

May 15, 2025

HVC SECURITY STRATEGIC INITIATIVE

Securing Our High Value Mobile Consumer Base

A comprehensive strategy to protect and grow our most valuable customer segments



3.7M

High Value Customers



26.7%

Of Customer Base



12+

Strategic Actions



2024-25

Implementation
Timeline

EXECUTIVE SUMMARY

Project Context

Our High Value Customer segment (26.7% of base) shows a consistent decline trend, requiring targeted intervention to secure long-term value and reduce churn.

Strategic Goals



Protect HVC Revenue Base

Reduce churn through targeted retention actions



Cross-Sell & Upsell

Increase ARPU through expanded service adoption



Strengthen Relationships

Enhance loyalty through dedicated initiatives & communications

Key Metrics

-1.3%

Avg. Monthly HVC Decline
YTD 2025

22.8%

HVC Churn Rate
vs 17.3% Italian HVC

12+

Retention Actions
Live & Planned

79%

Single-SIM Customers
Growth opportunity

Expected Impact

- ✓ Stabilize HVC base by Q4 2025
- ✓ Reduce foreign customer churn by 5 percentage points
- ✓ Increase convergent service adoption (14% → 20%)

STRATEGIC ACTION PORTFOLIO

WINDTRE HVC Security Project

Implementation Status: 7 Live | 5+ Planned

Retention Actions

📈 Impact: High

- Discounts for MNP risk customers (Untied & Expired) **LIVE MAY**
- Add-ons for In-Contract MNP risk customers **LIVE MAY**
- Free 5G for eligible devices **LIVE**
- Untied to Tied conversion program **Q3 2025**

Cross-Sell Actions

📈 Impact: High

- Discounted FWA line for HVC (€19.99/mo for 12mo) **LIVE**
- Discounted FTTH line for HVC (€19.99/mo) **LIVE**
- Energy discount program **JAN 2026**
- Insurance discount program **OCT 2025**

Acquisition Actions

📈 Impact: Medium

- Pack Unlimited Reload 5G (€29.99) **LIVE JUN 16**
- Smartphone Limited Edition for Super HVC **LIVE**
- Intermediate Price List (AVG_MRG<€16.9) **JUN TBC**

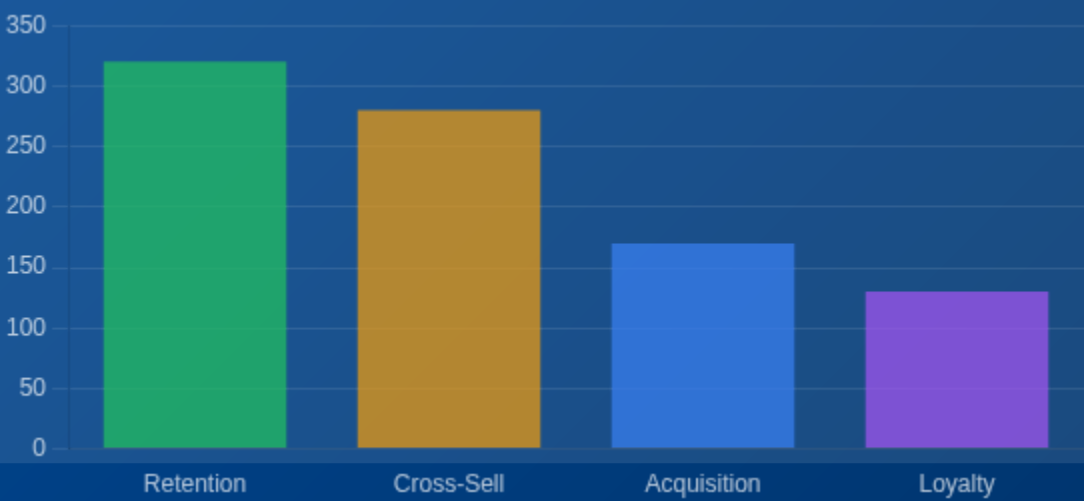
Loyalty Actions

📈 Impact: Low-Med

- Happy Birthday - Untied (+20% on top-ups) **LIVE**
- Happy Birthday - Tied (WINDAY coupon) **JUL 2025**
- Happy Anniversary (activation date) **JUL 2025**
- Summer boost campaigns (3-month) **SUMMER 25**

ROI ANALYSIS OF KEY INITIATIVES

Expected ROI by Initiative Type



Churn Reduction

-4.5pp

Expected impact on HVC retention rate

Base HVC Churn	22.8%
Expected Post-Initiative	18.3%
Incremental Annual Retained HVC	165K

