



2018 Q3 results

Cable expansion accelerating

Mauricio Ramos, CEO

Tim Pennington, CFO

October 24th, 2018

Millicom International Cellular S.A.

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1. CEO review

Mauricio Ramos

Cable expansion accelerating

1

Strong operating momentum continues

2

Colombia growing

3

Spotlight on Cable

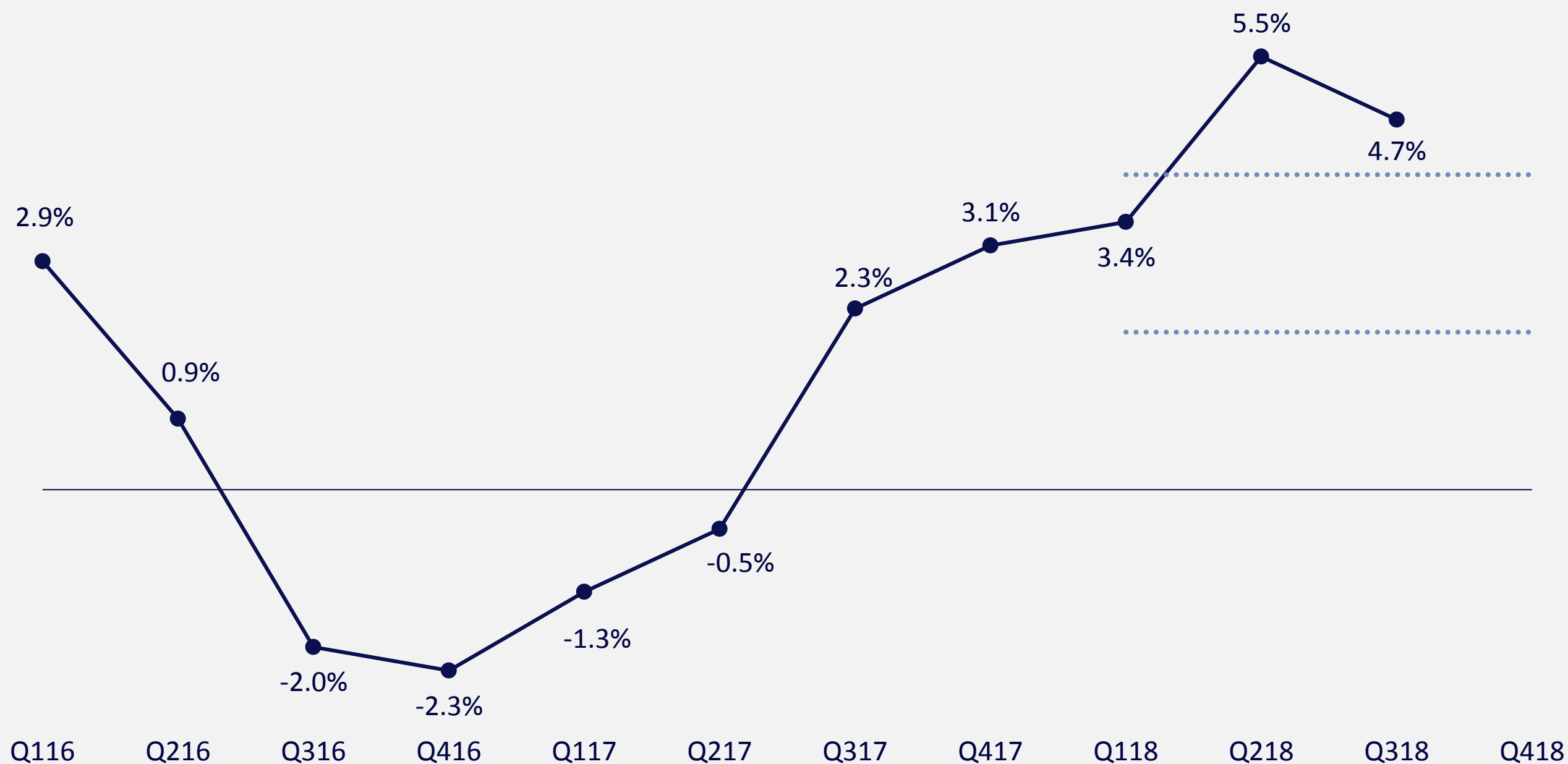
4

Cable Onda

1 Service revenue growth in line with plan

Latam service revenue growth

Latam %YoY growth, Q1 16 – Q3 18

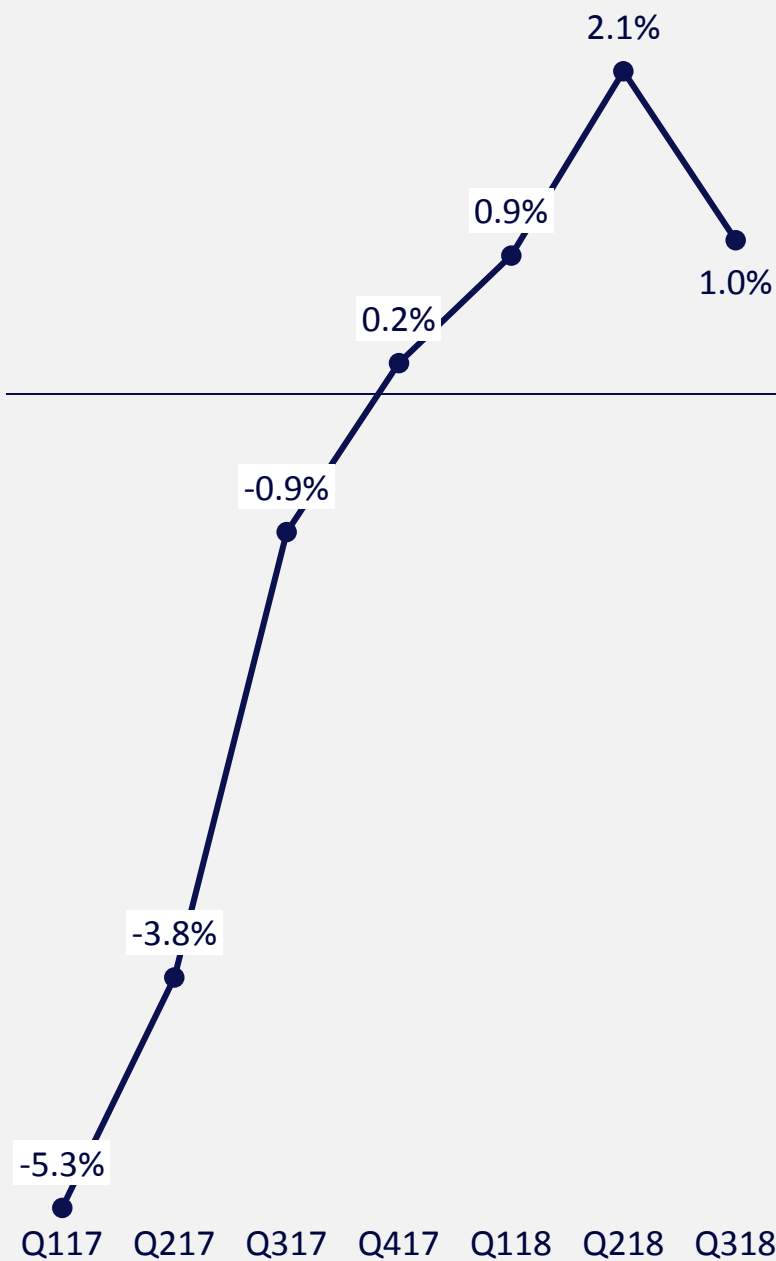


Note: Q1 2018 and Q2 2018 figures re-presented to reflect application of IFRS 15 on wholesale international traffic business in Colombia.

1 All three business units growing

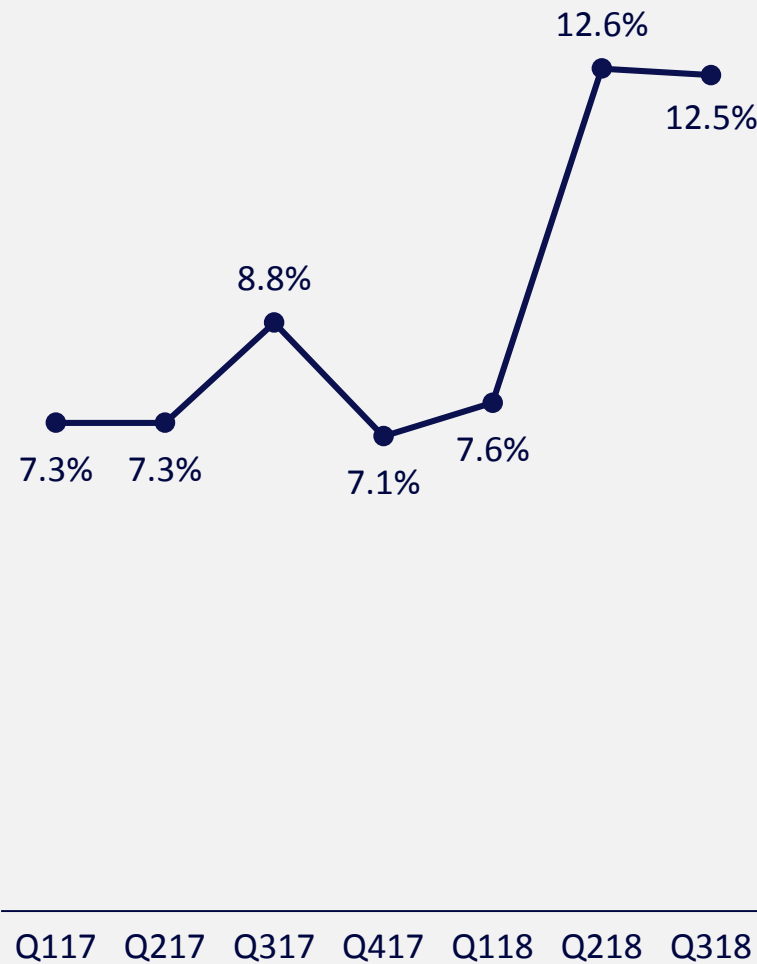
Mobile B2C (58% of service rev)

Mobile B2C service revenue LC %YoY, Q1 17 – Q3 18



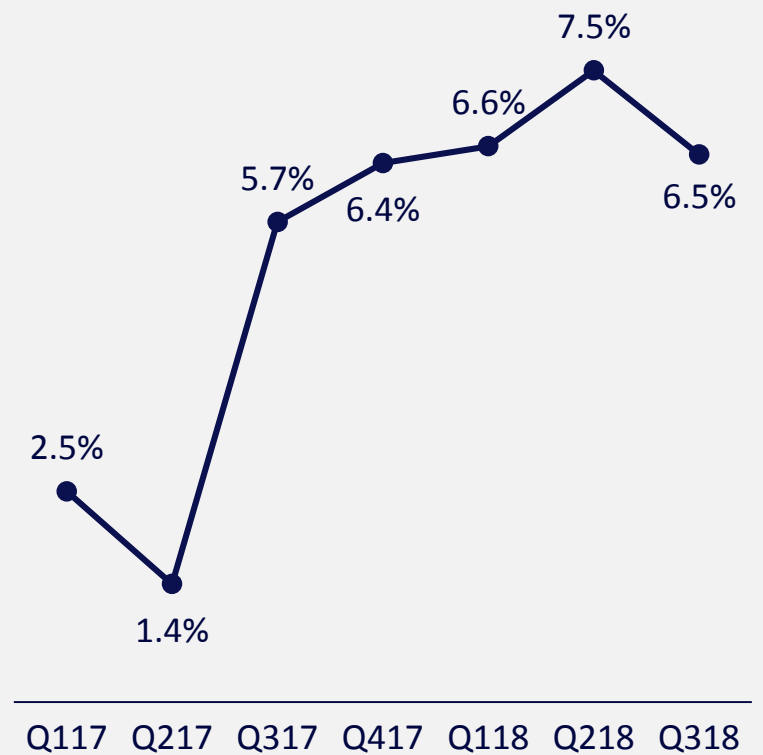
Home (25% of service revenue)

Home service revenue LC %YoY, Q1 17 – Q3 18



B2B (16% of service revenue)

B2B service revenue LC %YoY, Q1 17 – Q3 18

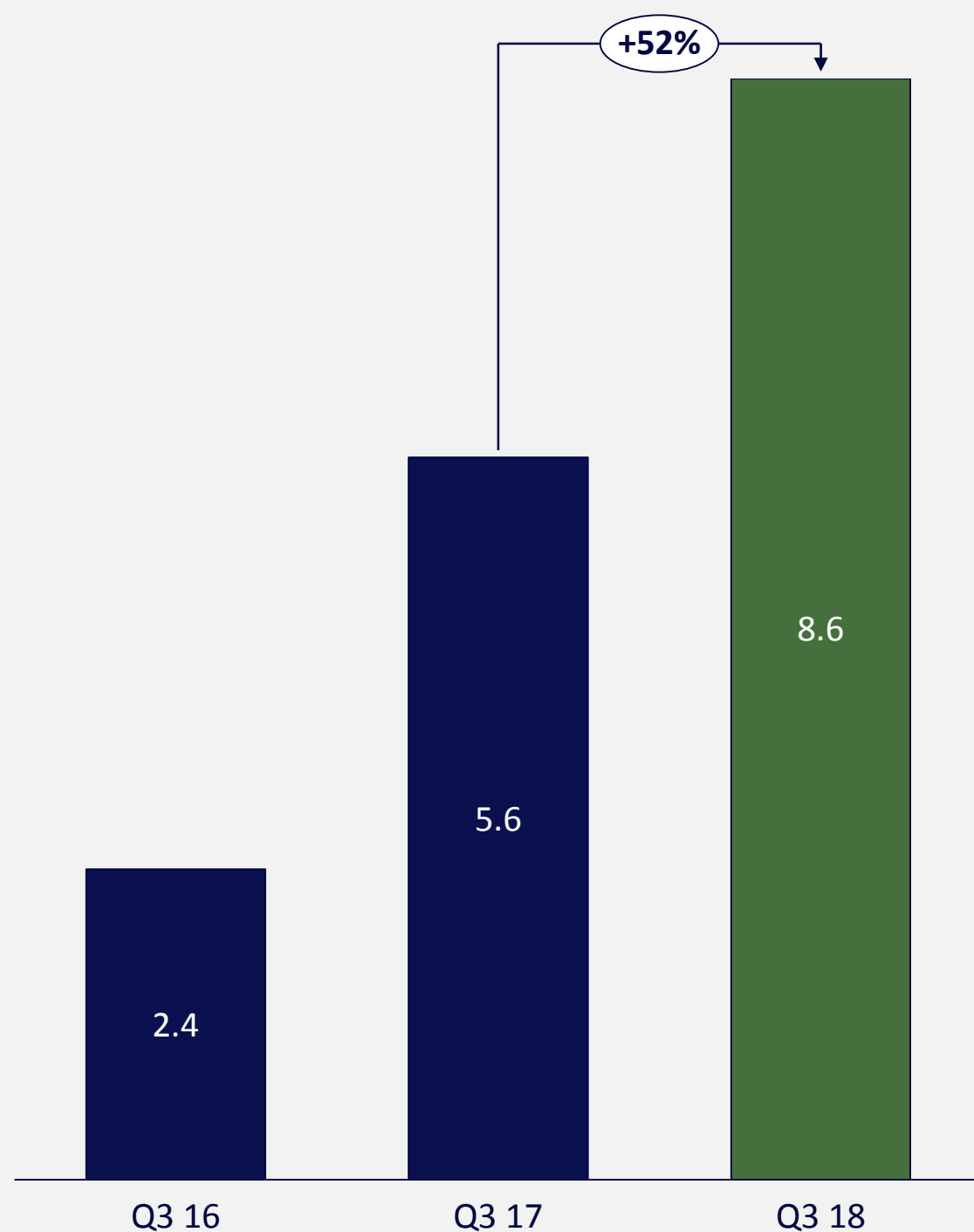


Note: Q1 2018 and Q2 2018 B2B figures re-presented to reflect application of IFRS 15 on wholesale international traffic business in Colombia.

