9M 2024 Results

14 November 2024

TIM
THE POWER OF CONNECTIONS

Disclaimer

This presentation contains statements that constitute forward looking statements regarding the intent, belief or current expectations of future growth in the different business lines and the global business, financial results and other aspects of the activities and situation relating to the TIM Group. Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward-looking statements as a result of various factors. Consequently, TIM makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward- looking statements. Forward- looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward- looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results.

Analysts and investors are cautioned not to place undue reliance on those forward -looking statements, which speak only as of the date of this presentation.

The 9M ‘24 “Like-for-Like” Financial Results and the information contained herein have been prepared by TIM’s management for information and illustration purposes only.

Such Financial Results are prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the EU (designated as “IFRS”).

Please note that the 9M ‘24 “Like-for-Like” Financial Results 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 nine months 2024** financial and operating results are based on:
  - **First half “like-for-like” estimate of revenues, OPEX and CAPEX division between TIM and NetCo** components, considering the final perimeter by **simulating** the impact of the relationship between TIM and NetCo as regulated by the Master Service Agreement (MSA)
  - **Third quarter results** based on the **effective** impact of the relationship between TIM and NetCo as regulated by the MSA and the Transitional Services Agreement (TSA)
- **TIM Group nine months 2023 figures are based on “like-for-like” estimate of revenues, OPEX and CAPEX division between TIM and NetCo** components, considering the final perimeter by **simulating** the effect as the transactions occurred in Jan. 2023 (to guarantee a “like-for-like” comparison YoY)
- **TI Sparkle** is currently considered **into TIM Domestic perimeter**

Solid 9M results…

Organic figures, €bn and YoY trend (1)

	Revenues	EBITDA After Lease	CAPEX	EBITDA AL minus CAPEX	Net Debt After Lease
Group	10.7bn +3.4%	2.7bn +11.1%	1.3bn 12.5% on revenues	1.4bn +34.5%	8.0bn 2.2x leverage (2)
Domestic	7.4bn +1.8%	1.5bn +8.3%	0.8bn 10.5% on revenues	0.7bn +37.5%	

(1) Group figures at average exchange-rate YTD 5.69 R$/€. Excluding non-recurring items and exchange rate fluctuations. Including TSA from Q3 '24, with positive contribution to 9M '24 Revenue growth YoY (+0.1pp Group, +0.2pp Domestic) and EBITDA AL growth YoY (+0.4pp Group, +0.8pp Domestic) (2) Adjusted Net Debt AL / LTM Organic EBITDA AL "like-for-like"

... backing strong delivery in FY

Group Revenues and EBITDA AL in line/above FY guidance

Domestic Revenues and EBITDA AL on track, acceleration expected in Q4

Domestic EBITDA AL growing at a faster pace than revenues

TIM Brasil with significant topline and EBITDA AL growth, robust cash generation

Planned Net Debt reduction on track

Financial & operational update

TIM Consumer – Volume to value strategy paying off in a competitive market

Q3 competitive environment

Wireline	Broadly stable, despite increasing pressure from energy players
Mobile	Competitive on low-end, top-end marginally more rationale, record-low market MNP volume

TIM Consumer strategy in motion

Continued focus on **back-book price increases** without compromising **customer NPS** and **churn**...

...while gaining traction on **customer platform**

CONSUMER

- Improving customer volumes, higher ARPU, stable churn
- Increasing contribution of TIM Vision
- Top line flat in Q3

SMB

- Double digit growth of ICT service revenues
- Fixed ARPU increase
- Top line flat in Q3

TIM Consumer – Topline stabilization ongoing

Organic figures, YoY trend [1]

	9M '24
Revenues	≃ -0.1% in Q3
Service revenues	+0.2% -0.3% in Q3
o/w Retail (CO+SMB)	-0.2% -0.2% in Q3
o/w Wholesale & other	+4.6% -0.8% in Q3

