



Q4 '19 Financial and Operating Figures

IFRS 9/15 (comparable), IFRS 16 and "After Lease" view

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Disclaimer

The financial and operating data have been extracted or derived, with the exception of some data, from the 2019 Annual Report of the TIM Group examined and approved by the TIM Board of Directors on 10 March 2020, 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 Statements at 31 December 2019 of the TIM Group are the same as those adopted in the TIM Group Annual Audited Consolidated Financial Statements as of 31 December 2018, to which reference can be made, except for the adoption of the new accounting principle (IFRS 16 - Lease), adopted starting from January 1, 2019. In particular, TIM adopts IFRS 16, using the modified retrospective method, without restatement of prior period comparatives.

To enable the comparison of the economic and financial performance for the FY2019, Q4'19, Q3'19, Q2'19 and Q1'19 with the corresponding period of the previous year, “IFRS 9/15” figures, prepared in accordance with the previous accounting standards applied (IAS 17 and related Interpretations) are provided, for the purposes of the distinction between operating leases and financial leases and the consequent accounting treatment of lease liabilities. Please note that, starting from January 1, 2018, the TIM Group adopted IFRS 15 (Revenues from contracts with customers) and IFRS 9 (Financial instruments).

As of today, the audit work by our independent auditors on the TIM Consolidated and Separate Financial Statements for the year ended 31 December 2018 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 and net financial debt. Moreover, following the adoption of IFRS 16, the TIM Group provides the following additional alternative performance indicators:

* **EBITDA adjusted After Lease (“EBITDA-AL”)**, which is calculated by adjusting Organic EBITDA, net of non-recurring items, of the amounts related to the accounting treatment of finance lease contracts in accordance with IAS 17 (applied until year-end 2018) and IFRS 16 (applied starting from 2019);

* **Adjusted Net Financial Debt After Lease**, which is calculated by excluding from the adjusted net financial debt the liabilities related to the accounting treatment of finance lease contracts in accordance with IAS 17 (applied until year-end 2018) and IFRS 16 (applied starting from 2019).

Such alternative performance measures are unaudited.

