

# T-Mobile Adds 1.6M Net Customers as Losses Grow in 4Q

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T-Mobile [added 1.6 million net customers](#) [1] during the fourth quarter but the cost of rapid growth is catching up as the carrier posted a \$20 million loss, up from \$8 million in the same quarter a year ago.

Losses aside, T-Mobile has now [managed three consecutive quarters of a million or more customers adds](#) [2]. The 1.6 million this quarter includes 869,000 branded postpaid net adds. Of the 4.4 million net customer adds the carrier reported for the full year, 2 million were branded postpaid.

But the customer base growth helped put a dent in ARPU, falling 2.9 percent quarterly due to T-Mobile customers opting into Value and Simple Choice plans.

CFO Braxton Carter expected the transition of all customer to Value and Simple Choice plans to be completed by the end of 2014.

“We expect that the pace of growth will continue throughout 2014,” T-Mobile CEO John Legere said during the earnings call.

In the earnings release, T-Mobile predicted branded postpaid net additions for 2014 would come in between 2 and 3 million.

Total revenues for the fourth quarter of 2013 increased by 39.1 percent annually to about \$6.8 billion. T-Mobile credited much of the growth to the inclusion of MetroPCS results in the fourth quarter of 2013.

Now, with approximately 46.7 million customers on its network, T-Mobile has more reason to stay ahead of schedule on its LTE build. As of now, T-Mobile said it has covered 209 million people in 273 metro markets and CapEx expanded accordingly, up 13.2 percent to \$4.2 billion.

Legere said that less than a year into T-Mobile “Un-carrier” initiative, the carrier hasn’t seen much impact from its competitors’ responses to aggressive pricing and service changes. But it has been factored in some for T-Mobile’s 2014 guidance.

In January, T-Mobile announced it would begin paying off early termination fees for customers switching from competing carriers. That move followed other disruptive tweaks T-Mobile delivered to its business model, like eliminating contracts and device subsidies and offering free international data.

In 2014, T-Mobile’s peskiness seems to be finally drawing its competition into the fray, as AT&T, Verizon and Sprint have all brought out new lower pricing schemes.

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That follows 2013 when all three of the top U.S. carriers responded with programs similar to T-Mobile's Jump early upgrade deal.

"I think it's normal healthy competition," Legere said, denying that any sort of pricing war was going on within the U.S. market.

T-Mobile's stock was down slightly as of 8:46 a.m. CT.

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<http://www.wirelessweek.com/news/2014/02/t-mobile-adds-16m-net-customers-losses-grow-4q>

### **Links:**

[1] <http://investor.t-mobile.com/Cache/1500056771.PDF?Y=&O=PDF&D=&fid=1500056771&T=&iid=4091145>

[2] <http://www.wirelessweek.com/news/2013/11/t-mobile-keeps-subscriber-growth-3q>