



MILlicom
THE DIGITAL LIFESTYLE

Millicom adds mobile to cable footprint in Central America

Acquisition of Telefónica Assets in Panama, Costa Rica and Nicaragua

February 20th 2019

Cautionary Language Concerning Forward-Looking Statements

Statements included herein that are not historical facts, including without limitation statements concerning future strategy, plans, objectives, expectations and intentions, projected financial results, liquidity, growth and prospects, are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. This includes, but is not limited to, Millicom's expectation and ability to pay semi-annual cash dividends on its common stock in the future, subject to the determination by the Board of Directors, and based on an evaluation of company earnings, financial condition and requirements, business conditions, capital allocation determinations and other factors, risks and uncertainties. In the event such risks or uncertainties materialize, Millicom's results could be materially adversely affected. The risks and uncertainties include, but are not limited to, the following:

- global economic conditions and foreign exchange rate fluctuations as well as local economic conditions in the markets we serve;
- telecommunications usage levels, including traffic and customer growth;
- competitive forces, including pricing pressures, the ability to connect to other operators' networks and our ability to retain market share in the face of competition from existing and new market entrants as well as industry consolidation;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability of spectrum and licenses, the level of tariffs, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- the level and timing of the growth and profitability of new initiatives, start-up costs associated with entering new markets, the successful deployment of new systems and applications to support new initiatives;
- relationships with key suppliers and costs of handsets and other equipment;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner and achieve the expected benefits of such transactions;
- the availability, terms and use of capital, the impact of regulatory and competitive developments on capital outlays, the ability to achieve cost savings and realize productivity improvements;
- technological development and evolving industry standards, including challenges in meeting customer demand for new technology and the cost of upgrading existing infrastructure;
- the capacity to upstream cash generated in operations through dividends, royalties, management fees and repayment of shareholder loans; and
- other factors or trends affecting our financial condition or results of operations.

A further list and description of risks, uncertainties and other matters can be found in Millicom's Registration Statement on Form 20-F, including those risks outlined in "Item 3. Key Information—D. Risk Factors," and in Millicom's subsequent U.S. Securities and Exchange Commission filings, all of which are available at www.sec.gov.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Except to the extent otherwise required by applicable law, we do not undertake any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation contains financial measures for Millicom not prepared in accordance with IFRS. These measures are referred to as “non-IFRS” measures and include: non-IFRS service revenue, non-IFRS EBITDA, and non-IFRS Capex, among others defined below. Annual growth rates for these non-IFRS measures are often expressed in organic constant currency terms to exclude the effect of changes in foreign exchange rates, the adoption of new accounting standards such as IFRS 15, and are pro forma for material changes in perimeter due to acquisitions and divestitures.

The non-IFRS financial measures are presented in this press release as Millicom’s management believes they provide investors with additional information for the analysis of Millicom’s results of operations, particularly in evaluating performance from one period to another. Millicom’s management uses non-IFRS financial measures to make operating decisions, as they facilitate additional internal comparisons of Millicom’s performance to historical results and to competitors’ results, and provides them to investors as a supplement to Millicom’s reported results to provide additional insight into Millicom’s operating performance. Millicom’s Remuneration Committee uses certain non-IFRS measures when assessing the performance and compensation of employees, including Millicom’s executive directors.

The non-IFRS financial measures used by Millicom may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies - refer to the section “Non-IFRS Financial Measure Descriptions” for additional information. In addition, these non-IFRS measures should not be considered in isolation as a substitute for, or as superior to, financial measures calculated in accordance with IFRS, and Millicom’s financial results calculated in accordance with IFRS and reconciliations to those financial statements should be carefully evaluated.

Non-IFRS Financial Measure Descriptions

Service revenue is revenue related to the provision of ongoing services such as monthly subscription fees, airtime and data usage fees, interconnection fees, roaming fees, mobile finance service commissions and fees from other telecommunications services such as data services, short message services and other value-added services excluding telephone and equipment sales.

EBITDA is defined as operating profit excluding impairment losses, depreciation and amortization, and gains/losses on the disposal of fixed assets.

Underlying measures, such as **Service revenue**, **EBITDA** and **Net debt**, include Guatemala and Honduras as if full consolidated.

Proportionate EBITDA is the sum of the EBITDA in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom’s ownership stake in each country, less unallocated corporate costs and inter-company eliminations.

Organic growth represents year-on-year-growth excluding the impact of changes in FX rates, perimeter, and accounting.

Net debt is Gross debt (including finance leases) less cash and pledged and term deposits.

Proportionate net debt is the sum of the net debt in every country where Millicom operates, including its Guatemala and Honduras joint ventures, pro rata for Millicom’s ownership stake in each country.

Net debt to EBITDA is the ratio of net debt over LTM (last twelve month) EBITDA.

Proportionate net debt to EBITDA is the ratio of proportionate net debt over LTM proportionate EBITDA.

Capex is balance sheet capital expenditure excluding spectrum and license costs and finance lease capitalizations from tower sale and leaseback transactions.

Cash Capex represents the cash spent in relation to capital expenditure, excluding spectrum and licenses costs and finance lease capitalizations from tower sale and leaseback transactions.

Operating Cash Flow (OCF) is EBITDA less Capex.

Operating Free Cash Flow is OCF less changes in working capital and other non-cash items and taxes paid.

Equity Free Cash Flow is Operating Free Cash Flow less finance charges paid (net), less advances for dividends to non-controlling interests, plus dividends received from joint ventures.

Return on Invested Capital (ROIC) is used to assess the Group’s efficiency at allocating the capital under its control to and is defined as Operating Profit After Tax, including Guatemala and Honduras as if fully consolidated, divided by the average invested Capital during the period.

Operating Profit After Tax displays the profit generated from the operations of the company after statutory taxes.

Average Invested Capital is the capital invested in the company operation throughout the year and is calculated with the average of opening and closing balances of the total assets minus current liabilities (excluding debt, joint ventures, accrued interests, deferred and current tax, cash as well as investments and non-controlling interests), minus assets and liabilities held for sale.

A reconciliation of the non-IFRS metrics to the nearest equivalent IFRS metrics, or otherwise a description of the calculation and presentation of such non-IFRS metrics, may be found in Millicom’s quarterly earnings releases found on the Millicom website at <https://www.millicom.com/investors/reporting-centre/>

Financial Data for Telefonica businesses

The financial data for the Telefonica businesses that are included in this presentation are derived from unaudited standalone financial statements prepared by Telefonica for each of the Panama, Costa Rica and Nicaragua businesses. Such financial statements have not been audited and Millicom has not independently verified the financial statements. All metrics for the Telefonica businesses that are presented on a combined basis and are indicative only, as such combined data are based on a simple combination of the aforementioned standalone financial statements, with limited adjustments, and are not derived from combined financial statements prepared in accordance with IFRS. Finally, any metrics for the Telefonica businesses that are presented as non-IFRS metrics may be calculated and presented on a different basis to similarly titled non-IFRS metrics presented by Millicom.

Illustrative Pro Forma and Estimated Synergy Financial Data for Millicom

Certain metrics that are included in this presentation are presented on an illustrative ‘pro forma’ or ‘combined’ basis to give effect to the acquisition by Millicom of the Telefonica businesses. These metrics are not derived from pro forma financial statements prepared in accordance with any accounting or regulatory framework. These metrics are estimates and have been prepared for illustrative purposes only. Readers should treat these metrics as indicative only and not place undue reliance on them. For example, Telefonica and Millicom use different accounting policies and the illustrative pro forma metrics presented here do not adjust for such differences. Moreover, there is no guarantee that, if controlled by Millicom during the periods presented, these businesses would have generated such results. Equally, the illustrative pro forma metrics presented here should not be taken as guidance for future performance.

This presentation also contains Millicom’s estimates of certain synergies, relating to both expenses and revenues, that Millicom expects to achieve following completion of the acquisitions. There can be no guarantee that these estimated synergies will be achieved. As such, undue reliance should not be placed on these estimates, which are forward looking statements and subject to Millicom’s forward looking statements notice. See “Cautionary Language Concerning Forward-Looking Statements”.

