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THE DIGITAL LIFESTYLE

# 2014 FY & Q4 Results Presentation

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3<sup>rd</sup> February 2015

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

*This presentation may contain certain “forward-looking statements” with respect to Millicom’s expectations and plans, strategy, management’s objectives, future performance, costs, revenue, earnings and other trend information. It is important to note that Millicom’s actual results in the future could differ materially from those anticipated in the forward-looking statements depending on various important factors.*

*All forward-looking statements in this presentation are based on information available to Millicom on the date hereof. All written or oral forward-looking statements attributable to Millicom International Cellular S.A., any Millicom International Cellular S.A. employees or representatives acting on Millicom’s behalf are expressly qualified in their entirety by the factors referred to above. Millicom does not intend to update these forward-looking statements.*



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# A year filled with milestones...

## UNE merger



## Tigo Star launch



## 5 DTH launches



## Four 4G launches



Bolivia



Honduras



Chad



Rwanda



## Cross border \$ transfers



## MFS interoperability



**Operating review**

**Financial Review**

**Outlook & Guidance**

**Appendix**

# Q4 key operating highlights

1

**Strongest quarter for smartphone sales**

2

**High level of net additions in mobile and MFS**

3

**Momentum in Colombia**

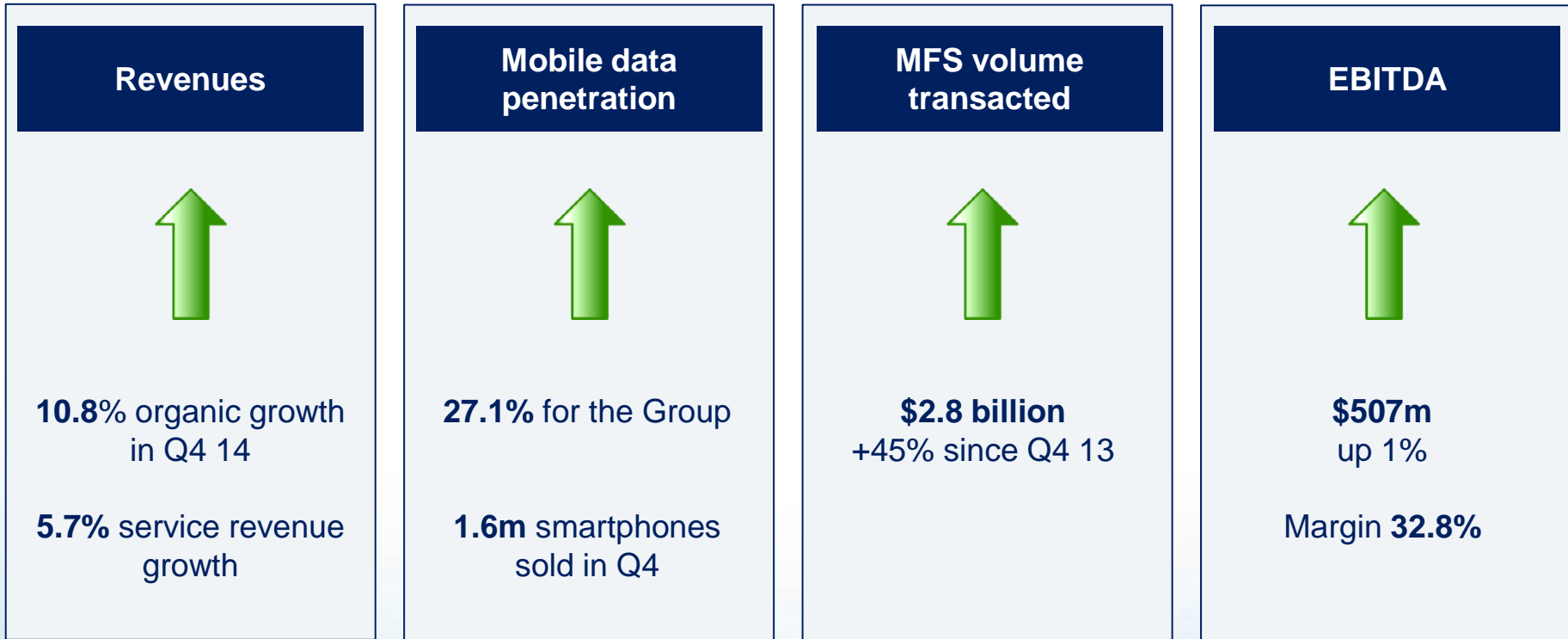
4

**Data appetite in Africa**

5

**Latam cable's rapid expansion**

# Momentum in key metrics



*5.5% reported growth in Q4 2014*

*1.9 million new mobile data users in Q4*

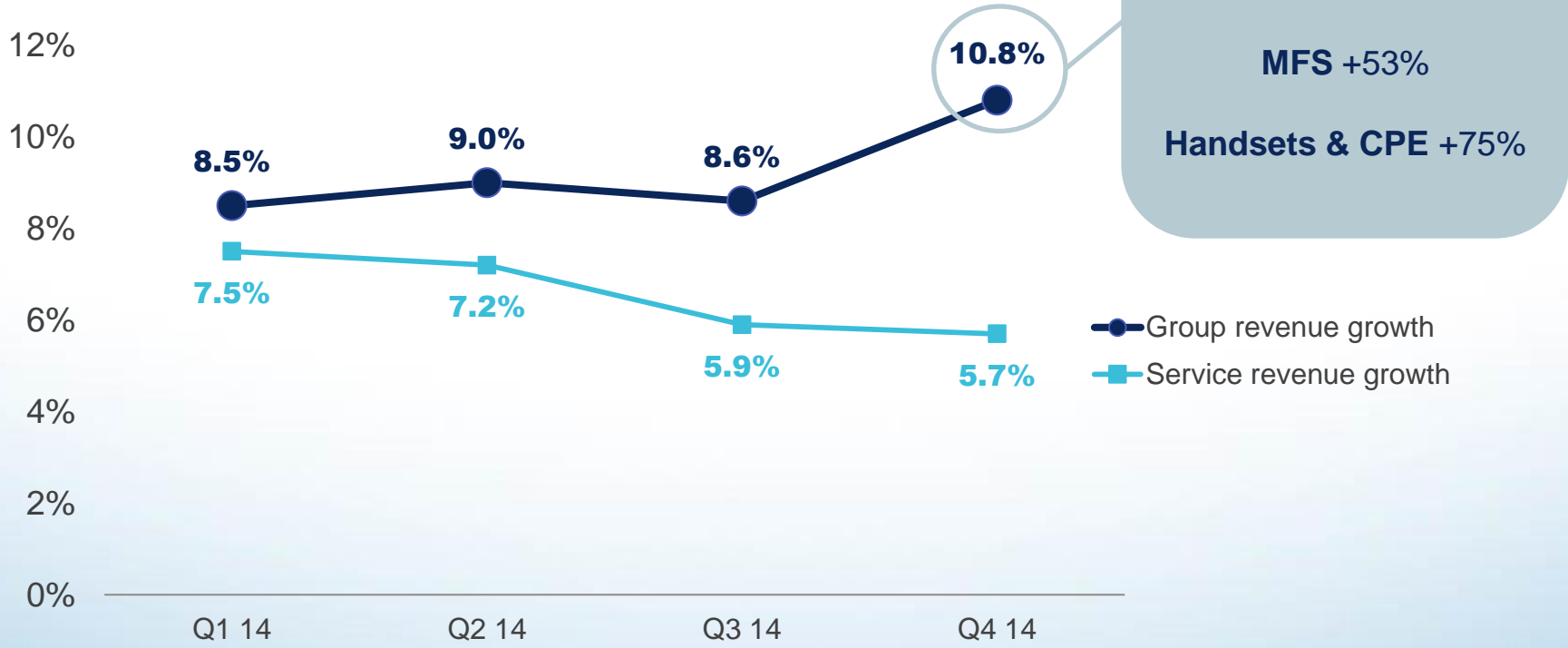
*1.5 million new MFS users in Q4*

- Compared to :*
- 34.1% in Q4 2013*
  - 33.1% in Q3 2014*
  - UNE 25.7% margin in Q4*

