

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 31, 2014

Shenandoah Telecommunications Company

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of incorporation)

0-9881
(Commission File Number)

54-1162807
(IRS Employer Identification No.)

500 Shentel Way
P.O. Box 459
Edinburg, VA
(Address of principal executive offices)

22824
(Zip Code)

Registrant's telephone number, including area code: (540) 984-4141

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2-(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 7.01 Regulation FD Disclosure.

The following information is furnished pursuant to Regulation FD: On October 31, 2014, Shenandoah Telecommunications Company held its third quarter 2014 earnings release conference call. The materials attached hereto as Exhibit 99.1 were utilized during the conference call. These materials are also available on the Company's website.

These materials may contain forward-looking statements about Shenandoah Telecommunications regarding, among other things, our business strategy, our prospects and our financial position. These statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "expects," "intends," "may," "will," "should," "could," or "anticipates" or the negative or other variation of these or similar words, or by discussions of strategy or risks and uncertainties. Shenandoah Telecommunications undertakes no obligation to revise or update such statements to reflect current events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

The following exhibit is furnished with this Current Report on Form 8-K.

99.1 Third Quarter 2014 Earnings Release Conference Call Slides

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Registrant)

October 31, 2014

/s/ Adele M. Skolits

Adele M. Skolits
Vice President - Finance and
Chief Financial Officer
(Duly Authorized Officer)

Exhibit 99.1



SHENTEL[®]

Always connected to you

**3Q 2014
Earnings Conference Call**

October 31, 2014

Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our business strategy, our prospects and our financial position. These statements can be identified by the use of forward-looking terminology such as “believes,” “estimates,” “expects,” “intends,” “may,” “will,” “should,” “could,” or “anticipates” or the negative or other variation of these similar words, or by discussions of strategy or risks and uncertainties. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. Important factors that could cause actual results to differ materially from such forward-looking statements include, without limitation, risks related to the following:

- Increasing competition in the communications industry; and
- A complex and uncertain regulatory environment.

A further list and description of these risks, uncertainties and other factors can be found in the Company’s SEC filings which are available online at www.sec.gov, www.shentel.com or on request from the Company. The Company does not undertake to update any forward-looking statements as a result of new information or future events or developments.

Use of Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, capital and financing costs and may differ from comparable information provided by other companies, and they should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with US generally accepted accounting principles. These financial performance measures are commonly used in the industry and are presented because Shentel believes they provide relevant and useful information to investors. Shentel utilizes these financial performance measures to assess its ability to meet future capital expenditure and working capital requirements, to incur indebtedness if necessary, return investment to shareholders and to fund continued growth. Shentel also uses these financial performance measures to evaluate the performance of its businesses and for budget planning purposes.



Chris French

President and CEO

Q3'14 Highlights

■ Net Income Growth

- Increased 19.1% over Q3'13 to \$8.0 million
- Adjusted OIBDA increased 15.9% to \$33.3 million

■ Revenue Growth

- Revenue grew 6.1% over Q3'13 to \$82.3 million

■ Customer Growth

	<u>9/30/13</u>	<u>9/30/14</u>	<u>Change</u>
Wireless	400,336	423,102	+22,766
Cable (RGUs)	112,307	120,466	+8,159

Wireless Highlights

❑ Postpaid Growth

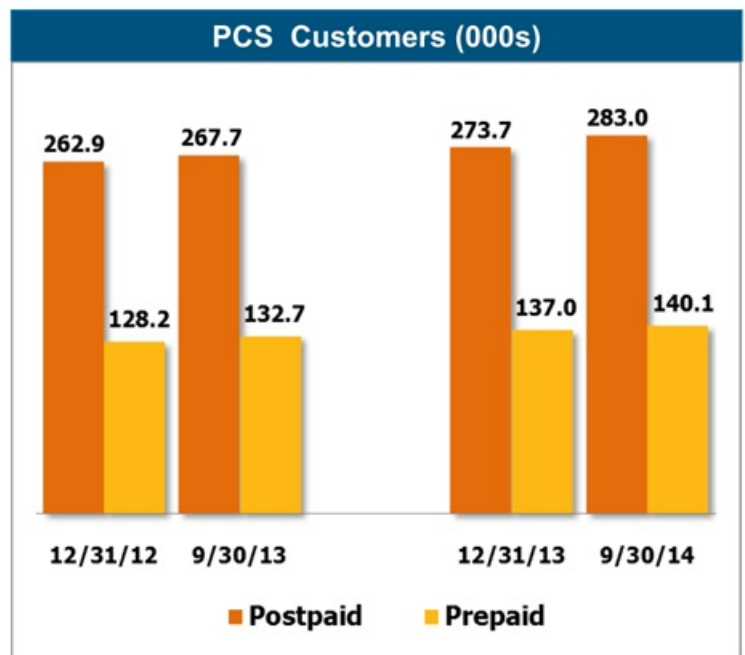
Postpaid customers up 5.7% over last 12 months

❑ Prepaid Growth

Prepaid customers up 5.6% over last 12 months

❑ Operating Income Increase

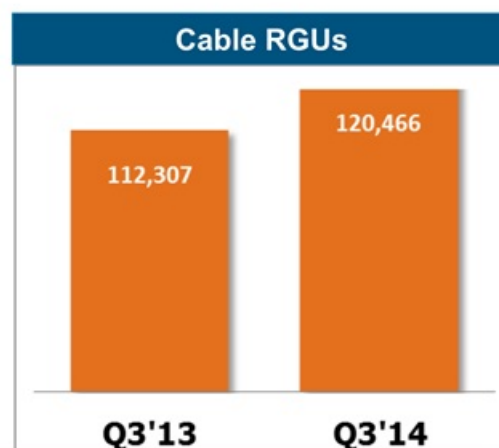
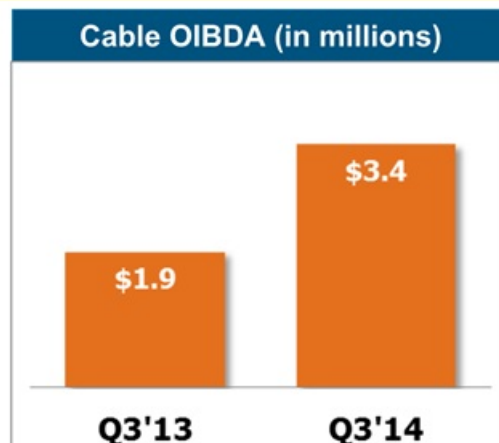
Improvement of \$0.9 million, or 5.1%



Cable Highlights

■ Revenue Growth

- Operating revenues \$21.0 million, growth of 9.7% over Q3'13
- Q3'14 Adjusted OIBDA \$3.4 million, up 75.2% from Q3'13
- 120,466 RGUs at 9/30/2014, up 7.3% over Q3'13



Other Highlights

- Fiber Lease revenues \$8.1 million, up 15.7% from Q3'13
- New external fiber lease contracts have more than doubled
- Towers generated \$1.7 million of OIBDA, up 21.5% over Q3'14

Fiber Lease Revenue (in millions)

