

# Building the Tigo of the future

Presentation as of June 30, 2019  
Millicom International Cellular S.A.

## 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 Annual Report 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 is available at [www.sec.gov](http://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.

# Non IFRS measures

This presentation contains financial measures 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 proforma 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 an 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 operating profit excluding impairment losses, depreciation and amortization, and gains/losses on fixed asset disposals.

**EBITDA margin** is EBITDA divided by total revenue.

**EBITDA after leases** is EBITDA after lease depreciation and lease interest expenses.

**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.

**Net debt excluding leases** is Net debt excluding lease liabilities related to the adoption of IFRS 16.

**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 excluding leases** is Net debt excluding lease liabilities.

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

**Proportionate net debt to EBITDA** is the ratio of proportionate net debt excluding leases over LTM proportionate EBITDA after leases.

**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.

**OCF Margin** is OCF divided by total revenue.

**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.

Please refer to our 2018 Annual Report for a complete list of non-IFRS measures and their descriptions.

## Building the Tigo of the future

**1**

**Millicom at a Glance**

**2**

**Investment Highlights**

**3**

**Q2 Highlights and Outlook**

**4**

**Appendix**

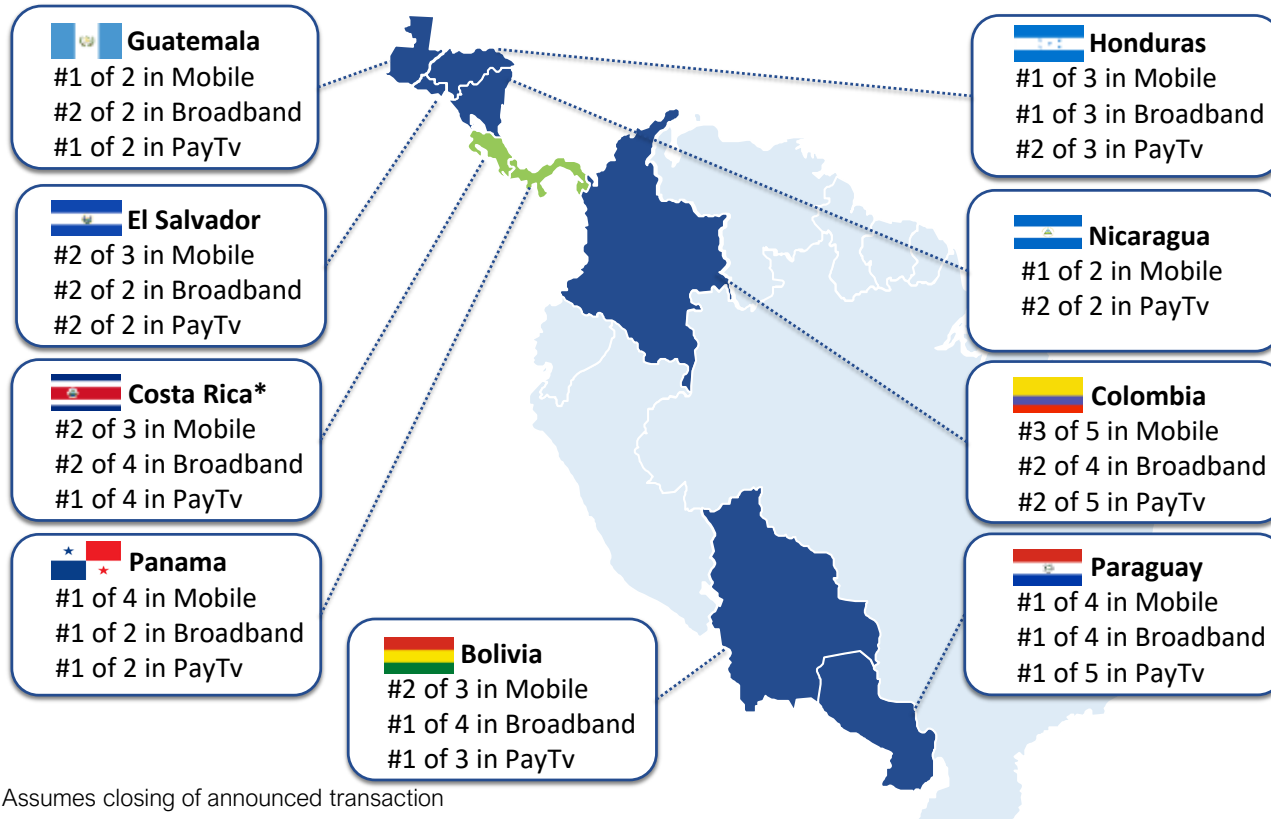


## 1. Millicom at a Glance

# Millicom-at-a-glance



## Leader in Nine Latam Markets



## Strong KPIs



### Mobile business

- **37.2 million** subscribers
- **11.9 million** 4G subscribers, +35% yoy



### Cable business

- **11.0 million** HFC homes passed
- **3.3 million** HFC customer relationships, +25% yoy



### B2B

- More than **250,000** enterprise customers

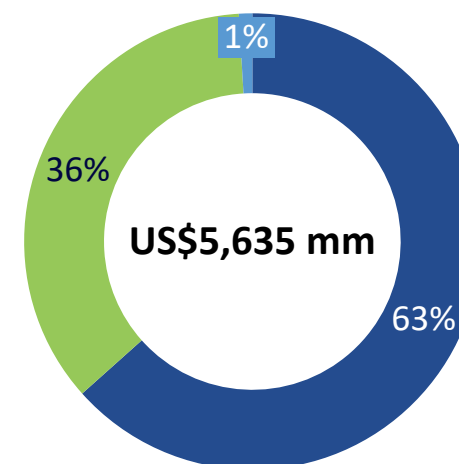
## A Solid Footprint

- A leading **brand**
- **147,000 km** of fiber
- **67%** Latam 4G coverage
- **9,900** Points of Presence
- **10** data centers
- **20,000** employees
- **30** million total households
- **120** million people



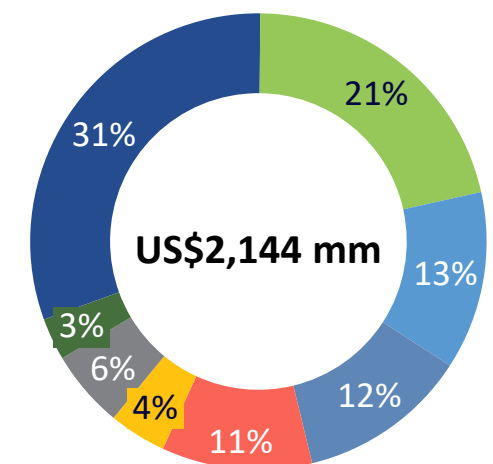
## Diversified Revenue and EBITDA in Latam

LTM 2Q19 Revenue



Mobile Fixed Others

LTM 2Q19 EBITDA <sup>(1)</sup>



Guatemala Honduras El Salvador  
Colombia Bolivia Costa Rica / Nicaragua  
Paraguay Panama

Source: Millicom.

(1) LatAm EBITDA LTM 2Q19 figures have been adjusted to exclude the effect of IFRS 16 (\$80mm).



## 2. Investment Highlights

- 1** Growing Economies with Low Broadband Penetration Rates
- 2** State-of-the-art 4G & HFC Cable Networks
- 3** Increasing Profitability & Cash Flow Generation
- 4** Clearly Defined Financial Strategy to Support Future Growth & Market Leadership
- 5** Strong Corporate Governance



# 1 We are in growing Latam markets...

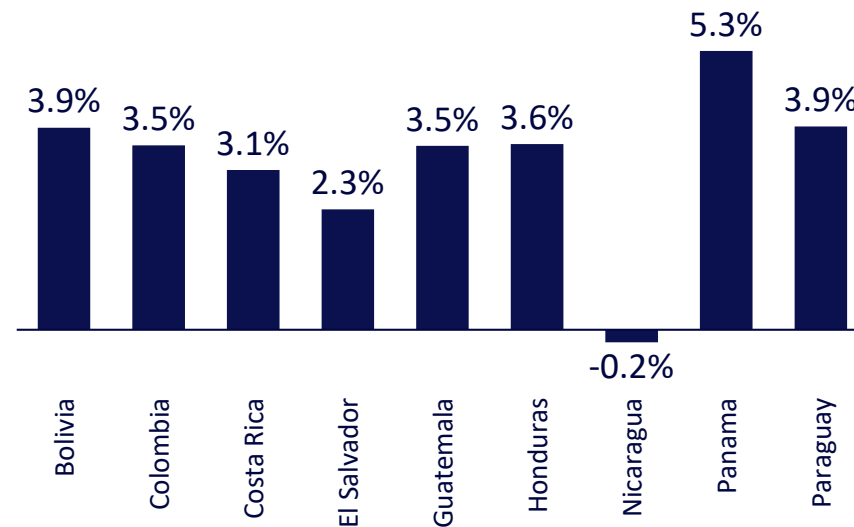
Latin American markets are growing and remain underpenetrated, representing an attractive opportunity

## Penetration Potential

- ✓ Growing economies with stable macroeconomic environment
- ✓ Ability to capitalize on underpenetrated markets through fixed mobile convergence
- ✓ Young population driving household formation
- ✓ Growing middle-class

