

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): May 4, 2017

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Shenandoah Telecommunications Company

(Exact name of registrant as specified in its charter)

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Virginia  
(State or other jurisdiction of incorporation)

0-9881  
(Commission File Number)

54-1162807  
(IRS Employer Identification No.)

500 Shentel Way  
P.O. Box 459  
Edinburg, VA  
(Address of principal executive offices)

22824  
(Zip Code)

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

Not applicable

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(Former name or former address, if changed since last report.)

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 (see General Instruction A.2. below):

- 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))
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**Item 7.01 Regulation FD Disclosure.**

The following information is furnished pursuant to Regulation FD: On May 4, 2017, Shenandoah Telecommunications Company held its first quarter 2017 earnings release conference call. The materials attached hereto as Exhibit 99.1 were utilized during the conference call. These materials are also available on the Company's website.

These materials may contain forward-looking statements about Shenandoah Telecommunications 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 or similar words, or by discussions of strategy or risks and uncertainties. Shenandoah Telecommunications 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.

**Item 9.01 Financial Statements and Exhibits.**

**(c) Exhibits**

The following exhibit is furnished with this Current Report on Form 8-K.

**99.1 First Quarter 2017 Earnings Release Conference Call Slides**

**SIGNATURE**

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  
(Registrant)

May 4, 2017

/s/ Adele M. Skolits  
\_\_\_\_\_  
Adele M. Skolits  
Vice President - Finance and  
Chief Financial Officer  
(Duly Authorized Officer)

Exhibit 99.1



**1Q 2017  
Earnings Conference Call**

May 4, 2017

# 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.



# Chris French

President and CEO

# First Quarter 2017 Highlights (Q1'17 v. Q1'16)

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## ■ Net Income in Q1'17

- Net income of \$2.3 million in Q1'17, down from \$13.9 million in Q1'16

## ■ Adjusted OIBDA Growth

- Increased 82.0% to \$73.5 million

## ■ Revenue Growth

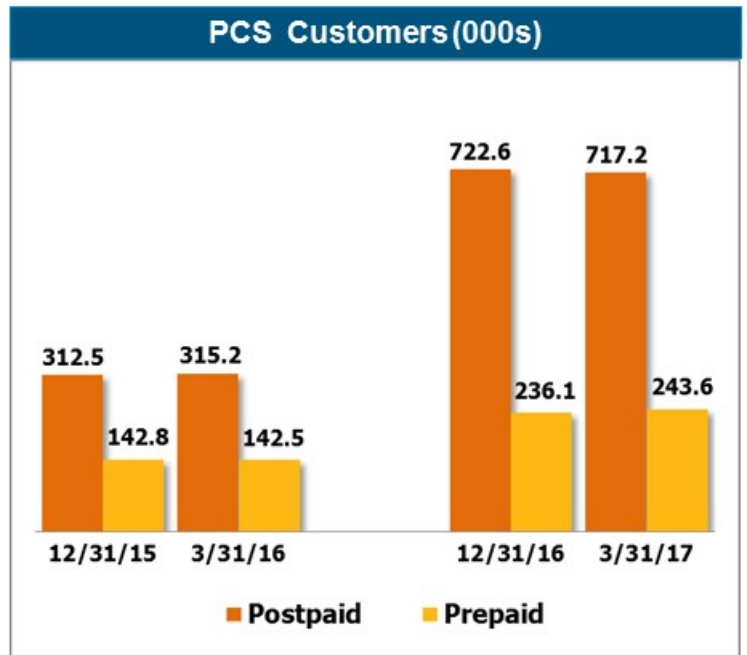
- Increased 66.2% to \$153.9 million

## ■ Customer Growth

	<u>3/31/16</u>	<u>3/31/17</u>	<u>Change</u>
Wireless	457,770	960,707	+502,937
Cable (RGUs)	131,527	132,846	+1,319

# Wireless Highlights

- **Postpaid Growth**  
Postpaid customers up 127.5% over last 12 months
- **Prepaid Growth**  
Prepaid customers up 70.9% over last 12 months
- **Adjusted OIBDA Growth**  
Increased to \$61.4 million, up 114% in Q1'17 vs Q1'16

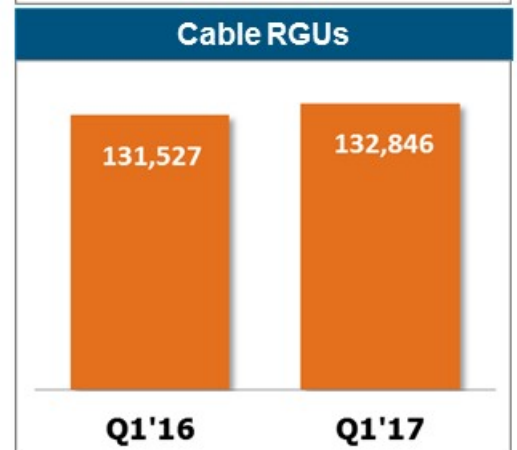
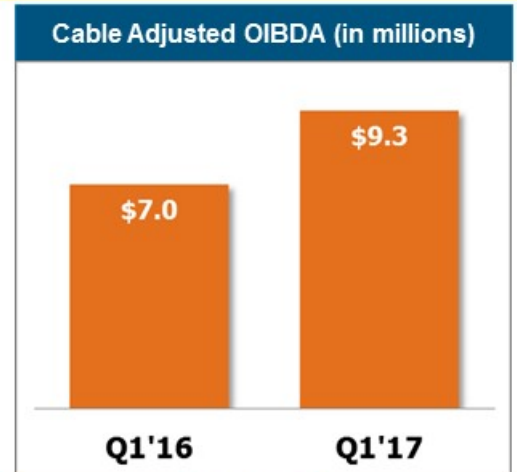
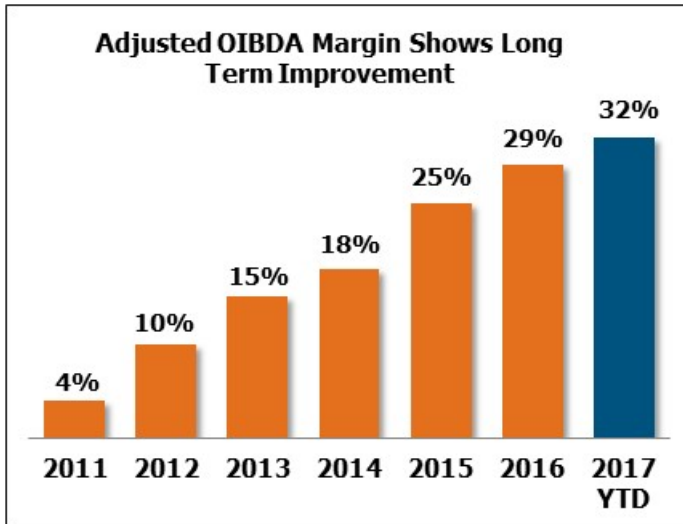




# Cable Highlights

## ■ Revenue Growth

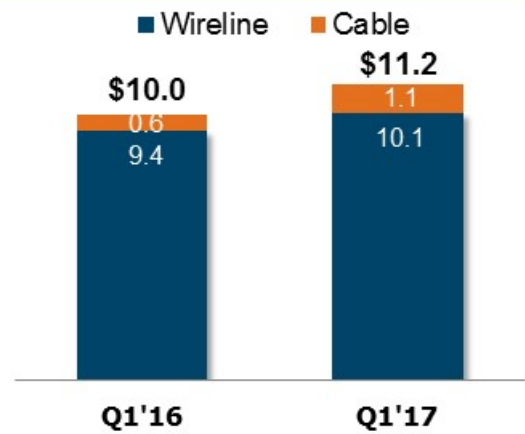
- Operating revenues \$29.0 million, growth of 9.7% over Q1'16
- Q1'17 Adjusted OIBDA \$9.3 million, up 31.7% from Q1'16
- 132,846 RGUs at Q1'17, up 1.0% over Q1'16