Millicom to acquire Telefónica's telecom operations in Panama, Costa Rica and Nicaragua

Leading mobile player in Panama, Costa Rica and Nicaragua

In-market consolidation: adds mobile to Millicom's existing cable operations in these three countries completing the footprint

Accelerates fixed-mobile convergence strategy, **complementing** our existing **fixed portfolio with leading mobile assets**



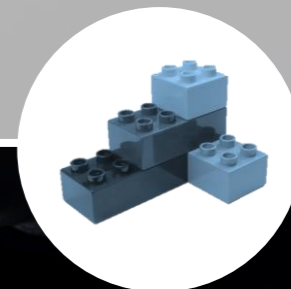
Reinforces our **leadership position in Central America**, further diversifying our geographical presence and financial profile



Unlocks significant value creation, with up to **\$500 million** NPV of estimated synergies



Reshapes industry landscape, in our Central America region



Strong Strategic and Financial Rationale

1

Acquisition of a highly attractive business

- Leading mobile market player in Panama, Costa Rica and Nicaragua
- National 3G and 4G network coverage in each country and strong spectrum positions
- 2018 revenue of \$709 million, Adjusted EBITDA of \$243 million (34% margin)

2

Strong strategic rationale for greater scale and diversification

- Reinforces Millicom's leadership position in Central America
- Further diversifies and balances Millicom's country footprint
- Adds mobile to Millicom's existing cable service offering

3

Highly synergetic in-market consolidation

- In-market fixed-mobile consolidation in Panama, Costa Rica and Nicaragua, with estimated annual run-rate opex and capex expected synergies of \$35-50 million
- Net present value of opex and capex expected synergies of around \$290 million
- Expected revenue synergies equivalent to an additional \$250 million in NPV

4

Attractive valuation to create significant shareholder value

- Aggregate purchase price of \$1.65 billion Enterprise Value (EV)
- Implies 2018 multiple of 6.8x Adjusted EBITDA¹ (5.8x post expected opex synergies)
- Implies 2018 multiple of 10.1x OCF² (8.3x post expected opex and capex synergies)
- Value accretive: IRR > Millicom IRR
- Expected closings during H2 2019, subject to regulatory approvals

¹ Adjusted EBITDA refers to combined Adjusted EBITDA of the standalone businesses pre-synergies, excluding management fees and other non-recurring items. Adjusted EBITDA is a non-IFRS measure. ² OCF defined as Adjusted EBITDA less Capex

1 Highly-Attractive Portfolio in Central America

Leading market positions ¹

Costa Rica

- Mobile subs 2018: 2.4m
- Mobile mkt share: 25%
- Mobile ranking: #2 of 3

Panama

- Mobile subs 2018: 1.6m
- Mobile mkt share: 34%
- Mobile ranking: #1 of 4

Nicaragua

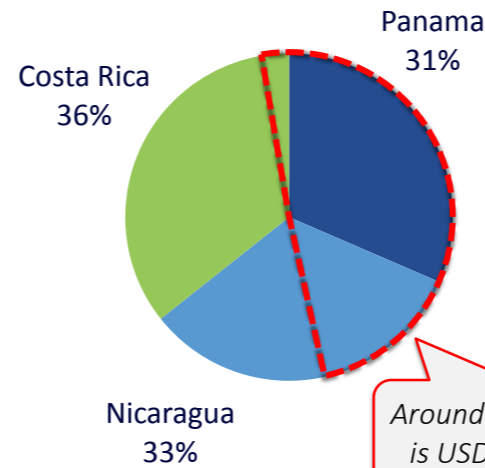
- Mobile subs 2018: 4.7m
- Mobile mkt share: 53%
- Mobile ranking: #1 of 2



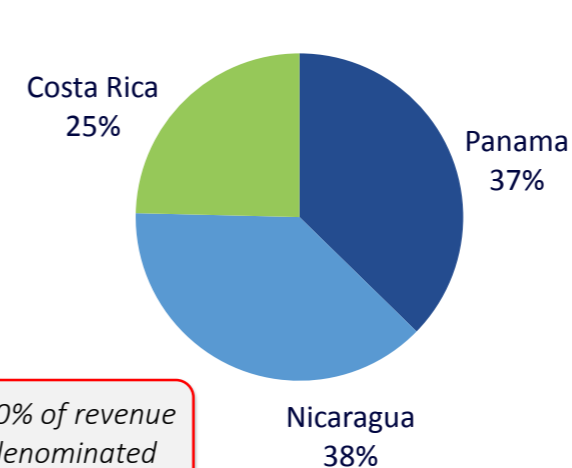
A well-balanced portfolio

Breakdown by Country (2018A)

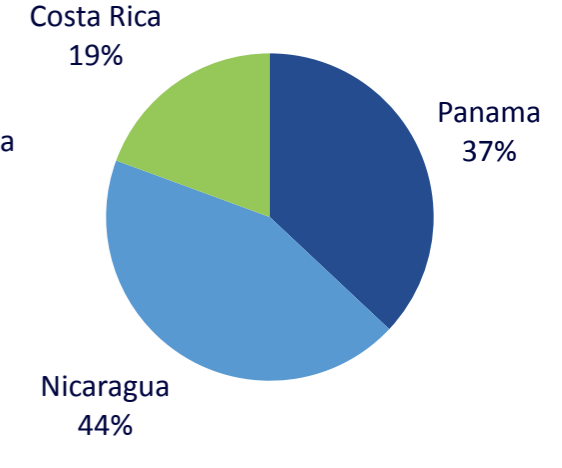
Combined Revenue (\$709 million)



Combined Adjusted EBITDA² (\$243 million)



Combined OCF³ (\$164 million)

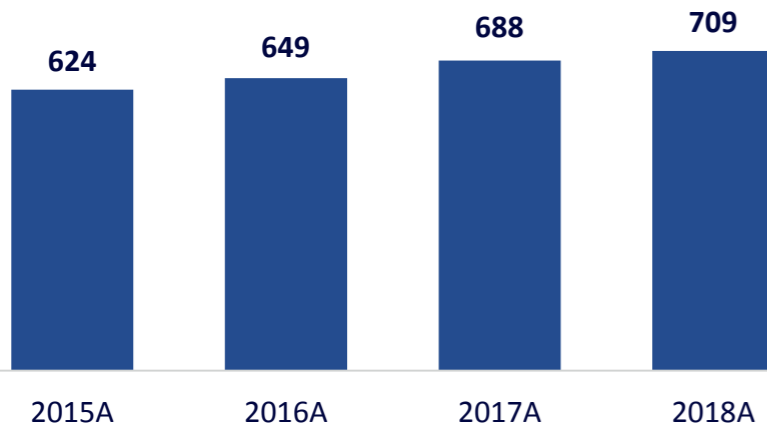


Around 50% of revenue is USD-denominated

History of growth, margin expansion, and cash flow generation

Combined Revenue 2015-2018A (\$m)

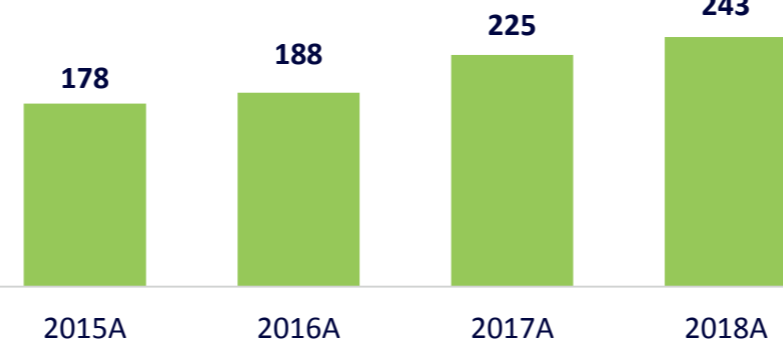
CAGR 4.4%



Combined Adjusted EBITDA² and Margin

28.5% 29.0% 32.7% 34.2%

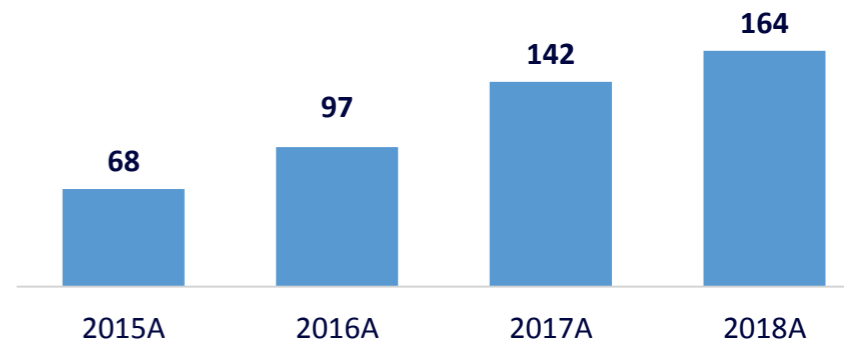
CAGR 10.9%



Combined OCF and Cash Conversion^{3,4}

38.0% 51.4% 63.1% 67.4%

CAGR 34.2%



¹ Market share estimate based on 2017A (GlobalData Jun-18). ² Adjusted EBITDA refers to EBITDA of the standalone businesses pre-synergies, excluding management fees and other non-recurring items.

³ OCF defined as Adjusted EBITDA less Capex. ⁴ Cash Conversion equal to OCF divided by Adjusted EBITDA. Adjusted EBITDA and OCF are non-IFRS measures.

