Telecom, Cable & Satellite

Petti's Playbook - 2Q26 Scorecard: Key Debates Coming Out of 2Q26 Earnings

Telecom Services, Cable & Satellite

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Following the 2Q26 earnings season, we address key industry questions/debates, update company-level fact sheets, and recap how industry-level subscriber growth across the mobile phone, broadband, and video ecosystems fared vs. our estimates ahead of the quarter. Our favorite names coming out of earnings are Overweight-rated AT&T and Anterix while Underweight-rated TELUS remains our top short idea.

Question #1 – Femtocells, or macro towers too?

While SpaceX believes it can lean on its own infrastructure, namely satellite capacity and femtocells placed on its Starlink broadband user terminals, we believe the company will ultimately need macro towers to fulfill its U.S. wireless ambitions. Messaging on SpaceX's 2Q call suggested that the company could avoid reliance on traditional macro towers or fiber for backhaul, instead using its own ground stations to support cellular base stations. While we view femtocells as a plausible component of the network, particularly for addressing density in urban environments, we do not see them serving as the sole infrastructure layer, and we believe SpaceX will still need macro towers and additional low-band spectrum beyond the 65 MHz acquired from EchoStar to deliver a user experience on par with traditional carriers, absent an MVNO. We ultimately expect SpaceX's messaging to evolve toward a hybrid architecture that leans on its own assets, pairing femtocells on Starlink terminals where density allows with macro towers where coverage and in-building performance demand it. Accordingly, our base case is unchanged and assumes SpaceX begins building a standalone U.S. terrestrial network in 2028, adding roughly 75k macro towers over time. While fears of disintermediation remain an overhang for the Big 3, and COO Gwynne Shotwell believes Starlink Mobile can "acquire quite a few" customers, we see limited competitive impact in the coming years, as U.S. "dysconnectivity" is not severe enough to drive meaningful switching.

Question #2 – Will demand for spectrum remain strong?

We believe spectrum assets will remain in high demand broadly, and MSS assets in particular—supported by the near-term availability of 5G NR-NTN in devices—as emerging direct-to-device (D2D) operators and use cases continue to expand. While the Iridium S-4 revealed a less active bidding process than Globalstar's, we still expect strong demand for MSS licenses from a widening universe of connectivity-dependent platforms. The low-band story is a key part of this: SpaceX's recent ex parte filings with the FCC, which sought to satisfy terrestrial build-out requirements through satellite coverage, specifically cited low-band assets held by Grain Management, NextNav, and Anterix, and we expect D2D operators to ultimately pursue these opportunities. Consistent with that, Bloomberg recently reported that AST SpaceMobile and SpaceX had expressed interest in Grain's 800 MHz holdings, which the company is seeking to monetize at roughly $6 billion ($1.25/MHz-pop). While Elon Musk denied interest in Grain, we would not discount SpaceX as a long-term buyer of spectrum assets, given its D2D and wireless ambitions. Turning to our coverage, we see Anterix and Viasat as the key monetization stories. We are most bullish near-term on Anterix, which

See page 38 for analyst certification and important disclosures.

still trades at roughly $0.54/MHz-pop versus our $0.75/MHz-pop value, with its 900 MHz spectrum covering 85% of the U.S. We are similarly constructive on Viasat, whose global L-Band and S-Band portfolio we value at $16.1 billion (or $0.28/MHz-pop); following the European Commission's decision to reshape how 2 GHz satellite spectrum is allocated across the EU, Viasat is well positioned to monetize a portion of its European holdings to SpaceX and/or AST SpaceMobile, particularly as SpaceX looks to bring more D2D traffic on-net. Looking ahead, we will be watching for further spectrum announcements ahead of the start of the Upper C-Band quiet period, expected to begin in early 2027.

Question #3 - Will wireless stay rational through the iPhone cycle?

Overall, we believe the wireless ecosystem remains healthy, supported by rational pricing and a continued shift away from aggressive device subsidies. On pricing, discipline is holding: AT&T raised prices on legacy tiers, yet still saw churn improve year-over-year, and later lifted admin and regulatory fees across its base; Verizon raised myPlan prices by $10 per line across all three of its Unlimited tiers; Charter's Spectrum Mobile introduced a premium Unlimited Plus Premium tier at $50 per line (multi-line) with 50 GB of hotspot data and 4K UHD streaming; and T-Mobile is moving an estimated 8 million customers off legacy plans through its latest rate-plan modernization. On devices, carriers are managing rising smartphone prices through financing rather than aggressive upfront subsidies: T-Mobile extended its equipment installment plans to 36 months via EIP Flex 36 and EIP Standard 36, with Flex 36 the only option in wireless that lets customers finance the device, taxes, and fees at checkout, lowering upfront costs for all and eliminating them entirely for well-qualified customers at 0% APR for a limited time, and Verizon launched Simplicity, an entry-level postpaid plan priced at $30 through a limited-time offer ($45 standard). Against this backdrop, Apple's "Surprise and Shine" launch event on September 9 has again brought promotional intensity, and its impact on ecosystem health, to the forefront. J.P. Morgan Apple analyst Samik Chatterjee expects a premium-only fall lineup, with the iPhone 18 Pro, Pro Max, and foldable "iPhone Ultra" launching this fall and the base models deferred to spring 2027; his base case is for a $100 like-for-like U.S. price increase, taking the Pro and Pro Max to $1,199 and $1,299, with the foldable priced above $2,000. Higher device prices are the natural trigger for renewed promotional intensity, but while we acknowledge the uncertainty ahead of the launch, we expect industry subsidies to remain largely rational, consistent with carrier messaging throughout the year. That said, we expect the typical flurry of iPhone 18-related device promotions following next week's event, with the level of subsidies dictating the cadence of industry competition into year-end.

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Company Fact Sheets

AT&T

AT&T (Overweight, $33 PT, 25% upside to PT)

AT&T remains a top pick on the J.P. Morgan U.S. Equity Analyst Focus List, anchored by its robust fiber build engine and scaling convergence playbook (42.5% convergence rate including Lumen and 45% ex-Lumen), aided by new pricing and packaging in underpenetrated segments (ex: value cohorts). We also see a long runway to replicate the playbook in the Lumen footprint, where AT&T is underpenetrated in both fiber and wireless share, and expect share gains to accelerate in 2H26 as the company taps into pent-up demand with CEO Stankey noting the company has "another step-up" to take as they move through the year. Accordingly, we raised our 2026 postpaid phone adds to 1.60m on this momentum with AT&T Fiber net adds now expected to come in at 1.35m. With 2Q wireless service revenue up 3.3% y/y, we now model above-guidance full-year wireless service revenue growth of 3.3% (vs. +2-3% guide) on higher volumes and recent rate increases, though CFO Desroches flagged this is partly offset by softer broadband within a wireless/broadband trade-off for the year. Strong ACS EBITDA growth of ~7% in 1H26 (vs. +6% guide, JPMe +7%) and continued cost-takeout efforts leave the full-year consolidated EBITDA guide of +3-4% looking conservative (vs. JPMe +4.0%). We see that momentum sustaining and forecast 4% EBITDA and 10% EPS CAGRs through 2028.

- **Sentiment/positioning:** Sharply improved following 2Q results, given upside to 2026 guidance and accelerating convergence trends.
- **Key topics/questions:**
  - Is there upside to 2026 wireless service revenue, ACS EBITDA, and consolidated EBITDA guidance, given strong 1H26 results, building cost efforts, and easing Lumen standup costs as integration progresses?
  - 2Q postpaid phone volumes benefited from a greater emphasis on the value segment. Is AT&T's broader pricing and packaging still driving improved gross add trends?
  - Has postpaid phone churn risen following recent price increases?
  - As the industry turns more rational on handset subsidies, what is your updated subsidy outlook into the iPhone 18 launch?
  - Is AT&T still seeing pent-up demand in the acquired Lumen footprint, and should investors expect another "step-up" as the year progresses?
  - What underpins management's confidence in driving fiber penetration above 50%, despite long-term satellite competition and steady FWA growth?
  - After closing the ~$23b spectrum deal with EchoStar, what is management's appetite for additional spectrum in upcoming auctions?
  - Can management provide an update on the network modernization timeline, given recent commentary from vendors?
  - What is the timeline for deploying the new 600 MHz dual-band radios with Ericsson?
  - AT&T Business has "turned the corner." What underpins confidence that it remains a growth driver for ACS revenue?

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- Can management provide an update on the $4b cost-takeout program targeted by 2028, including the expected phasing of copper-decommissioning benefits?

- **Post-results revision recap:** We raised 3Q postpaid phone net adds to 430k (from 355k) on ~2% y/y gross add growth and lower churn of 0.91% (-1bp y/y). While AT&T reiterated 2026 wireless service revenue growth guidance of +2-3% y/y, we now forecast above-guide growth, mainly on higher postpaid phone revenue. We lifted 3Q postpaid phone ARPU 2% to $58.62 (+2.0% y/y), reflecting a full-quarter contribution from the April legacy price increase and a partial-quarter benefit from the new $1/month admin/regulatory fee increase to $4.99, effective August 5. All-in, we raised our 3Q wireless service revenue 1.3% to $17.65b (+4.3% y/y), lifting FY26 wireless service revenue to $69.64b (+3.3% y/y vs. guidance of +2-3%). We increased 3Q AT&T Fiber net adds to 375k, reflecting recent momentum, favorable seasonality, a faster organic build pace, and contribution from the underpenetrated Lumen footprint, taking our FY26 AT&T Fiber net adds to 1.35m. Conversely, we cut our 3Q/2026 AT&T Internet Air net adds to 245k/925k following lighter 2Q results, driven by reduced availability and the migration of FWA subscribers to fiber. We raised 3Q ACS segment revenue 0.7% to $23.88b (+6.0% y/y) on higher wireless service revenue and stronger business fiber and advanced connectivity services revenue of $2.04b. However, we reduced Advanced Home Internet revenue 4% to $3.04b (+25.9% y/y), with higher volumes offset by lower entry pricing as AT&T seeds converged-bundle sell-in. We modestly raised 3Q ACS segment EBITDA 0.5% to $12.35b (+7.4% y/y), taking FY26E ACS EBITDA to $47.67b (+7.0% y/y vs. 6%+ guidance). At the consolidated level, we lifted 3Q EBITDA 0.1% to $12.34b (+4.1% y/y) and FY26E EBITDA 0.2% to $48.21b (+4.0% y/y vs. +3-4% guidance). AT&T guided to "stable" y/y FCF in 3Q and "strong" growth in 4Q; we now model 3Q/FY26 FCF of $4.99b/$18.06b (unchanged) and FY26 adj. EPS of $2.35, at the high end of the $2.25-2.35 guide. Link to 2Q Recap.

Figure 1: Summary of AT&T's KPIs Following 2Q Results

Summary of KPIs - AT&T (T)

	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	3Q26E	*JPMe vs. Street*	2026E	2026E	*Variance*	2026E	*JPMe vs. Street*	2025	*Y/Y*
Advanced Connectivity Services Subscribers															
Postpaid phone net adds	432	330	*102*	430	355	*75*	384	*46*	1,601	1,354	*247*	1,511	*90*	1,551	*50*
Prepaid phone net adds	4	(100)	*104*	(100)	(100)	*0*	(139)	*39*	(268)	(372)	*104*	(412)	*144*	(392)	*124*
Postpaid phone churn	0.86%	0.93%	*-7 bps*	0.91%	0.95%	*-4 bps*	92.04%	*-9,113 bps*	0.91%	0.94%	*-3 bps*	90.78%	*-8,988 bps*	0.90%	*1 bps*
AT&T Fiber net adds	344	285	*59*	375	345	*30*	358	*17*	1,347	1,233	*114*	1,616	*(269)*	1,075	*272*
AT&T Internet Air net adds	215	275	*(60)*	245	275	*(30)*	256	*(11)*	925	1,054	*(129)*	951	*(26)*	875	*50*
Advanced Connectivity Services Financials															
Wireless service	17,413	17,207	*1.2%*	17,652	17,428	*1.3%*	17,550	*0.6%*	69,638	69,054	*0.8%*	69,468	*0.2%*	67,384	*3.3%*
AT&T Fiber	2,593	2,671	*-2.9%*	2,664	2,756	*-3.3%*			10,493	10,761	*-2.5%*			8,645	*21.4%*
AT&T Internet Air	333	342	*-2.7%*	372	393	*-5.5%*			1,411	1,473	*-4.2%*			765	*84.4%*
Advanced home internet service	2,926	3,013	*-2.9%*	3,036	3,149	*-3.6%*	3,067	*-1.0%*	11,904	12,234	*-2.7%*	11,974	*-0.6%*	9,410	*26.5%*
Business fiber and advanced connectivity services	1,946	1,895	*2.7%*	2,039	1,963	*3.9%*	2,012	*1.3%*	7,980	7,772	*2.7%*	7,908	*0.9%*	7,243	*10.2%*
Business transitional and other service	1,042	1,062	*-1.9%*	1,000	1,024	*-2.3%*	1,017	*-1.6%*	4,102	4,175	*-1.7%*	4,134	*-0.8%*	4,911	*-16.5%*
Other service	151	161	*-6.0%*	154	159	*-3.1%*	156	*-1.1%*	617	636	*-3.1%*	620	*-0.6%*	650	*-5.1%*
Total service revenue	23,478	23,338	*0.6%*	23,881	23,724	*0.7%*			94,241	93,871	*0.4%*			89,598	*5.2%*
Equipment	5,137	5,429	*-5.4%*	4,767	5,176	*-7.9%*			22,776	23,989	*-5.1%*			22,826	*-0.2%*
Total Advanced Connectivity Segment revenue	28,615	28,767	*-0.5%*	28,648	28,900	*-0.9%*	28,967	*-1.1%*	117,017	117,861	*-0.7%*	117,832	*-0.7%*	112,424	*4.1%*
EBITDA	12,032	11,881	*1.3%*	12,347	12,283	*0.5%*	12,277	*0.6%*	47,668	47,490	*0.4%*	47,585	*0.2%*	44,547	*7.0%*
EBITDA margin	42.0%	41.3%	*75 bps*	43.1%	42.5%	*60 bps*	42.4%	*72 bps*	40.7%	40.3%	*44 bps*	40.4%	*35 bps*	39.6%	*111 bps*
Legacy Segment															
Legacy revenue	1,632	1,652	*-1.2%*	1,510	1,510	*0.0%*	1,507	*0.2%*	6,318	6,338	*-0.3%*	6,312	*0.1%*	8,472	*-25.4%*
Legacy EBITDA	523	609	*-14.2%*	346	397	*-12.8%*	389	*-11.0%*	1,834	2,014	*-8.9%*	1,883	*-2.6%*	3,339	*-45.1%*
EBITDA margin	32.0%	36.9%	*-484 bps*	22.9%	26.3%	*-337 bps*	25.8%	*-290 bps*	29.0%	31.8%	*-275 bps*	29.8%	*-81 bps*	39.4%	*-1,039 bps*
Consolidated															
Revenue	31,558	31,706	*-0.5%*	31,459	31,746	*-0.9%*	31,723	*-0.8%*	128,514	129,497	*-0.8%*	129,249	*-0.6%*	125,648	*2.3%*
EBITDA	12,338	12,145	*1.6%*	12,345	12,331	*0.1%*	12,334	*0.1%*	48,213	48,099	*0.2%*	48,195	*0.0%*	46,361	*4.0%*
EBITDA margin	39.1%	38.3%	*79 bps*	39.2%	38.8%	*40 bps*	38.9%	*36 bps*	37.5%	37.0%	*55 bps*	37.3%	*23 bps*	36.9%	*62 bps*
EPS	$0.66	$0.61	*8.2%*	$0.63	$0.60	*4.5%*	$0.61	*4.1%*	$2.35	$2.30	*2.4%*	$2.34	*0.5%*	$2.12	*11.1%*
Capital investment	6,131	6,067	*1.1%*	6,140	6,172	*-0.5%*	5,978	*2.7%*	23,500	23,500	*0.0%*	23,614	*-0.5%*	22,023	*6.7%*
FCF	4,670	4,301	*8.6%*	4,990	5,247	*-4.9%*	5,094	*-2.0%*	18,056	18,050	*0.0%*	18,276	*-1.2%*	16,586	*8.9%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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T-Mobile

T-Mobile (Overweight, $275 PT, 48% upside to PT)

We view the sell-off in shares since 2Q results (-1.5% vs. +13.7%/+14.2% for AT&T/ Verizon) as an attractive entry point, and T-Mobile remains a top pick on the J.P. Morgan U.S. Equity Analyst Focus List given relative valuation and industry-leading growth over the next several years (~8% core EBITDA and ~11% FCF/share CAGRs through 2028). Although T-Mobile guided to softer-than-expected 3Q postpaid account net adds of 250k on temporarily elevated churn tied to its rate-plan modernization, we anticipate upside and model +260k. Recent momentum and share gains in underpenetrated cohorts should more than offset increased competition from AT&T and Verizon in low-end value segments. Similarly, we view 3Q core EBITDA guidance of $9.4b as conservative (JPMe of $9.42b), even as management messages a target of landing "at the midpoint" of full-year guidance. Looking ahead, we expect management to provide an update on 3Q trends at September industry conferences.

