NEWS RELEASE

NEWS RELEASE

As previously announced, UScellular will hold a teleconference on May 5, 2023, at 9:00 a.m. CDT. Listen to the call live via the Events & Presentations page of investors.uscellular.com.

FOR IMMEDIATE RELEASE

UScellular reports first quarter 2023 results

2023 guidance reaffirmed

CHICAGO (May 4, 2023) — United States Cellular Corporation (NYSE:USM) reported total operating revenues of $986 million for the first quarter of 2023, versus $1,010 million for the same period one year ago. Service revenues totaled $767 million, versus $787 million for the same period one year ago. Net income attributable to UScellular shareholders and related diluted earnings per share were $13 million and $0.15, respectively, for the first quarter of 2023 compared to $49 million and $0.57, respectively, in the same period one year ago.

“Postpaid subscriber trends improved year over year as we made progress toward stabilizing our customer base, but we still had net subscriber losses during the quarter and have more work to do," said Laurent Therivel, UScellular President and CEO. “We continue to make significant investments in advancing our network, while our cost optimization program is helping us improve efficiency. Finally, we continue to see momentum in two growth areas of the business - both fixed wireless and towers had another strong quarter.”

2023 Estimated Results

UScellular's current estimates of full-year 2023 results are shown below. Such estimates represent management's view as of May 4, 2023 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.

	2023 Estimated Results	
	Previous	**Current**
(Dollars in millions)		
Service revenues	$3,050-$3,150	**Unchanged**
Adjusted OIBDA[1]	$725-$875	**Unchanged**
Adjusted EBITDA[1]	$875-$1,025	**Unchanged**
Capital expenditures	$600-$700	**Unchanged**

The following table reconciles EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measures, Net income or Income before income taxes. In providing 2023 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	
	2023 Estimated Results	**Three Months Ended March 31, 2023**	**Year Ended December 31, 2022**
(Dollars in millions)			
Net income (GAAP)	N/A	**$14**	$35
Add back:			
Income tax expense	N/A	**11**	37
Income before income taxes (GAAP)	$10-$160	**$25**	$72
Add back:			
Interest expense	205	**47**	163
Depreciation, amortization and accretion expense	645	**170**	700
EBITDA (Non-GAAP)[1]	$860-$1,010	**$242**	$935
Add back or deduct:			
Loss on impairment of licenses	—	**—**	3
(Gain) loss on asset disposals, net	15	**10**	19
(Gain) loss on sale of business and other exit costs, net	—	**—**	(1)
Adjusted EBITDA (Non-GAAP)[1]	$875-$1,025	**$252**	$956
Deduct:			
Equity in earnings of unconsolidated entities	145	**44**	158
Interest and dividend income	5	**2**	8
Adjusted OIBDA (Non-GAAP)[1]	$725-$875	**$206**	$790

[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 March 31, 2023, can be found on UScellular's website at investors.uscellular.com.

Conference Call Information

UScellular will hold a conference call on May 5, 2023 at 9:00 a.m. Central Time.

- Access the live call on the Events & Presentations page of investors.uscellular.com or at https://events.q4inc.com/attendee/239182809
- Access the call by phone at (888)330-2384 conference ID: 1328528.

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 4.7 million retail connections in 21 states. The Chicago-based company had 4,900 full- and part-time associates as of March 31, 2023. At the end of the first quarter of 2023, Telephone and Data Systems, Inc. owned 84 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: intense competition; the ability to attract people of outstanding talent throughout all levels of the organization; UScellular's smaller scale relative to larger competitors; 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; 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 UScellular's businesses; the ability of the company to successfully construct and manage its networks; difficulties involving third parties with which UScellular does business; 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; 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 interests between TDS and UScellular; 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 UScellular's Form 10-K, as updated by any UScellular Form 10-Q filed subsequent to such Form 10-K.

