



Q1 2026 results

7 May 2026





#1 Key messages

Pietro Labriola, **Group CEO**



Highlights

Q1 2026 results

In line with expectations

2026 Guidance

Confirmed

Tower strategy

Revised

Saving shares conversion

On schedule

Poste full voluntary public tender and exchange offer

BoD advisors appointed



#2 Q1 2026 Results

Pietro Labriola, **Group CEO**
Piergiorgio Peluso, **Group CFO**



Q1 '26 Results in line with expectations including MVNO phasing

Organic figures ex Sparkle, €bn and YoY trend ⁽¹⁾



FY '26 guidance

⁽¹⁾ Group figures at average exchange-rate 6.16R\$/€. Excluding non-recurring items and exchange rate fluctuations reported EBITDA AL growth of 7.8% reflects the different accounting treatment of the renegotiated sale-leaseback contracts with American Tower, recorded as EBIT at TIM Group level and as operating income (benefiting EBITDA) under Brazilian GAAP (IFRS Brasil)

⁽²⁾ Adjusted Net Debt After Lease / Organic EBITDA After Lease

⁽³⁾ TIM Brasil S.A.



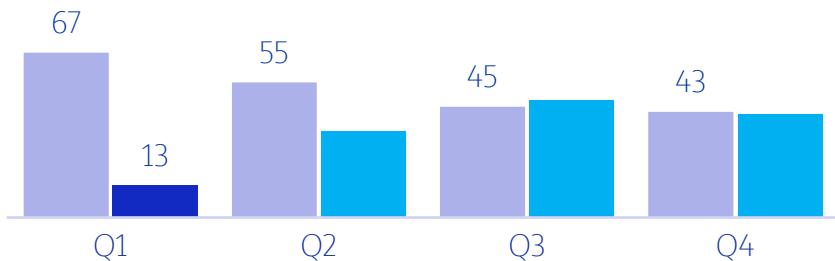
MVNO phasing already included in the plan, EBITDA AL acceleration skewed to H2, FY guidance confirmed

MVNO revenues

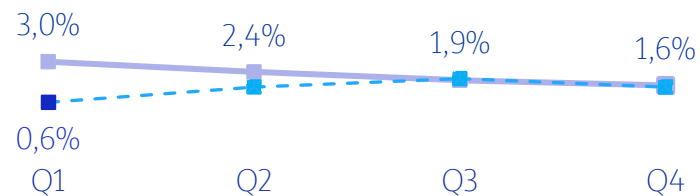
€m ■ 2025 ■ 2026 actual ■ 2026 expected

MVNO phasing in H1

MVNO stabilization in H2



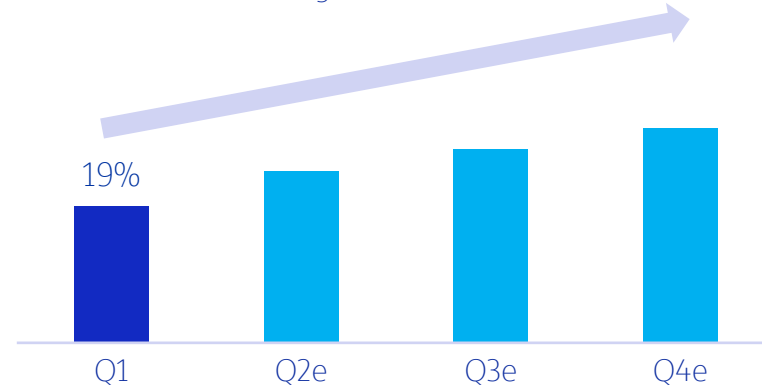
Weight on domestic revenues



Domestic EBITDA AL

2026 phasing

% weight on FY EBITDA AL



Domestic EBITDA AL expected acceleration driven by:

- MVNO stabilization in H2
- TIM Consumer price up campaign
- TIM Enterprise favourable seasonality in Q4
- Cost transformation delivery