- **Sentiment/positioning:** Largely negative due to long-term growth fears.
- **Key topics/questions:**
  - With AT&T and Verizon pushing harder into the low-end value segment, are you losing share in this cohort?
  - Rate-plan modernization is driving temporary 3Q churn. How should we think about the churn cadence and account-add trajectory into 2027?
  - Have the new EIP Standard and Flex plans improved your share of gross adds?
  - Premium-plan take rates ran above 60% of new accounts in 2Q. Are they continuing to trend higher?
  - CLV grew double digits, with port-in ARPAs ~20% above port-out. How durable is that spread as competition intensifies?
  - As the industry turns more rational on handset subsidies, what is your updated subsidy outlook into the iPhone 18 launch, and how do longer-duration contracts factor in?
  - Where do you see the growth runway in smaller markets and rural areas (SMRA) and in Enterprise?
  - Your 15m FWA target by 2030 assumes conservative market-share caps and no new spectrum. What would move you off that number, to the upside or downside?
  - When does Starlink exclusivity end, and what is the framework thereafter? Relatedly, any update on the D2D JV with AT&T and Verizon?
  - Any update on your T-Fiber buildout and JV performance?
  - Given your anticipated participation in the Upper C-band and 2.7 GHz auctions in 2027-2028, should we expect capital returns to moderate further near-term?
- **Post-results revision recap:** Following 2Q results, we trimmed our 3Q postpaid account net-add forecast to 260k (from 298k), broadly in line with CFO Osvaldik's expectation of ~250k, reflecting "temporary elevated account churn" tied to T-Mobile's rate-plan modernization. For the full year, we now forecast total postpaid account net adds of 1,025k (vs. reiterated guidance of 950-1,050k), despite some residual rate-event churn lingering into 4Q. Consistent with management's guidance for 3Q service revenue of "approximately" $19.3b, we lowered our estimate 0.7% to

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$19.34b (+6.0% y/y) from $19.48b, reflecting lower prepaid ($2.44b) and wholesale ($716m) revenue, partially offset by higher postpaid service revenue ($16.18b, or +8.7% y/y). For FY26, T-Mobile reiterated total service revenue guidance of $77.0b, versus our updated $76.89b (+7.8% y/y, 0.1% below our prior $76.99b), including postpaid service revenue of $64.17b supported by a 0.5% increase in FY26 ARPA to $154.13 (+3.5% y/y, versus guidance for "more towards the 3% ARPA growth"). We reduced 3Q core EBITDA ~2% to $9.42b (48.7% margin) on lower revenue and higher equipment costs, in line with Osvaldik's expectation of ~$9.4b (+8% y/y), while trimming FY26 core EBITDA 0.2% to $37.36b (+10.1% y/y), against reiterated guidance of $37.1-37.5b. Despite slightly lower EBITDA, we raised our 2026 FCF estimate to $18.62b (versus updated guidance of $18.4-18.8b) on lower cash income taxes, with 3Q FCF of $4.64b. Finally, we lowered quarterly buybacks to $2.5b through 2028. Link to 2Q Recap.

Figure 2: Summary of T-Mobile KPIs Following 2Q Results

Summary of KPIs - T-Mobile (TMUS)

	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	3Q26E	*JPMe vs. Street*	2026E	2026E	*Variance*	2026E	*JPMe vs. Street*	2025	*Y/Y*
Postpaid account net adds	277	275	*2*	260	298	*(38)*	456	*(196)*	1,025	1,035	*(10)*	1,763	*(738)*	1,180	*(155)*
Postpaid ARPA	$152.91	$153.30	*-0.3%*	$154.82	$153.98	*0.5%*	$154.03	*0.5%*	$154.13	$153.43	*0.5%*	$153.21	*0.6%*	$148.97	*3.5%*
Branded postpaid service revenue	15,853	15,902	*-0.3%*	16,177	16,104	*0.5%*	16,112	*0.4%*	64,174	63,921	*0.4%*	64,016	*0.2%*	57,932	*10.8%*
Branded prepaid service revenue	2,473	2,457	*0.6%*	2,443	2,597	*-5.9%*	2,472	*-1.2%*	9,846	10,179	*-3.3%*	9,921	*-0.8%*	10,497	*-6.2%*
Wholesale and other service revenue	657	637	*3.2%*	716	778	*-8.0%*	727	*-1.6%*	2,873	2,886	*-0.4%*	2,852	*0.8%*	2,877	*-0.1%*
Total service revenue	18,983	18,995	*-0.1%*	19,336	19,479	*-0.7%*	19,313	*0.1%*	76,893	76,986	*-0.1%*	76,770	*0.2%*	71,306	*7.8%*
Equipment revenue	3,524	3,729	*-5.5%*	3,594	3,720	*-3.4%*	3,585	*0.2%*	16,683	16,737	*-0.3%*	16,583	*0.6%*	15,972	*4.5%*
Consolidated															
Revenue	22,791	22,924	*-0.6%*	23,130	23,399	*-1.2%*	23,148	*-0.1%*	94,540	94,603	*-0.1%*	94,399	*0.1%*	88,309	*7.1%*
EBITDA	9,537	9,423	*1.2%*	9,417	9,608	*-2.0%*	9,414	*0.0%*	37,364	37,426	*-0.2%*	37,350	*0.0%*	33,924	*10.1%*
EBITDA margin	50.2%	49.6%	*63 bps*	48.7%	49.3%	*-62 bps*	40.7%	*803 bps*	48.6%	48.6%	*-2 bps*	48.7%	*-6 bps*	47.6%	*102 bps*
EPS	$2.99	$2.57	*16.2%*	$2.77	$2.94	*-5.6%*	$2.93	*-5.5%*	$10.69	$10.44	*2.4%*	$10.97	*-2.5%*	$9.72	*10.0%*
Capex	2,703	2,469	*9.5%*	2,417	2,532	*-4.6%*	(2,432)	*-199.4%*	10,013	9,996	*0.2%*	(10,079)	*-199.3%*	9,955	*0.6%*
FCF	4,797	4,471	*7.3%*	4,636	4,815	*-3.7%*	4,801	*-3.4%*	18,616	18,437	*1.0%*	18,763	*-0.8%*	17,995	*3.5%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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Verizon

Verizon (Neutral, $52 PT, 8% upside to PT)

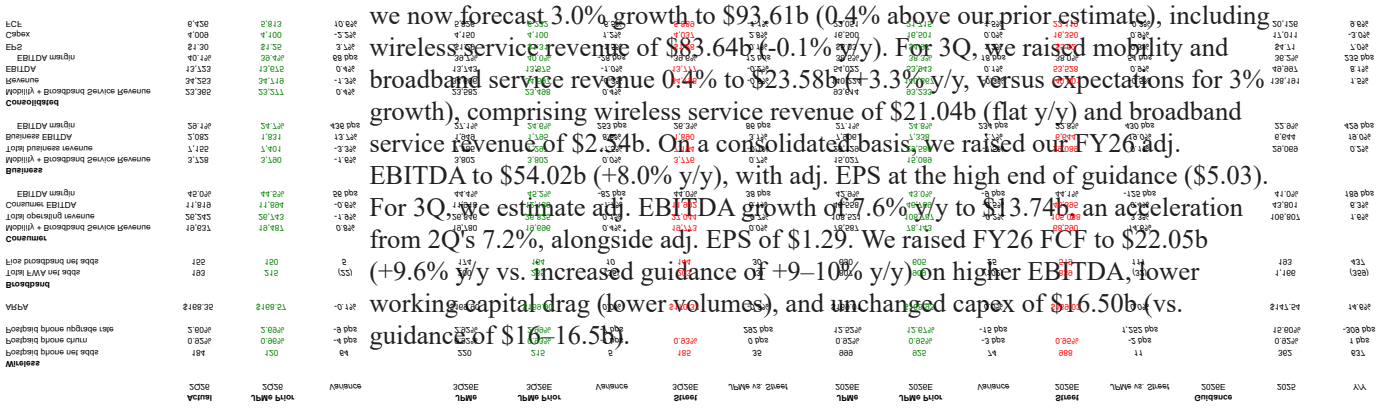
Verizon's 2Q total postpaid phone net adds of 184k, lower churn, and share gains in new segments underscore that CEO Dan Schulman's turnaround efforts are taking hold. We expect the new value proposition to build on this, driving stronger gross adds and further churn improvement in 2H26 as customer experience investments gain traction, with positive postpaid account net adds anticipated in 3Q26. Meanwhile, the cost transformation is translating into accelerating financial growth, with its $9b combined opex and capex cost program on track for 2026, further Frontier synergy realization, easing promo-amortization headwinds, and easier comps all supporting stronger EBITDA and EPS growth. These drivers push our FY26 adj. EPS ($5.03 vs. $4.99–5.04) and FCF (+9.6% vs. +9–10% y/y) to the high end of guidance, which could still prove conservative. While we are encouraged by the tangible progress in Verizon's turnaround, we remain on the sidelines given greater confidence in the multiyear service revenue and EBITDA growth algorithms at peers (AT&T and T-Mobile). We could turn more constructive as we gain confidence in Verizon's 2027+ top-line drivers, including a potential AI infrastructure contribution.

- **Sentiment/positioning:** Positive on 2026 guidance upside, but multiyear revenue growth questions remain.
- **Key topics/questions:**
  - Given improving customer satisfaction and share gains in new segments, is there upside to the 750–1,000k postpaid phone net add guidance?
  - Following July's $10 myPlan price increase, is Verizon seeing any change in the pace of churn or ARPA?
  - With the value proposition now rolled out, what levers remain to drive churn lower, and is management still targeting a 5 bps churn reduction in 2026?
  - Following the 27% y/y upgrade decline in 2Q, do you expect upgrade rates to stay structurally lower into the iPhone cycle, and how are you approaching handset subsidies at higher price points?
  - How is broadband competition trending into 3Q?
  - Over 50% of Verizon One sign-ups upgrade speed tiers and 58% of broadband customers also take mobility. Where do convergence rates go from here?
  - What is the runway for FWA, and how will you manage capacity in key markets?
  - Can management provide a progress update on the D2D JV with AT&T and T-Mobile?
  - Following the $1b+ Google dark fiber deal and the "multiple billions" expected by year-end, can you detail the revenue contribution and multi-year ramp?
  - What is management's appetite for additional M&A and spectrum following the $3.2b AWS-3 purchase?
- **Post-results revision recap:** Following strong 2Q postpaid phone net adds of 184k, we raised our 3Q total postpaid phone net adds to 220k, reflecting reduced churn of 0.92% (-6 bps y/y, versus the 5 bps y/y improvement in 2Q) and 2% y/y gross add growth. This lifts our FY26 net adds to 999k (from 925k prior), consistent with management's expectation to finish in the upper half of its 750–1,000k guidance

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range. In line with commentary from CEO Dan Schulman, we now model 3Q postpaid account net adds of 75k (from -150k prior), reflecting improved momentum in one- and two-line accounts and penetration gains in new segments following the launch of the new Simplicity plan value proposition. We raised FY26 total fiber net adds to 630k (from 605k), including 3Q net adds of 174k (vs. 164k prior), on slightly better 2Q results, cross-selling and converged-bundle efforts, Verizon One and other customer experience initiatives, and an expanding fiber footprint. Conversely, following lighter 2Q FWA adds, due in part to a mix shift to fiber and lower availability, we cut our FY26 FWA net adds to 807k (from 909k) and 3Q adds to 200k (from 235k). Consistent with Verizon's raised guidance for FY26 mobility and broadband service revenue growth of 2.5–3.0% y/y (up from 2.0–3.0% prior), we now forecast 3.0% growth to $93.61b (0.4% above our prior estimate), including wireless service revenue of $83.64b (-0.1% y/y). For 3Q, we raised mobility and broadband service revenue 0.4% to $23.58b (+3.3% y/y, versus expectations for 3% growth), comprising wireless service revenue of $21.04b (flat y/y) and broadband service revenue of $2.54b. On a consolidated basis, we raised our FY26 adj. EBITDA to $54.02b (+8.0% y/y), with adj. EPS at the high end of guidance ($5.03). For 3Q, we estimate adj. EBITDA growth of 7.6% y/y to $13.74b, an acceleration from 2Q's 7.2%, alongside adj. EPS of $1.29. We raised FY26 FCF to $22.05b (+9.6% y/y vs. increased guidance of +9–10% y/y) on higher EBITDA, lower working capital drag (lower volumes), and unchanged capex of $16.50b (vs. guidance of $16–16.5b).

Figure 3: Summary of Verizon KPIs Following 2Q Results



Link to 2Q Recap.

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Comcast

Comcast (Neutral, $29 PT, 8% upside to PT)

While Comcast's broadband trends have improved relative to 2025, the ecosystem remains intensely competitive, fueled by continued fiber overbuild and steady FWA gains, with potential disruption from satellite broadband in the coming years. Accordingly, we expect residential broadband subscriber trends to remain pressured and forecast above-Street losses of 497k in 2026 and 550k in 2027. On the other hand, wireless remains a bright spot, posting a record 448k net adds in 2Q on the converged bundle push and more aggressive offers. A converged ARPA of roughly $85, well below telecom peers, underscores a long monetization runway as free lines begin converting to paid in 2H26. That said, this progress is coming at a cost. The strategic pivot and the commensurate improvement in NPS and moderating subscriber losses are driven by stepped-up investments in pricing and packaging, elevated wireless promotion, and customer experience enhancements, which management expects to translate into only a "modest improvement" in C&P EBITDA trends beginning in 2H26. As a result, we forecast 2026 C&P EBITDA to decline 4.4% y/y, with further declines into 2027. Finally, while Comcast shares rose 11.1% in August (vs. +2.6% for the S&P 500), we attribute the outperformance to a broader risk-off market rotation rather than incremental demand for shares, and would not be surprised to see them retrace in September.

- **Sentiment/positioning:** Cable sentiment remains negative, though interest in the sum-of-the-parts story is building ahead of the anticipated 2027 separation.
- **Key topics/questions:**
    - What is driving the recent Parks weakness, particularly given peers are not seeing similar softness in Orlando?
    - Have bookings or per cap trends at Parks changed given recent consumer softness?
    - What underpins management's confidence in the "modest improvement" in C&P EBITDA beginning in 3Q, and how much depends on lapping the stepped-up go-to-market spend versus free wireless lines converting to paid?
    - Is the broadband market still intensely competitive, and have fiber or FWA availability and promotional intensity shifted?
    - How should investors size the Peacock and YouTube Premium bundle launching in early 2027, across subscriber reach, advertising, and financial contribution?
    - Do NBC and Peacock need additional scale given recent consolidation, and what is management's appetite for media M&A?
    - When can investors expect additional detail on the separation, including target leverage, the exchange ratio, updated capital return framework, and pro forma financials?
- **Post-results revision recap:** While 2Q residential broadband net losses of 167k were a touch higher than expected, we maintained our 3Q net loss estimate of 115k, which implies a 24k wider loss y/y, consistent with management expectations for the broadband market to remain "intensely competitive." Our FY26 net loss forecast rose slightly to 497k (from 490k prior). In wireless, following another quarter of record net adds of 448k in 2Q, reflecting stronger gross adds and lower churn even

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as free-line cohorts rolled to paid, we raised our 2026 net adds forecast to 1.73m (from 1.60m), including +425k in 3Q. We reduced our 3Q residential broadband ARPU estimate to $72.98 (-3.3% y/y vs. -3.8% in 2Q), consistent with expectations for a "modest improvement" as Comcast laps the prior year's pricing and packaging reset and converts free wireless lines to paid. Accordingly, we now forecast 3Q residential broadband revenue of $6.22b (-5.0% y/y vs. -5.5% in 2Q), and for FY26 we model a residential broadband ARPU decline of 3.2% to $73.01, followed by a 1.5% decline in 2027 to $71.91. We estimate 3Q total C&P revenue of $19.74b (-2.4% y/y vs. -3.0% in 2Q), with 3Q C&P EBITDA 0.6% lower at $7.61b (-4.2% y/y), reflecting management's expectation for "modest improvement" as Comcast laps the stepped-up 2025 spend tied to new, simplified pricing, a more aggressive push into wireless, and investments in customer experience and network/product, and as free lines begin converting to paid. FY26 total C&P EBITDA was lowered 0.3% to $30.66b (-4.4% y/y). At C&E, we cut 3Q Parks EBITDA to $799m (-15% y/y) as the weaker Orlando attendance seen in 2Q, which management attributed to declining consumer sentiment and higher travel and fuel costs, persisted into 3Q. At Media, we raised 3Q EBITDA to $600m on stronger 2Q results, tailwinds from the FIFA World Cup broadcast on Telemundo, and continued Peacock profitability of $200m, while Studios EBITDA increased to $422m on higher theatrical revenue following the successful release of *The Odyssey*. All in, we reduced 3Q C&E EBITDA 1.6% to $1.68b. Overall, we lowered 3Q consolidated EBITDA 0.8% to $8.99b and 2026 EBITDA 0.3% to $33.24b (-3.5% y/y), but raised our 2026 FCF estimate to $13.50b, including $3.45b in 3Q. Link to 2Q recap.