1) Excluding UNE

# Q4 revenue growth accelerates to 10.8%

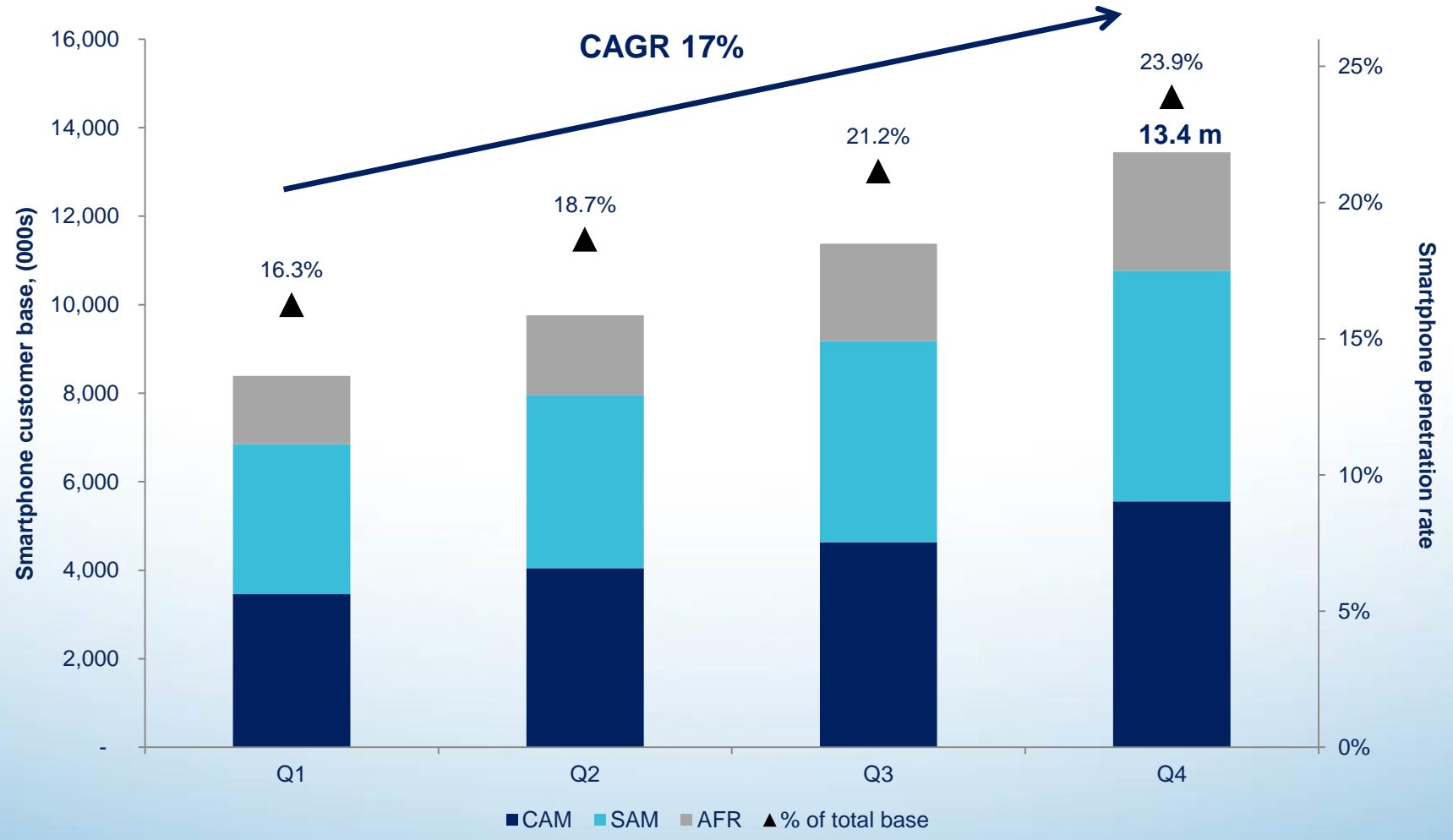
Quarterly revenue growth Q1 2014 – Q4 2014



# Strong appetite for smartphones across all markets

## Smartphone base and penetration by Region

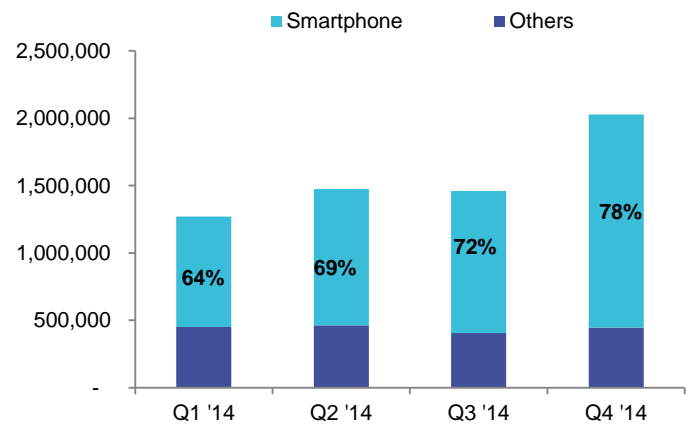
Thousands and %, Q1 2014 – Q4 2014



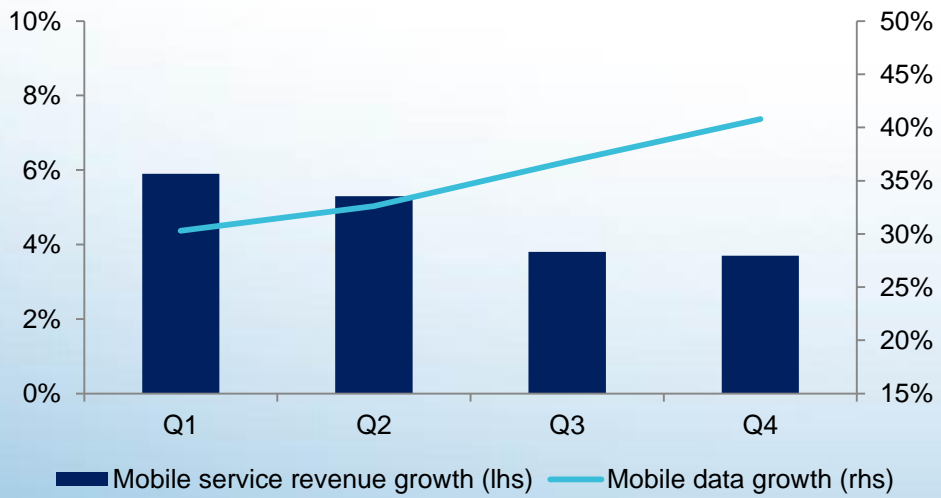


# Record smartphone sales fuelled data growth

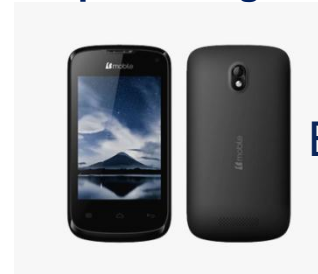
**Smartphones out of total handset sales (Latam)**  
Units, Q1 2014 – Q4 2014



