



TIM Group

Q3 '20

# Financial and Operating Figures

*IFRS 16 (comparable) and After Lease view*



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## Disclaimer

The Q3 '20 and 9M '20 financial and operating data have been extracted or derived, with the exception of some data, from the Financial Information at September 30, 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 Q3 '20 and 9M '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. The financial results for Q3 '20 and 9M '20 of the TIM Group are unaudited.

### 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 - see next tab for 2019 comparable base details ➡

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	REPORTED									ORGANIC <sup>(1)</sup>									
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %	Q3 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %
REVENUES	4,471	4,523	4,429	4,551	17,974	3,964	3,795	3,898	(12.0)	4,106	4,467	4,503	4,410	4,535	17,915	3,979	3,817	3,899	(5.0)
Domestic	3,502	3,567	3,454	3,555	14,078	3,113	3,146	3,213	(7.0)	3,435	3,498	3,547	3,435	3,539	14,019	3,128	3,168	3,214	(6.4)
o/w Wireline	2,534	2,586	2,452	2,552	10,124	2,288	2,361	2,336	(4.7)	2,449	2,534	2,586	2,452	2,552	10,124	2,289	2,365	2,337	(4.6)
o/w Mobile	1,122	1,111	1,135	1,143	4,511	976	921	1,012	(10.8)	1,124	1,122	1,102	1,123	1,130	4,477	990	939	1,012	(10.0)
Brazil	979	967	984	1,007	3,937	859	658	691	(29.8)	680	979	967	984	1,007	3,937	859	658	691	1.2
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(8)	(9)	(6)		(9)	(10)	(11)	(9)	(11)	(41)	(8)	(9)	(6)	
SERVICE REVENUES	4,085	4,142	4,061	4,017	16,304	3,687	3,537	3,510	(13.6)	3,752	4,081	4,120	4,042	3,996	16,239	3,702	3,559	3,511	(6.4)
Domestic	3,155	3,231	3,128	3,072	12,585	2,861	2,897	2,855	(8.7)	3,110	3,151	3,210	3,109	3,051	12,520	2,876	2,919	2,856	(8.2)
o/w Wireline	2,393	2,416	2,269	2,283	9,361	2,153	2,209	2,144	(5.5)	2,266	2,393	2,416	2,269	2,283	9,361	2,153	2,213	2,145	(5.4)
o/w Mobile	916	943	993	923	3,775	856	824	846	(14.7)	981	916	934	981	910	3,741	870	842	846	(13.7)
Brazil	940	922	942	956	3,760	834	649	661	(29.8)	651	940	922	942	956	3,760	834	649	661	1.3
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(8)	(9)	(6)		(9)	(10)	(11)	(9)	(11)	(41)	(8)	(9)	(6)	
EBITDA <sup>(2)</sup>	1,946	2,445	2,108	1,652	8,151	1,735	1,663	1,720	(18.4)	1,916	1,970	2,062	2,117	1,998	8,147	1,774	1,761	1,764	(7.9)
Domestic	1,534	1,395	1,625	1,154	5,708	1,346	1,338	1,397	(14.0)	1,596	1,558	1,622	1,656	1,493	6,329	1,385	1,436	1,441	(9.7)
Brazil	414	1,053	485	499	2,451	390	328	325	(33.0)	322	414	442	464	506	1,826	390	328	325	1.0
Other activities & Elim.	(2)	(3)	(2)	(1)	(8)	(1)	(3)	(2)		(2)	(2)	(2)	(3)	(1)	(8)	(1)	(3)	(2)	
EBITDA After Lease	1,700	2,192	1,858	1,395	7,145	1,502	1,465	1,530	(17.7)	1,714	1,724	1,765	1,825	1,702	7,015	1,541	1,563	1,574	(8.2)
Domestic	1,377	1,233	1,469	992	5,071	1,200	1,211	1,273	(13.4)	1,459	1,401	1,416	1,458	1,292	5,566	1,239	1,309	1,317	(9.7)
Brazil	325	961	392	405	2,083	303	257	259	(33.9)	258	325	351	371	412	1,458	303	257	259	0.5
Other activities & Elim.	(2)	(2)	(3)	(2)	(9)	(1)	(3)	(2)		(3)	(2)	(2)	(4)	(2)	(9)	(1)	(3)	(2)	
CAPEX	607	874	795	1,508	3,784	599	655	752	(5.4)	718	605	860	781	1,482	3,728	599	655	752	4.7
Domestic	455	659	585	1,213	2,912	414	549	617	5.5	571	453	645	571	1,187	2,856	414	549	617	8.1
Brazil	152	215	210	295	872	185	106	135	(35.7)	147	152	215	210	295	872	185	106	135	(8.0)
EFCF	356	720	616	639	2,331	466	512	688	11.7										
EFCF After Lease	208	549	380	397	1,534	195	336	462	21.6										
NET DEBT <sup>(3)</sup>	28,583	28,328	27,891	27,668	27,668	26,745	25,971	25,469	(8.7)										
NET DEBT After Lease <sup>(3)</sup>	23,143	22,818	22,465	21,893	21,893	21,711	21,095	20,741	(7.7)										