Key Financial Data

€m, IFRS 9/15 & After Lease view

UNAUDITED FIGURES

	REPORTED												ORGANIC ⁽¹⁾											
	Q1 '18	Q1 '19	Q2 '18	Q2 '19	Q3 '18	Q3 '19	Q4 '18	Q4 '19	Change YoY %	FY '18	FY '19	Change YoY %	Q1 '18 comparabl e base	Q1 '19	Q2 '18 comparabl e base	Q2 '19	Q3 '18 comparabl e base	Q3 '19	Q4 '18 comparabl e base	Q4 '19	Change YoY %	FY '18 comparabl e base	FY '19	Change YoY %
REVENUES	4,685	4,471	4,726	4,523	4,666	4,429	4,863	4,554	-6.4%	18,940	17,977	-5.1%	4,620	4,485	4,706	4,524	4,715	4,429	4,874	4,554	-6.6%	18,915	17,992	-4.9%
Domestic	3,657	3,502	3,766	3,567	3,759	3,454	3,849	3,558	-7.6%	15,031	14,081	-6.3%	3,662	3,516	3,770	3,568	3,763	3,454	3,907	3,558	-8.9%	15,102	14,096	-6.7%
o/w Wireline	2,538	2,535	2,593	2,586	2,572	2,453	2,774	2,553	-8.0%	10,477	10,127	-3.3%	2,543	2,535	2,597	2,586	2,576	2,453	2,776	2,553	-8.0%	10,492	10,127	-3.5%
o/w Mobile	1,262	1,122	1,321	1,111	1,328	1,135	1,274	1,143	-10.3%	5,185	4,511	-13.0%	1,262	1,122	1,321	1,111	1,328	1,135	1,274	1,143	-10.3%	5,185	4,511	-13.0%
Brazil	1,033	979	968	967	917	984	1,025	1,007	-1.8%	3,943	3,937	-0.2%	963	979	944	967	962	984	978	1,007	2.9%	3,847	3,937	2.3%
Other activities & Elim.	(5)	(10)	(8)	(11)	(10)	(9)	(11)	(11)		(34)	(41)		(5)	(10)	(8)	(11)	(10)	(9)	(11)	(11)		(34)	(41)	
SERVICE REVENUES	4,288	4,085	4,269	4,142	4,257	4,061	4,267	4,019	-5.8%	17,081	16,306	-4.5%	4,225	4,099	4,250	4,143	4,305	4,061	4,280	4,006	-6.4%	17,060	16,308	-4.4%
Domestic	3,294	3,155	3,354	3,231	3,397	3,128	3,307	3,075	-7.0%	13,352	12,588	-5.7%	3,299	3,169	3,358	3,232	3,401	3,128	3,365	3,062	-9.0%	13,423	12,590	-6.2%
o/w Wireline	2,402	2,394	2,458	2,416	2,468	2,270	2,546	2,284	-10.3%	9,875	9,364	-5.2%	2,407	2,394	2,462	2,416	2,472	2,270	2,548	2,284	-10.4%	9,890	9,364	-5.3%
o/w Mobile	1,034	916	1,044	943	1,069	993	960	923	-3.8%	4,107	3,775	-8.1%	1,034	916	1,044	943	1,069	993	960	923	-3.8%	4,107	3,775	-8.1%
Brazil	1,000	940	922	922	879	942	971	956	-1.5%	3,763	3,760	-0.1%	932	940	899	922	914	942	926	956	3.2%	3,671	3,760	2.4%
Other activities & Elim.	(6)	(10)	(7)	(11)	(19)	(9)	(11)	(12)		(34)	(42)		(6)	(10)	(7)	(11)	(10)	(9)	(11)	(12)		(34)	(42)	
EBITDA	1,793	1,792	1,940	2,273	2,045	1,943	1,625	1,481	-8.9%	7,403	7,489	1.2%	1,865	1,826	1,958	1,907	2,068	1,975	1,883	1,852	-1.6%	7,774	7,560	-2.8%
Domestic	1,446	1,447	1,591	1,302	1,702	1,536	1,216	1,060	-12.8%	5,955	5,345	-10.2%	1,542	1,481	1,618	1,546	1,708	1,590	1,494	1,424	-4.7%	6,362	6,041	-5.0%
Brazil	353	347	351	974	346	409	417	423	1.4%	1,467	2,153	46.8%	329	347	342	364	362	387	397	430	8.3%	1,430	1,528	6.8%
Other activities & Elim.	(6)	(2)	(2)	(3)	(3)	(2)	(8)	(2)		(19)	(9)		(6)	(2)	(2)	(3)	(2)	(2)	(8)	(2)		(18)	(9)	
EBITDA After Lease	1,694	1,700	1,832	2,192	1,952	1,858	1,526	1,395	-8.6%	7,004	7,145	2.0%	1,767	1,734	1,851	1,826	1,975	1,890	1,784	1,766	-1.0%	7,377	7,216	-2.2%
Domestic	1,365	1,377	1,501	1,233	1,626	1,469	1,133	992	-12.5%	5,625	5,071	-9.9%	1,462	1,411	1,527	1,477	1,632	1,523	1,411	1,356	-3.9%	6,033	5,767	-4.4%
Brazil	335	325	334	961	329	391	400	406	1.6%	1,398	2,083	49.0%	312	325	326	351	345	369	380	413	8.7%	1,363	1,458	7.0%
Other activities & Elim.	(6)	(2)	(2)	(3)	(3)	(2)	(7)	(3)		(19)	(9)		(6)	(2)	(2)	(3)	(2)	(2)	(7)	(3)		(19)	(9)	
EBIT	740	685	874	1,186	(997)	846	(56)	341		561	3,058		826	719	897	820	1,015	878	806	730	-9.4%	3,544	3,147	-11.2%
Domestic	615	581	756	431	(1,120)	678	(235)	162		16	1,852		710	615	782	675	886	732	635	544	-14.3%	3,013	2,566	-14.8%
Brazil	131	107	121	756	126	171	186	181	-2.7%	564	1,215		122	107	118	146	131	149	178	188	5.7%	549	590	7.4%
Other activities & Elim.	(6)	(3)	(3)	(1)	(3)	(3)	(7)	(2)		(19)	(9)		(6)	(3)	(3)	(1)	(2)	(3)	(7)	(2)		(18)	(9)	
CAPEX	660	607	937	874	863	795	3,948	1,508	-61.8%	6,408	3,784	-40.9%	649	607	930	874	871	795	1,536	1,508	-1.8%	3,986	3,784	-5.1%
Domestic	507	455	705	659	675	585	3,631	1,213	-66.6%	5,518	2,912	-47.2%	507	455	705	659	675	585	1,231	1,213	-1.5%	3,118	2,912	-6.6%
Brazil	153	152	232	215	188	210	317	295	-6.9%	890	872	-2.0%	143	152	224	215	196	210	305	295	-2.7%	868	872	0.6%
EQUITY FREE CASH FLOW	(334)	216	594	570	(39)	444	357	491	-	578	1,721	-												
NET DEBT ⁽²⁾	25,537	25,080	25,141	24,731	25,190	24,312	25,270	23,839	-	25,270	23,839	-												
NET DEBT After Lease ⁽²⁾	-	23,143	-	22,818	-	22,465	23,322	21,893	-	23,322	21,893	-												

