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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good afternoon. (Operator Instructions) I would now like to turn the conference over to Cathy Yao, Senior Vice President of Investor Relations for T-Mobile US. Please go ahead.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Good afternoon. Welcome to T-Mobile's second quarter 2025 earnings call. Joining me on our call today are Mike Sievert, our President and CEO; Srini Gopalan, our COO; Peter Osvaldik, our CFO; as well as other members of the senior leadership team.

During this call we will make forward-looking statements which involve risks and uncertainties that may cause actual results to differ materially. We encourage you to review the risk factors set forth in our SEC filings. Our earnings release, investor facts book, and other documents related to our results, as well as reconciliations between GAAP and non-GAAP results discussed on this call can be found on our Investor Relations website. With that, let me now turn it over to Mike.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Okay. Cathy, thank you. Thanks for keeping us out of trouble over there. Great job. Welcome everybody. Thanks for being with us. Good afternoon. We're coming to you live from Bellevue today. I've got the whole team here and we are excited to talk to you about our Q2 results and more importantly, to take your questions.

And what a quarter it was. Our results were in one word if I had to pick one, fantastic. This team right here, did it again. Delivering the consistent differentiated profitable growth that we are known for. We led the industry in both customer growth and in financial growth across multiple metrics, and more importantly, we smashed our own records.

This was the greatest Q2 for growth ever in T-Mobile's storied history with the best Q2 postpaid phone nets ever. The best Q2 for total postpaid net editions ever and our best ever Q2 on gross editions too, with both gross and total postpaid and both, both gross and net, total postpays adds up double digits year-over-year against a very strong 2024 comp.

Equally as exciting. Our postpaid account nets also accelerated year-over-year, and we saw our postpaid share of households grow, in every single cohort within the top 100 and of course also in smaller markets and rural areas. And the momentum is continuing with share of port in leadership and overall customer momentum right where we want it.

Now you may have heard others say that this is a highly competitive environment and it is, but we love it that way and we thrive in a dynamic environment like this one. Our results, including our value creation results in this dynamic environment, simply speak for themselves.

The quality of our customers continues to improve at a rapid pace with ARPA growth up over 5%, our highest growth in eight years. Our customers are continuing to self-select up the rate card. Here's a new stat for you. After launching our new rate plans in April, within that premium segment we've been talking to you about, customers are loving our most premium tier within it more than ever, selecting our new experience beyond plan at more than double the rate of Go5G next just a year ago and up over 50% in just one quarter.

Our business group continues to break growth records as well, leading the industry once again in net additions, and we are not standing still. Just yesterday, we announced a new multiyear partnership with Cable to provide mobile service to small and mid-market businesses to supercharge our growth in an area where we have little exposure today in a true win-win.

The deal focuses our partners in the exact areas that would drive incremental revenue because our strongest T-Mobile branded growth comes on the one hand from the very smallest businesses transacting at retail where we already compete with Cable, and on the other hand, from large enterprises above 1,000 lines which are not included in the deal. So while it's going to take some time for this to grow into something meaningful, I'm super excited about their capabilities to generate growth in the SMB sector in a way that will be truly incremental for T-Mobile.

Okay, I want to spend a moment on something that I'm very passionate about, our network. America's best network. Over the last couple of years we've seen a significant increase in the number of customers citing our network as the reason for switching to T-Mobile, and that's a great start, but the reality is most of our prospects don't yet know we have the best network. In fact, only about 20% of switchers in the broader market believe we do. This represents an enormous runway for us.

Network perception has now become a major focus for us for a simple reason. There's a massive opportunity from all of those tens of millions of customers who went elsewhere in the 4G era, deliberately choosing what was then the best network. Well, there's a new best network in America, and you'll be seeing us bring that message to consumers and businesses, in really innovative ways until every person in America has heard why there has never been a better time to join T-Mobile.

And on the substance of our network leadership, we are on the move. We're continuously pushing across multiple strategies to widen our lead and cause the rest of the market to follow. That's why we're out there with greenfield builds having already lit up 1,000 sites year-to-date with a plan to bring on nearly 4,000 sites this year alone.

That's why we were the first carrier to roll out things like nationwide 5G advanced, automated slicing capabilities, and higher order carrier aggregation, and we won't stop. It's all about getting more and more performance for our customers from every dollar and every piece of radio spectrum. The result, our network lead continues to widen.

We're also shoring up our network in smaller market and rural areas with USCellular. With all required approvals now in place, I'm pleased to say that we plan to close the transaction and become one team next week on August 1. We can't wait to welcome USCellular customers to the T-Mobile family. The combination gives us an expected 50% or more increase in capacity in the combined footprint, and our site coverage will expand by a third from 9,000 to 12,000 sites.

Taken together with the greenfield builds I mentioned earlier, the network experience in smaller markets in rural areas is being fundamentally transformed, just further fueling our ability to compete and grow in this space. And just this morning we launched our groundbreaking T-Satellite service commercially, further extending our network to connect customers in the 500,000 square miles of this country that are not covered terrestrially by anyone and with a truly differentiated service.

Okay, now let me turn over to 5G broadband. No surprise, given the strength of this product, we delivered yet another stellar quarter. In fact, for the 14th straight quarter, we led the overall broadband industry in net editions. Double clicking into it, T-Mobile for business also led the industry this quarter, achieving our highest ever business 5G broadband net editions. Overall, both speeds and usage continue to rapidly grow, demonstrating the mainstream nature of this product, while satisfaction is as higher, higher than ever as seen in our record low churn.

Let's talk fiber. Last month we launched T-Fiber after completing our JV acquisition of Lumos in April, and tomorrow we plan to close our JV acquisition of Metronet. With both up and running under the T-Fiber banner in the second half, we're poised to deliver 100,000 or more fiber nets on top of our planned 5G broadband nets this year. We are off to the races.

Let me spend a moment right now on our ongoing digital transformation. At Capital Markets Day, we shared an audacious transformation plan, designed to meet customers where they are with breakthrough enabled sales and services experiences -- breakthrough AI enabled sales and services experiences, and a step change improvement in our business model at the same time.

