



Third Quarter 2024 Results

November 1, 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 the previously 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 UScellular and their respective shareholders and whether the process will have an adverse impact on TDS' and UScellular's business; 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' 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, 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; 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

Focused on execution of strategic priorities



UScellular announced transactions to monetize portions of retained spectrum; \$1 billion in proceeds



Closed on sale of OneNeck IT Solutions in September



Both business units making key investments while maintaining rigorous cost discipline



Strong cash position, undrawn borrowing capacity, improved leverage



Quarterly highlights*



Improving subscriber trajectory

- Postpaid handset net losses improved 10,000; Prepaid net additions increased 13,000
- Improved postpaid and prepaid churn



Continued expense management

- Narrowing and raising 2024 Adjusted OIBDA and Adjusted EBITDA guidance



Advancing the network

- Continued mid-band deployment
- Future network investments expected to focus on speed and capacity

Opportunistically monetizing spectrum



- Announced a definitive agreement to monetize a portion of the Company's retained spectrum licenses
- Total consideration \$1 billion
- Verizon and two other mobile network operators will benefit from proposed sale
- UScellular will continue the process to further unlock value and opportunistically monetize spectrum

Low & Mid-Band MHz POPs ⁽¹⁾

1,969 mm MHz POPs ⁽³⁾

Band	MHz POPs
600 MHz ⁽²⁾	594
700 MHz (A Block)(70%)	319
AWS (96%)	563
PCS ((#%))	443
2.5 GHz	50
24 GHz ⁽³⁾	

Included in sale of wireless operations to T-Mobile (Announced 5/28/24)

705 mm MHz POPs

Band	MHz POPs
Verizon:	
Cellular	663
AWS	11
PCS	19
2 Others:	
700 MHz B/C	2
CBRS	3
C-Band	7

Included in sale to Verizon and two other carriers (Announced 10/18/24)

3,442 mm MHz POPs ⁽³⁾

Band	MHz POPs
700 MHz (A Block)(30%)	133
700 MHz (B/C)	331
AWS (4%)	13
3.45 GHz	1,250
CBRS	75
C-Band	1,640
28 GHz ⁽³⁾	
37/39 GHz ⁽³⁾	

Remaining

(1) King Street and Advantage MHz POPs are included in the graph.

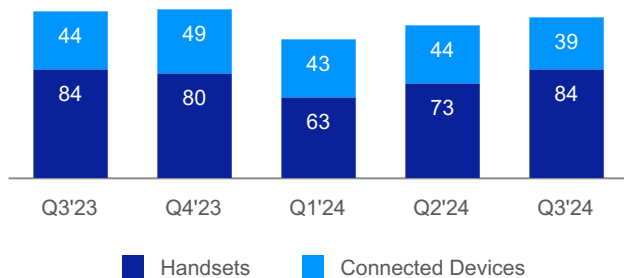
(2) ~39% subject to a put/call agreement. To the extent the put/call is exercised, an incremental \$106 million of purchase price will be due.

(3) Quantification of mmWave MHz POPs not included in the graph.

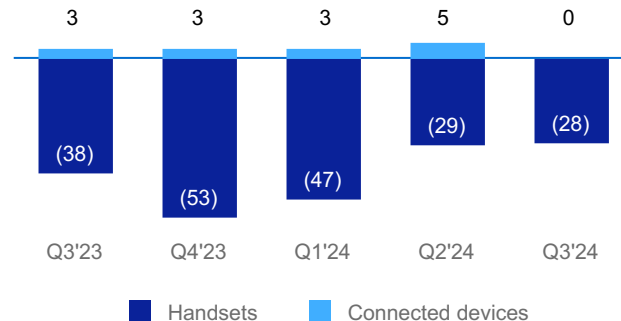
Wireless - postpaid operating metrics



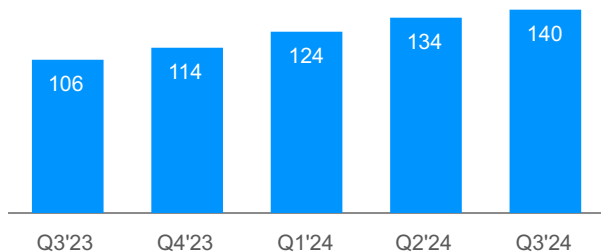
Gross Additions (in thousands)



