



TIM Group

Q4 '22

Financial and Operating Figures



TELECOM ITALIA INVESTOR RELATIONS

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Disclaimer

The financial and operating data have been extracted or derived, with the exception of some data, from the 2022 Annual Report of the TIM Group examined and approved by the TIM Board of Directors on 15 March 2023, 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 FY'22, Q4'22, Q3'22, Q2'22 and Q1'22 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 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 as of today, the audit work by our independent auditors (E&Y) on the TIM Consolidated and Separate Financial Statements for the year ended 31 December 2022 have 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), 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.

* * *

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 quarters of 2021, has been recalculated.

TIM Group Key Financials

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾								
	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q4 '21 comparable base	FY '21 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Change YoY %	FY '22	Change YoY %
REVENUES	3,976	15,316	3,644	3,913	3,972	4,259	15,788	4,122	15,834	3,644	3,913	3,972	4,259	3.3	15,788	(0.3)
Domestic	3,224	12,505	2,846	2,908	2,919	3,185	11,858	3,237	12,543	2,846	2,908	2,919	3,185	(1.6)	11,858	(5.5)
o/w Wireline	2,384	9,313	2,131	2,169	2,132	2,389	8,821	2,397	9,351	2,131	2,169	2,132	2,389	(0.3)	8,821	(5.7)
o/w Mobile	965	3,732	851	874	913	934	3,572	965	3,732	851	874	913	934	(3.2)	3,572	(4.3)
Brazil	761	2,840	806	1,013	1,061	1,083	3,963	894	3,320	806	1,013	1,061	1,083	21.4	3,963	19.2
Other activities & Elim.	(9)	(29)	(8)	(8)	(8)	(9)	(33)	(9)	(29)	(8)	(8)	(8)	(9)		(33)	
SERVICE REVENUES	3,576	13,906	3,386	3,644	3,720	3,850	14,600	3,717	14,409	3,386	3,644	3,720	3,850	3.6	14,600	1.3
Domestic	2,852	11,183	2,612	2,671	2,694	2,822	10,799	2,865	11,221	2,612	2,671	2,694	2,822	(1.5)	10,799	(3.8)
o/w Wireline	2,184	8,569	2,020	2,056	2,020	2,180	8,276	2,197	8,607	2,020	2,056	2,020	2,180	(0.8)	8,276	(3.8)
o/w Mobile	791	3,152	728	751	802	779	3,060	791	3,152	728	751	802	779	(1.5)	3,060	(2.9)
Brazil	733	2,752	782	981	1,034	1,037	3,834	861	3,217	782	981	1,034	1,037	20.8	3,834	19.0
Other activities & Elim.	(9)	(29)	(8)	(8)	(8)	(9)	(33)	(9)	(29)	(8)	(8)	(8)	(9)		(33)	
EBITDA	731	5,080	1,316	1,342	1,287	1,402	5,347	1,451	6,459	1,387	1,563	1,589	1,490	2.7	6,029	(6.7)
Domestic	351	3,730	962	892	787	878	3,519	1,001	4,872	1,029	1,101	1,085	959	(4.2)	4,174	(14.3)
Brazil	385	1,362	356	457	502	524	1,839	455	1,599	360	466	506	531	16.9	1,863	16.4
Other activities & Elim.	(5)	(12)	(2)	(7)	(2)	0	(11)	(5)	(12)	(2)	(4)	(2)	0		(8)	
EBITDA After Lease	520	4,261	1,098	1,082	1,011	1,122	4,313	1,226	5,588	1,169	1,303	1,313	1,210	(1.3)	4,995	(10.6)
Domestic	223	3,221	837	763	660	747	3,007	873	4,363	904	972	958	828	(5.2)	3,662	(16.1)
Brazil	302	1,052	263	326	353	375	1,317	358	1,237	267	335	357	382	7.6	1,341	8.5
Other activities & Elim.	(5)	(12)	(2)	(7)	(2)	0	(11)	(5)	(12)	(2)	(4)	(2)	0		(8)	
CAPEX	1,910	4,630	932	974	856	1,315	4,077	1,380	3,942	932	904	846	1,297	(6.0)	3,979	0.9
Domestic	1,147	3,377	706	772	670	1,059	3,207	1,147	3,137	706	702	660	1,059	(7.7)	3,127	(0.3)
Brazil	763	1,253	226	202	186	256	870	233	805	226	202	186	238	1.7	852	5.7
EFCF	172	632	301	37	(77)	363	624									
EFCF After Lease	34	62	123	(107)	(251)	209	(26)									
NET DEBT ⁽²⁾	22,187	22,187	22,639	24,654	25,504	25,364	25,364									
NET DEBT After Lease ⁽²⁾	17,573	17,573	17,673	19,269	20,100	20,015	20,015									

