

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): August 5, 2016

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
(Address of principal executive offices)

22824
(Zip Code)

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

Not applicable

(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 August 5, 2016, Shenandoah Telecommunications Company held its second quarter 2016 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 Second Quarter 2016 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)

August 5, 2016

/s/ Adele M. Skolits

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

Exhibit 99.1



SHENTEL[®]

Always connected to you

2Q 2016
Earnings Conference Call

August 5, 2016

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, 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.

Use of Non-GAAP Financial Measures

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

Second Quarter 2016 Highlights (Q2'16 v. Q2'15)

■ Adjusted OIBDA Growth

- Increased 48.5% to \$55.9 million

■ Revenue Growth

- Increased 52.1% to \$130.3 million

■ Net Loss in Q2'16

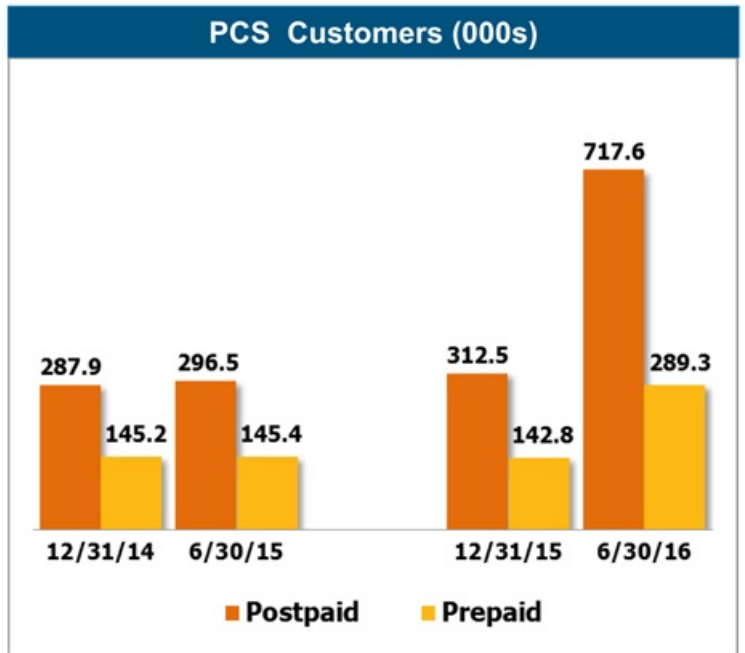
- Net loss of \$7.0 million in Q2'16 compared to net income of \$10.5 million in Q2'15

■ Customer Growth

	<u>6/30/15</u>	<u>6/30/16</u>	<u>Change</u>
Wireless	441,923	1,006,874	+564,951
Cable (RGUs)	122,708	130,871	+8,163

