



T-Mobile US (TMUS)

Communications - Telecom Services

April 22nd, 2025

Stock Rating: **NO ACTION**
Target Price: \$252



Investment Thesis

Valuation Summary

DCF/EP	252
DDM	13
Relative P/E	357

Price Data

Current Price	256
52Wk High	276
52Wk Low	161

Key Statistics

Mkt Cap (B)	293.6
Shares Outs. (B)	1.14
Beta	0.55
Dividend Yield	1.7%
Est. 5 yr Growth	4.7%
P/E (TTM)	26.74
P/E (2025E)	23.2

Profitability

Op. Margin	20.2%
Profit Margin	13.9%
ROA (TTM)	5.5%
ROE (TTM)	17.9%

T-Mobile has continued their dominance in market share through their recent acquisitions of U.S. Cellular and Mint Mobile. T-Mobile has also invested in growth opportunities through their acquisition in the Fiber Internet company's space. However, their recent acquisitions have only further worsened their debt obligations, operational challenges, and risk of regulatory scrutiny. For these reasons, we recommend a **NO ACTION** rating. Our target share price is \$252 reflecting a potential downside of 1.56%

Drivers of Thesis:

- We forecast T-Mobile's postpaid business to grow by a CAGR of 7% through 2029, due to their dominance in the 5G network.
- Proven the ability to maintain and grow market share through their aggressive acquisition strategy of some of their largest competitors U.S. Cellular Assets, and Mint Mobile. While utilizing their acquisition of Blis and Vista Media to capture a larger share of the digital out-of-home advertising market.
- Opportunity to expand customer base and increase dominance in the Fiber Broadband through joint ventures with KKR and EQT to acquire Lumos Networks and Metronet.

Risk of Thesis:

- T-Mobile's aggressive M&A strategy can become costly if they fail to integrate their new acquisitions. Their expansion into sectors such as Fiber Internet and advertising could lead to operational complexities.
- T-Mobile's growth strategy could be hindered by antitrust headwinds, senators have expressed concerns due to its dominant market position and highly acquisitive behavior.
- Large Debt Burden only driven further by recent acquisitions and reliance on debt financing for network upgrades could limit T-Mobile's ability to sustain its aggressive growth.

5yr TMUS Performance vs. S&P 500



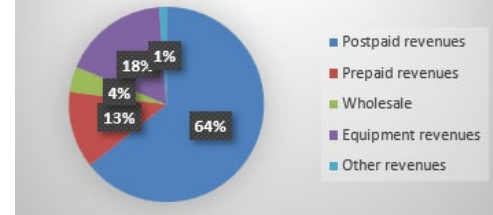
COMPANY DESCRIPTION

T-Mobile stands as a major player in the U.S. wireless and telecommunications space, offering postpaid and prepaid voice, messaging, and data services, along with wholesale wireless solutions. Operating under its two core brands—T-Mobile and Metro by T-Mobile—the company serves a diverse customer base. While T-Mobile focuses on comprehensive postpaid offerings, Metro by T-Mobile delivers budget-friendly prepaid plans with slightly limited features.

With a market capitalization of \$294 billion, T-Mobile has grown into the largest telecommunications provider in the country. Its rise has been accelerated by a series of strategic acquisitions, including Sprint (2020), US Cellular (2024), and most recently, Vistar Media (2025). These mergers have strengthened the company's competitive edge, enabling it to roll out the nation's first and most expansive standalone 5G network now covering approximately 98% of Americans.

The acquisition of Vistar Media marked T-Mobile's entry into the programmatic digital out-of-home (DOOH) advertising space. This move bolstered its advertising capabilities, allowing the company to better monetize consumer data, enhance targeted marketing offerings, and diversify revenue beyond traditional telecom services. T-Mobile categorizes its business into five segments: Postpaid, Prepaid, Wholesale, Equipment, and Other. The first three represent its service revenue streams, which collectively account for roughly 70% to 80% of the firm's total revenue. A breakdown of this revenue distribution is provided below.

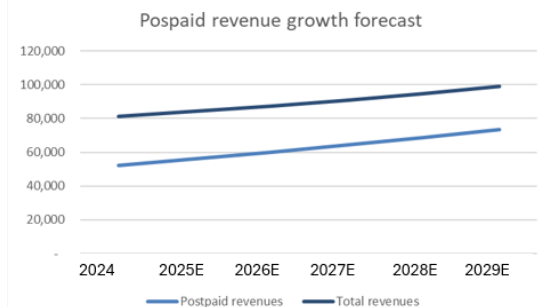
Revenue by segment '24



Source: T-Mobile 10-K

T-Mobile generates all its revenue within the U.S., including Puerto Rico and the U.S. Virgin Islands. Its ownership structure is notable—Deutsche Telekom, Europe's largest telecom provider, holds majority voting control, including SoftBank's 7.4% stake (valued at \$19 billion) via a proxy agreement. While T-Mobile operates independently with its own leadership team, Deutsche Telekom maintains significant influence through its voting power and board representation, occupying 7 of 14 seats. This concentrated control supports long-term stability but ultimately gives Deutsche Telekom the final say in strategic decisions.

Postpaid Revenues



Source: T-Mobile 10-K and HF Estimates

The primary distinction between prepaid and postpaid plans lies in billing timing—prepaid customers pay upfront, while postpaid users are billed monthly. Though more costly, postpaid plans offer added perks such as prioritized data, international roaming, and even bundled services like Netflix.



With the U.S. wireless market approaching full saturation, organic growth is limited, making competitive gains crucial. T-Mobile is well-positioned to capture additional market share through strategic acquisitions—like the purchase of US Cellular and Vistar media—and by leveraging its industry-leading 5G network, which continues to draw customers from rival carriers.

T-Mobile's expansive 5G coverage, particularly in underserved rural regions, gives it a clear edge in reaching new customer bases. Additionally, the firm's "T-Mobile for Business" division plays a key role in this growth, providing tailored wireless plans and advanced connectivity solutions for enterprises, including AI integration, cloud services, and IoT capabilities. Given these growth drivers, we project this segment to expand at a compound annual growth rate (CAGR) of 5.5% through 2029.

Prepaid Revenues

In 2024, T-Mobile's 23 million prepaid customers accounted for roughly 15% of its total service revenue. These users are served under both the T-Mobile and Metro by T-Mobile brands. While prepaid plans offer a more affordable alternative to postpaid options, they come with trade-offs like reduced data speeds, fewer features, and lower service prioritization.

Prepaid offerings enable T-Mobile to reach price-sensitive and lower-income demographics, expanding its addressable market. However, this segment contributes less to the company's growth due to its inherently lower average revenue per user (ARPU). As a result, prepaid is expected to remain a steady, but not high-growth, revenue stream.

Looking ahead, we don't expect major shifts in this segment.

T-Mobile is more likely to focus on growth through its recent acquisitions rather than this segment. Based on these dynamics, we project the prepaid segment to grow at a 2.93% CAGR through 2029, with the most notable gains occurring in 2025.

Wholesale Revenues

In 2024, T-Mobile's wholesale and other services revenue declined to approximately \$3.44 billion, down from \$4.78 billion in 2023—a decrease of about 28%. This downturn was primarily due to the migration of legacy TracFone customers to Verizon and reduced usage from Boost Mobile customers as Dish Network expanded its own infrastructure. Despite these challenges, T-Mobile continues to support over 200 mobile virtual network operators and is actively seeking to grow its wholesale partnerships. Looking ahead, the company anticipates wholesale revenue to remain at a low point in 2025 due to the tapering of partnerships with companies like DISH and TracFone, but we expect it to grow steadily overtime.

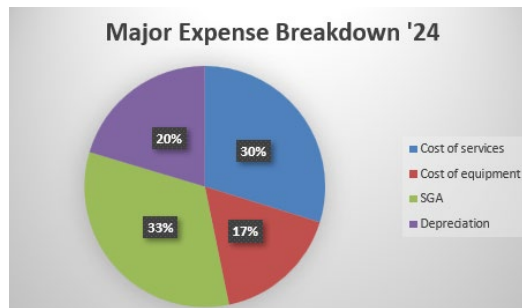
Equipment Revenue

In 2024, T-Mobile's equipment revenue reached approximately \$4.70 billion in the fourth quarter, marking a 12.6% increase year-over-year and a significant 46.5% rise from the previous quarter. This growth was driven by a higher mix of premium device sales and improved device recovery processes. The company also transitioned certain device recovery programs from external sources to in-house processing, contributing to increased liquidation revenue. We expect this to continue rising steadily.

Cost Structure Analysis

Cost of Services:

In 2024, T-Mobile experienced an increase in its cost of service, influenced by factors such as inflation, rising operational expenses, and investments in network expansion. These cost pressures led to adjustments in pricing for some legacy plans, with monthly rates increasing by \$5 per line for certain customers. However, newer plans like Go5G, Go5G Plus, and Go5G Next remained unaffected by these changes. We expect the Cost of Service to continue to increase steadily over time as factors such as inflation and tariffs continue to grow.



Sales, General and Administrative:

In 2024, T-Mobile's Selling, General, and Administrative (SG&A) expenses totaled approximately \$20.82 billion, marking a 2.3% decrease from the previous year. This decline was primarily driven by realized synergies from the Sprint merger and reduced severance and restructuring costs. However, these savings were partially offset by increased expenses related to the acquisitions of Mint Mobile and Ultra Mobile. We expect SGA cost to steadily increase overtime due to new acquisitions of Vistar Media which requires more investments for operation.

Cost of Equipment:

In 2024, T-Mobile's cost of equipment sales amounted to approximately \$10

billion, reflecting a 42% decrease from the previous year. This decline was primarily due to improved supply chain efficiencies and a strategic shift towards higher-margin device offerings. The reduction in equipment costs contributed to T-Mobile's overall operational efficiency, supporting its profitability and competitive pricing strategies. We expect this cost to steadily decrease overtime as T-Mobile grow its efficiency through acquisition and effective supply chain management.

Depreciation & Amortization:

In 2024, T-Mobile's wholesale and other services revenue declined to In 2024, T-Mobile's depreciation and amortization (D&A) expenses totaled approximately \$12.92 billion, reflecting a modest year-over-year increase of 0.79% from \$12.82 billion in 2023. This uptick aligns with the company's continued investments in network infrastructure, including the expansion of its 5G capabilities and integration of assets from recent acquisitions. We expect depreciation and amortization expense to steadily increase overtime as T-Mobile continues to expand its 5G capabilities and acquire existing competitions.