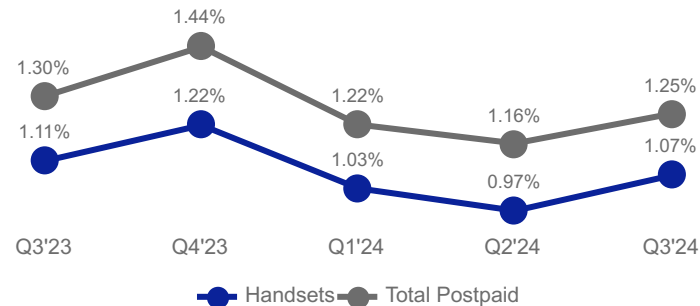
Net Additions (in thousands)



Fixed Wireless Subscribers (in thousands)



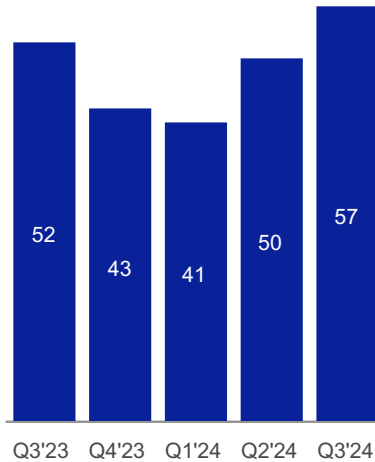
Churn



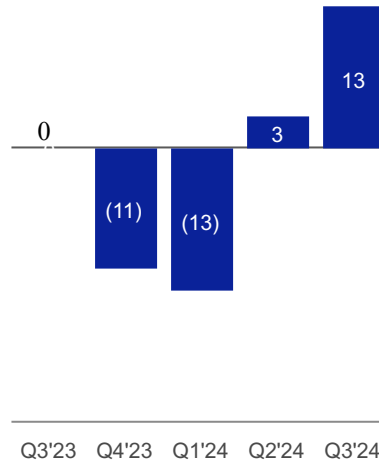
Wireless - prepaid operating metrics



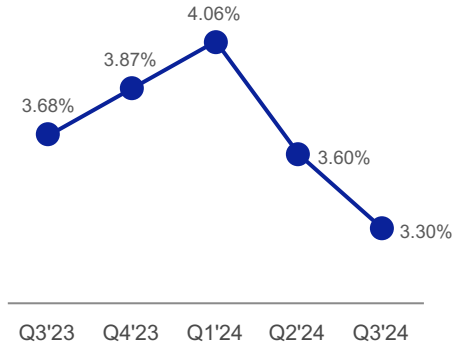
Gross Additions
(in thousands)



Net Additions
(in thousands)



