

# Investor Presentation

Citi Communications Services Conference  
March 2020

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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. 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](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.

**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 corporate costs that are not allocated to any country and inter-company eliminations.

**Organic growth** represents year-on-year growth excluding the impact of changes in FX rates, perimeter, and accounting. Changes in perimeter are the result of acquisitions and divestitures. Results from divested assets are immediately removed from both periods, whereas the results from acquired assets are included in both periods at the beginning (January 1) of the first full calendar year of ownership.

**Net debt** is Gross debt less cash and pledged and term deposits.

**Net financial obligations** is Net debt, plus lease obligations.

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

**Leverage** is the ratio of net financial obligations over LTM (last twelve month) EBITDA, proforma for acquisitions made during the last twelve months.

**Proportionate leverage** is the ratio of proportionate net financial obligations over LTM proportionate EBITDA, proforma for acquisitions made during the last twelve months.

**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 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.

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

**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.

**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), less assets and liabilities held for sale.

**Underlying measures**, such as Underlying service revenue, Underlying EBITDA, Underlying equity free cash flow, Underlying net debt, Underlying leverage, etc, include Guatemala and Honduras, as if fully consolidated.

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



## 1. COVID-19 Update

# COVID-19 Update

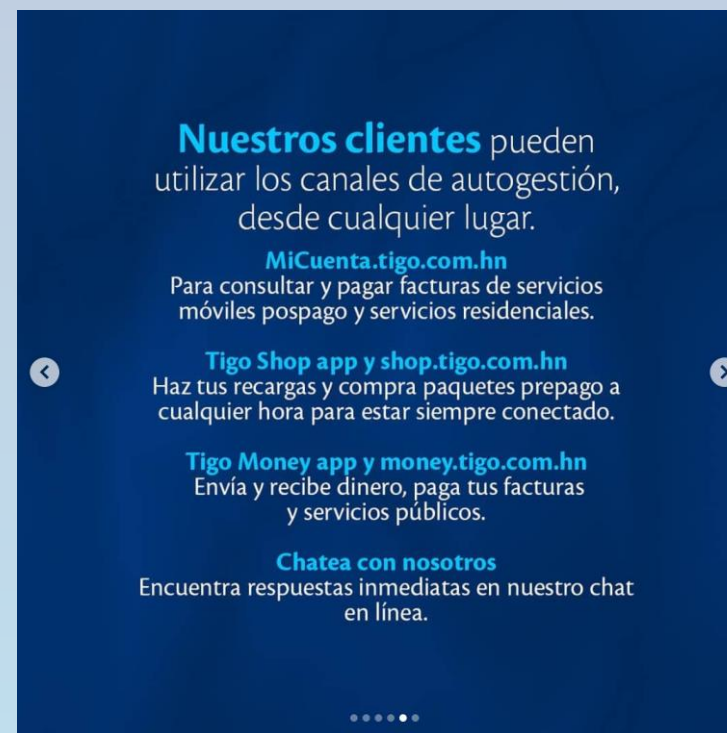
Governments in our markets are being proactive with different measures and restrictions:

Country	COVID-19 Confirmed Cases*	COVID-19 Confirmed Deaths*	Travel / Entry Restrictions	Schools / Public Institutions Restrictions	Public Gathering Restrictions
Bolivia	11	0	✓	✓	✓
Colombia	54	0	✓		
Costa Rica	35	0	✓	✓	✓
El Salvador	0	0	✓	✓	✓
Guatemala	6	1	✓	✓	✓
Honduras	6	0	✓	✓	✓
Nicaragua	0	0			
Panama	55	1	✓	✓	✓
Paraguay	1	0	✓	✓	✓



# Business Continuity Update

- No impact on operational and financial results through mid March
- No disruption to supply chain yet, but taking steps to secure supplies
- Network traffic has increased by as much as 40% in some markets in the past week – networks coping well
- Shops are showing 30-50% decline in foot traffic
- No impact on prepaid top ups yet, but new sales are slowing
- We are taking actions to maintain business continuity
  - Providing clean work environments and complying with local health ministry guidelines
  - Encouraging use of Tigo Money and digital channels



# Business Preparedness

Business Continuity	Demand	Supply	Operations	Network and IT
Activate <b>business continuity</b> and <b>crisis management task force</b>	Encourage use of <b>Tigo Money</b> and <b>digital channels</b>	<b>Continuously</b> update <b>inventory planning</b> prioritizing <b>critical components</b> and <b>SLAs</b>	<b>Define COVID-19 action plan</b> by vertical and activity	<b>Continuously monitor</b> <b>mobile and fixed traffic trends</b>
Constantly <b>monitor the evolution of COVID-19</b> and <b>reassess action plans</b>	<b>Engagement with governments</b> on response	<b>Protect supplier/partner stability</b>	<b>Protect activities and resources</b> through <b>alternated scheduling, restricting access</b>	<b>Forecast future traffic increases</b> and <b>anticipate network capacity needs</b>
<b>Communicate frequently</b> and <b>protect people</b>	<b>Address short-term customer needs</b> (data upgrade, home office packages)	<b>Anticipate POs</b> and <b>keep inventory replenished</b> to <b>mitigate shortages</b>	Activate <b>constant channels of communication</b> to monitor situation	<b>Reinforce the monitoring of remote connections</b> and <b>activities</b>
<b>Adopt smart working</b> wherever possible and <b>reduce people2people exposures</b>	<b>Support customers</b> by <b>closely monitoring payments and collections</b>		<b>Anticipate preventative maintenance</b> whenever needed / possible	
<b>Refocus investment</b> to <b>business-critical areas</b>			<b>Reduce the number of changes</b> to avoid service disruption	



