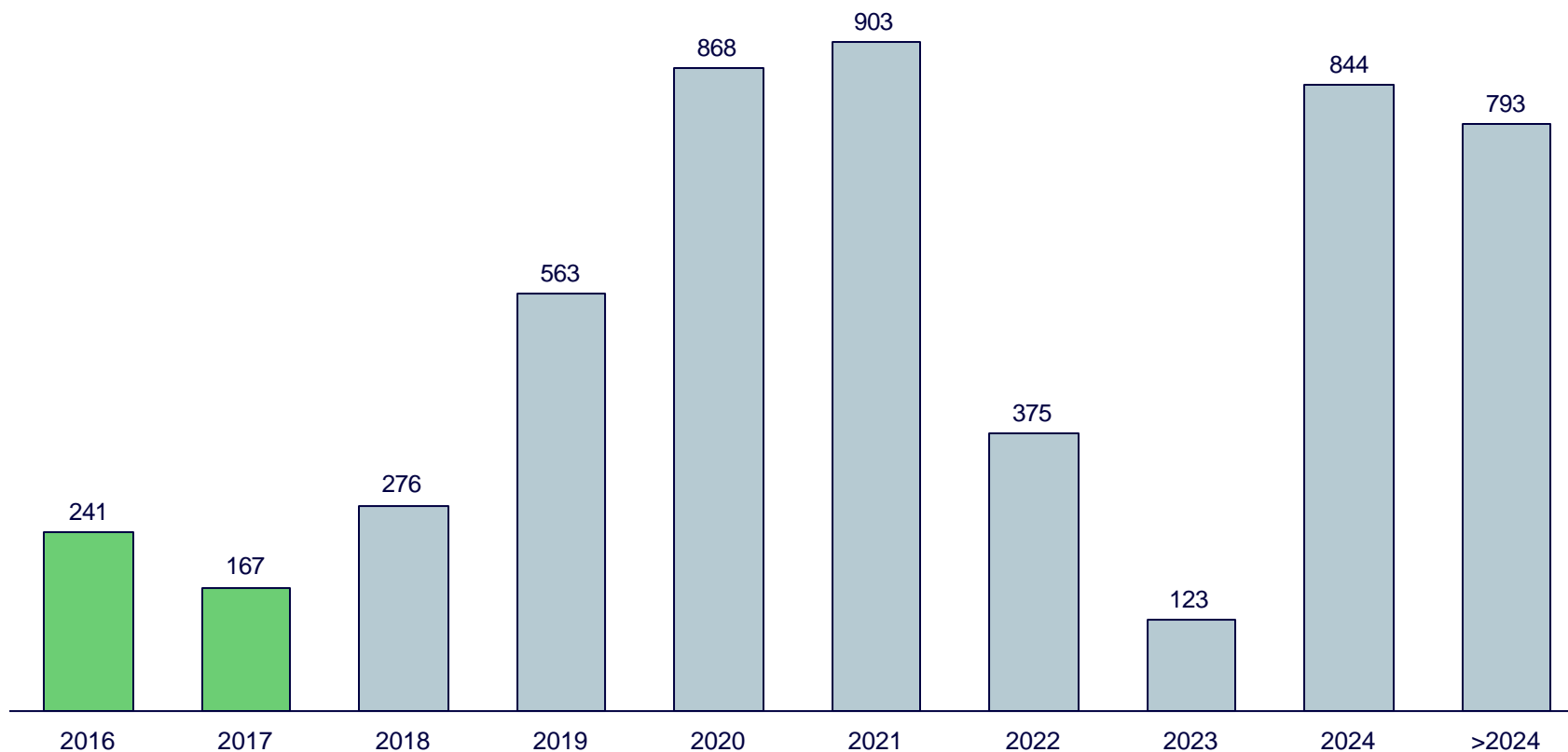
Debt profile

Long average maturity to debt profile

Debt maturity profile post recent refinancing^a

US\$ million

Average life of 5.8 years



a) excluding financial leases

Cash flow model

Impact of DRC disposal on operating leverage metrics

	FY 15 Group with DRC	FY 15 Group without DRC	Long Term targets
Revenue growth (constant FX)	7.4%	7.1%	High single digit
+ Operating leverage	45.6%	47.5%	~50%
= EBITDA Margin (*) trending up towards	33.7%	34.4%	~35%
+ Capex to Sales trending down towards	18.9%	19.0%	~15%
= OCF Margin trending up towards	14.8%	15.4%	~20%

* Adjusted for one-offs

2016 Outlook

Our cash flow model will keep improving in 2016

- **Service revenue to grow mid single digit (a)**
- **Adjusted EBITDA to grow mid to high single digit (b)**
- **Group CAPEX between \$1.15 and \$1.25 billion (c)**

Our 2016 outlook is in constant currency, at constant perimeter (with our JV in Guatemala and Honduras fully consolidated)

a) Service revenue is group revenue excluding telephone & equipment sales

b) Adjusted EBITDA excludes restructuring costs and other one-off items.

c) Capex excludes the impact of spectrum and licences costs.



