NEWS RELEASE

As previously announced, UScellular will hold a teleconference November 6, 2020, at 9:00 a.m. CST. Listen to the call live via the Events & Presentations page of investors.uscellular.com.

FOR IMMEDIATE RELEASE

UScellular reports third quarter 2020 results

Strong subscriber and financial results drive guidance raise;
5G and network modernization strategies to provide opportunities
for connecting underserved markets

CHICAGO (November 5, 2020) — United States Cellular Corporation (NYSE:USM) reported total operating revenues of $1,027 million for the third quarter of 2020, versus $1,031 million for the same period one year ago. Service revenues totaled $775 million, versus $774 million for the same period a year ago. Net income attributable to UScellular shareholders and related diluted earnings per share were $85 million and $0.97, respectively, for the third quarter of 2020 compared to $23 million and $0.27, respectively, in the same period one year ago.

“Our strong financial performance this quarter is a testament to the value consumers ascribe to wireless services and UScellular’s unwavering commitment to customer experience," said Laurent Therivel, UScellular President and CEO. "We generated impressive financial and subscriber results, as churn remained low and we saw growth in retail net additions through an increase in connected devices. We had higher ARPU which, combined with maintaining our operational and cost discipline throughout the quarter, helped to drive increases in profitability compared to the same period one year ago. This puts us in a strong position as we approach a very non-traditional holiday selling season and resulted in an increase in our expectations for full-year financial results.

"We are continuing our network modernization programs. On the 5G front, working with Qualcomm Technologies and Ericsson, we successfully completed an extended range 5G millimeter wave data session over a distance of more than 5 kilometers with speeds ranging from 100 Mbps near the edge to 1.8 Gbps closer to the cell site, significantly expanding the reach and speed from prior tests. This accomplishment will enhance our ability to connect communities with fiber-like speeds and better serve our rural customers, connecting them to education, healthcare and entertainment solutions.

“We also continued our ongoing efforts to enhance our brand relevance by refreshing our logo and brand identity with a modern new look. This is a powerful visual signal of how we’re working to expand our brand and business appeal. I am looking forward to continued progress as we close out 2020 and want to thank all of our associates for their support and enthusiasm.”

2020 Estimated Results

UScellular's current estimates of full-year 2020 results are shown below. Such estimates represent management's view as of November 5, 2020 and should not be assumed to be current as of any future date. UScellular undertakes no duty to update such estimates, whether as a result of new information, future events, or otherwise. There can be no assurance that final results will not differ materially from estimated results.

	2020 Estimated Results	
	Previous	**Current**
(Dollars in millions)		
Service revenues	$3,000-$3,100	**$3,025-$3,075**
Adjusted OIBDA[1]	$725-$850	**$800-$875**
Adjusted EBITDA[1]	$900-$1,025	**$975-$1,050**
Capital expenditures	$850-$950	**Unchanged**

The following table provides a reconciliation of Net income to Adjusted OIBDA and Adjusted EBITDA for 2020 estimated results, actual results for the nine months ended September 30, 2020, and actual results for the year ended December 31, 2019. In providing 2020 estimated results, UScellular has not completed the below reconciliation to Net income because it does not provide guidance for income taxes. Although potentially significant, UScellular believes that the impact of income taxes cannot be reasonably predicted; therefore, UScellular is unable to provide such guidance.

		Actual Results	
	2020 Estimated Results	**Nine Months Ended September 30, 2020**	**Year Ended December 31, 2019**
(Dollars in millions)			
Net income (GAAP)	N/A	**$ 227**	$ 133
Add back:			
Income tax expense	N/A	**11**	52
Income before income taxes (GAAP)	$165-$240	**$ 238**	$ 185
Add back:			
Interest expense	110	**76**	110
Depreciation, amortization and accretion expense	680	**516**	702
EBITDA (Non-GAAP)[1]	$955-$1,030	**$ 830**	$ 997
Add back or deduct:			
(Gain) loss on asset disposals, net	20	**14**	19
(Gain) loss on sale of business and other exit costs, net	—	**—**	(1)
(Gain) loss on investments	—	**(3)**	—
Adjusted EBITDA (Non-GAAP)[1]	$975-$1,050	**$ 841**	$ 1,015
Deduct:			
Equity in earnings of unconsolidated entities	170	**137**	166
Interest and dividend income	5	**6**	17
Adjusted OIBDA (Non-GAAP)[1]	$800-$875	**$ 698**	$ 832

[1] EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliation above. 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. UScellular does not intend to imply that any such items set forth in the reconciliation above are non-recurring, 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 UScellular's operating results before significant recurring non-cash charges, gains and losses, and other items as presented above as they provide additional relevant and useful information to investors and other users of 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, and gains and losses, 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 table above reconciles EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measure, Net income or Income before income taxes. Additional information and reconciliations related to Non-GAAP financial measures for September 30, 2020, can be found on UScellular's website at investors.uscellular.com.

