



2017 Q3 results

Millicom International Cellular S.A.

Mauricio Ramos, CEO

Tim Pennington, CFO

October 25, 2017

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1. CEO review

Mauricio Ramos

Millicom returns to positive revenue growth

1

Continued strong 4G net adds

2

Record HFC net adds

3

Revenue growth is back... and recovery is broad-based

4

Colombia at a turning point

5

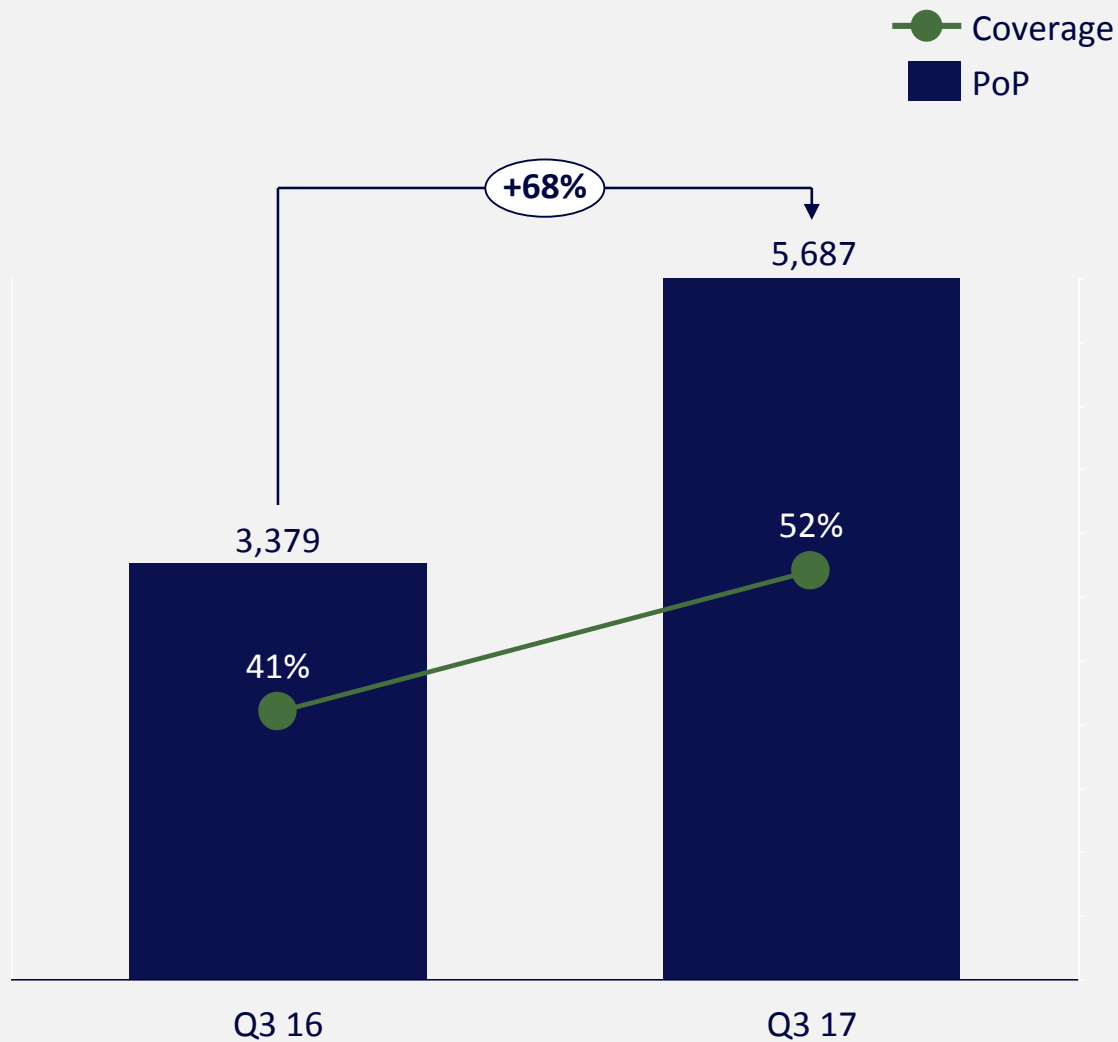
Closing 2017 with strong momentum

1 Continued strong 4G net adds in Latam...

On track to beat our 3 million 4G net add target for the year

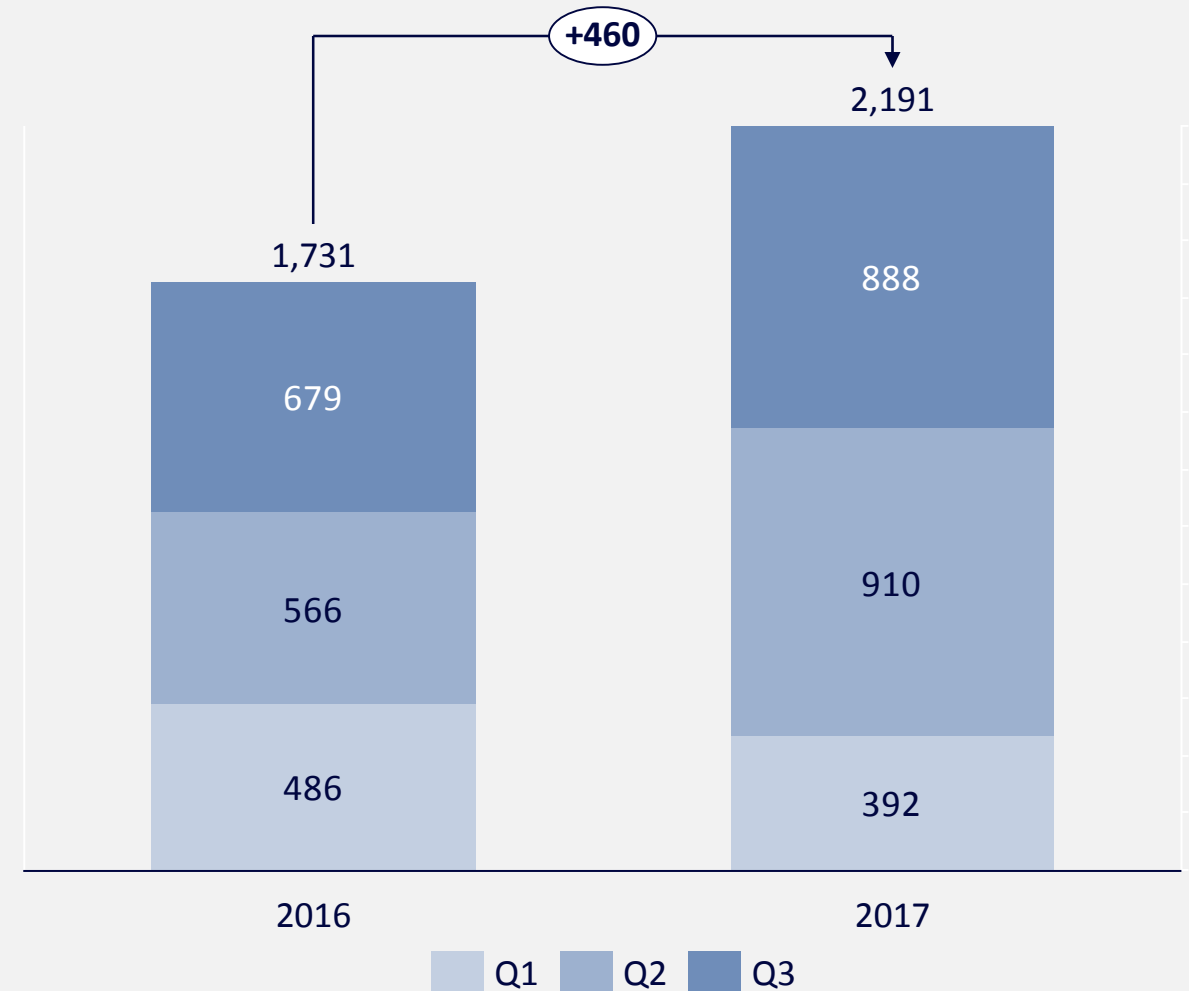
4G network build in Latam

Latam 4G coverage in % of population covered
4G points of presence (PoP)



4G data user net additions

Latam B2C Smartphone net new data users (000s) by quarter, 2016 – 2017



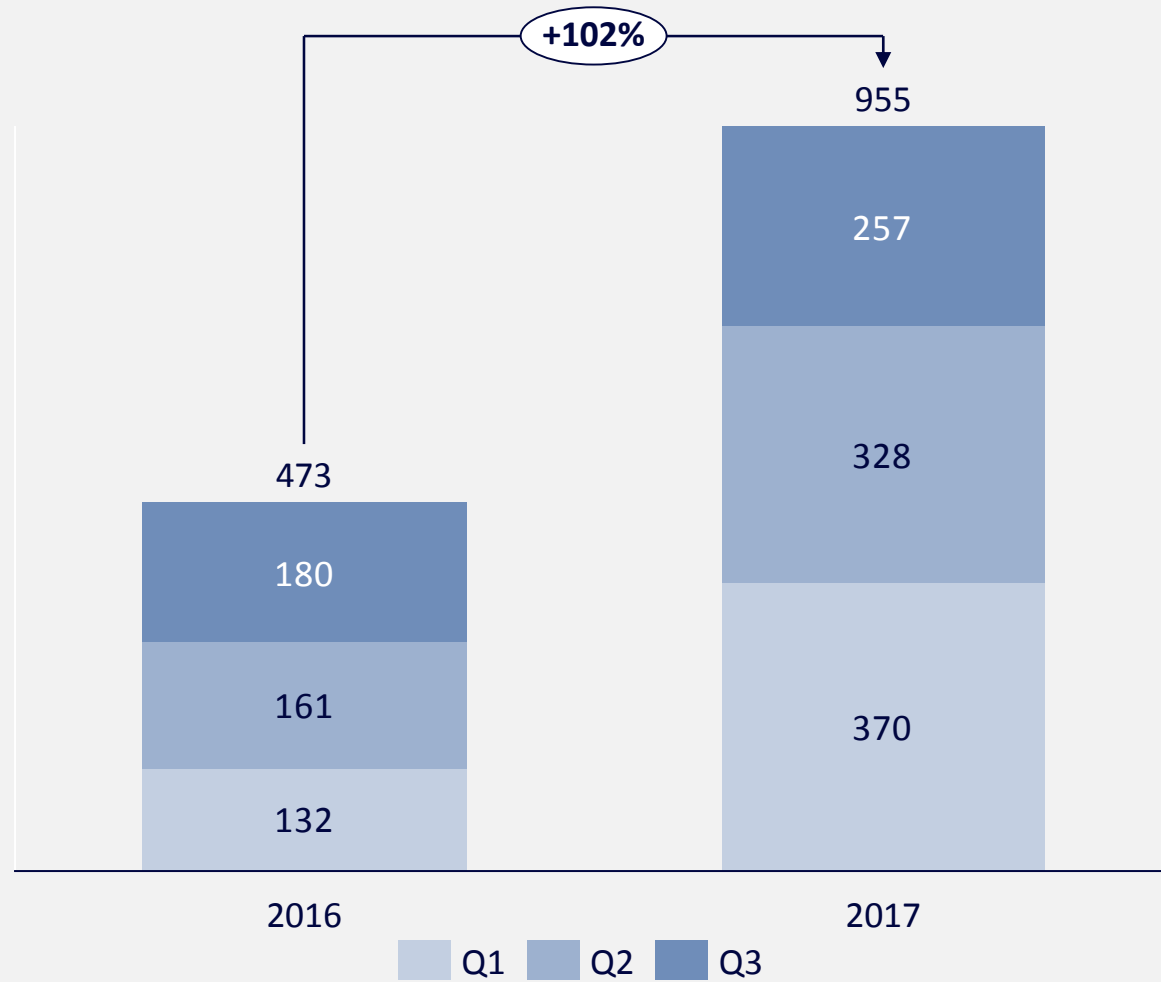
- Migration to 4G lifts same-subscriber ARPU >10%
- Only 18% of Latam B2C mobile subs on 4G

2 ...and record HFC net adds as well

We are building and connecting record numbers of new HFC homes

Added 2x more homes passed YTD

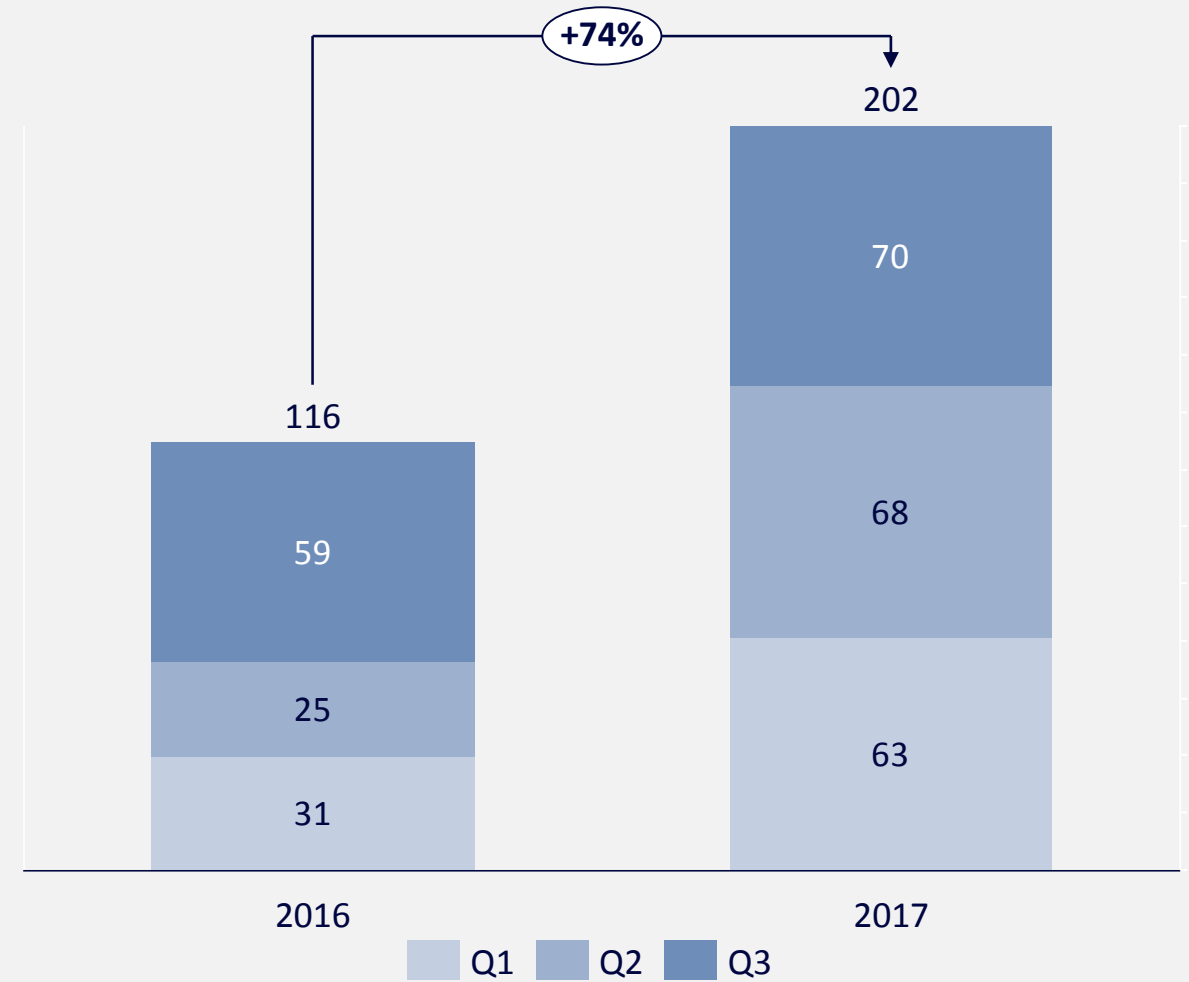
Latam new HFC homes passed by quarter, 2016 – 2017 (000s)



