



As previously announced, UScellular will hold a teleconference on February 16, 2024 at 9:00 a.m. CST. Listen to the call live via the Events & Presentations page of [investors.uscellular.com](https://investors.uscellular.com).

FOR IMMEDIATE RELEASE

## UScellular reports fourth quarter and full year 2023 results

Provides guidance for 2024

CHICAGO (February 16, 2024) — United States Cellular Corporation (NYSE:USM) reported total operating revenues of \$1,000 million for the fourth quarter of 2023, versus \$1,048 million for the same period one year ago. Net income (loss) attributable to UScellular shareholders and related diluted earnings (loss) per share were \$14 million and \$0.16, respectively, for the fourth quarter of 2023 compared to \$(28) million and \$(0.33), respectively, in the same period one year ago.

UScellular reported total operating revenues of \$3,906 million and \$4,169 million for the years ended 2023 and 2022, respectively. Net income attributable to UScellular shareholders and related diluted earnings per share were \$54 million and \$0.63, respectively, for the year ended 2023 compared to \$30 million and \$0.35, respectively, for the year ended 2022.

### Full-year 2023 Highlights\*

- **Postpaid ARPU grew 2%**
- **Delivering on growth initiatives**
  - Fixed wireless customers grew 46% to 114,000
  - Tower rental revenues grew 8% to \$100 million
- **Increased profitability**
  - Net income, Adjusted OIBDA and Adjusted EBITDA up
- **Generated positive free cash flow and increased cash flows from operating activities**
- **Began launching 5G mid-band network - providing low latency and faster speeds**

\*Comparisons are Year Ended December 31, 2023 to Year Ended December 31, 2022

"At UScellular, we are focused on connecting people to what matters most," said Laurent Therivel, UScellular President and CEO. "In 2023, Postpaid ARPU increased 2%, we made significant progress on our 5G network deployment, and we delivered strong results in fixed wireless. Even though we experienced challenging subscriber results in an aggressive competitive environment, I'm pleased with the improvements we were able to drive in profitability year over year.

"In 2024, we plan to continue focusing on improving subscriber results, driving growth in fixed wireless and towers, and maintaining financial discipline as we advance the network through our mid-band deployment."

**Recent Development:** On August 4, 2023, Telephone and Data Systems, Inc. (TDS) and UScellular announced that the Boards of Directors of both companies decided to initiate a process to explore a range of strategic alternatives for UScellular. The process is still ongoing.

## 2024 Estimated Results

UScellular's current estimates of full-year 2024 results are shown below. Such estimates represent management's view as of February 16, 2024 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.

|                                 | 2024 Estimated Results | Actual Results for the Year Ended December 31, 2023 |
|---------------------------------|------------------------|-----------------------------------------------------|
| (Dollars in millions)           |                        |                                                     |
| Service revenues                | \$2,950-\$3,050        | \$3,044                                             |
| Adjusted OIBDA <sup>1, 2</sup>  | \$750-\$850            | \$818                                               |
| Adjusted EBITDA <sup>1, 2</sup> | \$920-\$1,020          | \$986                                               |
| Capital expenditures            | \$550-\$650            | \$611                                               |

The following table reconciles EBITDA, Adjusted EBITDA, and Adjusted OIBDA to the corresponding GAAP measures, Net income or Income before income taxes. In providing 2024 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.

|                                                           | 2024 Estimated Results <sup>2</sup> | Actual Results for the Year Ended December 31, 2023 | Actual Results for the Year Ended December 31, 2022 |
|-----------------------------------------------------------|-------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| (Dollars in millions)                                     |                                     |                                                     |                                                     |
| <b>Net income (GAAP)</b>                                  | N/A                                 | \$58                                                | \$35                                                |
| Add back:                                                 |                                     |                                                     |                                                     |
| Income tax expense                                        | N/A                                 | 53                                                  | 37                                                  |
| <b>Income before income taxes (GAAP)</b>                  | \$40-\$140                          | \$111                                               | \$72                                                |
| Add back:                                                 |                                     |                                                     |                                                     |
| Interest expense                                          | 195                                 | 196                                                 | 163                                                 |
| Depreciation, amortization and accretion expense          | 665                                 | 656                                                 | 700                                                 |
| <b>EBITDA (Non-GAAP)<sup>1</sup></b>                      | \$900-\$1,000                       | \$963                                               | \$935                                               |
| Add back or deduct:                                       |                                     |                                                     |                                                     |
| Expenses related to strategic alternatives review         | —                                   | 8                                                   | —                                                   |
| Loss on impairment of licenses                            | —                                   | —                                                   | 3                                                   |
| (Gain) loss on asset disposals, net                       | 20                                  | 17                                                  | 19                                                  |
| (Gain) loss on sale of business and other exit costs, net | —                                   | —                                                   | (1)                                                 |
| (Gain) loss on license sales and exchanges, net           | —                                   | (2)                                                 | —                                                   |
| <b>Adjusted EBITDA (Non-GAAP)<sup>1</sup></b>             | \$920-\$1,020                       | \$986                                               | \$956                                               |
| Deduct:                                                   |                                     |                                                     |                                                     |
| Equity in earnings of unconsolidated entities             | 160                                 | 158                                                 | 158                                                 |
| Interest and dividend income                              | 10                                  | 10                                                  | 8                                                   |
| <b>Adjusted OIBDA (Non-GAAP)<sup>1</sup></b>              | \$750-\$850                         | \$818                                               | \$790                                               |

