

Non IFRS Measures

This press release 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 16, 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.

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.

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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.

Please refer to our Annual Report for a complete list of non-IFRS measures and their descriptions.

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Non-IFRS Reconciliations

Reconciliation from Reported Growth to Organic Growth for the Latam segmentⁱ

Latam Segment (\$ millions)	Revenue		Service Revenue		EBITDA		OCF	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
A- Current period	1,504	1,426	1,395	1,331	600	587	427	419
B- Prior year period	1,426	1,353	1,331	1,259	587	518	419	366
C- Reported growth (A/B)	5.5%	5.4%	4.8%	5.8%	2.3%	13.4%	1.9%	14.4%
D- Accounting change impact	—	—	—	—	—	8.1%	—	11.5%
E- Change in Perimeter impact	8.0%	7.1%	8.1%	7.6%	7.8%	7.5%	10.3%	5.2%
F- FX impact	(3.5)%	(5.6)%	(3.5)%	(5.6)%	(3.1)%	(5.7)%	(4.4)%	(8.0)%
G- Other	—	0.1%	—	0.1%	0.1%	(1.1)%	(0.1)%	(1.6)%
H- Organic Growth (C-D-E-F-G)	0.9%	3.8%	0.2%	3.7%	(2.5)%	4.5%	(3.9)%	7.3%

Reconciliation from Reported Growth to Organic Growth for the main Latam markets

Service Revenue (\$ millions)	Q1 2020	Q1 2019	Organic	FX	Perimeter	Other	Reported
Guatemala	319	303	4.8%	0.6%	—%	—%	5.4%
Colombia	332	368	1.2%	(10.9)%	—%	(0.1)%	(9.8)%
Paraguay	134	146	(1.5)%	(6.8)%	—%	0.1%	(8.3)%
Honduras	133	138	(2.3)%	(1.3)%	—%	0.1%	(3.5)%
Bolivia	155	154	0.4%	—%	—%	—%	0.4%
Panama	148	100	(5.2)%	—%	56.5%	(2.9)%	48.4%
El Salvador	88	88	(0.9)%	—%	—%	—%	(0.9)%
Nicaragua, Costa Rica & Eliminations	87	35	NM	NM	NM	NM	NM
Latam*	1,395	1,331	0.2%	(3.5)%	8.1%	—%	4.8%

* Perimeter impact on Latam segment reflects acquisition of mobile businesses in Panama and Nicaragua during 2019.

EBITDA (\$ millions)	Q1 2020	Q1 2019	Organic	FX	Accounting	Perimeter	Other	Reported
Guatemala	194	190	1.6%	0.6%	—%	—%	—%	2.2%
Colombia	119	136	(2.3)%	(10.7)%	—%	—%	0.2%	(12.8)%
Paraguay	64	76	(10.0)%	(6.8)%	—%	—%	0.6%	(16.1)%
Honduras	64	66	(3.0)%	(1.3)%	—%	—%	0.1%	(4.1)%
Bolivia	62	63	(2.1)%	—%	—%	—%	—%	(2.1)%
Panama	69	44	1.0%	—%	—%	54.4%	0.5%	55.9%
El Salvador	35	35	0.7%	—%	—%	—%	—%	0.7%
Nicaragua, Costa Rica, Corp Costs & Eliminations	(6)	(25)	NM	NM	—%	NM	NM	NM
Latam*	600	587	(2.5)%	(3.1)%	—%	7.8%	0.1%	2.3%

* Perimeter impact on Latam segment reflects acquisition of mobile businesses in Panama and Nicaragua during 2019.

ⁱ See Note 5 of our Unaudited Interim Condensed Consolidated Financial Statements for details on our segments.

ENon-IFRS Measures

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ARPU reconciliations

Latam Segment - Mobile ARPU Reconciliation	Q1 20	Q1 19
Mobile service revenue (\$m)	843	778
Mobile Service revenue (\$m) from non Tigo customers (\$m) *	(12)	(19)
Mobile Service revenue (\$m) from Tigo customers (A)	831	759
Mobile customers - end of period (000)	39,449	33,891
Mobile customers - average (000) (B) **	39,647	33,791
Mobile ARPU (USD/Month) (A/B/number of months)	7.0	7.5

* Refers to TV advertising, production services, MVNO, DVNO, equipment rental revenue, call center revenue, national roaming, equipment sales, visitor roaming, tower rental, DVNE, and other non-customer driven revenue.

