



TIM Group

Q2 '22

Financial and Operating Figures



TELECOM ITALIA INVESTOR RELATIONS

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Disclaimer

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.

TIM Group Key Financials

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾									
	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Q1 '21 comparable base	Q2 '21 comparable base	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Change YoY %
REVENUES	3,728	3,815	3,797	3,976	15,316	3,644	3,913	3,815	3,967	3,728	3,815	3,797	3,981	15,321	3,644	3,913	(1.4)
Domestic	3,077	3,132	3,072	3,224	12,505	2,846	2,908	3,082	3,141	3,077	3,132	3,072	3,229	12,510	2,846	2,908	(7.4)
o/w Wireline	2,329	2,363	2,237	2,384	9,313	2,131	2,169	2,334	2,372	2,329	2,363	2,237	2,389	9,318	2,131	2,169	(8.6)
o/w Mobile	892	909	966	965	3,732	851	874	892	909	892	909	966	965	3,732	851	874	(3.9)
Brazil	658	690	731	761	2,840	806	1,013	740	833	658	690	731	761	2,840	806	1,013	21.8
Other activities & Elim.	(7)	(7)	(6)	(9)	(29)	(8)	(8)	(7)	(7)	(7)	(7)	(6)	(9)	(29)	(8)	(8)	
SERVICE REVENUES	3,387	3,459	3,484	3,576	13,906	3,386	3,644	3,472	3,607	3,387	3,459	3,484	3,581	13,911	3,386	3,644	1.0
Domestic	2,753	2,798	2,780	2,852	11,183	2,612	2,671	2,758	2,807	2,753	2,798	2,780	2,857	11,188	2,612	2,671	(4.8)
o/w Wireline	2,139	2,155	2,091	2,184	8,569	2,020	2,056	2,144	2,164	2,139	2,155	2,091	2,189	8,574	2,020	2,056	(5.0)
o/w Mobile	757	783	821	791	3,152	728	751	757	783	757	783	821	791	3,152	728	751	(4.1)
Brazil	641	668	710	733	2,752	782	981	721	807	641	668	710	733	2,752	782	981	21.9
Other activities & Elim.	(7)	(7)	(6)	(9)	(29)	(8)	(8)	(7)	(7)	(7)	(7)	(6)	(9)	(29)	(8)	(8)	
EBITDA	1,160	1,593	1,596	731	5,080	1,316	1,342	1,600	1,708	1,561	1,639	1,641	1,382	6,223	1,387	1,563	(8.5)
Domestic	858	1,271	1,250	351	3,730	962	892	1,260	1,316	1,259	1,315	1,294	999	4,867	1,029	1,101	(16.3)
Brazil	304	326	347	385	1,362	356	457	342	396	304	328	348	388	1,368	360	466	18.2
Other activities & Elim.	(2)	(4)	(1)	(5)	(12)	(2)	(7)	(2)	(4)	(2)	(4)	(1)	(5)	(12)	(2)	(4)	
EBITDA After Lease	965	1,387	1,389	520	4,261	1,098	1,082	1,397	1,486	1,366	1,433	1,434	1,171	5,404	1,169	1,303	(12.3)
Domestic	733	1,141	1,124	223	3,221	837	763	1,135	1,186	1,134	1,185	1,168	871	4,358	904	972	(18.0)
Brazil	234	250	266	302	1,052	263	326	264	304	234	252	267	305	1,058	267	335	10.8
Other activities & Elim.	(2)	(4)	(1)	(5)	(12)	(2)	(7)	(2)	(4)	(2)	(4)	(1)	(5)	(12)	(2)	(4)	
CAPEX	691	1,117	912	1,910	4,630	932	974	716	910	691	877	912	1,346	3,826	932	904	(0.7)
Domestic	490	975	765	1,147	3,377	706	772	490	735	490	735	765	1,147	3,137	706	702	(4.5)
Brazil	201	142	147	763	1,253	226	202	226	175	201	142	147	199	689	226	202	15.9
EFCF	469	(106)	97	172	632	301	37										
EFCF After Lease	307	(218)	(61)	34	62	123	(107)										
NET DEBT ⁽²⁾	21,155	22,072	22,164	22,187	22,187	22,639	24,654										
NET DEBT After Lease ⁽²⁾	16,591	17,415	17,613	17,573	17,573	17,673	19,269										

