

Q2 '22 RESULTS

4 AUGUST 2022

Disclaimer

This presentation contains statements that constitute forward looking statements regarding the intent, belief or current expectations of future growth in the different business lines and the global business, financial results and other aspects of the activities and situation relating to the TIM Group. Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward looking statements as a result of various factors.

The Q2'22 and H1'22 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 2022 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 Q2'22 and H1'22 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2021, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January, 2022.

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 2022 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 After Lease (“**EBITDA-AL**”), Adjusted Net Financial Debt After Lease and Equity Free Cash Flow After Lease. Such alternative performance measures are unaudited.

* * *

As described in the 2021 TIM Group Consolidated Financial Statements, during the fourth quarter of 2021, TIM refined some aspects of the booking of certain commercial agreements concerning the sale of goods with deferred delivery. This refinement entailed, for the first, second and third quarters of 2021, the redetermination of the distribution over time of revenues and purchases of materials and services. In connection with the foregoing, the economic data of the first half of 2021, has been recalculated.

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Highlights

Improving trends,
both on financials & KPIs

Improving YoY trends in Q2 both on Service Revenues and EBITDA:

- Service revenues growth accelerating in **TIM Brasil**
- **Domestic Fixed:** better FSR trend both YoY and QoQ, higher ARPU, lower churn
- **Domestic Mobile:** market cooling down, human lines trend improving with churn at lowest level of last 16 years
- Benefits of efficiencies on **Domestic EBITDA**

Cost
transformation

- **Implementation ongoing, ~€ 200m OPEX savings** in H1 '22
- **Continued and relentless review** of cost transformation projects, aiming at improving TIM structural mid-term trajectory of the cost base
- **Further savings on cash costs identified** reaching -€ 1.5bn on overall cash cost base at '24
- **Agreement on “Expansion Contract” for '22-'24** signed with labour unions securing ~30% of the '23 P&L OPEX reduction target

NRRP/NSH
initiatives

- **All tenders** for fixed and mobile UBB **assigned, TIM awarded lots** in each of them
- **National Strategic Hub** right to match exercised by TIM consortium⁽¹⁾
- **The majority of NRRP⁽²⁾ CAPEX impact in 2022-'24 will be absorbed** thanks to TIM's Transformation Plan

Network:
FTTH roll-out

- **FTTH roll-out on track**, 28% of technical units covered (+1.8pp QoQ)
- **UBB coverage and take up increase** (coverage +3.4pp YoY to >90% of technical units⁽³⁾, take up +2.8pp YoY to >47%⁽⁴⁾)

EFCF

- **Equity Free Cash Flow AL** slightly positive in H1 '22
- **Well hedged and diversified debt**
- **Sound liquidity position, further strengthened** by € 2bn SACE financing cashed in at the end of July and € 1.5bn Inwit sale proceeds expected in the forthcoming days

(1) TIM, LEONARDO, CDP and SOGEL consortium on technical HHs covered by UBB

(2) National Recovery and Resilience Plan

(3) Equivalent to >94% of families with an active fixed line

(4) UBB take up calculated

Transformation Plan – Improving cash position vs. inertial scenario: targeting 20% of domestic addressable baseline, with extra-savings identified

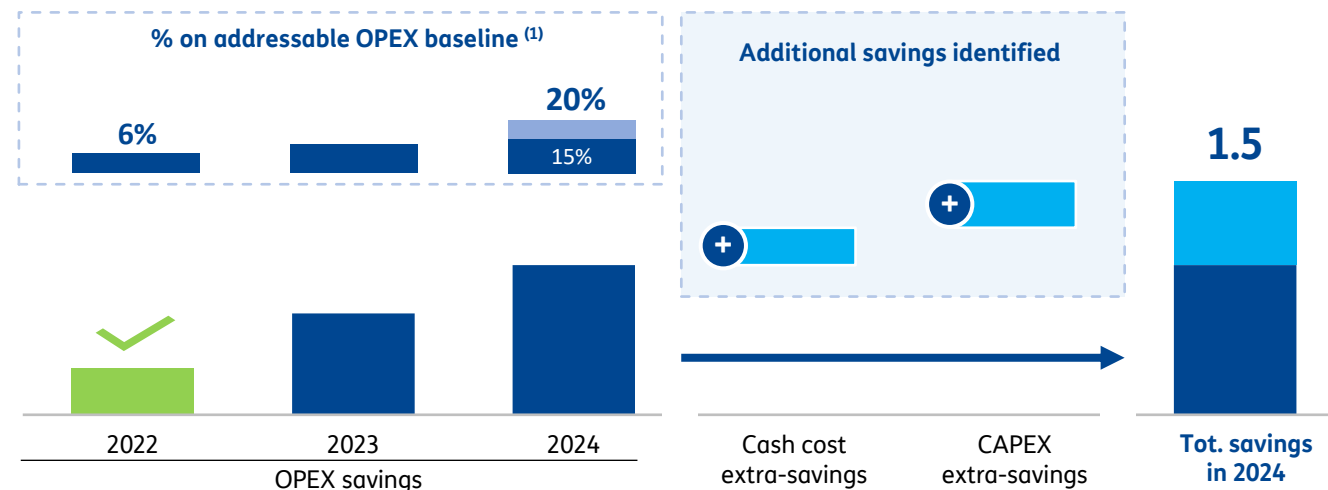
2022 savings secured
for an amount of ~€ 0.3bn

70% of '22 target
already achieved in H1 '22

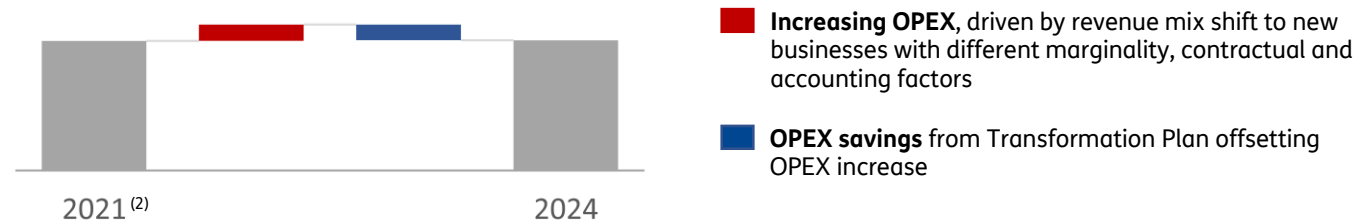
~30% of '23 P&L OPEX
reduction target secured
through the signing of
“Expansion Contract” for '22-'24

Target savings

€bn, 2022-'24



Domestic OPEX



(1) Domestic addressable OPEX baseline of €4.8bn as reported in “FY '21 Results and 2022-'24 Plan” presentation of March 3rd

(2) 2021 Domestic OPEX restated to include one-off items

Transformation Plan - Hinged on four pillars, towards better valorisation through improved operating models and more sustainable cost structures



Digital break-through

Elevate digital capabilities to become the winning digital operator and adopt a leaner operating model



Simplify cost structure

Implement disruptive and transformational initiatives to review operating model, processes and better manage cost base



Rightsize & talents' uplift

Right-size and re-skill workforce to support a leaner organization and ensure the best skills to seize future opportunities



Enhanced cost optimisation

Empower functions / departments to continue identifying measures to simplify and reduce costs

On track with the implementation - Key results since transformation plan's kick-off in mid-June

- ✓ Completed assessment on **TIM digital maturity and business automation level**
- ✓ Elaborated a plan to boost digital capabilities in **Customer Care**
- ✓ Kicked-off a **digital touchpoint rationalisation program** aimed at reducing websites by ~75%
- ✓ Defined a **roadmap to review customer experience and boosted "paperless"**

