

The Sunday Brief: 2Q Earnings Review - Facts are Stubborn Things

July greetings from Cedar Rapids, Kansas City and, by the time most of you read this, year's Fiber Connect conference. The schedule is full for both days; the evening reception on Monday will be the best time to catch up on the industry in general and/or the new role as [CEO of CellSite Solutions](#).

Nashville, the home of this



Second-quarter earnings reports are beginning to trickle in, and, after a shorter than usual market commentary, we discuss several factors impacting performance below. Here are the remaining companies left to report:

Company	Day	Date	a.m./ p.m.
Microsoft	Tuesday	30-Jul	p.m.
Meta	Wednesday	31-Jul	p.m.
T-Mobile	Wednesday	31-Jul	a.m.
Apple	Thursday	1-Aug	p.m.
Amazon	Thursday	1-Aug	p.m.

The Fortnight That Was

FAB FIVE	Shares outstanding (end of yr unless noted)				Stock Price (last trading day of year)			Equity Value (\$B)			2024 YTD PERFORMANCE			Current market cap				
	Stock Name	Ticker Symbol	Dec-22	Dec-23	Mar-24	Dec-21	Dec-22	Dec-23	Dec-21	Dec-22	Dec-23	26-Jul	% change	Value Gained/Lost (\$B)	12-Jul	19-Jul	1-wk change	2-wk change
	Apple	AAPL	15,821.9	15,441.9	15,334.1	\$ 177.57	\$ 129.93	\$ 192.53	\$ 2,898	\$ 2,056	\$ 2,994	\$ 217.96	13%	\$ 390	\$ 3,366	\$ 583	\$ 487	\$ (97)
Alphabet (Google)	GOOG	12,807.0	12,433.0	12,358.0	\$ 2,893.59	\$ 88.73	\$ 140.93	\$ 1,913	\$ 1,136	\$ 1,764	\$ 168.68	20%	\$ 343	\$ 2,097	\$ 567	\$ 475	\$ (132)	\$ (224)
Microsoft	MSFT	7,443.8	7,430.4	7,432.3	\$ 336.32	\$ 239.82	\$ 376.04	\$ 2,521	\$ 1,785	\$ 2,795	\$ 425.27	13%	\$ 366	\$ 3,160	\$ 576	\$ 454	\$ (88)	\$ (210)
Amazon	AMZN	10,247.3	10,387.4	10,406.6	\$ 3,334.34	\$ 84.00	\$ 151.94	\$ 1,697	\$ 861	\$ 1,570	\$ 182.50	20%	\$ 318	\$ 1,896	\$ 443	\$ 325	\$ (7)	\$ (125)
Facebook/ Meta	FB	2,592.6	2,549.0	2,536.5	\$ 336.35	\$ 120.34	\$ 353.96	\$ 930	\$ 312	\$ 910	\$ 465.70	32%	\$ 283	\$ 1,187	\$ 368	\$ 312	\$ (28)	\$ (84)
Totals											\$ 9,959	\$ 6,150	\$ 10,033	\$ 11,706	\$ 2,536	\$ 2,053	\$ (352)	\$ (836)
Change											\$ 2,467	\$ (3,809)	\$ 3,883	\$ 1,706				
Cumulative Change											\$ 6,626	\$ 2,817	\$ 6,700					

TELCO TOP FIVE	Shares outstanding (end of yr unless noted)				Stock Price (last trading day of year)			Equity Value (\$B)			2024 YTD PERFORMANCE			Current market cap				
	Stock Name	Ticker Symbol	Dec-22	Dec-23	Mar-24	Dec-21	Dec-22	Dec-23	Dec-21	Dec-22	Dec-23	26-Jul	% change	Value Gained/Lost (\$B)	12-Jul	19-Jul	1-wk change	2-wk change
	AT&T	T	7,129.9	7,150.0	7,170.2	\$ 24.60	\$ 18.41	\$ 16.78	\$ 175	\$ 131	\$ 120	\$ 19.01	13%	\$ 16	\$ 136	\$ 15	\$ 17	\$ (1)
Verizon	VZ	4,199.9	4,204.1	4,209.3	\$ 51.96	\$ 39.40	\$ 37.70	\$ 218	\$ 165	\$ 158	\$ 40.09	6%	\$ 10	\$ 169	\$ 16	\$ 17	\$ (6)	\$ (6)
T-Mobile	TMUS	1,219.4	1,186.9	1,171.9	\$ 115.98	\$ 140.00	\$ 160.33	\$ 145	\$ 171	\$ 185	\$ 175.53	9%	\$ 18	\$ 208	\$ 23	\$ 25	\$ (8)	\$ (5)
Comcast	CMCSA	4,216.1	3,971.9	3,923.6	\$ 50.33	\$ 34.97	\$ 43.85	\$ 228	\$ 147	\$ 176	\$ 39.69	-9%	\$ (16)	\$ 158	\$ (22)	\$ (15)	\$ (2)	\$ 5
Charter	CHTR	152.7	145.2	144.0	\$ 651.97	\$ 339.10	\$ 388.68	\$ 113	\$ 52	\$ 57	\$ 367.62	-5%	\$ (3)	\$ 53	\$ (11)	\$ (10)	\$ 7	\$ 8
Totals											\$ 879	\$ 667	\$ 698	\$ 724	\$ 20	\$ 34	\$ (10)	\$ 5
Change											\$ (106)	\$ (212)	\$ 31					
Cumulative Change since 1/1/2019											\$ 196	\$ (16)	\$ 15					