Wireless Highlights

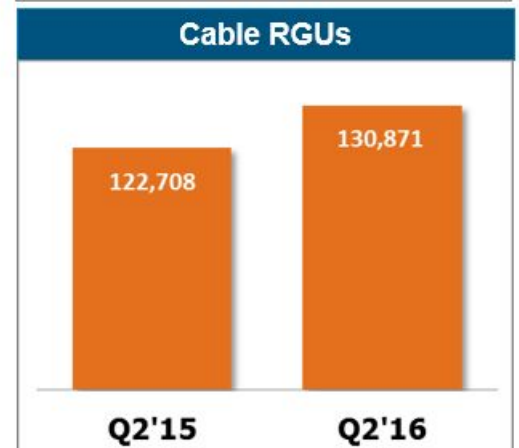
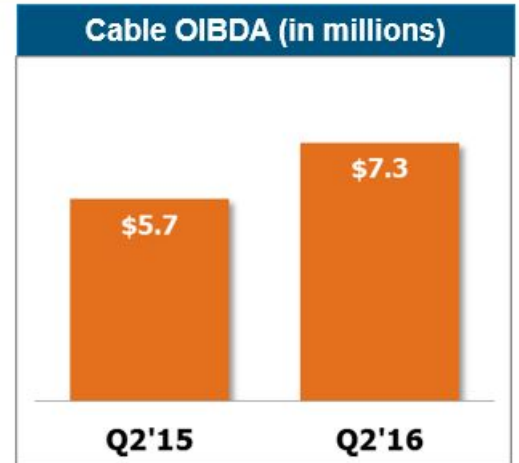
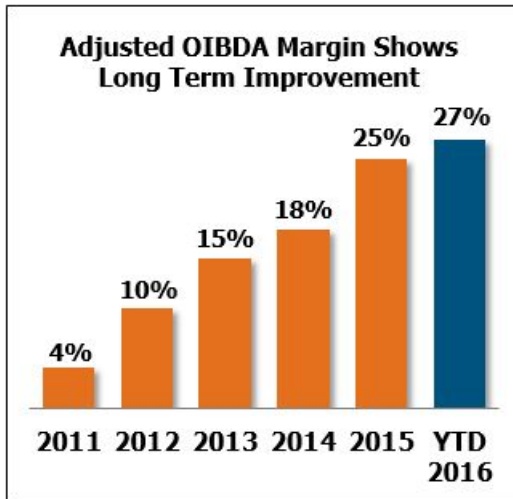
- **Postpaid Growth**
Postpaid customers up 142.0% over last 12 months
- **Prepaid Growth**
Prepaid customers up 98.9% over last 12 months
- **Adjusted OIBDA Growth**
Increase of \$17.0 million, or 61%



Cable Highlights

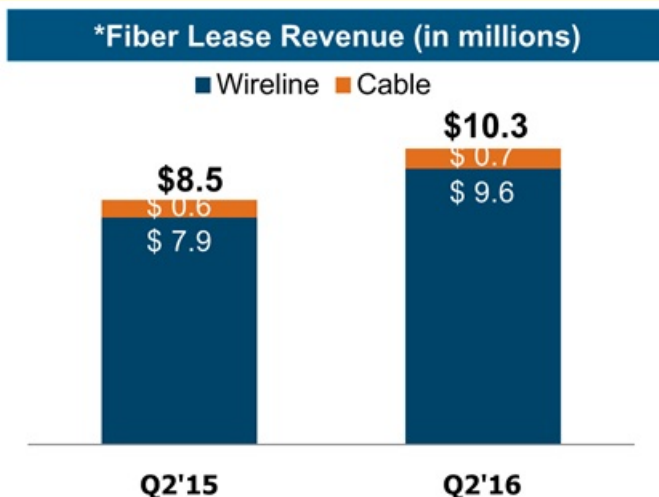
■ Revenue Growth

- Operating revenues \$26.4 million, growth of 9.3% over Q2'15
- Q2'16 Adjusted OIBDA \$7.3 million, up 28% from Q2'15
- 130,871 RGUs at Q2'16, up 6.7% over Q2'15



Fiber and Tower Highlights

- Wireline and Cable - Fiber lease revenues of \$10.3 million, up 22.2% from Q2'15
- 177 towers generated \$1.6 million of OIBDA



*Includes both Affiliate and Non-affiliate revenues

Mobile Tower OIBDA (\$ thousands)

(in thousands)

	Q2'15	Q2'16
Operating Income	\$1,201	\$1,121
Deprec. and Amort.	442	472
Loss on Asset Disposals	-	22
Share Based Compensation	5	7
Adjusted OIBDA	\$1,648	\$1,622



Adele Skolits

VP of Finance and CFO

Profitability

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

	<u>For the Quarter Ended:</u>		
	6/30/15	6/30/16	Change
Operating Income	\$ 18,750	\$ (6,150)	(133)%
Net Income	\$ 10,474	\$ (6,995)	(167)%
Earnings (Loss) Per Share:			
Basic	\$ 0.22	\$ (0.14)	(164)%
Diluted	\$ 0.21	\$ (0.14)	(167)%

