

T-Mobile Acquires USCellular in \$4.4 Billion Deal: 'Even More Consumers Will Benefit'

T-Mobile has agreed to a blockbuster deal to purchase the majority of USCellular in an estimated \$4.4 billion acquisition.

As part of the agreement, T-Mobile will pay cash and up to \$2 billion of USCellular's debt, depending on the agreement reached between T-Mobile and US Cellular's debt holders upon closing.

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The new deal will give UScellular customers access to T-Mobile's 5G technology, pre-existing plans, and customer service operations. Areas previously uncovered by USCellular will also now be accessible to existing customers through T-Mobile.

T-Mobile said that the merger will drive competition among other rival companies.

"With this deal, T-Mobile can extend the superior Un-carrier value and experiences that we're famous for to millions of UScellular customers and deliver them lower-priced, value-packed plans and better connectivity on our best-in-class nationwide 5G network," said Mike Sievert, CEO of T-Mobile, in a company release. "As customers from both companies will get more coverage and more capacity from our combined footprint,

our competitors will be forced to keep up – and even more consumers will benefit.”

USCellular said in a separate release that the new agreement will hand over all of its wireless operations to T-Mobile, including those in “underserved” and “rural” areas who previously had little connectivity.

“The decisions we announced today are in the best interests of our customers and our shareholders,” said Laurent Therivel, CEO of USCellular. “We are committed to serving the needs of our customers and supporting our associates as we work to complete the transaction.”

T-Mobile’s acquisition of USCellular was unanimously recommended by the independent directors of USCellular and unanimously voted for approval by USCellular’s Board of Directors and the Board of Directors of TDS, which owns 83% of USCellular’s shares.

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T-Mobile had a strong Q1 2024, reporting a net income of \$2.4 billion, a 22% increase from the same period last year. The wireless company also saw a 4% year-over-year increase in service revenue, an estimated \$16.1 billion.

“Our model is working. It’s consistent. And our confidence in it only builds with each passing quarter of success,” Sievert said in an earnings call at the time. “We remain focused on continuing to take share in wireless and broadband while delivering industry-leading growth in service revenue, profitability and cash flows.”

USCellular was up over 12% in a 24-hour period upon the news of the acquisition as of late Tuesday afternoon.

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