2 Consolidates Industry Structure in the Region

Strengthening our leadership position in Central America with No. 1 or No.2 positions in every market

		 ¹	 ¹		
 TEF CAM acquisition					
  Costa Rica ²	Mobile	✓	✓		
	Broadband	✓		✓	
	PayTV	✓	✓	✓	
	Fixed Voice	✓		✓	
 El Salvador	Mobile	✓	✓		✓
	Broadband	✓	✓		
	PayTV	✓	✓		
	Fixed Voice	✓	✓		
 Guatemala	Mobile	✓	✓		
	Broadband	✓	✓		
	PayTV	✓	✓		
	Fixed Voice	✓	✓		
  Nicaragua ²	Mobile	✓	✓		
	Broadband	✓	✓		
	PayTV	✓	✓		
	Fixed Voice	✓	✓		
  Panama	Mobile	✓	✓	✓	✓
	Broadband	✓		✓	
	PayTV	✓	✓	✓	
	Fixed Voice	✓	✓	✓	

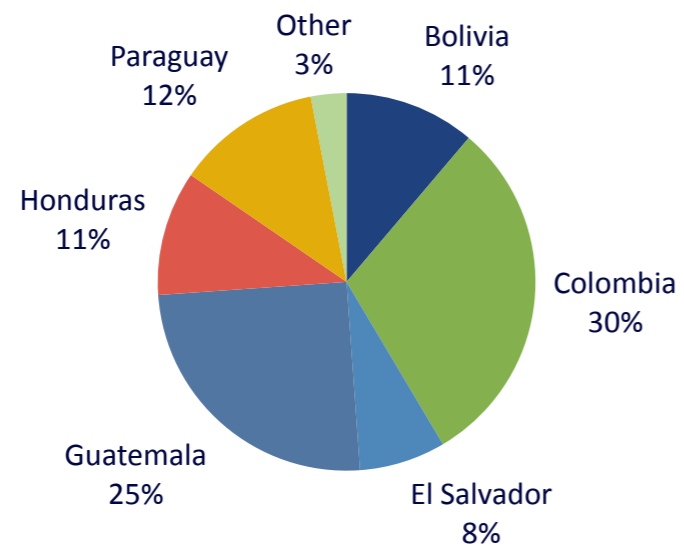
¹ Pro-forma for TEF CAM acquisition. ² Other players in Costa Rica and Nicaragua

2 Diversifies and Balances Millicom Latam Footprint

Balance between the different Latam markets improves

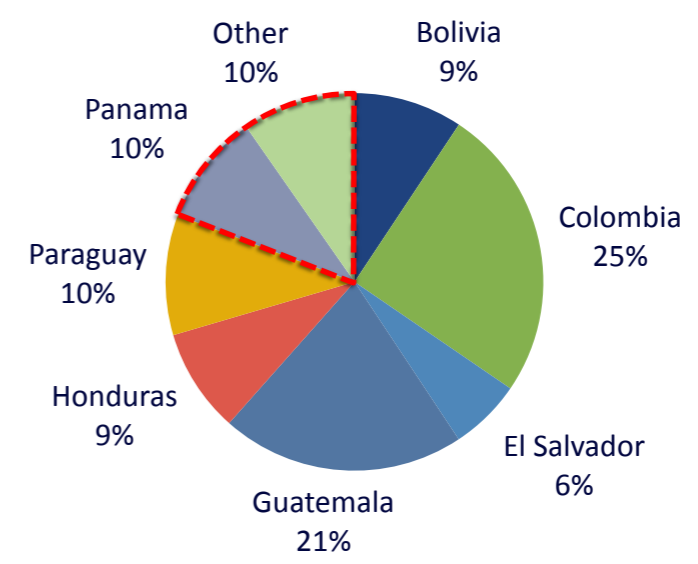
Revenue

Latam (2018A)



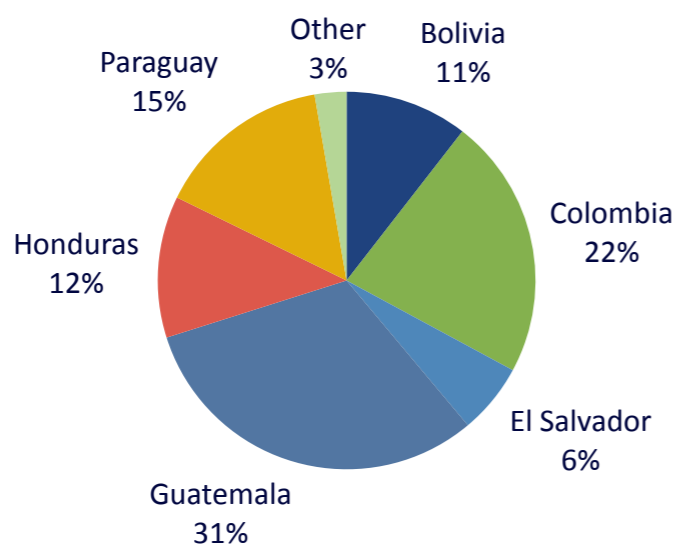
Illustrative Pro forma Revenue

Latam (2018A)¹



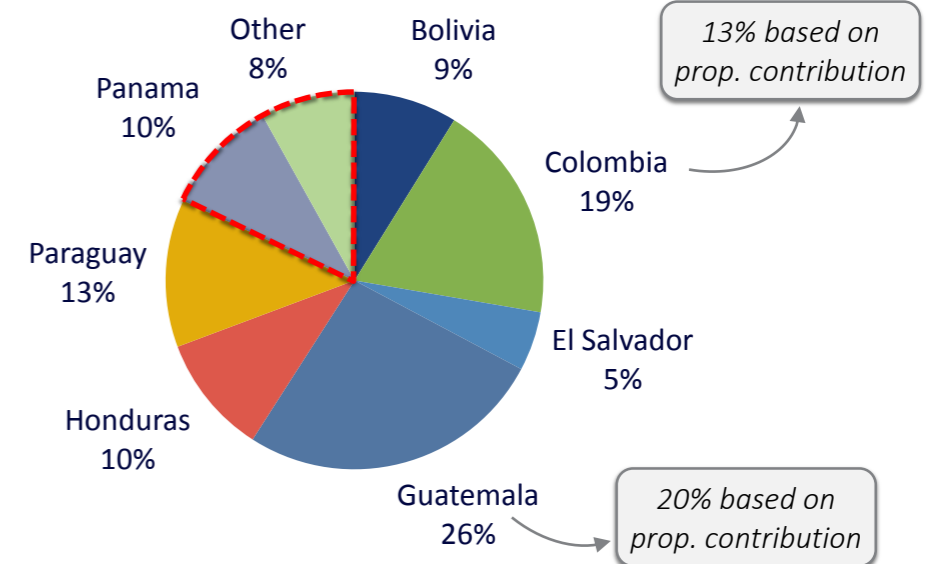
Adjusted EBITDA²

Latam (2018A)



Illustrative Pro forma Adjusted EBITDA²

Latam (2018A)¹






¹ Illustrative Pro forma for both Cable Onda and Telefonica CAM. 'Other' includes Nicaragua and Costa Rica.

² Adjusted EBITDA breakdown excludes segment corporate costs. Adjusted EBITDA is a non-IFRS measure. Please refer to slide 3 of this presentation for definitions of non-IFRS measures for Millicom. Reconciliations of non-IFRS measures for Millicom to their nearest IFRS equivalent are available at www.millicom.com.

³ Millicom ownership of market with minority interests: Colombia 50%, Guatemala 55%, Honduras 66.7%, Panama 80%

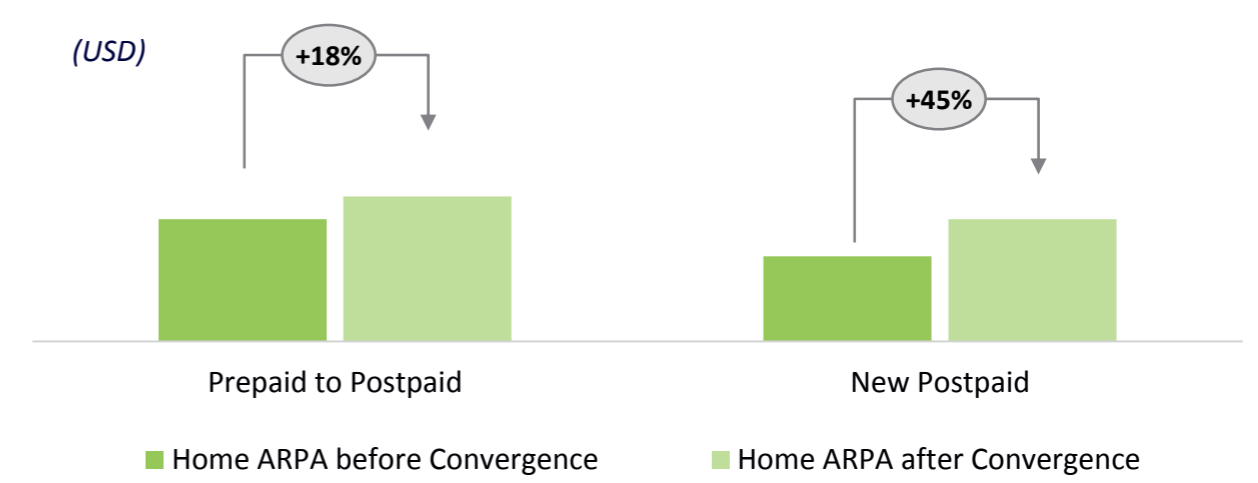
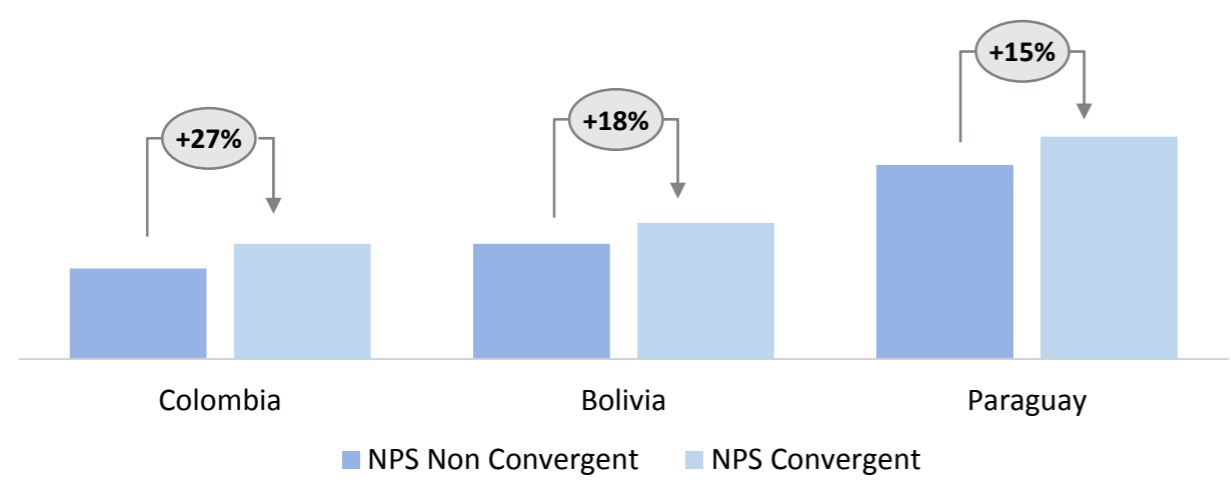
2 Acceleration of Fixed-Mobile Convergence Strategy

The transaction provides the opportunity to accelerate Millicom's FMC strategy...