## GDP Growth

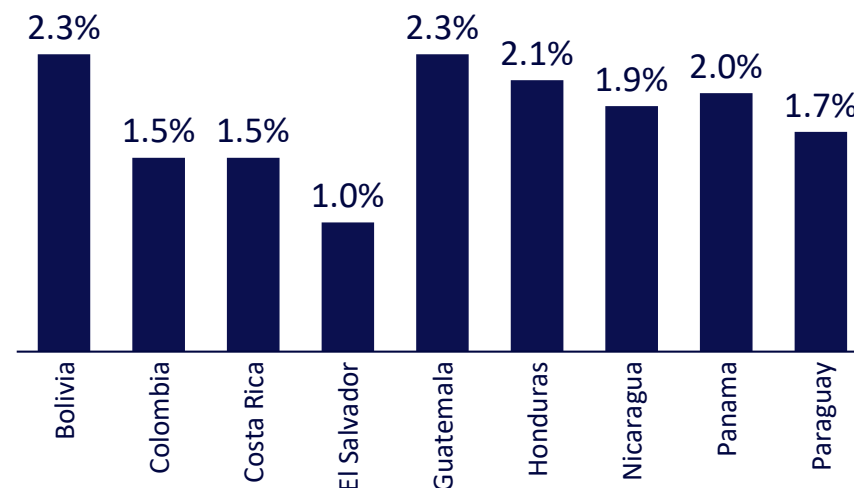
CAGR % GDP growth, 2018-2024



Source – IMF World Economic Outlook April 2019

## Total Household Growth

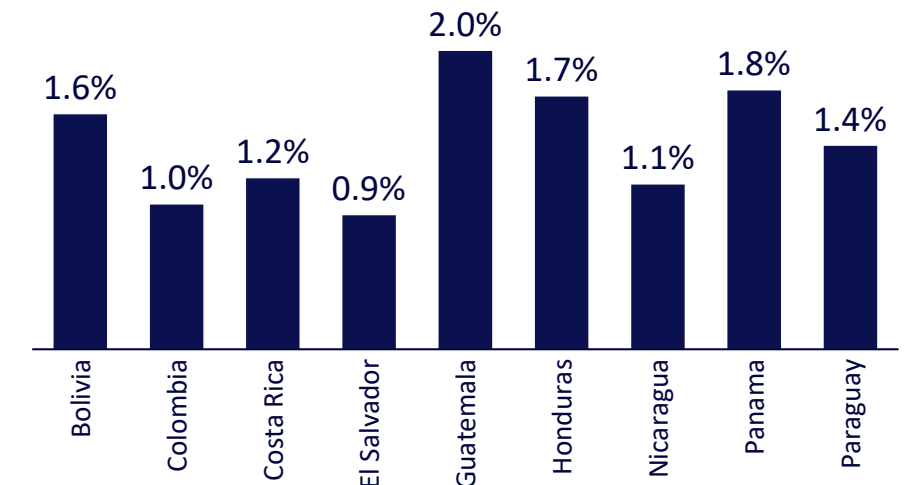
CAGR % of total households, 2018-2028



Source – Oxford Economics 2019

## Population Growth

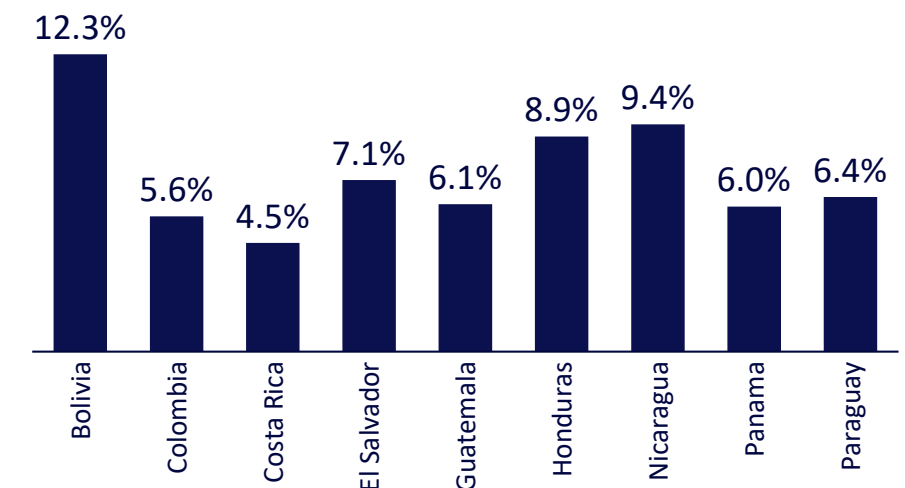
CAGR % population growth, 2018-2024



Source – IMF World Economic Outlook April 2019

## Growing Middle Class

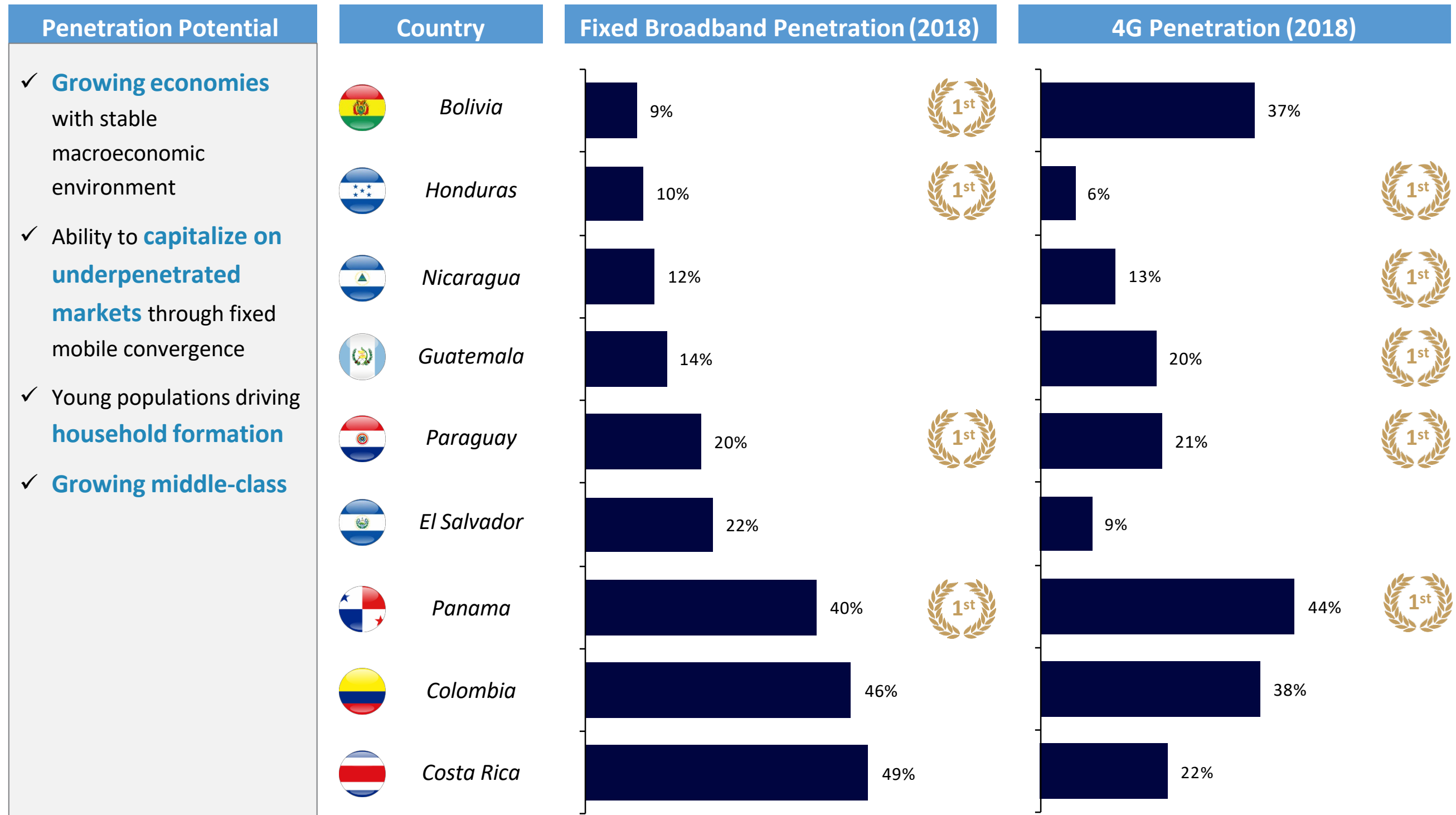
CAGR % of households with income over \$20,000, 2018-2028



Source – Oxford Economics 2019

# 1 ... with low broadband penetration rates

Markets in Latin America remain underpenetrated, representing an attractive opportunity



Source: Millicom, GSMA and Dataxis Broadband Data.



Denotes countries in which Millicom is the #1 player in either Fixed Broadband or Mobile

1

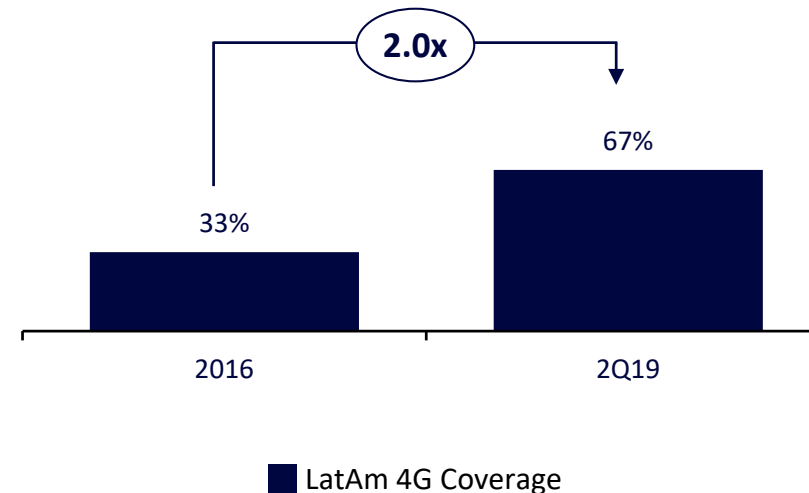
Wireless

- Expand 4G coverage and capacity
- Increase 4G/LTE penetration
- Accelerate postpaid migration
- Increase smartphone adoption
- Stimulate data usage while maintaining price discipline

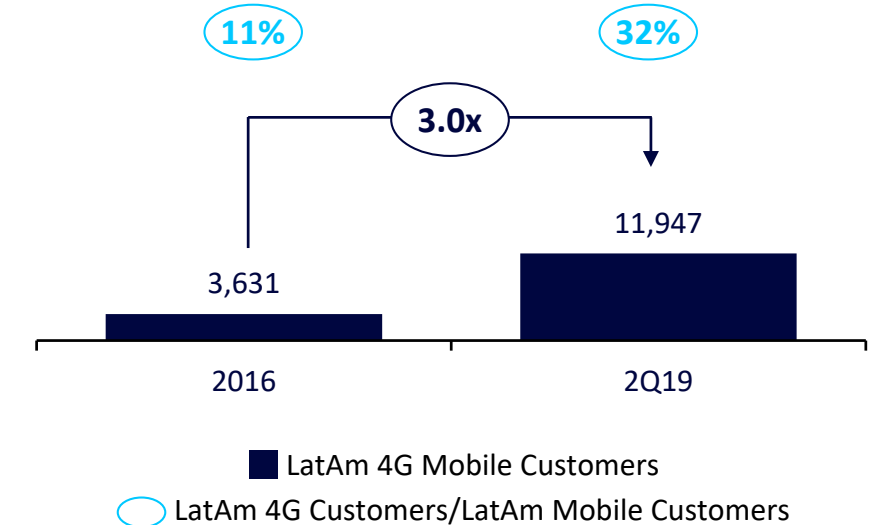
## Monetize Data – Mobile Customer Evolution

Figures in 000s

### LatAm 4G Coverage



### LatAm 4G Customers<sup>(1)</sup>



2

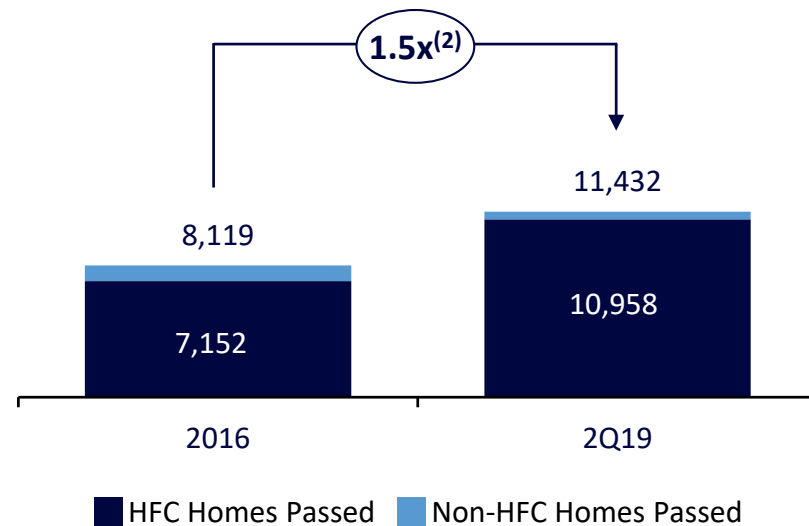
Cable Network

- Over 147,000 km of fiber deployed in Latin America
- State-of-the-Art Hybrid Fiber-Coaxial (“HFC”) expansion
- Expand effort to fill HFC network

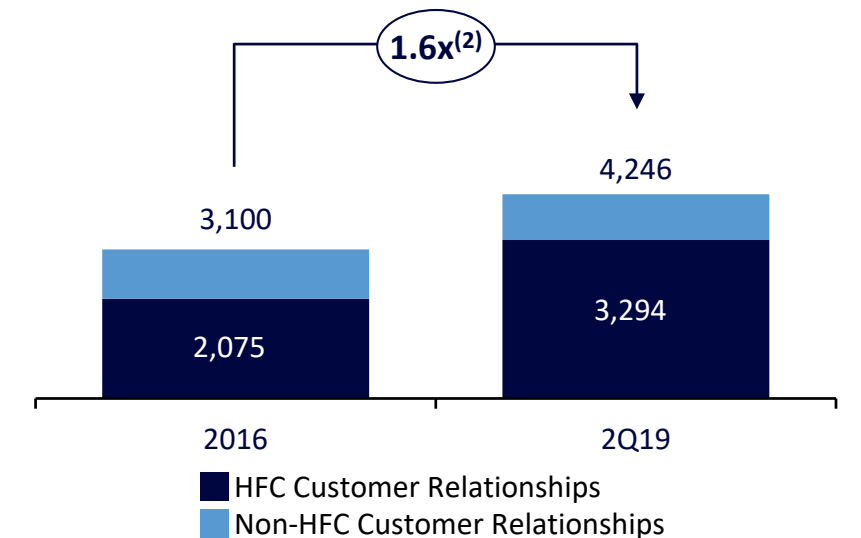
## Build Cable – Home Customer Evolution

Figures in 000s

### Total Homes Passed



### Total Customer Relationships



Source: Millicom.

