



2018 Q2 results

Growth continues to accelerate

Mauricio Ramos, CEO

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July 20th, 2018

Millicom International Cellular S.A.

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1. CEO review

Mauricio Ramos

Growth continues to accelerate

1

Latam service revenue growth accelerated to 5.5% on continued strong net adds

2

All revenue lines contributing to growth - Mobile back above 2%

3

Home growth accelerated to almost 13% with 140k new HFC homes

4

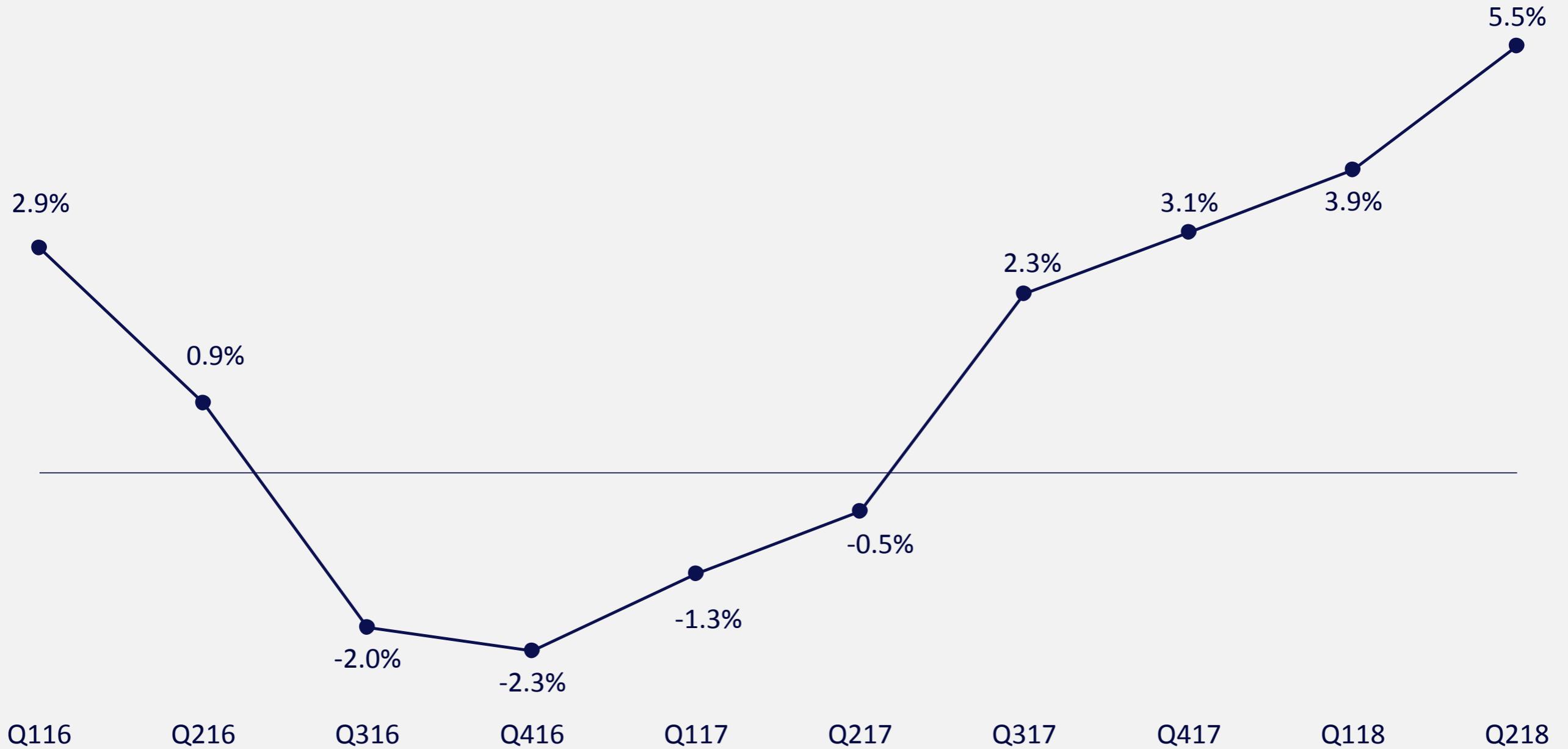
Continued margin expansion and double-digit FCF growth

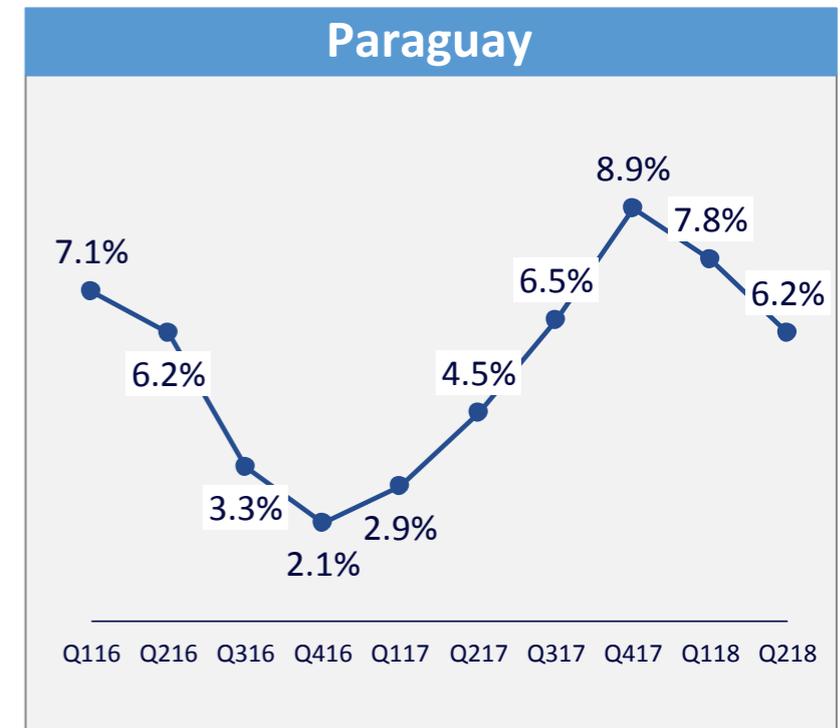
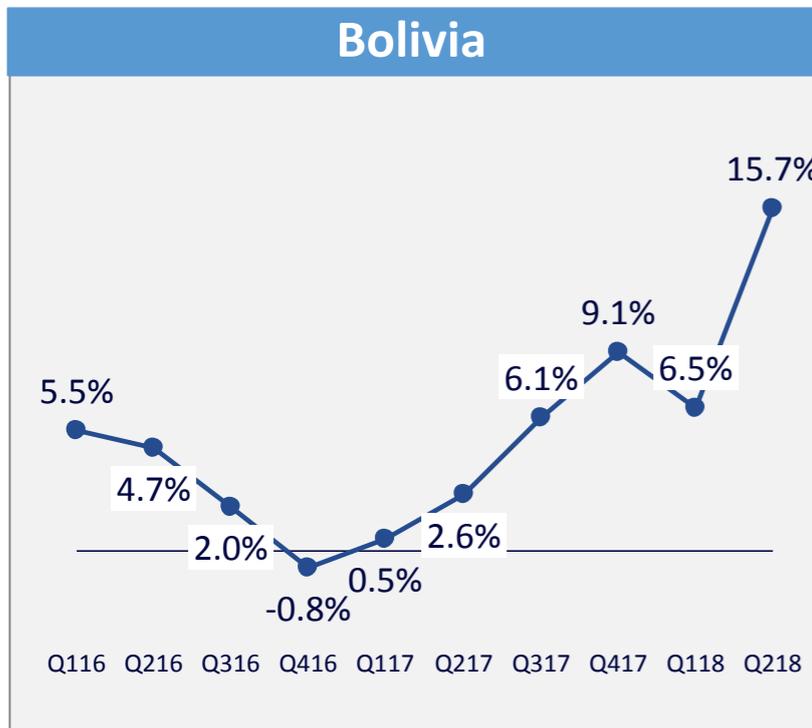
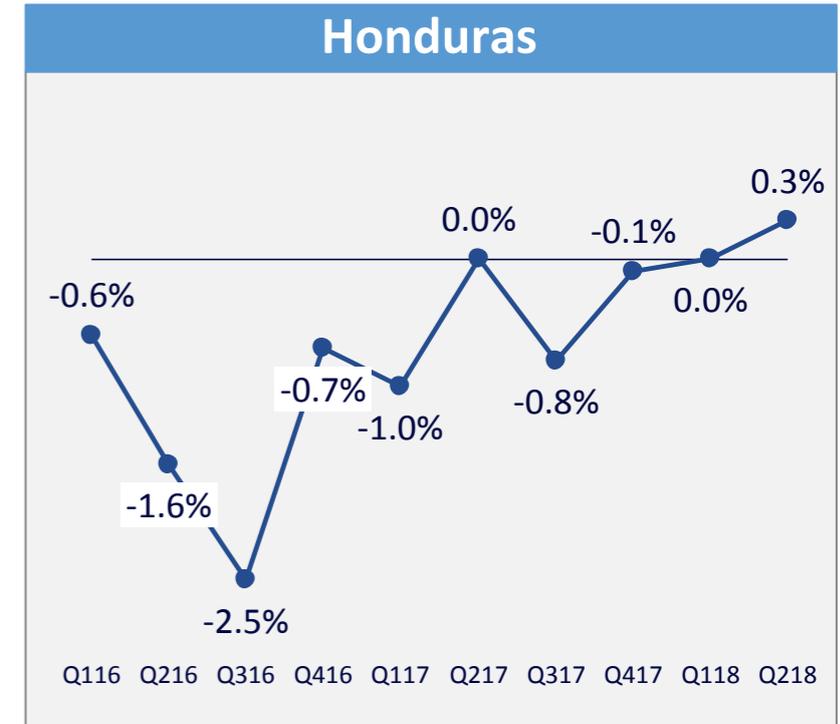
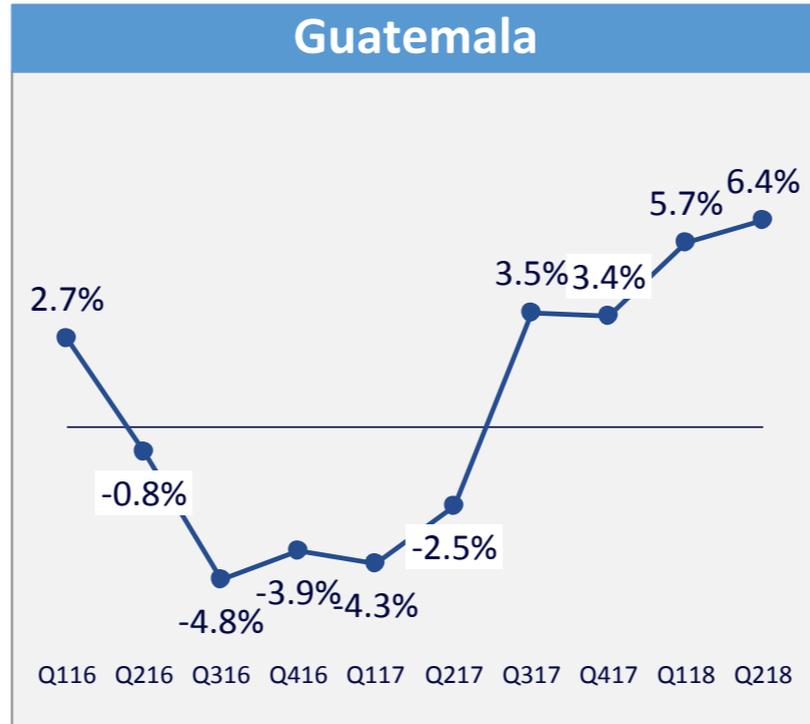
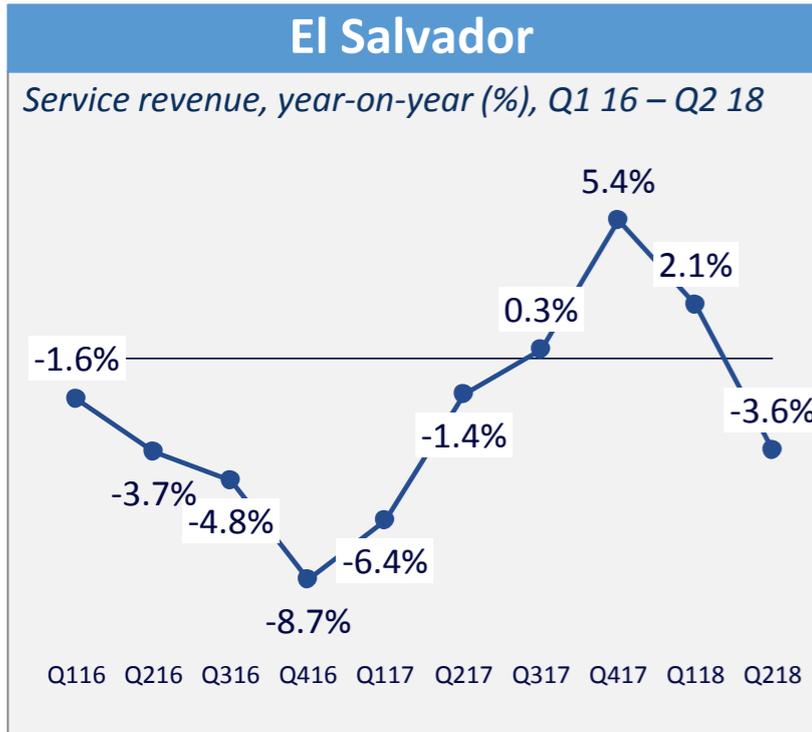
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Additional listing on U.S. Stock Exchange next year

