



SHENTEL[®]

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Q3 2020

Earnings Conference Call

November 6, 2020

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
- ❑ Business combination between T-Mobile and Sprint could cause significant volatility in the value of our stock and adversely affect the operating and financial results of our Wireless segment; and
- ❑ Certain provisions of our Sprint affiliate agreement may diminish the value of our PCS business; and
- ❑ Changes in other factors, including public health crises, such as pandemics and outbreaks of a contagious disease like the novel coronavirus, either nationally or in the local markets in which we operate.

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.

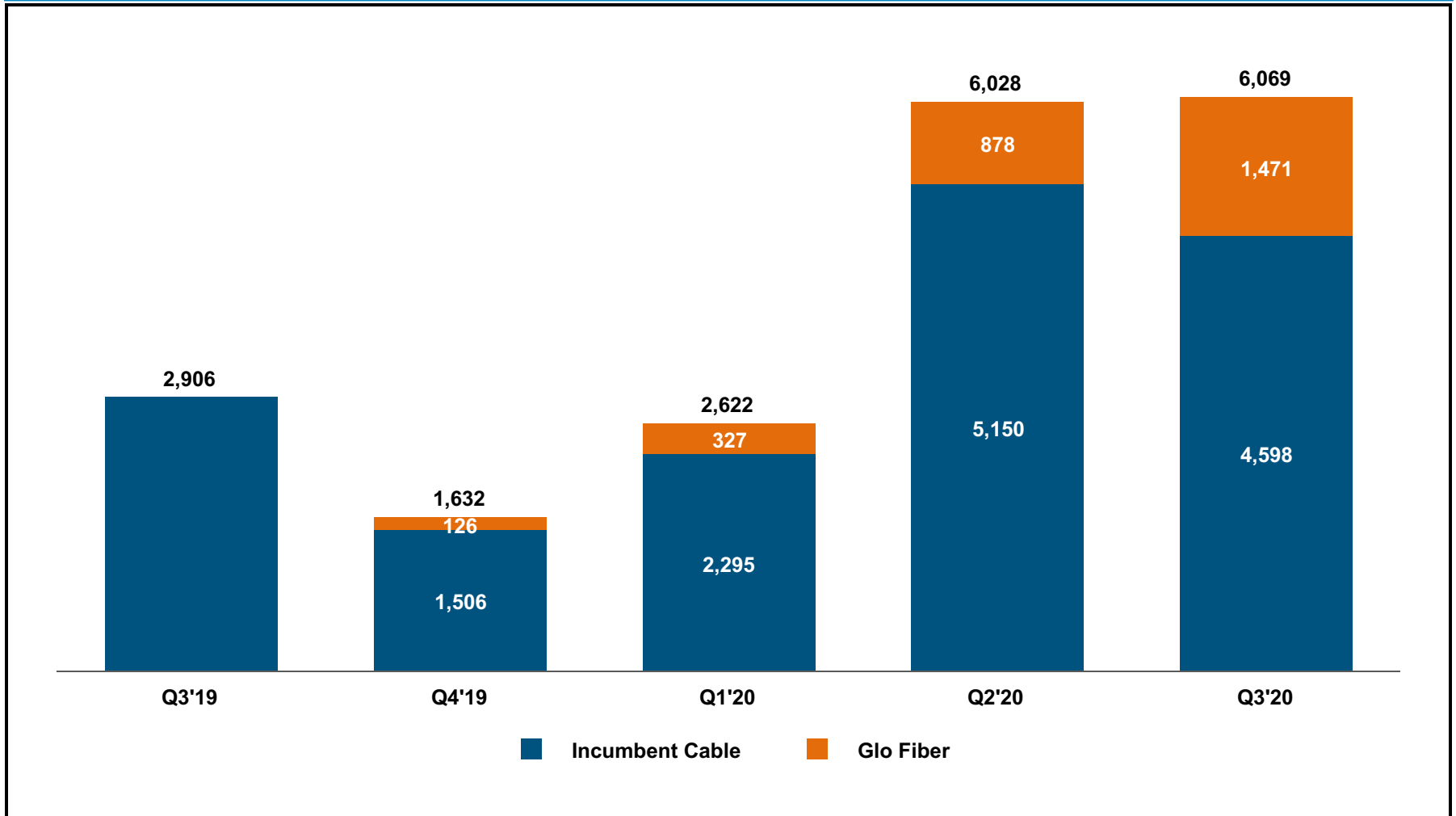


Chris French

President and CEO

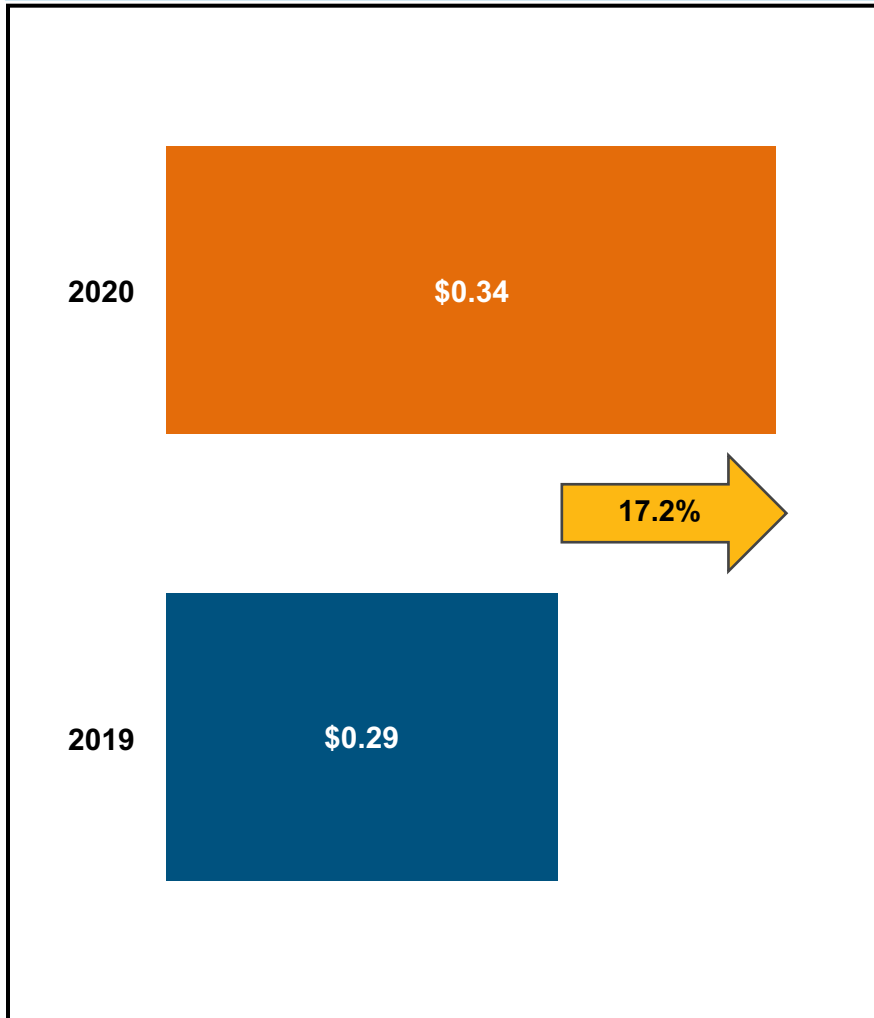
Record Broadband Results

Broadband Data Net Additions

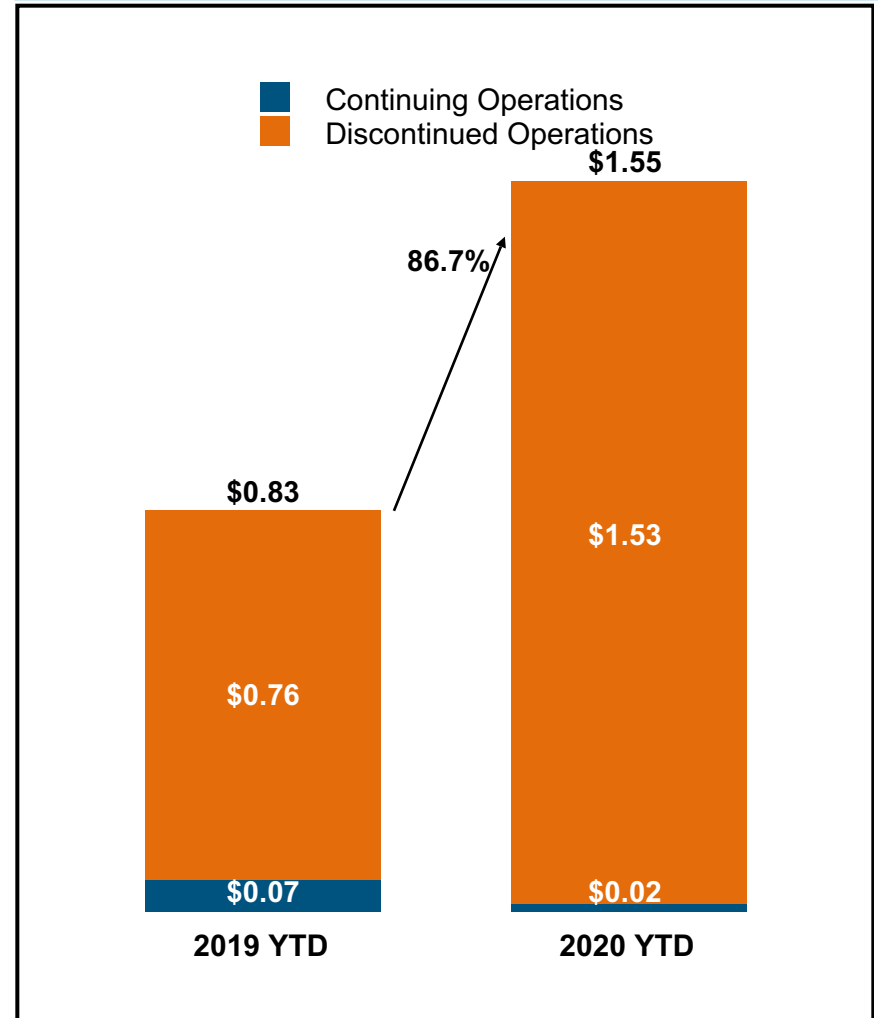


Dividend and Earnings Per Share

Dividend Per Share



YTD Earnings per Share



Broadband Strategy Update

- Glo Fiber
 - Strong construction and sales momentum, both ahead of projections
 - Harrisonburg, VA one year penetration of 16.4%, ahead of plan
