



2017 Q4 results

Strong finish to 2017, accelerating into 2018

Mauricio Ramos, CEO

Tim Pennington, CFO

February 7, 2018

Millicom International Cellular S.A.

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1. CEO review

Mauricio Ramos

Strong finish to 2017, accelerating into 2018

1

Well into our strategic journey

2

A record year for network build and customer growth

3

Back to growth and financial performance accelerating

4

Delivering on our promise of improving capital allocation

1 Our journey... big picture

We have been transforming the company in *many ways*

FROM

TO

Mobile-only
Voice + SMS
Prepaid

STRATEGY

Cable + convergence
High-speed data (4G)
Subscription-driven
Compliance leader
Purpose driven

Legacy network
Analog
Legacy IT

NETWORK

State-of-the-Art (4G, HFC)
Digital
OTT like

Product &
Sales Driven

CUSTOMER

Customer Centric

No Geographic Focus

**CAPITAL
ALLOCATION**

High-speed data networks
IT transformation
Latam-only

Deteriorating margins
Dividend at risk
Negative eFCF

RETURNS

Improving margins
Dividend covered
Positive eFCF

1 We have a single strategic purpose

Building *digital highways* that connect people,
improve lives, develop communities

By year-end 2018:

10M homes will be covered by our fixed network

10M mobile customers will enjoy 4G speeds

Technology has the potential, and we the responsibility to
transform societal problems
into *societal good*

1 We are a purpose-driven company



Child Rights

Protecting young digital citizens

- UNICEF - MoU
- COP: +188,000 children
- M-Birth: +2m children



Great Place to Work

Taking care of employees

- Top 20 in GPTW Latam



Diversity

Gender equality and women in tech

- Connected Women
- +24k women trained
- 33% women in senior roles



Sustainable Supply Chain

Enhancing suppliers' standards

- +100 suppliers trained on CSR including ABAC
- Suppliers' sustainability criteria for hiring



Compliance

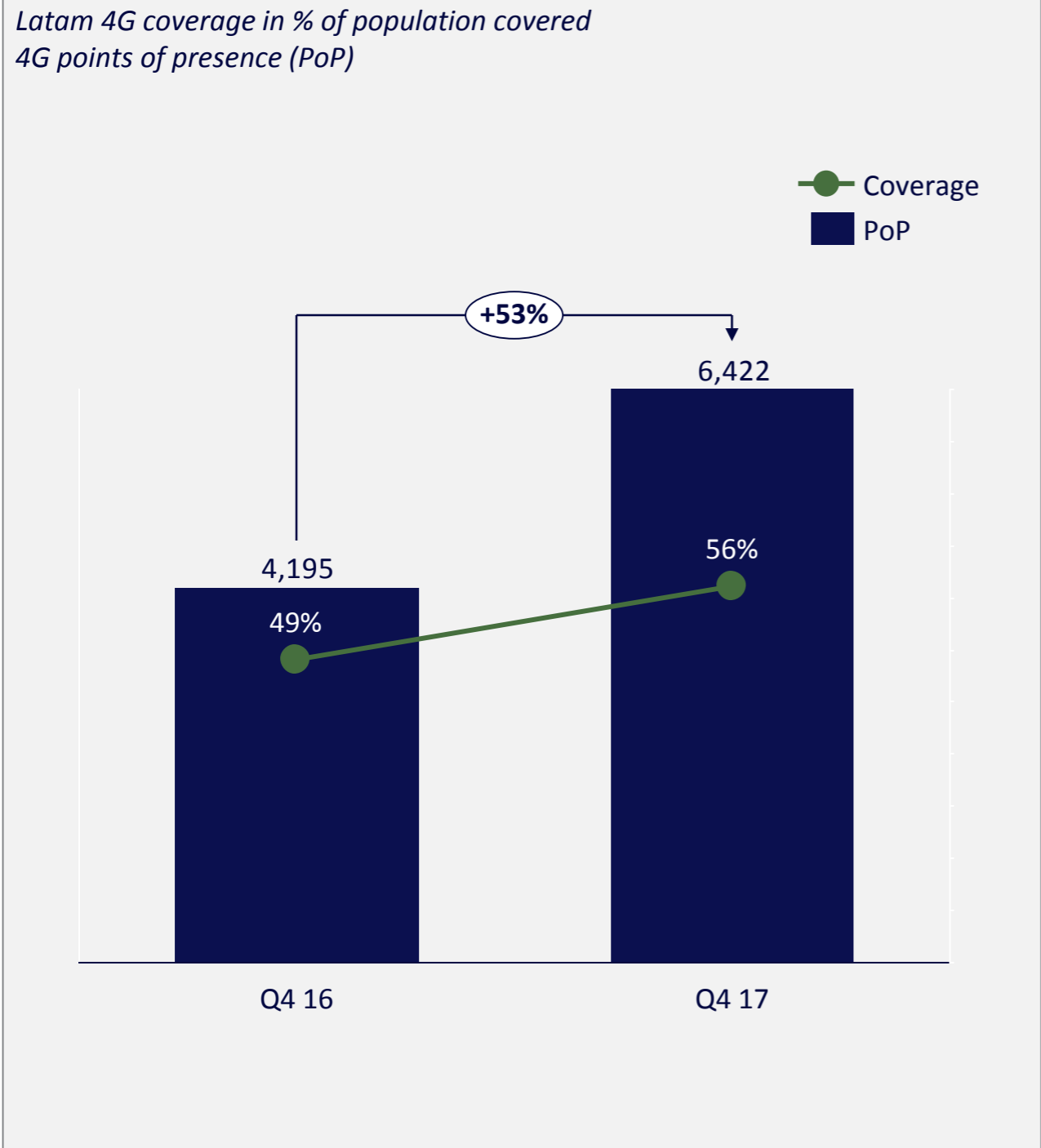
Doing business the right way

- Internal policies enhanced
- 96% employees trained

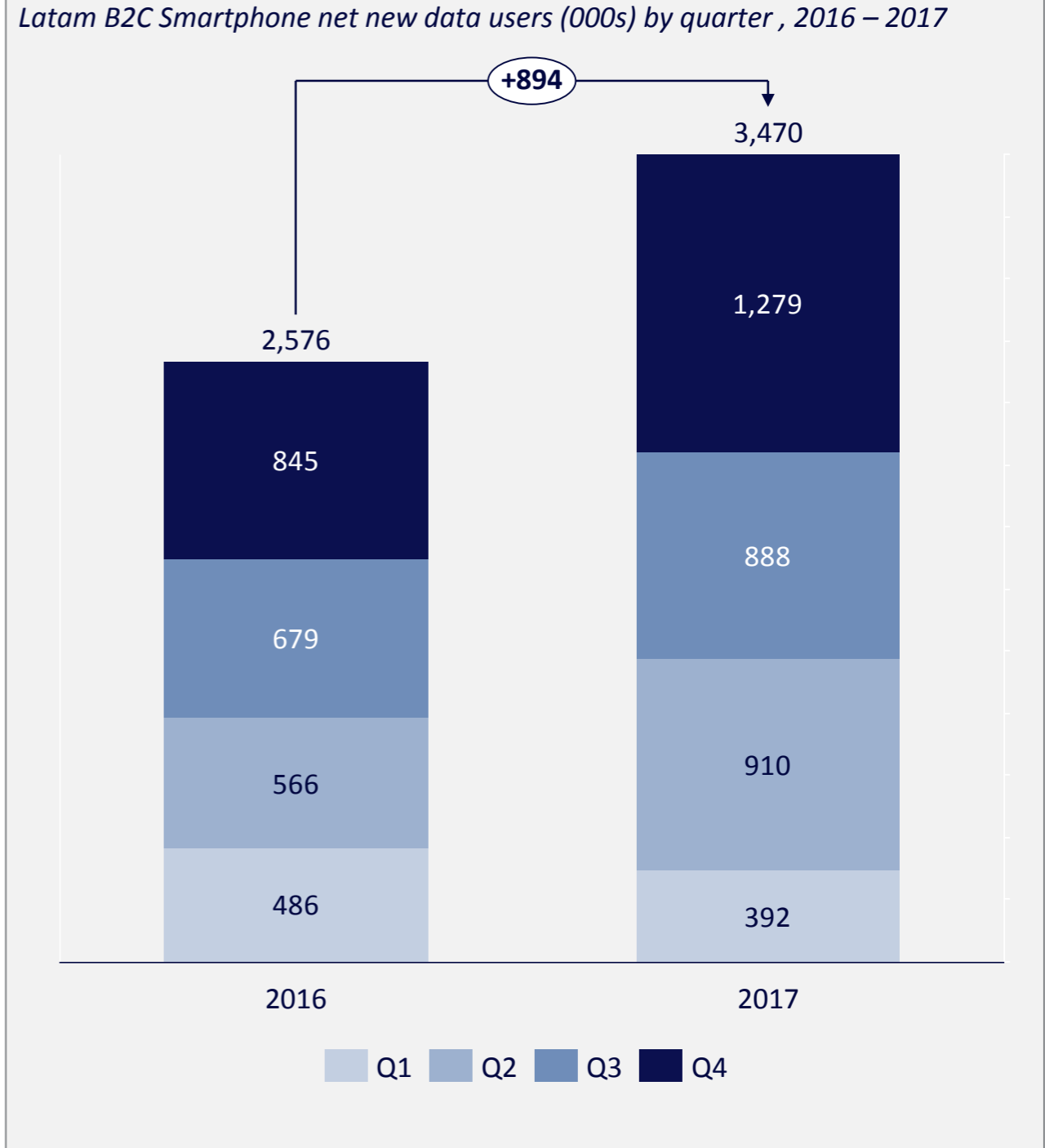
2 B2C Mobile - Record 3.5m 4G net adds in Latam

Added 3.5m 4G customers comfortably beating our 3 million target and ending with a record Q4

4G network coverage expansion continues



Record 4G data user net additions in Q4 and 2017

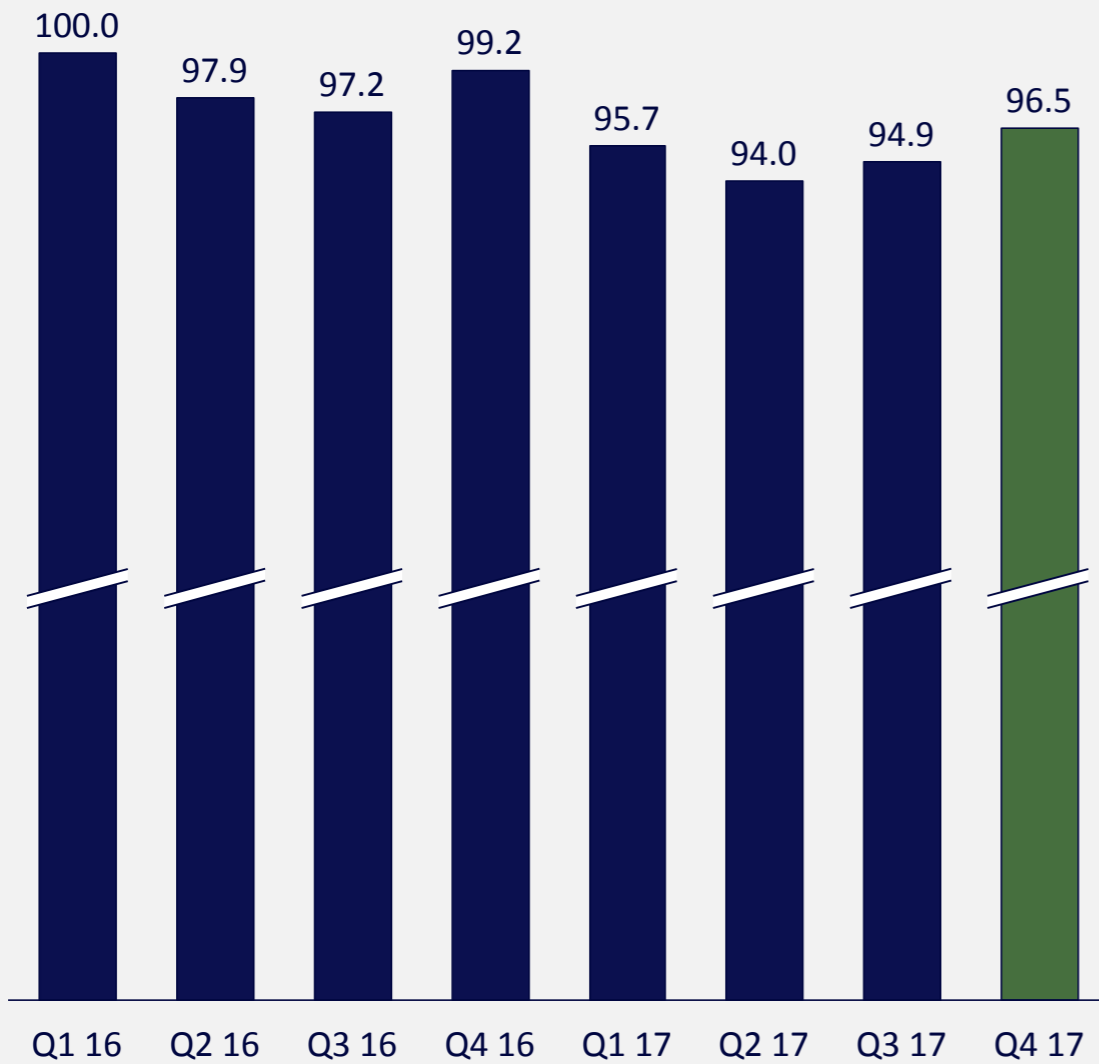


2 Our mobile business is back to growth

ARPU trends improved and revenue growth turned positive in Q4

Latam B2C mobile ARPU evolution

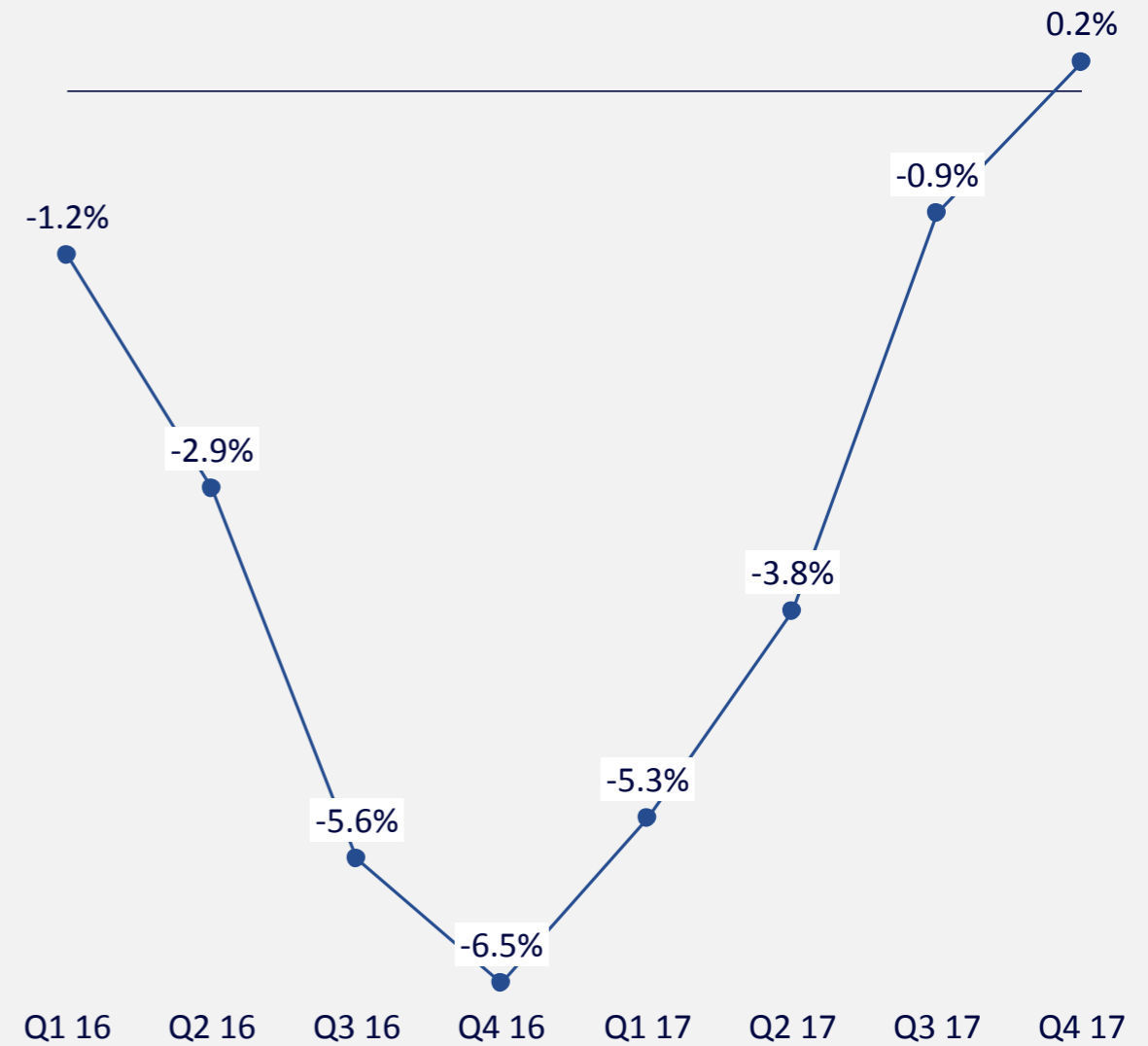
Constant currency blended ARPU (Q1 16 = 100 basis), Q1 16- Q4 17



ARPU: recurring revenue excluding MVNO/DVNO revenue and other national roaming revenue on subscribers

B2C mobile service revenue growth

Latam % growth in local currency, Q1 16- Q4 17

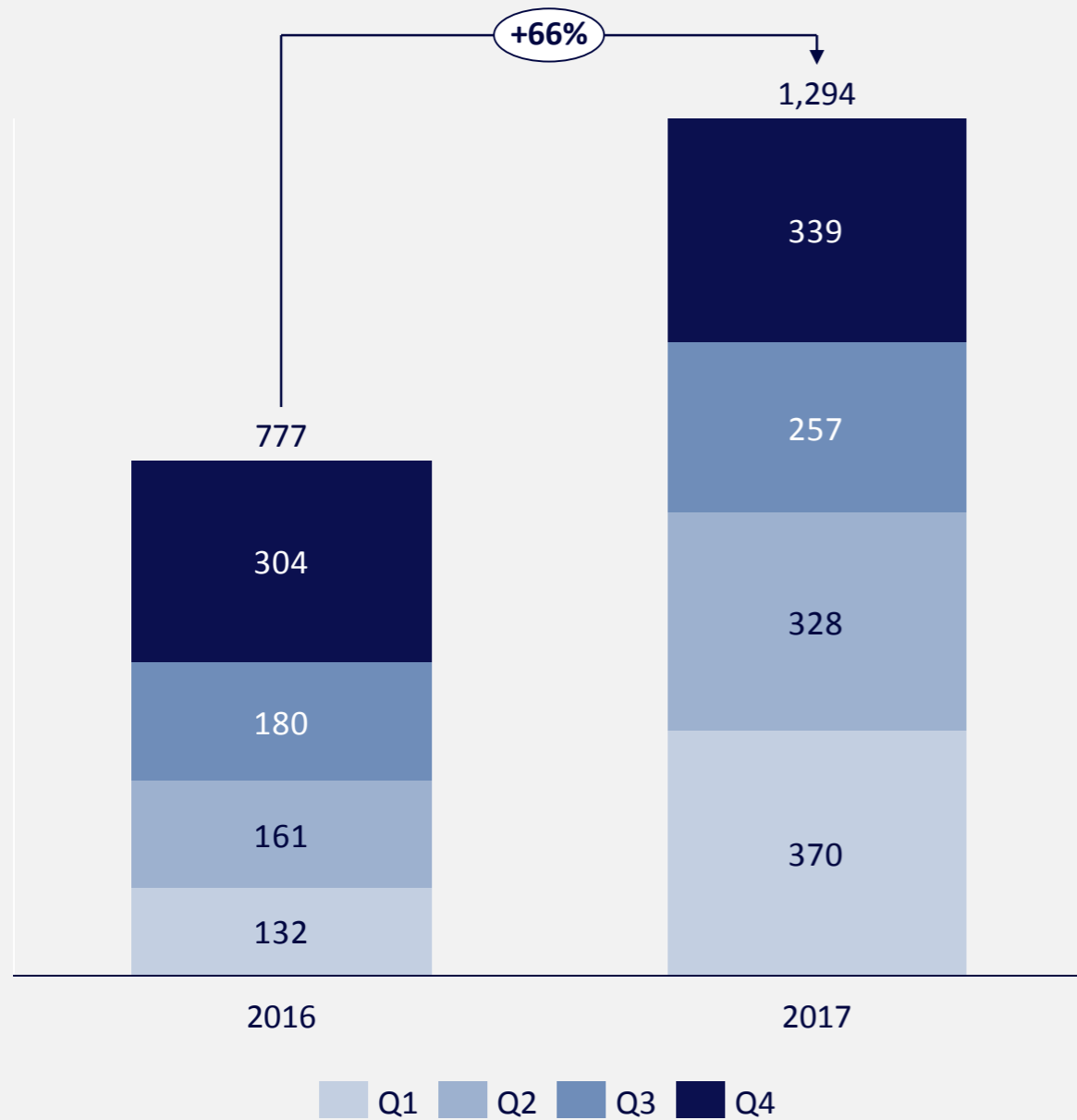


2 Home – Record 250k HFC net adds in 2017

We continue to build and connect new HFC homes at a rapid pace, both up more than 65% YoY