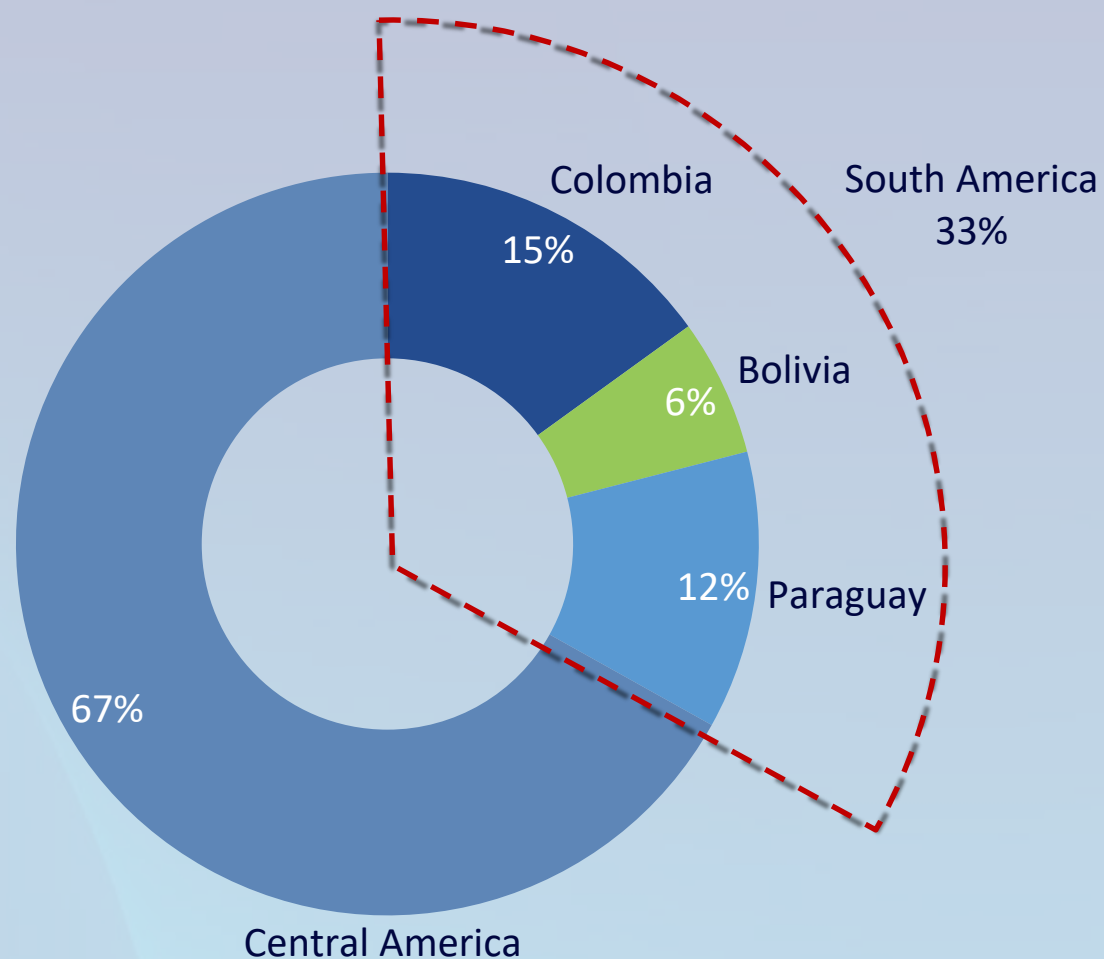
## 2. Liquidity and leverage overview



# We have a diversified portfolio...

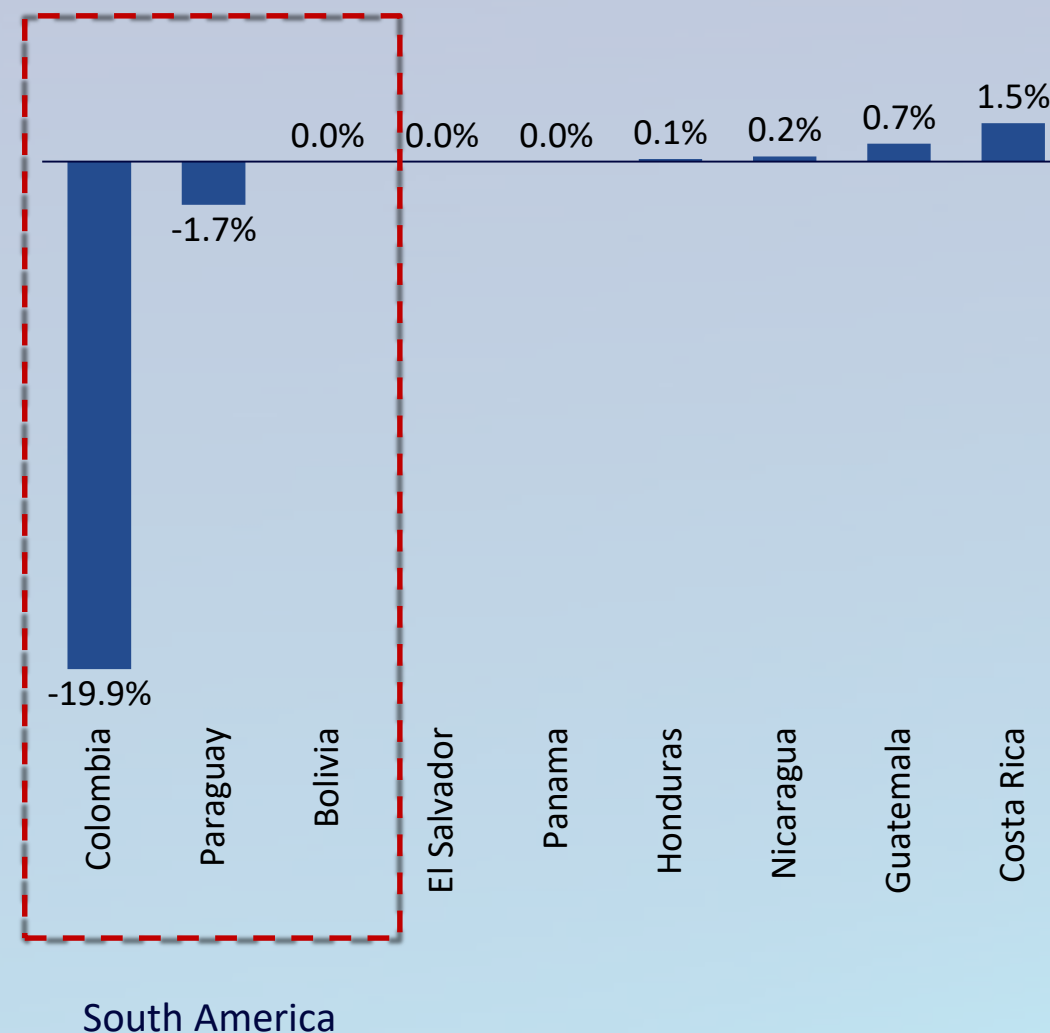
## Latam OCF

OCF distribution (%) and OCF (\$m)\*\*  
2019



## Currency variations YTD\*

While Colombia has depreciated sharply, other currencies have been stable YTD

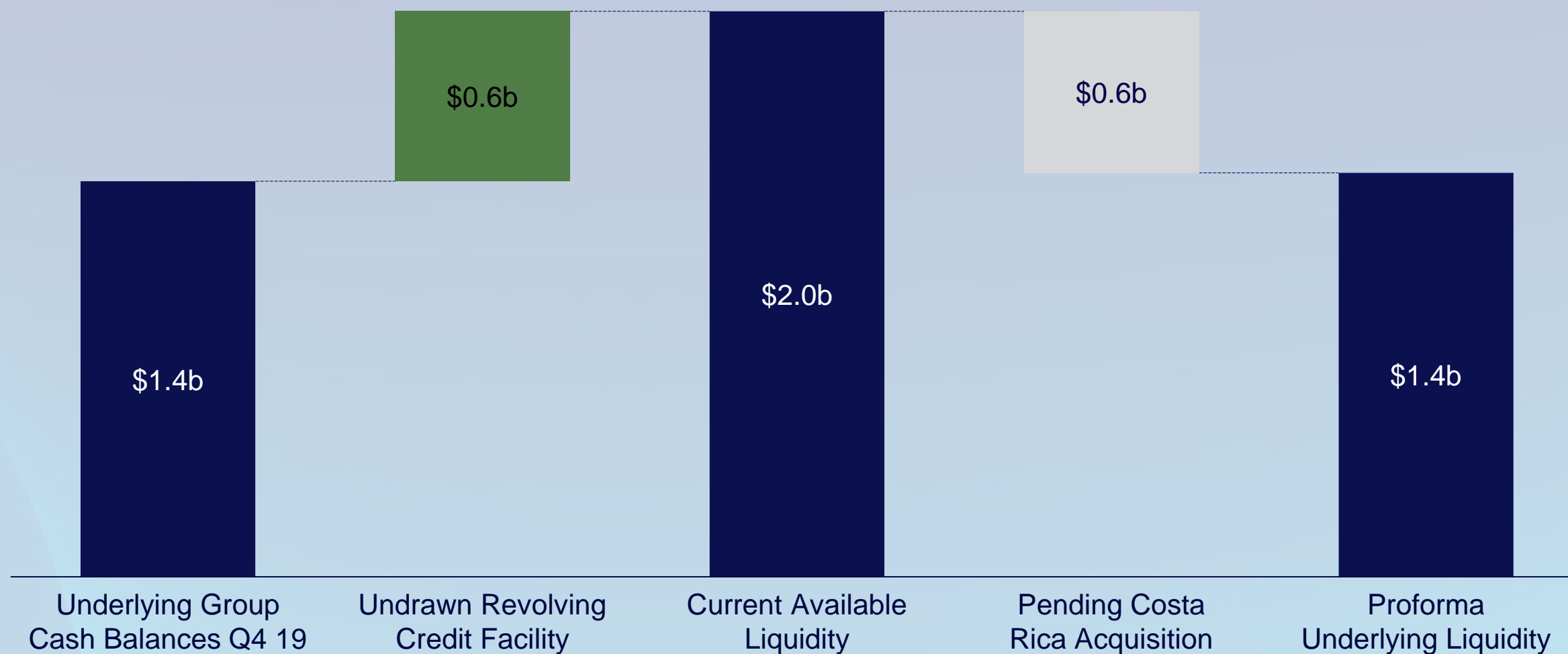


\*Source: Bloomberg as of March 16, 2020.

\*\*Non-IFRS measure. 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 [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).

# ... substantial liquidity...

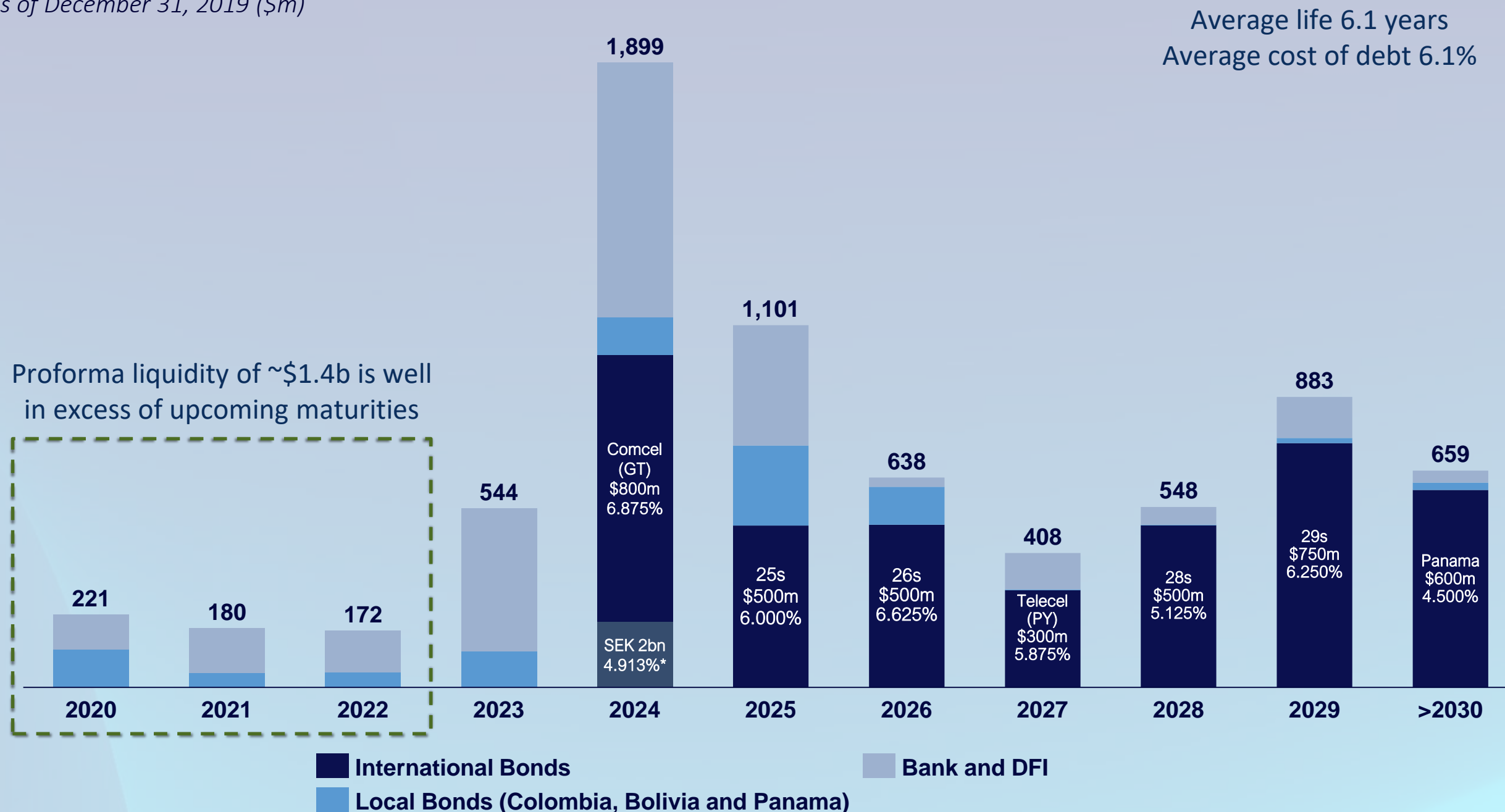
Currently have access to ~\$2 billion in liquidity



# ... A long debt maturity profile

## Well spread maturities\*\*

As of December 31, 2019 (\$m)

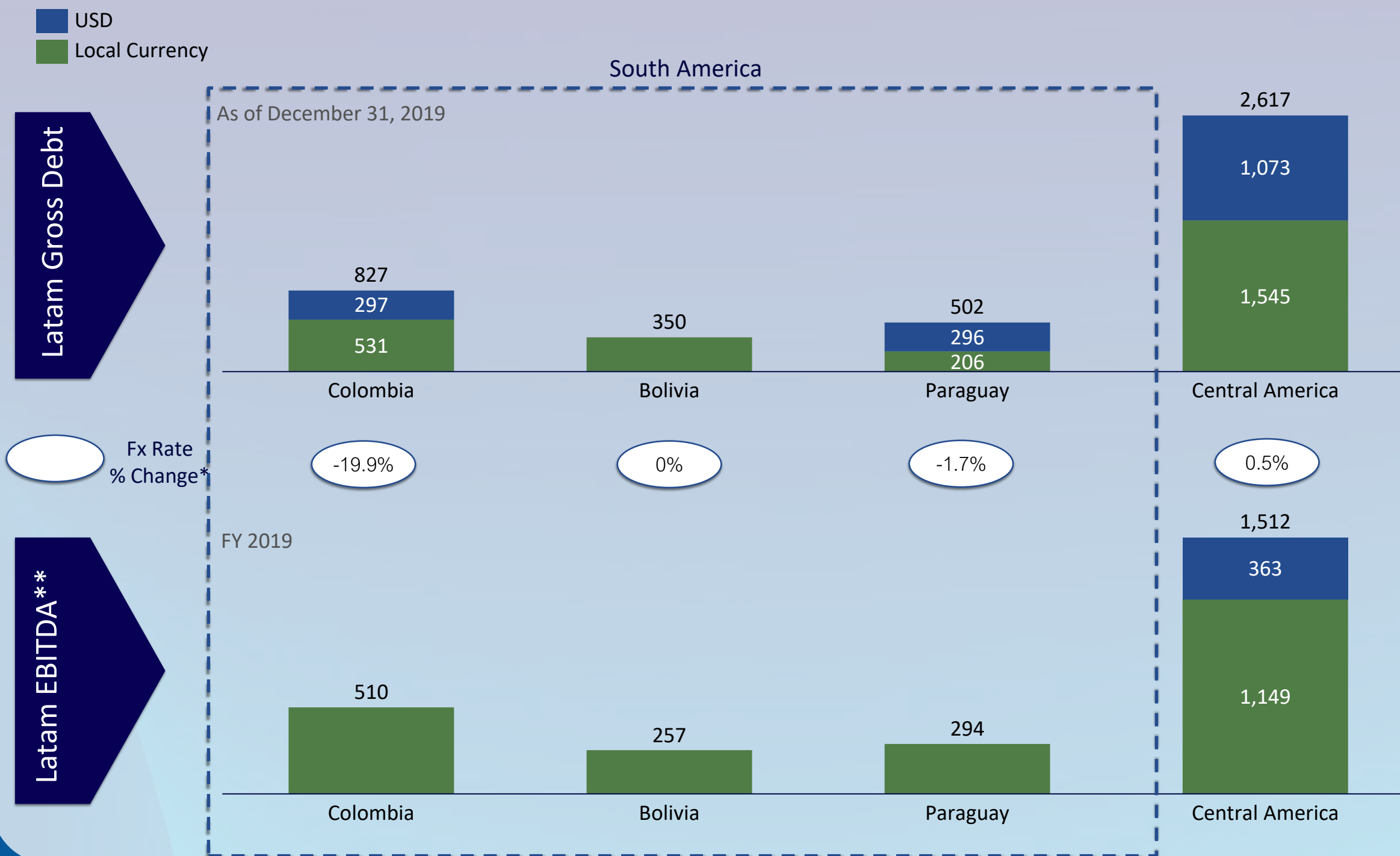


\*Fully swapped rate.

\*\*Does not reflect year-to-date refinancing activity including \$250m retap of the Telecel bonds in Paraguay as well as the refinancing of \$44 million of 2020 debt in Colombia from 2020 to 2030.

# ... and local currency debt in South America

Higher Fx volatility in South America but more local currency debt



\*Source: Bloomberg . % change from March 16 2020 vs. December 31, 2019.

