

TIM Group

Q1 '23

Financial and Operating Figures



TELECOM ITALIA INVESTOR RELATIONS

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Disclaimer

The Q1 '23 financial and operating data have been extracted or derived, with the exception of some data, from the Financial Information at March 31, 2023 of the TIM Group. The accounting policies and consolidation principles adopted in the preparation of the Q1 '23 financial results of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2022, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January 2023.

The financial results for Q1 '23 of the TIM Group are unaudited.

Alternative Performance Measures

The TIM Group, in addition to the conventional financial performance measures established by IFRS, uses certain alternative performance measures for the purposes of enabling a better understanding of the performance of operations and the financial position of the TIM Group. In particular, such alternative performance measures include: EBITDA, EBIT, Organic change and impact of non-recurring items on revenue, EBITDA and EBIT; EBITDA margin and EBIT margin; net financial debt (carrying and adjusted amount), Equity Free Cash Flow, Operating Free Cash Flow (OFCF) and Operating Free Cash Flow (net of licences). 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.

TIM Group Key Financials

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾							
	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Q1 '22 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Change YoY %
REVENUES	3,644	3,913	3,972	4,259	15,788	3,847	3,689	3,644	3,913	3,972	4,259	15,788	3,847	4.3
Domestic	2,846	2,908	2,919	3,185	11,858	2,843	2,849	2,846	2,908	2,919	3,185	11,858	2,843	(0.2)
o/w Wireline	2,131	2,169	2,132	2,389	8,821	2,169	2,134	2,131	2,169	2,132	2,389	8,821	2,169	1.6
o/w Mobile	851	874	913	934	3,572	808	851	851	874	913	934	3,572	808	(5.1)
Brazil	806	1,013	1,061	1,083	3,963	1,012	848	806	1,013	1,061	1,083	3,963	1,012	19.3
Other activities & Elim.	(8)	(8)	(8)	(9)	(33)	(8)	(8)	(8)	(8)	(8)	(9)	(33)	(8)	
SERVICE REVENUES	3,386	3,644	3,720	3,850	14,600	3,524	3,429	3,386	3,644	3,720	3,850	14,600	3,524	2.8
Domestic	2,612	2,671	2,694	2,822	10,799	2,551	2,615	2,612	2,671	2,694	2,822	10,799	2,551	(2.4)
o/w Wireline	2,020	2,056	2,020	2,180	8,276	1,986	2,023	2,020	2,056	2,020	2,180	8,276	1,986	(1.8)
o/w Mobile	728	751	802	779	3,060	701	728	728	751	802	779	3,060	701	(3.8)
Brazil	782	981	1,034	1,037	3,834	981	822	782	981	1,034	1,037	3,834	981	19.3
Other activities & Elim.	(8)	(8)	(8)	(9)	(33)	(8)	(8)	(8)	(8)	(8)	(9)	(33)	(8)	
EBITDA	1,316	1,342	1,287	1,402	5,347	1,039	1,406	1,387	1,563	1,589	1,490	6,029	1,459	3.8
Domestic	962	892	787	878	3,519	582	1,029	1,029	1,101	1,085	959	4,174	1,000	(2.8)
Brazil	356	457	502	524	1,839	459	379	360	466	506	531	1,863	461	21.8
Other activities & Elim.	(2)	(7)	(2)	0	(11)	(2)	(2)	(2)	(4)	(2)	0	(8)	(2)	
EBITDA After Lease	1,098	1,082	1,011	1,122	4,313	769	1,183	1,169	1,303	1,313	1,210	4,995	1,189	0.5
Domestic	837	763	660	747	3,007	454	904	904	972	958	828	3,662	872	(3.5)
Brazil	263	326	353	375	1,317	317	281	267	335	357	382	1,341	319	13.8
Other activities & Elim.	(2)	(7)	(2)	0	(11)	(2)	(2)	(2)	(4)	(2)	0	(8)	(2)	
CAPEX net of licences	932	974	856	1,315	4,077	837	944	932	904	846	1,297	3,979	837	(11.3)
Domestic	706	772	670	1,059	3,207	606	706	706	702	660	1,059	3,127	606	(14.2)
Brazil	226	202	186	256	870	231	238	226	202	186	238	852	231	(2.9)
EFCF	301	37	(77)	363	624	(117)								
EFCF After Lease	123	(107)	(251)	209	(26)	(397)								
NET DEBT ⁽²⁾	22,639	24,654	25,504	25,364	25,364	25,820								
NET DEBT After Lease ⁽²⁾	17,673	19,269	20,100	20,015	20,015	20,455								