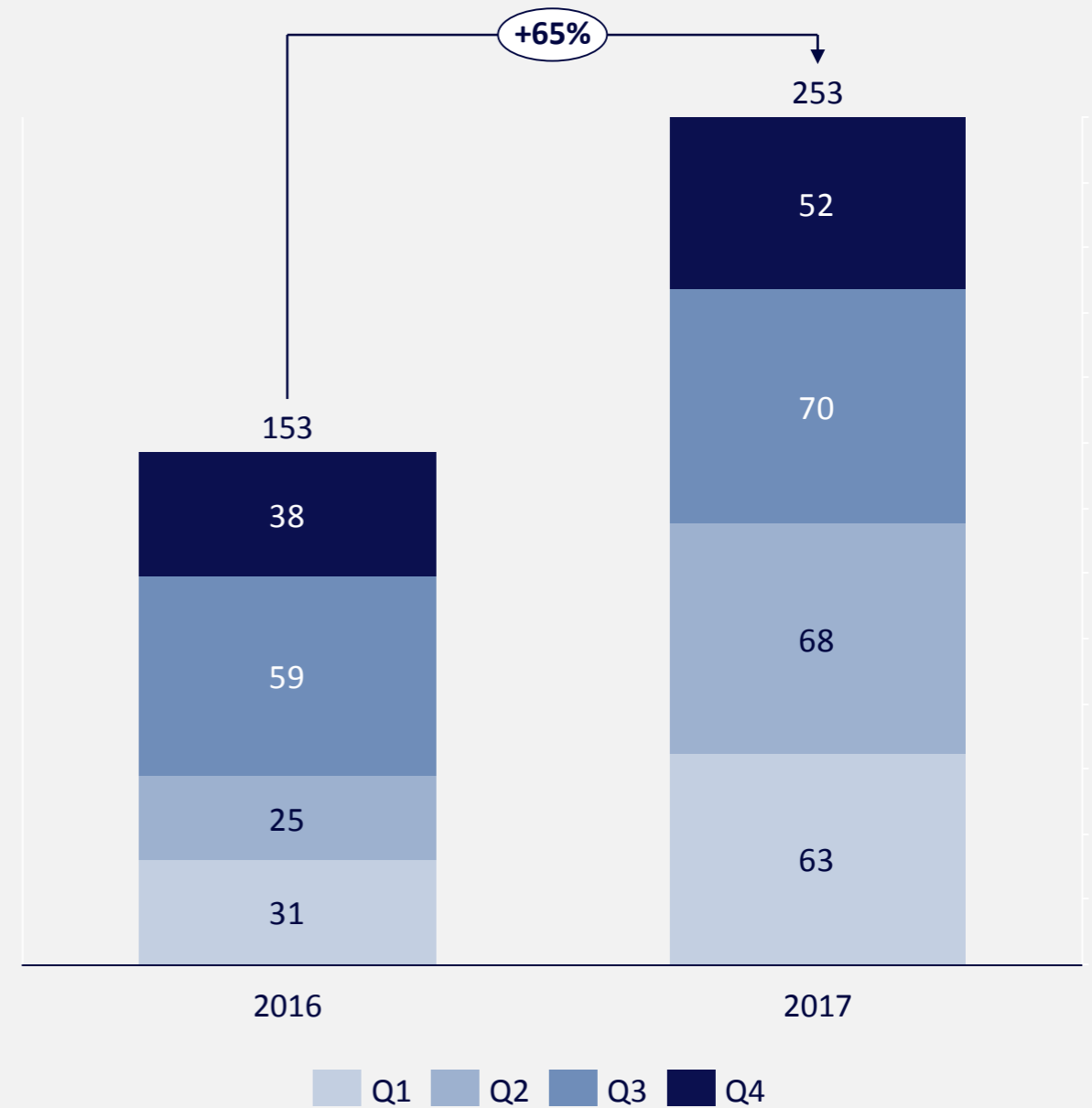
Added 1.3m HFC homes-passed

Latam new HFC homes passed by quarter, 2016 – 2017 (000s)



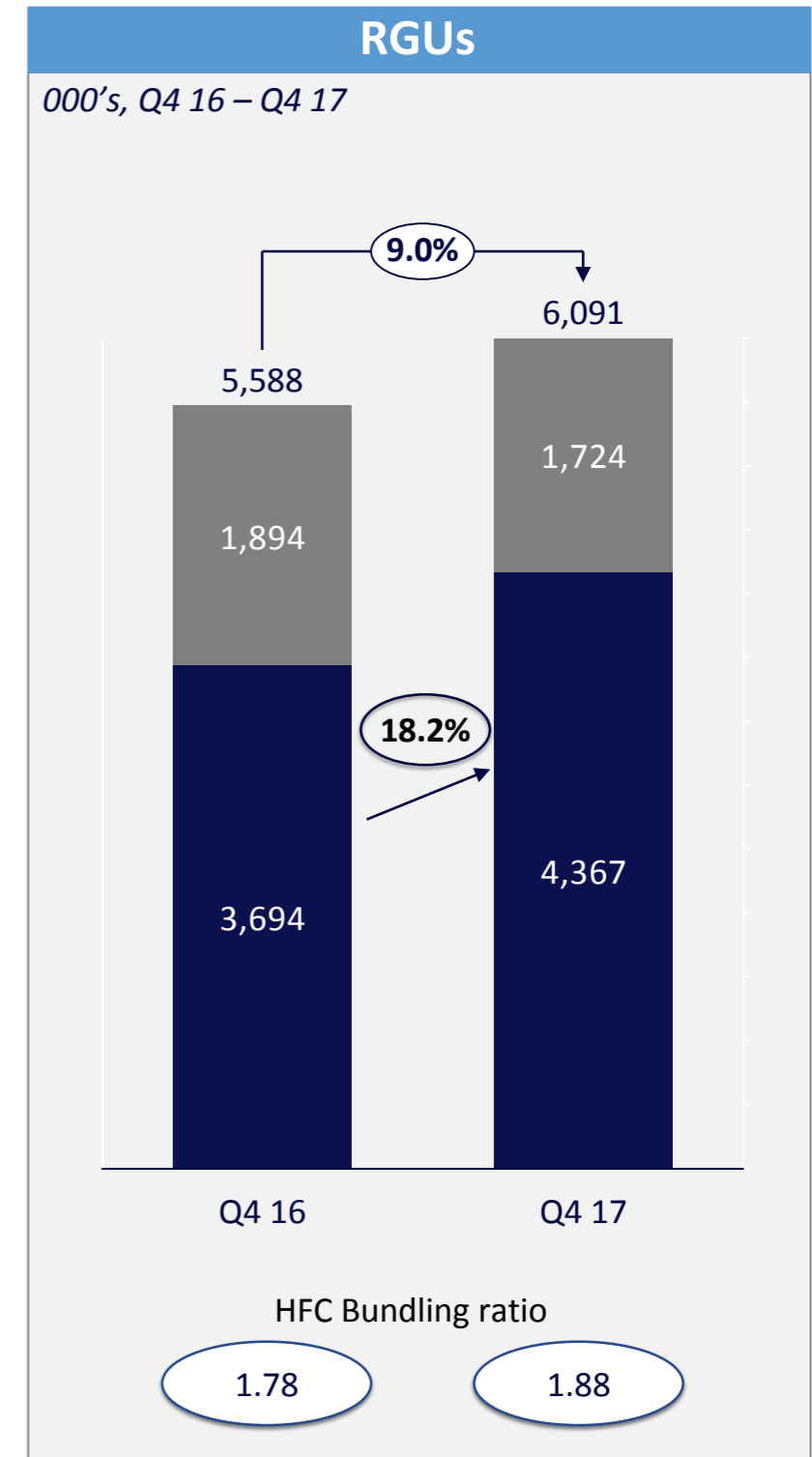
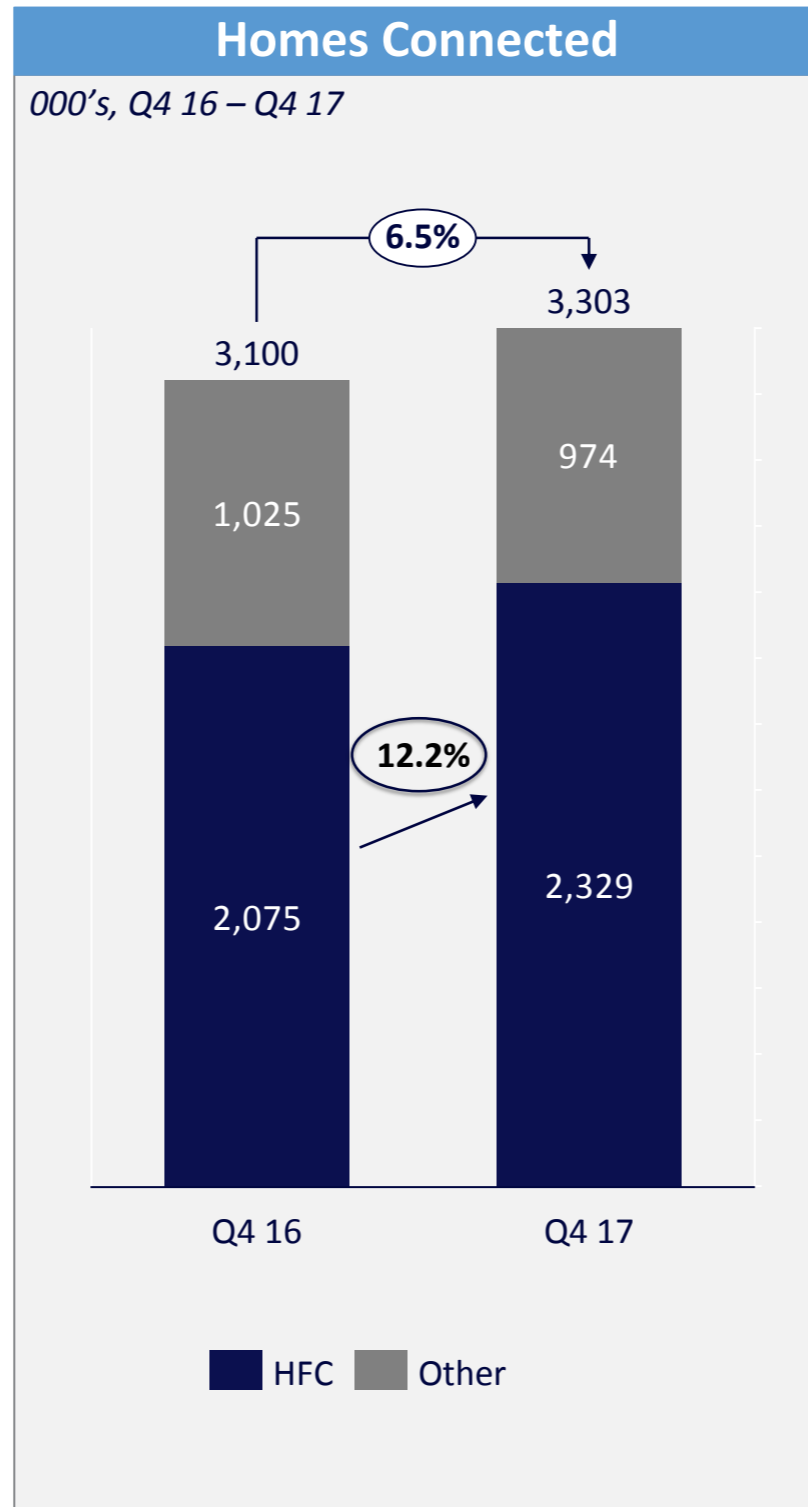
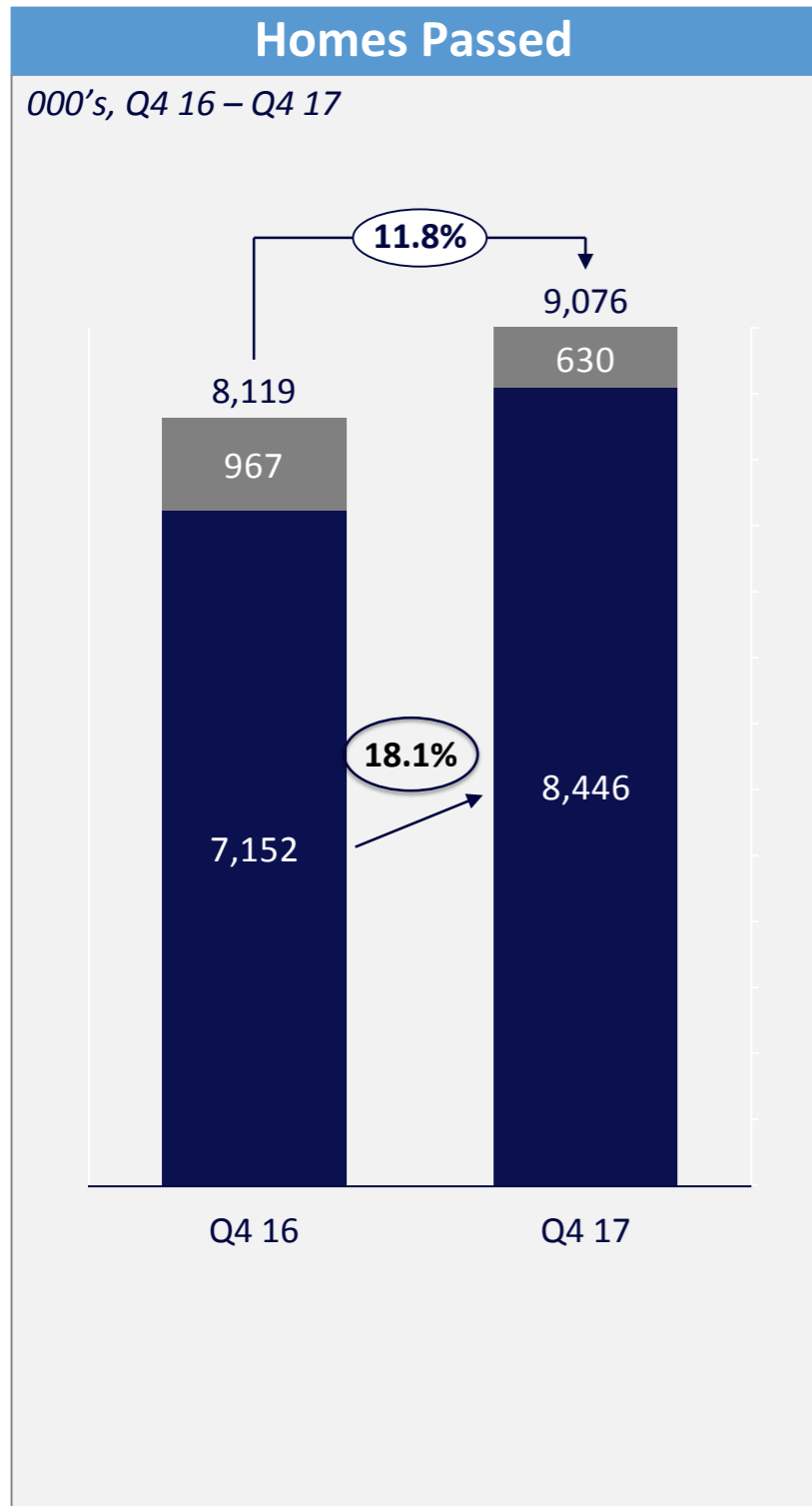
Connected 250k more HFC homes in 2017

Latam new HFC homes connected by quarter, 2016 – 2017 (000s)