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Q&A

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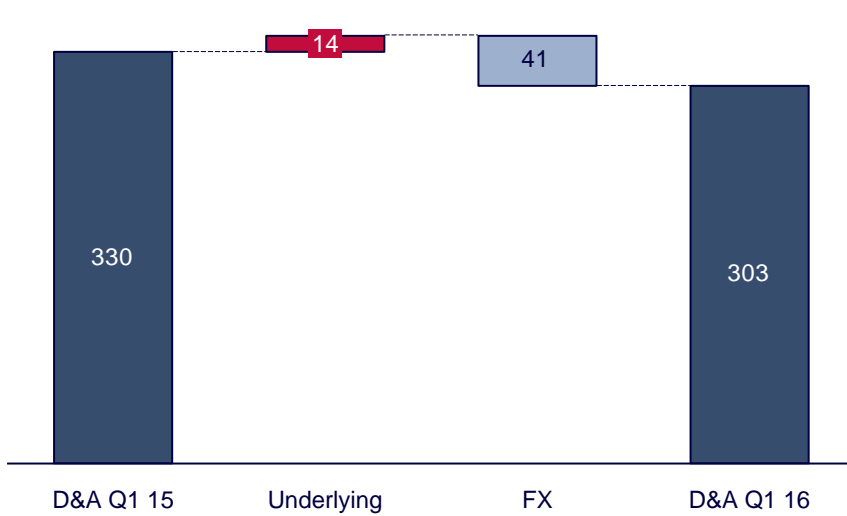
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Appendix

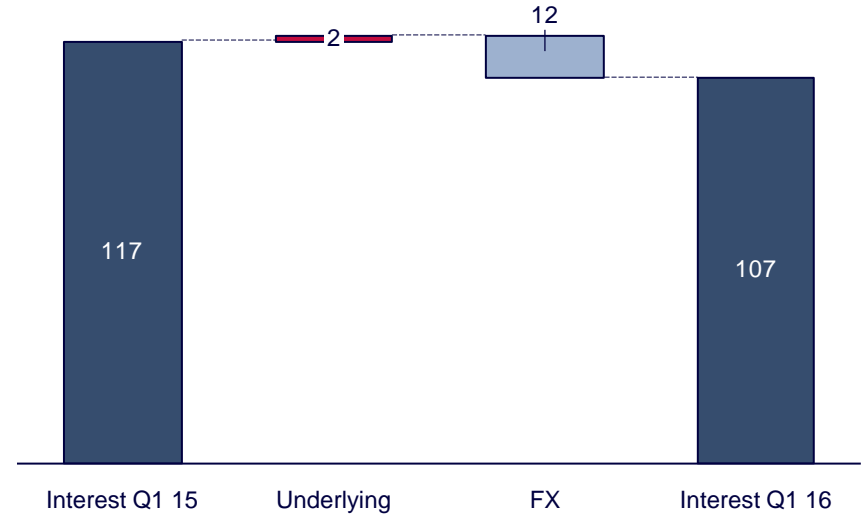
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Appendix – Below EBITDA