Note: Figures do not include recently acquired operations of Telefónica in Costa Rica, Panama and Nicaragua.

(1) 4G customers are defined as customers who have a smartphone, a data plan and generate traffic on Millicom's 4G network.

(2) Denotes HFC growth.

		2016	2017	2018	LTM
Network Expansion	Capex / Sales <sup>a</sup>	16.2%	16.7%	17.4%	17.5%
	Points of Presence Net additions	2,900	2,200	2,600	2,200
	HFC Homes Passed net additions (m) <sup>b</sup>	0.8	1.3	1.3	1.1
Customer Acquisition	4G Users net additions (m) <sup>b</sup>	2.7	3.6	3.3	3.6
	HFC Customer Relationships net adds (000) <sup>b</sup>	153	253	354	362
	CPE / Total capex <sup>a,b</sup>	20%	24%	30%	35%

## IT Transformation

- Mobile
- Cable

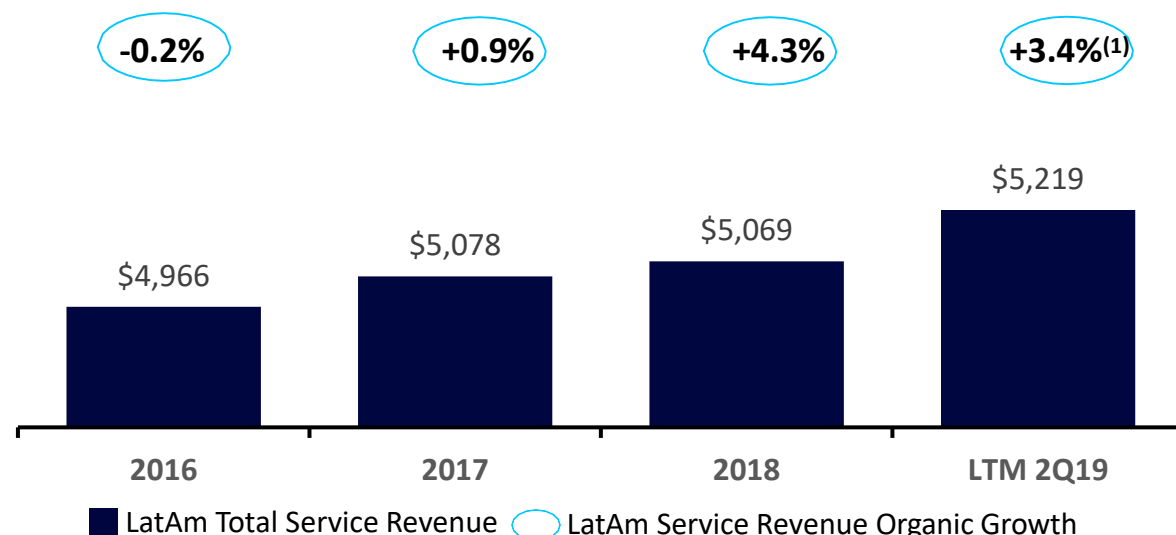
a) Capex/ Sales, network expansion and customer acquisition metrics are non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

b) Adjusted to exclude benefits from recent acquisitions of Cable Onda, Cable DX, and mobile operations in Nicaragua and Panama.

# Increasing Profitability & Cash Flow Generation More than Offsetting FX Headwinds in Latam

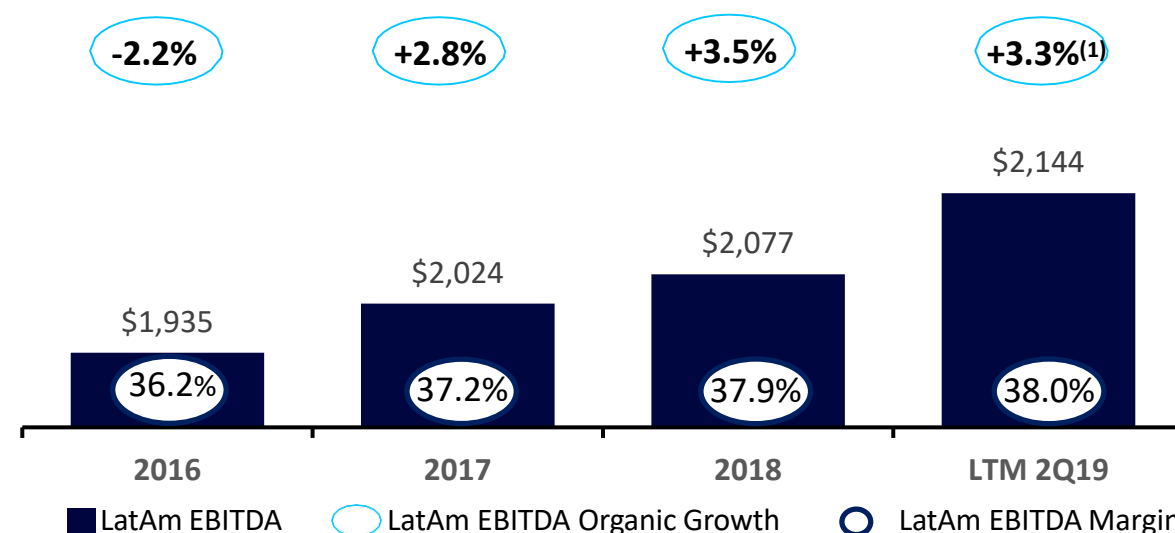
## Positive Organic Growth since 2017...

(US\$mm)

CAGR '16 – LTM 2Q19: **+2.0%**

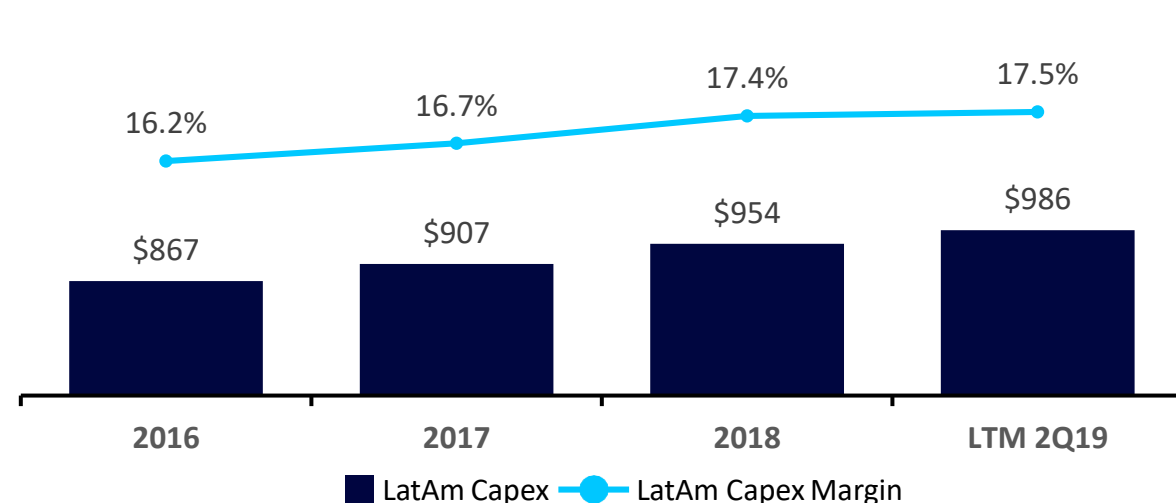
## ...Supporting Increasing EBITDA Margins<sup>(2)</sup>...

(US\$mm)

CAGR '16 – LTM 2Q19: **+4.2%**

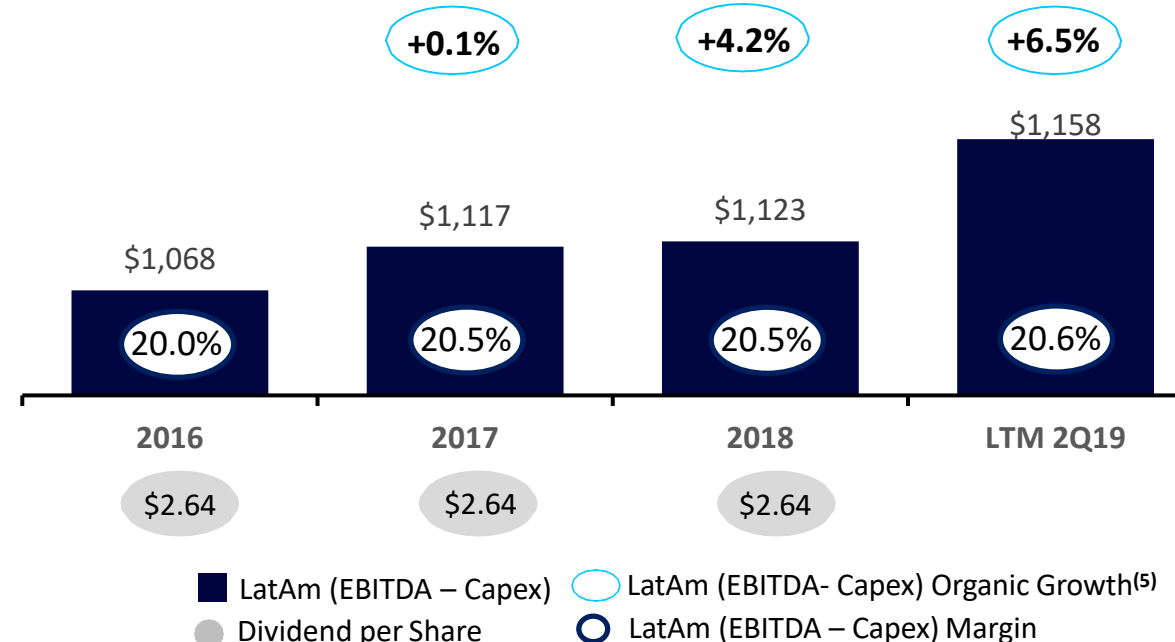
## ...Along with Consistent Capital Expenditures<sup>(3)</sup>...

(US\$mm)

CAGR '16 – LTM 2Q19: **+5.3%**

## ...Have Led to Improved Organic Cash Flow Growth<sup>(4)</sup>

(US\$mm)

CAGR '16 – LTM 2Q19: **+3.3%**

Source: Millicom.

Note: LatAm Service Revenue Organic Growth, LatAm EBITDA, LatAm EBITDA margin, LatAm Capex (Ex. Spectrum, Licenses & Leases), LatAm Capex (Ex. Spectrum, Licenses & Leases) margin, LatAm EBITDA - Capex and LatAm EBITDA - Capex margin are non-IFRS financial measures and are not uniformly or legally defined. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

(1) Calculated as the average of the quarterly organic growth for the last twelve months.

(2) LatAm EBITDA and (EBITDA-Capex) LTM 2Q19 figures have been adjusted to exclude the effect of IFRS 16 which include a US\$80mm increase.

