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INVESTOR FACTBOOK



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I N V E S T O R F A C T B O O K

Q3 2023



Highlights

3

T-Mobile Outpaces the Industry on Customer and Service Revenue Growth, Delivers Highest Cash Flow in Company History in Q3 2023 and Raises Guidance Again

POSTPAID
NET ACCOUNT
386K ADDITIONS

INDUSTRY-LEADING⁽¹⁾

POSTPAID
NET CUSTOMER
1.2M ADDITIONS

INDUSTRY-LEADING
RAISING GUIDANCE

POSTPAID PHONE
NET CUSTOMER
850K ADDITIONS

INDUSTRY-LEADING

SERVICE REVENUES
\$15.9B

GREW 4% YoY
INCLUDING INDUSTRY-LEADING POSTPAID
SERVICE REVENUE GROWTH OF 6% YoY

NET INCOME
\$2.1B

GREW \$1.6B YoY
INDUSTRY-LEADING GROWTH

CORE ADJUSTED EBITDA⁽²⁾
\$7.5B

GREW 12% YoY
INDUSTRY-LEADING GROWTH AND
RAISING GUIDANCE

NET CASH
PROVIDED BY OPERATING ACTIVITIES
\$5.3B

GREW 21% YoY
INDUSTRY-LEADING GROWTH AND
RAISING GUIDANCE

ADJUSTED
FREE CASH FLOW⁽²⁾
\$4.0B

GREW 94% YoY
INDUSTRY-LEADING GROWTH AND
RAISING GUIDANCE

HIGH SPEED INTERNET
NET CUSTOMER ADDITIONS
557K

INDUSTRY-LEADING

Nationwide Overall Network Leader

Clean sweep across every category for overall network performance for the fourth quarter in a row from Ookla and best 5G availability in the world from Opensignal.

Based on analysis by Ookla® of Speedtest Intelligence® data for the U.S., Q3 2023. Ookla trademarks used under license and reprinted with permission.

5G NETWORK
COVERAGE
98%
OF AMERICANS

ULTRA 5G
CAPACITY
300M
COVERS PEOPLE

T3.1

- (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. Starting in Q1 2023, we renamed Free Cash Flow to Adjusted Free Cash Flow. This change in name did not result in any change to the definition or calculation of this non-GAAP financial measure.

INVESTOR FACTBOOK

Q3 2023



Customer Metrics

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T5.1

Postpaid Accounts (in thousands)

Year-Over-Year

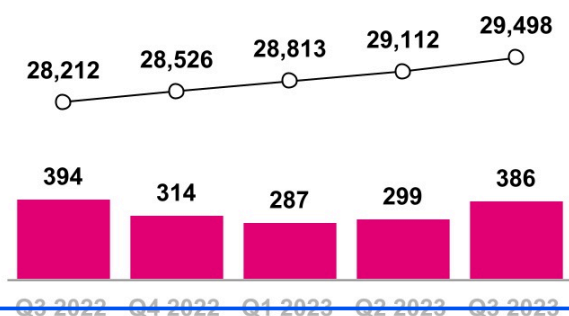
Continued growth in Postpaid net accounts with a decrease in net additions primarily due to:

- Fewer High Speed Internet only net account additions

Sequential

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

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



■ Postpaid net account additions
—○— Postpaid accounts

Year-Over-Year

Postpaid ARPA increased 2% primarily due to:

- An increase in customers per account, including growth in business and adoption of High Speed Internet
- 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 and an increase in High Speed Internet only accounts

Postpaid phone ARPU was relatively flat due to:

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

Sequential

Postpaid ARPA increased 1% primarily due to:

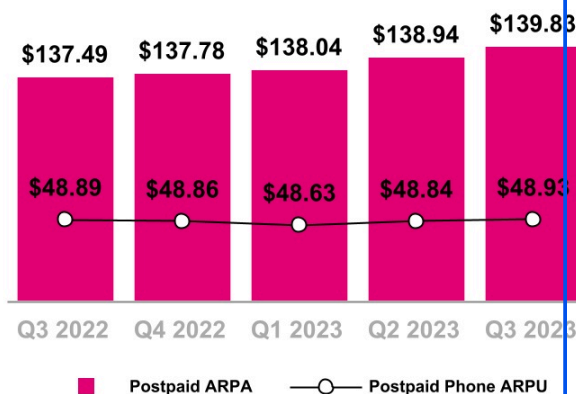
- Higher premium services, primarily high-end rate plans, net of contra revenues for content included in such plans, and discounts for specific affinity groups (55+, military, and first responders)
- An increase in customers per account, including growth in business and adoption of High Speed Internet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

Sequential

Postpaid phone ARPU was relatively flat due to:

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

Postpaid ARPA & Postpaid Phone ARPU



INVESTOR FACTBOOK

Q3 2023

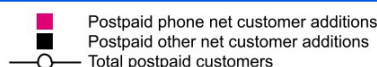
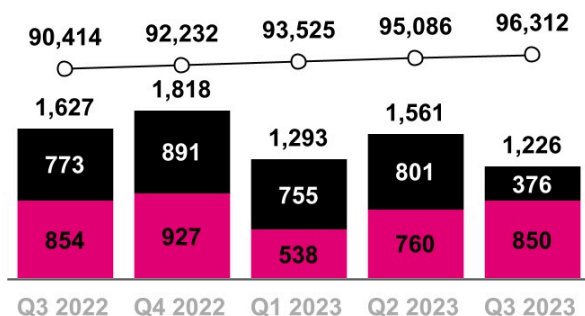


Customer Metrics

5

T6.1

Postpaid Customers (in thousands)



Year-Over-Year

Postpaid phone net customer additions were relatively flat primarily due to:

- Increased deactivations from a growing customer base despite slightly lower churn
- Offset by higher gross additions

Postpaid other net customer additions decreased primarily due to:

- Deactivations of lower ARPU mobile internet devices in the educational sector that were originally activated during the Pandemic and no longer needed

Sequential

Postpaid phone net customer additions increased due to:

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

Postpaid other net customer additions decreased primarily due to:

- Deactivations of lower ARPU mobile internet devices in the educational sector that were originally activated during the Pandemic and no longer needed

T6.2

Year-Over-Year

Postpaid phone churn decreased 1 basis point primarily due to:

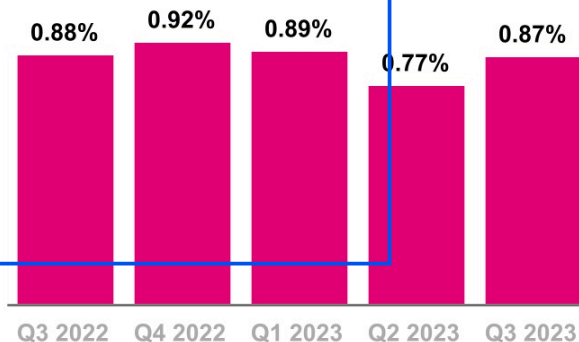
- Improved customer retention driven by a differentiated value proposition and network experience

Sequential

Postpaid phone churn increased 10 basis points primarily due to:

