

TIM Group

Q2 '20

Financial and Operating Figures

IFRS 16 (comparable) and After Lease view



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Disclaimer

The Q2 '20 and H1 '20 financial and operating data have been extracted or derived, with the exception of some data, from the TIM Group Half-year Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2020, which has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as "IFRS"). Please note that the limited review by the external auditors (E&Y) on the TIM Group Half-year Condensed Consolidated Financial Statements at 30 June 2020 has not yet been completed.

The accounting policies and consolidation principles adopted in the preparation of the financial results for Q2 '20 and H1 '20 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2019, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from January 1, 2020.

Alternative Performance Measures

The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures for the purposes of enabling a better understanding of the performance of operations and the financial position of the TIM Group. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non-recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin; net financial debt (carrying and adjusted amount) and Equity Free Cash Flow. Moreover, following the adoption of IFRS 16, the TIM Group uses the following additional alternative performance indicators:

* EBITDA adjusted After Lease ("EBITDA-AL"), calculated by adjusting the Organic EBITDA, net of non-recurring items, of the amounts related to the accounting treatment of lease contracts according to IFRS 16 (applied starting from 2019);

* Adjusted Net Financial Debt After Lease, calculated by excluding from the adjusted net financial debt the liabilities related to the accounting treatment of lease contracts according to IFRS 16 (applied starting from 2019);

* Equity Free Cash Flow After Lease, calculated by excluding from the Equity Free Cash Flow the amounts related to lease payments. Such alternative performance measures are unaudited.

TIM Group Key Financials

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED								ORGANIC ⁽¹⁾								
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %	Q2 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %
REVENUES	4,471	4,523	4,429	4,551	17,974	3,964	3,795	(16.1)	4,247	4,467	4,503	4,410	4,535	17,915	3,979	3,817	(10.1)
Domestic	3,502	3,567	3,454	3,555	14,078	3,113	3,146	(11.8)	3,549	3,498	3,547	3,435	3,539	14,019	3,128	3,168	(10.7)
o/w Wireline	2,534	2,586	2,452	2,552	10,124	2,288	2,361	(8.7)	2,588	2,534	2,586	2,452	2,552	10,124	2,289	2,365	(8.6)
o/w Mobile	1,122	1,111	1,135	1,143	4,511	976	921	(17.1)	1,101	1,122	1,102	1,123	1,130	4,477	990	939	(14.7)
Brazil	979	967	984	1,007	3,937	859	658	(32.0)	709	979	967	984	1,007	3,937	859	658	(6.5)
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(8)	(9)		(11)	(10)	(11)	(9)	(11)	(41)	(8)	(9)	
SERVICE REVENUES	4,085	4,142	4,061	4,017	16,304	3,687	3,537	(14.6)	3,876	4,081	4,120	4,042	3,996	16,239	3,702	3,559	(8.2)
Domestic	3,155	3,231	3,128	3,072	12,585	2,861	2,897	(10.3)	3,212	3,151	3,210	3,109	3,051	12,520	2,876	2,919	(9.1)
o/w Wireline	2,393	2,416	2,269	2,283	9,361	2,153	2,209	(8.6)	2,418	2,393	2,416	2,269	2,283	9,361	2,153	2,213	(8.5)
o/w Mobile	916	943	993	923	3,775	856	824	(12.7)	933	916	934	981	910	3,741	870	842	(9.8)
Brazil	940	922	942	956	3,760	834	649	(29.6)	675	940	922	942	956	3,760	834	649	(3.4)
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(8)	(9)		(11)	(10)	(11)	(9)	(11)	(41)	(8)	(9)	
EBITDA ⁽²⁾	1,946	2,445	2,108	1,652	8,151	1,735	1,663	(32.0)	1,882	1,970	2,062	2,117	1,998	8,147	1,774	1,761	(6.4)
Domestic	1,534	1,395	1,625	1,154	5,708	1,346	1,338	(4.1)	1,558	1,558	1,622	1,656	1,493	6,329	1,385	1,436	(7.8)
Brazil	414	1,053	486	499	2,451	390	328	(68.9)	327	414	442	464	506	1,826	390	328	1.0
Other activities & Elim.	(2)	(3)	(3)	(1)	(8)	(1)	(3)		(3)	(2)	(2)	(3)	(1)	(8)	(1)	(3)	
EBITDA After Lease	1,700	2,192	1,858	1,395	7,145	1,502	1,465	(33.2)	1,670	1,724	1,765	1,825	1,702	7,015	1,541	1,563	(6.4)
Domestic	1,377	1,233	1,469	992	5,071	1,200	1,211	(1.8)	1,415	1,401	1,416	1,458	1,292	5,566	1,239	1,309	(7.5)
Brazil	325	961	391	406	2,083	303	257	(73.3)	258	325	351	371	412	1,458	303	257	(0.5)
Other activities & Elim.	(2)	(2)	(2)	(3)	(9)	(1)	(3)		(3)	(2)	(2)	(4)	(2)	(9)	(1)	(3)	
CAPEX	607	874	795	1,508	3,784	599	655	(25.1)	807	605	860	781	1,482	3,728	599	655	(18.8)
Domestic	455	659	585	1,213	2,912	414	549	(16.7)	645	453	645	571	1,187	2,856	414	549	(14.9)
Brazil	152	215	210	295	872	185	106	(50.7)	162	152	215	210	295	872	185	106	(28.8)
EFCF	356	720	616	639	2,331	466	512	(28.8)									
EFCF After Lease	208	549	380	397	1,534	195	336	(38.8)									
NET DEBT ⁽³⁾	28,583	28,328	27,891	27,668	27,668	26,745	25,971	(8.3)									
NET DEBT After Lease ⁽³⁾	23,143	22,818	22,465	21,893	21,893	21,711	21,095	(7.6)									