** Average QoQ for the quarterly view is the average of the last quarter.

Latam Segment - Home ARPU Reconciliation	Q1 20	Q1 19
Home service revenue (\$m)	384	376
Home service revenue (\$m) from non Tigo customers (\$m) *	(8)	(9)
Home service revenue (\$m) from Tigo customers (A)	376	367
Customer Relationships - end of period (000) **	4,391	4,187
Customer Relationships - average (000) (B) ***	4,366	4,126
Home ARPU (USD/Month) (A/B/number of months)	28.7	29.5

* TV advertising, production services, equipment rental revenue, call center revenue, equipment sales and other non customer driven revenue.

** Represented by homes connected all technologies (HFC + Other Technologies + DTH & Wimax RGUs).

*** Average QoQ for the quarterly view is the average of the last quarter.

One-off Summary

Q1 2020 (\$ millions)	Revenue	EBITDA	Comment
Nicaragua	—	(8)	Municipal withholding tax on acquisition
Latam Total	—	(8)	

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Foreign Exchange rates used to support FX impact calculations in the above Organic Growth reconciliations

		Average FX rate (vs. USD)					End of period FX rate (vs. USD)				
		Q1 20	Q4 19	QoQ	Q1 19	YoY	Q1 20	Q4 19	QoQ	Q1 19	YoY
Bolivia	BOB	6.91	6.91	0.0%	6.91	0.0%	6.91	6.91	0.0%	6.91	0.0%
Colombia	COP	3,573	3,413	(4.5)%	3,165	(11.4)%	4,065	3,277	(19.4)%	3,175	(21.9)%
Costa Rica	CRC	577	578	0.1%	607	5.1%	587	576	(2.0)%	599	2.0%
Guatemala	GTQ	7.68	7.71	0.4%	7.72	0.5%	7.68	7.70	0.2%	7.68	(0.1)%
Honduras	HNL	24.77	24.72	(0.2)%	24.47	(1.2)%	24.84	24.72	(0.5)%	24.52	(1.3)%
Nicaragua	NIO	33.96	33.70	(0.8)%	32.53	(4.2)%	34.09	33.84	(0.7)%	32.33	(5.2)%
Paraguay	PYG	6,514	6,434	(1.2)%	6,071	(6.8)%	6,563	6,453	(1.7)%	6,181	(5.8)%
Ghana	GHS	5.61	5.53	(1.4)%	5.10	(9.1)%	5.76	5.73	(0.5)%	4.40	(23.6)%
Tanzania	TZS	2,300	2,297	(0.2)%	2,318	0.8%	2,301	2,299	(0.1)%	2,256	(2.0)%

Reconciliation Net financial obligations to EBITDA to Proportionate net financial obligations to EBITDA as of March 31, 2020 and December 31, 2019

Debt Information - March 31, 2020	Financial obligations			EBITDA	Proforma		
	Gross	Cash	Net		Adjustments*	EBITDA	Leverage
\$ millions							
Millicom Group (IFRS)	7,378	1,547	5,831	1,542	—	—	—
Plus: Guatemala	1,168	150	1,018	752	—	—	
Plus: Honduras	421	52	370	277	—	—	
Less: Corporate Costs	—	—	—	(37)	—	—	
Underlying Millicom Group (Non-IFRS)	8,967	1,749	7,219	2,535	46	2,581	2.80x
Less: 50% Minority Stake in Colombia	509	66	443	246			
Less: 45% Minority Stake in Guatemala	526	68	458	339			
Less: 33% Minority Stake in Honduras	140	17	123	92			
Less: 20% Minority Stake in Panama	200	15	186	49	8		
Less: 1.5% Minority Stake in Tanzania	7	—	6	2			
Proportionate Millicom Group (Non-IFRS)	7,585	1,582	6,003	1,807	38	1,845	3.25x

* Proforma adjusted EBITDA related to mobile acquisitions in Nicaragua and Panama.

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December 31, 2019	Financial obligations			EBITDA	Proforma		
	\$ millions	Gross	Cash		Net	Adjustments*	EBITDA
Millicom Group (IFRS)	7,036	1,166	5,870	1,530	—	—	—
Plus: Guatemala	1,172	189	983	748	—	—	—
Plus: Honduras	423	40	383	280	—	—	—
Less: Corporate Costs	—	—	—	(36)	—	—	—
Underlying Millicom Group (Non-IFRS)	8,631	1,395	7,236	2,522	95	2,617	2.76x
Less: 50% Minority Stake in Colombia	606	107	499	255	—	—	—
Less: 45% Minority Stake in Guatemala	528	85	442	337	—	—	—
Less: 33% Minority Stake in Honduras	141	13	128	93	—	—	—
Less: 20% Minority Stake in Panama	201	12	189	45	13	—	—
Less: 1.5% Minority Stake in Tanzania	6	—	6	2	—	—	—
Proportionate Millicom Group (Non-IFRS)	7,149	1,177	5,972	1,791	82	1,872	3.19x

* Proforma adjusted EBITDA related to mobile acquisitions in Nicaragua and Panama.

