



**MILlicom**  
THE DIGITAL LIFESTYLE



# Strong mobile performance continued in Q1

Millicom International Cellular  
Q1 2023





## 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 global economic activity and inflation, the demand for Millicom's products and services, and global supply chains. The risks and uncertainties include, but are not limited to, the following:

- global economic conditions, foreign exchange rate fluctuations and high inflation, as well as local economic conditions in the markets we serve, which can be impacted by geopolitical developments outside of our principal geographic markets, such as the armed conflict between Russia and the Ukraine and related sanctions;
- potential disruption due to diseases, pandemics, political events, armed conflict, acts by terrorists, including the impact of the COVID-19 virus and the ongoing efforts throughout the world to contain it;
- telecommunications usage levels, including traffic, customer growth and the accelerated transition from traditional to digital services;
- competitive forces, including pricing pressures, piracy, 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;
- the achievement of our operational goals, environmental, social and governance targets, financial targets and strategic plans, including the acceleration of cash flow growth, the reduction in net leverage, the expansion of our fixed broadband network, the reintroduction of a share repurchase program and the reduction of net leverage;
- legal or regulatory developments and changes, or changes in governmental policy, including with respect to the availability and terms and conditions of spectrum and licenses, the level of tariffs, laws and regulations which require the provision of services to customers without charging, tax matters, the terms of interconnection, customer access and international settlement arrangements;
- our ability to grow our mobile financial services business in our Latin American markets;
- adverse legal or regulatory disputes or proceedings;
- the success of our business, operating and financing initiatives and strategies, including partnerships and capital expenditure plans;
- our expectations regarding the growth in fixed broadband penetration rates and the return that our investment in broadband networks will yield;
- 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;
- our ability to create new organizational structures for the Tigo Money and Towers businesses and manage them independently to enhance their value;
- relationships with key suppliers and costs of handsets and other equipment;
- disruptions in our supply chain due to economic and political instability, the outbreak of war or other hostilities, public health emergencies, natural disasters and general business conditions;
- our ability to successfully pursue acquisitions, investments or merger opportunities, integrate any acquired businesses in a timely and cost-effective manner, divest or restructure assets and businesses, 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 under the heading "Risk Factors" in Item 1 of Millicom's Report on Form 6-K, filed with the U.S. Securities and Exchange Commission (the "SEC") on May 10, 2022, and in Millicom's subsequent SEC filings, all of which are available at [www.sec.gov](http://www.sec.gov). 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 presentation 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.

The following changes were made to some definitions of the Group's non-IFRS financial measures as disclosed in the 2022 Annual Report: the definition of 'EBITDA after leases' has changed from lease cash payments to income statement line items (interest expense and depreciation charge). This does not change the manner in which we calculate Equity Free Cash Flow, but aligns our calculation for leverage purposes with peers. The definition of Net Debt has changed to include derivative financial instruments in order to have a more comprehensive view of our financial obligations. Finally, Home ARPU has changed to include equipment rental in our Home revenue, as these are long-term payment plans.

## Non-IFRS Financial Measure Descriptions

**Service revenue** is revenue related to the provision of ongoing services such as monthly subscription fees for mobile and broadband, 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.

**EBITDA after Leases (EBITDAaL)** represents EBITDA after lease expense and depreciation charge.

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

**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, including derivative instruments (assets and liabilities), less cash and pledged and time deposits.

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

**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 and disposals 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 EBITDA, less cash Capex, less spectrum paid, working capital and other non-cash items, and taxes paid.

**Equity Free Cash Flow (EFCF)** is OFCF less finance charges paid (net), lease interest payments, lease principal repayments, and advances for dividends to non-controlling interests, plus cash repatriation from joint ventures and associates.

**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 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.

**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 as (x) the total Home revenue (excluding equipment sales and TV advertising) 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 from other industry participants.

*Please refer to our 2022 Annual Report for a list and description of non-IFRS measures.*



# Q1 23 Highlights

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# tigo | Continued execution during Q1 23



- Service Revenue<sup>1</sup> +2.2% organically
- Strength in B2B
- Postpaid momentum continues
- Project Everest implementation

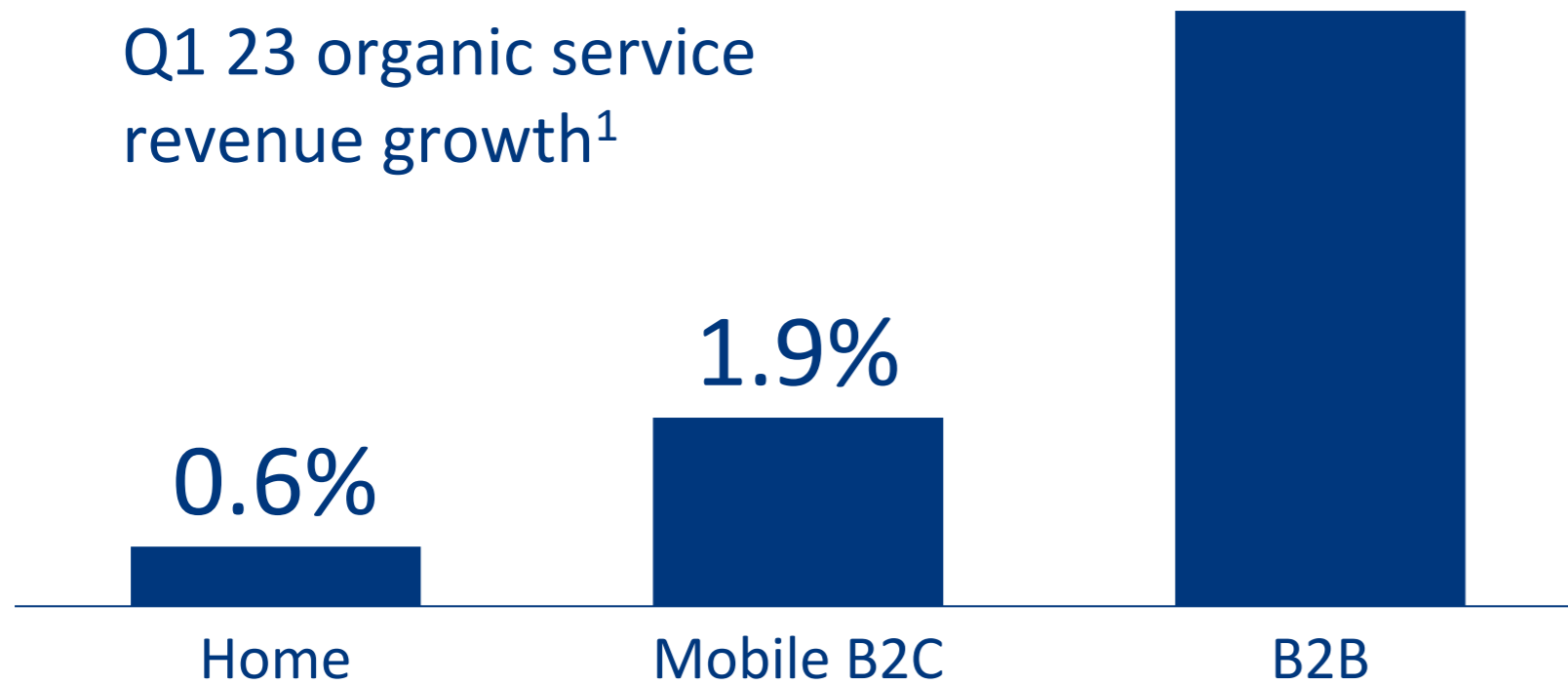
1) Group financial information does not include Honduras, which is not consolidated. Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [millicom.com/investors/reporting-center](http://millicom.com/investors/reporting-center)