Prepaid Churn Rate



Towers - Q3 2024 operating metrics



4,407

Owned Towers

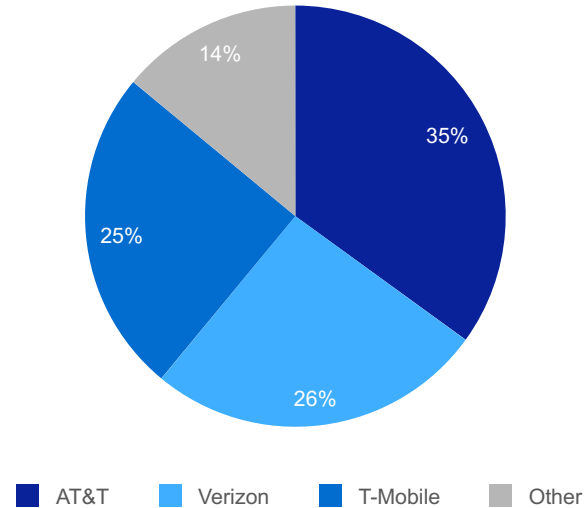
2,418

Number of Colocations

1.55

Tower Tenancy Rate

Tower Revenue Distribution



UScellular Total - operating performance



(\$M)	Q3'24	Q3'23	% Change
Service revenues	\$ 747	\$ 762	(2)%
Equipment sales	175	201	(13)%
Total operating revenues	922	963	(4)%
System operations expense	180	185	(2)%
Cost of equipment sold	203	228	(11)%
SG&A expenses ⁽¹⁾	324	333	(3)%
Total cash expenses ⁽²⁾	707	746	(5)%
Adjusted OIBDA ⁽²⁾ (Non-GAAP)	222	220	1 %
Equity in earnings of unconsolidated entities	43	40	9 %
Adjusted EBITDA ⁽²⁾ (Non-GAAP)	269	263	3 %
Capital expenditures	\$ 120	\$ 111	8 %

Wireless - operating performance



(\$M), except Postpaid ARPU	Q3'24	Q3'23	% Change
Retail service	\$ 669	\$ 687	(3)%
Other	52	50	5 %
Service revenues	721	737	(2)%
Equipment sales	175	201	(13)%
Total operating revenues	896	938	(4)%
System operations expense ⁽¹⁾	193	199	(3)%
Cost of equipment sold	203	228	(11)%
SG&A expenses ⁽²⁾	316	324	(3)%
Total cash expenses ⁽³⁾	712	751	(5)%
Adjusted OIBDA ⁽³⁾ (Non-GAAP)	191	190	1 %
Capital expenditures	\$ 114	\$ 106	7 %
Postpaid ARPU	\$ 52.04	\$ 51.11	2 %

(1) System operations expense presented includes \$33M and \$32M of intra-company tower rental expense for 2024 and 2023, respectively.
 (2) SG&A expenses presented include \$7M and \$3M of expenses related to the strategic alternatives review for 2024 and 2023, respectively.
 (3) See appendix for explanation.

Towers - operating performance



(\$M)	Q3'24	Q3'23	% Change
Third-party revenues	\$ 26	\$ 25	1 %
Intra-company revenues	33	32	3 %
Total tower revenues	59	57	2 %
System operations expense	20	18	10 %
SG&A expenses	8	9	(14)%
Total cash expenses ⁽¹⁾	28	27	2 %
Adjusted OIBDA ⁽¹⁾ (Non-GAAP)	31	30	3 %
Capital expenditures	\$ 6	\$ 5	33 %

2024 UScellular guidance *



(\$M) As of November 1, 2024	2023 Actual	2024 Previous Estimates	2024 Current Estimates
Service revenues	\$3,044	\$2,950-\$3,050	\$2,950-\$3,000
Adjusted OIBDA ⁽¹⁾ (Non-GAAP)	\$818	\$750-\$850	\$800-\$875
Adjusted EBITDA ⁽¹⁾ (Non-GAAP)	\$986	\$920-\$1,020	\$970-\$1,045
Capital expenditures	\$611	\$550-\$650	\$550-\$600

(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. The estimated results contained on this slide do not reflect any anticipated costs, expenses or results of the strategic alternatives review of UScellular.





Expanding footprint

- Network expansion increased service addresses 9%
- Deployed 32,000 new marketable fiber addresses; 87,000 YTD
- Key Milestone - 50% of service addresses are fiber



Fiber strategy delivering good results

- Residential broadband connections up 4%
- Fiber is helping to mitigate copper and cable competitive pressures



Adjusted EBITDA increased 21% due to revenue growth and ongoing cost discipline

Progress on our long-term fiber program*

Deployed 32,000 marketable fiber service addresses in 3Q'24



Goal:
1.2 million
marketable
fiber service
addresses**

Where are we:
886,000

Goal:
60%
of service
addresses to be
served by fiber

Where are we:
50%

Goal:
80%
service addresses
with speeds of 1
Gig+

Where are we:
74%

* Goals do not include Enhanced A-CAM service addresses. E-ACAM addresses will be finalized in 2025. Long term goals will be updated accordingly.