Conference Call Information

UScellular will hold a conference call on November 6, 2020 at 9:00 a.m. Central Time.

- Access the live call on the Events & Presentations page of investors.uscellular.com or at https://www.webcaster4.com/Webcast/Page/1145/38510.
- Access the call by phone at (833) 968-2187, conference ID: 7289911.

Before the call, certain financial and statistical information to be discussed during the call will be posted to investors.uscellular.com. The call will be archived on the Events & Presentations page of investors.uscellular.com.

About UScellular

United States Cellular Corporation provides a comprehensive range of wireless products and services, excellent customer support, and a high-quality network to customers with 5.0 million connections in 21 states. The Chicago-based company had 5,300 full- and part-time associates as of September 30, 2020. At the end of the third quarter of 2020, Telephone and Data Systems, Inc. owned 82 percent of UScellular. For more information about UScellular, visit uscellular.com.

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Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: All information set forth in this news release, 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: the impact, duration and severity of the COVID-19 pandemic; intense competition; the ability to execute UScellular's business strategy; uncertainties in UScellular's future cash flows and liquidity and access to the capital markets; the ability to make payments on UScellular indebtedness or comply with the terms of debt covenants; the ability to obtain or maintain roaming arrangements with other carriers on acceptable terms; the ability to obtain access to adequate radio spectrum to meet current or anticipated future needs, including participation in FCC auctions; the state and federal regulatory environment; the ability to attract people of outstanding talent throughout all levels of the organization; conditions in the U.S. telecommunications industry; UScellular's smaller scale relative to larger competitors; changes in demand, consumer preferences, price competition, or churn rates; advances in technology; the value of assets and investments; impacts of costs, integration problems or other factors associated with acquisitions, divestitures or exchanges of properties or licenses and/or expansion of UScellular's businesses; the ability of the company to successfully construct and manage its networks; difficulties involving third parties; cyber-attacks or other breaches of network or information technology security; changes in facts and circumstances that could require UScellular to record adjustments to amounts reflected in the financial statements; disruption in credit or other financial markets; deterioration of U.S. or global economic conditions; pending and future litigation; potential conflicts of interests between TDS and UScellular. 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 UScellular's Form 10-K, as updated by any UScellular Form 10-Q filed subsequent to such Form 10-K.

The impact of the COVID-19 pandemic on UScellular's business is uncertain, but depending on its duration and severity it could have a material adverse effect on UScellular's business, financial condition or results of operations.

The impact of the global spread of COVID-19 on UScellular's future operations is uncertain. Public health emergencies, such as COVID-19, pose the risk that UScellular or its associates, agents, partners and suppliers may be unable to conduct business activities for an extended period of time and/or provide the level of service expected. UScellular's ability to attract customers, maintain an adequate supply chain and execute on its business strategies and initiatives could be negatively impacted by this outbreak. Additionally, COVID-19 has caused and could continue to cause increased unemployment, economic downturn and credit market deterioration, all of which could negatively impact UScellular. The extent of the impact of COVID-19 on UScellular's business, financial condition and results of operations will depend on future circumstances, including the severity of the disease, the duration of the outbreak, actions taken by governmental authorities and other possible direct and indirect consequences, all of which are uncertain and cannot be predicted.

For more information about UScellular, visit: www.uscellular.com

United States Cellular Corporation
Summary Operating Data (Unaudited)

As of or for the Quarter Ended	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Retail Connections					
Postpaid					
Total at end of period	**4,401,000**	4,372,000	4,359,000	4,383,000	4,395,000
Gross additions	**168,000**	129,000	132,000	170,000	163,000
Feature phones	**4,000**	3,000	2,000	2,000	3,000
Smartphones	**98,000**	82,000	88,000	128,000	121,000
Connected devices	**66,000**	44,000	42,000	40,000	39,000
Net additions (losses)	**28,000**	12,000	(26,000)	(12,000)	(19,000)
Feature phones	**(8,000)**	(8,000)	(10,000)	(11,000)	(11,000)
Smartphones	**8,000**	11,000	(10,000)	13,000	9,000
Connected devices	**28,000**	9,000	(6,000)	(14,000)	(17,000)
ARPU[1]	**$ 47.10**	$ 46.24	$ 47.23	$ 46.57	$ 46.16
ARPA[2]	**$ 123.27**	$ 120.70	$ 122.92	$ 120.99	$ 119.87
Churn rate[3]	**1.06 %**	0.89 %	1.21 %	1.38 %	1.38 %
Handsets	**0.88 %**	0.71 %	0.95 %	1.11 %	1.09 %
Connected devices	**2.35 %**	2.24 %	3.11 %	3.44 %	3.44 %
Prepaid					
Total at end of period	**506,000**	496,000	494,000	506,000	510,000
Gross additions	**65,000**	62,000	57,000	63,000	70,000
Net additions (losses)	**11,000**	2,000	(12,000)	(3,000)	9,000
ARPU[1]	**$ 35.45**	$ 34.89	$ 34.07	$ 34.11	$ 34.35
Churn rate[3]	**3.59 %**	4.05 %	4.67 %	4.40 %	4.03 %
Total connections at end of period[4]	**4,962,000**	4,919,000	4,903,000	4,941,000	4,957,000
Market penetration at end of period					
Consolidated operating population	**31,314,000**	31,292,000	31,292,000	30,740,000	31,310,000
Consolidated operating penetration[5]	**16 %**	16 %	16 %	16 %	16 %
Capital expenditures (millions)	**$ 216**	$ 168	$ 236	$ 243	$ 170
Total cell sites in service	**6,758**	6,673	6,629	6,578	6,554
Owned towers	**4,246**	4,208	4,184	4,166	4,123