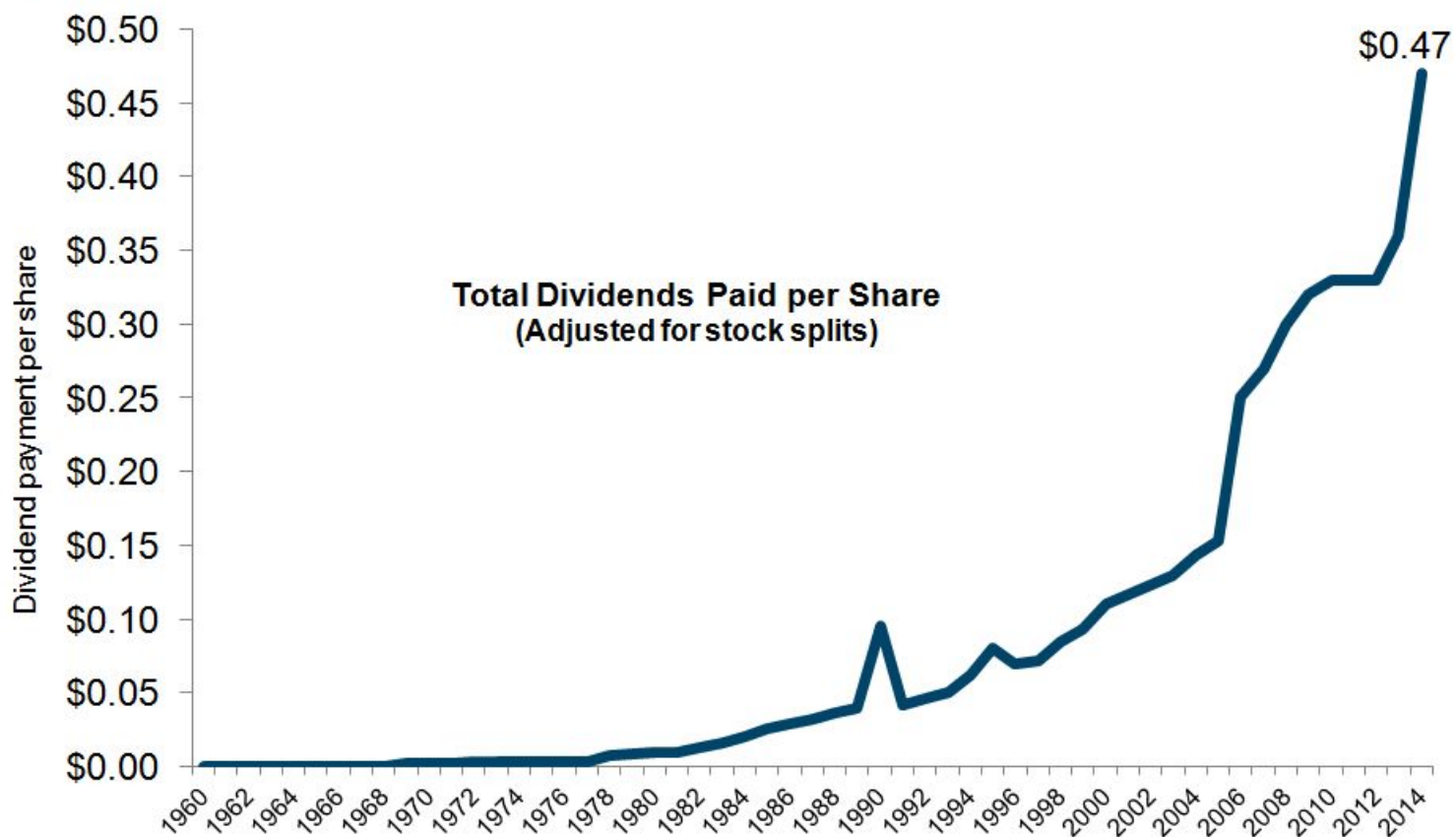


Mobile Tower OIBDA (\$ thousands)

	Q3'13	Q3'14
Operating Income	\$1,070 *	\$1,380
Depreciation and Amortization	386	391
Share Based Compensation	6	5
Adjusted OIBDA	\$1,462	\$1,776

* The lower operating income in Q3'13 primarily resulted from a \$0.3 million adjustment to reduce straight-line rent accruals at a small number of sites related to termination of Sprint's iDEN leases.

Annual Dividend Paid Every Year Since 1960





Adele Skolits

VP of Finance and CFO

Profitability

Consolidated Results
(\$ in thousands, except per share amounts)

	<u>For the Quarter Ended:</u>		
	9/30/13	9/30/14	Change
Operating Income	\$ 13,262	\$ 14,144	6.7%
Net Income	\$ 6,717	\$ 8,003	19.1%
Earnings Per Share:			
Basic	\$ 0.28	\$ 0.33	17.9%
Diluted	\$ 0.28	\$ 0.33	17.9%

Profitability

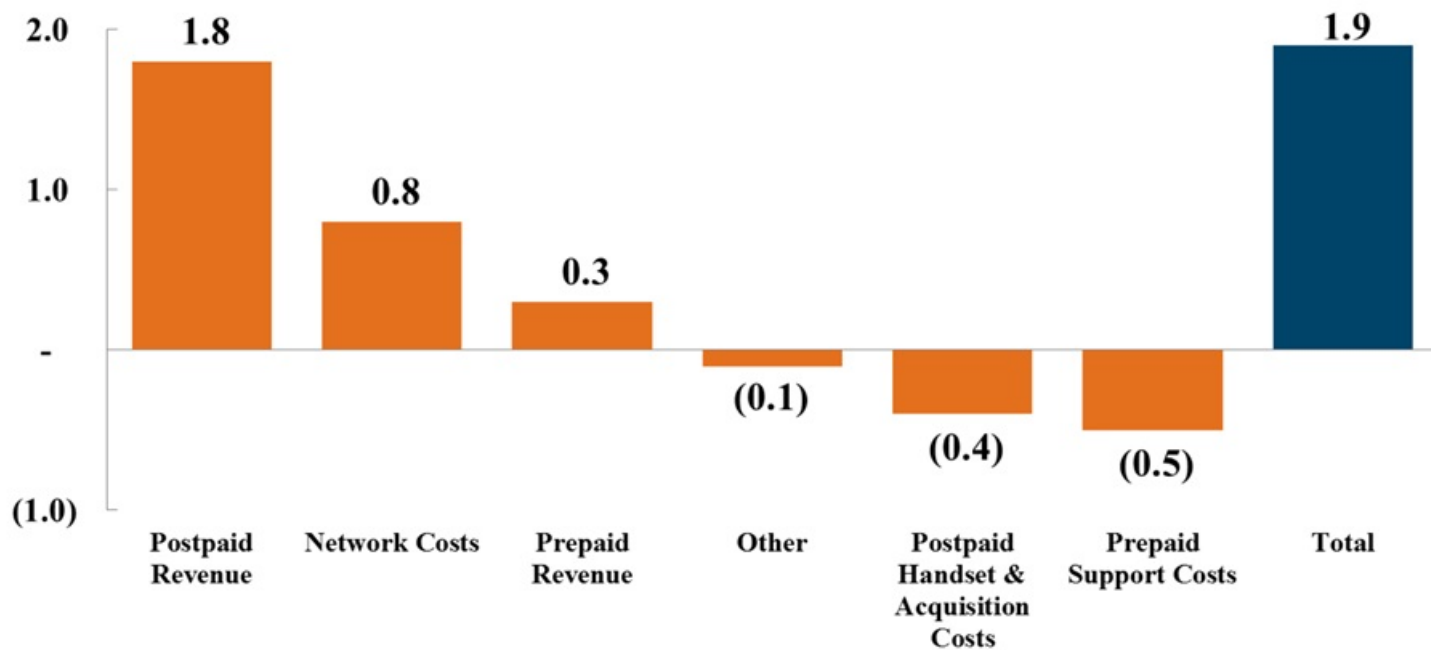
Adjusted OIBDA (\$ thousands)

