



## Second Quarter 2025 Results

August 11, 2025

# Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

All information set forth in this presentation about Telephone and Data Systems, Inc., including its subsidiaries Array 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: the manner in which Array's remaining business is conducted; whether the previously announced spectrum license sales to Verizon and AT&T will be consummated; whether Array can monetize its remaining spectrum assets; strategic decisions regarding the tower business; intense competition; Array's reliance on a small number of tenants for a substantial portion of its revenue; the ability to attract people of outstanding talent throughout all levels of the organization; TDS' lack of scale relative to larger competitors; changes in demand, consumer preferences and perceptions, price competition, or churn rates; advances in technology; impacts of costs, integration problems or other factors associated with acquisitions, divestitures or exchanges of properties and/or expansion of TDS' businesses; the ability of the company to successfully construct and manage its networks; difficulties involving third parties with which TDS does business; uncertainties in TDS' future cash flows and liquidity and access to the capital markets; the ability to make payments on TDS and Array 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, including significant investments in wireless operating entities that Array does not control; the state and federal regulatory environment, including changes in regulatory support received and the ability to pass through certain regulatory fees to customers; pending and future litigation; cyber-attacks or other breaches of network or information technology security; control by the TDS Voting Trust; disruption in credit or other financial markets; deterioration of U.S. or global economic conditions; extreme weather events; 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.

# TDS 2025 Priorities



Successfully closed the T-Mobile transaction



Position tower company for success



Invest in fiber expansion at TDS Telecom



Optimize post-transaction capital structure



Ensure culture remains strong

# Enterprise Update

## Strengthening balance sheet

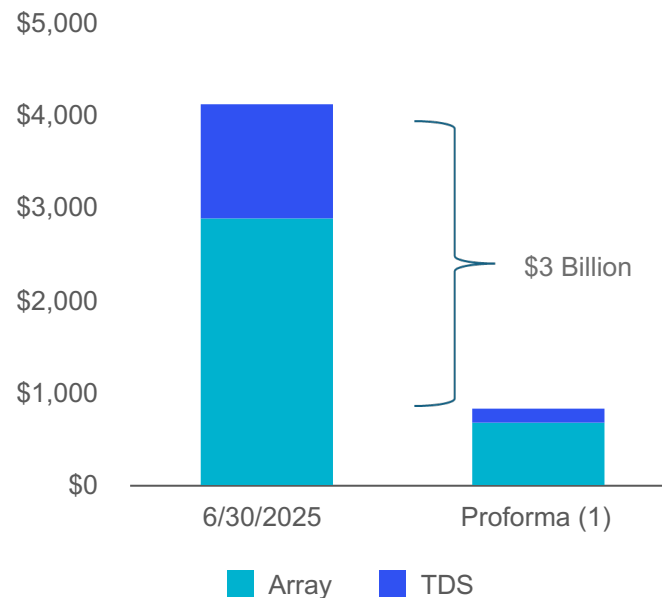
- \$1.7 billion of Array debt exchanged into T-Mobile debt
- TDS to receive \$1.6 billion from Array special dividend

## Positioning TDS for financial flexibility

- Maintain preferreds
- Array expected to have \$700 million debt

S&P upgrade issuer credit rating to BBB-

Significant Debt Reduction  
(\$ in millions)





# Net Proceeds from T-Mobile Transaction



The following table provides a reconciliation between the gross purchase price and net cash available for distribution following the close of the T-Mobile transaction. Certain amounts in the table are estimates:

	Dollars in millions
Gross purchase price <sup>(2)</sup>	\$ 4,400
Contingent purchase price adjustment	(89)
Debt exchange	(1,680)
Cash obligations to employees	(200)
Array cash tax obligation	(275)
Other adjustments, proceeds, and costs, net	____ (38)
Net proceeds from close of T-Mobile transaction	2,118
Repayment of term loans	(863)
Proceeds from new term loan	325
Cash <sup>(1)</sup>	____ 420
Net cash available for distribution <sup>(2)</sup>	\$ 2,000

On August 1, 2025 the Array board of directors approved a special dividend of \$23.00 per Common Share and Series A Common Share. Aggregate amount of the special dividend is \$2.0 billion.