1 Average Revenue Per User (ARPU) - metric is calculated by dividing a revenue base by an average number of connections and by the number of months in the period. These revenue bases and connection populations are shown below:

- Postpaid ARPU consists of total postpaid service revenues and postpaid connections.
- Prepaid ARPU consists of total prepaid service revenues and prepaid connections.

2 Average Revenue Per Account (ARPA) - metric is calculated by dividing total postpaid service revenues by the average number of postpaid accounts and by the number of months in the period.

3 Churn rate represents the percentage of the connections that disconnect service each month. These rates represent the average monthly churn rate for each respective period.

4 Includes reseller and other connections.

5 Market penetration is calculated by dividing the number of wireless connections at the end of the period by the total population of consolidated operating markets as estimated by Nielsen.

United States Cellular Corporation
Consolidated Statement of Operations Highlights
(Unaudited)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	2020 vs. 2019	**2020**	2019	2020 vs. 2019
(Dollars and shares in millions, except per share amounts)						
Operating revenues						
Service	**$ 775**	$ 774	–	**$ 2,290**	$ 2,272	1 %
Equipment sales	**252**	257	(2)%	**674**	698	(3)%
Total operating revenues	**1,027**	1,031	–	**2,964**	2,970	–
Operating expenses						
System operations (excluding Depreciation, amortization and accretion reported below)	**203**	199	2 %	**580**	568	2 %
Cost of equipment sold	**257**	266	(4)%	**692**	724	(4)%
Selling, general and administrative	**335**	358	(6)%	**994**	1,027	(3)%
Depreciation, amortization and accretion	**161**	181	(11)%	**516**	524	(2)%
(Gain) loss on asset disposals, net	**6**	5	15 %	**14**	13	10 %
(Gain) loss on sale of business and other exit costs, net	**—**	—	N/M	**—**	(1)	N/M
(Gain) loss on license sales and exchanges, net	**—**	2	N/M	**—**	—	N/M
Total operating expenses	**962**	1,011	(5)%	**2,796**	2,855	(2)%
Operating income	**65**	20	N/M	**168**	115	46 %
Investment and other income (expense)						
Equity in earnings of unconsolidated entities	**48**	44	10 %	**137**	128	7 %
Interest and dividend income	**2**	4	(59)%	**6**	14	(55)%
Gain (loss) on investments	**3**	—	N/M	**3**	—	N/M
Interest expense	**(29)**	(29)	–	**(76)**	(87)	11 %
Total investment and other income	**24**	19	27 %	**70**	55	27 %
Income before income taxes	**89**	39	N/M	**238**	170	40 %
Income tax expense	**4**	15	(78)%	**11**	55	(80)%
Net income	**85**	24	N/M	**227**	115	98 %
Less: Net income attributable to noncontrolling interests, net of tax	**—**	1	(28)%	**3**	6	(47)%
Net income attributable to UScellular shareholders	**$ 85**	$ 23	N/M	**$ 224**	$ 109	N/M
Basic weighted average shares outstanding	**86**	86	(1)%	**86**	87	(1)%
Basic earnings per share attributable to UScellular shareholders	**$ 0.98**	$ 0.27	N/M	**$ 2.60**	$ 1.26	N/M
Diluted weighted average shares outstanding	**88**	88	(1)%	**87**	88	(1)%
Diluted earnings per share attributable to UScellular shareholders	**$ 0.97**	$ 0.27	N/M	**$ 2.56**	$ 1.24	N/M

