



ServCo

H1 '24

Financial & Operating Figures

Preliminary Like-for-Like

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Disclaimer

The preliminary financial results and the information contained herein have been prepared by TIM's management for information and illustration purposes only.

In particular, the preliminary financial results contained herein are 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 are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2023, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January, 2024. **Such preliminary financial results are unaudited.**

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.

In particular, with reference to Servco's financial results, in order to provide a better understanding of business performance, managerial **Organic “like for like”** figures are shown, calculated by simulating the effects of the NetCo separation transaction. These figures should not be considered as substitutes for the economic and financial information for which they provide a reclassification, are unaudited, and are produced for explanatory purposes only. These figures, which are the result of managerial simulations, may differ materially from those that will be published in future financial statements under IFRS.

The information contained herein should not be viewed as complete and exhaustive, and the accuracy of the information can in no way be guaranteed.

Key Financials – ServCo – 2023 Results by quarter

€m, IFRS 16 & After Lease view

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Like-for-Like, Unaudited figures

	ORGANIC ⁽¹⁾					o/w MSA				
	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23
REVENUES	3,372	3,503	3,608	3,902	14,385	34	33	34	33	134
TIM Domestic ⁽²⁾	2,368	2,428	2,479	2,736	10,011	34	33	34	33	134
o/w TIM Consumer ⁽³⁾	1,478	1,492	1,542	1,522	6,034	14	13	14	13	54
o/w TIM Enterprise ⁽³⁾	712	725	731	1,000	3,168	20	20	20	20	80
o/w Sparkle	228	263	258	272	1,021	-	-	-	-	-
TIM Brasil	1,012	1,086	1,138	1,176	4,412	-	-	-	-	-
SERVICE REVENUES	3,133	3,275	3,374	3,580	13,362	34	33	34	33	134
TIM Domestic ⁽²⁾	2,160	2,231	2,279	2,459	9,129	34	33	34	33	134
o/w TIM Consumer ⁽³⁾	1,346	1,371	1,424	1,391	5,532	14	13	14	13	54
o/w TIM Enterprise ⁽³⁾	638	663	665	886	2,852	20	20	20	20	80
o/w Sparkle	226	248	242	241	957	-	-	-	-	-
TIM Brasil	981	1,055	1,104	1,131	4,271	-	-	-	-	-
EBITDA	893	1,065	1,105	1,101	4,164	(464)	(455)	(449)	(446)	(1,814)
TIM Domestic ⁽²⁾	434	530	543	516	2,023	(464)	(455)	(449)	(446)	(1,814)
o/w TIM Consumer	Disclosed at year end only				1,261	Disclosed at year end only				(1,615)
o/w TIM Enterprise					638					(199)
o/w Sparkle	22	30	35	39	126	-	-	-	-	-
TIM Brasil	461	537	564	587	2,149	-	-	-	-	-
EBITDA After Lease	713	883	930	928	3,454	(464)	(455)	(449)	(445)	(1,813)
TIM Domestic ⁽²⁾	396	487	502	472	1,857	(464)	(455)	(449)	(445)	(1,813)
o/w TIM Consumer	Disclosed at year end only				1,109	Disclosed at year end only				(1,605)
o/w TIM Enterprise					629					(208)
o/w Sparkle	21	29	35	38	123	-	-	-	-	-
TIM Brasil	319	398	430	458	1,605	-	-	-	-	-
CAPEX net of licences	518	464	469	674	2,125					
TIM Domestic ⁽⁴⁾	287	291	281	432	1,291					
o/w TIM Consumer	Disclosed at year end only				896					
o/w TIM Enterprise					290					
o/w Sparkle	27	17	17	45	106					
TIM Brasil	231	173	188	242	834					
EBITDA AL - CAPEX net of licences	195	419	461	254	1,329					
TIM Domestic	109	196	221	40	566					
TIM Brasil	88	225	242	216	771					

(1) Organic figures excluding non-recurring items (2) The sums may not add up to the total due to Sparkle elisions (3) TIM Consumer and TIM Enterprise revenues net of mutual intercompany (no impact on EBITDA) (4) CAPEX net one off separation

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Key Financials – ServCo – 2024 Performance

€m, IFRS 16 & After Lease view

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Like-for-Like, Unaudited figures

