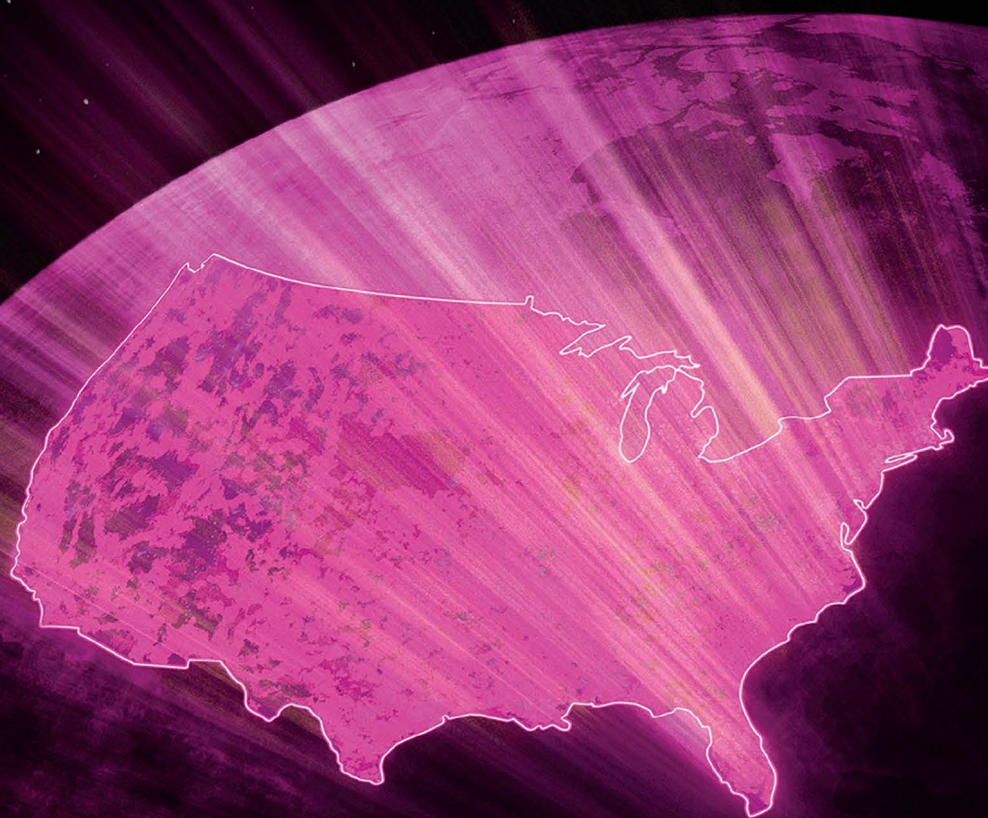


# TOGETHER WE ARE UNSTOPPABLE



**Q1 2021**

**Financial Results, Supplementary Data,  
Non-GAAP Reconciliations,  
Reconciliation of Operating Measures**

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

(in millions, except share and per share amounts)	March 31, 2021	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 6,677	\$ 10,385
Accounts receivable, net of allowance for credit losses of \$143 and \$194	3,592	4,254
Equipment installment plan receivables, net of allowance for credit losses and imputed discount of \$512 and \$478	3,841	3,577
Accounts receivable from affiliates	20	22
Inventory	2,209	2,527
Prepaid expenses	670	624
Other current assets	1,770	2,496
Total current assets	18,779	23,885
Property and equipment, net	40,549	41,175
Operating lease right-of-use assets	27,793	28,021
Financing lease right-of-use assets	2,899	3,028
Goodwill	11,158	11,117
Spectrum licenses	82,901	82,828
Other intangible assets, net	4,892	5,298
Equipment installment plan receivables due after one year, net of allowance for credit losses and imputed discount of \$124 and \$127	2,221	2,031
Other assets	12,140	2,779
Total assets	\$ 203,332	\$ 200,162
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,712	\$ 10,196
Payables to affiliates	108	157
Short-term debt	4,423	4,579
Deferred revenue	972	1,030
Short-term operating lease liabilities	3,498	3,868
Short-term financing lease liabilities	1,013	1,063
Other current liabilities	769	810
Total current liabilities	19,495	21,703
Long-term debt	66,395	61,830
Long-term debt to affiliates	4,721	4,716
Tower obligations	2,974	3,028
Deferred tax liabilities	10,154	9,966
Operating lease liabilities	26,602	26,719
Financing lease liabilities	1,316	1,444
Other long-term liabilities	5,298	5,412
Total long-term liabilities	117,460	113,115
Commitments and contingencies		
Stockholders' equity		
Common Stock, par value \$0.00001 per share, 2,000,000,000 shares authorized; 1,248,334,491 and 1,243,345,584 shares issued, 1,246,773,175 and 1,241,805,706 shares outstanding	—	—
Additional paid-in capital	72,839	72,772
Treasury stock, at cost, 1,561,316 and 1,539,878 shares issued	(14)	(11)
Accumulated other comprehensive loss	(1,545)	(1,581)
Accumulated deficit	(4,903)	(5,836)
Total stockholders' equity	66,377	65,344
Total liabilities and stockholders' equity	\$ 203,332	\$ 200,162