Figure 4: Summary of Comcast's KPIs Following 2Q Results

Summary of KPIs - Comcast (CMCSA)

	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	Variance	3Q26E	3Q26E	Variance	3Q26E	JPMe vs. Street	2026E	2026E	Variance	2026E	JPMe vs. Street	2025	Y/Y
Connectivity & Platforms															
Video net adds	(280)	(300)	20	(225)	(250)	25	(225)	(0)	(1,052)	(1,100)	48	(1,038)	(14)	(1,254)	202
Residential broadband net adds	(167)	(160)	(7)	(115)	(115)	0	(90)	(25)	(497)	(490)	(7)	(468)	(29)	(653)	156
Fixed voice net adds	(250)	(250)	0	(250)	(250)	0			(1,000)	(1,000)	0			(1,077)	77
Wireless net adds	448	400	48	425	390	35	418	7	1,733	1,600	133	1,663	70	1,479	254
Domestic broadband revenue	6,280	6,270	0.2%	6,224	6,242	-0.3%	6,223	0.0%	24,965	25,022	-0.2%	25,005	-0.2%	26,288	-5.0%
Domestic wireless revenue	1,007	1,006	0.1%	1,037	1,039	-0.1%	1,052	-1.3%	4,109	4,115	-0.1%	4,160	-1.2%	3,612	13.8%
Video revenue	6,092	6,097	-0.1%	6,018	6,071	-0.9%			24,246	24,353	-0.4%			25,946	-6.6%
Total Connectivity & Platforms revenue	19,795	19,727	0.3%	19,736	19,762	-0.1%	19,674	0.3%	79,405	79,415	0.0%	79,269	0.2%	81,069	-2.1%
Total Connectivity & Platforms EBITDA	7,964	7,936	0.3%	7,608	7,652	-0.6%	7,602	0.1%	30,661	30,751	-0.3%	30,713	-0.2%	32,089	-4.4%
EBITDA margin	40.2%	40.2%	0 bps	38.6%	38.7%	-17 bps	38.6%	-9 bps	38.6%	38.7%	-11 bps	38.7%	-13 bps	39.6%	-97 bps
Content & Experiences															
Media revenue	5,690	5,488	3.7%	5,343	5,328	0.3%	5,358	-0.3%	24,449	24,251	0.8%	24,311	0.6%	19,637	24.5%
Studios revenue	3,040	2,633	15.5%	3,249	3,154	3.0%	3,160	2.8%	12,871	12,368	4.1%	12,619	2.0%	11,285	14.1%
Parks revenue	2,413	2,326	3.8%	2,717	2,880	-5.7%	2,754	-1.3%	10,354	10,545	-1.8%	10,449	-0.9%	9,835	5.3%
Total Content & Experiences revenue	10,728	9,845	9.0%	10,740	10,792	-0.5%	10,656	0.8%	44,779	44,086	1.6%	44,483	0.7%	38,111	17.5%
Media EBITDA	708	525	34.8%	600	461	30.1%	612	-2.1%	425	25	1592.0%	521	-18.5%	165	157.3%
Studios EBITDA	202	203	-0.4%	422	394	7.2%	376	12.4%	1,495	1,436	4.1%	1,429	4.6%	1,001	49.3%
Parks EBITDA	609	641	-4.9%	799	994	-19.6%	829	-3.7%	2,900	3,268	-11.3%	3,003	-3.4%	3,013	-3.7%
Total Content & Experiences EBITDA	1,329	1,222	8.7%	1,685	1,712	-1.6%	1,600	5.3%	3,947	3,899	1.2%	3,937	0.3%	3,520	12.1%
EBITDA margin	12.4%	12.4%	-3 bps	15.7%	15.9%	-18 bps	15.0%	67 bps	8.8%	8.8%	-3 bps	8.8%	-4 bps	9.2%	-42 bps
Peacock net adds	2,000	2,000	0	0	0	0	250	(250)	5,000	5,000	0	5,750	(750)	8,000	(3,000)
Peacock revenue	1,895	1,822	4.0%	1,787	1,763	1.4%	1,897	-5.8%	7,695	7,653	0.5%	7,896	-2.5%	5,449	41.2%
Peacock EBITDA	189	75	152.0%	200	(100)	-300.0%	219	-8.5%	(173)	(600)	-71.2%	(195)	-11.1%	(1,085)	
Consolidated															
Revenue	29,567	28,783	2.7%	29,767	29,744	0.1%	29,482	1.0%	120,815	120,657	0.1%	120,629	0.2%	115,550	4.6%
EBITDA	8,922	8,860	0.7%	8,992	9,062	-0.8%	8,915	0.9%	33,237	33,338	-0.3%	33,181	0.2%	34,455	-3.5%
EBITDA margin	30.2%	30.8%	-61 bps	30.2%	30.5%	-26 bps	30.2%	23 bps	27.5%	27.6%	-12 bps	27.5%	12 bps	29.8%	-231 bps
EPS	$0.93	$0.95	-1.3%	$1.03	$1.00	2.7%	$1.00	2.7%	$3.29	$3.42	-3.8%	$3.43	-4.2%	$3.28	0.3%
Capex	2,900	2,850	1.8%	3,116	3,123	-0.2%	2,983	4.5%	11,711	11,681	0.3%	11,747	-0.3%	11,752	-0.3%
FCF	4,604	3,561	29.3%	3,450	3,767	-8.4%	$3,227	6.9%	13,497	13,128	2.8%	13,750	-1.8%	19,233	-29.8%

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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J.P.Morgan

Charter

Charter (Neutral, $150, 1% Downside)

We remain Neutral on Charter, where elevated residential broadband losses and softer ARPU weigh on our standalone EBITDA outlook and, though valuation is undemanding, we view the competitive pressures as largely structural rather than transitory. Following soft 2Q broadband net losses of 172k, we now model 2026 net losses of 600k as ramping fiber builds, steady FWA gains, and emerging LEO offerings pressure gross connects. Management now expects 2026 standalone EBITDA (ex-transition costs) to decline 1% y/y, with 2H helped by the late-July $10/month Internet price increase, political advertising, and cost initiatives, though the broader setup remains challenged. On capital allocation, buybacks are paused through 3Q amid Cox and Liberty Broadband capital needs and resume in 4Q26, leaving pro forma net leverage at 3.9x exiting 3Q26; the lower post-transaction leverage target of a flat 3.5x is a modest positive, though we would have preferred an even lower level given recent EBITDA trends and long-term share uncertainty. While the cable space will likely consolidate further over time, we expect Cox integration to delay near-term M&A and remain on the sidelines.

- **Sentiment/positioning:** Bearish on long-term cable fundamentals and Cox integration risk.
- **Key topics/questions:**
  - How is the broadband competitive environment evolving, including the pace of fiber overbuild and FWA availability?
  - Is Charter still seeing heightened broadband competition at the low end?
  - What are expectations for 3Q broadband subscriber seasonality?
  - Is Charter seeing an uptick in churn following the mid-July Internet price increase on legacy plans?
  - With Cox and Liberty Broadband now closed, what is the integration timeline, and how quickly will Spectrum pricing and packaging roll out across former Cox markets?
  - What is the expected cadence of the 4Q buyback resumption, and the glidepath to the flat 3.5x leverage target within three years of close?
  - Why has management not lowered the post-transaction leverage target more meaningfully?
  - Update on the cost savings initiatives outlined on the 2Q26 earnings call.
  - What are COO Nick Jeffery's early priorities now that he has joined?
  - Does Charter expect the cable ecosystem to consolidate further, and over what time frame?
- **Post-results revision recap:** Following weaker total broadband net losses in 2Q, we raised our 3Q total BB net loss estimate to 156k (from 115k) and lifted our FY26 estimate to 600k (vs. 503k prior), reflecting intensifying competition and an anticipated pickup in churn tied to Charter's late-July legacy Internet price increase. In wireless, we raised 2026 mobile net adds to 1.58m (from 1.50m), including 3Q net adds of 405k, on better 2Q results. We trimmed 3Q video losses to 50k (from 55k) and FY26 losses to 181k (from 225k), as Charter continues to see positive traction from its seamless entertainment rollout and new pricing and packaging. We

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lowered 3Q and FY26 residential Internet revenue 1.1% and 0.3% to $5.80b and $23.29b, respectively, on the flow-through of lower subscribers and lower ARPU and on lingering retention-offer pressure, despite the late-July $10/month increase on a portion of legacy plans (an estimated 25% of the base). Our updated 3Q26 residential BB ARPU of $70.84 (+1% q/q) is consistent with CFO Jessica Fischer's expectation for q/q growth on that price increase. We now model total company revenue of $13.59b in 3Q26 and $54.40b for 2026, and cut 2026 EBITDA 1.5% to $22.32b (-1.7% y/y), including 3Q reported EBITDA of $5.51b (-1.0% y/y), on lower margins. Following higher 2Q transition costs of $65m, due in part to the Cox deal closing delay, we model transition costs of $80m in 3Q and $200m in FY26. Excluding transition costs, our updated 2026 EBITDA forecast implies a 0.9% y/y decline, consistent with management's revised expectation for EBITDA to decline "around 1% y/y" versus prior plans for growth on that basis. We now model 3Q FCF of $1.37b and $4.84b for the year. Our 3Q and 2026 estimates do not reflect any contribution from the recently closed Cox acquisition. Link to 2Q recap.

Figure 5: Summary of Charter's KPIs Following 2Q Results

Summary of KPIs - Charter (CHTR)

	Actual	JPMe		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	Variance	3Q26E	3Q26E	Variance	3Q26E	JPMe vs. Street	2026E	2026E	Variance	2026E	JPMe vs. Street	2025	Y/Y
Video net adds	(21)	(60)	*39*	(50)	(55)	*5*	(45)	*(5)*	(181)	(225)	*44*	(148)	*(33)*	(287)	*106*
Broadband net adds	(172)	(150)	*(22)*	(156)	(115)	*(41)*	(152)	*(4)*	(600)	(503)	*(97)*	(600)	*0*	(403)	*(197)*
Residential broadband net adds	(166)	(150)	*(16)*	(150)	(115)	*(35)*	(147)	*(3)*	(580)	(500)	*(80)*	(583)	*3*	(393)	*(187)*
Business broadband net adds	(6)	0	*(6)*	(6)	0	*(6)*	(5)	*(1)*	(20)	(3)	*(17)*	(18)	*(2)*	(10)	*(10)*
Voice net adds	(178)	(235)	*57*	(183)	(235)	*52*	(199)	*16*	(718)	(879)	*161*	(685)	*(33)*	(838)	*120*
Mobile net adds	406	350	*56*	405	375	*30*	393	*12*	1,580	1,500	*80*	1,567	*13*	1,908	*(328)*
Video revenue	3,149	3,188	*-1.2%*	3,077	3,121	*-1.4%*	3,097	*-0.7%*	12,438	12,572	*-1.1%*	12,514	*-0.6%*	13,700	*-9.2%*
Broadband revenue	5,776	5,826	*-0.9%*	5,798	5,864	*-1.1%*	5,812	*-0.2%*	23,288	23,354	*-0.3%*	23,232	*0.2%*	23,765	*-2.0%*
Voice revenue	331	323	*2.5%*	318	306	*3.7%*	314	*1.4%*	1,287	1,253	*2.7%*	1,283	*0.3%*	1,350	*-4.7%*
Mobile revenue	1,095	1,084	*1.0%*	1,136	1,119	*1.5%*	1,115	*1.9%*	4,459	4,413	*1.0%*	4,397	*1.4%*	3,762	*18.5%*
Commercial revenue	1,865	1,845	*1.1%*	1,879	1,849	*1.6%*	1,862	*0.9%*	7,474	7,384	*1.2%*	7,424	*0.7%*	7,315	*2.2%*
Advertising revenue	416	393	*5.8%*	445	427	*4.2%*	428	*4.0%*	1,740	1,684	*3.4%*	1,703	*2.2%*	1,468	*18.5%*
Consolidated															
Revenue	13,526	13,514	*0.1%*	13,594	13,612	*-0.1%*	13,605	*-0.1%*	54,405	54,322	*0.2%*	54,237	*0.3%*	54,774	*-0.7%*
EBITDA	5,449	5,574	*-2.2%*	5,507	5,629	*-2.2%*	5,526	*-0.3%*	22,323	22,657	*-1.5%*	22,288	*0.2%*	22,708	*-1.7%*
EBITDA margin	40.3%	41.2%	*-96 bps*	40.5%	41.3%	*-84 bps*	40.6%	*-11 bps*	41.0%	41.7%	*-68 bps*	41.1%	*-6 bps*	41.5%	*-43 bps*
EPS	$10.66	$11.02	*-3.3%*	$12.01	$11.66	*3.0%*	$9.70	*23.9%*	$47.74	$45.36	*5.2%*	$41.31	*15.6%*	$39.96	*19.5%*
Capex	2,871	2,770	*3.6%*	2,787	2,791	*-0.1%*	2,840	*-1.9%*	11,442	11,394	*0.4%*	11,525	*-0.7%*	11,659	*-1.9%*
FCF	969	1,160	*-16.5%*	1,367	1,463	*-6.6%*	1,237	*10.5%*	4,840	5,145	*-5.9%*	4,808	*0.7%*	5,004	*-3.3%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P..

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Viasat

Viasat (Overweight, $130 PT, 81% Upside)

Viasat remains our top mid-cap pick and a member of the J.P. Morgan U.S. Equity Analyst Focus List, where we see a compelling risk/reward underpinned by an underappreciated, in-demand MSS spectrum portfolio and an appreciating Defense and Advanced Technologies (DAT) franchise with accelerating momentum. While we acknowledge the complexities of Viasat's Strategic Review, which have likely drawn out the timeline (now nearly two years since first announced), we believe the 17% pullback in the shares since F1Q27 results (vs. a flat S&P 500) reflects growing investor concern over the delay and its implications for the stock, and we think management would be well served to act with haste. On Equatys, we continue to question the merits of the strategy as a monetization path and look for greater clarity as the process advances or concludes. Our December 2027 sum-of-the-parts price target of $130 is built on: 1) $12.1b of after-tax spectrum value; 2) $4.9b of enterprise value for CS (4.0x F2028 EV/EBITDA); 3) $5.5b of EV for DAT (15.0x F2028 EV/EBITDA); less 4) F2028 year-end net debt of $4.4b.