**Mobile data growth is accelerating**



**Top 5 selling smartphones (Latam)**



Bmobile AX 620



Huawei ascend Y330



Bmobile AX 610



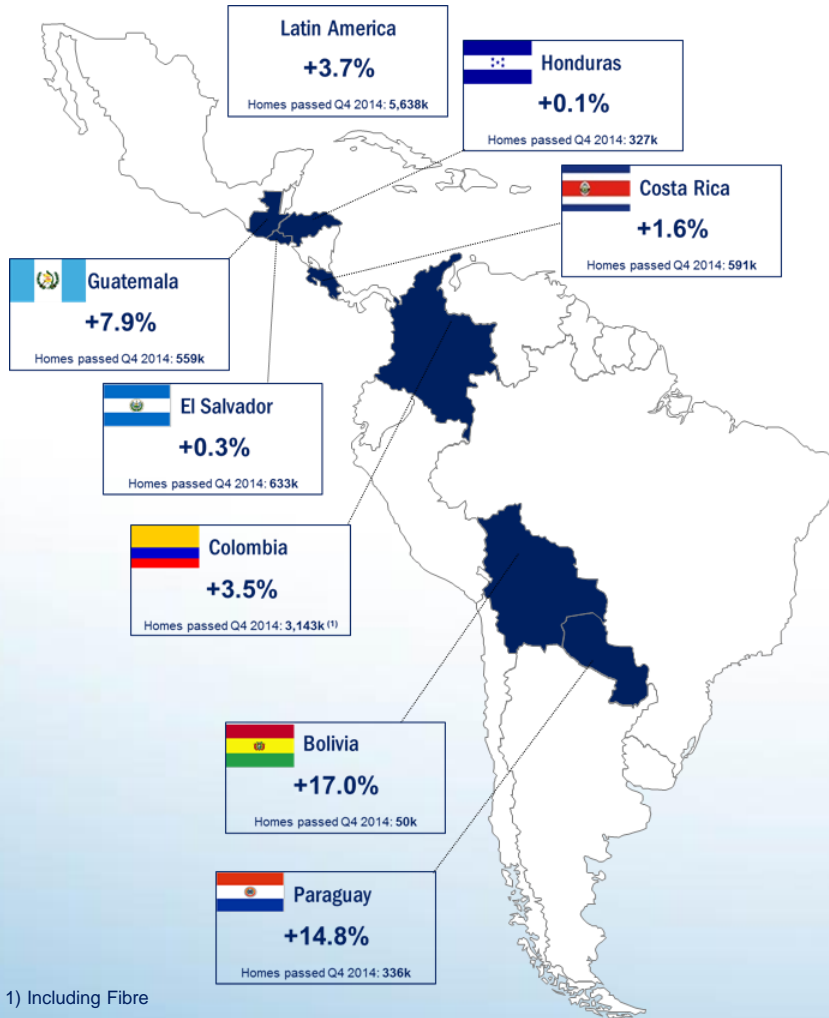
Alcatel D1



Motorola Moto G

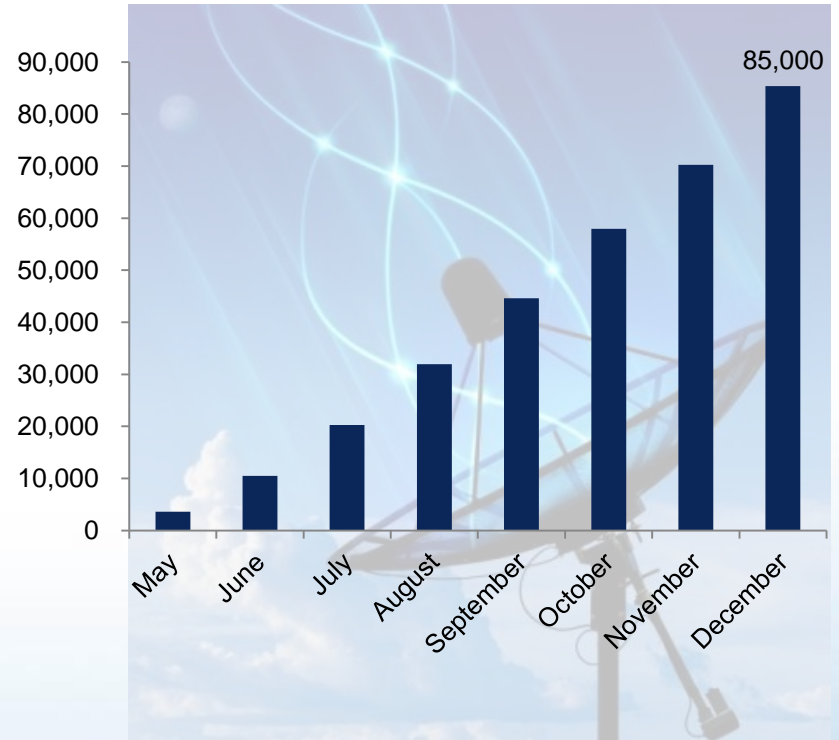
# Latam cable expansion continues

## Growth of homes passed (HFC) vs. Q3 14



1) Including Fibre

## DTH active customer base



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# Q4 key financial highlights

1

Double digit organic revenue growth

2

Corporate costs sequentially flat

3

EBITDA growth

4

UNE EBITDA margin of 25.7%

5

Net debt / EBITDA at 1.9x

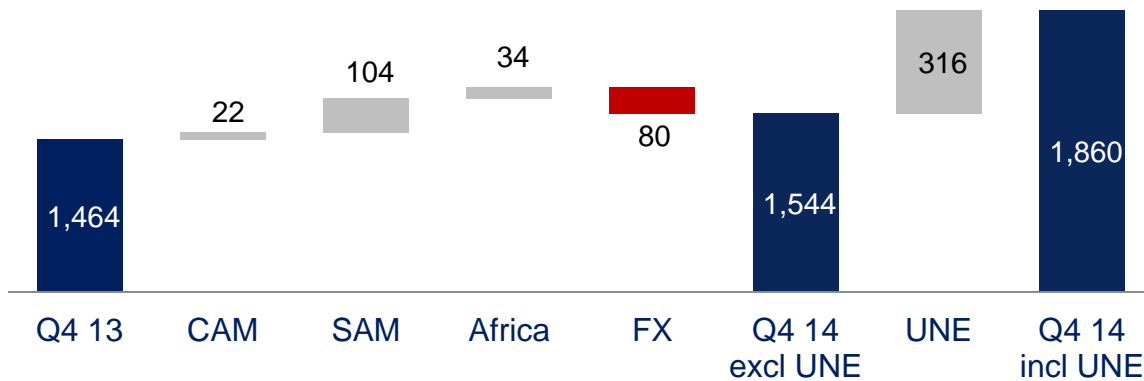


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# Revenue growth across all businesses

## Revenue evolution by Region

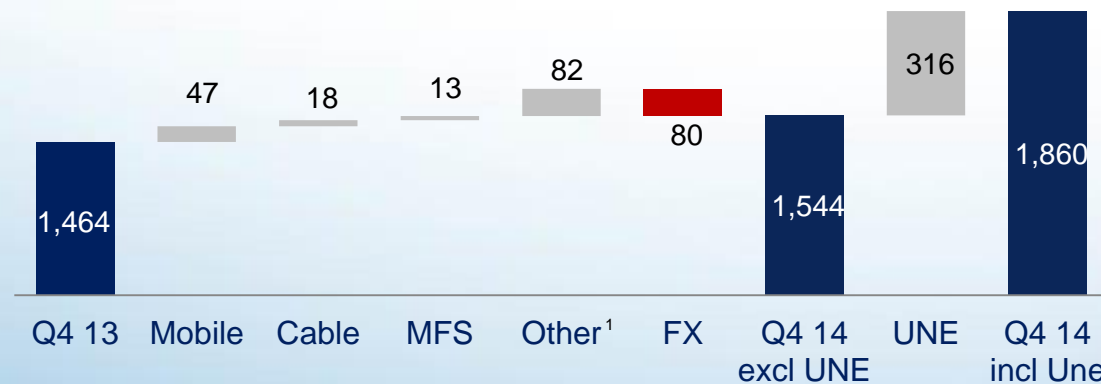
USD Million, Q4 2013 – Q4 2014



- South America remains the main contributor to revenue growth
- F/X impact 4x bigger than in Q3
- UNE 17% of group sales

## Revenue evolution by Business Unit

USD Million, Q4 2013 – Q4 2014



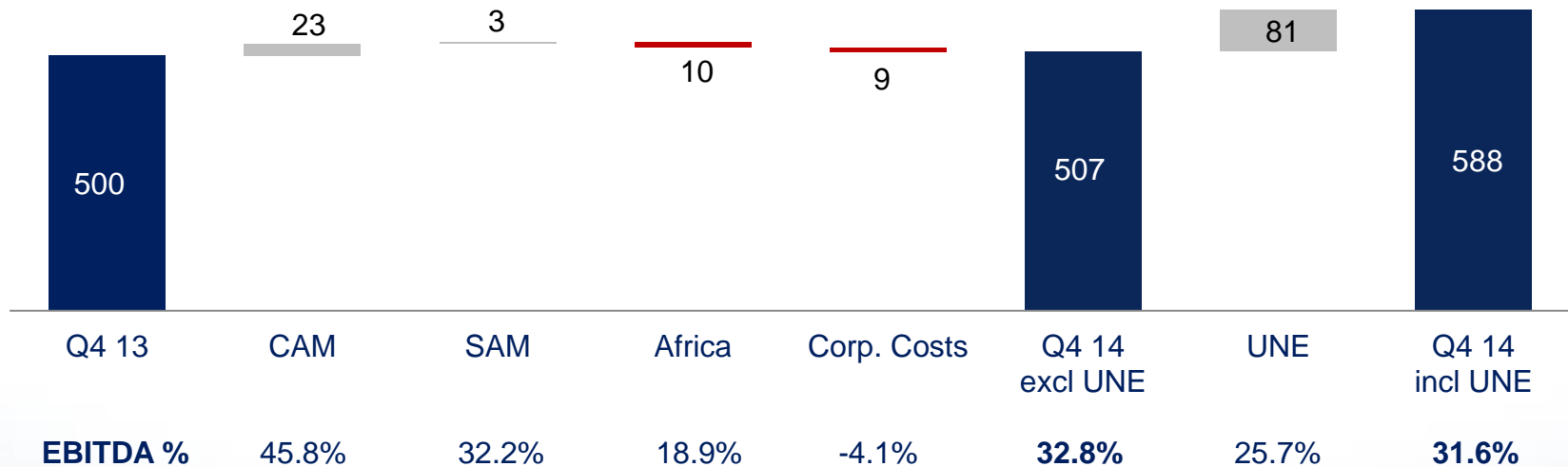
- 60% of recurring revenues growth came from Mobile
- Other revenues were driven by handset sales, especially smartphones