Profitability

Adjusted OIBDA (\$ thousands)

	For the Quarter Ended:			
	6/30/15	6/30/16	Change (\$)	Change (%)
Operating income	18,750	(6,150)	(24,900)	-133%
Depreciation and amortization	17,663	32,415	14,752	84%
Share based compensation	608	959	351	58%
(Gain)/Loss on asset disposals	218	(48)	(266)	N.M.
Straight line adjustment to reduce management fee waiver	-	3,046	3,046	N.M.
Amortization of intangible netted in revenue	-	3,290	3,290	N.M.
*Integration, acquisition and migration expense	402	22,393	21,991	N.M.
Adjusted OIBDA	37,641	55,905	18,264	49%
Less waived management fee	-	(6,095)	(6,095)	N.M.
Continuing OIBDA	37,641	49,810	12,169	32%

* - Includes approximately \$2.3 million in temporary back-office costs to support the billing operations through migration. These expense are classified within SG&A on the income statement.

Adjusted OIBDA by Segment (\$ millions)

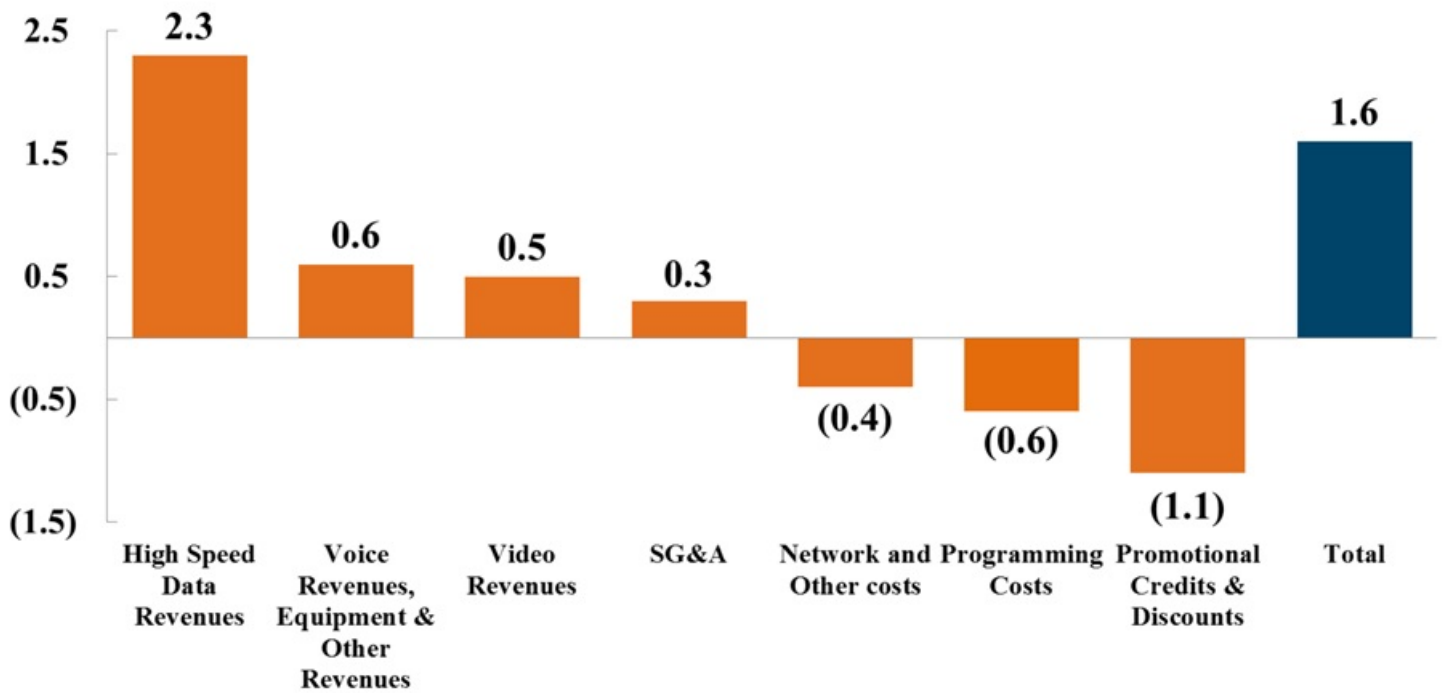
	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q2'15</u>	<u>Q2'16</u>	<u>Q2'15</u>	<u>Q2'16</u>	<u>Q2'15</u>	<u>Q2'16</u>
Operating income	\$ 19.3	\$ 7.3	\$ (0.4)	\$ 1.2	\$ 4.0	\$ 5.2
Depreciation and amortization	8.6	23.5	5.8	5.8	3.1	2.9
Plus (gain) loss on asset sales	-	(0.1)	0.1	-	0.1	0.1
Share based compensation	0.1	0.3	0.2	0.3	0.1	0.1
*Integration, acquisition and migration expense	-	7.6	-	-	-	-
Straight line adjustment - mgmt fee waiver	-	3.1	-	-	-	-
Amort of intangible	-	3.3	-	-	-	-
Adjusted OIBDA	\$28.0	\$45.0	\$ 5.7	\$ 7.3	\$7.3	\$ 8.3
Percent Change		61%		28%		14%
Adjusted OIBDA Margin	53%	48%	24%	28%	44%	45%