I'm here to tell you that we are more than on track. Look at how far we've come in such a short time. A year ago, T-Life was just getting started. Our T-Life app now has over 75 million installs, and it's one of the most downloaded apps in the App Store, and it's a destination for tens of millions of customers to transact and access the incredible magenta status benefits that they love.

As an example, a year ago, very few of our phone upgrades occurred digitally. Today we've checked that box. About two thirds of our consumer upgrades now occur via our app, and we're exiting Q2 with significant new momentum in digital adelines and turning next to new customer acquisition. I have never been more excited about the potential here for our customers and also for our business model.

Speaking of, let's talk financials. Our best in class customer results continued to drive industry leading financial growth across key metrics yet again in Q2. Postpaid service revenues grew 9% year-over-year, and acceleration from Q1, and total service revenues grew 6%, a rate well over double that of our closest competitors. Our industry leading core adjusted EBITDA of growth was 6% year-over-year. We delivered \$4.6 billion in adjusted free cash flow, a new Q2 record, translating to once again industry-leading adjusted free cash flow conversion from service revenues of 26%.

Listen, what these results demonstrate overall, it should come as no surprise. T-Mobile's industry leading value proposition of best network, best value, and best experiences is an exceptional combination. Our strategy is differentiated. It's durable, and it has tons of room to run.

Not only do we see opportunity to deliver outsized growth in under penetrated areas like smaller markets, T-Mobile for business, and broadband alongside smart new adjacencies, but as we solidify our network lead, we're also demonstrating that there's room to run among network seekers in the top markets where we're most established. There are growth opportunities everywhere we look.

We have built these differentiated and durable advantages over time and with unwavering focus. This team sitting here in front of you looks around corners and we show up every single day ready to win, to win today and to win tomorrow, and we won't stop. We won't stop doing what's right

by customers. We won't stop shattering the very records we set and we won't stop delivering against the lofty long-term ambitions that continue to set T-Mobile apart.

Okay. Peter, over to you to provide a quick update on our key financials and our guidance.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

Perfect. Thanks, Mike. As you can see, we had a fabulous Q2 which underpins the confidence in our increased guidance. Before we jump into those updated full year expectations, I'll note they now reflect the inclusion of Metronet but exclude US Cellular, for which we will provide an update later after the close.

Okay, starting with customers. We are raising our total postpaid net editions expectations to be between 6.1 million to 6.4 million, an increase of 500,000 at the midpoint. Approximately 100,000 of the total will be fiber net additions. We are also increasing our expectation for postpaid phone net editions now expected to be between 2.95 million and 3.1 million, highlighting the great momentum we're seeing in the business. Both of these represent our highest ever customer guidance at this point in the year.

We also continue to expect strong post-paid ARPA growth of at least 3.5% for the full year as we see continued deepening of customer relationships, and we now expect 2025 service revenue growth of at least 6% for the full year. We now expect core adjusted EBITDA to be between \$33.3 billion and \$33.7 billion for the full year, an increase of \$100 million at the lower end of the range, which includes funding or significantly increased total postpaid net editions expectation. As part of that, we expect Q3 core adjusted EBITDA to be approximately \$8.5 billion as we accelerate investments into our business.

Okay, turning to cash CapEx, we continue to expect cash CapEx to be approximately \$9.5 billion for the full year. We also expect adjusted free cash flow, including payments for merger related costs, in the range of \$17.6 billion to \$18 billion, also representing an increase of \$100 million at the lower end of the range.

I also wanted to touch on the upcoming close of the joint venture transaction which is acquiring Metronet. As with the Lumos joint venture, the consumer experience and residential business will be fully owned by us, and we will also share in 50% of the joint venture economics. We will treat the acquired customers as a base adjustment in our third quarter results. And as we fuel customer growth, we expect the retail business to be slightly accretive to service revenues while remaining neutral to adjusted EBITDA and adjusted free cash flow this year.

Additionally, our 50% equity stake in the joint venture will be reported below the line as an equity method invested and is expected to be immaterial to net income this year. Next quarter we will provide a more comprehensive update regarding the contribution of both of our fiber joint ventures.

Okay, let me also spend a moment on the benefits from the recent legislation coming out of DC. While this won't meaningfully impact our 2025 cash tax expectations, we do expect an approximately \$1.5 billion benefit to cash taxes in 2026, which will be deployed thoughtfully guided by our capital allocation philosophy.

And finally, I want to provide an update on the sale of our 800 megahertz licenses. We have reached an agreement with grain Management to divest our entire portfolio of 800 megahertz licenses in exchange for a combination of \$2.9 billion in cash, all of Grain's 600 megahertz licenses, and have additional potential upside via participation in future proceeds Grain receives from monetizing the licenses after a minimum return to Grain.

The transaction is anticipated to generate approximately \$850 million in incremental income taxes following the close, but as a reminder, all of the net proceeds are incremental upside to the guidance we laid out for you at Capital Markets Day last year. We expect this transaction to close in the fourth quarter of '25 or the first quarter of 2026.

Okay, to sum it all up, not only did our results continue to demonstrate our ability to consistently execute and deliver outsized and profitable growth, but we cannot be more excited to carry our strong momentum far into the future.

All right, and with that I will now turn the call back to Cathy to begin the Q&A.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thanks, Peter. Okay, let's get to your questions. (Event Instructions)

We will start with a question on the phone. Operator, first question please.

QUESTIONS AND ANSWERS

Operator

John Hodulik, UBS.

John Hodulik - *UBS AG - Analyst*

Great. Thank you guys. And two, if I may first, you guys saw strong sub growth in the quarter, despite slightly higher churn. Could you just give us an idea, Mike, about what you're seeing in the market today? How do you expect churn to sort of trend in the second half and what you're seeing just from a competitive standpoint.

And then, number two, thanks for the disclosure on the fiber side. 100,000 for the year. Can you give us a little more color on that? Is that sort of 50,000 run rate for the next two quarters, or is that -- does that include some that we saw here in the second quarter? And, just any other color you can give us on the sort of growth of that business either today or over time and do you anticipate other opportunities for some inorganic growth in that business? Thanks.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

Okay, terrific. Thanks for the questions. Let me start with Srinu on the competitive environment, although I'll invite anybody to jump in, and then we'll turn to Mike on fiber and what we can expect for the second half. So Srinu, what are we seeing out there?

