



**Q4 2022**

**Earnings Conference Call**

February 22, 2023

# Safe Harbor Statement

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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:

- ❑ Intensifying competition in the communications industry;
- ❑ Adverse economic conditions including high inflation; 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.

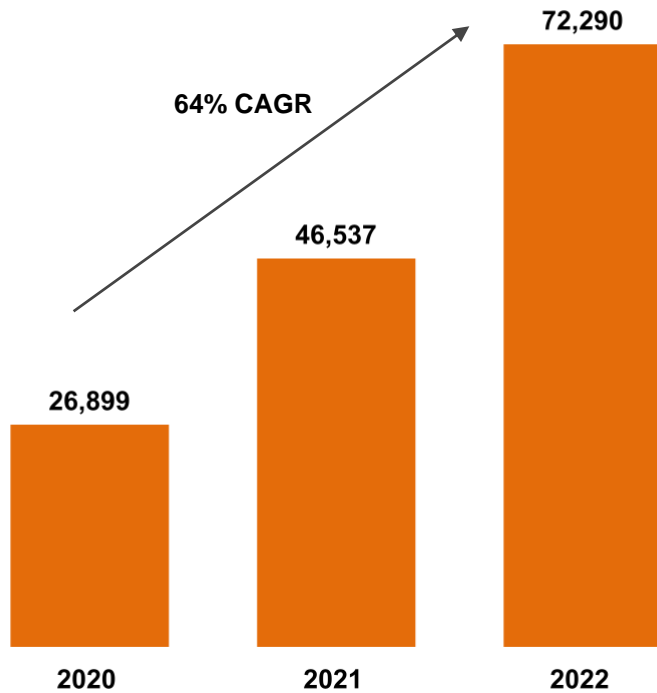


# Chris French

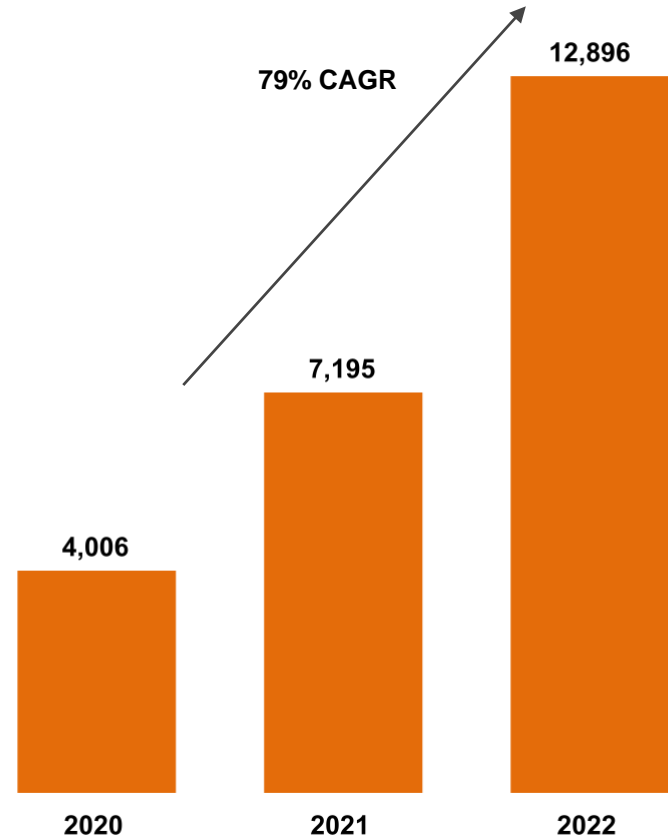
President and CEO

# Accelerating Pace of Construction and Sales

Glo Fiber Passings Released to Sales



Glo Fiber Data Net Additions



# Glo Fiber Snapshot After Four Years



## Proven FTTH Platform

147,000 passings in 17 greenfield markets<sup>1</sup>  
Cost to pass - \$1,170<sup>2</sup>  
445,000 franchised passings





## Strong Customer Satisfaction

Net Promoter Score of 65%  
10x Internet Service Provider average  
Data Churn <1.1% since launch



## Track Record of Growth

24,000 customers<sup>1</sup>

 >=1GBPS  
 <1GBPS



## Customer Bandwidth Speeds<sup>1</sup>

Large demand for symmetrical bandwidth  
Driving strong ARPU



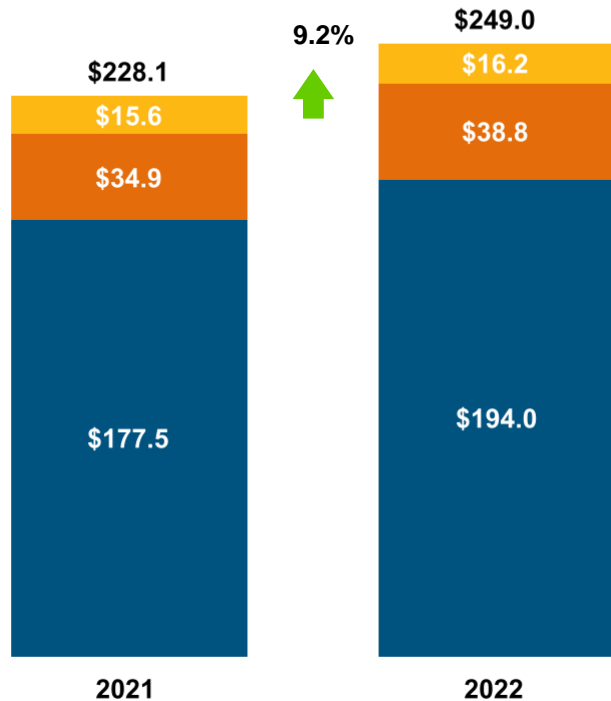
# Jim Volk

SVP of Finance and CFO

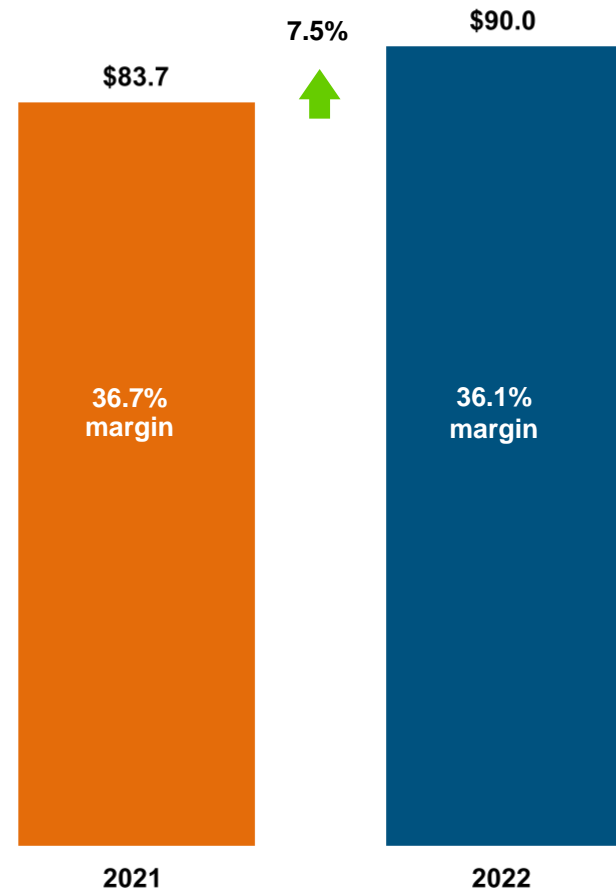
# Broadband Highlights - Full Year Results

Revenue (in millions)