# Fiber and Tower Highlights

- Wireline and Cable fiber lease revenues of \$11.2 million, up 12.0% from Q1'16
- 196 towers generated \$1.9 million of OIBDA in Q1'17

## \*Fiber Lease Revenue (in millions)



\*Includes both Affiliate and Non-affiliate revenues

## Mobile Tower OIBDA (\$ thousands)

(in thousands)	Q1'16	Q1'17
Operating Income	\$1,345	\$1,426
Deprec. and Amort.	482	478
Loss on Asset Disposals	13	-
Share Based Compensation	11	10
<b>Adjusted OIBDA</b>	<b>\$1,851</b>	<b>\$1,914</b>



# Adele Skolits

VP of Finance and CFO

# Profitability

## Consolidated Results (\$ in millions, except per share amounts)

	For the Quarter Ended:		
	3/31/16	3/31/17	Change
<b>Operating Income</b>	\$ 21.3	\$ 10.7	(50)%
<b>Net Income</b>	\$ 13.9	\$ 2.3	(83)%
<b>Earnings Per Share:</b>			
<b>Basic</b>	\$ 0.29	\$ 0.05	(83)%
<b>Diluted</b>	\$ 0.28	\$ 0.05	(79)%

# Profitability

## Adjusted OIBDA (\$ millions)

	For the Quarter Ended:			
	3/31/16	3/31/17	Change (\$)	Change (%)
Operating income	\$ 21.3	\$ 10.7	\$ (10.6)	-50%
Depreciation and amortization	17.7	44.8	27.1	153%
Share based compensation	1.1	1.6	0.5	45%
(Gain)/Loss on asset disposals	-	(0.1)	(0.1)	0%
Straight line adjustment to reduce management fee waiver	-	4.2	4.2	N.M.
Amort. of intangible netted in rent expense	-	0.3	0.3	
Amort. of intangible netted in revenue	-	4.9	4.9	N.M.
Integration, acquisition and migration expense	0.3	4.5	4.2	N.M.
Temporary back office costs to support the <sup>(1)</sup> billings operations through migration	-	2.6	2.6	N.M.
<b>Adjusted OIBDA</b>	<b>\$ 40.4</b>	<b>\$ 73.5</b>	<b>\$ 33.1</b>	<b>82%</b>
Less waived management fee	-	(8.9)	(8.9)	N.M.
<b>Continuing OIBDA</b>	<b>\$ 40.4</b>	<b>\$ 64.6</b>	<b>\$ 24.2</b>	<b>60%</b>

(1)- Once former nTelos customers migrate to Sprint, Sprint retains certain postpaid fees and passes on certain prepaid costs that offset a portion of these savings, estimated at \$0.8 million in Q1'17.