In line with FY guidance
(service revenues broadly stable YoY)

	CONSUMER FIXED			CONSUMER MOBILE		
	Q1 '24	Q2	Q3	Q1 '24	Q2	Q3
ARPU €/month	29.2	30.4	30.6	10.6	10.5	10.8
ARPU YoY	6.9%	8.1%	8.1%	(0.6%)	(1.6%)	(1.7%)
CB K lines	6,473	6,389	6,321	14,734	14,640	14,557
CB Net adds QoQ	(81)	(84)	(68)	(162)	(94)	(83)
CHURN monthly avg	1.3%	1.2%	1.2%	1.7%	1.6%	1.6%

Consumer Mobile ARPU: ARPU Human calling; Churn: Human only

TIM Vision

ARPU: +23% (9M '23 → 9M '24)

TIM Vision revenues: +14% (9M '23 → 9M '24)

Higher TIM Vision contribution

SMB

ARPU Fixed: +3% (9M '23 → 9M '24)

ICT fixed service revenues: +10% (9M '23 → 9M '24)

SMB focusing on ICT to increase ARPU

(1) Including MSA (€ 41m in 9M '24 and € 41m in 9M '23)

TIM Enterprise - Topline accelerating thanks to further expansion in ICT market

Q3 competitive environment

Core Telco	Substantially stable
IT	Market growing as expected, driven by migration to Cloud by Public Administrations and Corporates

TIM Enterprise strategy in motion

Best-in-class ICT player...

...delivering robust and sustainable **growth fueled by ICT revenues**...

...while **defending core telco business**

- Significantly outgrowing the market also in Q3 thanks to ICT (primarily Cloud, Security and IoT services)
- Record-high value of contracts signed YTD
- Cloud gaining traction beyond expectations benefitting from NSH ramp-up

TIM Enterprise – Strong growth fueled by ICT

Organic figures, YoY trend (1)

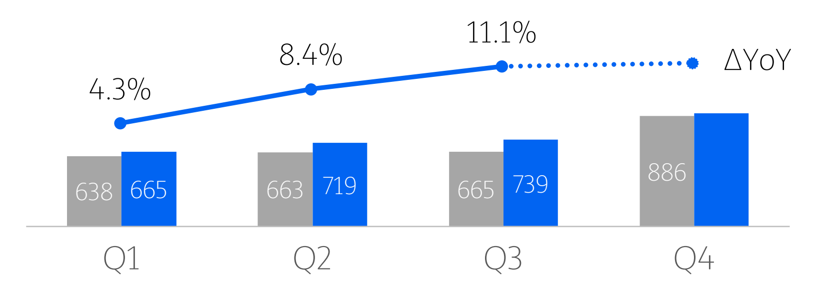
	9M '24
Revenues	**+5.8%** +7.7% in Q3
Service revenues	**+8.0%** +11.1% in Q3