2 HFC is growing double-digits

HFC growth offsetting legacy network attrition

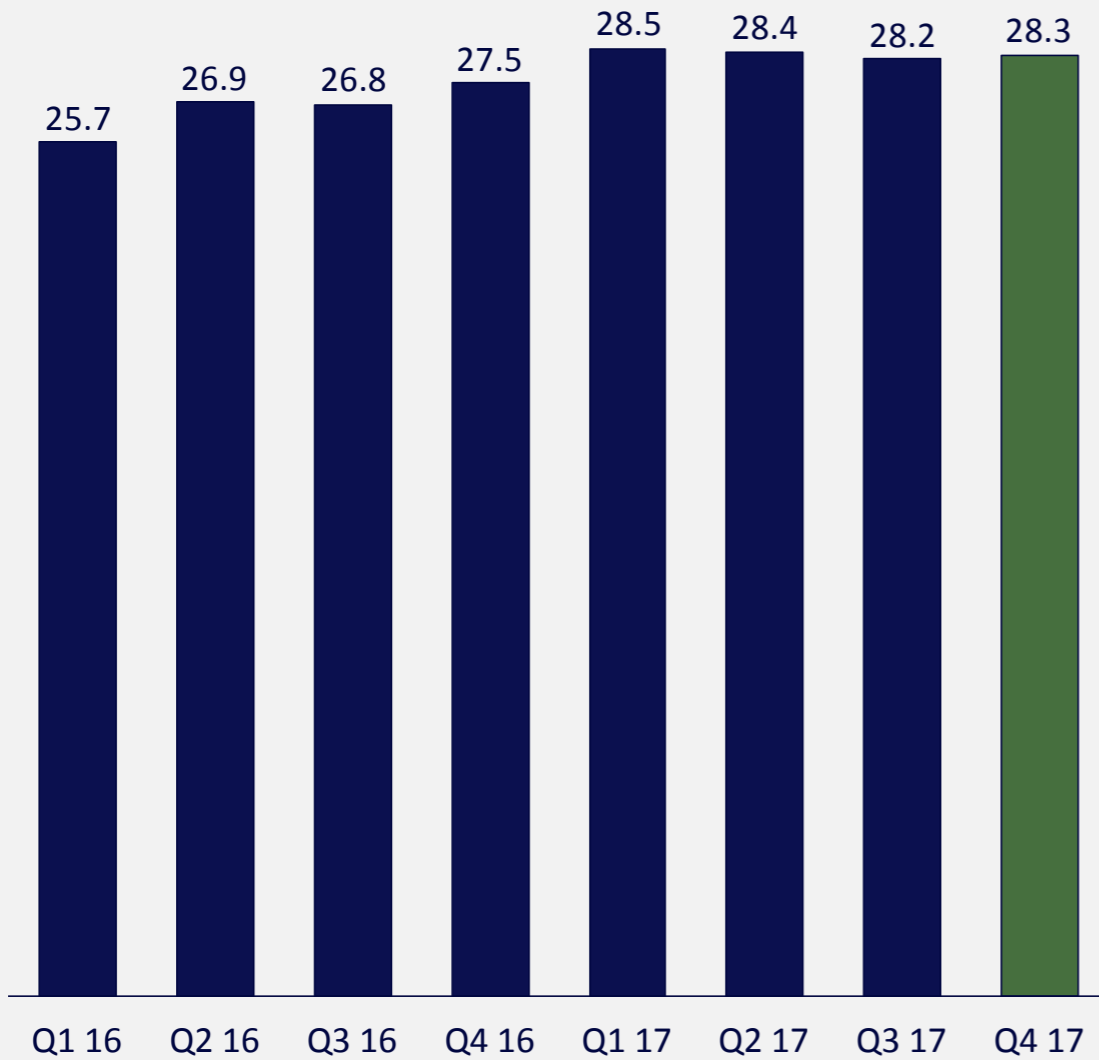


2 Home revenue growing steadily

Subscription-based revenue helps produce consistent sequential growth QoQ

Latam Home ARPU evolution

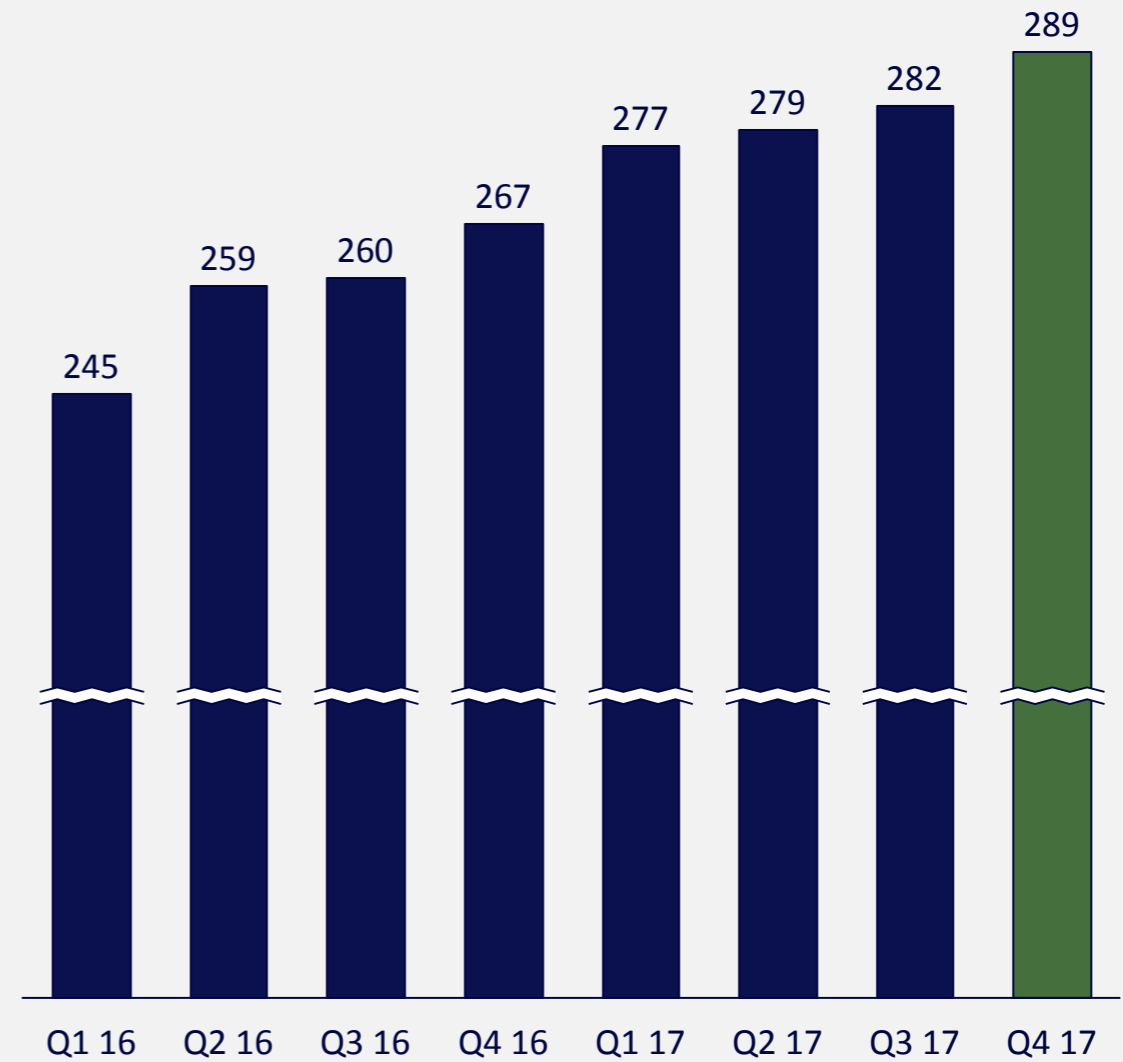
Blended ARPU (\$/month), Q1 16- Q4 17



ARPU: Recurring revenue by home connected

Latam Home service revenue

Millions of dollars, Q1 16- Q4 17

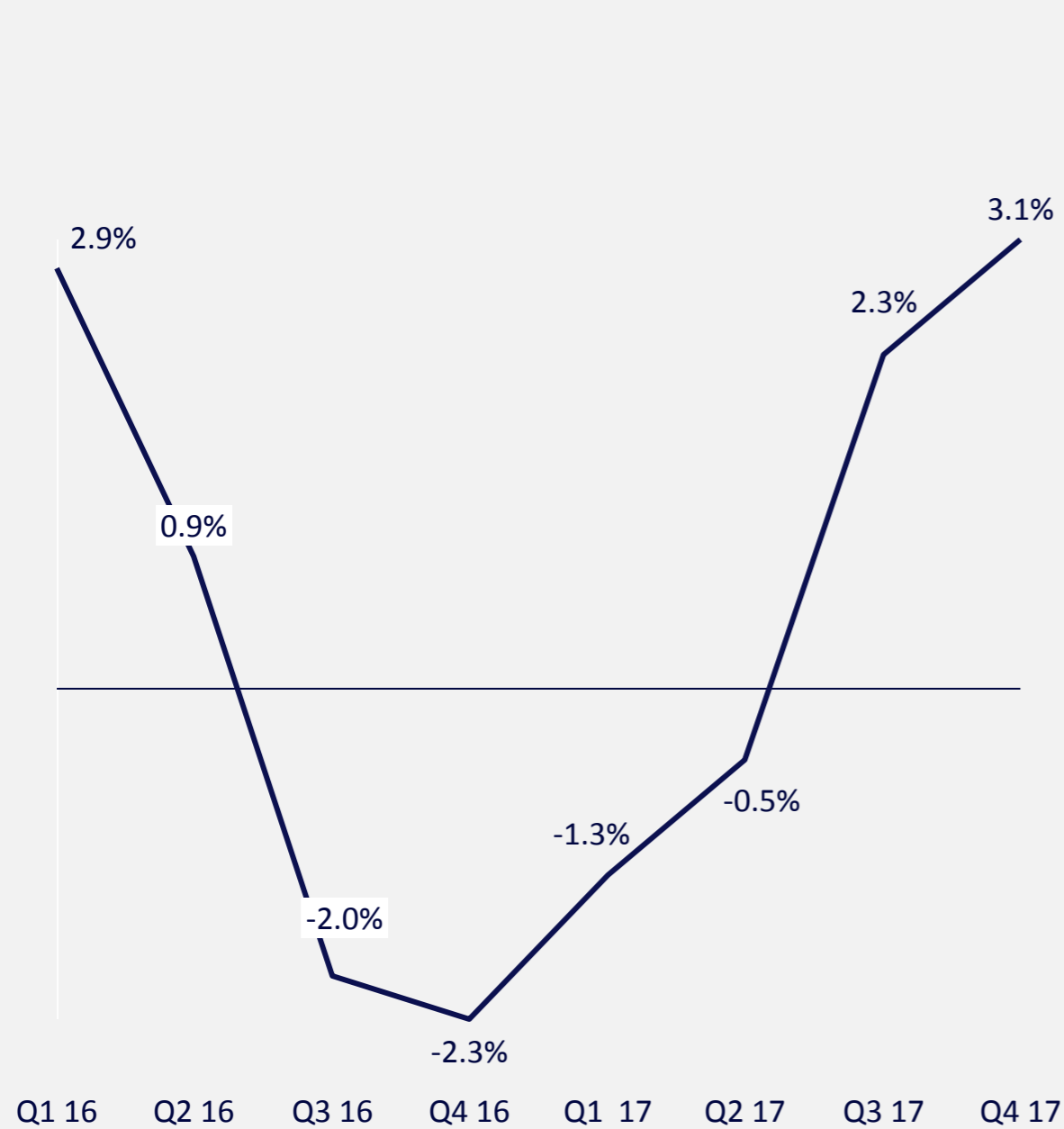


3 Revenue growth accelerating

Fastest Latam revenue growth rate in more than two years

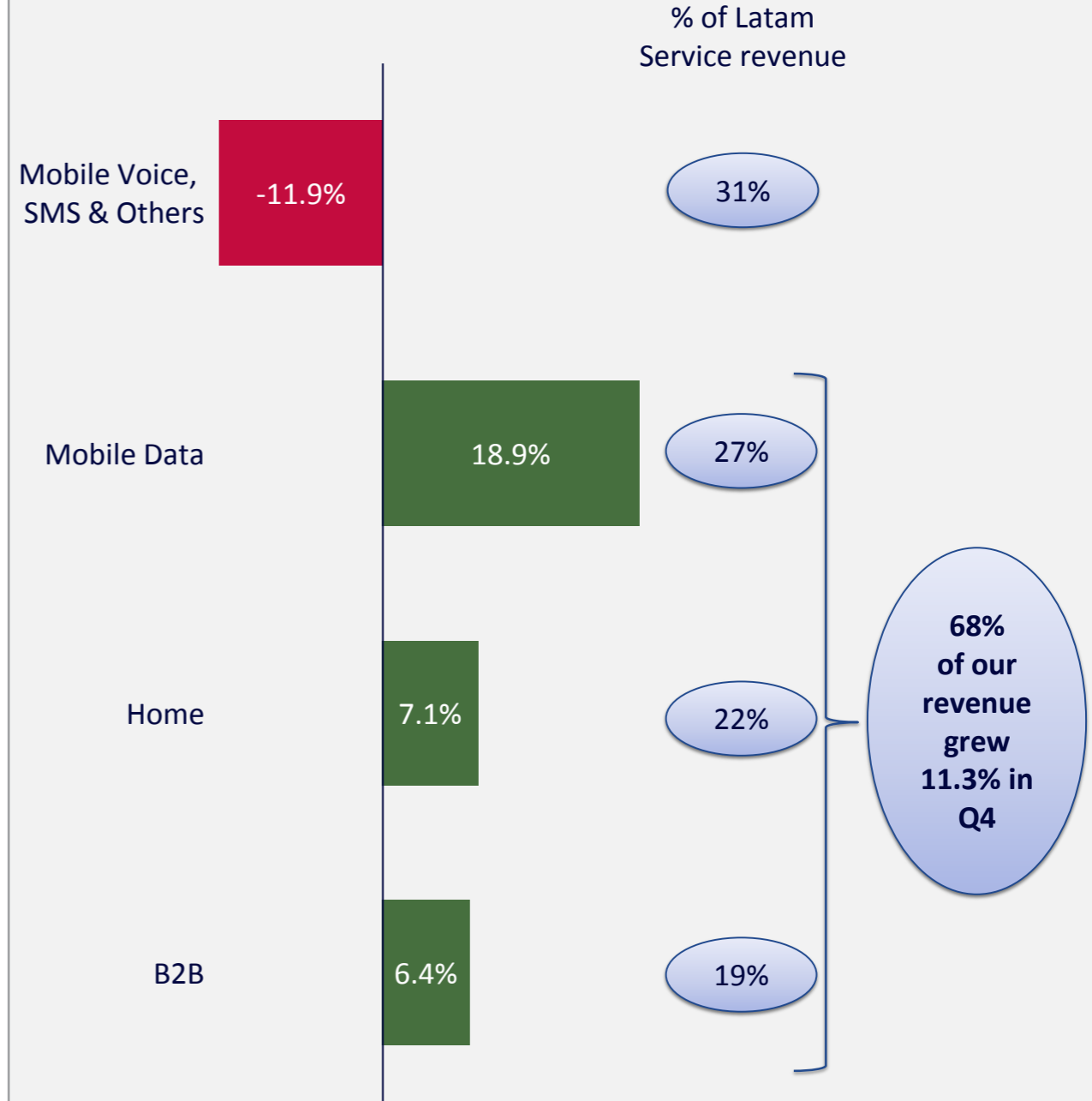
Latam service revenue growth

%YoY growth, Q1 16 – Q4 17



Latam service revenue growth by business unit

%YoY growth, Q4 17



3 Latam growth broad based

We sustained good momentum in all of our largest Latam markets in Q4

El Salvador

Service revenue, year-on-year (%), Q1 16 – Q4 17



Guatemala



Honduras



Bolivia



Colombia

Ex regulatory impact ^a



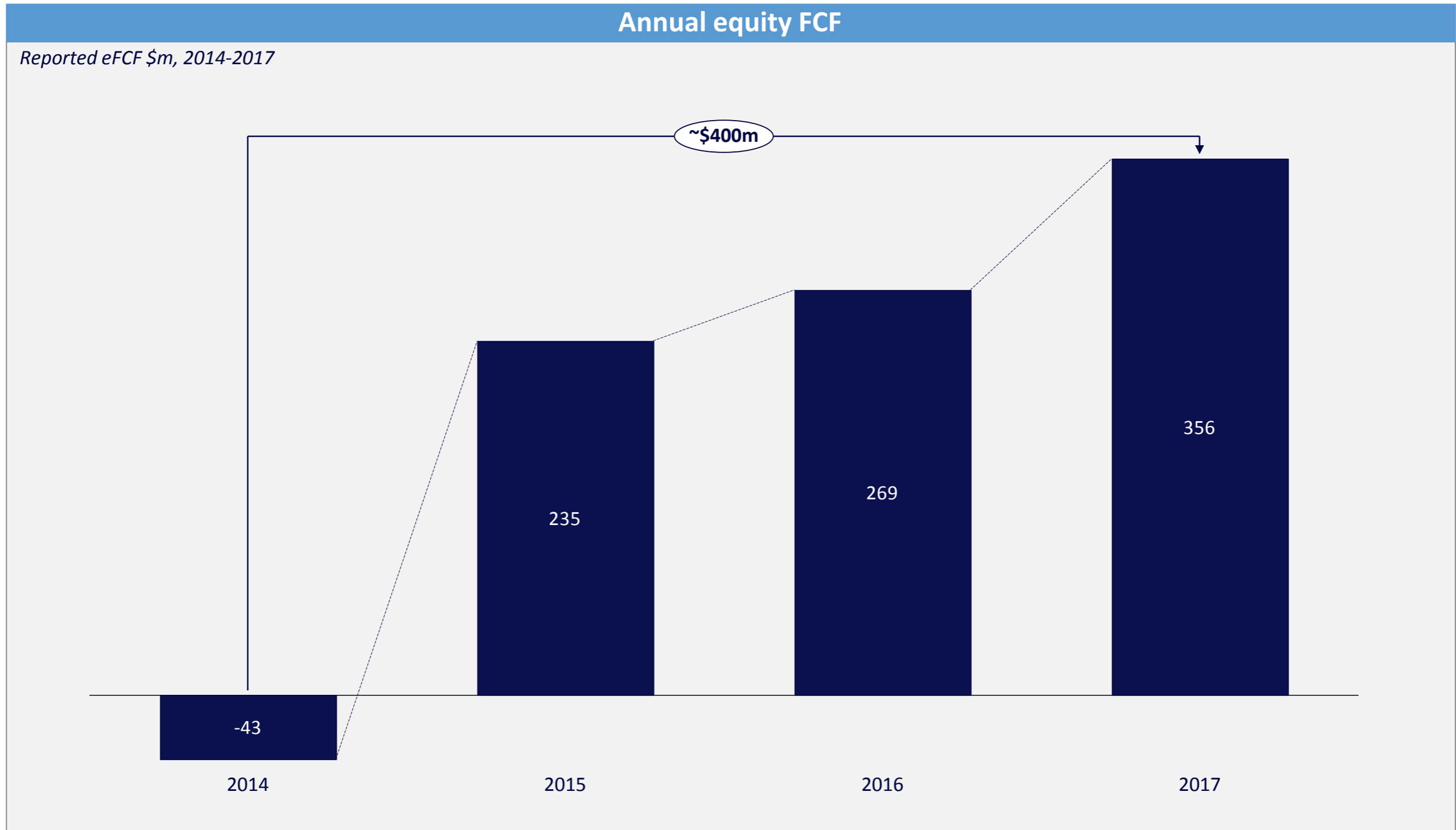
Paraguay



^a Lower MTR, MVNO, and national roaming tariffs, and mandated decommissioning of UNE fixed wireless network

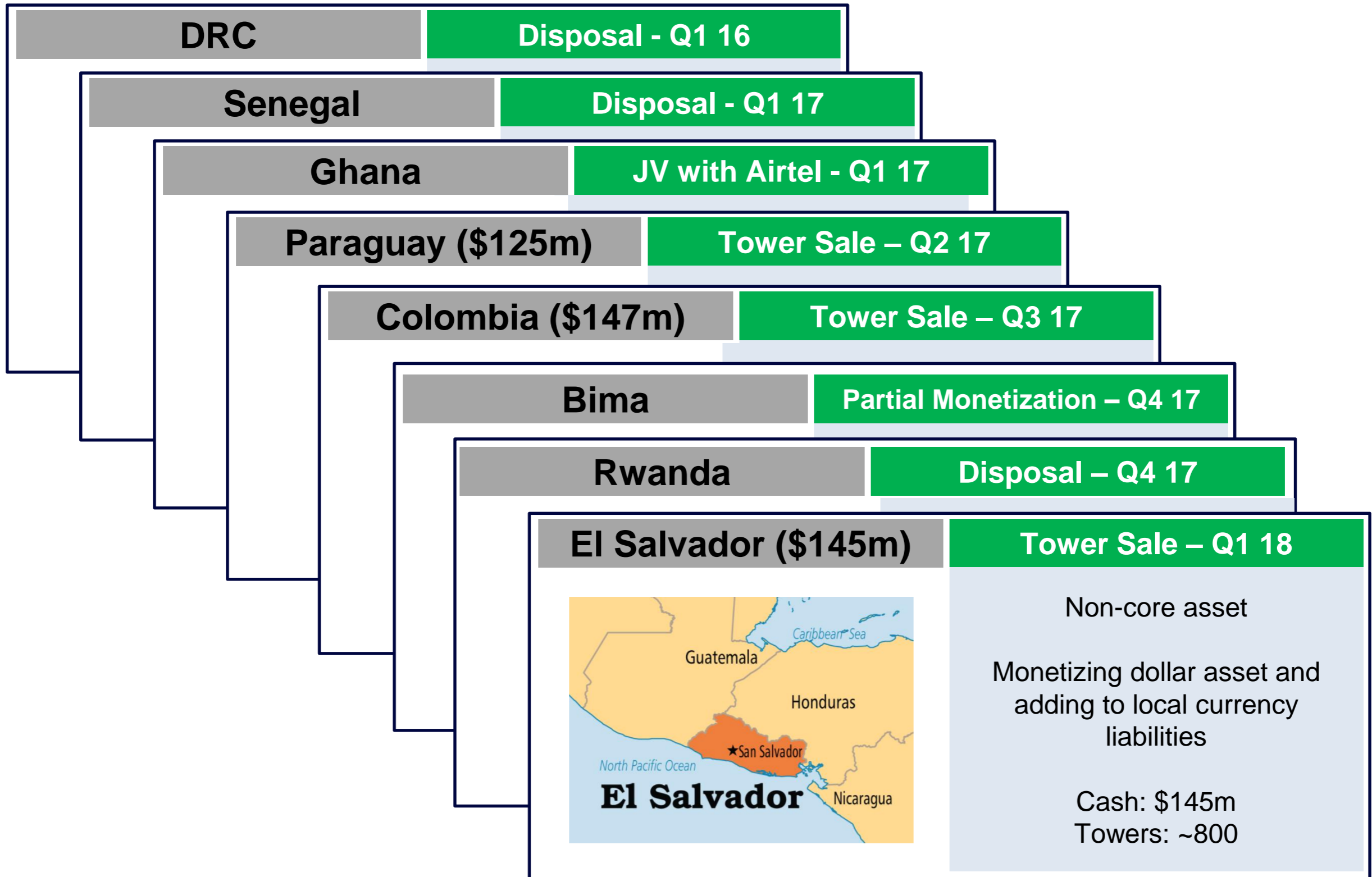
3 \$400m turnaround in cash flow in three years