(1) Organic figures excluding non-recurring items and change in the scope of consolidation. CAPEX net of licence

(2) Adjusted

Q2 '22 Financial and Operating Figures
Investor Relations

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	9M '21	FY '21	Q1 '22	H1 '22
REVENUES	3,964	7,759	11,657	15,805	3,728	7,543	11,340	15,316	3,644	7,557
Other Income	40	90	121	211	109	169	211	272	37	78
TOTAL OPERATING REVENUES AND OTHER INCOME	4,004	7,849	11,778	16,016	3,837	7,712	11,551	15,588	3,681	7,635
Acquisition of goods and services	(1,454)	(2,840)	(4,433)	(6,173)	(1,568)	(3,113)	(4,744)	(6,550)	(1,620)	(3,385)
Employee benefits expenses	(715)	(1,372)	(1,946)	(2,639)	(1,038)	(1,715)	(2,241)	(2,941)	(731)	(1,554)
Other operating expenses	(272)	(502)	(681)	(961)	(239)	(424)	(625)	(1,502)	(168)	(342)
Internally generated assets and Others	172	263	400	496	168	293	408	485	154	304
EBITDA	1,735	3,398	5,118	6,739	1,160	2,753	4,349	5,080	1,316	2,658
EBITDA Margin	43.8%	43.8%	43.9%	42.6%	31.1%	36.5%	38.4%	33.2%	36.1%	35.2%
Depreciation and amortization	(1,201)	(2,348)	(3,482)	(4,616)	(1,130)	(2,268)	(3,411)	(4,490)	(1,107)	(2,295)
Gains (losses) on disposals of non-current assets	(1)	(8)	(9)	(11)	(2)	(1)	2	1	-	34
Impairment reversals (losses) on non-current assets	-	-	-	(8)	-	-	-	(4,120)	-	-
EBIT	533	1,042	1,627	2,104	28	484	940	(3,529)	209	397
EBIT Margin	13.4%	13.4%	14.0%	13.3%	0.8%	6.4%	8.3%	-23.0%	5.7%	5.3%
Income (loss) equity invest. valued equity method ⁽¹⁾	441	450	460	472	11	34	44	164	16	31
Net Financial Income / (Expenses)	(301)	(603)	(909)	(1,179)	(288)	(582)	(862)	(1,150)	(317)	(686)
Profit (loss) before tax from continuing operations	673	889	1,178	1,397	(249)	(64)	122	(4,515)	(92)	(258)
Income tax expense	(82)	(166)	66	5,955	43	7	43	(3,885)	(50)	(102)
Profit (loss) from continuing operations	591	723	1,244	7,352	(206)	(57)	165	(8,400)	(142)	(360)
Discontinued operations/Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
PROFIT (LOSS)	591	723	1,244	7,352	(206)	(57)	165	(8,400)	(142)	(360)
Parent Company	560	678	1,178	7,224	(228)	(149)	(10)	(8,652)	(204)	(483)
Minorities	31	45	66	128	22	92	175	252	62	123
Non-Recurring Items ⁽²⁾	(413)	(340)	(306)	(6,048)	310	344	293	8,653	53	289
PROFIT (LOSS) NET NON-RECURRING ITEMS	178	383	938	1,304	104	287	458	253	(89)	(71)

(1) Inwit equity share € 43m in FY '21 and € 35m in H1 '22. Inwit gain following the merger € 452m in FY '20 ex art.4 Fornero Law), legal and COVID related costs