TIM Consumer - Resilient top line

Organic figures, €bn and YoY trend

Q1 '26 Revenues

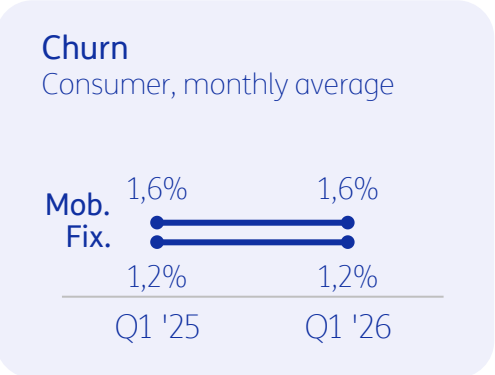
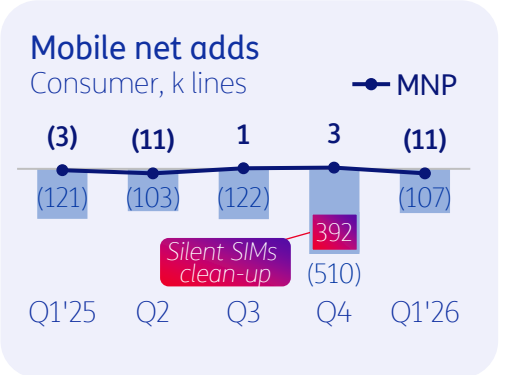
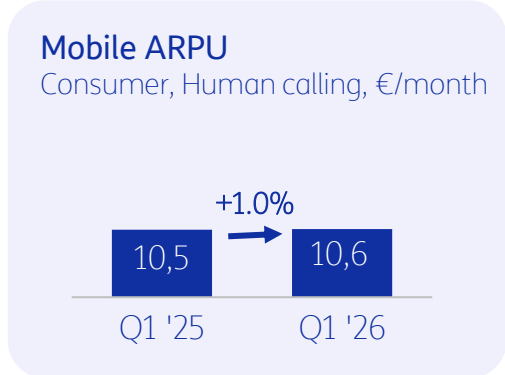
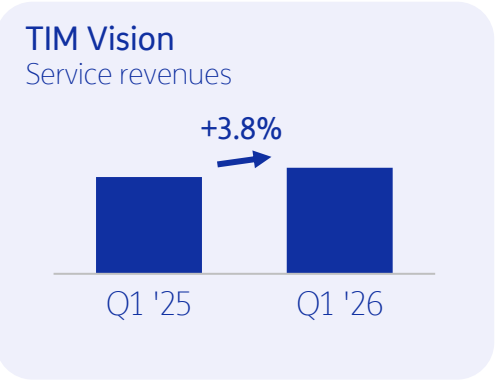
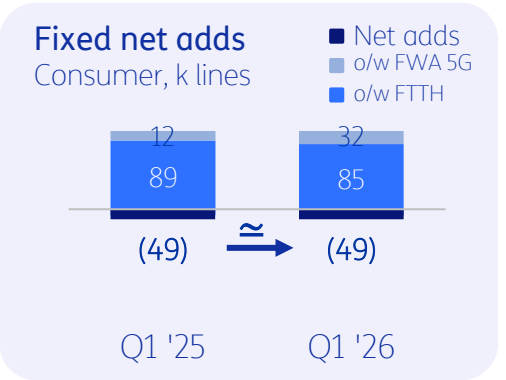
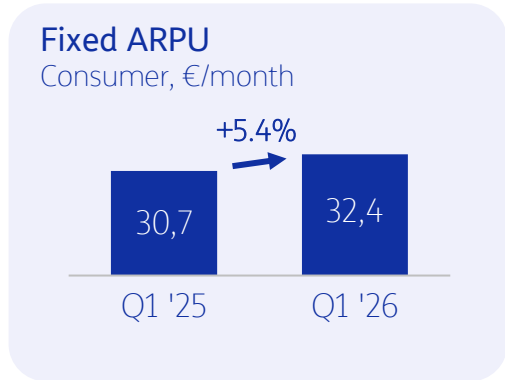
TIM Consumer

1.4bn
 -3.0% (+0.6% ex. MVNO)
 o/w services -1.8% (+2.2% ex. MVNO)

Retail services +0.4% YoY,
Wholesale impacted by MVNO phasing

- **Repricing campaign:** Consumer 2.5m fixed + 1.0m mobile lines / SMB 0.3m fixed + 0.4m mobile lines
- **Fixed:** Consumer ARPU up mid single-digit YoY, continued push on FTTH and FWA 5G
- **Mobile:** Consumer ARPU up low single-digit YoY, MNP balance broadly neutral, better net adds trend both QoQ and YoY
- **Network quality:** TIM ranks #1 for consistent quality both on fixed and mobile ⁽¹⁾
- **TIM Vision** revenues continued growth

KPIs



(1) According to OpenSignal. Sources: 'Opensignal Awards - Europe: Fixed Broadband Experience Report', Feb. 2026; 'Opensignal Awards - Italy: Mobile Network Experience Report', Dec. 2025



TIM Consumer - Launching 'TIM Premium', a premium offer ready for AI, gaming and streaming powered by a future-proof network

Market context

Unprecedented bandwidth demand building up driven by:

- Generative AI
- 4K/8K streaming
- Multi-device hyper-connectivity



TIM's **unmatched fiber and 5G infrastructure** positions it as **the best Italian operator** to sustain this transition

Five key target segments

#1

Sports & live event fans

Need for congestion-resistant connectivity for real-time sharing in crowded venues

#2

Influencers

Need for multi-platform streaming, cloud editing, & real-time audience interaction

#3

Streaming & gaming families

Need for 4K TV streaming and cloud multiplayer gaming without interruption

#4

Students & AI power users

Need for AI tools, collaboration platforms, and VR simulations

#5

Smart workers

Need for cloud software, real-time collaboration, and VR-enabled design

TIM Premium

A new high-performance network concept, combining:

- ✓ Best in class performances
- ✓ Additional premium services
- ✓ Enhanced security coverage



TIM Enterprise - Consistent growth trajectory supported by Cloud Services

Organic figures, €bn and YoY trend

Q1 '26

Revenues

TIM
Enterprise

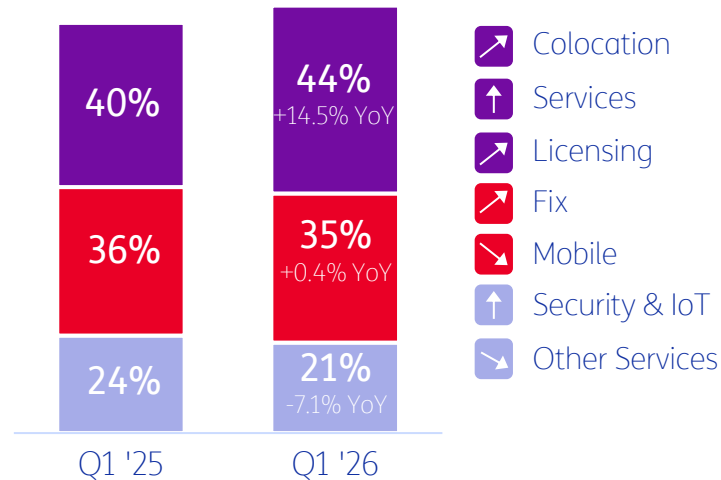
0.8bn
+3.2%
o/w services +4.2%

- **Consistent revenue growth**
- **Cloud:** Strong growth engine with 44% of service revenues mix
- **Connectivity:** Stable YoY thanks to positive Winter Olympic Games one-off impact
- Continued progress on Digital Sovereignty services implementation
- **Strong Security and IoT performance**
- **Reduction of low-margin IT sales**

