

<b>Company: T-MOBILE Ticker: TMUS</b>		Current price: 148.83		Industry: Communication		Sub-industry: Telecom Services	
Target Price: <u>158.44</u>		TTM P/E: 99.68		Beta: <u>0.51</u>		Market Cap: <u>171.13 B</u>	
Stop Loss: <u>119.06</u>		Forward P/E: 21.29		Credit Rating: <u>BBB-</u>		Avg Vol (12M):	
52 Week High/Low: <u>148.04/101.51</u>		EPS: <u>6.44</u>		Rating Outlook: <u>Stable</u>		Dividend Yield: <u>0.00%</u>	

<b>Company Background:</b>
T-Mobile is a telecommunications company that provides voice, messaging, and data services to approximately 108.7 million customers through postpaid, prepaid, and wholesale markets. They also provide services, devices, and accessories through their storefronts, app, websites, and third-party distributors. It is headquartered in Bellevue, Washington. T-Mobile's controlling stockholder is Germany's Deutsche Telekom. The brand operates in Puerto Rico and US Virgin Islands, but the U.S. is its largest territory with over 109 million mobile customers (as of March 2022).
<b>Industry Outlook:</b>
Highly saturated industry: without new customers available, players compete aggressively to keep market shares. Millennials and younger consumers are roughly twice as likely to rely on their mobile data plans, either through their smartphones or a mobile hotspot, than their older cohorts for internet access. Consumers are more likely to move towards their wireless connections than broadband connections due to the availability of 5G and its ability to provide the same performance as broadband.
<b>Investment Thesis:</b>
We believe that T-Mobile is a buy because of their current 5G-Wireless spectrum advantage, and the clear path to continued increase in subscribers paired with a steadily decreasing churn rate. Additionally, T-Mobile has committed to a significant stock buyback through 2023, and they will continue to reap the benefits of synergies resulting from their merger with Sprint whilst the costs associated with the merger simultaneously continue to decrease
3-5 take away from last quarter investor call transcript:
<input type="checkbox"/> <b>(Mike Sievert -- President and Chief Executive Officer)</b> "Our 5G network leadership, particularly as it relates to our lead in advanced 5G services, is increasingly enabling us to become a strategic partner for enterprises and for government agencies. OK. Let me briefly touch on high-speed Internet where net additions of 578,000 hit another record high." <input type="checkbox"/> <b>(Mike Sievert -- President and Chief Executive Officer)</b> Once again, we were the only wireless service provider to improve year over year. And our postpaid phone churn, including Sprint, was lower than Verizon's for the second consecutive quarter. And as I said, our multiple growth opportunities are all contributing to this success. Consider smaller markets in rural areas, which include 40% of the U.S. population. At the end of last year, we only had a competitive network and distribution to effectively compete in 30% of those households. Today, thanks to our accelerated network build, we have already surpassed our year-end target to compete in 50% of these households, and we now expect to reach roughly 60% by the end of this year. <input type="checkbox"/> <b>(Peter Osvaldik -- Chief Financial Officer)</b> – Our disciplined focus on driving profitability translated at strong service revenue growth, combined with our continued execution on merger synergies, into year-over-year core adjusted EBITDA growth of over 11%.

Financial performance:							Discounted Cash Flow:		
	2017	2018	2019	2020	2021	2022		2019-2022	2023-2026
Revenue (mm)	40604	43310	44,980	68397	80118	6003	Avg Revenue Growth	16.79	4.88
Operating Profit (mm)	4888	5309	5722	6636	6892	4859	Avg Gross Margin	52.3%	57.9%
Net Income (mm)	4481	2888	3468	3064	3024	1530	Avg EBITDA Margin (mm)	26.8%	31.1%
Revenue Growth (%)	8.3%	6.6%	3.9%	52%	17.14%	.51%	Avg NOPAT Margin	11.1%	13.3%
EBITDA%	26.78%	27.23%	27.42%	30.39%	29.05%	23.88%	Avg FCF/Margin	13.4%	11.8%
Operating Profit %	12.04%	12.26%	12.72%	9.7%	8.60%	6.07%	Tax Rate	10.87%	21%
Net Income Margin	11.04%	6.67%	7.71%	4.48%	3.77%		WACC	6.4%	5.2%
D/E	2.13	1.93	2.02	2.06	1.99	2.04	Perpetuity Growth Rate	3.5%	2%
EPS	\$5.20	\$3.36	\$4.02	\$2.65	\$2.41	\$0.40	<b>Analyst Opinion</b>		
PE Ratio	13.07	18.82	19.46	48.33	48.12	181.50	Buy:	Hold:	Sell:
Current Ratio	0.77	0.81	0.74	1.10	0.89	0.81		Rating	Target
ROE	22.02%	12.64%	5.53%	5.53%	4.46%	2.20%	S&P Net Advantage	–	–
ROA	6.55%	4.06%	4.07%	1.84%	1.48%	0.73%	Bloomberg	Buy	\$170
Dividend/share	0	0	0	0	0	0	Yahoo Finance	Buy	\$175

FCF	-1,406.00	-1,642.00	433.00	-2,394.00	1,591.00	1,858.00
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Relative Valuation	Total Return %
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Company Information		Financial Metrics			Valuation Metrics		Operational Metrics		
Ticker	Firm	Market Cap (mm)	BV of Equity	Total Assets	P/B	D/E	Gross Margin	ROE	ROA
TMUS	T-Mobile	174,173	70.03 B	213.5B	2.52	1.11x	58.1%	4.50%	3.2%
VZ	Verizon Wireless	151,063	88.78 B	375.09 B	1.78	1.73x	57.3%	-29.70%	5.30%
T	AT&T	124,774	122.4 B	426.46 B	1.08	1.16x	56.2%	11.8%	4.30%
Mean		150,003	93.7 B	338.35B	1.79	1.33	57.2	-4.47%	4.27%
Median		151,063	88.7 B	375.09B	1.78	1.16	57.3	4.50%	4.30%

	TMUS	Industry Sec	S&P 500
YTD	28.32%	-43.03%	-20.89
2021	21.5%	20.05%	26.61%
Last 3years	22.52%	13.8%	27.47%
Last 5 years	20.37%	1.25%	50.25%

CSR Characteristics		
	Peers	
ESG Disclosure	26	20
Governance Disclosure Score	7.7	6.2
Social Disclosure Score	13.4	11.2
Environmental Disclosure Score	5.0	3.1

\*Industry Avg. includes companies listed

-Prepared by MSFRM Fund 2 (11/4) using Bloomberg, S&P Net Advantage, Morningstar, Yahoo Finance