Firm Differentiation

T-Mobile distinguishes itself in the telecommunications industry through its innovative "Un-carrier" strategy, which challenges traditional carrier practices by eliminating contracts, simplifying pricing, and offering customer-centric perks. This approach has redefined customer expectations and positions T-Mobile as a disruptor in the market.

A key differentiator is T-Mobile's expansive and fast 5G network, which, as of 2024, covers over 300 million people across the United States. This extensive



coverage provides a competitive edge, especially in underserved rural areas. The company's commitment to network excellence is further demonstrated by its investments in AI-driven technologies, such as the partnership with OpenAI and NVIDIA to develop AI-RAN, aiming to create a self-optimizing network that enhances user experience.

Carrier	5G Availability	5G Download Speed	5G % of US Population Covered
T-Mobile (TMUS)	67.4%	204.9 Mbps	98.0%
Verizon (VZ)	8.7%	135.3 Mbps	60.0%
AT&T (T)	13.8%	123.5 Mbps	90.1%

Source: Opensignal

Debt Maturity Analysis

T-Mobile has strategically managed its debt portfolio to support growth initiatives while maintaining financial flexibility. As of December 31, 2024, the company reported approximately \$79 billion in long-term debt, reflecting a modest year-over-year increase. The debt-to-equity ratio stood at 1.85, indicating a higher leverage compared to industry peers but within manageable levels given T-Mobile's robust cash flow and operational performance.

In March 2025, T-Mobile issued \$3.5 billion in senior notes across three tranches: \$1.25 billion due in 2032 at 5.12%, \$1 billion due in 2035 at 5.30%, and \$1.25 billion due in 2055 at 5.87%. The proceeds are earmarked for general corporate purposes, including potential share repurchases, dividend payments, and refinancing existing debt. This proactive debt management approach, characterized by staggered maturities and refinancing strategies, positions T-Mobile to capitalize on growth opportunities while mitigating interest rate risks.

The company's strong credit ratings further underscore its capacity to navigate financial obligations effectively.

Five-Year Debt Maturity Schedule	
Fiscal Year	Payment (\$mil)
2024	\$0
2025	4,760
2026	5,500
2027	4,500
2028	11,252
Thereafter	53,549
Total	\$79,561

Source: FactSet

ESG Analysis

to support over 200 mobile virtual network operators and is actively seeking to grow its wholesale partnerships. Looking ahead, the company anticipates wholesale revenue to remain at a low point in 2025 dueT-Mobile has demonstrated a strong commitment to environmental, social, and governance (ESG) principles, positioning itself as a leader in sustainable practices within the telecommunications industry. In 2023, the company became the first U.S. wireless provider to set a net-zero emissions goal across its entire carbon footprint by 2040, encompassing Scope 1, 2, and 3 emissions.

T-Mobile	23.0 (medium risk)
Verizon	19.3 (low risk)
AT&T	22.1 (medium risk)
Charter	23.7 (medium risk)
Liberty Broadband	18.6 (low risk)
Lumen Technologies	27.9 (medium risk)
Frontier Comm	29.9 (medium risk)

Source: Morningstar Sustainability

M&A Activity



With the U.S. wireless market approaching full saturation, organic growth is limited, making competitive gains crucial. T-Mobile is well-positioned to

Telecommunications M&A Activity		
Deal:	Date:	Size/Status:
T-Mobile acquires Sprint	4/1/2020	\$26b – completed
T-Mobile <u>acquires</u> Ka’Ena Corp. (Mint Mobile)	5/1/2024	\$1.35b – completed
T-Mobile and EQT to acquire Lumos for JV	4/25/2024	\$950m – completed
T-Mobile announces US Cellular acquisition	5/28/2024	\$4.4b – completed
T-Mobile announces JV with KKR for Metronet	7/24/2024	\$4.9b – 2025 expected close
Verizon announces Frontier Communications acquisition	9/5/2024	\$20b – Q1 2026 expected close
Charter announces Liberty Broadband acquisition	11/13/2024	\$12.8b – 2027 expected close
T-Mobile <u>announce</u> Vistar Media <u>acquisition</u>	01/14/2025	600 MM – 2025 completed

Source: Bloomberg

T-Mobile has strategically used mergers and acquisitions to fuel its growth and transform into a dominant force in the U.S. telecommunications industry. Its first major move came in 2013 with the merger with MetroPCS, which strengthened T-Mobile’s position in the prepaid market and expanded its spectrum portfolio. The game-changing moment came in 2020 with its \$26 billion merger with Sprint, a deal that catapulted T-Mobile to the forefront of the 5G race by significantly boosting its mid-band spectrum holdings.

T-Mobile to bring computer and storage functions closer to where data is generated, reducing latency for real-time applications such as augmented reality, online gaming, and industrial automation. Edge computing relies on connected devices like routers, IoT gateways, and AI-powered sensors to enable faster decision-making at the network’s edge. . T-Mobile’s 5G infrastructure is well suited for these use cases, especially as enterprises seek lower-latency solutions for data processing.

wholesale revenue to remain at a low point in 2025 due to the tapering of partnerships with companies like DISH and TracFone, but we expect it to grow steadily overtime. Additionally, T-Mobile is collaborating with NVIDIA to build a more intelligent AI-integrated network, setting the stage for future 6G development. These efforts position T-Mobile to support customers in adapting to the AI and data-driven transformation occurring across industries. As edge computing becomes more central to enterprise operations, T-Mobile’s investments give it a strategic advantage in delivering next-generation connectivity. However, many of their main competitors continue to progress in parallel, investing heavily in similar computing and AI capabilities to ensure they remain competitive.

COMPETITION AND MARKETS

Main Players

Firm	Mkt. Cap	P/E (TTM)	Revenue (TTM)
T-Mobile (TMUS)	288.1B	26.56	81.4B
Verizon (VZ)	189.0B	10.37	134.8B
AT&T (T)	200.0B	18.08	122.3B
Comcast (CMCSA)	130.1B	8.21	123.7B
Charter Comm. (CHTR)	49.2B	9.42	55.1B

Source: Yahoo Finance

Wireless Competitors:

T-Mobile is the most dominate player in the telecom industry. It leads takes the lead in terms of market capitalization, while having lower revenue than its closest competitors (Verizon and AT&T). T-Mobile also has the highest P/E ratio, which suggests the market has higher expectations for growth than competitors.



We disagree with this outlook. Traditional telecom giants AT&T and Verizon still produce more revenue than T-Mobile. Their lack of success in 5G gives more room for T-Mobile to grab market share. We consider T-Mobile to be the market leader in wireless, but we believe the firm lacks capability to grow into the future than both Verizon and AT&T.

Cable and Broadband Providers:

Comcast announced the spin-off of several NBCUniversal cable networks into a newly formed entity, signaling a deliberate move away from declining traditional TV assets. This restructuring allows Comcast to concentrate on its broadband, wireless, and streaming segments, which are positioned for long-term growth. By reallocating resources toward these areas, Comcast is improving operational focus and preserving financial flexibility—traits that contrast with T-Mobile's more debt-reliant growth strategy.

Charter Communications also navigates major shifts in the broadband landscape. The expiration of a federal subsidy program that helped low-income households access the internet contributed to a reduction in broadband subscribers. While this presents a challenge, Charter maintains a more conservative capital structure and continues to prioritize network efficiency and infrastructure. Compared to T-Mobile, Charter's approach appears more stable and measured, especially in an environment where financial flexibility is critical for long-term adaptation.

Risk of Disruption

The telecommunications industry is undergoing rapid transformation, with advancements in technologies such as 5G, AI integration, and the anticipated evolution toward 6G.

While T-Mobile has been a frontrunner in 5G deployment, maintaining this lead necessitates continuous, substantial investments. The company's recent acquisitions and network enhancements have significantly increased its debt levels, potentially limiting financial flexibility for future technological investments.

Moreover, competitors like AT&T and Verizon are aggressively pursuing AI-driven network optimizations and expanding their service offerings, potentially outpacing T-Mobile in innovation and customer value propositions. T-Mobile's heavy reliance on debt financing for growth and network upgrades may hinder its ability to adapt swiftly to these industry shifts, posing a risk to its long-term competitive position.

Churn Rate:

Over the past decade, T-Mobile has steadily reduced its customer churn rate. While it once trailed the industry in this area as recently as 2016, it now leads the market with the lowest churn. This turnaround is largely attributed to its Un-carrier branding strategy, which helped strengthen customer loyalty. Looking ahead, T-Mobile is likely to retain its industry-best churn performance, supported by its customer-first approach and advanced 5G network.

Economic Outlook

Inflation

Inflation remains a significant macroeconomic factor for T-Mobile and the broader telecommunications industry. Rising inflation leads to increased costs for network maintenance, equipment, and labor, putting pressure on profit margins



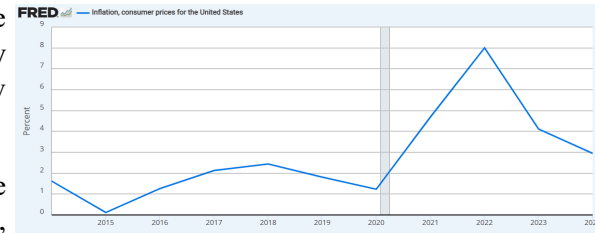
To maintain profitability, telecom companies may raise consumer prices, potentially increasing customer churn rates.

The Federal Reserve's efforts have been effective in managing inflation, and we anticipate that the current high-interest-rate environment will continue to suppress inflationary pressures. However, the recent election of President Donald Trump introduces uncertainty into the macroeconomic landscape, particularly concerning the implementation of new tariffs.

Recent tariffs have already impacted the telecommunications sector. For instance, Ericsson reported a surge in North American orders as clients accelerated purchases ahead of anticipated U.S. tariffs, indicating concerns about future cost increases.

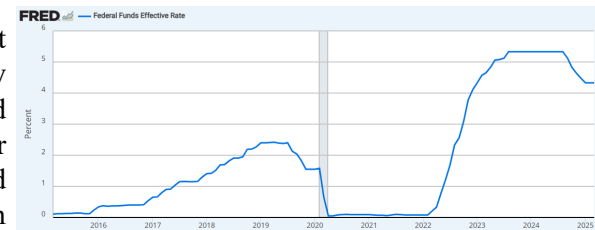
These tariffs are expected to raise the cost of telecom equipment by approximately 4% to 15%, depending on the product and origin. Such increases could lead to higher service prices for consumers and potentially slow down network expansion efforts.

While some fiber broadband equipment may be less affected due to domestic manufacturing and long-term supply agreements, the overall impact of tariffs on the telecom industry warrants close monitoring. Continued tariff escalations could exacerbate inflationary pressures and hinder the industry's growth and infrastructure development.