Service revenue mix

Weight on tot. and YoY change

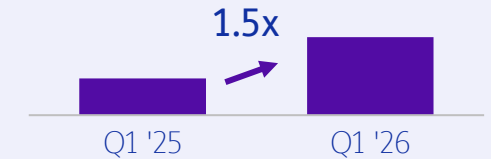
■ Cloud ■ Connectivity ■ Other IT



- ↗ Colocation
- ↑ Services
- ↗ Licensing
- ↗ Fix
- ↘ Mobile
- ↑ Security & IoT
- ↘ Other Services

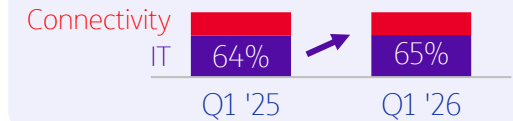
KPIs

Revenues from NSH ⁽¹⁾



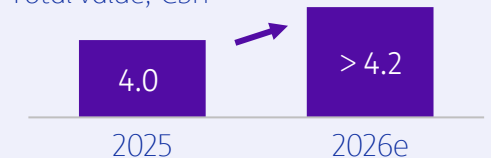
Change in revenue mix

% of service revenues



Contracts backlog ⁽²⁾

Total value, €bn



(1) National Strategic Hub

(2) Revenues from signed contracts to be delivered



TIM Enterprise - Investing to become Italy's Digital Sovereignty champion

In December 2025, TIM launched a **CEO-led strategic initiative** to become **Italy's leading sovereign ICT provider**
Building on NSH expertise, **TIM aims to extend sovereign technology solutions to private sector players managing critical data**



INTEGRATED PROPRIETARY NETWORK & CLOUD INFRASTRUCTURES

Ongoing investment in secure, proprietary cloud and connectivity platforms to deliver scalable, trusted, and mission-critical services

SOVEREIGN CLOUD & AI POSITIONING

Positioning as a sovereign AI platform provider to enable independent software vendors, startups and developers with secure, high-performance sovereign infrastructure for AI workloads

TRUSTED HYPERSCALER PARTNER

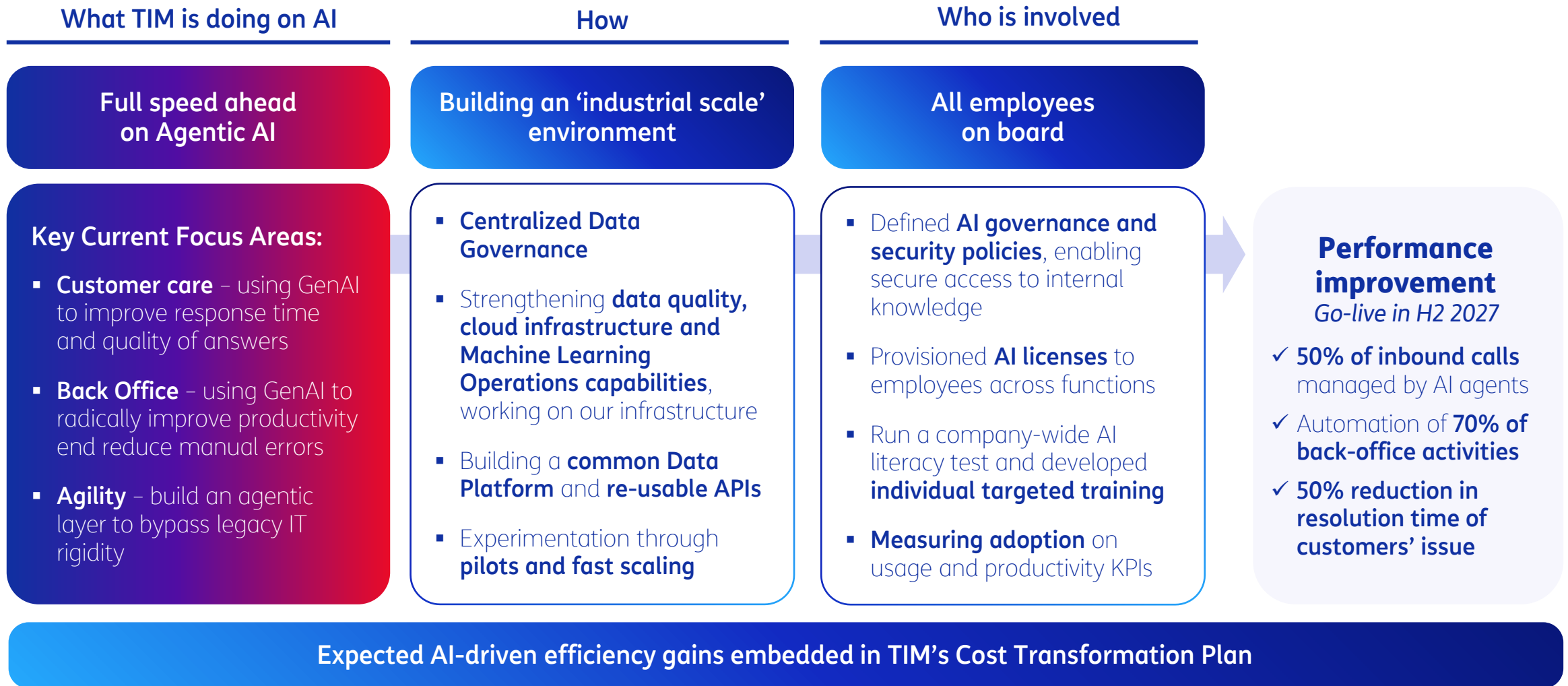
Leveraging hyperscaler partnerships to act as the trusted guarantor of sovereign cloud solutions for Italian enterprises

