Fourth Quarter 2024 Results
2024 Accomplishments
2025 Strategic Priorities
2025 Guidance

February 21, 2025

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. 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 the announced transactions whereby UScellular has agreed to sell its wireless operations and selected spectrum assets will be successfully completed or whether UScellular will be able to find buyers at mutually agreeable prices for its remaining spectrum assets; whether any such strategic alternative will result in additional value for TDS or its shareholders and whether the process will have an adverse impact on TDS' businesses; if the announced transactions are not successfully completed there may be substantial changes in which the wireless business is conducted; if the announced transactions are successfully completed, substantial costs will be triggered and changes required in the manner in which UScellular's remaining business is conducted; strategic decisions regarding the tower 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' lack of 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, including changes in regulatory support received and the ability to pass through certain regulatory fees to customers; pending and future litigation; cyber-attacks or other breaches of network or information technology security; 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.

This presentation contains certain non-GAAP financial measures. Information about these non-GAAP financial measures and reconciliations between each non-GAAP financial measure and the most directly comparable GAAP measure are contained in the appendix to this presentation.

Corporate Update - 2024 Accomplishments

Positioning the company for long-term success

- Optimized portfolio of businesses
- Focused investments where we can win

Strengthened financial position across enterprise

Supported our businesses as they made key investments

Improved shareholder returns

Corporate Update - 2025 Priorities



Successfully closing the T-Mobile transaction



Position tower company for success



Investing in fiber expansion at TDS Telecom



Optimize post-transaction capital structure



Ensure culture remains strong


uscellular

Significant progress on strategic alternatives review

- Announced 3 major agreements and 2 smaller transactions
  - ✓ Wireless business and select spectrum assets to T-Mobile
  - ✓ Spectrum to Verizon and two other carriers
  - ✓ Spectrum to AT&T
- Collectively, the announced agreements are expected to monetize 70% of total spectrum holdings* as of 12/31/24
- Unlocked significant value
- Transactions proceeding as expected

*Excluding mmWave, measured on a MHz-Pops basis

UScellular - "What is Expected to Remain"



Strengthened tower company – at 12/31/24: 4,409 towers with 2,444 colocators

- T-Mobile to become a long-term tenant on a minimum of 2,015 incremental towers
- T-Mobile extending tenancy on ~600 towers where T-Mobile is a tenant today



Equity method investment interests - $169 million of cash distributions in 2024



Spectrum - ~30% of total existing spectrum holdings* at 12/31/24, principally C-Band; will look to opportunistically monetize

*Excluding mmWave, measured on a MHz-Pops basis

Organization remains focused on its priorities

2024



- Year-over-year improvement in retail subscriber results - reduced net losses
- Full year improvement in free cash flow - disciplined cost management continues

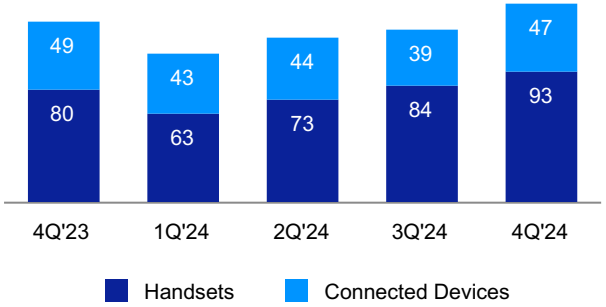
2025



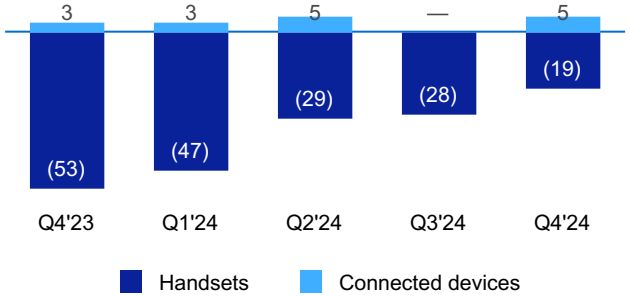
- Focused on successfully closing transactions
- Investing in our customers, brand and network
- Continue aggressively marketing our towers
- Evaluate opportunities to monetize remaining spectrum
- Develop post-close capital structure