⁽¹⁾ Excluding exchange rate fluctuations and non-recurring items ⁽²⁾ Adjusted

P&L Group

€m, IFRS 9/15 & IFRS 16 from January 1th, 2019

UNAUDITED FIGURES

	Q1 '18	H1 '18	9M '18	FY '18	Q1 '19	H1 '19	9M '19	FY '19	Change YoY%	Q1 '19 IFRS 16	H1 '19 IFRS 16	9M '19 IFRS 16	FY '19 IFRS 16
REVENUES	4,685	9,411	14,077	18,940	4,471	8,994	13,423	17,977	-5.1%	4,471	8,994	13,423	17,974
Other Income	57	144	200	341	46	766	850	933		46	766	850	933
TOTAL OPERATING REVENUES AND OTHER INCOME	4,742	9,555	14,277	19,281	4,517	9,760	14,273	18,910		4,517	9,760	14,273	18,907
Acquisition of goods and services	(1,996)	(3,980)	(5,889)	(8,186)	(1,749)	(3,524)	(5,237)	(7,128)	12.9%	(1,595)	(3,198)	(4,746)	(6,463)
Employee benefits expenses	(780)	(1,526)	(2,171)	(3,105)	(740)	(1,502)	(2,179)	(3,077)	0.9%	(740)	(1,502)	(2,179)	(3,077)
Other operating expenses	(368)	(661)	(906)	(1,259)	(309)	(871)	(1,160)	(1,625)	-29.1%	(309)	(871)	(1,160)	(1,625)
Internally generated assets and Others	195	345	467	672	73	202	311	409	-39.1%	73	202	311	409
EBITDA	1,793	3,733	5,778	7,403	1,792	4,065	6,008	7,489	1.2%	1,946	4,391	6,499	8,151
EBITDA Margin	38.3%	39.7%	41.0%	39.1%	40.1%	45.2%	44.8%	41.7%		43.5%	48.8%	48.4%	45.3%
Depreciation and amortization	(1,055)	(2,122)	(3,167)	(4,255)	(1,108)	(2,186)	(3,270)	(4,391)	-3.2%	(1,264)	(2,496)	(3,758)	(4,927)
Gains (losses) on disposals of non-current assets	2	3	6	(1)	1	(8)	(21)	(40)		1	(8)	(29)	(49)
Impairment reversals (losses) on non-current assets	-	-	(2,000)	(2,586)	-	-	-	-		-	-	-	-
EBIT	740	1,614	617	561	685	1,871	2,717	3,058		683	1,887	2,712	3,175
EBIT Margin	15.8%	17.2%	4.4%	3.0%	15.3%	20.8%	20.2%	17.0%		15.3%	21.0%	20.2%	17.7%
Income (loss) equity invest. valued equity method	8	8	8	10	(4)	(1)	(2)	-		(4)	(1)	(2)	-
Net Financial Income / (Expenses)	(357)	(718)	(1,047)	(1,348)	(327)	(650)	(965)	(1,237)	8.2%	(383)	(754)	(1,119)	(1,436)
Profit (loss) before tax from continuing operations	391	904	(422)	(777)	354	1,220	1,750	1,821		296	1,132	1,591	1,739
Income tax expense	(156)	(297)	(254)	(375)	(128)	(422)	(548)	(533)		(109)	(392)	(498)	(513)
Profit (loss) from continuing operations	235	607	(676)	(1,152)	226	798	1,202	1,288		187	740	1,093	1,226
Profit (loss) from Discontinued operations/Non-current assets held for sale	-	-	-	-	-	-	-	16		-	-	-	16
PROFIT (LOSS)	235	607	(676)	(1,152)	226	798	1,202	1,304		187	740	1,093	1,242
Profit (loss) attributable to owners of the Parent	199	532	(868)	(1,411)	193	592	931	962		165	551	852	916
Profit (loss) attributable to non-controlling interests	36	75	192	259	33	206	271	342	32.0%	22	189	241	326