1 B2C Mobile growing in 4G and postpaid

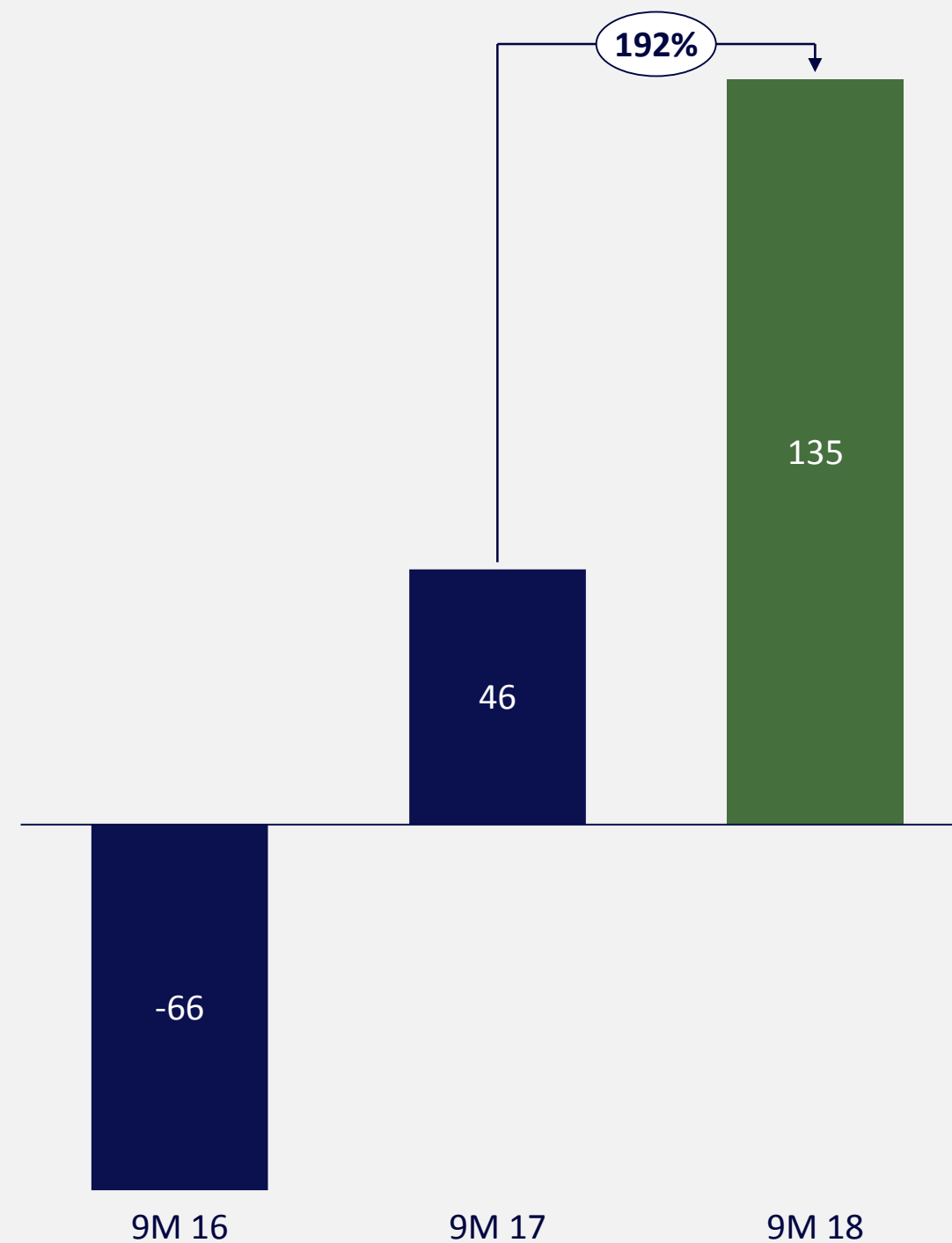
Steadily growing our 4G customer base

Latam B2C Mobile 4G subscribers (millions), Q3 16 – Q3 18



Improved performance in postpaid

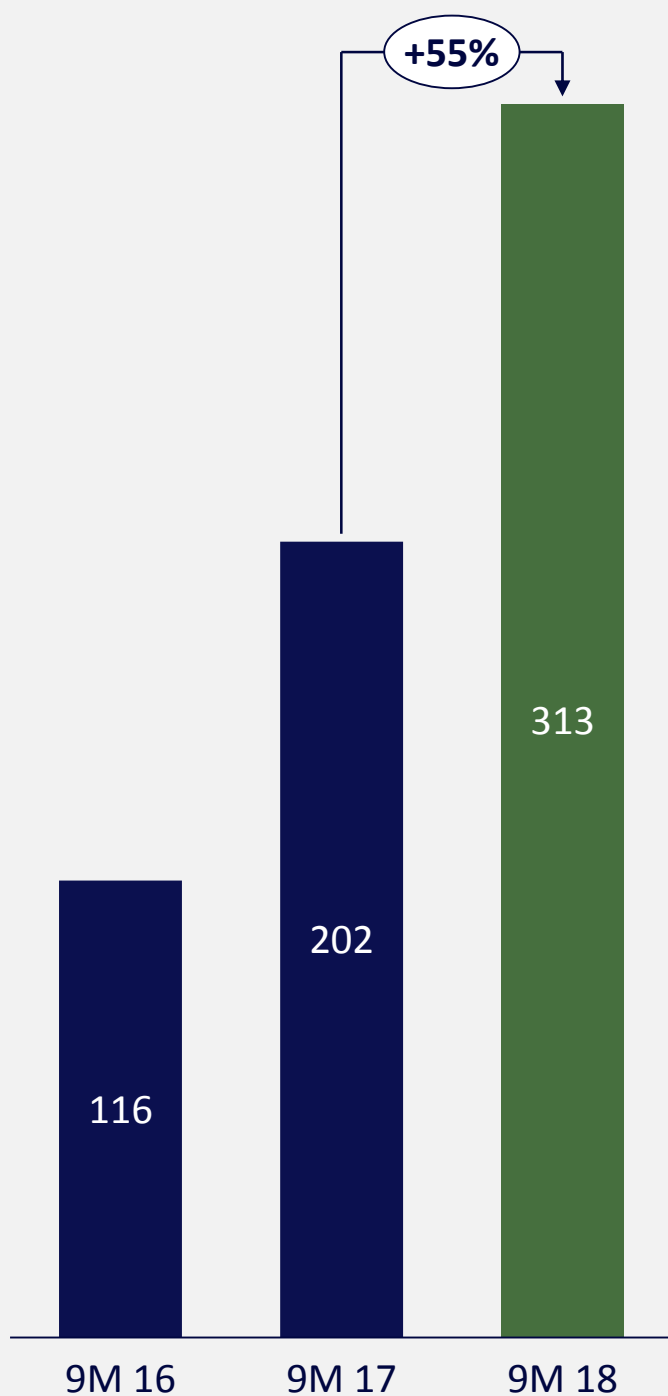
Latam B2C Mobile postpaid net additions, (000)s, 9M16 – 9M18