TIM Enterprise unique positioning

- **16 Data Centers** integrated with **proprietary Network Backbone**
- Proven expertise in **Sovereign Cloud Platforms** (leading provider for the NSH serving **650+ Public Customers**)
- **Key competencies (2000+ Certifications)** to provide Sovereign Solutions
- **Pervasive sales, pre/postsales force (~1600 FTE)** to drive service adoption to Public and Private Customers
- Total **TIM Enterprise investments on Sovereignty assets** (2026-'28): **~€ 500m**



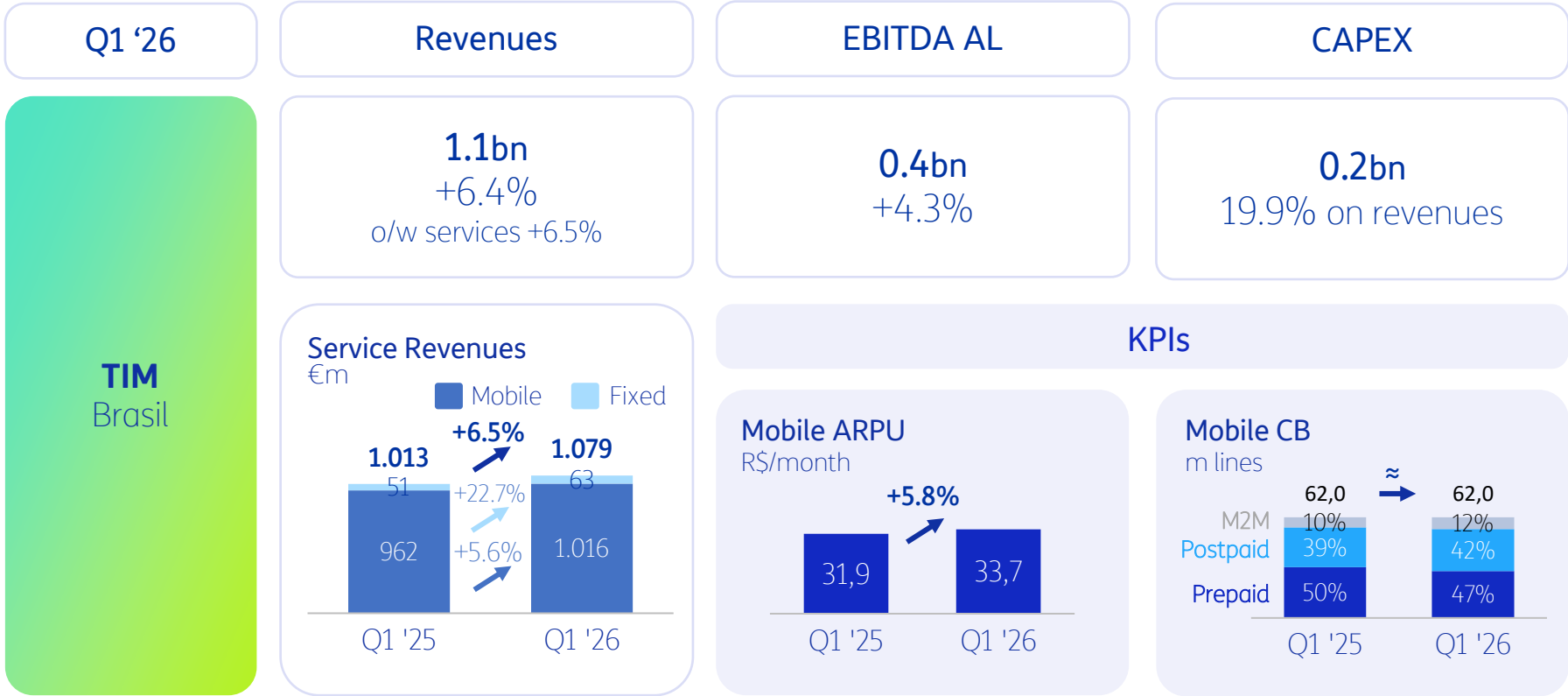
TIM Domestic - Deploying Agentic AI for better services and leaner operations





TIM Brasil - Further delivering on operational excellence

Organic figures, €bn and YoY trend ⁽¹⁾



- Q1 results in line with plan, revenues and EBITDA AL growing above inflation ⁽²⁾
- EBITDA AL growth and CAPEX discipline driving continued cash generation (+8.5% YoY)
- TIM S.A. minority shareholders remuneration: ~€26m in Q1 '26

