

TIM Group

Q1 '20

Financial and Operating Figures

IFRS 16 (comparable) and After Lease view



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Disclaimer

The Q1'20 financial and operating data have been extracted or derived, with the exception of some data, from the Financial Information at March 31, 2020 of the TIM Group, 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").

The accounting policies and consolidation principles adopted in the preparation of the financial results for Q1 '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. Please note that starting from January 1, 2019, the TIM Group adopted the accounting principle (IFRS 16 - Lease). The financial results for Q1 '20 of the TIM Group are unaudited.

The FY'19, Q4'19, Q3'19, Q2'19 and Q1'19 ("IFRS 9/15" figures) prepared in accordance with the previous accounting standards applied (IAS 17 and related Interpretations) are also provided, for the purposes of the distinction between operating leases and financial leases and the consequent accounting treatment of lease liabilities.

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 and net financial debt. 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 finance 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 finance lease contracts according to IFRS 16 (applied starting from 2019).

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	Change YoY %	Q1 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Change YoY %
REVENUES	4,471	4,523	4,429	4,551	17,974	3,964	(11.3)	4,343	4,467	4,503	4,410	4,535	17,915	3,979	(8.4)
Domestic	3,502	3,567	3,454	3,555	14,078	3,113	(11.1)	3,499	3,498	3,547	3,435	3,539	14,019	3,128	(10.6)
o/w Wireline	2,534	2,586	2,452	2,552	10,124	2,288	(9.7)	2,535	2,534	2,586	2,452	2,552	10,124	2,289	(9.7)
o/w Mobile	1,122	1,111	1,135	1,143	4,511	976	(13.0)	1,122	1,122	1,102	1,123	1,130	4,477	990	(11.7)
Brazil	979	967	984	1,007	3,937	859	(12.3)	854	979	967	984	1,007	3,937	859	0.6
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(8)		(10)	(10)	(11)	(9)	(11)	(41)	(8)	
SERVICE REVENUES	4,085	4,141	4,061	4,017	16,304	3,687	(9.8)	3,962	4,081	4,120	4,042	3,996	16,239	3,702	(6.6)
Domestic	3,155	3,230	3,128	3,072	12,585	2,861	(9.3)	3,152	3,151	3,210	3,109	3,051	12,520	2,876	(8.8)
o/w Wireline	2,393	2,416	2,269	2,283	9,361	2,153	(10.0)	2,394	2,393	2,416	2,269	2,283	9,361	2,153	(10.1)
o/w Mobile	916	943	993	923	3,775	856	(6.5)	916	916	934	981	910	3,741	870	(4.9)
Brazil	940	922	942	956	3,760	834	(11.3)	820	940	922	942	956	3,760	834	1.6
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(8)		(10)	(10)	(11)	(9)	(11)	(41)	(8)	
EBITDA	1,946	2,445	2,108	1,652	8,151	1,735	(10.8)	1,917	1,970	2,062	2,117	1,998	8,147	1,774	(7.5)
Domestic	1,534	1,395	1,625	1,154	5,708	1,346	(12.3)	1,558	1,558	1,622	1,656	1,493	6,329	1,385	(11.1)
Brazil	414	1,052	486	499	2,451	390	(5.8)	361	414	442	464	506	1,826	390	8.1
Other activities & Elim.	(2)	(2)	(3)	(1)	(8)	(1)		(2)	(2)	(2)	(3)	(1)	(8)	(1)	
EBITDA After Lease	1,700	2,192	1,858	1,395	7,145	1,502	(11.6)	1,683	1,724	1,765	1,825	1,702	7,015	1,541	(8.5)
Domestic	1,377	1,233	1,469	992	5,071	1,200	(12.9)	1,401	1,401	1,416	1,458	1,292	5,566	1,239	(11.6)
Brazil	325	961	391	406	2,083	303	(6.8)	284	325	351	371	412	1,458	303	6.6
Other activities & Elim.	(2)	(3)	(2)	(3)	(9)	(1)		(2)	(2)	(2)	(4)	(2)	(9)	(1)	
CAPEX	607	874	795	1,508	3,784	599	(1.3)	586	605	860	781	1,482	3,728	599	2.2
Domestic	455	659	585	1,213	2,912	414	(9.0)	453	453	645	571	1,187	2,856	414	(8.6)
Brazil	152	215	210	295	872	185	21.7	133	152	215	210	295	872	185	39.1
EFCF	356	720	616	639	2,331	466	30.9								
EFCF After Lease	208	549	380	397	1,534	195	(6.3)								
NET DEBT ⁽²⁾	28,583	28,328	27,891	27,668	27,668	26,745	(6.4)								
NET DEBT After Lease ⁽²⁾	23,143	22,818	22,465	21,893	21,893	21,711	(6.2)								