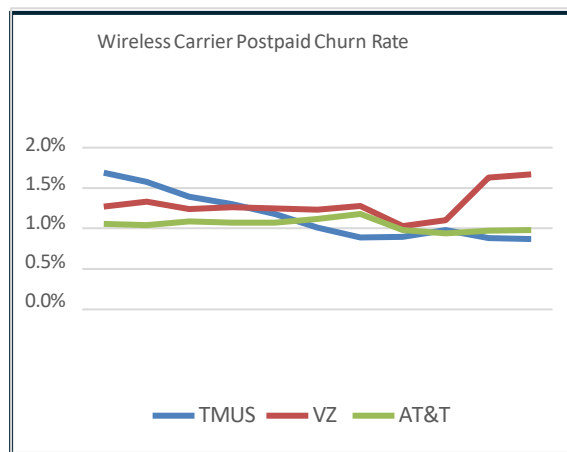


Data (FRED)

Interest Rates



Source: Federal Reserve Economic Data (FRED)



The 10-year Treasury yield and interest rates significantly influence T-Mobile and other telecom companies. Higher rate environments, like the current one, increase borrowing costs for capital-intensive telecommunications businesses, potentially slowing network expansion and infrastructure investments. T-Mobile has managed well through the rate-hike cycle, supported by a healthy balance sheet and strong operational growth.

Looking ahead, the Federal Reserve has maintained the federal funds rate at 4.25%–4.50%.



With the U.S. wireless market approaching the company's growth due to its inherently lower average revenue per user (ARPU). As a result, prepaid is expected to remain a steady, but not high-growth, revenue stream.

Looking ahead, we don't expect major shifts in this segment. The fed has decided to take a wait and see approach moving forward and this is partly driven by recent tariffs which has led the Fed to adopt a cautious approach.

Consumer Price Index

The Consumer Price Index (CPI), a key measure of inflation, directly affects the telecom industry by influencing costs for labor, equipment, and network maintenance. When CPI rises, telecom companies like T-Mobile face higher operating expenses, which can compress margins and lead to price hikes for consumers—potentially increasing churn. Although recent CPI data shows a slight decline, inflation remains above the Fed's target, keeping cost pressure elevated. For capital intensive sectors like telecommunications, sustained could delay infrastructure rollouts and reduce investment flexibility. Monitoring CPI trends will be critical in assessing future pricing strategies and margin stability across the industry.

VALUATION

Revenue Growth:

We project total revenue to increase at a compound annual growth rate (CAGR) of 7.06% through 2029. Much of this growth is expected to come from customer expansion driven by acquisitions. We believe T-Mobile will continue benefiting from its consumer-friendly marketing strategies, which have supported steady customer gains. Additionally, the

expansion of home internet services via fiber and 5G wireless should help diversify the company's revenue beyond mobile phones and devices. While initiatives in AI and advanced computing are promising, we view them as long-term drivers that will primarily position the firm for 6G opportunities in the next decade.

Operating Expense Assumptions:

For T-Mobile's operating expenses, we forecast minimal cost cutting over the next five years. We also see the cost of equipment go down as a percentage of revenues over the period as the firm moves focused from equipment sales. We averaged cost of services as a % of service sales (22.5%), as we believe the firm will be able to maintain the average level from 2019 to 2024

Profit Margin Forecast:

We project T-Mobile's gross margin to improve modestly over the next five years, although it will likely stay near its 2024 level of 22.3. On the other hand, we foresee a more pronounced increase in operating margin, primarily fueled by anticipated decreases in SG&A expenses and broader operational efficiencies. Margin growth should be further supported by the company's consistently low churn, ongoing customer additions, and continued dominance in 5G. However, we recognize this won't go as smoothly as planned if there are any hiccups on capitalizing on their recent acquisitions.

Contingent Liabilities:

We did not include any projected litigation liabilities in our forecast.

Valuation Models

DCF:



Our discounted cash flow and economic profit analysis estimate a fair value of \$252 per share, implying a 1.56% potential upside. The main assumptions behind our DCF include a 2.5% increase in NOPLAT, a weighted average cost of capital (WACC) of 6.32%, and a five-year monthly beta of 0.55. We find the 2.5% NOPLAT growth reasonable, as it mirrors average U.S. GDP expansion and is appropriate given T-Mobile's strictly domestic footprint. We consider the DCF approach the most fitting for T-Mobile, as it captures future cash generation and aligns with our anticipated trajectory for the business. The company's strong positioning in 5G relative to competitors unfairly skews its valuation under peer-based methods. Moreover, the absence of a consistent dividend history makes the dividend discount model less dependable, as it requires speculative assumptions regarding future payout growth.

DDM:

Our dividend discount model produced a valuation of \$12.85 per share. The primary assumptions used were a 2.50% constant growth rate for EPS, appropriate for a telecom company, an 18.37% long term return on equity, and a 7.17% cost of equity. However, we assign limited significance to this model, given T-Mobile's track record of not issuing dividends and the absence of clear direction from management regarding future dividend policies.

Relative Valuation:

Our P/E relative value model based on 2025 EPS values T-Mobile at \$11.52. The low EPS contributing to our P/E-based valuation of \$11.52 stems from T-Mobile's significant capital investments in expanding its 5G infrastructure, which continues to weigh on net income.

T-Mobile is more likely to focus on growth through its recent acquisitions rather than this segment. Based on these dynamics, we project the prepaid segment to grow at a 2.93% CAGR through 2029, with the most notable gains occurring in 2025. Additionally, non-cash charges and integration costs from previous mergers have suppressed reported earnings. While the EPS appears low, current market conditions and elevated equity valuations may be inflating the P/E ratio, making the relative value model less reflective of T-Mobile's true long-term potential

Sensitivity Analysis

WACC	CV Growth of NOPLAT							
	252.03	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	5.57%	285.25	292.95	301.80	312.09	324.21	338.68	356.28
	5.82%	267.83	273.98	280.98	289.05	298.42	309.46	322.65
	6.07%	252.42	257.33	262.89	269.23	276.52	285.00	294.98
	6.32%	238.72	242.64	247.04	252.03	257.71	264.24	271.84
	6.57%	226.39	229.50	232.97	236.87	241.29	246.31	252.10
	6.82%	215.29	217.74	220.46	223.50	226.91	230.76	235.15
	7.07%	205.24	207.14	209.25	211.58	214.19	217.11	220.42

This table examines the impact of WACC on the CV growth of NOPLAT. These two factors have an inverse relationship and are highly correlated. An increase in WACC typically leads to a decline in share price, whereas higher NOPLAT growth tends to drive stock price upward. These dynamics can be influenced by fluctuations in debt-to-equity ratios, which are shaped by market conditions such as the Federal Reserve's funds rate and overall market performance. We anticipate that CV growth in NOPLAT will decrease in the future, driven by our expectation of T-Mobile's growth to slow down.

Equity Risk Premium	Beta							
	252.03	0.46	0.49	0.52	0.55	0.58	0.61	0.64
	2.83%	341.69	334.66	327.92	321.45	315.23	309.26	303.52
	4.00%	301.62	293.96	286.69	279.77	273.20	266.93	260.95
	4.50%	287.28	279.49	272.13	265.16	258.54	252.25	246.27
	5.00%	274.27	266.42	259.02	252.03	245.41	239.15	233.20
	5.50%	262.42	254.54	247.14	240.17	233.59	227.37	221.48
	6.00%	251.57	243.71	236.33	229.40	222.88	216.73	210.91
	6.50%	241.61	233.78	226.45	219.59	213.14	207.06	201.34

Using a Beta sensitivity table helps investors understand the impact of changes in an organization's systematic risk on the cost of equity and valuation, especially in CAPM-based models. In contrast, an ERP (Equity Risk Premium) sensitivity table captures broader market sentiment reversals and their valuation effect, offering a gauge of macroeconomic risk perceptions. They both offer complementary perspectives—Beta is focused on firm-specific volatility, and ERP is representative of market-wide return expectations. When using the lower end of the sensitivity table for ERP 2.83%.

It has a much more positive impact on increasing the implied share price of T-Mobile. This suggests that macroeconomic conditions or investor risk aversion are more dominant forces driving our valuation rather than company-specific volatility.

Cost of Equity	Service Revenue % Cost of Service							
	252.03	19.50%	20.50%	21.50%	22.50%	23.50%	24.50%	25.50%
	1.17%	293.31	278.86	264.41	249.96	235.53	221.12	206.71
	3.17%	294.15	279.65	265.15	250.67	236.20	221.74	207.30
	5.17%	294.96	280.42	265.89	251.37	236.86	222.36	207.88
	7.17%	295.77	281.19	266.62	252.05	237.50	222.97	208.44
	9.17%	296.56	281.94	267.33	252.73	238.14	223.56	209.00
	11.17%	297.34	282.68	268.03	253.39	238.76	224.15	209.55
	13.17%	298.10	283.41	268.72	254.05	239.38	224.73	210.09

Plotting a sensitivity table on Service Revenue as a percentage of Cost of Service versus Cost of Equity allows you to calculate how shifts in operating costs and capital costs affect the valuation of T-Mobile. This setting highlights how improved service margins or shifts in investor required returns can trigger value creation. The plus is that it allows you to identify the most critical levers such as cost control and capital market sentiment upon which management and investors must keep a close eye. Cost of Equity doesn't affect our valuation as much as Service Revenue as a percent of Cost of Service, it means our model is more sensitive to operational efficiency. This shows that improving margins or controlling service costs has a greater impact on T-Mobile's value than changes in investor return expectations.

Risk-Free Rate	Normal Cash Estimate							
	252.03	0.00%	0.78%	1.78%	2.78%	3.78%	4.78%	5.78%
	3.42%	309.80	309.30	308.66	308.02	307.38	306.74	306.09
	3.67%	293.45	292.98	292.37	291.76	291.15	290.55	289.94
	3.92%	278.78	278.32	277.75	277.17	276.59	276.01	275.43
	4.42%	253.49	253.08	252.55	252.03	251.50	250.97	250.44
	4.67%	242.53	242.13	241.63	241.12	240.62	240.11	239.60
	4.92%	232.49	232.11	231.63	231.14	230.65	230.17	229.68
	5.17%	223.27	222.90	222.44	221.97	221.50	221.03	220.56

A sensitivity table based on Normal Cash Estimate and Risk-Free Rate helps to determine how valuation changes with the alteration of operating cash flow assumptions and macroeconomic environment.