(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

# 2019 Comparable base

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	ORGANIC <sup>(1)</sup>					COMPARABLE BASE <sup>(2)</sup>				
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19
<b>REVENUES</b>	<b>4,467</b>	<b>4,503</b>	<b>4,410</b>	<b>4,535</b>	<b>17,915</b>	<b>4,343</b>	<b>4,247</b>	<b>4,106</b>		<b>17,015</b>
Domestic	3,498	3,547	3,435	3,539	14,019	3,499	3,549	3,435		14,028
o/w Wireline	2,534	2,586	2,452	2,552	10,124	2,535	2,588	2,449		10,123
o/w Mobile	1,122	1,102	1,123	1,130	4,477	1,122	1,101	1,124		4,477
Brazil	979	967	984	1,007	3,937	854	709	680		3,028
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(10)	(11)	(9)		(41)
<b>SERVICE REVENUES</b>	<b>4,081</b>	<b>4,120</b>	<b>4,042</b>	<b>3,996</b>	<b>16,239</b>	<b>3,962</b>	<b>3,876</b>	<b>3,752</b>		<b>15,380</b>
Domestic	3,151	3,210	3,109	3,051	12,520	3,152	3,212	3,110		12,529
o/w Wireline	2,393	2,416	2,269	2,283	9,361	2,394	2,418	2,266		9,360
o/w Mobile	916	934	981	910	3,741	916	933	981		3,741
Brazil	940	922	942	956	3,760	820	675	651		2,892
Other activities & Elim.	(10)	(11)	(9)	(11)	(41)	(10)	(11)	(9)		(41)
<b>EBITDA</b>	<b>1,970</b>	<b>2,062</b>	<b>2,117</b>	<b>1,998</b>	<b>8,147</b>	<b>1,917</b>	<b>1,882</b>	<b>1,916</b>		<b>7,541</b>
Domestic	1,558	1,622	1,656	1,493	6,329	1,558	1,558	1,596		6,144
Brazil	414	442	464	506	1,826	361	327	322		1,405
Other activities & Elim.	(2)	(2)	(3)	(1)	(8)	(2)	(3)	(2)		(8)
<b>EBITDA After Lease</b>	<b>1,724</b>	<b>1,765</b>	<b>1,825</b>	<b>1,702</b>	<b>7,015</b>	<b>1,683</b>	<b>1,670</b>	<b>1,714</b>		<b>6,681</b>
Domestic	1,401	1,416	1,458	1,292	5,566	1,401	1,415	1,459		5,567
Brazil	325	351	371	412	1,458	284	258	258		1,122
Other activities & Elim.	(2)	(2)	(4)	(2)	(9)	(2)	(3)	(3)		(8)
<b>CAPEX</b>	<b>605</b>	<b>860</b>	<b>781</b>	<b>1,482</b>	<b>3,728</b>	<b>586</b>	<b>807</b>	<b>718</b>		<b>3,526</b>
Domestic	453	645	571	1,187	2,856	453	645	571		2,855
Brazil	152	215	210	295	872	133	162	147		671

(1) Excluding non-recurring items and change in consolidation area (2) Comparable base excluding non-recurring items, change in consolidation area and exchange rate fluctuations.  
FY'19 comparable base @ 2020 forecasted average exchange rate (5,7 REAIS/EUR vs 4.4 in FY'19, 4.9 in Q1'19, 5.4 in Q2'19 and 5.7 in Q3'19)