Wireless - postpaid operating metrics

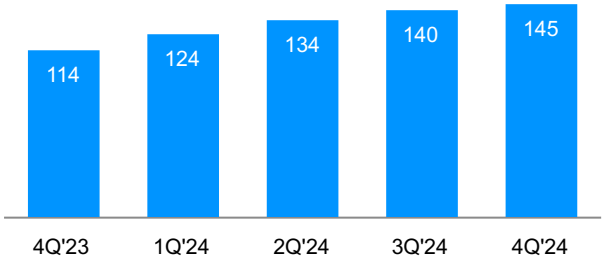
Gross Additions (in thousands)



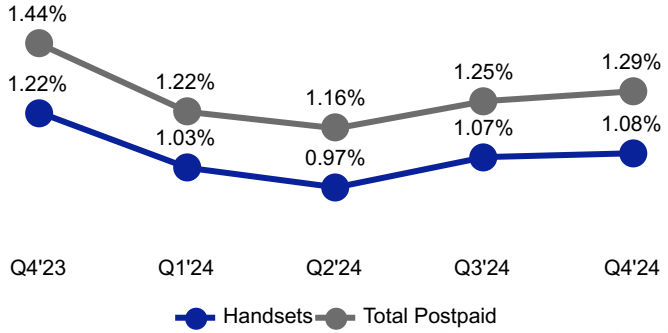
Net Additions (in thousands)



Fixed Wireless Subscribers (in thousands)

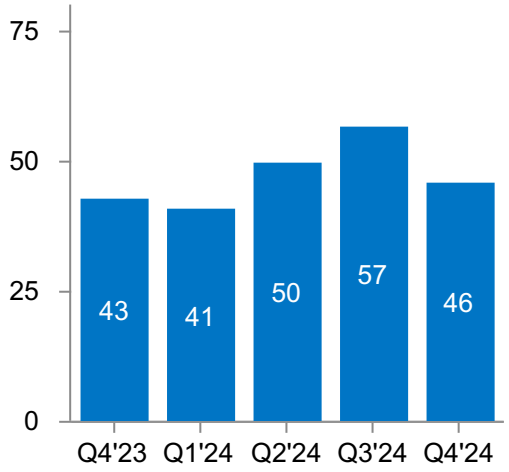


Churn

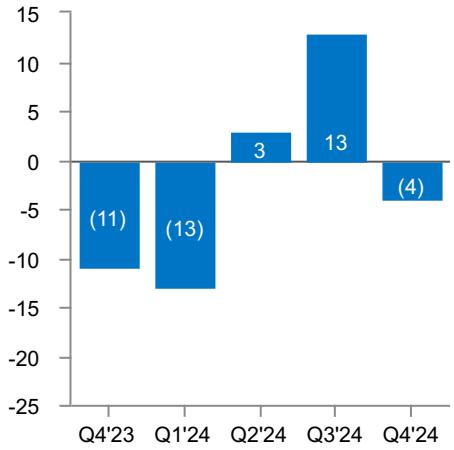


Wireless - prepaid operating metrics

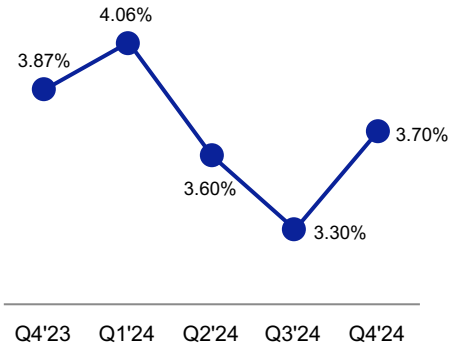
Gross Additions (in thousands)



Net Additions (in thousands)



Prepaid Churn Rate



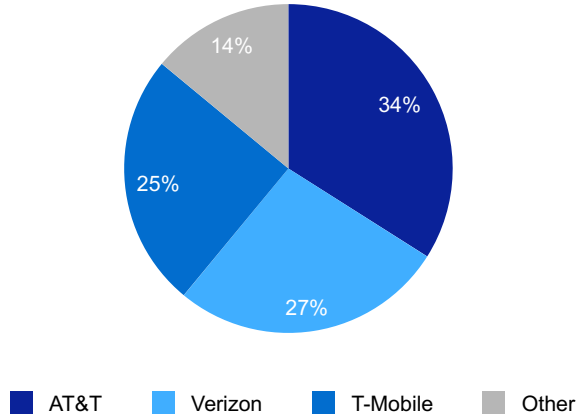
Towers - operating metrics[1]

