

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2025
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 1-33409

T Mobile
T-MOBILE US, INC.
(Exact name of registrant as specified in its charter)

Delaware **20-0836269**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

12920 SE 38th Street
Bellevue, Washington
(Address of principal executive offices)
98006-1350
(Zip Code)

(425) 378-4000
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.00001 per share	TMUS	The NASDAQ Stock Market LLC
3.550% Senior Notes due 2029	TMUS29	The NASDAQ Stock Market LLC
3.700% Senior Notes due 2032	TMUS32	The NASDAQ Stock Market LLC
3.150% Senior Notes due 2032	TMUS32A	The NASDAQ Stock Market LLC
3.850% Senior Notes due 2036	TMUS36	The NASDAQ Stock Market LLC
3.500% Senior Notes due 2037	TMUS37	The NASDAQ Stock Market LLC
3.800% Senior Notes due 2045	TMUS45	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding as of July 18, 2025
Common Stock, par value \$0.00001 per share	1,125,419,038

T-Mobile US, Inc.
Form 10-Q
For the Quarter Ended June 30, 2025

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

(in millions, except share and per share amounts)	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 10,259	\$ 5,409
Accounts receivable, net of allowance for credit losses of \$172 and \$176	4,598	4,276
Equipment installment plan receivables, net of allowance for credit losses and imputed discount of \$625 and \$656	4,226	4,379
Inventory	1,690	1,607
Prepaid expenses	1,125	880
Other current assets	4,874	1,853
Total current assets	26,772	18,404
Property and equipment, net	37,481	38,533
Operating lease right-of-use assets	24,735	25,398
Financing lease right-of-use assets	3,105	3,091
Goodwill	13,460	13,005
Spectrum licenses	95,928	100,558
Other intangible assets, net	2,438	2,512
Equipment installment plan receivables due after one year, net of allowance for credit losses and imputed discount of \$151 and \$158	1,975	2,209
Other assets	6,749	4,325
Total assets	\$ 212,643	\$ 208,035
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,802	\$ 8,463
Short-term debt	6,408	4,068
Deferred revenue	1,217	1,222
Short-term operating lease liabilities	3,343	3,281
Short-term financing lease liabilities	1,157	1,175
Other current liabilities	2,175	1,965
Total current liabilities	22,102	20,174
Long-term debt	75,018	72,700
Long-term debt to affiliates	1,497	1,497
Tower obligations	3,603	3,664
Deferred tax liabilities	18,468	16,700
Operating lease liabilities	25,646	26,408
Financing lease liabilities	1,188	1,151
Other long-term liabilities	4,014	4,000
Total long-term liabilities	129,434	126,120
Commitments and contingencies (Note 14)		
Stockholders' equity		
Common stock, par value \$0.00001 per share, 2,000,000,000 shares authorized; 1,274,176,396 and 1,271,074,364 shares issued, 1,127,450,618 and 1,144,579,681 shares outstanding	—	—
Additional paid-in capital	69,008	68,798
Treasury stock, at cost, 146,725,778 and 126,494,683 shares	(25,569)	(20,584)
Accumulated other comprehensive loss	(908)	(857)
Retained earnings	18,576	14,384
Total stockholders' equity	61,107	61,741
Total liabilities and stockholders' equity	\$ 212,643	\$ 208,035

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

(in millions, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues				
Postpaid revenues	\$ 14,078	\$ 12,899	\$ 27,672	\$ 25,530
Prepaid revenues	2,643	2,592	5,286	4,995
Wholesale and other service revenues	717	938	1,405	2,000
Total service revenues	17,438	16,429	34,363	32,525
Equipment revenues	3,439	3,106	7,143	6,357
Other revenues	255	237	512	484
Total revenues	21,132	19,772	42,018	39,366
Operating expenses				
Cost of services, exclusive of depreciation and amortization shown separately below	2,717	2,664	5,319	5,352
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	4,659	4,088	9,457	8,487
Selling, general and administrative	5,397	5,142	10,885	10,280
Depreciation and amortization	3,146	3,248	6,344	6,619
Total operating expenses	15,919	15,142	32,005	30,738
Operating income	5,213	4,630	10,013	8,628
Other expense, net				
Interest expense, net	(922)	(854)	(1,838)	(1,734)
Other (expense) income, net	(11)	(8)	(57)	12
Total other expense, net	(933)	(862)	(1,895)	(1,722)
Income before income taxes	4,280	3,768	8,118	6,906
Income tax expense	(1,058)	(843)	(1,943)	(1,607)
Net income	\$ 3,222	\$ 2,925	\$ 6,175	\$ 5,299
Net income	\$ 3,222	\$ 2,925	\$ 6,175	\$ 5,299
Other comprehensive income (loss), net of tax				
Reclassification of loss from cash flow hedges, net of tax effect of \$16, \$15, \$32 and \$30	47	43	93	86
Gains (losses) on fair value hedges, net of tax effect of \$13, \$(10), \$(48) and \$(10)	37	(30)	(140)	(30)
Unrealized loss on foreign currency translation adjustment, net of tax effect of \$0, \$0, \$0 and \$0	(1)	—	(1)	—
Amortization of actuarial gain, net of tax effect of \$(1), \$(1), \$(1) and \$(3)	(2)	(4)	(3)	(9)
Other comprehensive income (loss)	81	9	(51)	47
Total comprehensive income	\$ 3,303	\$ 2,934	\$ 6,124	\$ 5,346
Earnings per share				
Basic	\$ 2.84	\$ 2.50	\$ 5.43	\$ 4.50
Diluted	\$ 2.84	\$ 2.49	\$ 5.42	\$ 4.49
Weighted-average shares outstanding				
Basic	1,132,760,465	1,170,025,862	1,136,627,715	1,177,662,179
Diluted	1,134,846,966	1,172,447,353	1,139,770,739	1,180,929,879

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating activities				
Net income	\$ 3,222	\$ 2,925	\$ 6,175	\$ 5,299
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	3,146	3,248	6,344	6,619
Stock-based compensation expense	200	164	386	304
Deferred income tax expense	937	747	1,708	1,462
Bad debt expense	265	255	588	537
Losses from sales of receivables	19	25	41	46
Changes in operating assets and liabilities				
Accounts receivable	(338)	(1,286)	(431)	(1,702)
Equipment installment plan receivables	65	155	89	432
Inventory	264	221	(54)	391
Operating lease right-of-use assets	883	872	1,738	1,728
Other current and long-term assets	(671)	(416)	(661)	(256)
Accounts payable and accrued liabilities	107	38	(161)	(1,696)
Short- and long-term operating lease liabilities	(886)	(1,148)	(1,784)	(2,165)
Other current and long-term liabilities	(82)	(360)	(170)	(532)
Other, net	(139)	81	31	138
Net cash provided by operating activities	6,992	5,521	13,839	10,605
Investing activities				
Purchases of property and equipment, including capitalized interest of \$(10) \$(8), \$(20) and \$(17)	(2,396)	(2,040)	(4,847)	(4,667)
Purchases of spectrum licenses and other intangible assets, including deposits	(842)	(156)	(915)	(217)
Proceeds from the sale of property, equipment and intangible assets	2,066	7	2,073	23
Proceeds related to beneficial interests in securitization transactions	—	958	—	1,848
Acquisition of companies, net of cash acquired	1	(390)	(726)	(390)
Investments in unconsolidated affiliates, net	(908)	—	(983)	—
Other, net	520	(57)	430	(62)
Net cash used in investing activities	(1,559)	(1,678)	(4,968)	(3,465)
Financing activities				
Proceeds from issuance of long-term debt, net	(6)	2,136	7,768	5,609
Repayments of financing lease obligations	(331)	(351)	(646)	(678)
Repayments of long-term debt	(3,257)	(2,723)	(3,736)	(2,946)
Repurchases of common stock	(2,555)	(2,387)	(5,049)	(5,981)
Dividends on common stock	(996)	(759)	(1,999)	(1,528)
Tax withholdings on share-based awards	(30)	(16)	(302)	(208)
Other, net	(30)	(34)	(48)	(68)
Net cash used in financing activities	(7,205)	(4,134)	(4,012)	(5,800)
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	13	—	13	—
Change in cash and cash equivalents, including restricted cash	(1,759)	(291)	4,872	1,340
Cash and cash equivalents, including restricted cash				
Beginning of period	12,344	6,938	5,713	5,307
End of period	\$ 10,585	\$ 6,647	\$ 10,585	\$ 6,647

The accompanying notes are an integral part of these condensed consolidated financial statements.

T-Mobile US, Inc.
Condensed Consolidated Statement of Stockholders' Equity
(Unaudited)

(in millions, except share and per share amounts)	Common Stock Outstanding	Treasury Stock Outstanding	Treasury Shares at Cost	Par Value and Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Balance as of March 31, 2025	1,137,339,578	136,598,154	\$ (23,085)	\$ 68,837	\$ (989)	\$ 16,342	\$ 61,105
Net income	—	—	—	—	—	3,222	3,222
Dividends declared (\$0.88 per share)	—	—	—	—	—	(988)	(988)
Other comprehensive income	—	—	—	—	81	—	81
Stock-based compensation	—	—	—	203	—	—	203
Issuance of vested restricted stock units	346,929	—	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(116,966)	—	—	(29)	—	—	(29)
Repurchases of common stock	(10,148,791)	10,148,791	(2,486)	—	—	—	(2,486)
Other, net	29,868	(21,167)	2	(3)	—	—	(1)
Balance as of June 30, 2025	1,127,450,618	146,725,778	\$ (25,569)	\$ 69,008	\$ (908)	\$ 18,576	\$ 61,107
Balance as of December 31, 2024	1,144,579,681	126,494,683	\$ (20,584)	\$ 68,798	\$ (857)	\$ 14,384	\$ 61,741
Net income	—	—	—	—	—	6,175	6,175
Dividends declared (\$1.76 per share)	—	—	—	—	—	(1,983)	(1,983)
Other comprehensive loss	—	—	—	—	(51)	—	(51)
Stock-based compensation	—	—	—	380	—	—	380
Stock issued for employee stock purchase plan	712,672	—	—	125	—	—	125
Issuance of vested restricted stock units	3,452,648	—	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(1,125,572)	—	—	(302)	—	—	(302)
Repurchases of common stock	(20,240,018)	20,240,018	(4,981)	—	—	—	(4,981)
Other, net	71,207	(8,923)	(4)	7	—	—	3
Balance as of June 30, 2025	1,127,450,618	146,725,778	\$ (25,569)	\$ 69,008	\$ (908)	\$ 18,576	\$ 61,107

The accompanying notes are an integral part of these condensed consolidated financial statements.

T-Mobile US, Inc.
Condensed Consolidated Statement of Stockholders' Equity
(Unaudited)

(in millions, except share and per share amounts)	Common Stock Outstanding	Treasury Stock Outstanding	Treasury Shares at Cost	Par Value and Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Balance as of March 31, 2024	1,177,240,110	89,053,922	\$ (12,982)	\$ 67,786	\$ (926)	\$ 8,196	\$ 62,074
Net income	—	—	—	—	—	2,925	2,925
Dividends declared (\$0.65 per share)	—	—	—	—	—	(761)	(761)
Other comprehensive income	—	—	—	—	9	—	9
Stock-based compensation	—	—	—	154	—	—	154
Issuance of vested restricted stock units	291,907	—	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(91,844)	—	—	(16)	—	—	(16)
Repurchases of common stock	(13,979,843)	13,979,843	(2,289)	—	—	—	(2,289)
Ka'ena Acquisition upfront consideration	3,264,952	—	—	536	—	—	536
Other, net	47,609	(1,614)	1	3	—	—	4
Balance as of June 30, 2024	1,166,772,891	103,032,151	\$ (15,270)	\$ 68,463	\$ (917)	\$ 10,360	\$ 62,636
Balance as of December 31, 2023	1,195,807,331	67,096,823	\$ (9,373)	\$ 67,705	\$ (964)	\$ 7,347	\$ 64,715
Net income	—	—	—	—	—	5,299	5,299
Dividends declared (\$1.95 per share)	—	—	—	—	—	(2,286)	(2,286)
Other comprehensive income	—	—	—	—	47	—	47
Stock-based compensation	—	—	—	306	—	—	306
Stock issued for employee stock purchase plan	950,082	—	—	112	—	—	112
Issuance of vested restricted stock units	3,817,697	—	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	(1,262,899)	—	—	(208)	—	—	(208)
Repurchases of common stock	(35,913,633)	35,913,633	(5,893)	—	—	—	(5,893)
Ka'ena Acquisition upfront consideration	3,264,952	—	—	536	—	—	536
Other, net	109,361	21,695	(4)	12	—	—	8
Balance as of June 30, 2024	1,166,772,891	103,032,151	\$ (15,270)	\$ 68,463	\$ (917)	\$ 10,360	\$ 62,636

The accompanying notes are an integral part of these condensed consolidated financial statements.

T-Mobile US, Inc.
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T-Mobile US, Inc.
Notes to the Condensed Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements of T-Mobile US, Inc. (“T-Mobile,” “we,” “our,” “us” or the “Company”) include all adjustments of a normal recurring nature necessary for the fair presentation of the results for the interim periods presented. The results for the interim periods are not necessarily indicative of those for the full year. The condensed consolidated financial statements should be read in conjunction with our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

The condensed consolidated financial statements include the balances and results of operations of T-Mobile and our consolidated subsidiaries. We consolidate majority-owned subsidiaries over which we exercise control, variable interest entities (“VIEs”) for which we are deemed to be the primary beneficiary and VIEs which cannot be deconsolidated, such as those related to our tower obligations as discussed in [Note 9 - Tower Obligations](#). Intercompany transactions and balances have been eliminated in consolidation. Investments in entities that we do not control but have significant influence are accounted for under the equity method. We record our proportionate share of our equity method investees’ earnings within Other (expense) income, net on our Condensed Consolidated Statements of Comprehensive Income.

The preparation of financial statements in conformity with United States (“U.S.”) generally accepted accounting principles (“GAAP”) requires our management to make estimates and assumptions that affect the financial statements and accompanying notes. Estimates are based on historical experience, where applicable, and other assumptions that management believes are reasonable under the circumstances. Estimates are inherently subject to judgment and actual results could differ from those estimates.

Accounting Pronouncements Not Yet Adopted

Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The standard enhances income tax disclosure requirements for all entities by requiring specified categories and greater disaggregation within the rate reconciliation table, disclosure of income taxes paid by jurisdiction, and providing clarification on uncertain tax positions and related financial statement impacts. The standard will be effective for us for our fiscal year 2025 annual financial statements with early adoption permitted. We plan to adopt the standard when it becomes effective for us beginning in our fiscal year 2025 annual financial statements, and we expect the adoption of the standard will impact certain of our income tax disclosures.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” In January 2025, the FASB issued ASU 2025-01, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date,” which clarifies the effective date of ASU 2024-03. The standard requires that public business entities disclose additional information about specific expense categories in the notes to financial statements for interim and annual reporting periods. The standard will become effective for us for our fiscal year 2027 annual financial statements and interim financial statements thereafter and may be applied prospectively to periods after the adoption date or retrospectively for all prior periods presented in the financial statements, with early adoption permitted. We plan to adopt the standard when it becomes effective for us beginning in our fiscal year 2027 annual financial statements, and we are currently evaluating the impact this guidance will have on the disclosures included in the Notes to the Consolidated Financial Statements.

Note 2 – Business Combinations

Acquisition of Ka’ena Corporation

On March 9, 2023, we entered into a merger and unit purchase agreement (the “Merger and Unit Purchase Agreement”) for the acquisition of 100% of the outstanding equity of Ka’ena Corporation and its subsidiaries, including, among others, Mint Mobile LLC (collectively, “Ka’ena”), for a maximum purchase price of \$1.35 billion to be paid out 39% in cash and 61% in shares of T-Mobile common stock (the “Ka’ena Acquisition”). On March 13, 2024, we entered into Amendment No. 1 to the Merger and Unit Purchase Agreement, which amended, among other things, certain mechanics of the payment of the purchase consideration for the Ka’ena Acquisition, which resulted in a nominal increase in the percentage of cash compared to shares of T-Mobile common stock to be paid out as part of the total purchase price.

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on May 1, 2024 (the “Ka’ena Acquisition Date”), we completed the Ka’ena Acquisition, and as a result, Ka’ena became a wholly owned subsidiary of T-Mobile. Concurrently, and as agreed upon through the Merger and Unit Purchase Agreement, T-Mobile and Ka’ena entered into certain separate transactions, including the effective settlement of the preexisting wholesale arrangement between T-Mobile and Ka’ena and agreements with certain of the sellers to provide services to T-Mobile during the post-acquisition period.

In accordance with the terms of the Merger and Unit Purchase Agreement, the total purchase price was variable, dependent upon specified performance indicators of Ka’ena, and consists of an upfront payment on the Ka’ena Acquisition Date and an earnout payable on August 1, 2026. On June 30, 2025, we amended the Merger and Unit Purchase Agreement to set the calculation of the earnout as the difference between the maximum purchase price of \$1.35 billion and the upfront payment, as adjusted, and removed the requirement for Ka’ena to achieve specified performance indicators.

As of June 30, 2025, and December 31, 2024, \$236 million and \$202 million of liabilities for deferred consideration, respectively, and \$137 million and \$80 million of liabilities for post-acquisition services, respectively, were presented within Other long-term liabilities on our Condensed Consolidated Balance Sheets.

Fair Value of Assets Acquired and Liabilities Assumed

We accounted for the Ka’ena Acquisition as a business combination. The identifiable assets acquired and liabilities assumed from Ka’ena were recorded at their fair values as of the Ka’ena Acquisition Date and consolidated with those of T-Mobile. Assigning fair values to the assets acquired and liabilities assumed at the Ka’ena Acquisition Date required the use of judgment regarding estimates and assumptions. For the fair values of the assets acquired and liabilities assumed, we used the cost and income approaches.

The following table summarizes the assigned fair values for each class of assets acquired and liabilities assumed at the Ka'ena Acquisition Date, as adjusted during the measurement period, which closed on April 30, 2025, based on information identified after the Ka'ena Acquisition Date. We retained the services of certified valuation specialists to assist with assigning values to certain acquired assets.

(in millions)	May 1, 2024
Cash and cash equivalents	\$ 24
Accounts receivable	34
Inventory	3
Prepaid expenses	5
Other current assets	10
Property and equipment	1
Operating lease right-of-use assets	2
Goodwill	777
Other intangible assets	740
Other assets	51
Total assets acquired	1,647
Accounts payable and accrued liabilities	42
Deferred revenue	297
Short-term operating lease liabilities	1
Deferred tax liabilities	83
Operating lease liabilities	2
Other long-term liabilities	81
Total liabilities assumed	506
Total consideration transferred	\$ 1,141

Intangible Assets

Goodwill with an assigned value of \$777 million represents the excess of the consideration transferred over the fair values of assets acquired and liabilities assumed. The assigned goodwill recognized includes expected growth in customers and service revenues to be achieved from the operations of the combined company, the assembled workforce of Ka'ena and intangible assets that do not qualify for separate recognition. Of the total amount of assigned goodwill resulting from the Ka'ena Acquisition of \$777 million, the amount deductible for tax purposes is \$121 million. All of the goodwill acquired is allocated to the Wireless reporting unit.

Acquisition of UScellular Wireless Business

On May 24, 2024, we entered into a securities purchase agreement with United States Cellular Corporation ("UScellular"), Telephone and Data Systems, Inc., and USCC Wireless Holdings, LLC, pursuant to which, among other things, we will acquire substantially all of UScellular's wireless operations and select AWS, PCS, 600 MHz, 700 MHz and other spectrum assets (together, the "UScellular Wireless Business") for an aggregate purchase price of approximately \$4.4 billion, payable in cash and the assumption of up to \$2.0 billion of debt through exchange offers to certain UScellular debtholders prior to closing (the "UScellular Acquisition"). Upon closing of the transaction, we expect to account for the UScellular Acquisition as a business combination and to consolidate the acquired operations.

Following the closing of the transaction, UScellular will retain ownership of its other spectrum, as well as its towers. Subject to the closing of the transaction, we will enter into a 15-year master license agreement to lease space on at least 2,100 towers being retained by UScellular and to extend our tenancy term on approximately 600 towers where we are already leasing space from UScellular for 15 years post-closing. We estimate the incremental future minimum lease payments associated with the master license agreement will be \$1.4 billion over 15 years post-closing.

On May 23, 2025, we launched exchange offers for any and all of certain outstanding senior notes of UScellular (the "Exchange Offers"). In conjunction with the Exchange Offers, we also solicited consents for each series of the outstanding senior notes of UScellular to effect a number of amendments to the applicable indenture under which each such series of notes were issued and are governed (the "Consent Solicitations"). As of July 1, 2025, the total principal amount of certain outstanding UScellular senior notes validly tendered was \$1.7 billion. To the extent any debtholders do not participate in the Exchange Offers, their senior notes will continue as obligations of UScellular, and the cash portion of the purchase price will be correspondingly

increased. The consummation of the Exchange Offers and Consent Solicitations are subject to the closing of the UScellular Acquisition and will expire on August 1, 2025.

On July 11, 2025, we received all necessary regulatory approvals, and the UScellular Acquisition is expected to close on August 1, 2025.

On July 22, 2025, we entered into asset purchase agreements for the acquisition of substantially all of the wireless operations assets of each of Farmers Cellular Telephone Company, Inc., Iowa RSA No. 9 Limited Partnership, and Iowa RSA No. 12 Limited Partnership (collectively, the "Iowa Entities") for an aggregate purchase price of approximately \$170 million. These transactions are expected to close concurrently with the UScellular Acquisition on August 1, 2025. Upon closing of the acquisition of the wireless operations assets of the Iowa Entities, we expect to account for the transactions as a business combination. Following the closing of the acquisition of the wireless operations assets of the Iowa Entities, the Iowa Entities will retain ownership of their towers and spectrum.

Acquisition of Vistar Media Inc.

On December 20, 2024, we entered into an agreement and plan of merger for the acquisition of 100% of the outstanding capital stock of Vistar Media Inc. ("Vistar"), a provider of technology solutions for digital-out-of-home advertisements (the "Vistar Acquisition").