* - Includes approximately \$2.3 million in temporary back-office costs to support the billing operations through migration. These expense are classified within SG&A on the income statement.

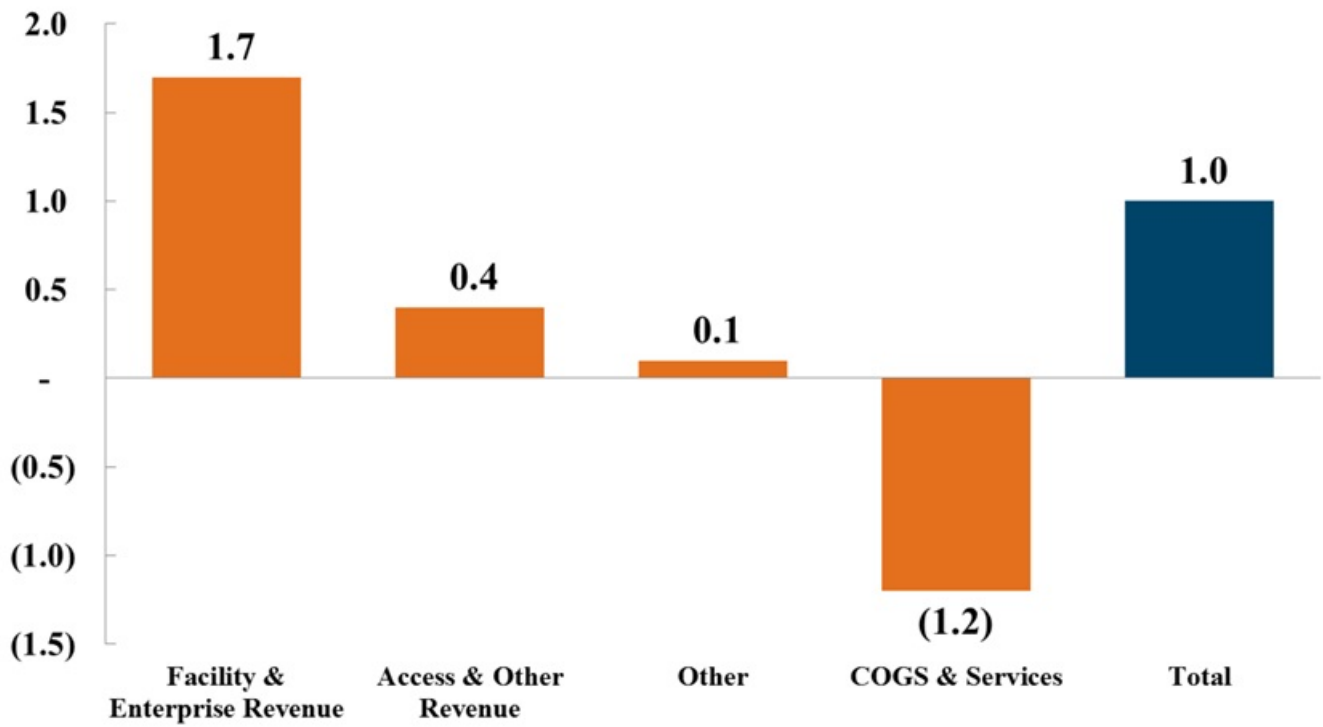
Wireless Segment – Change in Adjusted OIBDA Q2'16 vs. Q2'15 (\$ millions)