## All business units growing

Q1 23 Service Revenue organic growth<sup>1</sup>

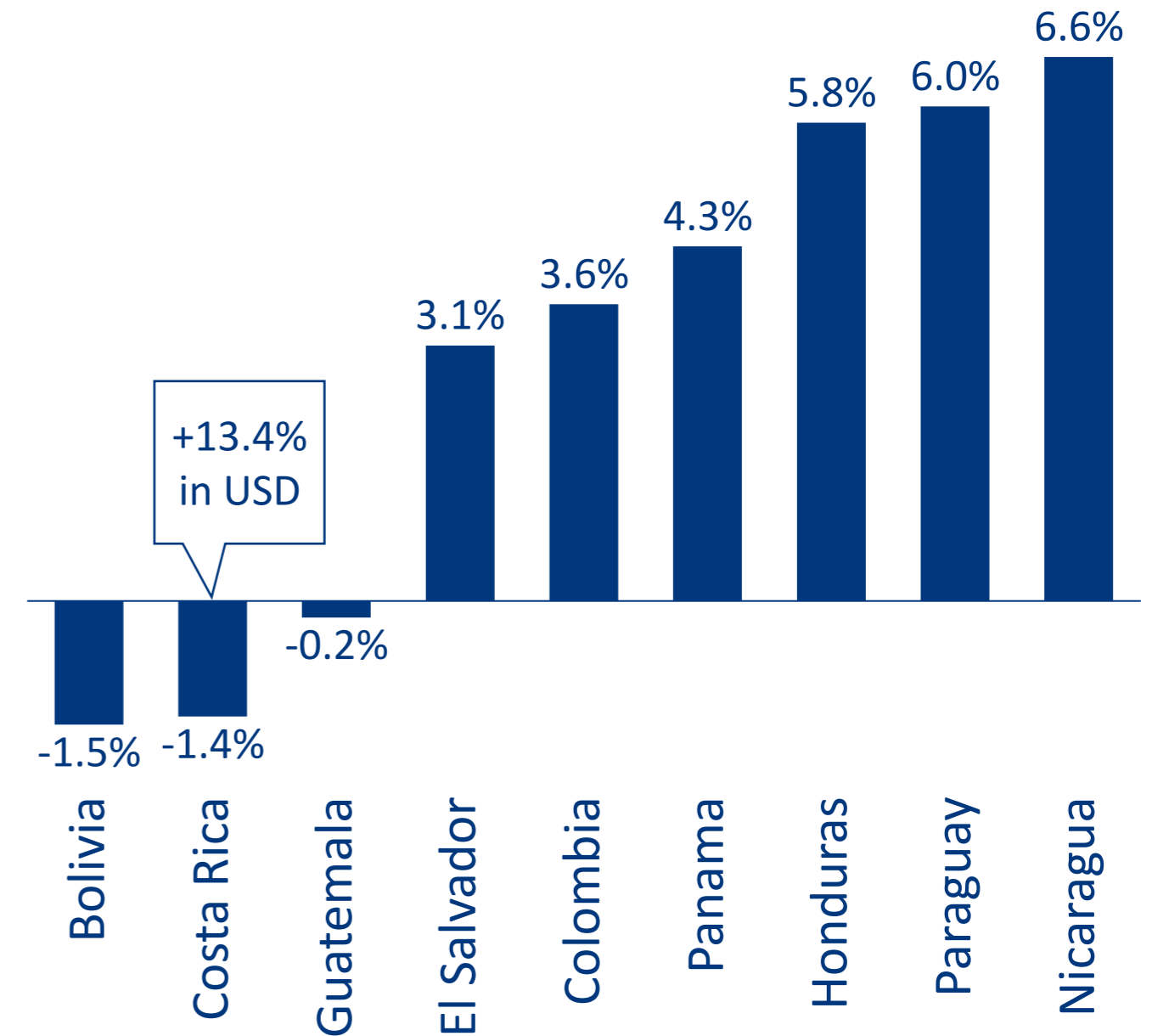
**2.2%**

Q1 23 organic service revenue growth<sup>1</sup>



## Strong performance across countries

Q1 23 Service Revenue local currency growth<sup>1</sup>

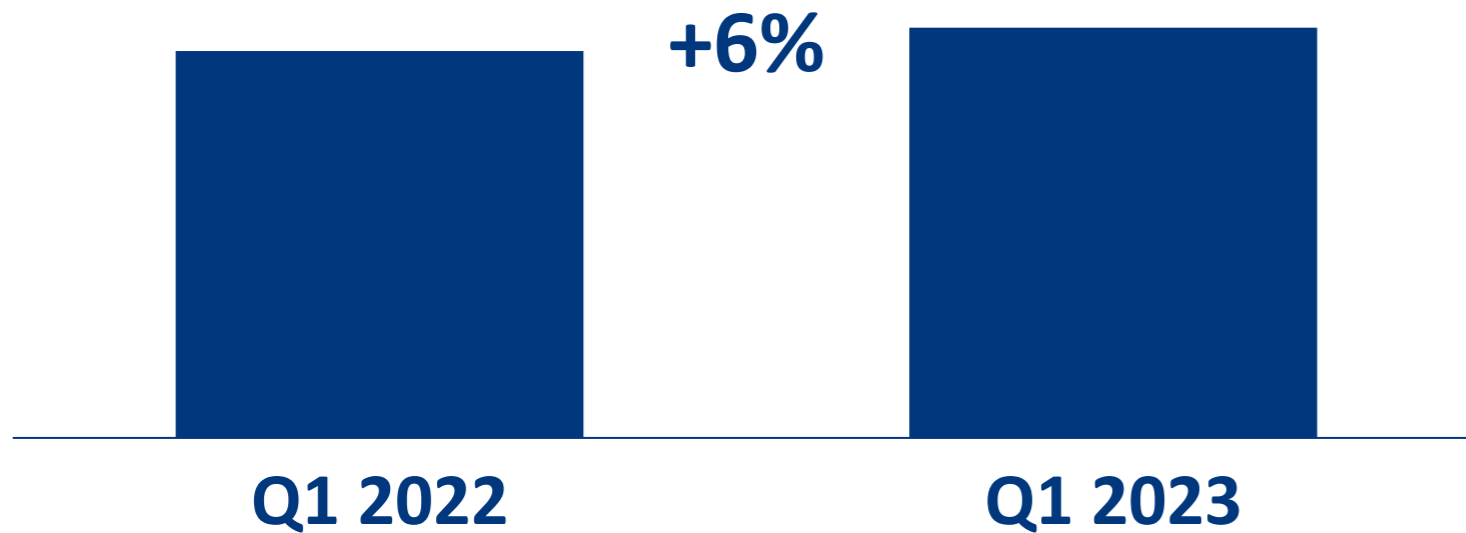


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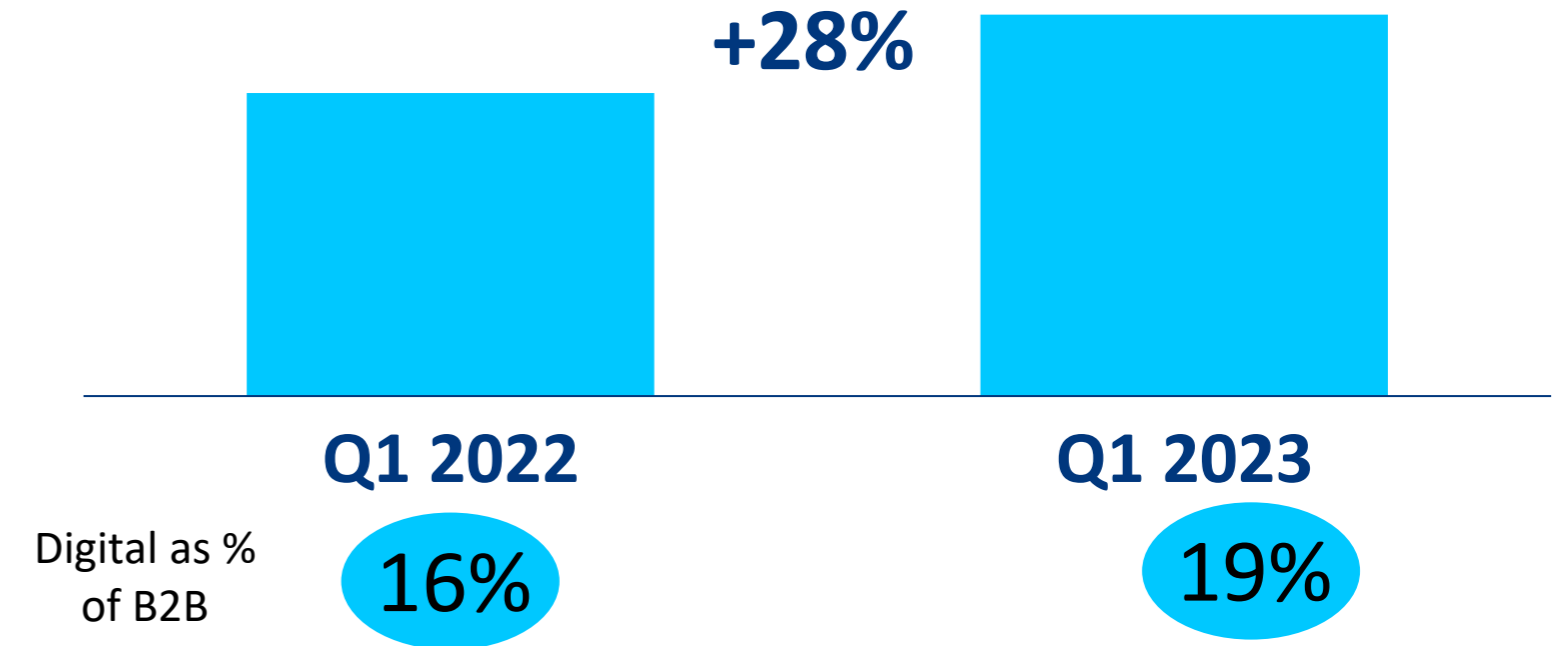
## B2B growth driven by digital services

B2B Service Revenue and Digital Service Revenue YoY Organic Growth %<sup>1</sup>

### B2B Service Revenue



### B2B Digital Service Revenue



**342k**  
SME Clients



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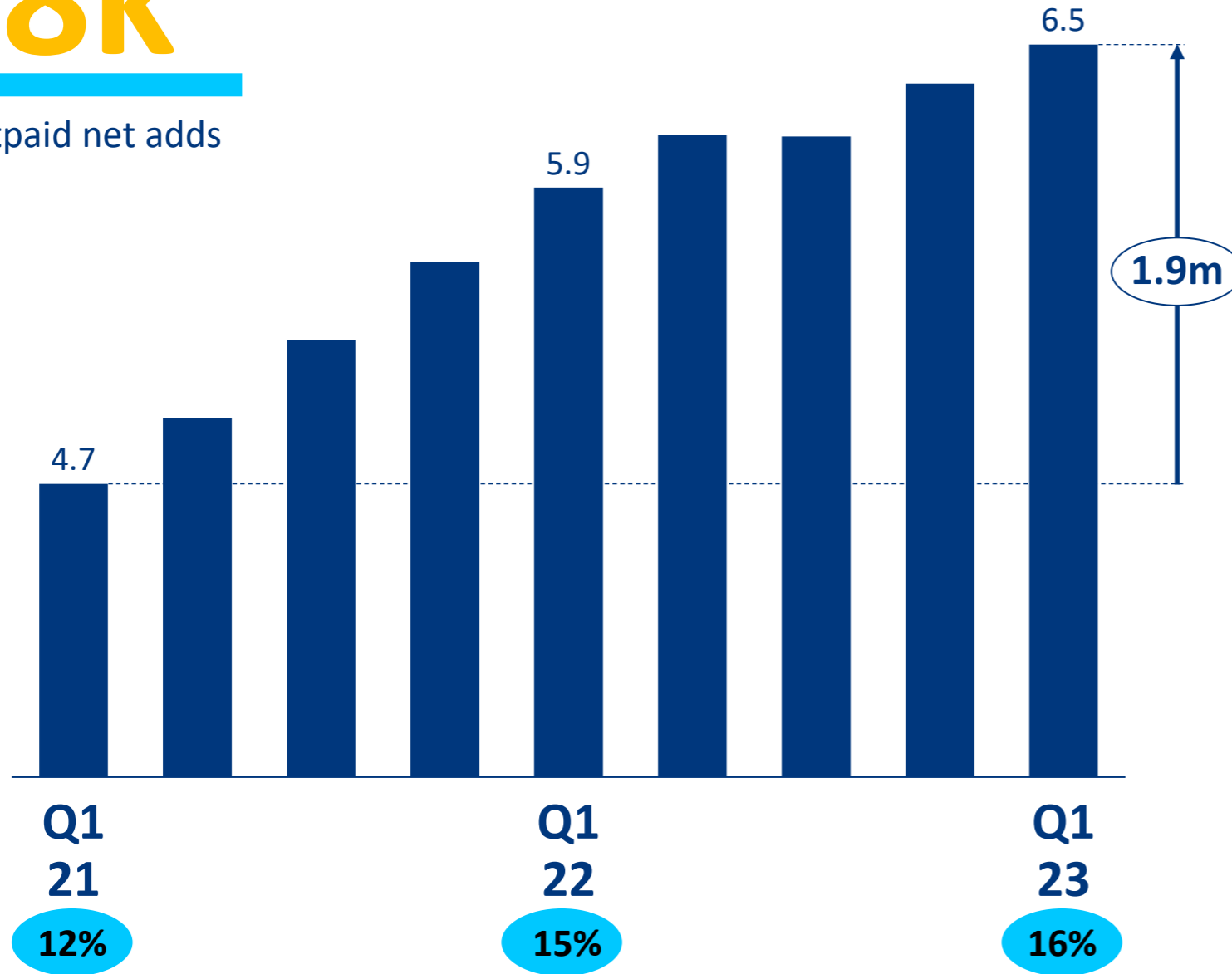
## Positive quarterly net adds continue...

## ...driving sequential revenue growth

Postpaid customers (m)