	For the Quarter Ended:		
	9/30/13	9/30/14	Change
Operating Income	13,262	14,144	882
Depreciation and Amortization	14,992	16,731	1,739
Share Based Compensation	431	325	(106)
(Gain)/Loss on Asset Sales/Disposals	18	2,053	2,035
Adjusted OIBDA	28,703	33,253	4,550

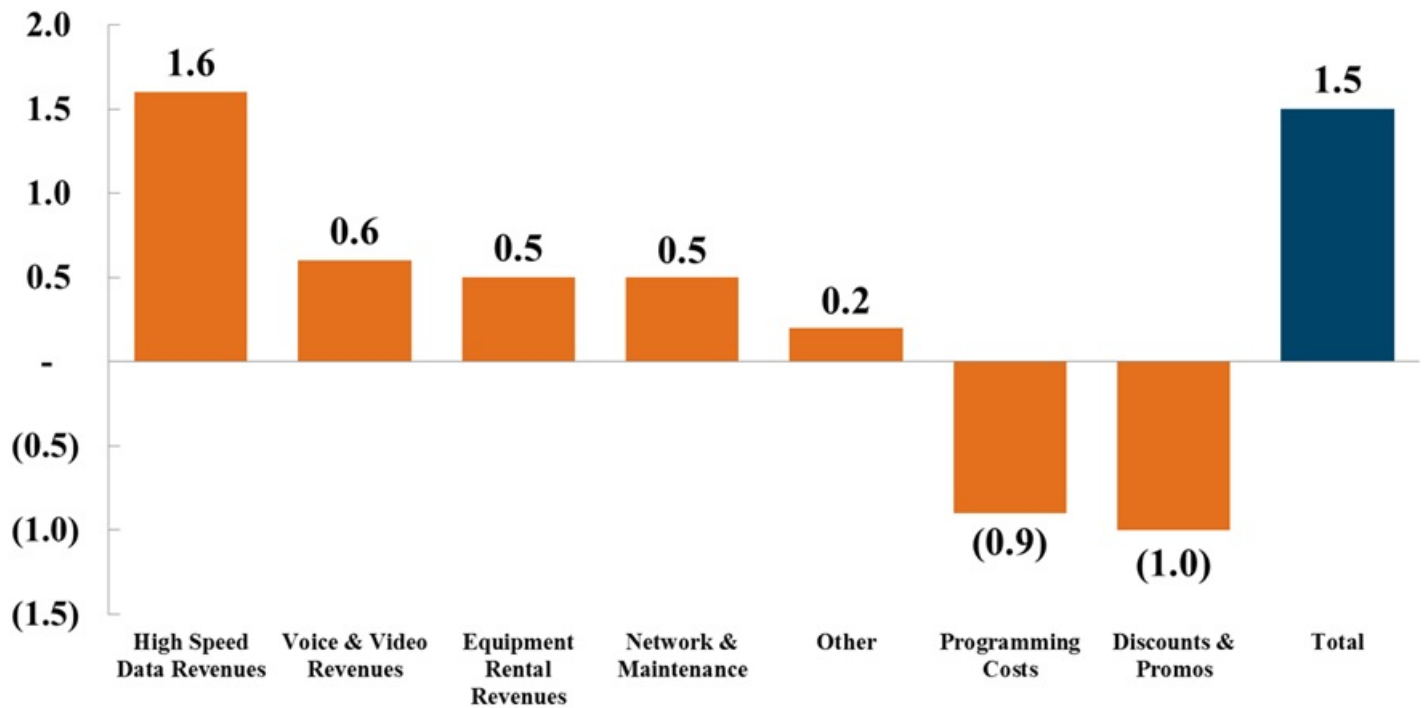
Adjusted OIBDA by Segment (\$ millions)

	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q3'13</u>	<u>Q3'14</u>	<u>Q3'13</u>	<u>Q3'14</u>	<u>Q3'13</u>	<u>Q3'14</u>
Operating Income	\$ 16.5	\$ 17.3	\$ (3.5)	\$ (4.1)	\$ 3.5	\$ 4.4
Depreciation and amortization	6.8	7.9	5.3	5.9	2.9	2.9
Plus (gain) loss on asset sales	-	-	(0.1)	1.5	-	0.5
Share based compensation	0.1	0.1	0.2	0.1	0.1	0.1
Adjusted OIBDA	\$23.4	\$25.3	\$ 1.9	\$ 3.4	\$6.5	\$ 7.9
Percent Change		8%		75%		21%

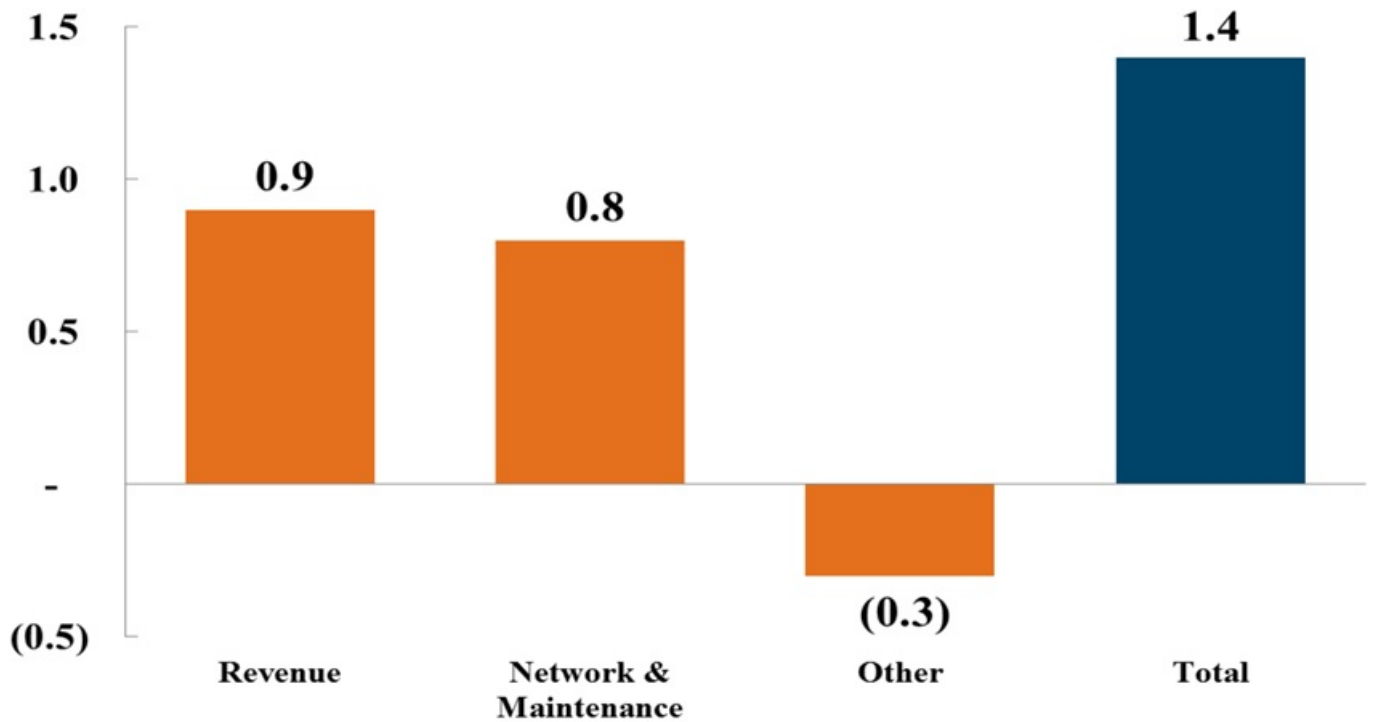
Wireless Segment – Change in Adjusted OIBDA Q3'14 vs. Q3'13 (\$ millions)