Srinu Gopalan - *T-Mobile US Inc - Chief Operating Officer*

Thanks, John. So quick sense of the competitive environment. Firstly, we like the fact that it's a dynamic competitive market. As natural share takers, we enjoy these moments when there's more movement and more switching in the market. And part of that is our conviction that the fact that we win in these moments has far less to do with promotions. It has far more to do with the compelling proposition we have.

Now, I've worked in a few different telco markets and seldom do you see the kind of unicorn position where one telco or one provider is able to provide not just the best network but also the best value and best experience, and that unique proposition is what really powers our ability to win in situations like this.

Talking about the market itself, that this is a market where the dynamics of competition changes and evolves. So we go through periods where the focus is on rate plans. Currently we're in a period where the focus is on device promotions. The reality is even in a -- even as the focus shifts to device promotions, there's kind of more spend up front, but the CLVs we're generating are robust and pretty consistent with our history of CLVs. So this feels like a really good economic investment, and we feel very, very comfortable making that investment.

I mean, the driver to that is, yes, you have more outflow up front in the device promotion, but you get longer lifetimes, you get higher ARPU's, all of that comes together to make a solid and robust and dynamic environment, and we like the dynamic bit of it.

I think the last point I'd make on that is, if we just lift out of kind of the dynamics of competition, shifting sands, how we compete and the rest of it, the reality is, this is a great time to be in the US wireless industry as a customer and as a participant. As customers in the last three to four years we've seen customers speeds grow 3 times to 4 times, data consumption grow 3 times to 4 times, and at the same time customers have paid less in real terms for the product.

And as an industry we've seen a 50% growth in free cash flow, which is the one metric that really matters from a value creation perspective, for the industry as a whole. So it's a really good time to be in wireless and we're enjoying the dynamic nature of the competition.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

Okay, yeah. I mean the only thing I add around, John, your question around churn is, much as we foreshadowed, we anticipated Q2 to be up given the finalization of our weight plan optimizations. What we're anticipating going forward, if I think about Q3 sequentially we anticipate it being down and year-over-year probably flat to potentially slightly up, but we're through that heightened area of churn for us and we're seeing great dynamics now, so that's probably the color around Q3.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Okay, sounds great. I don't have much to add to that. Well said, Mike, want to talk about fiber? What are we going to see in the second half?

Mike Katz - T-Mobile US Inc - President - Marketing, Strategy, & Products

Yeah. So first of all, after a couple of years of being in pilot mode with T-Fiber, we officially launched last month, both in the Lumos markets as well as our wholesale markets, our T-Fiber. And it's been a few weeks, and so far it's going great, and the thesis that we were excited about as we got into the fiber business that our unique assets could help us penetrate markets, there's everything we've seen so far has reinforced that to us.

The 100,000 that Mike, spoke about a second ago is coming both through the two JVs as well as the wholesale markets. The Metronet deal of course closes tomorrow and we will commercially launch T-Fiber in those markets later this year. And so the 100,000 contemplates the combination of both the JVs as well as the wholesale markets.

In terms of the question about other inorganic, obviously we can continue to keep an open mind as you would expect us to about that. But the 100,000 is with the organic or the deals that we've closed -- that will all be closed as of tomorrow as well as the markets that we've already been operating with in wholesale.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

One of the things we haven't talked about much is our overall go to market approach, and I just, I love it so much. So we're obviously we're leaders in broadband. We've been the, the share taking leaders in broadband for 14 quarters and now we're able to add in many places across the country T-Fiber to that. But it's on an infrastructure that already exists from a go to market standpoint.

And we've been able to engineer an IT platform for T-Fiber that I think is just fantastically elegant because this will be a model that involves wholesale partners as Mike just mentioned, JVs like Lumos and Metronet and possibly future JVs, all of whom can plug in to a unified T-Fiber platform incredibly easily. So it took us a while to get it done, but this thing's fantastic and it really gives us terrific flexibility when it comes to our ability to do what we do best, go to market and serve customers. So I'm really excited about it.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thanks, Mike. Thanks John. Operate our next question, please.

Operator

Benjamin Swinburne, Morgan Stanley.

Benjamin Swinburne - *Morgan Stanley - Analyst*

Thank you. Good afternoon. Just reflecting back on your Capital Markets Day last September to now, one metric that really jumps out is the ARPA growth. I think you talked about 2% growth or 2%-plus last year over the kind of the three year planning period. You're up almost 5% year-to-date. Could you guys unpack a little bit of the drivers there and whether you're more optimistic about growth in that line and service revenue over the course of the next couple of years just given the strength that you've seen?

And then like I didn't think of you having doing a deal with the cable operators as a possible outcome on this call. I wanted to ask if you could spend a little more time on your strategy there and why you think it makes sense for T-Mobile and what the opportunity is long term around partnering with that industry going forward.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

I Love it. Well, we'll start with Peter on ARPA, and I think Ben's trying to be play. Are you saying sandbagging us over here, or what's going on.

Peter Osvaldik - *T-Mobile US Inc - Chief Financial Officer, Executive Vice President*

Right. Yeah, in the multi-year arc and what do you do? Look, much like we said at Capital Markets Day, our job and that is to put together a set of rational aggressive assumptions and then go try to beat them, and I'm not here to start updating '26 or 2027. That's not the job. They'll come a time. We'll have to layer in USCellular as well, as I mentioned in the prepared remarks, but ARPA growth is definitely going fabulously well this year, and that's the underpinnings for both the service revenue increase now at least 6%, but also the strength there of 3.5% this year.

And of course that does have to do in part with the rate plan optimizations that we executed on. And that's why you see a little bit of year-to-date versus year-to-date, difference versus the second half, because remember we began those late in Q2 of last year. So you're kind of lapping right now the periods where we have this year the benefit of two rate plan optimizations, the finalization of the first one, and the very first one and now we'll have the real true organic growth in the second half.

