



# 2017 Shareholder Meeting

May 2, 2017



# **Management Reports**

**Chris French**  
**President and CEO**

# 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, 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.

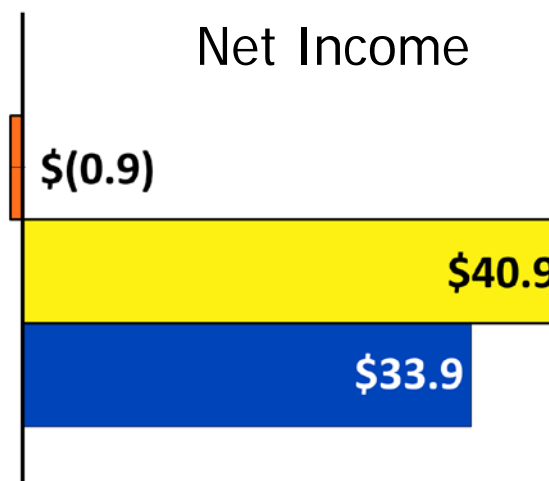
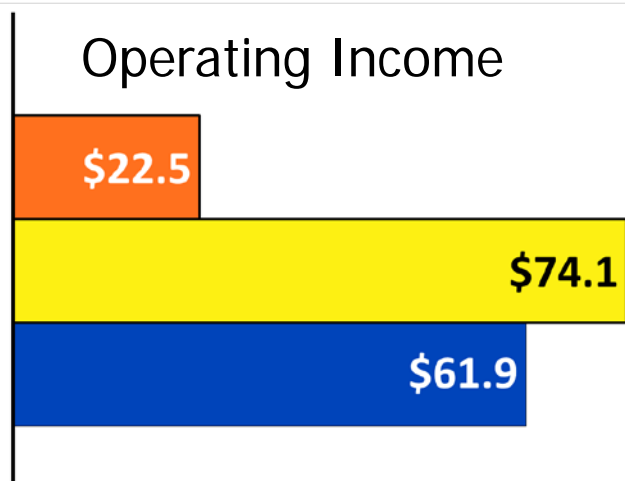
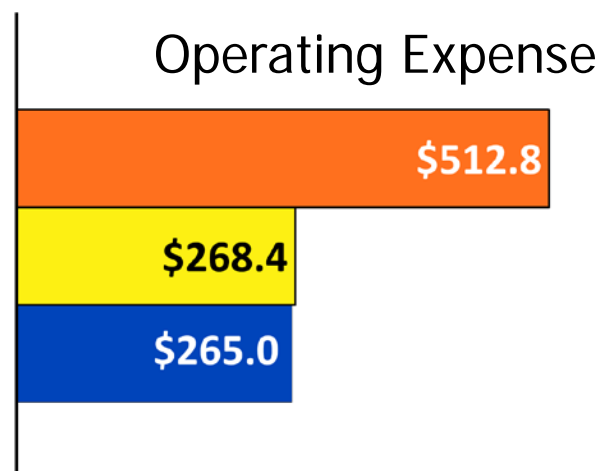
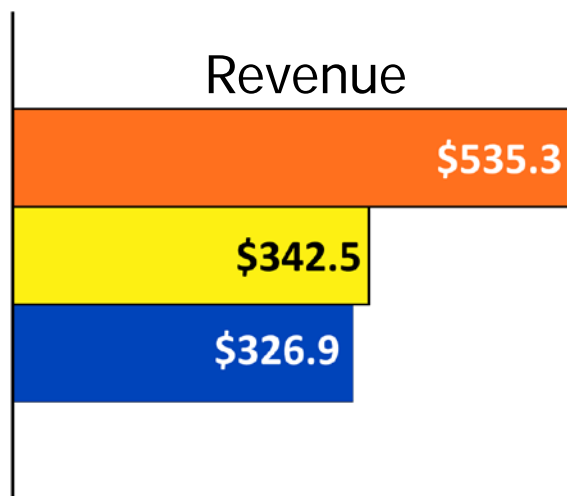
A further list and description of these risks, uncertainties and other factors can be found in the Company’s SEC filings which are available online at [www.sec.gov](http://www.sec.gov), [www.shentel.com](http://www.shentel.com) or on request from the Company. The Company does not undertake to update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

# Use of Non-GAAP Financial Measures

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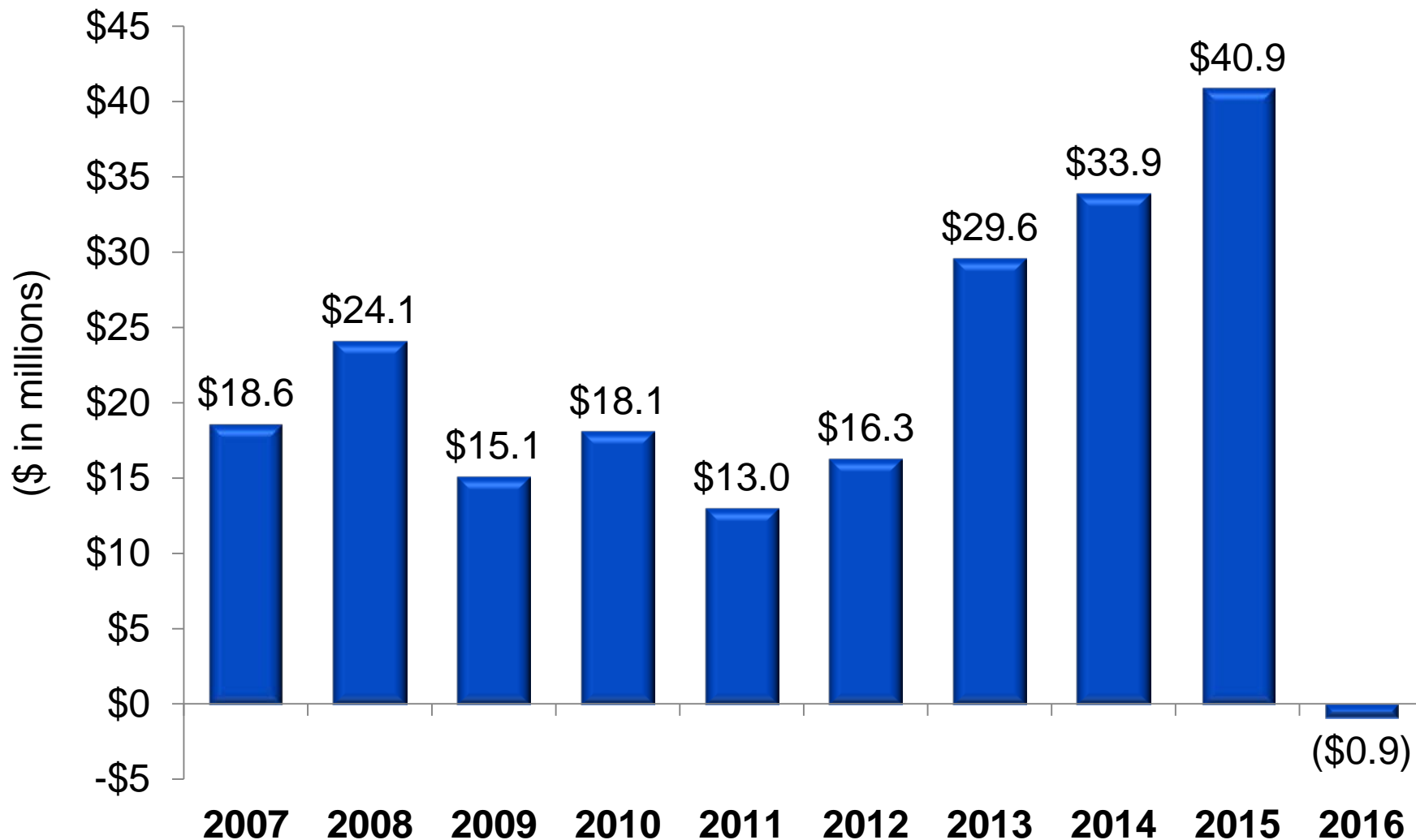
Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, 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.