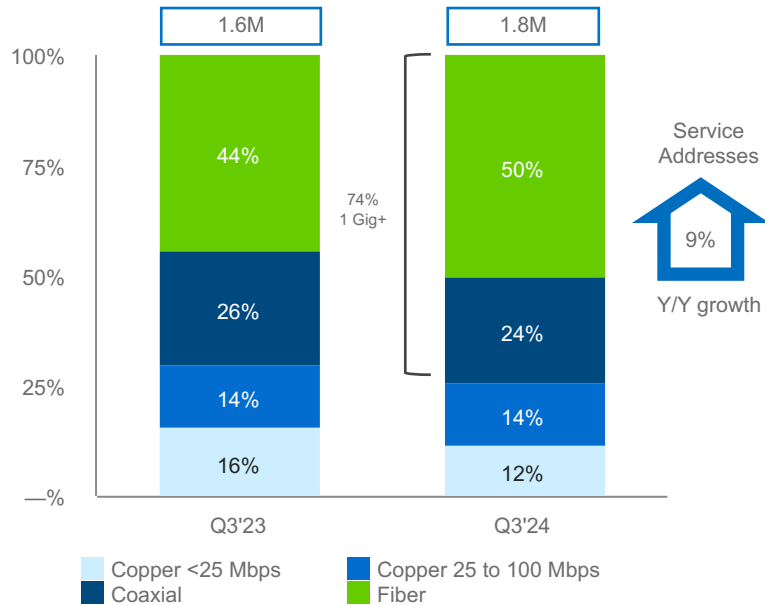
**Marketable service addresses includes single family households, commercial locations, and multiple dwelling units where we have gained right of entry across all of our markets.



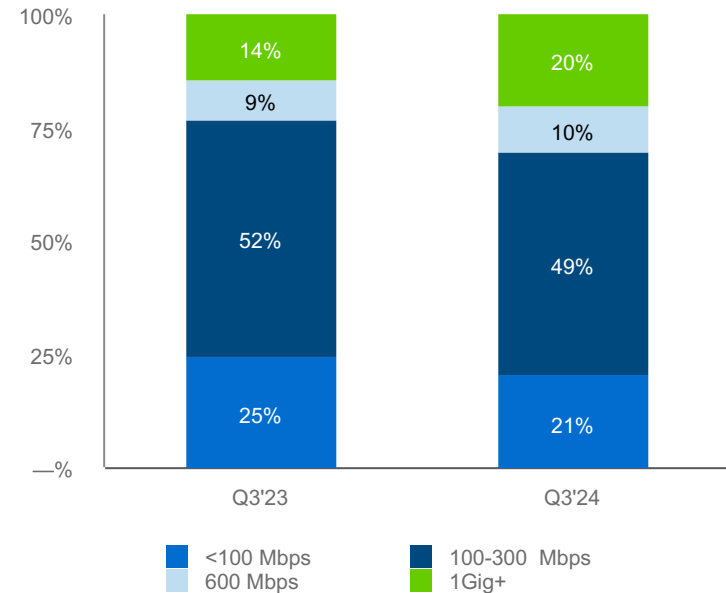
Growing fiber footprint driving faster speeds