- 
Panama
 - Positions Millicom as #1 fixed-mobile convergent provider in the country
 - Significant cross-selling opportunities in both B2C and B2B customer segments
- 
Costa Rica
 - Catapults Millicom to a leading position in Costa Rica
 - Adds convergence capabilities to strengthen and differentiate our position
- 
Nicaragua
 - Millicom acquires a leading position in a two-player market
 - Cash flow from mobile to help fund cable network build already in progress



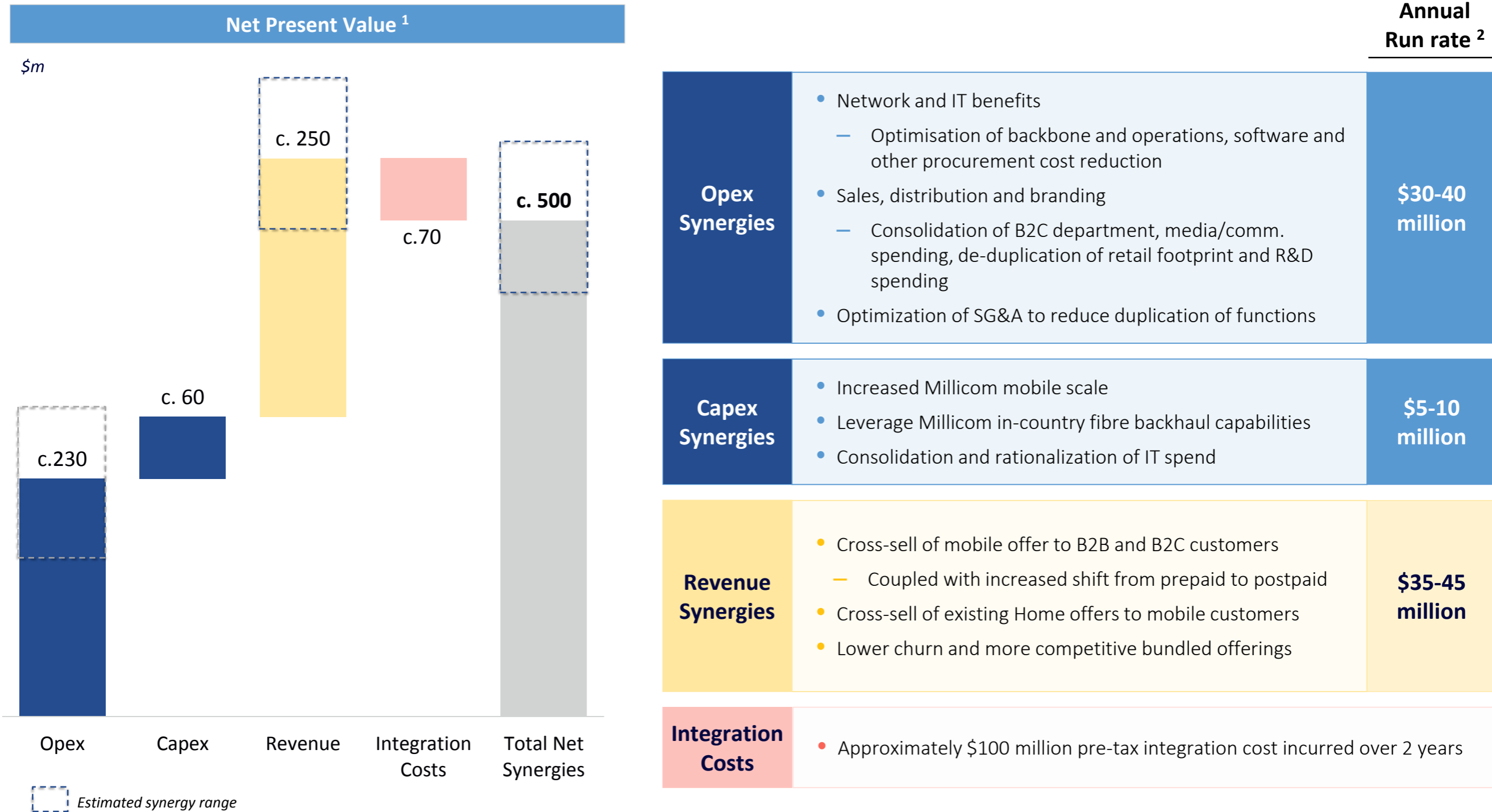
... which so far resulted in a consistent NPS and ARPA¹ improvement



¹ Average Revenue per Account

3 Unlocking Expected Significant Synergies

NPV of expected synergies of approximately \$500 million, including \$290 million of opex and capex synergies



¹ For disclosure purposes, net present value of the post-tax synergies rounded to the nearest ten million. Sum may not reconcile due to rounding¹

² Estimated full synergies run rate starting for the 4th full year post closing.

4 Attractive Valuation

Attractive OCF multiple of 10x pre synergies and 8.3x post opex and capex synergies

	EV / 2018 Adj. EBITDA ¹	EV / 2018 OCF
<i>Multiples pre-synergies</i>	6.8x	10.1x
<i>Multiples post-opex & capex synergies</i>	5.8x	8.3x

Meets our criteria for inorganic growth opportunities

- ✓ Core competencies – fixed and mobile broadband
- ✓ Accelerates fixed-mobile convergence
- ✓ Accretive to operational growth
- ✓ Value accretive: expected IRR > Millicom WACC

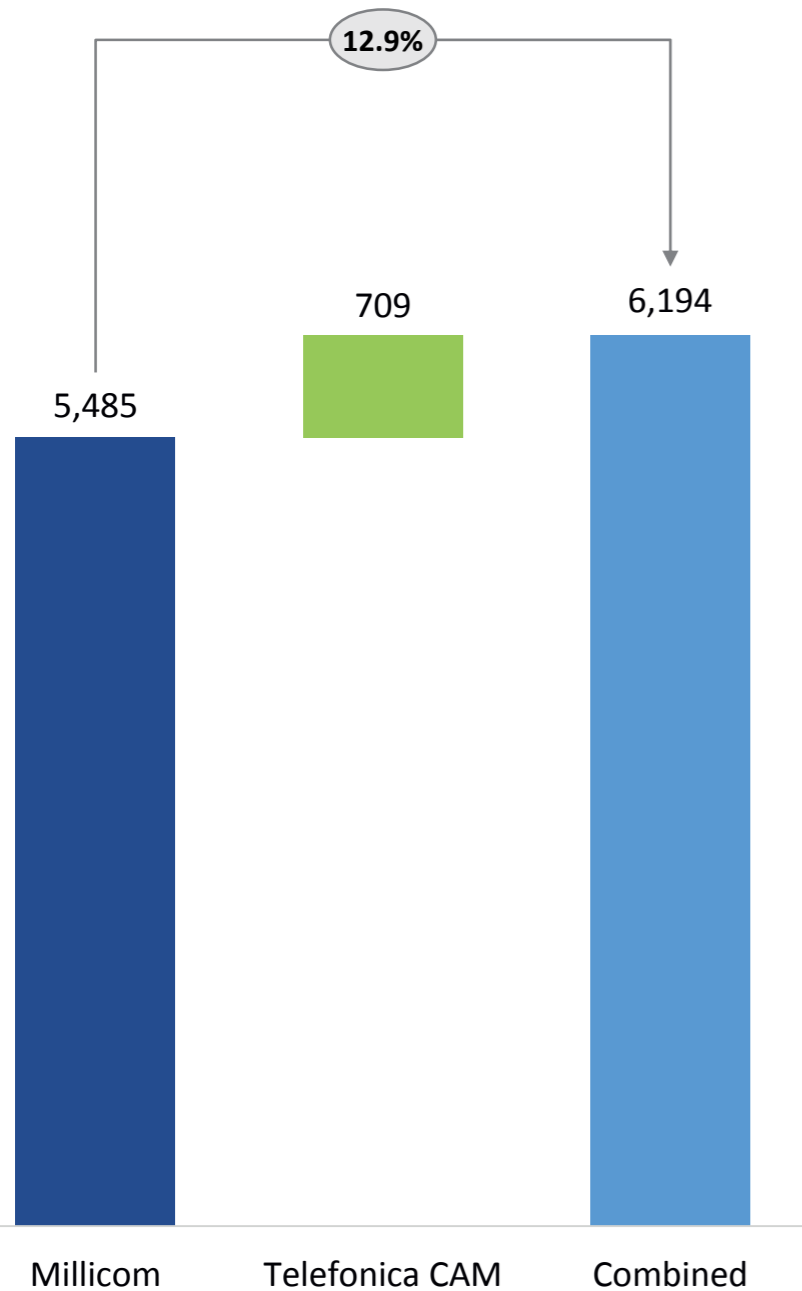
¹ Adjusted EBITDA refers to Adjusted EBITDA of the standalone business pre-synergies, excluding management fees and other non-recurring items. Adjusted EBITDA is a non-IFRS measure.