(1) Organic figures excluding non-recurring items and change in the scope of consolidation; CAPEX net of licence. Comparable base excluding exchange rate fluctuations (FY '22 average exchange-rate 5.44 R\$/€) (2) Adjusted

Q4 '22 Financial and Operating Figures
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TIM Group Profit & Loss

€m, IFRS 16

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Unaudited figures

	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22	9M '22	FY '22
REVENUES	15,805	3,728	7,543	11,340	15,316	3,644	7,557	11,529	15,788
Other Income	211	109	169	211	272	37	78	127	213
TOTAL OPERATING REVENUES AND OTHER INCOME	16,016	3,837	7,712	11,551	15,588	3,681	7,635	11,656	16,001
Acquisition of goods and services	(6,173)	(1,568)	(3,113)	(4,744)	(6,550)	(1,620)	(3,385)	(5,195)	(7,239)
Employee benefits expenses	(2,639)	(1,038)	(1,715)	(2,241)	(2,941)	(731)	(1,554)	(2,436)	(3,180)
Other operating expenses	(961)	(239)	(424)	(625)	(1,502)	(168)	(342)	(525)	(816)
Internally generated assets and Others	496	168	293	408	485	154	304	445	581
EBITDA ⁽¹⁾	6,739	1,160	2,753	4,349	5,080	1,316	2,658	3,945	5,347
EBITDA Margin	42.6%	31.1%	36.5%	38.4%	33.2%	36.1%	35.2%	34.2%	33.9%
Depreciation and amortization	(4,616)	(1,130)	(2,268)	(3,411)	(4,490)	(1,107)	(2,295)	(3,540)	(4,777)
Gains (losses) on disposals of non-current assets	(11)	(2)	(1)	2	1	-	34	33	36
Impairment reversals (losses) on non-current assets	(8)	-	-	-	(4,120)	-	-	-	-
EBIT	2,104	28	484	940	(3,529)	209	397	438	606
EBIT Margin	13.3%	0.8%	6.4%	8.3%	-23.0%	5.7%	5.3%	3.8%	3.8%
Income (loss) equity invest. valued equity method ⁽²⁾	472	11	34	44	164	16	31	203	229
Net Financial Income / (Expenses)	(1,179)	(288)	(582)	(862)	(1,150)	(317)	(686)	(1,075)	(1,423)
Profit (loss) before tax from continuing operations	1,397	(249)	(64)	122	(4,515)	(92)	(258)	(434)	(588)
Income tax expense ⁽³⁾	5,955	43	7	43	(3,885)	(50)	(102)	(2,109)	(2,066)
Profit (loss) from continuing operations	7,352	(206)	(57)	165	(8,400)	(142)	(360)	(2,543)	(2,654)
Discontinued operations/Non-current assets held for sale	-	-	-	-	-	-	-	-	-
PROFIT (LOSS)	7,352	(206)	(57)	165	(8,400)	(142)	(360)	(2,543)	(2,654)
Parent Company	7,224	(228)	(149)	(10)	(8,652)	(204)	(483)	(2,728)	(2,925)
Minorities	128	22	92	175	252	62	123	185	271
Non-Recurring Items ⁽⁴⁾	(6,048)	310	344	293	8,653	53	289	2,371	2,437
PROFIT (LOSS) NET NON-RECURRING ITEMS	1,304	104	287	458	253	(89)	(71)	(172)	(217)