Rapidly growing equity FCF generation while we invest to accelerate growth



4 Capital allocation – delivering on our promise

More than \$800m in asset disposals since 2015, with more to go





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2. CFO review

Tim Pennington

Q4 was our strongest quarter of 2017

1

Revenue growth accelerated

2

Margin expansion also driving earnings growth

3

Capital discipline driving cash flow and return on capital

4

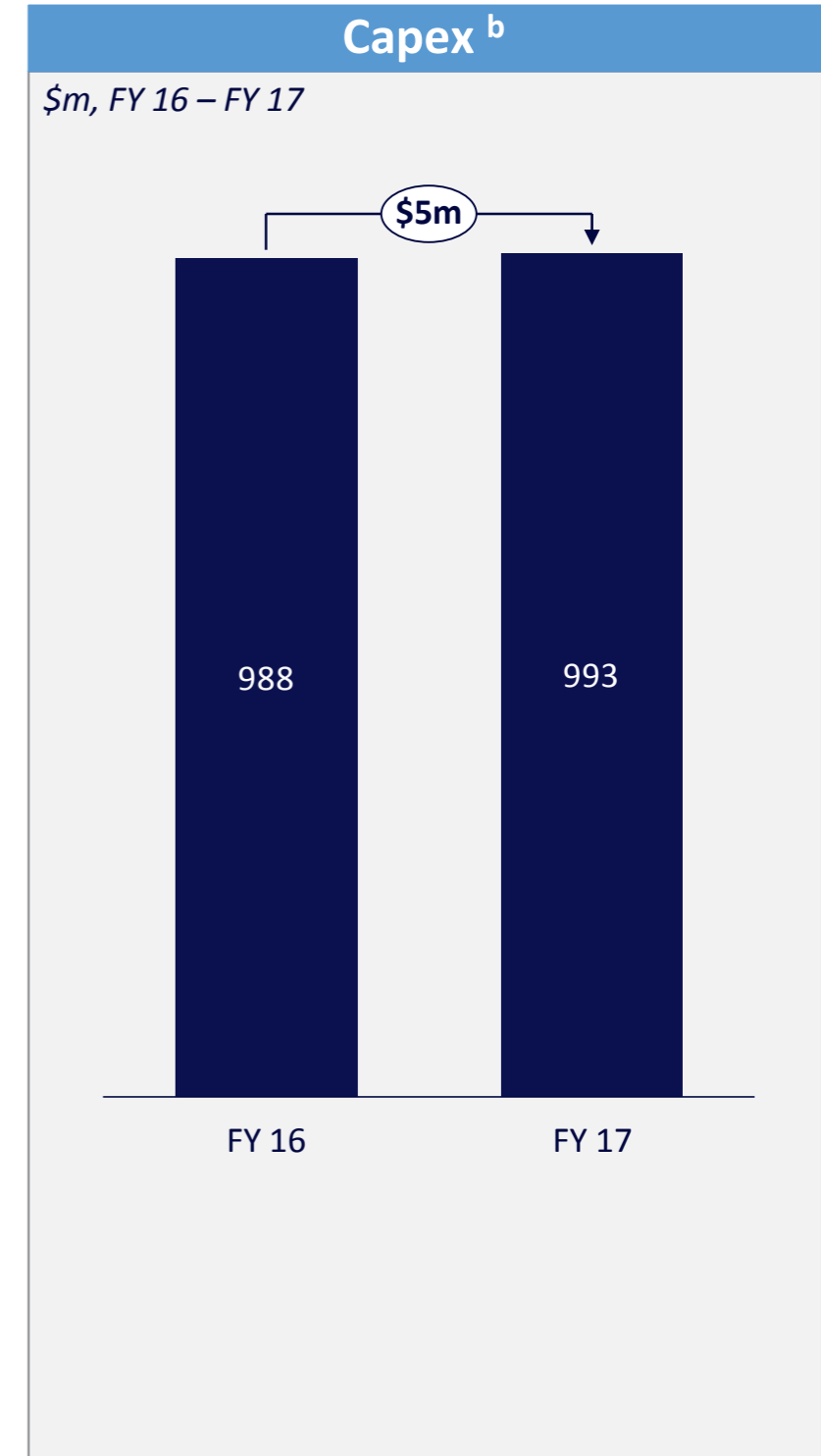
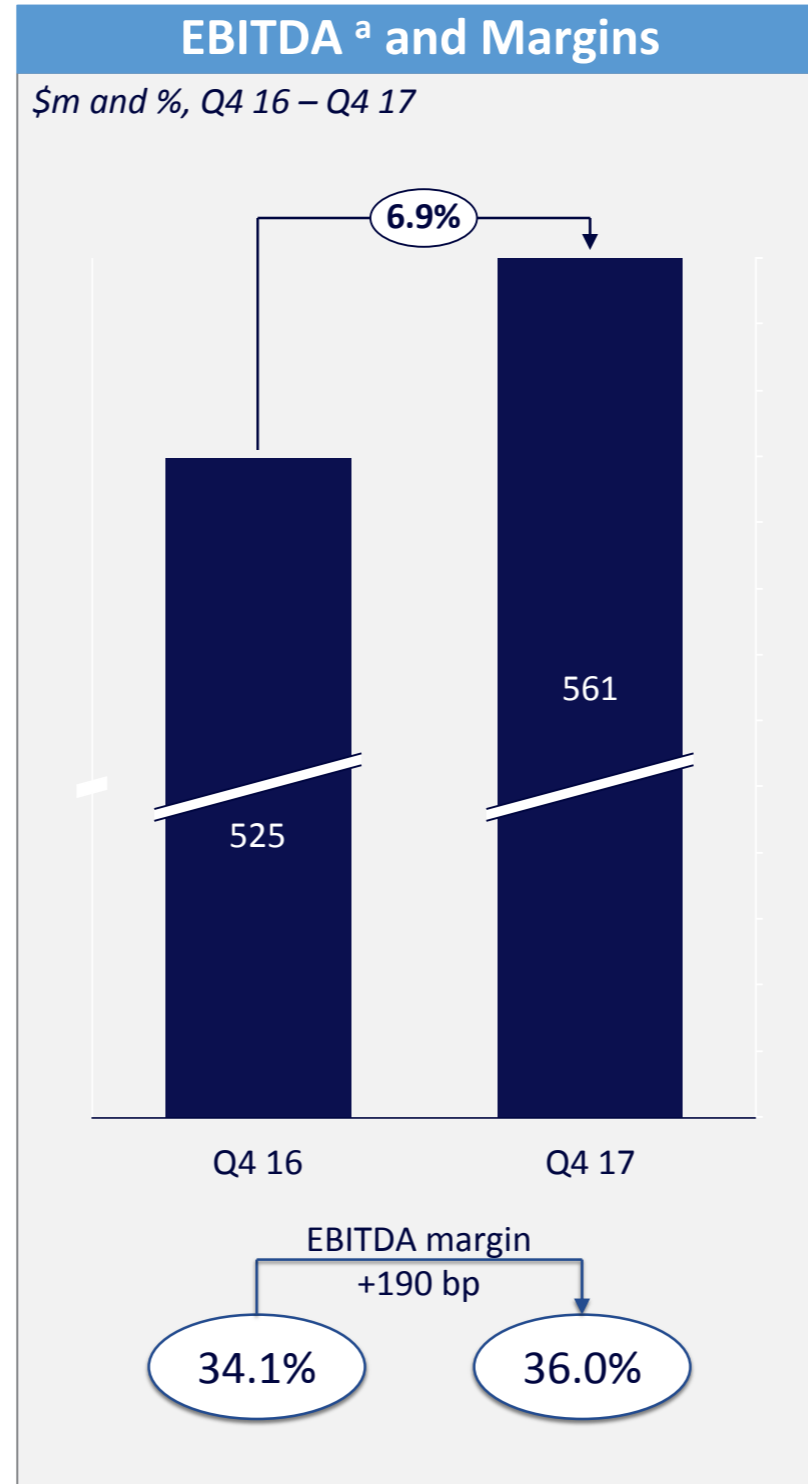
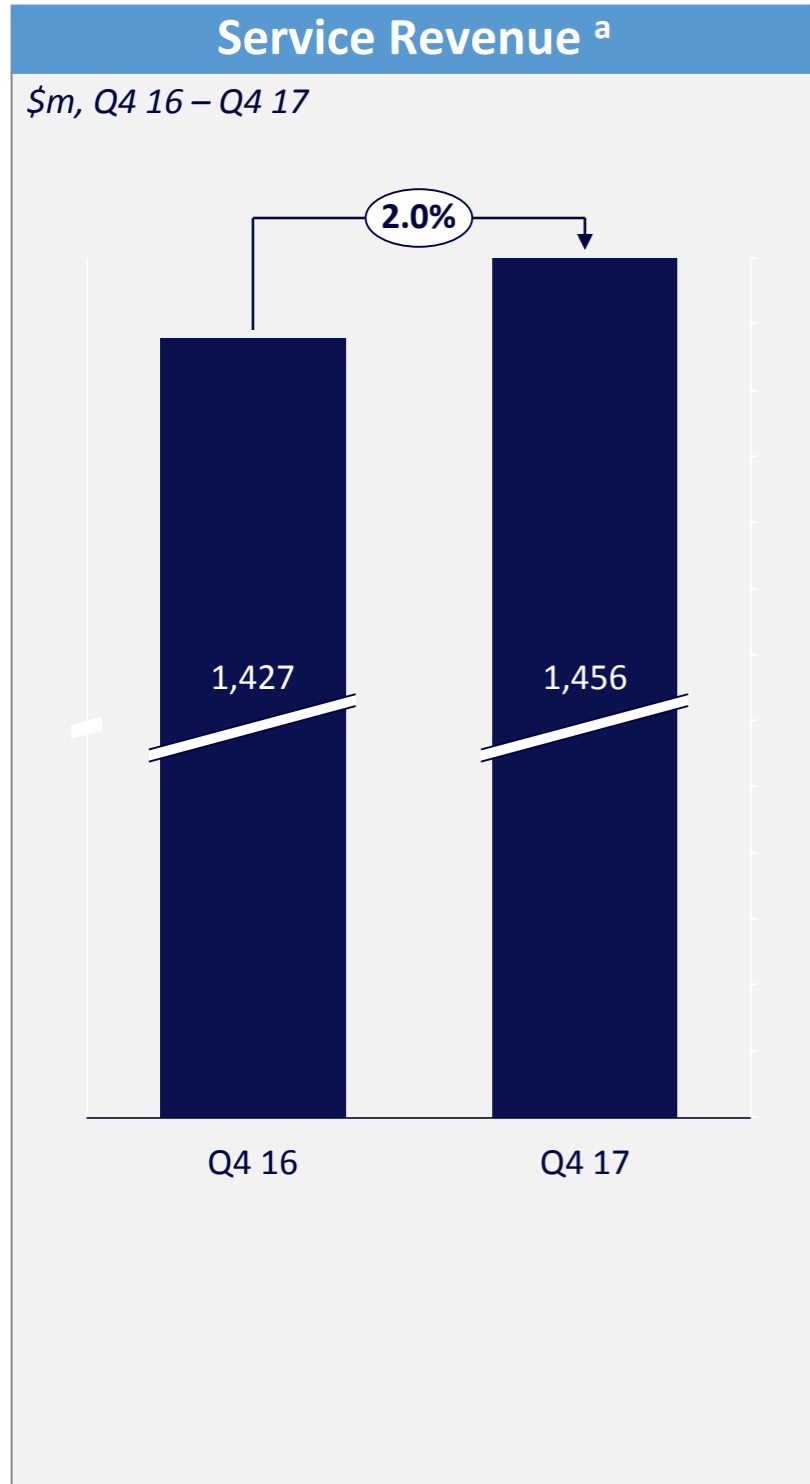
Capital structure healthy

5

Outlook

1 Key financial metrics – Q4 2017

Group service revenue up 2.0% and EBITDA up 6.9% - full year capex flat



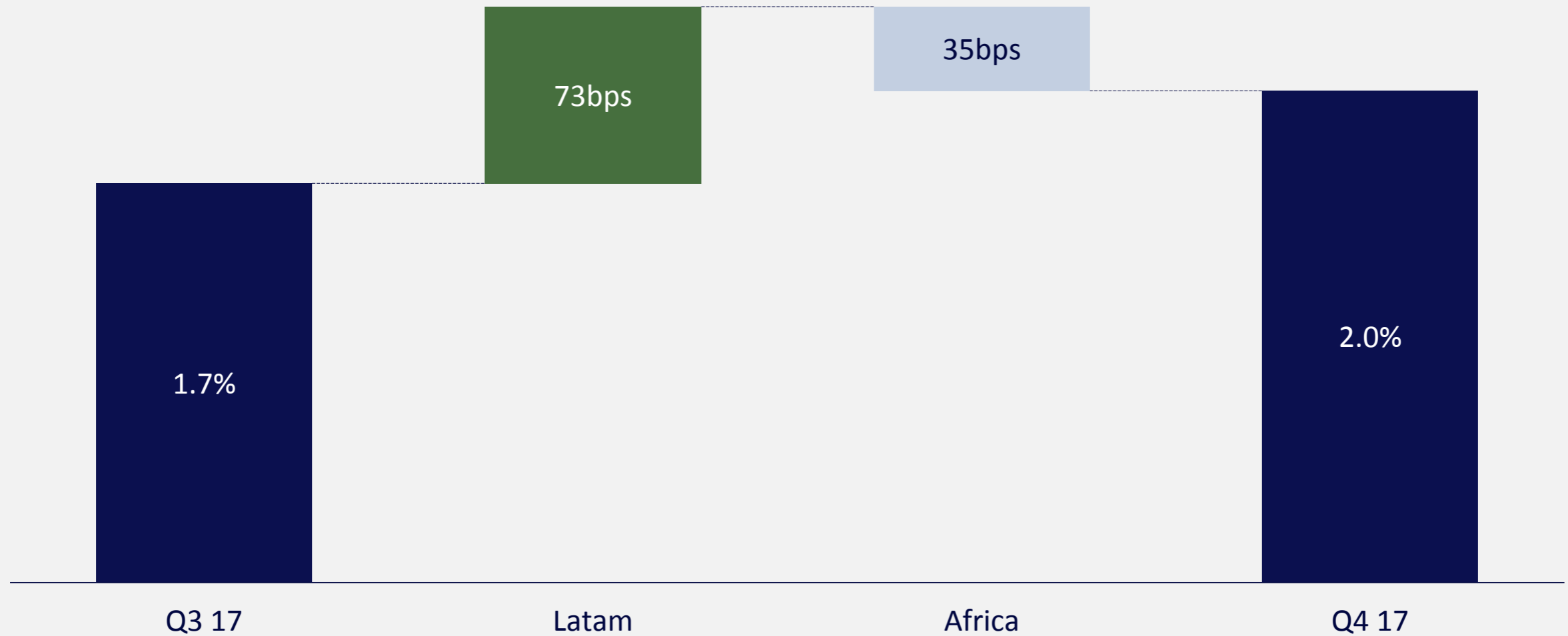
a) Q4 16 numbers are adjusted to Q4 17 FX rates and exclude Senegal and Ghana
 b) Excluding Senegal and Ghana, spectrum & license costs

1 Service revenue

Improvement on a sequential basis

Group sequential organic service revenue growth analysis

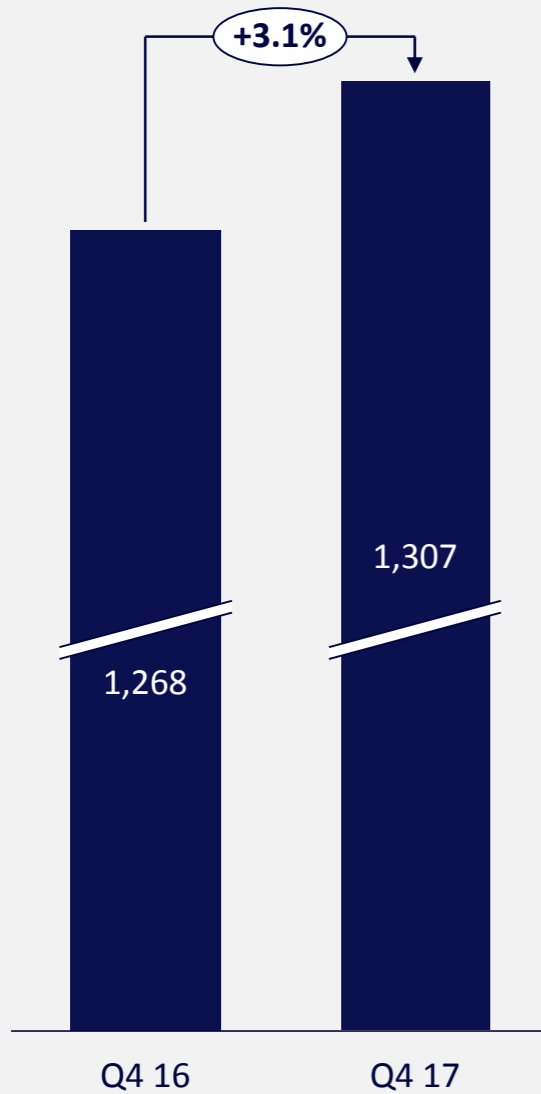
%YoY, Q3 17 – Q4 17



EBITDA up 9% in Latam

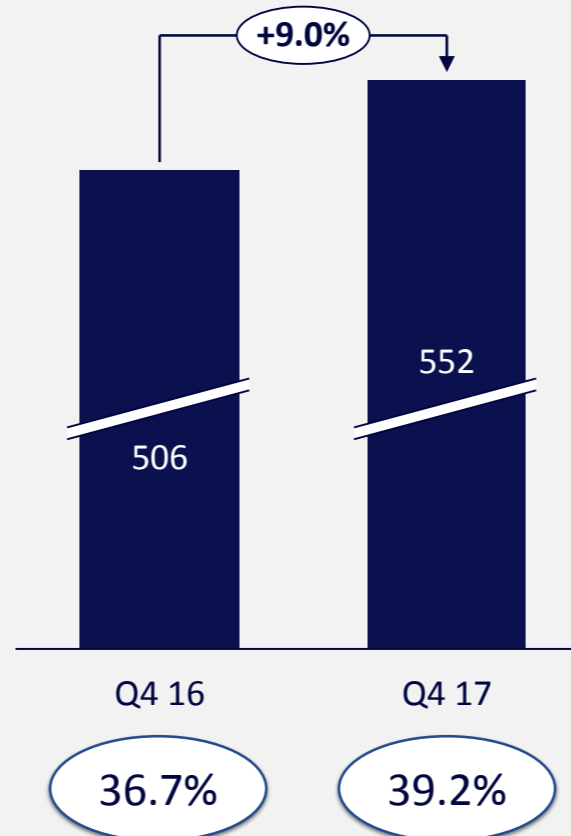
Latam service revenue

\$m, Q4 16 – Q4 17



Latam EBITDA

\$m and margin, Q4 16 – Q4 17



Latam OCF (FY)