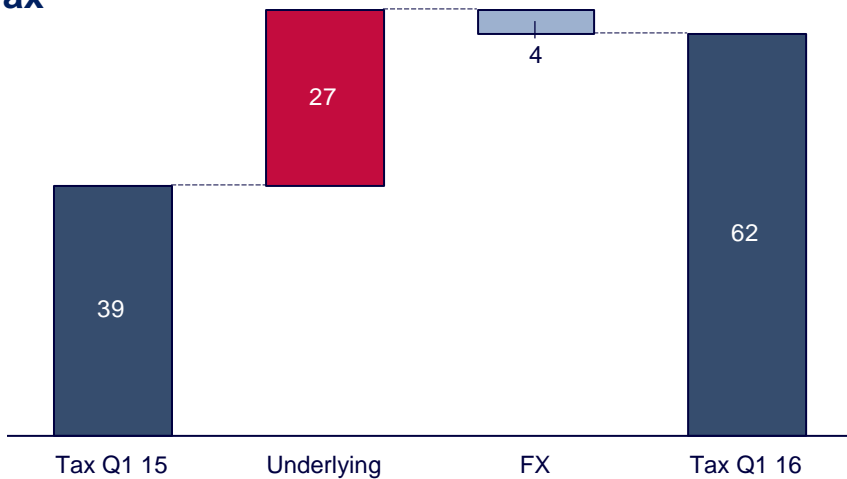
Depreciation and amortisation



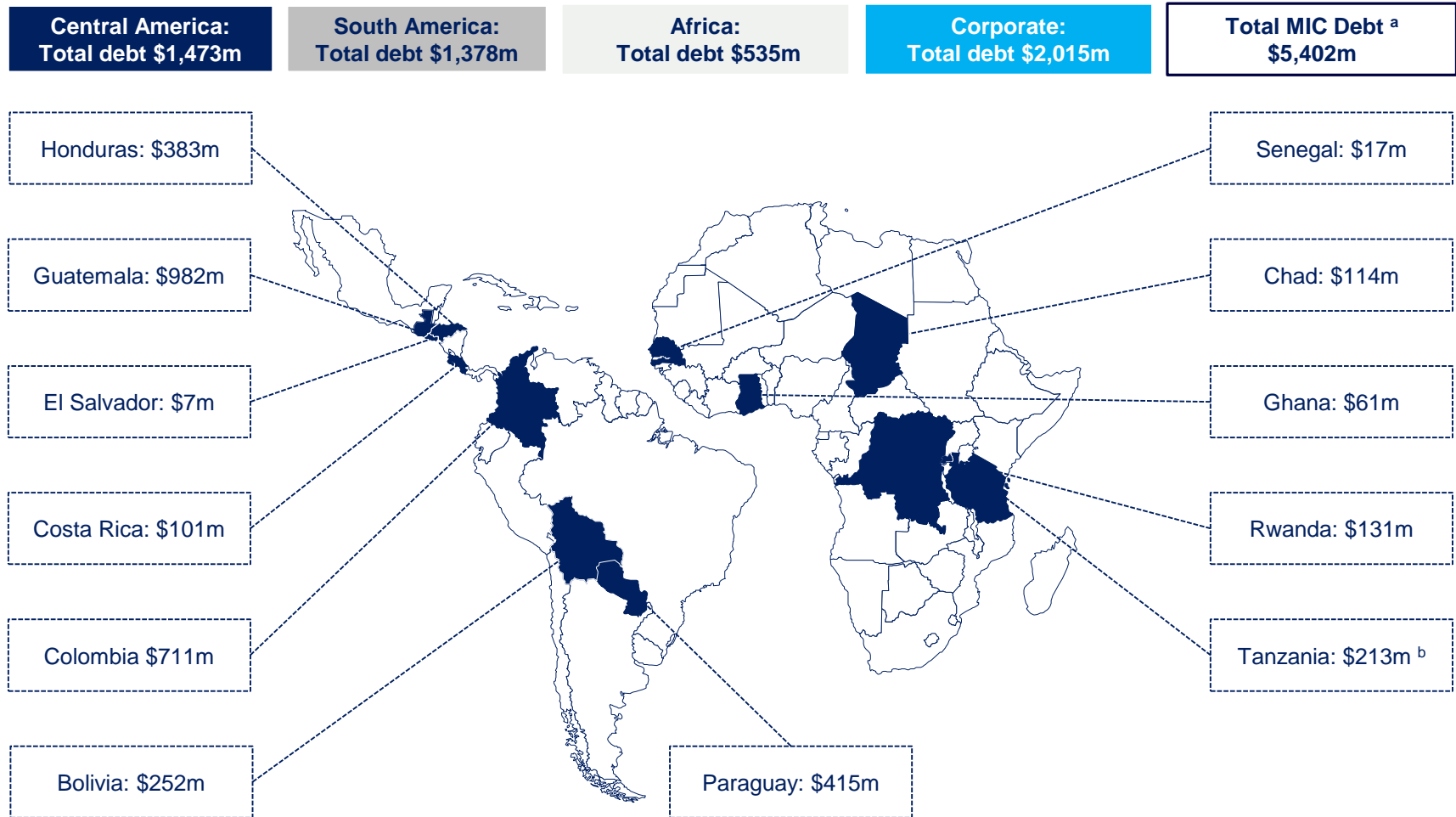
Interest



Tax



Gross debt by country



a) including finance leases

b) Including Zantel

Currency exposure of the debt

Mar-16	Debt including finance leases			Cash Total	Net debt		
	US\$	Local	Total		US\$	Local	Total
Latin America	1,479	1,372	2,851	471	1,295	1,085	2,380
	52%	48%	100%		54%	46%	100%
Africa	307	228	535	220	280	35	315
	57%	43%	100%		89%	11%	100%
Corporate	2,015	0	2,015	292	1,723	0	1,723
	100%	0%	100%		100%	0%	100%
Millicom	3,802	1,600	5,402	983	3,299	1,120	4,419
	70%	30%	100%		75%	25%	100%

EI Salvador has USD as functional currency (treated as local)