(3) Capex excludes spectrum and finance lease capitalizations from tower sale and leaseback transactions.

(4) Calculated as the average of the quarterly organic growth for the year and last twelve months, respectively.

# 4 Clearly Defined Financial Strategy to Support Growth

Organic growth and cash flow generation have provided strategic optionality for the Company

## ① Organic Growth & Free Cash Flow Generation

- Expansion of **4G/LTE** network to increase data consumption
- Migration of customer base to **postpaid**
- Strength of **HFC cable** network to meet increasing demand
- Accelerating **B2B expansion**



## ② Capital Allocation Discipline



- Divest** underperforming businesses in Africa segment
- Focus on **Latin America**
- Centralized allocation** of capital for countries of operation
- Capex deployment to prepare for **fixed-mobile convergence**

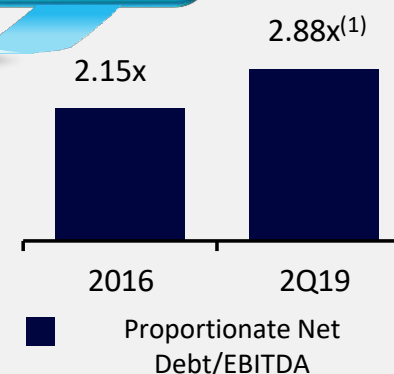


- Focus on **core competencies** only
- Accelerate **transformation** towards fixed mobile convergence
- Participated in **market consolidation opportunities** of strategic and complementary fit
- Accretive** to operational growth



## ④ Strategic Optionality to Accelerate Growth & Reshape Industry Structure

## ③ Committed to a Healthy Balance Sheet



- Committed to **reducing leverage** to regain financial flexibility
- Comfortable **maturity** profile
- Attractive** dividend yield
- Enhanced predictability** by shifting to subscription-based revenues

# 5 Strong Corporate Governance

## Management Team

- Majority of executive team has been **working together since 2015**
- Strong **focus on accelerating growth**, cost control and **margin improvement**
- Continuous delivery of corporate objectives and **implementation of strategy**

## Strong Corporate Governance Standards & Practices

### Independent Board of Directors

7 out of 8 directors are independent of shareholders

### Management not Present in Board of Directors

No executives or officers serve on the Board

### Single Class of Stock

1 share, 1 vote structure, equating economic power to voting power for shareholders

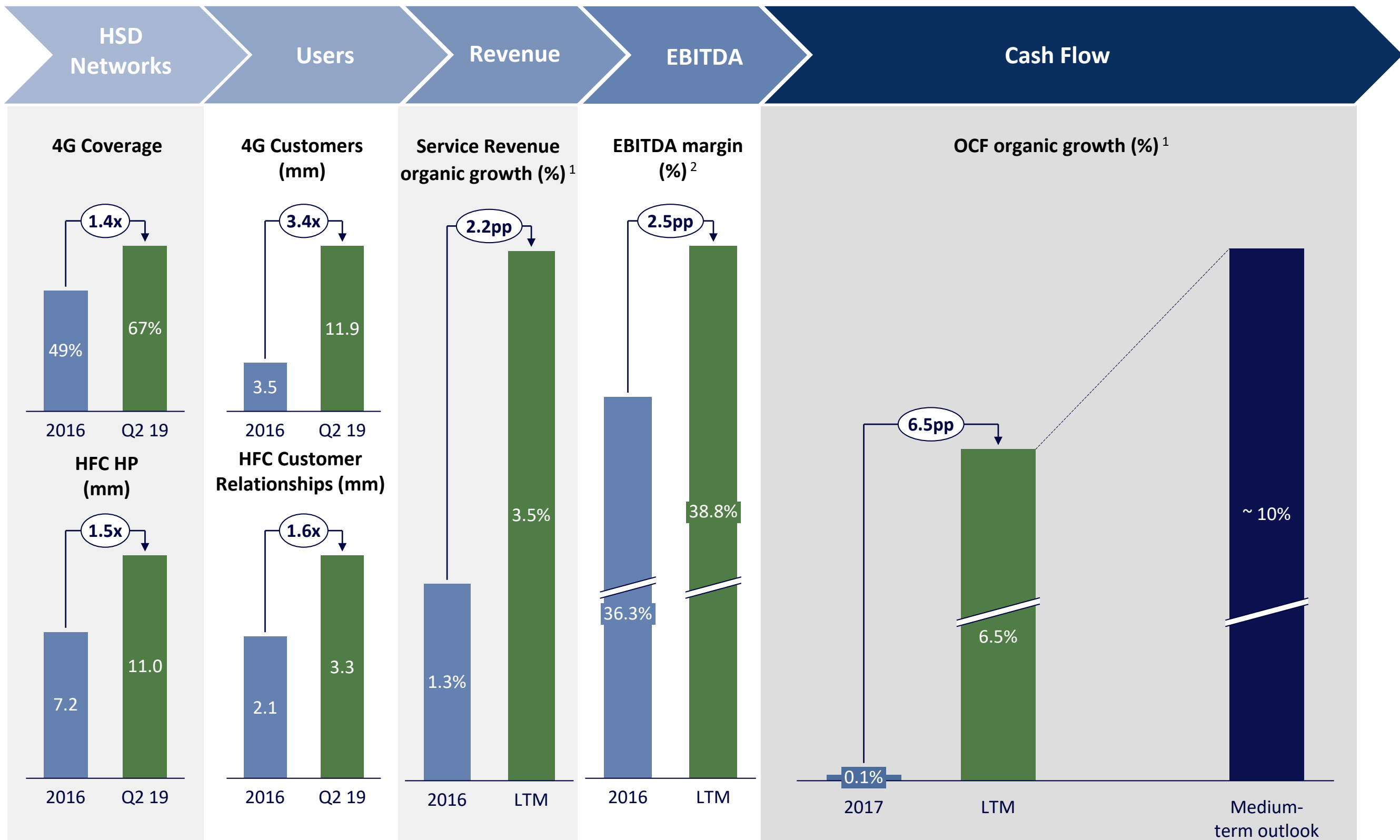
### Alignment of Management Compensation

Stock-based compensation aligned with Company objectives





# Investment Highlights – Latam in summary



(1) Non IFRS. Growth rates calculated as an average of the quarterly organic growth for the year and last twelve months, respectively.

(2) Non IFRS. LTM Q2 19 EBITDA margin calculated excluding the impact of IFRS 16 in Q1 19 and Q2 19.

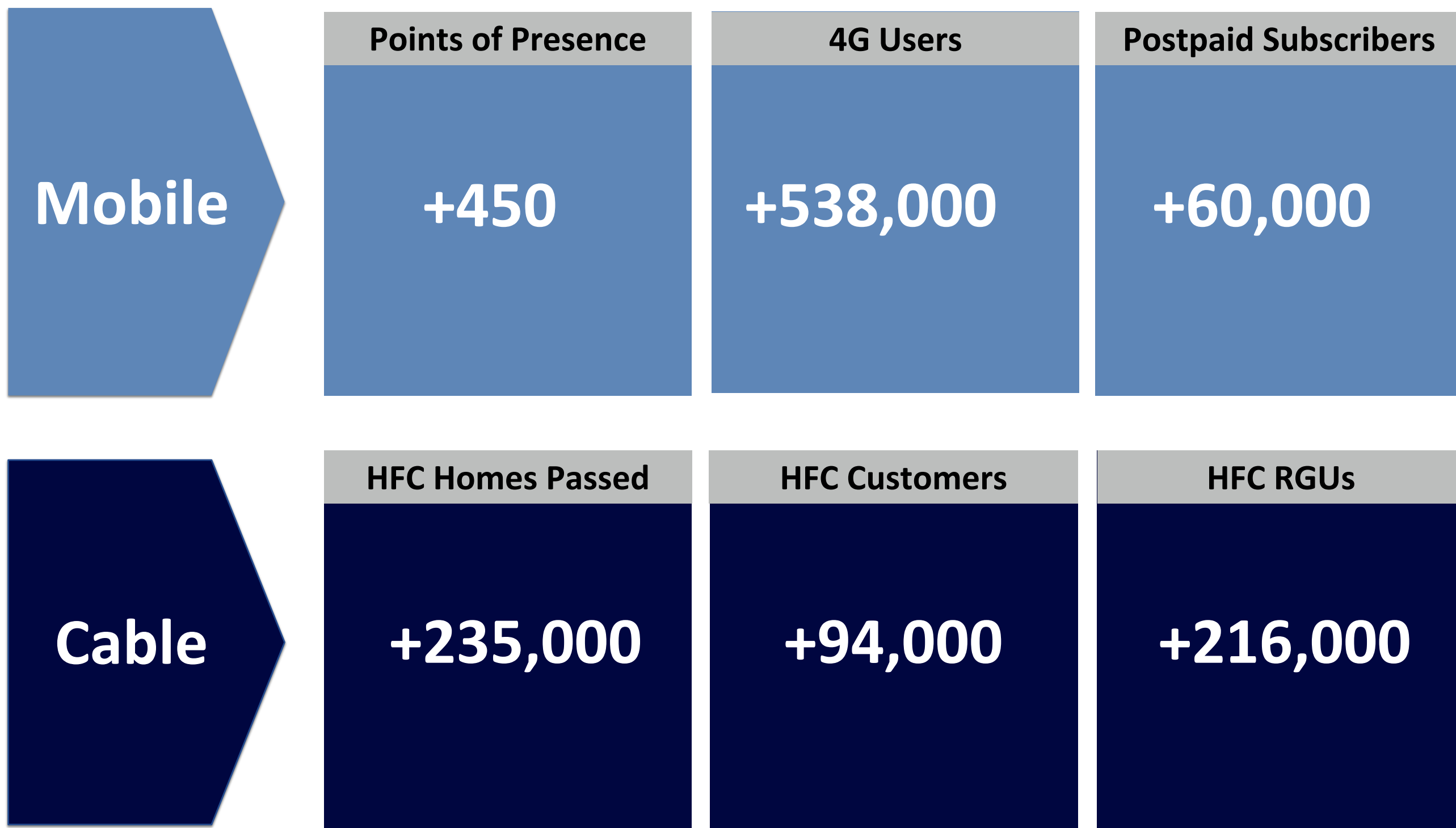




### 3. Q2 Highlights and Outlook

# Strong net additions in Q2 2019

## *Latam KPIs\**

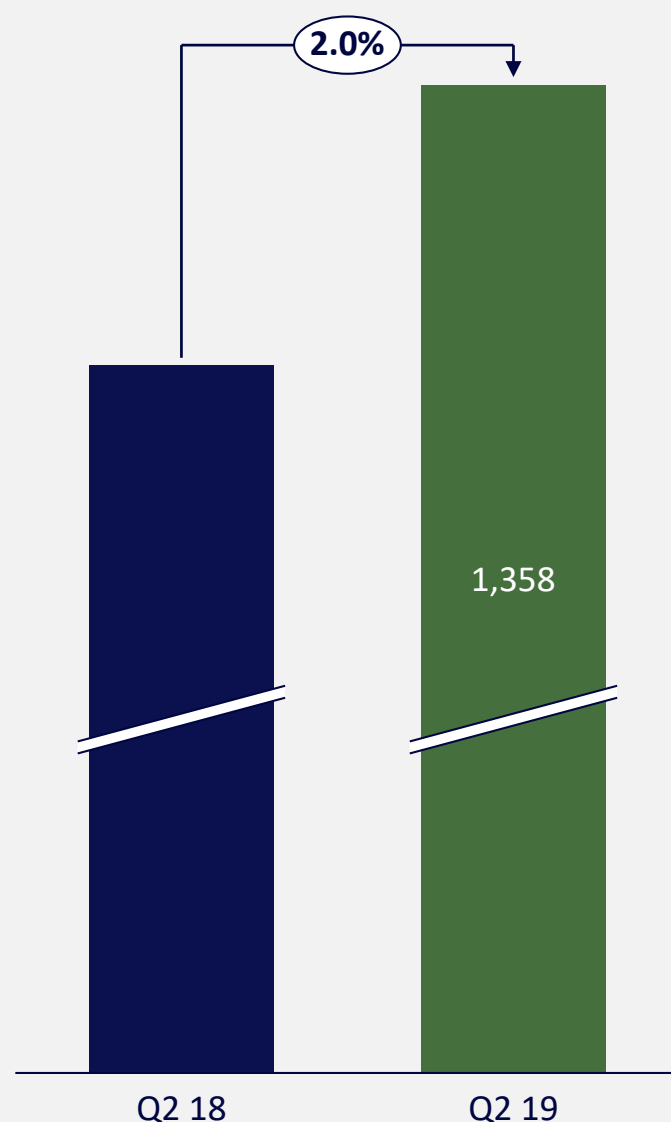


\* Adjusted to exclude one-time increases from acquisitions.

