

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 24, 2023



**Shenandoah Telecommunications Company**

(Exact name of registrant as specified in its charter)

**Virginia**  
(State or other jurisdiction  
of incorporation)

**000-9881**  
(Commission  
File Number)

**54-1162807**  
(IRS Employer  
Identification No.)

**500 Shentel Way**  
**P.O. Box 459**  
**Edinburg, Virginia 22824**  
(Address of principal executive offices) (Zip Code)

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

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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (No Par Value)	SHEN	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 7.01. Regulation FD Disclosure.

On October 24, 2023, Shenandoah Telecommunications Company (“Shentel”) announced it has entered into a definitive agreement to acquire 100% of the equity interests of Horizon Acquisition Parent LLC (“Horizon”) for \$385 million (the “Transaction”). Consideration will consist of \$305 million in cash and \$80 million of Shentel common stock. The Transaction is subject to certain regulatory approvals and other customary closing conditions and is expected to close in the first half of 2024.

On October 24, 2023, Shentel issued a press release announcing the Transaction. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Shentel will host a conference call and webcast at 8:30 A.M. ET on Wednesday, October 25, 2023. A copy of the investor presentation to be presented at the conference call is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of such section, nor shall such information (including Exhibit 99.1 and Exhibit 99.2) be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of the general incorporation language of such filing, except as shall be expressly set forth by specific reference in such filing.

## Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Press Release, dated October 24, 2023.</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation, dated October 25, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

## Forward-Looking Statements

*This communication contains forward-looking statements about Shentel regarding, among other things, its business strategy, its prospects and its financial position. These statements can be identified by the use of forward-looking terminology such as “believes,” “estimates,” “expects,” “intends,” “may,” “will,” “plans,” “should,” “could,” or “anticipates” or the negative or other variation of these or similar words, or by discussions of strategy or risks and uncertainties. The forward-looking statements are based upon management’s beliefs, assumptions and current expectations and may include comments as to Shentel’s beliefs and expectations as to future events and trends affecting its business that are necessarily subject to uncertainties, many of which are outside Shentel’s control. Although management believes that the expectations reflected in the forward-looking statements are reasonable, forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at which such performance or results will be achieved, and actual results may differ materially from those contained in or implied by the forward-looking statements as a result of various factors. A discussion of other factors that may cause actual results to differ from management’s projections, forecasts, estimates and expectations is available in Shentel’s filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Reports on Form 10-Q. Those factors may include, among others, the ability to obtain the required regulatory approvals and satisfy the closing conditions required for the Transaction, Shentel’s ability to obtain the financing for the Transaction, the closing of the Transaction may not occur on time or at all, the expected savings and synergies from the Transaction may not be realized or may take longer or cost more than expected to realize, changes in overall economic conditions including rising inflation, regulatory requirements, changes in technologies, changes in competition, demand for our products and services, availability of labor resources and capital, natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as COVID-19, and other conditions. The forward-looking statements included are made only as of the date of the statement. Shentel 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, except as required by law.*

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**SIGNATURES**

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

Dated: October 25, 2023

/s/ James J. Volk

James J. Volk

Senior Vice President – Chief Financial Officer

(Principal Financial Officer)

## Shenandoah Telecommunications Company to Acquire Horizon Telcom

EDINBURG, Va., October 24, 2023 (GLOBE NEWSWIRE) -- Shenandoah Telecommunications Company (“Shentel” or the “Company”) (Nasdaq: SHEN) announced today it has entered into a definitive agreement to acquire 100% of the equity interests in Horizon Acquisition Parent LLC (“Horizon” or “Horizon Telcom”) for \$385 million (the “Transaction”). Consideration will consist of \$305 million in cash and \$80 million of Shentel common stock.

Horizon is a leading commercial fiber provider in Ohio and adjacent states serving national wireless providers, carriers, enterprises, and government, education and healthcare customers. Horizon’s unique 7,200 route-mile fiber network is the largest and most dense network across its footprint with over 9,000 on-net locations. Approximately 64% of Horizon’s revenues are derived from their commercial customers. Based in Chillicothe, Ohio, Horizon was founded in 1895 as the incumbent local exchange carrier (“ILEC”) in Ross County, Ohio and rapidly expanded its fiber network over the past 14 years. Most recently, Horizon has pursued a strategy of investing in Fiber-to-the-Home (“FTTH”) in tier 3 & 4 markets in Ohio and currently passes 14,000 homes and businesses with fiber in its ILEC market and 18,000 homes in new, greenfield markets adjacent to its commercial fiber network.

“The acquisition of Horizon is a transformative transaction that we believe will allow us to accelerate our Fiber First strategy by doubling the size of our commercial fiber business and creating a new beachhead for our Glo Fiber business. We now expect to pass 150,000 additional homes with fiber in greenfield markets, targeting 600,000 total passings by the end of 2026,” said Shentel’s President and CEO, Christopher E. French. “We are excited to combine Horizon’s robust fiber network and commercial fiber business with our 9,000 route-mile, multi-state fiber network and accelerate our Glo Fiber expansion. Horizon and Shentel share a similar history and a passion for outstanding local customer service while providing state-of-the-art technologies. We believe our teams’ core competencies will complement one another, translating to a stronger combined business.”