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on February 3, 2025 (the "Vistar Acquisition Date"), we completed the Vistar Acquisition, and as a result, Vistar became a wholly owned subsidiary of T-Mobile. In exchange, we transferred cash of \$621 million. A portion of the payment made on the Vistar Acquisition Date was for the settlement of preexisting relationships with Vistar and is excluded from the fair value of consideration transferred.

The financial results of Vistar from the Vistar Acquisition Date through June 30, 2025, were not material to our Condensed Consolidated Statements of Comprehensive Income, nor were they material to our prior period consolidated results on a pro forma basis. Costs related to the Vistar Acquisition were not material to our Condensed Consolidated Statements of Comprehensive Income.

Fair Value of Assets Acquired and Liabilities Assumed

We have accounted for the Vistar Acquisition as a business combination. The identifiable assets acquired and liabilities assumed from Vistar were recorded at their provisionally assigned fair values as of the Vistar Acquisition Date and consolidated with those of T-Mobile. Assigning fair values to the assets acquired and liabilities assumed at the Vistar Acquisition Date requires the use of judgment regarding estimates and assumptions. For the provisionally assigned fair values of the assets acquired and liabilities assumed, we used the cost and income approaches.

The following table summarizes the provisionally assigned fair values for each class of assets acquired and liabilities assumed at the Vistar Acquisition Date. We are in the process of finalizing the valuation of the assets acquired and liabilities assumed, including income tax-related amounts. Therefore, the provisionally assigned fair values set forth below are subject to adjustment as additional information is obtained.

(in millions)	February 3, 2025
Cash and cash equivalents	\$ 42
Accounts receivable	157
Prepaid expense and other current assets	2
Property and equipment	1
Operating lease right-of-use assets	1
Goodwill	345
Other intangible assets	264
Total assets acquired	812
Accounts payable and accrued liabilities	129
Deferred revenue	1
Deferred tax liabilities	61
Operating lease liabilities	2
Total liabilities assumed	193
Total consideration transferred	\$ 619

Intangible Assets

Goodwill with a provisionally assigned value of \$345 million represents the excess of the consideration transferred over the fair values of assets acquired and liabilities assumed. The provisionally assigned goodwill recognized includes expected growth in service revenues to be achieved from the operations of the combined company, the assembled workforce of Vistar and intangible assets that do not qualify for separate recognition.

Other intangible assets acquired primarily include \$201 million of customer relationships with an estimated weighted-average useful life of nine years, \$8 million of tradenames with an estimated weighted-average useful life of four years and \$55 million of other intangible assets with an estimated weighted-average useful life of four years. The customer relationships are amortized using the sum-of-the-years digits method over their estimated useful lives, and the tradenames are amortized on a straight-line basis over their estimated useful lives.

The preliminary fair value of customer relationships was estimated using the income approach. This fair value measurement is based on significant inputs not observable in the market, and, therefore, represents a Level 3 measurement as defined in ASC 820. The key assumptions in applying the income approach include revenue over an estimated period of time, the discount rate, forecasted expenses and contributory asset charges.

Acquisition of Blis Holdco Limited

On February 18, 2025, we entered into a share purchase agreement for the acquisition of 100% of the outstanding capital stock of Blis Holdco Limited (“Blis”), a provider of advertising solutions (the “Blis Acquisition”).

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on March 3, 2025 (the “Blis Acquisition Date”), we completed the Blis Acquisition, and as a result, Blis became a wholly owned subsidiary of T-Mobile. In exchange, we transferred cash of \$180 million. A portion of the payment made on the Blis Acquisition Date was for the settlement of preexisting relationships with Blis and is excluded from the fair value of consideration transferred.

We have accounted for the Blis Acquisition as a business combination. The fair value of consideration transferred as of the Blis Acquisition Date totaled \$175 million. The identifiable assets acquired and liabilities assumed from Blis were recorded at their provisionally assigned fair values as of the Blis Acquisition Date and consolidated with those of T-Mobile. The provisionally assigned fair values of total assets acquired, including goodwill, and total liabilities assumed at the Blis Acquisition Date were \$280 million and \$105 million, respectively. Goodwill with a provisionally assigned value of \$104 million represents the excess of the consideration transferred over the fair values of assets acquired and liabilities assumed.

We are in the process of finalizing the valuation of the assets acquired and liabilities assumed. Therefore, the provisionally assigned fair values above are subject to adjustment as additional information is obtained.

Note 3 – Joint Ventures

Lumos Joint Venture

On April 24, 2024, we entered into a definitive agreement with a fund operated by EQT, EQT Infrastructure VI (“Fund VI”), to establish a joint venture between us and Fund VI to acquire Lumos (“Lumos”), a fiber-to-the-home platform, from EQT’s predecessor fund, EQT Infrastructure III.

On April 1, 2025, we completed the joint acquisition of Lumos upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals. During the three months ended June 30, 2025, we invested \$932 million to acquire a 50% equity interest in the joint venture and 97,000 fiber customers. For the customers acquired, we recognized an intangible asset amortized using the sum-of-the-years digits method over a weighted-average useful life of nine years. Following the joint acquisition, Lumos transitioned to a wholesale model where we are the anchor tenant owning residential and small business customer relationships. The funds invested by us will be used by the joint venture to fund future fiber builds. In addition, pursuant to the definitive agreement, we expect to make an additional capital contribution of approximately \$500 million between 2027 and 2028 under the existing business plan.

We account for the Lumos joint venture under the equity method of accounting with our proportionate share of earnings presented within Other (expense) income, net on our Condensed Consolidated Statements of Comprehensive Income. We recognize revenues for fiber customers and the related wholesale costs paid to the joint venture for network access within Postpaid revenues and Cost of services, respectively, on our Condensed Consolidated Statements of Comprehensive Income.

Metronet Joint Venture

On July 18, 2024, we entered into a definitive agreement with KKR & Co. Inc. (“KKR”) to establish a joint venture to acquire Metronet Holdings, LLC and certain of its affiliates (collectively, “Metronet”), a fiber-to-the-home platform. At closing, we expect to invest approximately \$4.6 billion, adjusted for Metronet’s incremental pre-close debt financing, to acquire a 50% equity interest in the joint venture and all existing residential fiber customers, as well as funding of the joint venture. We do not anticipate making further capital contributions following the closing under the existing business plan. Following the joint acquisition, Metronet will become a wholesale services provider, and its residential fiber retail operations and customers will transition to us. On July 9, 2025, we received all necessary regulatory approvals, and the joint acquisition of Metronet is expected to close on July 24, 2025.

Upon the closing of the transaction, we expect to account for the Metronet joint venture under the equity method of accounting and recognize revenues for fiber customers and the related wholesale costs paid to the joint venture for network access within Postpaid revenues and Cost of services, respectively, on our Condensed Consolidated Statements of Comprehensive Income.

Note 4 – Receivables and Related Allowance for Credit Losses

We maintain an allowance for credit losses by applying an expected credit loss model. Each period, management assesses the appropriateness of the level of allowance for credit losses by considering credit risk inherent within each portfolio segment as of the end of the period.

We consider a receivable past due when a customer has not paid us by the contractually specified payment due date. Account balances are written off against the allowance for credit losses if collection efforts are unsuccessful and the receivable balance is deemed uncollectible (customer default), based on factors such as customer credit ratings, as well as the length of time the amounts are past due.

Our portfolio of receivables is comprised of two portfolio segments: accounts receivable and equipment installment plan (“EIP”) receivables.

Accounts Receivable Portfolio Segment

Accounts receivable balances are predominately comprised of amounts currently due from customers (e.g., for wireless communications services), device insurance administrators, wholesale partners, other carriers and third-party retail channels.

We estimate credit losses associated with our accounts receivable portfolio segment using an expected credit loss model, which utilizes an aging schedule methodology based on historical information and is adjusted for asset-specific considerations, current economic conditions and reasonable and supportable forecasts.

Our approach considers a number of factors, including our overall historical credit losses and payment experience, as well as current collection trends, such as write-off frequency and severity. We also consider other qualitative factors such as current and forecasted macroeconomic conditions.

We consider the need to adjust our estimate of credit losses for reasonable and supportable forecasts of future macroeconomic conditions. To do so, we monitor external forecasts of changes in real U.S. gross domestic product and forecasts of consumer credit behavior for comparable credit exposures.

EIP Receivables Portfolio Segment

Based upon customer credit profiles at the time of customer origination, as well as subsequent credit performance, we designate the EIP receivables segment into two customer classes of “Prime” and “Subprime.” Prime customer receivables are those with lower credit risk, and Subprime customer receivables are those with higher credit risk. Customers may be required to make a down payment on their equipment purchases if their assessed credit risk exceeds established underwriting thresholds. In addition, certain customers within the Subprime category may be required to pay a deposit.

To determine a customer’s credit profile and assist in determining their credit class, we use a proprietary credit scoring model that measures the credit quality of a customer leveraging several factors, such as credit bureau information and consumer credit risk scores, as well as service and device plan characteristics.

EIP receivables had a combined weighted-average effective interest rate of 11.2% and 11.1% as of June 30, 2025, and December 31, 2024, respectively.

The following table summarizes the EIP receivables, including imputed discounts and related allowance for credit losses:

(in millions)	June 30, 2025	December 31, 2024
EIP receivables, gross	\$ 6,977	\$ 7,402
Unamortized imputed discount	(486)	(524)
EIP receivables, net of unamortized imputed discount	6,491	6,878
Allowance for credit losses	(290)	(290)
EIP receivables, net of allowance for credit losses and imputed discount	\$ 6,201	\$ 6,588
Classified on our condensed consolidated balance sheets as:		
Equipment installment plan receivables, net of allowance for credit losses and imputed discount	\$ 4,226	\$ 4,379
Equipment installment plan receivables due after one year, net of allowance for credit losses and imputed discount	1,975	2,209
EIP receivables, net of allowance for credit losses and imputed discount	\$ 6,201	\$ 6,588

Many of our loss estimation techniques rely on delinquency-based models categorized by customer credit class; therefore, delinquency is an important indicator of credit quality in the establishment of our allowance for credit losses for EIP receivables. We manage our EIP receivables portfolio segment using delinquency and customer credit class as key credit quality indicators.

The following table presents the amortized cost of our EIP receivables by delinquency status, customer credit class and year of origination as of June 30, 2025:

(in millions)	Originated in 2025		Originated in 2024		Originated prior to 2024		Total EIP Receivables, Net of Unamortized Imputed Discount		
	Prime	Subprime	Prime	Subprime	Prime	Subprime	Prime	Subprime	Total
Current - 30 days past due	\$ 2,278	\$ 578	\$ 2,469	\$ 628	\$ 324	\$ 74	\$ 5,071	\$ 1,280	\$ 6,351
31 - 60 days past due	12	15	12	18	2	2	26	35	61
61 - 90 days past due	5	9	10	15	2	2	17	26	43
More than 90 days past due	3	5	9	15	2	2	14	22	36
EIP receivables, net of unamortized imputed discount	\$ 2,298	\$ 607	\$ 2,500	\$ 676	\$ 330	\$ 80	\$ 5,128	\$ 1,363	\$ 6,491

We estimate credit losses on our EIP receivables segment by applying an expected credit loss model, which relies on historical loss data adjusted for current conditions to calculate default probabilities or an estimate for the frequency of customer default. Our assessment of default probabilities or frequency includes receivables delinquency status, historical loss experience, how long the receivables have been outstanding and customer credit ratings, as well as customer tenure. We multiply these estimated default probabilities by our estimated loss given default, which is the estimated amount of default or the severity of loss.

As we do for our accounts receivable portfolio segment, we consider the need to adjust our estimate of credit losses on EIP receivables for reasonable and supportable forecasts of economic conditions through monitoring external forecasts and periodic internal statistical analyses.

The following table presents write-offs of our EIP receivables by year of origination for the six months ended June 30, 2025:

(in millions)	Originated in 2025	Originated in 2024	Originated prior to 2024	Total
Write-offs	\$ 32	\$ 221	\$ 45	\$ 298

Activity for the six months ended June 30, 2025 and 2024, in the allowance for credit losses and unamortized imputed discount balances for the accounts receivable and EIP receivables segments were as follows:

(in millions)	June 30, 2025			June 30, 2024		
	Accounts Receivable Allowance	EIP Receivables Allowance	Total	Accounts Receivable Allowance	EIP Receivables Allowance	Total
Allowance for credit losses and imputed discount, beginning of period	\$ 176	\$ 814	\$ 990	\$ 161	\$ 773	\$ 934
Bad debt expense	290	298	588	254	283	537
Write-offs	(294)	(298)	(592)	(255)	(283)	(538)
Change in imputed discount on short-term and long-term EIP receivables	N/A	50	50	N/A	45	45
Impact on the imputed discount from sales of EIP receivables	N/A	(88)	(88)	N/A	(99)	(99)
Allowance for credit losses and imputed discount, end of period	\$ 172	\$ 776	\$ 948	\$ 160	\$ 719	\$ 879

Off-Balance-Sheet Credit Exposures

We do not have material off-balance-sheet credit exposures as of June 30, 2025. In connection with the sales of certain service accounts receivable and EIP receivables pursuant to the sale arrangements, we provide guarantees of credit performance included on our Condensed Consolidated Balance Sheets measured at fair value that are based on a discounted cash flow model using Level 3 inputs, including estimated customer default rates and credit worthiness, dilutions and recoveries. See [Note 5 – Sales of Certain Receivables](#) for further information.

Note 5 – Sales of Certain Receivables

We regularly enter into transactions to sell certain service accounts receivable and EIP receivables. The transactions, including our continuing involvement with the sold receivables and the respective impacts to our condensed consolidated financial statements, are described below.

Sales of EIP Receivables

Overview of the Transaction

In 2015, we entered into an arrangement to sell certain EIP receivables on a revolving basis (the “EIP Sale Arrangement”), which has been revised and extended from time to time. As of both June 30, 2025, and December 31, 2024, the EIP Sale Arrangement provided funding of \$1.3 billion.

In connection with this EIP Sale Arrangement, we formed a wholly owned subsidiary, which qualifies as a bankruptcy remote entity (the “EIP BRE”). We consolidate the EIP BRE under the VIE model.

The following table summarizes the carrying amounts and classification of liabilities, which consist of the recourse guarantee, included on our Condensed Consolidated Balance Sheets with respect to the EIP BRE:

(in millions)	June 30, 2025	December 31, 2024
Other current liabilities	98	81
Other long-term liabilities	14	32

Sales of Service Accounts Receivable

Overview of the Transaction

In 2014, we entered into an arrangement to sell certain service accounts receivable on a revolving basis (the “Service Receivable Sale Arrangement”). On February 25, 2025, we extended the scheduled expiration date of the Service Receivable Sale Arrangement to February 24, 2026. As of both June 30, 2025, and December 31, 2024, the Service Receivable Sale Arrangement provided funding of \$775 million.

In connection with the Service Receivable Sale Arrangement, we formed a wholly owned subsidiary, which qualifies as a bankruptcy remote entity, to sell service accounts receivable (the “Service BRE”). We consolidate the Service BRE under the VIE model.

The following table summarizes the carrying amounts and classification of liabilities included on our Condensed Consolidated Balance Sheets with respect to the Service BRE:

(in millions)	June 30, 2025	December 31, 2024
Other current liabilities	289	328

Sales of Receivables

On October 22, 2024, we executed an amendment to the EIP Sale Arrangement and an amendment to the Service Receivable Sale Arrangement (together, the “Pledge Amendments”). Prior to the effective date of the Pledge Amendments, the credit enhancement feature of each of the EIP Sale Arrangement and the Service Receivable Sale Arrangement was in the form of a deferred purchase price. Pursuant to the Pledge Amendments, effective on November 1, 2024, the credit enhancement feature of each arrangement is replaced by a recourse guarantee liability, which is collateralized by pledged but unsold receivables.

For the three and six months ended June 30, 2025, all cash proceeds associated with sold receivables are recognized within Net cash provided by operating activities on our Condensed Consolidated Statements of Cash Flows. For the three and six months ended June 30, 2024, cash proceeds related to beneficial interests in securitization transactions in the form of the deferred purchase price were presented within Net cash used in investing activities on our Condensed Consolidated Statements of Cash Flows.

The recourse guarantee represents a financial instrument that is primarily tied to the creditworthiness of our customers. At inception, we elected to measure the recourse guarantee liabilities at fair value with changes in fair value included in Selling, general and administrative expenses on our Condensed Consolidated Statements of Comprehensive Income. The fair value of the recourse guarantee liabilities is determined based on a discounted cash flow model which primarily uses Level 3 inputs, including estimated customer default rates and credit worthiness, dilutions and recoveries. Our recourse guarantee liabilities related to the sales of service receivables and EIP receivables were \$138 million and \$148 million as of June 30, 2025, and December 31, 2024, respectively. These liabilities were collateralized by \$231 million and \$286 million of gross service receivables and \$508 million and \$505 million of gross EIP receivables pledged, but unsold as of June 30, 2025, and December 31, 2024, respectively, which represent our maximum exposure under the recourse guarantee.

The following table summarizes the impact of the sales of certain service receivables and EIP receivables on our Condensed Consolidated Balance Sheets:

(in millions)	June 30, 2025	December 31, 2024
Derecognized net service accounts receivable and EIP receivables	\$ 1,647	\$ 1,616
Other current liabilities	387	409
<i>of which, recourse guarantee</i>	124	116
Other long-term liabilities	14	32
<i>of which, recourse guarantee</i>	14	32
Net cash proceeds since inception	1,419	1,468
Of which:		
Change in net cash proceeds during the year-to-date period	(49)	(115)
Net cash proceeds funded by reinvested collections	1,468	1,583

We recognized losses from sales of receivables, including changes in fair value of the recourse guarantee liabilities and deferred purchase price assets, of \$19 million and \$25 million for the three months ended June 30, 2025 and 2024, respectively, and \$41 million and \$46 million for the six months ended June 30, 2025 and 2024, respectively, in Selling, general and administrative expenses on our Condensed Consolidated Statements of Comprehensive Income.

Continuing Involvement

Pursuant to the EIP Sale Arrangement and Service Receivable Sale Arrangement described above, we have continuing involvement with the service accounts receivables and EIP receivables we sell, as we service the receivables, are required to replace certain receivables, including ineligible receivables, aged receivables and receivables where a write-off is imminent, and may be responsible for absorbing credit losses through performance under our recourse guarantee liabilities. We continue to service the customers and their related receivables, including facilitating customer payment collection, in exchange for a monthly servicing fee. As the receivables are sold on a revolving basis, the customer payment collections on sold receivables may be reinvested in new receivable sales. At the direction of the purchasers of the sold receivables, we apply the same policies and procedures while servicing the sold receivables as we apply to our owned receivables, and we continue to maintain normal relationships with our customers.

Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets

Goodwill

The changes in the carrying amount of goodwill for the six months ended June 30, 2025, are as follows:

(in millions)	Goodwill
Balance as of December 31, 2024, net of accumulated impairment losses of \$10,984	\$ 13,005
Adjustment to goodwill from the Ka'ena Acquisition	6
Provisionally assigned goodwill from acquisitions in 2025	449
Balance as of June 30, 2025, net of accumulated impairment losses of \$10,984	<u>\$ 13,460</u>

Spectrum Licenses

The following table summarizes our spectrum license activity for the six months ended June 30, 2025:

(in millions)	Spectrum
Spectrum licenses, beginning of year	\$ 100,558
Spectrum license acquisitions	1,043
Spectrum licenses transferred to held for sale	(5,674)
Costs to clear spectrum	1
Spectrum licenses, end of period	<u>\$ 95,928</u>

Cash payments to acquire spectrum licenses and payments for costs to clear spectrum are included in Purchases of spectrum licenses and other intangible assets, including deposits. Cash proceeds from the sale of spectrum licenses are included in Proceeds from the sale of property, equipment and intangible assets on our Condensed Consolidated Statements of Cash Flows.

License Purchase Agreements

Channel 51 License Co LLC and LB License Co, LLC

On August 8, 2022, we, Channel 51 License Co LLC and LB License Co, LLC (together with Channel 51 License Co LLC, the “Sellers”) entered into License Purchase Agreements pursuant to which we will acquire spectrum in the 600 MHz band from the Sellers in exchange for total cash consideration of \$3.5 billion.

On March 30, 2023, we and the Sellers entered into Amended and Restated License Purchase Agreements pursuant to which we and the Sellers agreed to separate the transaction into two tranches of licenses, with the closings on the acquisitions of certain licenses in Chicago, Dallas and New Orleans being deferred in order to potentially expedite the regulatory approval process for the remainder of the licenses. Subsequently, on August 25, 2023, we and the Sellers entered into Amendments No. 1 to the Amended and Restated License Purchase Agreements, which deferred the closings of certain additional licenses in Chicago and Dallas into the second closing tranche. Together, the licenses with closings deferred into the second closing tranche represent \$1.1 billion of the aggregate \$3.5 billion cash consideration. The licenses being acquired by us, and the total consideration being paid for the licenses, remain the same under the original License Purchase Agreements and subsequent amendments.

The Federal Communications Commission (the “FCC”) approved the purchase of the first tranche on December 29, 2023. The first tranche closed on June 24, 2024, and the associated payment of \$2.4 billion was made on August 5, 2024.

The FCC approved the purchase of the Dallas licenses included in the second tranche on October 22, 2024. The purchase of the Dallas licenses closed on December 6, 2024, and the associated payment of \$541 million was made on the same day.

The FCC approved the remaining Chicago and New Orleans deferred licenses from the second tranche on April 15, 2025. The purchase of the remaining licenses closed on June 2, 2025, and the associated payment of \$604 million was made on the same day.

Comcast Corporation

On September 12, 2023, we entered into a License Purchase Agreement (the “Comcast License Purchase Agreement”) with Comcast Corporation and its affiliate, Comcast OTRI, LLC (together with Comcast Corporation, “Comcast”), pursuant to which we will acquire spectrum in the 600 MHz band from Comcast in exchange for total cash consideration of between \$1.2 billion and \$3.3 billion, subject to an application for FCC approval. The licenses will be acquired without any associated networks. We anticipate the closing will occur in the first half of 2028.

The final purchase price will be determined, in the aggregate and on a per license basis, based on the set of licenses subject to the Comcast License Purchase Agreement at the time the parties make required transfer filings with the FCC. Prior to the time of such filings, Comcast has the right to remove any or all of a certain specified subset of the licenses, totaling \$2.1 billion (the “Optional Sale Licenses”), from the Comcast License Purchase Agreement. The removal of any Optional Sale Licenses would reduce the final purchase price by the assigned value of each such license, from the maximum purchase price of \$3.3 billion.