**T-Mobile US, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(Unaudited)**

(in millions, except share and per share amounts)	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
<b>Revenues</b>			
Postpaid revenues	\$ 10,303	\$ 10,251	\$ 5,887
Prepaid revenues	2,351	2,354	2,373
Wholesale revenues	897	927	325
Roaming and other service revenues	641	648	261
Total service revenues	14,192	14,180	8,846
Equipment revenues	5,346	5,973	2,117
Other revenues	221	188	150
Total revenues	19,759	20,341	11,113
<b>Operating expenses</b>			
Cost of services, exclusive of depreciation and amortization shown separately below	3,384	3,827	1,639
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	5,142	5,825	2,529
Selling, general and administrative	4,805	4,758	3,688
Depreciation and amortization	4,289	4,219	1,718
Total operating expenses	17,620	18,629	9,574
Operating income	2,139	1,712	1,539
<b>Other income (expense)</b>			
Interest expense	(792)	(757)	(185)
Interest expense to affiliates	(46)	(41)	(99)
Interest income	3	8	12
Other expense, net	(125)	(101)	(10)
Total other expense, net	(960)	(891)	(282)
Income before income taxes	1,179	821	1,257
Income tax expense	(246)	(71)	(306)
Net income	\$ 933	\$ 750	\$ 951
Net income	\$ 933	\$ 750	\$ 951
<b>Other comprehensive income (loss), net of tax</b>			
Unrealized gain (loss) on cash flow hedges, net of tax effect of \$12, \$11 and (\$276)	34	34	(792)
Unrealized gain on foreign currency translation adjustment, net of tax effect of \$0, \$0 and \$0	2	—	—
Net unrecognized gain (loss) on pension and other postretirement benefits, net of tax effect of \$0, \$2 and \$0	—	6	—
Other comprehensive income (loss)	36	40	(792)
Total comprehensive income	\$ 969	\$ 790	\$ 159
<b>Earnings per share</b>			
Basic	\$ 0.75	\$ 0.60	\$ 1.11
Diluted	\$ 0.74	\$ 0.60	\$ 1.10
<b>Weighted average shares outstanding</b>			
Basic	1,243,520,026	1,241,578,615	858,148,284
Diluted	1,252,783,564	1,251,566,899	865,998,532

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

(in millions)	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
<b>Operating activities</b>			
Net income	\$ 933	\$ 750	\$ 951
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	4,289	4,219	1,718
Stock-based compensation expense	138	136	138
Deferred income tax expense	211	79	310
Bad debt expense	82	113	113
(Gains) losses from sales of receivables	(18)	(1)	25
Losses on redemption of debt	101	100	—
Changes in operating assets and liabilities			
Accounts receivable	96	(489)	(748)
Equipment installment plan receivables	(727)	(1,343)	69
Inventories	279	(609)	(511)
Operating lease right-of-use assets	1,124	939	527
Other current and long-term assets	54	(296)	6
Accounts payable and accrued liabilities	(1,384)	507	(405)
Short and long-term operating lease liabilities	(1,369)	(752)	(725)
Other current and long-term liabilities	(217)	(16)	79
Other, net	69	137	70
Net cash provided by operating activities	3,661	3,474	1,617
<b>Investing activities</b>			
Purchases of property and equipment, including capitalized interest of (\$84), (\$101) and (\$112)	(3,183)	(3,807)	(1,753)
Purchases of spectrum licenses and other intangible assets, including deposits	(8,922)	(506)	(99)
Proceeds related to beneficial interests in securitization transactions	891	809	868
Net cash related to derivative contracts under collateral exchange arrangements	—	—	(580)
Acquisition of companies, net of cash and restricted cash acquired	(29)	—	—
Proceeds from the divestiture of prepaid business	—	(14)	—
Other, net	4	(129)	(16)
Net cash used in investing activities	(11,239)	(3,647)	(1,580)
<b>Financing activities</b>			
Proceeds from issuance of long-term debt	6,763	8,643	—
Repayments of financing lease obligations	(287)	(257)	(282)
Repayments of short-term debt for purchases of inventory, property and equipment and other financial liabilities	(55)	(74)	(25)
Repayments of long-term debt	(2,219)	(4,209)	—
Tax withholdings on share-based awards	(218)	(88)	(141)
Cash payments for debt prepayment or debt extinguishment costs	(65)	—	—
Other, net	(45)	(36)	(5)
Net cash provided by (used in) financing activities	3,874	3,979	(453)
Change in cash and cash equivalents, including restricted cash	(3,704)	3,806	(416)
<b>Cash and cash equivalents, including restricted cash</b>			
Beginning of period	10,463	6,657	1,528
End of period	\$ 6,759	\$ 10,463	\$ 1,112

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

(in millions)	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
<b>Supplemental disclosure of cash flow information</b>			
Interest payments, net of amounts capitalized	\$ 945	\$ 844	\$ 341
Operating lease payments	1,651	1,126	875
Income tax payments	22	100	24
<b>Non-cash investing and financing activities</b>			
Non-cash beneficial interest obtained in exchange for securitized receivables	\$ 1,381	\$ 1,560	\$ 1,613
Change in accounts payable and accrued liabilities for purchases of property and equipment	(173)	1,144	(301)
Leased devices transferred from inventory to property and equipment	485	443	309
Returned leased devices transferred from property and equipment to inventory	(445)	(430)	(59)
Operating lease right-of-use assets obtained in exchange for lease obligations	911	1,083	555
Financing lease right-of-use assets obtained in exchange for lease obligations	109	361	178

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

(in thousands)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Customers, end of period</b>					
Postpaid phone customers <sup>(1)</sup>	40,797	65,105	65,794	66,618	67,402
Postpaid other customers <sup>(1)</sup>	7,014	12,648	13,938	14,732	15,170
Total postpaid customers	47,811	77,753	79,732	81,350	82,572
Prepaid customers <sup>(1)</sup>	20,732	20,574	20,630	20,714	20,865
Total customers	68,543	98,327	100,362	102,064	103,437
Acquired customers, net of base adjustments <sup>(1)(2)</sup>	—	29,228	—	—	12

(1) Includes customers acquired in connection with the Merger and certain customer base adjustments. See Reconciliations to Beginning Customers.