4,409
Owned Towers

2,444
Number of Colocations

1.55
Tower Tenancy Rate

Tower Revenue Distribution
(4Q'24)



(1) At 12/31/24

UScellular Total - operating performance

($M)	Q4'24	Q4'23	% Change	2024	2023	% Change
Service revenues	$ 742	$ 755	(2)%	$ 2,987	$ 3,044	(2)%
Equipment sales	228	245	(7)%	783	862	(9)%
Total operating revenues	970	1,000	(3)%	3,770	3,906	(3)%
System operations expense	182	183	(1)%	724	740	(2)%
Cost of equipment sold	276	280	(1)%	906	988	(8)%
SG&A expenses [1]	353	349	1 %	1,330	1,368	(3)%
Total cash expenses [2]	811	812	—	2,960	3,096	(4)%
Adjusted OIBDA [2] (Non-GAAP)	167	194	(14)%	845	818	3 %
Equity in earnings of unconsolidated entities	38	37	3 %	161	158	2 %
Adjusted EBITDA [2] (Non-GAAP)	208	233	(11)%	1,018	986	3 %
Capital expenditures	$ 162	$ 148	9 %	$ 577	$ 611	(6)%

(1) Expenses related to the strategic alternatives review were $8M and $6M in Q4'24 and Q4'23 respectively and they were $35M and $8M in 2024 and 2023 respectively.
(2) See appendix for explanation.

Wireless - operating performance

($M), except Postpaid ARPU	Q4'24	Q4'23	% Change	2024	2023	% Change
Retail service	$ 661	$ 678	(3)%	$ 2,674	$ 2,742	(2)%
Other	55	52	7 %	210	201	5 %
Service revenues	716	730	(2)%	2,884	2,943	(2)%
Equipment sales	228	245	(7)%	783	862	(9)%
Total operating revenues	944	975	(3)%	3,667	3,805	(4)%
System operations expense	195	197	(1)%	777	794	(2)%
Cost of equipment sold	276	280	(1)%	906	988	(8)%
SG&A expenses (1)	344	340	1 %	1,298	1,334	(3)%
Total cash expenses (2)	815	817	—	2,981	3,116	(4)%
Adjusted OIBDA (Non-GAAP) (2)	137	164	(16)%	719	697	3 %
Postpaid ARPU	$ 51.73	$ 51.61	—	$ 51.79	$ 51.01	2 %

(1) Expenses related to the strategic alternatives review were $8M and $6M in Q4'24 and Q4'23 respectively, and they were $33M and $8M in 2024 and 2023 respectively.
(2) See appendix for explanations

Towers - operating performance

($M)	Q4'24	Q4'23	% Change	2024	2023	% Change
Third-party revenues	$ 26	$ 25	4 %	$ 103	$ 101	2 %
Intra-company revenues	33	32	3 %	131	127	3 %
Total tower revenues	59	57	3 %	234	228	3 %
System operations expense	20	18	11 %	78	73	6 %
SG&A expenses [1]	9	9	2 %	32	34	(5)%
Total cash expenses [2]	29	27	7 %	110	107	3 %
Adjusted OIBDA (Non-GAAP) [2]	30	30	—	126	121	4 %

(1) Expenses related to the strategic alternatives review were $0M in Q4'24 and Q4'23 respectively and they were $2M in 2024 and $0 in 2023 respectively.
(2) See appendix for explanations

$4.4 Billion – sale of wireless operations & select spectrum assets to T-Mobile (1)

Significant items expected to affect net proceeds (2)

Included in $4.4 Billion	
Satisfaction of certain financial and operational metrics	Contingent on UScellular achieving certain operating and financial targets prior to close, up to $100 M
Designated entity spectrum licenses	$400 M of purchase price separately requires UScellular's completion, which is subject to FCC approval, of its buyouts of the equity interests of the General Partners in the designated entities
Not included in $4.4 Billion	
— Debt exchange	T-Mobile to conduct debt exchange offer, up to $2.044 B
— Repayment of Debt	Expected to repay term loans, export credit financing agreement, receivables securitization agreement and revolving line of credit; 12/31/24 balance was $875 M
— Obligations to employees transferring to T-Mobile	T-Mobile is expected to hire a significant number of employees and UScellular will be obligated to pay accrued wages, bonuses, and other benefits that were accrued and earned by such employees through close
— Severance to terminated employees	Expected to include cash obligations of severance, accrued bonus, and other benefits, and may include cash obligations to settle the accelerated vesting of certain stock-based awards
— UScellular cash taxes	$225 M - $325 M represents the estimated tax liability at the UScellular level. UScellular remits its taxes to TDS and is included in the TDS consolidated tax return. At the TDS consolidated level, the cash tax liability is estimated to be ~$75 M less than UScellular's cash tax liability due to additional net operating losses and interest carryforwards that TDS may apply to reduce the taxable gain.
— Legal, advisory and banking fees	Transaction fees to advisors