1) Includes visitor roaming, MVNO/DVNO, and Telephone and Equipment

# EBITDA growth driven by Latam

## EBITDA evolution by Region

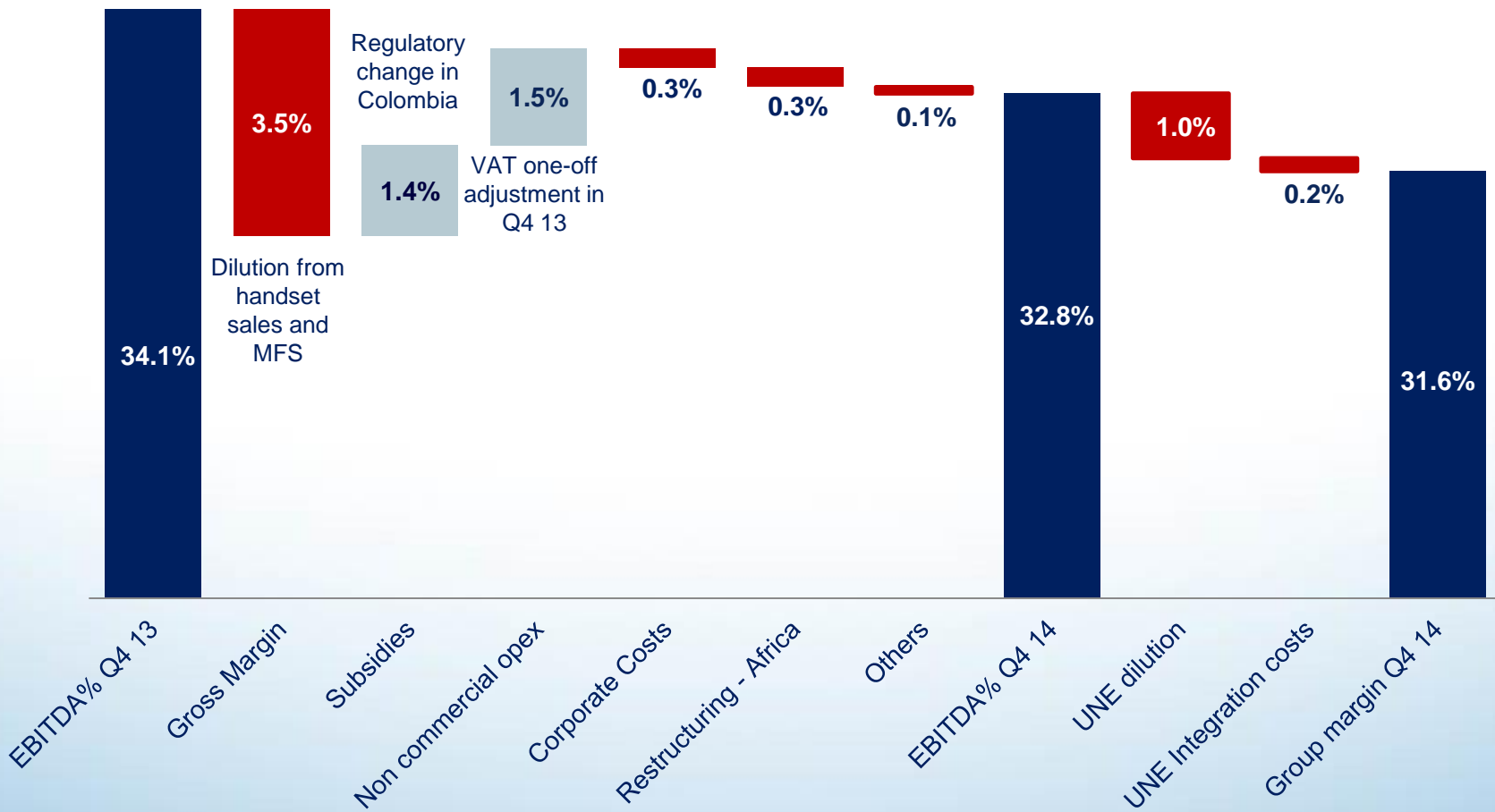
USD Million, Q4 2013 – Q4 2014



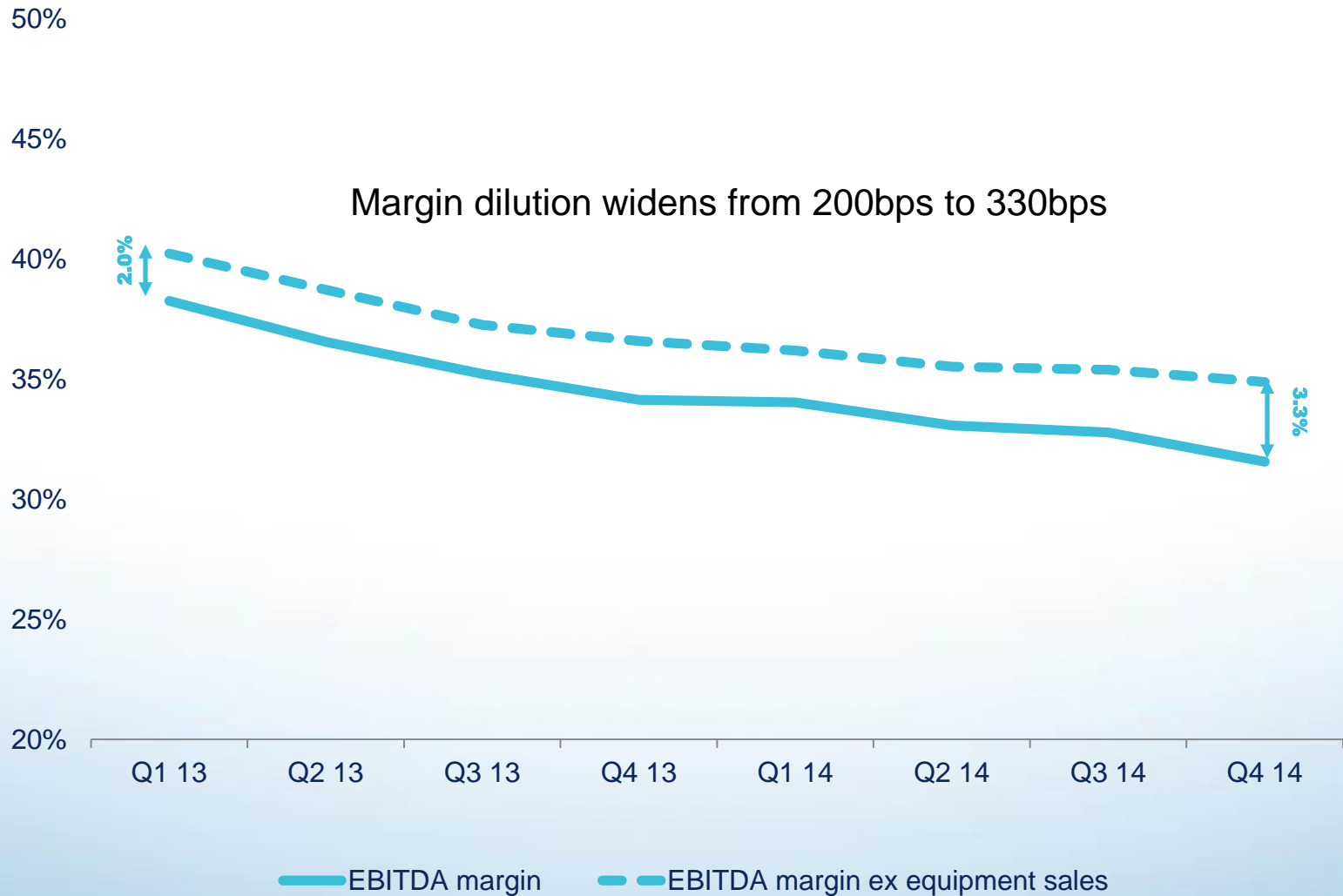
- EBITDA margin on recurring revenue 36.5%
  - Colombia EBITDA (ex UNE) 26.7% but on recurring revenue at 34.4%
- Africa hit by currency and restructuring
- Corporate costs at \$63m broadly in line with Q3

# EBITDA margin impact from record smartphone sales

**EBITDA margin**  
%, Q4 2013 – Q4 2014



# ... EBITDA margin impact widening through 2014





# FY 2014 P&L



\$ million	FY 14			FY 13
	Group	UNE	Excl. UNE	Group
Revenue	6,386	498	5,888	5,553
EBITDA	2,093	133	1,960	1,999
Operating profit	924	(6)	930	1,044
Profit before tax	3,036	(22)	3,058	648
Net income	2,643	(17)	2,660	229
Adjusted EPS (\$)	1.82			3.61