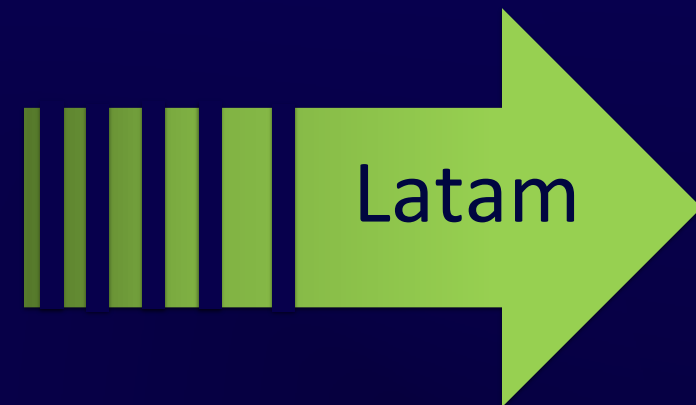
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## 3. 2019 Overview

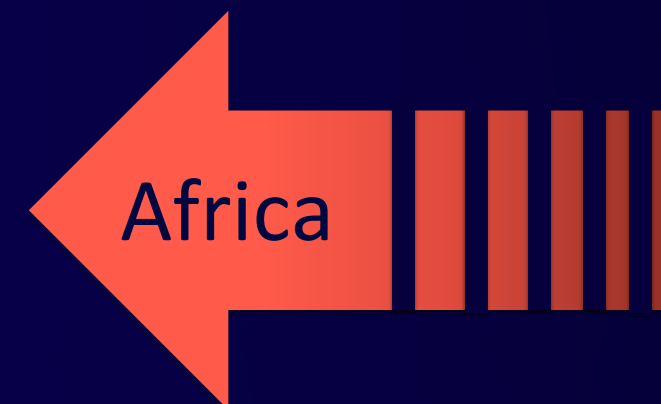
# Strategic development

## >\$3bn portfolio repositioning



- 1 Acquired Cable Onda
- 2 Acquired Telefonica Panama, Nicaragua and Costa Rica\*

- 1 Attained #1 position in CAM
- 2 Added Panama with #1 position
- 3 Fixed and mobile in ALL markets
- 4 #1 or #2 position in ALL markets



- 1 Sold Chad
- 2 IPO'd Jumia
- 3 IPO'd Helios Towers
- 4 Merged Zantel and Tigo in Tanzania

- 1 Millicom now >95% Latam
- 2 Enhanced readiness for continued monetization of African assets



# Enhanced liquidity and governance

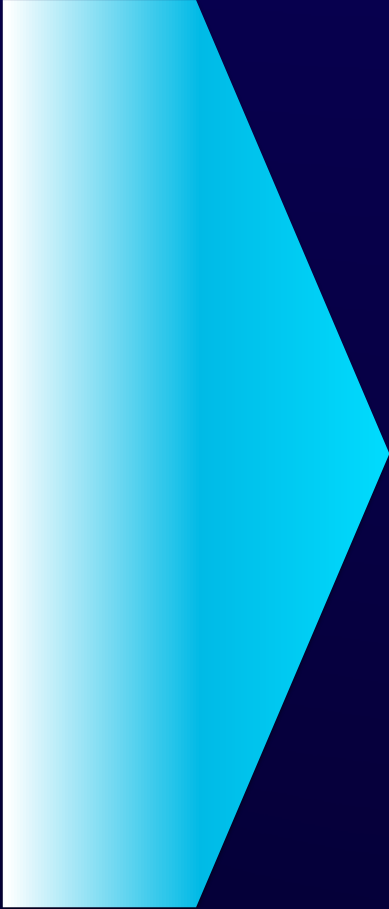
## US Nasdaq Listing



## Kinnevik Distribution

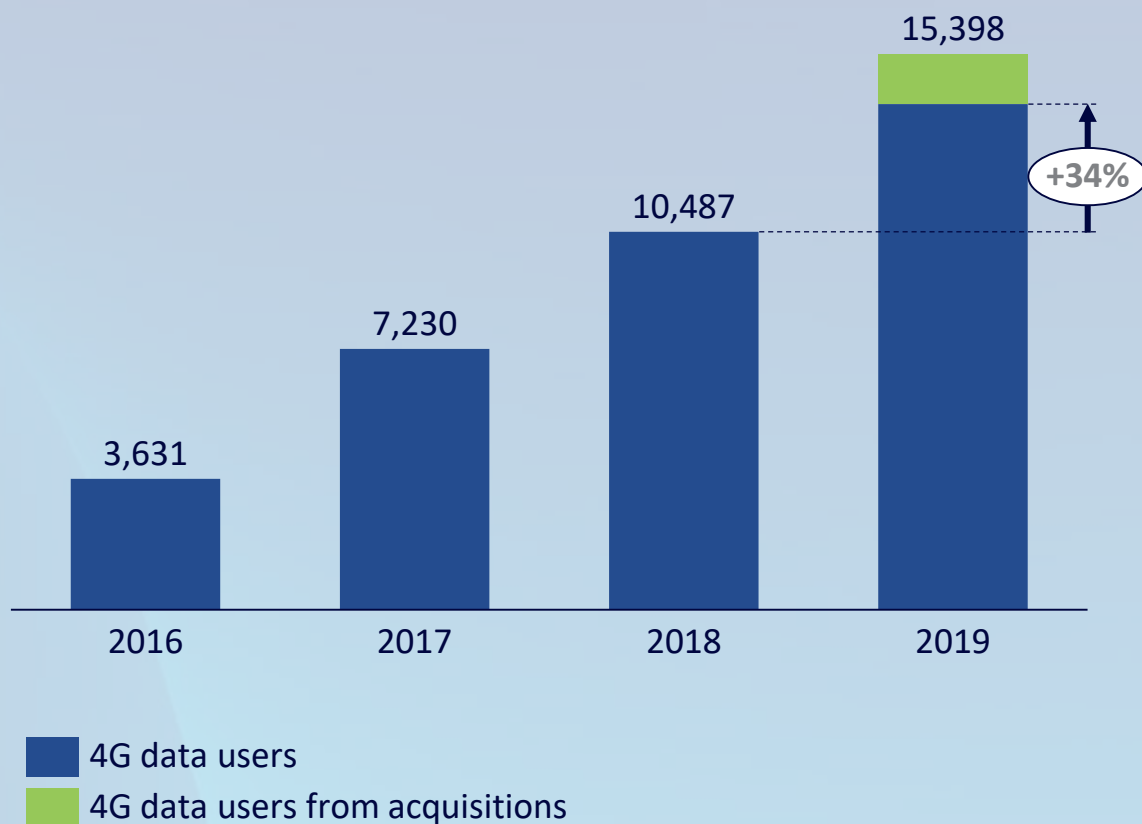


K I N N E V I K

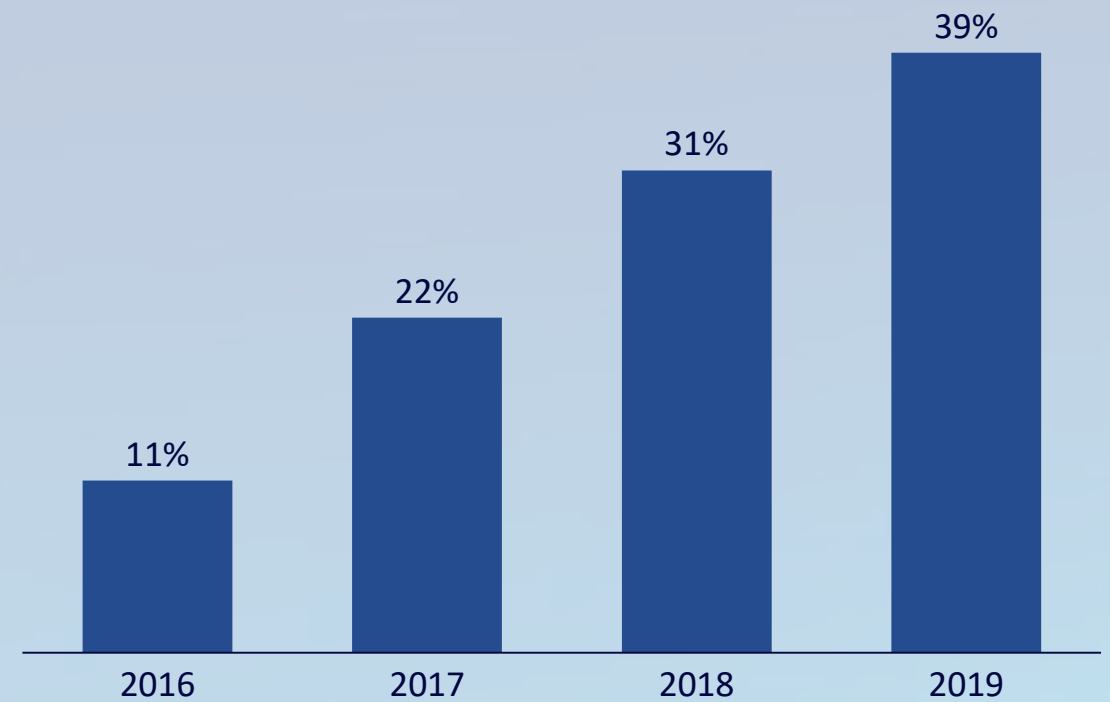
- 
- 1 Enhanced US presence and liquidity
  - 2 SOX compliance
  - 3 100% free float

# Added >4m 4G data customers...

## Latam 4G Smartphone Data Customers ('000)



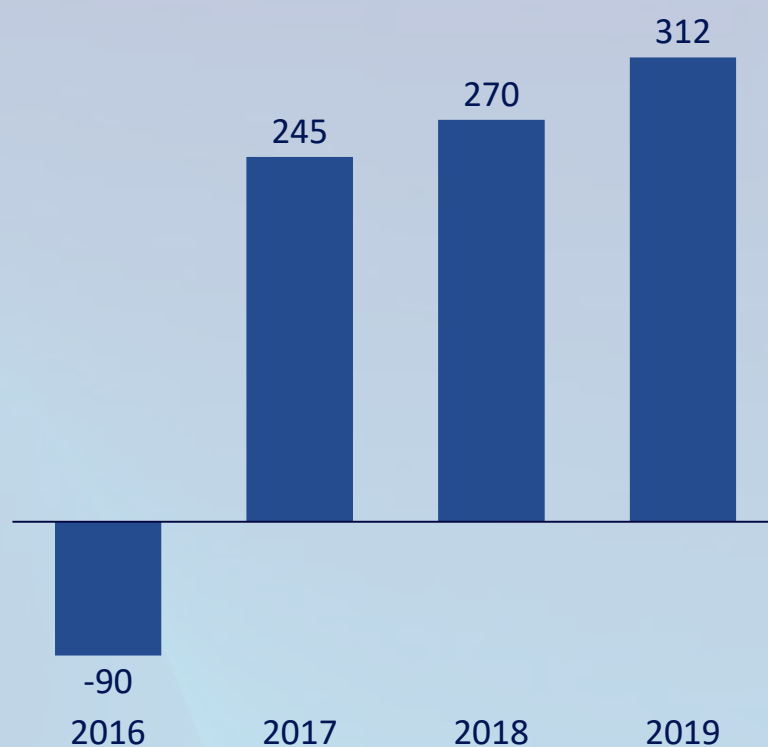
## Latam 4G Smartphone Data Penetration\*



# ...expanded mobile postpaid subscriber base...

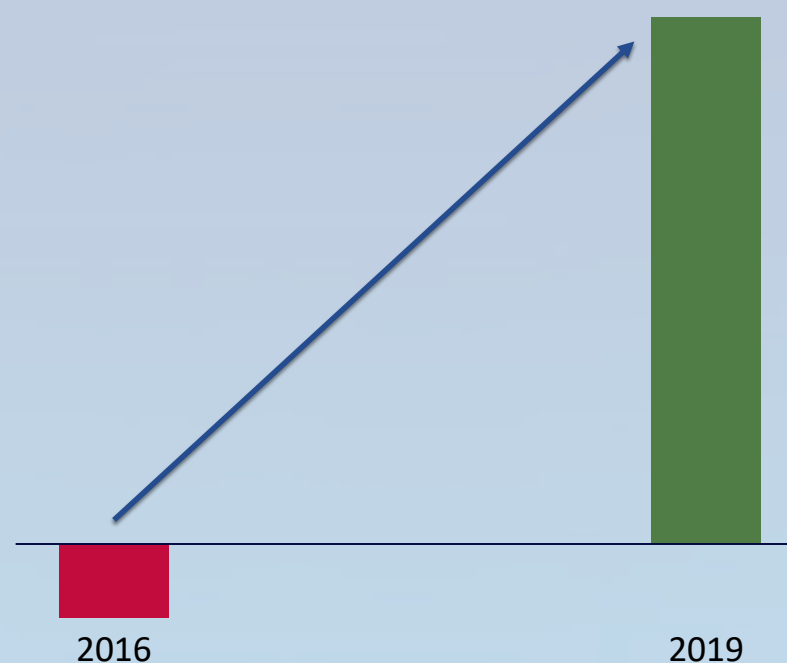
## Mobile postpaid net adds

Latam organic postpaid subscriber net additions ('000), 2016 – 2019



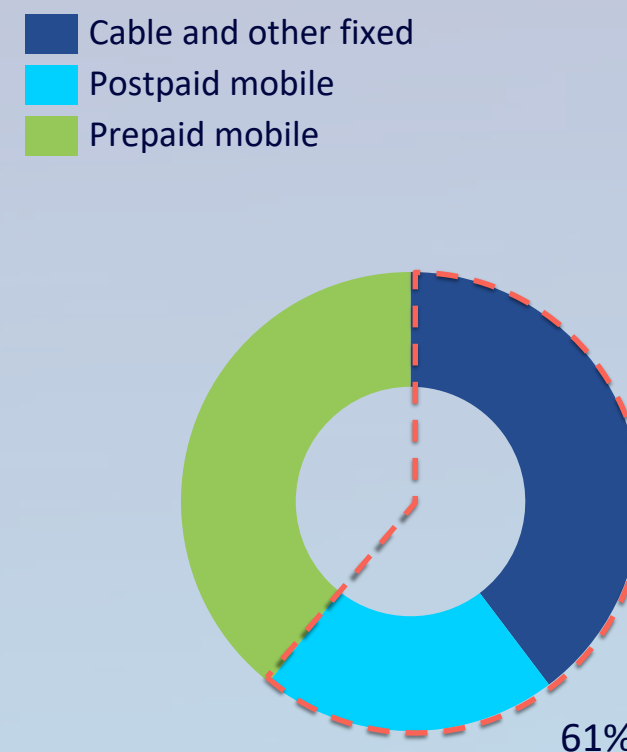
## Improved postpaid growth

Latam postpaid organic service revenue growth (%), 2016 – 2019



## Subscription revenue 61%

Latam subscription revenue as % of service revenue\*, 2019



Source: Millicom.