- Seasonal trends

Postpaid Phone Churn



INVESTOR FACTBOOK

Q3 2023

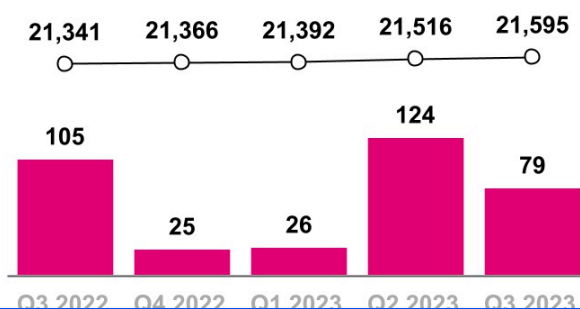


Customer Metrics

6

T7.1

Prepaid Customers (in thousands)



■ Prepaid net customer additions
○ Prepaid customers

Year-Over-Year

Prepaid net customer additions decreased primarily due to:

- Continued moderation of industry growth
- Fewer High Speed Internet net additions
- Partially offset by lower churn

Sequential

Prepaid net customer additions decreased primarily due to:

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

T7.2

Year-Over-Year

High Speed Internet net customer additions decreased primarily due to:

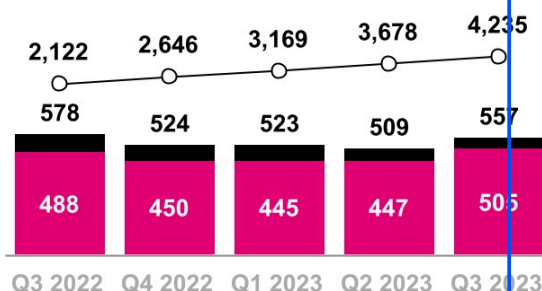
- Increased deactivations from a growing customer base despite lower churn
- Partially offset by continued growth in gross additions driven by increasing customer demand

Sequential

High Speed Internet net customer additions increased primarily due to:

- Continued growth in gross additions driven by increasing customer demand
- Partially offset by increased deactivations from a growing customer base

High Speed Internet Customers (in thousands)



■ Postpaid High Speed Internet net customer additions
■ Prepaid High Speed Internet net customer additions
○ High Speed Internet customers

INVESTOR FACTBOOK

Q3 2023



Financial Metrics

7

T8.1

Service Revenues (\$ in millions)

Year-Over-Year

Service revenues increased 4% primarily due to:

- Increase in Postpaid service revenues
- Partially offset by a decrease in Wholesale and other service revenues, including the impact from the sale of the Wireline Business

Sequential

Service revenues increased 1% primarily due to:

- Increase in Postpaid service revenues
- Partially offset by a decrease in Wholesale and other service revenues, including the impact from the sale of the Wireline Business



T8.2

Year-Over-Year

Postpaid service revenues increased 6% primarily due to:

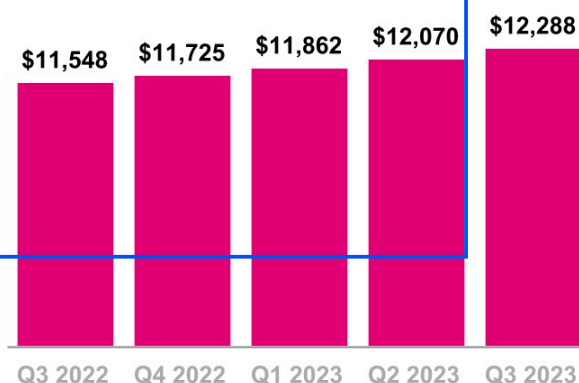
- Higher average postpaid accounts
- Higher postpaid ARPA

Sequential

Postpaid service revenues increased 2% primarily due to:

- Higher average postpaid accounts
- Higher postpaid ARPA

Postpaid Service Revenues (\$ in millions)



INVESTOR FACTBOOK

Q3 2023

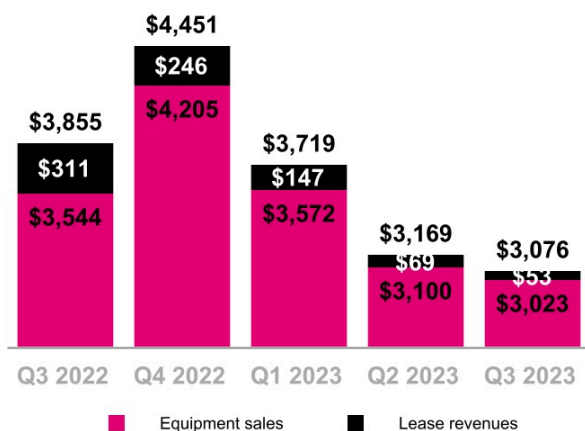


Financial Metrics

8

T9.1

Equipment Revenues (\$ in millions)



Year-Over-Year

Equipment revenues decreased 20% primarily due to:

- A lower number of devices and accessories sold due to lower postpaid upgrades and prepaid sales driven by longer device lifecycles, as well as Sprint customers moving to devices that are compatible with the T-Mobile network in the prior year period
- Lower lease revenues

Sequential

Equipment revenues decreased 3% primarily due to:

- A slightly lower revenue per device sold driven by seasonally higher promotional activity
- Partially offset by a slightly higher number of devices sold due to seasonality

T9.2

Year-Over-Year

Cost of equipment sales, exclusive of Depreciation and Amortization (D&A), decreased 15% primarily due to:

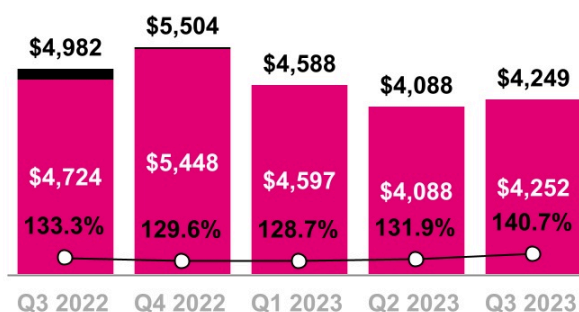
- A lower number of devices and accessories sold due to lower postpaid upgrades and prepaid sales driven by longer device lifecycles, as well as Sprint customers moving to devices that are compatible with the T-Mobile network in the prior year period

Sequential

Cost of equipment sales, exclusive of D&A, increased 4% primarily due to:

- A slightly higher number of devices sold due to seasonality

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



- Cost of Equipment sales, excl. D&A and Merger-related costs
- Merger-related costs (see detail on page 14)
- % of Equipment sales, excl. D&A and Merger-related costs

INVESTOR FACTBOOK

Q3 2023

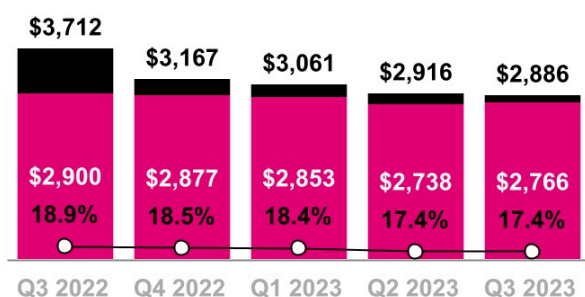


Financial Metrics

9

T10.1

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



■ Cost of services, excl. D&A and Merger-related costs
 ■ Merger-related costs (see detail on page 14)
 ○ % of Srvc revs, excl. D&A and Merger-related costs

Year-Over-Year

Cost of services, exclusive of D&A, decreased 22% primarily due to:

- Lower Merger-related costs related to network decommissioning and integration
- Lower costs due to the sale of the Wireline Business
- Higher realized Merger synergies
- Partially offset by \$140 million of severance and related costs associated with the August 2023 workforce reduction and higher site costs related to the continued build-out of our nationwide 5G network