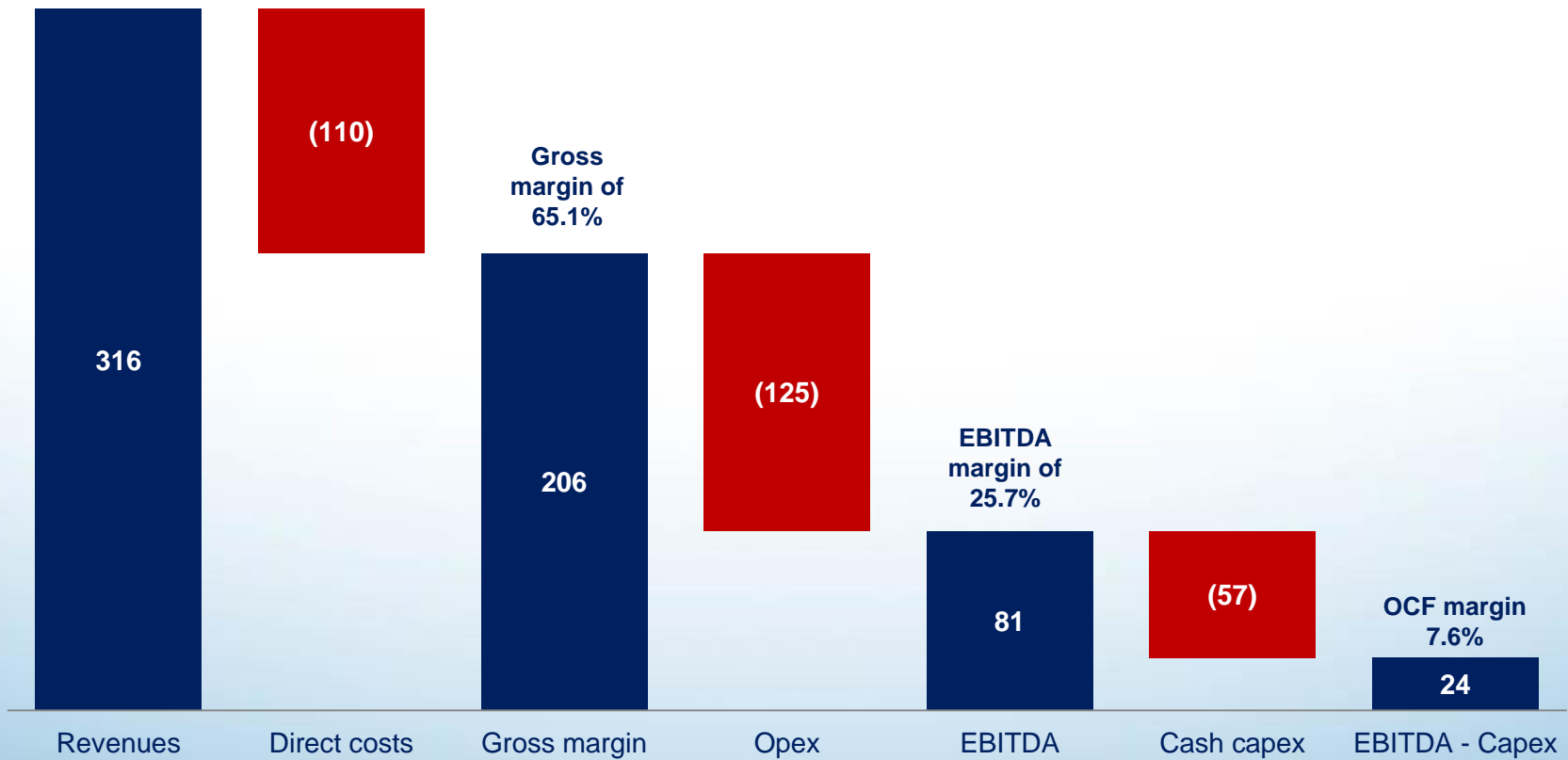
- D&A \$88 million higher due to investment and Guatemala.
- Net finance expenses at \$390 million – higher on increased debt.
- Other non operating income includes \$2.25 billion revaluation on Guatemala.
- Net tax charge \$256 million – higher due to change in mix.
- NCI at \$158 million – offset by UNE credit

# UNE Operating Cash Flow better than expected

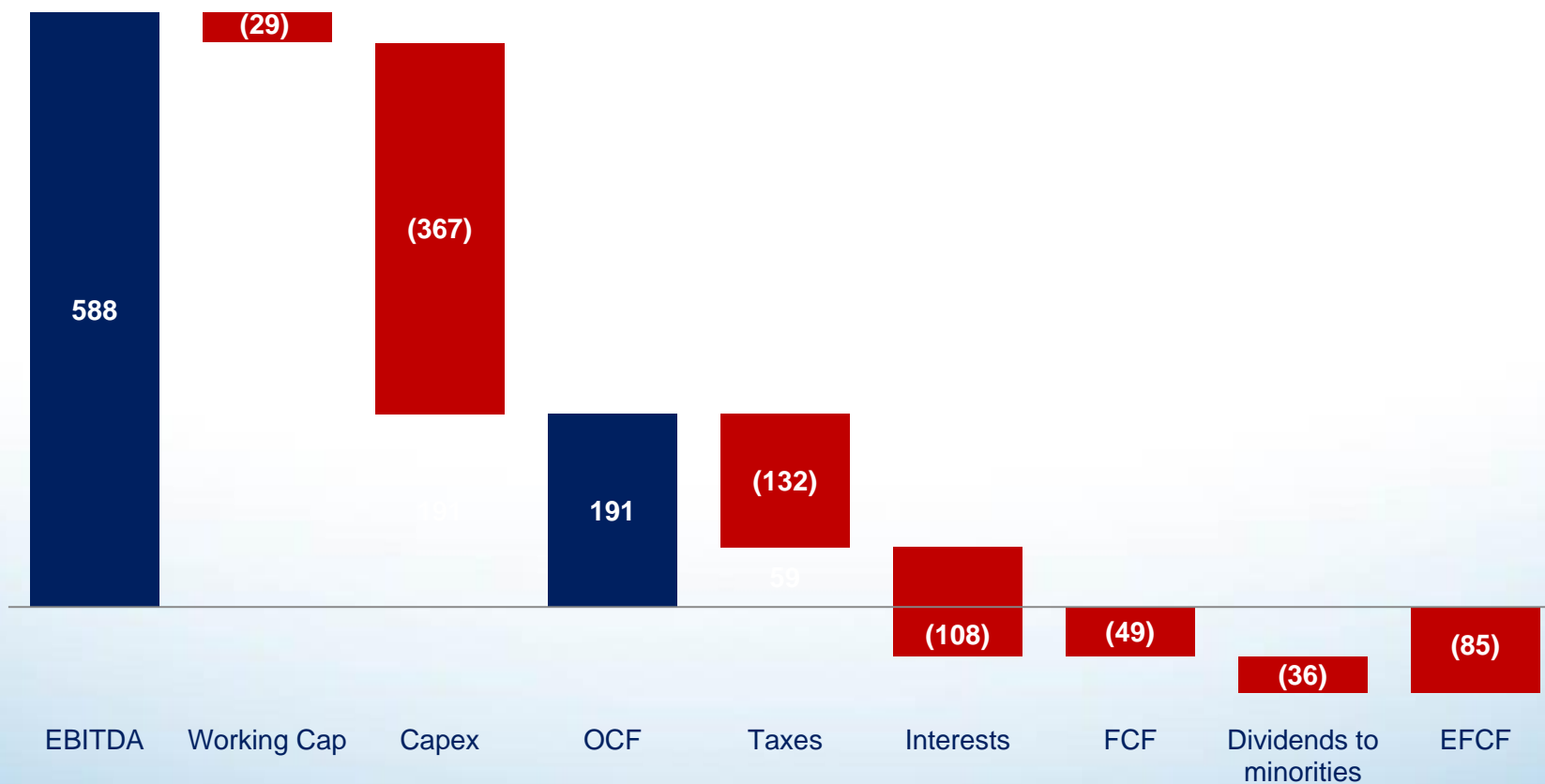
UNE numbers are including \$9 million of revenue eliminations with Tigo Colombia (\$13 million for FY 2014), and \$3 million of integration costs.

