

TMUS: Legere Steps Down; Carter Stays Longer; No Change To Thesis

By [Jonathan Chaplin](#) | November 18, 2019

T-Mobile announced that John Legere is stepping down as CEO on April 30th, 2020 and Braxton Carter is extending his contract until July 1st, 2020. The announcement of the transition is no surprise; Sievert has been the heir apparent for some time; however, the timing is a little surprising. The company attributes the timing to removing an uncertainty around the continuity of leadership and of the Un-carrier strategy ahead of the trial. This strikes us as plausible.

For our part, we expect T-Mobile's current path to continue under Sievert; we suspect he has played a strong role in shaping T-Mobile's strategy for years. We doubt the management change will materially impact the prospects for the case at trial. As such, the announcement has no impact on our thesis.

Blair Levin, our partner on regulation and policy, has given the deal less than 50% odd of approval for some time (see most recent comment [HERE](#)). We think the deal *ought* to go through (see thoughts [HERE](#)), but we understand why it may not. We are comfortable owning T-Mobile's stock either way.

We continue to see an opportunity for tremendous value creation if T-Mobile acquires Sprint (it is more than just synergies; see our evolving thoughts on the value of capacity and unit costs [HERE](#) on slide 6). The opportunities for the company may not be quite as good without Sprint; however, we see upside in that scenario too.

Full 12-month historical recommendation changes are available on request

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