



**MILlicom**  
THE DIGITAL LIFESTYLE

# 2014 Q3 Results Presentation

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October 22, 2014

We believe in better. We believe in **tigo**

*This presentation may contain certain “forward-looking statements” with respect to Millicom’s expectations and plans, strategy, management’s objectives, future performance, costs, revenue, earnings and other trend information. It is important to note that Millicom’s actual results in the future could differ materially from those anticipated in the forward-looking statements depending on various important factors.*

*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.*



# Time to deliver

Third quarter results 2014  
Operating Review

1

Q3 results support 2017 targets set at the CMD

2

UNE merger opens a new chapter for Millicom

3

Encouraging DTH take-up

4

Focus on efficiency programme

# Delivering on key performance metrics

## Revenues



**8.6%** organic growth<sup>1</sup>  
in Q3 14

*7.2%* reported growth<sup>1</sup> in  
Q3 2014

## Mobile data penetration



**24.9%** for the Group

*Above 1.5 million* new  
mobile data users in Q3

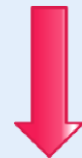
## MFS volume



**2,477 M\$**  
(+39% since Q3 13)

*+564,000* new users in Q3

## EBITDA margin<sup>1</sup>



**33.4%**, down 1.8  
points year-on-year

- Compared to :*
- **35.2%** in Q3 2013
  - **33.1%** in Q2 2014
  - **UNE 27.8%** EBITDA margin in  
Q3 (47 days only)

<sup>1</sup>) Excluding UNE

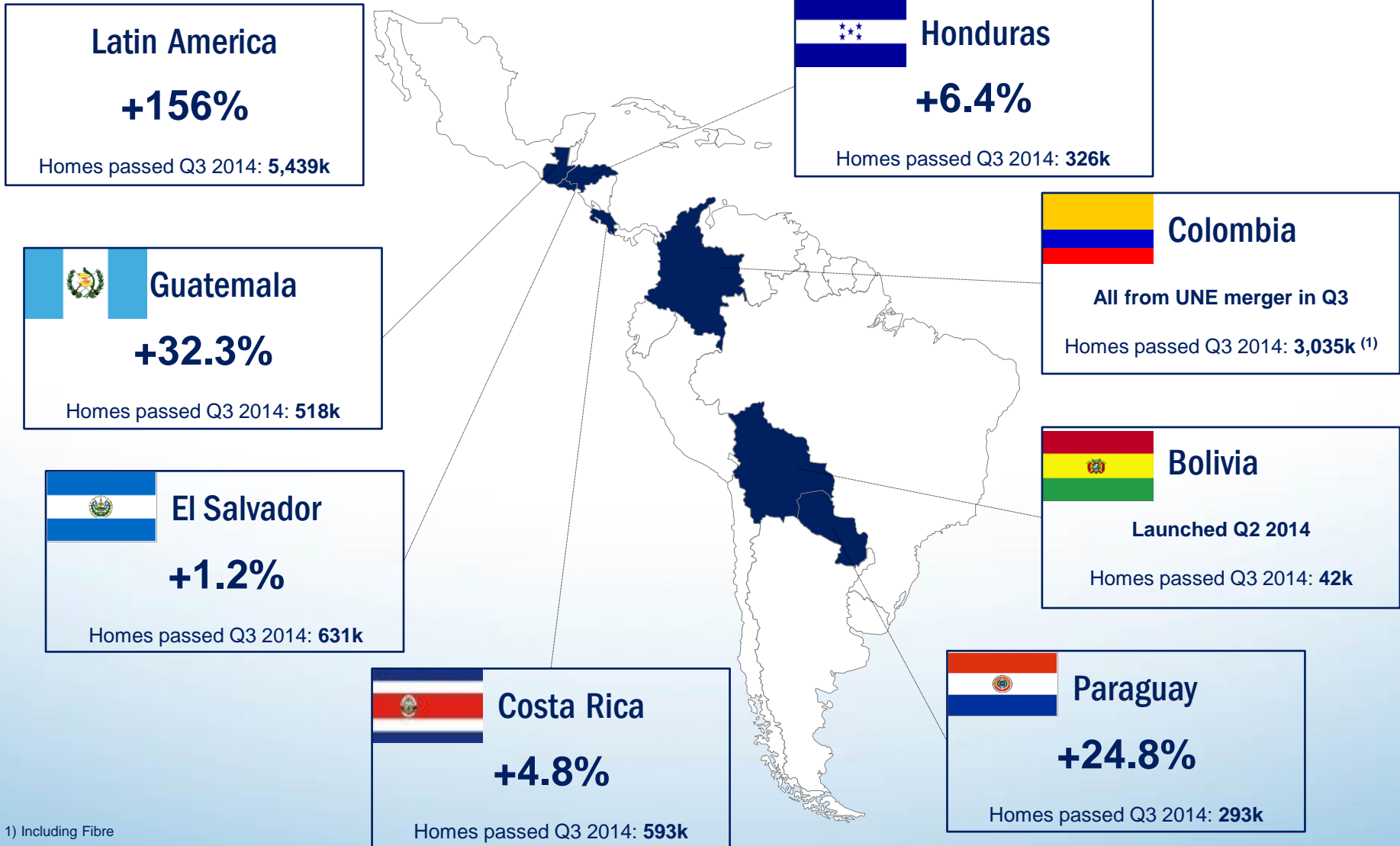
# Sustained growth exceeding 8% for four consecutive quarters