Debt maturity profile

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	>2030
International Bonds	—	—	—	—	1,000	500	500	550	500	750	600
<i>Floating MIC S.A. Sustain. Bond Due 2024*</i>	—	—	—	—	200	—	—	—	—	—	—
<i>6.875% Comcel \$800m Bond Due 2024</i>	—	—	—	—	800	—	—	—	—	—	—
<i>6.000% MIC S.A. \$500m Bond Due 2025</i>	—	—	—	—	—	500	—	—	—	—	—
<i>6.625% MIC S.A. \$500m Bond Due 2026</i>	—	—	—	—	—	—	500	—	—	—	—
<i>5.875% Telecel \$550m Bond Due 2027</i>	—	—	—	—	—	—	—	550	—	—	—
<i>5.125% MIC S.A. \$500m Bond Due 2028</i>	—	—	—	—	—	—	—	—	500	—	—
<i>6.250% MIC S.A. \$750m Bond Due 2029</i>	—	—	—	—	—	—	—	—	—	750	—
<i>4.500% Cable Onda \$600m Bond Due 2030</i>	—	—	—	—	—	—	—	—	—	—	600
Local Bonds (Colombia & Bolivia)	39	44	46	100	95	200	100	4	2	15	56
Bank and DFI	72	124	459	441	786	389	32	111	39	110	30
Total	111	168	504	541	1,880	1,089	632	666	541	875	685
% of Total	1.4%	2.2%	6.6%	7.0%	24.4%	14.2%	8.2%	8.7%	7.0%	11.4%	8.9%

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Capex Reconciliation

Capex Reconciliation	Q1 20	Q1 19
Consolidated:		
Additions to property, plant and equipment	108	112
Additions to licenses and other intangibles	44	26
<i>Of which spectrum and license costs</i>	21	—
Total consolidated additions	153	139
<i>Of which is capital expenditures related to the corporate offices</i>	2	1

Latin America Segment	Q1 20	Q1 19
Additions to property, plant and equipment	145	137
Additions to licenses and other intangibles	133	31
<i>Of which spectrum and license costs</i>	104	—
Latin America Segment total additions (Underlying)	278	168
Capex excluding spectrum and lease capitalizations	174	168

Africa Segment	Q1 20	Q1 19
Additions to property, plant and equipment	5	7
Additions to licenses and other intangibles	—	—
<i>Of which spectrum and license costs</i>	—	—
Africa Segment total additions	5	7
Capex excluding spectrum and lease capitalizations	5	7

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Operating Free Cash Flow Reconciliation

Cash Flow Data	Q1 20	Q1 19
Net cash provided by operating activities	106	147
Purchase of property, plant and equipment	(179)	(170)
Proceeds from sale of property, plant and equipment	—	9
Purchase of intangible assets and licenses	(91)	(79)
Proceeds from sale of intangible assets	—	—
Net purchase/proceeds for property, plant and equipment and intangible assets	(270)	(240)
(Less) Proceeds from sale of towers part of tower sale and leaseback transactions	—	(7)
(Less) Purchase of spectrum and licenses	39	7
(Less) Finance charges paid, net	141	95
Operating free cash flow	15	1

Equity Free Cash Flow Reconciliation

Cash Flow Data	Q1 20	Q1 19
Net cash provided by operating activities	106	147
Purchase of property, plant and equipment	(179)	(170)
Proceeds from sale of property, plant and equipment	—	9
Proceeds from sale of towers part of tower sale and leaseback transactions	—	(7)
Purchase of intangible assets	(91)	(79)
Proceeds from sale of intangible assets	—	—
Purchase of spectrum and licenses	39	7
Finance charges paid, net	141	95
Operating free cash flow	15	1
Interest (paid), net	(141)	(95)
Free cash flow	(126)	(94)
Dividends received from joint ventures (Guatemala and Honduras)	24	51
Dividends paid to non-controlling interests	—	(11)
Equity free cash flow	(102)	(54)