**Q3 '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	9M '20	Change YoY%
<b>REVENUES</b>	<b>4,471</b>	<b>8,994</b>	<b>13,423</b>	<b>17,974</b>	<b>3,964</b>	<b>7,759</b>	<b>11,657</b>	(13.2)
Other Income	46	766	850	933	40	90	121	(85.8)
<b>TOTAL OPERATING REVENUES AND OTHER INCOME</b>	<b>4,517</b>	<b>9,760</b>	<b>14,273</b>	<b>18,907</b>	<b>4,004</b>	<b>7,849</b>	<b>11,778</b>	(17.5)
Acquisition of goods and services	(1,595)	(3,198)	(4,746)	(6,463)	(1,454)	(2,840)	(4,433)	6.6
Employee benefits expenses	(740)	(1,502)	(2,179)	(3,077)	(715)	(1,372)	(1,946)	10.7
Other operating expenses	(309)	(871)	(1,160)	(1,625)	(272)	(502)	(681)	41.3
Internally generated assets and Others	73	202	311	409	172	263	400	28.6
<b>EBITDA</b>	<b>1,946</b>	<b>4,391</b>	<b>6,499</b>	<b>8,151</b>	<b>1,735</b>	<b>3,398</b>	<b>5,118</b>	(21.2)
EBITDA Margin	43.5%	48.8%	48.4%	45.3%	43.8%	43.8%	43.9%	
Depreciation and amortization	(1,264)	(2,496)	(3,758)	(4,927)	(1,201)	(2,348)	(3,482)	7.3
Gains (losses) on disposals of non-current assets	1	(8)	(29)	(49)	(1)	(8)	(9)	69.0
Impairment reversals (losses) on non-current assets	-	-	-	-	-	-	-	
<b>EBIT</b>	<b>683</b>	<b>1,887</b>	<b>2,712</b>	<b>3,175</b>	<b>533</b>	<b>1,042</b>	<b>1,627</b>	(40.0)
EBIT Margin	15.3%	21.0%	20.2%	17.7%	13.4%	13.4%	14.0%	
Income (loss) equity invest. valued equity method <sup>(1)</sup>	(4)	(1)	(2)	0	441	450	460	
Net Financial Income / (Expenses)	(383)	(754)	(1,119)	(1,436)	(301)	(603)	(909)	18.8
<b>Profit (loss) before tax from continuing operations</b>	<b>296</b>	<b>1,132</b>	<b>1,591</b>	<b>1,739</b>	<b>673</b>	<b>889</b>	<b>1,178</b>	(26.0)
Income tax expense	(109)	(392)	(498)	(513)	(82)	(166)	66	
<b>Profit (loss) from continuing operations</b>	<b>187</b>	<b>740</b>	<b>1,093</b>	<b>1,226</b>	<b>591</b>	<b>723</b>	<b>1,244</b>	13.8
Discontinued operations/Non-current assets held for sale	-	-	-	16	-	-	-	
<b>PROFIT (LOSS)</b>	<b>187</b>	<b>740</b>	<b>1,093</b>	<b>1,242</b>	<b>591</b>	<b>723</b>	<b>1,244</b>	13.8
Parent Company	165	551	852	916	560	678	1,178	38.3
Minorities	22	189	241	326	31	45	66	(72.6)

(1) Inwit gain following the merger € 448m, Inwit equity share € 12m

# TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q1 '19	H1 '19	9M '19	FY '19	Q1 '20	H1 '20	9M '20
<b>EBITDA</b>	1,946	4,391	6,499	8,151	1,735	3,398	5,118
<b>CAPEX</b>	(607)	(1,481)	(2,276)	(3,784)	(599)	(1,254)	(2,006)
o/w spectrum	-	-	-	-	-	-	-
<b>CHANGE IN WORKING CAPITAL <sup>(1)</sup></b>	<b>(649)</b>	<b>(1,091)</b>	<b>(1,432)</b>	<b>(560)</b>	<b>(348)</b>	<b>(599)</b>	<b>(738)</b>
Change in net operating working capital	(633)	(1,146)	(1,290)	(549)	(229)	(53)	(60)
Change in inventories	64	73	90	129	(22)	6	(10)
Change in trade receivables and net amounts due from customers on construction contracts	(230)	(138)	(108)	-	258	329	401
Change in trade payables	(695)	(973)	(1,033)	(46)	(931)	(1,293)	(1,234)
Other changes in operating receivables/payables	228	(108)	(239)	(632)	466	905	783
Change in provisions for employee benefits	(13)	(214)	(243)	(246)	(8)	(435)	(534)
Change in operating provisions and other changes	(3)	269	101	235	(111)	(111)	(144)
<b>OPERATING FREE CASH FLOW Reported</b>	<b>690</b>	<b>1,819</b>	<b>2,791</b>	<b>3,807</b>	<b>788</b>	<b>1,545</b>	<b>2,374</b>
Licence	-	-	(18)	(18)	-	-	(110)
<b>OPERATING FREE CASH FLOW net of Licence</b>	<b>690</b>	<b>1,819</b>	<b>2,809</b>	<b>3,825</b>	<b>788</b>	<b>1,545</b>	<b>2,484</b>
Financial Expenses	(346)	(707)	(1,031)	(1,372)	(295)	(604)	(904)
Cash Taxes & Other	12	(36)	(86)	(138)	(27)	37	86
Net Cash Flow from discontinued operations	-	-	-	16	-	-	-
<b>EQUITY FREE CASH FLOW</b>	<b>356</b>	<b>1,076</b>	<b>1,692</b>	<b>2,331</b>	<b>466</b>	<b>978</b>	<b>1,666</b>
Dividends and change in Equity	(25)	(241)	(242)	(269)	(40)	(348)	(344)
Disposal and Financial investments	-	3	3	155	613	1,212	1,213
Licence	-	-	(18)	(18)	-	-	(110)
IFRS & IAS	(3,644)	(3,896)	(4,056)	(4,597)	(116)	(145)	(226)
<b>NET CASH FLOW</b>	<b>(3,313)</b>	<b>(3,058)</b>	<b>(2,621)</b>	<b>(2,398)</b>	<b>923</b>	<b>1,697</b>	<b>2,199</b>
<b>EQUITY FREE CASH FLOW</b>	<b>356</b>	<b>1,076</b>	<b>1,692</b>	<b>2,331</b>	<b>466</b>	<b>978</b>	<b>1,666</b>
Lease Impact	(148)	(319)	(555)	(797)	(271)	(447)	(673)
<b>EQUITY FREE CASH FLOW AFTER LEASE <sup>(2)</sup></b>	<b>208</b>	<b>757</b>	<b>1,137</b>	<b>1,534</b>	<b>195</b>	<b>531</b>	<b>993</b>
<b>NET DEBT <sup>(3)</sup></b>	<b>28,583</b>	<b>28,328</b>	<b>27,891</b>	<b>27,668</b>	<b>26,745</b>	<b>25,971</b>	<b>25,469</b>
Lease Impact	(5,440)	(5,510)	(5,426)	(5,775)	(5,034)	(4,876)	(4,728)
<b>NET DEBT After Lease <sup>(3)</sup></b>	<b>23,143</b>	<b>22,818</b>	<b>22,465</b>	<b>21,893</b>	<b>21,711</b>	<b>21,095</b>	<b>20,741</b>