Quarterly revenue growth Q1 2013 – Q3 2014



Mobile +4.7%  
Cable +11.3%  
MFS +44.6%

# Strong growth in Latam homes passed (HFC), with UNE adding over 3 million homes passed in Q3



1) Including Fibre

# Time to deliver

Third quarter results 2014  
Financial Review

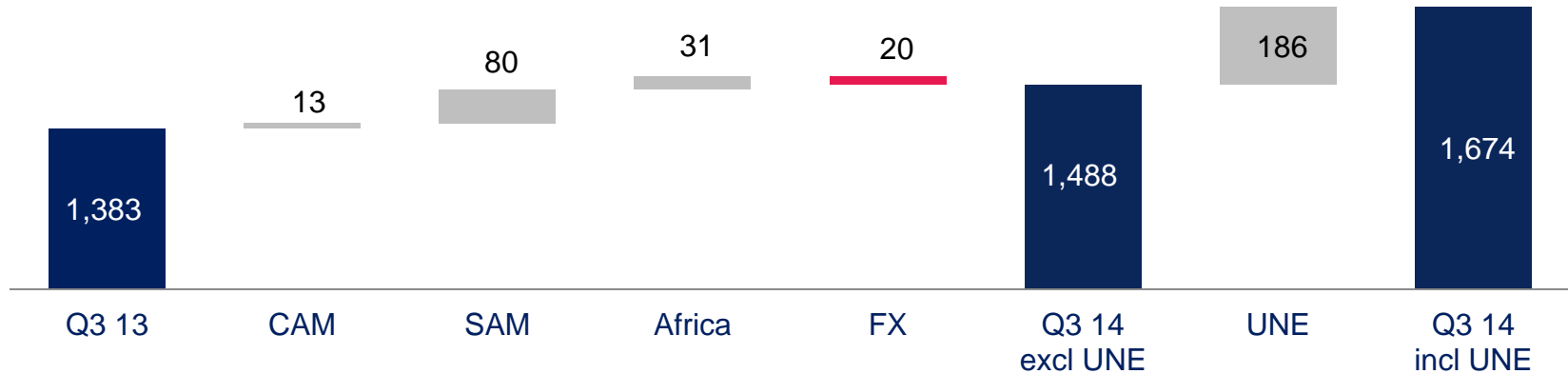


- 1 Organic revenue growth 8.6% / 7.2% reported growth
- 2 UNE contribution at 27.8% EBITDA margin
- 3 Group EBITDA excl. UNE at 33.4% ; +30bps vs Q2 2014
- 4 EBITDA – Capex +27% vs Q3 2013
- 5 Equity free cash flow \$131m

