

# Our Purpose in action

First Quarter 2020

Mauricio Ramos, CEO

Tim Pennington, CFO

April 30<sup>th</sup>, 2020

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. In particular, there is uncertainty about the spread of the COVID-19 virus and the impact it may have on Millicom's operations, the demand for Millicom's products and services, global supply chains and economic activity in general. 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;
- Potential disruption due to diseases, pandemics, political events, piracy or acts by terrorists, including the impact of the recent outbreak of the COVID-19 virus and the ongoing efforts throughout the world to contain it;
- 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). To the extent COVID-19 adversely affects Millicom's business and financial results, it may also have the effect of heightening many of the risks described in its filings.

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.

**Average Revenue per User per Month (“ARPU”)** for our Mobile customers is (x) the total mobile and mobile financial services revenue (excluding revenue earned from tower rentals, call center, data and mobile virtual network operator, visitor roaming, national third parties roaming and mobile telephone equipment sales revenue) for the period, divided by (y) the average number of mobile subscribers for the period, divided by (z) the number of months in the period. We define ARPU for our Home customers in our Latin America segment as (x) the total Home revenue (excluding equipment sales, TV advertising and equipment rental) for the period, divided by (y) the average number of customer relationships for the period, divided by (z) the number of months in the period. ARPU is not subject to a standard industry definition and our definition of ARPU may be different to other industry participants.



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## 1. COVID-19 update

# Phases of our response

## Phase 1



- Initial Crisis Management Response
- Employee Safety
- Service Continuity

## Phase 2



- Principles to Guide Decision Making During Crisis
- 2020 Re-planning
- Special Task Force Capturing Opportunities and Learnings for the Future




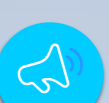




## Phase 3



Positioned for Market Recovery

# Diligent phase-one response...

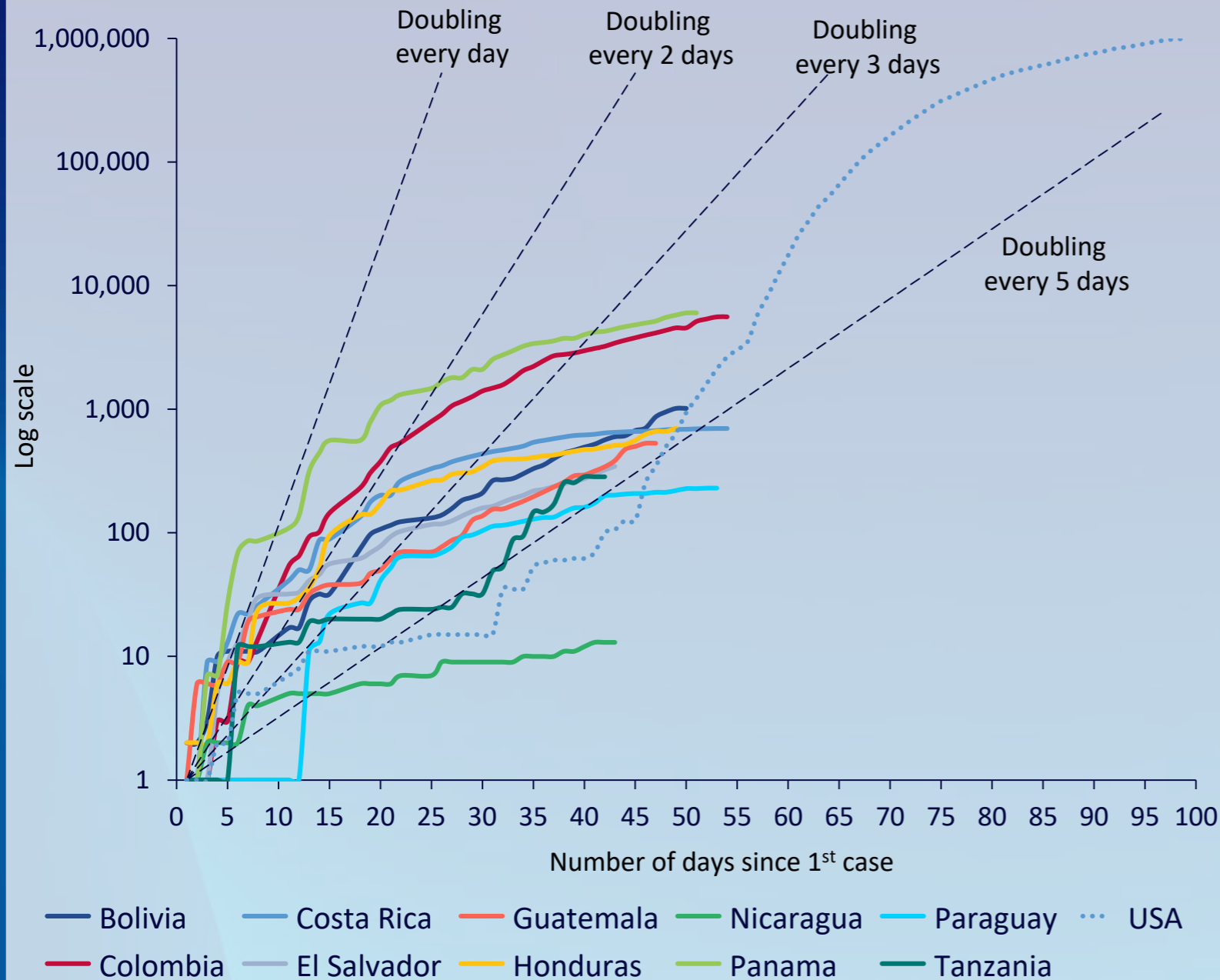
Phase  
1

- ✓  Activate **Crisis Management Team** led by CEO
- ✓  Prepare our employees to **ensure continuity of operations**
- ✓  Ensure **stability of our networks**
- ✓  Support mobile, home and B2B customers through **commercial offerings and services**
- ✓  Monitor **financial performance** and stress test
- ✓  **Proactive engagement** with authorities
- ✓  Build and **secure liquidity to protect the balance sheet**
- ✓  Workforce **protected and motivated**

# Status of outbreak in our countries

Phase 1

## Confirmed COVID-19 cases in our markets



## Government reaction

Country	Cases	Cases per M Pop	Quarantine Level	Opening date
Bolivia	1,014	89	High	May 10
Colombia	5,597	113	High	May 11
Costa Rica	697	139	Medium	N/A
El Salvador	345	54	High	May 1
Guatemala	530	31	Medium	May 5
Honduras	702	73	High	May 3
Nicaragua	13	2	Low	N/A
Panama	6,021	1,442	High	Undefined
Paraguay	230	33	High	May 3
Tanzania	299	5	Low	N/A
USA	~1M	2,989	Medium	Apr. 30

# Initial challenges and responses

Phase  
1

## Challenge

## Response

Mobility  
restrictions

- Disruption to distribution channels
- Reduced demand (mobile)

- Increased digital channels
- New ad hoc channels

Regulatory

- Limitations on disconnections

- Lifeline products
- Installation fees

Network

- Surge in network traffic

- Capex re-focused

Macroeconomic

- Recession
- Currency volatility

- Focus on liquidity



# What we've seen so far

Phase  
1

## Business Unit KPIs

Prepaid	Postpaid	Home	B2B
Reloads down, impacted by lockdowns	Net adds <b>-56k</b>	Customer base <b>Stable</b>	Corporate and Government <b>Stable</b>
Digital reloads up <b>~2x</b>	Lower gross adds but churn down <b>~25%</b>	Early success with Lifeline product	SME churn up significantly

