



TIM Group

Q2 '21

# Financial and Operating Figures

*IFRS 16 and After Lease view*



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## Disclaimer

The Q2 '21 and H1 '21 financial and operating data have been extracted or derived, with the exception of some data, from the Half-year Condensed Consolidated Financial Statements at 30 June 2021 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 Q2 '21 and H1 '21 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2020, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January 2021. 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 2021 has not yet been completed.

### 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;
- Adjusted Net Financial Debt After Lease, calculated by excluding from the adjusted net financial debt the net liabilities related to the accounting treatment of lease contracts according to IFRS 16;
- 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 <sup>(1)</sup>								
	Q1 '20 <sup>(2)</sup>	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q2 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %
<b>REVENUES</b>	<b>3,964</b>	<b>3,795</b>	<b>3,898</b>	<b>4,148</b>	<b>15,805</b>	<b>3,752</b>	<b>3,815</b>	<b>3,779</b>	<b>3,979</b>	<b>3,817</b>	<b>3,899</b>	<b>4,149</b>	<b>15,844</b>	<b>3,752</b>	<b>3,815</b>	1.0
Domestic	3,113	3,146	3,213	3,433	12,905	3,101	3,132	3,163	3,128	3,168	3,214	3,434	12,944	3,101	3,132	(1.0)
o/w Wireline	2,288	2,361	2,336	2,538	9,523	2,352	2,364	2,360	2,289	2,365	2,337	2,539	9,530	2,352	2,364	0.2
o/w Mobile	976	921	1,012	1,029	3,938	892	909	940	990	939	1,012	1,029	3,971	892	909	(3.3)
Brazil	859	658	691	725	2,933	658	690	625	859	658	691	725	2,933	658	690	10.5
Other activities & Elim.	(8)	(9)	(6)	(10)	(33)	(7)	(7)	(9)	(8)	(9)	(6)	(10)	(33)	(7)	(7)	
<b>SERVICE REVENUES</b>	<b>3,687</b>	<b>3,537</b>	<b>3,510</b>	<b>3,669</b>	<b>14,403</b>	<b>3,387</b>	<b>3,459</b>	<b>3,520</b>	<b>3,702</b>	<b>3,559</b>	<b>3,511</b>	<b>3,669</b>	<b>14,441</b>	<b>3,387</b>	<b>3,459</b>	(1.7)
Domestic	2,861	2,897	2,855	2,992	11,605	2,753	2,798	2,914	2,876	2,919	2,856	2,992	11,643	2,753	2,798	(4.0)
o/w Wireline	2,153	2,209	2,144	2,273	8,779	2,138	2,157	2,208	2,153	2,213	2,145	2,274	8,785	2,138	2,157	(2.3)
o/w Mobile	856	824	846	852	3,378	757	783	843	870	842	846	852	3,411	757	783	(7.1)
Brazil	834	649	661	687	2,831	641	668	615	834	649	661	687	2,831	641	668	8.7
Other activities & Elim.	(8)	(9)	(6)	(10)	(33)	(7)	(7)	(9)	(8)	(9)	(6)	(10)	(33)	(7)	(7)	
<b>EBITDA</b>	<b>1,735</b>	<b>1,663</b>	<b>1,720</b>	<b>1,621</b>	<b>6,739</b>	<b>1,177</b>	<b>1,593</b>	<b>1,740</b>	<b>1,774</b>	<b>1,761</b>	<b>1,764</b>	<b>1,764</b>	<b>7,063</b>	<b>1,578</b>	<b>1,639</b>	(5.8)
Domestic	1,346	1,338	1,397	1,258	5,339	875	1,271	1,435	1,385	1,436	1,441	1,396	5,658	1,276	1,315	(8.4)
Brazil	390	328	325	364	1,407	304	326	308	390	328	325	369	1,412	304	328	6.4
Other activities & Elim.	(1)	(3)	(2)	(1)	(7)	(2)	(4)	(3)	(1)	(3)	(2)	(1)	(7)	(2)	(4)	
<b>EBITDA After Lease</b>	<b>1,502</b>	<b>1,465</b>	<b>1,530</b>	<b>1,428</b>	<b>5,925</b>	<b>982</b>	<b>1,387</b>	<b>1,547</b>	<b>1,541</b>	<b>1,563</b>	<b>1,574</b>	<b>1,571</b>	<b>6,249</b>	<b>1,383</b>	<b>1,433</b>	(7.4)
Domestic	1,200	1,211	1,273	1,132	4,816	750	1,141	1,310	1,239	1,309	1,317	1,270	5,135	1,151	1,185	(9.5)
Brazil	303	257	259	297	1,116	234	250	240	303	257	259	302	1,121	234	252	4.9
Other activities & Elim.	(1)	(3)	(2)	(1)	(7)	(2)	(4)	(3)	(1)	(3)	(2)	(1)	(7)	(2)	(4)	
<b>CAPEX</b>	<b>599</b>	<b>655</b>	<b>752</b>	<b>1,403</b>	<b>3,409</b>	<b>691</b>	<b>1,117</b>	<b>655</b>	<b>599</b>	<b>655</b>	<b>752</b>	<b>1,403</b>	<b>3,409</b>	<b>691</b>	<b>877</b>	33.9
Domestic	414	549	617	1,168	2,748	490	975	549	414	549	617	1,168	2,748	490	735	33.9
Brazil	185	106	135	235	661	201	142	106	185	106	135	235	661	201	142	34.6
<b>EFCF</b>	<b>466</b>	<b>512</b>	<b>688</b>	<b>748</b>	<b>2,414</b>	<b>469</b>	<b>-106</b>									
<b>EFCF After Lease</b>	<b>195</b>	<b>336</b>	<b>462</b>	<b>622</b>	<b>1,615</b>	<b>307</b>	<b>-218</b>									
<b>NET DEBT <sup>(3)</sup></b>	<b>26,745</b>	<b>25,971</b>	<b>25,469</b>	<b>23,326</b>	<b>23,326</b>	<b>21,155</b>	<b>22,072</b>									
<b>NET DEBT After Lease <sup>(3)</sup></b>	<b>21,711</b>	<b>21,095</b>	<b>20,741</b>	<b>18,594</b>	<b>18,594</b>	<b>16,591</b>	<b>17,415</b>									