# As in Q2, Regional revenue growth driven by SAM & Africa

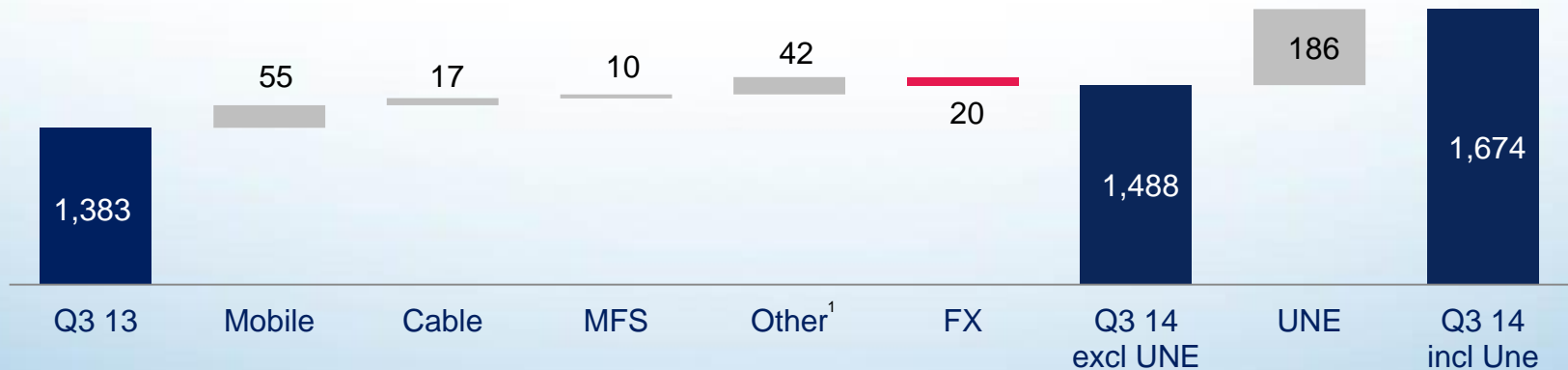
## Revenue evolution by Region

USD Million, Q3 2013 – Q3 2014



