



Acquisition of Cable Onda

Millicom International Cellular S.A.

Luxembourg, October 7, 2018

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1

Transaction Rationale

2

Cable Onda Highlights

3

Panama Market Overview

4

Millicom + Cable Onda Combined

Adding Panama market leader to Millicom is a powerful combination



Geographic fit

- 1 Completes Millicom's Central America footprint
- 2 Diversifies Millicom into high GDP/capita, high GDP growth, investment grade, and USD economy
- 3 Accelerates redeployment of capital to Latam

Product fit

- 4 Cable Onda is #1 in pay TV, fixed internet and telephony, and B2B in Panama¹
- 5 Increases MIC cable exposure to more than 40% of Millicom Latam service revenue²
- 6 Increases B2B exposure and strengthens Millicom regional B2B product portfolio

Financial fit

- 7 Enhances MIC revenue, EBITDA and OCF growth profile, with upside from synergies

1. Based on Cable Onda estimates of subscribers.

2. Based on last twelve month service revenue proforma for the acquisition, assuming 100% of Cable Onda's revenue was service revenue

1 Strong Financial Upside

Maintaining a strong balance sheet and credit profile remains an important priority

1

Transaction to be funded with new debt, including possible bond issuance, as well as cash on hand. Leverage to increase temporarily to 2.5x proportionate Net Debt-to-EBITDA

2

Plan to gradually return to long-term management target leverage of 2.0x underpinned by EBITDA growth, cash flow generation, and potential asset divestitures.

3

Purchase price implies 2019e EV/EBITDA of 7.9x and EV/OCF of 14.9x¹.

4

Revenue, cost, and financial synergy opportunities provide upside to base case:



Strengthened capabilities to gain B2B wallet share



Scale synergies from content acquisition and DTH platform integration



Leverage digital tools and shared service center



Procurement scale and expertise to lower network build and maintenance costs



Optimize Cable Onda and Millicom capital structures

1. Based on a total enterprise value of \$1,460 million and management projections of 2019 EBITDA of \$184 million and OCF (EBITDA less Capex) 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.

1 Transaction Rationale

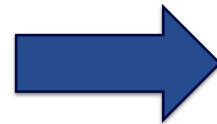
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Robust Network Infrastructure Underpins Market Leadership

Fiber-rich HFC network



Clear market leadership

- 100% digital, two-way
- DOCSIS 3.0
- 95% with 1 GHz capacity
- 10,000+ km of HFC
- Almost 4,000 km of fiber
- 700,000+ HFC homes passed
- #1 in Pay TV
- #1 in Broadband Internet
- #1 in Fixed Telephony
- #1 in B2B
- Customer churn < 1.5%
- Total customers > 500,000

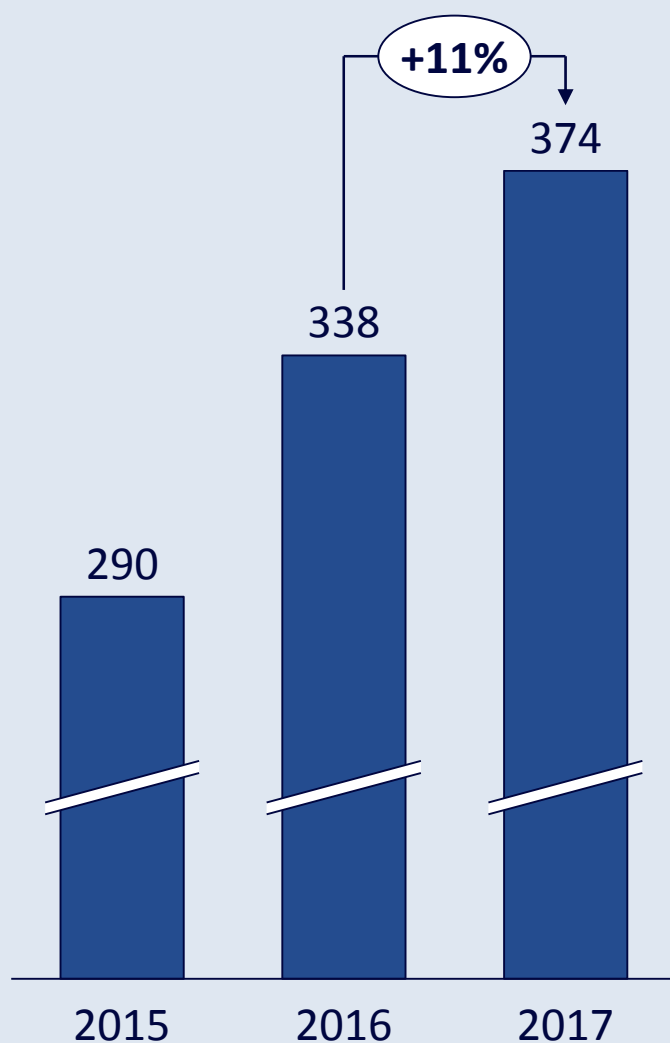
* All figures for the year ended December 31st, 2017.