 - Increased the market opportunity by 33% to 116,684 target passings* with new franchise agreements
 - Blacksburg, VA
 - Charles Town - Ranson, WV
 - Frederick, MD
 - Lancaster Township, PA
 - Martinsburg, WV
- Beam
 - Launched fixed wireless broadband service in the Virginia counties of Rockingham and Albemarle in October
 - Purchased CBRS spectrum across 88 counties in 4 states for \$16 million
 - Increased the target market opportunity to approximately 425k homes passed
- Transition to Broadband centric company

*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.

Sprint/T-Mobile Merger Update

- 4/1/2020
 - ▶ Sprint / T-Mobile merger closed
 - ▶ Network Technology, Brand, and Combination Conversion Notice received
- 8/26/2020
 - ▶ T-Mobile exercised their option to purchase the assets and operations of our PCS business for 90% of Entire Business Value
- 11/3/2020
 - ▶ Agreed in principle to resolve the appraisal framework dispute
- 1/20/2021
 - ▶ Estimated date for appraisers to determine the Entire Business Value (EBV)
- 2Q 2020
 - ▶ Expected transaction closing subject to regulatory approvals



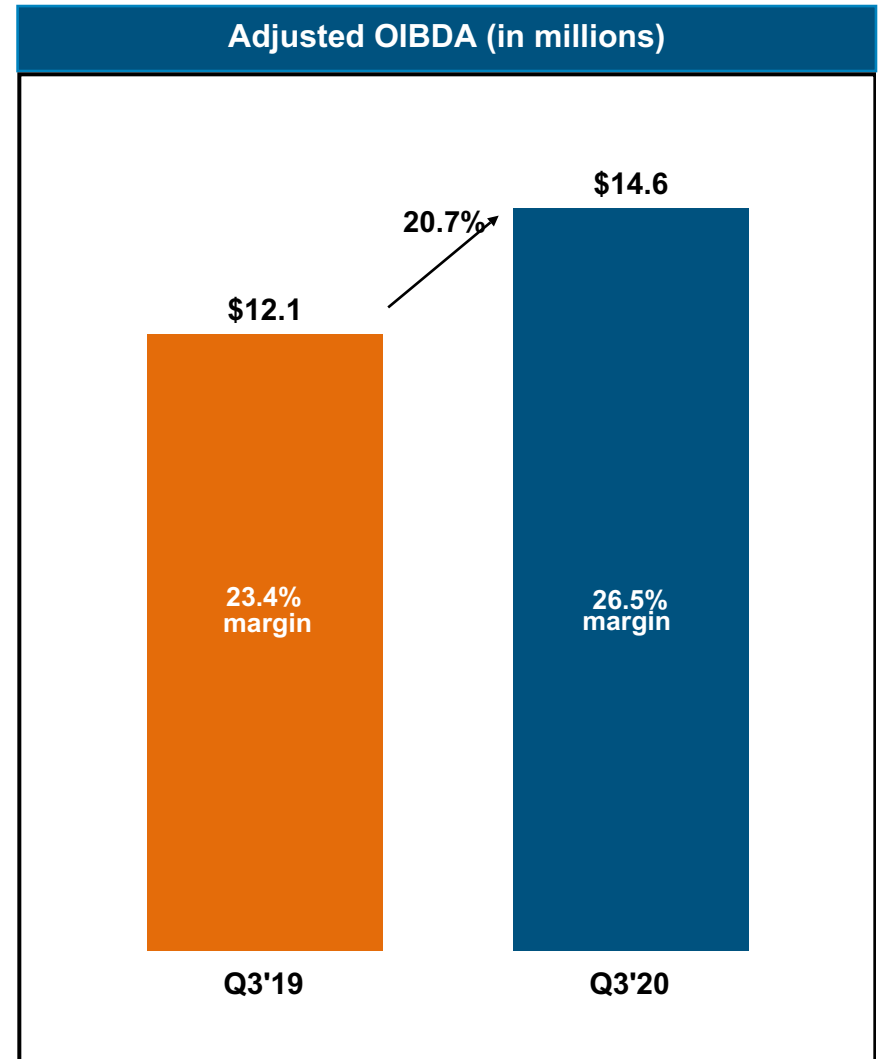
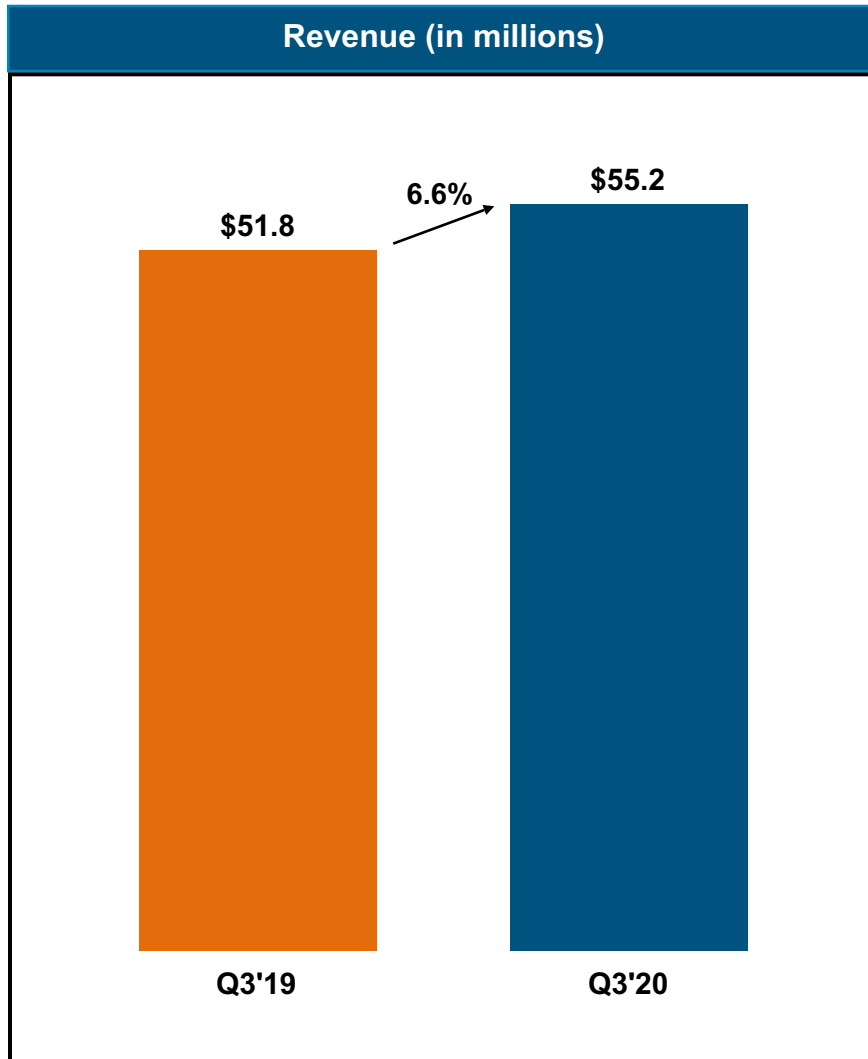
Jim Volk