	ORGANIC ⁽¹⁾									o/w MSA	
	Q1 '23 comparable	Q1 '24	Change YoY %	Q2 '23 comparable	Q2 '24	Change YoY %	H1 '23 comparable	H1 '24	Change YoY %	Q1 '24	Q2 '24
REVENUES	3,408	3,503	2.8	3,463	3,609	4.2	6,871	7,112	3.5	33	34
TIM Domestic ⁽²⁾	2,367	2,379	0.5	2,429	2,494	2.7	4,796	4,873	1.6	33	34
o/w TIM Consumer ⁽³⁾	1,478	1,481	0.2	1,492	1,489	(0.2)	2,970	2,970	0.0	13	14
o/w TIM Enterprise ⁽³⁾	712	729	2.4	725	778	7.3	1,437	1,507	4.9	20	20
o/w Sparkle	227	215	(5.3)	264	278	5.3	491	493	0.4	-	-
TIM Brasil	1,049	1,134	8.1	1,045	1,123	7.5	2,094	2,257	7.8	-	-
SERVICE REVENUES	3,168	3,277	3.4	3,236	3,381	4.5	6,404	6,658	4.0	33	34
TIM Domestic ⁽²⁾	2,159	2,188	1.3	2,232	2,301	3.1	4,391	4,489	2.2	33	34
o/w TIM Consumer ⁽³⁾	1,346	1,356	0.8	1,371	1,375	0.3	2,717	2,731	0.5	13	14
o/w TIM Enterprise ⁽³⁾	638	665	4.3	663	719	8.4	1,301	1,384	6.4	20	20
o/w Sparkle	225	213	(5.3)	249	258	3.6	474	471	(0.6)	-	-
TIM Brasil	1,017	1,099	8.1	1,015	1,088	7.2	2,032	2,187	7.6	-	-
EBITDA	910	1,016	11.6	1,046	1,123	7.4	1,956	2,139	9.4	(453)	(449)
TIM Domestic ⁽²⁾	434	483	11.3	530	563	6.2	964	1,046	8.5	(453)	(449)
o/w TIM Consumer	Disclosed at year end only			Disclosed at year end only			Disclosed at year end only			Disclosed at year end only	
o/w TIM Enterprise	Disclosed at year end only			Disclosed at year end only			Disclosed at year end only			Disclosed at year end only	
o/w Sparkle	22	20	(9.1)	30	22	(27)	52	42	(19)	-	-
TIM Brasil	478	535	11.8	518	560	8.3	996	1,095	9.9	-	-
EBITDA After Lease	725	845	16.6	870	957	10.0	1,595	1,802	13.0	(453)	(449)
TIM Domestic ⁽²⁾	396	441	11.4	487	520	6.8	883	961	8.8	(453)	(449)
o/w TIM Consumer	Disclosed at year end only			Disclosed at year end only			Disclosed at year end only			Disclosed at year end only	
o/w TIM Enterprise	Disclosed at year end only			Disclosed at year end only			Disclosed at year end only			Disclosed at year end only	
o/w Sparkle	21	20	(4.8)	29	22	(24)	50	42	(16)	-	-
TIM Brasil	331	406	22.7	385	437	13.7	716	843	17.8	-	-
CAPEX net of licences	527	543	3.0	454	420	(7.5)	981	963	(1.8)		
TIM Domestic ⁽⁴⁾	287	291	1.4	291	257	(11.7)	578	548	(5.2)		
o/w TIM Consumer	Disclosed at year end only			Disclosed at year end only			Disclosed at year end only				
o/w TIM Enterprise	Disclosed at year end only			Disclosed at year end only			Disclosed at year end only				
o/w Sparkle	27	26	(3.7)	17	37	118	44	63	43		
TIM Brasil	240	252	5.1	163	163	0.0	403	415	3.0		
EBITDA AL - CAPEX net of licences	198	302	52.5	416	537	29.1	614	839	36.6		
TIM Domestic	109	150	37.6	196	263	34.2	305	413	35.4		
TIM Brasil	91	154	68.8	222	274	24.1	313	428	36.9		

(1) Organic figures excluding non-recurring items. Comparable base also excluding exchange rate fluctuations (avg. exchange-rate 5.49 R\$/€ in H1 '24, 5.38 R\$/€ in Q1 '24) (2) The sums may not add up to the total due to Sparkle elisions (3) TIM Consumer and TIM Enterprise revenues net of mutual intercompany (no impact on EBITDA) (4) CAPEX net one off separation