(1) Organic figures excluding non-recurring items and change in the scope of consolidation. Domestic CAPEX excluding licence (€ 240m spectrum pre-payment in Q2 '21) (2) INWIT was consolidated line by line for three months in Q1 2020 and is therefore subtracted from comparable base, whereas it is included in reported figures; YoY comparison on reported data not meaningful (3) Adjusted

Q2 '21 Financial and Operating Figures  
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# TIM Group Profit & Loss

€m, IFRS 16

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*Unaudited figures*

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	Change YoY%
<b>REVENUES</b>	<b>3,964</b>	<b>7,759</b>	<b>11,657</b>	<b>15,805</b>	<b>3,752</b>	<b>7,567</b>	(2.5)
Other Income	40	90	121	211	109	169	87.8
<b>TOTAL OPERATING REVENUES AND OTHER INCOME</b>	<b>4,004</b>	<b>7,849</b>	<b>11,778</b>	<b>16,016</b>	<b>3,861</b>	<b>7,736</b>	(1.4)
Acquisition of goods and services	(1,454)	(2,840)	(4,433)	(6,173)	(1,575)	(3,120)	(9.9)
Employee benefits expenses	(715)	(1,372)	(1,946)	(2,639)	(1,038)	(1,715)	(25.0)
Other operating expenses	(272)	(502)	(681)	(961)	(239)	(424)	15.5
Internally generated assets and Others	172	263	400	496	168	293	11.4
<b>EBITDA</b>	<b>1,735</b>	<b>3,398</b>	<b>5,118</b>	<b>6,739</b>	<b>1,177</b>	<b>2,770</b>	(18.5)
EBITDA Margin	43.8%	43.8%	43.9%	42.6%	31.4%	36.6%	(7.2 p.p.)
Depreciation and amortization	(1,201)	(2,348)	(3,482)	(4,616)	(1,130)	(2,268)	3.4
Gains (losses) on disposals of non-current assets	(1)	(8)	(9)	(11)	(2)	(1)	87.5
Impairment reversals (losses) on non-current assets	-	-	-	(8)	-	-	
<b>EBIT</b>	<b>533</b>	<b>1,042</b>	<b>1,627</b>	<b>2,104</b>	<b>45</b>	<b>501</b>	(51.9)
EBIT Margin	13.4%	13.4%	14.0%	13.3%	1.2%	6.6%	(6.8 p.p.)
Income (loss) equity invest. valued equity method <sup>(1)</sup>	441	450	460	472	11	34	(92.4)
Net Financial Income / (Expenses)	(301)	(603)	(909)	(1,179)	(288)	(582)	3.5
<b>Profit (loss) before tax from continuing operations</b>	<b>673</b>	<b>889</b>	<b>1,178</b>	<b>1,397</b>	<b>(232)</b>	<b>(47)</b>	
Income tax expense	(82)	(166)	66	5,955	38	2	
<b>Profit (loss) from continuing operations</b>	<b>591</b>	<b>723</b>	<b>1,244</b>	<b>7,352</b>	<b>(194)</b>	<b>(45)</b>	
Discontinued operations/Non-current assets held for sale	-	-	-	-	-	-	
<b>PROFIT (LOSS)</b>	<b>591</b>	<b>723</b>	<b>1,244</b>	<b>7,352</b>	<b>(194)</b>	<b>(45)</b>	
Parent Company	560	678	1,178	7,224	(216)	(137)	
Minorities	31	45	66	128	22	92	
Non-recurring items <sup>(2)</sup>	(413)	(340)	0	0	310	344	
<b>PROFIT (LOSS) NET NON-RECURRING ITEMS</b>	<b>178</b>	<b>383</b>	<b>0</b>	<b>0</b>	<b>116</b>	<b>299</b>	(21.9)

