



Q3 2024

INVESTOR FACTBOOK



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T-Mobile Delivers Industry-Leading Growth

in Customers, Service Revenues, Profitability and Cash Flows in Q3, Raises 2024 Guidance Across the Board

POSTPAID

NET ACCOUNT ADDITIONS
315K

INDUSTRY-LEADING⁽¹⁾

POSTPAID

NET CUSTOMER ADDITIONS
1.6M

INDUSTRY-LEADING

POSTPAID PHONE

NET CUSTOMER ADDITIONS
865K

INDUSTRY-LEADING
HIGHEST Q3 IN A DECADE

SERVICE REVENUES

\$16.7B

GREW 5% YoY
INCLUDING INDUSTRY-LEADING POSTPAID
SERVICE REVENUE GROWTH OF 8% YoY

NET INCOME

\$3.1B

GREW 43% YoY
INDUSTRY-LEADING GROWTH

CORE ADJUSTED EBITDA⁽²⁾

\$8.2B

GREW 9% YoY
INDUSTRY-LEADING GROWTH

NET CASH
PROVIDED BY OPERATING ACTIVITIES

\$6.1B

GREW 16% YoY
INDUSTRY-LEADING GROWTH

ADJUSTED
FREE CASH FLOW⁽²⁾

\$5.2B

GREW 29% YoY
INDUSTRY-LEADING GROWTH

HIGH SPEED INTERNET
NET CUSTOMER ADDITIONS

415K

INDUSTRY-LEADING

OPENSIGNAL

BEST 5G AVAILABILITY IN THE WORLD

Note: See 5G device, coverage, and access details at T-Mobile.com. Opensignal Awards - 5G Global Mobile Network Experience Awards, T-Mobile USA large land mass group & T-Mobile Puerto Rico small land mass group, 2024, based on independent analysis of mobile measurements recorded during the period January 1 -June 29, 2024 © 2024 Opensignal Limited.

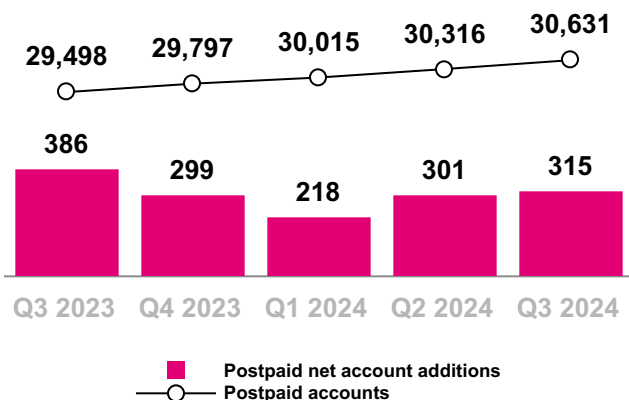
T3.1: Footnotes

- fn (1) AT&T Inc. historically does not disclose postpaid net account additions. Comcast and Charter do not disclose postpaid phone net customer additions. Industry leading claims are based on consensus expectations if results are not yet reported.
- (2) Core Adjusted EBITDA and Adjusted Free Cash Flow are non-GAAP financial measures. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP. Reconciliations for these non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures tables. We are not able to forecast Net income on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect Net income, including, but not limited to, Income tax expense and Interest expense. Core Adjusted EBITDA should not be used to predict Net income as the difference between this measure and Net income is variable.

fn (2)

T4.1: Postpaid Accounts (in thousands)

Postpaid Accounts (in thousands)



Year-Over-Year

Continued growth in Postpaid accounts with a decrease in net additions primarily due to:

- Fewer High Speed Internet only additions due to the sunsetting of promotional pricing

Sequential

Continued growth in Postpaid accounts with an increase in net additions primarily due to:

- Seasonally higher gross additions
- Mostly offset by seasonally higher deactivations

Year-Over-Year

Postpaid ARPA increased 4% primarily due to:

- Higher premium services, primarily high-end rate plans, net of contra revenues for content included in such plans, and discounts for specific affinity groups (55+, military, and first responders)
- An increase in customers per account, including continued adoption of High Speed Internet
- The impact from rate plan optimizations
- Partially offset by increased promotional activity and an increase in High Speed Internet only accounts

T4.2: Postpaid ARPA & Postpaid Phone ARPU

Postpaid phone ARPU increased 2% due to:

- Higher premium services, primarily high-end rate plans, net of contra revenues for content included in such plans, and discounts for specific affinity groups (55+, military, and first responders)
- The impact from rate plan optimizations
- Partially offset by increased promotional activity and growth in business customers with lower ARPU given larger account sizes

Sequential

Postpaid ARPA increased 2% due to:

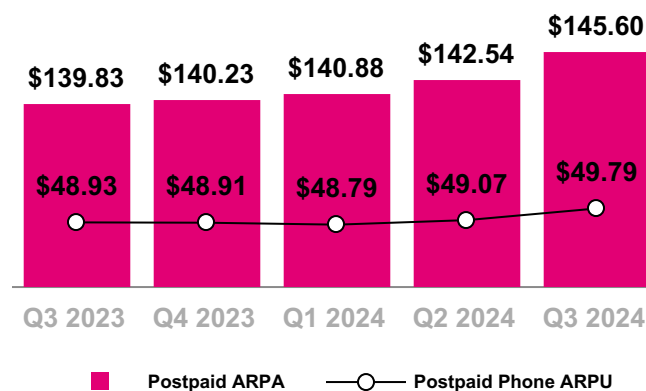
- Higher premium services, primarily high-end rate plans, net of contra revenues for content included in such plans, and discounts for specific affinity groups (55+, military, and first responders)
- The impact from rate plan optimizations
- An increase in customers per account, including continued adoption of High Speed Internet
- Partially offset by increased promotional activity and an increase in High Speed Internet only accounts

Sequential

Postpaid phone ARPU increased 1% due to:

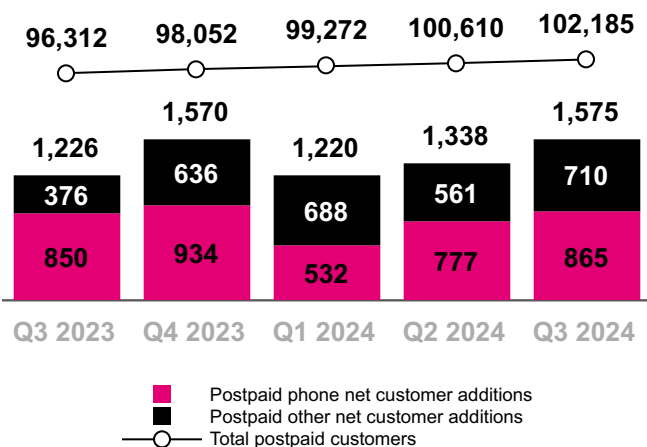
- The impact from rate plan optimizations
- Higher premium services, primarily high-end rate plans, net of contra revenues for content included in such plans, and discounts for specific affinity groups (55+, military, and first responders)
- Partially offset by increased promotional activity

Postpaid ARPA & Postpaid Phone ARPU



T5.1: Postpaid Customers (in thousands)

Postpaid Customers (in thousands)



Year-Over-Year

Postpaid phone net customer additions increased primarily due to:

- Higher prepaid to postpaid migrations
- Lower churn
- Higher gross additions
- Partially offset by increased deactivations from a growing customer base

Postpaid other net customer additions increased primarily due to:

- Higher prior year deactivations of lower ARPU mobile internet devices in the educational sector that were activated during the Pandemic and no longer needed
- Partially offset by lower net additions from wearables and High Speed Internet

Sequential

Postpaid phone net customer additions increased due to:

- Seasonally higher gross additions
- Partially offset by seasonally higher churn

Postpaid other net customer additions increased primarily due to:

- Higher prior quarter deactivations of lower ARPU mobile internet devices in the educational sector that were activated during the Pandemic and no longer needed
- Partially offset by lower net additions from wearables

T5.2: Postpaid Phone Churn

Year-Over-Year

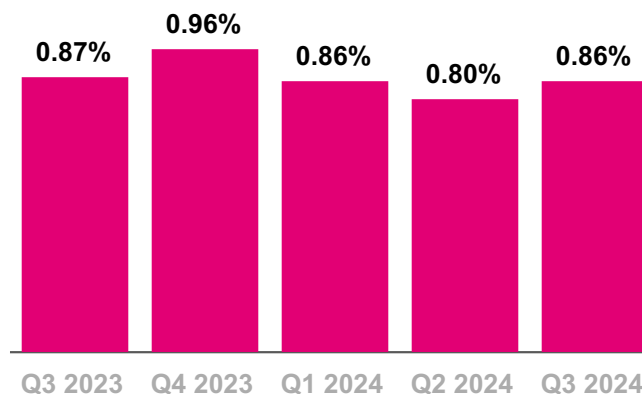
Postpaid phone churn decreased 1 basis point.

Sequential

Postpaid phone churn increased 6 basis points primarily due to:

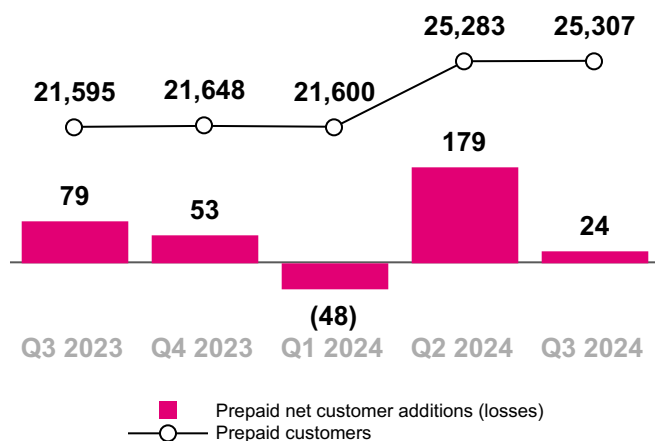
- Seasonal trends

Postpaid Phone Churn



T6.1: Prepaid Customers (in thousands)

Prepaid Customers (in thousands)



During Q2 2024, we acquired 3.5 million prepaid customers, net of certain base adjustments, through the acquisition of Mint Mobile and Ultra Mobile.

