

**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 4, 2018



Shenandoah Telecommunications Company

(Exact name of registrant as specified in its charter)

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 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))

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 4, 2018, Shenandoah Telecommunications Company (the “Company”) conducted meetings with investors and analysts at the B. Riley FBR Consumer & Media Conference in New York.

An electronic copy of the investor presentation that was used at the meetings will be available in the Investor Relations section of the Company’s website at www.shentel.com. A copy of the investor presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

These materials may contain forward-looking statements about Shenandoah Telecommunications Company 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 Company 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.

(d) Exhibits

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

[99.1*](#) [Shenandoah Telecommunications Company Investor Presentation](#)

* Furnished herewith

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 4, 2018

/s/ James F. Woodward
James F. Woodward
Senior Vice President - Finance and Chief Financial Officer



SHENTEL[®]

Always connected to you

NASDAQ: SHEN

Shenandoah Telecommunications Company

INVESTOR PRESENTATION

JUNE 2018

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, 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.

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. 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.

Shentel's Vision:

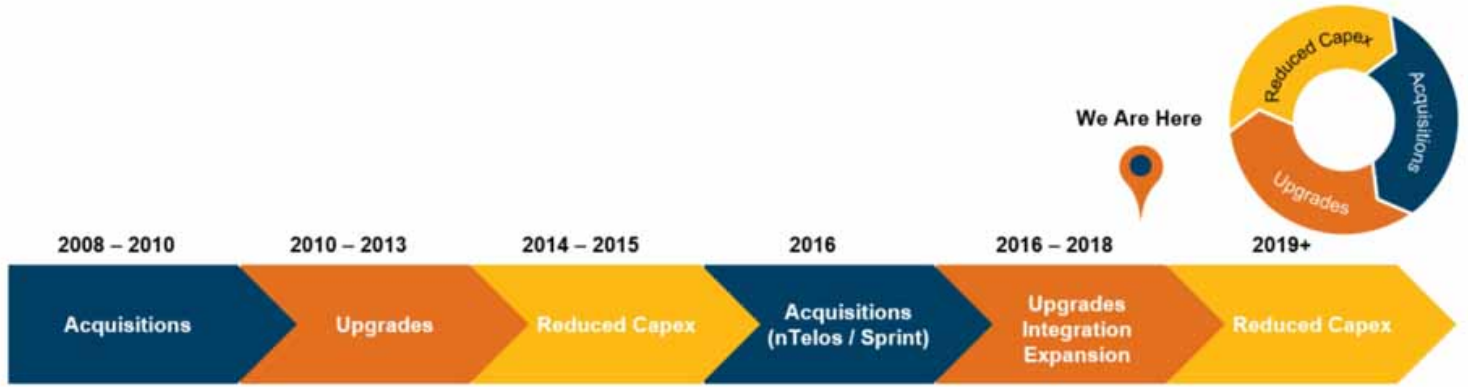
Shentel works to ensure that rural communities have access to the same level of telecommunication services as found in urban areas in the U.S.

Shentel's Mission:

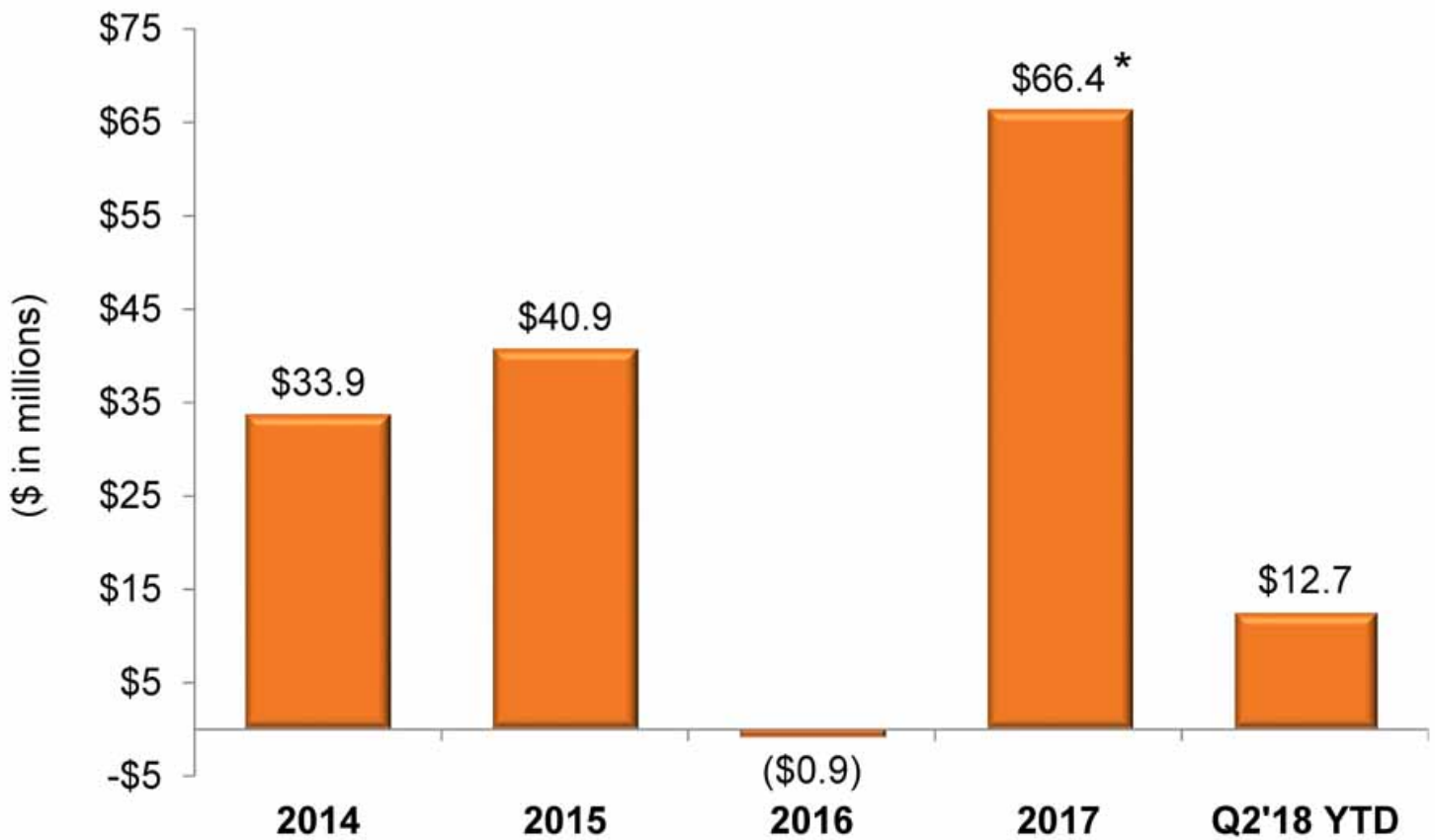
Shentel is committed to enriching the lives of the subscribers and customers it serves with the highest quality of communications services by investing heavily in technology, using innovative thinking and delivering high quality local customer service that makes using technology easy.

Providing a broad range of diversified telecommunications services to customers in the Mid-Atlantic United States and the exclusive personal communications service ("PCS") Affiliate of Sprint covering large portions of central and western Virginia, south-central Pennsylvania, West Virginia, and portions of Maryland, North Carolina, Kentucky, and Ohio.

