

T mobile and metro pcs finance essay

[Finance](#)



Name/Institution T-Mobile and Metro PCS T-Mobile is one of the top five American leading mobile network operators. The company is based in United States of America, headquarter in Bellevue, Washington. It provides wireless voice message services and data services in the United States and surrounding states. The company traces its roots back in 1994, establishment of Voice Stream Wireless PCS. In 2002, Voice Steam wireless was branded T-Mobile USA, operating entity of T-Mobile international AG and subsidiary of Deutsche Telekom. On March 2011, AT&T failed to acquire the company from DT due to government regulation and paid a breakup fee of 4billion. In October 2012, the company announces merger with Metro PCS after reaching an agreement and subject to regulatory and shareholder approval. To their success, the deal was approved by the department of justice and Federal communications commission in March 2013 to boost its competitiveness. T-Mobile compose of seven departments; executive headed by CEO/president, John Legere, Technical, sales, Human resource, operations, finance, headed by chief finance officer, Michael Morgan, and Legal department. The management works hand in hand around the clock to better their position in the service industry and to engage in healthy competition with other national carriers. It is ranked fourth before merger with Metro PCS, with total subscribers of 33 million. After the merger, the company still maintains fourth position in the U. S. market, with a total of 42 Million subscribers, trailing Verizon Wireless, AT&T Inc. and Sprint Nextel Corp. This position has been influenced by the company lagging behind in investing in the latest wireless technology, called long-term evolution (LTE) and being the only major carrier that doesn't carry Apple Inc. iPhone. Over the past trading period, T-Mobile stock listing was at an average of \$13. The <https://assignbuster.com/t-mobile-and-metro-pcs-finance-essay/>

company has been performing relatively well at various close in the New York stock exchange market. After the merging with Metro PCS, it adopts the new market trading ticket, trading as TMUS. This has seen its stock listing rose to \$16. 52 at the recent close of the NYSE listing period. Formerly trading as T-Mobile USA, it has dropped the A, while the headquarters remained unchanged. Increased stock performance has been a great achievement for Deutsche Telekom AG, T-Mobile's parent, a 74% stake in the entity and Metro PCS investors a cash payment of \$1. 5 billion, or \$4. 06 a share, as well as the remaining stake in the company. The company recorded highest revenue in the 2009 trading year of \$ 22, 173. 037. However, in the following year, the revenue recorded a decline of \$16, 100. After improving on various downfalls in the previous year, it experienced an increase of \$ 19, 164. 52 in 2011. This is expected to rise after the successful merger in late 2012 with Metro PCS. The previous New York stock exchange performance has clearly indicated an increase in revenue as a result of increased stock valuation as at the closing trading period which recorded an increase of \$4. With auspicious beginning in late 90's and early millennium era, the company has rose top, winning many awards and sponsoring various tournament in the great U. S. Early 2007, the company joins Google to form open handset alliance with other companies in development of android platform. In 2009, introduced 3G high speed network that covered more than 206 million people in U. S. It introduced next generation smartphones in 2010, the world's first android-powered mobile phone. The following year, introduced evolving the 4G Smartphone portfolio, which gives customers quick access to the content in the go. In the year 2012, it unleashes LTE launch plan for 2013, introduced T-Mobile

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Thinnest smartphone and offered delivering competitive 4G experience reaching over 200million subscribers. Metro PCSFounded in 1994 as General wireless, Inc., which was later branded Metro PCS, it is an American mobile phone service provider and subsidiary of T-Mobile US Inc. It's a Delaware corporation, headquarter in Richardson, Texas. The company uses CDMA technology to offer services in addition to its 4G network using the long-term evolution (LTE). As at January 2012, the company had 9. 5 million subscribers. After reaching an agreement with T-Mobilein October 2012, the company agreed to merge, operating under T-Mobile burner and trading in New York stock exchange market as TMUS upon sealing the deal in first march 2013. The company is steered with seven departments: executive, Sales, human resource, operations, finance, and customer care service. Roger Linguist is the company cofounder and currently sitting as the CEO/chairman in the executive department comprising of nine individuals. Braxton Carter is the company chief finance office, CFO, being assisted by five other personnel's in the department. With a hardworking team, Linguist has successfully placed the company in a competitive path with other national carriers. Metro PCS is the fifth largest mobile telecommunication network in the United States. It trails behind Verizon wireless, AT&T mobility, Sprint Nextel and T-Mobile Inc. It has a total of 9. 5million subscribers. Upon merge with T-Mobile, the two were ranked fourth in the U. S market with total subscribers of over forty million. The two are expected to maintain the fourth position for quite some time due to huge gap of over 60 million subscribers in relation to the second position(AT&T Mobility) which has 105million subscribers a close tie with Verizon wireless with 105million subscribers as well. Its stock performance in the past market closing periods

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has not been that impressive. It has been trading in the New York stock exchange market at a value of \$11.84 before the merger. However, the two has recorded impressive stock performance of over \$16 in the previous trading period, trading as TMUS. With the services offered by both now combined, the company is expected to increase its financial base by attracting millions of subscribers upon T-Mobile upgrading to LTE, an area which has seen it gain less subscribers in the past. The market value is projected to stabilize slightly higher than the market figure upon fully incorporating various services previously offered by each. Revenue for the company has recorded a slow growth for over eight straight quarters. Its profit had fall at 65% mark. This was due to customers shifting to other network providers a head of proposed merger which successfully took place. The company is back on its operation with their new partners and has indicated a positive growth rate on their first stock listing in NYSE market. Increase in number of subscribers will see the company trail closely to its established competitors. Operating under 4G technologies, the company received a lot of criticism for their network falling to 3G networks. The company successfully corrected this and gained more subscribers in 2010. Also, the company slashed its rates by offering a number of unlimited talk, text, web services and 411directory assistance services on three rate plans. It covers more than 280million of U. S population. This was the greatest launch in 2010 for the company and greatly benefited millions of subscribers. The year 2012 presented great financial loss to the company when it loses its subscribers a head of merger plan. Luckily enough, the deal was sealed and the two has picked on well and have great projection in 2013 trading period.