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

United States Cellular Corporation
Summary Operating Data (Unaudited)

As of or for the Quarter Ended	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Retail Connections					
Postpaid					
Total at end of period	**4,223,000**	4,247,000	4,264,000	4,296,000	4,335,000
Gross additions	**137,000**	154,000	151,000	128,000	126,000
Feature phones	**7,000**	6,000	5,000	4,000	2,000
Smartphones	**86,000**	99,000	102,000	90,000	89,000
Connected devices	**44,000**	49,000	44,000	34,000	35,000
Net additions (losses)	**(24,000)**	(17,000)	(31,000)	(40,000)	(44,000)
Feature phones	**(4,000)**	(6,000)	(6,000)	(8,000)	(10,000)
Smartphones	**(21,000)**	(14,000)	(16,000)	(23,000)	(26,000)
Connected devices	**1,000**	3,000	(9,000)	(9,000)	(8,000)
ARPU[1]	**$ 50.66**	$ 50.60	$ 50.21	$ 50.07	$ 49.71
ARPA[2]	**$ 130.77**	$ 130.97	$ 130.27	$ 130.43	$ 129.93
Handset upgrade rate[3]	**4.9 %**	7.0 %	8.1 %	6.0 %	5.0 %
Churn rate[4]	**1.27 %**	1.35 %	1.42 %	1.30 %	1.30 %
Handsets	**1.06 %**	1.12 %	1.15 %	1.10 %	1.10 %
Connected devices	**2.78 %**	2.99 %	3.40 %	2.73 %	2.70 %
Prepaid					
Total at end of period	**470,000**	493,000	493,000	490,000	495,000
Gross additions	**43,000**	61,000	62,000	56,000	55,000
Net additions (losses)	**(23,000)**	—	2,000	(4,000)	(18,000)
ARPU[1]	**$ 33.19**	$ 33.34	$ 35.04	$ 35.25	$ 34.59
Churn rate[4]	**4.63 %**	4.11 %	4.07 %	4.07 %	4.84 %
Market penetration at end of period					
Consolidated operating population	**32,350,000**	32,370,000	32,370,000	32,370,000	32,370,000
Consolidated operating penetration[5]	**15 %**	15 %	15 %	15 %	15 %
Capital expenditures (millions)	**$ 208**	$ 176	$ 136	$ 268	$ 137
Total cell sites in service	**6,950**	6,945	6,933	6,916	6,899
Owned towers	**4,338**	4,336	4,329	4,323	4,310

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 Handset upgrade rate calculated as total handset upgrade transactions divided by average postpaid handset connections.

4 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.

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

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

	Three Months Ended March 31,		
	2023	2022	2023 vs. 2022
(Dollars and shares in millions, except per share amounts)			
Operating revenues			
Service	**$ 767**	$ 787	(3)%
Equipment sales	**219**	223	(2)%
Total operating revenues	**986**	1,010	(2)%
Operating expenses			
System operations (excluding Depreciation, amortization and accretion reported below)	**182**	185	(2)%
Cost of equipment sold	**253**	257	(2)%
Selling, general and administrative	**345**	325	6 %
Depreciation, amortization and accretion	**170**	171	(1)%
(Gain) loss on asset disposals, net	**10**	2	N/M
(Gain) loss on sale of business and other exit costs, net	**—**	(1)	N/M
Total operating expenses	**960**	939	2 %
Operating income	**26**	71	(63)%
Investment and other income (expense)			
Equity in earnings of unconsolidated entities	**44**	45	(2)%
Interest and dividend income	**2**	1	N/M
Interest expense	**(47)**	(33)	(41)%
Total investment and other income (expense)	**(1)**	13	N/M
Income before income taxes	**25**	84	(70)%
Income tax expense	**11**	32	(66)%
Net income	**14**	52	(72)%
Less: Net income attributable to noncontrolling interests, net of tax	**1**	3	(43)%
Net income attributable to UScellular shareholders	**$ 13**	$ 49	(74)%
Basic weighted average shares outstanding	**85**	86	(1)%
Basic earnings per share attributable to UScellular shareholders	**$ 0.15**	$ 0.57	(73)%
Diluted weighted average shares outstanding	**86**	87	(1)%
Diluted earnings per share attributable to UScellular shareholders	**$ 0.15**	$ 0.57	(73)%