(1) Non-recurring items € 682m in FY '22 (€ 1,143m in FY '21), o/w € 572m related to personnel costs (€ 367m in FY '21)

(2) FY '22 Inwit equity share € 35m, Inwit gain on disposal € 171m

(3) € 1,964m goodwill tax realignment revocation in 9M '22

(4) Non-Recurring Items include provisions for personnel (2021-26 layoffs ex art.4 "Fornero" law), claims/litigation, gain on disposal and goodwill tax realignment revocation

TIM Group Cash Flow & Net Debt

€m, IFRS 16 & After Lease view

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Unaudited figures

	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22	9M '22	FY '22
EBITDA	6,739	1,160	2,753	4,349	5,080	1,316	2,658	3,945	5,347
CAPEX	(3,409)	(691)	(1,808)	(2,720)	(4,630)	(932)	(1,906)	(2,762)	(4,077)
o/w spectrum	-	-	(240)	(240)	(804)	-	(89)	(98)	(98)
CHANGE IN WORKING CAPITAL	(26)	286	(126)	(546)	994	(80)	(399)	(2,311)	(1,895)
Change in net operating working capital	772	298	(96)	(258)	733	(91)	(261)	(2,389)	(1,736)
Change in inventories	20	(47)	(55)	(73)	(39)	(20)	(37)	(55)	(35)
Change in trade receivables	484	91	134	150	257	222	77	32	(81)
Change in trade payables	(193)	(312)	(390)	(440)	1,008	(497)	(753)	(866)	(8)
Other changes in operating receivables/payables	461	566	215	105	(493)	204	452	(1,500)	(1,612)
Change in provisions for employee benefits	(628)	262	256	10	(83)	38	241	474	156
Change in operating provisions and other changes	(170)	(274)	(286)	(298)	344	(27)	(379)	(396)	(315)
OPERATING FREE CASH FLOW Reported	3,304	755	819	1,083	1,444	304	353	(1,128)	(625)
Licence	(110)	-	(240)	(295)	(435)	(186)	(469)	(2,217)	(2,242)
OPERATING FREE CASH FLOW net of Licence	3,414	755	1,059	1,378	1,879	490	822	1,089	1,617
Financial Expenses	(1,186)	(288)	(587)	(757)	(1,053)	(308)	(660)	(1,028)	(1,389)
Cash Taxes & Other	186	2	(109)	(161)	(194)	119	176	200	396
o/w Substitute Tax	-	-	(231)	(231)	(231)	-	-	-	231
Net Cash Flow from discontinued operations	-	-	-	-	-	-	-	-	-
EQUITY FREE CASH FLOW	2,414	469	363	460	632	301	338	261	624
Dividends and change in Equity ⁽¹⁾	974	(24)	(337)	(396)	(410)	(26)	(30)	(44)	(66)
Disposal and Financial investments ⁽²⁾	1,483	1,721	1,668	1,645	1,804	(11)	(1,771)	(589)	(666)
Licence	(110)	-	(240)	(295)	(435)	(186)	(469)	(2,217)	(2,242)
IFRS & IAS	(419)	5	(200)	(252)	(452)	(530)	(535)	(728)	(827)
NET CASH FLOW	4,342	2,171	1,254	1,162	1,139	(452)	(2,467)	(3,317)	(3,177)
EQUITY FREE CASH FLOW	2,414	469	363	460	632	301	338	261	624
Lease Impact	(799)	(162)	(274)	(432)	(570)	(178)	(322)	(496)	(650)
EQUITY FREE CASH FLOW AFTER LEASE	1,615	307	89	28	62	123	16	(235)	(26)
NET DEBT	23,326	21,155	22,072	22,164	22,187	22,639	24,654	25,504	25,364
Lease Impact	(4,732)	(4,564)	(4,657)	(4,551)	(4,614)	(4,966)	(5,385)	(5,404)	(5,349)
NET DEBT After Lease	18,594	16,591	17,415	17,613	17,573	17,673	19,269	20,100	20,015

(1) Dividends -€ 68m in FY '22 (-€ 368m in FY '21); change in Equity +€ 2m in FY '22 (-€ 42m in FY '21) (2) 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