Financial Implications of the Transaction

Telefonica CAM would have added 12-15% to Millicom Latam segment financials in 2018

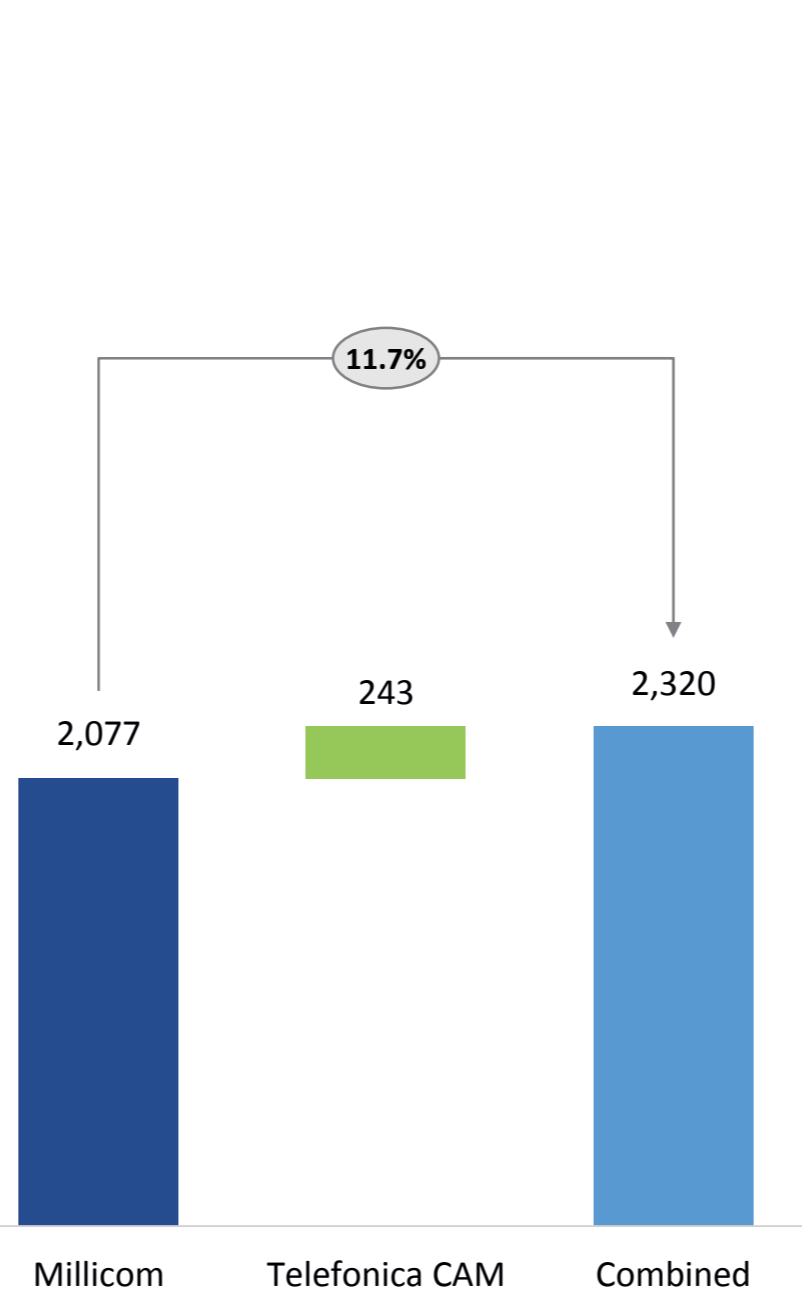
Revenue

Latam, 2018A (\$m)



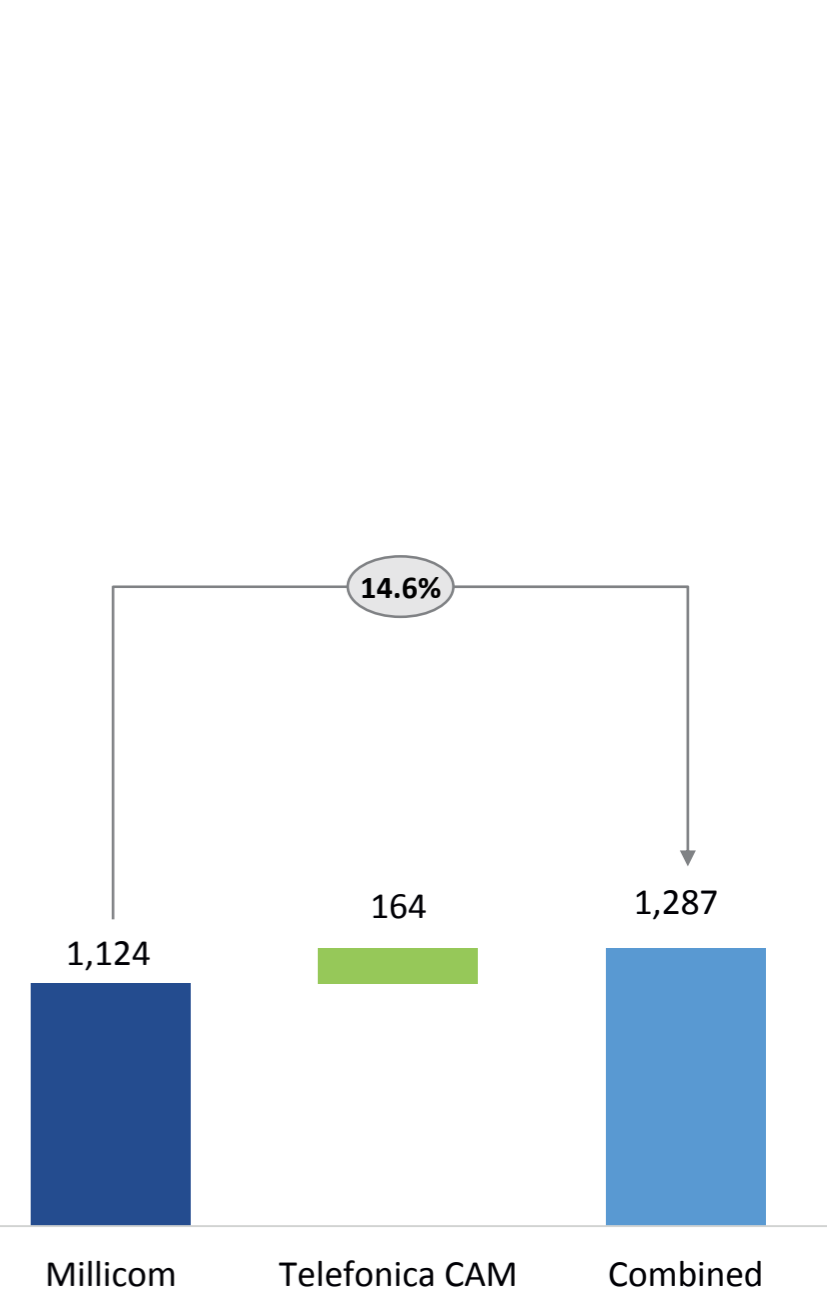
Adjusted EBITDA

Latam, 2018A (\$m)



OCF

Latam, 2018A (\$m)



Notes: Telefonica CAM Adjusted EBITDA is standalone, pre-synergies, and is adjusted to exclude management fees and other one-time items. OCF defined as Adjusted EBITDA less Capex Latin America segment Revenue, Adjusted EBITDA and OCF measures are non-IFRS measures and include Guatemala and Honduras as if fully consolidated. Please refer to slide 3 of this presentation for definitions of non-IFRS measures for Millicom. Reconciliations of non-IFRS measures for Millicom to their nearest IFRS equivalent are available at www.millicom.com.