# Latam segment key financial metrics – Q2 2019

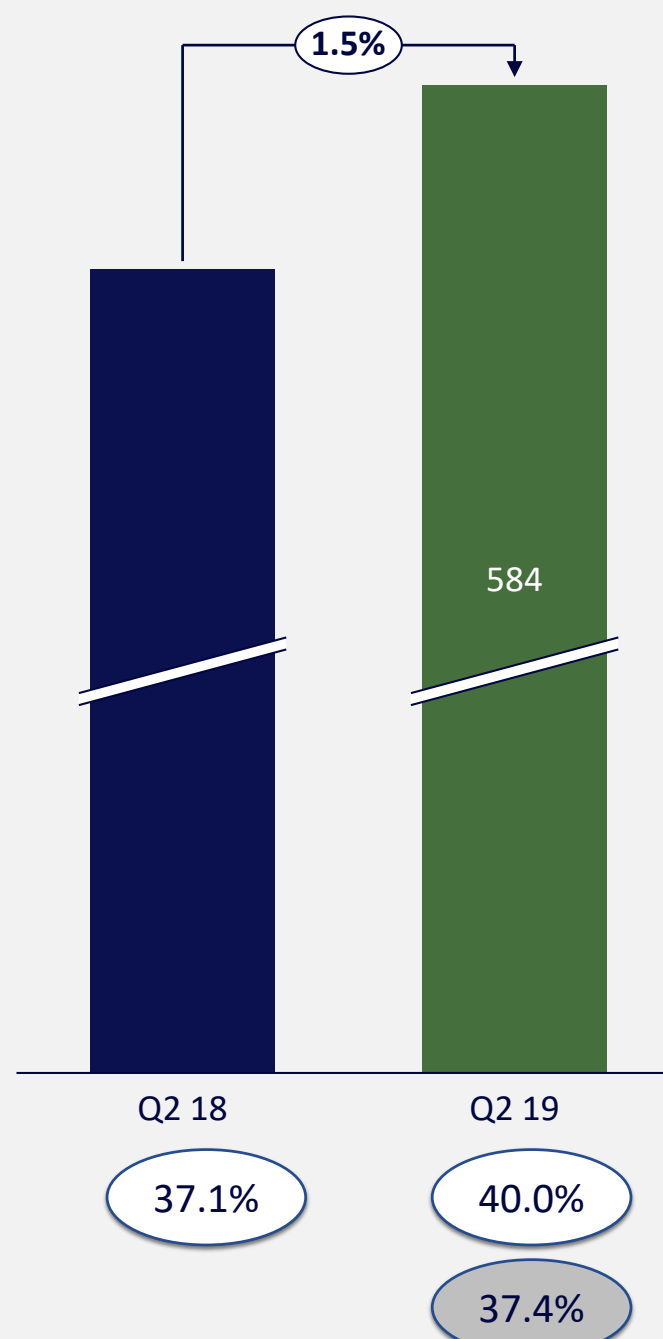
## Service Revenue<sup>a</sup>

\$m and % organic growth, Q2 18 – Q2 19



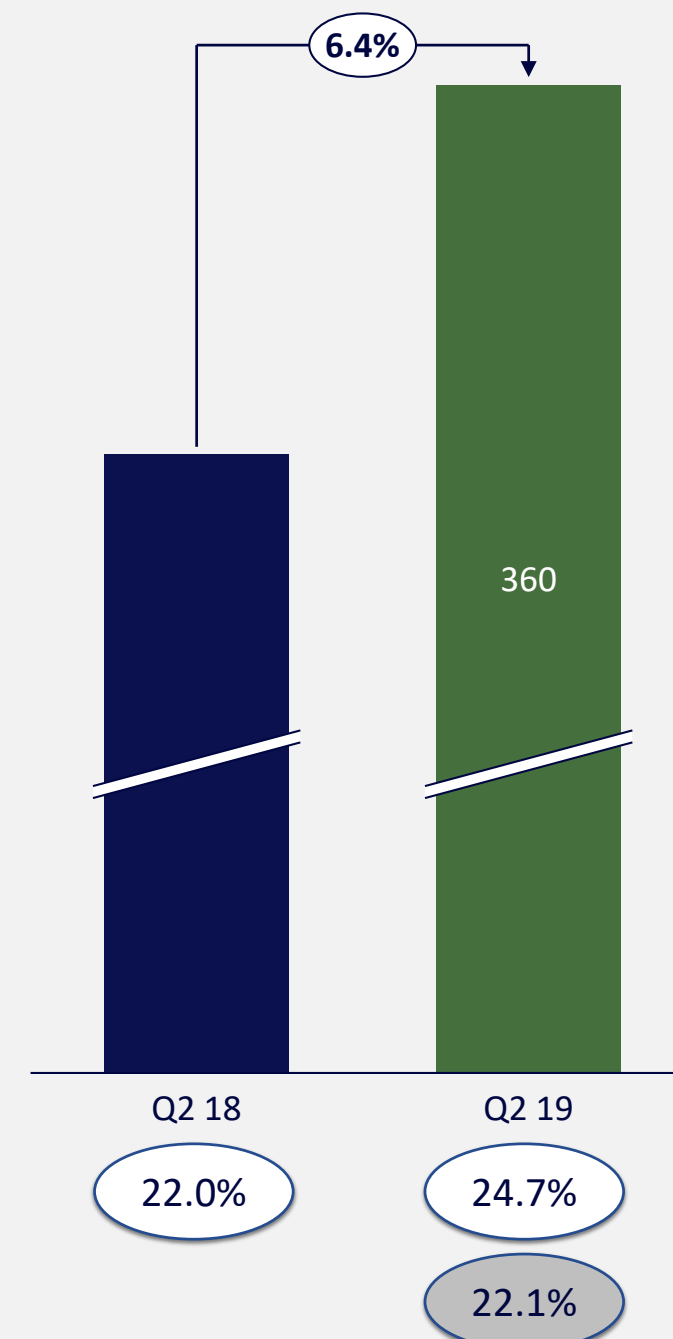
## EBITDA<sup>a</sup> and Margins

\$m and % organic growth, Q2 18 – Q2 19



## Q2 OCF and Margins<sup>b</sup>

\$m and % organic growth, Q2 17 – Q2 18



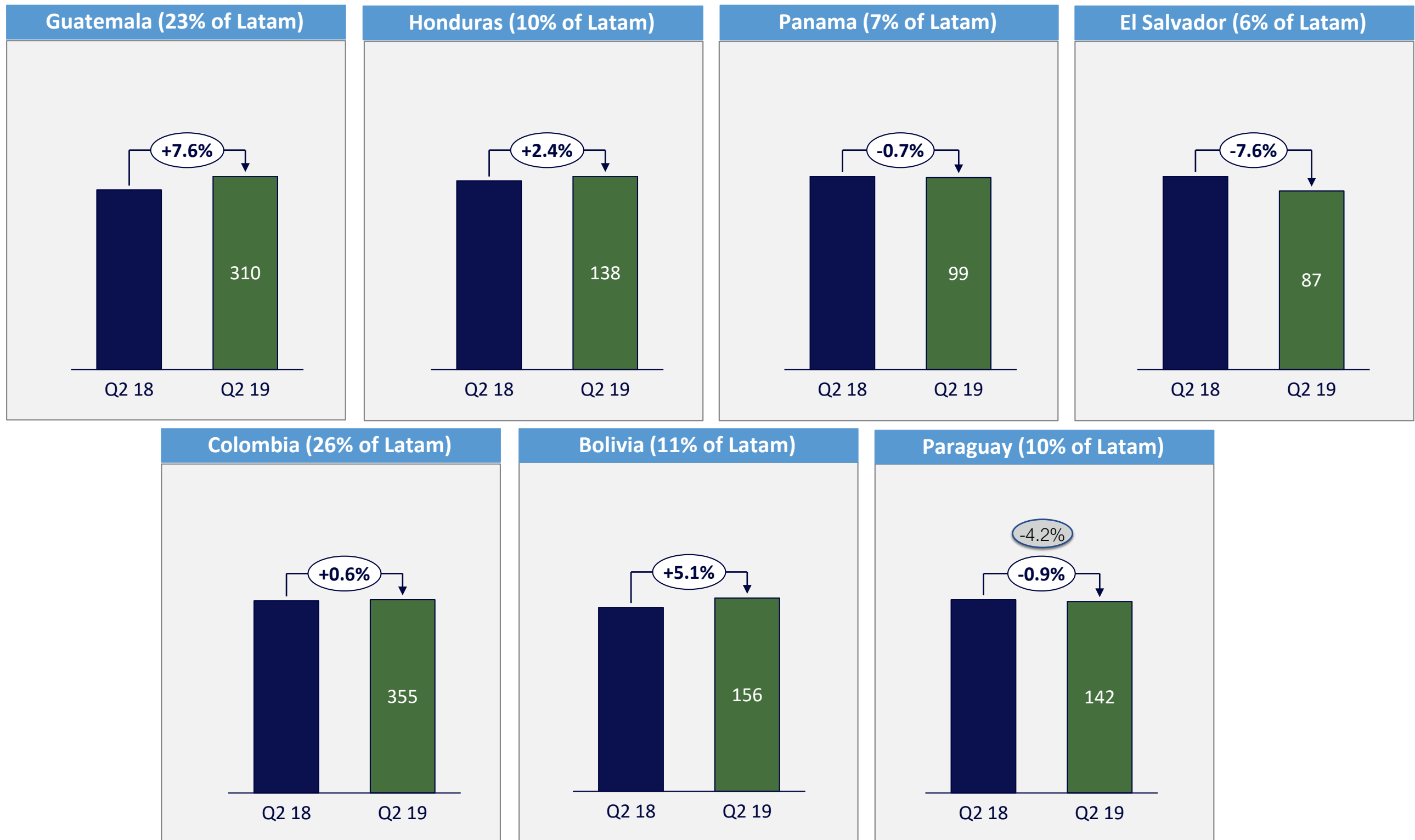
Margin excluding impact of IFRS 16

a) Q2 18 numbers are adjusted to Q2 19 FX rates. Service revenue, EBITDA, OCF and organic growth are non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