(2) Non-Recurring Items include provisions for personnel (2021-26 layoffs

Q2 '22 Financial and Operating Figures
Investor Relations

TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22
EBITDA	1,735	3,398	5,118	6,739	1,160	2,753	4,349	5,080	1,316	2,658
CAPEX	(599)	(1,254)	(2,006)	(3,409)	(691)	(1,808)	(2,720)	(4,630)	(932)	(1,906)
o/w spectrum	-	-	-	-	-	(240)	(240)	(804)	-	(89)
CHANGE IN WORKING CAPITAL ⁽¹⁾	(348)	(599)	(738)	(26)	286	(126)	(546)	994	(80)	(399)
Change in net operating working capital	(229)	(53)	(60)	772	298	(96)	(257)	733	(91)	(261)
Change in inventories	(22)	6	(10)	20	(47)	(55)	(73)	(39)	(20)	(37)
Change in trade receivables	258	329	401	484	91	134	150	257	222	77
Change in trade payables	(931)	(1,293)	(1,234)	(193)	(312)	(390)	(439)	1,008	(497)	(753)
Other changes in operating receivables/payables	466	905	783	461	566	215	105	(493)	204	452
Change in provisions for employee benefits	(8)	(435)	(534)	(628)	262	256	10	(83)	38	241
Change in operating provisions and other changes	(111)	(111)	(144)	(170)	(274)	(286)	(299)	344	(27)	(379)
OPERATING FREE CASH FLOW Reported	788	1,545	2,374	3,304	755	819	1,083	1,444	304	353
Licence	-	-	(110)	(110)	-	(240)	(295)	(435)	(186)	(469)
OPERATING FREE CASH FLOW net of Licence	788	1,545	2,484	3,414	755	1,059	1,378	1,879	490	822
Financial Expenses	(295)	(604)	(904)	(1,186)	(288)	(587)	(757)	(1,053)	(308)	(660)
Cash Taxes & Other	(27)	37	86	186	2	(109)	(161)	(194)	119	176
o/w Substitute Tax	-	-	-	-	-	(231)	(231)	(231)	-	-
Net Cash Flow from discontinued operations	-	-	-	-	-	-	-	-	-	-
EQUITY FREE CASH FLOW	466	978	1,666	2,414	469	363	460	632	301	338
Dividends and change in Equity ⁽²⁾	(40)	(348)	(344)	974	(24)	(337)	(396)	(410)	(26)	(30)
Disposal and Financial investments ⁽³⁾	613	1,212	1,213	1,483	1,721	1,668	1,645	1,804	(11)	(1,771)
Licence	-	-	(110)	(110)	-	(240)	(295)	(435)	(186)	(469)
IFRS & IAS	(116)	(145)	(226)	(419)	5	(200)	(252)	(452)	(530)	(535)
NET CASH FLOW	923	1,697	2,199	4,342	2,171	1,254	1,162	1,139	(452)	(2,467)
EQUITY FREE CASH FLOW	466	978	1,666	2,414	469	363	460	632	301	338
Lease Impact	(271)	(447)	(673)	(799)	(162)	(274)	(432)	(570)	(178)	(322)
EQUITY FREE CASH FLOW AFTER LEASE	195	531	993	1,615	307	89	28	62	123	16
NET DEBT	26,745	25,971	25,469	23,326	21,155	22,072	22,164	22,187	22,639	24,654
Lease Impact	(5,034)	(4,876)	(4,728)	(4,732)	(4,564)	(4,657)	(4,551)	(4,614)	(4,966)	(5,385)
NET DEBT After Lease	21,711	21,095	20,741	18,594	16,591	17,415	17,613	17,573	17,673	19,269

TIM Group Working Capital

€m, IFRS 16

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Unaudited figures

	TIM Group ⁽¹⁾			Domestic			Brasil		
	H1 '21	H1 '22	Δ abs	H1 '21	H1 '22	Δ abs	H1 '21	H1 '22	Δ abs
Operating WC & Other	(126)	(399)	(273)	(154)	(19)	135	27	(382)	(409)
License	-	(14)	(14)	-	(14)	(14)	-	-	-
License paid in the year	-	394	394	-	-	-	-	394	394
Non recurring items (not paid)	(447)	(292)	155	(445)	(276)	169	(2)	(13)	(11)
Recurring Operating WC	(573)	(311)	262	(599)	(309)	290	25	(1)	(26)
Inventory				(58)	(23)	35			
Trade Receivables				98	97	(1)			
Trade Payables				(317)	(335)	(18)			
Other Operating Payables/Receivables & Funds				(322)	(48)	274			
- o/w Litigations & Settlements				(311)	(421)	(111)			
- o/w Payables vs. Personnel				106	128	22			
- o/w Personnel Exit (Fornero Law)				(221)	(223)	(3)			
- o/w VAT				458	448	(10)			
- o/w Billing ⁽²⁾				2	(20)	(22)			
- o/w Net Debts vs INPS				(40)	(39)	2			
- o/w Deferred Costs & Revenues				(237)	(84)	153			
- o/w Payment in Advance vs Suppliers/Customers				(35)	178	213			