1 Home growth drivers trending higher

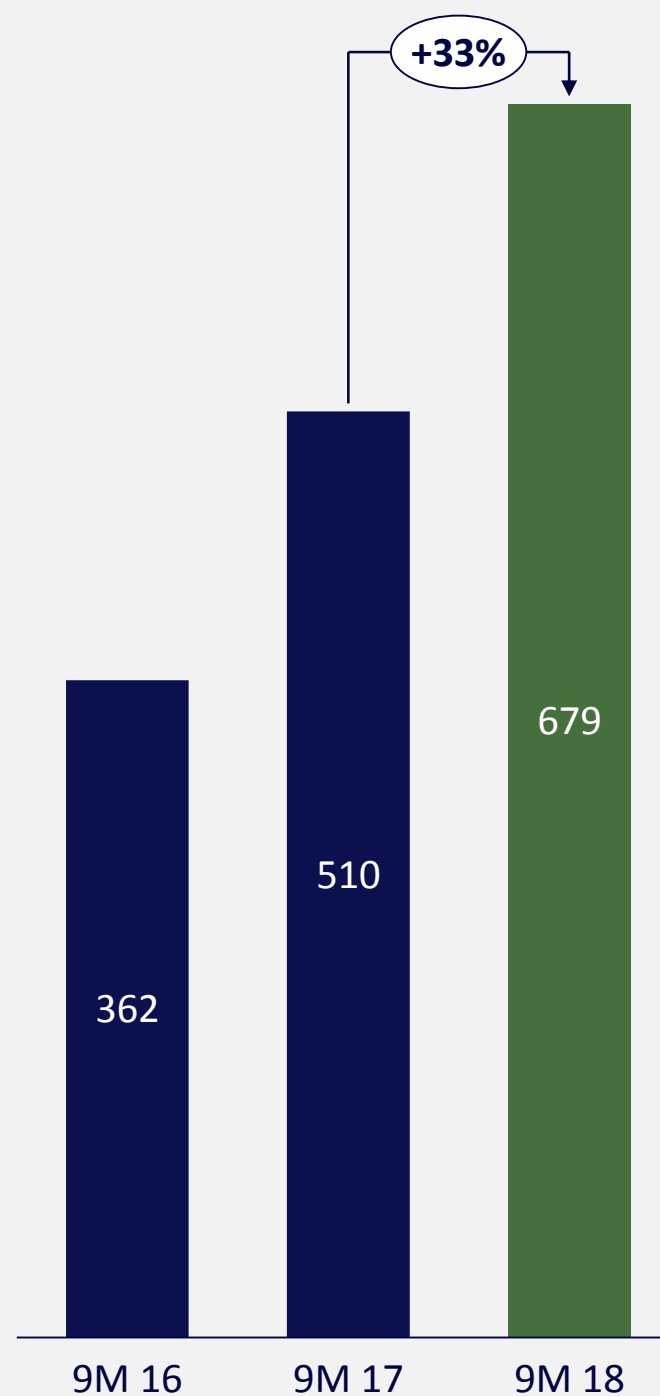
Connecting more HFC Homes

Latam HFC homes connected (000)
9M 2016 – 9M 2018



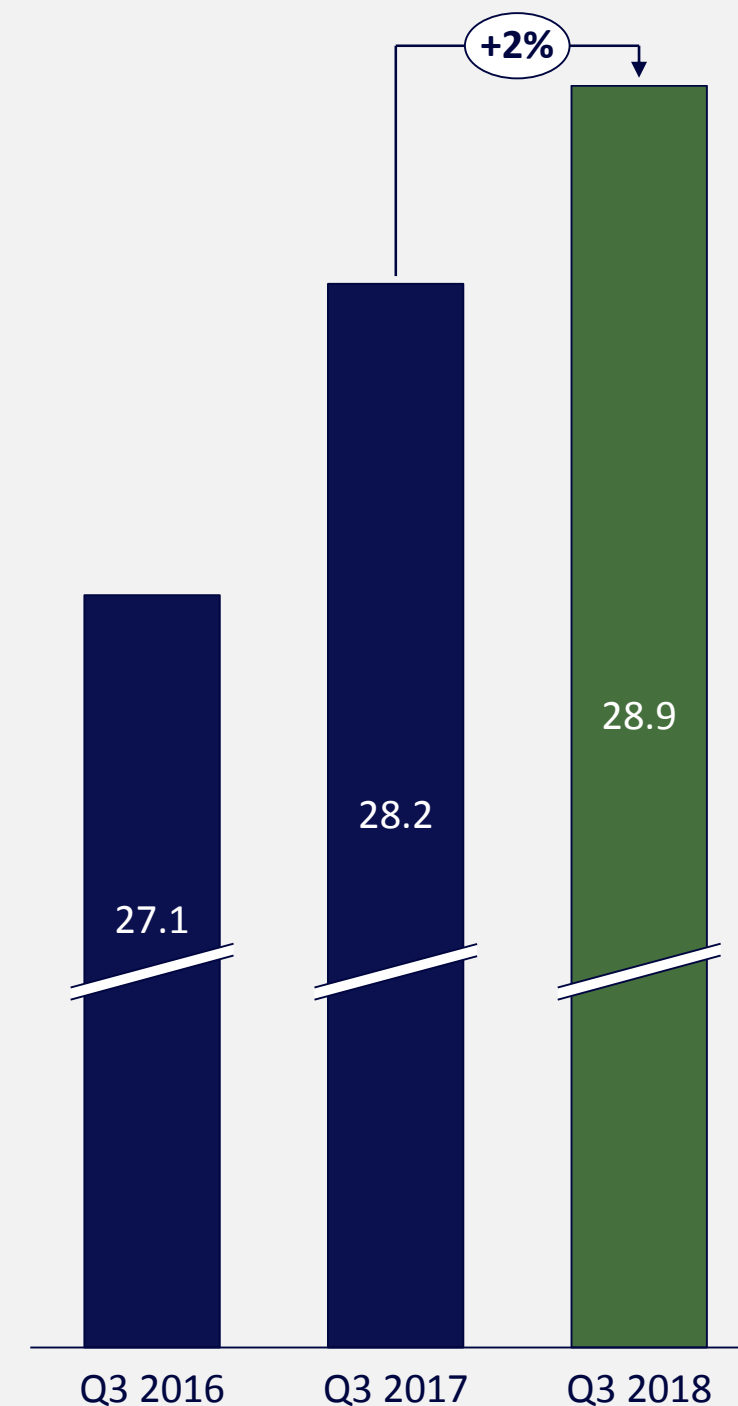
Adding more HFC RGUs

Latam HFC RGU net additions (000)
9M 2016 – 9M 2018



ARPU rising

Latam Home ARPU (\$/month)
Q3 2016 – Q3 2018



Colombia Home KPIs continue to improve

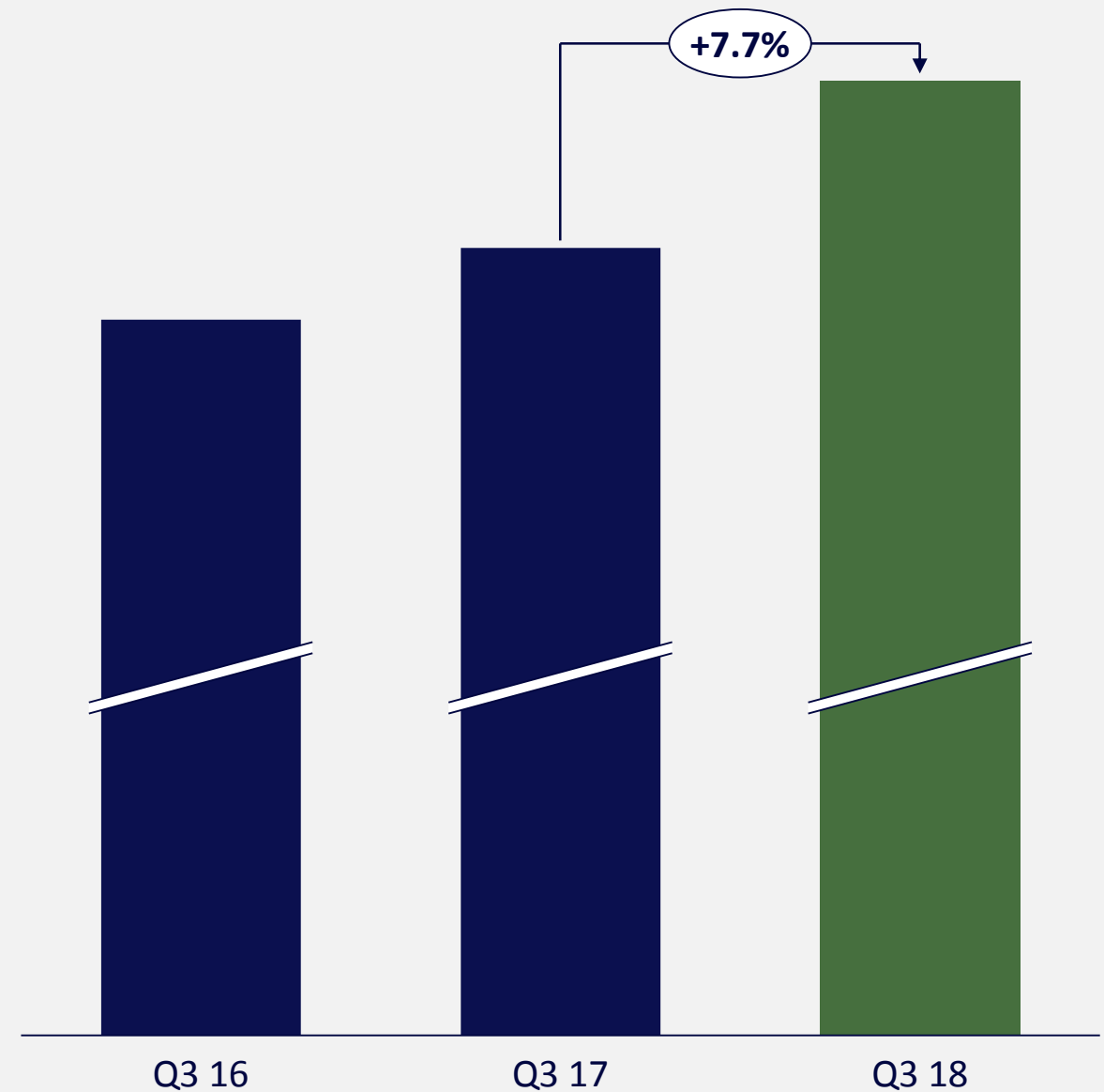
HFC accelerating as copper churn moderates

Colombia - LTM homes connected net additions, HFC and Other, Q316 – Q318



Home ARPU rising

Colombia – Home ARPU \$, Q3 16 – Q3 18



Simplifying postpaid offer in Colombia



ASÍ DE SIMPLE

PARA ESTAR
CONECTADO SIEMPRE

\$75 MIL
CARGO BÁSICO

DATOS 15GB PARA DISFRUTAR TODO EL MES.
AL CONSUMIRLOS SEGUIRÁS DISFRUTANDO
DEL SERVICIO A UNA VELOCIDAD DE 256 KBPS

VOZ ILIMITADA

SMS ILIMITADOS

¡QUIERO ADQUIRIRLO!

*APLICAN TÉRMINOS Y CONDICIONES.

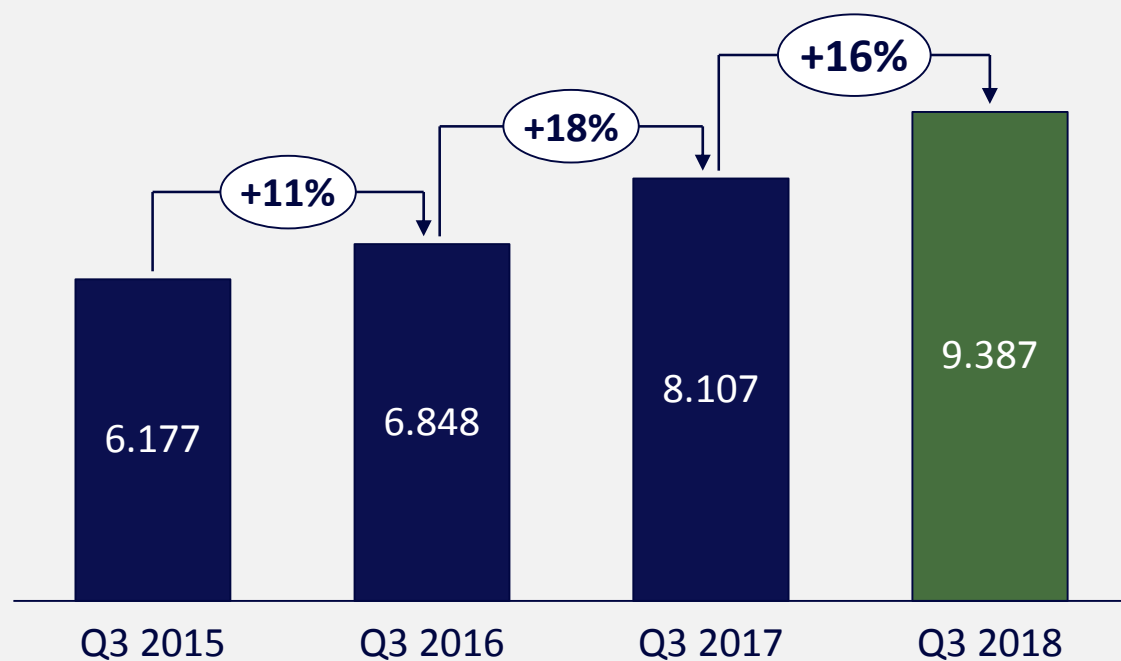


Simplified the offer to just 3 plans (\$18, \$25 and \$33 per month)
Focus on experience, innovation, commercial offer, and devices

3 Home revenue 9% CAGR in USD in last 3 years

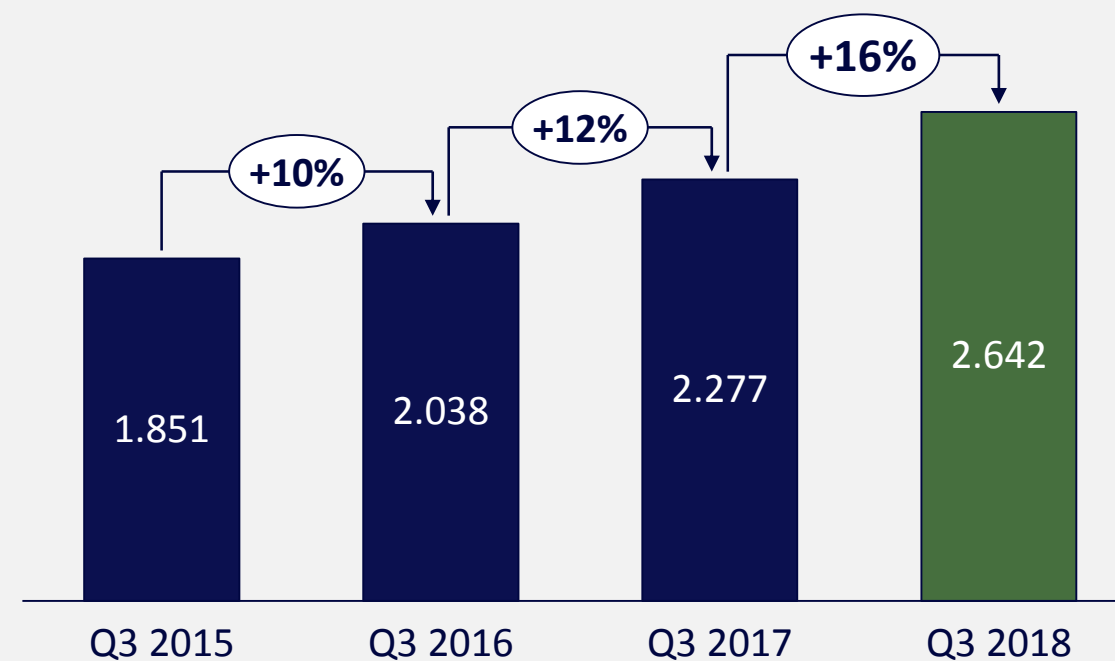
Homes Passed

HFC Homes Passed (000), Q3 15 – Q3 18



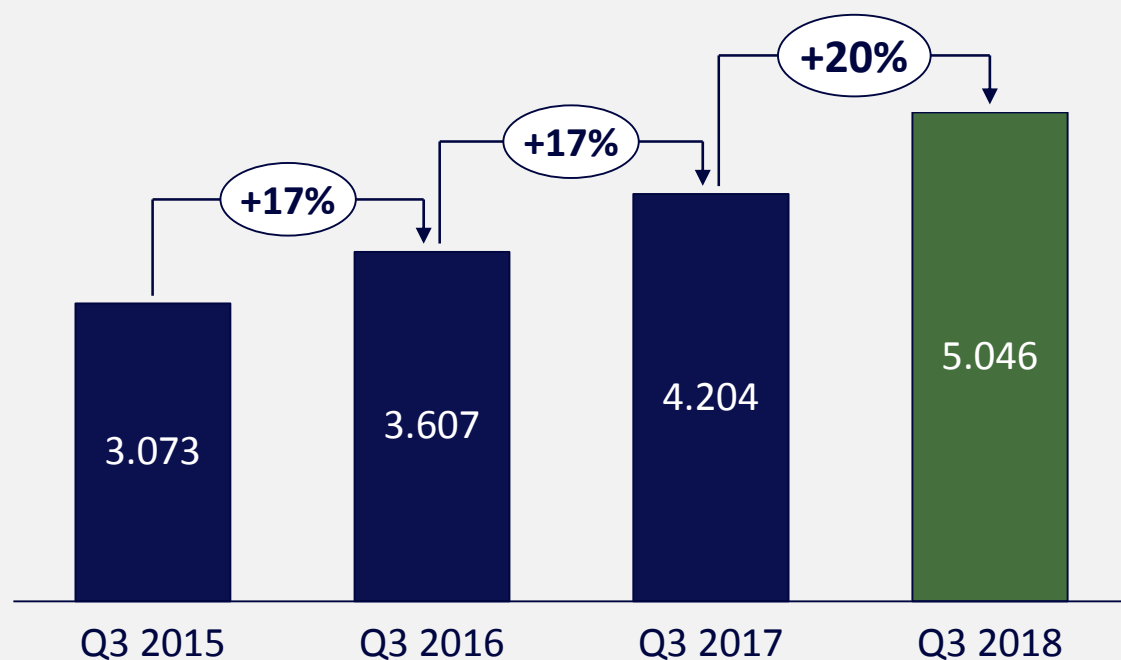
Homes Connected

HFC Homes Connected (000), Q3 15 – Q3 18



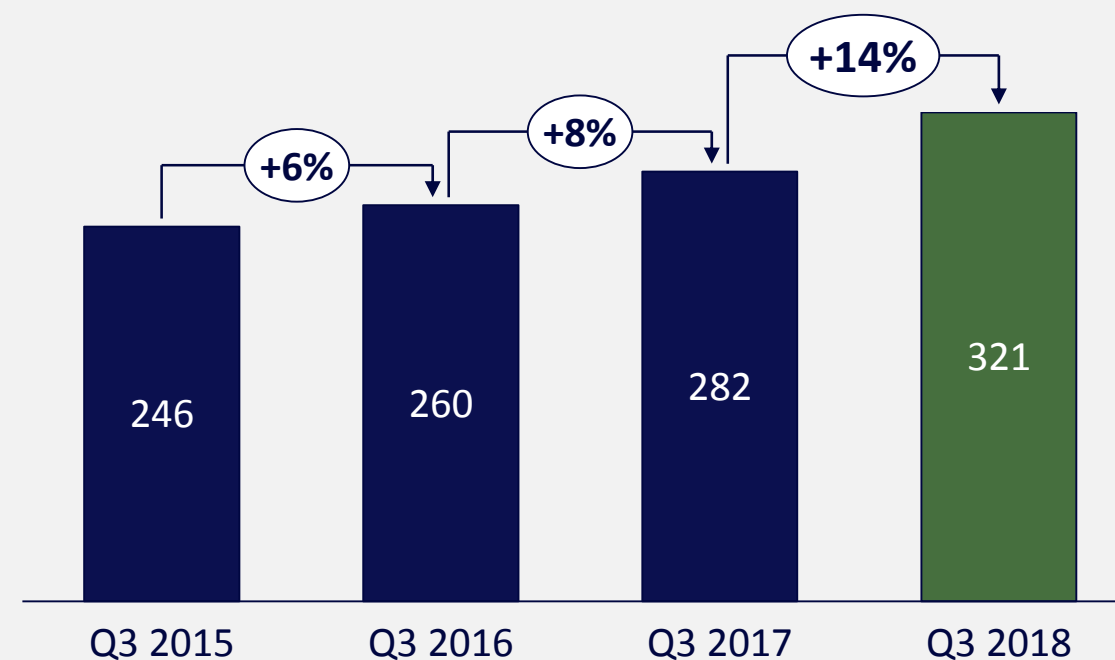
RGUs

HFC RGUs (000), Q3 15 – Q3 18



Home Revenue

Home & Content service revenue (\$ millions), Q3 15 – Q3 18



3 Millicom Cable revenue annualizes to \$2.2 billion



10 million
Homes
Passed



4 million
Homes
Connected

\$2.2
billion

7 million
RGUs



Fixed B2B

tigo business

3 Cable economics for Millicom

1. Standalone cable economics



With scope to expand homes passed by 50% and grow B2B

2. Leveraging Millicom assets

Brand + Network + Talent + Distribution

3. Preparing for the future

Convergence + 5G

4 Cable Onda

Expected closing

Q4
2018



Cable Onda CEO Nicolas Gonzalez Revilla and Mauricio Ramos meet the Press



Juan Carlos Varela @JC_Varela · Oct 11

Hoy recibí al presidente de la empresa Millicom, Mauricio Ramos, y a la directiva de la empresa Cable Onda. La operación financiera anunciada por ambas empresas demuestra la confianza de inversionistas extranjeros en la economía y el futuro de Panamá.