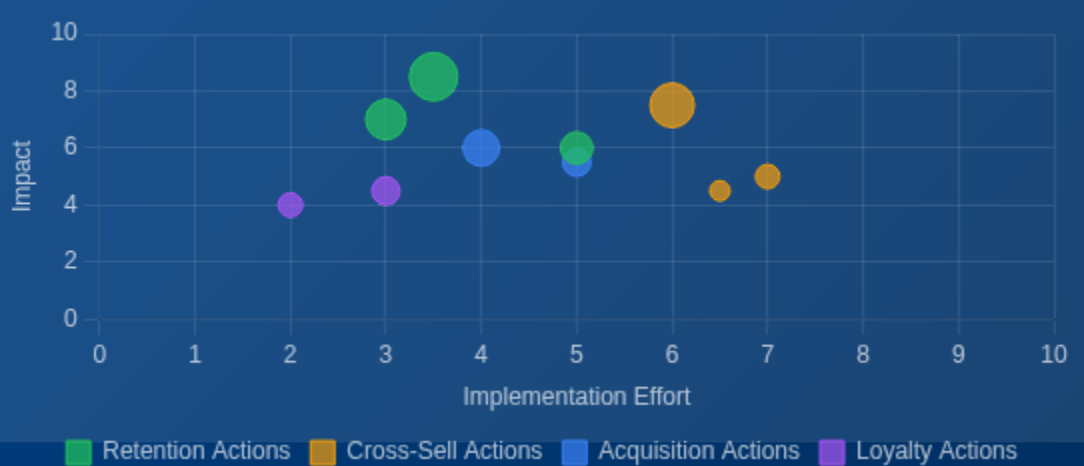
Revenue Impact

+2.8%

Expected change in HVC revenues

Net Margin Dilution	-1.2%
Revenue Protection	+4.0%
Net Annual Impact	€11.5M

Impact vs Implementation Effort



Priority Initiatives by ROI

✓ Discounts for MNP risk customers	ROI: 420%	Churn Impact: -2.2pp	Implementation: Live
✓ Discounted FWA & FTTH lines for HVC	ROI: 350%	Churn Impact: -1.8pp	Implementation: Live
✓ Untied to Tied conversion program	ROI: 180%	Churn Impact: -0.9pp	Implementation: Q3 2025

Key Insight

Retention actions for MNP risk customers show highest ROI with minimal margin dilution

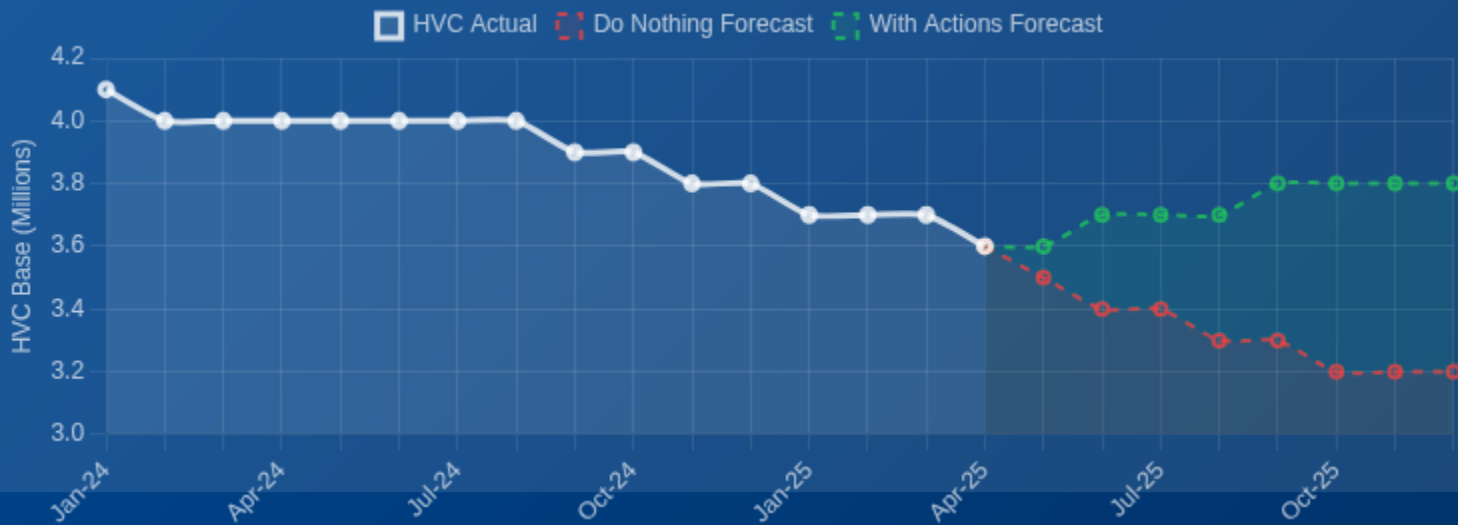
Recommendation

Prioritize analytics-driven retention targeting while expanding cross-selling of FWA/FTTH

Time to Value

Most high-impact initiatives show results within 2-3 months of implementation

HVC Evolution & Forecast (2024-2025)



Current HVC Trend **-1.0% Monthly**

HVC base has declined from 4.1M to 3.7M (-10%) over the past 15 months

Starting Base (Jan '24)	Current Base (Mar '25)
4.1M	3.7M
Stable HVC Trend -0.8% ↓	Non-Stable Trend -1.6% ↓

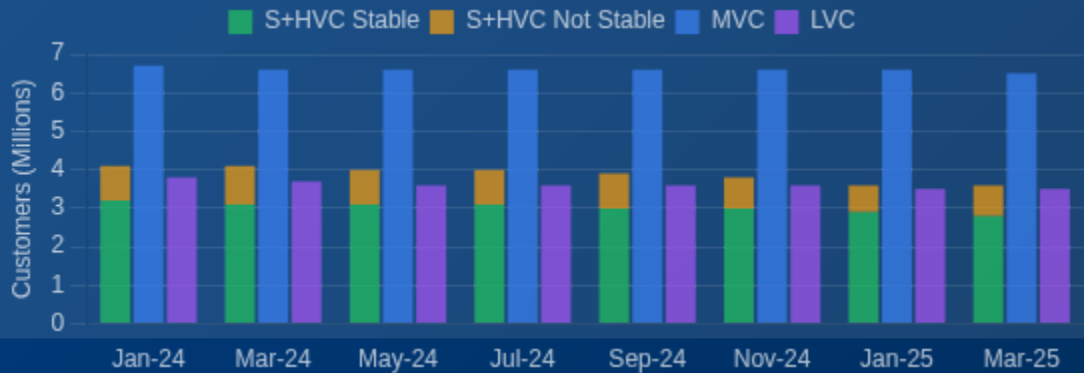
Segment Performance

S+HVC	MVC	LVC
26.7%	47.3%	25.8%
↓ -1.4pp YoY	↑ +2.1pp YoY	↓ -0.8pp YoY

Forecast Impact

Do Nothing Scenario	3.2M by Dec '25
With Planned Actions	3.8M by Dec '25
Expected Growth	+0.6M (+19%)

