



First Quarter 2024 Results

May 3, 2024

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

All information set forth in this presentation about Telephone and Data Systems, Inc., including its subsidiaries UScellular and TDS Telecom, 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: whether any strategic alternatives for UScellular will be successfully identified or completed; whether any such strategic alternative will result in additional value for TDS or UScellular and their respective shareholders and whether the process will have an adverse impact on TDS' and UScellular's business; intense competition; the ability to obtain or maintain roaming arrangements with other carriers on acceptable terms and changes in roaming practices; the ability to obtain access to adequate radio spectrum to meet current or anticipated future needs, including participation in FCC auctions; the ability to attract people of outstanding talent throughout all levels of the organization; TDS' smaller scale relative to larger competitors; 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 TDS' businesses; the ability of the company to successfully construct and manage its networks; difficulties involving third parties with which TDS does business; uncertainties in TDS' future cash flows and liquidity and access to the capital markets; the ability to make payments on TDS and UScellular indebtedness or comply with the terms of debt covenants; the effect on TDS' business if the collateral securing its secured term loan is foreclosed upon; 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 interest between TDS and UScellular; control by the TDS Voting Trust; disruption in credit or other financial markets; deterioration of U.S. or global economic conditions; and the impact, duration and severity of public health emergencies. 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 TDS' Form 10-K, as updated by any TDS Form 10-Q filed subsequent to such Form 10-K.

Corporate Update

- **Strategic alternatives review of UScellular announced on August 4, 2023**
 - Remains active and on-going
- **Improved profitability**
 - TDS Telecom's multi-year fiber investments now producing both top and bottom-line growth
 - UScellular's ARPU growth coupled with disciplined spending delivering strong results in profitability
- **Both business units are making key investments while maintaining focus on costs**
- **TDS entered into \$375 M term loan**



Quarterly highlights



Focus on balancing subscribers and financials

- Competitive environment remains aggressive - continued postpaid handset challenges
- Grew postpaid ARPU 3%
- Fixed wireless connections grew 42%
- B2B use cases



Financial discipline

- Cost management drives 11% increase in Adjusted OIBDA ⁽¹⁾



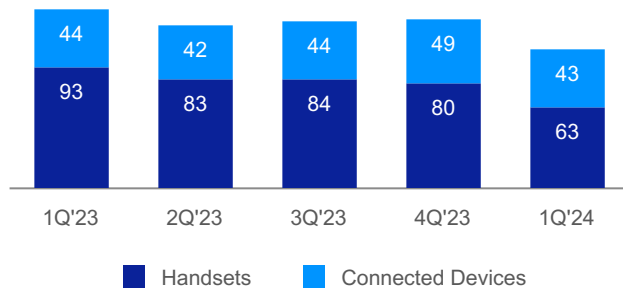
Advance the network

- Continued mid-band deployment
 - Improved network perception when using mid-band

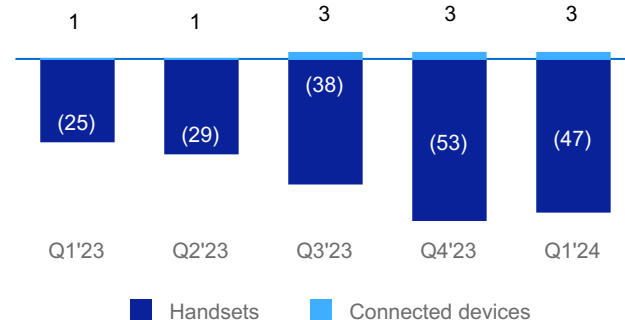
Postpaid operating metrics



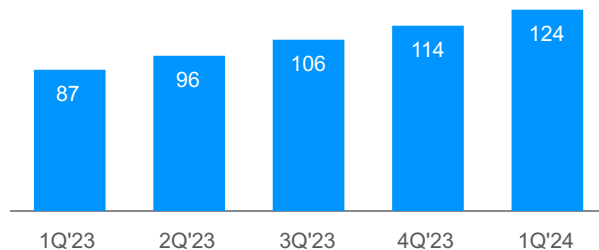
Gross Additions (in thousands)