Sequential

Cost of services, exclusive of D&A, decreased 1% primarily due to:

- Lower costs due to the sale of the Wireline Business
- Lower Merger-related costs related to network decommissioning and integration
- Mostly offset by \$140 million of severance and related costs associated with the August 2023 workforce reduction

T10.2

Year-Over-Year

SG&A expense increased 4% primarily due to:

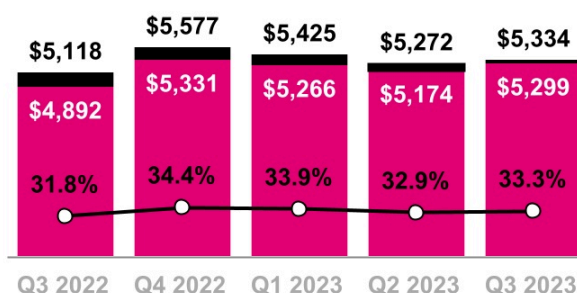
- \$331 million of severance and related costs associated with the August 2023 workforce reduction
- Gains from the sale of IP addresses in the prior year of \$121 million
- Partially offset by lower Merger-related costs, lower costs related to outsourced functions and higher realized Merger synergies

Sequential

SG&A expense increased 1% primarily due to:

- \$331 million of severance and related costs associated with the August 2023 workforce reduction
- Partially offset by lower advertising expenses, lower costs related to outsourced functions and lower Merger-related costs

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



■ SG&A expense, ex. Merger-related costs
 ■ Merger-related costs (see detail on page 14)
 ○ % of Srvc revs, ex. Merger-related costs

INVESTOR FACTBOOK

Q3 2023



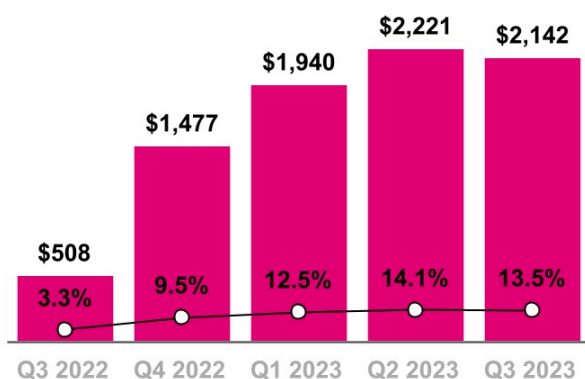
Financial Metrics

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T11.1

Net Income

(\$ in millions, % of Service revenues)



Year-Over-Year

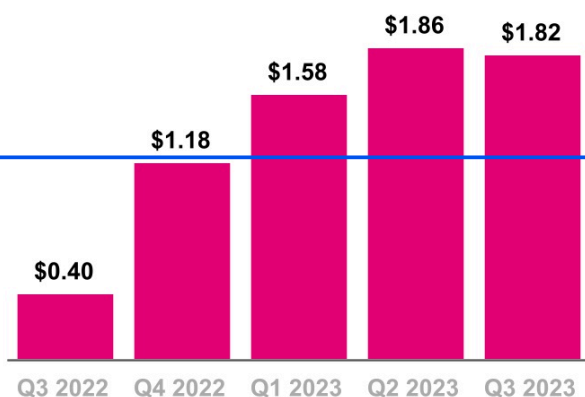
Net income was \$2.1 billion and Diluted earnings per share was \$1.82 in Q3 2023, compared to Net income of \$508 million and Diluted earnings per share of \$0.40 in Q3 2022, primarily due to the factors described above and included the following, net of tax:

- Merger-related costs in Q3 2023 of \$114 million, or \$0.10 per share, compared to \$972 million, or \$0.77 per share, in Q3 2022
- Loss related to the anticipated sale of the Wireline Business of \$803 million, or \$0.64 per share, in Q3 2022 compared to no loss in Q3 2023
- Severance and related costs associated with the August 2023 workforce reduction of \$353 million or \$0.30 per share, in Q3 2023

T11.2

Sequential

Diluted Earnings Per Share (Diluted EPS)



Net income was \$2.1 billion and Diluted earnings per share was \$1.82 in Q3 2023, compared to \$2.2 billion and \$1.86 in Q2 2023, primarily due to the factors described above and included the following, net of tax:

- Merger-related costs in Q3 2023 of \$114 million, or \$0.10 per share, compared to \$207 million, or \$0.17 per share, in Q2 2023
- Severance and related costs associated with the August 2023 workforce reduction of \$353 million, or \$0.30 per share, in Q3 2023

INVESTOR FACTBOOK

Q3 2023

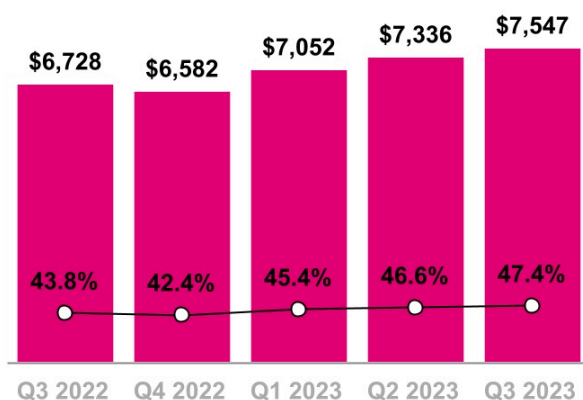


Financial Metrics

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T12.1

Core Adjusted EBITDA* (\$ in millions, % of Service revenues)



*Excludes Merger-related costs (see detail on page 14) and other special items

Year-Over-Year

Core Adjusted EBITDA increased 12% primarily due to:

- Higher Service revenues
- Lower Cost of equipment sales, excluding Merger-related costs
- Lower Cost of services, excluding Merger-related costs and other special items, such as severance and related costs associated with the August 2023 workforce reduction
- Partially offset by lower Equipment revenues, excluding Lease revenues

Sequential

Core Adjusted EBITDA increased 3% primarily due to:

- Lower SG&A expense, excluding Merger-related costs and other special items, such as severance and related costs associated with the August 2023 workforce reduction
- Higher Service revenues
- Lower Cost of services, excluding Merger-related costs and other special items, such as severance and related costs associated with the August 2023 workforce reduction
- Partially offset by higher Cost of equipment sales, excluding Merger-related costs

T12.2

Year-Over-Year

Net cash provided by operating activities increased 21% 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

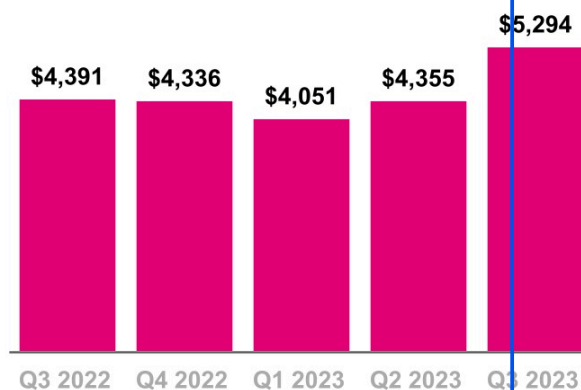
Sequential

Net cash provided by operating activities increased 22% primarily due to:

- Lower net cash outflows from changes in working capital

The impact of net payments for Merger-related costs on Net cash provided by operating activities was \$345 million in Q3 2023 compared to \$728 million in Q2 2023 and \$942 million in Q3 2022.