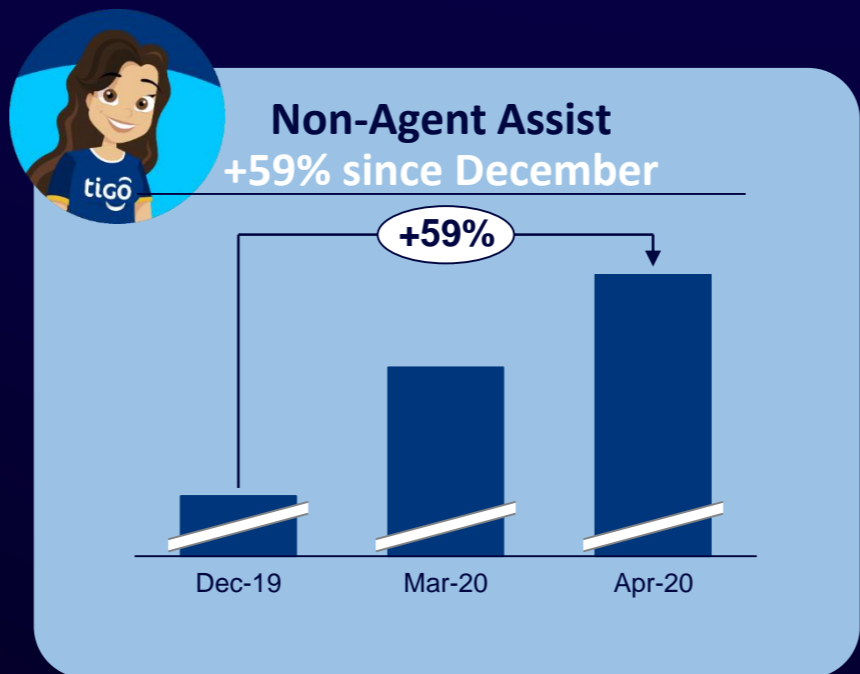
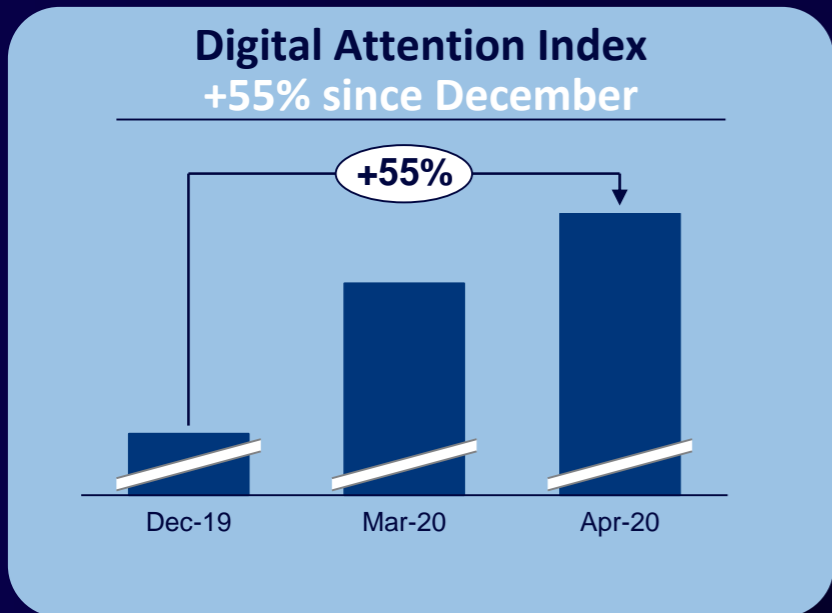
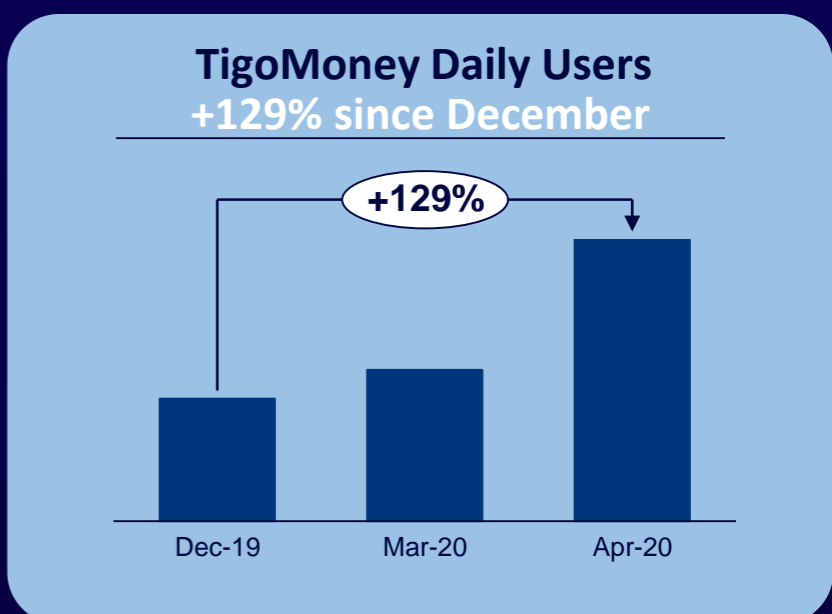
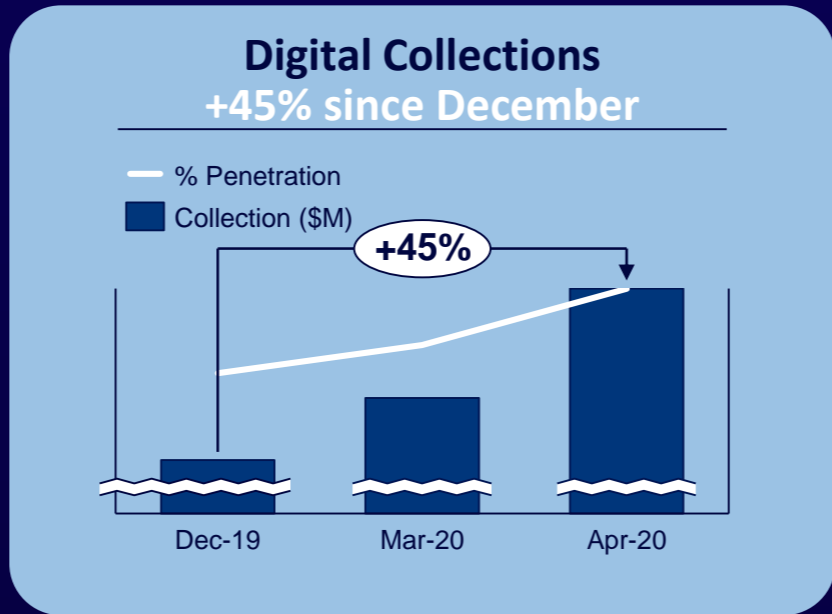
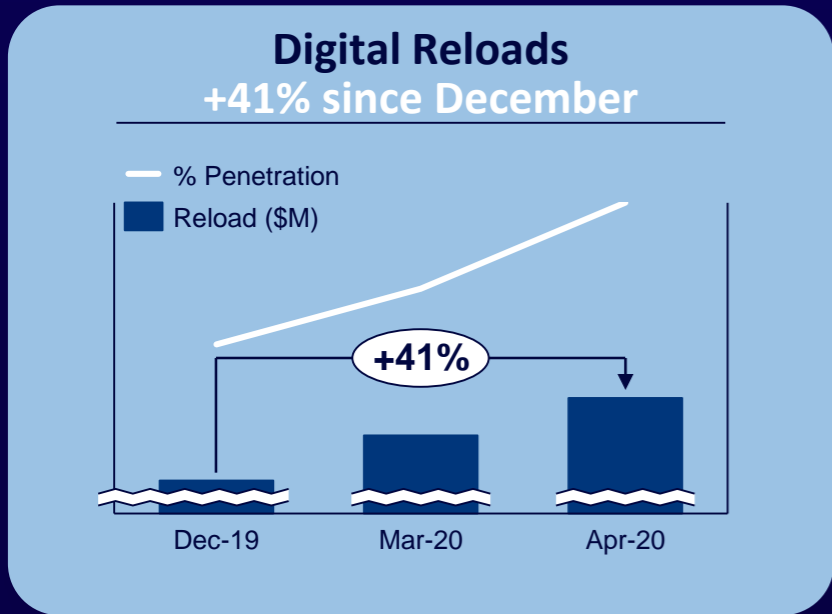
## Other KPIs

<b>+40-50%</b> Network traffic & responding well	<b>~65%</b> Stores closed	<b>+75%</b> Employees working from home	<b>~90%</b> Installation crews working	<b>+30%</b> NPS field technicians
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**April impact: 6-7% on Latam service revenue**

# Digital adoption is moving faster

Phase 1



+ 330k government subsidy disbursements in Paraguay via TigoMoney

**ticomoney**

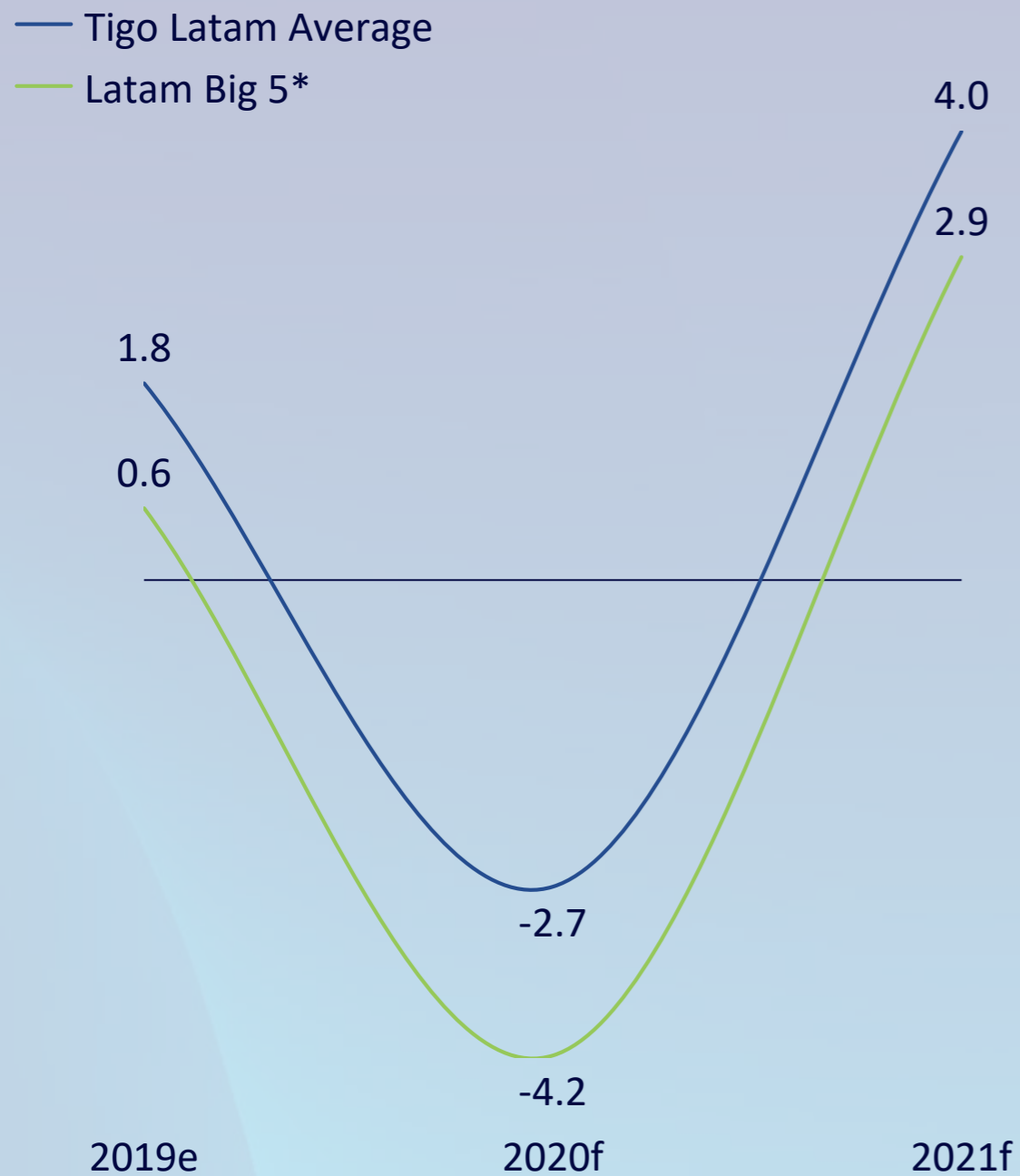
Rol clave como canal de acreditación de los Programas Ñangareko y Pytyvõ del Gobierno Nacional

- Servicio **sin costo** para los beneficiarios y para el Gobierno
- Llegamos a **350** localidades de todo el país.
- 6** de cada 10 beneficiarios son mujeres cabeza de hogar
- 72%** de los beneficiarios ya utilizó lo acreditado