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ORGANIC ⁽¹⁾												
	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23	Q1 '24	Change YoY %	Q2 '24	Change YoY %	H1 '23	H1 '24	Change YoY %
REVENUES	1,478	1,492	1,542	1,522	6,034	1,481	0.2	1,489	(0.2)	2,970	2,970	0.0
SERVICE REVENUES	1,346	1,371	1,424	1,391	5,532	1,356	0.8	1,375	0.3	2,717	2,731	0.5
Retail (Consumer+SMB)	1,226	1,237	1,243	1,249	4,955	1,222	(0.3)	1,236	(0.1)	2,463	2,458	(0.2)
Wholesale & other	106	121	167	129	523	121	13.3	125	3.7	227	246	8.6
o/w MVNOs	50	50	51	46	198	64	28.2	57	13.2	100	121	20.6
o/w VISE	20	33	77	33	163	21	5.9	33	0.5	53	54	2.2
MSA	14	13	14	13	54	13	(0.8)	14	6.0	27	27	(0.8)
EQUIPMENT & HANDSETS	132	120	119	131	502	124	(5.6)	114	(5.0)	252	238	(5.6)
Fixed lines ('000)	7,735	7,662	7,586	7,499	7,499	7,414	(4.1)	7,323	(4.4)	7,662	7,323	(4.4)
o/w Consumer	6,775	6,708	6,636	6,554	6,554	6,473	(4.5)	6,389	(4.7)	6,708	6,389	(4.7)
Broadband lines ('000)	7,027	6,970	6,909	6,844	6,844	6,783	(3.5)	6,713	(3.7)	6,970	6,713	(3.7)
o/w Consumer	6,213	6,154	6,091	6,024	6,024	5,960	(4.1)	5,890	(4.3)	6,154	5,890	(4.3)
UBB lines ('000)	5,334	5,371	5,384	5,404	5,404	5,438	1.9	5,448	1.4	5,371	5,448	1.4
Churn rate % ⁽²⁾	3.4%	3.3%	3.2%	3.8%	13.7%	4.0%	0.5 p.p.	3.8%	0.5 p.p.	6.7%	7.7%	1.0 p.p.
o/w Consumer	3.3%	3.2%	3.1%	3.8%	13.4%	3.9%	0.6 p.p.	3.7%	0.5 p.p.	6.5%	7.6%	1.2 p.p.
ARPU Consumer (€/month)	27.4	28.1	28.3	28.9	28.2	29.2	6.9	30.4	8.1	27.7	29.8	7.5
Mobile lines ('000)	16,660	16,623	16,539	16,397	16,397	16,245	(2.5)	16,170	(2.7)	16,623	16,170	(2.7)
o/w Consumer	15,202	15,151	15,054	14,896	14,896	14,734	(3.1)	14,640	(3.4)	15,151	14,640	(3.4)
Human	16,463	16,426	16,341	16,200	16,200	16,057	(2.5)	15,983	(2.7)	16,426	15,983	(2.7)
o/w Consumer	15,201	15,150	15,053	14,895	14,895	14,732	(3.1)	14,638	(3.4)	15,150	14,638	(3.4)
Human Calling	13,838	13,842	13,731	13,578	13,578	13,502	(2.4)	13,451	(2.8)	13,842	13,451	(2.8)
o/w Consumer	12,576	12,565	12,443	12,273	12,273	12,178	(3.2)	12,107	(3.6)	12,565	12,107	(3.6)
Not Human (M2M)	198	196	198	197	197	188	(4.7)	188	(4.4)	196	188	(4.4)
Churn rate % ⁽³⁾	4.7%	4.5%	4.9%	5.1%	19.2%	5.0%	0.3 p.p.	4.7%	0.2 p.p.	9.2%	9.7%	0.5 p.p.
o/w Consumer	4.7%	4.4%	5.0%	5.2%	19.3%	5.0%	0.4 p.p.	4.8%	0.3 p.p.	9.1%	9.8%	0.7 p.p.
ARPU Consumer - Human calling (€/month)	10.6	10.7	11.0	11.1	10.8	10.6	(0.6)	10.5	(1.6)	10.7	10.6	(1.1)