b) Excluding spectrum & license costs

# Latam service revenue by country

Service revenue (\$m), and YoY organic growth\*,  
Q2 18 – Q2 19

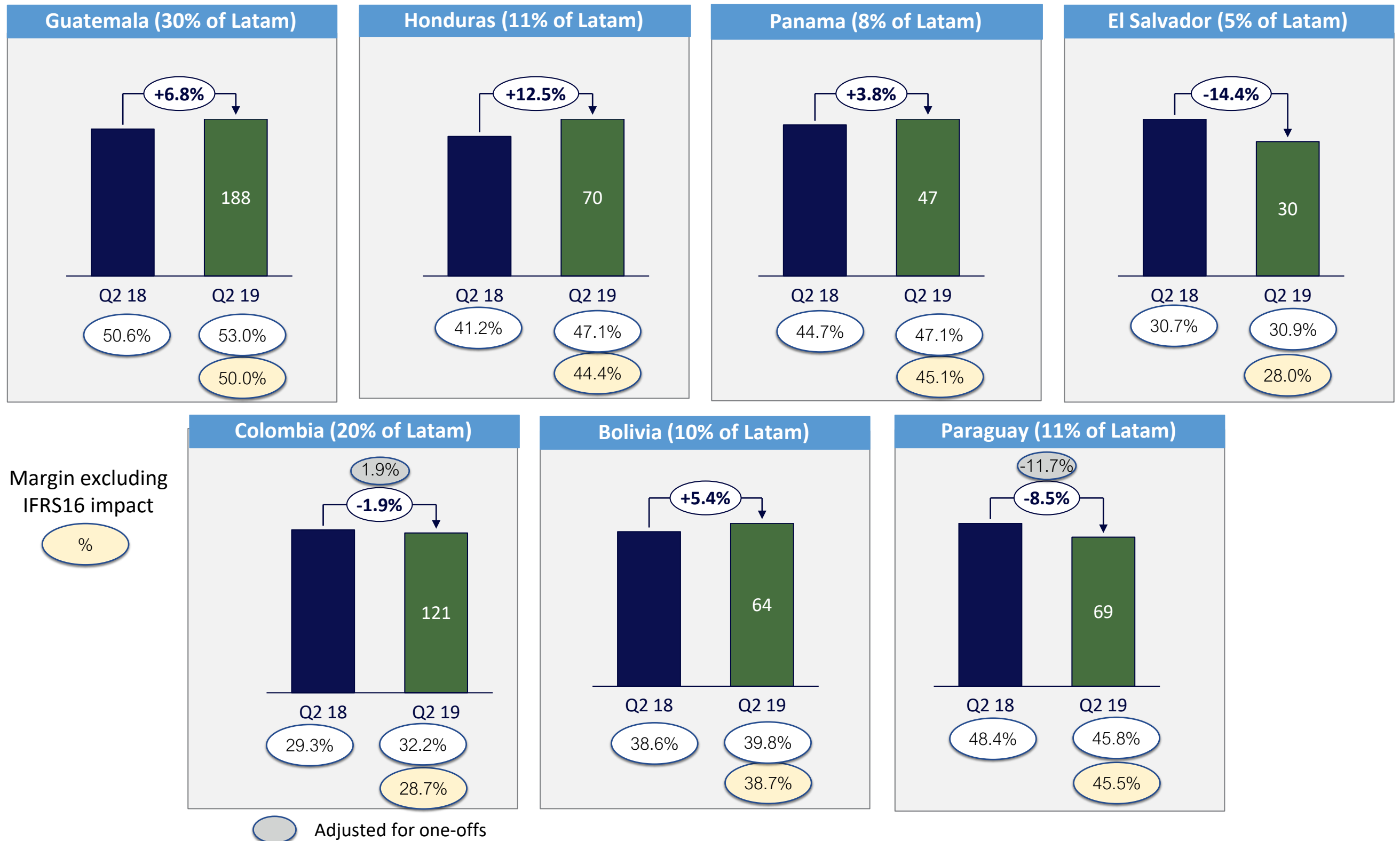


Adjusted for one-offs

\*Service revenue and organic growth are non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

# Latam EBITDA by country

EBITDA(\$m), and YoY organic growth\*,  
Q2 18 – Q2 19

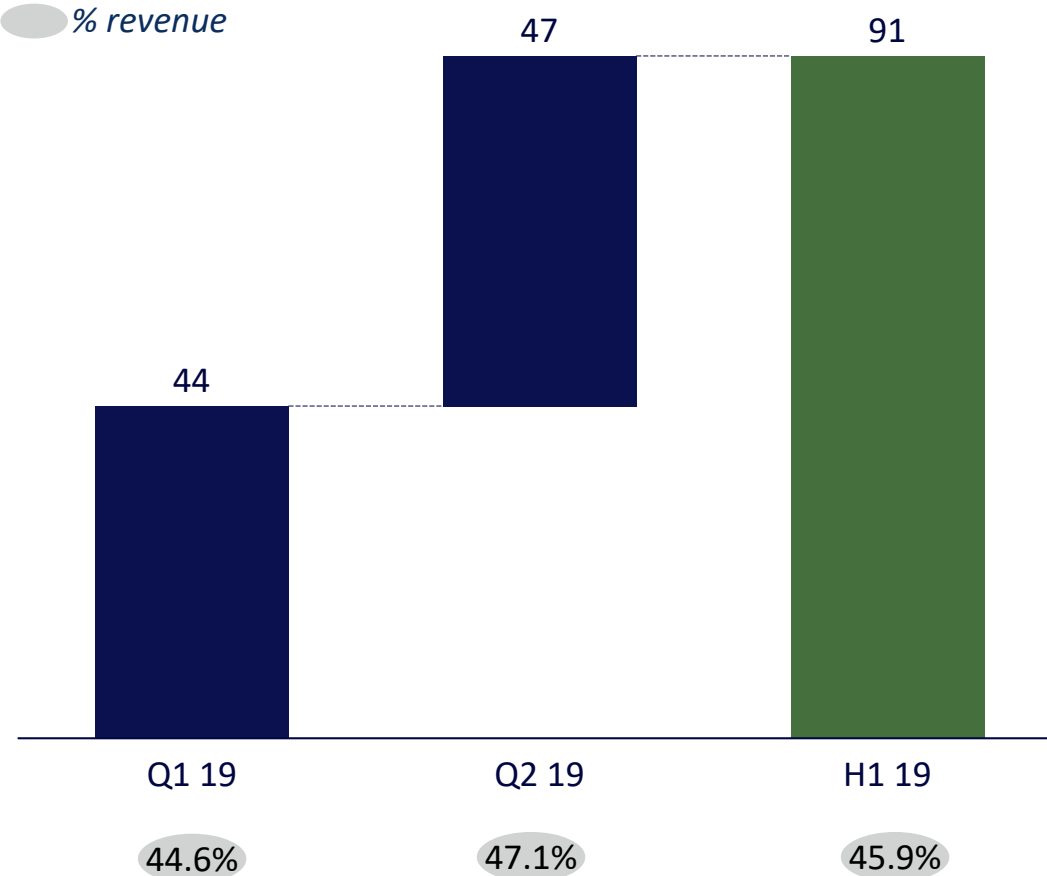


# Cable Onda is tracking ahead of expectations...



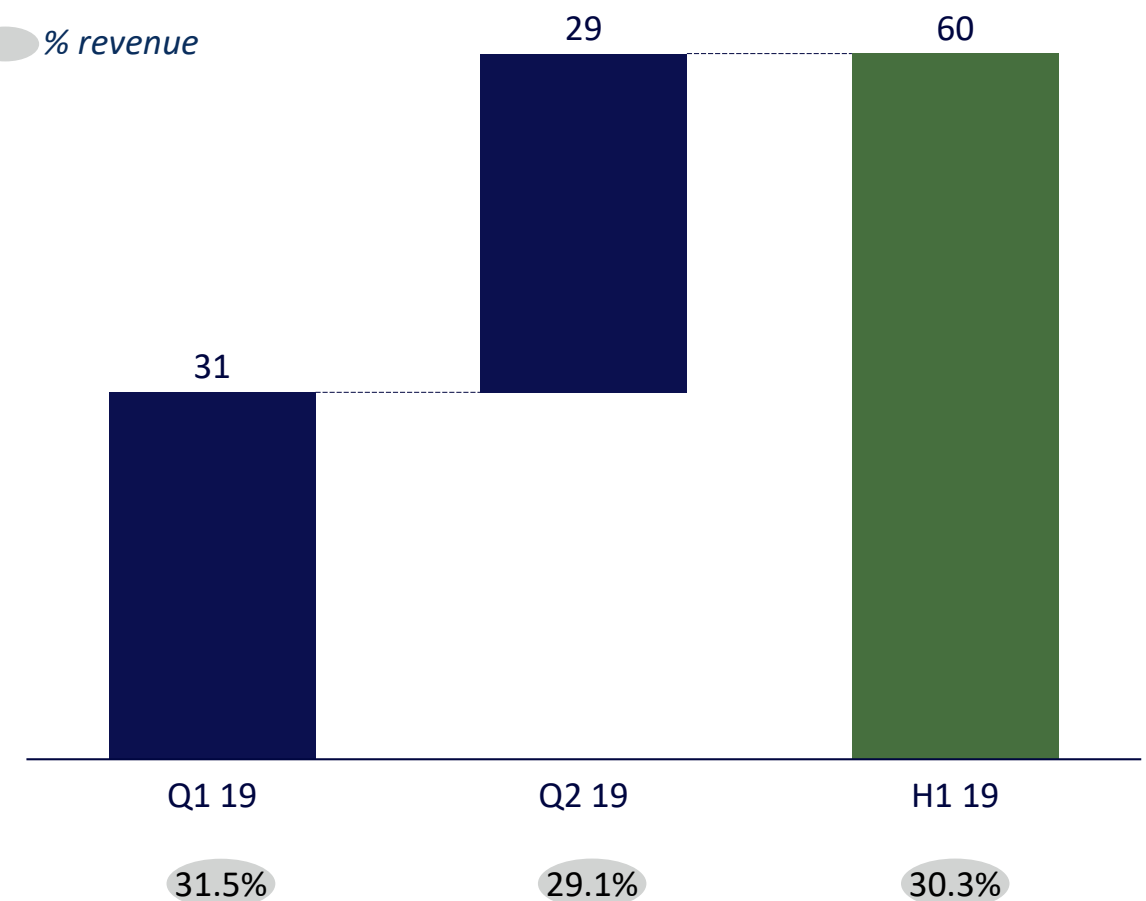
## EBITDA<sup>a</sup>

\$ million  
● % revenue



## EBITDA-Capex (OCF)<sup>a</sup>

\$ million  
● % revenue



Strong EBITDA and synergies driving ~10% upside to OCF<sup>b</sup>

a) EBITDA and OCF are non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

b) On a like-for-like basis

# We confirm our 2019 outlook

Latam segment	Year-to-date	Outlook 2019	Medium-term
<i>Service revenue*</i> <i>*Organic growth</i>	2.8%	3-5%	Mid-single-digit
<i>EBITDA*</i> <i>*Organic growth</i>	3.0%	4-6%	Mid-to-high single-digit
<i>OCF (EBITDA less capex)*</i> <i>*Organic growth</i>	6.9%	Mid-to-high single-digit	Around 10%
Capex	\$392 million	Slightly above \$1.0 billion	