## UNE

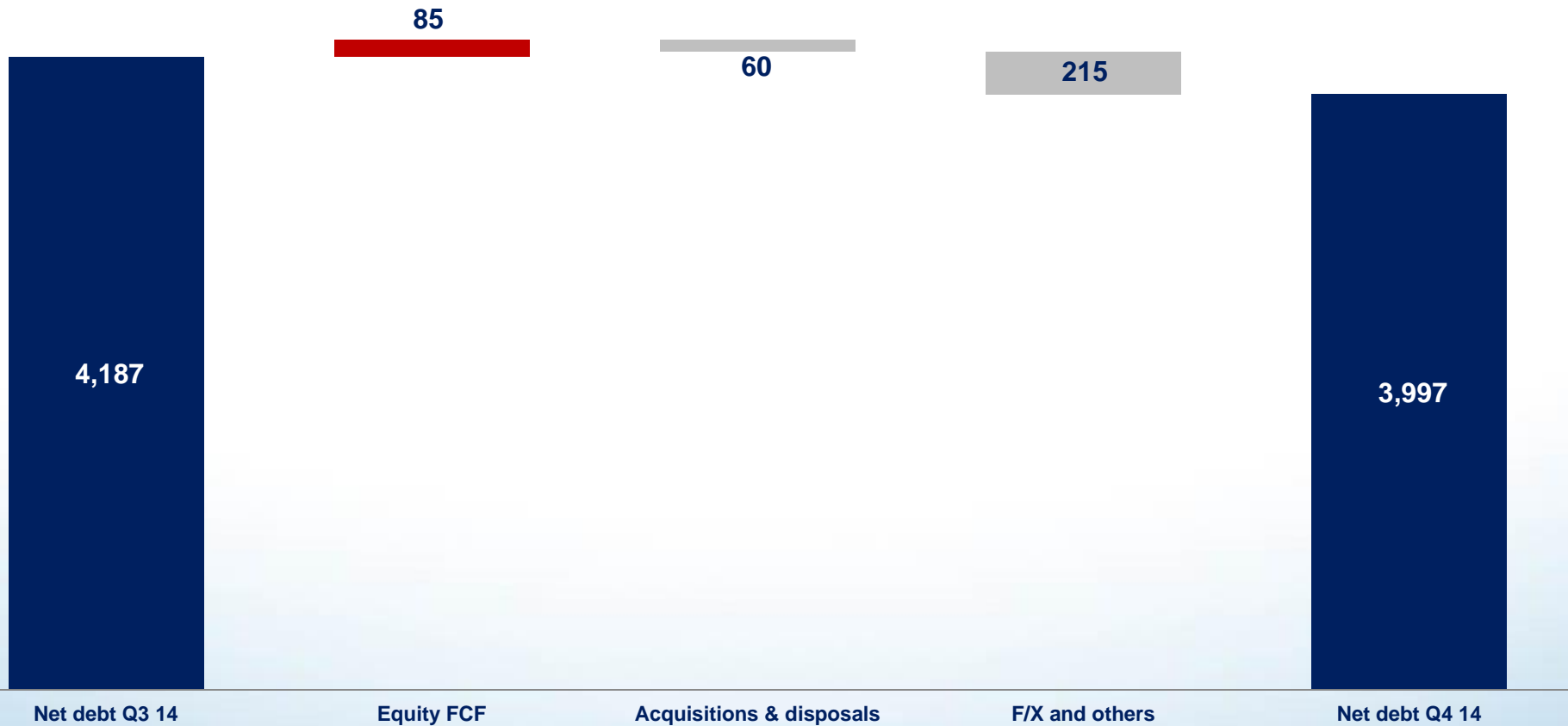
USD Million, Q4 2014



# Q4 14 Equity Free Cash Flow



# Net debt reduces below \$4 billion



- 1** Commercial momentum
- 2** EBITDA underlying growth
- 3** Operating cashflow better than expected
- 4** Focus on cash flow generation and deleverage

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- Group reported revenue between \$7.1 and \$7.5 billion
- Group EBITDA between \$2.2 and \$2.35 billion
- Group CAPEX between \$1.25 and \$1.35 billion

Based on current exchange rates and no perimeter change.  
Capex excludes spectrum and license costs



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Q&A



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# Movements of currencies vs USD YoY

Average FX rates	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
<b>Central America</b>					
Guatemala	7.78	7.75	7.77	7.63	7.73
Honduras	20.74	20.88	21.14	21.44	21.06
Nicaragua	25.47	25.69	26.11	26.51	25.96
Costa Rica	533.68	555.19	545.40	543.91	543.53
12m variation					
Guatemala	-0.7%	-0.9%	-1%	-3.5%	-1.6%
Honduras	3.0%	3.1%	4%	3.9%	3.2%
Nicaragua	4.9%	5.2%	5%	5.7%	5.2%
Costa Rica	5.0%	9.6%	8%	7.5%	7.4%
<b>South America</b>					
Bolivia	6.91	6.91	6.91	6.91	6.91
Colombia	1,988.83	1,942.29	1,915.29	2,155.73	2,010.84
Paraguay	4,535.50	4,425.13	4,329.67	4,601.50	4,484.23
12m variation					
Bolivia	0.0%	0.0%	0%	0.0%	0.0%
Colombia	10.6%	5.9%	0%	12.8%	7.5%
Paraguay	11.0%	6.0%	-3%	3.3%	4.1%
<b>Africa</b>					
Ghana	2.44	2.78	3.09	3.20	2.88
Senegal/Chad	480.19	478.68	497.70	529.18	497.83
Rwanda	680.14	684.53	687.40	690.41	685.90
Tanzania	1,618.31	1,648.35	1,687.88	1,712.18	1,663.11
12m variation					
Ghana	27.9%	43.6%	55%	55.0%	44.9%
Senegal/Chad	-3.7%	-4.3%	1%	9.5%	0.7%
Rwanda	7.4%	7.5%	5%	2.8%	5.7%
Tanzania	0.6%	1.9%	4%	6.6%	3.0%

For El Salvador and DRC, the functional currency is USD

# Market overview – by region for Q4 2014



Millicom Regions	Central America	South America	Africa	Group
<b>Market Overview</b>				
Population (m)	30	64	190	<b>284</b>
Mobile Penetration	95.7%	98.0%	61.8%	<b>76.5%</b>
<b>Operational Data</b>				
Total Mobile Customers (m)	15,787	15,140	25,351	<b>56,277</b>
Capex (\$m -excl Corporate)	147	193	116	<b>456</b>
Capex as % of revenues	22.9%	19.4%	45.2%	<b>23.8%</b>
Cellsites	8,354	7,804	5,950	<b>22,108</b>
Outlets (000s)	133	193	404	<b>730</b>
<b>Key Financials</b>				
Revenue (\$m)	643	960	256	<b>1,860</b>
EBITDA (\$m)	295	307	48	<b>588</b>
EBITDA Margin	45.9%	32.2%	18.7%	<b>31.6%</b>

# Market overview – LATAM

Latin America	Central America			South America		
	El Salvador	Guatemala	Honduras	Bolivia	Colombia	Paraguay
Shareholding	100%	55%	66.70%	100%	50% - 1 share	100%
License	20y from 1998	20y from 2012	25y from 1996	20y from 1995	10Y from 2013	5y renewal
Date of Expiry	2018	2032	2021	2015	2023	2016
<b>Market Overview</b>						
Population (m)	6	15	9	11	46	7
GDP per Pop (PPP) \$	7,500	5,300	4,800	5,500	11,100	6,800
Mobile Penetration	119.2%	95.4%	79.5%	72.1%	104.4%	98.8%
Market Position	1 of 5	1 of 3	1 of 3	2 of 3	3 of 3	1 of 4
Market Share	38%	53%	65%	37%	16%	57%
<b>Operational Data</b>						
Total Customers (000s)	2,855	8,350	4,582	3,233	8,012	3,894
Cell Sites	1,413	4,931	2,010	1,238	4,943	1,623
Other Operators	America Movil Telefonica Digicel Red	America Movil Telefonica	America Movil Honducel	Entel Viva	America Movil Telefonica	Personal Vox America Movil
Main products exported	Coffee Sugar	Coffee Sugar	Coffee Bananas	Lithium Natural Gas	Coffee Oil	Soy Cassava