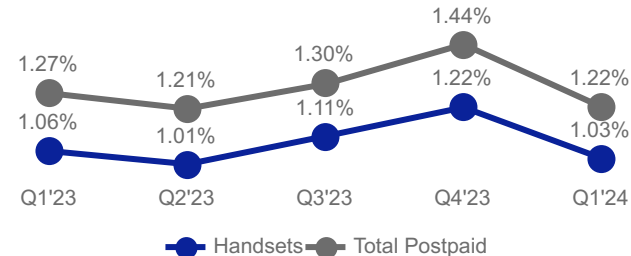
Net Additions (in thousands)



Fixed Wireless Subscribers (in thousands)



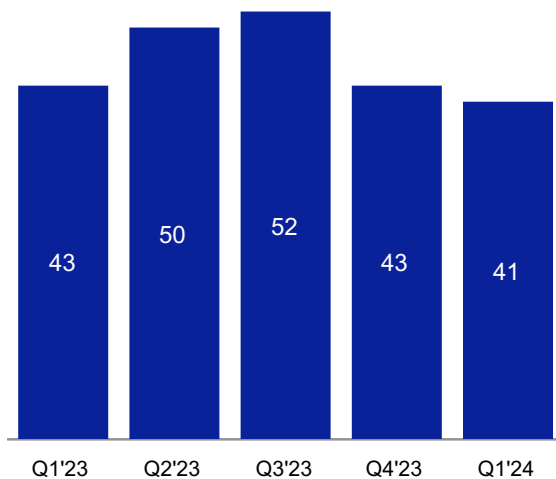
Churn



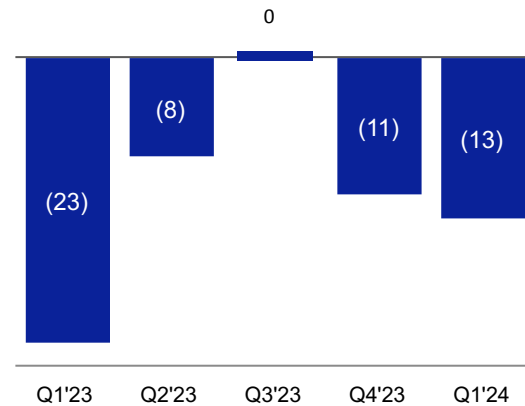
Prepaid operating metrics



Gross Additions (in thousands)



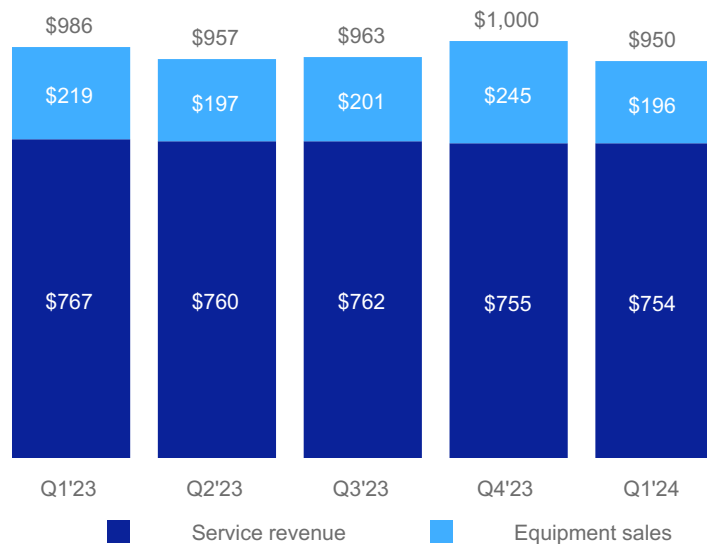
Net Additions (in thousands)



Financial summary



Operating Revenue (\$M)