<sup>1</sup> 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 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, 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 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 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 December 31, 2023, can be found on UScellular's website at [investors.uscellular.com](https://investors.uscellular.com).

<sup>2</sup> 2024 Estimated Results do not reflect any anticipated costs, expenses or results of the strategic alternatives review referenced above.

## Conference Call Information

UScellular will hold a conference call on February 16, 2024 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/105947395>
- Access the call by phone at (888) 330-2384 (US/Canada), 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 4.6 million retail connections in 21 states. The Chicago-based company had 4,300 full- and part-time associates as of December 31, 2023. At the end of the fourth quarter of 2023, Telephone and Data Systems, Inc. owned approximately 83% of UScellular. For more information about UScellular, visit [uscellular.com](http://uscellular.com).

## Contacts

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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: whether any strategic alternatives for UScellular will be successfully identified or completed; whether any such strategic alternative will result in additional value for UScellular and its shareholders and whether the process will have an adverse impact on UScellular's business; 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.

For more information about UScellular, visit: [www.uscellular.com](http://www.uscellular.com)

# United States Cellular Corporation

## Summary Operating Data (Unaudited)

| As of or for the Quarter Ended                  | 12/31/2023 | 9/30/2023  | 6/30/2023  | 3/31/2023  | 12/31/2022 |
|-------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Retail Connections</b>                       |            |            |            |            |            |
| <b>Postpaid</b>                                 |            |            |            |            |            |
| Total at end of period                          | 4,106,000  | 4,159,000  | 4,194,000  | 4,223,000  | 4,247,000  |
| Gross additions                                 | 129,000    | 128,000    | 125,000    | 137,000    | 154,000    |
| Handsets                                        | 80,000     | 84,000     | 83,000     | 93,000     | 105,000    |
| Connected devices                               | 49,000     | 44,000     | 42,000     | 44,000     | 49,000     |
| Net additions (losses)                          | (50,000)   | (35,000)   | (28,000)   | (24,000)   | (17,000)   |
| Handsets                                        | (53,000)   | (38,000)   | (29,000)   | (25,000)   | (20,000)   |
| Connected devices                               | 3,000      | 3,000      | 1,000      | 1,000      | 3,000      |
| ARPU <sup>1</sup>                               | \$ 51.61   | \$ 51.11   | \$ 50.64   | \$ 50.66   | \$ 50.60   |
| ARPA <sup>2</sup>                               | \$ 131.63  | \$ 130.91  | \$ 130.19  | \$ 130.77  | \$ 130.97  |
| Handset upgrade rate <sup>3</sup>               | 5.8 %      | 4.5 %      | 4.8 %      | 4.9 %      | 7.0 %      |
| Churn rate <sup>4</sup>                         | 1.44 %     | 1.30 %     | 1.21 %     | 1.27 %     | 1.35 %     |
| Handsets                                        | 1.22 %     | 1.11 %     | 1.01 %     | 1.06 %     | 1.12 %     |
| Connected devices                               | 3.03 %     | 2.64 %     | 2.65 %     | 2.78 %     | 2.99 %     |
| <b>Prepaid</b>                                  |            |            |            |            |            |
| Total at end of period                          | 451,000    | 462,000    | 462,000    | 470,000    | 493,000    |
| Gross additions                                 | 43,000     | 52,000     | 50,000     | 43,000     | 61,000     |
| Net additions (losses)                          | (11,000)   | —          | (8,000)    | (23,000)   | —          |
| ARPU <sup>1, 5</sup>                            | \$ 32.32   | \$ 33.44   | \$ 33.86   | \$ 33.19   | \$ 33.34   |
| Churn rate <sup>4</sup>                         | 3.87 %     | 3.68 %     | 4.18 %     | 4.63 %     | 4.11 %     |
| <b>Market penetration at end of period</b>      |            |            |            |            |            |
| Consolidated operating population               | 32,350,000 | 32,350,000 | 32,350,000 | 32,350,000 | 32,370,000 |
| Consolidated operating penetration <sup>6</sup> | 15 %       | 15 %       | 15 %       | 15 %       | 15 %       |
| Capital expenditures (millions)                 | \$ 148     | \$ 111     | \$ 143     | \$ 208     | \$ 176     |
| Total cell sites in service                     | 7,000      | 6,973      | 6,952      | 6,950      | 6,945      |
| Owned towers                                    | 4,373      | 4,356      | 4,341      | 4,338      | 4,336      |