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

(2) Excluding non-recurring items and FX EFCF AL would be € 1,257m in 9M '20 (vs. € 1,137m in 9M '19)

Q3 '20 Financial and Operating Figures  
Investor Relations

# TIM Group Working Capital

€m, IFRS 16

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*Unaudited figures*

	TIM Group			Domestic			Brasil		
	9M '19	9M '20	Δ abs	9M '19	9M '20	Δ abs	9M '19	9M '20	Δ abs
<b>Operating WC &amp; Other</b>	<b>(1,432)</b>	<b>(738)</b>	<b>694</b>	<b>(355)</b>	<b>(780)</b>	<b>(425)</b>	<b>(1,077)</b>	<b>42</b>	<b>1,119</b>
License	-	-	-	-	-	-	-	-	-
License paid in the year	(18)	(110)	(92)	(18)	(110)	(92)	-	-	-
Non recurring items (not paid)	(300)	181	481	332	181	(151)	(632)	-	632
<b>Recurring Operating WC</b>	<b>(1,114)</b>	<b>(809)</b>	<b>305</b>	<b>(669)</b>	<b>(851)</b>	<b>(182)</b>	<b>(445)</b>	<b>42</b>	<b>487</b>
Inventory				95	(24)	(119)			
Trade Receivables				(48)	145	193			
Trade Payables				(785)	(670)	115			
Other Operating Payables/Receivables & Funds				69	(302)	(371)			
- o/w Litigations & Settlements				(3)	(117)	(114)			
- o/w Payables vs. Personnel				127	16	(112)			
- o/w Personnel Exit (Fornero Law)				(222)	(319)	(97)			
- o/w VAT				504	451	(53)			
- o/w Billing (1)				(38)	(67)	(28)			
- o/w Net Debts vs INPS				(78)	(58)	20			
- o/w Deferred Costs & Revenues				(106)	(104)	2			

# 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	9M '20
<b>CURRENT ASSETS</b>	<b>9,280</b>	<b>8,253</b>	<b>8,798</b>	<b>14,108</b>	<b>9,513</b>	<b>9,611</b>	<b>9,036</b>
Trade and miscellaneous receivables and other current assets	5,138	4,990	4,940	4,857	4,889	4,639	4,580
Cash and cash equivalents	2,103	1,700	2,147	3,138	3,265	3,603	2,858
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	1,246
Inventories	325	316	299	260	282	256	272
Current income tax receivables	71	83	104	149	49	46	46
Current financial receivables arising from lease contracts	69	53	61	58	43	36	34
Other investments	-	-	-	-	-	-	-
<b>NON-CURRENT ASSETS</b>	<b>60,304</b>	<b>60,859</b>	<b>60,675</b>	<b>55,996</b>	<b>58,482</b>	<b>56,946</b>	<b>55,819</b>
<b>Intangible assets</b>	<b>34,985</b>	<b>34,790</b>	<b>34,464</b>	<b>30,750</b>	<b>30,027</b>	<b>29,737</b>	<b>29,452</b>
Goodwill	26,780	26,784	26,750	23,083	22,908	22,870	22,825
Intangible assets with a finite useful life	8,205	8,006	7,714	7,667	7,119	6,867	6,627
<b>Tangible assets</b>	<b>14,086</b>	<b>14,089</b>	<b>13,995</b>	<b>14,011</b>	<b>13,287</b>	<b>12,986</b>	<b>12,800</b>
Property, plant and equipment owned	14,086	14,089	13,995	14,011	13,287	12,986	12,800
<b>Right of Use assets</b>	<b>5,735</b>	<b>5,803</b>	<b>5,693</b>	<b>5,494</b>	<b>5,276</b>	<b>5,022</b>	<b>4,879</b>
<b>Other assets</b>	<b>5,498</b>	<b>6,177</b>	<b>6,523</b>	<b>5,741</b>	<b>9,892</b>	<b>9,201</b>	<b>8,688</b>
Miscellaneous receivables and other non-current assets	2,296	2,944	2,803	2,585	2,387	2,309	2,050
Non-current financial assets	1,885	2,090	2,637	2,151	3,116	2,969	2,519
<i>o/w receivable for lease contracts</i>	54	60	53	51	51	47	42
<i>o/w other non-current financial assets</i>	1,831	2,030	2,584	2,100	3,065	2,922	2,477
Deferred tax assets	1,253	1,077	1,019	942	937	896	1,080
Other investments	52	54	52	52	44	51	52
Investments in associates and joint ventures accounted for using the equity method	12	12	12	11	3,408	2,976	2,987
<b>TOTAL ASSETS</b>	<b>69,584</b>	<b>69,112</b>	<b>69,473</b>	<b>70,104</b>	<b>67,995</b>	<b>66,557</b>	<b>64,855</b>