\$m and margin, FY 16 – FY 17



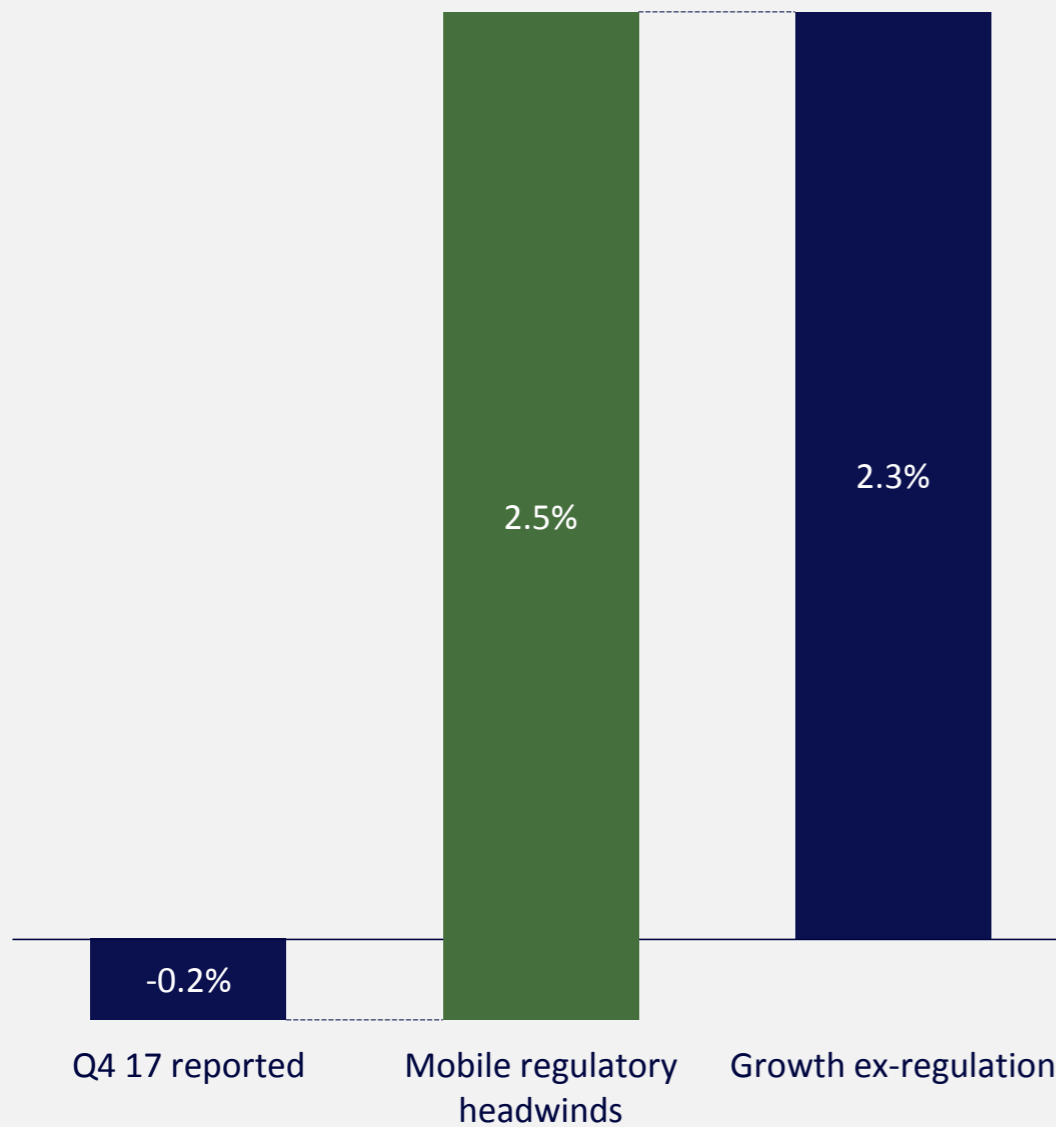
Q4 16 numbers are adjusted to Q4 17 FX rates
Capex excluding spectrum & license costs

1 Colombia progressing as expected

Investing in sales and marketing while absorbing regulatory challenges

Service revenue growth*

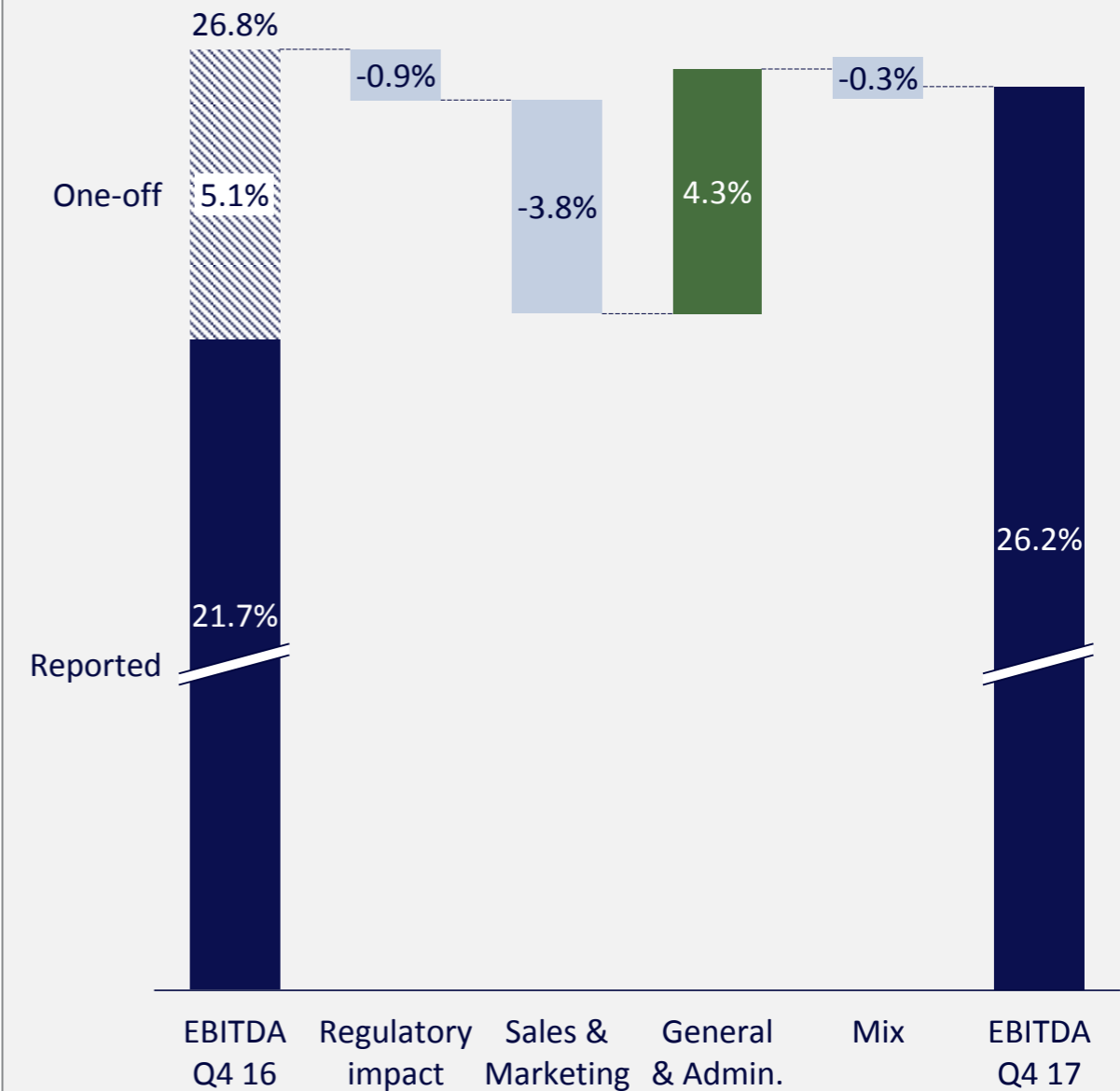
YoY growth, Q4-17



* Discontinued UNE fixed wireless closed in Q3 2016

Colombia EBITDA bridge

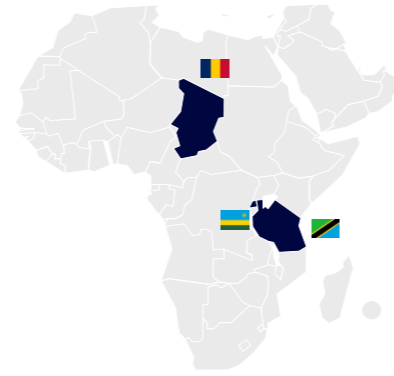
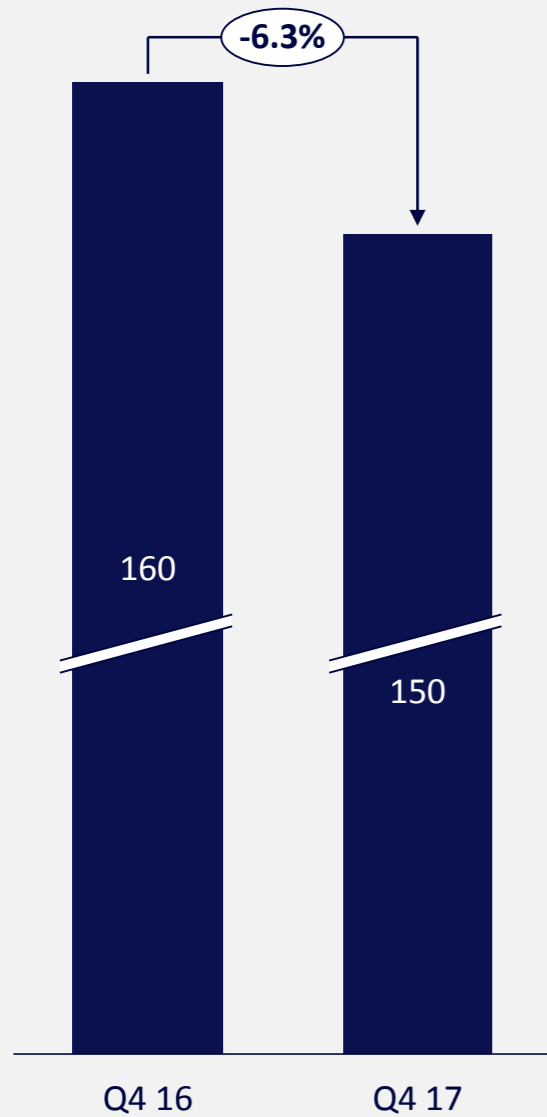
% Revenue, Q4 17



Africa still challenging but delivering on our cash flow commitment

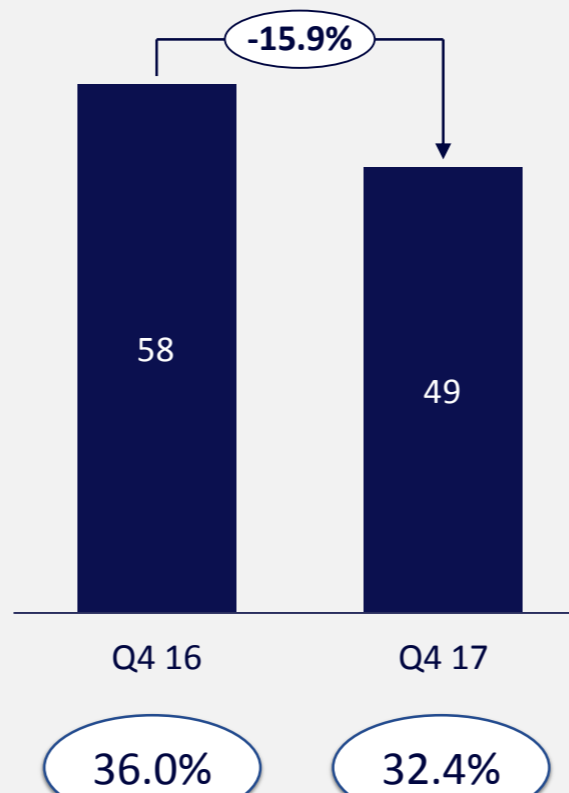
Africa service revenue

\$m, Q4 16 – Q4 17



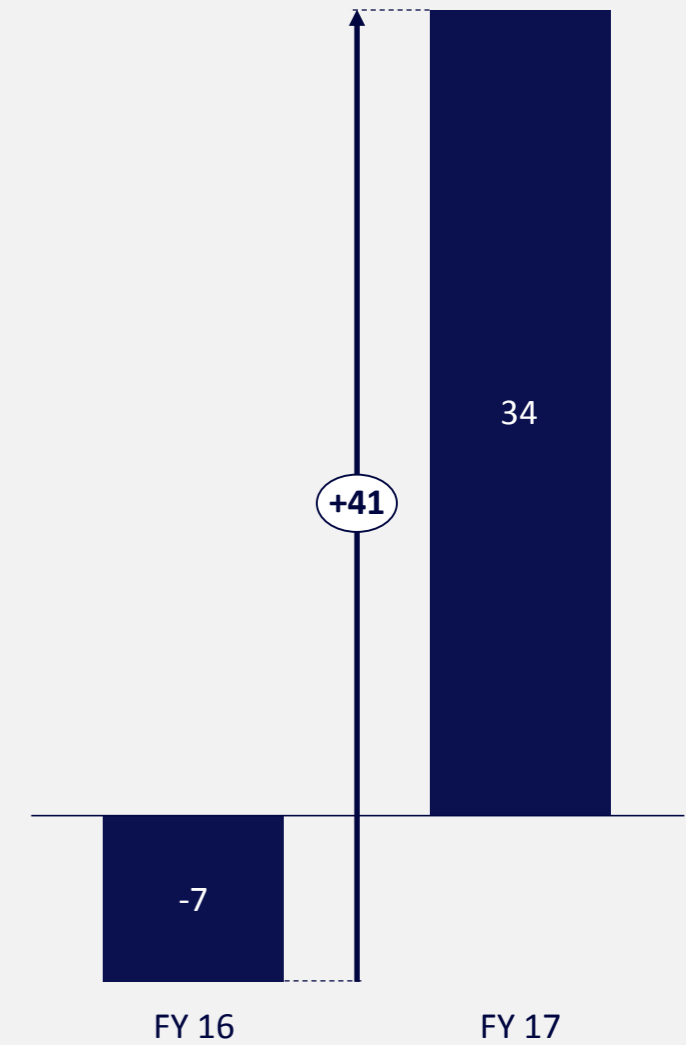
Africa EBITDA

\$m and margin, Q4 16 – Q4 17



Africa eFCF (FY)

\$m, FY 16 – FY 17



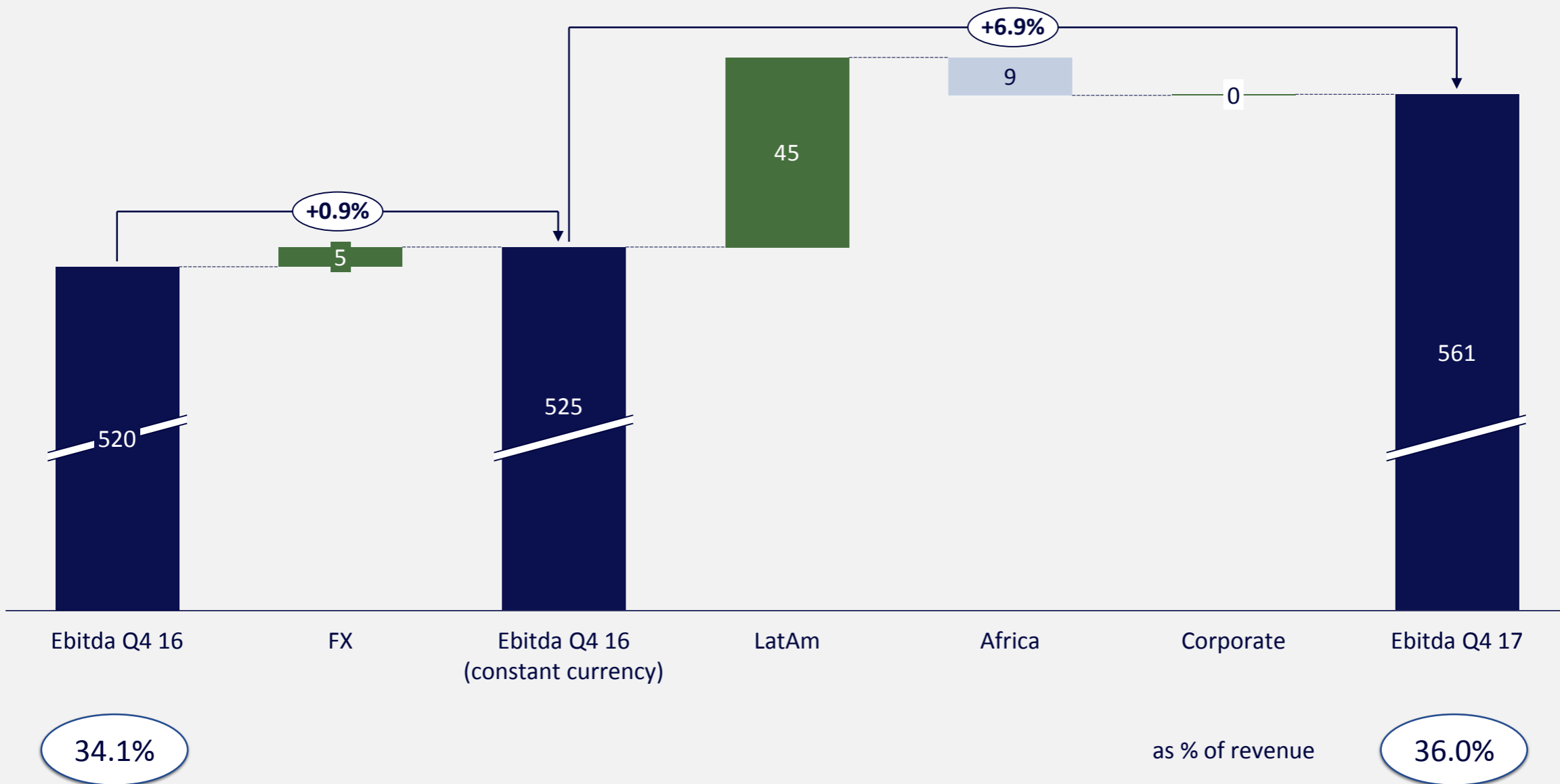
Q4 16 numbers are adjusted to Q4 17 FX rates excluding Senegal and Ghana
Capex excluding spectrum & license costs