(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) Adjusted

Q1 '20 Financial and Operating Figures
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TIM Group Profit & Loss

€m, IFRS 16

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Unaudited figures

	Q1 '19	H1 '19	9M '19	FY '19	Q1 '20	Change YoY%
REVENUES	4,471	8,994	13,423	17,974	3,964	(11.3)
Other Income	46	766	850	933	40	(13.0)
TOTAL OPERATING REVENUES AND OTHER INCOME	4,517	9,760	14,273	18,907	4,004	(11.4)
Acquisition of goods and services	(1,595)	(3,198)	(4,746)	(6,463)	(1,454)	8.8
Employee benefits expenses	(740)	(1,502)	(2,179)	(3,077)	(715)	3.4
Other operating expenses	(309)	(871)	(1,160)	(1,625)	(272)	12.0
Internally generated assets and Others	73	202	311	409	172	135.6
EBITDA	1,946	4,391	6,499	8,151	1,735	(10.8)
EBITDA Margin	43.5%	48.8%	48.4%	45.3%	43.8%	0.2 p.p.
Depreciation and amortization	(1,264)	(2,496)	(3,758)	(4,927)	(1,201)	5.0
Gains (losses) on disposals of non-current assets	1	(8)	(29)	(49)	(1)	
Impairment reversals (losses) on non-current assets	-	-	-	-	-	
EBIT	683	1,887	2,712	3,175	533	(22.0)
EBIT Margin	15.3%	21.0%	20.2%	17.7%	13.4%	(1.8 p.p.)
Income (loss) equity invest. valued equity method	(4)	(1)	(2)	-	-	
Net Financial Income / (Expenses) ⁽¹⁾	(383)	(754)	(1,119)	(1,436)	140	
Profit (loss) before tax from continuing operations	296	1,132	1,591	1,739	673	
Income tax expense	(109)	(392)	(498)	(513)	(82)	24.8
Profit (loss) from continuing operations	187	740	1,093	1,226	591	
Discontinued operations/Non-current assets held for sale	-	-	-	16	-	
PROFIT (LOSS)	187	740	1,093	1,242	591	
Parent Company	165	551	852	916	560	
Minorities	22	189	241	326	31	40.9

(1) Inwit gain following the merger € 441m in Q1 '20

TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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Unaudited figures

