



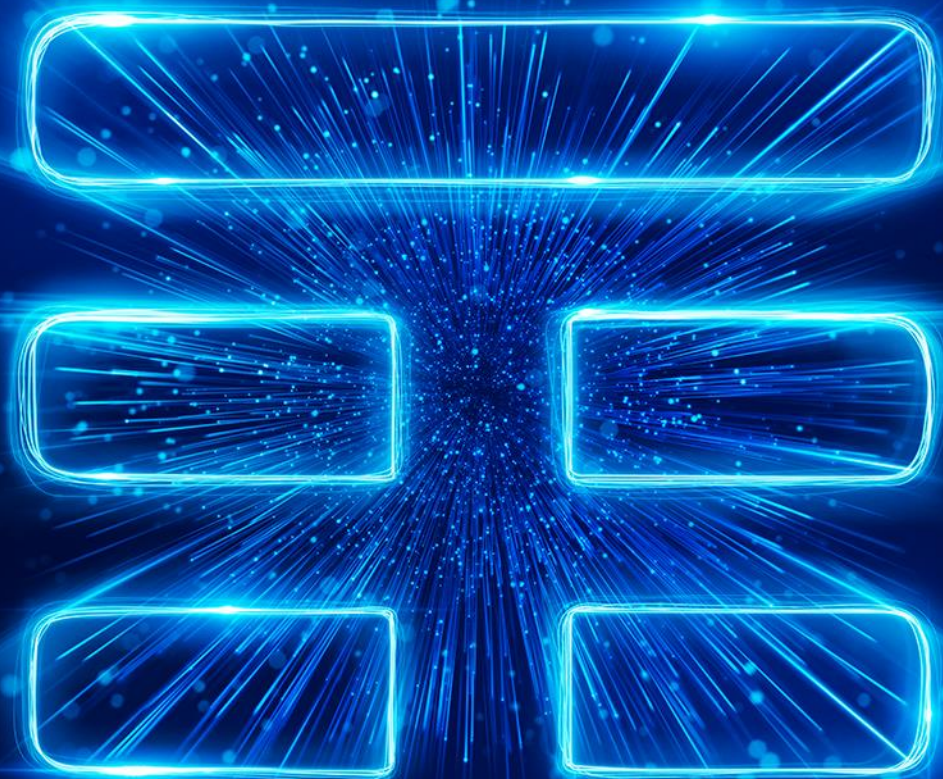
# BRASIL DAY 2023

THE NEXT GENERATION TELCO

TIM. 25 YEARS  
MAKING POSSIBILITIES ON  
NEW YORK STOCK EXCHANGE.

**25 YEARS**

LISTED ON THE NY STOCK EXCHANGE



# Disclaimer



This presentation **contains declarations that constitute forward-looking statements** regarding the intent, belief or current expectations of value creation, customer base dynamics, estimates regarding future financial results and other aspects of the activities.



**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. TIM S.A. undertakes no obligation to release publicly the results of any revisions to these forward-looking statements, those do not represent necessarily a formal guidance.



Such **forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected** as a result of various factors.



**Financial figures are presented considering impacts from IFRS 16 adoption, unless otherwise indicated.** Normalized numbers in this presentation are adjusted by the effects described in footnotes.

# Agenda



## Opening remarks

10 min

*25th Anniversary celebration*



## TIM's equity story

20 min

*A unique asset in an evolving market*



## Strategy in action panels

85 min

*Mobile: consolidate the best value proposition in a value driven market*

*B2B: Shaping a new market with high growth opportunities, leveraging our strengths in mobile*

*Broadband: selective approach to grow profitably in the Broadband market*

*Efficiency: our efficiency leadership is helping to finance our best value proposition to clients and drive value to shareholders*



## Closing

10 min

*Value Creation: precise execution in the short-term to build a long-term success story*

The background features a dark blue grid with a white line graph at the top and a candlestick chart below it. The text is overlaid on the right side of the image.

## Efficiency

Our **Efficiency leadership is helping to finance** our best value proposition to clients and **drive value** to shareholders

We already have the best **EBITDA margin** in the sector, and we'll keep **boosting our OFCF** with **efficiency initiatives**

## OPEX

Drive opex optimization to fuel company's growth

Continuous cost efficiency initiatives

Digitalization Initiatives

Next generation with AI and GenAI

## LEASE

Optimize leasing to improve margin contribution

Decommissioning

Network sharing agreement

## CAPEX

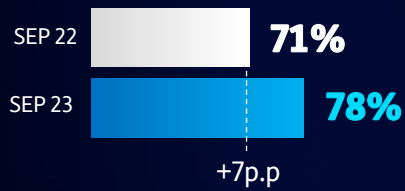
Keep capex sustainability and network quality

5G Technology

Spectrum Portfolio

# We remained with our costs under control with **traditional digitalization initiatives** during the year

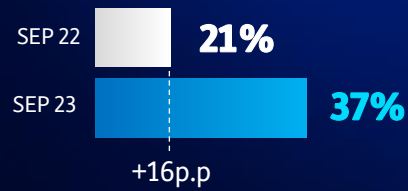
## Online Top-up



Each +1 p.p. roughly translates to 1 mln of lower costs<sup>12</sup>

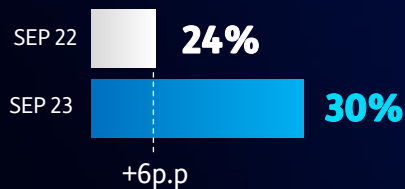
## PIX

(Instant payment method)



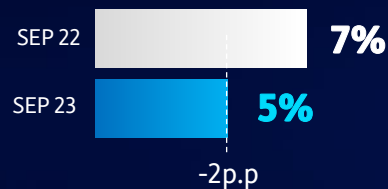
Each +1 p.p. versus Traditional payment options translates to roughly 0.2 mln of lower costs<sup>1</sup>

## E-Sales



Each +1 p.p. roughly translates to 0.5 mln of lower costs<sup>1</sup>

## Human call center contact rate



Each -1 p.p. roughly translates to 1.5 mln of lower costs<sup>12</sup>

And we will keep our efforts in:



**E-commerce**



**Digitalization of Oi's former clients**



**Customer value management**




**Improve bill-to-cash processes**



<sup>1</sup> Excluding volume variations and mix between other channels.  
<sup>2</sup> Considers uniform increment across all segments within the index.

