Michel Morin:

Hello everyone, and welcome to our fourth quarter 2020 results conference call. We will be referencing some slides, which are available on our website. Please turn to SLIDE 2 our safe harbour disclosure. We will be making forward-looking statements, and these involve risks and uncertainties, which could have a material impact on our results. We will be referring to many non-IFRS metrics throughout this presentation. We define these on SLIDE 3, and you can find reconciliation tables in the back of our earnings release and on our website. With those disclaimers out of the way, let me turn the call over to our CEO, Mauricio Ramos.

Mauricio Ramos:

Thanks Michel. Good morning and good afternoon everyone. I hope that you and your loved ones are all staying safe and in good health, and I wish everyone a very good 2021. 2020 was a most challenging year. But we all saw… so very many of our own… give their very best in the worst of times… and that inspired us to work harder and do better. 2020 also marked our 30th anniversary… we celebrated with continued investment and hard work to position the company for recovery in 2021 and growth into the future. Now please turn to slide 5 for a summary of the main messages today.

First… we had very strong net adds in Q4 and our customer base is substantially up year-on-year on both mobile and cable. Second… the gradual recovery we had seen since June continued and actually gained momentum during Q4. Third… we continued to invest for the long term… we did so heavily in the second half of the year… and we are already seeing some of the pay back from that. Fourth… our cash flow was solid and better than we were expecting, and fifth, we made additional material progress in reducing our net debt… which we continue to believe is the best of use for our excess cash flow at the moment. Now let's look at each of these points beginning on slide 6.

At the beginning of the crisis, one of the main goals we set was to protect our market leadership…and there is no doubt that we accomplished that goal with flying colours… in every country...in the contexts of a harsh Pandemic and strong lockdowns in our countries. In mobile, we added a record 2.3 million users in Q4 and a full 1.9 million users for the year… the vast majority of these were high quality 4G smartphone data users. We had solid performance in most markets… and Colombia had a very strong quarter, with record net adds of more than 875k in Q4. We now have 42 million mobile subs in Latam, that's up roughly 5% year-on-year. We also had very strong customer growth in Cable. We added 277k cable home customers for the year, including 103k customers in a strong Q4…so you can see that we are back to an annual run-rate of just around 400k, which is nothing short of very resilient. We are seeing very strong demand for residential broadband… but our pay TV customer base also continues to grow at mid-single-digit rates. We ended the year with 4.5m customers… including a bit less than 4m on our HFC networks. Now please turn to slide 7 to look at how our financials recovered in Q4.

Tim will give you a ton of detail in a few minutes… The second point I am making is simply that the financial recovery continued in the fourth quarter. Both our service revenue and EBITDA were essentially flat on a year-on year basis in Q4. That is a major improvement from the low point of the year in Q2, and every month has been a little bit better than the previous one. That good momentum has continued into January, which is promising. This is partly the result of lessened mobility restrictions in most of our markets, but also the result of our decision to "stay in the marketplace" during the Pandemic, not reducing our work force or leaving the streets, but rather motivating our teams to keep selling and providing service, and also the result of our consistent investment in the networks, as you can see on Slide 8.

As you know, when the Pandemic hit, we held back capex in Q2 to protect our cash flow for 2020… but, even then, we ploughed ahead with our key strategic network investments, and when the outlook improved in Q3 and Q4 we released more and more capex. In total, we ended up spending about $1 billion on capex for the year… for a healthy 16% of sales. As usual, the biggest slice went to our Cable business, including both the customer premise equipment and the expansion of the network. Because of the pandemic, we built only about half as many new homes as we normally would do in a year, but still over 400 thousand new homes built…and our focus was, and rightly so, on filling more of our existing network. As we added 277k net cable adds, our penetration went up to 31%... up from 30% a year ago. On the mobile side, we continued to invest smartly as well, we added 2,500 new sites and upgraded 5,400, about half of these upgrades were in Colombia where we moved quicker than anyone else to deploy our 700 MHz network. We moved equally fast in El Salvador to deploy our AWS network… and in Panama, Nicaragua and Guatemala to modernize or upgrade the networks. Our network superiority is now widely and externally recognized in most of our markets. Now let's take a look at cash flow on slide 9.