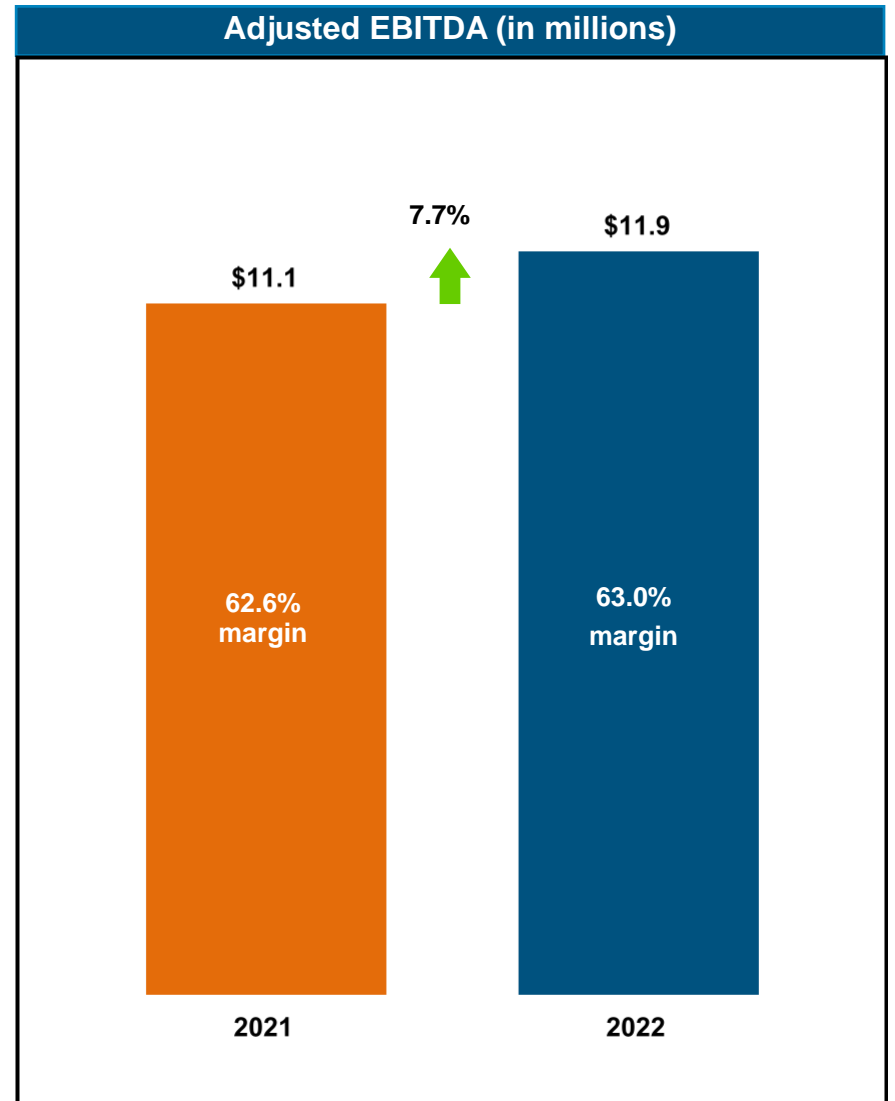
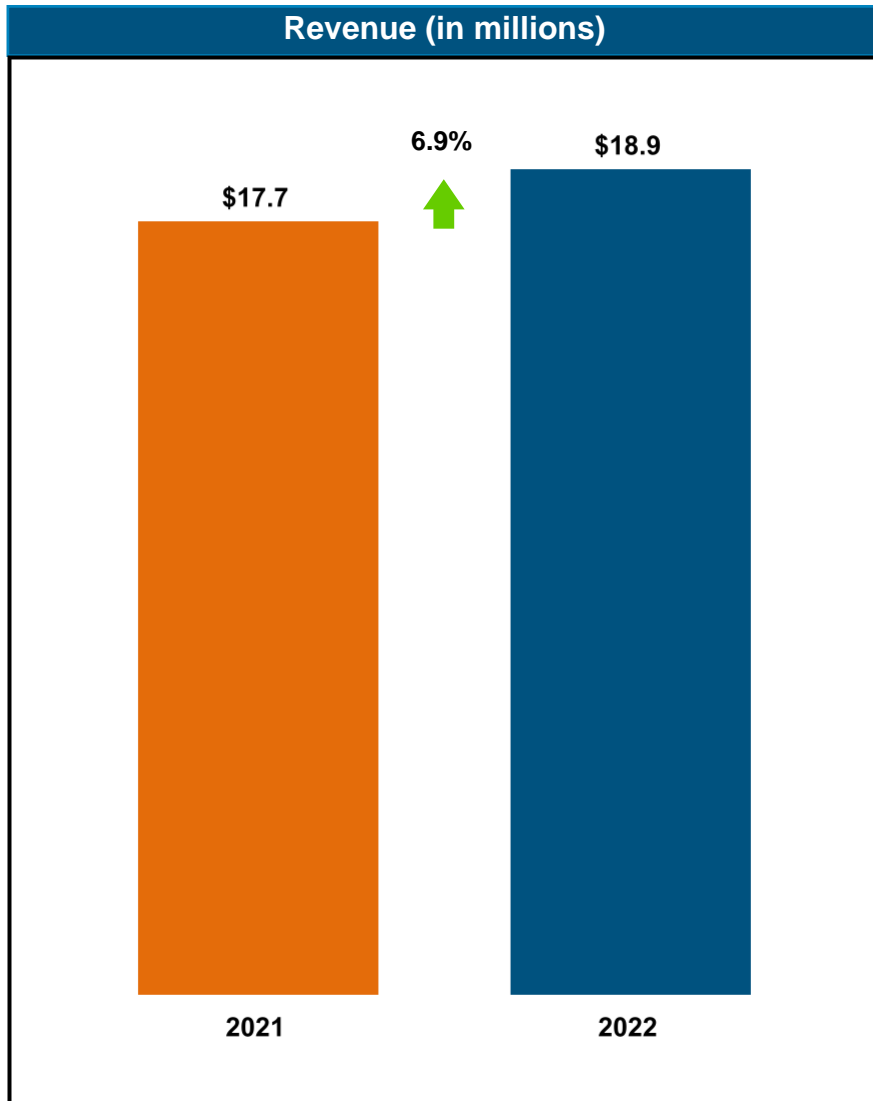
- Residential & SMB
- Commercial Fiber
- RLEC & Other



Adjusted EBITDA (in millions)