It helps you to test the stability of your model under different profitability scenarios and interest rate changing environments. The benefit is a clearer understanding of whether the company's value is more led by internal performance or external market forces. If the Normal Cash Estimate has small effects and the Risk-Free Rate has large effects, then your valuation is more driven by overall economic conditions than by the generation of cash for the company. This means that interest rate assumptions and macro trends are more important to value than operating performance.

Pre-Tax Cost of Debt	Forecasted Marginal Tax Rate							
	252.03	24.60%	25.10%	25.60%	26.10%	26.60%	27.10%	27.60%
	5.00%	259.06	259.57	260.07	260.58	261.08	261.59	262.11
	5.25%	256.10	256.61	257.13	257.64	258.16	258.69	259.21
	5.50%	253.21	253.74	254.27	254.79	255.33	255.86	256.39
	5.75%	250.42	250.95	251.49	252.03	252.57	253.11	253.66
	6.00%	247.70	248.24	248.79	249.33	249.89	250.44	250.99
	6.25%	245.05	245.60	246.16	246.72	247.28	247.84	248.41
	6.50%	242.48	243.04	243.60	244.17	244.74	245.31	245.88

The preparation of a sensitivity table based on Forecasted Marginal Tax Rate and Pre-tax Cost of Debt will analyze the influence that a change in tax policy or the cost of debt financing has on the valuation of T-Mobile. It is an illustration of the effects of tax shields and interest payments on the company's WACC. The benefit is that the value of the company is now more transparent regarding its sensitivity to both changes in fiscal policy and credit market conditions. If Pre-tax Cost of Debt is more powerful than the Forecasted Marginal Tax Rate, then this means that changes in borrowing costs have a strong impact on T-Mobile's valuation by impacting its WACC more intensely. The most value is being created in a situation with a higher tax rate and lower debt cost because the company is benefiting from higher interest tax shields while financing costs are low.

Implied Depreciation %	CapEx % of Sales							
	252.03	11.07%	12.07%	13.07%	14.07%	15.07%	16.07%	17.07%
	18.01%	310.25	298.48	286.72	274.97	263.22	251.47	239.73
	23.01%	301.24	288.20	275.18	262.16	249.15	236.15	223.16
	28.01%	297.21	283.14	269.07	255.02	240.98	226.96	212.94
	33.01%	296.73	281.82	266.91	252.03	237.16	222.30	207.46
	38.01%	298.62	283.03	267.46	251.91	236.37	220.86	205.37
	43.01%	301.88	285.77	269.68	253.61	237.57	221.55	205.55
	48.01%	305.69	289.20	272.73	256.28	239.86	223.46	207.09

Boost Mobile customers as Dish Network expanded its own infrastructure. Despite these challenges, T-Mobile continues to support over 200 mobile virtual network operators and is actively seeking to Creating a sensitivity table with CapEx as a percentage of Sales and Implied Depreciation Percentage helps analyze the effect on free cash flow and valuation due to changes in assumptions around long-term investment and asset life. You are able to stress test the capital expenditure to depreciation balance, and how this affects net investment and the cash flow timing. The benefit is that it illustrates how well T-Mobile is leveraging the money invested and as set wear and tear. The 33.01% depreciation rate generates a lowee valuation since it's enough to reduce earnings but not enough to generate meaningful tax savings in the form of non-cash deductions. Lower (18.01%) and higher (48.01%) rates, respectively, either boost free cash flow through higher earnings or boost after-tax cash flow through more tax shields, generating higher valuations.

CULMINATION

Future Expectations:

We anticipate that T-Mobile will continue to leverage its first-mover advantage in 5G and maintain strong momentum through effective customer acquisition strategies.



Future mergers are likely to support the company's efforts to expand its subscriber base and diversify revenue sources.

We're optimistic about T-Mobile's strategic partnerships with leading tech innovators like OpenAI and NVIDIA, which position the company at the forefront of the AI revolution. As it increasingly serves high-growth firms in the tech and AI sectors, this area will be critical to watch as a potential growth engine moving forward.

Key Risks:

T-Mobile's ownership by Deutsche Telekom could pose challenges if strategic disagreements arise. Other key risks include potential M&A setbacks and losing its edge in the 5G race. Failed deals could hinder customer growth and delay expansion into fiber internet. Additionally, if competitors catch up in 5G, T-Mobile may lose a core differentiator.

Conclusion:

We believe that T-Mobile is not a good investment opportunity. T-Mobile is facing large operational and debt risk from their recent acquisitions. The company is well-positioned to benefit from emerging trends in artificial intelligence and shifts in the home internet landscape, however, their largest competitors AT&T and Verizon are on a parallel path.

T-Mobile has demonstrated impressive growth over the past decade, but we believe it will come to a halt due to economic uncertainty and a heavy burden of debt. Given these factors, we are assigning a **NO ACTION** rating on T-Mobile US, with a price target of **\$252.03**, reflecting a **1% downside** from current levels.

References:

1. AT&T 10-K
2. Bloomberg
3. Statista
4. Federal Reserve Economic Data (FRED)
5. T-Mobile 10-K
6. T-Mobile 3Q 10-Q
7. Morningstar Sustainalytics
8. Verizon 10-K
9. FactSet
10. T-Mobile Company Website
11. Comcast 10-K
12. Liberty Broadband 10-K
13. Lumen Technologies 10-K
14. Frontier Communications 10-K
15. Opensignal

T-Mobile

Revenue Decomposition

<i>Fiscal Years Ending Dec. 31</i>	2018	2019	2020	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Revenue											
Postpaid revenues	20,862	22,673	36,306	45,919	48,692	52,340	56,037	59,995	64,232	68,769	73,626
Prepaid revenues	9,598	9,543	9,421	9,857	9,767	10,399	10,399	10,399	10,399	10,399	10,399
Wholesale	1,532	1,778	4,668	5,547	4,782	3,439	3,475	3,511	3,547	3,584	3,622
Total service revenues	31,992	33,994	50,395	61,323	63,241	66,178	69,911	73,905	78,179	82,752	87,647
Equipment revenues	10,009	9,840	17,312	17,130	14,138	14,263	13,383	12,557	11,782	11,055	10,373
Other revenues	1,309	1,164	690	1,118	1,179	959	963	967	971	976	980
Total revenues	\$ 43,310	\$ 44,998	\$ 68,397	\$ 79,571	\$ 78,558	\$ 81,400	84,257	87,429	90,932	94,783	99,000
Growth Rate											
Postpaid revenues	#DIV/0!	8.68%	60.13%	7.89%	6.04%	7.49%	7.14%	6.89%	7.17%	7.07%	7.04%
Prepaid revenues	#DIV/0!	-0.57%	-1.28%	1.27%	-0.91%	6.47%	2.28%	2.61%	3.79%	2.89%	3.10%
Wholesale & other service revenues	#DIV/0!	16.06%	162.54%	-8.68%	-13.79%	-28.08%	12.50%	46.69%	-3.92%	-8.09%	15.13%
Equipment revenues	#DIV/0!	-1.69%	75.93%	-17.35%	-17.47%	0.88%	-3.55%	-9.37%	-7.38%	-4.85%	-6.29%
Other revenues	#DIV/0!	-11.08%	-40.72%	9.39%	5.46%	-18.66%	11.08%	1.82%	-0.08%	-1.46%	2.84%
Total Revenues		3.90%	52.00%	-0.68%	-1.27%	3.62%	4.70%	1.59%	2.16%	3.02%	2.87%
Postpaid				5.21%	6.31%	7.49%	7.14%	6.89%	7.17%	7.07%	7.04%
Implied revenue per postpaid customer				2.54%	-0.26%	0.00%	-0.07%	0.16%	-0.10%	0.00%	0.02%
Prepaid				1.47%	1.32%	6.47%	2.28%	2.61%	3.79%	2.89%	3.10%
Implied revenue per prepaid customer				-0.20%	-2.20%	0.00%	-2.23%	-2.55%	-3.65%	-2.81%	-3.00%
Number of Accounts in millions											
Postpaid	45.532	47.034	81.35	92.232	98.052	105.398	112.923	120.703	129.362	138.505	148.262
Implied revenue per postpaid custome	458.18	482.06	446.29	497.86	496.59	496.59	496.24	497.04	496.53	496.51	496.59
Prepaid	19.84	20.86	20.714	21.366	21.648	23.049	23.574	24.189	25.105	25.831	26.631
Implied revenue per prepaid customer	483.77	457.48	454.81	461.34	451.17	451.17	441.13	429.90	414.22	402.58	390.48

T-Mobile
Income Statement

<i>Fiscal Years Ending Dec. 31</i>	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Revenue												
Postpaid revenues	20,862	22,673	36,306	42,562	45,919	48,692	52,340	56,037	59,995	64,232	68,769	73,626
Prepaid revenues	9,598	9,543	9,421	9,733	9,857	9,767	10,399	10,399	10,399	10,399	10,399	10,399
Wholesale & other service revenues	1,532	1,778	4,668	6,074	5,547	4,782	3,439	3,475	3,511	3,547	3,584	3,622
Equipment revenues	10,009	9,840	17,312	20,727	17,130	14,138	14,263	13,383	12,557	11,782	11,055	10,373
Other revenues	1,309	1,164	690	1,022	1,118	1,179	959	963	967	971	976	980
Total revenues	\$ 43,310	\$ 44,998	\$ 68,397	\$ 80,118	\$ 79,571	\$ 78,558	\$ 81,400	84,257	87,429	90,932	94,783	99,000
Cost of services	6,307	6,622	11,878	13,934	14,666	11,655	18,882	15,731	16,630	17,592	18,621	19,722
Cost of equipment	12,047	11,899	16,388	22,671	21,540	18,533	10,771	12,448	11,680	10,959	10,283	9,648
SGA							21,311	21,549	23,145	25,855	30,106	36,615
Depreciation	6,486	6,616	14,151	16,383	13,651	12,818	12,919	12,719	12,434	12,390	12,523	12,791
Impairment expense			418		1,564	25						
Total operating expense	\$ 38,001	\$ 39,276	\$ 61,761	\$ 73,226	\$ 73,028	\$ 64,292	\$ 63,390	62,446	63,888	66,795	71,533	78,777
Operating income (loss)	5,309	5,722	6,636	6,892	6,543	14,266	18,010	21,810	23,541	24,137	23,251	20,223
Interest expense	835	727	2,483	3,189	3,364	3,335	3,411	4,414	4,484	4,554	4,627	4,700
interest income	(54)	(8)	(405)	(199)	(33)	68	113	235	268	283	288	307
Total other income (expense), net	781	719	2,078	2,990	3,331	3,403	3,524	4,179	4,215	4,272	4,338	4,393
Income (loss) from continuing operations	6,090	6,441	8,714	9,882	9,874	17,669	21,534	17,631	19,326	19,865	18,912	15,830
Income tax expense	1,029	1,135	466	327	556	2,682	1,607	4,602	5,044	5,185	4,936	4,132
Net income (loss)	\$ 2,888	\$ 3,468	\$ 3,064	\$ 3,024	\$ 2,590	\$ 8,317	\$ 11,339	13,029	14,282	14,680	13,976	11,698
Weighted average shares outstanding - b	850	854	1,144	1,247	1,250	1,185	1,169	1,131	1,103	1,075	1,048	1,020
Earning per share												
Earnings per share		\$ 2.40	\$ 2.42	\$ 2.07	\$ 7.02	\$ 9.70		12	13	14	13	11
Total Dividends						4	23	1	0	0	0	0
Dividends per shares						0.63	2.83	2.91	3.00	3.09	3.19	3.28
Total Shares Outstanding	850.18	856.91	1,241.81	1,249.21	1,233.96	1,195.81	1,144.58	1,117	1,089	1,061	1,034	1,007

