First Quarter 2025 Results

May 2, 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. This includes all statements about the Company's plans, beliefs, estimates and expectations, including with respect to the closing date of the transaction with T-Mobile. 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; strategic decisions regarding the tower business; intense competition; 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 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

Positioning the Enterprise for long-term success



- Making solid progress towards a close of the proposed T-Mobile transaction, expected in mid-2025



- Taking steps to optimize capital structure post-close and defining the anticipated use of proceeds



- Balancing capital allocation with cash flow generation

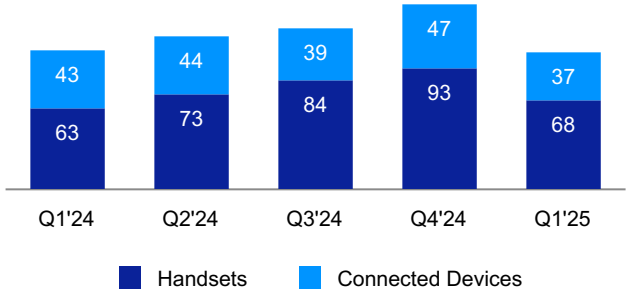

uscellular

Quarterly highlights

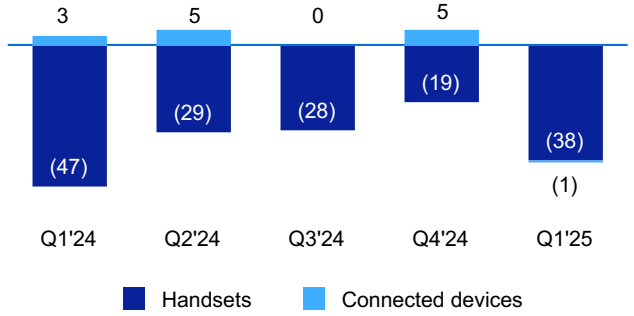
- Investing in our customers, brand and network
- Disciplined cost management and strong free cash flow
- Continuing to aggressively market our towers; third-party tower rental revenues grew 6% (YoY)
- Focused on successfully closing the proposed transactions

Wireless - postpaid operating metrics

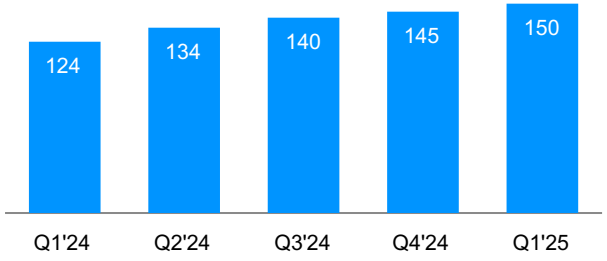
Gross Additions (in thousands)



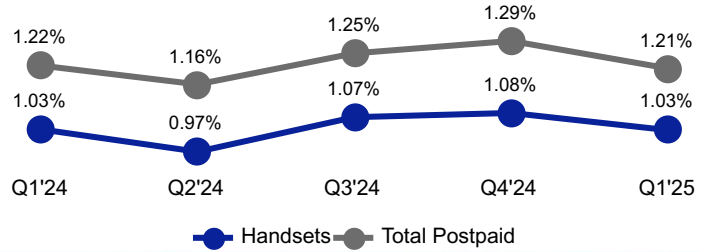
Net Additions (in thousands)



Fixed Wireless Subscribers (in thousands)