Relative Market Capitalization 11.33 9.23 14.38 16.17

Pressure continued to mount on the Fab Five over the last two weeks, with the group losing an additional \$836 billion in market capitalization. As stated in previous [Briefs](#), this pattern of “sell on earnings speculation, buy on the earnings result” is not new and we would not be surprised to see the group back to AI-influenced valuations in 2024/ 2025.

Google was the only Fab Five company to post earnings so far ([here](#)), and their results were not enough to stop the “sell train” (-\$132 billion in the last week, and \$224 billion over the fortnight). The company is spending an impressive amount on data center infrastructure (\$13 billion in Q2, with \$12 billion per quarter expected for Q3 and Q4). The amazing part is that it paid (or will pay) for these builds from cash on hand – total long-term debt remained at a paltry \$12 billion and the company continues to have negative net debt. Contrast that with the debt levels of Verizon, AT&T (both discussed below) and Lumen. Without a doubt, Google will shift to a “meet me at my data center” strategy after these investments have been completed, placing pressure on the traditional carrier hotel providers.

Selling pressure was not confined to the Fab Five – four of the Telco Top Five also lost market capitalization in the last week (Charter was the notable exception – we will have more on their strong earnings in the next [Brief](#)).

T-Mobile stole the headline of the week, however, with their announcement of a 50/50 joint venture with KKR to purchase the assets of fiber provider Metronet (announcement [here](#)). We will have additional comments on the transaction following their earnings call. US Cellular, Lumos, and now Metronet – T-Mobile has been busy in 2024 and we think they are just getting started. Our only question concerns integration resources. Integrating Lumos will be very different from acquiring Sprint. Can T-Mobile integrate 3-4-5 transactions simultaneously? We think they can but will have more conviction

T Mobile

metronet

KKR

with a well-presented plan.

One thing we are concerned about with each of these transactions is the state and federal regulatory environments, particularly the Federal Trade Commission and the Department of Justice. This concern is more about “if” than “when” approval occurs, and bundling several acquisitions does not help the cause. More on this in the next [Brief](#).

Overall, we love the Metronet transaction, believe it aligns well with T-Mobile’s “uncarrier” structure, and look forward to more details on the call. Congrats to the Metronet team, particularly John Cinelli, on pulling it off.

2Q Earnings Review – Facts are Stubborn Things

“Facts are stubborn things; and whatever may be our wishes, our inclinations, or the dictates of our passions, they cannot alter the state of facts and evidence.” – John Adams (full context [here](#) courtesy of the National Archives)



The second quarter earnings picture thus far (four of the Telco Top Five have reported as of July 26th, and one of the Fab Five) has been a reality check. While there is a lot of spinning and positioning occurring during earnings presentations, we thought it would be best to analyze four facts:

1. Verizon’s network, as measured by wholesale and retail subscribers, is larger than ever
2. Comcast’s broadband subscriber base generates more revenue today than in 2019 (pre-COVID surge)
3. Debt matters – a lot – and there needs to be more discussion about interest costs after financings
4. AT&T should be performing better on fiber penetration given the market dynamics of their territory

1. Verizon is bigger than ever.

Verizon’s overall earnings (link [here](#)) were mixed, and, as we showed above, investors are beginning to have concerns about the company’s ability to meaningfully shift market share with their fixed wireless and myPlan programs. But, as the chart shows below, Verizon’s total phone subscriber base has grown, thanks to cable:

NOTE: all amts. in 000s	2021				2022				2023				2024	
Description	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Verizon wireless consumer retail postpaid phone subscribers	74,913	75,118	75,388	75,712	75,422	75,197	74,997	74,857	74,611	74,465	74,407	74,720	74,561	74,551
Xfinity Mobile subscribers	3,103	3,383	3,668	3,980	4,298	4,615	4,948	5,313	5,668	5,984	6,278	6,588	6,877	7,199
Spectrum Mobile subscribers	2,675	2,940	3,184	3,654	3,937	4,281	4,677	5,292	5,978	6,626	7,220	7,766	8,252	8,809
Total Verizon retail + wholesale (Verizon consumer only)	80,691	81,441	82,240	83,346	83,657	84,093	84,622	85,462	86,257	87,075	87,905	89,074	89,690	90,559
Annual growth (%)					3.7%	3.3%	2.9%	2.5%	3.1%	3.5%	3.9%	4.2%	4.0%	4.0%
Verizon wireless business retail postpaid phone subscribers	16,639	16,708	16,866	17,103	17,353	17,586	17,795	17,782	17,703	17,856	18,019	18,170	18,306	18,480
Total Verizon phone subscribers (including cable MVNOs)	97,330	98,149	99,106	100,449	101,010	101,679	102,417	103,244	103,960	104,931	105,924	107,244	107,996	109,039
Annual growth (%)					3.8%	3.6%	3.3%	2.8%	2.9%	3.2%	3.4%	3.9%	3.9%	3.9%

Note: We will post this schedule in the next interim [Brief](#) (online only) file.

Verizon consumer phone subscribers grew slightly from 2Q 2023 to 2Q 2024 (86K subscribers). But Verizon’s total consumer presence (excluding retail prepaid) grew nearly 3.5 million. And, for both consumer only and including business phone subscribers, growth has been accelerating, relative to the same periods in 2023 and 2022.

Three takeaways:

- **#1 Verizon’s scale has increased.** They may not have shown the full effect of this in their operating results (likely due to additional capacity being added to support fixed wireless), but for traditional phone customers, scale increased over the 14-quarter period shown above – and it’s increasing.
- **#2 Cable has certainly stunted Verizon’s retail growth, but there’s no correlation between retail gains/ losses and cable MVNO gains/ losses.** We assume that Verizon calculated the value of gaining high-margin customers when they calculated the retail customer lifetime value losses. So far, the bet seems to have been a good one for Big Red.

- **#3 Cable’s gains came from a mix of AT&T and T-Mobile postpaid + retail prepaid.** If cable’s MVNO base is lower end, and they are maintaining a low churn rate, that’s a good thing (which causes us to question why Verizon bought Tracfone). Clearly cable’s broadband + wireless bundle is a good combination, and cable’s wireless value proposition is resonating with their base.

2. Comcast’s broadband revenue base is bigger than ever (and still a lot bigger than pre-COVID).

There has been a lot of cable bashing in 2024, and second quarter results from both Comcast and Charter clearly showed that they know how to manage churn as well as growth. Here is the domestic revenue growth line for Comcast:

Comcast residential broadband subscriber analysis

NOTE: all amts. in 000s	2021				2022				2023				2024	
Description	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Domestic broadband residential subscribers	28,774	29,108	29,389	29,583	29,836	29,826	29,835	29,812	29,815	29,796	29,779	29,748	29,693	29,583
Domestic broadband residential broadband revenues (\$)	\$ 5,600	\$ 5,717	\$ 5,801	\$ 5,861	\$ 6,050	\$ 6,107	\$ 6,135	\$ 6,177	\$ 6,343	\$ 6,377	\$ 6,366	\$ 6,403	\$ 6,591	\$ 6,569
Subscriber annual growth %					3.7%	2.5%	1.5%	0.8%	-0.1%	-0.1%	-0.2%	-0.2%	-0.4%	-0.7%
Revenue annual growth %					8.0%	6.8%	5.8%	5.4%	4.8%	4.4%	3.8%	3.7%	3.9%	3.0%
Domestic residential broadband base base in 2Q 2019	28,508													
Domestic residential broadband revenue in 2Q 2019	\$4,663													

Comcast’s domestic broadband base hit its highest point in Q1 and Q3 2022 – the peak of both ACP and work from home adoption (and at that peak the company had a broadband relationship with 53% of its homes passed). Even with the beginnings of ACP unwinding in the most recent quarter (note - management was quick to point out that there would be 3Q aftershocks as involuntary churn increases), the Comcast base is now the same size it was at the end of 2021.