Consolidated Balance Sheet

€m, IFRS 9/15 & IFRS 16 from January 1th, 2019

UNAUDITED FIGURES

	FY '18	Q1 '19	H1 '19	9M '19	FY '19	Q1 '19 IFRS 16	H1 '19 IFRS 16	9M '19 IFRS 16	FY '19 IFRS 16
CURRENT ASSETS	8,729	9,315	8,285	8,851	13,568	9,280	8,253	8,798	14,108
Trade and miscellaneous receivables and other current assets	4,706	5,177	5,026	4,998	4,884	5,138	4,990	4,940	4,857
Cash and cash equivalents	1,917	2,103	1,700	2,147	3,138	2,103	1,700	2,147	3,138
Discontinued operations/assets held for sale	-	-	-	-	4,084	-	-	-	4,647
Securities other than investments, other financial receivables and other current financial	1,396	1,574	1,111	1,247	999	1,574	1,111	1,247	999
Inventories	389	325	316	299	260	325	316	299	260
Current income tax receivables	251	71	83	104	151	71	83	104	149
Current financial receivables arising from lease contracts	70	65	49	56	52	69	53	61	58
Other investments	-	-	-	-	-	-	-	-	-
NON-CURRENT ASSETS	56,890	56,870	57,376	57,215	52,829	60,304	60,859	60,675	55,996
Intangible assets	35,658	34,985	34,790	34,464	30,750	34,985	34,790	34,464	30,750
Goodwill	26,769	26,780	26,784	26,750	23,083	26,780	26,784	26,750	23,083
Intangible assets with a finite useful life	8,889	8,205	8,006	7,714	7,667	8,205	8,006	7,714	7,667
Tangible assets	16,146	14,086	14,089	13,995	14,011	14,086	14,089	13,995	14,011
Property, plant and equipment owned	14,251	14,086	14,089	13,995	14,011	14,086	14,089	13,995	14,011
Assets held under finance leases	1,895	-	-	-	-	-	-	-	-
Right of Use assets	-	2,321	2,328	2,247	2,334	5,735	5,803	5,693	5,494
Other assets	5,086	5,478	6,169	6,509	5,734	5,498	6,177	6,523	5,741
Miscellaneous receivables and other non-current assets	2,291	2,296	2,944	2,803	2,585	2,296	2,944	2,803	2,585
Non-current financial assets	1,594	1,880	2,085	2,632	2,145	1,885	2,090	2,637	2,151
Deferred tax assets	1,136	1,238	1,074	1,010	941	1,253	1,077	1,019	942
Other investments	49	52	54	52	52	52	54	52	52
Investments in associates and joint ventures accounted for using the equity method	16	12	12	12	11	12	12	12	11
TOTAL ASSETS	65,619	66,185	65,661	66,066	66,397	69,584	69,112	69,473	70,104
CURRENT LIABILITIES	12,881	12,052	9,767	10,287	10,946	12,489	10,214	10,778	11,928
Trade and miscellaneous payables and other current liabilities	6,901	6,922	6,731	6,516	7,277	6,840	6,647	6,459	7,218
Current financial liabilities	5,913	5,065	2,954	3,729	3,349	5,584	3,485	4,277	3,821
Liabilities directly associated with Discontinued operations/Non-current assets held for sale	-	-	-	-	236	-	-	-	805
Current income tax payables	67	65	82	42	84	65	82	42	84
NON-CURRENT LIABILITIES	30,991	32,283	33,511	33,147	32,770	35,276	36,564	36,151	35,550
Non-current financial liabilities	25,059	26,347	27,418	27,221	27,384	29,340	30,493	30,262	30,181
Miscellaneous payables and other non-current liabilities	3,297	3,294	3,348	3,156	3,214	3,294	3,348	3,156	3,214
Employee benefits	1,567	1,545	1,417	1,379	1,182	1,545	1,417	1,379	1,182
Provisions	876	861	993	971	725	861	993	971	725
Deferred tax liabilities	192	236	335	420	265	236	313	383	248
TOTAL LIABILITIES	43,872	44,335	43,278	43,434	43,716	47,765	46,778	46,929	47,478
EQUITY	21,747	21,850	22,383	22,632	22,681	21,819	22,334	22,544	22,626
Equity attributable to equity owners of the Parent	19,528	19,635	19,983	20,284	20,322	19,612	19,949	20,222	20,280
Equity attributable to Minority Interests	2,219	2,215	2,400	2,348	2,359	2,207	2,385	2,322	2,346
TOTAL LIABILITIES & EQUITY	65,619	66,185	65,661	66,066	66,397	69,584	69,112	69,473	70,104