- On track to easily exceed 1.0m target for 2017

Connected 74% more HFC homes in 2017 YTD

Latam new HFC homes connected by quarter, 2016 – 2017 (000s)



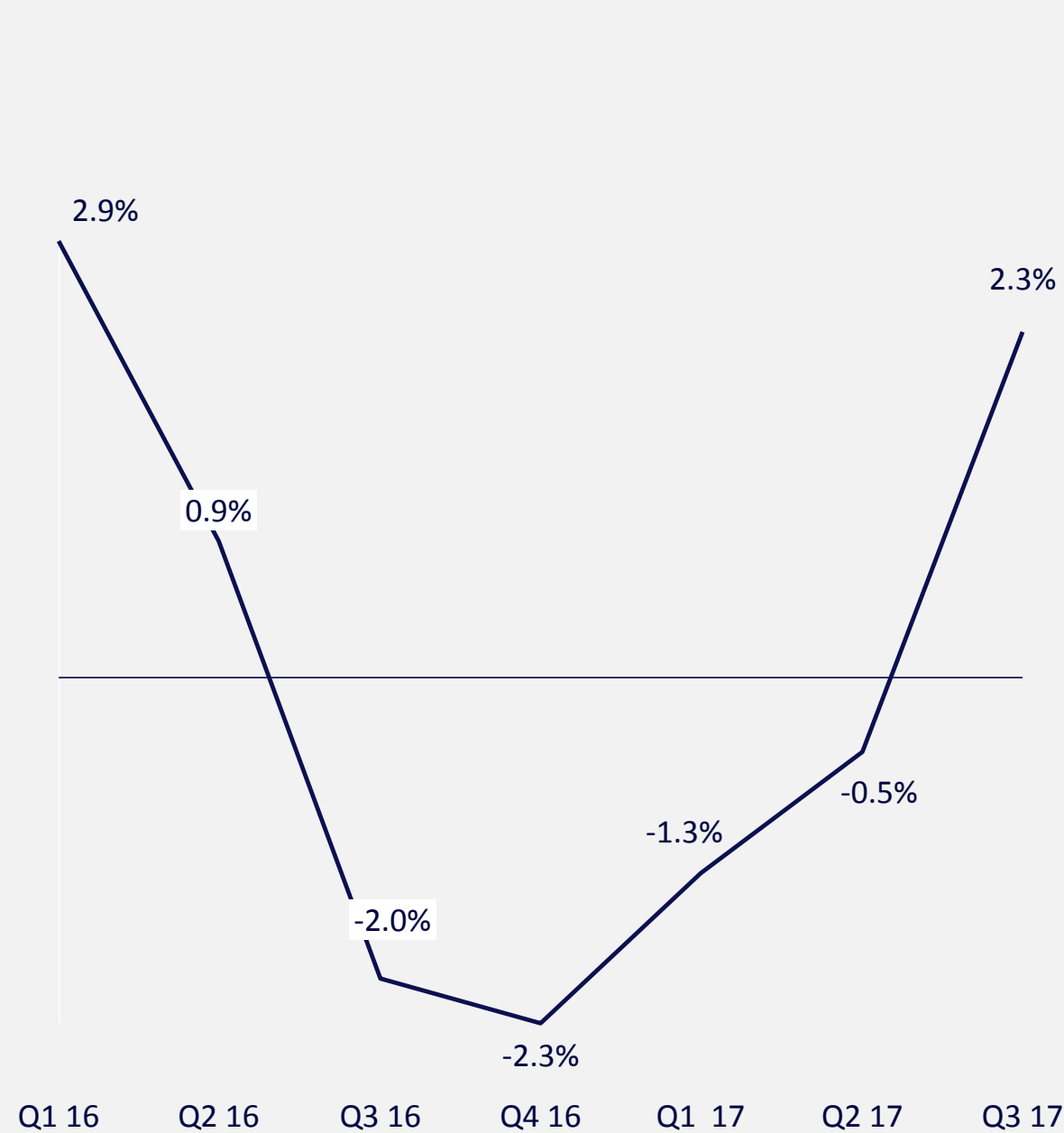
- Record 70k HFC connected homes in Q3

3 Latam returns to growth

Third consecutive quarterly improvement in Latam revenue growth

Latam service revenue growth

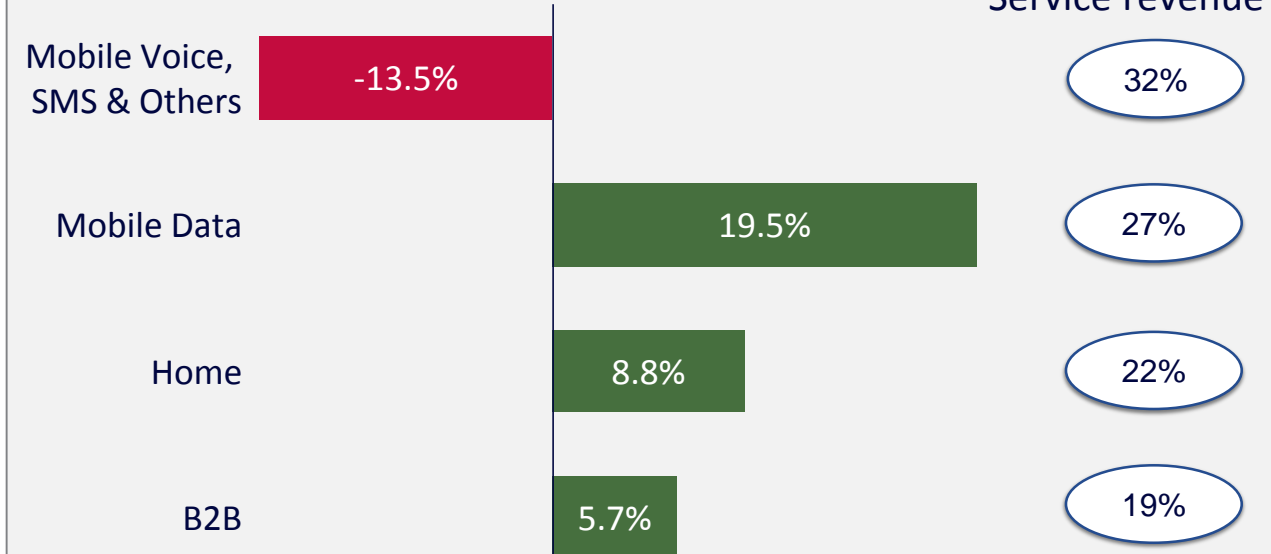
%YoY growth, Q1 16 – Q3 17



Latam service revenue growth by business unit

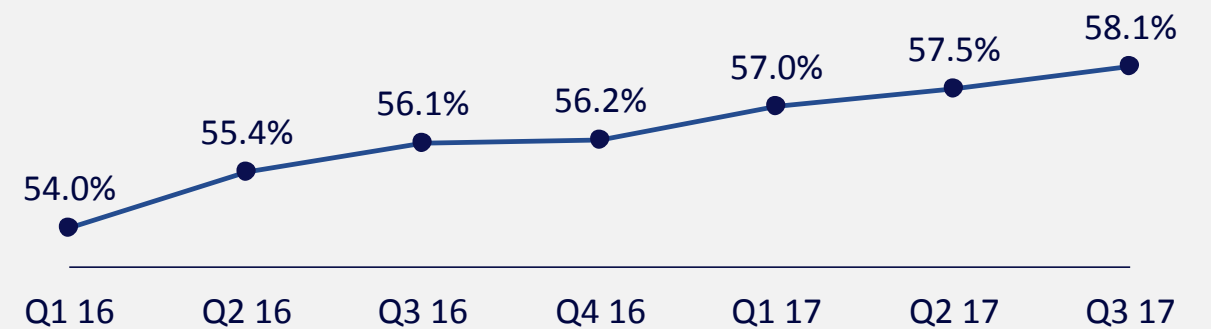
%YoY growth, Q3 17

% of Latam Service revenue



Subscription* revenue as % service revenue - Latam

%YoY, Q1 16 – Q3 17



*Total service revenue excluding mobile prepaid and others

3 Latam growth recovery is broad based

We have good momentum in all of our largest Latam markets

El Salvador

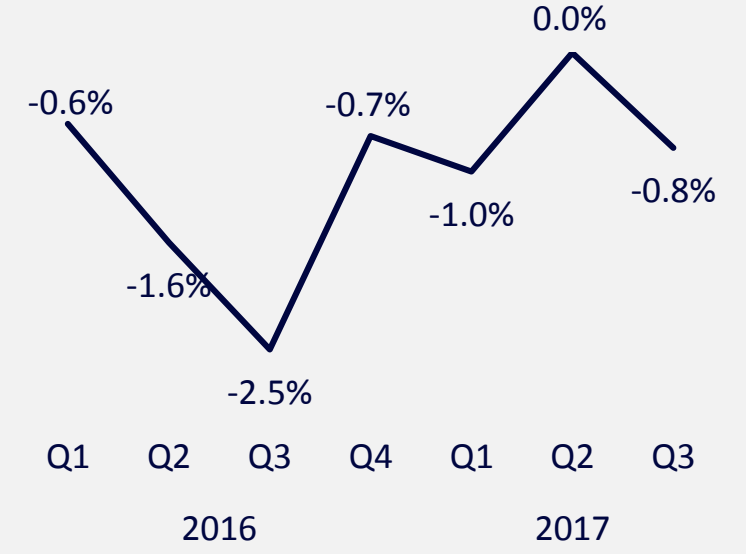
Service revenue, year-on-year (%), Q1 16 – Q3 17



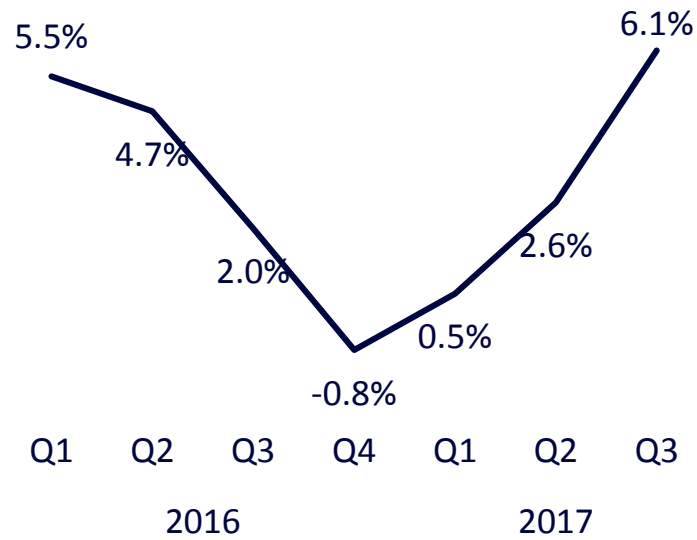
Guatemala



Honduras



Bolivia



Colombia

Ex regulatory impact ^a



Paraguay



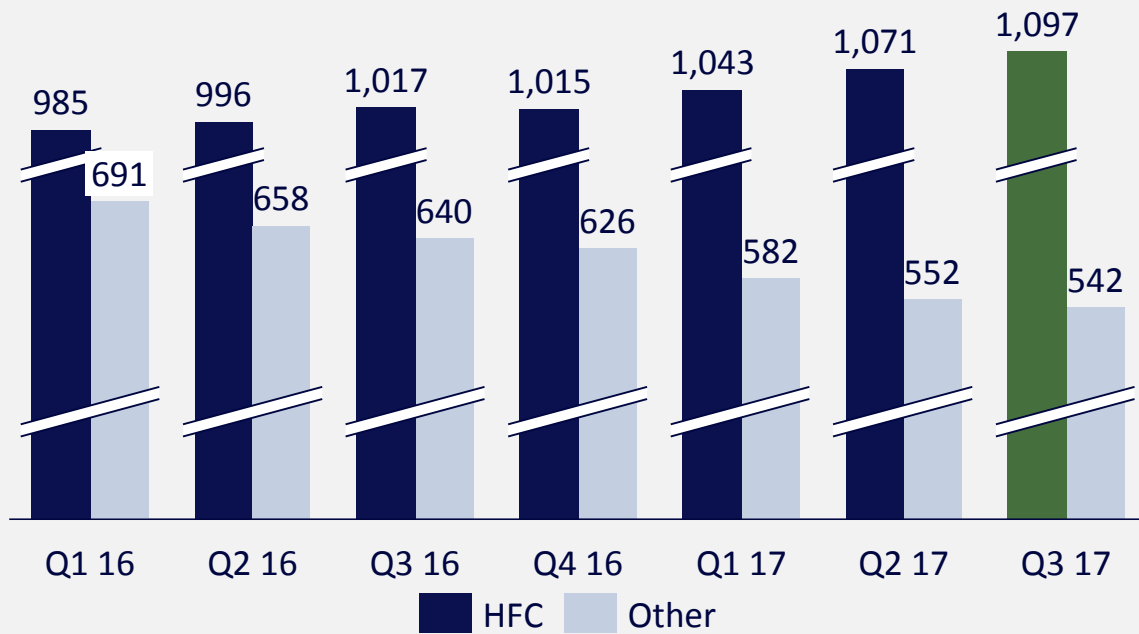
^a Lower MTR, MVNO, and national roaming tariffs, and mandated decommissioning of UNE fixed wireless network