(1) Organic figures excluding non-recurring items and change in the scope of consolidation. Comparable base excluding exchange rate fluctuations (Q1 '23 avg. exchange-rate 5.57 R\$/€)
 (2) Adjusted

Q1 '23 Financial and Operating Figures
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TIM Group Profit & Loss

€m, IFRS 16

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Unaudited figures

	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22	9M '22	FY '22	Q1 '23
REVENUES	3,728	7,543	11,340	15,316	3,644	7,557	11,529	15,788	3,847
Other Income	109	169	211	272	37	78	127	213	37
TOTAL OPERATING REVENUES AND OTHER INCOME	3,837	7,712	11,551	15,588	3,681	7,635	11,656	16,001	3,884
Acquisition of goods and services	(1,568)	(3,113)	(4,744)	(6,550)	(1,620)	(3,385)	(5,195)	(7,239)	(1,756)
Employee benefits expenses	(1,038)	(1,715)	(2,241)	(2,941)	(731)	(1,554)	(2,436)	(3,180)	(1,089)
Other operating expenses	(239)	(424)	(625)	(1,502)	(168)	(342)	(525)	(816)	(181)
Internally generated assets and Others	168	293	408	485	154	304	445	581	181
EBITDA ⁽¹⁾	1,160	2,753	4,349	5,080	1,316	2,658	3,945	5,347	1,039
EBITDA Margin	31.1%	36.5%	38.4%	33.2%	36.1%	35.2%	34.2%	33.9%	27.0%
Depreciation and amortization	(1,130)	(2,268)	(3,411)	(4,490)	(1,107)	(2,295)	(3,540)	(4,777)	(1,201)
Gains (losses) on disposals of non-current assets	(2)	(1)	2	1	-	34	33	36	-
Impairment reversals (losses) on non-current assets	-	-	-	(4,120)	-	-	-	-	-
EBIT	28	484	940	(3,529)	209	397	438	606	(162)
EBIT Margin	0.8%	6.4%	8.3%	-23.0%	5.7%	5.3%	3.8%	3.8%	-4.2%
Income (loss) equity invest. valued equity method	11	34	44	164	16	31	203	229	(4)
Net Financial Income / (Expenses)	(288)	(582)	(862)	(1,150)	(317)	(686)	(1,075)	(1,423)	(371)
Profit (loss) before tax from continuing operations	(249)	(64)	122	(4,515)	(92)	(258)	(434)	(588)	(537)
Income tax expense	43	7	43	(3,885)	(50)	(102)	(2,109)	(2,066)	(85)
Profit (loss) from continuing operations	(206)	(57)	165	(8,400)	(142)	(360)	(2,543)	(2,654)	(622)
Discontinued operations/Non-current assets held for sale	-	-	-	-	-	-	-	-	-
PROFIT (LOSS)	(206)	(57)	165	(8,400)	(142)	(360)	(2,543)	(2,654)	(622)
Parent Company	(228)	(149)	(10)	(8,652)	(204)	(483)	(2,728)	(2,925)	(689)
Minorities	22	92	175	252	62	123	185	271	67
Non-Recurring Items ⁽²⁾	310	344	293	8,653	53	289	2,371	2,437	427
PROFIT (LOSS) NET NON-RECURRING ITEMS	104	287	458	253	(89)	(71)	(172)	(217)	(195)

(1) € 420m in Q1 '23 (€ 71m in Q1 '22), o/w € 416m related to personnel costs (€ 60m in Q1 '22) Fornero Law), claims and litigation

(2) Q1 '23 Non-Recurring Items include provisions for personnel (2021-26 layoffs ex art.4