- **Sentiment/positioning:** Mixed. Some investors see a significant spectrum monetization opportunity, while others are skeptical of both management's commitment to maximizing shareholder value and the underlying demand for the spectrum.
- **Key topics/questions:**
  - Nearly two years since the Strategic Review was first announced, what milestones and decision points should investors expect, and what is the gating factor to a conclusion?
  - With MSS spectrum value in focus and validated by recent M&A, how does management weigh the risk of missing the monetization window against value maximization?
  - On Equatys, what is the monetization path, and how does management plan to compete with other scaled LEO constellations already launching their satellites?
  - Given the complementary economics of a converged Defense Tech and Satellite Services offering, does management still believe a separation could unlock value?
  - How should investors think about ensuring proper value for an appreciating DAT asset, given the accelerating pace of awards tied to rising demand for resilient, dual-use space and defense technologies?
  - Government SatCom drove a strong F1Q on higher U.S. and international usage. How durable is the conflict-tied tailwind, and does it slow over the balance of F2027?
  - With commercial aircraft online expected to stay roughly stable in F2027 on churn to competitors, what are the long-term growth prospects for the aviation business?
  - DAT backlog hit a record $1.4b (+32% y/y), and the PTSG award validates the multi-orbit national security case. How durable is this award momentum?
- **Post-results revision recap:** We raised our F2027 consolidated revenue estimate to $4.87b (+4.9% y/y) and adj. EBITDA to $1.57b (+1.5% y/y), with management reiterating its F2027 outlook of mid-single-digit revenue growth and adj. EBITDA

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flat to up slightly, weighted to 2H. In Communications Services, we raised revenue 0.2% to $3.31b (+0.2% y/y, versus expectations for low-single-digit growth in F2027), driven by 4% higher Government SatCom revenue of $855m and a 1% increase in aviation revenue to $1.31b (higher ARPA despite a lower aircraft count). This was partly offset by a 1% cut to F2027 Fixed Services revenue, to $482m (lower subs and ARPU amid capacity constraints), and 7% lower maritime revenue of $432m (fewer vessels amid continued NexusWave installation delays). Adj. EBITDA was unchanged at $1.25b (-1% y/y). In DAT, we raised our F2027 revenue 3% to $1.56b on higher InfoSec and Cyber of $500m, 1% higher Tactical Networking of $367m, and AT&O of $43m, partly offset by slightly lower SMS of $379m. We lifted DAT adj. EBITDA 1% to $319m despite slightly lower margins of 20.4%. All in, we raised consolidated adj. EBITDA 0.3% to $1.57b (+1.5% y/y, versus guidance of "flat to up slightly"). We now model F2027 FCF of $180m on capex of $995m, versus guidance of $180m and $950-1,050m, respectively. Link to 2Q recap.

Figure 6: Summary of Viasat's KPIs Following 2Q Results

Summary of KPIs - Viasat (VSAT)

	Actual	JPMe		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	F1Q27	F1Q27	Variance	F2Q27E	F2Q27E	Variance	F2Q27E	JPMe vs. Street	F2027E	F2027E	Variance	F2027E	JPMe vs. Street	F2026	Y/Y
Communications Services															
Fixed broadband net adds	(15)	(10)	(5)	(15)	(10)	(5)			(48)	(36)	(12)			(76)	28
Commercial IFC net adds	80	75	5	0	75	(75)			80	300	(220)			520	(440)
Business IFC net adds	(20)	10	(30)	(10)	10	(20)			(50)	40	(90)			150	(200)
Total service revenue	773	764	1.2%	771	760	1.4%	775	-0.5%	3,075	3,070	0.2%	3,092	-0.6%	3,057	0.6%
Total product revenue	52	60	-13.3%	60	60	0.0%	60	-0.2%	232	230	0.9%	235	-1.1%	242	-4.3%
Total revenue	825	824	0.1%	831	820	1.3%	837	-0.8%	3,307	3,300	0.2%	3,334	-0.8%	3,300	0.2%
Total EBITDA	311	309	0.7%	324	328	-1.2%	316	2.5%	1,255	1,254	0.0%	1,245	0.7%	1,264	-0.8%
EBITDA margin	37.7%	37.5%	23 bps	39.0%	40.0%	-100 bps	38%	124 bps	37.9%	38.0%	-7 bps	37%	58 bps	38.3%	-37 bps
Defense and Advanced Technologies															
Total service revenue	59	60	-1.4%	64	55	16.1%	59	8.7%	273	242	12.8%	247	10.6%	217	25.6%
Total product revenue	272	317	-14.2%	305	290	5.0%	305	-0.1%	1,288	1,273	1.2%	1,287	0.1%	1,123	14.7%
Total revenue	331	377	-12.1%	369	346	6.8%	366	0.8%	1,561	1,515	3.0%	1,514	3.1%	1,341	16.4%
Total EBITDA	70	72	-2.5%	70	74	-5.6%	76	-8.2%	319	314	1.4%	317	0.4%	286	11.4%
EBITDA margin	21.1%	19.0%	207 bps	19.0%	21.5%	-250 bps	21%	-186 bps	20.4%	20.7%	-33 bps	21%	-54 bps	21.3%	-92 bps
Consolidated															
Revenue	1,157	1,201	-3.7%	1,200	1,166	2.9%	1,202	-0.2%	4,868	4,815	1.1%	4,856	0.2%	4,640	4.9%
EBITDA	381	381	0.1%	394	402	-2.0%	387	1.7%	1,573	1,568	0.3%	1,561	0.8%	1,550	1.5%
EBITDA margin	33.0%	31.7%	126 bps	32.8%	34.5%	-167 bps	32.2%	61 bps	32.3%	32.6%	-25 bps	32.2%	17 bps	33.4%	-109 bps
EPS	($0.38)	($0.01)	7229.3%	$0.05	$0.10	-49.5%	($0.18)	-126.6%	($0.22)	$0.10	-315.9%	$0.20		($0.29)	-25.2%
Capex	219	256	-14.5%	251	251	0.1%	251	0.1%	995	1,000	-0.5%	975	2.1%	993	0.2%
FCF	42	37	12.8%	56	53	4.2%	37	49.1%	180	183	-1.7%	151	19.1%	597	-69.9%

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P..

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Array Digital Infrastructure & Telephone and Data Systems

Array Digital Infrastructure (Overweight, $45 PT, 25% upside to PT), Telephone and Data Systems (Overweight, $48 PT, 28% upside to PT)

We continue to like Array Digital (AD) and Telephone & Data Systems (TDS), based on continued value-unlock at AD, including further spectrum sales (principally C-Band) and potential wireless partnership monetization, as well as tower price discovery, alongside an accelerating fiber build and improving broadband KPIs at TDS. Following the withdrawal of TDS's proposal to acquire the remaining ~18% of AD it does not own, we expect near-term catalysts to center on C-Band monetization, where we believe management has a viable window to transact before the Upper C-Band quiet period begins in early 2027, and on the resumption of TDS's buyback, with approximately $523.9m remaining under its repurchase authorization as of 2Q26. While a merger is no longer imminent, we continue to view a combined entity as the ideal long-term structure, as a transaction would simplify the corporate structure, eliminate tax leakage, and open the door to an eventual REIT conversion. We could see TDS and AD revisit a deal in the future. Our December 2027 SoTP price targets remain $45 for AD and $48 for TDS.

- **Sentiment/positioning:** More constructive following the deal break, with a potential C-Band sale as the next catalyst.
- **Key topics/questions:**
    - Now that buybacks can resume (~$524m authorization), do repurchases take priority given the steep discount to sum-of-the-parts?
    - Given comments in the September 1 press release, is momentum building to monetize the C-Band spectrum?
    - On the remaining C-Band, given no near-term build-out requirements and the concluded AWS-3 reauction, what is the window and timing for an opportunistic sale?
    - On the towers, how should we frame the longer-term leasing opportunity, and what could drive a step-change in the tenancy ratio as T-Mobile integration concludes?
    - Can AD management provide a long-term tower cash flow margin target?
    - How should we frame 2H26 fiber revenue acceleration and revenue-per-connection against continued legacy pressure?
    - How should we think about the pace of fiber sales from here, and how are the door-to-door, digital, and MDU channels each contributing to net adds?
    - What underpins confidence in the second-half EBITDA inflection implied by guidance, and how much should persist into 2027?
    - What is the appetite for further tuck-in fiber M&A, and how have valuations shifted recently?
    - How is satellite broadband competition affecting your footprint, and does it change the build calculus in rural and E-ACAM markets?
- **Post-results revision recap:** We broadly raised our Array Digital estimates, with 2026 revenue now forecast at $212m (vs. updated guidance of $205–215m), on higher T-Mobile interim site rental revenue, a strong pipeline and application volumes, and a further improvement in the tower tenancy ratio (excluding DISH).

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2026 AOIBDA is now $67m (vs. raised $60–75m range), on the improved revenue and lower cost of service tied to the updated T-Mobile integration timeline. Our updated adj. EBITDA of $227m (vs. upgraded guidance of $220–235m) reflects improved AOIBDA and higher equity income of $145m. AD management also narrowed the projected tenantless tower range to 1,000–1,700, with ground-lease optimization a top priority as the company begins decommissioning a portion of the underperforming portfolio. Turning to TDS Telecom, we lifted 2026 total fiber net adds to 58k (from 50k) following stronger 2Q fiber net adds (15k versus our 12k), copper-to-fiber conversion, an expanding footprint, and enhanced distribution (digital and door-to-door). We also raised fiber address delivery to 275k, vs. management's updated 250–300k target, on record crew counts. Conversely, we lowered 2026 TDS Telecom revenue to $1.005b (vs. reduced guidance of $1.0–1.025b) on legacy copper and cable declines. TDS Telecom EBITDA was also cut 3% to $318m (vs. guidance of $310–330m), as lower revenue was partially offset by cost initiatives. However, the transformation program, targeting $100m in run-rate cost savings by 2028 through capex and opex reductions, remains on track. Consistent with the increased address deliveries, we raised 2026 TDS Telecom capex to $665m (vs. updated guidance of $625–675m). Link to 2Q Recap.

Figure 7: Summary of AD/TDS KPIs Following 2Q Results

Summary of KPIs - Array (AD) and TDS (TDS)											
	Actual	JPMe		JPMe	JPMe Prior		JPMe	JPMe Prior			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	2026E	2026E	*Variance*	2025	*Y/Y*
Array Digital Infrastructure											
Total revenue	54	53	*2.4%*	54	52	*4.5%*	212	205	*3.3%*	163	*29.8%*
Adj. OIBDA	15	16	*-4.9%*	19	15	*23.4%*	67	61	*9.9%*	1	*4467.2%*
AOIBDA margin	27.8%	30.0%	*-215 bps*	34.2%	29.0%	*523 bps*	31.8%	29.8%	*202 bps*	0.9%	*3,092 bps*
Adj. EBITDA	56	52	*8.4%*	56	51	*9.0%*	227	213	*6.8%*	194	*16.9%*
Capex	4	8	*-50.8%*	8	8	*4.5%*	29	32	*-8.6%*	27	*6.7%*
FCF	(49)	61	*-179.9%*	32	21	*52.9%*	67	153	*-55.8%*	197	*-65.7%*
Telephone & Data Systems											
Wireline, incumbent net adds	(2.4)	(3.0)	*1*	(1.0)	(2.0)	*1*	(10.0)	(10.1)	*0*	(16.9)	*6.9*
Wireline, expansion net adds	11.1	9.0	*2*	11.5	9.5	*2*	42.0	36.9	*5*	34.5	*7.5*
Cable net adds	(3.0)	(3.0)	*0*	(3.0)	(2.0)	*(1)*	(12.7)	(9.7)	*(3)*	(8.7)	*(4.0)*
Total broadband net adds	5.7	3.0	*3*	7.5	5.5	*2*	19.3	17.1	*2*	15.8	*3.5*
Total fiber net adds	15.1	12.0	*3*	16.0	12.5	*4*	58.0	49.9	*8*	44.9	*13.1*
Total revenue	248	255	*-2.7%*	249	251	*-0.7%*	1,005	1,016	*-1.1%*	1,038	*-3.3%*
Adj. EBITDA	70	85	*-17.1%*	83	81	*1.4%*	318	328	*-3.2%*	319	*-0.5%*
EBITDA margin	28.3%	33.2%	*-489 bps*	33.1%	32.4%	*71 bps*	31.6%	32.3%	*-68 bps*	30.7%	*88 bps*
Capex	179	148	*21.0%*	178	156	*14.5%*	665	598	*11.2%*	406	*63.7%*
Consolidated											
Revenue	309	314	*-1.6%*	310	309	*0.2%*	1,243	1,246	*-0.3%*	1,228	*1.2%*
Adj. EBITDA	139	99	*41.1%*	101	94	*7.2%*	522	469	*11.2%*	505	*3.3%*
EBITDA margin	45.0%	31.4%	*1,361 bps*	32.7%	30.6%	*213 bps*	42.0%	37.7%	*434 bps*	41.1%	*87 bps*
Capex	183	156	*17.3%*	187	164	*14.0%*	694	630	*10.2%*	560	*23.9%*
FCF	(113)	5	*-2512.2%*	(71)	(39)	*84.5%*	(297)	(126)	*135.9%*	199	*-248.8%*

Source: J.P. Morgan estimates, Company data , Bloomberg Finance L.P.



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Sirius XM

Sirius XM (Neutral, $34 PT, 15% upside to PT)

We are encouraged by SIRI's strong 2Q results, headlined by a $25m across-the-board increase to full-year guidance that we continue to view as conservative. While management reiterated its expectation for "modestly lower" 2026 self-pay subscribers on difficult back-half comps, we forecast net losses of only 100k, well below the 301k loss in 2025, supported by continued churn improvement, customer acquisition initiatives, and a contribution from the Companion plan. Although there was no update on spectrum monetization, we believe management remains focused on value maximization over speed. Witz frames a partnership-led strategy as the best path to unlock value, with WCS more actionable near-term than the low-band Sirius 12.5 MHz. We continue to assume 50% probability of a deal to monetize 10 MHz of WCS spectrum by year-end 2027, with our $1.3b valuation based on $0.75/MHz-POP, reflecting our expectation that SIRI will lease rather than sell the assets, as well as some execution complexity. With details still limited, we expect investor focus on the economics and timing of the YouTube partnership to build into year-end as SIRI scales the initiative and management frames the financial upside from the deal.

- **Sentiment/positioning:** Increasingly positive on multiyear financial upside from the YouTube partnership, with added optionality from spectrum.
- **Key topics/questions:**
    - Can you update us on the timeline for potential spectrum partnerships? Have conversations picked up given recent market activity?
    - How are you weighing near-term WCS monetization against the longer-term opportunity in the low-band Sirius 12.5 MHz?
    - Can you size the long-term revenue and EBITDA opportunity from the YouTube partnership?
    - What are you learning during the test-and-learn phase, and what needs to go right for YouTube to scale in 2H27?
    - What is the outlook for advertising, including podcasting and programmatic? How impactful is the 2H political tailwind?
    - Do you still expect 2026 self-pay net adds to come in "modestly lower"?
    - Have churn improvements across vehicle-related, non-pay, and involuntary continued?
    - As you anniversary the Companion rollout, what is the anticipated steady-state contribution?
    - Is there upside to your multiyear FCF guidance as capex normalizes?
    - With leverage now inside the target range, how should we think about the pace of buybacks into 2027?
- **Post-results revision recap:** SIRI management reiterated its expectation for FY26 self-pay net adds to come in "modestly lower," underpinned by a moderating contribution from the Companion plan, a challenging comp as it laps the 4Q launch of Continuous Service, and "reduced promotional acquisition offers and discounting." While we acknowledge the tough comp and management's focus on creating a "better-quality subscriber base," we view the 2026 self-pay outlook as conservative given steady Companion contribution to date and the year-to-date

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reduction in churn. Accordingly, we now forecast 2026 self-pay net losses of 100k (vs. 275k prior), including 27k in 3Q. Following better 2Q consolidated revenue and a guidance raise to $8.525b (vs. $8.50b prior), we lifted our FY26 estimate 0.4% to $8.58b, reflecting stronger SiriusXM revenue of $6.40b (on improved ARPU and subs) and Pandora and Off-Platform revenue of $2.18b (better Off-Platform, partially offset by weaker On-Platform). Although SIRI expects higher sales and marketing costs in 2H26, we now model 2026 EBITDA of $2.65b, above the updated guide of $2.625b. We also raised 2026 FCF to $1.375b, in line with guidance, and assume capex of $520m, comprising $400-415m of non-satellite spend plus $115m of satellite spend. For 3Q, we model consolidated revenue of $2.17b (0.5% above our prior forecast) and EBITDA of $661m, with FCF and capex unchanged at $245m and $138m, respectively. Link to 2Q Recap.