SVP of Finance and CFO

Wireless Segment Accounting Changes

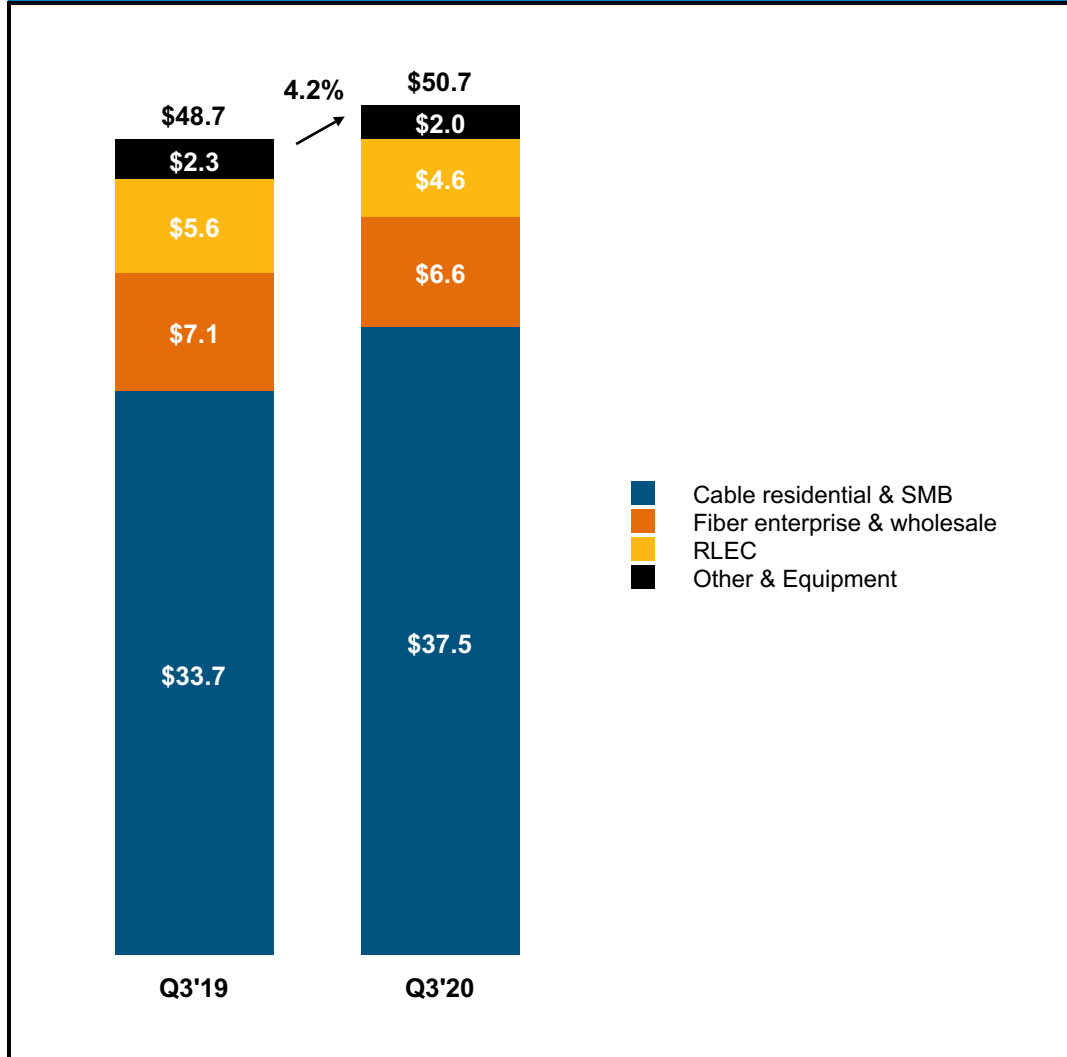
- Wireless net income presented as discontinued operations in Consolidated Statements of Comprehensive Income
- Wireless operating, investing and financing cash flows reflected as discontinued operations in Consolidated Statement of Cash Flows
- Prior periods have been retrospectively presented as discontinued operations
- Wireless' long-lived assets have ceased depreciating and certain expenses have been re-allocated between segments as a result of applying the accounting guidance for discontinued operations
- Wireless Assets and Liabilities are presented as held for sale in our Consolidated Balance Sheets
- All debt was re-classified to current liabilities as our term loans require repayment following the sale of Wireless

