



MILlicom
THE DIGITAL LIFESTYLE

2017 Q1 results

Mauricio Ramos, CEO

Tim Pennington, CFO

26 April 2017

We believe in better. We believe in **tigô**

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All forward-looking statements in this presentation are based on information available to Millicom on the date hereof. All written or oral forward-looking statements attributable to Millicom International Cellular S.A., any Millicom International Cellular S.A. employees or representatives acting on Millicom’s behalf are expressly qualified in their entirety by the factors referred to above. Millicom does not intend to update these forward-looking statements.



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CEO review

Mauricio Ramos

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Strategy recap

1

Build high speed data networks for both mobile and fixed services

2

Two-fold reconfiguration to accelerate revenue growth and drive superior cash flow growth

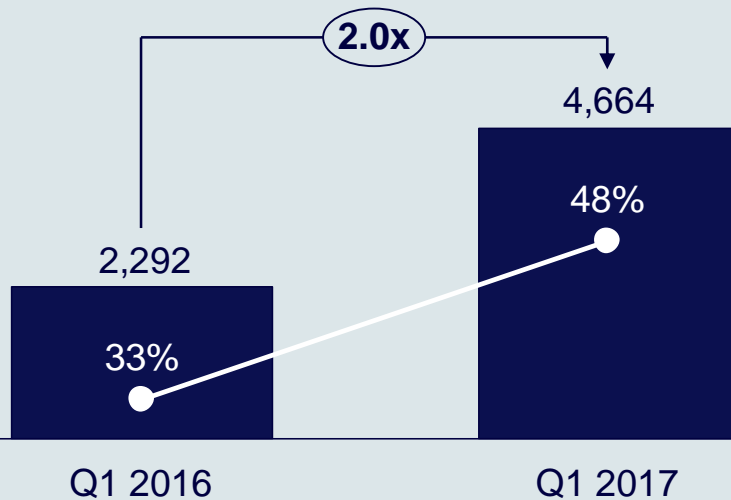
Sustaining rapid deployment of our high speed data networks

MOBILE NETWORK

4G Network build in Latam

Coverage in % of population covered,
4G Points of presence (PoP)

○ Coverage
■ PoP



Q1 2016

Q1 2017

19%

LTE data traffic in % of
total data traffic

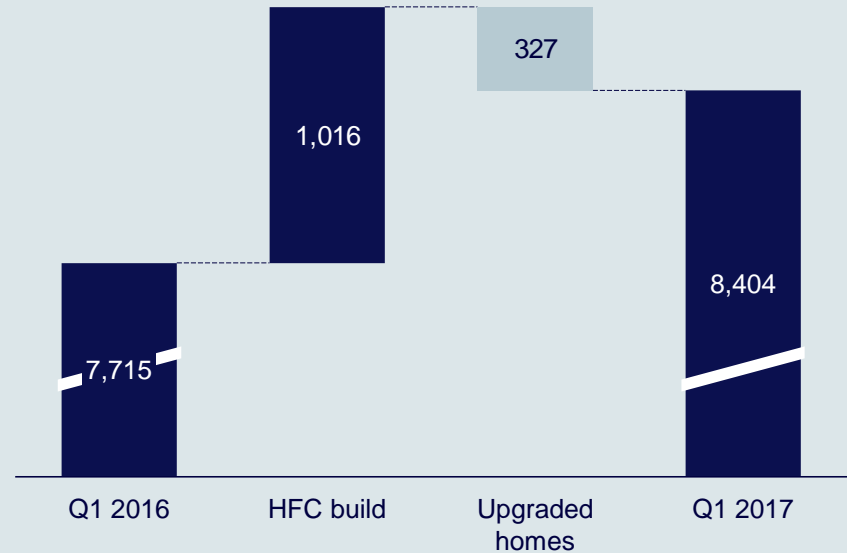
40%

✓ Added 469 Points of Presence in Q1

CABLE NETWORK

Homes passed

Thousands Homes passed, Q1 16 – Q1 17



Q1 2016

HFC build

Upgraded
homes

Q1 2017

- ✓ Record 370k HFC homes built in Q1
- ✓ Record +1.0 million HFC homes in LTM
- ✓ Accelerating HFC upgrades from copper