** Market position based on Cable Onda management estimates of subscribers as of December 31st, 2017.

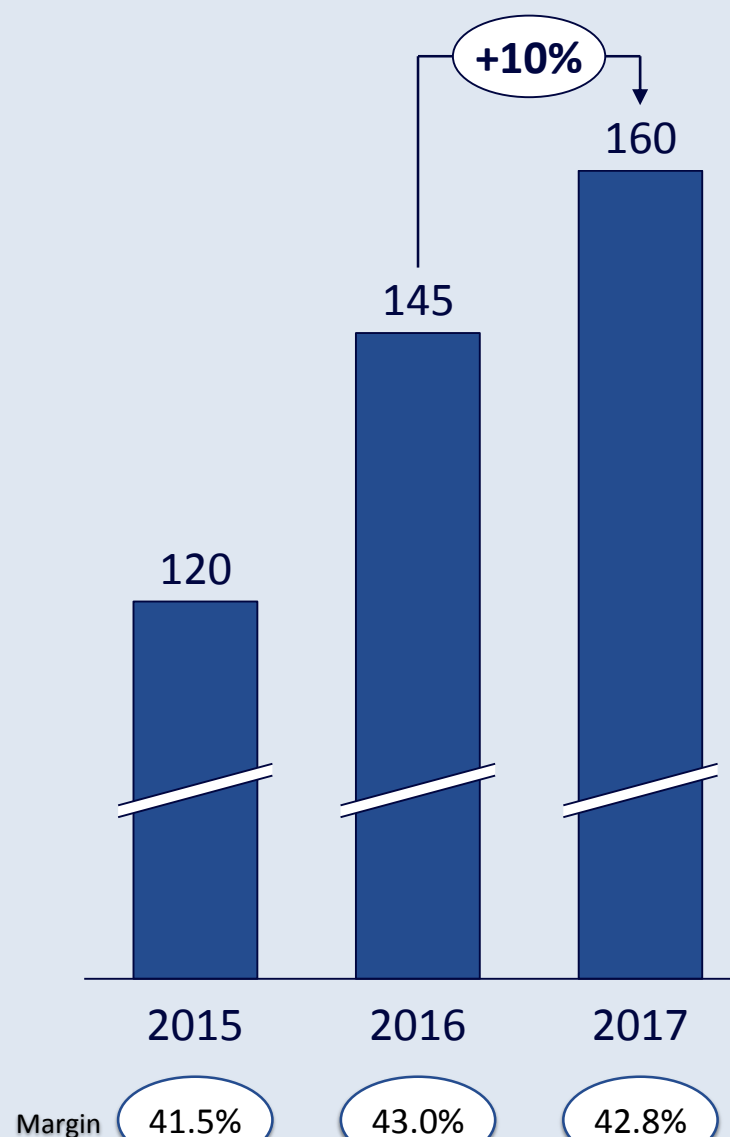
2 Cable Onda Financials

Strong track record of delivering profitable growth over two decades continues

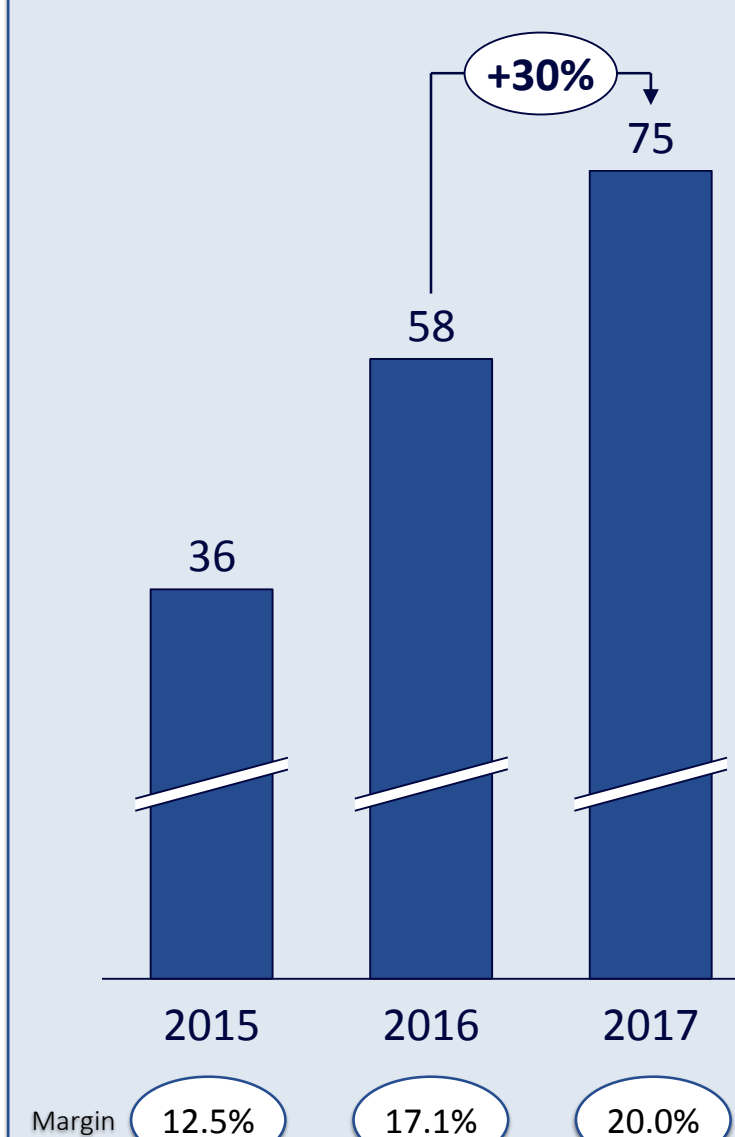
Revenue



EBITDA



EBITDA – Capex