	ORGANIC ⁽¹⁾											
	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23	Q1 '24	Change YoY %	Q2 '24	Change YoY %	H1 '23	H1 '24	Change YoY %
REVENUES	712	725	731	1,000	3,168	729	2.4	778	7.3	1,437	1,507	4.9
SERVICE REVENUES	638	663	665	886	2,852	665	4.3	719	8.4	1,301	1,384	6.4
Enterprise	618	643	645	866	2,772	645	4.4	699	8.7	1,261	1,344	6.5
o/w Connectivity	262	262	273	285	1,082	262	0.0	257	(1.9)	524	519	(0.9)
o/w Cloud	184	197	192	285	858	217	17.5	239	21.3	381	455	19.4
o/w Security	19	20	23	53	115	34	78.7	44	120.0	39	79	100.8
o/w IoT	11	12	14	21	57	19	79.2	15	25.0	23	34	49.3
o/w Other IT	141	153	143	223	659	113	(20.1)	144	(5.9)	294	257	(12.8)
MSA	20	20	20	20	80	20	(0.1)	20	0.8	40	40	0.4
PRODUCT/EQUIPMENT	74	62	66	114	316	64	(14.0)	59	(4.8)	136	123	(9.6)

(1) Organic figures excluding non-recurring items

	ORGANIC ⁽¹⁾													
	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23	Q1 '23 comparable	Q1 '24	Change YoY %	Q2 '23 comparable	Q2 '24	Change YoY %	H1 '23 comparable	H1 '24	Change YoY %
REVENUES	1,012	1,086	1,138	1,176	4,412	1,049	1,134	8.1	1,045	1,123	7.5	2,094	2,257	7.8
SERVICE REVENUES	981	1,055	1,104	1,131	4,271	1,017	1,099	8.1	1,015	1,088	7.2	2,032	2,187	7.6
Mobile Services	925	996	1,043	1,070	4,033	959	1,037	8.2	958	1,028	7.3	1,917	2,065	7.8
Wireline Services	56	59	61	61	238	58	62	5.6	57	60	4.9	115	122	5.3
HANDSETS	31	31	34	45	141	32	35	7.5	30	35	17.8	62	70	12.6
OPEX	551	549	574	589	2,263	571	599	5.0	527	563	6.7	1,098	1,162	5.8
EBITDA	461	537	564	587	2,149	478	535	11.8	518	560	8.3	996	1,095	9.9
EBITDA Margin	45.6%	49.5%	49.6%	49.9%	48.7%	45.6%	47.2%	1.6 p.p.	49.5%	49.8%	0.3 p.p.	47.6%	48.5%	0.9 p.p.
EBITDA After Lease	319	398	430	458	1,605	331	406	22.7	385	437	13.7	716	843	17.8
EBITDA AL Margin	31.6%	36.7%	37.9%	38.9%	36.4%	31.6%	35.8%	4.2 p.p.	36.7%	38.8%	2.1 p.p.	34.2%	37.4%	3.2 p.p.
CAPEX net of licences	231	173	188	242	834	240	252	5.1	163	163	0.0	403	415	3.0
% on revenues	22.9%	15.8%	16.5%	20.6%	18.9%	22.9%	22.2%	(0.7 p.p.)	15.8%	14.7%	(1.1 p.p.)	19.2%	18.4%	(0.8 p.p.)
Exchange rate AVG YTD (R\$/euro)	5.57	5.48	5.43	5.40	5.40		5.38			5.49			5.49	
Mobile Lines ('000) ⁽²⁾	61,721	61,225	61,254	61,248	61,248	61,721	61,420	(0.5)	61,225	61,986	1.2	61,225	61,986	1.2
ARPU Mobile (R\$/month) ⁽³⁾	27.7	29.2	30.2	31.1	29.5	27.7	30.4	9.7	29.2	31.2	6.8	28.4	30.8	8.2
TIM UltraFibra Lines ('000)	732	761	791	802	802	732	806	10.1	761	798	4.8	761	798	4.8
ARPU TIM UltraFibra (R\$/month)	97.8	98.3	96.0	95.9	96.9	97.8	95.8	(2.0)	98.3	98.6	0.3	98.0	97.2	(0.8)

(1) Organic figures excluding non-recurring items. Comparable base also excluding exchange rate fluctuations

(2) Includes company lines (24k in Q1 and Q2 2024) (3) Gross of visitors

Further questions

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