Third Quarter Consolidated Results

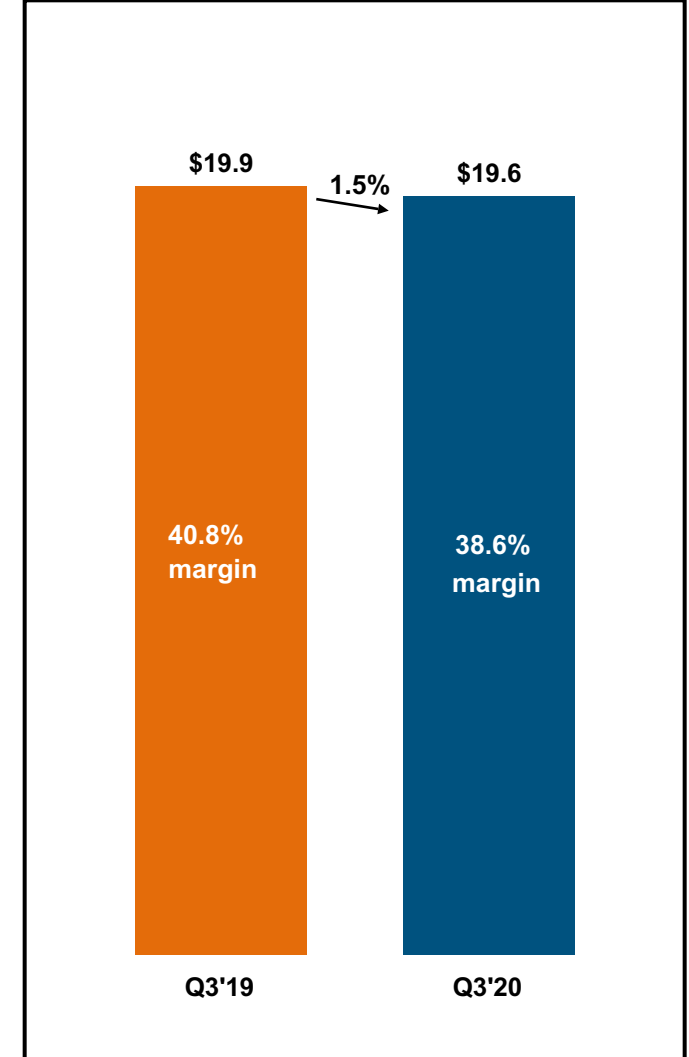


Broadband Highlights - Third Quarter Results

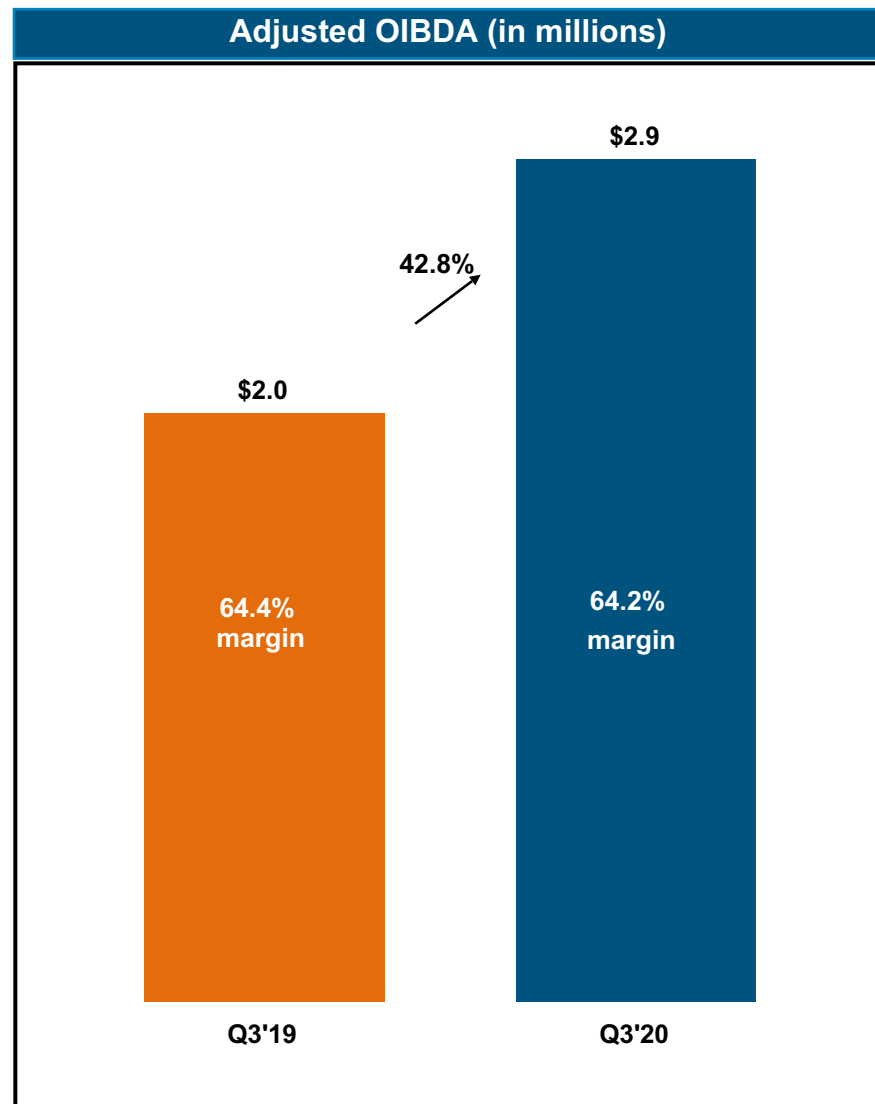
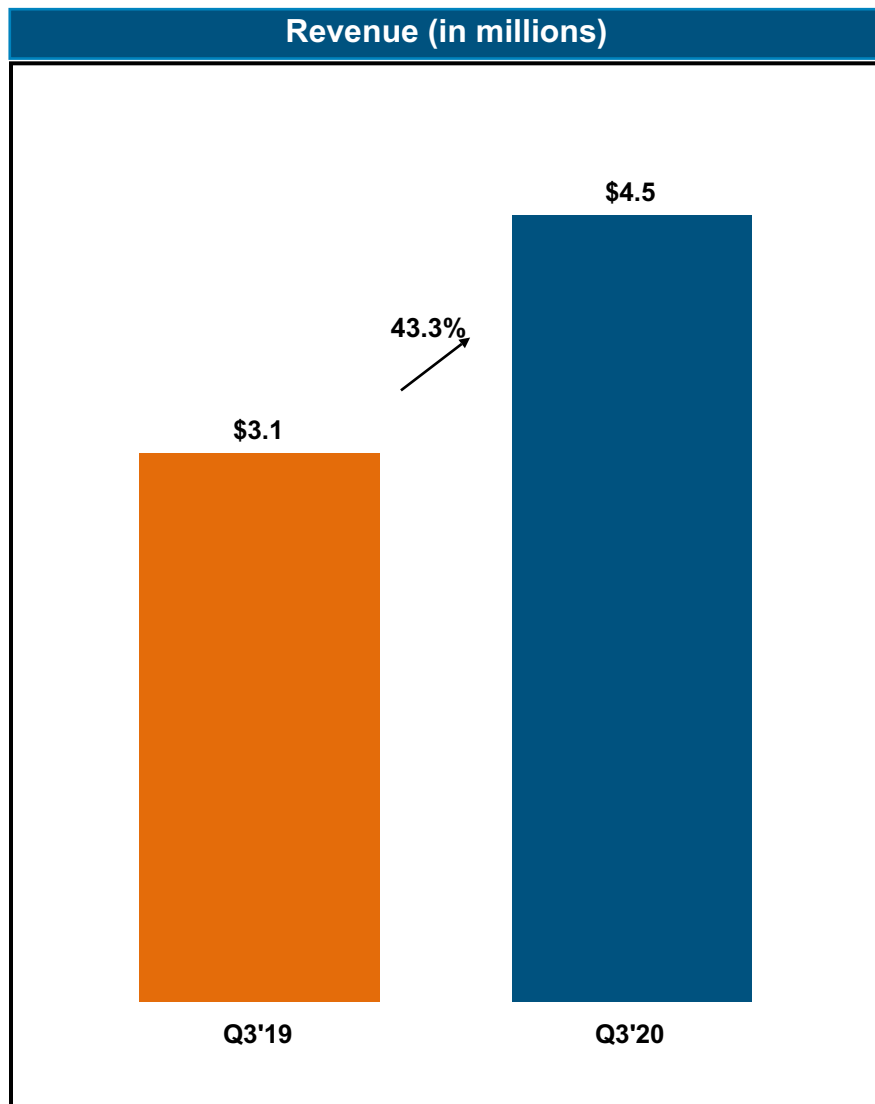
Revenue (in millions)



Adjusted OIBDA (in millions)