As you surely recall, to face the Pandemic, we set a hard target to generate OCF of $1.4 billion… about flat for the year… in dollars… thus protecting cashflow. We shared that target with you on our Q1 call, as our COVID response plan started to show it would work — with the "Producto Minimo" protecting our customer base, our reputation and our cash flow; with the "teams on the job", still selling and providing service; with the mobility restrictions eased off; and the outlook improving — we kept the brakes on the Opex but accelerated the Capex. Tim will give you details on the effect on Operating Cash Flow of the flexible capex management approach we used during the Crisis. The key message is that we reached 1.5 billion of OCF, not 1.4 billion that we had targeted.

Earlier this year, we also communicated our decision to focus all excess cash flow to reduce net debt… as the most value-creating use of our excess capital. We managed to reduce our net debt by half a billion dollars. So… we had to adjust early on in the year to the Pandemic. When we take stock, now, of the past year, we achieved all of the key goals that we set out at the onset of COVID… We protected our market share and in some key countries we increased it a bit, we actually grew — and substantially so — our customer base in both mobile and cable, we continued to invest and grow and modernize our networks, deploying new 700Mhz and AWS networks in Colombia and El Salvador respectively, we sustained — and actually modestly grew — our OCF in dollar terms, and we materially reduce net debt. And yet, as I said to the team, often and repeatedly, the true lasting measure of our performance and success during the crisis would be — not just our financial and commercial success — but rather , and much more importantly, whether our customers and communities would deem TIGO to “have been there, for them, during these troubled times”. So we focused harder than ever on all our stakeholders in 2020

For our investors, we delivered with strong net adds, continued investment, resilient OCF and reduced net debt. For our customers and our communities we kept our operations up and running 24/7, adding capacity and with no glitches and we made it easier to interact with us digitally at a time of social distancing because of this, we saw our NPS scores increase significantly in the second half, ending up 13% year-on-year. We kept our promise not to disconnect customers in financial hardship by rolling out lifeline services (or Producto Minimo)… at the peak of the Pandemic, we had over 750k households on the lifeline service… and the number of unique benefited families, at some point or another, over the length of the Pandemic, far exceeds this number. We zero-rated government educational and informational services, and we launched a new program called Maestras Conectadas to train teachers on how to use technology tools in the digital classroom – we trained 137,000 teachers…. 137,00 teachers… that’s a number we are proud of. And to our 21,000 employees, we made a commitment not to do any layoffs or furloughs and to protect the income of our commission-based sales staff, and we did this without taking any government money. We paid additional hazard pay to our front line workers who kept the networks running and they responded by “being there” when our customers needed them. We launched an award-winning campaign called Tigo Heroes to recognize the amazing work of our front line workers, and I want to thank them all publicly again today for an amazing job. Well done! Our workforce engagement actually went very significantly up during the Pandemic… and our efforts to create a great place to work were recognized… we ranked 13th among the top 25 multinationals to work for in Latin America… our highest ranking ever… and Tigo was the only Telco in the group. Indeed this year was about a lot more than hitting our OCF target for the year, it was about significant progress in building a stronger, more sustainable business for the future, and this translated into some solid ESG scores this year, as you can see on Slide 12.

Across a host of ESG rankings, we consistently score above average, and often well above average, which is not a small task as we compare ourselves with telcos and other companies in far more develop economies. I just mentioned our work with teachers… and I am proud that we worked closely with the government of Paraguay to use our Tigo Money product to disburse COVID-related subsidies to half a million families last year… and we will work with the government of Honduras this year in a similar program. This is a prime example of how our services drive financial inclusion the region. We also refinanced our revolving credit facility and we incorporated ESG targets in that facility. The foundation for all of this is our strong governance framework. We know that we still have more to do… to improve our performance and our reporting… and we are totally committed to doing so because we do all of these things with a clear sense of purpose as you can see on slide 13. This Purpose guides each and every one of our 21,000 employees, now more than ever during these challenging times.

Now let me turn it over to Tim to go over the financials.

Tim Pennington:

Thank you Mauricio. I am going to take a quick look at how 2020 developed for us… then how we performed in Q4… and the resulting full year performance… I will also take a look at the balance-sheet position….