Q4 '22 Financial and Operating Figures
Investor Relations

Working Capital

€m, IFRS 16

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Unaudited figures

	TIM Group ⁽¹⁾			Domestic			Brasil		
	FY '21	FY '22	Δ abs	FY '21	FY '22	Δ abs	FY '21	FY '22	Δ abs
Operating WC & Other	994	(1,895)	(2,889)	337	(1,893)	(2,230)	656	1	(655)
License	-	(13)	(13)	-	(13)	(13)	(424)	-	424
License paid in the year	(369)	2,157	2,526	55	1,738	1,683		419	419
Non recurring items (not paid)	(1,143)	(682)	461	(1,137)	(655)	482	(6)	(24)	(18)
Recurring Operating WC	(518)	(433)	85	(745)	(823)	(78)	226	396	170
Inventory				(46)	(29)	17			
Trade Receivables				269	(76)	(345)			
Trade Payables				555	255	(300)			
Other Operating Payables/Receivables & Funds				(1,523)	(973)	550			
- o/w Litigations & Settlements				(398)	(474)	(76)			
- o/w Payables vs. Personnel				(25)	82	107			
- o/w Personnel Exit (Fornero Law)				(509)	(501)	8			
- o/w VAT				(34)	24	58			
- o/w Billing ⁽²⁾				23	24	1			
- o/w Net Debts vs INPS				7	(26)	(33)			
- o/w Deferred Costs & Revenues				(285)	(35)	250			
- o/w Payment in Advance vs Suppliers/Customers				(270)	(23)	247			

(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

	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22	9M '22	FY '22
CURRENT ASSETS	10,812	12,057	11,586	11,029	14,070	10,272	11,878	10,708	10,232
Trade and miscellaneous receivables and other current assets	4,346	4,338	4,389	4,307	4,358	4,420	4,481	4,527	4,539
Cash and cash equivalents	4,829	4,370	4,969	4,443	6,904	3,272	2,391	3,519	3,555
Discontinued operations/assets held for sale	-	-	365	355	-	-	2,631	20	-
<i>o/w of a financial nature</i>	-	-	-	-	-	-	-	-	-
<i>o/w of a non-financial nature</i>	-	-	365	355	-	-	2,631	20	-
Securities other than investments, other financial receivables and other current financial assets	1,254	2,963	1,461	1,526	2,391	2,122	1,883	1,907	1,600
Inventories	242	289	300	316	282	309	324	344	322
Current income tax receivables	86	30	42	40	79	88	114	336	147
Current financial receivables arising from lease contracts	55	67	60	42	56	61	54	55	69
Other investments	-	-	-	-	-	-	-	-	-
NON-CURRENT ASSETS	62,422	61,667	62,218	61,916	55,117	56,023	54,691	52,399	51,795
Intangible assets	29,587	29,297	29,395	29,173	25,715	26,063	26,908	26,929	26,767
Goodwill	22,847	22,820	22,710	22,689	18,568	18,657	19,009	19,082	19,111
Intangible assets with a finite useful life	6,740	6,477	6,685	6,484	7,147	7,406	7,899	7,847	7,656
Tangible assets	13,141	12,980	13,049	13,009	13,311	13,692	13,971	14,022	14,100
Property, plant and equipment owned	13,141	12,980	13,049	13,009	13,311	13,692	13,971	14,022	14,100
Right of Use assets	4,992	4,851	4,898	4,783	4,847	5,177	5,554	5,517	5,488
Other assets	14,702	14,539	14,876	14,951	11,244	11,091	8,258	5,931	5,440
Miscellaneous receivables and other non-current assets	2,114	2,072	2,260	2,307	2,266	2,353	2,343	2,356	2,365
Non-current financial assets	2,310	2,088	2,243	2,220	2,330	2,089	2,011	2,140	1,651
<i>o/w receivable for lease contracts</i>	43	45	49	46	45	50	50	49	49
<i>o/w other non-current financial assets</i>	2,267	2,043	2,194	2,174	2,285	2,039	1,961	2,091	1,602
Deferred tax assets	7,496	7,547	7,592	7,594	3,513	3,470	3,441	772	769
Other investments	54	57	82	120	156	134	128	105	116
Investments in associates and joint ventures accounted for using the equity method	2,728	2,775	2,699	2,710	2,979	3,045	335	558	539
TOTAL ASSETS	73,234	73,724	73,804	72,945	69,187	66,295	66,569	63,107	62,027