N/M - Percentage change not meaningful

United States Cellular Corporation
Consolidated Statement of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2020	2019
(Dollars in millions)		
Cash flows from operating activities		
Net income	**$ 227**	$ 115
Add (deduct) adjustments to reconcile net income to net cash flows from operating activities		
Depreciation, amortization and accretion	**516**	524
Bad debts expense	**52**	77
Stock-based compensation expense	**25**	32
Deferred income taxes, net	**158**	(34)
Equity in earnings of unconsolidated entities	**(137)**	(128)
Distributions from unconsolidated entities	**118**	99
(Gain) loss on asset disposals, net	**14**	13
(Gain) loss on sale of business and other exit costs, net	**—**	(1)
(Gain) loss on investments	**(3)**	—
Other operating activities	**1**	3
Changes in assets and liabilities from operations		
Accounts receivable	**31**	(35)
Equipment installment plans receivable	**13**	(42)
Inventory	**5**	3
Accounts payable	**77**	(4)
Customer deposits and deferred revenues	**(23)**	(1)
Accrued taxes	**(102)**	81
Accrued interest	**14**	9
Other assets and liabilities	**(36)**	(24)
Net cash provided by operating activities	**950**	687
Cash flows from investing activities		
Cash paid for additions to property, plant and equipment	**(690)**	(439)
Cash paid for licenses	**(169)**	(257)
Cash received from investments	**1**	29
Cash paid for investments	**(1)**	(11)
Cash received from divestitures and exchanges	**1**	32
Other investing activities	**3**	(1)
Net cash used in investing activities	**(855)**	(647)
Cash flows from financing activities		
Issuance of long-term debt	**625**	—
Repayment of long-term debt	**(6)**	(14)
Common Shares reissued for benefit plans, net of tax payments	**(12)**	(8)
Repurchase of Common Shares	**(23)**	(21)
Payment of debt issuance costs	**(20)**	(1)
Distributions to noncontrolling interests	**(2)**	(3)
Other financing activities	**—**	(1)
Net cash provided by (used in) financing activities	**562**	(48)
Net increase (decrease) in cash, cash equivalents and restricted cash	**657**	(8)
Cash, cash equivalents and restricted cash		
Beginning of period	**291**	583
End of period	**$ 948**	$ 575

United States Cellular Corporation
Consolidated Balance Sheet Highlights
(Unaudited)

ASSETS

(Dollars in millions)	**September 30, 2020**	December 31, 2019
Current assets		
Cash and cash equivalents	**$ 931**	$ 285
Accounts receivable, net	**945**	1,010
Inventory, net	**157**	162
Prepaid expenses	**54**	50
Income taxes receivable	**174**	46
Other current assets	**28**	20
Total current assets	**2,289**	1,573
Assets held for sale	**19**	—
Licenses	**2,628**	2,471
Investments in unconsolidated entities	**467**	447
Property, plant and equipment, net	**2,322**	2,207
Operating lease right-of-use assets	**919**	900
Other assets and deferred charges	**536**	566
Total assets	**$ 9,180**	$ 8,164

United States Cellular Corporation
Consolidated Balance Sheet Highlights
(Unaudited)

LIABILITIES AND EQUITY

(Dollars in millions, except per share amounts)	September 30, 2020	December 31, 2019
Current liabilities		
Current portion of long-term debt	**$ 2**	$ 8
Accounts payable	**313**	304
Customer deposits and deferred revenues	**126**	148
Accrued taxes	**44**	30
Accrued compensation	**63**	76
Short-term operating lease liabilities	**113**	105
Other current liabilities	**69**	79
Total current liabilities	**730**	750
Deferred liabilities and credits		
Deferred income tax liability, net	**665**	507
Long-term operating lease liabilities	**877**	865
Other deferred liabilities and credits	**364**	319
Long-term debt, net	**2,108**	1,502
Noncontrolling interests with redemption features	**10**	11
Equity		
UScellular shareholders' equity		
Series A Common and Common Shares, par value $1.00 per share	**88**	88
Additional paid-in capital	**1,654**	1,629
Treasury shares	**(67)**	(70)
Retained earnings	**2,736**	2,550
Total UScellular shareholders' equity	**4,411**	4,197
Noncontrolling interests	**15**	13
Total equity	**4,426**	4,210
Total liabilities and equity	**$ 9,180**	$ 8,164

United States Cellular Corporation
Financial Measures and Reconciliations
(Unaudited)

Free Cash Flow

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	**2020**	2019
(Dollars in millions)				
Cash flows from operating activities (GAAP)	**$ 257**	$ 211	**$ 950**	$ 687
Less: Cash paid for additions to property, plant and equipment	**219**	157	**690**	439
Free cash flow (Non-GAAP)[1]	**$ 38**	$ 54	**$ 260**	$ 248

[1] Free cash flow is a non-GAAP financial measure which UScellular believes may be useful to investors and other users of its financial information in evaluating liquidity, specifically, the amount of net cash generated by business operations after deducting Cash paid for additions to property, plant and equipment.