And what really is exciting, what underpins that is, Mike highlighted in his prepared marks is just what we're seeing from a rate plan perspective. Customers are really appreciating the value that we're packing into the plans combined with, of course, the best network and experience proposition and they're self-selecting up the tiers to our most premium tier at very exciting levels. So not here to update '26 and '27. Our job is to keep this momentum going in 2025 and then thoughtfully update you when it comes later.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

But we really didn't see this coming. I mean, Jon Freier and team just went out and found a way to connect customers to these value propositions, and I also think it underscores that customers are reacting to the incredible differentiation of T-Satellite, which is included in these upper end plans. But so whatever it is, great execution, great value proposition, it's a little bit of a surprise. I'll give you a couple stats on this.

We've been talking about the 60% of our loading being in these premium tiers, but that's multiple rate plans, and I said in my prepared remarks that at the high end of that we've doubled it. What we've done is we've taken it from 10% to 20% of the 60, not as a denominator. So 10% to 20% and then another 40% -- at 40% more to make 60%, so of the total pie, it's fantastic and that we didn't really see it coming, to be honest, so people are moving up even within premium to more premium because they want more of what T-Mobile has to offer and I love that.

And obviously the second half we're round tripping last year's rate plan changes so it'll be a little harder to deliver the same percentage gain but nominally we feel really great with where we are. So good.

You asked about Cable. Okay, quickly on Cable. I had a lot to say about it in my prepared remarks, so I'll try not to repeat it. But look, I think this is just incremental, and we've chosen a segment business SMB, where we really don't have a lot of exposure, as I said, we're kind of have a barbell business. We're way down in very small business where we already compete with Cable, and we tend to be growing way up in enterprise 1,000 and above, and we don't have a lot of market share nor win share in between.

So it's just a great win-win where I think most of those revenues will come in and be completely incremental, and that's just -- that's where we want to be, it's not the start of something. I mean this is a multi-year thing. I hope it grows over time to become something really big and special, but the dynamics are different. People are asking us, well, does this mean you're stepping into consumer or something like that?

And no, we're not interested in that because the dynamics are different in terms of the incrementality in our math. And what we love about these business segments that we focus the partners on is it's almost entirely incremental. So it's great for what it is. It'll grow over time, I think be really productive, but it's not the start of something that will open up new segments after that.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Great.

Benjamin Swinburne - *Morgan Stanley - Analyst*

Thanks so much.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thanks, Ben. Operator, next question, please.

Operator

Sam McHugh, BNP.

Samuel McHugh - *Exane Bnp Paribas - Analyst*

Hey, afternoon guys. You talks about only 20% of switches perceiving teams as having the best network, and I guess that's increased over time, but what do you think you need to do to improve that? Is it leaning on advertising? What can shift it up even further?

And then secondly on the Cable [MBO] just to clarify, so they restricted from selling to certain subsets of the enterprise community, then they can't sell to the super large enterprise. Is that the right reason? Thank you very much.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Yeah, I'll start with the with the easy one. That is correct. So the deal limits our partners to 1,000 lines and below or below 1,000 lines to be specific. But let's go over, let's talk -- do the first question, talk about brand, maybe ask for both Mike and John to talk about what it takes to convince people.

Mike Katz - T-Mobile US Inc - President - Marketing, Strategy, & Products

Yeah. I mean, here's the great news, our own customers are convinced. And one of the things that we've seen happen over the last couple of years is T-Mobile customers already believe that they're on the best network and the 20% stat that you just referred to our perspective customers, looking at T-Mobile and the other providers and how they feel about us, and we look at 20% as a huge opportunity, across every single geographic market in the in the US.

And I think it's a combination of things to make them aware of this. Yeah, advertising certainly will be a part of it and you saw after our announcement last month. We did kick off a pretty significant campaign that was kind of multifaceted with both TV advertising and you see it across our events like at the All-Star weekend in in Major League Baseball last weekend. So advertising certainly will be a big piece of it.

Experience will be a big piece of it when you walk into the store or, you go into the T-Life app because customers will be able to see what kinds of experiences are derived using our network. But I think another huge piece of this is, the network leadership that we have is not a moment in time. This is -- we've known that we've had the best network for a long time. It was great to have third parties, widely recognized that, but this is a lead that we intend to keep and to widen.

So I think a big part of changing how customers perceive this is, continuing to stay in the lead. And expand our lead and perhaps through this and Ulf can talk a little bit more about that too.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Well I just say one thing, which is you know Callie and team keep landing some of the most high profile large enterprise and government customers in this country. And they choose T-Mobile after they give everybody a try, and they're choosing us because we're the best, and a lot of them now are standing up as third parties to talk about why they chose T-Mobile. And when you have some of the most respected brands and government organizations and first responders talking about their choice of T-Mobile, that kind of third party endorsements really, really powerful.

Callie Field - T-Mobile US Inc - President - Business Group

Yeah. If I could add on to that Mike, T-priority we launched in Q1 of this year and we've seen double digit growth in new accounts with T-priority since launch and you have the city of New York who shared the stage with us to talk about why they chose the best network, but we've also seen the city of Miami Police Department, the LA County Police or fire department. The City of El Paso, we're starting to see like the top 10 cities and first responders say, hey, this is a network that performs on the nation's first 5G advanced -- truly nationwide 5G slice in a way that there's just no other option for us so I think that really speaks to the strength of what we've built.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Terrific. Did we cover that one? Okay.

Cathy Yao - T-Mobile US Inc - Senior Vice President, Investor Relations

All right, thanks, Sam. Operate our next question, please.

Operator

Craig Moffett, Moffett Nathanson.

Craig Moffett - *MoffettNathanson LLC - Analyst*

Hi. Mike, you just talked about a moment ago, T-Satellite. I wonder if you could just dig into that a little bit, and the contribution that it had to your ARPU growth and -- but also how it sort of changes the way you think about serving rural markets and customer segments. It sounds like it surprised even you with the kind of impact that it had on the market.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

Well, Craig, I just love you. I could just count on you to ask it. We launched this thing at 8 o'clock this morning and you're wanting a business update. I love it. And -- but you're right. I mean, in the run up to it, which is I think what you're -- to be fair to you, what you're talking about, I think people have been choosing our higher end rate plans anticipating this launch during the beta period.