**168k**

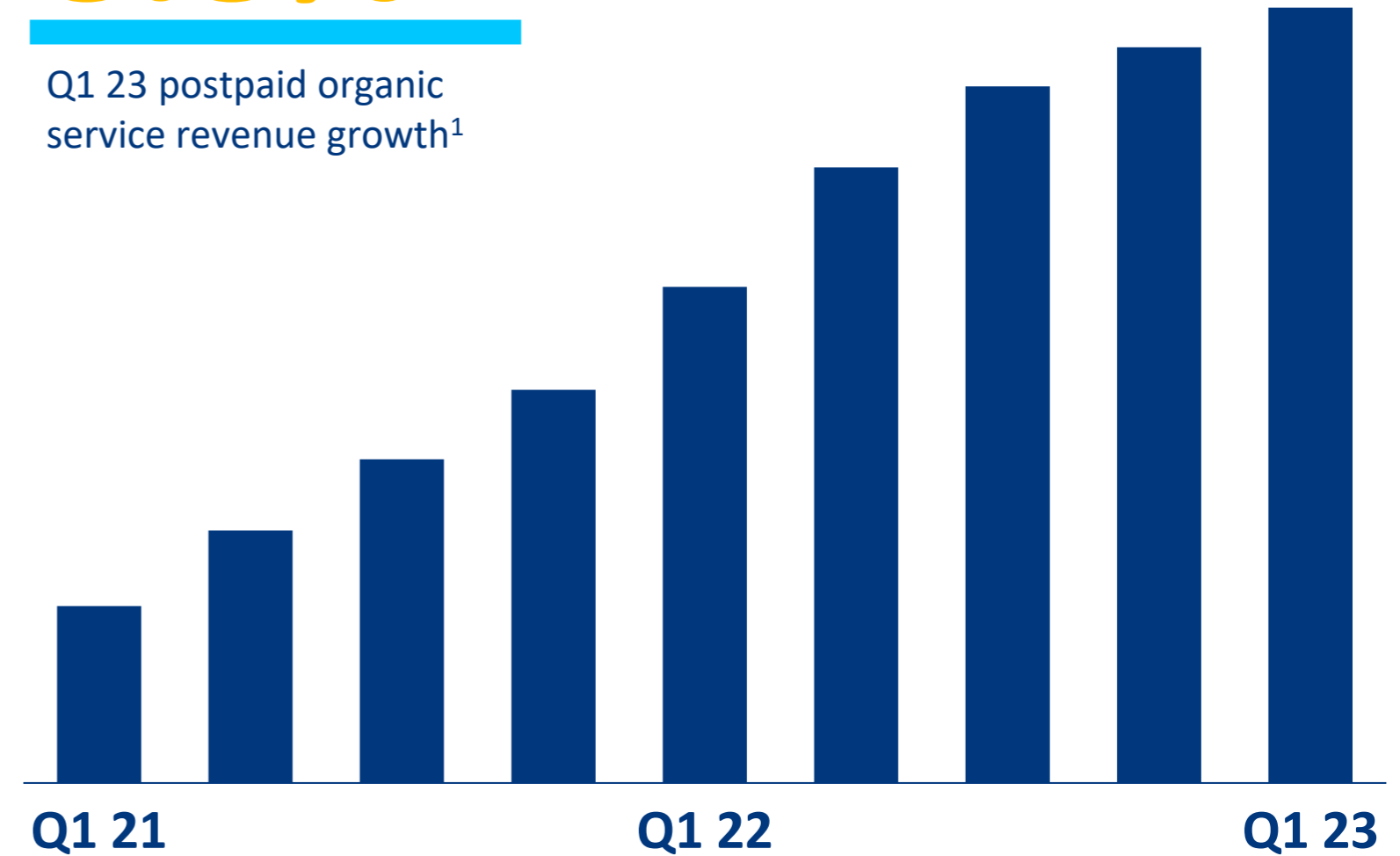
Q1 23 postpaid net adds



Postpaid Last Twelve-Month USD quarterly service revenue<sup>1</sup>

**8.8%**

Q1 23 postpaid organic service revenue growth<sup>1</sup>



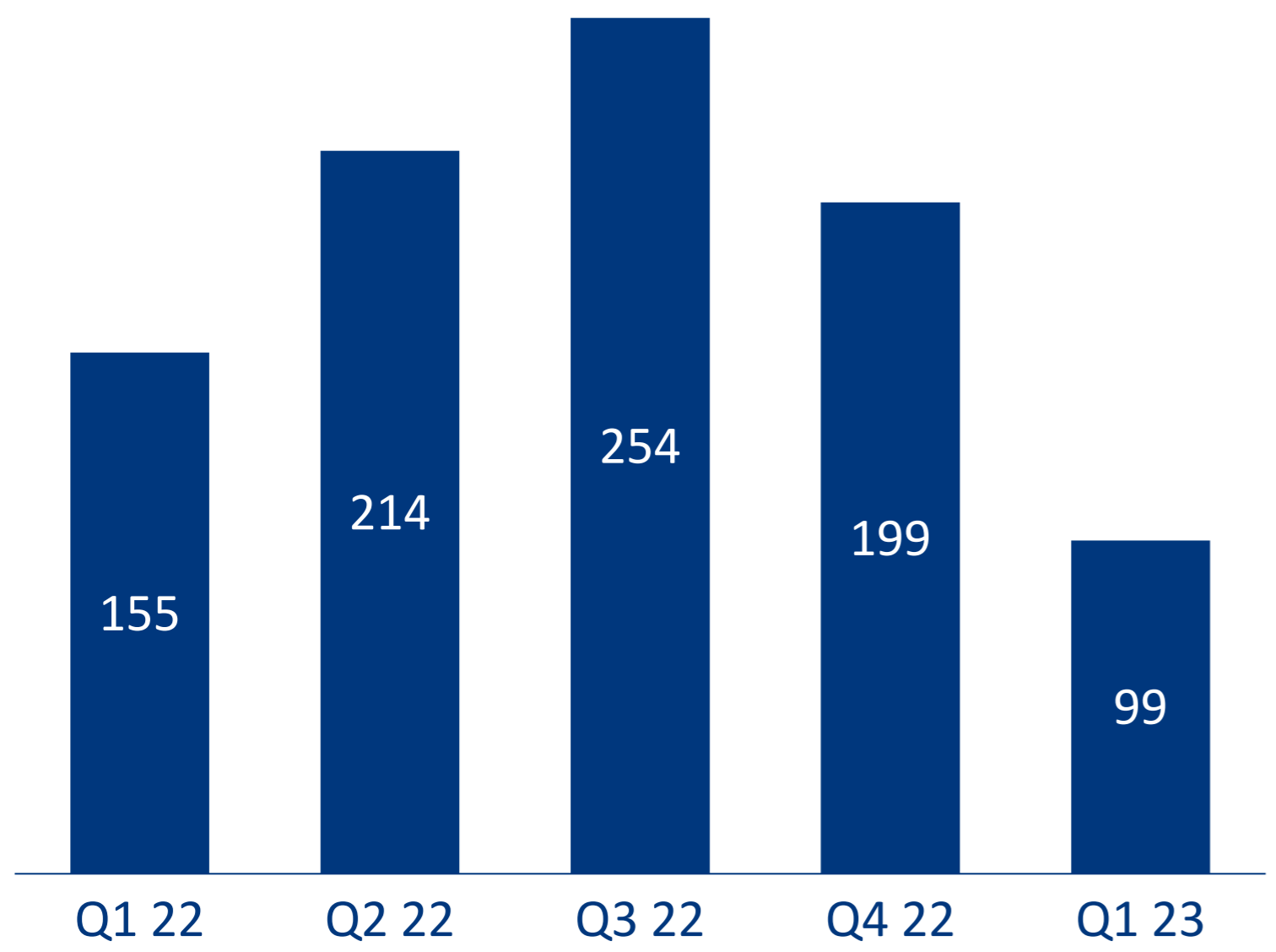
Postpaid as % of total mobile customers

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## Moderating Home build

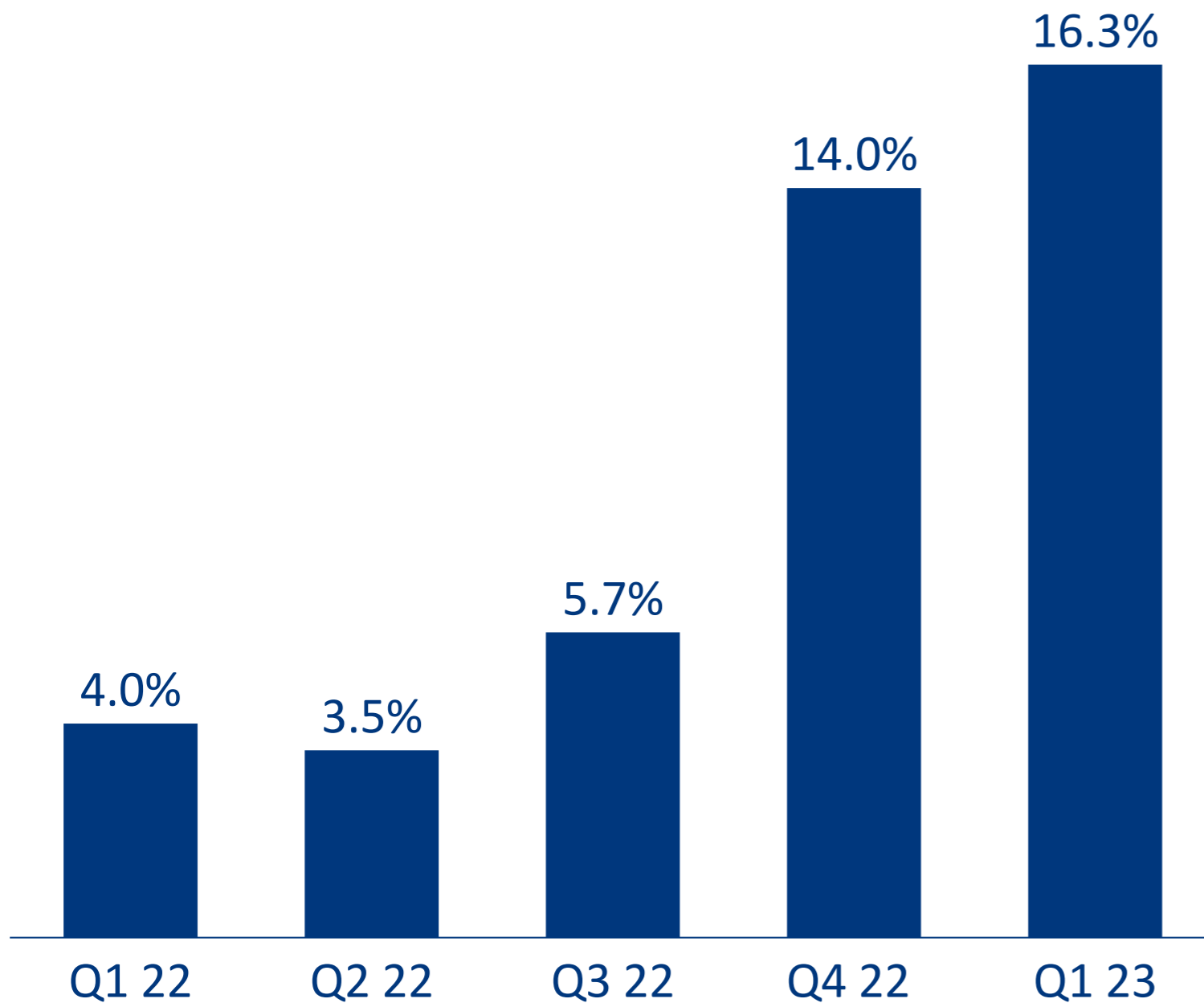
HFC / FTTH Homes Passed Net Additions ('000)



- Continued price discipline
- Maintaining installation fees
- Softer consumer demand
- Rationalizing Colombia and Bolivia investment

## Accelerating Service Revenue Growth

Tigo Money Service Revenue year-on-year growth<sup>1</sup>



2x

Digital User Growth Q1 23

25x

Merchant Growth Q1 23

- Lending pilot ongoing
- Guatemala banking interoperability signed
- Panama soft launch in Q2 2023

# tigo | Lati preparing for potential transaction launch

## Timeline

2022

Q1 23

Next Steps

Corporate and governance structure  
 Legal and regulatory due diligence  
 Tax planning

MLA key terms defined  
 Brand defined  
 Establishing local operational teams

Legal entities incorporated  
 Transition service agreement defined

MLA execution  
 Transition service agreement execution  
 IT systems finalization  
 Commencing tower transfers



## Possible financial structures

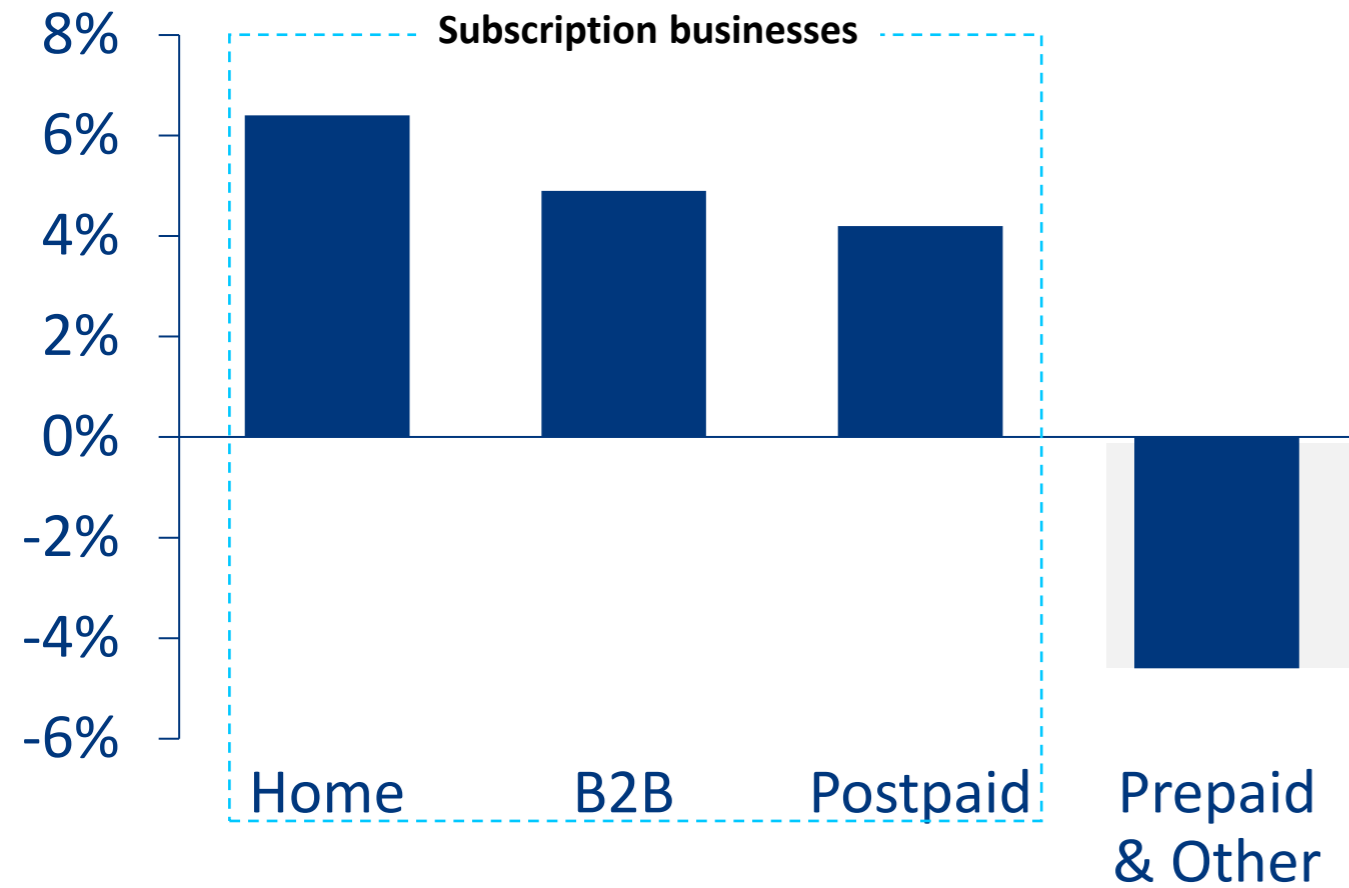
More preferred  
 Less preferred

	Sell Majority Stake	Sell Minority Stake
Financial Partner	More preferred	Less preferred
Strategic Partner	Less preferred	More preferred