Note: Array expects that when 1099-DIV's are issued for 2025, this special dividend will be largely designated as an ordinary and qualified dividend, subject to the shareholder's holding period requirements. However, it is possible that a portion will be designated as a return of capital. Ultimate determination will depend on several factors including Array's 2025 taxable income, as well as the amount and timing of any additional special dividends issued by Array in 2025.

6 (1) Excess cash - Represents a substantial majority of both cash on hand at the beginning of 2025, and cash generated by Array's business in 2025 through the close date of T-Mobile transaction.  
 (2) Proceeds at closing include \$400 million of funds from the sale of spectrum licenses held by designated entities. Final Array buyout of the equity interest in the designated entities was completed prior to the close of the T-Mobile transaction. As such, those licenses were conveyed to T-Mobile.

# Spectrum sales to AT&T and Verizon <sup>(1)</sup>



	AT&T	Verizon <sup>(2)</sup>
Gross purchase price	\$1.018B	\$1.0B
<p>Cash taxes</p> <p>Array remits its taxes to TDS and is included in the TDS consolidated tax return. At the TDS Consolidated level, the cash tax liability is expected to be less due to additional net operating losses and interest carryforwards that TDS may apply to reduce the taxable gain.</p>	<p>~\$125 M represents the estimated tax liability at the Array level.</p> <p>TDS tax liability is expected to be similar to the Array level.</p>	<p>\$200 M - \$250 M represents the estimated tax liability at the Array level.</p> <p>TDS tax liability is expected to be ~\$50 M less.</p>
Transaction fees and other costs <sup>(3)</sup>	TBD	TBD
Timing	Subject to regulatory approval - Expected close 2H 2025	Subject to regulatory approval - Expected close 3Q 2026

# Opportunisticly monetizing spectrum



Reached agreements to monetize ~70% of Array's total spectrum holdings, measured on a MHz-Pops basis, including the T-Mobile transaction

## Closed

1,969M MHz-Pops (2)

Band	MHz-Pops
600 MHz (1)	594
700 MHz (A Block)	319
AWS	563
PCS	443
2.5 GHz	50
24 GHz (2)	

Included in sale of wireless operations to T-Mobile (Closed August 1, 2025)

## Pending

705M MHz-Pops

Band	MHz-Pops
Cellular	663
AWS	11
PCS	19
700 MHz B/C	2
CBRS	3
C-Band	7

Included in sale to Verizon and two other carriers (Announced October 18, 2024)

1,581M MHz-Pops

Band	MHz-Pops
3.45 GHz	1,250
700 MHz B/C	331

Included in sale to AT&T (Announced November 7, 2024)

## Further Opportunity

1,861M MHz-Pops (2)

Band	MHz-Pops
700 MHz (A Block)	133
AWS	13
CBRS	75
C-Band	1,640
28 GHz (2)	
37/39 GHz (2)	

Retained Spectrum

### Footnotes

- (1) ~39% subject to a put/call agreement.
- (2) Quantification of mmWave MHz-Pops not included in the graph.





## Growing Tower Business

100% U.S.  
4,400 Owned towers

## Non-controlling Investment Interests

Retained non-controlling investment interests generate meaningful income and distributions

\$169 million cash distributions in 2024

## Retained Spectrum

Will look to opportunistically monetize

Principally C-Band

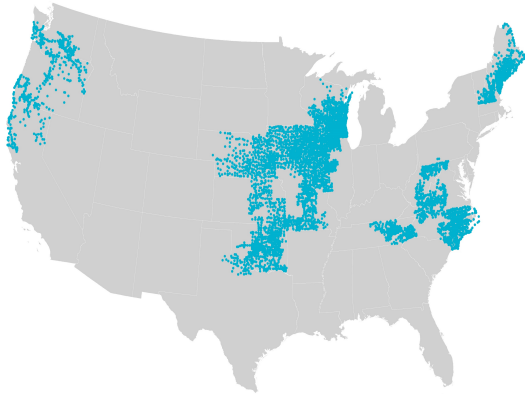
- Close pending spectrum transactions
- Opportunistically monetize remaining spectrum
- Ground lease optimization
- Colocation growth