Year-Over-Year

Prepaid net customer additions decreased primarily due to:

- Continued moderation of prepaid industry growth
- Higher prepaid to postpaid migrations
- Lower net additions from High Speed Internet
- Partially offset by higher net additions following the acquisition of Mint Mobile and Ultra Mobile

Sequential

Prepaid net customer additions decreased primarily due to:

- Continued moderation of prepaid industry growth and higher seasonal churn
- Partially offset by higher net additions from a full quarter of Mint Mobile and Ultra Mobile operations

T6.2: High Speed Internet Customers (in thousands)

Year-Over-Year

High Speed Internet net customer additions decreased primarily due to:

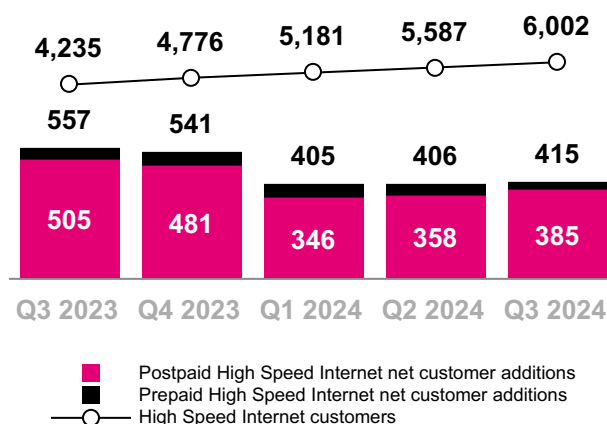
- Increased deactivations from a growing customer base
- Lower gross additions driven by sunsetting of promotional pricing
- Partially offset by a lower churn rate

Sequential

High Speed Internet net customer additions increased primarily due to:

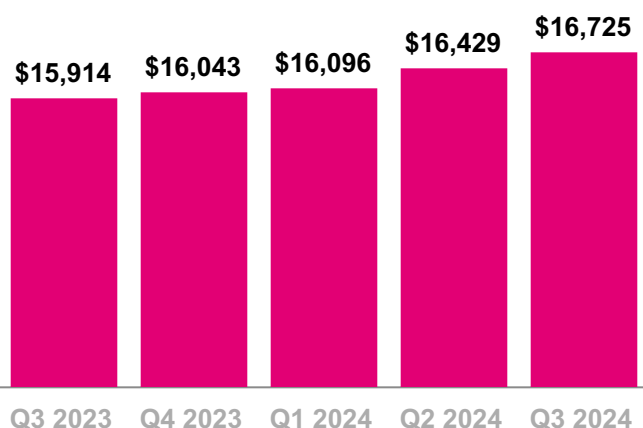
- Higher gross additions
- Mostly offset by increased deactivations

High Speed Internet Customers (in thousands)



T7.1: Service Revenues (\$ in millions)

Service Revenues (\$ in millions)



Year-Over-Year

Service revenues increased 5% primarily due to:

- Increase in Postpaid service revenues
- An increase in Prepaid service revenues, primarily driven by the impact of the acquisition of Mint Mobile and Ultra Mobile
- Partially offset by a decrease in Wholesale and other service revenues, primarily driven by lower MVNO revenues, including the impact of the of acquisition of Mint Mobile and Ultra Mobile and lower Affordable Connectivity Program and Lifeline revenues

Sequential

Service revenues increased 2% primarily due to:

- Increase in Postpaid service revenues
- An increase in Prepaid service revenues, primarily driven by the impact of the acquisition of Mint Mobile and Ultra Mobile
- Partially offset by a decrease in Wholesale and other service revenues driven primarily by lower Affordable Connectivity Program revenues and the impact of the acquisition of Mint Mobile and Ultra Mobile

T7.2: Postpaid Service Revenues (\$ in millions)

Year-Over-Year

Postpaid service revenues increased 8% primarily due to:

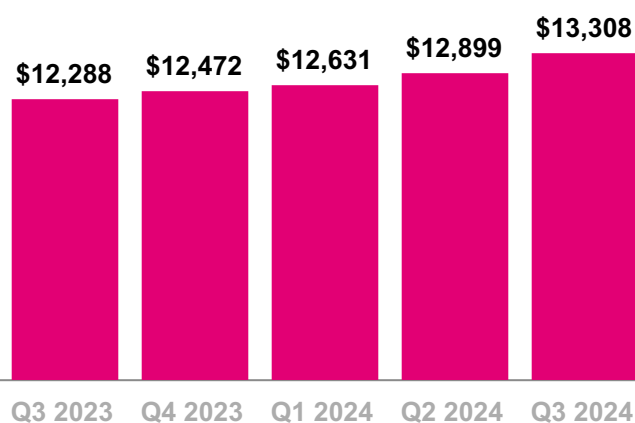
- Higher postpaid ARPA
- Higher average postpaid accounts

Sequential

Postpaid service revenues increased 3% primarily due to:

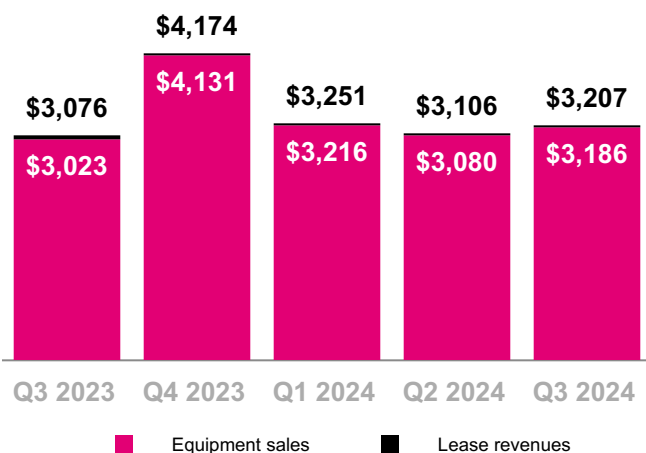
- Higher postpaid ARPA
- Higher average postpaid accounts

Postpaid Service Revenues (\$ in millions)



T8.1: Equipment Revenues (\$ in millions)

Equipment Revenues (\$ in millions)



Year-Over-Year

Equipment revenues increased 4% primarily due to:

- A higher average revenue per device sold, net of promotions, primarily driven by an increase in the high-end phone mix
- Higher liquidation revenue primarily due to a higher number of in-house liquidated devices, including the impact from the transition of certain device recovery programs from external sources to in-house processing resulting in a change in presentation from Other revenues to Equipment revenues
- Partially offset by a net decrease in the total number of devices sold, driven by lower Assurance Wireless and prepaid devices, partially offset by higher postpaid devices

Sequential

Equipment revenues increased 3% primarily due to:

- A higher average revenue per device sold, net of promotions, primarily due to a seasonal increase in the high-end phone mix
- Slightly offset by a net decrease in the total number of devices sold, driven by lower Assurance Wireless sales which were mostly offset by a higher number of postpaid devices sold due to seasonality

Year-Over-Year

Cost of equipment sales, exclusive of Depreciation and Amortization (D&A), increased 1% due to:

- A higher average cost per device sold, primarily driven by an increase in the high-end phone mix
- Higher liquidation costs primarily due to a higher number of in-house liquidated devices, including the impact from the transition of certain device recovery programs from external sources to in-house processing
- Mostly offset by a net decrease in the total number of devices sold, driven by lower Assurance Wireless and prepaid devices, partially offset by higher postpaid devices

Sequential

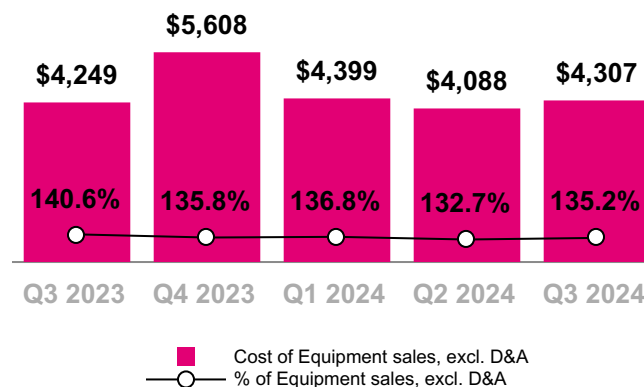
Cost of equipment sales, exclusive of D&A, increased 5% primarily due to:

- A higher average cost per device sold due to a seasonal increase in the high-end phone mix

Sequential

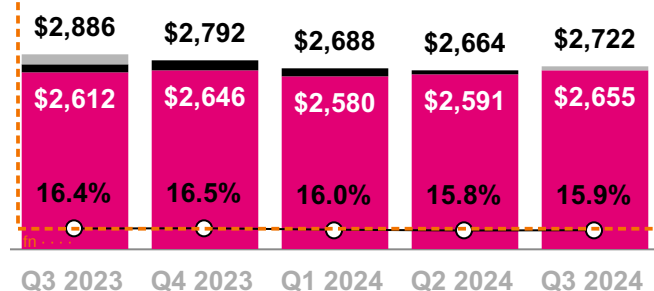
- Slightly offset by a net decrease in the total number of devices sold, driven by lower Assurance Wireless sales which were mostly offset by a higher number of postpaid devices sold due to seasonality