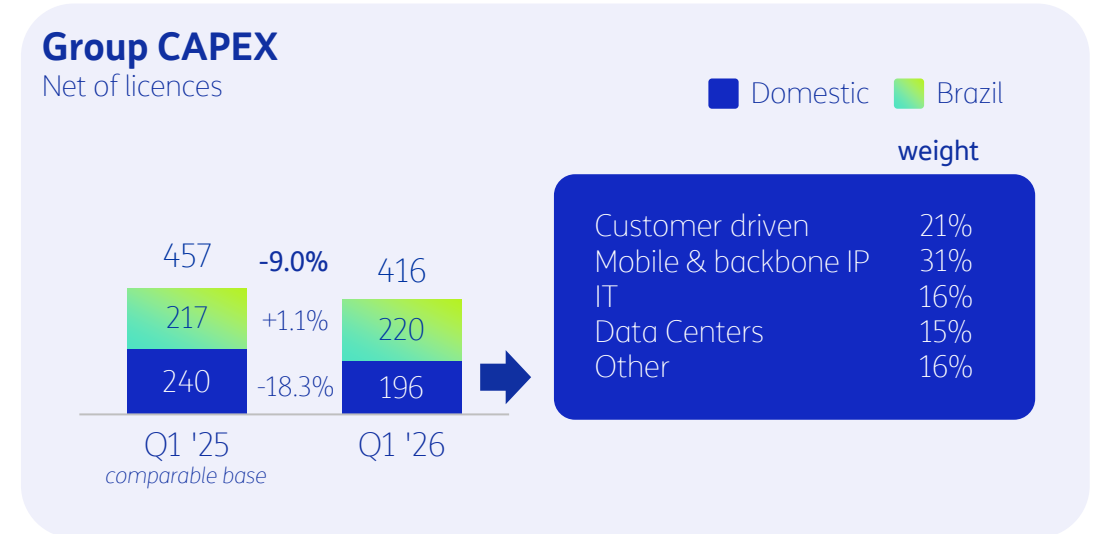
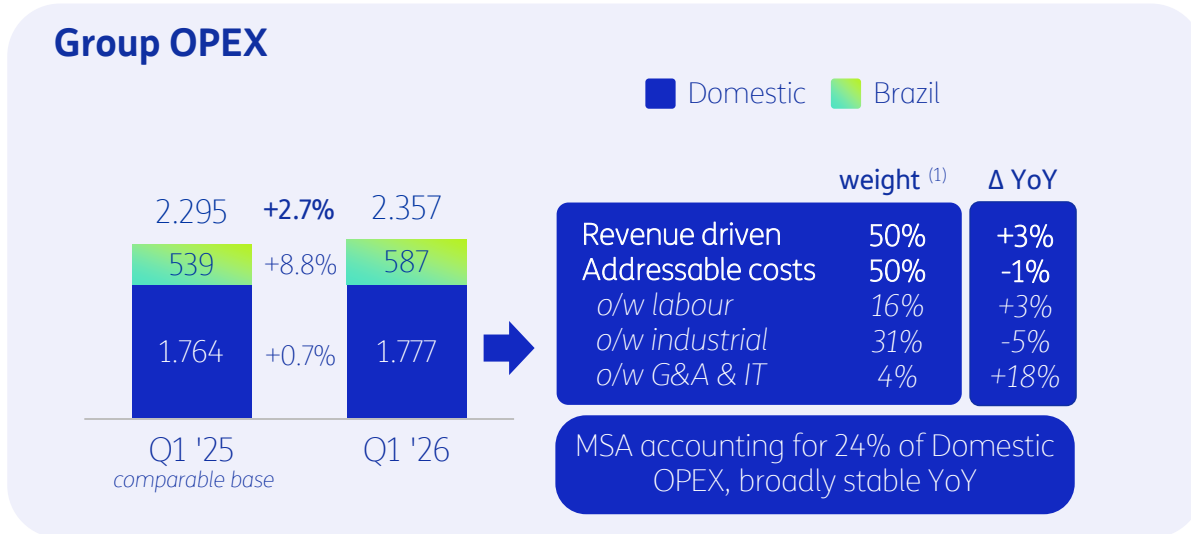
New partnerships: Closing of the acquisition of V8 to unleash B2B opportunities, new partnership with PicPay for B2C financial services

(1) Average exchange-rate YTD @ 6.16 R\$/€ (2) IPCA LTM 4.1%



CAPEX and OPEX control with Transformation Plan on track

Organic figures ex. Sparkle, €m



- **Group OPEX** up YoY mainly for **Brazil**, where 1/2 of the growth is linked to revenue driven costs, and the remainder to the V8 acquisition and higher operating costs
- **Domestic OPEX** slight increase driven by higher revenue driven, G&A and labour partially compensated by lower energy and network costs
- TIM Domestic **energy cost hedging**: ~80% in 2026, ~50% in 2027

- **Group CAPEX** down YoY due to **lower Domestic CAPEX**, mainly driven by reduced IT reflecting a timing realignment of major software license renewals, IT spending optimization and lower customer-driven
- **Group CAPEX margin** at 12.5% of revenues, Domestic at 8.8%

(1) Weight on FY '25 Domestic OPEX excluding capitalized costs and other income



Cash Flow and Net Debt evolution in line with expectations

Adjusted Net Debt After Lease, excluding '98 Concession Fee, Sparkle discontinued, €m



(1) Personnel non-recurring costs impacting Reported EBITDA AL through P&L provisions and benefiting working capital through higher employee-related liabilities, with no cash impact. See details in slide #23