# Financial Highlights



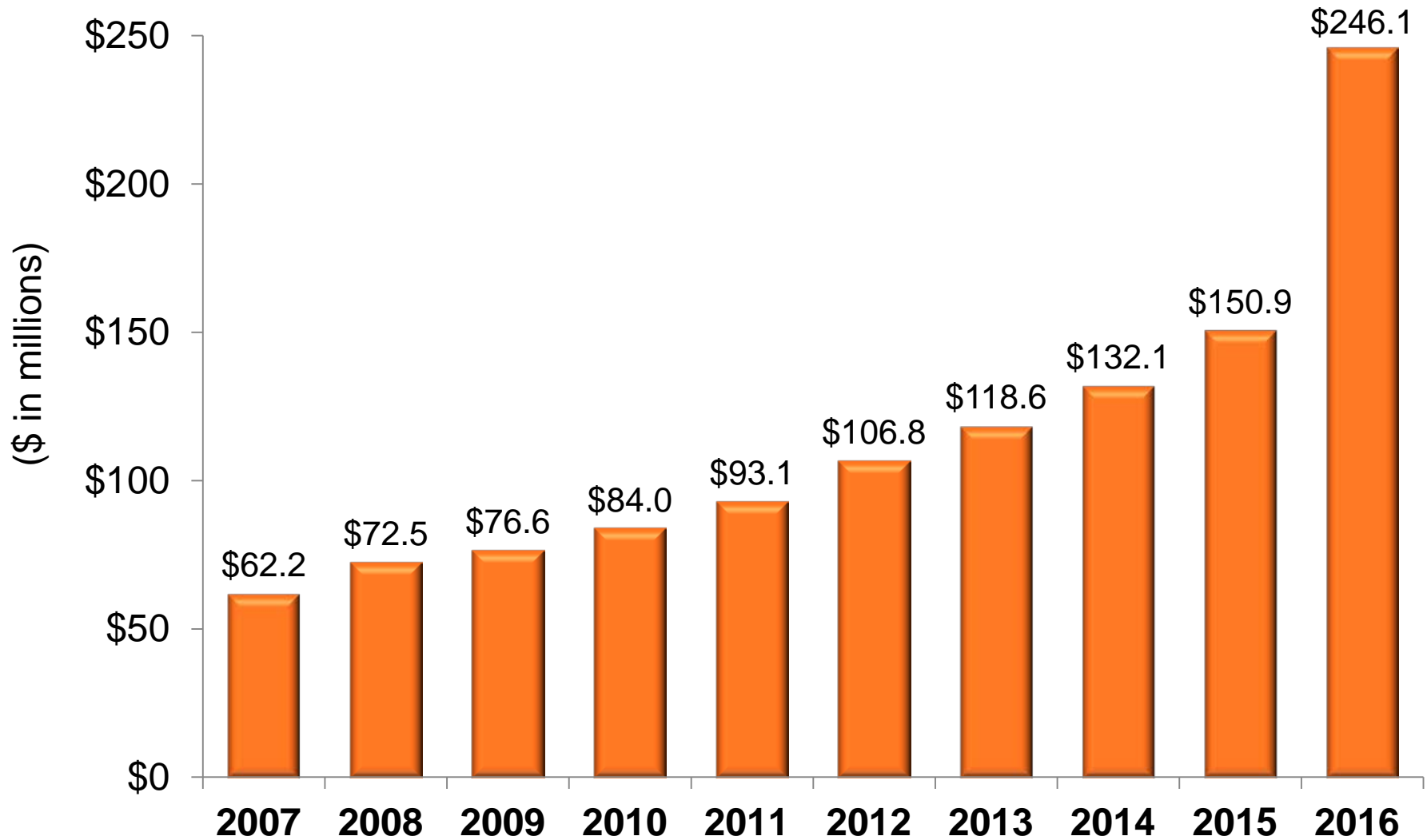
■ 2014    ■ 2015    ■ 2016

# Net Income History

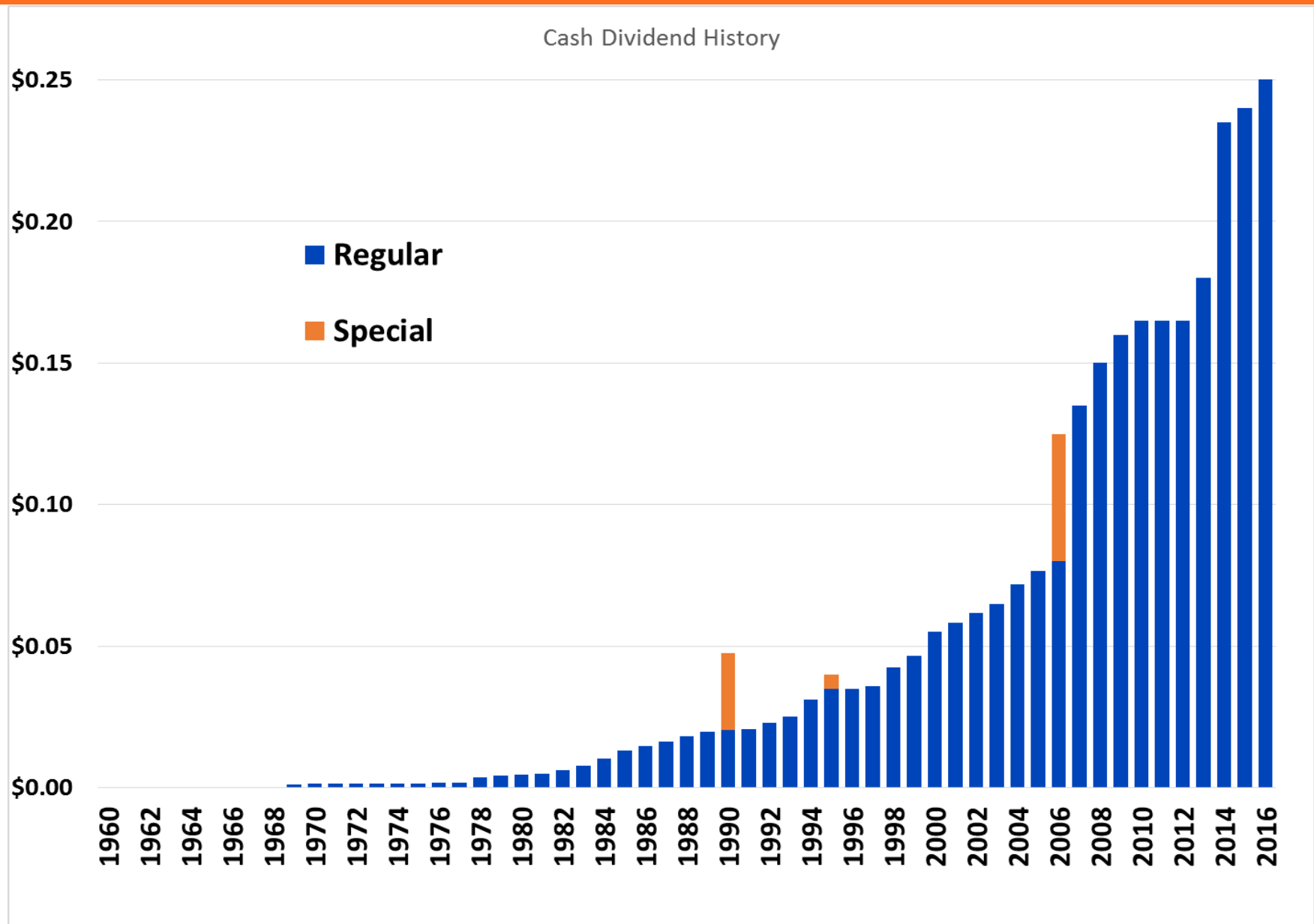


# Adjusted OIBDA History

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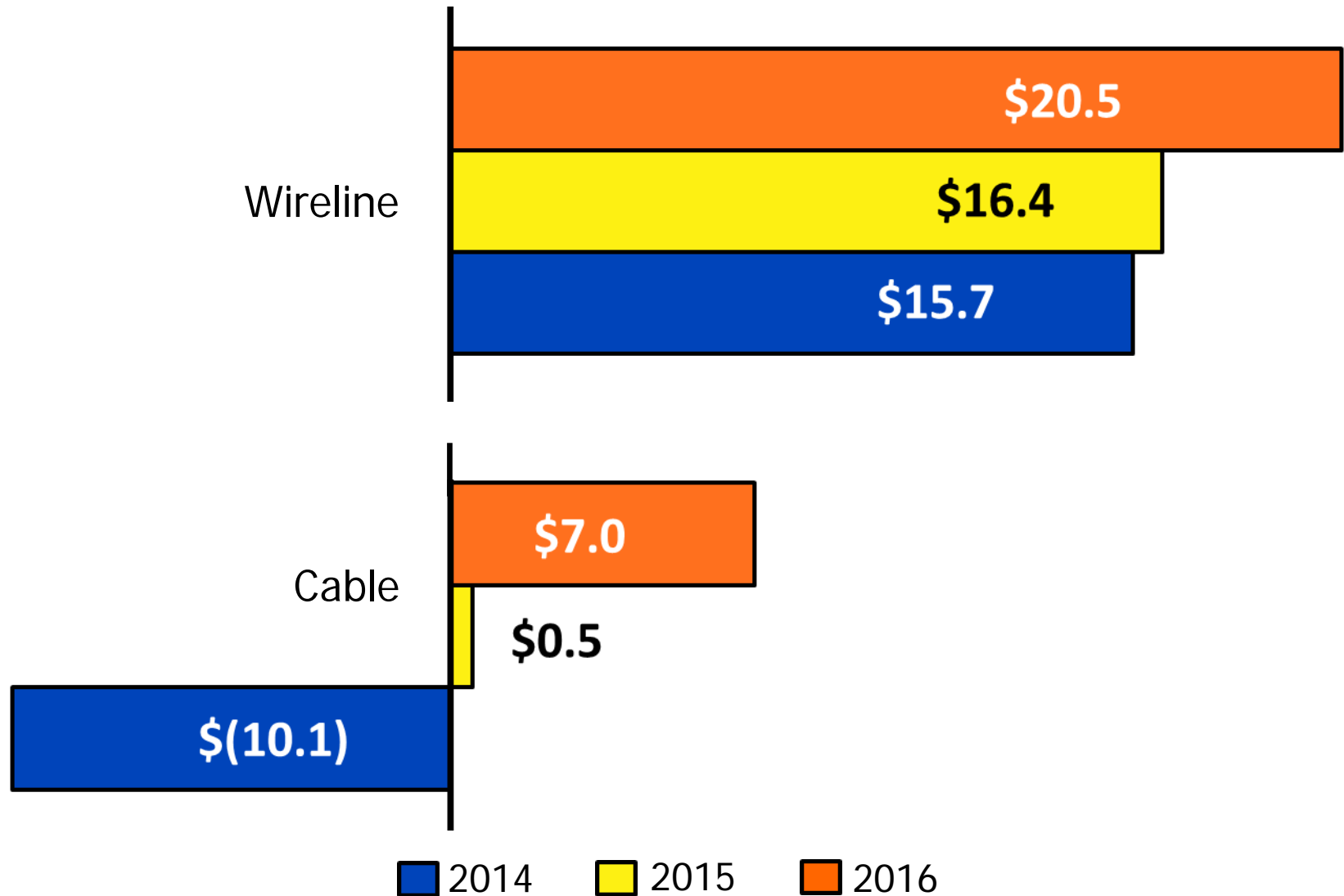


# Cash Dividend History (per Share, Split Adjusted)





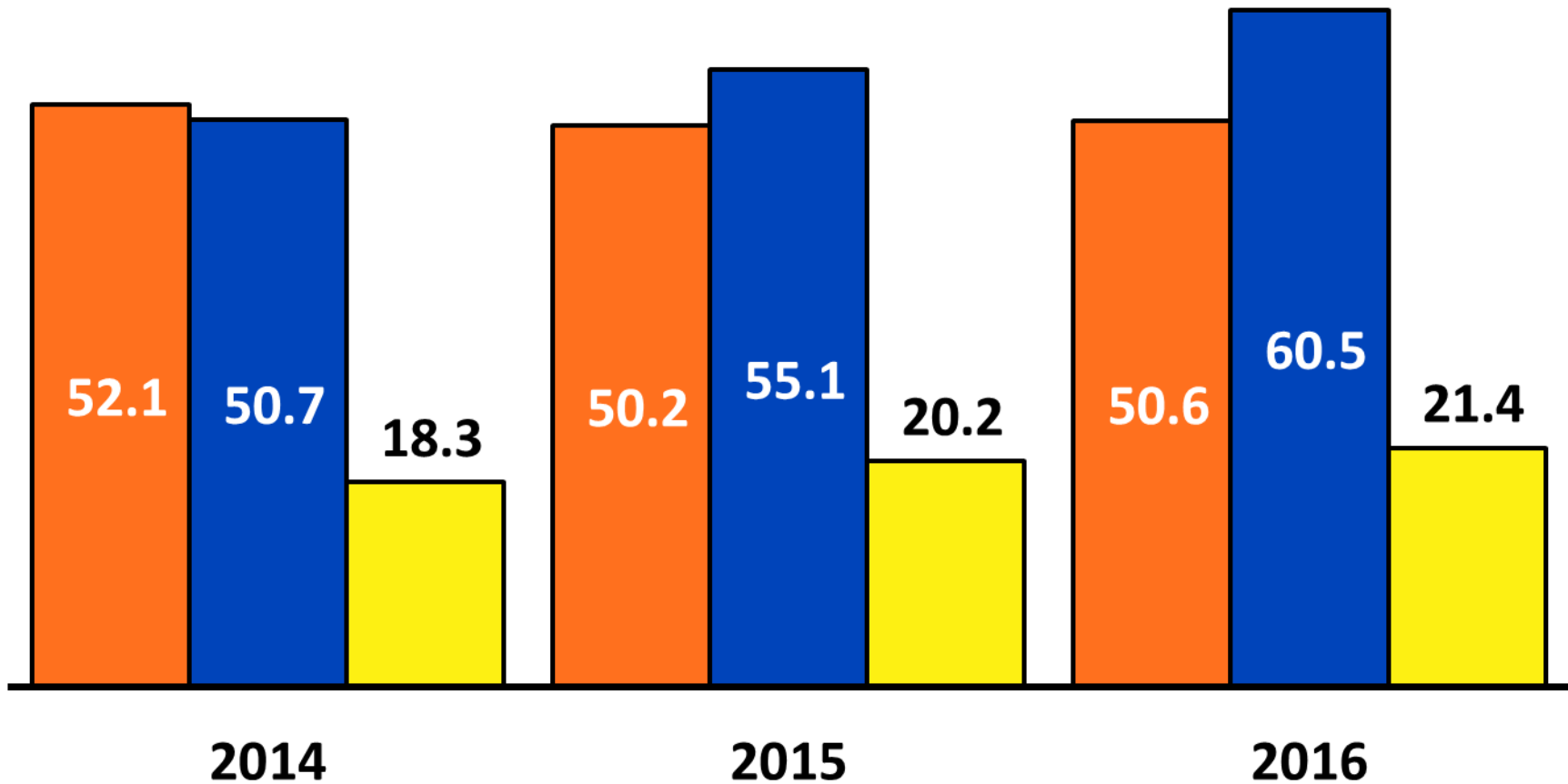
# Cable and Wireline Operating Income



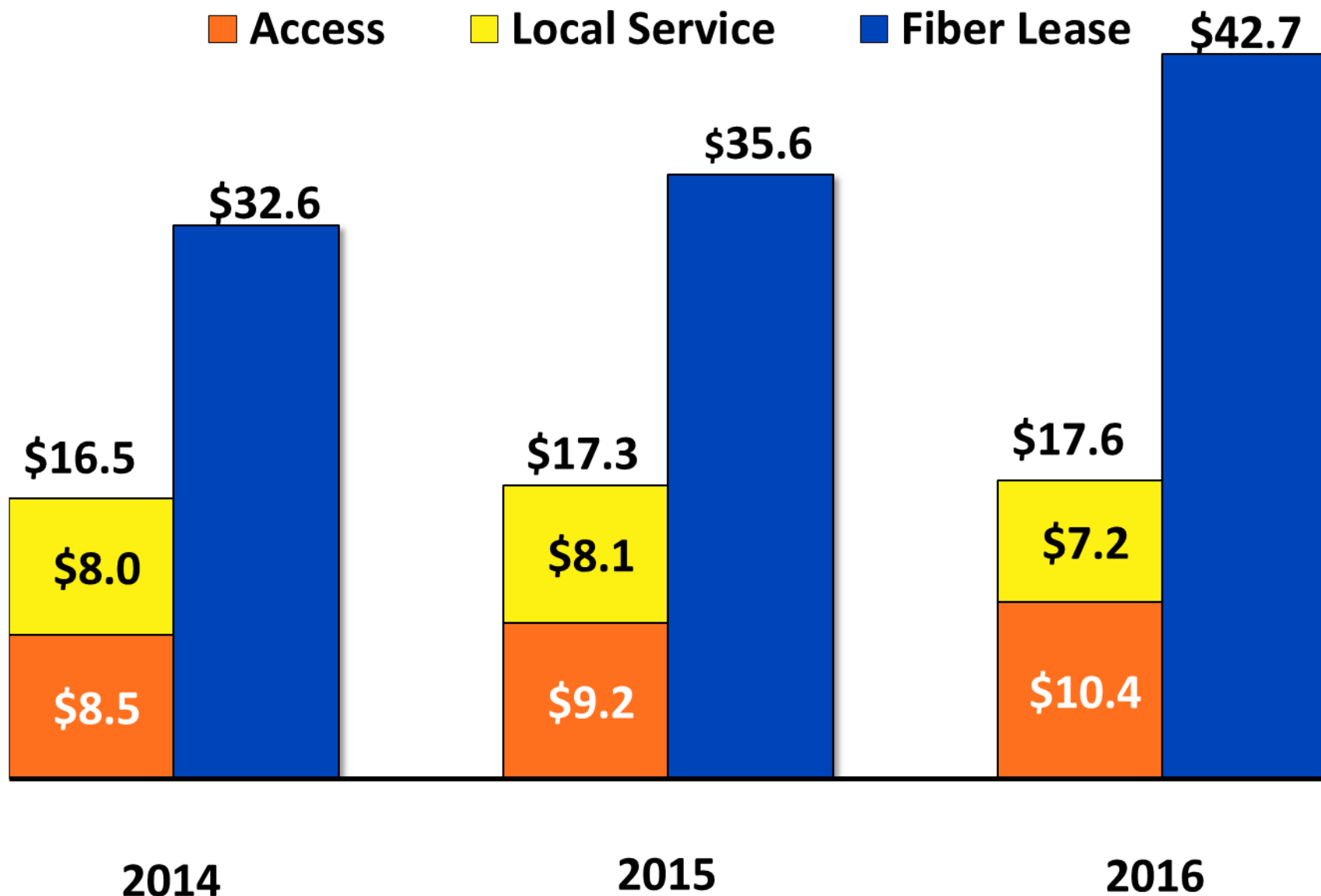
# Cable Revenue Generating Units (in thousands)

