

TIM

Alert

Very good 1Q22 results

PLNm	1Q 2021	1Q 2022	y/y	PKO Securities 1Q 2022	Diff.
Revenue	274.4	410.0	49%	409.4	0%
EBITDA	24.7	47.3	92%	47.8	-1%
EBIT	19.1	41.4	117%	42.0	-1%
Net profit	13.5	31.2	132%	32.4	-4%
EBITDA margin	9.0%	11.5%		11.7%	
EBIT margin	7.0%	10.1%		10.3%	
Net margin	4.9%	7.6%		7.9%	

Source: PKO Securities

- TIM reported the best quarterly results in its history for 1Q22, and it is worth noting that first quarters are usually the weakest for TIM on an annual basis. The company's sales were supported by 1) war breaking out in Ukraine, which accelerated the customers' purchase decisions, 2) inflationary pressure, and 3) increased interest in photovoltaics due to the regulatory change from 31.03.2022.
- In 1Q22, TIM SA generated PLN 393m in revenue (+53% y/y). The "Cables and wires" segment achieved the biggest share in sales (1Q22 share: 35%, PLN 139m revenue; 1Q21 share: 35%, PLN 89m). "Instrumentation and switchgear" was the second biggest product group (1Q22 share: 26%, PLN 101m revenue; 1Q21: 27%, PLN 70m). These two segments contributed over 60% to TIM SA sales. In the RES category, the company reported approx. PLN 37m (+375% y/y).
- 3LP's 1Q22 revenue amounted to PLN 17m (flattish y/y, -8% q/q) and was slightly above our expectations.
- The increase in EBITDA margin by 2.5 pp is noteworthy. We see room to raise our forecasts in the context of our annual expectations.

Analyst

Alicja Zaniewska

+48 22 580 33 68

alicja.zaniewska@pkobp.pl

Address

PKO BP Securities

ul. Puławska 15

02-515 Warszawa

Artur Iwański	(Head of Equities)	(+48 22) 521 79 31	artur.iwanski@pkobp.pl
Equity Research Department			
Tomasz Kasowicz	(head of research, oil & gas, chemicals)	(+48 22) 521 79 41	tomasz.kasowicz@pkobp.pl
Robert Brzoza	(financial sector, strategy)	(+48 22) 521 51 56	robert.brzoza@pkobp.pl
Dawid Górzynski	(pharmaceuticals, food & agri)	(+48 22) 521 97 69	dawid.gorzynski@pkobp.pl
Piotr Łopaciuk	(gaming, industrials)	(+48 22) 521 48 12	piotr.lopaciuk@pkobp.pl
Andrzej Rembelski	(utilities, mining)	(+48 22) 521 79 03	andrzej.rembelski@pkobp.pl
Adrian Skłodowski	(retail & wholesale)	(+48 22) 521 87 23	adrian.sklodowski@pkobp.pl
Jaromir Szortyka	(banks, insurances, financial sector)	(+48 22) 580 39 47	jaromir.szortyka@pkobp.pl
Alicja Zaniewska	(equity research)	(+48 22) 580 33 68	alicja.zaniewska@pkobp.pl
Piotr Zybala	(construction, real estate)	(+48 22) 521 53 91	piotr.zybala@pkobp.pl
Małgorzata Żelazko	(telecommunication, media)	(+48 22) 521 52 04	malgorzata.zelazko@pkobp.pl
Investment Advisory and Technical Analysis Department			
Emil Łobodziński	(Investment Advisor)	(+48 22) 521 89 13	emil.lobodzinski@pkobp.pl
Paweł Małmyga	(technical analysis)	(+48 22) 521 65 73	pawel.malmyga@pkobp.pl
Przemysław Smoliński	(technical analysis)	(+48 22) 521 79 10	przemyslaw.smolinski2@pkobp.pl
Institutional Sales Department			
Krzysztof Kubacki	(head of sales trading)	(+48 22) 521 91 33	krzysztof.kubacki@pkobp.pl
Marcin Borciuch	(sales trader)	(+48 22) 521 82 12	marcin.borciuch@pkobp.pl
Maciej Kałuża	(trader)	(+48 22) 521 91 50	maciej.kaluzaj@pkobp.pl
Igor Szczepaniec	(sales trader)	(+48 22) 521 65 41	igor.szczepaniec@pkobp.pl
Michał Sergejev	(head of sales)	(+48 22) 521 82 14	michal.sergejev@pkobp.pl
Piotr Dedejus	(sales)	(+48 22) 521 91 40	piotr.dedecjus@pkobp.pl
Szymon Kubka	(sales)	(+48 22) 521 82 10	szymon.kubka@pkobp.pl

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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