

# Broad-based growth continued in Q3

Mauricio Ramos, CEO  
Tim Pennington, CFO  
October 28<sup>th</sup>, 2021

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, 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, installation fees 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. In respect of the segments Latam or Africa it is shown after the allocation of Corporate Costs and inter-company eliminations.

**EBITDA after Leases (‘EBITDAaL’)** represents EBITDA excluding lease interest and principal repayments.

**EBITDA Margin** represents EBITDA in relation to Revenue.

**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.

**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 Debt and financial liabilities less cash and pledged deposits.

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

**Proportionate 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.

**Leverage after leases** is the ratio of net debt over LTM (last twelve month) EBITDA after leases, 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.

**Proportionate leverage after leases** is the ratio of proportionate net debt over LTM (Last twelve month) EBITDA after leases, proforma for acquisitions made during the last twelve months.

**Capex** is balance sheet capital expenditure excluding spectrum and license costs and lease capitalizations.

**Cash Capex** represents the cash spent in relation to capital expenditure, excluding spectrum and licenses costs.

**Operating Cash Flow (OCF)** is EBITDA less Capex.

**Operating Free Cash Flow (OFCF)** is OCF less changes in working capital and other non-cash items and taxes paid.

**Equity Free Cash Flow (EFCF)** is Operating Free Cash Flow less finance charges paid (net), less advances for dividends to non-controlling interests, plus dividends received from joint ventures.

**Equity Free Cash Flow after Leases (EFCFaL)** is EFCF, less lease principal repayments.

**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. Q3 2021 Highlights



# Q3 Highlights

1

**Double-digit customer growth  
in Latam**

2

**Revenue growth in every Latam  
country and business unit**

3

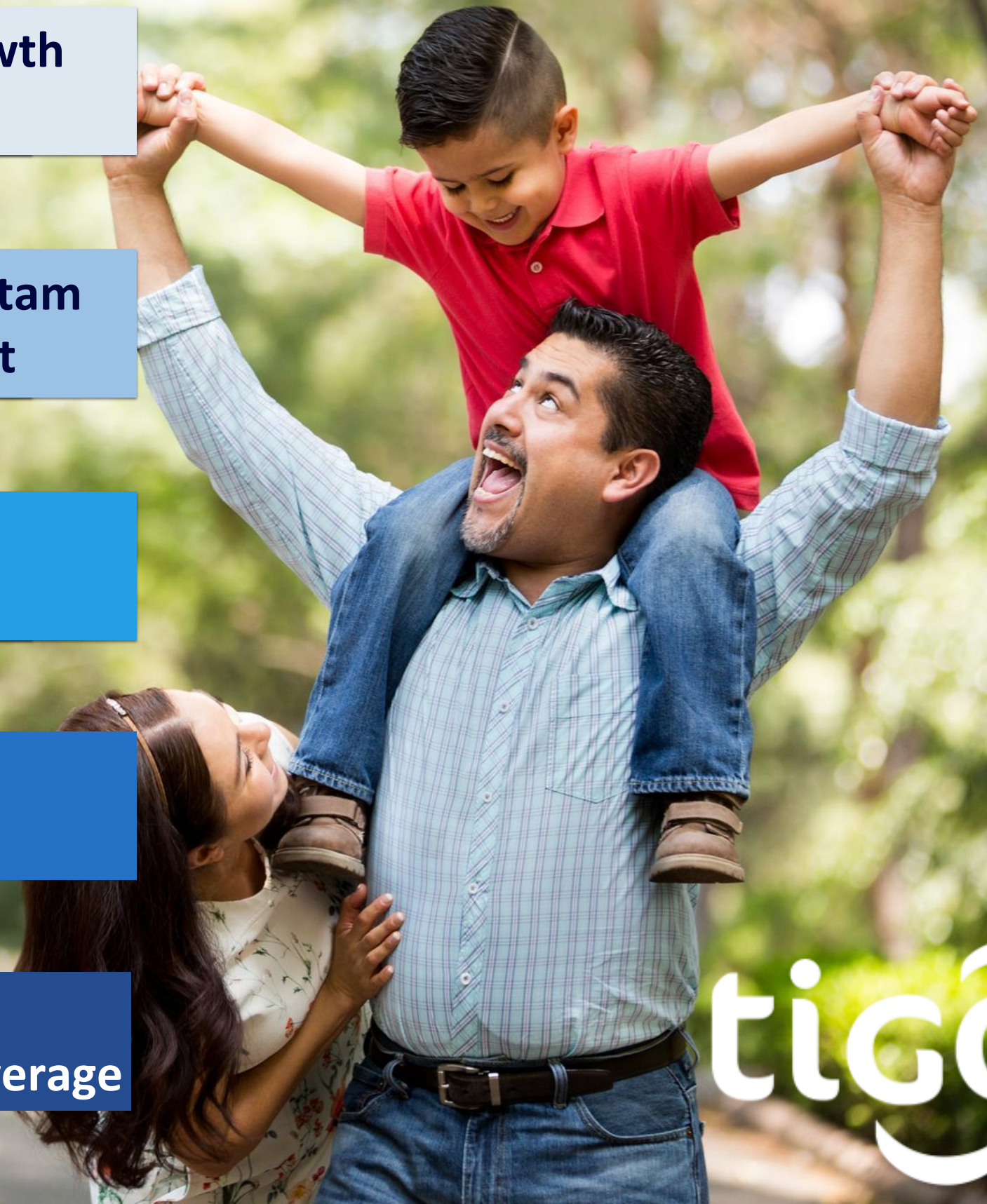
**Winning in Colombia**

4

**Strong performance in  
Guatemala and Panama**

5

**Resumed shareholder  
remuneration and reduced leverage**





# 1 Driven by our purpose



Collaboration between Fundación Real Madrid and Millicom|TIGO for social sports projects in Latin America

 **Iván Duque** 🇨🇴 ✓  
@IvanDuque

Destacamos la visión de Mauricio Ramos, CEO de [@Millicom](#), sobre cómo va Colombia en la [#ReactivaciónSegura](#) y lidera en la región los avances de la economía digital. Este es un importante reconocimiento. [#Conectividad](#) es [#Equidad](#) [#AgendaDeTrabajoEnEEUU](#)

Our Purpose

We build **Digital Highways**  
that connect people, improve lives and develop our communities



Educatigo, a channel dedicated to education, is launched



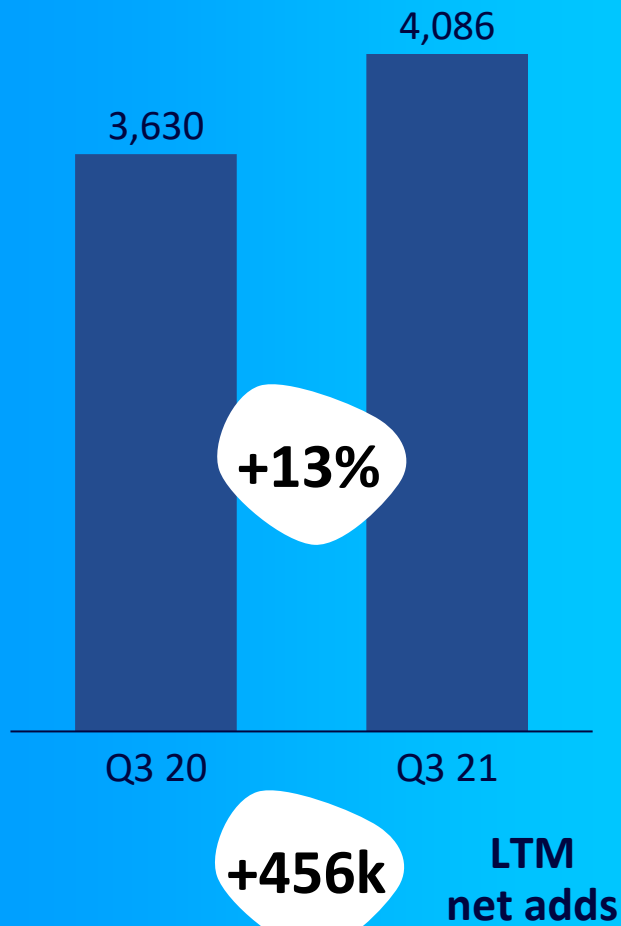
Panama Fintech Hub Part of \$250 Mn Tigo Investment



# 1 Double-digit customer growth

## Home

Latam<sup>1</sup> HFC customer relationships ('000)

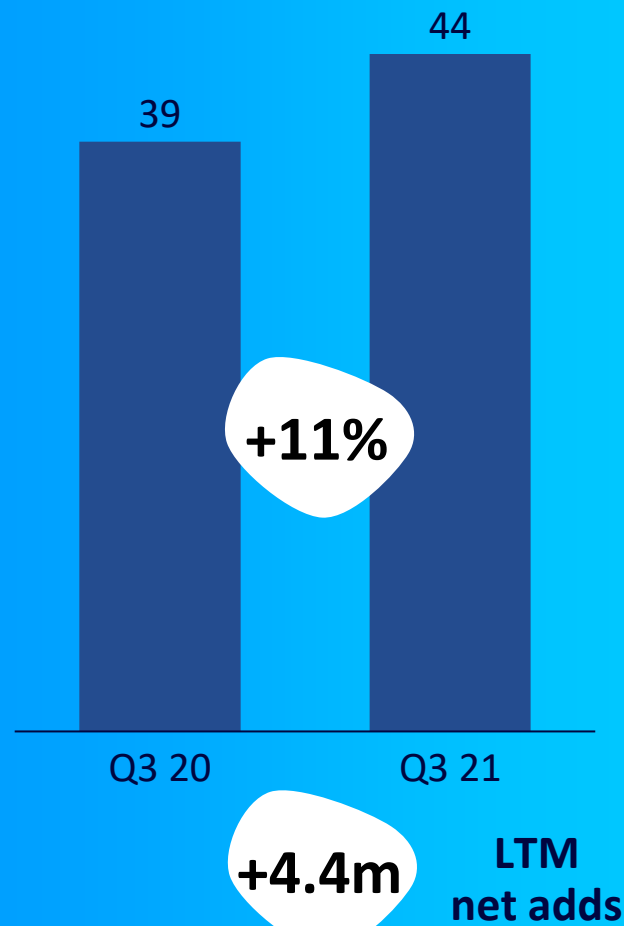


Quarterly net adds

+88k

## Mobile

Latam<sup>1</sup> mobile customers (millions)

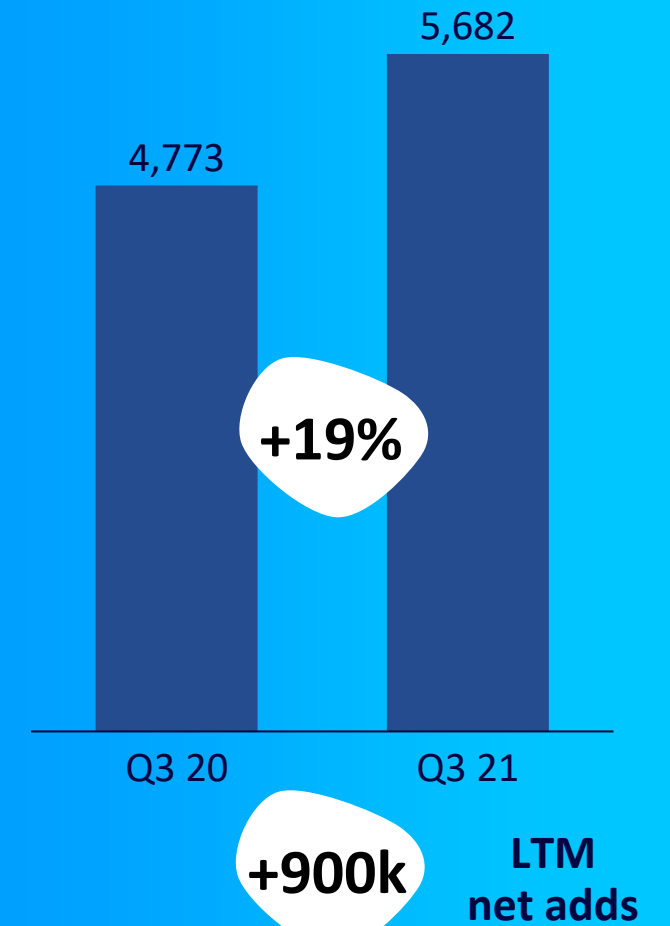


Quarterly net adds

+764k

## Postpaid

Latam<sup>1</sup> postpaid mobile customers ('000)