TIM Group Balance Sheet

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Unaudited figures

	FY '20	Q1 '21	H1 '21	9M '21	FY '21	Q1 '22	H1 '22	9M '22	FY '22
CURRENT LIABILITIES	11,167	13,043	12,378	13,480	16,364	13,739	14,200	13,214	14,142
Trade and miscellaneous payables and other current liabilities	6,588	7,046	6,820	8,125	9,473	9,655	9,410	7,591	8,199
Current financial liabilities	4,308	5,742	5,242	5,054	6,596	3,811	4,550	5,614	5,909
<i>o/w liabilities for financing contracts and others</i>	3,677	5,127	4,582	4,405	5,945	3,128	3,768	4,808	5,039
<i>o/w liabilities for lease contracts</i>	631	615	660	649	651	683	782	806	870
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	271	255	248	243	295	273	239	9	34
NON-CURRENT LIABILITIES	33,227	30,871	30,840	28,857	30,784	29,821	29,844	30,742	29,160
Non-current financial liabilities	27,854	25,418	25,818	25,669	27,501	26,579	26,469	27,506	26,336
<i>o/w liabilities for financing contracts and others</i>	23,655	21,357	21,712	21,679	23,437	22,185	21,762	22,804	21,739
<i>o/w liabilities for lease contracts</i>	4,199	4,061	4,106	3,990	4,064	4,394	4,707	4,702	4,597
Miscellaneous payables and other non-current liabilities	3,602	3,526	3,157	1,469	1,413	1,366	1,322	1,017	1,146
Employee benefits	724	939	888	710	699	700	812	972	684
Provisions	770	769	689	668	926	956	1,007	1,010	910
Deferred tax liabilities	277	219	288	341	245	220	234	237	84
TOTAL LIABILITIES	44,394	43,914	43,218	42,337	47,148	43,560	44,044	43,956	43,302
EQUITY	28,840	29,810	30,586	30,608	22,039	22,735	22,525	19,151	18,725
Equity attributable to equity owners of the Parent	26,215	25,371	25,994	26,010	17,414	17,786	17,590	15,461	15,061
Equity attributable to Minority Interests	2,625	4,439	4,592	4,598	4,625	4,949	4,935	3,690	3,664
TOTAL LIABILITIES & EQUITY	73,234	73,724	73,804	72,945	69,187	66,295	66,569	63,107	62,027

