

**Mike Sievert** In our company, how we support each other, how we solve problems, how we focus on the customer, it's just a big differentiator. It's our secret sauce.

[INTRO MUSIC]

**John Waldron:** Hello everyone and welcome to Talks at GS. I'm really excited to be joined today by Mike Sievert, the President and CEO of T-Mobile.

**Mike Sievert** Thanks John. Great to be here.

**John Waldron:** I've watched and followed T-Mobile over the years, your career. You know, T-Mobile's pretty extraordinary as a company in terms of really understanding the intersection of technology and the consumer. And I would say, candidly, working very much on the consumer backwards and, you know, really understanding the mindset of the consumer and kind of organizing the company and building the company's capabilities around that. But obviously, technology pretty critical to that.

Can you just talk about how you guys think about that and how you've thought about technology and the consumer and that intersection?

**Mike Sievert** Well, absolutely. You know, our business is all about just listening to customers. You know? Our thought when we came into this company in 2012, John Ledger and I joined around the same time in 2012, and we found a company in rapid decline. You know, negative year over year EBITDA and cash flow growth, et cetera. Losing customers, two and a half million customers in 2012. And we knew that in order to turn the company around we were going to have to, first of all, get contemporary on the technology. And find a way to catch up, and ultimately, lead. But second of all, change this industry for the benefit of customers. And that's what really was the impetus for what we called the "un-carrier." You know? Changing the rules of this industry. Treating customers right. Putting them first. Addressing their pain points. Listening for the first time.

And what we found was an industry that was famous for the opposite. And that's why we call it the "un-carrier." It was famous for abusing customers and locking them down and ignoring them for two years while they ride out the prison sentence called a two-year contract, refusing to give them upgrades to new phones at the time when 4G was taking off and people were dying for that new iPhone that would come out every September.

And a lot of customers were being told, "No, you don't deserve one yet. But you sir, you can have one because you've earned it." And these things that drove customers nuts.

It's crazy today because we've changed all these things so many years ago. But the idea that you'd get off a bridge in a different country or exit an airplane door in a different country and your wireless service could cost you \$1,000 a week. It's the same wireless service. All because the big companies were colluding to drive 95 percent margins from global roaming. And all of these things where twenty un-carrier moves into this thing now. And it's always been about trying to position T-Mobile with the best technology, which has taken us a long time to get here. I know we'll talk about that. But secondly, to change the rules of this industry in the favor of customers. And that formula has gone incredibly well.

**John Waldron:** How would you say the intersection between technology and consumer has changed over time? I assume it's just more important. But any other thoughts about how it's evolved over time?

**Mike Sievert** What happened was a technology that was transformational enough, that big companies seized it like Apple, Google, and Facebook, became the world's most valuable companies by seizing and changing their strategies around 4G technology. And, you know, unicorns all around the planet were born in garages. You know, the Ubers and the Snapchats and the Instagrams and Tinders and all the rest that have changed the way we live, again, because the technology was there to enable the innovation.

And that's, to me, what's so exciting as we're on the stepping off place for 5G. Because this technology that we now have is even more transformative. And to your point about the intersection of technology and consumer, you know, now as consumers, there's not a moment of our waking lives that we're not, you know, really connected. And I think one thing learned, John, is over the last year is that these connections in our lives, they're essential.

**John Waldron:** You've had a pretty jam packed CEOship so far. You came in, you know, in a pandemic, essentially, as the CEO. You did the Sprint merger, kind of finished up the Sprint merger. There's been a lot in the short period of time as you've been the CEO of the company. Just talk about navigating through the pandemic. How is that changing the company? What's the value

proposition of what you have now on the back on that transaction? Just talk a bit about what you see in front of based on what you guys have just done, you know, in the last year and a half.

**Mike Sievert** I'm just so remarkably proud of this team. You know? At some point in the pandemic, we had 80 percent of our thousands and thousands of stores closed. We had nearly 100 percent of our people working from home taking care of 100 million customers and the essential connections of their lives from home. And, obviously, having to create the technology and capability to do that on the fly.

And, you know, a year later, I'll tell you it's hard. I think one of the things we're finding is that while the technology that has allowed us to run, you know, all these companies, to run the global economy over the last year, it's been great. It's so much better than if this had happened to us a decade ago. But it's also not good enough. And it's one of the reasons I'm excited about 5G because technology will come that's good enough. But we're not there.

Right now, a year into this, I can't wait to get back. I'm coming to you from the office today. And I can't wait to renormalize coming to the office. Because it turns out that while Zoom's okay and WebX and all the replacements to being there, it's not like being there. And you know, culturally we've been borrowing from years of built up equity with each other and with our teammates and with our employees at large because in our company how we support each other, how we solve problems, how we focus on the customer, it's a big differentiator. It's our secret sauce. And that's getting harder as we go along.

You know, the first few months we were drowned in technology changes and we got that going. But now we're borrowing from relationships with people we haven't been in the same room with from over a year. And I'm starting to do that now that I'm vaccinated. And it is just amazing to sit across the table from people and remember how you solved problems when you're not limited by this kind of media. So, I'm ready to get back.

**John Waldron:** Let's talk about 5G. You talked a lot at the beginning about your un-carrier strategy. You know, I think a bunch of that is the consumer experience that you're delivering. You know, 5G will undoubtedly be a big uplift. And I think will improve the consumer experience, I presume, over time as the technology becomes more present and people really appreciate

what it delivers.

Maybe you could just talk about what should we expect in terms of 5G? What's the 5G world going to look like? Why is it so much better? What's the improvement that people are really going to feel? And how do you guys think about that in terms of the way you're running the company and you're delivering, you know, a value add experience of really trying to grow and leapfrog as you talked about in terms of aggregating customers?