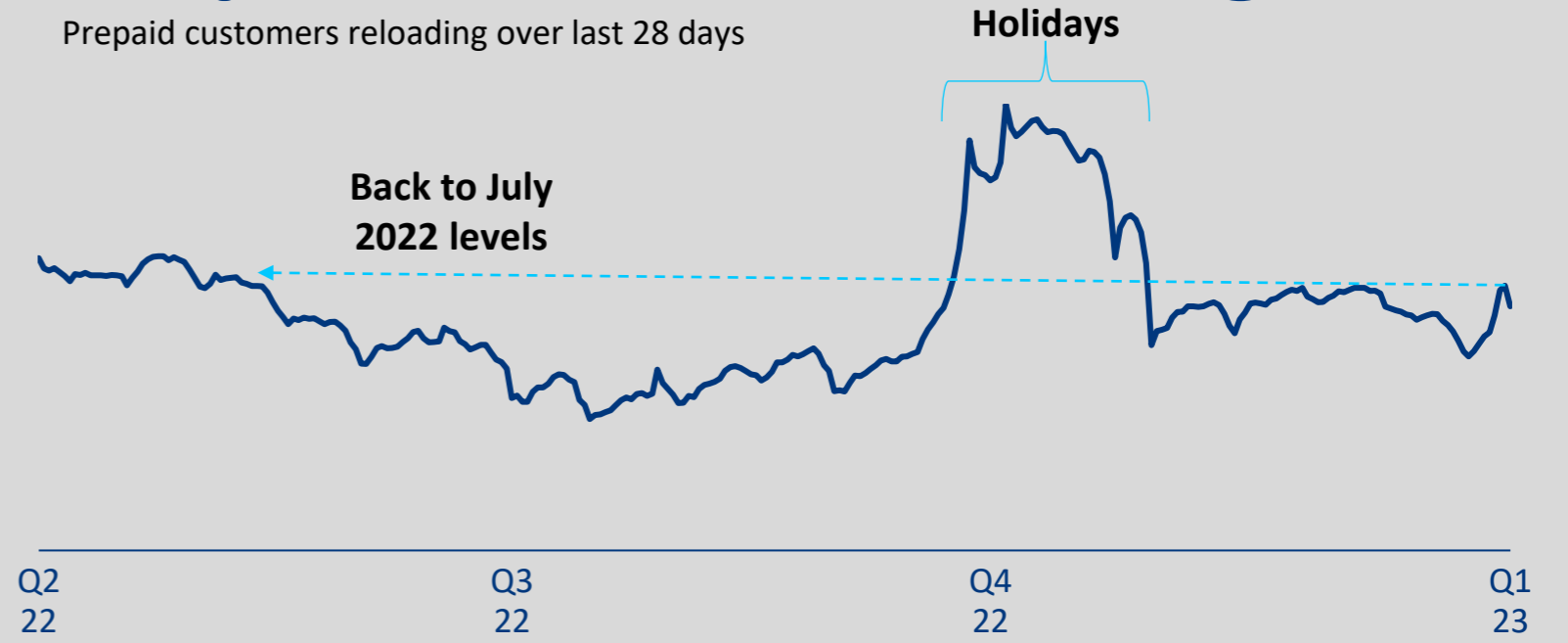
# Subscription business growth

Q1 2023 service revenue organic growth<sup>1</sup> %



## Prepaid reloads returning

Prepaid customers reloading over last 28 days

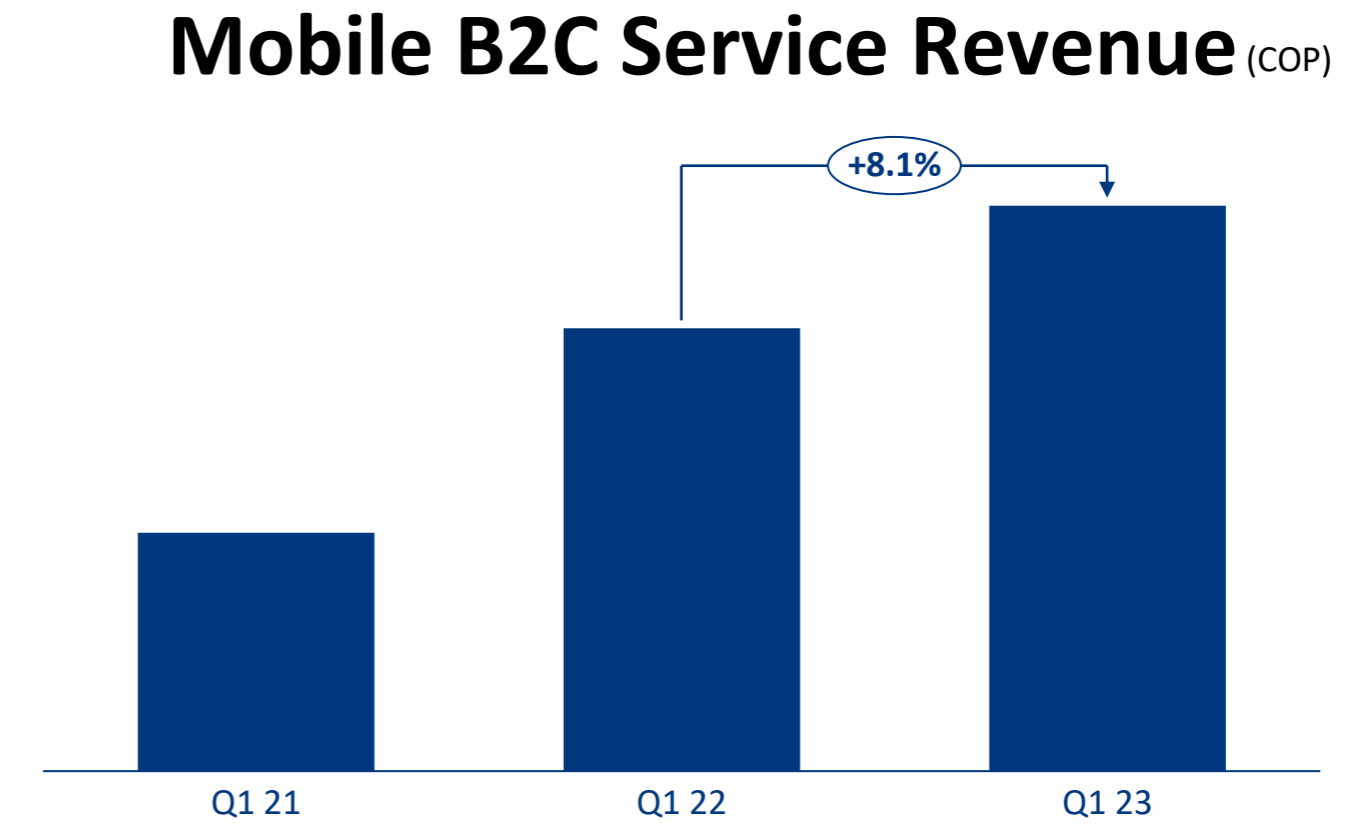
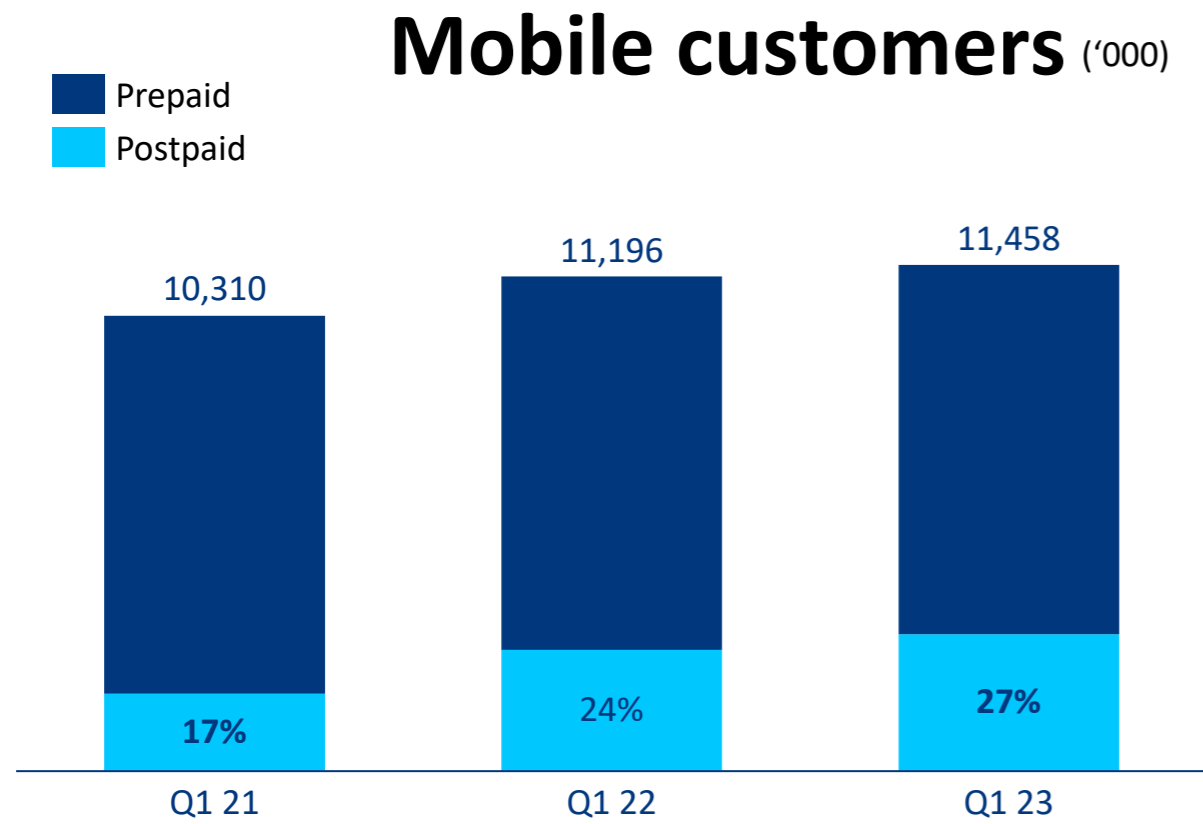


- Sustained leadership
- Strengthened distribution

- 700MHz spectrum paired
- S&P rating upgraded

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# Conversion to Postpaid driving mobile service revenue...



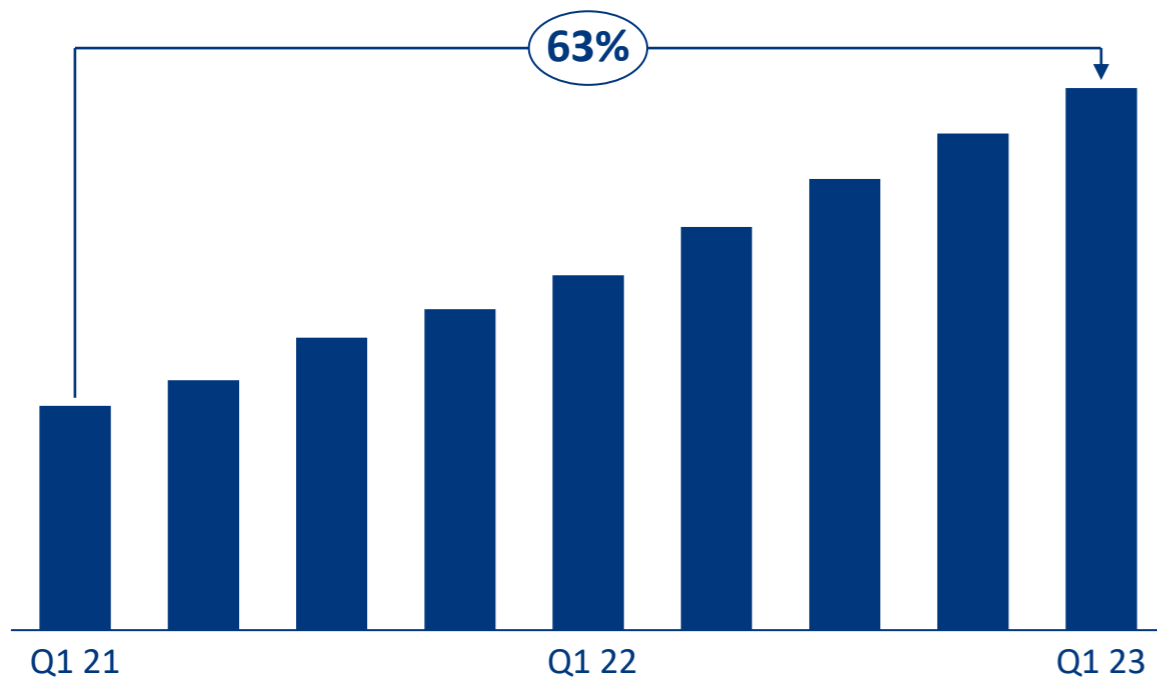
- Postpaid migration
- Mobile ARPU growth for 5<sup>th</sup> consecutive quarter

- Strong B2B growth
- 1900 MHz spectrum renewal nearing completion

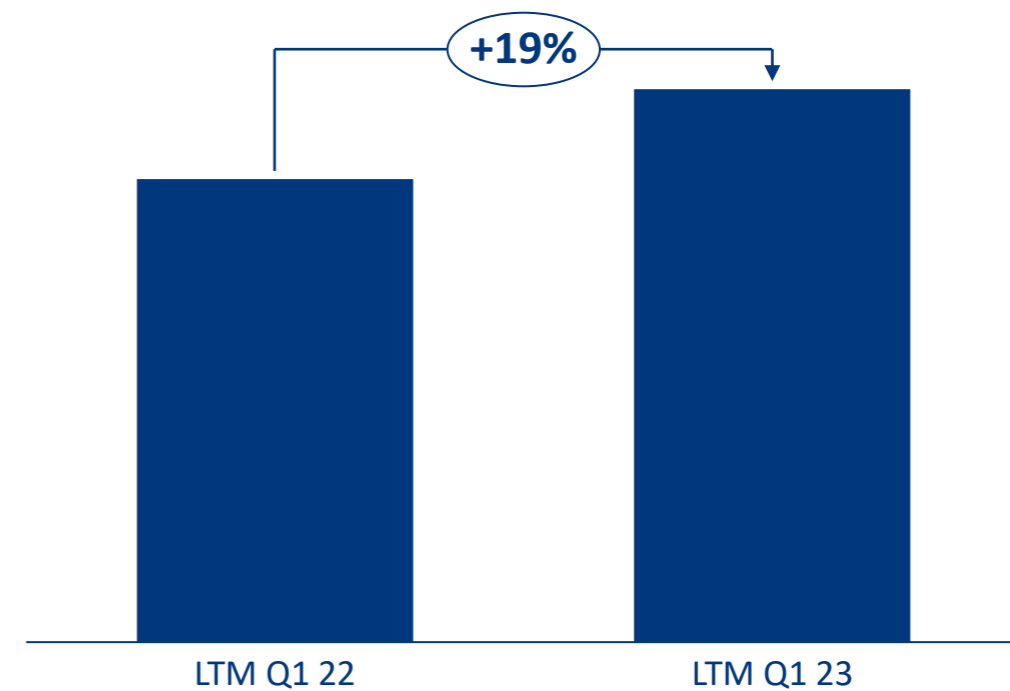
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# Steady postpaid growth and growing OCF

**Postpaid Customers** ('000)



**OCF<sup>1</sup>** (m)



- Postpaid consolidation
- Home leadership
- Strong cash flow generation

History

**2018**  
Cable acquisition

**2019**  
Mobile acquisition

**2020**  
Tigo brand launch  
Network modernization  
Tigo Business launch

**2022**  
Tigo Sports launch

**2023**  
Tigo Money launch

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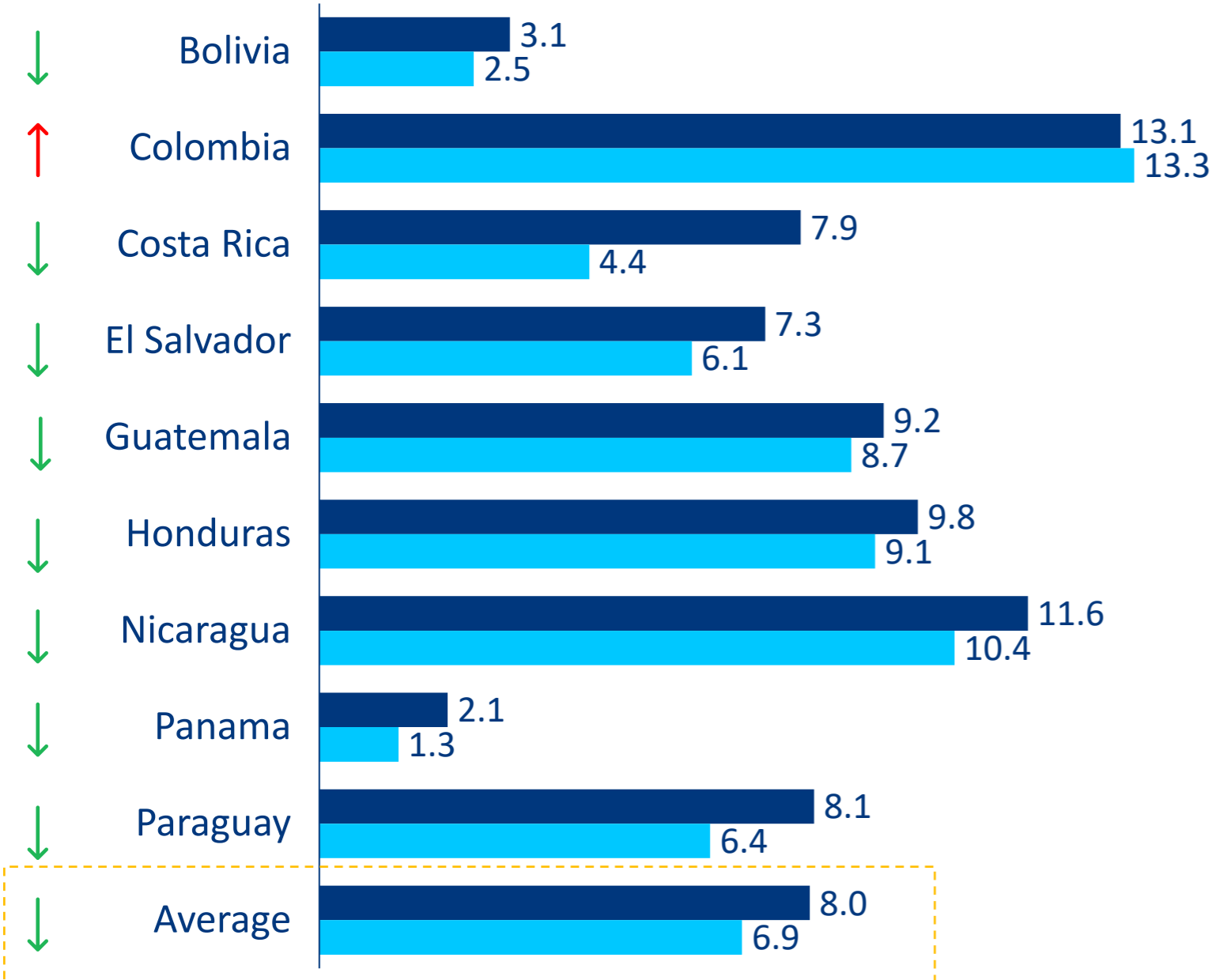
# Q1 2023 Financial Review

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## Inflation gradually receding