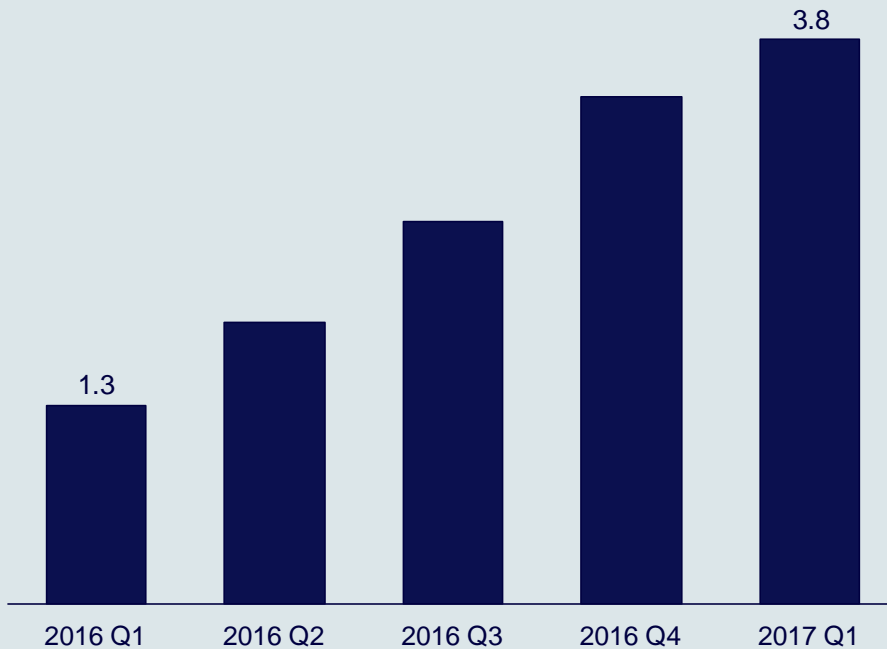
2 Adding higher value customers

Continued strong customer intake

MOBILE

4G data users

B2C Smartphone data users (million), Q1 16 – Q1 17

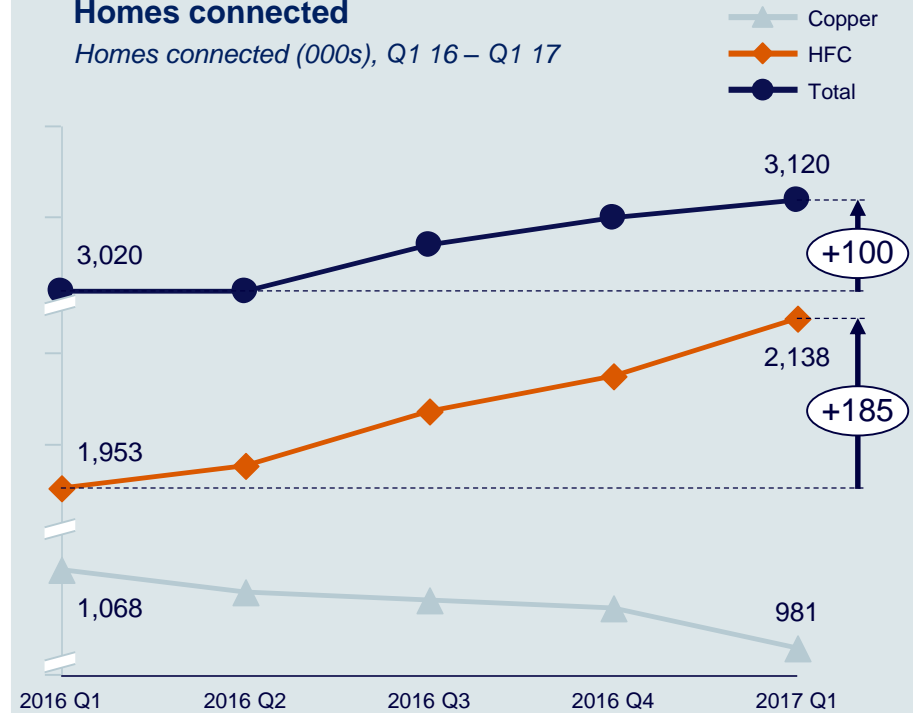


✓ 4G B2C net adds in Q1 of 392k

FIXED

Homes connected

Homes connected (000s), Q1 16 – Q1 17

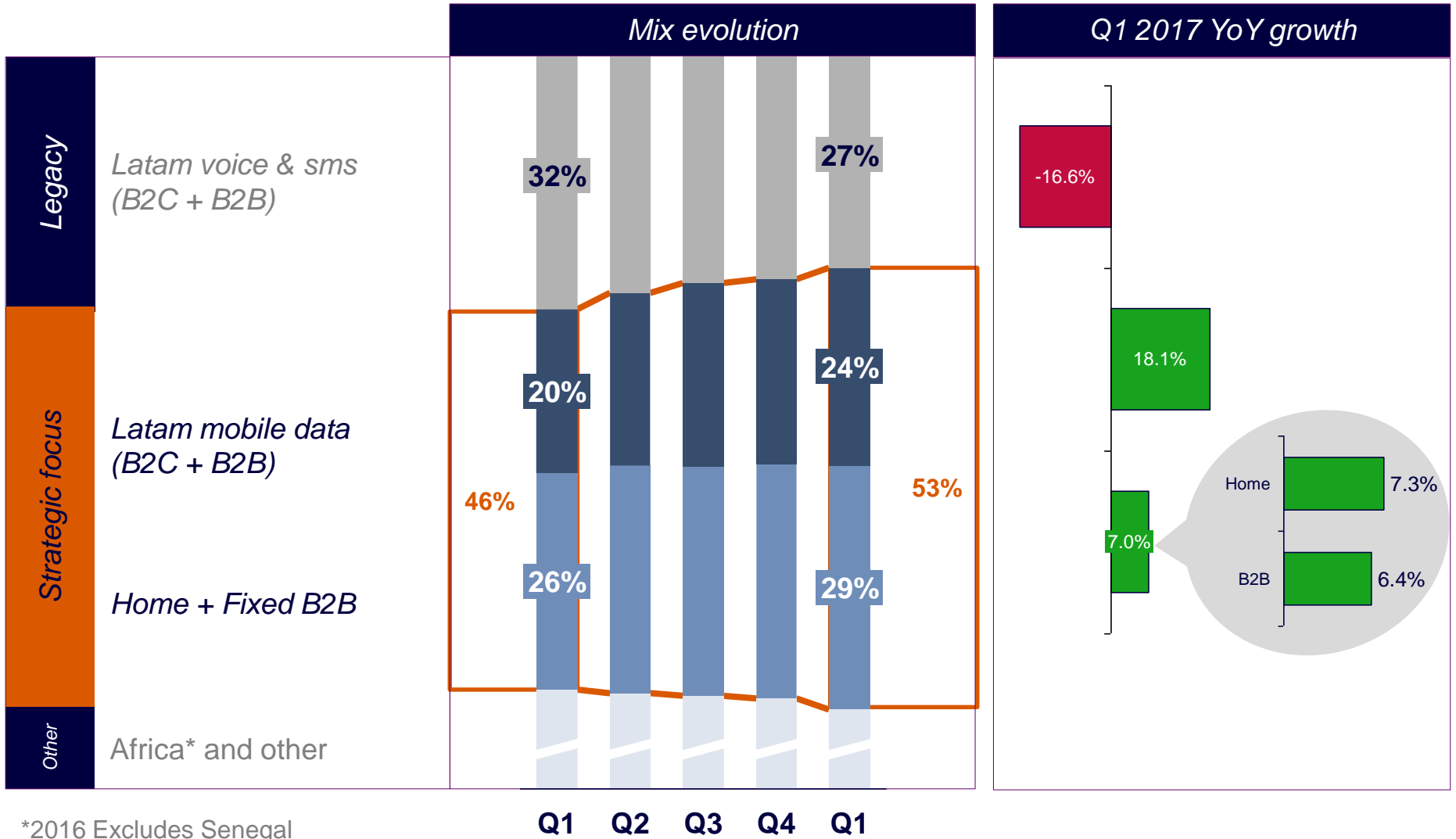


✓ Connected 63k HFC homes in Q1 17

3

Strategic progress – service revenue

Revenue reconfiguration on track...