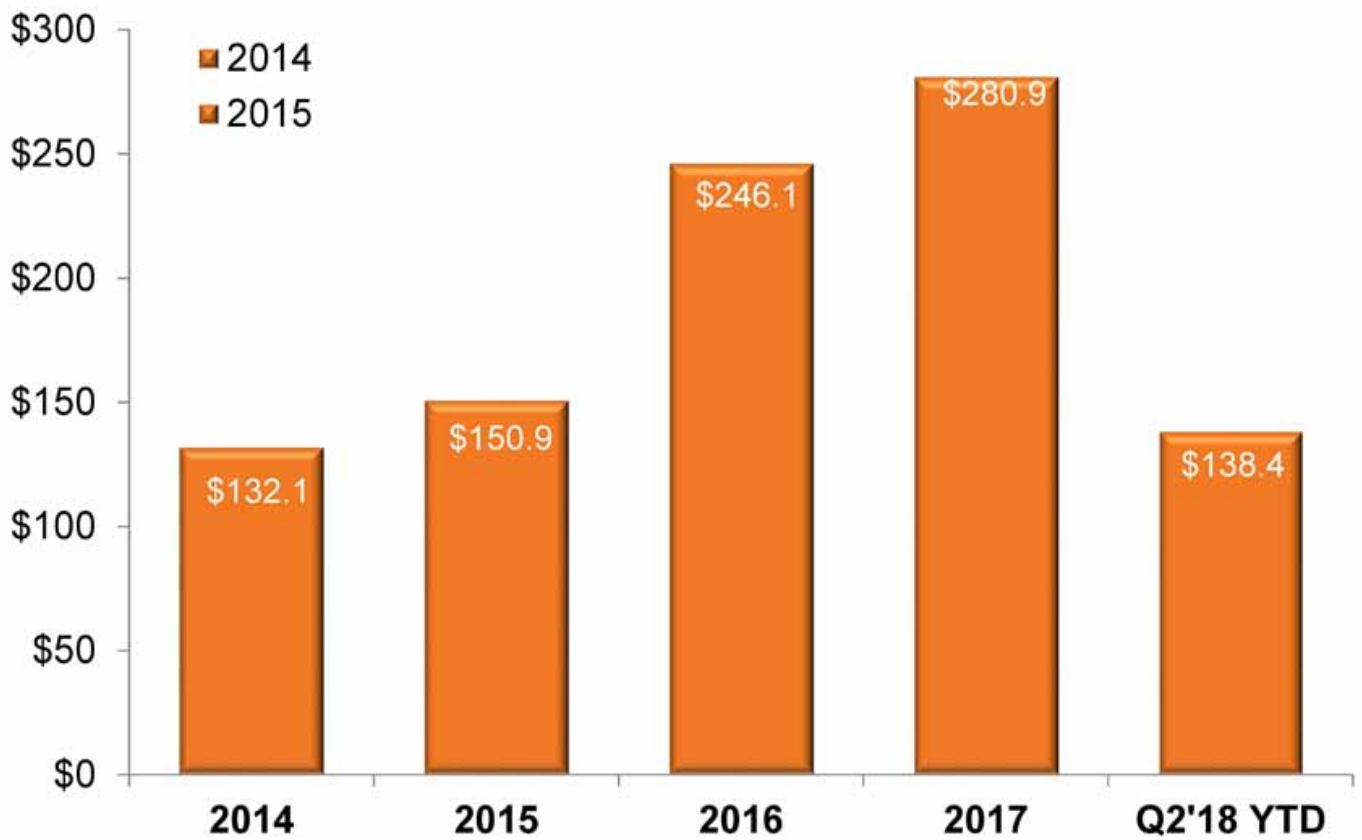
- **Diverse Revenue Streams**
 - 3 complementary revenue streams: Wireless, Cable and Wireline
- **Tower Leasing Business Provides Steady Recurring Cash Flow**
 - 193 towers generated \$2.8 million of revenue in Q2'18, an increase of 3.7% over Q2'17
- **Fiber**
 - We control 5,525 route miles of fiber.
 - Cable and Wireline fiber lease revenues of \$11.9 million, up 1.7% over Q2'17



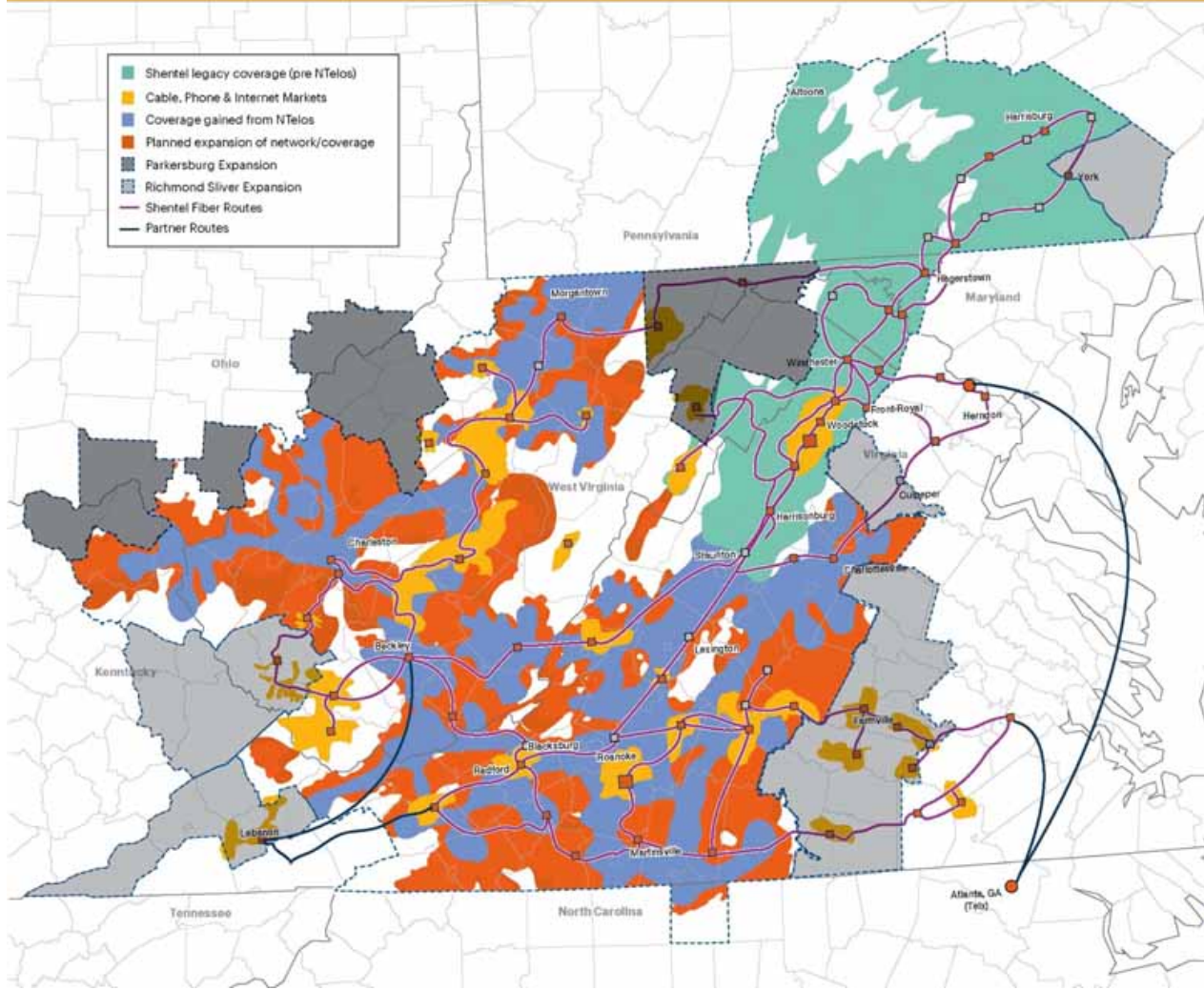
2008 – 2010	2010 – 2013	2014 – 2015	2016	2016 – 2018	2019+
<p>Acquisitions</p> <p>Cable</p> <ul style="list-style-type: none"> Acquired cable assets in West Virginia, Maryland and Virginia Many assets were previously neglected <p>Wireless</p> <ul style="list-style-type: none"> Acquired 50,000 Virgin Mobile customers and began selling Virgin Mobile and Boost prepaid 	<p>Upgrades</p> <p>Cable</p> <ul style="list-style-type: none"> Upgraded acquired networks to offer "Triple Play" Streamlined network to gain operating efficiency <p>Wireless</p> <ul style="list-style-type: none"> Invested heavily in upgrading wireless networks to 4G LTE 	<p>Reduced Capex</p> <ul style="list-style-type: none"> Significant decrease in capital expenditures due to completion of network upgrades Enhanced free cash flow 	<p>Acquisitions (nTelos / Sprint)</p> <ul style="list-style-type: none"> More than doubled subscriber base 6th largest national wireless player Extends the term of the Sprint Affiliate Agreement 	<p>Upgrades Integration Expansion</p> <p>4G LTE Build-Out</p> <ul style="list-style-type: none"> Upgrades and expansion of nTelos network Complete 4G LTE build-out and deploy 800 MHz spectrum Leverage Shentel fiber network for backhaul Territory Expansions with Sprint 	<p>Reduced Capex</p> <p>Integrate Expansion Areas</p> <ul style="list-style-type: none"> Increase capital expenditures to build out new expansion areas Find additional opportunities to acquire assets, enhance platform, and expand territory Enhance free cash flow Reduce leverage



