

The Virgin Islands Consortium

Liberty to Separate Puerto Rico and USVI Operations After Earnings Growth but Puerto Rico Revenue Decline

Liberty Latin America will separate its PR and USVI operations to boost shareholder value, reporting second quarter earnings growth despite a 5% revenue drop in Puerto Rico and assuring customers that service will not be affected.

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Liberty Latin America operations in Puerto Rico and the U.S. Virgin Islands will soon stand alone, detached from the conglomerate. This, executives say, will unlock shareholder value as well as optimize capital structure.

The announcement was made on Thursday amidst Liberty's reporting on its second quarter and half-year performance. According to CEO Balan Nair, the separation of Liberty Puerto Rico “could take one of many forms, including a spin-off.” With no definitive timeline announced for the split, senior director of communications and corporate responsibility Giovanna Ramirez de Arellano vowed that business operations in the U.S. territories would not be affected.

The Puerto Rico and USVI unit of Liberty achieved \$87 million in adjusted operating income before depreciation and amortization (OIBDA) in Q2, a 22% year-over-year increase (21% on a rebased basis), yielding \$168.5 million in OIBDA over the first half—a 20% improvement from 2024. Despite EBITDA growth, revenue in Puerto Rico declined 5% on a rebased basis to \$301.3 million in Q2. Liberty attributed this decline to revenue pressure, even as disciplined cost management—through reduced staffing, lower professional services costs, and the phase-out of integration expenses—helped lift margins

Liberty Latin America believes that “our share price is not reflective of our growth potential or the value of our underlying businesses.” In May, chief financial officer Chris Noyes had lamented a slower-than-expected recovery for the Puerto Rico market after the “challenging migration” from AT&T in 2024. Virgin Islanders [complained bitterly](#) about dropped calls, delayed text messages, and lack of coverage during Liberty's migration off AT&T's legacy network infrastructure to its own system. The complaints prompted legislative threats and an [investigation by the Public Services Commission](#).

Post-separation, Liberty Puerto Rico, or whatever name the standalone entity will adopt, will be expected to “utilize its own assets to raise any required incremental capital” to maintain the liquidity it needs to function, Mr. Nair said. He promised that more information would be forthcoming as plans move forward.