Quarterly Net Adds

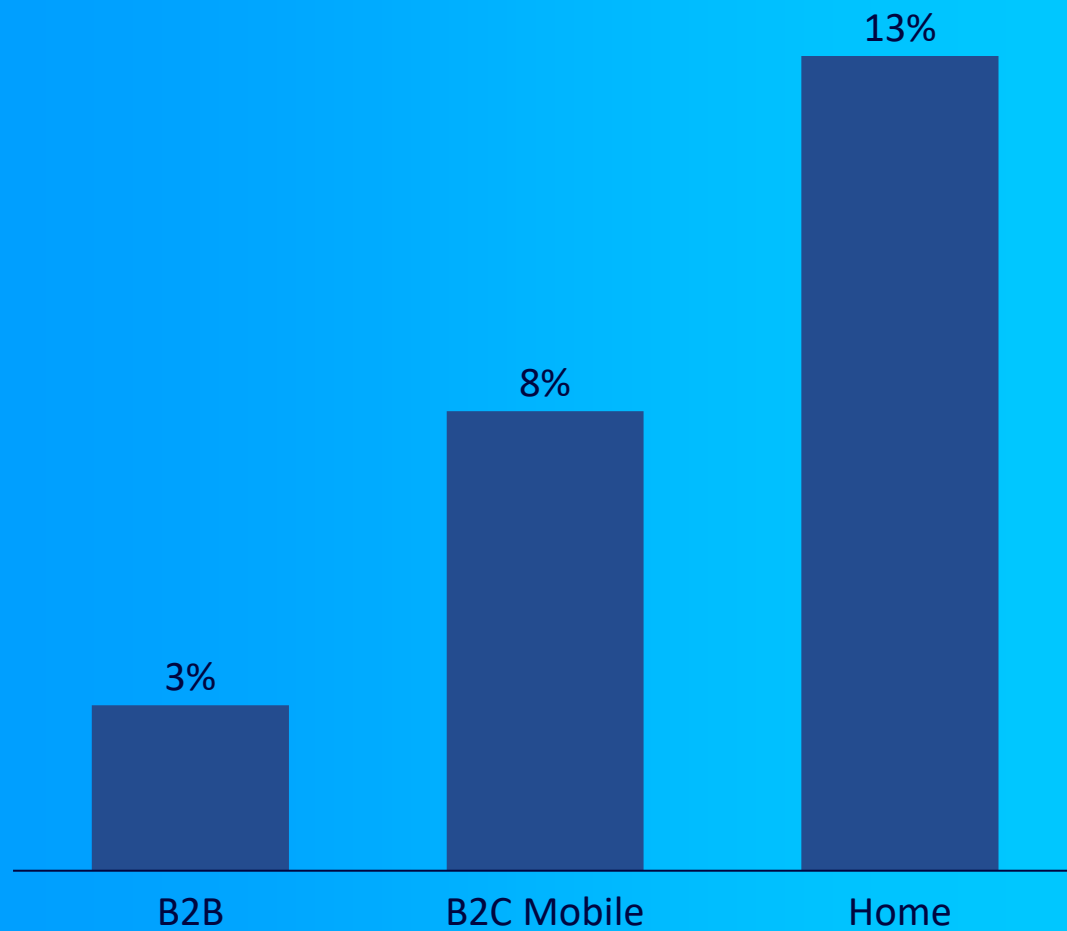
+331k

1) Latam includes Guatemala and Honduras as if fully consolidated.

## 2 Growth in every country and business unit

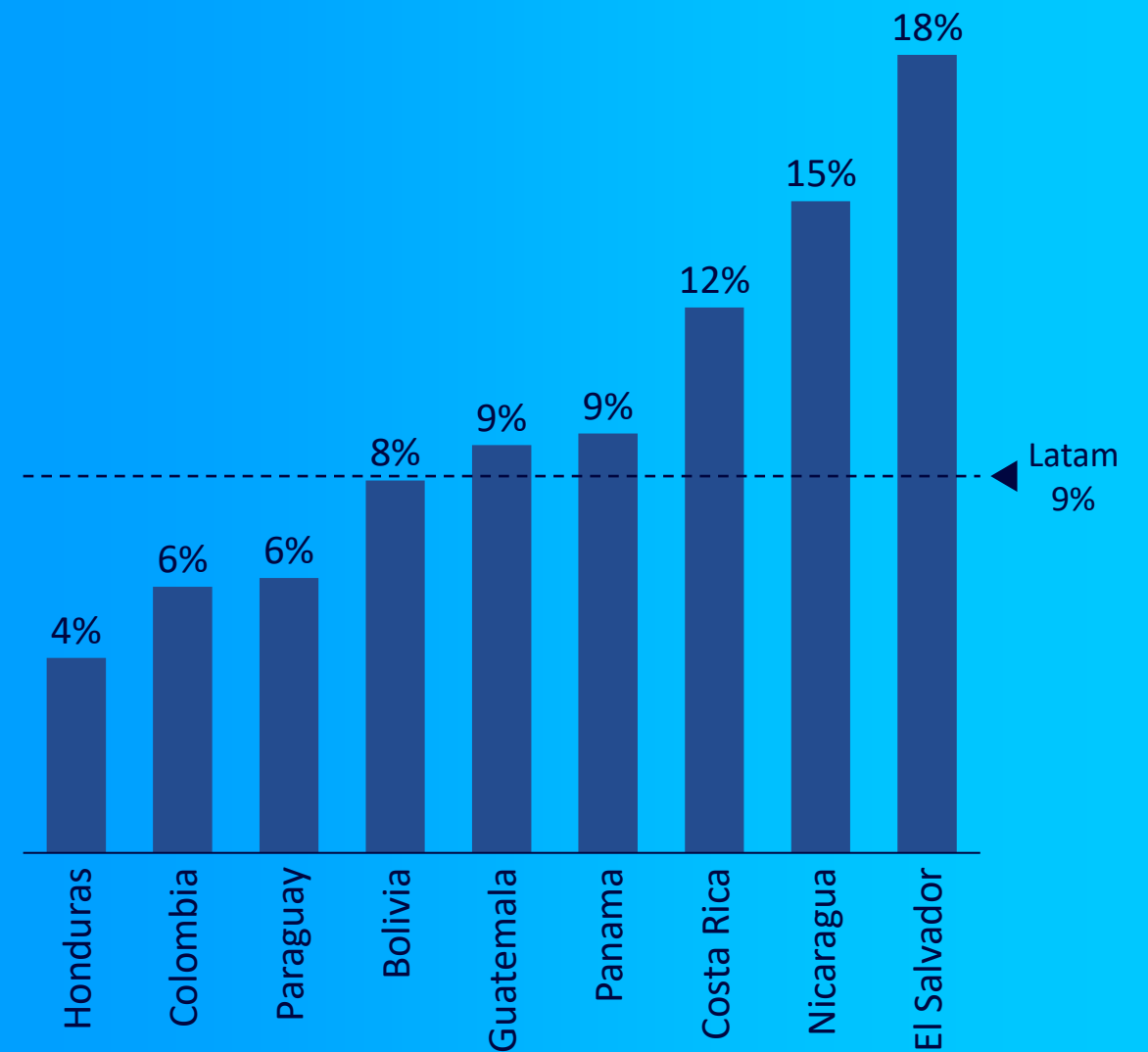
### Revenue up in every business...

Latam organic service revenue YoY growth<sup>1</sup> (%)



### ...and every country

Local currency service revenue YoY growth<sup>1</sup> (%)