So turning to slide 15. This is just our usual bridge from the reported IFRS numbers…to the underlying numbers for Latam service revenue and EBITDA …which better reflects the way we manage the group …and so are the metrics we are talking about…

So let's go to slide 16. The next two slides show the story of 2020 on the Latam business. You can see the very significant impact of COVID-19 in Q2… this was largely driven by a big reduction in prepaid revenues caused by severe mobility restrictions… and compounded by collection issues in the subscription business. As we and our customers adapted to the new reality …we saw an improvement in Q3… and that has continued into Q4.

Service Revenue is about back to where it was in Q1 … which is a great achievement…but remember that Q4 is typically our best quarter of the year… so we are not quite back to Pre COVID levels just yet…and whilst the macro environment did not worsen…pockets like Panama continues to see a very weak economy… this is something we will keep a very close eye on.

That said the actions we have taken mean we saw a meaningful pick up in EBITDA …to the point where we were up on last year organically… although I should point out that bad debt provisions varied a lot from quarter to quarter this year… this accentuated the decline in in Q2… but it helped us in the second half as our collections improved.

Still… the solid improvement in collections flowed through to cashflow and to our investment decisions…which we show on slide 17

What we are showing on this slide is how our decision making evolved on capex…and how that flowed through to cashflow.

On the left hand side is our capex …We had to react quickly to the onset of COVID19… so in Q1 we told you that we were planning to reduce our CapEx by $200 to $300 million… however we do not take static decisions…and were constantly looking at the market and the opportunities and adjusting to the environment as we saw it… and as we saw the resilience of our business we unleashed about $100m of additional capex during Q3… and an $100 million in Q4… so we ended 2020 with a Capex spend of just under $1 billion for the full year… which is only around $100 million lower than our original plan.

But …as you can see on the right hand side the build up of the cashflow through the year … and to remind you we had focused on maintaining the operating cash flow at $1.4 billion… as we saw that operating resilience translate into cashflow …we were able to allocate more to investment… whilst still delivering an operating cash flow …which in fact ended just short of $1.5 billion… it also allowed us to reduce debt materially… a very significant achievement given the difficult operating environment in 2020.

Okay let’s take a look at the Q4 and full year operating performance for the Latam segment on slide 18

Here you can see service revenue drivers for both Q4 and the full year…

For the quarter…we were almost flat year on year… against what was a good fourth quarter in 2019… not only is this a very solid result… but it allowed us to close the full year down only 2.5%... which is significantly better than we had imagined back in April of 2020…

Clearly the story has been the recovery of the mobile business… you can see that in Q4 we were basically flat on last year… compared to being down 4.3% for the year as a whole…

In particular, the prepaid business has come back very strongly…and growth has been positive in each of the last three months of the year.

The home business continues to deliver positive revenue growth… as it has in each quarter in 2020… closing the year at 3.8% in Q4… slightly better than the 3.3% for the full year.

Recall that we took a number of steps this year to support our customers… which impacted our revenue growth in Home … but we expect these actions will drive faster growth in the future… and we are starting to see it re-accelerate now.

Finally, B2B continues to be more challenged…but even here, performance was better than the numbers suggest… in 2019 we had a very strong Q4 because of a large election contract in Colombia…that did not repeat in 2020.

Drilling down further on slide 19 to the service revenue performance by country…

The first thing to say is that every country performed better in Q4 than in the Q3 ….The stand out performance was from El Salvador which delivered a 9% year-on-year growth… this was flattered by a one off item …but taking nothing away from a very good performance overall…

Guatemala once again delivered a superb performance… up 6.6% organically on a year ago … this was driven by the mobile business… and in particular prepaid mobile where the business goes from strength to strength… but additionally it was one of the best performing home businesses in 2020.

Elsewhere …Bolivia, Paraguay and Honduras continued to recover……improving sequentially… again due to a mobile recovery…and in Colombia but for the one off mentioned earlier… performance would've been slightly positive…

Finally… Panama…is probably the one market where the macro has been worse than expected…that is having a negative effect on B2B in particular…that said the consumer businesses have held up very well… and we remain very pleased with the progress we've made on integrating the acquisitions.

Ok…turning to EBITDA on slide 20. Clearly the improved performance in Mobile has filtered through to EBITDA… as I mentioned earlier… we booked a considerably lower bad debt charge in the quarter… reflecting the continued improvement in collections.