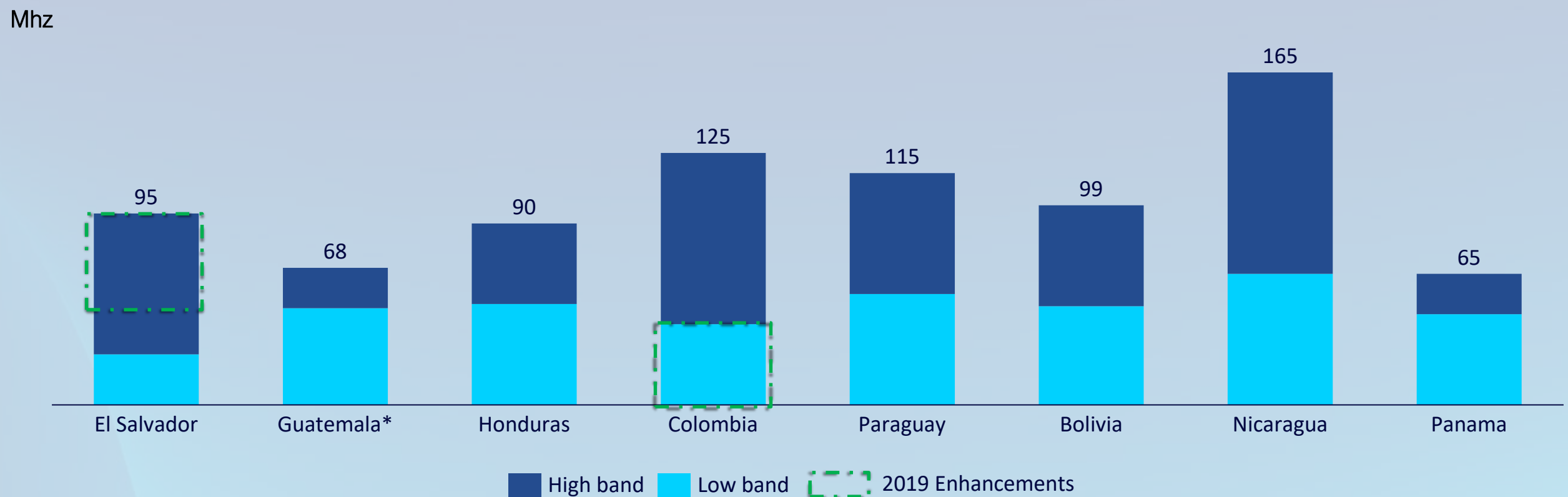
\*Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.

A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at <https://www.millicom.com/investors/reporting-center/>.

# ...solved for previous spectrum deficiencies

- 1 Low and High frequencies in all markets
- 2 Strong 4G spectrum position achieved in all markets

## Strong spectrum position in all markets

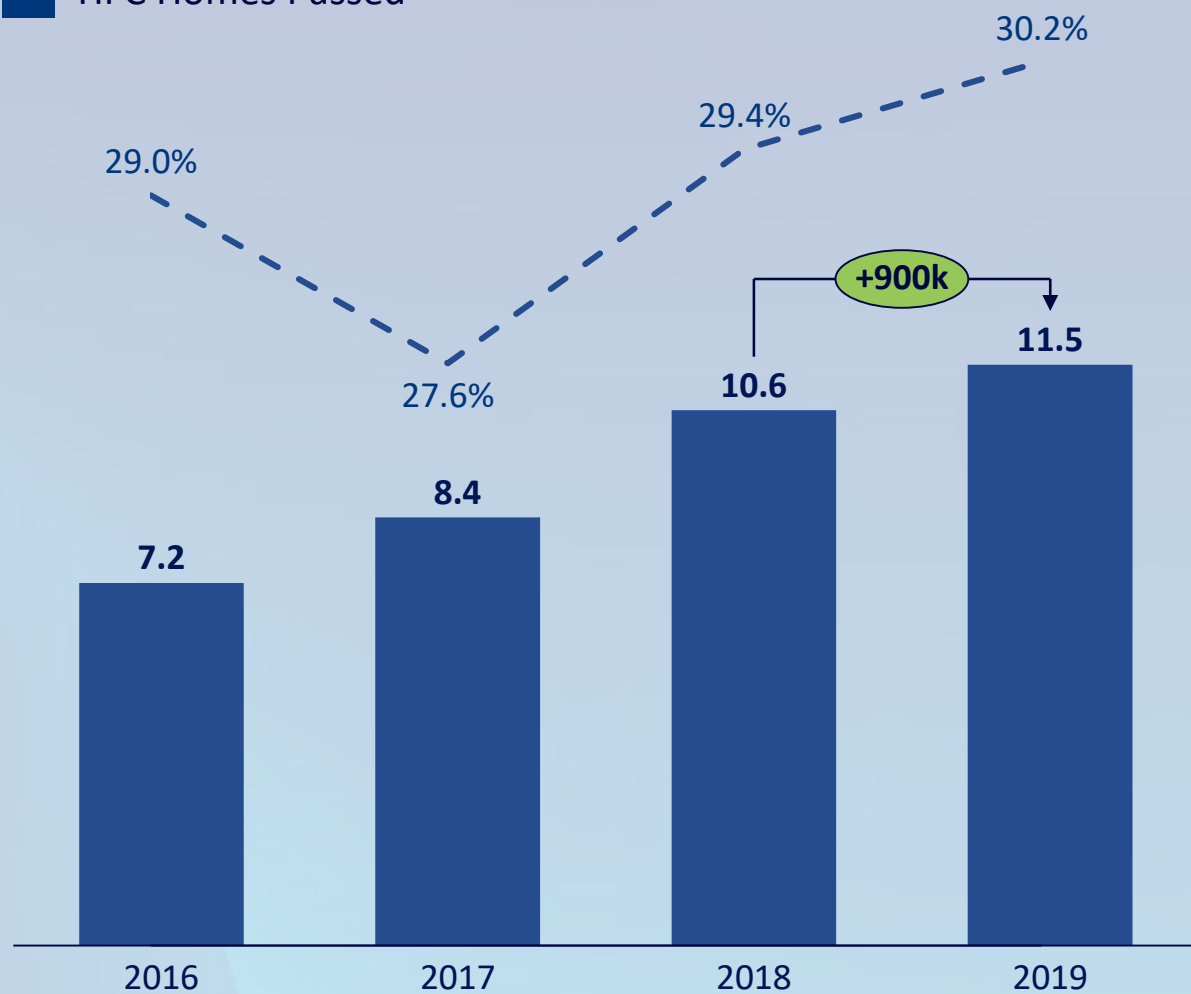


# Added 900k homes passed and 350k customer relationships...

## Improving penetration rates

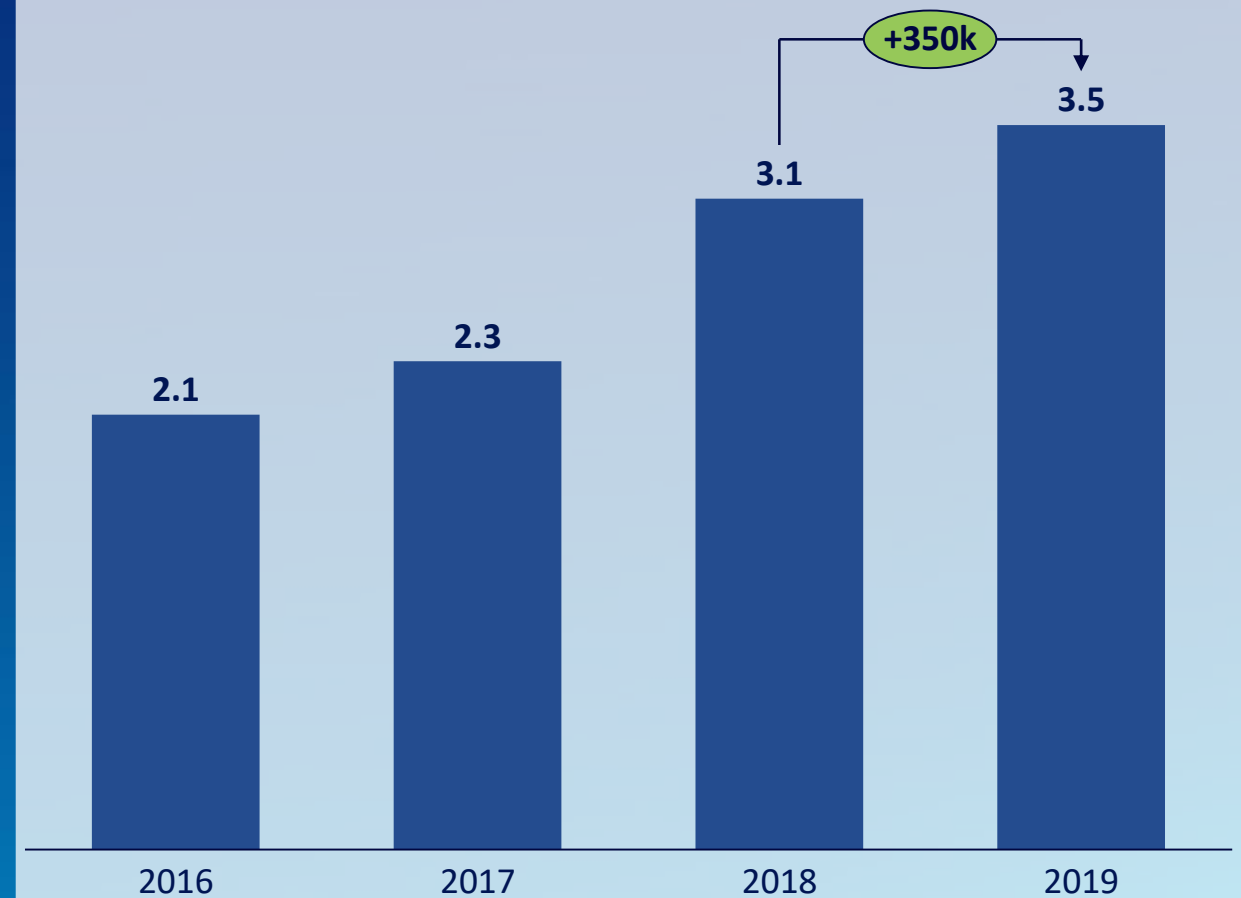
Latam Penetration Rates and HFC Homes Passed (m),  
2016 – 2019