(2) Adjusted Net Debt After Lease / Organic EBITDA After Lease



#3 Other topics

Pietro Labriola, **Group CEO**



Ongoing corporate actions for a leaner, more efficient and remuneration-supportive capital structure

Saving shares conversion

- **No creditor opposition** to the share capital reduction
- **Share capital reduction completed on April 30th** (to € 6.0bn from € 11.7bn)
- **Conversion terms:** 1 ordinary share plus € 0.12 cash (€ 0.04 cash in mandatory conversion) for 1 saving share

Approved by the Shareholders' Meeting on 28th January

Completion in May



Key dates

- **6-19 May:** Voluntary conversion period
- **20 May:** Voluntary conversion outcome
- **21 May:** Mandatory conversion execution
- **21 May:** Saving shares end of trading

Reverse stock split

- **10:1 reverse split of ordinary shares**
- **No impact on total share capital** or on shareholders' proportional ownership
- **Execution expected in June 2026**

Approved by the Shareholders' Meeting on 15th April

Ongoing



Share buyback

- **Up to € 0.4bn share buyback program**
- **Up to 700m ordinary shares** (or 70m post reverse stock split)
- Equivalent to **~3.3% of share capital**
- **Subject to completion of the Sparkle disposal**



TIM tower strategy as part of ongoing effort to optimize infrastructure cost base




RAN sharing agreement ⁽¹⁾

- Preliminary agreement to develop mobile access through RAN sharing across 15.5k existing sites
- Speed up 5G rollout, expanding coverage in low-density areas (<35k inhabitants)
- Balanced industrial model with full commercial and technological independence
- Avoiding duplication of infrastructure, leading to cost savings in the medium term

JV tower agreement ⁽¹⁾ (see next slide)

- Non-binding agreement to develop and manage ~6k new mobile sites (passive infrastructure)
- JV equally owned by TIM and Fastweb + Vodafone, potential inclusion of 3rd party investors for financial structure optimization
- Open-access model available to other telco operators




MSA

- Notice of termination of the MSA served to INWIT, effective August 2030 ⁽²⁾
- Multi-year migration plan ensuring operational continuity beyond the contract expiry to be agreed between TIM and INWIT
- TIM open to discuss a comprehensive review of the economic and service terms of the agreement

(1) Subject to approval by the Ministry of Enterprises and Made in Italy (MIMIT), the Italian Competition Authority (AGCM), and the Authority for Communications Guarantees (AGCom) (2) Following the notice of termination of the MSA recently served by Fastweb + Vodafone, TIM termination notice effective upon the original expiry date of 31 March 2028, in case it is established - whether by court ruling or by agreement between the parties - that the change of control occurred in December 2020



TIM tower strategy as part of ongoing effort to optimize infrastructure cost base ⁽¹⁾

Three pillars strategy enabling the potential exit from INWIT

Existing third-party towers

New towers by third parties

Towers built by the new JV

- ~30k towers in the market ex-INWIT
- TIM planning to use ~8.5k towers, equal to <30% of market available sites

- Market interest to build ~6k towers
- Feasible roll-out: ~0.5k towers/year, shared across 2/3 players
- 80% of INWIT sites hosting both TIM and Fastweb+Vodafone → **Highly attractive for Tower Companies** (already 2 tenants)

- Additional ~6k new towers over 12 years
- Flexibility to increase/decrease roll-out depending on market conditions

Additional enablers

Geographic advantage

- Out of 20k current sites, ~12k located in towns <35k inhabitants → **easier site acquisitions**
- RAN sharing agreement → **Simplified migration** (one instead of two systems)

Electromagnetic limits

- **Increased from 6 V/m to 15 V/m** (still below EU limit 61V/m), allocated to MNOs @ on spectrum portfolio, not on first-come first-serve basis

Operational readiness

- **By 2029 TIM will internalize** design, permitting and documentation activities
- Use of **AI** will accelerate network planning and deployment

Full exit from INWIT achievable in ~10 years

(1) Content of slide #18 provided in response to Italian Companies and Exchange Commission (CONSOB) request



Closing remarks

Q1 2026 results

In line with expectations

2026 Guidance

Confirmed

*AI and Digital
Sovereignty*

TIM gearing up to become a key Italian player

TIM Premium

Launching new high-performance connectivity proposition

Tower strategy

Greater efficiency through infra sharing and supply chain rebalance

*Saving shares
conversion*

Completion by end of May



Q&A








Annex



TIM Group - 2026 Guidance

Organic P&L figures ⁽¹⁾, €bn, YoY growth

Guidance FY '26

	Revenues o/w Domestic	2-3% growth 1-2% growth
	EBITDA AL o/w Domestic	5-6% growth ~4% growth
	CAPEX on revenues o/w Domestic	<14% on rev. ~12% on rev.
	Eq. FCF After Lease	~1.8bn ⁽²⁾ Incl. '98 Concession Fee
	Leverage	Below committed max lev. of 1.7x ⁽³⁾