(1) Excluding non-recurring items and change in consolidation area (Persidera out from Q1' 19, Inwit deconsolidated from Q2' 19); comparable base also excluding exchange rate fluctuations

(2) Inwit accounted for using the equity method starting from Q2 '20 (restated accordingly from Q2 '19), hence INWIT's MSA implies that ca € 60m/quarter of depreciation and interest

expenses on leasing assets and liabilities are recorded as OPEX instead. Impact on cash and on EBITDA AL is zero

(3) Adjusted

Q2 '20 Financial and Operating Figures
Investor Relations

TIM Group Profit & Loss

€m, IFRS 16

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Unaudited figures

	Q1 '19	H1 '19	9M '19	FY '19	Q1 '20	H1 '20	Change YoY%
REVENUES	4,471	8,994	13,423	17,974	3,964	7,759	(13.7)
Other Income	46	766	850	933	40	90	(88.3)
TOTAL OPERATING REVENUES AND OTHER INCOME	4,517	9,760	14,273	18,907	4,004	7,849	(19.6)
Acquisition of goods and services	(1,595)	(3,198)	(4,746)	(6,463)	(1,454)	(2,840)	11.2
Employee benefits expenses	(740)	(1,502)	(2,179)	(3,077)	(715)	(1,372)	8.7
Other operating expenses	(309)	(871)	(1,160)	(1,625)	(272)	(502)	42.4
Internally generated assets and Others	73	202	311	409	172	263	30.2
EBITDA	1,946	4,391	6,499	8,151	1,735	3,398	(22.6)
EBITDA Margin	43.5%	48.8%	48.4%	45.3%	43.8%	43.8%	(5.0 p.p.)
Depreciation and amortization	(1,264)	(2,496)	(3,758)	(4,927)	(1,201)	(2,348)	5.9
Gains (losses) on disposals of non-current assets	1	(8)	(29)	(49)	(1)	(8)	
Impairment reversals (losses) on non-current assets	-	-	-	-	-	-	
EBIT	683	1,887	2,712	3,175	533	1,042	(44.8)
EBIT Margin	15.3%	21.0%	20.2%	17.7%	13.4%	13.4%	(7.6 p.p.)
Income (loss) equity invest. valued equity method ⁽¹⁾	(4)	(1)	(2)	-	441	450	
Net Financial Income / (Expenses)	(383)	(754)	(1,119)	(1,436)	(301)	(603)	20.0
Profit (loss) before tax from continuing operations	296	1,132	1,591	1,739	673	889	(21.5)
Income tax expense	(109)	(392)	(498)	(513)	(82)	(166)	57.7
Profit (loss) from continuing operations	187	740	1,093	1,226	591	723	(2.3)
Discontinued operations/Non-current assets held for sale	-	-	-	16	-	-	
PROFIT (LOSS)	187	740	1,093	1,242	591	723	(2.3)
Parent Company	165	551	852	916	560	678	23.0
Minorities	22	189	241	326	31	45	(76.2)