(1) Includes other activities & eliminations

(2) From payments in advance to payments in arrears

TIM Group Balance Sheet

€m, IFRS 16

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22
CURRENT ASSETS	9,513	9,611	9,036	10,812	12,057	11,586	11,029	14,070	10,272	11,878
Trade and miscellaneous receivables and other current assets	4,889	4,639	4,580	4,346	4,338	4,389	4,307	4,358	4,420	4,481
Cash and cash equivalents	3,265	3,603	2,858	4,829	4,370	4,969	4,443	6,904	3,272	2,391
Discontinued operations/assets held for sale	-	24	-	-	-	365	355	-	-	2,631
<i>o/w of a financial nature</i>	-	-	-	-	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	24	-	-	-	365	355	-	-	2,631
Securities other than investments, other financial receivables and other current financial assets	985	1,007	1,246	1,254	2,963	1,461	1,526	2,391	2,122	1,883
Inventories	282	256	272	242	289	300	316	282	309	324
Current income tax receivables	49	46	46	86	30	42	40	79	88	114
Current financial receivables arising from lease contracts	43	36	34	55	67	60	42	56	61	54
Other investments	-	-	-	-	-	-	-	-	-	-
NON-CURRENT ASSETS	58,482	56,946	55,819	62,422	61,667	62,218	61,916	55,117	56,023	54,691
Intangible assets	30,027	29,737	29,452	29,587	29,297	29,395	29,173	25,715	26,063	26,908
Goodwill	22,908	22,870	22,825	22,847	22,820	22,710	22,689	18,568	18,657	19,009
Intangible assets with a finite useful life	7,119	6,867	6,627	6,740	6,477	6,685	6,484	7,147	7,406	7,899
Tangible assets	13,287	12,986	12,800	13,141	12,980	13,049	13,009	13,311	13,692	13,971
Property, plant and equipment owned	13,287	12,986	12,800	13,141	12,980	13,049	13,009	13,311	13,692	13,971
Right of Use assets	5,276	5,022	4,879	4,992	4,851	4,898	4,783	4,847	5,177	5,554
Other assets	9,892	9,201	8,688	14,702	14,539	14,876	14,951	11,244	11,091	8,258
Miscellaneous receivables and other non-current assets	2,387	2,309	2,050	2,114	2,072	2,260	2,307	2,266	2,353	2,343
Non-current financial assets	3,116	2,969	2,519	2,310	2,088	2,243	2,220	2,330	2,089	2,011
<i>o/w receivable for lease contracts</i>	51	47	42	43	45	49	46	45	50	50
<i>o/w other non-current financial assets</i>	3,065	2,922	2,477	2,267	2,043	2,194	2,174	2,285	2,039	1,961
Deferred tax assets	937	896	1,080	7,496	7,547	7,592	7,594	3,513	3,470	3,441
Other investments	44	51	52	54	57	82	120	156	134	128
Investments in associates and joint ventures accounted for using the equity method	3,408	2,976	2,987	2,728	2,775	2,699	2,710	2,979	3,045	335
TOTAL ASSETS	67,995	66,557	64,855	73,234	73,724	73,804	72,945	69,187	66,295	66,569