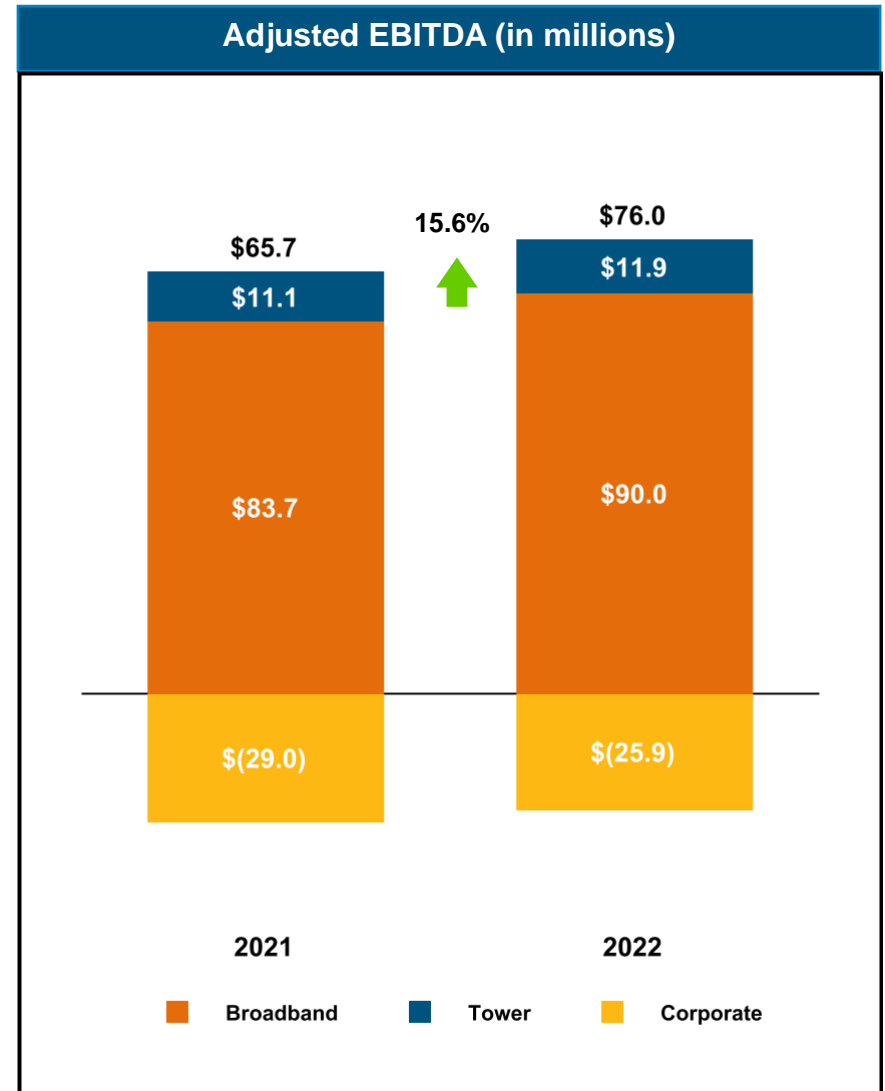
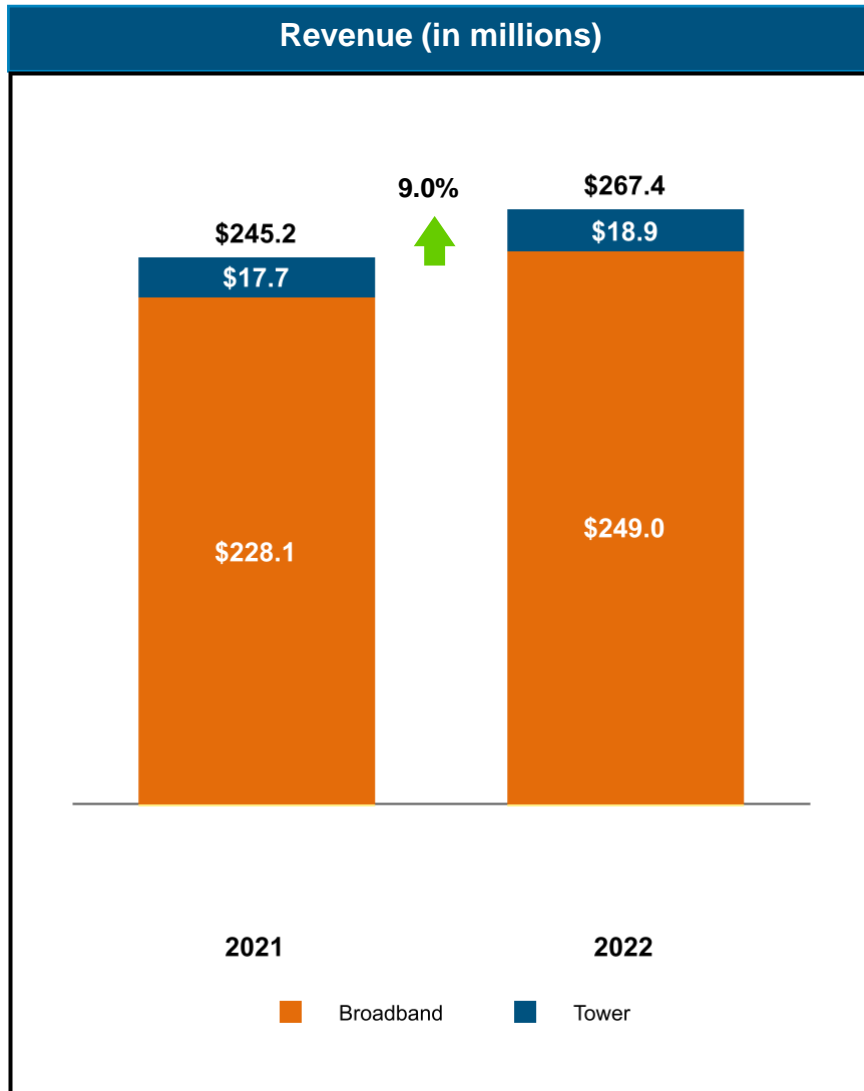


# Tower Highlights - Full Year Results

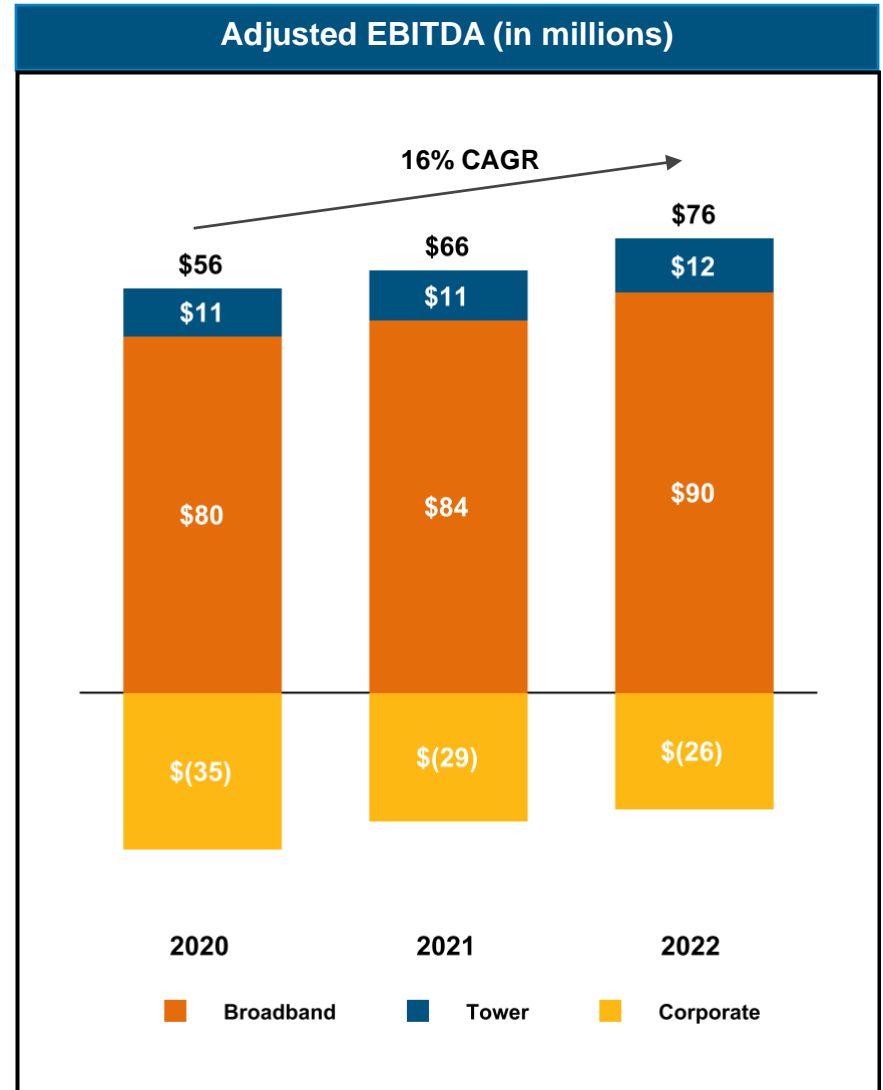
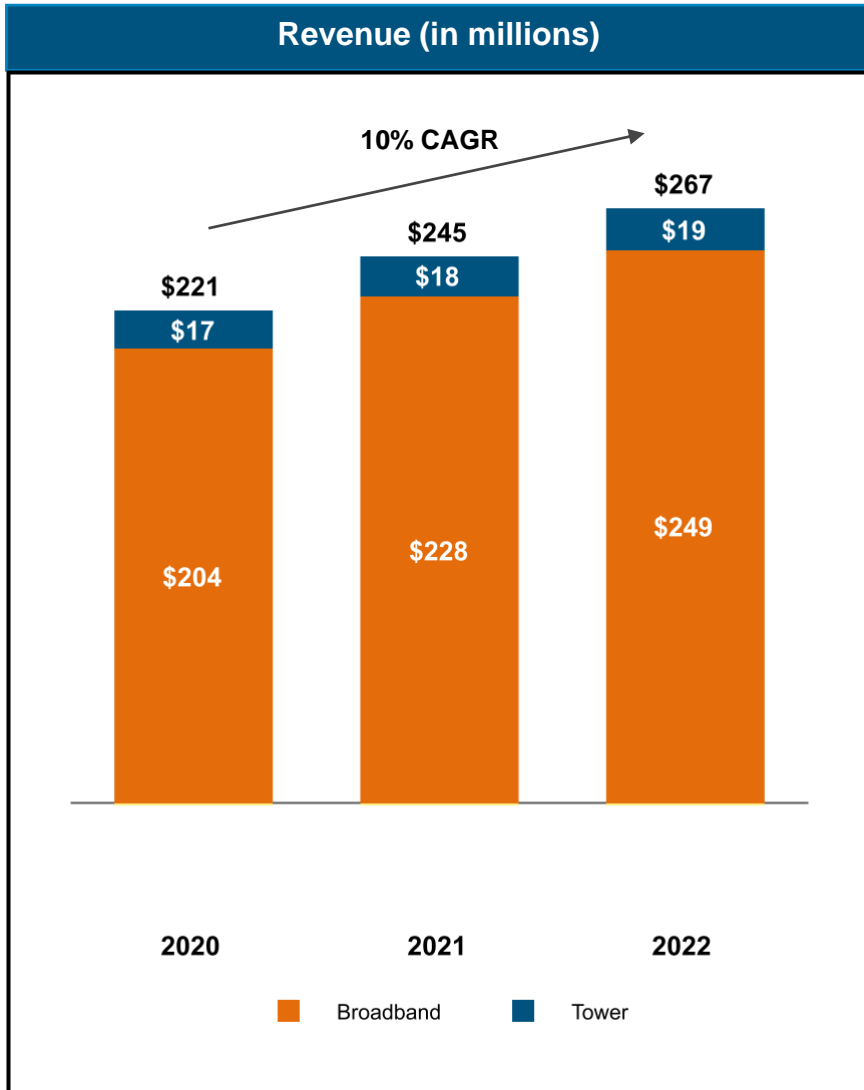