Horizon CEO, Jim Capuano, added “We are proud of the success Horizon has experienced in partnership with Novacap and GCM Grosvenor over the past five years building a leading broadband company in Ohio. The transaction with Shentel creates an exciting opportunity for our customers and the communities we serve to continue to receive best-in-quality broadband service and an opportunity for our employees to continue to be integral contributors to a leading super-regional provider.”

*Shentel will host a conference call and webcast at 8:30 A.M. ET on Wednesday, October 25, 2023. The webcast and related materials will be available on Shentel’s Investor Relations website at <https://investor.shentel.com/>.*

*For Analysts, please register to dial-in at this link (<https://register.vevent.com/register/BI5eb7abc9f08d46078d955b3d1b18735f>).*

#### **Financial Information**

- Horizon generated \$64.7 million in revenues, \$12.0 million in net loss and \$19.0 million in Horizon Adjusted EBITDA in 2022.<sup>1,2</sup>
- Shentel anticipates realizing \$10 million in estimated annual run-rate synergies<sup>3</sup> within 18 months of closing the transaction.
- Shentel anticipates realizing \$16 million in present value of tax benefits from utilization of \$68 million in Horizon Net Operating Loss and \$18 million in deferred interest deduction carryforwards.
- Horizon has been awarded over \$57 million in grants from the Ohio Broadband Authority and NTIA (“Government Grant Projects”) to construct fiber to 2,500 unserved homes, expand its middle-mile fiber network across eight underserved counties in Ohio, and increase its network backbone capacity up to 400 Gbps. These projects are expected to be completed by 2028.

<sup>1</sup> The financial results for Horizon in this press release have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material.

<sup>2</sup> A reconciliation of Horizon Net Income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Horizon Adjusted EBITDA and Horizon Adjusted EBITDA net of synergies can be found at the end of this press release under the heading “Non-GAAP Financial Measure.”

<sup>3</sup> Includes \$9.6 million in run-rate operating expense synergies and \$0.6 million in capex synergies.

### **Transaction Details**

- The Transaction is subject to certain regulatory approvals and other customary closing conditions and is expected to close in the first half of 2024.
- The purchase price, less present value of tax benefits, represents:
  - 12.9x 2022 Horizon Adjusted EBITDA multiple net of synergies<sup>2</sup>
  - Approximately \$51,000 per fiber route mile

### **Financing**

- Shentel intends to fund the Transaction with a combination of existing cash resources, revolving credit facility capacity and an amended and upsized credit facility. The Company has received \$275 million in financing commitments from CoBank, Bank of America, Citizens Bank, N.A., and Fifth Third Bank, N.A..
- GCM Grosvenor (“GCM”), a selling unit holder of Horizon, will exchange its equity interest in Horizon for 4.08 million shares of Shentel common stock with an aggregate value of \$80 million based on a reference price of \$19.60<sup>4</sup> resulting in GCM owning approximately 7% of Shentel’s fully diluted common shares after the transaction is closed.
- Shentel has entered into a 7%<sup>5</sup> Participating Exchangeable Perpetual Preferred Stock (“Preferred Stock”) investment agreement with Energy Capital Partners (“ECP”), an existing Shentel shareholder and long-time infrastructure investor, to provide \$81 million of growth capital to fund the FTTH network expansion, the Government Grant Projects and general corporate purposes. The dividend can be paid in cash or in-kind at the option of the Company. The Preferred Stock can be exchanged for Shentel common stock at an exchange price of \$24.50, a 25% premium to the reference price of \$19.60<sup>4</sup>, under certain conditions as outlined in the investment agreement. This financing is expected to close in conjunction with the Transaction.
- The Company plans to raise additional growth capital for the FTTH network expansion, Government Grant Projects and general corporate purposes, which may include exploring strategic alternatives for its tower portfolio.

GCM Managing Director, James DiMola said, “We are excited about the prospects of combining the Shentel and Horizon businesses and see significant operational, strategic and financial merit in the combination. The opportunity to participate as a shareholder in Shentel’s growth strategy is highly attractive and was critical to our support of the transaction.”

ECP Partner, Matt DeNichilo said, “We appreciate the opportunity to increase our investment in and expand our relationship with Shentel. We are long-term infrastructure investors and are a supporter of the Company’s FTTH expansion strategy. We believe the combination with Horizon will create significant value for shareholders. We look forward to working with the Shentel management team in executing their Fiber First strategy.”

### **Other Information**

- Rothschild & Co acted as sole financial advisor to Shentel and Hunton Andrews Kurth LLP is acting as its legal counsel.
- Bank Street Group LLC served as exclusive financial advisor to Horizon and Baker Botts LLP is acting as its legal counsel.
- Houlihan Lokey acted as financial advisor to GCM Grosvenor and Greenberg Traurig, LLP is acting as its legal counsel.