*(Year End)*

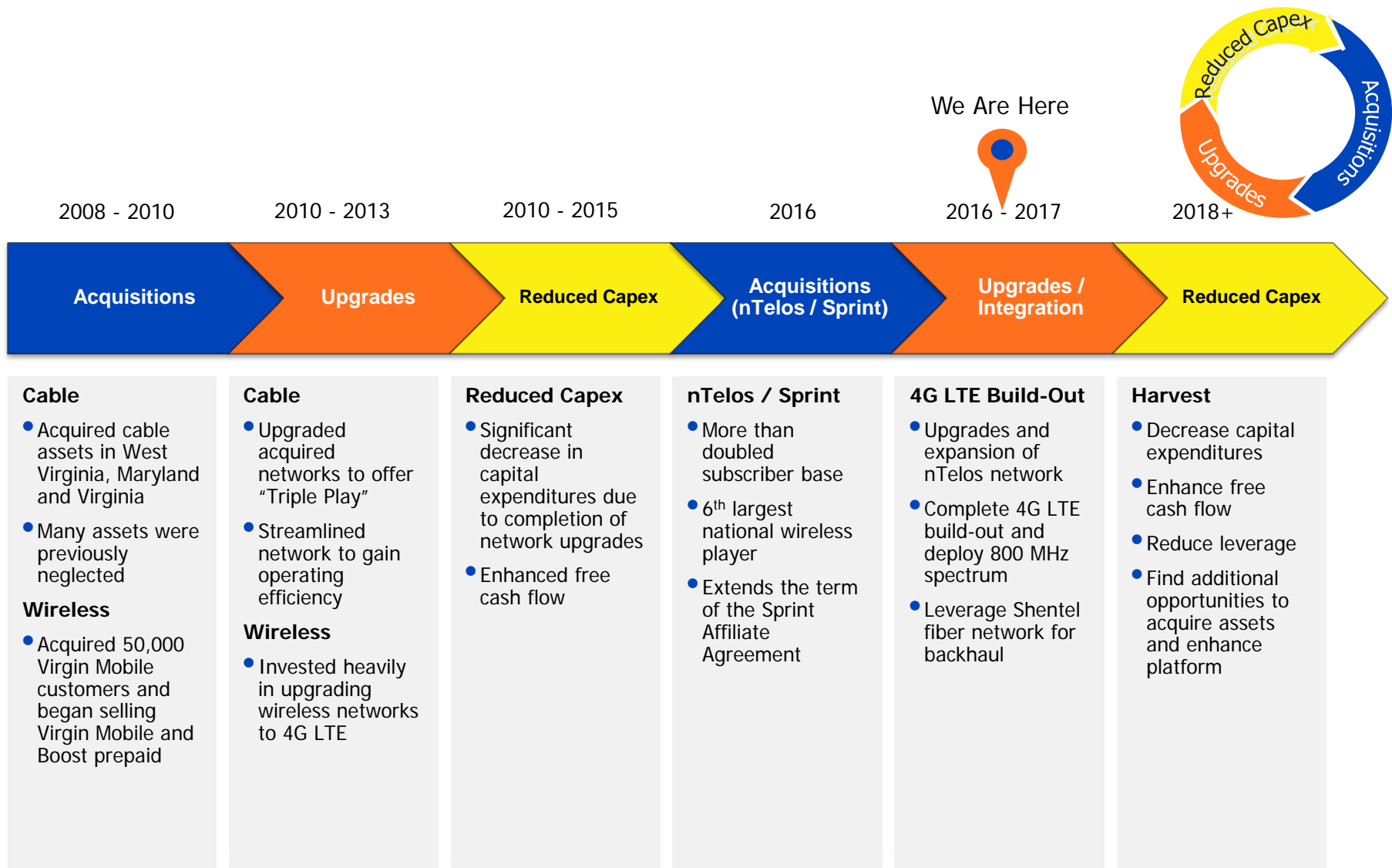
Video Data Voice



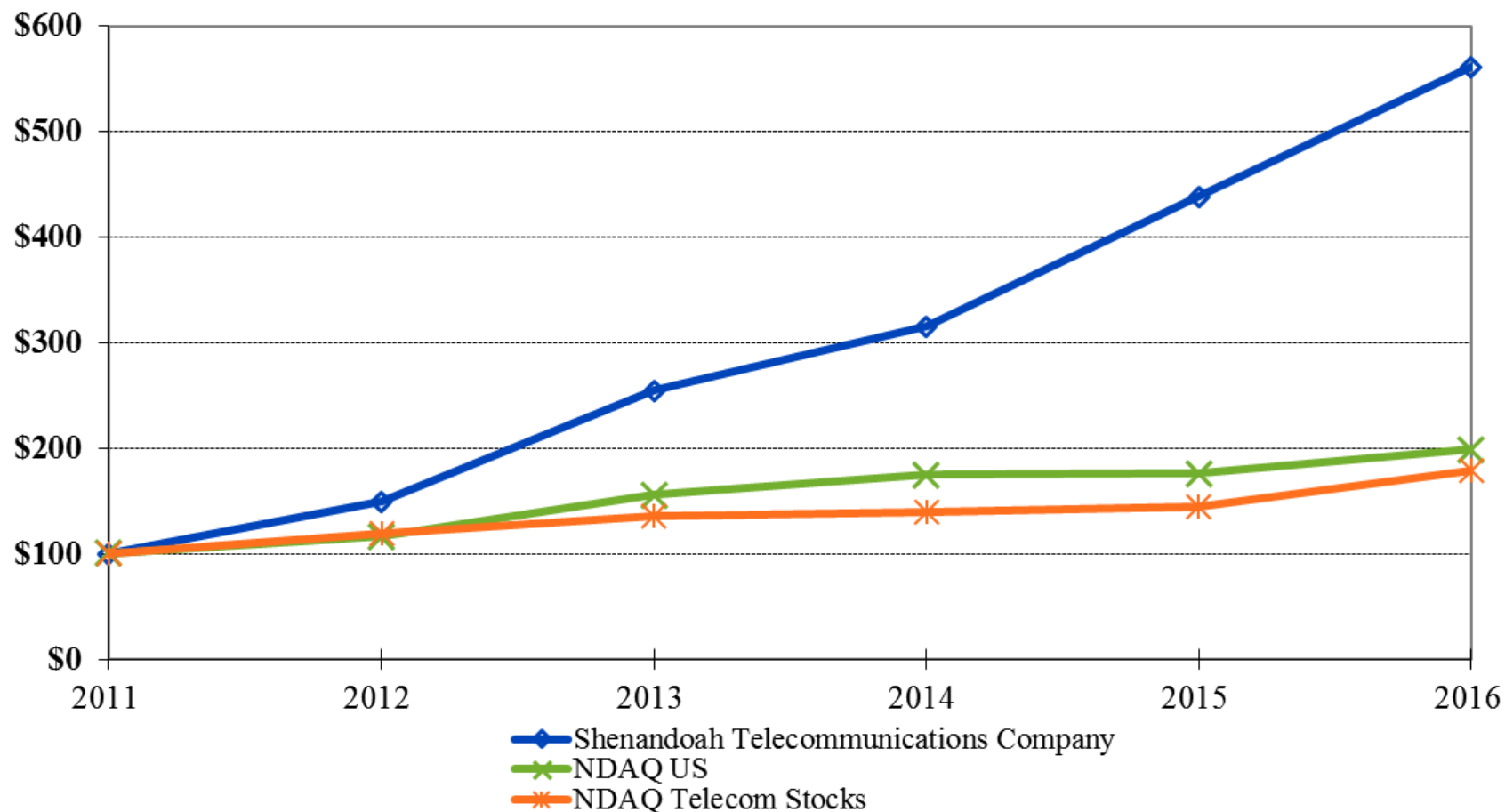
## Access, Local, and Fiber Lease Revenue (in millions)



# Operating Cycle

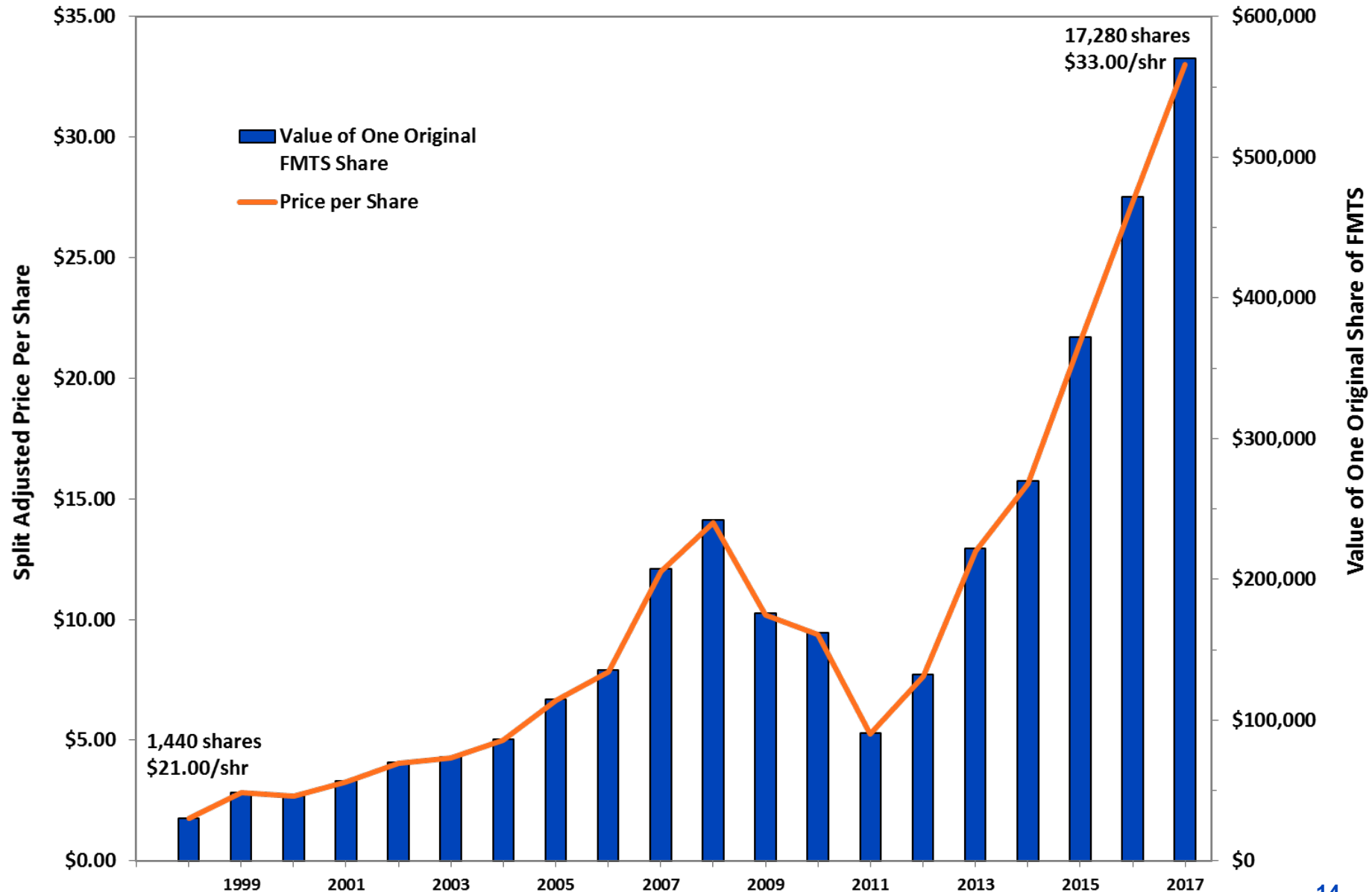


# Cumulative Total Shareholder Return



|                                       | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------------|------|------|------|------|------|------|
| Shenandoah Telecommunications Company | 100  | 150  | 255  | 315  | 438  | 561  |
| NDAQ US                               | 100  | 116  | 155  | 175  | 176  | 198  |
| NDAQ Telecom Stocks                   | 100  | 119  | 135  | 139  | 144  | 178  |