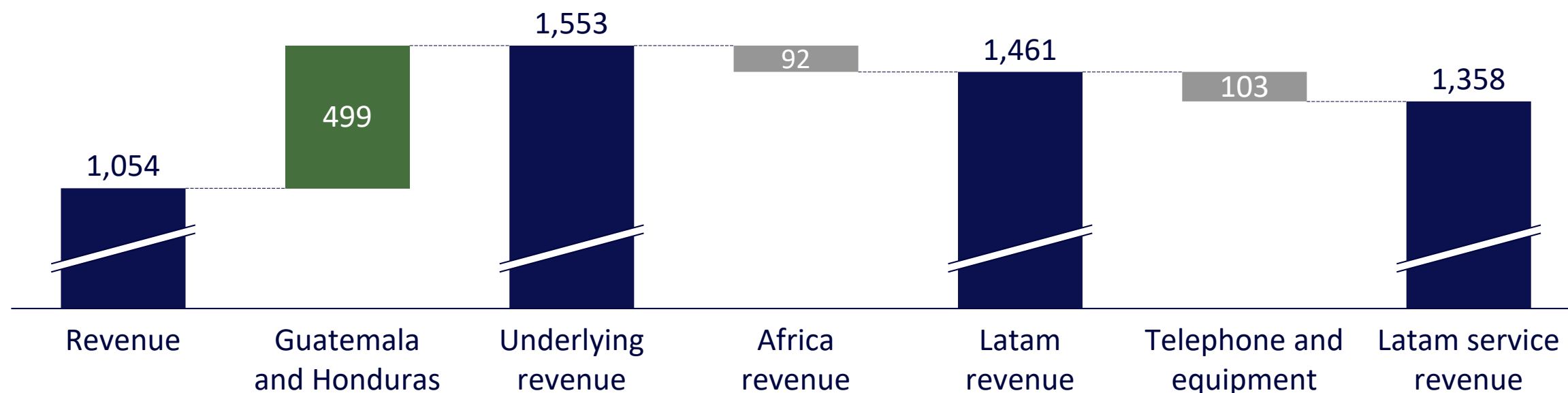


## 4. Appendix

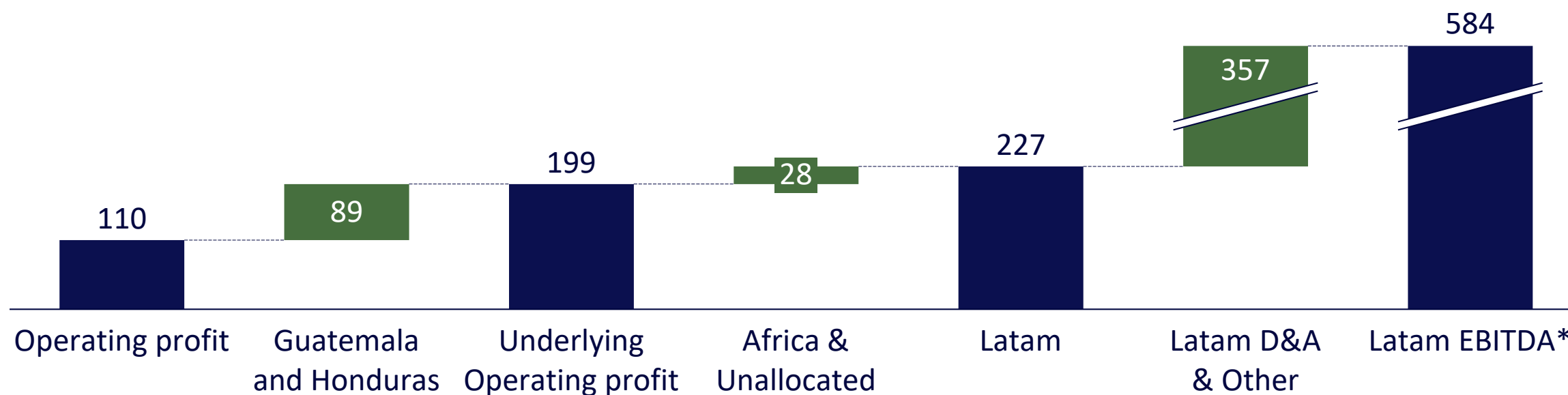


# Latam segment reconciliations

Group revenue to Latam service revenue bridge,  
Q2 19



Group operating profit to Latam EBITDA\* bridge,  
Q2 19

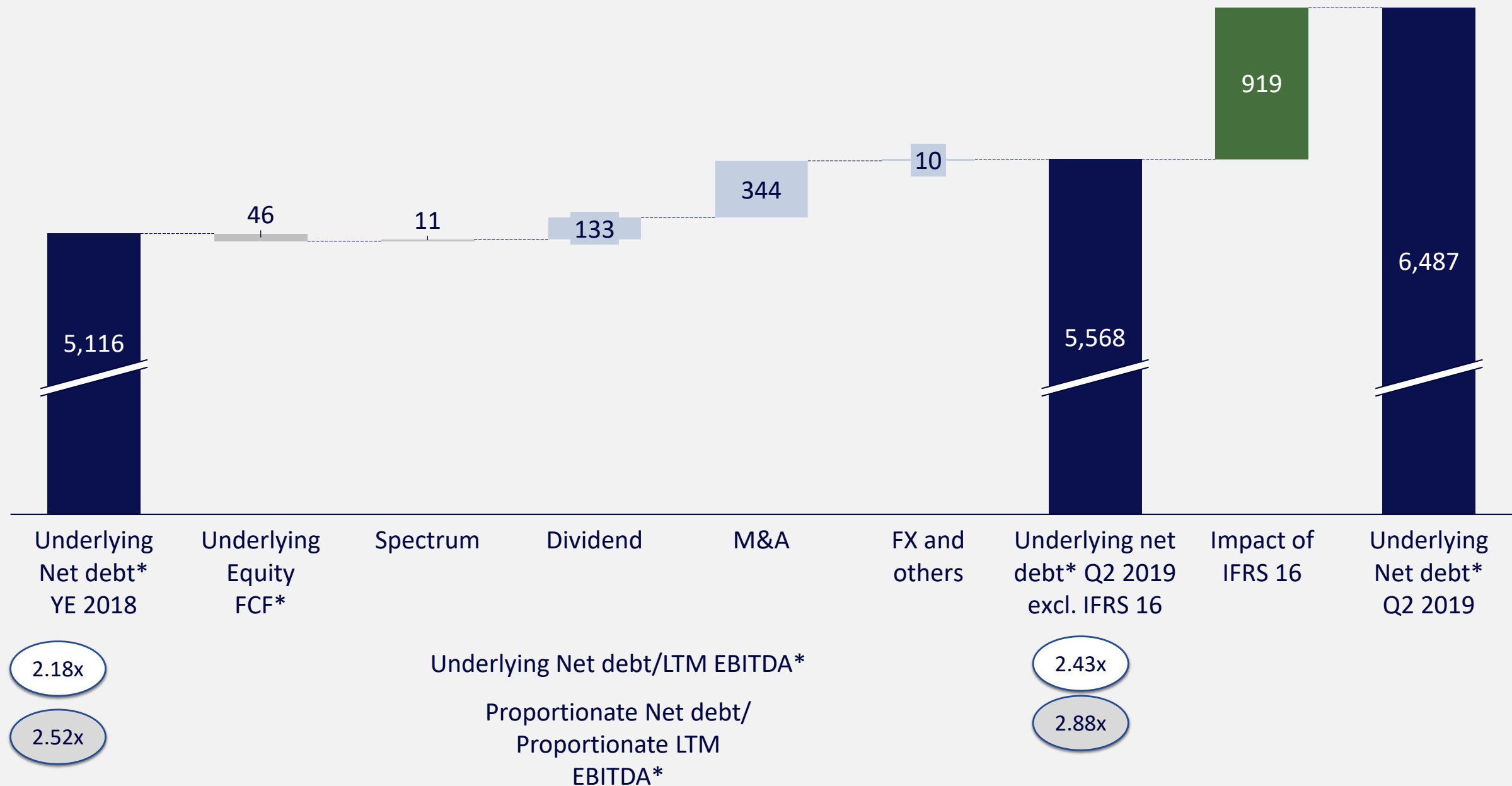


\*EBITDA is a non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at <https://www.millicom.com/investors/reporting-centre/>.

# Net Debt evolution

## Underlying Net debt evolution

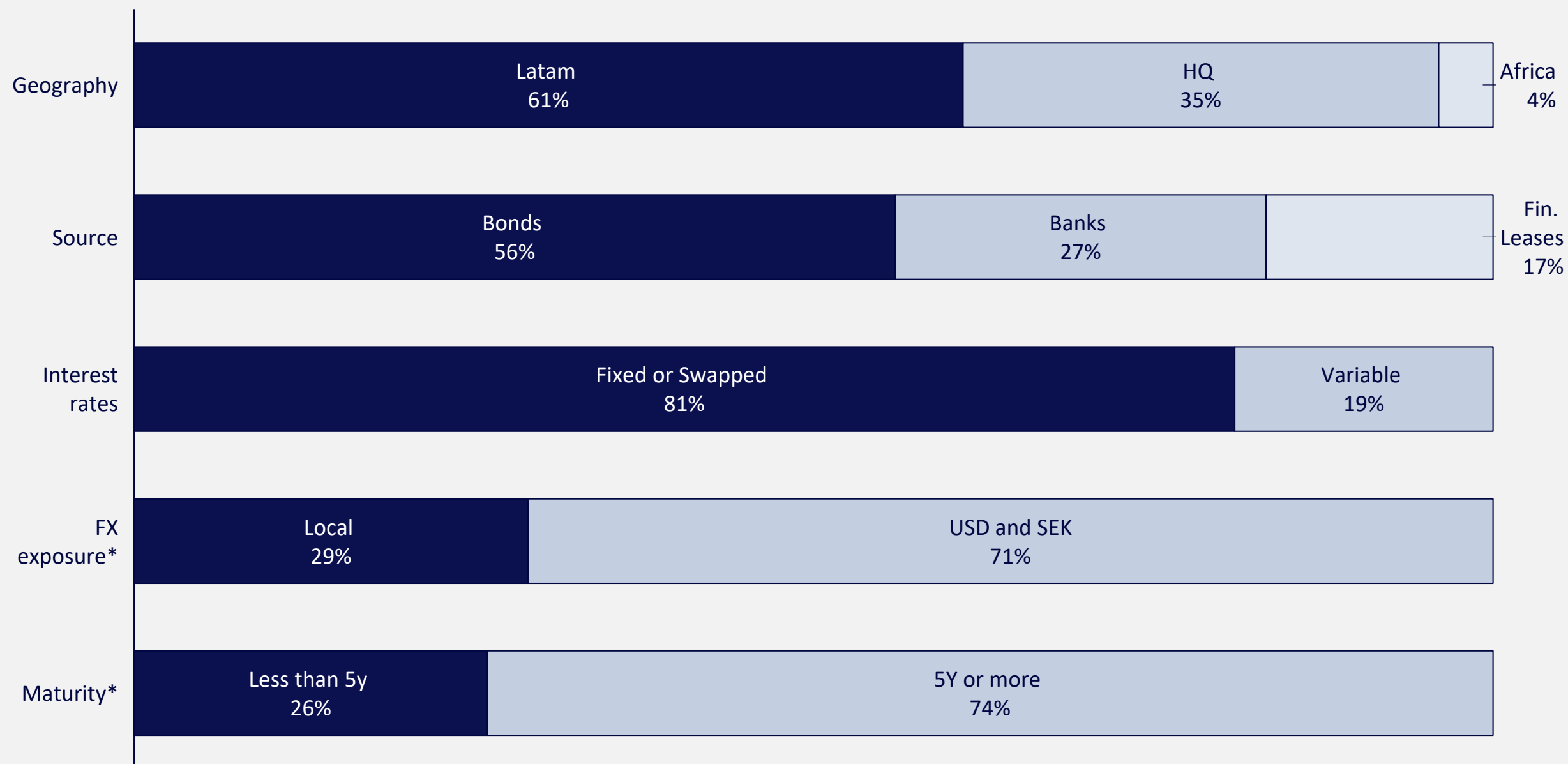
\$ million, December 31, 2018 – June 30, 2019