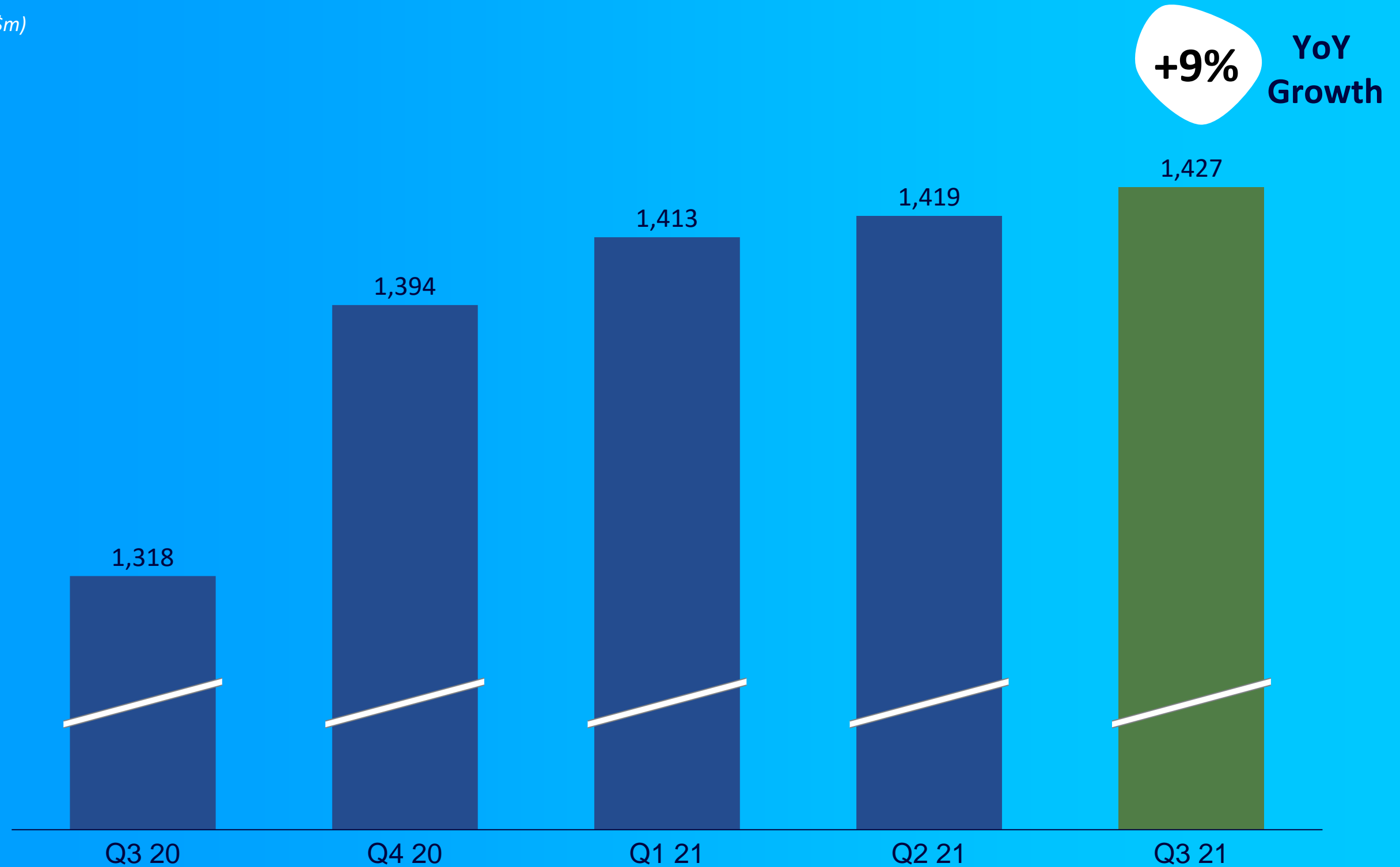




## 2 Sustaining revenue momentum...

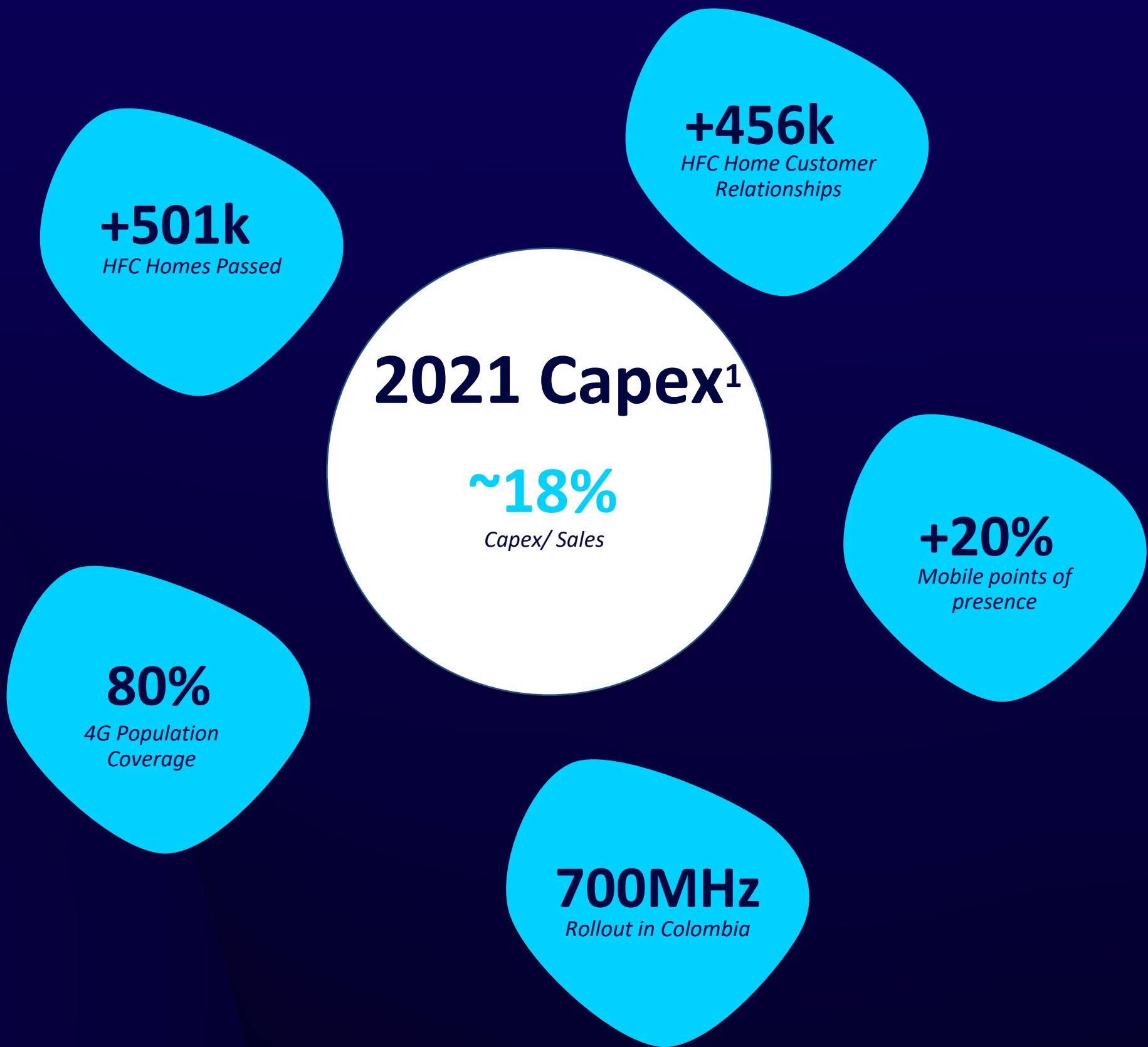
### Latam service revenue<sup>1</sup>

(\$m)



1) 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).

# 2 ...as a result of our continued investment in networks



KPIs relate to HFC Homes Passed and Homes Connected Last Twelve Month net additions as of Q3 2021, population coverage as of Q3 21 and Year-on-Year Q3 21 PoP variation.  
1) 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)

# 3 Significant investment in Colombia...

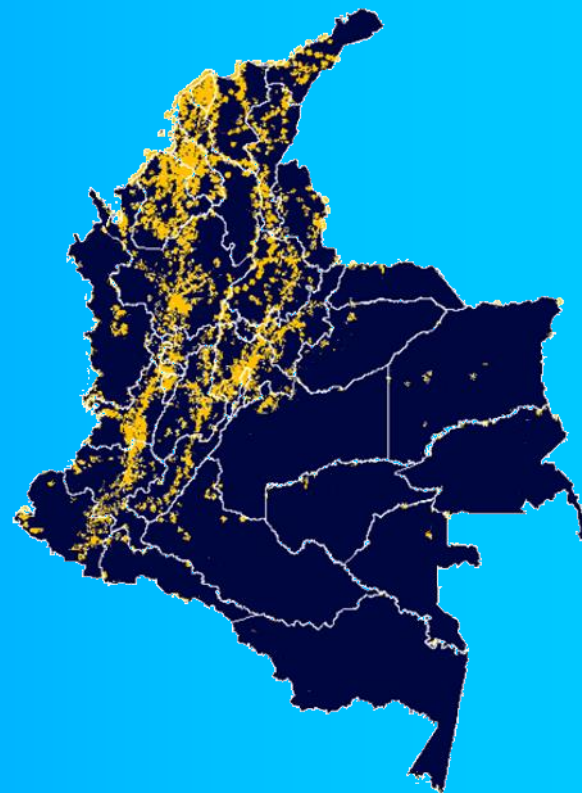
## Increased coverage

Colombia 4G population coverage

2019



Q3 21



## Executing our strategy



**Spectrum**



**Network**



**Distribution**



**Growth**



- #1 Experiencia de Video
- #1 Experiencia de Juegos Móviles
- #1 Experiencia en Aplicaciones de Voz
- #1 Experiencia en la Velocidad de Carga
- #1 Experiencia en la Velocidad de Descarga
- #1 Disponibilidad 4G

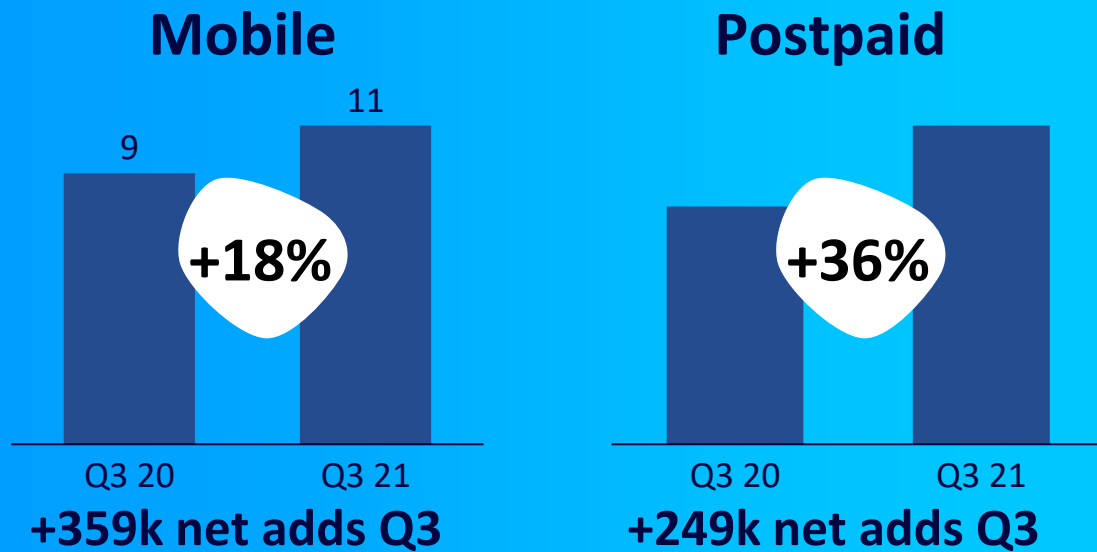




# 3 ...powering strong momentum

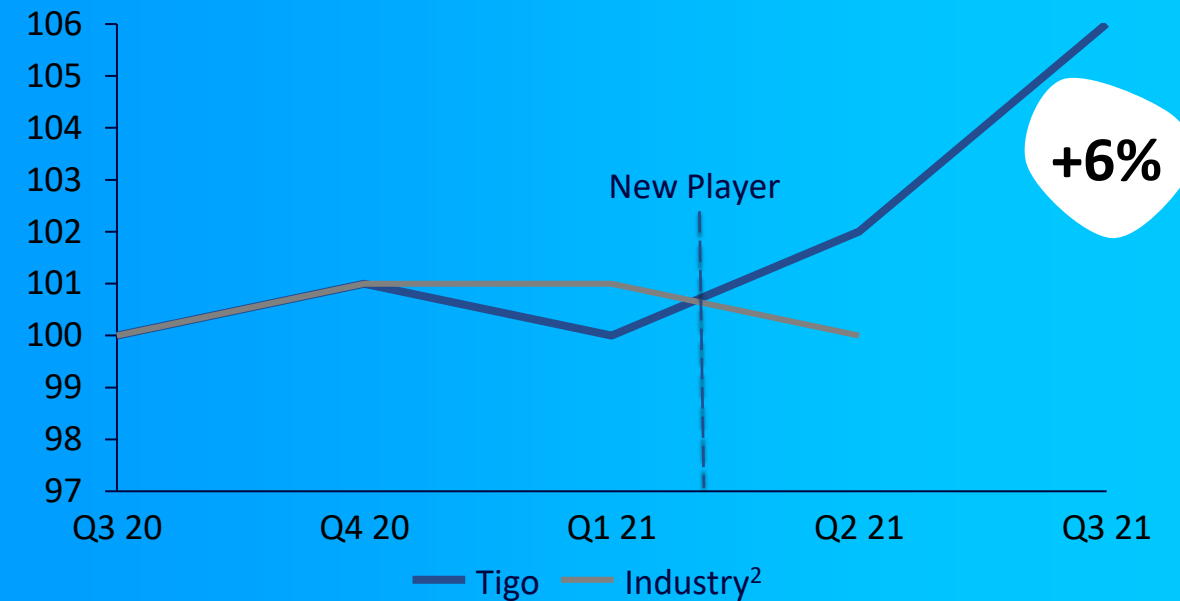
## Mobile subscriber surging...

Colombia Mobile Customers (m) and Q3 net adds



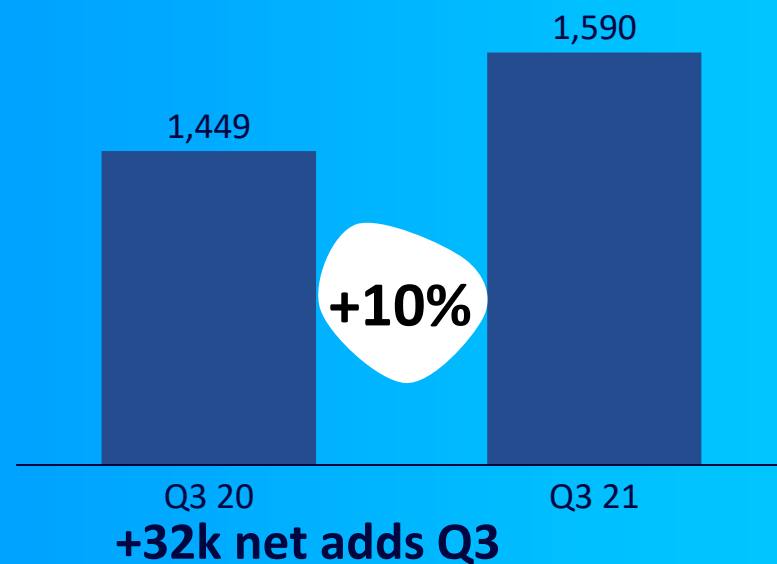
## ...and mobile revenue inflecting

Colombia mobile service revenue<sup>1</sup> – rebased to Q3 20 (COP)



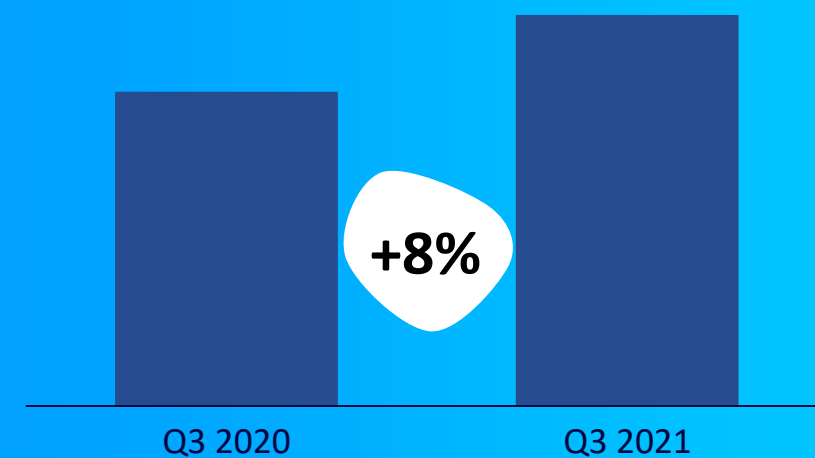
## Home subscriber growth...