Segment Evolution by Month



Foreign HVC **-1.8% Monthly**

Higher churn (22.8%) compared to Italian HVC
Key driver of HVC decline, requires targeted actions

Italian HVC **-0.6% Monthly**

Lower churn (17.3%), but still declining
Focus on retention through convergent offers

Untied HVC **-1.5% Monthly**

High volatility, weaker customer relationship
Priority for Untied-to-Tied conversion actions

Tied HVC **-0.3% Monthly**

More stable, lower churn (12.7%)
Most resilient segment, expand with Add-ons

Key Insight

HVC decline accelerated in Q4 2024 (-2.0% in Oct) and Q1 2025

Strategic Focus

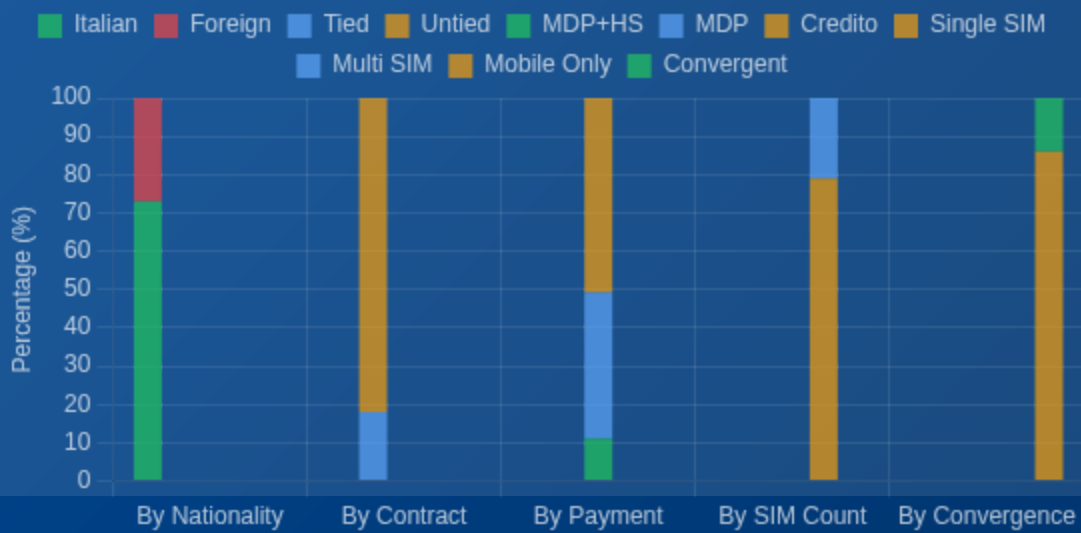
Actions must target foreign customers and untied segments first

Expected Outcome

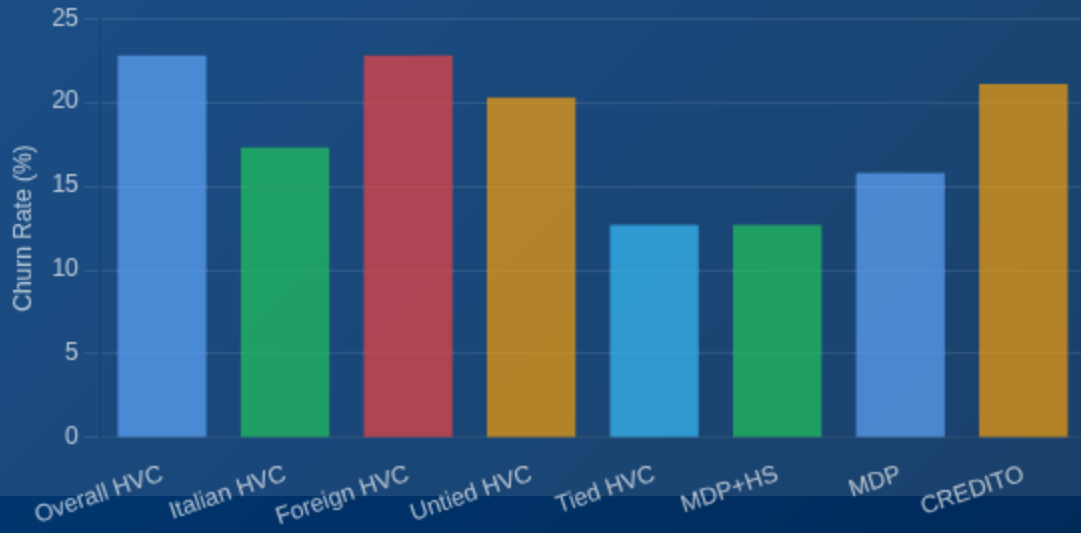
Stabilize HVC base by Q4 2025 with +0.1% monthly growth

HVC SEGMENTATION ANALYSIS

HVC Customer Base Composition



Churn Rate by Customer Segment



Italian HVC

73% of HVC

Churn Rate	17.3%
Monthly Trend	-0.6%
Convergence	16%

PRIMARY ACTIONS

- HIGH** FWA/FTTH Cross-Sell
- MED** Smartphone Incentives

Foreign HVC

27% of HVC

Churn Rate	22.8%
Monthly Trend	-1.8%
Convergence	9%

PRIMARY ACTIONS

- HIGH** Targeted Discounts
- HIGH** Untied to Tied Conversion

Untied HVC

82% of HVC

Churn Rate	20.3%
Monthly Trend	-1.5%
Mono SIM	83%

PRIMARY ACTIONS

- HIGH** Conversion to Tied
- MED** Loyalty Programs

Tied HVC

18% of HVC

Churn Rate	12.7%
Monthly Trend	-0.3%
Mono SIM	68%

PRIMARY ACTIONS

- MED** Add-on Promotions
- MED** Multi-SIM Expansion

MDP (Monthly Direct Payment)

