



**Q4 2020**  
**Earnings Conference Call**  
February 25, 2021

# 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 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
- ❑ Interruption in or other adverse change to Sprint's business, liquidity or financial conditions; and
- ❑ Our ability to execute a definitive asset purchase agreement, secure required regulatory approvals, close the sale of our discontinued Wireless operations to T-Mobile and pay a special dividend to our shareholders; and
- ❑ Natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as COVID-19;

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](http://www.sec.gov), [www.shentel.com](http://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.

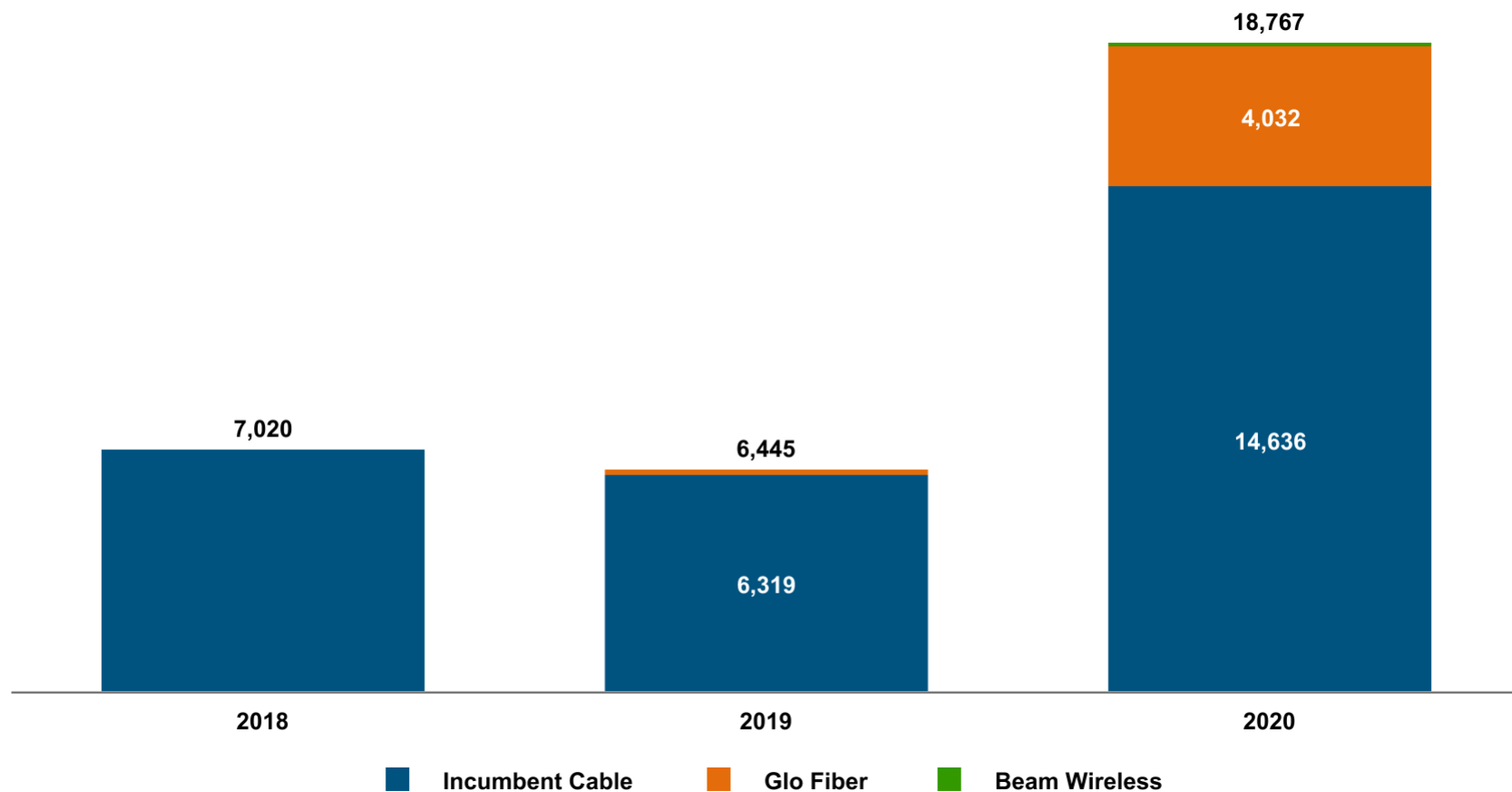


# Chris French

President and CEO












# Record Broadband Results

Broadband Data Net Additions



## TARGET MARKET DYNAMIC

## SHENTEL OFFERING AND KPIs

			
<b>POSITION</b> 	Incumbent	Greenfield fiber overbuilder	Greenfield fixed wireless broadband overbuilder
<b>MARKET TYPE</b> 	Various, but mostly rural	Higher density tier III / IV markets	Low density rural
<b>2020/2026 TARGET HOMES PASSED</b> 	209,000 / 215,000	29,000 / 300,000	9,000 / 215,000
<b>COMPETITION</b> 	>95% low-speed Telco DSL or no competition	Incumbent cable operator and low-speed DSL telco operator; no fiber competition	1 or fewer competitors offering 25Mbps speeds
<b>PRIMARY NETWORK TECHNOLOGY</b> 	DOCSIS 3.1 HFC network	XGS-PON FTTH network	Fixed wireless network with a 5G-ready core using 2.5 & 3.5GHz licensed spectrum and massive MIMO technology
<b>BANDWIDTH SPEEDS OFFERED</b> 	Up to 1 Gbps	Up to 2 Gbps	Up to 100 Mbps
<b>HISTORICAL OPERATING PRESENCE AND EXPERIENCE</b>	Incumbent cable operator and wireless provider	Wireless provider and commercial fiber provider	Wireless provider and adjacent to many incumbent cable markets
<b>COST PER PASSING</b> 	\$1,500 - \$2,500*	\$700 - \$1,200	\$250 - \$350
<b>TERMINAL PENETRATION</b> 	55%	36%	31%

\*Incumbent cable only

# Pending Wireless Sale and Use of Proceeds Update

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- ✓ T-Mobile exercised option to purchase Wireless assets operations
- ✓ Sales price of \$1.95 billion determined through appraisal process and agreement with T-Mobile

Expected timeline:

- Execute asset purchase agreement in the first quarter 2021
- Obtain required regulatory approvals in the second quarter 2021
- Close the transaction in the second quarter 2021

Planned use of proceeds after close of sale:

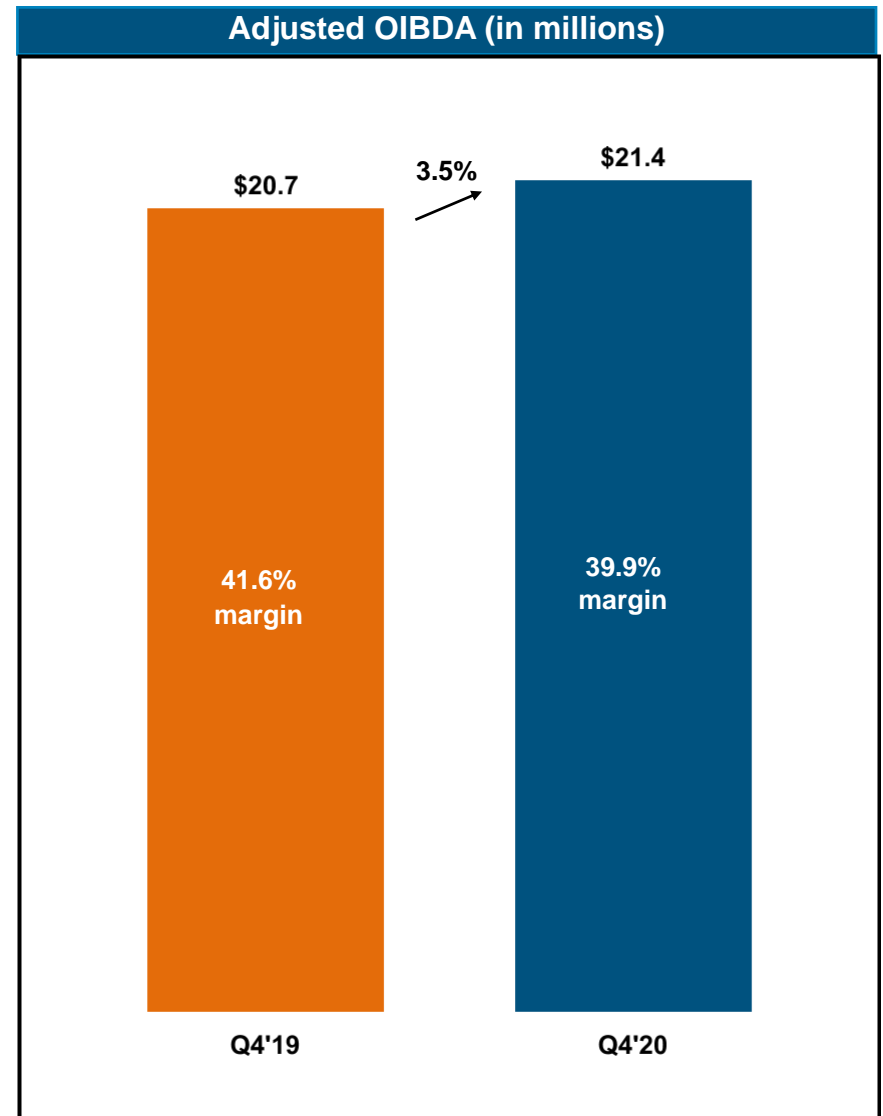
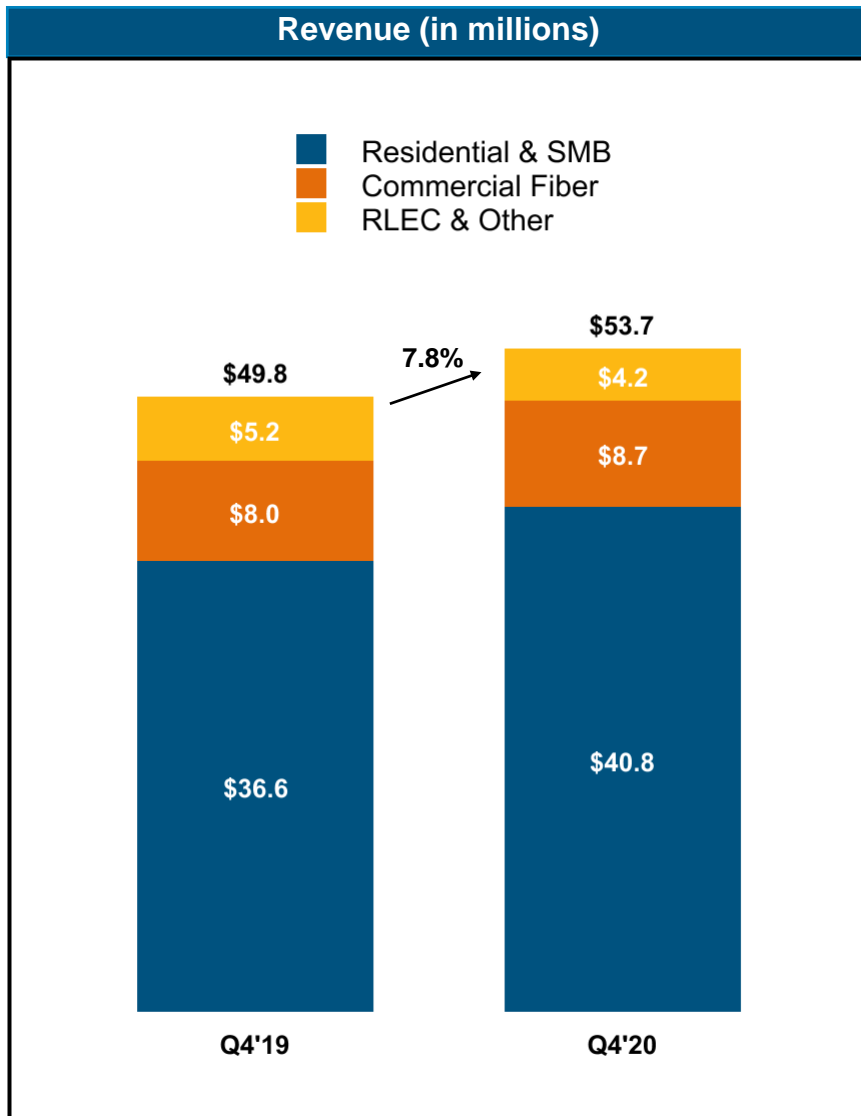
- Pay income taxes
- Repay existing credit agreements
- Pay \$18.75 per share special dividend subject to Board of Directors approvals