The licenses are subject to an exclusive leasing arrangement between us and Comcast, which was entered into contemporaneously with the Comcast License Purchase Agreement. If Comcast elects to remove an Optional Sale License from the Comcast License Purchase Agreement, the associated lease for such Optional Sale License will terminate, but no sooner than two years from the date of the Comcast License Purchase Agreement (with us having a minimum period of time after any such termination to cease transmitting on such license’s associated spectrum).

On January 13, 2025, we and Comcast entered into an amendment to the Comcast License Purchase Agreement pursuant to which we will acquire additional spectrum. Subsequent to the amendment, the total cash consideration for the transaction is between \$1.2 billion and \$3.4 billion.

N77 License Co LLC

On September 10, 2024, we entered into a License Purchase Agreement with N77 License Co LLC (“Buyer”), pursuant to which Buyer had the option to purchase all or a portion of our remaining 3.45 GHz spectrum licenses in exchange for a range of cash consideration, with the specific licenses sold to be determined based upon the amount of committed financing raised by Buyer. Following receipt of the required regulatory approvals, on April 30, 2025, we completed the sale of a portion of our 3.45 GHz spectrum licenses for \$2.0 billion. During the three months ended June 30, 2025, we recognized an associated gain of \$151 million as a reduction to Selling, general and administrative expenses on our Condensed Consolidated Statements of Comprehensive Income.

Grain Management, LLC

On May 30, 2025, we entered into a License and Unit Purchase Agreement with NEWLEVEL IV, L.P. and NEWLEVEL, LLC, both of which are affiliates of Grain Management, LLC (“Grain”), pursuant to which we will sell our 800 MHz spectrum licenses in exchange for cash consideration of \$2.9 billion and the receipt of Grain’s 600 MHz spectrum licenses, which we are currently utilizing under lease agreements with Grain. In addition, we may receive a share of certain future proceeds from transactions entered into by Grain that monetize the 800 MHz spectrum licenses, subject to certain terms and conditions and following a certain return on invested capital for Grain. As of June 30, 2025, \$3.6 billion of the associated 800 MHz spectrum licenses have been classified as held for sale at cost, with \$2.9 billion and \$690 million presented in Other current assets and Other assets, respectively, on our Condensed Consolidated Balance Sheets based on the nature of consideration to be received. The transaction is subject to customary closing conditions and contingent on the receipt of regulatory approvals, including the FCC’s approval regarding certain modifications to the 800 MHz spectrum licenses, and is currently expected to close in the fourth quarter of 2025 or first quarter of 2026. We do not expect the transaction to have a material impact on our Condensed Consolidated Statements of Comprehensive Income upon the transaction close. In addition, we expect an increase to our cash income tax liability of approximately \$850 million upon the transaction close.

Spectrum Exchange Transactions

During the three months ended June 30, 2025 and 2024, we recognized \$1 million and \$38 million, respectively, and during the six months ended June 30, 2025 and 2024, we recognized \$173 million and \$139 million, respectively, of non-cash spectrum license acquisitions associated with the closing of certain spectrum exchange transactions.

During the three months ended June 30, 2025 and 2024, we recognized \$1 million and \$22 million, respectively, and during the six months ended June 30, 2025 and 2024, we recognized \$13 million and \$47 million, respectively, of gains associated with the closing of certain spectrum exchange transactions as a reduction to Selling, general and administrative expenses on our Condensed Consolidated Statements of Comprehensive Income.

As of June 30, 2025, \$243 million of spectrum licenses were classified as held for sale within Other assets on our Condensed Consolidated Balance Sheets related to additional spectrum exchange agreements pending regulatory approval and closing, which are expected to close in the next 12 months. The closings of these transactions are not expected to have a significant impact on our Condensed Consolidated Statements of Comprehensive Income.

Other Intangible Assets

The components of Other intangible assets were as follows:

(in millions)	Useful Lives	June 30, 2025			December 31, 2024		
		Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationships ⁽¹⁾	Up to 9 years	\$ 5,709	\$ (4,447)	\$ 1,262	\$ 5,427	\$ (4,123)	\$ 1,304
Reacquired rights	Up to 9 years	770	(370)	400	770	(323)	447
Tradenames and patents ⁽¹⁾	Up to 19 years	359	(170)	189	338	(157)	181
Favorable spectrum leases	Up to 27 years	578	(172)	406	620	(169)	451
Other ⁽¹⁾	Up to 10 years	557	(376)	181	478	(349)	129
Other intangible assets		<u>\$ 7,973</u>	<u>\$ (5,535)</u>	<u>\$ 2,438</u>	<u>\$ 7,633</u>	<u>\$ (5,121)</u>	<u>\$ 2,512</u>

(1) Includes intangible assets acquired through our acquisitions. See [Note 2 - Business Combinations](#) and [Note 3 - Joint Ventures](#) for more information.

Amortization expense for intangible assets subject to amortization was \$199 million and \$205 million for the three months ended June 30, 2025 and 2024, respectively, and \$428 million and \$416 million for the six months ended June 30, 2025 and 2024, respectively.

The estimated aggregate future amortization expense for intangible assets subject to amortization is summarized below:

(in millions)	Estimated Future Amortization
Twelve Months Ending June 30,	
2026	\$ 734
2027	555
2028	388
2029	254
2030	133
Thereafter	374
Total	<u>\$ 2,438</u>

Note 7 – Fair Value Measurements

The carrying values of Cash and cash equivalents, Accounts receivable and Accounts payable and accrued liabilities approximate fair value due to the short-term maturities of these instruments. The carrying values of EIP receivables approximate fair value as the receivables are recorded at their present value using an imputed interest rate.

Derivative Financial Instruments

We use derivatives to manage exposure to market risk, such as exposure to fluctuations in foreign currency exchange rates and interest rates. We designate certain derivatives as hedging instruments in a qualifying hedge accounting relationship to mitigate fluctuations in values or cash flows related to such risks caused by foreign currency or interest rate volatility. We do not use derivatives for trading or speculative purposes.

Cash flows associated with qualifying hedge derivative instruments are presented in the same category on our Condensed Consolidated Statements of Cash Flows as the item being hedged. For fair value hedges, other than foreign currency hedges, the change in the fair value of the derivative instruments is recognized in earnings through the same income statement line item as the change in the fair value of the hedged item. For cash flow hedges, as well as fair value foreign currency hedges, the change in the fair value of the derivative instruments is reported in Accumulated other comprehensive loss and recognized in earnings when the hedged item is recognized in earnings, again, through the same income statement line item.

We record derivatives on our Condensed Consolidated Balance Sheets at fair value that is derived primarily from observable market data, including exchange rates, interest rates and forward curves. These market inputs are utilized in the discounted cash flow calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to derivative valuations are generally observable in active markets and, as such, are classified as Level 2 in the fair value hierarchy.

Cross-Currency Swaps

We enter into cross-currency swaps to offset changes in the value of our payments on foreign-denominated debt in USD and to mitigate the impact of foreign currency transaction gains and losses.

We have entered into cross-currency swap agreements, with the same notional amounts as our EUR-denominated debt issuances, to effectively convert €4.8 billion to USD borrowings, with the same maturities as our EUR-denominated debt issuances. The swaps qualify and have been designated as fair value hedges of our EUR-denominated debt, mitigating our exposure to foreign currency transaction gains and losses.

Accordingly, all changes in the fair value of the swaps will be initially recorded through Accumulated other comprehensive loss on our Condensed Consolidated Balance Sheets and reclassified to earnings in an amount that exactly offsets the periodic transaction gain or loss on remeasuring the debt, such that there will be no earnings volatility due to changes in foreign-currency exchange rates. Transaction gains or losses on remeasuring the EUR-denominated debt, as well as the offsetting swap amounts, are recorded within Other (expense) income, net on our Condensed Consolidated Statements of Comprehensive Income.

Changes in the fair value of the swaps may be different from the current period transaction gain or loss on remeasurement of the debt, in which case the difference will remain in Accumulated other comprehensive loss on our Condensed Consolidated

Balance Sheets. These differences generally represent credit or liquidity risk, referred to as a basis spread, and the time value of money (“excluded components”). The value of the excluded components is recognized in earnings using a systematic and rational method by accruing the current-period swap settlements into Interest expense, net, on our Condensed Consolidated Statements of Comprehensive Income. If an amount remains in Accumulated other comprehensive loss on our Condensed Consolidated Balance Sheets upon settlement of the derivative, those amounts will be reclassified to earnings at that time.

The following table summarizes the activity of our cross-currency swaps:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Other (expense) income, net				
Pre-tax transaction (loss) gain on remeasurement of EUR-denominated debt	\$ (461)	\$ 7	\$ (679)	\$ 7
Amount recognized in Other (expense) income, net reclassified from Accumulated other comprehensive loss	461	(7)	679	(7)
Accumulated other comprehensive loss				
Amount recognized in Accumulated other comprehensive loss reclassified to Other (expense) income, net	\$ (461)	\$ 7	\$ (679)	\$ 7
Gain (loss) associated with the change in fair value of cross-currency swaps recognized in Accumulated other comprehensive loss	511	(47)	491	(47)

Interest Rate Lock Derivatives

In April 2020, we terminated our interest rate lock derivatives entered into in October 2018. Aggregate changes in the fair value of our terminated interest rate lock derivatives, net of amortization, of \$867 million and \$960 million are presented in Accumulated other comprehensive loss on our Condensed Consolidated Balance Sheets as of June 30, 2025, and December 31, 2024, respectively.

During the three months ended June 30, 2025 and 2024, we amortized \$63 million and \$59 million, respectively, and during the six months ended June 30, 2025 and 2024, we amortized \$125 million and \$116 million, respectively, from Accumulated other comprehensive loss into Interest expense, net, on our Condensed Consolidated Statements of Comprehensive Income. We expect to amortize \$264 million of the Accumulated other comprehensive loss associated with the derivatives into Interest expense, net, over the 12 months ending June 30, 2026.

Debt

The fair values of our Senior Notes and spectrum-backed Senior Secured Notes to third parties were determined based on quoted market prices in active markets. Accordingly, our Senior Notes and spectrum-backed Senior Secured Notes to third parties were classified as Level 1 within the fair value hierarchy. The fair value of our Senior Notes to affiliates was determined based on the fair value of the Senior Notes to third parties with similar terms and maturities. Accordingly, our Senior Notes to affiliates were classified as Level 2 within the fair value hierarchy. The fair values of our Senior Notes to third parties (EUR-denominated) and asset-backed notes (“ABS Notes”) were primarily based on quoted prices in inactive markets for identical instruments and observable changes in market interest rates, both of which are Level 2 inputs. Accordingly, our Senior Notes to third parties (EUR-denominated) and ABS Notes were classified as Level 2 within the fair value hierarchy. The fair value of our ECA Facility (as defined below) was determined based on a discounted cash flow approach using market interest rates of instruments with similar maturities and credit risk. Accordingly, our ECA Facility was classified as Level 2 within the fair value hierarchy.

Although we have determined the estimated fair values using available market information and commonly accepted valuation methodologies, judgment was required in interpreting market data to develop fair value estimates for the Senior Notes to third parties (EUR-denominated), Senior Notes to affiliates, ABS Notes and ECA Facility. The fair value estimates were based on information available as of June 30, 2025, and December 31, 2024. As such, our estimates are not necessarily indicative of the amount we could realize in a current market exchange.

The carrying amounts and fair values of our short-term and long-term debt included on our Condensed Consolidated Balance Sheets were as follows:

		June 30, 2025		December 31, 2024	
(in millions)	Level within the Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:					
Senior Notes to third parties	1	\$ 72,208	\$ 67,401	\$ 71,783	\$ 65,631
Senior Notes to third parties (EUR-denominated)	2	5,567	5,495	2,058	2,125
Senior Notes to affiliates	2	1,497	1,501	1,497	1,491
Senior Secured Notes to third parties	1	1,036	1,018	1,361	1,330
ABS Notes to third parties	2	1,688	1,701	1,566	1,570
ECA Facility to third parties	2	927	957	—	—

Note 8 – Debt

The following table sets forth the debt balances and activity as of, and for the six months ended, June 30, 2025:

(in millions)	December 31, 2024	Proceeds from Issuances and Borrowings ⁽¹⁾	Note Redemption	Repayments	Reclassifications ⁽¹⁾	Other ⁽²⁾	June 30, 2025
Short-term debt	\$ 4,068	\$ —	\$ (3,000)	\$ (736)	\$ 6,087	\$ (11)	\$ 6,408
Long-term debt	72,700	7,768	—	—	(6,087)	637	75,018
Total debt to third parties	76,768	7,768	(3,000)	(736)	—	626	81,426
Long-term debt to affiliates	1,497	—	—	—	—	—	1,497
Total debt	\$ 78,265	\$ 7,768	\$ (3,000)	\$ (736)	\$ —	\$ 626	\$ 82,923

(1) Issuances and borrowings and reclassifications are recorded net of accrued or paid issuance costs and discounts.

(2) Other includes the amortization of premiums, discounts, debt issuance costs and consent fees and the impact from changes in foreign currency exchange rates.

Our effective interest rate, excluding the impact of derivatives and capitalized interest, was 4.1% on weighted-average debt outstanding of \$83.5 billion and \$78.6 billion for the three months ended June 30, 2025 and 2024, respectively, and 4.1% on weighted-average debt outstanding of \$81.7 billion and \$78.0 billion for the six months ended June 30, 2025 and 2024, respectively. The weighted-average debt outstanding was calculated by applying an average of the monthly ending balances of total short-term and long-term debt to third parties and short-term and long-term debt to affiliates, net of unamortized premiums, discounts, debt issuance costs and consent fees.

Issuances and Borrowings

During the six months ended June 30, 2025, we issued and borrowed the following debt:

(in millions)	Principal Issuances	Discounts and Issuance Costs, Net	Net Proceeds from Issuance of Long-Term Debt	Issue Date
3.150% Senior Notes due 2032 (EUR-denominated)	\$ 1,036	\$ (5)	\$ 1,031	February 11, 2025
3.500% Senior Notes due 2037 (EUR-denominated)	1,036	(8)	1,028	February 11, 2025
3.800% Senior Notes due 2045 (EUR-denominated)	777	(7)	770	February 11, 2025
5.125% Senior Notes due 2032	1,250	(7)	1,243	March 27, 2025
5.300% Senior Notes due 2035	1,000	(7)	993	March 27, 2025
5.875% Senior Notes due 2055	1,250	(15)	1,235	March 27, 2025
Total of Senior Notes issued	6,349	(49)	6,300	
4.740% Class A Senior ABS Notes due 2029	500	(2)	498	February 27, 2025
Total of ABS Notes issued	500	(2)	498	
4.927% ECA Facility due 2036	1,000	(30)	970	March 17, 2025
Total of credit facility borrowed	1,000	(30)	970	
Total Issuances and Borrowings	\$ 7,849	\$ (81)	\$ 7,768	

On May 23, 2025, we launched exchange offers for any and all of certain outstanding senior notes of UScellular. As of July 1, 2025, the total principal amount of certain outstanding UScellular senior notes validly tendered was \$1.7 billion. See [Note 2 - Business Combinations](#) for further information regarding the UScellular Acquisition.

Note Redemption and Repayments

During the six months ended June 30, 2025, we made the following redemption and repayments:

(in millions)	Principal Amount	Payment Date
3.500% Senior Notes due 2025	\$ 3,000	April 15, 2025
Total Redemption	<u>\$ 3,000</u>	
4.738% Secured Series 2018-1 A-1 Notes due 2025	\$ 131	January 13, 2025
ECA Facility due 2036	43	March 17, 2025
5.152% Series 2018-1 A-2 Notes due 2028	184	Various
4.910% Class A Senior ABS Notes due 2025	378	Various
Total Repayments	<u>\$ 736</u>	

Asset-backed Notes

On February 27, 2025, we issued \$500 million of 4.740% Class A Senior ABS Notes to third parties in a private placement transaction. Net proceeds of \$498 million from these ABS Notes are presented in Proceeds from issuance of long-term debt, net on our Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025.

As of June 30, 2025, \$1.7 billion of our ABS Notes were secured in total by \$2.3 billion of gross EIP receivables and future collections on such receivables. Our ABS Notes and the assets securing this debt are included on our Condensed Consolidated Balance Sheets.

The expected maturities of our ABS Notes as of June 30, 2025, were as follows:

(in millions)	Expected Maturities
2025	\$ 192
2026	594
2027	822
2028	84
Total	<u>\$ 1,692</u>

Variable Interest Entities

In connection with our ABS Notes issuances, we formed a wholly owned subsidiary, which qualifies as a bankruptcy remote entity (the “ABS BRE”), and a trust (the “ABS Trust” and together with the ABS BRE, the “ABS Entities”), in which the ABS BRE holds a residual interest. Each of the ABS Entities meet the definition of a VIE for which we have determined that we are the primary beneficiary, as we have the power to direct the activities of the ABS Entities that most significantly impact their performance. Accordingly, we include the balances and results of operations of the ABS Entities on our condensed consolidated financial statements.

The following table summarizes the carrying amounts and classification of assets and liabilities included on our Condensed Consolidated Balance Sheets with respect to the ABS Entities:

(in millions)	June 30, 2025	December 31, 2024
Assets		
Equipment installment plan receivables, net	\$ 1,635	\$ 1,472
Equipment installment plan receivables due after one year, net	444	352
Other current assets	213	151
Liabilities		
Accounts payable and accrued liabilities	\$ 2	\$ 2
Short-term debt	431	570
Long-term debt	1,257	996

See [Note 4 – Receivables and Related Allowance for Credit Losses](#) for additional information on the EIP receivables used to secure the ABS Notes.

Restricted Cash

Certain provisions of our debt agreements require us to maintain specified cash collateral balances. Amounts associated with these balances are considered to be restricted cash. See [Note 15 – Additional Financial Information](#) for our reconciliation of Cash and cash equivalents, including restricted cash.

ECA Facility

On January 31, 2025, our wholly owned subsidiary, T-Mobile USA, Inc., entered into a credit agreement with certain financial institutions, backed by an Export Credit Agency (the “ECA Facility”), providing for a loan of up to \$1.0 billion to finance network equipment-related purchases. The obligations under the ECA Facility are also guaranteed by us and by all of our wholly owned domestic restricted subsidiaries (subject to customary exceptions). On March 17, 2025, we drew down the full \$1.0 billion available under the ECA Facility and recognized the net proceeds within Proceeds from issuance of long-term debt, net on our Condensed Consolidated Statements of Cash Flows. Borrowings under the ECA facility are amortized semi-annually in equal installments up to the maturity date of March 15, 2036. Interest is based on the Secured Overnight Financing Rate for the interest period plus an applicable margin.

Note 9 – Tower Obligations

Existing CCI Tower Lease Arrangements

In 2012, we conveyed to Crown Castle International Corp. (“CCI”) the exclusive right to manage and operate approximately 6,200 tower sites (“CCI Lease Sites”) via a master prepaid lease with site lease terms ranging from 23 to 37 years. CCI has fixed-price purchase options for the CCI Lease Sites totaling approximately \$2.0 billion, exercisable annually on a per-tranche basis at the end of the lease term during the period from December 31, 2035, through December 31, 2049. If CCI exercises its purchase option for any tranche, it must purchase all the towers in the tranche. We lease back a portion of the space at certain tower sites.

Assets and liabilities associated with the operation of the tower sites were transferred to special purpose entities (“SPEs”). Assets included ground lease agreements or deeds for the land on which the towers are situated, the towers themselves and existing subleasing agreements with other mobile network operator tenants that lease space at the tower sites. Liabilities included the obligation to pay ground lease rentals, property taxes and other executory costs.

We determined the SPEs containing the CCI Lease Sites (“Lease Site SPEs”) are VIEs as they lack sufficient equity to finance their activities. We have a variable interest in the Lease Site SPEs but are not the primary beneficiary as we lack the power to direct the activities that most significantly impact the Lease Site SPEs’ economic performance. These activities include managing tenants and underlying ground leases, performing repair and maintenance on the towers, the obligation to absorb expected losses and the right to receive the expected future residual returns from the purchase option to acquire the CCI Lease Sites. As we determined that we are not the primary beneficiary and do not have a controlling financial interest in the Lease Site SPEs, the Lease Site SPEs are not included on our condensed consolidated financial statements.

However, we also considered if this arrangement resulted in the sale of the CCI Lease Sites for which we would derecognize the tower assets. By assessing whether control had transferred, we concluded that transfer of control criteria, as discussed in the revenue standard, were not met. Accordingly, we recorded this arrangement as a financing whereby we recorded debt, a financial obligation, and the CCI Lease Sites tower assets remained on our Condensed Consolidated Balance Sheets. We recorded long-term financial obligations in the amount of the net proceeds received and recognize interest on the tower obligations. The tower obligations are increased by interest expense and amortized through contractual leaseback payments made by us to CCI and through net cash flows generated and retained by CCI from the operation of the tower sites.

Acquired CCI Tower Lease Arrangements

Prior to our merger (the “Sprint Merger”) with Sprint Corporation (“Sprint”), Sprint entered into a lease-out and leaseback arrangement with Global Signal Inc., a third party that was subsequently acquired by CCI, that conveyed to CCI the exclusive right to manage and operate approximately 6,400 tower sites (“Master Lease Sites”) via a master prepaid lease. These agreements were assumed upon the close of the Sprint Merger, at which point the remaining term of the lease-out was approximately 17 years with no renewal options. CCI has a fixed price purchase option for all (but not less than all) of the leased or subleased sites for approximately \$2.3 billion, exercisable one year prior to the expiration of the agreement and ending 120 days prior to the expiration of the agreement. We lease back a portion of the space at certain tower sites.

We considered if this arrangement resulted in the sale of the Master Lease Sites for which we would derecognize the tower assets. By assessing whether control had transferred, we concluded that transfer of control criteria, as discussed in the revenue standard, were not met. Accordingly, we recorded this arrangement as a financing whereby we recorded debt, a financial obligation, and the Master Lease Sites tower assets remained on our Condensed Consolidated Balance Sheets.