*2016 Excludes Senegal

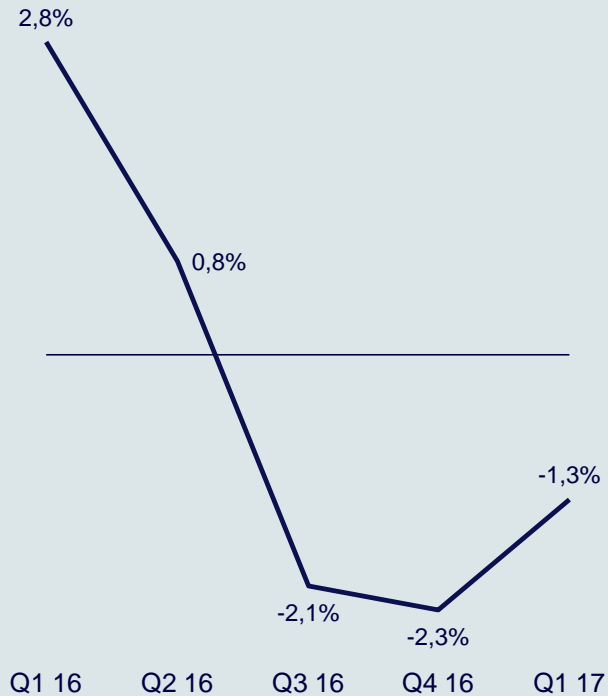
4

Growth still challenged, but trends improving

...with signs of inflection in markets where mobile data > voice and SMS

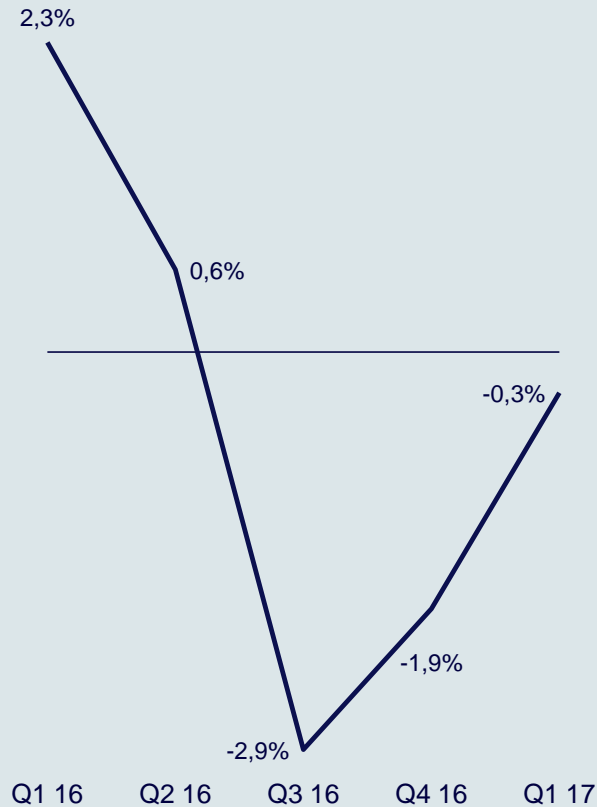
Latam

Service revenue growth
%YoY growth, Q1 16 – Q1 17



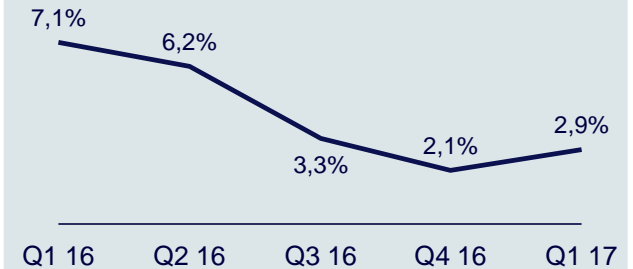
Colombia

Service revenue growth
%YoY growth, Q1 16 – Q1 17



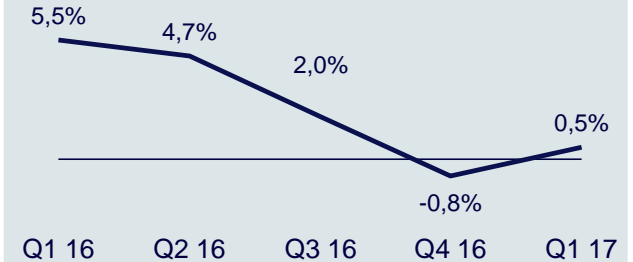
Paraguay

Service revenue growth
%YoY growth, Q1 16 – Q1 17



Bolivia

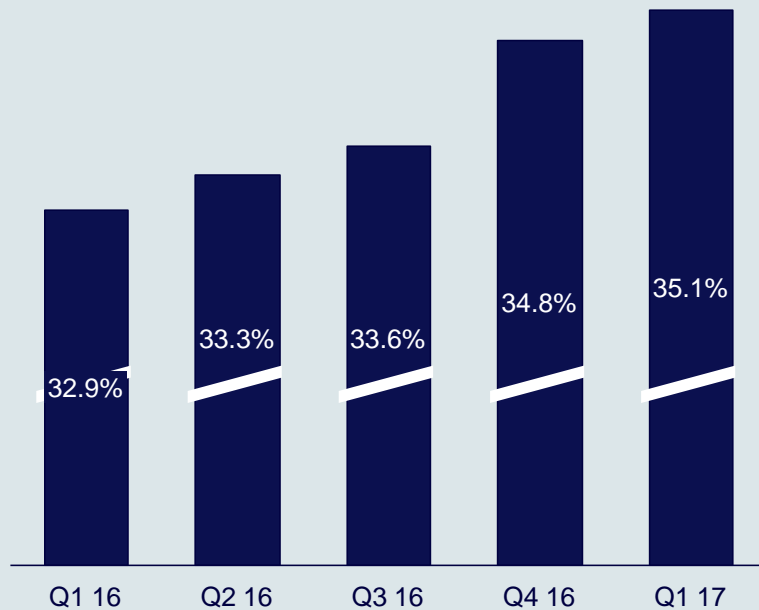
Service revenue growth
%YoY growth, Q1 16 – Q1 17



5 Cost reconfiguration

Margins and cash flow also on track

LTM EBITDA margin
%, LTM reported margin



**Project
HEAT**

LTM OCF margin
%, LTM reported



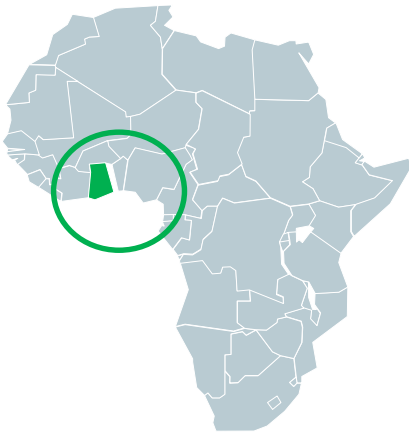
✓ Q1 Margin of 36.8%

✓ OCF margin approaching our 20% target

Focusing capital on strategic priorities

Ghana

JV with Airtel



Creating a strong #2
with close to \$300m of
revenue and 10m
subscribers

A more profitable and
valuable business

Paraguay

Tower deal



Disposing non-core
asset

Monetizing dollar
assets and adding to
local currency
liabilities

Cash: \$125m
Towers: 1,410

7 Building momentum

1	Strong progress in build-out of our High Speed Data networks	469 4G PoP / 370k HFC built
2	Continued addition of higher value customers	392k 4G subs / 63k HFC connected
3	Revenue reconfiguration on track	> 53% strategic revenue
4	Growth still challenged, but trends improving	Turning the corner
5	Relentless focus on operational and capital efficiency	Continued margin improvement



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CFO review

Tim Pennington

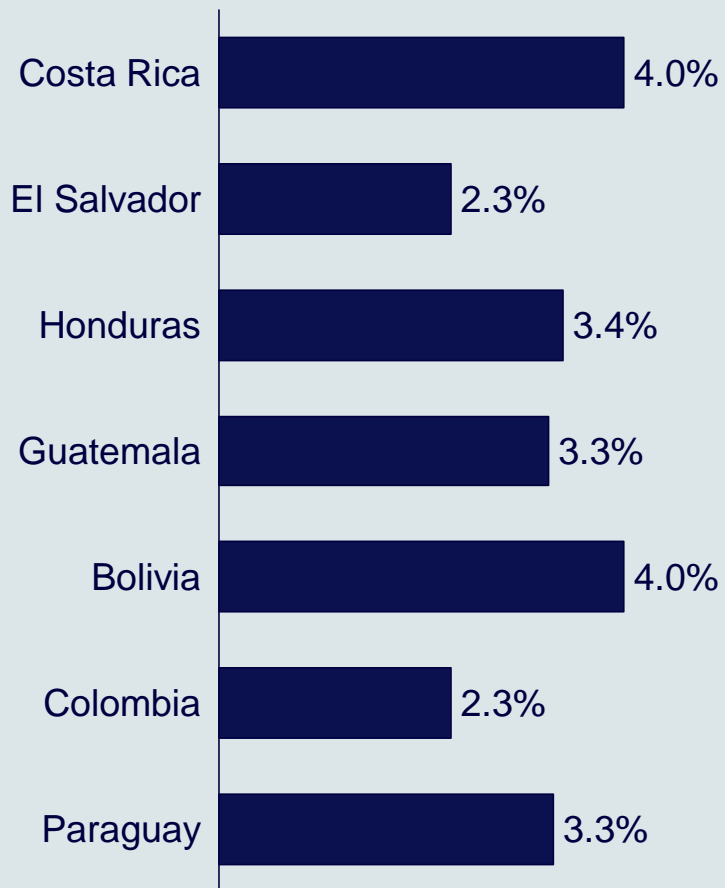
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Macro outlook

Economic environment more stable

GDP Growth

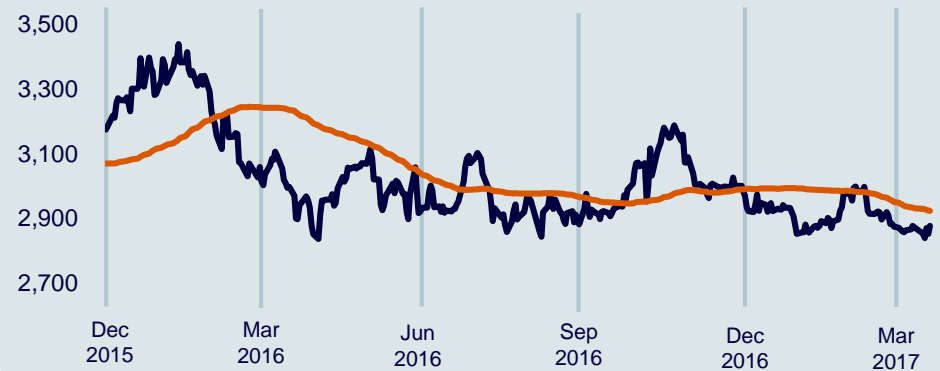
%, FY17e



Source: IMF

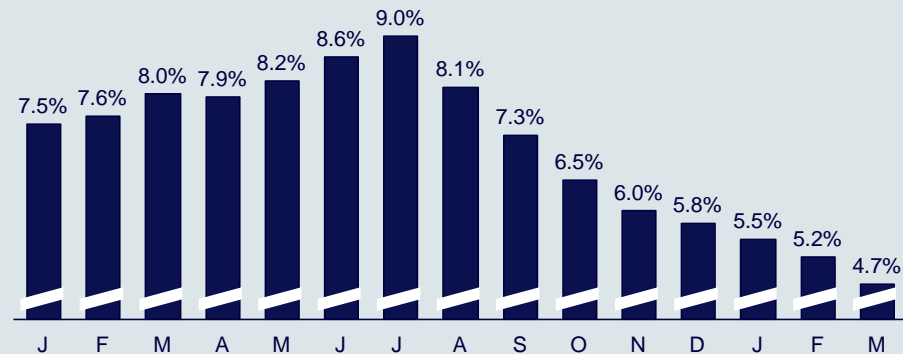
COP Spot rate and 90 day moving average¹