# Jim Volk

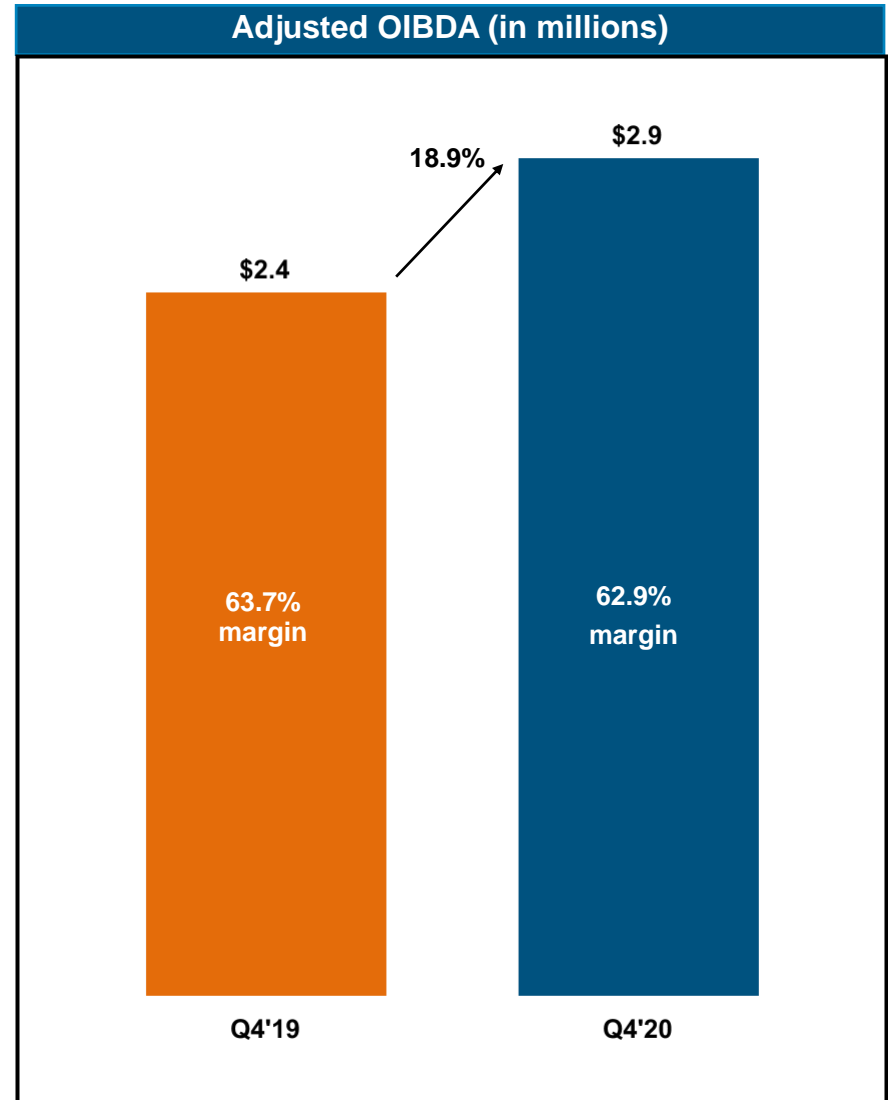
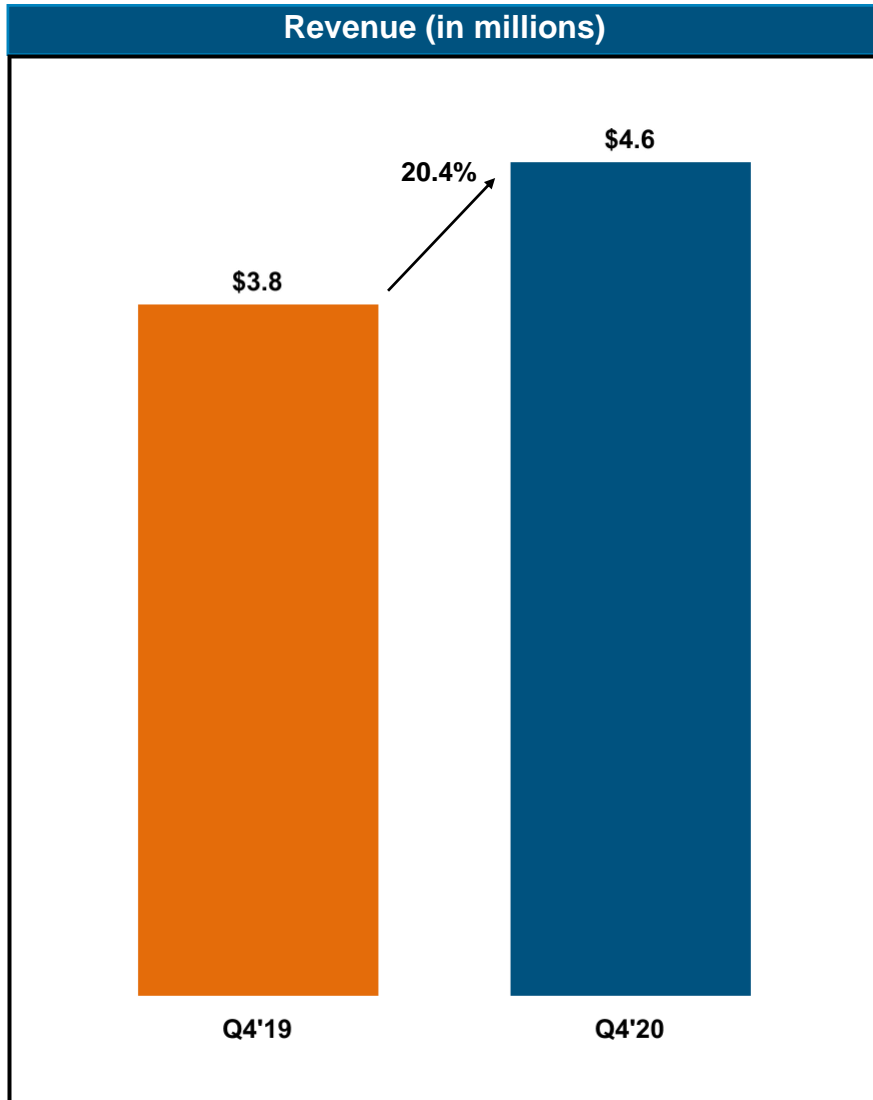
SVP of Finance and CFO