(1) Inwit equity share € 24m in H1 '21, Inwit gain following the merger € 448m in H1 '20

(2) Non-recurring items include personnel provisions (2021-26 layoffs ex art.4 Legge Fornero), legal and COVID related costs

Q2 '21 Financial and Operating Figures  
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# TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	Q1 '20	H1 '20	FY '20	Q1 '21	H1 '21
<b>EBITDA</b>	<b>1,735</b>	<b>3,398</b>	<b>6,739</b>	<b>1,177</b>	<b>2,770</b>
<b>CAPEX</b>	<b>(599)</b>	<b>(1,254)</b>	<b>(3,409)</b>	<b>(691)</b>	<b>(1,808)</b>
o/w spectrum	-	-	-	-	(240)
<b>CHANGE IN WORKING CAPITAL <sup>(1)</sup></b>	<b>(348)</b>	<b>(599)</b>	<b>(26)</b>	<b>269</b>	<b>(143)</b>
Change in net operating working capital	(229)	(53)	772	281	(113)
Change in inventories	(23)	14	38	(46)	(52)
Change in trade receivables	259	321	466	66	108
Change in trade payables	(931)	(1,293)	(193)	(305)	(384)
Other changes in operating receivables/payables	466	905	461	566	215
Change in provisions for employee benefits	(8)	(435)	(628)	262	256
Change in operating provisions and other changes	(111)	(111)	(170)	(274)	(286)
<b>OPERATING FREE CASH FLOW Reported</b>	<b>788</b>	<b>1,545</b>	<b>3,304</b>	<b>755</b>	<b>819</b>
Licence	-	-	(110)	-	(240)
<b>OPERATING FREE CASH FLOW net of Licence</b>	<b>788</b>	<b>1,545</b>	<b>3,414</b>	<b>755</b>	<b>1,059</b>
Financial Expenses	(295)	(604)	(1,186)	(288)	(587)
Cash Taxes & Other	(27)	37	186	2	(109)
o/w Substitute Tax	-	-	-	-	(231)
Net Cash Flow from discontinued operations	-	-	-	-	-
<b>EQUITY FREE CASH FLOW</b>	<b>466</b>	<b>978</b>	<b>2,414</b>	<b>469</b>	<b>363</b>
Dividends and change in Equity <sup>(2)</sup>	(40)	(348)	974	(24)	(337)
Disposal and Financial investments	613	1,212	1,483	1,721	1,668
Licence	-	-	(110)	-	(240)
IFRS & IAS	(116)	(145)	(419)	5	(200)
<b>NET CASH FLOW</b>	<b>923</b>	<b>1,697</b>	<b>4,342</b>	<b>2,171</b>	<b>1,254</b>
<b>EQUITY FREE CASH FLOW</b>	<b>466</b>	<b>978</b>	<b>2,414</b>	<b>469</b>	<b>363</b>
Lease Impact	(271)	(447)	(799)	(162)	(274)
<b>EQUITY FREE CASH FLOW AFTER LEASE</b>	<b>195</b>	<b>531</b>	<b>1,615</b>	<b>307</b>	<b>89</b>
<b>NET DEBT</b>	<b>26,745</b>	<b>25,971</b>	<b>23,326</b>	<b>21,155</b>	<b>22,072</b>
Lease Impact	(5,034)	(4,876)	(4,732)	(4,564)	(4,657)
<b>NET DEBT After Lease</b>	<b>21,711</b>	<b>21,095</b>	<b>18,594</b>	<b>16,591</b>	<b>17,415</b>

(1) See details in next slide

(2) FY '20 figure includes: € 1,345m change in Equity related to Inwit and -€ 390m Dividends

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# TIM Group Working Capital

€m, IFRS 16

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*Unaudited figures*

	TIM Group			Domestic			Brasil		
	H1 '20	H1 '21	Δ abs	H1 '20	H1 '21	Δ abs	H1 '20	H1 '21	Δ abs
<b>Operating WC &amp; Other</b>	<b>(599)</b>	<b>(143)</b>	<b>456</b>	<b>(491)</b>	<b>(171)</b>	<b>320</b>	<b>(108)</b>	<b>27</b>	<b>135</b>
License	-	-	-	-	-	-	-	-	-
License paid in the year	-	-	-	-	-	-	-	-	-
Non recurring items (not paid)	(137)	(447)	(310)	(137)	(445)	(308)	-	(2)	(2)
<b>Recurring Operating WC</b>	<b>(736)</b>	<b>(590)</b>	<b>146</b>	<b>(628)</b>	<b>(616)</b>	<b>12</b>	<b>(108)</b>	<b>25</b>	<b>133</b>
Inventory				3	(55)	(58)			
Trade Receivables				84	72	(12)			
Trade Payables				(736)	(311)	425			
Other Operating Payables/Receivables & Funds				21	(322)	(343)			
- o/w Litigations & Settlements				(117)	(312)	(195)			
- o/w Payables vs. Personnel				86	116	29			
- o/w Personnel Exit (Fornero Law)				(166)	(230)	(65)			
- o/w VAT				497	458	(39)			
- o/w Billing <sup>(1)</sup>				(19)	2	21			
- o/w Net Debts vs INPS				(53)	(40)	13			
- o/w Deferred Costs & Revenues				(124)	(237)	(113)			