- ✓ Enhanced **Real Estate plan** (targeting € 100m benefits)
- ✓ Launched new **IT operating model** to upturn productivity and streamline costs (ca. -15% on spend)
- ✓ Detailed program to **centralise back-office activities and processes** (ca. 15% cost saving)
- ✓ Identified **sales footprint optimisation** actions (-21% owned street point of sales by '24)

- ✓ Signed **early retirement agreement** (ex. Art. 4)
- ✓ Signed **new "Expansion Contract"**, up to 6 years from natural retirement
- ✓ Started **insourcing plan**, up to 0.7k FTEs will be re-skilled to reduce external spend
- ✓ Accelerated **voluntary exits plan** (75% of YE target already achieved)

- ✓ Set-up dedicated **cost control committees** (IT, Device, Communication)
- ✓ Reinforced **procurement** support through **early engagement** to improve demand management and proactively streamline costs
- ✓ Strengthened **day-by-day** performance, **focus on margin** (e.g. ICT COGS review)

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TIM Group - Q2 '22 key financials

Organic data ⁽¹⁾, IFRS 16, € m

Revenues



Total

3,913

-1.4% YoY

Service

3,644

+1.0% YoY

o/w Domestic

2,671

-4.8% YoY

EBITDA



1,563

-8.5% YoY

After Lease

1,303

-12.3% YoY

EFCF



+37

+143m YoY

After Lease

-107

+111m YoY

Net Debt ⁽²⁾



After Lease

19.3bn

+1.7bn vs YE 2021

Improving YoY trends on revenues and EBITDA, positive Group service revenues

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area. Group figures @ average exchange-rate 5.56 R\$/€

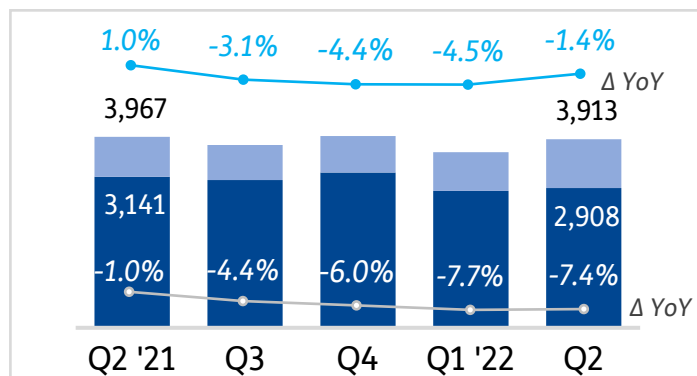
(2) Adjusted Net Debt After Lease

TIM Group - Results at a glance

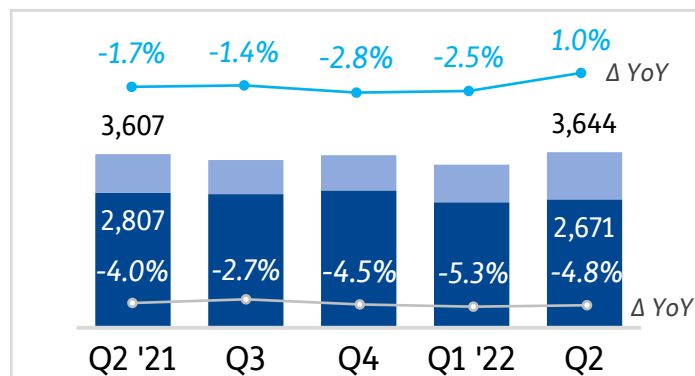
Organic data ⁽¹⁾, IFRS 16, € m

Group Domestic Brazil

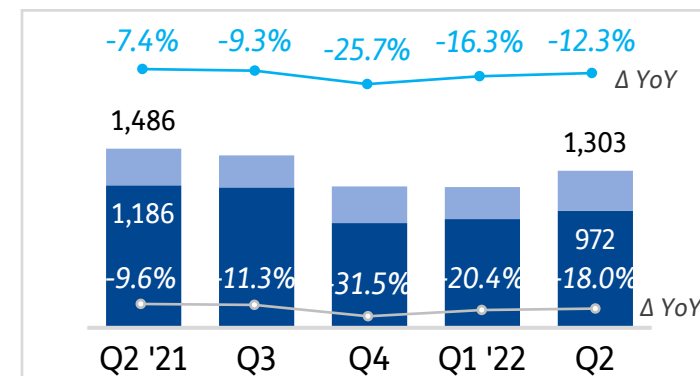
Revenues



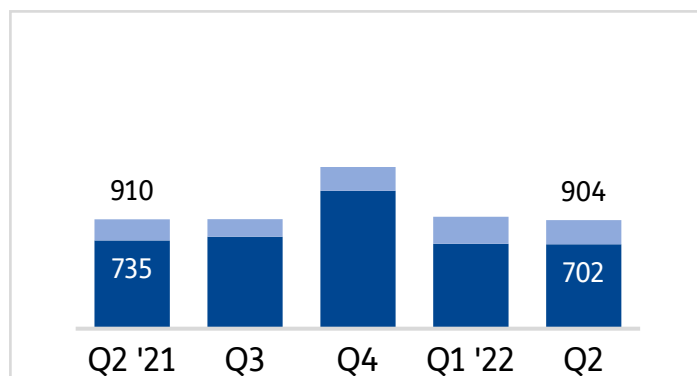
Service Revenues



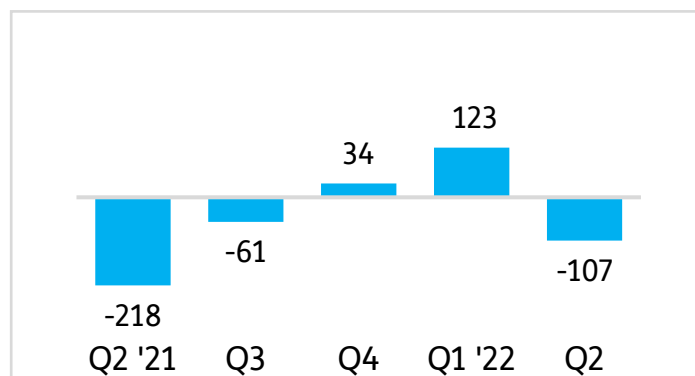
EBITDA AL



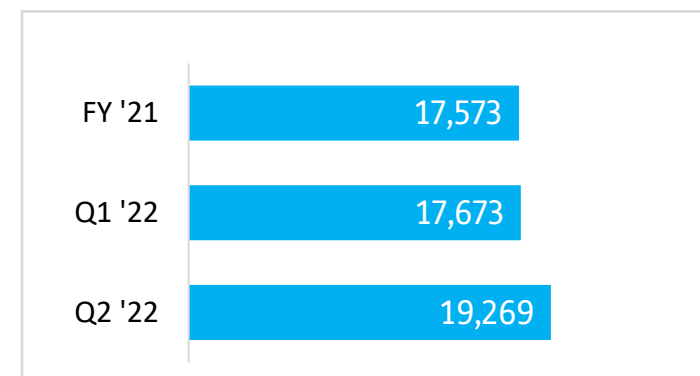
CAPEX net of licence



EFCF AL



NET DEBT AL ⁽²⁾

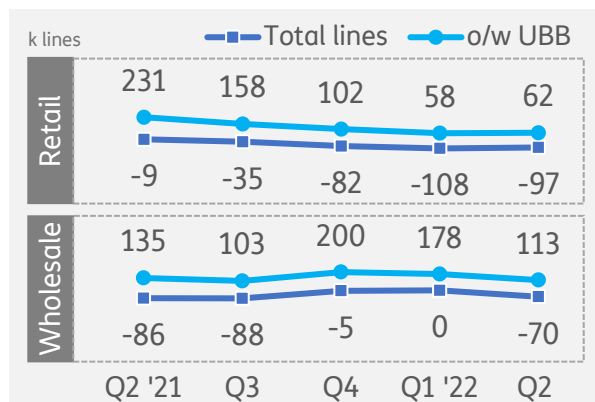


(1) Organic data net of non-recurring items and change in consolidation area; comparable base also excluding exchange rate fluctuations. Group figures @ average exchange-rate 5.56 R\$/€