— HFC Penetration Rate  
■ HFC Homes Passed



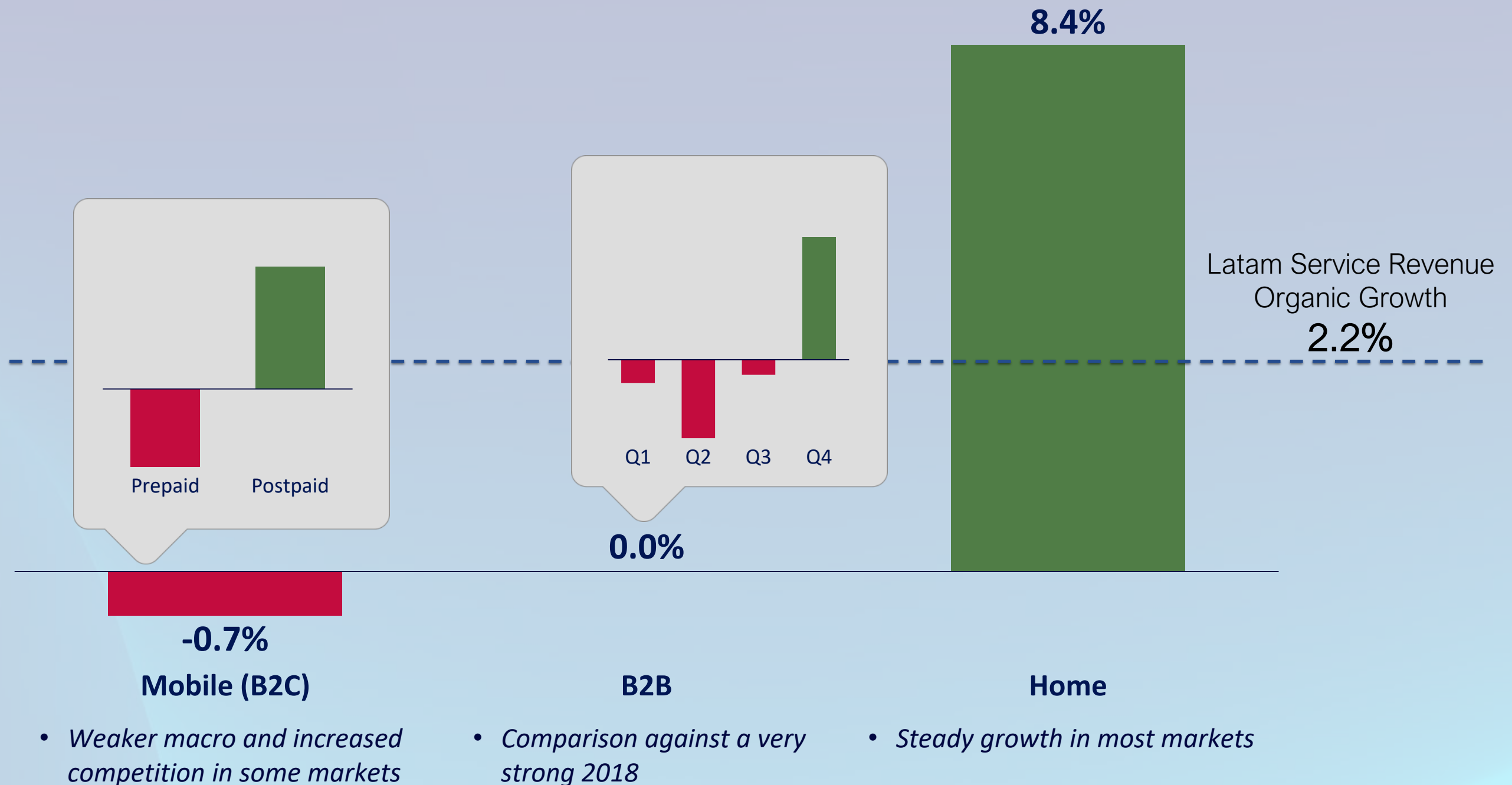
## Steadily increasing customer relationships

Latam HFC Customer Relationships (m),  
2016 – 2019



# ...with subscription continuing to drive growth

## Latam 2019 Organic Service Revenue Growth\*, year-on-year



Source: Millicom.

\*Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.  
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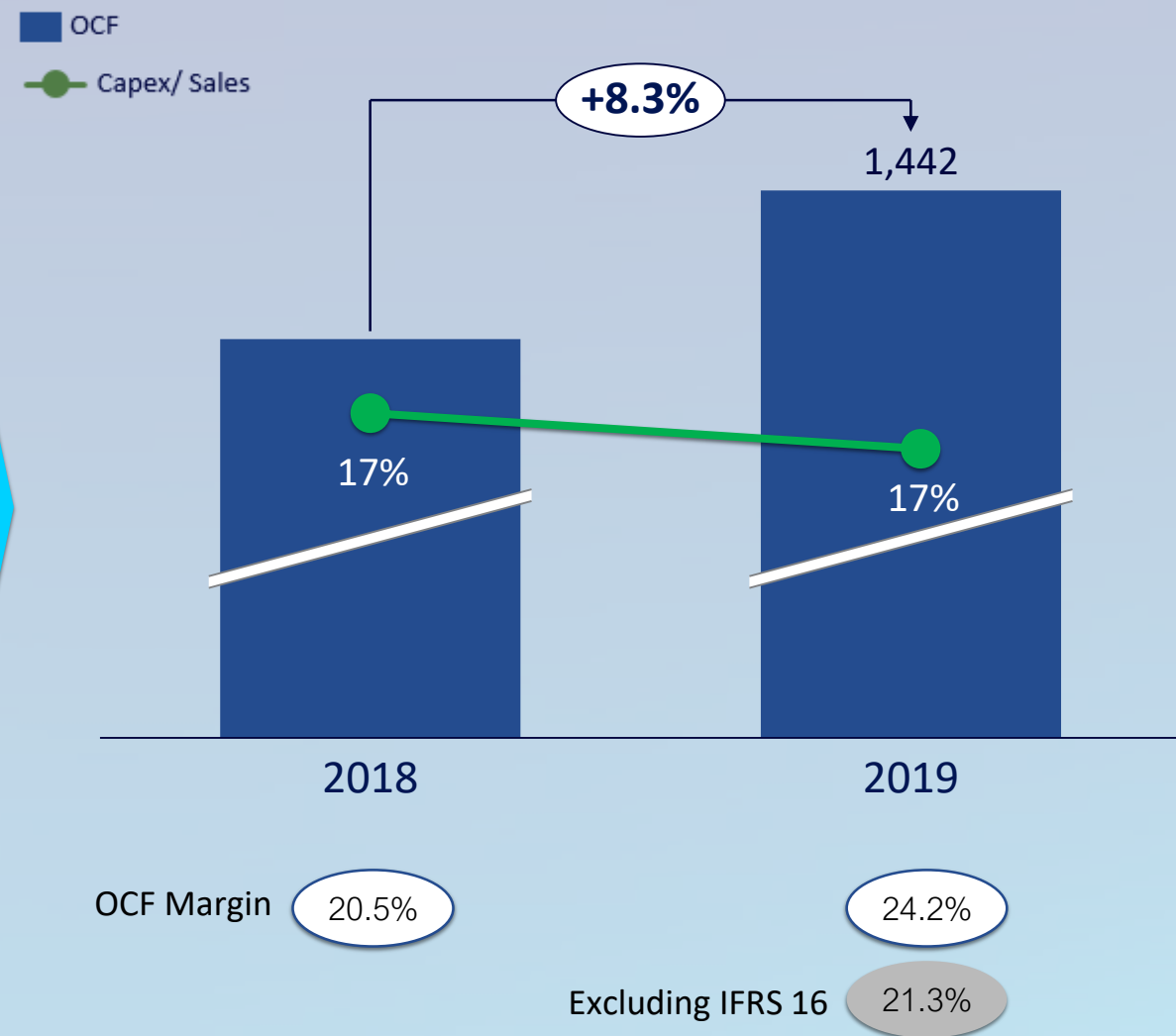
# Our transformation... in cash flow

## Latam OCF growth

Latam OCF (\$m) and organic OCF growth, 2018 – 2019

### Sustained healthy network investment

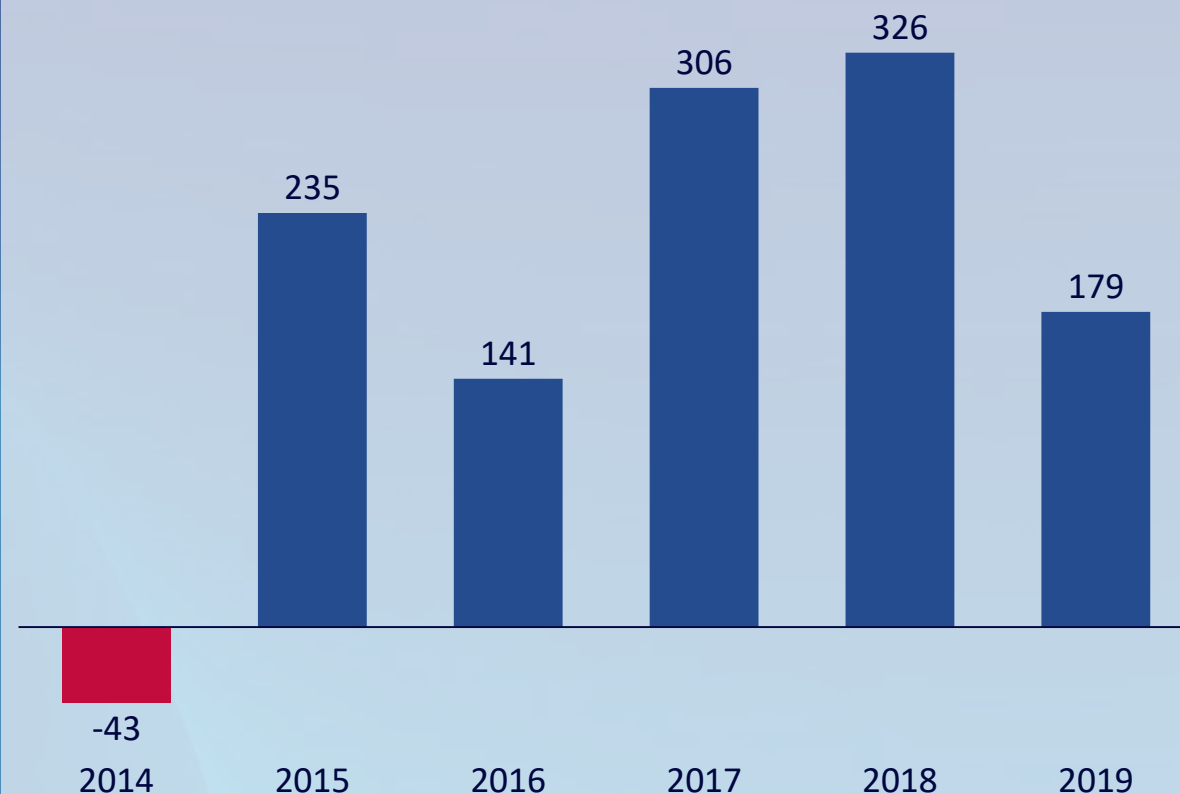
- **900,000** Homes Passed Net Adds
- **350,000** Customer Relationship Net Adds
- **1,800** 4G network PoPs\* added



# Focused on improving free cash flow

## Equity Free Cash Flow\*

Group Equity Free Cash Flow (m)  
2014-2019



- 1 Sustained healthy eFCF generation in 2019
  - One-time costs, integration costs, and working capital impacted 2019
- 2 Investing in 2019 and 2020 to structurally strengthen and create a unique regional telecom company
- 3 Diversification to reduce future cash flow volatility
  - Increased exposure to Central America
  - Entered Panama dollarized and investment grade
- 4 Secured long-term debt capital to fund acquisitions
  - Lowered average cost of debt
  - Extended average maturities

Source: Millicom.

\*Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.