Non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

## Debt profile

30 June 2019

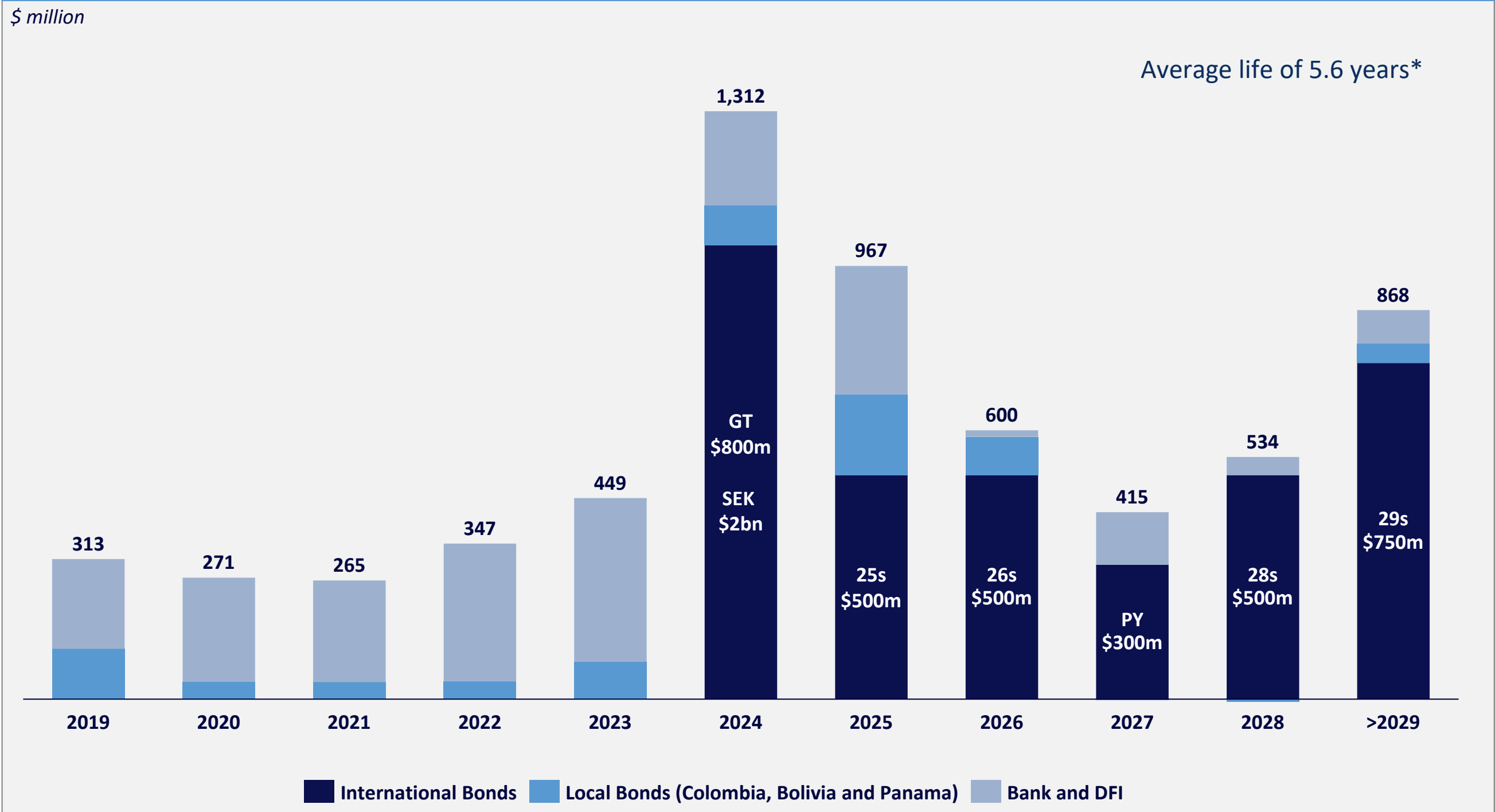


\* Excluding Finance Leases

# Debt profile

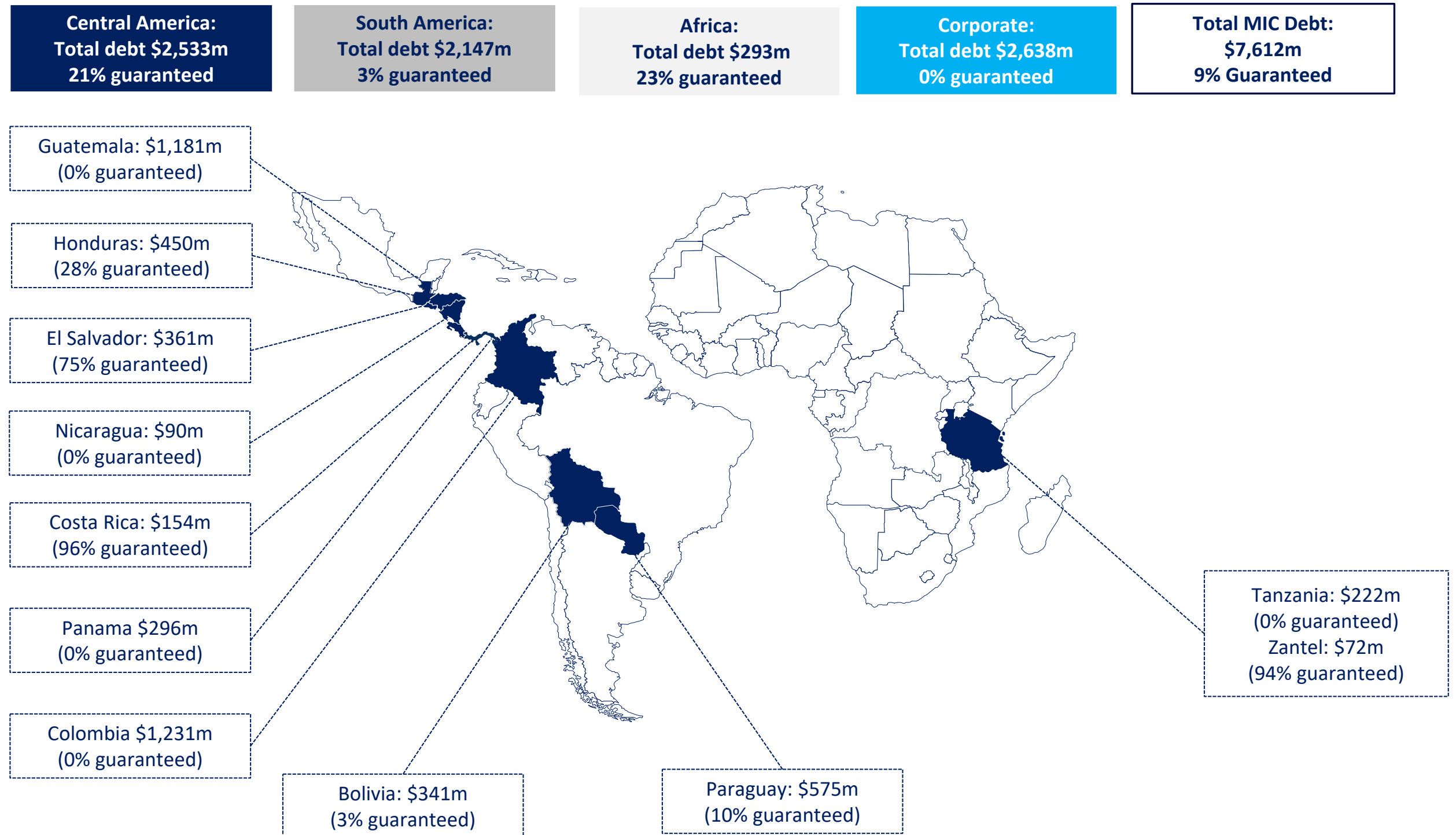
## Well spread debt profile

### Debt maturity profile



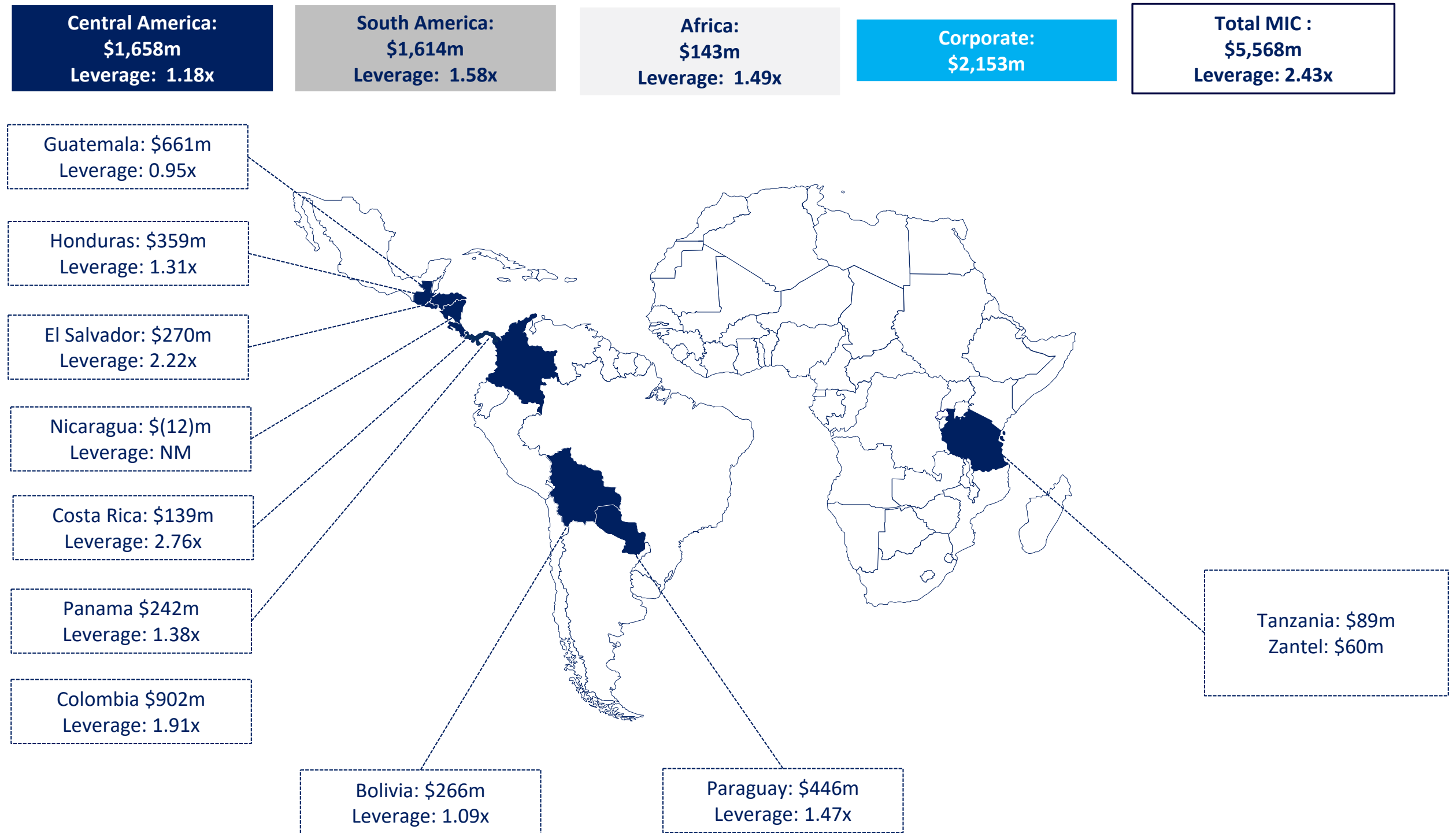
\*Excluding finance leases

# Gross debt\* by country



\*Including finance leases

# Net debt\* by country



\*Excluding IFRS 16 finance leases. Net debt is a non-IFRS measures. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.

A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available in our second quarter 2019 earnings release on page 23 available at <https://www.millicom.com/trading-results/q2-2019-trading-results/>.