Cable Segment – Change in Adjusted OIBDA Q3'14 vs. Q3'13 (\$ millions)



Wireline Segment – Change in Adjusted OIBDA Q3'14 vs. Q3'13 (\$ millions)





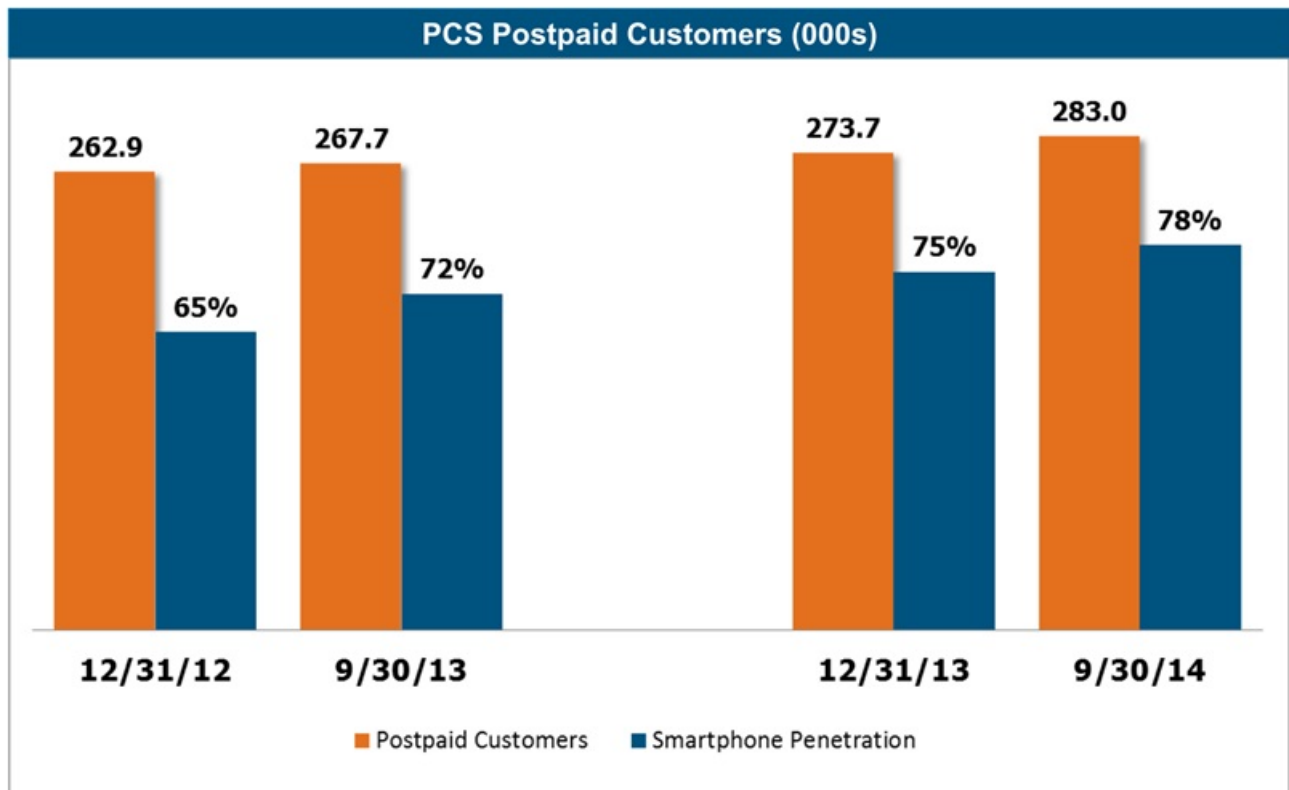
Earle MacKenzie

EVP and COO

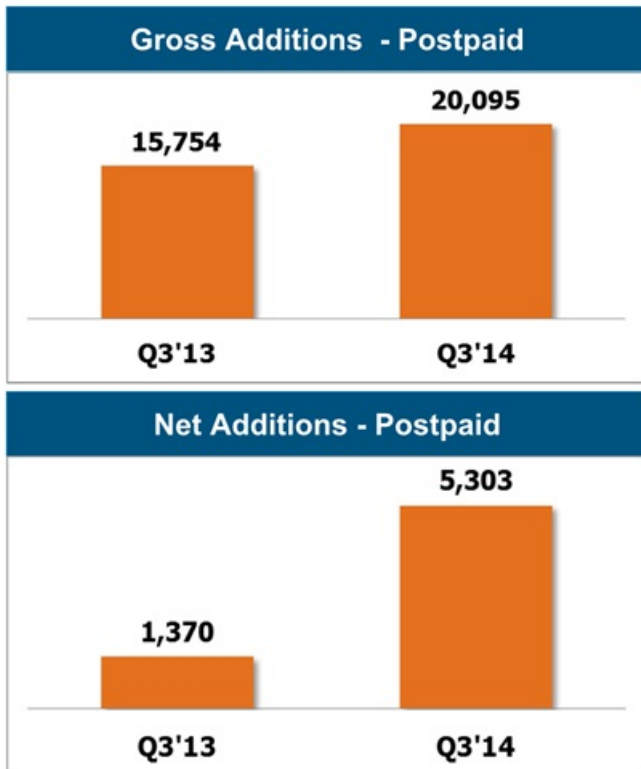


Wireless Segment

Postpaid Customer Growth



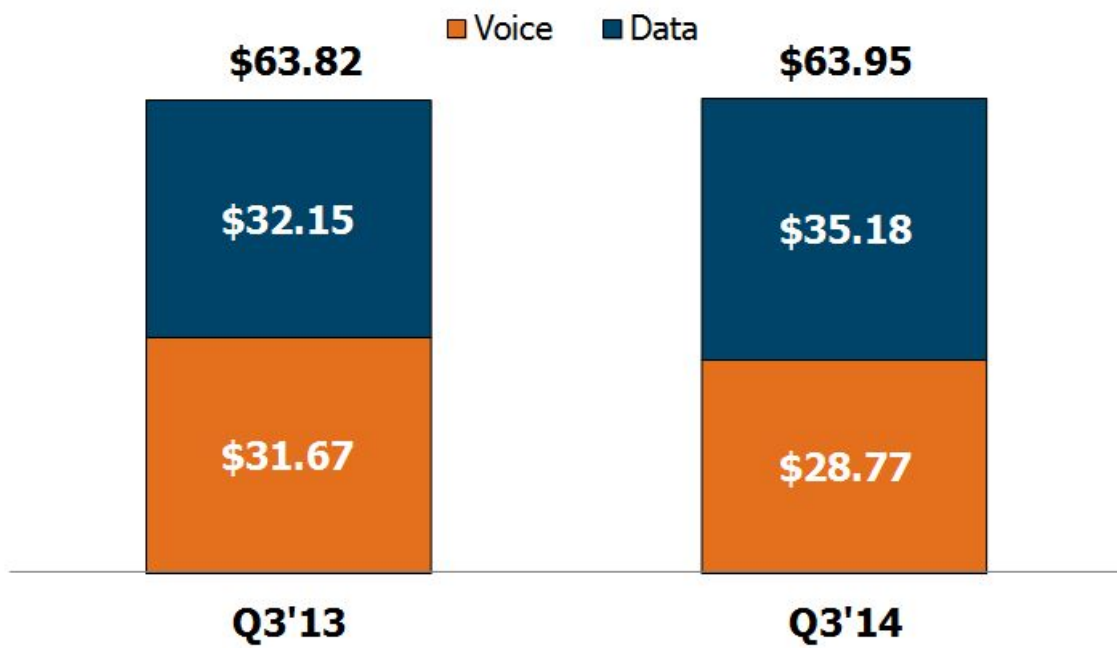
Postpaid Customer Additions



- Net adds of 5,303 in Q3 2014 versus 1,370 in Q3 2013
- Q3 2014 churn of 1.76% down from 1.80% in Q3 2013
- Shentel-controlled channels produced 49% of gross adds in Q3 2014 and 55% in Q3 2013