In line with guidance

6% CAGR '23-'26

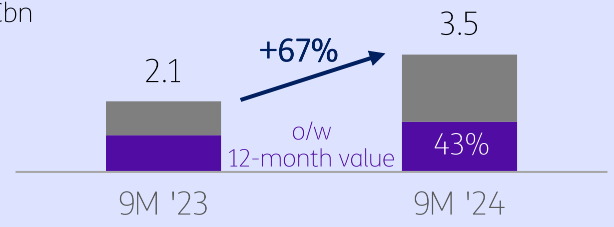
Service revenues growth accelerating

€m and YoY trend



Value of contracts signed **+67% YoY**

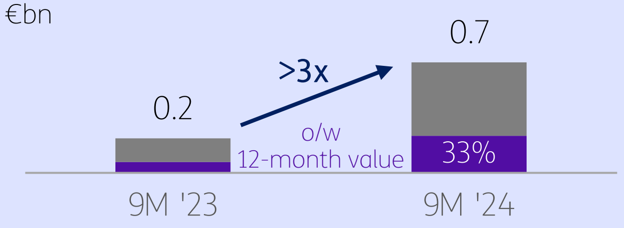
Total value of contracts signed
€bn



~26k deals closed in 9M '24

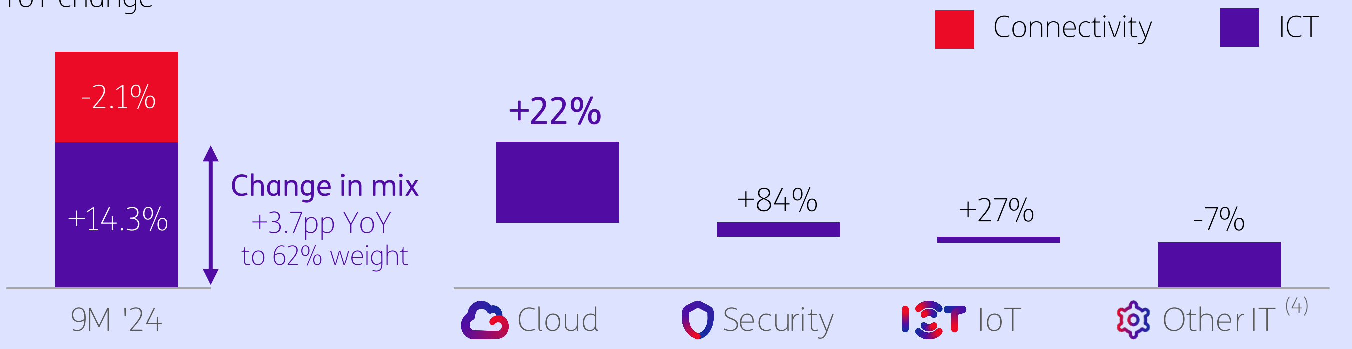
NSH ramping up (2)

Total value of NSH contracts signed
€bn



Change in mix ongoing with double-digit ICT growth and Connectivity moderate decline

Enterprise service revenues by line of business (3)
YoY change



(1) Including MSA and TSA from Q3 '24 (€76m in 9M '24 and €60m in 9M '23) (2) National Strategic Hub (3) Excluding MSA (4) Including services of network management and device, ICT products and application services

TIM Brasil - Continued growth of top-line and margins, sound cash generation

Q3 competitive environment

Mobile	Three-players market, overall rational and healthy, slightly higher competition in pre-paid, exponential growth opportunity in B2B verticals
Wireline	Highly fragmented and competitive broadband market

TIM Brasil strategy in motion

Uniquely positioned to become the **most preferred mobile operator**...

...while unlocking **new growth opportunities in B2B**...

...and maintaining a selective expansion plan to support **sustainable revenues growth in broadband**

- Continuing growth of top-line led by ARPU and customer base increase
- Persistent growth in contracted revenues for B2B customers
- Focus on margins' expansion and cash generation

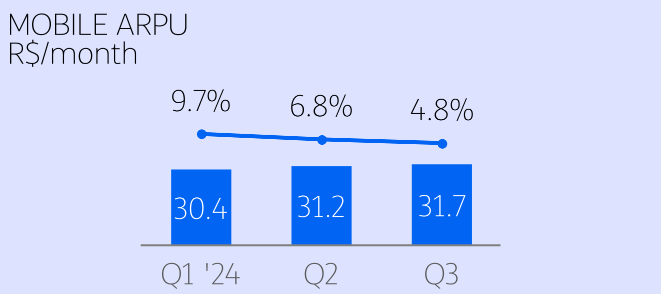
TIM Brasil - Strong growth driven by service revenues and operational excellence

Organic figures, YoY trend (1)