# Broadband Highlights - Fourth Quarter Results

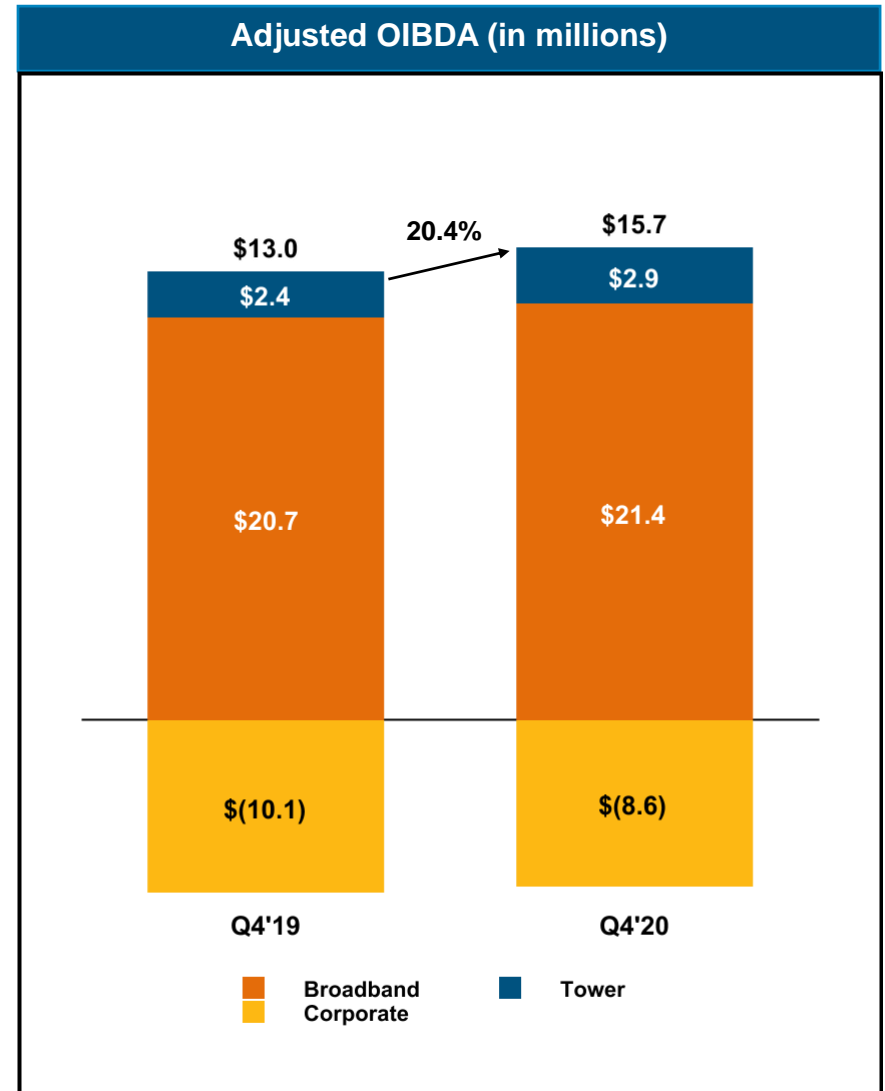
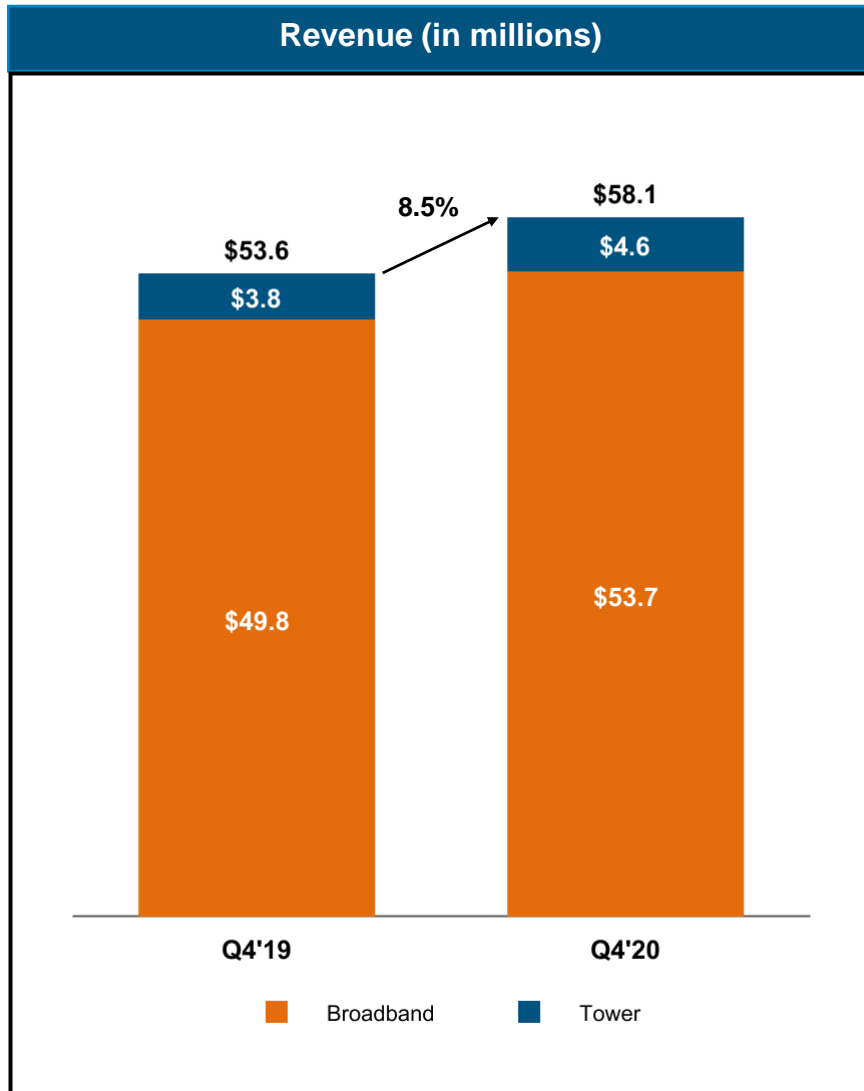




# Tower Highlights - Fourth Quarter Results



# Consolidated Highlights - Fourth Quarter Results



Consolidated revenue includes elimination of intercompany activity.

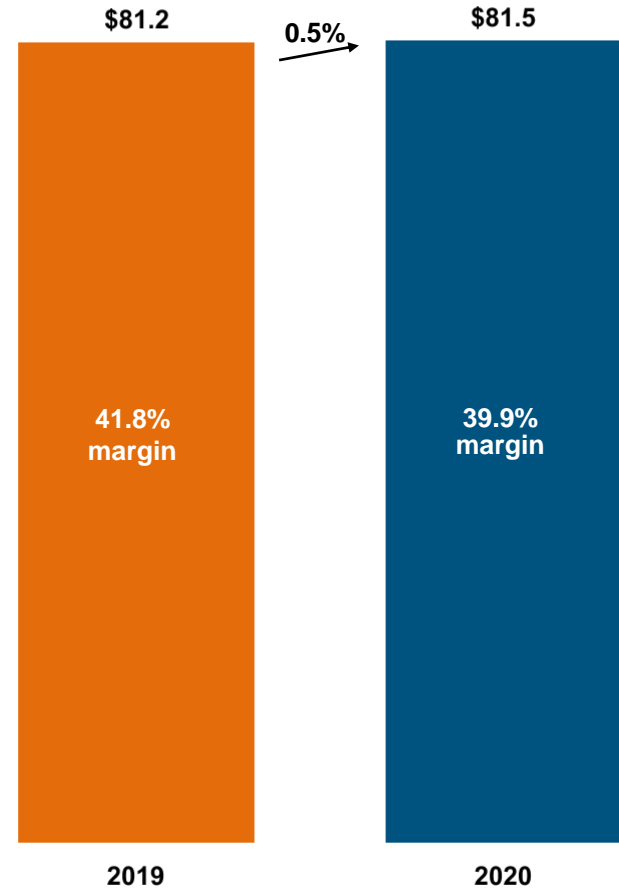
# Broadband Highlights - Full Year Results

Revenue (in millions)

