



NEWS RELEASE

As previously announced, UScellular will hold a teleconference on May 6, 2022, at 9:00 a.m. CDT. Listen to the call live via the Events & Presentations page of investors.uscellular.com.

FOR IMMEDIATE RELEASE

UScellular reports first quarter 2022 results *2022 guidance reaffirmed*

CHICAGO (May 5, 2022) — United States Cellular Corporation (NYSE:USM) reported total operating revenues of \$1,010 million for the first quarter of 2022, versus \$1,023 million for the same period one year ago. Service revenues totaled \$787 million, versus \$771 million for the same period a year ago. Net income attributable to UScellular shareholders and related diluted earnings per share were \$49 million and \$0.57, respectively, for the first quarter of 2022 compared to \$60 million and \$0.69, respectively, in the same period one year ago.

"UScellular's first quarter results showed growth in retail service revenue, driven by the positive impact of ARPU," said Laurent Therivel, UScellular President and CEO. "We continue to focus on our growth areas of the business, which include prepaid, business and government, and fixed wireless. Fixed wireless gross additions increased year-over-year, and momentum continues to build in our tower business, which produced double-digit revenue growth for the first quarter.

"I continue to be impressed with the hard work and dedication of our associates, and I'd like to thank all of them for their contributions this quarter."

2022 Estimated Results

UScellular's current estimates of full-year 2022 results are shown below. Such estimates represent management's view as of May 5, 2022 and should not be assumed to be current as of any future date. UScellular undertakes no duty to update such estimates, whether as a result of new information, future events, or otherwise. There can be no assurance that final results will not differ materially from estimated results.

2022 Estimated Results		
	Previous	Current
(Dollars in millions)		
Service revenues	\$3,100-\$3,200	Unchanged
Adjusted OIBDA ¹	\$750-\$900	Unchanged
Adjusted EBITDA ¹	\$925-\$1,075	Unchanged
Capital expenditures	\$700-\$800	Unchanged

The following table reconciles EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measures, Net income or Income before income taxes. In providing 2022 estimated results, UScellular has not completed the below reconciliation to Net income because it does not provide guidance for income taxes. Although potentially significant, UScellular believes that the impact of income taxes cannot be reasonably predicted; therefore, UScellular is unable to provide such guidance.

		Actual Results	
	2022 Estimated Results	Three Months Ended March 31, 2022	Year Ended December 31, 2021
(Dollars in millions)			
Net income (GAAP)	N/A	\$ 52	\$ 160
Add back:			
Income tax expense	N/A	32	20
Income before income taxes (GAAP)	\$65-\$215	\$ 84	\$ 180
Add back:			
Interest expense	135	33	175
Depreciation, amortization and accretion expense	710	171	678
EBITDA (Non-GAAP) ¹	\$910-\$1,060	\$ 288	\$ 1,033
Add back or deduct:			
(Gain) loss on asset disposals, net	15	2	23
(Gain) loss on sale of business and other exit costs, net	—	(1)	(2)
Adjusted EBITDA (Non-GAAP) ¹	\$925-\$1,075	\$ 289	\$ 1,054
Deduct:			
Equity in earnings of unconsolidated entities	170	45	179
Interest and dividend income	5	1	6
Adjusted OIBDA (Non-GAAP) ¹	\$750-\$900	\$ 243	\$ 869

¹ EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliation above. EBITDA, Adjusted EBITDA and Adjusted OIBDA are not measures of financial performance under Generally Accepted Accounting Principles in the United States (GAAP) and should not be considered as alternatives to Net income or Cash flows from operating activities, as indicators of cash flows or as measures of liquidity. UScellular does not intend to imply that any such items set forth in the reconciliation above are non-recurring, infrequent or unusual; such items may occur in the future. Management uses Adjusted EBITDA and Adjusted OIBDA as measurements of profitability, and therefore reconciliations to Net income are deemed appropriate. Management believes Adjusted EBITDA and Adjusted OIBDA are useful measures of UScellular's operating results before significant recurring non-cash charges, gains and losses, and other items as presented above as they provide additional relevant and useful information to investors and other users of UScellular's financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Adjusted EBITDA shows adjusted earnings before interest, taxes, depreciation, amortization and accretion, and gains and losses, while Adjusted OIBDA reduces this measure further to exclude Equity in earnings of unconsolidated entities and Interest and dividend income in order to more effectively show the performance of operating activities excluding investment activities. The table above reconciles EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measure, Net income or Income before income taxes. Additional information and reconciliations related to Non-GAAP financial measures for March 31, 2022, can be found on UScellular's website at investors.uscellular.com.