### **Call Webcast**

Date: Wednesday, October 25, 2023

Time: 8:30 A.M. ET

Listen via Internet: <https://investor.shentel.com/>

A replay of the call will be available for a limited time on the Investor Relations page of the Company’s website.

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<sup>4</sup> Reference price of \$19.60 was based on the 30 day average VWAP following time Shentel entered into exclusivity with Horizon.

<sup>5</sup> Dividend rate is subject to increase if ECP’s Independent Director is not seated on Shentel’s Board after the next annual meeting and the PIK dividend is subject to increase after the fifth and seventh anniversaries of the closing date.

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## **About Shenandoah Telecommunications**

Shenandoah Telecommunications Company (Shentel) provides broadband services through its high speed, state-of-the-art cable and fiber optic networks to customers in the Mid-Atlantic United States. The Company's services include: broadband internet, video, and voice; fiber optic Ethernet, wavelength and leasing; and tower colocation leasing. The Company owns an extensive regional network with over 9,000 route miles of fiber and over 220 macro cellular towers. For more information, please visit [www.shentel.com](http://www.shentel.com).

## **About Horizon Telcom**

Horizon is a facilities-based fiber-optic broadband service provider based in Ohio and Indiana with expanding services across the Midwest. Operating 7,200 route miles of fiber, Horizon provides high-quality and flexible connectivity solutions to residential, small to large enterprise and wholesale carrier customers. The company's extensive network offers high-speed Ethernet, Dedicated Internet Access, Hosted Voice and UCaaS, dark fiber, wavelength, data center connectivity services and residential triple play services. Horizon's long-standing commitment to remarkable customer care underscores its dedication to connecting its customers to their worlds with cutting-edge technology. For more information about Horizon's brand promise, visit [horizonconnects.com](http://horizonconnects.com).

## **About GCM Grosvenor**

GCM Grosvenor (NASDAQ: GCMG) is a global alternative asset management solutions provider with approximately \$76 billion in assets under management across private equity, infrastructure, real estate, credit, and absolute return investment strategies. The firm has specialized in alternatives for more than 50 years and is dedicated to delivering value for clients by leveraging its cross-asset class and flexible investment platform. GCM Grosvenor's experienced team of approximately 530 professionals serves a global client base of institutional and high-net-worth investors. The firm is headquartered in Chicago, with offices in New York, Toronto, London, Frankfurt, Tokyo, Hong Kong, Seoul and Sydney. For more information, visit: [www.gcmgrosvenor.com](http://www.gcmgrosvenor.com).

## **About ECP**

Energy Capital Partners (ECP), founded in 2005, is a leading equity and credit investor across energy transition, electrification and decarbonization infrastructure assets, including power generation, renewables and storage solutions, environmental infrastructure and digital infrastructure. The ECP team, comprised of 86 people with over 800 years of collective industry experience, deep expertise and extensive relationships, has consummated more than 100 equity (representing more than \$50 billion of enterprise value) and over 20 credit transactions since inception. For more information, visit [www.ecpgp.com](http://www.ecpgp.com).

*This release contains forward-looking statements about Shentel regarding, among other things, its business strategy, its prospects and its financial position. These statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "expects," "intends," "may," "will," "plans," "should," "could," or "anticipates" or the negative or other variation of these or similar words, or by discussions of strategy or risks and uncertainties. The forward-looking statements are based upon management's beliefs, assumptions and current expectations and may include comments as to Shentel's beliefs and expectations as to future events and trends affecting its business that are necessarily subject to uncertainties, many of which are outside Shentel's control. Although management believes that the expectations reflected in the forward-looking statements are reasonable, forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at which such performance or results will be achieved, and actual results may differ materially from those contained in or implied by the forward-looking statements as a result of various factors. A discussion of other factors that may cause actual results to differ from management's projections, forecasts, estimates and expectations is available in Shentel's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Reports on Form 10-Q. Those factors may include, among others, the ability to obtain the required regulatory approvals and satisfy the closing conditions required for the Transaction, Shentel's ability to obtain the financing for the Transaction, the closing of the Transaction may not occur on time or at all, the expected savings and synergies from the Transaction may not be realized or may take longer or cost more than expected to realize, changes in overall economic conditions including rising inflation, regulatory requirements, changes in technologies, changes in competition, demand for our products and services, availability of labor resources and capital, natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as COVID-19, and other conditions. The forward-looking statements included are made only as of the date of the statement. Shentel 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, except as required by law.*

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CONTACT:

Shenandoah Telecommunications Company  
Jim Volk  
Senior Vice President and Chief Financial Officer  
540-984-5168  
[Jim.Volk@emp.shentel.com](mailto:Jim.Volk@emp.shentel.com)

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## Non-GAAP Financial Measure

### Horizon Adjusted EBITDA

Shentel defines Horizon Adjusted EBITDA as net income (loss) calculated in accordance with GAAP, adjusted for the impact of depreciation and amortization, interest and loss on extinguishment of debt, other expense (income), net, income tax benefit, transaction, financing and restructuring fees, settlement of legal dispute, stock-based compensation and shareholder management fees. A reconciliation of net income (loss), which is the most directly comparable GAAP financial measure, to Horizon Adjusted EBITDA is provided below.