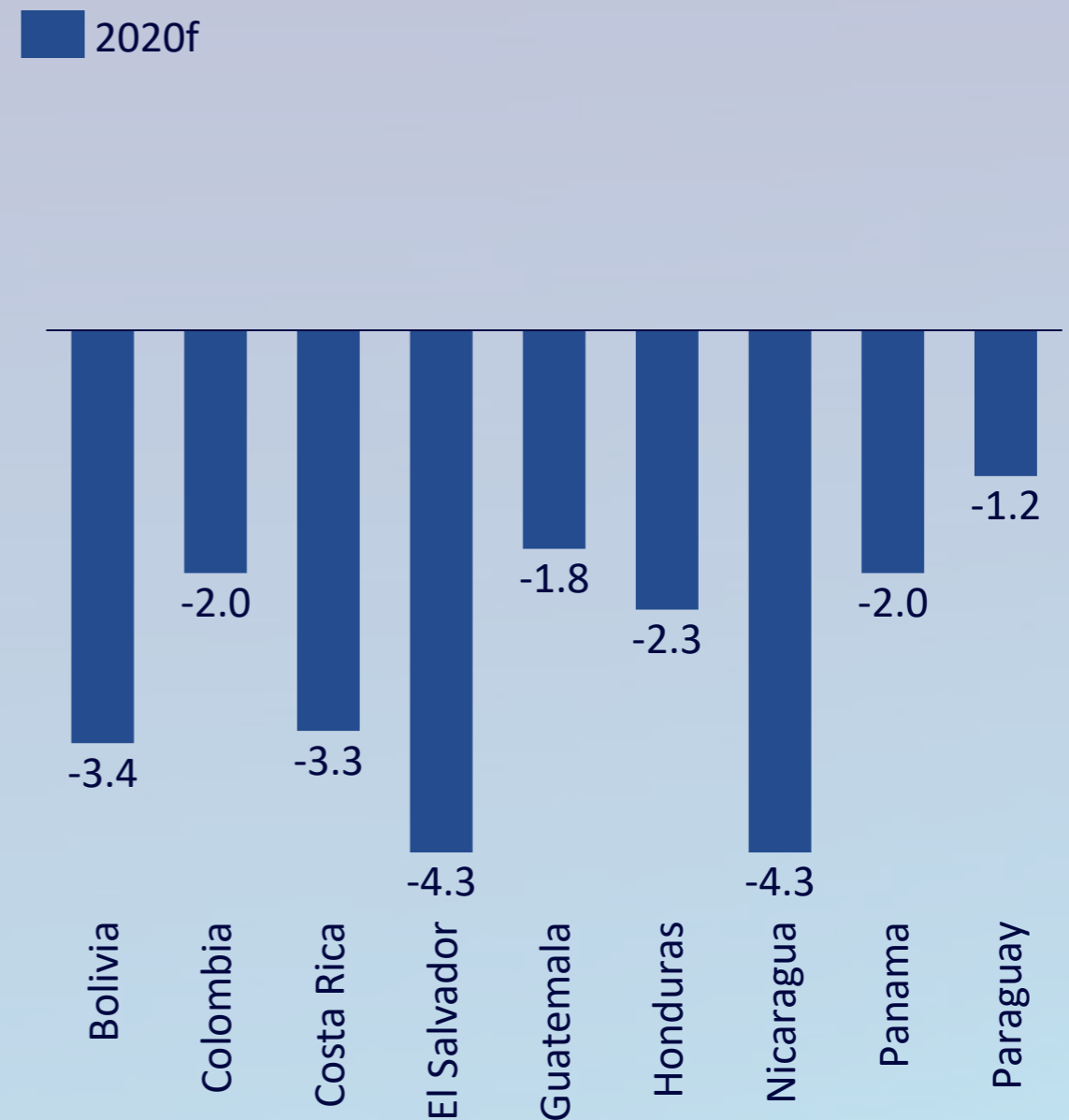
# Macroeconomic impact in Latin America

Phase  
2

## Latam GDP Growth\* (%)



## Forecast 2020 GDP Growth\* (%)



\*Source: World Bank, The Economy in the Time of COVID-19, April 2020. Latam Big 5 includes average of Brazil, Mexico, Argentina, Colombia and Chile.

# “Principles” to guide the business during the crisis

Phase  
2

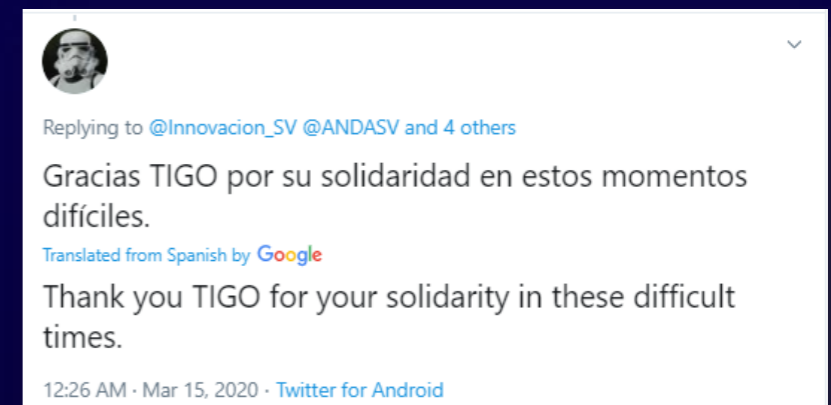
## People

- 1 Employee safety and well-being
- 2 Maintain family income
- 3 Reinforce our sense of purpose- SangreTigo

Sangre tigo

## Market

- 1 Pivot to customer service and retention
- 2 Protect market share
- 3 Brand equity value enhancement



## Capital allocation

- 1 Strengthen and preserve liquidity
- 2 Re-focus capex to maintain network integrity, connectivity and service availability
- 3 Protect cash flow

~\$2b in liquidity  
+  
>\$550m in new  
cash flow measures

# New measures for a new reality

Phase  
2

**Protect OCF**

**Protect balance sheet  
and preserve liquidity**

**Costs**

>\$100m

+

**Cancelling  
2020 Dividend**

\$100m

**Capex**

\$200-\$300m

**Suspending  
Buybacks**

\$150m

**\$550-\$650m**

in cash flow measures

- 1 A new and stronger digital wave**
  - Acceleration of ecommerce, online education, remote work, digital payments
  - Re-allocation of resources to digital connections
- 2 Increased importance of business continuity planning**
  - Cloud based solutions, redundant networks and a connected workforce
  - Work from home as part of business continuity
- 3 Strength of Next Generation Networks**
  - Reliable connectivity and speed proven essential
- 4 Enhanced industry structures**
  - Solid balance sheet, liquidity and brand equity required to survive
  - Strong infrastructure-based telecom operators to be prioritized



## 2. Q1 2020 financial review

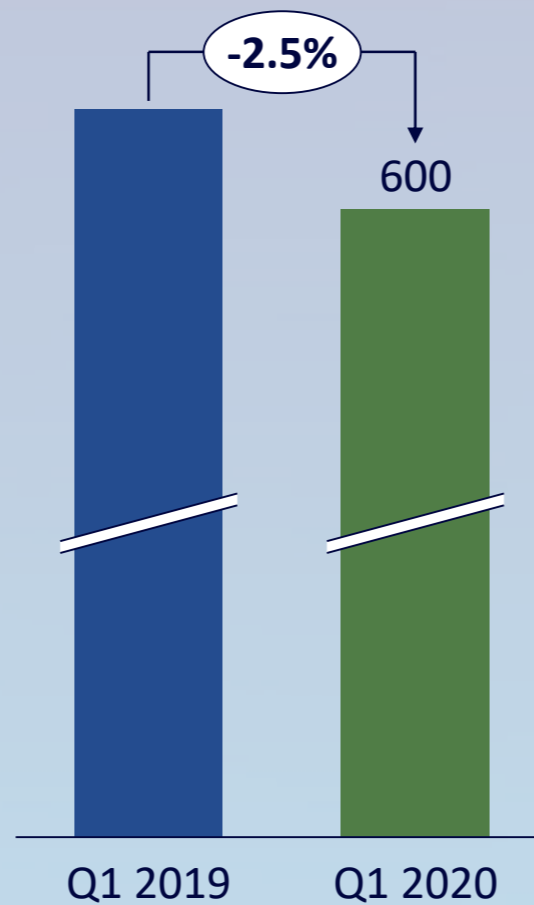
# Q1 20 Latam Key Trends

Service revenue, EBITDA and OCF (\$m) and YoY organic growth\*,  
Q1 19 – Q1 20

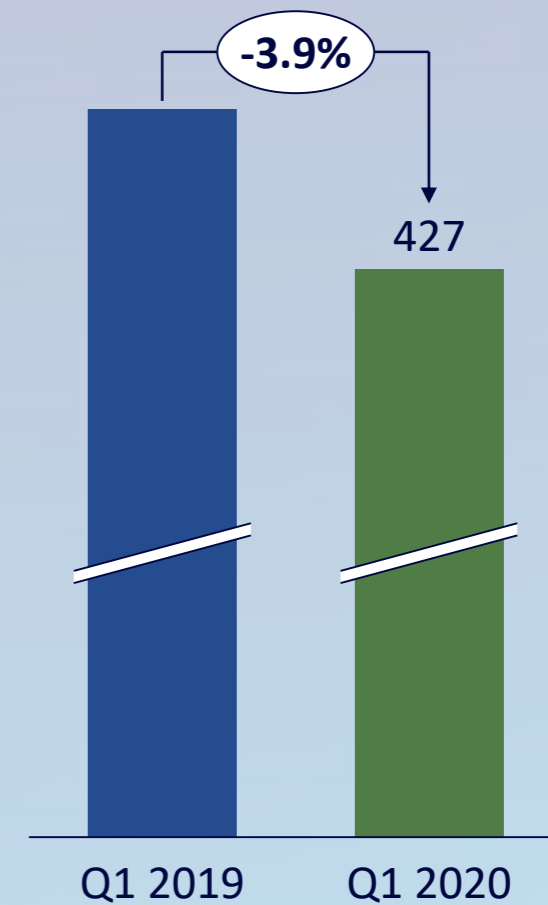
## Service Revenue\*



## EBITDA\*



## OCF\*



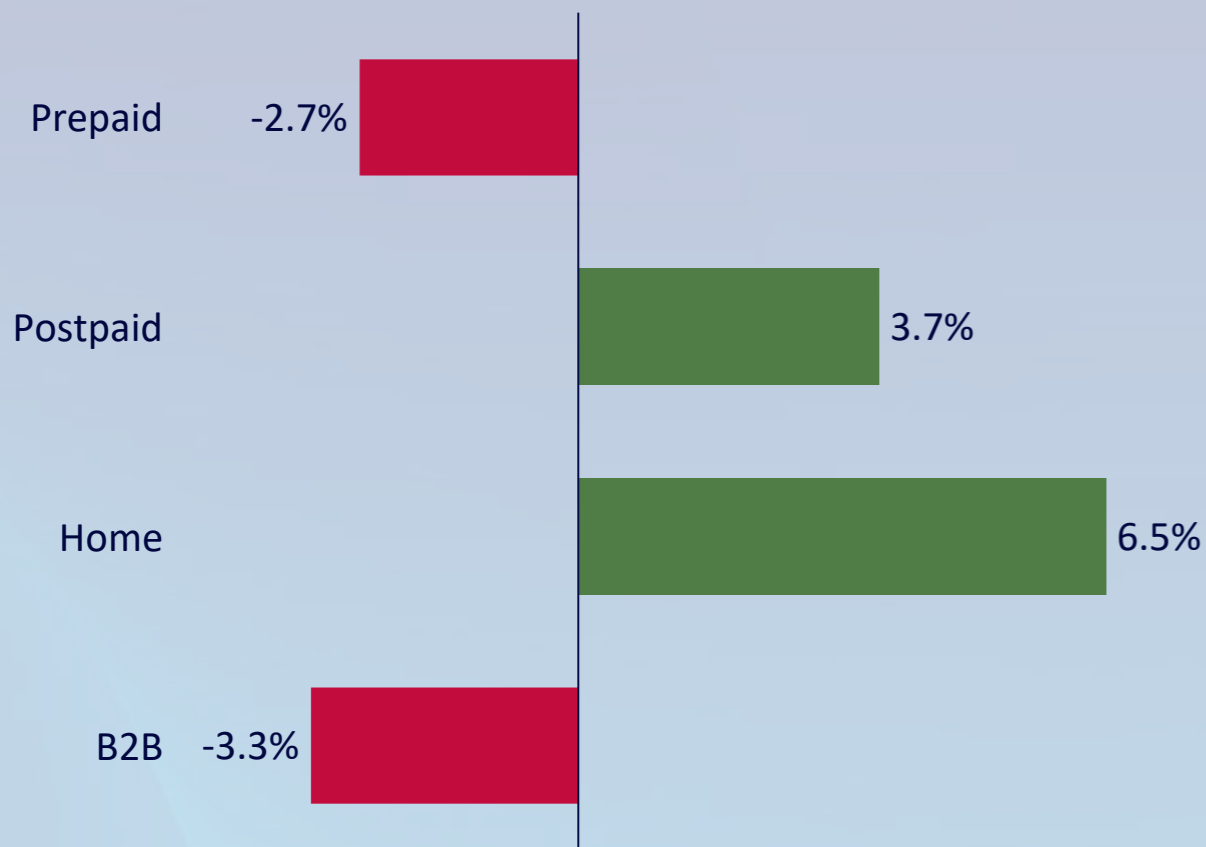
\*Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.  
A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).