YoY CPI inflation %

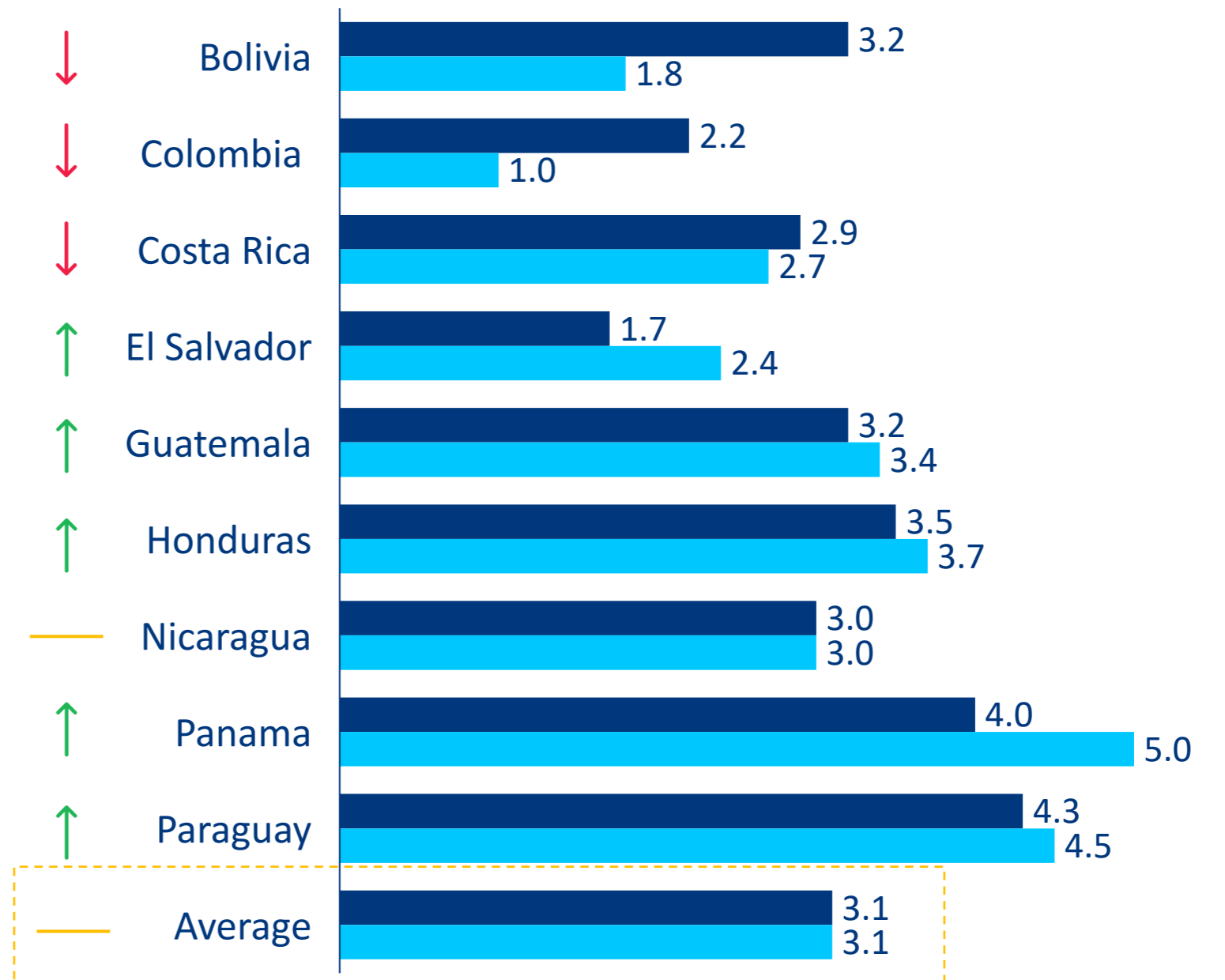
December 2022 Inflation  
March 2023 Inflation



## GDP growth expectations stable

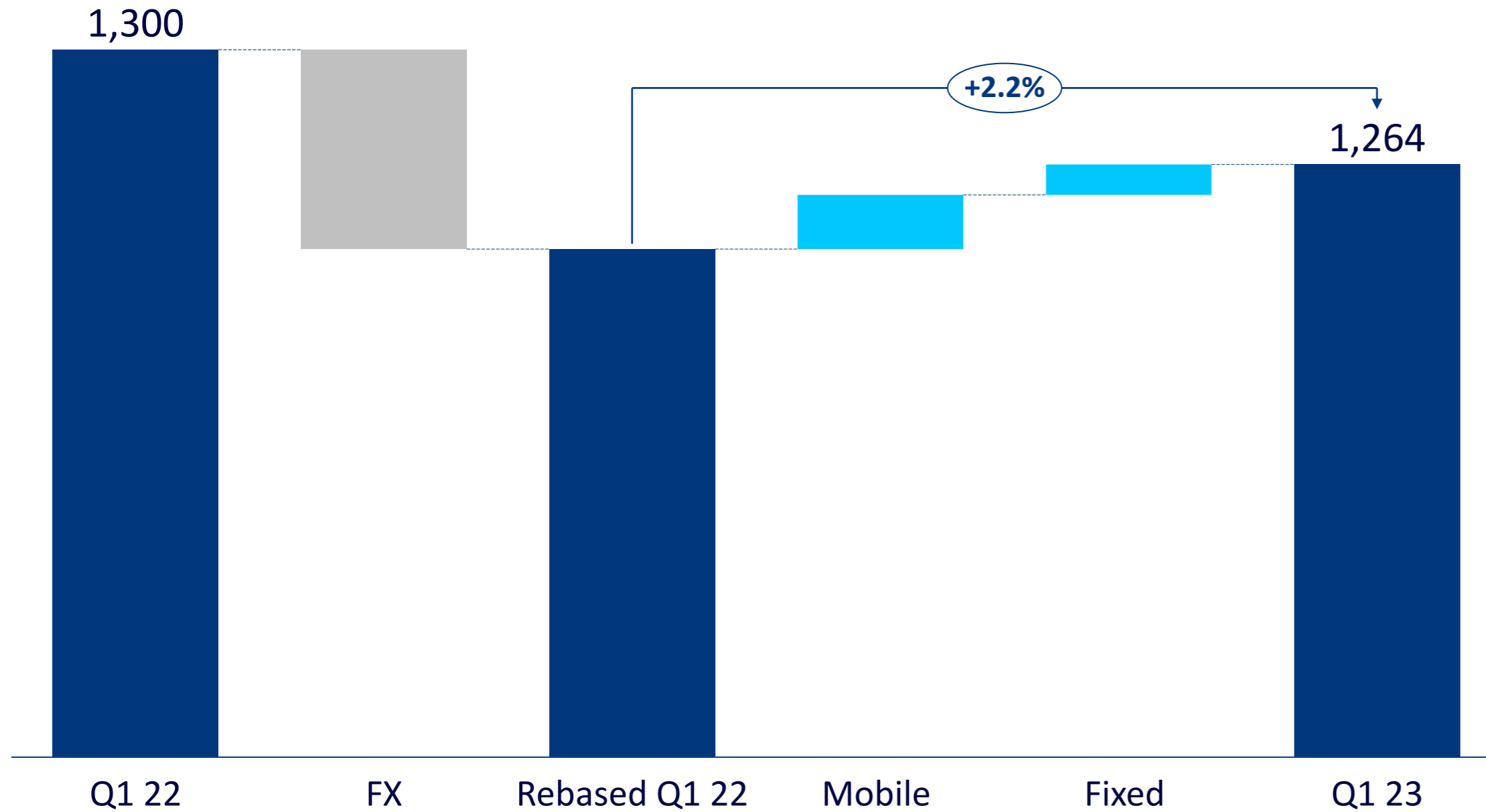
IMF 2023 GDP growth expectations

Oct 2022 Estimate  
Apr 2023 Estimate



## YoY Organic Service Revenue<sup>1</sup> Growth

Q1 22 – Q1 23, \$m



**2.2%**

**Organic Service Revenue<sup>1</sup> Growth**

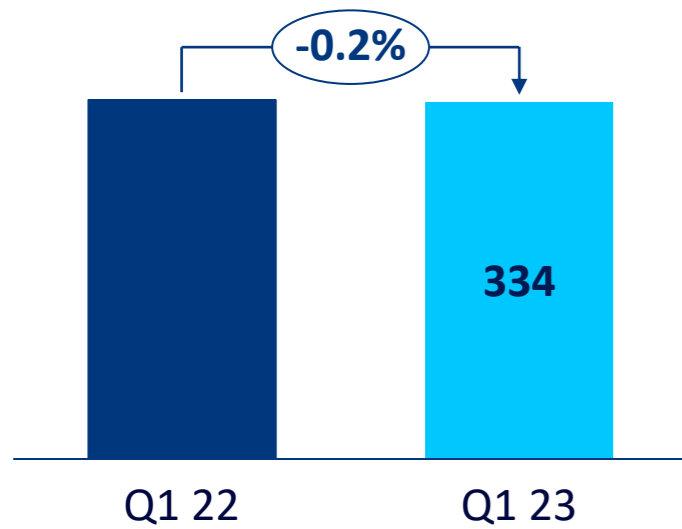
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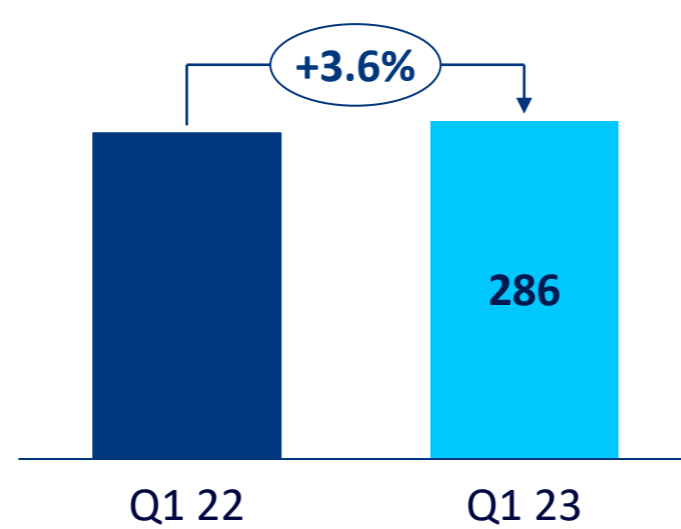
# tigo | Q1 2023 Service Revenue by Country<sup>1</sup>

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

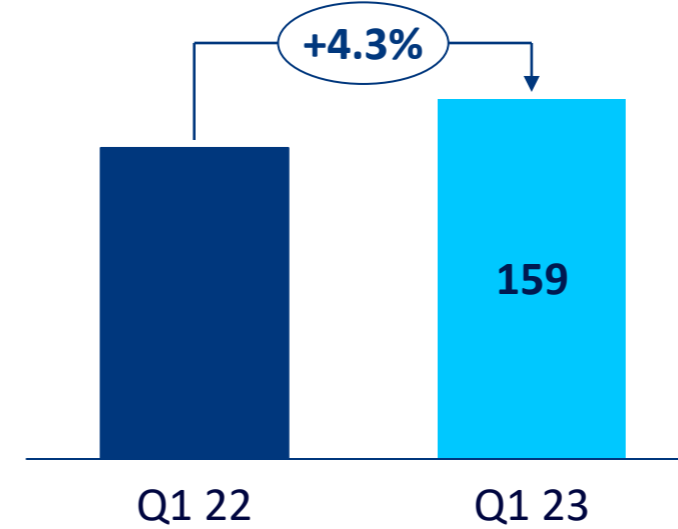
## Guatemala (26% of Group)



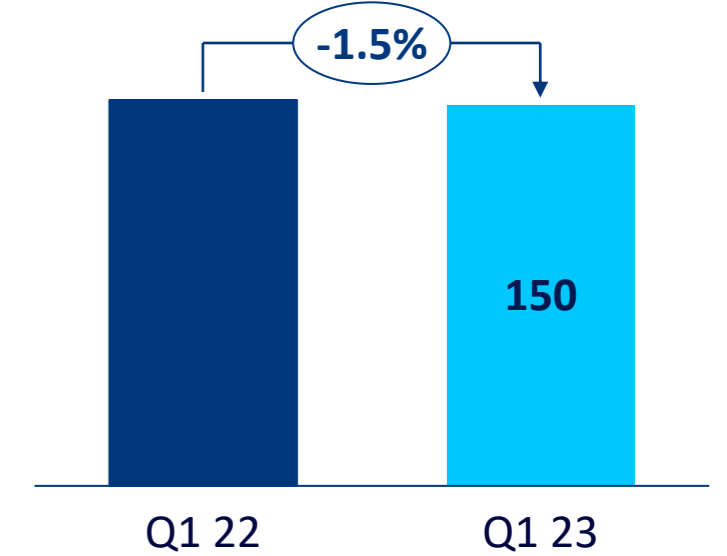
## Colombia (23% of Group)



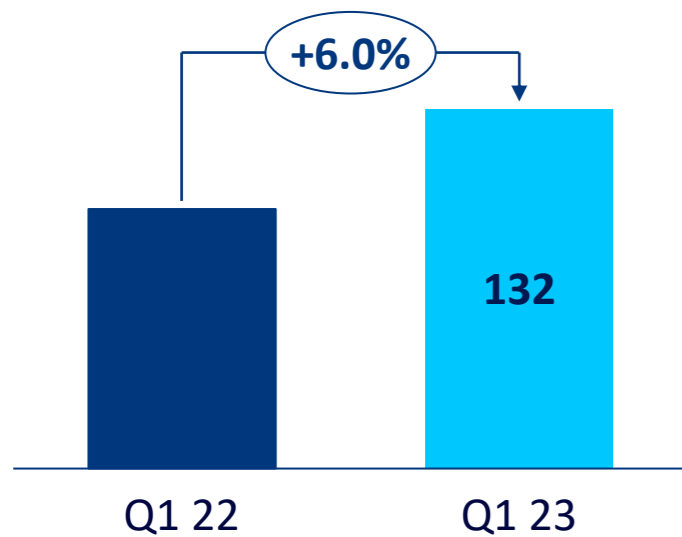
## Panama (13% of Group)



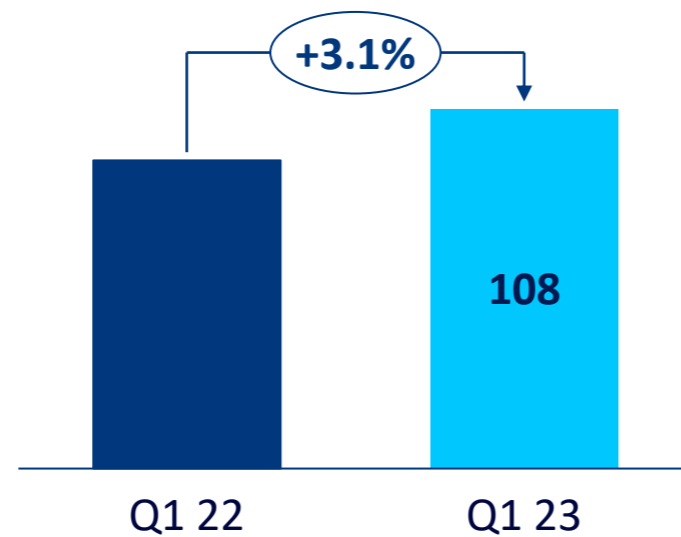
## Bolivia (12% of Group)



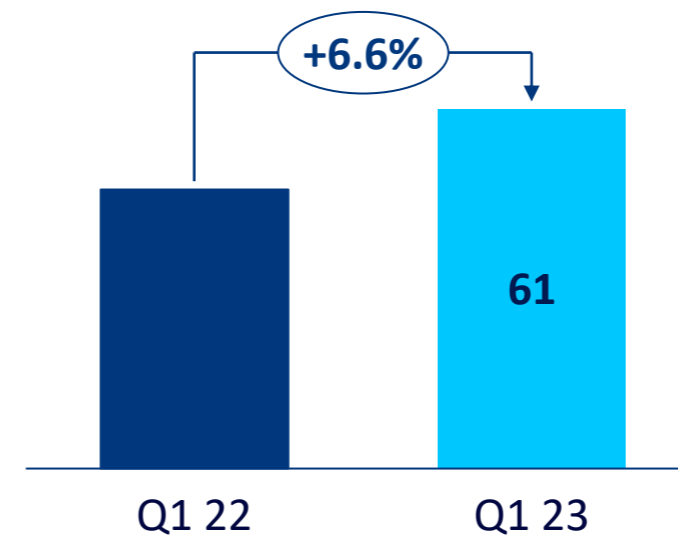
## Paraguay (10% of Group)