T-Mobile
Balance Sheet

<i>Fiscal Years Ending Dec. 31</i>	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Assets												
Cash & cash equivalents	1,203	1,528	10,385	6,631	4,507	5,135	5,409	6,183	6,516	6,640	7,069	7,235
Accounts receivable, net	1,769	1,888	4,254	4,167	4,445	4,692	4,276	4,426	4,754	5,311	6,184	7,521
Equipment installment plan rec	2,538	2,600	3,577	4,748	5,123	4,456	4,379	4,581	5,106	5,932	7,200	9,147
Inventory	1,084	964	2,527	2,567	1,884	1,678	1,607	1,663	1,787	1,996	2,324	2,826
Prepaid expenses	-	-	624	746	673	702	880	911	978	1,093	1,273	1,548
Other current assets	1,676	2,305	2,496	2,005	2,435	2,352	1,853	1,918	2,060	2,301	2,680	3,259
Total current assets	\$ 8,281	\$ 9,305	\$ 23,885	\$ 20,891	\$ 19,067	\$ 19,015	\$ 18,404	\$ 19,683	\$ 21,201	\$ 23,273	\$ 26,729	\$ 31,536
Property & equipment, net	23,359	21,984	41,175	39,803	42,086	40,432	38,533	37,668	37,536	37,940	38,752	39,889
Operating lease right-of-use assets		10,933	28,021	26,959	28,715	27,135	25,398	24,828	24,741	25,007	25,542	26,292
Financing lease right-of-use assets		2,715	3,028	3,322	3,257	3,270	3,091	3,022	3,011	3,043	3,109	3,200
Goodwill	1,901	1,930	11,117	12,188	12,234	12,234	13,005	13,005	13,005	13,005	13,005	13,005
Spectrum licenses	35,559	36,465	82,828	92,606	95,798	96,707	100,558	101,734	105,565	109,795	114,445	119,536
Other intangible assets, net	198	115	5,298	4,733	3,508	2,618	2,512	2,512	2,512	2,512	2,512	2,512
Equipment installment plan rec	1,547	1,583	2,031	2,829	2,546	2,042	2,209	1,688	1,706	1,723	1,741	1,760
Other assets	1,623	1,891	2,779	3,232	4,127	4,229	4,325	4,477	4,808	5,371	6,255	7,607
Total assets	\$ 72,468	\$ 86,921	\$ 200,162	\$ 206,563	\$ 211,338	\$ 207,682	\$ 208,035	\$ 208,617	\$ 214,084	\$ 221,669	\$ 232,089	\$ 245,337
Liabilities and Stockholders' Equity												
Accounts payable and accrued	157	156	217	248	227	10,373	8,463	8,760	9,409	10,511	12,239	14,885
Short-term debt	841	25	4,579	3,378	5,164	3,619	4,068	4,245	4,429	4,621	4,822	5,031
Deferred revenue	698	631	1,030	856	780	825	1,222	2,287	1,813	1,905	2,007	2,118
Short-term operating lease liab	-	2,287	3,868	3,425	3,512	3,555	3,281	3,207	3,196	3,230	3,300	3,396
Short-term financing lease liabi	-	957	1,063	1,120	1,161	1,260	1,175	1,149	1,145	1,157	1,182	1,216
Other current liabilities	787	1,673	810	967	1,850	1,296	1,965	3,318	3,514	3,946	4,720	6,053
Total current liabilities	10,267	12,506	\$ 21,703	\$ 23,499	\$ 24,742	\$ 20,928	\$ 20,174	\$ 22,965	\$ 23,505	\$ 25,370	\$ 28,269	\$ 32,699
Long-term debt	12,124	10,958	61,830	67,076	65,301	69,903	72,700	73,732	74,779	75,841	76,918	78,010
Long-term debt to affiliates	14,582	13,986	4,716	1,494	1,495	1,496	1,497	1,347	1,213	1,091	982	884
Tower obligations	2,557	2,236	3,028	2,806	3,934	3,777	3,664	3,609	3,693	3,861	4,135	4,553
Deferred tax liabilities	4,472	5,607	9,966	10,216	10,884	13,458	16,700	17,179	17,704	18,244	18,758	19,188
Operating lease liabilities	-	10,539	26,719	25,818	29,855	28,240	26,408	25,816	25,724	26,001	26,558	27,338
Financing lease liabilities	-	1,346	1,444	1,455	1,370	1,236	1,151	1,125	1,121	1,133	1,158	1,192
Other long-term liabilities	967	954	5,412	5,097	4,101	3,929	4,000	4,140	4,447	4,968	5,785	7,035
Total long-term liabili	\$ 37,483	\$ 45,626	\$ 113,115	\$ 113,962	\$ 116,940	\$ 122,039	\$ 126,120	\$ 126,949	\$ 128,682	\$ 131,140	\$ 134,293	\$ 138,200
Shareholders' Equity												
Common Stock	38,016	38,506	72,783	73,305	76,957	77,078	89,382	89,382	89,382	89,382	89,382	89,382
Accumulated other compreher	(332)	(868)	(1,581)	(1,365)	(1,046)	(964)	(857)	(857)	(857)	(857)	(857)	(857)
Retained earnings (accumulate	(12,954)	(8,833)	(5,836)	(2,812)	(223)	7,347	14,384	15,413	16,695	16,376	17,352	18,050
Total stockholders' equity	24,718	28,789	65,344	69,102	69,656	64,715	61,741	58,703	61,897	65,161	69,531	74,444
Total liabilities and stockhold	\$ 72,468	\$ 86,921	\$ 200,162	\$ 206,563	\$ 211,338	\$ 207,682	\$ 208,035	\$ 208,617	\$ 214,084	\$ 221,670	\$ 232,092	\$ 245,343

T-Mobile
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024
Net income (loss)	2,888	3,468	3,064	3,024	2,590	8,317	11,339
Depreciation & amortization	6,486	6,616	14,151	16,383	13,651	12,818	12,919
Stock-based compensation expense	424	495	694	540	595	667	649
Deferred income tax expense (benefit)	980	1,091	822	197	492	2,600	3,120
Losses on redemption of debt	122	19	371	184	-	898	1,192
Accounts receivable	(4,617)	(3,709)	(3,273)	(3,225)	(5,158)	(5,038)	(3,088)
Equipment installment plan receivables	(1,598)	(1,015)	(1,453)	(3,141)	(1,184)	170	(523)
Inventories	(201)	(617)	(2,222)	201	744	197	131
Operating lease right-of-use assets	-	1,896	3,465	4,964	5,227	3,721	3,480
Other current & long-term assets	(181)	(144)	(402)	(573)	(754)	(358)	(411)
Accounts payable & accrued liabilities	(867)	17	(2,123)	549	558	(1,126)	(2,041)
Short- & long-term operating lease liabil	-	(2,131)	(3,699)	(5,358)	(2,947)	(3,785)	(3,879)
Other current & long-term liabilities	(69)	144	(2,178)	(531)	459	(839)	(678)
Other operating activities, net	52	257	367	236	414	143	21
Net cash flows from operating \$	3,899	\$ 6,824	\$ 8,640	\$ 13,917	\$ 16,781	\$ 18,559	\$ 22,293
Investing activities							
Purchases of property & equipment	(5,541)	(6,391)	(11,034)	(12,326)	(13,970)	(9,801)	(8,840)
Purchases of spectrum licenses & other	(127)	(967)	(1,333)	(9,366)	(3,331)	(1,010)	(3,471)
Proceeds from sales of tower sites	-	38	-	40	9	12	-
Proceeds related to beneficial interests	5,406	3,876	3,134	4,131	4,836	4,816	3,579
Acquisition of companies, net of cash &	-	-	(5,000)	(1,916)	(52)	-	(373)
Other investing activities, net	21	(18)	(338)	51	149	154	33
Net cash flows from investing \$	(579)	\$ (4,125)	\$ (12,715)	\$ (19,386)	\$ (12,359)	\$ (5,829)	\$ (9,072)
Financing activities							
Proceeds from issuance of long-term de	2,494	-	35,337	14,727	3,714	8,446	8,587
Repayments of financing lease obligatio	(700)	(798)	(1,021)	(1,111)	(1,239)	(1,227)	(1,367)
Repayments of long term debt	(3,349)	(600)	(20,416)	(11,100)	(5,556)	(5,051)	(5,073)
Repurchases of common stock	(1,071)		(19,536)		(3,000)	(13,074)	(11,228)
Tax withholdings on share-based award:	(146)	(156)	(439)	(316)	(243)	(297)	(269)
Other financing activities, net	(52)	(17)	103	(191)	(127)	(147)	(165)
Dividends on common stock						747	(3,300)
Net cash flows from financing \$	(3,336)	\$ (2,374)	\$ 13,010	\$ 1,709	\$ (6,451)	\$ (12,097)	\$ (12,815)
Net increase/ (decrease) in cash	-	-	8,935	(3,760)	(2,029)	633	406
Beginning cash balance	-	-	1,528	10,463	6,703	4,674	5,307
Cash & cash equivalents, end o	-	-	\$ 10,463	\$ 6,703	\$ 4,674	\$ 5,307	\$ 5,713