(1) Inwit gain following the merger € 448m, Inwit equity share € 2m

TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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Unaudited figures

	IFRS 16					
	Q1 '19	H1 '19	9M '19	FY '19	Q1 '20	H1 '20
EBITDA	1,946	4,391	6,499	8,151	1,735	3,398
CAPEX	(607)	(1,481)	(2,276)	(3,784)	(599)	(1,254)
o/w spectrum	-	-	-	-	-	-
CHANGE IN WORKING CAPITAL ⁽¹⁾	(649)	(1,091)	(1,432)	(560)	(348)	(599)
Change in net operating working capital	(633)	(1,146)	(1,290)	(549)	(229)	(53)
Change in inventories	64	73	90	129	(22)	6
Change in trade receivables and net amounts due from customers on construction contracts	(230)	(138)	(108)	-	258	329
Change in trade payables	(695)	(973)	(1,033)	(46)	(931)	(1,293)
Other changes in operating receivables/payables	228	(108)	(239)	(632)	466	905
Change in provisions for employee benefits	(13)	(214)	(243)	(246)	(8)	(435)
Change in operating provisions and other changes	(3)	269	101	235	(111)	(111)
OPERATING FREE CASH FLOW Reported	690	1,819	2,791	3,807	788	1,545
Licence	-	-	(18)	(18)	-	-
OPERATING FREE CASH FLOW net of Licence	690	1,819	2,809	3,825	788	1,545
Financial Expenses	(346)	(707)	(1,031)	(1,372)	(295)	(604)
Cash Taxes & Other	12	(36)	(86)	(138)	(27)	37
Net Cash Flow from discontinued operations	-	-	-	16	-	-
EQUITY FREE CASH FLOW ⁽²⁾	356	1,076	1,692	2,331	466	978
Dividends and change in Equity	(25)	(241)	(242)	(269)	(40)	(348)
Disposal and Financial investments	-	3	3	155	613	1,212
Licence	-	-	(18)	(18)	-	-
IFRS & IAS	(3,644)	(3,896)	(4,056)	(4,597)	(116)	(145)
NET CASH FLOW	(3,313)	(3,058)	(2,621)	(2,398)	923	1,697
EQUITY FREE CASH FLOW	356	1,076	1,692	2,331	466	978
Lease Impact	(148)	(319)	(555)	(797)	(271)	(447)
EQUITY FREE CASH FLOW AFTER LEASE ⁽²⁾	208	757	1,137	1,534	195	531
NET DEBT ⁽³⁾	28,583	28,328	27,891	27,668	26,745	25,971
Lease Impact	(5,440)	(5,510)	(5,426)	(5,775)	(5,034)	(4,876)
NET DEBT After Lease ⁽³⁾	23,143	22,818	22,465	21,893	21,711	21,095

(1) See details in tab "Working Capital"
(3) Adjusted

(2) Excluding non-recurring items and FX EFCF AL would be € 788m in H1 '20 (vs. € 741m in H1 '19)

Q2 '20 Financial and Operating Figures
Investor Relations

TIM Group Working Capital

€m, IFRS 16

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Unaudited figures

	TIM Group			Domestic			Brasil		
	H1 '19	H1 '20	Δ abs	H1 '19	H1 '20	Δ abs	H1 '19	H1 '20	Δ abs
Operating WC & Other	(1,091)	(599)	492	20	(491)	(511)	(1,112)	(108)	1,004
License	-	-	-	-	-	-	-	-	-
License paid in the year	-	-	-	-	-	-	-	-	-
Non recurring items (not paid)	(332)	137	469	278	137	(141)	(610)	-	610
Recurring Operating WC	(759)	(736)	23	(258)	(628)	(370)	(502)	(108)	394
Inventory				81	(5)	(86)			
Trade Receivables				(91)	92	183			
Trade Payables				(642)	(736)	(94)			
Other Operating Payables/Receivables & Funds				394	21	(373)			
- o/w Litigations & Settlements				-	(117)	(117)			
- o/w Payables vs. Personnel				201	86	(115)			
- o/w Personnel Exit (Fornero Law)				(108)	(166)	(58)			
- o/w VAT				565	497	(68)			
- o/w Billing (1)				(11)	(19)	(8)			
- o/w Net Debts vs INPS				(53)	(53)	-			
- o/w Deferred Costs & Revenues				(144)	(124)	20			