Net Cash Provided by Operating Activities (\$ in millions)



INVESTOR FACTBOOK

Q3 2023

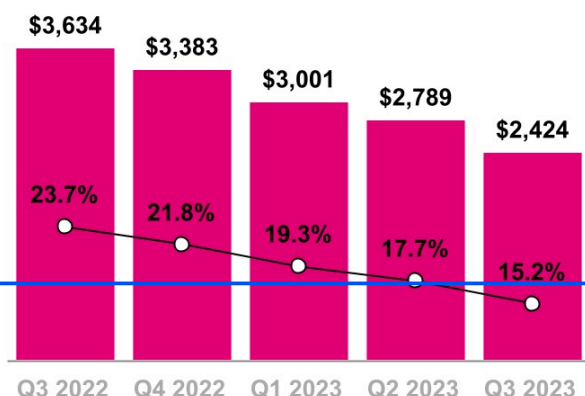


Financial Metrics

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T13.1

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 33% primarily due to:

- Increased capital efficiency following our accelerated nationwide 5G network build-out

Sequential

Cash purchases of property and equipment, including capitalized interest, decreased 13% primarily due to:

- Increased capital efficiency following our accelerated nationwide 5G network build-out

T13.2

Year-Over-Year

Adjusted Free Cash Flow increased 94% primarily due to:

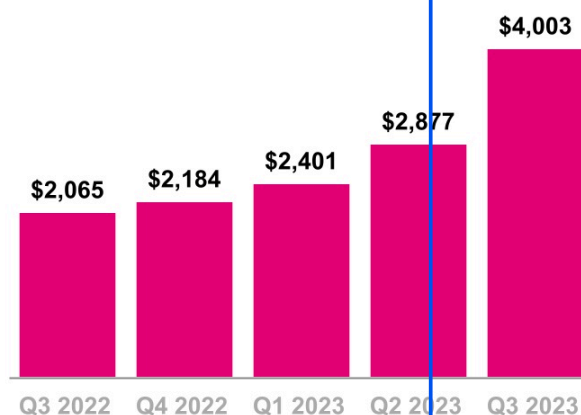
- Lower Cash purchases of property and equipment
- Higher Net cash provided by operating activities
- Partially offset by lower proceeds related to securitization transactions, which were offset in Net cash provided by operating activities. There were no significant net cash proceeds during the quarter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

Sequential

Adjusted Free Cash Flow increased 39% 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.

Adjusted Free Cash Flow (\$ in millions)



The impact of net payments for Merger-related costs on Adjusted Free Cash Flow was \$345 million in Q3 2023 compared to \$728 million in Q2 2023 and \$942 million in Q3 2022.

INVESTOR FACTBOOK

Q3 2023

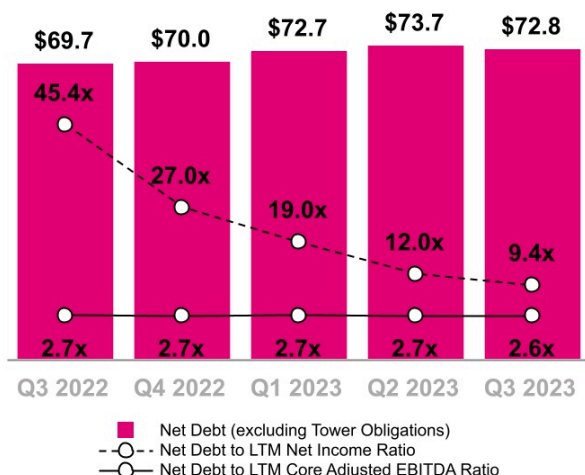


Capital Structure

13

T14.1

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 2023 was \$77.9 billion.

Net debt, excluding tower obligations, at the end of Q3 2023 was \$72.8 billion.

- On September 8, 2022, our Board of Directors authorized a stock repurchase program for up to \$14.0 billion through September 30, 2023. On September 6, 2023, our 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 2023, 19.3 million shares were repurchased for \$2.7 billion.
 - On a cumulative basis, as of September 30, 2023, a total of 98.8 million shares were repurchased for approximately \$14.0 billion.
 - From October 1, 2023, through October 20, 2023, a total of 5.5 million shares were repurchased for \$771 million.
 - On September 25, 2023, our Board of Directors declared a cash dividend of \$0.65 per share on each share of common stock which will be payable on December 15, 2023, to stockholders of record as of the close of business on December 1, 2023.

INVESTOR FACTBOOK

Q3 2023



Merger & Integration

14

Merger-Related Synergies Guidance

Merger synergies are expected to be **approximately \$7.5 billion** in 2023:

- **Approximately \$2.7 billion** of SG&A expense reductions
- **Approximately \$3.2 billion** of cost of service expense reductions achieved through network efficiencies
- **Approximately \$1.6 billion** of savings related to avoided network expenses

T15.1

Merger-Related Costs

(in millions, excl. EPS)

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Sequential Change		Year-Over-Year Change	
						\$	%	\$	%
Cost of services	\$ 812	\$ 290	\$ 208	\$ 178	\$ 120	\$ (58)	(33)%	\$ (692)	(85)%
Cost of equipment sales	258	56	(9)	—	(3)	(3)	NM	(261)	(101)%
Selling, general & administrative	226	246	159	98	35	(63)	(64)%	(191)	(85)%
Total Merger-related costs	\$ 1,296	\$ 592	\$ 358	\$ 276	\$ 152	\$ (124)	(45)%	\$ (1,144)	(88)%
Total Merger-related costs, net of tax	\$ 972	\$ 444	\$ 268	\$ 207	\$ 114	\$ (93)	(45)%	\$ (858)	(88)%
Diluted EPS impact of Merger-related costs	\$ 0.77	\$ 0.36	\$ 0.22	\$ 0.17	\$ 0.10	\$ (0.07)	(41)%	\$ (0.67)	(87)%
Net cash payments for Merger-related costs	\$ 942	\$ 622	\$ 484	\$ 728	\$ 345	\$ (383)	(53)%	\$ (597)	(63)%

INVESTOR FACTBOOK

Q3 2023



T16.1

2023 Outlook

Metric	Previous	Revised	Change at Midpoint
Postpaid net customer additions	5.6 to 5.9 million	5.7 to 5.9 million	50 thousand
Net income ⁽¹⁾	N/A	N/A	N/A
Core Adjusted EBITDA ⁽²⁾	\$28.9 to \$29.2 billion	\$29.0 to \$29.2 billion	\$50 million
Merger synergies	~\$7.5 billion	~\$7.5 billion	No change
Merger-related costs ⁽³⁾	~\$1.0 billion	~\$1.0 billion	No change
Net cash provided by operating activities	\$18.0 to \$18.3 billion	\$18.3 to \$18.5 billion	\$250 million
Capital expenditures ⁽⁴⁾	\$9.5 to \$9.7 billion	\$9.6 to \$9.8 billion	\$100 million
Adjusted Free Cash Flow ⁽⁵⁾	\$13.2 to \$13.6 billion	\$13.4 to \$13.6 billion	\$100 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 \$300 million for 2023.

(3) Merger-related costs are excluded from Core Adjusted EBITDA but will impact Net income, Net cash provided by operating activities and Adjusted Free Cash Flow.

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

(5) Adjusted Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2023.