Shareholders' remuneration

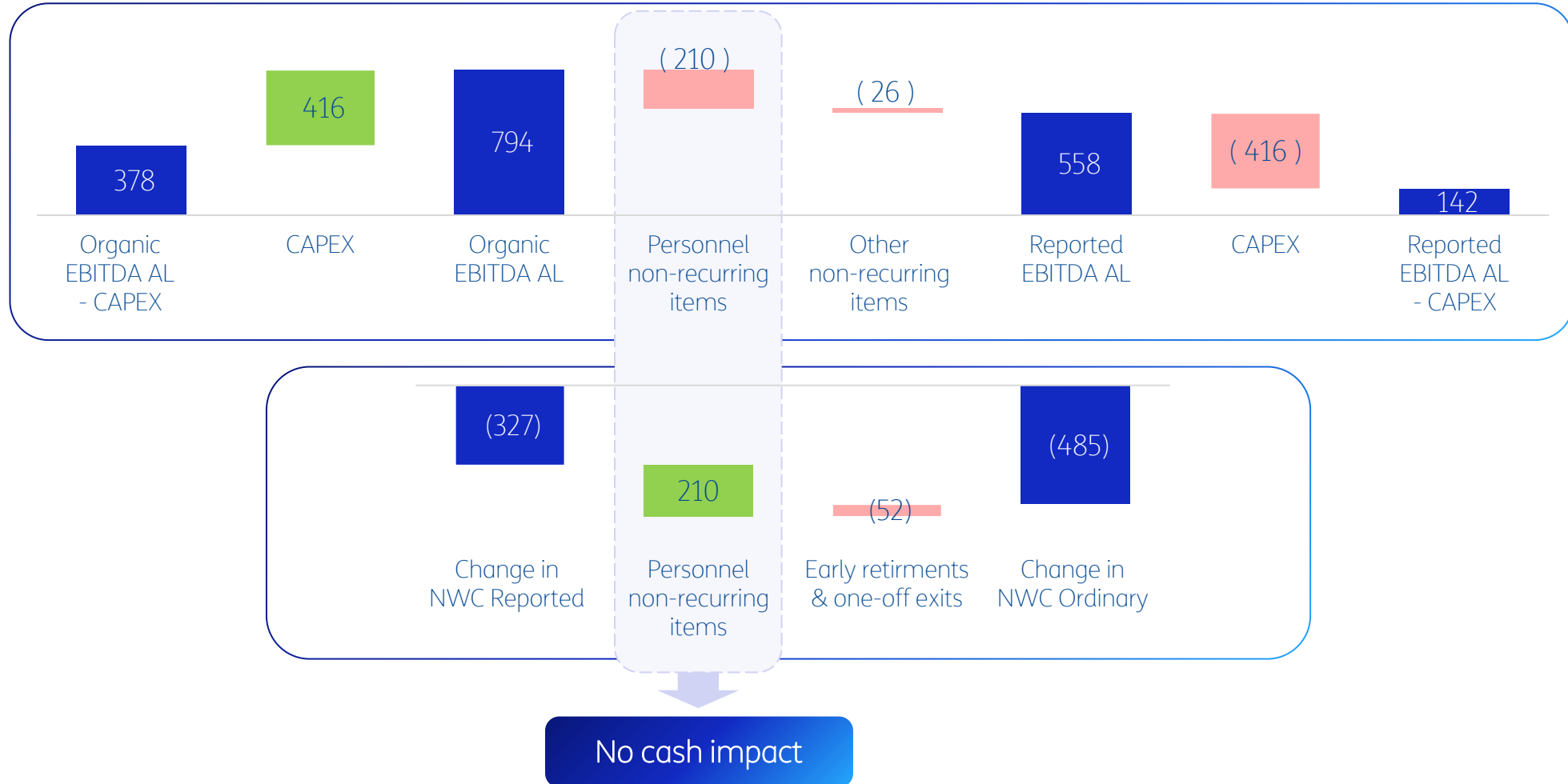
- **Dividends: 70% of Eq. FCF AL** net of '98 Concession Fee impact and dividends to TIM Brasil minorities
Cash out in 2027
- **Buy back: ~50% of Sparkle disposal proceeds**
After closing
- **Cash: up to € 0.7bn** for saving shares conversion ⁽⁴⁾
By end of May ⁽⁵⁾

⁽¹⁾ Excluding non-recurring items, change in consolidation area and exchange rate fluctuations. Group P&L figures @ avg. exchange-rate 6.31 R\$/€) ⁽²⁾ Annual exchange-rate published in Bloomberg Survey based on major banks projections (2026 avg. exchange rate @ 6.54 R\$/€) ⁽³⁾ Adj. Net Debt AL/Organic EBITDA After Lease. Net Debt of TIM Brasil based on consensus exchange rate evolution (2026 EoP exchange rate @ 6.66 R\$/€) ⁽⁴⁾ Exact amount depending upon the subscription rates of the voluntary or mandatory conversions ⁽⁵⁾ See detailed timeline in slide #16



TIM Group - Q1 '26 EBITDA AL reconciliation and NWC drill-down

€m





TIM Domestic – New early retirements program

New early retirements program

- **Voluntary early retirement exits** to be completed by November 30th, 2026
- Up to **1,025 eligible employees**
- Eligibility limited to employees reaching old-age/early retirement pension entitlement by November 30th, 2031

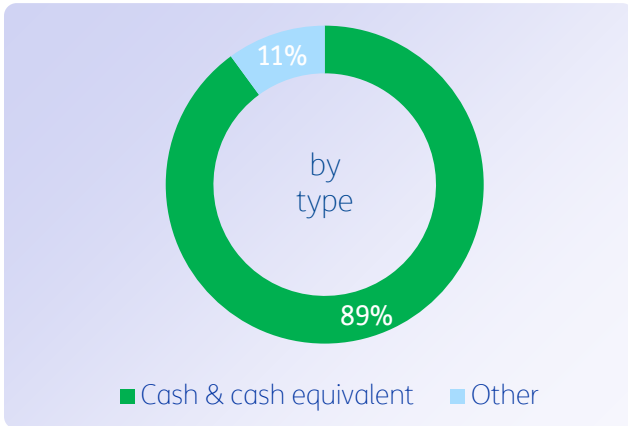
Rationale for the new early retirement cycle