(2) In the first quarter of 2021, we acquired 11,000 postpaid phone customers and 1,000 postpaid other customers through an acquisition of an affiliate.

(in thousands)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Net customer additions (losses)</b>					
Postpaid phone customers	452	253	689	824	773
Postpaid other customers	325	859	1,290	794	437
Total postpaid customers	777	1,112	1,979	1,618	1,210
Prepaid customers	(128)	133	56	84	151
Total customers	649	1,245	2,035	1,702	1,361

(in millions, except percentages)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Devices sold or leased</b>					
Phones	6.4	8.9	9.2	10.1	9.6
Mobile broadband and IoT devices	0.8	1.2	2.2	1.6	1.0
Total	7.2	10.1	11.4	11.7	10.6
Postpaid upgrade rate	3.8 %	4.5 %	4.3 %	5.7 %	4.8 %

Churn	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Postpaid phone churn	0.86 %	0.80 %	0.90 %	1.03 %	0.98 %
Prepaid churn	3.52 %	2.81 %	2.86 %	2.92 %	2.78 %

(in thousands)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Accounts, end of period</b>					
Total postpaid customer accounts <sup>(1)</sup>	15,244	25,486	25,623	25,754	26,014

(1) Includes accounts acquired in connection with the Merger and certain account base adjustments. See Reconciliations to Beginning Customers and Accounts in this Investor Factbook.

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

(in millions, except percentages)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Financial Measures</b>					
Service revenues	\$8,846	\$13,230	\$14,139	\$14,180	\$14,192
Total revenues	11,113	17,671	19,272	20,341	19,759
Net income	\$ 951	\$ 110	\$1,253	\$ 750	\$ 933
Net income margin	10.8 %	0.8 %	8.9 %	5.3 %	6.6 %
Adjusted EBITDA	\$3,665	\$7,017	\$7,129	\$6,746	\$6,905
Adjusted EBITDA margin	41.4 %	53.0 %	50.4 %	47.6 %	48.7 %
Core Adjusted EBITDA	\$3,500	\$5,596	\$5,779	\$5,501	\$5,864
Core Adjusted EBITDA margin	39.6 %	42.3 %	40.9 %	38.8 %	41.3 %
Cost of services	\$1,639	\$3,098	\$3,314	\$3,827	\$3,384
Merger-related costs	—	40	79	527	136
Cost of services excluding Merger-related costs	\$1,639	\$3,058	\$3,235	\$3,300	\$3,248
Selling, general and administrative	\$3,688	\$5,604	\$4,876	\$4,758	\$4,805
Merger-related costs	143	758	209	153	145
COVID-19-related costs <sup>(1)</sup>	117	341	—	—	—
Selling, general and administrative excluding Merger-related costs and COVID-19-related costs	\$3,428	\$4,505	\$4,667	\$4,605	\$4,660
Total bad debt expense and losses from sales of receivables	\$ 138	\$ 263	\$ 125	\$ 112	\$ 64
Bad debt and losses from sales of receivables as a percentage of Total revenues	1.24 %	1.49 %	0.65 %	0.55 %	0.32 %
Cash purchases of property and equipment including capitalized interest	\$1,753	\$2,257	\$3,217	\$3,807	\$3,183
Capitalized interest	112	119	108	101	84
Net cash proceeds from securitization	(5)	(99)	5	(130)	22

(1) Supplemental employee payroll, third-party commissions and cleaning-related COVID-19 costs were not significant for Q3 and Q4 2020 and Q1 2021.

(in millions, except percentages)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Device Financing - Equipment Installment Plans</b>					
Gross EIP financed	\$1,440	\$1,825	\$2,356	\$4,126	\$3,379
EIP billings	1,790	2,217	2,130	2,285	2,556
EIP receivables, net	3,773	4,593	4,481	5,608	6,062
EIP receivables classified as prime	52 %	48 %	53 %	57 %	57 %
EIP receivables classified as prime (including EIP receivables sold)	53 %	50 %	54 %	57 %	56 %
<b>Device Financing - Leased Devices</b>					
Lease revenues	\$ 165	\$1,421	\$1,350	\$1,245	\$1,041
Leased device depreciation	163	946	1,000	982	897
Leased devices transferred from inventory to property and equipment	309	1,444	599	443	485
Returned leased devices transferred from property and equipment to inventory	(59)	(538)	(433)	(430)	(445)
Leased devices included in property and equipment, net	819	6,621	5,788	4,819	3,962
Leased devices (units) included in property and equipment, net	2.1	17.0	15.8	14.2	12.4

**T-Mobile US, Inc.**  
**Calculation of Operating Measures**  
**(Unaudited)**

The following table illustrates the calculation of our operating measures ARPA and ARPU from the related service revenues:

(in millions, except average number of accounts and customers, ARPA and ARPU)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Calculation of Postpaid ARPA</b>					
Postpaid service revenues	\$ 5,887	\$ 9,959	\$ 10,209	\$ 10,251	\$ 10,303
Divided by: Average number of postpaid accounts (in thousands) and number of months in period	15,155	25,424	25,582	25,677	25,840
Postpaid ARPA	\$ 129.47	\$ 130.57	\$ 133.03	\$ 133.08	\$ 132.91
<b>Calculation of Postpaid Phone ARPU</b>					
Postpaid service revenues	\$ 5,887	\$ 9,959	\$ 10,209	\$ 10,251	\$ 10,303
Less: Postpaid other revenues	(310)	(618)	(677)	(762)	(820)
Postpaid phone service revenues	5,577	9,341	9,532	9,489	9,483
Divided by: Average number of postpaid phone customers (in thousands) and number of months in period	40,585	64,889	65,437	66,084	66,834
Postpaid phone ARPU	\$ 45.80	\$ 47.99	\$ 48.55	\$ 47.86	\$ 47.30
<b>Calculation of Prepaid ARPU</b>					
Prepaid service revenues	\$ 2,373	\$ 2,311	\$ 2,383	\$ 2,354	\$ 2,351
Divided by: Average number of prepaid customers (in thousands) and number of months in period	20,759	20,380	20,632	20,605	20,728
Prepaid ARPU	\$ 38.11	\$ 37.80	\$ 38.49	\$ 38.08	\$ 37.81



**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, stock-based compensation expense and Interest expense. Adjusted EBITDA and Core Adjusted EBITDA should not be used to predict Net income as the difference between these measures and Net income is variable.

The following table includes the impact of the Sprint Merger on a prospective basis from the close date of April 1, 2020. Historical results have not been restated and reflect standalone T-Mobile.

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

(in millions)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net income	\$ 951	\$ 110	\$ 1,253	\$ 750	\$ 933
Adjustments:					
Income from discontinued operations, net of tax	—	(320)	—	—	—
Income from continuing operations	951	(210)	1,253	750	933
Interest expense	185	776	765	757	792
Interest expense to affiliates	99	63	44	41	46
Interest income	(12)	(6)	(3)	(8)	(3)
Other (income) expense, net	10	195	99	101	125
Income tax expense	306	2	407	71	246
Operating income	1,539	820	2,565	1,712	2,139
Depreciation and amortization	1,718	4,064	4,150	4,219	4,289
Operating income from discontinued operations <sup>(1)</sup>	—	432	—	—	—
Stock-based compensation <sup>(2)</sup>	123	139	125	129	130
Merger-related costs	143	798	288	686	298
COVID-19-related costs <sup>(3)</sup>	117	341	—	—	—
Impairment expense	—	418	—	—	—
Other, net <sup>(4)</sup>	25	5	1	—	49
Adjusted EBITDA	3,665	7,017	7,129	6,746	6,905
Lease revenues	(165)	(1,421)	(1,350)	(1,245)	(1,041)
Core Adjusted EBITDA	\$ 3,500	\$ 5,596	\$ 5,779	\$ 5,501	\$ 5,864

- (1) Following the Prepaid Transaction (as defined below), starting on July 1, 2020, we provide MVNO services to DISH. We have included the operating income from discontinued operations in our determination of the Adjusted EBITDA to reflect contributions of the Prepaid Business that has been replaced by the MVNO Agreement beginning on July 1, 2020 in order to enable management, analysts and investors to better assess ongoing operating performance and trends.
- (2) 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.
- (3) Supplemental employee payroll, third-party commissions and cleaning-related COVID-19 costs were not significant for Q3 and Q4 2020 and Q1 2021.
- (4) Other, net may not agree to the Condensed Consolidated Statements of Comprehensive Income, primarily due to certain non-routine operating activities, such as other special items that would not be expected to reoccur or are not reflective of T-Mobile's ongoing operating performance, and are therefore excluded in Adjusted EBITDA and Core Adjusted EBITDA.

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

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

(in millions, except net debt ratios)	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021
Short-term debt	\$ —	\$ 3,818	\$ 3,713	\$ 4,579	\$ 4,423
Short-term debt to affiliates	2,000	1,235	—	—	—
Short-term financing lease liabilities	918	1,040	1,050	1,063	1,013
Long-term debt	10,959	62,783	58,345	61,830	66,395
Long-term debt to affiliates	11,987	4,706	4,711	4,716	4,721
Financing lease liabilities	1,276	1,416	1,373	1,444	1,316
Less: Cash and cash equivalents	(1,112)	(11,076)	(6,571)	(10,385)	(6,677)
Net debt (excluding tower obligations)	\$ 26,028	\$ 63,922	\$ 62,621	\$ 63,247	\$ 71,191
Divided by: Last twelve months Pro Forma Adjusted EBITDA		\$ 26,250	\$ 26,975	\$ 27,543	\$ 27,797
Net debt (excluding tower obligations) to LTM Pro Forma Adjusted EBITDA Ratio		2.4	2.3	2.3	2.6
Divided by: Last twelve months Pro Forma Core Adjusted EBITDA		\$ 20,511	\$ 21,357	\$ 22,125	\$ 22,740
Net debt (excluding tower obligations) LTM Pro Forma Core Adjusted EBITDA Ratio		3.1	2.9	2.9	3.1