# Split-Adjusted Stock Price and Value of Original Share



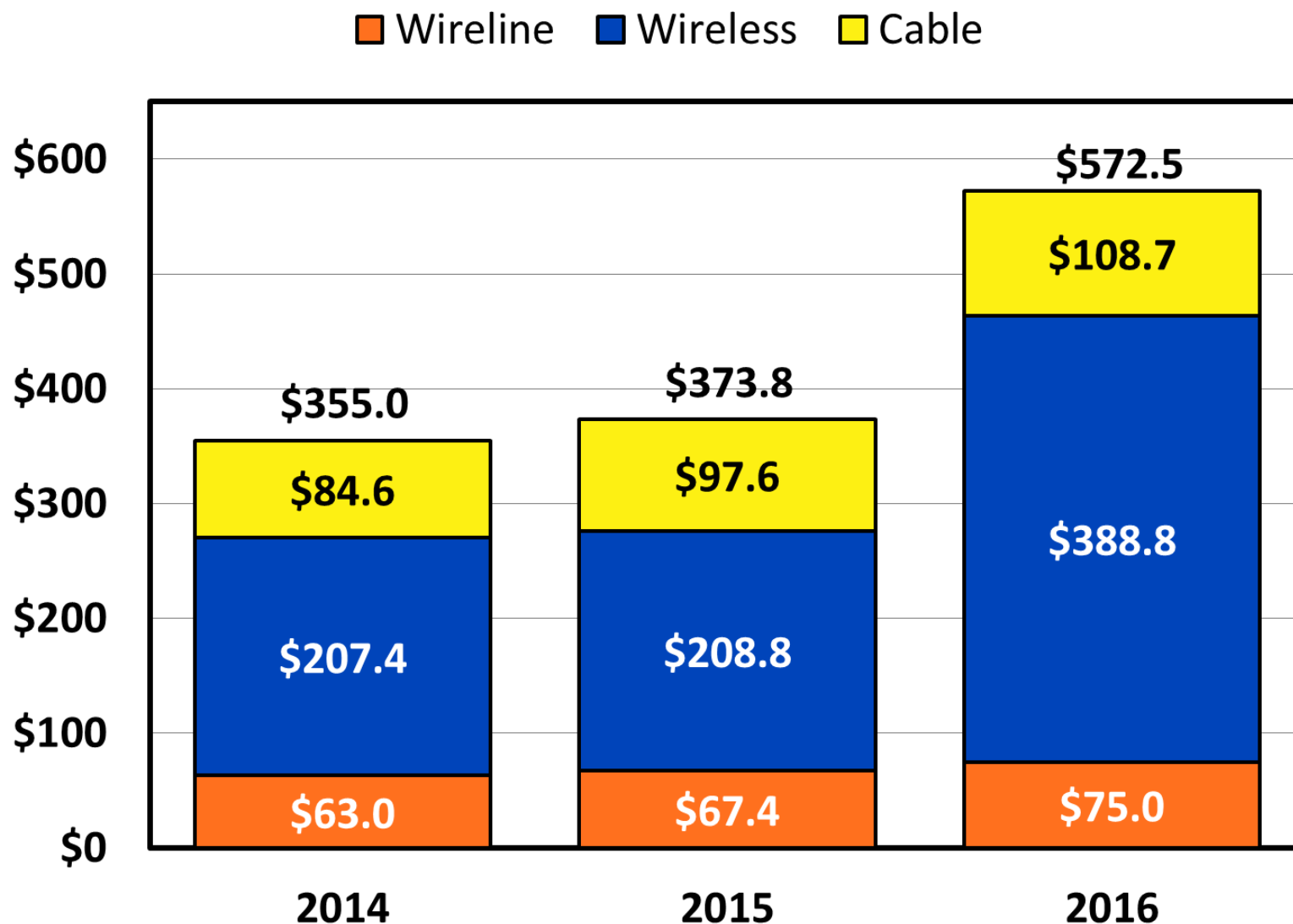


# **Management Reports**

**Adele Skolits**

**VP of Finance and CFO**

# Mix of Revenues (in millions)<sup>1</sup>



1. After elimination of affiliate revenues the total revenues for 2014, 2015, and 2016 were \$326.9, \$342.5, and \$535.3, respectively.



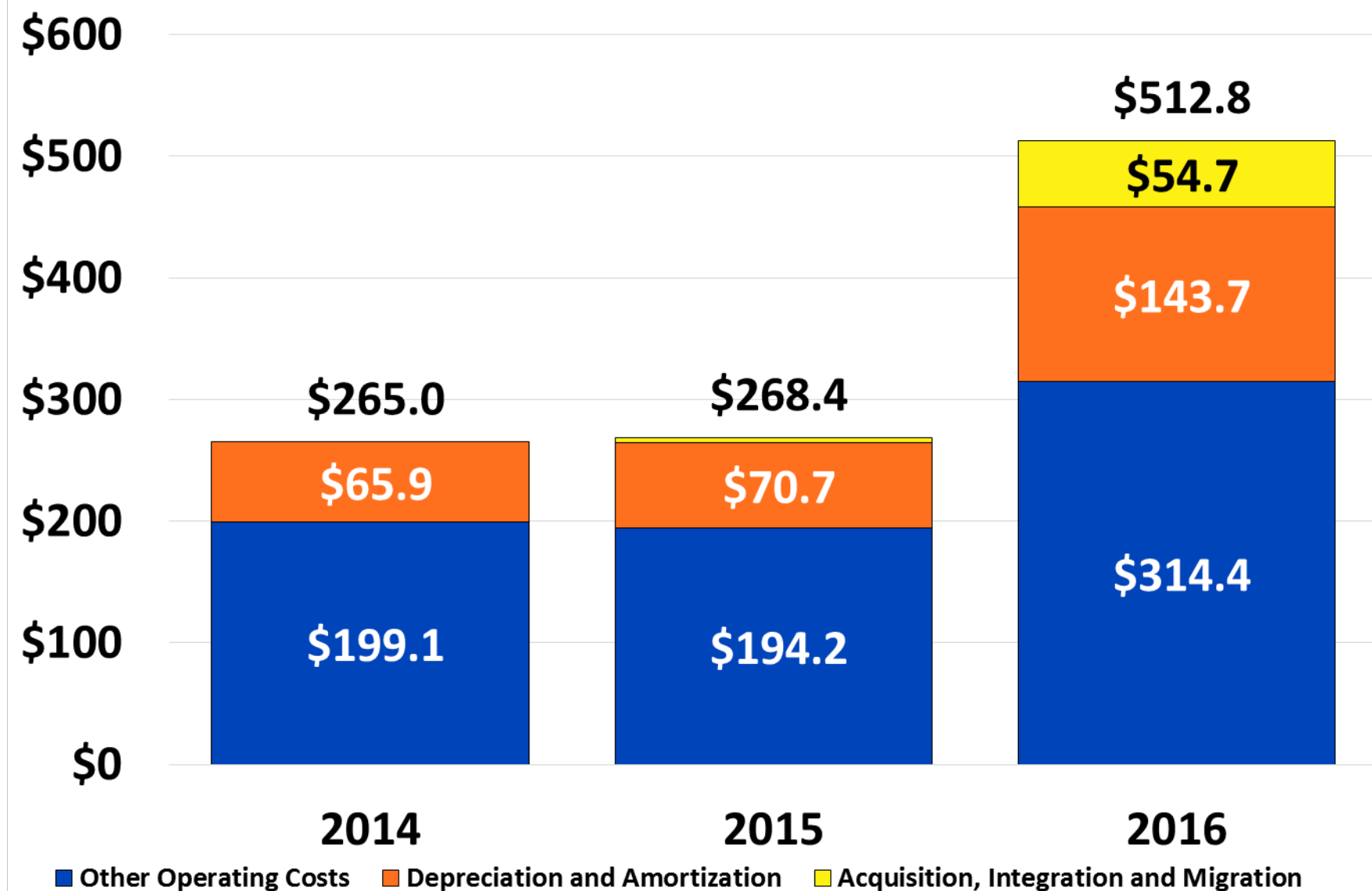
## Wireless Revenues (in millions)

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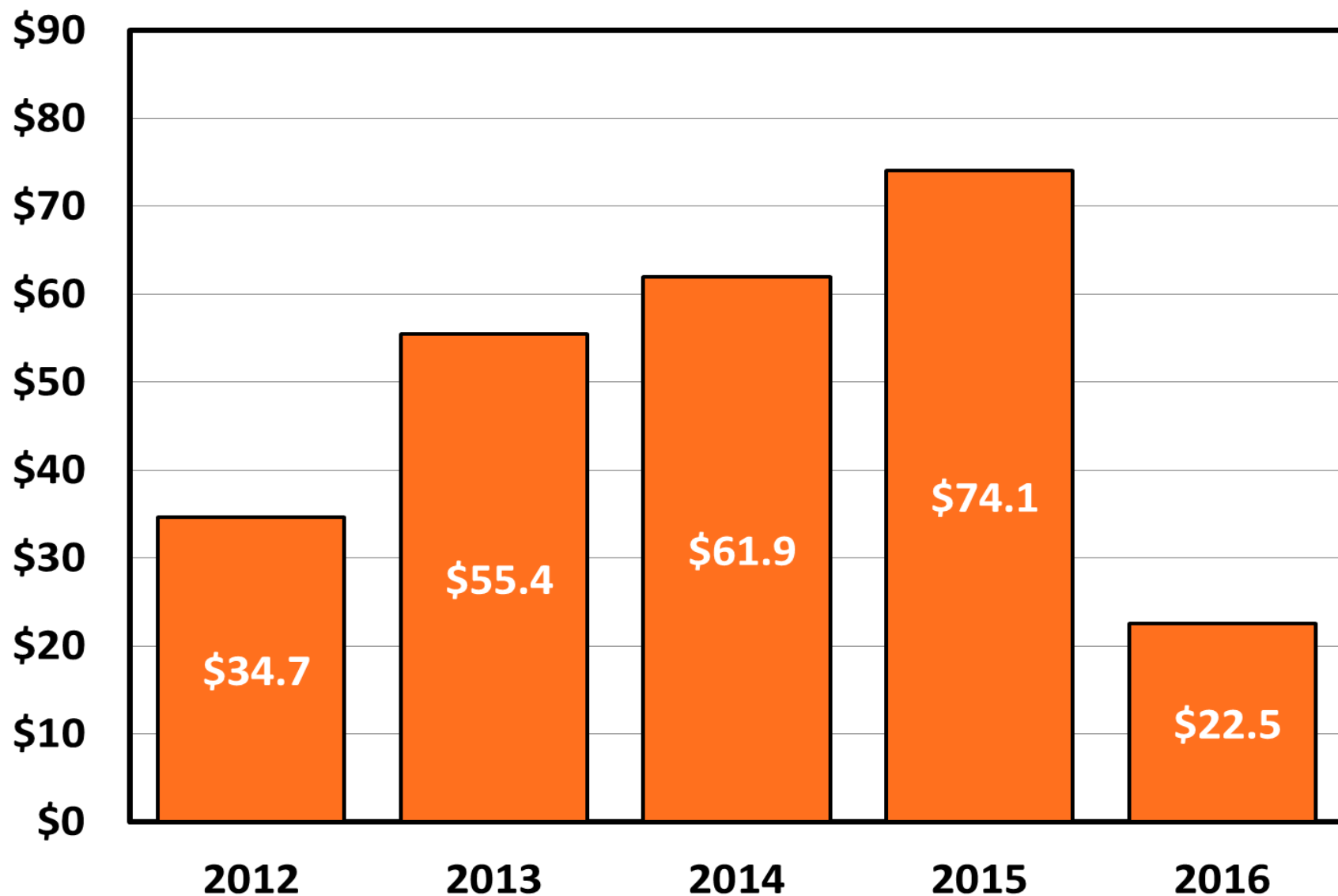
| <b><u>Wireless Revenues</u></b>                   | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>Change</u></b> | <b><u>% Change</u></b> |
|---|--------------------|--------------------|----------------------|------------------------|
| Prepaid and Postpaid Billings                     | \$236.3            | \$397.3            | \$161.0              | 68%                    |
| Sprint Fees, Net of Waiver                        | (\$43.8)           | (\$28.9)           | \$14.9               | (34%)                  |
| Travel & Other Revenues                           | \$16.3             | \$46.4             | \$30.1               | 185%                   |
| <b>Subtotal</b>                                   | <b>\$208.8</b>     | <b>\$414.8</b>     | <b>\$206.0</b>       | <b>99%</b>             |
| Non-Cash Accounting Deferrals<br>and Amortization | \$0.0              | (\$26.0)           | (\$26.0)             | NM*                    |
| <b>Total</b>                                      | <b>\$208.8</b>     | <b>\$388.8</b>     | <b>\$180.0</b>       | <b>86%</b>             |