Figure 8: Summary of Sirius XM KPIs Following 2Q Results

Summary of KPIs - Sirius XM (SIRI)

	JPMe	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	Variance	3Q26E	3Q26E	Variance	3Q26E	JPMe vs. Street	2026E	2026E	Variance	2026E	JPMe vs. Street	2025	Y/Y
Sirius XM															
Self-pay net adds	22	(90)	*112*	(27)	(54)	*27*	(93)	*66*	(100)	(275)	*175*	(257)	*158*	(301)	201
Self-pay monthly churn	1.40%	1.50%	*-10 bps*	1.50%	1.50%	*0 bps*	1.54%	*-4 bps*	1.47%	1.49%	*-2 bps*	1.50%	*-3 bps*	1.51%	*-4 bps*
ARPU	$15.32	$15.24	*0.5%*	$15.28	$15.19	*0.6%*	$15.25	*0.2%*	$15.20	$15.14	*0.4%*	$15.19	*0.1%*	$15.11	*0.6%*
Total Sirius XM revenue	1,617	1,605	*0.7%*	1,605	1,600	*0.3%*	1,605	*0.0%*	6,405	6,382	*0.4%*	6,406	*0.0%*	6,417	*-0.2%*
Total Sirius XM gross profit	981	960	*2.2%*	957	953	*0.5%*	952	*0.5%*	3,850	3,819	*0.8%*	3,836	*0.4%*	3,816	*0.9%*
Gross margin	60.7%	59.8%	*87 bps*	59.6%	59.5%	*9 bps*	59.3%	*32 bps*	60.1%	59.8%	*27 bps*	59.9%	*23 bps*	59.5%	*64 bps*
Pandora															
Total active users	39,763	40,331	*-1.4%*	38,932	39,445	*-1.3%*	39,234	*-0.8%*	38,545	38,946	*-1.0%*	38,886	*-0.9%*	41,112	*-6.2%*
Advertising hours	2,350	2,437	*-3.6%*	2,293	2,365	*-3.1%*			9,008	9,228	*-2.4%*			9,750	*-7.6%*
On-platform revenue	206	216	*-4.5%*	211	220	*-4.0%*			808	835	*-3.2%*			895	*-9.7%*
Off-plataform revenue	207	198	*4.5%*	219	206	*6.4%*			848	815	*4.0%*			720	*17.7%*
Ad-supported revenue	413	414	*-0.2%*	430	426	*1.0%*	424	*1.6%*	1,656	1,650	*0.4%*	1,669	*-0.8%*	1,615	*2.5%*
Subscription revenue	130	129	*1.2%*	131	130	*0.4%*	129	*1.2%*	521	518	*0.5%*	517	*0.7%*	526	*-1.0%*
Total Pandora revenue	543	542	*0.1%*	561	556	*0.9%*	553	*1.5%*	2,176	2,168	*0.4%*	2,186	*-0.4%*	2,141	*1.6%*
Total Pandora gross profit	163	163	*0.2%*	173	169	*2.1%*	169	*2.3%*	662	656	*0.8%*	675	*-2.0%*	671	*-1.4%*
Gross margin	30.0%	30.0%	*2 bps*	30.8%	30.4%	*36 bps*	30.5%	*25 bps*	30.4%	30.3%	*14 bps*	30.9%	*-48 bps*	31.3%	*-93 bps*
Consolidated															
Revenue	2,160	2,147	*0.6%*	2,166	2,156	*0.5%*	2,158	*0.3%*	8,581	8,549	*0.4%*	8,628	*-0.5%*	8,558	*0.3%*
EBITDA	691	670	*3.2%*	661	663	*-0.3%*	668	*-0.9%*	2,650	2,639	*0.4%*	2,662	*-0.5%*	2,664	*-0.5%*
EBITDA margin	32.0%	31.2%	*80 bps*	30.5%	30.8%	*-22 bps*	30.9%	*-39 bps*	30.9%	30.9%	*1 bps*	30.9%	*2 bps*	31.1%	*-25 bps*
EPS	$0.84	$0.80	*5.4%*	$0.74	$0.80	*-7.6%*	$0.78	*-5.6%*	$2.98	$3.07	*-3.0%*	$2.96	*0.9%*	$2.47	*20.7%*
Capex	130	122	*6.9%*	138	138	*0.4%*	141	*-2.2%*	520	509	*2.0%*	523	*-0.6%*	653	*-20.4%*
FCF	593	463	*28.2%*	245	244	*0.4%*	215	*13.8%*	1,375	1,347	*2.0%*	1,427	*-3.6%*	1,256	*9.4%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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Anterix

Anterix (Overweight, $130 PT, 50% upside to PT)

Anterix remains one of our higher-conviction ideas, and we reiterate our Overweight rating and Dec'27 price target of $130, based on a $0.75/MHz-POP valuation (a discount versus prior contracts priced at an average of $1.40/MHz-POP, to reflect clearing costs and complexity). Our bullish thesis reflects broadening demand for a shrinking pool of low-band spectrum, with interest extending beyond ATEX's traditional investor-owned utility base to critical-infrastructure and satellite/direct-to-device players. We believe the aperture of strategic conversations has widened over the past four to five months, across both the number of interested parties and the depth of engagement, with recent market activity pointing to rising demand for spectrum broadly. In our view, ATEX is well positioned to monetize its spectrum (~85% uncommitted and skewed toward the top-20 metros), whether market-by-market or through a nationwide transaction, and we see potential upside to our $0.75/MHz-POP valuation, with Grain reportedly seeking ~$6b for its nationwide 800 MHz holdings (implying ~$1.25/MHz-POP) and SpaceX's recent ex parte filing to the FCC further underscoring demand for scarce low-band. Despite the strong year-to-date price appreciation, we believe shares are attractively valued.

- **Sentiment/positioning:** Bullish, given recent spectrum-market activity and ATEX's optionality.
- **Key topics/questions:**
  - Does the widening aperture of strategic conversations beyond investor-owned utilities raise the probability of a nationwide monetization versus the market-by-market approach?
  - With much of the uncommitted base skewed to the top-20 metros, are those markets more likely to anchor a nationwide deal or command premium pricing market-by-market?
  - How do you view the reported $6b ($1.25/MHz-POP) Grain 800 MHz process as a read-through for the value of your 900 MHz holdings?
  - Prior contracts averaged $1.40/MHz-POP; as you move to 5x5, how should investors think about realized pricing on future deals net of clearing costs?
  - What are the key milestones and costs to clear the band to 5x5, and how could that timeline affect deal velocity?
  - Across the roughly dozen active opportunities spanning "seven-digit, eight-digit, and nine-digit deals," how balanced is the pipeline by size, and what is the expected conversion cadence?

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EchoStar

EchoStar (Not Rated)

EchoStar reported mixed 2Q26 results, with management providing updates on capital deployment, potential asset sales, and ongoing restructurings. On capital deployment, attention turns to EchoStar's use of proceeds now that the $23b AT&T spectrum sale has closed. Ergen laid out a capital allocation framework in priority order: core-business reinvestment, external opportunities via EchoStar Capital, buybacks, and dividends. The board also raised the buyback authorization from $2.0b to $5.0b, though Ergen framed this as preserving optionality rather than signaling intent, and indenture restrictions limit repurchases until the other side of the SpaceX spectrum sale. He characterized the market as "frothy," reinforcing a cautious near-term posture on deploying capital. On EchoStar Capital, Ergen pushed back on the notion that it has been deprioritized following its consolidation under corporate development, describing the change as improving speed and efficiency as the company continues evaluating opportunities. Additionally, further asset monetization remains a key focus, with investor attention centered on the remaining spectrum portfolio spanning AWS-3, CBRS, and 700 MHz, carried at $8.45b in total, with an FCC waiver filed to divest these licenses in exchange for build-out relief. The recent AWS-3 auction cleared at $2.53/MHz-pop, above the original auction, implying roughly $10b of value for AWS-3 alone and reinforcing our view of the spectrum as a meaningful source of embedded value.

- **Sentiment/positioning:** We are currently Not Rated on EchoStar shares.
- **Key topics/questions:**
    - Why raise the authorization to $5.0b while signaling no intent to act?
    - Given the discount to NAV, does buying back your own shares clear the same return hurdle as external deals?
    - What conditions must be met for the bond indenture restrictions to be lifted and enable buybacks?
    - On the $5–7b network-termination and tax liability, what are the key swing factors?
    - Is there a realistic timeline for the FCC spectrum waiver, and how does the monetization path change if it slips?
    - Ergen reaffirmed that a DISH/DirecTV combination is inevitable—what needs to happen to move a deal forward?
    - Management has yet to "crack the code" on Boost but calls it strategically important—under new leadership, what strategic initiatives, level of investment, or M&A/partnership should we anticipate?
    - We would like better clarity on management's appetite for additional spectrum purchases.

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Lumen Technologies

Lumen Technologies (Neutral, $7 PT, 9% upside to PT)

Lumen's business transformation continues to progress, and we are encouraged by the company's accelerating mix shift toward strategic revenue (now 53% of total business revenue), which is "happening faster" than anticipated. Momentum in Digital also remains robust, supported by the recent acquisition of Alkira, while continued modernization and simplification savings should buoy EBITDA. Although Lumen did not announce a new PCF contract win, management noted it is having a "number of conversations" for "fairly material" PCF deals. We expect PCF to remain a key focus as other carriers pursue AI infrastructure deals, including proprietary routes that Lumen has largely avoided to date. On balance, we remain on the sidelines and would like to see sustained top-line growth before becoming more constructive.

- **Sentiment/positioning:** Quiet, as AI momentum has faded.
- **Key topics/questions:**
  - Alkira wasn't included in your Investor Day targets and thus represents "upside." Can you frame the acquired revenue and EBITDA base for us?
  - On the $1b+ modernization and simplification target ($700m exiting 2026, $1b exiting 2027), where are you on that curve today? Is management still confident in an inflection to growth by year-end?
  - With strong 100 and 400 gig waves momentum, how much of the demand is neocloud-driven versus broader enterprise upgrades? Any change in market dynamics?
  - Can you update us on the PCF deal pipeline? How do the return profiles of prospective deals compare with those signed to date?
  - Neocloud deals within the $13b in PCF agreements are "relatively small" and skew toward waves. Is there a path to larger PCF commitments from neoclouds, or is waves the primary vehicle for that demand?
  - Digital revenue was $39m in 2Q, up just $2m sequentially. When do NaaS adoption gains translate into a steeper ramp?
  - What is driving the "less than expected" legacy decline, and should we expect it to steepen over time?
  - With the ~$36m California PCF milestone pulled into 2Q and a typical ~$100m sequential seasonal headwind in 3Q, how should we think about the 3Q-to-4Q EBITDA bridge to hit full-year guidance?
  - With 2026 capex trending lower and Alkira potentially cutting capex by $100–200m over the next several years, how should we think about the multiyear capital intensity and FCF path?
- **Post-results revision recap:** We raised 2026 total revenue 1.9% to $11.20b (−10% y/y) on higher large enterprise revenue of $3.24b and wholesale revenue of $2.60b, but lowered 2026 EBITDA 2% to $3.19b (vs. guidance of $3.1–3.3b), mainly on lower 3Q EBITDA of $700m. Our updated 3Q EBITDA reflects a typical ~$100m sequential seasonal headwind from summer maintenance and energy costs, and is also adjusted for a one-time $20m benefit in 2Q tied to an earlier-than-anticipated $36m PCF milestone payment from the State of California. We raised 3Q total company revenue 2.3% to $2.76b (from $2.70b prior) on higher large enterprise of

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$825m and wholesale of $648m, despite lower public sector of $447m. We also lowered full-year 2026 FCF to $1.96b (from $2.03b) on the flow-through of lower 2Q FCF and lower 2026 EBITDA, slightly offset by reduced capex of $3.29b (from $3.39b). For 3Q, we model FCF of $414m on capex of $825m (vs. $392m and $850m prior).

Figure 9: Summary of Lumen KPIs Following 2Q Results

Link to 2Q Recap.

	3Q26E JPMe	3Q26E JPMe Prior	Variance	3Q26E Street	3Q26E JPMe Prior	Variance	3Q26E Street	JPMe vs. Street	2Q25	YoY
Enterprise revenue	$717	$733	-$16	$824	$839	-$15	$798	$26	$828	-$111
MVproxistic revenue	$629	$643	-$14	$650	$678	-$28	$632	-$3	$717	-$88
International revenue	$17	$17	$0	$17	$18	-$1	$16	$1	$25	-$8
Mass Markets revenue	$61	$63	-$2	$74	$74	$0	$74	-$13	$76	-$15
Consolidated										
Revenue	$2,802	$2,747	$55	$2,767	$2,783	-$16	$2,767	$35	$3,000	-$198
EBITDA	$08	$81	-$1	$00	$81	-$10	$49	-$9	$06	-$2
EBITDA margin	29.8%	29.8%	-1 bps	29.2%	29.8%	-63 bps	29.8%	-11 bps	29.8%	0 bps
EPS	($0.05)	($0.05)	$0.00	($0.05)	($0.05)	$0.00	($0.05)	$0.00	($0.12)	$0.07
Capex	$81	$20	-$0.4	$28	$28	-$0.5	$28	-$0.5	$80.4	-$0.9
FCF	$51	$44	-$8.4	$14	$36	-$2.9	$11	$2.55	$080.1	$0.88

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Cogent Communications

Cogent Communications (Underweight, $9 PT, 8% downside to PT)

Following yet another disappointing quarter, marked by a slower wave-installation pace and softer revenue and EBITDA, we recently downgraded Cogent to Underweight and lowered our December 2027 price target to $9. Our Underweight rating is based on (1) continued top-line pressure, driven in part by the runoff of legacy Sprint contracts; (2) execution concerns around the Waves business, where the pace of installs and customer acceptance continues to disappoint; and (3) elevated leverage of 6.75x net and negative free cash flow, with no clear line of sight to the company's 4.0x target even with continued asset sales. We model net leverage climbing to 8.44x exiting 2028 as T-Mobile payments roll off. With the data center monetization catalyst now largely behind us, we believe investor focus will increasingly shift back to these core operating and balance sheet concerns.

- **Sentiment/positioning:** Remains bearish given leverage and liquidity concerns.
- **Key topics/questions:**
  - What is the path to 4.0x leverage even in the event of additional asset sales?
  - With T-Mobile payments rolling off in under two years, what is the organic EBITDA bridge to free cash flow without them?
  - On the 2027 refinancing, what size and secured/unsecured mix are you targeting, do you expect to raise below $750m after applying data center proceeds and note buybacks, and will future data center sale proceeds be committed to the borrower group?
  - We would like more color on Cogent's ability to ramp installs and acceptance. When does management expect power and equipment constraints to ease?
  - Given continued slow progress, at just 3% share today, what underlies Cogent's confidence in reaching 25% market share?
  - Has Cogent seen any change in the competitive landscape within the Waves ecosystem?
  - Within the Corporate business, is Cogent facing structural pressure and losing share, and where is the floor as you shift resources toward net-centric?
  - On the 14 remaining facilities, how should we think about valuation given the wide range, from Fort Worth at 14MW to under 1MW in Pearl City, and the incremental, utility-confirmed power at some sites?
  - What needs to change for the remaining 10 data centers to convert, and are you still targeting piecemeal sales rather than a single block deal?
- **Post-results revision recap:** We reduced FY26 revenue 2% to $941m (-3.6% y/y), with Corporate (-3% to $390m), Enterprise (-5% to $117m), and Net-Centric (-1% to $434m) all lower. Our updated 3Q consolidated revenue of $233m (-0.9% q/q) sits 3.0% below our prior estimate, reflecting lower Net-Centric revenue of $109m on softer Waves, IPv4, and core trends; Enterprise revenue 7% lower at $28m; and Corporate revenue 4% lower at $96m. 3Q Waves revenue of $16m reflects 200 new installs (bringing total connections to 2,645) and ARPU of $2,100. We reduced 2026 EBITDA 3.8% to $296m, implying a 31.5% margin (+150 bps y/y), as lower revenue was partially offset by Cogent's cost initiatives, including a 6% reduction in force, declining Sprint integration expenses, and lower direct opex from the divested

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data centers. On the above, we lowered our 3Q EBITDA 3% to $75m (from $78m). We also reduced our 2026 capex estimate to $155m (from $161m), including 3Q capex of $35m, consistent with Schaeffer's expectation for capex to decline further on "both a sequential and year-over-year basis in the third quarter." Net-net, we raised our FY26 FCF drag to $109m (from $87m), including a $25m drag in 3Q. Link to 2Q Recap.