## Revenue evolution by Business Unit

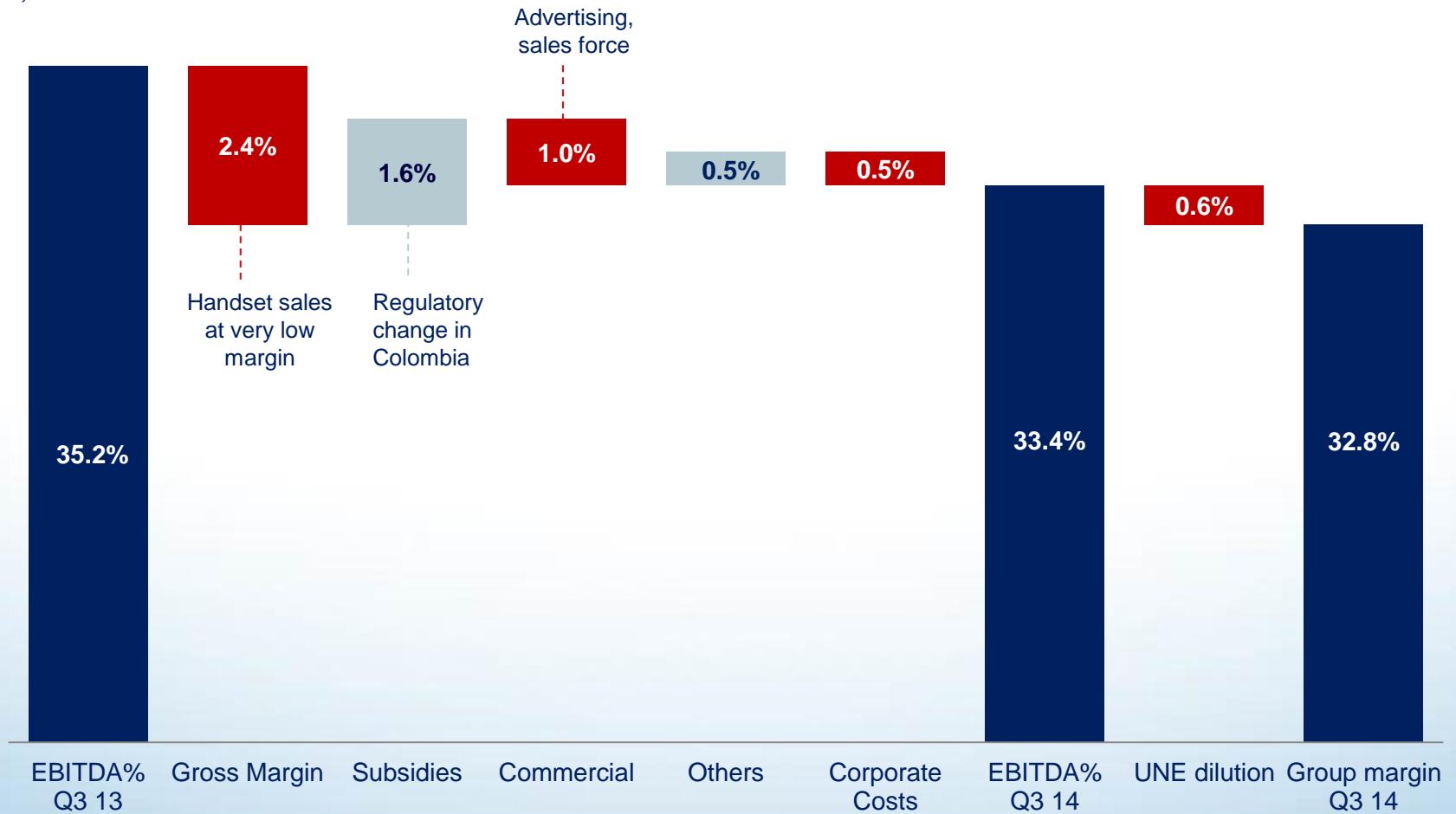
USD Million, Q3 2013 – Q3 2014



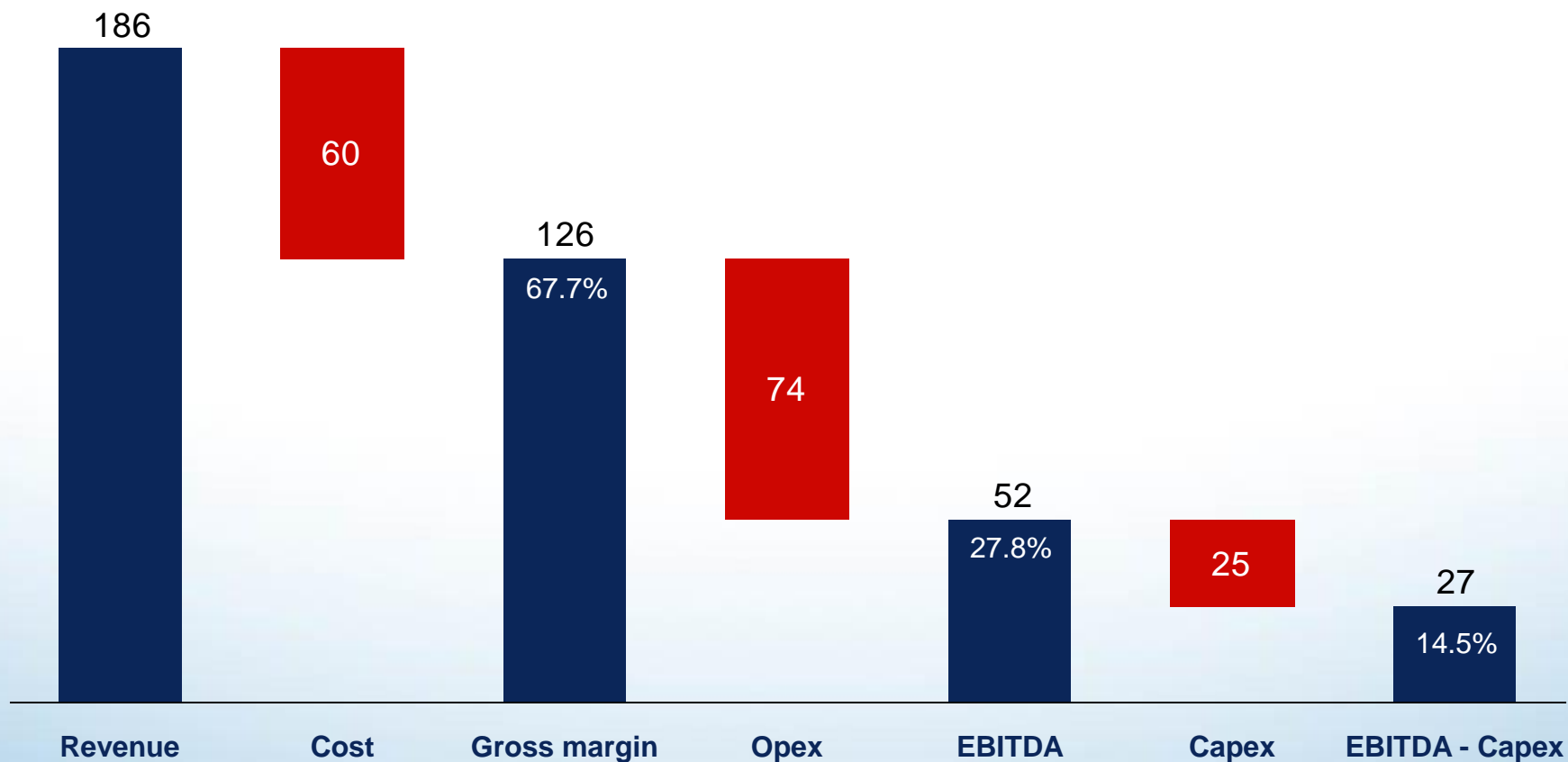
1) Includes visitor roaming, MVNO/DVNO, and Telephone and Equipment