MLA commenced August 1, 2025

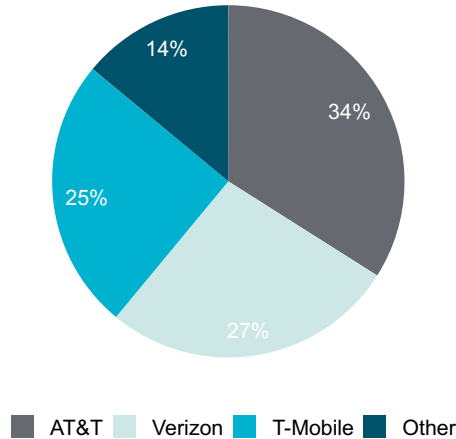
- 15 year initial term on a minimum of 2,015 sites
- Extended license term on 600 existing sites to a new 15-year term
- Provides for interim license for up to 30 months on remaining 1,800 towers to ensure a smooth network transition

# Towers - Q2 2025 operating metrics

## Tower Locations



## 2Q 2025 Third-Party Tower Revenue Distribution



## Tower Metrics

June 30, 2025	
Owned Towers	4,418
Tower Tenancy Rate	1.57
Number of Colocations	2,527

Proforma tenancy rate after sale of wireless operations and implementation of T-Mobile MLA ~1.0 <sup>(1)</sup>

# Towers segment - operating performance



(\$M)	Q2'25	Q2'24	% Change
Third-party revenues	\$ 28	\$ 25	12 %
Intra-company revenues	34	33	3 %
Total tower revenues	62	58	7 %
System operations expense	20	19	6 %
SG&A expenses <sup>(1)</sup>	9	9	(1)%
Total cash expenses <sup>(2)</sup>	29	28	4 %
Adjusted EBITDA <sup>(2)</sup> (Non-GAAP)	34	31	9 %



# Quarterly Highlights



Ken Dixon appointed as new CEO of TDS Telecom



Deployed 27,000 new marketable fiber addresses, on track for 150,000 goal in 2025