# 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	9M '20
<b>CURRENT LIABILITIES</b>	<b>12,489</b>	<b>10,214</b>	<b>10,778</b>	<b>11,928</b>	<b>10,818</b>	<b>10,534</b>	<b>10,380</b>
Trade and miscellaneous payables and other current liabilities	6,840	6,647	6,459	7,218	6,573	6,108	5,908
Current financial liabilities	5,584	3,485	4,277	3,821	4,202	4,382	4,416
<i>o/w liabilities for financing contracts and others</i>	4,889	2,780	3,557	3,182	3,523	3,685	3,773
<i>o/w liabilities for lease contracts</i>	695	705	720	639	679	697	643
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	56
<b>NON-CURRENT LIABILITIES</b>	<b>35,276</b>	<b>36,564</b>	<b>36,151</b>	<b>35,550</b>	<b>35,166</b>	<b>34,629</b>	<b>33,002</b>
Non-current financial liabilities	29,340	30,493	30,262	30,181	29,776	29,187	27,873
<i>o/w liabilities for financing contracts and others</i>	24,586	25,679	25,546	25,605	25,396	24,984	23,766
<i>o/w liabilities for lease contracts</i>	4,754	4,814	4,716	4,576	4,380	4,203	4,107
Miscellaneous payables and other non-current liabilities	3,294	3,348	3,156	3,214	3,104	3,363	3,226
Employee benefits	1,545	1,417	1,379	1,182	1,179	916	830
Provisions	861	993	971	725	688	753	750
Deferred tax liabilities	236	313	383	248	419	410	323
<b>TOTAL LIABILITIES</b>	<b>47,765</b>	<b>46,778</b>	<b>46,929</b>	<b>47,478</b>	<b>45,984</b>	<b>45,163</b>	<b>43,382</b>
<b>EQUITY</b>	<b>21,819</b>	<b>22,334</b>	<b>22,544</b>	<b>22,626</b>	<b>22,011</b>	<b>21,394</b>	<b>21,473</b>
Equity attributable to equity owners of the Parent	19,612	19,949	20,222	20,280	20,623	20,081	20,227
Equity attributable to Minority Interests	2,207	2,385	2,322	2,346	1,388	1,313	1,246
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>69,584</b>	<b>69,112</b>	<b>69,473</b>	<b>70,104</b>	<b>67,995</b>	<b>66,557</b>	<b>64,855</b>