Domestic Results

€m, IFRS 16 & After Lease view

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾								
	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q4 '21 comparable base	FY '21 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Change YoY %	FY '22	Change YoY %
REVENUES	3,224	12,505	2,846	2,908	2,919	3,185	11,858	3,237	12,543	2,846	2,908	2,919	3,185	(1.6)	11,858	(5.5)
Service Revenues	2,852	11,183	2,612	2,671	2,694	2,822	10,799	2,865	11,221	2,612	2,671	2,694	2,822	(1.5)	10,799	(3.8)
Wireline Services	2,184	8,569	2,020	2,056	2,020	2,180	8,276	2,197	8,607	2,020	2,056	2,020	2,180	(0.8)	8,276	(3.8)
Retail	1,400	5,466	1,294	1,322	1,287	1,429	5,332	1,400	5,466	1,294	1,322	1,287	1,429	2.0	5,332	(2.4)
National Wholesale + FiberCop	507	2,114	493	492	494	490	1,969	512	2,120	493	492	494	490	(4.3)	1,969	(7.0)
International Wholesale	276	987	229	242	238	260	969	284	1,020	229	242	238	260	(8.5)	969	(5.0)
Other	1	3	4	-	1	1	6	1	1	4	-	1	1	0.0	6	0.0
Mobile Services	791	3,152	728	751	802	779	3,060	791	3,152	728	751	802	779	(1.5)	3,060	(2.9)
Retail	677	2,716	641	643	645	649	2,577	677	2,716	641	643	645	649	(4.2)	2,577	(5.1)
Wholesale and Other	114	436	87	108	158	130	483	114	436	87	108	158	130	14.6	483	10.8
Elimination & Other	(123)	(538)	(136)	(136)	(128)	(137)	(537)	(123)	(538)	(136)	(136)	(128)	(137)		(537)	
Handsets	372	1,322	234	237	225	363	1,059	372	1,322	234	237	225	363	(2.4)	1,059	(19.9)
OPEX	2,873	8,775	1,884	2,016	2,132	2,307	8,339	2,236	7,671	1,817	1,807	1,834	2,226	(0.4)	7,684	0.2
EBITDA	351	3,730	962	892	787	878	3,519	1,001	4,872	1,029	1,101	1,085	959	(4.2)	4,174	(14.3)
EBITDA Margin	10.9%	29.8%	33.8%	30.7%	27.0%	27.6%	29.7%	30.9%	38.8%	36.2%	37.9%	37.2%	30.1%	(0.8 p.p.)	35.2%	(3.6 p.p.)
EBITDA After Lease	223	3,221	837	763	660	747	3,007	873	4,363	904	972	958	828	(5.2)	3,662	(16.1)
EBITDA AL Margin	6.9%	25.8%	29.4%	26.2%	22.6%	23.5%	25.4%	27.0%	34.8%	31.8%	33.4%	32.8%	26.0%	(1.0 p.p.)	30.9%	(3.9 p.p.)
CAPEX	1,147	3,377	706	772	670	1,059	3,207	1,147	3,137	706	702	660	1,059	(7.7)	3,127	(0.3)
% on revenues	35.6%	27.0%	24.8%	26.5%	23.0%	33.2%	27.0%	35.4%	25.0%	24.8%	24.1%	22.6%	33.2%	(2.2 p.p.)	26.4%	1.4 p.p.
Headcount EoP	42,591	42,591	42,782	42,864	42,578	40,984	40,984									

(1) Organic figures excluding non-recurring items and change in the scope of consolidation; domestic CAPEX excluding licence (€ 80m in FY '22, € 240m in FY '21)

Domestic Wireline

€m, IFRS 16

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Unaudited figures

	REPORTED							ORGANIC ⁽¹⁾								
	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q4 '21 comparable base	FY '21 comparable base	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Change YoY %	FY '22	Change YoY %
WIRES REVENUES	2,384	9,313	2,131	2,169	2,132	2,389	8,821	2,397	9,351	2,131	2,169	2,132	2,389	(0.3)	8,821	(5.7)
Wireline Service Revenues	2,184	8,569	2,020	2,056	2,020	2,180	8,276	2,197	8,607	2,020	2,056	2,020	2,180	(0.8)	8,276	(3.8)
Retail Services	1,400	5,466	1,294	1,322	1,287	1,429	5,332	1,400	5,466	1,294	1,322	1,287	1,429	2.0	5,332	(2.4)
<i>o/w Broadband and content</i>	543	2,206	514	518	500	491	2,023	543	2,206	514	518	500	491	(9.6)	2,023	(8.3)
<i>o/w ICT Services</i>	404	1,302	338	368	368	520	1,593	404	1,302	338	368	368	520	28.8	1,593	22.4
National Wholesale + FiberCop	507	2,114	493	492	494	490	1,969	512	2,120	493	492	494	490	(4.3)	1,969	(7.0)
International Wholesale	276	987	229	242	238	260	969	284	1,020	229	242	238	260	(8.5)	969	(5.0)
Other	1	3	4	-	1	1	6	1	1	4	-	1	1		6	
Equipments	200	744	111	113	112	209	545	200	744	111	113	112	209	4.5	545	(26.8)
Retail lines ('000)								8,647	8,647	8,539	8,442	8,383	8,290	(4.1)	8,290	(4.1)
Churn rate %								3.5	13.5	3.4	3.3	2.9	3.4	(0.1 p.p.)	13.0	(0.5 p.p.)
Broadband								7,733	7,733	7,643	7,564	7,523	7,443	(3.8)	7,443	(3.8)
Consumer								6,511	6,511	6,431	6,360	6,322	6,265	(3.8)	6,265	(3.8)
Business ⁽²⁾								1,222	1,222	1,212	1,204	1,201	1,178	(3.6)	1,178	(3.6)
UBB								5,186	5,186	5,244	5,307	5,372	5,417	4.5	5,417	4.5
Wholesale lines ('000)								7,729	7,729	7,729	7,659	7,604	7,525	(2.6)	7,525	(2.6)
Local Loop Unbundling								2,202	2,202	2,082	1,965	1,897	1,821	(17.3)	1,821	(17.3)
Wholesale Line Rental								161	161	156	151	147	142	(11.8)	142	(11.8)
Bitstream Naked								548	548	494	433	413	392	(28.5)	392	(28.5)
UBB								4,819	4,819	4,997	5,110	5,147	5,171	7.3	5,171	7.3
ARPU Retail BB & ICT (€/month)								36.3	33.4	33.0	34.8	34.4	40.4	11.4	35.6	6.5