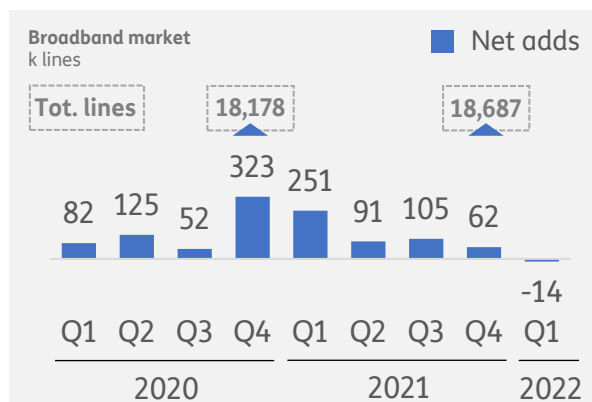
(2) Adjusted Net Debt After Lease

TIM Domestic - Fixed: revenue trend improved, higher ARPU, lower churn

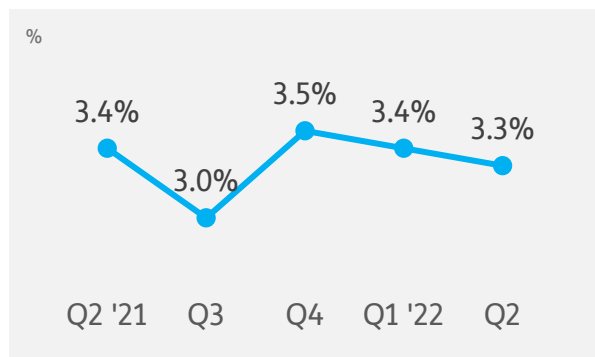
Net adds



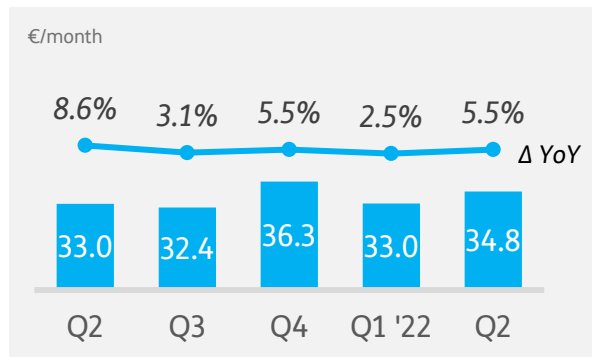
Market



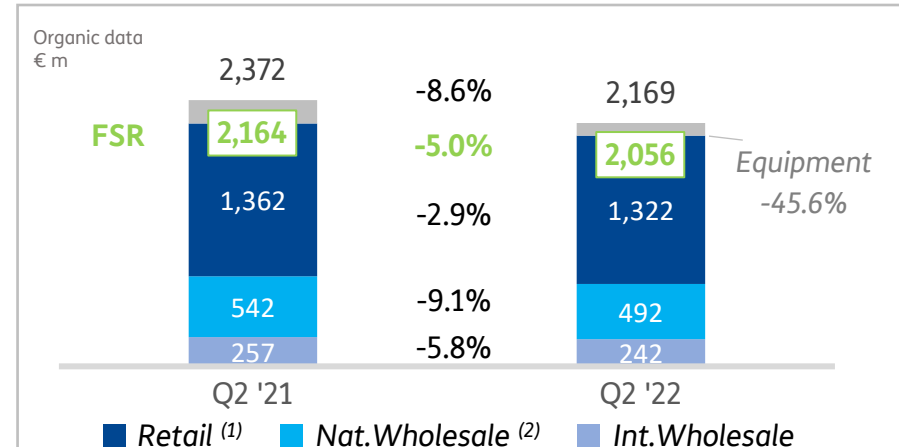
Churn rate



ARPU BB+ICT



Fixed Revenues



FSR -5.0% YoY (+0.8pp QoQ) with:

- **Retail** -1.9pp contribution YoY on FSR (+1.6pp QoQ) for lower gross adds (also due to positive voucher contribution in Q2 '21) and customer base
- **National Wholesale** -2.3pp contribution YoY (+0.6pp QoQ) for non-repeatable transactions in Q2 '21 and impact from regulated price
- **International Wholesale** -0.7pp contribution YoY (-1.0pp QoQ) for lower voice revenues

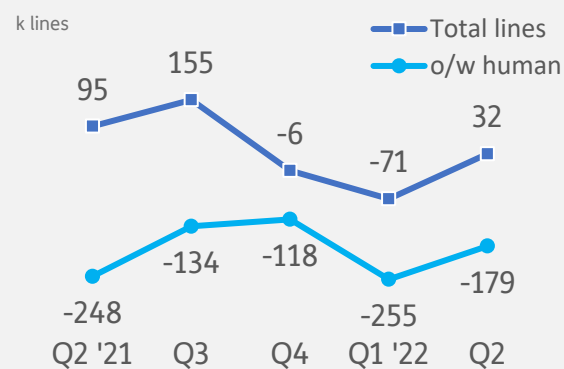
Equipment sales -45.6% YoY (-4.1pp QoQ) for tough comps (Q2 '21 boosted by vouchers), lower volumes sold mainly in Consumer and wholesale, with zero long run margin and non-cash impact

(1) Including ICT revenues generated by TIM Digital Companies

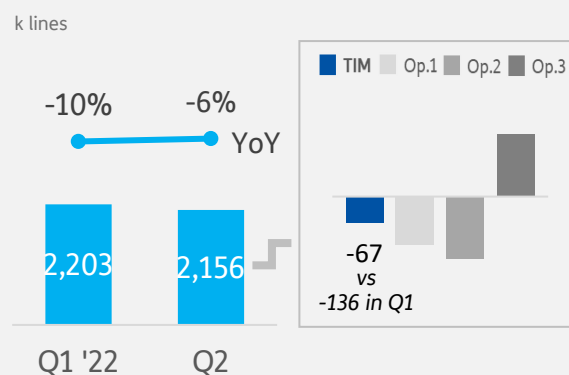
(2) Including FiberCop revenues

TIM Domestic - Mobile: market cooling down, human lines trend improving with churn at lowest level of last 16 years