29.7%

HVC Penetration

% of Base
Churn
Priority

38.2%
15.8%

MEDIUM

CREDITO (Prepaid)

22.4%

HVC Penetration

% of Base
Churn
Priority

50.7%
21.1%

HIGH

MDP+HS (Direct + Handset)

35.3%

HVC Penetration

% of Base
Churn
Priority

11.1%
12.7%

LOW

Primary Target

Foreign Untied HVC (14% of HVC base, 22.8% churn)

Best Protected

Italian Tied HVC (11% of HVC base, 12.7% churn)

Growth Opportunity

Mono-SIM to Multi-SIM conversion and Convergent services

May 15, 2025

HVC SECURITY PROJECT

Consumer Mobile High Value Customers

WINDTRE



Customer Retention



Trends Analysis



Action Plan

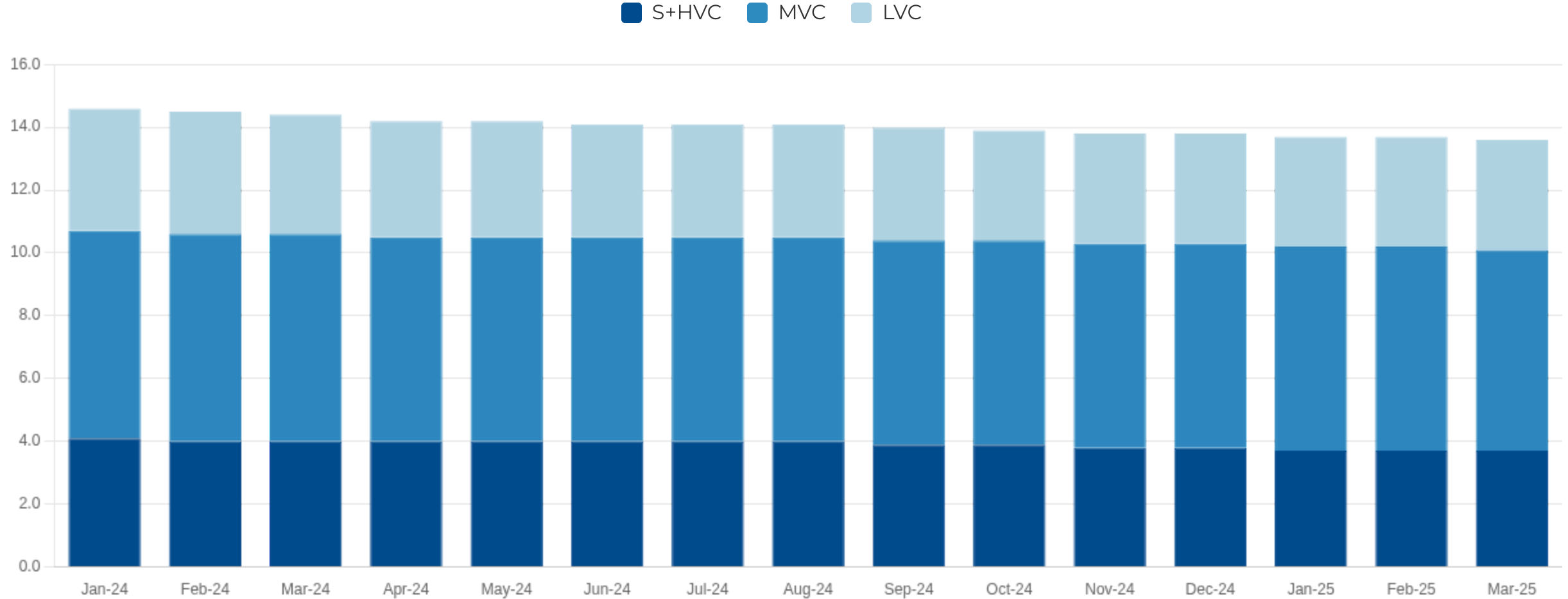
Actions	Description	Business Impact	HVC Specific	Target	Volumes
New FWA line for HVC	Discounted FWA line at €19.99/month for 12 months (then €22.99/month)	<div>FWA unit margin dilution (-€3.2/month)</div> <div>FWA GA increase (+40% red)</div> <div>Churn reduction on High Value SIM/New FWA line (TBV)</div>	Y	0.5M HVC eligible for FWA	Expected: 1.4K/month of which 0.4K/month incremental
New FTTH line for HVC	Discounted FTTH line at €19.99/month	<div>FTTH unit margin dilution (-€2.4/month)</div> <div>FWA GA increase (+50% red)</div> <div>Churn reduction on High Value SIM/New FTTH line (-50%)</div>	Y	0.65M HVC eligible for FTTH	1.5K/month of which 0.5K/month incremental
Smartphone	Limited Edition pricing for Super HVC customers	<div>Phone discount dilution offset by Adjusted Margin</div> <div>Significant churn reduction with NPV increases from loyalty</div>	Y	1.5M S-HVC	Estimate share of monthly Q2F volumes attributable to HVC
Upselling	Change Offer M4M	Churn reduction	N	Verify HVC proportion of CB in target from BD views (Pirrera)	Estimate share of monthly Q2F volumes attributable to HVC
Renewals	Change Offer with MM4M/M4S with more aggressive incentives	Churn reduction with short-term dilution recovered through increased loyalty	N	Verify HVC proportion of CB in target from BD views (Pirrera)	Estimate share of monthly Q2F volumes attributable to HVC