# Domestic Results

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	REPORTED									ORGANIC <sup>(1)</sup>									
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %	Q3 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %
<b>REVENUES</b>	3,502	3,567	3,454	3,555	14,078	3,113	3,146	3,213	(7.0)	3,435	3,498	3,547	3,435	3,539	14,019	3,128	3,168	3,214	(6.4)
<b>Service Revenues</b>	3,155	3,230	3,128	3,072	12,585	2,861	2,897	2,855	(8.7)	3,110	3,151	3,210	3,109	3,051	12,520	2,876	2,919	2,856	(8.2)
<b>Wireline Services</b>	2,393	2,416	2,269	2,283	9,361	2,153	2,209	2,144	(5.5)	2,266	2,393	2,416	2,269	2,283	9,361	2,153	2,213	2,145	(5.4)
Retail	1,630	1,609	1,510	1,515	6,264	1,419	1,404	1,386	(8.2)	1,510	1,630	1,609	1,510	1,515	6,264	1,420	1,408	1,387	(8.2)
National Wholesale	497	560	515	506	2,078	500	567	524	1.7	515	497	560	515	506	2,078	500	567	524	1.7
International Wholesale	238	231	228	237	934	218	224	221	(3.1)	225	238	231	228	237	934	218	224	221	(1.8)
Subs., adj. and other	28	16	17	25	86	15	14	14		17	29	16	16	25	86	15	13	14	
<b>Mobile Services</b>	916	943	993	923	3,775	856	824	846	(14.7)	981	916	934	981	910	3,741	870	842	846	(13.7)
Retail	832	830	840	791	3,292	747	734	706	(15.9)	840	831	830	840	791	3,292	762	752	706	(15.9)
Wholesale and Other	84	113	153	133	483	109	89	140	(8.5)	141	85	104	141	120	449	109	89	140	(0.7)
<b>Elimination &amp; Other <sup>(2)</sup></b>	(154)	(129)	(134)	(134)	(551)	(148)	(135)	(135)	0.7	(137)	(158)	(140)	(141)	(142)	(582)	(147)	(136)	(135)	(1.5)
<b>Handsets</b>	347	337	326	483	1,493	252	249	358	9.8	325	347	337	326	488	1,499	252	249	358	10.2
<b>OPEX</b>	1,968	2,172	1,829	2,401	8,370	1,767	1,808	1,816	(0.7)	1,839	1,940	1,925	1,779	2,046	7,690	1,743	1,732	1,773	(3.6)
<b>EBITDA <sup>(3)</sup></b>	1,534	1,395	1,625	1,154	5,708	1,346	1,338	1,397	(14.0)	1,596	1,558	1,622	1,656	1,493	6,329	1,385	1,436	1,441	(9.7)
EBITDA Margin	43.8%	39.1%	47.0%	32.5%	40.5%	43.2%	42.5%	43.5%	(3.5 p.p.)	46.5%	44.5%	45.7%	48.2%	42.2%	45.1%	44.3%	45.3%	44.8%	(1.6 p.p.)
<b>EBITDA After Lease</b>	1,377	1,233	1,469	992	5,071	1,200	1,211	1,273	(13.4)	1,459	1,401	1,416	1,458	1,292	5,566	1,239	1,309	1,317	(9.7)
EBITDA AL Margin	39.3%	34.6%	42.5%	27.9%	36.0%	38.5%	38.5%	39.6%	(2.9 p.p.)	42.5%	40.1%	39.9%	42.4%	36.5%	39.7%	39.6%	41.3%	41.0%	(1.5 p.p.)
<b>CAPEX</b>	455	659	585	1,213	2,912	414	549	617	5.5	571	453	645	571	1,187	2,856	414	549	617	8.1
% on revenues	13.0%	18.5%	16.9%	34.1%	20.7%	13.3%	17.5%	19.2%	2.3 p.p.	16.6%	13.0%	18.2%	16.6%	33.5%	20.4%	13.2%	17.3%	19.2%	2.6 p.p.
<b>Headcount EoP</b>	48,114	47,891	46,502	45,496	45,496	45,380	45,473	43,069	(7.4)										

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations  
 (2) Includes revenues from Persidera, whose sale was finalized on December 2nd, 2019  
 (3) 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

**Q3 '20 Financial and Operating Figures**  
*Investor Relations*

# Domestic Wireline

€m, IFRS 16

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*Unaudited figures*

	REPORTED									ORGANIC <sup>(1)</sup>									
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %	Q3 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %
<b>WIRELINE REVENUES</b>	2,534	2,586	2,452	2,552	10,124	2,288	2,361	2,336	(4.7)	2,449	2,534	2,586	2,452	2,552	10,124	2,289	2,365	2,337	(4.6)
<b>Wireline Service Revenues</b>	2,393	2,416	2,269	2,283	9,361	2,153	2,209	2,144	(5.5)	2,266	2,393	2,416	2,269	2,283	9,361	2,153	2,213	2,145	(5.4)
Retail Services	1,630	1,609	1,510	1,515	6,264	1,419	1,404	1,386	(8.2)	1,510	1,630	1,609	1,510	1,515	6,264	1,420	1,408	1,387	(8.2)
o/w Broadband and content	645	647	590	588	2,470	584	575	569	(3.7)	590	645	647	590	588	2,470	584	575	569	(3.7)
o/w ICT Services	192	215	211	245	862	207	228	249	18.2	211	192	215	211	245	862	207	228	249	18.2
National Wholesale	497	560	515	506	2,078	500	567	524	1.7	515	497	560	515	506	2,078	500	567	524	1.7
International Wholesale	238	231	228	237	934	218	224	221	(3.1)	225	238	231	228	237	934	218	224	221	(1.8)
Subsidiaries, adj. and other	28	16	17	25	86	15	14	14	(18.8)	17	29	16	16	25	86	15	13	14	(18.8)
<b>Equipments</b>	141	170	183	269	763	135	152	192	5.0	183	141	170	183	269	763	135	152	192	5.0
<b>Retail lines ('000)</b>										9,381	9,931	9,599	9,381	9,166	9,166	8,981	8,921	8,761	(6.6)
Churn rate %										4.4	5.6	6.0	4.4	4.9	20.9	4.7	3.0	4.0	(0.4 p.p.)
Broadband <sup>(2)</sup>										7,532	7,354	7,414	7,532	7,592	7,592	7,567	7,523	7,519	(0.2)
Consumer										6,201	6,001	6,075	6,201	6,282	6,282	6,298	6,282	6,304	1.7
Business										1,331	1,353	1,340	1,331	1,310	1,310	1,269	1,241	1,214	(8.8)
UBB <sup>(3)</sup>										3,567	3,400	3,498	3,567	3,670	3,670	3,789	4,008	4,127	15.8
<b>Wholesale lines ('000)</b>										8,050	8,093	8,079	8,050	8,051	8,051	8,003	8,083	8,053	0.0
Local Loop Unbundling										3,710	4,149	3,900	3,710	3,525	3,525	3,298	3,128	2,953	(20.4)
Wholesale Line Rental										223	228	230	223	215	215	203	198	192	(13.9)
Bitstream Naked										1,041	1,100	1,081	1,041	1,001	1,001	952	895	846	(18.8)
UBB										3,076	2,616	2,869	3,076	3,309	3,309	3,549	3,862	4,063	32.1
<b>ARPU Consumer</b>										33.9	35.6	35.7	33.9	34.2	34.9	33.8	33.4	31.9	(5.9)
<b>ARPU Broadband</b>										26.3	29.0	29.6	26.3	25.9	27.7	25.6	25.4	25.3	(3.9)