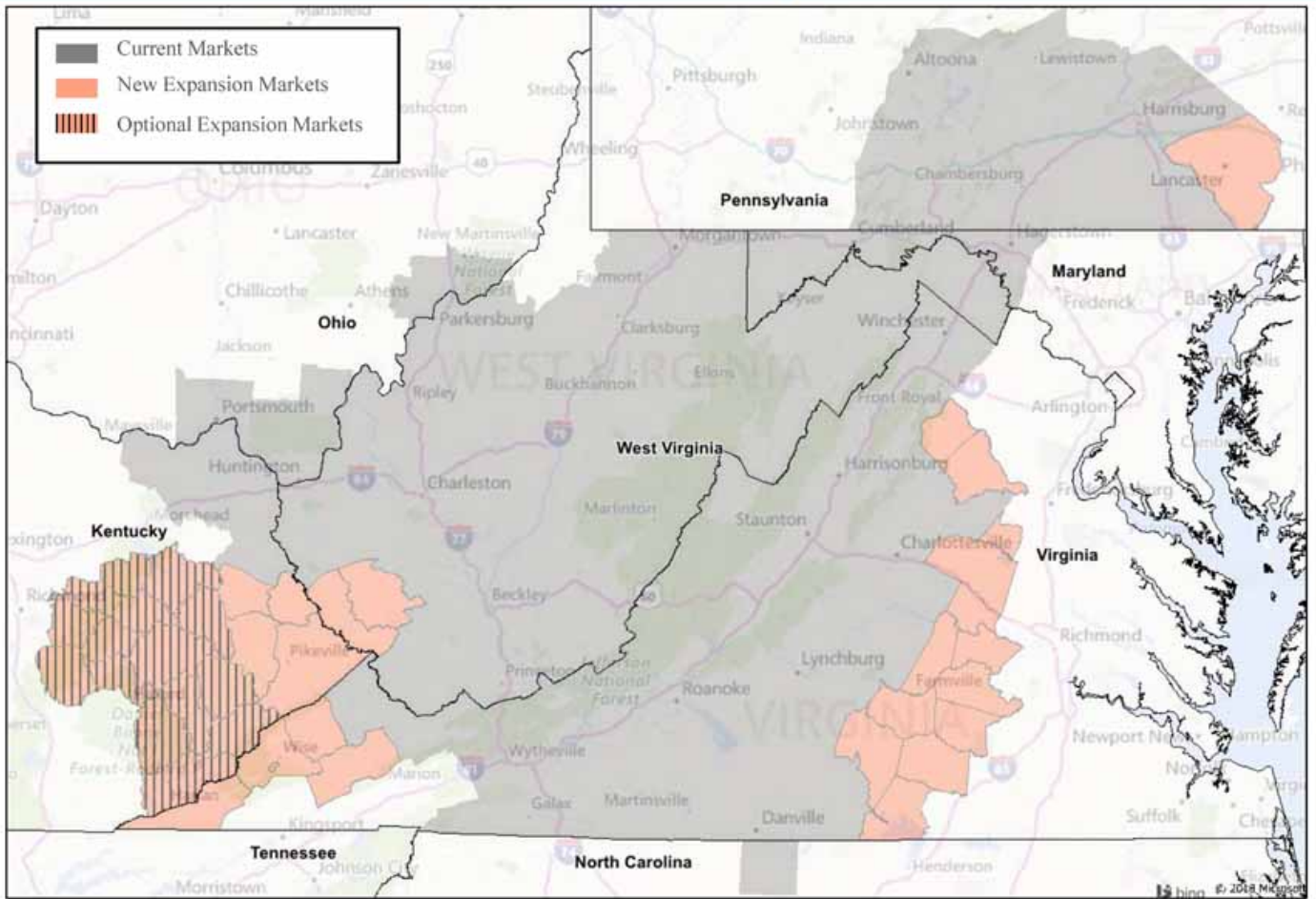
* Includes a one-time non-cash tax benefit of \$53.4 million as a result of the remeasurement of our deferred tax assets and liabilities as of 12/31/17, in connection with the 2017 Tax Act.

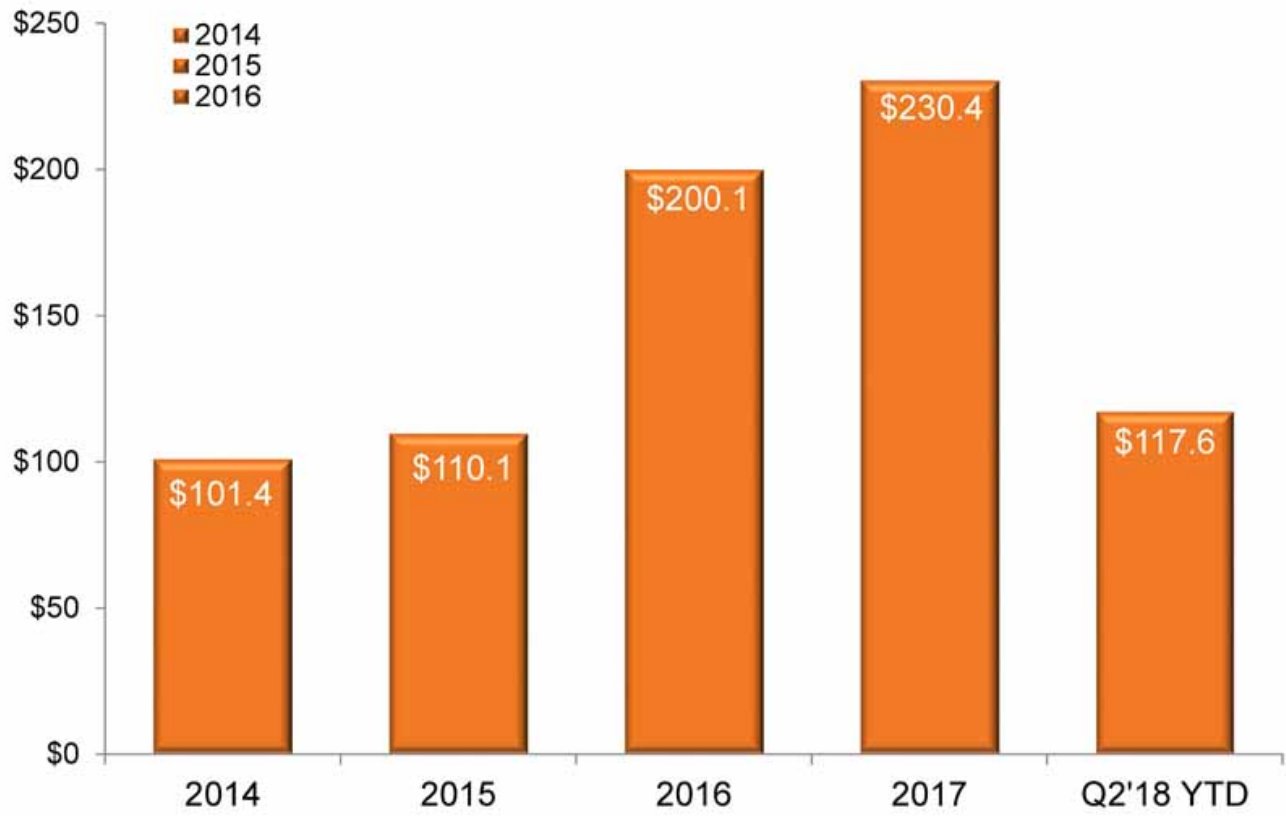


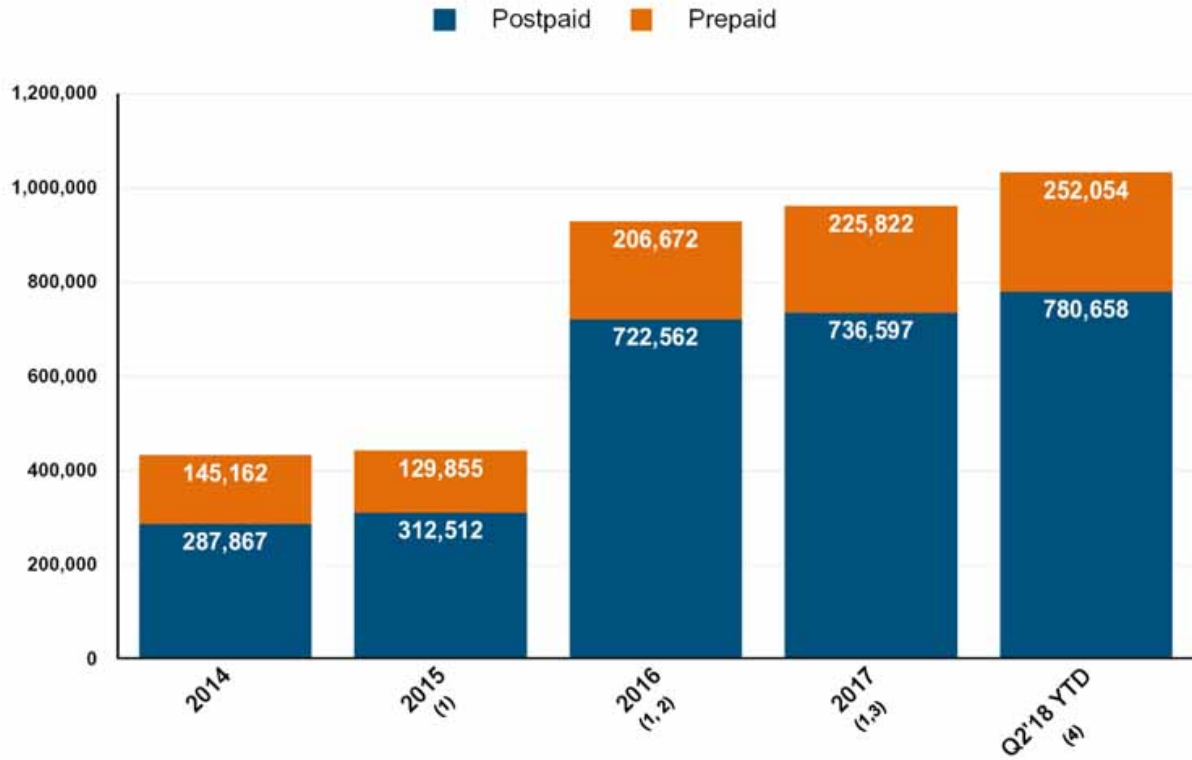
WIRELESS



- 7.0 million Market POPs
- 5.9 million Covered POPs
- 1.0 million total subscribers
- 17.5% penetration of covered POPs
- 1,770 CDMA base stations (sites)







- (1) Prepaid totals in 2015, 2016, and 2017 were adjusted to exclude Lifeline subscribers.
- (2) Includes 405k postpaid and 155k prepaid Sprint customers in the acquired territory (5/6/16).
- (3) Includes 19.1k postpaid and 4.5k prepaid Sprint customers in the acquired territory (4/6/17).
- (4) Includes 38.3k postpaid and 15.7k prepaid Sprint customers in the acquired territory (2/1/18).