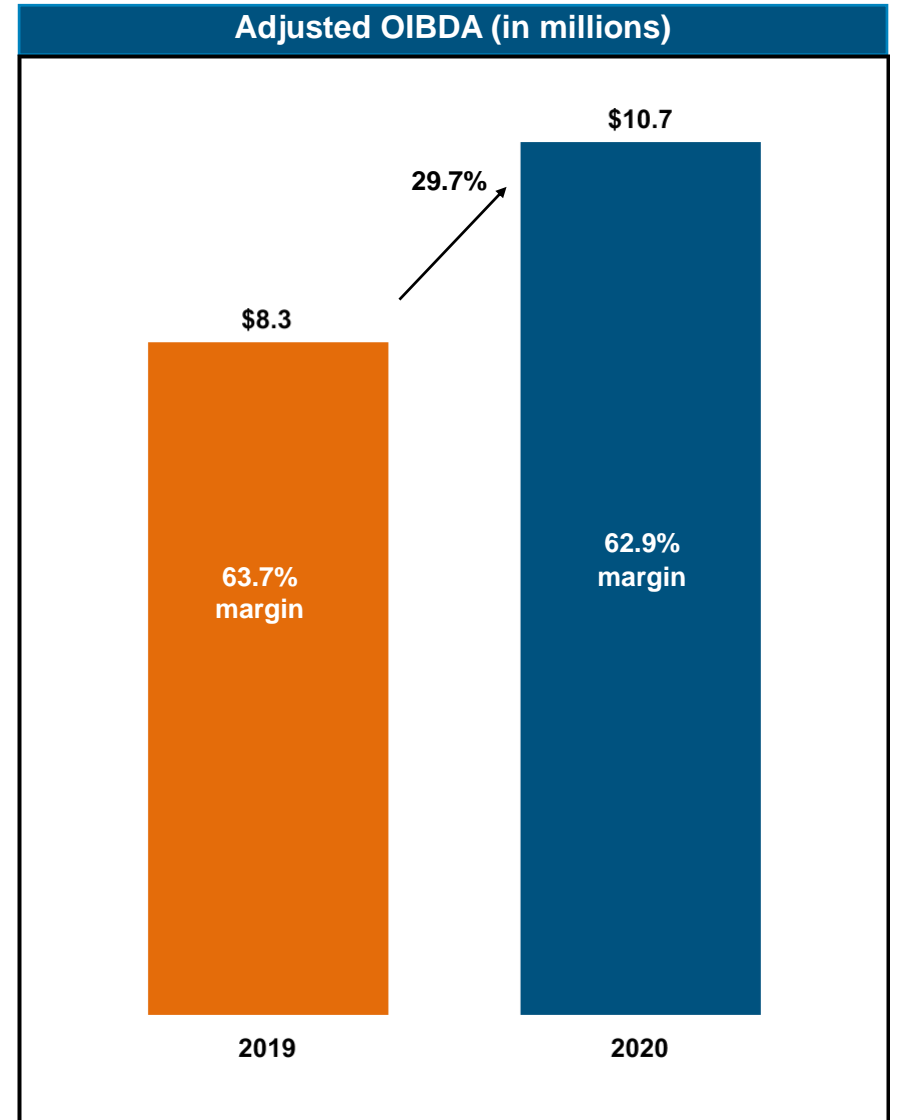
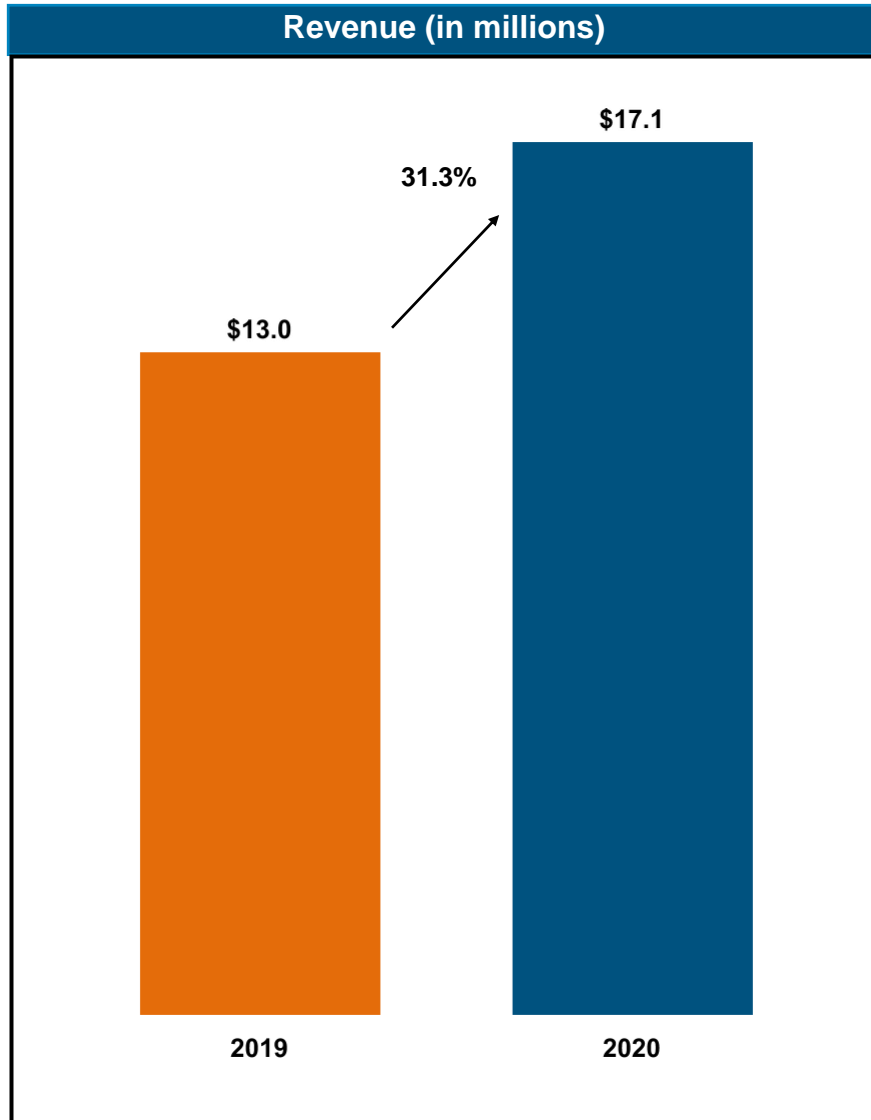
- Residential & SMB
- Commercial Fiber
- RLEC & Other



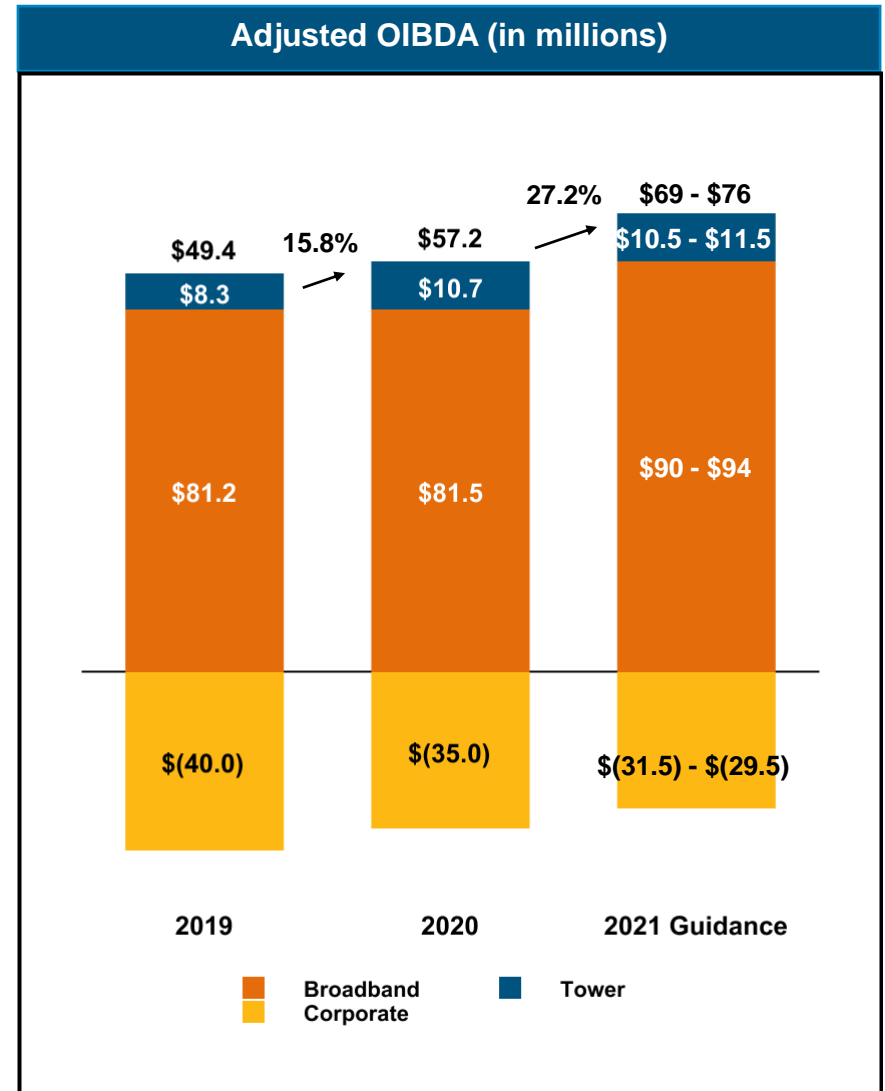
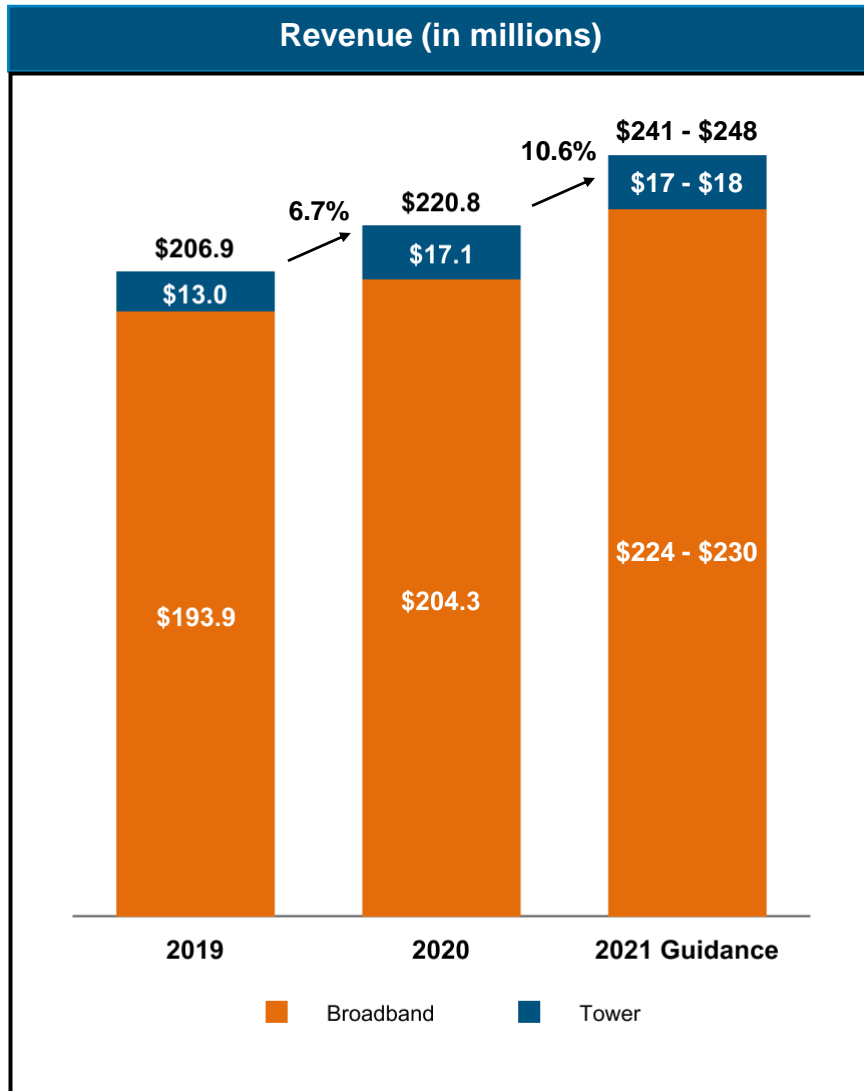
Adjusted OIBDA (in millions)