Total Service Address Mix



Residential Broadband Connections by Speed

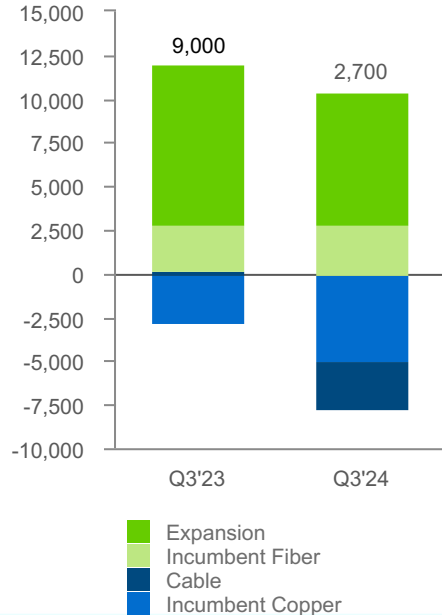


Strong residential revenue growth

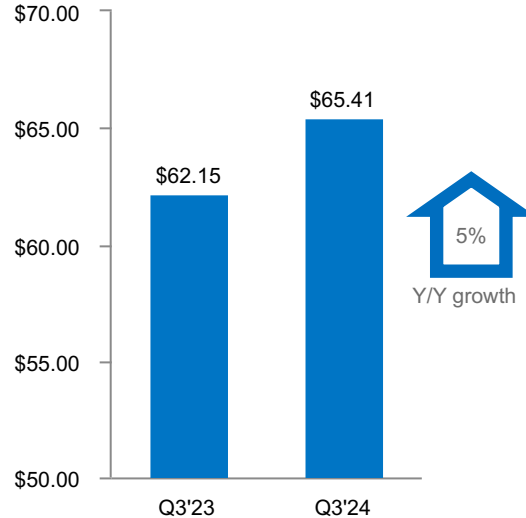
Total residential broadband connections grew 4% Y/Y



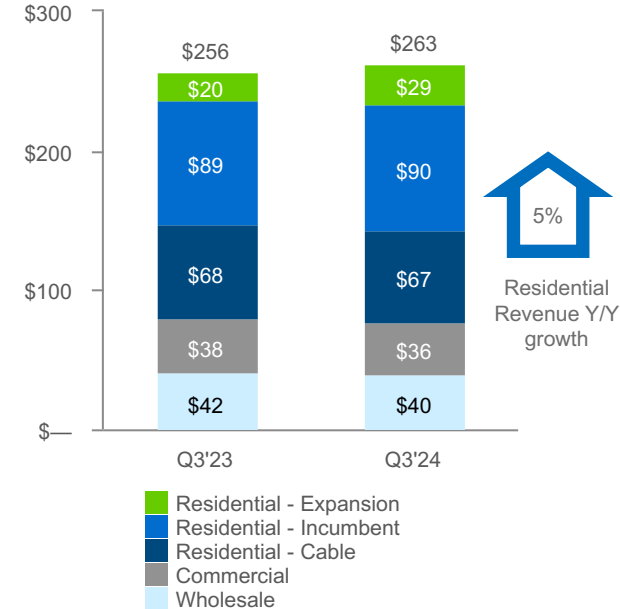
Residential Broadband Net Additions



Residential Revenue per Connection



Operating Revenues (\$M)



TDS Telecom operating performance



(\$M)	Q3'24	Q3'23	% Change
Total operating revenues	\$ 263	\$ 256	2 %
Cash expenses ⁽¹⁾	182	189	(4)%
Adjusted EBITDA ⁽¹⁾ (Non-GAAP)	\$ 83	\$ 68	21 %
Capital expenditures	\$ 78	\$ 172	(55)%

2024 TDS Telecom guidance*



<i>(\$M)</i> As of November 1, 2024	2023 Actual	2024 Previous Estimates	2024 Current Estimates
Total operating revenues	\$1,028	\$1,050-\$1,080	Unchanged
Adjusted OIBDA ⁽¹⁾ (Non-GAAP)	\$279	\$330-\$360	Unchanged
Adjusted EBITDA ⁽¹⁾ (Non-GAAP)	\$285	\$330-\$360	Unchanged
Capital expenditures	\$577	\$310-\$340	Unchanged