Unfortunately I can't unpack that for you, but our highest end rate plans, as I mentioned in my prepared remarks are more popular than they've ever been. I do think an awful lot of how we will wind up monetizing this strategy will be through that kind of migration and selection within our rate plans. This is available to everyone at just \$10 a month. That's also very appealing. I can't -- I could be -- I'm willing to be wrong on this, by the way.

I mean, this is speculation at this point, but I think it's going to be really a popular catalyst to bring people into that deeper relationship with T-Mobile, which is just so great for us in so many ways because the more we can have that deep relationship, not only do they get to T-Satellite but they unlock all kinds of other benefits of membership that are sticky and satisfying, so it has the chance to create this virtuous circle.

You're going to have to check in with us later. I mean, once we get a little more than one day of experience, but we're optimistic that we're going to be able to land this as a truly differentiated service that people notice and not just T-Mobile people but AT&T and Verizon people too.

Craig Moffett - *MoffettNathanson LLC - Analyst*

Just based on what you learned in the beta period, does it change your thinking about the way you deploy your network assets in very rural areas?

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

No, not at all. And in fact, part of what I mentioned in my prepared remarks is we are on it. We are on the build 1,000 sites on air so far on a plan we greenlit late last year with 4,000 total in our plan for this year. And maybe Ulf you can talk about how we do this, because we actually don't have a market-by-market methodology. It's informed by our AI algorithms where we build and maybe talk about this 4,000 greenfield program that we have going on this year.

Ulf Ewaldsson - *T-Mobile US Inc - President - Technology*

All right, Mike. Yeah, we're incredibly proud of our network and we not only intend to stay where we are, we think we are about two years ahead of competition on our network. We actually intend to extend this lead, and one of them is to make sure that every tower, every capital allocation we do go to where it matters most for our customers. The way we're doing that, is something that we internally call customer driven coverage. We talked a little bit about that our Capital Markets Day.

But it's a way where we have, millions and millions and millions of data points on experiences of real customers both when they are on the network, falling off the network, doing things in on everything they do. And we combined that with business outcomes and business metrics and we let AI roll around in that and figuring out so we can stack rank every capital allocation, every tower upgrade we do, every new tower that we put on the network.

That leads for us to a bill this year which is just incredible, as you said, 1,000 so far, we're going up to 4,000 by the end of the year, and that is even without what we're adding with USCellular. So I think it's just going to be incredible for in terms of coverage. The capacity on the network is just incredible too. I mean, we are running at about 67% of our traffic on 5G at the moment. We have all that left in terms of converting spectrum over to 5G. So we have so much more room to run.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

So Craig, while we don't direct this from a strategy standpoint to be smaller markets in rural areas to the premise of your question, generally the algorithm right now is spitting out more rural areas and so that's where most of this 4,000 build is. And by the way, the net incremental keeps site taking us from 9,000 in the US Cellular footprint to about 12,000 are also principally mostly in smaller markets in rural areas.

And so as I mentioned in my remarks, taken together, that's a transformational all in one year step change in our footprint of towers covering smaller markets in rural areas. And then to your point, you add on the differentiated service of T-Satellite. It's just about taking a network advantage and just stoking it, part of what I believe deeply in business is that you build a great company not just by addressing the things that aren't working, but figure out what is working and double down on it, stoke it. And right now what's working for T-Mobile is taking share as the soapy leader in smaller markets in rural areas and we won't stop.

Cathy Yao - T-Mobile US Inc - Senior Vice President, Investor Relations

Thanks, Mike. Thanks, Craig.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Thanks, Craig.

Cathy Yao - T-Mobile US Inc - Senior Vice President, Investor Relations

Next question please.

Operator

Jonathan Chaplin, New Street Research.

Jonathan Chaplin - New Street Research LLP - Analyst

Okay, thank you. So Mike, I'm wondering if you can give us an update on how many locations you pass in the Metronet and Lumos markets at the moment and what penetration is on those assets. And then one tiny housekeeping question, I don't think you told us in the past what the cash tax expectation for '26 was, so I'm wondering what it is now that you get the \$1.5 billion benefit in '26.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Okay, great. We'll come to Peter for the second one. Let me start with Srini, because although I don't know we'll be able to give you the point estimates, I'd love for you to talk about where this all leads to Srini, in the fiber space because I think it's really important for people to understand.

Srini Gopalan - T-Mobile US Inc - Chief Operating Officer

Yeah. So look I think the broadband space as a whole is something we're hugely excited by. We're now the fifth largest ISP. We will, as Mike said in his prepared remarks just this year, add 100,000 fiber net ads, mostly in the second half of the year. It's a business as a whole that we like and it's a combination of FWA, which continues to be a fallow capacity business, as well as investing in fiber where we like the economics.

Now you put those together and we're positioned to be a scale player in broadband because, our number 12 million FWA are customers. Now you put that in terms of the equivalent if you were to look at fiber homes passed, right? Let's assume a 40% utilization that's the equivalent of 30 million fiber homes passed, plus we've already said on Lumos and Metronet we intend to get to 12 million to 15 million households.

So we're becoming the equivalent of 40 million to 45 million homes passed as a broadband player, and that's before we go make other investments. As we've said before, we're very open to looking at investments in fiber. They need to be the right investments, and we are -- and I think we've showed our hand on this. We like pure play fiber assets.

So as a whole, we really like this whole space of broadband, and we think there's a huge opportunity to drive equity value in this space. Mike, I don't know if you want to add any specifics on Metronet and Lumos right now where we are, given that it's day minus one.

Mike Katz - T-Mobile US Inc - President - Marketing, Strategy, & Products

Yeah, we probably can do details of Metronet, but one of the things that really attracted us to both companies, and we certainly have seen this with Lumos is the, these companies are the best in the country at building greenfield fiber, and there's still a lot of places left to cover in this country where you can be first to market to fiber. And what we've seen so far from Lumos is they continue to be very successful at that and we're very optimistic we'll continue to see that with Metronet after we close tomorrow.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

And during the pendency of the transaction, Metronet also outperformed their deal expectations in terms of what they would build, so we're arriving with a better penetration, than we had hoped for when we first signed the deal. So we'll update you on actual build expectations after we actually own the assets, Jonathan, but we're -- hopefully you can tell we're excited about the space.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

And let me, on the last question, I'm going to have to disappoint you. I'm going to resist the urge to give you a pinpoint cash tax estimate for 2026 and primarily because, obviously, there's a lot of other factors to update in there, including USCellular closing and all the purchase accounting around that, the timing of the close of the 800 megahertz transaction. So for now, I'm going to resist it, but there'll definitely be a time to give a more comprehensive '26 update.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

The OBBB versus the not OBBB is \$1.5 billion.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

\$1.5 billion benefit. Yeah.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

And it's great to see that coming in. Terrific. Okay.