Q1 '23 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 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22	9M '22	FY '22	Q1 '23
EBITDA	1,160	2,753	4,349	5,080	1,316	2,658	3,945	5,347	1,039
CAPEX	(691)	(1,808)	(2,720)	(4,630)	(932)	(1,906)	(2,762)	(4,077)	(837)
o/w spectrum	-	(240)	(240)	(804)	-	(89)	(98)	(98)	-
CHANGE IN WORKING CAPITAL	286	(126)	(546)	994	(80)	(399)	(2,311)	(1,895)	96
Change in net operating working capital	298	(96)	(258)	733	(91)	(261)	(2,389)	(1,736)	(157)
Change in inventories	(47)	(55)	(73)	(39)	(20)	(37)	(55)	(35)	(41)
Change in trade receivables	91	134	150	257	222	77	32	(81)	164
Change in trade payables	(312)	(390)	(440)	1,008	(497)	(753)	(866)	(8)	(722)
Other changes in operating receivables/payables	566	215	105	(493)	204	452	(1,500)	(1,612)	442
Change in provisions for employee benefits	262	256	10	(83)	38	241	474	156	243
Change in operating provisions and other changes	(274)	(286)	(298)	344	(27)	(379)	(396)	(315)	10
OPERATING FREE CASH FLOW Reported	755	819	1,083	1,444	304	353	(1,128)	(625)	298
Licence	-	(240)	(295)	(435)	(186)	(469)	(2,217)	(2,242)	-
OPERATING FREE CASH FLOW net of Licence	755	1,059	1,378	1,879	490	822	1,089	1,617	298
Financial Expenses	(288)	(587)	(757)	(1,053)	(308)	(660)	(1,028)	(1,389)	(359)
Cash Taxes & Other	2	(109)	(161)	(194)	119	176	200	396	(56)
o/w Substitute Tax	-	(231)	(231)	(231)	-	-	-	231	-
Net Cash Flow from discontinued operations	-	-	-	-	-	-	-	-	-
EQUITY FREE CASH FLOW	469	363	460	632	301	338	261	624	(117)
Dividends and change in Equity	(24)	(337)	(396)	(410)	(26)	(30)	(44)	(66)	(38)
Disposal and Financial investments ⁽¹⁾	1,721	1,668	1,645	1,804	(11)	(1,771)	(589)	(666)	(5)
Licence	-	(240)	(295)	(435)	(186)	(469)	(2,217)	(2,242)	-
IFRS & IAS	5	(200)	(252)	(452)	(530)	(535)	(728)	(827)	(296)
NET CASH FLOW	2,171	1,254	1,162	1,139	(452)	(2,467)	(3,317)	(3,177)	(456)
EQUITY FREE CASH FLOW	469	363	460	632	301	338	261	624	(117)
Lease Impact	(162)	(274)	(432)	(570)	(178)	(322)	(496)	(650)	(280)
EQUITY FREE CASH FLOW AFTER LEASE	307	89	28	62	123	16	(235)	(26)	(397)
NET DEBT	21,155	22,072	22,164	22,187	22,639	24,654	25,504	25,364	25,820
Lease Impact	(4,564)	(4,657)	(4,551)	(4,614)	(4,966)	(5,385)	(5,404)	(5,349)	(5,365)
NET DEBT After Lease	16,591	17,415	17,613	17,573	17,673	19,269	20,100	20,015	20,455

(1) FY '22 figure including Daphne 3 disposal (+€ 1,184m), OI acquisition (-€ 1,874m) and other M&A (+€ 24m); KKR transaction (+€ 1,759m), other disposal (+€ 172m) and financial investments (-€ 127m) in FY '21

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Investor Relations

Working Capital

€m, IFRS 16

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Unaudited figures

	TIM Group ⁽¹⁾			Domestic			Brasil		
	Q1 '22	Q1 '23	Δ abs	Q1 '22	Q1 '23	Δ abs	Q1 '22	Q1 '23	Δ abs
Operating WC & Other	(80)	96	176	105	158	53	(182)	(61)	121
License			-			-			-
License paid in the year	186	-	(186)	-	-	-	186	-	(186)
Non recurring items (not paid)	(71)	(420)	(349)	(67)	(418)	(351)	(4)	(2)	2
Recurring Operating WC	35	(324)	(359)	38	(260)	(298)	0	(63)	(63)
Inventory				(16)	(29)	(13)			
Trade Receivables				216	159	(57)			
Trade Payables				(290)	(665)	(375)			
Other Operating Payables/Receivables & Funds				128	275	147			
- o/w Litigations & Settlements				(91)	(36)	55			
- o/w Payables vs. Personnel				102	131	29			
- o/w Personnel Exit (Fornero Law)				(119)	(136)	(17)			
- o/w VAT				408	389	(19)			
- o/w Billing ⁽²⁾				(25)	(39)	(14)			
- o/w Net Debts vs INPS				(48)	(14)	34			
- o/w Deferred Costs & Revenues				(50)	(37)	13			
- o/w Payment in Advance vs Suppliers/Customers				(24)	34	58			