\* - Not Meaningful

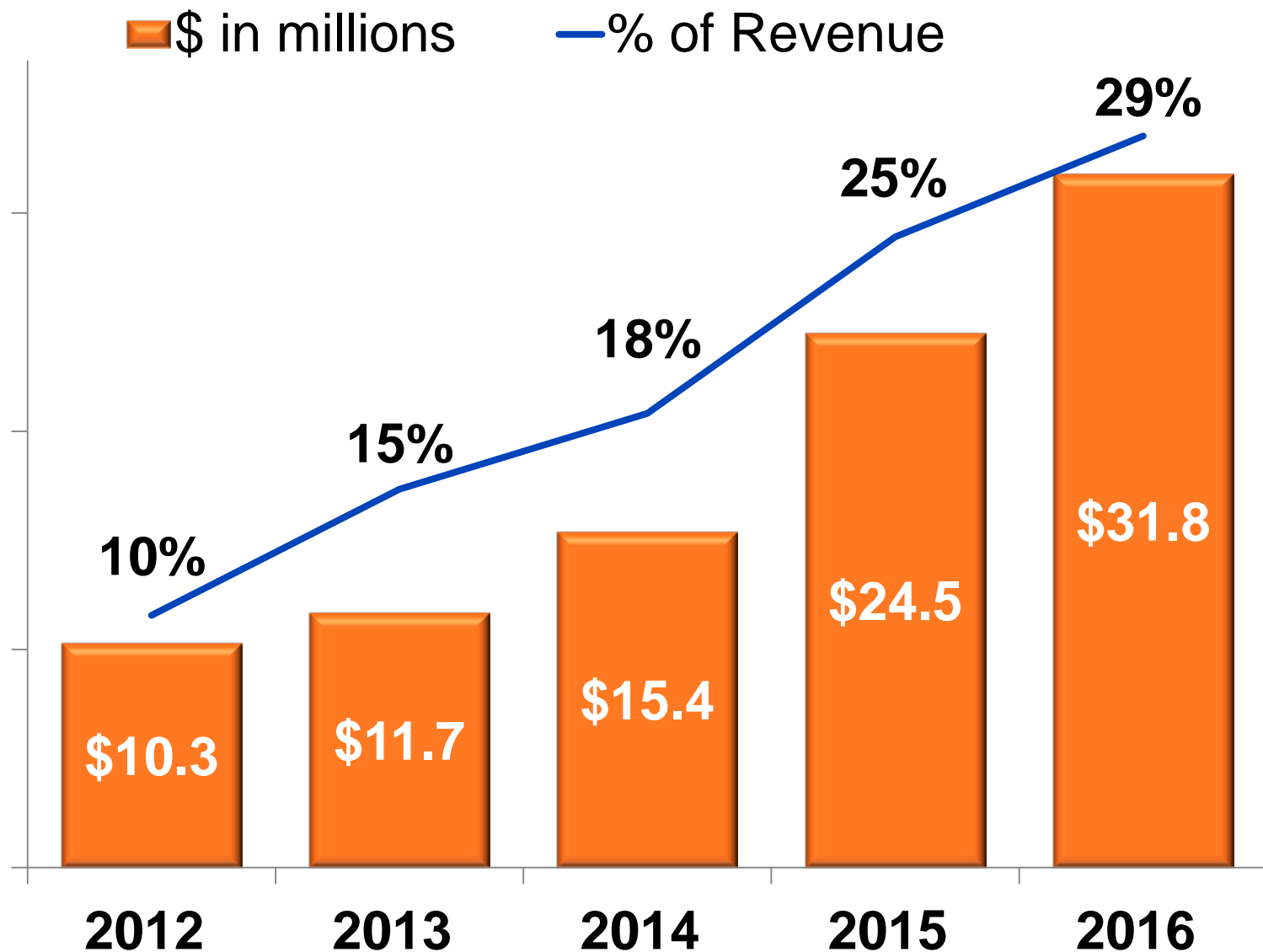
## Operating Expenses (in millions)



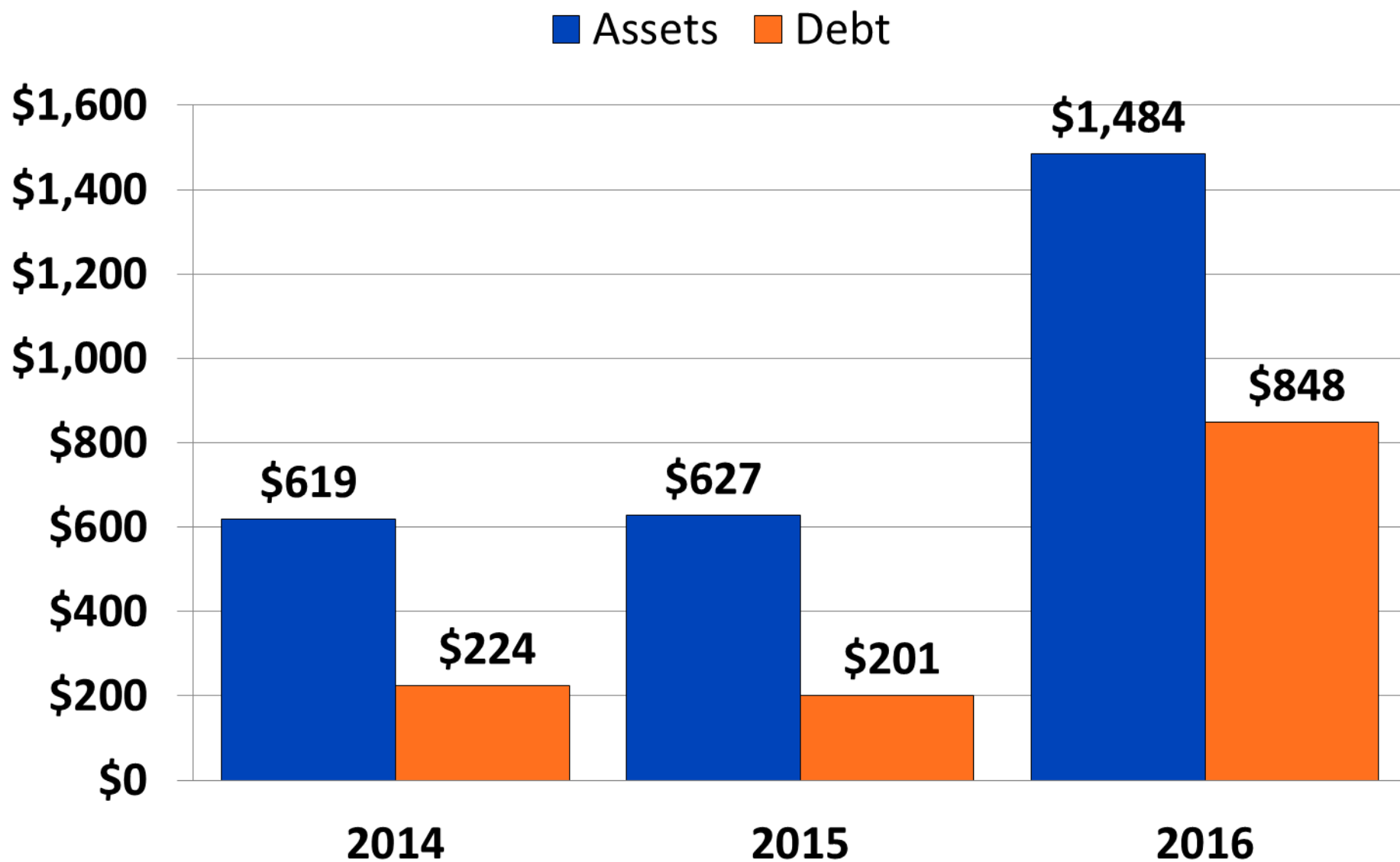
## Operating Income (in millions)