Net Cash Flow & Net Debt Dynamics

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	H1 '18	9M '18	FY '18	Q1 '19	H1 '19	9M '19	FY '19
EBITDA	1,793	3,733	5,778	7,403	1,792	4,065	6,008	7,489
CAPEX	(660)	(1,597)	(2,460)	(6,408)	(607)	(1,481)	(2,276)	(3,784)
<i>a/w spectrum</i>	-	-	-	(2,399)	-	-	-	-
CHANGE IN WORKING CAPITAL ⁽¹⁾	(1,150)	(1,250)	(1,861)	1,082	(644)	(1,094)	(1,484)	(609)
Change in net operating working capital	(1,215)	(1,295)	(1,778)	1,194	(628)	(1,149)	(1,342)	(598)
<i>Change in inventories</i>	(36)	(31)	(20)	(99)	64	73	90	129
<i>Change in trade receivables and net amounts due from customers on construction contracts</i>	(191)	(74)	(266)	(49)	(230)	(138)	(108)	-
<i>Change in trade payables ⁽²⁾</i>	(643)	(1,027)	(1,242)	(186)	(692)	(968)	(1,056)	(63)
<i>Other changes in operating receivables/payables</i>	(345)	(163)	(250)	1,528	230	(116)	(268)	(664)
Change in provisions for employee benefits	(5)	(23)	(116)	(208)	(13)	(214)	(243)	(246)
Change in operating provisions and Other changes	70	68	33	96	(3)	269	101	235
OPERATING FREE CASH FLOW Reported	(17)	886	1,457	2,077	541	1,490	2,248	3,096
Licence	(36)	(36)	(36)	(513)	-	-	(18)	(18)
OPERATING FREE CASH FLOW net of Licence	19	922	1,493	2,590	541	1,490	2,266	3,114
Financial Expenses	(335)	(665)	(994)	(1,302)	(296)	(610)	(883)	(1,170)
Cash Taxes & Other	(18)	3	(278)	(710)	(29)	(94)	(153)	(239)
Net Cash Flow from discontinued operations	-	-	-	-	-	-	-	16
EQUITY FREE CASH FLOW	(334)	260	221	578	216	786	1,230	1,721
Dividends and change in Equity	-	(211)	(217)	(234)	(25)	(241)	(242)	(269)
FX, M&A, IAS and Other impacts	105	118	114	(306)	(1)	(6)	(30)	(21)
Disposal and Financial investements	8	11	12	12	-	3	3	155
Licence	(36)	(36)	(36)	(513)	-	-	(18)	(18)
IAS 17 & Other	133	143	138	195	(1)	(9)	(15)	(158)
NET CASH FLOW	(229)	167	118	38	190	539	958	1,431
NET DEBT ⁽³⁾	25,537	25,141	25,190	25,270	25,080	24,731	24,312	23,839
IAS 17				(1,948)	(1,937)	(1,913)	(1,847)	(1,946)
NET DEBT After Lease ⁽³⁾				23,322	23,143	22,818	22,465	21,893

(1) See details in tab "Working Capital"

(2) Includes the change in trade payables for amounts due to fixed asset suppliers

(3) Adjusted

Working Capital

€m

UNAUDITED FIGURES

	TIM Group		Domestic		Brasil	
	FY '18	FY '19	FY '18	FY '19	FY '18	FY '19
Operating WC & Other	1,082	(609)	1,096	184	4	(789)
License	2,399	-	2,399	-	-	-
License paid in the year	(513)	(18)	(477)	(18)	(36)	-
Non recurring items (not paid)	408	71	408	696	(1)	(625)
Recurring Operating WC	(1,212)	(662)	(1,234)	(494)	41	(164)
Inventory			(90)	133		
Trade Receivables			6	54		
Trade Payables			(160)	(38)		
Other Operating Payables/Receivables & Funds			(990)	(643)		
- o/w Litigations & Settlements			(29)	-		
- o/w Payables vs. Personnel			(76)	48		
- o/w Personnel Exit (Fornero Law)			(267)	(350)		
- o/w VAT split payment			(373)	(13)		
- o/w Billing ⁽¹⁾			(114)	2		
- o/w Net Debts vs INPS			21	(54)		
- o/w Deferred Costs & Revenues			(143)	(151)		