Colombia HFC Customer Relationships ('000) and Q3 net adds



## ...driving home service revenue

Colombia Home local currency service revenue<sup>1</sup> (COP)

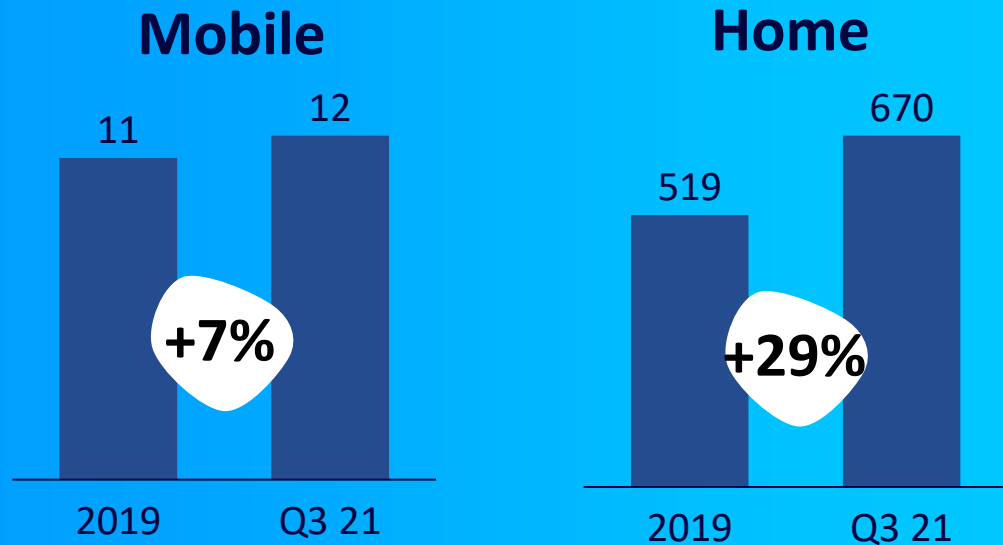


1) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).  
2) Industry includes mobile service revenue using information from publicly available peers, including Tigo.

# 4 Guatemala continued growth and cash flow

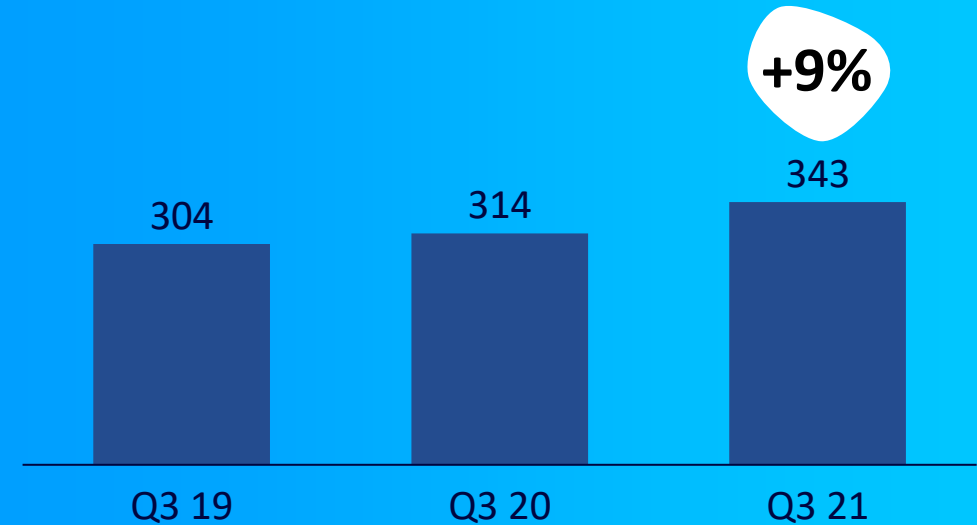
## Customer base expansion

Guatemala mobile customers (m) and home customer relationships ('000)



## Growing service revenue

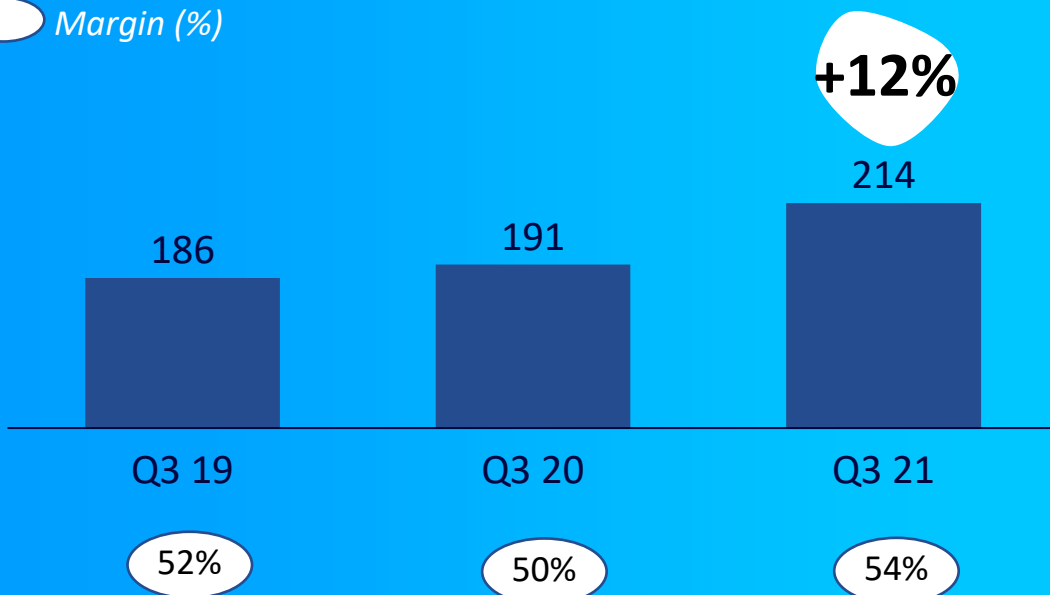
Guatemala service revenue<sup>1</sup> (\$m) and YoY Local Currency Growth (%)



## Accelerating EBITDA

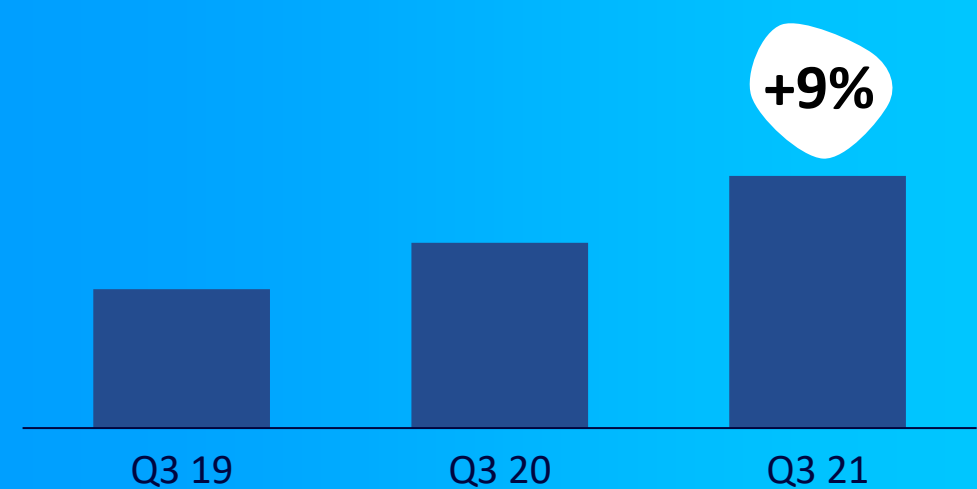
Guatemala EBITDA<sup>1</sup> (\$m) and YoY Local Currency Growth (%)

○ Margin (%)



## Increasing OCF

Guatemala OCF<sup>1</sup> (\$m) and YoY Local Currency Growth (%)

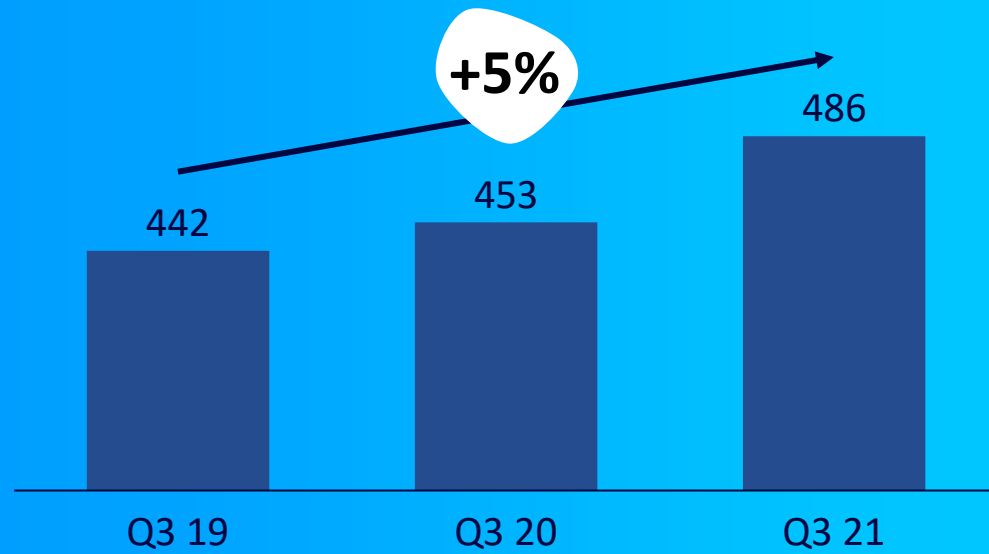


1) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center).

# 4 Panama: Solid growth from our biggest investment yet

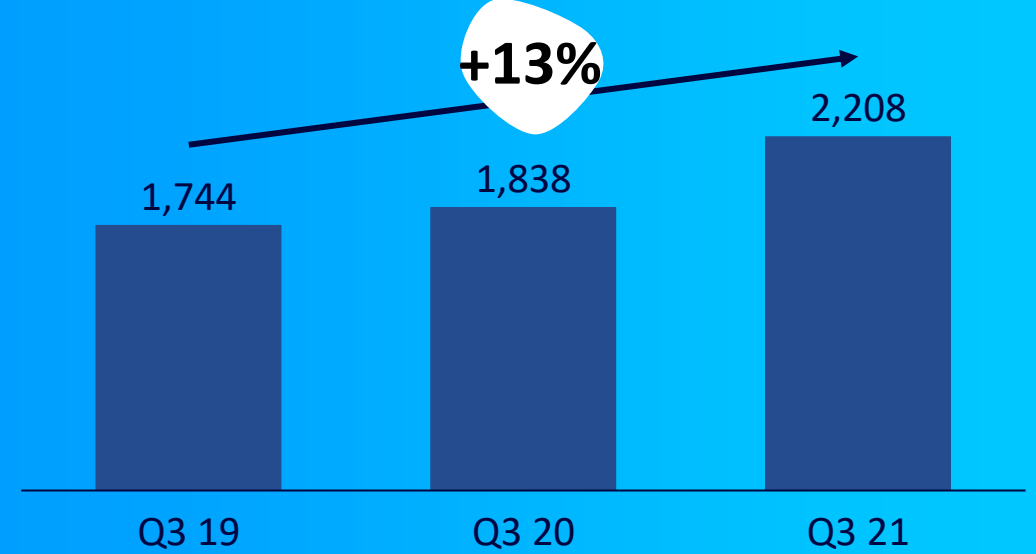
## Continued Home strength

Panama Home Customer Relationships ('000) and CAGR (%)



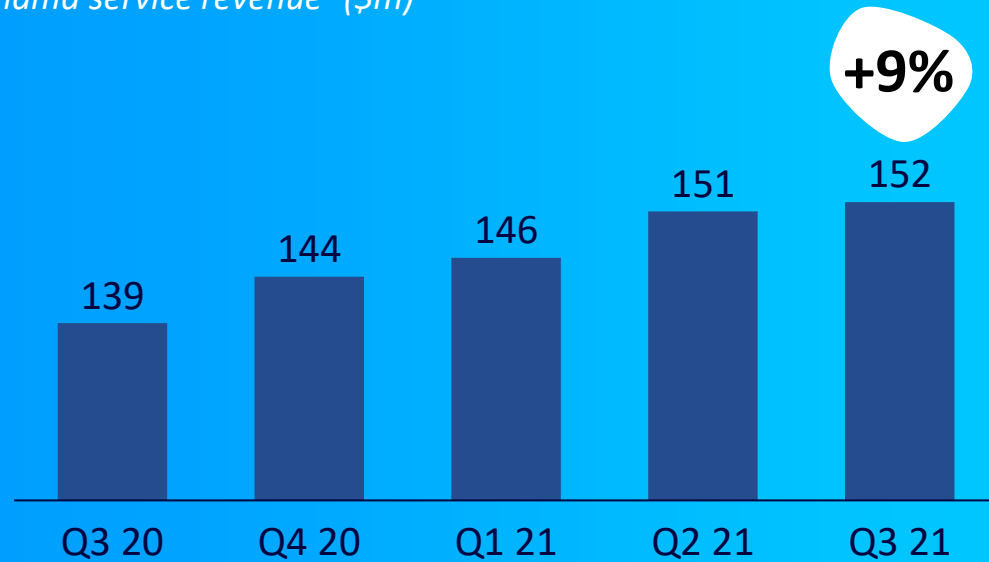
## Gaining market share in mobile

Panama Mobile customers ('000) and CAGR (%)