Stock Repurchase

During the first quarter of 2022, UScellular repurchased 363,821 of its Common Shares for \$10 million.

Conference Call Information

UScellular will hold a conference call on May 6, 2022 at 9:00 a.m. Central Time.

- Access the live call on the Events & Presentations page of investors.uscellular.com or at <https://event.on24.com/wcc/r/3725342/CDC132CA9BF52C2B44DEED054F08A623>
- Access the call by phone at (888)330-2384 conference ID: 1328528.

Before the call, certain financial and statistical information to be discussed during the call will be posted to investors.uscellular.com. The call will be archived on the Events & Presentations page of investors.uscellular.com.

About UScellular

United States Cellular Corporation provides a comprehensive range of wireless products and services, excellent customer support, and a high-quality network to customers with 4.8 million retail connections in 21 states. The Chicago-based company had 4,800 full- and part-time associates as of March 31, 2022. At the end of the first quarter of 2022, Telephone and Data Systems, Inc. owned 83 percent of UScellular. For more information about UScellular, visit uscellular.com.

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Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: All information set forth in this news release, except historical and factual information, represents forward-looking statements. This includes all statements about the company's plans, beliefs, estimates, and expectations. These statements are based on current estimates, projections, and assumptions, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Important factors that may affect these forward-looking statements include, but are not limited to: intense competition; the ability to attract people of outstanding talent throughout all levels of the organization; USM's smaller scale relative to larger competitors; the ability to obtain or maintain roaming arrangements with other carriers on acceptable terms; the ability to obtain access to adequate radio spectrum to meet current or anticipated future needs, including participation in FCC auctions; changes in demand, consumer preferences and perceptions, price competition, or churn rates; advances in technology; impacts of costs, integration problems or other factors associated with acquisitions, divestitures or exchanges of properties or wireless spectrum licenses and/or expansion of UScellular's businesses; the ability of the company to successfully construct and manage its networks; uncertainties in UScellular's future cash flows and liquidity and access to the capital markets; the ability to make payments on UScellular indebtedness or comply with the terms of debt covenants; conditions in the U.S. telecommunications industry; the value of assets and investments; the state and federal regulatory environment; pending and future litigation; cyber-attacks or other breaches of network or information technology security; potential conflicts of interests between TDS and UScellular; disruption in credit or other financial markets; deterioration of U.S. or global economic conditions; the impact, duration and severity of public health emergencies, such as the COVID-19 pandemic. Investors are encouraged to consider these and other risks and uncertainties that are more fully described under "Risk Factors" in the most recent filing of UScellular's Form 10-K, as updated by any UScellular Form 10-Q filed subsequent to such Form 10-K.

For more information about UScellular, visit: www.uscellular.com

United States Cellular Corporation

Summary Operating Data (Unaudited)