Launched E-ACAM construction in multiple states

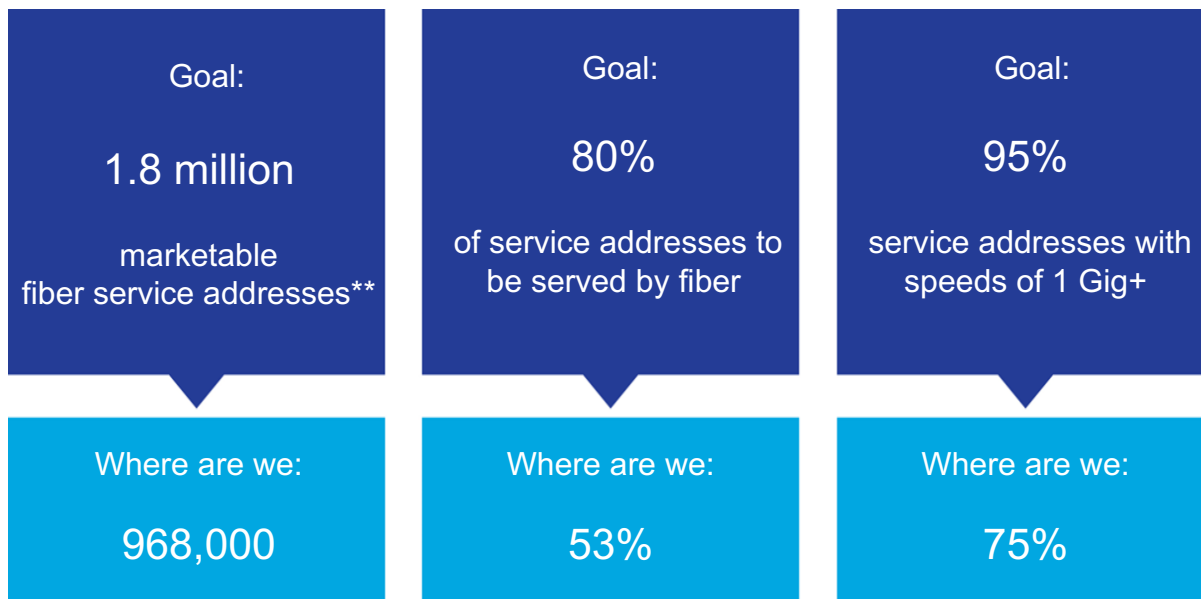


Grew fiber connections; 10,300 net broadband adds from fiber markets

# Progress on long-term fiber program



Deployed 27,000 marketable fiber service addresses in Q2'25

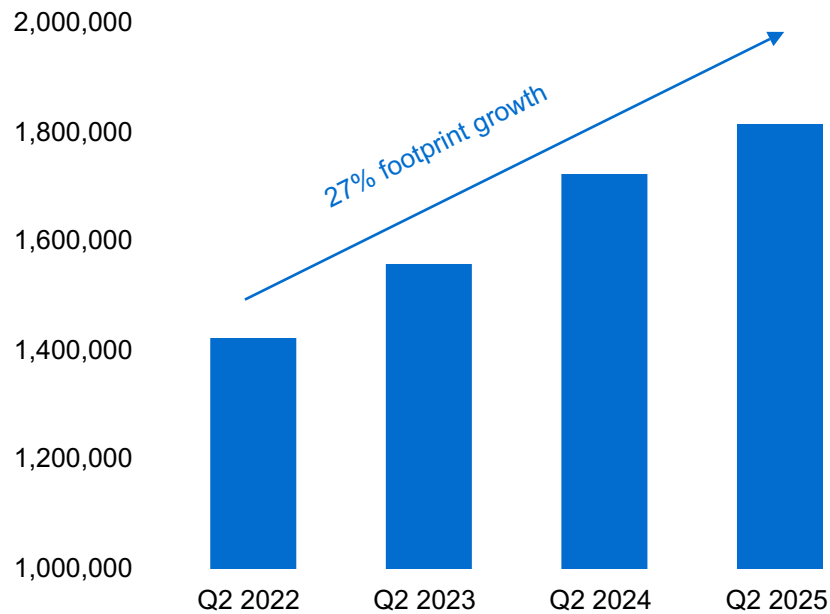




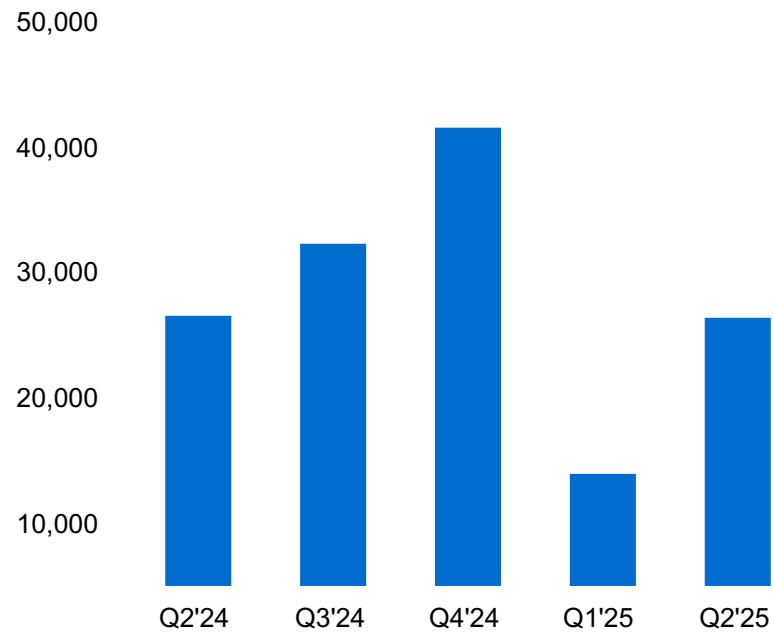
# Fiber drives footprint growth



Total Marketable Service Addresses  
(2022 - 2025)