* Source: Cable Onda financials, as reported to the Panama stock exchange

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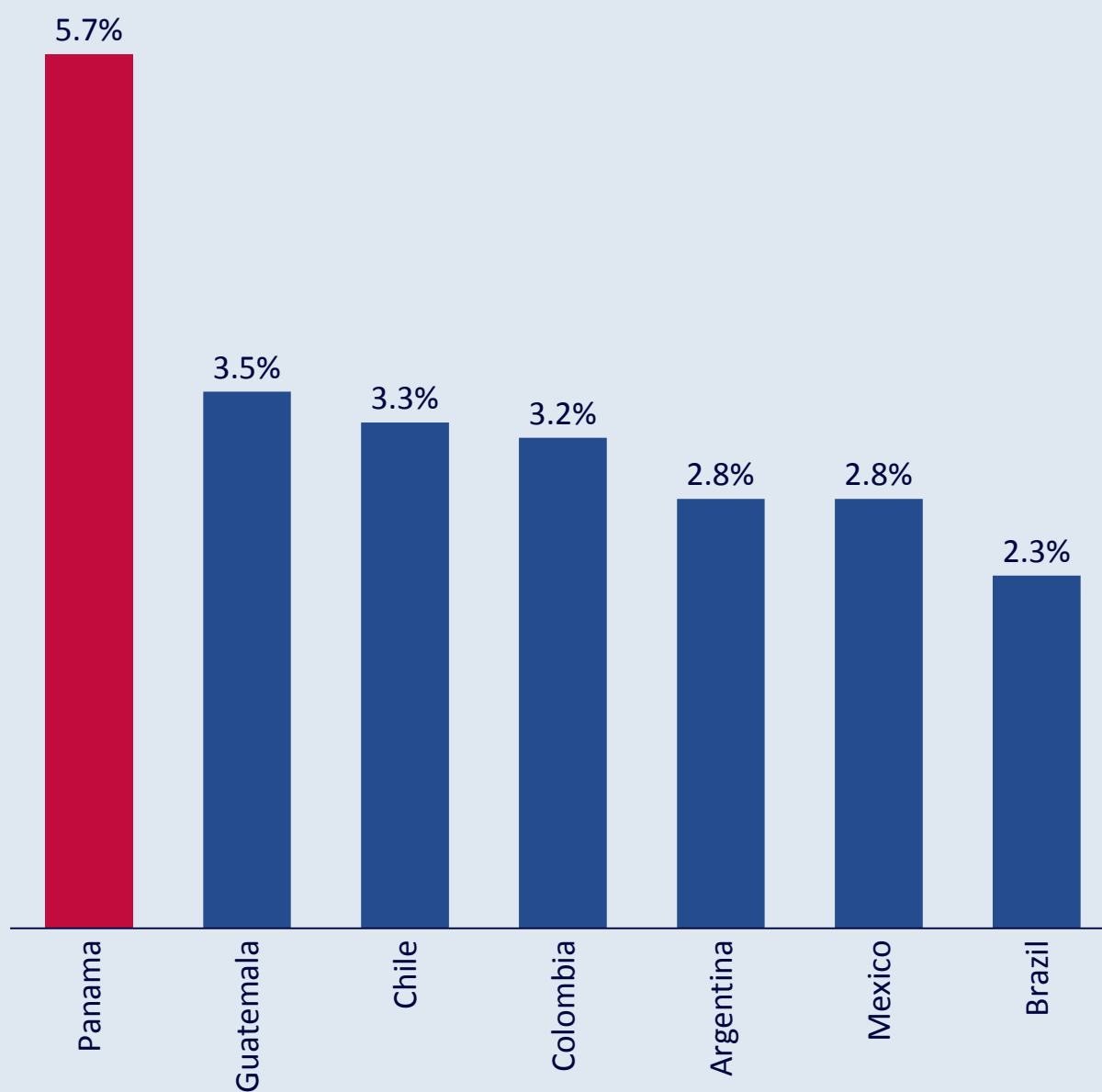
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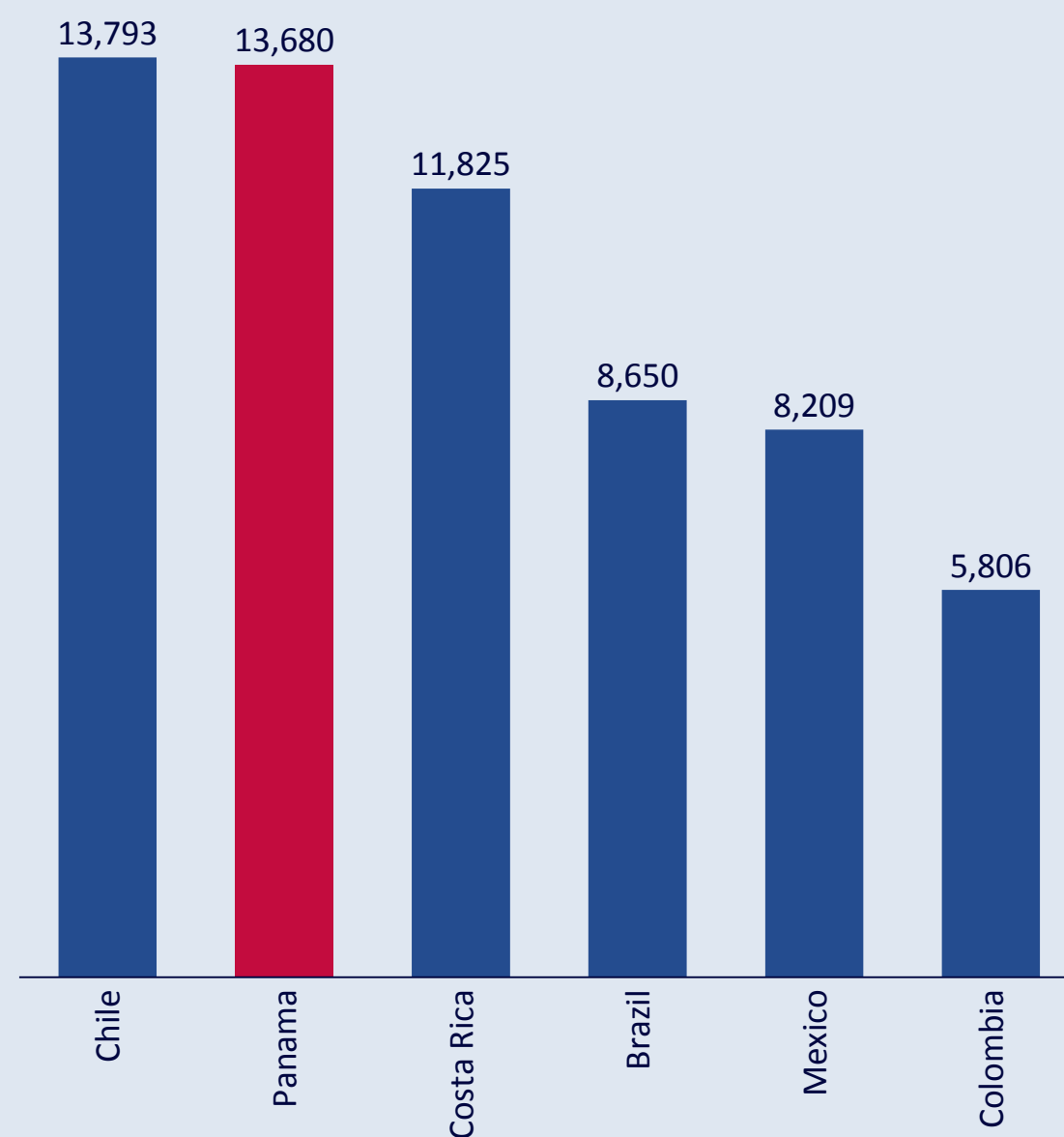
3 Stable and Positive Macro Backdrop

Panama is a dollarized economy with fast GDP growth and disposable income above Latam peers