# EBITDA margin at 33.4% in Q3

**EBITDA margin**  
%, Q3 2013 – Q3 2014



# UNE contributed \$186m in revenue at 27.8% EBITDA margin

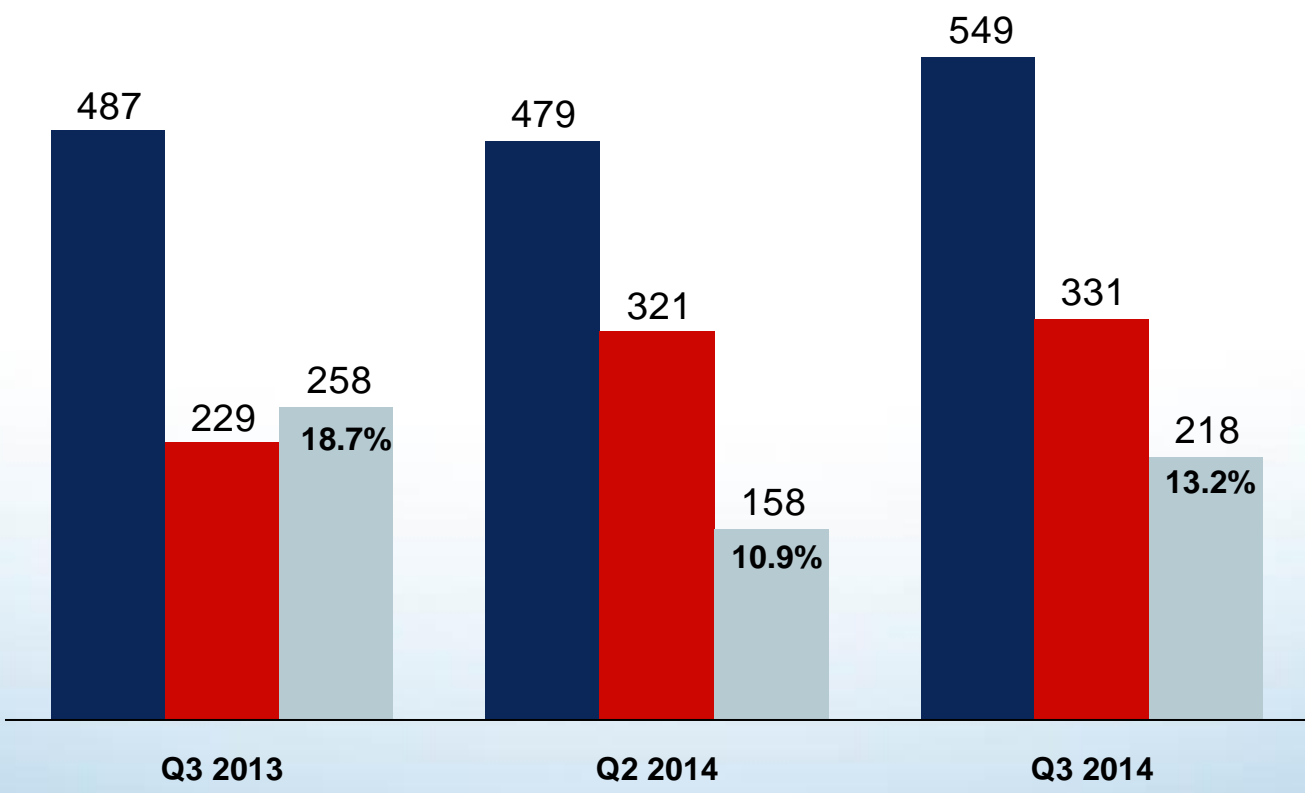




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# Group EBITDA - Capex

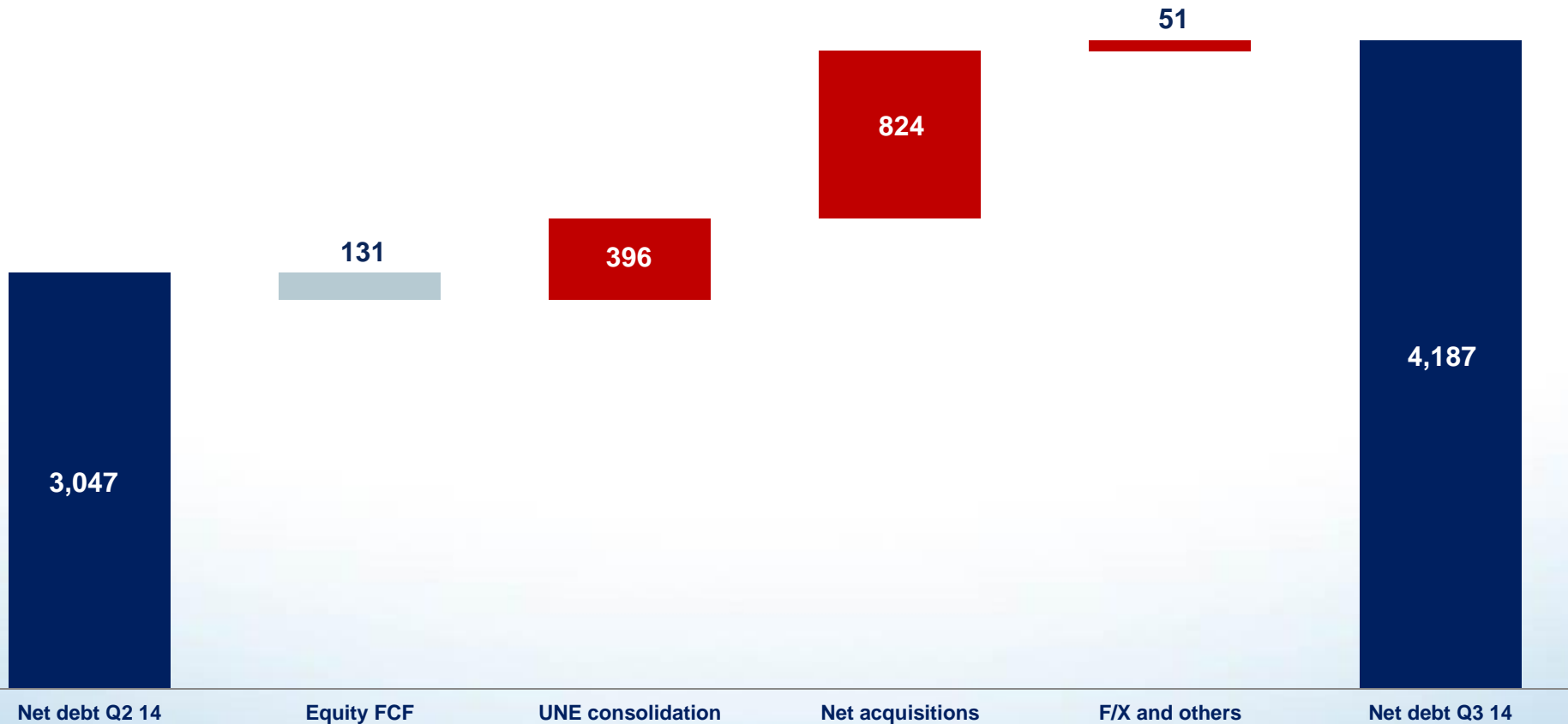
- EBITDA
- Net Capex
- EBITDA - Capex



# Free Cash Flow up 23% in Q3

| \$ million                                  | Q3 14      | YoY% change |
|---|------------|-------------|
| <b>EBITDA</b>                               | <b>549</b> | <b>+13</b>  |
| Net Capex (including spectrum & license)    | (331)      | (45%)       |
| Change in working capital and others        | 87         | NS          |
| <b>Operating Cash Flow</b>                  | <b>305</b> | <b>27%</b>  |
| Taxes paid                                  | (79)       | (7%)        |
| <b>Operating Free Cash Flow</b>             | <b>226</b> | <b>36%</b>  |
| Interest paid, net                          | (75)       | (74%)       |
| <b>Free Cash Flow</b>                       | <b>151</b> | <b>23%</b>  |
| Dividends paid to non-controlling interests | (20)       | 57%         |
| <b>Equity Free Cash Flow</b>                | <b>131</b> | <b>72%</b>  |

# Net debt increasing due to UNE closing



- 1** Revenue growth continues
- 2** UNE strong start
- 3** EBITDA margin “stabilized”
- 4** Cash flow focus