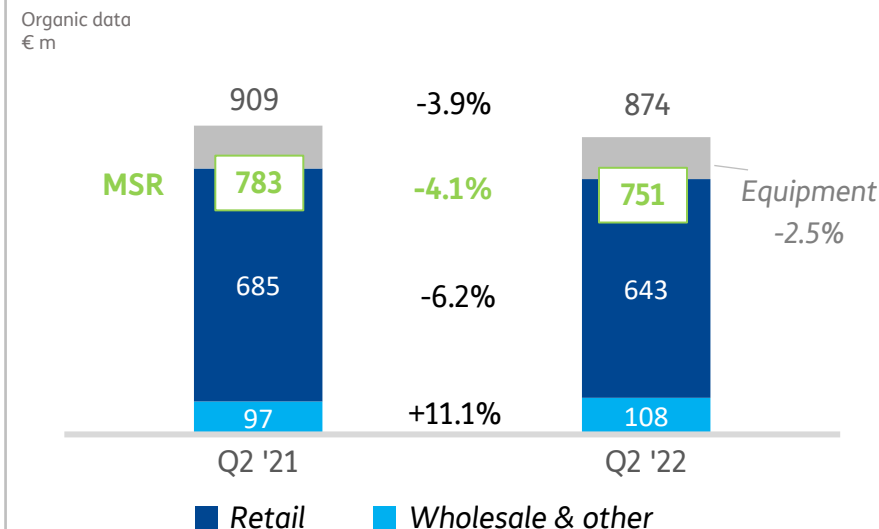
Net adds



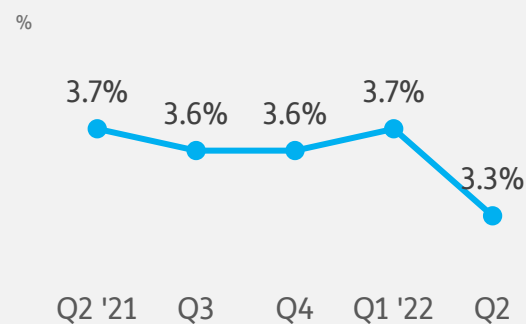
Market MNP



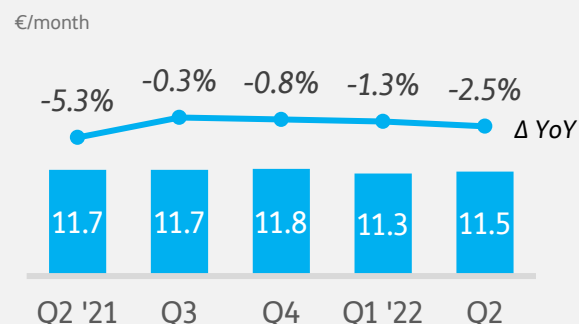
Mobile Revenues



Churn rate



ARPU Human

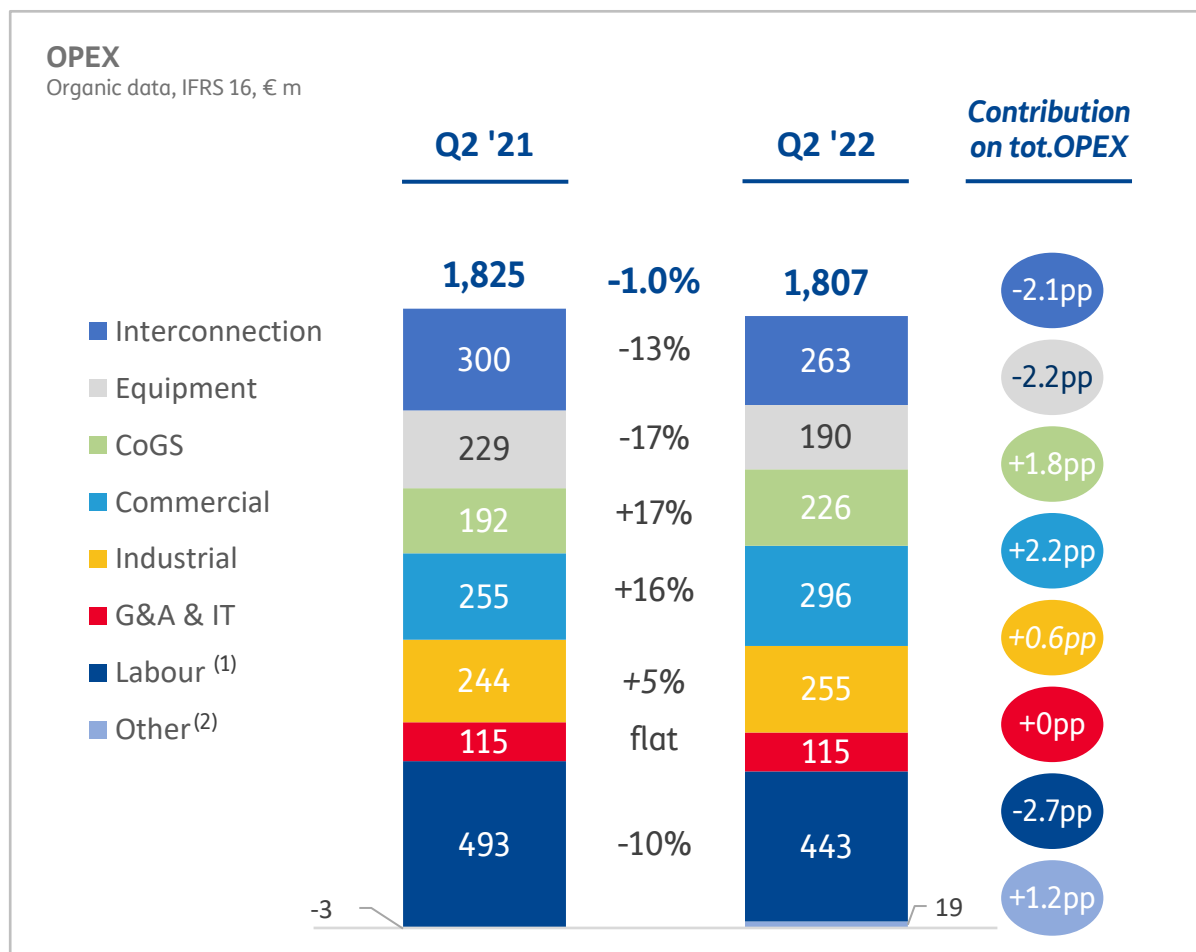


MSR -4.1% YoY (-0.2pp QoQ) with:

- **Retail** -5.4pp contribution YoY on MSR (-0.8pp QoQ) for lower customer base and ARPU
- **Wholesale & other** +1.4pp contribution YoY (+0.6pp QoQ) for higher roamers and MVNO contribution

Equipment sales -2.5% YoY (+6.1pp QoQ) for lower volumes

TIM Domestic - OPEX down YoY with lower labour and volume driven costs more than offsetting increase in commercial & industrial costs



- **Variable costs** -6% YoY, with lower interconnection and equipment sold more than offsetting higher CoGS (related to ICT revenue growth)
- **Commercial costs** +16% YoY (flat excluding the extension of client useful life) ⁽³⁾
- **Industrial costs** +5% YoY mainly due to higher provision costs, net of which would be -4% YoY ⁽³⁾
- **G&A** flat YoY with lower professional services and indirect personnel costs offsetting slight increase in other G&A. **IT** costs related to ICT revenues growth
- **Labour** -10% YoY mainly for positive contribution from solidarity and FTE reduction

(1) Net of capitalized costs (2) Includes other costs/provision and other income (3) Commissioning and provisioning costs affected by 2021 deferred costs related to the extension of useful life of customer base on fixed (from 7 to 8 years) and mobile (from 3 to 4 years) reflecting better churn

TIM Brasil - First quarter of "Next Generation TIM", growing faster while maintaining high profitability despite inflation and transitory cost dynamics

Reported data, R\$ m

Revenues

Total

5,368
+21.8% YoY

Service

5,201
+21.9% YoY

o/w Mobile

4,899
+23.0% YoY
+19.3% prepaid, +22.4% postpaid

o/w Fixed

302
+7.3% YoY

EBITDA net non-recurring items

2,472
+18.2% YoY
24th quarter of growth

Mobile ARPU

25.8 R\$/month
+0.1% YoY

Mobile CB ⁽¹⁾

68,695k
+33.8% YoY

TIM Live ARPU

95.8 R\$/month
+5.5% YoY

TIM Live CB

699k
+4.9% YoY

OI INTEGRATION AHEAD OF PLAN, with positive impact on quality-of-service and customer experience