Financing and Capital Structure

Maintaining a strong and disciplined financial position

- Millicom has secured bridge funding commitments from a group of banks
- Bridge expected to be refinanced predominantly with the issuance of new debt by Millicom and its operating subsidiaries
- Proportional net debt to Adjusted EBITDA to increase from 2.5x as of December 31st, 2018 to approximately 3.0x pro forma
- Millicom management committed to reducing leverage toward its stated target of 2.0x proportionate net debt to Adjusted EBITDA

Millicom Underlying Net Debt ¹

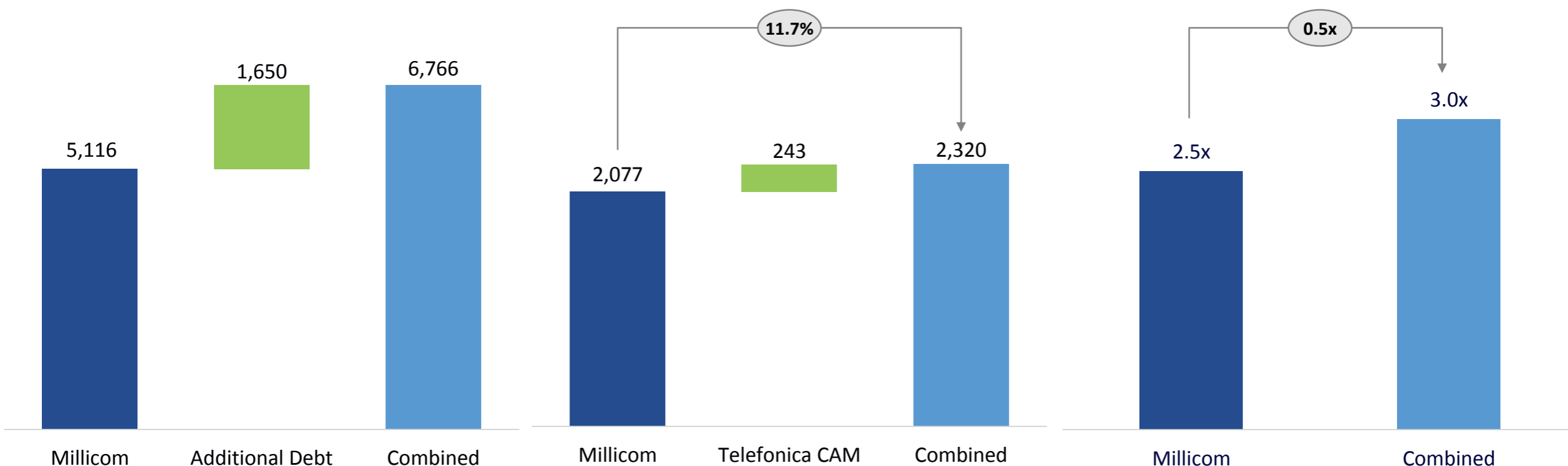
As of Dec-2018

Latam segment Adjusted EBITDA

2018A (\$m)

Pro Forma Prop. Net Debt / Adjusted EBITDA²

As of Dec-2018



¹ Underlying net debt, Adjusted EBITDA and Underlying net debt to Adjusted EBITDA are non-IFRS measures. Please refer to slide 3 of this presentation for definitions of non-IFRS measures for Millicom. Reconciliations of non-IFRS measures for Millicom to their nearest IFRS equivalent are available at www.millicom.com. ² Proportionate net debt to EBITDA as of December 31, 2018 is based on last twelve-month (LTM) Underlying EBITDA of \$1,666m, incl. \$136m pro forma Adjusted EBITDA for Cable Onda in Panama and \$224m of Adjusted EBITDA for Telefonica CAM.

Millicom to acquire Telefónica's mobile operations in Panama, Costa Rica and Nicaragua



1

Acquisition of a highly attractive business

2

Strong strategic rationale for greater scale and diversification

Strengthens Millicom's leadership position in Central America

Diversifies and balances Millicom's country footprint

Accelerates fixed-mobile convergence strategy

Reshapes industry structure in a key Millicom region

3

Highly synergetic in-market consolidation expected

4

Attractive valuation expected to create significant shareholder value



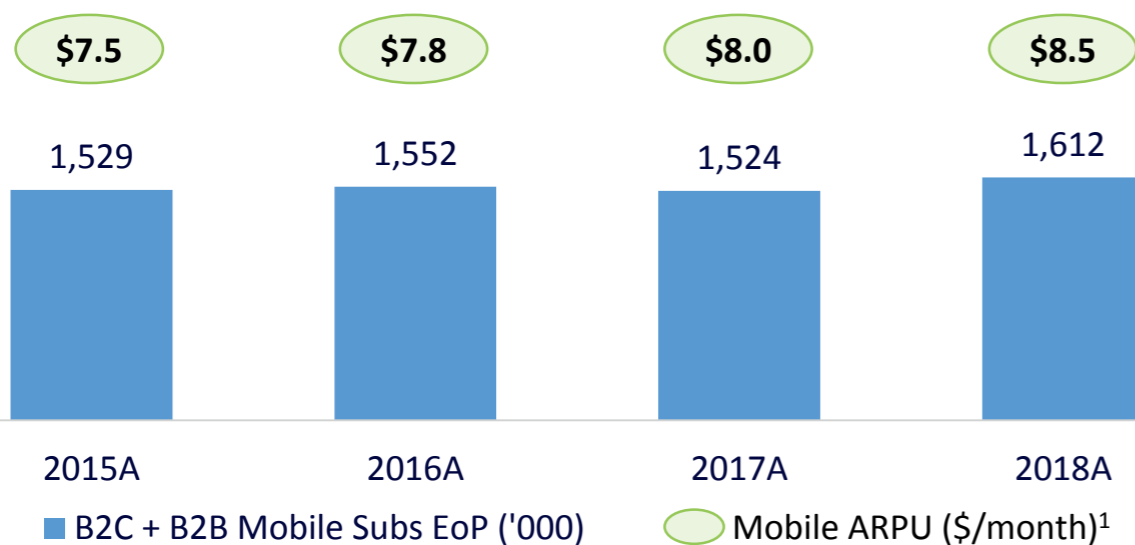
Appendix

Panama Overview



Shift in customer mix driving ARPU uplift

2015-18A



Complementary business propositions

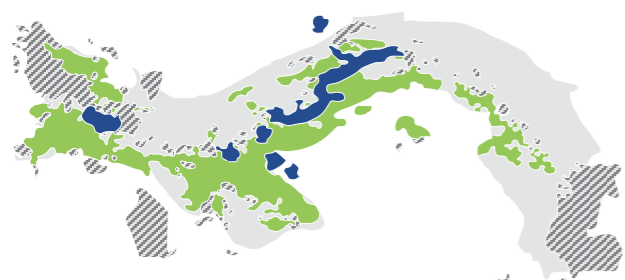
Customers (2017A)

	Mobile	BB	PayTV	Fixed Voice
movistar	1.5M	1K	5K	19K
tigo	✗	✓	✓	✓
Combined	✓	✓	✓	✓
Market Position²	#1	#1	#1	#2

Strong network coverage and valuable spectrum assets

Coverage Map

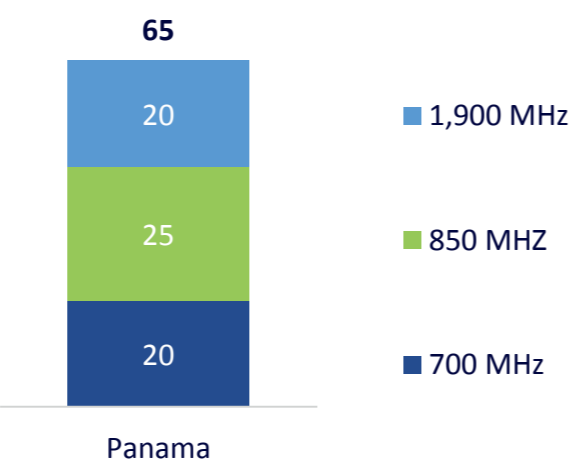
Population coverage 2017A: 87% (3G) 74% (4G)