T-Mobile
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E
Operating Activities					
Net Income	13,029	14,282	14,680	13,976	11,698
Adjustments to reconcile net income					
Depreciation & amortization	12,719	12,434	12,390	12,523	12,791
Change in working capital assets:					
(Increase)/decrease in receivables	(150)	(328)	(557)	(873)	(1,337)
(Increase)/decrease in inventories	(56)	(123)	(209)	(328)	(502)
(Increase)/decrease in prepaid expense	(5,562)	(5,867)	(6,433)	(7,347)	(8,759)
Increase/(Decrease) in deferred revenue	(1,065)	473	(92)	(101)	(111)
Increase/(Decrease) in deferred tax	55	(83)	(168)	(274)	(419)
Increase/(Decrease) in accounts payable	297	649	1,102	1,728	2,646
Increase/(decrease) in accrued compensation	1,253	180	479	869	1,464
Increase/(decrease) in other non-current liabilities	(507)	299	966	1,647	2,449
Net cash flows from operating activities	20,013	21,915	22,157	21,820	19,920
Investing activities					
CapEx	(10,820)	(11,569)	(12,257)	(12,927)	(13,604)
Change in equipment installment	(521)	18	18	18	18
Change in spectrum license	1,176	3,831	4,230	4,650	5,091
Proceeds from sales of tower	(69)	(11)	32	65	91
Change in other assets	(639)	(98)	299	601	841
(Increase)/decrease in other assets	(152)	(332)	(563)	(883)	(1,352)
Net cash flows from investing activities	(13,825)	(10,661)	(10,741)	(9,677)	(7,514)
Financing activities					
Change in LT Debt	1,032	1,047	1,062	1,077	1,092
Change in short term debt	177	184	192	201	209
Change in LT Debt to affiliates	(150)	(135)	(121)	(109)	(98)
Change in Financing leases	(26)	(4)	12	24	34
Change in other long-term liabilities	140	307	521	817	1,251
Change in other current liabilities	(1,353)	(196)	(432)	(775)	(1,333)
Change Short term financing	(26)	(4)	12	25	35
Payment of dividends	3,255	(3,270)	(3,283)	(3,294)	(3,303)
Repurchases of common stock	(7,432)	(7,804)	(8,194)	(8,603)	(9,034)
Net cash flows from financing activities	(5,415)	(10,921)	(11,292)	(11,715)	(12,239)
Net increase/ (decrease) in cash	774	333	124	429	167
Beginning cash balance	5,409	6,183	6,516	6,640	7,069
Cash & cash equivalents, €	6,183	6,516	6,640	7,069	7,235

T-Mobile
Common Size Income Statement

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Revenue												
Postpaid revenues	48%	50.39%	53.08%	53.12%	57.71%	61.98%	64.30%	68.84%	73.70%	78.91%	84.48%	90.45%
Prepaid revenues	22%	21.21%	13.77%	12.15%	12.39%	12.43%	12.78%	12.78%	12.78%	12.78%	12.78%	12.78%
Wholesale & other service revenues		0.00%	0.00%	0.00%	6.97%	6.09%	4.22%	4.27%	4.31%	4.36%	4.40%	4.45%
Equipment revenues	23%	21.87%	25.31%	25.87%	21.53%	18.00%	17.52%	16.44%	15.43%	14.47%	13.58%	12.74%
Other revenues	3%	2.59%	1.01%	1.28%	1.41%	1.50%	1.18%	1.18%	1.19%	1.19%	1.20%	1.20%
Total revenues	100%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	103.51%	107.41%	111.71%	116.44%	121.62%
Cost of services	15%	14.72%	17.37%	17.39%	18.43%	14.84%	23.20%	19.33%	20.43%	21.61%	22.88%	24.23%
Cost of equipment sales	28%	26.44%	23.96%	28.30%	27.07%	23.59%	13.23%	15.29%	14.35%	13.46%	12.63%	11.85%
Selling, general and administrative expenses (excl -		0.00%	0.00%	0.00%	0.00%	27.13%	25.57%	26.47%	28.43%	31.76%	36.99%	44.98%
Depreciation expenses	15%	14.70%	20.69%	20.45%	17.16%	16.32%	15.87%	15.63%	15.27%	15.22%	15.38%	15.71%
Impairment expense		0.00%	0.61%	0.00%	1.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating expense	88%	87.28%	90.30%	91.40%	91.78%	81.84%	77.87%	76.72%	78.49%	82.06%	87.88%	96.78%
Operating income (loss)	12%	12.72%	9.70%	8.60%	8.22%	18.16%	22.13%	26.79%	28.92%	29.65%	28.56%	24.84%
Interest expense	2%	1.62%	3.63%	3.98%	4.23%	4.25%	4.19%	5.42%	5.51%	5.60%	5.68%	5.77%
Other income (expense), net	0%	-0.02%	-0.59%	-0.25%	-0.04%	0.09%	0.14%	#REF!	0.29%	0.35%	0.35%	0.38%
Total other income (expense), net	2%	1.60%	3.04%	3.73%	4.19%	4.33%	4.33%	5.13%	5.18%	5.25%	5.33%	5.40%
Income (loss) from continuing operations before in	14%	14.31%	12.74%	12.33%	12.41%	22.49%	26.45%	21.66%	23.74%	24.40%	23.23%	19.45%
Net income (loss)	7%	7.71%	4.48%	3.77%	3.25%	10.59%	13.93%	16.01%	17.55%	18.03%	17.17%	14.37%

T-Mobile

Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Assets												
Cash & cash equivalents	2.78%	3.40%	15.18%	8.28%	5.66%	6.54%	6.64%	7.60%	8.00%	8.16%	8.68%	8.89%
Accounts receivable, net	4.08%	4.20%	6.22%	5.20%	5.59%	5.97%	5.25%	5.44%	5.84%	6.52%	7.60%	9.24%
Equipment installment plan receivables, net	5.86%	5.78%	5.23%	5.93%	6.44%	5.67%	5.38%	5.63%	6.27%	7.29%	8.85%	11.24%
Inventory	2.50%	2.14%	3.69%	3.20%	2.37%	2.14%	1.97%	2.04%	2.19%	2.45%	2.85%	3.47%
Prepaid expenses			0.91%	0.93%	0.85%	0.89%	1.08%	1.12%	1.20%	1.34%	1.56%	1.90%
Other current assets	3.87%	5.12%	3.65%	2.50%	3.06%	2.99%	2.28%	2.36%	2.53%	2.83%	3.29%	4.00%
Total current assets	19.12%	20.68%	34.92%	26.08%	23.96%	24.21%	22.61%	24.18%	26.04%	28.59%	32.84%	38.74%
Property & equipment, net	53.93%	48.86%	60.20%	49.68%	52.89%	51.47%	47.34%	46.28%	46.11%	46.61%	47.61%	49.00%
Operating lease right-of-use assets		24.30%	40.97%	33.65%	36.09%	34.54%	31.20%	30.50%	30.39%	30.72%	31.38%	32.30%
Financing lease right-of-use assets		6.03%	4.43%	4.15%	4.09%	4.16%	3.80%	3.71%	3.70%	3.74%	3.82%	3.93%
Goodwill	4.39%	4.29%	16.25%	15.21%	15.37%	15.57%	15.98%	15.98%	15.98%	15.98%	15.98%	15.98%
Spectrum licenses							123.54%	124.98%	129.69%	134.88%	140.60%	146.85%
Other intangible assets, net	0.46%	0.26%	7.75%	5.91%	4.41%	3.33%	3.09%	3.09%	3.09%	3.09%	3.09%	3.09%
Equipment installment plan receivables due after one year, net	3.57%	3.52%	2.97%	3.53%	3.20%	2.60%	2.71%	2.07%	2.10%	2.12%	2.14%	2.16%
Other assets	3.75%	4.20%	4.06%	4.03%	5.19%	5.38%	5.31%	5.50%	5.91%	6.60%	7.68%	9.35%
Total assets	167.32%	193.17%	292.65%	257.82%	265.60%	264.37%	255.57%	256.29%	263.00%	272.32%	285.12%	301.40%
Liabilities and Stockholders' Equity												
Accounts payable and accrued liabilities	0.36%	0.35%	0.32%	0.31%	0.29%	13.20%	10.40%	10.76%	11.56%	12.91%	15.04%	18.29%
Short-term debt	1.94%	0.06%	6.69%	4.22%	6.49%	4.61%	5.00%	5.21%	5.44%	5.68%	5.92%	6.18%
Deferred revenue	1.61%	1.40%	1.51%	1.07%	0.98%	1.05%	1.50%	2.81%	2.23%	2.34%	2.47%	2.60%
Short-term operating lease liabilities		5.08%	5.66%	4.27%	4.41%	4.53%	4.03%	3.94%	3.93%	3.97%	4.05%	4.17%
Short-term financing lease liabilities		2.13%	1.55%	1.40%	1.46%	1.60%	1.44%	1.41%	1.41%	1.42%	1.45%	1.49%
Other current liabilities	1.82%	3.72%	1.18%	1.21%	2.32%	1.65%	2.41%	4.08%	4.32%	4.85%	5.80%	7.44%
Total current liabilities	23.71%	27.79%	31.73%	29.33%	31.09%	26.64%	24.78%	28.21%	28.88%	31.17%	34.73%	40.17%
Long-term debt	27.99%	24.35%	90.40%	83.72%	82.07%	88.98%	89.31%	90.58%	91.87%	93.17%	94.49%	95.84%
Long-term debt to affiliates	33.67%	31.08%	6.90%	1.86%	1.88%	1.90%	1.84%	1.66%	1.49%	1.34%	1.21%	1.09%
Tower obligations	5.90%	4.97%	4.43%	3.50%	4.94%	4.81%	4.50%	4.43%	4.54%	4.74%	5.08%	5.59%
Deferred tax liabilities	10.33%	12.46%	14.57%	12.75%	13.68%	17.13%	20.52%	21.10%	21.75%	22.41%	23.04%	23.57%
Operating lease liabilities		23.42%	39.06%	32.22%	37.52%	35.95%	32.44%	31.71%	31.60%	31.94%	32.63%	33.58%
Financing lease liabilities		2.99%	2.11%	1.82%	1.72%	1.57%	1.41%	1.38%	1.38%	1.39%	1.42%	1.46%
Other long-term liabilities	2.23%	2.12%	7.91%	6.36%	5.15%	5.00%	4.91%	5.09%	5.46%	6.10%	7.11%	8.64%
Total long-term liabilities	86.55%	101.40%	165.38%	142.24%	146.96%	155.35%	154.94%	155.96%	158.09%	161.11%	164.98%	169.78%
Shareholders' Equity												
Additional paid-in capital	87.76%	85.55%	106.40%	91.48%	92.92%	86.18%	84.52%	84.52%	84.52%	84.52%	84.52%	84.52%
Treasury stock, at cost	0.01%	0.02%	0.02%	0.02%	3.79%	11.93%	25.29%	25.29%	25.29%	25.29%	25.29%	25.29%
Accumulated other comprehensive income (loss)	-0.77%	-1.93%	-2.31%	-1.70%	-1.31%	-1.23%	-1.05%	-1.05%	-1.05%	-1.05%	-1.05%	-1.05%
Retained earnings (accumulated deficit)	-29.91%	-19.63%	-8.53%	-3.51%	-0.28%	9.35%	17.67%	18.94%	20.51%	20.12%	21.32%	22.17%
Total stockholders' equity	57.07%	63.98%	95.54%	86.25%	87.54%	82.38%	75.85%	72.12%	76.04%	80.05%	85.42%	91.45%
Total liabilities and stockholders' Equity	167.32%	193.17%	292.65%	257.82%	265.60%	264.37%	255.57%	256.29%	263.00%	272.32%	285.13%	301.40%