Postpaid ARPU



Tower revenues



4,382

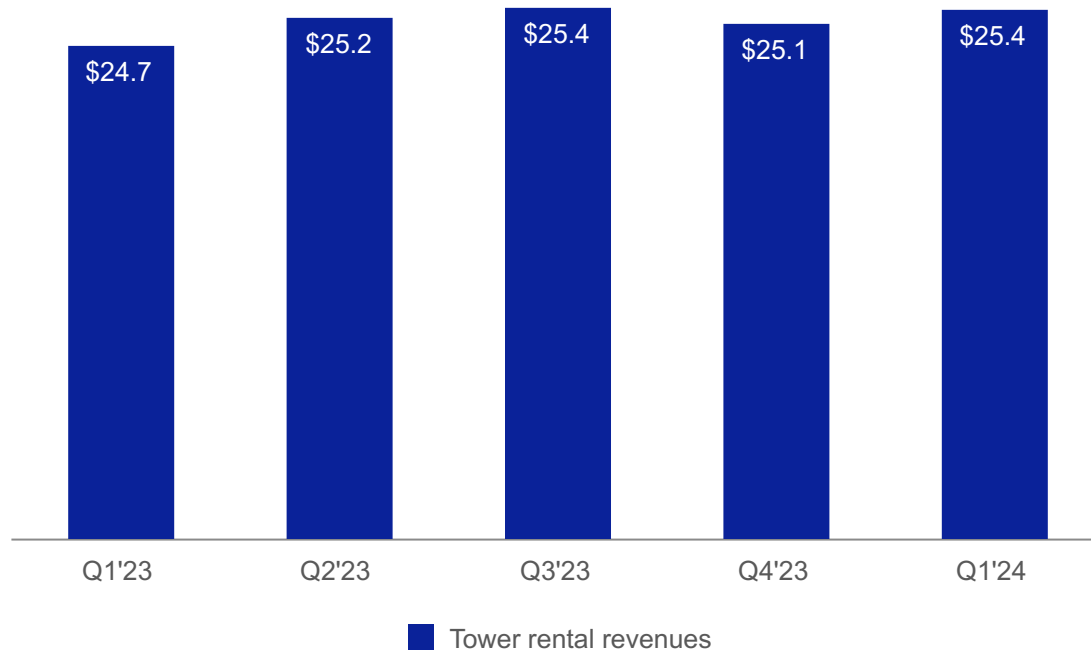
Owned Towers

2,397

Number of Colocations

1.55

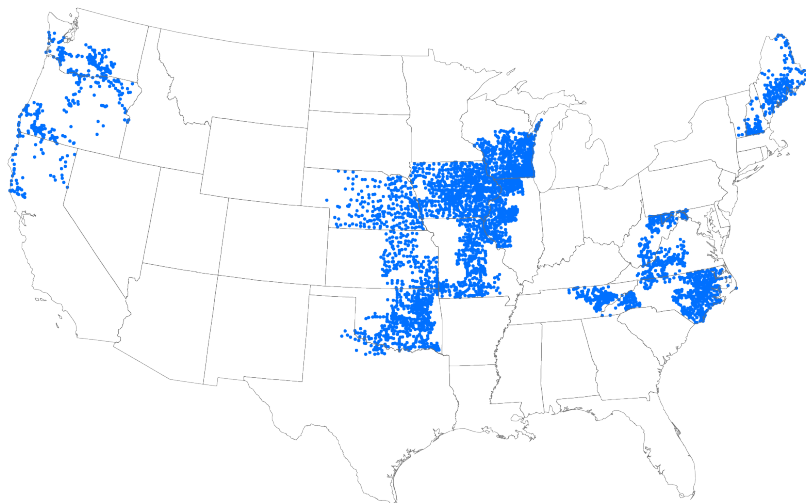
Tower Tenancy Rate



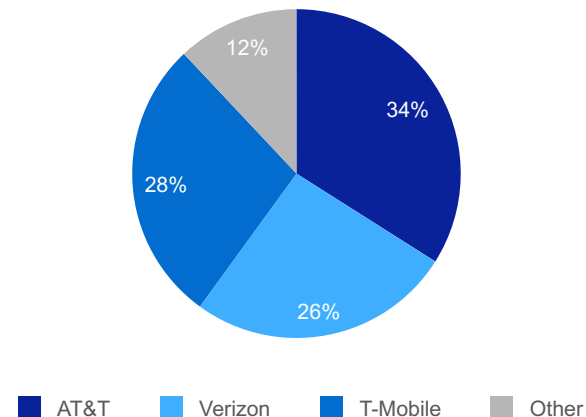
Diversified third-party customer base



UScellular Owned Towers



Tower Revenue Distribution - 1Q'24



UScellular operating performance



(\$M)	Q1'24	Q1'23	% Change
Service revenues	\$ 754	\$ 767	(2)%
Equipment sales	196	219	(10)%
Total operating revenues	950	986	(4)%
System operations expense	182	182	—
Cost of equipment sold	216	253	(14)%
SG&A expenses ⁽¹⁾	331	345	(4)%
Total cash expenses ⁽²⁾	729	780	(7)%
Adjusted OIBDA ⁽²⁾	228	206	11 %
Equity in earnings of unconsolidated entities	42	44	(5)%