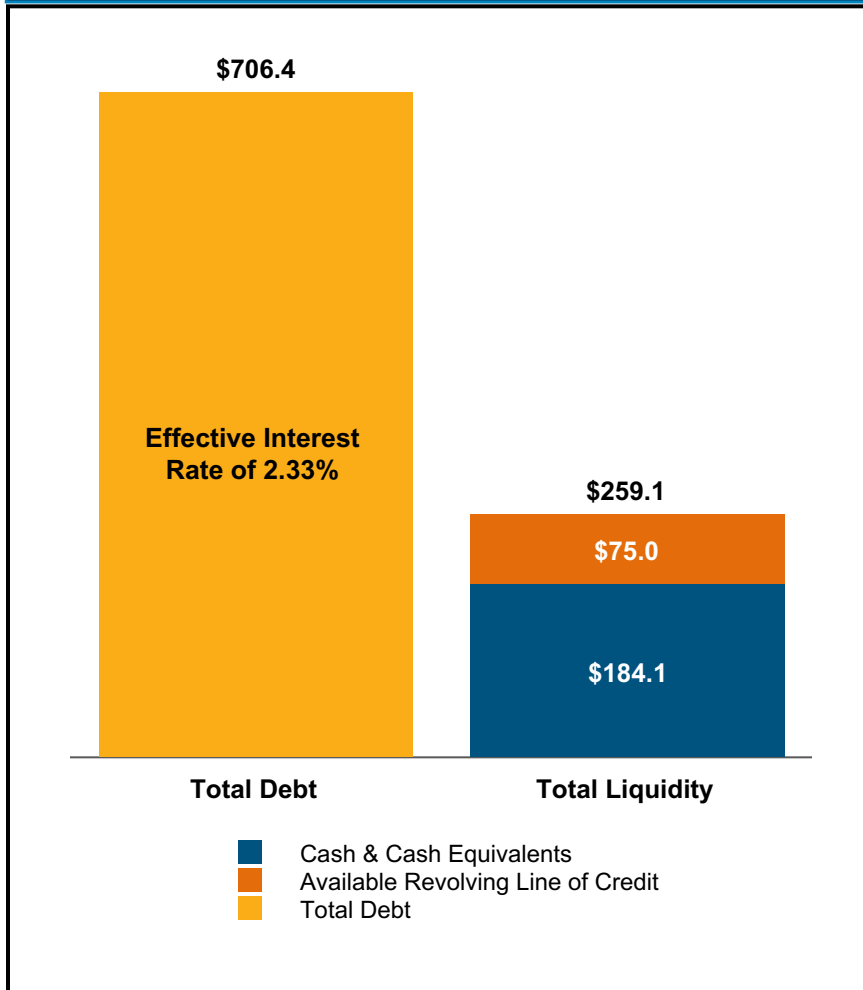


Tower Highlights - Third Quarter Results

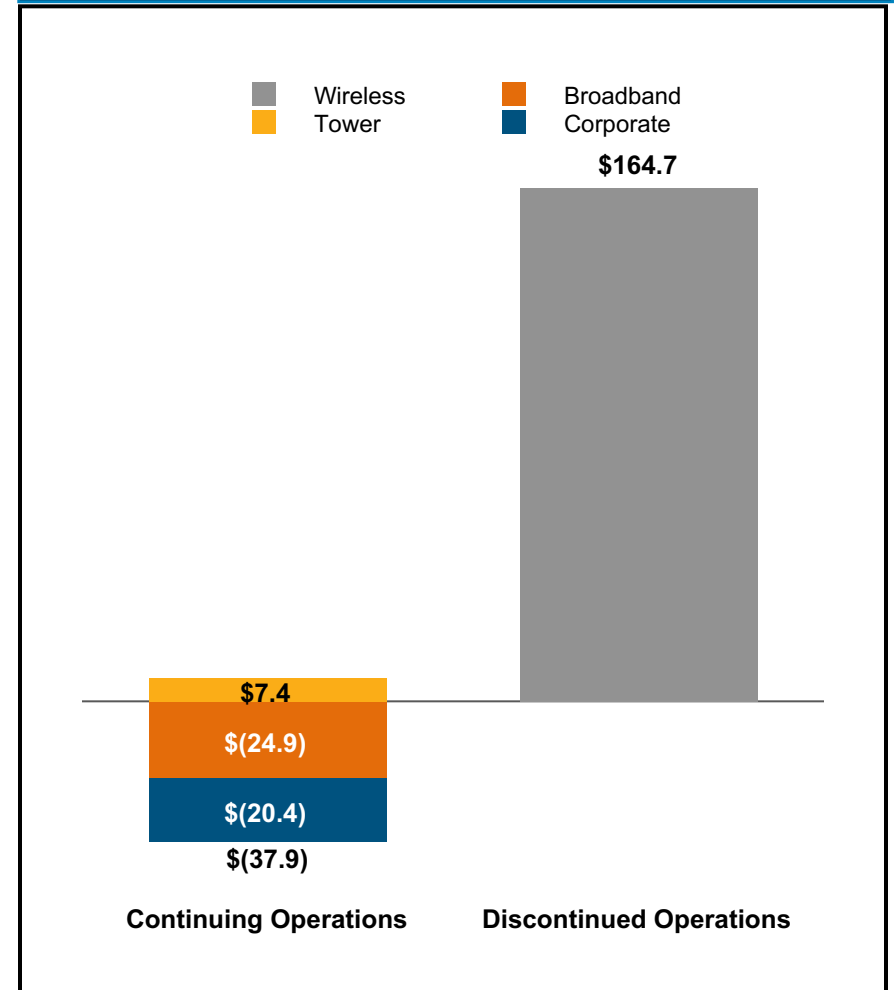


Capitalization

Total Debt & Liquidity (in millions)



2020 YTD Free Cash Flow by Segment



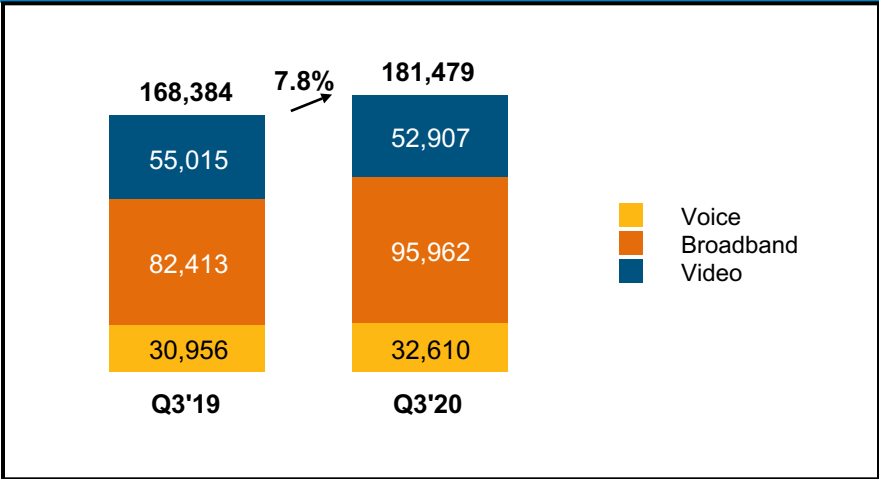


Dave Heimbach

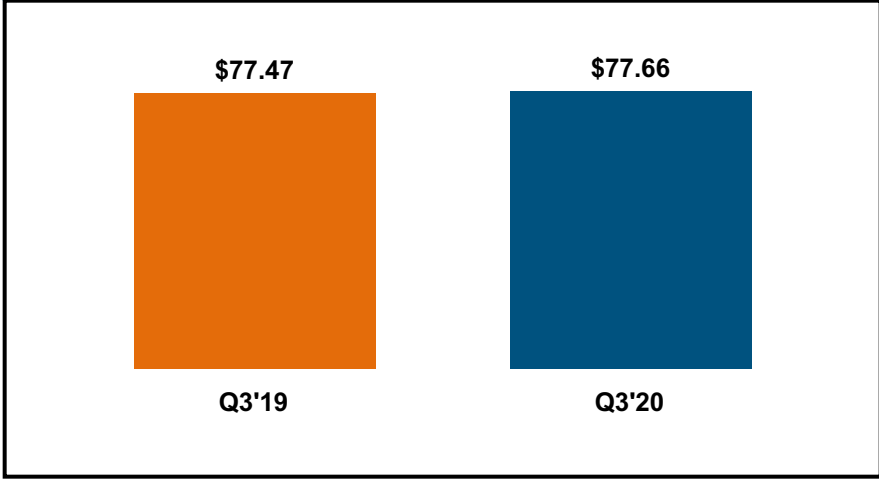
EVP and COO

Broadband - Incumbent Cable Metrics

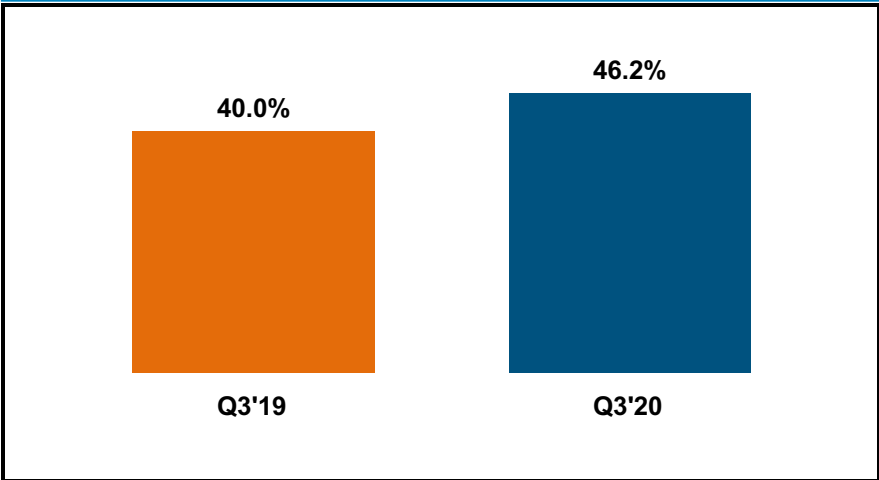
Revenue Generating Units (RGU)



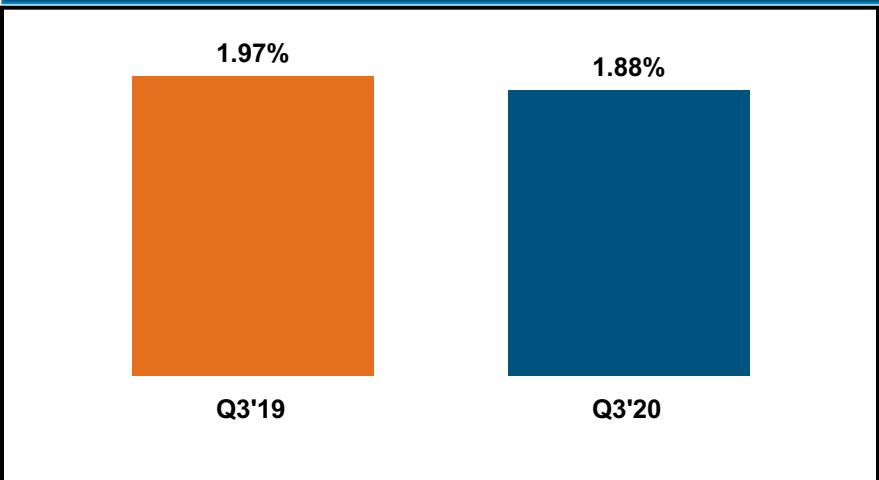
Broadband Average Revenue Per User (ARPU)