Figure 10: Summary of Cogent KPIs Following 2Q Results

Summary of KPIs - Cogent Communications (CCOI)	JPMe	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	3Q26E	*JPMe vs. Street*	2026E	2026E	*JPMe vs. Street*	2026E	*Variance*	2025	*Y/Y*
Corporate revenue	99	101	*-1.9%*	96	100	*-4.0%*	98	*-2.5%*	390	402	*-2.8%*	396	*-1.5%*	428	*-8.8%*
Net-Centric revenue	107	108	*-0.5%*	109	110	*-1.1%*	108	*1.1%*	434	437	*-0.8%*	431	*0.6%*	394	*10.2%*
Waves revenue	15	15	*-0.4%*	16	16	*-1.7%*	16	*-1.4%*	62	63	*-1.5%*	63	*-1.4%*	38	*60.6%*
IPv4 revenue	18	19	*-4.0%*	19	20	*-4.0%*			73	75	*-2.9%*			65	*12.9%*
Enterprise revenue	30	31	*-5.1%*	28	30	*-7.1%*	28	*-0.6%*	117	123	*-5.0%*	117	*-0.5%*	154	*-24.4%*
Consolidated															
Revenue	236	240	*-1.7%*	233	241	*-3.0%*	235	*-0.7%*	941	962	*-2.2%*	944	*-0.4%*	976	*-3.6%*
EBITDA	71	77	*-7.4%*	75	77	*-3.0%*	76	*-0.4%*	296	308	*-3.8%*	297	*-0.3%*	293	*1.2%*
EBITDA margin	30.2%	32.1%	*-187 bps*	32.2%	32.2%	*2 bps*	32.1%	*7 bps*	31.5%	32.0%	*-54 bps*	31.5%	*3 bps*	30.0%	*150 bps*
Adj. EPS	$1.38	($0.98)	*-240.8%*	($0.83)	($0.97)	*-13.9%*	($0.79)	*5.8%*	($1.16)	($3.76)	*-69.0%*	($1.27)	*-8.7%*	($3.82)	*-69.6%*
Capex	48	50	*-2.7%*	45	49	*-7.2%*	34	*33.3%*	198	204	*-3.1%*	152	*29.7%*	221	*-10.7%*
FCF	(35)	(21)	*66.9%*	(25)	(21)	*21.6%*	(17)	*46.9%*	(109)	(87)	*24.9%*	(81)	*33.8%*	(198)	*-45.0%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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Cable One

Cable One (Neutral, $40 PT, 53% Upside to PT)

We remain Neutral on Cable One, a business in transition marked by accelerating residential broadband losses and EBITDA declines. Having benefited for years from lower fiber overlap than its larger cable peers, CABO now faces FWA competition across ~80% of its footprint and 1 Gbps competition in over 60% of passings. Against that backdrop, we do not expect its BB penetration, at 34% and below peers, to improve over the forecast period. Improving connect volumes are encouraging, and we view new CEO Jim Holanda's focus on retention, customer experience, and deepening customer relationships as the right priorities, though the turnaround will take time as BB competition remains intense. On the balance sheet, management declined to discuss MBI financing while talks are ongoing but reiterated that it is working opportunistically toward a long-term solution. At 4.0x standalone 2027E EV/EBITDA, or ~5.2x pro forma for MBI, we believe current valuation properly reflects CABO's elevated EBITDA declines, ongoing subscriber losses, and low likelihood of near-term M&A.

- **Sentiment/positioning:** Bearish, due to refinancing risk given the magnitude of EBITDA declines and the pending MBI acquisition.
- **Key topics/questions:**
  - We would like an update on the trajectory of broadband connects into 3Q, and whether the sequential improvement seen in 2Q is holding.
  - How much further can the sales-channel mix shift, after digital and direct rose from under 10% to roughly 35% of sales over the past year?
  - How has initial mobile uptake been among new versus existing customers? How quickly can the rollout ramp across the footprint and new sales channels?
  - With the value-oriented pricing strategy expected to weigh on ARPU through year-end, how should we think about the balance between ARPU and subscriber growth, and how much back-book repricing remains as promos roll off?
  - You cited a long-term penetration opportunity meaningfully above the current ~34%. What closes the gap to "fair share" across the five legacy brands?
  - With EBITDA margins down ~360bps y/y on stepped-up investment, when do these higher run-rate costs peak, and what is the path back toward margin stability?
  - What is the latest on the long-term balance sheet solution and MBI financing?
  - Are there additional asset monetization opportunities that could support deleveraging, and how quickly could they be executed?
- **Post-results revision recap:** We trimmed our 2026 residential broadband net loss estimate to 62k (from 65k prior) and now model 3Q net losses of 16k (from 20k). We are encouraged by CABO's broadband connects, which rose sequentially from the prior quarter and in each month of 2Q, a trend that has continued into 3Q. Management attributed the stronger volumes to go-to-market (pricing and packaging) changes, afforded in part by the completed billing system integration, alongside a broadening sales channel mix, with digital and direct rising from under 10% to roughly 35% of sales over the past year. We modestly raised our 2026 residential broadband ARPU estimate to $80.18, though it remains down ~1% y/y. The 2Q beat of 1% reflected CABO's $5/month autopay/paperless billing adjustment and higher promo roll-off volumes rather than an underlying rate increase, and we

expect management's focus on penetration through a broader pricing and packaging strategy, including an emphasis on value-oriented offerings, to weigh on ARPU for the balance of the year. On lower subscribers, 2026 residential broadband revenue steps down 7% y/y to $837m, though it sits modestly above our prior estimate. Business services trends were mixed, with solid enterprise offset by continued SMB pressure, and we lower our 2026 business services revenue estimate to $272m, in part reflecting CABO's fiber-to-the-tower sale ($2m quarterly). Together, these bring our 2026 total revenue estimate to $1.375b (-8% y/y, 0.2% below our prior). With 2Q EBITDA down ~15% y/y on margins of 49.7% and higher run-rate costs expected to persist, we cut our 2026 standalone EBITDA estimate ~2% to $684m, also down ~15% y/y, implying margins of 49.8% (down 360bps y/y). Link to 2Q recap.

Figure 11: Summary of Cable One's KPIs Following 2Q Results

Summary of KPIs - Cable One (CABO)	Actual	JPMe		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	Variance	3Q26E	3Q26E	Variance	3Q26E	JPMe vs. Street	2026E	2026E	Variance	2026E	JPMe vs. Street	2025	Y/Y
Residential video net adds	(4.5)	(5.0)	0.5	(5.5)	(6.0)	0.5	(5.1)	(0.4)	(20.7)	(21.7)	1.0			(23.7)	3.0
Residential broadband net adds	(17.1)	(18.0)	0.9	(16.0)	(20.0)	4.0	(14.7)	(1.3)	(61.7)	(65.0)	3.3			(55.3)	(6.4)
Residential voice net adds	(2.9)	(2.5)	(0.4)	(2.5)	(2.5)	0.0			(10.4)	(10.0)	(0.4)			(11.4)	1.0
Video revenue	38	38.7	-0.4%	36	35.9	0.1%	36	-1.4%	149	148.6	0.3%	152	-2.3%	187	-20.4%
Broadband revenue	213	210.3	1.1%	208	208.0	-0.2%	207	0.2%	837	833.1	0.5%	848	-1.3%	902	-7.2%
Voice revenue	6	6.2	1.5%	6	5.8	2.7%	6	2.0%	24	24.0	2.0%	25	-0.4%	27	-8.8%
Business revenue	68	69.2	-2.0%	67	69.2	-3.1%	67	0.0%	272	278.4	-2.2%	278	-2.1%	292	-6.8%
Consolidated															
Revenue	349	347.8	0.3%	340	344.0	-1.3%	342	-0.6%	1,375	1,378.2	-0.2%	1,415	-2.8%	1,501	-8.4%
EBITDA	173	173.1	0.2%	167	171.5	-2.7%	170	-1.9%	684	698.6	-2.1%	711	-3.8%	802	-14.7%
EBITDA margin	49.7%	49.8%	-6 bps	49.1%	49.9%	-76 bps	49.7%	-61 bps	49.8%	50.7%	-94 bps	50.2%	-49 bps	53.4%	0 bps
Adj. EPS	($201.04)	$8.00	-2613.0%	$7.26	$7.95	-8.7%	$4.41	h	($175.39)	$32.39	-641.6%	($144.53)	21.4%	($50.55)	247.0%
Capex	74	73.0	1.3%	69	70.5	-1.7%	71	-1.9%	280	280.3	-0.1%	290	-3.2%	287	-2.3%
FCF	47	54.9	-14.7%	52	58.3	-11.3%	56	-7.2%	196	222.5	-11.9%	246	-20.2%	278	-29.5%

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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Optimum

Optimum (Underweight)

We remain Underweight on Optimum, reflecting (1) ongoing broadband subscriber pressure, (2) intense competition from fiber, FWA, and LEO satellite broadband, (3) high leverage of 7.7x, and (4) a low likelihood of near-term M&A. The company reported solid 2Q26 results, with better residential broadband net losses and adj. EBITDA roughly 3% above our estimate on cost-efficiency efforts, and management touted early signs of broadband stabilization from more aggressive pricing and packaging, a simplified go-to-market strategy, and greater emphasis on converged bundle sell-in. Even so, we see the setup as challenged, as we expect competitive pressures in broadband to persist over the coming years. Ultimately, we continue to believe a restructuring of Optimum's balance sheet is inevitable.

- **Sentiment/positioning:** Negative, but largely quiet. Weak fundamentals and balance sheet questions.
- **Key topics/questions:**
  - We would like an update on fiber, FWA, and LEO/satellite competition. Has promotional intensity eased, particularly in the West footprint?
  - How durable are the better connect trends, and are the more aggressive pricing and packaging and the simplified go-to-market efforts translating into sustained gross add improvement?
  - Is churn still elevated, and what impact should we expect from decommissioned passings in 3Q?
  - We would like an update on efforts to build mobile momentum through targeted incentives and simplified offers.
  - The 2026 low- to mid-single-digit EBITDA decline guidance implies continued cost leverage against revenue pressure. What underpins your confidence, and how sustainable are the SAC, truck-roll, call-volume, and workforce savings?
  - With broadband ARPU pressured in 2H26 by converged bundle sell-in and a tough comp (we model FY26 down ~1% y/y), how should we think about the rate-versus-volume trade-off as pricing and packaging changes scale?
  - What is the roadmap and expected payback from the new MarTech and base-management platforms, and how quickly can they reduce churn?
  - Given net leverage of 7.7x and a widening FCF burn, what is the path and timing for the balance-sheet restructuring?
  - After the May 2026 divestiture of the non-core advertising agency business, are there additional non-core assets under review, and could asset sales form part of the balance-sheet solution?
- **Post-results revision recap:** On the subscriber side, we lowered our 2026 residential broadband net loss estimate to 191k (from 236k), following better-than-expected 2Q losses of 35k (aided in part by a 9k lift from a bulk agreement), and trimmed our 3Q loss estimate to 50k, which includes some impact from decommissioned passings. We raised our 2026 mobile net add estimate to 212k (from 202k), including 55k in 3Q, on targeted incentives, simplified offers, and the expanded T-Mobile agreement, with 2Q adds of 50k in line with our estimate. In video, we trimmed our 2026 net loss estimate to 190k (from 192k), following the

company's best quarterly performance in six years, aided by continued E-tier uptake. On pricing and revenue, while 2H26 broadband ARPUs are expected to be pressured by converged bundle sell-in, new pricing and packaging, and a tough 2H26 comp, we raised our 3Q broadband ARPU estimate 1.8% to $74.46 (-0.3% y/y) following better 2Q results, lifting our 3Q broadband revenue 2.8% to $824m and FY26 1.9% to $3.32b. We also cut our 2026 news and advertising estimate by 12.5%, with 3Q 16.7% lower to $95m, following the May 2026 divestiture of a non-core advertising agency business ($100m of 2025 revenue, with immaterial EBITDA). On a consolidated basis, our 3Q total revenue of $1.98b is unchanged, but we lowered our 2026 total revenue estimate 0.3% to $8.07b (-6.0% y/y), which compares to guidance for a mid-single-digit decline (ex-divestitures). Despite the lower revenue, we raised our 2026 adj. EBITDA estimate 0.8% to $3.19b (-4.4% y/y), with 3Q 0.7% higher to $788m, against guidance for a low- to mid-single-digit decline. Link to 2Q Recap.

Figure 12: Summary of Optimum KPIs Following 2Q Results

Summary of KPIs - Altice (ATUS)	Actual	JPMe		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	3Q26E	*JPMe vs. Street*	2026E	2026E	*Variance*	2026E	*JPMe vs. Street*	2025	*Y/Y*
Residential video net adds	(44)	(46)	*2*	(50)	(50)	*0*	(53)	*3*	(190)	(192)	*2*	(198)	*8*	(252)	*62*
Residential broadband net adds	(35)	(65)	*30*	(50)	(60)	*10*	(49)	*(1)*	(191)	(236)	*45*	(198)	*7*	(189)	*(3)*
Residential voice net adds	(44)	(44)	*1*	(46)	(46)	*0*	(46)	*(0)*	(181)	(181)	*1*	(181)	*0*	(228)	*47*
Wireless net adds	50	50	*(0)*	55	50		50	*5*	212	202	*10*	198	*14*	163	*49*
Video revenue	588	588	*0.0%*	572	576	*-0.6%*	577	*-0.9%*	2,316	2,324	*-0.4%*	2,325	*-0.4%*	2,591	*-10.6%*
Broadband revenue	841	825	*1.9%*	824	802	*2.8%*	820	*0.6%*	3,321	3,258	*1.9%*	3,318	*0.1%*	3,542	*-6.2%*
Wireless revenue	53	52	*0.2%*	56	55	*1.5%*	57	*-2.2%*	217	215	*1.4%*	222	*-2.1%*	165	*32.2%*
Business services revenue	366	364	*0.6%*	362	364	*-0.4%*	364	*-0.4%*	1,458	1,477	*-1.2%*	1,475	*-1.2%*	1,489	*-2.1%*
Consolidated															
Revenue	2,024	2,026	*-0.1%*	1,984	1,984	*0.0%*	1,995	*-0.5%*	8,074	8,100	*-0.3%*	8,113	*-0.5%*	8,590	*-6.0%*
EBITDA	786	762	*3.1%*	788	783	*0.7%*	794	*-0.7%*	3,190	3,164	*0.8%*	3,199	*-0.3%*	3,336	*-4.4%*
EBITDA margin	38.8%	37.6%	*119 bps*	39.7%	39.5%	*28 bps*	39.8%	*-7 bps*	39.5%	39.1%	*44 bps*	39.4%	*8 bps*	38.8%	*68 bps*
EPS	($0.65)	($0.18)	*254.9%*	($0.17)	($0.15)	*10.4%*	($0.20)	*-14.2%*	($7.81)	($6.53)	*19.6%*	($7.69)	*1.6%*	($4.00)	
Capex	320	335	*-4.6%*	366	367	*-0.1%*	342	*7.0%*	1,363	1,348	*1.1%*	1,323	*3.0%*	1,347	*1.2%*
FCF	(92)	(42)	*119.8%*	(102)	(108)	*-5.6%*	(104)	*-1.8%*	(229)	(159)	*43.8%*	(254)	*-9.8%*	(119)	*92.4%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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J.P.Morgan

Quebecor

Quebecor (Overweight, C$80 PT, 33% upside to PT)

Quebecor remains our top Canadian Communications pick on: 1) outsized mobile share gains (>35% of industry growth through 2030); 2) industry-leading EBITDA growth (~5% CAGR), with potential upside, fueled by a 7% wireless service revenue CAGR, easing Internet competition, and cost efficiencies; and 3) strong capital returns (>30% of market cap through 2030) driven by an improving FCF profile, underscored by a pulled-forward dividend increase. Quebecor's multi-brand mobile strategy continues to drive share gains and accelerating ARPU, now up for a third consecutive quarter, benefiting from footprint expansion, better customer experience, and improving brand perception. We also see a long runway out West, where Quebecor plans to be "commercially aggressive" in under-indexed BC and Alberta. Against this backdrop, we view Quebecor's premium valuation vs. Canadian telco peers (7.4x 2027E EV/EBITDA and 10.4x 2027E FCF/share) as justified.