Cost of Equipment Sales, exclusive of D&A (\$ in millions)



T9.1: Cost of Services, exclusive of D&A (\$ in millions, % of Service revenues)

Cost of Services, exclusive of D&A (\$ in millions, % of Service revenues)



- Cost of services, ex. D&A and Special Items
- Merger-related costs
- Other Special Items
- % of Srvc revs, ex. D&A and Special Items

Year-Over-Year

~~Cost of services, exclusive of D&A, decreased 6% primarily due to:~~

- Prior year severance and related costs of \$140 million
- Prior year Merger-related costs related to network decommissioning and integration
- Higher Merger synergies
- Partially offset by higher site costs related to the continued build-out of our nationwide 5G network

Sequential

~~Cost of services, exclusive of D&A, increased 2%, or \$58 million.~~

T9.2: Selling, General and Administrative (SG&A) Expense (\$ in millions, % of Se

Year-Over-Year

~~SG&A expense decreased 3% primarily due to:~~

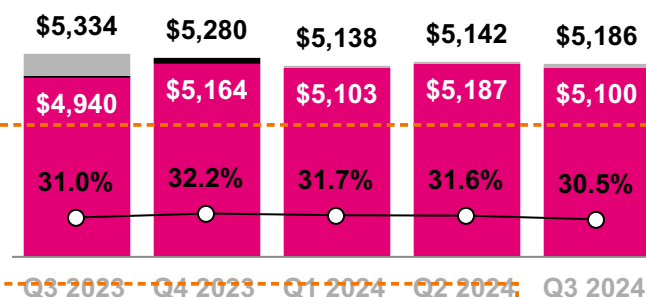
- Prior year severance and related costs of \$331 million
- Higher Merger synergies
- Partially offset by higher costs as the result of the acquisition of Mint Mobile and Ultra Mobile

Sequential

~~SG&A expense increased slightly primarily due to:~~

- ~~A \$100 million gain recognized in the prior quarter for the extension fee previously paid by DISH pursuant to the license purchase agreement for 800 MHz spectrum, which was not purchased~~

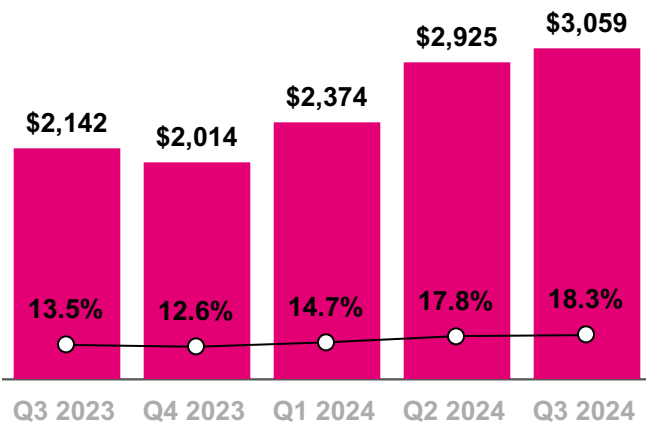
Selling, General and Administrative (SG&A) Expense (\$ in millions, % of Service revenues)



- SG&A expense, ex. Special Items
- Merger-related costs (gain), net
- Other Special Items
- % of Srvc revs, ex. Special Items

T10.1: Net Income (\$ in millions, % of Service revenues)

Net Income (\$ in millions, % of Service revenues)



Year-Over-Year

Net income was \$3.1 billion and Diluted earnings per share was \$2.61 in Q3 2024, compared to \$2.1 billion and \$1.82 in Q3 2023, primarily due to the factors described above and included the following, net of tax:

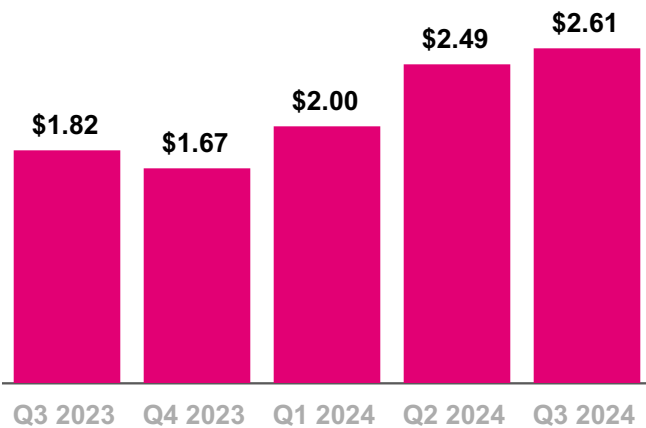
- Merger-related costs of \$114 million, or \$0.10 per share, in Q3 2023
- Severance and related costs of \$353 million or \$0.30 per share, in Q3 2023

Sequential

Net income was \$3.1 billion and Diluted earnings per share was \$2.61 in Q3 2024, compared to \$2.9 billion and \$2.49 in Q2 2024, primarily due to the factors described above.

T10.2: Diluted Earnings Per Share (Diluted EPS)

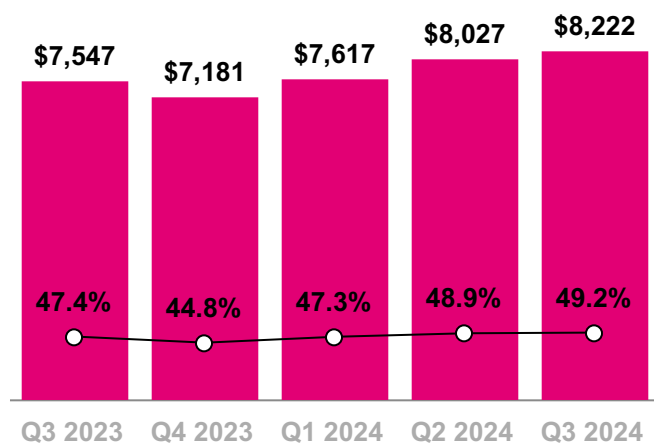
Diluted Earnings Per Share (Diluted EPS)



T11.1: Core Adjusted EBITDA (\$ in millions, % of Service revenues)

Core Adjusted EBITDA*

(\$ in millions, % of Service revenues)



*Excludes Special Items (see detail on page 23)

In *

Year-Over-Year

Core Adjusted EBITDA increased 9% primarily due to:

- Higher Service revenues
- Higher Equipment revenues, excluding Lease revenues
- Partially offset by higher SG&A expenses, excluding Special Items, such as severance and related costs

Sequential

Core Adjusted EBITDA increased 2% primarily due to:

- Higher Service revenues
- Higher Equipment revenues, excluding Lease revenues
- Partially offset by higher Cost of equipment sales

T11.2: Net Cash Provided by Operating Activities (\$ in millions)

Year-Over-Year

Net cash provided by operating activities increased 16% primarily due to:

- Higher Net income, adjusted for non-cash income and expenses
- Partially offset by higher net cash outflows from changes in working capital

Sequential

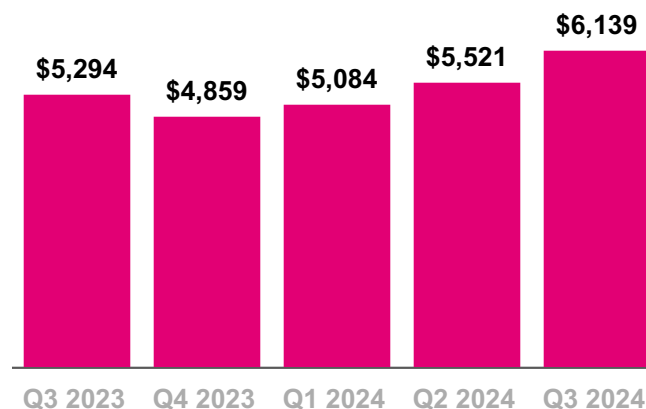
Net cash provided by operating activities increased 11% primarily due to:

- Lower net cash outflows from changes in working capital
- Higher Net income, adjusted for non-cash income and expenses

The impact of net payments for Merger-related costs on Net cash provided by operating activities was \$124 million in Q3 2024 compared to \$241 million in Q2 2024 and \$345 million in Q3 2023.

Net Cash Provided by Operating Activities

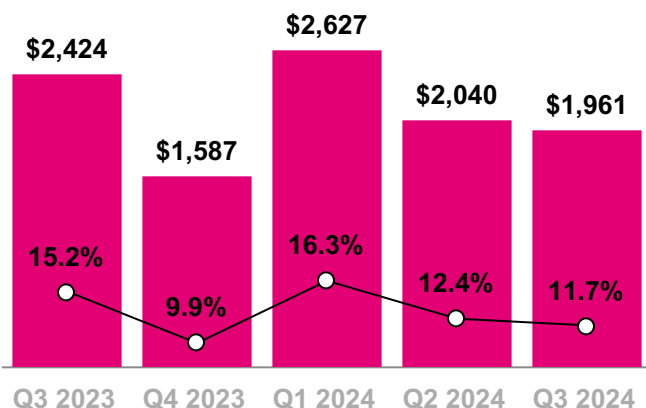
(\$ in millions)



Effective November 1, 2024, following amendments to the company's Equipment Installment Plan Sale and Service Receivable Sale arrangements, all cash proceeds associated with the sale of such receivables, a portion of which is currently recognized as Proceeds related to beneficial interests in securitization transactions within investing cash flows, will be recognized as operating cash flows. These amendments will not have a net impact on Adjusted Free Cash Flow.