**Mike Sievert** We're positioned as T-Mobile to be the first company in the history of our industry to simultaneously be able to offer the public the best product, meaning the best network, and the best value. And that's an incredible opportunity that we're not going to miss.

Take what we were just talking about, the idea of telepresence and how we've learned in the past year how important these connections are. We've also learned that they're limiting us. And do you know that for business purposes, moving our human bodies around the planet in order to conduct business is actually one of the biggest creators of the carbon footprint of humanity. You know? This is an existential sort of issue that people commute to work and we get on airplanes in order to see each other and have an eyeball to eyeball, trust-based conversation and build relationships and solve problems and talk over each other and communicate in real time in a way that allows us to do subtle things humans aren't good at doing unless we're in the same room, like disagreeing with you while conveying to you that I like you, I respect you, and I trust you. You know? That kind of thing is really hard to do on WebX. But the technology can happen.

What it requires is massive capacity networks, low latency, and innovation built on that, like we saw in 4G. When 4G came along, you know, nobody had ever done video telephony at scale. Right? Telecom executives have been talking about it breathlessly since the 1970s. But nobody cared. It wasn't good enough until Facetime came along and Google Hangouts and Skype on your phone and other technologies normalized the use of video telephony in the 4G era. Well, now in the 5G era we have a chance to see innovators create telepresence that actually can be so powerful eyeball to eyeball contact, talking over each other, low latency, feeling like you're in a room with augmented reality. Those kinds of things are all possible.

I think about telehealth and what can happen there and how

marginalized people in more rural areas can start to participate differently in our economy. I think rural and suburban fringe areas could be huge winners in this era as connectivity starts to become more ubiquitous across this country.

And I think about things like driverless cars, which there's been a lot of talk. Again, another one of those that executives have been talking about for years, but that the technology has been slow to come. That's going to require massive connectivity.

**John Waldron:** I want to pivot a little bit to access. One of the elements of this pandemic that I often think about is sort of the older and more infirm have been, obviously, harder hit. You've got public school kids at home, private school kids in the schools. You know, there are just all kinds of examples where there's a real bifurcation. One example is access, you know, for those in underserved communities versus better served communities. And telecom broadband capability is an example of that.

I'm just interested in how you think about that issue societally, and you know, maybe, even as a business matter, how you think about connecting and giving access to people kind of broadly across the country let's say.

**Mike Sievert** You know, it's fascinating. The more important these connections become in our lives, the more pressing the digital divide issue becomes. Again, 15 years ago, you could argue that with the digital divide, people left out of the digital economy weren't left out of the economy. But today you can't argue that. Today, if you're left out of the digital economy, you've got a problem.

And education, which is meant to be the great leveler in our society, education is what's supposed to be the thing that opens doors and gives us all opportunities, education requires connectivity. So, what happens when school kids aren't connected? And you know, for us as a connections company, we try to focus our public work on our philanthropy around connections because that's who we are and what we do.

And so, we came up with this idea last year called Project Ten Million. And the idea was that we could position ourselves as the first company in the country, the first group: government, country or otherwise, that could look at a piece of the digital divide problem and instead of chipping away at it, instead of helping towards it, we could declare that we might just have the

wherewithal to end the problem. To solve it. And in this case, it's the homework gap. Connecting every single child in this country is the audacious goal of Project Ten Million.

And it turns out there are about 10 million kids that are under-connected. And we're after it. You know, this year in our first year, we connected over 2 million schoolkids with T-Mobile technology, either highly subsidized or free. And in many cases, kids that would have been at McDonald's trying to get wi-fi in order to complete an assignment. Or even this year, worse, not just homework, but in order to attend school. And so that's really important.

And I think ultimately for us, if we see a country where every kid has an opportunity to be connected for their education, that's going to be something that has great societal impacts. And of course, it's close to home for us. I mean, that's what we do. Our actual mission as a company, as T-Mobile, is to be the best in the world at connecting people to their world. And, you know, for us that means addressing the digital divide.

And certainly, as a business, you know, you want to do well by doing good and do good by doing well, but as a business, we're going after under connected parts of this country to serve rural America and suburban fringe areas that have always been under connected.

**John Waldron:** Let's talk about sustainability, the environment. I know it's something you're very focused on, the company's very focused on. Just interested in how you think about it. You know, all of us in the corporate world, I think, are becoming more attuned, smarter, better, and more thoughtful everyday in terms of how to think about this problem. But I know you guys have been on it for a while.

**Mike Sievert** Today, in this economy, customers are choosing companies fueled by social media and other things, that reflect their values. And while, you know, any issue in this country right now seems to be able to be twisted into something political, I don't think this is one when it's treated the right way. I mean, every single one of us wants to live on a planet that's clean and healthy. We may disagree about the best way to get there longer and shorter term. But all of us want a clean, healthy planet. And a lot of consumers are making their choices based on that.

So, we partnered with the Nature Conservancy. That's one of the

partnerships that we do. But we also, for example, we were the first telecom of our size and scale to make the climate pledge, that we would be 100 percent sustainable. And looks like we're on track to accomplish that by the end of this year through investing in wind and solar and other capabilities to offset the footprint that we make.

**John Waldron:** I really appreciate you taking the time to spend with our people. It was a great conversation. And really, I thank you very much Mike.

**Mike Sievert** Well, thanks for including me. It's an amazing series. I love that you guys do this. Good to see you, John.

**John Waldron:** Good luck to you. See you soon.

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