Broadband Penetration

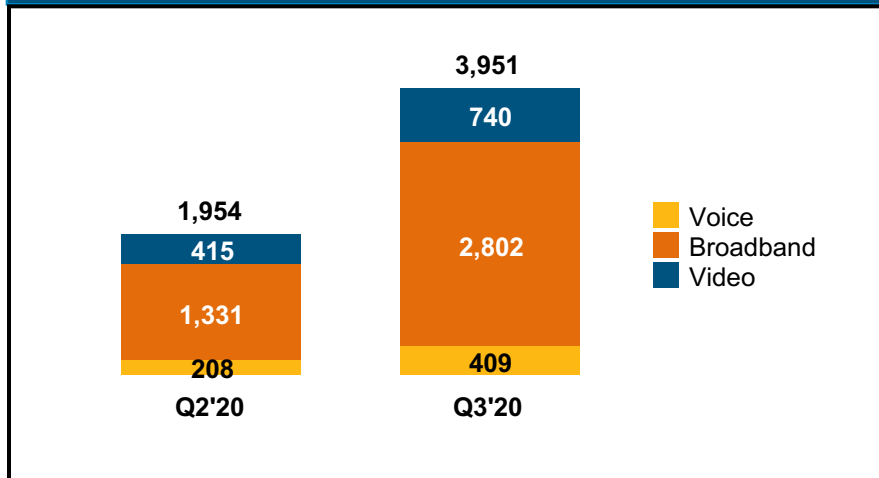


Broadband Churn

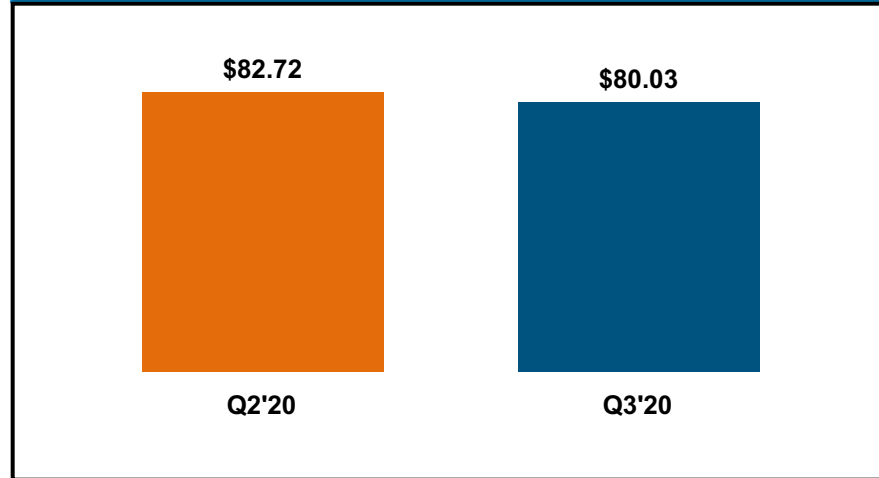


Broadband - Glo Fiber Metrics

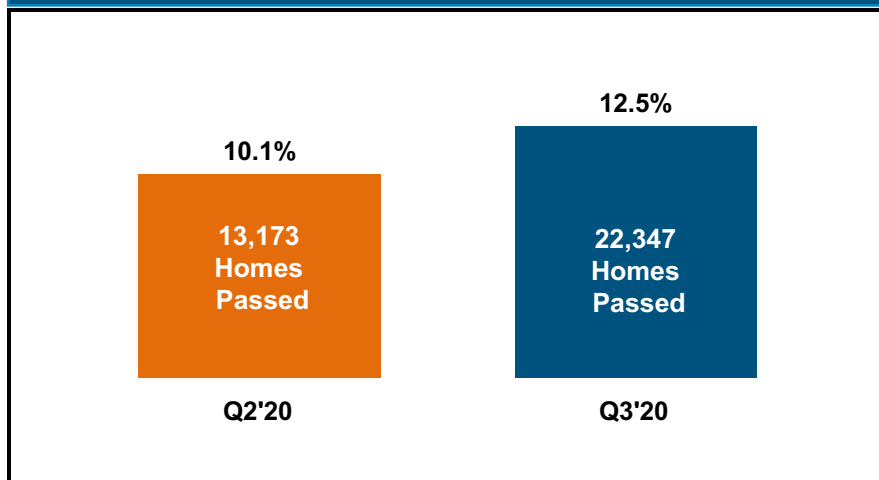
Revenue Generating Units (RGU)



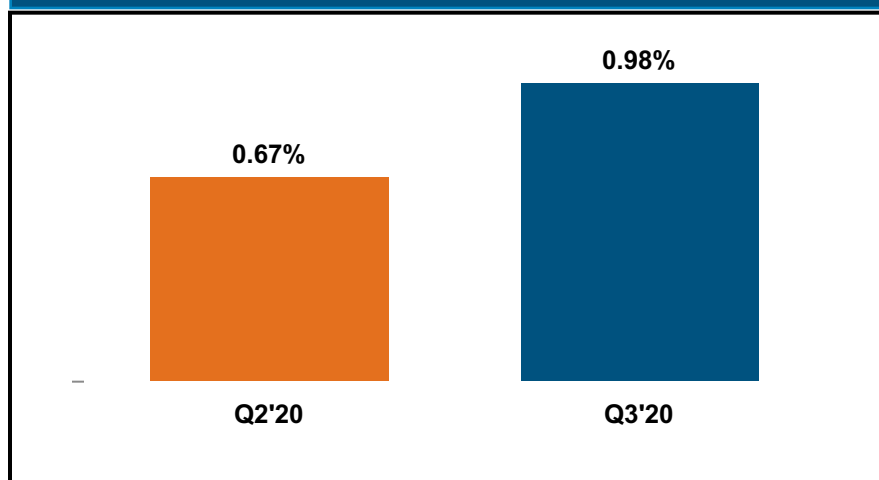
Broadband Average Revenue Per User (ARPU)