TIM Group Balance Sheet

€m, IFRS 16

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Unaudited figures

	Q1 '19	H1 '19	9M '19	FY' 19	Q1 '20	H1 '20
CURRENT ASSETS	9,280	8,253	8,798	14,108	9,513	9,611
Trade and miscellaneous receivables and other current assets	5,138	4,990	4,940	4,857	4,889	4,639
Cash and cash equivalents	2,103	1,700	2,147	3,138	3,265	3,603
Discontinued operations/assets held for sale	-	-	-	4,647	-	24
<i>o/w of a financial nature</i>	-	-	-	65	-	-
<i>o/w of a non-financial nature</i>	-	-	-	4,582	-	24
Securities other than investments, other financial receivables and other current financial assets	1,574	1,111	1,247	999	985	1,007
Inventories	325	316	299	260	282	256
Current income tax receivables	71	83	104	149	49	46
Current financial receivables arising from lease contracts	69	53	61	58	43	36
Other investments	-	-	-	-	-	-
NON-CURRENT ASSETS	60,304	60,859	60,675	55,996	58,482	56,946
Intangible assets	34,985	34,790	34,464	30,750	30,027	29,737
Goodwill	26,780	26,784	26,750	23,083	22,908	22,870
Intangible assets with a finite useful life	8,205	8,006	7,714	7,667	7,119	6,867
Tangible assets	14,086	14,089	13,995	14,011	13,287	12,986
Property, plant and equipment owned	14,086	14,089	13,995	14,011	13,287	12,986
Right of Use assets	5,735	5,803	5,693	5,494	5,276	5,022
Other assets	5,498	6,177	6,523	5,741	9,892	9,201
Miscellaneous receivables and other non-current assets	2,296	2,944	2,803	2,585	2,387	2,309
Non-current financial assets	1,885	2,090	2,637	2,151	3,116	2,969
<i>o/w receivable for lease contracts</i>	54	60	53	51	51	47
<i>o/w other non-current financial assets</i>	1,831	2,030	2,584	2,100	3,065	2,922
Deferred tax assets	1,253	1,077	1,019	942	937	896
Other investments	52	54	52	52	44	51
Investments in associates and joint ventures accounted for using the equity method	12	12	12	11	3,408	2,976
TOTAL ASSETS	69,584	69,112	69,473	70,104	67,995	66,557

TIM Group Balance Sheet

€m, IFRS 16

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Unaudited figures

	Q1 '19	H1 '19	9M '19	FY' 19	Q1 '20	H1 '20
CURRENT LIABILITIES	12,489	10,214	10,778	11,928	10,818	10,534
Trade and miscellaneous payables and other current liabilities	6,840	6,647	6,459	7,218	6,573	6,108
Current financial liabilities	5,584	3,485	4,277	3,821	4,202	4,382
<i>o/w liabilities for financing contracts and others</i>	4,889	2,780	3,557	3,182	3,523	3,685
<i>o/w liabilities for lease contracts</i>	695	705	720	639	679	697
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	-	-	805	-	-
<i>o/w of a financial nature</i>	-	-	-	655	-	-
<i>o/w of a non-financial nature</i>	-	-	-	150	-	-
Current income tax payables	65	82	42	84	43	44
NON-CURRENT LIABILITIES	35,276	36,564	36,151	35,550	35,166	34,629
Non-current financial liabilities	29,340	30,493	30,262	30,181	29,776	29,187
<i>o/w liabilities for financing contracts and others</i>	24,586	25,679	25,546	25,605	25,396	24,984
<i>o/w liabilities for lease contracts</i>	4,754	4,814	4,716	4,576	4,380	4,203
Miscellaneous payables and other non-current liabilities	3,294	3,348	3,156	3,214	3,104	3,363
Employee benefits	1,545	1,417	1,379	1,182	1,179	916
Provisions	861	993	971	725	688	753
Deferred tax liabilities	236	313	383	248	419	410
TOTAL LIABILITIES	47,765	46,778	46,929	47,478	45,984	45,163
EQUITY	21,819	22,334	22,544	22,626	22,011	21,394
Equity attributable to equity owners of the Parent	19,612	19,949	20,222	20,280	20,623	20,081
Equity attributable to Minority Interests	2,207	2,385	2,322	2,346	1,388	1,313
TOTAL LIABILITIES & EQUITY	69,584	69,112	69,473	70,104	67,995	66,557