ACCELERATING 5G LAUNCH: leadership in innovation and network, while offloading 4g traffic

VALUE STRATEGY DRIVING GROWTH, through “beyond giga”⁽²⁾, price ups⁽³⁾ and migration towards high value plans

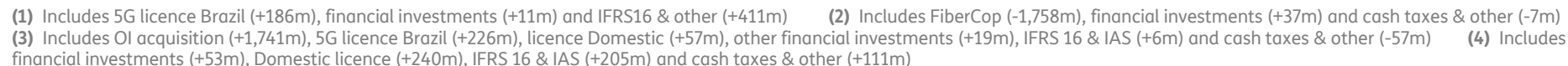
Another solid execution in **POSTPAID PREPAID** recovery pace continues with positive growth

TIM LIVE'S ASSET LIGHT MODEL taking off and helping migration/expansion to FTTH

ESG AT THE CORE of strategy and execution

(1) Including company lines (2) “Beyond giga” strategy: Amazon Prime as plug-in to Control (R\$ 14,90 with 2GB internet bonus) and in Postpaid, embedded in the TIM Black plans; Prime Video content included in TIM Pré Top and TIM Beta offers (with access depending on recharge activity) (3) Control (Mar '22) and Postpaid (May '22) CB priced up

€ m; (-) = Cash generated, (+) = Cash absorbed, excluding call-outs



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Closing remarks

- **TIM continuity plan is proceeding:** we promised to do better than forecasted and we are keeping this promise notwithstanding a tougher macroeconomic environment
- **H1 '22 results give us the confidence to upgrade our guidance for the year:**
 - **Group EBITDA high single digit decrease** (from low teens decrease)
 - **Group EBITDA AL low teens decrease** (from mid to high teens decrease)
- **We achieved all our goals in terms of participation to the NRRP and NSH initiatives** ⁽¹⁾, actively contributing to the Country's digital evolution, confirming TIM strategic positioning
- **The Transformation Plan is ongoing** with the target increased to € 1.5bn in '24
- In Brazil **integration with OI started**, with positive impacts on Revenues and EBITDA already visible
- **We secured our liquidity position** thanks to the cash-in of SACE financing

AT THE SAME TIME

- **We set the ground for our Discontinuity Plan** in order to overcome leverage constraints

(1) NRRP = "National Recovery and Resilience Plan"; NSH = "National Strategic Hub"

Q&A

The bottom of the slide features several overlapping, curved, wavy lines in various shades of blue, ranging from light cyan to dark navy, creating a modern, abstract design.

Annex



TIM Group - 2022 financial expectations based on current configuration

IFRS 16/After Lease, including OI ⁽¹⁾

	SHORT TERM TARGETS (2022)	UPGRADED TARGETS (2022)
Service Revenues	low single digit decrease	
Organic EBITDA	low teens decrease	high single digit decrease
Organic EBITDA AL ⁽²⁾	mid to high teens decrease	low teens decrease
CAPEX	Group: €4.0bn Domestic: €3.2bn	
Adj. Net Debt AL	affected by € 3.7bn non-recurring payments ⁽³⁾	

(1) Group figures @ average exchange-rate 5.56 R\$/€

(2) Oi's transaction is impacting leases account for the plan period and will be absorbed thereafter

(3) 5G spectrum in Italy (€1.7bn) and Brazil (€0.4bn), Oi acquisition (€1.1bn), DAZN payment (€0.3bn) and substitute tax (€0.2bn) based on the Plan's exchange rate assumption

TIM Brasil - Guidance 2022-’24

GOALS	SHORT TERM TARGETS (2022)	LONG TERM TARGETS (2022-’24)
Revenue Sustainability	Service Revenues Growth: + Double digit YoY	Service Revenues Growth: + Double digit CAGR ’21-’24
Profitability	EBITDA Growth: + Double digit YoY	EBITDA Growth: + Double digit CAGR ’21-’24
Infrastructure Development	Capex: ~R\$ 4.8bn	Capex: ~R\$ 14.0bn Σ ’22-’24 Capex on Revenues: <20% @2024
Cash Generation	EBITDA-Capex on Revenues: >24%	EBITDA-Capex on Revenues: ≥29% @2024

Guidance excludes:

- Any additional M&A activity
- New spectrum auctions
- ICMS taxation changes (ruled to be effective in Q1 ’24)
- Any other taxation or Regulatory reform
- Upside from Customer Platform partnerships (e.g. value created by equity stakes)

On like-for-like comparison, all metrics would be on track versus the old plan



ESG - Q2 actions supporting Plan's targets

Reported data, €m

Lowering CO₂ emissions

- Validated TIM Group Scope 1, 2 and 3 emission reduction targets from SBTi ⁽¹⁾
- Obtained the ISO 14064 certification for TIM SpA that qualifies the process of reporting and monitoring of greenhouse gas emissions of the company
- Eco Rating project, measuring the environmental impact of smartphones, extended to the Brazilian market
- Started contracting process with Open-es to create an ecosystem of sustainable value chains

The Country's digital growth

- The winner of "TIM Challenge for Circular Economy" has been named and will develop a trial for a car-pooling service for employees

Everyone's skills and value

- 4,000 trees planted thanks to Earth Day competitions and challenges to increase the sustainable behaviour of employees, customers and the community

Group targets

E Net Zero (Scope 1+2+3)	2040	
E Carbon Neutrality (Scope 1+2)	2030	
E Scope 3 Reduction ⁽²⁾	-47%	2030
E Renewable energy on total energy (%)	+100%	2025
G Women in leadership position ⁽³⁾	29%	2024

Human Rights commitment: update due diligence, policy & remedies

Domestic targets

E Green Products & Smartphones	≥50%	2024
E Circular Economy ratio ⁽⁴⁾	+11%	
S IoT & Security service revenues	+20% CAGR	
S Digital Identity Services	+15% CAGR	
S % People trained on ESG skills	90%	
S Young Employees Engagement	≥ 78%	2026
S FTTH Coverage	≥60% of POP	