1 Revenue growth accelerated to 5.5% in Q2

Latam %YoY growth, Q1 16 – Q2 18

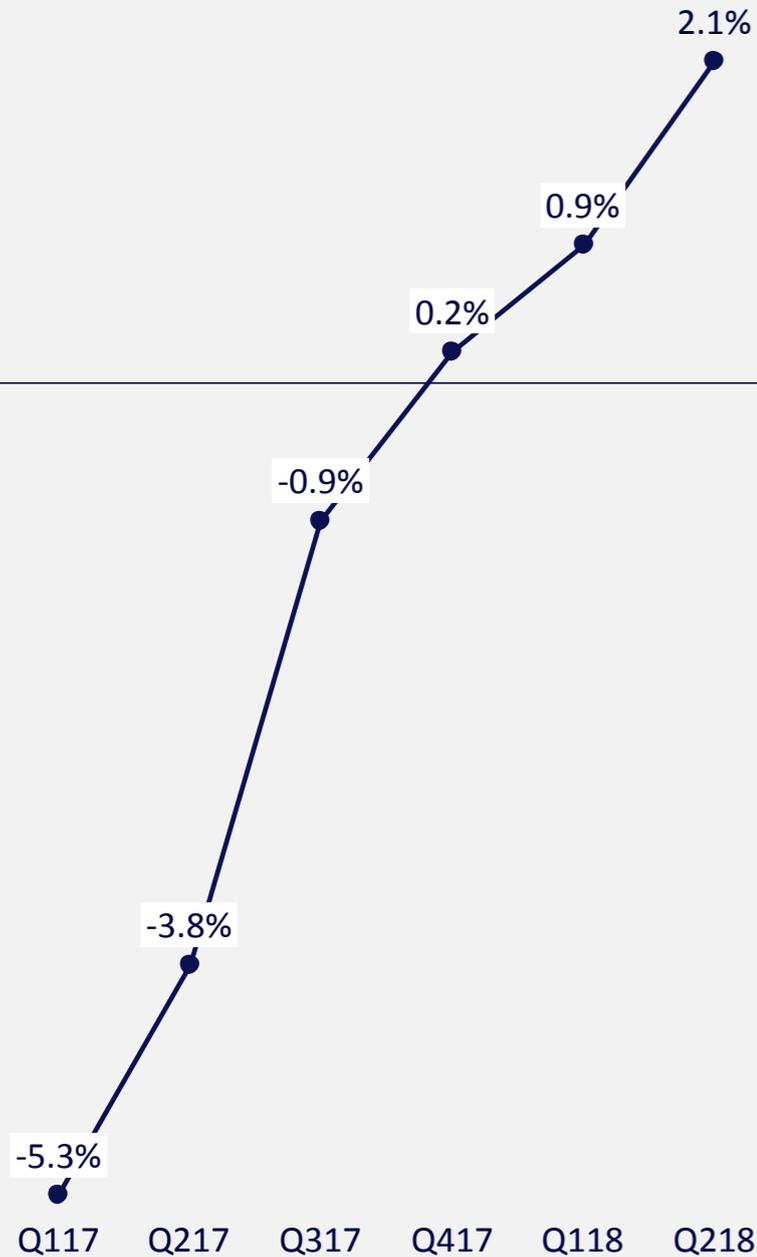




2 All three business units growing...

Mobile B2C (56% of service rev)

Mobile B2C service revenue LC %YoY, Q1 17 – Q2 18



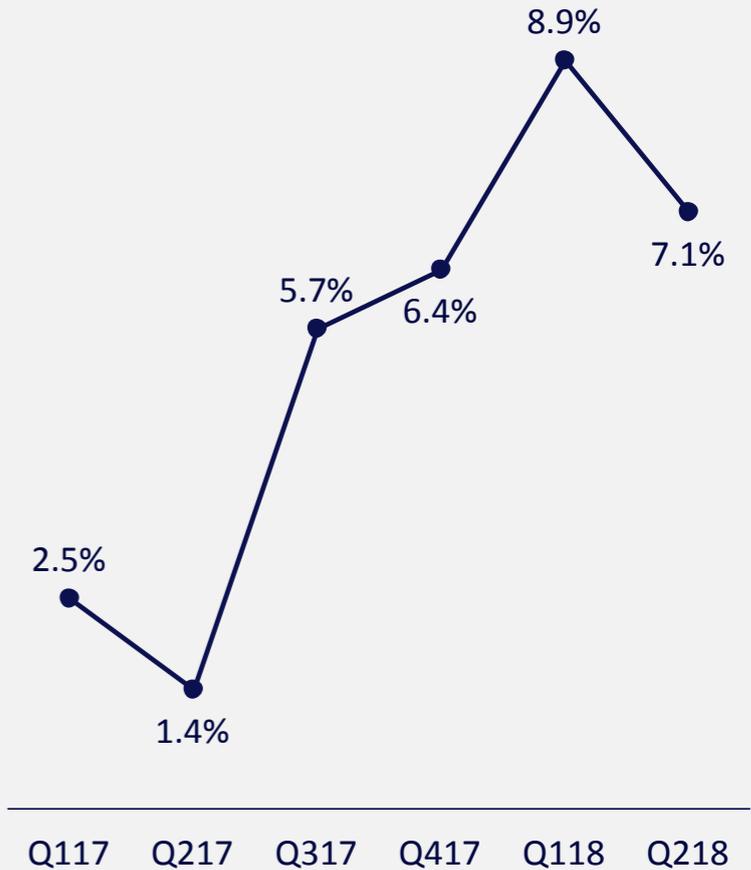
Home (24% of service revenue)

Home service revenue LC %YoY, Q1 17 – Q2 18



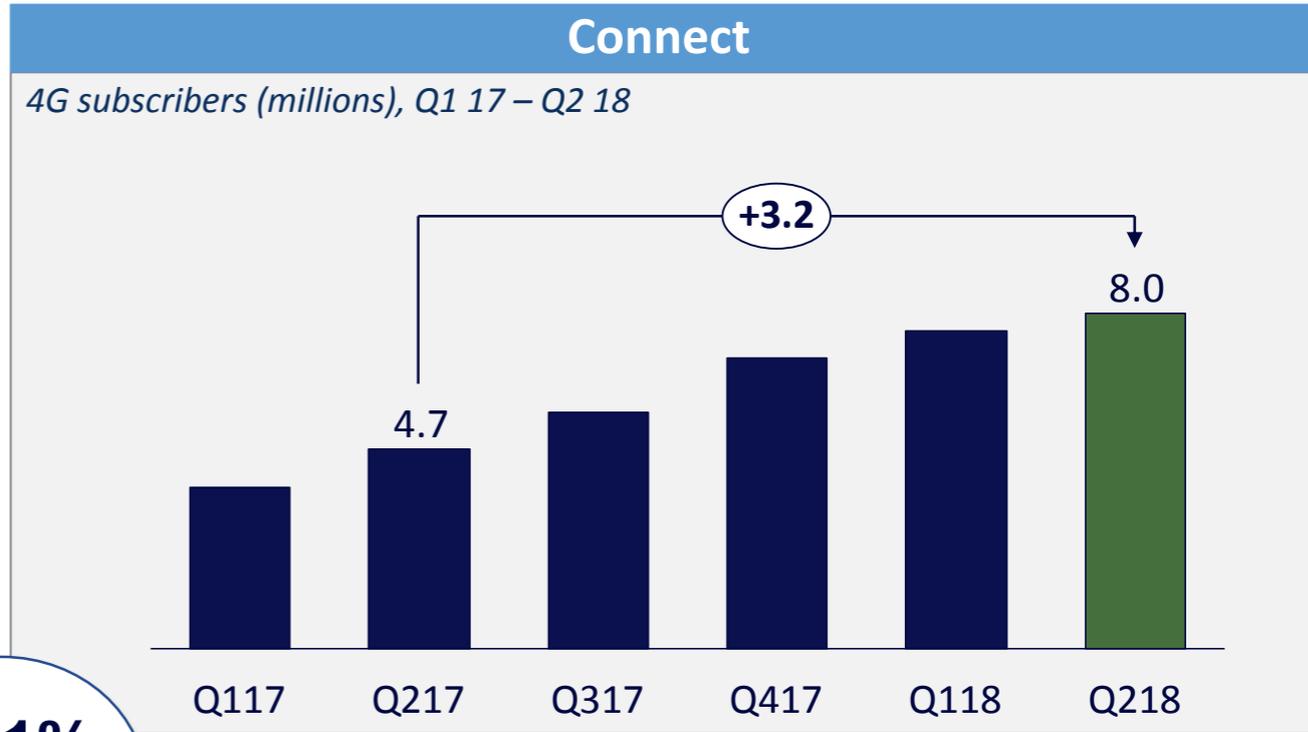
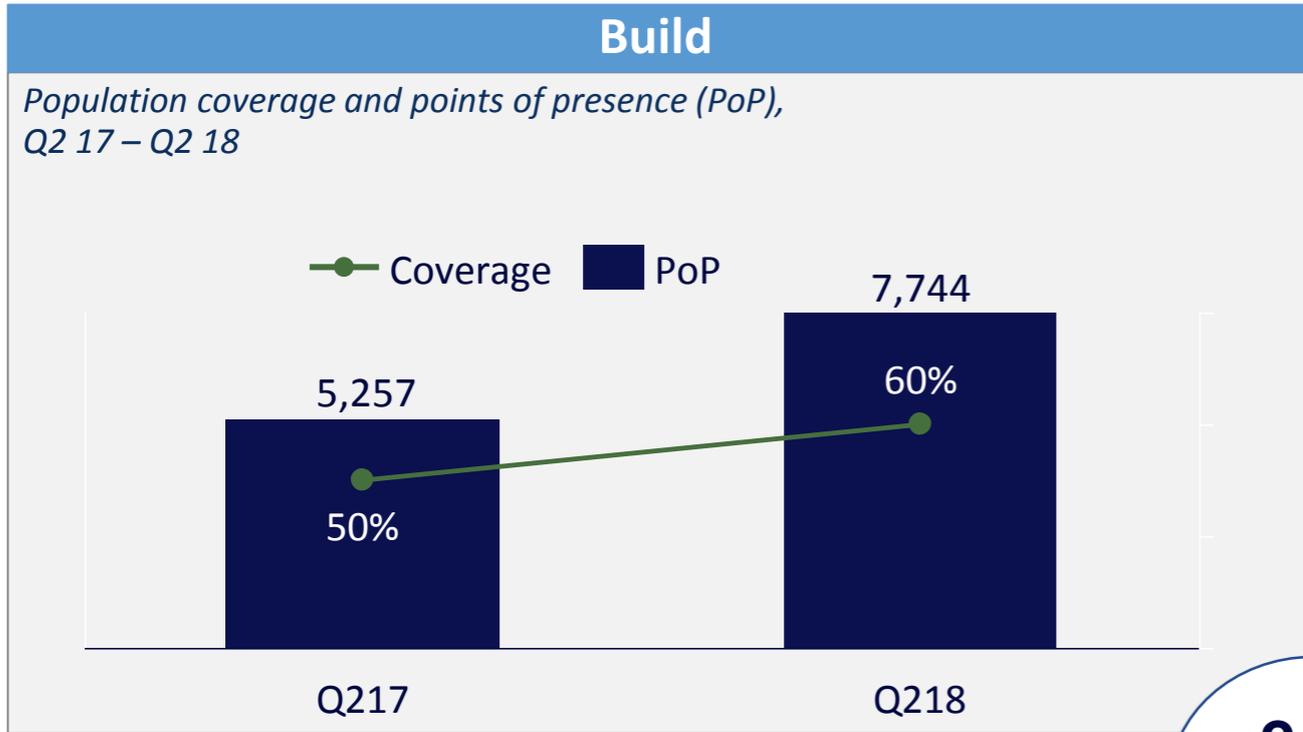
B2B (18% of service revenue)