Real GDP Growth 2018-2020



GDP per Capital, current dollars

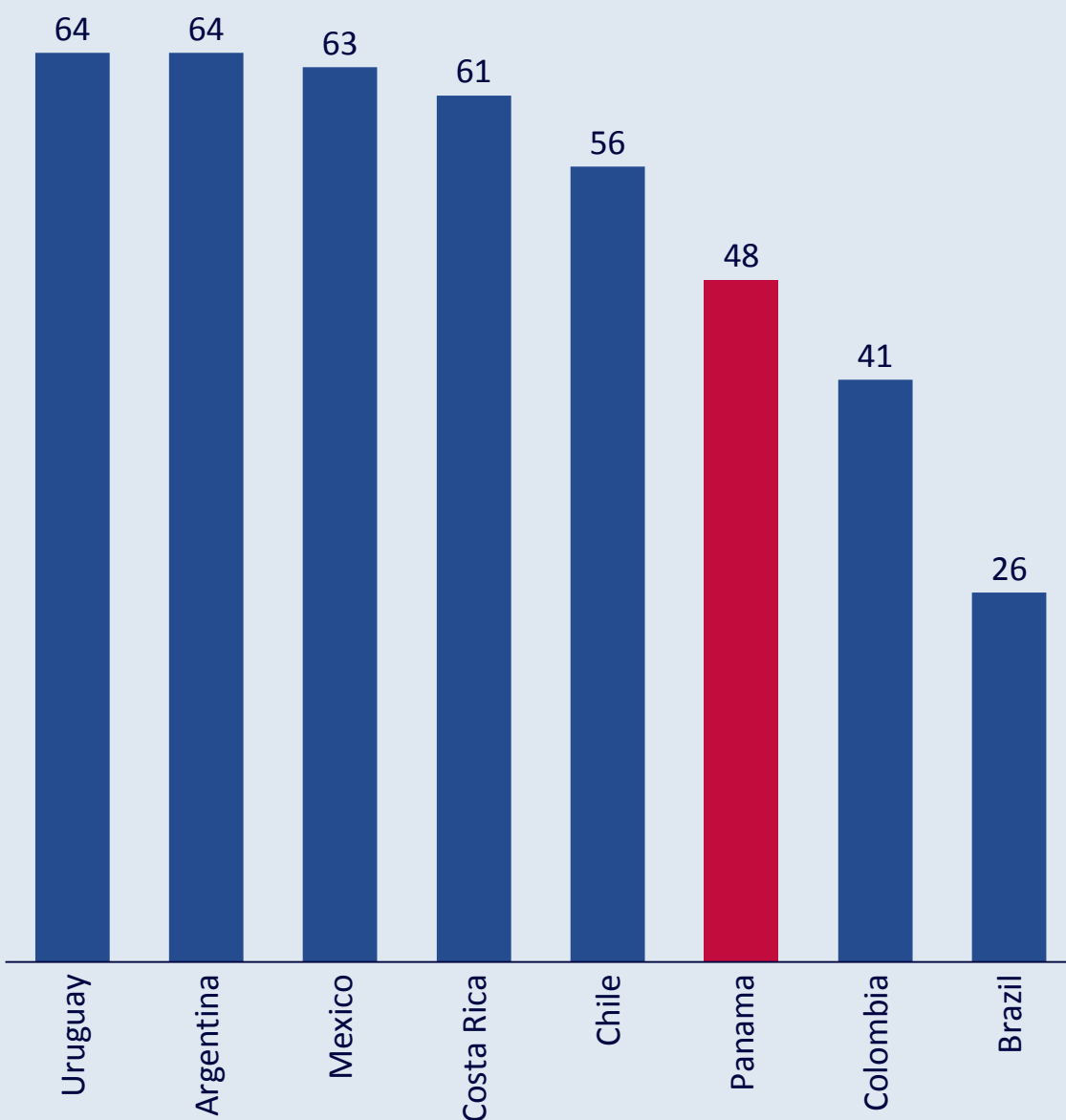


* Source: World Bank

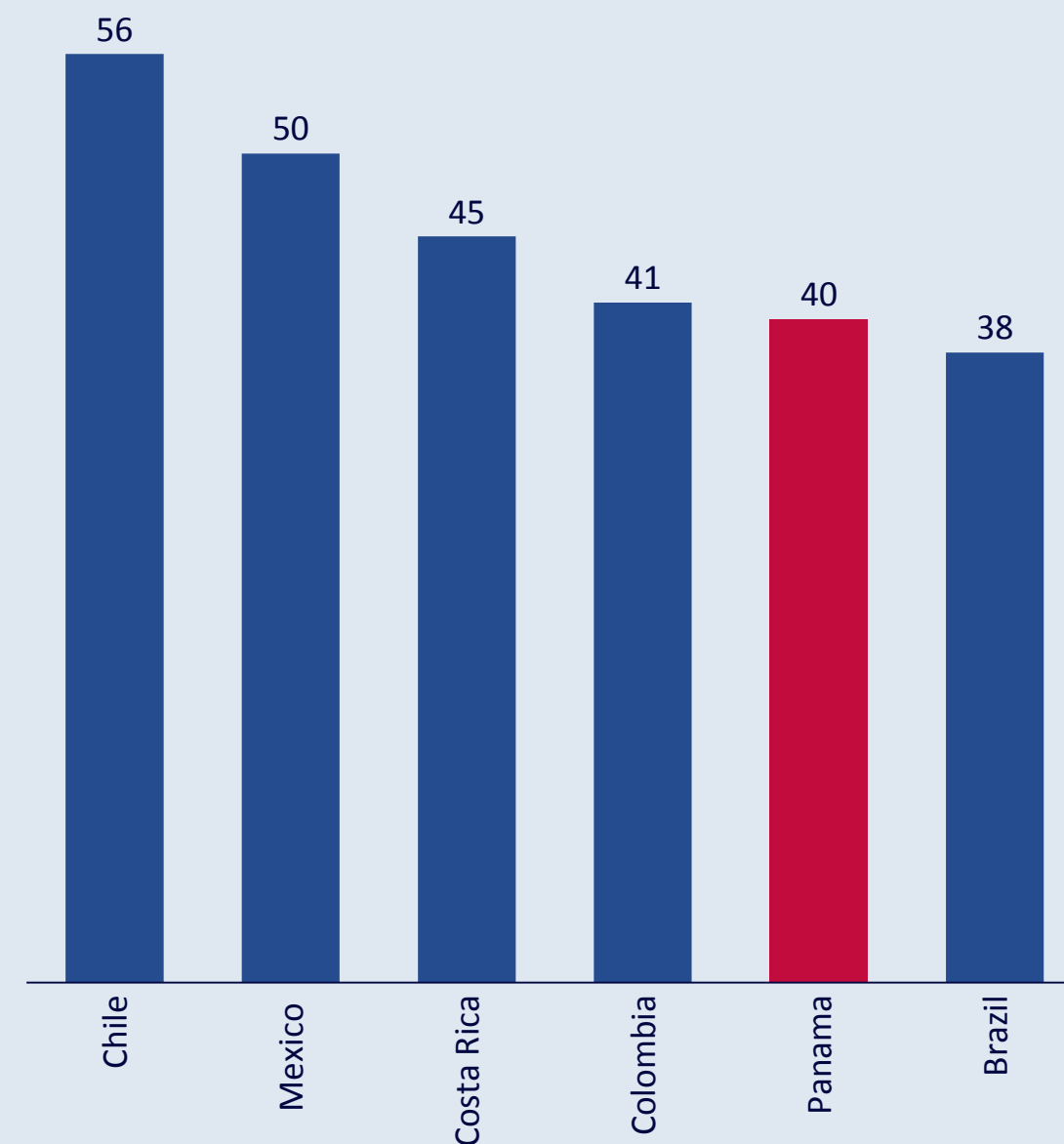
3 Upside to Penetration Rates

Pay TV and Broadband penetration rates are low considering Panama's above-average GDP/capita