INVESTOR FACTBOOK

Q3 2023



Investor Relations



Jud Henry
Senior Vice President
Investor Relations



Justin Taiber
Senior Director
Investor Relations



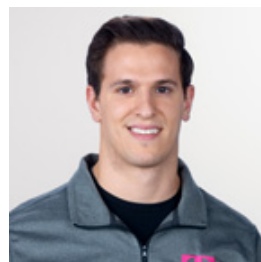
Rob Brust
Senior Director
Investor Relations



Zach Witterstaetter
Investor Relations
Manager



Rose Kopecky
Investor Relations
Manager



Jacob Marks
Investor Relations
Manager

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

INVESTOR FACTBOOK

Q3 2023



Financial & Operational Tables

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T18.1

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

(in millions, except share and per share amounts)	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 5,030	\$ 4,507
Accounts receivable, net of allowance for credit losses of \$166 and \$167	4,500	4,445
Equipment installment plan receivables, net of allowance for credit losses and imputed discount of \$610 and \$667	4,470	5,123
Inventory	1,685	1,884
Prepaid expenses	712	673
Other current assets	2,272	2,435
Total current assets	18,669	19,067
Property and equipment, net	41,080	42,086
Operating lease right-of-use assets	27,568	28,715
Financing lease right-of-use assets	3,390	3,257
Goodwill	12,234	12,234
Spectrum licenses	96,689	95,798
Other intangible assets, net	2,824	3,508
Equipment installment plan receivables due after one year, net of allowance for credit losses and imputed discount of \$130 and \$144	1,879	2,546
Other assets	4,246	4,127
Total assets	\$ 208,579	\$ 211,338
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,665	\$ 12,275
Short-term debt	3,437	5,164
Deferred revenue	830	780
Short-term operating lease liabilities	3,545	3,512
Short-term financing lease liabilities	1,286	1,161
Other current liabilities	2,948	1,850
Total current liabilities	21,711	24,742
Long-term debt	70,365	65,301
Long-term debt to affiliates	1,496	1,495
Tower obligations	3,819	3,934
Deferred tax liabilities	12,900	10,884
Operating lease liabilities	28,677	29,855
Financing lease liabilities	1,273	1,370
Other long-term liabilities	3,640	4,101
Total long-term liabilities	122,170	116,940
Commitments and contingencies		
Stockholders' equity		
Common stock, par value \$0.00001 per share, 2,000,000,000 shares authorized; 1,262,375,765 and 1,256,876,527 shares issued, 1,161,979,708 and 1,233,960,078 shares outstanding	—	—
Additional paid-in capital	74,404	73,941
Treasury stock, at cost, 100,396,057 and 22,916,449 shares issued	(14,092)	(3,016)
Accumulated other comprehensive loss	(949)	(1,046)
Retained earnings (accumulated deficit)	5,335	(223)
Total stockholders' equity	64,698	69,656
Total liabilities and stockholders' equity	\$ 208,579	\$ 211,338

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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, 2023	June 30, 2023	September 30, 2022	2023	2022
Revenues					
Postpaid revenues	\$ 12,288	\$ 12,070	\$ 11,548	\$ 36,220	\$ 34,194
Prepaid revenues	2,473	2,444	2,484	7,334	7,408
Wholesale and other service revenues	1,153	1,224	1,329	3,644	4,203
Total service revenues	15,914	15,738	15,361	47,198	45,805
Equipment revenues	3,076	3,169	3,855	9,964	12,679
Other revenues	262	289	261	918	814
Total revenues	19,252	19,196	19,477	58,080	59,298
Operating expenses					
Cost of services, exclusive of depreciation and amortization shown separately below	2,886	2,916	3,712	8,863	11,499
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	4,249	4,088	4,982	12,925	16,036
Selling, general and administrative	5,334	5,272	5,118	16,031	16,030
Impairment expense	—	—	—	—	477
Loss (gain) on disposal group held for sale	—	17	1,071	(25)	1,071
Depreciation and amortization	3,187	3,110	3,313	9,500	10,389
Total operating expenses	15,656	15,403	18,196	47,294	55,502
Operating income	3,596	3,793	1,281	10,786	3,796
Other expense, net					
Interest expense, net	(790)	(861)	(827)	(2,486)	(2,542)
Other income (expense), net	41	6	(3)	56	(35)
Total other expense, net	(749)	(855)	(830)	(2,430)	(2,577)
Income before income taxes	2,847	2,938	451	8,356	1,219
Income tax (expense) benefit	(705)	(717)	57	(2,053)	(106)
Net income	\$ 2,142	\$ 2,221	\$ 508	\$ 6,303	\$ 1,113
Net income	\$ 2,142	\$ 2,221	\$ 508	\$ 6,303	\$ 1,113
Other comprehensive income, net of tax					
Reclassification of loss from cash flow hedges, net of tax effect of \$15, \$13, \$13, \$42 and \$39	41	40	39	121	113
Unrealized gain (loss) on foreign currency translation adjustment, net of tax effect of \$0, \$0, \$0, \$0 and \$(1)	—	7	(7)	9	(11)
Amortization of actuarial gain, net of tax effect of \$(11), \$0, \$0, \$(11) and \$0	(33)	—	—	(33)	—
Other comprehensive income	8	47	32	97	102
Total comprehensive income	\$ 2,150	\$ 2,268	\$ 540	\$ 6,400	\$ 1,215
Earnings per share					
Basic	\$ 1.83	\$ 1.86	\$ 0.40	\$ 5.28	\$ 0.89
Diluted	\$ 1.82	\$ 1.86	\$ 0.40	\$ 5.26	\$ 0.88
Weighted-average shares outstanding					
Basic	1,171,336,373	1,193,078,891	1,253,873,429	1,194,497,722	1,252,783,140
Diluted	1,174,390,472	1,195,533,499	1,259,210,271	1,198,290,141	1,258,061,478

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T20.1

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

(in millions)	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2023	June 30, 2023	September 30, 2022	2023	2022
Operating activities					
Net income	\$ 2,142	\$ 2,221	\$ 508	\$ 6,303	\$ 1,113
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation and amortization	3,187	3,110	3,313	9,500	10,389
Stock-based compensation expense	156	167	150	500	445
Deferred income tax expense (benefit)	671	703	(36)	1,985	73
Bad debt expense	228	213	239	663	760
Losses from sales of receivables	46	51	60	135	168
Impairment expense	—	—	—	—	477
Loss on remeasurement of disposal group held for sale	—	22	371	9	371
Changes in operating assets and liabilities					
Accounts receivable	(1,046)	(1,514)	(1,224)	(3,828)	(3,781)
Equipment installment plan receivables	165	246	(77)	563	(801)
Inventory	(309)	362	(7)	182	384
Operating lease right-of-use assets	886	929	1,113	2,823	4,275
Other current and long-term assets	(135)	354	(334)	77	(450)
Accounts payable and accrued liabilities	208	(864)	342	(1,538)	319
Short- and long-term operating lease liabilities	(692)	(1,183)	(700)	(2,884)	(2,218)
Other current and long-term liabilities	(260)	(466)	550	(909)	587
Other, net	47	4	123	119	334
Net cash provided by operating activities	5,294	4,355	4,391	13,700	12,445
Investing activities					
Purchases of property and equipment, including capitalized interest of \$(66), \$(14), \$(16), \$(94) and \$(44)	(2,424)	(2,789)	(3,634)	(8,214)	(10,587)
Purchases of spectrum licenses and other intangible assets, including deposits	(119)	(33)	(360)	(225)	(3,319)
Proceeds from sales of tower sites	2	2	—	10	—
Proceeds related to beneficial interests in securitization transactions	1,131	1,309	1,308	3,785	3,614
Acquisition of companies, net of cash and restricted cash acquired	—	—	—	—	(52)
Other, net	17	24	131	36	138
Net cash used in investing activities	(1,393)	(1,487)	(2,555)	(4,608)	(10,206)
Financing activities					
Proceeds from issuance of long-term debt	1,983	3,450	2,972	8,446	2,972
Repayments of financing lease obligations	(304)	(304)	(311)	(914)	(901)
Repayments of long-term debt	(4,474)	(223)	(132)	(4,828)	(3,145)
Repurchases of common stock	(2,681)	(3,591)	(557)	(10,891)	(557)
Tax withholdings on share-based awards	(10)	(70)	(10)	(267)	(225)
Other, net	(24)	(46)	(35)	(113)	(97)
Net cash (used in) provided by financing activities	(5,510)	(784)	1,927	(8,567)	(1,953)
Change in cash and cash equivalents, including restricted cash and cash held for sale	(1,609)	2,084	3,763	525	286
Cash and cash equivalents, including restricted cash and cash held for sale					
Beginning of period	6,808	4,724	3,226	4,674	6,703
End of period	\$ 5,199	\$ 6,808	\$ 6,989	\$ 5,199	\$ 6,989