Cable Segment – Change in Adjusted OIBDA Q2'16 vs. Q2'15 (\$ millions)



Wireline Segment – Change in Adjusted OIBDA Q2'16 vs. Q2'15 (\$ millions)





Earle MacKenzie

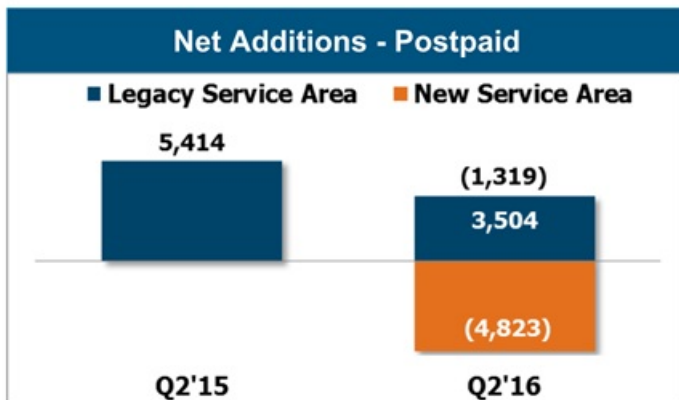
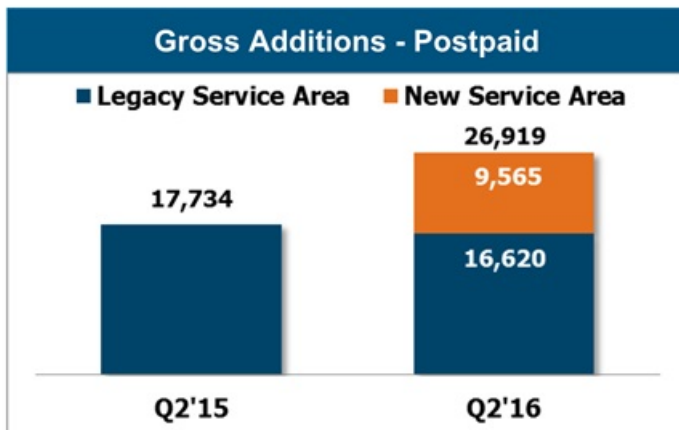
EVP and COO