Pay TV Penetration
% of households



Broadband Penetration
% of households



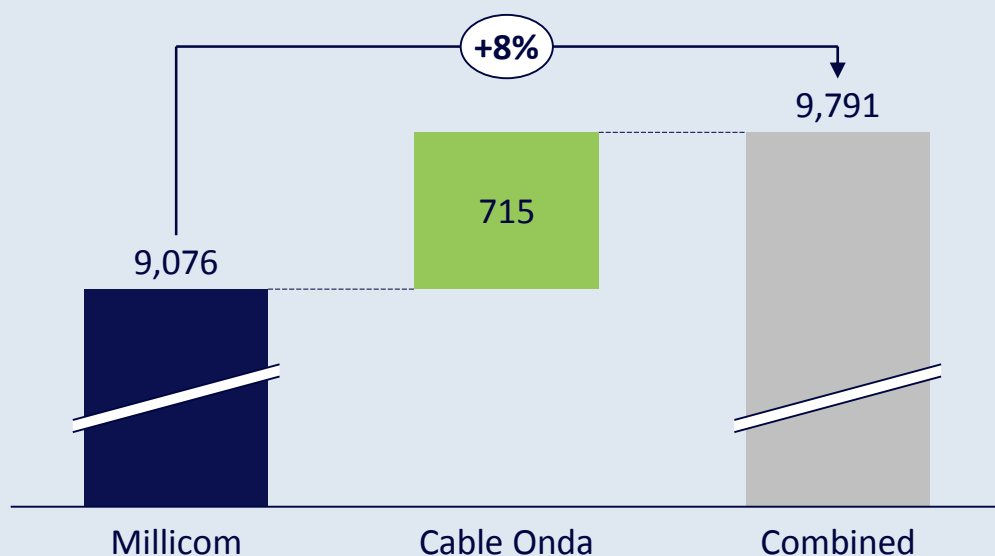
* Source: Dataxis

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Cable Onda adds 14% to Millicom HFC homes connected