As of or for the Quarter Ended	3/31/2022	12/31/2021	9/30/2021	6/30/2021	3/31/2021
Retail Connections					
Postpaid					
Total at end of period	4,335,000	4,380,000	4,391,000	4,399,000	4,406,000
Gross additions	126,000	165,000	145,000	141,000	143,000
Feature phones	2,000	3,000	2,000	3,000	3,000
Smartphones	89,000	122,000	103,000	98,000	101,000
Connected devices	35,000	40,000	40,000	40,000	39,000
Net additions (losses)	(44,000)	(12,000)	(8,000)	(6,000)	(6,000)
Feature phones	(10,000)	(7,000)	(7,000)	(7,000)	(9,000)
Smartphones	(26,000)	5,000	2,000	6,000	6,000
Connected devices	(8,000)	(10,000)	(3,000)	(5,000)	(3,000)
ARPU ^{1,2}	\$ 49.71	\$ 48.62	\$ 48.12	\$ 47.74	\$ 47.65
ARPA ^{1,3}	\$ 129.93	\$ 127.14	\$ 125.99	\$ 125.25	\$ 125.25
Churn rate ⁴	1.30 %	1.35 %	1.15 %	1.11 %	1.12 %
Handsets	1.10 %	1.10 %	0.95 %	0.88 %	0.92 %
Connected devices	2.70 %	3.08 %	2.59 %	2.69 %	2.53 %
Prepaid					
Total at end of period	495,000	513,000	518,000	507,000	496,000
Gross additions	55,000	63,000	74,000	65,000	62,000
Net additions (losses)	(18,000)	(5,000)	11,000	10,000	(3,000)
ARPU ²	\$ 34.59	\$ 34.53	\$ 35.05	\$ 35.64	\$ 35.25
Churn rate ⁴	4.84 %	4.39 %	4.09 %	3.66 %	4.37 %
Market penetration at end of period					
Consolidated operating population	32,370,000	32,127,000	31,865,000	31,493,000	31,493,000
Consolidated operating penetration ⁵	15 %	15 %	16 %	16 %	16 %
Capital expenditures (millions)	\$ 137	\$ 321	\$ 185	\$ 148	\$ 125
Total cell sites in service	6,899	6,898	6,857	6,819	6,802
Owned towers	4,310	4,301	4,274	4,278	4,270

¹ Q3 2021 Postpaid ARPU and ARPA amounts exclude \$9 million of postpaid revenue related to an out-of-period error recorded in that quarter.

² Average Revenue Per User (ARPU) - metric is calculated by dividing a revenue base by an average number of connections and by the number of months in the period. These revenue bases and connection populations are shown below:

- Postpaid ARPU consists of total postpaid service revenues and postpaid connections.
- Prepaid ARPU consists of total prepaid service revenues and prepaid connections.

³ Average Revenue Per Account (ARPA) - metric is calculated by dividing total postpaid service revenues by the average number of postpaid accounts and by the number of months in the period.

⁴ Churn rate represents the percentage of the connections that disconnect service each month. These rates represent the average monthly churn rate for each respective period.

⁵ Market penetration is calculated by dividing the number of wireless connections at the end of the period by the total estimated population of consolidated operating markets.

United States Cellular Corporation
Consolidated Statement of Operations Highlights
(Unaudited)

	Three Months Ended March 31,		
	2022	2021	2022 vs. 2021
(Dollars and shares in millions, except per share amounts)			
Operating revenues			
Service	\$ 787	\$ 771	2 %
Equipment sales	223	252	(12)%
Total operating revenues	1,010	1,023	(1)%
Operating expenses			
System operations (excluding Depreciation, amortization and accretion reported below)	185	185	—
Cost of equipment sold	257	275	(6)%
Selling, general and administrative	325	305	6 %
Depreciation, amortization and accretion	171	170	1 %
(Gain) loss on asset disposals, net	2	5	(69)%
(Gain) loss on sale of business and other exit costs, net	(1)	(1)	(5)%
Total operating expenses	939	939	—
Operating income	71	84	(15)%
Investment and other income (expense)			
Equity in earnings of unconsolidated entities	45	42	7 %
Interest and dividend income	1	2	(46)%
Interest expense	(33)	(39)	14 %
Total investment and other income (expense)	13	5	N/M
Income before income taxes	84	89	(6)%
Income tax expense	32	27	19 %
Net income	52	62	(17)%
Less: Net income attributable to noncontrolling interests, net of tax	3	2	53 %
Net income attributable to UScellular shareholders	<u>\$ 49</u>	<u>\$ 60</u>	(18)%
Basic weighted average shares outstanding	86	86	—
Basic earnings per share attributable to UScellular shareholders	<u>\$ 0.57</u>	<u>\$ 0.70</u>	(18)%
Diluted weighted average shares outstanding	87	88	(1)%
Diluted earnings per share attributable to UScellular shareholders	<u>\$ 0.57</u>	<u>\$ 0.69</u>	(17)%