Actions	Description	Business Impact	HVC Specific	Target	Volumes
5G FREE	Lifetime 5G FREE with pre-activation	Cannibalization of 5G add-on sales	Y	Untied/Tied with 5G Device-No option 30K/month	30K/month
Happy Birthday – Untied	Up to Jun: +20% on top-ups within 48h From Jul: NEW INCENTIVE	Up to Jun: Dilutive towards top-ups (+20% on top-ups) From Jul: incentive TBD	Y	Untied – Born in month 100K/month	4K/month
Discounts for MNP risk customers	12-month discounts for customers with high churn risk ranking (Analytics model)	Churn reduction with short-term dilution, recovered by loyalty effect	Y	Untied at churn risk 150K/month	4.5K/month
Free add-on for MNP risk customers	6 months of data add-on Free for customers with high churn risk ranking (Analytics model)	Churn reduction Cannibalization of paid add-on sales	N	Tied at churn risk 150K/month	9K/month

Actions	Description	Business Impact	HVC Specific	Target	Expected Volumes / Live date
Discounts or FREE ADD ON for MNP risk customers	Aggressive retention measures for untied/expired contract targets identified by advanced analytics model as high MNP risk	Churn reduction with short-term dilution on Discount portion and cannibalization for ADD ONs, offset by increased loyalty	Y	0.2M Untied + 0.07M Tied – monthly target - Untied/expired contract segment	<div>LIVE</div> From May
Discounts or FREE ADD ON for MNP risk customers	Retention with dedicated incentives for In-Contract targets identified by advanced analytics model as high MNP risk	Churn reduction with short-term dilution on Discount portion and cannibalization for ADD ONs, offset by increased loyalty	Y	0.05M Tied In-Contract	<div>LIVE</div> From May
Acquisition	New offer Pack Unlimited Reload 5G €29.99 Unlimited 5G data/Priority CC/Reload Plus/Più Sicuri PRO	Increase in HVC volumes with TIED offers	Y	0.02M Tied per month	<div>LIVE</div> June 16
Smartphone	Creation of Intermediate Price List for HVC customers with AVG_MRG<16.9€	Phone discount dilution offset by Adjusted Margin Significant churn reduction with NPV increases from loyalty	Y	2M HVC without Smartphone	<div>LIVE</div> From June TBC
Summer Canvass New Change Offer	Summer boost for 3 months	TBD			
Upselling	RDA summer boost for 3 months	TBD			

Actions	Description	Business Impact	HVC Specific	Target	Expected Volumes / Live date
Happy Birthday – Easy Pay	Extension of target to Tied lines with new exclusive WINDAY coupon (TBC)	No dilution	Y	Tied – Born in month 100K/month	5K/month (est) <div>LIVE</div> From July
Happy Anniversary	Anniversary communication on day of HV line activation with exclusive WINDAY coupon (TBC)	No dilution	Y	Untied + Tied – Activation anniversary in month 100K/month	5K/month (est) <div>LIVE</div> From July
Energy Discount	Exclusive discount for HVC customers	No dilution	Y	TBD	<div>LIVE</div> From January 2026
Insurance Discount	Exclusive discount for HVC customers	No dilution	Y	TBD	<div>LIVE</div> From October
Upselling Untied to Tied	Change Offer (Untied to Tied) to stabilize monthly expense with Easy Pay offers	Dilution of non-recursive billing	Y	0.5M HVC Untied Non Stable	TBD
Renewals	RDA summer boost for 3 months	TBD	Y	TBD	TBD
Upselling	RDA summer boost for 3 months	TBD	Y	TBD	WINDTRE HVC Project <div>TBD</div>

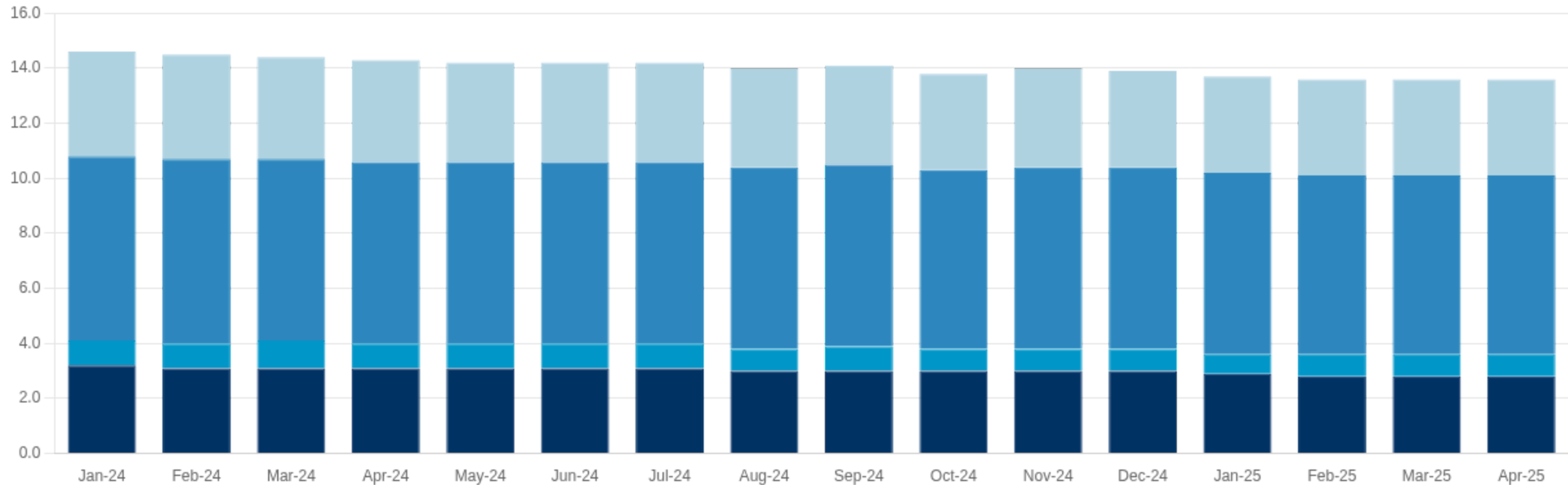
HVC PROJECT: 2024-2025 TRENDS



	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Δ MoM HVC	-1.3%	0.0%	-0.3%	0.3%	-0.5%	-0.3%	-0.4%	-1.3%	-0.6%	-2.0%	-1.0%	-1.6%	-2.2%	0.0%	
Δ MoM CB	-0.5%	-0.6%	-0.5%	-0.6%	-0.4%	-0.3%	-0.5%	-0.3%	-0.4%	-0.4%	-0.4%	-0.6%	-0.4%	-0.6%	-0.4%