Broadband Penetration



Broadband Churn

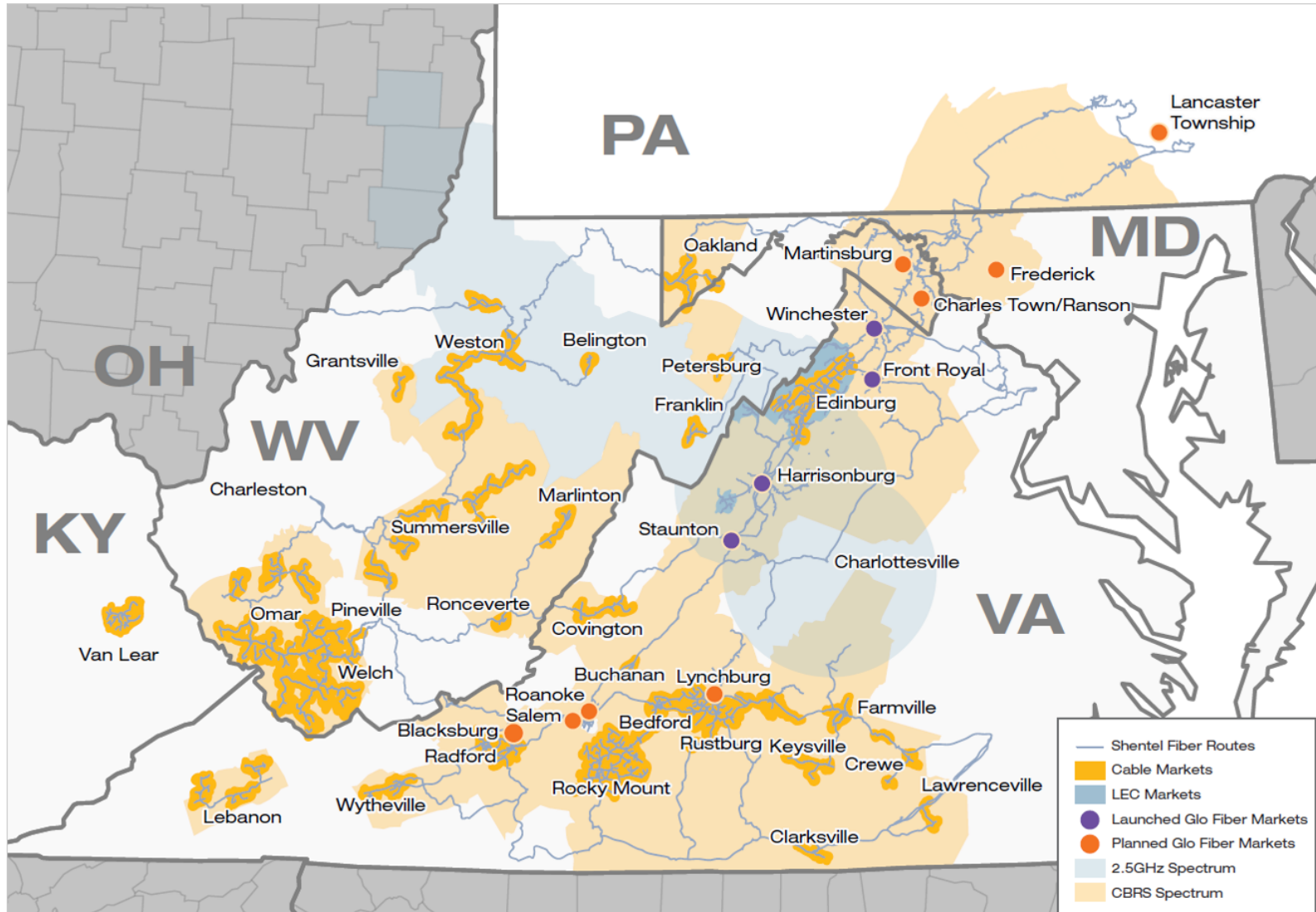


Glo Fiber Market Update




	Passings Released to Sales	Target Passings*	Launch Date	Penetration as of 9/30/2020
Harrisonburg VA	9,202	10,908	October 2019	16.4%
Staunton VA	6,794	9,895	February 2020	10.9%
Front Royal VA	3,546	4,933	March 2020	9.5%
Winchester VA	2,805	9,801	March 2020	7.0%
Salem VA		8,044	1Q21	
Lynchburg VA		16,039	1H21	
Roanoke VA		28,207	1H21	
Frederick MD		12,486	2H21	
Charles Town - Ranson WV		2,828	2H21	
Martinsburg WV		5,836	2H21	
Blacksburg VA		3,114	2H21	
Lancaster Township PA		4,593	2H21	
Total	22,347	116,684		12.5%

*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



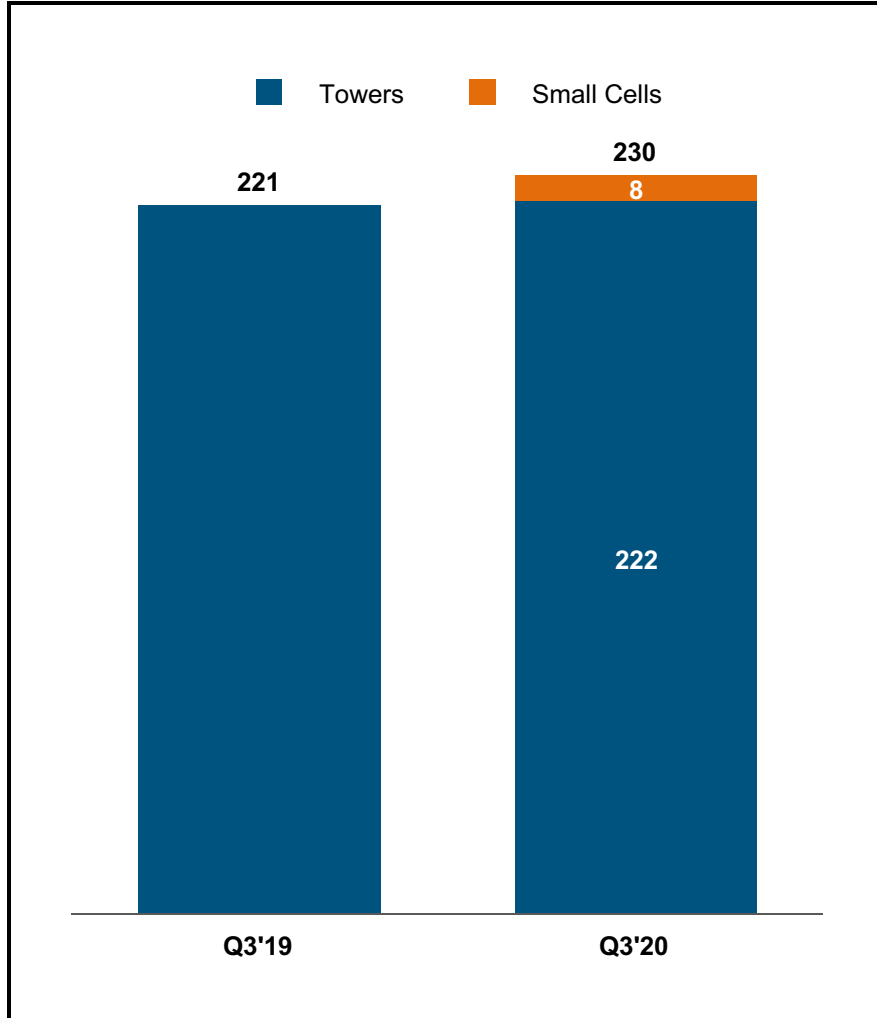
Unique network platform with high growth potential

		 SHENTEL® Always connected to you	 glofiber	 beam- internet by shentel
Target market dynamic	Shentel position	Incumbent	Greenfield fiber overbuilder	Greenfield fixed wireless broadband overbuilder
	Market type	Various, but mostly rural	Higher density tier III / IV markets	Low density rural
	Competition	>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
Shentel offering and KPIs	Primary network technology	DOCSIS 3.1 HFC network	XGS-PON FTTH network	Fixed wireless network with a 5G-ready core using 2.5 and 3.5GHz licensed spectrum and massive MIMO technology
	Historical operating presence and experience	Incumbent cable operator and wireless provider	Wireless provider and commercial fiber provider	Wireless provider and adjacent to many incumbent cable markets
	Cost per passing	\$1,500 - \$2,500*	\$700 - \$1,200	\$250 - \$350
	Terminal penetration	55%	36%	31%