Operating Review

Financial Review

Q&A

Appendix

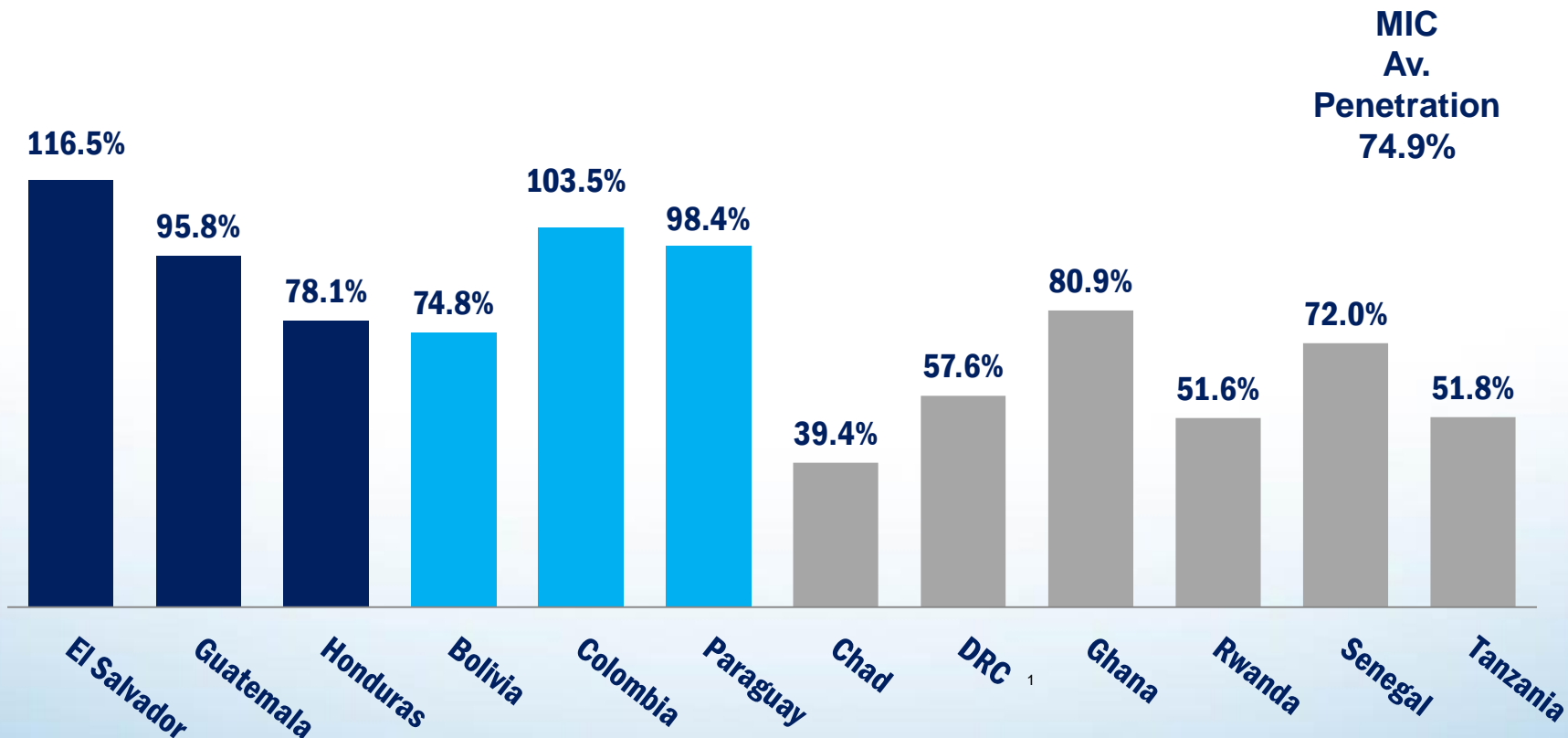
Operating Review

Financial Review

Q&A

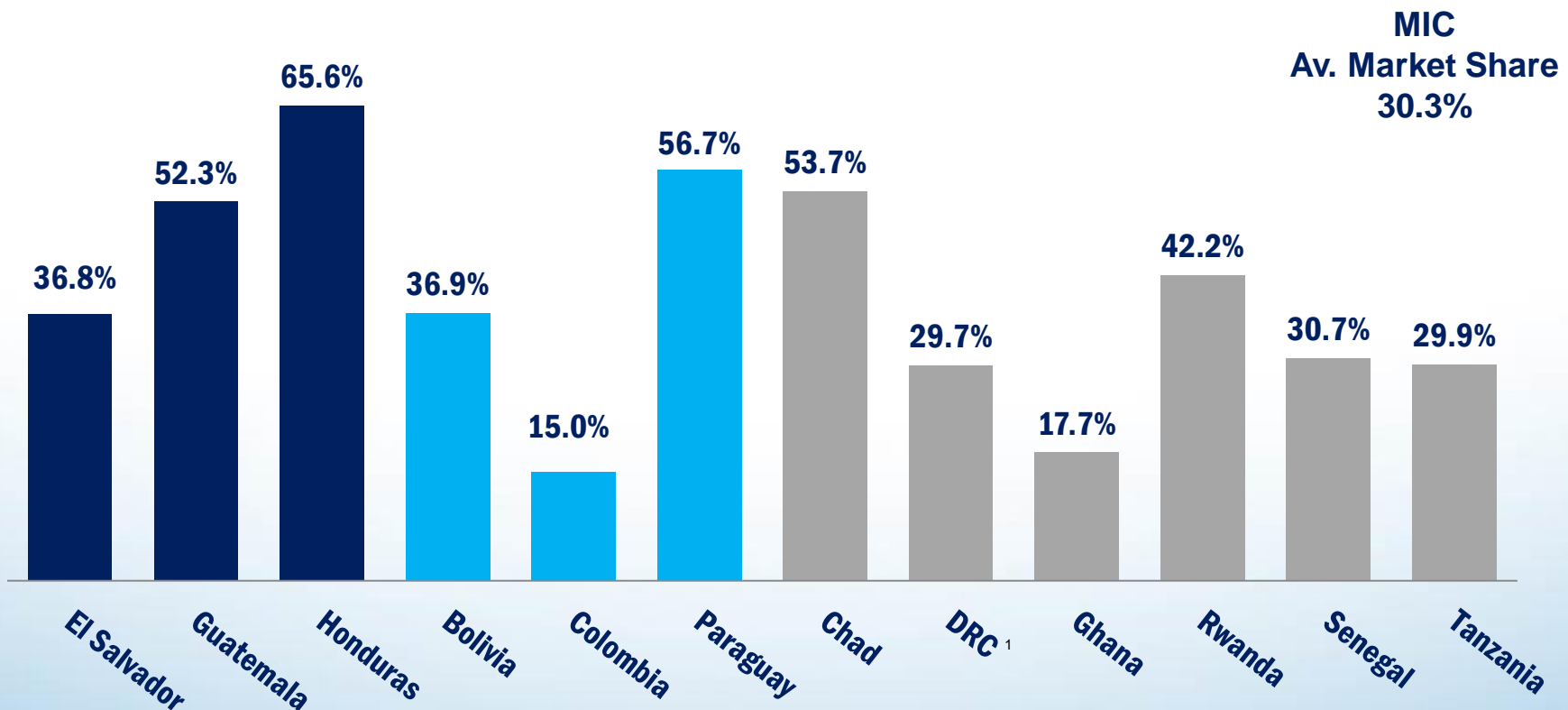
Appendix

# Mobile Voice - Penetration rates



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered  
Source: Millicom

# Mobile Voice – Market Shares



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered  
Source: Millicom

# Movements of currencies vs USD QoQ

|                     |            | Closing Rate |       |        |       | Average Rate |       |       |        |       |        |
|---------------------|------------|--------------|-------|--------|-------|--------------|-------|-------|--------|-------|--------|
|                     |            | Q3 14        | Q2 14 | Change | Q3 13 | Change       | Q3 14 | Q2 14 | Change | Q3 13 | Change |
| <b>Guatemala</b>    | <b>GTQ</b> | 7.67         | 7.78  | 1%     | 7.78  | (1%)         | 7.77  | 7.75  | (0%)   | 7.90  | (2%)   |
| <b>Honduras</b>     | <b>HNL</b> | 21.31        | 21.05 | (1%)   | 20.25 | 5%           | 21.14 | 20.92 | (1%)   | 20.54 | 3%     |
| <b>Nicaragua</b>    | <b>NIO</b> | 26.24        | 25.95 | (1%)   | 24.41 | 7%           | 26.11 | 25.77 | (1%)   | 24.78 | 5%     |
| <b>Costa Rica</b>   | <b>CRC</b> | 545.5        | 548.7 | 1%     | 504.7 | 8%           | 545.4 | 555.7 | 2%     | 505.5 | 8%     |
| <b>Bolivia</b>      | <b>BOB</b> | 6.91         | 6.91  | 0%     | 6.91  | 0%           | 6.91  | 6.91  | 0%     | 6.91  | 0%     |
| <b>Colombia</b>     | <b>COP</b> | 2,028        | 1,881 | (8%)   | 1,832 | 11%          | 1,915 | 1,920 | 0%     | 1,916 | (0%)   |
| <b>Paraguay</b>     | <b>PYG</b> | 4,492        | 4,384 | (2%)   | 4,007 | 12%          | 4,330 | 4,422 | 2%     | 4,451 | (3%)   |
| <b>Ghana</b>        | <b>GHS</b> | 3.20         | 3.00  | (7%)   | 1.94  | 65%          | 3.09  | 2.84  | (9%)   | 1.99  | 55%    |
| <b>Senegal/Chad</b> | <b>XAF</b> | 520.0        | 481.1 | (8%)   | 511.8 | 2%           | 687.4 | 479.1 | (44%)  | 496.3 | 39%    |
| <b>Rwanda</b>       | <b>RWF</b> | 686.4        | 690.0 | 1%     | 635.8 | 8%           | 497.7 | 685.4 | 27%    | 651.8 | (24%)  |
| <b>Tanzania</b>     | <b>TZS</b> | 1,676        | 1,675 | (0%)   | 1,615 | 4%           | 1,668 | 1,654 | (1%)   | 1,620 | 3%     |

For El Salvador and DRC, the functional currency is USD

# Market overview – by region for Q3 2014

| Millicom Regions            | Central America | South America | Africa | Group         |
|-----------------------------|-----------------|---------------|--------|---------------|
| <b>Market Overview</b>      |                 |               |        |               |
| Population (m)              | 30              | 64            | 190    | <b>284</b>    |
| Mobile Penetration          | 95.0%           | 97.8%         | 59.3%  | <b>74.9%</b>  |
| <b>Operational Data</b>     |                 |               |        |               |
| Total Mobile Customers (m)  | 15,372          | 14,555        | 23,850 | <b>53,777</b> |
| Capex (\$m -excl Corporate) | 107             | 132           | 80     | <b>311</b>    |
| Capex as % of revenues      | 17.6%           | 16.3%         | 31.2%  | <b>23.8%</b>  |
| Cellsites                   | 8,142           | 7,616         | 5,744  | <b>21,502</b> |
| Outlets (000s)              | 141             | 187           | 396    | <b>724</b>    |
| <b>Key Financials</b>       |                 |               |        |               |
| Revenue (\$m)               | 606             | 814           | 255    | <b>1,674</b>  |