# Tower Highlights - Full Year Results

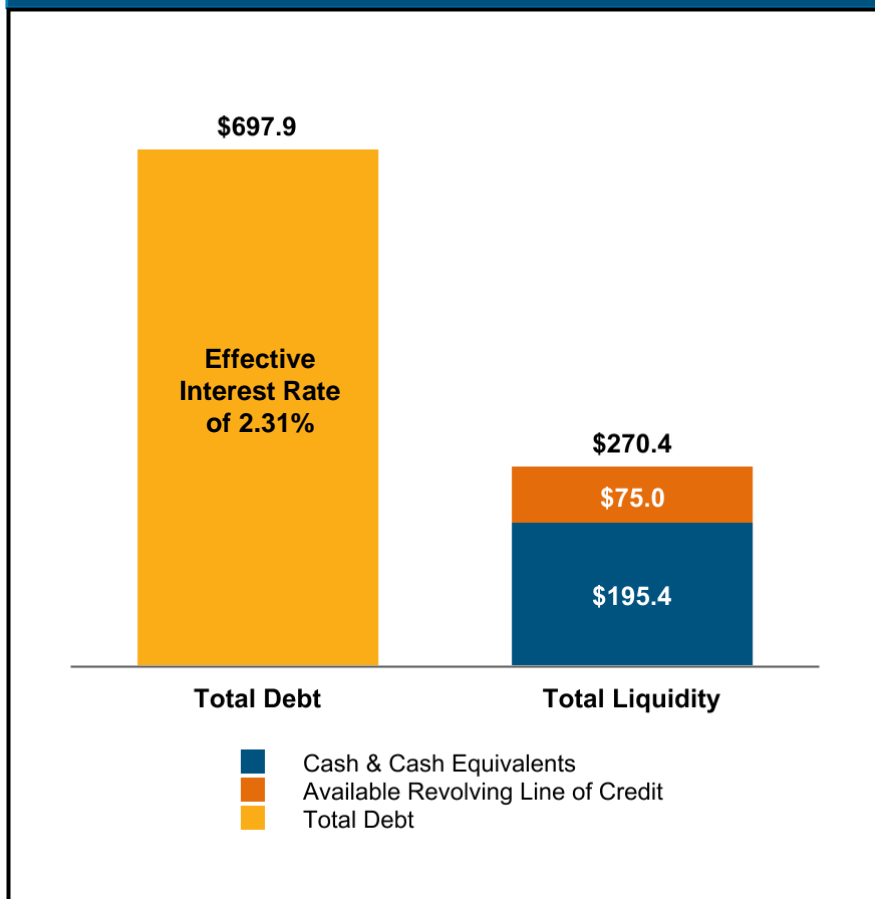


# Consolidated Highlights - Full Year Results

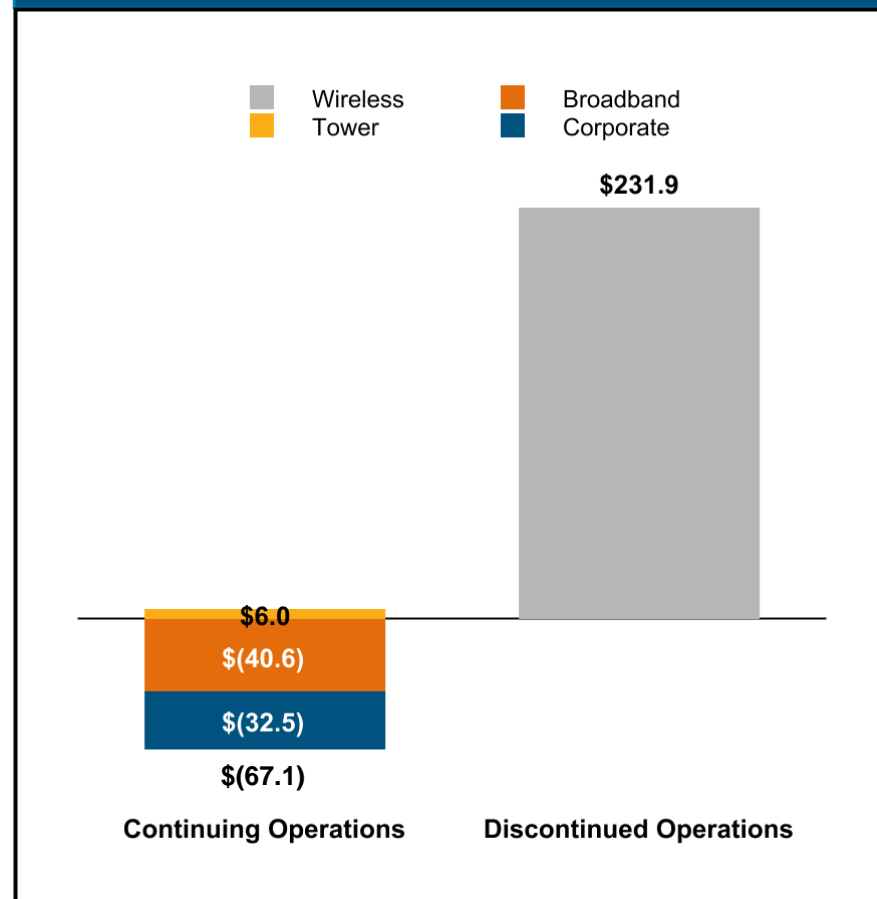


# Capitalization

Total Debt & Liquidity (in millions)



YTD Free Cash Flow by Segment (in millions)



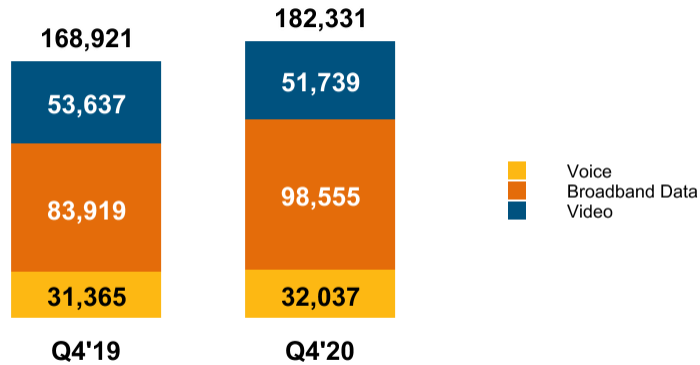


# Dave Heimbach

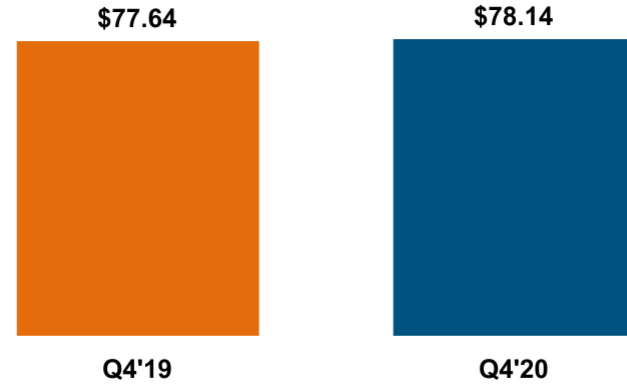
EVP and COO

# Broadband - Incumbent Cable Metrics

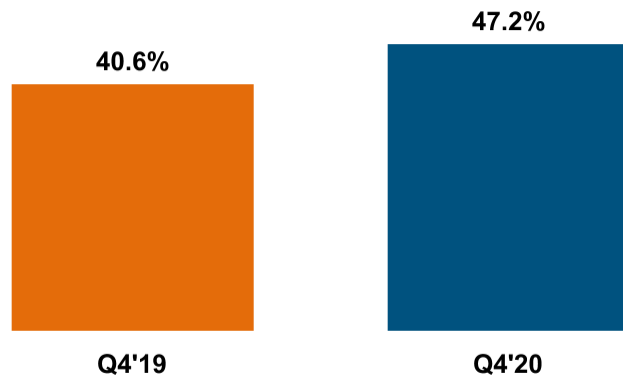
## Revenue Generating Units (RGU)