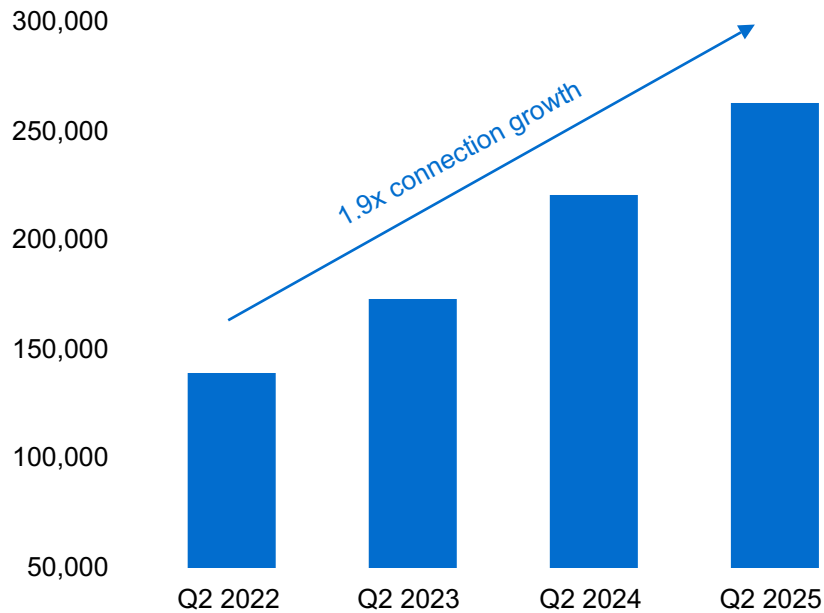
New Marketable Fiber Addresses



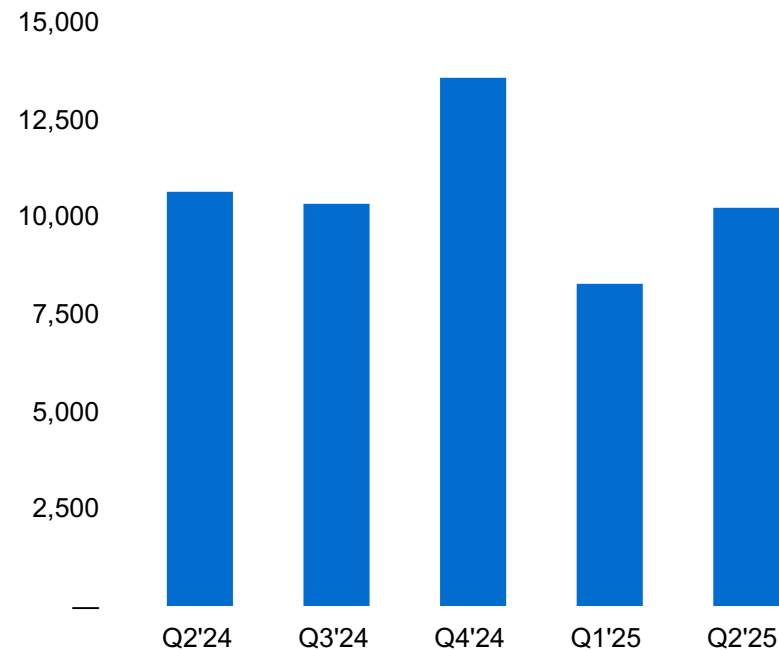
# Fiber drives residential connection growth