2 EBITDA – Q4 2017

Latam EBITDA growth offsetting Africa

EBITDA evolution by region

\$ million, Q4 16 – Q4 17

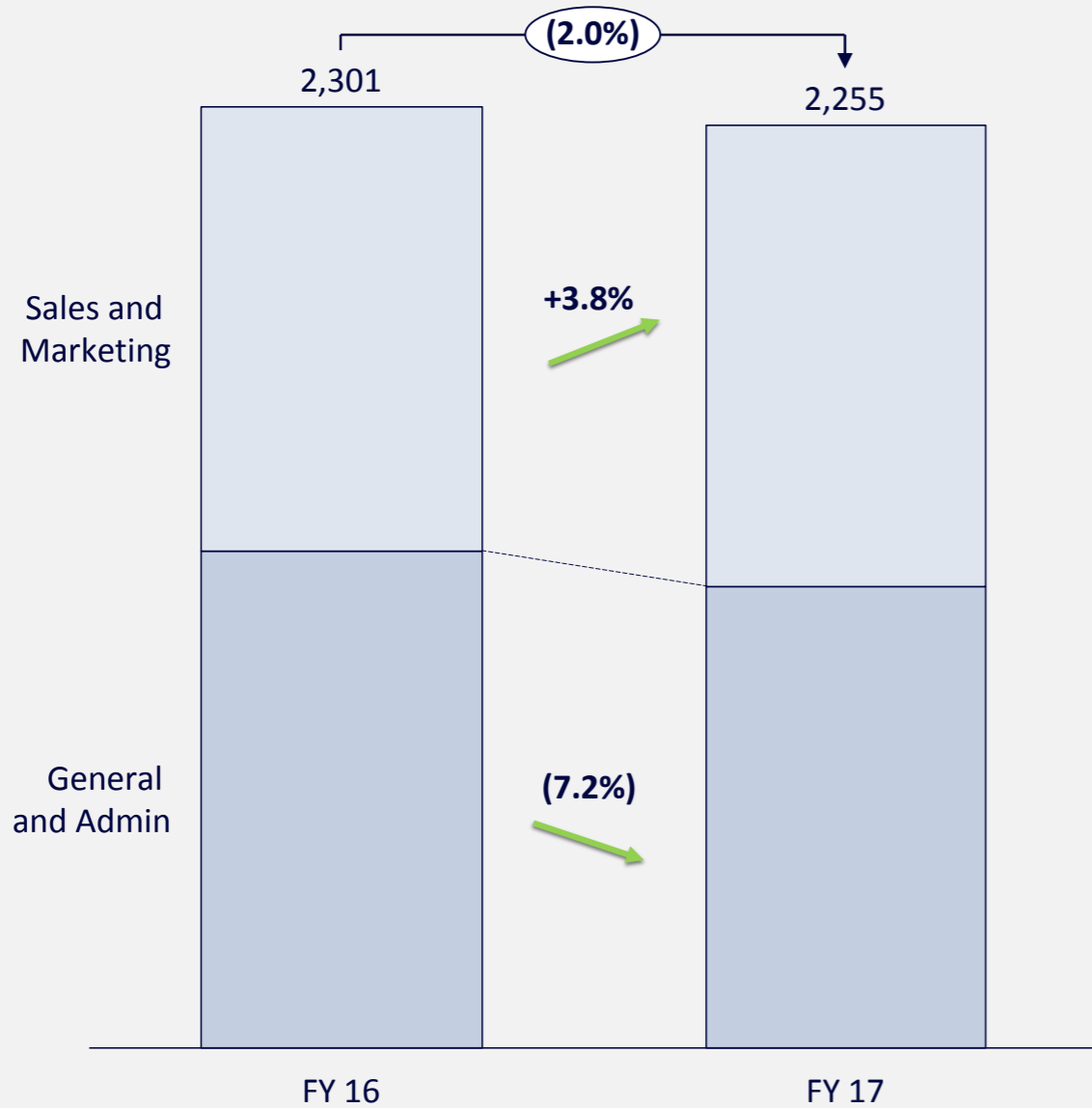


2 Cost review and margin sustainability

Reinvesting G&A savings into sales and marketing to support growth

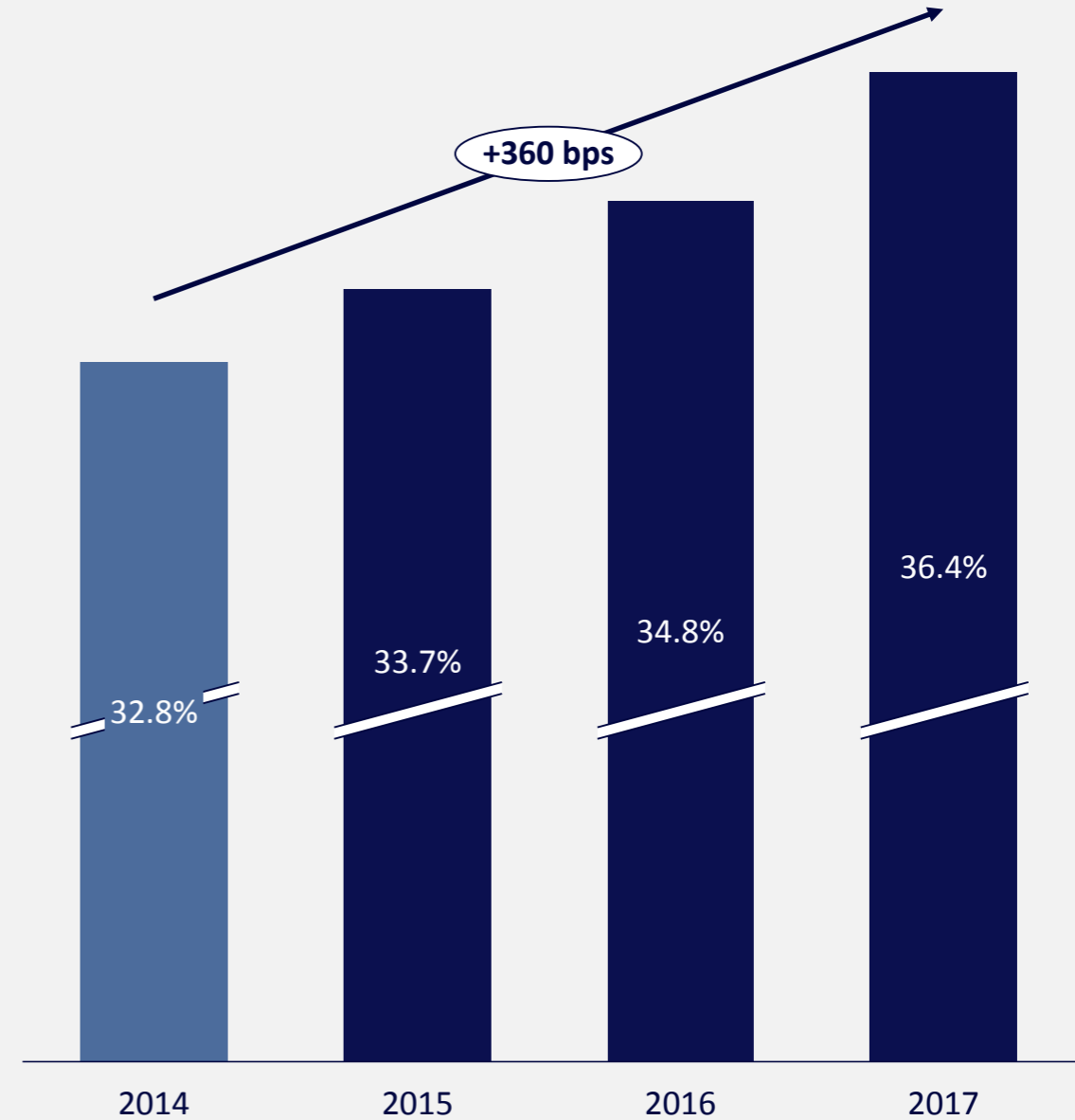
Group total OPEX base

\$m per OPEX segment and reported growth YoY, FY 16 – FY 17



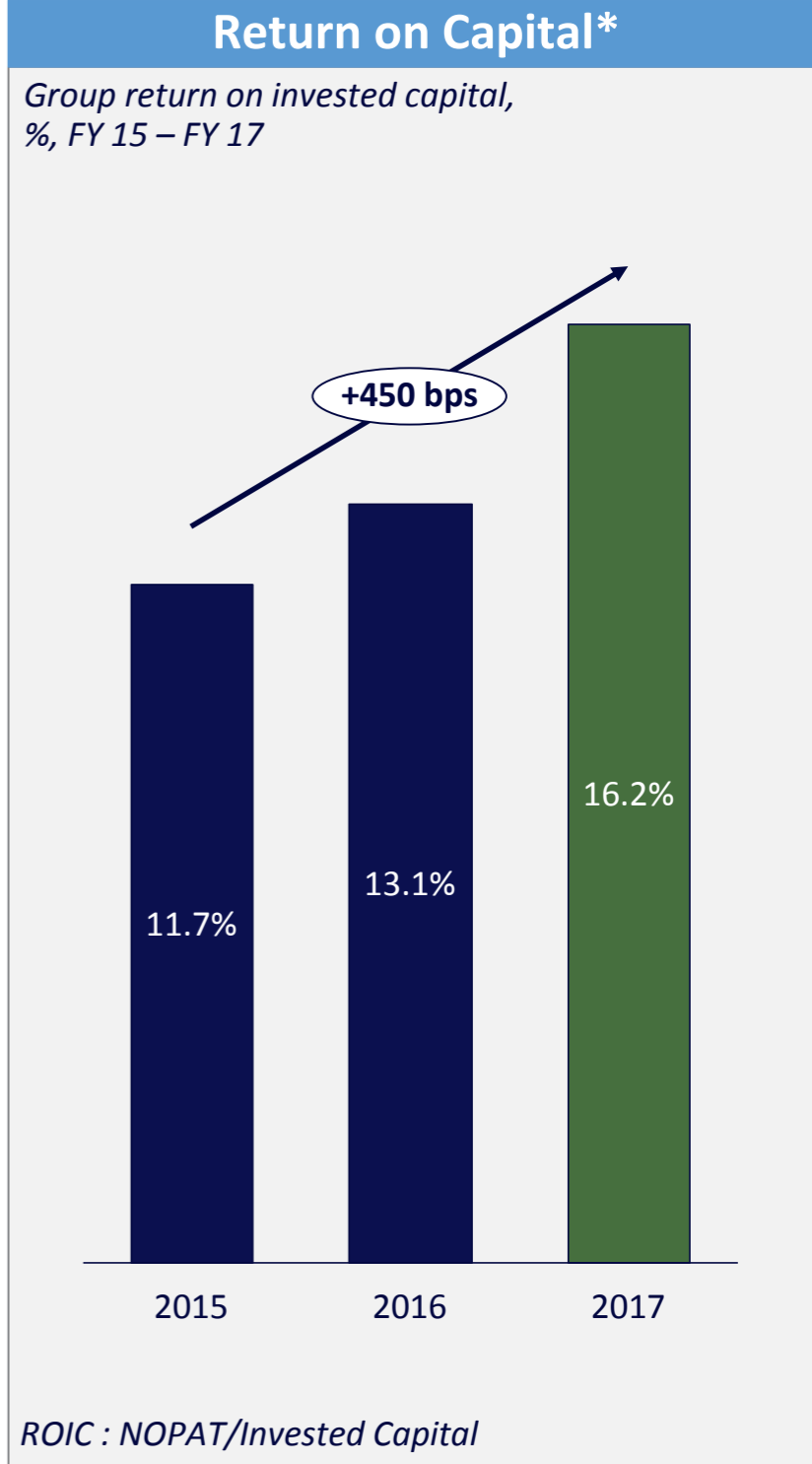
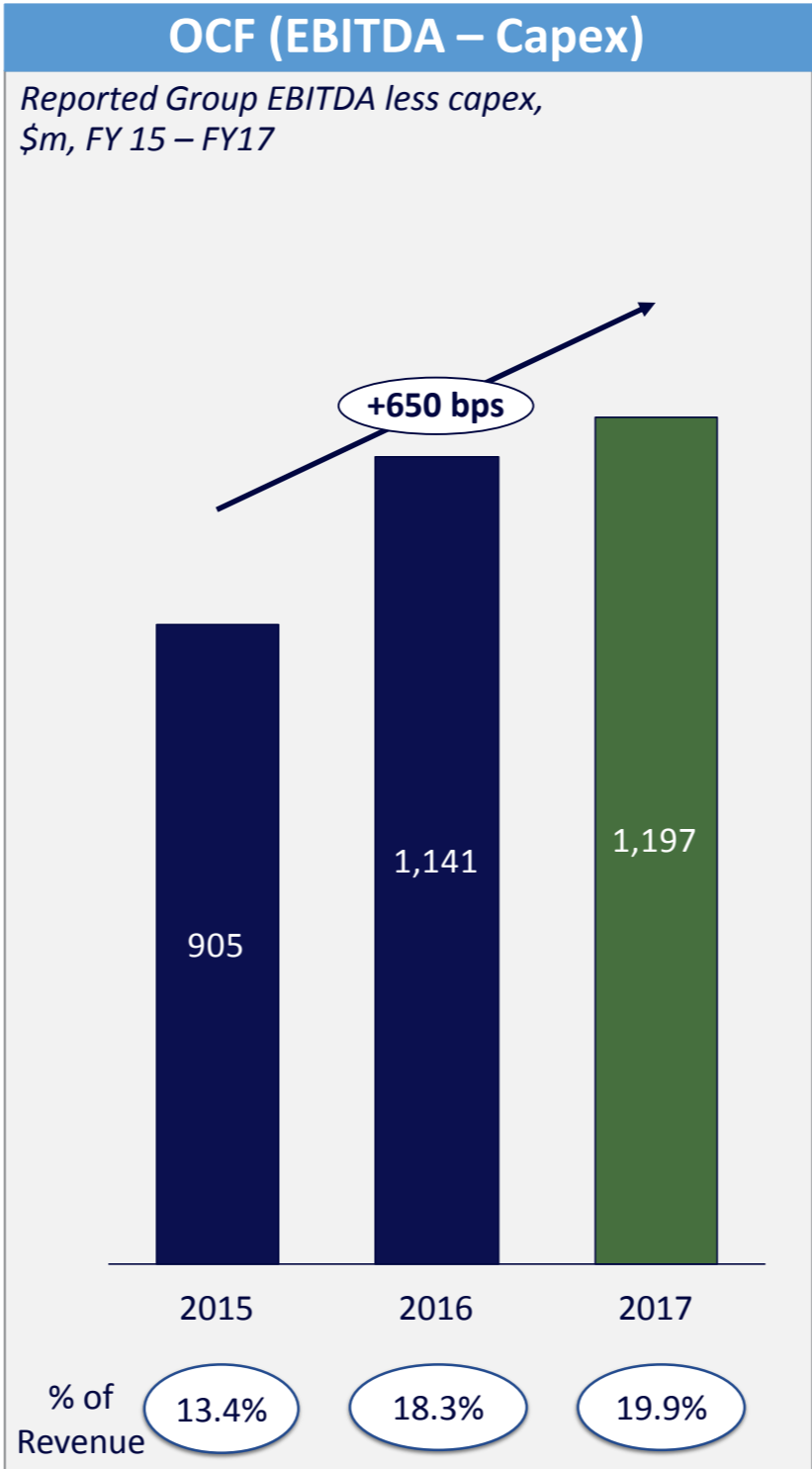
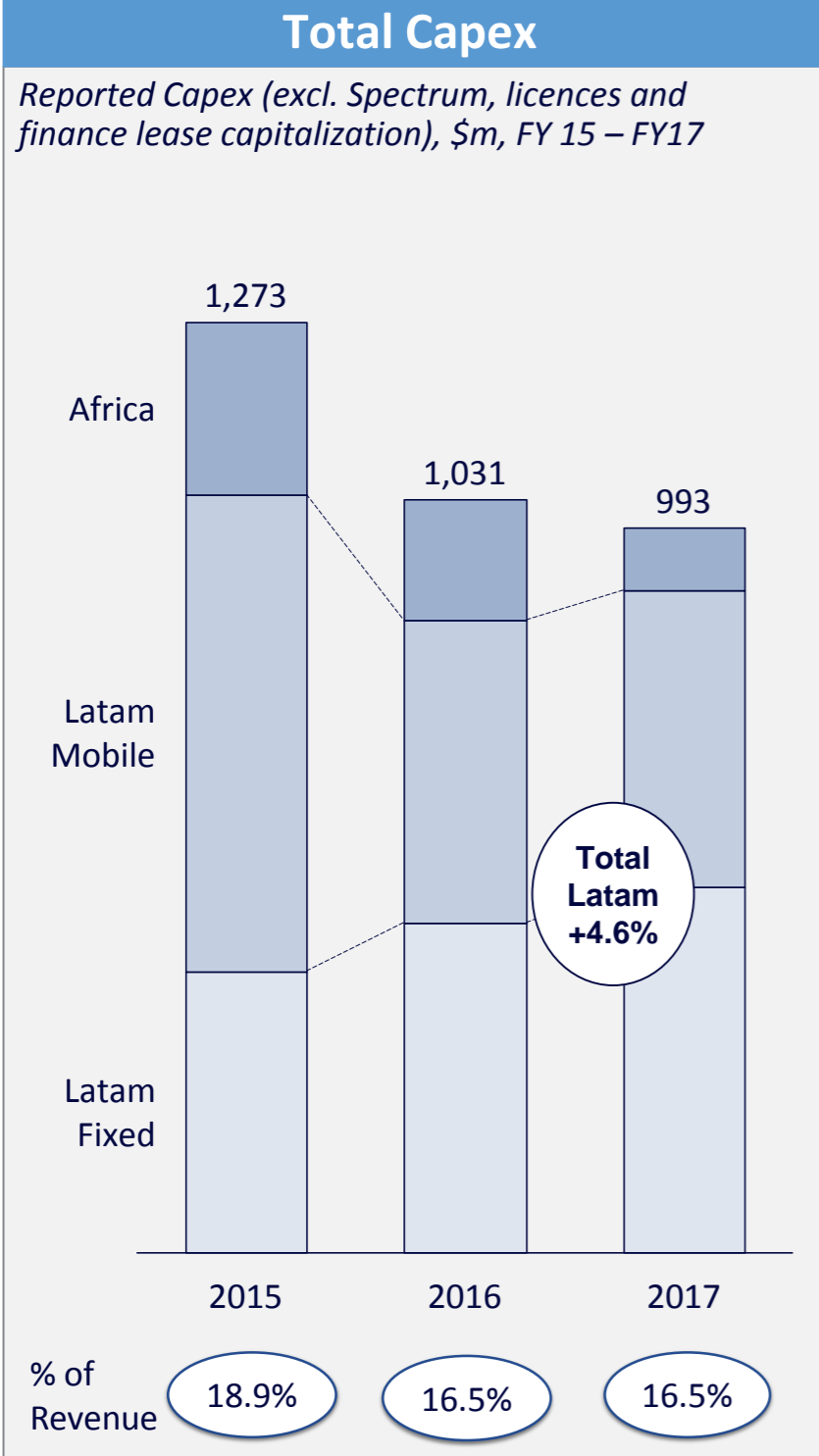
Reported Group FY EBITDA margin

FY Reported EBITDA margin, 2014– 2017



3 Capital – focused capex lifting cash flow and ROIC

Re-deploying capital to Latam allows us to accelerate network build and improve returns



P&L Summary

US\$ million	FY17	FY16	% Var
Revenue	6,024	5,979	0.8%
EBITDA	2,190	2,114	3.6%
Depreciation & amortization	(1,310)	(1,317)	(0.5%)
Other operating	39	(38)	NM
Operating profit	919	759	21.1%
Net financial expense	(471)	(456)	(3.4%)
Others non operating	6	2	NM
Associates	(85)	(49)	(74.0%)
Profit before tax	368	256	43.7%
Taxes	(252)	(251)	0.7%
Minority interests	(102)	(38)	NM
Discontinued operations	71	1	NM
Net income	85	(32)	NM
Adjusted EPS	1.08	0.91	18.3%

Key Observations

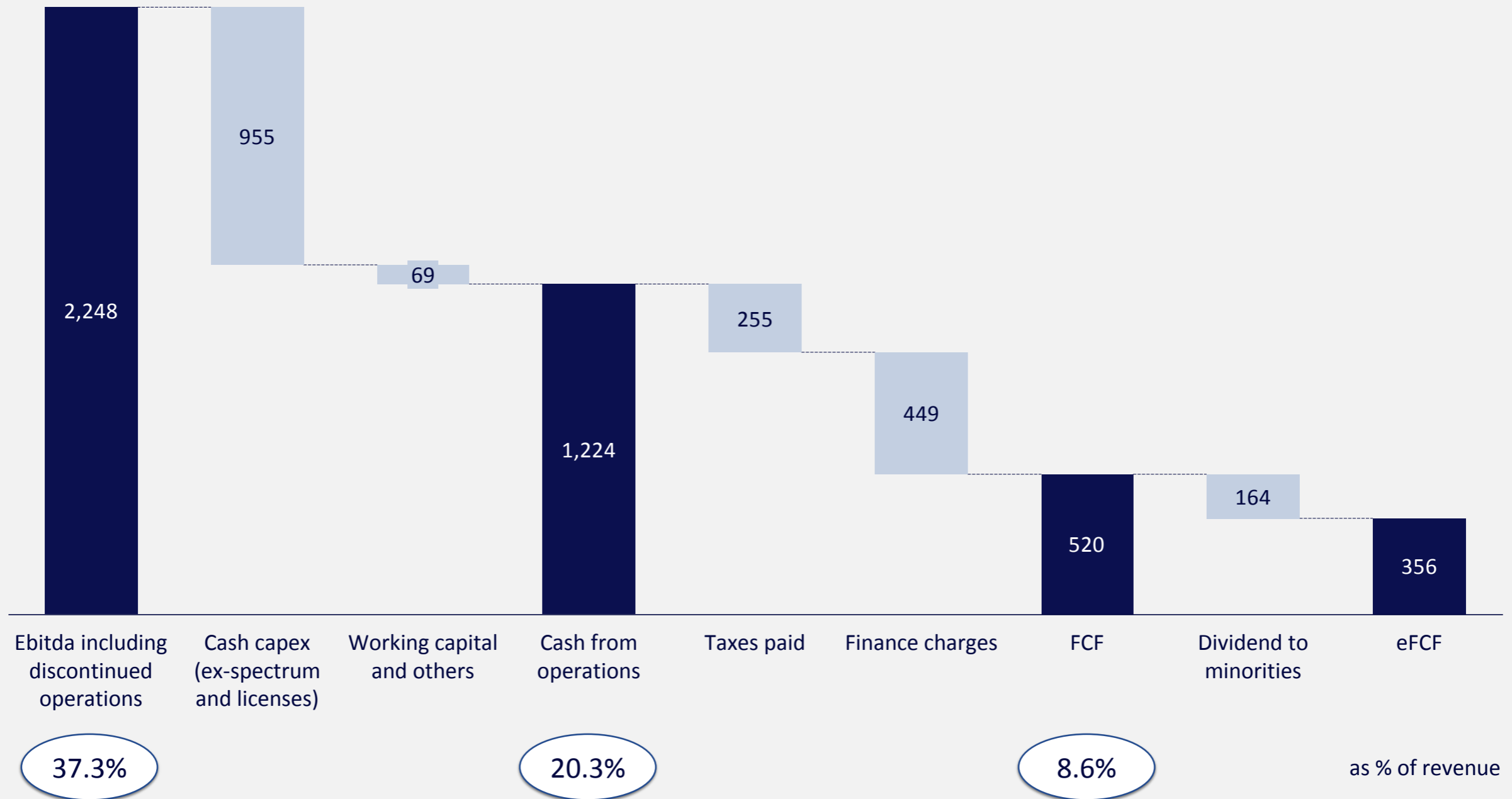
- A** Gain on sale of towers in Paraguay and Colombia
- B** Include debt management costs
- C** Unfavorable comparison to last year results where we had the impact of restructuring in Colombia and fair value adjustments in Guatemala and Honduras
- D** Include Senegal and Ghana