	IFRS 16					2019 EFCF RECONCILIATION				
	Q1 '19	H1 '19	9M '19	FY '19	Q1 '20	IFRS 16	Δ abs	IFRS 9/15	Δ abs	AFTER LEASE
EBITDA	1,946	4,391	6,499	8,151	1,735	8,151	(662)	7,489	(344)	7,145
CAPEX	(607)	(1,481)	(2,276)	(3,784)	(599)	(3,784)		(3,784)		(3,784)
<i>o/w spectrum</i>	-	-	-	-	-	-		-		-
CHANGE IN WORKING CAPITAL ⁽¹⁾	(649)	(1,091)	(1,432)	(560)	(348)	(560)	(49)	(609)		(609)
Change in net operating working capital	(633)	(1,146)	(1,290)	(549)	(229)	(549)	(49)	(598)		(598)
Change in inventories	64	73	90	129	(22)	129		129		129
Change in trade receivables and net amounts due from customers on construction contracts	(230)	(138)	(108)	-	258	-		-		-
Change in trade payables	(695)	(973)	(1,033)	(46)	(931)	(46)	(17)	(63)		(63)
Other changes in operating receivables/payables	228	(108)	(239)	(632)	466	(632)	(32)	(664)		(664)
Change in provisions for employee benefits	(13)	(214)	(243)	(246)	(8)	(246)		(246)		(246)
Change in operating provisions and other changes	(3)	269	101	235	(111)	235		235		235
OPERATING FREE CASH FLOW Reported	690	1,819	2,791	3,807	788	3,807	(711)	3,096	(344)	2,752
Licence	-	-	(18)	(18)	-	(18)		(18)		(18)
OPERATING FREE CASH FLOW net of Licence	690	1,819	2,809	3,825	788	3,825	(711)	3,114	(344)	2,770
Financial Expenses	(346)	(707)	(1,031)	(1,372)	(295)	(1,372)	202	(1,170)	157	(1,013)
Cash Taxes & Other	12	(36)	(86)	(138)	(27)	(138)	(101)	(239)		(239)
Net Cash Flow from discontinued operations	-	-	-	16	-	16		16		16
EQUITY FREE CASH FLOW ⁽²⁾	356	1,076	1,692	2,331	466	2,331	(610)	1,721	(187)	1,534
Dividends and change in Equity	(25)	(241)	(242)	(269)	(40)	(269)		(269)		(269)
Disposal and Financial investments	-	3	3	155	613	155		155		155
Licence	-	-	(18)	(18)	-	(18)		(18)		(18)
IFRS & IAS	(3,644)	(3,896)	(4,056)	(4,597)	(116)	(4,597)	4,439	(158)	186	28
NET CASH FLOW	(3,313)	(3,058)	(2,621)	(2,398)	923	(2,398)		1,431		1,430
EQUITY FREE CASH FLOW ⁽²⁾	356	1,076	1,692	2,331	466					
Net Impact IFRS 16	(140)	(290)	(462)	(610)	(153)					
EQUITY FREE CASH FLOW comparable (IFRS 9/15)	216	786	1,230	1,721	313					
Lease Liabilities (IAS 17)	(8)	(29)	(93)	(187)	(118)					
EQUITY FREE CASH FLOW AFTER LEASE ⁽²⁾	208	757	1,137	1,534	195					
OPENING NET DEBT ⁽³⁾	25,270	25,270	25,270	25,270	27,668					
NET DEBT ⁽³⁾	28,583	28,328	27,891	27,668	26,745					
Net Impact IFRS 16	(3,503)	(3,597)	(3,579)	(3,829)	(3,187)					
NET DEBT comparable (IFRS 9/15) ⁽³⁾	25,080	24,731	24,312	23,839	23,558					
Lease Liabilities (IAS 17)	(1,937)	(1,913)	(1,847)	(1,946)	(1,847)					
NET DEBT After Lease ⁽³⁾	23,143	22,818	22,465	21,893	21,711					

(1) See details in tab "Working Capital" (2) Excluding € 216m one-offs (Sky settlement and regulatory fines provisioned for in 2019) and FX impact, EFCF would be €633m in Q1 '20 (vs € 386m in Q1 '19); EFCF AL would be €442m (vs €246m in Q1 '19) (3) Adjusted

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Investor Relations

TIM Group Working Capital

€m, IFRS 16

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Unaudited figures

	TIM Group		Domestic		Brasil	
	Q1 '19	Q1 '20	Q1 '19	Q1 '20	Q1 '19	Q1 '20
Operating WC & Other	(649)	(348)	(309)	(163)	(329)	(184)
License	-	-	-	-	-	-
License paid in the year	-	-	-	-	-	-
Non recurring items (not paid)	34	39	34	39	-	-
Recurring Operating WC	(683)	(387)	(343)	(202)	(329)	(184)
Inventory			72	(20)		
Trade Receivables			(190)	108		
Trade Payables			(580)	(511)		
Other Operating Payables/Receivables & Funds			355	221		
- o/w Litigations & Settlements			-	(74)		
- o/w Payables vs. Personnel			134	111		
- o/w Personnel Exit (Fornero Law)			(50)	(67)		
- o/w VAT			506	435		
- o/w Billing (1)			(16)	(31)		
- o/w Net Debts vs INPS			(58)	(41)		
- o/w Deferred Costs & Revenues			(88)	(52)		