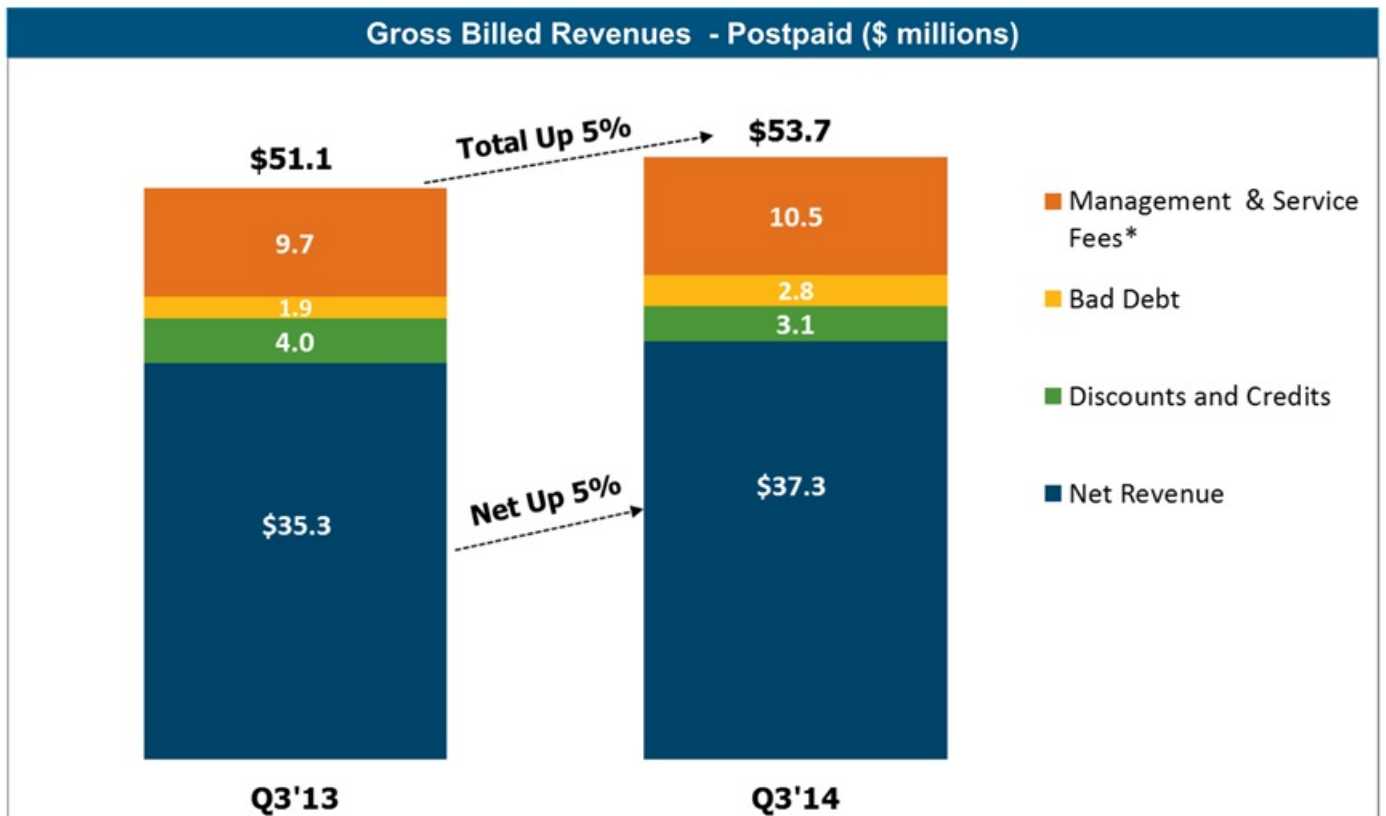
Total Revenue per Customer Up; Data Usage Increasing

Gross Billed Revenue per Postpaid User – Data & Voice ¹



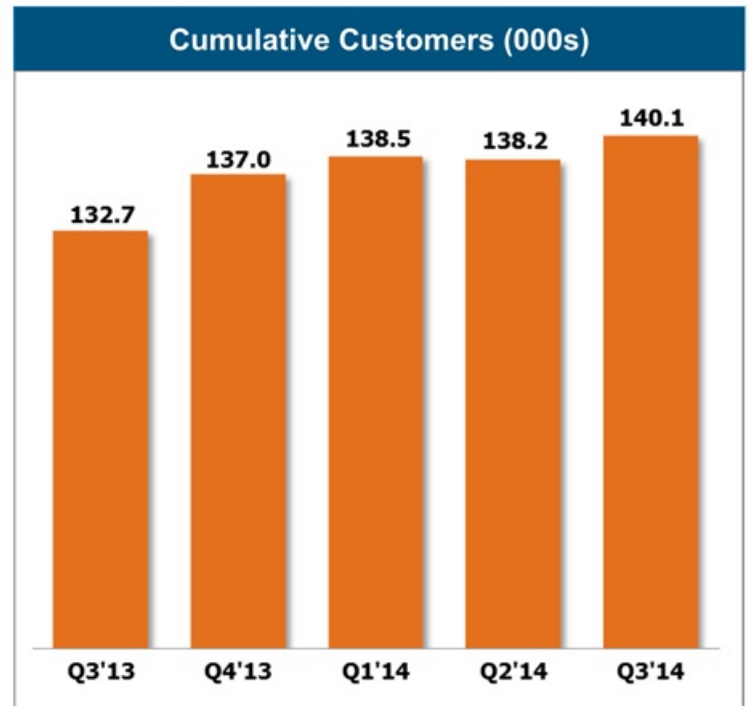
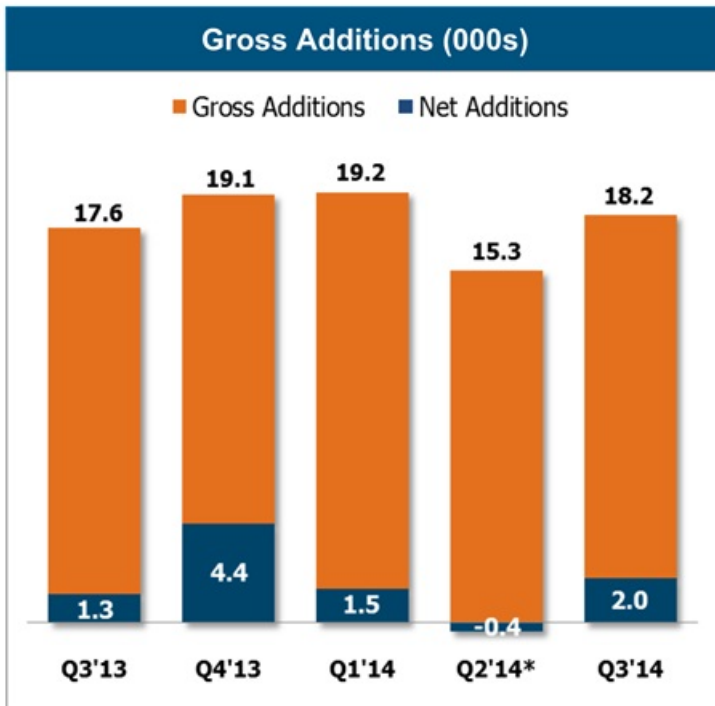
¹ – Before Service credits, bad debt, Sprint Nextel fees.