What has changed is Comcast’s revenue growth. They really enjoyed the benefits of speed upgrades in 2022 and 2023 (8% annualized growth on a 4% base growth in Q1 2022 is remarkable), but broadband revenue growth has clearly slowed and could be in the low single digits for a quarter or two as ACP winds its way through.

The stubborn fact is that Comcast’s homes passed base was 58.24 million in 2Q 2019 and is currently 63.03 million (4.8 million growth or about 8.2% in five years). Subscribers have grown 3.8% (as much as 4.2%) and quarterly residential broadband revenues have grown 41%.

Comcast acknowledged that they have a lot of work to do, and utilization/ penetration could be better, but it appears that they are still operating at substantial scale and that recent subscriber losses have not impacted their ability to grow. Task #1 should be achieving higher penetrations in their new homes passed.

3. Debt matters a lot, especially to Verizon.

Two of the Telco Top Five are in the process of substantial deleveraging. As one of you recently quipped “Good thing we don’t have a spectrum auction on the horizon.” We discussed in last week’s interim Brief Verizon’s plans to sell 5,000-6,000 company-owned towers (stories from Bloomberg and Light Reading [here](#) and [here](#)). This could raise an additional \$3-6 billion depending on the buyer and the quality of the cash flow.

The debt theme really struck home when looking at Verizon’s recent balance sheet (from their earnings detail):

(dollars in millions)

Unaudited	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24
Assets							
Current assets							
Cash and cash equivalents	\$ 2,605	\$ 2,234	\$ 4,803	\$ 4,210	\$ 2,065	\$ 2,365	\$ 2,432
Accounts receivable	25,332	23,748	24,108	24,559	26,102	26,380	26,702
Less Allowance for credit losses	826	892	922	957	1,017	1,061	1,095
Accounts receivable, net	24,506	22,856	23,186	23,602	25,085	25,319	25,607
Inventories	2,388	2,381	1,896	2,240	2,057	2,076	1,841
Prepaid expenses and other	8,358	8,251	7,503	8,067	7,607	8,197	8,176
Total current assets	37,857	35,722	37,388	38,119	36,814	37,957	38,056
Property, plant and equipment	307,689	310,519	313,424	316,767	320,108	322,266	324,978
Less Accumulated depreciation	200,255	203,532	206,154	209,277	211,798	214,403	217,088
Property, plant and equipment, net	107,434	106,987	107,270	107,490	108,310	107,863	107,890
Investments in unconsolidated businesses	1,071	1,052	1,015	929	953	941	908
Wireless licenses	149,796	150,485	151,337	155,465	155,667	156,111	156,291
Goodwill	28,671	28,674	28,647	28,642	22,843	22,842	22,842
Other intangible assets, net	11,461	11,246	11,097	10,952	11,057	10,835	10,680
Operating lease right-of-use assets	26,130	25,947	25,345	25,086	24,726	24,351	24,064
Other assets	17,260	17,603	17,856	18,147	19,885	19,258	18,415
Total assets	\$ 379,680	\$ 377,716	\$ 379,955	\$ 384,830	\$ 380,255	\$ 380,158	\$ 379,146
Liabilities and Equity							
Current liabilities							
Debt maturing within one year	\$ 9,963	\$ 12,081	\$ 14,827	\$ 12,950	\$ 12,973	\$ 15,594	\$ 23,255
Accounts payable and accrued liabilities	23,977	19,273	20,067	26,140	23,453	20,139	19,727
Current operating lease liabilities	4,134	4,177	4,211	3,906	4,266	4,282	4,247
Other current liabilities	12,097	12,237	12,299	12,681	12,531	13,616	13,577
Total current liabilities	50,171	47,768	51,404	55,677	53,223	53,631	60,806
Long-term debt	140,676	140,772	137,871	134,441	137,701	136,104	126,022
Employee benefit obligations	12,974	12,750	12,357	12,226	13,189	12,805	12,812
Deferred income taxes	43,441	43,667	44,055	44,434	45,781	45,980	46,082
Non-current operating lease liabilities	21,558	21,303	20,745	20,773	20,002	19,654	19,456
Other liabilities	18,397	17,237	17,021	18,191	16,560	16,258	16,429
Total long-term liabilities	237,046	235,729	232,049	230,065	233,233	230,801	220,801