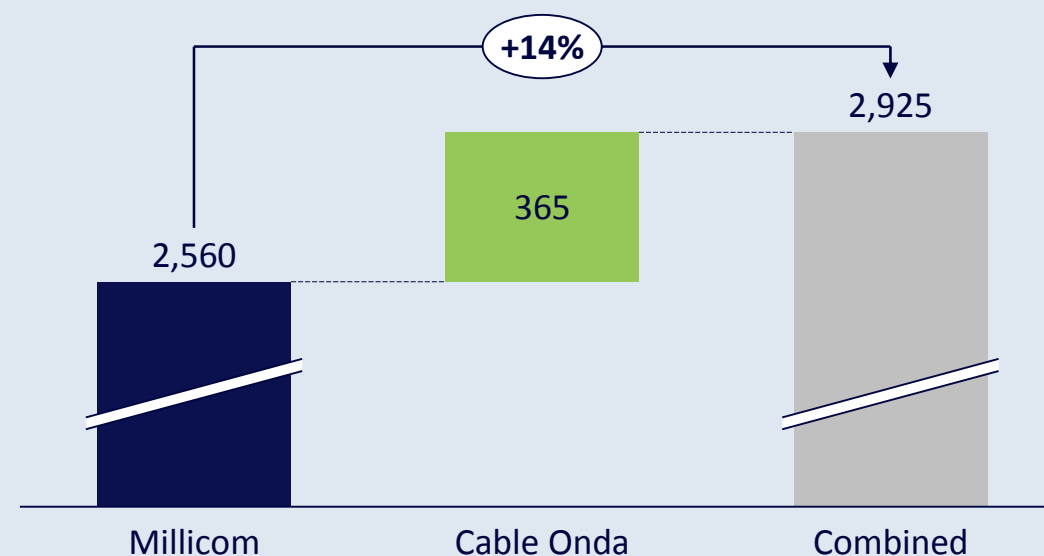
HFC Homes passed

Homes (000s), as of June 30, 2018



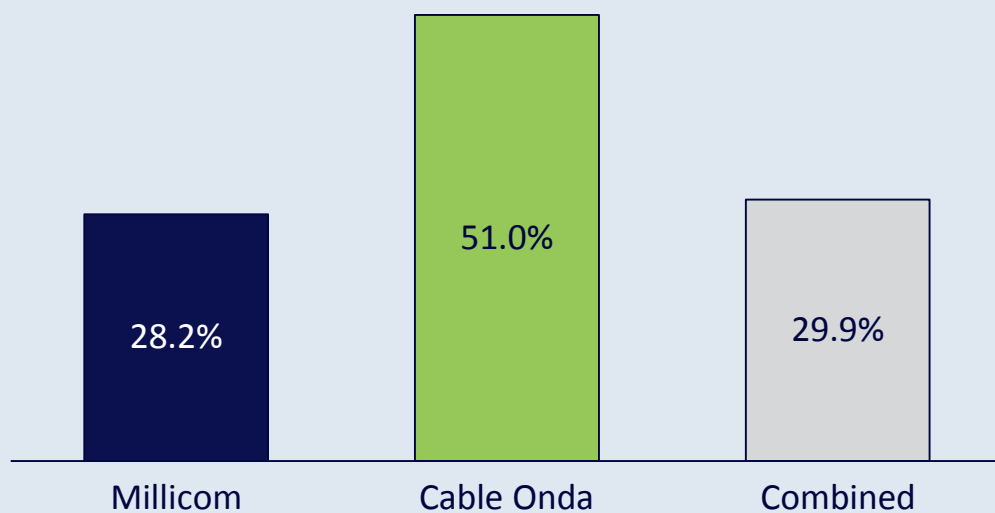
HFC homes connected

Homes (000s), as of June 30, 2018



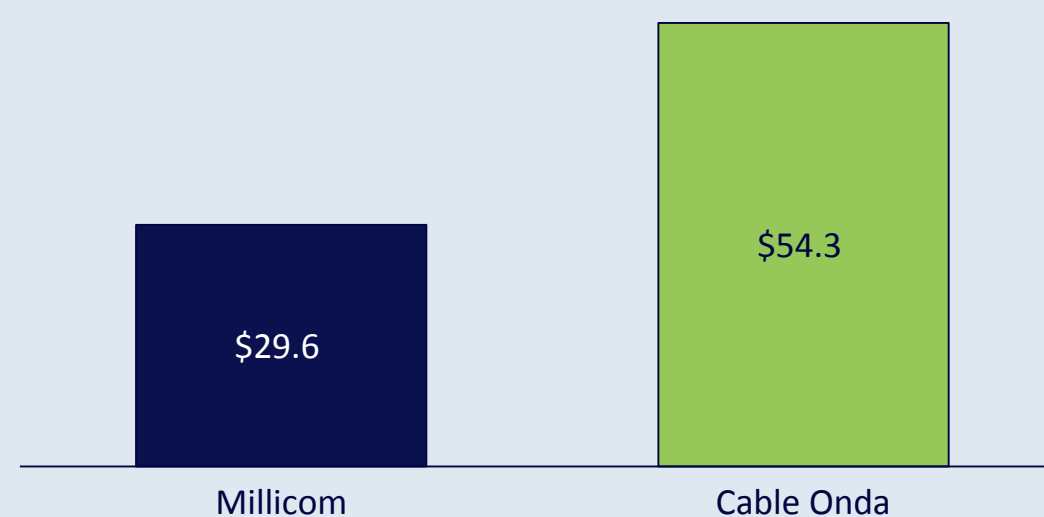
Connection rate

HFC Homes connected / HFC Homes passed (000s)
As of June 30, 2018



Residential ARPU

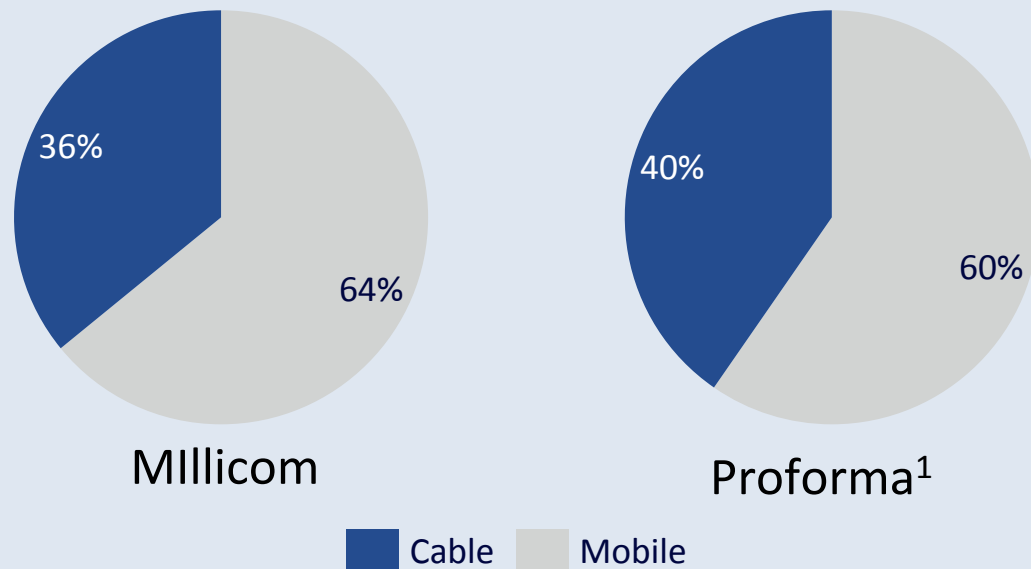
(USD/month), Q2 2018



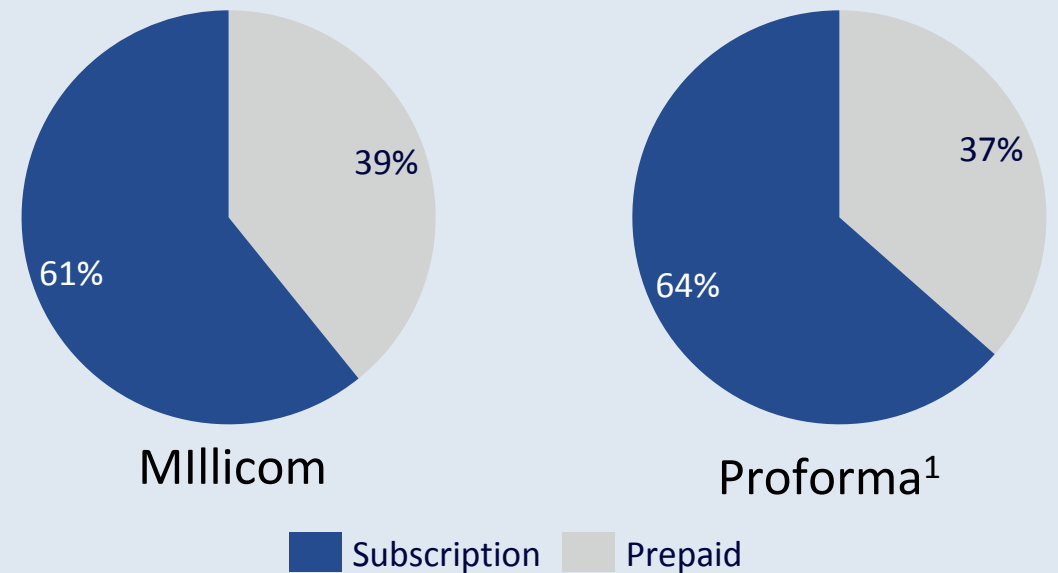
4 Pro forma Service Revenue Mix¹

Cable Onda accelerates transition to more predictable and faster-growing revenue streams