B2B service revenue LC %YoY, Q1 17 – Q2 18

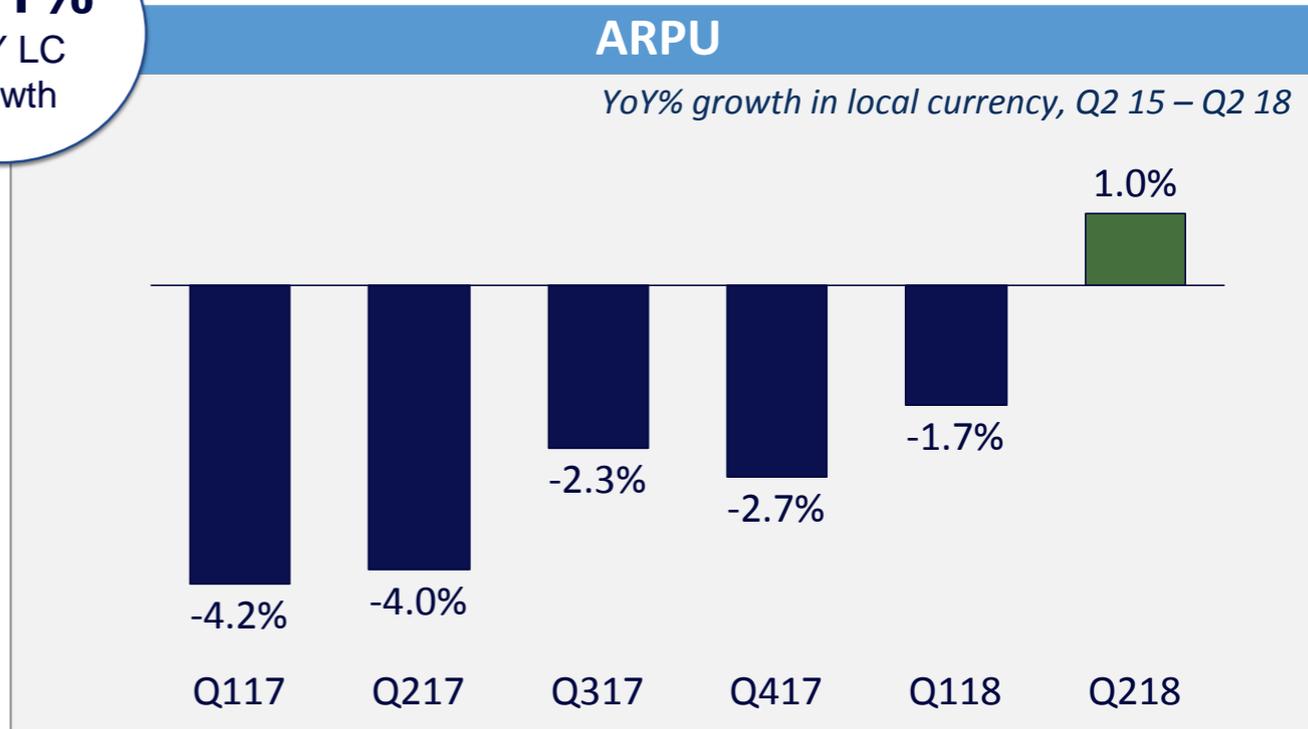
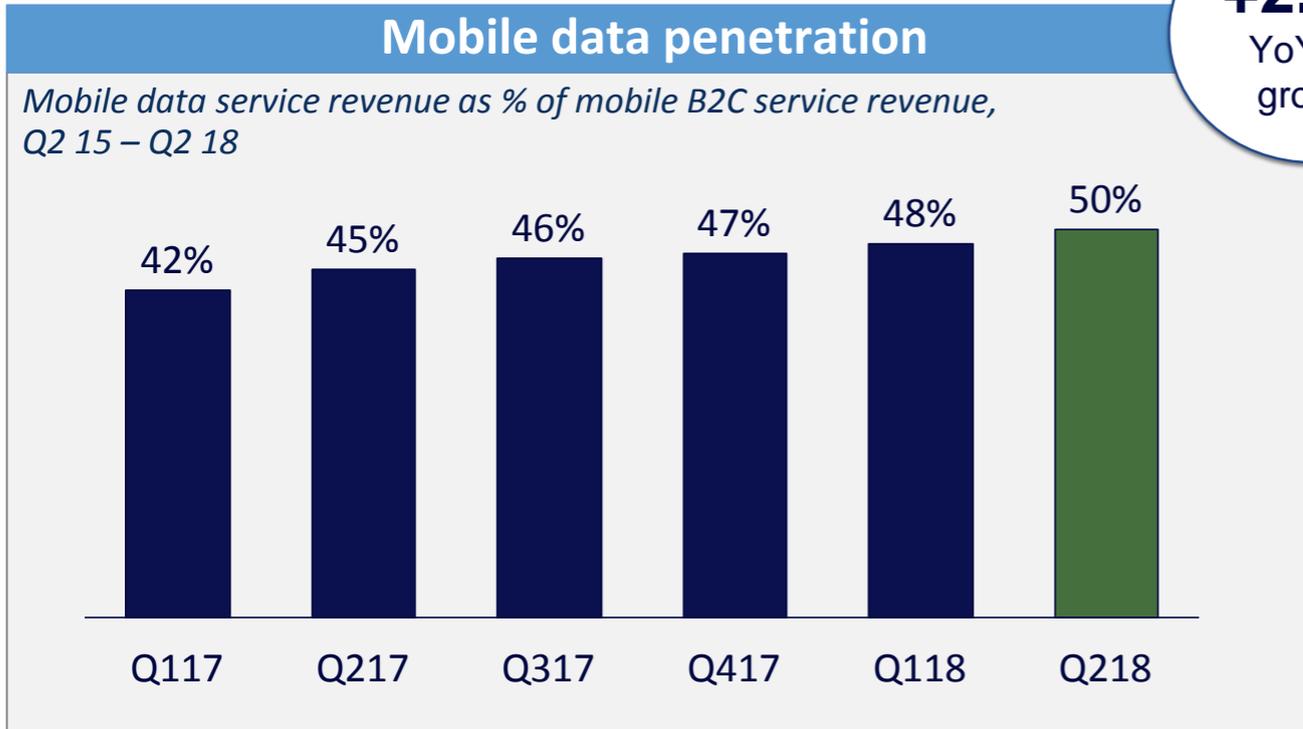


2 Mobile growth back above 2%

Mobile data now generating 50% of mobile service revenue and driving better ARPU



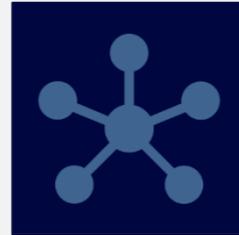
+2.1%
YoY LC
growth



2 B2B continues to perform well

Expanding fibre

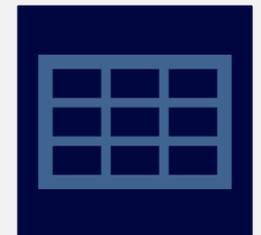
110,000
kilometers of
fibre in Latin
America



Building datacenters

Tier III data centers
launched in Colombia,
Paraguay and Bolivia

Solutions revenue grows
Aprox. 25% YoY



+7.1%
YoY LC
growth

Small and medium business

SMBs remain a key source for
growth as we continue to develop
B2B solutions and expand our
coverage in our markets.

~250,000 SMBs customers
~40% of B2B revenue

Colombia contributes over 50%

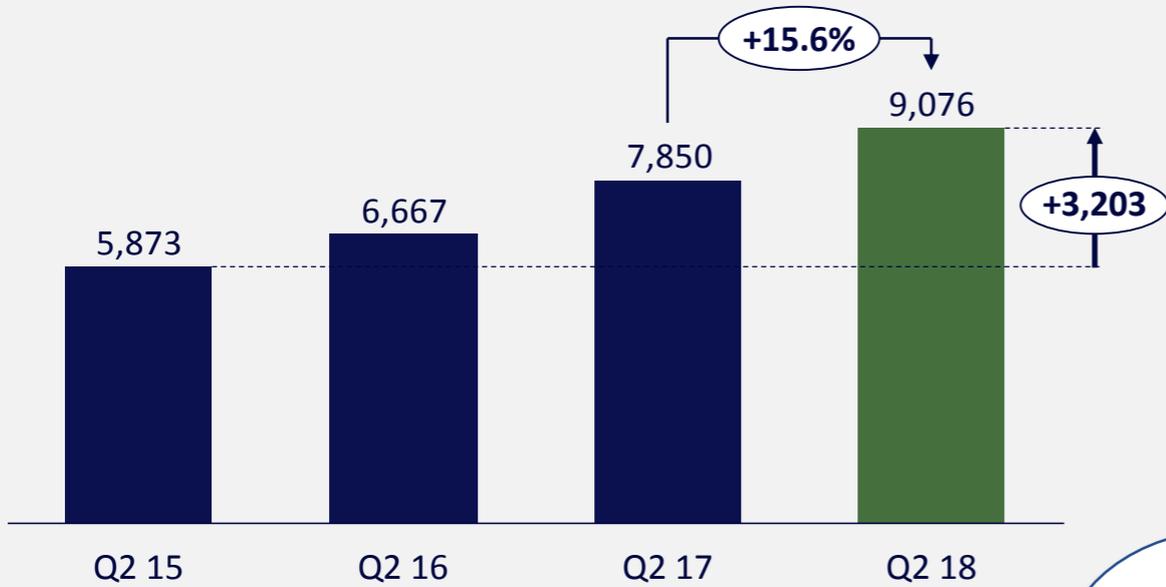
The first half of 2018 has seen in
Colombia an accelerated revenue
thanks to the contract to provide
communications for the elections