Verizon has been deftly managing their debt maturities, but the doubling in debt maturing within a year puts the company in a very delicate position. Will interest rates fall, and how far? Should the company reach for a longer maturity to match the useful life of the spectrum (assuming the C-Band auction is what created their current debt load)? Per their [investor relations website](#), here are the debt tranches that are being refinanced:

	COUPON RATE	MATURITY DATE	COMPANY TOTAL	TOTALS
DEBT MATURING WITHIN ONE YEAR:				
Commercial Paper	\$605		\$605	
Verizon Communications Inc.	\$1,161	3.500%	1-Nov-2024	
Verizon Communications Inc.	\$1,340	3.376%	15-Feb-2025	
Verizon Communications Inc.	\$889	LIBOR+1.10%	15-May-2025	
Verizon Communications Inc.	€ 747	0.875%	2-Apr-2025	\$4,207
Private Placements	\$17,697		\$17,697	
TOTAL DEBT MATURING WITHIN ONE YEAR:				\$ 22,509

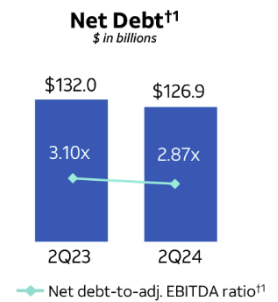
Note: Current LIBOR is ~5.5-5.6%. While we do not know the details of the private placements, we do know that Verizon's overall blended debt rate (per their 2Q 2024 income statement and balance sheet) is slightly more than 4.5%. T-Mobile [issued 2 billion in Euro-denominated notes in May](#) at coupons ranging from 3.55% - 3.85% (5, 10, and 15-year durations) with little difficulty. But that was from a different overall leverage and operating cash flow position.

We think that Verizon's coupon rate will be slightly higher than their current 4.4-4.5 % average and that the new refinance rate will increase borrowing costs for this tranche by 60 basis points. That translates into \$135 million in

additional annual interest expense. At today's share count, that would imply an additional \$0.03-\$0.04/ share of pressure on yearly earnings. This may sound small, but, when combined with all of the other pressures Verizon is facing, it's not.

AT&T is also in a deleveraging mode, with over \$5 billion in net debt reduction over the last year (see nearby pic from their 2Q earnings presentation). But they still have a little over \$3 billion in current maturities (much less than Verizon) which need to be paid or refinanced over the next year (debt schedule [here](#)).

Charter, Comcast, and T-Mobile do not appear to have any near-term debt issues, and, as we have discussed with respect to T-Mobile, have believable short and long-term free cash forecasts. As we will discuss in more depth in the next [Brief](#), T-Mobile appears to be using their balance sheet to their advantage.



4. AT&T's fiber penetration underperformance.

We discussed this in detail in the [May 19th Brief](#), but, if the latest census updates are correct, AT&T should be rapidly expanding their fiber footprint (and gaining fiber subs) because of the demographic shift from North and East to South and West.

Here is AT&T's latest schedule on their fiber deployments from their earnings package:

Communications

Consumer Wireline Operating Volumes and Statistics

Volumes in thousands; Unaudited	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24
Total Broadband Connections⁹	13,825	13,796	13,753	13,730	13,695	13,710	13,729	13,784	13,836
Fiber	6,597	6,935	7,215	7,487	7,738	8,034	8,307	8,559	8,798
Non Fiber	7,228	6,861	6,538	6,243	5,957	5,676	5,422	5,225	5,038
Total Broadband Net Adds⁹	(25)	(29)	(43)	(23)	(35)	15	19	55	52
Fiber	316	338	280	272	251	296	273	252	239
Non Fiber	(341)	(367)	(323)	(295)	(286)	(281)	(254)	(197)	(187)

AT&T Internet Air (included in non fiber broadband)

Connections	-	-	-	-	2	26	93	203	342
Net Adds	-	-	-	-	2	24	67	110	139

ARPU⁶

Broadband ARPU	\$ 57.64	\$ 58.63	\$ 60.31	\$ 61.31	\$ 62.26	\$ 64.91	\$ 65.62	\$ 65.98	\$ 66.17
Fiber ARPU	61.65	62.62	64.82	65.92	66.70	68.21	68.50	68.61	69.00
Non Fiber ARPU	54.17	54.80	55.54	56.00	56.71	60.43	61.38	61.81	61.38

Communications

Fiber Location Metrics⁹

Volumes in millions; Unaudited	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24
Total Consumer and Business Locations Passed	22.5	23.4	24.1	24.7	25.4	26.0	26.5	27.1	27.8
Fiber Served Locations - Consumer	18.0	18.5	19.1	19.7	20.2	20.7	21.1	21.5	22.1
Fiber Penetration - Consumer	37%	37%	38%	38%	38%	39%	39%	40%	40%

Total fiber connections grew steadily over the last four quarters, and revenue per customer has also improved by 3.4% to \$69. Consumer locations equipped with fiber have followed the steady march, up nearly 2 million in the last twelve months.