(1) From payments in advance to payments in arrears

Domestic Results - Reported Figures

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Change YoY %	FY '19	Change YoY %
REVENUES	3,657	3,766	3,759	3,849	15,031	3,502	3,567	3,454	3,558	-7.6%	14,081	-6.3%
Services	3,294	3,354	3,397	3,307	13,352	3,155	3,231	3,128	3,075	-7.0%	12,588	-5.7%
Mobile Services	1,034	1,044	1,069	960	4,107	916	943	993	923	-3.8%	3,775	-8.1%
Retail	946	942	931	880	3,699	832	830	840	791	-10.1%	3,292	-11.0%
Wholesale and Other	88	102	138	80	408	84	114	153	133	65.5%	483	18.4%
Wireline Services	2,402	2,458	2,468	2,546	9,875	2,394	2,416	2,270	2,284	-10.3%	9,364	-5.2%
Retail	1,607	1,618	1,639	1,660	6,524	1,630	1,610	1,511	1,516	-8.7%	6,266	-3.9%
National Wholesale ⁽¹⁾	504	500	509	520	2,033	497	560	515	506	-2.7%	2,078	2.2%
International Wholesale	286	323	310	353	1,272	238	231	228	237	-32.9%	934	-26.6%
Subsidiaries, adj. and other	5	17	10	14	46	29	15	17	26		86	
Elimination & Other ⁽²⁾	(142)	(148)	(140)	(199)	(630)	(155)	(128)	(135)	(132)		(551)	
Equipments	363	412	362	542	1,679	347	336	326	483		1,493	
OPEX	2,211	2,175	2,057	2,633	9,076	2,055	2,265	1,918	2,498	-5.1%	8,736	-3.7%
EBITDA	1,446	1,591	1,702	1,216	5,955	1,447	1,302	1,536	1,060	-12.8%	5,345	-10.2%
<i>EBITDA Margin</i>	39.5%	42.2%	45.3%	31.6%	39.6%	41.3%	36.5%	44.5%	29.8%		38.0%	
EBITDA After Lease	1,365	1,501	1,626	1,133	5,625	1,377	1,233	1,469	992	-12.5%	5,071	-9.9%
<i>EBITDA AL Margin</i>	37.3%	39.9%	43.3%	29.4%	37.4%	39.3%	34.6%	42.5%	27.9%		36.0%	
CAPEX ⁽³⁾	507	705	675	3,631	5,518	455	659	585	1,213	-66.6%	2,912	-47.2%
<i>% on revenues</i>	13.9%	18.7%	18.0%	94.3%	36.7%	13.0%	18.5%	16.9%	34.1%		20.7%	
KPIs												
Headcount EoP	49,722	49,658	49,532	48,200	48,200	48,114	47,891	46,502	45,496	-5.6%		

(1) Restated to reflect organizational change

(2) Includes revenues from Persidera, whose sale was finalized on December 2nd, 2019

(3) Includes 630 mln € GSM Licences in 3Q'17 and €2,399m for 5G Licenses in 4Q'18

Domestic Wireline - Reported Figures

€m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19
KPIs	Δ % yoy					Δ % yoy				
ACCESS LINES ('000)										
Retail	10,845	10,644	10,450	10,149	10,149	9,876	9,530	9,305	9,085	9,085
VoIP included	11,285	11,203	11,102	10,864	10,864	10,580	10,223	9,994	9,764	9,764
Broadband	7,527	7,547	7,561	7,483	7,483	7,354	7,414	7,532	7,592	7,592
Consumer	6,101	6,132	6,169	6,106	6,106	6,001	6,075	6,201	6,282	6,282
Business	1,426	1,415	1,392	1,377	1,377	1,353	1,340	1,331	1,310	1,310
UBB ⁽¹⁾	2,484	2,776	2,990	3,214	3,214	3,400	3,497	3,565	3,670	3,670
Wholesale	8,065	8,078	8,114	8,063	8,063	8,093	8,079	8,050	8,051	8,051
Local Loop Unbundling (LLU)	5,241	5,011	4,788	4,444	4,444	4,149	3,900	3,710	3,525	3,525
Wholesale Line Rental	291	274	257	242	242	228	230	223	215	215
Bitstream Naked	1,228	1,194	1,165	1,115	1,115	1,100	1,081	1,041	1,001	1,001
UBB	1,306	1,598	1,904	2,262	2,262	2,616	2,869	3,076	3,309	3,309
ARPU (€/line/month)										
Consumer	32.6	33.0	34.9	35.5	34.0	35.6	35.7	33.9	34.2	34.9
Broadband	24.9	25.2	27.1	28.0	26.3	29.0	29.6	26.3	25.9	27.7
	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19
WIRESERVICE REVENUES	2,538	2,593	2,572	2,774	10,477	2,535	2,586	2,453	2,553	10,127
Wireline Service Revenues	2,402	2,458	2,468	2,546	9,875	2,394	2,416	2,270	2,284	9,364
Retail Services	1,607	1,618	1,639	1,660	6,524	1,630	1,610	1,511	1,516	6,266
o/w Broadband and content	563	569	614	634	2,380	645	647	590	588	2,470
o/w ICT Services	165	186	189	216	756	192	215	211	245	862
National Wholesale ⁽²⁾	504	500	509	520	2,033	497	560	515	506	2,078
International Wholesale	286	323	310	353	1,272	238	231	228	237	934
Subsidiaries, adj. and other	5	17	10	14	46	29	15	17	26	86
Equipments	136	135	104	228	602	141	170	183	269	763