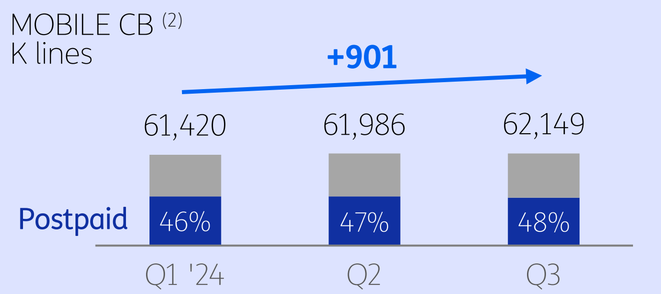
	9M '24
Service Revenues	**+7.1%** +6.0% in Q3
Mobile	**+7.3%** +6.3% in Q3
Fixed	**+4.4%** +2.8% in Q3
EBITDA	**+9.0%** +7.3% in Q3
EBITDA AL	**+14.4%** +8.5% in Q3
CAPEX	**-1.1%** to 3.2bn R$
EBITDA AL-CAPEX	**+30.9%** +23.0% in Q3

On track

Value strategy supporting ARPU growth



CB increase driven by Postpaid



TIM Ultrafibra sustaining the pace

Highest ARPU ever
R$ 99.0 in Q3 (+3.2% YoY)

Steady customer base
793k lines in Q3 (+0.3% YoY)

B2B IoT solutions keeps evolving

Contracted Revenues
R$ 613m, 10x growth in 2 years

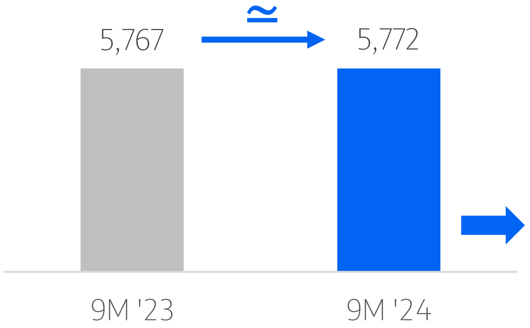
Coverage as a service
new contracts signed

(1) Average exchange-rate YTD @ 5.69 R$/€ (2) Including company lines (24k in 2023 and 2024)

Domestic OPEX fully under control, CAPEX soft due to phasing

Domestic OPEX flat YoY

Domestic OPEX (€m)

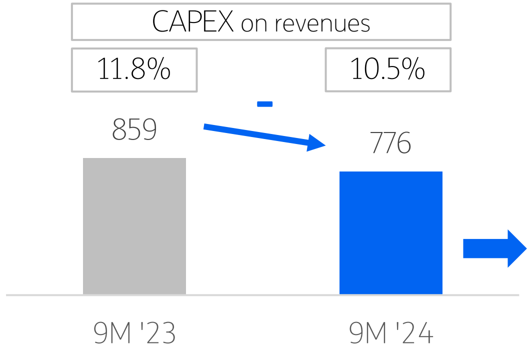


	weight (1)	Δ YoY
Revenue driven	51%	+4%
MSA	24%	-4%
Labour	13%	-6%
Industrial	8%	+9%
G&A & IT	3%	-1%
Other (1)	1%	-59%

- OPEX flat notwithstanding higher revenue-driven costs
- ~25% of OPEX are MSA-related, no contractual commitments
- **Increase of OPEX efficiency expected to continue in coming quarters**

Domestic CAPEX soft due to phasing

Domestic CAPEX (€m) (2)



	weight
Mobile & backbone IP	33%
Customer driven	23%
IT	17%
Data Centers	10%
Sparkle	10%
Other	7%

- Lower CAPEX in Jul./Aug. due to handover activities post NetCo disposal
- Acceleration in CAPEX already in September
- **Partial catch-up expected in Q4**

Transformation plan execution on track: €171m EBITDA AL-CAPEX savings achieved in 9M (78% of FY target)