COP/USD, Jan 2016 – Apr 2017



Colombia Inflation rate¹

%, Jan 2016 – Mar 2017



¹ Source: Bloomberg

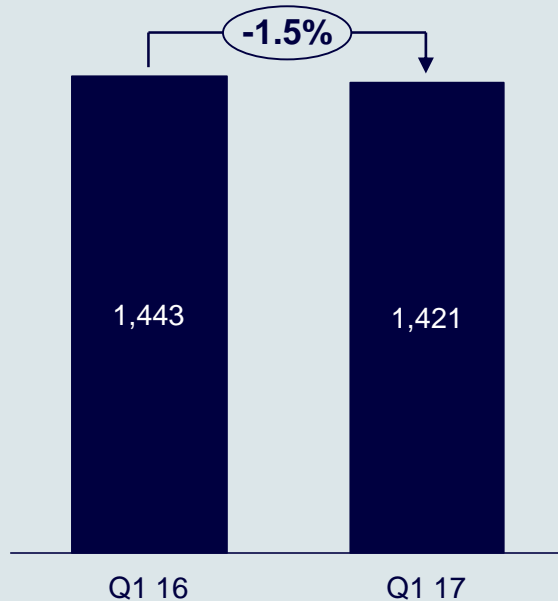
Key financial metrics

Positive underlying trends

1

Service Revenue ^a

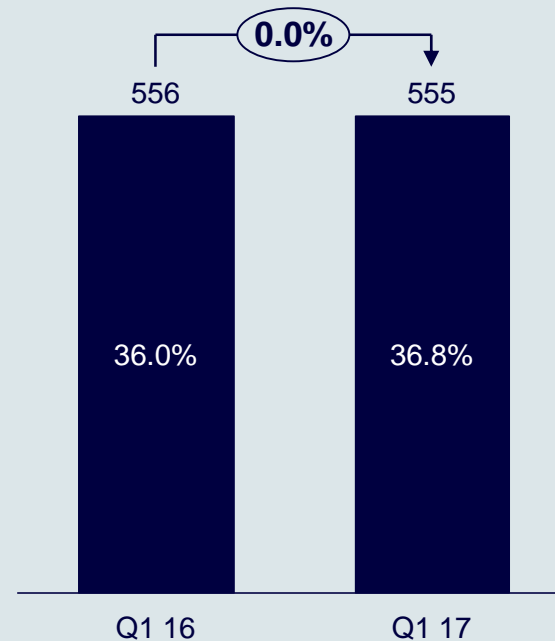
\$m, Q1 16 – Q1 17



2

EBITDA ^a and Margins

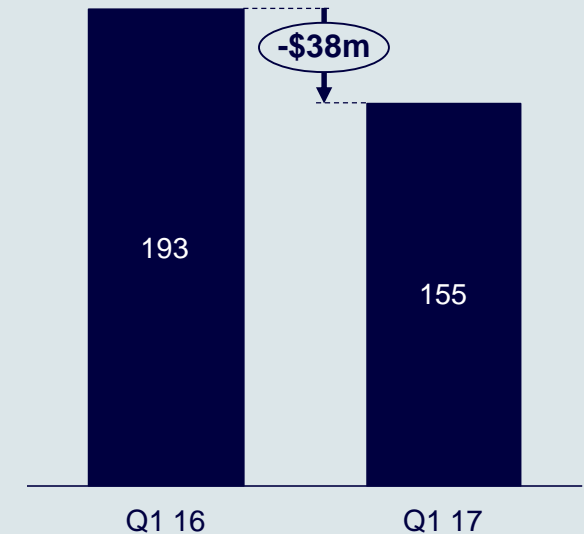
\$m, Q1 16 – Q1 17



3

Capex ^b

\$m, Q1 16 – Q1 17



US\$ million

a) Q1 16 numbers are adjusted to Q1 17 FX rates and exclude Senegal

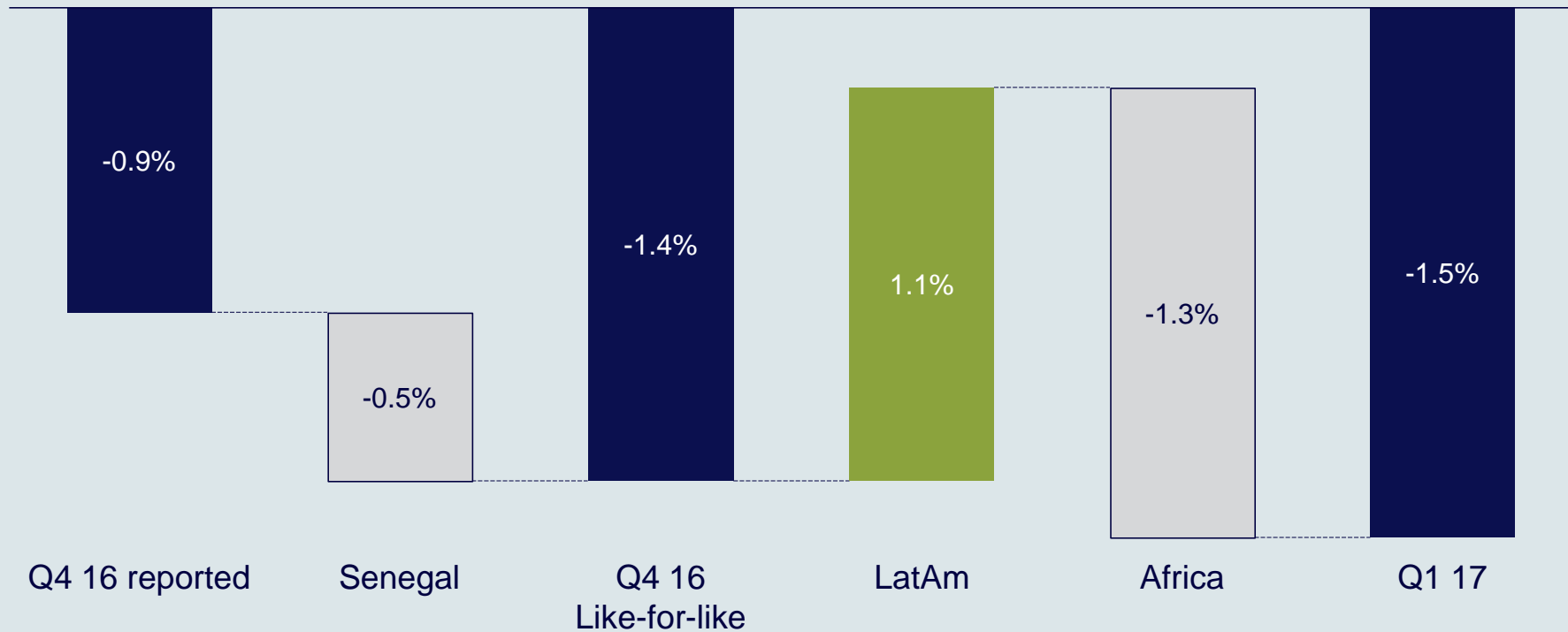
b) Excluding Senegal, spectrum & license costs

Service revenue

Improvement in LatAm trends offset by Africa

Sequential organic group service revenue growth analysis

%YoY, Q4 16 – Q1 17

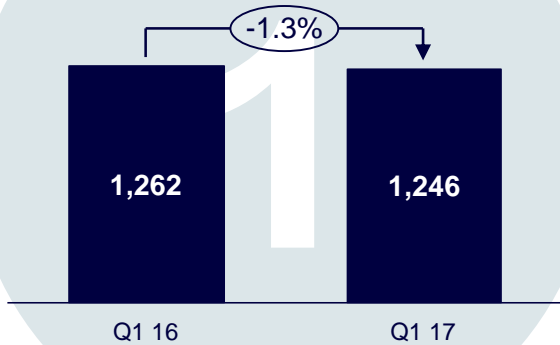


Latin America

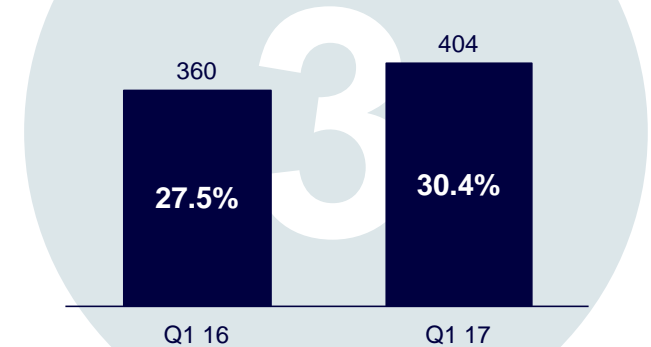
Improved margins and cash flow



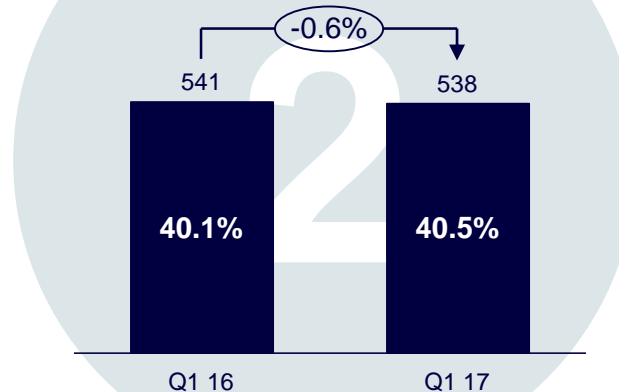
Service revenue
(\$m)