Domestic Results

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED								ORGANIC ⁽¹⁾								
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %	Q2 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %
REVENUES	3,502	3,567	3,454	3,555	14,078	3,113	3,146	(11.8)	3,549	3,498	3,547	3,435	3,539	14,019	3,128	3,168	(10.7)
Service Revenues	3,155	3,230	3,128	3,072	12,585	2,861	2,897	(10.3)	3,212	3,151	3,210	3,109	3,051	12,520	2,876	2,919	(9.1)
Wireline Services	2,393	2,416	2,269	2,283	9,361	2,153	2,209	(8.6)	2,418	2,393	2,416	2,269	2,283	9,361	2,153	2,213	(8.5)
Retail	1,630	1,609	1,510	1,515	6,264	1,419	1,404	(12.8)	1,609	1,630	1,609	1,510	1,515	6,264	1,420	1,408	(12.5)
National Wholesale	497	560	515	506	2,078	500	567	1.3	560	497	560	515	506	2,078	500	567	1.3
International Wholesale	238	231	228	237	934	218	224	(3.0)	233	238	231	228	237	934	218	224	(3.9)
Subs., adj. and other	28	16	17	25	86	15	14	(12.8)	16	29	16	16	25	86	15	13	0.0
Mobile Services	916	943	993	923	3,775	856	824	(12.7)	933	916	934	981	910	3,741	870	842	(9.8)
Retail	832	830	840	791	3,292	747	734	(11.5)	830	831	830	840	791	3,292	762	752	(9.3)
Wholesale and Other	84	113	153	133	483	109	89	(21.1)	103	85	104	141	120	449	109	89	(13.5)
Elimination & Other ⁽²⁾	(154)	(129)	(134)	(134)	(551)	(148)	(135)	10.9	(140)	(158)	(140)	(141)	(142)	(582)	(147)	(135)	9.2
Handsets	347	337	326	483	1,493	252	249	(26.3)	337	347	337	326	488	1,499	252	249	(26.4)
OPEX	1,968	2,172	1,829	2,401	8,370	1,767	1,808	(16.8)	1,991	1,940	1,925	1,779	2,046	7,690	1,743	1,732	(13.0)
EBITDA	1,534	1,395	1,625	1,154	5,708	1,346	1,338	(4.1)	1,558	1,558	1,622	1,656	1,493	6,329	1,385	1,436	(7.8)
EBITDA Margin	43.8%	39.1%	47.0%	32.5%	40.5%	43.2%	42.5%	0.3 p.p.	43.9%	44.5%	45.7%	48.2%	42.2%	45.1%	44.3%	45.3%	0.7 p.p.
EBITDA After Lease	1,377	1,233	1,469	992	5,071	1,200	1,211	(1.8)	1,415	1,401	1,416	1,458	1,292	5,566	1,239	1,309	(7.5)
EBITDA AL Margin	39.3%	34.6%	42.5%	27.9%	36.0%	38.5%	38.5%	0.1 p.p.	39.9%	40.1%	39.9%	42.4%	36.5%	39.7%	39.6%	41.3%	0.7 p.p.
CAPEX	455	659	585	1,213	2,912	414	549	(16.7)	645	453	645	571	1,187	2,856	414	549	(14.9)
% on revenues	13.0%	18.5%	16.9%	34.1%	20.7%	13.3%	17.5%	1.4 p.p.	18.2%	13.0%	18.2%	16.6%	33.5%	20.4%	13.2%	17.3%	1.4 p.p.
Headcount EoP	48,114	47,891	46,502	45,496	45,496	45,380	45,473	(5.0)									