# Consolidated Highlights - Full Year Results

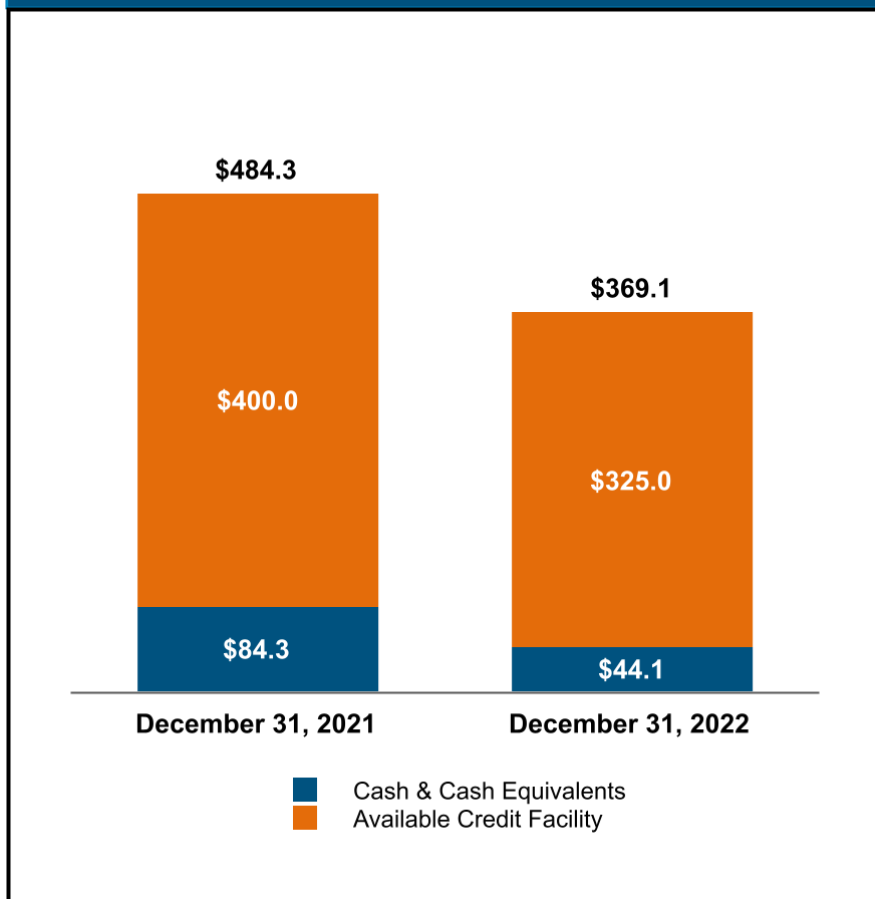


# Proven Track Record of Strong Growth



# Liquidity & Free Cash Flow

Liquidity (in millions)

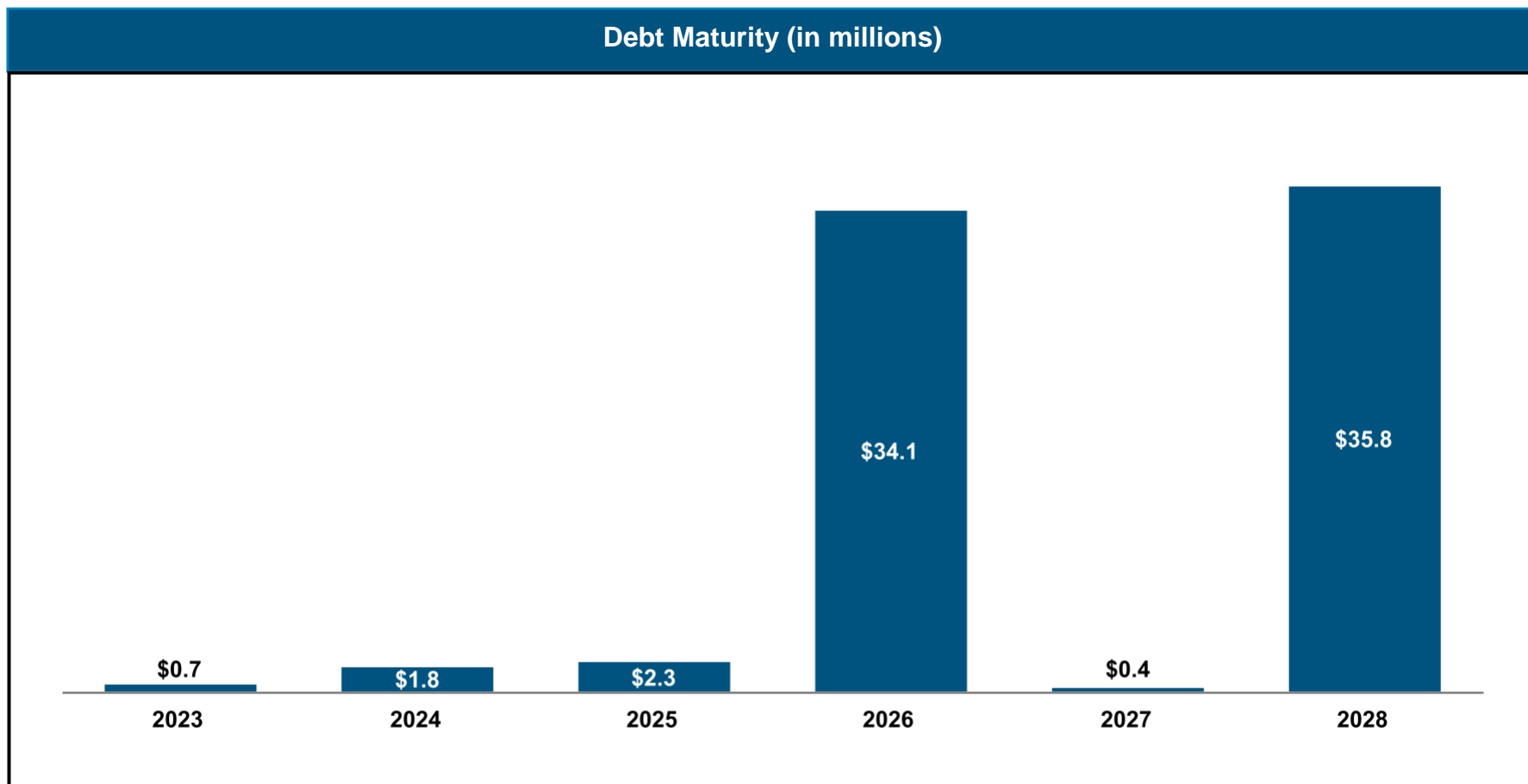


Free Cash Flow (in millions)



# Debt Maturity & Other Liquidity Events

Debt Maturity (in millions)