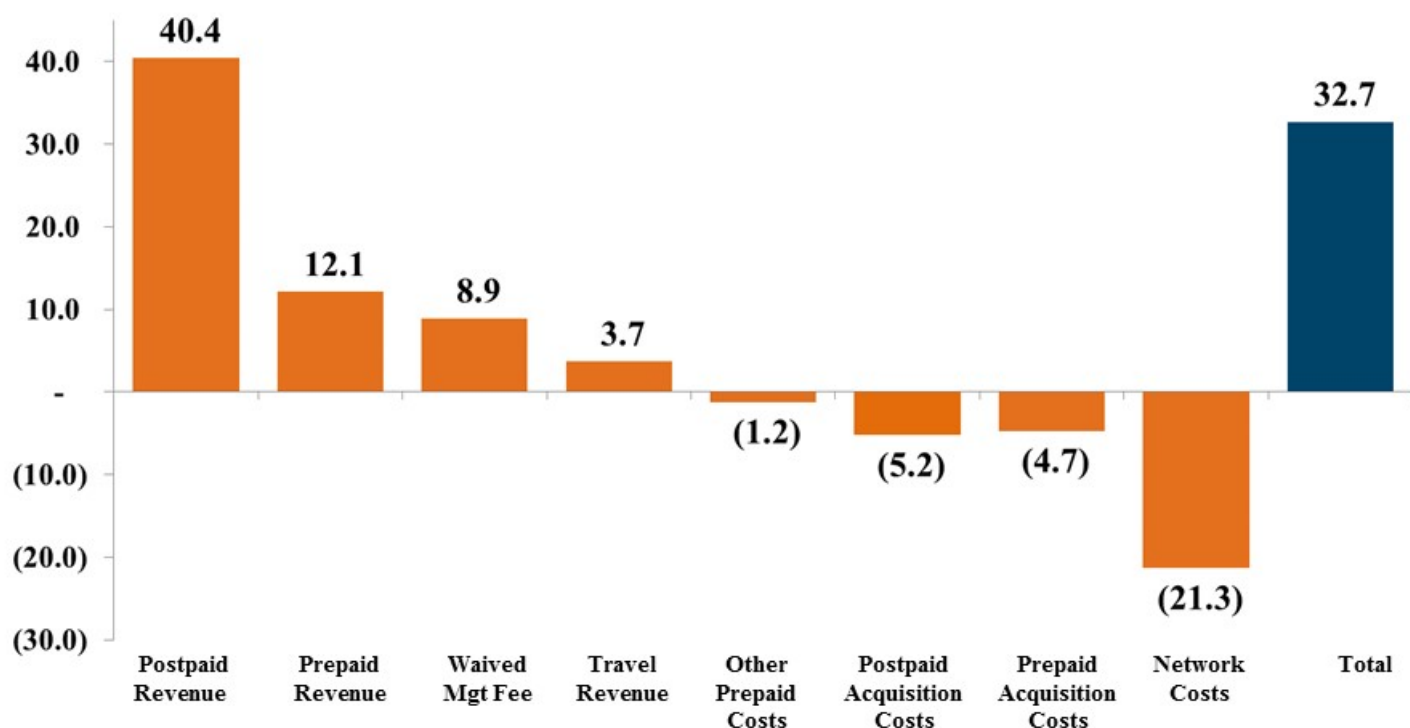


## Adjusted OIBDA by Segment (\$ millions)

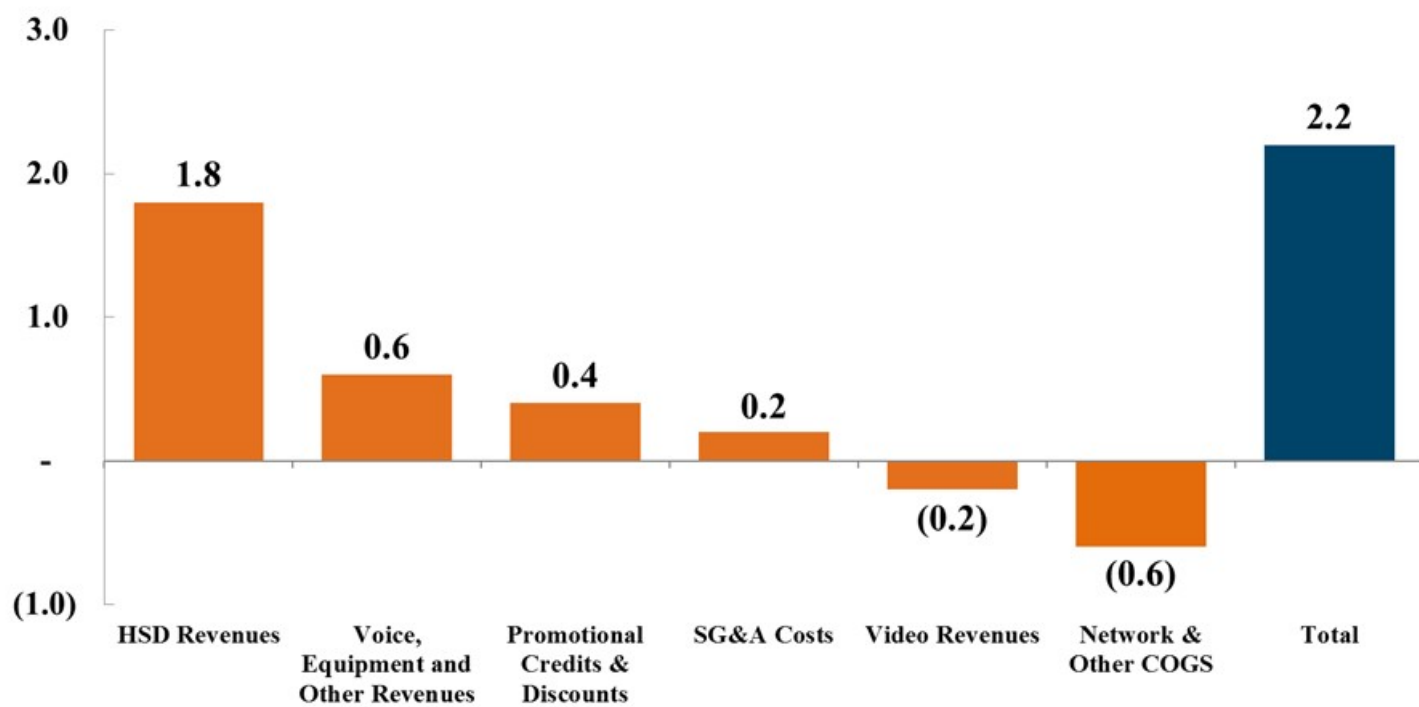
	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q1'16</u>	<u>Q1'17</u>	<u>Q1'16</u>	<u>Q1'17</u>	<u>Q1'16</u>	<u>Q1'17</u>
Operating income	\$ 19.9	\$ 9.1	\$ 0.6	\$ 3.1	\$ 5.1	\$ 5.1
Depreciation and amortization	8.5	35.8	6.1	5.8	3.0	3.1
Plus (gain) loss on asset sales	-	-	(0.1)	-	-	0.1
Share based compensation	0.3	0.7	0.4	0.4	0.2	0.1
Straight line adjustment - mgmt fee waiver	-	4.2	-	-	-	-
Amort. of intangible netted in rent expense	-	4.9	-	-	-	-
Amort of intangible	-	0.3	-	-	-	-
Integration, acquisition and migration expense	-	3.8	-	-	-	-
Temporary backoffice costs	-	2.6	-	-	-	-
<b>Adjusted OIBDA</b>	<b>\$28.7</b>	<b>\$61.4</b>	<b>\$ 7.0</b>	<b>\$ 9.3</b>	<b>\$8.3</b>	<b>\$ 8.4</b>
Percent Change		114%		33%		1%
Adjusted OIBDA Margin	51%	53%	27%	32%	45%	44%