- Contract through November 2029
- Two 10-year renewals
- Payment at termination of 90% EBV (entire business value) for PCS.
- Postpaid revenues received from Sprint are recorded net of an 8% Management Fee and an 8.6% Net Service Fee that is retained by Sprint.
- Prepaid wireless products and service revenues received from Sprint are recorded net of a 6% Management Fee that is retained by Sprint.
- Management fee waived on a cash basis, up to \$4.2 million per month until the total amount waived reaches approximately \$255.6 million, which is expected to occur in 2022.

SPRINT PROVIDES

Management Fee

- Spectrum
- Brand
- National Platform
- Access to Sprint vendors

Postpaid Payment = 8% of Postpaid Net Billings

Prepaid Payment = 6% of Prepaid Net Billings

Net Service Fee

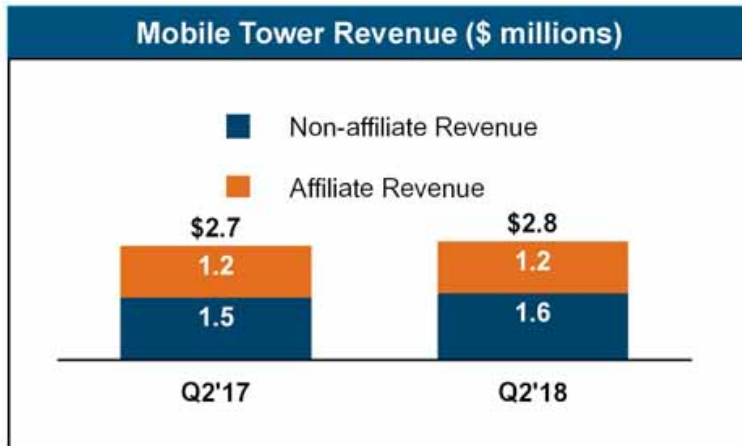
- Billing/Collections
- Customer Care
- Long Distance
- Equipment Financing

Postpaid Payment = 8.6% of Postpaid Net Billings

SHENTEL PROVIDES

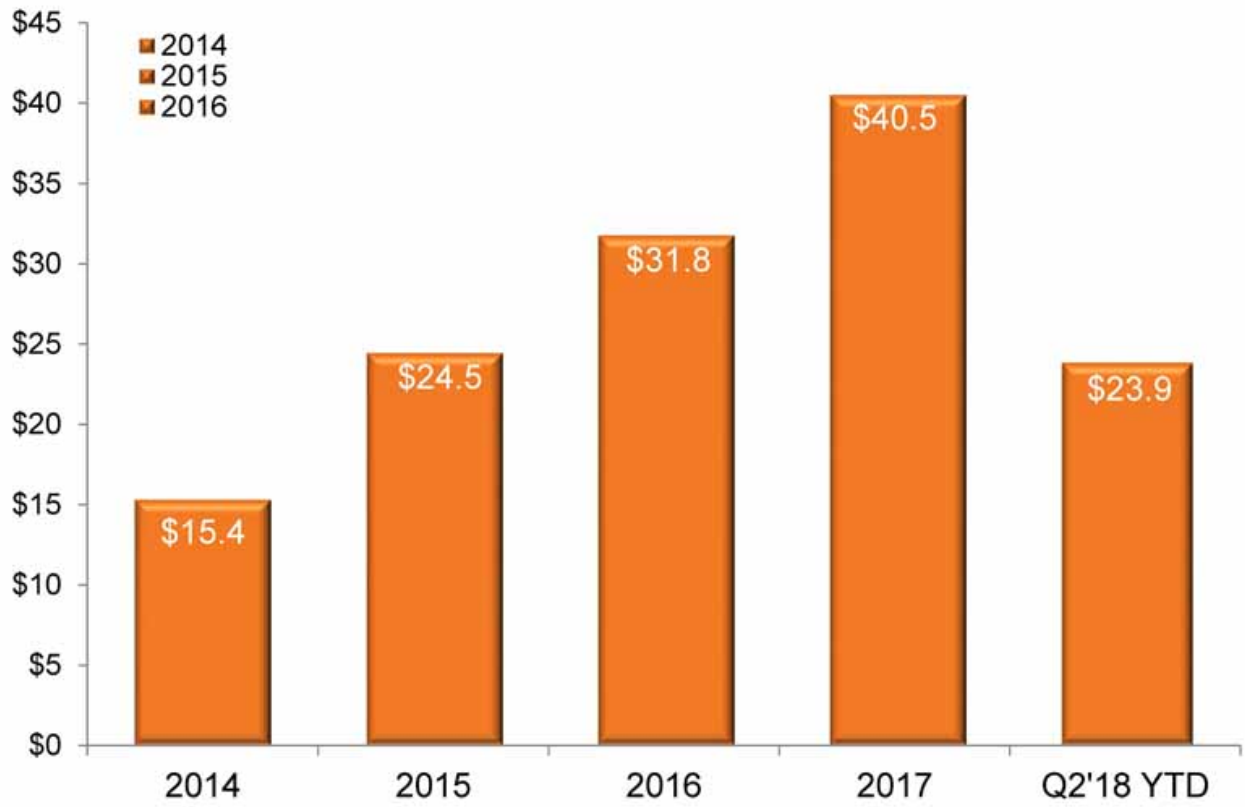
- Network (Towers, Cell Sites, Backhaul, Local Switch)
- Local Sales and Service
- Local Advertising & Promotions

Steady Recurring Cash Flow



- Long-term opportunity to increase leasing revenues given growing demand for data
- Company owns 193 towers