T-Mobile

Value Driver Estimation

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
NOPLAT:												
Operating Revenue	43,310	44,998	68,397	80,118	79,571	78,558	81,400	84,257	87,429	90,932	94,783	99,000
- Cost of Services	6,307	6,622	11,878	13,934	14,666	11,655	18,882	15,731	16,630	17,592	18,621	19,722
- Cost of Equipment Sales	12,047	11,899	16,388	22,671	21,540	18,533	10,771	12,448	11,680	10,959	10,283	9,648
- SGA Expenses		-	-	-	-	21,311	20,818	21,549	23,145	25,855	30,106	36,615
- Depreciation & Amortization	6,486	6,616	14,151	16,383	13,651	12,818	12,919	12,719	12,434	12,390	12,523	12,791
+ Implied Lease Interest		629	1,611	1,550	1,651	1,560	1,460	1,428	1,423	1,438	1,469	1,512
EBITAD	18,470	20,490	27,591	28,680	31,365	15,801	19,470	23,238	24,964	25,575	24,719	21,735
Provision for income taxes	1,029	1,135	466	327	556	2,682	1,607	4,602	5,044	5,185	4,936	4,132
+ Tax on Lease Interest	-	166	421	397	433	399	359	373	371	375	383	395
+ Tax on Impairment	-	-	109	-	410	6	-	-	-	-	-	-
+ Tax on Interest Expense	235	192	648	816	881	854	839	1,152	1,170	1,189	1,208	1,227
- Tax on Interest Income												
- Tax on Other income	(15)	(2)	(106)	(51)	(9)	17	28	61	61	74	75	80
Total Adjusted Taxes	1,280	1,495	1,640	1,591	1,879	3,918	2,778	6,065	6,524	6,675	6,452	5,673
Deferred Tax Liability	4,472	5,607	9,966	10,216	10,884	13,458	16,700	17,179	17,704	18,244	18,758	19,188
Change in Deferred Taxes		1,135	4,359	250	668	2,574	3,242	479	525	540	514	430
EBITA	18,470	20,490	27,591	28,680	31,365	15,801	19,470	23,238	24,964	25,575	24,719	21,735
Less Adjusted Taxes	1,280	1,495	1,640	1,591	1,879	3,918	2,778	6,065	6,524	6,675	6,452	5,673
Change in Deferred Taxes	-	1,135	4,359	250	668	2,574	3,242	479	525	540	514	430
NOPLAT	17,190	20,130	30,310	27,339	30,155	14,457	19,935	17,652	18,965	19,440	18,781	16,492
Invested Capital (IC):												
Operating Current Assets:												
+ Normal Cash	1,204	1,251	1,901	2,227	2,212	2,184	2,263	2,342	2,431	2,528	2,635	2,752
+ Accounts Receivable	1,769	1,888	4,254	4,167	4,445	4,692	4,276	4,426	4,754	5,311	6,184	7,521
+ EIP Receivables	2,538	2,600	3,577	4,748	5,123	4,456	4,379	4,581	5,106	5,932	7,200	9,147
+ Inventory	1,084	964	2,527	2,567	1,884	1,678	1,607	1,663	1,787	1,996	2,324	2,826
+ Prepaid expenses	-	-	624	746	673	702	880	911	978	1,093	1,273	1,548
+ Other Current Assets	1,676	2,305	2,496	2,005	2,435	2,352	1,853	1,918	2,060	2,301	2,680	3,259
Operating Current Liabilities:												
- Accounts Payable	157	156	217	248	227	10,373	8,463	8,760	9,409	10,511	12,239	14,885
- Other Current Liabilities	787	1,673	810	967	1,850	1,296	1,965	3,318	3,514	3,946	4,720	6,053
- Deferred Revenue	698	631	1,030	856	780	825	1,222	2,287	1,813	1,905	2,007	2,118
Total Net Operating Working Capital	6,629	6,548	13,322	14,389	13,915	3,570	3,608	1,478	2,380	2,799	3,329	3,997
+ Net PPE	23,359	21,984	41,175	39,803	42,086	40,432	38,533	37,668	37,536	37,940	38,752	39,889
+ Financing Lease Right of Use Asset	-	2,715	3,028	3,322	3,257	3,270	3,091	3,022	3,011	3,043	3,109	3,200
+ Operating Lease Right of Use Asset	-	10,933	28,021	26,959	28,715	27,135	25,398	24,828	24,741	25,007	25,542	26,292
+ Net Spectrum Assets	35,559	36,465	82,828	92,606	95,798	96,707	100,558	101,734	105,565	109,795	114,445	119,536
+ Net Other Operating Assets	198	115	5,298	4,733	3,508	2,618	2,512	2,512	2,512	2,512	2,512	2,512
+ Net Long-Term EIP Receivables	1,547	1,583	2,031	2,829	2,546	2,042	2,209	1,688	1,706	1,723	1,741	1,760
+ Net Other Assets	1,623	1,891	2,779	3,232	4,127	4,229	4,325	4,477	4,808	5,371	6,255	7,607
- Other Long-Term Liabilities	967	954	5,412	5,097	4,101	3,929	4,000	4,140	4,447	4,968	5,785	7,035
Invested Capital	67,948	81,280	173,070	182,776	189,851	176,074	176,234	173,267	177,811	183,223	189,900	197,757
Free Cash Flow (FCF):												
NOPLAT	17,190	20,130	30,310	27,339	30,155	14,457	19,935	17,652	18,965	19,440	18,781	16,492
Change in IC		13,332	91,790	9,706	7,075	(13,777)	160	(2,967)	4,544	5,412	6,677	7,857
FCF	17,190	6,798	(61,481)	17,633	23,080	28,235	19,775	20,619	14,421	14,027	12,104	8,635
Return on Invested Capital (ROIC):												
NOPLAT	17,190	20,130	30,310	27,339	30,155	14,457	19,935	17,652	18,965	19,440	18,781	16,492
Beginning IC		67,948	81,280	173,070	182,776	189,851	176,074	176,234	173,267	177,811	183,223	189,900
ROIC	#DIV/0!	29.63%	37.29%	15.80%	16.50%	7.62%	11.32%	10.02%	10.95%	10.93%	10.25%	8.68%
Economic Profit (EP):												
Beginning IC		67,948	81,280	173,070	182,776	189,851	176,074	176,234	173,267	177,811	183,223	189,900
x (ROIC - WACC)	#DIV/0!	23.31%	30.97%	9.48%	10.18%	1.30%	5.00%	3.70%	4.63%	4.61%	3.93%	2.37%
EP	#DIV/0!	15,836	25,174	16,404	18,606	2,462	8,810	6,516	8,017	8,205	7,204	4,493

T-Mobile

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.42%
Beta	0.55
Equity Risk Premium	5.00%
Cost of Equity	7.17%

ASSUMPTIONS:

10-Year Treasury Yield
Average of 2 - 5 year betas (Bloomberg)
From NYU Country Risk Premiums

Cost of Debt:

Risk-Free Rate	4.42%
Implied Default Premium	1.33%
Pre-Tax Cost of Debt	5.75%
Marginal Tax Rate	26.10%
After-Tax Cost of Debt	4.25%

10-Year Treasury Yield as
YTM on TMUS 30-year corporate bond
Prior year marginal tax rate (2024)

Market Value of Common Equity:

Total Shares Outstanding	1,173.21
Current Stock Price	\$267.12
MV of Equity	313,388

MV Weights

70.85%

Market Value of Debt:

Short-Term Debt	4,068
Current Portion of LTD	20,174
Long-Term Debt	72,700
PV of Operating Leases	32,015
MV of Total Debt	128,957

=> debt here nad in the dcf ep is the same

29.15%

Market Value of the Firm

442,345

29.15%

Estimated WACC

6.32%

T-Mobile

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	8.68%
WACC	6.32%
Cost of Equity	7.17%

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E
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DCF Model:

Free Cash Flow (FCF)	20,618.9	14,420.6	14,027.4	12,104.3	8,635.0
Continuing Value (CV)					307,566.2
PV of FCF	19,393.5	12,757.5	11,672.2	9,473.4	240,714.9

Value of Operating Assets:	294,011
Non-Operating Adjustments	
Tower obligations	3,664
short term debt	4,068
Current portion of LTD	20,174
PV of Operating Leases	32,015
Long term debt to affiliates	1,497
Long term debt	72,700

Value of Equity	286,279
Shares Outstanding	1144.6
Intrinsic Value of Last FYE	\$ 250.12
Implied Price as of Today	\$ 252.03

EP Model:

Economic Profit (EP)	6,516	8,017	8,205	7,204	4,493
Continuing Value (CV)					117,666
PV of EP	6,129	7,092	6,827	5,639	92,091

Total PV of EP	117,778
Invested Capital (last FYE)	176,234
Value of Operating Assets:	294,011
Non-Operating Adjustments	
Less: Tower obligations	3,664
Less: Short-term Debt	4,068
Less: Current Portion of LTD	20,174
Less: PV of Operating Leases	32,015
Less: Long-term debt to affiliates	1,497
Less: Long-term debt	72,700

Value of Equity	286,279
Shares Outstanding	1144.6
Intrinsic Value of Last FYE	\$ 250.12
Implied Price as of Today	\$ 252.03

T-Mobile

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<i>Fiscal Years Ending</i>	2025E	2026E	2027E	2028E	2029E	
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EPS	11.52	12.95	13.65	13.34	\$ 11.46	
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Key Assumptions

CV growth of EPS	2.50%
CV Year ROE	18.37%
Cost of Equity	7.17%

Future Cash Flows

P/E Multiple (CV Year)					18.50
EPS (CV Year)					\$ 11.46
Future Stock Price					\$ 212.07
Dividends Per Share	2.91	3.00	3.09	3.19	3.28
Discounted Cash Flows	2.72	2.61	2.51	2.41	2.49