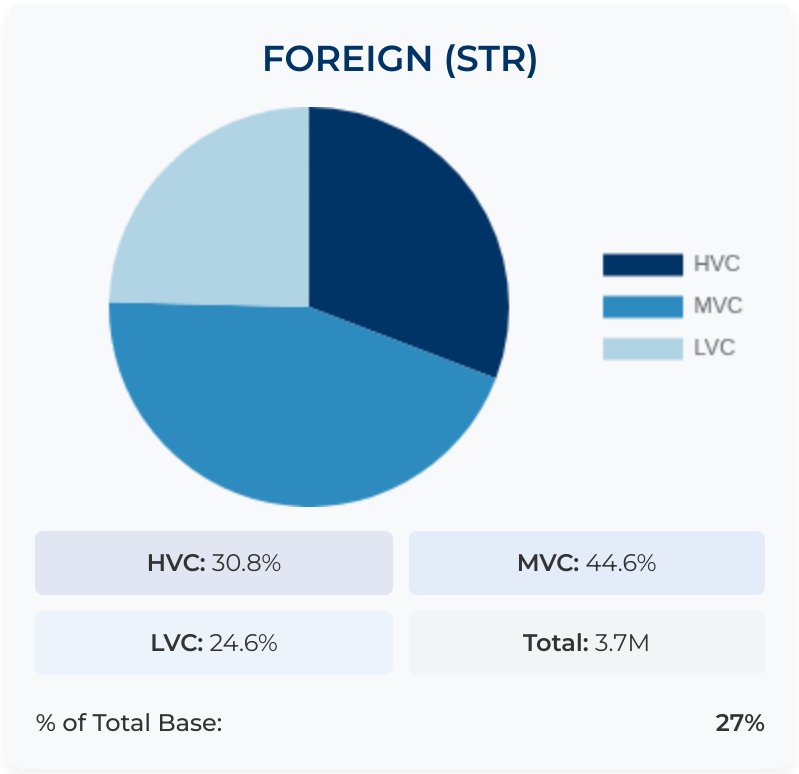
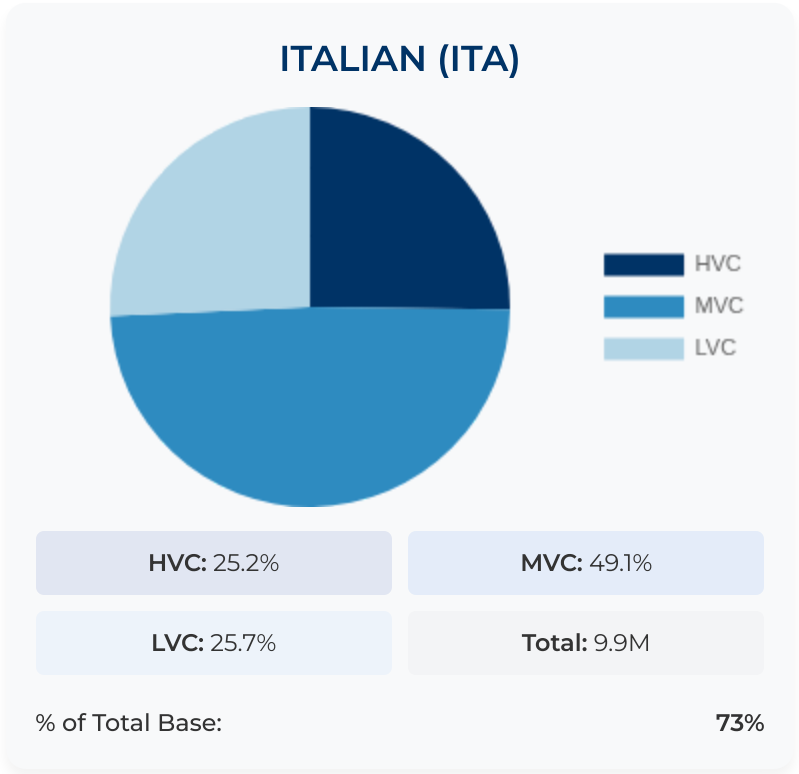
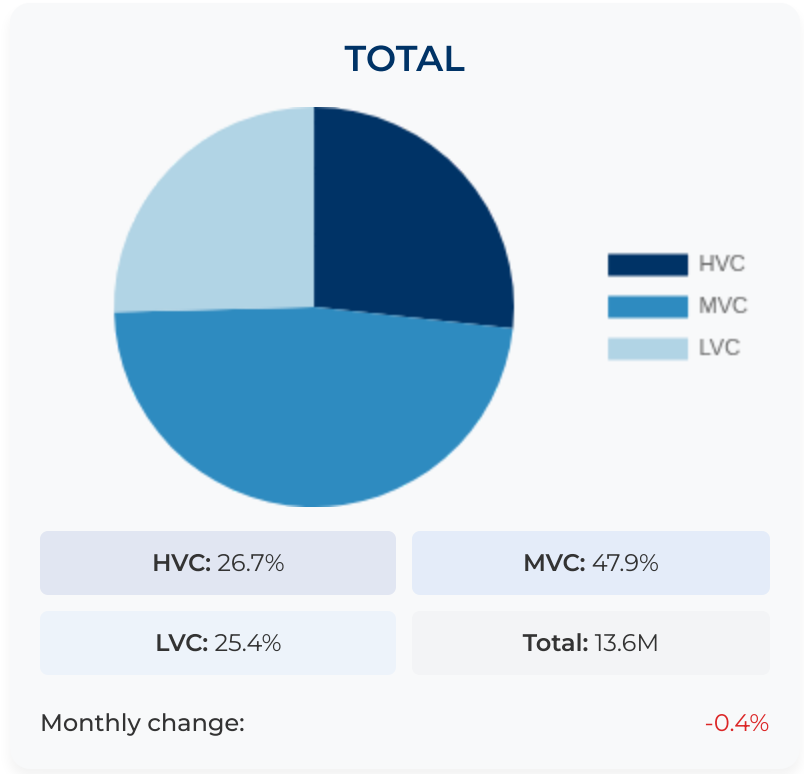
HVC PROJECT: 2024-2025 TRENDS (STABLE VS. NON-STABLE)