Cathy Yao - T-Mobile US Inc - Senior Vice President, Investor Relations

Thanks, Jonathan. Operator, next question, please.

Operator

Gregory Williams, TD Cowen.

Gregory Williams - TD Cowen - Analyst

Great, thanks for taking my questions. First one is on your rural market share. A few years back on your Analyst Day, you noted a goal of reaching 20%, I believe, of the smaller markets. I think it was right around by 2025. Here we are in 2025, I'm curious what your market share is now and if it's reached that 20% where it could go and if USCellular changes that calculus as well?

Second question is just on the \$1.5 billion benefit from the tax release bill. You said you deploy the capital thoughtfully so I was wondering if you can add more color to those words thoughtfully whether we think about M&A buybacks or network investment? Thanks.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Okay, we'll start with John. Smaller markets in rural areas, how are we doing?

Jon Freier - T-Mobile US Inc - President - Consumer Group

I'm going to try to like contain my enthusiasm for this question, Greg. I really appreciate the question. First, we're unbelievably excited about smaller markets, rural areas. Just for the first-time listeners here. The way we define this is outside everything else out of our top 100 markets. So this would be 140 million people, 50 million households, roughly 40% of US and we're excited about it for two reasons.

Number one, we have surpassed 20% share of household in smaller markets and rural areas. So we have beat that goal that we set for you in 2025. We're really excited about that. This is our ninth consecutive quarter where we have been the leader in postpaid switching. And so we've been on a tear on this for a little bit more than a couple of years now.

We're really excited about that. But the thing that excites us more is exactly to the premise of your question, is what the opportunity still is in smaller markets, rural areas with the addition of USCellular and all the assets, the complementary spectrum, the sell-side assets, et cetera, that we will be implementing into our network and the thousands of greenfield sites that are coming into the network as well.

And so we have this huge opportunity still. Like we're doing all sorts of things as you would expect in terms of network investment distribution and investment community investment. We just kicked off Friday night, 5G lights for the second year in a row in smaller markets and rural areas. We're having a lot of fun with that as well, and they have a so much more tailwind that we expect into this business. And I don't think anybody ever thought that we would hit 20% and pack up our tent and go back home to New York City.

We're going to stay in here and continue to drive this business to our fair share of the market, maybe even outside fair share of the market. So we'll have more to say after we close the USCellular transaction give you a little bit more of an update in terms of what we're up to, but we're incredibly excited about our progress so far and even more progress to come.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

But you're asking the \$1 million -- \$1 billion question, Greg, which is where could it all go? And I'd love to be able to answer that for you today. And it's something we think a lot about. We don't know, but I'll tell you this, our current win share without even all the advantages that we believe we can build to further accelerate in these areas is way higher than that 20% household share. And so if nothing improves, you would expect it to normalize over time to a market share way higher.

Now in places we've been successful for a long time. There are places we have market shares way, way higher than our national average. And so it's really about can we deliver the advantages that we think are really going to be required to be long-term market leaders in smaller markets and rural areas. Will our digital transformation strategy speak particularly well to people that live further away from retail. Will our ongoing improvements in network, including our merger with USCellular, make a step change in our competitiveness?

Will our T-Satellite capabilities, which really only are a differentiator if you fall off our network. Will they disproportionately benefit people who live closer to the edge of cellular networks that is people in rural areas. We don't know the answers to all these, but theoretically, there are reasons to believe that over the long haul, we could become more successful in this subsegment of the market than we are today in the top 100 markets. So when I use phrases like room to run, I'm serious about it.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

Yeah. And on the -- I think the benefit, again, the \$1.5 billion question, I guess, so to speak, is again, we're going to be guided the thoughtful and very consistent capital allocation methodology that we have. But let me give you a couple of ideas, one is the 800 megahertz that I projected for you in prepared remarks. And when that closes, that generates \$850 million of taxable expense for us. That means about a net \$2 billion benefit incremental to what we laid out at Capital Markets Day on this \$1.5 billion.

One of the things we're, of course, looking at as we close USCellular and can look and deeply assess all the data, are there opportunities to accelerate? Remember what we gave you was \$1 billion of synergies on a three to four year time frame with associated costs to achieve of about \$2.2 billion to \$2.6 billion.

Is there an opportunity here for us to accelerate some of that from three to four years? Pull some of that cost to achieve in and deliver even more value and NPV of those synergies earlier. So those are the kind of things we're investigating now but it's not time to break that 2026 spreadsheet open yet and send it out my way, in your way, but please, we'll definitely be thoughtful about it.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

But it's interesting you give those examples because they follow your long-established capital allocation philosophy, right? Peter has been very clear, we peg our leverage at 2.5 that's our current board authorized leverage, and that's where this management team wants to be. That gives us a capital envelope and within that capital envelope, we invest first in our core business. You just mentioned maybe highly accretive opportunities in our core that we could move faster on. Then we invest in smart adjacencies and potential inorganic investment opportunities, and then we return capital to shareholders.

And we've been following this philosophy, I think, very successfully for a while. So you tumble right away to some of these potential things that could allow us to unlock even more value faster for our shareholders but it's too early to tell. We'll only put the money in them if they're a better idea than not.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

Exactly.

Cathy Yao - T-Mobile US Inc - Senior Vice President, Investor Relations

Thank you, Greg. Operator, next question, please.

Operator

Michael Rollins, Citi.

Michael Rollins - Citigroup - Analyst

Thanks and good afternoon. A couple of questions on 5G broadband and FWA. First, just curious what you're seeing that's driving the ongoing momentum in that volume. How much of that quarterly volume may be benefiting from greater breadth of coverage versus deeper penetration in some of the existing markets? And then secondly, are you seeing evidence that FWA may move from a fallow capacity model to one which you can invest in specific capacity enhancements for additional growth and returns over time? Thanks.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Sounds good. Well, it's moving at most of all, Michael, is word of mouth. I mean this is -- the satisfaction rates of this product are through the roof. People love it. And they're pretty surprised and delighted at the performance.