Intrinsic Value as of Last FYE	\$ 12.75
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Implied Price as of Today	\$ 12.85
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T-Mobile

Relative Valuation Models

Ticker	Company	Price	EPS 2025E	EPS 2026E	P/E 25	P/E 26	Est. 5yr EPS gr.	PEG 25	PEG 26
VZ	Verizon Communication	\$49.03	\$1.15	\$1.19	42.63	41.20	1.2	36.44	35.22
T	AT&T	\$26.64	\$0.52	\$0.52	51.23	51.23	1.2	42.69	42.69
CMCSA	Comcast Corporation	\$33.38	\$0.99	\$1.12	33.72	29.80	8.0	4.21	3.73
CHTR	Charter Communication	\$338.29	\$8.42	\$8.66	40.18	39.06	5.8	6.93	6.74
Average					30.97	28.50		12.28	11.88

TMUS-	T-Mobile	\$267.12	11.52	12.95	23.2	20.6	36.6	0.6	0.6
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Implied Relative Value:

P/E (EPS25)	\$	356.88
P/E (EPS26)	\$	369.00
PEG (EPS25)	\$	5,185
PEG (EPS26)	\$	5,634.75

T-Mobile
Key Management Ratios

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Liquidity Ratios:												
Current Ratio	0.81	0.74	1.10	0.89	0.77	0.91	0.91	0.86	0.90	0.92	0.95	0.96
Quick Ratio (Current Assets - Inventories / Current Liabiliti	0.70	0.67	0.98	0.78	0.69	0.83	0.83	0.78	0.83	0.84	0.86	0.88
Cash Ratio (Cash and Cash Equivalents / Current Liabilites)	0.12	0.12	0.48	0.28	0.18	0.25	0.27	0.27	0.28	0.26	0.25	0.22
Operating Cash Flow Ratio (Operating Cash Flows / Currer	0.38	0.55	0.40	0.59	0.68	0.89	1.11	0.87	0.93	0.87	0.77	0.61
Asset-Management Ratios:												
Inventory Turnover (COGS / Average Inventory)	17.92	10.61	11.10	16.45	20.33	18.38	18.13	16.34	14.97	13.22	11.22	10.39
Total Asset Turnover (Net Sales / Average Total Assets)	0.54	0.31	0.34	0.38	0.38	0.38	0.39	0.40	0.40	0.40	0.40	0.40
Fixed Asset Turnover (Net Sales / Average Net Fixed Asset	1.91	1.42	1.69	1.96	1.93	1.99	2.14	2.24	2.32	2.37	2.41	2.48
Capital Asset Turnover (Net Sales / Net Capital Assets)	0.60	0.52	0.34	0.39	0.38	0.38	0.39	0.40	0.41	0.41	0.41	0.40
Financial Leverage Ratios:												
Debt to Equity Ratio (Total Debt / Total Equity)	1.93	2.02	2.06	1.99	2.03	2.21	2.37	2.55	2.46	2.40	2.34	2.30
Debt to Assets Ratio (Total Debt / Total Assets)	0.66	0.67	0.67	0.67	0.67	0.69	0.70	0.72	0.71	0.71	0.70	0.70
Debt to EBITDA Ratio	2.59	2.84	4.89	4.79	4.52	9.05	7.51	6.45	6.10	6.12	6.58	7.86
Profitability Ratios:												
Return on Equity (Net Income / Beginning Total Equity)	1.75	1.56	1.05	1.16	1.14	1.21	1.32	1.44	1.41	1.40	1.36	1.33
Gross Profit Margin (Operating Income / Net Sales) x 100	12.26	12.72	9.70	8.60	8.22	18.16	22.13	25.89	26.93	26.54	24.53	20.43
Net Profit Margin (Net Income / Net Sales) x 100	6.67	7.71	4.48	3.77	3.25	10.59	13.93	15.46	16.34	16.14	14.75	11.82
ROA (Return on Assets)	0.04	0.02	0.02	0.01	0.01	0.04	0.05	0.06	0.07	0.06	0.06	0.05
ROE (Return on Equity)	0.12	0.12	0.05	0.04	0.04	0.13	0.18	0.22	0.23	0.23	0.20	0.16
Payout Policy Ratios:												
Dividend Payout Ratio (Dividend / Net Income)	-	-	-	-	-	0.09	0.29	(0.25)	0.23	0.22	0.24	0.28
Total Payout Ratio ((Divs. + Repurchases)/NI)	0.37	-	6.38	-	1.16	1.57	0.99	0.57	0.55	0.56	0.62	0.77
Retention Ratio	0.63	1.00	(5.38)	1.00	(0.16)	(0.57)	0.01	0.43	0.45	0.44	0.38	0.23

T-Mobile
Sensitivity Tables

WACC	CV Growth of NOPLAT							
	252.03	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
	5.57%	285.25	292.95	301.80	312.09	324.21	338.68	356.28
	5.82%	267.83	273.98	280.98	289.05	298.42	309.46	322.65
	6.07%	252.42	257.33	262.89	269.23	276.52	285.00	294.98
	6.32%	238.72	242.64	247.04	252.03	257.71	264.24	271.84
	6.57%	226.39	229.50	232.97	236.87	241.29	246.31	252.10
	6.82%	215.29	217.74	220.46	223.50	226.91	230.76	235.15
	7.07%	205.24	207.14	209.25	211.58	214.19	217.11	220.42

Pre-Tax Cost of Debt	Forecasted Marginal Tax Rate							
	252.03	24.60%	25.10%	25.60%	26.10%	26.60%	27.10%	27.60%
	5.00%	259.06	259.57	260.07	260.58	261.08	261.59	262.11
	5.25%	256.10	256.61	257.13	257.64	258.16	258.69	259.21
	5.50%	253.21	253.74	254.27	254.79	255.33	255.86	256.39
	5.75%	250.42	250.95	251.49	252.03	252.57	253.11	253.66
	6.00%	247.70	248.24	248.79	249.33	249.89	250.44	250.99
	6.25%	245.05	245.60	246.16	246.72	247.28	247.84	248.41
	6.50%	242.48	243.04	243.60	244.17	244.74	245.31	245.88

Cost of Equity	Service Revenue % Cost of Service							
	252.03	19.50%	20.50%	21.50%	22.50%	23.50%	24.50%	25.50%
	1.17%	293.31	278.86	264.41	249.96	235.53	221.12	206.71
	3.17%	294.15	279.65	265.15	250.67	236.20	221.74	207.30
	5.17%	294.96	280.42	265.89	251.37	236.86	222.36	207.88
	7.17%	295.77	281.19	266.62	252.05	237.50	222.97	208.44
	9.17%	296.56	281.94	267.33	252.73	238.14	223.56	209.00
	11.17%	297.34	282.68	268.03	253.39	238.76	224.15	209.55
	13.17%	298.10	283.41	268.72	254.05	239.38	224.73	210.09

Risk-Free Rate	Normal Cash Estimate							
	252.03	0.00%	0.78%	1.78%	2.78%	3.78%	4.78%	5.78%
	3.42%	309.80	309.30	308.66	308.02	307.38	306.74	306.09
	3.67%	293.45	292.98	292.37	291.76	291.15	290.55	289.94
	3.92%	278.78	278.32	277.75	277.17	276.59	276.01	275.43
	4.42%	253.49	253.08	252.55	252.03	251.50	250.97	250.44
	4.67%	242.53	242.13	241.63	241.12	240.62	240.11	239.60
	4.92%	232.49	232.11	231.63	231.14	230.65	230.17	229.68
	5.17%	223.27	222.90	222.44	221.97	221.50	221.03	220.56

Equity Risk Premium	Beta							
	252.03	0.46	0.49	0.52	0.55	0.58	0.61	0.64
	2.83%	341.69	334.66	327.92	321.45	315.23	309.26	303.52
	4.00%	301.62	293.96	286.69	279.77	273.20	266.93	260.95
	4.50%	287.28	279.49	272.13	265.16	258.54	252.25	246.27
	5.00%	274.27	266.42	259.02	252.03	245.41	239.15	233.20
	5.50%	262.42	254.54	247.14	240.17	233.59	227.37	221.48
	6.00%	251.57	243.71	236.33	229.40	222.88	216.73	210.91
	6.50%	241.61	233.78	226.45	219.59	213.14	207.06	201.34

Implied Depreciation %	CapEx % of Sales							
	252.03	11.07%	12.07%	13.07%	14.07%	15.07%	16.07%	17.07%
	18.01%	310.25	298.48	286.72	274.97	263.22	251.47	239.73
	23.01%	301.24	288.20	275.18	262.16	249.15	236.15	223.16
	28.01%	297.21	283.14	269.07	255.02	240.98	226.96	212.94
	33.01%	296.73	281.82	266.91	252.03	237.16	222.30	207.46
	38.01%	298.62	283.03	267.46	251.91	236.37	220.86	205.37
	43.01%	301.88	285.77	269.68	253.61	237.57	221.55	205.55
	48.01%	305.69	289.20	272.73	256.28	239.86	223.46	207.09

T-Mobile

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	0
Average Time to Maturity (years):	-
Expected Annual Number of Options Exercised:	-
Current Average Strike Price:	-
Cost of Equity:	7.17%
Current Stock Price:	\$267.12

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	-	-	-	-	-	-	-	-	-	-
Average Strike Price:	-	-	-	-	-	-	-	-	-	-
Increase in Common Stock Account:	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Share Repurchases (\$)	7,432	7,804	8,194	8,603	9,034	0	0	0	0	0
Expected Price of Repurchased Shares:	\$ 267.12	\$ 281.76	\$ 297.20	\$ 313.49	\$ 330.66	\$ 348.78	\$ 367.90	\$ 388.06	\$ 409.32	\$ 431.76
Number of Shares Repurchased:	28	28	28	27	27	-	-	-	-	-
Shares Outstanding (beginning of the year)	1,145	1,117	1,089	1,061	1,034	1,007	1,007	1,007	1,007	1,007
Plus: Shares Issued Through ESOP	0	0	0	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	28	28	28	27	27	-	-	-	-	-
Shares Outstanding (end of the year)	1,117	1,089	1,061	1,034	1,007	1,007	1,007	1,007	1,007	1,007

T-Mobile*Valuation of Options Granted under ESOP*

Current Stock Price	\$267.12
Risk Free Rate	4.42%
Current Dividend Yield	1.69%
Annualized St. Dev. of Stock Returns	25.21%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1			-	-	
Range 2			-	-	
Range 3			-	-	
Range 4			-	-	
Range 5			-	-	
Range 6				\$	-
Range 7				\$	-
Range 8				\$	-
Range 9				\$	-
Total	0 -	-	-	\$	-