(1) Including Fixed Wireless Accesses (FWA) from Q4'19; FWA not material in previous quarters (2) Restated to reflect organizational change

Legenda

Wireline - KPIs	
ACCESS LINES	
Retail	Fixed line physical accesses, including both voice and broadband (xDSL, FTTx)
VoIP included	Included in the counting also multiple VoIP lines on a single physical access line
Broadband	All active broadband lines, including xDSL and FTTx
Consumer	Active broadband lines on Consumer customers
Business	Active broadband lines on Corporate and Small/Medium enterprises
UBB	All active fiber line retail customers (FTTx and enterprise data lines) and Fixed Wireless Accesses (FWA)
Wholesale	Total number of wholesale lines
Local Loop Unbundling (LLU)	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	Total retail consumer service revenues divided by average active consumer lines (€/line/month)
Broadband	Total broadband revenues (Consumer+Business) divided by average active broadband customers (€/line/month)
Wireline - Revenues	
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
o/w Broadband and content	Data services (xDSL, FTTx), TIM Vision and other contents, TIM Game
o/w ICT Services	Cloud, Security, IT and other B2B services
National Wholesale	Revenues from OLOs, regulated and not regulated (organization view)
International Wholesale	TIM Sparkle Group revenues
Subsidiaries, adj. and other	Intercompany adjustment, elimination and national Subsidiaries (Telsy, TI Trust, Olivetti)
Equipments	Equipment sold, including consumer (routers, set-top-box, etc) and B2B (IRU, IT hardware, local networks equipment, etc)

Legenda

Mobile KPIs	
ACCESS LINES	
Total number of lines	Total mobile customer base, human and not human ('000)
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)
Churn Rate %	Percentage of line lost on average nr of lines in the reported period
Broadband Users	Mobile customers using data services
LTE Users	Mobile customer using (also) 4G (LTE) data services
USAGE	
Volumes of traffic	Incoming + Outgoing volumes net of Visitors, Roamers and MVNO (Noverca volumes included), mln of minutes
<i>Outgoing traffic volumes</i>	Outgoing voice traffic (mln of minutes), excluding Visitors and Roamers
<i>Incoming traffic volumes</i>	Total amount of incoming voice traffic excluding Visitors (mln of minutes)
Usage Voice	Average (human-lines) voice usage (min/human lines/month)
Usage Data	Average data usage (GB/broadband users/month) - Data volumes net of Visitors, Roamers and MVNO (Noverca volumes included)
ARPU	
Reported	Average Revenue per User (€ / line / month)
Human	Total retail service revenues divided by average customer base, human and not human (€/line/month)
	Total retail service revenues divided by average human customer base (€/line/month)
Mobile REVENUES	
MOBILE REVENUES	Total mobile revenues, including services, handsets and handsets bundle
Mobile Service Revenues	Mobile service revenues, including retail, wholesale and other
Retail Services	Retail service revenues, consumer and business including voice, messaging, browsing and content
<i>o/w Incoming</i>	Revenues for voice traffic terminated on TIM mobile customers including visitors
Wholesale and Other	Inwit revenues, colocation on mobile sites, MVNOs and visitors
Handsets and Handsets Bundle	Mobile handsets sales and handsets bundles