(1) This summary is related to T-Mobile transaction only and not any subsequent spectrum transactions. See Notice of Written Consent and Information Statement filed on 7/26/2024 which contains the Securities Purchase Agreement and other related information. (2) This is a summary of significant items and may not include all potential cash inflows and outflows related to this transaction.

Spectrum sales to Verizon and AT&T [1]

Significant items expected to impact net proceeds [2]

Verizon [3] – purchase price $1 B AT&T – purchase price $1.018 B

Included in $2.018 Billion	
Designated entity spectrum licenses – AT&T transaction	$232 M of purchase price separately requires UScellular's completion, which is subject to FCC approval, of its buyout of the equity interest of the General Partner, a designated entity
Not included in $2.018 Billion	
— UScellular cash taxes	$325 M - $375 M represents the estimated tax liability at the UScellular level. UScellular remits its taxes to TDS and is included in the TDS consolidated tax return. At the TDS consolidated level, the cash tax liability is expected to be ~$50 M less due to additional net operating losses and interest carryforwards that it may apply to reduce the taxable gain.
— Legal, advisory and banking fees	Transaction fees to advisors

(1) Both spectrum sales are contingent on the close of the sale of the wireless business and select spectrum to T-Mobile (2) This is a summary of significant items and may not include all potential cash inflows and outflows related to these transactions. See Notice of Written Consent and Information Statements filed on 1/23/2025 which contains the License Purchase Agreement and other related information (3) The Verizon transaction is also subject to expiration of the one-year T-Mobile spectrum lease.

Other post close factors

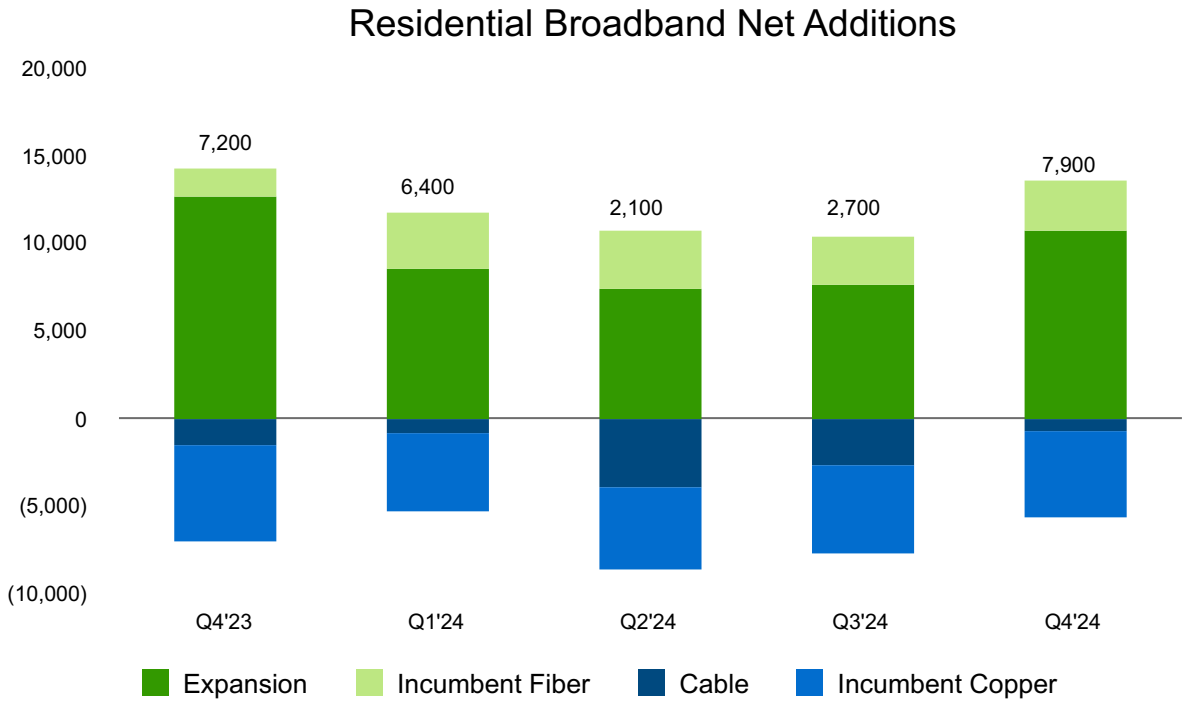
- Identification of which towers that T-Mobile elects to collocate on
- Length of T-Mobile's interim leases
- Disposition of certain naked towers and related decommissioning costs where applicable
- Capital structure to support business strategy
- Ability to execute, timing, and value realized from opportunistic monetization of remaining spectrum