The financial results for Horizon in this press release have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those by Shentel, but Shentel does not believe these differences are material.

Shentel and Horizon believe that the presentation of Horizon Adjusted EBITDA provides useful supplemental information that is essential to a proper understanding of the operating results of Horizon's businesses. This non-GAAP performance measure should not be viewed as a substitute for operating results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be similarly named and presented by other companies, including Shentel's calculation of Adjusted EBITDA.

### Reconciliation of Horizon's Year Ended December 31, 2022

(in thousands)

Net income (loss)	\$ (12,038)
Depreciation and amortization	14,293
Interest and Loss on extinguishment of debt	18,835
Other expense (income), net	(538)
Income tax benefit	(3,420)
Transaction, financing and restructuring fees	430
Settlement of legal dispute	396
Stock-based compensation	544
Shareholder management fees	511
Horizon Adjusted EBITDA	19,013
Expected synergies <sup>6</sup>	9,600
Horizon Adjusted EBITDA net of synergies	\$ 28,613

<sup>6</sup> The Company expects to realize synergy savings in overlapping back-office systems and resources, as well as excess office space, over the 18 months following closing. The expected savings and synergies are a forward-looking statement and may not be realized or may take longer or cost more than expected to realize.





# Horizon Telcom Acquisition

October 25, 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 “pro-forma,” “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:

- The ability to obtain the required regulatory approvals and satisfy the closing conditions required for the Transaction
- Shentel's ability to obtain the financing for the Transaction
- The closing of the Transaction may not occur on time or at all
- The expected savings and synergies from the Transaction may not be realized or may take longer or cost more than expected to realize

The financial results for Horizon in this press release have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material.

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

## Transformative Transaction

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- ✓ Accelerates our Fiber First strategy
  - Doubles the size of our commercial fiber business
  - Creates new beachhead for Glo Fiber expansion
- ✓ Expected to increase most key metrics by ~ 25%
- ✓ Combined company long-term growth rates expected to be among the leaders for publicly-traded broadband companies
- ✓ Diversifies Shentel geographically
- ✓ Provides sizeable expected synergy opportunity of \$10 million annually<sup>1</sup>
- ✓ Improves operating scale driving margin expansion