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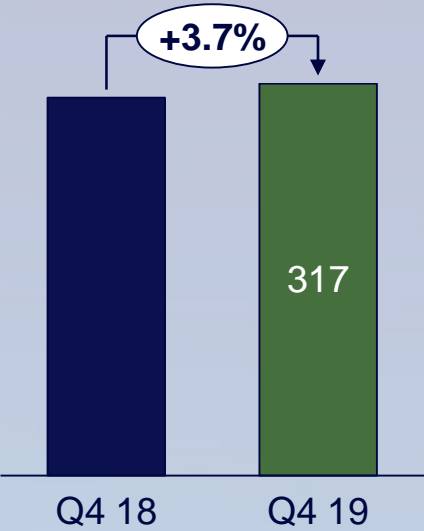


## 4. Q4 19 financials

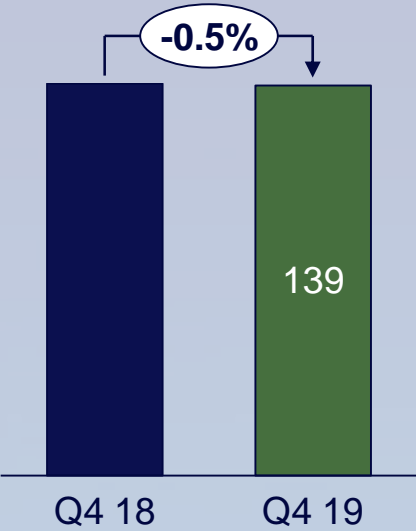
# Q4 19 Latam Service Revenue by Country

Service revenue (\$m), and YoY organic growth\*,  
Q4 18 – Q4 19

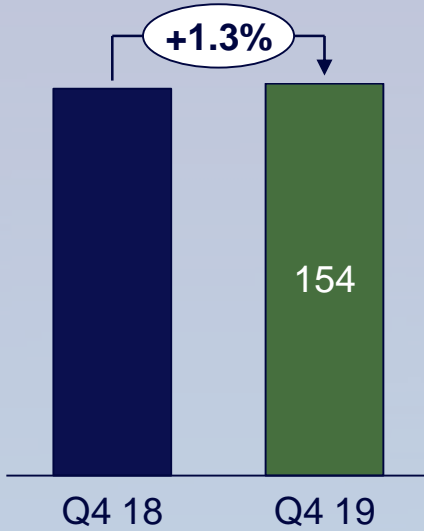
Guatemala (22% of Latam)



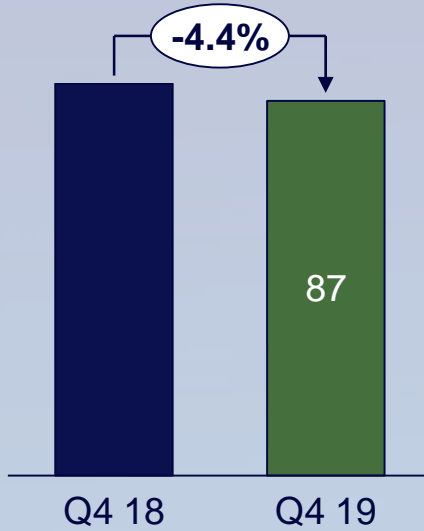
Honduras (10% of Latam)



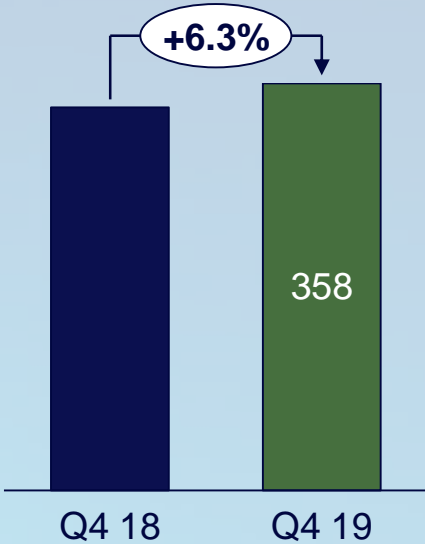
Panama\*\* (11% of Latam)



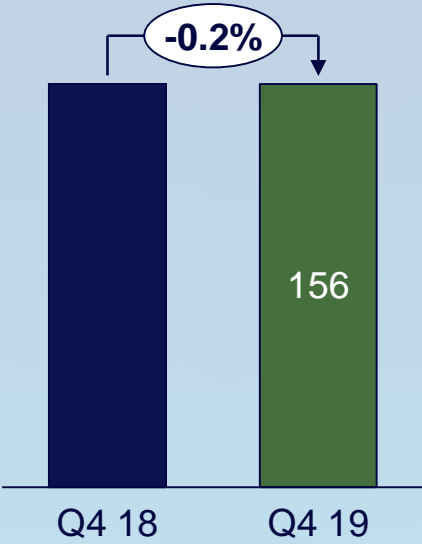
El Salvador (6% of Latam)



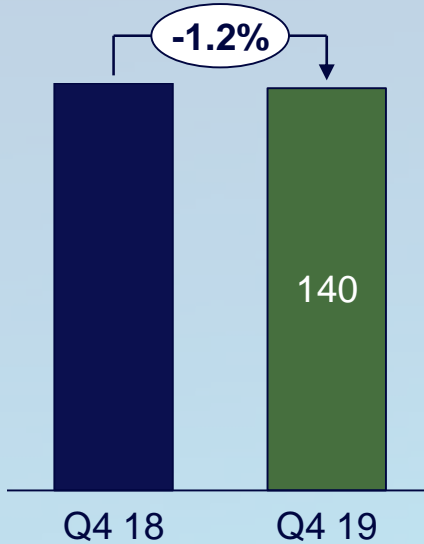
Colombia (25% of Latam)



Bolivia (11% of Latam)



Paraguay (10% of Latam)

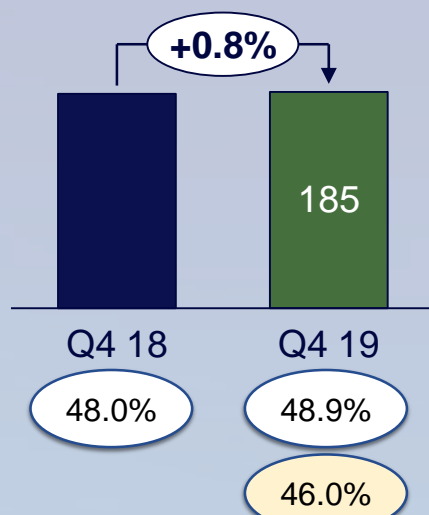


Source: Millicom.  
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\*\* Organic growth only related to fixed business.

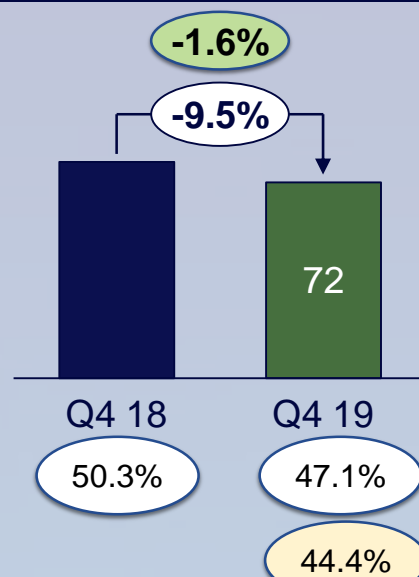
# Q4 19 Latam EBITDA by Country

EBITDA(\$m), and YoY organic growth\*,  
Q4 18 – Q4 19

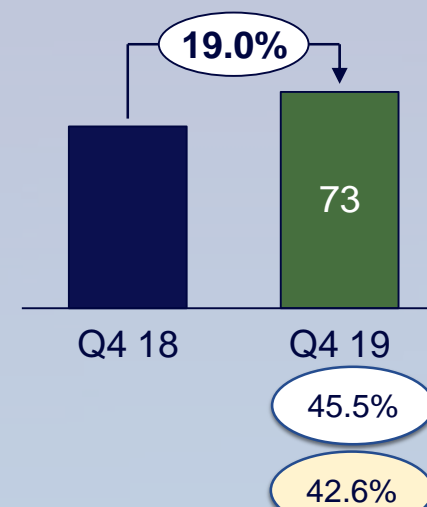
## Guatemala (27% of Latam)



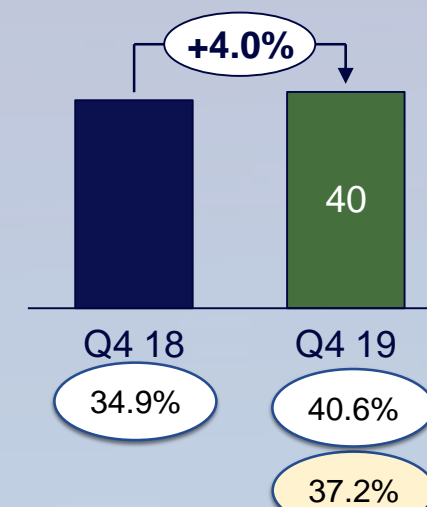
## Honduras (11% of Latam)



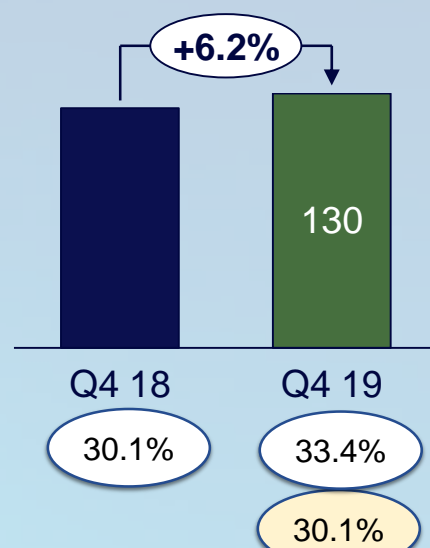
## Panama\*\* (11% of Latam)



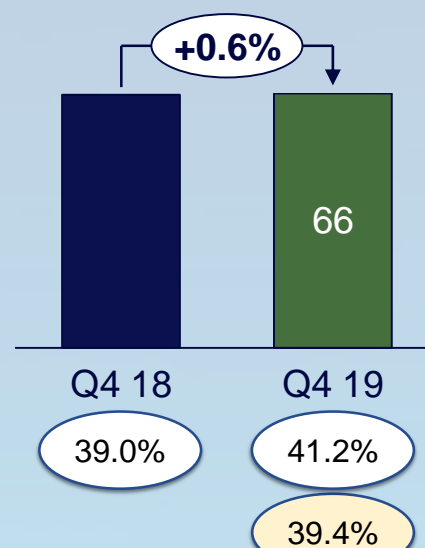
## El Salvador (6% of Latam)



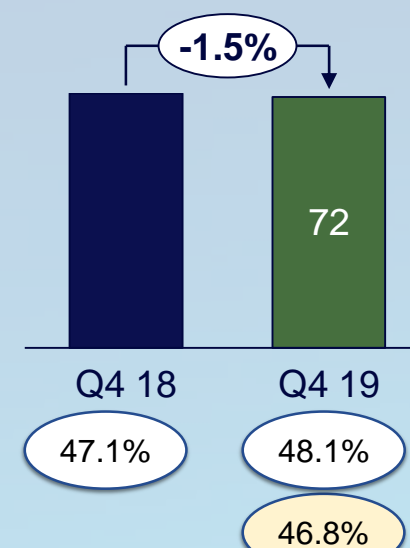
## Colombia (19% of Latam)



## Bolivia (10% of Latam)



## Paraguay (11% of Latam)



Margin excluding  
IFRS16



Adjusted for  
one-offs



Source: Millicom.

\*Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.

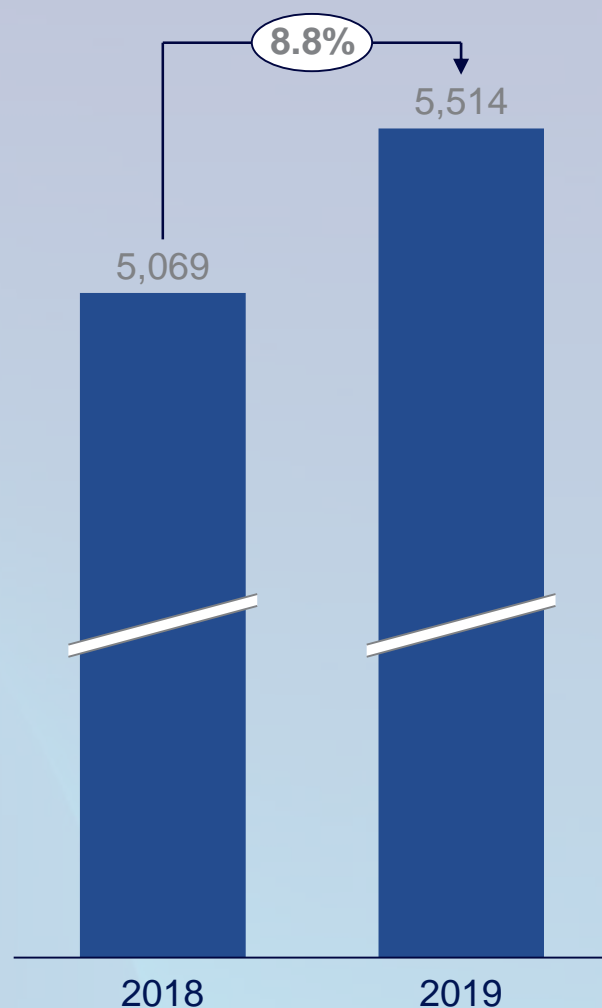
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\*\* Organic growth only related to fixed business.