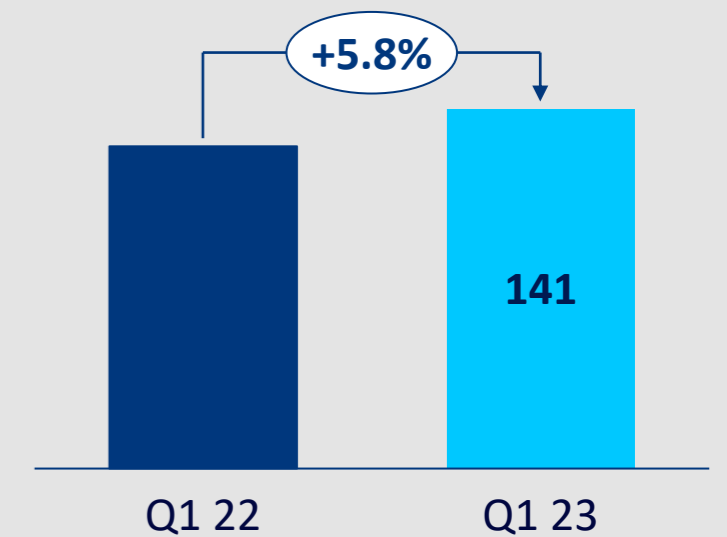
## El Salvador (9% of Group)



## Nicaragua (5% of Group)



## Honduras (not consolidated)



Local currency growth<sup>2</sup>

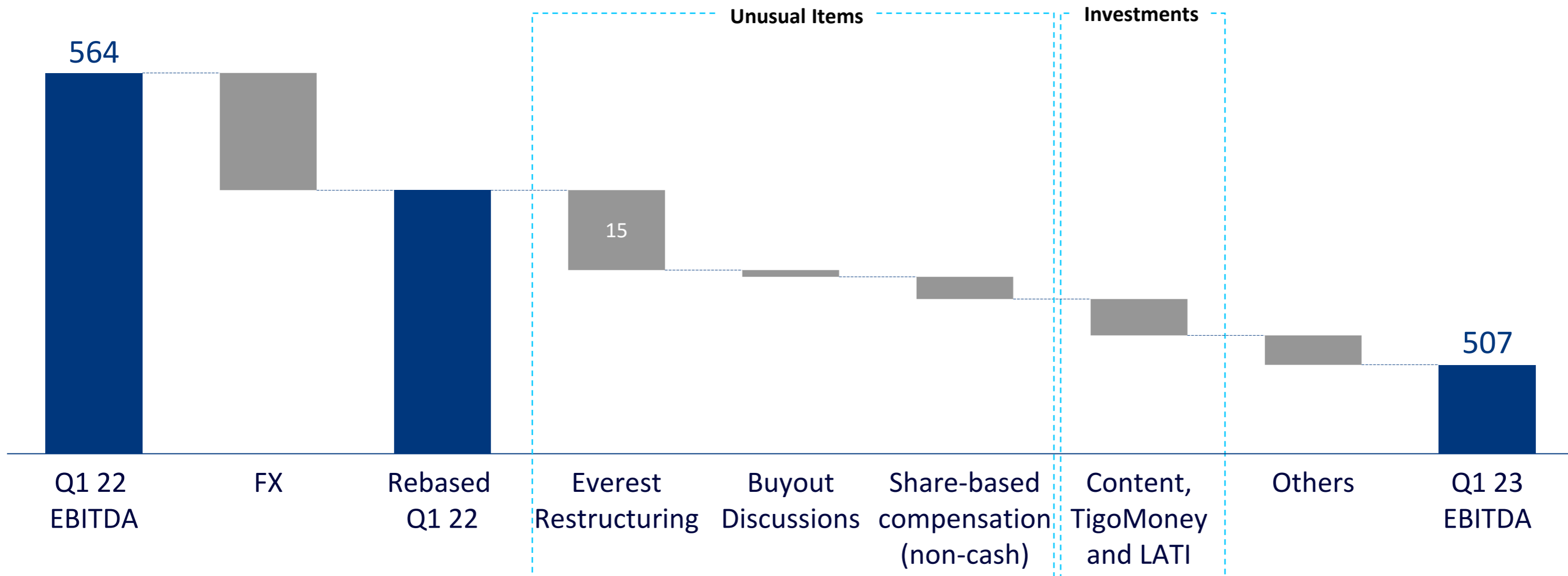
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## YoY Organic EBITDA<sup>1</sup> Growth

Q1 22 – Q1 23, \$m

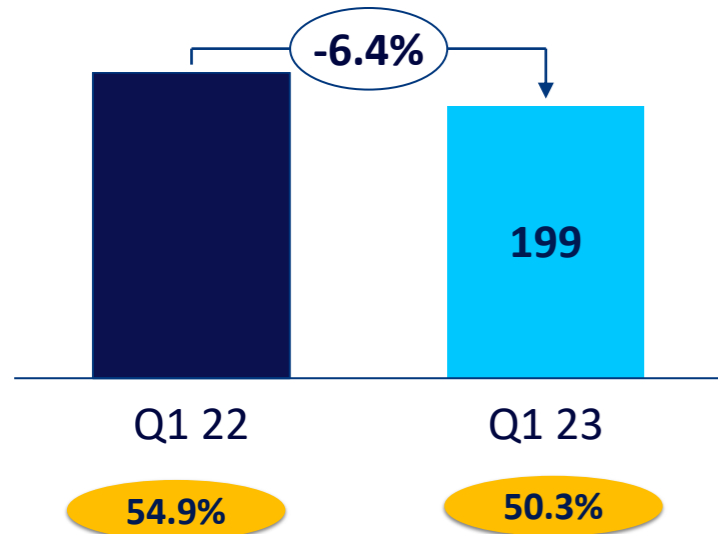


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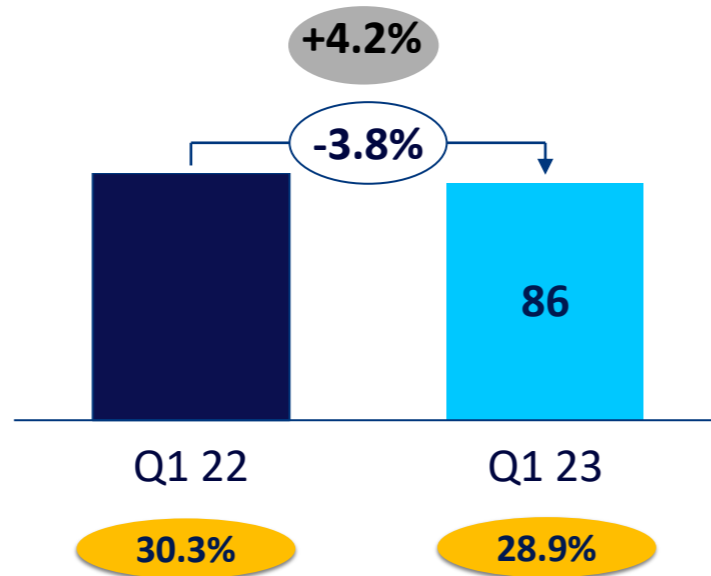
# tigo | Q1 2023 EBITDA by Country<sup>1</sup>

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

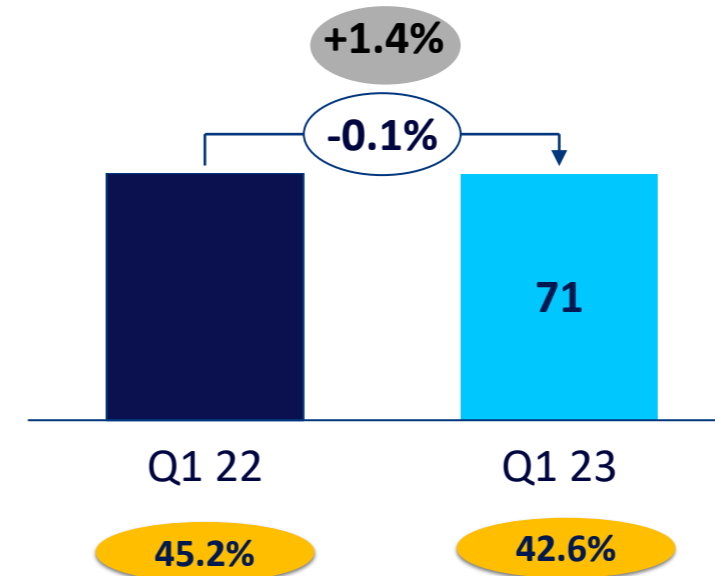
## Guatemala (36% of Group)



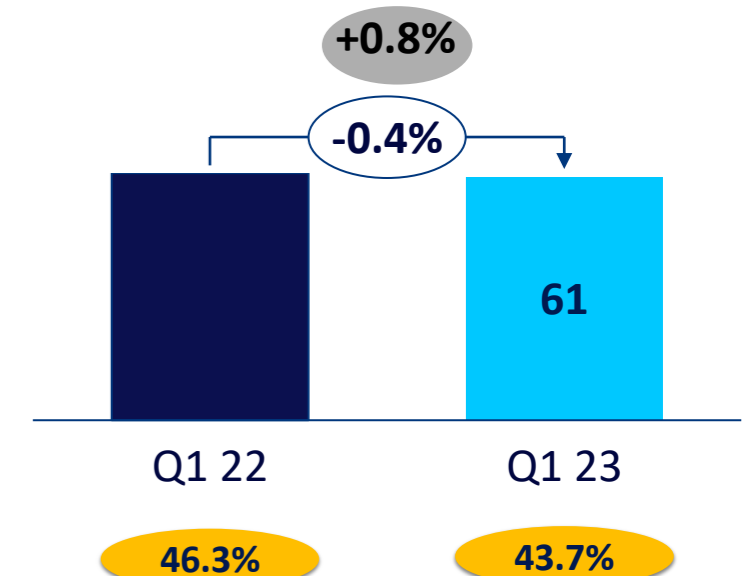
## Colombia (15% of Group)



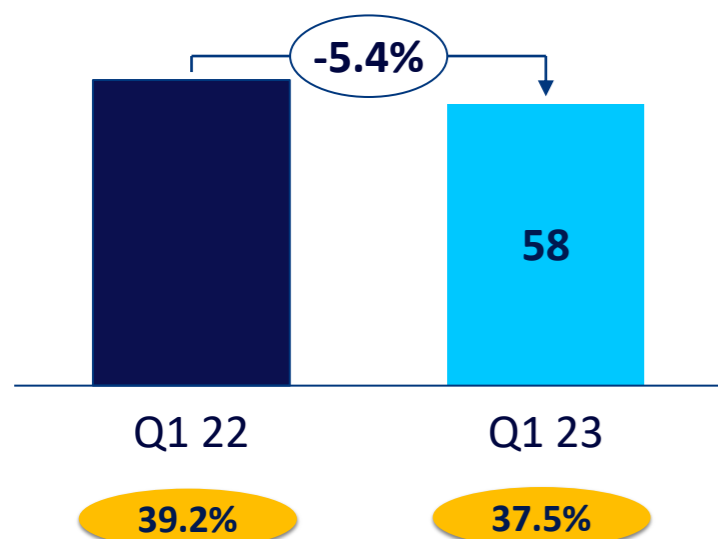
## Panama (13% of Group)



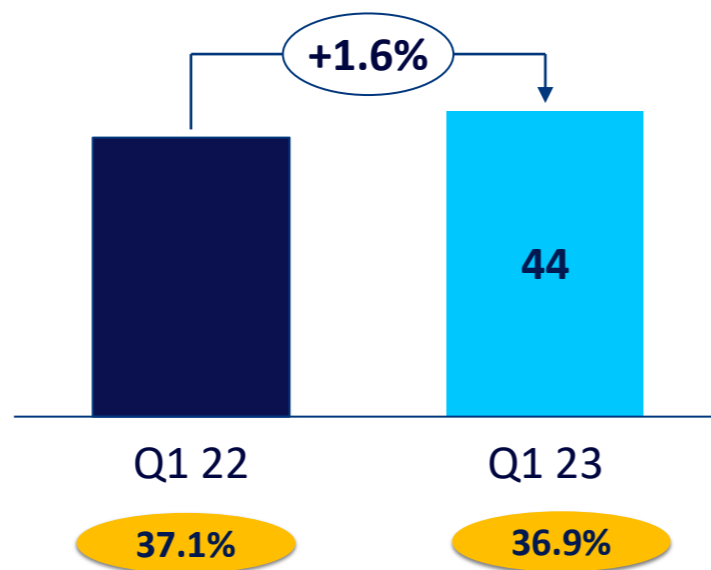
## Paraguay (11% of Group)



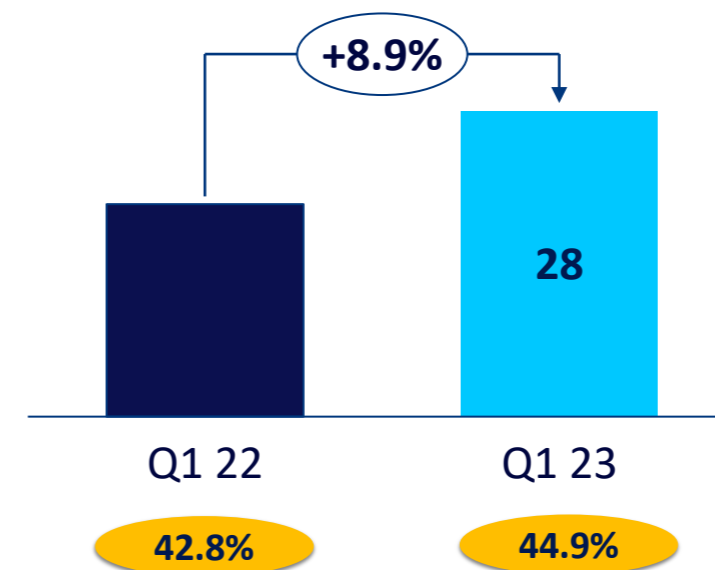
## Bolivia (10% of Group)



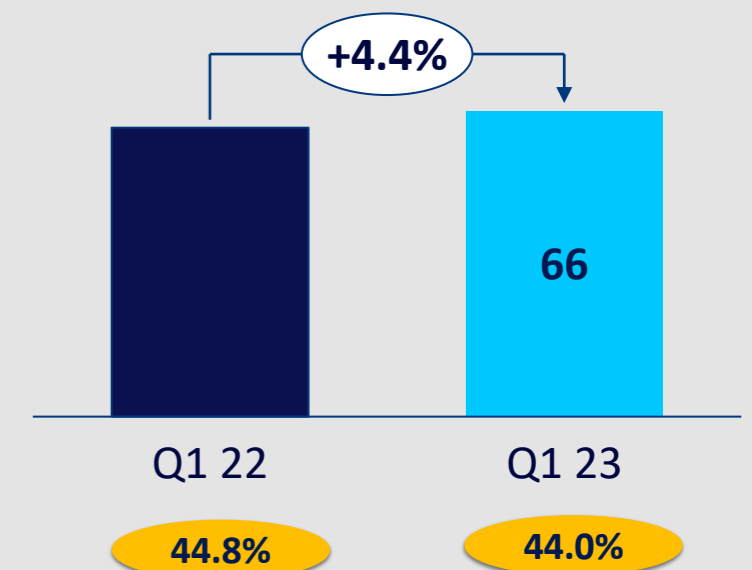
## El Salvador (8% of Group)