Adjusted EBITDA ⁽²⁾	272	252	8 %
Capital expenditures	\$ 131	\$ 208	(37)%

2024 UScellular guidance *



(\$M)

As of May 3, 2024

	2023 Actual	2024 Previous Estimates	2024 Current Estimates
Service revenues	\$3,044	\$2,950-\$3,050	Unchanged
Adjusted OIBDA ⁽¹⁾	\$818	\$750-\$850	Unchanged
Adjusted EBITDA ⁽¹⁾	\$986	\$920-\$1,020	Unchanged
Capital expenditures	\$611	\$550-\$650	Unchanged





Grew revenues and profitability

- Revenues up 5%
- Adjusted EBITDA ⁽¹⁾ up 38%
- Pacing capital spend, in line with profitability



Expanded fiber program

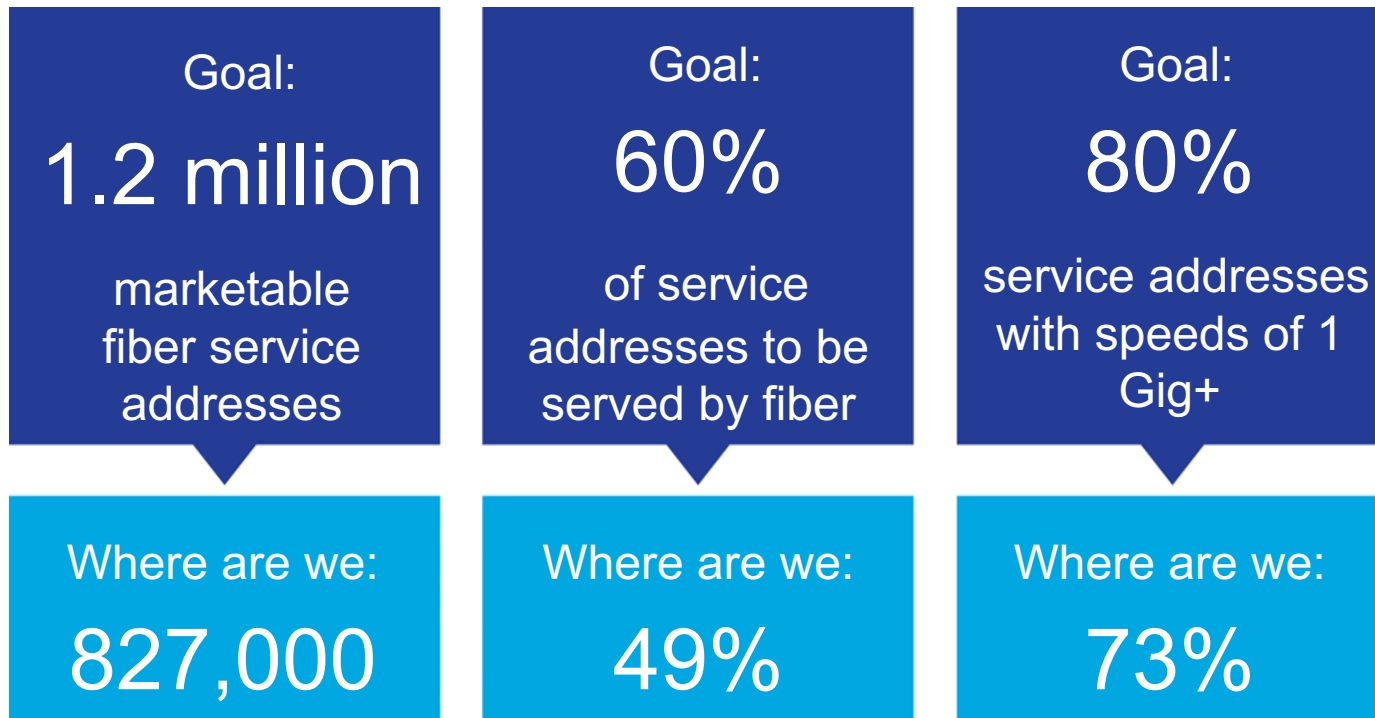
- Deployed 28,000 new marketable fiber addresses
- Expansion markets exceeded 100,000 broadband connections