LTM Adjusted EBITDA and LTM Core Adjusted EBITDA reflect combined company results of New T-Mobile for Q1 2021, Q4 2020, Q3 2020 and Q2 2020 and standalone T-Mobile for prior periods. To illustrate the twelve month results of the combined company as if the Merger had closed on January 1, 2019, we have presented pro forma LTM Adjusted EBITDA and pro forma LTM Core Adjusted EBITDA ratios through December 31, 2020. Pro forma LTM Adjusted EBITDA for the LTM period ended December 31, 2020 is calculated as the sum of Q4 2020, Q3 2020 and Q2 2020 actual Adjusted EBITDA of \$6.7 billion, \$7.1 billion and \$7.0 billion, respectively, plus the pro forma Adjusted EBITDA from Q1 2020 of \$6.7 billion. Pro forma LTM Core Adjusted EBITDA for the LTM period ended December 31, 2020 is calculated as the sum of Q4 2020, Q3 2020 and Q2 2020 actual Core Adjusted EBITDA of \$5.5 billion, \$5.8 billion and \$5.6 billion plus the pro forma Core Adjusted EBITDA from Q1 2020 of \$5.2 billion. The same method applies to pro forma LTM Adjusted EBITDA and pro forma LTM Core Adjusted EBITDA for the LTM periods ended September 30 and June 30, 2020. These metrics are provided for illustrative purposes only and do not purport to represent what the actual consolidated results would have been had the Merger actually occurred on the date indicated, nor do they purport to project the future consolidated results of operations or consolidated financial condition for any future period or as of any future date. Additional information regarding pro forma adjustments is provided in Pro Forma Income Statement Metrics within this Investor Factbook. LTM Adjusted EBITDA and LTM Core Adjusted EBITDA for Q1 2021 represent the sum of actual Adjusted EBITDA and Core Adjusted EBITDA, respectively, for Q2 2020, Q3 2020, Q4 2020, and Q1 2021 and were not prepared on a pro forma basis.

Free Cash Flow and Free Cash Flow, excluding gross payments for the settlement of interest rate swaps, are calculated as follows:

(in millions)	Quarter				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net cash provided by operating activities	\$ 1,617	\$ 777	\$ 2,772	\$ 3,474	\$ 3,661
Cash purchases of property and equipment	(1,753)	(2,257)	(3,217)	(3,807)	(3,183)
Proceeds related to beneficial interests in securitization transactions	868	602	855	809	891
Cash payments for debt prepayment or debt extinguishment costs	—	(24)	(58)	—	(65)
Free Cash Flow	732	(902)	352	476	1,304
Gross cash paid for the settlement of interest rate swaps	—	2,343	—	—	—
Free Cash Flow, excluding gross payments for the settlement of interest rate swaps	\$ 732	\$ 1,441	\$ 352	\$ 476	\$ 1,304

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

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

(in millions)	FY 2021	
	Current Guidance Range	
Net cash provided by operating activities	\$ 13,200	\$ 13,600
Cash purchases of property and equipment	(11,700)	(12,000)
Proceeds related to beneficial interests in securitization transactions <sup>(1)</sup>	3,700	3,900
Cash payments for debt prepayment or debt extinguishment costs	(100)	—
Free Cash Flow	\$ 5,100	\$ 5,500

(1) Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2021.

Our previous guidance range for Free Cash Flow is calculated as follows:

(in millions)	FY 2021	
	Previous Guidance Range	
Net cash provided by operating activities	\$ 13,000	\$ 13,500
Cash purchases of property and equipment	(11,700)	(12,000)
Proceeds related to beneficial interests in securitization transactions <sup>(1)</sup>	3,700	3,900
Cash payments for debt prepayment or debt extinguishment costs	(100)	—
Free Cash Flow	\$ 4,900	\$ 5,400

(1) Free Cash Flow guidance does not assume any material net cash inflows from securitization in 2021.

**T-Mobile US, Inc.**  
**Reconciliations to Beginning Customers and Accounts**  
**(Unaudited)**

(in thousands)	Postpaid phone customers	Postpaid other customers	Total postpaid customers	Prepaid customers	Total customers
<b>Reconciliation to beginning customers</b>					
T-Mobile customers as reported, end of period March 31, 2020	40,797	7,014	47,811	20,732	68,543
Sprint customers as reported, end of period March 31, 2020	25,916	8,428	34,344	8,256	42,600
Total combined customers, end of period March 31, 2020	66,713	15,442	82,155	28,988	111,143
<b>Adjustments</b>					
Reseller reclassification to wholesale customers <sup>(1)</sup>	(199)	(2,872)	(3,071)	—	(3,071)
EIP reclassification from postpaid to prepaid <sup>(2)</sup>	(963)	—	(963)	963	—
Divested prepaid customers <sup>(3)</sup>	—	—	—	(9,207)	(9,207)
Rate plan threshold <sup>(4)</sup>	(182)	(918)	(1,100)	—	(1,100)
Customers with non-phone devices <sup>(5)</sup>	(226)	226	—	—	—
Collection policy alignment <sup>(6)</sup>	(150)	(46)	(196)	—	(196)
Miscellaneous adjustments <sup>(7)</sup>	(141)	(43)	(184)	(302)	(486)
Total Adjustments	(1,861)	(3,653)	(5,514)	(8,546)	(14,060)
Adjusted beginning customers as of April 1, 2020	64,852	11,789	76,641	20,442	97,083