(1) Excluding non-recurring items and change in consolidation area (Persidera out from Q1' 19, Inwit out from Q2' 19); comparable base also excluding exchange rate fluctuations (2) Includes revenues from Persidera, whose sale was finalized on December 2nd, 2019

Q2 '20 Financial and Operating Figures
Investor Relations

Domestic Wireline

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Unaudited figures

	REPORTED								ORGANIC ⁽¹⁾								
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %	Q2 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %
WIRELINE REVENUES	2,534	2,586	2,452	2,552	10,124	2,288	2,361	(8.7)	2,588	2,534	2,586	2,452	2,552	10,124	2,289	2,365	(8.6)
Wireline Service Revenues	2,393	2,416	2,269	2,283	9,361	2,153	2,209	(8.6)	2,418	2,393	2,416	2,269	2,283	9,361	2,153	2,213	(8.5)
Retail Services	1,630	1,609	1,510	1,515	6,264	1,419	1,404	(12.8)	1,609	1,630	1,609	1,510	1,515	6,264	1,420	1,408	(12.5)
o/w Broadband and content	645	647	590	588	2,470	584	575	(11.1)	647	645	647	590	588	2,470	584	575	(11.1)
o/w ICT Services	192	215	211	245	862	207	228	6.0	215	192	215	211	245	862	207	228	6.0
National Wholesale	497	560	515	506	2,078	500	567	1.3	560	497	560	515	506	2,078	500	567	1.3
International Wholesale	238	231	228	237	934	218	224	(3.0)	233	238	231	228	237	934	218	224	(3.9)
Subsidiaries, adj. and other	28	16	17	25	86	15	14	(12.8)	16	29	16	16	25	86	15	13	
Equipments	141	170	183	269	763	135	152	(10.5)	170	141	170	183	269	763	135	152	(10.4)
Retail lines ('000)										9,931	9,599	9,381	9,166	9,166	8,981	8,921	(7.1)
Churn rate %										5.6	6.0	4.4	4.9	20.9	4.7	3.0	(3.1 p.p.)
Broadband ⁽²⁾										7,354	7,414	7,532	7,592	7,592	7,567	7,523	1.5
Consumer										6,001	6,075	6,201	6,282	6,282	6,298	6,282	3.4
Business										1,353	1,340	1,331	1,310	1,310	1,269	1,241	(7.3)
UBB ⁽³⁾										3,400	3,498	3,567	3,670	3,670	3,789	4,008	14.6
Wholesale lines ('000)										8,093	8,079	8,050	8,051	8,051	8,003	8,083	0.0
Local Loop Unbundling										4,149	3,900	3,710	3,525	3,525	3,298	3,128	(19.8)
Wholesale Line Rental										228	230	223	215	215	203	198	(13.9)
Bitstream Naked										1,100	1,081	1,041	1,001	1,001	952	895	(17.2)
UBB										2,616	2,869	3,076	3,309	3,309	3,549	3,862	34.6
ARPU Consumer										35.6	35.7	33.9	34.2	34.9	33.8	33.4	(6.4)
ARPU Broadband										29.0	29.6	26.3	25.9	27.7	25.6	25.4	(13.9)

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations
Q2 net of -38k clean up in CB

(3) Including Fixed Wireless Accesses (FWA) from Q4'19; FWA not material in previous quarters