(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

(\$M)	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	UScellular	TDS Telecom	TDS*	UScellular	TDS Telecom	TDS*
Net income (loss) (GAAP)	(\$78)	\$9	(\$79)	\$23	\$4	\$4
Add back:						
Income tax expense (benefit)	(14)	4	(25)	27	—	27
Income (loss) before income taxes (GAAP)	(\$92)	\$14	(\$104)	\$50	\$4	\$31
Add back:						
Interest expense	49	(1)	76	50	(2)	62
Depreciation, amortization and accretion expense	167	68	238	159	61	225
EBITDA ⁽¹⁾ (Non-GAAP)	\$124	\$80	\$210	\$259	\$63	\$318
Add back or deduct:						
Expenses related to strategic alternatives review	7	—	11	3	—	4
Loss on impairment of licenses	136	—	136	—	—	—
(Gain) loss on asset disposals, net	4	3	6	1	6	6
(Gain) loss on sale of business and other exit costs, net	—	—	(12)	—	—	—
(Gain) loss on license sales and exchanges, net	(2)	—	(2)	—	—	—
Adjusted EBITDA ⁽¹⁾ (Non-GAAP)	\$269	\$83	\$349	\$263	\$68	\$328
Add back or deduct:						
Equity in earnings of unconsolidated entities	43	—	43	40	—	40
Interest and dividend income	4	1	8	3	1	5
Other, net	—	1	1	—	—	—
Adjusted OIBDA ⁽¹⁾ (Non-GAAP)	\$222	\$81	\$297	\$220	\$67	\$283

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

(\$M)	Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	UScellular Wireless	UScellular Towers	UScellular Wireless	UScellular Towers
EBITDA (Non-GAAP) ⁽¹⁾	\$46	\$31	\$186	\$30
Add back or deduct:				
Expenses related to strategic alternatives review	7	—	3	—
Loss on impairment of licenses	136	—	—	—
(Gain) loss on asset disposals, net	4	—	1	—
(Gain) loss on license sales and exchanges, net	(2)	—	—	—
Adjusted EBITDA and Adjusted OIBDA (Non-GAAP) ⁽¹⁾	\$191	\$31	\$190	\$30
Deduct:				
Depreciation, amortization and accretion expense	155	12	148	11
Expenses related to strategic alternatives review	7	—	3	—
Loss on impairment of licenses	136	—	—	—
(Gain) loss on asset disposals, net	4	—	1	—
(Gain) loss on license sales and exchanges, net	(2)	—	—	—
Operating income (loss) (GAAP)	\$(109)	\$19	\$38	\$19

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 (loss) (GAAP)	N/A	N/A	\$58	\$(483)
Add back:				
Income tax expense (benefit)	N/A	N/A	53	(26)
Income (loss) before income taxes (GAAP)	\$(35)-\$40	\$60-\$90	\$111	\$(509)
Add back:				
Interest expense	180	—	196	(8)
Depreciation, amortization and accretion expense	665	270	656	245
EBITDA ⁽¹⁾ (Non-GAAP)	\$810-\$885	\$330-\$360	\$963	\$(272)
Add back or deduct:				
Loss on impairment of licenses	135	—	—	—
Loss on impairment of goodwill	—	—	—	547
Expenses related to strategic alternatives review	—	—	8	—
(Gain) loss on asset disposals, net	20	—	17	10
(Gain) loss on license sales and exchanges, net	5	—	(2)	—
Adjusted EBITDA ⁽¹⁾ (Non-GAAP)	\$970-\$1,045	\$330-\$360	\$986	\$285
Deduct:				
Equity in earnings of unconsolidated entities	160	—	158	—
Interest and dividend income	10	—	10	4
Other, net	—	—	—	2
Adjusted OIBDA ⁽¹⁾ (Non-GAAP)	\$800-\$875	\$330-\$360	\$818	\$279

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 22 through 24. 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 22 through 24 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 22 through 24 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. We have not provided a reconciliation regarding longer-term Adjusted OIBDA margins for the UScellular Tower segment because doing so would not be possible without unreasonable effort. Additional information and reconciliations related to Non-GAAP financial measures for September 30, 2024, can be found on TDS' and UScellular's websites at investors.tdsinc.com and investors.uscellular.com.