⁽¹⁾ Includes other activities & eliminations

⁽²⁾ From payments in advance to payments in arrears

TIM Group Balance Sheet

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Unaudited figures

	FY '21	Q1 '22	H1 '22	9M '22	FY '22	Q1 '23
CURRENT ASSETS	14,070	10,272	11,878	10,708	10,232	9,458
Trade and miscellaneous receivables and other current assets	4,358	4,420	4,481	4,527	4,539	4,496
Cash and cash equivalents	6,904	3,272	2,391	3,519	3,555	2,660
Discontinued operations/assets held for sale	-	-	2,631	20	-	-
<i>o/w of a financial nature</i>	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	-	2,631	20	-	-
Securities other than investments, other financial receivables and other current financial assets	2,391	2,122	1,883	1,907	1,600	1,679
Inventories	282	309	324	344	322	363
Current income tax receivables	79	88	114	336	147	145
Current financial receivables arising from lease contracts	56	61	54	55	69	115
Other investments	-	-	-	-	-	-
NON-CURRENT ASSETS	55,117	56,023	54,691	52,399	51,795	51,823
Intangible assets	25,715	26,063	26,908	26,929	26,767	26,665
Goodwill	18,568	18,657	19,009	19,082	19,111	19,118
Intangible assets with a finite useful life	7,147	7,406	7,899	7,847	7,656	7,547
Tangible assets	13,311	13,692	13,971	14,022	14,100	14,094
Property, plant and equipment owned	13,311	13,692	13,971	14,022	14,100	14,094
Right of Use assets	4,847	5,177	5,554	5,517	5,488	5,545
Other assets	11,244	11,091	8,258	5,931	5,440	5,519
Miscellaneous receivables and other non-current assets	2,266	2,353	2,343	2,356	2,365	2,395
Non-current financial assets	2,330	2,089	2,011	2,140	1,651	1,697
<i>o/w receivable for lease contracts</i>	45	50	50	49	49	48
<i>o/w other non-current financial assets</i>	2,285	2,039	1,961	2,091	1,602	1,649
Deferred tax assets	3,513	3,470	3,441	772	769	779
Other investments	156	134	128	105	116	111
Investments in associates and joint ventures accounted for using the equity method	2,979	3,045	335	558	539	537
TOTAL ASSETS	69,187	66,295	66,569	63,107	62,027	61,281

TIM Group Balance Sheet

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Unaudited figures

	FY '21	Q1 '22	H1 '22	9M '22	FY '22	Q1 '23
CURRENT LIABILITIES	16,364	13,739	14,200	13,214	14,142	14,069
Trade and miscellaneous payables and other current liabilities	9,473	9,655	9,410	7,591	8,199	8,019
Current financial liabilities	6,596	3,811	4,550	5,614	5,909	6,007
<i>o/w liabilities for financing contracts and others</i>	5,945	3,128	3,768	4,808	5,039	5,163
<i>o/w liabilities for lease contracts</i>	651	683	782	806	870	844
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	-	1	-	-	-
<i>o/w of a financial nature</i>	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	-	1	-	-	-
Current income tax payables	295	273	239	9	34	43
NON-CURRENT LIABILITIES	30,784	29,821	29,844	30,742	29,160	29,043
Non-current financial liabilities	27,501	26,579	26,469	27,506	26,336	25,861
<i>o/w liabilities for financing contracts and others</i>	23,437	22,185	21,762	22,804	21,739	21,177
<i>o/w liabilities for lease contracts</i>	4,064	4,394	4,707	4,702	4,597	4,684
Miscellaneous payables and other non-current liabilities	1,413	1,366	1,322	1,017	1,146	1,103
Employee benefits	699	700	812	972	684	965
Provisions	926	956	1,007	1,010	910	942
Deferred tax liabilities	245	220	234	237	84	172
TOTAL LIABILITIES	47,148	43,560	44,044	43,956	43,302	43,112
EQUITY	22,039	22,735	22,525	19,151	18,725	18,169
Equity attributable to equity owners of the Parent	17,414	17,786	17,590	15,461	15,061	14,463
Equity attributable to Minority Interests	4,625	4,949	4,935	3,690	3,664	3,706
TOTAL LIABILITIES & EQUITY	69,187	66,295	66,569	63,107	62,027	61,281