We recognize interest expense on the tower obligations. The tower obligations are increased by the interest expense and amortized through contractual leaseback payments made by us to CCI. The tower assets are reported in Property and equipment, net on our Condensed Consolidated Balance Sheets and are depreciated to their estimated residual values over the expected useful life of the towers, which is 20 years.

Leaseback Arrangement

On January 3, 2022, we entered into an agreement (the “Crown Agreement”) with CCI. The Crown Agreement extends the current term of the leasebacks by up to 12 years and modifies the leaseback payments for both the Existing CCI Tower Lease Arrangements and the Acquired CCI Tower Lease Arrangements. As a result of the Crown Agreement, there was an increase in our financing obligation as of the effective date of the Crown Agreement of approximately \$1.2 billion, with a corresponding decrease to Other long-term liabilities associated with unfavorable contract terms. The modification resulted in a revised interest rate under the effective interest method for the tower obligations: 11.6% for the Existing CCI Tower Lease Arrangements and 5.3% for the Acquired CCI Tower Lease Arrangements. There were no changes made to either of our master prepaid leases with CCI.

The following table summarizes the balances associated with both of the tower arrangements on our Condensed Consolidated Balance Sheets:

(in millions)	June 30, 2025	December 31, 2024
Property and equipment, net	\$ 1,995	\$ 2,069
Tower obligations	3,603	3,664
Other long-term liabilities	554	554

Future minimum payments related to the tower obligations are approximately \$384 million for the 12-month period ending June 30, 2026, \$798 million in total for both of the 12-month periods ending June 30, 2027 and 2028, \$848 million in total for both of the 12-month periods ending June 30, 2029 and 2030, and \$3.5 billion in total thereafter.

We are contingently liable for future ground lease payments through the remaining term of the CCI Lease Sites and the Master Lease Sites. These contingent obligations are not included in Operating lease liabilities, as any amount due is contractually owed by CCI based on the subleasing arrangement. Under the arrangement, we remain primarily liable for ground lease payments on approximately 900 sites and have included lease liabilities of \$247 million in our Operating lease liabilities as of June 30, 2025.

Note 10 – Revenue from Contracts with Customers

Disaggregation of Revenue

We provide wireless communications services to three primary categories of customers:

- Postpaid customers generally include customers who are qualified to pay after receiving wireless communications services utilizing phones, 5G broadband, fiber, mobile internet devices (including tablets and hotspots), wearables, DIGITS and other connected devices (including SyncUP and IoT);
- Prepaid customers generally include customers who pay for wireless communications services in advance; and
- Wholesale customers include Machine-to-Machine and Mobile Virtual Network Operator customers that operate on our network but are managed by wholesale partners.

Postpaid service revenues, including postpaid phone revenues and postpaid other revenues, were as follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Postpaid service revenues				
Postpaid phone revenues	\$ 12,119	\$ 11,310	\$ 23,852	\$ 22,455
Postpaid other revenues	1,959	1,589	3,820	3,075
Total postpaid service revenues	<u>\$ 14,078</u>	<u>\$ 12,899</u>	<u>\$ 27,672</u>	<u>\$ 25,530</u>

The balances presented in each revenue line item on our Condensed Consolidated Statements of Comprehensive Income represent categories of revenue from contracts with customers disaggregated by type of product and service. Postpaid and prepaid service revenues also include revenues earned for providing premium services to customers, such as device insurance services. Revenue generated from the lease of mobile communication devices is included in Equipment revenues on our Condensed Consolidated Statements of Comprehensive Income.

Contract Balances

The contract asset and contract liability balances from contracts with customers as of June 30, 2025, and December 31, 2024, were as follows:

(in millions)	Contract Assets	Contract Liabilities
Balance as of December 31, 2024	\$ 720	\$ 1,219
Balance as of June 30, 2025	910	1,216
Change	<u>\$ 190</u>	<u>\$ (3)</u>

Contract assets primarily represent revenue recognized for equipment sales with promotional bill credits offered to customers that are paid over time and are contingent on the customer maintaining a service contract.

The change in the contract asset balance reflects customer activity related to new promotions, offset by billings on existing contracts and impairment, which is recognized as bad debt expense. The current portion of our contract assets of \$651 million and \$492 million as of June 30, 2025, and December 31, 2024, respectively, was included in Other current assets on our Condensed Consolidated Balance Sheets.

Contract liabilities are recorded when fees are collected, or we have an unconditional right to consideration (a receivable) in advance of delivery of goods or services. Changes in contract liabilities are primarily related to the activity of prepaid customers, including customers acquired through the Ka'ena Acquisition. Contract liabilities are primarily included in Deferred revenue on our Condensed Consolidated Balance Sheets.

Revenues for the three and six months ended June 30, 2025 and 2024, include the following:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Amounts included in the beginning of year contract liability balance	\$ 147	\$ 33	\$ 1,050	\$ 731

Remaining Performance Obligations

As of June 30, 2025, the aggregate amount of the transaction price allocated to remaining service performance obligations for postpaid contracts with subsidized devices and promotional bill credits that result in an extended service contract is \$2.0 billion. We expect to recognize revenue as the service is provided on these postpaid contracts over an extended contract term of 24 months from the time of origination.

Information about remaining performance obligations that are part of a contract that has an original expected duration of one year or less has been excluded from the above, which primarily consists of monthly service contracts.

Certain of our wholesale, roaming and service contracts include variable consideration based on usage and performance. This variable consideration has been excluded from the disclosure of remaining performance obligations. As of June 30, 2025, the aggregate amount of the contractual minimum consideration for wholesale, roaming and service contracts is \$466 million, \$1.2 billion and \$2.5 billion for the remainder of 2025, 2026 and 2027 and beyond, respectively. These contracts have a remaining duration ranging from less than one year to seven years.

Contract Costs

The balance of deferred incremental costs to obtain contracts with customers was \$1.9 billion and \$2.0 billion for June 30, 2025, and December 31, 2024, respectively, and is included in Other assets on our Condensed Consolidated Balance Sheets. Deferred contract costs incurred to obtain postpaid service contracts are amortized over a period of 24 months. The amortization period is monitored to reflect any significant change in assumptions. Amortization of deferred contract costs included in Selling, general and administrative expenses on our Condensed Consolidated Statements of Comprehensive Income were \$478 million and \$489 million for the three months ended June 30, 2025 and 2024, respectively, and \$963 million and \$978 million for the six months ended June 30, 2025 and 2024, respectively.

The deferred contract cost asset is assessed for impairment on a periodic basis. There were no impairment losses recognized on deferred contract cost assets for the three and six months ended June 30, 2025 and 2024.

Note 11 – Segment Reporting

We manage our business activities on a consolidated basis and operate as a single operating segment: Wireless. We primarily derive our revenue in the United States by providing wireless communications services to customers using our wireless networks and selling devices that provide customers access to our wireless networks. The accounting policies of the Wireless segment are the same as those described in Part II, Item 8, Note 1 – Summary of Significant Accounting Policies of our Annual Report on Form 10-K for the year ended December 31, 2024.

Our chief operating decision maker (“CODM”) is our President and Chief Executive Officer, G. Michael Sievert. The CODM uses Net income, as reported on our Condensed Consolidated Statements of Comprehensive Income, in evaluating performance of the Wireless segment and determining how to allocate resources of the Company as a whole, including investing in our networks and customers, stockholder return programs and acquisition strategy. The CODM does not review assets in evaluating the results of the Wireless segment, and therefore, such information is not presented.

The following table provides the operating financial results of our Wireless segment:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total revenues	\$ 21,132	\$ 19,772	\$ 42,018	\$ 39,366
Less: Significant and other segment expenses				
Cost of equipment sales	4,659	4,088	9,457	8,487
Employee expenses	1,902	1,725	3,811	3,408
Lease expense	1,258	1,257	2,465	2,525
Advertising expense	864	741	1,676	1,389
Bad debt expense	265	255	588	537
Other segment items ⁽¹⁾	3,825	3,828	7,664	7,773
Depreciation and amortization	3,146	3,248	6,344	6,619
Interest expense, net	922	854	1,838	1,734
Other expense (income), net	11	8	57	(12)
Income tax expense	1,058	843	1,943	1,607
Segment net income	\$ 3,222	\$ 2,925	\$ 6,175	\$ 5,299

(1) Other segment items included in Segment net income primarily includes certain third-party commissions, external labor and services and backhaul expenses.

Note 12 – Stockholder Return Program

2025 Stockholder Return Program

On December 13, 2024, we announced that our Board of Directors authorized our 2025 Stockholder Return Program of up to \$14.0 billion that will run through December 31, 2025 (the “2025 Stockholder Return Program”). The 2025 Stockholder Return Program consists of repurchases of shares of our common stock and the payment of cash dividends. The amount available under the 2025 Stockholder Return Program for share repurchases will be reduced by the amount of any cash dividends declared and paid by us.

On November 21, 2024, our Board of Directors declared a cash dividend of \$0.88 per share on our issued and outstanding common stock, which was paid on March 13, 2025, to stockholders of record as of the close of business on February 28, 2025.

On February 6, 2025, our Board of Directors declared a cash dividend of \$0.88 per share on our issued and outstanding common stock, which was paid on June 12, 2025, to stockholders of record as of the close of business on May 30, 2025.

On June 5, 2025, our Board of Directors declared a cash dividend of \$0.88 per share on our issued and outstanding common stock, which will be paid on September 11, 2025, to stockholders of record as of the close of business on August 29, 2025.

During the three and six months ended June 30, 2025, we paid an aggregate of \$996 million and \$2.0 billion, respectively, in cash dividends to our stockholders, which were presented within Net cash used in financing activities on our Condensed Consolidated Statements of Cash Flows, of which during the three and six months ended June 30, 2025, \$518 million and \$1.0 billion, respectively, were paid to Deutsche Telekom AG (“DT”). As of June 30, 2025, \$986 million for dividends payable is presented within Other current liabilities on our Condensed Consolidated Balance Sheets, of which \$518 million is payable to DT.

During the three months ended June 30, 2025, we repurchased 10,148,791 shares of our common stock at an average price per share of \$243.32 for a total purchase price of \$2.5 billion, and during the six months ended June 30, 2025, we repurchased 20,240,018 shares of our common stock at an average price per share of \$244.04 for a total purchase price of \$4.9 billion, under the 2025 Stockholder Return Program. All shares repurchased during the three and six months ended June 30, 2025, were purchased at market price. As of June 30, 2025, we had up to \$7.1 billion remaining under the 2025 Stockholder Return Program for repurchases of shares and quarterly dividends through December 31, 2025.

Subsequent to June 30, 2025, from July 1, 2025, through July 18, 2025, we repurchased 2,032,767 shares of our common stock at an average price per share of \$232.16 for a total purchase price of \$472 million. As of July 18, 2025, we had up to \$6.6 billion remaining under the 2025 Stockholder Return Program for repurchases of shares and quarterly dividends through December 31, 2025.

Note 13 – Earnings Per Share

The computation of basic and diluted earnings per share was as follows:

(in millions, except shares and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 3,222	\$ 2,925	\$ 6,175	\$ 5,299
Weighted-average shares outstanding – basic ⁽¹⁾	1,132,760,465	1,170,025,862	1,136,627,715	1,177,662,179
Effect of dilutive securities:				
Outstanding stock options, unvested stock awards ⁽¹⁾	2,086,501	2,421,491	3,143,024	3,267,700
Weighted-average shares outstanding – diluted	1,134,846,966	1,172,447,353	1,139,770,739	1,180,929,879
Earnings per share – basic	\$ 2.84	\$ 2.50	\$ 5.43	\$ 4.50
Earnings per share – diluted	\$ 2.84	\$ 2.49	\$ 5.42	\$ 4.49
Potentially dilutive securities:				
Outstanding stock options and unvested stock awards	2,479,780	1,827	80,012	955
Ka’ena Acquisition earnout ⁽²⁾	—	932,755	—	466,377

(1) During the second quarter of 2025, the weighted-average number of shares issuable related to the Ka’ena Acquisition earnout (“Ka’ena Shares”) are included in our calculations of basic and diluted weighted-average shares outstanding based on the 20 trading day volume-weighted average price, as further described below.

(2) Represents the Ka’ena Shares that were contingently issuable based on achievement of specified performance indicators from the Ka’ena Acquisition closing date of May 1, 2024, based on the maximum number of shares contingently issuable for the earnout and 20 trading day volume-weighted average price as of June 30, 2024.

As of June 30, 2025, we had authorized 100 million shares of preferred stock, with a par value of \$0.00001 per share. There was no preferred stock outstanding as of June 30, 2025 and 2024. Potentially dilutive securities were not included in the computation of diluted earnings per share if to do so would have been anti-dilutive.

The Ka’ena Shares were previously contingent consideration for the Ka’ena Acquisition. On June 30, 2025, we amended the Merger and Unit Purchase Agreement to set the calculation of the earnout as the difference between the maximum purchase price of \$1.35 billion and the upfront payment, as adjusted, and removed the requirement for Ka’ena to achieve specified performance indicators. The Ka’ena Shares issuable are included in the calculation of basic and diluted weighted-average shares

outstanding for the three months ended June 30, 2025. The Ka'ena Shares are expected to be issued after the Ka'ena Acquisition earnout payment date.

Note 14 – Commitments and Contingencies

Purchase Commitments

We have commitments for non-dedicated transportation lines with varying expiration terms that generally extend through 2038. In addition, we have commitments to purchase wireless devices, network services, equipment, software, marketing sponsorship agreements and other items in the ordinary course of business, with various terms through 2045.

The following table summarizes the timing of such purchase commitments as of June 30, 2025:

(in millions)	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years	Total
Purchase commitments ⁽¹⁾	\$ 3,968	\$ 5,287	\$ 2,442	\$ 2,698	\$ 14,395

(1) These amounts are not reflective of our entire anticipated purchases under the related agreements but are determined based on the non-cancelable quantities or termination amounts to which we are contractually obligated.

On April 24, 2024, we entered into a definitive agreement with a fund operated by EQT, Fund VI, to establish a joint venture between us and Fund VI to acquire Lumos, a fiber-to-the-home platform, from EQT's predecessor fund, EQT Infrastructure III. On April 1, 2025, we completed the joint acquisition of Lumos. Pursuant to the definitive agreement, we expect to make an additional capital contribution of approximately \$500 million between 2027 and 2028 under the existing business plan. The additional capital contribution is excluded from our reported purchase commitments above. See [Note 3 – Joint Ventures](#) for additional details.

On May 1, 2024, we completed the Ka'ena Acquisition. The total purchase price consists of an upfront payment on the Ka'ena Acquisition Date and an earnout payable on August 1, 2026. Based on the adjusted amount paid upfront, an additional \$420 million in future cash and T-Mobile common stock is payable in satisfaction of the earnout. The earnout is excluded from our reported purchase commitments above. See [Note 2 – Business Combinations](#) for additional details.

On May 24, 2024, we entered into a securities purchase agreement with UScellular, Telephone and Data Systems, Inc., and USCC Wireless Holdings, LLC, pursuant to which, among other things, we will acquire substantially all of UScellular's wireless operations and select spectrum assets for an aggregate purchase price of approximately \$4.4 billion, payable in cash and the assumption of up to \$2.0 billion of debt through exchange offers to certain UScellular debtholders prior to closing. To the extent any debtholders do not participate in the Exchange Offers, their senior notes will continue as obligations of UScellular, and the cash portion of the purchase price will be correspondingly increased. Following the closing of the transaction, we will enter into a 15-year master license agreement and estimate the incremental future minimum lease payments will be \$1.4 billion over 15 years post-closing. The estimated purchase price and incremental minimum lease payments are excluded from our reported purchase commitments above. See [Note 2 – Business Combinations](#) for additional details.

On July 18, 2024, we entered into a definitive agreement with KKR to establish a joint venture to acquire Metronet, a fiber-to-the-home platform. At closing, we expect to invest approximately \$4.6 billion, adjusted for Metronet's incremental pre-close debt financing, to acquire a 50% equity interest in the joint venture and all existing residential fiber customers, as well as funding of the joint venture. The estimated purchase price is excluded from our reported purchase commitments above. See [Note 3 – Joint Ventures](#) for additional details.

Sprint Merger Commitments

In connection with the regulatory proceedings and approvals of the Sprint Merger 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, we have commitments and other obligations to various state and federal agencies and certain nongovernmental organizations, including pursuant to the Consent Decree agreed to by us, DT, Sprint, SoftBank Group Corp. ("SoftBank") and DISH Network Corporation and entered by the U.S. District Court for the District of Columbia, and the FCC's memorandum opinion and order approving our applications for approval of the Sprint Merger. These commitments and obligations include, among other things, extensive 5G network build-out commitments, obligations to deliver high-speed wireless services to the vast majority of Americans, including Americans residing in rural areas, and the marketing of an in-home broadband product where spectrum capacity is available. Other commitments relate to national security, pricing, service, employment and support of diversity initiatives. Many of the commitments specify time

frames for compliance and reporting. Failure to fulfill our obligations and commitments in a timely manner could result in substantial fines, penalties, or other legal and administrative actions.

Contingencies and Litigation

Litigation and Regulatory Matters

We are involved in various lawsuits and disputes, claims, government agency investigations and enforcement actions, and other proceedings (“Litigation and Regulatory Matters”) that arise in the ordinary course of business, which include claims of patent infringement (most of which are asserted by non-practicing entities primarily seeking monetary damages), class actions, and proceedings to enforce FCC or other government agency rules and regulations. Those Litigation and Regulatory Matters are at various stages, and some of them may proceed to trial, arbitration, hearing, or other adjudication that could result in fines, penalties, or awards of monetary or injunctive relief in the coming 12 months if they are not otherwise resolved. We have established an accrual with respect to certain of these matters, where appropriate. The accruals are reflected on our condensed consolidated financial statements, but they are not considered to be, individually or in the aggregate, material. An accrual is established when we believe it is both probable that a loss has been incurred and an amount can be reasonably estimated. For other matters, where we have not determined that a loss is probable or because the amount of loss cannot be reasonably estimated, we have not recorded an accrual due to various factors typical in contested proceedings, including, but not limited to, uncertainty concerning legal theories and their resolution by courts or regulators, uncertain damage theories and demands, and a less than fully developed factual record. For Litigation and Regulatory Matters that may result in a contingent gain, we recognize such gains on our condensed consolidated financial statements when the gain is realized or realizable. We recognize legal costs expected to be incurred in connection with Litigation and Regulatory Matters as they are incurred. Except as otherwise specified below, we do not expect that the ultimate resolution of these Litigation and Regulatory Matters, individually or in the aggregate, will have a material adverse effect on our financial position, but we note that an unfavorable outcome of some or all of the specific matters identified below, or other matters that we are or may become involved in could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future.

On February 28, 2020, T-Mobile and Sprint each received a Notice of Apparent Liability for Forfeiture and Admonishment from the FCC, which proposed a penalty for allegedly violating section 222 of the Communications Act and the FCC’s regulations governing the privacy of customer information. On April 29, 2024, the FCC issued Forfeiture Orders against T-Mobile and Sprint that largely adopted the allegations and conclusions of the Notices of Apparent Liability and imposed penalties on T-Mobile and Sprint. T-Mobile and Sprint paid those penalties under protest, and on June 27, 2024, T-Mobile and Sprint filed Petitions for Review challenging the FCC’s Forfeiture Orders in the United States Court of Appeals for the District of Columbia. We are unable to predict the potential outcome of those proceedings.

On April 1, 2020, in connection with the closing of the Sprint Merger, we assumed the contingencies and litigation matters of Sprint. Those matters include a wide variety of disputes, claims, government agency investigations and enforcement actions, and other proceedings. These matters include, among other things, certain ongoing FCC and state government agency investigations into Sprint’s Lifeline program. In September 2019, Sprint notified the FCC that it had claimed monthly subsidies for serving subscribers, even though these subscribers may not have met usage requirements under Sprint’s usage policy for the Lifeline program, due to an inadvertent coding issue in the system used to identify qualifying subscriber usage that occurred in July 2017 while the system was being updated. Sprint has made a number of payments to reimburse the federal government and certain states for excess subsidy payments.

We note that, pursuant to Amendment No. 2, dated as of February 20, 2020, to the Business Combination Agreement, dated as of April 29, 2018, by and among the Company, Sprint and the other parties named therein, SoftBank agreed to indemnify us against certain specified matters and losses, including those relating to the Lifeline matters described above. Resolution of these matters could require us to make additional reimbursements and pay additional fines and penalties, which we do not expect to have a significant impact on our financial results. We expect that any additional liabilities related to these indemnified matters would be indemnified and reimbursed by SoftBank.

On June 1, 2021, a putative shareholder class action and derivative lawsuit was filed in the Delaware Court of Chancery, *Dinkevich v. Deutsche Telekom AG, et al.*, Case No. C.A. No. 2021-0479, against DT, SoftBank and certain of our current and former officers and directors, asserting breach of fiduciary duty claims relating to the repricing amendment to the Business Combination Agreement and to SoftBank’s monetization of its T-Mobile shares. We are also named as a nominal defendant in the case. We are unable to predict the potential outcome of these claims.

On August 12, 2021, we became aware of a cybersecurity issue involving unauthorized access to T-Mobile's systems (the "August 2021 cyberattack"). We immediately began an investigation and engaged cybersecurity experts to assist with the assessment of the incident and to help determine what data was impacted. Our investigation uncovered that the perpetrator had illegally gained access to certain areas of our systems on or about March 18, 2021, but only gained access to and took data of current, former, and prospective customers beginning on or about August 3, 2021. With the assistance of our outside cybersecurity experts, we located and closed the unauthorized access to our systems and identified current, former and prospective customers whose information was impacted and notified them, consistent with state and federal requirements. We also undertook a number of other measures to demonstrate our continued support and commitment to data privacy and protection. We also coordinated with law enforcement. Our forensic investigation is complete, and we believe we have a full view of the data compromised.