## Wireless Segment – Change in Adjusted OIBDA Q1'17 vs. Q1'16 (\$ millions)



## Cable Segment – Change in Adjusted OIBDA Q1'17 vs. Q1'16 (\$ millions)



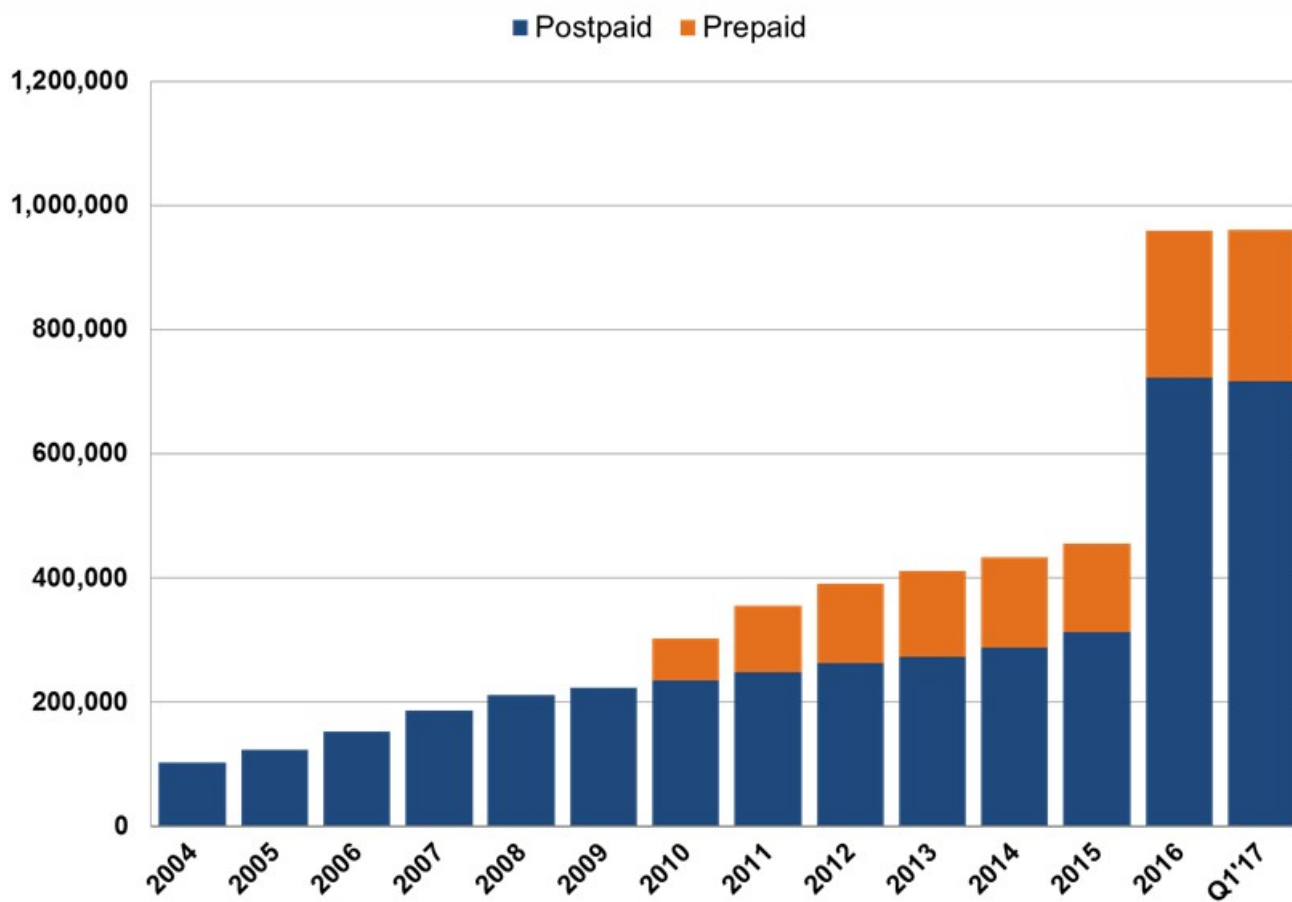




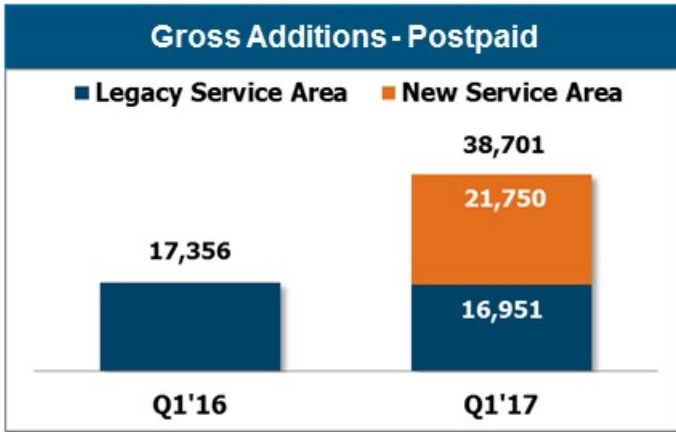
# Earle MacKenzie

EVP and COO

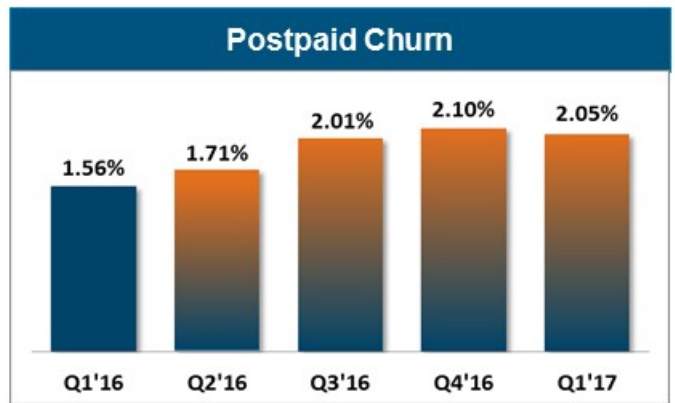
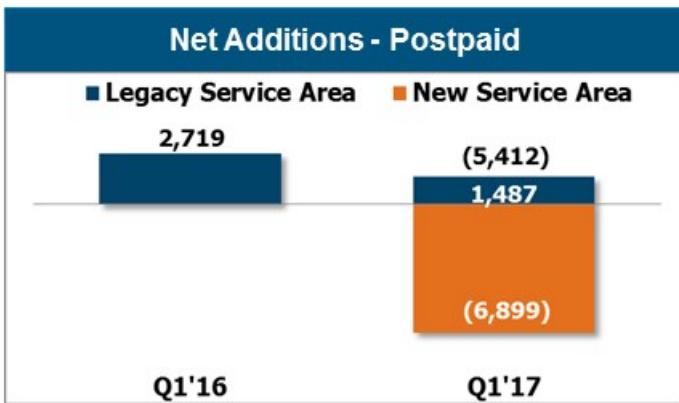
# Postpaid Subscriber Growth



# Postpaid Customer Additions

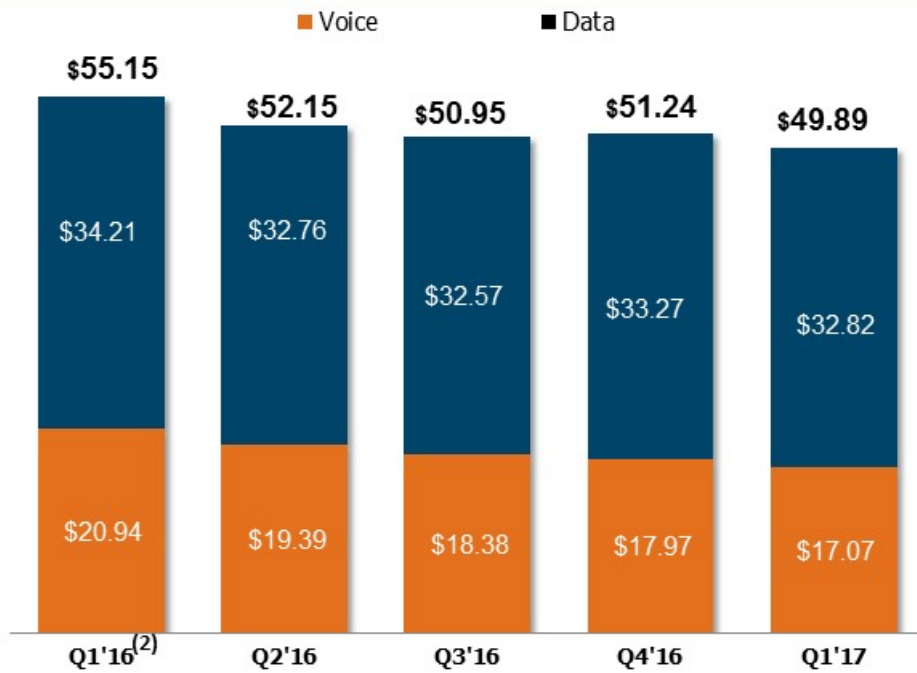


- Q1'17 Legacy area churn of 1.56%, matching the churn in Q1'16
- Combined Q1 2017 churn of 2.05%



# Billed Revenue per Customer Stabilizing

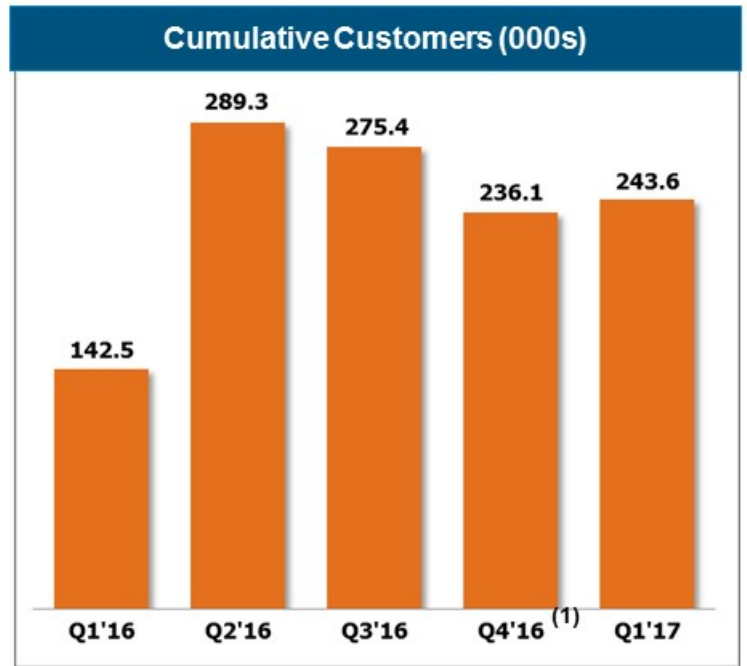
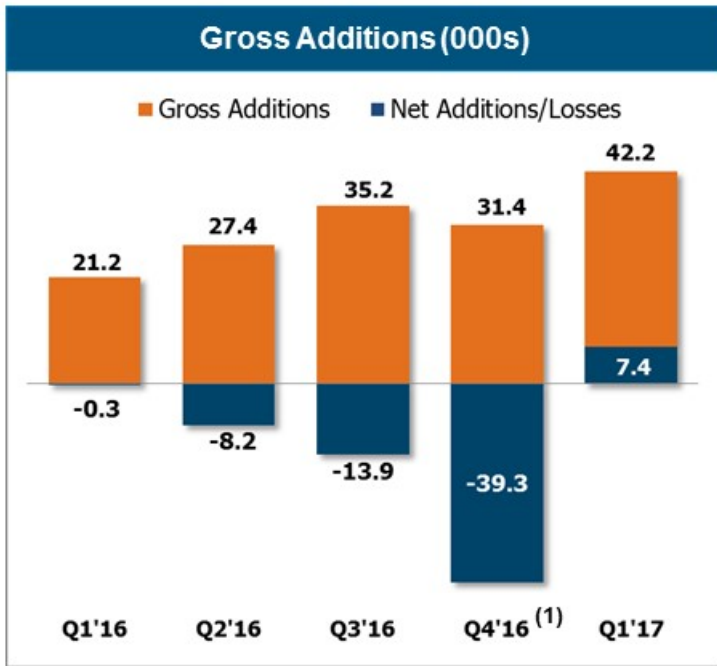
## Gross Billed Service Revenue per Postpaid User – Data & Voice <sup>(1)</sup>