3 Cash flow - FY 2017

EFCF up 39% higher year-on-year

FY 2017 cash flow

\$ million

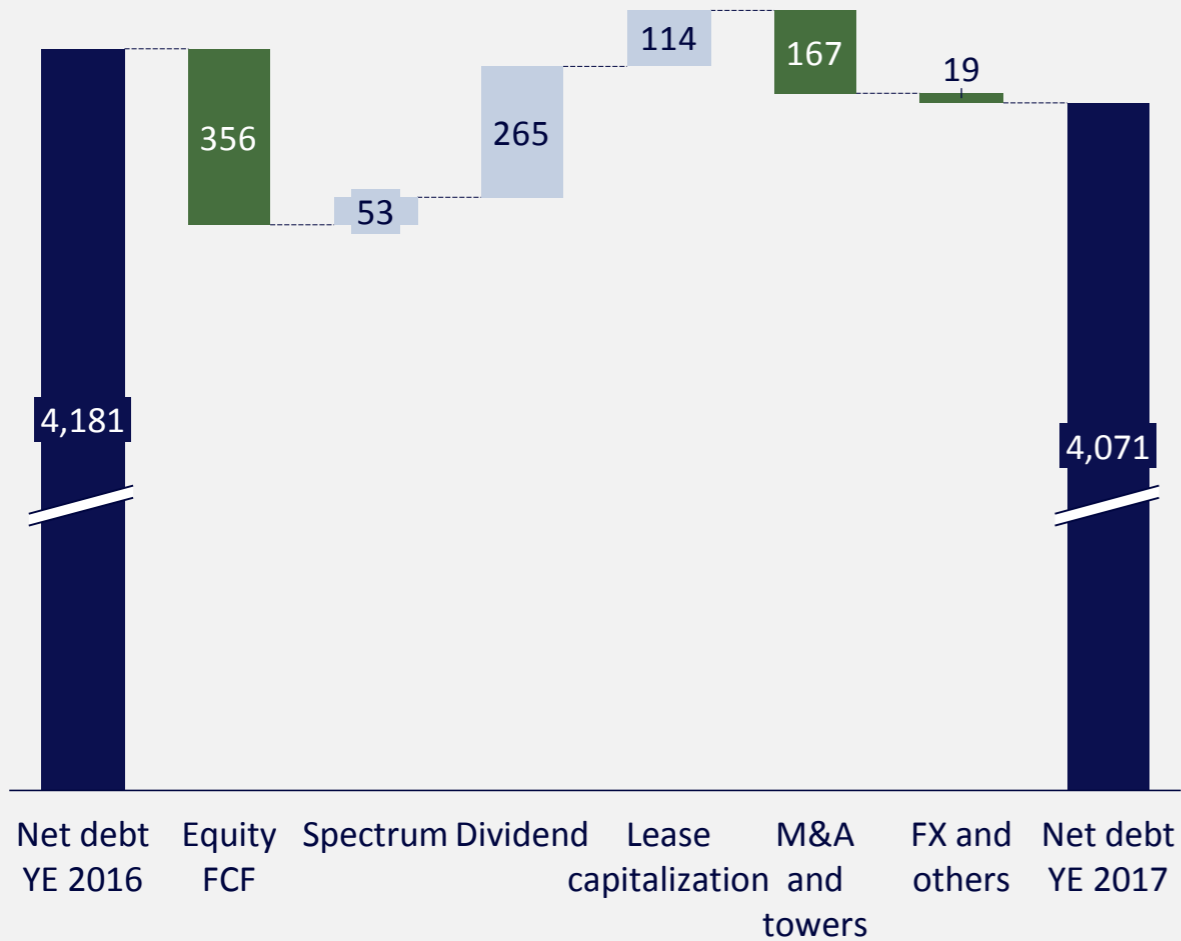


4 Capital structure

Cash generation and tower sales produced lower leverage in 2017

Net debt evolution in 2017

\$ million, 31 December 2016 – 31 December 2017



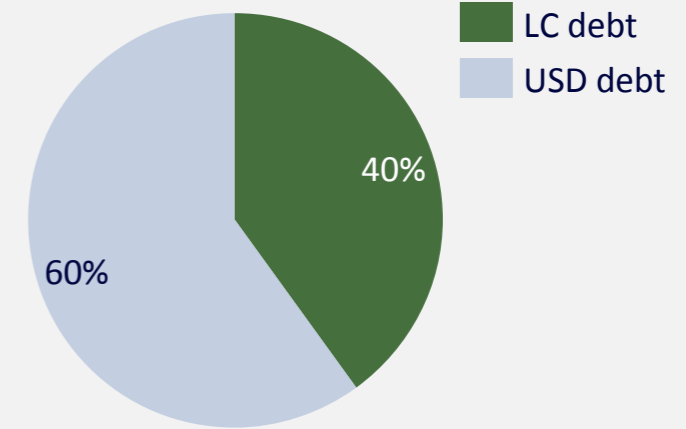
Net debt YE 2016 Equity FCF Spectrum Dividend Lease capitalization M&A and towers FX and others Net debt YE 2017

1.93x	Net debt/LTM EBITDA	1.86x
2.15x	Proportionate Net debt/ Proportionate LTM EBITDA	2.02x

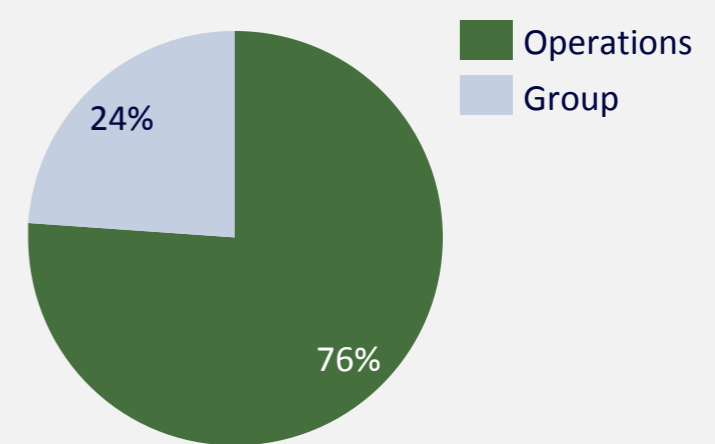
Debt profile

% of gross debt, 31 December 2017

Gross debt currency exposure



Gross debt distribution

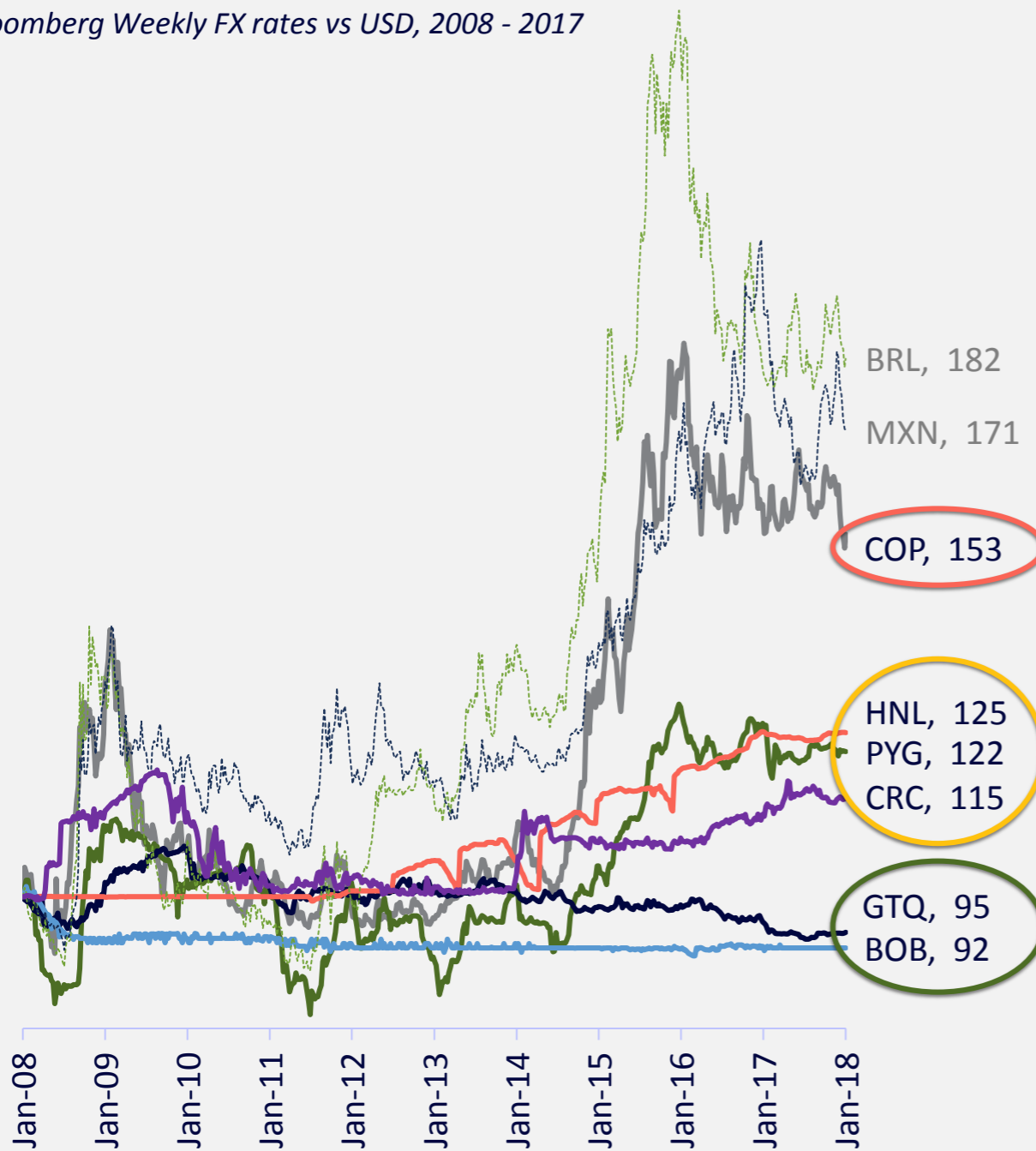


4 Currency exposure

Only 15% of our proportional EBITDA is from high volatility FX country

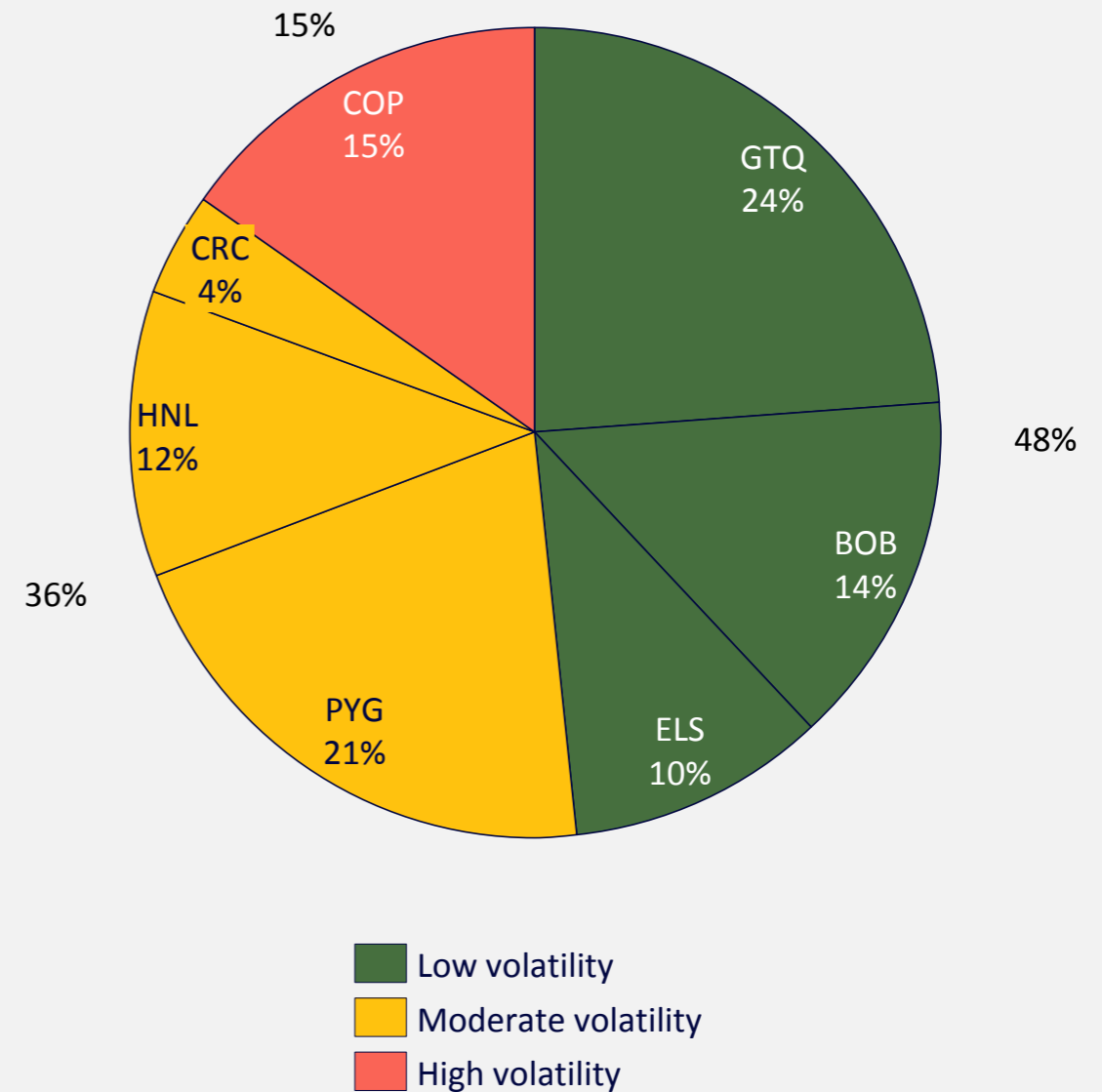
10-year FX trends

Bloomberg Weekly FX rates vs USD, 2008 - 2017



Proportional Latam EBITDA

Latam EBITDA by country, adjusted for proportional Millicom ownership, and ranked by currency volatility, 2017



Targeting faster revenue growth and operating leverage in 2018

Reach **10 million 4G subs**, **10 million homes passed** by the end of 2018 and add **300,000 HFC homes connected**

Latam

Service Revenue	2-4% organic growth
EBITDA	3-6% organic growth
Capex	Around \$1.0 billion

Africa

eFCF	Positive
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Gained momentum in 2017, finished strong in Q4, positioning Millicom for an even better 2018

1

We've come a long way on our journey...

2

... 2017 was a pivotal year as growth returned ...

3

... we still have many more people and homes to connect ...

4

... with continued focus on cost control and capital allocation



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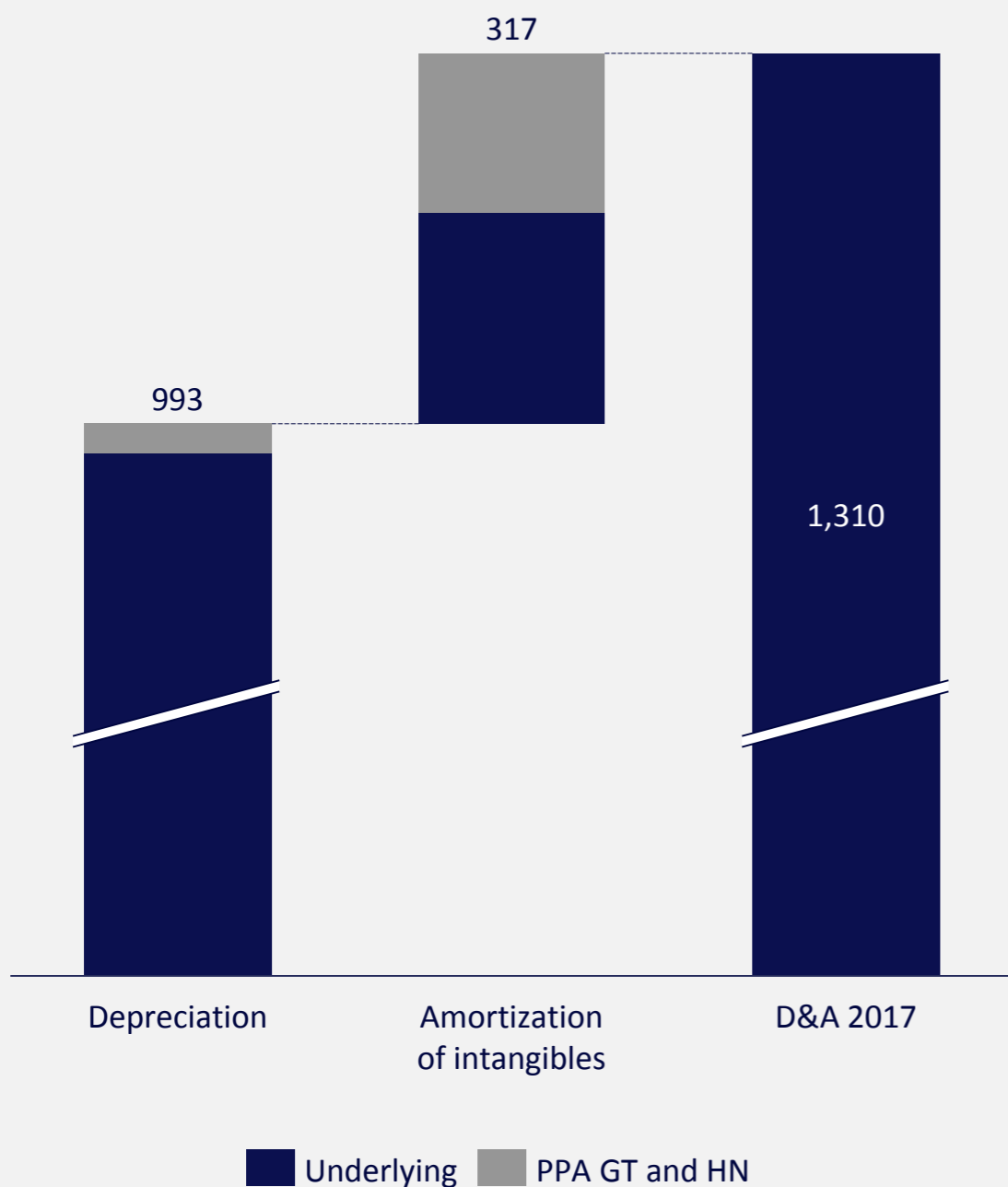
Q&A