Residential Fiber Connections  
(2022 - 2025)



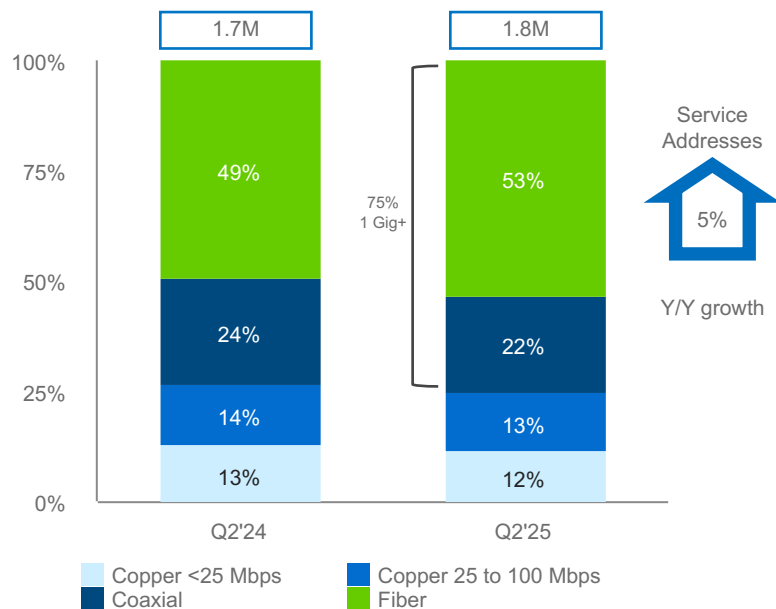
Residential Fiber Net Additions



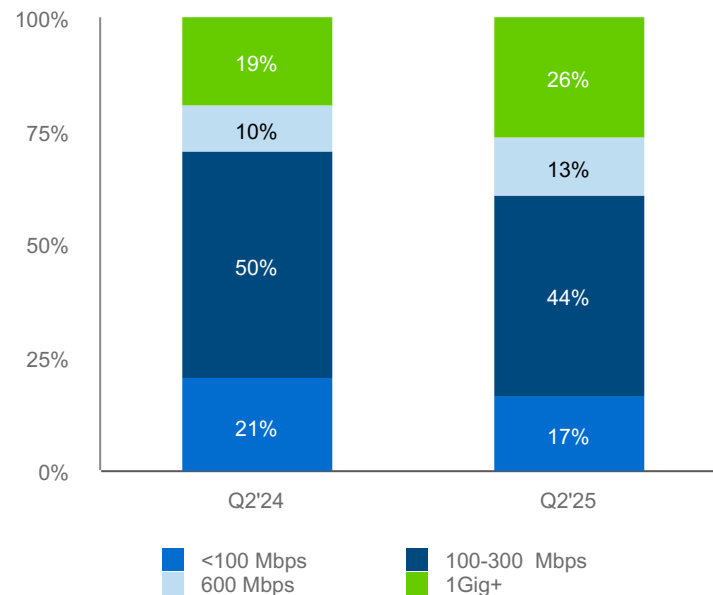
# Growing fiber footprint driving faster speeds



## Total Service Address Mix



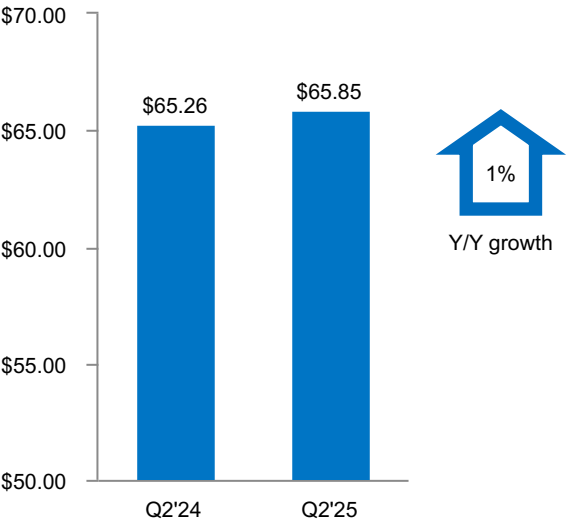
## Residential Broadband Connections by Speed