Reorganization via voluntary staff reduction tools

(1) Science Based Target Initiatives

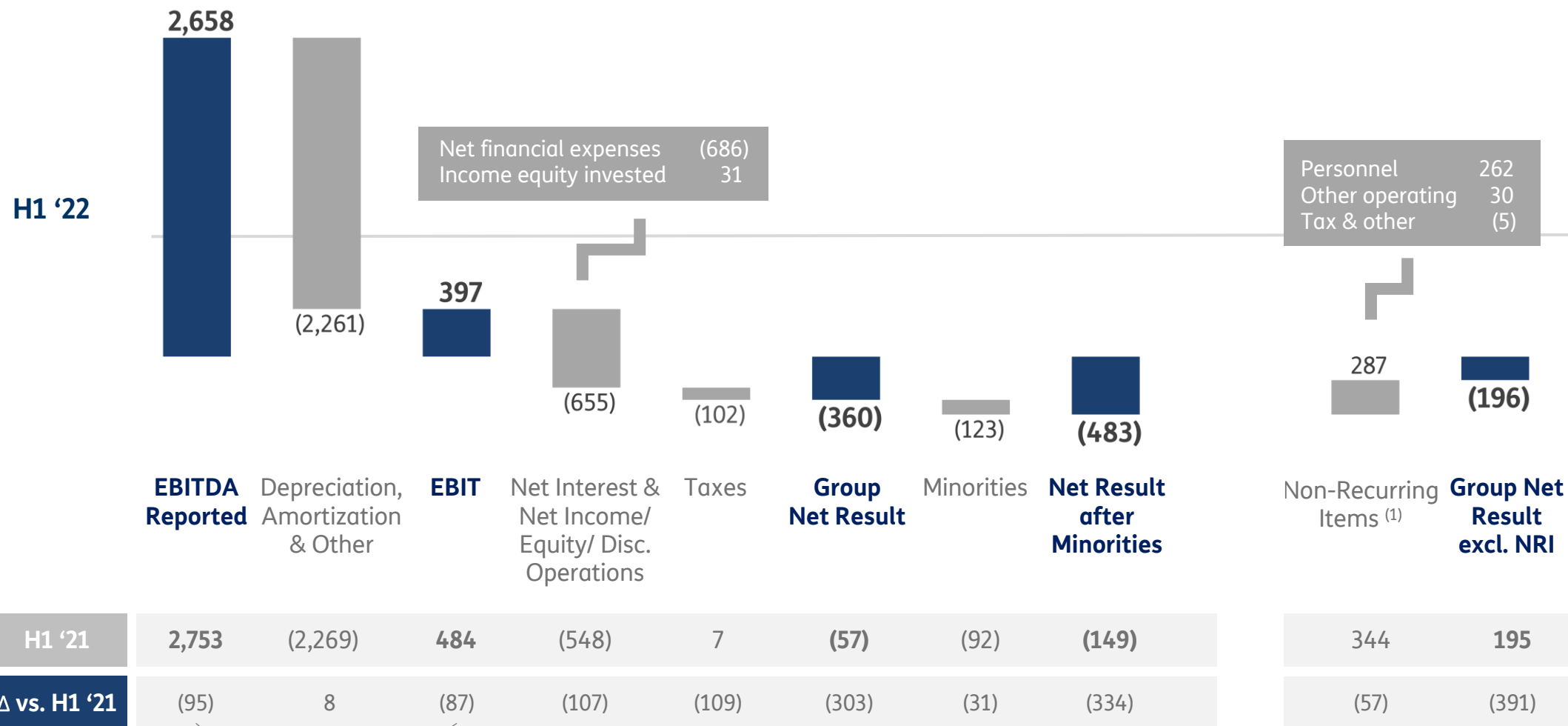
(2) Scope 3 cat.1, 2 and 11

(3) Average between Domestic target (27%) and TIM Brasil target (35%)

(4) Unit revenues from the resale of used materials and assets plus waste recycling per kg of waste produced. Base line 2021 0,044€/kg

TIM Group - From EBITDA to Net Income

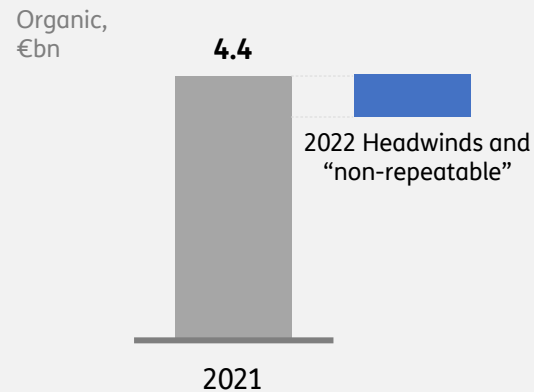
Reported data, €m



(1) Non-Recurring Items include provisions for personnel (2021-26 layoffs ex art.4 Fornero Law), claims and litigation

Some headwinds affecting 2022 domestic EBITDA and group net debt

Domestic EBITDA AL



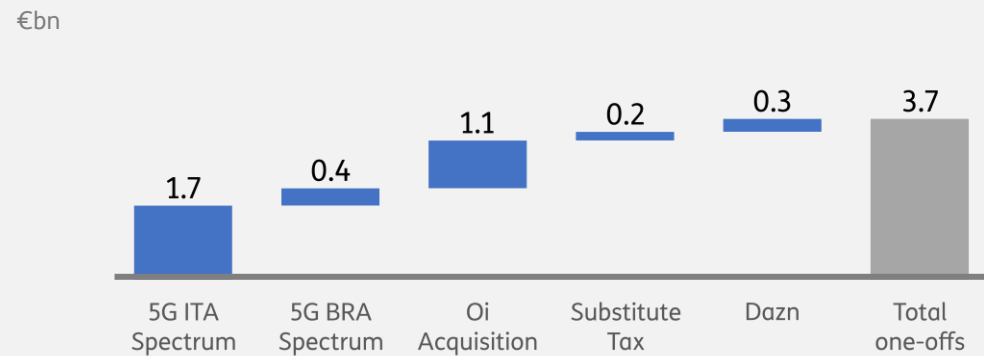
2022 headwinds: regulatory and competitive environment impacts

- Following new law (DL 207/2021), we are modifying our offers for consumer and microbusiness with front-end loaded impact on activation and equipment revenues in 2022, fading away in following years
- Regulated prices update (MTR and fixed wholesale regulated prices)
- Impact of newcomer in fixed and loyalty plans
- Stricter rules on vouchers (still a help but not as much as expected)

Non-repeatable: some actions have not been rolled-over into '22 budget

- Wholesale '21 over-performance (product sales, service revenues) and USO
- Improved churn in Fixed and Mobile, benefiting commissioning
- Subsidies for public training

Δ Net Debt AL 2021-'22



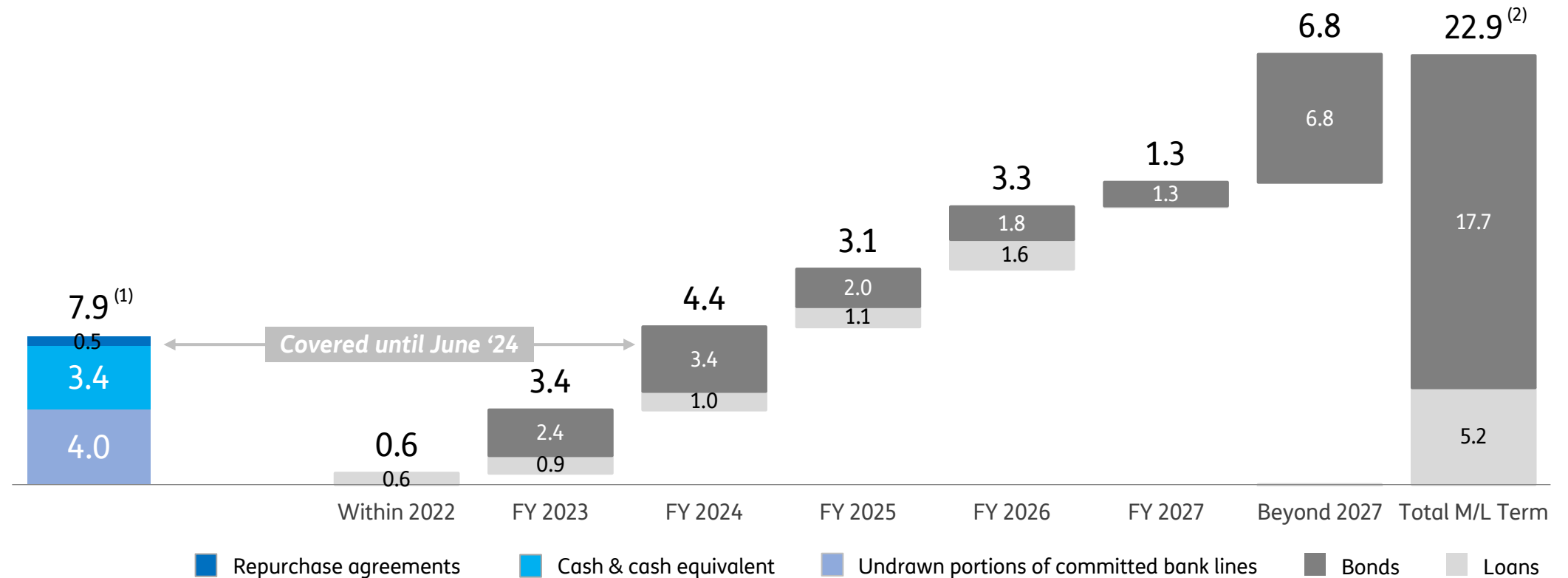
Extraordinary payments: spectrum, Oi acquisition, DAZN payments and substitute tax weighing on 2022 net debt