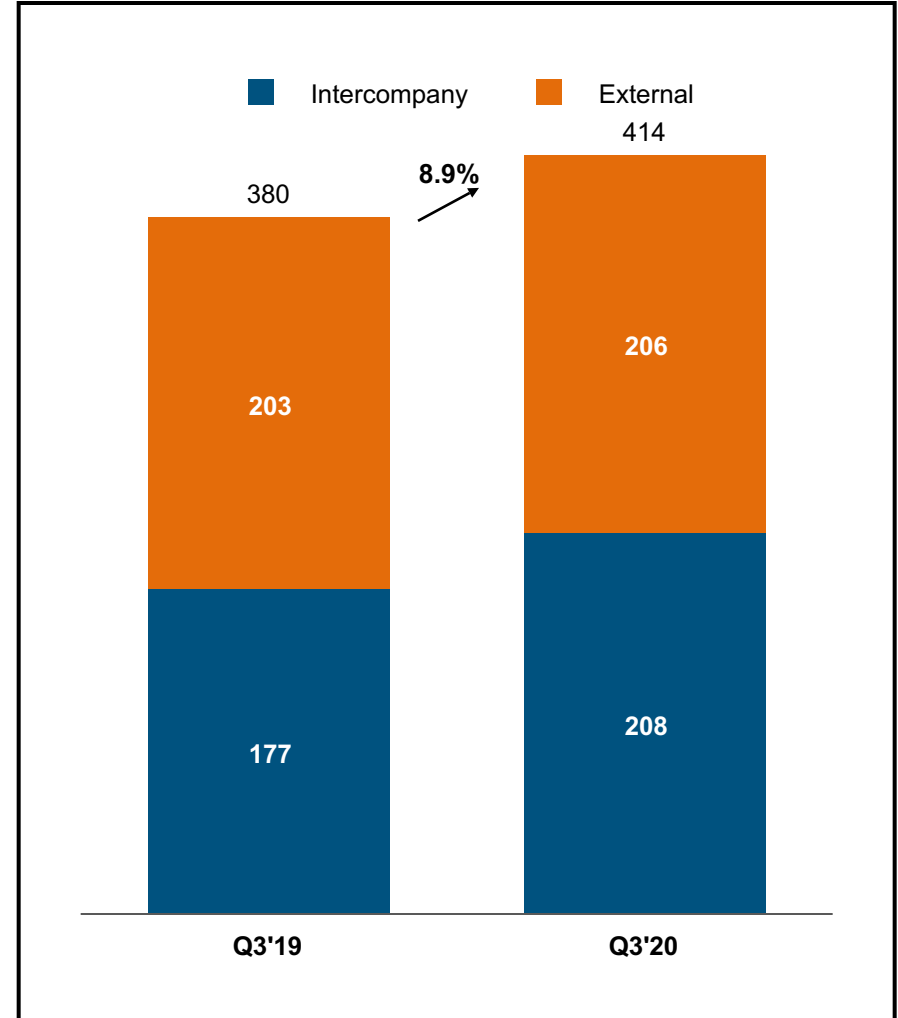
*Incumbent cable only

Tower - Metrics

Towers and Small Cells

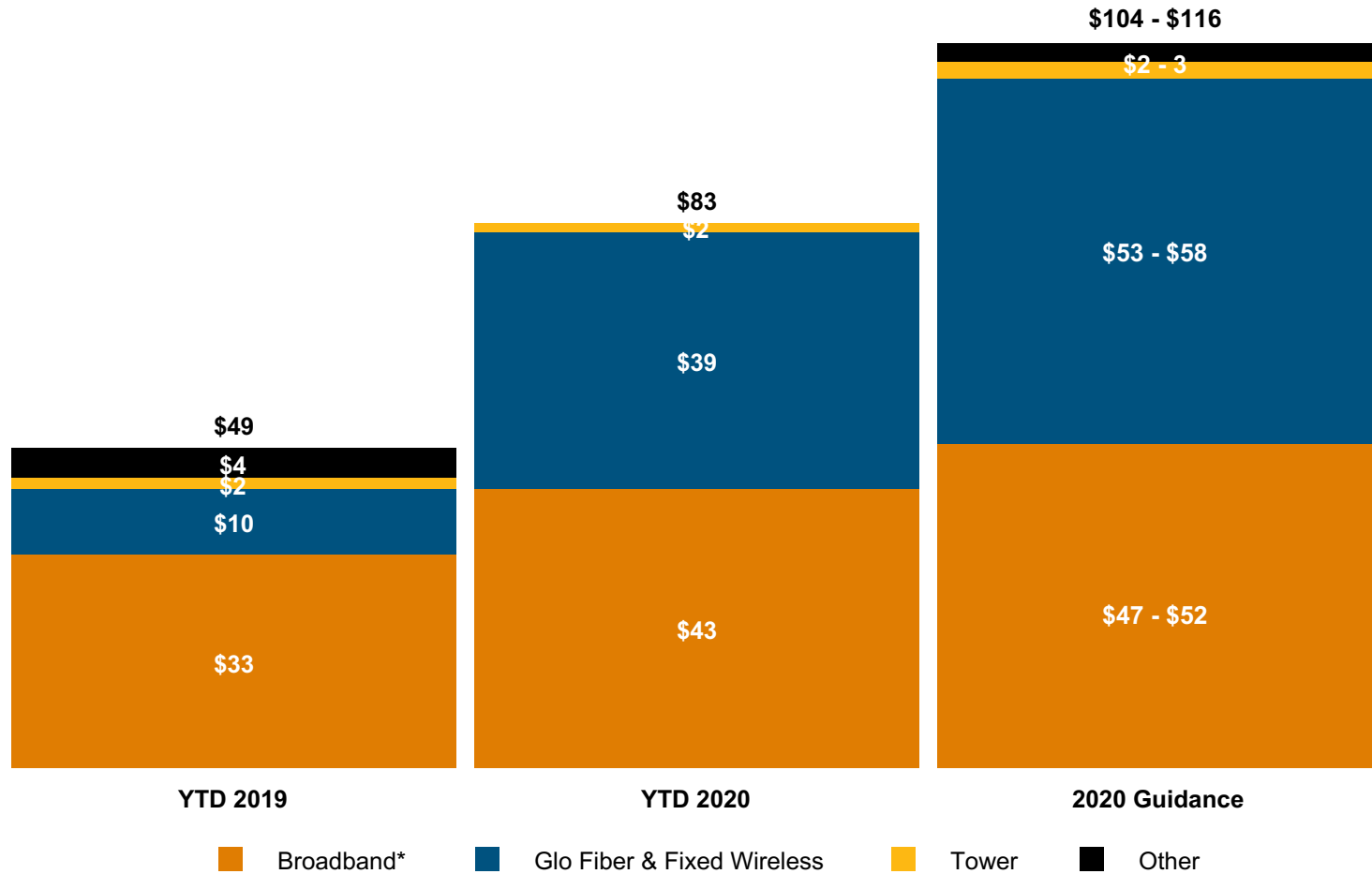


Tenants



Capital Expenditures

Capex Spending (\$ in millions)



Q&A

Appendix

Use of Non-GAAP Financial Measures

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 September 30, 2020

(in thousands)

	Broadband	Tower	Corporate & Eliminations	Consolidated
Operating income (loss)	\$ 9,486	\$ 2,421	\$ (11,437)	\$ 470
Depreciation	9,939	467	1,422	11,828
Amortization	167	—	—	167
OIBDA	19,592	2,888	(10,015)	12,465
Share-based compensation expense	—	—	1,137	1,137
Deal advisory fees	—	—	1,032	1,032
Adjusted OIBDA	\$ 19,592	\$ 2,888	\$ (7,846)	\$ 14,634
Total revenue	\$ 50,710	\$ 4,501	(38)	\$ 55,173
Adjusted OIBDA margin	38.6 %	64.2 %	N/A	26.5 %

Three Months Ended September 30, 2019

(in thousands)

	Broadband	Tower	Corporate & Eliminations	Consolidated
Operating income (loss)	\$ 11,242	\$ 1,330	\$ (11,891)	\$ 681
Depreciation	8,472	691	1,433	10,596
Amortization	145	—	—	145
OIBDA	19,859	2,021	(10,458)	11,422
Share-based compensation expense	—	—	723	723
Adjusted OIBDA	\$ 19,859	\$ 2,021	\$ (9,735)	\$ 12,145
Total revenue	\$ 48,681	\$ 3,140	(7)	\$ 51,814
Adjusted OIBDA margin	40.8 %	64.4 %	N/A	23.4 %

Normalized Free Cash Flow and Free Cash Flow

Nine Months Ended September 30, <i>(in thousands)</i>	2020				
	Discontinued Operations	Broadband	Tower	Corporate	Total Continuing Operations
Net Cash Provided by Operations	\$ 182,499	\$ 56,611	\$ 8,985	\$ (20,796)	\$ 44,800
Less: Capital Expenditures*	(17,818)	(42,609)	(1,566)	375	(43,800)
Normalized Free Cash Flow	164,681	14,002	7,419	(20,421)	1,000
Glo Fiber and Fixed Wireless CapEx	—	(38,941)	—	—	(38,941)
Free Cash Flow	\$ 164,681	\$ (24,939)	\$ 7,419	\$ (20,421)	\$ (37,941)

*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 third quarter ended,	
	2019	2020
Residential & SMB Revenue (000's)		
Broadband	\$ 18,809	\$ 22,261
Incumbent Cable	\$ 18,809	\$ 21,770
Glo Fiber	\$ —	\$ 491
Video	\$ 15,030	\$ 14,823
Voice	\$ 2,839	\$ 2,894
Average Revenue Generating Units		
Broadband	80,931	95,485
Incumbent Cable	80,931	93,440
Glo Fiber	0	2,045
Video	56,092	53,085
Voice	30,850	32,581
Average Revenue per User (ARPU)*		
Broadband	\$ 77.47	\$ 77.71
Incumbent Cable	\$ 77.47	\$ 77.66
Glo Fiber	\$ —	\$ 80.03
Video	\$ 89.32	\$ 93.08
Voice	\$ 30.68	\$ 29.61

*Average Revenue Per User calculation = (Residential & SMB Revenue * 1,000) / average revenue generating units / 3 months