Domestic Results

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾							
	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Q1 '22 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Change YoY %
REVENUES	2,846	2,908	2,919	3,185	11,858	2,843	2,849	2,846	2,908	2,919	3,185	11,858	2,843	(0.2)
Service Revenues	2,612	2,671	2,694	2,822	10,799	2,551	2,615	2,612	2,671	2,694	2,822	10,799	2,551	(2.4)
Wireline Services	2,020	2,056	2,020	2,180	8,276	1,986	2,023	2,020	2,056	2,020	2,180	8,276	1,986	(1.8)
Retail	1,294	1,322	1,287	1,429	5,332	1,253	1,294	1,294	1,322	1,287	1,429	5,332	1,253	(3.1)
National Wholesale + FiberCop	493	492	494	490	1,969	498	493	493	492	494	490	1,969	498	0.9
International Wholesale	229	242	238	260	969	226	232	229	242	238	260	969	226	(2.6)
Other	4	-	1	1	6	9	4	4	-	1	1	6	9	
Mobile Services	728	751	802	779	3,060	701	728	728	751	802	779	3,060	701	(3.8)
Retail	641	643	645	649	2,577	610	641	641	643	645	649	2,577	610	(4.8)
Wholesale and Other	87	108	158	130	483	91	87	87	108	158	130	483	91	3.7
Elimination & Other	(136)	(136)	(128)	(137)	(537)	(136)	(136)	(136)	(136)	(128)	(137)	(537)	(136)	
Handsets	234	237	225	363	1,059	292	234	234	237	225	363	1,059	292	24.8
OPEX	1,884	2,016	2,132	2,307	8,339	2,261	1,820	1,817	1,807	1,834	2,226	7,684	1,843	1.3
EBITDA	962	892	787	878	3,519	582	1,029	1,029	1,101	1,085	959	4,174	1,000	(2.8)
EBITDA Margin	33.8%	30.7%	27.0%	27.6%	29.7%	20.5%	36.1%	36.2%	37.9%	37.2%	30.1%	35.2%	35.2%	(0.9 p.p.)
EBITDA After Lease	837	763	660	747	3,007	454	904	904	972	958	828	3,662	872	(3.5)
EBITDA AL Margin	29.4%	26.2%	22.6%	23.5%	25.4%	16.0%	31.7%	31.8%	33.4%	32.8%	26.0%	30.9%	30.7%	(1.1 p.p.)
CAPEX net of licences	706	772	670	1,059	3,207	606	706	706	702	660	1,059	3,127	606	(14.2)
% on revenues	24.8%	26.5%	23.0%	33.2%	27.0%	21.3%	24.8%	24.8%	24.1%	22.6%	33.2%	26.4%	21.3%	(3.5 p.p.)
Headcount EoP	42,782	42,864	42,578	40,984	40,984	40,906								