Residential fiber broadband penetration levels meeting expectations

Progress on our long-term fiber program

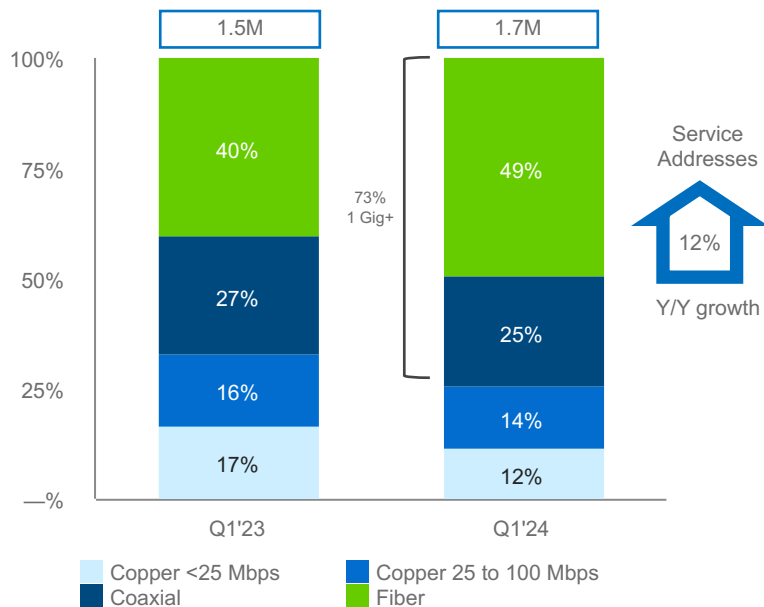
Deployed 28,000 marketable fiber service addresses in 1Q'24



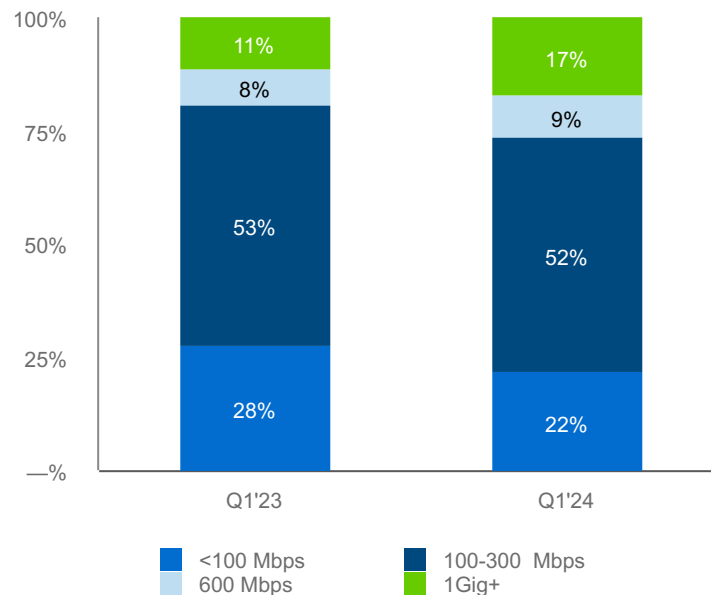
Growing fiber footprint driving faster speeds