# TIM Group Balance Sheet

€m, IFRS 16

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*Unaudited figures*

	Q1 '20	H1 '20	FY '20	Q1 '21	H1 '21
<b>CURRENT ASSETS</b>	<b>9,493</b>	<b>9,593</b>	<b>10,791</b>	<b>12,059</b>	<b>11,586</b>
Trade and miscellaneous receivables and other current assets <sup>(1)</sup>	4,803	4,564	4,280	4,298	4,349
Cash and cash equivalents	3,265	3,603	4,829	4,370	4,969
Discontinued operations/assets held for sale	-	24	-	-	365
<i>o/w of a financial nature</i>	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	24	-	-	365
Securities other than investments, other financial receivables and other current financial assets	985	1,007	1,254	2,963	1,461
Inventories <sup>(1)</sup>	348	313	287	331	340
Current income tax receivables	49	46	86	30	42
Current financial receivables arising from lease contracts	43	36	55	67	60
Other investments	-	-	-	-	-
<b>NON-CURRENT ASSETS</b>	<b>58,482</b>	<b>56,946</b>	<b>62,422</b>	<b>61,667</b>	<b>62,218</b>
<b>Intangible assets</b>	<b>30,027</b>	<b>29,737</b>	<b>29,587</b>	<b>29,297</b>	<b>29,395</b>
Goodwill	22,908	22,870	22,847	22,820	22,710
Intangible assets with a finite useful life	7,119	6,867	6,740	6,477	6,685
<b>Tangible assets</b>	<b>13,287</b>	<b>12,986</b>	<b>13,141</b>	<b>12,980</b>	<b>13,049</b>
Property, plant and equipment owned	13,287	12,986	13,141	12,980	13,049
<b>Right of Use assets</b>	<b>5,276</b>	<b>5,022</b>	<b>4,992</b>	<b>4,851</b>	<b>4,898</b>
<b>Other assets</b>	<b>9,892</b>	<b>9,201</b>	<b>14,702</b>	<b>14,539</b>	<b>14,876</b>
Miscellaneous receivables and other non-current assets	2,387	2,309	2,114	2,072	2,260
Non-current financial assets	3,116	2,969	2,310	2,088	2,243
<i>o/w receivable for lease contracts</i>	51	47	43	45	49
<i>o/w other non-current financial assets</i>	3,065	2,922	2,267	2,043	2,194
Deferred tax assets	937	896	7,496	7,547	7,592
Other investments	44	51	54	57	82
Investments in associates and joint ventures accounted for using the equity method	3,408	2,976	2,728	2,775	2,699
<b>TOTAL ASSETS</b>	<b>67,975</b>	<b>66,539</b>	<b>73,213</b>	<b>73,726</b>	<b>73,804</b>

(1) Trade receivables for contract works in progress reclassified as Inventories

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# TIM Group Balance Sheet

€m, IFRS 16

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*Unaudited figures*

	Q1 '20	H1 '20	FY '20	Q1 '21	H1 '21
<b>CURRENT LIABILITIES</b>	<b>10,798</b>	<b>10,516</b>	<b>11,146</b>	<b>13,028</b>	<b>12,361</b>
Trade and miscellaneous payables and other current liabilities <sup>(1)</sup>	6,553	6,090	6,567	7,031	6,803
Current financial liabilities	4,202	4,382	4,308	5,742	5,242
<i>o/w liabilities for financing contracts and others</i>	3,523	3,685	3,677	5,127	4,582
<i>o/w liabilities for lease contracts</i>	679	697	631	615	660
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	-	-	-	68
<i>o/w of a financial nature</i>	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	-	-	-	68
Current income tax payables	43	44	271	255	248
<b>NON-CURRENT LIABILITIES</b>	<b>35,166</b>	<b>34,629</b>	<b>33,227</b>	<b>30,876</b>	<b>30,845</b>
Non-current financial liabilities	29,776	29,187	27,854	25,418	25,818
<i>o/w liabilities for financing contracts and others</i>	25,396	24,984	23,655	21,357	21,712
<i>o/w liabilities for lease contracts</i>	4,380	4,203	4,199	4,061	4,106
Miscellaneous payables and other non-current liabilities	3,104	3,363	3,602	3,526	3,157
Employee benefits	1,179	916	724	939	888
Provisions	688	753	770	769	689
Deferred tax liabilities	419	410	277	224	293
<b>TOTAL LIABILITIES</b>	<b>45,964</b>	<b>45,145</b>	<b>44,373</b>	<b>43,904</b>	<b>43,206</b>
<b>EQUITY</b>	<b>22,011</b>	<b>21,394</b>	<b>28,840</b>	<b>29,822</b>	<b>30,598</b>
Equity attributable to equity owners of the Parent	20,623	20,081	26,215	25,383	26,006
Equity attributable to Minority Interests	1,388	1,313	2,625	4,439	4,592
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>67,975</b>	<b>66,539</b>	<b>73,213</b>	<b>73,726</b>	<b>73,804</b>