2 Home net adds accelerating with ARPU growth

Raising our 2018 target to 400k homes connected net additions

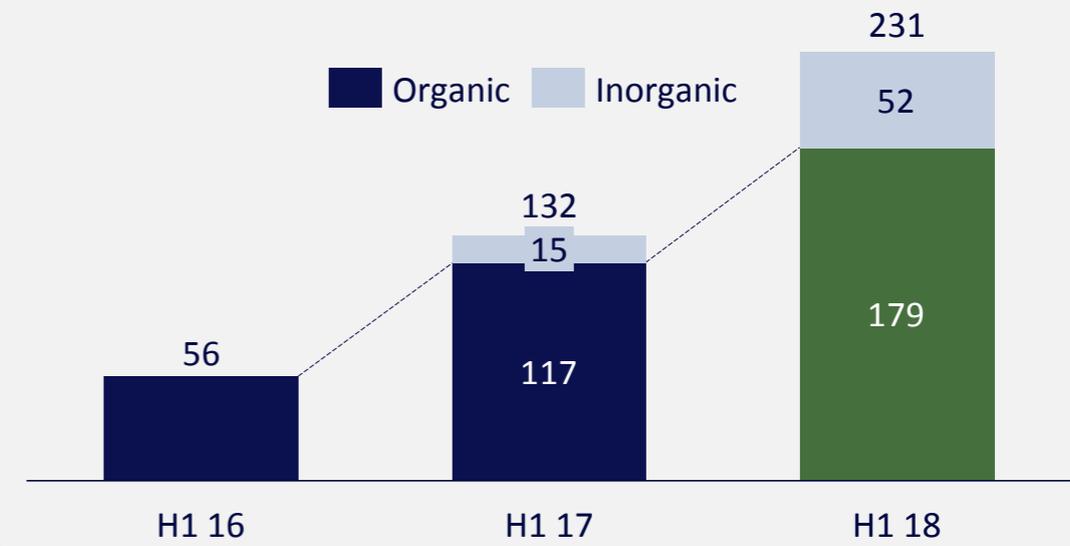
Build

HFC homes passed (000), Q2 15 – Q2 18



Connect

HFC homes connected net additions (000), H1 16 – H1 18



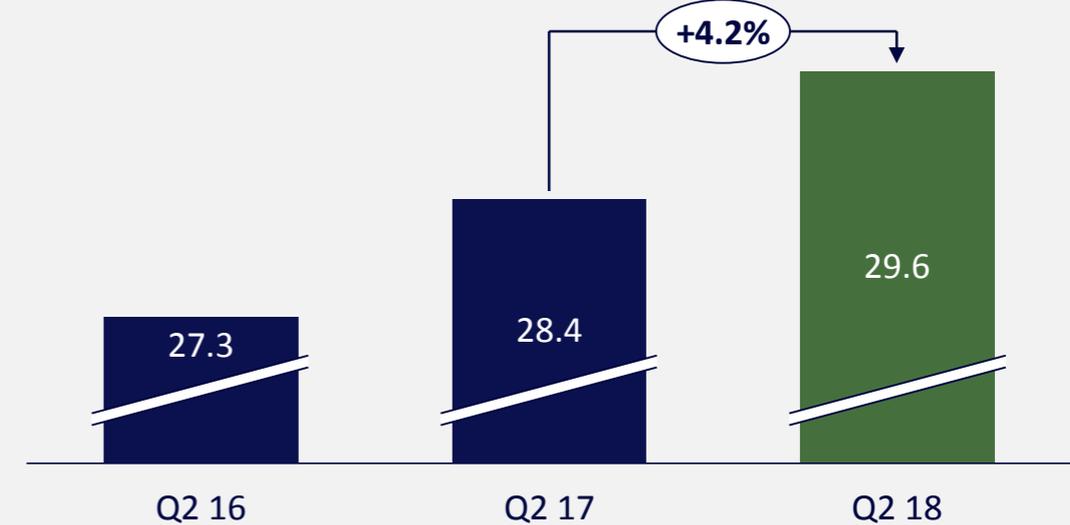
Penetration

HFC homes connected/HFC homes passed, Q2 15 – Q2 18



ARPU

\$ per month, Q2 15 – Q2 18



+12.6%
YoY LC
growth

3 Home contributed half of the growth in Q2

Home is 24% of revenue but 50% of growth

Contribution to growth by business unit

Contribution to Latam service revenue growth year-on-year, Q2 2018



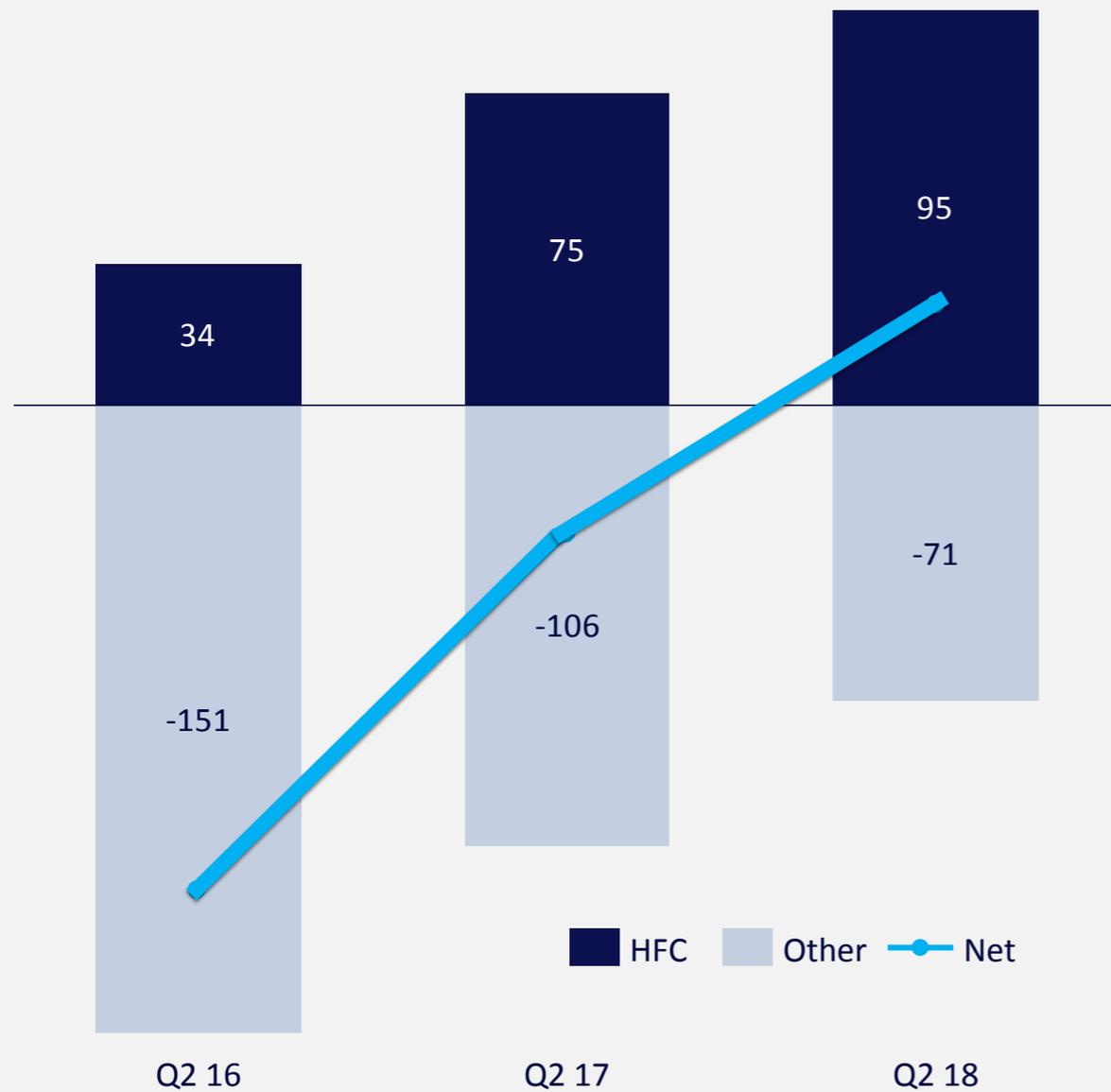
* Does not tie to 100% as revenue categories exclude Other, equal to 1% of total

3 Colombia key to Latam Home acceleration in Q2

Planting the seeds for sustainable and profitable long term growth

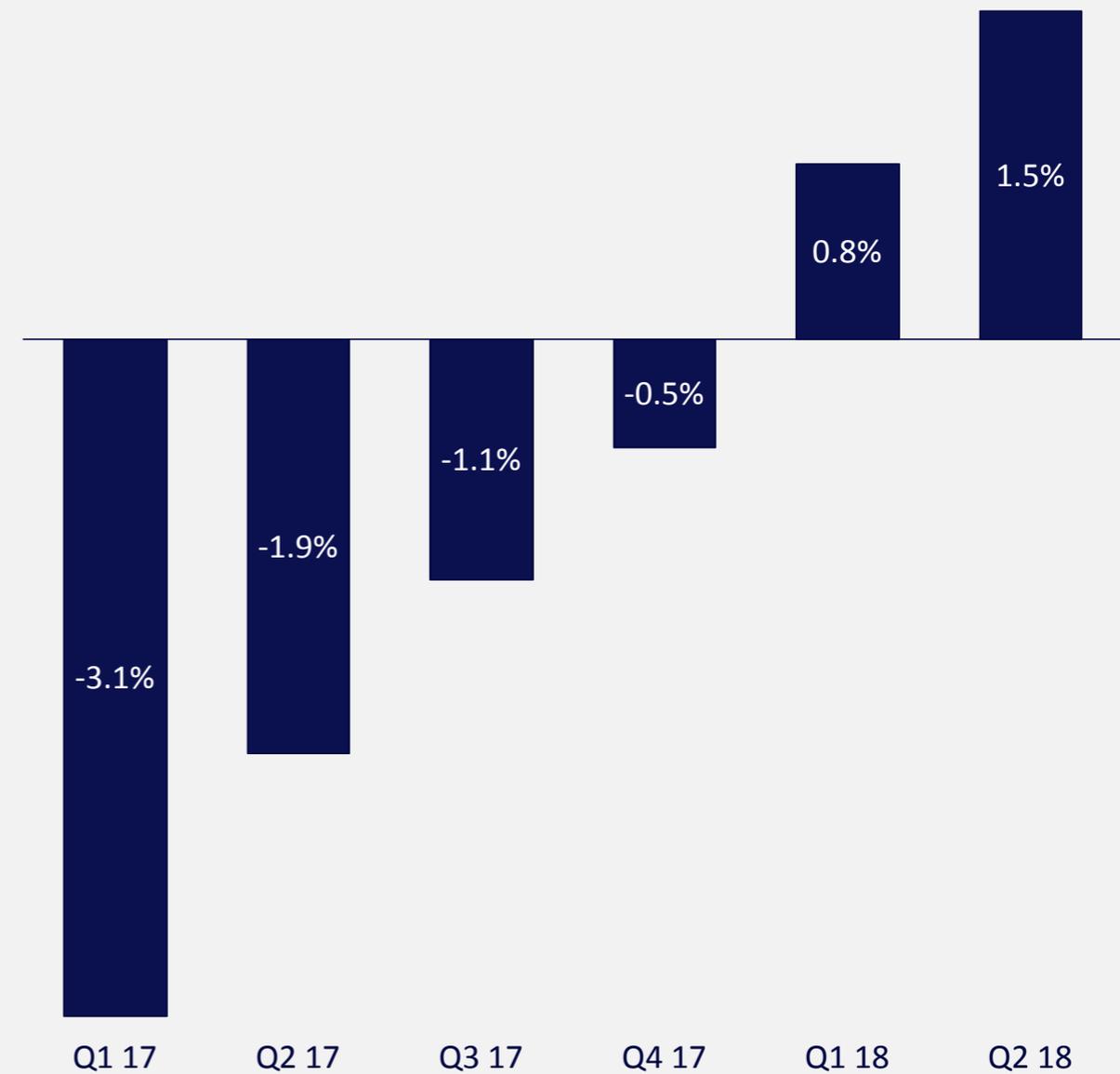
HFC homes connected growth accelerating

Colombia - LTM homes connected net additions, HFC and Other, Q216 – Q218



Passed the inflection point

Colombia - Growth YoY in homes connected, Q1 17 – Q2 18

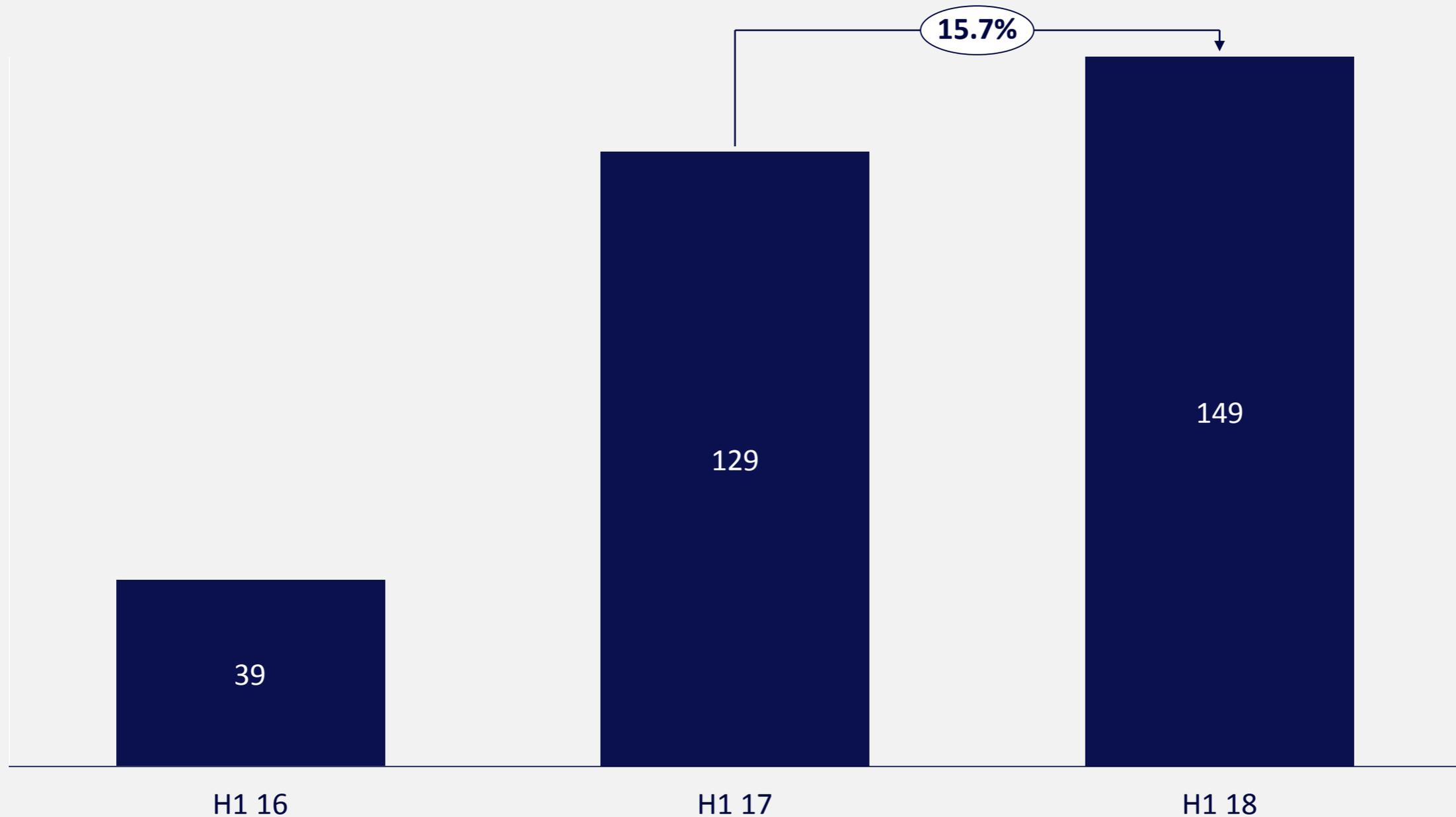


4 FCF growth continues

Solid FCF generation while we invest to drive faster growth

EFCF up 16% YTD

\$m, H1 16 – H2 18





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2. CFO review

Tim Pennington

Well positioned to face the future

1

Strong KPI's driving through to key financial metrics

2

EBITDA growth driven by core Latam businesses...and cost control

3

All P&L profit metrics improving...