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

(2) Including SMB broadband lines (815k in FY '22)

Q4 '22 Financial and Operating Figures
Investor Relations

WIRESLINE 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 <i>o/w Broadband and content</i> <i>o/w ICT Services</i>	Retail service revenues: consumer + business (including revenues generated by TIM Factories) Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
National Wholesale + FiberCop	Cloud, Security, IT and other B2B services. Including revenues generated by TIM Factories
International Wholesale	Revenues from OLOs, regulated and not regulated (organization view) and from FiberCop (consolidated by line from Q2)
Other	TIM Sparkle Group revenues 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 <i>Consumer</i> <i>Business</i> <i>UBB</i>	All active broadband lines, including xDSL and FTTx <i>Active broadband lines on Consumer customers</i> <i>Active broadband lines on Corporate and Small/Medium enterprises</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

€m, IFRS 16

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Unaudited figures

	REPORTED						ORGANIC ⁽¹⁾						
	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	Q4 '21 comparable base	FY '21 comparable base	Q4 '22	Change YoY %	FY '22	Change YoY %
MOBILE REVENUES	965	3,732	851	874	913	934	3,572	965	3,732	934	(3.2)	3,572	(4.3)
Mobile Service Revenues	791	3,152	728	751	802	779	3,060	791	3,152	779	(1.5)	3,060	(2.9)
Retail Services	677	2,716	641	643	645	649	2,577	677	2,716	649	(4.2)	2,577	(5.1)
<i>o/w Incoming</i>	57	229	47	44	41	40	172	57	229	40	(29.9)	172	(24.8)
Wholesale and Other	114	436	87	108	158	130	483	114	436	130	14.6	483	10.8
Handsets and Handsets Bundle	174	580	123	123	111	155	512	174	580	155	(11.1)	512	(11.9)
Total number of lines ('000)								30,466	30,466	30,407	(0.2)	30,407	(0.2)
Churn rate %								3.6	14.7	3.3	(0.3 p.p.)	13.3	(1.4 p.p.)
Human								19,054	19,054	18,438	(3.2)	18,438	(3.2)
Not Human (M2M)								11,412	11,412	11,969	4.9	11,969	4.9
Calling lines								27,853	27,853	27,788	(0.2)	27,788	(0.2)
Human Calling								16,440	16,440	15,818	(3.8)	15,818	(3.8)
Broadband Users								12,783	12,783	12,577	(1.6)	12,577	(1.6)
LTE Users								12,103	12,103	12,247	1.2	12,247	1.2
Usage Data (GB/users/month)								11.7	11.4	14.8	26.5	13.7	20.2
ARPU Reported (€/month)								7.4	7.5	7.1	(4.0)	7.1	(5.4)
ARPU Human (€/month)								11.8	11.7	11.7	(1.0)	11.5	(1.6)