## Cable Segment – Adjusted OIBDA



## Capitalization – As of 12/31/16 (in millions)



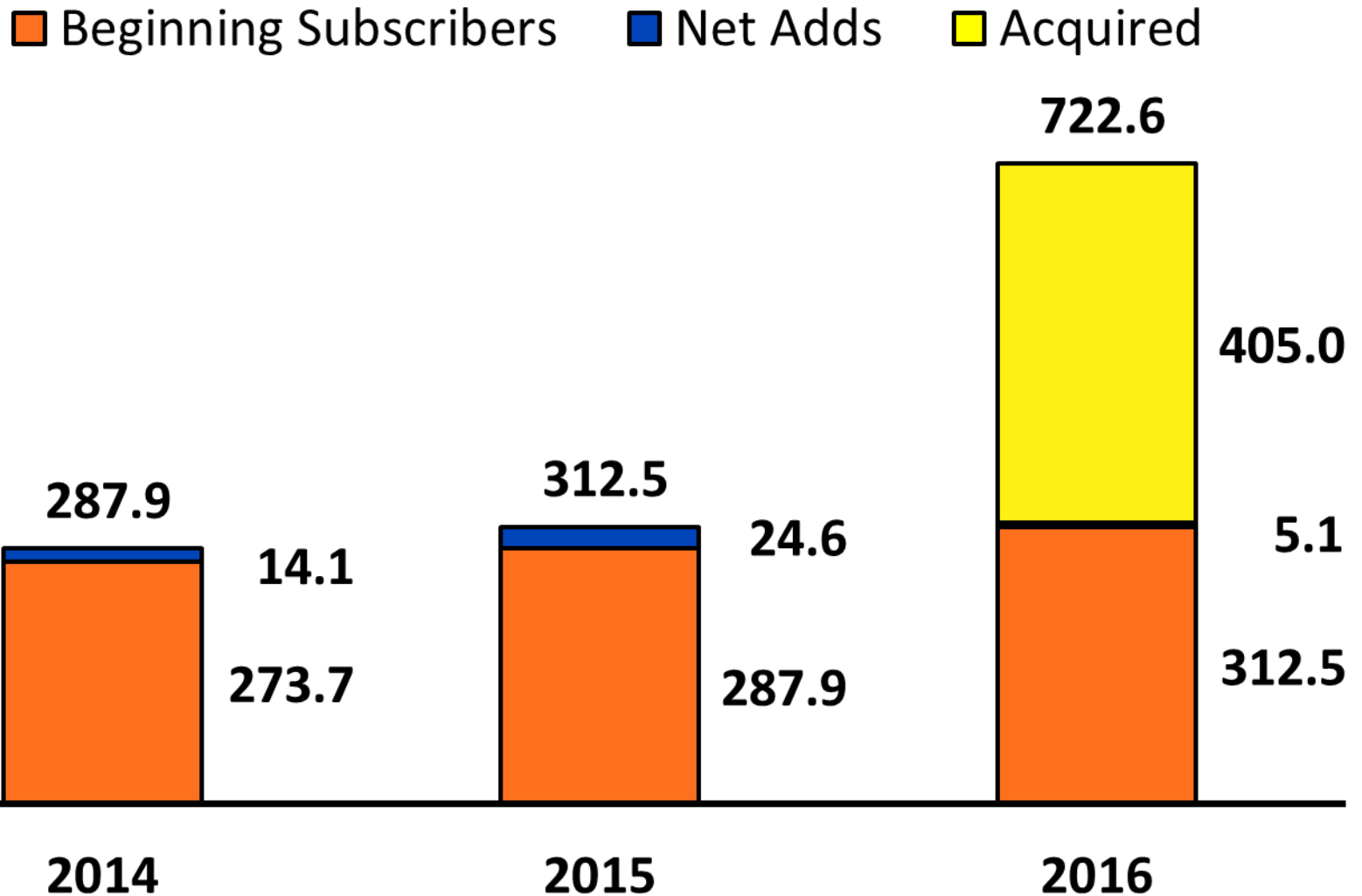


# Management Reports

**Earle MacKenzie**  
**EVP and COO**

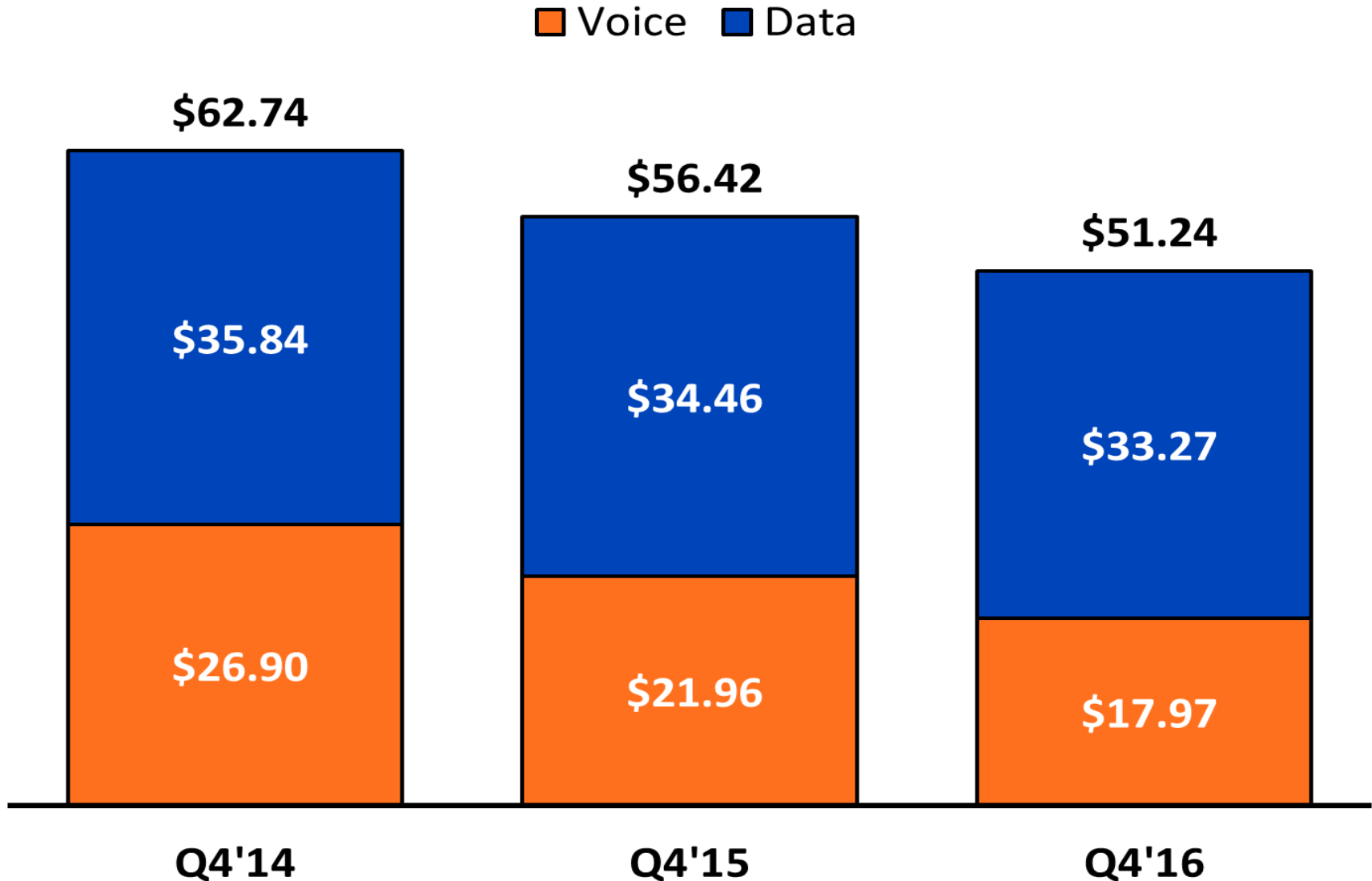
# PCS Postpaid Subscribers (in thousands)

*(Year End)*



# PCS Postpaid Gross Billed Revenue per User

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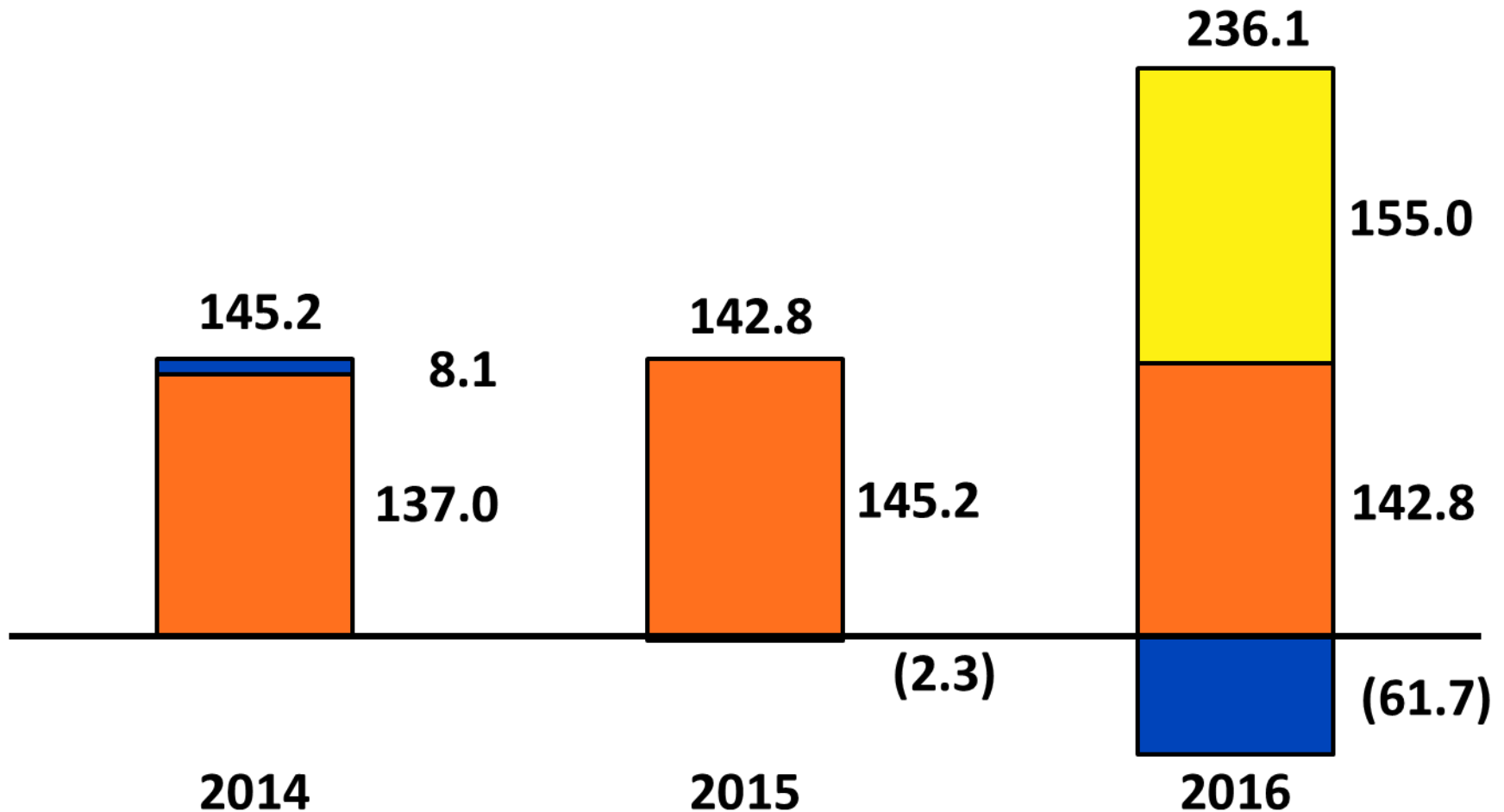




# PCS Prepaid Subscribers (in thousands)

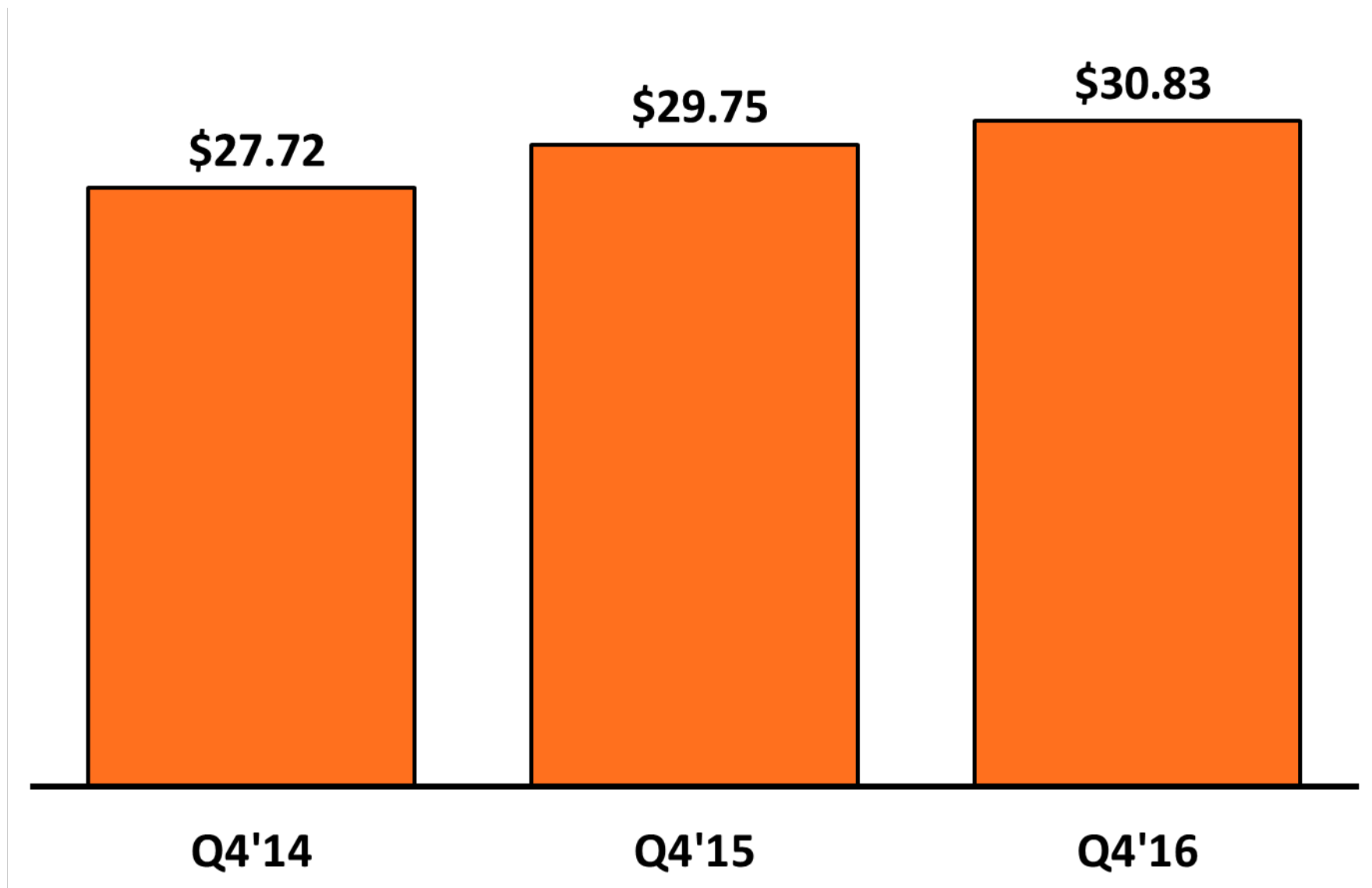
(Year End)