- (1) In connection with the closing of the Merger, we refined our definition of wholesale customers resulting in the reclassification of certain postpaid and prepaid reseller customers to wholesale customers. Starting with the three months ended March 31, 2020, we discontinued reporting wholesale customers to focus on postpaid and prepaid customers and wholesale revenues, which we consider more relevant than the number of wholesale customers given the expansion of M2M and IoT products.
- (2) Prepaid customers with a device installment billing plan historically included as Sprint postpaid customers have been reclassified to prepaid customers to align with New T-Mobile policy.
- (3) Customers associated with the Sprint wireless prepaid and Boost brands that were divested on July 1, 2020, have been excluded from our reported customers.
- (4) Customers who have rate plans with monthly recurring charges which are considered insignificant have been excluded from our reported customers.
- (5) Customers with postpaid phone rate plans without a phone (e.g., non-phone device) have been reclassified from postpaid phone to postpaid other customers to align with New T-Mobile policy.
- (6) Certain Sprint customers subjected to collection activity for an extended period of time have been excluded from our reported customers to align with New T-Mobile policy.
- (7) Miscellaneous insignificant adjustments to align with New T-Mobile policy.

(in thousands)	Postpaid Accounts
<b>Reconciliation to beginning accounts</b>	
T-Mobile accounts as reported, end of period March 31, 2020	15,244
Sprint accounts, end of period March 31, 2020	11,246
Total combined accounts, end of period March 31, 2020	26,490
<b>Adjustments</b>	
Reseller reclassification to wholesale accounts <sup>(1)</sup>	(1)
EIP reclassification from postpaid to prepaid <sup>(2)</sup>	(963)
Rate plan threshold <sup>(3)</sup>	(18)
Collection policy alignment <sup>(4)</sup>	(76)
Miscellaneous adjustments <sup>(5)</sup>	(47)
Total Adjustments	(1,105)
Adjusted beginning accounts as of April 1, 2020	25,385

- (1) In connection with the closing of the Merger, we refined our definition of wholesale accounts resulting in the reclassification of certain postpaid and prepaid reseller accounts to wholesale accounts.
- (2) Prepaid accounts with a customer with a device installment billing plan historically included as Sprint postpaid accounts have been reclassified to prepaid accounts to align with T-Mobile policy.
- (3) Accounts with customers who have rate plans with monthly recurring charges which are considered insignificant have been excluded from our reported accounts.
- (4) Certain Sprint accounts subjected to collection activity for an extended period of time have been excluded from our reported accounts to align with T-Mobile policy.
- (5) Miscellaneous insignificant adjustments to align with T-Mobile policy.

**T-Mobile US, Inc.**  
**Pro Forma Income Statement Metrics**  
**(Unaudited)**

The following tables present certain income statement metrics on a pro forma basis as though the Merger had been completed on January 1, 2019. The unaudited pro forma income statement metrics have been prepared in accordance with Article 11 of Regulation S-X (“Article 11”) which is a different basis than the unaudited pro forma financial information included in Note 2 - Business Combinations in our Annual Report on Form 10-K for the year ended December 31, 2020. The primary difference between the Article 11 pro forma financial information and the ASC 805 pro forma financial information prepared by us is the treatment of certain one-time transaction costs, which are removed from all periods under Article 11 but are recognized as if they had been incurred in their entirety during Q1 2019 under ASC 805. The unaudited pro forma income statement metrics are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or consolidated financial condition would have been had the Merger actually occurred on the date indicated, nor do they purport to project the future consolidated results of operations or consolidated financial condition for any future period or as of any future date. For the purposes of this section, “Combined” means the summation of historically reported standalone GAAP amounts of T-Mobile and Sprint. “Pro forma adjustments” means adjustments to combined metrics to give effect to matters that are directly attributable to the Merger, factually supportable, and expected to have a continuing impact on the results of the combined company. “Pro forma” metrics are those that have been adjusted as required for the presentation of Article 11 pro forma information.

We are presenting the pro forma metrics for the three months ended September 30, 2019, December 31, 2019 and March 31, 2020 to support the reconciliation of our LTM pro forma Adjusted EBITDA and pro forma Core Adjusted EBITDA calculations included in the Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures of this presentation.