Translate Tweet



124 126 130

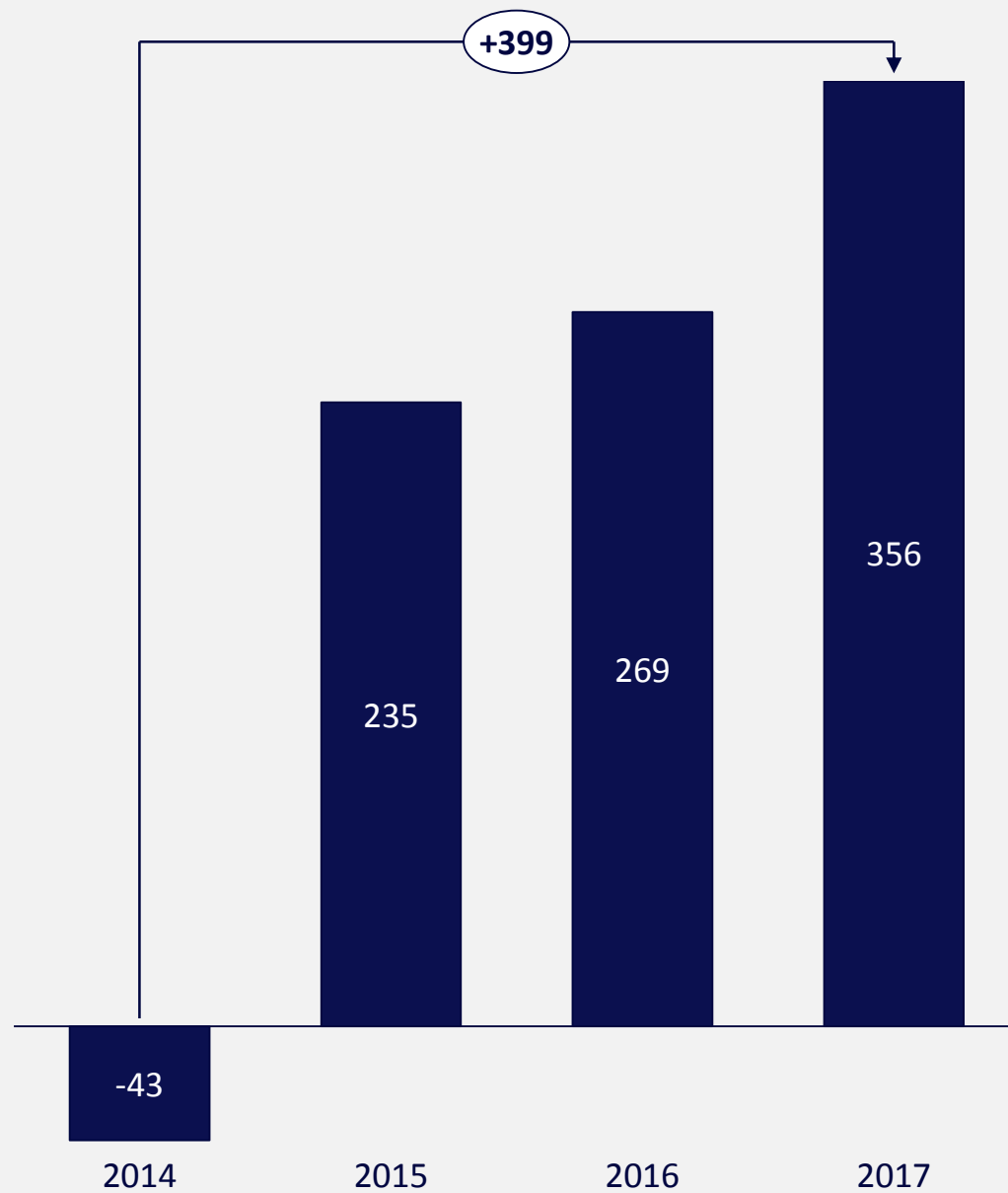


4 Free cash flow continues to grow

FCF growth is crucial to support our organic plans and pursue inorganic opportunities

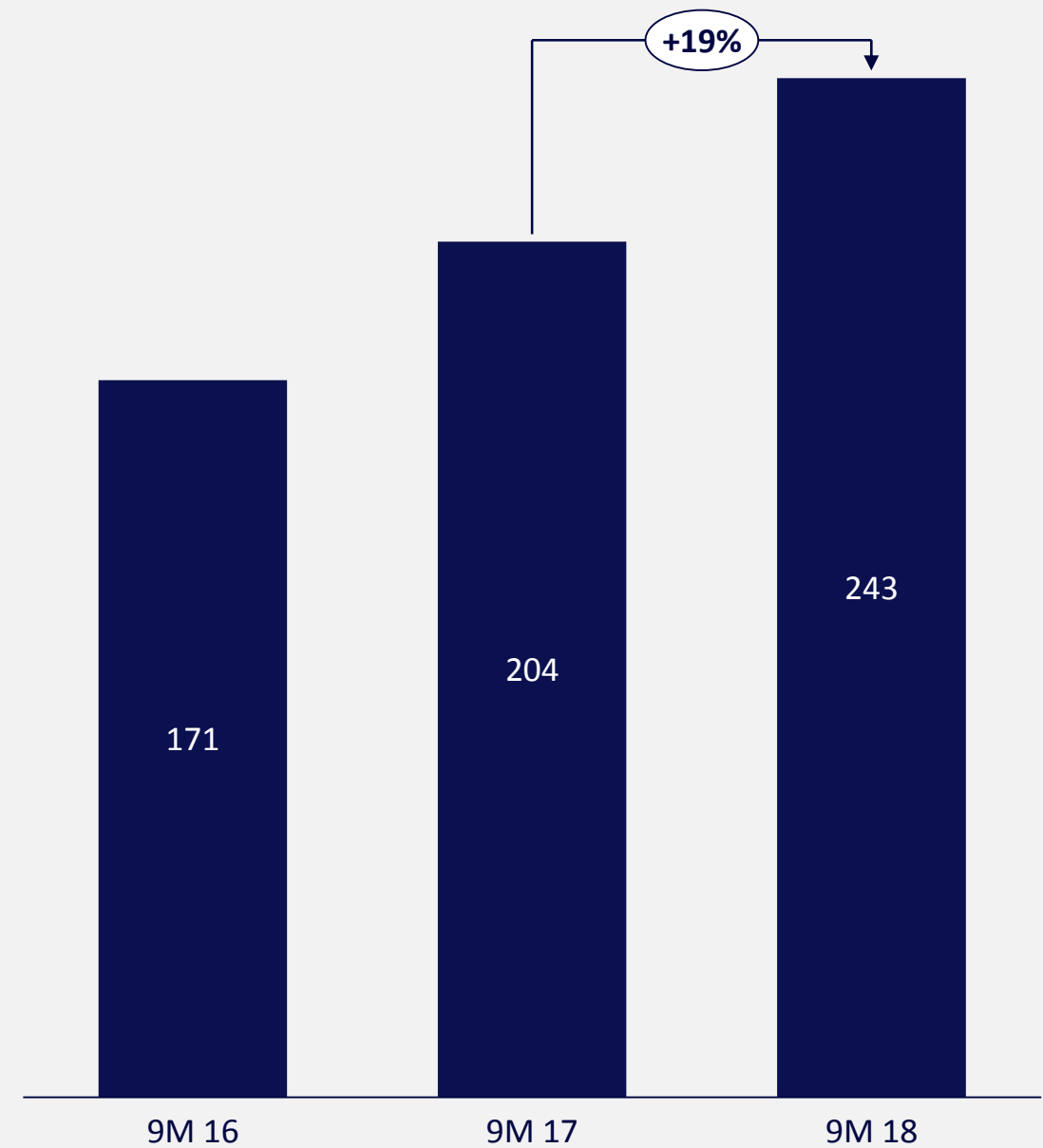
Equity FCF up ~\$400 million in last 3 years

\$m, 2014-2017



Equity FCF up 19% YTD

\$m, 9M 16 – 9M 18





2. CFO review

Tim Pennington

On track with our 2018 goals

1

KPIs driving sustain revenue growth

2

EBITDA growth driven by core Latam businesses

3

All P&L profit metrics improving...

4

...and cashflow continues to strengthen

5

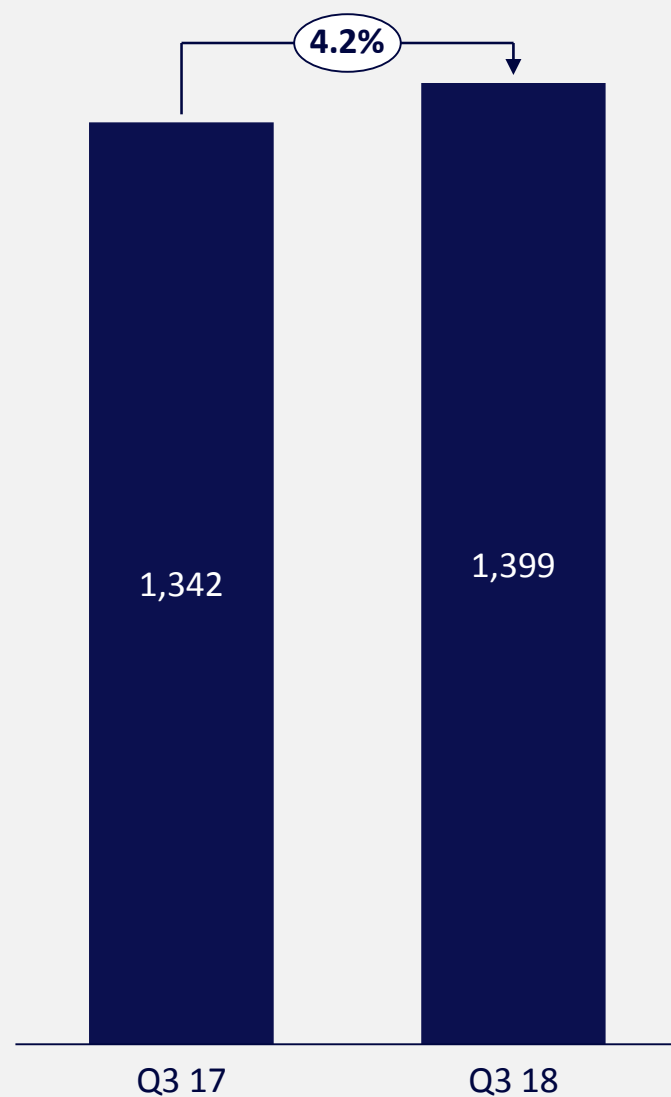
And net debt reduces again

1 Key financial metrics – Q3 2018

Sustained growth

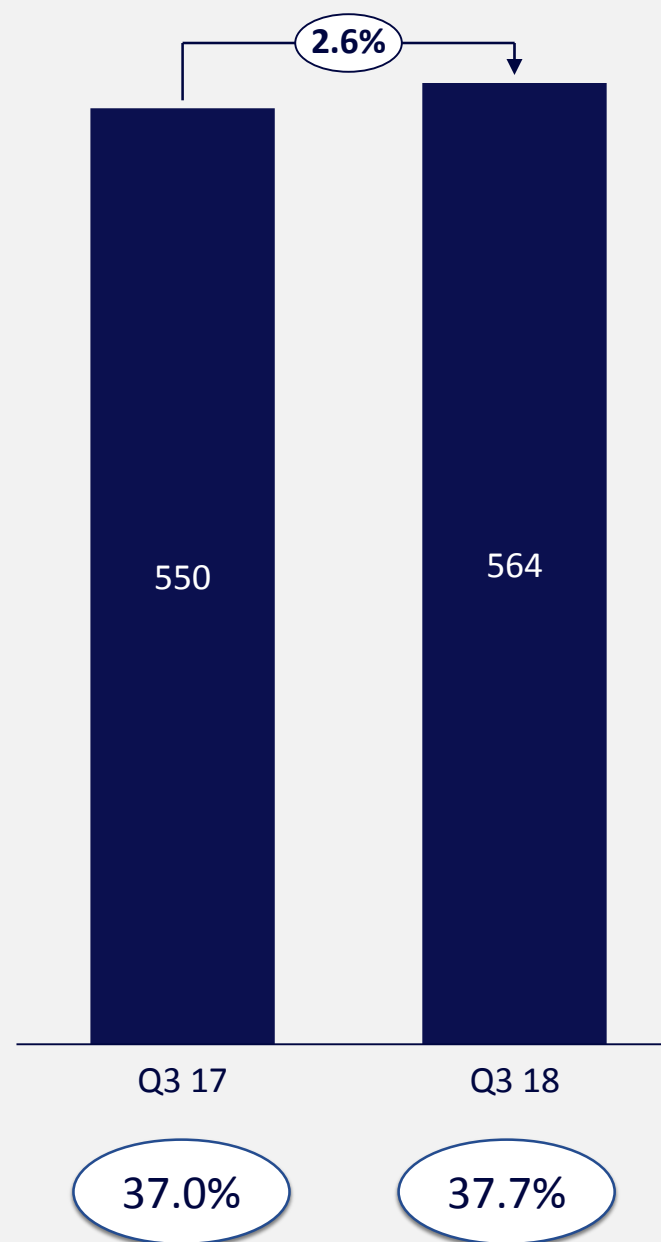
Service Revenue^a

\$m, Q3 17 – Q3 18



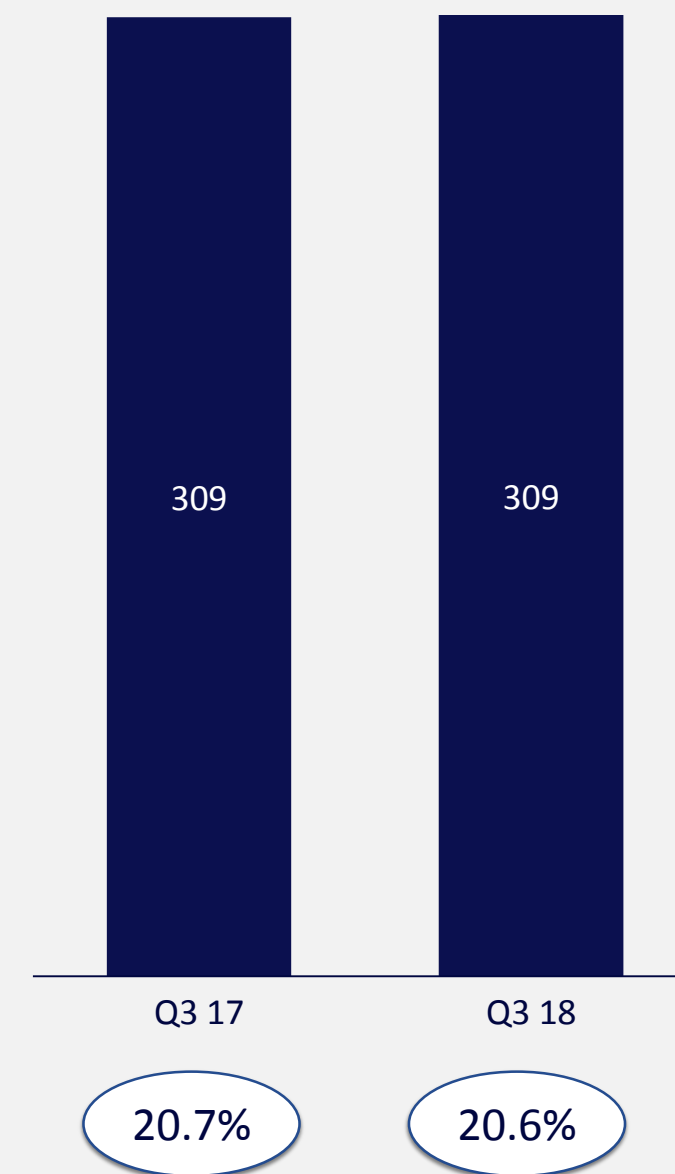
EBITDA^a and Margins

\$m and %, Q3 17 – Q3 18



Q3 OCF and Margins^b

\$m and margin, Q3 17 – Q3 18



a) Q3 17 numbers are adjusted to Q3 18 FX rates and exclude Senegal, Rwanda and Ghana. Growth is presented on a like-for-like basis for the international wholesale business in Colombia