(1) Trade payables for contract works in progress reclassified as Inventories

Q2 '21 Financial and Operating Figures  
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# Domestic Results

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	REPORTED							ORGANIC <sup>(1)</sup>								
	Q1 '20 <sup>(2)</sup>	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q2 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %
<b>REVENUES</b>	3,113	3,146	3,213	3,433	12,905	3,101	3,132	3,163	3,128	3,168	3,214	3,434	12,944	3,101	3,132	(1.0)
<b>Service Revenues</b>	2,861	2,897	2,855	2,992	11,605	2,753	2,798	2,914	2,876	2,919	2,856	2,992	11,643	2,753	2,798	(4.0)
<b>Wireline Services</b>	2,153	2,209	2,144	2,273	8,779	2,138	2,157	2,208	2,153	2,213	2,145	2,274	8,785	2,138	2,157	(2.3)
Retail <sup>(3)</sup>	1,429	1,417	1,403	1,467	5,716	1,368	1,362	1,422	1,430	1,421	1,404	1,467	5,722	1,368	1,362	(4.2)
National Wholesale + FiberCop <sup>(4)</sup>	503	571	527	565	2,167	556	542	568	503	571	527	565	2,167	556	542	(4.7)
International Wholesale	218	224	221	249	912	217	248	219	218	224	221	249	912	217	248	13.2
Other	2	(3)	(7)	(9)	(16)	(3)	5	(1)	2	(3)	(7)	(8)	(16)	(3)	5	
<b>Mobile Services</b>	856	825	846	852	3,378	757	783	843	870	842	846	852	3,411	757	783	(7.1)
Retail	747	734	706	707	2,895	676	685	752	762	752	706	707	2,928	676	685	(8.9)
Wholesale and Other	109	90	140	145	483	81	97	90	109	89	140	145	483	81	97	7.6
<b>Elimination &amp; Other</b>	(148)	(136)	(135)	(133)	(552)	(142)	(141)	(137)	(147)	(136)	(135)	(134)	(553)	(142)	(141)	3.3
<b>Handsets</b>	252	249	358	441	1,300	348	334	249	252	249	358	442	1,301	348	334	34.1
<b>OPEX</b>	1,767	1,808	1,816	2,175	7,566	2,226	1,861	1,728	1,743	1,732	1,773	2,038	7,286	1,825	1,817	5.2
<b>EBITDA</b>	1,346	1,338	1,397	1,258	5,339	875	1,271	1,435	1,385	1,436	1,441	1,396	5,658	1,276	1,315	(8.4)
EBITDA Margin	43.2%	42.5%	43.5%	36.6%	41.4%	28.2%	40.6%	45.4%	44.3%	45.3%	44.8%	40.7%	43.7%	41.1%	42.0%	(3.4 p.p.)
<b>EBITDA After Lease</b>	1,200	1,211	1,273	1,132	4,816	750	1,141	1,310	1,239	1,309	1,317	1,270	5,135	1,151	1,185	(9.5)
EBITDA AL Margin	38.5%	38.5%	39.6%	33.0%	37.3%	24.2%	36.4%	41.4%	39.6%	41.3%	41.0%	37.0%	39.7%	37.1%	37.8%	(3.6 p.p.)
<b>CAPEX</b>	414	549	617	1,168	2,748	490	975	549	414	549	617	1,168	2,748	490	735	33.9
% on revenues	13.3%	17.5%	19.2%	34.0%	21.3%	15.8%	31.1%	17.4%	13.2%	17.3%	19.2%	34.0%	21.2%	15.8%	23.5%	6.1 p.p.
<b>Headcount EoP</b>	45,380	45,473	43,069	42,925	42,925	43,004	43,157									

(1) Organic figures excluding non-recurring items and change in the scope of consolidation. CAPEX excluding licence (€ 240m spectrum pre-payment in Q2 '21) (2) INWIT was consolidated line by line for three months in Q1 2020 and is therefore subtracted from comparable base, whereas it is included in reported figures; YoY comparison on reported data not meaningful (3) Restated to include ICT revenues generated by TIM Factories, previously included in "Subsidiaries, Adj. & Other" (now "Other") (4) Restated to include FiberCop revenues, previously included in "Subsidiaries, Adj. & Other" (now "Other")