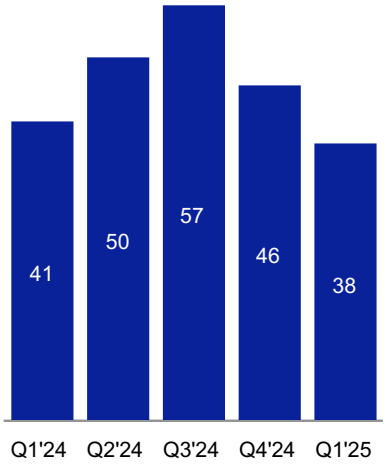


Churn

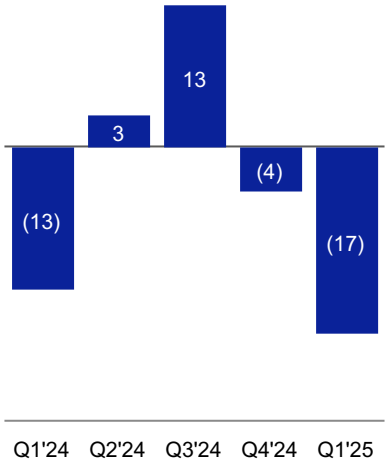


Wireless - prepaid operating metrics

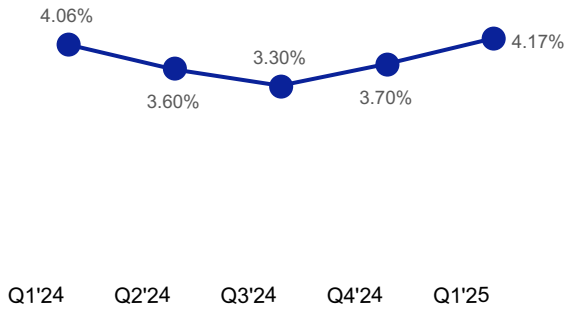
Gross Additions
(in thousands)



Net Additions
(in thousands)



Prepaid Churn Rate

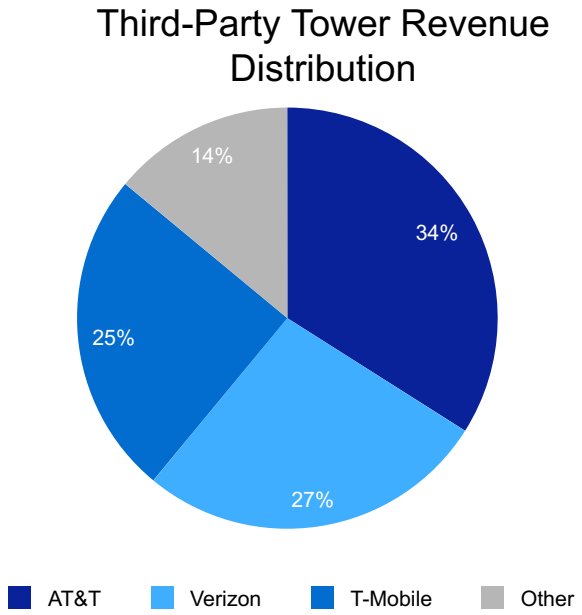


Towers - Q1 2025 operating metrics

4,413
Owned Towers

2,469
Number of Colocations

1.56
Tower Tenancy Rate



UScellular Total - operating performance

($M)	Q1'25	Q1'24	% Change
Service revenues	$ 741	$ 754	(2)%
Equipment sales	150	196	(24)%
Total operating revenues	891	950	(6)%
System operations expense	176	182	(3)%
Cost of equipment sold	178	216	(18)%
SG&A expenses [1]	332	331	—
Total cash expenses [2]	686	729	(6)%
Adjusted OIBDA [2] (Non-GAAP)	215	228	(6)%
Equity in earnings of unconsolidated entities	36	42	(14)%
Adjusted EBITDA [2] (Non-GAAP)	254	272	(7)%
Capital expenditures	$ 53	$ 131	(60)%

(1) 2025 and 2024 SG&A expenses presented include $10M and $7M of expenses related to the strategic alternatives review.
(2) See appendix for explanation.

Wireless - operating performance

($M), except Postpaid ARPU	Q1'25	Q1'24	% Change
Retail service	$ 660	$ 678	(3)%
Other	54	51	8 %
Service revenues	714	729	(2)%
Equipment sales	150	196	(24)%
Total operating revenues	864	925	(7)%
System operations expense	191	197	(3)%
Cost of equipment sold	178	216	(18)%
SG&A expenses [1]	322	324	—
Total cash expenses [2]	691	737	(6)%
Adjusted EBITDA [2] (Non-GAAP)	182	195	(7)%
Postpaid ARPU	$ 52.06	$ 51.96	—

(1) SG&A expenses presented include $9M and $7M of expenses related to the strategic alternatives review for 2025 and 2024, respectively.
(2) See appendix for explanation.

Towers - operating performance

($M)	Q1'25	Q1'24	% Change
Third-party revenues	$ 27	$ 25	6 %
Intra-company revenues	34	33	3 %
Total tower revenues	61	58	5 %
System operations expense	19	18	4 %
SG&A expenses [1]	10	7	33 %
Total cash expenses [2]	29	25	12 %
Adjusted EBITDA [2] (Non-GAAP)	33	33	(1)%

(1) SG&A expenses presented include $1M of expenses related to the strategic alternatives review for 2025.
(2) See appendix for explanation.