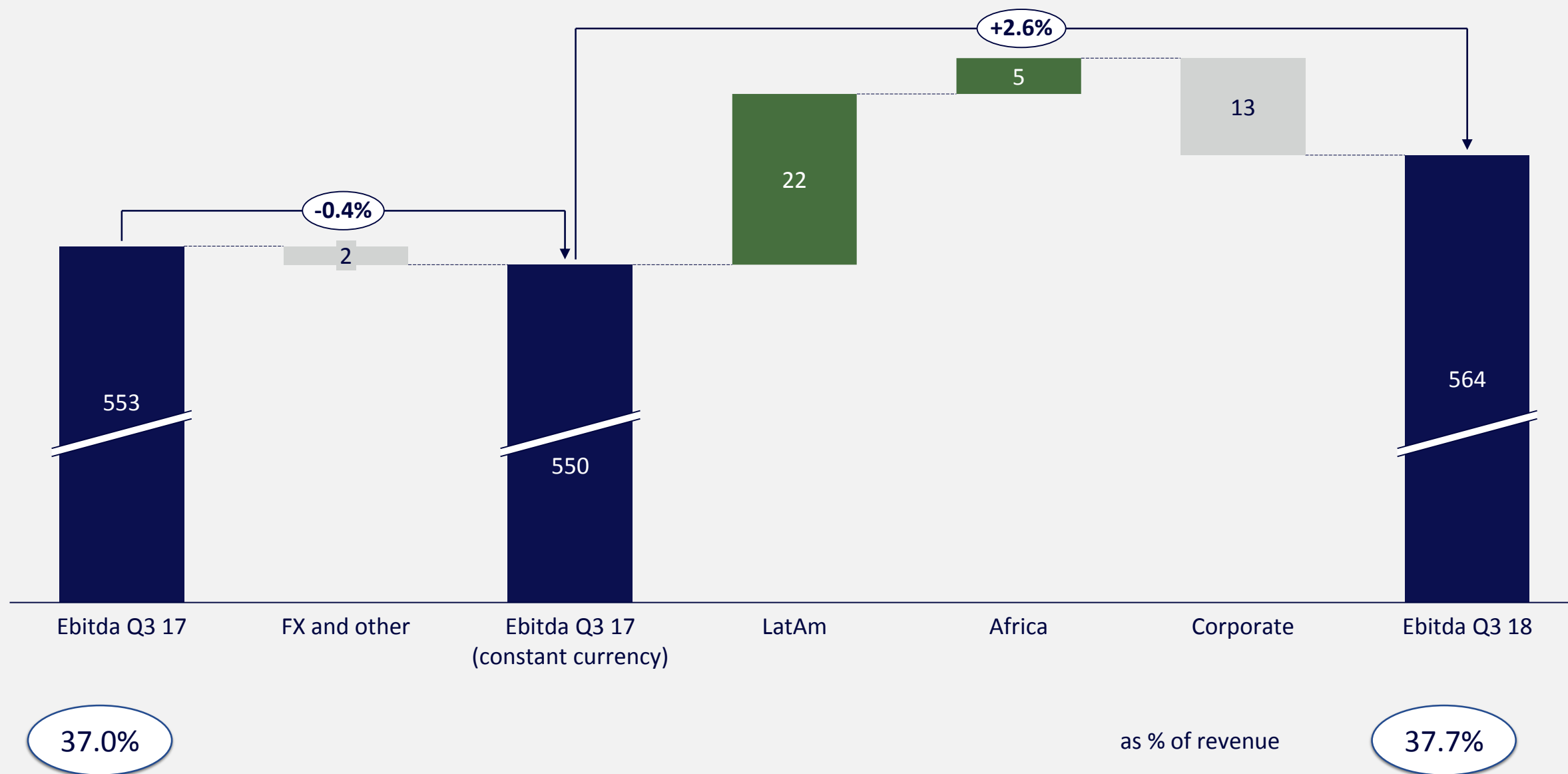
b) Excluding Senegal, Rwanda and Ghana, spectrum & license costs

2 EBITDA – Q3 2018

Latam biggest contributor to EBITDA growth

EBITDA evolution by region

\$ million, Q3 17 – Q3 18

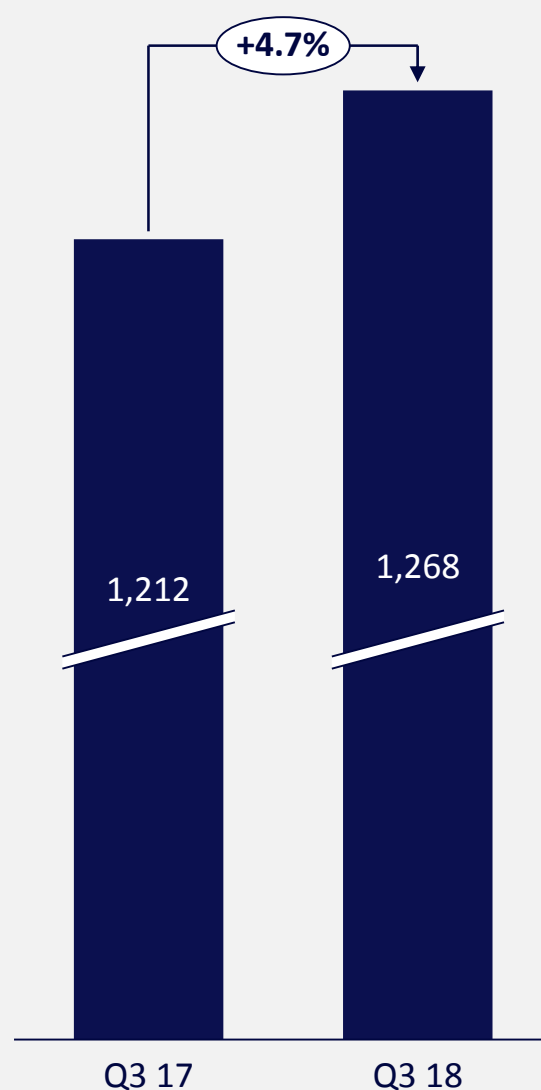


Q3 17 numbers are adjusted to Q3 18 FX rates and exclude Senegal, Rwanda and Ghana

Solid growth returning to Latam

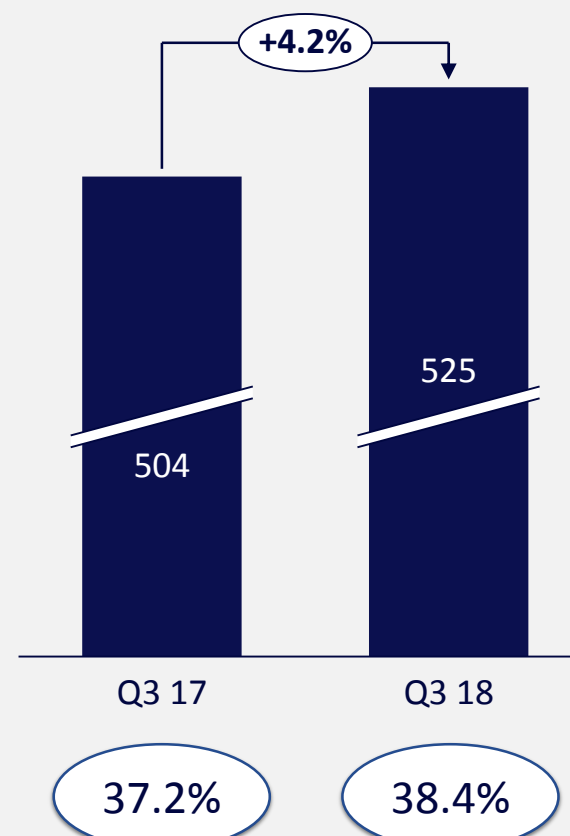
Latam service revenue

\$m, Q3 17 – Q3 18



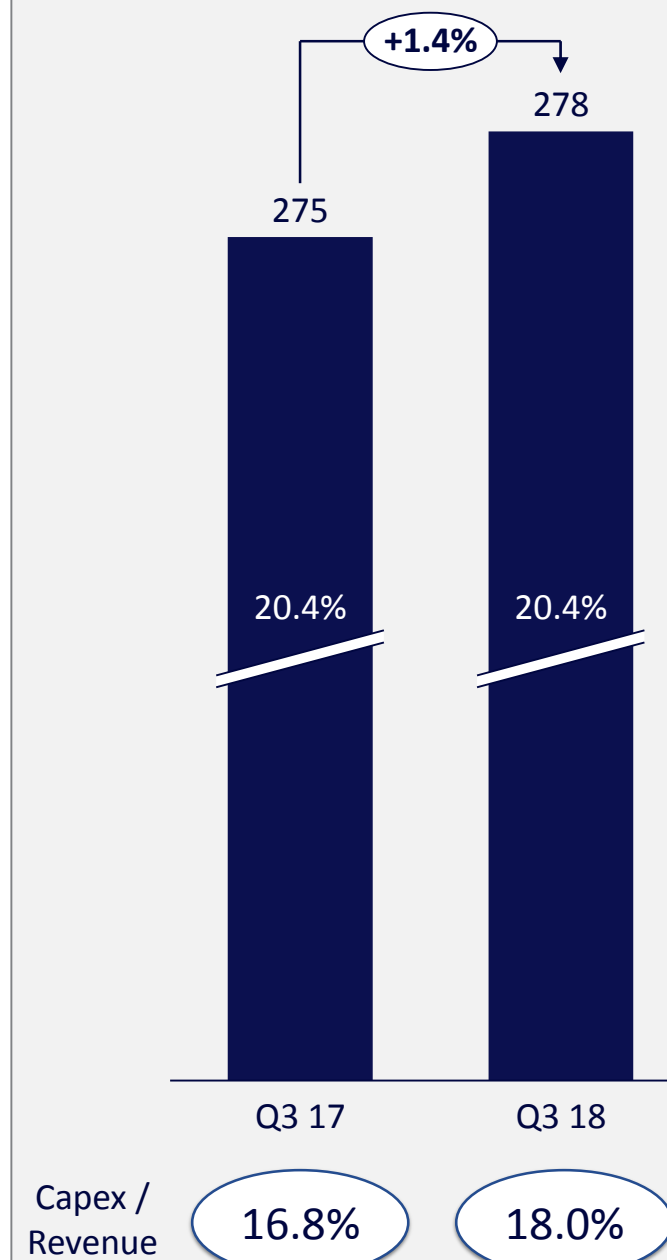
Latam EBITDA

\$m and margin, Q3 17 – Q3 18



Latam OCF

\$m and margin, Q3 17 – Q3 18

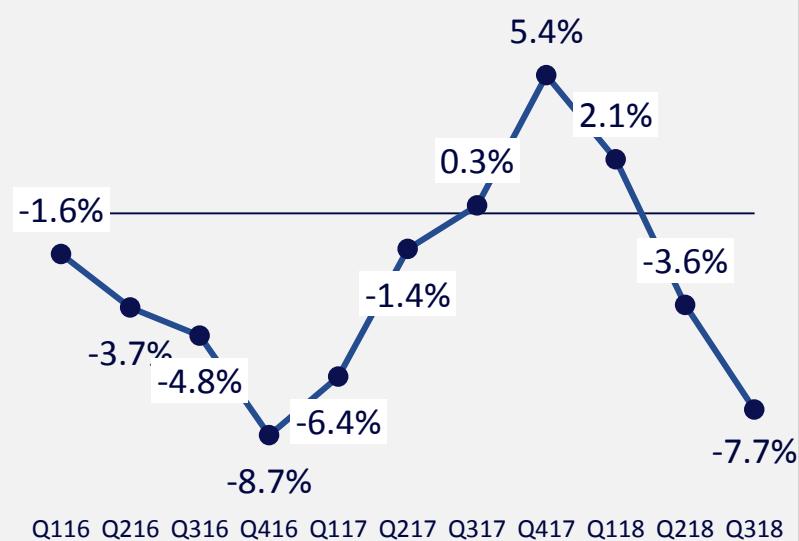


Notes: Growth rates are organic and exclude the impact of changes in FX rates and accounting changes. Q3 2017 figures have been adjusted to reflect these organic growth rates. Capex/revenue excludes spectrum & license costs

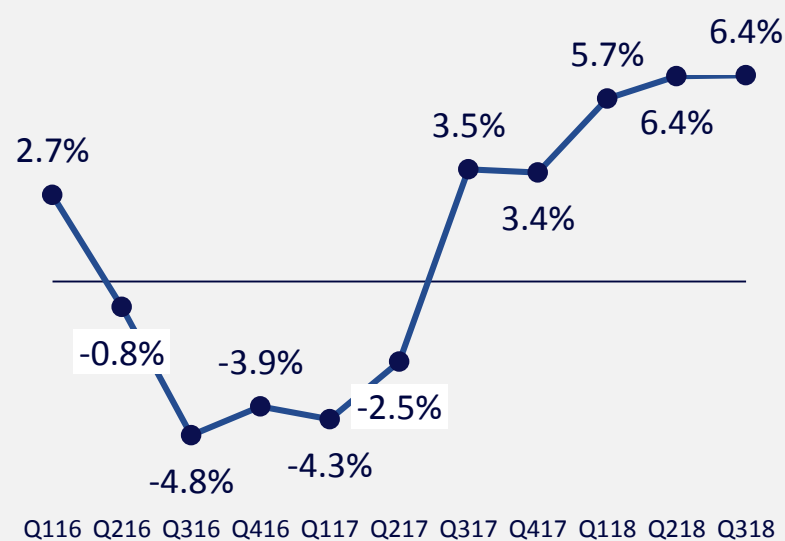
2 Service revenue in our main Latam markets