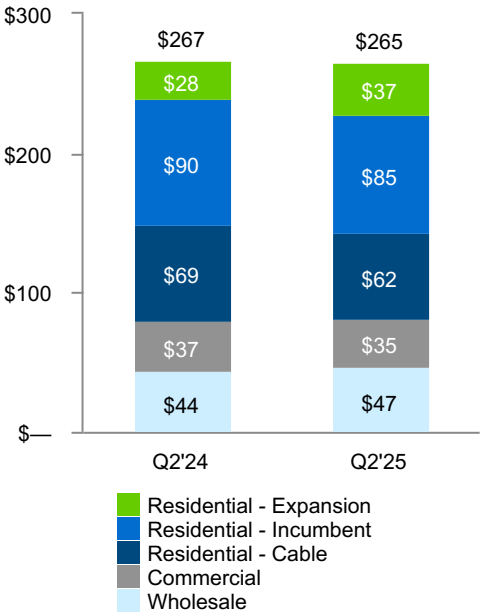
# Quarterly revenue results



## Residential Revenue per Connection



## Operating Revenues (\$M)



*Note: Divested markets accounted for a \$4M decrease year-over-year.*



# TDS Telecom operating performance



(\$M)	Q2'25	Q2'24	% Change
Total operating revenues	\$ 265	\$ 267	(1)%
Cash expenses <sup>(1)</sup>	180	178	1 %
Adjusted EBITDA <sup>(1)</sup> (Non-GAAP)	\$ 89	\$ 91	(3)%
Capital expenditures	\$ 90	\$ 78	16 %

# 2025 TDS Telecom guidance<sup>\*</sup>



(\$M) As of August 11, 2025	<b>2024 Actual</b>	<b>2025 Previous Estimates</b>	<b>2025 Current Estimates</b>
Total operating revenues	\$1,061	\$1,030-\$1,070	\$1,030-\$1,050
Adjusted EBITDA <sup>(1)</sup> (Non-GAAP)	\$350	\$320-\$360	\$320-\$350
Adjusted OIBDA <sup>(1)</sup> (Non-GAAP)	\$340	\$310-\$350	\$310-\$340
Capital expenditures	\$324	\$375-\$425	Unchanged

# Appendix

# Adjusted OIBDA and Adjusted EBITDA Reconciliation

(\$M)

## Net income (GAAP)

Add back:

Income tax expense

## Income before income taxes (GAAP)

Add back:

Interest expense

Depreciation, amortization and accretion expense

## EBITDA <sup>(1)</sup> (Non-GAAP)

Add back or deduct:

Expenses related to strategic alternatives review

(Gain) loss on asset disposals, net

(Gain) loss on sale of business and other exit costs, net

(Gain) loss on license sales and exchanges, net

## Adjusted EBITDA <sup>(1)</sup> (Non-GAAP)

Add back or deduct:

Equity in earnings of unconsolidated entities

Interest and dividend income

Other, net

## Adjusted OIBDA <sup>(1)</sup> (Non-GAAP)

Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
Array	TDS Telecom	TDS*	Array	TDS Telecom	TDS*
\$32	\$16	\$18	\$18	\$18	\$7
4	2	3	14	3	6
\$36	\$18	\$21	\$32	\$21	\$13
45	(1)	70	45	—	73
163	73	236	165	67	233
\$244	\$90	\$327	\$242	\$88	\$319
12	—	16	13	—	21
2	6	9	5	4	9
—	(8)	(8)	—	—	—
(4)	—	(4)	8	—	8
\$254	\$89	\$340	\$268	\$91	\$357
42	—	43	38	—	39
4	2	6	3	1	7
—	2	2	—	1	1
\$208	\$85	\$289	\$227	\$89	\$310

Numbers may not foot due to rounding.