- **Sentiment/positioning:** Positive, given accelerating wireless growth and operating leverage, though shares have seen some profit-taking.
- **Key topics/questions:**
  - Churn is "back on track" after a 1Q setback. What structural drivers give you confidence it will keep improving?
  - Can management provide an update on the back-to-school promotional environment?
  - Can you update us on Quebecor's footprint expansion efforts in BC and AB, and your intention to be "commercially aggressive" in these markets?
  - What is Quebecor's current market share in the GTA versus AB and BC?
  - How do you expect Quebecor's multi-brand strategy to evolve from here, and has its pricing approach changed?
  - What is the outlook for ARPU following three straight quarters of sequential growth, and what are the underlying drivers?
  - What is driving the better-than-expected cash flow generation?
  - Should we anticipate an additional quarterly dividend increase in February?
  - Is Etiya a one-off, or a sign of a longer-term strategic pivot?
  - What is driving the capex efficiency despite continued network expansion?
  - How should we think about the SBC trajectory going forward?
- **Post-results revision recap:** We reduced our 3Q mobile phone net adds to 85k (from 92k), supported by positive churn momentum from network and customer-experience investments, as well as an improved share of gross adds as Quebecor expands its footprint and brand portfolio in BC and AB. Following better-than-expected 2Q mobile phone ARPU, we raised our 3Q26 estimate 1.0% to $35.93 (+2.5% y/y), driving 3Q26 wireless service revenue 0.9% higher to $488m (+8.6% y/y). We also raised our 3Q Internet net adds to 8k (from 6k), reflecting an improved competitive backdrop in Quebec as wireline competition eases, along with favorable back-to-school seasonality, though we lowered 3Q Internet revenue 1.2% to $320m (+2.9% y/y). All in, 3Q Telecom segment revenue of $1.26b (+4.0% y/y) is largely unchanged, with EBITDA 0.6% lower at $636m (+5.6% y/y), from $640m, on higher stock-based comp. On a consolidated basis, 3Q revenue is likewise largely

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unchanged at $1.45b (+3.2% y/y), with EBITDA of $657m (+3.7% y/y) slightly lower on higher stock-based comp, implying margins of 45.3%. Following CFO Simard's FCF update, which anticipates growth "slightly ahead of stable y/y" on an underlying basis (excluding the 2025 working-capital benefit), we raise our 2026 FCF to $1.30b (+5% vs. prior estimates). We maintained our 2026 capex forecast of $670m, which now reflects a back-half ramp consistent with management's expectations, and our 2026 share repurchases are unchanged at $385m (including quarterly buybacks of $100m in 2H26). We now forecast 3Q FCF of $343m, including capex of $180m. Link to 2Q Recap.

Figure 13: Summary of Quebecor KPIs Following 2Q Results

Summary of KPIs - Quebecor Inc. (QBR/B CN)	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	Variance	3Q26E	3Q26E	Variance	3Q26E	JPMe vs. Street	2026E	2026E	Variance	2026E	JPMe vs. Street	2025	Y/Y
Wireless															
Total mobile phone adds	53	55	(2)	85	92	(7)	86	(1)	235	246	(11)	238	(3)	311	(76)
Mobile phone ARPU	$35.62	$35.28	1.0%	$35.93	$35.58	1.0%			$35.71	$35.46	0.7%			$34.96	2.2%
Wireless service revenue	476	472	0.9%	488	484	0.9%	488	0.0%	1,929	1,917	0.6%	1,930	-0.1%	1,776	8.6%
Equipment revenue	146	155	-6.1%	162	179	-9.4%	165	-2.1%	667	711	-6.2%	665	0.4%	668	-0.1%
Total wireless revenue	622	627	-0.8%	650	663	-1.9%			2,596	2,628	-1.2%			2,444	6.2%
Wireline															
Retail Internet net adds	(2)	(2)	0	8	6	2	8	(0)	11	9	2	9	3	8	4
Video net adds	(10)	(12)	2	(9)	(10)	1	(12)	3	(30)	(33)	3	(37)	7	(43)	13
Telephony net adds	(13)	(15)	2	(15)	(17)	2	(14)	(1)	(54)	(59)	4	(53)	(2)	(61)	7
Telecom															
Telecom Revenue	1,235	1,232	0.2%	1,265	1,267	-0.2%	1,269	-0.3%	5,050	5,050	0.0%	5,060	-0.2%	4,848	4.2%
Telecom EBITDA	642	646	-0.7%	636	640	-0.6%	636	0.0%	2,520	2,529	-0.3%	2,509	0.4%	2,383	5.8%
Telecom capex	148	154	-4.2%	175	171	2.1%			652	652	0.1%	678	-3.7%	634	2.9%
Media															
Media revenue	185	174	6.0%	148	148	0.0%	147	0.7%	680	669	1.6%	692	-1.8%	228	198.3%
Media EBITDA	27	13	104.9%	21	18	12.0%	17	20.6%	66	50	31.7%	58	13.7%	25	168.3%
Sports and Entertainment															
Sports and Entertainment revenue	48	53	-7.9%	70	70	0.0%	69	0.4%	228	233	-1.8%	227	0.7%	228	0.2%
Sports and Entertainment EBITDA	3	4	-30.9%	15	15	0.0%	13	18.0%	22	23	-6.0%	21	4.8%	25	-12.6%
Consolidated															
Revenue	1,440	1,426	1.0%	1,450	1,452	-0.1%	1,456	-0.4%	5,836	5,824	0.2%	5,840	-0.1%	5,675	2.8%
EBITDA	627	624	0.6%	657	659	-0.2%	653	0.6%	2,489	2,486	0.1%	2,480	0.3%	2,393	4.0%
EPS	$1.18	$1.10	$0.07	$1.13	$1.07	$0.05	$1.15	-$0.02	$4.31	$4.13	$0.04	$4.34	-$0.01	$3.76	$0.15
Capex	151	159	-4.9%	180	176	2.0%			670	670	-0.1%			650	3.1%
FCF	419	344	21.7%	343	349	-1.7%	337	1.6%	1,297	1,233	5.2%	1,264	2.6%	1,426	-9.0%

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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Rogers Communications

Rogers Communications (Overweight, C$65 PT, 30% upside to PT)

We view Rogers' current valuation of 5.4x 2027E EV/EBITDA and 6.8x FCF/share as attractive relative to peers, and we see the sports and media monetization story, a timeline that is progressing ahead of schedule, as the key catalyst for shares. On the 2Q26 call, CFO Glenn Brandt reaffirmed that the C$4.35b buy-in of Kilmer's remaining 25% MLSE stake should close in 4Q26, targeting October 1 pending league approvals, and stressed that preparatory work on the subsequent minority sale is advancing in parallel, keeping the 1H27 recapitalization timeline intact with proceeds earmarked for de-leveraging. The buy-in values MLSE at C$17.4b and RCI's total sports and media portfolio at C$21b, still a discount to management's ~C$25b estimate that we believe understates the upside as comparable franchise values continue to appreciate, as evidenced by the recent sale of the NBA's Los Angeles Lakers at a 25% premium to its Forbes valuation. Our base case remains a ~30% minority sale for ~C$6.3b, sufficient to de-lever to 3.5x, while lower capex preserves the flexibility to retain a larger stake and monetize further as asset values climb. Underpinning the story, fundamentals remain solid: cable continues to deliver stable growth on better volumes, disciplined loading, and industry-leading margins, and we stay constructive on wireless given an improving promotional backdrop and more rational back-to-school offers, even as continued population deceleration remains an overhang on ecosystem gross adds.

- **Sentiment/positioning:** Mixed but skewing positive, given sports optionality and recent franchise valuations.
- **Key topics/questions:**
  - Is Rogers still targeting an October 1 close of the MLSE buy-in?
  - Does Rogers still expect to monetize a minority stake in its sports and media assets in 1H27?
  - Can management provide an update on the back-to-school promotional environment?
  - Does management still expect no "substantial change" in mobile phone ARPU trajectory despite upselling and a premium-value focus?
  - Is the upcoming iPhone refresh expected to alter the recent industry-wide trend of lower upgrade rates and a higher BYOD mix?
  - Can management provide an update on cable revenue trends and cost-efficiency efforts?
  - Has Rogers seen any change in wireline competitive dynamics in the West, and is FWA continuing to take share out-of-footprint?
  - Is Rogers seeing any pressure from Starlink broadband?
  - Is management confident that the reduction in capital intensity will not affect long-term growth?
- **Post-results revision recap:** We trimmed 3Q total mobile phone adds to 80k, comprising 40k postpaid and 40k prepaid, following lighter 2Q adds of 40k. Our 3Q postpaid estimate reflects lower churn of 0.95% (-4 bps y/y) and an 8% y/y decline in gross adds on continued population deceleration. We cut FY26 total phone adds to 173k (from 193k). Although management expects base upselling and its premium-value focus to support ARPU, with no "substantial change" in trajectory, we lowered

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3Q ARPU to $55.51 (-2.1% y/y), reflecting a lower 2Q base (partly from heavy 1Q26 promotional intensity) and pressure from CRTC-mandated fee reductions. As a result, we reduced 3Q wireless service revenue 0.5% to $2.05b (-0.5% y/y). Despite the lower service revenue, we raised 3Q wireless EBITDA 0.6% to $1.38b on continued cost efforts, implying a service margin of 67.2%. On the cable side, we maintained our 3Q internet net adds of 20k but trimmed video losses to 25k (from 30k). We increased 3Q cable revenue 0.7% to $1.99b on better volumes and disciplined loading, with EBITDA up 0.3% to $1.16b on a 58.3% margin, benefiting from cost-efficiency efforts. In Media, we raised segment revenue and EBITDA to $810m and $80m, respectively, driven by higher Toronto Blue Jays-related revenue and higher subscriber revenue from Warner Bros. Discovery channels. We now model 2026 consolidated service revenue growth of 4.0% y/y to $19.87b (vs. guidance of +3-5% y/y) and EBITDA growth of 1.7% to $9.99b (vs. guidance of +1-3% y/y). We raised our 2026 FCF estimate to $4.20b on reduced capex of $2.65b. Link to 2Q Recap.

Figure 14: Summary of Rogers KPIs Following 2Q Results

Summary of KPIs - Rogers (RCI/B CN)	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	Variance	3Q26E	3Q26E	Variance	3Q26E	JPMe vs. Street	2026E	2026E	Variance	2026E	JPMe vs. Street	2025	Y/Y
Wireless															
Total mobile phone adds	40	45	(5)	80	85	(5)	90	(10)	173	193	(20)	196	(23)	245	(72)
Postpaid phone adds	22	30	(8)	40	50	(10)	52	(12)	120	148	(28)	138	(18)	145	(25)
Prepaid phone adds	18	15	3	40	35	5	33	7	53	45	8	52	1	100	(47)
Postpaid phone churn	0.94%	1.00%	-6 bps	0.95%	1.25%	-30 bps	1.37%	-42 bps	1.11%	1.24%	-13 bps	1.13%	-2 bps	1.11%	1 bps
Mobile phone ARPU	$54.25	$54.34	-0.2%	$55.51	$55.74	-0.4%	$55.48	0.1%	$55.12	$55.28	-0.3%	$55.15	-0.1%	$56.33	-2.2%
Wireless service revenue	1,990	1,997	-0.4%	2,050	2,059	-0.5%	2,049	0.0%	8,123	8,151	-0.3%	8,130	-0.1%	8,142	-0.2%
Equipment revenue	550	566	-2.8%	596	639	-6.8%	602	-1.0%	2,604	2,707	-3.8%	2,624	-0.8%	2,573	1.2%
Total wireless revenue	2,540	2,563	-0.9%	2,646	2,699	-2.0%	2,652	-0.3%	10,727	10,857	-1.2%	10,750	-0.2%	10,715	0.1%
Wireless EBITDA	1,313	1,310	0.2%	1,377	1,369	0.6%	1,373	0.3%	5,395	5,387	0.1%	5,398	-0.1%	5,364	0.6%
EBITDA margin	66.0%	65.6%	38 bps	67.2%	66.5%	70 bps	67.0%	21 bps	66.4%	66.1%	32 bps	66.4%	2 bps	65.9%	53 bps
Wireless capex	188	231	-18.5%	185	202	-8.5%	200	-7.6%	859	922	-6.9%	891	-3.6%	1,471	-41.6%
Cable															
Retail Internet net adds	17	18	(1)	20	20	0	22	(2)	59	60	(1)	70	(11)	100	(41)
Video net adds	(22)	(30)	8	(25)	(30)	5	(32)	7	(104)	(122)	18	(110)	6	(114)	10
Cable revenue	1,984	1,971	0.6%	1,993	1,980	0.7%	1,989	0.2%	7,917	7,886	0.4%	7,912	0.1%	7,868	0.6%
Cable EBITDA	1,158	1,155	0.3%	1,162	1,158	0.3%	1,164	-0.2%	4,626	4,619	0.1%	4,627	0.0%	4,585	0.9%
EBITDA margin	58.4%	58.6%	-22 bps	58.3%	58.5%	-20 bps	58.5%	-24 bps	58.4%	58.6%	-15 bps	58.5%	-5 bps	58.3%	15 bps
Cable capex	367	394	-6.9%	329	337	-2.3%	275	19.8%	1,383	1,417	-2.4%	1,298	6.5%	1,803	-23.3%
Media															
Media revenue	1,155	1,107	4.3%	810	791	2.5%	790	2.5%	4,078	3,986	2.3%	4,061	0.4%	3,393	20.2%
Media EBITDA	69	60	15.4%	80	70	14.0%	77	4.0%	309	285	8.3%	305	1.2%	234	32.0%
EBITDA margin	6.0%	5.4%	57 bps	9.9%	8.9%	100 bps	9.8%	14 bps	7.6%	7.2%	42 bps	7.5%	6 bps	6.9%	68 bps
Consolidated															
Revenue	5,615	5,586	0.5%	5,399	5,419	-0.4%	5,380	0.4%	22,513	22,529	-0.1%	22,580	-0.3%	21,712	3.7%
Service revenue	5,055	5,011	0.9%	4,793	4,770	0.5%	4,762	0.7%	19,869	19,782	0.4%	19,859	0.1%	19,104	4.0%
EBITDA	2,442	2,420	0.9%	2,540	2,518	0.9%	2,533	0.3%	9,990	9,946	0.5%	9,975	0.2%	9,820	1.7%
EBITDA margin	43.5%	43.3%	17 bps	47.0%	46.5%	57 bps	47.1%	-4 bps	44.4%	44.1%	23 bps	44.2%	20 bps	45.2%	-85 bps
EPS	$1.17	$1.14	2.2%	$1.33	$1.29	3.2%	$1.24	7.0%	$5.19	$5.11	1.5%	$4.75	9.4%	$5.15	0.8%
Capex	695	714	-2.7%	583	608	-4.0%	(563)	-203.6%	2,651	2,696	-1.7%	2,627	0.9%	3,707	-28.5%
FCF	982	925	6.2%	1,156	1,135	1.9%	1,121	3.1%	4,203	4,141	1.5%	4,129	1.8%	3,356	25.2%

Source: J.P. Morgan estimates, Company data.Bloomberg Finance L.P.

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J.P.Morgan

BCE Inc.

BCE Inc. (Neutral, C$36 PT, 16% upside to PT)

We remain Neutral on BCE, balancing a firmer wireless pricing backdrop against lingering execution risk on the U.S. fiber build, with Bell AI Fabric the key swing factor for the shares. While we were encouraged by the improvement in Ziply fiber net adds, the highest since the acquisition, the long-term execution story remains an open item and, in our view, a key debate, given limited white space and a build that has slowed as it moves outside Ziply's incumbent territory. Against that backdrop, Bell AI Fabric is a potential source of upside optionality and one of the more watchable swing factors for the story. Management has framed the opportunity as tracking ahead of schedule, roughly 40% of the way toward monetizing up to 800 MW of secured power capacity, with the 300 MW Saskatchewan facility now under construction and first-phase operations expected in 1H27, Winnipeg on track for 2H26, and Merritt phase-2 slated for early 2027. Should these facilities ramp and monetization progress as planned, AI Fabric could gradually supplement BCE's core telecom growth, though it remains early. For now, solid 2Q results and reiterated 2026 guidance support a constructive read on wireless pricing, but we stay on the sidelines pending clearer evidence that AI Fabric and the U.S. fiber build can drive the next leg of growth.