TDS

2024 Highlights

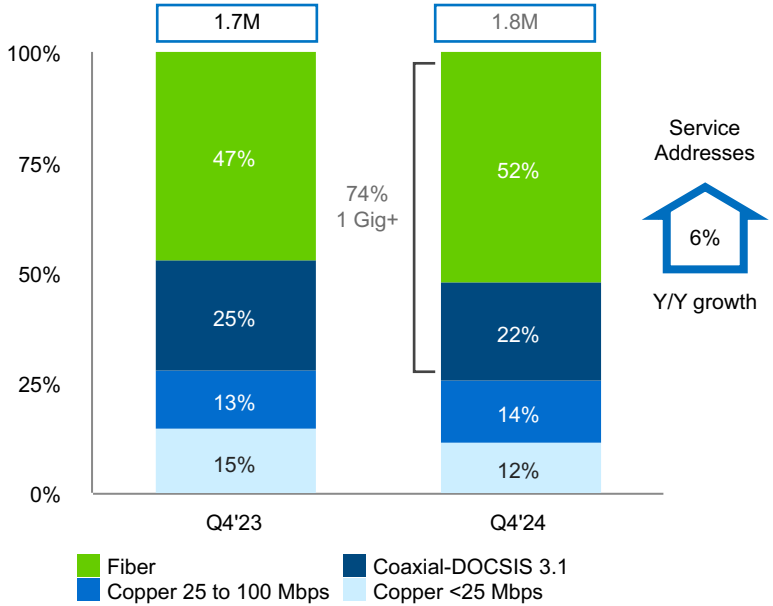
- ✓ Deployed 129,000 new marketable fiber addresses - 52% of footprint now served by fiber
- ✓ Grew residential revenue 6% YoY
- ✓ Strong Adjusted EBITDA growth - up 23% YoY
- ✓ Completed planning and engineering for multi-year E-ACAM build program