OCF
(EBITDA – Capex)
\$m and margin



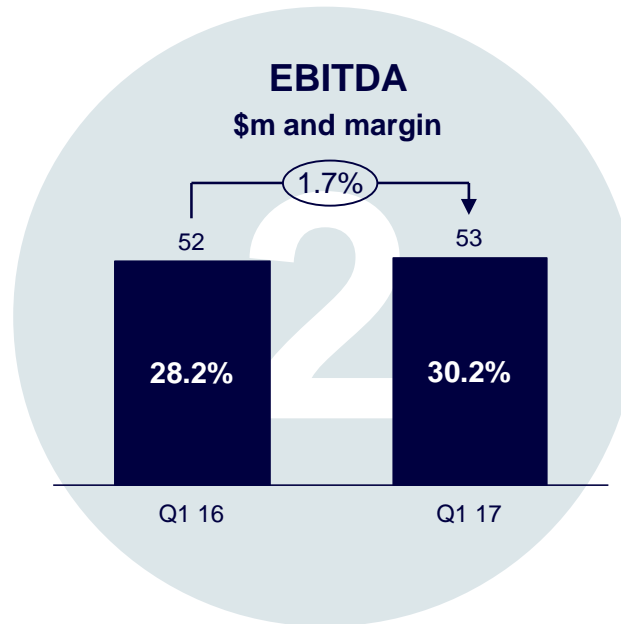
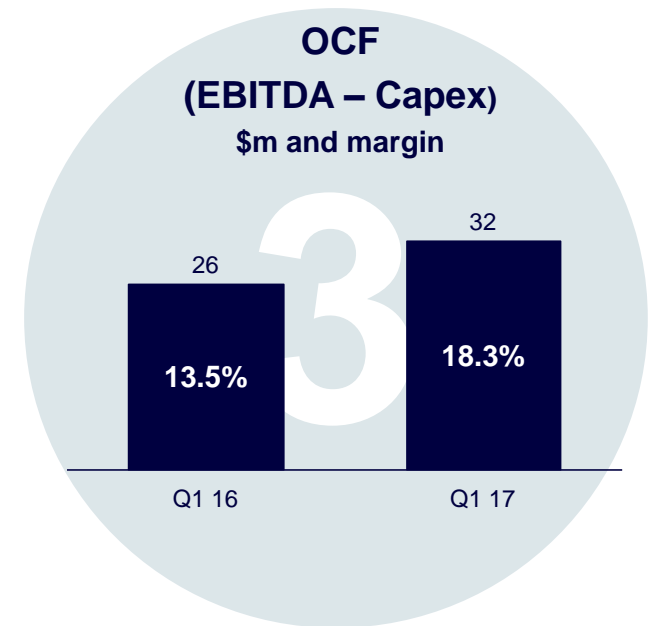
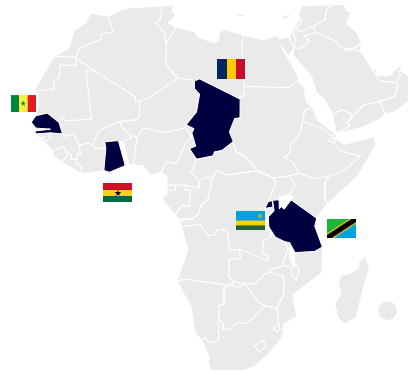
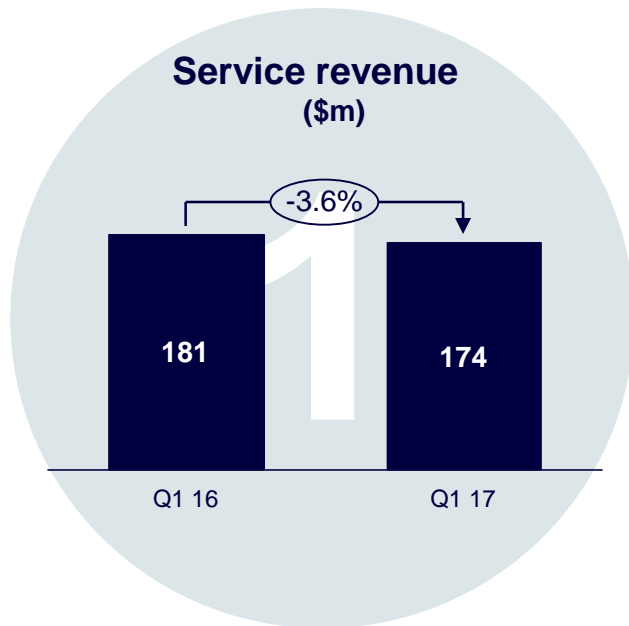
EBITDA
\$m and margin



Q1 16 numbers at Q1 17 FX rates
Capex excludes spectrum and licenses

Africa

Challenging quarter but growth in EBITDA and cash flow



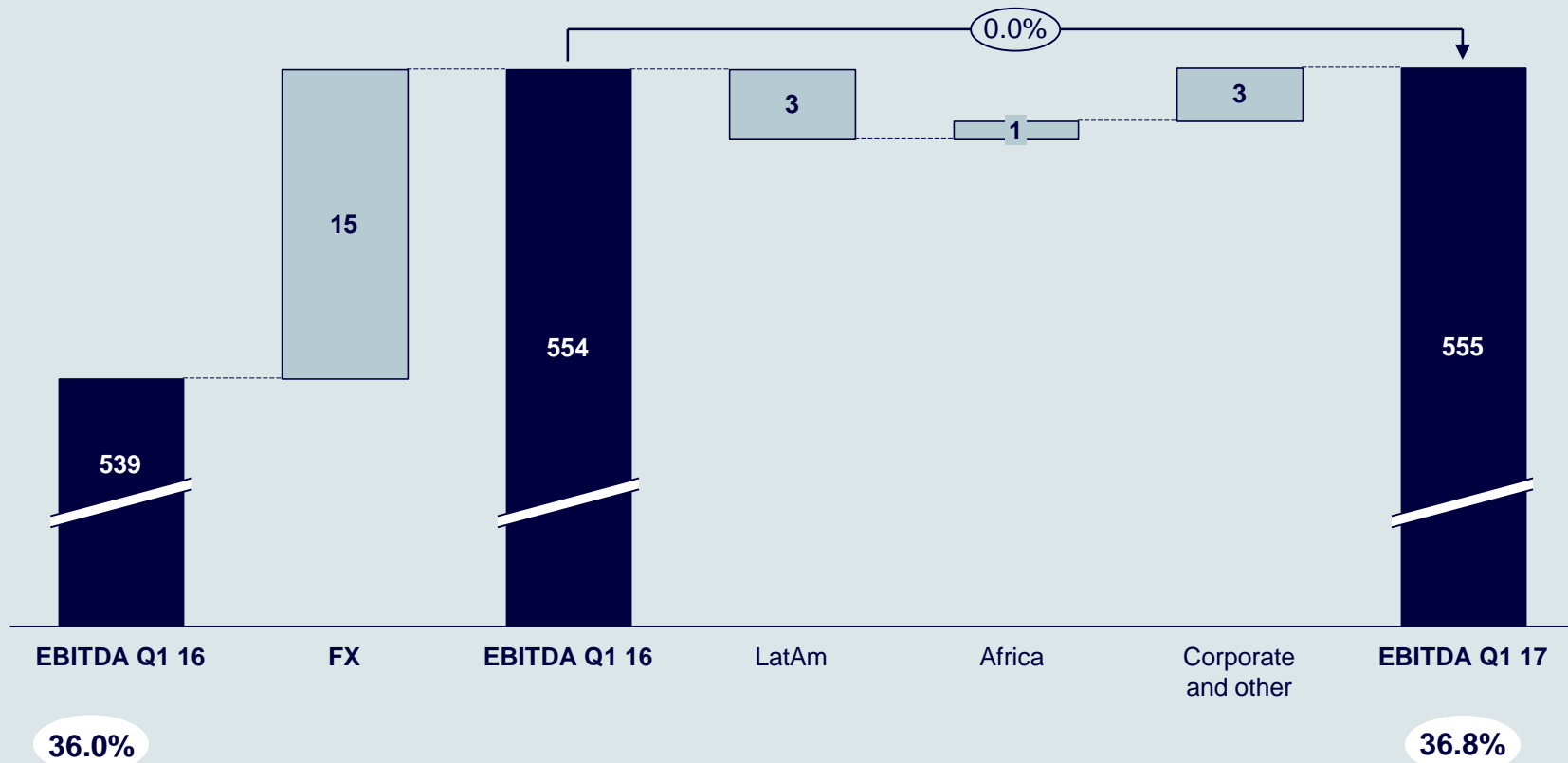
Q1 16 numbers at Q1 17 FX rates and excluding Senegal
Capex excludes spectrum and licenses