TIM Group Balance Sheet

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Unaudited figures

	Q1 '20	H1 '20	9M '20	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22
CURRENT LIABILITIES	10,818	10,534	10,380	11,167	13,043	12,378	13,480	16,364	13,739	14,200
Trade and miscellaneous payables and other current liabilities	6,573	6,108	5,908	6,588	7,046	6,820	8,125	9,473	9,655	9,410
Current financial liabilities	4,202	4,382	4,416	4,308	5,742	5,242	5,054	6,596	3,811	4,550
<i>o/w liabilities for financing contracts and others</i>	3,523	3,685	3,773	3,677	5,127	4,582	4,405	5,945	3,128	3,768
<i>o/w liabilities for lease contracts</i>	679	697	643	631	615	660	649	651	683	782
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	-	-	-	-	68	58	-	-	1
<i>o/w of a financial nature</i>	-	-	-	-	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	-	-	-	-	68	58	-	-	1
Current income tax payables	43	44	56	271	255	248	243	295	273	239
NON-CURRENT LIABILITIES	35,166	34,629	33,002	33,227	30,871	30,840	28,857	30,784	29,821	29,844
Non-current financial liabilities	29,776	29,187	27,873	27,854	25,418	25,818	25,669	27,501	26,579	26,469
<i>o/w liabilities for financing contracts and others</i>	25,396	24,984	23,766	23,655	21,357	21,712	21,679	23,437	22,185	21,762
<i>o/w liabilities for lease contracts</i>	4,380	4,203	4,107	4,199	4,061	4,106	3,990	4,064	4,394	4,707
Miscellaneous payables and other non-current liabilities	3,104	3,363	3,226	3,602	3,526	3,157	1,469	1,413	1,366	1,322
Employee benefits	1,179	916	830	724	939	888	710	699	700	812
Provisions	688	753	750	770	769	689	668	926	956	1,007
Deferred tax liabilities	419	410	323	277	219	288	341	245	220	234
TOTAL LIABILITIES	45,984	45,163	43,382	44,394	43,914	43,218	42,337	47,148	43,560	44,044
EQUITY	22,011	21,394	21,473	28,840	29,810	30,586	30,608	22,039	22,735	22,525
Equity attributable to equity owners of the Parent	20,623	20,081	20,227	26,215	25,371	25,994	26,010	17,414	17,786	17,590
Equity attributable to Minority Interests	1,388	1,313	1,246	2,625	4,439	4,592	4,598	4,625	4,949	4,935
TOTAL LIABILITIES & EQUITY	67,995	66,557	64,855	73,234	73,724	73,804	72,945	69,187	66,295	66,569

Domestic Results

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾									
	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Q1 '21 comparable base	Q2 '21 comparable base	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Change YoY %
REVENUES	3,077	3,132	3,072	3,224	12,505	2,846	2,908	3,082	3,141	3,077	3,132	3,072	3,229	12,510	2,846	2,908	(7.4)
Service Revenues	2,753	2,798	2,780	2,852	11,183	2,612	2,671	2,758	2,807	2,753	2,798	2,780	2,857	11,188	2,612	2,671	(4.8)
Wireline Services	2,139	2,155	2,091	2,184	8,569	2,020	2,056	2,144	2,164	2,139	2,155	2,091	2,189	8,574	2,020	2,056	(5.0)
Retail	1,368	1,362	1,335	1,400	5,466	1,294	1,322	1,368	1,362	1,368	1,362	1,335	1,400	5,466	1,294	1,322	(2.9)
National Wholesale + FiberCop	556	542	510	507	2,114	493	492	556	542	556	542	510	512	2,119	493	492	(9.1)
International Wholesale	217	248	246	276	987	229	242	222	257	217	248	246	276	987	229	242	(5.8)
Other	(2)	4	0	1	3	4	(0)	(2)	4	(2)	4	0	1	3	4	(0)	
Mobile Services	757	783	821	791	3,152	728	751	757	783	757	783	821	791	3,152	728	751	(4.1)
Retail	676	685	677	677	2,716	641	643	676	685	676	685	677	677	2,716	641	643	(6.2)
Wholesale and Other	81	97	143	114	436	87	108	81	97	81	97	143	114	436	87	108	11.1
Elimination & Other	(143)	(140)	(132)	(123)	(538)	(136)	(136)	(143)	(140)	(143)	(140)	(132)	(123)	(538)	(136)	(136)	
Handsets	324	334	292	372	1,322	234	237	324	334	324	334	292	372	1,322	234	237	(29.0)
OPEX	2,219	1,861	1,822	2,873	8,775	1,884	2,016	1,822	1,825	1,818	1,817	1,778	2,230	7,643	1,817	1,807	(1.0)
EBITDA	858	1,271	1,250	351	3,730	962	892	1,260	1,316	1,259	1,315	1,294	999	4,867	1,029	1,101	(16.3)
EBITDA Margin	27.9%	40.6%	40.7%	10.9%	29.8%	33.8%	30.7%	40.9%	41.9%	40.9%	42.0%	42.1%	30.9%	38.9%	36.2%	37.9%	(4.0 p.p.)
EBITDA After Lease	733	1,141	1,124	223	3,221	837	763	1,135	1,186	1,134	1,185	1,168	871	4,358	904	972	(18.0)
EBITDA AL Margin	23.8%	36.4%	36.6%	6.9%	25.8%	29.4%	26.2%	36.8%	37.8%	36.9%	37.8%	38.0%	27.0%	34.8%	31.8%	33.4%	(4.3 p.p.)
CAPEX	490	975	765	1,147	3,377	706	772	490	735	490	735	765	1,147	3,137	706	702	(4.5)
% on revenues	15.9%	31.1%	24.9%	35.6%	27.0%	24.8%	26.5%	15.9%	23.4%	15.9%	23.5%	24.9%	35.5%	25.1%	24.8%	24.1%	0.7 p.p.
Headcount EoP	43,004	43,157	42,811	42,591	42,591	42,782	42,864										