S+HVC STABLE S+HVC NOT STABLE MVC LVC



	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Δ MoM HVC STABLE	-1.8%	-0.7%	-0.8%	0.7%	-0.6%	-0.3%	-1.4%	-0.1%	-0.3%	-0.9%	-0.5%	-1.6%	-2.4%	-0.8%	-1.5%	
Δ MoM HVC NOT STABLE	6.0%	3.9%	-3.3%	-4.7%	-1.9%	7.4%	0.1%	-9.7%	-0.3%	-9.8%	8.2%	-9.8%	2.3%	8.1%	-7.0%	
Δ MoM CB	-0.5%	-0.6%	-0.5%	-0.6%	-0.4%	-0.3%	-0.5%	-0.3%	-0.4%	-0.4%	-0.4%	-0.6%	-0.4%	-0.6%	-0.4%	

HVC APR'25 - FOCUS ON BILL SIZE ADJUSTED BREAKDOWN

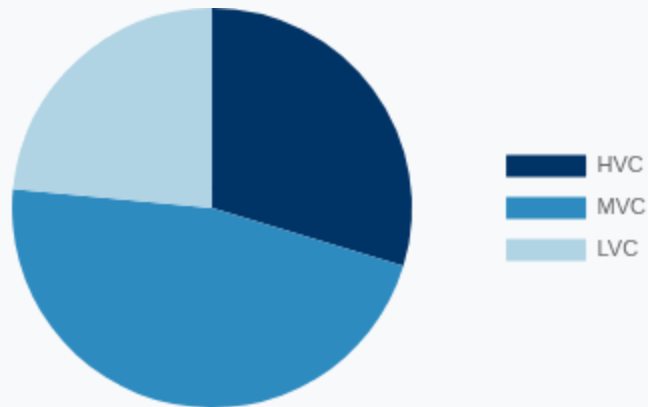


Key Insights

- Foreign customers show a higher concentration of HVC segment compared to Italian customers (30.8% vs 25.2%)
- MVC segment is more prevalent in Italian customer base (49.1% vs 44.6% for foreign customers)
- Overall distribution remains relatively stable compared to previous months
- Bill size adjusted calculation shows clearer segmentation across customer value tiers

HVC APR'25 - FOCUS ON BILL SIZE ADJUSTED BREAKDOWN (PAYMENT METHODS)

MDP (MONTHLY DIRECT PAYMENT)



HVC: 29.7%

MVC: 46.8%

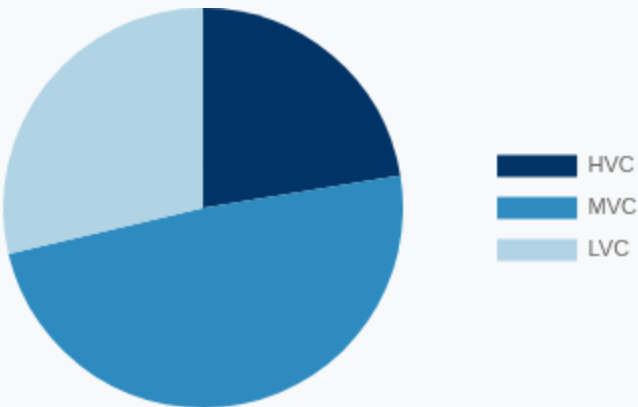
LVC: 23.5%

Total: 5.2M

% of Total Base:

38.2%

CREDITO (PREPAID)



HVC: 22.4%

MVC: 48.9%

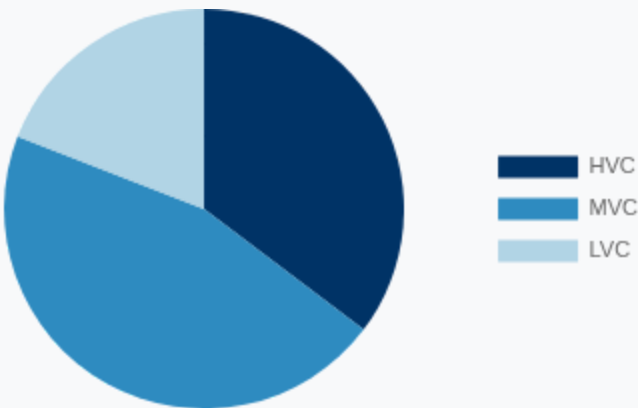
LVC: 28.7%

Total: 6.9M

% of Total Base:

50.7%

MDP+HS (DIRECT PAYMENT + HANDSET)



HVC: 35.3%

MVC: 45.6%

LVC: 19.1%

Total: 1.5M

% of Total Base:

11.1%

Key Insights

- Customers with handset financing (MDP+HS) show significantly higher HVC concentration (35.3%)
- Prepaid customers (CREDITO) have the lowest HVC percentage (22.4%) and highest LVC (28.7%)
- Monthly Direct Payment customers without handset (MDP) maintain above-average HVC penetration (29.7%)
- The difference in HVC penetration between payment methods highlights the importance of contract commitment on customer value