# Latam service revenue – COVID-19 impact

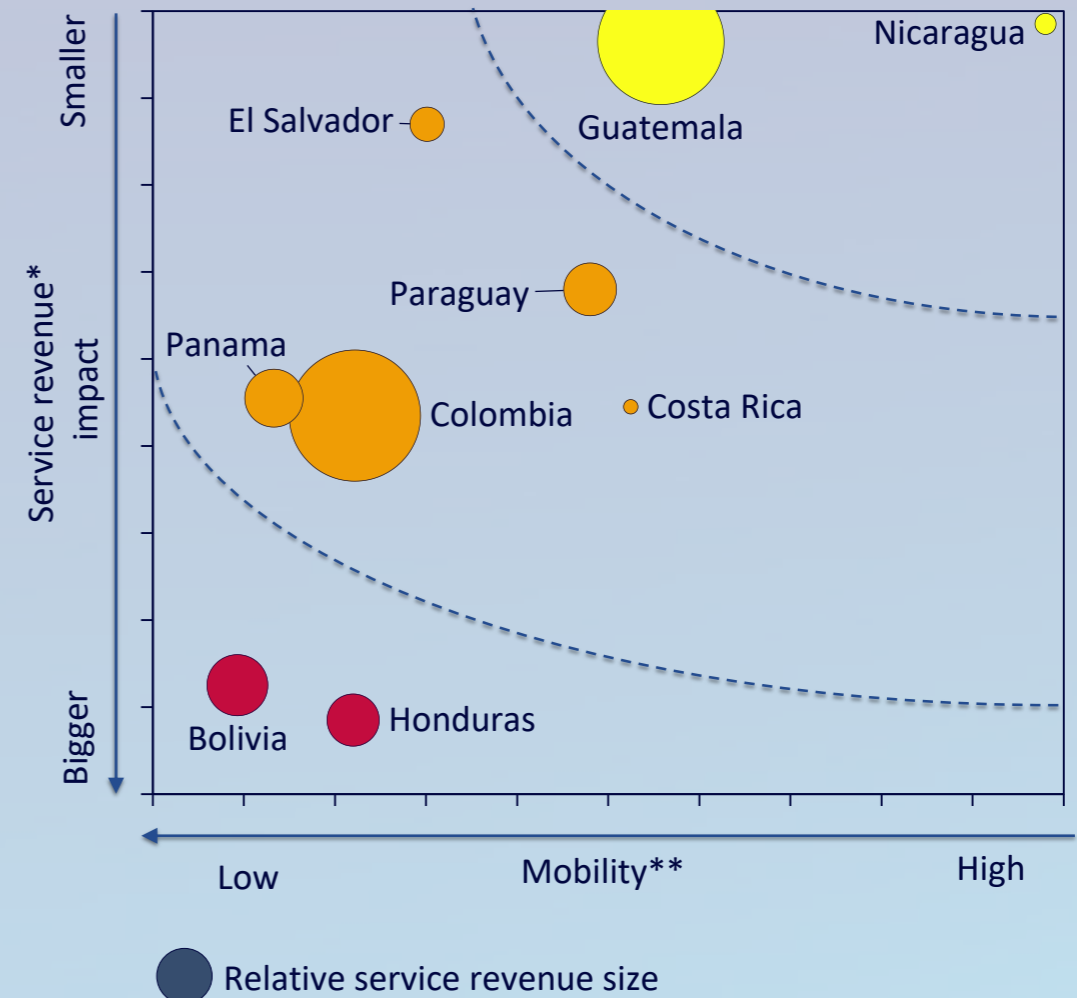
## Prepaid and B2B facing largest impact

Service revenue organic growth\* (%),  
Q1 20



## Lockdowns have hit revenue

Service revenue\* impact of lockdowns by country



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

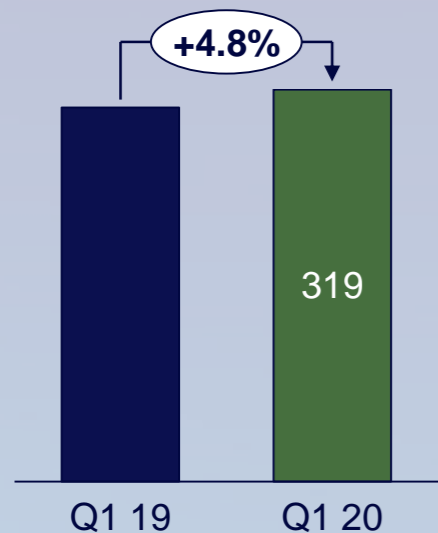
A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).

\*\*Google COVID-19 Community Mobility Reports, Average April Retail and Recreation Percent Change from Baseline as of April 23, 2020.

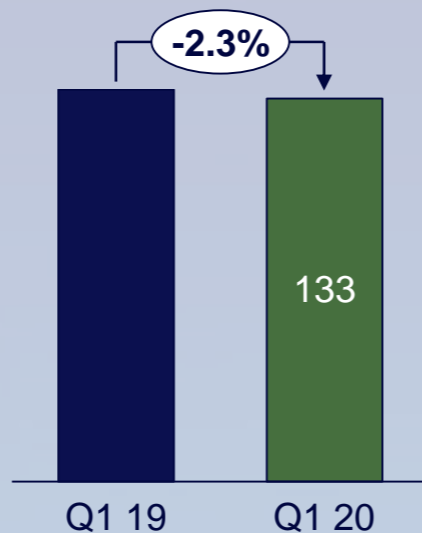
# Q1 20 Latam Service Revenue by Country

Service revenue (\$m), and YoY organic growth\*,  
Q1 19 – Q1 20

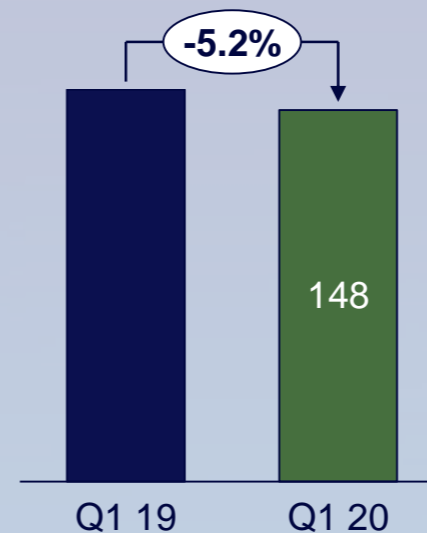
## Guatemala (23% of Latam)



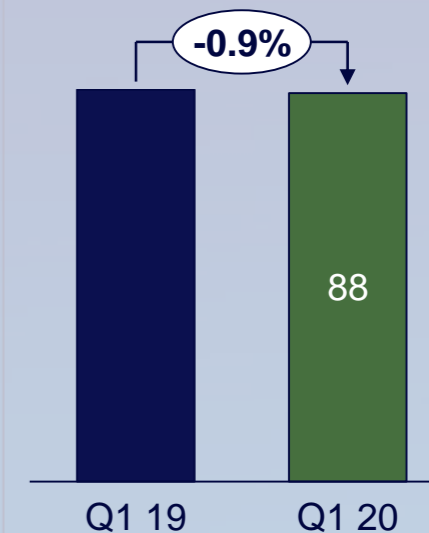
## Honduras (10% of Latam)



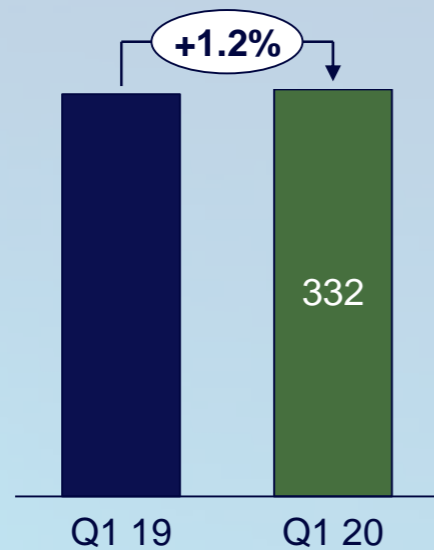
## Panama (11% of Latam)



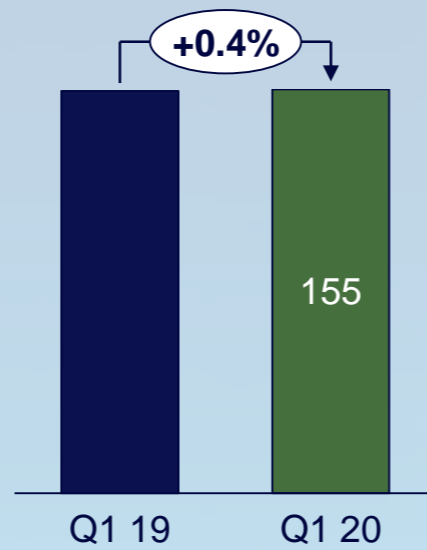
## El Salvador (6% of Latam)



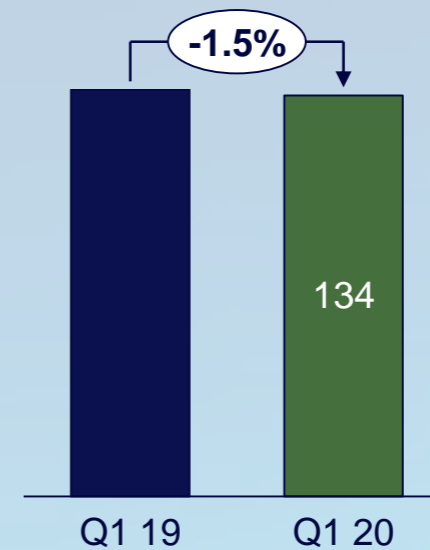
## Colombia (24% of Latam)



## Bolivia (11% of Latam)



## Paraguay (10% of Latam)

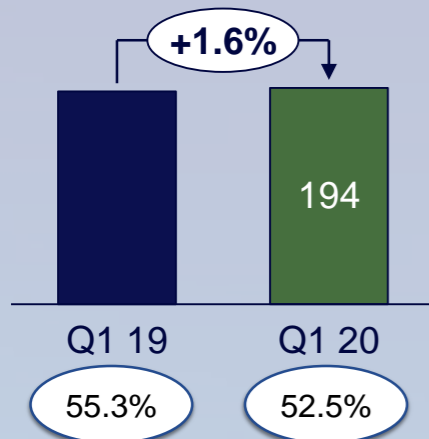


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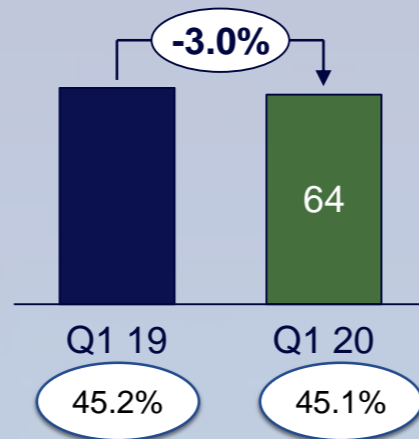
# Q1 20 Latam EBITDA by Country

EBITDA(\$m), and YoY organic growth\*,  
Q1 19 – Q1 20

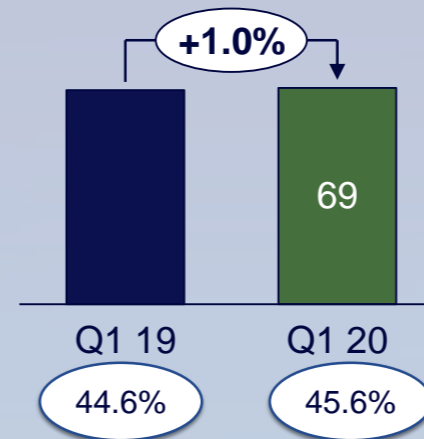
## Guatemala (30% of Latam)