I mean the average user using like 560 gigs that's up 25% from just two years ago. They're getting speeds in the 200, 250 megabits per second national average that's up 50% from two years ago. They love those sort of the flexibility of this product, the elegance and simplicity of it and they tell everybody when they sign up because they get this great mainstream product and they save money. And so that's what's really driving it. I forgot the second part of the question.

Peter Osvaldik - T-Mobile US Inc - Chief Financial Officer, Executive Vice President

Fallow to of people, yeah.

G. Michael Sievert - T-Mobile US Inc - President, Chief Executive Officer, Director

Yeah, you want to talk a little bit about the strategy there Srimi?

Srimi Gopalan - T-Mobile US Inc - Chief Operating Officer

So the way I think of it is our center of gravity is very much the fallow capacity model. Now we're looking at whether other models work or not. But one of the reasons that's our center of gravity is I think one myth is that to some extent, mobile technology is static. The reality is with each passing days especially with our 5G SA network we're finding more and more opportunities to squeeze more out of our existing spectrum out of our existing towers.

Now there's a lot of work still to be done, but we're constantly challenging every day our \$12 million number and looking at how much more we can squeeze from our network in terms of fallow capacity. I mean just some of the recent examples like the introduction of L4S, which is lowly right? Innovations that we're bringing in with 5G SA are allowing us to squeeze more all the work we've done on business right, where we're finding newer opportunities to extract more out of our fallow capacity model. So that remains priority one.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

So it's really interesting. I mean we've been pretty clear. We have this \$12 million customer target in 2028. It's entirely predicated on the fallow capacity model. And we have our teams hard at work in a dual strategy.

Number one, can we get more out of the fallow capacity model through all the tactics that Srini just summarized. And number two, to the very premise of your question, are there smart ways to allocate capital and get a fantastic return? Look, we don't have answers to either of those two questions. But are our teams thoughtfully working on those things? Absolutely.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thank you, Mike. Operator, next question, please.

Operator

Kutgun Maral, Evercore ISI.

Kutgun Maral - *Evercore ISI - Analyst*

Great, thank you. I have one high-level question. Going back to the 2021 Analyst Day and for maybe a few years afterwards. Part of the narrative was that you were increasingly mindful of T-Mobile's role evolving from being an insurgent to more of a steward of the industry. And while you'd continue to push for competitive pressure and execute as on carrier, perhaps there would be a greater consideration of not only your leadership position in the space but also the merits of helping to ensure it remains a profitable and an attractive one.

Maybe fast forward to today, competition isn't new, but the offers in the marketplace keep getting more and more aggressive and some of your peers are perhaps acting more and more on carrier-like. So with all that context, can you update us on where you view T-Mobile as being on the insurgent versus steward spectrum? And I guess, ultimately, how much more runway is there to be as disruptive without the tilt in competitive postures disrupting the balance for the broader industry? Thank you.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

That's a fantastic question. And if you were listening to Srini a few minutes ago, I think what I take away from your comments, Srini, is that this is a highly competitive moment in time. Yes, and we like it that way that's due to the competition that we constantly bring as the fighter brand, the value brand. And at the same time, one of the things you've noticed about us as the insurgent, as the net share taker and value leader in this industry is that we have been remarkably consistent in how we've gone about that, as the on carrier.

One of the things that Peter gets a lot when he's asked about our performance is, why didn't you take more? Could you have taken more? This all-time record Q2 on postpaid phone net additions is great, but why not more? And what we -- and your answer to that has always been we thoughtfully keep things in balance. We compete and compete hard and try to break our own records and we bring the competition to this marketplace. But at the same time, we're building a company of lasting value, a profitable company and that's a tone -- that's not new for us. That's years old at this point and the premise of your question, that's not going to change.

To your question of does this strategy have runway? Absolutely, because it's not about anything other than leveraging long-term durable advantages built on a superior notion of what customers are looking for. They want the best network in this industry. They wanted to add a great value and they want it from a company that treats them right and loves them, that delivers the best experiences as Srini was saying. And that's what we deliver uniquely, and we've thoughtfully built long-term durable advantages in these areas and keep going. And so I've never seen a moment in our history where the strategy we're employing has more room to run than right now. And I think we're demonstrating that as we go.

The last thing I'll say is I take a little exception with one premise of the question, just for fun, which is that it's -- that we're seeing unprecedented investment in competition from everybody right now. And look, if you add it all up, right now, the financial metrics being delivered in the industry wouldn't support that. T-Mobile as the value leader, for example, is delivering 26% conversion of cash against service revenues. That's just a phenomenal number and near the high end of our historic business model, and we think it's a tremendous number for us as we continue to progress.

And so the show -- overall, by the way, as Srini mentioned, cash flow since 2022 are up 50% in our industry while the customer is experiencing more data at faster speeds than ever before for the same real pricing. That means the customers are huge beneficiaries of the 5G revolution, but so are the competitors. The nature of competition shifting. Are there unprecedented device promotions out there? Absolutely. But on the other hand, ARPUs are also higher than they've ever been. And device ownership is longer than it's ever been. So these things offset each other. And one way to look at it is customer lifetime values, which at T-Mobile have been remarkably consistent. I hope that context is helpful.

Kutgun Maral - *Evercore ISI - Analyst*

Very helpful. Thanks.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

Okay, great. Great question.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thank you, Kutgun.

So we'll switch over to social now and take one final question from the phone queue after. But this is from Chetan Sharma. Congrats on your continued momentum with new services and network features. I was wondering if you could please provide some commentary on the interest demand you see -- are seeing from enterprises for slicing and T-Satellite. What is the profile of such customers and use cases?

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

Should we go over to Callie for that one?