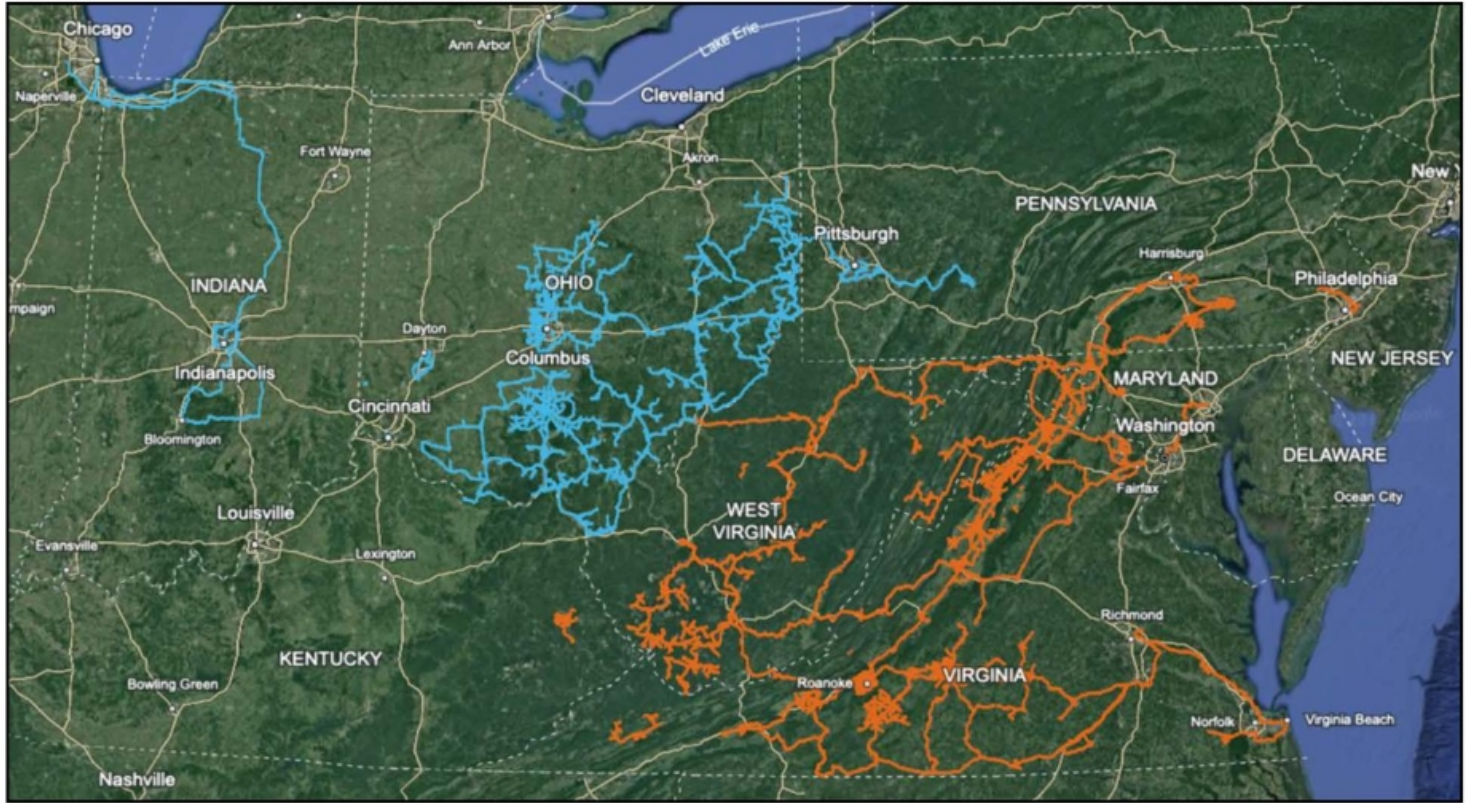


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**Notes**

1. Includes \$9.6m of run-rate Opex synergies and \$0.6m of run-rate Capex synergies

# Combination Creates Leading Super-Regional Network



— Horizon

— Shentel



## Shentel + Horizon = Win Together

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- Similar history and strategies
  - Investing in state-of-the-art communication services in rural markets
  - Providing outstanding local customer service
- Complementary core competencies
  - Shentel: residential focus and proven FTTH expansion platform
  - Horizon: advanced commercial fiber business



# Jim Volk

SVP of Finance and CFO

# Transaction Summary and Key Metrics

<b>Transaction Overview</b>	<p><b>Shentel to acquire Horizon Telcom for a purchase price of \$385 million</b></p> <ul style="list-style-type: none"> <li>\$305 million payable in cash</li> <li>\$80 million in common shares to be issued to one of Horizon's equityholders</li> </ul> <p><b>Transaction multiples (purchase price less tax assets):</b></p> <ul style="list-style-type: none"> <li>12.9x 2022 Adjusted EBITDA, net of synergies<sup>1,2</sup> <ul style="list-style-type: none"> <li>\$10 million expected annual run-rate synergies</li> <li>\$16 million of present value of tax benefits</li> </ul> </li> <li>Approximately \$51,000 per fiber route mile</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>New incremental credit facility: \$225 million DDTL A-3, RCF increased by \$50 million to \$150 million</li> <li>\$81 million of 7% preferred equity,<sup>3</sup> exchangeable at \$24.50 (3.3 million diluted common shares at transaction close)</li> <li>\$80 million of common shares issued to selling shareholder (4.1 million shares<sup>4</sup>) <ul style="list-style-type: none"> <li>Brings fully diluted common shares at closing on an "as exchanged basis" to 58.1 million</li> </ul> </li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>Closing expected by first half 2024</li> <li>Horizon to continue to invest in network between signing and close; Shentel to reimburse required capital</li> </ul>

## Transaction sources and uses (million)

Transaction sources	Amount	Transaction uses	Amount
Cash on balance sheet	\$77	Purchase of Horizon	\$385
Draw on revolver and incremental facility	158	Transaction and financing fees	11
Shentel common shares issued to selling Horizon shareholder	80		
New equity	81		
<b>Total sources</b>	<b>\$396</b>	<b>Total uses</b>	<b>\$396</b>