(1) Organic figures excluding non-recurring items and change in the scope of consolidation; domestic CAPEX excluding licence (€ 70m in Q2 '22, € 240m in Q2 '21)

Q2 '22 Financial and Operating Figures
Investor Relations

Domestic Wireline

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾									
	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Q1 '21 comparable base	Q2 '21 comparable base	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Change YoY %
WIRELINE REVENUES	2,329	2,363	2,237	2,384	9,313	2,131	2,169	2,334	2,372	2,329	2,363	2,237	2,389	9,318	2,131	2,169	(8.6)
Wireline Service Revenues	2,139	2,155	2,091	2,184	8,569	2,020	2,056	2,144	2,164	2,139	2,155	2,091	2,189	8,574	2,020	2,056	(5.0)
Retail Services	1,368	1,362	1,335	1,400	5,466	1,294	1,322	1,368	1,362	1,368	1,362	1,335	1,400	5,466	1,294	1,322	(2.9)
<i>o/w Broadband and content</i>	563	554	546	543	2,206	514	518	563	554	563	554	546	543	2,206	514	518	(6.6)
<i>o/w ICT Services</i>	285	311	303	404	1,302	338	368	285	311	285	311	303	404	1,302	338	368	18.4
National Wholesale + FiberCop	556	542	510	507	2,114	493	492	556	542	556	542	510	512	2,119	493	492	(9.1)
International Wholesale	217	248	246	276	987	229	242	222	257	217	248	246	276	987	229	242	(5.8)
Other	(2)	4	-	1	3	4	(0)	(2)	4	(2)	4	-	1	3	4	(0)	
Equipments	190	208	146	200	744	111	113	190	208	190	208	146	200	744	111	113	(45.6)
Retail lines ('000)								8,774	8,765	8,774	8,765	8,729	8,647	8,647	8,539	8,442	(3.7)
Churn rate %								3.6	3.4	3.6	3.4	3.0	3.5	13.5	3.4	3.3	(0.1 p.p.)
Broadband								7,746	7,783	7,746	7,783	7,811	7,733	7,733	7,643	7,564	(2.8)
Consumer								6,545	6,541	6,545	6,541	6,579	6,511	6,511	6,431	6,360	(2.8)
Business								1,202	1,243	1,202	1,243	1,232	1,222	1,222	1,212	1,204	(3.1)
UBB								4,695	4,926	4,695	4,926	5,084	5,186	5,186	5,244	5,307	7.7
Wholesale lines ('000)								7,908	7,822	7,908	7,822	7,734	7,729	7,729	7,729	7,659	(2.1)
Local Loop Unbundling								2,625	2,472	2,625	2,472	2,343	2,202	2,202	2,082	1,965	(20.5)
Wholesale Line Rental								180	172	180	172	165	161	161	156	151	(12.1)
Bitstream Naked								722	662	722	662	607	548	548	494	433	(34.6)
UBB								4,381	4,516	4,381	4,516	4,619	4,819	4,819	4,997	5,110	13.2
ARPU Retail (BB & ICT)								32.2	33.0	32.2	33.0	32.4	36.3	33.4	33.0	34.8	5.5