T12.1: Cash Purchases of Property and Equipment, incl. Capitalized Interest (\$ in millions)

Cash Purchases of Property and Equipment, incl. Capitalized Interest (\$ in millions, % of Service revenues)



Year-Over-Year

Cash purchases of property and equipment, including capitalized interest, decreased 19% primarily due to:

- Increased capital efficiencies from accelerated investments in our nationwide 5G network build-out in previous years

Sequential

Cash purchases of property and equipment, including capitalized interest, decreased 4% primarily due to:

- Planned timing of capital purchases

T12.2: Adjusted Free Cash Flow (\$ in millions)

Year-Over-Year

Adjusted Free Cash Flow increased 29% primarily due to:

- Higher Net cash provided by operating activities
- Lower Cash purchases of property and equipment
- Partially offset by lower proceeds related to securitization transactions, which were offset in Net cash provided by operating activities. There were no significant net cash proceeds during the quarter from securitization.

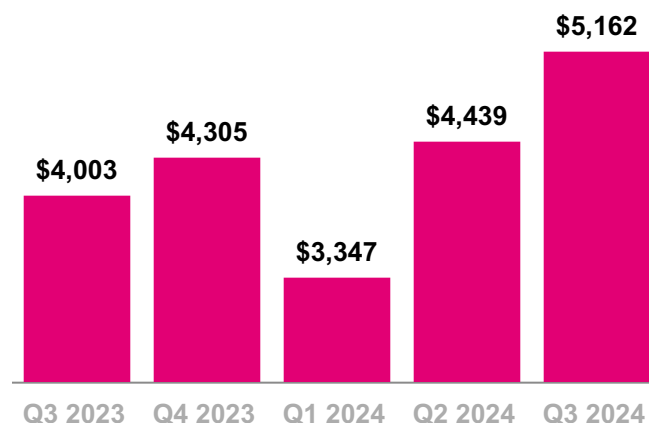
Sequential

Adjusted Free Cash Flow increased 16% primarily due to:

- Higher Net cash provided by operating activities

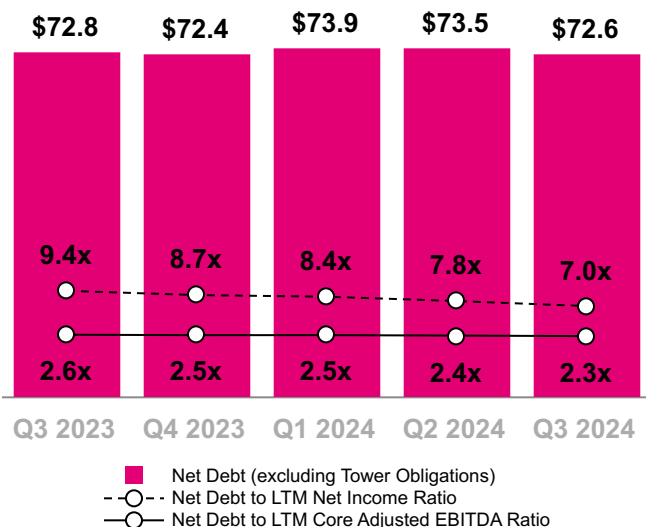
The impact of net payments for Merger-related costs on Adjusted Free Cash Flow was \$124 million in Q3 2024 compared to \$241 million in Q2 2024 and \$345 million in Q3 2023.

Adjusted Free Cash Flow (\$ in millions)



T13.1: Net Debt (Excluding Tower Obligations) & Net Debt to LTM Net Income and C

Net Debt (Excluding Tower Obligations) & Net Debt to LTM Net Income and Core Adj. EBITDA Ratios (\$ in billions)



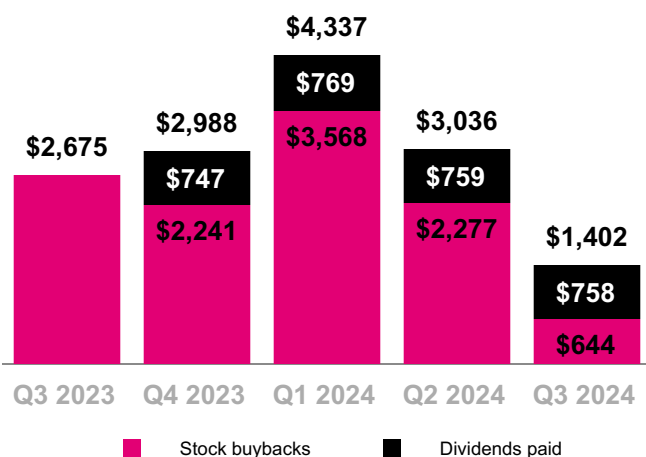
Total debt, excluding tower obligations, at the end of Q3 2024 was \$82.3 billion.

Net debt, excluding tower obligations, at the end of Q3 2024 was \$72.6 billion.

- On September 6, 2023, the Board of Directors authorized a stockholder return program for up to \$19.0 billion that will run through December 31, 2024, consisting of additional repurchases of shares and payment of cash dividends.
 - During Q3 2024, 3.2 million shares were repurchased for \$644 million.
 - On a cumulative basis, as of September 30, 2024, a total of 153.4 million shares were repurchased for approximately \$22.7 billion.
 - During Q3 2024, the company paid a cash dividend of \$0.65 per each share of common stock, or approximately \$758 million, on September 12, 2024.
 - As of September 30, 2024, the remaining authorization for stock repurchases and quarterly cash dividends through December 2024 is \$7.3 billion, with the next dividend payable on December 12, 2024.

T13.2: Stockholder Returns

Stockholder Returns (\$ in millions)



2024 Outlook

T14.1: 2024 Outlook

Metric	Previous	Revised	Change at Midpoint
Postpaid net customer additions	5.4 to 5.7 million	5.6 to 5.8 million	150 thousand
Net income ⁽¹⁾	N/A	N/A	N/A
Effective tax rate	24% to 25%	~24%	(50) bps
Core Adjusted EBITDA ⁽²⁾	\$31.5 to \$31.8 billion	\$31.6 to \$31.8 billion	\$50 million
Net cash provided by operating activities	\$21.8 to \$22.2 billion	\$22.0 to \$22.3 billion	\$150 million
Capital expenditures ⁽³⁾	\$8.7 to \$9.1 billion	\$8.8 to \$9.0 billion	No change
Adjusted Free Cash Flow ⁽⁴⁾	\$16.6 to \$17.0 billion	\$16.7 to \$17.0 billion	\$50 million

(1) We are not able to forecast Net income on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect GAAP Net income, including, but not limited to, income tax expense and interest expense. Core Adjusted EBITDA should not be used to predict Net income as the difference between this measure and Net income is variable.

(2) Management uses Core Adjusted EBITDA as a measure to monitor the financial performance of our operations, excluding the impact of lease revenues from our related device financing programs. Our guidance ranges assume lease revenues of approximately \$100 million for 2024.

(3) Capital expenditures means cash purchases of property and equipment, including capitalized interest.

(4) Adjusted Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2024.

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Investor Relations



Cathy Yao
Senior Vice President
Investor Relations



Justin Taiber
Senior Director
Investor Relations



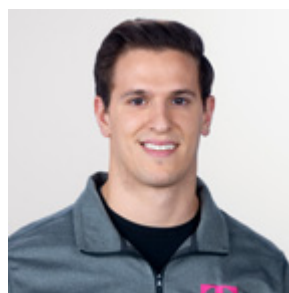
Rob Brust
Senior Director
Investor Relations



Zach Witterstaetter
Investor Relations
Manager



Rose Kopecky
Investor Relations
Manager



Jacob Marks
Investor Relations
Manager

investor.relations@t-mobile.com
<https://investor.t-mobile.com>

T16.1: T-Mobile US, Inc. Condensed Consolidated Balance Sheets (Unaudited)

T-Mobile US, Inc.

Condensed Consolidated Balance Sheets (Unaudited)

(in millions, except share and per share amounts)	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 9,754	\$ 5,135
Accounts receivable, net of allowance for credit losses of \$162 and \$161	4,286	4,692
Equipment installment plan receivables, net of allowance for credit losses and imputed discount of \$575 and \$623	3,595	4,456
Inventory	1,789	1,678
Prepaid expenses	953	702
Other current assets	2,154	2,352
Total current assets	22,531	19,015
Property and equipment, net	37,603	40,432
Operating lease right-of-use assets	25,833	27,135
Financing lease right-of-use assets	3,352	3,270
Goodwill	13,015	12,234
Spectrum licenses	98,736	96,707
Other intangible assets, net	2,762	2,618
Equipment installment plan receivables due after one year, net of allowance for credit losses and imputed discount of \$130 and \$150	1,752	2,042
Other assets	5,158	4,229
Total assets	\$ 210,742	\$ 207,682
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,496	\$ 10,373
Short-term debt	5,851	3,619
Deferred revenue	1,125	825
Short-term operating lease liabilities	3,328	3,555
Short-term financing lease liabilities	1,252	1,260
Other current liabilities	1,903	1,296
Total current liabilities	20,955	20,928
Long-term debt	72,522	69,903
Long-term debt to affiliates	1,497	1,496
Tower obligations	3,695	3,777
Deferred tax liabilities	15,849	13,458
Operating lease liabilities	26,821	28,240
Financing lease liabilities	1,185	1,236
Other long-term liabilities	3,968	3,929
Total long-term liabilities	125,537	122,039
Commitments and contingencies		
Stockholders' equity		
Common stock, par value \$0.00001 per share, 2,000,000,000 shares authorized; 1,270,824,969 and 1,262,904,154 shares issued, 1,164,613,922 and 1,195,807,331 shares outstanding	—	—
Additional paid-in capital	68,659	67,705
Treasury stock, at cost, 106,211,047 and 67,096,823 shares issued	(15,921)	(9,373)
Accumulated other comprehensive loss	(889)	(964)
Retained earnings	12,401	7,347
Total stockholders' equity	64,250	64,715
Total liabilities and stockholders' equity	\$ 210,742	\$ 207,682