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T21.1

T-Mobile US, Inc.

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

(in millions)	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2023	June 30, 2023	September 30, 2022	2023	2022
Supplemental disclosure of cash flow information					
Interest payments, net of amounts capitalized	\$ 915	\$ 896	\$ 781	\$ 2,651	\$ 2,548
Operating lease payments	1,037	1,483	1,073	3,834	3,163
Income tax payments	4	95	12	126	75
Non-cash investing and financing activities					
Non-cash beneficial interest obtained in exchange for securitized receivables	\$ 920	\$ 1,109	\$ 1,181	\$ 3,148	\$ 3,189
Change in accounts payable and accrued liabilities for purchases of property and equipment	(459)	(408)	390	(1,196)	139
Increase in Tower obligations from contract modification	—	—	—	—	1,158
Operating lease right-of-use assets obtained in exchange for lease obligations	563	674	479	1,676	7,045
Financing lease right-of-use assets obtained in exchange for lease obligations	398	324	348	961	1,197

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T22.1

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

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
								2022	2023
Customers, end of period									
Postpaid phone customers ⁽¹⁾	70,656	71,053	71,907	72,834	73,372	74,132	74,982	71,907	74,982
Postpaid other customers ⁽¹⁾	17,767	17,734	18,507	19,398	20,153	20,954	21,330	18,507	21,330
Total postpaid customers	88,423	88,787	90,414	92,232	93,525	95,086	96,312	90,414	96,312
Prepaid customers ⁽¹⁾	21,118	21,236	21,341	21,366	21,392	21,516	21,595	21,341	21,595
Total customers	109,541	110,023	111,755	113,598	114,917	116,602	117,907	111,755	117,907
Adjustments to customers ⁽¹⁾	(558)	(1,320)	—	—	—	—	—	(1,878)	—

(1) Customers impacted by the decommissioning of the legacy Sprint CDMA and LTE and T-Mobile UMTS networks have been excluded from our customer base resulting in the removal of 212,000 postpaid phone customers and 349,000 postpaid other customers in the first quarter of 2022 and 284,000 postpaid phone customers, 946,000 postpaid other customers and 28,000 prepaid customers in the second quarter of 2022. In connection with our acquisition of companies, we included a base adjustment in the first quarter of 2022 to increase postpaid phone customers by 17,000 and reduce postpaid other customers by 14,000. Certain customers now serviced through reseller contracts were removed from our reported postpaid customer base resulting in the removal of 42,000 postpaid phone customers and 20,000 postpaid other customers in the second quarter of 2022.

T22.2

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
								2022	2023
Net customer additions									
Postpaid phone customers	589	723	854	927	538	760	850	2,166	2,148
Postpaid other customers	729	933	773	891	755	801	376	2,435	1,932
Total postpaid customers	1,318	1,656	1,627	1,818	1,293	1,561	1,226	4,601	4,080
Prepaid customers	62	146	105	25	26	124	79	313	229
Total net customer additions	1,380	1,802	1,732	1,843	1,319	1,685	1,305	4,914	4,309
Migrations from prepaid to postpaid plans	165	155	155	175	145	140	155	475	440

T22.3

	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
								2022	2023
Churn									
Postpaid phone churn	0.93 %	0.80 %	0.88 %	0.92 %	0.89 %	0.77 %	0.87 %	0.87 %	0.84 %
Prepaid churn	2.67 %	2.58 %	2.88 %	2.93 %	2.76 %	2.62 %	2.81 %	2.71 %	2.73 %

T22.4

	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
								2022	2023
Postpaid upgrade rate									
Postpaid device upgrade rate	4.8 %	4.1 %	3.8 %	3.9 %	3.2 %	2.6 %	2.7 %	12.7 %	8.5 %

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

T23.1

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
Accounts, end of period								2022	2023
Total postpaid customer accounts ⁽¹⁾	27,507	27,818	28,212	28,526	28,813	29,112	29,498	28,212	29,498
(1) Customers impacted by the decommissioning of the legacy Sprint CDMA and LTE and T-Mobile UMTS networks have been excluded from our postpaid account base resulting in the removal of 57,000 postpaid accounts in the first quarter of 2022 and 69,000 postpaid accounts in the second quarter of 2022.									

T23.2

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
Net account additions								2022	2023
Postpaid net account additions	348	380	394	314	287	299	386	1,122	972

T23.3

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
High speed internet customers, end of period								2022	2023
Postpaid high speed internet customers	975	1,472	1,960	2,410	2,855	3,302	3,807	1,960	3,807
Prepaid high speed internet customers	9	72	162	236	314	376	428	162	428
Total high speed internet customers, end of period	984	1,544	2,122	2,646	3,169	3,678	4,235	2,122	4,235

T23.4

(in thousands)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
High speed internet - net customer additions								2022	2023
Postpaid high speed internet customers	329	497	488	450	445	447	505	1,314	1,397
Prepaid high speed internet customers	9	63	90	74	78	62	52	162	192
Total high speed internet net customer additions	338	560	578	524	523	509	557	1,476	1,589

T23.5

(in millions, except percentages)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
Device financing - equipment installment plans								2022	2023
Gross EIP financed	\$ 4,247	\$ 3,580	\$ 3,758	\$ 4,103	\$ 3,335	\$ 2,858	\$ 3,116	\$ 11,585	\$ 9,309
EIP billings	3,333	3,447	3,717	3,889	3,871	3,732	3,622	10,497	11,225
EIP receivables, net	7,898	7,734	7,562	7,669	7,262	6,745	6,349	7,562	6,349
EIP receivables classified as prime	61 %	61 %	61 %	59 %	59 %	59 %	62 %	61 %	62 %
EIP receivables classified as prime (including EIP receivables sold)	58 %	57 %	58 %	57 %	56 %	56 %	59 %	58 %	59 %
Device financing - leased devices									
Lease revenues	\$ 487	\$ 386	\$ 311	\$ 246	\$ 147	\$ 69	\$ 53	\$ 1,184	\$ 269
Leased device depreciation	445	317	226	141	58	46	37	988	141