3G 4G

Spectrum Distribution

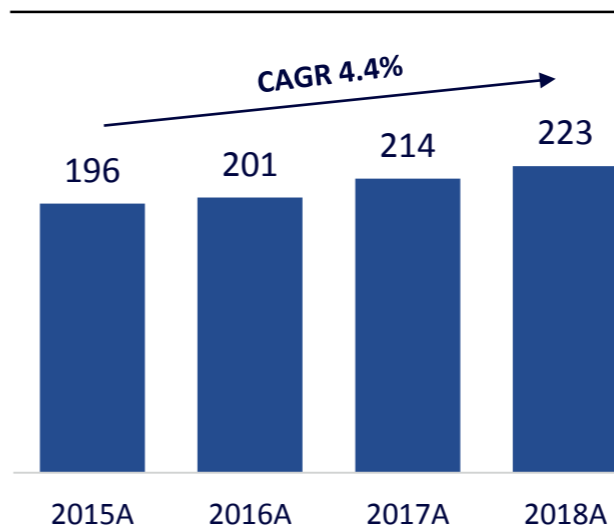
MHz, paired Spectrum share: 28%



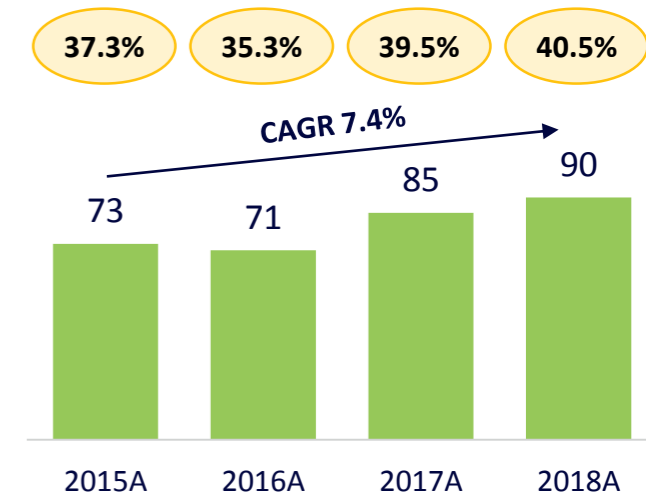
Solid financial performance

\$m

Revenue



Adjusted EBITDA and Margin³



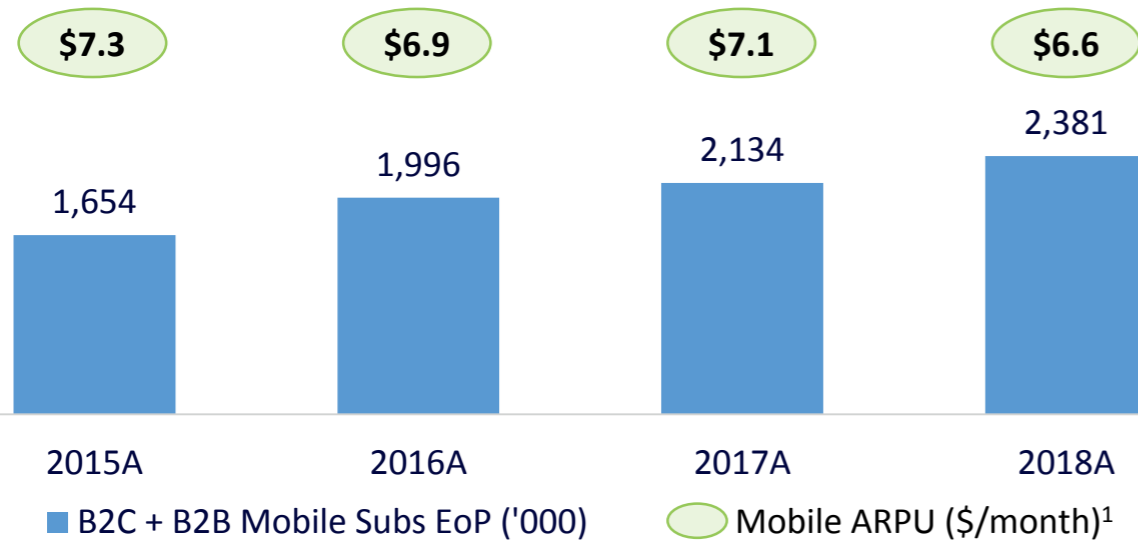
¹ Based on average B2C and B2B Mobile subscribers for each year. ² Based on GlobalData as of June-18. ³ Adjusted EBITDA refers to the Adjusted EBITDA of the standalone business pre-synergies, excluding management fees, and other non-recurring items. Adjusted EBITDA is a non-IFRS measure.

Costa Rica Overview



Significant growth in customer base

2015-18A



Complementary business propositions

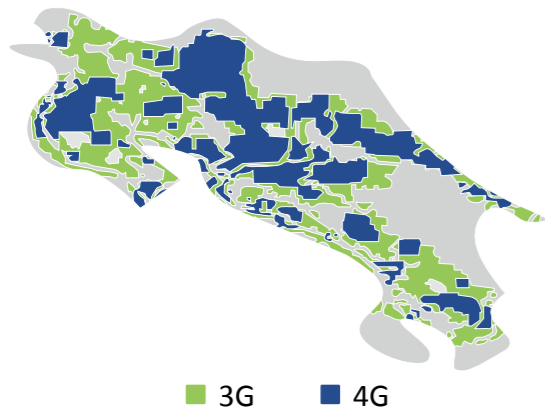
Customers (2017A)

	Mobile	BB	PayTV	Fixed Voice
movistar	2.1M	7K	20K	22K
tigo	✗	✓	✓	✓
Combined	✓	✓	✓	✓
Market Position²	#2	#2	#1	#2

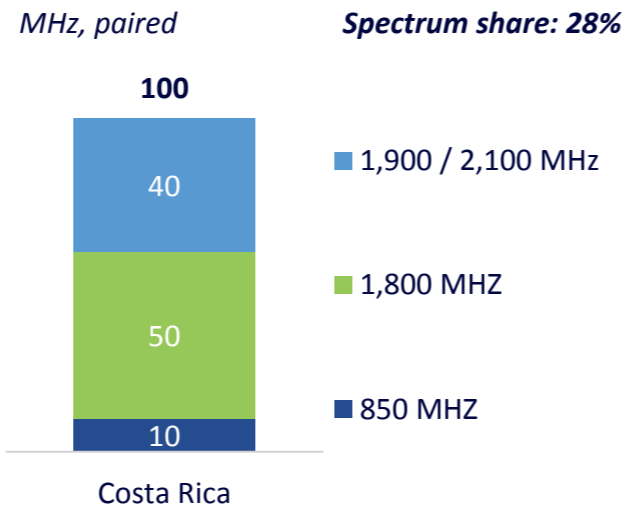
Nation-wide network coverage

Coverage Map

Population coverage 2017A: 93% (3G) 85% (4G)

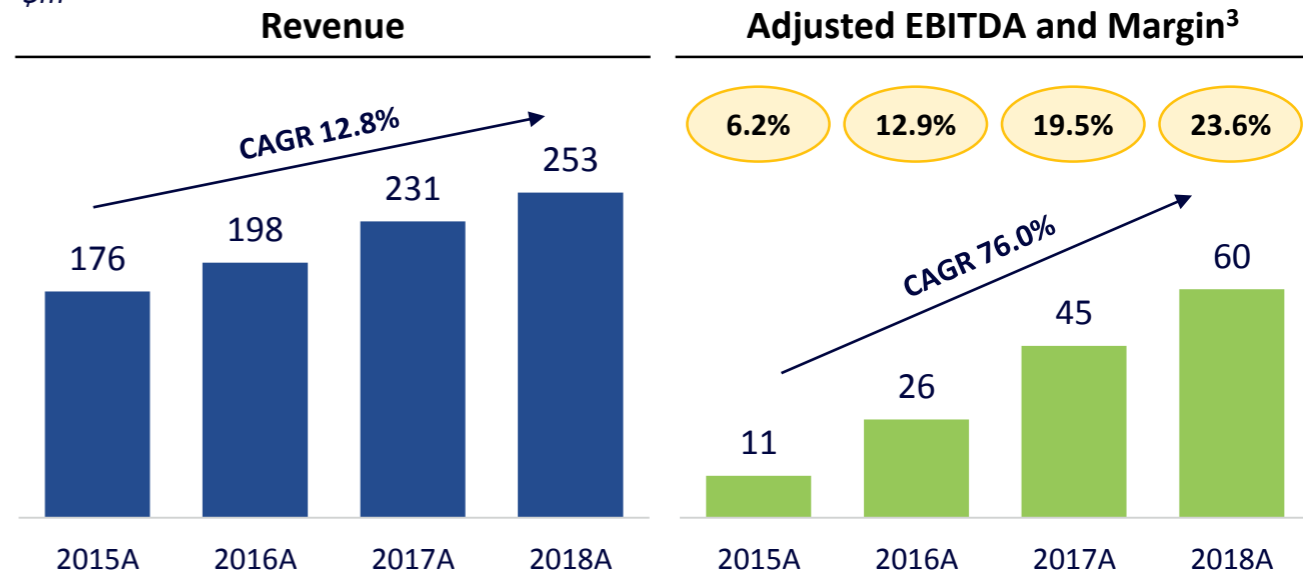


Spectrum Distribution



Commercial expansion driving operational leverage

\$m



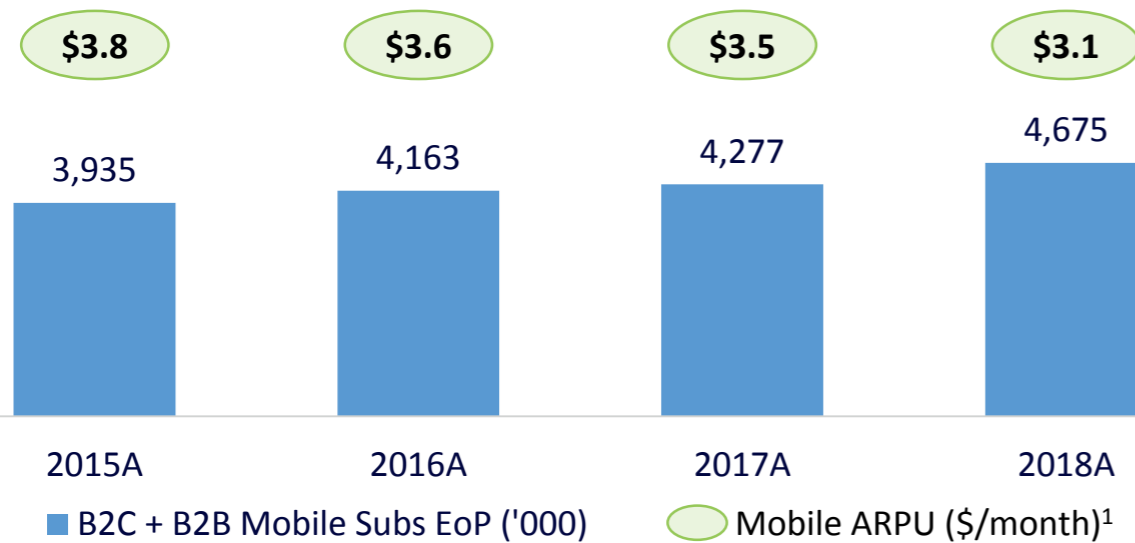
¹ Based on average B2C and B2B Mobile subscribers for each year. ² Based on GlobalData as of June-18. ³ Adjusted EBITDA refers to the Adjusted EBITDA of the standalone business pre-synergies, excluding management fees and other non-recurring items. Adjusted EBITDA is a non-IFRS measure.