| EBITDA (\$m)                | 282             | 277           | 55     | <b>549</b>    |
| EBITDA Margin               | 46.5%           | 34.0%         | 21.5%  | <b>32.8%</b>  |

# Market overview – LATAM

| Latin America           | Central America                               |                             |                           | Bolivia                | South America               |                                  |
|-------------------------|---|-----------------------------|---------------------------|------------------------|-----------------------------|----------------------------------|
|                         | El Salvador                                   | Guatemala                   | Honduras                  |                        | Colombia                    | Paraguay                         |
| Shareholding            | 100%  | 55%                         | 66.70%                    | 100%                   | 50% - 1 share               | 100%                             |
| License                 | 20y from 1998                                 | 20y from 2012               | 25y from 1996             | 20y from 1995          | 10Y from 2013               | 5y renewal                       |
| Date of Expiry          | 2018  | 2032                        | 2021                      | 2015                   | 2023                        | 2016                             |
| <b>Market Overview</b>  |   |                             |                           |                        |                             |                                  |
| Population (m)          | 6   | 15                          | 9                         | 11                     | 46                          | 7                                |
| GDP per Pop (PPP) \$    | 7,500   | 5,300                       | 4,800                     | 5,500                  | 11,100                      | 6,800                            |
| Mobile Penetration      | 116.5%  | 95.8%                       | 78.1%                     | 74.8%                  | 103.5%                      | 98.4%                            |
| Market Position         | 1 of 5  | 1 of 3                      | 1 of 3                    | 2 of 3                 | 3 of 3                      | 1 of 4                           |
| Market Share            | 36.8%   | 52.3%                       | 65.6%                     | 36.9%                  | 15.0%                       | 56.7%                            |
| <b>Operational Data</b> |   |                             |                           |                        |                             |                                  |
| Total Customers (000s)  | 2,714   | 8,175                       | 4,484                     | 3,317                  | 7,391                       | 3,847                            |
| Cell Sites              | 1,381   | 4,821                       | 1,940                     | 1,229                  | 4,842                       | 1,545                            |
| Other Operators         | America Movil<br>Telefonica<br>Digicel<br>Red | America Movil<br>Telefonica | America Movil<br>Honducel | Entel<br>Viva          | America Movil<br>Telefonica | Personal<br>Vox<br>America Movil |
| Main products exported  | Coffee<br>Sugar                               | Coffee<br>Sugar             | Coffee<br>Bananas         | Lithium<br>Natural Gas | Coffee<br>Oil               | Soy<br>Cassava                   |