**Notes**

1. Includes \$9.6m of run-rate Opex synergies

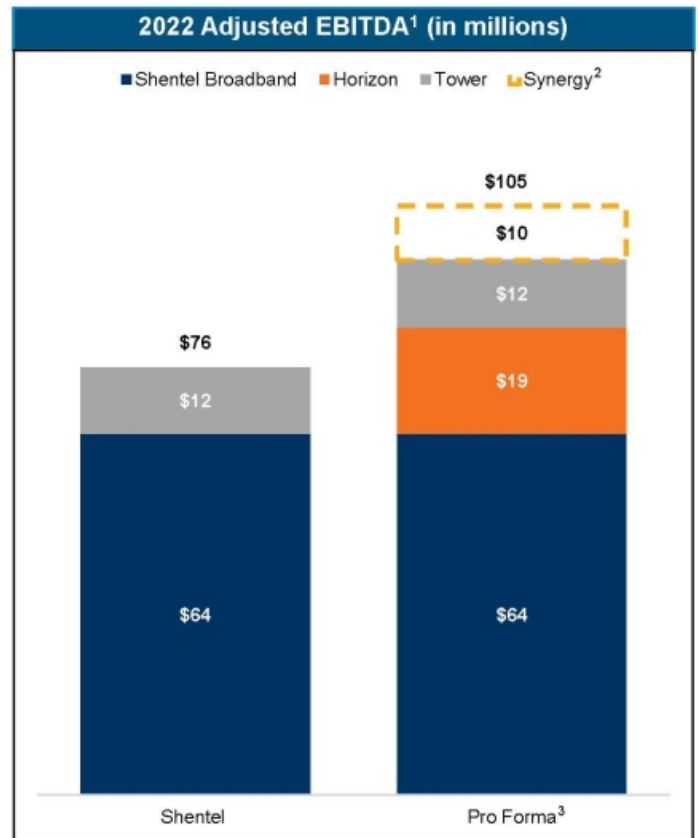
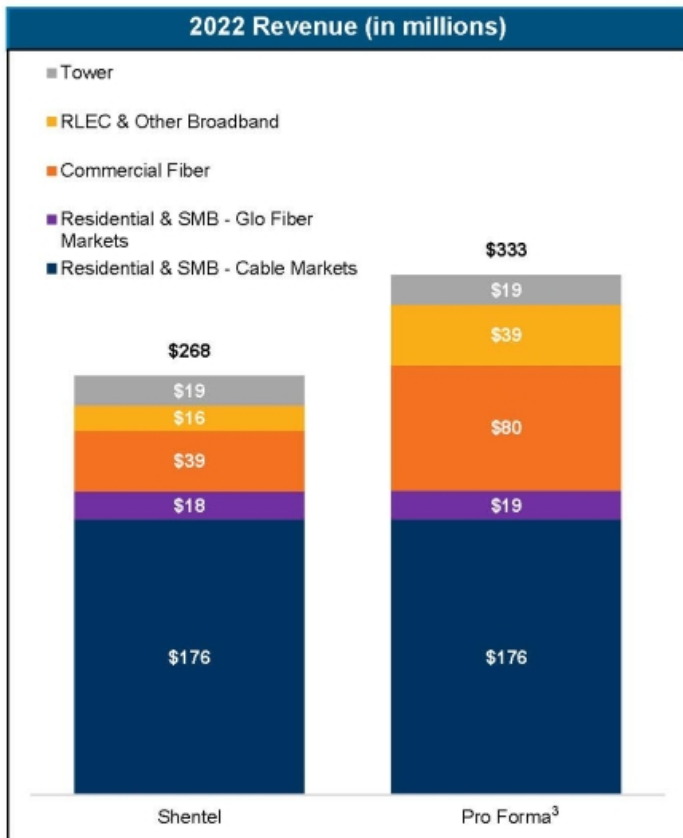
2. A reconciliation of Horizon Net Income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Horizon Adjusted EBITDA and Horizon Adjusted EBITDA net of synergies can be found at the end of this presentation under the heading "Non-GAAP Financial Measures"

3. Dividend rate is subject to increase if investor's Independent Director is not seated on Shentel's Board after the next annual meeting; PIK dividend rate subject to increase after the fifth and seventh anniversaries of the closing date Reference price of \$19.60 per share negotiated with selling equityholder based on Shentel's share price at time exclusivity entered with Horizon