BACKUP

Additional detailed information and supporting data



Detailed Metrics



Full Tables



Supporting Documents

HVC ACTIONS: ALREADY LIVE (BACKUP)

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Project Roadmap

01



Cluster Overview: March Update

Analysis of customer segments and performance metrics

02



Cluster Overview: Socio-demographic Evidence

Customer profile analysis and demographic insights

03



Roadmap

Implementation timeline and milestones

04



Focus on Actions

Detailed review of commercial initiatives and retention strategies

05



Next Steps

Action plan, milestones, and key deliverables

WINDTRE CONSUMER CUSTOMER BASE - HVC (Mar'25: M)

PAYMENT TYPE & NATIONALITY

Data as of March 2025

NATIONALITY

Italian (ITA)

730%

vs 81% in Other CB

Foreign (STDA)

PAYMENT METHOD

- Direct Payment (MDP): **47%**

- Prepaid (NO MDR): **53%**



SIM COUNT & CONVERGENCE

SIM LINES

3 3M HVC LINES

Circle 614

CONVERGENCE

Mobile Only

86%

Mobile + Fixed

80%

Mobile + Energy

3%

Mobile + Insurance

2%

CHURN ANALYSIS

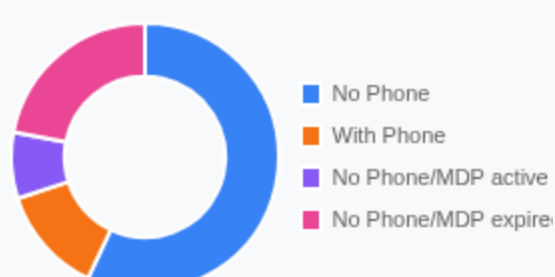
Churn is influenced by different behaviors between Italian and foreign customers. Only positive effect on churn emerges on lines with active device contracts.



HVC CHUR

HVC ITA

CTIVE COM

☐ No Phone

■ With Phone

■ No Phone/MDP active

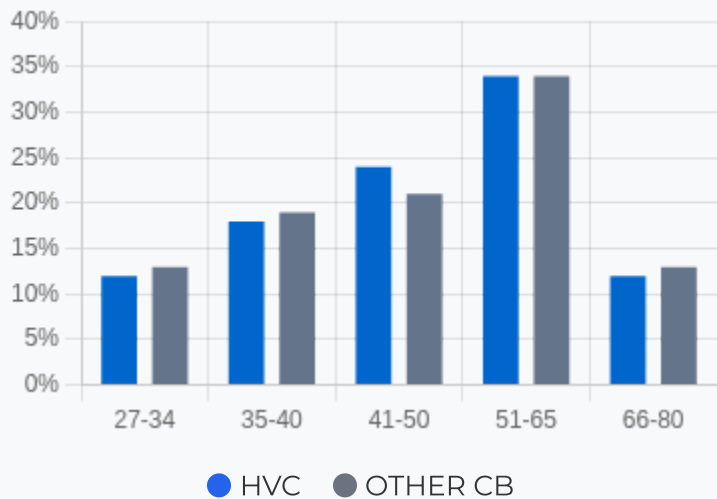
- No Phone/MDP expires

Cluster Overview: Socio-demographic Profile

WINDTRE CONSUMER CUSTOMER BASE (Mar'25; K)

AGE DEMOGRAPHICS

HVC customers show slightly higher concentration in the 41-65 age bracket compared to the rest of the customer base (58% vs 55%)



HOUSEHOLD COMPOSITION

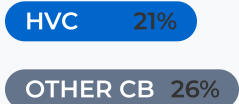
HVC households are more likely to be single-SIM users compared to the rest of the customer base

MONO SIM vs MULTI SIM

MONO SIM



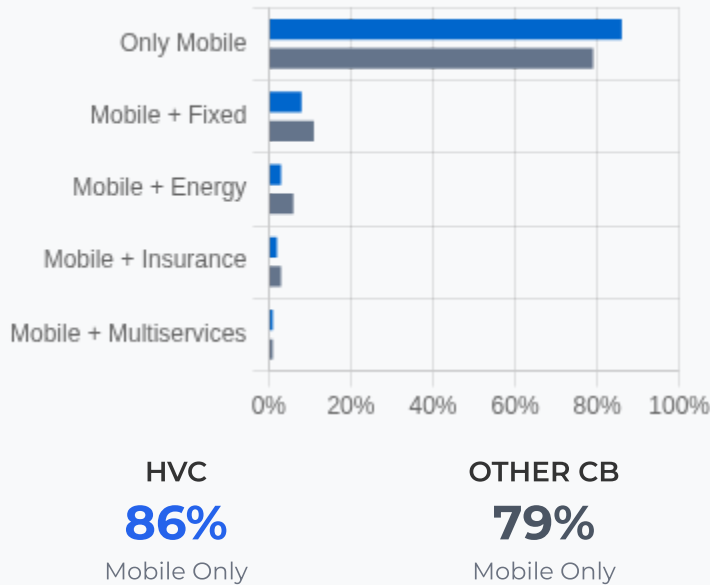
MULTI SIM



Total HVC: 3.3M | Other CB: 10.3M

CONVERGENCE

Lower penetration of convergence with other services among HVC customers



Key Insights

- HVC customers slightly over-index in ages 41-65 (58% vs 55%)
- Significant opportunity to increase multi-service adoption

- HVC customers are more likely to be single-SIM users (79% vs 74%)
- Mobile + Fixed convergence has highest penetration (8%)

- Lower penetration of convergent services among HVC (14% vs 21%)
- Energy and Insurance services show low penetration (3% and 2%)

Project Roadmap