\* The TDS column includes Array, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments.

(1) See final slide for explanation.



# Adjusted OIBDA and Adjusted EBITDA Reconciliation

(\$M)

EBITDA (Non-GAAP) <sup>(1)</sup>

Add back or deduct:

Expenses related to strategic alternatives review

Adjusted EBITDA and Adjusted OIBDA (Non-GAAP) <sup>(1)</sup>

Deduct:

Depreciation, amortization and accretion expense

Expenses related to strategic alternatives review

**Operating income (GAAP)**

Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
<b>Array Towers</b>	<b>Array Towers</b>
\$33	\$30
1	1
<b>\$34</b>	<b>\$31</b>
12	11
1	1
<b>\$21</b>	<b>\$19</b>

(1) See final slide for explanation.

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

In providing 2025 estimated results, TDS has not completed the below reconciliation to net income because it does not provide guidance for income taxes. TDS believes that the impact of income taxes cannot be reasonably predicted; therefore, the company is unable to provide such guidance.

	2025 Estimated Results	Actual Results Year ended December 31, 2024
(\$M)	<b>TDS Telecom</b>	<b>TDS Telecom</b>
<b>Net income (GAAP)</b>	N/A	\$85
Add back:		
Income tax expense	N/A	35
<b>Income before income taxes (GAAP)</b>	<b>\$20-\$50</b>	<b>\$120</b>
Add back:		
Interest expense	—	(5)
Depreciation, amortization and accretion expense	300	271
<b>EBITDA <sup>(1)</sup> (Non-GAAP)</b>	<b>\$320-\$350</b>	<b>\$385</b>
Add back or deduct:		
Loss on impairment of intangible assets	—	1
(Gain) loss on asset disposals, net	—	12
(Gain) loss on sale of business and other exit costs, net	—	(49)
<b>Adjusted EBITDA <sup>(1)</sup> (Non-GAAP)</b>	<b>\$320-\$350</b>	<b>\$350</b>
Deduct:		
Interest and dividend income	5	5
Other, net	5	4
<b>Adjusted OIBDA <sup>(1)</sup> (Non-GAAP)</b>	<b>\$310-\$340</b>	<b>\$340</b>

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 Array SEC Forms 8-K, less depreciation, amortization and accretion and gain/losses.

## **EBITDA, Adjusted EBITDA and Adjusted OIBDA**

EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliations on slides 24 through 26. EBITDA, Adjusted EBITDA and Adjusted OIBDA are not measures of financial performance under Generally Accepted Accounting Principles in the United States (GAAP) and should not be considered as alternatives to Net income or Cash flows from operating activities, as indicators of cash flows or as measures of liquidity. TDS and Array do not intend to imply that any such items set forth in the reconciliations on slides 24 through 26 are infrequent or unusual; such items may occur in the future. Management uses Adjusted EBITDA and Adjusted OIBDA as measurements of profitability, and therefore reconciliations to Net income are deemed appropriate. Management believes Adjusted EBITDA and Adjusted OIBDA are useful measures of TDS' and Array'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 Array'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 Array while Adjusted OIBDA reduces this measure further to exclude Equity in earnings of unconsolidated entities and Interest and dividend income in order to more effectively show the performance of operating activities excluding investment activities. The tables on slide 24 through 26 reconcile EBITDA, Adjusted EBITDA and Adjusted OIBDA flow to the corresponding GAAP measure, Net income or Income before income taxes. Income and expense items below Operating income are not provided at the individual segment level for Array Wireless and Array Towers; therefore, the reconciliations begin with EBITDA and the most directly comparable GAAP measure is Operating income rather than Net Income at the segment level. Additional information and reconciliations related to Non-GAAP financial measures for June 30, 2025, can be found on TDS' and Array's websites at [investors.tdsinc.com](http://investors.tdsinc.com) and [investors.arrayinc.com](http://investors.arrayinc.com).