Positive momentum in fiber net adds

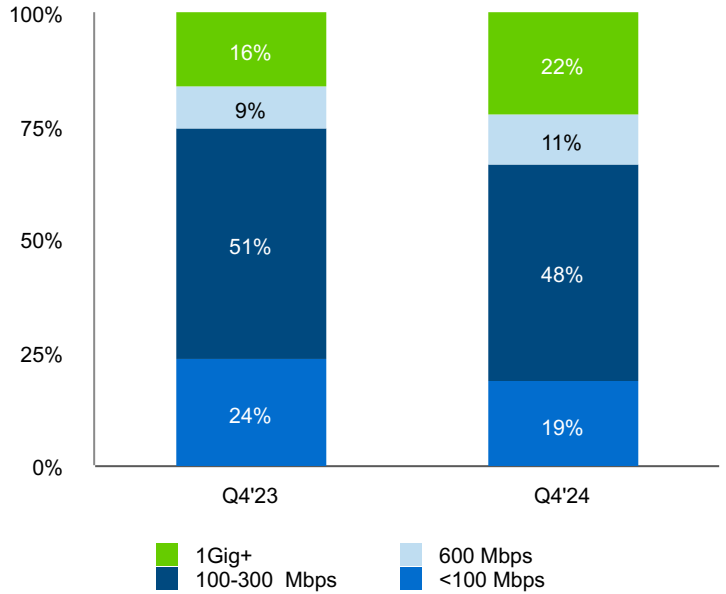


Growing fiber footprint driving faster speeds

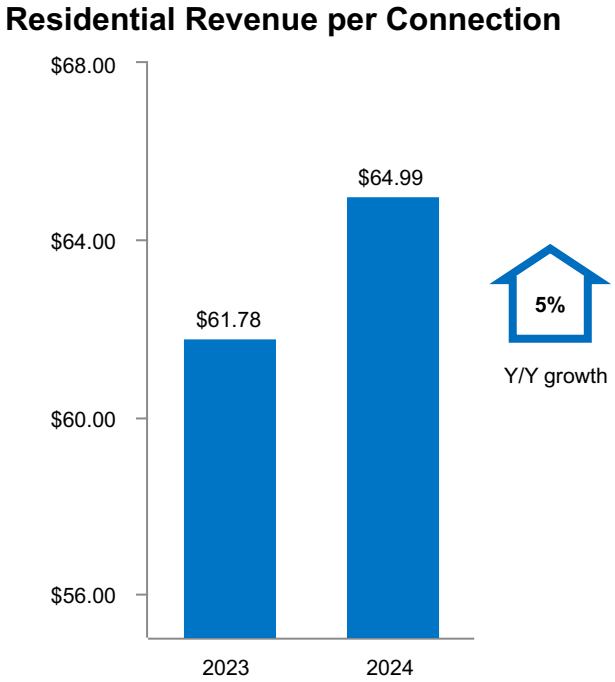
Total Service Address Mix

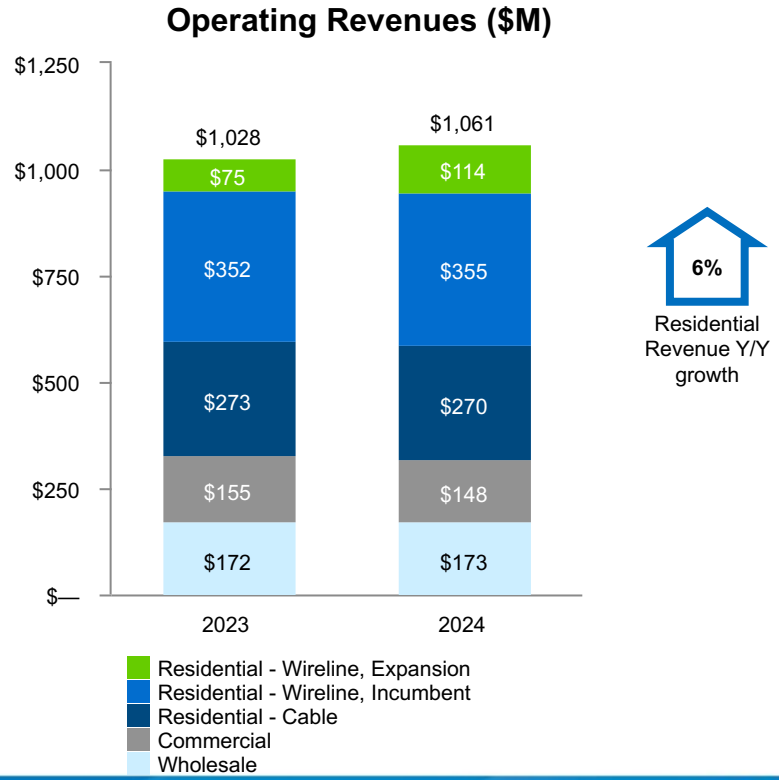


Residential Broadband Connections by Speed



Strong residential revenue growth





TDS Telecom operating performance

($ in millions)	Q4'24	Q4'23	% Change	2024	2023	% Change
Total operating revenues	$ 264	$ 261	1 %	$ 1,061	$ 1,028	3 %
Cash expenses [1]	187	186	1 %	721	749	(4)%
Adjusted EBITDA [2]	$ 80	$ 78	3 %	$ 350	$ 285	23 %
Capital expenditures	$ 82	$ 143	(43)%	$ 324	$ 577	(44)%