Customer care automation, digitization and insourcing

Bad debt optimization and revenue assurance excellence program

IT consolidation and operating model review

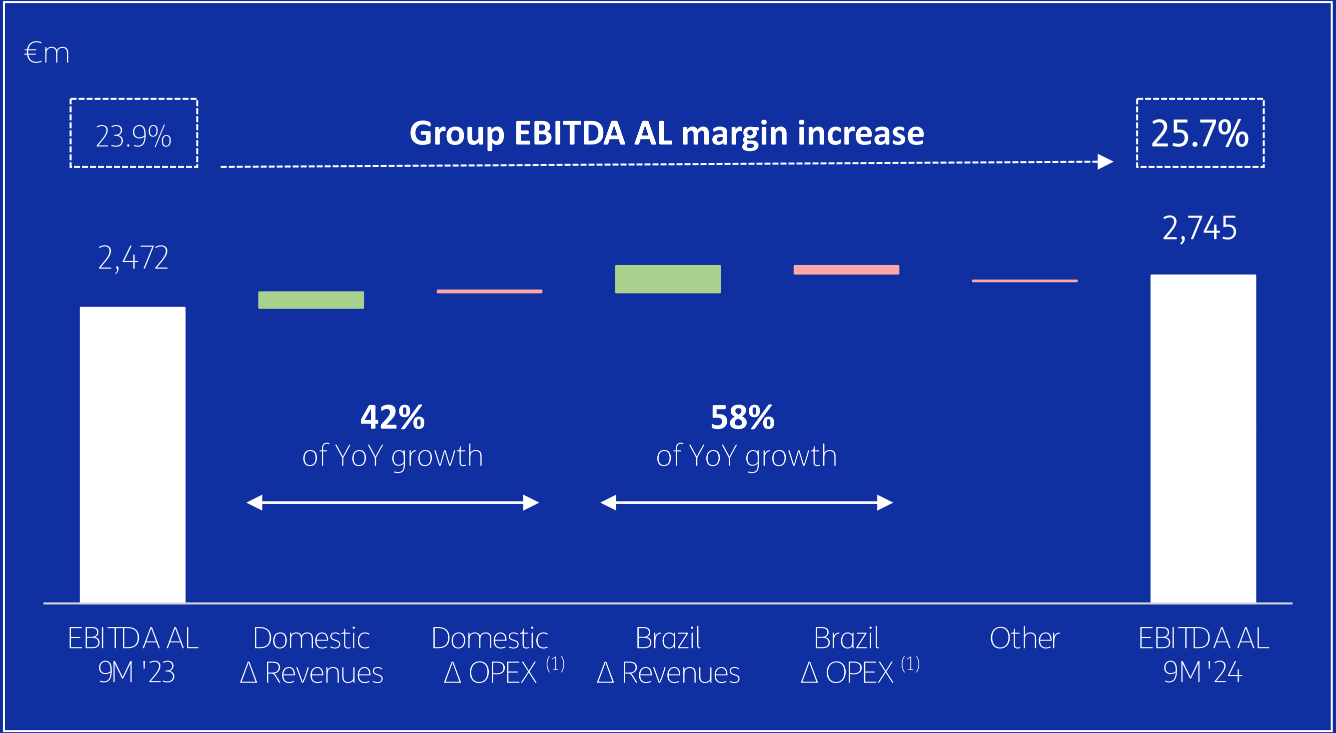
Interconnection margin improvement and mitigation of grey routes

(1) Excludes capitalized costs and other income (2) Net of licences

TIM Group

EBITDA AL growth driven by both Domestic and Brazil

Organic figures, YoY trend



Profitability increasing across Domestic and Brazil

- **Group EBITDA AL margin** +1.8pp to 25.7% (**Domestic** +1.2pp, **Brazil** +2.4pp)
- **Higher revenues**, growth driven by **beyond connectivity** services on Domestic and postpaid performance in Brazil
- **Increase in revenue-driven costs** compensated by **continued cost efficiencies**