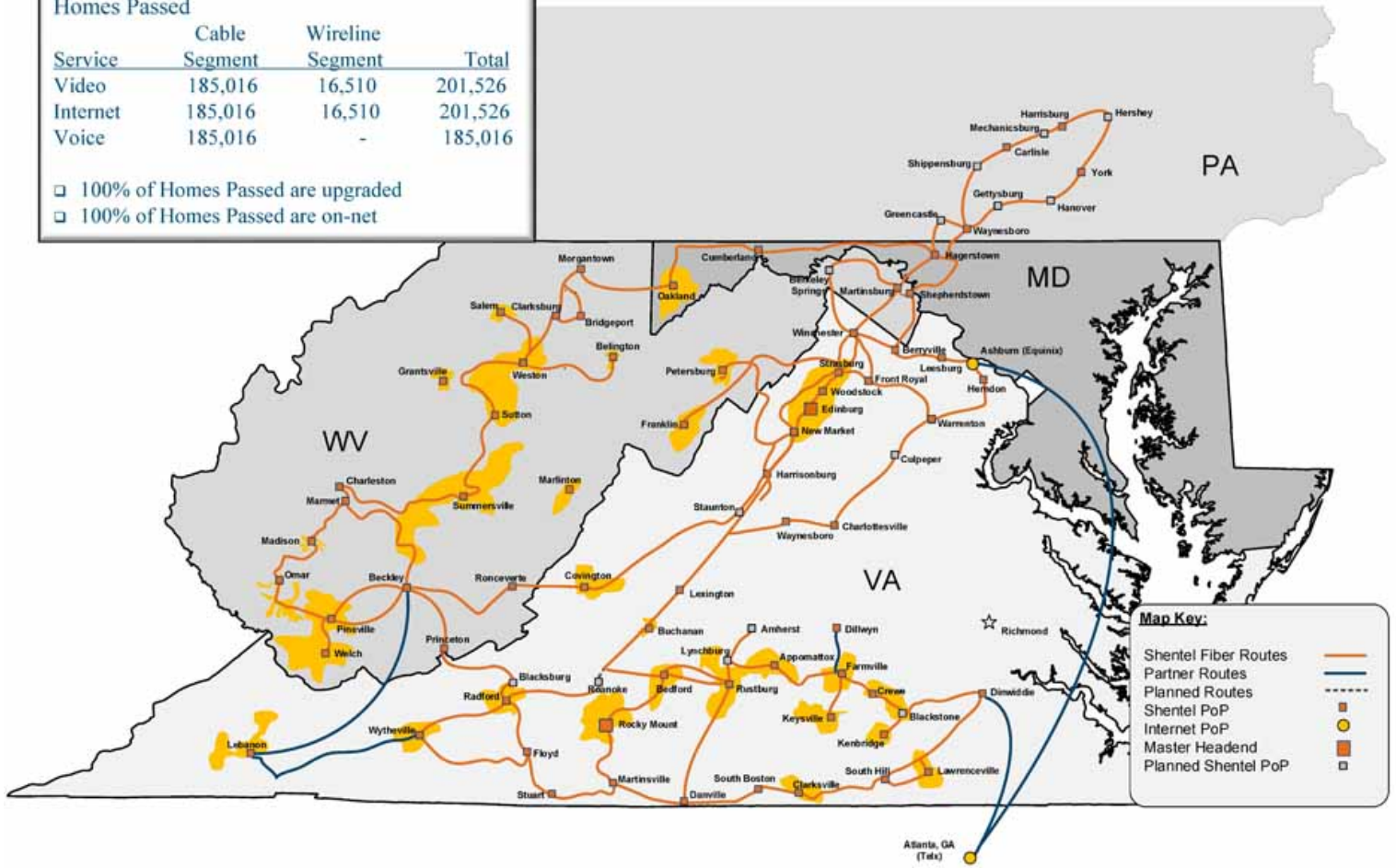
CABLE



Homes Passed

Service	Cable Segment	Wireline Segment	Total
Video	185,016	16,510	201,526
Internet	185,016	16,510	201,526
Voice	185,016	-	185,016

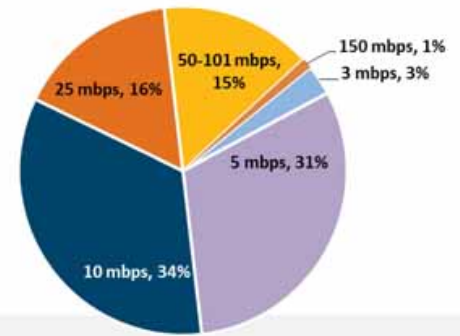
- ☐ 100% of Homes Passed are upgraded
- ☐ 100% of Homes Passed are on-net



Customer Internet Selections

Shentel Cable

- Company leads with Broadband
- We own/control our backbone fiber network and our telephone switch
- Local/Regional focus



Competitors

Verizon/CenturyLink/Frontier

- DSL— slower service
- Requires significant capital expenditure to offer comparable service to Cable
- Loss of cash flow from shrinking voice service
- Bundling of satellite video with their voice and DSL

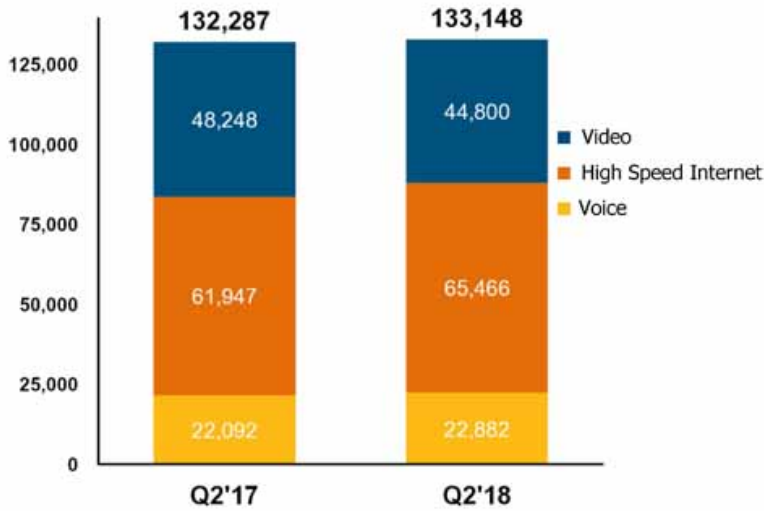
Dish/DirecTV

- Bundling of telco, DSL and voice with their video
- Satellite internet is fast but has limited capacity
- No local presence

SHENTEL® Cable – RGUs and Average Revenue

- Significant improvements in Average monthly revenue per RGU primarily due to broadband.
- 78,256 customers up 1.2% over Q2'17.

Revenue Generating Units (RGU)



Average Monthly Revenue per Customer*



Average Monthly Revenue per RGU*



* Refer to the Appendix for a reconciliation of Cable segment operating revenues to Average Revenue per RGUs and per Customer Relationships.

	<u>December 31,</u> <u>2010</u>	<u>June 30,</u> <u>2018 (1)</u>	<u>Peer</u> <u>Average (2)</u>
<u>Video</u>			
Homes Passed (3)	162,763	185,016	
Penetration (3)	36.7%	24.2%	23.7%
<u>High-speed Internet</u>			
Available Homes	144,099	185,016	
Penetration	22.1%	35.4%	36.5%
<u>Voice</u>			
Available Homes	118,652	185,016	
Penetration	5.3%	12.4%	8.6%

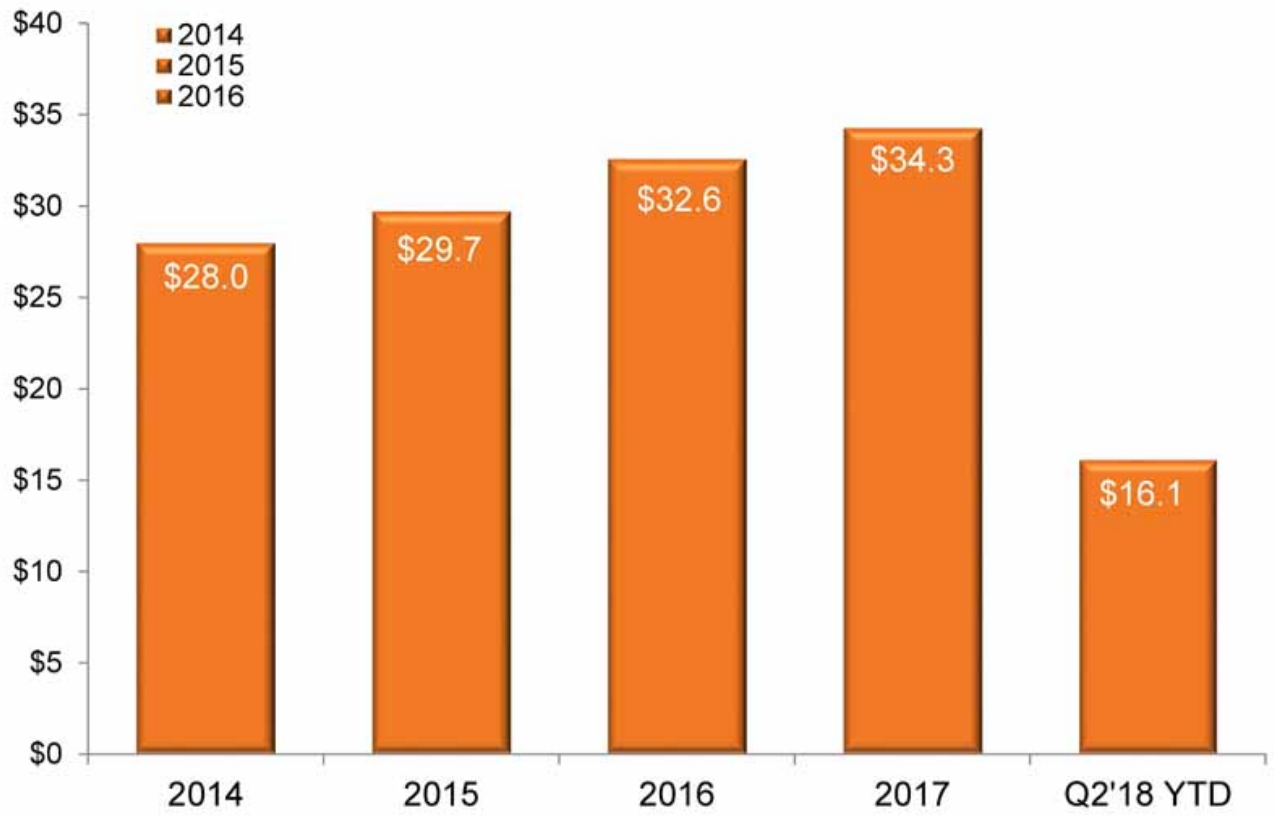
Acquired Neglected Markets; Opportunity to Drive Higher Penetration

(1) Excludes cable and internet customers reported through the Wireline segment.