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

Significant items expected to affect net proceeds (2)

			Timing (if not at close)
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. Expect that most of this will not be received.	Up to 180 days post-close
	Designated entity spectrum licenses	$400 M of purchase price separately requires UScellular's completion of the buyout of the General Partners in the designated entities, which is subject to regulatory approval. The remaining payments due for the designated entities buyouts are approximately $7 M.	Uncertain - subject to regulatory approval
Not included in $4.4 Billion			
—	Debt exchange	T-Mobile to conduct debt exchange offer, up to $2.044 B. Purchase price will be reduced to the extent of UScellular debt exchanged.	
—	Repayment of Debt	Expected to repay term loans, export credit financing agreement, receivables securitization agreement and revolving line of credit; 3/31/25 balance was $870 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 wages, bonuses, and other benefits that were accrued and earned by such employees through close. Cash outflow estimated to be $30 M to $40 M.	
—	Severance to terminated employees	Expected to include cash obligations for severance, accrued bonus, and other benefits for employees severed at or near the transaction close date. Cash outflow estimated to be $60 M to $80 M.	
—	Cash obligations related to settlement of stock awards	Cash obligations related to stock awards for severed employees that vest upon transaction close and an involuntary termination. Certain of these stock awards may be settled with the affected employees in cash in lieu of shares, and to the extent such cash settlement occurs, this will result in additional cash outflows. Further, for stock awards settled in shares, UScellular withholds shares from employees' vested stock awards to cover tax withholding obligations, and remits the corresponding amounts to the taxing authorities in cash. Cash obligations expected to approximate $50 M if all affected stock awards are settled in shares, and increase if certain stock awards are settled in cash. Any cash settlement of affected stock awards would also decrease shareholder dilution relative to share settlement.	
—	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.	
—	Other - banking and other transaction fees, other adjustments, and proceeds attributable to noncontrolling interests (3)	Aggregate cash outflow estimated to be $80 M to $90 M.	

(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. (3) At the TDS consolidated level,we expect that there will be approximately $40 M of additional transaction related fees.

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		Timing (if not at close)
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, in the designated entity that holds the licenses	Uncertain - subject to regulatory approval
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.	
— Transaction related fees [4]	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 contain the respective License Purchase Agreements and other related information (3) The Verizon transaction is also subject to expiration of the one-year T-Mobile spectrum lease. (4) There will also be incremental transaction fees at the TDS consolidated level.

Other post close factors

- Capital structure to support business strategy
- Opportunistic monetization of remaining spectrum
- Identification of towers that T-Mobile intends to collocate on
- Decommissioning of select towers with no colocators