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

Domestic Wireline

€m, IFRS 16

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾							
	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Q1 '22 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Change YoY %
WIRELINE REVENUES	2,131	2,169	2,132	2,389	8,821	2,169	2,134	2,131	2,169	2,132	2,389	8,821	2,169	1.6
Wireline Service Revenues	2,020	2,056	2,020	2,180	8,276	1,986	2,023	2,020	2,056	2,020	2,180	8,276	1,986	(1.8)
Retail Services	1,294	1,322	1,287	1,429	5,332	1,253	1,294	1,294	1,322	1,287	1,429	5,332	1,253	(3.1)
o/w Broadband and content	514	518	500	491	2,023	482	514	514	518	500	491	2,023	482	(6.3)
o/w ICT Services	338	368	368	520	1,593	373	338	338	368	368	520	1,593	373	10.5
National Wholesale + FiberCop	493	492	494	490	1,969	498	493	493	492	494	490	1,969	498	0.9
International Wholesale	229	242	238	260	969	226	232	229	242	238	260	969	226	(2.6)
Other	4	-	1	1	6	9	4	4	-	1	1	6	9	
Equipments	111	113	112	209	545	183	111	111	113	112	209	545	183	64.5
Retail lines ('000)							8,539	8,539	8,442	8,383	8,290	8,290	8,216	(3.8)
Churn rate %							3.4	3.4	3.3	2.9	3.4	13.0	3.3	(0.1 p.p.)
Broadband							7,643	7,643	7,564	7,523	7,443	7,443	7,379	(3.5)
Consumer							6,431	6,431	6,360	6,322	6,265	6,265	6,213	(3.4)
Business ⁽²⁾							1,212	1,212	1,204	1,201	1,178	1,178	1,165	(3.9)
UBB							5,244	5,244	5,307	5,372	5,417	5,417	5,487	4.6
Wholesale lines ('000)							7,729	7,729	7,659	7,604	7,525	7,525	7,453	(3.6)
Local Loop Unbundling							2,082	2,082	1,965	1,897	1,821	1,821	1,744	(16.2)
Wholesale Line Rental							156	156	151	147	142	142	135	(13.5)
Bitstream Naked							494	494	433	413	392	392	367	(25.7)
UBB							4,997	4,997	5,110	5,147	5,171	5,171	5,206	4.2
ARPU Consumer (€/month)							28.4	28.4	28.4	28.4	28.1	28.3	27.3	(3.8)
ARPU Consumer net of activation fees (€/month)							26.7	26.7	26.6	26.8	27.2	26.8	27.0	1.4

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

(2) Including SMB broadband lines (814k in Q1 '23)

Q1 '23 Financial and Operating Figures
Investor Relations

WIRELINE REVENUES	Total revenues of Domestic Wireline, including services and equipment
Wireline Service Revenues	Including retail, domestic wholesale, Sparkle (TIS Group), adjustments and eliminations
Retail Services	Retail service revenues: consumer + business (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 Consumer	Consumer revenues divided by average active consumer CB (€/line/month)
ARPU Consumer net of activation fees	Consumer revenues divided by average active consumer CB, net of activation fees discontinuity (€/line/month)

Domestic Mobile

€m, IFRS 16

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾							
	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Q1 '22 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Change YoY %
MOBILE REVENUES	851	874	913	934	3,572	808	851	851	874	913	934	3,572	808	(5.1)
Mobile Service Revenues	728	751	802	779	3,060	701	728	728	751	802	779	3,060	701	(3.8)
Retail Services	641	643	645	649	2,577	610	641	641	643	645	649	2,577	610	(4.8)
o/w Incoming	47	44	41	40	172	29	47	47	44	41	40	172	29	(38.6)
Wholesale and Other	87	108	158	130	483	91	87	87	108	158	130	483	91	3.7
Handsets and Handsets Bundle	123	123	111	155	512	107	123	123	123	111	155	512	107	(12.7)
Total number of lines ('000)							30,395	30,395	30,427	30,515	30,407	30,407	30,201	(0.6)
Churn rate %							3.7	3.7	3.3	3.1	3.3	13.3	3.7	0.0 p.p.
Human							18,799	18,799	18,620	18,590	18,438	18,438	18,297	(2.7)
Not Human (M2M)							11,596	11,596	11,808	11,926	11,969	11,969	11,904	2.7
Calling lines							27,762	27,762	27,877	27,874	27,788	27,788	27,576	(0.7)
Human Calling							16,166	16,166	16,070	15,948	15,818	15,818	15,673	(3.0)
Broadband Users							12,717	12,717	12,717	12,685	12,577	12,577	12,584	(1.0)
LTE Users							12,127	12,127	12,204	12,230	12,247	12,247	12,273	1.2
Usage Data (GB/users/month)							11.9	11.9	12.9	14.9	14.8	13.7	15.4	29.4
ARPU Consumer - Human calling (€/month)							10.9	10.9	11.0	11.1	11.1	11.0	10.7	(1.9)
ARPU Consumer - Human calling net of MTR (€/month)							10.8	10.8	11.0	11.1	11.0	11.0	10.9	0.3

(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)
ARPU Consumer - Human calling	Consumer service revenues divided by average consumer human calling CB (€/line/month)
ARPU Consumer - Human calling net of MTR	Consumer service revenues divided by average consumer human calling CB, net of Termination Rate discontinuity (€/line/month)