# Market overview – Africa

Africa	Chad	DRC	Ghana	Rwanda	Senegal	Tanzania
Shareholding	100%	100%	100%	87.50%	100%	100%
License	10 y from 2014	12y from 2012	15y from 2004	15y from 2008	16y from 2012	25y from 2007
Date of Expiry	2024	2024	2019	2023	2028	2032
<b>Market Overview</b>						
Population (m)	11	77	26	12	14	50
GDP per Pop (PPP) \$	2,500	400	3,500	1,500	2,100	1,700
Mobile Penetration	42.1%	56.7%	82.3%	52.8%	72.8%	57.7%
Market Position	1 of 3	2 of 6 <sup>2</sup>	3 of 6	2 of 4	2 of 4	2 of 7
Market Share	53%	31%	18%	43%	30%	30%
<b>Operational Data</b>						
Total Customers (000s)	2,745	5,067	3,829	2,499	3,017	8,193
Cell Sites <sup>1</sup>	566	949	997	455	901	2,082
Other Operators	Bharti Salam	Vodacom Bharti CCT Standard Africell	MTN Vodafone Bharti Glo Kasapa	MTN Bharti Rwandatel	Orange Expresso Kirene	Vodacom Bharti Zantel TTLIC Mobile Bol Sasatel
Main products exported	Petroleum Cotton	Coffee Diamonds	Bauxite Cocoa	Coffee Natural Gas	Fish Cotton	Coffee Cashew Nuts

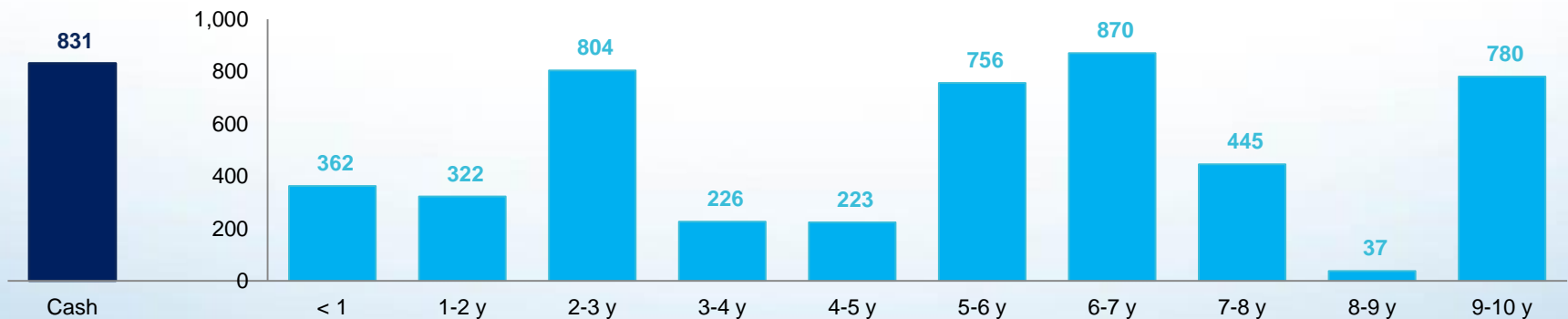
1) for DRC active sites; 2) Only Kinshasa/ Bas Congo and Kivu area;  
Source: Millicom, CIA World Factbook

# Moderate leverage and well spread maturities

USD m	Q4 14	Q3 14
Gross Debt <sup>1</sup>	4,829	5,000
Cash <sup>2</sup>	831	813
Net Debt	3,997	4,187
<b>Net Debt / EBITDA after corporate costs <sup>3</sup></b>	<b>1.9x</b>	<b>1.9x</b>