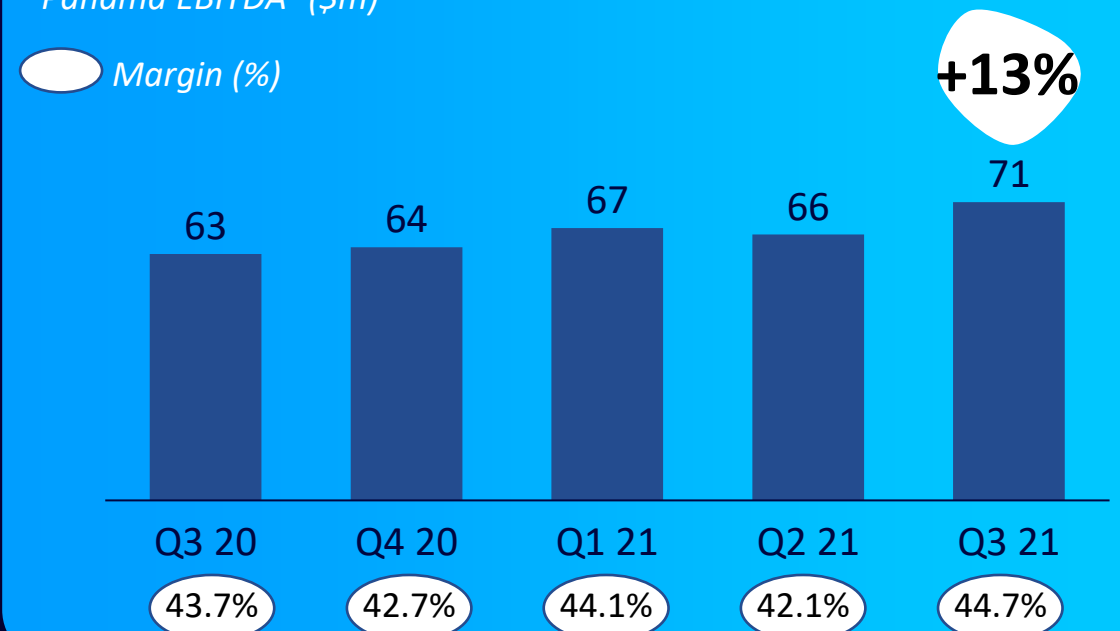
## Steadily increasing revenue

Panama service revenue<sup>1</sup> (\$m)



## Improving EBITDA margins

Panama EBITDA<sup>1</sup> (\$m)



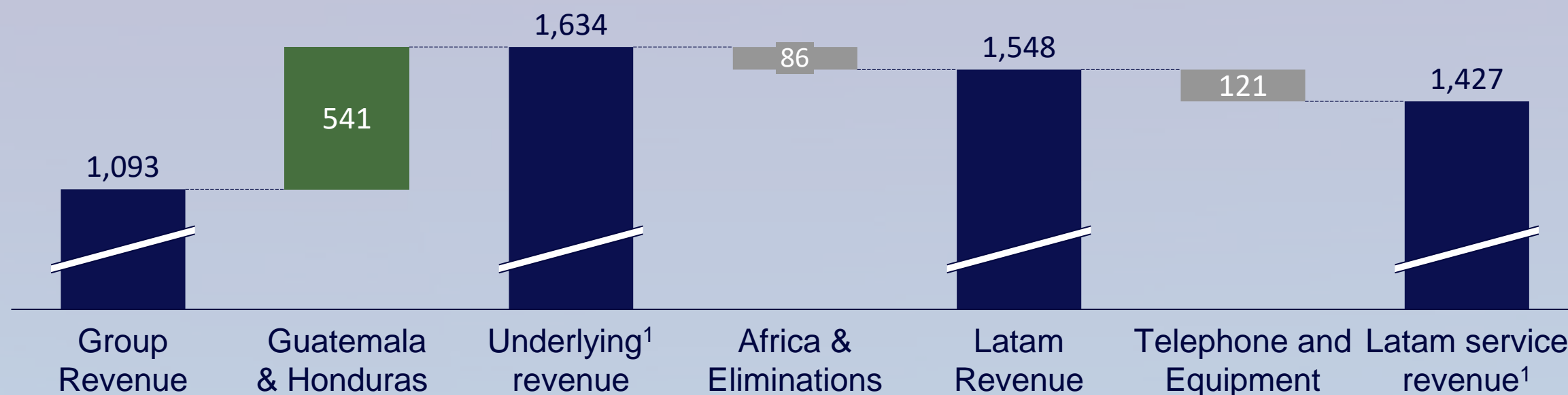




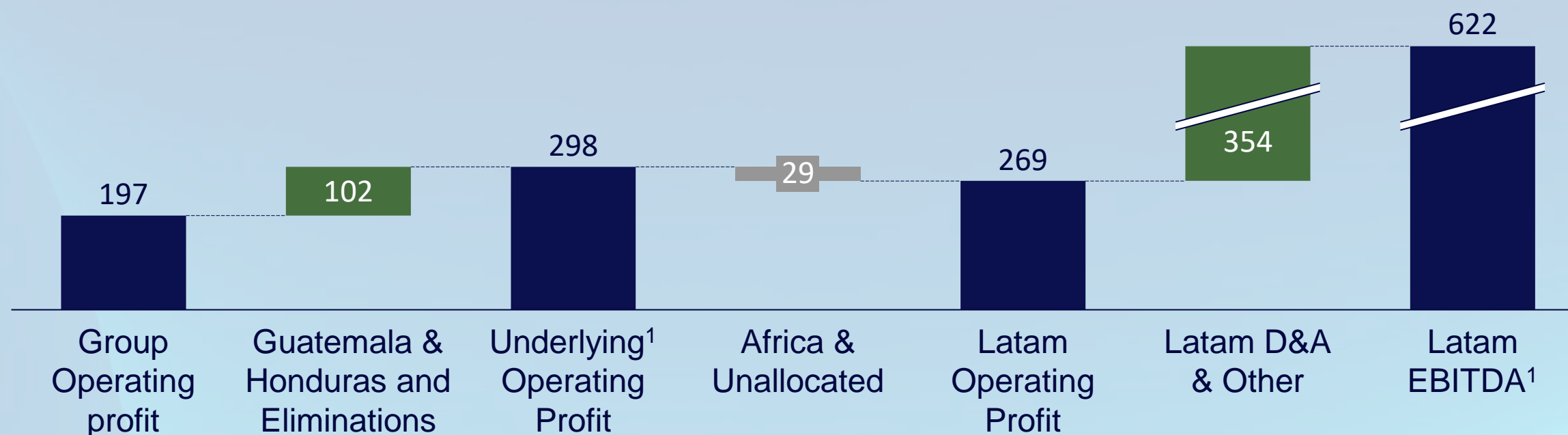
## 2. Q3 2021 Financial Review

# Group results summary – Q3 2021

Group revenue to Latam service revenue<sup>1</sup> bridge, Q3 2021



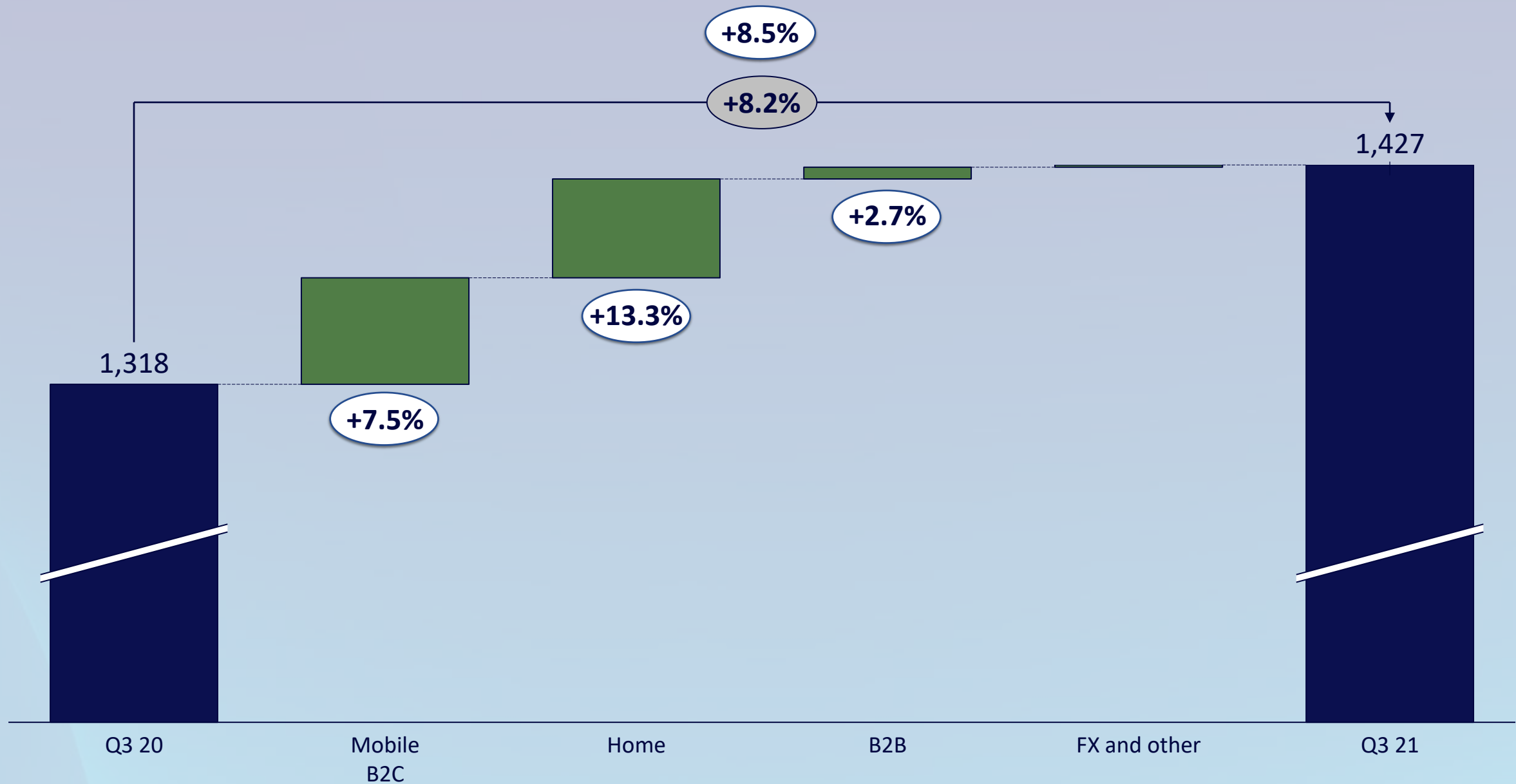
Group operating profit to Latam EBITDA<sup>1</sup> bridge, Q3 2021