	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q1 '23	Change YoY %
REVENUES	4,340	4,407	4,512	4,799	18,058	4,727	5,368	5,611	5,825	21,531	5,640	19.3
Service Revenues	4,228	4,267	4,382	4,620	17,497	4,584	5,201	5,465	5,579	20,829	5,467	19.3
o/w Mobile	3,948	3,984	4,097	4,324	16,353	4,287	4,899	5,155	5,256	19,597	5,152	20.2
o/w Fixed	280	282	286	296	1,144	297	302	310	323	1,232	314	5.8
Handsets	112	140	130	179	561	143	167	146	246	702	173	21.0
OPEX	2,332	2,329	2,366	2,370	9,397	2,636	2,947	2,954	3,001	11,538	3,081	16.9
EBITDA	2,008	2,078	2,146	2,429	8,661	2,091	2,421	2,657	2,824	9,993	2,559	22.4
EBITDA margin	46.3%	47.2%	47.6%	50.6%	48.0%	44.2%	45.1%	47.4%	48.5%	46.4%	45.4%	1.2 p.p.
EBITDA net non recurring	2,008	2,092	2,153	2,444	8,697	2,111	2,472	2,680	2,858	10,121	2,572	21.8
EBITDA margin	46.3%	47.5%	47.7%	50.9%	48.2%	44.7%	46.1%	47.8%	49.1%	47.0%	45.6%	0.9 p.p.
CAPEX	1,324	906	896	4,840	7,966	1,328	1,050	977	1,375	4,730	1,289	(2.9)
% on revenues	30.5%	20.6%	19.9%	100.9%	44.1%	28.1%	19.6%	17.4%	23.6%	22.0%	22.9%	(5.2 p.p.)
KPI's												
Mobile Lines ('000) ⁽¹⁾	51,728	51,341	51,614	52,066	52,066	52,305	68,695	68,796	62,485	62,485	61,721	18.0
Market Share on total lines ⁽²⁾	21.5%	20.9%	20.7%	20.4%	20.4%	20.3%	26.5%	26.4%	24.8%	24.8%	24.6%	4.3 p.p.
ARPU Mobile (R\$/month) ⁽³⁾	25.5	25.8	26.5	27.7	26.4	27.4	25.8	25.0	26.6	26.1	27.7	0.9
TIM UltraFibra Lines ('000)	662	666	675	685	685	689	699	708	716	716	732	6.2
ARPU TIM UltraFibra (R\$/month)	89.6	90.8	90.1	93.5	91.0	94.3	95.8	96.9	98.7	96.4	97.8	3.7
Exchange rate AVG YTD (R\$/euro)	6.60	6.49	6.38	6.36	6.36	5.87	5.56	5.47	5.44	5.44	5.57	

(1) Includes company lines (25k in Q1 '23)

(2) Source: Anatel (until FY '22)

(3) Gross of visitors

Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q1 '22					Q1 '23		
	Reported	Non Organic elements		Non recurring items	Organic comparable base	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
REVENUES	3,644	-	45	-	3,689	3,847	-	3,847
Domestic	2,846	-	3	-	2,849	2,843	-	2,843
Brazil	806	-	42	-	848	1,012	-	1,012
Other Activities & Eliminations	(8)	-	-	-	(8)	(8)	-	(8)
SERVICE REVENUES	3,386	-	43	-	3,429	3,524	-	3,524
Domestic	2,612	-	3	-	2,615	2,551	-	2,551
Brazil	782	-	40	-	822	981	-	981
Other Activities & Eliminations	(8)	-	-	-	(8)	(8)	-	(8)
EBITDA	1,316	-	19	(71)	1,406	1,039	(420)	1,459
Domestic	962	-	-	(67)	1,029	582	(418)	1,000
Brazil	356	-	19	(4)	379	459	(2)	461
Other Activities & Eliminations	(2)	-	-	-	(2)	(2)	-	(2)
EBITDA After Lease	1,098	-	14	(71)	1,183	769	(420)	1,189
Domestic	837	-	-	(67)	904	454	(418)	872
Brazil	263	-	14	(4)	281	317	(2)	319
Other Activities & Eliminations	(2)	-	-	-	(2)	(2)	-	(2)

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