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T24.1

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

(in millions, except percentages)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
								2022	2023
Financial measures									
Service revenues	\$ 15,128	\$ 15,316	\$ 15,361	\$ 15,518	\$ 15,546	\$ 15,738	\$ 15,914	\$ 45,805	\$ 47,198
Equipment revenue	\$ 4,694	\$ 4,130	\$ 3,855	\$ 4,451	\$ 3,719	\$ 3,169	\$ 3,076	\$ 12,679	\$ 9,964
Lease revenues	487	386	311	246	147	69	53	1,184	269
Equipment sales	\$ 4,207	\$ 3,744	\$ 3,544	\$ 4,205	\$ 3,572	\$ 3,100	\$ 3,023	\$ 11,495	\$ 9,695
Total revenues	\$ 20,120	\$ 19,701	\$ 19,477	\$ 20,273	\$ 19,632	\$ 19,196	\$ 19,252	\$ 59,298	\$ 58,080
Net income (loss)	\$ 713	\$ (108)	\$ 508	\$ 1,477	\$ 1,940	\$ 2,221	\$ 2,142	\$ 1,113	\$ 6,303
Net income (loss) margin	4.7 %	(0.7)%	3.3 %	9.5 %	12.5 %	14.1 %	13.5 %	2.4 %	13.4 %
Adjusted EBITDA	\$ 6,950	\$ 7,004	\$ 7,039	\$ 6,828	\$ 7,199	\$ 7,405	\$ 7,600	\$ 20,993	\$ 22,204
Adjusted EBITDA margin	45.9 %	45.7 %	45.8 %	44.0 %	46.3 %	47.1 %	47.8 %	45.8 %	47.0 %
Core Adjusted EBITDA	\$ 6,463	\$ 6,618	\$ 6,728	\$ 6,582	\$ 7,052	\$ 7,336	\$ 7,547	\$ 19,809	\$ 21,935
Core Adjusted EBITDA margin	42.7 %	43.2 %	43.8 %	42.4 %	45.4 %	46.6 %	47.4 %	43.2 %	46.5 %
Cost of services	\$ 3,727	\$ 4,060	\$ 3,712	\$ 3,167	\$ 3,061	\$ 2,916	\$ 2,886	\$ 11,499	\$ 8,863
Merger-related costs	607	961	812	290	208	178	120	2,380	506
Cost of services excluding Merger-related costs	\$ 3,120	\$ 3,099	\$ 2,900	\$ 2,877	\$ 2,853	\$ 2,738	\$ 2,766	\$ 9,119	\$ 8,357
Cost of equipment sales	\$ 5,946	\$ 5,108	\$ 4,982	\$ 5,504	\$ 4,588	\$ 4,088	\$ 4,249	\$ 16,036	\$ 12,925
Merger-related costs	751	459	258	56	(9)	—	(3)	1,468	(12)
Cost of equipment sales excluding Merger-related costs	\$ 5,195	\$ 4,649	\$ 4,724	\$ 5,448	\$ 4,597	\$ 4,088	\$ 4,252	\$ 14,568	\$ 12,937
Selling, general and administrative	\$ 5,056	\$ 5,856	\$ 5,118	\$ 5,577	\$ 5,425	\$ 5,272	\$ 5,334	\$ 16,030	\$ 16,031
Merger-related costs	55	248	226	246	159	98	35	529	292
Selling, general and administrative excluding Merger-related costs	\$ 5,001	\$ 5,608	\$ 4,892	\$ 5,331	\$ 5,266	\$ 5,174	\$ 5,299	\$ 15,501	\$ 15,739
Total bad debt expense and losses from sales of receivables	\$ 256	\$ 373	\$ 300	\$ 311	\$ 260	\$ 264	\$ 274	\$ 929	\$ 798
Bad debt and losses from sales of receivables as a percentage of Total revenues	1.3 %	1.9 %	1.5 %	1.5 %	1.3 %	1.4 %	1.4 %	1.6 %	1.4 %
Cash purchases of property and equipment including capitalized interest	\$ 3,381	\$ 3,572	\$ 3,634	\$ 3,383	\$ 3,001	\$ 2,789	\$ 2,424	\$ 10,587	\$ 8,214
Capitalized interest	15	13	16	17	14	14	66	44	94
Net cash proceeds from securitization	(3)	(10)	(18)	(26)	(29)	(31)	(33)	(31)	(93)
Operating measures									
Postpaid ARPA	\$ 136.53	\$ 137.92	\$ 137.49	\$ 137.78	\$ 138.04	\$ 138.94	\$ 139.83	\$ 137.32	\$ 138.94
Postpaid phone ARPU	48.41	48.96	48.89	48.86	48.63	48.84	48.93	48.75	48.80
Prepaid ARPU	39.19	38.71	38.86	38.29	37.98	37.98	38.18	38.92	38.05

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T25.1

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 (loss) as follows:

(in millions, except percentages)	Quarter				Nine Months Ended				September 30,
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2022	2023
Net income (loss)	\$ 713	\$ (108)	\$ 508	\$ 1,477	\$ 1,940	\$ 2,221	\$ 2,142	\$ 1,113	\$ 6,303
Adjustments:									
Interest expense, net	864	851	827	822	835	861	790	2,542	2,486
Other expense (income), net	11	21	3	(2)	(9)	(6)	(41)	35	(56)
Income tax expense (benefit)	218	(55)	(57)	450	631	717	705	106	2,053
Operating income	1,806	709	1,281	2,747	3,397	3,793	3,596	3,796	10,786
Depreciation and amortization	3,585	3,491	3,313	3,262	3,203	3,110	3,187	10,389	9,500
Stock-based compensation ⁽¹⁾	136	149	145	146	173	155	152	430	480
Merger-related costs	1,413	1,668	1,296	592	358	276	152	4,377	786
Impairment expense	—	477	—	—	—	—	—	477	—
Legal-related expenses (recoveries), net ⁽²⁾	—	400	(19)	10	(43)	—	—	381	(43)
Loss (gain) on disposal group held for sale	—	—	1,071	16	(42)	17	—	1,071	(25)
Other, net ⁽³⁾	10	110	(48)	55	153	54	513	72	720
Adjusted EBITDA	6,950	7,004	7,039	6,828	7,199	7,405	7,600	20,993	22,204
Lease revenues	(487)	(386)	(311)	(246)	(147)	(69)	(53)	(1,184)	(269)
Core Adjusted EBITDA	\$ 6,463	\$ 6,618	\$ 6,728	\$ 6,582	\$ 7,052	\$ 7,336	\$ 7,547	\$ 19,809	\$ 21,935
Net income (loss) margin (Net income (loss) divided by Service revenues)	4.7 %	(0.7)%	3.3 %	9.5 %	12.5 %	14.1 %	13.5 %	2.4 %	13.4 %
Adjusted EBITDA margin (Adjusted EBITDA divided by Service revenues)	45.9 %	45.7 %	45.8 %	44.0 %	46.3 %	47.1 %	47.8 %	45.8 %	47.0 %
Core Adjusted EBITDA margin (Core Adjusted EBITDA divided by Service revenues)	42.7 %	43.2 %	43.8 %	42.4 %	45.4 %	46.6 %	47.4 %	43.2 %	46.5 %

(1) Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense in the Condensed Consolidated Financial Statements. Additionally, certain stock-based compensation expenses associated with the Sprint Merger have been included in Merger-related costs.

(2) Legal-related expenses (recoveries), net, consists of the settlement of certain litigation associated with the August 2021 cyberattack and is presented net of insurance recoveries.