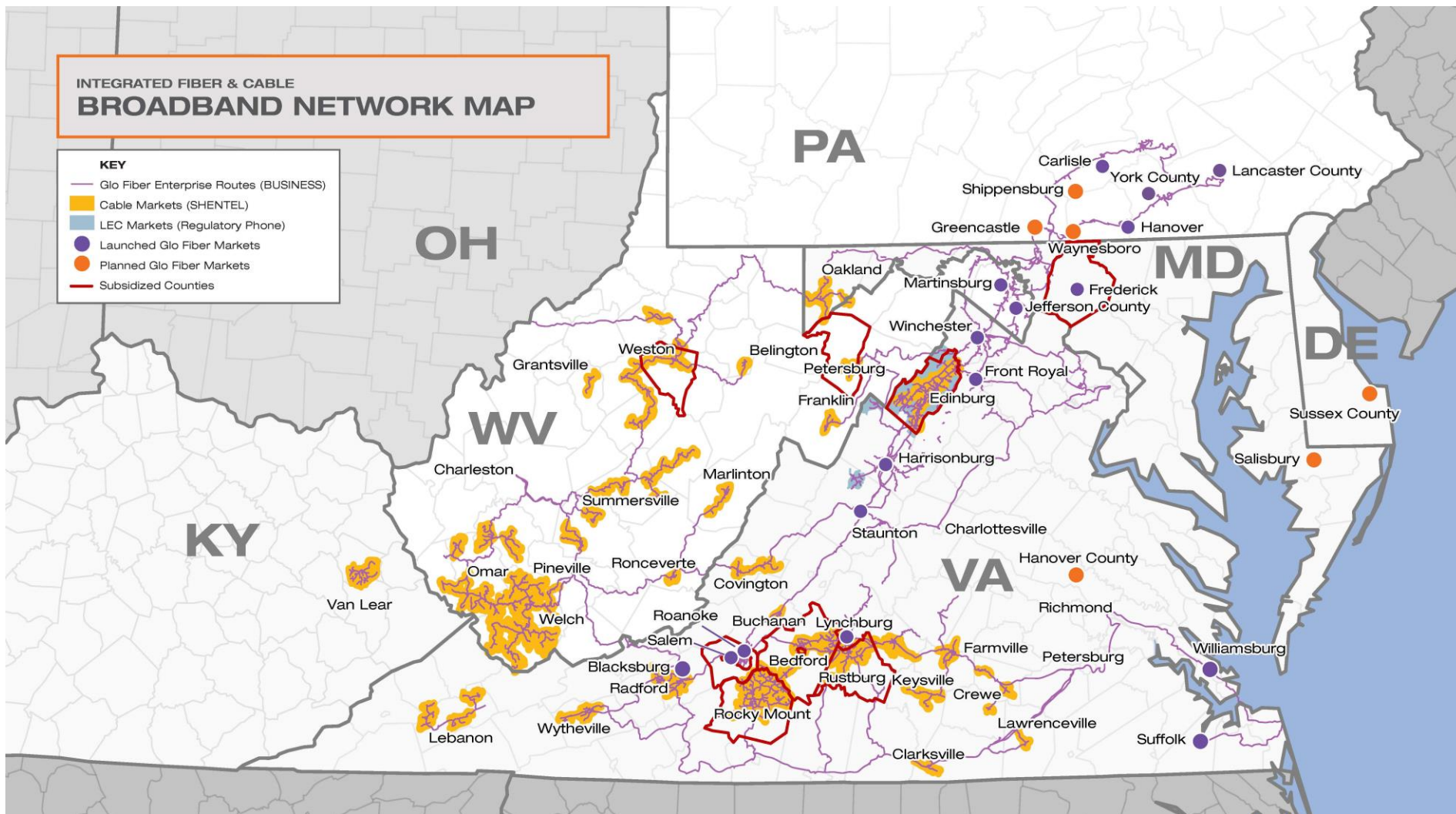
- \$30 million in tax refunds expected to be received in 1Q23
- \$17 million in cash sale proceeds of certain spectrum assets likely to close in first half 2023



# Ed McKay

EVP and COO

# Integrated Fiber and Cable Broadband Network



# Broadband - Fiber Construction Metrics

## Glo Fiber Franchise Approved Passings

438,000



Q3'22

445,000



Q4'22

## Glo Fiber Passings Released to Sales

130,912



Q3'22

147,479



Q4'22

## Government Grant Approved Fiber Passings<sup>1</sup>

19,000



Q3'22

20,000



Q4'22

## Total Fiber Construction Backlog Passings

326,000



Q3'22

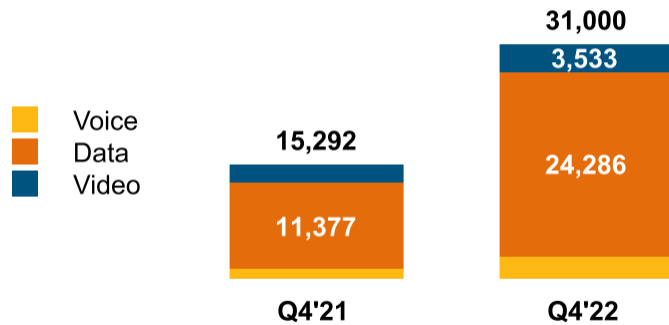
318,000



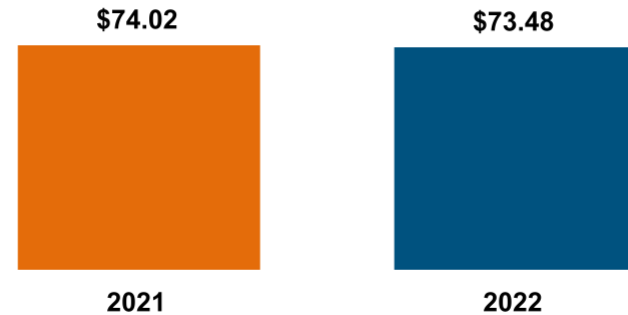
Q4'22

# Broadband - Glo Fiber Operating Metrics

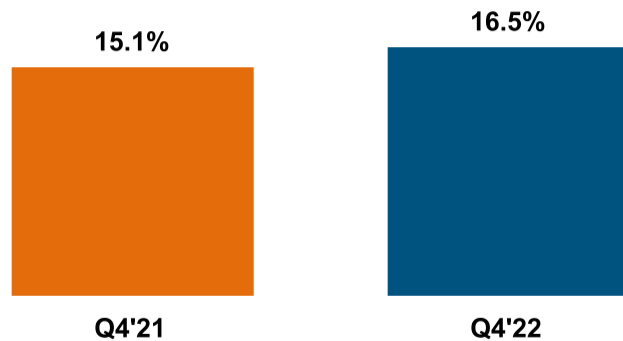
## Revenue Generating Units (RGU)



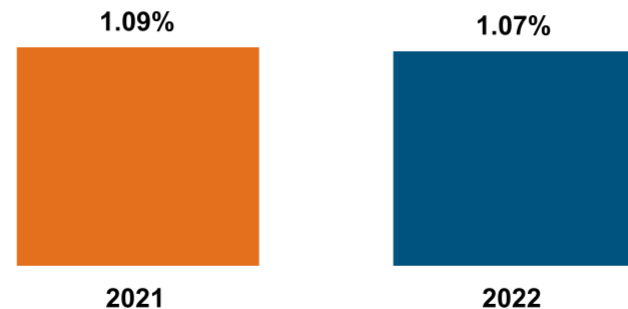
## Broadband Data Average Revenue per User (ARPU)



