

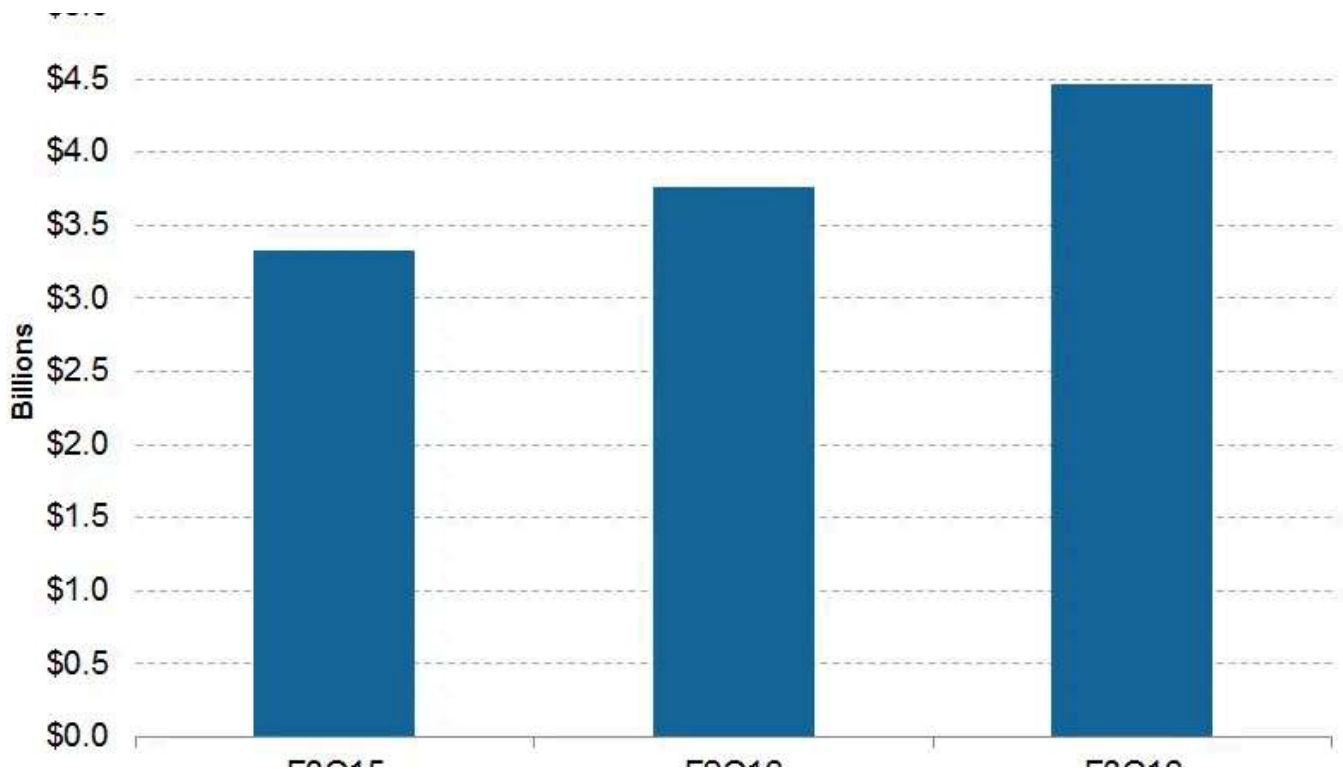
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Why Sprint Is Focusing on Handset Leasing to Accelerate Growth

Telecommunications giant Sprint has been trying to accelerate their growth and is focusing on leasing of handsets to be a major driver

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Sprint's leased devices

Sprint's (S) device leasing has helped it regain its financial position. The take rate of Sprint's leasing plans has surpassed its installment plans ✕

financial benefits of leasing, Sprint's lease revenue

According to a FierceWireless report on April 21, in an effort to leverage Samsung's latest flagship two-for-one deal enabling users to pay \$31.25 a r

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...w line. The promotion will last only one week and will enable customers to upgrade to a new Galaxy device any time after 12 lease payments under the carrier's Galaxy Forever plan."

In fiscal 3Q16, which ended December 2016, the take rate of Sprint's leasing plans reached ~43%. As you can see in the above chart, net leased devices were valued at ~\$4.5 billion at the end of fiscal 3Q16. During fiscal 3Q15, this figure was ~\$3.3 billion.

Among the top four US wireless players, Sprint and T-Mobile ([TMUS](#)) offer leasing plans. Verizon ([VZ](#)) and AT&T ([T](#)) do not.

Sprint's handset leasing benefits

Additionally, during the Deutsche Bank Media, Internet and Telecom Conference held on March 7, 2017, Tarek Robbiati, Sprint's chief financial officer, spoke about the benefits handset leasing has offered to Sprint: "We've been pretty good promoting leasing and allowing customers to benefit from being always with the latest and greatest technology.

And as a return to those forms we face multiple choices available to us either we can sell those phones or we can recycle those phones and give them a second life. And we have done so."

Robbiati added that Sprint views leasing as a way to monetize assets multiple times over their life. As an example, he said, "The phones that we get back are put back into the market for prepaid, with different types of levels of guarantee."

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