**Q2 '21 Financial and Operating Figures**  
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# Domestic Wireline

€m, IFRS 16

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*Unaudited figures*

	REPORTED								ORGANIC <sup>(1)</sup>								
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %	Q2 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %
<b>WIRELINE REVENUES</b>	2,288	2,361	2,336	2,538	9,523	2,352	2,364	0.1	2,360	2,289	2,365	2,337	2,539	9,530	2,352	2,364	0.2
<b>Wireline Service Revenues</b>	2,153	2,209	2,144	2,273	8,779	2,138	2,157	(2.4)	2,208	2,153	2,213	2,145	2,274	8,785	2,138	2,157	(2.3)
Retail Services <sup>(2)</sup>	1,429	1,417	1,403	1,467	5,716	1,368	1,362	(3.9)	1,422	1,430	1,421	1,404	1,467	5,722	1,368	1,362	(4.2)
o/w Broadband and content	584	575	569	572	2,299	563	554	(3.7)	575	584	575	569	572	2,299	563	554	(3.7)
o/w ICT Services <sup>(2)</sup>	217	241	266	332	1,056	285	311	28.9	242	217	241	266	332	1,056	285	311	28.5
National Wholesale + FiberCop <sup>(3)</sup>	503	571	527	565	2,167	556	542	(5.1)	568	503	571	527	565	2,167	556	542	(4.7)
International Wholesale	218	224	221	249	912	217	248	10.7	219	218	224	221	249	912	217	248	13.2
Other	2	(3)	(7)	(9)	(16)	(3)	5		(1)	2	(3)	(7)	(8)	(16)	(3)	5	
<b>Equipments</b>	135	152	192	265	744	214	207	36.2	152	135	152	192	265	745	214	207	36.2
<b>Retail lines ('000)</b>									8,943	9,002	8,943	8,784	8,791	8,791	8,774	8,765	(2.0)
Churn rate %									3.0	4.7	3.0	4.0	4.0	15.6	3.6	3.4	0.4 p.p.
Broadband									7,523	7,567	7,523	7,519	7,635	7,635	7,746	7,783	3.5
Consumer									6,282	6,298	6,282	6,304	6,432	6,432	6,545	6,541	4.1
Business									1,241	1,269	1,241	1,214	1,203	1,203	1,202	1,243	0.1
UBB									4,031	3,812	4,031	4,151	4,432	4,432	4,695	4,926	22.2
<b>Wholesale lines ('000)</b>									8,083	8,003	8,083	8,053	7,974	7,974	7,908	7,822	(3.2)
Local Loop Unbundling									3,128	3,298	3,128	2,953	2,783	2,783	2,625	2,472	(21.0)
Wholesale Line Rental									198	203	198	192	184	184	180	172	(13.0)
Bitstream Naked									895	952	895	846	786	786	722	662	(26.0)
UBB									3,862	3,549	3,862	4,063	4,220	4,220	4,381	4,516	16.9
<b>ARPU Retail (BB &amp; ICT)</b>									30.3	29.3	30.3	31.4	34.4	31.3	32.2	33.0	8.6

(1) Excluding non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations  
 revenues generated by TIM Factories, previously included in "Subsidiaries, Adj. & Other" (now "Other")  
 included in "Subsidiaries, Adj. & Other" (now "Other")

(2) Restated to include ICT revenues generated by TIM Factories, previously included in "Subsidiaries, Adj. & Other" (now "Other")  
 (3) Restated to include FiberCop revenues, previously included in "Subsidiaries, Adj. & Other" (now "Other")

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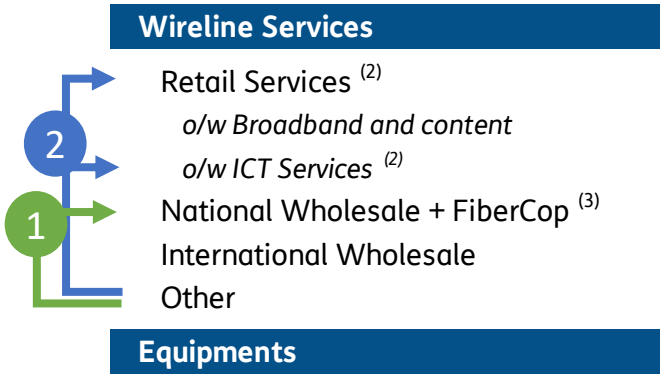
<b>WIRELINE REVENUES</b>	Total revenues of Domestic Wireline, including services and equipment
<b>Wireline Service Revenues</b>	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services	Retail service revenues: consumer + business (including revenues generated by TIM Factories)
<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. Including revenues generated by TIM Factories
National Wholesale + FiberCop	Revenues from OLOs, regulated and not regulated (organization view) and from FiberCop (consolidated by line from Q2)
International Wholesale	TIM Sparkle Group revenues
Other	Intercompany adjustment and elimination
<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. Gigabit Ethernet (GBE) FTTH lines included</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). Gigabit Ethernet (GBE) FTTH lines included</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>ARPU Retail (BB &amp; ICT)</b>	Total broadband & ICT revenues (Consumer+Business) divided by average active retail customers (€/line/month)