## Nicaragua (5% of Group)



## Honduras (not consolidated)



● EBITDA<sup>2</sup> margin 
 ○ Local currency growth<sup>2</sup>
● Growth excluding one-offs

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## Q1 Accomplishments

- Majority of implementation costs already incurred - \$15 million in Q1 2023- smaller amount expected in Q2
- On track for >\$100m run rate annual savings by 2024 year-end
- Net positive benefit expected in 2023



**Organizational restructuring**



**IT and services optimization**



**Fixed Mobile Convergence**



**Truck roll optimization**

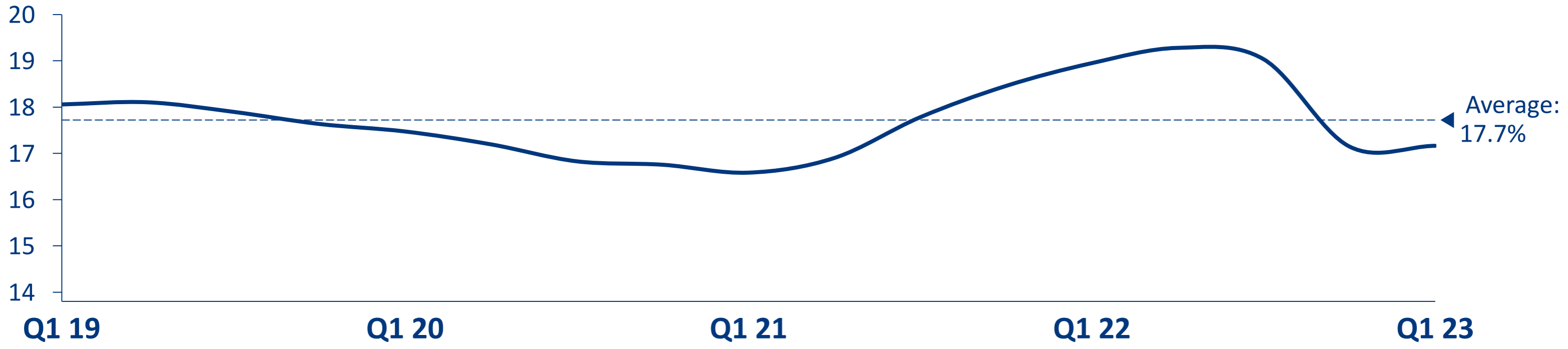


**Power savings initiatives**

# Capex investment significant over last years

## Continued investment in business

LTM Capex / Revenue (%). All dates exclude Africa and are proforma for Guatemala before Q4 2021



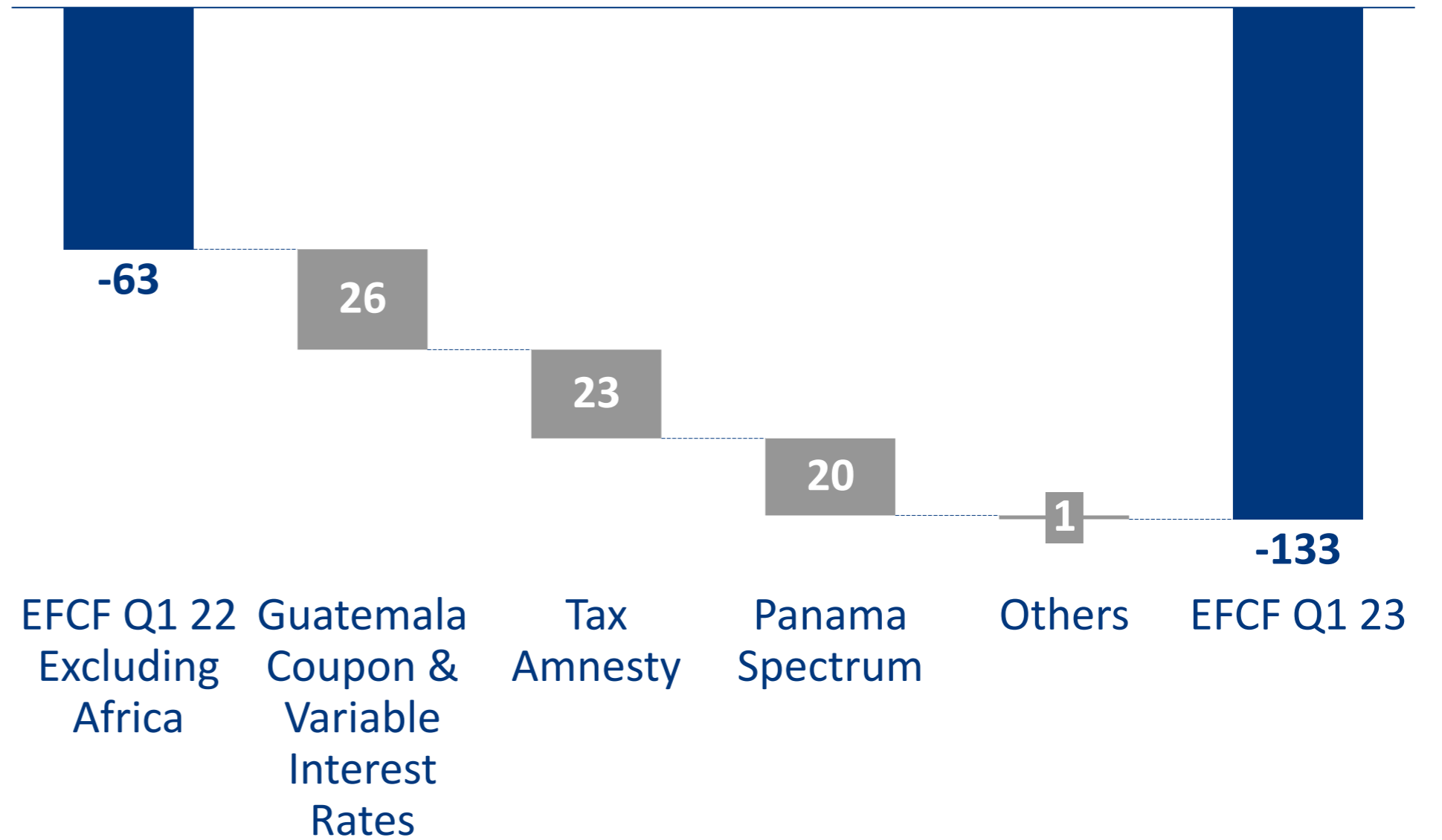
	2019 Highlights	2020 Highlights	2021 Highlights	2022 Highlights	2023 Highlights
<b>Mobile</b>	4G rollout +1,700 points of presence	Colombia 700Mhz rollout El Salvador AWS rollout Panama network upgrade Nicaragua network upgrade +2,400 Points of Presence	Colombia 700Mhz rollout Bolivia network upgrade Paraguay network upgrade +2,200 Points of Presence	Guatemala network upgrade 5G launch in Guatemala +2,200 Points of Presence	Rationalizing buildouts Lower connection capex Pricing reductions with 3-year planning cycle
<b>Home</b>	+901 HFC Homes Passed +339 HFC Homes Connected	+428k HFC Homes Passed +276k HFC Homes Connected	+526k HFC Homes Passed +400k HFC Homes Connected	+822k HFC Homes Passed +151k HFC Homes Connected FTTH rollout in 6 markets	



# tigo | Equity Free Cash Flow<sup>1</sup>



\$m

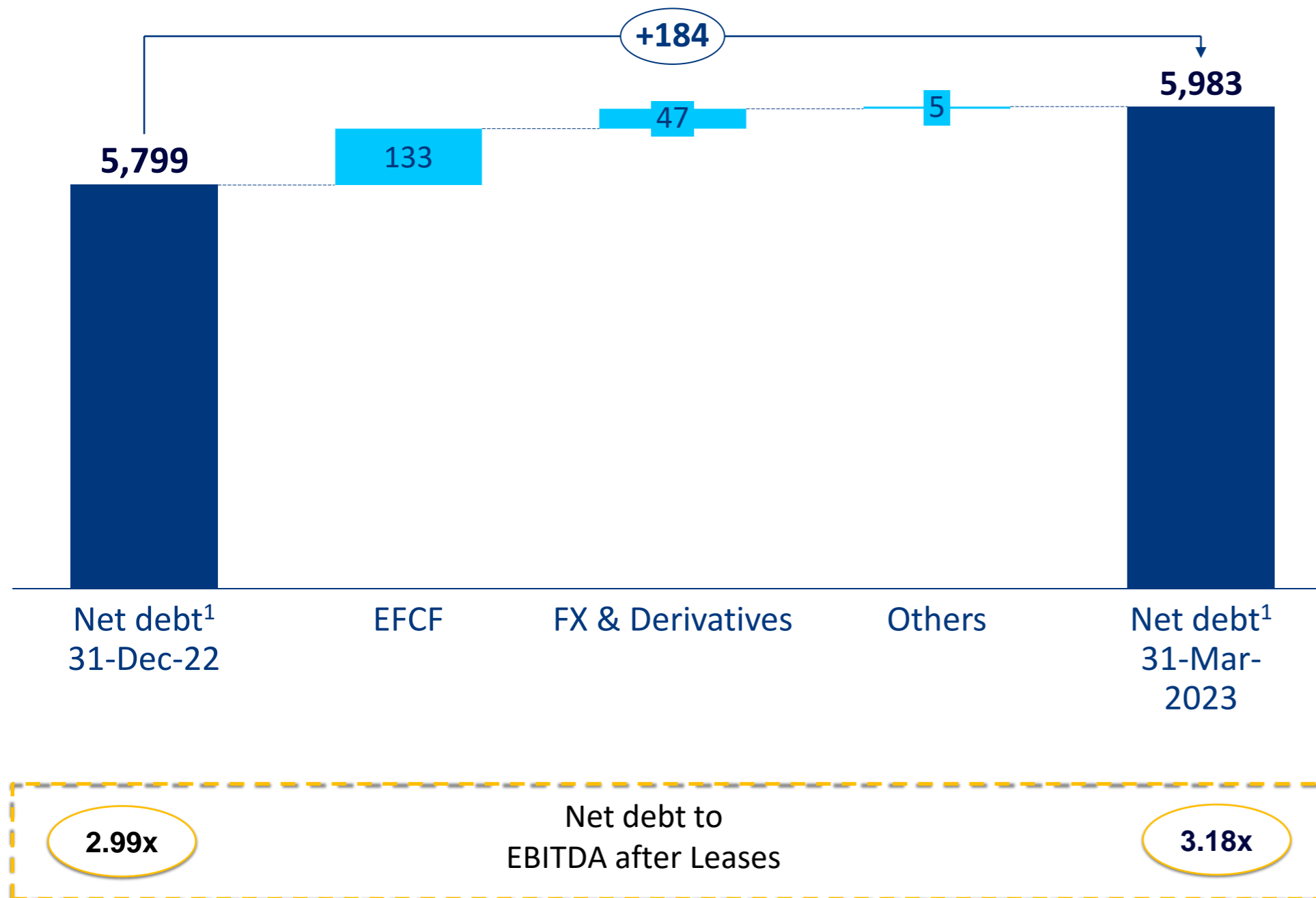


1) Group financial information does not include Honduras, which is not consolidated. Non-IFRS measure. Please refer to the non-IFRS disclosures in this presentation for a description of non-IFRS measures. A reconciliation of non-IFRS measures to the nearest equivalent IFRS measures is available at [www.millicom.com/investors/reporting-center](http://www.millicom.com/investors/reporting-center)

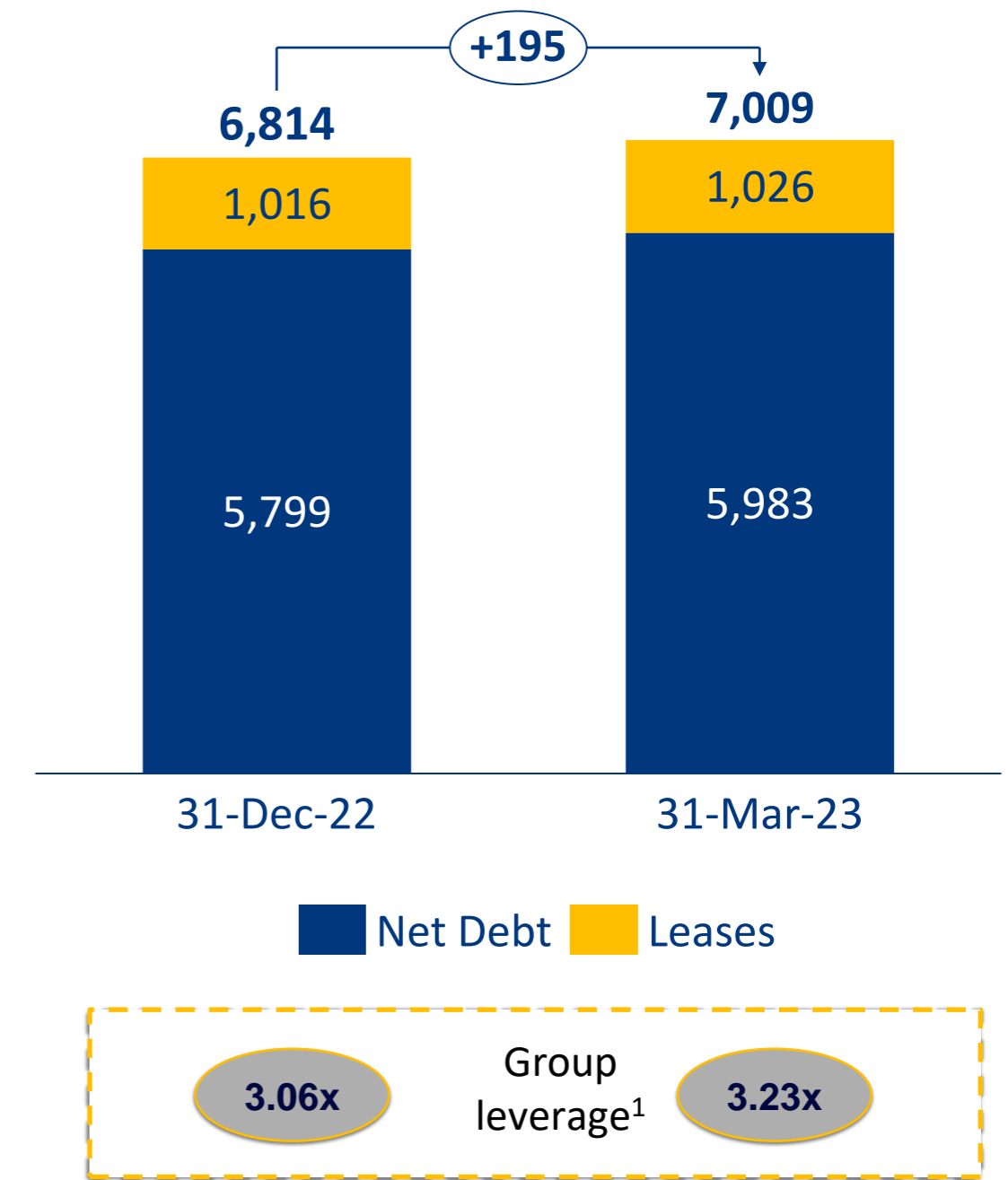
# tigo | Q1 2023 Leverage

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

## Net Debt



## Net Financial Obligations



1) Beginning in Q1 2023, we have amended our definition of Net Debt to include the carrying value of derivative financial instruments. We have also changed our definition of EBITDA after leases ("EBITDAaL") to reflect the depreciation on rights-of-use assets and interest expense on lease liabilities from the Income Statement, rather than the cash payments from the Cash Flow Statement. EBITDA Group financial information does not include Honduras, which is not consolidated. 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 [www.millicom.com/investors/reporting-center](http://www.millicom.com/investors/reporting-center)

tigo

Wrap Up

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# tigo | Advancing on value creation strategy