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations  
Q3 net of -23k clean up in CB (3) Including Fixed Wireless Accesses (FWA) from Q4'19; FWA not material in previous quarters

(2) 18k implied net adds in

**Q3 '20 Financial and Operating Figures**  
Investor Relations

<b>WIRELINE REVENUES</b>	Total revenues of Domestic Wireline, including services and equipment
<b>Wireline Service Revenues</b>	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)
<b>Equipments</b>	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)
<b>Retail lines ('000)</b>	<b>Fixed accesses, including both voice, broadband (xDSL, FTTx) and data only lines (from Jan. 2019)</b>
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>
<b>Wholesale lines ('000)</b>	<b>Total number of wholesale lines</b>
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
<b>Consumer</b>	Total retail consumer service revenues divided by average active consumer lines (€/line/month)
<b>Broadband</b>	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 <sup>(1)</sup>									
	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %	Q3 '19 comparable base	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %
MOBILE REVENUES	1,122	1,111	1,135	1,143	4,511	976	921	1,012	(10.8)	1,124	1,122	1,102	1,123	1,130	4,477	990	939	1,012	(10.0)
Mobile Service Revenues	916	943	993	923	3,775	856	824	846	(14.7)	981	916	934	981	910	3,741	870	842	846	(13.7)
Retail Services	832	830	840	791	3,292	747	734	706	(15.9)	840	831	830	840	791	3,292	762	752	706	(15.9)
o/w Incoming	67	67	64	72	270	66	75	61	(3.7)	64	67	67	64	72	270	66	75	61	(3.7)
Wholesale and Other	84	113	153	133	483	109	89	140	(8.5)	141	85	104	141	120	449	109	89	140	(0.7)
Handsets and Handsets Bundle	206	168	142	220	736	120	97	166	16.4	143	206	168	142	220	736	120	97	166	16.0
										31,254	31,748	31,662	31,254	30,895	30,895	30,522	30,502	30,165	(3.5)
Total number of lines ('000)										5.4	5.2	4.3	5.4	5.5	20.4	5.3	4.0	5.2	(0.2 p.p.)
Churn rate %										21,413	22,256	21,956	21,413	21,003	21,003	20,424	20,155	19,894	(7.1)
Human										9,841	9,492	9,706	9,841	9,892	9,892	10,098	10,347	10,272	4.4
Not Human (M2M)										27,837	28,068	28,051	27,837	27,495	27,495	27,227	27,563	27,375	(1.7)
Calling lines										17,996	18,576	18,345	17,996	17,602	17,602	17,128	17,215	17,103	(5.0)
Human Calling										12,951	13,125	13,124	12,951	12,823	12,823	12,673	12,875	12,920	(0.2)
Broadband Users										10,957	10,718	10,922	10,957	11,043	11,043	11,111	11,331	11,659	6.4
LTE Users										7.0	5.1	5.9	7.0	7.0	6.3	8.2	9.4	9.9	40.6
Usage Data (GB/users/month)										8.9	8.7	8.7	8.9	8.5	8.7	8.3	8.2	7.8	(12.3)
ARPU Reported										12.9	12.4	12.5	12.9	12.4	12.6	12.3	12.4	11.8	(8.5)
ARPU Human																			

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

Q3 '20 Financial and Operating Figures  
Investor Relations

<b>MOBILE REVENUES</b>	Total mobile revenues, including services, handsets and handsets bundle
<b>Mobile Service Revenues</b>	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
<b>Handsets and Handsets Bundle</b>	Mobile handsets sales and handsets bundles
<b>Total number of lines</b>	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
<b>Usage Data</b>	Average data usage (GB/broadband users/month) - Data volumes net of Visitors, Roamers and MVNO (Noverca/Kena volumes included)
<b>Reported</b>	Total retail service revenues divided by average customer base, human and not human (€/line/month)
<b>Human</b>	Total retail service revenues divided by average human customer base (€/line/month)

