

TIM

Alert

## Our forecasts for 3Q22

mln PLN	3Q 2021	3Q 2022F	y/y	1-3Q 2021	1-3Q 2022F	y/y
Revenue	348.2	368.1	6%	950.6	1140.5	20%
EBITDA	42.8	38.3	-11%	109.8	130.8	19%
EBIT	37.0	32.3	-13%	92.7	113.0	22%
Net profit	26.6	24.0	-10%	69.6	84.3	21%
EBITDA margin	12.3%	10.4%		11.6%	11.5%	
EBIT margin	10.6%	8.8%		9.8%	9.9%	
Net margin	7.6%	6.5%		7.3%	7.4%	

- TIM S.A.'s revenue amounted to PLN 106m in July (0% y/y; -8% m/m), PLN 115m in August (+6% y/y; 8% m/m) and PLN 127m in September (+4% y/y; +11% m/m).
- The company's 3Q revenue dynamics were at modest +4.5% y/y characterised by the effect of a strong base on the one hand (3Q21 was the strongest quarter in recent years in terms of dynamics at +30% y/y) and, on the other, the fact that 3Q22 dynamics were below the inflation level, which suggests declining volumes.
- In our opinion, 3Q22 factors that negatively affected demand were 1) a slowdown in the pace of new construction starts and 2) pressure on consumer disposable income.
- We expect 3Q margins remained high though not as high as in the record-breaking (and exceptional) Q2.

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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