

T-Mobile US, Inc.
Form 10-Q
April 28, 2015

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 March 31, 2015

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 US, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

20-0836269

(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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

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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 April 24, 2015
Common Stock, \$0.00001 par value per share	810,415,343

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For the Quarter Ended March 31, 2015

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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)	March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$3,032	\$5,315
Accounts receivable, net of allowances of \$88 and \$83	1,933	1,865
Equipment installment plan receivables, net	3,259	3,062
Accounts receivable from affiliates	85	76
Inventories	1,230	1,085
Deferred tax assets, net	1,033	988
Other current assets	1,063	1,593
Total current assets	11,635	13,984
Property and equipment, net	16,483	16,245
Goodwill	1,683	1,683
Spectrum licenses	24,062	21,955
Other intangible assets, net	805	870
Equipment installment plan receivables due after one year, net	1,583	1,628
Other assets	307	288
Total assets	\$56,558	\$56,653
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$6,793	\$7,364
Current payables to affiliates	216	231
Short-term debt	467	87
Deferred revenue	584	459
Other current liabilities	589	635
Total current liabilities	8,649	8,776
Long-term debt	16,261	16,273
Long-term debt to affiliates	5,600	5,600
Long-term financial obligation	2,523	2,521
Deferred tax liabilities	4,855	4,873
Deferred rents	2,366	2,331
Other long-term liabilities	654	616
Total long-term liabilities	32,259	32,214
Commitments and contingencies		
Stockholders' equity		
5.50% Mandatory Convertible Preferred Stock Series A, par value \$0.00001 per share, 100,000,000 shares authorized; 20,000,000 and 20,000,000 shares issued and outstanding; \$1,000 and \$1,000 aggregate liquidation value	—	—
Common Stock, par value \$0.00001 per share, 1,000,000,000 shares authorized; 811,666,776 and 808,851,108 shares issued, 810,284,271 and 807,468,603 shares outstanding	—	—

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Additional paid-in capital	38,553	38,503	
Treasury stock, at cost, 1,382,505 and 1,382,505 shares issued	—	—	
Accumulated other comprehensive income	1	1	
Accumulated deficit	(22,904) (22,841)
Total stockholders' equity	15,650	15,663	
Total liabilities and stockholders' equity	\$56,558	\$56,653	

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

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

(in millions, except shares and per share amounts)	Three Months Ended March 31,	
	2015	2014
Revenues		
Branded postpaid revenues	\$3,774	\$3,447
Branded prepaid revenues	1,842	1,648
Wholesale revenues	158	174
Roaming and other service revenues	45	68
Total service revenues	5,819	5,337
Equipment sales	1,851	1,448
Other revenues	108	90
Total revenues	7,778	6,875
Operating expenses		
Cost of services, exclusive of depreciation and amortization shown separately below	1,395	1,464
Cost of equipment sales	2,679	2,286
Selling, general and administrative	2,372	2,096
Depreciation and amortization	1,087	1,055
Cost of MetroPCS business combination	128	12
Gains on disposal of spectrum licenses	—	(10)
Total operating expenses	7,661	6,903
Operating income (loss)	117	(28)
Other income (expense)		
Interest expense to affiliates	(64)	(18)
Interest expense	(261)	(276)
Interest income	112	75
Other expense, net	(8)	(6)
Total other expense, net	(221)	(225)
Loss before income taxes	(104)	(253)
Income tax benefit	(41)	(102)
Net loss	(63))