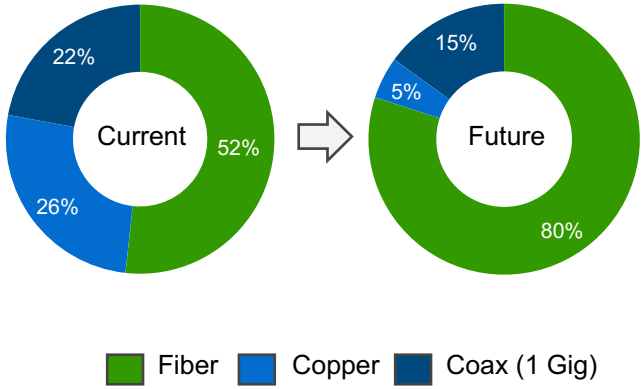
(1), (2) See appendix for explanations

Updated long-term fiber goals due to E-ACAM

Only 5% of addresses expected to be served by copper

Goal: 1.8 million marketable fiber service addresses**	Goal: 80% of service addresses to be served by fiber	Goal: 95% of service addresses with speeds of 1 Gig+
Where are we: 928,000	Where are we: 52%	Where are we: 74%

Service Address Mix



**Marketable service addresses includes single family households, commercial locations, and multiple dwelling units where we have gained right of entry across all of our markets.

2025 Priorities



Deliver 150,000 marketable fiber service addresses



Grow broadband net adds



Execute on business transformation plan

TDS Telecom 2025 guidance [1]

($ in millions)

As of February 21, 2025	2024 Previous Estimates	2024 Actual	2025 Estimates
Total operating revenues	$1,050-$1,080	$1,061	$1,030-$1,070
Adjusted EBITDA [2]	$330-$360	$350	$320-$360
Adjusted OIBDA [2]	$330-$360	$341	$310-$350
Capital expenditures	$310-$340	$324	$375-$425

The 2024 divestitures impact year-over-year comparisons. The divested markets contributed $16M in annual revenues.

(1) There can be no assurance that final results will not differ materially from such estimated results. See Safe Harbor Statement on Slide 2.
(2) See appendix for explanation.

Appendix

Adjusted OIBDA and Adjusted EBITDA reconciliation

($ in millions)	Three Months Ended December 31, 2024			Three Months Ended December 31, 2023		
	UScellular	**TDS Telecom**	**TDS***	**UScellular**	**TDS Telecom**	**TDS***
Net income (loss) (GAAP)	**$5**	**$34**	**$7**	**$15**	**($503)**	**($503)**
Add back:						
Income tax expense (benefit)	(19)	20	6	(4)	(31)	(45)
Income (loss) before income taxes (GAAP)	**$(14)**	**$54**	**$13**	**$11**	**$(534)**	**$(548)**
Add back or deduct:						
Interest expense	46	(2)	72	49	(2)	66
Depreciation, amortization and accretion expense	165	72	238	166	65	234
EBITDA (1) (non-GAAP)	$197	$124	$323	$226	$(470)	$(248)
Add back or deduct:						
Expenses related to strategic alternatives review	8	—	13	6	—	9
Loss on impairment of intangible assets	—	1	1	—	547	547
(Gain) loss on asset disposals, net	4	4	8	3	1	5
(Gain) loss on sale of business and other exit costs, net	—	(49)	(57)	—	—	—
(Gain) loss on license sales and exchanges, net	(1)	—	(1)	(2)	—	(2)
Adjusted EBITDA (1) (non-GAAP)	$208	$80	$287	$233	$78	$311
Deduct:						
Equity in earnings of unconsolidated entities	38	—	39	37	—	37
Interest and dividend income	3	2	7	2	1	4
Other, net	—	1	2	—	1	1
Adjusted OIBDA (1) (non-GAAP)	$167	$77	$239	$194	$76	$269

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.
(1) See final slide for explanation.