El Salvador

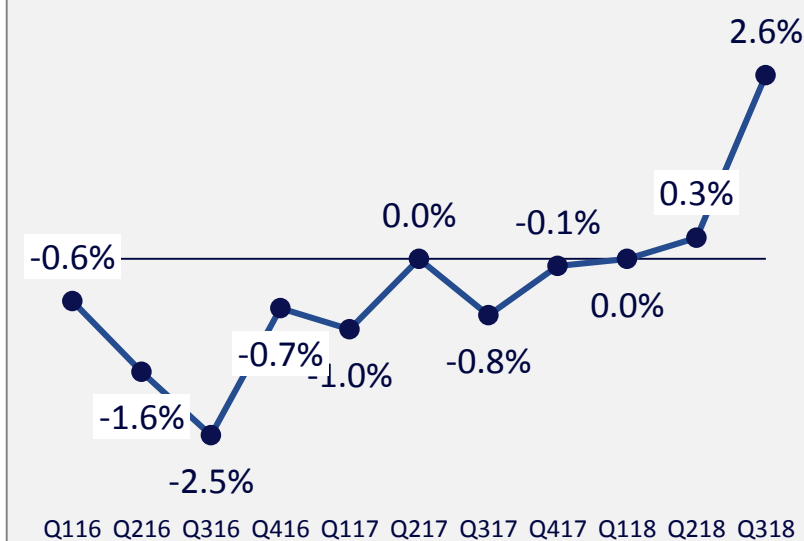
Service revenue, year-on-year (%), Q1 16 – Q3 18



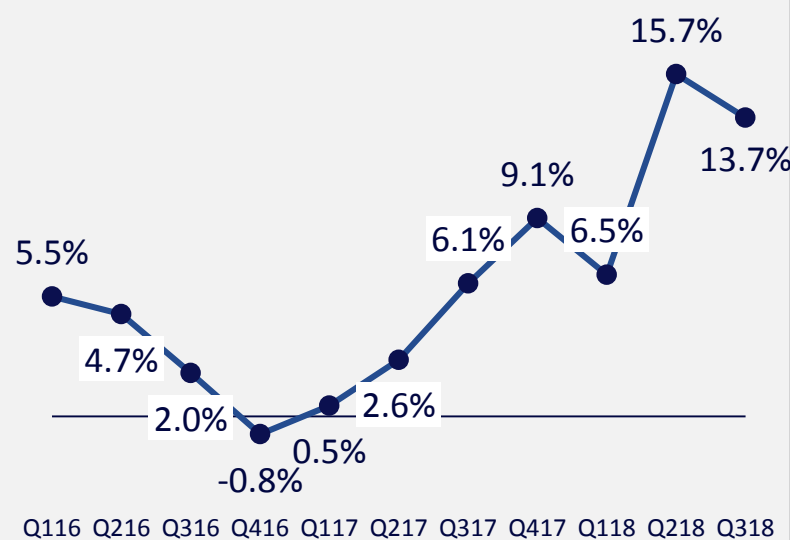
Guatemala



Honduras



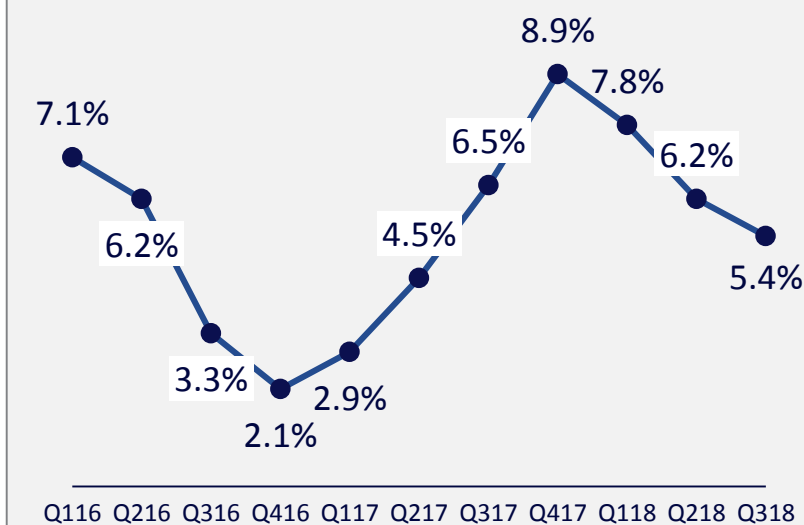
Bolivia



Colombia*



Paraguay



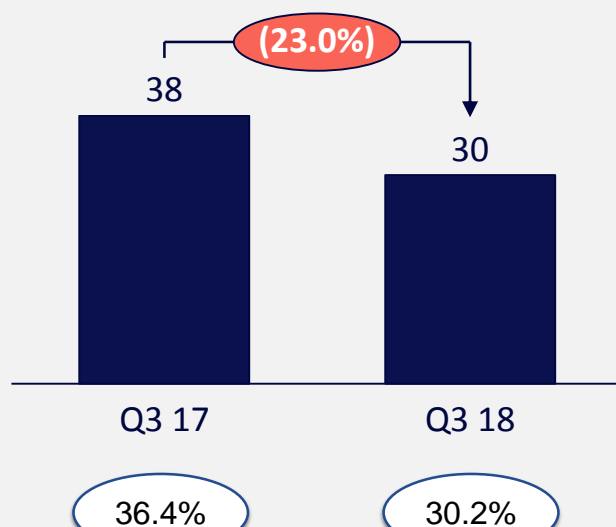
* Q1 and Q2 2018 numbers re-presented to reflect impact of IFRS 15

2 EBITDA progression by country

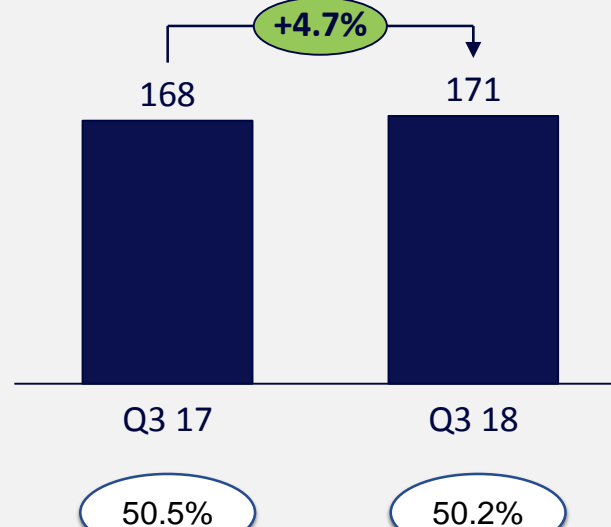
Strong performance in Bolivia and a return to EBITDA growth in Colombia

El Salvador

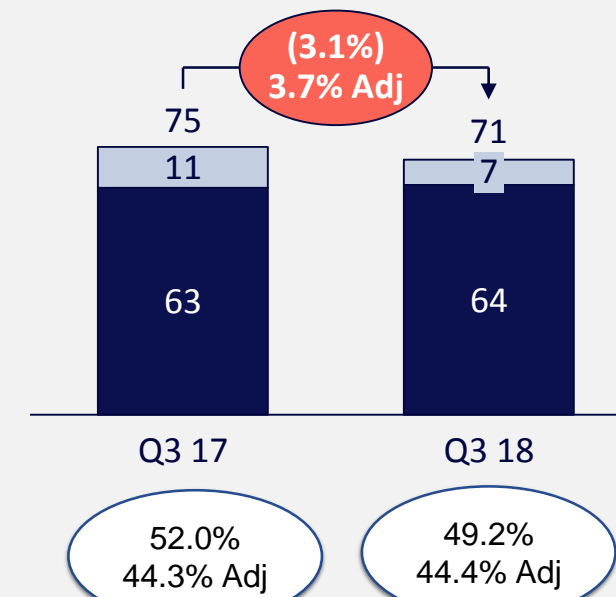
EBITDA (\$m), margin and year-on-year growth, Q3 17 – Q3 18