Total Service Address Mix



Residential Broadband Connections by Speed

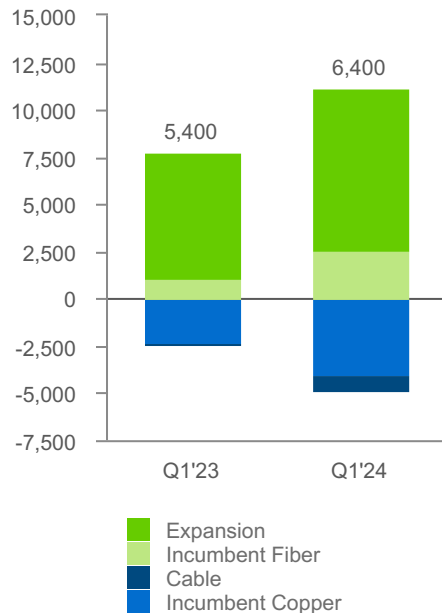


Strong residential revenue growth

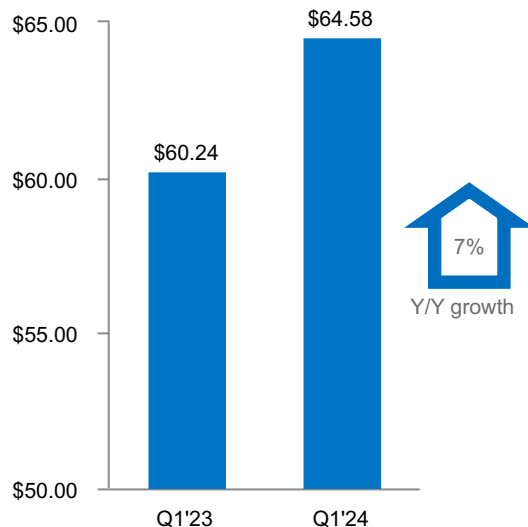
Total residential broadband connections grew 6% Y/Y



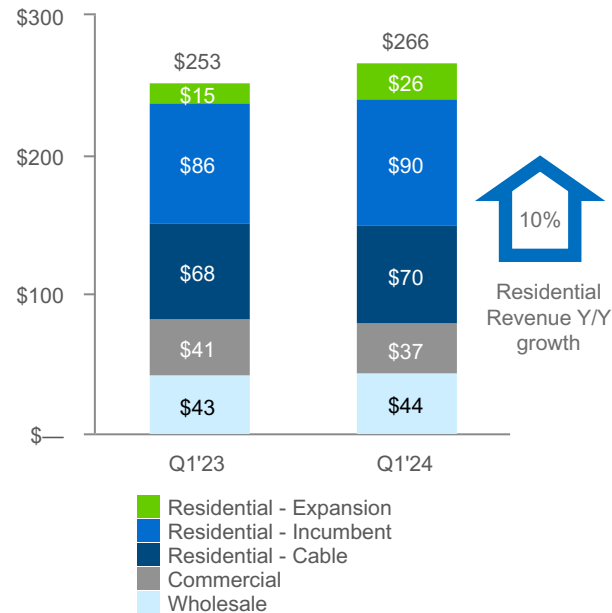
Residential Broadband Net Additions



Residential Revenue per Connection



Operating Revenues (\$M)



TDS Telecom operating performance



(\$M)	Q1'24	Q1'23	% Change
Total operating revenues	\$ 266	\$ 253	5 %
Cash expenses ⁽¹⁾	173	185	(6)%
Adjusted EBITDA ⁽¹⁾	\$ 95	\$ 69	38 %
Capital expenditures	\$ 87	\$ 130	(33)%

2024 TDS Telecom guidance^{*}



^(\$M) As of May 3, 2024	2023 Actual	2024 Previous Estimates	2024 Current Estimates
Total operating revenues	\$1,028	\$1,070-\$1,100	Unchanged
Adjusted OIBDA ⁽¹⁾	\$279	\$310-\$340	Unchanged
Adjusted EBITDA ⁽¹⁾	\$285	\$310-\$340	Unchanged
Capital expenditures	\$577	\$310-\$340	Unchanged