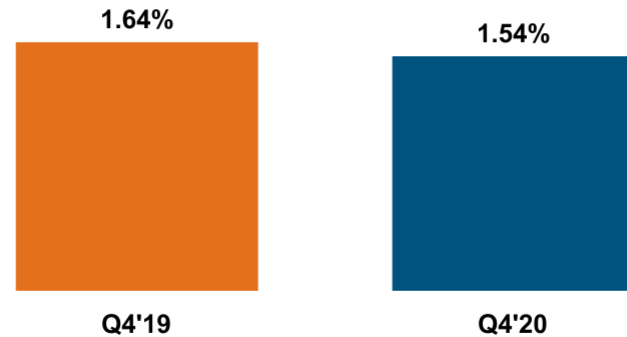
## Broadband Data Average Revenue per User (ARPU)



## Broadband Data Penetration



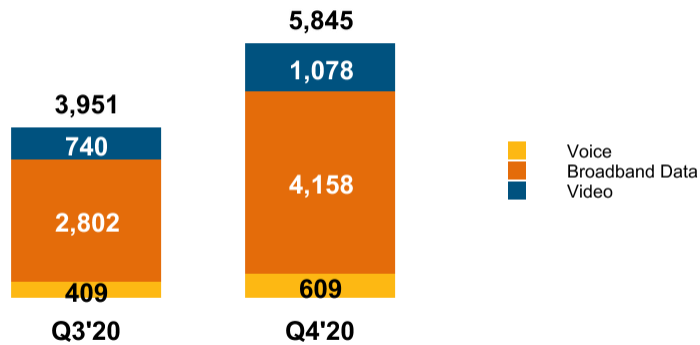
## Broadband Data Churn



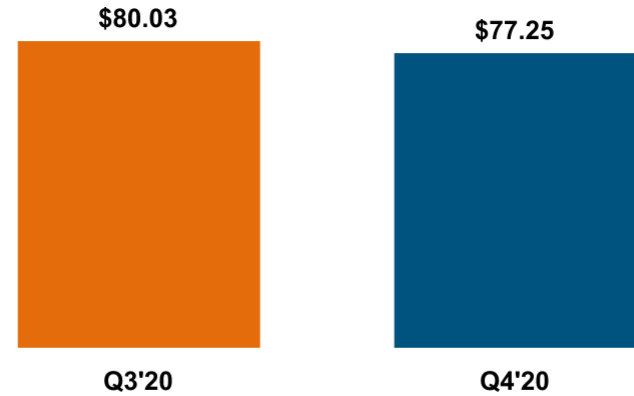


# Broadband - Glo Fiber Metrics

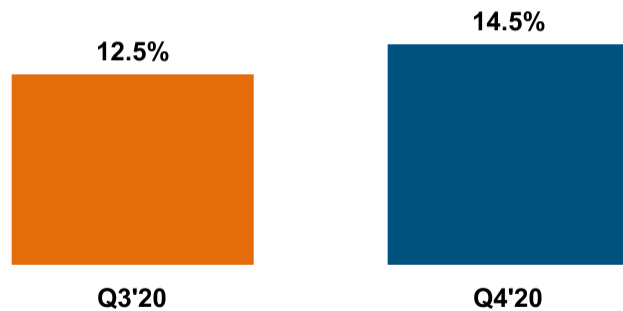
## Revenue Generating Units (RGU)



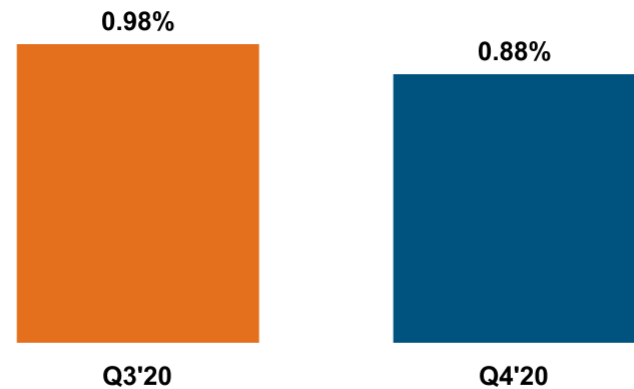
## Broadband Data Average Revenue per User (ARPU)




## Broadband Data Penetration



## Broadband Data Churn

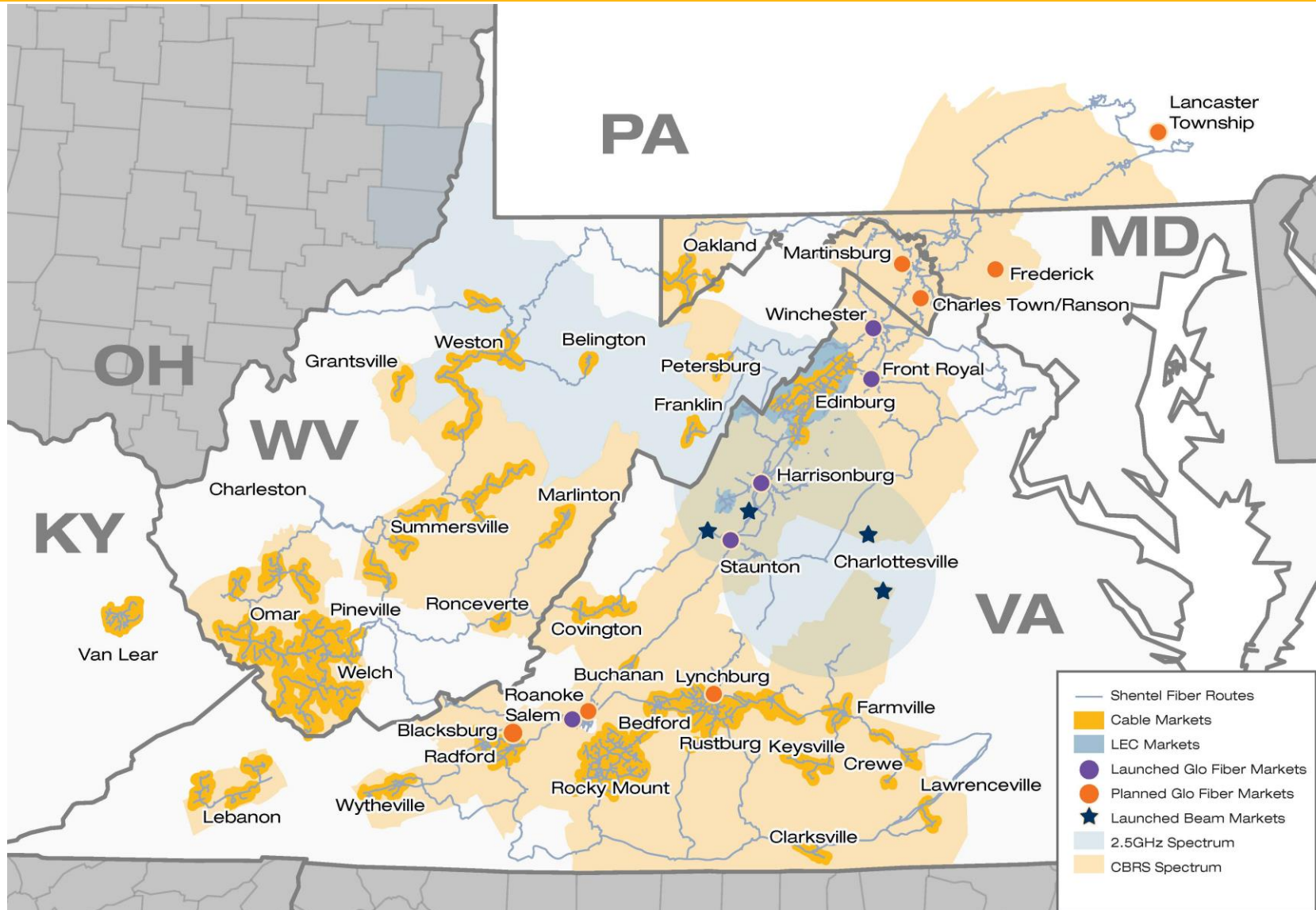


# Glo Fiber Market Update

	Passings Released to Sales	Target Passings*	Launch Date	Penetration as of 12/31/2020
Harrisonburg VA	9,843	11,399	October 2019	18.6%
Staunton VA	9,856	9,895	February 2020	13.8%
Front Royal VA	4,237	4,933	March 2020	11.3%
Winchester VA	4,716	9,957	March 2020	10.3%
Salem VA		8,044	January 2021	
Lynchburg VA		16,039	2Q21	
Roanoke VA		28,207	2Q21	
Frederick MD		12,486	2H21	
Charles Town - Ranson WV		2,828	2H21	
Martinsburg WV		5,836	2H21	
Blacksburg VA		3,114	2022	
Lancaster Township PA		4,506	2022	
<b>Total</b>	<b>28,652</b>	<b>117,244</b>		<b>14.5%</b>