## Debt maturity

USDm, Q4 2014



- Average maturity of 5.3 years

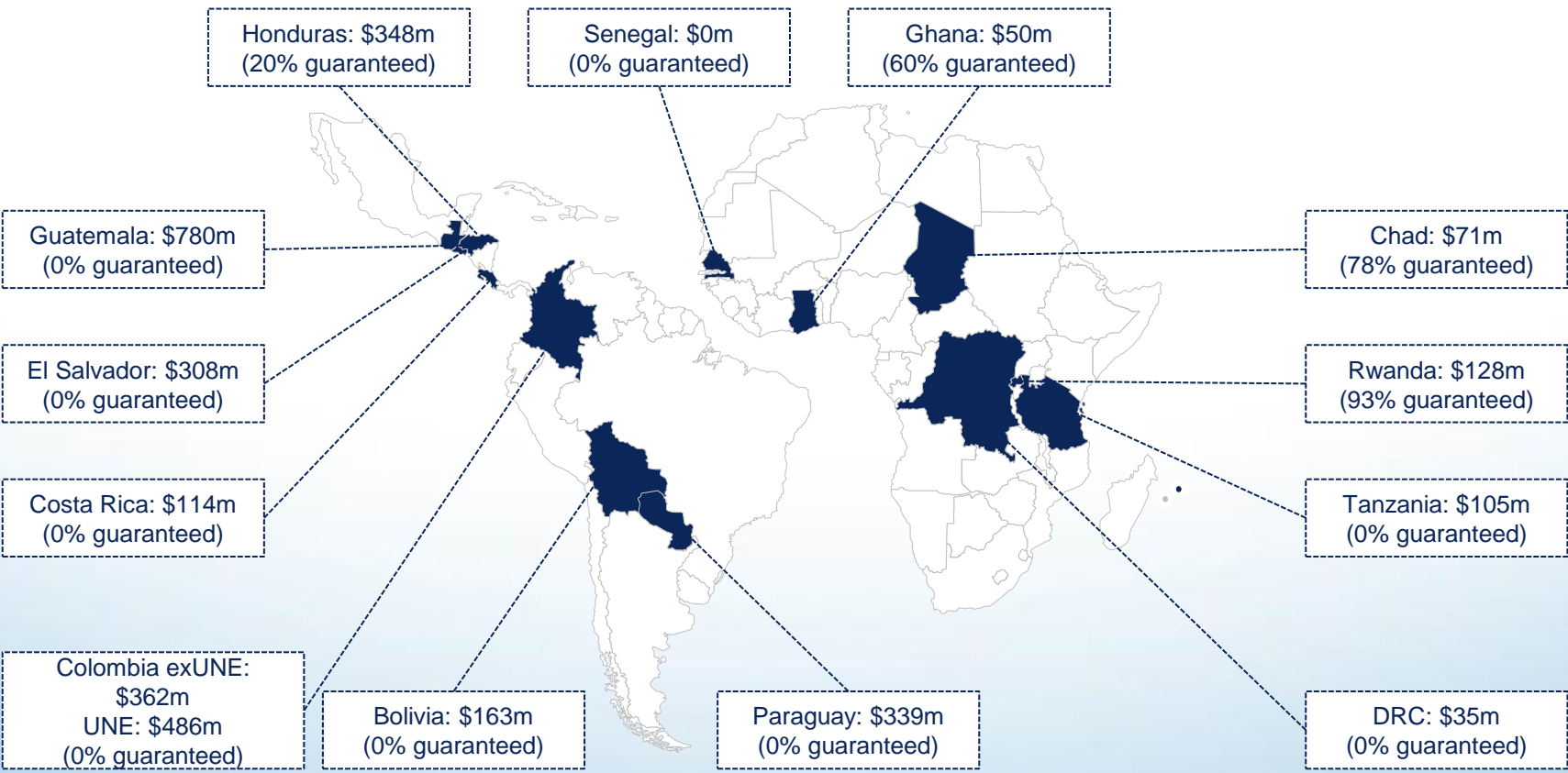
1) Including mark to market of bonds

2) Including pledged deposits, time deposits and restricted cash

3) Net Debt / LTM EBITDA including UNE proforma for 2014

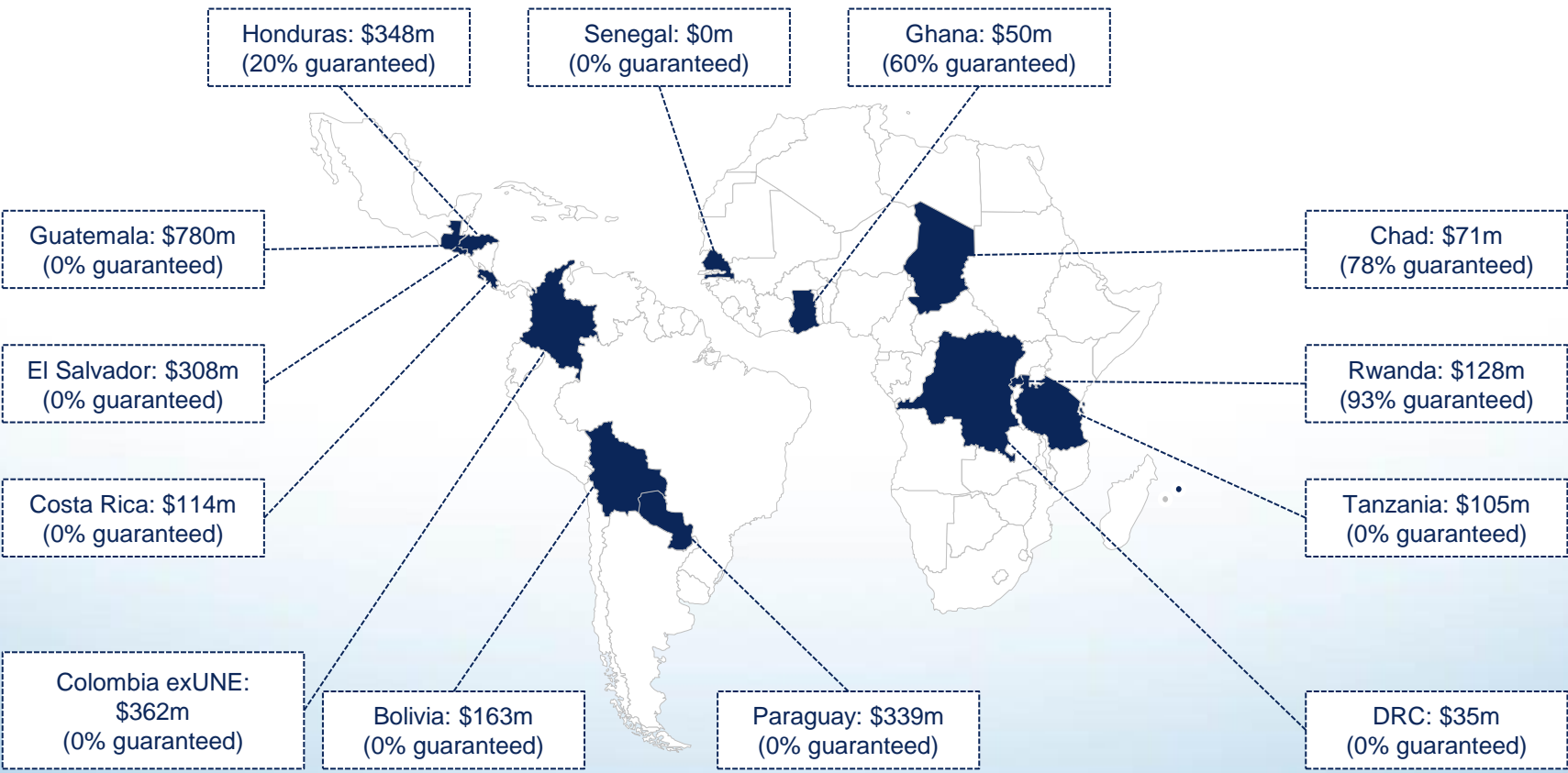
# Debt by region including UNE

<b>Central America:</b> Total debt: \$1,550m 5% guaranteed	<b>South America:</b> Total debt: \$1,350m 0% guaranteed	<b>Africa:</b> Total debt: \$390m 52% guaranteed	<b>Corporate:</b> Total debt: \$1,538m 100% guaranteed	<b>TOTAL MIC DEBT:</b> <b>\$4,829m</b> <b>38% guaranteed</b>
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# Debt by region excluding UNE

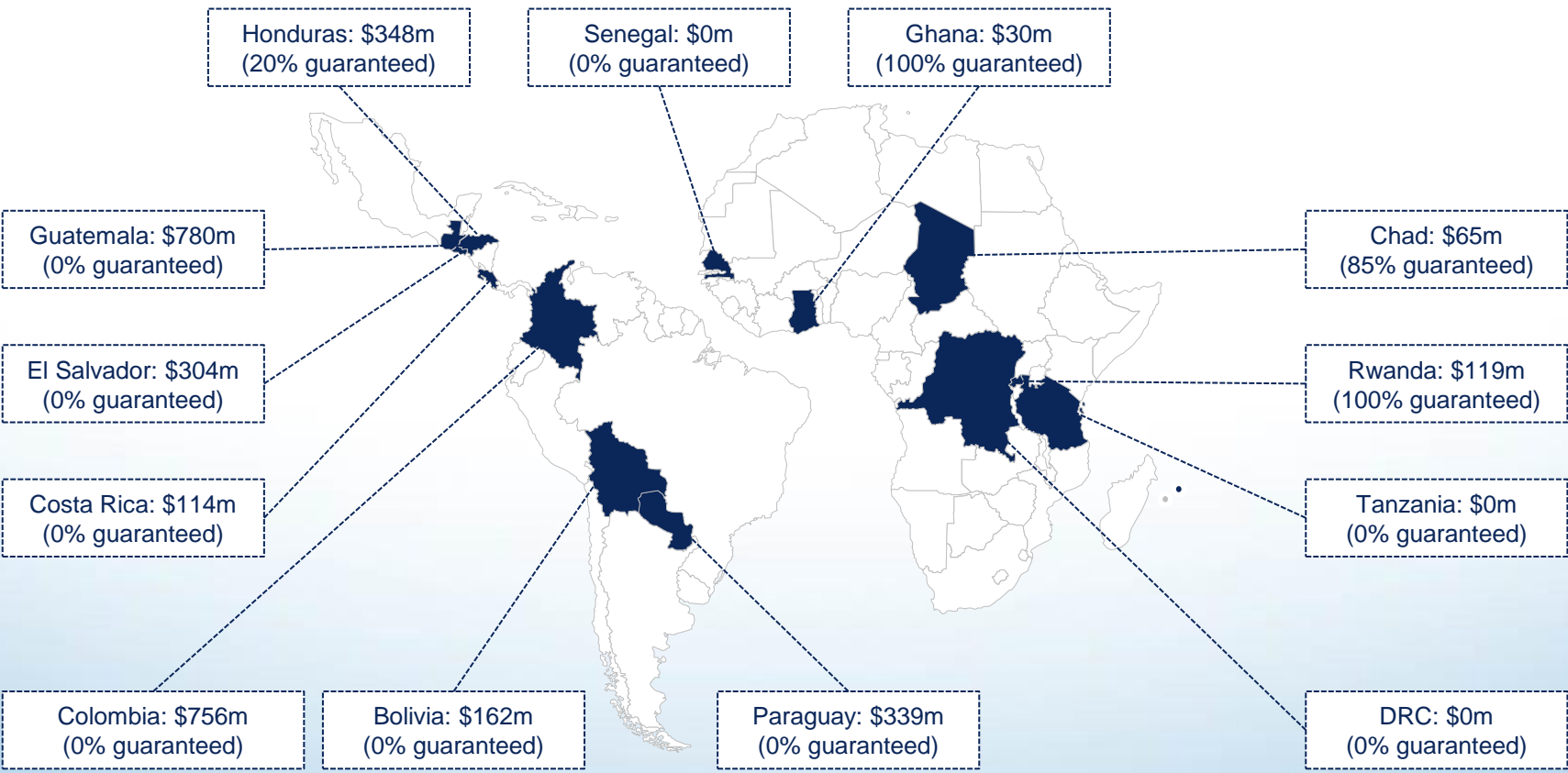
<b>Central America:</b> Total debt: \$1,550m 5% guaranteed	<b>South America:</b> Total debt: \$864m 0% guaranteed	<b>Africa:</b> Total debt: \$390m 52% guaranteed	<b>Corporate:</b> Total debt: \$1,538m 100% guaranteed	<b>TOTAL MIC DEBT:</b> <b>\$4,343m</b> <b>42% guaranteed</b>
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# Debt by region including UNE excluding finance leases

<b>Central America:</b> Total debt: \$1,546m 5% guaranteed	<b>South America:</b> Total debt: \$1,258m 0% guaranteed	<b>Africa:</b> Total debt: \$214m 95% guaranteed	<b>Corporate:</b> Total debt: \$1,537m 100% guaranteed	<b>TOTAL MIC DEBT:</b> \$4,556m 40% guaranteed
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# Cash pool in hard currencies to limit local currency exposure

Dec-14	Debt including finance leases			Cash Total	Net debt		
	USD	Local	Total		USD	Local	Total
CAM	1,097 71%	453 29%	1,550 100%	181	1,037 76%	335 24%	1,369 100%
SAM	342 25%	1,008 75%	1,350 100%	332	258 25%	761 75%	1,018 100%
AFR	217 56%	173 44%	390 100%	189	198 98%	4 2%	201 100%
CORP	1,538 100%	- 0%	1,538 100%	129	1,460 104%	(48) -3%	1,409 100%
MIC	3,194 66%	1,635 34%	4,829 100%	831	2,954 74%	1,052 26%	3,997 100%

EI Salvador and DRC have USD as functional currency (treated as local in both cases.)

# Debt profile excluding finance leases

Dec-14	Debt excluding finance leases		
	USD	Local	Total
CAM	1,097 71%	449 29%	1,546 100%
SAM	341 27%	917 73%	1,258 100%
AFR	160 75%	54 25%	214 100%
CORP	1,538 100%	0% 0%	1,538 100%
<b>MIC</b>	<b>3,136</b> 69%	<b>1,420</b> 31%	<b>4,556</b> 100%