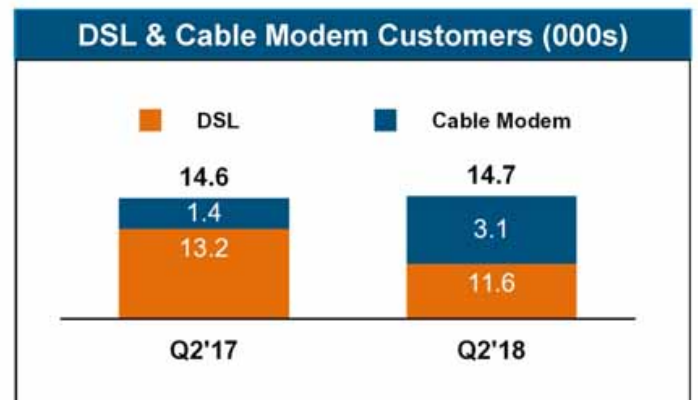
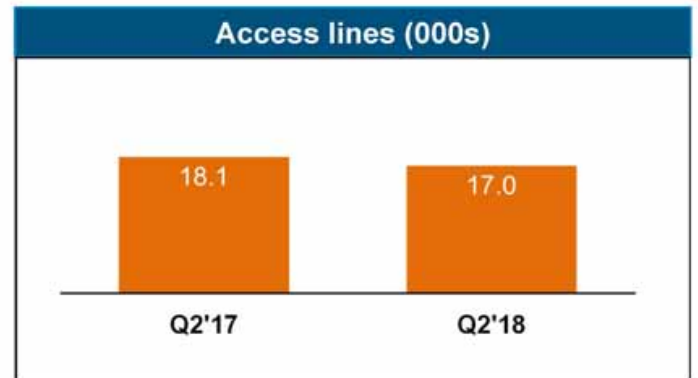
(2) Peer Average information derived from SNL Kagan data as of 9/30/2017 for 10 comparably sized companies: Anne Arundel Broadband; Comporium Communications; Fidelity Communications Company; Hargray Cable; MetroCast Cablevision; Northland Cable; Schurz Communications, Inc.; Vast Broadband; WEHCO Video, Inc.; Zito Media

(3) 2010 10-K segment for Cable included the entire Cable network. In subsequent years, a portion of the network was moved to Wireline segment. The 2010 amounts reported in the 2010 10-K have been adjusted to reflect this transfer.

WIRELIN



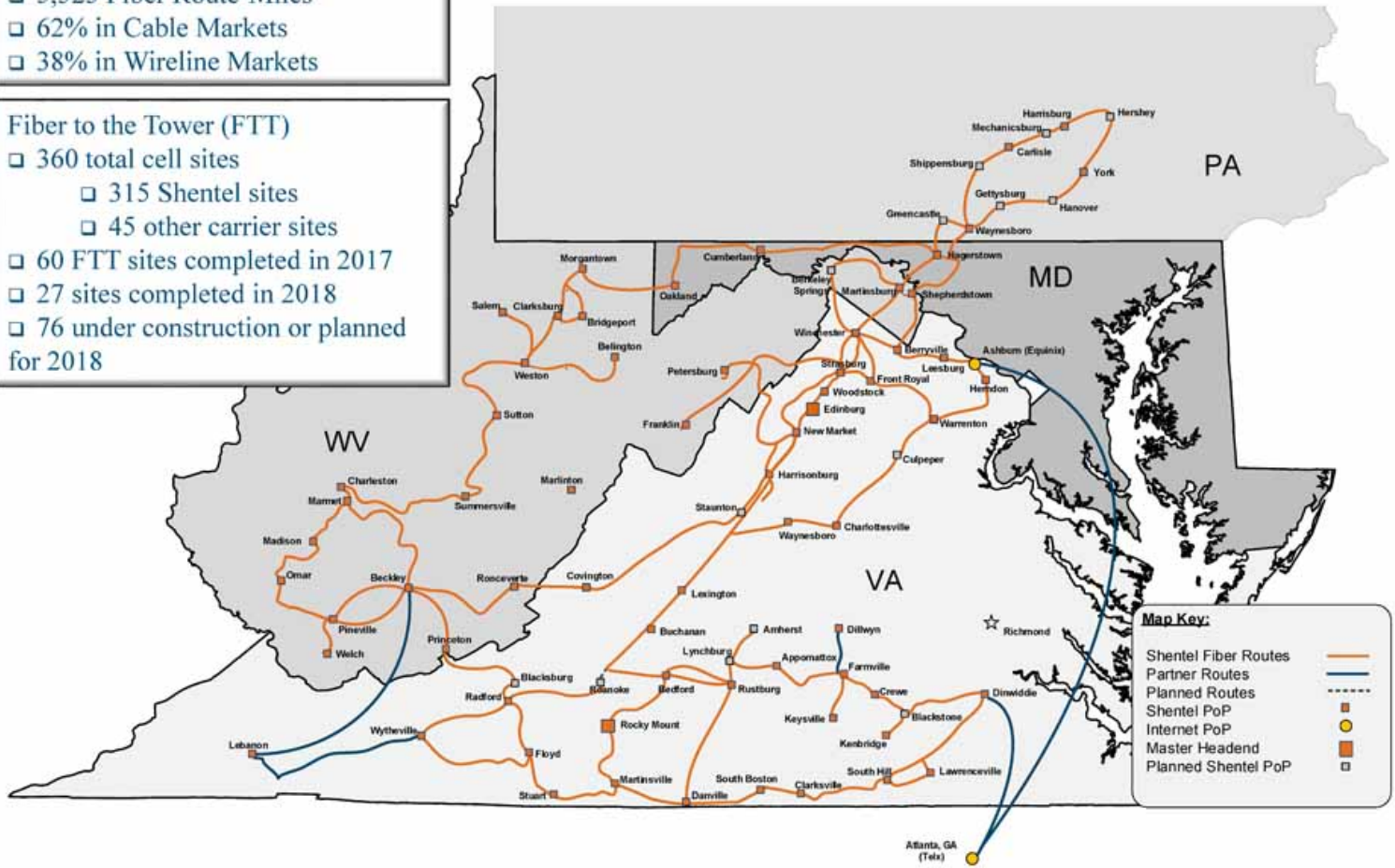
- Access line loss of 5.9% in past 12 months.
- 4,850 video subscribers at June 30, 2018.

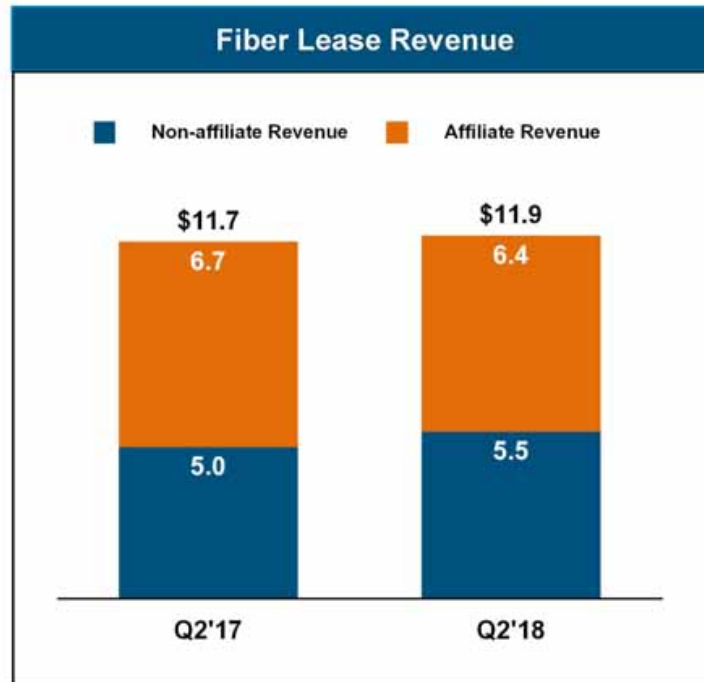


- ❑ 5,525 Fiber Route-Miles
- ❑ 62% in Cable Markets
- ❑ 38% in Wireline Markets

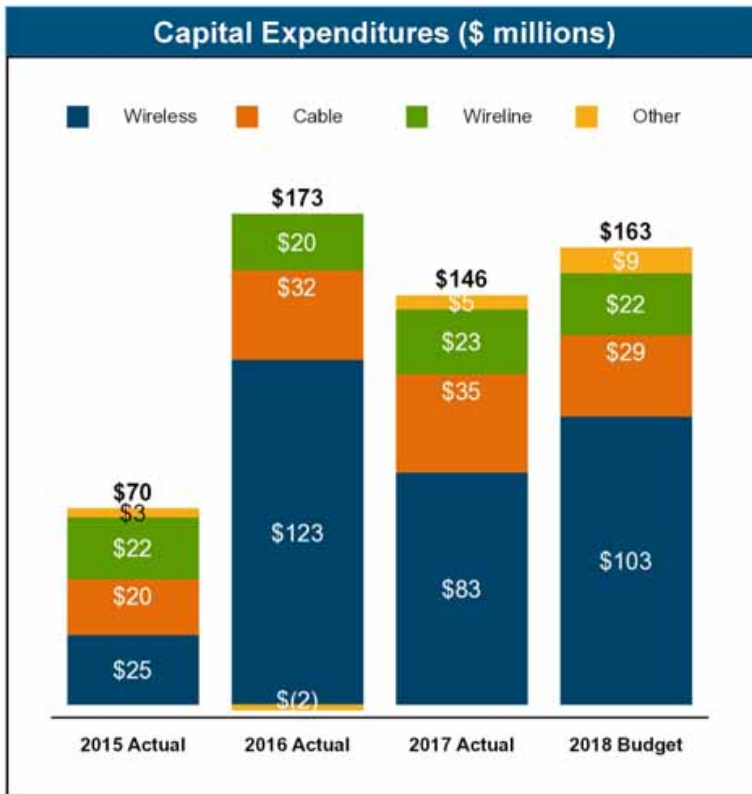
Fiber to the Tower (FTT)