# Pro-forma Financial Highlights

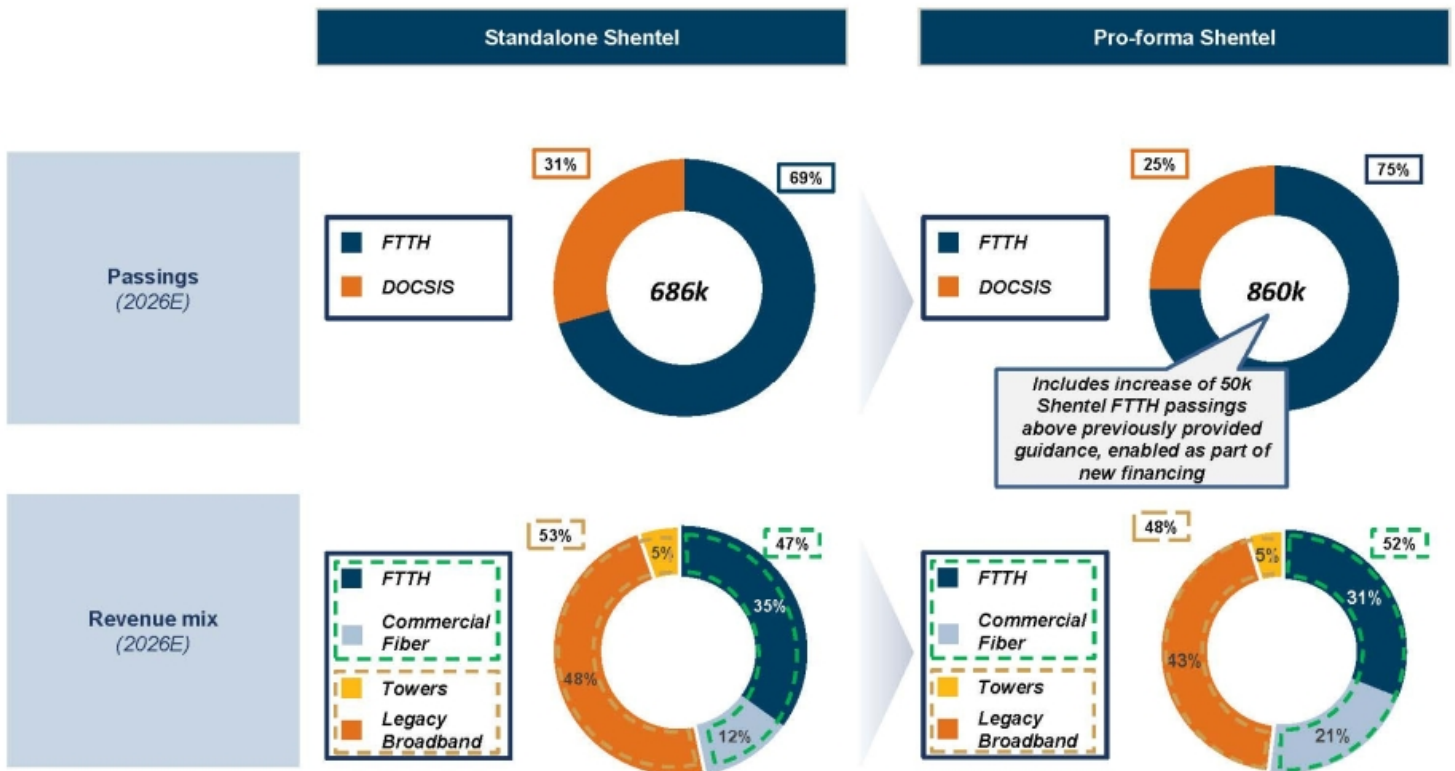


**Notes**

1. A reconciliation of Net Income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Adjusted EBITDA and Pro Forma Adjusted EBITDA with synergies can be found at the end of this presentation under the title "Adjusted EBITDA 2022 Results"
2. Includes \$9.6m of run-rate Opex synergies

3. The financial results for Horizon included in Pro Forma have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material