1) 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 – Q3 2021

YoY organic growth for service revenue<sup>1</sup>(\$m)  
Q3 20 – Q3 21



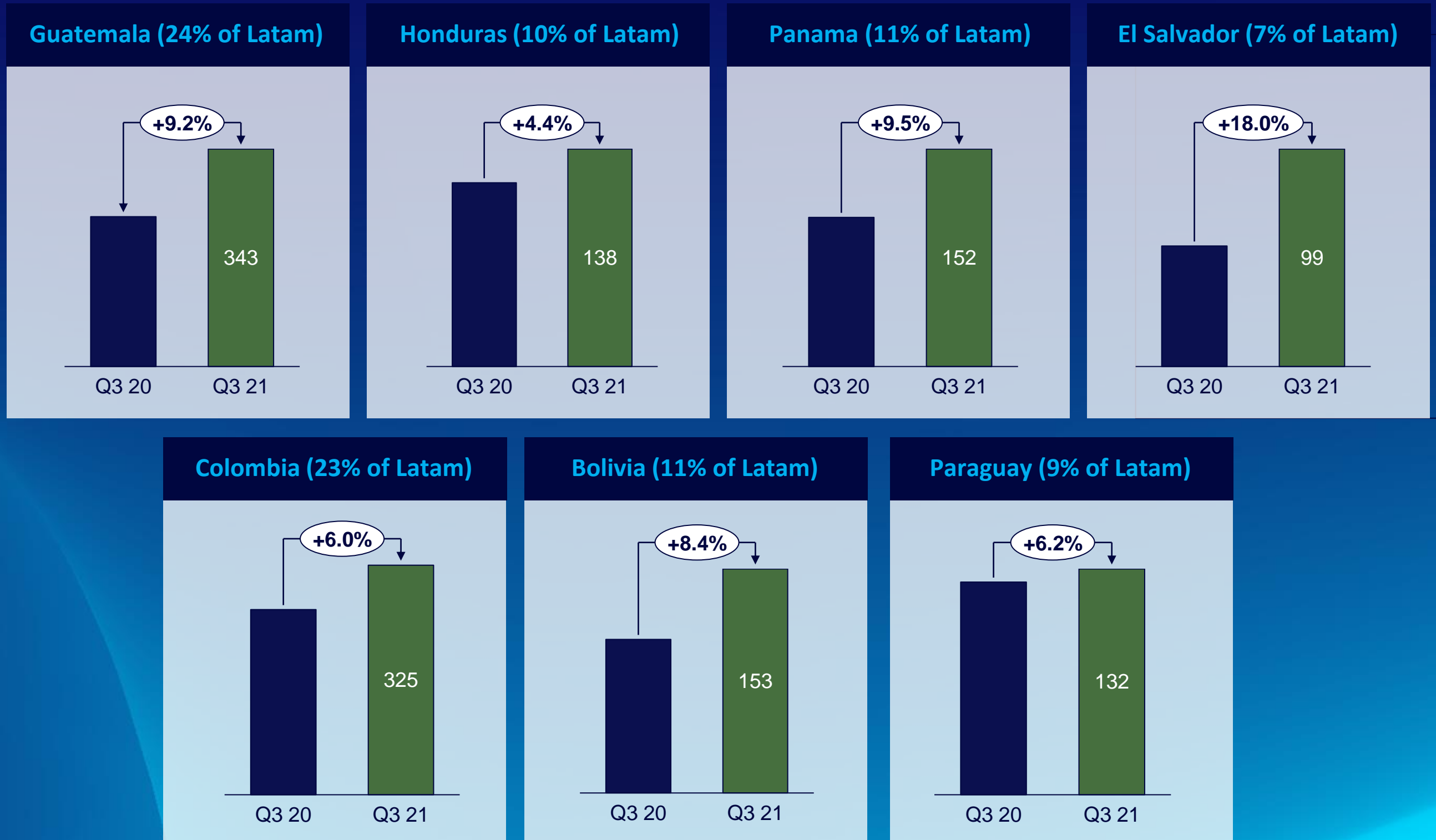
 Service Revenue<sup>1</sup> YoY organic growth

1) Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures.  
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# Q3 2021 Latam service revenue by country<sup>1</sup>

Service revenue (\$m), and YoY local currency growth<sup>2</sup>,



1) Excludes Costa Rica, Nicaragua and intercompany eliminations.

2) 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 EBITDA – Q3 2021

EBITDA<sup>1</sup> (\$m)



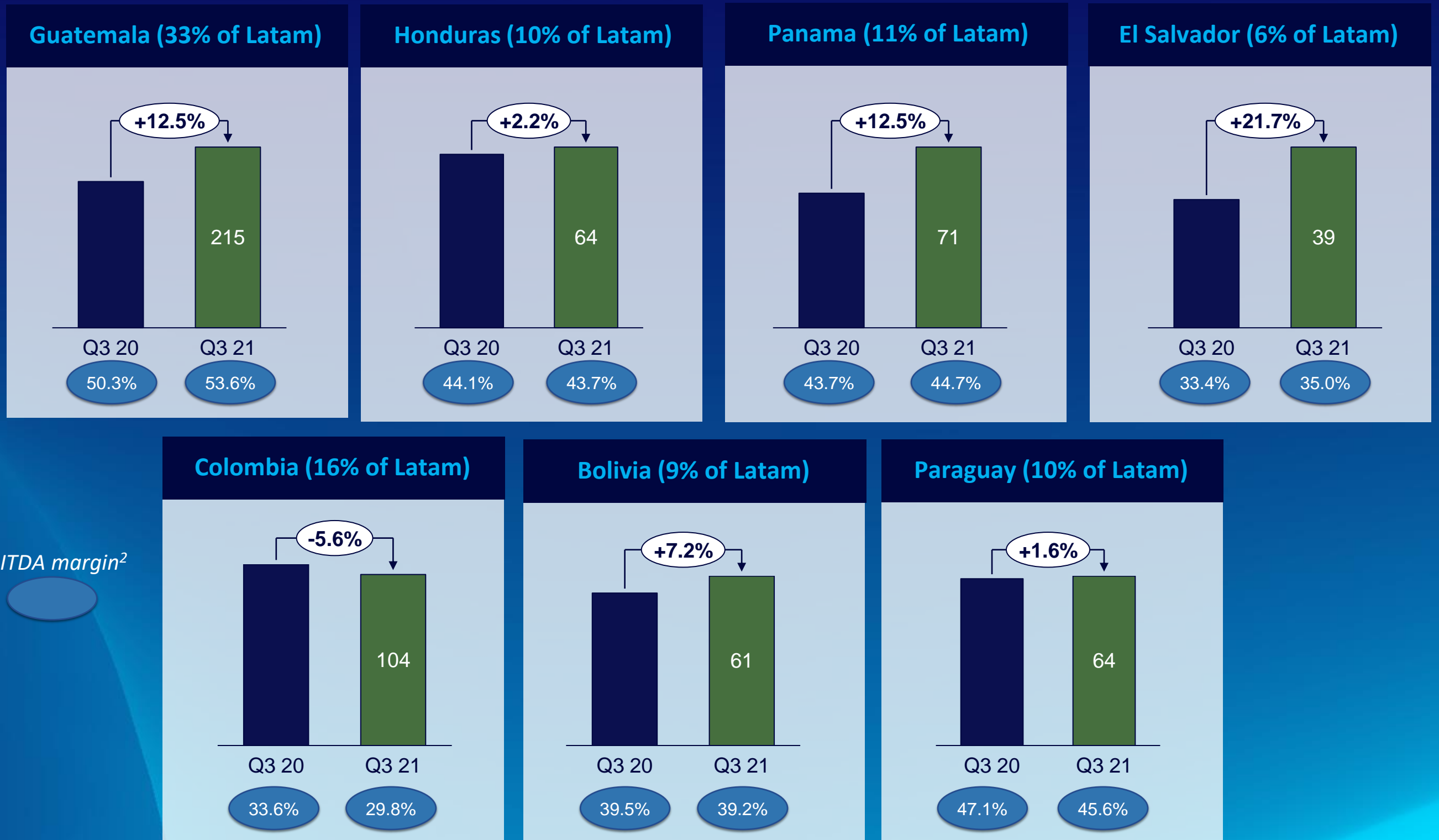
● EBITDA<sup>1</sup> YoY organic growth

● EBITDA<sup>1</sup> margin

1) 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).

# Q3 2021 Latam EBITDA by country<sup>1</sup>

EBITDA (\$m), and YoY local currency growth<sup>2</sup>,



EBITDA margin<sup>2</sup>

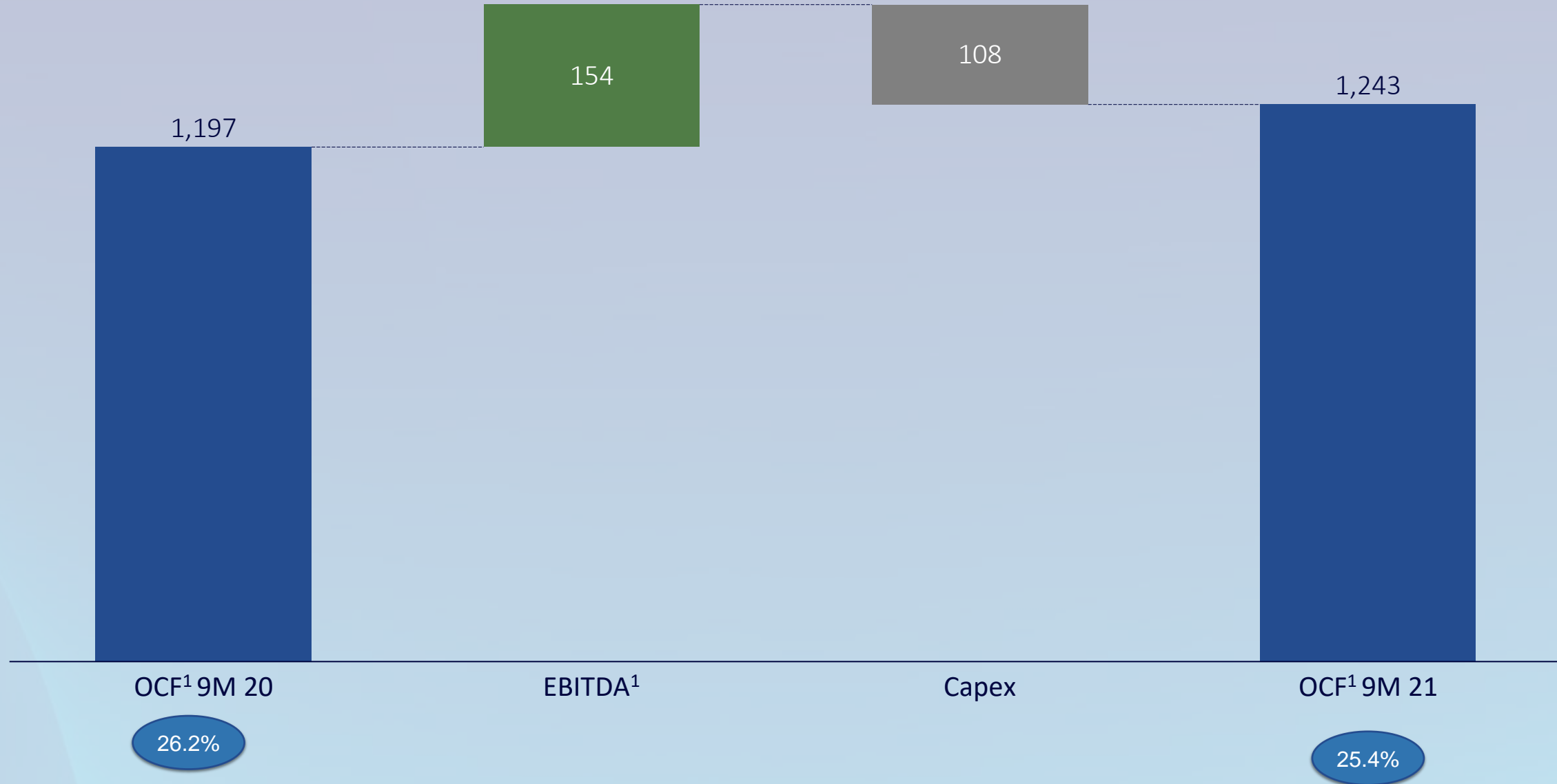
1) Not presented are Costa Rica, Nicaragua and corporate costs as well as intercompany eliminations.

2) 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).