N/M - Percentage change not meaningful

United States Cellular Corporation
Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
(Dollars in millions)		
Cash flows from operating activities		
Net income	\$ 52	\$ 62
Add (deduct) adjustments to reconcile net income to net cash flows from operating activities		
Depreciation, amortization and accretion	171	170
Bad debts expense	25	7
Stock-based compensation expense	7	6
Deferred income taxes, net	22	23
Equity in earnings of unconsolidated entities	(45)	(42)
Distributions from unconsolidated entities	19	22
(Gain) loss on asset disposals, net	2	5
(Gain) loss on sale of business and other exit costs, net	(1)	(1)
Other operating activities	1	(1)
Changes in assets and liabilities from operations		
Accounts receivable	15	4
Equipment installment plans receivable	—	(18)
Inventory	(4)	7
Accounts payable	(62)	(86)
Customer deposits and deferred revenues	9	7
Accrued taxes	130	3
Accrued interest	10	9
Other assets and liabilities	(40)	(53)
Net cash provided by operating activities	311	124
Cash flows from investing activities		
Cash paid for additions to property, plant and equipment	(150)	(133)
Cash paid for licenses	(561)	(1,256)
Cash received from divestitures and exchanges	1	1
Net cash used in investing activities	(710)	(1,388)
Cash flows from financing activities		
Issuance of long-term debt	625	492
Repayment of long-term debt	(126)	—
Issuance of short-term debt	60	—
Common Shares reissued for benefit plans, net of tax payments	—	(1)
Repurchase of Common Shares	(10)	(2)
Payment of debt issuance costs	(1)	(1)
Distributions to noncontrolling interests	(1)	(1)
Other financing activities	(3)	(2)
Net cash provided by financing activities	544	485
Net increase (decrease) in cash, cash equivalents and restricted cash	145	(779)
Cash, cash equivalents and restricted cash		
Beginning of period	199	1,291
End of period	\$ 344	\$ 512

United States Cellular Corporation
Consolidated Balance Sheet Highlights
(Unaudited)

ASSETS

	March 31, 2022	December 31, 2021
(Dollars in millions)		
Current assets		
Cash and cash equivalents	\$ 300	\$ 156
Accounts receivable, net	1,020	1,046
Inventory, net	177	173
Prepaid expenses	63	58
Income taxes receivable	—	123
Other current assets	51	49
Total current assets	1,611	1,605
Assets held for sale	15	18
Licenses	4,677	4,088
Investments in unconsolidated entities	465	439
Property, plant and equipment, net	2,576	2,606
Operating lease right-of-use assets	952	959
Other assets and deferred charges	579	626
Total assets	<u>\$ 10,875</u>	<u>\$ 10,341</u>

United States Cellular Corporation
Consolidated Balance Sheet Highlights
(Unaudited)

LIABILITIES AND EQUITY

	March 31, 2022	December 31, 2021
(Dollars in millions, except per share amounts)		
Current liabilities		
Current portion of long-term debt	\$ 6	\$ 3
Accounts payable	281	360
Customer deposits and deferred revenues	200	191
Accrued taxes	34	33
Accrued compensation	42	83
Short-term operating lease liabilities	131	129
Other current liabilities	179	104
Total current liabilities	873	903
Deferred liabilities and credits		
Deferred income tax liability, net	696	674
Long-term operating lease liabilities	882	889
Other deferred liabilities and credits	583	573
Long-term debt, net	3,220	2,728
Noncontrolling interests with redemption features	12	11
Equity		
UScellular shareholders' equity		
Series A Common and Common Shares, par value \$1.00 per share	88	88
Additional paid-in capital	1,685	1,678
Treasury shares	(77)	(68)
Retained earnings	2,897	2,849
Total UScellular shareholders' equity	4,593	4,547
Noncontrolling interests	16	16
Total equity	4,609	4,563
Total liabilities and equity	\$ 10,875	\$ 10,341

United States Cellular Corporation
Financial Measures and Reconciliations
(Unaudited)

Free Cash Flow

	Three Months Ended March 31,	
	2022	2021
(Dollars in millions)		
Cash flows from operating activities (GAAP)	\$ 311	\$ 124
Less: Cash paid for additions to property, plant and equipment	150	133
Free cash flow (Non-GAAP)¹	\$ 161	\$ (9)

- ¹ Free cash flow is a non-GAAP financial measure which USCellular believes may be useful to investors and other users of its financial information in evaluating liquidity, specifically, the amount of net cash generated by business operations after deducting Cash paid for additions to property, plant and equipment.