4 Colombia at a turning point

Planting the seeds for sustainable and profitable long term growth

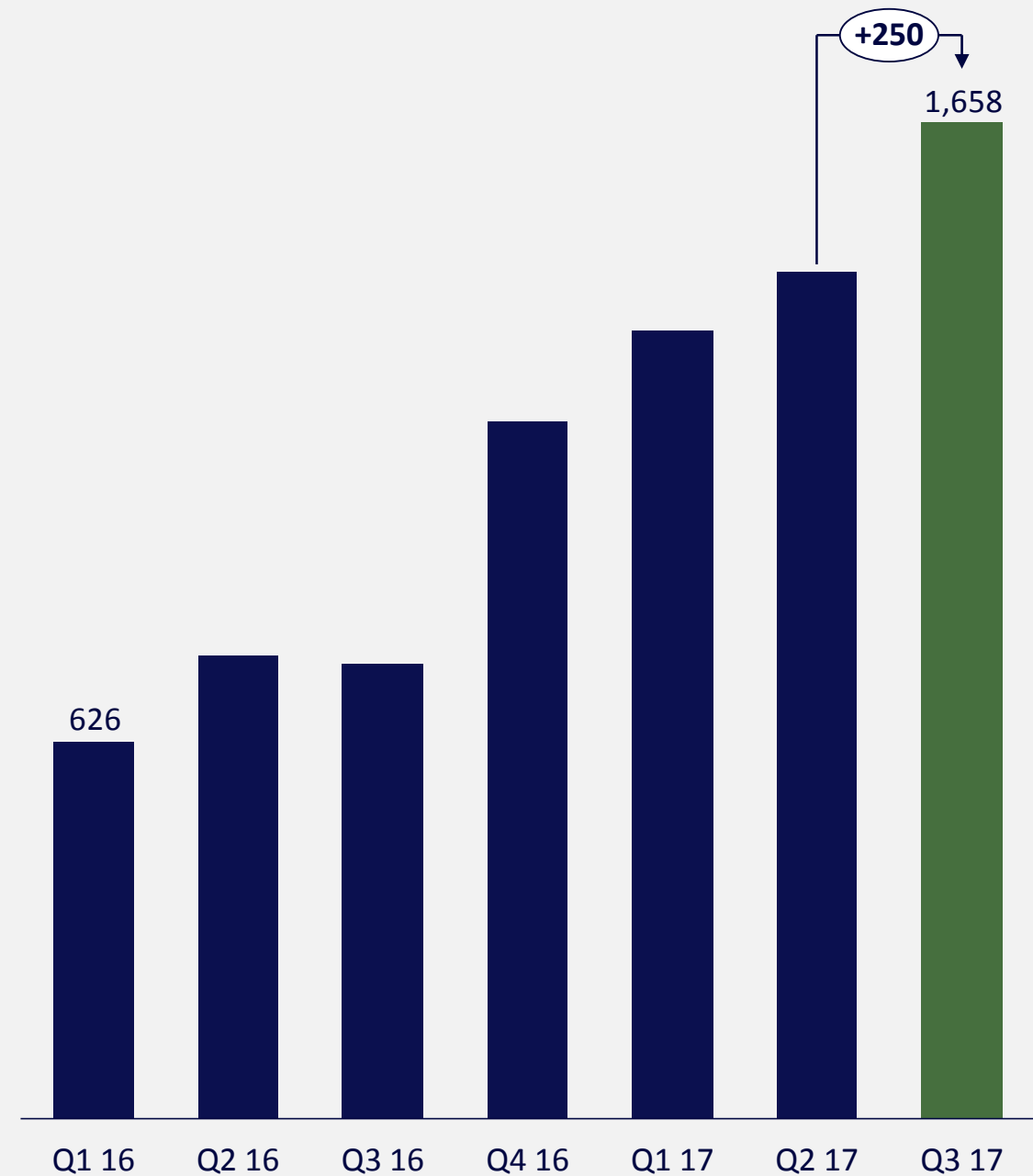
HFC growth offset copper churn in Q3

Homes connected (thousands), Q1 16 – Q3 17



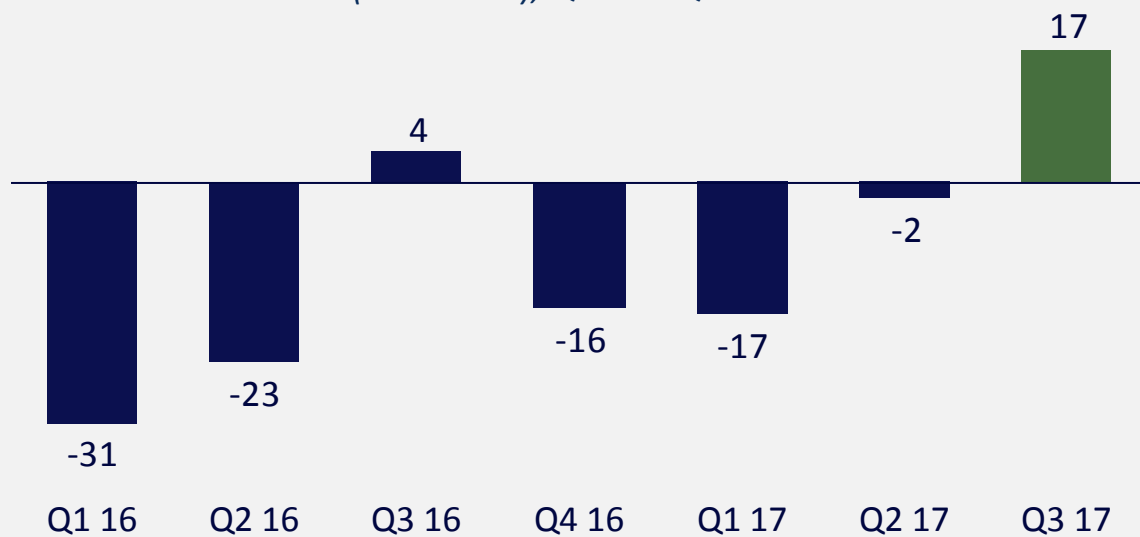
4G adoption accelerating

4G Smartphone data users (thousands), Q1 16 – Q3 17



Total net homes connected now growing

Net total homes connected (thousands), Q1 16 – Q3 17



4 Colombia new product launches

Increased differentiation with Next Generation TV



Key Features

- ✓ Integrates linear TV and OTT
- ✓ Personalization
- ✓ Search function
- ✓ Anytime, anywhere
- ✓ Supports both high-end and entry-level options

Increasing B2B focus – Data center launch and Tigo Business Forum

- ✓ New tier-3 data center in Colombia
- ✓ New B2B services – Cloud, IoT, SaaS, IaaS

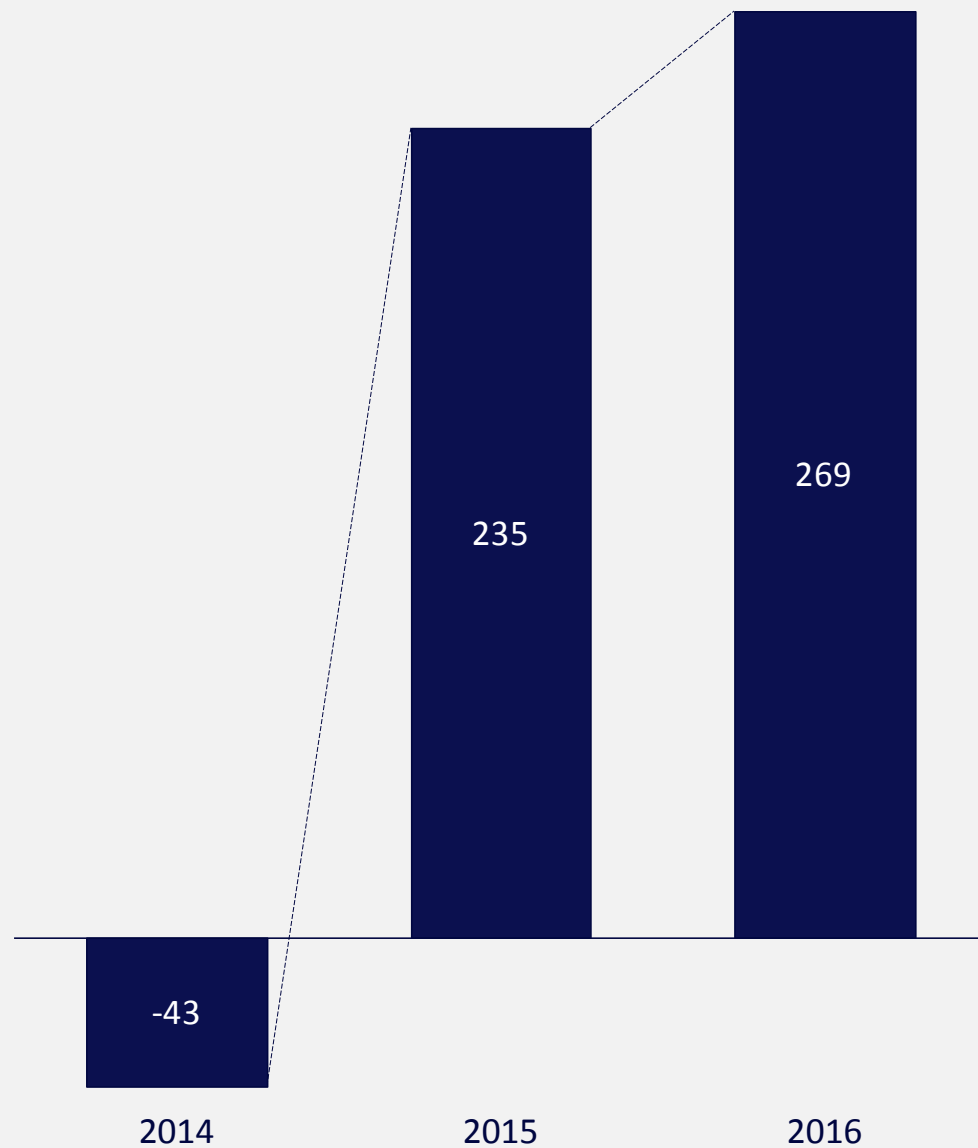


5 Maintaining capital discipline with an eye on FCF

Solid FCF generation while we invest to drive faster growth

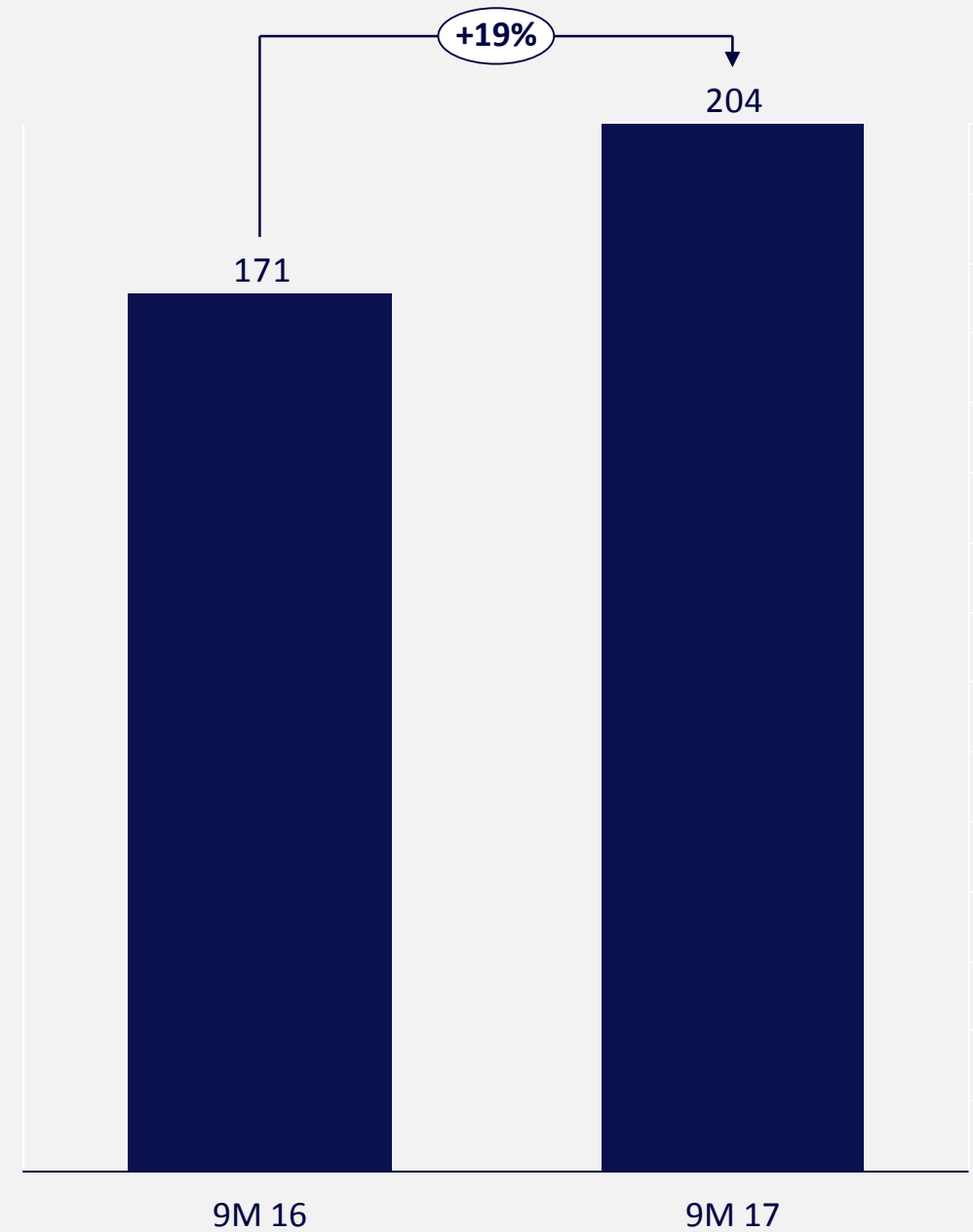
Annual equity FCF

\$m, 2014-2016



EFCF up 19% YTD

\$m, 9M 16 – 9M 17



5 Closing 2017 with strong momentum

Strong commercial performance is driving improving growth and operating leverage

On pace to exceed our KPI targets for 2017

- ✓ More than 3m 4G net adds
- ✓ Well over 1m new HFC homes passed
- ✓ Record new HFC homes connected