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

WIRELINE REVENUES	Total revenues of Domestic Wireline, including services and equipment
Wireline Service Revenues	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services	Retail service revenues: consumer + business (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
Equipments	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)
Retail lines ('000)	Fixed accesses, including both voice, broadband (xDSL, FTTx) and data only lines. Gigabit Ethernet (GBE) FTTH lines included
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>
Wholesale lines ('000)	Total number of wholesale lines
Local Loop Unbundling	Nr. of wholesale accesses to the copper local access network (SULL, VULL and NGA included)
Wholesale Line Rental	Nr. of rented wholesale lines enabling OLOs to resell basic and advanced telephone and associated services
Bitstream Naked	Nr. of wholesale copper access lines with no RTG/ISDN/WLR voice service, used by OLOs for ADSL data service.
UBB	Nr. of FTTx accesses on TIM's fiber network
ARPU Retail (BB & ICT)	Total broadband & ICT revenues (Consumer+Business) divided by average active retail customers (€/line/month)

Domestic Mobile

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾									
	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Q1 '21 comparable base	Q2 '21 comparable base	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Change YoY %
MOBILE REVENUES	892	909	966	965	3,732	851	874	892	909	892	909	966	965	3,732	851	874	(3.9)
Mobile Service Revenues	757	783	821	791	3,152	728	751	757	783	757	783	821	791	3,152	728	751	(4.1)
Retail Services	676	685	677	677	2,716	641	643	676	685	676	685	677	677	2,716	641	643	(6.2)
o/w Incoming	58	56	57	57	229	47	44	58	56	58	56	57	57	229	47	44	(21.4)
Wholesale and Other	81	97	143	114	436	87	108	81	97	81	97	143	114	436	87	108	11.1
Handsets and Handsets Bundle	135	126	145	174	580	123	123	135	126	135	126	145	174	580	123	123	(2.5)
Total number of lines ('000)								30,222	30,317	30,222	30,317	30,473	30,466	30,466	30,395	30,427	0.4
Churn rate %								3.8	3.7	3.8	3.7	3.6	3.6	14.7	3.7	3.3	(0.4 p.p.)
Human								19,554	19,306	19,554	19,306	19,172	19,054	19,054	18,799	18,620	(3.6)
Not Human (M2M)								10,669	11,011	10,669	11,011	11,301	11,412	11,412	11,596	11,808	7.2
Calling lines								27,462	27,694	27,462	27,694	27,860	27,853	27,853	27,762	27,877	0.7
Human Calling								16,793	16,683	16,793	16,683	16,559	16,440	16,440	16,166	16,070	(3.7)
Broadband Users								12,864	12,853	12,864	12,853	12,863	12,783	12,783	12,717	12,717	(1.1)
LTE Users								11,878	11,929	11,878	11,929	12,070	12,103	12,103	12,127	12,204	2.3
Usage Data (GB/users/month)								10.5	11.1	10.5	11.1	12.1	11.7	11.4	11.9	12.9	16.5
ARPU Reported								7.5	7.5	7.5	7.5	7.4	7.4	7.5	7.0	7.0	(6.7)
ARPU Human								11.4	11.7	11.4	11.7	11.7	11.8	11.7	11.3	11.5	(2.5)

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

MOBILE REVENUES	Total mobile revenues, including services, handsets and handsets bundle
Mobile Service Revenues	Mobile service revenues, including retail, wholesale and other
Retail Services o/w Incoming	Retail service revenues, consumer and business including voice, messaging, browsing and content
Wholesale and Other	Revenues for voice traffic terminated on TIM mobile customers including visitors MVNOs and visitors. Inwit revenues and colocation on mobile sites until Q1 '20
Handsets and Handsets Bundle	Mobile handsets sales and handsets bundles
Total number of lines	Total mobile customer base, human and not human ('000)
Churn rate %	Percentage of line lost on average nr of lines in the reported period
Human	Total nr. of human lines
Not Human (M2M)	Total nr. of not human lines, including machine to machine and data-only SIMs (eg. for tablets)
Calling lines	Nr. of active lines (calling at least once within the last month of the reported quarter)
Human Calling	Nr. of human active lines (calling at least once within the last month of the reported quarter)
Broadband Users	Mobile customers using data services
LTE Users	Mobile customer using (also) 4G (LTE) data services
Usage Data	Average data usage (GB/broadband users/month) - Data volumes net of Visitors, Roamers and MVNO (Noverca/Kena volumes included)
Reported	Total retail service revenues divided by average customer base, human and not human (€/line/month)
Human	Total retail service revenues divided by average human customer base (€/line/month)

