

TIM

Alert

1Q23 results

PLNm	1Q 2022	1Q 2023	y/y	PKO Securities 1Q 2023	Diff.
Revenue	410.8	379.3	-8%	384.5	-1%
EBITDA	48.1	28.2	-41%	26.1	8%
EBIT	42.2	21.0	-50%	20.3	4%
Net profit	32.0	14.7	-54%	14.6	1%
EBITDA margin	11.7%	7.4%		6.8%	
EBIT margin	10.3%	5.5%		5.3%	
Net margin	7.8%	3.9%		3.8%	

Source: PKO Securities

- The group's revenue was in line with our estimates based on monthly reports.
- Operating costs were close to our expectations, yet their composition differed slightly: lower margin on the sales of goods and materials (19.8% in 1Q23: -1.8p.p. q/q, -1.5p.p. r/r and 0.7p.p. below our forecast), was offset by lower than we expected employment costs and costs of energy and materials.

On 20 April, Fega & Schmitt (Würth Group) announced a tender offer for all TIM shares at PLN 50.69/share. Subscriptions for shares end on 4 July. The expected date of the share purchase transaction on the WSE is 7 July 2023. **We recommend selling shares in the tender offer due to the high premium and the fact that persons controlling the company are responding to the tender offer.**

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Explanation of the specialist terminology used

min (max) 52 weeks: minimum (maximum) of the market share price during the previous 52 weeks

Capitalisation: product of the share market price and the number of shares

EV: sum of the company's capitalisation and net debt

free float (%): share of the total number of shares decreased by 5% stakes held by one shareholder and own shares held by the company in the total number of shares

Average trading/month: average trading per month calculated as total trading value over previous 12 months divided by 12

ROE: rate of return on equity

ROA: rate of return on assets

EBIT: operating profit

EBITDA: operating profit + depreciation and amortization

EPS: earnings per share

ESG: a non-financial measure used for evaluating companies on how advanced they are with sustainability. It consists of environmental, social, and governance factors. The more sustainable business, the higher the PKO Securities ranking (score scale: 1-10).

DPS: dividend per 1 share

CEPS: sum of net profit and depreciation and amortization per 1 share

P/E: quotient of share market price and EPS

P/BV: quotient of share market price and book value of one share

EV/EBITDA: quotient of capitalisation increased by the company's net debt and EBITDA

Gross sales margin: relation of gross sales profit to net sales proceeds

EBITDA margin: relation of the sum of operating profit and depreciation to net sales proceeds

EBIT margin: relation of operating profit to net sales proceeds

Net profitability: relation of net profit to net sales proceeds