Q4 2017 Outlook

Latin America growth, year-on-year:

Service Revenue	2% - 4%
EBITDA	4% - 6%

Africa – Equity FCF Positive in FY17



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2. CFO review

Tim Pennington

Millicom returns to positive revenue growth

1

Growth improving across the board

2

Margin resilience

3

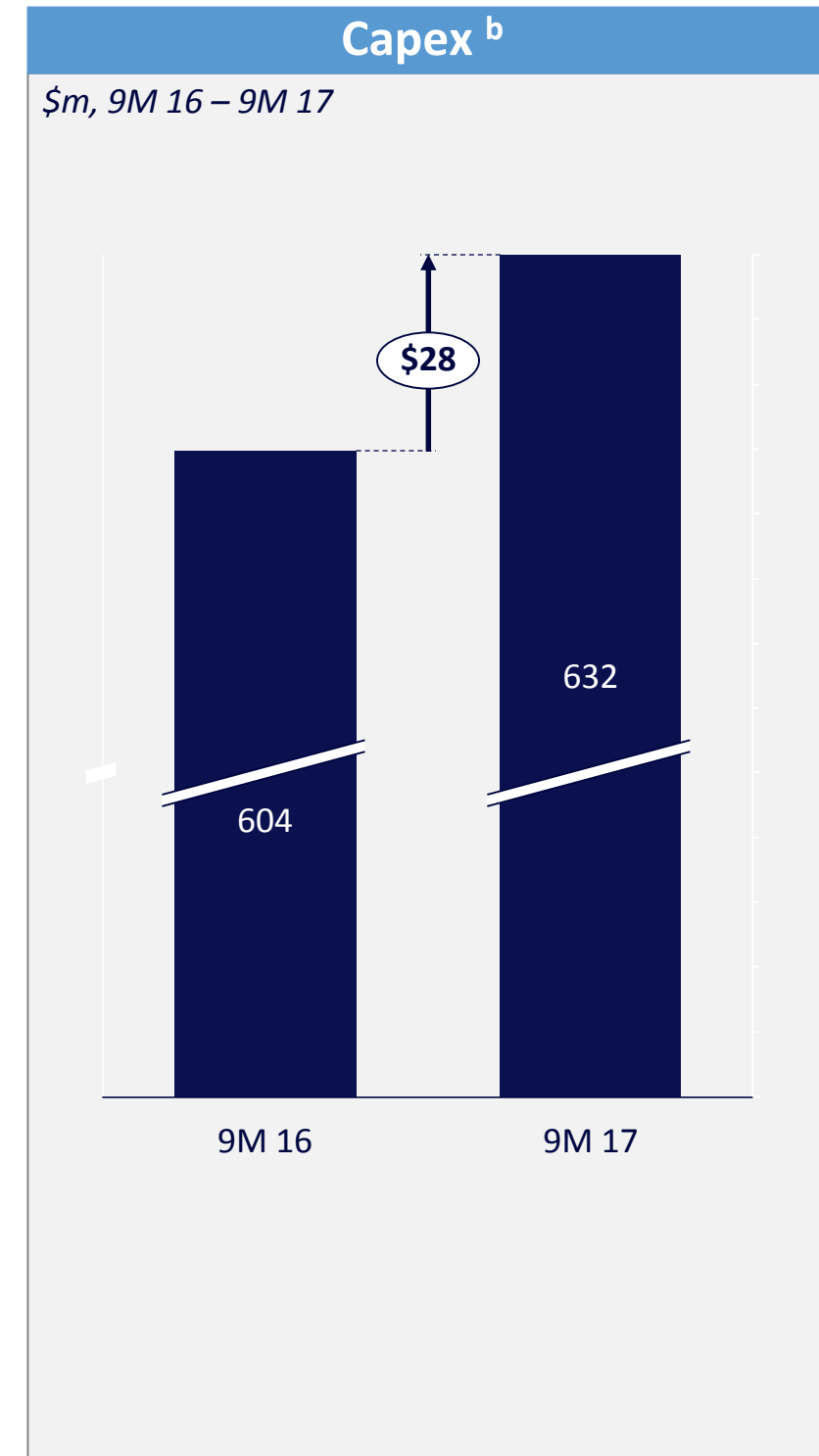
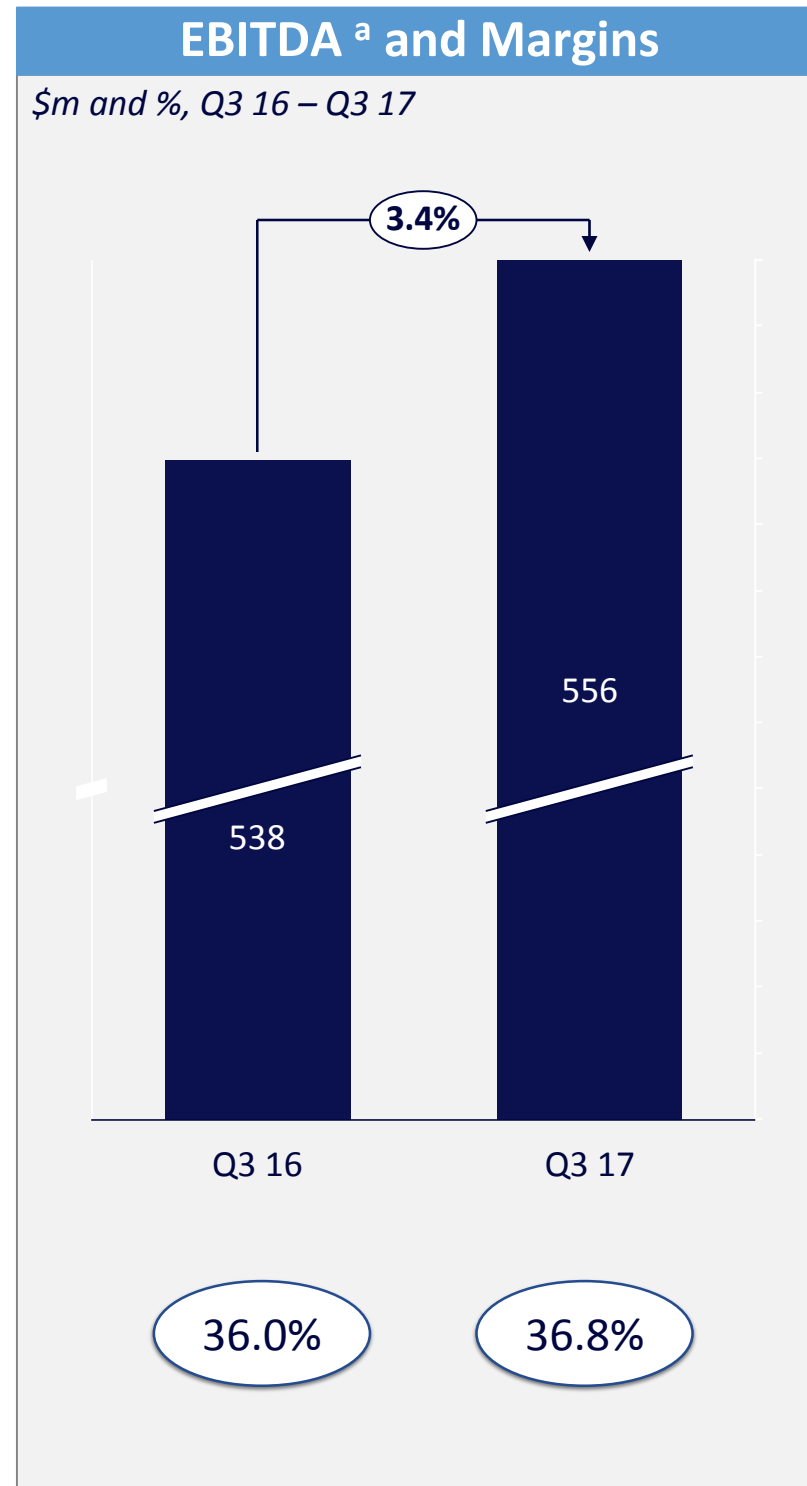
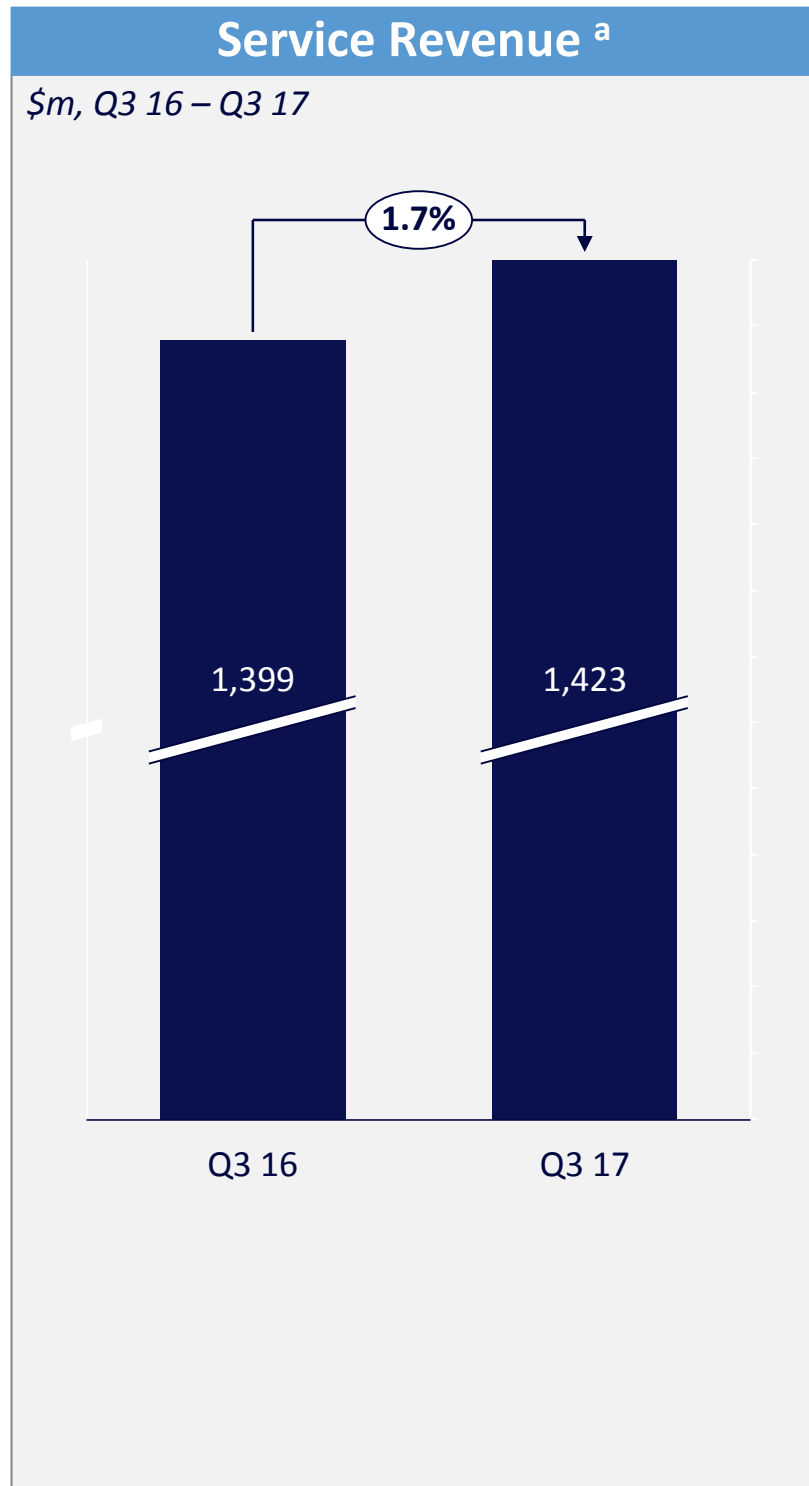
FCF growth