OCF (EBITDA- Capex) Reconciliation

Latam OCF Underlying	Q1 20	Q1 19
Latam EBITDA	600	587
(-) Capex (Ex. Spectrum)	174	168
Latam OCF	427	419

Africa OCF	Q1 20	Q1 19
Africa EBITDA	30	31
(-) Capex (Ex. Spectrum)	5	7
Africa OCF	24	25

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Guatemala and Honduras Financial Information (unaudited)

Until 2015, Millicom group results included Guatemala and Honduras on a 100% consolidation basis. Since 2016, these businesses are treated as joint ventures and are consolidated using the equity method. To aid investors to better track the evolution of the company's performance over time, we provide the following indicative unaudited financial statement data for the Millicom group as if our Guatemala and Honduras joint ventures had been fully consolidated.

Income statement data Q1 2020 (\$millions)	Millicom (IFRS)	Guatemala and Honduras JVs	Eliminations	Underlying (non-IFRS)
Revenue	1,088	505	—	1,592
Cost of sales	(305)	(116)	—	(421)
Gross profit	783	389	—	1,172
Operating expenses	(401)	(141)	—	(542)
EBITDA	382	248	—	630
EBITDA margin	35.1%	49.1%	—	39.5%
Depreciation & amortization	(296)	(114)	—	(409)
Share of net profit in joint ventures	45	—	(45)	—
Other operating income (expenses), net	3	—	—	2
Operating profit	134	134	(45)	223
Net financial expenses	(141)	(25)	—	(167)
Other non-operating income (expenses), net	(159)	(3)	—	(161)
Gains (losses) from associates	—	—	—	—
Profit (loss) before tax	(167)	106	(45)	(106)
Net tax credit (charge)	16	(23)	—	(7)
Profit (loss) for the period	(151)	83	(45)	(113)
Profit (loss) from discontinued operations	—	—	—	—
Non-controlling interests	28	(38)	—	(10)
Net profit (loss) for the period	(122)	45	(45)	(122)

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Balance Sheet data (\$ millions)	Millicom IFRS	Guatemala and Honduras JVs	Underlying (non-IFRS)
ASSETS			
Intangible assets, net	3,105	2,898	6,003
Property, plant and equipment, net	2,605	906	3,510
Right of Use Assets	880	292	1,172
Investments in joint ventures and associates	2,863	(2,838)	24
Other non-current assets	279	185	465
TOTAL NON-CURRENT ASSETS	9,731	1,443	11,175
Inventories, net	50	37	87
Trade receivables, net	358	77	435
Other current assets	862	368	1,230
Restricted cash	147	13	160
Cash and cash equivalents	1,545	202	1,747
TOTAL CURRENT ASSETS	2,962	698	3,660
Assets held for sale	4	—	4
TOTAL ASSETS	12,697	2,141	14,838
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company	2,185	(41)	2,144
Non-controlling interests	216	624	840
TOTAL EQUITY	2,401	583	2,984
Debt and financing	7,198	1,524	8,723
Other non-current liabilities	1,000	(205)	795
TOTAL NON-CURRENT LIABILITIES	8,199	1,319	9,517
Debt and financing	180	65	245
Other current liabilities	1,918	174	2,092
TOTAL CURRENT LIABILITIES	2,098	239	2,337
Liabilities directly associated with assets held for sale	—	—	—
TOTAL LIABILITIES	10,297	1,558	11,854
TOTAL EQUITY AND LIABILITIES	12,697	2,141	14,838

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Cash Flow Data	Millicom IFRS	Guatemala and Honduras JVs	Underlying (non-IFRS)
(\$millions)			
Profit (loss) before taxes from continuing operations	(167)	61	(106)
Profit (loss) for the period from discontinued operations	—	—	—
Profit (loss) before taxes	(167)	61	(106)
Net cash provided by operating activities (incl. discontinued ops)	106	178	284
Net cash used in investing activities (incl. discontinued ops)	(222)	(179)	(402)
Net cash from (used by) financing activities (incl. discontinued ops)	528	(25)	503
Exchange impact on cash and cash equivalents, net	(30)	(1)	(31)
Net (decrease) increase in cash and cash equivalents	381	(27)	354
Cash and cash equivalents at the beginning of the period	1,164	229	1,393
Effect of cash in disposal group held for sale	—	—	—
Cash and cash equivalents at the end of the period	1,545	202	1,747

Regulatory Statement

This information was prior to this release inside information and is information that Millicom is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact person set out above, at 12:00 CET on April 30, 2020.