T17.1: T-Mobile US, Inc. Condensed Consolidated Statements of Comprehensive Income

T-Mobile US, Inc.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(in millions, except share and per share amounts)	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2024	June 30, 2024	September 30, 2023	2024	2023
Revenues					
Postpaid revenues	\$ 13,308	\$ 12,899	\$ 12,288	\$ 38,838	\$ 36,220
Prepaid revenues	2,716	2,592	2,473	7,711	7,334
Wholesale and other service revenues	701	938	1,153	2,701	3,644
Total service revenues	16,725	16,429	15,914	49,250	47,198
Equipment revenues	3,207	3,106	3,076	9,564	9,964
Other revenues	230	237	262	714	918
Total revenues	20,162	19,772	19,252	59,528	58,080
Operating expenses					
Cost of services, exclusive of depreciation and amortization shown separately below	2,722	2,664	2,886	8,074	8,863
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	4,307	4,088	4,249	12,794	12,925
Selling, general and administrative	5,186	5,142	5,334	15,466	16,031
Gain on disposal group held for sale	—	—	—	—	(25)
Depreciation and amortization	3,151	3,248	3,187	9,770	9,500
Total operating expenses	15,366	15,142	15,656	46,104	47,294
Operating income	4,796	4,630	3,596	13,424	10,786
Other expense, net					
Interest expense, net	(836)	(854)	(790)	(2,570)	(2,486)
Other income (expense), net	7	(8)	41	19	56
Total other expense, net	(829)	(862)	(749)	(2,551)	(2,430)
Income before income taxes	3,967	3,768	2,847	10,873	8,356
Income tax expense	(908)	(843)	(705)	(2,515)	(2,053)
Net income	\$ 3,059	\$ 2,925	\$ 2,142	\$ 8,358	\$ 6,303
Net income	\$ 3,059	\$ 2,925	\$ 2,142	\$ 8,358	\$ 6,303
Other comprehensive income, net of tax					
Reclassification of loss from cash flow hedges, net of tax effect of \$15, \$15, \$15, \$45 and \$42	44	43	41	130	121
Net unrealized loss on fair value hedges, net of tax effect of \$(5), \$(10), \$0, \$(15) and \$0	(12)	(30)	—	(42)	—
Unrealized gain on foreign currency translation adjustment, net of tax effect of \$0, \$0, \$0, \$0 and \$0	—	—	—	—	9
Amortization of actuarial gain, net of tax effect of \$(2), \$(1), \$(11), \$(5) and \$(11)	(4)	(4)	(33)	(13)	(33)
Other comprehensive income	28	9	8	75	97
Total comprehensive income	\$ 3,087	\$ 2,934	\$ 2,150	\$ 8,433	\$ 6,400
Earnings per share					
Basic	\$ 2.62	\$ 2.50	\$ 1.83	\$ 7.12	\$ 5.28
Diluted	\$ 2.61	\$ 2.49	\$ 1.82	\$ 7.10	\$ 5.26
Weighted-average shares outstanding					
Basic	1,166,961,755	1,170,025,862	1,171,336,373	1,174,069,336	1,194,497,722
Diluted	1,170,649,561	1,172,447,353	1,174,390,472	1,177,637,145	1,198,290,141

T18.1: T-Mobile US, Inc. Condensed Consolidated Statements of Cash Flows (Unaudited)

T-Mobile US, Inc.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(in millions)	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2024	June 30, 2024	September 30, 2023	2024	2023
Operating activities					
Net income	\$ 3,059	\$ 2,925	\$ 2,142	\$ 8,358	\$ 6,303
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation and amortization	3,151	3,248	3,187	9,770	9,500
Stock-based compensation expense	170	164	156	474	500
Deferred income tax expense	817	747	671	2,279	1,985
Bad debt expense	299	255	228	836	663
Losses from sales of receivables	23	25	46	69	135
Loss on remeasurement of disposal group held for sale	—	—	—	—	9
Changes in operating assets and liabilities					
Accounts receivable	(734)	(1,286)	(1,046)	(2,436)	(3,828)
Equipment installment plan receivables	(72)	155	165	360	563
Inventory	(448)	221	(309)	(57)	182
Operating lease right-of-use assets	877	872	886	2,605	2,823
Other current and long-term assets	(19)	(416)	(135)	(275)	77
Accounts payable and accrued liabilities	(165)	38	208	(1,861)	(1,538)
Short- and long-term operating lease liabilities	(805)	(1,148)	(692)	(2,970)	(2,884)
Other current and long-term liabilities	(125)	(360)	(260)	(657)	(909)
Other, net	111	81	47	249	119
Net cash provided by operating activities	6,139	5,521	5,294	16,744	13,700
Investing activities					
Purchases of property and equipment, including capitalized interest of \$(9), \$(8), \$(66), \$(26) and \$(94)	(1,961)	(2,040)	(2,424)	(6,628)	(8,214)
Purchases of spectrum licenses and other intangible assets, including deposits	(2,419)	(156)	(119)	(2,636)	(225)
Proceeds from sales of tower sites	—	—	2	—	10
Proceeds related to beneficial interests in securitization transactions	984	958	1,131	2,832	3,785
Acquisition of companies, net of cash acquired	—	(390)	—	(390)	—
Other, net	89	(50)	17	50	36
Net cash used in investing activities	(3,307)	(1,678)	(1,393)	(6,772)	(4,608)
Financing activities					
Proceeds from issuance of long-term debt	2,480	2,136	1,983	8,089	8,446
Repayments of financing lease obligations	(347)	(351)	(304)	(1,025)	(914)
Repayments of long-term debt	(223)	(2,723)	(4,474)	(3,169)	(4,828)
Repurchases of common stock	(560)	(2,387)	(2,681)	(6,541)	(10,891)
Dividends on common stock	(758)	(759)	—	(2,286)	—
Tax withholdings on share-based awards	(36)	(16)	(10)	(244)	(267)
Other, net	(49)	(34)	(24)	(117)	(113)
Net cash provided by (used in) financing activities	507	(4,134)	(5,510)	(5,293)	(8,567)
Change in cash and cash equivalents, including restricted cash and cash held for sale	3,339	(291)	(1,609)	4,679	525
Cash and cash equivalents, including restricted cash and cash held for sale					
Beginning of period	6,647	6,938	6,808	5,307	4,674
End of period	\$ 9,986	\$ 6,647	\$ 5,199	\$ 9,986	\$ 5,199

T19.1: T-Mobile US, Inc. Condensed Consolidated Statements of Cash Flows (Continued)

T-Mobile US, Inc.

Condensed Consolidated Statements of Cash Flows (Continued)
(Unaudited)

(in millions)	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2024	June 30, 2024	September 30, 2023	2024	2023
Supplemental disclosure of cash flow information					
Interest payments, net of amounts capitalized	\$ 947	\$ 935	\$ 915	\$ 2,778	\$ 2,651
Operating lease payments	1,127	1,457	1,037	3,928	3,834
Income tax payments	50	107	4	164	126
Non-cash investing and financing activities					
Non-cash beneficial interest obtained in exchange for securitized receivables	\$ 789	\$ 833	\$ 920	\$ 2,283	\$ 3,148
Change in accounts payable and accrued liabilities for purchases of property and equipment	41	(232)	(459)	(1,085)	(1,196)
Operating lease right-of-use assets obtained in exchange for lease obligations	469	344	563	1,300	1,676
Financing lease right-of-use assets obtained in exchange for lease obligations	409	311	398	983	961
Contingent and other deferred consideration related to the Ka'ena Acquisition	—	210	—	210	—

T20.1: T-Mobile US, Inc. Supplementary Operating and Financial Data (Unaudited)

T-Mobile US, Inc.

Supplementary Operating and Financial Data
(Unaudited)

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Customers, end of period									
Postpaid phone customers ⁽¹⁾	73,372	74,132	74,982	75,936	76,468	77,245	78,110	74,982	78,110
Postpaid other customers ⁽¹⁾	20,153	20,954	21,330	22,116	22,804	23,365	24,075	21,330	24,075
Total postpaid customers	93,525	95,086	96,312	98,052	99,272	100,610	102,185	96,312	102,185
Prepaid customers ⁽²⁾	21,392	21,516	21,595	21,648	21,600	25,283	25,307	21,595	25,307
Total customers	114,917	116,602	117,907	119,700	120,872	125,893	127,492	117,907	127,492
Adjustments to customers ⁽¹⁾⁽²⁾	—	—	—	170	—	3,504	—	—	3,504

(1) In the fourth quarter of 2023, we recognized an additional base adjustment to increase postpaid phone customers by 20,000 and increase postpaid other customers by 150,000 due to fewer customers than expected whose service was deactivated as a result of the network shutdowns.

(2) In the second quarter of 2024, we acquired 3,504,000 prepaid customers through our acquisition of Ka'ena, which includes the impact of certain base adjustments to align the policies of Ka'ena and T-Mobile.