Nicaragua Overview



Growing customer base

2015-18A



Complementary business propositions

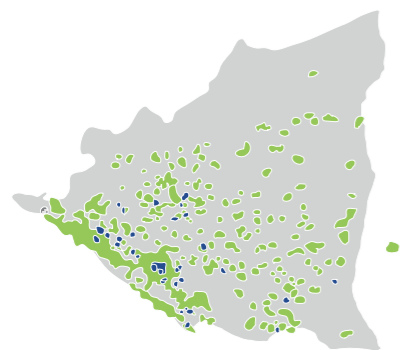
Customers (2017A)

	Mobile	BB	PayTV	Fixed Voice
movistar	4.3M	7K	43K	66K
tigo	X	✓	✓	✓
Combined	✓	✓	✓	✓
Market Position²	#1	NM	#2	#3

Opportunity for further 4G penetration

Coverage Map

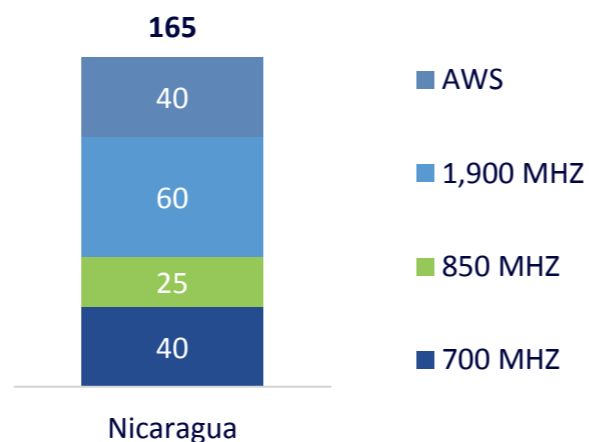
Population coverage 2017A: 71% (3G), 51% (4G)



3G 4G

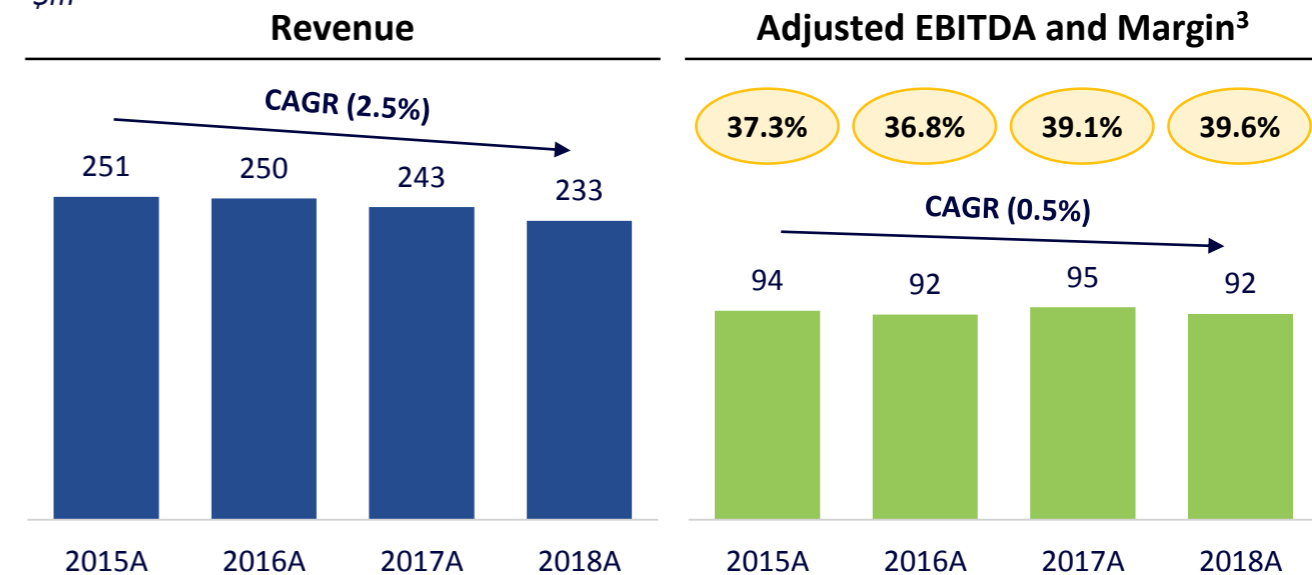
Spectrum Distribution

MHz, paired Spectrum share: 45%



Stable cash flow generative asset

\$m



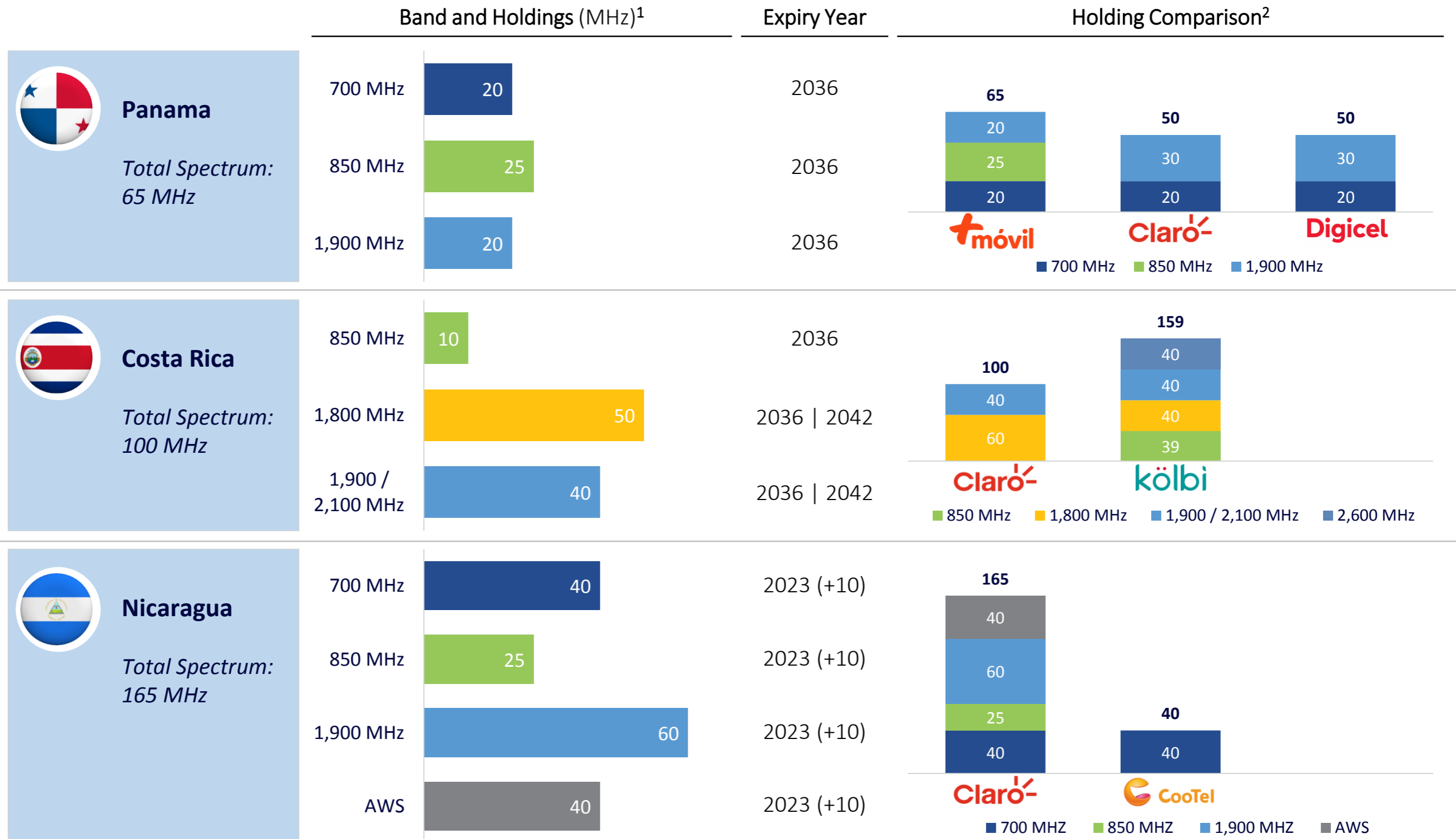
Impact from economic downturn and political environment

¹ Based on average B2C and B2B Mobile subscribers for each year. ² Based on GlobalData as of June-18.

³ Adjusted EBITDA refers to the Adjusted EBITDA of the standalone business pre-synergies, excluding management fees and other non-recurring items. Adjusted EBITDA is a non-IFRS measure.

Overview of Spectrum Licenses

Solid #1 market position in terms of spectrum holdings, having secured licenses for the long term



Source: Telefonica

¹ Based on paired spectrum, total spectrum is x2. Spectrum holdings as of September 2018. ² Kolbi only includes the spectrum currently in use

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