<sup>1</sup> – Before Service credits, bad debt, Sprint fees.

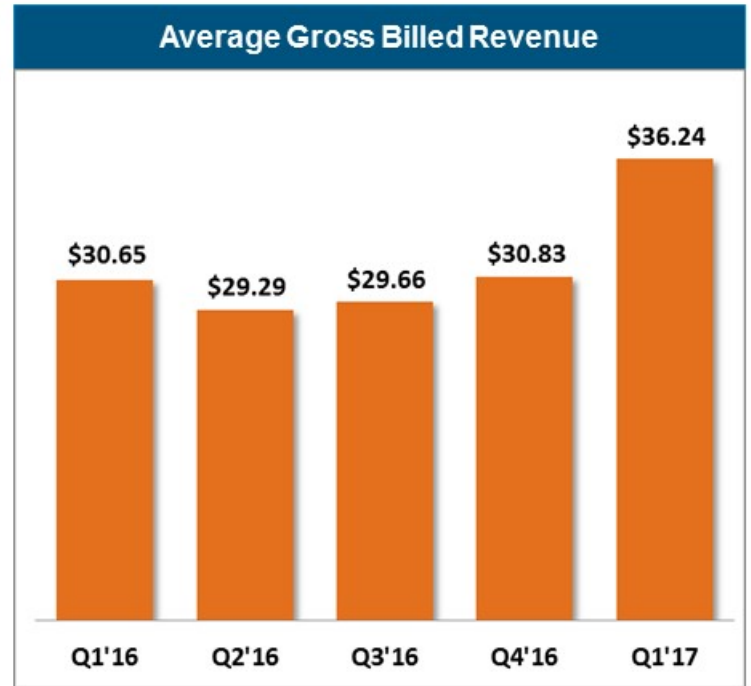
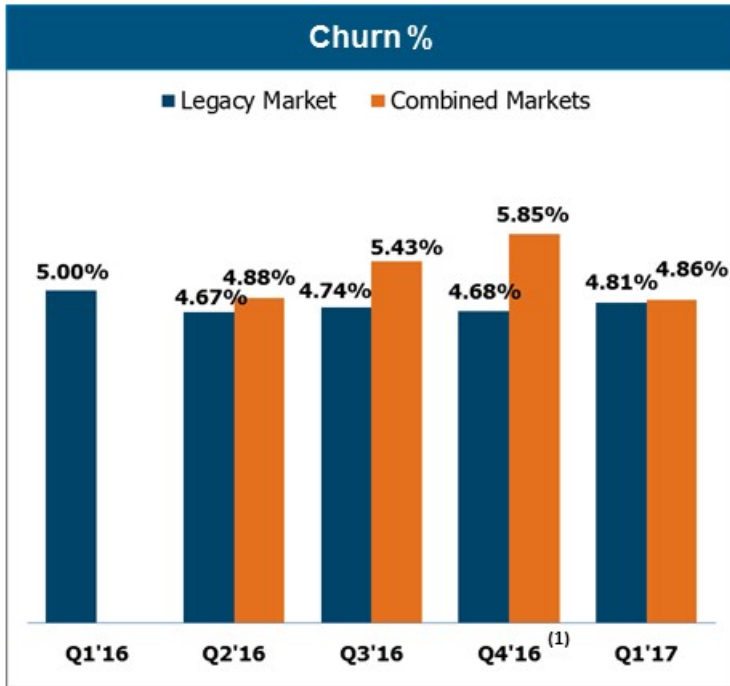
<sup>2</sup> – Legacy markets only

# PCS Prepaid Statistics



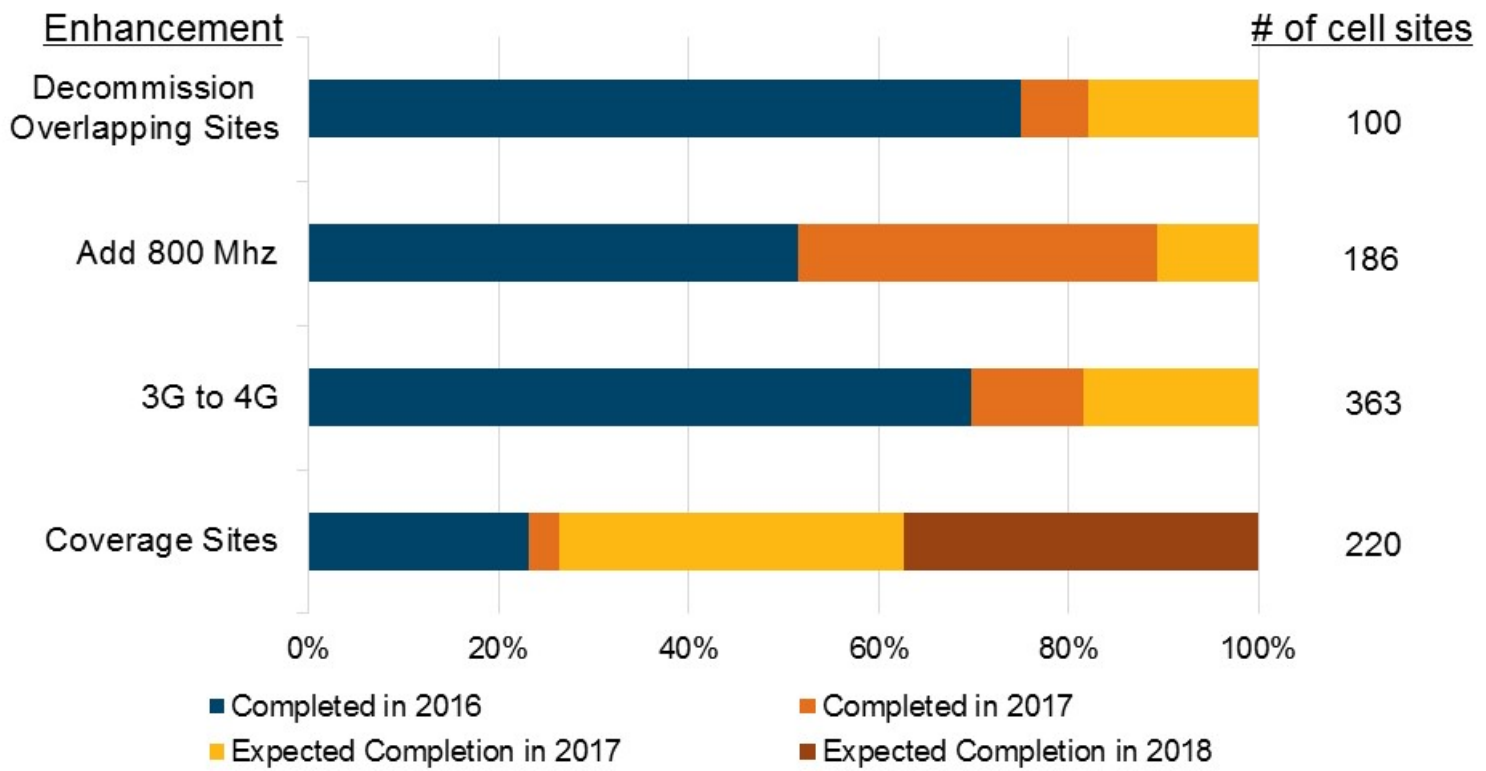
(1) - In Q4'16, customers were dropped from the prepaid customer count as a result of reducing the period of time a customer can be inactive and be included in the customer count.