TDS

Quarterly Highlights

Deployed 14,000 new marketable fiber addresses, on track for 150,000 annual goal

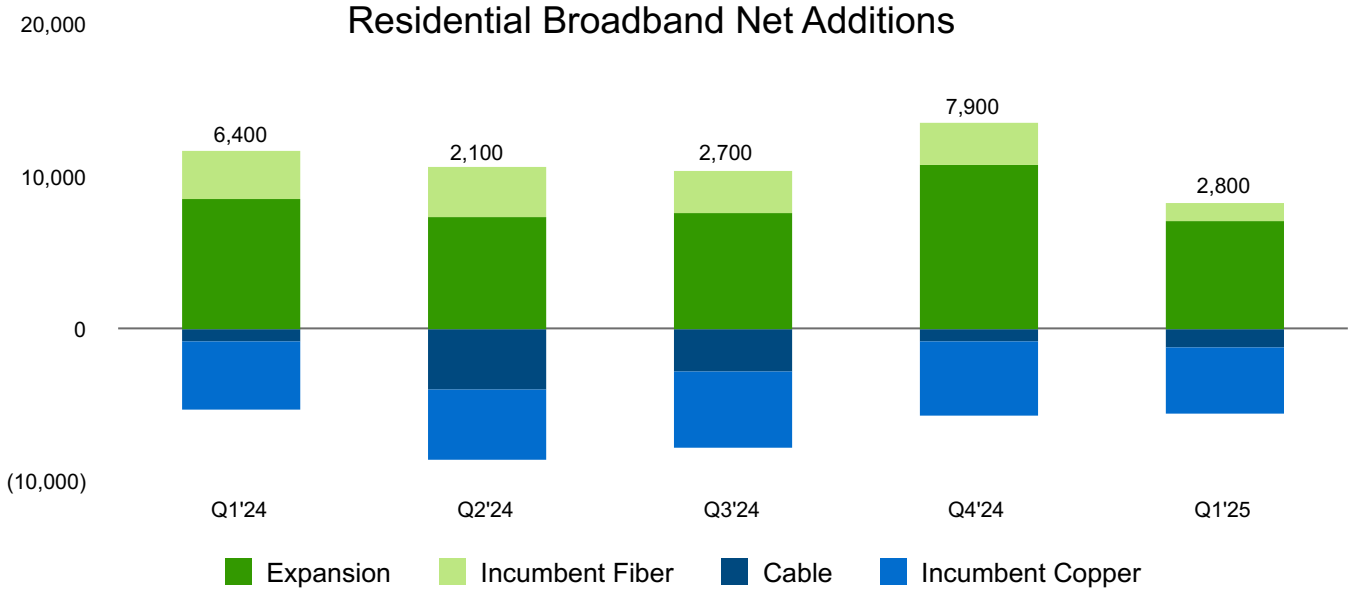
Grew broadband connections

- 2,800 residential broadband net additions; 8,300 from fiber markets
- Improvements to internal and external door-to-door sales teams

Began construction in first E-ACAM market

Business Transformation program identified $100M of annual cost savings by year-end 2028

Fiber driving broadband connection growth

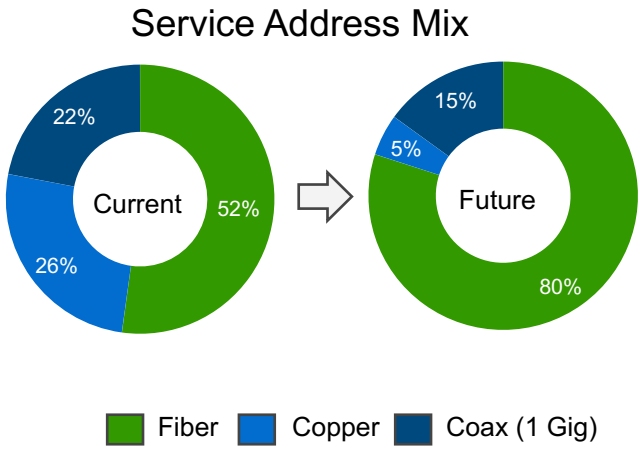


Progress on long-term fiber program

Deployed 14,000 marketable fiber service addresses in Q1'25

Goal:	Goal:	Goal:
1.8 million marketable fiber service addresses**	80% of service addresses to be served by fiber	95% service addresses with speeds of 1 Gig+
Where are we:	Where are we:	Where are we:
942,000	52%	74%

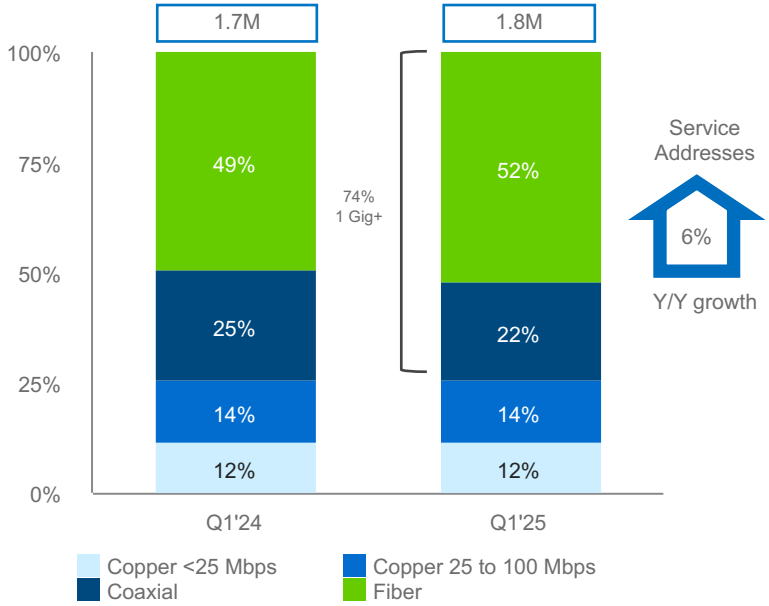
On path for copper to be only 5% of footprint