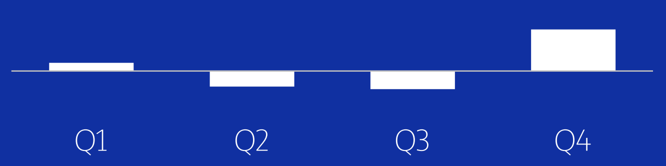
(1) Including lease expenses (+11m YoY Domestic, -23m YoY Brazil)

Planned Net Debt reduction on track

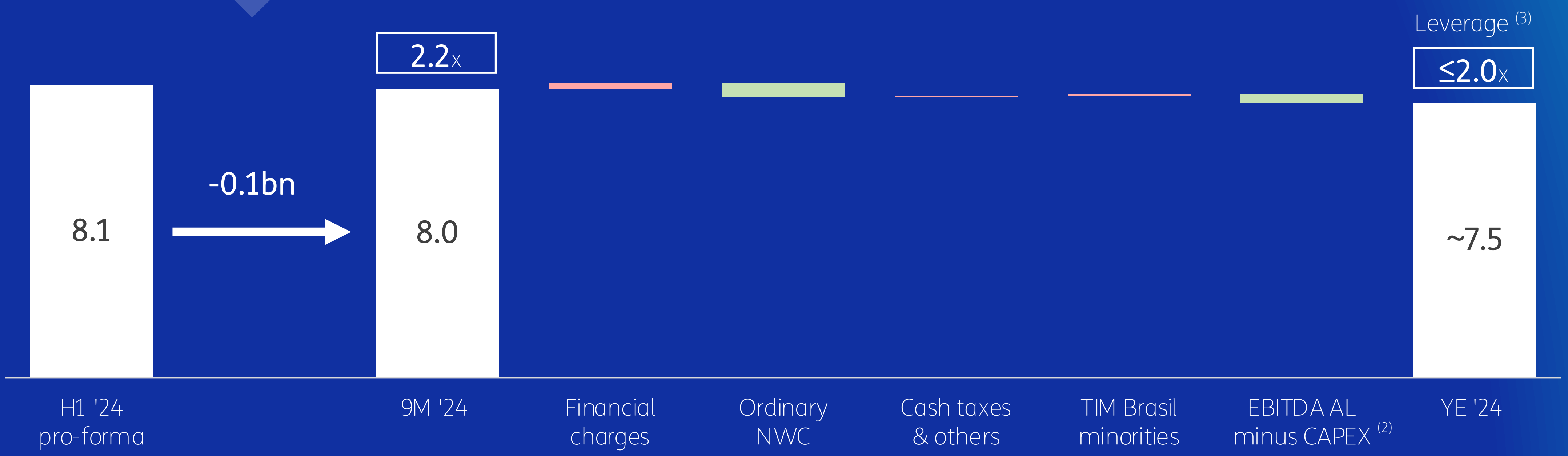
Adjusted Net Debt After Lease, €bn

EBITDA AL minus CAPEX	0.6
Ordinary NWC	(0.3)
Financial charges	(0.1)
Cash taxes and other	0.1
TIM Brasil minorities	(0.05)

Positive NWC seasonality in Q4



Excluding c. 0.25bn cash-in from Inwit stake disposal expected on Nov. 29th



(1) Excluding extraordinary items (advance received on NRRP contributions in Q4 '23 and change in payables for mobile telephone licenses)
(2) Organic EBITDA AL "like-for-like" minus CAPEX net of licences (3) Adjusted Net Debt AL / LTM Organic EBITDA AL "like-for-like"
Figures may not add up due to roundings

2024 setting the stage for future growth

New Group up and running

Strong performance year to date, guidance confirmed

Higher financial flexibility

Closing and cash-in of Inwit stake disposal expected on 29 November (@ € 10.43 per share)

Q&A

Annex

9M results in line or above FY guidance

Organic figures, YoY trend (1)