## Broadband Data Penetration



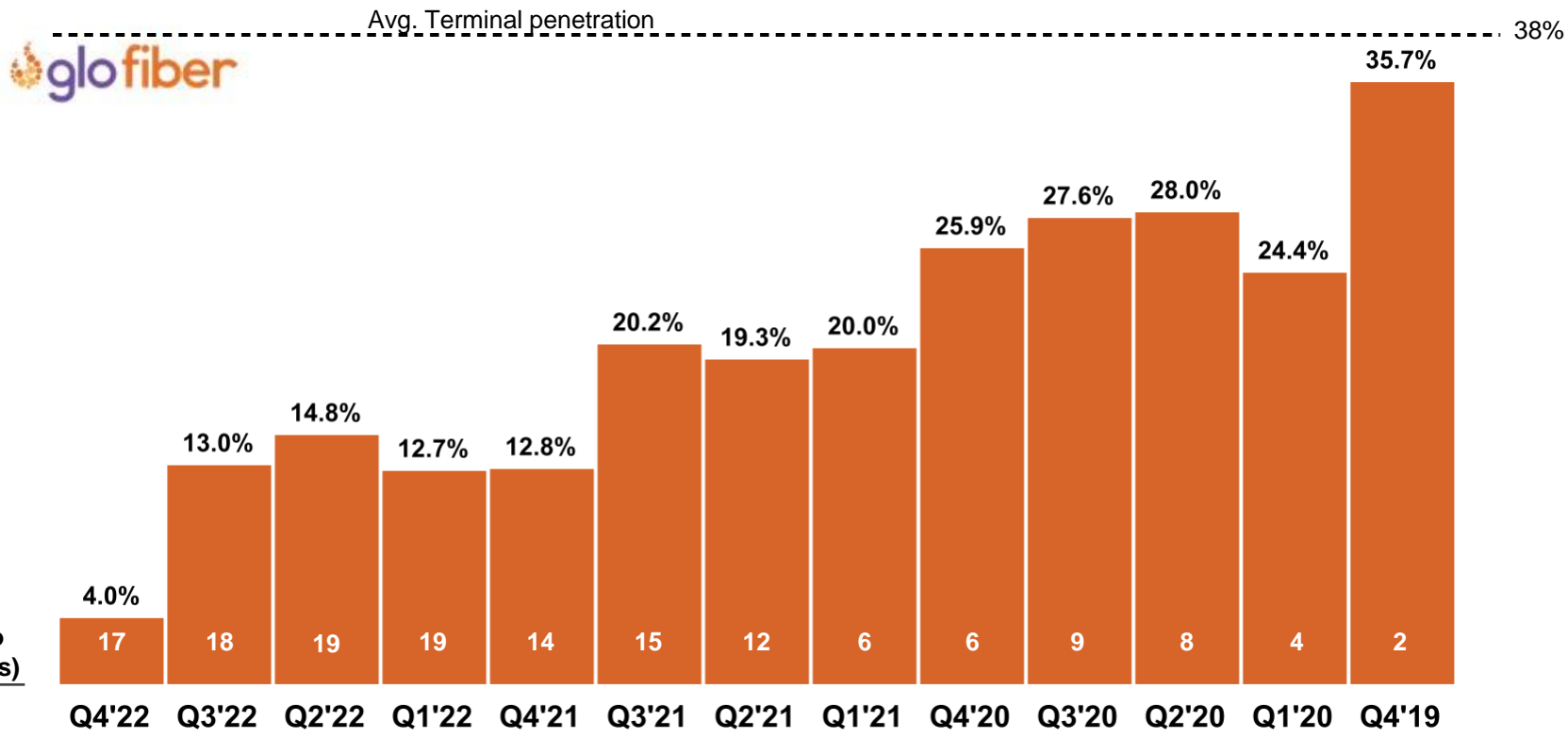
## Broadband Data Churn





# Vintage Glo Fiber Penetration

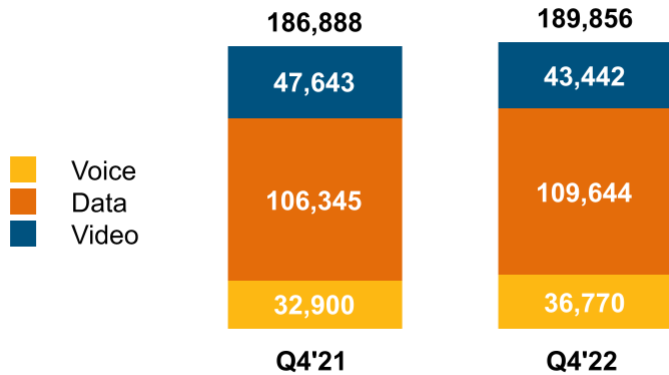
## Vintage Glo Fiber Penetration<sup>1</sup>



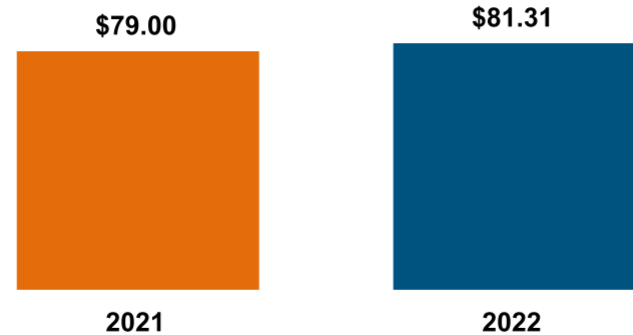
Passings released to sales (000's)  
Quarter launched

# Broadband - Incumbent Cable Metrics

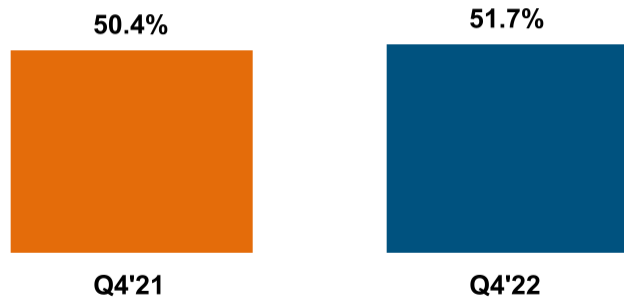
## Revenue Generating Units (RGU)



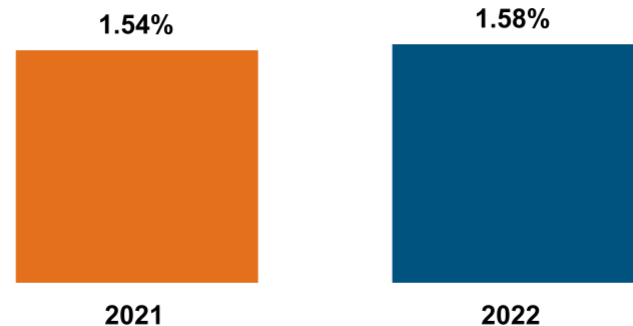
## Broadband Data Average Revenue per User (ARPU)