TIM Group Balance Sheet

€m, IFRS 16

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Unaudited figures

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

TIM Group Balance Sheet

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Unaudited figures

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

Domestic Results

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾							
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Change YoY %	Q1 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Change YoY %
REVENUES	3,502	3,567	3,454	3,555	14,078	3,113	(11.1)	3,499	3,498	3,547	3,435	3,539	14,019	3,128	(10.6)
Service Revenues	3,155	3,230	3,128	3,072	12,585	2,861	(9.3)	3,152	3,151	3,210	3,109	3,051	12,520	2,876	(8.8)
Wireline Services	2,393	2,416	2,269	2,283	9,361	2,153	(10.0)	2,394	2,393	2,416	2,269	2,283	9,361	2,153	(10.1)
Retail	1,630	1,609	1,510	1,515	6,264	1,419	(12.9)	1,630	1,630	1,609	1,510	1,515	6,264	1,420	(12.9)
National Wholesale	497	560	515	506	2,078	500	0.6	497	497	560	515	506	2,078	500	0.6
International Wholesale	238	231	228	237	934	218	(8.4)	239	238	231	228	237	934	218	(8.8)
Subs., adj. and other	28	16	17	25	86	15	(46.3)	28	29	16	16	25	86	15	(46.3)
Mobile Services	916	943	993	923	3,775	856	(6.5)	916	916	934	981	910	3,741	870	(4.9)
Retail	832	830	840	791	3,292	747	(10.2)	832	831	830	840	791	3,292	762	(8.5)
Wholesale and Other	84	113	153	133	483	109	29.3	84	85	104	141	120	449	109	29.3
Elimination & Other ⁽²⁾	(154)	(129)	(134)	(134)	(551)	(148)		(158)	(158)	(140)	(141)	(143)	(582)	(147)	
Handsets	347	337	326	483	1,493	252	(27.4)	347	347	337	326	488	1,499	252	(27.4)
OPEX	1,968	2,172	1,829	2,401	8,370	1,767	(10.2)	1,941	1,940	1,925	1,779	2,046	7,690	1,743	(10.2)
EBITDA	1,534	1,395	1,625	1,154	5,708	1,346	(12.3)	1,558	1,558	1,622	1,656	1,493	6,329	1,385	(11.1)
EBITDA Margin	43.8%	39.1%	47.0%	32.5%	40.5%	43.2%	(0.6 p.p.)	44.5%	44.5%	45.7%	48.2%	42.2%	45.1%	44.3%	(0.2 p.p.)
EBITDA After Lease	1,377	1,233	1,469	992	5,071	1,200	(12.9)	1,401	1,401	1,416	1,458	1,292	5,566	1,239	(11.6)
EBITDA AL Margin	39.3%	34.6%	42.5%	27.9%	36.0%	38.5%	(0.8 p.p.)	40.0%	40.1%	39.9%	42.4%	36.5%	39.7%	39.6%	(0.4 p.p.)
CAPEX	455	659	585	1,213	2,912	414	(9.0)	453	453	645	571	1,187	2,856	414	(8.6)
% on revenues	13.0%	18.5%	16.9%	34.1%	20.7%	13.3%	0.3 p.p.	12.9%	13.0%	18.2%	16.6%	33.5%	20.4%	13.2%	0.3 p.p.
Headcount EoP	48,114	47,891	46,502	45,496	45,496	45,380	(0.1)								

(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

Q1 '20 Financial and Operating Figures
Investor Relations

Domestic Wireline

€m, IFRS 16

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Unaudited figures

	REPORTED						
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Change YoY %
WIRELINE REVENUES	2,534	2,586	2,452	2,552	10,124	2,288	(9.7)
Wireline Service Revenues	2,393	2,416	2,269	2,283	9,361	2,153	(10.0)
Retail Services	1,630	1,609	1,510	1,515	6,264	1,419	(12.9)
o/w Broadband and content	645	647	590	588	2,470	584	(9.5)
o/w ICT Services	192	215	211	245	862	207	8.1
National Wholesale	497	560	515	506	2,078	500	0.6
International Wholesale	238	231	228	237	934	218	(8.4)
Subsidiaries, adj. and other	28	16	17	25	86	15	(46.3)
Equipments	141	170	183	269	763	135	(4.0)

Retail lines ('000)

Churn rate %

Broadband
Consumer
Business
UBB ⁽³⁾

Wholesale lines ('000)