# PCS Prepaid Statistics



(1) – In Q4'16, customers were dropped from the prepaid customer count as a result of reducing the period of time a customer can be inactive and be included in the customer count. The churn calculation excludes the impact from this one-time event.

# Status of Network Enhancements – nTelos Footprint

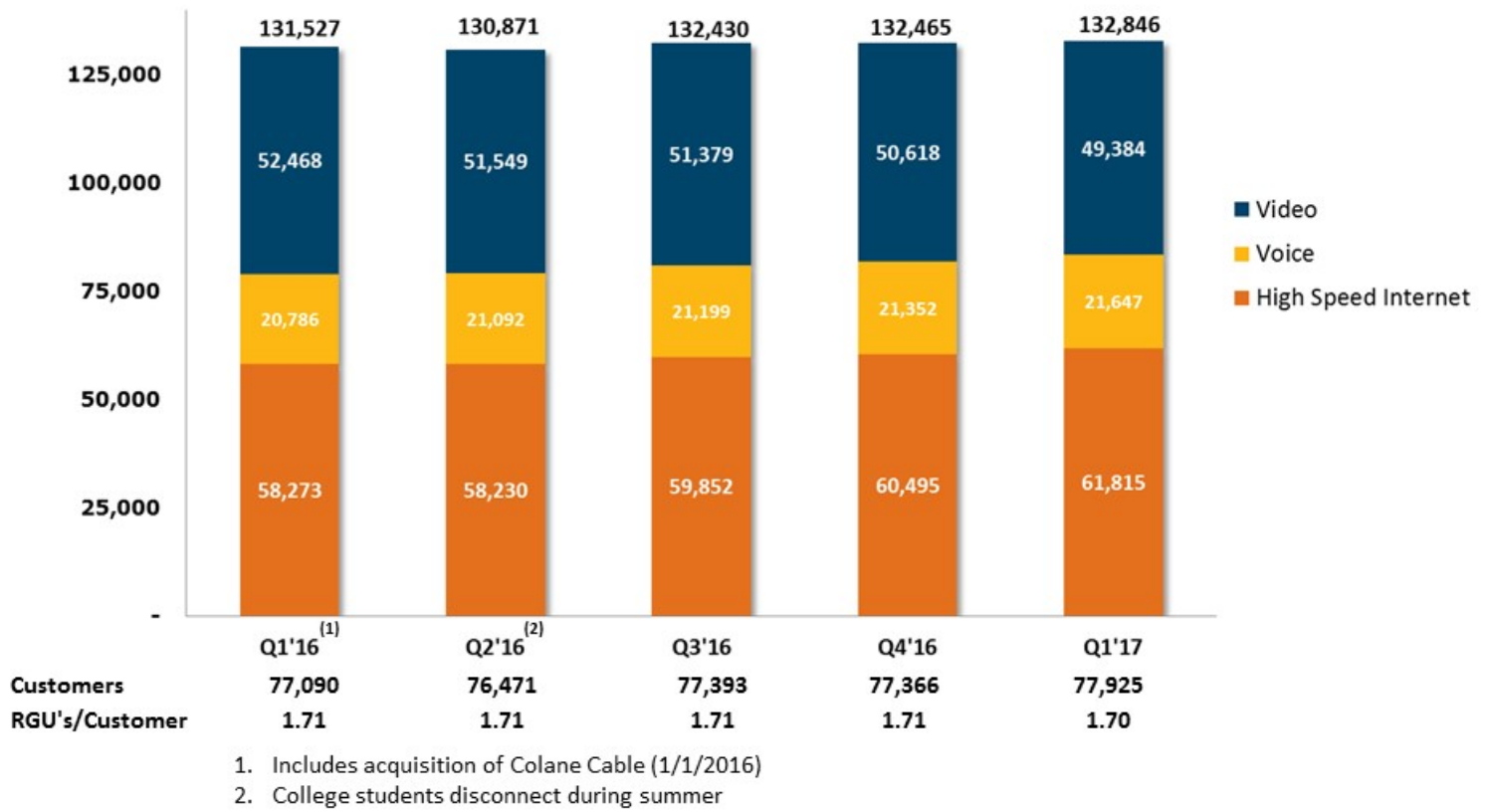


# Network Statistics at 3/31/17

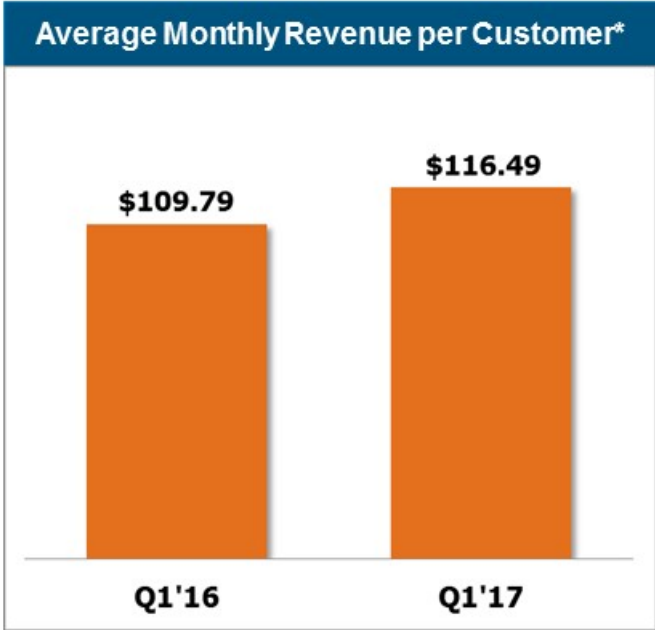
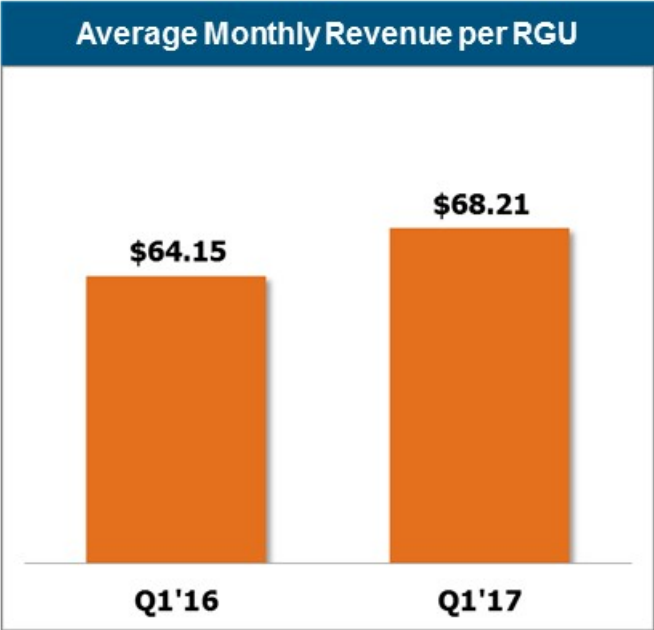
<b>Cell Sites</b>	<b>Legacy</b>	<b>New</b>
CDMA Base Stations (sites)	568	908
nTelos 3G sites still requiring upgrade	0	67
Sites with 2 <sup>nd</sup> LTE carrier	550	777
Sites with three carriers, including a 2 <sup>nd</sup> carrier @ 1900 MHz	221	180
Sites with 2.5 GHz LTE	134	174
<b>Traffic</b>		
% LTE traffic	97%	90%
Data usage increase (Q over Q)	9.8%	11.5%
Avg LTE speeds (Mbps)	6.00	5.90
Avg data usage per subscriber (Gb)	7.2	6.5
Dropped call rate	0.32%	0.46%
Blocked call rate	0.15%	0.14%