# Market overview – Africa

| Africa                  | Chad                | DRC  | Ghana                                      | Rwanda                     | Senegal                      | Tanzania  |
|-------------------------|---------------------|--|--|----------------------------|------------------------------|---|
| Shareholding            | 100%                | 100%   | 100%                                       | 87.50%                     | 100%                         | 100%  |
| License                 | 10 y from 2014      | 12y from 2012                                    | 15y from 2004                              | 15y from 2008              | 16y from 2012                | 25y from 2007   |
| Date of Expiry          | 2024                | 2024   | 2019                                       | 2023                       | 2028                         | 2032  |
| <b>Market Overview</b>  |                     |  |  |                            |                              |   |
| Population (m)          | 11                  | 77   | 26   | 12                         | 14                           | 50  |
| GDP per Pop (PPP) \$    | 2,500               | 400  | 3,500                                      | 1,500                      | 2,100                        | 1,700   |
| Mobile Penetration      | 39.4%               | 57.6%  | 80.9%                                      | 51.6%                      | 72.0%                        | 51.8%   |
| Market Position         | 1 of 3              | 2 of 6 <sup>2</sup>                              | 3 of 6                                     | 2 of 4                     | 2 of 4                       | 2 of 7  |
| Market Share            | 53.7%               | 29.7%  | 17.7%                                      | 42.2%                      | 30.7%                        | 29.9%   |
| <b>Operational Data</b> |                     |  |  |                            |                              |   |
| Total Customers (000s)  | 2,596               | 4,834  | 3,696                                      | 2,409                      | 3,079                        | 7,235   |
| Cell Sites <sup>1</sup> | 531                 | 895  | 976  | 442                        | 858                          | 2,042   |
| Other Operators         | Bharti<br>Salam     | Vodacom<br>Bharti<br>CCT<br>Standard<br>Africell | MTN<br>Vodafone<br>Bharti<br>Glo<br>Kasapa | MTN<br>Bharti<br>Rwandatel | Orange<br>Expresso<br>Kirene | Vodacom<br>Bharti<br>Zantel<br>TTLIC Mobile<br>Bol<br>Sasatel |
| Main products exported  | Petroleum<br>Cotton | Coffee<br>Diamonds                               | Bauxite<br>Cocoa                           | Coffee<br>Natural Gas      | Fish<br>Cotton               | Coffee<br>Cashew Nuts   |

1) for DRC active sites; 2) Only Kinshasa/ Bas Congo and Kivu area;

Source: Millicom, CIA World Factbook

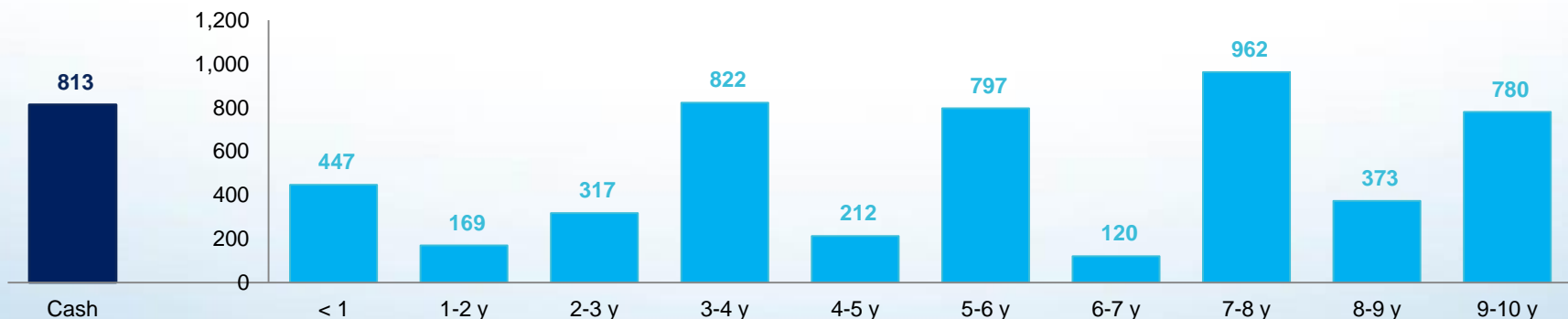


# Moderate leverage and well spread maturities

| USD m   | Q3 14       | Q2 14       |
|---|-------------|-------------|
| Gross Debt <sup>1</sup>                                     | 5,000       | 4,484       |
| Cash <sup>2</sup>   | 814         | 1,437       |
| Net Debt  | 4,187       | 3,047       |
| <b>Net Debt / EBITDA after corporate costs <sup>3</sup></b> | <b>1.9x</b> | <b>1.6x</b> |

## Debt maturity

USDm, Q3 2014



- Average maturity of 5.6 years

1) Including mark to market of bonds  
 2) Including pledged deposits, time deposits and restricted cash  
 3) Net Debt / LTM EBITDA



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