4

Active debt management

1 Key financial metrics

Group service revenue growing again



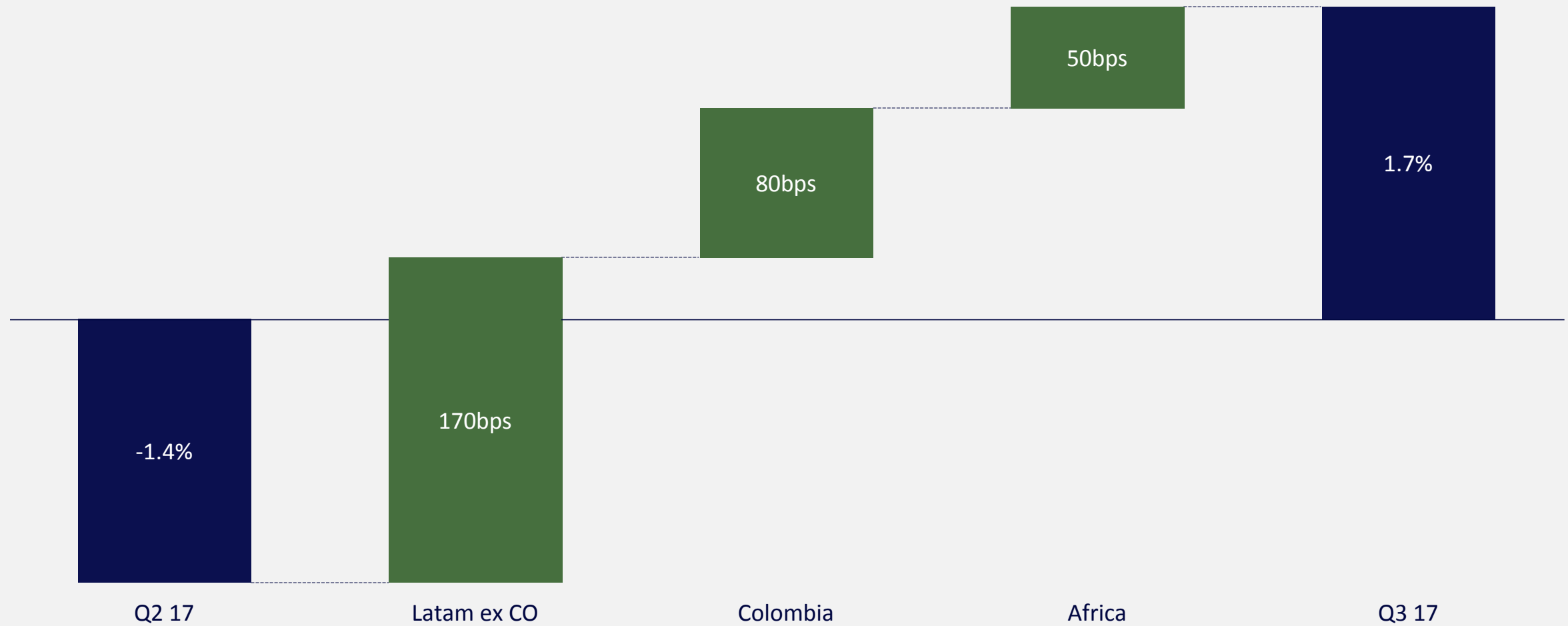
a) Q3 16 numbers are adjusted to Q3 17 FX rates and exclude Senegal and Ghana
 b) Excluding Senegal and Ghana, spectrum & license costs

1 Service revenue

Improvement across the board on a sequential basis

Group sequential organic service revenue growth analysis

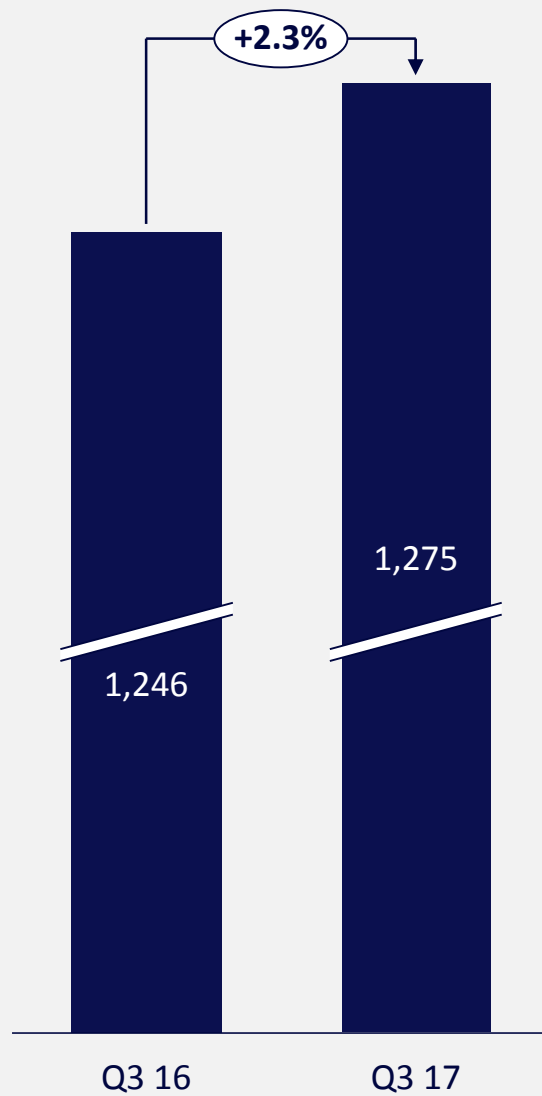
%YoY, Q2 17 – Q3 17



Financial performance continues to improve in Latam

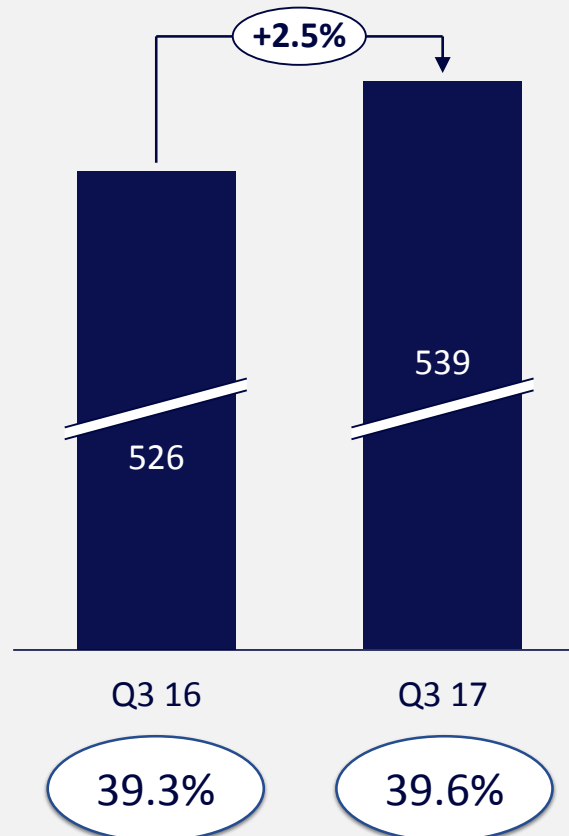
Latam service revenue

\$m, Q3 16 – Q3 17



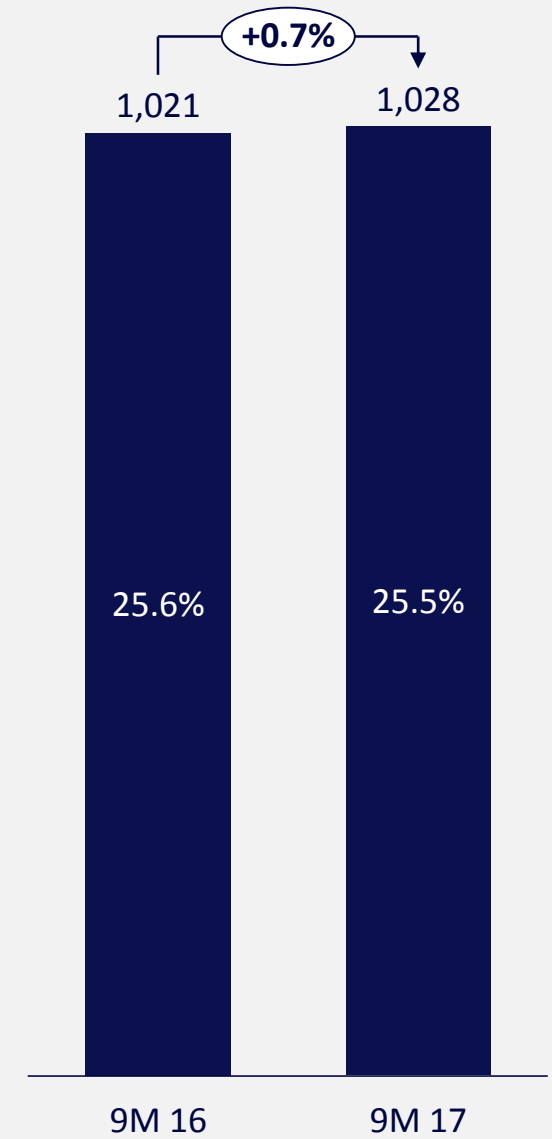
Latam EBITDA

\$m and margin, Q3 16 – Q3 17



Latam OCF (YTD)

\$m and margin, 9M 16 – 9M 17

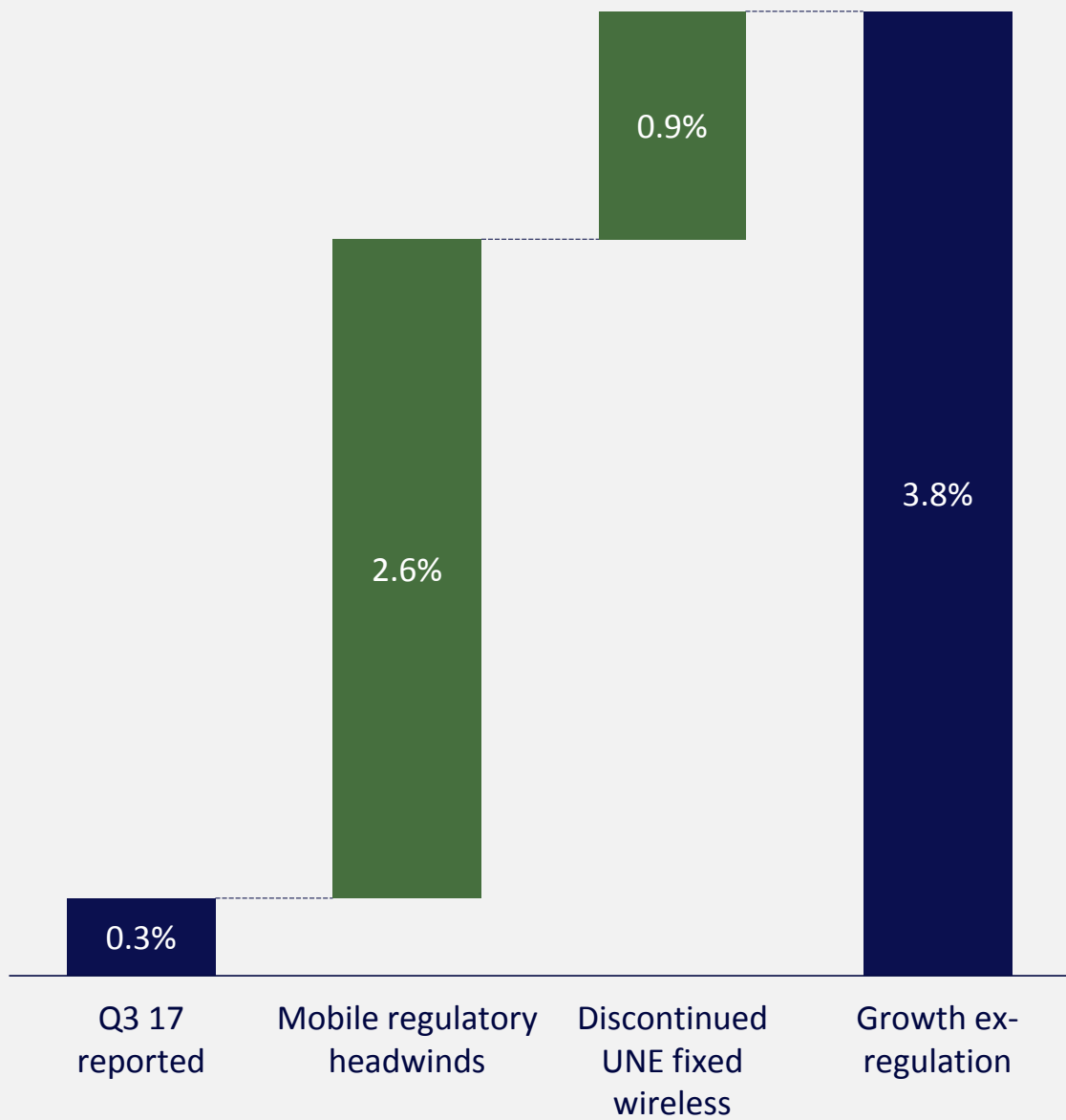


Q3 16 numbers are adjusted to Q3 17 FX rates
Capex excluding spectrum & license costs