As a result of the August 2021 cyberattack, we have become subject to numerous lawsuits, including mass arbitration claims and multiple class action lawsuits that have been filed in numerous jurisdictions seeking, among other things, unspecified monetary damages, costs and attorneys' fees arising out of the August 2021 cyberattack. In December 2021, the Judicial Panel on Multidistrict Litigation consolidated the federal class action lawsuits in the U.S. District Court for the Western District of Missouri under the caption *In re: T-Mobile Customer Data Security Breach Litigation*, Case No. 21-md-3019-BCW. On July 22, 2022, we entered into an agreement to settle the lawsuit. On June 29, 2023, the Court issued an order granting final approval of the settlement. All appeals have been resolved, and the settlement is now final. Under the terms of the settlement, we have paid an aggregate of \$350 million to fund claims submitted by class members, the legal fees of plaintiffs' counsel and the costs of administering the settlement. As required under the terms of the settlement, we have spent an aggregate of \$150 million for data security and related technology in 2022 and 2023. The settlement provides a full release of all claims arising out of the August 2021 cyberattack by class members who did not opt out, against all defendants, including us, our subsidiaries and affiliates, and our directors and officers. The settlement contains no admission of liability, wrongdoing or responsibility by any of the defendants.

We anticipate that this settlement of the class action, along with other settlements of separate consumer claims that have been previously completed or are currently pending, will resolve substantially all of the claims brought to date by our current, former and prospective customers who were impacted by the 2021 cyberattack. In connection with the class action settlement and the separate settlements, we recorded a total pre-tax charge of approximately \$400 million in the second quarter of 2022.

In addition, in September 2022, a purported Company shareholder filed a derivative action in the Delaware Court of Chancery under the caption *Harper v. Sievert, et al.*, Case No. 2022-0819-SG, against our current directors and certain of our former directors, alleging claims for breach of fiduciary duty relating to the Company's cybersecurity practices. We are also named as a nominal defendant in the lawsuit. On May 31, 2024, the court issued an opinion dismissing the plaintiff's complaint in its entirety. The plaintiff appealed that decision, and on February 17, 2025, the Delaware Supreme Court affirmed the Court of Chancery's decision dismissing the complaint. We are unable at this time to predict whether we may be subject to further private litigation relating to the August 2021 cyberattack or the Company's cybersecurity practices.

We have also received inquiries and contested legal proceedings from various government agencies, law enforcement and other governmental authorities related to the August 2021 cyberattack, which could result in substantial fines or penalties. We reached an agreement with the FCC, which was announced on September 30, 2024, to resolve one of those inquiries. We will continue to cooperate fully with the other agencies and regulators inquiring about the matter with an aim to resolve all of these matters. While we hope to resolve them in the near term, we cannot predict the timing or outcome of any of these matters or whether we may be subject to further regulatory inquiries, investigations, or enforcement actions.

In light of the inherent uncertainties involved in such matters, and based on the information currently available to us, in addition to the previously recorded pre-tax charge of approximately \$400 million noted above, we believe it is reasonably possible that we could incur additional losses associated with these proceedings and inquiries, and we will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable. Ongoing legal and other costs related to these proceedings and inquiries, as well as any potential future actions, may be substantial, and losses associated with any adverse judgments, settlements, penalties or other resolutions of such proceedings and inquiries could be material to our business, reputation, financial condition, cash flows and operating results.

On June 17, 2022, plaintiffs filed a putative antitrust class action complaint in the Northern District of Illinois, *Dale, et al. v. Deutsche Telekom AG, et al.*, Case No. 1:22-cv-03189, against DT, T-Mobile, and SoftBank, alleging that the Sprint Merger violated the antitrust laws and harmed competition in the U.S. retail cell service market. Plaintiffs seek injunctive relief and treble monetary damages on behalf of a purported class of AT&T and Verizon customers whom plaintiffs allege paid artificially inflated prices due to the Sprint Merger. We are vigorously defending this lawsuit, but we are unable to predict the potential outcome.

On January 5, 2023, we identified that a bad actor was obtaining data through a single Application Programming Interface (“API”) without authorization. Based on our investigation, the impacted API is only able to provide a limited set of customer account data, including name, billing address, email, phone number, date of birth, T-Mobile account number and information, such as the number of lines on the account and plan features. The result from our investigation indicates that the bad actor(s) obtained data from this API for approximately 37 million current postpaid and prepaid customer accounts, though many of these accounts did not include the full data set. We believe that the bad actor first retrieved data through the impacted API starting on or around November 25, 2022. We have notified individuals whose information was impacted consistent with state and federal requirements.

In connection with the January 2023 cyberattack, we became subject to consumer class actions and regulatory inquiries, to which we will continue to respond in due course and may incur significant expenses. However, we cannot predict the timing or outcome of any of these potential matters or whether we may be subject to additional legal proceedings, claims, regulatory inquiries, investigations, or enforcement actions.

On February 25, 2025, a purported Company shareholder filed a putative class action and derivative lawsuit in the Delaware Court of Chancery under the caption *Palkon v. Deutsche Telekom AG, et al.*, Case No. 2025-0211-PAF, against four DT entities, our current directors, and certain of our former directors, asserting breach of fiduciary duty and unjust enrichment claims relating to our 2022 Stock Repurchase Program and our 2023-2024 Stockholder Return Program. We are also named as a nominal defendant in the lawsuit. We are unable to predict the potential outcome of these claims.

Note 15 – Additional Financial Information

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are summarized as follows:

(in millions)	June 30, 2025	December 31, 2024
Accounts payable	\$ 4,144	\$ 4,242
Property and other taxes, including payroll	1,397	1,524
Payroll and related benefits	740	1,072
Accrued interest	929	905
Other accrued liabilities	592	720
Accounts payable and accrued liabilities	<u>\$ 7,802</u>	<u>\$ 8,463</u>

Book overdrafts included in Accounts payable were \$267 million and \$460 million as of June 30, 2025, and December 31, 2024, respectively.

Supplemental Condensed Consolidated Statements of Cash Flows Information

The following table summarizes T-Mobile’s supplemental cash flow information:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest payments, net of amounts capitalized	\$ 992	\$ 935	\$ 1,926	\$ 1,831
Operating lease payments	1,202	1,457	2,416	2,801
Income tax payments	347	107	362	114
Non-cash investing and financing activities				
Non-cash beneficial interest obtained in exchange for securitized receivables	\$ —	\$ 833	\$ —	\$ 1,494
Change in accounts payable and accrued liabilities for purchases of property and equipment	(131)	(232)	(594)	(1,126)
Operating lease right-of-use assets obtained in exchange for lease obligations	593	344	1,074	831
Financing lease right-of-use assets obtained in exchange for lease obligations	430	311	678	574
Deferred consideration related to the Ka’ena Acquisition	—	210	—	210

Cash and Cash Equivalents, Including Restricted Cash

Cash and cash equivalents, including restricted cash, presented on our Condensed Consolidated Statements of Cash Flows were included on our Condensed Consolidated Balance Sheets as follows:

(in millions)	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 10,259	\$ 5,409
Restricted cash (included in Other current assets)	242	231
Restricted cash (included in Other assets)	84	73
Cash and cash equivalents, including restricted cash	<u>\$ 10,585</u>	<u>\$ 5,713</u>

Note 16 – Subsequent Events

On July 9, 2025, we received all necessary regulatory approvals, and the joint acquisition of Metronet is expected to close on July 24, 2025. See [Note 3 - Joint Ventures](#) for additional information.

On July 11, 2025, we received all necessary regulatory approvals, and the UScellular Acquisition is expected to close on August 1, 2025. See [Note 2 - Business Combinations](#) for additional information.

From July 1, 2025, through July 18, 2025, we repurchased 2,032,767 shares of our common stock at an average price per share of \$232.16 for a total purchase price of \$472 million. See [Note 12 - Stockholder Return Program](#) for additional information.

On July 22, 2025, we entered into asset purchase agreements for the acquisition of substantially all of the wireless operations assets of the Iowa Entities for an aggregate purchase price of approximately \$170 million. See [Note 2 - Business Combinations](#) for additional information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Form 10-Q") of T-Mobile US, Inc. ("T-Mobile," "we," "our," "us" or the "Company") 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 our 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 that may cause actual results to differ materially from the forward-looking statements. The following important factors, along with the Risk Factors included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, and [Part II, Item 1A](#) of this Form 10-Q, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- 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 timely adopt and effectively deploy network technology developments;
- our inability to effectively execute our digital transformation and drive customer and employee adoption of emerging technologies;
- 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 timing and effects of any pending and future acquisition, divestiture, investment, joint venture or merger involving us, including our inability to obtain any required regulatory approval necessary to consummate any such transactions or to achieve the expected benefits of such transactions;
- adverse economic, political or market conditions in the U.S. and international markets, including changes resulting from increases in inflation or interest rates, tariffs and trade restrictions, supply chain disruptions, fluctuations in global currencies, immigration policies, and impacts of geopolitical instability, such as the Ukraine-Russia, Iran-Israel and Israel-Hamas wars and further escalations thereof;
- potential operational delays, higher procurement and operational costs, and regulatory and compliance complexities as a result of changes to trade policies, including higher tariffs, restrictions and other economic disincentives to trade;
- our inability to successfully deliver new products and services;
- any disruption or failure of our third parties (including key suppliers) to provide products or services for the operation of our business;
- sociopolitical volatility and polarization and risks related to environmental, social and governance matters;
- our substantial level of indebtedness and our inability to service our debt obligations in accordance with their terms;
- changes in the credit market conditions, credit rating downgrades or an inability to access debt markets;
- our inability to maintain effective internal control over financial reporting;
- any changes in regulations or in the regulatory framework under which we operate;
- laws and regulations relating to the handling of privacy, data protection and artificial intelligence;
- unfavorable outcomes of and increased costs from existing or future regulatory or legal proceedings;
- difficulties in protecting our intellectual property rights or if we infringe on the intellectual property rights of others;
- our offering of regulated financial services products and exposure to a wide variety of state and federal regulations;
- new or amended tax laws or regulations or administrative interpretations and judicial decisions affecting the scope or application of tax laws or regulations;
- our wireless licenses, including those controlled through leasing agreements, are subject to renewal and may be revoked;
- our exclusive forum provision as provided in our Certificate of Incorporation;
- interests of Deutsche Telekom AG ("DT"), our controlling stockholder, which may differ from the interests of other stockholders;

- our current and future stockholder return programs 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
- future sales of our common stock by DT and SoftBank Group Corp. (“SoftBank”) and our inability to attract additional equity financing outside the United States due to foreign ownership limitations by the Federal Communications Commission (“FCC”).

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.

Investors and others should note that we announce material information to our investors using our investor relations website (<https://investor.t-mobile.com>), newsroom website (<https://t-mobile.com/news>), press releases, SEC filings and public conference calls and webcasts. We intend to also use certain social media accounts as a means of disclosing information about us and our services and for complying with our disclosure obligations under Regulation FD (the @TMobileIR X account (<https://x.com/TMobileIR>), the @MikeSievert X account (<https://x.com/MikeSievert>) and our Chief Executive Officer’s LinkedIn account (<https://www.linkedin.com/in/sievert>), both of which Mr. Sievert also uses as a means for personal communications and observations, and the @TMobileCFO X account (<https://x.com/tmobilecfo>) and our Chief Financial Officer’s LinkedIn account (<https://www.linkedin.com/in/peter-osvaldik-3887394>), both of which Mr. Osvaldik also uses as a means for personal communication and observations). The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these social media channels in addition to following our press releases, SEC filings and public conference calls and webcasts. The social media channels that we intend to use as a means of disclosing the information described above may be updated from time to time as listed on our investor relations website.

Overview

The objectives of our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) are to provide users of our condensed consolidated financial statements with the following:

- A narrative explanation from the perspective of management of our financial condition, results of operations, cash flows, liquidity and certain other factors that may affect future results;
- Context to the condensed consolidated financial statements; and
- Information that allows assessment of the likelihood that past performance is indicative of future performance.

Our MD&A is provided as a supplement to, and should be read together with, our unaudited condensed consolidated financial statements as of and for the three and six months ended June 30, 2025, included in [Part I, Item 1](#) of this Form 10-Q, and audited consolidated financial statements, included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2024. Except as expressly stated, the financial condition and results of operations discussed throughout our MD&A are those of T-Mobile US, Inc. and its consolidated subsidiaries.

Sprint Merger-Related Costs

As of June 30, 2024, we have incurred substantially all restructuring and integration costs associated with our merger (the “Sprint Merger”) with Sprint Corporation (“Sprint”) and, accordingly, no longer separately disclose Sprint Merger-related costs. The cash payments for the Sprint Merger-related costs incurred extend beyond 2025 and primarily relate to operating leases for which we have recognized accelerated lease expense.

Sprint Merger-related costs were excluded from our calculations of Adjusted EBITDA and Core Adjusted EBITDA for the three and six months ended June 30, 2024, which are non-GAAP financial measures, as we do not consider these costs to be reflective of our ongoing operating performance. See “Adjusted EBITDA and Core Adjusted EBITDA” in the [“Performance Measures”](#) section of this MD&A.

Net cash payments for Sprint Merger-related costs, including payments related to our restructuring plan, are included in Net cash provided by operating activities on our Condensed Consolidated Statements of Cash Flows and our calculation of Adjusted Free Cash Flow and were \$61 million and \$241 million for the three months ended June 30, 2025 and 2024, respectively, and \$122 million and \$534 million for the six months ended June 30, 2025 and 2024, respectively.

Joint Ventures

On April 24, 2024, we entered into a definitive agreement with a fund operated by EQT, EQT Infrastructure VI (“Fund VI”), to establish a joint venture between us and Fund VI to acquire Lumos (“Lumos”), a fiber-to-the-home platform, from EQT’s predecessor fund, EQT Infrastructure III. On April 1, 2025, we completed the joint acquisition of Lumos, upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals. During the three months ended June 30, 2025, we invested \$932 million to acquire a 50% equity interest in the joint venture and 97,000 fiber customers. The funds invested by us will be used to fund future fiber builds. In addition, pursuant to the definitive agreement, we expect to make an additional capital contribution of approximately \$500 million between 2027 and 2028 under the existing business plan. Following the joint acquisition, Lumos transitioned to a wholesale model where we are the anchor tenant owning residential and small business customer relationships. We account for the Lumos joint venture under the equity method of accounting with our proportionate share of earnings presented within Other (expense) income, net on our Condensed Consolidated Statements of Comprehensive Income. We recognize revenues for fiber customers and the related wholesale costs paid to the joint venture for network access within Postpaid revenues and Cost of services, respectively, on our Condensed Consolidated Statements of Comprehensive Income.

On July 18, 2024, we entered into a definitive agreement with KKR & Co. Inc. (“KKR”) to establish a joint venture to acquire Metronet Holdings, LLC and certain of its affiliates (collectively, “Metronet”), a fiber-to-the-home platform. At closing, we expect to invest approximately \$4.6 billion, adjusted for Metronet’s incremental pre-close debt financing, to acquire a 50% equity interest in the joint venture and all existing residential fiber customers, as well as funding of the joint venture. We do not anticipate making further capital contributions following the closing under the existing business plan. Following the joint acquisition, Metronet will become a wholesale services provider, and its residential fiber retail operations and customers will transition to us. On July 9, 2025, we received all necessary regulatory approvals, and the joint acquisition of Metronet is expected to close on July 24, 2025. Upon closing of the transaction, we expect to account for the Metronet joint venture under the equity method of accounting and recognize revenues for fiber customers and the related wholesale costs paid to the joint venture for network access within Postpaid revenues and Cost of services, respectively, on our Condensed Consolidated Statements of Comprehensive Income.

The joint ventures will focus on market identification and selection, build plans, network engineering and design, network deployment and customer installation, with us owning customer relationships and selling fiber service under the T-Mobile brand.

For more information regarding the Lumos and Metronet joint ventures, see [Note 3 – Joint Ventures](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of Ka’ena Corporation

On May 1, 2024 (the “Ka’ena Acquisition Date”), we completed the merger with Ka’ena Corporation and its subsidiaries, including, among others, Mint Mobile LLC (collectively, “Ka’ena”), and as a result, Ka’ena became a wholly owned subsidiary of T-Mobile (the “Ka’ena Acquisition”). The total purchase price consists of an upfront payment on the Ka’ena Acquisition Date and an earnout payable on August 1, 2026. On the Ka’ena Acquisition Date, and in satisfaction of the upfront payment, we transferred \$420 million in cash and 3,264,952 shares of T-Mobile common stock valued at \$536 million as determined based on its closing market price on April 30, 2024, for a total payment fair value of \$956 million. A portion of the upfront payment made on the Ka’ena Acquisition Date was for the settlement of the preexisting wholesale relationship with Ka’ena. The amount of the upfront payment was subject to customary adjustments, and as a result of such adjustments, \$17 million of the upfront payment was returned to T-Mobile during the fourth quarter of 2024, which resulted in a commensurate increase in the maximum payable in satisfaction of the earnout.

Based on the adjusted amount paid upfront, an additional \$420 million in future cash and T-Mobile common stock is payable in satisfaction of the earnout.

Prior to the Ka’ena Acquisition, Ka’ena was a wholesale partner of the Company for which we recognized service revenues within Wholesale and other service revenues. Upon the closing of the Ka’ena Acquisition, this relationship was effectively terminated, and the Company acquired Ka’ena’s prepaid customer relationships and began to recognize service revenues associated with these customers within Prepaid revenues and operating expenses primarily within Selling, general and administrative expenses on our Condensed Consolidated Statements of Comprehensive Income subsequent to the Ka’ena Acquisition Date.

For more information regarding the Ka’ena Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of USCellular Wireless Business

On May 24, 2024, we entered into a securities purchase agreement with United States Cellular Corporation (“USCellular”), Telephone and Data Systems, Inc., and USCC Wireless Holdings, LLC, pursuant to which, among other things, we will acquire substantially all of USCellular’s wireless operations and select spectrum assets for an aggregate purchase price of approximately \$4.4 billion, payable in cash and the assumption of up to \$2.0 billion of debt through exchange offers to certain USCellular debtholders prior to closing (the “USCellular Acquisition”).

On May 23, 2025, we launched exchange offers for any and all of certain outstanding senior notes of USCellular (the “Exchange Offers”). In conjunction with the Exchange Offers, we also solicited consents for each series of the outstanding senior notes of USCellular to effect a number of amendments to the applicable indenture under which each such series of notes were issued and are governed (the “Consent Solicitations”). As of July 1, 2025, the total principal amount of certain outstanding USCellular senior notes validly tendered was \$1.7 billion. To the extent any debtholders do not participate in the Exchange Offers, their senior notes will continue as obligations of USCellular, and the cash portion of the purchase price will be correspondingly increased. The consummation of the Exchange Offers and Consent Solicitations are subject to the closing of the USCellular Acquisition and will expire on August 1, 2025.

On July 11, 2025, we received all necessary regulatory approvals, and the USCellular Acquisition is expected to close on August 1, 2025. Upon closing of the transaction, we expect to account for the USCellular transaction as a business combination and to consolidate the acquired operations. Our estimates for total annual run rate cost synergies and total cost to achieve the integration will be updated subsequent to closing of the transaction.

For more information regarding the USCellular Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of Vistar Media Inc.

On December 20, 2024, we entered into an agreement and plan of merger for the acquisition of 100% of the outstanding capital stock of Vistar Media Inc. (“Vistar”), a provider of technology solutions for digital-out-of-home advertisements (the “Vistar Acquisition”).

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on February 3, 2025 (the “Vistar Acquisition Date”), we completed the Vistar Acquisition, and as a result, Vistar became a wholly owned subsidiary of T-Mobile. In exchange, we transferred cash of \$621 million.

For more information regarding the Vistar Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of Blis Holdco Limited

On February 18, 2025, we entered into a share purchase agreement for the acquisition of 100% of the outstanding capital stock of Blis Holdco Limited (“Blis”), a provider of advertising solutions (the “Blis Acquisition”).

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on March 3, 2025 (the “Blis Acquisition Date”), we completed the Blis Acquisition, and as a result, Blis became a wholly owned subsidiary of T-Mobile. In exchange, we transferred cash of \$180 million.

For more information regarding the Blis Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

One Big Beautiful Bill Act

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (the “OBBBA”) into law. The OBBBA includes numerous changes to existing tax law, including provisions providing current deductibility of certain property additions, limitations on interest deductions based on a tax EBITDA framework, and current deductibility of domestic research and development costs. These provisions are generally effective beginning in 2025, and we currently anticipate they will partially defer our income tax payments in future years and will not have a material impact on our effective tax rate. Management continues to review the OBBBA tax provisions to assess impacts to our consolidated financial statements.

Results of Operations

Set forth below is a summary of our consolidated financial results:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
Revenues								
Postpaid revenues	\$ 14,078	\$ 12,899	\$ 1,179	9 %	\$ 27,672	\$ 25,530	\$ 2,142	8 %
Prepaid revenues	2,643	2,592	51	2 %	5,286	4,995	291	6 %
Wholesale and other service revenues	717	938	(221)	(24)%	1,405	2,000	(595)	(30)%
Total service revenues	17,438	16,429	1,009	6 %	34,363	32,525	1,838	6 %
Equipment revenues	3,439	3,106	333	11 %	7,143	6,357	786	12 %
Other revenues	255	237	18	8 %	512	484	28	6 %
Total revenues	21,132	19,772	1,360	7 %	42,018	39,366	2,652	7 %
Operating expenses								
Cost of services, exclusive of depreciation and amortization shown separately below	2,717	2,664	53	2 %	5,319	5,352	(33)	(1)%
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	4,659	4,088	571	14 %	9,457	8,487	970	11 %
Selling, general and administrative	5,397	5,142	255	5 %	10,885	10,280	605	6 %
Depreciation and amortization	3,146	3,248	(102)	(3)%	6,344	6,619	(275)	(4)%
Total operating expenses	15,919	15,142	777	5 %	32,005	30,738	1,267	4 %
Operating income	5,213	4,630	583	13 %	10,013	8,628	1,385	16 %
Other expense, net								
Interest expense, net	(922)	(854)	(68)	8 %	(1,838)	(1,734)	(104)	6 %
Other (expense) income, net	(11)	(8)	(3)	38 %	(57)	12	(69)	(575)%
Total other expense, net	(933)	(862)	(71)	8 %	(1,895)	(1,722)	(173)	10 %
Income before income taxes	4,280	3,768	512	14 %	8,118	6,906	1,212	18 %
Income tax expense	(1,058)	(843)	(215)	26 %	(1,943)	(1,607)	(336)	21 %
Net income	\$ 3,222	\$ 2,925	\$ 297	10 %	\$ 6,175	\$ 5,299	\$ 876	17 %
Statement of Cash Flows Data								
Net cash provided by operating activities	\$ 6,992	\$ 5,521	\$ 1,471	27 %	\$ 13,839	\$ 10,605	\$ 3,234	30 %
Net cash used in investing activities	(1,559)	(1,678)	119	(7)%	(4,968)	(3,465)	(1,503)	43 %
Net cash used in financing activities	(7,205)	(4,134)	(3,071)	74 %	(4,012)	(5,800)	1,788	(31)%
Non-GAAP Financial Measures								
Adjusted EBITDA	\$ 8,547	\$ 8,053	\$ 494	6 %	\$ 16,806	\$ 15,705	\$ 1,101	7 %
Core Adjusted EBITDA	8,541	8,027	514	6 %	16,799	15,644	1,155	7 %
Adjusted Free Cash Flow	4,596	4,439	157	4 %	8,992	7,786	1,206	15 %

The following discussion and analysis is for the three and six months ended June 30, 2025, compared to the same periods in 2024, unless otherwise stated.