Due to rounding, the sum of quarterly results may not equal the total for the year.

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> Handset upgrade rate calculated as total handset upgrade transactions divided by average postpaid handset connections.
- <sup>4</sup> 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.
- <sup>5</sup> Fourth quarter 2023 Prepaid ARPU excludes a \$6 million reduction of prepaid revenue related to an adjustment to correct a prior period error recorded in the fourth quarter of 2023.
- <sup>6</sup> 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<br>December 31, |                  |                  | Year Ended<br>December 31, |                |                  |
|---------------------------------------------------------------------------------------|------------------------------------|------------------|------------------|----------------------------|----------------|------------------|
|                                                                                       | 2023                               | 2022             | 2023 vs.<br>2022 | 2023                       | 2022           | 2023 vs.<br>2022 |
| (Dollars and shares in millions, except per share amounts)                            |                                    |                  |                  |                            |                |                  |
| <b>Operating revenues</b>                                                             |                                    |                  |                  |                            |                |                  |
| Service                                                                               | \$ 755                             | \$ 774           | (3)%             | \$ 3,044                   | \$3,125        | (3)%             |
| Equipment sales                                                                       | 245                                | 274              | (10)%            | 862                        | 1,044          | (17)%            |
| Total operating revenues                                                              | 1,000                              | 1,048            | (5)%             | 3,906                      | 4,169          | (6)%             |
| <b>Operating expenses</b>                                                             |                                    |                  |                  |                            |                |                  |
| System operations (excluding Depreciation, amortization and accretion reported below) | 183                                | 181              | 1 %              | 740                        | 755            | (2)%             |
| Cost of equipment sold                                                                | 280                                | 330              | (15)%            | 988                        | 1,216          | (19)%            |
| Selling, general and administrative                                                   | 349                                | 374              | (7)%             | 1,368                      | 1,408          | (3)%             |
| Depreciation, amortization and accretion                                              | 166                                | 179              | (8)%             | 656                        | 700            | (6)%             |
| Loss on impairment of licenses                                                        | —                                  | —                | —                | —                          | 3              | N/M              |
| (Gain) loss on asset disposals, net                                                   | 3                                  | 11               | (67)%            | 17                         | 19             | (9)%             |
| (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              | (2)                        | —              | N/M              |
| Total operating expenses                                                              | 979                                | 1,075            | (9)%             | 3,767                      | 4,100          | (8)%             |
| <b>Operating income (loss)</b>                                                        | <b>21</b>                          | <b>(27)</b>      | <b>N/M</b>       | <b>139</b>                 | <b>69</b>      | <b>N/M</b>       |
| <b>Investment and other income (expense)</b>                                          |                                    |                  |                  |                            |                |                  |
| Equity in earnings of unconsolidated entities                                         | 37                                 | 36               | 3 %              | 158                        | 158            | —                |
| Interest and dividend income                                                          | 2                                  | 3                | (24)%            | 10                         | 8              | 26 %             |
| Interest expense                                                                      | (49)                               | (49)             | (3)%             | (196)                      | (163)          | (21)%            |
| Total investment and other income (expense)                                           | (10)                               | (10)             | (10)%            | (28)                       | 3              | N/M              |
| <b>Income (loss) before income taxes</b>                                              | <b>11</b>                          | <b>(37)</b>      | <b>N/M</b>       | <b>111</b>                 | <b>72</b>      | <b>54 %</b>      |
| Income tax expense (benefit)                                                          | (4)                                | (9)              | 64 %             | 53                         | 37             | 43 %             |
| <b>Net income (loss)</b>                                                              | <b>15</b>                          | <b>(28)</b>      | <b>N/M</b>       | <b>58</b>                  | <b>35</b>      | <b>67 %</b>      |
| Less: Net income attributable to noncontrolling interests, net of tax                 | 1                                  | —                | (53)%            | 4                          | 5              | (24)%            |
| <b>Net income (loss) attributable to UScellular shareholders</b>                      | <b>\$ 14</b>                       | <b>\$ (28)</b>   | <b>N/M</b>       | <b>\$ 54</b>               | <b>\$ 30</b>   | <b>80 %</b>      |
| <b>Basic weighted average shares outstanding</b>                                      | <b>85</b>                          | <b>85</b>        | <b>1 %</b>       | <b>85</b>                  | <b>85</b>      | <b>—</b>         |
| <b>Basic earnings (loss) per share attributable to UScellular shareholders</b>        | <b>\$ 0.17</b>                     | <b>\$ (0.33)</b> | <b>N/M</b>       | <b>\$ 0.64</b>             | <b>\$ 0.35</b> | <b>81 %</b>      |
| <b>Diluted weighted average shares outstanding</b>                                    | <b>88</b>                          | <b>85</b>        | <b>3 %</b>       | <b>87</b>                  | <b>86</b>      | <b>—</b>         |
| <b>Diluted earnings (loss) per share attributable to UScellular shareholders</b>      | <b>\$ 0.16</b>                     | <b>\$ (0.33)</b> | <b>N/M</b>       | <b>\$ 0.63</b>             | <b>\$ 0.35</b> | <b>79 %</b>      |