Depreciation and amortization, interest expense

A closer look at D&A and net interest expense lines

Depreciation and amortisation

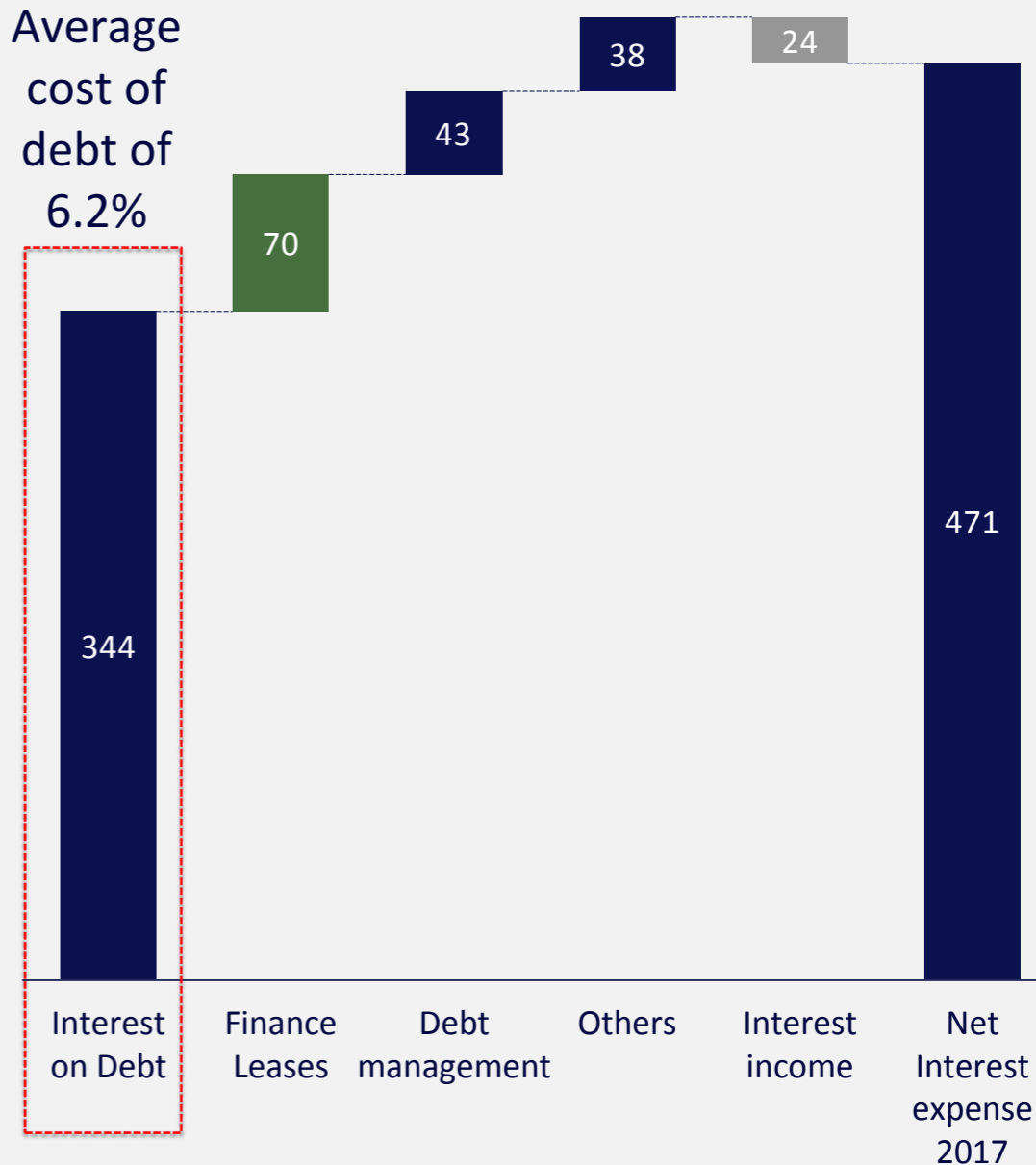
\$ million, FY17



Interest expense

\$ million, FY17

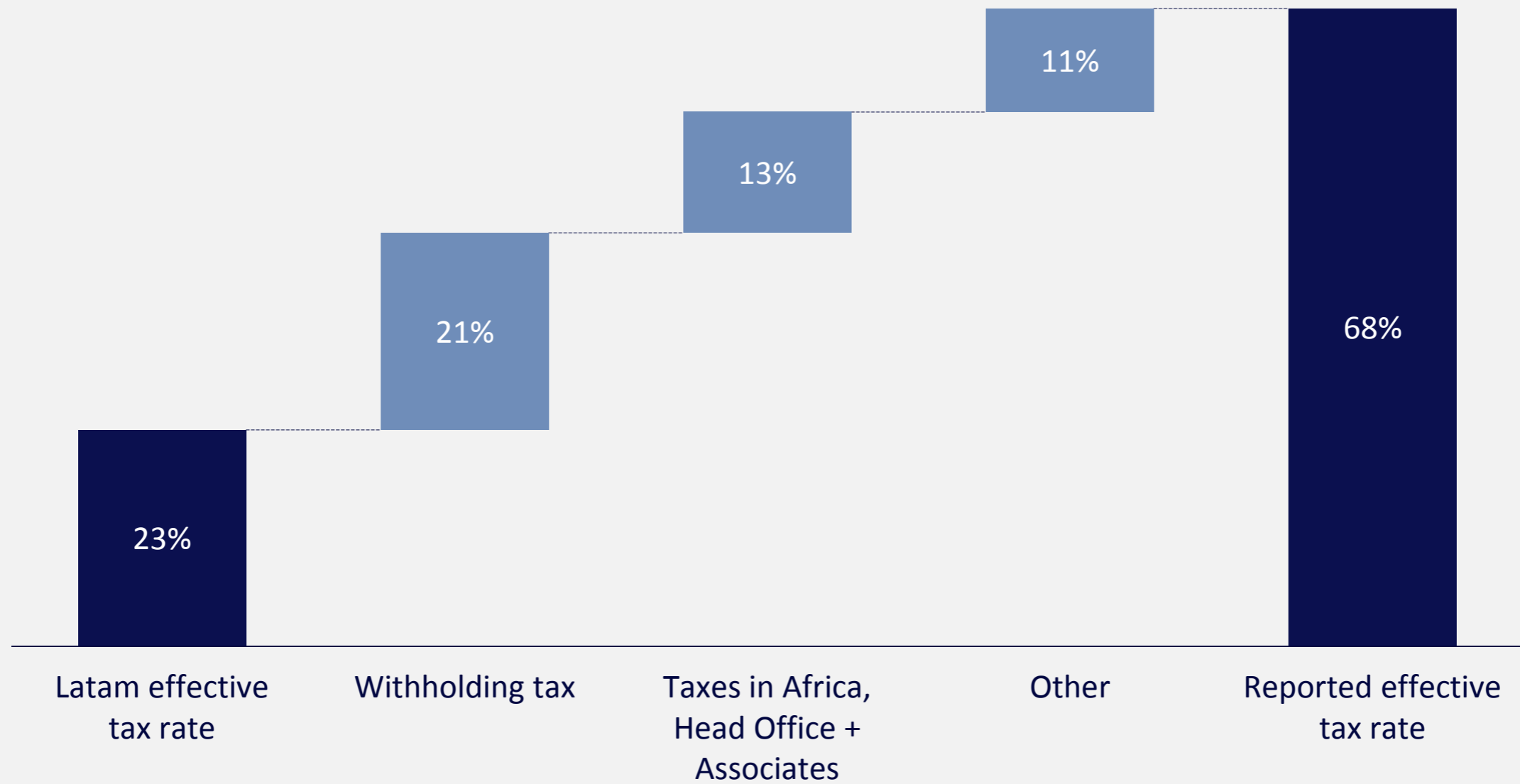
Average cost of debt of 6.2%



Withholding, Africa and HQ impact reported tax rate

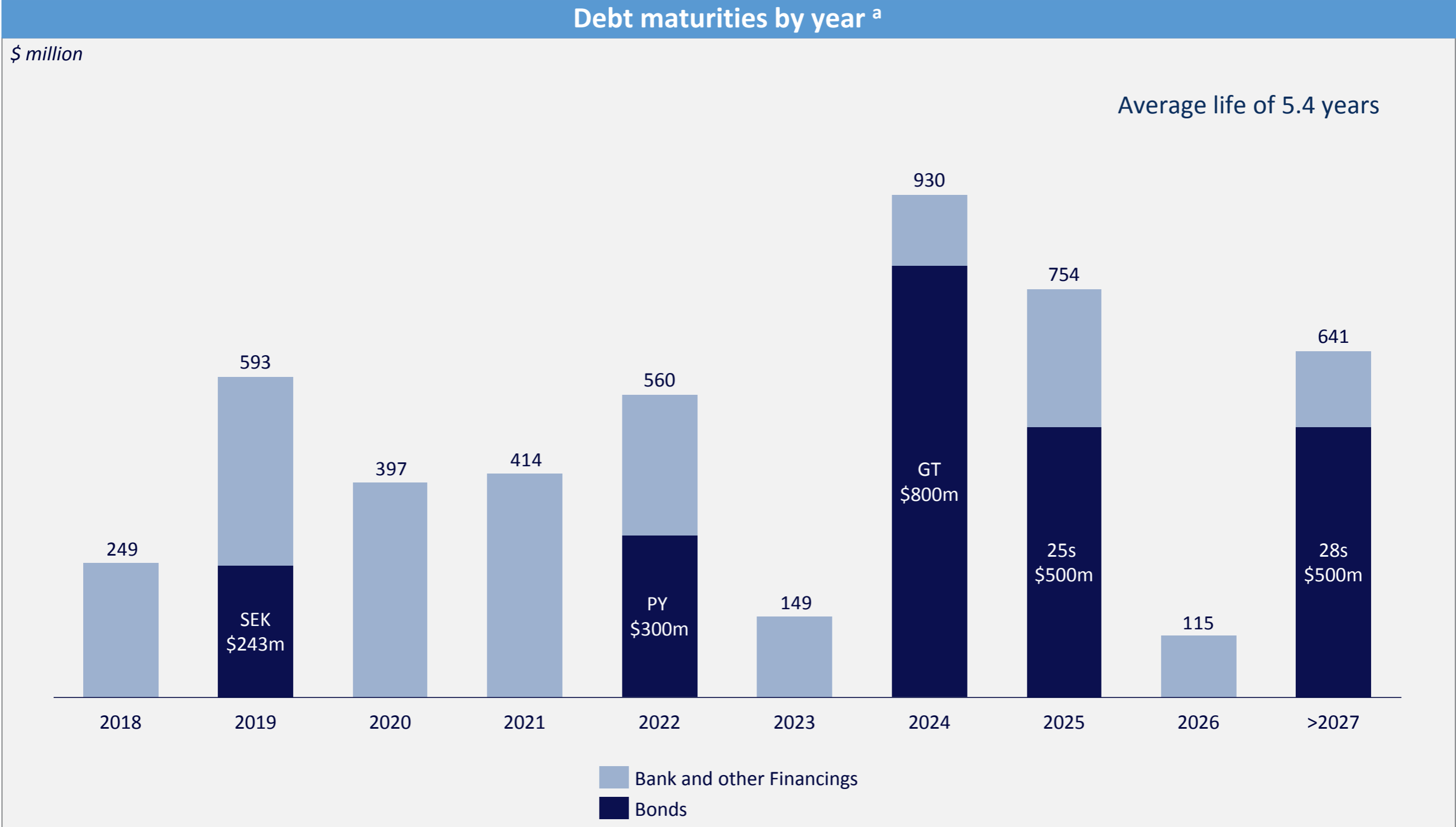
Latam effective tax rate was 23% in 2017

% of Profit before taxes, FY17



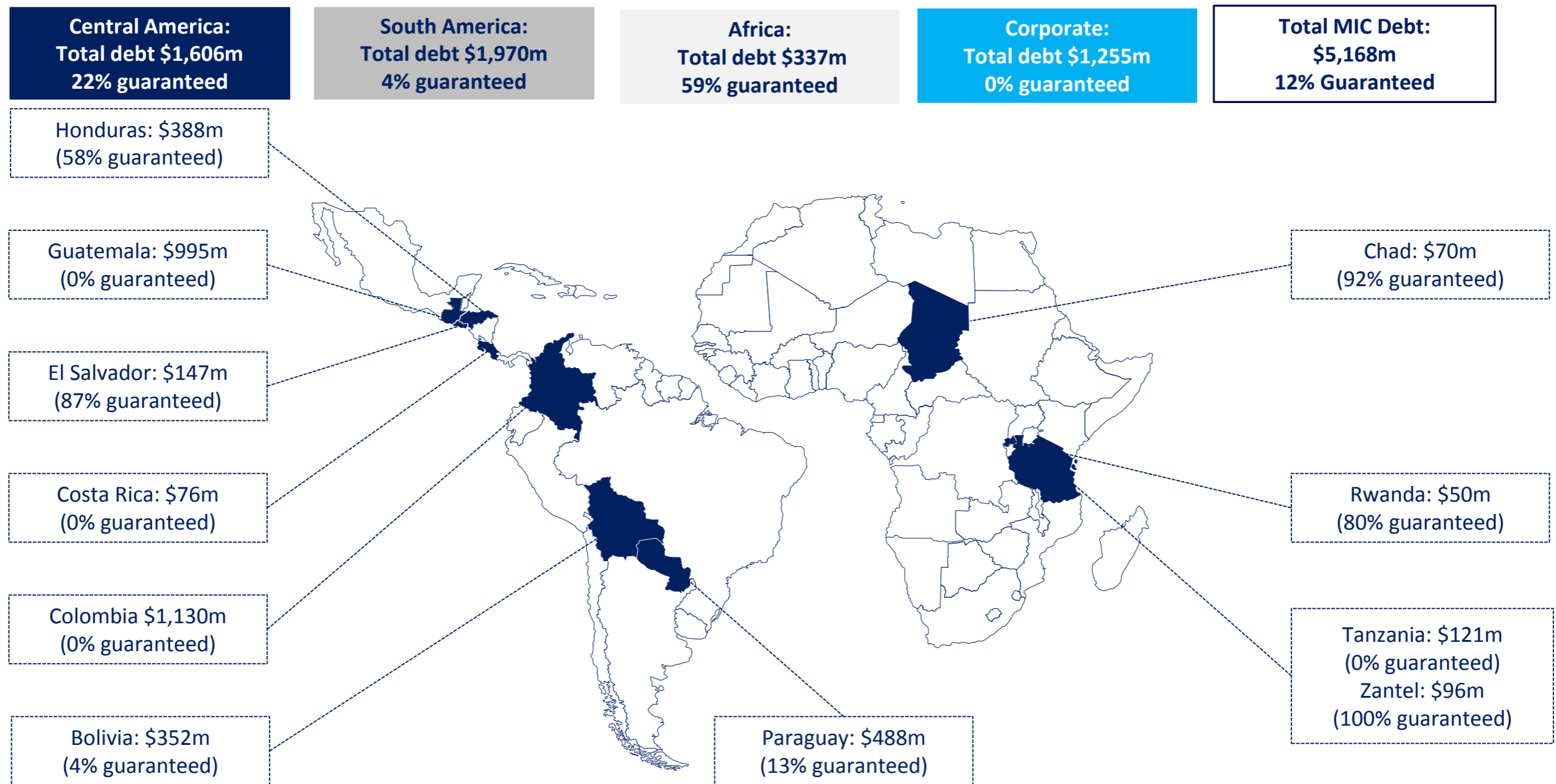
Debt maturity profile

Comfortable capital structure and liquidity with no major maturities until 2024



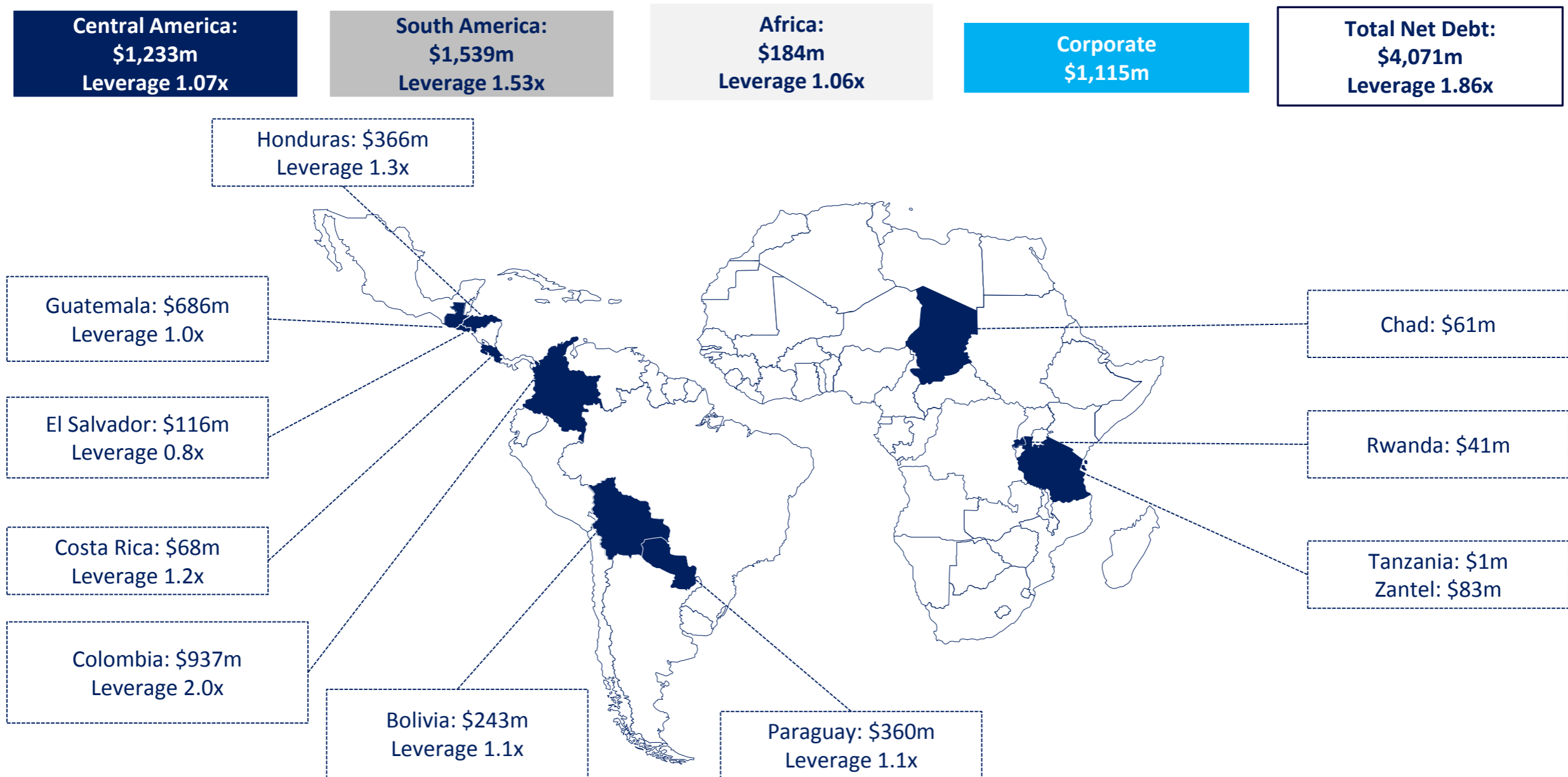
a) excluding financial leases

Gross debt by country



Including finance leases

Net debt by country



Including finance leases;
Leverage is Net debt / LTM EBITDA

Currency exposure of debt

Dec. 2017	Debt including finance leases			Cash Total	Net debt		
	US\$	Local	Total		USD	Local	Total
Latin America*	1,709	1,867	3,576	804	1,341	1,431	2,772
	48%	52%	100%		48%	52%	100%
Africa	139	197	336	153	132	52	184
	41%	59%	100%		72%	28%	100%
Corporate	1,255	0	1,255	141	1,120	-5	1,115
	100%	0%	100%		100%	0%	100%
Millicom	3,104	2,064	5,168	1,097	2,593	1,477	4,071
	60%	40%	100%		64%	36%	100%

*El Salvador has USD as functional currency (treated as local.)



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