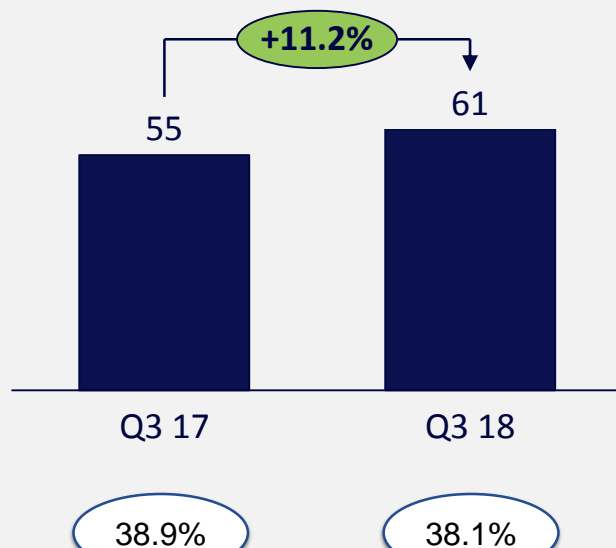
Guatemala



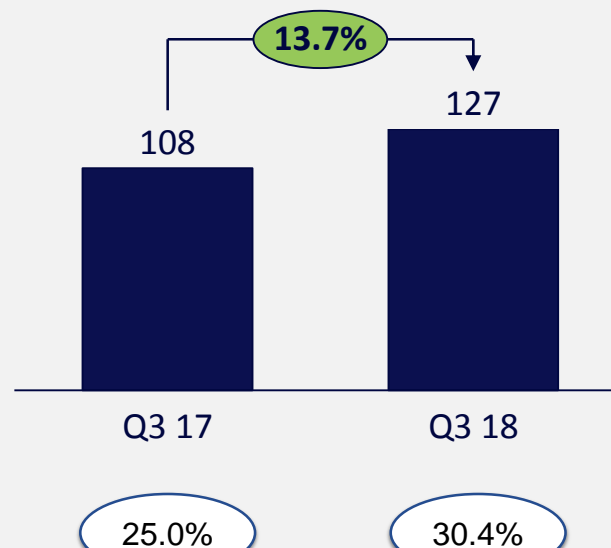
Honduras



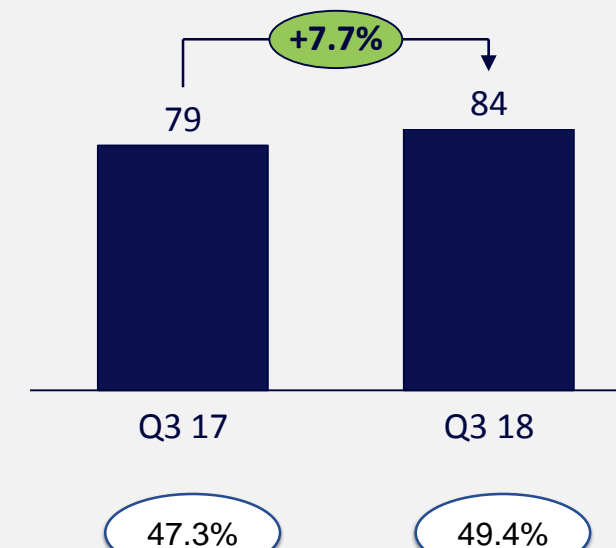
Bolivia



Colombia



Paraguay



■ EBITDA

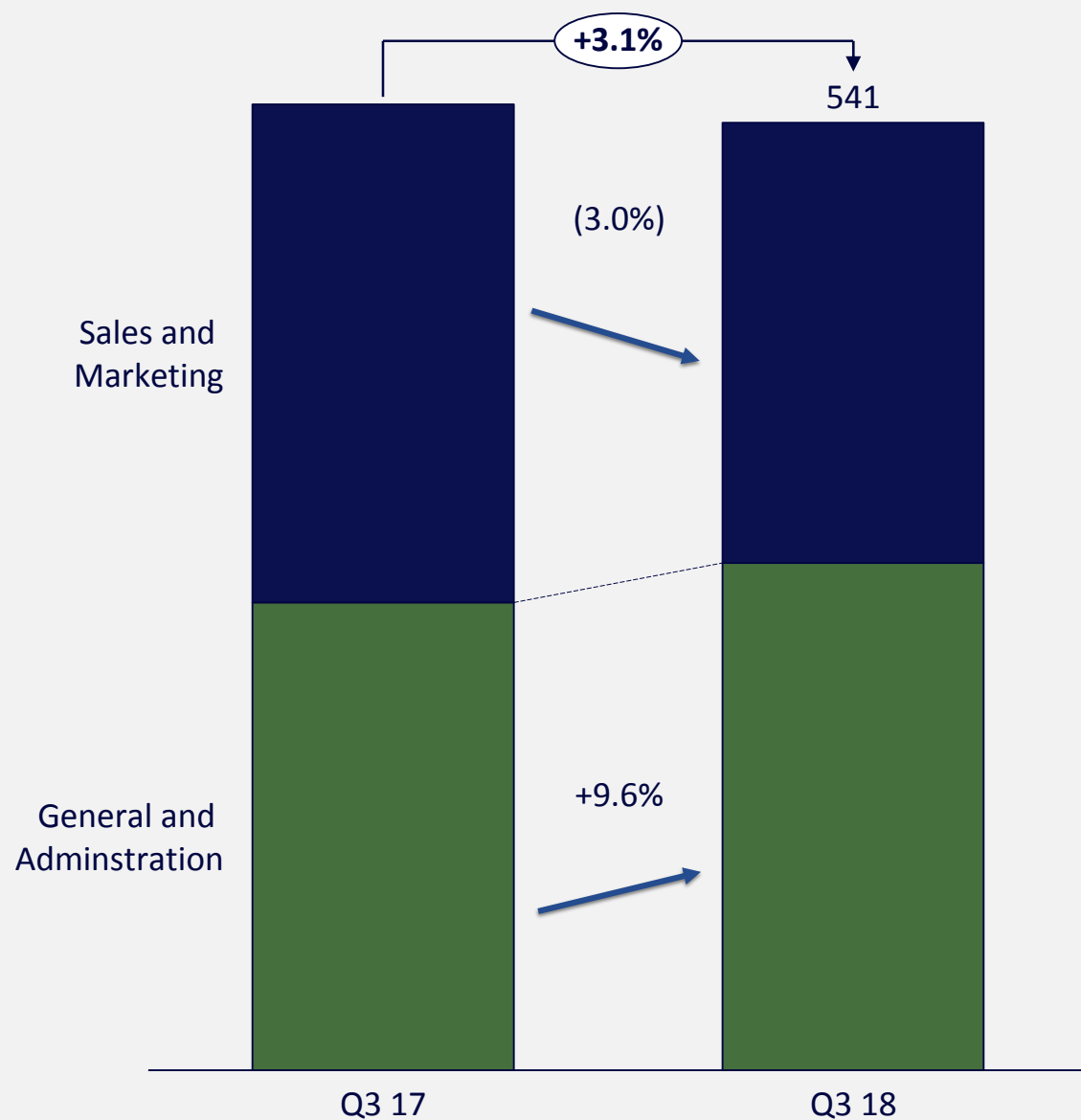
○ Margins

2 Cost review and margin progression

Steady upward margin trend continues

Group total OPEX base

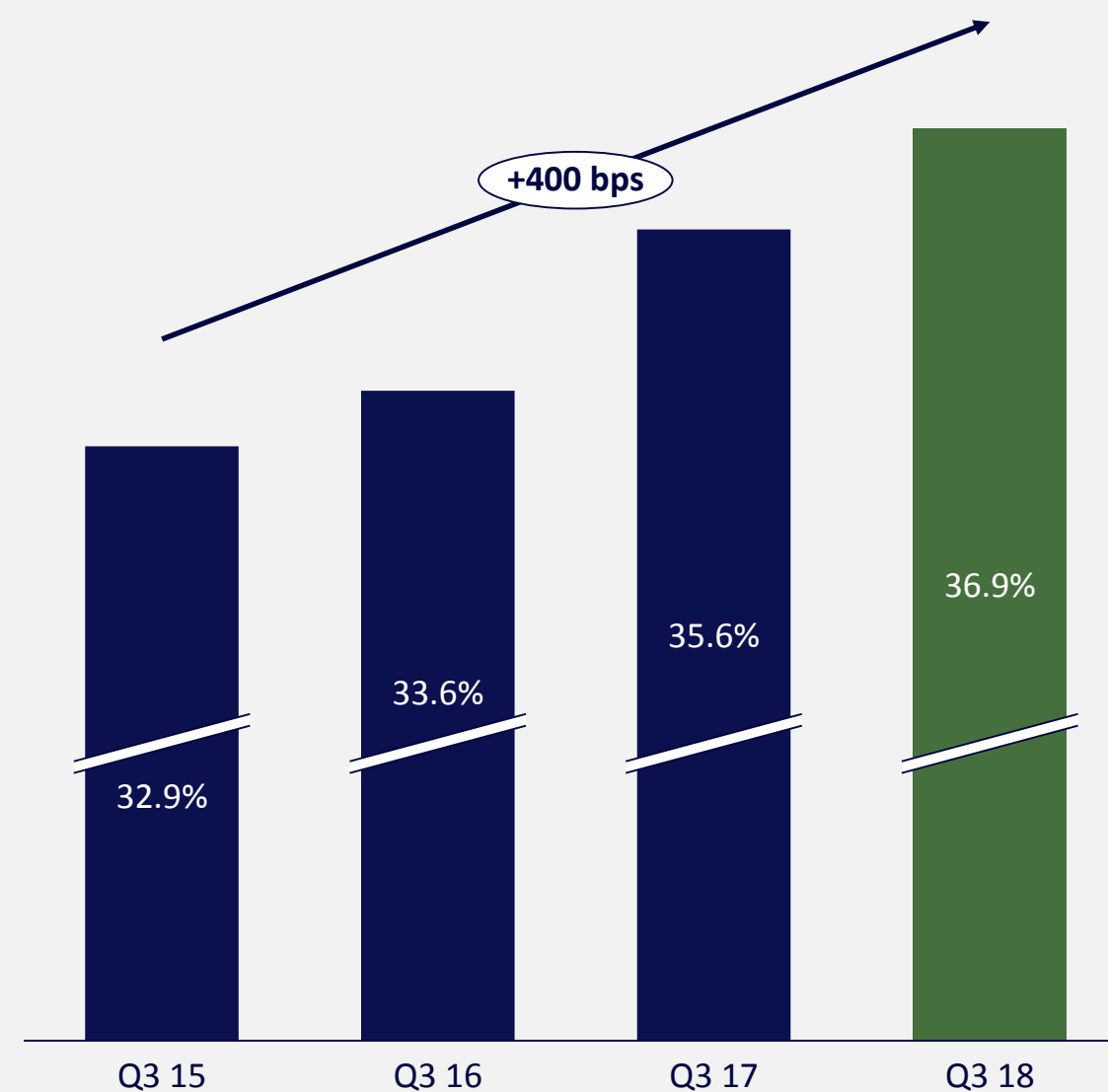
OPEX organic growth* YoY (in \$), Q3 17 – Q3 18



* Excludes FX and IFRS 15

Last 12 month Group EBITDA margin

Last 12-month EBITDA margin, Q3 2015 – Q3 2018



Significant profit improvement below EBITDA

P&L Summary

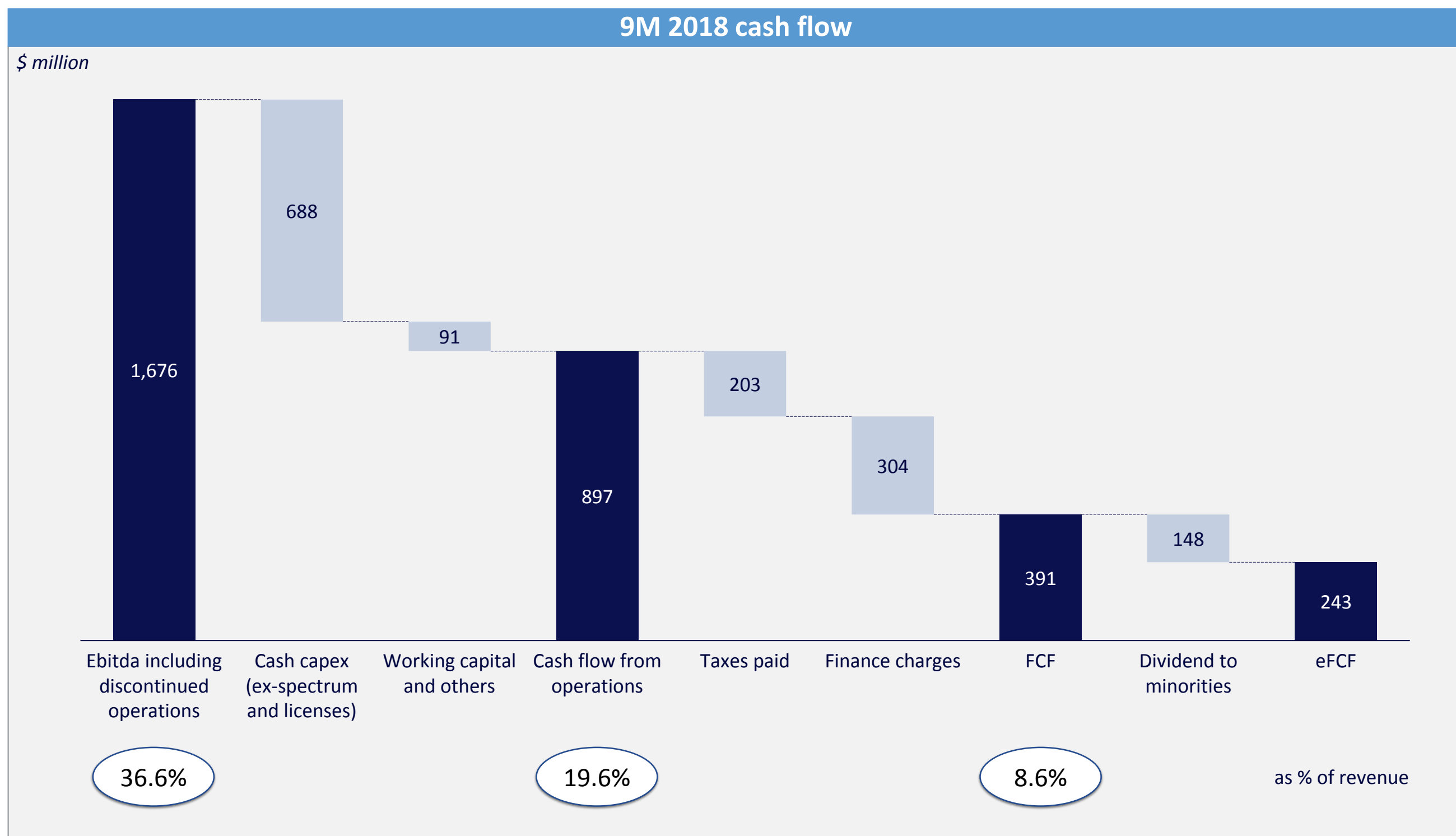
US\$ million	Q3 18	Q3 17	% Var
Revenue	1,498	1,494	0.3%
EBITDA	564	553	2.2%
Depreciation & amortization	(303) A	(323)	(6.0%)
Other operating	32	20	58.4
Operating profit	293	250	17.3%
Net financial expense	(114) B	(133)	(14.8%)
Others non operating	(21)	1	NM
Associates	(32)	(15)	116.0%
Profit before tax	126	103	22.3%
Taxes	(20) C	(66)	(70.2%)
Minority interests	(38)	(25)	53.8%
Discontinued operations	0	8	(99.1%)
Net income	68 D	21	233.1%
EPS (\$ per share)	0.68	0.20	232.2%

Key Observations

- A** Lower D&A due to the full amortization of some intangibles in Colombia, Guatemala and Honduras
- B** Lower average debt and refinancing charges partly offset by higher finance leases
- C** Lower withholding taxes and deferred tax
- D** Operating, Pre-tax, and Net Profit all up strongly