T20.2: Net customer additions (losses) and Postpaid customers

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Net customer additions (losses)									
Postpaid phone customers	538	760	850	934	532	777	865	2,148	2,174
Postpaid other customers	755	801	376	636	688	561	710	1,932	1,959
Total postpaid customers	1,293	1,561	1,226	1,570	1,220	1,338	1,575	4,080	4,133
Prepaid customers	26	124	79	53	(48)	179	24	229	155
Total net customer additions	1,319	1,685	1,305	1,623	1,172	1,517	1,599	4,309	4,288
Migrations from prepaid to postpaid plans	145	140	155	170	145	140	175	440	460

T20.3: Churn - Postpaid phone churn and Prepaid churn

	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Churn									
Postpaid phone churn	0.89 %	0.77 %	0.87 %	0.96 %	0.86 %	0.80 %	0.86 %	0.84 %	0.84 %
Prepaid churn	2.76 %	2.62 %	2.81 %	2.86 %	2.75 %	2.54 %	2.78 %	2.73 %	2.69 %

T20.4: Postpaid upgrade rate and Postpaid device upgrade rate

	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Postpaid upgrade rate									
Postpaid device upgrade rate	3.2 %	2.6 %	2.7 %	3.2 %	2.4 %	2.3 %	2.6 %	8.5 %	7.5 %



T21.1: T-Mobile US, Inc. Supplementary Operating and Financial Data (Unaudited)

T-Mobile US, Inc. Supplementary Operating and Financial Data (Unaudited)

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Accounts, end of period									
Total postpaid customer accounts	28,813	29,112	29,498	29,797	30,015	30,316	30,631	29,498	30,631

T21.2: Net account additions

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Net account additions									
Postpaid net account additions	287	299	386	299	218	301	315	972	834

T21.3: High speed internet customers, end of period

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
High speed internet customers, end of period									
Postpaid high speed internet customers	2,855	3,302	3,807	4,288	4,634	4,992	5,377	3,807	5,377
Prepaid high speed internet customers	314	376	428	488	547	595	625	428	625
Total high speed internet customers, end of period	3,169	3,678	4,235	4,776	5,181	5,587	6,002	4,235	6,002

T21.4: High speed internet net customer additions

(in thousands)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
High speed internet - net customer additions									
Postpaid high speed internet customers	445	447	505	481	346	358	385	1,397	1,089
Prepaid high speed internet customers	78	62	52	60	59	48	30	192	137
Total high speed internet net customer additions	523	509	557	541	405	406	415	1,589	1,226

T21.5: Device financing - equipment installment plans

(in millions)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Device financing - equipment installment plans									
Gross EIP financed	\$3,335	\$2,858	\$3,116	\$4,275	\$3,218	\$3,037	\$3,304	\$9,309	\$9,559
EIP billings	3,871	3,732	3,622	3,829	3,880	3,604	3,423	11,225	10,907
EIP receivables, net	7,262	6,745	6,349	6,498	5,967	5,556	5,347	6,349	5,347

T21.6: Device financing - leased devices

Device financing - leased devices									
Lease revenues	\$ 147	\$ 69	\$ 53	\$ 43	\$ 35	\$ 26	\$ 21	\$ 269	\$ 82
Leased device depreciation	58	46	37	29	22	15	11	141	48

T21.7: Operating measures

(in dollars)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Operating measures									
Postpaid ARPA	\$ 138.04	\$ 138.94	\$ 139.83	\$ 140.23	\$ 140.88	\$ 142.54	\$ 145.60	\$ 138.94	\$ 143.02
Postpaid phone ARPU	48.63	48.84	48.93	48.91	48.79	49.07	49.79	48.80	49.22
Prepaid ARPU	37.98	37.98	38.18	37.55	37.18	35.94	35.81	38.05	36.27

T22.1: T-Mobile US, Inc. Supplementary Operating and Financial Data (continued)

T-Mobile US, Inc.

Supplementary Operating and Financial Data (continued)
(Unaudited)

(in millions, except percentages)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Financial measures									
Service revenues	\$15,546	\$15,738	\$15,914	\$16,043	\$16,096	\$16,429	\$16,725	\$47,198	\$49,250
Equipment revenues	\$3,719	\$3,169	\$3,076	\$4,174	\$3,251	\$3,106	\$3,207	\$9,964	\$9,564
Lease revenues	147	69	53	43	35	26	21	269	82
Equipment sales	\$3,572	\$3,100	\$3,023	\$4,131	\$3,216	\$3,080	\$3,186	\$9,695	\$9,482
Total revenues	\$19,632	\$19,196	\$19,252	\$20,478	\$19,594	\$19,772	\$20,162	\$58,080	\$59,528
Net income	\$1,940	\$2,221	\$2,142	\$2,014	\$2,374	\$2,925	\$3,059	\$6,303	\$8,358
Net income margin	12.5 %	14.1 %	13.5 %	12.6 %	14.7 %	17.8 %	18.3 %	13.4 %	17.0 %
Adjusted EBITDA	\$7,199	\$7,405	\$7,600	\$7,224	\$7,652	\$8,053	\$8,243	\$22,204	\$23,948
Adjusted EBITDA margin	46.3 %	47.1 %	47.8 %	45.0 %	47.5 %	49.0 %	49.3 %	47.0 %	48.6 %
Core Adjusted EBITDA	\$7,052	\$7,336	\$7,547	\$7,181	\$7,617	\$8,027	\$8,222	\$21,935	\$23,866
Core Adjusted EBITDA margin	45.4 %	46.6 %	47.4 %	44.8 %	47.3 %	48.9 %	49.2 %	46.5 %	48.5 %
Cost of services, exclusive of depreciation and amortization	\$3,061	\$2,916	\$2,886	\$2,792	\$2,688	\$2,664	\$2,722	\$8,863	\$8,074
Merger-related costs	208	178	120	146	107	73	—	506	180
Other Special Items	23	18	154	—	1	—	67	195	68
Cost of services, excluding depreciation and amortization and Special Items	\$2,830	\$2,720	\$2,612	\$2,646	\$2,580	\$2,591	\$2,655	\$8,162	\$7,826
Cost of equipment sales, exclusive of depreciation and amortization	\$4,588	\$4,088	\$4,249	\$5,608	\$4,399	\$4,088	\$4,307	\$12,925	\$12,794
Merger-related recoveries	(9)	—	(3)	—	—	—	—	(12)	—
Cost of equipment sales, excluding depreciation and amortization and Special Items	\$4,597	\$4,088	\$4,252	\$5,608	\$4,399	\$4,088	\$4,307	\$12,937	\$12,794
Selling, general and administrative	\$5,425	\$5,272	\$5,334	\$5,280	\$5,138	\$5,142	\$5,186	\$16,031	\$15,466
Merger-related costs (gain), net	159	98	35	102	23	(82)	—	292	(59)
Other Special Items	87	36	359	14	12	37	86	482	135
Selling, general and administrative, excluding Special Items	\$5,179	\$5,138	\$4,940	\$5,164	\$5,103	\$5,187	\$5,100	\$15,257	\$15,390
Total bad debt expense and losses from sales of receivables	\$ 260	\$ 264	\$ 274	\$ 265	\$ 303	\$ 280	\$ 322	\$ 798	\$ 905
Bad debt and losses from sales of receivables as a percentage of Total revenues	1.3 %	1.4 %	1.4 %	1.3 %	1.5 %	1.4 %	1.6 %	1.4 %	1.5 %
Cash purchases of property and equipment including capitalized interest	\$3,001	\$2,789	\$2,424	\$1,587	\$2,627	\$2,040	\$1,961	\$8,214	\$6,628
Capitalized interest	14	14	66	10	9	8	9	94	26
Net cash proceeds from securitization	\$ (29)	\$ (31)	\$ (33)	\$ (21)	\$ (29)	\$ (30)	\$ (29)	\$ (93)	\$ (88)
Net cash payments for Merger-related costs	\$ 484	\$ 728	\$ 345	\$ 416	\$ 293	\$ 241	\$ 124	\$1,557	\$ 658

T22.2: Stockholder returns

(in millions, except share and per share amounts)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Stockholder returns									
Total repurchases	\$ 4,766	\$ 3,525	\$ 2,675	\$ 2,241	\$ 3,568	\$ 2,277	\$ 644	\$ 10,966	\$ 6,489
Total shares repurchased	32,963,940	25,183,838	19,313,159	15,464,107	21,933,790	13,979,843	3,179,707	77,460,937	39,093,340
Average purchase price per share	\$ 144.57	\$ 140.00	\$ 138.48	\$ 144.95	\$ 162.69	\$ 162.85	\$ 202.45	\$ 141.57	\$ 165.98
Total dividends paid	\$ —	\$ —	\$ —	\$ 747	\$ 769	\$ 759	\$ 758	\$ —	\$ 2,286
Dividends per share	\$ —	\$ —	\$ —	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ —	\$ 1.95
Total stockholder returns	\$ 4,766	\$ 3,525	\$ 2,675	\$ 2,988	\$ 4,337	\$ 3,036	\$ 1,402	\$ 10,966	\$ 8,775
Cumulative total repurchases	\$ 7,766	\$ 11,291	\$ 13,966	\$ 16,207	\$ 19,775	\$ 22,052	\$ 22,696	\$ 13,966	\$ 22,696
Cumulative shares repurchased	54,325,349	79,509,187	98,822,346	114,286,453	136,220,243	150,200,086	153,379,793	98,822,346	153,379,793
Cumulative stockholder returns	\$ 7,766	\$ 11,291	\$ 13,966	\$ 16,954	\$ 21,291	\$ 24,327	\$ 25,729	\$ 13,966	\$ 25,729

T23.1: T-Mobile US, Inc. Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures

T-Mobile US, Inc.
Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures
(Unaudited)

This Investor Factbook includes non-GAAP financial measures. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP. Reconciliations for the non-GAAP financial measures to the most directly comparable GAAP financial measures are provided below. T-Mobile is not able to forecast Net income on a forward-looking basis without unreasonable efforts due to the high variability and difficulty in predicting certain items that affect GAAP net income, including, but not limited to, Income tax expense and Interest expense. Adjusted EBITDA and Core Adjusted EBITDA should not be used to predict Net income, as the difference between either of these measures and Net income is variable.