# Restatements on Domestic Wireline

Organic figures <sup>(1)</sup>, €m, IFRS 16

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*Unaudited figures*



## 1 - FiberCop

FiberCop revenues were removed from "Subsidiaries, adjustment and other" (now "Other") and aggregated with "National Wholesale"

## 2 - TIM Factories

ICT revenues generated by TIM Factories were removed from "Subsidiaries, adjustment and other" (now "Other") and aggregated with "ICT Services"

# Domestic Mobile

€m, IFRS 16

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*Unaudited figures*

	REPORTED								ORGANIC <sup>(1)</sup>								
	Q1 '20 pro-forma <sup>(2)</sup>	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %	Q2 '20 comparable base	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %
<b>MOBILE REVENUES</b>	961	922	1,012	1,029	3,938	892	909	(1.4)	940	990	939	1,012	1,029	3,971	892	909	(3.3)
<b>Mobile Service Revenues</b>	839	825	846	852	3,378	757	783	(5.1)	843	870	842	846	852	3,411	757	783	(7.1)
Retail Services	747	734	706	707	2,895	676	685	(6.7)	752	762	752	706	707	2,928	676	685	(8.9)
o/w Incoming	66	75	61	68	271	58	56	(25.5)	75	66	75	61	68	271	58	56	(25.5)
Wholesale and Other	92	90	140	145	483	81	97	7.6	90	109	89	140	145	483	81	97	7.6
<b>Handsets and Handsets Bundle</b>	122	97	166	177	560	135	126	29.8	97	120	97	166	177	560	135	126	29.8
<b>Total number of lines ('000)</b>									30,502	30,522	30,502	30,165	30,170	30,170	30,222	30,317	(0.6)
Churn rate %									4.0	5.3	4.0	5.2	4.2	18.6	3.8	3.7	(0.3 p.p.)
Human									20,155	20,424	20,155	19,894	19,795	19,795	19,554	19,306	(4.2)
Not Human (M2M)									10,347	10,098	10,347	10,272	10,375	10,375	10,669	11,011	6.4
Calling lines									27,563	27,227	27,563	27,375	27,313	27,313	27,462	27,694	0.5
Human Calling									17,215	17,128	17,215	17,103	16,938	16,938	16,793	16,683	(3.1)
Broadband Users									12,875	12,673	12,875	12,920	12,818	12,818	12,864	12,853	(0.2)
LTE Users									11,331	11,111	11,331	11,659	11,673	11,673	11,878	11,929	5.3
<b>Usage Data (GB/users/month)</b>									9.4	8.2	9.4	9.9	10.3	9.4	10.5	11.1	18.1
<b>ARPU Reported</b>									8.2	8.3	8.2	7.8	7.8	8.0	7.5	7.5	(8.3)
<b>ARPU Human</b>									12.4	12.3	12.4	11.8	11.9	12.1	11.4	11.7	(5.3)

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

(2) INWIT was consolidated line by line for three months in Q1 2020, and is therefore subtracted from comparable base and reported pro-forma figures

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<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 MVNOs and visitors. Inwit revenues and colocation on mobile sites until Q1 '20
<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 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Change YoY %
<b>REVENUES</b>	<b>4,215</b>	<b>3,987</b>	<b>4,388</b>	<b>4,678</b>	<b>17,268</b>	<b>4,340</b>	<b>4,407</b>	10.5
Service Revenues	4,091	3,926	4,207	4,441	16,665	4,228	4,267	8.7
o/w Mobile	3,842	3,673	3,937	4,166	15,618	3,948	3,984	8.5
o/w Fixed	249	253	270	275	1,047	280	282	11.5
Handsets	124	61	181	237	603	112	140	
<b>OPEX</b>	<b>2,299</b>	<b>2,020</b>	<b>2,325</b>	<b>2,342</b>	<b>8,986</b>	<b>2,332</b>	<b>2,329</b>	15.3
<b>EBITDA</b>	<b>1,916</b>	<b>1,967</b>	<b>2,063</b>	<b>2,336</b>	<b>8,282</b>	<b>2,008</b>	<b>2,078</b>	5.6
EBITDA margin	45.5%	49.3%	47.0%	49.9%	48.0%	46.3%	47.2%	(2.1 p.p.)
<b>EBITDA net non recurring</b>	<b>1,916</b>	<b>1,967</b>	<b>2,063</b>	<b>2,363</b>	<b>8,309</b>	<b>2,008</b>	<b>2,092</b>	6.4
EBITDA margin	45.5%	49.3%	47.0%	50.5%	48.1%	46.3%	47.5%	(1.8 p.p.)
<b>CAPEX</b>	<b>904</b>	<b>673</b>	<b>850</b>	<b>1,464</b>	<b>3,891</b>	<b>1,324</b>	<b>906</b>	34.6
% on revenues	21.4%	16.9%	19.4%	31.3%	22.5%	30.5%	20.6%	3.7 p.p.
<b>KPI's - Mobile only</b>								
Total Penetration <sup>(1)</sup>	96.2%	95.7%	94.6%	97.2%	97.2%	99.4%	100.1%	4.4 p.p.
Market Share on total lines <sup>(1)</sup>	23.3%	23.1%	22.4%	22.0%	22.0%	21.5%	21.0%	(2.1 p.p.)
Total Lines ('000) <sup>(2)</sup>	52,826	52,031	51,159	51,433	51,433	51,728	51,341	(1.3)
TOTAL ARPU <sup>(3)</sup>	23.9	23.4	25.4	27.0	24.9	25.5	25.8	10.3
TOTAL MOU <sup>(4)</sup>	119	124	127	121	123	113	110	(11.3)
<b>Exchange rate AVG YTD (R\$/euro)</b>	<b>4.91</b>	<b>5.41</b>	<b>5.70</b>	<b>5.89</b>	<b>5.89</b>	<b>6.60</b>	<b>6.49</b>	

# Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	Q2 '20					Q2 '21		
	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>3,795</b>	-	<b>(38)</b>	<b>(22)</b>	<b>3,779</b>	<b>3,815</b>	-	<b>3,815</b>
Domestic	3,146	-	(5)	(22)	3,163	3,132	-	3,132
Brazil	658	-	(33)	-	625	690	-	690
Other Activities & Eliminations	(9)	-	-	-	(9)	(7)	-	(7)
<b>SERVICE REVENUES</b>	<b>3,537</b>	-	<b>(39)</b>	<b>(22)</b>	<b>3,520</b>	<b>3,459</b>	-	<b>3,459</b>
Domestic	2,897	-	(5)	(22)	2,914	2,798	-	2,798
Brazil	649	-	(34)	-	615	668	-	668
Other Activities & Eliminations	(9)	-	-	-	(9)	(7)	-	(7)
<b>EBITDA</b>	<b>1,663</b>	-	<b>(21)</b>	<b>(98)</b>	<b>1,740</b>	<b>1,593</b>	<b>46</b>	<b>1,639</b>
Domestic	1,338	-	(1)	(98)	1,435	1,271	44	1,315
Brazil	328	-	(20)	-	308	326	2	328
Other Activities & Eliminations	(3)	-	-	-	(3)	(4)	-	(4)
<b>EBITDA After Lease</b>	<b>1,465</b>	-	<b>(18)</b>	<b>(98)</b>	<b>1,547</b>	<b>1,387</b>	<b>46</b>	<b>1,433</b>
Domestic	1,211	-	(1)	(98)	1,310	1,141	44	1,185
Brazil	257	-	(17)	-	240	250	2	252
Other Activities & Eliminations	(3)	-	-	-	(3)	(4)	-	(4)
<b>EBIT</b>	<b>509</b>	-	<b>(9)</b>	<b>(98)</b>	<b>598</b>	<b>456</b>	<b>46</b>	<b>502</b>
Domestic	403	-	-	(98)	501	356	44	400
Brazil	107	-	(9)	-	98	104	2	106
Other Activities & Eliminations	(1)	-	-	-	(1)	(4)	-	(4)



# 2020 Comparable base

€m, IFRS 16 & After Lease view

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*Unaudited figures*

	FY '20 organic	INWIT line by line consolidation on Q1 to be removed for 2020 comparable base <sup>(1)</sup>	FY '20 comparable base
<b>REVENUES</b>	<b>15,844</b>	<b>(3)</b>	<b>15,841</b>
Domestic	12,944	(3)	12,941
o/w Wireline	9,530	-	9,530
o/w Mobile	3,971	(15)	3,956
Brazil	2,933	-	2,933
Other activities & Elim.	(33)	(1)	(34)
<b>SERVICE REVENUES</b>	<b>14,441</b>	<b>(8)</b>	<b>14,433</b>
Domestic	11,643	(8)	11,635
o/w Wireline	8,785	-	8,785
o/w Mobile	3,411	(17)	3,394
Brazil	2,831	-	2,831
Other activities & Elim.	(33)	(1)	(34)
<b>EBITDA</b>	<b>7,063</b>	<b>(74)</b>	<b>6,989</b>
Domestic	5,658	(74)	5,584
Brazil	1,412	-	1,412
Other activities & Elim.	(7)	-	(7)
<b>EBITDA After Lease</b>	<b>6,249</b>	<b>(54)</b>	<b>6,195</b>
Domestic	5,135	(54)	5,081
Brazil	1,121	-	1,121
Other activities & Elim.	(7)	-	(7)
<b>CAPEX</b>	<b>3,409</b>	<b>(6)</b>	<b>3,403</b>
Domestic	2,748	(6)	2,742
Brazil	661	-	661

(1) INWIT was consolidated line by line for three months in 2020 (Q1 2020) and is therefore subtracted from 2020 comparable base

# For further questions please contact the IR team



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