4 Cash flow – 9M 2018

We generated \$243 million of equity FCF year-to-date

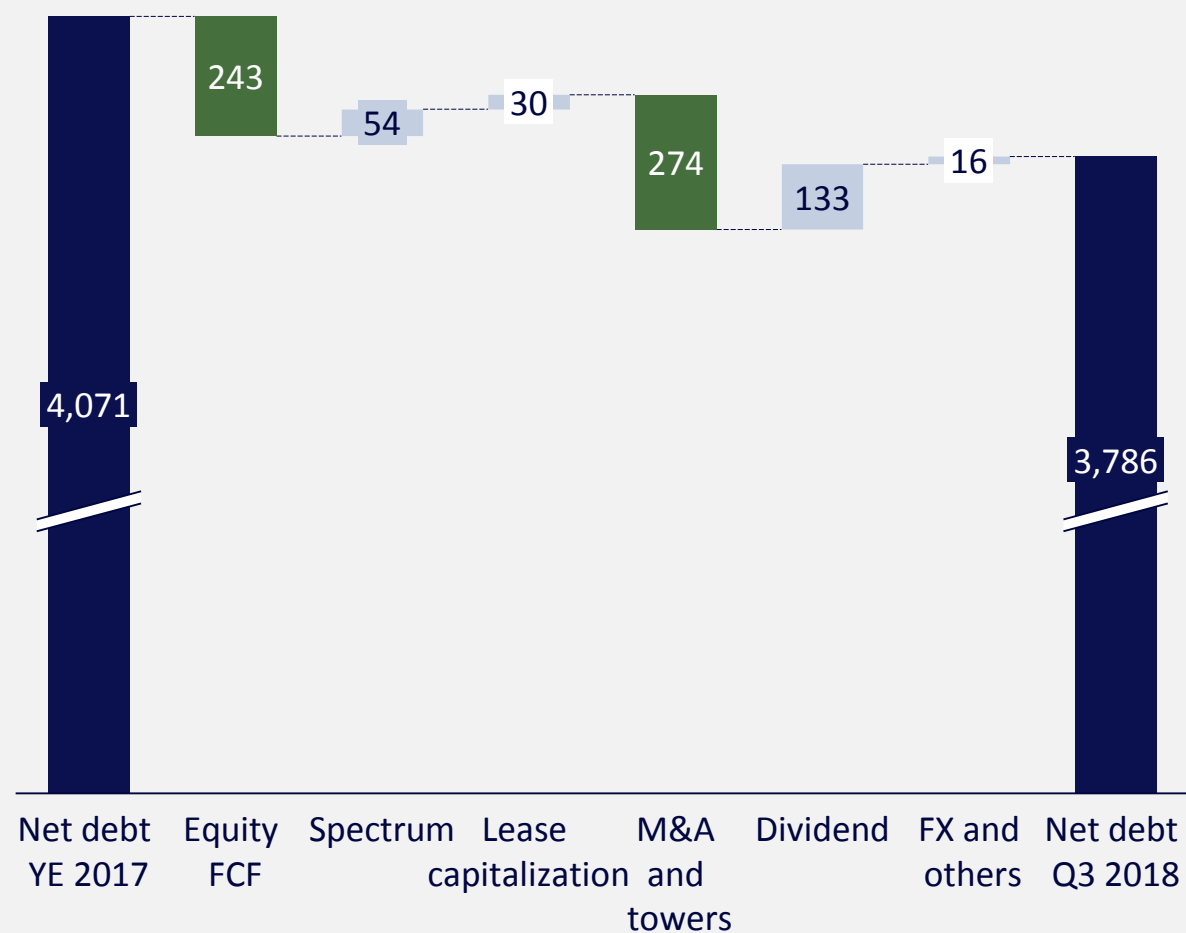


5 Capital structure

In 9M net debt reduced by \$284m and leverage at 1.82x

Net debt evolution in 2018

\$ million, 31 December 2017 – 30 September 2018



1.86x

Net debt/LTM EBITDA

1.70x

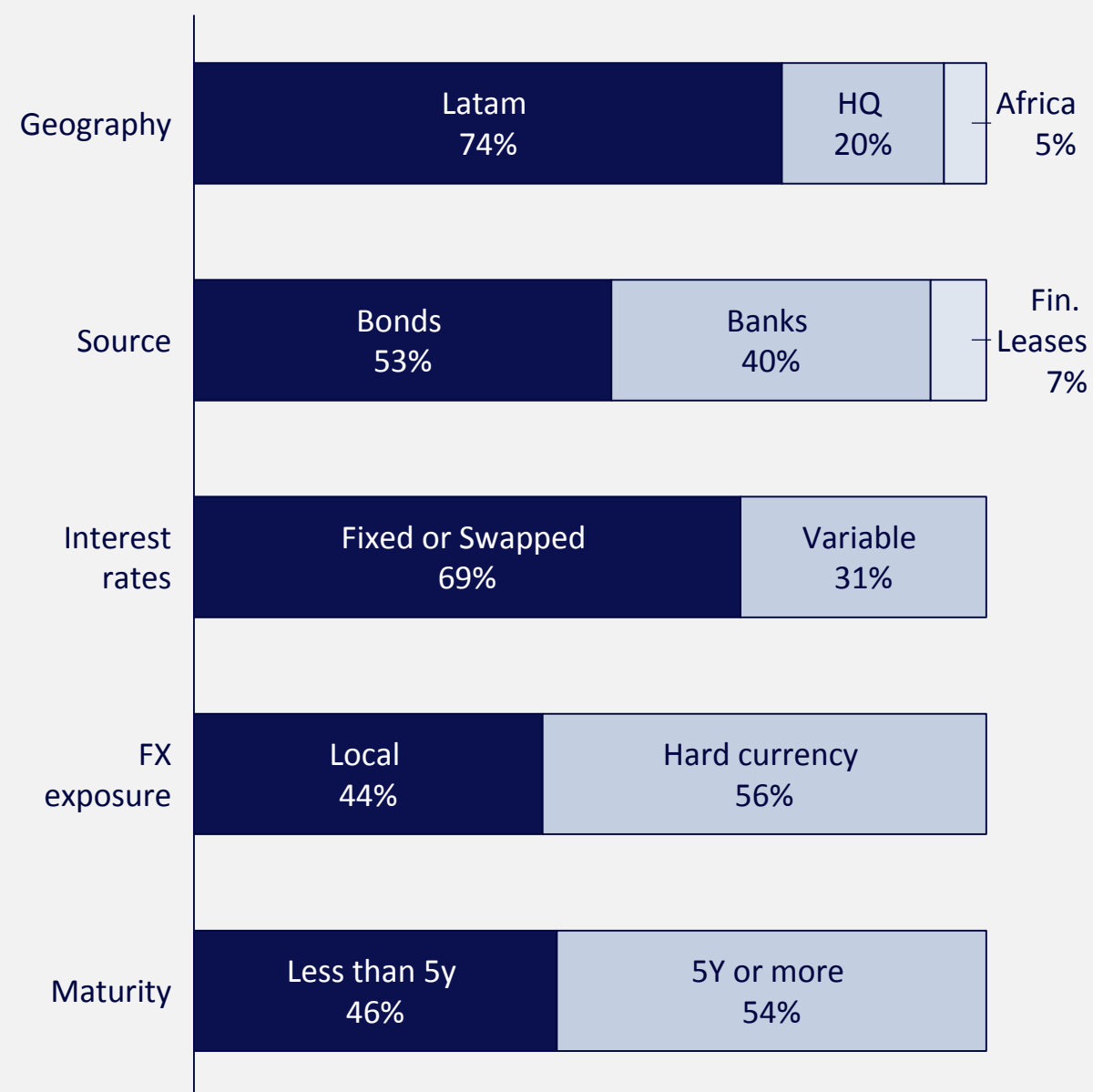
2.02x

Proportionate Net debt/
Proportionate LTM EBITDA

1.82x

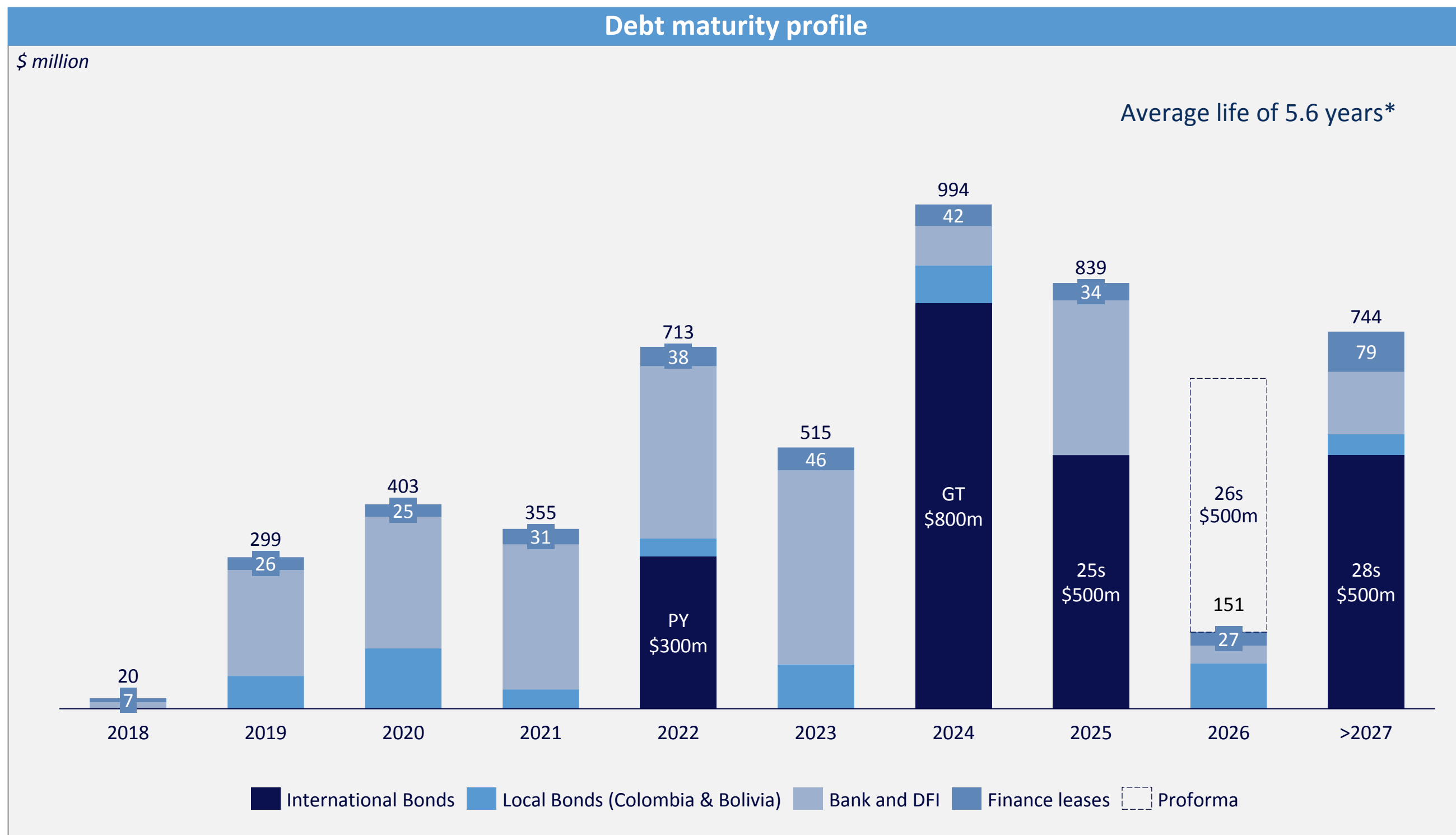
Debt profile

30 September 2018



5 Debt profile

Comfortable capital structure and liquidity with no major maturities until 2022



* Proforma for the \$500 million 2026 Notes issued in Q4 2018

Confirming our Latam segment full year targets

2018 Outlook	Initial Outlook	Revised Outlook	YTD
Latam			
<i>Service revenue growth (organic YoY)</i>	<i>2-4%</i>	<i>Top end of 2-4% range</i>	<i>4.5%</i>
<i>EBITDA growth (organic YoY)</i>	<i>3-6%</i>	<i>3-6%</i>	<i>3.3%</i>
<i>Capex</i>	<i>~\$1.0 billion</i>	<i>~\$1.0 billion</i>	<i>\$607 million</i>
<i>HFC homes passed net additions</i>	<i>1.0 million</i>	<i>1.2 million</i>	<i>941,000</i>
<i>HFC homes connected net additions</i>	<i>300,000</i>	<i>400,000</i>	<i>313,000</i>
<i>4G smartphone data user net additions</i>	<i>3.0 million</i>	<i>3.0 million</i>	<i>1.7 million</i>
Africa	FCF positive	FCF positive	\$48 million

1

Our strategy is working

2

Sustained growth

3

Solid financials and KPIs YTD

4

2018 outlook on track

5

Strengthened balance sheet and growing cash flow

6

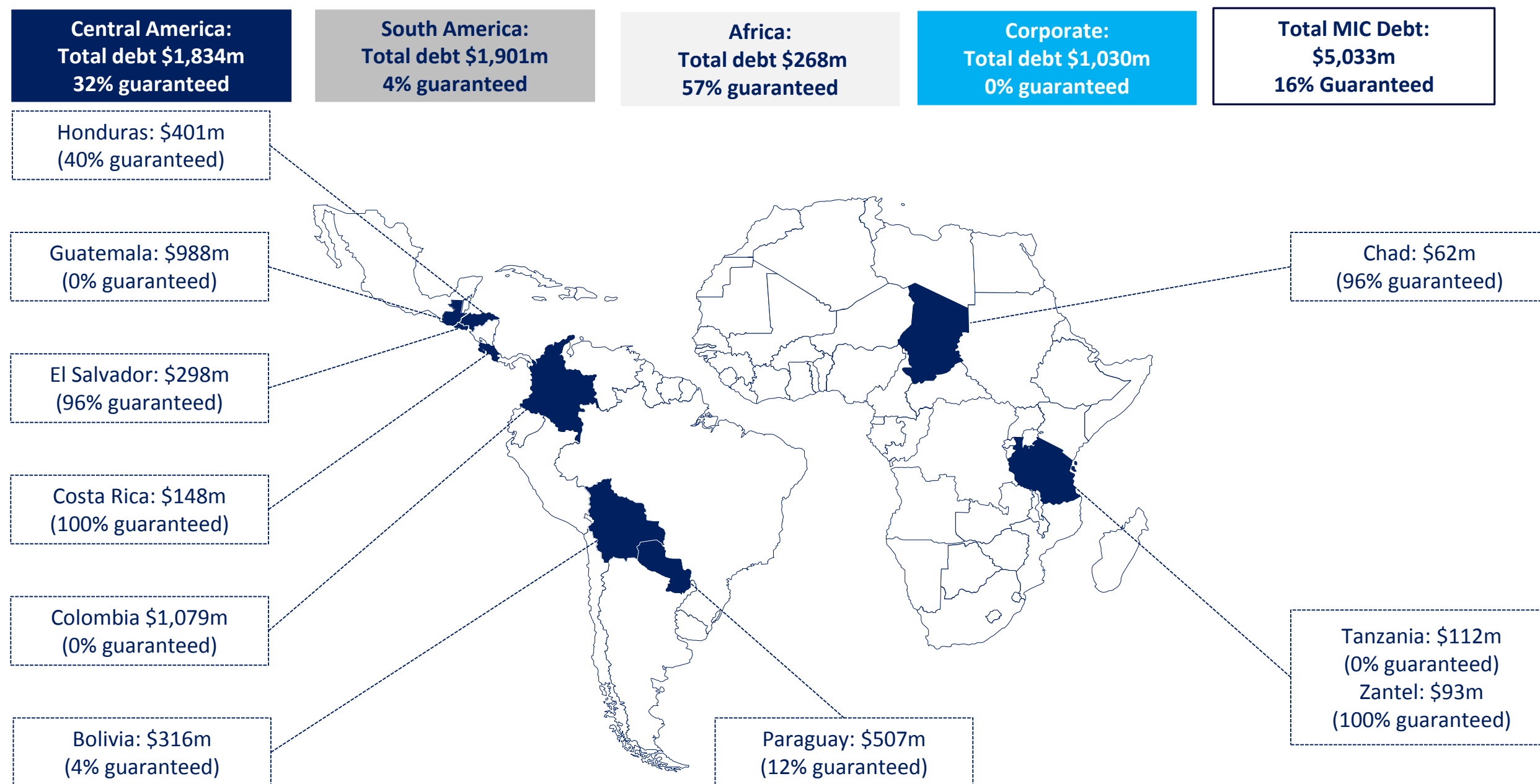
Making progress on U.S. listing – Nasdaq chosen



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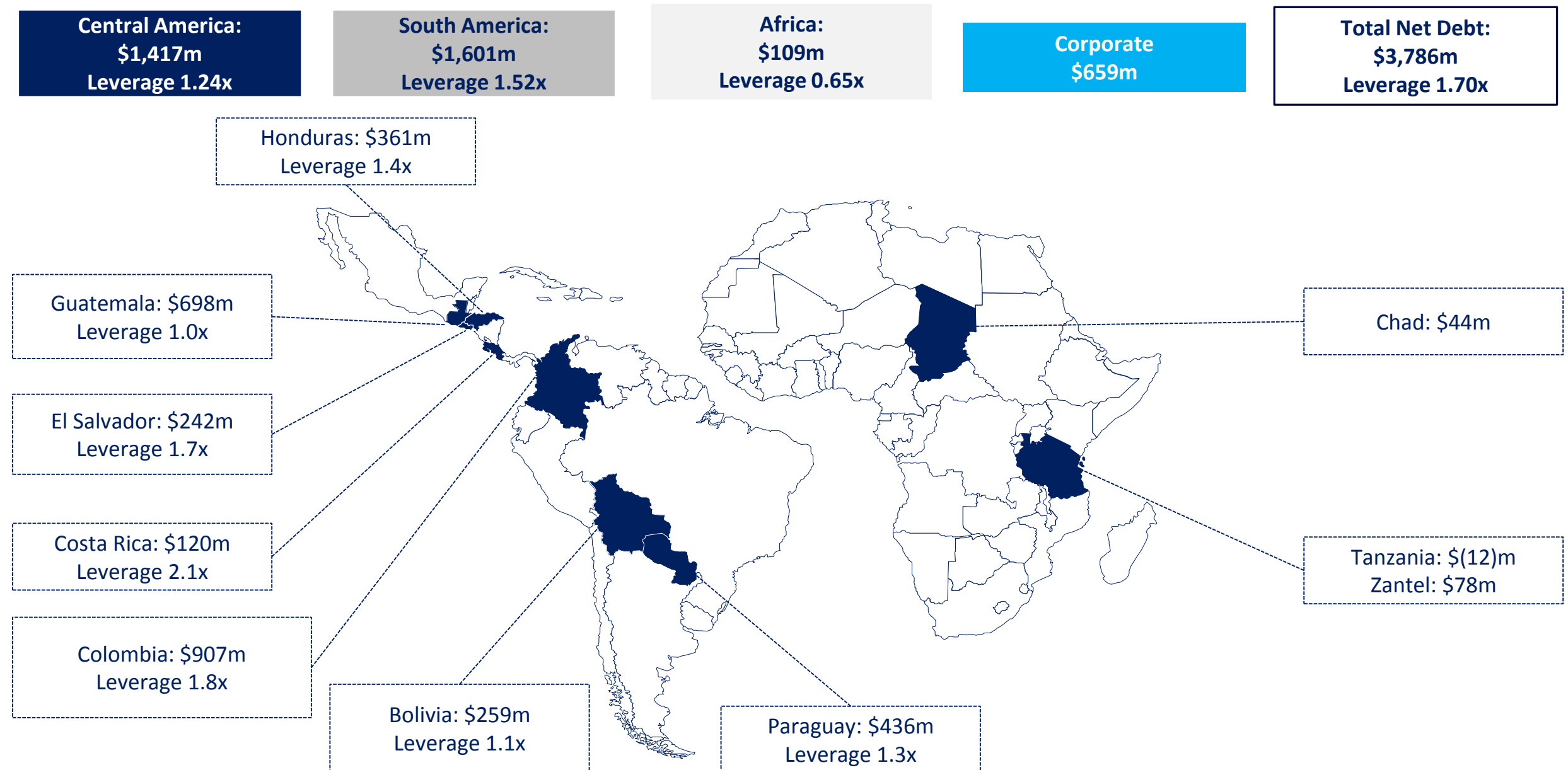
Q&A

Gross debt by country



Including finance leases

Net debt by country



Including finance leases;
Leverage is Net debt / LTM EBITDA

Currency exposure of debt

September 2018	Debt including finance leases			Cash	Net debt		
	US\$	Local	Total	Total	USD	Local	Total
Latin America*	1,748	1,988	3,736	717	1,445	1,574	3,019
	47%	53%	100%		48%	52%	100%
Africa	94	173	268	159	90	18	109
	35%	65%	100%		83%	17%	100%
Corporate	982	48	1,030	371	619	40	659
	95%	5%	100%		94%	6%	100%
Millicom	2,824	2,210	5,033	1,247	2,154	1,632	3,786
	56%	44%	100%		57%	43%	100%

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



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