Adjusted EBITDA and Core Adjusted EBITDA are reconciled to Net income as follows:

(in millions, except percentages)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Net income	\$1,940	\$2,221	\$2,142	\$2,014	\$2,374	\$2,925	\$3,059	\$6,303	\$8,358
Adjustments:									
Interest expense, net	835	861	790	849	880	854	836	2,486	2,570
Other (income) expense, net	(9)	(6)	(41)	(12)	(20)	8	(7)	(56)	(19)
Income tax expense	631	717	705	629	764	843	908	2,053	2,515
Operating income	3,397	3,793	3,596	3,480	3,998	4,630	4,796	10,786	13,424
Depreciation and amortization	3,203	3,110	3,187	3,318	3,371	3,248	3,151	9,500	9,770
Stock-based compensation ⁽¹⁾	173	155	152	164	140	147	143	480	430
Merger-related costs (gain), net ⁽²⁾	358	276	152	248	130	(9)	—	786	121
Legal-related (recoveries) expenses, net ⁽³⁾	(43)	—	—	1	—	15	1	(43)	16
(Gain) loss on disposal group held for sale	(42)	17	—	—	—	—	—	(25)	—
Other, net ⁽⁴⁾	153	54	513	13	13	22	152	720	187
Adjusted EBITDA	7,199	7,405	7,600	7,224	7,652	8,053	8,243	22,204	23,948
Lease revenues	(147)	(69)	(53)	(43)	(35)	(26)	(21)	(269)	(82)
Core Adjusted EBITDA	\$7,052	\$7,336	\$7,547	\$7,181	\$7,617	\$8,027	\$8,222	\$21,935	\$23,866
Net income margin (Net income divided by Service revenues)	12.5 %	14.1 %	13.5 %	12.6 %	14.7 %	17.8 %	18.3 %	13.4 %	17.0 %
Adjusted EBITDA margin (Adjusted EBITDA divided by Service revenues)	46.3 %	47.1 %	47.8 %	45.0 %	47.5 %	49.0 %	49.3 %	47.0 %	48.6 %
Core Adjusted EBITDA margin (Core Adjusted EBITDA divided by Service revenues)	45.4 %	46.6 %	47.4 %	44.8 %	47.3 %	48.9 %	49.2 %	46.5 %	48.5 %

- (1) Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense on the Condensed Consolidated Financial Statements. Additionally, certain stock-based compensation expenses associated with the merger with Sprint Corporation (the "Merger") have been included in Merger-related costs (gain), net.
- (2) Merger-related costs (gain), net, for the nine months ended September 30, 2024, includes the \$100 million gain recognized for the extension fee previously paid by DISH associated with the DISH License Purchase Agreement.
- (3) Legal-related (recoveries) expenses, net, consists of the settlement of certain litigation associated with the August 2021 cyberattack and is presented net of insurance recoveries.
- (4) Other, net, primarily consists of certain severance, restructuring and other expenses, gains and losses, including severance and related costs associated with the August 2023 workforce reduction, not directly attributable to the Merger which are not reflective of T-Mobile's core business activities and are, therefore, excluded from Adjusted EBITDA and Core Adjusted EBITDA.

fn (1) (2) (3) (4)

T24.1: T-Mobile US, Inc. Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures (continued)

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures (continued)
(Unaudited)

Net debt (excluding tower obligations) to the LTM Net income, LTM Adjusted EBITDA and LTM Core Adjusted EBITDA ratios are calculated as follows:

(in millions, except net debt ratios)	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024
Short-term debt	\$ 5,215	\$ 7,731	\$ 3,437	\$ 3,619	\$ 5,356	\$ 5,867	\$ 5,851
Short-term financing lease liabilities	1,180	1,220	1,286	1,260	1,265	1,252	1,252
Long-term debt	68,035	68,646	70,365	69,903	71,361	70,203	72,522
Long-term debt to affiliates	1,495	1,495	1,496	1,496	1,496	1,496	1,497
Financing lease liabilities	1,284	1,254	1,273	1,236	1,163	1,133	1,185
Less: Cash and cash equivalents	(4,540)	(6,647)	(5,030)	(5,135)	(6,708)	(6,417)	(9,754)
Net debt (excluding tower obligations)	\$ 72,669	\$ 73,699	\$ 72,827	\$ 72,379	\$ 73,933	\$ 73,534	\$ 72,553
Divided by: Last twelve months Net income	\$ 3,817	\$ 6,146	\$ 7,780	\$ 8,317	\$ 8,751	\$ 9,455	\$ 10,372
Net debt (excluding tower obligations) to LTM Net income Ratio	19.0	12.0	9.4	8.7	8.4	7.8	7.0
Divided by: Last twelve months Adjusted EBITDA	\$ 28,070	\$ 28,471	\$ 29,032	\$ 29,428	\$ 29,881	\$ 30,529	\$ 31,172
Net debt (excluding tower obligations) to LTM Adjusted EBITDA Ratio	2.6	2.6	2.5	2.5	2.5	2.4	2.3
Divided by: Last twelve months Core Adjusted EBITDA	\$ 26,980	\$ 27,698	\$ 28,517	\$ 29,116	\$ 29,681	\$ 30,372	\$ 31,047
Net debt (excluding tower obligations) to LTM Core Adjusted EBITDA Ratio	2.7	2.7	2.6	2.5	2.5	2.4	2.3

T24.2: Adjusted Free Cash Flow is calculated as follows

Adjusted Free Cash Flow is calculated as follows:

(in millions, except percentages)	Quarter							Nine Months Ended September 30,	
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	2023	2024
Net cash provided by operating activities	\$4,051	\$4,355	\$5,294	\$4,859	\$5,084	\$5,521	\$6,139	\$13,700	\$16,744
Cash purchases of property and equipment, including capitalized interest	(3,001)	(2,789)	(2,424)	(1,587)	(2,627)	(2,040)	(1,961)	(8,214)	(6,628)
Proceeds from sales of tower sites	6	2	2	2	—	—	—	10	—
Proceeds related to beneficial interests in securitization transactions	1,345	1,309	1,131	1,031	890	958	984	3,785	2,832
Adjusted Free Cash Flow	\$2,401	\$2,877	\$4,003	\$4,305	\$3,347	\$4,439	\$5,162	\$9,281	\$12,948
Net cash provided by operating activities margin	26.1 %	27.7 %	33.3 %	30.3 %	31.6 %	33.6 %	36.7 %	29.0 %	34.0 %
Adjusted Free Cash Flow margin	15.4 %	18.3 %	25.2 %	26.8 %	20.8 %	27.0 %	30.9 %	19.7 %	26.3 %

T-Mobile US, Inc.
Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures (continued)
(Unaudited)

T25.1: FY 2024 Guidance Range - Current Adjusted Free Cash Flow

The current guidance range for Adjusted Free Cash Flow is calculated as follows:

(in millions)	FY 2024	
	Guidance Range	
Net cash provided by operating activities	\$ 22,000	\$ 22,300
Cash purchases of property and equipment, including capitalized interest	(8,800)	(9,000)
Proceeds related to beneficial interests in securitization transactions ⁽¹⁾	3,500	3,700
Adjusted Free Cash Flow	\$ 16,700	\$ 17,000

(1) Adjusted Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2024.

T25.2: FY 2024 Guidance Range - Previous Adjusted Free Cash Flow

The previous guidance range for Adjusted Free Cash Flow was calculated as follows:

(in millions)	FY 2024	
	Guidance Range	
Net cash provided by operating activities	\$ 21,800	\$ 22,200
Cash purchases of property and equipment, including capitalized interest	(8,700)	(9,100)
Proceeds related to beneficial interests in securitization transactions ⁽¹⁾	3,500	3,900
Adjusted Free Cash Flow	\$ 16,600	\$ 17,000

(1) Adjusted Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2024.

fn (1)

Definitions of Terms

Operating and financial measures are utilized by T-Mobile's management to evaluate its operating performance and, in certain cases, its ability to meet liquidity requirements. Although companies in the wireless industry may not define measures in precisely the same way, T-Mobile believes the measures facilitate key operating performance comparisons with other companies in the wireless industry to provide management, investors and analysts with useful information to assess and evaluate past performance and assist in forecasting future performance.

1. **Account** - A billing account number that generates revenue. Postpaid accounts generally consist of customers that are qualified for postpaid service utilizing phones, High Speed Internet modems, mobile internet devices, including tablets and hotspots, wearables, DIGITS or other connected devices, including SyncUP and IoT, where they generally pay after receiving service.
2. **Customer** - A SIM number with a unique T-Mobile identifier which is associated with an account that generates revenue. Customers are qualified either for postpaid service utilizing phones, High Speed Internet modems, mobile internet devices, including tablets and hotspots, wearables, DIGITS or other connected devices, including SyncUP and IoT, where they generally pay after receiving service, or prepaid service, where they generally pay in advance of receiving service.
3. **Churn** - The number of customers whose service was deactivated as a percentage of the average number of customers during the specified period further divided by the number of months in the period. The number of customers whose service was deactivated is presented net of customers that subsequently have their service restored within a certain period of time and excludes customers who received service for less than a certain minimum period of time.
4. **Postpaid Average Revenue Per Account (Postpaid ARPA)** - Average monthly postpaid service revenue earned per account. Postpaid service revenues for the specified period divided by the average number of postpaid accounts during the period, further divided by the number of months in the period.