■ Beginning Subscribers   ■ Net Adds   ■ Acquired

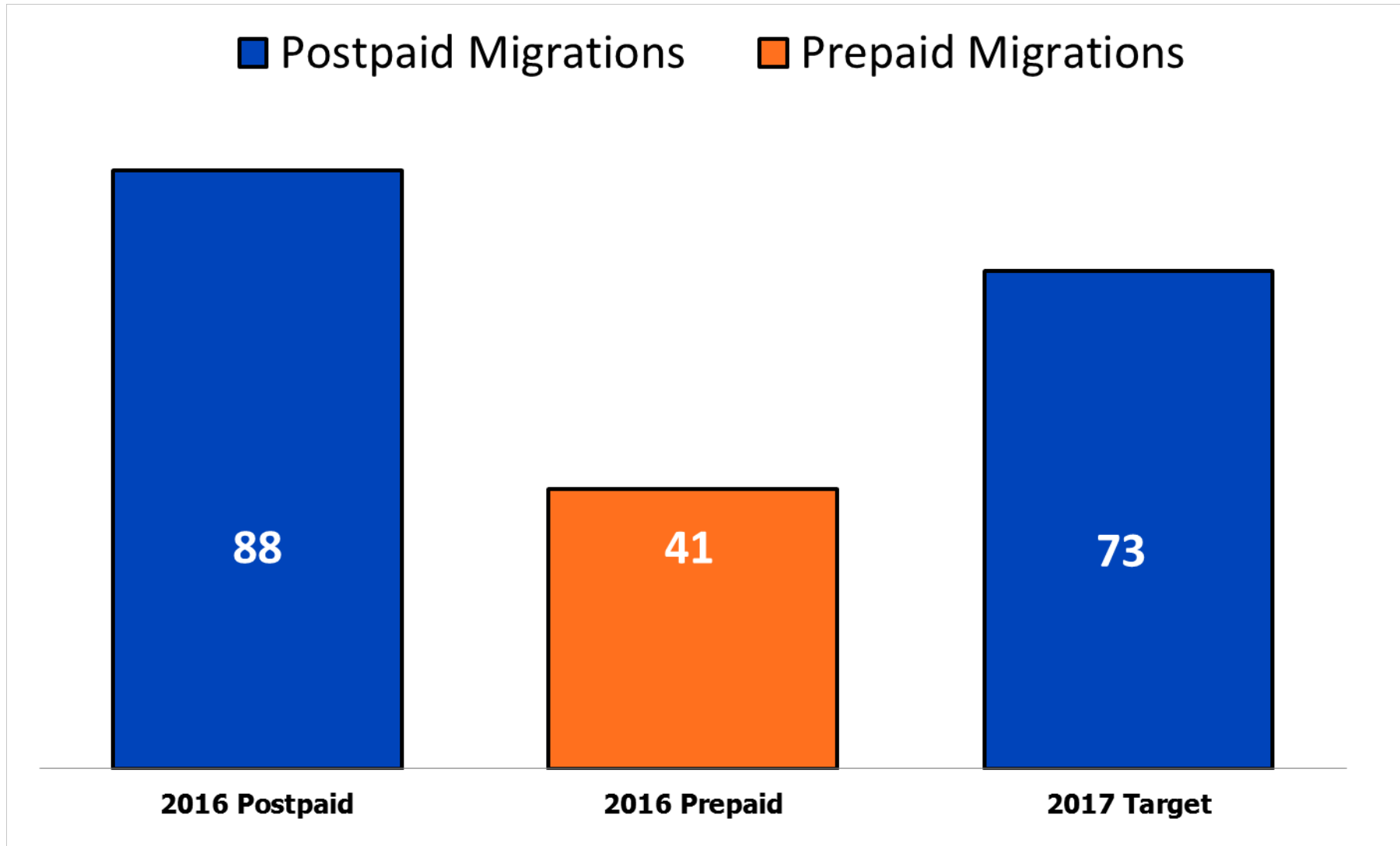


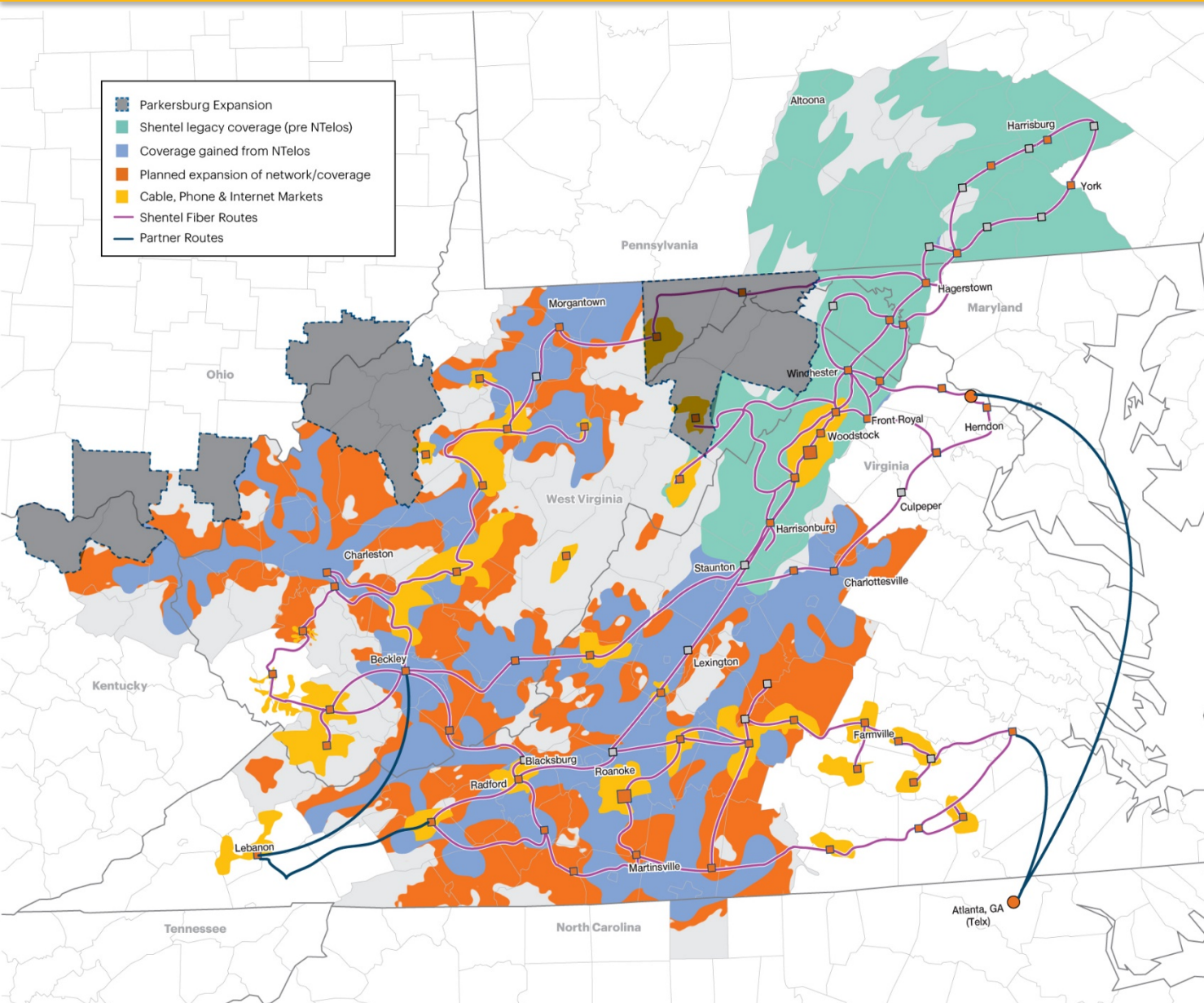
## PCS Prepaid Gross Billed Revenue per User

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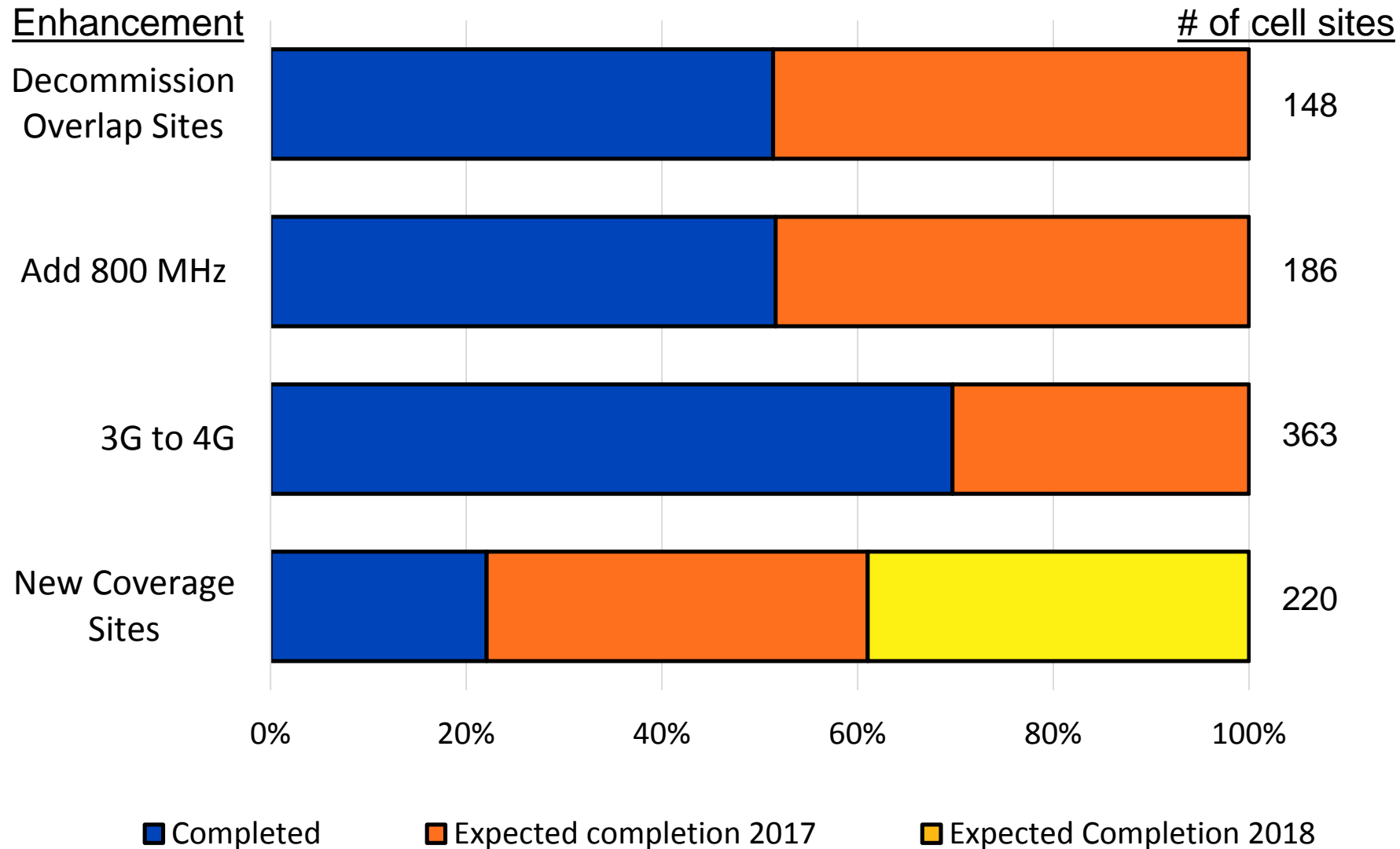
# PCS Customer Migrations (000's)





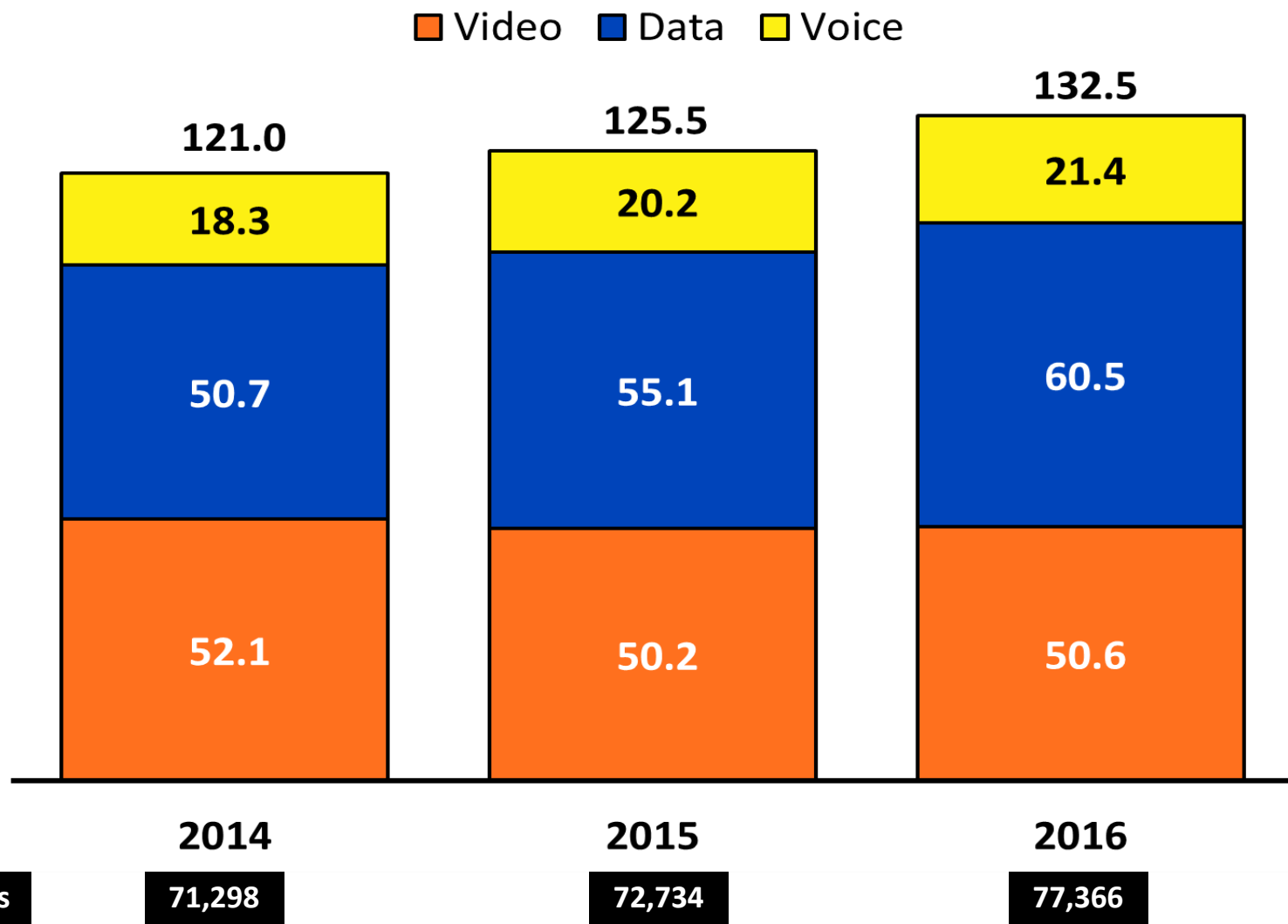
- 4.8 million covered POPs
- 959 thousand total subscribers
- 20% penetration of covered POPs
- 1,467 base stations