(in millions)	Three Months Ended		
	September 30, 2019	December 31, 2019	March 31, 2020
<b>Service revenues</b>			
Combined service revenues <sup>(1)</sup>	\$ 13,856	\$ 14,124	\$ 14,065
Pro forma adjustments <sup>(2)</sup>	(946)	(916)	(868)
Pro forma service revenues	\$ 12,910	\$ 13,208	\$ 13,197
<b>Equipment revenues (including equipment rentals)</b>			
Combined equipment revenues (including equipment rentals) <sup>(1)</sup>	\$ 4,708	\$ 5,539	\$ 4,569
Pro forma adjustments <sup>(2)(3)</sup>	(734)	(835)	(693)
Pro forma equipment revenues (including equipment rentals)	\$ 3,974	\$ 4,704	\$ 3,876
<b>Other revenues</b>			
Combined other revenues <sup>(1)</sup>	\$ 292	\$ 295	\$ 283
Pro forma adjustments <sup>(4)</sup>	67	78	52
Pro forma other revenues	\$ 359	\$ 373	\$ 335
<b>Total Revenues</b>			
Combined total revenues <sup>(1)</sup>	\$ 18,856	\$ 19,958	\$ 18,917
Pro forma adjustments	(1,613)	(1,673)	(1,509)
Pro forma total revenues	\$ 17,243	\$ 18,285	\$ 17,408
<b>Cost of services, exclusive of depreciation and amortization</b>			
Combined cost of services, exclusive of depreciation and amortization <sup>(1)</sup>	\$ 3,508	\$ 3,412	\$ 3,288
Pro forma adjustments <sup>(5)</sup>	(142)	(115)	(88)
Pro forma cost of services, exclusive of depreciation and amortization	\$ 3,366	\$ 3,297	\$ 3,200
<b>Cost of equipment sales, exclusive of depreciation and amortization</b>			
Combined cost of equipment sales, exclusive of depreciation and amortization <sup>(1)</sup>	\$ 4,063	\$ 5,164	\$ 3,947
Pro forma adjustments <sup>(2)(3)</sup>	(733)	(823)	(679)
Pro forma cost of equipment sales, exclusive of depreciation and amortization	\$ 3,330	\$ 4,341	\$ 3,268
<b>Selling, general and administrative</b>			
Combined selling, general and administrative <sup>(1)</sup>	\$ 5,434	\$ 5,701	\$ 5,709
Pro forma adjustments <sup>(2)(3)(4)</sup>	(455)	(673)	(429)
Pro forma selling, general and administrative	\$ 4,979	\$ 5,028	\$ 5,280

**T-Mobile US, Inc.**  
**Pro Forma Income Statement Metrics (Continued)**  
**(Unaudited)**

(in millions)	Three Months Ended		
	September 30, 2019	December 31, 2019	March 31, 2020
<b>Depreciation and amortization</b>			
Combined depreciation and amortization <sup>(1)</sup>	\$ 3,882	\$ 4,332	\$ 4,061
Pro forma adjustments <sup>(5)</sup>	202	(210)	(47)
Pro forma depreciation and amortization	\$ 4,084	\$ 4,122	\$ 4,014
<b>Operating Expenses</b>			
Combined operating expenses <sup>(1)</sup>	\$ 17,148	\$ 18,658	\$ 17,205
Pro forma adjustments	(1,389)	(1,870)	(1,443)
Pro forma operating expenses	\$ 15,759	\$ 16,788	\$ 15,762
<b>Operating Income</b>			
Combined operating income <sup>(1)</sup>	\$ 1,708	\$ 1,300	\$ 1,712
Pro forma adjustments	(224)	197	(66)
Pro forma operating income	\$ 1,484	\$ 1,497	\$ 1,646
<b>Interest expense</b>			
Combined interest expense <sup>(1)</sup>	\$ (778)	\$ (771)	\$ (775)
Pro forma adjustments <sup>(6)</sup>	(64)	(69)	(60)
Pro forma interest expense	\$ (842)	\$ (840)	\$ (835)
<b>Interest expense to affiliates</b>			
Combined interest expense to affiliates <sup>(1)</sup>	\$ (100)	\$ (98)	\$ (99)
Pro forma adjustments <sup>(6)</sup>	91	86	104
Pro forma interest expense to affiliates	\$ (9)	\$ (12)	\$ 5
<b>Interest income</b>			
Combined interest income <sup>(1)</sup>	\$ 5	\$ 7	\$ 12
Pro forma adjustments <sup>(4)</sup>	16	18	14
Pro forma interest income	\$ 21	\$ 25	\$ 26
<b>Other income (expense), net</b>			
Combined other income (expense), net <sup>(1)</sup>	\$ 17	\$ (2)	\$ (5)
Pro forma adjustments <sup>(4)</sup>	(16)	(18)	(14)
Pro forma other income (expense), net	\$ 1	\$ (20)	\$ (19)
<b>Pro forma income from continuing operations before tax</b>			
	\$ 655	\$ 650	\$ 823
<b>Income tax (expense) benefit</b>			
Combined income tax (expense) benefit <sup>(1)</sup>	\$ (261)	\$ 194	\$ 273
Pro forma adjustments <sup>(7)</sup>	57	(51)	9
Pro forma income tax (expense) benefit	\$ (204)	\$ 143	\$ 282
<b>Income from continuing operations, net of tax</b>			
Combined income from continuing operations, net of tax <sup>(1)</sup>	\$ 591	\$ 630	\$ 1,118
Pro forma adjustments	(140)	163	(13)
Pro forma income from continuing operations, net of tax	\$ 451	\$ 793	\$ 1,105
<b>Income from discontinued operations, net of tax</b>			
Combined income from discontinued operations, net of tax <sup>(1)</sup>	\$ —	\$ —	\$ —
Pro forma adjustments <sup>(2)</sup>	393	355	357
Pro forma income from discontinued operations, net of tax	\$ 393	\$ 355	\$ 357
<b>Net income</b>			
Combined net income <sup>(1)</sup>	\$ 591	\$ 630	\$ 1,118
Pro forma adjustments	253	518	344
Pro forma net income	\$ 844	\$ 1,148	\$ 1,462

**T-Mobile US, Inc.**  
**Pro Forma Income Statement Metrics (Continued)**  
**(Unaudited)**

(1) Represents the sum of historically filed T-Mobile and Sprint standalone GAAP reported amounts. Please reference the T-Mobile Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2020 and the Current Report on Form 8-K containing Sprint financial results for the year ended March 31, 2020, filed on May 18, 2020.