PCS Revenues



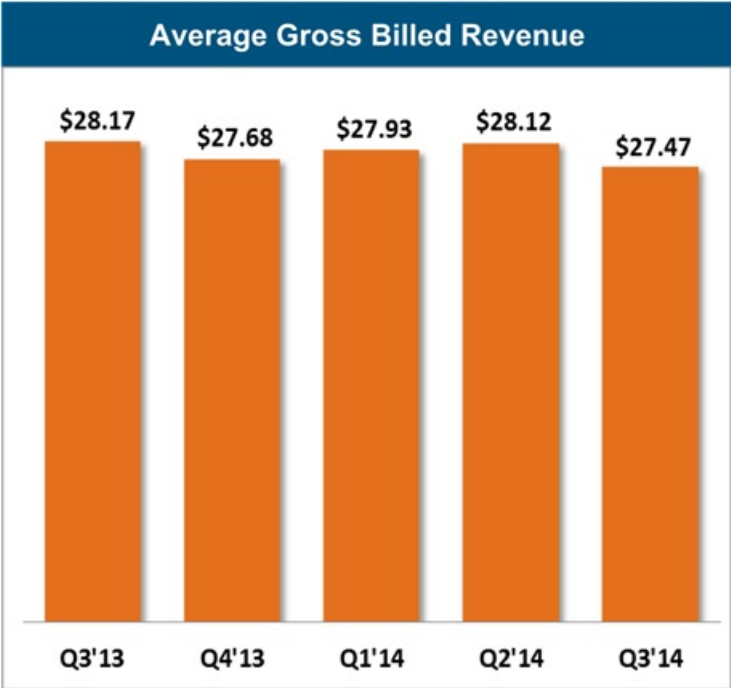
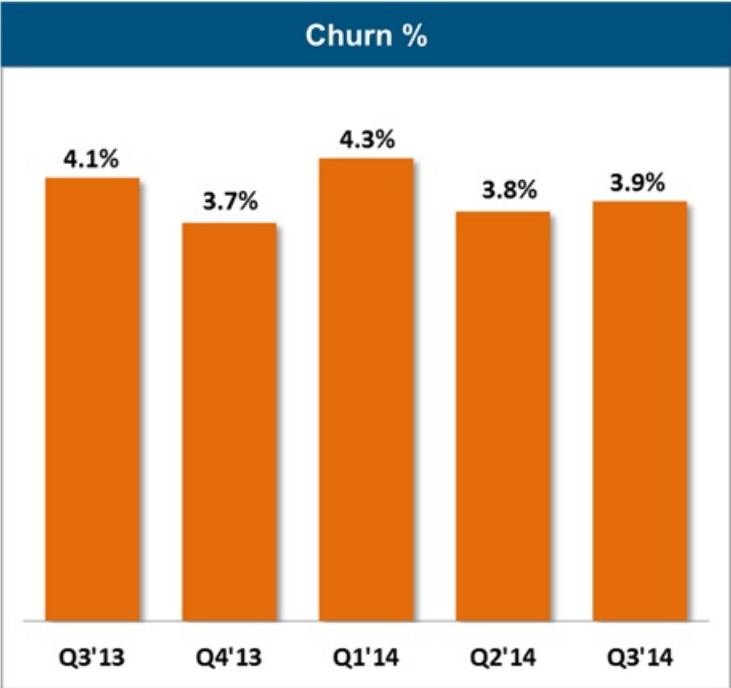
*Net service fee increased from 12% to 14% effective 8/1/2013

PCS Prepaid Statistics



*The loss of customers in Q2'13 and Q2'14 related to more stringent governmental requirements for customers renewing their eligibility for the government subsidized Assurance program.