# Key Financial Metrics – FY 2019

## Latam Service Revenue\*

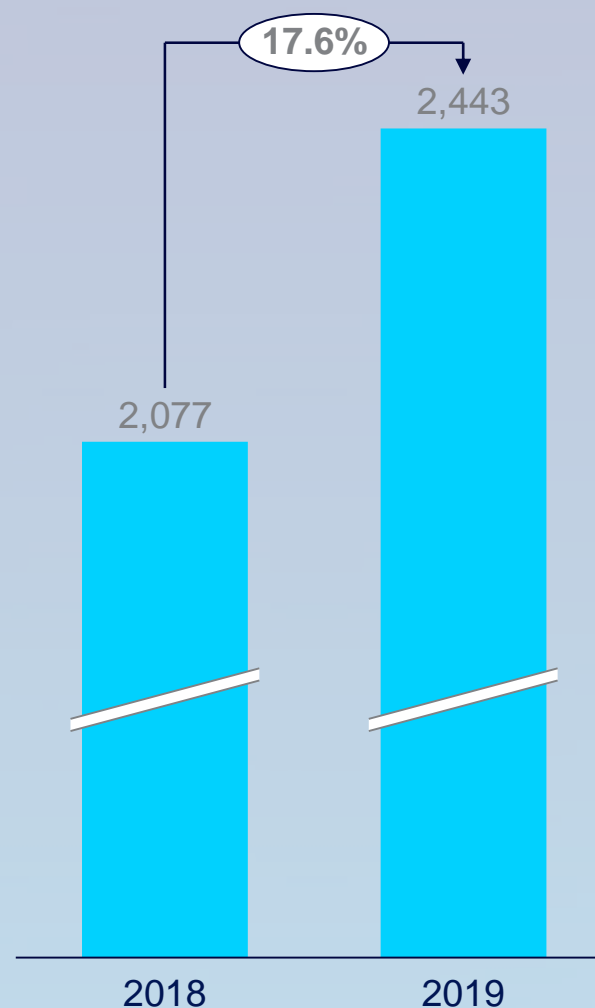
Service Revenue (\$m) and YoY Growth\*  
2018 – 2019



Organic growth 2.2%

## Latam EBITDA\*

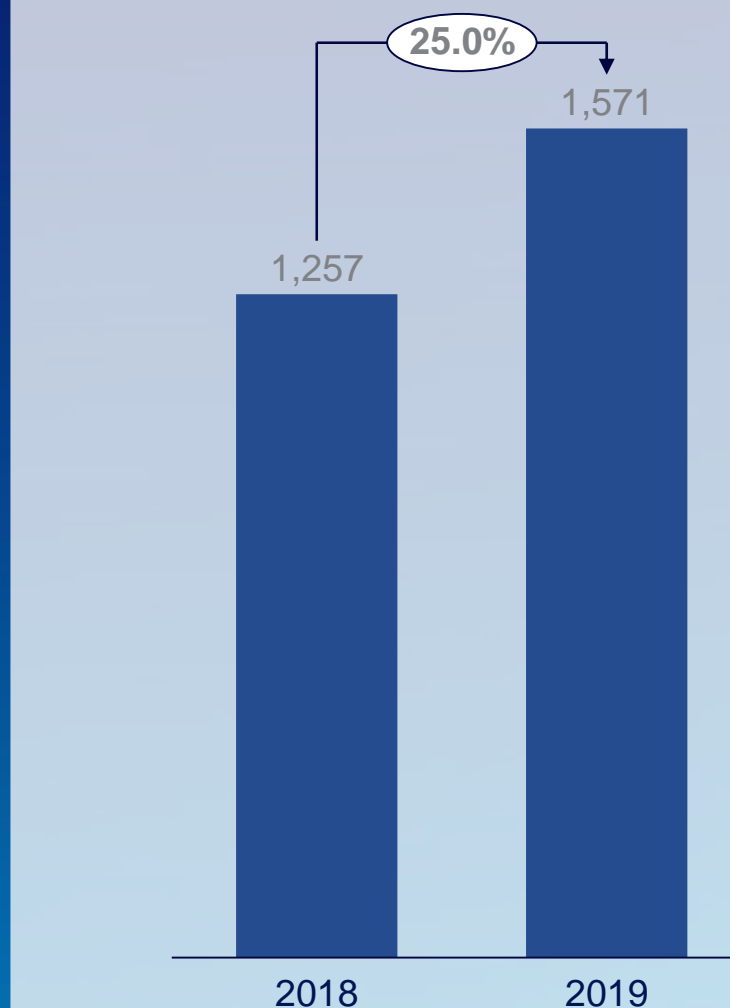
EBITDA (\$m) and YoY Growth\*  
2018 – 2019



Organic growth 2.1%

## Latam OCF

OCF (\$m) and YoY growth  
2018 – 2019



Organic growth 8.3%

Source: Millicom

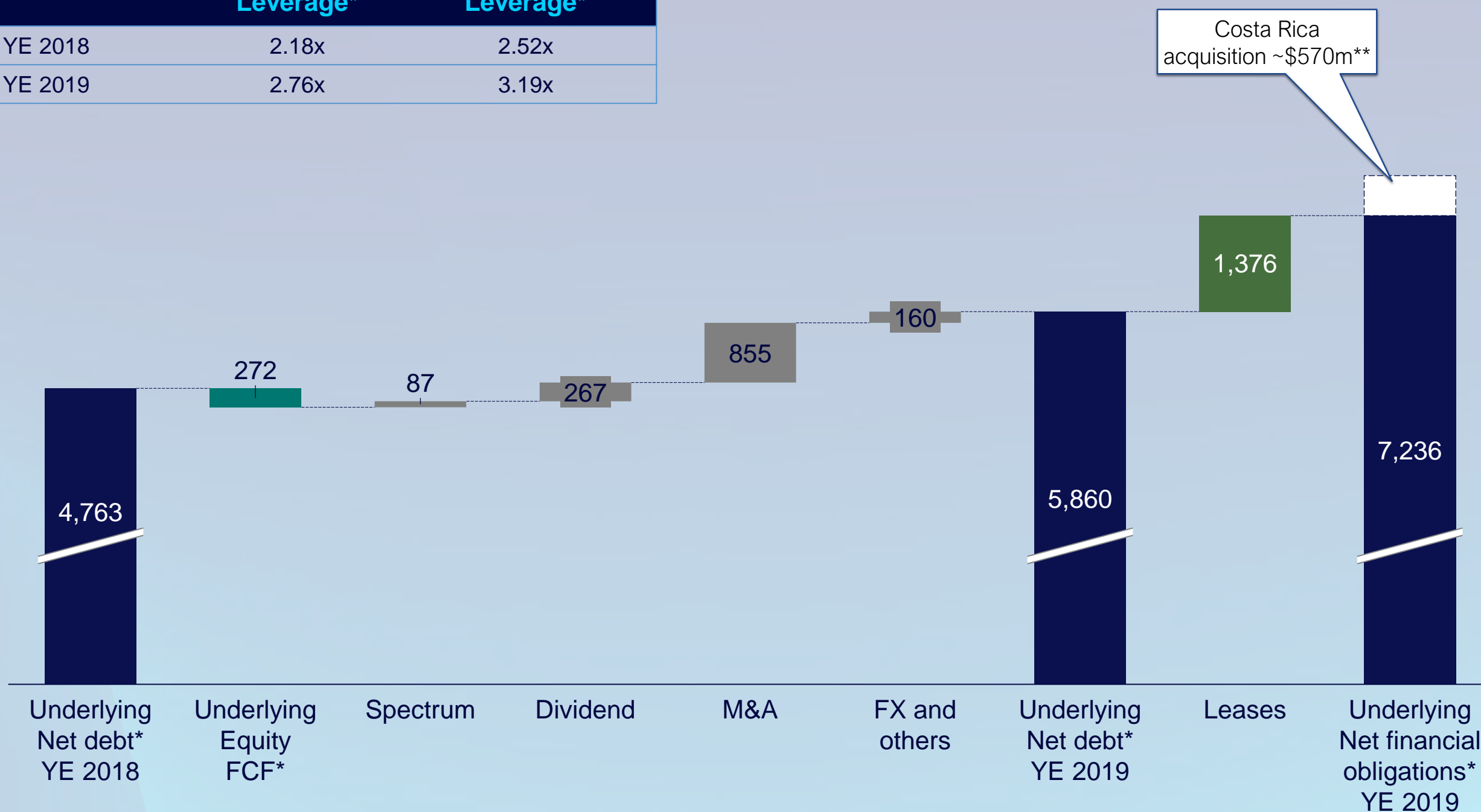
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# Net financial obligations evolution

## Year on year evolution – 2019 vs. 2018

Period	Underlying Leverage*	Proportionate Leverage*
YE 2018	2.18x	2.52x
YE 2019	2.76x	3.19x



\*Non-IFRS measure. 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 [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).

\*\* Anticipated in H1 2020.