If we translate this into the impact for the full year… in the lower part of the slide… we are down 3.7% organically …and whilst the bad debt charge in Q4 was lower … for the year as a whole it was up by around $22 million …

Having said that the margin was remarkably strong…ending the year just 10 basis points down …at 40.4%

Looking more closely at the EBITDA performance by country on slide 21…

The improved revenue performance filtered down to EBITDA in most countries… Guatemala was almost 15% up organically … once again a superb performance… whilst El Salvador produced an almost double-digit growth…with some of that from the one off …and the remainder from strong mobile…

In fact we saw a solidly improving performance across the board… Bolivia rebounded although it was flattered by a much lower bad debt charge … and in Colombia …although we were down considerably…most of this was FX related and organically we were down just 2.8%… if it wasn't for the one off contract last year we would've been in positive territory….

Moving onto cashflow on slide 22. As you heard earlier we achieved just under $1.5 billion in OCF…ahead of our target… This slide gives you a sense of how we got there… despite a reduction in service revenue of over $150 million… we were able to compensate this largely through cost saving reductions….which exceeded $100m …and to a lesser extent by lower capex

And this flowed down to debt reduction…as we can see on slide 23. A strong underlying equity free cashflow…added to equity investment disposals …drove a $541 million reduction in net debt…and that is despite higher levels of spectrum purchases than we have seen in recent years.

I was also to bring to your attention that our partner's shareholder funding in Guatemala is treated as a payable for accounting purposes…and is flagged as the $157 million payable on the slide.

So proportionate leverage …excluding leases ended the year at 3.07 times… a reduction on last quarter…adding leases gets us to 3.20 times…also a reduction on last quarter.

As you can see… we were very focused on achieving our leverage targets …and reducing our debt … and we plan to maintain that approach in 2021… so to that end we have today announced that we intend to deploy $180 million of our cash balances to reduce more of our US dollar debt… With this let me pass back to Mauricio.

Mauricio Ramos:

Thanks Tim. Before we take your questions, let me recap the key messages

First – Our customer base is growing rapidly, net adds were very strong in Q4 and for the full year… and this was in the midst of a Pandemic

Second – Our business continued to recover in Q4

Third – We never stopped investing, and we are already seeing some tangible benefits from this continued investment focus

Fourth – We followed a prudent and flexible approach to managing the business in 2020, and we were able to protect and even grow our cash flow.

Fifth – We made a lot of progress toward reducing our net debt

Going forward, we will continue to execute on our organic growth strategy. Many of you will recognize the six boxes in the middle, but it's worth repeating that our strategy is, first and foremost, network-centric – we believe fundamentally in the power of these Digital Highways that we are building throughout Latin America. Second, it is convergence driven… we aim to provide both fixed and mobile services in all our markets and in an increasingly seamless way to our costumers. Third, we are Customer focused… NPS is now one of our main internal KPIs used for management incentive compensation – because we know we create shareholder value by increasing the number of satisfied customer who become attached to our high speed data networks. Fourth .. we now have a digital-first customer touch point strategy … to enhance the experience of the customer of the future and to lower our costs. The pandemic has given us a big push forward on this digital journey… digital collections are up 78% in 2020… digital reloads are up 106%... Tigo Money Digital transactions are up 153%

Finally, let's talk about the outlook for 2021. As you've heard so far on this call, we are very pleased with our results for 2020 in the context of the Pandemic, the pace of recovery in the business is also positive… and we think we are very well prepared going into 2021 with subscriber growth, resilient cash flow and reduced net debt. But the reality is that we are still in the midst of a global pandemic and the health crisis is still at emergency levels in our countries… bed capacity usage is at a maximum and so is ICU usage. The Second Wave is hitting most of our markets and some countries, like Colombia, Panama and Bolivia have been implementing new, although much more limited, restrictions. And it will take quite a while for a majority of citizens in our markets to be vaccinated and for our economies to recover… we still do not really know how badly they have been hurt.

So, we are NOT out of the woods yet… not yet… 2021 is still highly uncertain… so in 2021 we will use the same flexible and prudent management approach that worked so very well for us in 2020, we will be prudent and flexible, as we were in 2020, and we will continue to invest for the long term… with a renewed and more confident investment focus. That means that we will invest more in the business and yet commit, again, to a minimum OCF level of 1.4 billion dollars for 2021. Our priorities will continue to be investing in the business and further reducing net debt… rather than immediately resuming dividends or buybacks… As I said earlier, we believe that these are the best uses for our cash flow at this time

With that, we are ready for your questions.