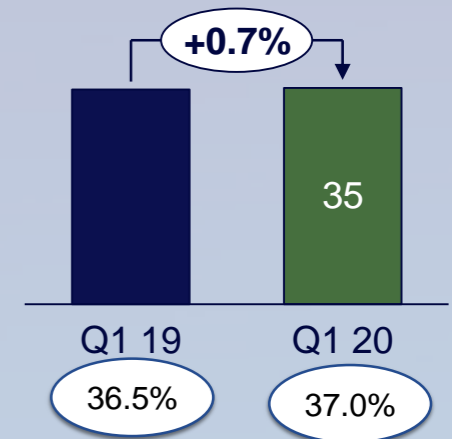
## Honduras (10% of Latam)



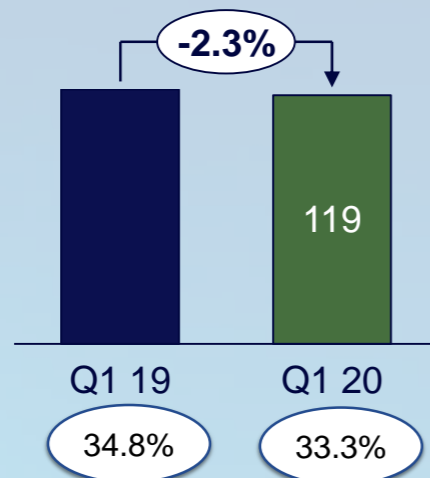
## Panama (11% of Latam)



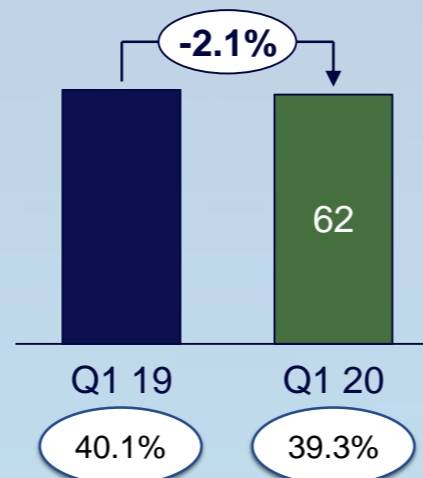
## El Salvador (6% of Latam)



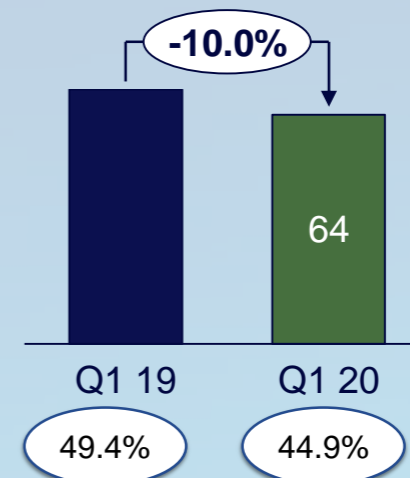
## Colombia (19% of Latam)



## Bolivia (10% of Latam)



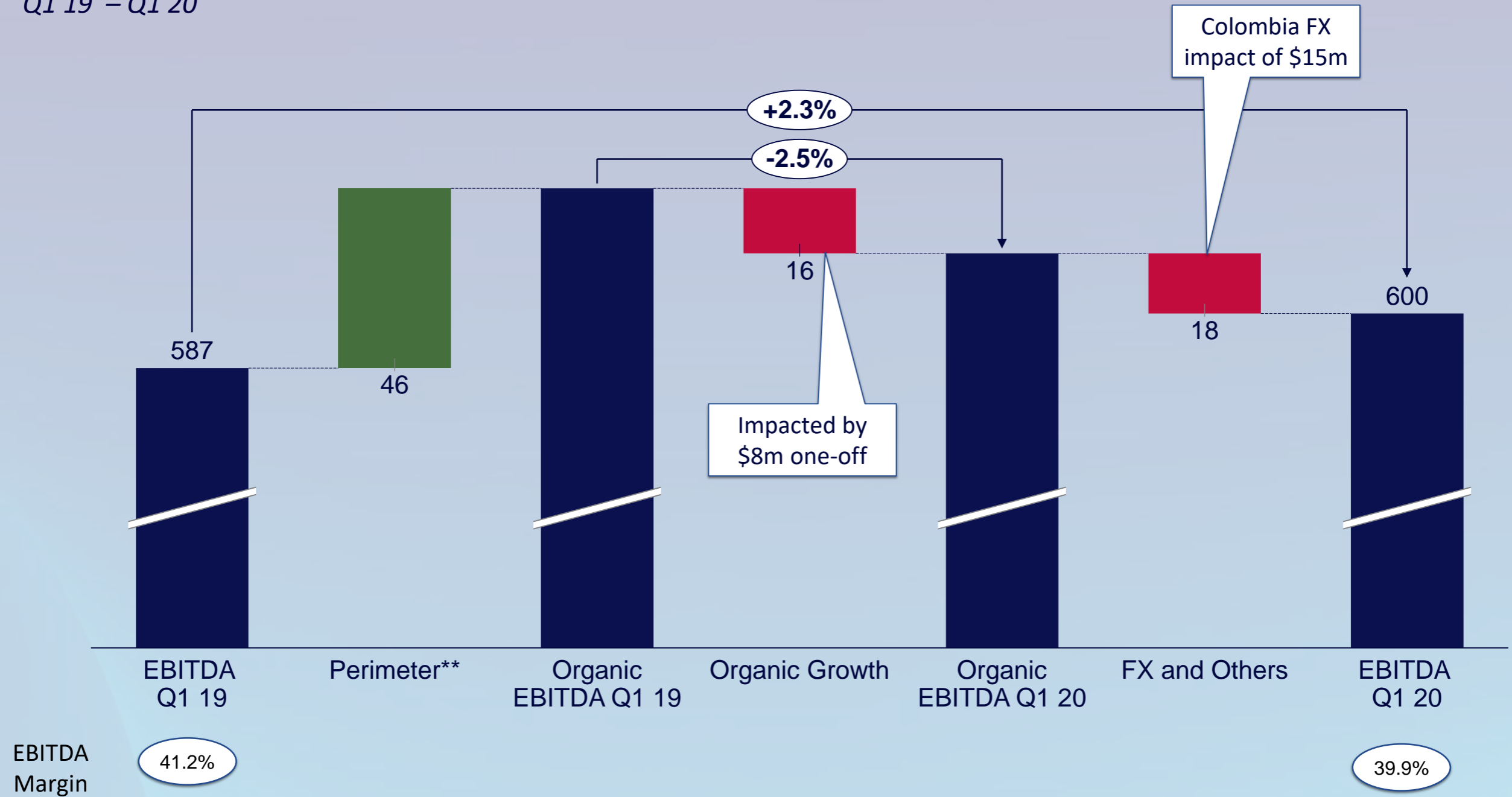
## Paraguay (10% of Latam)



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# Q1 20 Latam EBITDA

EBITDA (\$m) and YoY organic growth\*,  
Q1 19 – Q1 20



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\*\* Includes impact of Panama and Nicaragua, for more details please refer to organic reconciliation tables in the Q1 20 Earnings Release.

# COVID-19 Financial Management

Protect  
OCF

- 1 Replan – Capex and Opex
- 2 Revise investment practices
- 3 Change payment terms

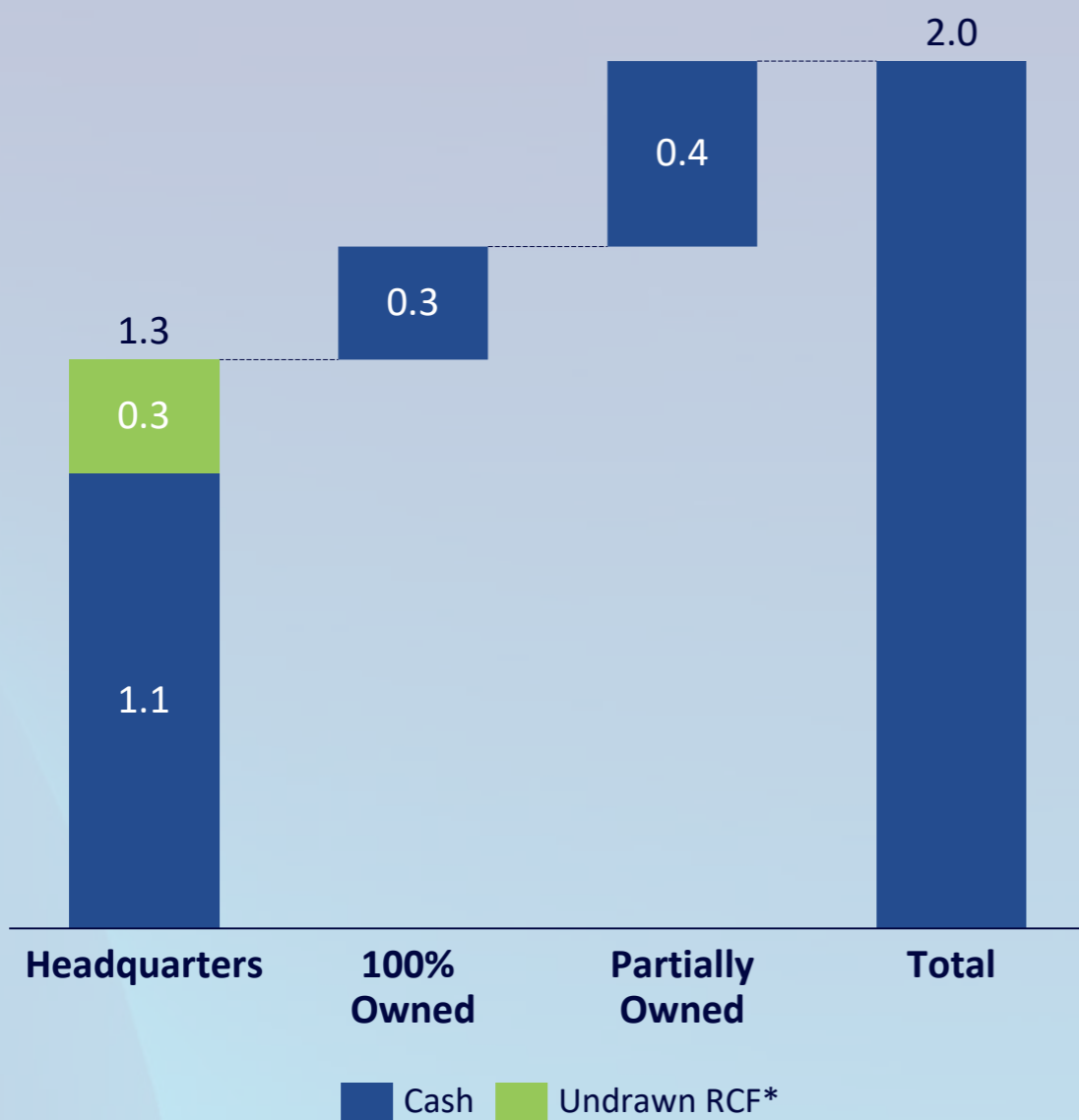
Protect the  
Balance Sheet

- 1 Secure liquidity
- 2 Stress test
- 3 Manage FX Risk
- 4 Focus on daily collections

