

# Sprint Stops Postpaid Subscriber Losses in 4Q

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The Sprint platform [added 58,000 postpaid subscribers during the fourth quarter](#) [1], a relatively small number but a marked improvement over the 360,000 postpaid losses the company posted in the [previous quarter](#) [2].

Still recovering from the shutdown of its Nextel iDEN network, which contributed to nearly one million postpaid losses in the second quarter of 2013, the Sprint platform also improved prepaid adds, bringing 322,000 into the fold as compared with 84,000 in the previous quarter.

Sprint saw strong tablet numbers and growth in smartphones, selling 5.6 million during the fourth quarter.

The carrier predicted postpaid net adds would remain negative through the first half of 2014 but see positive growth in the second half of the year.

With quarterly ARPU mostly steady for postpaid and up for prepaid, Sprint's quarterly revenue hit \$9.9 billion and its operating loss of \$576 million represented a 22-percent annual improvement. The adjusted EBITDA of \$1.15 billion Sprint put up for the quarter saw almost a 40-percent annual improvement.

Sprint's new "Family" plans are still too new to have much of an impact this quarter, but CEO Dan Hesse sounded optimistic about the plans, pointing to the strong social media response.

Despite the 200 million people now covered by Sprint's LTE network and two more Sprint Spark markets—Philadelphia and Baltimore—bringing the total to 14, Sprint is still feeling the growing pains of its Network Vision initiative.

"The intense network replacement phase we're in is affecting customer satisfaction," Hesse said during an earnings call, addressing high customer churn and the hiccups in a complete "rip and replace" network overhaul.

Prepaid churn for the quarter hit 2.07 percent, up slightly from the 1.99 percent it posted in the previous quarter. Prepaid churn was well down quarterly, to 3.01 percent from 3.57 percent.

Hesse addressed the bounty programs being deployed by Sprint's competitors—AT&T ended its but T-Mobile is still paying off switching customers' ETFs—saying he is confident that Sprint's Family plans are differentiated enough to stand out in that noise.

Sprint is coming out of what Hesse called a "transformative" year, highlighted by the Nextel shutdown, Clearwire acquisition and the SoftBank merger.

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Looking ahead, Sprint expects a 2014 Adjusted EBITDA of \$6.5 billion and \$6.7 billion, up from \$5.1 billion and \$5.3 billion for the year prior.

April 1, 2014 will mark the beginning of a new fiscal year for Sprint, a change that will align it with SoftBank's current reporting schedule.

Sprint stock was up nearly 8 percent in pre-market trading.

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### **Links:**

[1] <http://investors.sprint.com/Cache/1500056456.PDF?Y=&O=PDF&D=&fid=1500056456&T=&iid=4057219>

[2] <http://www.wirelessweek.com/news/2013/10/sprint-posts-3q-profit-while-slowing-customer-losses>