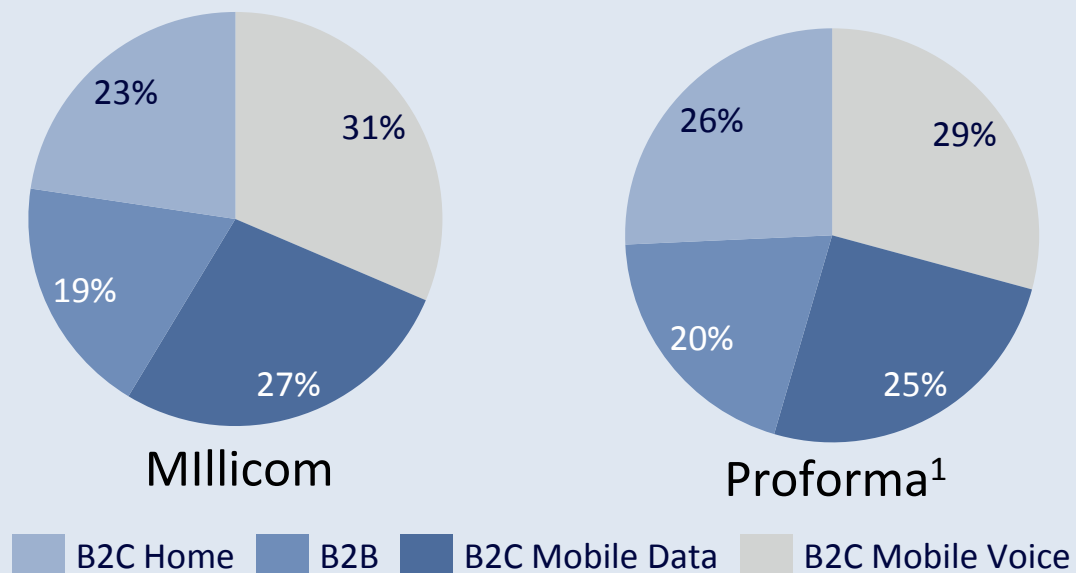
40% Cable



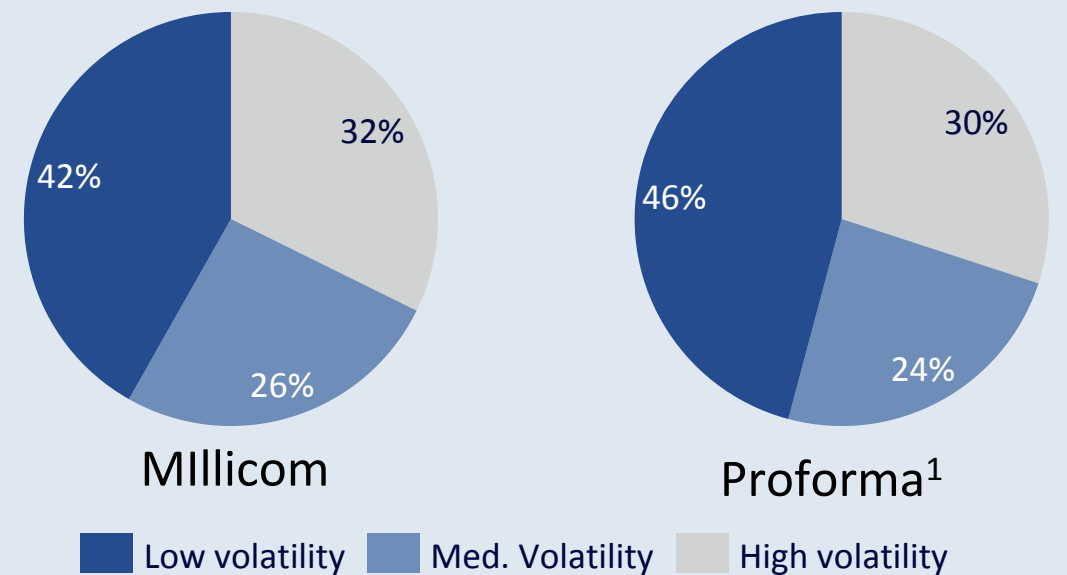
64% Subscription-Based²



71% Growth Business Lines



70% Low/Med FX Volatility

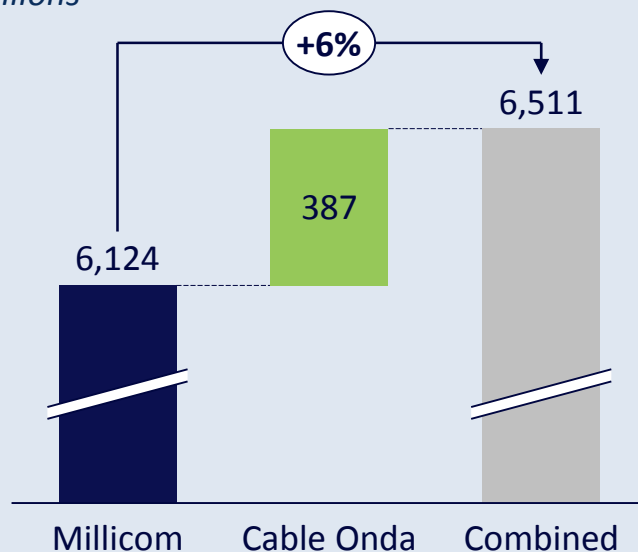


1. Pro forma financials for the combined company are based solely on amounts reported by Millicom and Cable Onda for the four quarterly periods ending June 30th 2018, and these do not include, among other things, any adjustments for acquisition accounting, intercompany eliminations, nor any possible reconciliations for differences in accounting standards.
2. Subscription-based revenues defined as the sum of B2C mobile postpaid, Cable and B2B service revenue.
3. Currency volatility based on historical FX over the last 10 years. Low volatility countries are El Salvador, Bolivia, Guatemala and Panama. Medium volatility countries are Honduras, Paraguay and others. High volatility country is Colombia.