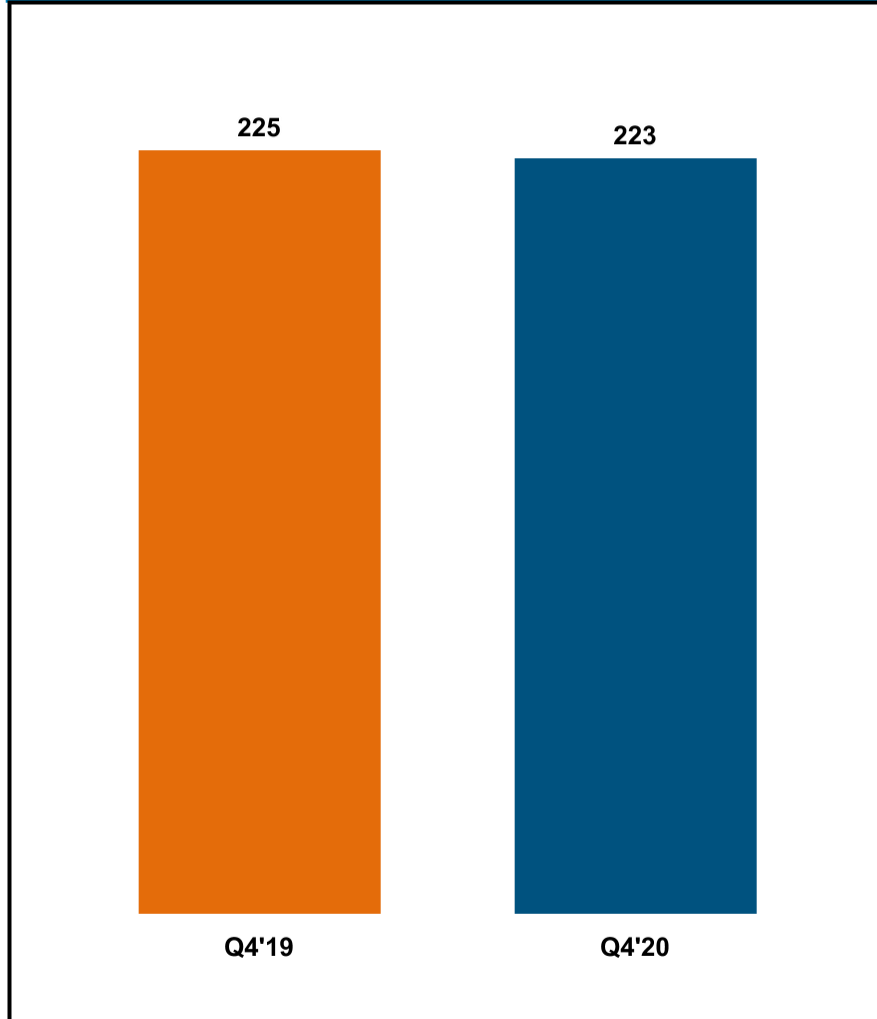
\*Target passings defined as Single Family Households (SFU), residential Multiple Dwelling Units (MDU) where we have gained right of entry and single tenant commercial buildings that conform to our target cost per pass criteria.

# Integrated Fiber, Cable and Fixed Wireless Broadband Network

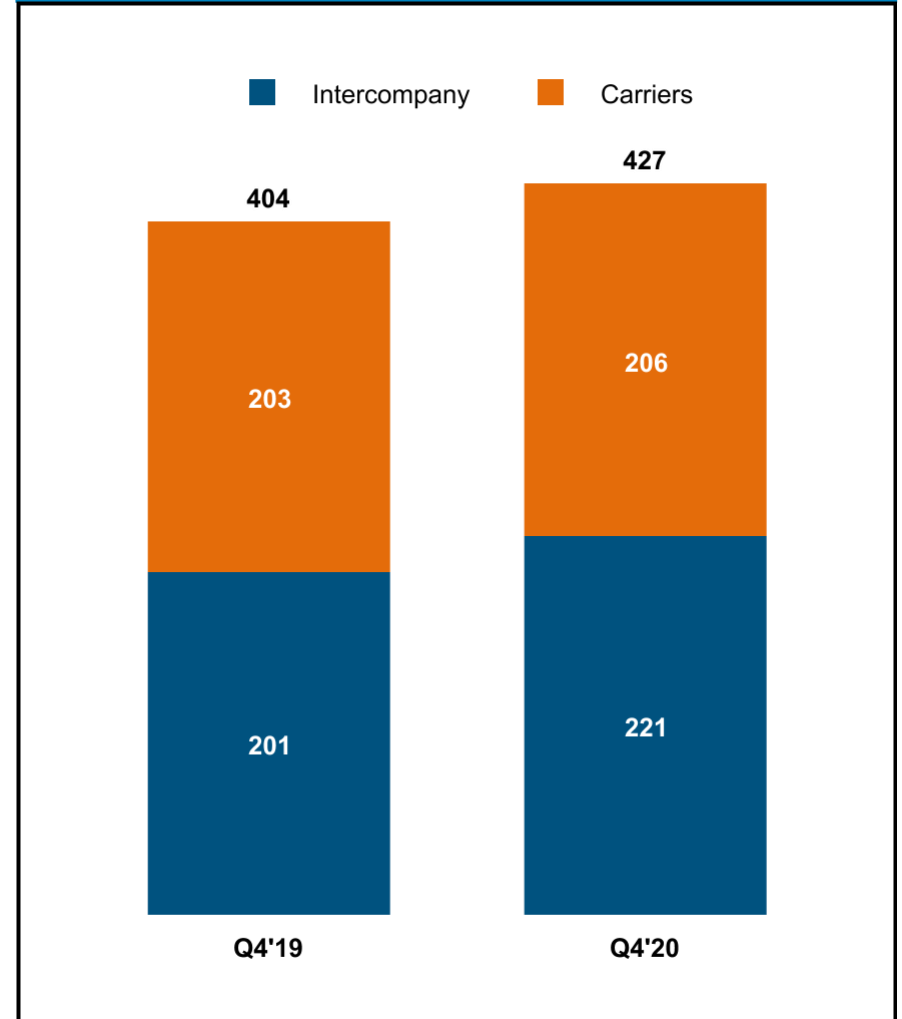


# Tower - Metrics

## Towers

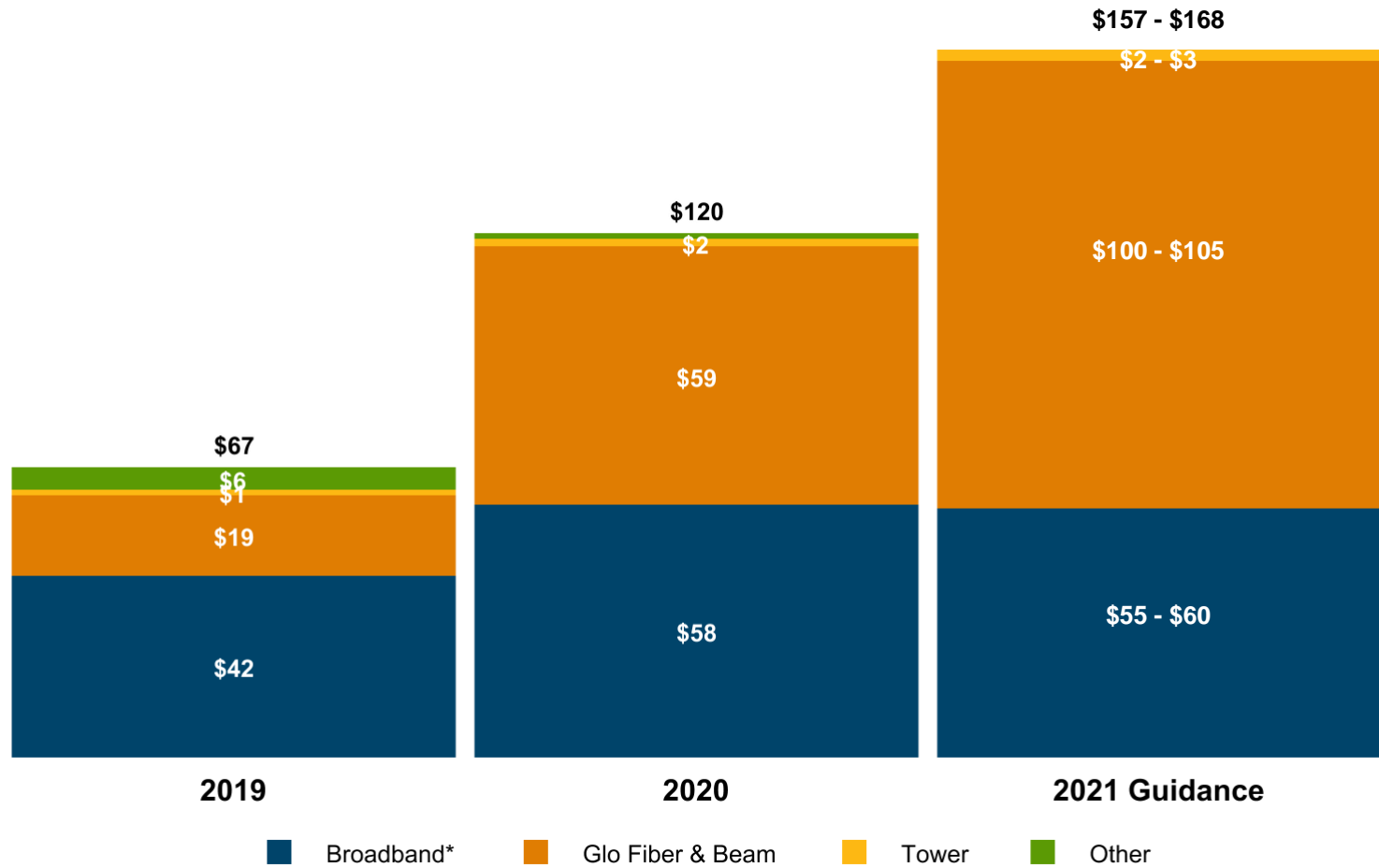


## Tenants



# Capital Expenditures

## Capex Spending (\$ in millions)



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# Q&A

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# Appendix

# Use of Non-GAAP Financial Measures

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Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with U.S. 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 U.S. generally accepted accounting principles. Management believes these measures facilitate comparisons of our operating performance from period to period and comparisons of our operating performance to that of our peers and other companies by excluding certain differences. Shentel utilizes these financial performance measures to facilitate internal comparisons of our historical operating performance, which are used by management for business planning purposes, and also facilitates comparisons of our performance relative to that of our competitors. In addition, we believe these measures are widely used by investors and financial analysts as measures of our financial performance over time, and to compare our financial performance with that of other companies in our industry.