Callie Field - *T-Mobile US Inc - President - Business Group*

Sure thing. Well, I mentioned earlier before in responding to you, Mike, about key priority and just how fantastic it's resonating with first responders in the marketplace. Since we launched in Q1, we're up double digits in growth in new accounts, which is fantastic. We're also seeing the opportunities in our beta to use T-Satellite with first responders, also with state and local municipalities who when you think of a bus driver that couldn't get in touch with the parents when there was an emergency on the bus.

And this really unlocks the value for both the public sector as well as in enterprises where we start to see people use cases like oil and gas, when they're out doing operations that require connectivity in places that are in that 500,000 square miles that are untouched by any carrier where businesses actually do operate. So we see a lot of runway and potential in that space in our business.

Just to mention in Q2 overall, when you think about enterprise, we think about what the capabilities of our network unlock for us. This quarter in Q2, we led the industry in business in postpaid nets, in postpaid phone, in 5G broadband nets and in postpaid churn. And so it was a really excellent quarter for us to really see the momentum. And we still have plenty of room to run. When I think about 5G broadband and the use cases for fixed wireless and enterprise, we see national retailers that are coming to us and saying, hey, a point-of-sale system slice as well as a fixed wireless solution across the United States is a fantastic use case.

So welcomed like Casey's General Stores, a national retailer that really needed a value provider that also was an incredible experience for those stores. So and I'd also just mention too, these type of solutions are helping us to deliver win share that is greater than our market share in every single segment.

I'll say one more thing. You heard some of our competitors talk about how they were impacted in the government segment with Dodge. And I don't think any of us are surprised to hear that because these are the older incumbents that have a majority share. But for us, what drives my business is win share. And our win share is up year-over-year and quarter-over-quarter.

And so we're really able to sit down with decision makers, especially in federal agencies who are perhaps seeing some kind of demand to lower cost or may we have some headcount demand. When they do a bill review and they look at the value that our network provides and they look at the best network that they can move to. They're able to come up with efficacy and efficiency as they're sorting through some of the requirements that they have to mention.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

We thought Jon was going to be the most exciting. So by the way, while we're on slicing [slide] and one thing that I think is interesting is this is a sort of a classic win-win because our network doesn't really congested and we're the least congested network out there. We have most capacity like by a wide mile. And so you might think why slicing? But enterprises nonetheless, are highly interested in it because what they want is guaranteed service levels.

And depending on the criticality of those connections, it's worth paying for so that we can guarantee them in an unanticipated situation where in the future, something could cause the network to congest that they would be able to have those service levels for mission-critical connectivity that benefits them, but also in the case of first responders, benefits us all. And they're willing to pay for that. So that's really interesting learning.

And if you don't mind, on a more serious note, while I'm on it because we were talking about T-Satellite. I just do want to acknowledge that -- it once again played an important role during those horrific floods in Texas, a few -- a couple of weeks ago.

And first of all, I'm so proud of our team on the ground rushing into help, keeping the network going and performed beautifully. But also, we were able to transmit emergency messaging to customers, not just T-Mobile customers but all customers via satellite that were received. And also on the ground, over 0.25 million text messages went out over satellite during the most critical moments of this emergency and people were able to be connected when it matters. And I'm just so proud of that and really thankful for our teams on the ground. So I just wanted to shout out to our wonderful team in Texas and say thank you to them.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thanks Mike. Thanks. Operator, we'll take our final question from the queue.

Operator

Kannan Venkateshwar, Barclays.

Kannan Venkateshwar - *Barclays Services Corp - Analyst*

Thank you. Mike, maybe just one question on the build ambitions for broadband. When you think about fixed wireless, obviously, all your peers offer it. But when you think about the wireline side of it, your peers have between \$40 million to \$70 million kind of build ambitions or existing scale if you think about the Cable companies in that mix. So when you think about your goals of \$15 million-ish in wireline, why is that enough?

And I know you want to look at more fiber opportunities. But given your -- the scale of your peers, would this call for maybe consideration of some bigger transactions or bigger opportunities to scale up your network faster than you would otherwise. Thank you.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

Yeah, it's a great question. Maybe Srini, I can kind of take it together. We're interested in ongoing transactions. But probably if the premise of your question is something like are we interested in cable, I become decreasingly interested in that over time. I just feel like the growth is in fixed wireless, where there's value and flexibility and the growth is in fiber because it's a superior product. And that seems to be where the customer sentiment is going.

So we want to be where the puck is going to be. I'm so proud of the choices we've made so far. And what's driven us in these choices has been our ability to, one, deliver a fantastic product customers will love. And two, deliver a superior return for our shareholders in doing so.

And I want to make sure that we don't chase scale for scale sick that we actually chase scale because we can deliver a fantastic return because our premise is a little different than some others who are on a race regardless of consequences, we're in this business to deliver a great product and make money, superior returns by virtue of our know-how and investments in mobile.

And that's because our premise about how this market is coming together. It's just a little different. Our view is that mobile is the considered sale, and we're going to add products to that mobile that makes sense for our customers and that we can make money on.

Now as Srini explained a minute ago, our already published plans get us to knocking at the door of 45 million homes passed equivalent in wireline language through the strategies we've already announced. And as we've said, we have some ongoing appetite should the right opportunities present themselves at a fair value.

Srini Gopalan - *T-Mobile US Inc - Chief Operating Officer*

And the only thing I'd add to that, Mike, is also culture, right? Which is we're about great returns, but we're also about challenging the industry for the good of the customer and growth, right? And that ethos fits very nicely with FWA, that fits very nicely with fiber. The last thing we want to be is be an incumbent, right? We are all about challenging an industry, about creating value for customers, about smashing customer problems. And that's a big part of this calculus as much as returns as well.

G. Michael Sievert - *T-Mobile US Inc - President, Chief Executive Officer, Director*

I love that. It's a great place for us to end where I ended in my prepared remarks. This team right here at this table sees growth opportunities everywhere. And on your behalf, we're going to be thoughtful investors and the resources of this company to go chase it and chase it ambitiously. And thanks, everybody, for joining our Q2 call.

Cathy Yao - *T-Mobile US Inc - Senior Vice President, Investor Relations*

Thanks, Mike. That's all the time we have for questions. Thanks, everyone, for joining. We're looking forward to connecting with you again soon. If you have any additional questions, you may contact the Investor Relations or Media Departments. Thank you.

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