Total revenues increased \$1.4 billion, or 7%, for the three months ended and increased \$2.7 billion, or 7%, for the six months ended June 30, 2025. The components of these changes are discussed below.

Postpaid revenues increased \$1.2 billion, or 9%, for the three months ended and increased \$2.1 billion, or 8%, for the six months ended June 30, 2025, primarily from:

- Higher postpaid ARPA. See “Postpaid ARPA” in the “[Performance Measures](#)” section of this MD&A; and
- Higher average postpaid accounts.

Prepaid revenues increased \$51 million, or 2%, for the three months ended and increased \$291 million, or 6%, for the six months ended June 30, 2025, primarily from:

- Higher average prepaid customers, primarily from the prepaid customers acquired through the Ka’ena Acquisition; partially offset by
- Lower prepaid ARPU. See “Prepaid ARPU” in the “[Performance Measures](#)” section of this MD&A.

Wholesale and other service revenues decreased \$221 million, or 24%, for the three months ended and decreased \$595 million, or 30%, for the six months ended June 30, 2025, primarily from:

- Lower MVNO revenues, including lower DISH and TracFone MVNO revenues and the impact from the Ka’ena Acquisition; and
- Lower Affordable Connectivity Program revenues; partially offset by
- Higher advertising revenues, primarily from the acquisitions of Vistar and Blis.

Equipment revenues increased \$333 million, or 11%, for the three months ended and increased \$786 million, or 12%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- An increase of \$221 million in device sales revenue, primarily from higher average revenue per device sold, net of promotions, primarily driven by an increase in the high-end phone mix, including the impact of higher postpaid device upgrades and lower Assurance Wireless device sales; and
- An increase of \$147 million in liquidation revenue, primarily due to a higher number of liquidated devices.

The increase for the six months ended June 30, 2025, was primarily from:

- An increase of \$510 million in device sales revenue, primarily from higher average revenue per device sold, net of promotions, primarily driven by an increase in the high-end phone mix, including the impact of higher postpaid device upgrades and lower Assurance Wireless device sales; and
- An increase of \$337 million in liquidation revenue, primarily due to a higher number of liquidated devices.

Other revenues were essentially flat.

Total operating expenses increased \$777 million, or 5%, for the three months ended and increased \$1.3 billion, or 4%, for the six months ended June 30, 2025. The components of this change are discussed below.

Cost of services, exclusive of depreciation and amortization, increased \$53 million, or 2%, for the three months ended and decreased slightly for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- Higher site costs related to the continued build-out of our nationwide 5G network; partially offset by
- A decrease of \$73 million in Sprint Merger-related costs related to network decommissioning and integration recognized in the prior year.

The decrease for the six months ended June 30, 2025, was primarily from:

- A decrease of \$180 million in Sprint Merger-related costs related to network decommissioning and integration recognized in the prior year; mostly offset by
- Higher site costs related to the continued build-out of our nationwide 5G network.

Cost of equipment sales, exclusive of depreciation and amortization, increased \$571 million, or 14%, for the three months ended and increased \$970 million, or 11%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- An increase of \$431 million in device cost of equipment sales, primarily from higher average cost per device sold, primarily driven by an increase in the high-end phone mix, including the impact of higher postpaid device upgrades and lower Assurance Wireless device sales; and
- An increase of \$124 million in liquidation costs, primarily due to a higher number of liquidated devices.

The increase for the six months ended June 30, 2025, was primarily from:

- An increase of \$684 million in device cost of equipment sales, primarily from higher average cost per device sold, primarily driven by an increase in the high-end phone mix, including the impact of higher postpaid device upgrades and lower Assurance Wireless device sales; and
- An increase of \$256 million in liquidation costs, primarily due to a higher number of liquidated devices.

Selling, general and administrative expenses increased \$255 million, or 5%, for the three months ended and increased \$605 million, or 6%, for the six months ended June 30, 2025, primarily from:

- Higher payroll and benefit related expenses, including from the impact of acquisitions;
- Higher advertising expenses; and
- A \$100 million gain recognized in the prior period for the extension fee previously paid by DISH associated with the license purchase agreement for 800 MHz spectrum licenses, which was not purchased; partially offset by
- A \$151 million gain recognized in the current period related to the completed sale of a portion of our 3.45 GHz spectrum licenses.

Depreciation and amortization decreased \$102 million, or 3%, for the three months ended and decreased \$275 million, or 4%, for the six months ended June 30, 2025, primarily from higher depreciation expense from the acceleration of certain technology assets in the prior year.

Operating income, the components of which are discussed above, increased \$583 million, or 13%, for the three months ended and increased \$1.4 billion, or 16%, for the six months ended June 30, 2025.

Interest expense, net increased \$68 million, or 8%, for the three months ended and increased \$104 million, or 6%, for the six months ended June 30, 2025, primarily from higher interest expense related to the issuances of Senior Notes during the first quarter of 2025.

Other (expense) income, net was insignificant for both periods.

Income before income taxes, the components of which are discussed above, was \$4.3 billion and \$3.8 billion for the three months ended June 30, 2025 and 2024, respectively, and \$8.1 billion and \$6.9 billion for the six months ended June 30, 2025 and 2024, respectively.

Income tax expense increased \$215 million, or 26%, for the three months ended and increased \$336 million, or 21%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- Higher income before income taxes; and
- Tax benefits recognized in the prior period from adjustments to certain tax reserves.

Our effective tax rate was 24.7% and 22.4% for the three months ended June 30, 2025 and 2024, respectively.

The increase for the six months ended June 30, 2025, was primarily from:

- Higher income before income taxes; and
- Tax benefits recognized in the prior period from adjustments to certain tax reserves; partially offset by
- An increase in excess tax benefits related to the vesting of restricted stock awards.

Our effective tax rate was 23.9% and 23.3% for the six months ended June 30, 2025 and 2024, respectively.

Net income, the components of which are discussed above, was \$3.2 billion and \$2.9 billion for the three months ended June 30, 2025 and 2024, respectively, and \$6.2 billion and \$5.3 billion for the six months ended June 30, 2025 and 2024, respectively.

Net income included a Sprint Merger-related gain, net of Sprint Merger-related costs and tax, of \$6 million for the three months ended June 30, 2024, and Sprint Merger-related costs, net of Sprint Merger-related gain and tax, of \$91 million for the six months ended June 30, 2024. There were no Sprint Merger-related costs for the three and six months ended June 30, 2025.

Guarantor Financial Information

Pursuant to the applicable indentures and supplemental indentures, the Senior Notes to affiliates and third parties issued by T-Mobile USA, Inc., Sprint and Sprint Capital Corporation (collectively, the “Issuers”) are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by T-Mobile (“Parent”) and certain of Parent’s 100% owned subsidiaries (“Guarantor Subsidiaries”).

The guarantees of the Guarantor Subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions. Generally, the guarantees of the Guarantor Subsidiaries with respect to the Senior Notes issued by T-Mobile USA, Inc. (other than \$3.5 billion in principal amount of Senior Notes issued in 2017 and 2018) and the credit agreement entered into by T-Mobile USA, Inc. will be automatically and unconditionally released if, immediately following such release and any concurrent releases of other guarantees, the aggregate principal amount of indebtedness of non-guarantor subsidiaries (other than certain specified subsidiaries) would not exceed \$2.0 billion. The indentures, supplemental indentures and credit agreements governing the long-term debt contain covenants that, among other things, limit the ability of the Issuers or borrowers and the Guarantor Subsidiaries to incur more debt, create liens or other encumbrances, and to merge, consolidate or sell, or otherwise dispose of, substantially all of their assets.

Basis of Presentation

The following tables include summarized financial information of the obligor groups of debt issued by T-Mobile USA, Inc., Sprint and Sprint Capital Corporation. The summarized financial information of each obligor group is presented on a combined basis with balances and transactions within the obligor group eliminated. Investments in and the equity in earnings of non-guarantor subsidiaries, which would otherwise be consolidated in accordance with GAAP, are excluded from the below summarized financial information pursuant to SEC Regulation S-X Rule 13-01.

The summarized balance sheet information for the consolidated obligor group of debt issued by T-Mobile USA, Inc. is presented in the table below:

(in millions)	June 30, 2025	December 31, 2024
Current assets	\$ 24,740	\$ 16,741
Noncurrent assets	174,497	179,335
Current liabilities	20,395	18,279
Noncurrent liabilities	124,878	122,934
Due to non-guarantors	203	1,507
Due to related parties	2,074	2,098

The summarized results of operations information for the consolidated obligor group of debt issued by T-Mobile USA, Inc. is presented in the table below:

(in millions)	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Total revenues	\$ 40,792	\$ 78,996
Operating income	8,279	14,463
Net income	4,800	8,360
Revenue from non-guarantors	1,349	2,619
Operating expenses to non-guarantors	1,236	2,481
Other income (expense) to non-guarantors	6	(116)

The summarized balance sheet information for the consolidated obligor group of debt issued by Sprint is presented in the table below:

(in millions)	June 30, 2025	December 31, 2024
Current assets	\$ 16,486	\$ 10,970
Noncurrent assets	14,563	14,734
Current liabilities	14,963	12,683
Noncurrent liabilities	98,042	96,145
Due to non-guarantors ⁽¹⁾	18,790	21,371
Due to related parties	2,074	2,098

(1) The decrease in Due to non-guarantors was primarily driven by the impact of certain intercompany settlements during the six months ended June 30, 2025.

The summarized results of operations information for the consolidated obligor group of debt issued by Sprint is presented in the table below:

(in millions)	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Total revenues	\$ 401	\$ 330
Operating loss	(2,147)	(3,628)
Net loss	(4,796)	(8,101)
Other expense, net, to non-guarantors	(222)	(584)

The summarized balance sheet information for the consolidated obligor group of debt issued by Sprint Capital Corporation is presented in the table below:

(in millions)	June 30, 2025	December 31, 2024
Current assets	\$ 16,486	\$ 10,970
Noncurrent assets	14,563	14,734
Current liabilities	15,035	12,756
Noncurrent liabilities	94,130	92,278
Due to non-guarantors ⁽¹⁾	9,966	12,318
Due to related parties	2,074	2,098

(1) The decrease in Due to non-guarantors was primarily driven by the impact of certain intercompany settlements during the six months ended June 30, 2025.

The summarized results of operations information for the consolidated obligor group of debt issued by Sprint Capital Corporation is presented in the table below:

(in millions)	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Total revenues	\$ 401	\$ 330
Operating loss	(2,147)	(3,628)
Net loss	(4,752)	(8,041)
Other expense, net, to non-guarantors	(80)	(257)

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by our condensed consolidated financial statements with other operating or statistical data and non-GAAP financial measures. These operating and financial measures are utilized by our management to evaluate our operating performance and, in certain cases, our ability to meet liquidity requirements. Although companies in the wireless communications services industry may not define each of these measures in precisely the same way, we believe that these measures facilitate comparisons with other companies in the wireless industry on key operating and financial measures.

Postpaid Accounts

A postpaid account is generally defined as a billing account number that generates revenue. Postpaid accounts generally consist of customers that are qualified for postpaid service utilizing phones, 5G broadband modems, fiber connections, mobile internet devices (including tablets and hotspots), wearables, DIGITS and other connected devices (including SyncUP and IoT), where they generally pay after receiving service.

The following table sets forth the number of ending postpaid accounts:

(in thousands)	As of June 30,		Change	
	2025	2024	#	%
Postpaid accounts ⁽¹⁾	31,502	30,316	1,186	4 %

(1) In the second quarter of 2025, we acquired 85,000 postpaid accounts from Lumos.

Postpaid Net Account Additions

The following table sets forth the number of postpaid net account additions:

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	#	%	2025	2024	#	%
Postpaid net account additions	318	301	17	6 %	523	519	4	1 %

Postpaid net account additions increased 17,000, or 6%, for the three months ended, primarily from higher gross account additions, partially offset by higher account deactivations, including the impact from a growing account base and the temporary impact of current year rate plan optimizations and lower 5G broadband-only account additions.

Postpaid net account additions increased slightly for the six months ended June 30, 2025, primarily from higher gross account additions, mostly offset by higher account deactivations, including the impact from a growing account base and the temporary impact of current year rate plan optimizations and lower 5G broadband-only account additions.

Customers

A customer is generally defined as a SIM number with a unique T-Mobile identifier that is associated with an account that generates revenue. Customers are qualified either for postpaid service utilizing phones, 5G broadband modems, fiber connections, mobile internet devices (including tablets and hotspots), wearables, DIGITS and 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.

The following table sets forth the number of ending customers:

(in thousands)	As of June 30,		Change	
	2025	2024	#	%
Customers, end of period				
Postpaid phone customers	80,338	77,245	3,093	4 %
Postpaid other customers ⁽¹⁾	26,946	23,365	3,581	15 %
Total postpaid customers	107,284	100,610	6,674	7 %
Prepaid customers ⁽²⁾	25,494	25,283	211	1 %
Total customers	132,778	125,893	6,885	5 %
Adjustments to customers ^{(1) (2)}	97	3,504	(3,407)	(97)%

(1) In the second quarter of 2025, we acquired 97,000 fiber customers from Lumos.

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

5G broadband customers included in Postpaid other customers were 6,556,000 and 4,992,000 as of June 30, 2025 and 2024, respectively. 5G broadband customers included in Prepaid customers were 752,000 and 595,000 as of June 30, 2025 and 2024, respectively.

Net Customer Additions

The following table sets forth the number of net customer additions:

(in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	#	%	2025	2024	#	%
Net customer additions								
Postpaid phone customers	830	777	53	7 %	1,325	1,309	16	1 %
Postpaid other customers	902	561	341	61 %	1,744	1,249	495	40 %
Total postpaid customers	1,732	1,338	394	29 %	3,069	2,558	511	20 %
Prepaid customers	39	179	(140)	(78)%	84	131	(47)	(36)%
Total net customer additions	1,771	1,517	254	17 %	3,153	2,689	464	17 %
Adjustments to customers ^{(1) (2)}	97	3,504	(3,407)	(97)%	97	3,504	(3,407)	(97)%

(1) In the second quarter of 2025, we acquired 97,000 fiber customers from Lumos.

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

Total net customer additions increased 254,000, or 17%, for the three months ended and increased 464,000, or 17%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- Higher postpaid other net customer additions, primarily due to
 - Higher net additions from mobile internet devices, primarily due to higher prior year deactivations of lower ARPU mobile internet devices in the educational sector activated during the Pandemic and no longer needed; and
 - Higher 5G broadband net additions; partially offset by
 - Increased deactivations from a growing customer base; and
 - Lower net additions from wearables; and
- Higher postpaid phone net customer additions, primarily from higher gross additions and higher prepaid to postpaid migrations, partially offset by higher churn, primarily driven by the temporary impact of current year rate plan optimizations and increased deactivations from a growing customer base; partially offset by
- Lower prepaid net customer additions, primarily from increased deactivations from a growing customer base, primarily due to the Ka'ena Acquisition, higher churn, and higher prepaid to postpaid migrations, partially offset by higher gross additions primarily due to the Ka'ena Acquisition; and
- 5G broadband net customer additions included in postpaid other net customer additions were 427,000 and 358,000 for the three months ended June 30, 2025 and 2024, respectively. 5G broadband net customer additions included in prepaid net customer additions were 27,000 and 48,000 for the three months ended June 30, 2025 and 2024, respectively.

The increase for the six months ended June 30, 2025, was primarily from:

- Higher postpaid other net customer additions, primarily due to
 - Higher net additions from mobile internet devices, primarily due to higher prior year deactivations of lower ARPU mobile internet devices in the educational sector activated during the Pandemic and no longer needed;
 - Higher net additions from other connected devices; and
 - Higher 5G broadband net additions; partially offset by
 - Increased deactivations from a growing customer base; and
 - Lower net additions from wearables; and
- Slightly higher postpaid phone net customer additions, primarily from higher gross additions and higher prepaid to postpaid migrations, mostly offset by higher churn, primarily driven by the temporary impact of current year rate plan optimizations and increased deactivations from a growing customer base; partially offset by
- Lower prepaid net customer additions, primarily from increased deactivations from a growing customer base, primarily due to the Ka'ena Acquisition, higher churn, and higher prepaid to postpaid migrations, partially offset by higher gross additions, primarily due to the Ka'ena Acquisition.
- 5G broadband net customer additions included in postpaid other net customer additions were 814,000 and 704,000 for the six months ended June 30, 2025 and 2024, respectively. 5G broadband net customer additions included in prepaid net customer additions were 64,000 and 107,000 for the six months ended June 30, 2025 and 2024, respectively.

Churn

Churn represents the number of customers whose service was deactivated as a percentage of the average number of customers during the specified period further divided by the number of months in the period. The number of customers whose service was deactivated is presented net of customers that subsequently had their service restored within a certain period of time and excludes customers who received service for less than a certain minimum period of time. We believe that churn provides management, investors and analysts with useful information to evaluate customer retention and loyalty.

The following table sets forth the churn:

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2025	2024		2025	2024	
Postpaid phone churn	0.90 %	0.80 %	10 bps	0.90 %	0.83 %	7 bps
Prepaid churn	2.65 %	2.54 %	11 bps	2.67 %	2.64 %	3 bps

Postpaid phone churn increased 10 basis points for the three months ended and increased 7 basis points for the six months ended June 30, 2025, primarily from the temporary impact of current year rate plan optimizations.

Prepaid churn increased 11 basis points for the three months ended June 30, 2025, primarily due to normalized switching activity.

Prepaid churn increased 3 basis points for the six months ended June 30, 2025, primarily due to normalized switching activity, partially offset by the inclusion of prepaid customers associated with the Ka'ena Acquisition with lower churn.

Postpaid Average Revenue Per Account

Postpaid Average Revenue per Account ("ARPA") represents the average monthly postpaid service revenue earned per account. Postpaid ARPA is calculated as Postpaid 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. We believe postpaid ARPA provides management, investors and analysts with useful information to assess and evaluate our postpaid service revenue realization and assists in forecasting our future postpaid service revenues on a per account basis. We consider postpaid ARPA to be indicative of our revenue growth potential given the increase in the average number of postpaid phone customers per account and increases in postpaid other customers, including 5G broadband, fiber, mobile internet devices (including tablets and hotspots), wearables, DIGITS and other connected devices (including SyncUP and IoT).

The following table sets forth our operating measure ARPA:

(in dollars)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
Postpaid ARPA	\$ 149.87	\$ 142.54	\$ 7.33	5 %	\$ 148.06	\$ 141.71	\$ 6.35	4 %

Postpaid ARPA increased \$7.33, or 5%, for the three months ended and increased \$6.35, or 4%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- The positive impact from rate plan optimizations and higher fee revenue, including from the adoption of new tax and fee exclusive plans;
- An increase in customers per account, including from the continued adoption of 5G broadband and the continued growth of T-Mobile for Business customers; and
- Higher premium services, primarily high-end rate plans, net of contra-revenues for content included in such plans, and discounts for specific affinity groups, such as 55+, military and first responders; partially offset by
- Increased promotional activity; and
- An increase in 5G broadband and fiber-only accounts.

The increase for the six months ended June 30, 2025, was primarily from:

- An increase in customers per account, including from the continued adoption of 5G broadband and the continued growth of T-Mobile for Business customers;
- The positive impact from rate plan optimizations and higher fee revenue, including from the adoption of new tax and fee exclusive plans; and
- Higher premium services, primarily high-end rate plans, net of contra-revenues for content included in such plans, and discounts for specific affinity groups, such as 55+, military and first responders; partially offset by
- Increased promotional activity; and
- An increase in 5G broadband and fiber-only accounts.

Average Revenue Per User

Average Revenue per User ("ARPU") represents the average monthly service revenue earned per customer. ARPU is calculated as 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. We believe ARPU provides management, investors and analysts with useful information to assess and evaluate our service revenue per customer and assist in forecasting our future service revenues generated from our customer base. Postpaid phone ARPU excludes postpaid other customers and related revenues, which include 5G broadband, fiber, mobile internet devices (including tablets and hotspots), wearables, DIGITS and other connected devices (including SyncUP and IoT).

The following table sets forth our operating measure ARPU:

(in dollars)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
Postpaid phone ARPU	\$ 50.62	\$ 49.07	\$ 1.55	3 %	\$ 50.00	\$ 48.93	\$ 1.07	2 %
Prepaid ARPU	34.63	35.94	(1.31)	(4)%	34.65	36.52	(1.87)	(5)%

Postpaid Phone ARPU

Postpaid phone ARPU increased \$1.55, or 3%, for the three months ended and increased \$1.07, or 2%, for the six months ended June 30, 2025, primarily from:

- The positive impact from rate plan optimizations and higher fee revenue, including from the adoption of new tax and fee exclusive plans; and
- Higher premium services, primarily high-end rate plans, net of contra-revenues for content included in such plans, and discounts for specific affinity groups, such as 55+, military and first responders; partially offset by
- Increased promotional activity, including the success of bundled offerings; and
- Continued growth in T-Mobile for Business customers with lower ARPU given larger account sizes.

Prepaid ARPU

Prepaid ARPU decreased \$1.31, or 4%, for the three months ended and decreased \$1.87, or 5%, for the six months ended June 30, 2025, primarily from the inclusion of lower ARPU prepaid customers associated with the Ka'ena Acquisition.