(2) Significant pro forma adjustments include the removal of the activity of the Prepaid Business which is assumed to have been reclassified to discontinued operations as of January 1, 2019.

(3) Significant pro forma adjustments include adjustments to the timing and recognition of certain revenues and costs to align the historical revenue recognition policies of Sprint with the revenue recognition policies of T-Mobile.

(4) Significant pro forma adjustments include the reclassification among line items of historical Sprint activity to align with T-Mobile's financial statement presentation.

(5) Significant pro forma adjustments include changes to depreciation and amortization from revalued and newly recognized property, equipment, and intangibles in purchase price accounting.

(6) Significant pro forma adjustments include changes to interest expense resulting from new debt issuances and modifications, as well as additional amortization expense associated with the revaluation of debt in purchase price accounting.

(7) Represents the pro forma tax impact of pro forma adjustments, which have been tax-effected at a blended rate of 26%.

Pro forma Net income is reconciled to Pro forma Adjusted EBITDA and Pro forma Core Adjusted EBITDA as follows:

(in millions)	Three Months Ended		
	September 30, 2019	December 31, 2019	March 31, 2020
Pro forma net income	\$ 844	\$ 1,148	\$ 1,462
Adjustments:			
Pro forma income from discontinued operations, net of tax	(393)	(355)	(357)
Pro forma income from continuing operations, net of tax	451	793	1,105
Pro forma income tax expense (benefit)	204	(143)	(282)
Pro forma other (income) expense, net	(1)	20	19
Pro forma interest income	(21)	(25)	(26)
Pro forma interest expense to affiliates	9	12	(5)
Pro forma interest expense	842	840	835
Pro forma operating income	1,484	1,497	1,646
Pro forma depreciation and amortization	4,084	4,122	4,014
Pro forma operating income from discontinued operations <sup>(1)</sup>	531	480	482
Stock-based compensation, as adjusted <sup>(2)</sup>	117	119	124
Merger-related costs, as adjusted <sup>(3)</sup>	165	117	136
COVID-19-related costs <sup>(4)</sup>	—	—	174
Other, net <sup>(5)</sup>	24	(157)	75
Pro forma Adjusted EBITDA	6,405	6,178	6,651
Less: Pro forma Lease Revenues <sup>(6)</sup>	1,472	1,445	1,402
Pro forma Core Adjusted EBITDA	\$ 4,933	\$ 4,733	\$ 5,249

(1) Following the Prepaid Transaction, starting on July 1, 2020, we provide MVNO services to customers of the divested brands. We have included the operating income from discontinued operations in our determination of Adjusted EBITDA to reflect EBITDA contributions of the Prepaid Business that were replaced by the MVNO Agreement beginning on July 1, 2020, in order to enable management, analysts and investors to better assess the ongoing operating performance and trends.

(2) Represents the sum of historically filed T-Mobile and Sprint standalone GAAP reported amounts, adjusted for the fair value of certain Sprint share-based compensation and the acceleration of certain executive compensation related to the Merger.

(3) Represents remaining Merger-related costs other than one-time transaction costs directly attributable to the Merger, which have been adjusted out of the pro forma calculations.

(4) Represents the sum of historically filed T-Mobile and Sprint standalone GAAP reported amounts.

(5) Other, net contains the sum of historical T-Mobile adjustments to EBITDA as well as historical Sprint adjustments that are not otherwise included as a named reconciling item.

(6) Represents the sum of historically filed T-Mobile lease revenues and Sprint equipment rentals.

## 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. **Customer** - SIM number with a unique T-Mobile mobile identifier which is associated with an account that generates revenue. Customers generally are qualified either for postpaid service, where they generally pay after incurring service, or prepaid service, where they generally pay in advance.
2. **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.
3. **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. An account may include postpaid phone, mobile broadband, and DIGITS customers.
4. **Average Revenue Per Account (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 from customers. 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 roaming 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 margin % calculated as 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 expense, Stock-based compensation and certain expenses not reflective of T-Mobile's ongoing operating performance, such as Merger-related costs, COVID-19-related costs and Impairment expense. 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 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 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, incremental costs directly attributable to COVID-19 and impairment expense, as they are not indicative of T-Mobile's ongoing operating performance, as well as certain other nonrecurring income and expenses. 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 income from operations, Net income or any other measure of financial performance reported in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
8. **Adjusted EBITDA Margin and Core Adjusted EBITDA Margin** - Adjusted EBITDA margin % calculated as Adjusted EBITDA divided by service revenues. Core Adjusted EBITDA margin % calculated as Core Adjusted EBITDA divided by service revenues.
9. **Free Cash Flow** - Net cash provided by operating activities less cash purchases of property and equipment, including 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. Free Cash Flow is utilized by T-Mobile's management, investors, and analysts to evaluate cash available to pay debt and provide further investment in the business. The reconciliation of Free Cash Flow to net cash provided by operating activities is detailed in the Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures schedule.
10. **Net debt** - Short-term debt, short-term debt to affiliates, long-term debt, and long-term debt (excluding tower obligations) to affiliates, short-term financing lease liabilities and financing lease liabilities, less cash and cash equivalents.