Appendix

Adjusted OIBDA and Adjusted EBITDA Reconciliation

(\$M)

Net income (GAAP)

Add back:

Income tax expense

Income before income taxes (GAAP)

Add back:

Interest expense

Depreciation, amortization and accretion expense

EBITDA ⁽¹⁾ (non-GAAP)

Add back or deduct:

Expenses related to strategic alternatives review

(Gain) loss on asset disposals, net

(Gain) loss on license sales and exchanges, net

Adjusted EBITDA ⁽¹⁾ (non-GAAP)

Add back or deduct:

Equity in earnings of unconsolidated entities

Interest and dividend income

Other, net

Adjusted OIBDA ⁽¹⁾ (non-GAAP)

Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
UScellular	TDS Telecom	TDS*	UScellular	TDS Telecom	TDS*
\$24	\$24	\$38	\$14	\$8	\$12
28	7	20	11	3	13
\$52	\$31	\$58	\$25	\$11	\$25
43	(2)	57	47	(2)	53
165	65	234	170	59	232
\$260	\$93	\$349	\$242	\$68	\$310
7	—	11	—	—	—
6	2	7	10	1	11
(1)	—	(1)	—	—	—
\$272	\$95	\$366	\$252	\$69	\$321
42	—	42	44	—	44
2	1	5	2	1	5
—	1	1	—	—	—
\$228	\$93	\$318	\$206	\$68	\$272

Numbers may not foot due to rounding.

* The TDS column includes UScellular, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments.

Adjusted OIBDA and Adjusted EBITDA Reconciliation – 2024 Estimated and 2023 Full Year

In providing 2024 estimated results, TDS has not completed the below reconciliation to net income because it does not provide guidance for income taxes. TDS believes that the impact of income taxes cannot be reasonably predicted; therefore, the company is unable to provide such guidance.

(\$M)	2024 Estimated Results		Actual Results Year ended December 31, 2023	
	UScellular	TDS Telecom	UScellular	TDS Telecom
Net income (GAAP)	N/A	N/A	\$58	\$(483)
Add back:				
Income tax expense	N/A	N/A	53	(26)
Income before income taxes (GAAP)	\$60-\$160	\$40-\$70	\$111	\$(509)
Add back:				
Interest expense	185	—	196	(8)
Depreciation, amortization and accretion expense	660	270	656	245
EBITDA ⁽¹⁾ (non-GAAP)	\$905-\$1,005	\$310-\$340	\$963	\$(272)
Add back or deduct:				
Loss on impairment of goodwill	—	—	—	547
Expenses related to strategic alternatives review	—	—	8	—
(Gain) loss on asset disposals, net	15	—	17	10
(Gain) loss on license sales and exchanges, net	—	—	(2)	—
Adjusted EBITDA ⁽¹⁾ (non-GAAP)	\$920-\$1,020	\$310-\$340	\$986	\$285
Deduct:				
Equity in earnings of unconsolidated entities	155	—	158	—
Interest and dividend income	15	—	10	4
Other, net	—	—	—	2
Adjusted OIBDA ⁽¹⁾ (non-GAAP)	\$750-\$850	\$310-\$340	\$818	\$279

Cash Expenses

Total cash expenses represent total operating expenses as shown in the Consolidated Statement of Operations Highlights in the TDS and UScellular SEC Forms 8-K, less depreciation, amortization and accretion and gain/losses.

EBITDA, Adjusted EBITDA and Adjusted OIBDA

EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliations on slides 21 and 22. 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. TDS and UScellular do not intend to imply that any such items set forth in the reconciliations on slides 21 and 22 are 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 TDS' and UScellular's operating results before significant recurring non-cash charges, nonrecurring expenses, gains and losses, and other items as presented above as they provide additional relevant and useful information to investors and other users of TDS' and 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, gains and losses, and expenses related to the strategic alternatives review of UScellular 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 tables on slide 21 and 22 reconcile EBITDA, Adjusted EBITDA and Adjusted OIBDA flow 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, 2024, can be found on TDS' and UScellular's websites at investors.tdsinc.com and investors.uscellular.com.