# Business Mix



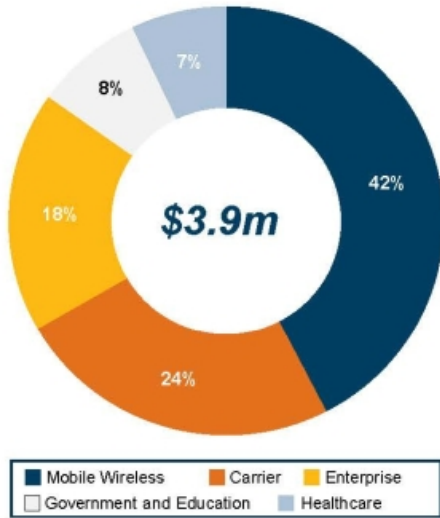


# Ed McKay

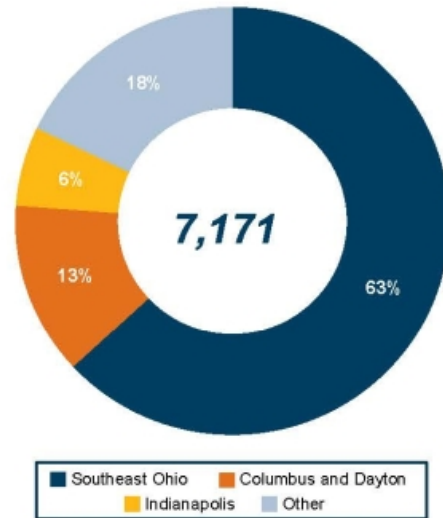
EVP and COO

# Horizon Overview<sup>1</sup>

### MRR by customer segment<sup>2</sup>



### Route miles by geography



## Key Metrics



#### Notes

1. Detail as of June 2023 unless noted otherwise
2. % customer split as of October 2022; MRR as of June 2023

# Combined Company Commercial Fiber Key Metrics



**Notes**

1. Horizon Fiber Route Miles and Fiber Strand Miles include 1,102 and 3,897, respectively, of IRU and leased miles

2. MRR = Monthly Recurring Revenue; MAR = Monthly Amortized Revenue, recurring revenues and backlog as of June 2023

# Horizon FTTH Markets Consistent With Glo Strategy




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 = 
 Pro-forma Company

Target market dynamics	Market type	High density tier III / IV	Unserviced	High density tier III / IV	High density tier III / IV and unserviced
	Homes Passed: Current 2026 Target	183k 500k	0 8k	18k 100k	201k 608k
	Competition	Incumbent cable and low-speed DSL; no fiber competition	Low-speed DSL or no competition	Incumbent cable and low-speed DSL; primarily no fiber competition	Incumbent cable and low-speed DSL; primarily no fiber competition
Offering and KPIs	Primary network technology	XGS-PON FTTH			
	Bandwidth speeds offered	Up to 5 Gbps			
	Government Grants Awards	n.a.	\$50m	n.a.	\$50m
	Cost per new passing <sup>1</sup>	\$1,000 - \$1,400	\$1,500	\$1,000 - \$1,400	\$1,000 - \$1,500
	Penetration: Current Terminal	18% 38%	0% 65%	5% 33%	17% 37%



Notes  
1. Net of grants where applicable

# Incumbent Broadband Markets

		 A ways connected to you (Incumbent cable)	+	Government subsidized	+	 (Incumbent fiber overbuild)	=	Pro-forma Company
Target market dynamics	Market type	Mostly rural		Unserved		Mostly rural		Mostly rural and unserved
	Homes Passed: Current 2026 Target	212k <sup>1</sup> 214k		1k 24k		14k <sup>2</sup> 14k		227k <sup>3</sup> 252k
	Competition	>75% low-speed DSL or no competition		Low-speed DSL or no competition		Incumbent cable		~75% low-speed DSL or no competition
Offering and KPIs <sup>2</sup>	Network technology upgrade plan	DOCSIS 3.1 or 4.0 or XGS-PON FTTH		XGS-PON FTTH DOCSIS 3.1 or 4.0		G-PON FTTH and XGS-PON FTTH		DOCSIS 3.1 or 4.0 or XGS-PON FTTH
	Upgraded speeds offered	2 Gbps to 5 Gbps		Up to 5 Gbps		2 Gbps to 5 Gbps		2 Gbps to 5Gbps
	Government Grants Awards	n.a.		\$70m		n.a.		\$70m
	Incremental cost per new passing <sup>4</sup>	n.a.		\$2,500 - \$3,000		n.a.		n.a.
	Penetration: Current Terminal	52% 54%		13% 62%		16% 40%		49% 54%



#### Notes

1. Incumbent cable only, excludes current ~7k DSL homes
2. Excludes ~16k DSL homes

3. Incumbent cable only, excludes current ~23k DSL homes
4. Net of grants where applicable

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# Q&A



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# Appendix

# Pro-forma Capital Structure

Pro-forma credit facility		New preferred equity	
Tranche	Detail	Term	Detail
Term Loan A-1	\$150 million due June 2026	Dividend rate	7% per annum payable in cash or in-kind (PIK) at Shentel's option
Term Loan A-2	\$150 million due June 2028	Dividend rate increase	Subject to increase if investor's Independent Director not seated on Board after the next annual meeting PIK dividend rate subject to increase after the fifth and seventh anniversaries of the closing date
Term Loan A-3	\$225 million due June 2028	Exchange	Exchangeable into Shentel common shares at \$24.50 per Shentel share
Revolving Line of Credit	\$150 million due June 2026	Shares at close	3.3 million shares at close on an "as exchanged basis"
Peak net leverage of 4.0x expected in 2025		58.1 million fully diluted common shares at closing on an "as exchanged basis" <sup>1</sup>	



#### Notes

- Includes 50.7 million outstanding shares of Shentel common stock on a fully-diluted basis, 4.1 million shares issued to selling Horizon equityholder and 3.3 million common shares from the preferred equity on an "as exchanged basis"

## 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 2022 Results

Year Ended December 31, 2022

<i>(\$ in thousands)</i>	Shentel consolidated	Plus: Horizon <sup>1</sup>	Pro-forma combined
Net income (loss) from continuing operations	(\$8,379)	(\$12,038)	(\$20,417)
Depreciation and amortization	68,899	14,293	83,192
Impairment expense	5,241	-	5,241
Interest and Loss on extinguishment of debt	-	18,835	18,835
Other expense (income), net	1,348	(538)	810
Income tax expense (benefit)	(927)	(3,420)	(4,347)
Transaction, financing and restructuring fees	1,251	430	1,681
Settlement of legal dispute	-	396	396
Stock-based compensation	8,528	544	9,072
Shareholder management fees	-	511	511
<b>Adjusted EBITDA</b>	<b>\$75,961</b>	<b>\$19,013</b>	<b>\$94,974</b>
Expected synergies <sup>2</sup>		9,600	9,600
<b>Adjusted EBITDA, net of synergies</b>	<b>\$75,961</b>	<b>\$28,613</b>	<b>\$104,574</b>

#### Notes

1. The financial results for Horizon have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material.

2. The Company expects to realize synergy savings in overlapping back-office systems and resources, as well as excess office space, over the 18 months following closing. The expected savings and synergies are a forward-looking statement and may not be realized or may take longer or cost more than expected to realize.