EBITDA

Margin up 0.8 percentage points

EBITDA evolution by Region

US\$ million, Q1 16 – Q1 17

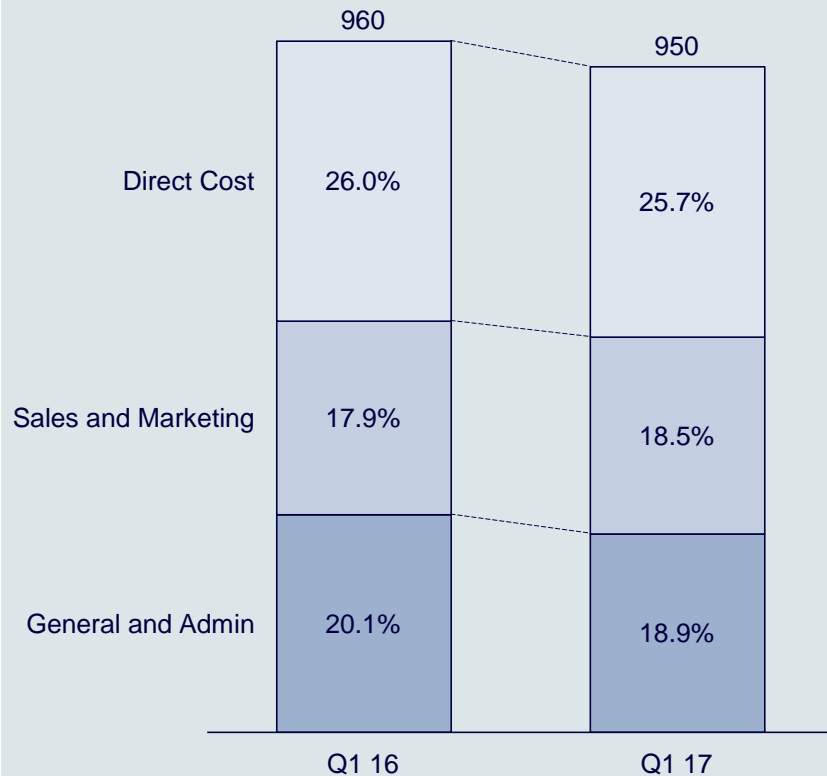


Costs review

Focus on efficiencies in operations and corporate

Total cost base

\$m Reported and % of revenue, Q1 16 vs. Q1 17



- **Total cost down 1.0%**
- **Operating expenses 1.2% down**
 - Lower network operating costs
 - Corporate costs 3.7% lower
 - G&A at 18.9% down 1.2 pps
- **Investment in Sales & Marketing continues**

Q1 P&L review

Adjusted EPS stable

US\$ million	Q1 17	Q1 16	% Var
Revenue	1,505	1,499	0.4%
EBITDA	555	539	2.8%
D&A	(332) ^A	(316)	5.0%
Operating profit	223	223	0.2%
Net Finance Charge	(118) ^B	(106)	11.2%
Others	23 ^C	11	+100%
Associates	(14)	(11)	32.2%
Profit before tax	114	117	(2.1%)
Tax	(63)	(59)	7.7%
Minority interests	(32)	(27)	20.0%
Discontinued ops.	5	7	(30.9)
Net income	24	38	(37.8%)
Adjusted EPS	0.24	0.23	4.3%