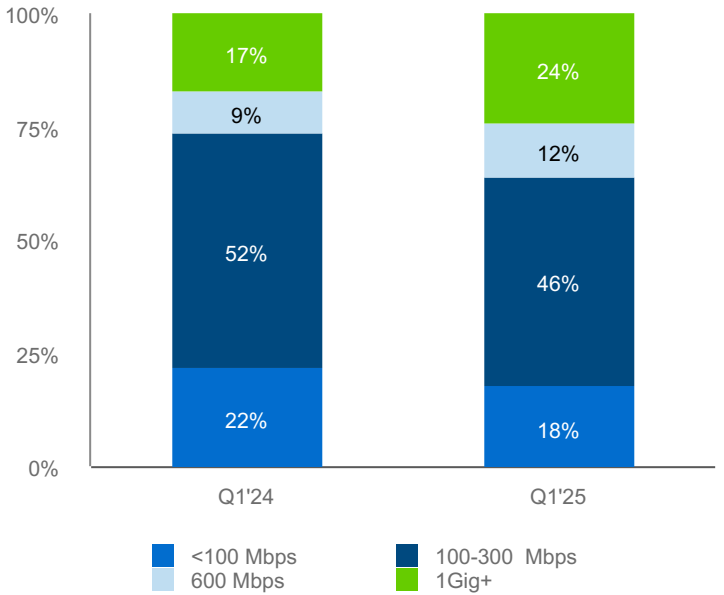
**Marketable service addresses includes single family households, commercial locations, and multiple dwelling units where we have gained right of entry across all of our markets.

Growing fiber footprint driving faster speeds

Total Service Address Mix

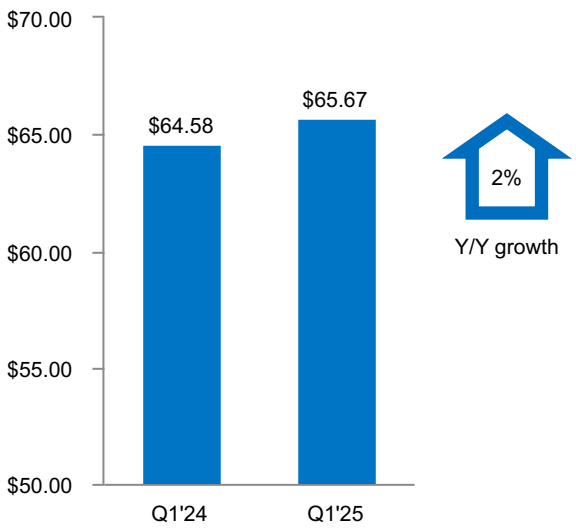


Residential Broadband Connections by Speed

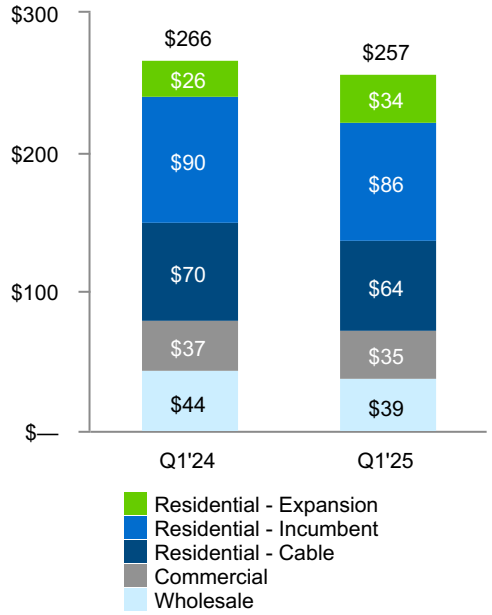


Quarterly revenue results

Residential Revenue per Connection



Operating Revenues ($M)



Note: The 2024 divested markets contributed $4M in revenues in Q1'24.

TDS Telecom operating performance

($M)	Q1'25	Q1'24	% Change
Total operating revenues	$ 257	$ 266	(3)%
Cash expenses [1]	184	173	6 %
Adjusted EBITDA [1] (Non-GAAP)	$ 76	$ 95	(20)%
Capital expenditures	$ 59	$ 87	(32)%

(1) See appendix for explanation.

2025 TDS Telecom guidance*

($M) As of May 2, 2025	2024 Actual	2025 Previous Estimates	2025 Current Estimates
Total operating revenues	$1,061	$1,030-$1,070	Unchanged
Adjusted EBITDA (1) (Non-GAAP)	$350	$320-$360	Unchanged
Adjusted OIBDA (1) (Non-GAAP)	$340	$310-$350	Unchanged
Capital expenditures	$324	$375-$425	Unchanged

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

(1) See appendix for explanation.