# Balance sheet and liquidity

## Cash Liquidity

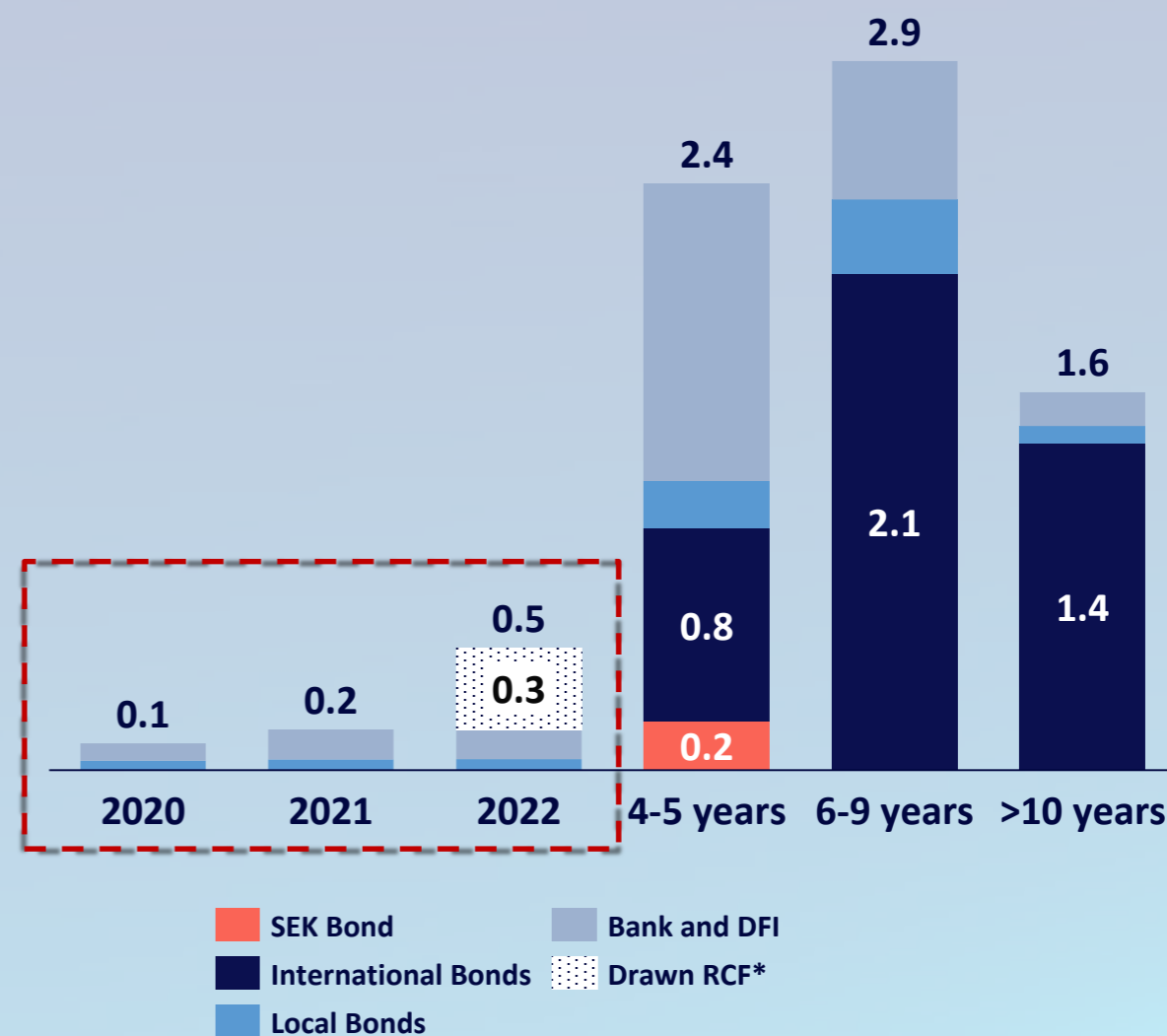
Cash (\$b), Q1 20



## Maturities

Debt maturities (\$b), Q1 20

Average maturity 6.1 years  
Average cost of debt 5.8%

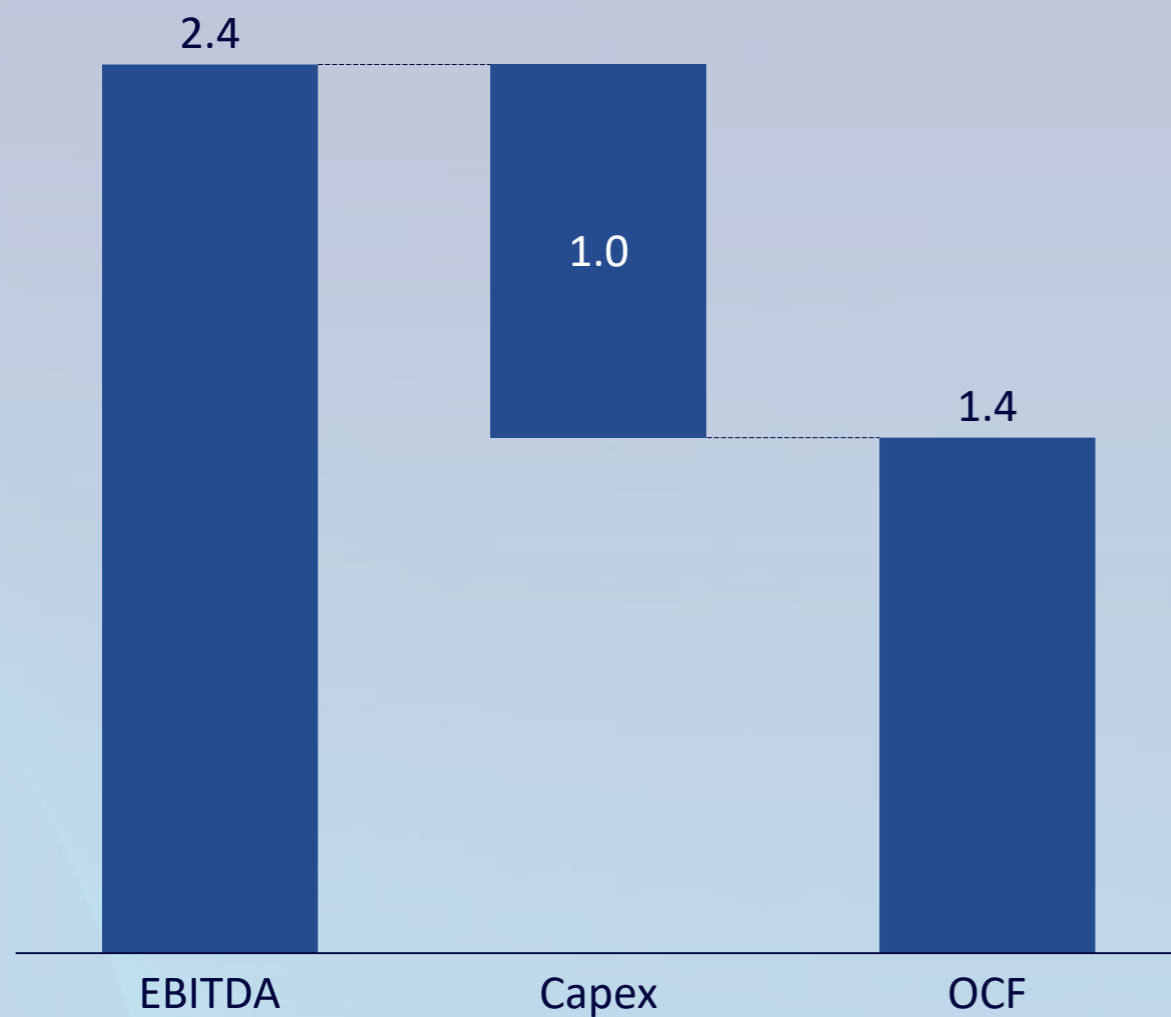


\*Revolving Credit Facility which can be extended for 6 months, every 6 months until maturity  
 \*\*Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.  
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# Latam Operating Cash Flow