(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 <i>o/w Incoming</i>	Retail service revenues, consumer and business including voice, messaging, browsing and content Revenues for voice traffic terminated on TIM mobile customers including visitors MVNOs and visitors. Inwit revenues and colocation on mobile sites until Q1 '20
Wholesale and Other	
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 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Change YoY %	FY '22	Change YoY %
REVENUES	4,340	4,407	4,512	4,799	18,058	4,727	5,368	5,611	5,825	21.4	21,531	19.2
Service Revenues	4,228	4,267	4,382	4,620	17,497	4,584	5,201	5,465	5,579	20.8	20,829	19.0
o/w Mobile	3,948	3,984	4,097	4,324	16,353	4,287	4,899	5,155	5,256	21.6	19,597	19.8
o/w Fixed	280	282	286	296	1,144	297	302	310	323	9.0	1,232	7.7
Handsets	112	140	130	179	561	143	167	146	246	37.4	702	25.1
OPEX	2,332	2,329	2,366	2,370	9,397	2,636	2,947	2,954	3,001	26.6	11,538	22.8
EBITDA	2,008	2,078	2,146	2,429	8,661	2,091	2,421	2,657	2,824	16.3	9,993	15.4
EBITDA margin	46.3%	47.2%	47.6%	50.6%	48.0%	44.2%	45.1%	47.4%	48.5%	(2.1 p.p.)	46.4%	(1.6 p.p.)
EBITDA net non recurring	2,008	2,092	2,153	2,444	8,697	2,111	2,472	2,680	2,858	16.9	10,121	16.4
EBITDA margin	46.3%	47.5%	47.7%	50.9%	48.2%	44.7%	46.1%	47.8%	49.1%	(1.8 p.p.)	47.0%	(1.2 p.p.)
CAPEX	1,324	906	896	4,840	7,966	1,328	1,050	977	1,375	(71.6)	4,730	(40.6)
% on revenues	30.5%	20.6%	19.9%	100.9%	44.1%	28.1%	19.6%	17.4%	23.6%	(77.3 p.p.)	22.0%	(22.1 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	20.0	62,485	20.0
Market Share on total lines ⁽²⁾	21.5%	20.9%	20.7%	20.4%	20.4%	20.3%	26.5%	26.4%	24.8%	4.4 p.p.	24.8%	4.4 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	(4.1)	26.1	(1.0)
TIM UltraFibra Lines ('000)	662	666	675	685	685	689	699	708	716	4.6	716	4.6
ARPU TIM UltraFibra (R\$/month)	89.6	90.8	90.1	93.5	91.0	94.3	95.8	96.9	98.7	5.5	96.4	5.9
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	

(1) Includes company lines (25k in FY '22)

(2) Source: Anatel (until Q3 '22)

(3) Gross of visitors

Reported & Organic Reconciliation

€m, IFRS 16 & After Lease view

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Unaudited figures

	Q4 '21					Q4 '22		
	Reported	Non Organic elements		Non recurring items	Organic comparable base	Reported	Non recurring items	Organic
		Change in consolid. area	Exchange rate impact					
REVENUES	3,976	-	141	-	4,122	4,259	-	4,259
Domestic	3,224	-	8	-	3,237	3,185	-	3,185
Brazil	761	-	133	-	894	1,083	-	1,083
Other Activities & Eliminations	(9)	-	-	-	(9)	(9)	-	(9)
SERVICE REVENUES	3,576	-	136	-	3,717	3,850	-	3,850
Domestic	2,852	-	8	-	2,865	2,822	-	2,822
Brazil	733	-	128	-	861	1,037	-	1,037
Other Activities & Eliminations	(9)	-	-	-	(9)	(9)	-	(9)
EBITDA	731	-	69	(651)	1,451	1,402	(88)	1,490
Domestic	351	-	2	(648)	1,001	878	(81)	959
Brazil	385	-	67	(3)	455	524	(7)	531
Other Activities & Eliminations	(5)	-	-	-	(5)	-	-	-
EBITDA After Lease	520	-	55	(651)	1,226	1,122	(88)	1,210
Domestic	223	-	2	(648)	873	747	(81)	828
Brazil	302	-	53	(3)	358	375	(7)	382
Other Activities & Eliminations	(5)	-	-	-	(5)	-	-	-

For further questions please contact the IR team



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