(2) -7k implied net adds in

Q2 '20 Financial and Operating Figures
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WIRELINE REVENUES	Total revenues of Domestic Wireline, including services and equipment
Wireline Service Revenues	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services	Retail service revenues: consumer + business
<i>o/w Broadband and content</i>	Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
<i>o/w ICT Services</i>	Cloud, Security, IT and other B2B services
National Wholesale	Revenues from OLOs, regulated and not regulated (organization view)
International Wholesale	TIM Sparkle Group revenues
Subsidiaries, adj. and other	Intercompany adjustment, elimination and national Subsidiaries (Telsy, TI Trust, Olivetti)
Equipments	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)
Retail lines ('000)	Fixed accesses, including both voice, broadband (xDSL, FTTx) and data only lines (from Jan. 2019)
Churn rate %	Percentage of line lost on average nr of lines in the reported period
Broadband	All active broadband lines, including xDSL and FTTx
<i>Consumer</i>	<i>Active broadband lines on Consumer customers</i>
<i>Business</i>	<i>Active broadband lines on Corporate and Small/Medium enterprises</i>
<i>UBB</i>	<i>All active fiber line retail customers (FTTx and enterprise data lines) and Fixed Wireless Accesses (FWA)</i>
Wholesale lines ('000)	Total number of wholesale lines
Local Loop Unbundling	Nr. of wholesale accesses to the copper local access network (SULL, VULL and NGA included)
Wholesale Line Rental	Nr. of rented wholesale lines enabling OLOs to resell basic and advanced telephone and associated services
Bitstream Naked	Nr. of wholesale copper access lines with no RTG/ISDN/WLR voice service, used by OLOs for ADSL data service.
UBB	Nr. of FTTx accesses on TIM's fiber network
Consumer	Total retail consumer service revenues divided by average active consumer lines (€/line/month)
Broadband	Total broadband revenues (Consumer+Business) divided by average active broadband customers (€/line/month)

Domestic Mobile

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Unaudited figures

	REPORTED								ORGANIC ⁽¹⁾								
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %	Q2 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Change YoY %
MOBILE REVENUES	1,122	1,111	1,135	1,143	4,511	976	921	(17.1)	1,101	1,122	1,102	1,123	1,130	4,477	990	939	(14.7)
Mobile Service Revenues	916	943	993	923	3,775	856	824	(12.7)	933	916	934	981	910	3,741	870	842	(9.8)
Retail Services	832	830	840	791	3,292	747	734	(11.5)	830	831	830	840	791	3,292	762	752	(9.3)
o/w Incoming	67	67	64	72	270	66	75	12.3	67	67	67	64	72	270	66	75	12.3
Wholesale and Other	84	113	153	133	483	109	89	(21.1)	103	85	104	141	120	449	109	89	(13.5)
Handsets and Handsets Bundle	206	168	142	220	736	120	97	(42.0)	168	206	168	142	220	736	120	97	(42.0)
Total number of lines ('000)										31,748	31,662	31,254	30,895	30,895	30,522	30,502	(3.7)
Churn rate %										5.2	4.3	5.4	5.5	20.4	5.3	4.0	(0.4 p.p.)
Human										22,256	21,956	21,413	21,003	21,003	20,424	20,155	(8.2)
Not Human (M2M)										9,492	9,706	9,841	9,892	9,892	10,098	10,347	6.6
Calling lines										28,068	28,051	27,837	27,495	27,495	27,227	27,563	(1.7)
Human Calling										18,576	18,345	17,996	17,602	17,602	17,128	17,215	(6.2)
Broadband Users										13,125	13,124	12,951	12,823	12,823	12,673	12,875	(1.9)
LTE Users										10,718	10,922	10,957	11,043	11,043	11,111	11,331	3.7
Usage Data (GB/users/month)										5.1	5.9	7.0	7.0	6.3	8.2	9.4	60.7
ARPU Reported										8.7	8.7	8.9	8.5	8.7	8.3	8.2	(5.7)
ARPU Human										12.4	12.5	12.9	12.4	12.6	12.3	12.4	(1.0)

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations

Q2 '20 Financial and Operating Figures
Investor Relations

MOBILE REVENUES	Total mobile revenues, including services, handsets and handsets bundle
Mobile Service Revenues	Mobile service revenues, including retail, wholesale and other
Retail Services o/w Incoming	Retail service revenues, consumer and business including voice, messaging, browsing and content
Wholesale and Other	Revenues for voice traffic terminated on TIM mobile customers including visitors Inwit revenues, colocation on mobile sites, MVNOs and visitors
Handsets and Handsets Bundle	Mobile handsets sales and handsets bundles
Total number of lines	Total mobile customer base, human and not human ('000)
Churn rate %	Percentage of line lost on average nr of lines in the reported period
Human	Total nr. of human lines
Not Human (M2M)	Total nr. of not human lines, including machine to machine and data-only SIMs (eg. for tablets)
Calling lines	Nr. of active lines (calling at least once within the last month of the reported quarter)
Human Calling	Nr. of human active lines (calling at least once within the last month of the reported quarter)
Broadband Users	Mobile customers using data services
LTE Users	Mobile customer using (also) 4G (LTE) data services
Usage Data	Average data usage (GB/broadband users/month) - Data volumes net of Visitors, Roamers and MVNO (Noverca/Kena volumes included)
Reported	Total retail service revenues divided by average customer base, human and not human (€/line/month)
Human	Total retail service revenues divided by average human customer base (€/line/month)