## Broadband Data Penetration

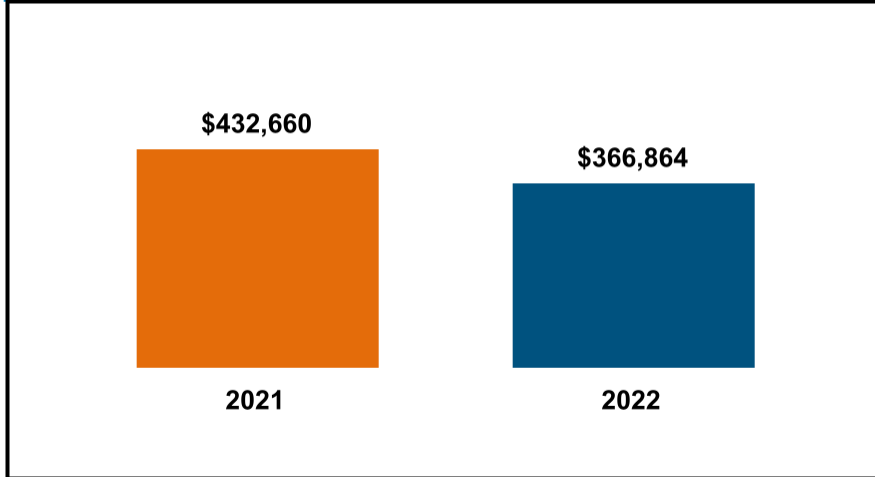


## Broadband Data Churn

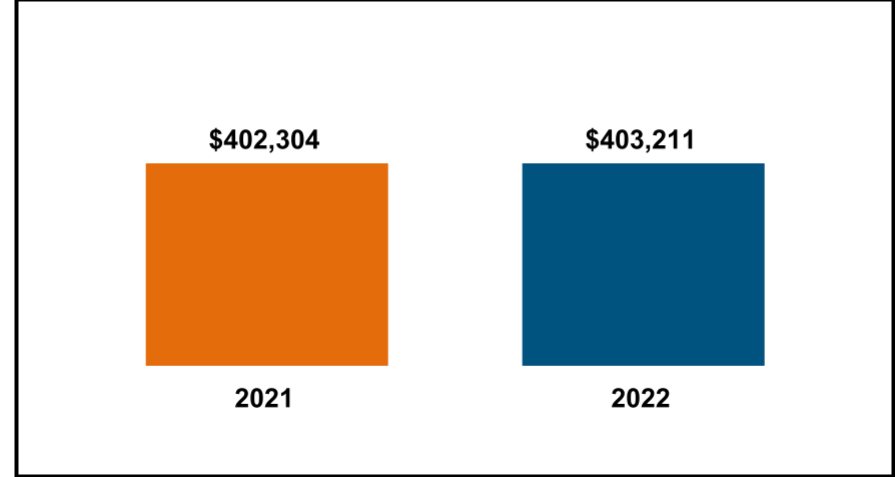


# Broadband - Commercial Fiber Metrics

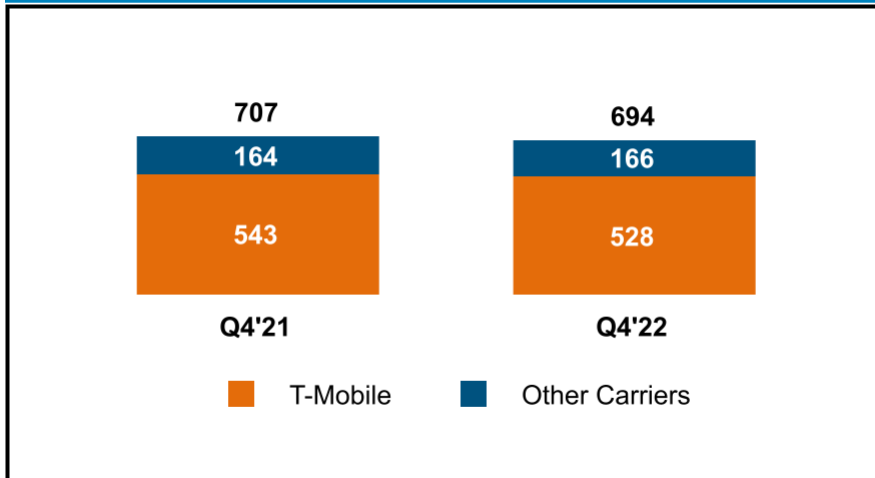
## MRR & MAR Sales Bookings



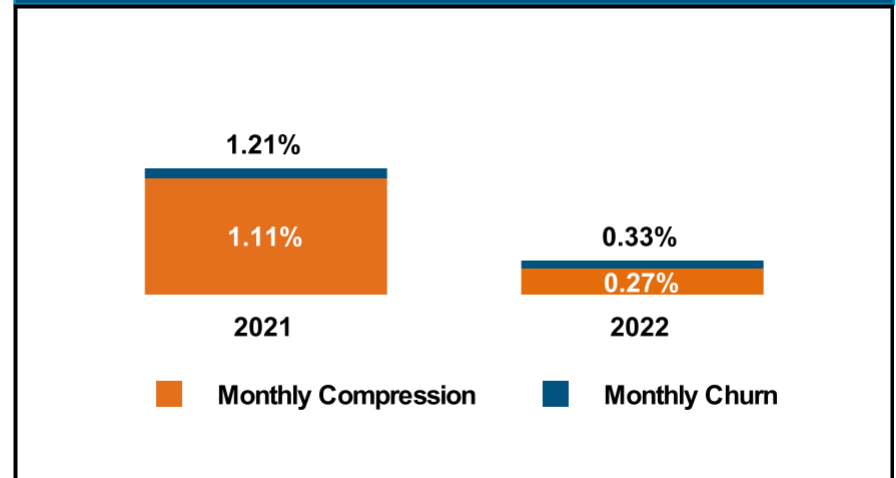
## Installed MRR & MAR<sup>1</sup>



## Backhaul Connections

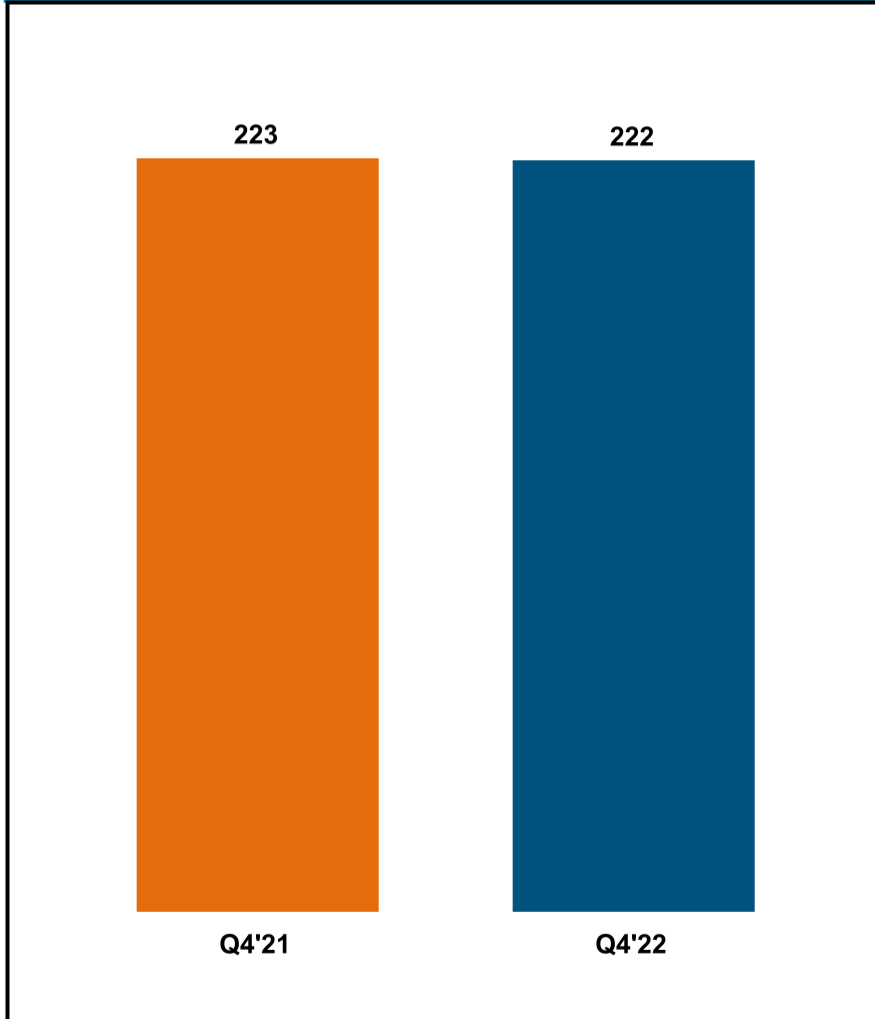


## Monthly Compression and Disconnect Churn<sup>2</sup>

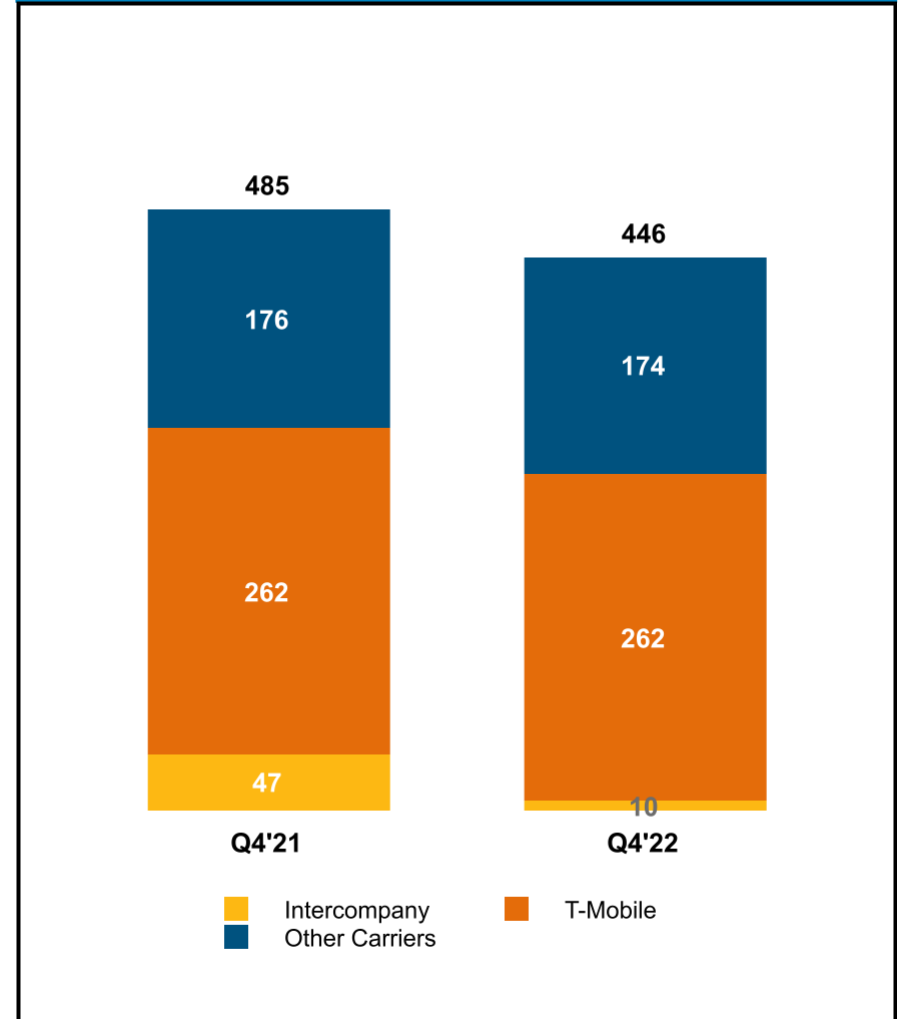


# Tower - Metrics

## Towers

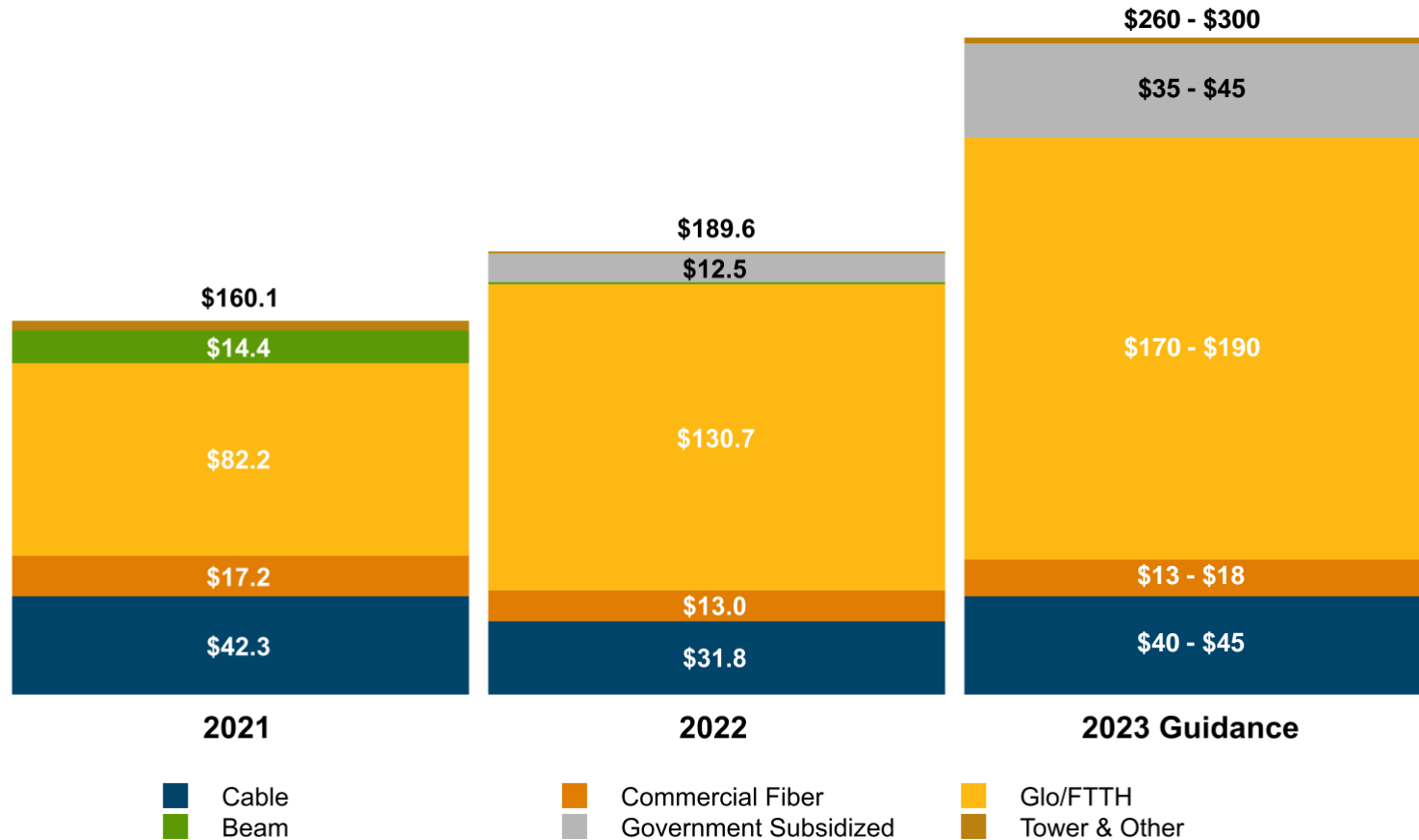


## Tenants



# 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 EBITDA by Segment - Full Year Results

## Year Ended December 31, 2022

<i>(in thousands)</i>	<b>Broadband</b>	<b>Tower</b>	<b>Corporate &amp; Eliminations</b>	<b>Consolidated</b>
Net income (loss) from continuing operations	\$ 20,467	\$ 9,512	\$ (38,358)	\$ (8,379)
Depreciation and amortization	63,175	2,416	3,308	68,899
Impairment expense	5,241	—	—	5,241
Other expense (income), net	240	—	1,108	1,348
Income tax expense (benefit)	—	—	(927)	(927)
Stock-based compensation	—	—	8,528	8,528
Restructuring charges and transaction related fees	849	—	402	1,251
Adjusted EBITDA	<u>\$ 89,972</u>	<u>\$ 11,928</u>	<u>\$ (25,939)</u>	<u>\$ 75,961</u>

## Year Ended December 31, 2021

<i>(in thousands)</i>	<b>Broadband</b>	<b>Tower</b>	<b>Corporate &amp; Eliminations</b>	<b>Consolidated</b>
Net income (loss) from continuing operations	\$ 28,571	\$ 9,016	\$ (29,658)	\$ 7,929