Adjusted EBITDA and Core Adjusted EBITDA

Adjusted EBITDA represents earnings before Interest expense, net of Interest income, Income tax expense, Depreciation and amortization, stock-based compensation and certain expenses, gains and losses, which are not reflective of our ongoing operating performance ("Special Items"). Special Items include Sprint Merger-related costs, UScellular Merger-related costs, certain legal-related expenses, restructuring costs not directly attributable to the Sprint Merger or UScellular Merger (including severance), and other non-core gains and losses. Core Adjusted EBITDA represents Adjusted EBITDA less device lease revenues. Adjusted EBITDA margin represents Adjusted EBITDA divided by Service revenues. Core Adjusted EBITDA margin represents Core Adjusted EBITDA divided by Service revenues.

Adjusted EBITDA, Adjusted EBITDA margin, Core Adjusted EBITDA and Core Adjusted EBITDA margin are non-GAAP financial measures utilized by our management, including our chief operating decision maker, to monitor the financial performance of our operations and allocate resources of the Company as a whole. We historically used Adjusted EBITDA, and we currently use Core Adjusted EBITDA internally as a measure to evaluate and compensate our personnel and management for their performance. We use Adjusted EBITDA and Core Adjusted EBITDA as benchmarks to evaluate our operating performance in comparison to our competitors. Management believes analysts and investors use Adjusted EBITDA and Core Adjusted EBITDA as supplemental measures to evaluate overall operating performance and to facilitate comparisons with other wireless communications services companies because they are indicative of our ongoing operating performance and trends by excluding the impact of interest expense from financing, non-cash depreciation and amortization from capital investments, non-cash stock-based compensation, and Special Items. Management believes analysts and investors use Core Adjusted EBITDA because it normalizes for the transition in the Company's device financing strategy, by excluding the impact of device lease revenues from Adjusted EBITDA, to align with the exclusion of the related depreciation expense on leased devices from Adjusted EBITDA. Adjusted EBITDA, Adjusted EBITDA margin, Core Adjusted EBITDA and Core Adjusted EBITDA margin have limitations as analytical tools and should not be considered in isolation or as substitutes for income from operations, net income or any other measure of financial performance reported in accordance with GAAP.

The following table illustrates the calculation of Adjusted EBITDA and Core Adjusted EBITDA and reconciles Adjusted EBITDA and Core Adjusted EBITDA to Net income, which we consider to be the most directly comparable GAAP financial measure:

(in millions, except percentages)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
Net income	\$ 3,222	\$ 2,925	\$ 297	10 %	\$ 6,175	\$ 5,299	\$ 876	17 %
Adjustments:								
Interest expense, net	922	854	68	8 %	1,838	1,734	104	6 %
Other expense (income), net	11	8	3	38 %	57	(12)	69	(575)%
Income tax expense	1,058	843	215	26 %	1,943	1,607	336	21 %
Operating income	5,213	4,630	583	13 %	10,013	8,628	1,385	16 %
Depreciation and amortization	3,146	3,248	(102)	(3)%	6,344	6,619	(275)	(4)%
Stock-based compensation ⁽¹⁾	178	147	31	21 %	346	287	59	21 %
Sprint Merger-related (gain) costs, net ⁽²⁾	—	(9)	9	(100)%	—	121	(121)	(100)%
UScellular Merger-related costs ⁽³⁾	33	—	33	NM	47	—	47	NM
Legal-related (recoveries) expenses, net ⁽⁴⁾	(4)	15	(19)	(127)%	2	15	(13)	(87)%
Other, net ⁽⁵⁾	(19)	22	(41)	(186)%	54	35	19	54 %
Adjusted EBITDA	8,547	8,053	494	6 %	16,806	15,705	1,101	7 %
Lease revenues	(6)	(26)	20	(77)%	(7)	(61)	54	(89)%
Core Adjusted EBITDA	\$ 8,541	\$ 8,027	\$ 514	6 %	\$ 16,799	\$ 15,644	\$ 1,155	7 %
Net income margin (Net income divided by Service revenues)	18 %	18 %	—bps		18 %	16 %	200 bps	
Adjusted EBITDA margin (Adjusted EBITDA divided by Service revenues)	49 %	49 %	—bps		49 %	48 %	100 bps	
Core Adjusted EBITDA margin (Core Adjusted EBITDA divided by Service revenues)	49 %	49 %	—bps		49 %	48 %	100 bps	

(1) Stock-based compensation includes payroll tax impacts and may not agree with stock-based compensation expense on the condensed consolidated financial statements. Additionally, certain stock-based compensation expenses associated with the Sprint Merger have been included in Sprint Merger-related (gain) costs, net.

(2) Sprint Merger-related (gain) costs, net, for the three and six months ended June 30, 2024, includes the \$100 million gain recognized for the extension fee previously paid by DISH associated with the license purchase agreement for 800 MHz spectrum licenses, which was not purchased.

(3) UScellular Merger-related costs generally include pre-merger consulting and legal fees.

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

(5) Other, net, primarily consists of certain severance, restructuring and other expenses, gains and losses, not directly attributable to the Sprint Merger or UScellular Merger, which are not reflective of T-Mobile's core business activities and are, therefore, excluded from Adjusted EBITDA and Core Adjusted EBITDA.

NM - Not meaningful

Core Adjusted EBITDA increased \$514 million, or 6%, for the three months ended and increased \$1.2 billion, or 7%, for the six months ended June 30, 2025. The components comprising Core Adjusted EBITDA are discussed further above.

The increase for the three and six months ended June 30, 2025, was primarily from:

- Higher Total service revenues; and
- Higher Equipment revenues, excluding Lease revenues; partially offset by
- Higher Cost of equipment sales;
- Higher Selling, general and administrative expenses, excluding Special Items; and
- Higher Cost of services, excluding Special Items.

Adjusted EBITDA increased \$494 million, or 6%, for the three months ended and increased \$1.1 billion, or 7%, for the six months ended June 30, 2025, primarily due to the fluctuations in Core Adjusted EBITDA, discussed above, partially offset by lower lease revenues, which decreased \$20 million for the three months ended and decreased \$54 million for the six months ended June 30, 2025.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents and cash generated from operations, proceeds from issuance of debt, financing leases, the sale of certain receivables, the Revolving Credit Facility (as defined below) and an unsecured short-term commercial paper program. Further, the incurrence of additional indebtedness may inhibit our ability to incur new debt in the future to finance our business strategy under the terms governing our existing and future indebtedness.

Cash Flows

The following is a condensed schedule of our cash flows:

(in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
Net cash provided by operating activities	\$ 6,992	\$ 5,521	\$ 1,471	27 %	\$ 13,839	\$ 10,605	\$ 3,234	30 %
Net cash used in investing activities	(1,559)	(1,678)	119	(7)%	(4,968)	(3,465)	(1,503)	43 %
Net cash used in financing activities	(7,205)	(4,134)	(3,071)	74 %	(4,012)	(5,800)	1,788	(31)%

Operating Activities

Net cash provided by operating activities increased \$1.5 billion, or 27%, for the three months ended and increased \$3.2 billion, or 30%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- A \$1.3 billion decrease in net cash outflows from changes in working capital, primarily due to lower use of cash from Accounts receivable, Other current and long-term liabilities and Short- and long-term operating lease liabilities, partially offset by higher use of cash from Other current and long-term assets; and
- A \$205 million increase in Net income, adjusted for non-cash income and expenses.
- Net cash provided by operating activities includes the impact of the Pledge Amendments as described below.
- Net cash provided by operating activities includes the impact of \$61 million and \$241 million in net payments for Sprint Merger-related costs for the three months ended June 30, 2025 and 2024, respectively.

The increase for the six months ended June 30, 2025, was primarily from:

- A \$2.4 billion decrease in net cash outflows from changes in working capital, primarily due to lower use of cash from Accounts payable and accrued liabilities, Accounts receivable, Short- and long-term operating lease liabilities and Other current and long-term liabilities, partially offset by higher use of cash from Inventory, Other current and long-term assets and Equipment installment plan receivables; and
- An \$868 million increase in Net income, adjusted for non-cash income and expenses.
- Net cash provided by operating activities includes the impact of the Pledge Amendments as described below.
- Net cash provided by operating activities includes the impact of \$122 million and \$534 million in net payments for Sprint Merger-related costs for the six months ended June 30, 2025 and 2024, respectively.

Investing Activities

Net cash used in investing activities decreased \$119 million, or 7%, for the three months ended and increased \$1.5 billion, or 43%, for the six months ended June 30, 2025.

The use of cash for the three months ended June 30, 2025, was primarily from:

- \$2.4 billion in Purchases of property and equipment, including capitalized interest, from the continued build-out of our nationwide 5G network;
- \$908 million in Investments in unconsolidated affiliates, net, primarily from the joint acquisition of Lumos; and
- \$842 million in Purchases of spectrum and intangible assets, including the remaining 600 MHz spectrum licenses purchased from Channel 51 License Co LLC and LB License Co, LLC (see [Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets](#) of the Notes to the Condensed Consolidated Financial Statements); partially offset by
- \$2.1 billion in Proceeds from the sale of property, equipment and intangible assets, primarily from the sale of a portion of the 3.45 GHz licenses to N77 License Co LLC (see [Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets](#) of the Notes to the Condensed Consolidated Financial Statements).

The use of cash for the six months ended June 30, 2025, was primarily from:

- \$4.8 billion in Purchases of property and equipment, including capitalized interest, from the continued build-out of our nationwide 5G network;
- \$983 million in Investments in unconsolidated affiliates, net, primarily from the joint acquisition of Lumos;
- \$915 million in Purchases of spectrum and intangible assets, including the remaining 600 MHz spectrum licenses purchased from Channel 51 License Co LLC and LB License Co, LLC (see [Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets](#) of the Notes to the Condensed Consolidated Financial Statements); and
- \$726 million of cash consideration, net of cash acquired, related to our acquisitions of Vistar and Blis; partially offset by
- \$2.1 billion in Proceeds from the sale of property, equipment and intangible assets, primarily from the sale of a portion of the 3.45 GHz licenses to N77 License Co LLC (see [Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets](#) of the Notes to the Condensed Consolidated Financial Statements).

Financing Activities

Net cash used in financing activities increased \$3.1 billion, or 74%, for the three months ended and decreased \$1.8 billion, or 31%, for the six months ended June 30, 2025.

The use of cash for the three months ended June 30, 2025, was primarily from:

- \$3.3 billion in Repayments of long-term debt;
- \$2.6 billion in Repurchases of common stock;
- \$996 million in Dividends on common stock; and
- \$331 million in Repayments of financing lease obligations.

The use of cash for the six months ended June 30, 2025, was primarily from:

- \$5.0 billion in Repurchases of common stock;
- \$3.7 billion in Repayments of long-term debt;
- \$2.0 billion in Dividends on common stock;
- \$646 million in Repayments of financing lease obligations; and
- \$302 million in Tax withholdings on share-based awards; partially offset by
- \$7.8 billion in Proceeds from issuance of long-term debt, net.

Cash and Cash Equivalents

As of June 30, 2025, our Cash and cash equivalents were \$10.3 billion compared to \$5.4 billion at December 31, 2024.

Adjusted Free Cash Flow

Adjusted Free Cash Flow represents Net cash provided by operating activities less cash payments for Purchases of property and equipment, plus Proceeds related to beneficial interests in securitization transactions. Adjusted Free Cash Flow is a non-GAAP financial measure utilized by management, investors and analysts of our financial information to evaluate cash available to pay debt, repurchase shares, pay dividends and provide further investment in the business. Adjusted Free Cash Flow margin is calculated as Adjusted Free Cash Flow divided by Service revenues. Adjusted Free Cash Flow margin is utilized by management, investors, and analysts to evaluate the Company's ability to convert service revenue efficiently into cash available to pay debt, repurchase shares, pay dividends and provide further investment in the business.

The table below provides a reconciliation of Adjusted Free Cash Flow to Net cash provided by operating activities, which we consider to be the most directly comparable GAAP financial measure:

(in millions, except percentages)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
Net cash provided by operating activities	\$ 6,992	\$ 5,521	\$ 1,471	27 %	\$ 13,839	\$ 10,605	\$ 3,234	30 %
Cash purchases of property and equipment, including capitalized interest	(2,396)	(2,040)	(356)	17 %	(4,847)	(4,667)	(180)	4 %
Proceeds related to beneficial interests in securitization transactions	—	958	(958)	(100)%	—	1,848	(1,848)	(100)%
Adjusted Free Cash Flow	\$ 4,596	\$ 4,439	\$ 157	4 %	\$ 8,992	\$ 7,786	\$ 1,206	15 %
Net cash provided by operating activities margin (Net cash provided by operating activities divided by Service revenues)	40 %	34 %		600 bps	40 %	33 %		700 bps
Adjusted Free Cash Flow margin (Adjusted Free Cash Flow divided by Service revenues)	26 %	27 %		-100 bps	26 %	24 %		200 bps

Adjusted Free Cash Flow increased \$157 million, or 4%, for the three months ended and increased \$1.2 billion, or 15%, for the six months ended June 30, 2025.

The increase for the three months ended June 30, 2025, was primarily from:

- Higher Net cash provided by operating activities, as described above; partially offset by
- Proceeds related to beneficial interests in securitization transactions recognized in the prior year; and
- Higher Cash purchases of property and equipment, including capitalized interest, driven by planned timing of capital purchases.
- Adjusted Free Cash Flow includes the impact of \$61 million and \$241 million for the three months ended June 30, 2025 and 2024, respectively, in net payments for Sprint Merger-related costs.

The increase for the six months ended June 30, 2025, was primarily from:

- Higher Net cash provided by operating activities, as described above; partially offset by
- Proceeds related to beneficial interests in securitization transactions recognized in the prior year; and
- Higher Cash purchases of property and equipment, including capitalized interest, driven by planned timing of capital purchases.
- Adjusted Free Cash Flow includes the impact of \$122 million and \$534 million for the six months ended June 30, 2025 and 2024, respectively, in net payments for Sprint Merger-related costs.

During the six months ended June 30, 2025 and 2024, there were no significant net cash proceeds from securitization.

On October 22, 2024, we executed amendments (the "Pledge Amendments") to the EIP Sale Arrangement and the Service Receivable Sale Arrangement (as discussed in [Note 5 – Sales of Certain Receivables](#) of the Notes to the Condensed Consolidated Financial Statements). Following the effective date of the Pledge Amendments of November 1, 2024, all cash proceeds associated with the sale of such receivables, a portion of which, prior to November 1, 2024, were recognized as Proceeds related to beneficial interests in securitization transactions within Net cash used in investing activities on our

Condensed Consolidated Statements of Cash Flows, were recognized as operating cash flows. The Pledge Amendments did not have a net impact on Adjusted Free Cash Flow.

Borrowing Capacity

We maintain a revolving credit facility (the “Revolving Credit Facility”) with an aggregate commitment amount of \$7.5 billion. As of June 30, 2025, there was no outstanding balance under the Revolving Credit Facility.

We maintain an unsecured short-term commercial paper program with the ability to borrow up to \$2.0 billion from time to time. This program supplements our other available external financing arrangements and proceeds are expected to be used for general corporate purposes. As of June 30, 2025, there was no outstanding balance under this program.

Debt Financing

On January 31, 2025, our wholly owned subsidiary, T-Mobile USA, Inc., entered into a credit agreement with certain financial institutions, backed by an Export Credit Agency (the “ECA Facility”), providing for a loan of up to \$1.0 billion. On March 17, 2025, we drew down the full \$1.0 billion available under the ECA Facility and recognized the net proceeds within Proceeds from issuance of long-term debt, net on our Condensed Consolidated Statements of Cash Flows.

As of June 30, 2025, our total debt and financing lease liabilities were \$85.3 billion, excluding our tower obligations, of which \$76.5 billion was classified as long-term debt and \$1.2 billion was classified as long-term financing lease liabilities.

During the six months ended June 30, 2025, we issued long-term debt for net proceeds of \$7.8 billion, including proceeds from the ECA Facility, and repaid short-term debt with an aggregate principal amount of \$3.7 billion.

For more information regarding our debt financing transactions, see [Note 8 – Debt](#) of the Notes to the Condensed Consolidated Financial Statements.

License Purchase Agreements

On August 8, 2022, we entered into License Purchase Agreements to acquire spectrum in the 600 MHz band from Channel 51 License Co LLC and LB License Co, LLC (together with Channel 51 License Co LLC, the “Sellers”) in exchange for total cash consideration of \$3.5 billion. On March 30, 2023, we and the Sellers entered into Amended and Restated License Purchase Agreements, pursuant to which we and the Sellers agreed to bifurcate the transaction into two tranches of licenses, with the closings on the acquisitions of certain licenses in Chicago, Dallas and New Orleans being deferred in order to potentially expedite the regulatory approval process for the remainder of the licenses. Subsequently, on August 25, 2023, we and the Sellers entered into Amendments No. 1 to the Amended and Restated License Purchase Agreements, whereby we deferred the closings of certain additional licenses in Chicago and Dallas into the second closing tranche. Together, the licenses with closings deferred into the second closing tranche represent approximately \$1.1 billion of the aggregate \$3.5 billion cash consideration.

The FCC approved the purchase of the first tranche on December 29, 2023. The first tranche closed on June 24, 2024, and the associated payment of \$2.4 billion was made on August 5, 2024.

The FCC approved the purchase of the Dallas licenses included in the second tranche on October 22, 2024. The purchase of the Dallas licenses closed on December 6, 2024, and the associated payment of \$541 million was made on the same day.

The FCC approved the remaining Chicago and New Orleans deferred licenses from the second tranche on April 15, 2025. The purchase of the remaining licenses closed on June 2, 2025, and the associated payment of \$604 million was made on the same day.

On September 12, 2023, we entered into a License Purchase Agreement with Comcast (the “Comcast License Purchase Agreement”), pursuant to which we will acquire spectrum in the 600 MHz band from Comcast in exchange for total cash consideration of between \$1.2 billion and \$3.3 billion, subject to an application for FCC approval. The licenses are subject to an exclusive leasing arrangement between us and Comcast entered into contemporaneously with the Comcast License Purchase Agreement. On January 13, 2025, we and Comcast entered into an amendment to the Comcast License Purchase Agreement, pursuant to which we will acquire additional spectrum. Subsequent to the amendment, the total cash consideration for the transaction is between \$1.2 billion and \$3.4 billion. We anticipate the closing will occur in the first half of 2028.

On September 10, 2024, we entered into a License Purchase Agreement with N77 License Co LLC (“Buyer”), pursuant to which Buyer has the option to purchase all or a portion of our remaining 3.45 GHz spectrum licenses in exchange for a range of cash consideration, with the specific licenses sold to be determined based upon the amount of committed financing raised by Buyer. Following receipt of the required regulatory approvals, on April 30, 2025, we completed the sale of a portion of our 3.45 GHz spectrum licenses for \$2.0 billion.

On May 30, 2025, we entered into a License and Unit Purchase Agreement with NEWLEVEL IV, L.P. and NEWLEVEL, LLC, both of which are affiliates of Grain Management, LLC (“Grain”), pursuant to which we will sell our 800 MHz spectrum licenses in exchange for cash consideration of \$2.9 billion and the receipt of Grain’s 600 MHz spectrum licenses, which we are currently utilizing under lease agreements with Grain. In addition, we may receive a share of certain future proceeds from transactions entered into by Grain that monetize the 800 MHz spectrum licenses, subject to certain terms and conditions and following a certain return on invested capital for Grain. The transaction is subject to customary closing conditions and contingent on the receipt of regulatory approvals, including the FCC’s approval regarding certain modifications to the 800 MHz spectrum licenses, and is currently expected to close in the fourth quarter of 2025 or first quarter of 2026. In addition, we expect an increase to our cash income tax liability of approximately \$850 million upon the transaction close.

Lumos Joint Venture

On April 24, 2024, we entered into a definitive agreement with Fund VI to establish a joint venture between us and Fund VI to acquire Lumos from EQT’s predecessor fund, EQT Infrastructure III. On April 1, 2025, we completed the joint acquisition of Lumos. During the three months ended June 30, 2025, we invested \$932 million to acquire a 50% equity interest in the joint venture and 97,000 fiber customers. The funds invested by us will be used to fund future fiber builds. In addition, pursuant to the definitive agreement, we expect to make an additional capital contribution of approximately \$500 million between 2027 and 2028 under the existing business plan.

For more information regarding the Lumos joint venture, see [Note 3 – Joint Ventures](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of Ka’ena Corporation

On May 1, 2024, we completed the Ka’ena Acquisition. The total purchase price consists of an upfront payment on the Ka’ena Acquisition Date and an earnout payable on August 1, 2026.

Based on the adjusted amount paid upfront, an additional \$420 million in future cash and T-Mobile common stock is payable in satisfaction of the earnout.

For more information regarding the Ka’ena Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of UScellular Wireless Business

On May 24, 2024, we entered into a securities purchase agreement with UScellular pursuant to which, among other things, we will acquire substantially all of UScellular’s wireless operations and select spectrum assets for an aggregate purchase price of approximately \$4.4 billion, payable in cash and the assumption of up to \$2.0 billion of debt through exchange offers to certain UScellular debtholders prior to closing.

On May 23, 2025, we launched exchange offers for any and all of certain outstanding senior notes of UScellular. In conjunction with the Exchange Offers, we also solicited consents for each series of the outstanding senior notes of UScellular to effect a number of amendments to the applicable indenture under which each such series of notes were issued and are governed. As of July 1, 2025, the total principal amount of certain outstanding UScellular senior notes validly tendered was \$1.7 billion. To the extent any debtholders do not participate in the Exchange Offers, their senior notes will continue as obligations of UScellular, and the cash portion of the purchase price will be correspondingly increased. The consummation of the Exchange Offers and Consent Solicitations are subject to the closing of the UScellular Acquisition and will expire on August 1, 2025.

On July 11, 2025, we received all necessary regulatory approvals, and the UScellular Acquisition is expected to close on August 1, 2025.

On July 22, 2025, we entered into asset purchase agreements for the acquisition of substantially all of the wireless operations assets of each of Farmers Cellular Telephone Company, Inc., Iowa RSA No. 9 Limited Partnership, and Iowa RSA No. 12

Limited Partnership (collectively, the “Iowa Entities”) for an aggregate purchase price of approximately \$170 million. These transactions are expected to close concurrently with the UScellular Acquisition on August 1, 2025.

Following the closing of the transaction, UScellular will retain ownership of its other spectrum, as well as its towers. Subject to the closing of the transaction, we will enter into a 15-year master license agreement to lease space on at least 2,100 towers being retained and to extend our tenancy term on approximately 600 towers where we are already leasing space from UScellular for 15 years post-closing. We estimate the incremental future minimum lease payments associated with the master license agreement will be \$1.4 billion over 15 years post-closing.