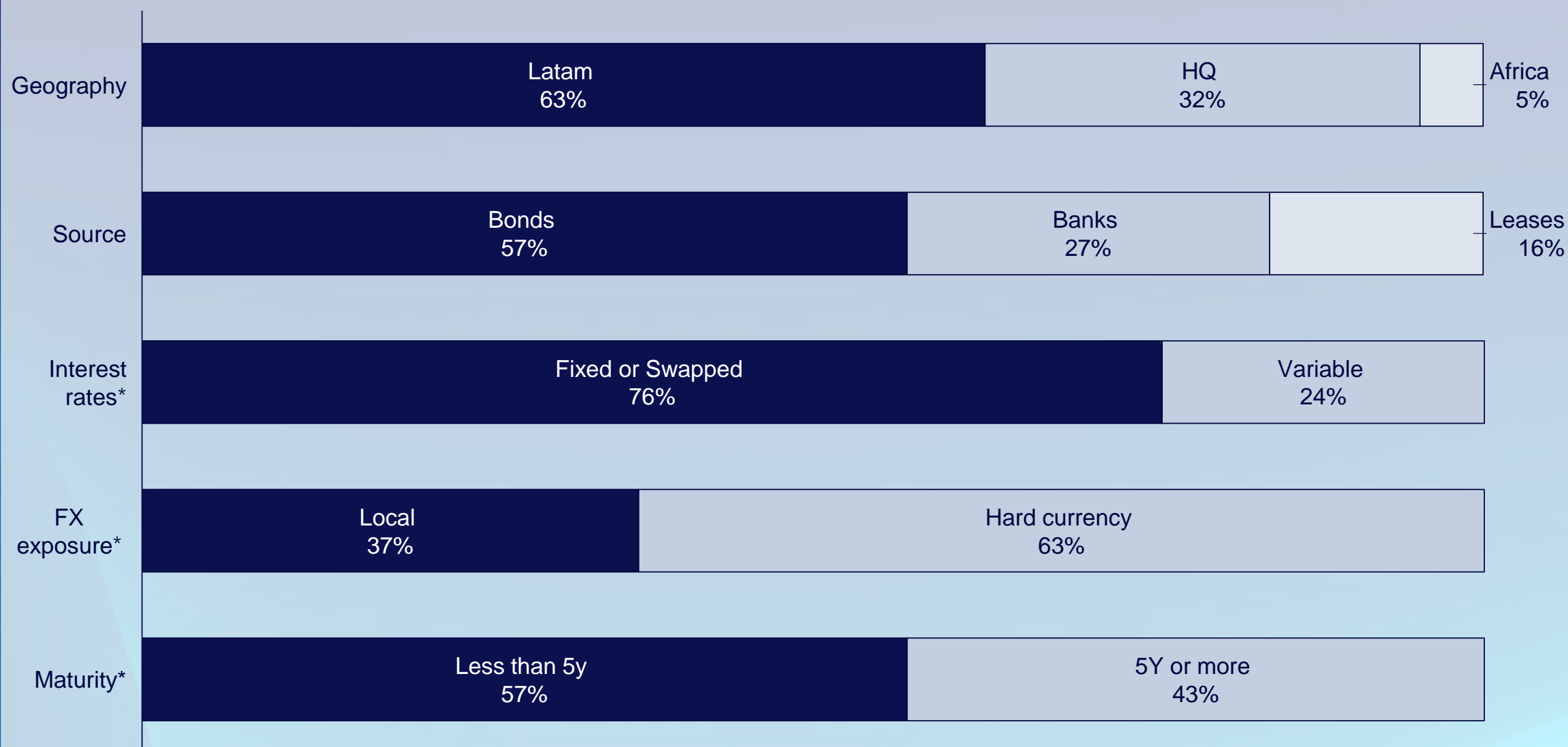


## Appendix

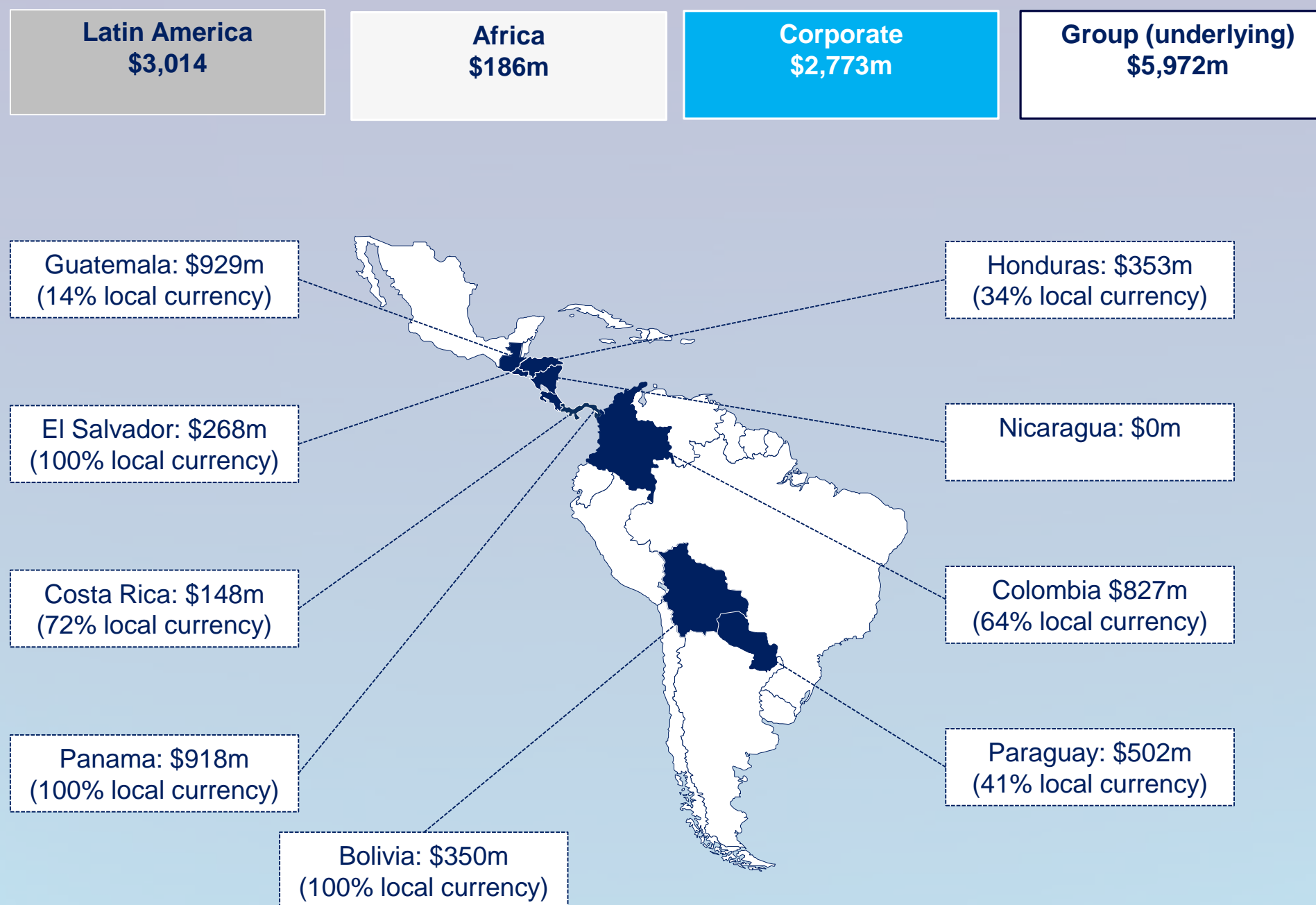
# Capital structure

## Financial obligation profile

31 December 2019



# Gross debt\* by country



\* Gross debt excludes leases. El Salvador's official unit of currency is the US dollar, while Panama uses the US dollar as legal tender. Our local debt in both countries is therefore denominated in US dollars but presented as local currency. While in Bolivia the boliviano is pegged to the US dollar, our debt is all denominated in bolivianos and presented as local currency. Costa Rica debt was acquired in USD but due to a swap is reflected as local currency debt.

# Gross financial obligations\* by country

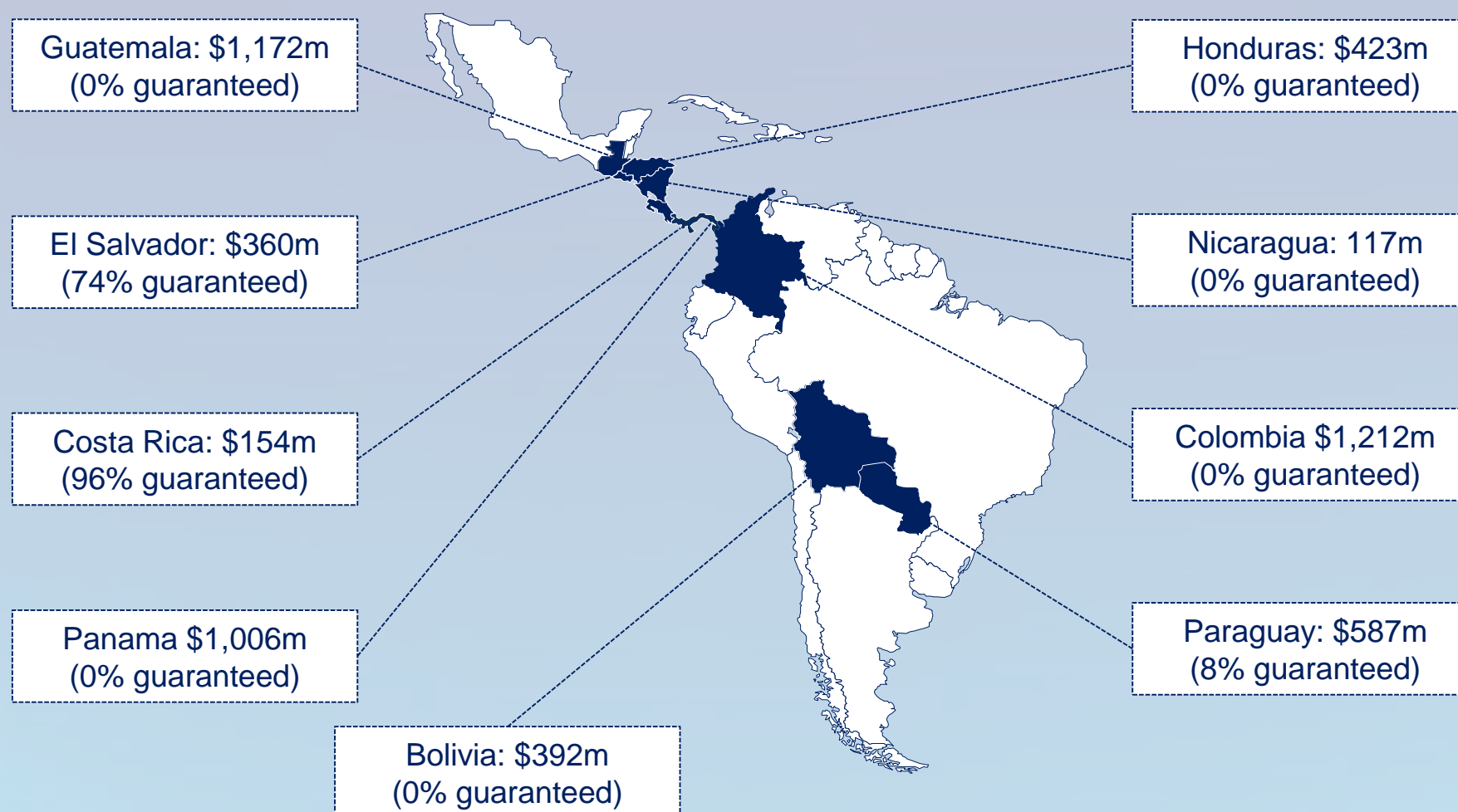
**Central America**  
**\$3,232m**  
13% guaranteed

**South America**  
**\$2,190m**  
2% guaranteed

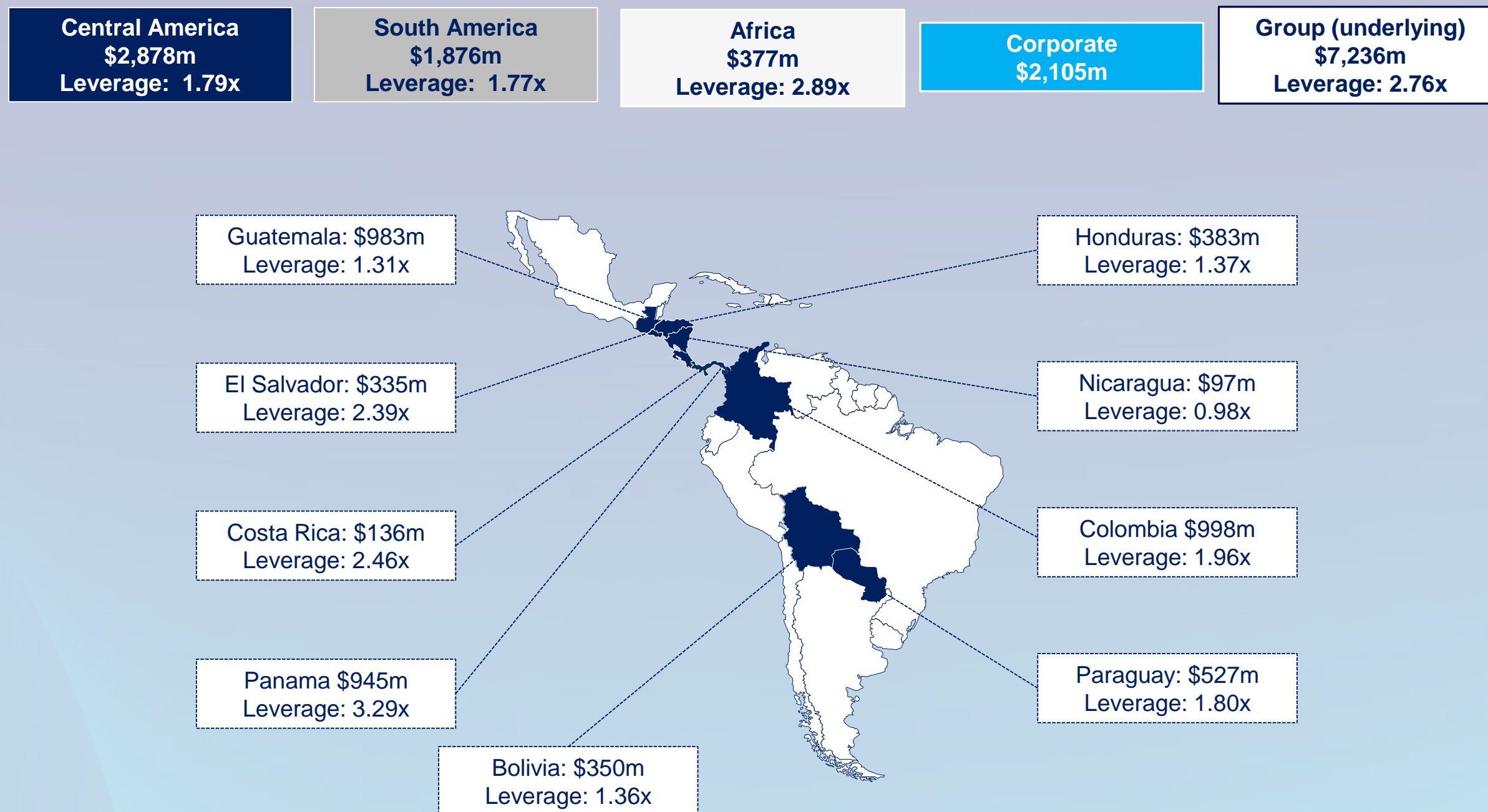
**Africa**  
**\$408m**  
0% guaranteed

**Corporate**  
**\$2,801m**  
0% guaranteed

**Group (underlying)**  
**\$8,631m**  
5% Guaranteed  
Of which **Leases:**  
**\$1,376m**



# Net financial obligations\* by country



Source: Millicom

\*Net financial obligations includes leases and is a Non-IFRS measure. 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 [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).