- ❑ 360 total cell sites
 - ❑ 315 Shentel sites
 - ❑ 45 other carrier sites
- ❑ 60 FTT sites completed in 2017
- ❑ 27 sites completed in 2018
- ❑ 76 under construction or planned for 2018





CAPITAL INVESTMENT



2018 Capex Budget:

- 52% Upgrades and Expansion of Acquired Territories
- 14% Network Maintenance
- 13% Success-Based
- 12% Network Capacity
- 9% Network Expansion

Q&A

APPENDIX

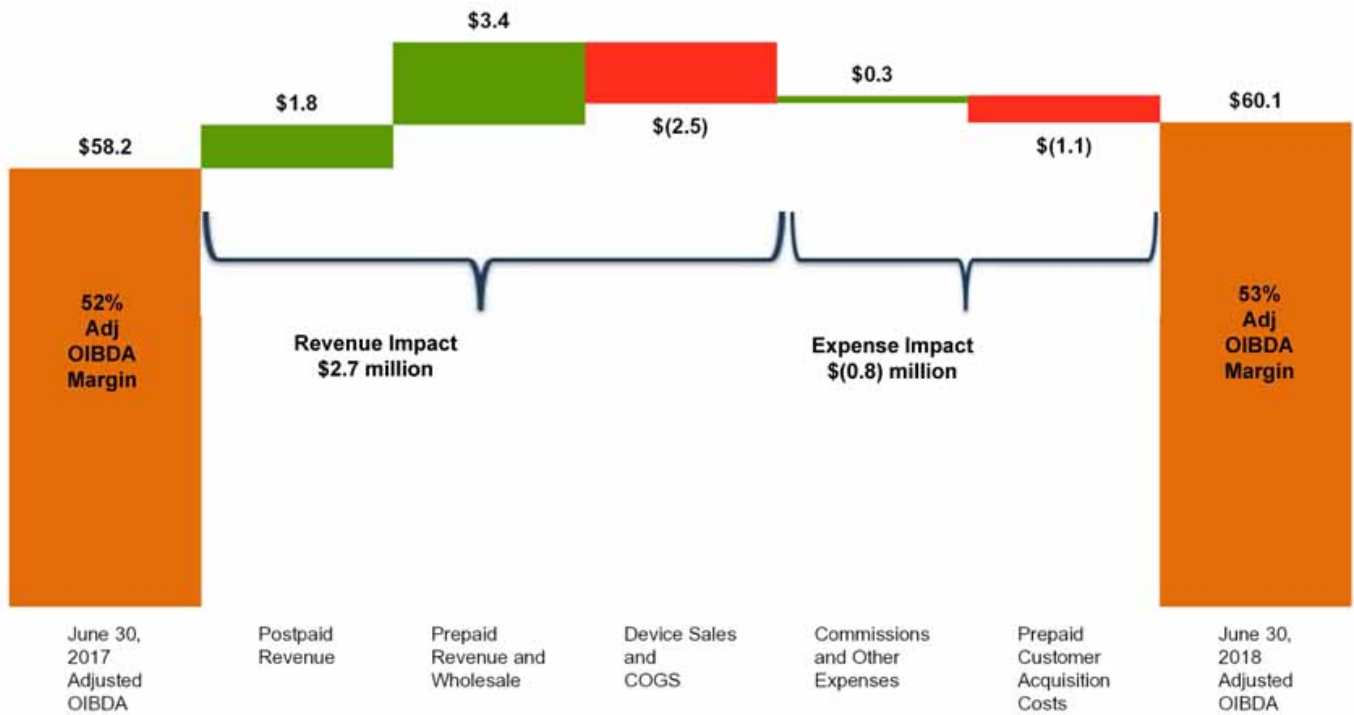
Adjusted OIBDA by Segment (\$ millions)

Three Months Ended June 30, 2018

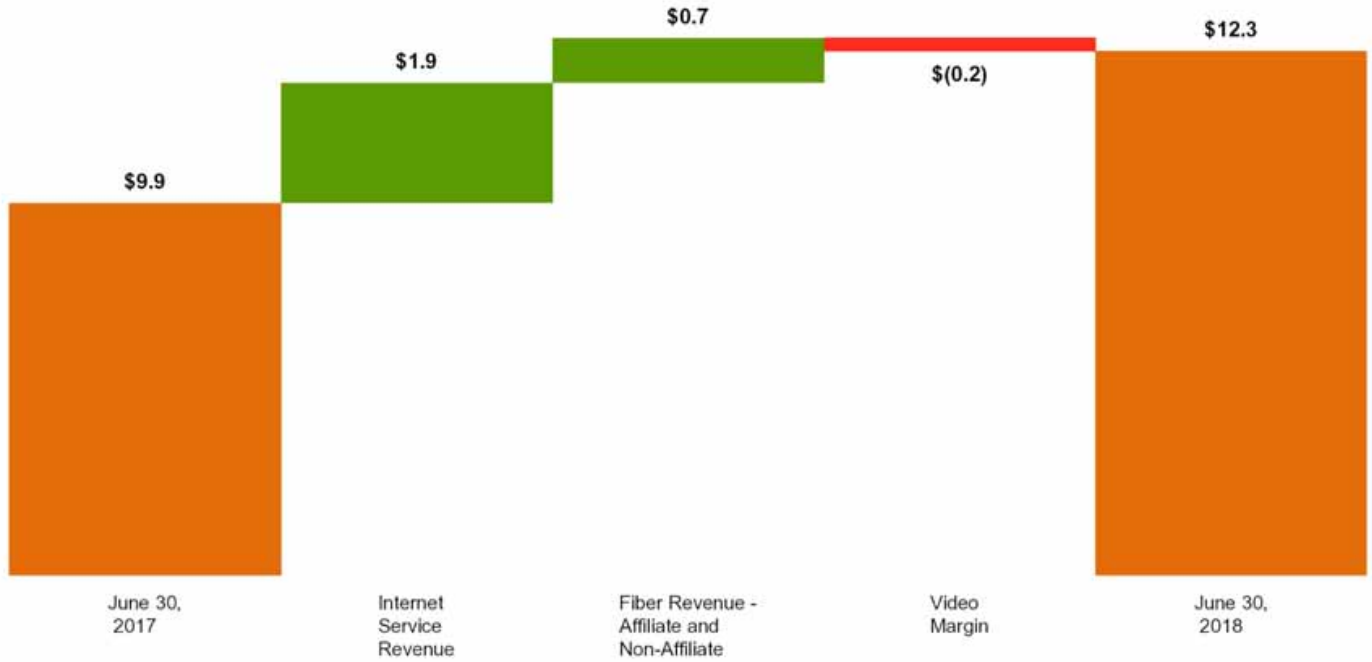
(in thousands)