Metronet Joint Venture

On July 18, 2024, we entered into a definitive agreement with KKR to establish a joint venture to acquire Metronet. At closing, we expect to invest approximately \$4.6 billion, adjusted for Metronet’s incremental pre-close debt financing, to acquire a 50% equity interest in the joint venture and all existing residential fiber customers, as well as funding of the joint venture. We do not anticipate making further capital contributions following the closing under the existing business plan. On July 9, 2025, we received all necessary regulatory approvals, and the joint acquisition of Metronet is expected to close on July 24, 2025.

For more information regarding the Metronet joint venture, see [Note 3 – Joint Ventures](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of Vistar Media Inc.

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on February 3, 2025, we completed the Vistar Acquisition, and as a result, Vistar became a wholly owned subsidiary of T-Mobile. In exchange, we transferred cash of \$621 million.

For more information regarding the Vistar Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

Acquisition of Blis Holdco Limited

Upon the completion of certain customary closing conditions, including the receipt of certain regulatory approvals, on March 3, 2025, we completed the Blis Acquisition, and as a result, Blis became a wholly owned subsidiary of T-Mobile. In exchange, we transferred cash of \$180 million.

For more information regarding the Blis Acquisition, see [Note 2 – Business Combinations](#) of the Notes to the Condensed Consolidated Financial Statements.

Off-Balance Sheet Arrangements

We have arrangements, as amended from time to time, to sell certain EIP accounts receivable and service accounts receivable on a revolving basis as a source of liquidity. As of June 30, 2025, we derecognized net receivables of \$1.6 billion upon sale through these arrangements.

For more information regarding these off-balance sheet arrangements, see [Note 5 – Sales of Certain Receivables](#) of the Notes to the Condensed Consolidated Financial Statements.

Future Sources and Uses of Liquidity

We may seek additional sources of liquidity, including through the issuance of additional debt, to continue to opportunistically acquire spectrum licenses or other long-lived assets in private party transactions, make strategic investments, repurchase shares, pay dividends or for the refinancing of existing long-term debt on an opportunistic basis. Excluding liquidity that could be needed for acquisitions of businesses, spectrum and other long-lived assets, or for any potential stockholder returns, we expect our principal sources of funding to be sufficient to meet our anticipated liquidity needs for business operations for the next 12 months, as well as our longer-term liquidity needs. Our intended use of any such funds is for general corporate purposes, including for capital expenditures, spectrum purchases, opportunistic investments and acquisitions, redemption of debt, tower obligations, share repurchases, and dividend payments.

We determine future liquidity requirements for operations, capital expenditures, share repurchases and dividend payments based in large part upon projected financial and operating performance, and opportunities to acquire additional spectrum or repurchase shares. We regularly review and update these projections for changes in current and projected financial and operating results, general economic conditions, the competitive landscape and other factors. We have incurred, and will incur, substantial expenses to comply with the Government Commitments (as defined below), and we have incurred all of the remaining restructuring and integration costs associated with the Sprint Merger, with the cash expenditures for the Sprint Merger-related costs extending beyond 2024. There are a number of additional risks and uncertainties that could cause our financial and operating results and capital requirements to differ materially from our projections, which could cause future liquidity to differ materially from our assessment.

The indentures, supplemental indentures and credit agreements governing our long-term debt to affiliates and third parties, excluding financing leases, contain covenants that, among other things, limit the ability of the Issuers or borrowers and the Guarantor Subsidiaries to incur more debt, create liens or other encumbrances, and merge, consolidate or sell, or otherwise dispose of, substantially all of their assets. We were in compliance with all restrictive debt covenants as of June 30, 2025.

Financing Lease Facilities

We have uncommitted financing lease facilities with certain third parties that provide us with the ability to enter into financing leases for network equipment and services. We expect to enter into up to a total of \$1.2 billion in financing lease commitments during the year ending December 31, 2025. As of June 30, 2025, we have entered into \$10.6 billion of financing leases under these financing lease facilities, of which \$424 million and \$667 million was executed during the three and six months ended June 30, 2025, respectively.

Capital Expenditures

Our liquidity requirements for capital expenditures have been driven primarily by capital expenditures for spectrum licenses, the construction, expansion and upgrading of our network infrastructure, the integration of the networks, spectrum, technology, personnel and customer base of T-Mobile and Sprint, which is substantially complete, and investments in information technology platforms. We expect to maintain our investment in capital expenditures related to these efforts in 2025 compared to 2024, as we continue to build out our nationwide 5G network and our digital transformation. Future capital expenditure requirements will be primarily driven by the deployment of acquired spectrum licenses.

For more information regarding our spectrum licenses, see [Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets](#) of the Notes to the Condensed Consolidated Financial Statements.

Stockholder Returns

On December 13, 2024, we announced that our Board of Directors authorized our 2025 Stockholder Return Program of up to \$14.0 billion that will run through December 31, 2025. The 2025 Stockholder Return Program consists of repurchases of shares of our common stock and the payment of cash dividends. The declaration and payment of all dividends is subject to the discretion of our Board of Directors and will depend on financial and legal requirements and other considerations. The amount available under the 2025 Stockholder Return Program for share repurchases will be reduced by the amount of any cash dividends declared and paid by us.

The 2025 Stockholder Return Program is consistent with the Company's capital allocation framework outlined during its Capital Markets Day in September 2024. As discussed at Capital Markets Day, the Company expects its business plan to support approximately \$80.0 billion in investments and capital returns between September 18, 2024, and the end of 2027. The Company currently plans to allocate such funds as follows:

- Up to \$50.0 billion for share repurchases and cash dividends, which includes the 2025 Stockholder Return Program;
- Approximately \$19.0 billion in a discretionary and flexible envelope for potential activities, which may include de-levering, investments in our core business, strategic investments, and/or additional capital returns to stockholders beyond the \$50.0 billion initial allocation; and
- Approximately \$11.0 billion for announced transactions, including the acquisitions closed during the six months ended June 30, 2025. See [Note 2 - Business Combinations](#), [Note 3 - Joint Ventures](#) and [Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets](#) for additional information.

On November 21, 2024, our Board of Directors declared a cash dividend of \$0.88 per share on our issued and outstanding common stock, which was paid on March 13, 2025, to stockholders of record as of the close of business on February 28, 2025.

On February 6, 2025, our Board of Directors declared a cash dividend of \$0.88 per share on our issued and outstanding common stock, which was paid on June 12, 2025, to stockholders of record as of the close of business on May 30, 2025.

On June 5, 2025, our Board of Directors declared a cash dividend of \$0.88 per share on our issued and outstanding common stock, which will be paid on September 11, 2025, to stockholders of record as of the close of business on August 29, 2025.

During the three and six months ended June 30, 2025, we paid an aggregate of \$996 million and \$2.0 billion, respectively, in cash dividends to our stockholders, which was presented within Net cash used in financing activities on our Condensed Consolidated Statements of Cash Flows. As of June 30, 2025, \$986 million for dividends payable is presented within Other current liabilities on our Condensed Consolidated Balance Sheets.

During the three months ended June 30, 2025, we repurchased 10,148,791 shares of our common stock at an average price per share of \$243.32 for a total purchase price of \$2.5 billion, and during the six months ended June 30, 2025, we repurchased 20,240,018 shares of our common stock at an average price per share of \$244.04 for a total purchase price of \$4.9 billion, under the 2025 Stockholder Return Program. As of June 30, 2025, we had up to \$7.1 billion remaining under the 2025 Stockholder Return Program for repurchases of shares and quarterly dividends through December 31, 2025.

Subsequent to June 30, 2025, from July 1, 2025, through July 18, 2025, we repurchased 2,032,767 shares of our common stock at an average price per share of \$232.16 for a total purchase price of \$472 million under the 2025 Stockholder Return Program. As of July 18, 2025, we had up to \$6.6 billion remaining under the 2025 Stockholder Return Program for repurchases of shares and quarterly dividends through December 31, 2025.

For additional information regarding the 2025 Stockholder Return Program, see [Note 12 – Stockholder Return Program](#) of the Notes to the Condensed Consolidated Financial Statements.

Related Party Transactions

We have related party transactions associated with DT, SoftBank or their respective affiliates in the ordinary course of business, including intercompany servicing and licensing.

As of July 18, 2025, DT and SoftBank held, directly or indirectly, approximately 52.2% and 5.7%, respectively, of the outstanding T-Mobile common stock, with the remaining approximately 42.1% of the outstanding T-Mobile common stock held by other stockholders. As a result of the Proxy, Lock-Up and ROFR Agreement, dated April 1, 2020, by and between DT and SoftBank, DT has voting control, as of July 18, 2025, over approximately 57.5% of the outstanding T-Mobile common stock.

Disclosure of Iranian Activities under Section 13(r) of the Exchange Act

Section 219 of the Iran Threat Reduction and the Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act. Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction. Disclosure is required even where the activities, transactions or dealings are conducted outside the U.S. by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

As of the date of this report, we are not aware of any activity, transaction or dealing by us or any of our affiliates for the three months ended June 30, 2025, that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below with respect to affiliates that we do not control and that are our affiliates solely due to their common control with either DT or SoftBank. We have relied upon DT and SoftBank for information regarding their respective activities, transactions and dealings.

DT, through certain of its non-U.S. subsidiaries, is party to roaming and interconnect agreements with the following mobile and fixed line telecommunication providers in Iran, some of which are or may be government-controlled entities: Irancell Telecommunications Services Company, Telecommunication Kish Company, Mobile Telecommunication Company of Iran, and Telecommunication Infrastructure Company of Iran. In addition, during the three months ended June 30, 2025, DT, through certain of its non-U.S. subsidiaries, provided basic telecommunications services to seven customers in Germany identified on

the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Department of Treasury's Office of Foreign Assets Control: Bank Melli, Europäisch-Iranische Handelsbank, CPG Engineering & Commercial Services GmbH, Golgothar Trade and Technology GmbH, International Trade and Industrial Technology ITRITEC GmbH, The Airline of the Islamic Republic of Iran and Kara Industrial Trading GmbH. These services are in the process of being terminated, in particular by undertaking appropriate legal steps before German courts. For the three months ended June 30, 2025, gross revenues of all DT affiliates generated by roaming and interconnection traffic and telecommunications services with the Iranian parties identified herein were less than \$0.1 million, and the estimated net profits were less than \$0.1 million.

In addition, DT, through certain of its non-U.S. subsidiaries that operate a fixed-line network in their respective European home countries (in particular, Germany), provides telecommunications services in the ordinary course of business to the Embassy of Iran in those European countries. Gross revenues and net profits recorded from these activities for the three months ended June 30, 2025, were less than \$0.1 million. We understand that DT intends to continue these activities.

Separately, SoftBank, through one of its non-U.S. subsidiaries, provides roaming services in Iran through Irancell Telecommunications Services Company. During the three months ended June 30, 2025, SoftBank had no gross revenues from such services, and no net profit was generated. We understand that the SoftBank subsidiary intends to continue such services. This subsidiary also provides telecommunications services in the ordinary course of business to accounts affiliated with the Embassy of Iran in Japan. During the three months ended June 30, 2025, SoftBank estimates that gross revenues and net profit generated by such services were both under \$0.1 million. We understand that the SoftBank subsidiary is obligated under contract and intends to continue such services.

In addition, SoftBank, through one of its non-U.S. indirect subsidiaries, provides office supplies to the Embassy of Iran in Japan. SoftBank estimates that gross revenues and net profit generated by such services during the three months ended June 30, 2025, were both under \$0.1 million. We understand that the SoftBank subsidiary intends to continue such activities.

Critical Accounting Estimates

Preparation of our condensed consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, as well as related disclosure of contingent assets and liabilities. There have been no material changes to the critical accounting policies and estimates as previously disclosed in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2024, and which are hereby incorporated by reference herein.

Accounting Pronouncements Not Yet Adopted

For information regarding recently issued accounting standards, see [Note 1 – Summary of Significant Accounting Policies](#) of the Notes to the Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to economic risks in the normal course of business, primarily from changes in interest rates, including changes in investment yields and changes in spreads due to credit risk, foreign currency exchange rate fluctuations and other factors. These risks, along with other business risks, impact our cost of capital. Our policy is to manage exposure related to fluctuations in interest rates in order to manage capital costs, control financial risks and maintain financial flexibility over the long term. We have established interest rate risk limits that are closely monitored by measuring interest rate sensitivities of our debt portfolio. As of June 30, 2025, we have €4.8 billion outstanding in EUR-denominated Senior Notes, which are subject to foreign currency exchange rate fluctuations. We have entered into cross-currency swap agreements that qualify and have been designated as fair value hedges of our EUR-denominated debt, mitigating our exposure to foreign currency transaction gains and losses. We do not foresee significant changes in the strategies used to manage market risk in the near future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure information required to be disclosed in our periodic reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls include the use of a Disclosure Committee that is comprised of representatives from our Accounting, Legal, Treasury, Technology, Risk Management, Government Affairs and Investor Relations functions and are designed to ensure that information required to be disclosed in the reports we file or submit under

the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Form 10-Q.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) are filed as Exhibits [31.1](#) and [31.2](#) to this Form 10-Q.

Changes in Internal Control over Financial Reporting

In the second quarter of 2025, we began implementation of a new global enterprise resource planning (“ERP”) system. The implementation is expected to occur in phases over the next several years and will replace many of our operating and financial systems. The ERP system is designed to accurately maintain our financial records, support integrated billing, supply chain and other operational functionality, facilitate data analysis and accelerate information reporting to our management team related to the operation of the business. During the second quarter of 2025, we made changes to our internal control over financial reporting to address processes impacted by the ERP system implementation.

As the phased implementation of the new ERP system continues, we could have additional changes to our processes and procedures which, in turn, could result in additional changes to our internal control over financial reporting. As such changes occur, we will evaluate quarterly whether such changes materially affect our internal control over financial reporting.

Other than the above-noted changes, there were no changes in our internal control over financial reporting during the second quarter of 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For more information regarding the legal proceedings in which we are involved, see [Note 14 – Commitments and Contingencies](#) of the Notes to the Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

Other than the updated risk factors below, there have been no material changes in our risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024.

Any acquisition, divestiture, investment, joint venture or merger may subject us to significant risks, any of which may harm our business.

We may pursue acquisitions of, investments in, or joint ventures or mergers with, other companies, or the acquisition of technologies, services, products or other assets that we believe would complement or expand our business. We may also elect to divest some of our assets to third parties. Some of these potential transactions could be significant relative to the size of our business and operations. Any such transaction would involve a number of risks and could present financial, managerial and operational challenges, including:

- diversion of management attention from running our existing business;
- increased costs to integrate the networks, spectrum, technology, personnel, customer base, distributors and business partners and business practices of the company involved in any such transaction with our business;
- increased interest expense and leverage or limits on other uses of cash;
- potential loss of talent during integration due to differences in culture, locations, or other factors;
- difficulties in effectively integrating the financial, operational and sustainability systems of the business involved in any such transaction into (or supplanting such systems with) our financial, operational and sustainability reporting infrastructure and internal control framework in an effective and timely manner;
- risks of entering markets in which the Company has no or limited experience and where competitors have stronger market positions;
- to the extent any acquired business has any international operations, potential exposures to risks associated with maintaining and expanding such operations, including unfavorable and uncertain regulatory, political, economic, tax and labor conditions;
- potential exposure to material liabilities not discovered in the due diligence process or as a result of any litigation arising in connection with any such transaction;
- significant transaction-related expenses in connection with any such transaction, whether consummated or not;
- risks related to our ability to obtain any required regulatory approvals necessary to consummate any such transaction; and
- any business, technology, service, or product involved in any such transaction may significantly under-perform relative to our expectations, and we may not achieve the benefits we expect from the transaction, which could, among other things, also result in a write-down of goodwill and other intangible assets associated with such transaction.

We have entered into joint venture agreements aimed at establishing a robust fiber broadband network that complements our fixed wireless services. Once closed, differences in views among the joint venture participants may result in delayed decisions or disputes. Operating through joint ventures in which we do not hold a majority ownership interest results in us having limited control over many decisions made with respect to the businesses of the joint ventures. We also cannot control the actions of our joint venture partners. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to these joint ventures. Any of these risks could have a material adverse effect on our business, financial condition and results of operations and could also affect our reputation.

Additionally, in connection with our Sprint Merger and related transactions, including the acquisition by DISH Network Corporation (“DISH”) of certain prepaid wireless business (the “Prepaid Transaction”), we agreed to fulfill various government commitments (the “Government Commitments”), including, among others, extensive 5G network build-out, delivering high-speed wireless services to the vast majority of Americans and marketing our in-home fixed wireless product to households

where spectrum capacity is sufficient, as well as commitments related to national security, pricing and availability of rate plans. These Government Commitments materially increased our compliance obligations and could result in additional expenses and/or penalties in the future. In connection with the Prepaid Transaction, we and DISH entered into certain arrangements, including a Master Network Services Agreement (the “MNSA”), pursuant to which we provide DISH, for a period of seven years, network services for certain end users and infrastructure mobile network operator services to assist in the access and integration of the DISH network.

Any failure to fulfill our obligations under the Government Commitments and the MNSA in a timely manner could result in substantial fines, penalties, or other legal and administrative actions, liabilities, and reputational harm.

Economic, political and market conditions may adversely affect our business, financial condition, and operating results.

Our business, financial condition, and operating results are affected by changes in general economic conditions, including interest rates, consumer credit conditions, consumer debt levels, consumer confidence, unemployment rates, economic growth, tariffs and trade restrictions, fluctuations in global currencies, immigration policies, energy costs, rates of inflation (or concerns about deflation), supply chain disruptions, impacts of current geopolitical conflict or instability, such as the Ukraine-Russia, Iran-Israel and Israel-Hamas wars and further escalations thereof, and other macroeconomic factors.

The wireless industry, broadly, is dependent on population growth, including growth in the immigrant population. As a result, we expect the wireless industry’s customer growth rate to be moderate in comparison with historical growth rates, leading to ongoing competition for customers. In addition, the Government Commitments place certain limitations on our ability to increase prices, which limits our ability to pass along growing costs to customers. Rising prices for goods, services, and labor due to inflation, including inflation resulting from higher tariffs, restrictions and other economic disincentives to trade, could adversely impact our margins and/or growth.

Our services and device financing plans are available to a broad customer base, a significant segment of which may be vulnerable to weak economic conditions, particularly our subprime customers. We may have greater difficulty in gaining new customers within this segment, and existing customers may be more likely to terminate service and default on device financing plans due to an inability to pay.

Weak economic and credit conditions may also adversely impact our suppliers, dealers, wholesale partners or MVNOs, and enterprise and government customers, some of which may file for bankruptcy, or may experience cash flow or liquidity problems, or may be unable to obtain or refinance credit such that they may no longer be able to operate. Any of these could adversely impact our ability to distribute, market, or sell our products and services.

Changes to trade policies, including higher tariffs, restrictions and other economic disincentives to trade, may lead to operational delays, higher procurement and operational costs, and regulatory and compliance complexities, resulting in supply chain disruptions and higher prices and lower demand for devices and services we sell.

As a provider of telecommunications services, we depend on suppliers to provide us, directly or through other suppliers, with items such as equipment for our network, handsets, tablets, accessories, other mobile communication devices, other components and raw materials. Changes or proposed changes in U.S. or other countries’ trade policies that result in higher tariffs, restrictions and other economic disincentives to international trade may materially increase the costs we incur in developing, deploying and maintaining our network and offering products and services to our customers. A certain portion of the increased costs may be absorbed by certain suppliers, but some suppliers may struggle to absorb the increased costs, especially over the long term, potentially leading to supply disruptions or cost pass-throughs to us, which may lead to us increasing the prices we charge our customers. In addition, rapid changes in trade policies may negatively affect procurement timelines and supplier relationships and may introduce new compliance requirements. We may face potential delays in sourcing critical equipment due to customs clearance and supply chain bottlenecks, and material changes to cost structures could pressure our expenses and customer pricing.

Our attempts to mitigate potential disruptions to our supply chain and offset procurement and operational cost pressures, such as through alternative sourcing and/or increases in the selling prices of some of our products and services, may not be successful. Higher product or service prices for our customers may make it more difficult to attract new customers or cause increases in customer churn. Furthermore, we may not be able to offset any cost increases through productivity and cost-saving initiatives. To the extent that cost increases result in significant increases in our expenditures, or if our price increases are not sufficient to offset these increased costs adequately or in a timely manner, and/or if our revenues decrease, our business, financial condition or operating results may be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The table below provides information regarding our share repurchases during the three months ended June 30, 2025:

(in millions, except share and per share amounts)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs ⁽¹⁾
April 1, 2025 - April 30, 2025	3,230,625	\$ 254.80	3,230,625	\$ 9,707
May 1, 2025 - May 31, 2025	3,384,216	243.23	3,384,216	8,884
June 1, 2025 - June 30, 2025	3,533,950	232.93	3,533,950	7,066
Total	10,148,791		10,148,791	

(1) On December 13, 2024, we announced that our Board of Directors authorized a stockholder return program for up to \$14.0 billion that will run through December 31, 2025. The amounts presented represent the remaining dollar amount authorized for purchase under the 2025 Stockholder Return Program, as applicable, as of the end of the period, which has been reduced by the amount of any cash dividends declared and paid by the Company.

See [Note 12 – Stockholder Return Program](#) of the Notes to the Condensed Consolidated Financial Statements for more information about our 2025 Stockholder Return Program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2025, none of the Company’s directors or officers adopted, modified, or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.1*	Form of PRSU Award Agreement.				X
10.2*	Amended Director Compensation Program effective as of May 1, 2013 (amended June 4, 2014 and further amended on June 1, 2015, June 16, 2016, June 13, 2017, June 13, 2019, June 4, 2020, June 13, 2024 and June 6, 2025).				X
22.1	Subsidiary Guarantors and Issuers of Guaranteed Securities.				X
31.1	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2**	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.				X
104	Cover Page Interactive Data File (the cover page XBRL tags)				

* Indicates a management contract or compensatory plan or arrangement.

** Furnished herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

T-MOBILE US, INC.

July 23, 2025

/s/ Peter Osvaldik

Peter Osvaldik

Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Authorized Signatory)