4

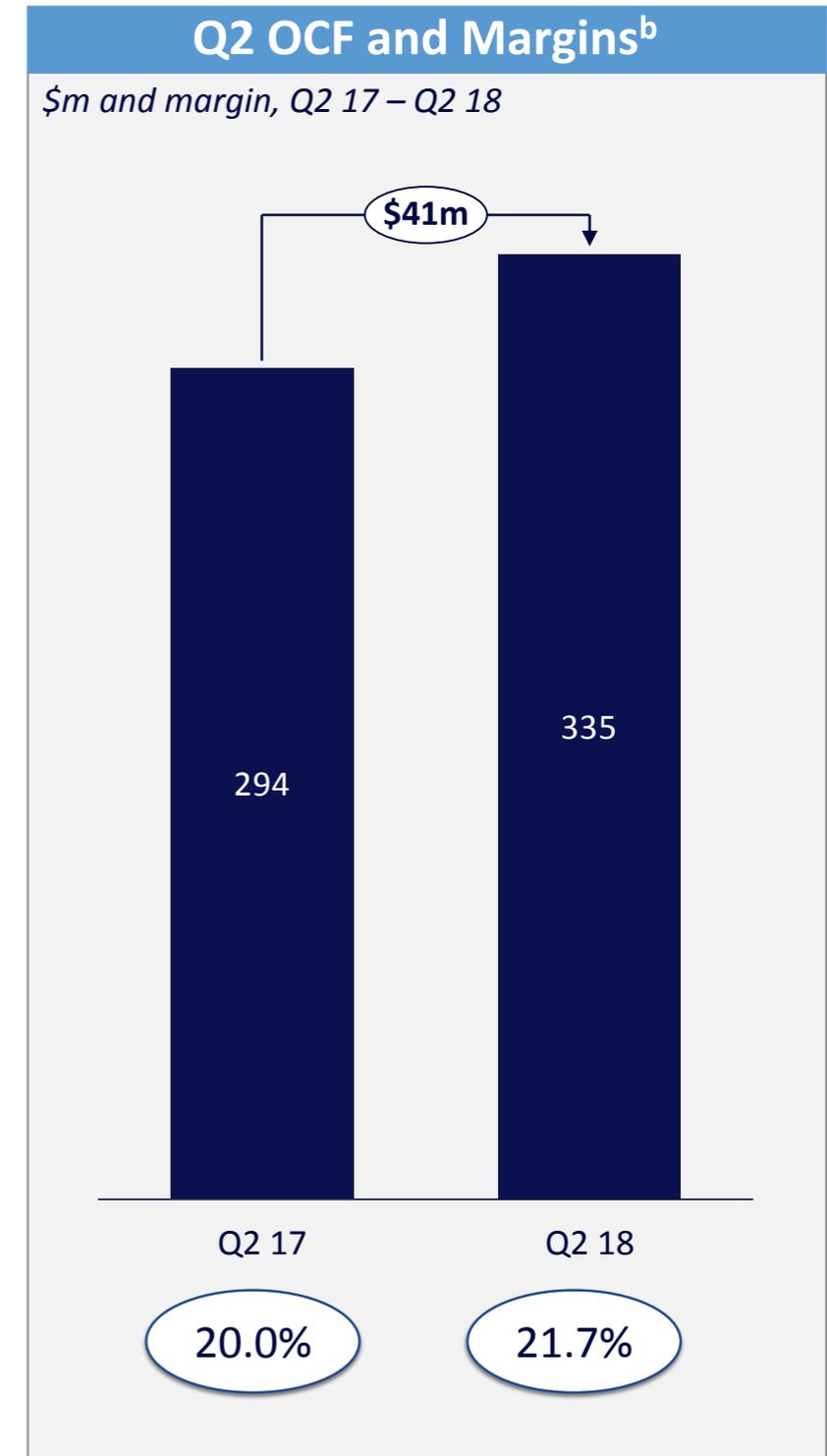
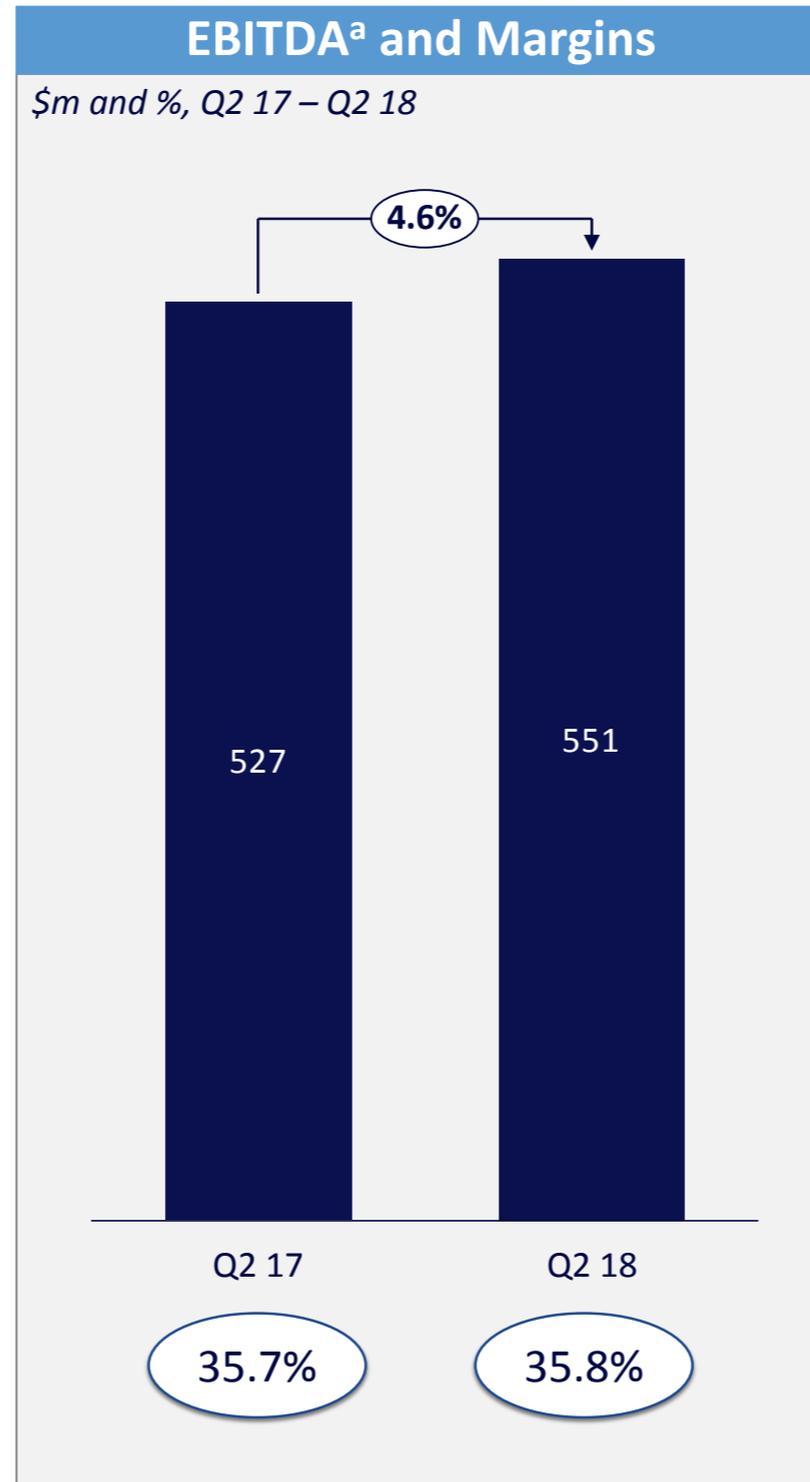
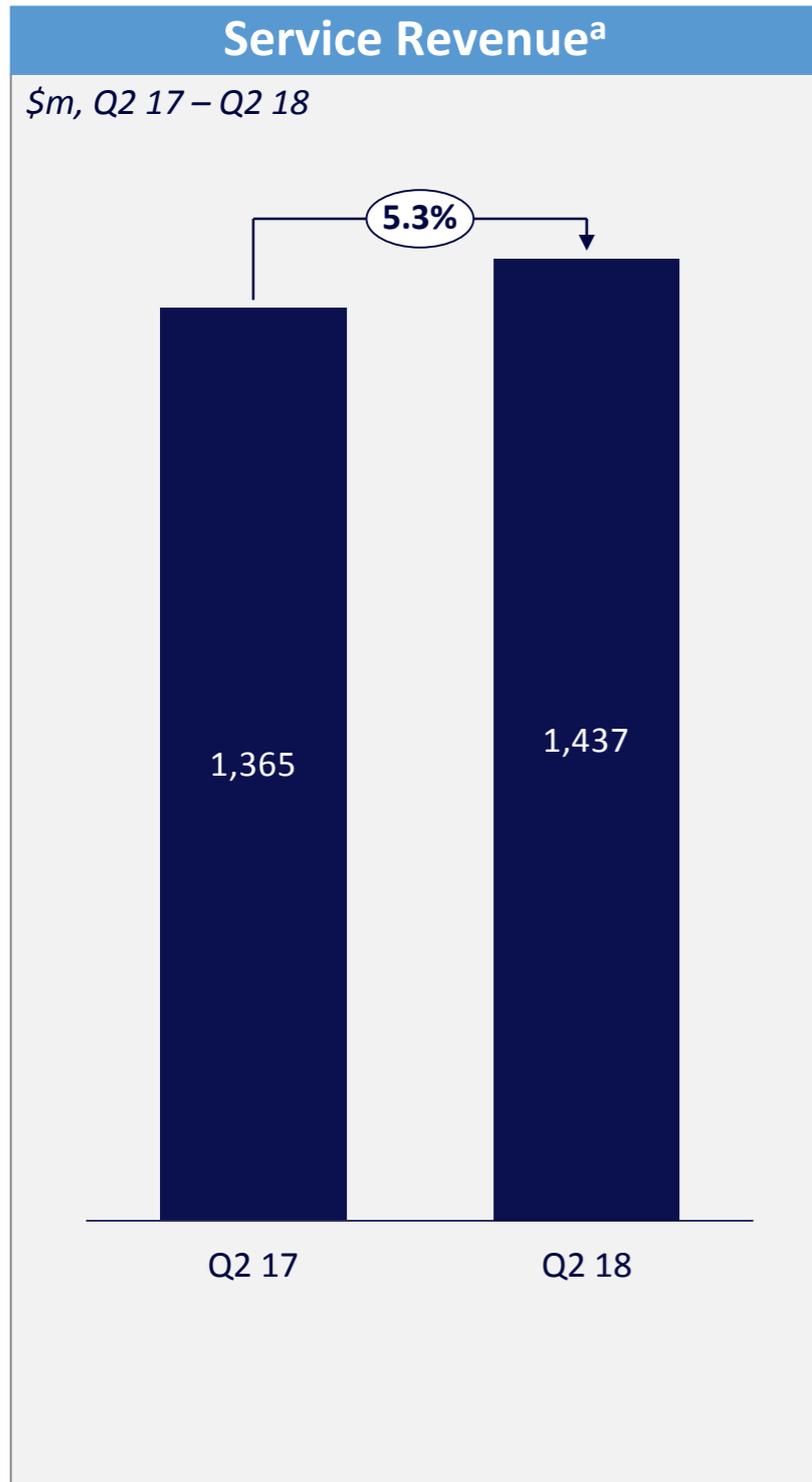
...and cashflow continues to strengthen

5

Balance sheet in good shape

1 Key financial metrics – Q2 2018

Group service revenue up 5.3%

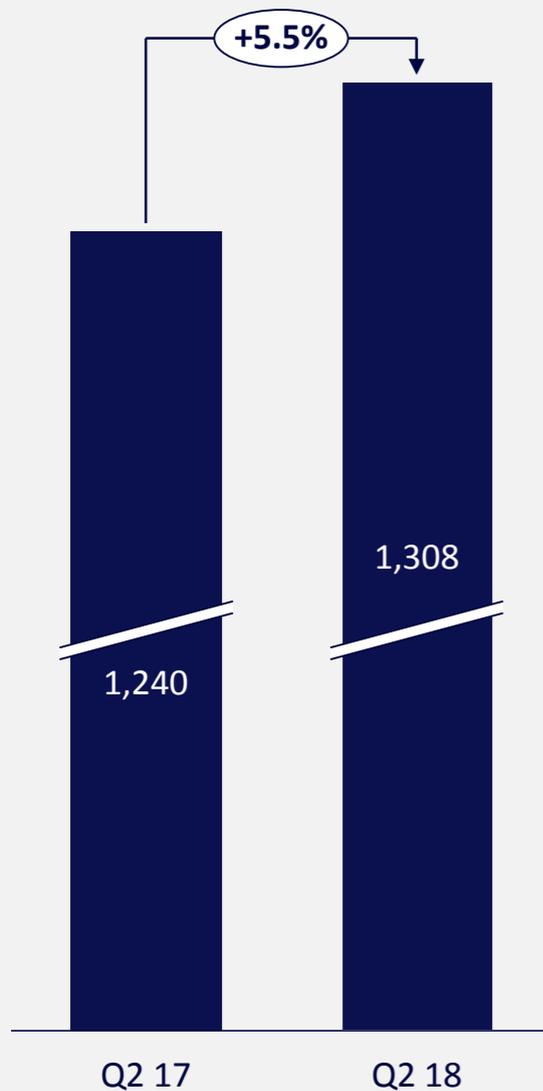


a) Q2 17 numbers are adjusted to Q2 18 FX rates and exclude Senegal, Rwanda and Ghana
 b) Excluding Senegal, Rwanda and Ghana, spectrum & license costs