*There can be no assurance that final results will not differ materially from such estimated results. See Safe Harbor Statement on Slide 2.

Appendix

Adjusted OIBDA and Adjusted EBITDA Reconciliation

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
($M)	**UScellular**	**TDS Telecom**	**TDS***	**UScellular**	**TDS Telecom**	**TDS***
Net income (GAAP)	**$20**	**$4**	**$12**	**$24**	**$24**	**$38**
Add back:						
Income tax expense	20	1	8	28	7	20
Income before income taxes (GAAP)	**$40**	**$5**	**$20**	**$52**	**$31**	**$58**
Add back:						
Interest expense	40	(1)	61	43	(2)	57
Depreciation, amortization and accretion expense	163	71	234	165	65	234
EBITDA [(1)] (Non-GAAP)	$243	$75	$315	$260	$93	$349
Add back or deduct:						
Expenses related to strategic alternatives review	10	—	16	7	—	11
(Gain) loss on asset disposals, net	2	2	4	6	2	7
(Gain) loss on sale of business and other exit costs, net	—	—	(1)	—	—	—
(Gain) loss on license sales and exchanges, net	(1)	—	(1)	(1)	—	(1)
Adjusted EBITDA [(1)] (Non-GAAP)	$254	$76	$333	$272	$95	$366
Add back or deduct:						
Equity in earnings of unconsolidated entities	36	—	37	42	—	42
Interest and dividend income	3	1	6	2	1	5
Other, net	—	2	3	—	1	1
Adjusted OIBDA [(1)] (Non-GAAP)	$215	$73	$287	$228	$93	$318

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

($M)	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	UScellular Wireless	**UScellular Towers**	**UScellular Wireless**	**UScellular Towers**
EBITDA (Non-GAAP) [1]	$172	$32	$183	$33
Add back or deduct:				
Expenses related to strategic alternatives review	9	1	7	—
(Gain) loss on asset disposals, net	2	—	6	—
(Gain) loss on license sales and exchanges, net	(1)	—	(1)	—
Adjusted EBITDA and Adjusted OIBDA (Non-GAAP) [1]	$182	$33	$195	$33
Deduct:				
Depreciation, amortization and accretion expense	152	11	154	11
Expenses related to strategic alternatives review	9	1	7	—
(Gain) loss on asset disposals, net	2	—	6	—
(Gain) loss on license sales and exchanges, net	(1)	—	(1)	—
Operating income (GAAP)	**$20**	**$21**	**$29**	**$22**

(1) See final slide for explanation.

Adjusted OIBDA and Adjusted EBITDA Reconciliation – 2025 Estimated Results and 2024 Actual Results

In providing 2025 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	Actual Results Year ended December 31, 2024
($M)	**TDS Telecom**	**TDS Telecom**
Net income (GAAP)	N/A	**$85**
Add back:		
Income tax expense	N/A	35
Income before income taxes (GAAP)	**$20-$60**	**$120**
Add back:		
Interest expense	—	(5)
Depreciation, amortization and accretion expense	300	271
EBITDA [1] (Non-GAAP)	$320-$360	$385
Add back or deduct:		
Loss on impairment of intangible assets	—	1
(Gain) loss on asset disposals, net	—	12
(Gain) loss on sale of business and other exit costs, net	—	(49)
Adjusted EBITDA [1] (Non-GAAP)	$320-$360	$350
Deduct:		
Interest and dividend income	5	5
Other, net	5	4
Adjusted OIBDA [1] (Non-GAAP)	$310-$350	$340

Numbers may not foot due to rounding.
(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 24 through 26. 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 24 through 26 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 24 through 26 reconcile EBITDA, Adjusted EBITDA and Adjusted OIBDA flow to the corresponding GAAP measure, Net income or Income before income taxes. Income and expense items below Operating income are not provided at the individual segment level for UScellular Wireless and UScellular Towers; therefore, the reconciliations begin with EBITDA and the most directly comparable GAAP measure is Operating income rather than Net Income at the segment level. Additional information and reconciliations related to Non-GAAP financial measures for March 31, 2025, can be found on TDS' and UScellular's websites at investors.tdsinc.com and investors.uscellular.com.