Cable Onda adds ~6% and diversifies and enhances Millicom growth

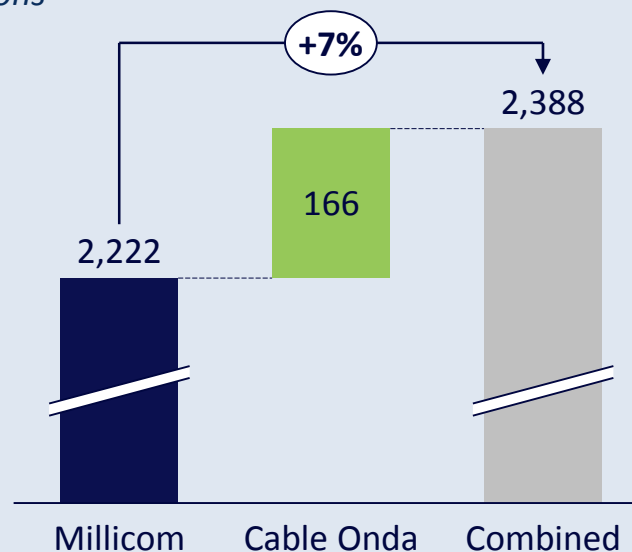
Underlying Revenue

Last 12 months as of June 30, 2018
\$ millions



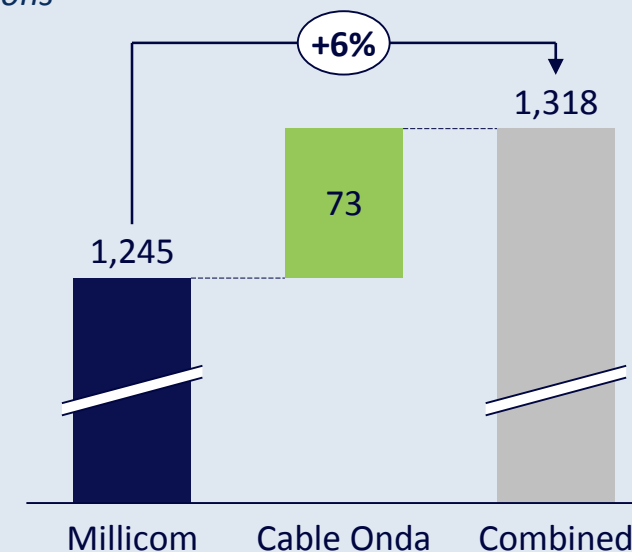
Underlying EBITDA

Last 12 months as of June 30, 2018
\$ millions



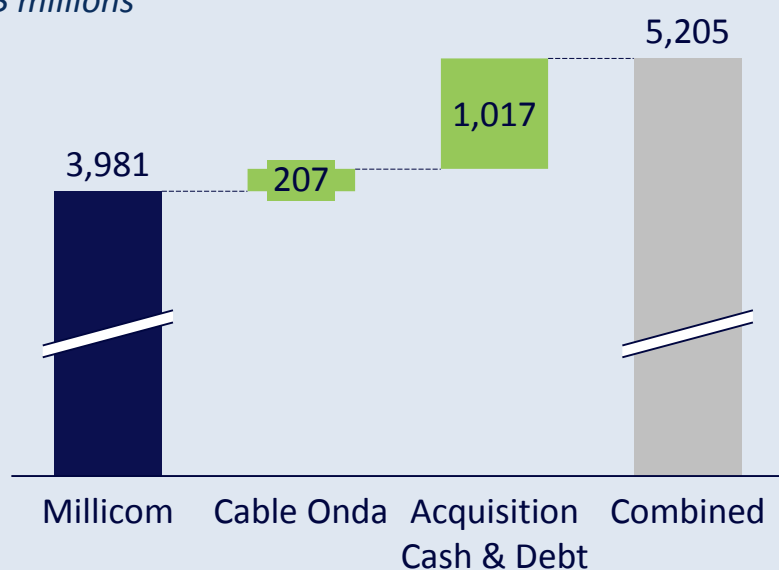
Underlying EBITDA-Capex

Last 12 months as of June 30, 2018
\$ millions



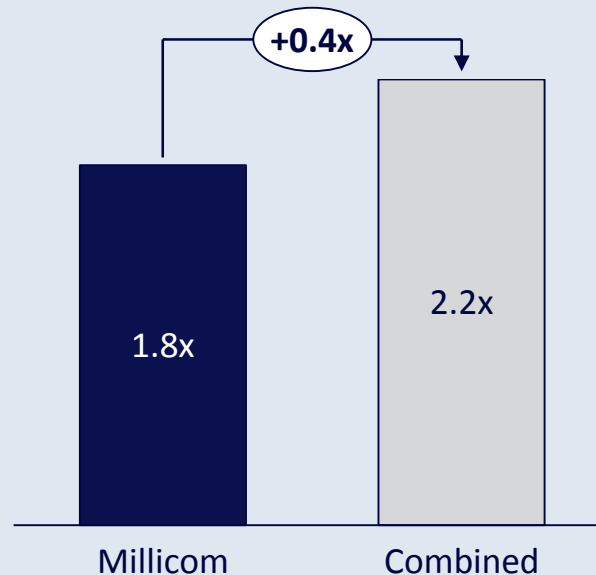
Underlying Net Debt

As of June 30, 2018
\$ millions



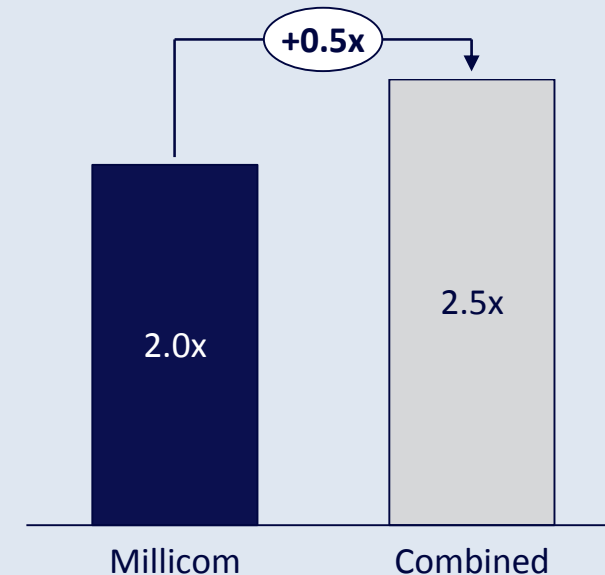
Underlying Net Debt / EBITDA

As of June 30, 2018



Proportionate² Net Debt / EBITDA

As of June 30, 2018



1. Illustrative pro forma financials for the combined company are based solely on amounts reported by Millicom and Cable Onda for the four quarterly periods ending June 30th 2018, and these do not include, among other things, any adjustments for acquisition accounting, intercompany eliminations, nor any possible reconciliations for differences in accounting standards.

2. Proportionate = adjusted pro rata to reflect Millicom ownership stake in each underlying country operation

- 1 High quality asset - Leader in attractive market
- 2 High growth, investment grade, dollarized economy
- 3 Excellent fit
- 4 Strong local partner



MILLICOM

THE DIGITAL LIFESTYLE