Solid growth returning to Latam

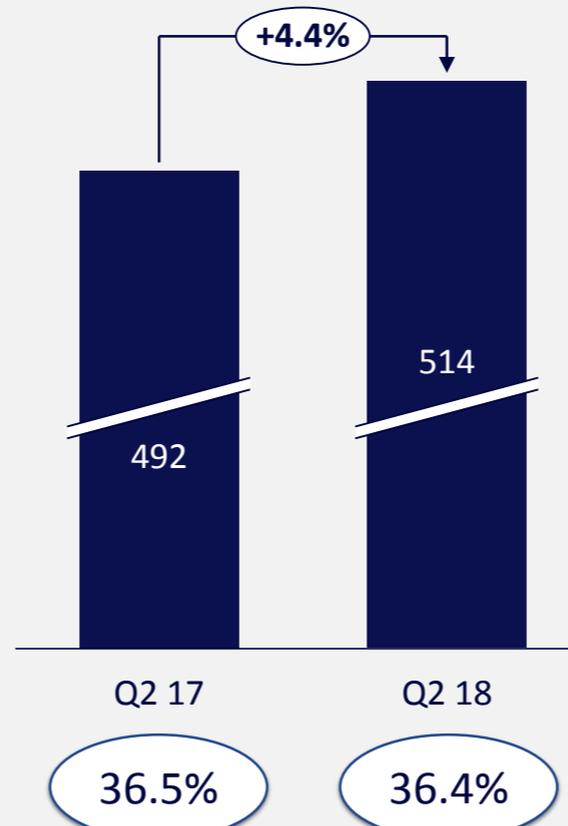
Latam service revenue

\$m, Q2 17 – Q2 18



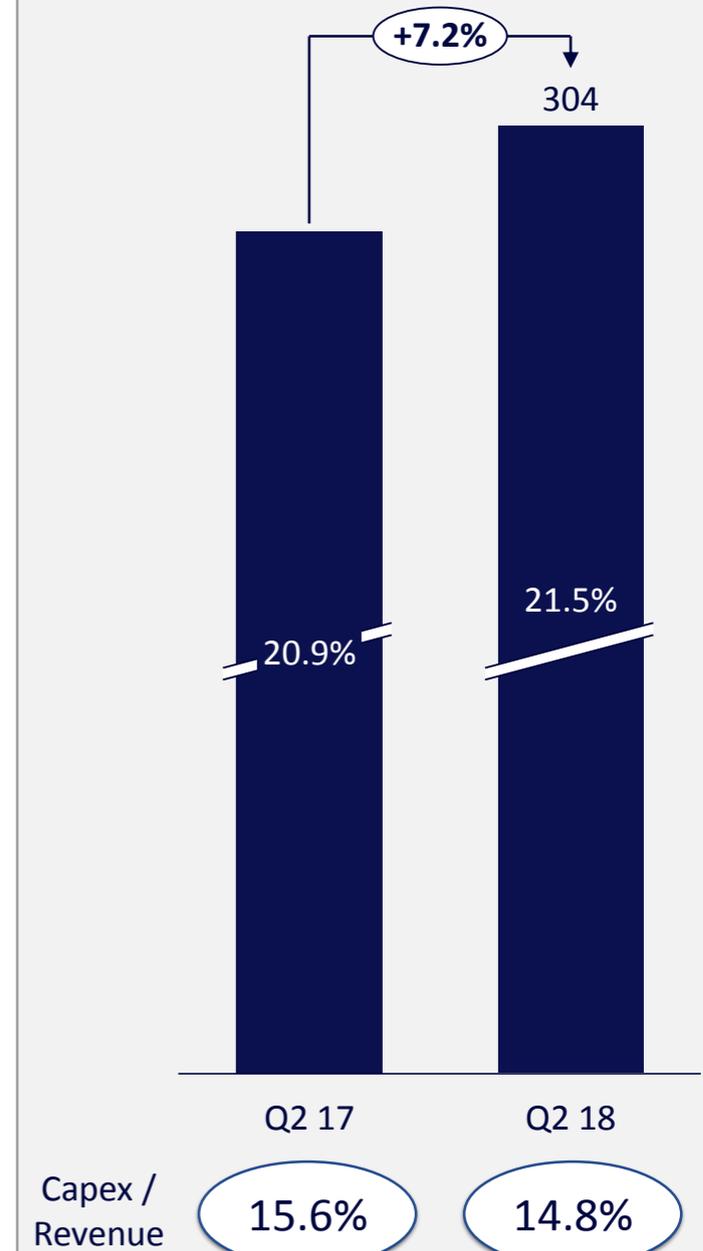
Latam EBITDA

\$m and margin, Q2 17 – Q2 18



Latam OCF

\$m and margin, Q2 17 – Q2 18



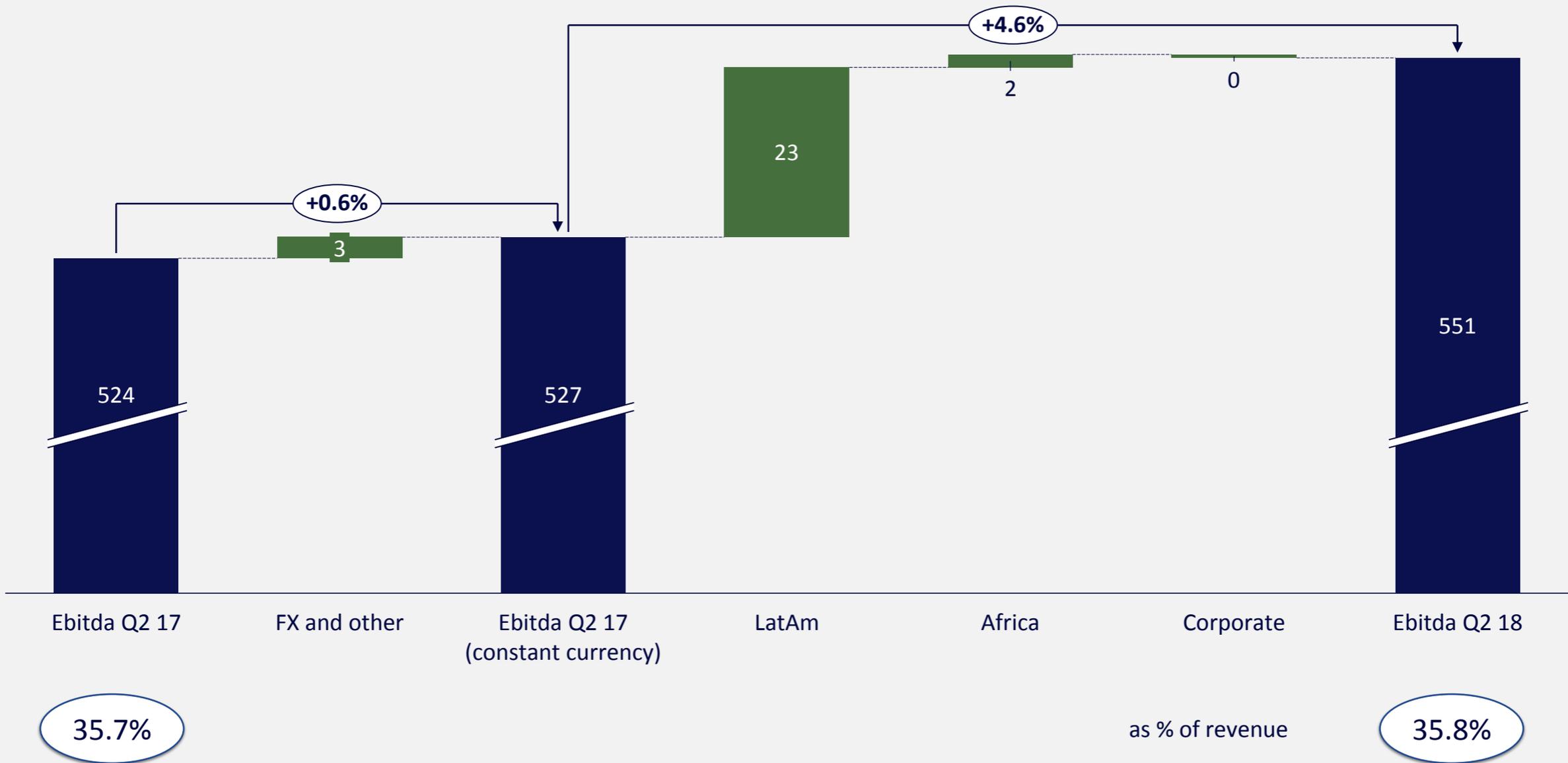
Notes: Growth rates are organic and exclude the impact of changes in FX rates, accounting, and new segmental presentation. Q2 2017 figures have been adjusted to reflect these organic growth rates. Capex/revenue excludes spectrum & license costs

2 EBITDA – Q2 2018

Latam biggest contributor to EBITDA growth

EBITDA evolution by region

\$ million, Q2 17 – Q2 18



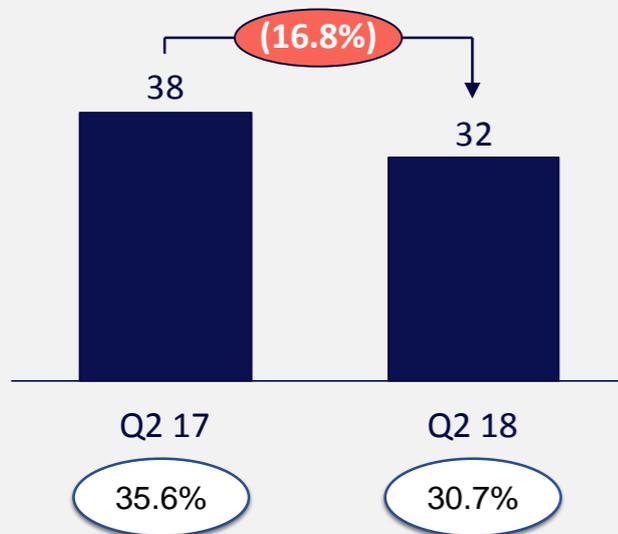
Q2 17 numbers are adjusted to Q2 18 FX rates and exclude Senegal, Rwanda and Ghana

2 EBITDA progression by country

Strong performance in Bolivia and a return to EBITDA growth in Colombia

El Salvador

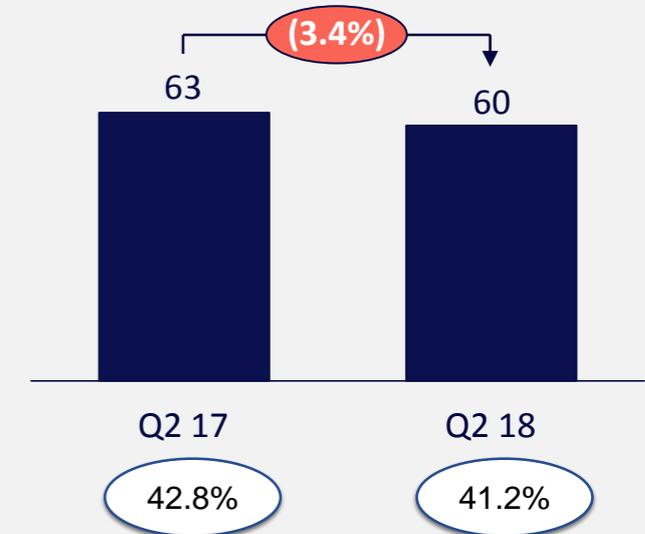
EBITDA (\$m), margin and year-on-year growth, Q2 17 – Q2 18