TIM Group - Liquidity margin, after lease view

Cost of debt ~3.5%, +0.1pp QoQ, +0.3pp YoY

Liquidity Margin

Debt Maturities



(1) Includes € 506m repurchase agreements o/w € 200m will expire in July, € 100m will expire in August and € 206m will expire in November 2022

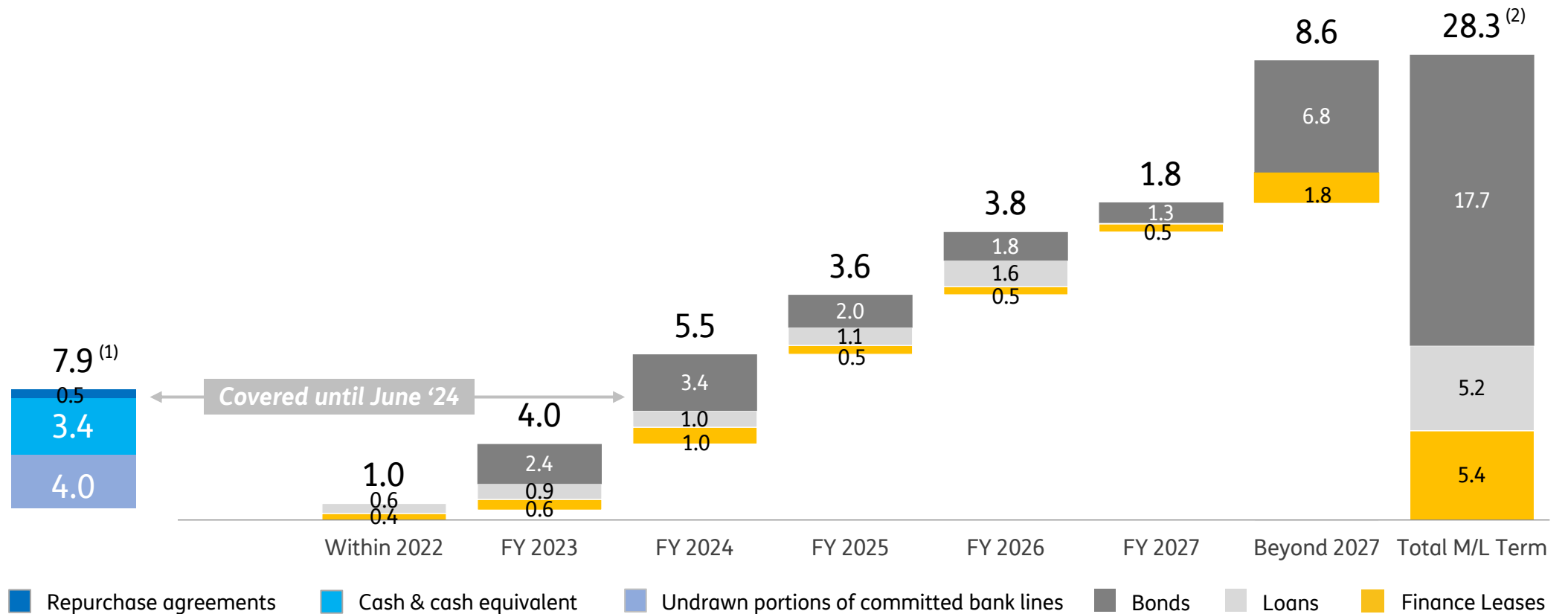
(2) € 22,882m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 768m) and current financial liabilities (€ 1,049m), the gross debt figure of € 24,699m is reached

TIM Group - Liquidity margin, IFRS 16 view

Cost of debt ~4.0%*, +0.2pp QoQ and +0.4pp YoY

Liquidity Margin

Debt Maturities



(1) Includes € 506m repurchase agreements o/w € 200m will expire in July, € 100m will expire in August and € 206m will expire in November 2022

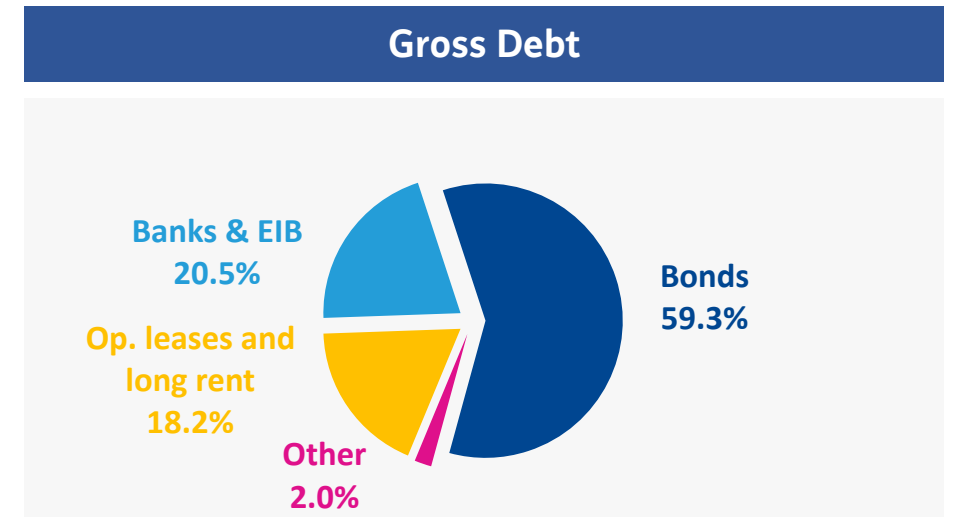
(2) € 28,325m is the nominal amount of outstanding medium-long term debt. By adding the balance of IAS adjustments and reverse fair value valuations (€ 814m) and current financial liabilities (€ 1,049m), the gross debt figure of € 30,188m is reached

TIM Group - Well diversified and hedged debt

IFRS 16 view

€ m

	NFP adjusted	Fair value	NFP accounting
GROSS DEBT			
Bonds	17,899	198	18,097
Banks & EIB	6,194	-	6,194
Derivatives	132	633	765
Op. leases and long rent	5,489	-	5,489
Other ⁽¹⁾	474	-	474
TOTAL	30,188	831	31,019
FINANCIAL ASSETS			
Liquidity position	3,923	-	3,923
Other	1,611	805	2,416
o/w derivatives	1,233	805	2,038
o/w active leases	104	-	104
o/w other credit ⁽²⁾	274	-	274
TOTAL	5,534	805	6,339
NET FINANCIAL DEBT	24,654	26	24,680



Average m/l term maturity:
6.9 years (bond 6.8 years only)










Fixed rate portion on medium-long term debt ~75%

Around **32% of outstanding bonds** (nominal amount)
denominated in **USD and GBP** and **fully hedged**

(1) Includes debts due to other lenders related to: Factor (€ 120m), Aflac (€ 141m), Brazil 5G (€ 163m), Brixia (€ 11m) and other (€ 39m)