	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20	Q2 '20	Q3 '20	Change YoY %
<b>REVENUES</b>	<b>4,191</b>	<b>4,263</b>	<b>4,337</b>	<b>4,586</b>	<b>17,377</b>	<b>4,215</b>	<b>3,987</b>	<b>4,388</b>	<b>1.2</b>
Service Revenues	4,025	4,063	4,152	4,357	16,597	4,091	3,926	4,207	1.3
o/w Mobile	3,799	3,839	3,922	4,102	15,662	3,842	3,673	3,937	0.4
o/w Fixed	226	224	230	255	935	249	253	270	17.3
Handsets	166	200	185	229	780	124	61	181	(2.1)
<b>OPEX</b>	<b>2,419</b>	<b>2,315</b>	<b>2,295</b>	<b>2,288</b>	<b>9,317</b>	<b>2,299</b>	<b>2,020</b>	<b>2,325</b>	<b>1.3</b>
<b>EBITDA</b>	<b>1,772</b>	<b>4,598</b>	<b>2,152</b>	<b>2,298</b>	<b>10,820</b>	<b>1,916</b>	<b>1,967</b>	<b>2,063</b>	<b>(4.1)</b>
EBITDA margin	42.3%	107.9%	49.6%	50.1%	62.3%	45.5%	49.3%	47.0%	(2.6 p.p.)
<b>EBITDA net non recurring</b>	<b>1,772</b>	<b>1,948</b>	<b>2,042</b>	<b>2,298</b>	<b>8,060</b>	<b>1,916</b>	<b>1,967</b>	<b>2,063</b>	<b>1.0</b>
EBITDA margin	42.3%	45.7%	47.1%	50.1%	46.4%	45.5%	49.3%	47.0%	(0.1 p.p.)
<b>CAPEX</b>	<b>650</b>	<b>945</b>	<b>924</b>	<b>1,334</b>	<b>3,853</b>	<b>904</b>	<b>673</b>	<b>850</b>	<b>(8.0)</b>
% on revenues	15.5%	22.2%	21.3%	29.1%	22.2%	21.4%	16.9%	19.4%	(1.9 p.p.)
<b>KPI's - Mobile only</b>									
Total Penetration <sup>(1)</sup>	99.6%	98.9%	98.4%	96.9%	96.9%	96.2%	95.7%	94.8%	(3.6 p.p.)
Market Share on total lines	24.1%	24.1%	23.9%	24.0%	24.0%	23.3%	23.1%	22.4%	(1.5 p.p.)
Total Lines ('000) <sup>(2)</sup>	55,083	54,972	54,527	54,447	54,447	52,826	52,031	51,159	(6.2)
TOTAL ARPU <sup>(3)</sup>	22.8	23.2	23.9	25.1	23.7	23.9	23.4	25.4	6.3
TOTAL MOU <sup>(4)</sup>	124	124	125	122	124	119	124	127	1.0
<b>Exchange rate AVG YTD (R\$/euro)</b>	<b>4.28</b>	<b>4.34</b>	<b>4.37</b>	<b>4.41</b>	<b>4.41</b>	<b>4.91</b>	<b>5.41</b>	<b>5.70</b>	

# Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	Q3 '19					Q3 '20		
	Reported	Non Organic elements		Non recurring items	Organic comparable base	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
<b>REVENUES</b>	<b>4,429</b>	<b>(16)</b>	<b>(307)</b>	<b>-</b>	<b>4,106</b>	<b>3,898</b>	<b>1</b>	<b>3,899</b>
Domestic	3,454	(16)	(3)	-	3,435	3,213	1	3,214
Brazil	984	-	(304)	-	680	691	-	691
Other Activities & Eliminations	(9)	-	-	-	(9)	(6)	-	(6)
<b>SERVICE REVENUES</b>	<b>4,061</b>	<b>(15)</b>	<b>(294)</b>	<b>-</b>	<b>3,752</b>	<b>3,510</b>	<b>1</b>	<b>3,511</b>
Domestic	3,128	(15)	(3)	-	3,110	2,855	1	2,856
Brazil	942	-	(291)	-	651	661	-	661
Other Activities & Eliminations	(9)	-	-	-	(9)	(6)	-	(6)
<b>EBITDA</b>	<b>2,108</b>	<b>(81)</b>	<b>(169)</b>	<b>58</b>	<b>1,916</b>	<b>1,720</b>	<b>44</b>	<b>1,764</b>
Domestic	1,625	(81)	-	52	1,596	1,397	44	1,441
Brazil	485	-	(169)	6	322	325	-	325
Other Activities & Eliminations	(2)	-	-	-	(2)	(2)	-	(2)
<b>EBITDA After Lease</b>	<b>1,858</b>	<b>(62)</b>	<b>(140)</b>	<b>58</b>	<b>1,714</b>	<b>1,530</b>	<b>44</b>	<b>1,574</b>
Domestic	1,469	(62)	-	52	1,459	1,273	44	1,317
Brazil	392	-	(140)	6	258	259	-	259
Other Activities & Eliminations	(3)	-	-	-	(3)	(2)	-	(2)
<b>EBIT</b>	<b>825</b>	<b>(53)</b>	<b>(71)</b>	<b>58</b>	<b>759</b>	<b>585</b>	<b>44</b>	<b>629</b>
Domestic	665	(53)	-	52	664	479	44	523
Brazil	163	-	(71)	6	98	108	-	108
Other Activities & Eliminations	(3)	-	-	-	(3)	(2)	-	(2)