Guatemala



Honduras



Bolivia



Colombia



Paraguay



■ EBITDA

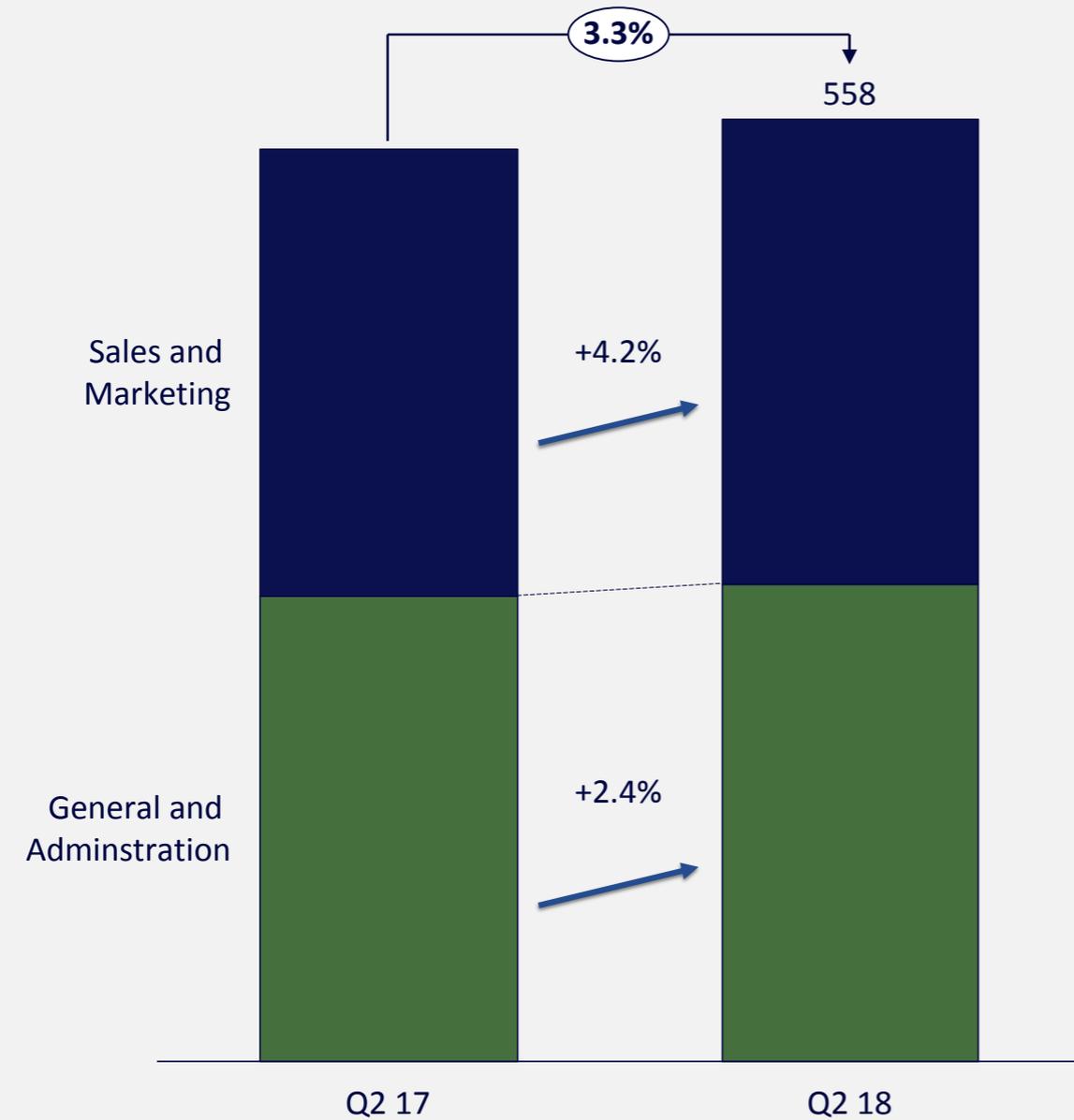
○ Margins

2 Cost review and margin progression

Steady upward margin trend continues

Group total OPEX base

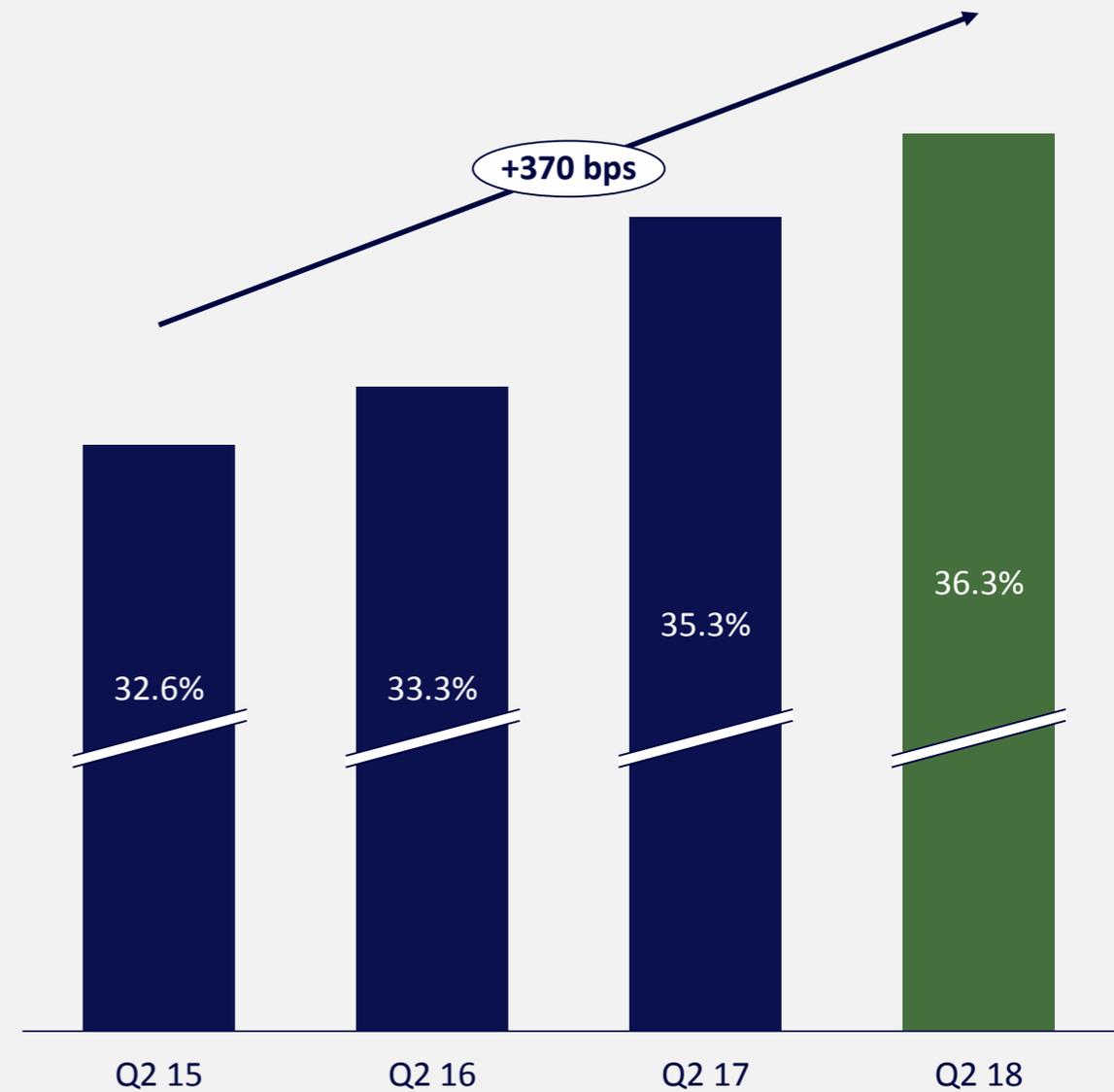
OPEX and growth* YoY, Q2 17 – Q2 18



* Excludes IFRS 15

Last 12 month Group EBITDA margin

Last 12-month EBITDA margin, Q2 2015 – Q2 2018



Significant profit improvement below EBITDA

P&L Summary

US\$ million	Q2 18	Q2 17	% Var
Revenue	1,541	1,470	4.8%
EBITDA	551	524	5.2%
Depreciation & amortization	(315)	(326)	(3.3%)
Other operating	20	(1)	NM
Operating profit	256	197	30.0%
Net financial expense	(107)	(120)	(10.5%)
Others non operating	(20)	(17)	18.1%
Associates	(48)	(25)	96.3%
Profit before tax	80	35	127.2%
Taxes	(61)	(60)	0.6%
Minority interests	(19)	(9)	NM
Discontinued operations	(2)	6	NM
Net income	(1)	(27)	NM
EPS (\$ per share)	(0.01)	(0.27)	NM

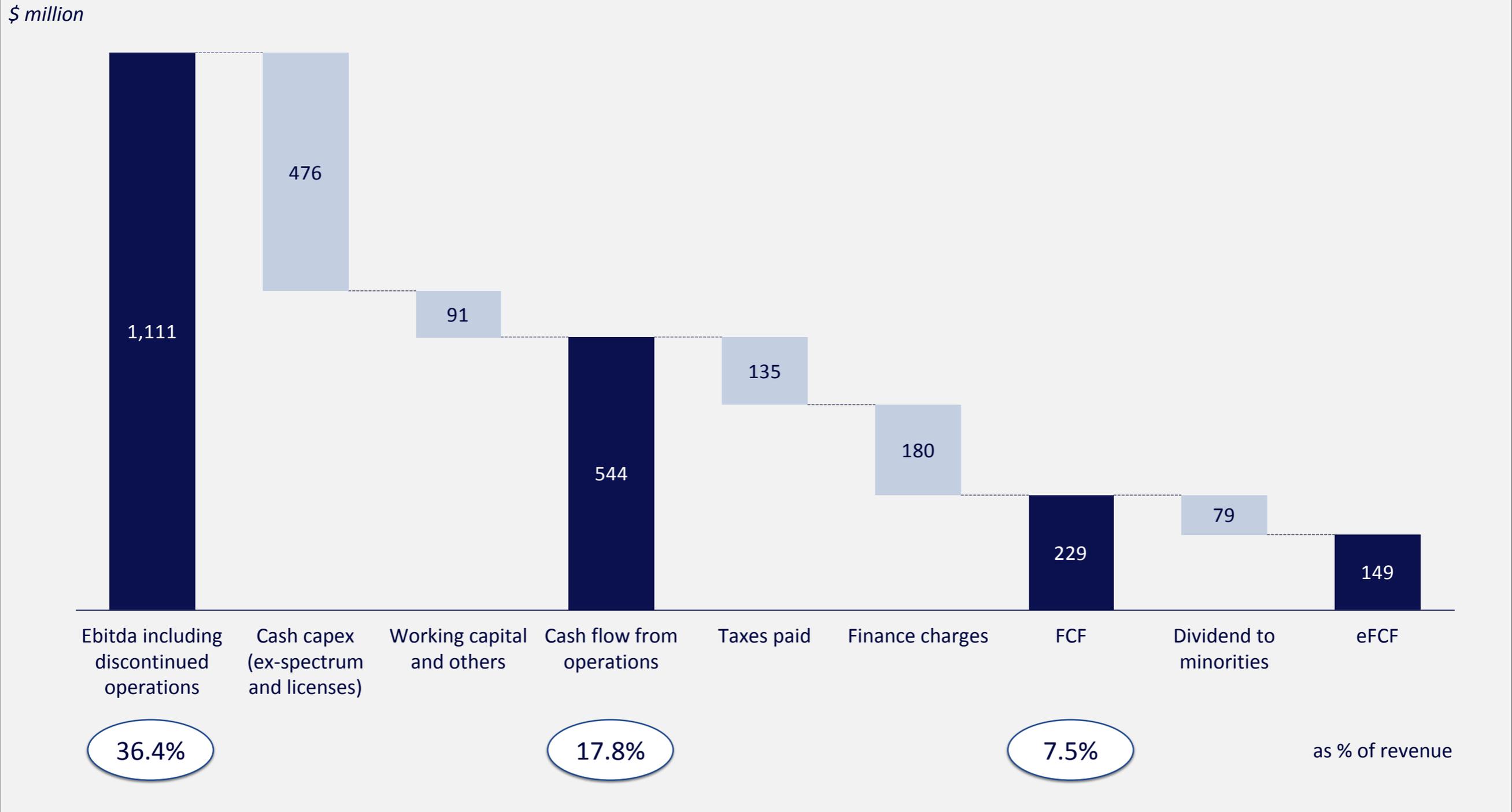
Key Observations

- A** IFRS 15 had small impact on Service Revenue (-1.3%) and EBITDA (+0.5%)
- B** Interest savings from re-financing activity, offset by higher financial lease expense
- C** One-off non-cash adjustment in Ghana
- D** Improved profitability in Colombia

4 Cash flow – H1 2018

We generated \$149 million of equity FCF in H1

H1 2018 cash flow

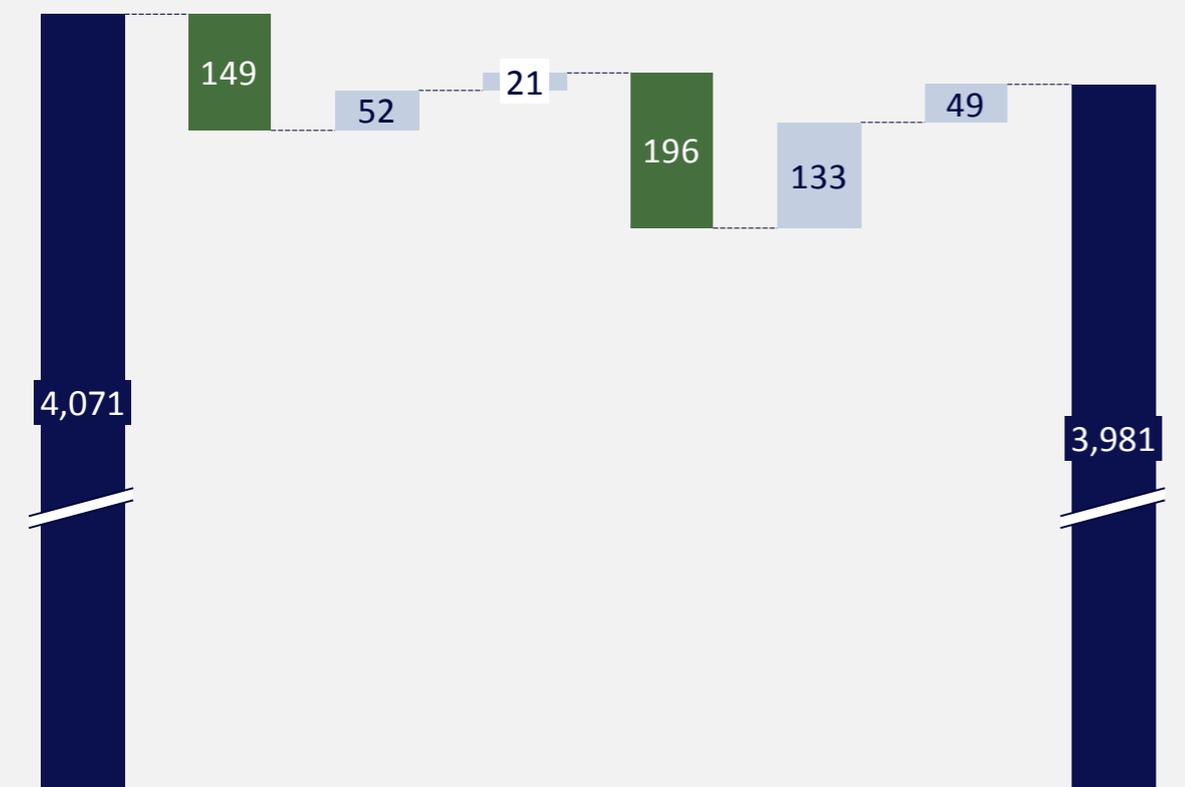


5 Capital structure

In H1 net debt reduced by \$90m and proportionate leverage below 2.0x

Net debt evolution in 2018

\$ million, 31 December 2017 – 30 June 2018

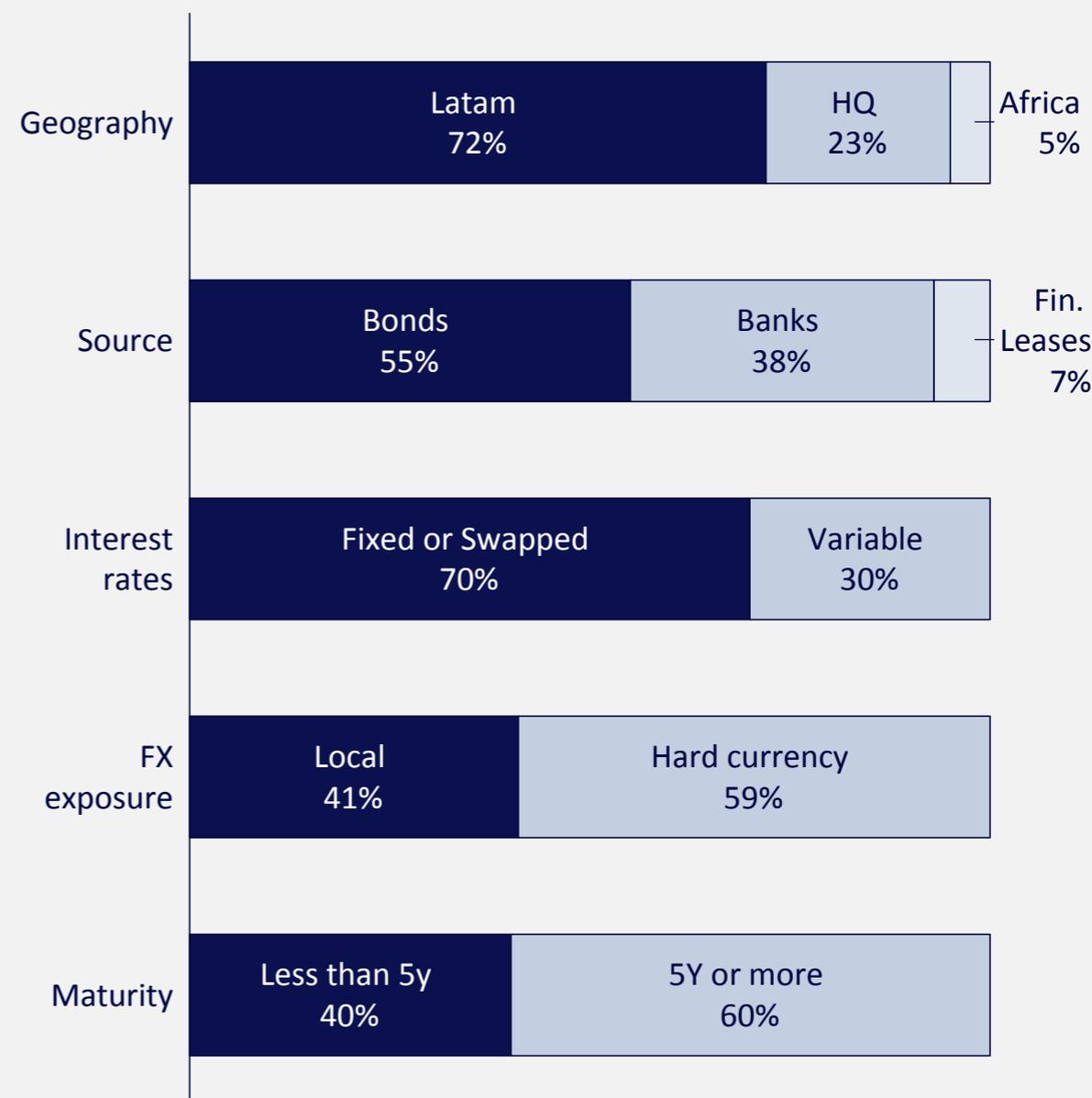


Net debt YE 2017	Equity FCF	Spectrum capitalization	Lease capitalization	M&A and towers	Dividend	FX and others	Net debt Q2 2018
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1.86x	Net debt/LTM EBITDA	1.80x
2.02x	Proportionate Net debt/ Proportionate LTM EBITDA	1.95x