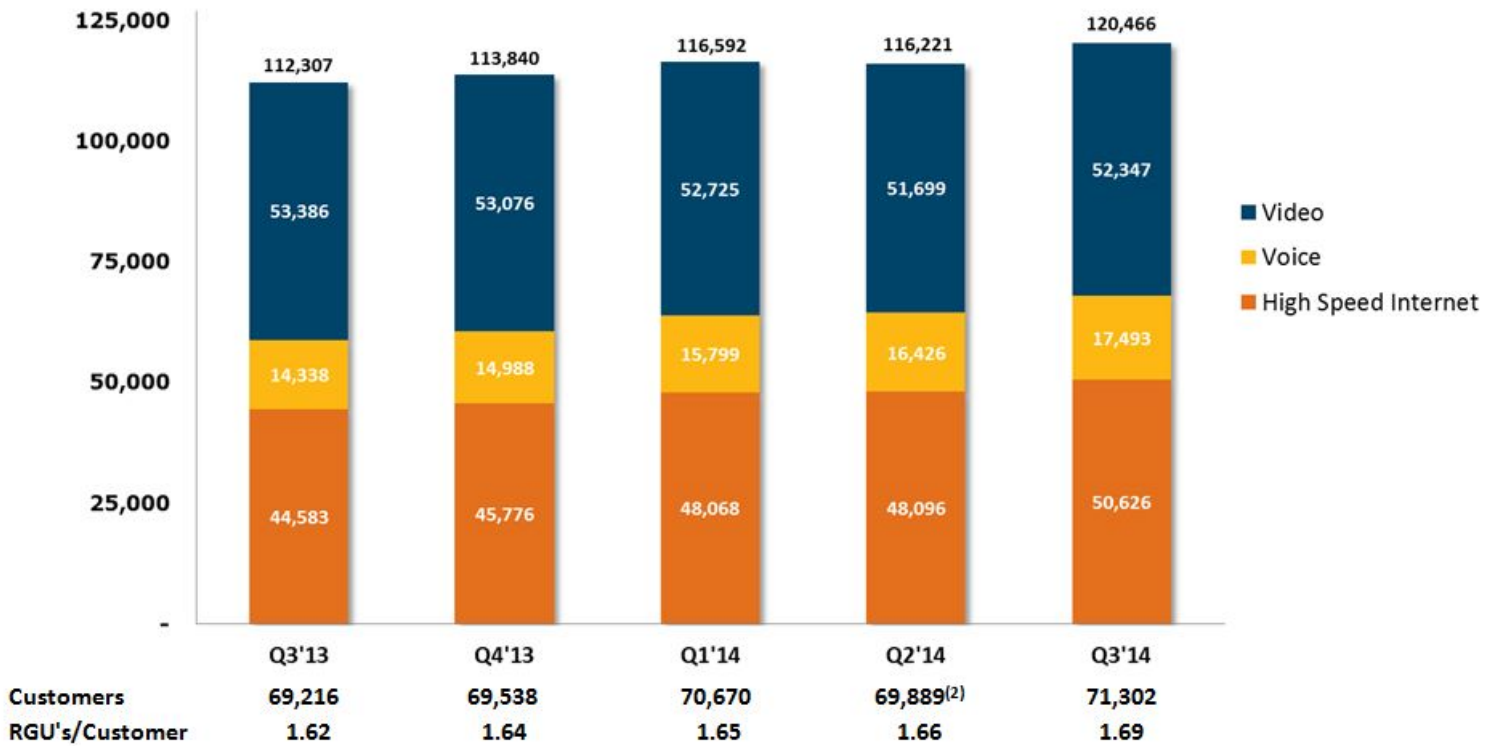
PCS Prepaid Statistics





Cable Segment

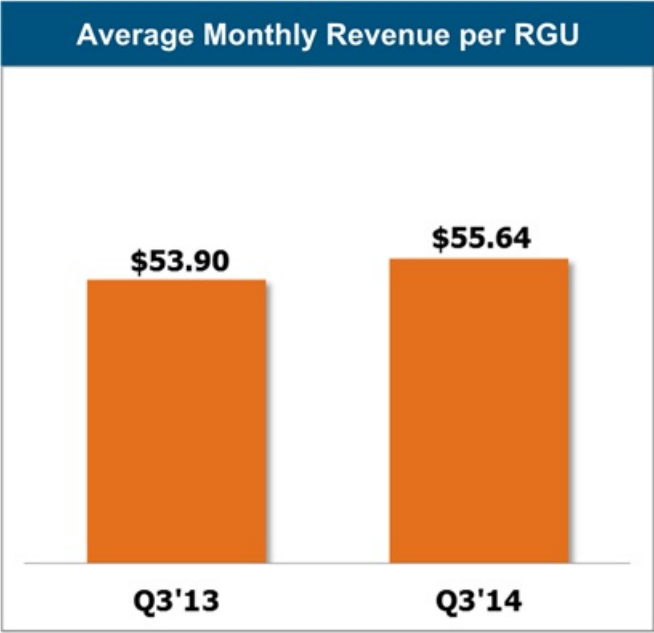
Cable - RGU Growth by Quarter



1. Prior periods revised to reflect transfer of Shenandoah County, VA video activities to Wireline
2. College students disconnect during summer



Increasing Average Monthly Cable Revenue



*Average monthly revenue per video subscriber was \$111.96 and \$126.64 for Q3 2013 and Q3 2014, respectively.

Key Operational Results – Cable*

	Q3 2013	Q3 2014
Homes Passed	168,746	171,382
Total Revenue Generating Units	112,307	120,466
Customer Relationships	69,216	71,302
RGUs per Customer Relationship	1.62	1.69
Video		
Revenue generating units	53,386	52,347
Penetration	31.6%	30.5%
Digital video penetration	48.7%	64.8%
High-speed Internet		
Available Homes	166,898	170,728
Revenue generating units	44,583	50,626
Penetration	26.7%	29.7%
Voice		
Available Homes	161,932	167,991
Revenue generating units	14,338	17,493
Penetration	8.9%	10.4%

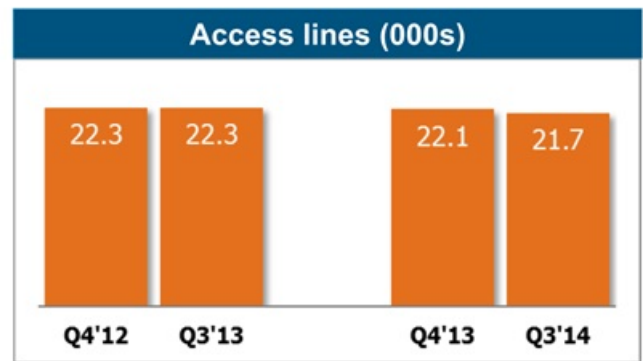
*Excludes cable operations in Shenandoah County, VA which are included in the Wireline segment.



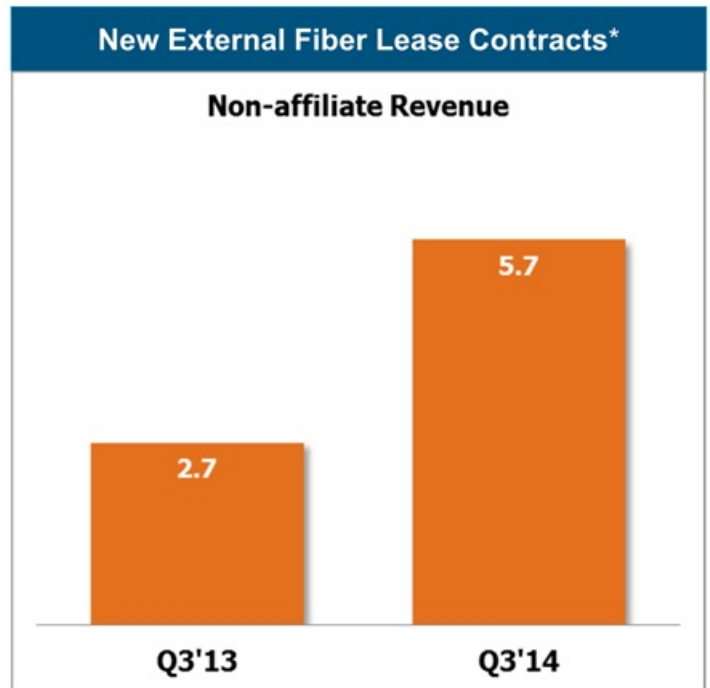
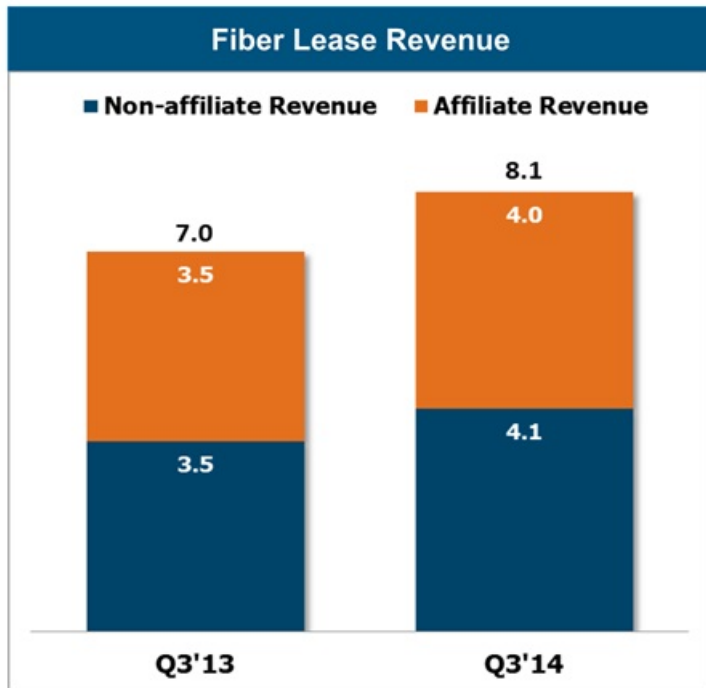
Wireline Segment

Key Operational Results - Wireline

- Access line loss of 2.3% in past 12 months
- Broadband penetration in LEC area at 58.4%
- Total connections at 9/30/14 of 34.4 thousand
- 5,787 video subscribers at 9/30/14