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Change YoY %
REVENUES	4,215	3,987	4,388	4,678	17,268	4,340	4,407	4,512	4,799	18,058	4,727	5,368	21.8
Service Revenues	4,091	3,926	4,207	4,441	16,665	4,228	4,267	4,382	4,620	17,497	4,584	5,201	21.9
o/w Mobile	3,842	3,673	3,937	4,166	15,618	3,948	3,984	4,097	4,324	16,353	4,287	4,899	23.0
o/w Fixed	249	253	270	275	1,047	280	282	286	296	1,144	297	302	7.3
Handsets	124	61	181	237	603	112	140	130	180	561	143	167	18.3
OPEX	2,299	2,020	2,325	2,342	8,986	2,332	2,329	2,366	2,370	9,397	2,636	2,947	26.5
EBITDA	1,916	1,967	2,063	2,336	8,282	2,008	2,078	2,146	2,429	8,661	2,091	2,421	16.5
EBITDA margin	45.5%	49.3%	47.0%	49.9%	48.0%	46.3%	47.2%	47.6%	50.6%	48.0%	44.2%	45.1%	(2.1 p.p.)
EBITDA net non recurring	1,916	1,967	2,063	2,363	8,309	2,008	2,092	2,153	2,444	8,697	2,111	2,472	18.2
EBITDA margin	45.5%	49.3%	47.0%	50.5%	48.1%	46.3%	47.5%	47.7%	50.9%	48.2%	44.7%	46.1%	(1.4 p.p.)
CAPEX	904	673	850	1,464	3,891	1,324	906	896	4,840	7,966	1,328	1,050	15.9
% on revenues	21.4%	16.9%	19.4%	31.3%	22.5%	30.5%	20.6%	19.9%	100.9%	44.1%	28.1%	19.6%	(1.0 p.p.)
KPI's - Mobile only													
Total Penetration ⁽¹⁾	96.2%	95.7%	94.6%	97.2%	97.2%	99.4%	100.5%	101.4%	102.8%	102.8%	104.1%	104.9%	4.4 p.p.
Market Share on total lines ⁽¹⁾	23.3%	23.1%	22.4%	22.0%	22.0%	21.5%	20.9%	20.8%	20.5%	20.5%	20.3%	26.3%	5.4 p.p.
Total Lines ('000) ⁽²⁾	52,826	52,031	51,159	51,433	51,433	51,728	51,341	51,614	52,066	52,066	52,305	68,695	33.8
TOTAL ARPU ⁽³⁾	23.9	23.4	25.4	27.1	24.9	25.5	25.8	26.5	27.7	26.4	27.4	25.8	0.1
Exchange rate AVG YTD (R\$/euro)	4.91	5.41	5.70	5.89	5.89	6.60	6.49	6.38	6.36	6.36	5.87	5.56	

Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q2 '21					Q2 '22		
	Reported	Non Organic elements		Non recurring items	Organic comparable base	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
REVENUES	3,815	-	152	-	3,967	3,913	-	3,913
Domestic	3,132	-	9	-	3,141	2,908	-	2,908
Brazil	690	-	143	-	833	1,013	-	1,013
Other Activities & Eliminations	(7)	-	-	-	(7)	(8)	-	(8)
SERVICE REVENUES	3,459	-	148	-	3,607	3,644	-	3,644
Domestic	2,798	-	9	-	2,807	2,671	-	2,671
Brazil	668	-	139	-	807	981	-	981
Other Activities & Eliminations	(7)	-	-	-	(7)	(8)	-	(8)
EBITDA	1,593	-	68	(47)	1,708	1,342	(221)	1,563
Domestic	1,271	-	1	(44)	1,316	892	(209)	1,101
Brazil	326	-	67	(3)	396	457	(9)	466
Other Activities & Eliminations	(4)	-	-	-	(4)	(7)	(3)	(4)
EBITDA After Lease	1,387	-	52	(47)	1,486	1,082	(221)	1,303
Domestic	1,141	-	1	(44)	1,186	763	(209)	972
Brazil	250	-	51	(3)	304	326	(9)	335
Other Activities & Eliminations	(4)	-	-	-	(4)	(7)	(3)	(4)
EBIT	456	-	21	(47)	524	188	(221)	409
Domestic	356	-	-	(44)	400	54	(209)	263
Brazil	104	-	21	(3)	128	140	(9)	149
Other Activities & Eliminations	(4)	-	-	-	(4)	(6)	(3)	(3)

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