Adjusted OIBDA and Adjusted EBITDA reconciliation

($ in millions)	Year Ended December 31, 2024			Year Ended December 31, 2023		
	UScellular	**TDS Telecom**	**TDS***	**UScellular**	**TDS Telecom**	**TDS***
Net income (loss) (GAAP)	**$(32)**	**$85**	**$(26)**	**$58**	**($483)**	**($487)**
Add back:						
Income tax expense (benefit)	10	35	6	53	(26)	10
Income (loss) before income taxes (GAAP)	**$(22)**	**$120**	**$(20)**	**$111**	**$(509)**	**$(477)**
Add back or deduct:						
Interest expense	183	(5)	279	196	(8)	244
Depreciation, amortization and accretion expense	665	271	943	656	245	915
EBITDA (1) (non-GAAP)	$826	$385	$1,202	$963	$(272)	$682
Add back or deduct:						
Expenses related to strategic alternatives review	35	—	56	8	—	13
Loss on impairment of intangible assets	136	1	137	—	547	547
(Gain) loss on asset disposals, net	18	12	30	17	10	27
(Gain) loss on sale of business and other exit costs, net	—	(49)	(68)	—	—	—
(Gain) loss on license sales and exchanges, net	3	—	3	(2)	—	(2)
Adjusted EBITDA (1) (non-GAAP)	$1,018	$350	$1,360	$986	$285	$1,267
Deduct:						
Equity in earnings of unconsolidated entities	161	—	164	158	—	159
Interest and dividend income	12	5	27	10	4	20
Other, net	—	4	5	—	2	2
Adjusted OIBDA (1) (non-GAAP)	$845	$340	$1,164	$818	$279	$1,086

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.
(1) See final slide for explanation.

Adjusted OIBDA and Adjusted EBITDA Reconciliation - UScellular Segment Results

($ in millions)	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
	UScellular Wireless	**UScellular Towers**	**UScellular Wireless**	**UScellular Towers**
EBITDA (Non-GAAP) [1]	$126	$30	$155	$32
Add back or deduct:				
Expenses related to strategic alternatives review	8	—	6	—
(Gain) loss on asset disposals, net	4	—	5	(2)
(Gain) loss on license sales and exchanges, net	(1)	—	(2)	—
Adjusted EBITDA and Adjusted OIBDA (Non-GAAP) [1]	$137	$30	$164	$30
Deduct:				
Depreciation, amortization and accretion expense	153	12	155	11
Expenses related to strategic alternatives review	8	—	6	—
(Gain) loss on asset disposals, net	4	—	5	(2)
(Gain) loss on license sales and exchanges, net	(1)	—	(2)	—
Operating income (loss) (GAAP)	**$(27)**	**$18**	**$—**	**$21**

(1) See final slide for explanation.

Adjusted OIBDA and Adjusted EBITDA Reconciliation - UScellular Segment Results

($ in millions)	Year Ended December 31, 2024		Year Ended December 31, 2023	
	UScellular Wireless	**UScellular Towers**	**UScellular Wireless**	**UScellular Towers**
EBITDA (Non-GAAP) [1]	$530	$123	$672	$123
Add back or deduct:				
Expenses related to strategic alternatives review	33	2	8	—
Loss on impairment of licenses	136	—	—	—
(Gain) loss on asset disposals, net	17	1	19	(2)
(Gain) loss on license sales and exchanges, net	3	—	(2)	—
Adjusted EBITDA and Adjusted OIBDA (Non-GAAP) [1]	$719	$126	$697	$121
Deduct:				
Depreciation, amortization and accretion expense	620	45	610	46
Expenses related to strategic alternatives review	33	2	8	—
Loss on impairment of licenses	136	—	—	—
(Gain) loss on asset disposals, net	17	1	19	(2)
(Gain) loss on license sales and exchanges, net	3	—	(2)	—
Operating income (loss) (GAAP)	**$(90)**	**$78**	**$62**	**$77**

(1) See final slide for explanation.

Adjusted OIBDA and Adjusted EBITDA reconciliation – Estimated Results

In providing 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.

	2025 Estimated Results
($ in millions)	**TDS Telecom**
Net income (GAAP)	N/A
Add back:	
Income tax expense	N/A
Income before income taxes (GAAP)	**$20-$60**
Add back:	
Depreciation, amortization and accretion	300
EBITDA [(1)] (non-GAAP)	$320-$360
Add back:	
(Gain) loss on asset disposals, net	—
Adjusted EBITDA [(1)] (non-GAAP)	$320-$360
Deduct:	
Interest and dividend income	5
Other, net	5
Adjusted OIBDA [(1)] (non-GAAP)	$310-$350

(1) See final slide for explanation.

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 28 through 32. 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 28 through 32 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 (loss) and Income (loss) before income taxes 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 slides 28 through 32 reconcile EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measure, Net income (loss) and Income (loss) before income taxes. Additional information and reconciliations to Non-GAAP financial measures for December 31, 2024, can be found on TDS' and UScellular's website at investors.tdsinc.com or investors.uscellular.com.