# OCF trending above \$1.4bn in 2021

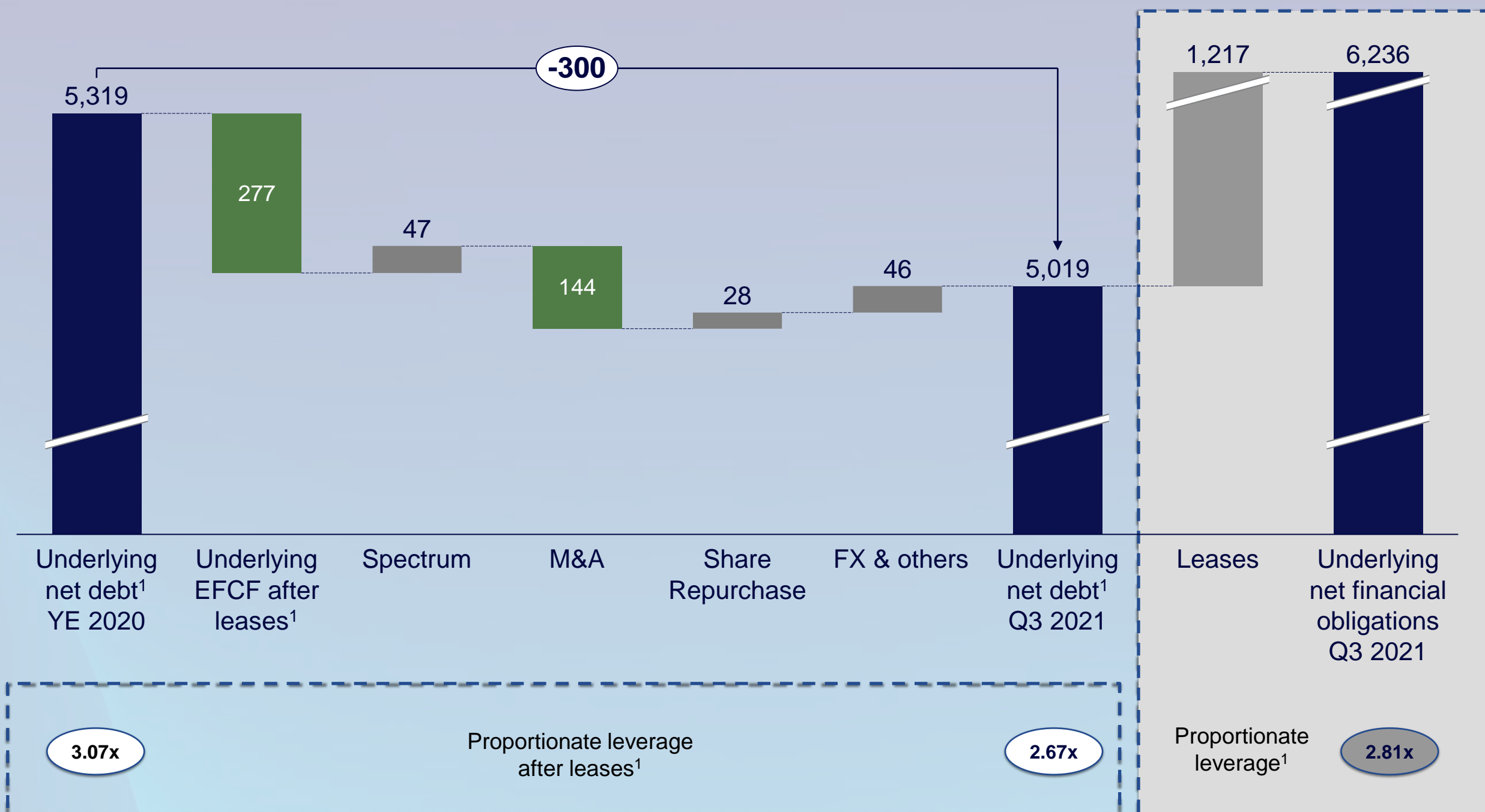
Underlying (\$m)



OCF<sup>1</sup> margin<sup>2</sup>

# Net financial obligations and leverage

Underlying financial obligations<sup>1</sup>(\$m)

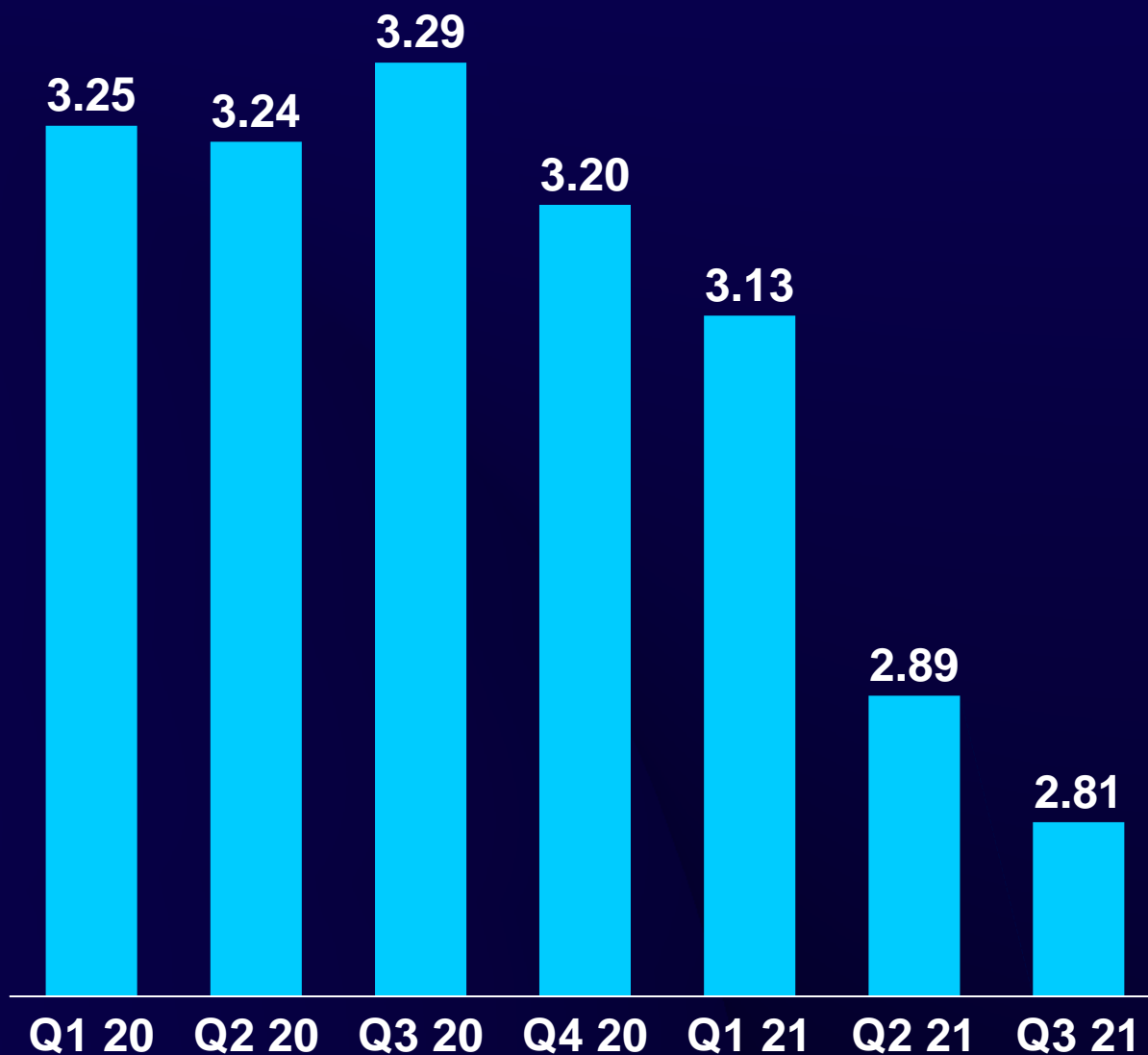


<sup>1</sup>Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center)

# Leverage improved even as we executed share buybacks

## Leverage

Proportionate leverage<sup>1</sup>  
Q1 20 – Q3 21



## Share Buyback Program<sup>2</sup>

Shares repurchased

835k

Shares repurchased  
as % of total shares

0.8%

Cost of repurchases

\$31m

1) 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)

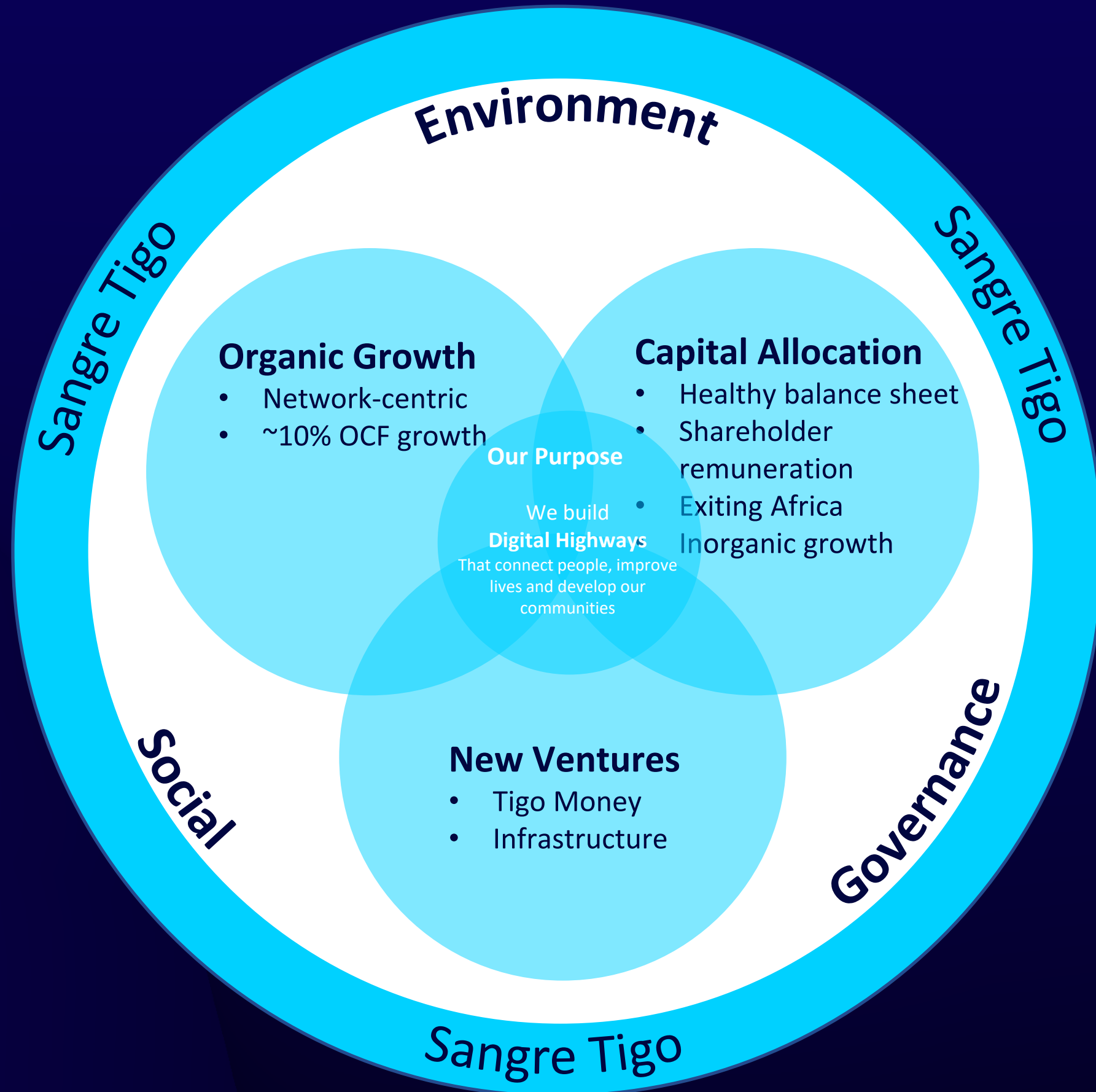
2) Shares refers to SDRs. These shares and values reference those shares repurchased by Millicom for \$28m as well as shares repurchased on Millicom's behalf by a third party as of September 30, 2021.