(3) Other, net, primarily consists of certain severance, restructuring and other expenses and income not directly attributable to the Merger which are not reflective of T-Mobile's core business activities ("special items") and are, therefore, excluded from Adjusted EBITDA and Core Adjusted EBITDA. Other, net, for the three and nine months ended September 30, 2023, includes \$471 million of severance and related costs associated with the August 2023 workforce reduction.

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T26.1

T-Mobile US, Inc.

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, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023
Short-term debt	\$ 2,865	\$ 2,942	\$ 7,398	\$ 5,164	\$ 5,215	\$ 7,731	\$ 3,437
Short-term debt to affiliates	1,250	—	—	—	—	—	—
Short-term financing lease liabilities	1,121	1,220	1,239	1,161	1,180	1,220	1,286
Long-term debt	66,861	66,552	64,834	65,301	68,035	68,646	70,365
Long-term debt to affiliates	1,494	1,495	1,495	1,495	1,495	1,495	1,496
Financing lease liabilities	1,447	1,597	1,590	1,370	1,284	1,254	1,273
Less: Cash and cash equivalents	(3,245)	(3,151)	(6,888)	(4,507)	(4,540)	(6,647)	(5,030)
Net debt (excluding tower obligations)	\$ 71,793	\$ 70,655	\$ 69,668	\$ 69,984	\$ 72,669	\$ 73,699	\$ 72,827
Divided by: Last twelve months Net income	\$ 2,804	\$ 1,718	\$ 1,535	\$ 2,590	\$ 3,817	\$ 6,146	\$ 7,780
Net debt (excluding tower obligations) to LTM Net income Ratio	25.6	41.1	45.4	27.0	19.0	12.0	9.4
Divided by: Last twelve months Adjusted EBITDA	\$ 26,969	\$ 27,067	\$ 27,295	\$ 27,821	\$ 28,070	\$ 28,471	\$ 29,032
Net debt (excluding tower obligations) to LTM Adjusted EBITDA Ratio	2.7	2.6	2.6	2.5	2.6	2.6	2.5
Divided by: Last twelve months Core Adjusted EBITDA	\$ 24,175	\$ 24,801	\$ 25,488	\$ 26,391	\$ 26,980	\$ 27,698	\$ 28,517
Net debt (excluding tower obligations) to LTM Core Adjusted EBITDA Ratio	3.0	2.8	2.7	2.7	2.7	2.7	2.6

T26.2

Adjusted Free Cash Flow is calculated as follows:

(in millions, except percentages)	Q1 2022	Q2 2022	Q3 2022	Quarter Q4 2022	Q1 2023	Q2 2023	Q3 2023	Nine Months Ended September 30,	
Net cash provided by operating activities	\$ 3,845	\$ 4,209	\$ 4,391	\$ 4,336	\$ 4,051	\$ 4,355	\$ 5,294	\$ 12,445	\$ 13,700
Cash purchases of property and equipment, including capitalized interest	(3,381)	(3,572)	(3,634)	(3,383)	(3,001)	(2,789)	(2,424)	(10,587)	(8,214)
Proceeds from sales of tower sites	—	—	—	9	6	2	2	—	10
Proceeds related to beneficial interests in securitization transactions	1,185	1,121	1,308	1,222	1,345	1,309	1,131	3,614	3,785
Adjusted Free Cash Flow	\$ 1,649	\$ 1,758	\$ 2,065	\$ 2,184	\$ 2,401	\$ 2,877	\$ 4,003	\$ 5,472	\$ 9,281
Net cash provided by operating activities margin	25.4 %	27.5 %	28.6 %	27.9 %	26.1 %	27.7 %	33.3 %	27.2 %	29.0 %
Adjusted Free Cash Flow margin	10.9 %	11.5 %	13.4 %	14.1 %	15.4 %	18.3 %	25.2 %	11.9 %	19.7 %

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T27.1 The current guidance range for Adjusted Free Cash Flow is calculated as follows:

(in millions)	FY 2023	
	Guidance Range	
Net cash provided by operating activities	\$ 18,300	\$ 18,500
Cash purchases of property and equipment, including capitalized interest	(9,600)	(9,800)
Proceeds related to beneficial interests in securitization transactions ⁽¹⁾	4,700	4,900
Adjusted Free Cash Flow	<u>\$ 13,400</u>	<u>\$ 13,600</u>
(1) Adjusted Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2023.		

T27.2 The previous guidance range for Adjusted Free Cash Flow was calculated as follows:

(in millions)	FY 2023	
	Guidance Range	
Net cash provided by operating activities	\$ 18,000	\$ 18,300
Cash purchases of property and equipment, including capitalized interest	(9,500)	(9,700)
Proceeds related to beneficial interests in securitization transactions ⁽¹⁾	4,700	5,000
Adjusted Free Cash Flow	<u>\$ 13,200</u>	<u>\$ 13,600</u>
(1) Adjusted Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2023.		



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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, 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, 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 disconnected 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 disconnected 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. **Customers per account** - The number of postpaid customers as of the end of the period divided by the number of postpaid accounts as of the end of the period.
5. **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.
6. **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.
7. **Net income margin** - Net income divided by Service revenues.
8. **Adjusted EBITDA and Core Adjusted EBITDA** - Adjusted EBITDA represents earnings before Interest expense, net of Interest income, Income tax expense, Depreciation and amortization expense, stock-based compensation and certain income and expenses not reflective of T-Mobile's ongoing operating performance. Core Adjusted EBITDA represents Adjusted EBITDA less 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 uses Core Adjusted EBITDA and Adjusted EBITDA as benchmarks to evaluate T-Mobile's operating performance in comparison to its competitors. T-Mobile also uses Core Adjusted EBITDA internally as a measure to evaluate and compensate its personnel and management for their performance. 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 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, stock-based compensation, Merger-related costs, including network decommissioning costs, impairment expense, loss (gain) on disposal group held for sale and certain legal-related recoveries and expenses, as well as other certain special income and expenses which are not reflective of our core business activities. 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 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 Net income or any other measure of financial performance reported in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
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 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 to evaluate cash available to pay debt, repurchase shares, pay dividends and provide further investment in the business. Starting in Q1 2023, we renamed Free Cash Flow to Adjusted Free Cash Flow. This change in name did not result in any change to the definition or calculation of this non-GAAP financial measure.

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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 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.

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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 difficulties in maintaining multiple billing systems following the Merger (as defined below) and any unanticipated difficulties, disruption, or significant delays in our long-term strategy to convert Sprint's legacy customers onto T-Mobile's billing platforms; 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 ("Shentel") 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; our inability to manage the ongoing 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; any disruption or failure of our third parties (including key suppliers) to provide products or services for the operation of our business; our inability to fully realize the synergy benefits from the merger (the "Merger") with Sprint, pursuant to the Business Combination Agreement with Sprint and the other parties named therein (as amended, the "Business Combination Agreement") and the other transactions contemplated by the Business Combination Agreement (collectively, the "Transactions") in the expected time frame; our substantial level of indebtedness and our inability to service our debt obligations in accordance with their terms or to comply with the restrictive covenants contained therein; changes in the credit market conditions, credit rating downgrades or an inability to access debt markets; restrictive covenants including the agreements governing our indebtedness and other financings; 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; 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; 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; 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 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 and Metro by T-Mobile. For more information please visit: <http://www.t-mobile.com>.

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