N/M - Percentage change not meaningful

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

	Three Months Ended March 31,	
	2023	2022
(Dollars in millions)		
Cash flows from operating activities		
Net income	**$ 14**	$ 52
Add (deduct) adjustments to reconcile net income to net cash flows from operating activities		
Depreciation, amortization and accretion	**170**	171
Bad debts expense	**26**	25
Stock-based compensation expense	**—**	7
Deferred income taxes, net	**7**	22
Equity in earnings of unconsolidated entities	**(44)**	(45)
Distributions from unconsolidated entities	**20**	19
(Gain) loss on asset disposals, net	**10**	2
(Gain) loss on sale of business and other exit costs, net	**—**	(1)
Other operating activities	**2**	1
Changes in assets and liabilities from operations		
Accounts receivable	**37**	15
Equipment installment plans receivable	**1**	—
Inventory	**(1)**	(4)
Accounts payable	**(149)**	(62)
Customer deposits and deferred revenues	**(10)**	9
Accrued taxes	**1**	130
Accrued interest	**9**	10
Other assets and liabilities	**(52)**	(40)
Net cash provided by operating activities	**41**	311
Cash flows from investing activities		
Cash paid for additions to property, plant and equipment	**(196)**	(150)
Cash paid for licenses	**(5)**	(561)
Other investing activities	**9**	1
Net cash used in investing activities	**(192)**	(710)
Cash flows from financing activities		
Issuance of long-term debt	**115**	625
Repayment of long-term debt	**(3)**	(126)
Issuance of short-term debt	**—**	60
Repayment of short-term debt	**(60)**	—
Repurchase of Common Shares	**—**	(10)
Distributions to noncontrolling interests	**(1)**	(1)
Cash paid for software license agreements	**(7)**	(2)
Other financing activities	**(1)**	(2)
Net cash provided by financing activities	**43**	544
Net increase (decrease) in cash, cash equivalents and restricted cash	**(108)**	145
Cash, cash equivalents and restricted cash		
Beginning of period	**308**	199
End of period	**$ 200**	$ 344

United States Cellular Corporation
Consolidated Balance Sheet Highlights
(Unaudited)

ASSETS

(Dollars in millions)	March 31, 2023		December 31, 2022	
Current assets				
Cash and cash equivalents	**$**	**154**	$	273
Accounts receivable, net		**1,009**		1,072
Inventory, net		**262**		261
Prepaid expenses		**76**		68
Income taxes receivable		**4**		4
Other current assets		**57**		45
Total current assets		**1,562**		1,723
Assets held for sale		**18**		26
Licenses		**4,692**		4,690
Investments in unconsolidated entities		**477**		452
Property, plant and equipment, net		**2,658**		2,624
Operating lease right-of-use assets		**910**		918
Other assets and deferred charges		**680**		686
Total assets	**$**	**10,997**	$	11,119

United States Cellular Corporation
Consolidated Balance Sheet Highlights
(Unaudited)

LIABILITIES AND EQUITY

	March 31, 2023	December 31, 2022
(Dollars in millions, except per share amounts)		
Current liabilities		
Current portion of long-term debt	**$ 15**	$ 13
Accounts payable	**214**	356
Customer deposits and deferred revenues	**229**	239
Accrued taxes	**33**	35
Accrued compensation	**44**	84
Short-term operating lease liabilities	**133**	133
Other current liabilities	**285**	335
Total current liabilities	**953**	1,195
Deferred liabilities and credits		
Deferred income tax liability, net	**715**	708
Long-term operating lease liabilities	**836**	843
Other deferred liabilities and credits	**601**	604
Long-term debt, net	**3,297**	3,187
Noncontrolling interests with redemption features	**12**	12
Equity		
UScellular shareholders' equity		
Series A Common and Common Shares, par value $1.00 per share	**88**	88
Additional paid-in capital	**1,704**	1,703
Treasury shares	**(96)**	(98)
Retained earnings	**2,872**	2,861
Total UScellular shareholders' equity	**4,568**	4,554
Noncontrolling interests	**15**	16
Total equity	**4,583**	4,570
Total liabilities and equity	**$ 10,997**	$ 11,119

United States Cellular Corporation
Financial Measures and Reconciliations
(Unaudited)

Free Cash Flow

	Three Months Ended March 31,	
	2023	2022
(Dollars in millions)		
Cash flows from operating activities (GAAP)	**$ 41**	$ 311
Cash paid for additions to property, plant and equipment	**(196)**	(150)
Cash paid for software license agreements	**(7)**	(2)
Free cash flow (Non-GAAP)[1]	**$ (162)**	$ 159

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 and Cash paid for software license agreements.