Depreciation and amortization	47,937	2,053	5,216	55,206
Impairment expense	5,986	—	—	5,986
Other expense (income), net	261	—	(8,926)	(8,665)
Income tax expense (benefit)	—	—	(1,694)	(1,694)
Stock-based compensation	—	—	3,408	3,408
Restructuring charges and transaction related fees	924	6	2,626	3,556
Adjusted EBITDA	<u>\$ 83,679</u>	<u>\$ 11,075</u>	<u>\$ (29,028)</u>	<u>\$ 65,726</u>

# Broadband - Average Revenue per User (ARPU)

## Broadband - Residential and SMB ARPU

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b><u>Residential and SMB Revenue:</u></b>				
Broadband Data	\$ 31,916	\$ 27,741	\$ 120,803	\$ 104,434
<i>Incumbent Cable</i>	26,945	25,427	105,433	97,848
<i>Glo Fiber</i>	4,971	2,314	15,370	6,586
Video	14,558	15,202	60,023	61,856
Voice	3,079	2,932	12,030	11,692
Discounts and adjustments	909	(47)	1,118	(452)
<b>Total Revenue</b>	<b>\$ 50,462</b>	<b>\$ 45,828</b>	<b>\$ 193,974</b>	<b>\$ 177,530</b>

## **Average RGUs:**

Broadband Data	132,123	116,277	125,484	110,631
<i>Incumbent Cable</i>	109,403	105,907	108,053	103,216
<i>Glo Fiber</i>	22,720	10,370	17,431	7,415
Video	47,571	50,400	48,654	51,368
Voice	39,910	34,561	38,217	34,068

## **ARPU:**

Broadband Data	\$ 80.46	\$ 79.45	\$ 80.14	\$ 78.62
<i>Incumbent Cable</i>	\$ 82.10	\$ 80.03	\$ 81.31	\$ 79.00
<i>Glo Fiber</i>	\$ 72.93	\$ 74.38	\$ 73.48	\$ 74.02
Video	\$ 102.01	\$ 100.54	\$ 102.80	\$ 100.35
Voice	\$ 25.72	\$ 28.28	\$ 26.23	\$ 28.60

\*Average Revenue Per User calculation = (Residential & SMB Revenue \* 1,000) / average revenue generating units / 12 months