# Cable - RGU Growth by Quarter



# Increasing Average Monthly Cable Revenue



\*Average monthly revenue per video subscriber was \$159.60 and \$181.03 for Q1 2016 and Q1 2017, respectively.

## Key Operational Results – Cable

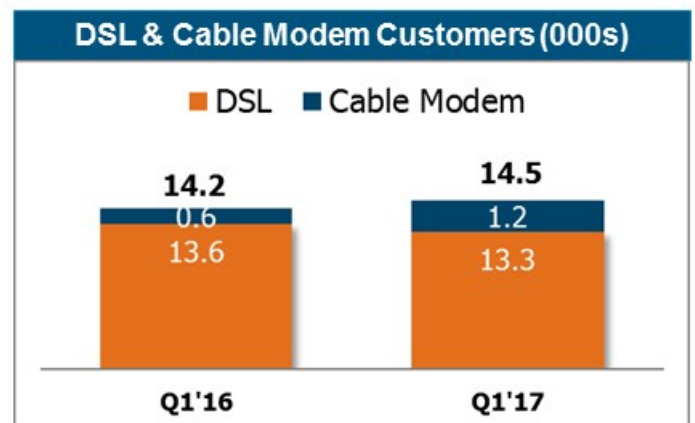
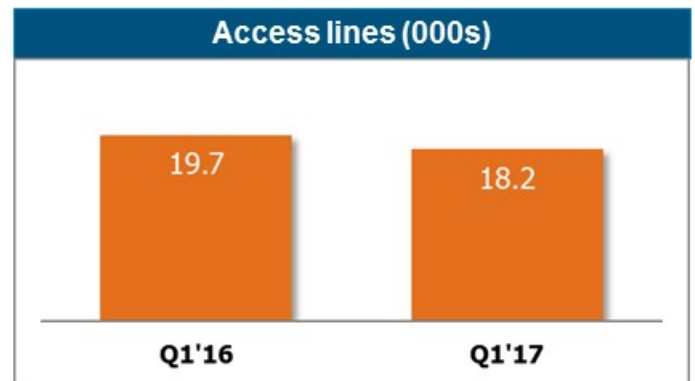
	<b>Q1 2016</b>	<b>Q1 2017 <sup>(2)</sup></b>
<b>Homes Passed <sup>(1)</sup></b>	<b>181,375</b>	<b>184,819</b>
<b>Total Revenue Generating Units</b>	<b>131,527</b>	<b>132,846</b>
<b>Customer Relationships</b>	<b>77,090</b>	<b>77,925</b>
<b>RGUs per Customer Relationship</b>	<b>1.71</b>	<b>1.70</b>
<b>Video</b>		
Revenue generating units	52,468	49,384
Penetration	28.9%	26.7%
Digital video penetration	74.8%	77.1%
<b>High-speed Internet</b>		
Available Homes	180,814	183,935
Revenue generating units	58,273	61,815
Penetration	32.2%	33.6%
<b>Voice</b>		
Available Homes	178,077	181,198
Revenue generating units	20,786	21,647
Penetration	11.7%	11.9%

(1)- Excludes cable operations in Shenandoah County, VA which are included in the Wireline segment.

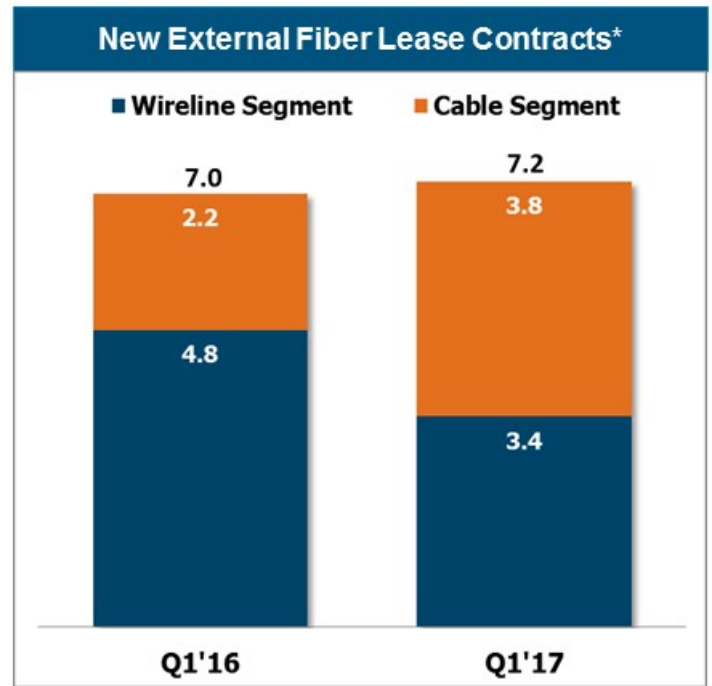
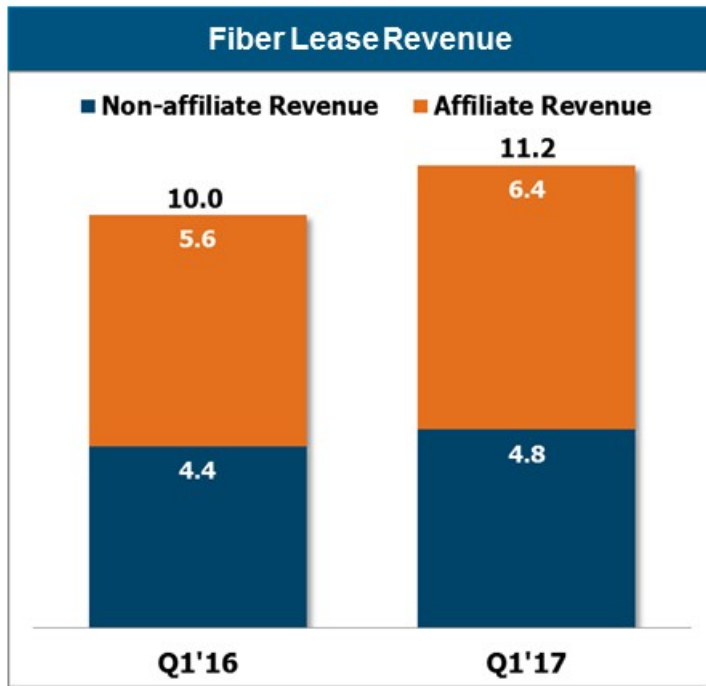
(2)- Wireline segment includes approximately 16.5k homes passed, 5.2k video customers, and 1.2k cable modem customers