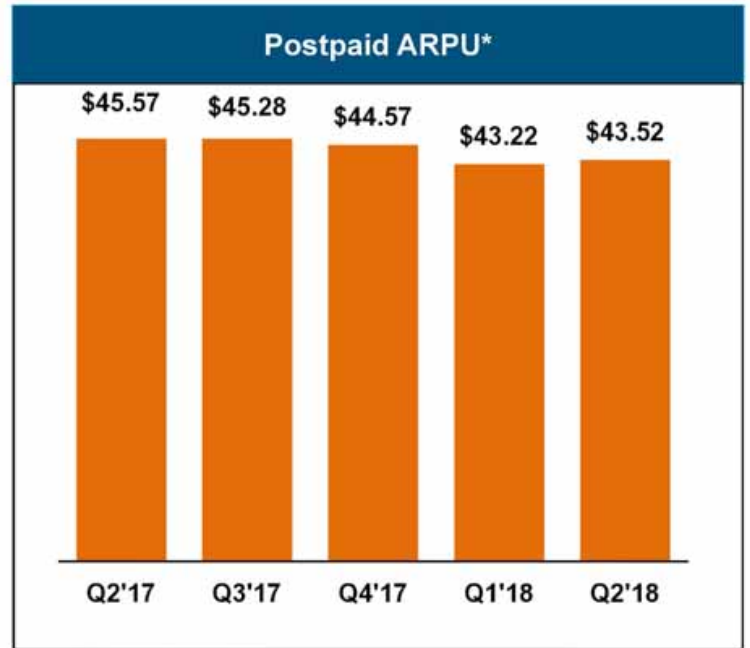
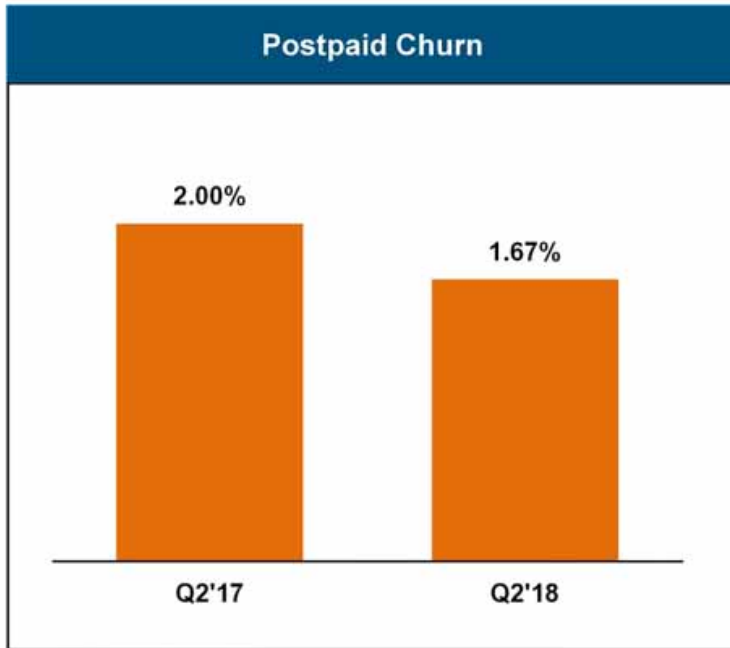
	Wireless	Cable	Wireline	Other	Consolidated
Operating Income	\$ 19,780	\$ 6,083	\$ 4,793	\$ (11,958)	\$ 18,698
Impact of ASC topic 606	(924)	4	(25)	—	(945)
Depreciation and amortization	31,565	6,179	3,240	133	41,117
Share based compensation expense	—	—	—	1,370	1,370
Benefit received from the waived management fee	9,558	—	—	—	9,558
Amortization of intangibles netted in rent expense	93	—	—	—	93
Actuarial (gains) losses on pension plans	—	—	—	(82)	(82)
Adjusted OIBDA	60,072	12,266	8,008	(10,537)	69,809
Waived management fee	(9,558)	—	—	—	(9,558)
Continuing OIBDA	\$ 50,514	\$ 12,266	\$ 8,008	\$ (10,537)	\$ 60,251
Adjusted OIBDA Margin					45.3%
PY Adjusted OIBDA	58,216	9,919	8,646	(7,337)	69,444
PY Continuing OIBDA	49,049	9,919	8,646	(7,337)	60,277

Wireless Segment – Change in Adjusted OIBDA Q2'18 vs. Q2'17 (\$ millions)

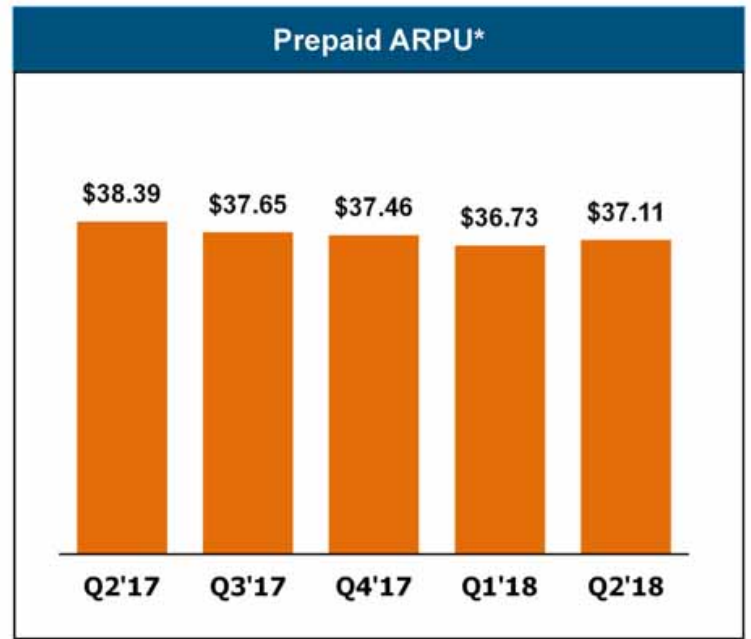
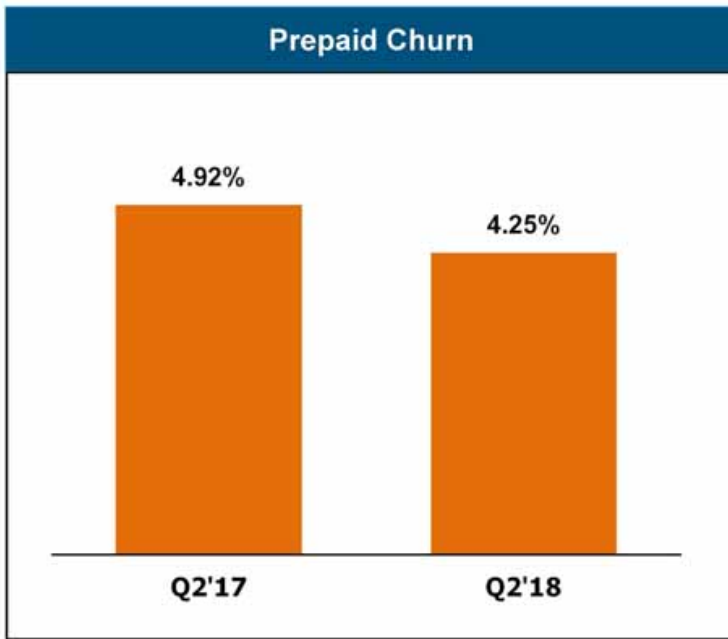


Cable Segment – Change in Adjusted OIBDA Q2'18 vs. Q2'17 (\$ millions)





*ARPU represents Average Revenue Per Unit. See reconciliation of Wireless segment operating revenues to Postpaid ARPU.



*ARPU represents Average Revenue Per User. See reconciliation of Wireless segment operating revenues to Prepaid ARPU.

(\$ in thousands, except subscribers and revenue per subscriber amounts)

	Q2'18	Q2'17
Postpaid billings	\$ 96,127	\$ 93,722
Adjustment for write-offs	5,087	5,773
Postpaid billings excluding write-offs	<u>\$ 101,214</u>	<u>\$ 99,495</u>
Average postpaid subscribers*	775,186	727,764
Average monthly billed revenue per postpaid subscriber **	<u>\$ 43.52</u>	<u>\$ 45.57</u>
Prepaid billings	\$ 27,915	\$ 25,252
Average prepaid subscribers*	250,746	219,265
Average monthly billed revenue per prepaid subscriber **	<u>\$ 37.11</u>	<u>\$ 38.39</u>

* Represents a four point monthly average

** Average Monthly Billed revenue per subscriber = (Billed revenue excluding write-offs*1,000) / Average subscribers / 3 months

<i>(\$ in thousands, except subscriber and per subscriber amounts)</i>	Q2'18	Q2'17
Service Revenue	\$ 27,100	\$ 25,145
Fiber, FUSC, Pass-through & Other	2,106	2,080
Internal Revenue	460	435
Video, Internet & Voice Revenue	29,666	27,660
Other miscellaneous revenue	2,445	1,904
Total Operating Revenue	\$ 32,111	\$ 29,564
<u>Average Subscribers*</u>		
Revenue Generating Units (RGUs)	132,287	132,829
Average Customer Relationships	78,407	77,737
<u>Average Revenue Per User (ARPU)**</u>		
Revenue Generating Units (RGUs)	\$ 74.75	\$ 69.41
Customer Relationships	\$ 126.12	\$ 118.61

* Represents a four point monthly average

**ARPU calculation = (Video, Internet & Voice Revenue * 1,000) / Average Subscribers / 3 months

	June 30, 2018	December 31, 2017
Company Owned Stores	35	40
Agent Postpaid Stores	117	102
Nationals – Postpaid	64	65
Total Postpaid Stores	216	207
Agent Boost Stores	136	125
Nationals – Boost	251	276
Total Boost Stores	387	401