Debt profile

30 June 2018



Updating our full year targets

		Target	Update
1	+231k HFC homes connected (+179k organic) <i>10m total homes passed by year-end</i>	+300k	~400k
2	+1.1m 4G customer net additions <i>10m 4G customers by year-end</i>	+3m	✓
3	Service revenue growth in Latam	+2-4%	Top-end of range
4	EBITDA growth on track	+3-6%	✓

1

Our strategy is working

2

Growth is accelerating

3

Solid first half on financials and KPIs

4

2018 outlook improving

5

Strengthened balance sheet and growing cash flow

6

U.S. listing in 2019

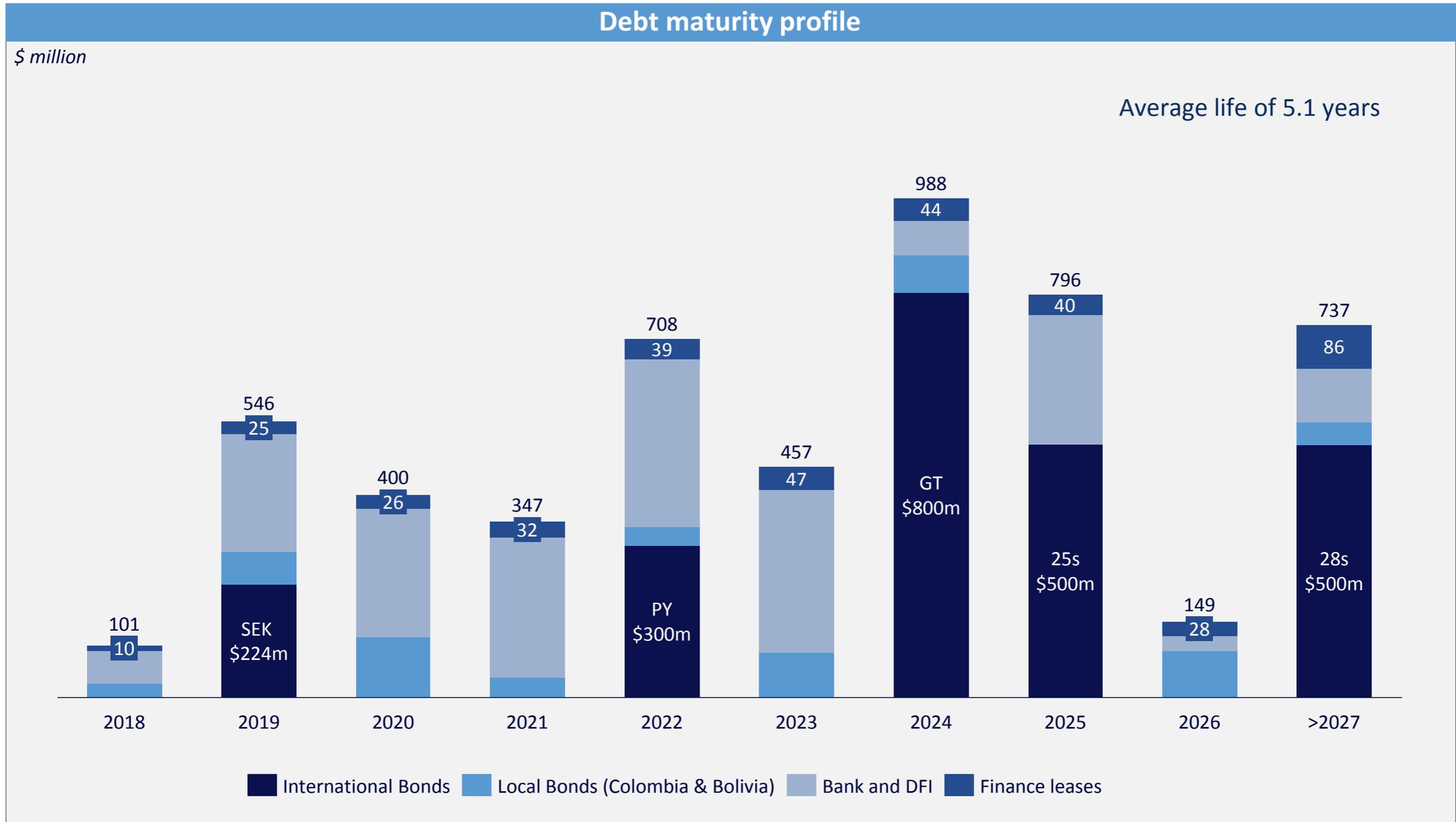


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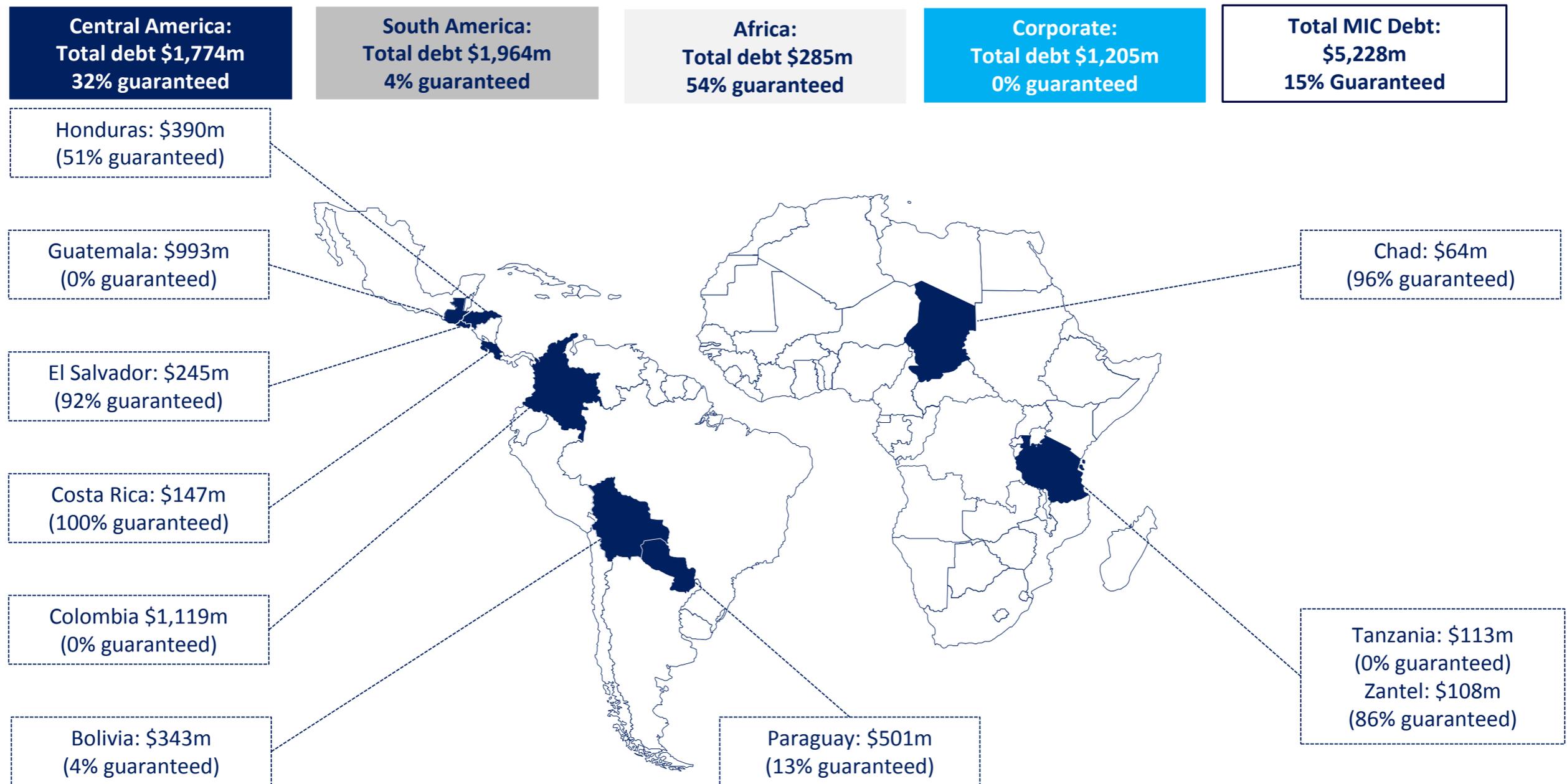
Q&A

Debt profile

Comfortable capital structure and liquidity with no major maturities until 2024

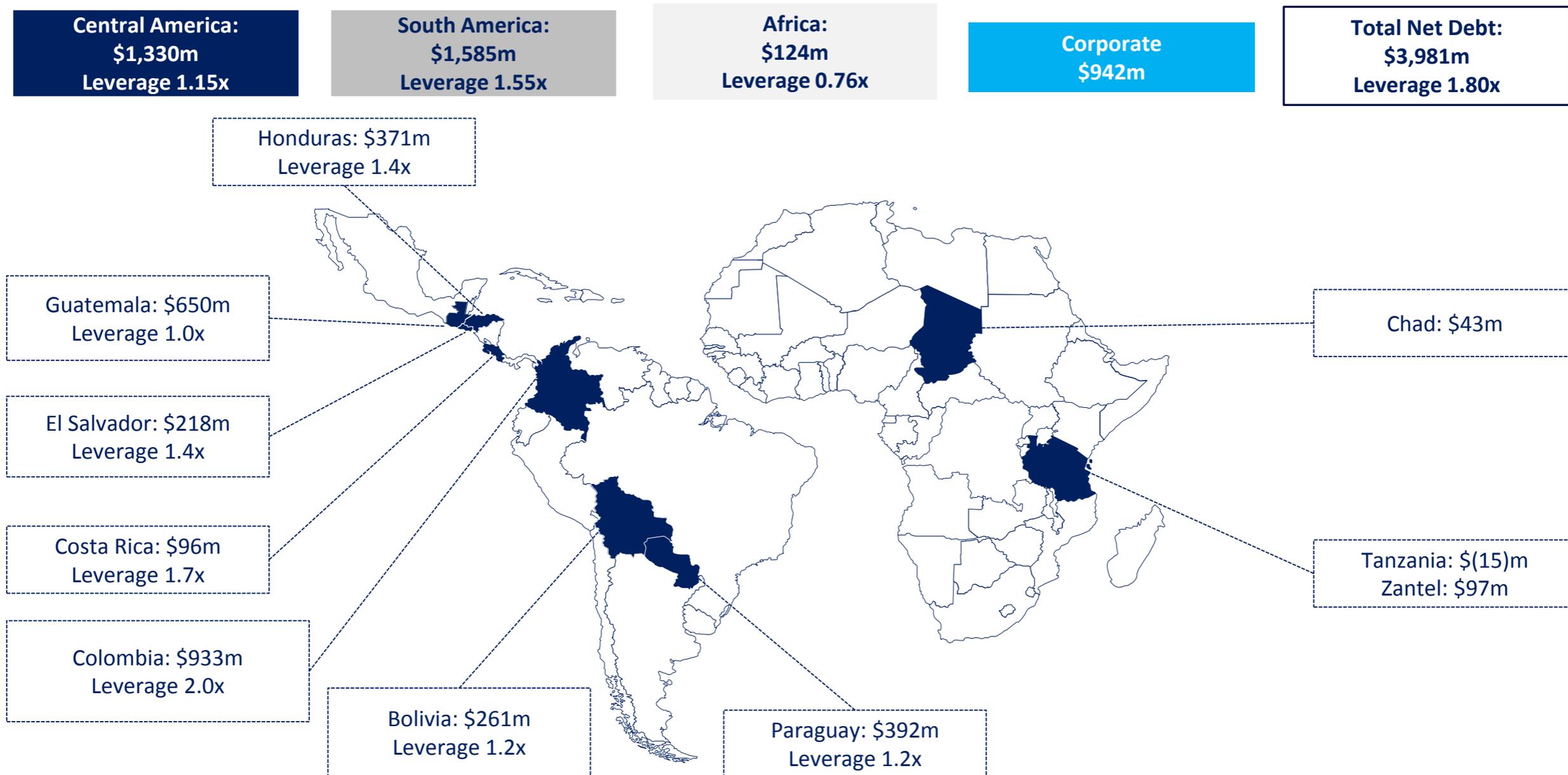


Gross debt by country



Including finance leases

Net debt by country



Including finance leases;
Leverage is Net debt / LTM EBITDA

Currency exposure of debt

June 2018	Debt including finance leases			Cash	Net debt		
	US\$	Local	Total		Total	USD	Local
Latin America*	1,766	1,972	3,738	823	1,372	1,544	2,915
	47%	53%	100%		47%	53%	100%
Africa	110	175	285	161	105	19	124
	38%	62%	100%		85%	15%	100%
Corporate	1,205	0	1,205	264	950	-9	942
	100%	0%	100%		101%	-1%	100%
Millicom	3,081	2,147	5,228	1,247	2,427	1,554	3,981
	59%	41%	100%		61%	39%	100%

*El Salvador has USD as functional currency (treated as local.)



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