	H1 '24	9M '24	2024 guidance	
Revenues (2) o/w Domestic	+3.5% +1.6%	+3.4% +1.8%	+3-4% +2-3%	**9M growth in line with FY guidance**
EBITDA AL (2) o/w Domestic	+13.0% +8.8%	+11.1% +8.3%	+8-9% +9-10%	**Growth above FY guidance at Group level** Domestic on track, further acceleration in Q4
CAPEX on revenues o/w Domestic	13.5% 11.2%	12.5% 10.5%	~15% ~14%	**Q3 light on CAPEX** due to phasing, partial catch up of Domestic CAPEX in Q4
EBITDA AL – CAPEX o/w Domestic	+36.6% +35.4%	+34.5% +37.5%	+15-17% +11-12%	**Growth above FY guidance** driven by higher EBITDA AL and lower Capex
Leverage (3)	2.2x	2.2x	≤2.0x	**Net Debt reduction** progressing as planned

TIM

(1) Excluding non-recurring items and exchange rate fluctuations. Group figures at average exchange-rate YTD 5.69 R$/€ (FY '24 guidance at 5.40 R$/€)
(2) Including TSA from Q3 '24, with positive contribution to 9M '24 Revenue growth YoY (+0.1pp Group, +0.2pp Domestic) and EBITDA AL growth YoY (+0.4pp Group, +0.8pp Domestic)
(3) Adjusted Net Debt AL / LTM Organic EBITDA AL "like-for-like". FY '24 leverage target excluding the disposal of Inwit stake expected on November 29th

Guidance 2024-'26

Organic data (1), € bn, including Sparkle (2)

	TIM Group			o/w TIM Domestic		
	2023 pro-forma (3)	2024	2026	2023 pro-forma (3)	2024	2026
Revenues	14.4	3-4% growth	~3% '23-'26 CAGR	10.0	2-3% growth	~2% '23-'26 CAGR
EBITDA After Lease	3.5	8-9% growth	~8% '23-'26 CAGR	1.9	9-10% growth	9-10% '23-'26 CAGR
CAPEX net of licences	2.1	~15% on revenues	~14% on revenues	1.3	~14% on revenues	~13% on revenues
EBITDA AL minus Capex	1.3	15-17% growth	~2.2	0.6	11-12% growth	~1.1
Leverage	3.8x (4) as is		1.6-1.7x (5) @ target	excl. shareholders remuneration		

(1) Excluding exchange rate fluctuations, non-recurring items and change in consolidation area. Group figures @ avg. exchange-rate 5.40 R$/€ (2) Sparkle financials: Revenues net of intercompany ~€ 0.8bn in '23, ~€ 0.9bn in '24 and '26; EBITDA AL ~€ 0.1bn in '23, ~€ 0.2bn in '24 and '26; CAPEX ~€ 0.1bn in '23 and '24, ~€ 0.2bn in '26 (3) Preliminary unaudited figures (4) Leverage at FY '23 based on old Group view (5) Computed as Group Net Debt AL less expected deleverage from NetCo disposal, divided by Group Adj. Organic EBITDA AL less NetCo EBITDA AL