Investing in sales and marketing while absorbing regulatory challenges

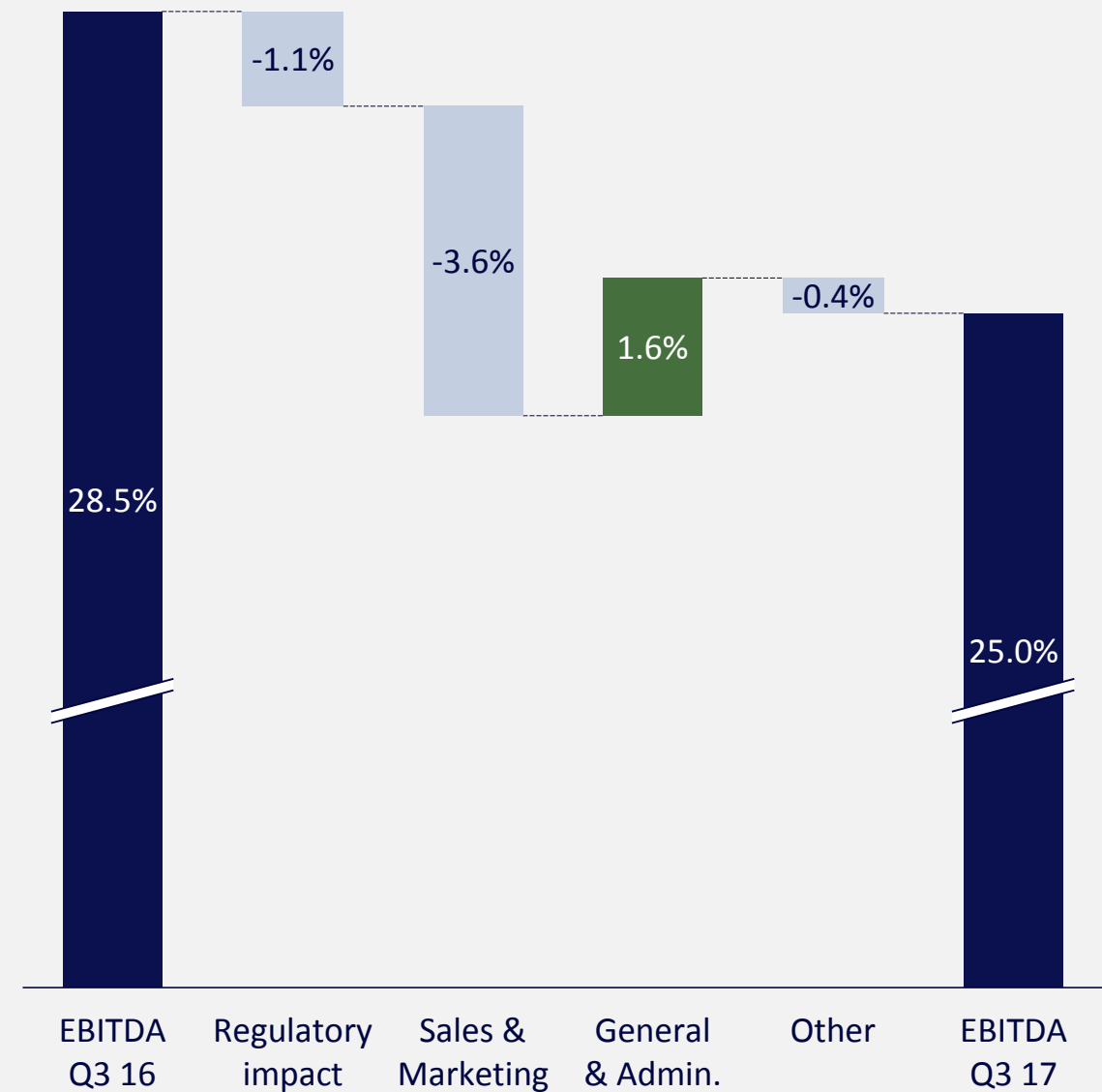
Service revenue growth

YoY growth, Q3-17



Colombia EBITDA bridge

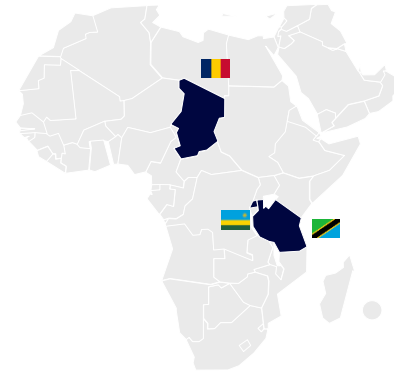
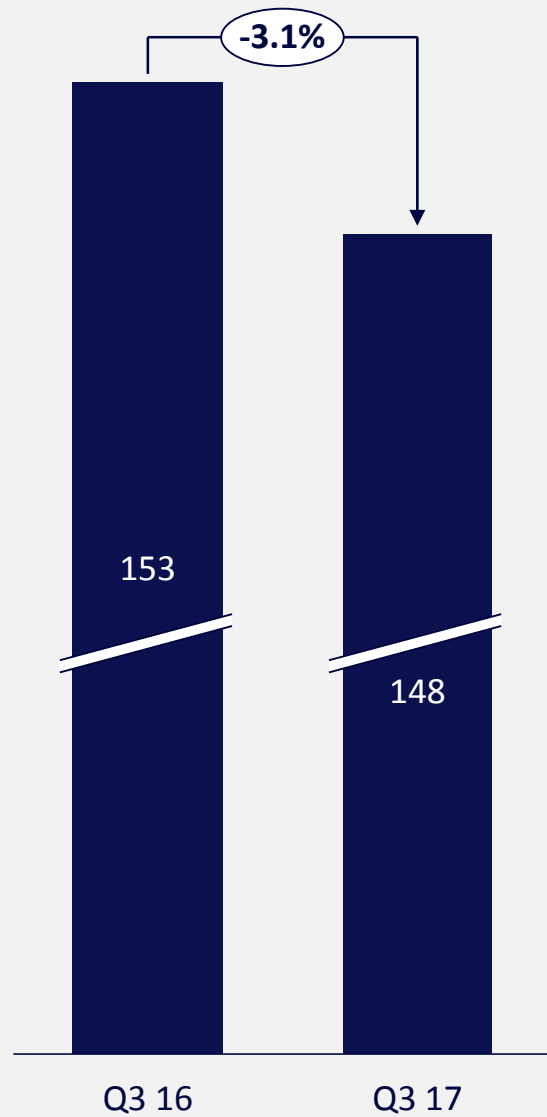
% Revenue, Q3 17



Africa still challenging

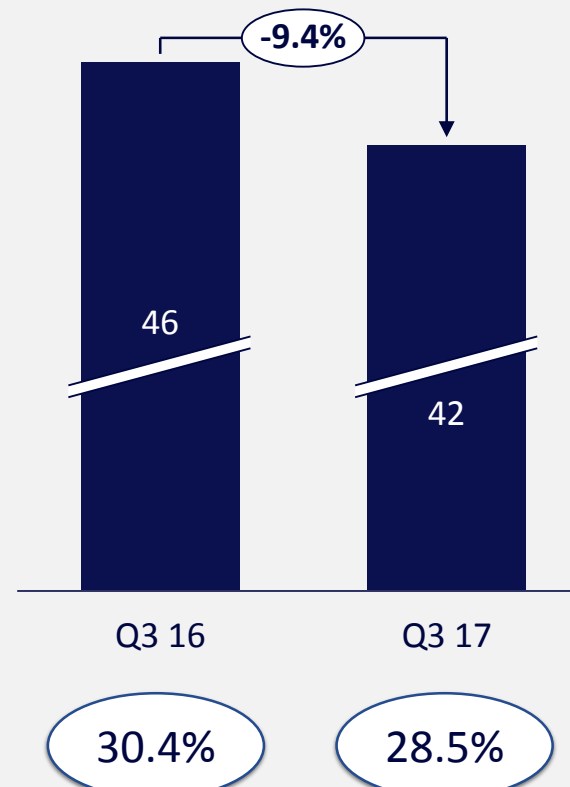
Africa service revenue

\$m, Q3 16 – Q3 17



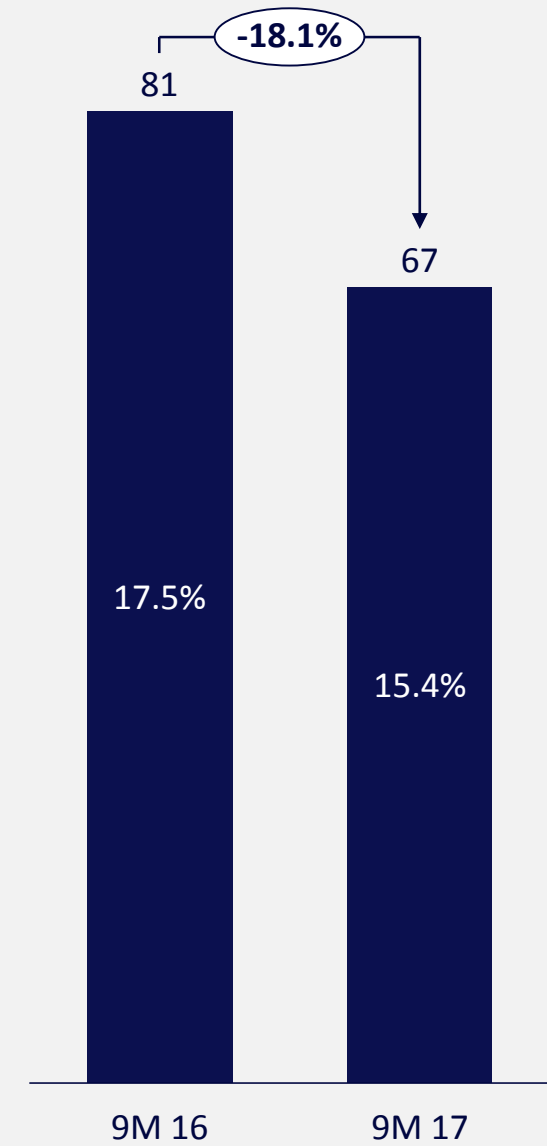
Africa EBITDA

\$m and margin, Q3 16 – Q3 17



Africa OCF (YTD)

\$m and margin, 9M 16 – 9M 17

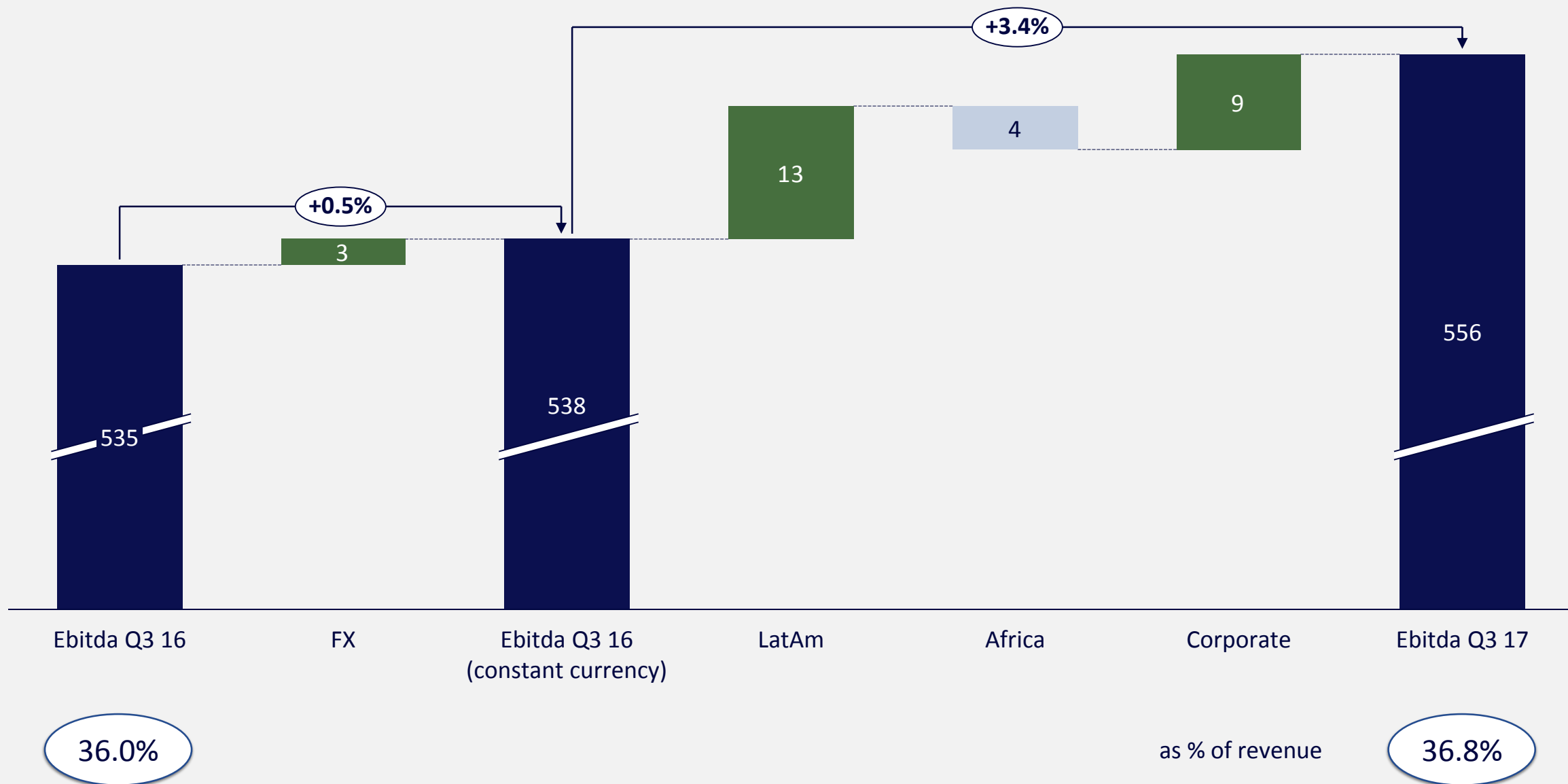


Q3 16 numbers are adjusted to Q3 17 FX rates excluding Senegal and Ghana
Capex excluding spectrum & license costs