	REPORTED							Change YoY %
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	
REVENUES	4,191	4,263	4,337	4,586	17,377	4,215	3,987	(6.5)
Service Revenues	4,025	4,063	4,152	4,357	16,597	4,091	3,926	(3.4)
o/w Mobile	3,799	3,839	3,922	4,102	15,662	3,842	3,673	(4.3)
o/w Fixed	226	224	230	255	935	249	253	12.9
Handsets	166	200	185	229	780	124	61	(69.4)
OPEX	2,419	2,315	2,295	2,288	9,317	2,299	2,020	(12.7)
EBITDA	1,772	4,598	2,152	2,298	10,820	1,916	1,967	(57.2)
EBITDA margin	42.3%	107.9%	49.6%	50.1%	62.3%	45.5%	49.3%	(58.5 p.p.)
EBITDA net non recurring	1,772	1,948	2,042	2,298	8,060	1,916	1,967	1.0
EBITDA margin	42.3%	45.7%	47.1%	50.1%	46.4%	45.5%	49.3%	3.6 p.p.
CAPEX	650	945	924	1,334	3,853	904	673	(28.8)
% on revenues	15.5%	22.2%	21.3%	29.1%	22.2%	21.4%	16.9%	(5.3 p.p.)
KPI's - Mobile only								
Total Penetration ⁽¹⁾	99.6%	98.9%	98.4%	96.9%	96.9%	96.2%	95.8%	(3.1 p.p.)
Market Share on total lines	24.1%	24.1%	23.9%	24.0%	24.0%	23.3%	23.2%	(0.9 p.p.)
Total Lines ('000) ⁽²⁾	55,083	54,972	54,527	54,447	54,447	52,826	52,031	(5.3)
TOTAL ARPU ⁽³⁾	22.8	23.2	23.9	25.1	23.7	23.9	23.4	0.9
TOTAL MOU ⁽⁴⁾	124	124	125	122	124	119	124	0.3
Exchange rate AVG YTD (R\$/euro)	4.27983	4.34394	4.36545	4.41422	4.41422	4.90557	5.40843	

Reported & Organic Reconciliation

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Unaudited figures

	Q2 '19					Q2 '20		
	Reported	Non Organic elements		Non recurring items	Organic	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
REVENUES	4,523	(21)	(256)	(1)	4,247	3,795	22	3,817
Domestic	3,567	(21)	2	(1)	3,549	3,146	22	3,168
Brazil	967	-	(258)	-	709	658	-	658
Other Activities & Eliminations	(11)	-	-	-	(11)	(9)	-	(9)
SERVICE REVENUES	4,142	(22)	(245)	(1)	3,876	3,537	22	3,559
Domestic	3,231	(22)	2	(1)	3,212	2,897	22	2,919
Brazil	922	-	(247)	-	675	649	-	649
Other Activities & Eliminations	(11)	-	-	-	(11)	(9)	-	(9)
EBITDA	2,445	(81)	(236)	246	1,882	1,663	98	1,761
Domestic	1,395	(81)	-	(244)	1,558	1,338	98	1,436
Brazil	1,053	-	(236)	490	327	328	-	328
Other Activities & Eliminations	(3)	-	-	-	(3)	(3)	-	(3)
EBITDA After Lease	2,192	(81)	(236)	246	1,670	1,465	98	1,563
Domestic	1,233	(81)	-	(244)	1,415	1,211	98	1,309
Brazil	961	-	(236)	490	258	257	-	257
Other Activities & Eliminations	(2)	-	-	-	(3)	(3)	-	(3)
EBIT	1,204	(59)	(157)	246	742	509	98	607
Domestic	445	(59)	-	(244)	630	403	98	501
Brazil	762	-	(157)	490	115	107	-	107
Other Activities & Eliminations	(3)	-	-	-	(3)	(1)	-	(1)