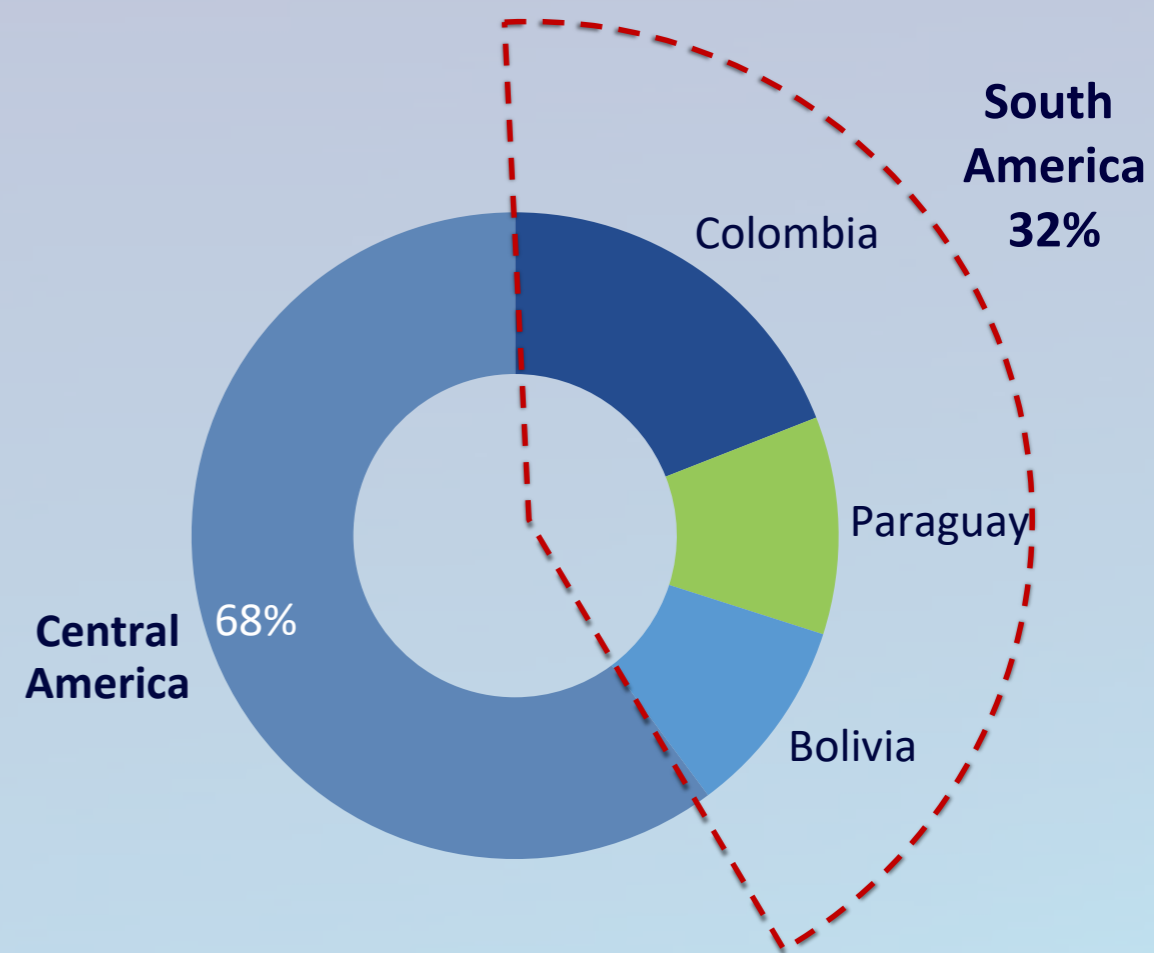
## Last-twelve-month OCF

LTM OCF\* (\$b), Q1 20



## Last-twelve-month OCF by Latam region

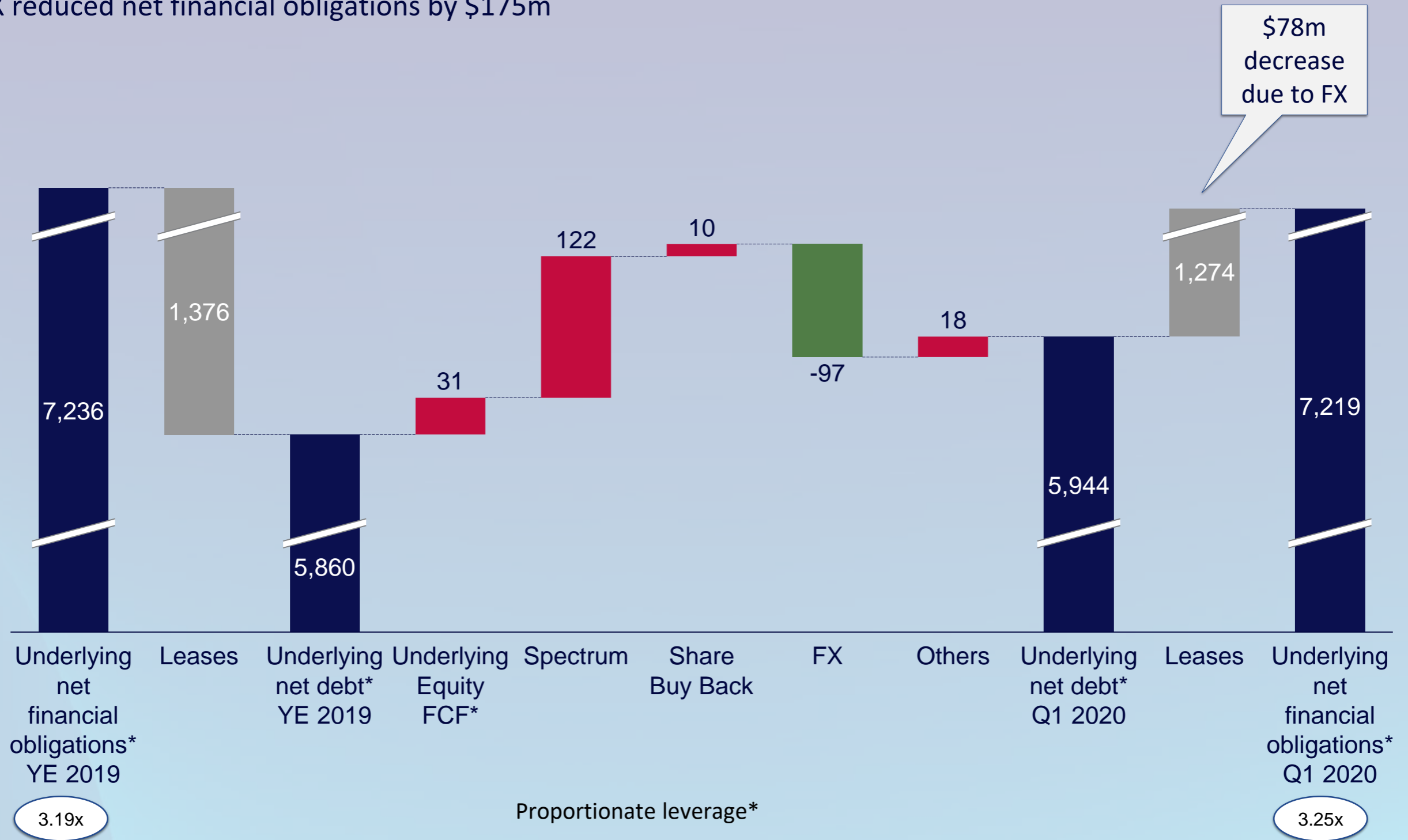
OCF\* by region, Q1 20



\*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).

# Net financial obligations and leverage

FX reduced net financial obligations by \$175m



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# Wrap up

- 1 Our response was immediate and our crisis management is working very well
- 2 We have strong liquidity and aim to strengthen our balance sheet
- 3 We have adapted our business and financial priorities to protect OCF, our customer base and our brand equity value
- 4 We are optimistic about the future: **Our Digital Highways are more essential than ever**



Q&A

# Financial Highlights – Q1 2020

IFRS Group Consolidated Financial Statements

## Selected P&L data

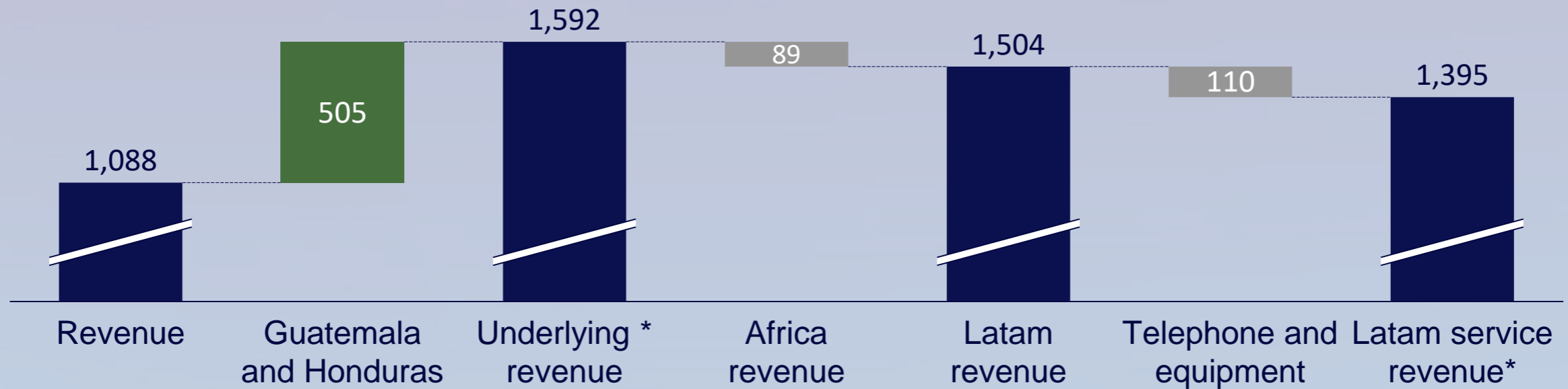
\$ million	Q1 2020	Q1 2019	% Var
Revenue	1,088	<b>A</b> 1,035	5.1%
Cost of sales	(305)	(291)	4.6%
Operating expenses	(401)	(374)	7.4%
Depreciation & amortization	(296)	<b>B</b> (259)	14.4%
Share of profit in GT & HN	45	44	1.1%
Other operating	3	5	(52.7)%
<b>Operating profit</b>	<b>134</b>	<b>161</b>	<b>(17.1)%</b>
Net financial expense	(141)	<b>C</b> (136)	4.1%
Others non-operating	(159)	<b>D</b> 12	NM
Associates	—	3	(111.6)%
<b>Profit (loss) before tax</b>	<b>(167)</b>	<b>41</b>	<b>NM</b>
Taxes	16	(18)	NM
Minority interests	28	(10)	NM
Discontinued operations	—	—	NM
<b>Net income (loss)</b>	<b>(122)</b>	<b>13</b>	<b>NM</b>
EPS (\$ per share)	(1.21)	0.13	NM

## Key Observations

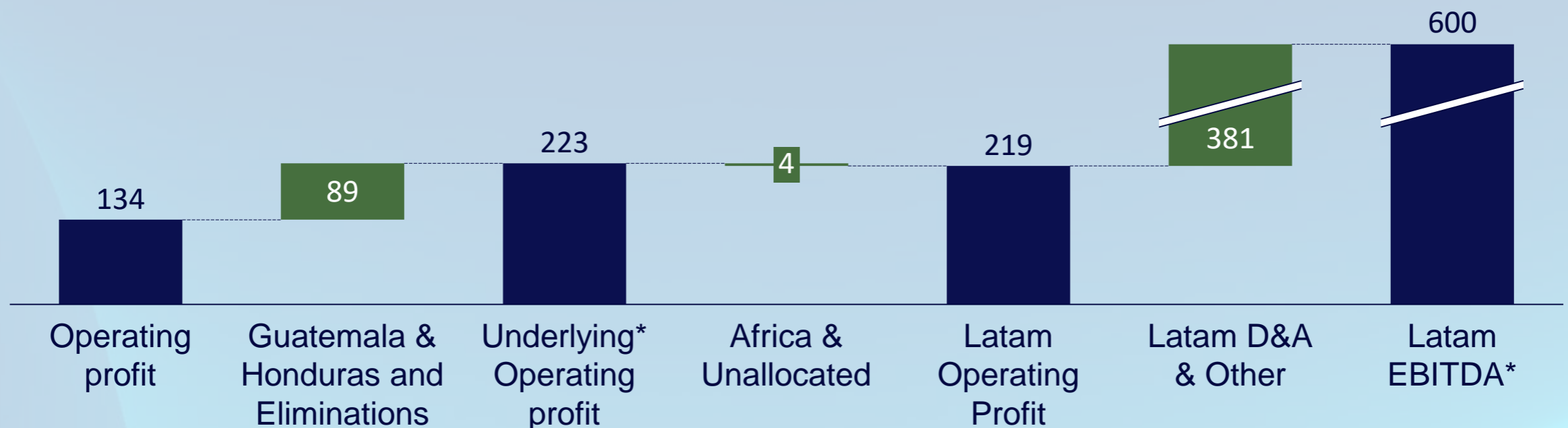
- A** Increased revenue due to acquisitions
- B** Increased D&A due to acquisitions
- C** Increased financial expenses due to higher gross debt
- D** Fair value re-measurement of Helios Towers and Jumia