N/M - Percentage change not meaningful

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

| Year Ended December 31,                                                                      | 2023          | 2022           |
|----------------------------------------------------------------------------------------------|---------------|----------------|
| (Dollars in millions)                                                                        |               |                |
| <b>Cash flows from operating activities</b>                                                  |               |                |
| Net income                                                                                   | \$ 58         | \$ 35          |
| Add (deduct) adjustments to reconcile net income to net cash flows from operating activities |               |                |
| Depreciation, amortization and accretion                                                     | 656           | 700            |
| Bad debts expense                                                                            | 104           | 132            |
| Stock-based compensation expense                                                             | 23            | 24             |
| Deferred income taxes, net                                                                   | 47            | 33             |
| Equity in earnings of unconsolidated entities                                                | (158)         | (158)          |
| Distributions from unconsolidated entities                                                   | 150           | 145            |
| Loss on impairment of licenses                                                               | —             | 3              |
| (Gain) loss on asset disposals, net                                                          | 17            | 19             |
| (Gain) loss on sale of business and other exit costs, net                                    | —             | (1)            |
| (Gain) loss on license sales and exchanges, net                                              | (2)           | —              |
| Other operating activities                                                                   | 6             | 9              |
| Changes in assets and liabilities from operations                                            |               |                |
| Accounts receivable                                                                          | 17            | (59)           |
| Equipment installment plans receivable                                                       | (20)          | (199)          |
| Inventory                                                                                    | 62            | (88)           |
| Accounts payable                                                                             | (85)          | 12             |
| Customer deposits and deferred revenues                                                      | (9)           | 47             |
| Accrued taxes                                                                                | —             | 121            |
| Other assets and liabilities                                                                 | —             | 57             |
| Net cash provided by operating activities                                                    | <u>866</u>    | <u>832</u>     |
| <b>Cash flows from investing activities</b>                                                  |               |                |
| Cash paid for additions to property, plant and equipment                                     | (608)         | (602)          |
| Cash paid for licenses                                                                       | (130)         | (585)          |
| Other investing activities                                                                   | 17            | 8              |
| Net cash used in investing activities                                                        | <u>(721)</u>  | <u>(1,179)</u> |
| <b>Cash flows from financing activities</b>                                                  |               |                |
| Issuance of long-term debt                                                                   | 315           | 800            |
| Repayment of long-term debt                                                                  | (453)         | (329)          |
| Issuance of short-term debt                                                                  | —             | 110            |
| Repayment of short-term debt                                                                 | (60)          | (50)           |
| Common Shares reissued for benefit plans, net of tax payments                                | (6)           | (5)            |
| Repurchase of Common Shares                                                                  | —             | (43)           |
| Payment of debt issuance costs                                                               | (1)           | (1)            |
| Distributions to noncontrolling interests                                                    | (3)           | (3)            |
| Cash paid for software license agreements                                                    | (66)          | (22)           |
| Other financing activities                                                                   | —             | (1)            |
| Net cash provided by (used in) financing activities                                          | <u>(274)</u>  | <u>456</u>     |
| <b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>                 | <b>(129)</b>  | <b>109</b>     |
| <b>Cash, cash equivalents and restricted cash</b>                                            |               |                |
| Beginning of period                                                                          | 308           | 199            |
| End of period                                                                                | <u>\$ 179</u> | <u>\$ 308</u>  |