# Key Operational Results - Wireline

- Access line loss of 7.7% in past 12 months as a result of no longer requiring access line to purchase internet service
- Effective Q4'15, subscribers were offered a cable modem internet option up to 101 Mbps
- 5,201 video subscribers at 3/31/17

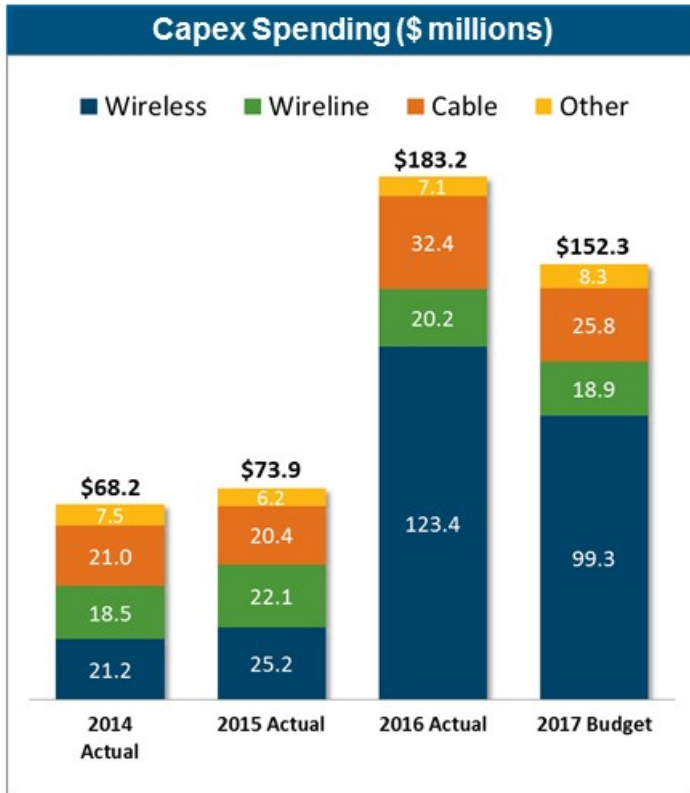


# Wireline and Cable Fiber Sales (\$ millions)



\* Amounts represent the first 10 years of contract value. Contract Terms range from 36 to 120 months.

# Investing in the Future



- **2017 Capex Budget:**
  - 57% Upgrades and Expansion of nTelos network
  - 14% Network Maintenance
  - 10% Network Expansion
  - 10% Additional Network Capacity
  - 9% Success-Based

\* Accounts payable at December 31, 2016, 2015 and 2014 included \$14.4 million, \$5.6 million and \$6.5 million associated with capital expenditures.

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# Q&A

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# Appendix



## Non-GAAP Financial Measures – Billed Revenue per Prepaid & Postpaid Subscriber

<b><u>Gross billed revenue</u></b>	<b><u>1Q 2016</u></b>	<b><u>1Q 2017</u></b>
Wireless segment total operating revenues	\$ 56,517	\$ 115,463
Equipment revenue	(1,454)	(3,145)
Tower lease revenue	(2,750)	(2,882)
Gross billed revenue – prepaid	(13,083)	(25,945)
Sprint prepaid management fee	785	1,557
Sprint management fee waiver - prepaid	-	(1,557)
Travel revenue, net	(1,767)	(5,459)
Other revenue	(195)	(1,427)
Wireless service revenue – postpaid	38,053	76,605
Discounts and adjustments	4,056	9,027
Write-offs	2,195	5,681
Sprint postpaid management fee	3,651	7,383
Sprint management fee waiver - postpaid	-	(7,383)
Straight line adjustment to Sprint management fee waiver	-	4,206
Amortization of expanded affiliate contract	-	4,978
Sprint net service fee	3,934	7,200
Gross billed revenue – postpaid	<u>\$ 51,889</u>	<u>\$ 107,697</u>
<b>Average Prepaid subscribers</b>	<b>142,274</b>	<b>238,627</b>
<b>Billed revenue per Prepaid subscriber</b>	<b>\$ 30.65</b>	<b>\$ 36.24</b>
<b>Average Postpaid subscribers</b>	<b>313,609</b>	<b>719,612</b>
<b>Billed revenue per Postpaid subscriber</b>	<b>\$ 55.15</b>	<b>\$ 49.89</b>

*Dollars in thousands  
(except subscribers and  
revenue per subscriber)*



Calculation of Billed revenue per subscriber = Gross billed revenue / Average subscribers / 3 months

## Non-GAAP Financial Measure – Average Monthly Cable Revenue

	<b><u>Q1 2016</u></b>	<b><u>Q1 2017</u></b>
Net Service Revenue	\$ 22,417	\$ 24,624
Set-top box rentals	2,099	2,053
FUSC and pass-through fees	425	419
<b>Video, Internet &amp; Voice Revenue</b>	<b><u>24,941</u></b>	<b><u>27,096</u></b>
Other miscellaneous revenue	1,505	1,917
<b>Total Operating Revenue</b>	<b><u>26,446</u></b>	<b><u>29,013</u></b>
Video revenue	12,717	13,005
Internet revenue	10,085	11,827
Voice revenue	2,139	2,264
<b>Video, Internet &amp; Voice Revenue</b>	<b><u>\$ 24,941</u></b>	<b><u>\$ 27,096</u></b>
<b><u>Average Subscribers</u></b>		
Video	52,092	49,892
Internet	56,994	61,060
Voice	20,518	21,467
Revenue Generating Units (RGUs)	129,604	132,419
Average Customer Relationships	75,725	77,538
<b><u>Average Revenue Per User (ARPU)</u></b>		
Revenue Generating Units (RGUs)	\$ 64.15	\$ 68.21
Customer Relationships	109.79	116.49
Video	159.60	181.03

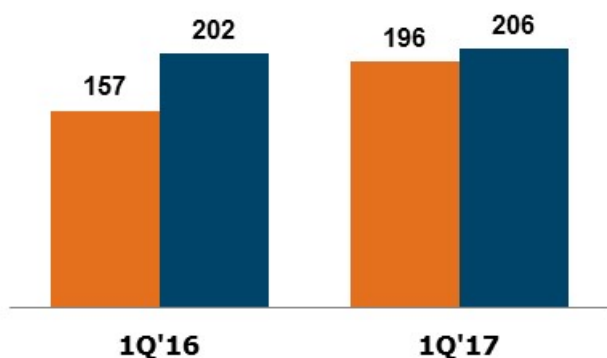
*Dollars in thousands  
(except subscribers and  
revenue per subscriber)*



# Key Operational Results – Mobile Company

## Towers and Leases

■ Towers ■ Non-affiliate Leases



## Mobile Tower Revenue (\$ millions)

■ Non-affiliate Revenue ■ Affiliate Revenue



*(in thousands)*

	<b>Q1'16</b>	<b>Q1'17</b>
Operating Income	\$1,345	\$1,426
Deprec. and Amort.	482	478
Loss on Asset Disposals	13	-
Share Based Compensation	11	10
<b>Adjusted OIBDA</b>	<b>\$1,851</b>	<b>\$1,914</b>