This, combined with the surprising growth of AT&T Internet Air, was the brightest part of the AT&T message. Our question is "Could it have been even better?" From the [May 19th Brief](#), here are the fastest growing metropolitan areas by a) percentage growth, and b) total population growth (Census data [here](#)):

Fastest Growing (total population)						Fastest Growing (%)					
Source: US Census 2023						Source: US Census 2023					
Town	State	Primary Zip	MSA	Telco(s)	Cable Co(s)	Town	State	Primary Zip	MSA	Telco(s)	Cable Co(s)
San Antonio	TX	78245	San Antonio	AT&T	Spectrum	Celina	TX	75009	DFW	AT&T	Altice
Fort Worth	TX	76116	DFW	AT&T	Spectrum	Fulshear	TX	77406	Houston	AT&T	Comcast
Charlotte	NC	28215	Charlotte	AT&T	Spectrum	Princeton	TX	75407	DFW	AT&T	Spectrum/ Altice
Jacksonville	FL	32218	Jacksonville	AT&T	Comcast	Anna	TX	75409	DFW	AT&T	Altice/ Cable One
Port St Lucie	FL	34953	Port St Lucie	AT&T	Comcast	Lathrop	CA	95330	Stockton	AT&T/ Frontier	Comcast
Atlanta	GA	30331	Atlanta	AT&T	Comcast	Centerton	AR	72712	Bentonville	AT&T	Cox
Houston	TX	77036	Houston	AT&T	Comcast	Haines City	FL	33844	Lakeland	Frontier	Spectrum/ Altice
Georgetown	TX	78626	Austin	Frontier/ AT&T	Altice/ Spectrum	Georgetown	TX	78626	Austin	Frontier/ AT&T	Altice/ Spectrum
Celina	TX	75009	DFW	AT&T	Altice	Prosper	TX	75033	DFW	AT&T	Spectrum
Raleigh	NC	27610	Raleigh-Durham	AT&T	Spectrum	Forney	TX	75126	DFW	AT&T	Altice
Fulshear	TX	77406	Houston	AT&T	Comcast	Kyle	TX	78640	Austin	Frontier/ Brightspeed	Spectrum
Washington	DC	20011	Washington DC	Verizon	Comcast	Lebanon	TN	37087	Nashville	AT&T	Spectrum
Denton	TX	76210	DFW	Frontier/ Brightspeed	Spectrum	Fort Mill	SC	29715	Charlotte	Comporium	Comporium/ Spectrum
Oklahoma City	OK	73160	Oklahoma City	AT&T	Cox	Leesburg	FL	33585	Orlando	CenturyLink	Spectrum
Cape Coral	FL	33914	Ft Myers	Lumen	Comcast	Athens	OH	45701	None	Frontier	Spectrum

AT&T is the incumbent broadband provider in 10 of the 11 fastest growing areas in the US (and they share the 11th with Frontier). These are not small markets, and, as we can attest from 3+ years of FTTH deployments, fiber deployment is a lot easier during new construction than during retrofits.

We think that AT&T left 50K fiber additions on the table in these growth markets. They are now customers of Spectrum and Comcast, and, given their new plant, will likely be for the foreseeable future. Their performance was good enough, but AT&T holds a unique addressable market advantage over Verizon, Frontier, and Lumen.

That's it for this week. The sundaybrief.com website has a new look and feel, and we welcome your comments on the site. The next [Brief](#) will focus on T-Mobile – look for interim updates online as well. Until then, if you have friends who would like to be on the email distribution, please have them send an email to sundaybrief@gmail.com and we will include them on the list (or they can sign up directly through the [website](#)).

Finally - go [Sporting KC](#), [Team USA](#), and [Kansas City Royals](#)!

Important disclosure: *The opinions expressed in [The Sunday Brief](#) are those of Jim Patterson and Patterson Advisory Group, LLC, and do not reflect those of CellSite Solutions, LLC, or Fort Point Capital.*