Our purpose

**tigo** We build digital highways that connect people, improve lives and develop our communities

Value Creation Strategy

Drive Organic Growth to 10%<sup>1</sup>

Unlock Hidden Shareholder Value

Allocate Capital for Return

ESG

Initiatives

 Efficiency Program

 Price Increases


 Maintaining Installation Fees

**Lati**

**tigo money**

 Continued Investment

 Multi-year Mobile Capex Planning

 Focused on Reducing Leverage to 2.5x

**MSCI**  
ESG RATINGS **AA**

CCC B BB BBB A AA AAA

 SCIENCE BASED TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

 WORLD'S BEST WORKPLACES  
Great Place To Work.  
2022

<sup>1</sup> On average over 2022-2024

tigo

Q&A

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# Group Financial Highlights – Q1 2023



Group Consolidated Financial Statements

## Selected P&L data

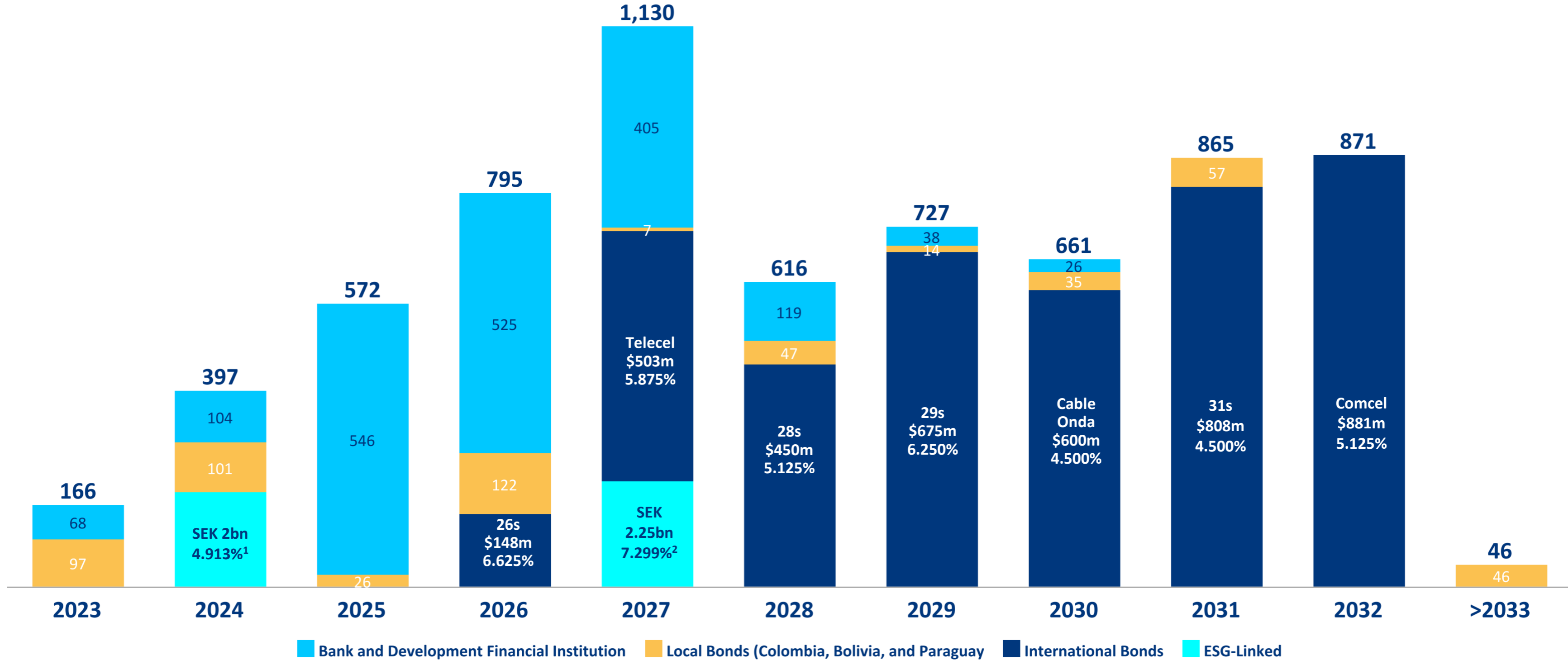
\$ million	Q1 2023	Q1 2022	% Var
<b>Revenue</b>	1,369 <b>A</b>	1,408	(2.8)%
Cost of sales	(372)	(370)	(0.4)%
Operating expenses	(490) <b>B</b>	(474)	(3.4)%
Depreciation & amortization	(331)	(337)	2.0%
Share of net profit in Honduras JV	11	8	32.6%
Other operating	2	—	NM
<b>Operating profit</b>	<b>190</b>	<b>234</b>	<b>(19.0)%</b>
Net financial expense	(166) <b>C</b>	(141)	(17.8)%
Others non-operating	19	4	NM
Associates	(4)	1	NM
<b>Profit before tax</b>	<b>39</b>	<b>99</b>	<b>(60.2)%</b>
Taxes	(59)	(69)	14.4%
Minority interests	23	(1)	NM
Discontinued operations	—	(5)	NM
<b>Net income</b>	<b>3</b>	<b>23</b>	<b>(86.6)%</b>
EPS (\$ per share)	—	—	(90.0)%

## Key Observations

- A** Depreciation of currencies
- B** Organizational restructuring costs, costs associated with buyout discussions and Tigo Money and LATI carve outs, and non-cash impact of share-based compensation.
- C** Inflation-linked interest

# Debt Maturity Schedule

**Q1 23**  
 Average maturity 5.3 Years  
 Average cost of debt 6.5%

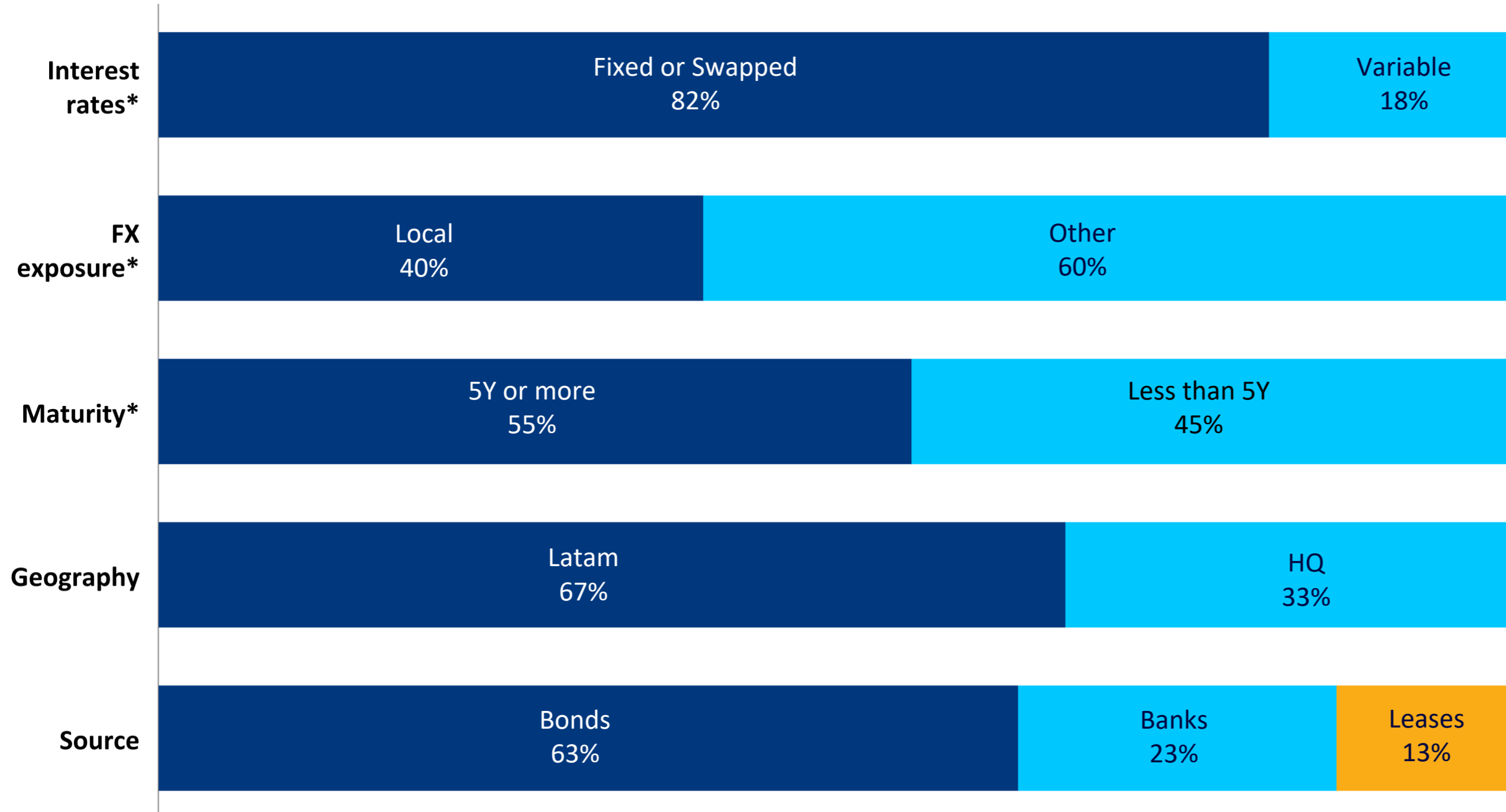


1) Fully swapped rate  
 2) Fully swapped currency

# Capital Structure

## Financial obligation profile

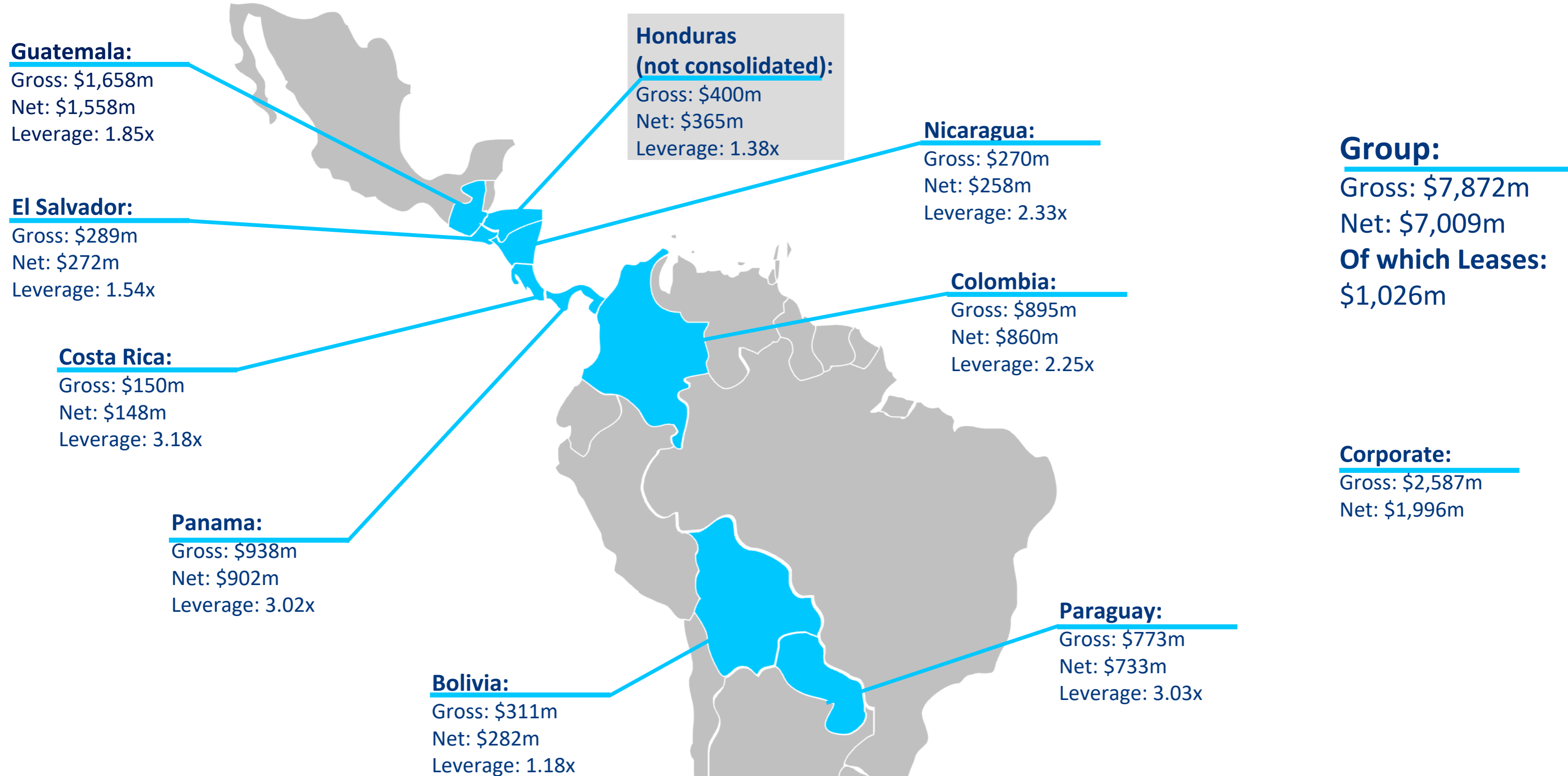
As of March 31, 2023



\*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) As of March 31, 2023. Financial obligations includes leases. Millicom has provided guarantees covering 92% of the gross financial obligations in Costa Rica , 60% of financial obligations in El Salvador and 55% of financial obligations in Nicaragua.



MILLICOM  
THE DIGITAL LIFESTYLE

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