^A FX translation in Colombia

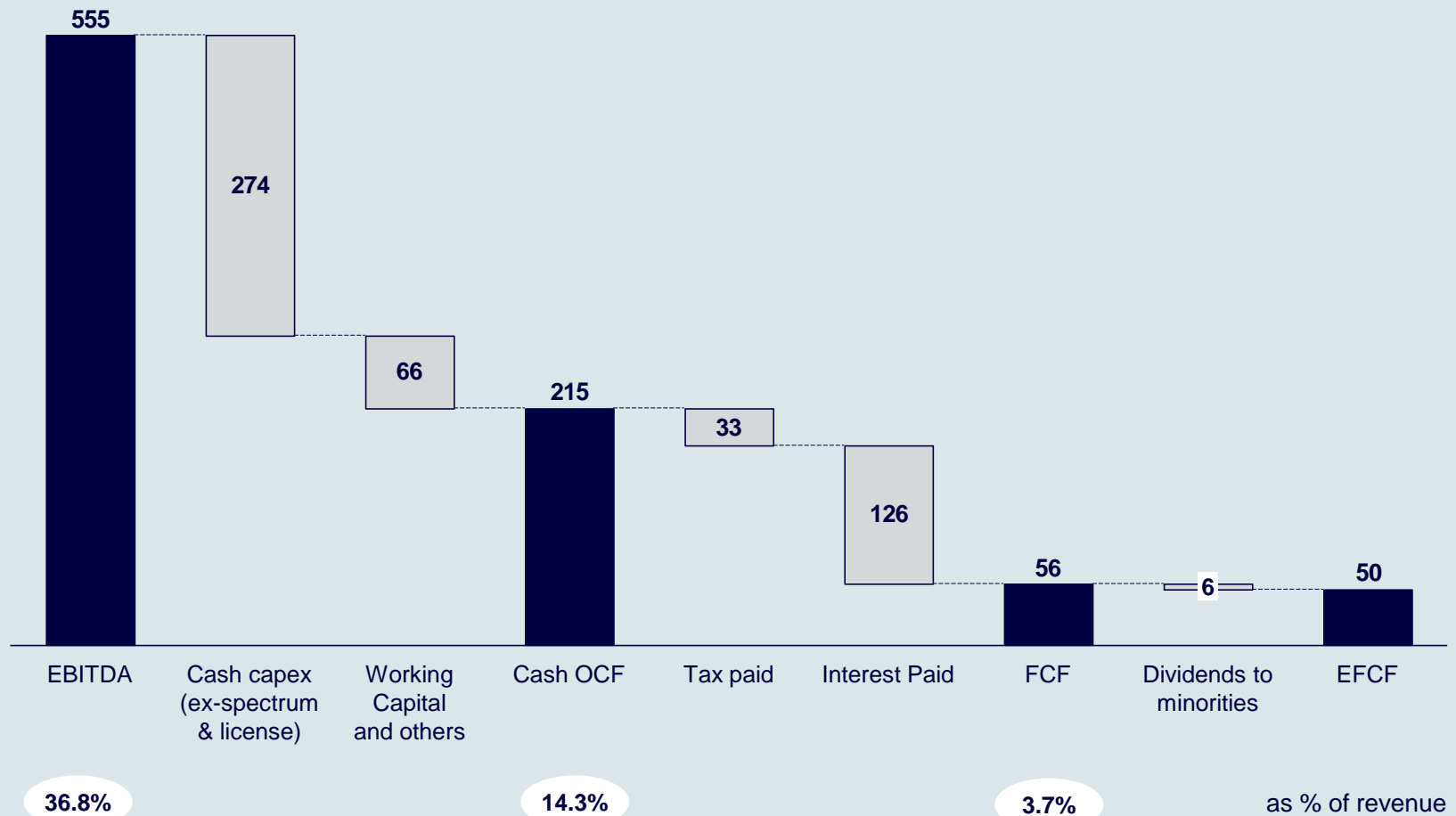
^B Higher amount of local currency debt

^C FX gains

Q1 cash flow

Equity FCF improved by \$100mn YOY in Q1

Q1 2017 Cash flow
US\$ million

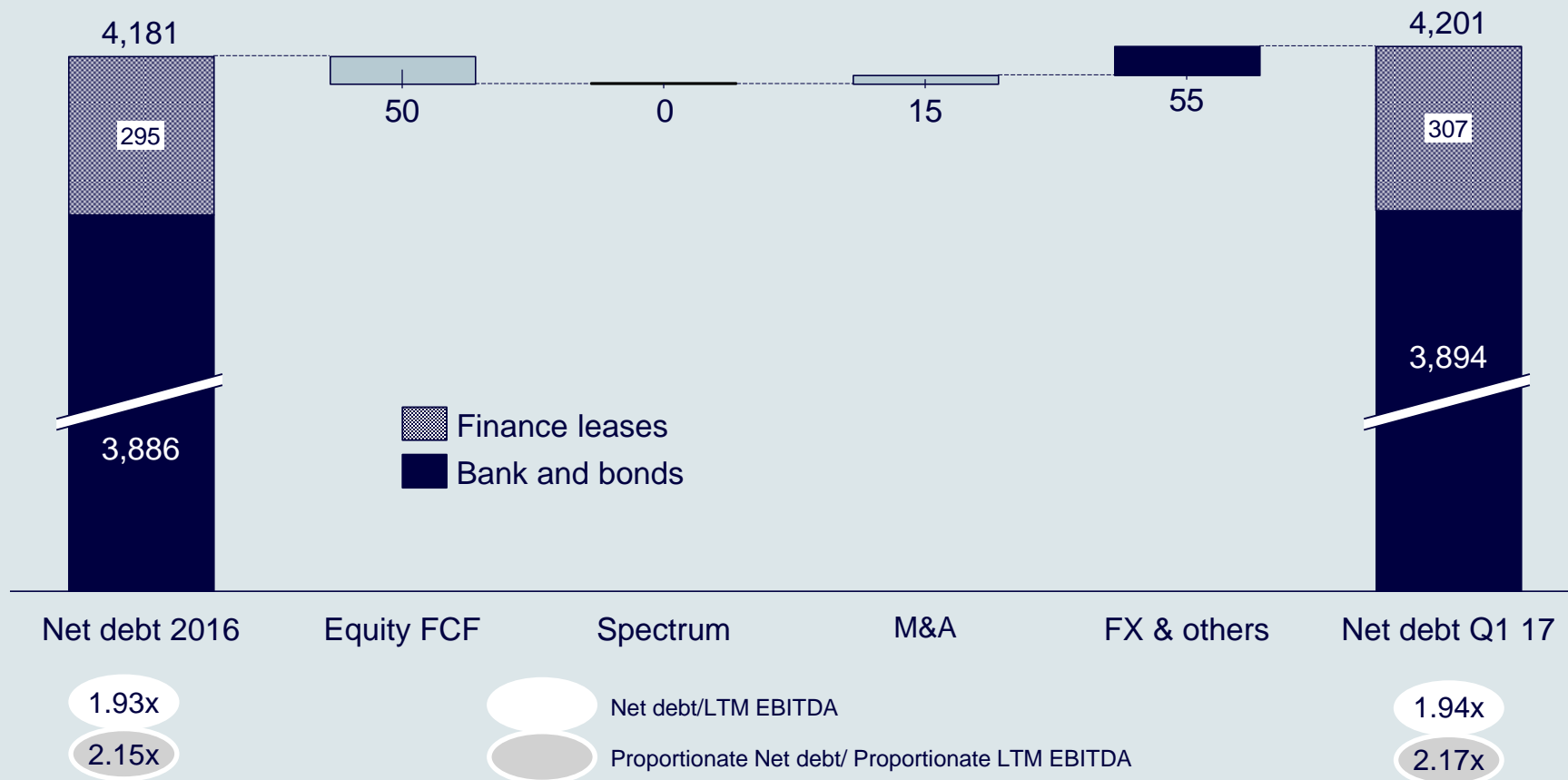


Net debt

Slightly higher due to FX translation

Net debt evolution

US\$ million, 31 December 2016 – 31 March 2017



Summary

1

Service revenue: Latam improvement offset by Africa

2

Continued focus on operational efficiency

3

Sustaining and improving operating cash flow

4

On track to deliver 2017 goals



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Q&A

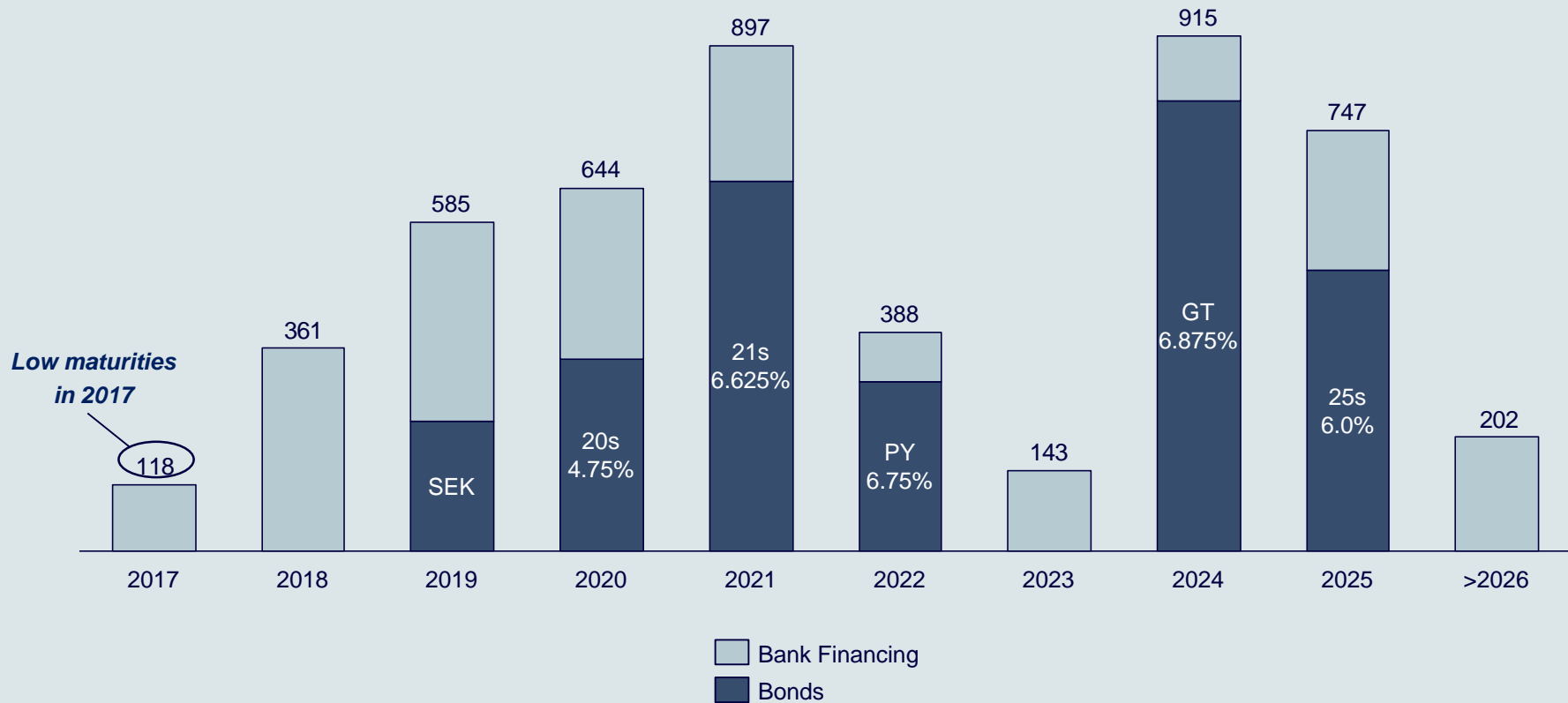
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Debt profile

