

**TIM****Alert****4Q21 results in line with our expectations**

PLNm	4Q 2020	4Q 2021	y/y	PKO Securities 4Q 2021	Diff.
Revenue	303.5	363.8	20%	362.5	0%
EBITDA	30.0	34.8	16%	36.8	-6%
EBIT	24.2	28.9	19%	30.4	-5%
Net profit	17.3	22.2	29%	25.3	-12%
EBITDA margin	9.9%	9.6%		10.2%	
EBIT margin	8.0%	7.9%		8.4%	
Net margin	5.7%	6.1%		7.0%	

Source: PKO Securities

- In FY21, TIM generated PLN 1.3bn revenue (+23% y/y), PLN 145m EBITDA (+96% y/y), PLN 122m EBIT (+135% y/y), and PLN 92m net profit (+147% y/y). It was the best year in the company's history to date.
- In 4Q21 alone, TIM generated PLN 364m in revenue (+20% y/y).
- The "Cables and wires" segment achieved the biggest share in sales (4Q21 share: 31%, PLN 107m revenue; 4Q20 share: 25%, PLN 85m). "Instrumentation and switchgear" was the second biggest product group in 4Q (4Q21 share: 27%, PLN 92m revenue; 4Q20: 21%, PLN 72m).
- 3LP 4Q revenue amounted to PLN 18m (+31% y/y, +30% q/q), slightly above our expectations.
- The sales margin in 4Q fell by approx. 0.7pp q/q and was lower than we expected, but remained high at about 21%.
- The lower than expected net result was also affected by higher financial expenses than we had anticipated.

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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