# Latam segment bridge – Q1 2020

Group revenue to Latam service revenue bridge, Q1 20



Group operating profit to Latam EBITDA\* bridge, Q1 20



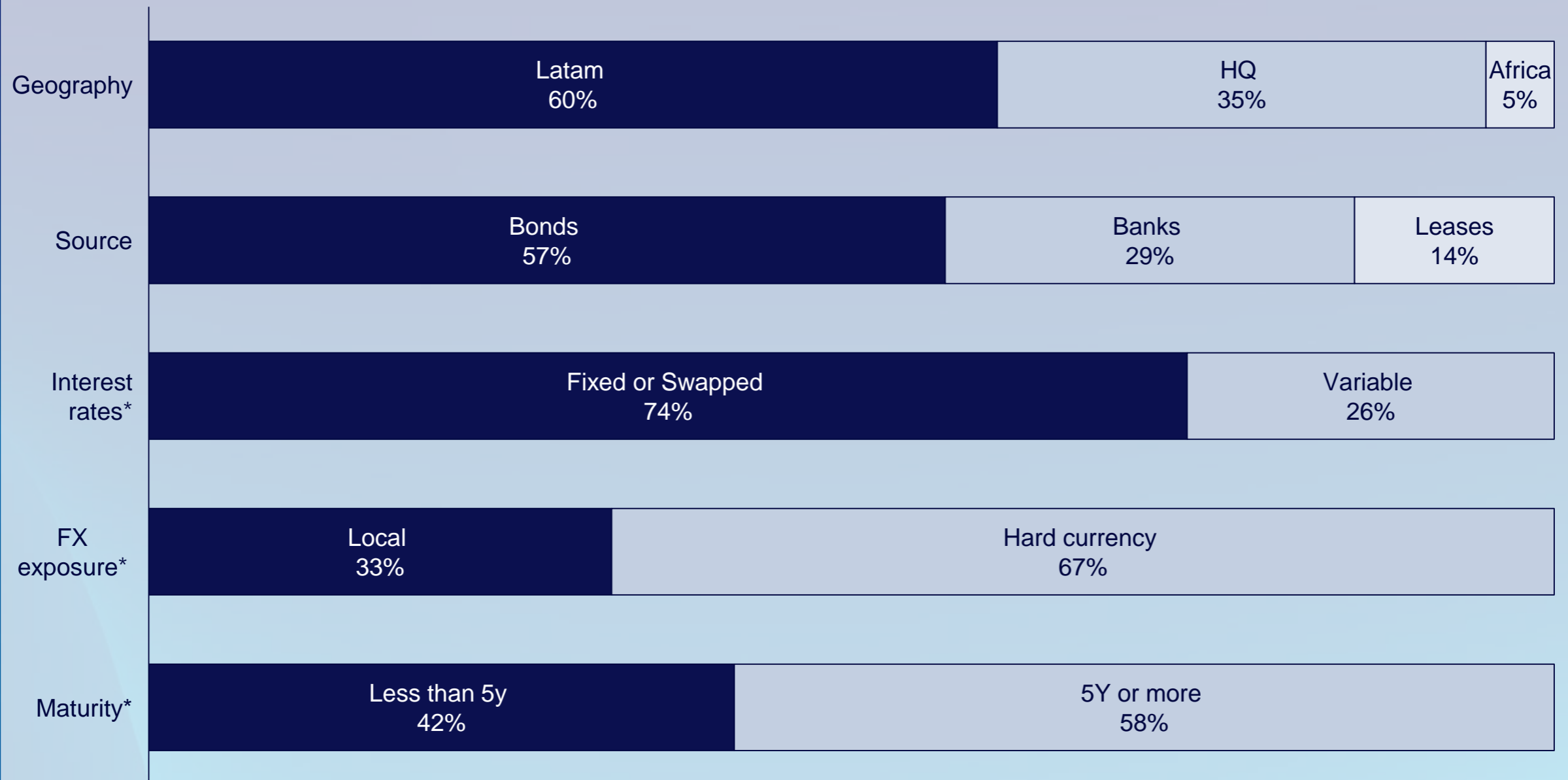
Source: Millicom

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

# Capital structure

## Financial obligation profile

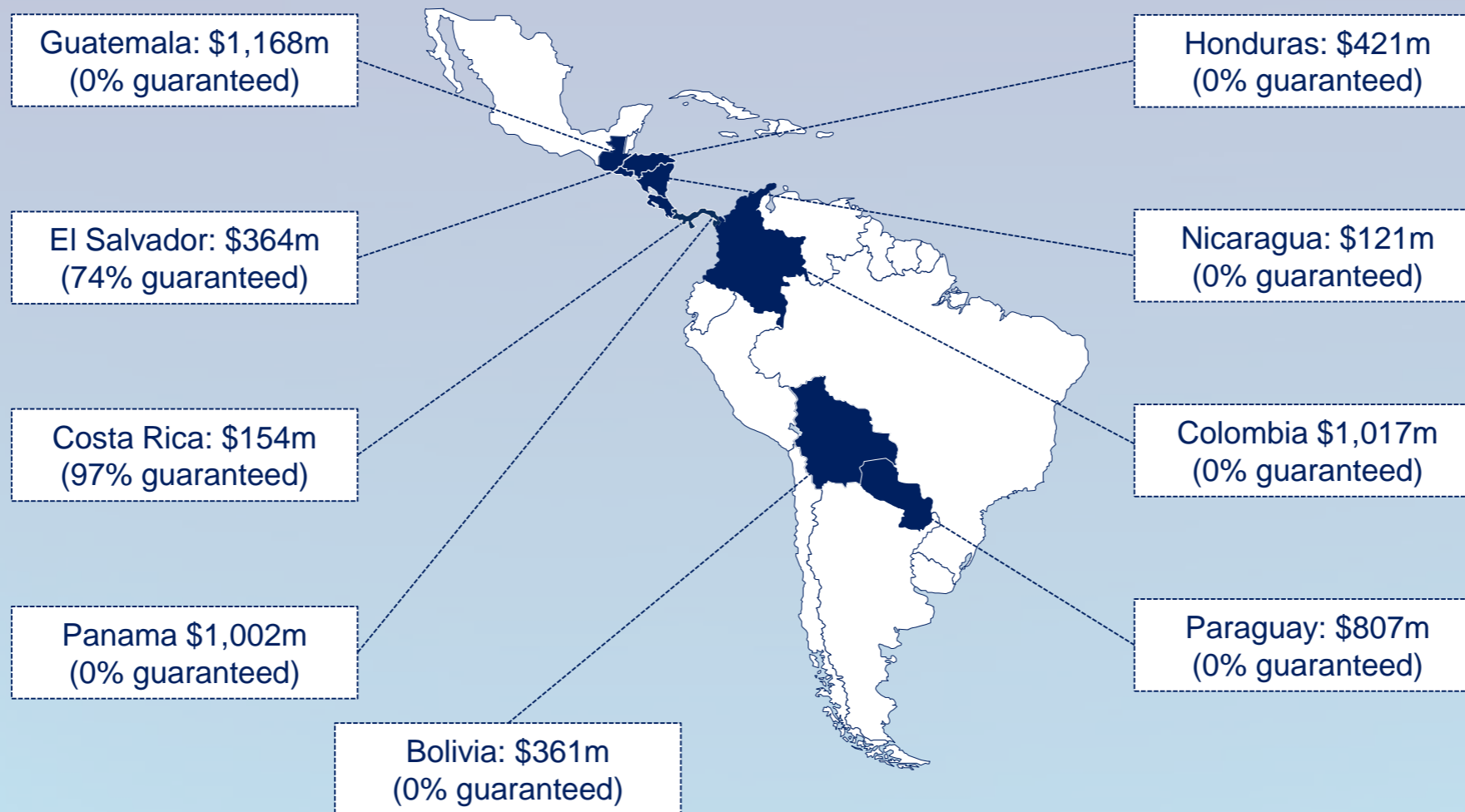
March 31, 2020



\* Excluding Leases

# Gross financial obligations\* by country

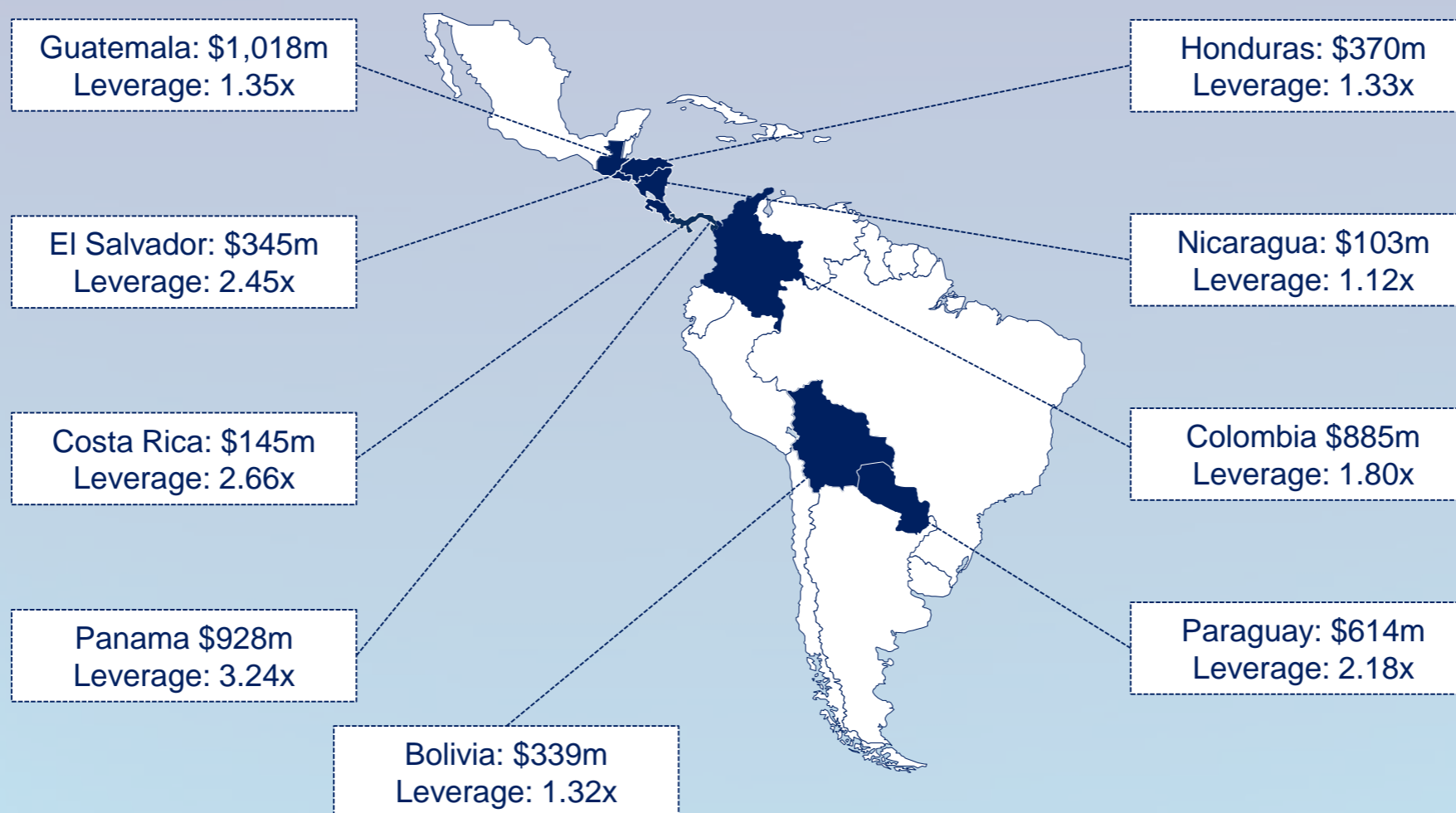
<b>Central America</b> <b>\$3,230m</b> 13% guaranteed	<b>South America</b> <b>\$2,185m</b> 0% guaranteed	<b>Africa</b> <b>\$435m</b> 0% guaranteed	<b>Corporate</b> <b>\$3,117m</b> 0% guaranteed	<b>Group (underlying)</b> <b>\$8,967m</b> 5% Guaranteed Of which <b>Leases:</b> <b>\$1,274m</b>
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\* Financial obligations includes leases

# Net financial obligations\* by country

<b>Central America</b> \$2,907m Leverage: 1.82x	<b>South America</b> \$1,838m Leverage: 1.79x	<b>Africa</b> \$412m Leverage: 3.25x	<b>Corporate</b> \$2,061m	<b>Group (underlying)</b> \$7,219m Leverage: 2.80x
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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).

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