## Adjusted OIBDA by Segment - Quarterly Results

### Three Months Ended December 31, 2020

(in thousands)

	Broadband	Tower	Corporate & Other	Consolidated
Operating income (loss)	\$ 10,710	\$ 2,379	\$ (11,475)	\$ 1,614
Depreciation	10,377	492	1,573	12,442
Amortization of intangible assets	251	—	—	251
OIBDA	21,338	2,871	(9,902)	14,307
Share-based compensation expense	—	—	601	601
Deal advisory fees	101	—	677	778
Adjusted OIBDA	\$ 21,439	\$ 2,871	\$ (8,624)	\$ 15,686
Total revenue	\$ 53,717	\$ 4,565	(150)	\$ 58,132
Adjusted OIBDA margin	39.9 %	62.9 %	N/A	27.0 %

### Three Months Ended December 31, 2019

(in thousands)

	Broadband	Tower	Corporate & Other	Consolidated
Operating income (loss)	\$ 9,392	\$ 2,539	\$ (12,481)	\$ (550)
Depreciation	11,157	(125)	1,780	12,812
Amortization of intangible assets	166	—	—	166
OIBDA	20,715	2,414	(10,701)	12,428
Share-based compensation expense	—	—	597	597
Adjusted OIBDA	\$ 20,715	\$ 2,414	\$ (10,104)	\$ 13,025
Total revenue	\$ 49,830	\$ 3,790	(18)	\$ 53,602
Adjusted OIBDA margin	41.6 %	63.7 %	N/A	24.3 %

## Adjusted OIBDA by Segment - Full Year Results

### Twelve Months Ended December 31, 2020

(in thousands)

	Broadband	Tower	Corporate & Other	Consolidated
Operating income (loss)	\$ 40,360	\$ 8,823	\$ (50,330)	\$ (1,147)
Depreciation	40,337	1,906	5,721	47,964
Amortization	739	—	—	739
OIBDA	81,436	10,729	(44,609)	47,556
Share-based compensation expense	—	—	5,907	5,907
Deal advisory fees	101	—	3,679	3,780
Adjusted OIBDA	\$ 81,537	\$ 10,729	\$ (35,023)	\$ 57,243
Total revenue	\$ 204,347	\$ 17,055	(627)	\$ 220,775
Adjusted OIBDA margin	39.9 %	62.9 %	N/A	25.9 %

### Twelve Months Ended December 31, 2019

(in thousands)

	Broadband	Tower	Corporate & Other	Consolidated
Operating income (loss)	\$ 42,597	\$ 6,295	\$ (49,611)	\$ (719)
Depreciation	38,093	1,976	6,244	46,313
Amortization	473	—	—	473
OIBDA	81,163	8,271	(43,367)	46,067
Share-based compensation expense	—	—	3,367	3,367
Adjusted OIBDA	\$ 81,163	\$ 8,271	\$ (40,000)	\$ 49,434
Total revenue	\$ 193,943	\$ 12,985	(66)	\$ 206,862
Adjusted OIBDA margin	41.8 %	63.7 %	N/A	23.9 %

# Normalized Free Cash Flow and Free Cash Flow

Twelve Months Ended December 31, <i>(in thousands)</i>	2020				Total Continuing Operations
	Discontinued Operations	Broadband	Tower	Corporate	
Net Cash Provided by Operations	\$ 249,508	\$ 76,677	\$ 7,969	\$ (31,287)	\$ 53,359
Less: Capital Expenditures*	(17,565)	(58,117)	(2,001)	(1,203)	(61,321)
Normalized Free Cash Flow	231,943	18,560	5,968	(32,490)	(7,962)
Glo Fiber and Fixed Wireless CapEx	—	(59,129)	—	—	(59,129)
Free Cash Flow	\$ 231,943	\$ (40,569)	\$ 5,968	\$ (32,490)	\$ (67,091)

\*Excludes capital expenditures for Glo Fiber & Fixed Wireless

Free cash flow and normalized free cash flow are non-GAAP financial measures that, when viewed with our GAAP results, provides a more complete understanding of factors and trends affecting our cash flows. Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities. Normalized free cash flow is calculated by subtracting capital expenditures, excluding new services such as Glo Fiber and Fixed Wireless services, from net cash provided by operating activities. We believe they are more conservative measures of our cash flow since purchases of fixed assets are necessary for ongoing operations and expansion. Free cash flow and normalized free cash flow are utilized by our management, investors and analysts to evaluate cash available that may be used to pay scheduled principal payments on our debt obligations and provide further investment in the business.

# Broadband - Average Revenue per User (ARPU)

	For the fourth quarter ended,			
	2019		2020	
Residential & SMB Revenue (000's)				
Broadband	\$	19,377	\$	23,618
Incumbent Cable	\$	19,377	\$	22,787
Glo Fiber	\$	—	\$	819
Beam Wireless	\$	—	\$	12
Video	\$	14,783	\$	14,840
Voice	\$	2,850	\$	2,912
Average Revenue Generating Units				
Broadband		83,196		100,826
Incumbent Cable		83,196		97,210
Glo Fiber		—		3,534
Beam Wireless		—		82
Video		54,327		53,410
Voice		31,113		33,310
Average Revenue per User (ARPU)*				
Broadband	\$	77.64	\$	78.08
Incumbent Cable	\$	77.64	\$	78.14
Glo Fiber	\$	—	\$	77.25
Beam Wireless	\$	—	\$	73.17
Video	\$	90.70	\$	92.62
Voice	\$	30.53	\$	29.14

# Broadband Revenue by Quarter (000's) - 2018 - 2020

	Q1	Q2	Q3	Q4	Full Year
<b>2020</b>					
Residential & SMB	\$ 37,009	\$ 37,685	\$ 39,477	\$ 40,846	\$ 155,017
Commercial Fiber	8,359	8,376	7,308	8,716	32,759
RLEC & Other	4,419	4,072	3,925	4,155	16,571
<b>Total Revenue</b>	<b>49,787</b>	<b>50,133</b>	<b>50,710</b>	<b>53,717</b>	<b>204,347</b>
<b>2019</b>					
Residential & SMB	34,395	35,540	35,769	36,586	142,290
Commercial Fiber	7,239	7,367	7,785	8,019	30,410
RLEC & Other	5,247	5,644	5,127	5,225	21,243
<b>Total Revenue</b>	<b>46,881</b>	<b>48,551</b>	<b>48,681</b>	<b>49,830</b>	<b>193,943</b>
<b>2018</b>					
Residential & SMB	32,136	32,494	32,658	33,443	130,731
Commercial Fiber	7,556	7,556	7,413	7,136	29,661
RLEC & Other	5,706	5,560	6,133	5,329	22,728
<b>Total Revenue</b>	<b>\$ 45,398</b>	<b>\$ 45,610</b>	<b>\$ 46,204</b>	<b>\$ 45,908</b>	<b>\$ 183,120</b>

# Broadband Data Revenue Generating Units (RGUs)

	Incumbent Cable	Glo Fiber	Beam Wireless	Total Broadband
<b>2020</b>				
Beginning RGUs	83,919	126	—	84,045
Other Net Additions	14,636	4,032	99	18,767
<b>Ending RGUs</b>	<b>98,555</b>	<b>4,158</b>	<b>99</b>	<b>102,812</b>
<b>2019</b>				
Beginning RGUs	75,389	—	—	75,389
Acquired RGUs	2,211	—	—	2,211
Other Net Additions	6,319	126	—	6,445
<b>Ending RGUs</b>	<b>83,919</b>	<b>126</b>	<b>—</b>	<b>84,045</b>
<b>2018</b>				
Beginning RGUs	68,369	—	—	68,369
Other Net Additions	7,020	—	—	7,020
<b>Ending RGUs</b>	<b>75,389</b>	<b>—</b>	<b>—</b>	<b>75,389</b>

# Broadband Video Revenue Generating Units (RGUs)

	Incumbent Cable	Glo Fiber	Beam Wireless	Total Broadband
<b>2020</b>				
Beginning RGUs	53,637	36	—	53,673
Other Net Additions	(1,898)	1,042	—	(856)
<b>Ending RGUs</b>	<b>51,739</b>	<b>1,078</b>	<b>—</b>	<b>52,817</b>
<b>2019</b>				
Beginning RGUs	58,672	—	—	58,672
Acquired RGUs	1,723	—	—	1,723
Other Net Additions	(6,758)	36	—	(6,722)
<b>Ending RGUs</b>	<b>53,637</b>	<b>36</b>	<b>—</b>	<b>53,673</b>
<b>2018</b>				
Beginning RGUs	62,964	—	—	62,964
Other Net Additions	(4,292)	—	—	(4,292)
<b>Ending RGUs</b>	<b>58,672</b>	<b>—</b>	<b>—</b>	<b>58,672</b>

# Broadband Voice Revenue Generating Units (RGUs)

	Incumbent Cable	Glo Fiber	Beam Wireless	Total Broadband
	<b>2020</b>			
Beginning RGUs	31,365	15	—	31,380
Other Net Additions	672	594	—	1,266
<b>Ending RGUs</b>	<b>32,037</b>	<b>609</b>	<b>—</b>	<b>32,646</b>
	<b>2019</b>			
Beginning RGUs	29,474	—	—	29,474
Acquired RGUs	855	—	—	855
Other Net Additions	1,036	15	—	1,051
<b>Ending RGUs</b>	<b>31,365</b>	<b>15</b>	<b>—</b>	<b>31,380</b>
	<b>2018</b>			
Beginning RGUs	24,138	—	—	24,138
Other Net Additions	5,336	—	—	5,336
<b>Ending RGUs</b>	<b>29,474</b>	<b>—</b>	<b>—</b>	<b>29,474</b>