TIM Group

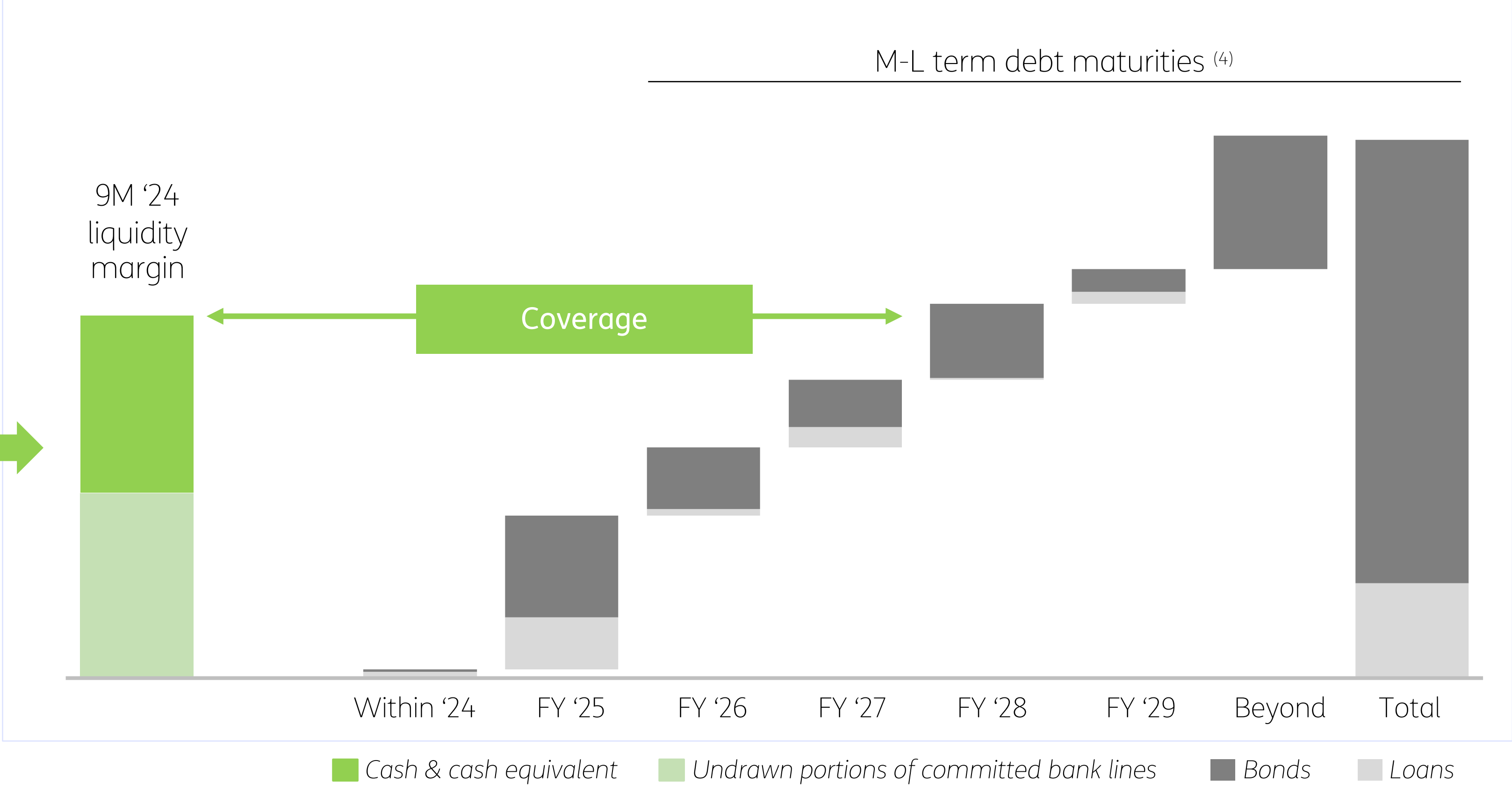
Capital structure

After Lease view, €bn

	9M '24
Gross Debt AL (1)	12.4
Bonds (2)	9.8
Banks & EIB	2.1
Other	0.5
Financial assets (1)	4.4
Liquidity position (3)	3.9
Other	0.5
Net Debt AL	8.0
Avg. cost of debt	~5.6% (~5.8% in H1 '24)

~5.4% in Q3 '24

Liquidity margin covering debt maturities until 2028



(1) Net of the adjustment due to the fair value measurement of derivatives and related financial liabilities/assets (2) "Accounting" amount including amortized costs (e.g. issue premiums/ discounts) and interests accrued and not yet collected (3) Including € 0.1bn securities pledge against a bank guarantee (4) Nominal amount. **Average maturity:** 5.2 years (bond 5.8 years)

Further questions

please contact the IR team

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