Local Loop Unbundling
Wholesale Line Rental
Bitstream Naked
UBB

ARPU Consumer

ARPU Broadband

	ORGANIC ⁽¹⁾						
	Q1 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20 Change YoY %
	2,535	2,534	2,586	2,452	2,552	10,124	2,289 (9.7)
	2,394	2,393	2,416	2,269	2,283	9,361	2,153 (10.1)
	1,630	1,630	1,609	1,510	1,515	6,264	1,420 (12.9)
	645	645	647	590	588	2,470	584 (9.5)
	192	192	215	211	245	862	207 8.1
	497	497	560	515	506	2,078	500 0.6
	239	238	231	228	237	934	218 (8.8)
	28	29	16	16	25	86	15 (46.3)
	141	141	170	183	269	763	135 (4.0)
	9,931	9,931	9,599	9,381	9,166	9,166	8,981 (9.6)
	5.6	5.6	6.0	4.4	4.9	20.9	4.7 (0.8 p.p.)
	7,354	7,354	7,414	7,532	7,592	7,592	7,567 ⁽²⁾ 2.9
	6,001	6,001	6,075	6,201	6,282	6,282	6,298 5.0
	1,353	1,353	1,340	1,331	1,310	1,310	1,269 (6.2)
	3,400	3,400	3,498	3,567	3,670	3,670	3,789 11.4
	8,093	8,093	8,079	8,050	8,051	8,051	8,003 (1.1)
	4,149	4,149	3,900	3,710	3,525	3,525	3,298 (20.5)
	228	228	230	223	215	215	203 (10.9)
	1,100	1,100	1,081	1,041	1,001	1,001	952 (13.4)
	2,616	2,616	2,869	3,076	3,309	3,309	3,549 35.7
	35.6	35.6	35.7	33.9	34.2	34.9	33.8 (5.1)
	29.0	29.0	29.6	26.3	25.9	27.7	25.6 (11.5)

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations adds in Q1 net of -39k clean up in CB

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

(2) +14k implied net

Q1 '20 Financial and Operating Figures
Investor Relations

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

€m, IFRS 16

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾							
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Change YoY %	Q1 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Change YoY %
MOBILE REVENUES	1,122	1,111	1,135	1,143	4,511	976	(13.0)	1,122	1,122	1,102	1,123	1,130	4,477	990	(11.7)
Mobile Service Revenues	916	943	993	923	3,775	856	(6.5)	916	916	934	981	910	3,741	870	(4.9)
Retail Services	832	830	840	791	3,292	747	(10.2)	832	831	830	840	791	3,292	762	(8.5)
o/w Incoming	67	67	64	72	270	66	(2.1)	67	67	67	64	72	270	66	(2.1)
Wholesale and Other	84	113	153	133	483	109	29.3	84	85	104	141	120	449	109	29.3
Handsets and Handsets Bundle	206	168	142	220	736	120	(41.8)	206	206	168	142	220	736	120	(41.8)
Total number of lines ('000)								31,748	31,748	31,662	31,254	30,895	30,895	30,552	(3.8)
Churn rate %								5.2	5.2	4.3	5.4	5.5	20.4	5.3	0.1 p.p.
Human								22,256	22,256	21,956	21,413	21,003	21,003	20,424	(8.2)
Not Human (M2M)								9,492	9,492	9,706	9,841	9,892	9,892	10,098	6.4
Calling lines								28,068	28,068	28,051	27,837	27,495	27,495	27,227	(3.0)
Human Calling								18,576	18,576	18,345	17,996	17,602	17,602	17,128	(7.8)
Broadband Users								13,125	13,125	13,124	12,951	12,823	12,823	12,673	(3.4)
LTE Users ⁽²⁾								10,718	10,718	10,922	10,957	11,043	11,043	11,111	3.7
Usage Data (GB/users/month) ⁽²⁾								5.1	5.1	5.9	7.0	7.0	6.3	8.2	59.6
ARPU Reported								8.7	8.7	8.7	8.9	8.5	8.7	8.3	(5.3)
ARPU Human								12.4	12.4	12.5	12.9	12.4	12.6	12.3	(1.3)

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

(2) Restated to include Kena usage

Q1 '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 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	
REVENUES	4,191	4,263	4,337	4,586	17,377	4,215	0.6
Service Revenues	4,024	4,063	4,152	4,357	16,597	4,091	1.6
<i>o/w Mobile</i>	3,799	3,839	3,922	4,102	15,662	3,842	1.1
<i>o/w Fixed</i>	226	224	230	255	935	249	10.3
Handsets	166	200	185	229	780	124	(25.3)
OPEX	2,419	-335	2,185	2,288	6,557	2,299	5.0
EBITDA	1,772	4,598	2,152	2,298	10,820	1,916	8.1
EBITDA margin	42.3%	107.9%	49.6%	50.1%	62.3%	45.5%	3.2 p.p.
CAPEX	650	945	924	1,334	3,853	904	39.1
% on revenues	15.5%	22.2%	21.3%	29.1%	22.2%	21.4%	5.9 p.p.
KPI's - Mobile only							
Total Penetration ⁽¹⁾	99.6%	98.9%	98.4%	96.9%	96.9%	96.2%	(3.4 p.p.)
Market Share on total lines	24.1%	24.1%	23.9%	24.0%	24.0%	23.3%	(0.8 p.p.)
Total Lines ('000) ⁽²⁾	55,083	54,972	54,527	54,447	54,447	52,826	(4.1)
TOTAL ARPU ⁽³⁾	22.8	23.2	23.9	25.1	23.7	23.9	4.8
TOTAL MOU ⁽⁴⁾	124	124	125	122	124	119	(3.9)
Exchange rate AVG YTD (R\$/euro)	4.27983	4.34394	4.36545	4.41422	4.41422	4.90557	

Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q1 '19					Q1 '20		
	Reported	Non Organic elements		Non recurring items	Organic	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
REVENUES	4,471	(18)	(124)	14	4,343	3,964	15	3,979
Domestic	3,502	(18)	1	14	3,499	3,113	15	3,128
Brazil	979	-	(125)	-	854	859	-	859
Other Activities & Eliminations	(10)	-	-	-	(10)	(8)	-	(8)
SERVICE REVENUES	4,085	(18)	(119)	14	3,962	3,687	15	3,702
Domestic	3,155	(18)	1	14	3,152	2,861	15	2,876
Brazil	940	-	(120)	-	820	834	-	834
Other Activities & Eliminations	(10)	-	-	-	(10)	(8)	-	(8)
EBITDA	1,946	(10)	(53)	34	1,917	1,735	39	1,774
Domestic	1,534	(10)	-	34	1,558	1,346	39	1,385
Brazil	414	-	(53)	-	361	390	-	390
Other Activities & Eliminations	(2)	-	-	-	(2)	(1)	-	(1)
EBITDA After Lease	1,700	(10)	(41)	34	1,683	1,502	39	1,541
Domestic	1,377	(10)	-	34	1,401	1,200	39	1,239
Brazil	325	-	(41)	-	284	303	-	303
Other Activities & Eliminations	(2)	-	-	-	(2)	(1)	-	(1)
EBIT	683	(5)	(13)	34	699	533	39	572
Domestic	584	(5)	-	34	613	430	39	469
Brazil	101	-	(13)	-	88	105	-	105
Other Activities & Eliminations	(2)	-	-	-	(2)	(2)	-	(2)

IFRS 16 Impacts

€m

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Unaudited figures

		Q1' 19			Q2' 19			Q3' 19			Q4' 19			FY' 19		
		IFRS 9/15	IFRS 16	Δ IFRS 16	IFRS 9/15	IFRS 16	Δ IFRS 16	IFRS 9/15	IFRS 16	Δ IFRS 16	IFRS 9/15	IFRS 16	Δ IFRS 16	IFRS 9/15	IFRS 16	Δ IFRS 16
REVENUES	Domestic	3,502	3,502	-	3,567	3,567	-	3,454	3,454	-	3,558	3,555	(3)	14,081	14,078	(3)
	Brazil	979	979	-	967	967	-	984	984	-	1,007	1,007	-	3,937	3,937	-
	TIM Group	4,471	4,471	-	4,523	4,523	-	4,429	4,429	-	4,554	4,551	(3)	17,977	17,974	(3)
SERVICE REVENUES	Domestic	3,155	3,155	-	3,230	3,230	-	3,128	3,128	-	3,075	3,072	(3)	12,588	12,585	(3)
	Brazil	940	940	-	922	922	-	942	942	-	956	956	-	3,760	3,760	-
	TIM Group	4,085	4,085	-	4,141	4,141	-	4,061	4,061	-	4,019	4,017	(2)	16,306	16,304	(2)
EBITDA	Domestic	1,447	1,534	87	1,302	1,395	93	1,536	1,625	89	1,060	1,154	94	5,345	5,708	363
	Brazil	347	414	67	974	1,053	79	409	485	76	423	499	76	2,153	2,451	298
	TIM Group	1,792	1,946	154	2,273	2,445	172	1,943	2,108	165	1,481	1,652	171	7,489	8,151	662
EBIT	Domestic	581	584	3	431	445	14	678	665	(13)	162	193	31	1,852	1,887	35
	Brazil	107	101	(6)	756	763	7	171	161	(10)	181	272	91	1,215	1,297	82
	TIM Group	685	683	(2)	1,186	1,204	18	846	825	(21)	341	463	122	3,058	3,175	117