# Status of Network Enhancements – nTelos Footprint



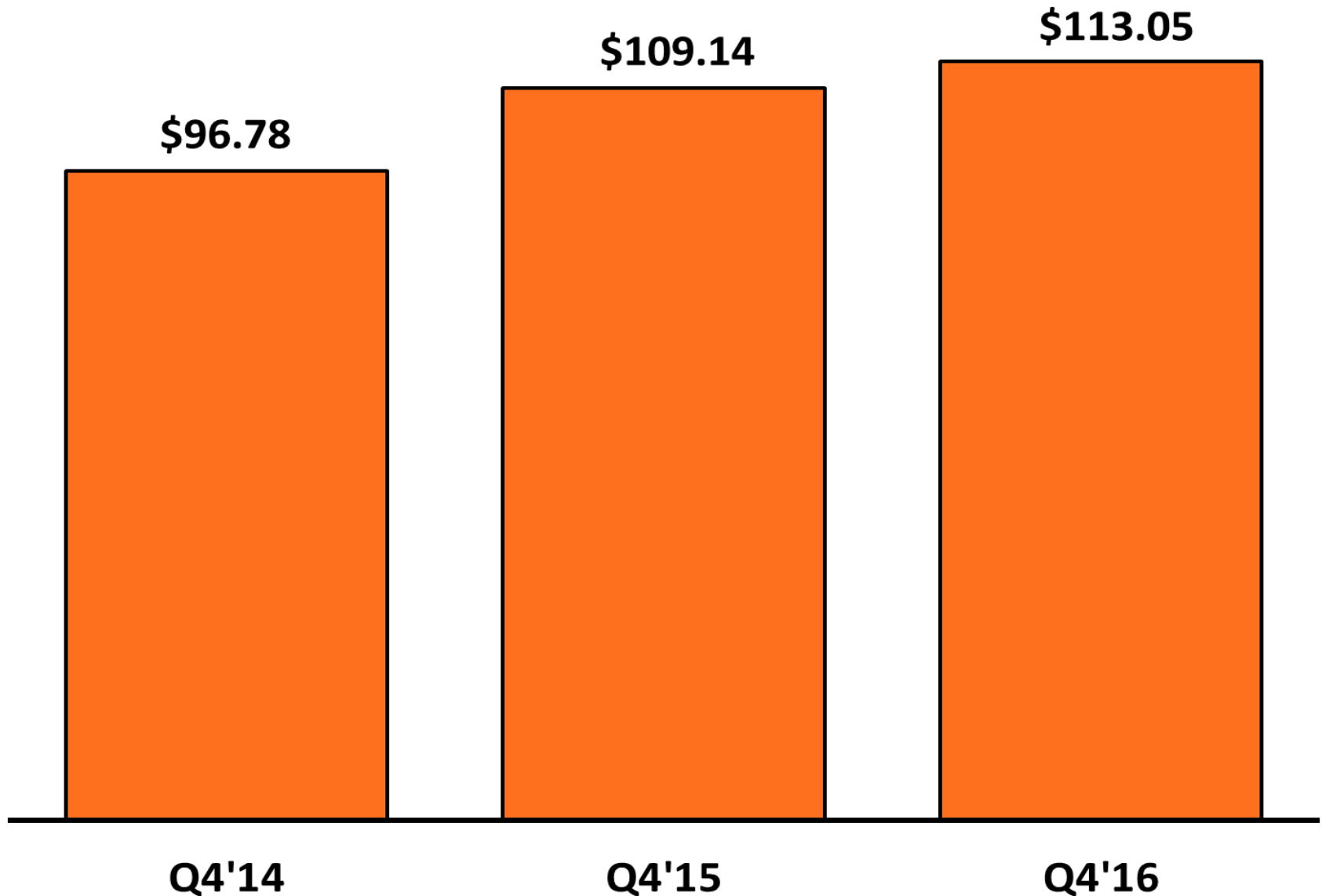
# Cable Revenue Generating Units (in thousands)

(Year End)



## Cable Average Monthly Revenue per Customer

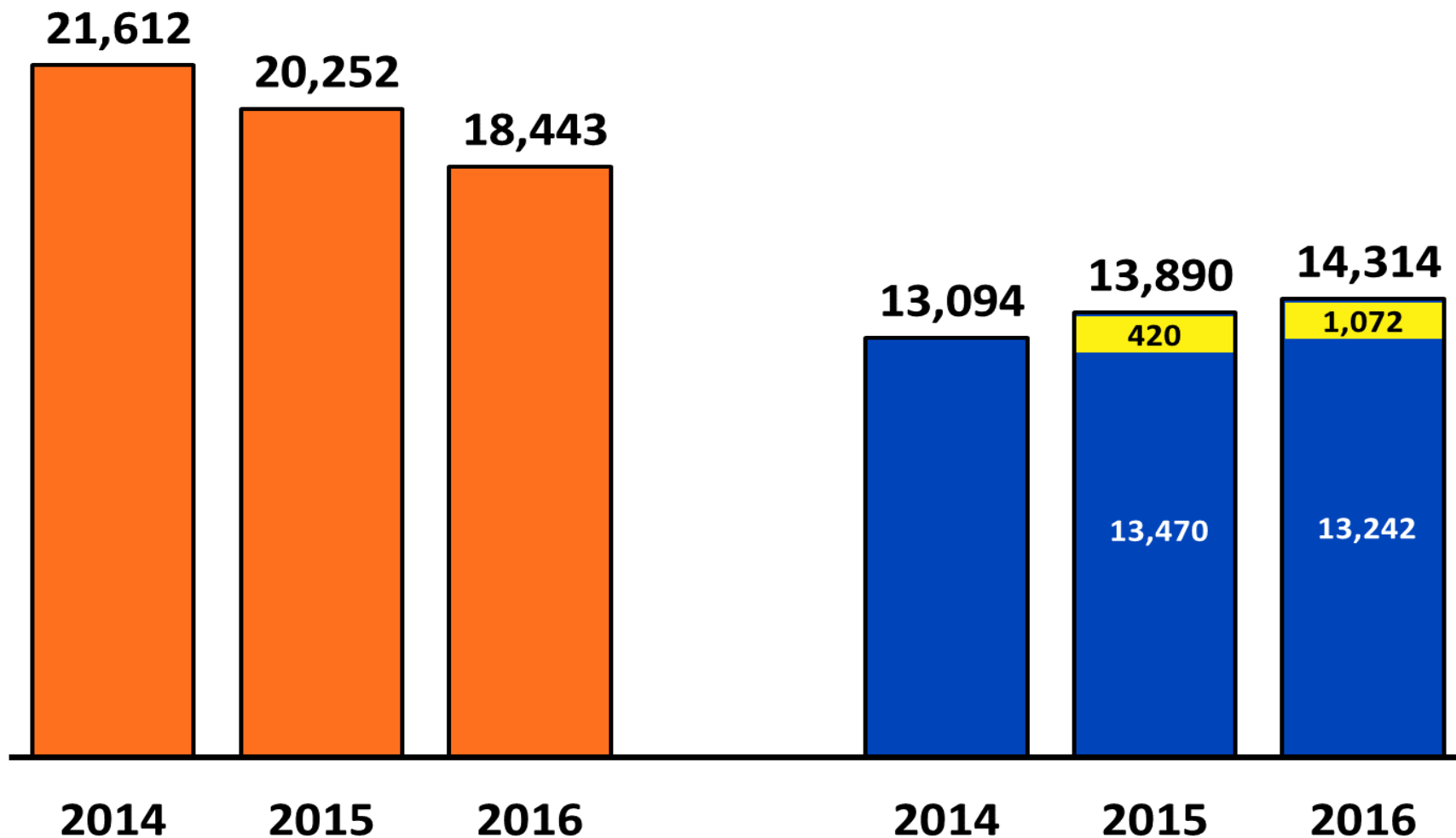
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# Wireline Customers

(Year End)

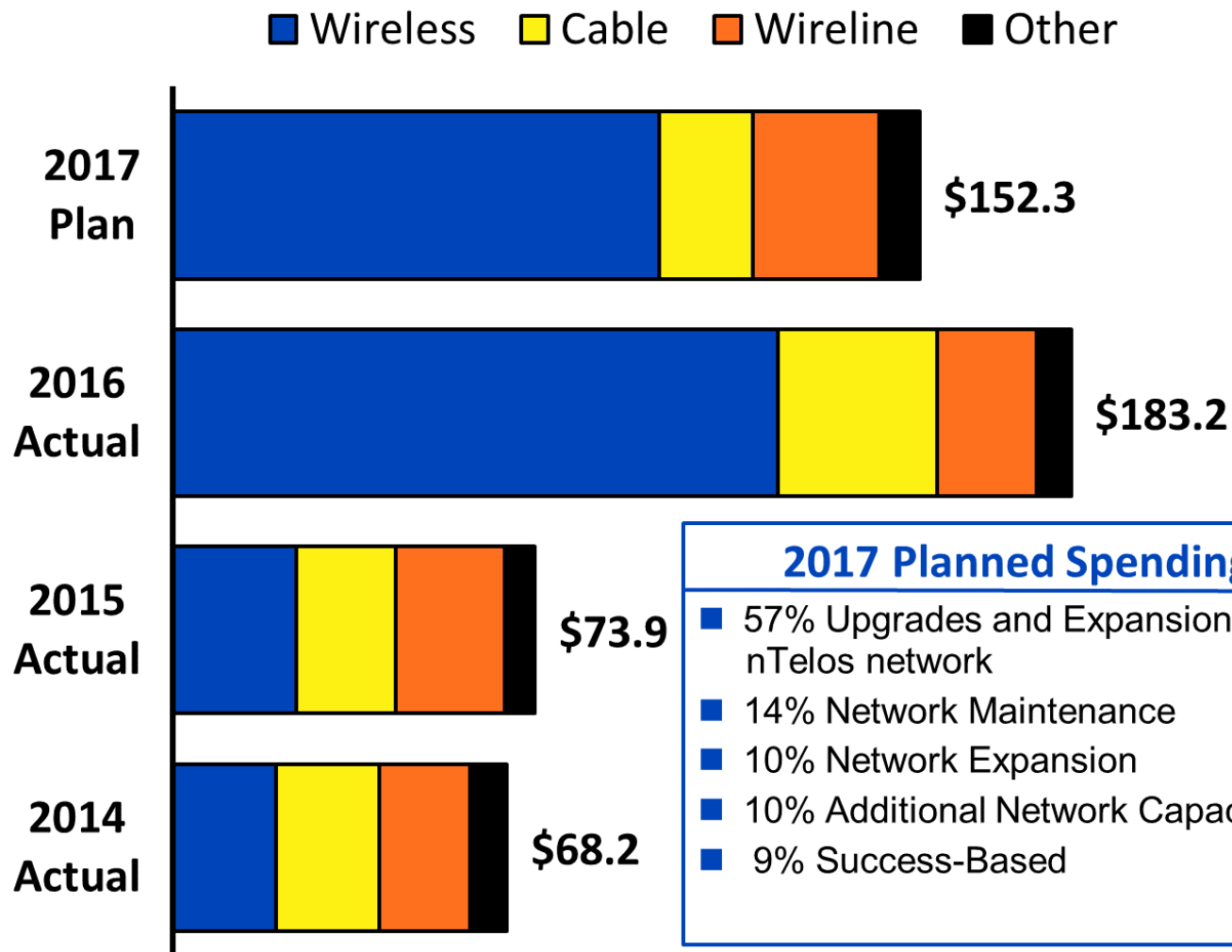
Access Lines DSL Cable Modem





# Investing in the Future (in millions)

## Capex Spending





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