(2) Includes vendor loans for € 207m

The new TIM - Clearly identified domestic perimeter

		ServiceCo		NetCo
		TIM Consumer	TIM Enterprise	Wholesale
Commercial & Legal	Brands and legal entities	  	   	 
	Target markets	Consumer & Small Medium Enterprises	Large corporates & Public Administrations	National and International Wholesale
Access Network	Secondary & Cabinets		Selected fibers IRU ⁽²⁾	
	Primary	Selected fibers IRU ⁽¹⁾	Selected fibers IRU ⁽²⁾	Ducts / mini-ducts & fibers
	Edge			
	Access Electronics & Central Office HW			Distr. Frame/ DSLAMs / OLT FTTC
	Real Estate & building systems			
Backbone	Junction and Backbone Fibers	Selected fibers IRU ⁽³⁾	Selected fibers IRU ⁽³⁾	
	Backbone/Transport HW & Platforms			
DC / Platforms	Service Platforms	Consumer Platforms	Enterprise Platforms	
	Data Centers (Noovle)			
Mobile	Mobile Network ⁽⁴⁾		Full MVNO-like services	
	Mobile Service Platforms ⁽⁴⁾			
	Frequencies			

(1) For mobile backhauling (2) Preserve ServiceCo offering differentiation/ competitiveness for enterprise segments (3) May guarantee ServiceCo competitiveness (4) Minimum fiber backbone required to offer Enterprise most important products/services with autonomy

NetCo - A long-term value story

standalone

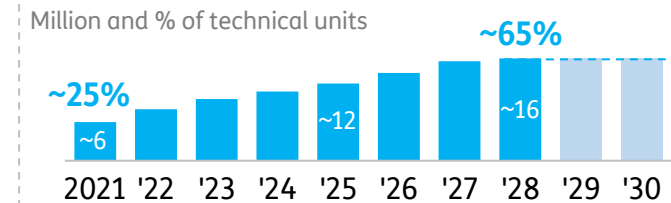
Organic figures, €bn (including Sparkle)	2021	2025	2030
Revenues ⁽¹⁾	5.3	~5.2	5.4
Including upside from higher commercial flexibility ⁽²⁾			
EBITDA AL ⁽³⁾ % on revenues	2.0 38%	~2.2 ~40%	~2.7 ~50%
CAPEX ⁽⁴⁾ % on revenues	1.6 29%	2.2 42%	~0.8 <15%
€2.0bn CAPEX contribution from NRRP ⁽⁵⁾ “Italia 1 Giga” and “5G backhauling” in ‘24-’27			
EBITDA AL – CAPEX % on EBITDA AL	0.4 22%	~0	1.9 72%
FTE ⁽⁶⁾	21.4k	~17k	~15k
2022-’30 cash flow impacted by extra costs (~€140m/year on avg.) required by right-sizing			

FTTH coverage evolution @ 2028

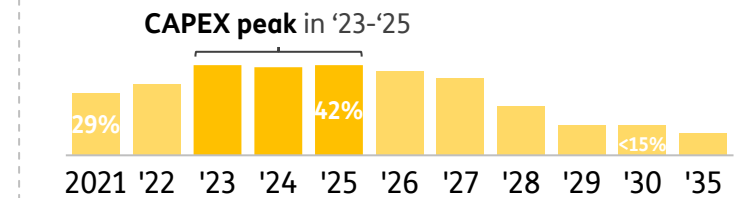
Million and % of technical units covered by FTTH

	Black	Grey	White	Ultra white
Cluster size	8.5 (35%)	9.5 (39%)	5.7 (23%)	0.6 (3%)
TIM/FiberCop	8.5 (35%)	5.2 (22%)	0.8 (3%)	-
NRRP ⁽⁵⁾ lots assigned to TIM	-	1.0 (4%)	0.1 (1%)	

FTTH coverage



CAPEX to sales evolution



(1) Including intercompany (2) “Fair and reasonable pricing”, as per Art.80 of the EU Communication Code, not included (3) EBITDA After Lease slightly lower vs indicative figure published in “FY’21 Results & 2022-2024 Plan update” presentation due to change in personnel perimeter (4) CAPEX net of license. Capex contribution from National Recovery and Resilience Plan not included (5) National Recovery and Resilience Plan (6) Full Time Equivalents EoY

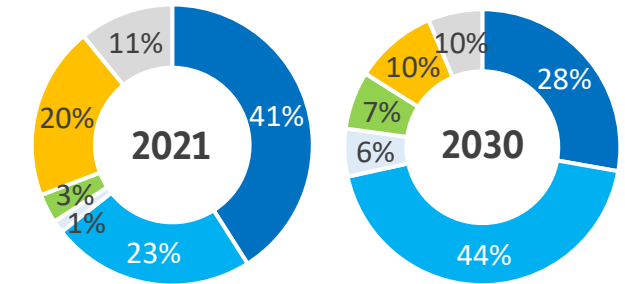
TIM Enterprise - Strong growth ahead

Organic figures, €bn	2021	2025	2030
Revenues ⁽¹⁾	3.0	≥3.5	~5.0
Strong multi-year backlog: ~60% of revenues secured on avg. between 2022-'25			
EBITDA AL ⁽²⁾ % on revenues	0.9 32%	1.0 27%	≥1.7 34%
Higher labour cost due to onboarding of Tech/IT talents			
CAPEX ⁽³⁾ % on revenues	0.6 19%	0.5 15%	~0.5 10%
EBITDA AL – CAPEX % on EBITDA AL	0.4 39%	0.5 47%	≥1.2 ~70%
Cash flow affected by additional restructuring costs of ~€30m/year on avg. over the entire plan to support personnel rotation & refresh of competence mix			
Headcounts	5.3k	~6.0k	~5.5k

- Steady topline growth above market (4% CAGR '21-'30), with change in revenue mix

Revenues by segment

- Connectivity
- Cloud
- IoT
- Security
- Other IT
- Terminals & Other



- Strong marginality and cash conversion after initial carve-out/business set-up, driven by scale, optimized operating model and high focus on proprietary products / expansion towards Managed and Professional services

Potential upsides not factored in plan

- Public safety tender and NRRP⁽⁴⁾ additional opportunities
- Expanding collaboration with Cloud Service Providers
- Expansion on medium segment / reselling of proprietary off-the-shelf products

(1) Including intercompany (2) EBITDA After Lease (3) Organic CAPEX net of license and excluding one off investments of ~€220m cumulated in 2023-'26 for IT system, backbone and mobile core network key components rebuild (4) National Recovery and Resilience Plan

TIM Consumer – A turnaround story

Organic figures, €bn	2021	2025	2026
Revenues ⁽¹⁾	6.8	~6.4	6.5
EBITDA AL ⁽²⁾ ----- % on revenues	1.2 ----- 17%	≥1.3 ----- ~21%	>1.4 ----- 22%
CAPEX ⁽³⁾ ----- % on revenues	1.1 ----- 16%	0.9 ----- ~13%	0.8 ----- 12%
€0.1bn CAPEX contribution from NRRP “5G backhauling” in ‘23-’27			
EBITDA AL – CAPEX ----- % on EBITDA AL	0.1 ----- 10%	≥0.4 ----- >31%	0.6 ----- ~43%
FTE ⁽⁴⁾	~14k		~11k further actions under evaluation
2022-’26 cash flow impacted by extra costs (~€80m/year on avg.) required by right-sizing			

Included in the plan

- Commercial and operative transformation
- TIM content transformation for Consumer
- ICT offering evolution for SMB
- Active sharing agreement on mobile

Potential upsides - not included in the plan

- New regulation on power limits and 5G tender
- New ecosystem of digital services
- Further in-market consolidation and / or asset separations

(1) Organic revenues net of €0.3bn one-offs in 2021 (2) EBITDA After Lease net of €0.4bn one-offs in 2021 (3) CAPEX net of license (4) Full Time Equivalents EoY



For further questions
please contact
the IR team



(+39) 06 3688 2500



Investor_relations@telecomitalia.it



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