Latam EBITDA growth offsetting Africa

EBITDA evolution by region

\$ million, Q3 16 – Q3 17

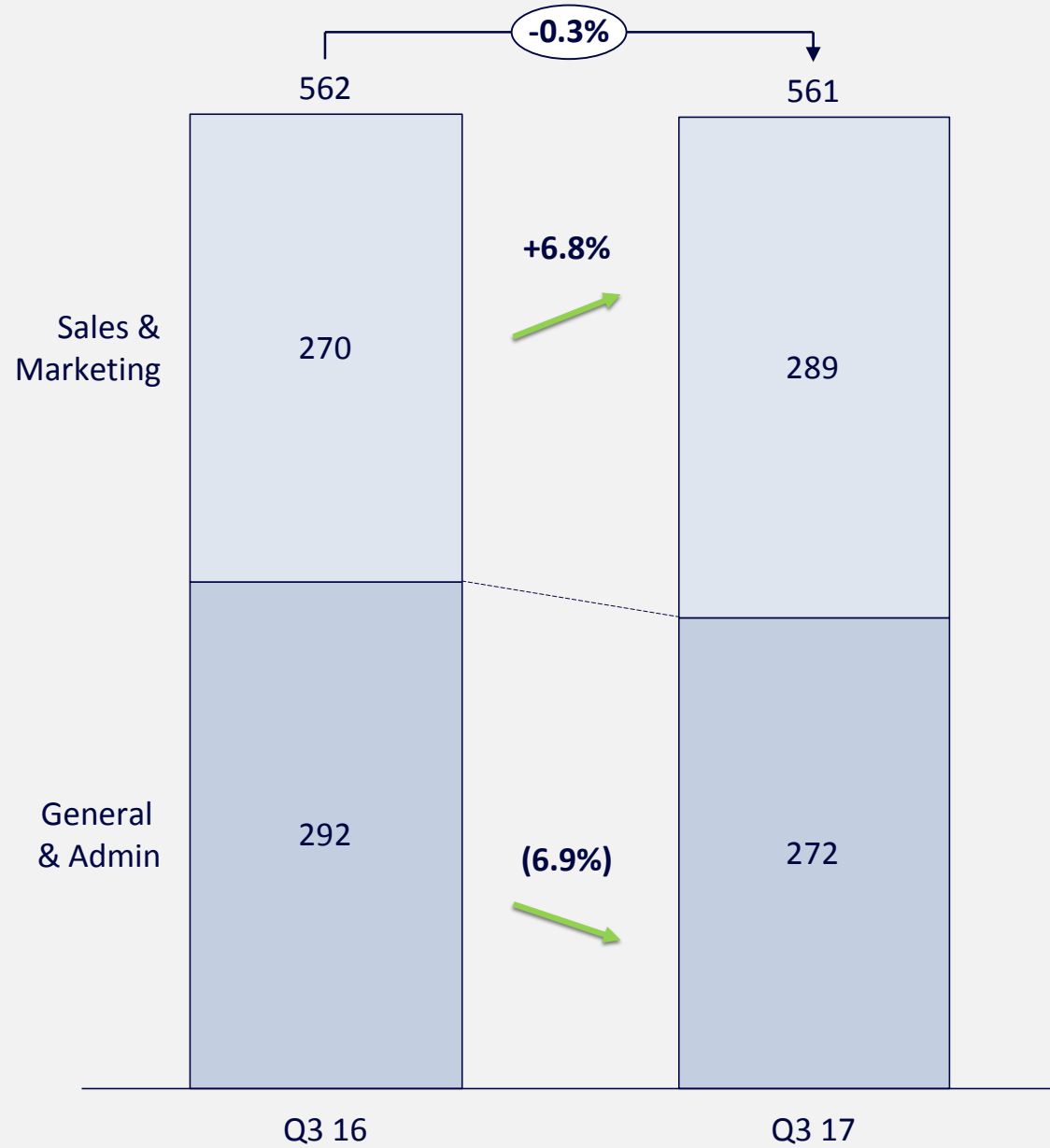


2 Cost review and margin sustainability

Reinvesting G&A savings into sales and marketing to support growth

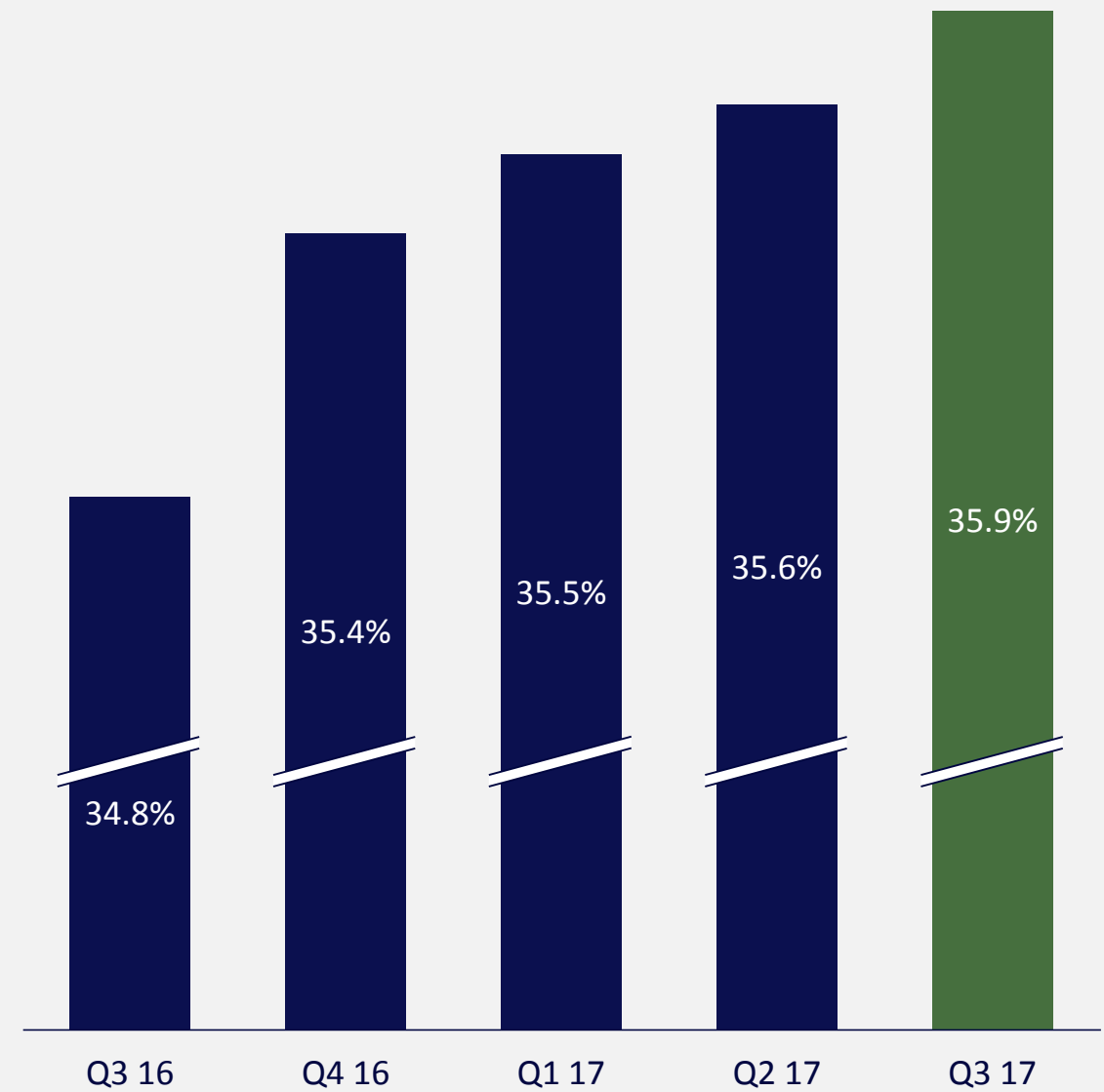
Group total OPEX base

\$m and growth YOY per OPEX segment, Q3 16 - Q3-17



Group LTM EBITDA

LTM EBITDA margin, Q3 16 – Q3 17



All data adjusted to exclude Senegal and Ghana in all periods

P&L Summary

US\$ million	Q3 17	Q3 16	% Var
Revenue	1,509	1,486	1.6%
EBITDA	556	535	3.9%
Depreciation & amortization	(327)	(332)	(1.2%)
Other operating	20	1	NM
Operating profit	249	204	21.7%
Net financial expense	(134)	(108)	24.8%
Others non operating	2	7	(74.9%)
Associates	(15)	(7)	NM
Profit before tax	101	96	5.1%
Taxes	(66)	(49)	33.5%
Minority interests	(25)	(30)	(17.5%)
Discontinued operations	10	4	NM
Net income	20	20	0.9%
Adjusted EPS	0.31	0.08	NM

Key Observations

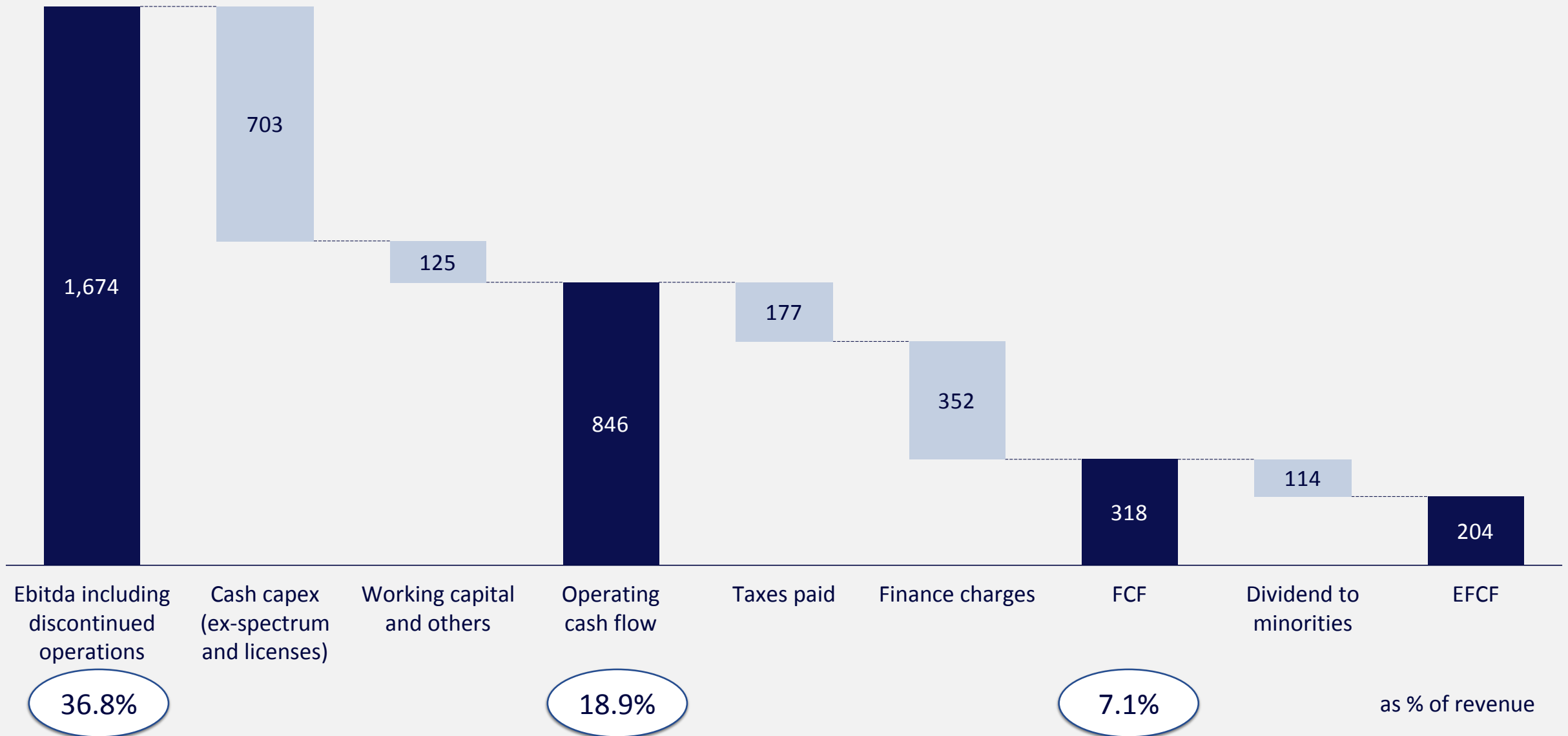
- A** Gain on sale of towers in Paraguay
- B** Net financial expenses include the debt management costs
- C** Taxes higher on higher Latam profits
- D** Discontinued operations include Senegal and Ghana

3 9M cash flow

EFCF up 19% higher year-on-year

9M 2017 cash flow

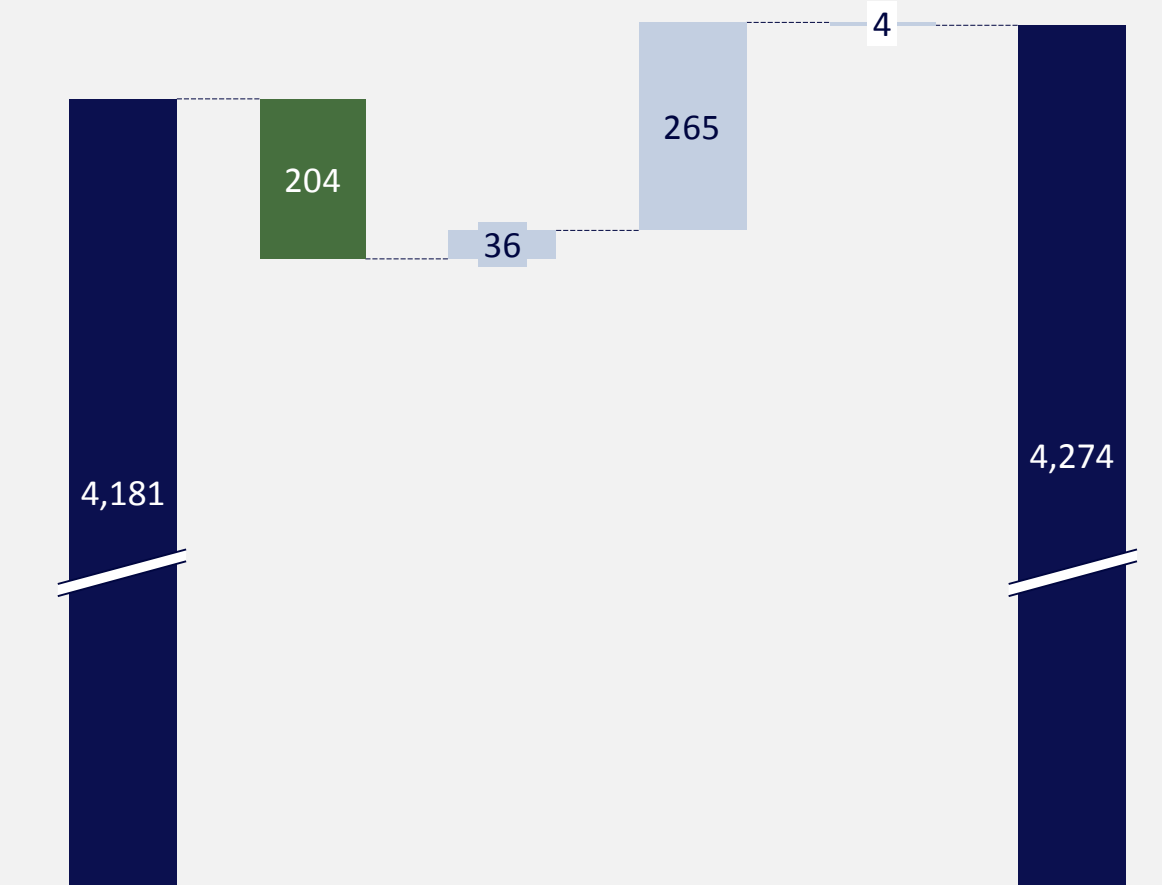
\$ million



Debt management activity in Q3

Net debt evolution

\$ million, 31 December 2016 – 30 September 2017



Net debt YE 2016	Equity FCF	Spectrum	Dividend	FX and others	Net debt Q3 2017
1.93x					1.99x
2.15x					2.15x