- **Sentiment/positioning:** Improving, underpinned by Bell AI Fabric momentum and a strengthening growth profile.
- **Key topics/questions:**
  - Is there any risk to BCE's 2026 financial guidance?
  - We would like an update on the back-to-school promotional environment.
  - Does BCE management expect service revenue to return to growth before ARPU, and what are the drivers of that dynamic?
  - Following better-than-expected churn in 2Q, we would like an update on churn expectations for the balance of the year. Which base management and retention initiatives are resonating?
  - Please provide an update on the AI Fabric pipeline.
  - We would like an update on the Ziply fiber expansion efforts. How much confidence do you have in the pace of the buildout accelerating in 2027, now that permitting and field-preparation work has picked up?
  - Is Ziply still core to BCE's multiyear growth story?
  - What does the competitive landscape look like as Ziply builds into non-incumbent territories?
  - On Winnipeg (in service 2H26), can you help us frame the revenue and EBITDA contribution?
  - What is BCE's appetite for additional non-core asset sales to reduce leverage?
- **Post-results revision recap:** We maintained our 3Q total mobile phone net adds of 65k, with higher postpaid adds of 25k (vs. 20k prior) offset by lower prepaid adds of 40k (down from 45k). Our 3Q postpaid phone adds reflected churn of 1.07% (down 6 bps y/y), benefiting from a more normalized promo environment and continued retention initiatives, and gross adds of 334k (+6% y/y), the latter reflecting BCE's focus on premium loadings. We also raised our 3Q Internet net adds estimate to 25k (from 20k) given the more rational competitive environment and lower churn. We

raised our 3Q ARPU estimate 0.3% to $57.46 (-1.0% y/y) as easing promo intensity and improving market pricing, partially offset by pressure from the aforementioned government/enterprise contract win. Accordingly, 3Q wireless service revenue was 0.3% higher at $1.795b (-0.5% y/y). For CTS Canada, we lowered our 3Q segment revenue estimate 0.1% to $5.19b, as higher wireline and wireless service revenue was offset by lower product revenue, and EBITDA 0.1% to $2.41b. For CTS U.S., we cut 3Q revenue 1% to $242m and EBITDA 3% to $100m following weaker 2Q results, with our 2H estimates driven by improved build activity and subscriber momentum, including 3Q fiber net adds of 12k. Overall, we trimmed our 2026 consolidated EBITDA estimate slightly to $10.72b (+0.6% y/y versus guidance of +0% to +4% y/y) on marginally lower consolidated revenue of $24.78b (+1.3% y/y versus guidance of +1% to +5% y/y), with margins unchanged at 43.3%. We lowered our 2026 FCF estimate 1% to $2.16b (-32% y/y versus guidance for a decline of 28% to 34% y/y), reflecting unchanged FY26 capex of $5.01b (20.2% capital intensity). Link to 2Q Recap.

Figure 15: Summary of BCE KPIs Following 2Q Results

Summary of KPIs - BCE (BCE CN)	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	3Q26E	*JPMe vs. Street*	2026E	2026E	*Variance*	2026E	*JPMe vs. Street*	2025	*Y/Y*
CTS Canada - Subscribers															
Total mobile phone adds	58	50	8	65	65	0	60	5	163	155	8	167	(4)	215	(52)
Postpaid phone adds	42	30	12	25	20	5	23	2	124	107	17	116	8	103	21
Prepaid phone adds	16	20	(4)	40	45	(5)	37	3	39	48	(9)	55	(16)	112	(73)
Postpaid phone churn	1.02%	1.00%	2 bps	1.07%	1.10%	-3 bps	1.06%	1 bps	1.16%	1.21%	-5 bps	1.20%	-4 bps	1.16%	0 bps
Mobile phone ARPU	$56.30	$56.18	0.2%	$57.46	$57.31	0.3%	$57.62	-0.3%	$56.20	$56.16	0.1%	$56.54	-0.6%	$57.20	-1.7%
High-speed Internet net adds	12	10	2	25	20	5	25	0	70	60	10	63	7	52	17
CTS Canada - Financials															
Wireless service revenue	1,744	1,744	0.0%	1,795	1,789	0.3%	1,797	-0.1%	7,058	7,050	0.1%	7,063	-0.1%	7,118	-0.8%
CTS Canada revenue	5,122	5,149	-0.5%	5,192	5,197	-0.1%	5,228	-0.7%	20,941	20,980	-0.2%	21,094	-0.7%	21,289	-1.6%
CTS Canada EBITDA	2,363	2,355	0.3%	2,409	2,412	-0.1%	2,484	-3.0%	9,520	9,518	0.0%	9,766	-2.5%	9,705	-1.9%
EBITDA margin	46.1%	45.8%	38 bps	46.4%	46.4%	0 bps	47.5%	-112 bps	45.5%	45.4%	9 bps	46.3%	-84 bps	45.6%	-13 bps
CTS Canada capex	872	1,102	(230)	1,288	1,229	58			4,209	4,414	(205)			3,153	33.5%
CTS US - Financials															
CTS US revenue	234	238	-1.5%	242	244	-1.0%	247	-2.1%	957	965	-0.9%	970	-1.4%	392	144.1%
CTS US EBITDA	95	102	-7.0%	100	106	-5.0%			404	418	-3.5%			171	136.0%
EBITDA margin	40.6%	43.0%	-240 bps	41.5%	43.3%	-175 bps			42.2%	43.3%	-116 bps			43.6%	-144 bps
CTS US capex	163	100	63.3%	169	103	65.0%			661	463	42.7%			388	70.4%
Total CTS - Financials															
Total CTS revenue	5,356	5,386	-0.6%	5,434	5,442	-0.1%	5,286	2.8%	21,898	21,945	-0.2%	21,274	2.9%	21,681	1.0%
Total CTS EBITDA	2,458	2,458	0.0%	2,509	2,517	-0.3%			9,923	9,936	-0.1%			9,876	0.5%
EBITDA margin	45.9%	45.6%	26 bps	46.2%	46.3%	-8 bps			45.3%	45.3%	4 bps			45.6%	-24 bps
Total CTS capex	1,035	1,202	-13.9%	1,457	1,332	9.4%			4,870	4,878	-0.2%			3,541	37.5%
Media															
Media revenue	918	877	4.7%	743	743	0.0%	751	-1.0%	3,255	3,214	1.3%	3,265	-0.3%	3,154	3.2%
Media EBITDA	244	243	0.5%	245	245	0.0%	242	1.3%	799	798	0.1%	801	-0.2%	782	2.2%
EBITDA margin	26.6%	27.7%	-112 bps	33.0%	33.0%	0 bps	32.2%	77 bps	24.6%	24.8%	-28 bps	24.5%	1 bps	24.8%	-23 bps
Consolidated															
Revenue	6,176	6,173	0.0%	6,087	6,095	-0.1%	6,155	-1.1%	24,780	24,794	-0.1%	24,939	-0.6%	24,468	1.3%
EBITDA	2,702	2,701	0.1%	2,755	2,762	-0.3%	2,790	-1.3%	10,723	10,734	-0.1%	10,814	-0.8%	10,658	0.6%
EBITDA margin	43.8%	43.7%	0.0%	45.3%	45.3%	-0.2%	45.3%	-7 bps	43.3%	43.3%	-0.1%	43.4%	-9 bps	43.6%	-29 bps
EPS	$0.65	$0.64	1.8%	$0.67	$0.67	-0.6%	$0.71	-5.7%	$2.51	$2.50	0.1%	$2.59	-3.3%	$2.80	-10.5%
Capex	1,080	1,239	-12.8%	1,489	1,363	9.2%	1,457	2.2%	5,009	5,009	0.0%	4,891	2.4%	3,700	35.4%
FCF	1,042	649	60.5%	223	534	-58.2%	360	-38.0%	2,165	2,184	-0.9%	2,223	-2.6%	3,178	-31.9%

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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TELUS

TELUS (Underweight, C$12 PT, 4% downside to PT)

Alongside weak 2Q results, and as expected, TELUS cut its quarterly dividend 55% to an annualized $0.75 per share and announced the termination of the DRIP discount (effective October 1), while meaningfully reducing its 2026 financial guidance. Management now expects 2026 consolidated operating revenue of -2% to flat (versus +2% to +4% prior), adjusted EBITDA of -4% to -2% (from +2% to +4%), and FCF of approximately $1.8 billion (from ~$2.45 billion), with capex raised to $2.6 billion (from ~$2.3 billion). While we await further detail on management's new strategic priorities and capital allocation strategy in November, we agree with TELUS' decision to reset the dividend, divest non-core assets, and refocus on its core telecom business. That said, our Underweight rating is driven by challenged fundamentals following the greater-than-expected guidance cut, execution risk around management's pending strategic reset, and potentially higher near-term capex. We believe these factors warrant a valuation discount to Canadian telco peers. Our December 2027 price target of $12 implies 6.3x 2028E EV/EBITDA and 8.7x 2028E FCF per share, underscoring the limited upside we see in the shares.

- **Sentiment/positioning:** Negative on underlying fundamentals following the dividend cut.
- **Key topics/questions:**
  - We would like more color on management's new strategic priorities, capital allocation strategy, and cost-savings program.
  - When can we expect to learn more about the timeline for the non-core asset sales?
  - With two-thirds of the consolidated operating revenue reduction attributable to TELUS Digital, is this business still considered core?
  - We would like more color on the increased capex investment in infrastructure.
  - Does TELUS plan to compete more directly with Bell AI Fabric?
  - Please provide an update on wireless and wireline competition in the West.
  - On the 2Q call, you mentioned a goal to "preserve the premium brand" while using your flanker brand to defend blended ARPU at the low end. Can you elaborate on how TELUS plans to grow its premium subscriber mix and lift ARPU?
- **Post-results revision recap:** Following softer 2Q mobile adds, we cut our 3Q net adds to 35k (from +74k), reflecting 16% lower gross adds (377k, or -10% y/y) offset by lower churn (1.10% vs.1.20% prior). We also lowered 3Q Internet net adds to 22k (from 28k) following a lighter 2Q. Despite raising 3Q mobile phone ARPU 0.3% to $57.10 (-0.2% y/y), we trimmed 3Q mobile network revenue 0.2% to $1.77b (+1% y/y) on lower subscribers, implying a fourth consecutive quarter of y/y revenue growth. We cut 3Q fixed data services revenue 1.5% to $1.17b, reflecting stable residential trends offset by public-sector revenue variability and customer contract changes, partially offset by SMB growth. Overall, TTech segment operating revenue is now $3.78b (-1.5% y/y), with segment adjusted EBITDA 8% lower at $1.61b (-6.3% y/y). Our updated 3Q TELUS Health revenue and adjusted EBITDA go to $546m and $95m, respectively (from $561m and $104m), reflecting continued softness in organic growth partially offset by an inorganic contribution from

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Workplace Options. Our updated 3Q TELUS Digital revenue and adjusted EBITDA are 17% and 44% lower, at $698m and $49m, respectively, consistent with management's expectations for weaker 2H26 segment financials and for "about two-thirds of that top-line reduction" in the revised guidance to come from TELUS Digital. Overall, we now forecast consolidated revenue of $19.99b (-1.8% y/y) and adjusted EBITDA of $7.09b (-3.6% y/y). Updated FCF is $1.80b, including capex of $2.62b. Link to 2Q Recap.

Figure 16: Summary of TELUS KPIs Following 2Q Results

Summary of KPIs - TELUS (T CN)

	Actual	JPMe Prior		JPMe	JPMe Prior		Street		JPMe	JPMe Prior		Street			
	2Q26	2Q26	*Variance*	3Q26E	3Q26E	*Variance*	3Q26E	*JPMe vs. Street*	2026E	2026E	*Variance*	2026E	*JPMe vs. Street*	2025	*Y/Y*
TTech															
Total mobile phone adds	17	45	*(28)*	35	74	*(39)*	48	*(13)*	95	175	*(80)*	115	*(20)*	207	*(112)*
Mobile phone churn	1.08%	1.15%	*-7 bps*	1.10%	1.20%	*-10 bps*	1.12%	*-2 bps*	1.23%	1.29%	*-6 bps*	1.24%	*-1 bps*	1.16%	*6 bps*
Mobile phone ARPU	$56.36	$56.30	*0.1%*	$57.10	$56.92	*0.3%*	$56.89	*0.4%*	$56.78	$56.66	*0.2%*	$56.66	*0.2%*	$57.01	*-0.4%*
High-speed internet net adds	20	25	*(5)*	22	28	*(6)*	31	*(9)*	85	99	*(14)*	101	*(16)*	123	*(38)*
Mobile network revenue	1,743	1,746	*-0.2%*	1,773	1,776	*-0.2%*	1,769	*0.2%*	7,045	7,057	*-0.2%*	7,039	*0.1%*	6,974	*1.0%*
Mobile eqpt. and other service revenue	433	489	*-11.5%*	452	537	*-15.9%*	486	*-7.0%*	1,951	2,165	*-9.9%*	1,977	*-1.3%*	2,157	*-9.6%*
Fixed data services	1,175	1,183	*-0.7%*	1,168	1,186	*-1.5%*	1,172	*-0.3%*	4,699	4,737	*-0.8%*	4,695	*0.1%*	4,679	*0.4%*
Agriculture and consumer goods services	90	83	*8.0%*	93	93	*0.0%*	95	*-2.0%*	377	373	*0.9%*	384	*-1.8%*	383	*-1.6%*
Operating revenue	3,733	3,804	*-1.9%*	3,779	3,894	*-3.0%*	2,224	*69.9%*	15,230	15,522	*-1.9%*	15,252	*-0.1%*	15,417	*-1.2%*
Adj. EBITDA	1,639	1,650	*-0.6%*	1,609	1,756	*-8.4%*	1,652	*-2.6%*	6,507	6,801	*-4.3%*	6,599	*-1.4%*	6,705	*-3.0%*
EBITDA margin	43.8%	43.1%	*70 bps*	42.5%	44.8%	*-229 bps*	43.0%	*-52 bps*	42.6%	43.5%	*-93 bps*	43.1%	*-48 bps*	43.0%	*-42 bps*
Capex	614	498	*23.3%*	587	490	*19.7%*	578	*9*	2,378	2,042	*16.4%*	2,379	*(1)*	2,124	*12.0%*
TELUS Health															
Total external revenue	536	571	*-6.1%*	546	561	*-2.8%*	547	*-0.3%*	2,175	2,236	*-2.7%*	2,146	*1.3%*	2,889	*-24.7%*
Adj. EBITDA	99	106	*-6.5%*	95	104	*-8.4%*	67	*40.8%*	386	411	*-6.0%*	382	*1.0%*	339	*13.9%*
EBITDA margin	18.5%	18.5%	*-8 bps*	17.4%	18.5%	*-107 bps*	12.3%	*508 bps*	17.8%	18.4%	*-62 bps*	17.8%	*-5 bps*	11.7%	*602 bps*
TELUS Digital															
Total external revenue	654	744	*-12.0%*	598	737	*-18.9%*	656	*-8.8%*	2,592	2,968	*-12.7%*	2,659	*-2.5%*	2,889	*-10.3%*
Total op. revenue and other income	774	844	*-8.2%*	698	837	*-16.7%*	752	*-7.2%*	3,020	3,376	*-10.5%*	3,134	*-3.6%*	3,327	*-9.2%*
Adj. EBITDA	72	89	*-18.7%*	49	88	*-44.4%*	94	*-48.2%*	257	350	*-26.6%*	284	*-9.7%*	339	*-24.2%*
EBITDA margin	9.3%	10.5%	*-120 bps*	7.0%	10.5%	*-350 bps*	12.5%	*-554 bps*	8.5%	10.4%	*-186 bps*	9.1%	*-57 bps*	10.2%	*-168 bps*
Consolidated															
Total revenue	4,929	5,141	*-4.1%*	4,925	5,216	*-5.6%*	4,983	*-1.1%*	20,019	20,805	*-3.8%*	20,134	*-0.6%*	20,506	*-2.4%*
Operating revenue	4,920	5,115	*-3.8%*	4,919	5,190	*-5.2%*		*NM*	19,986	20,714	*-3.5%*		*NM*	20,346	*-1.8%*
EBITDA	1,777	1,839	*-3.4%*	1,747	1,943	*-10.0%*	1,777	*-1.7%*	7,088	7,528	*-5.8%*	7,180	*-1.3%*	7,354	*-3.6%*
EBITDA margin	36.1%	35.8%	*28 bps*	35.5%	37.2%	*-177 bps*	35.7%	*-19 bps*	35.4%	36.2%	*-77 bps*	35.7%	*-25 bps*	35.9%	*-45 bps*
EPS	($1.16)	$0.22	*-627.6%*	$0.16	$0.27	*-39.8%*	$0.16	*-1.2%*	($0.76)	$0.83	*-191.9%*	$0.63	*-220.6%*	$0.73	*-205.2%*
Capex -excluding real estate	659	572	*15.3%*	646	555	*16.5%*	626	*3.2%*	2,615	2,318	*12.8%*	2,622	*-0.3%*	2,465	*6.1%*
FCF	545	599	*-9.0%*	334	595	*-44.0%*	390	*-14.5%*	1,802	2,454	*-26.6%*	1,823	*-1.2%*	2,208	*-18.4%*

Source: J.P. Morgan estimates, Company data, Bloomberg Finance L.P.

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Completed 04 Sep 2026 02:28 AM EDT

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