**United States Cellular Corporation**  
**Consolidated Balance Sheet Highlights**  
**(Unaudited)**

**ASSETS**

| <b>December 31,</b>                           | <b>2023</b>      | <b>2022</b>      |
|-----------------------------------------------|------------------|------------------|
| (Dollars in millions)                         |                  |                  |
| <b>Current assets</b>                         |                  |                  |
| Cash and cash equivalents                     | \$ 150           | \$ 273           |
| Accounts receivable, net                      | 957              | 1,072            |
| Inventory, net                                | 199              | 261              |
| Prepaid expenses                              | 57               | 68               |
| Income taxes receivable                       | 1                | 4                |
| Other current assets                          | 36               | 45               |
| Total current assets                          | 1,400            | 1,723            |
| <b>Assets held for sale</b>                   | 15               | 26               |
| <b>Licenses</b>                               | 4,693            | 4,690            |
| <b>Investments in unconsolidated entities</b> | 461              | 452              |
| <b>Property, plant and equipment, net</b>     | 2,576            | 2,624            |
| <b>Operating lease right-of-use assets</b>    | 915              | 918              |
| <b>Other assets and deferred charges</b>      | 690              | 686              |
| <b>Total assets</b>                           | <u>\$ 10,750</u> | <u>\$ 11,119</u> |

**United States Cellular Corporation**  
**Consolidated Balance Sheet Highlights**  
**(Unaudited)**

**LIABILITIES AND EQUITY**

| December 31,                                                  | 2023             | 2022             |
|---------------------------------------------------------------|------------------|------------------|
| (Dollars in millions, except per share amounts)               |                  |                  |
| <b>Current liabilities</b>                                    |                  |                  |
| Current portion of long-term debt                             | \$ 20            | \$ 13            |
| Accounts payable                                              | 248              | 356              |
| Customer deposits and deferred revenues                       | 229              | 239              |
| Accrued taxes                                                 | 32               | 35               |
| Accrued compensation                                          | 83               | 84               |
| Short-term operating lease liabilities                        | 135              | 133              |
| Other current liabilities                                     | 154              | 335              |
| Total current liabilities                                     | 901              | 1,195            |
| <b>Deferred liabilities and credits</b>                       |                  |                  |
| Deferred income tax liability, net                            | 755              | 708              |
| Long-term operating lease liabilities                         | 831              | 843              |
| Other deferred liabilities and credits                        | 565              | 604              |
| <b>Long-term debt, net</b>                                    | 3,044            | 3,187            |
| <b>Noncontrolling interests with redemption features</b>      | 12               | 12               |
| <b>Equity</b>                                                 |                  |                  |
| UScellular shareholders' equity                               |                  |                  |
| Series A Common and Common Shares, par value \$1.00 per share | 88               | 88               |
| Additional paid-in capital                                    | 1,726            | 1,703            |
| Treasury shares                                               | (80)             | (98)             |
| Retained earnings                                             | 2,892            | 2,861            |
| Total UScellular shareholders' equity                         | 4,626            | 4,554            |
| Noncontrolling interests                                      | 16               | 16               |
| Total equity                                                  | 4,642            | 4,570            |
| <b>Total liabilities and equity</b>                           | <b>\$ 10,750</b> | <b>\$ 11,119</b> |

# United States Cellular Corporation

## Financial Measures and Reconciliations

### (Unaudited)

#### Free Cash Flow

|                                                          | Three Months Ended<br>December 31, |                       | Year Ended<br>December 31, |                      |
|----------------------------------------------------------|------------------------------------|-----------------------|----------------------------|----------------------|
|                                                          | 2023                               | 2022                  | 2023                       | 2022                 |
| (Dollars in millions)                                    |                                    |                       |                            |                      |
| <b>Cash flows from operating activities (GAAP)</b>       | <b>\$ 148</b>                      | <b>\$ 180</b>         | <b>\$ 866</b>              | <b>\$ 832</b>        |
| Cash paid for additions to property, plant and equipment | (155)                              | (192)                 | (608)                      | (602)                |
| Cash paid for software license agreements                | (37)                               | (17)                  | (66)                       | (22)                 |
| Free cash flow (Non-GAAP) <sup>1</sup>                   | <u><u>\$ (44)</u></u>              | <u><u>\$ (29)</u></u> | <u><u>\$ 192</u></u>       | <u><u>\$ 208</u></u> |

<sup>1</sup> 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.