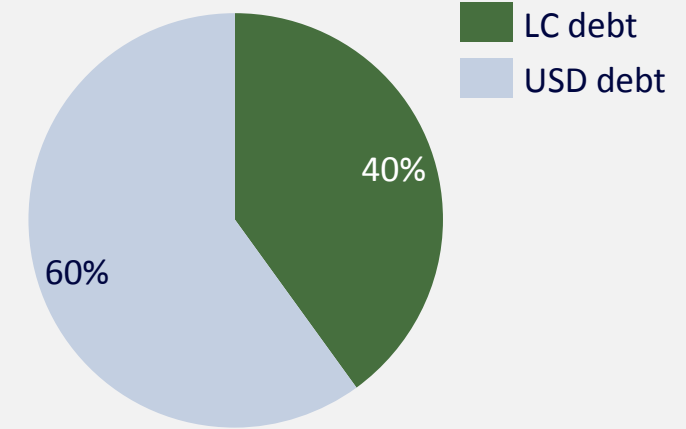
Net debt/LTM EBITDA

Proportionate Net debt/
Proportionate LTM EBITDA

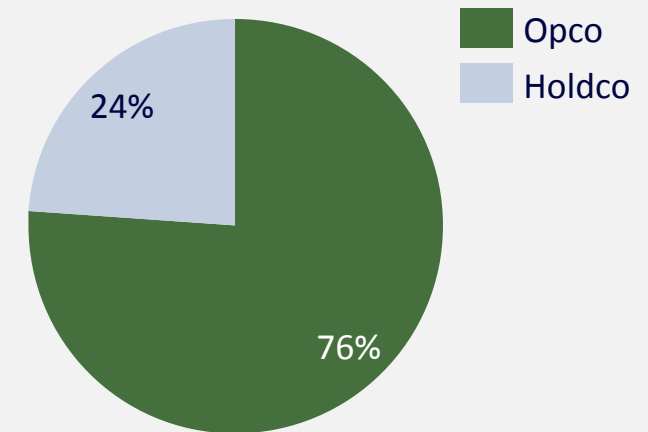
Debt profile

% of gross debt, 30 September 2017*

Gross debt currency exposure



Gross debt distribution



* Proforma for redemption of 2021 Notes and Bolivia issuance completed in early October

1

Exceeding customer net additions targets

2

Revenue growth recovery is broad-based

3

Investing for future growth

4

Maintaining cost and capital discipline

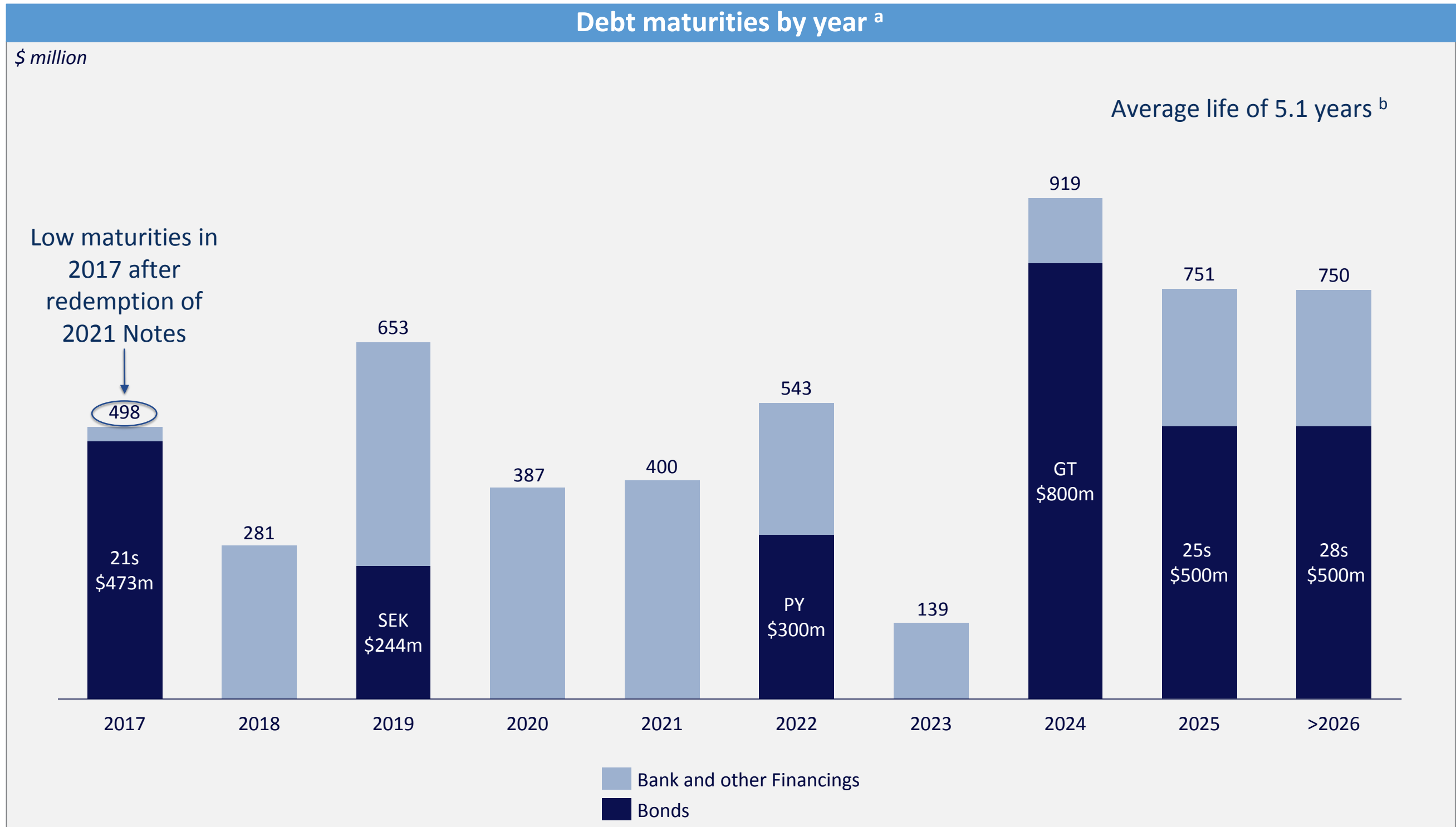


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Q&A

Debt maturity profile

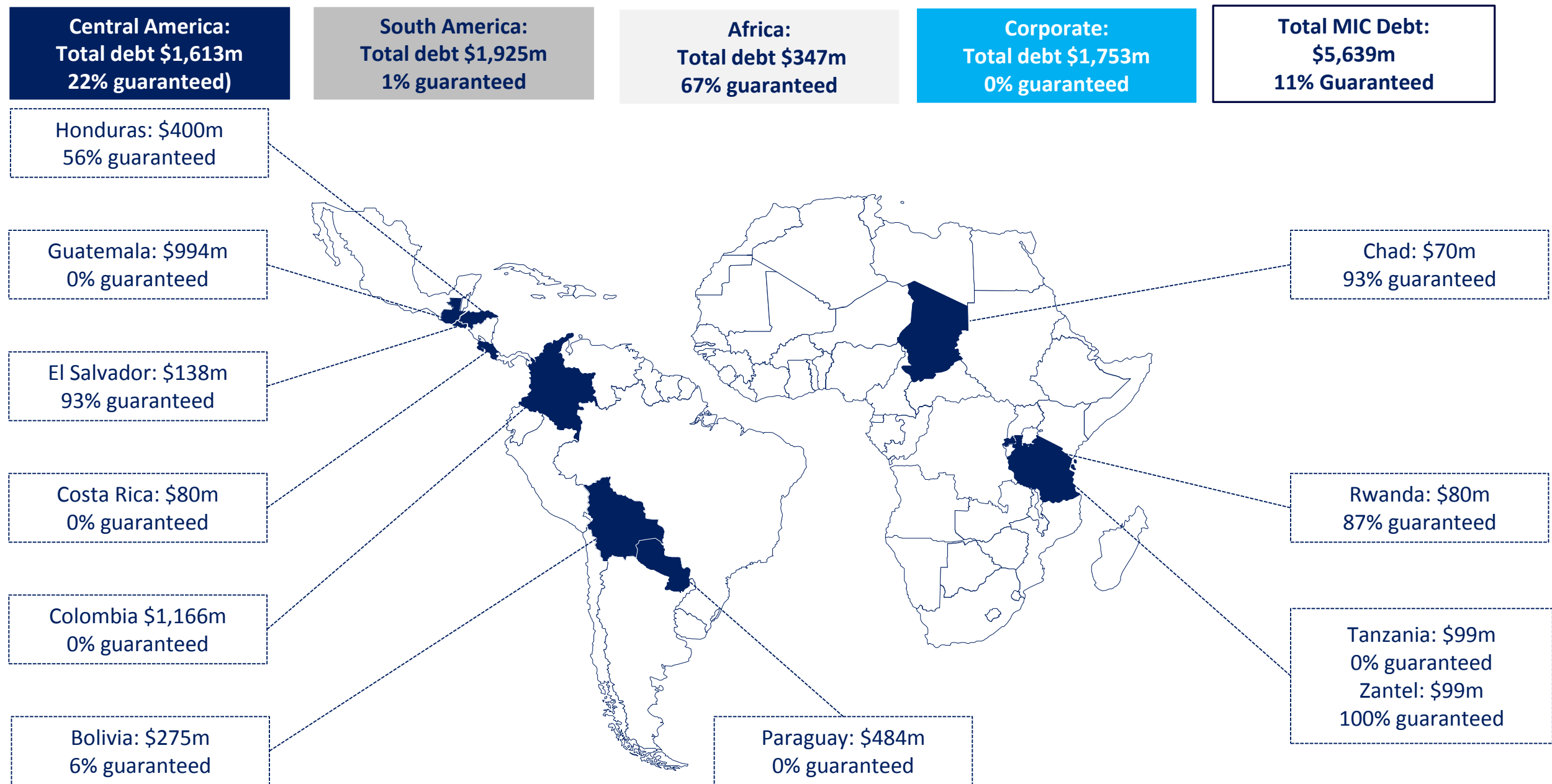
The 2021s have been reclassified as short term debt – repaid in Q4 2017



a) excluding financial leases

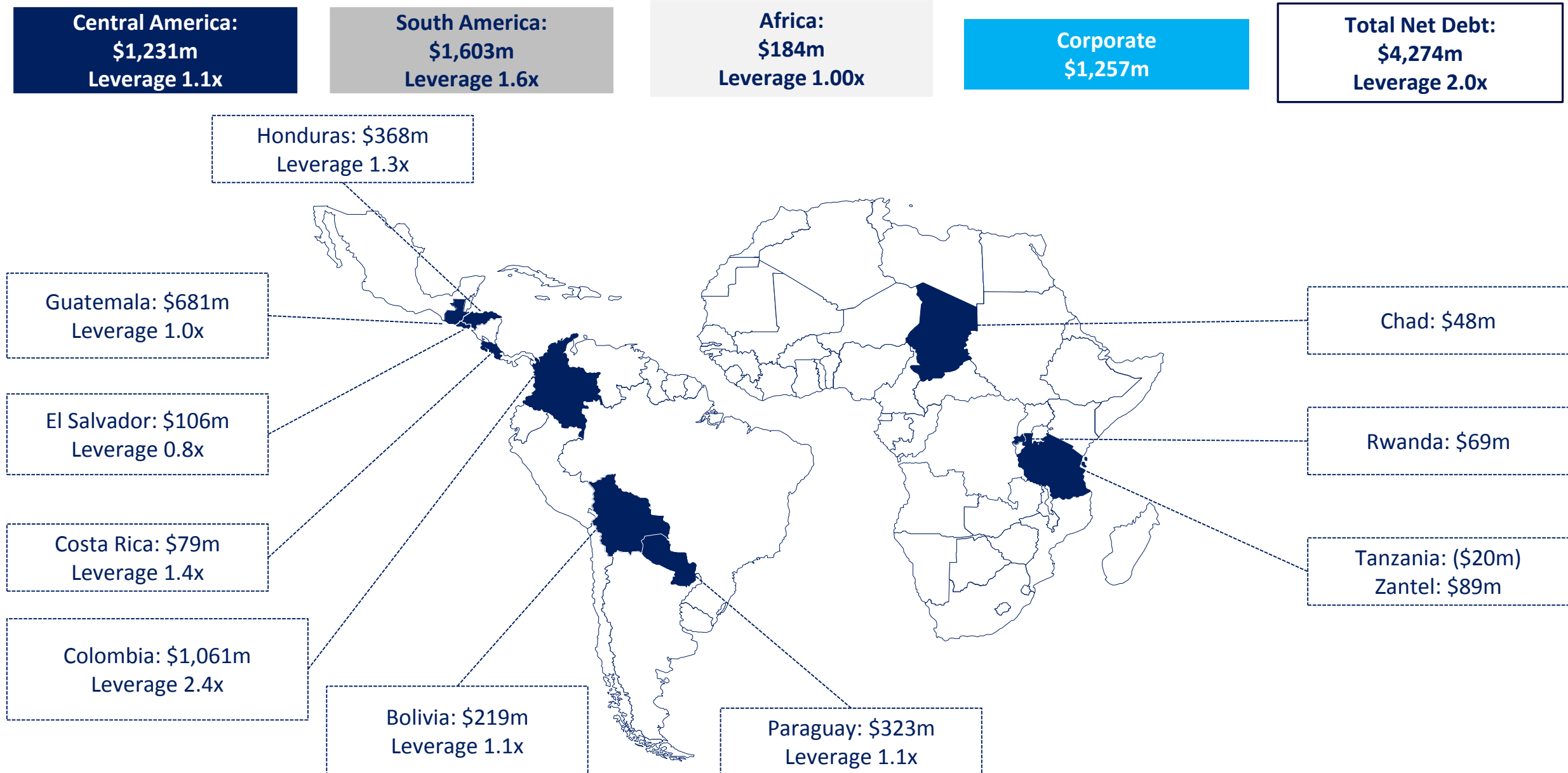
b) 5.6 years assuming US Bonds redemption in October 2017

Gross debt by country



Including finance leases

Net debt by country



Including finance leases;
Leverage is Net debt / LTM EBITDA

Currency exposure of debt

Local currency 35% of gross debt (40% proformaⁱ)

Sept. 2017	Gross debt including finance leases			Cash Total	Net debt		
	US\$	Local	Total		USD	Local	Total
Latin America ⁱⁱ	1,715	1,824	3,538	705	1,300	1,533	2,833
	48%	52%	100%		46%	54%	100%
Africa	174	173	347	163	167	17	184
	50%	50%	100%		91%	9%	100%
Corporate	1,753	0	1,753	496	1,261	-4	1,257
	100%	0%	100%		100%	0%	100%
Millicom	3,642	1,997	5,639	1,365	2,728	1,546	4,274
	65%	35%	100%		64%	36%	100%

i) Proforma for redemption of 2021 Notes and new debt issuance in Bolivia completed in Q4 2017
 ii) El Salvador has USD as functional currency (treated as local.)



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