# As a next step we are taking digitalization to the next level by expanding ML and AI/GenAI across the organization

 Pilot project already in place

## **Finance**

Sophisticated credit models

## **Network**

Predictive maintenance, Alarm correlation and Energy consumption

## **Customer Service**

Call synthesis, TIM AI X, Cognitive bot and Real-time Co-pilot

## **Procurement**

Procurement assistant, RFP generation and risk assessment

## **M&S**

Recommendation for next action - churn, Co-pilot for up-cross selling

## **Legal**

Optimized value model to be offered in agreements



Every initiative is supported by compliance, ethics and security.

Focusing initially on the **customer experience**, but already boosting AI/GenAI **to new areas** to continue improving our Opex efficiency

## Network

PREDICTIVE MAINTENANCE

**-10%**

Target reduction on maintenance costs

Increase in

**NPS** and **ECQ**

## Customer Service

TIM AI X

**-30%**

AHT reduction in selected journeys

CALL SYNTHESIS

**+40%**

Increase in productivity in root cause diagnosis

GEN AI COGNITIVE BOT

**+30p.p.**

NPS improvement in selected motivators



Vídeo GenAI

Link: <https://www.youtube.com/watch?v=gbl-NHJ94LQ>

 TIM



e transformadora etapa da experiência  
de atendimento na TIM.



We are leveraging our portfolio management know-how from Oi's decommissioning to shape new market dynamics with TowerCos that will boost our free cash flow...

## We already exceeded our initial decommissioning goal for 2023...



**-20%** of lease cost<sup>2</sup> in September'23

## ...and are now ready to challenge the tower market for good

-  Negotiation of better contracts
-  Diversification of our partners

Thus, we've initially mapped our potential to do-so in the short-term

**10%** of current sites' base to be renegotiated

# ...while improving resilience and efficiency leveraging network sharing<sup>1</sup> agreements for more than 3,000 cities

## 2G Decommissioning

We've leveraged a partnership with Vivo to **disconnect 2G equipment** where both operators are present

**2,600+** cities, remaining the operator with most sites in the UF

**4,880+** potential sites to be disconnected (**20% concluded as of now**)

Energy savings



Housing savings



O&M savings



Capex avoidance



## Single Grid

And after Oi's decomm, we're ready to accelerate the **full network sharing agreement with Vivo** in cities with <30K people...

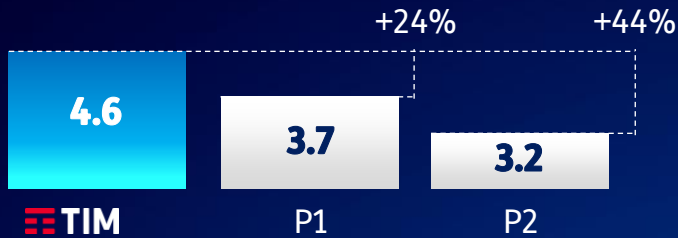
**1,600+** cities to be covered

**2,400+** potential sites to enter the agreement

We've set the ground for sustainable growth by employing key initiatives that reduce costs, improve our service success while increasing our investment effectiveness

## Robust spectrum portfolio

Spectrum MHz/client<sup>1</sup>, 2022



## 5G technology

Traffic offload  
from 4G to 5G

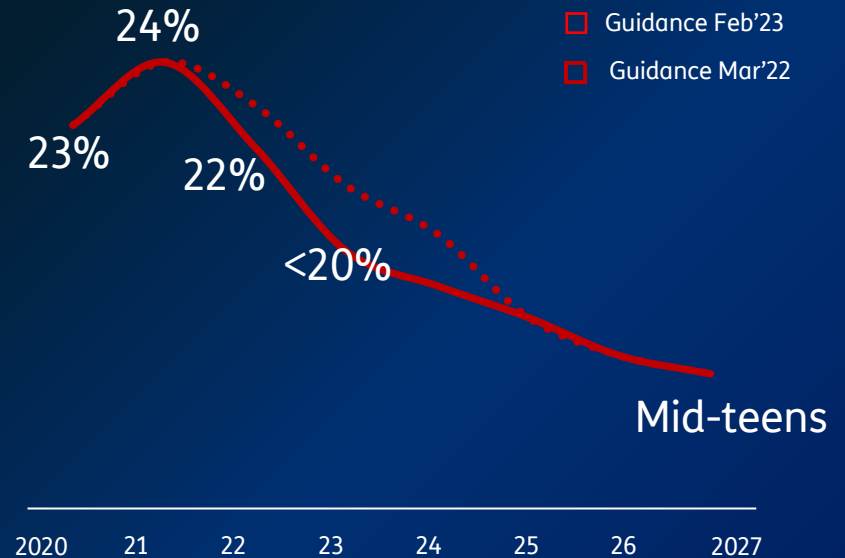


**-35%**

Reduction in cost/GB  
from 4G to 5G

## Accelerate target achievement by 1Y

Capex/net revenue<sup>1</sup> (%)



1. Excludes the impact of the 5G auction in 4Q21 in capex and normalizes revenues for tax impacts related to Cozani incorporation