### 3. Closing remarks



# Our value creation strategy remains the same





Q&A

# Group Financial highlights – Q3 2021

IFRS Group Consolidated Financial Statements<sup>1</sup>

## Selected P&L data

\$ million	Q3 2021	Q3 2020	% Var
<b>Revenue</b>	<b>1,093</b>	<b>1,026</b>	<b>6.5%</b>
Cost of sales	(313)	(286)	9.4%
Operating expenses	(400)	(369)	8.3%
Depreciation & amortization	(269) <b>A</b>	(305)	(11.8)%
Share of profit in GT & HN	56 <b>B</b>	22	NM
Other operating	29	9	NM
<b>Operating profit</b>	<b>197</b>	<b>97</b>	<b>103.6%</b>
Net financial expense	(95) <b>C</b>	(140)	(32.1)%
Others non-operating	(20) <b>D</b>	(10)	94.5%
Associates	(35) <b>E</b>	1	NM
<b>Profit (loss) before tax</b>	<b>46</b>	<b>(53)</b>	<b>NM</b>
Taxes	(42)	1	NM
Minority interests	1	9	(88.3)%
Discontinued operations	-	(8)	(96.4)%
<b>Net income (loss)</b>	<b>5</b>	<b>(51)</b>	<b>NM</b>
EPS (\$ per share)	0.05	(0.50)	NM

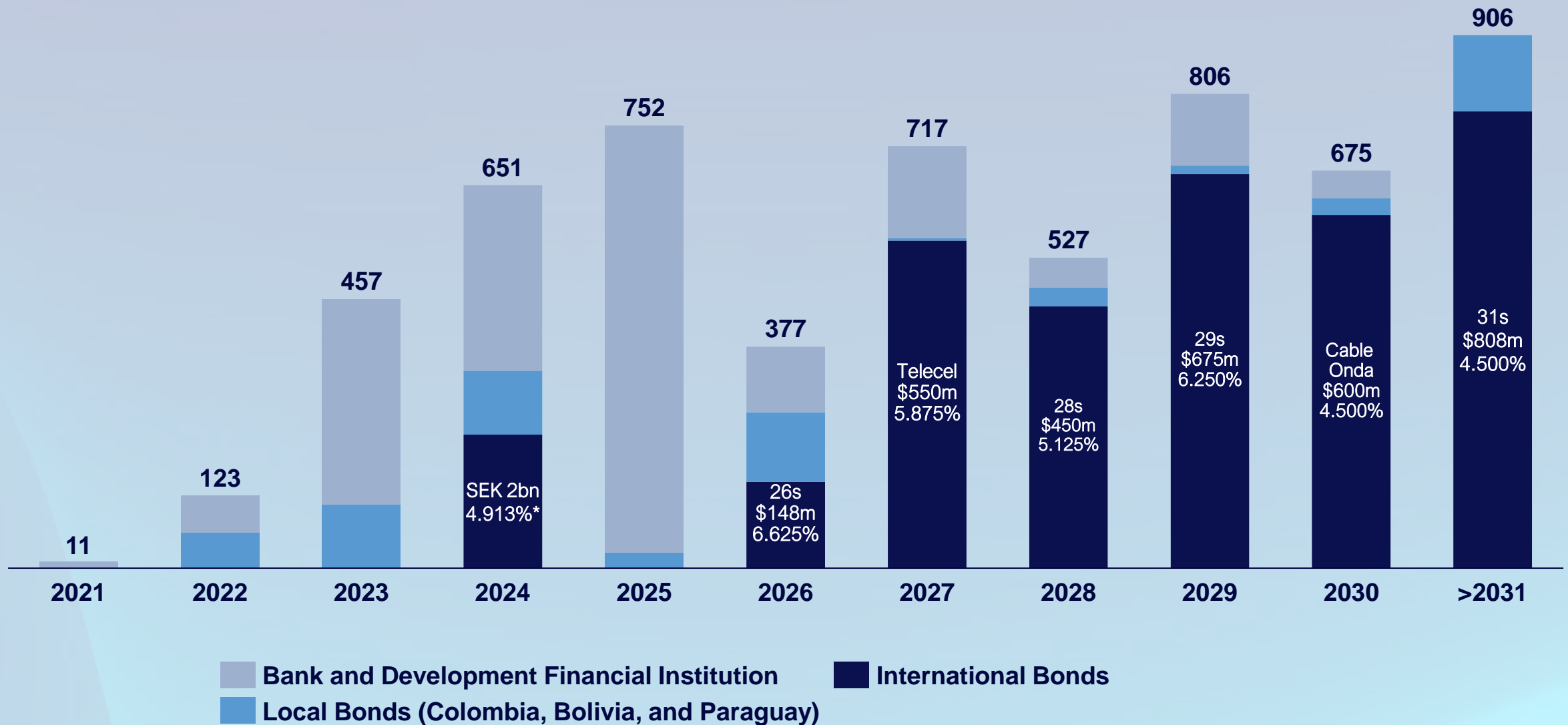
## Key Observations

- A** Brands acquired in Panama now fully amortized
- B** Increased profitability and lower interest expense in Guatemala
- C** Lower gross debt and one-time gain related to bond exchange
- D** FX losses
- E** Ghana closing

1) All figures on an IFRS basis and therefore do not include the fully consolidated results from our Guatemala and Honduras joint ventures.

# Debt Maturity Schedule

Q3 21	
Average maturity	5.9 Years
Average cost of debt	5.39%

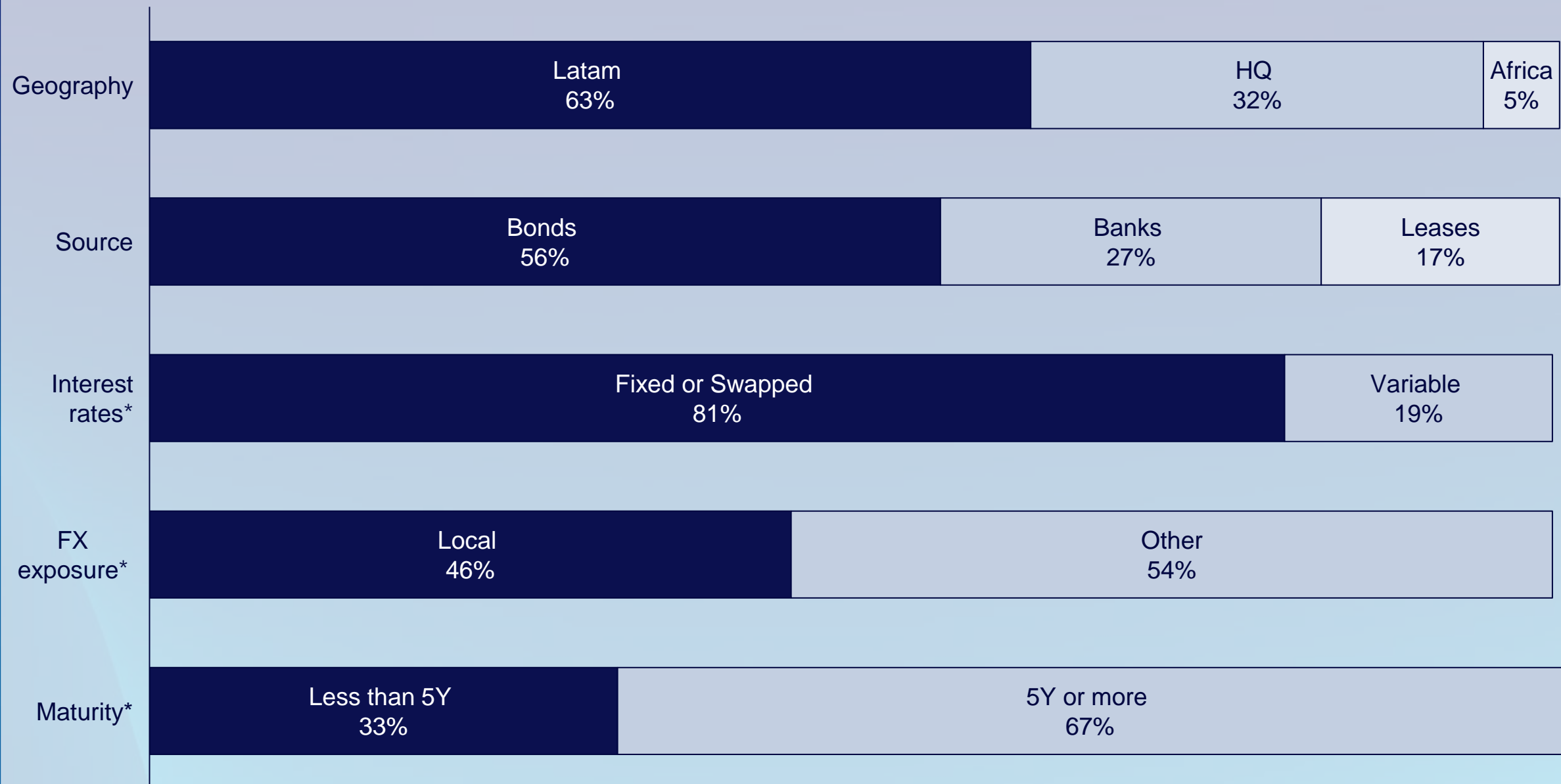


\*Fully swapped rate

# Capital structure

## Financial obligation profile

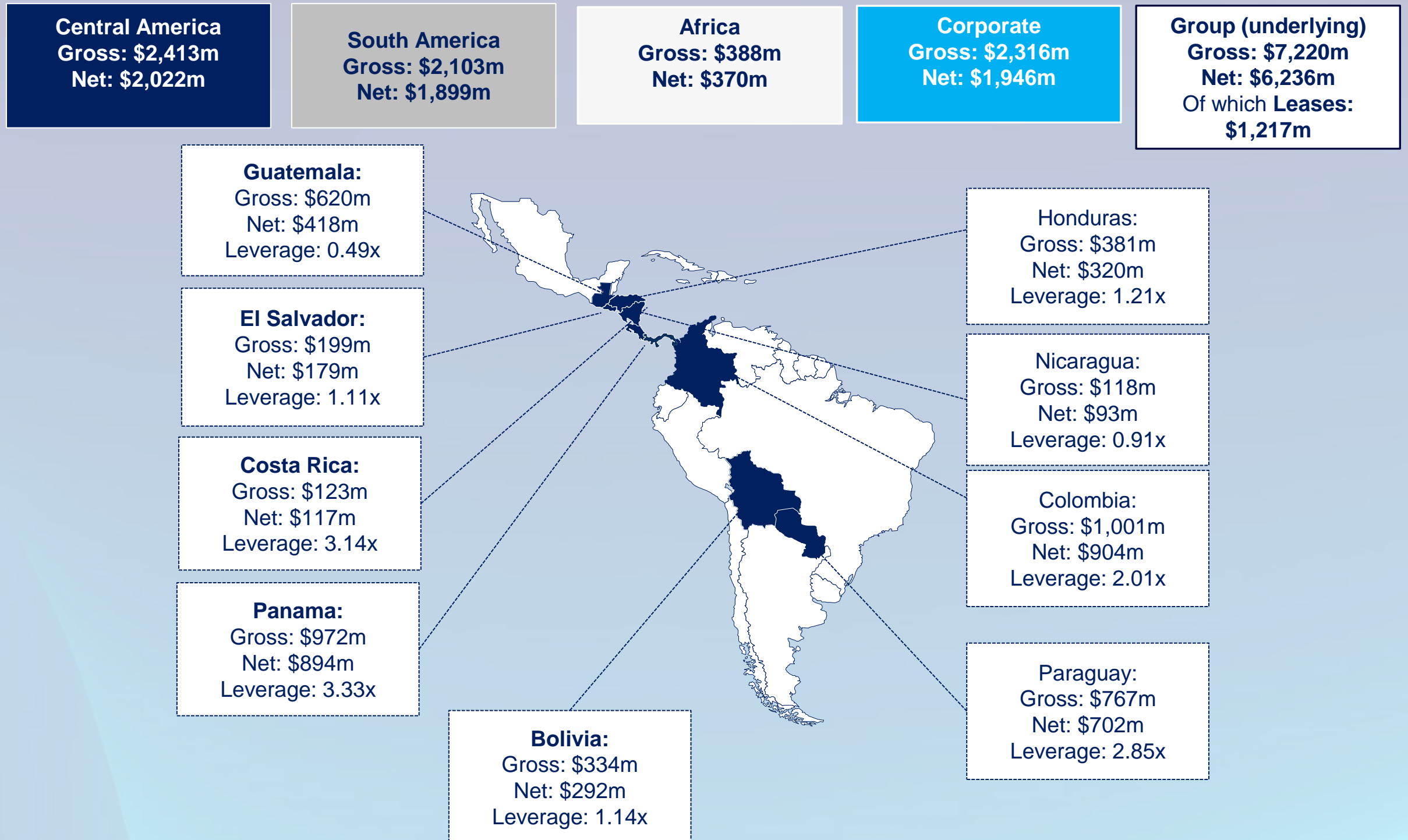
September 30<sup>th</sup>, 2021



\* Excluding Leases. El Salvador's official unit of currency is the U.S. dollar, while Panama uses the U.S. dollar as legal tender. Our local debt in both countries is therefore denominated in U.S. dollars but presented as local currency (LCY).



# Financial obligations<sup>1</sup> by country



1) Financial obligations includes leases. Millicom has provided guarantees covering 97% of the gross financial obligations in Costa Rica and 50% of financial obligations in El Salvador.

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