Average Revenue Per User (ARPU) - Average monthly service revenue earned per customer. Service revenues for the specified period divided by the average number of customers during the period, further divided by the number of months in the period.

Postpaid phone ARPU excludes postpaid other customers and related revenues.

Service revenues - Postpaid, including handset insurance, prepaid, wholesale and other service revenues.

5. **Cost of services** - Costs directly attributable to providing wireless service through the operation of T-Mobile's network, including direct switch and cell site costs, such as rent, network access and transport costs, utilities, maintenance, associated labor costs, long distance costs, regulatory program costs, roaming fees paid to other carriers and data content costs.
- Cost of equipment sales** - Costs of devices and accessories sold to customers and dealers, device costs to fulfill insurance and warranty claims, write-downs of inventory related to shrinkage and obsolescence, and shipping and handling costs.
- Selling, general and administrative expenses** - Costs not directly attributable to providing wireless service for the operation of sales, customer care and corporate activities. These include all commissions paid to dealers and retail employees for activations and upgrades, labor and facilities costs associated with retail sales force and administrative space, marketing and promotional costs, customer support and billing, bad debt expense and administrative support activities.
6. **Net income margin** - Net income divided by Service revenues.
7. **Adjusted EBITDA and Core Adjusted EBITDA** - Adjusted EBITDA represents earnings before Interest expense, net of Interest income, Income tax expense, Depreciation and amortization, stock-based compensation and Special Items. Core Adjusted EBITDA represents Adjusted EBITDA less device lease revenues. Core Adjusted EBITDA and Adjusted EBITDA are non-GAAP financial measures utilized by T-Mobile's management to monitor the financial performance of our operations. T-Mobile historically used Adjusted EBITDA and T-Mobile currently uses Core Adjusted EBITDA internally as a measure to evaluate and compensate its personnel and management for their performance. T-Mobile uses Adjusted EBITDA and Core Adjusted EBITDA as benchmarks to evaluate its operating performance in comparison to competitors. Management believes analysts and investors use Core Adjusted EBITDA and Adjusted EBITDA as supplemental measures to evaluate overall operating performance and to facilitate comparisons with other wireless communications services companies because they are indicative of T-Mobile's ongoing operating performance and trends by excluding the impact of Interest expense from financing, non-cash depreciation and amortization from capital investments, non-cash stock-based compensation and Special Items. Management believes analysts and investors use Core Adjusted EBITDA because it normalizes for the transition in the company's device financing strategy, by excluding the impact of device lease revenues from Adjusted EBITDA, to align with the related depreciation expense on leased devices, which is excluded from the definition of Adjusted EBITDA. Core Adjusted EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as a substitute for Income from operations, Net income or any other measure of financial performance reported in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
8. **Special Items** - Certain expenses, gains, and losses which are not reflective of our ongoing performance. Special Items include Merger-related costs (gain), net, (Gain) loss on disposal groups held for sale, certain legal-related recoveries and expenses, restructuring costs not directly attributable to the Merger (including severance), and other non-core gains and losses.
9. **Adjusted EBITDA margin and Core Adjusted EBITDA margin** - Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Service revenues. Core Adjusted EBITDA margin is calculated as Core Adjusted EBITDA divided by Service revenues. Adjusted EBITDA margin and Core Adjusted EBITDA margin are non-GAAP financial measures utilized by T-Mobile's management to monitor the financial performance of our operations.
10. **Net cash provided by operating activities margin** - Net cash provided by operating activities margin is calculated as Net cash provided by operating activities divided by Service revenues.
11. **Adjusted Free Cash Flow** - Net cash provided by operating activities less cash payments for purchases of property and equipment, plus proceeds from sales of tower sites and proceeds related to beneficial interests in securitization transactions and less Cash payments for debt prepayment or debt extinguishment costs. Adjusted Free Cash Flow is utilized by T-Mobile's management, investors, and analysts of our financial information to evaluate cash available to pay debt, repurchase shares, pay dividends and provide further investment in the business.
12. **Adjusted Free Cash Flow margin** - Adjusted Free Cash Flow margin is calculated as Adjusted Free Cash Flow divided by Service revenues. Adjusted Free Cash Flow Margin is utilized by T-Mobile's management, investors, and analysts to evaluate the company's ability to convert service revenue efficiently into cash available to pay debt, repurchase shares, pay dividends and provide further investment in the business.

13. **Net debt** - Short-term debt, short-term debt to affiliates, long-term debt (excluding tower obligations), and long-term debt to affiliates, short-term financing lease liabilities and financing lease liabilities, less cash and cash equivalents.
14. **Merger-related costs** include:
- Integration costs to achieve efficiencies in network, retail, information technology and back office operations, migrate customers to the T-Mobile network and billing systems and the impact of legal matters assumed as part of the Merger;
 - Restructuring costs, including severance, store rationalization and network decommissioning; and
 - Transaction costs, including legal and professional services related to the completion of the Merger and the acquisitions of affiliates.

Cautionary Statement Regarding Forward-Looking Statements

This communication includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including information concerning T-Mobile US, Inc.'s future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words "anticipate," "believe," "estimate," "expect," "intend," "may," "could" or similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties and may cause actual results to differ materially from the forward-looking statements. Important factors that could affect future results and cause those results to differ materially from those expressed in the forward-looking statements include, among others, the following: competition, industry consolidation and changes in the market for wireless communications services and other forms of connectivity; criminal cyberattacks, disruption, data loss or other security breaches; our inability to take advantage of technological developments on a timely basis; our inability to retain or motivate key personnel, hire qualified personnel or maintain our corporate culture; system failures and business disruptions, allowing for unauthorized use of or interference with our network and other systems; the scarcity and cost of additional wireless spectrum, and regulations relating to spectrum use; the impacts of the actions we have taken and conditions we have agreed to in connection with the regulatory proceedings and approvals of the Transactions (as defined below), including the acquisition by DISH Network Corporation ("DISH") of the prepaid wireless business operated under the Boost Mobile and Sprint prepaid brands (excluding the Assurance brand Lifeline customers and the prepaid wireless customers of Shenandoah Personal Communications Company LLC and Swiftel Communications, Inc.), including customer accounts, inventory, contracts, intellectual property and certain other specified assets, and the assumption of certain related liabilities (collectively, the "Prepaid Transaction"), the complaint and proposed final judgment agreed to by us, Deutsche Telekom AG ("DT"), Sprint Corporation, now known as Sprint LLC ("Sprint"), SoftBank Group Corp. ("SoftBank") and DISH with the U.S. District Court for the District of Columbia, which was approved by the Court on April 1, 2020, the proposed commitments filed with the Secretary of the Federal Communications Commission ("FCC"), which we announced on May 20, 2019, certain national security commitments and undertakings, and any other commitments or undertakings entered into, including, but not limited to, those we have made to certain states and nongovernmental organizations (collectively, the "Government Commitments"), and the challenges in satisfying the Government Commitments in the required time frames and the significant cumulative costs incurred in tracking and monitoring compliance over multiple years; adverse economic, political or market conditions in the U.S. and international markets, including changes resulting from increases in inflation or interest rates, supply chain disruptions and impacts of geopolitical instability, such as the Ukraine-Russia war and Israel-Hamas war; sociopolitical volatility and polarization; our inability to manage the ongoing commercial services arrangements entered into in connection with the Prepaid Transaction, and known or unknown liabilities arising in connection therewith; the timing and effects of any future acquisition, divestiture, investment, or merger involving us, including our inability to obtain any required regulatory approval necessary to consummate any such transactions; any disruption or failure of our third parties (including key suppliers) to provide products or services for the operation of our business; our substantial level of indebtedness and our inability to service our debt obligations in accordance with their terms; changes in the credit market conditions, credit rating downgrades or an inability to access debt markets; the risk of future material weaknesses we may identify, or any other failure by us to maintain effective internal controls, and the resulting significant costs and reputational damage; any changes in regulations or in the regulatory framework under which we operate; laws and regulations relating to the handling of privacy and data protection; unfavorable outcomes of and increased costs from existing or future regulatory or legal proceedings; difficulties in protecting our intellectual property rights or if we infringe on the intellectual property rights of others; our offering of regulated financial services products and exposure to a wide variety of state and federal regulations; new or amended tax laws or regulations or administrative interpretations and judicial decisions affecting the scope or application of tax laws or regulations; our wireless licenses, including those controlled through leasing agreements, are subject to renewal and may be revoked; our exclusive forum provision as provided in our Certificate of Incorporation; interests of DT, our controlling stockholder, which may differ from the interests of other stockholders; the dollar amount authorized for our 2023-2024 Stockholder Return Program may not be fully utilized, and our share repurchases and dividend payments pursuant thereto may fail to have the desired impact on stockholder value; future sales of our common stock by DT and SoftBank and our inability to attract additional equity financing outside the United States due to foreign ownership limitations by the FCC; and other risks as disclosed in our most recent annual report on Form 10-K, 10-Q and other filings with the Securities and Exchange Commission. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law.

About T-Mobile US, Inc.

T-Mobile US, Inc. (NASDAQ: TMUS) is America's supercharged Un-carrier, delivering an advanced 4G LTE and transformative nationwide 5G network that will offer reliable connectivity for all. T-Mobile's customers benefit from its unmatched combination of value and quality, unwavering obsession with offering them the best possible service experience and undisputable drive for disruption that creates competition and innovation in wireless and beyond. Based in Bellevue, Wash., T-Mobile provides services through its subsidiaries and operates its flagship brands, T-Mobile, Metro by T-Mobile and Mint Mobile. For more information please visit: <http://www.t-mobile.com>.