Long average maturity to debt profile

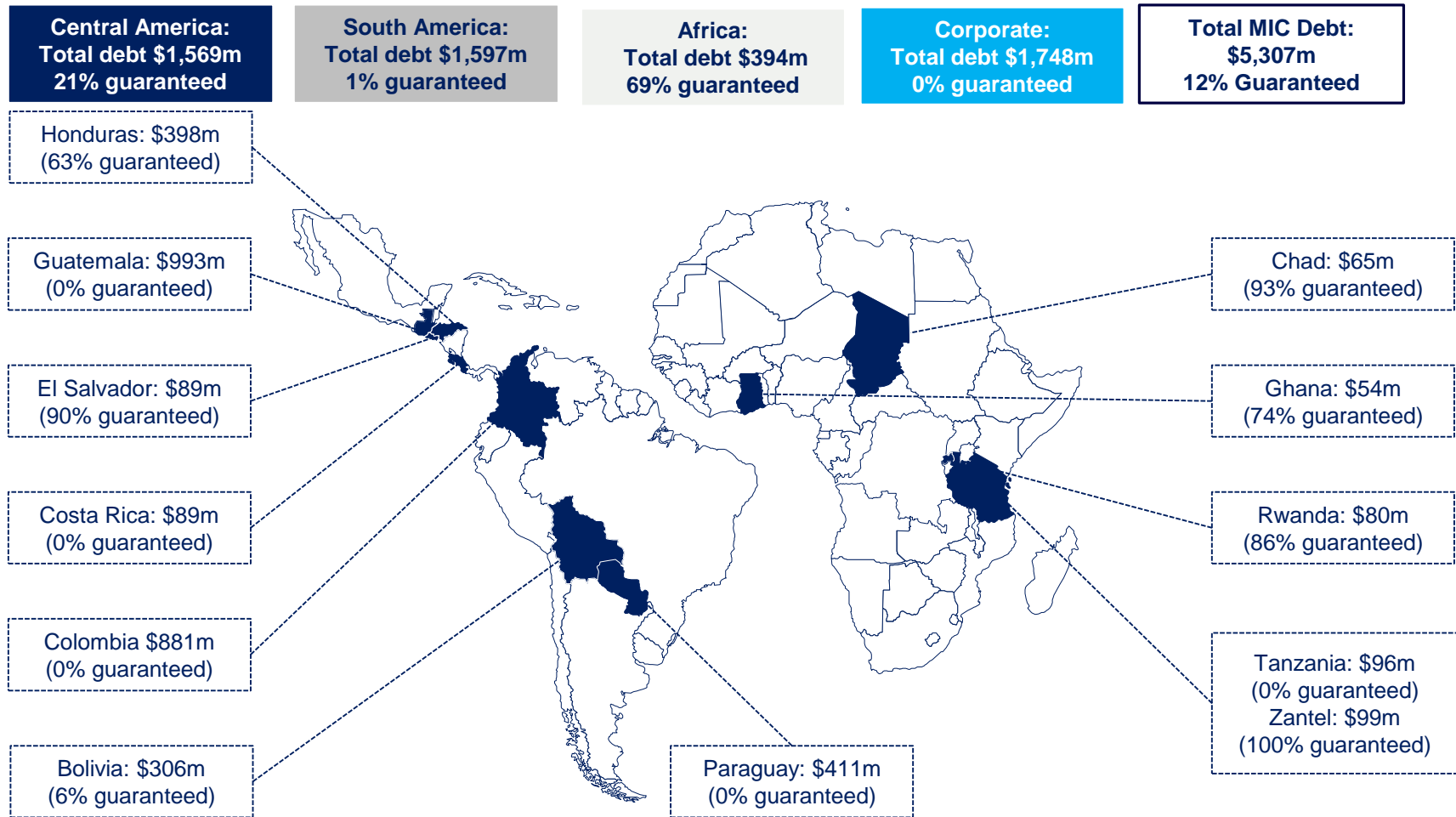
Debt maturity profile ^a
US\$ million

Average life of 5 years



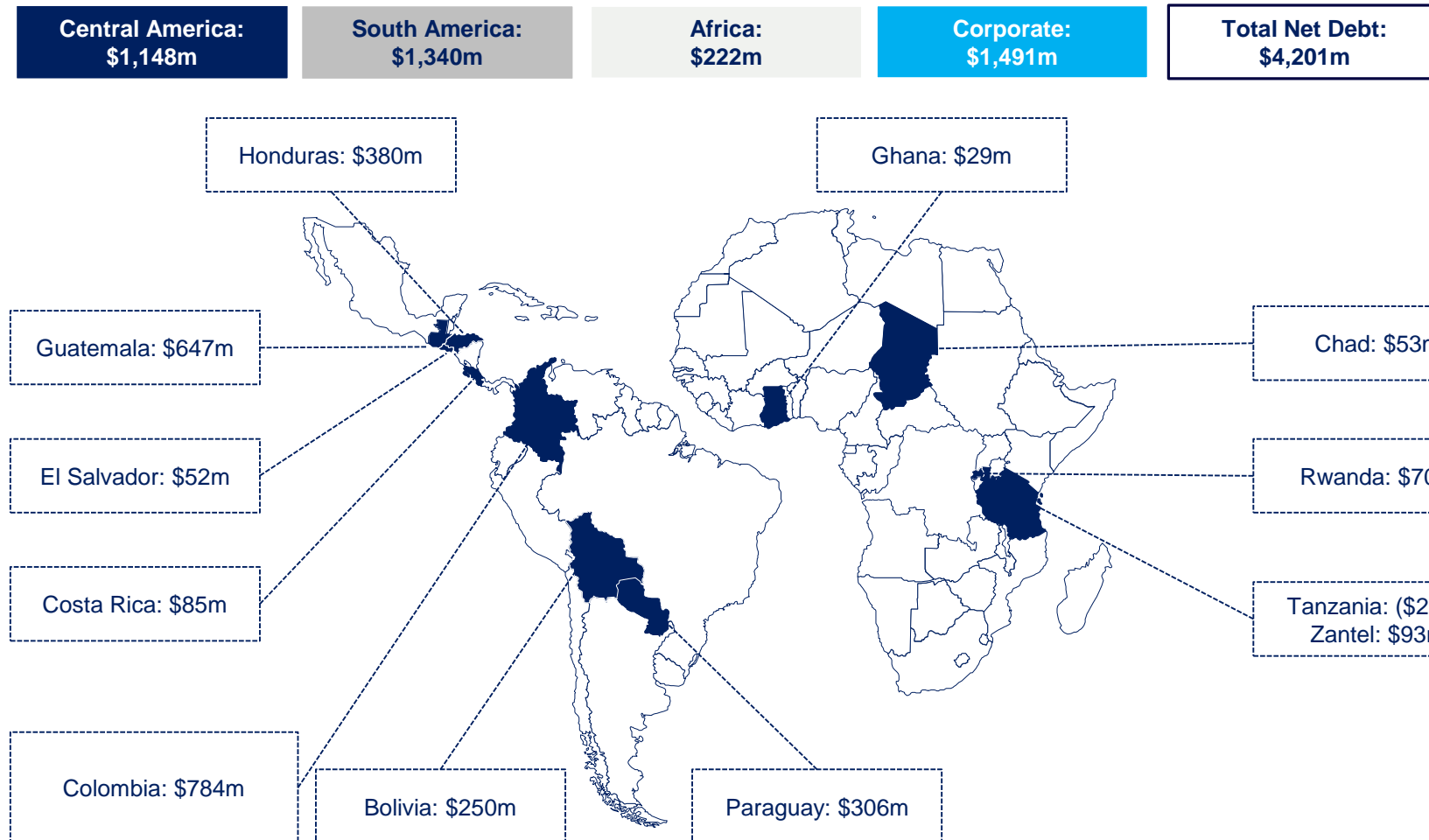
a) excluding financial leases

Gross debt by country



Including finance leases

Net debt by country



Including finance leases;

Currency exposure of the debt

Mar - 17	Debt including finance leases			Cash	Net debt		
	US\$	Local	Total		Total	USD	Local
Latin America	1,466	1,700	3,166	678	1,110	1,378	2,488
	46%	54%	100%		45%	55%	100%
Africa	215	179	394	172	204	18	222
	55%	45%	100%		92%	8%	100%
Corporate	1,748	0	1,748	257	1,493	-2	1,491
	100%	0%	100%		100%	0%	100%
Millicom	3,429	1,878	5,307	1,107	2,807	1,394	4,201
	65%	35%	100%		67%	33%	100%

EI Salvador has USD as functional currency (treated as local.)