TIM Brasil Results - Reported Figures

R\$m, IFRS 9/15

UNAUDITED FIGURES

	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19					
KPI's - Mobile only															
	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy					
Total Penetration ⁽¹⁾	113.5%	113.2%	112.4%	109.9%	109.9%	99.6%	98.9%	98.4%	96.9%	96.9%					
Market Share on total lines	24.6%	-0.9pp	24.1%	-1.1pp	24.0%	-0.6pp	24.4%	-0.4pp	24.4%	-0.4pp					
Total Lines ('000) ⁽²⁾	57,894	-6.4%	56,554	-7.0%	56,241	-5.3%	55,923	-4.6%	55,923	-4.6%					
TOTAL ARPU ⁽³⁾	21.7		21.9		22.6		23.7		22.5						
TOTAL MOU ⁽⁴⁾	115	+8.0%	122	+15.0%	129	+16.0%	127	+10.6%	123.4	+12.0%					
	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19					
MAIN RESULTS (IAS/IFRS)						Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy	Δ % yoy					
REVENUES Reported	4,120	4,162	4,242	4,457	16,981	4,191	1.7%	4,263	2.4%	4,337	2.2%	4,586	2.9%	17,377	2.3%
o/w services	3,986	3,968	4,031	4,221	16,206	4,025	1.0%	4,063	2.4%	4,152	3.0%	4,357	3.2%	16,597	2.4%
o/w handsets	134	194	211	236	775	166	23.9%	200	3.1%	185	-12.3%	229	-3.0%	780	0.6%
EBITDA Reported	1,407	1,508	1,594	1,807	6,316	1,485	5.5%	4,253	182.0%	1,812	13.7%	1,955	8.2%	9,505	50.5%
EBITDA margin	34.2%	36.2%	37.6%	40.5%	37.2%	35.4%	1.2pp	99.8%	63.6pp	41.8%	4.2pp	42.6%	2.1pp	54.7%	17.5pp
EBITDA Organic	1,407	1,508	1,594	1,805	6,314	1,485	5.5%	1,603	6.3%	1,702	6.8%	1,955	8.3%	6,745	6.8%
EBITDA margin	34.2%	36.2%	37.6%	40.5%	37.2%	35.4%	1.2pp	37.6%	1.4pp	39.2%	1.6pp	42.6%	2.1pp	38.8%	1.6pp
CAPEX Reported	613	981	866	1,371	3,831	650	6.0%	945	-3.7%	924	6.7%	1,334	-2.7%	3,853	0.6%
% on revenues	14.9%	23.6%	20.4%	30.8%	22.6%	15.5%	0.6pp	22.2%	-1.4pp	21.3%	0.9pp	29.1%	-1.7pp	22.2%	-0.4pp
	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19					
Exchange rate AVG YTD (R\$ vs. euro)	3.99014	4.14011	4.29236	4.30628	4.30628	4.27983	#####	4.36545	4.41422	4.41422					

(1) New source: Anatel (2) Includes company lines (3) Gross of visitors (4) Minutes of usage, net of visitors

Reported & Organic Figures: YoY trends

€m

UNAUDITED FIGURES

	Q4 '18					Q4 '19			Δ% yoy reported	Δ% yoy organic ⁽¹⁾
	Reported Figures	Non Organic elements		Non recurring items	Organic figures (*)	Reported Figures	Non recurring items	Organic figures (*)		
		Change in consolid. area	Exchange rate impact							
REVENUES	4,863	(6)	(45)	(62)	4,874	4,554	-	4,554	-6.4%	-6.6%
Domestic	3,849	(6)	2	(62)	3,907	3,558	-	3,558	-7.6%	-8.9%
Brazil	1,025	-	(47)	-	978	1,007	-	1,007	-1.8%	2.9%
Other Activities & Eliminations	(11)	-	-	-	(11)	(11)	-	(11)		
EBITDA	1,625	(3)	(19)	(280)	1,883	1,481	(371)	1,852	-8.9%	-1.6%
Domestic	1,216	(3)	-	(281)	1,494	1,060	(364)	1,424	-12.8%	-4.7%
Brazil	417	-	(19)	1	397	423	(7)	430	1.4%	8.3%
Other Activities & Eliminations	(8)	-	-	-	(8)	(2)	-	(2)		
EBITDA AL	1,526	(3)	(19)	(280)	1,784	1,395	(371)	1,766	-8.6%	-1.0%
Domestic	1,133	(3)	-	(281)	1,411	992	(364)	1,356	-12.5%	-3.9%
Brazil	400	-	(19)	1	380	406	(7)	413	1.6%	8.7%
Other Activities & Eliminations	(7)	-	-	-	(7)	(3)	-	(3)		
EBIT	(56)	(1)	(7)	(870)	806	341	(389)	730		-9.4%
Domestic	(235)	(1)	-	(871)	635	162	(382)	544		-14.3%
Brazil	186	-	(7)	1	178	181	(7)	188	-2.7%	5.7%
Other Activities & Eliminations	(7)	-	-	(7)	(7)	(2)	-	(2)		

(1) Organic: excluding exchange rate fluctuations & non-recurring items