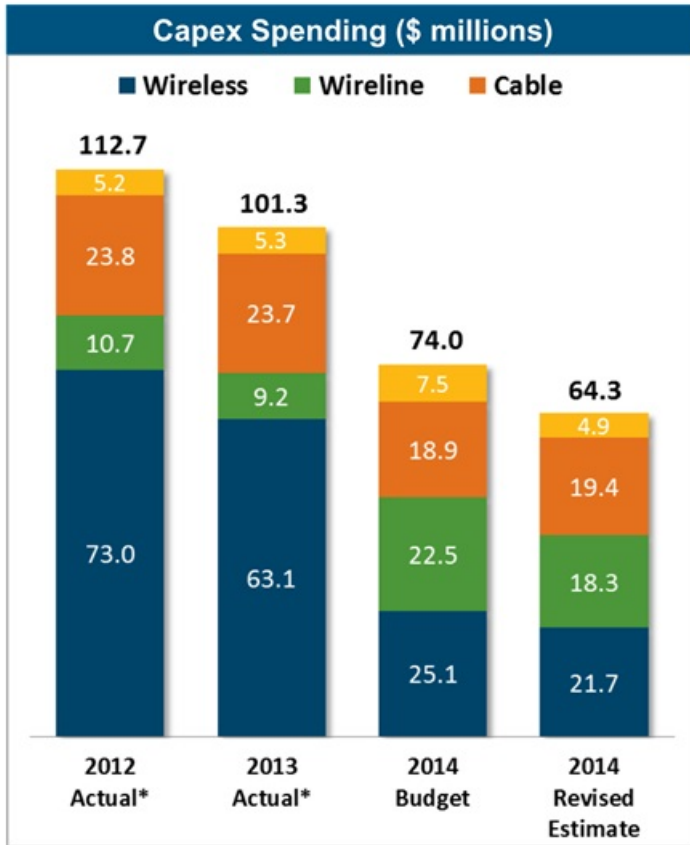


Wireline Statistics – Fiber Sales (\$ millions)



* Amounts shown represent the total contract value. Contract Terms range from 36 to 120 months. Revenues may be booked either in the Wireline or Cable segment depending on which assets are used to provide the service.

Investing in the Future



- **2014 Capex Budget:**

- 24% Maintenance
- 24% Capacity
- 30% Network Expansion
- 22% Success-Based

- **2014 Revised Estimate:**

- Cable slightly over budget due to set-top boxes
- Variances on Wireless and Wireline are a mix of projects under budget and projects delayed until FY'15

* Accounts payable at December 31, 2013 and 2012 included \$7.6 million and \$24.7 million associated with PCS Network Vision capital expenditures.

Q&A

Appendix

Non-GAAP Financial Measures – Billed Revenue per Postpaid & Prepaid Subscriber

Dollars in thousands (except subscribers and revenue per subscriber)

	<u>3Q 2013</u>	<u>3Q 2014</u>
Gross billed revenue		
Wireless segment total operating revenues	\$ 49,578	\$ 52,195
Equipment revenue	(1,257)	(1,573)
Tower lease revenue	(2,611)	(2,545)
Gross billed revenue – prepaid *	(11,155)	(11,418)
Prepaid service fee	695	679
Other revenue	228	(64)
Wireless service revenue – postpaid	<u>35,478</u>	<u>37,274</u>
Service credits	3,987	3,030
Write-offs	1,952	2,832
Management fee	3,624	3,826
Service fee	6,048	6,696
Gross billed revenue – postpaid ^	<u>\$ 51,089</u>	<u>\$ 53,658</u>
Average Postpaid subscribers ^	266,843	279,686
Billed revenue per Postpaid subscriber ^	\$ 63.82	\$ 63.95
Average Prepaid subscribers *	131,993	138,576
Billed revenue per Prepaid subscriber *	\$ 28.17	\$ 27.47

Calculation: Gross billed revenue / Average subscribers / 3 months

Postpaid PCS Customers Top Picks Q3 2014

■ **Top Service Plans** – 77% of Gross Adds

Unlimited, My Way	32%
20GB Share Pack	15%
3G/4G Tablet 1GB	12%
Sprint Framily	11%
Everything Data 1500	7%

■ **Top Devices** – New Activations – All Channels

iPhone	36%
Samsung Galaxy S	19%
Samsung Galaxy Tablet	19%

Smartphones made up 78% of the Postpaid base in Q3'14, up from 77% in Q2'14 and 72% in Q2'13.

iPhone Statistics – Q3'14

- 36% of Q3 Gross Adds
- 43% of iPhones were sold or upgraded in Shentel-controlled channels
- 33.2% of 9/30/14 Postpaid customers had the iPhone, up from 31.6% at 6/30/14
- iPhone Base – 9/30/14
 - 54% iPhone 5, 5C & 5S
 - 42% iPhone 4 & 4S
 - 4% iPhone 6, 6 Plus

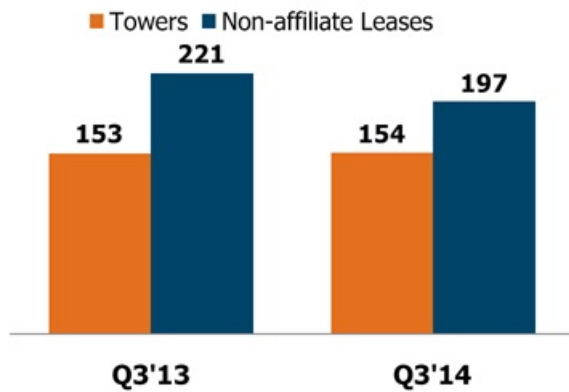
Non-GAAP Financial Measure – Average Monthly Cable Revenue

Dollars in thousands (except subscribers and revenue per user)

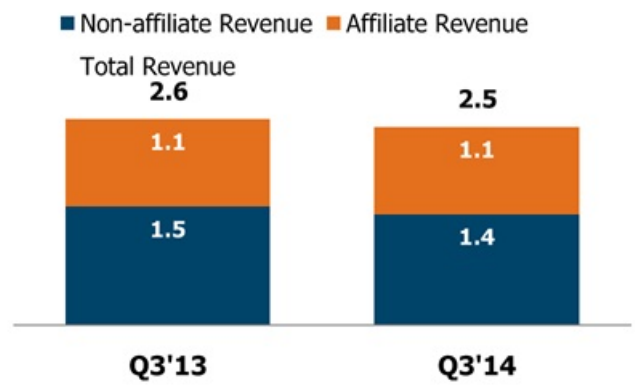
	Q3 2013	Q3 2014
Net Service Revenue	\$ 16,415	\$ 17,603
Set-top box rentals	1,212	1,772
FUSC and pass-through fees	280	346
Video, Internet & Voice Revenue	17,907	19,721
Other miscellaneous revenue	1,233	1,283
Total Operating Revenue	19,140	21,004
Video revenue	11,085	11,482
Internet revenue	5,487	6,686
Voice revenue	1,335	1,553
Video, Internet & Voice Revenue	\$ 17,907	\$ 19,721
<u>Average Subscribers</u>		
Video	53,316	51,909
Internet	43,485	49,336
Voice	13,934	16,912
Revenue Generating Units (RGUs)	110,735	118,157
Average Customer Relationships	68,665	70,481
<u>Average Revenue Per User (ARPU)</u>		
Revenue Generating Units (RGUs)	\$ 53.90	\$ 55.64
Customer Relationships	86.93	93.27
Video	111.96	126.64

Key Operational Results – Mobile Company

Towers and Leases



Mobile Tower Revenue (\$ millions)



(in thousands)

Operating Income

Depreciation and

Amortization

Share Based Compensation

Adjusted OIBDA

Q3'13 **Q3'14**

\$1,070 * \$1,380

386 391

6 5

\$1,462 \$1,776

* The lower operating income in Q3'13 primarily resulted from a \$0.3 million adjustment to reduce straight-line rent accruals at a small number of sites related to termination of Sprint's iDEN leases.