- **No bank guarantee** required to secure the payment of the allowance over the entire period
- **Severance indemnity paid in two instalments**, smoothing cash-out over multiple reporting periods
 - **30% within 30 days** from termination
 - **70% within 4 months**
- **Operational flexibility to retain employees with critical skills**, even if eligible for early retirement



Capital structure

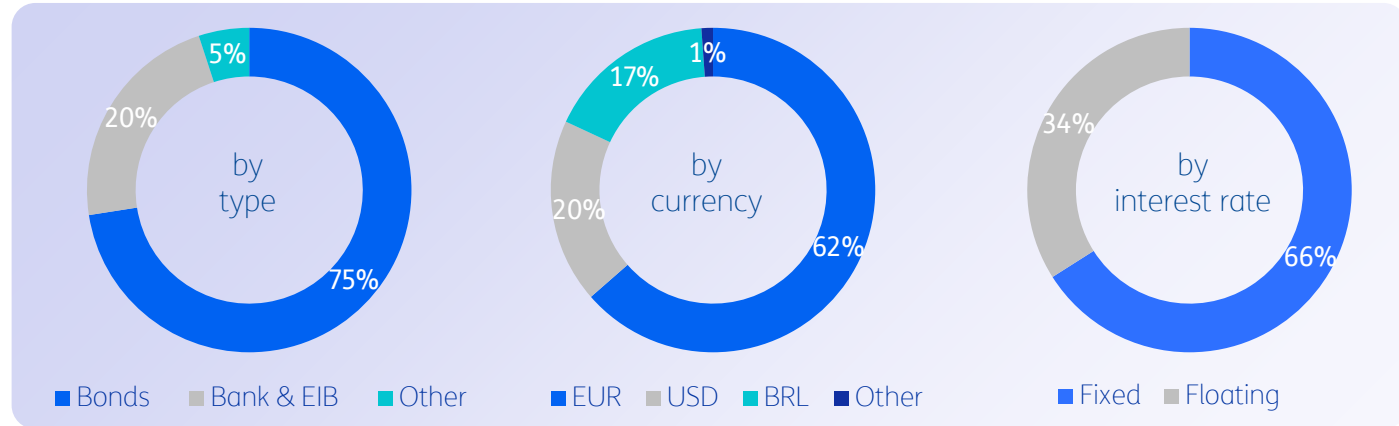
€ 3.5bn Financial assets AL ⁽¹⁾



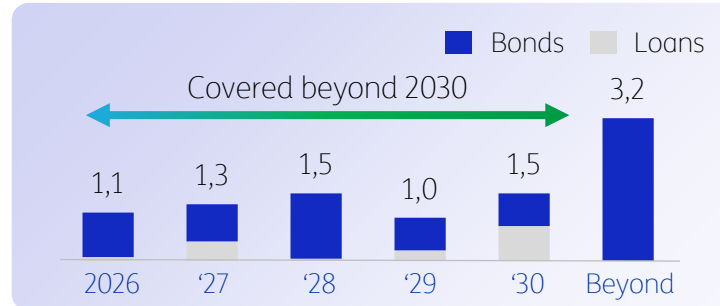
€ 3.0bn Credit facility

€ 6.5bn Liquidity margin

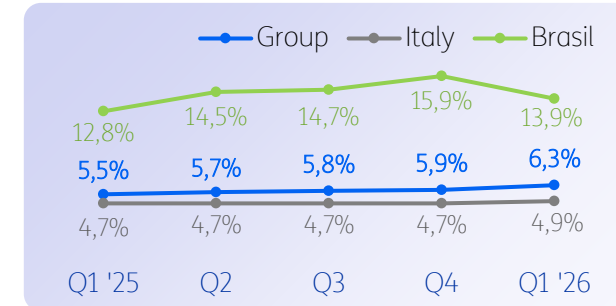
€ 11.2bn Gross Debt AL ⁽¹⁾



Debt maturities ⁽²⁾



Avg cost of debt YTD



(1) Net of the adjustment due to the fair value measurement of derivatives and related financial liabilities/assets and discontinued operations

(2) Nominal amount. Average maturity: 5.6 years

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 **Q1 '26 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").

The accounting policies and consolidation principles adopted in the preparation of the **Q1 '26 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 2025, to which reference can be made, except for the amendments to the standards issued by IASB and adopted starting from 1 January 2026.

Please note that the **Q1 '26 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, Capital expenditures (net of TLC licenses), Operating Free Cash Flow (OFCF) and Operating Free Cash Flow (net of licenses). 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**.

These figures should not be considered as a substitute for the economic and financial information of which they provide a different detail, are **unaudited**, are produced for explanatory purposes only, and may differ from those that will be published in the financial statements prepared in accordance with IFRS.

Unless otherwise specified, figures are expressed in millions of euros, rounded to the nearest million. Any discrepancies between totals and subtotals are solely attributable to rounding effects and do not affect the substance of the financial information presented.

- In the **TIM Group Q1 '26 and FY '25** financial results, **Sparkle** has been classified, in accordance with IFRS 5, as **Discontinued operations**, as the sale is considered highly probable. Therefore, the **TIM Domestic perimeter does not include Sparkle**, unless otherwise specified
- **Cash flows and Net Debt After Lease are based on actual results** (including Sparkle)



Further questions

please contact the IR team



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GruppoTIM.it