Customer Impact in Q2'16

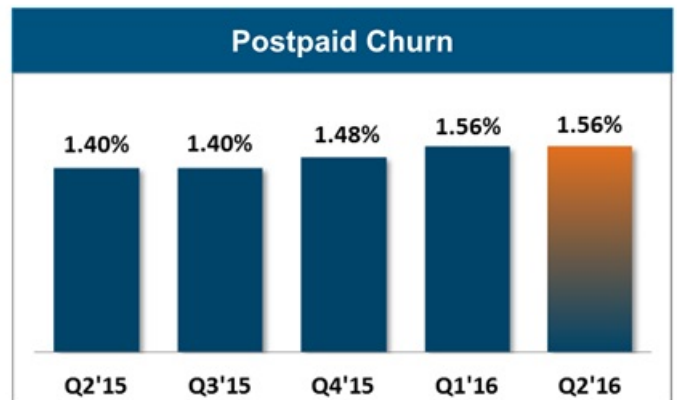
	For the Quarter Ended 6/30/2016	
	<u>Postpaid</u>	<u>Prepaid</u>
Customers at 3/31/2016 ¹	313,178	142,539
nTelos customers acquired 5/6/2016	218,064	63,332
Sprint customers in nTelos footprint at 5/6/2016	186,380	91,612
Net additions/(losses) - Legacy service area	3,504	(522)
Net losses - New service area	(4,823)	(6,390)
nTelos prepaid customers moving to Postpaid	1,260	(1,260)
Customers at 6/30/2016	<u>716,303</u>	<u>290,571</u>
Total migrated customers at 7/31/16	35,213	15,509

¹ – March 31, 2016 customer balances adjusted by (2,053) for demo handsets incorrectly included in totals

Postpaid Customer Additions

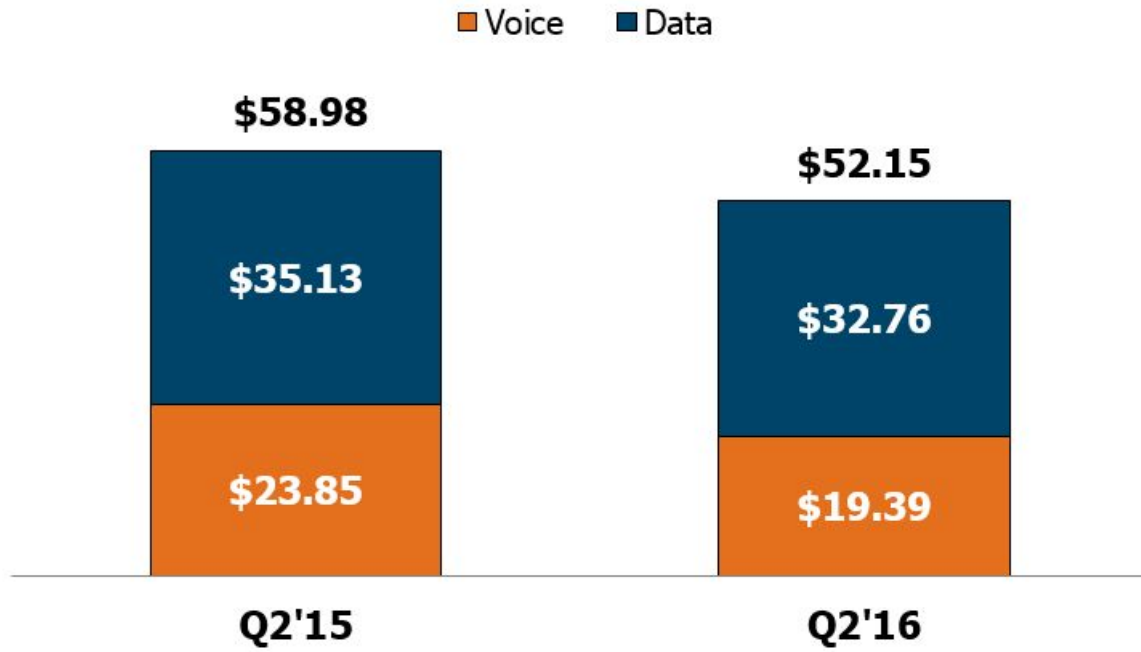


- Acquired 404,444 subscribers through nTelos acquisition
- Q2'16 Legacy area churn of 1.39%, down from 1.40% in Q2'15
- New service area churn was 1.79% in Q2'16
- Combined Q2 2016 churn of 1.56%, up from 1.40% in Q2 2015



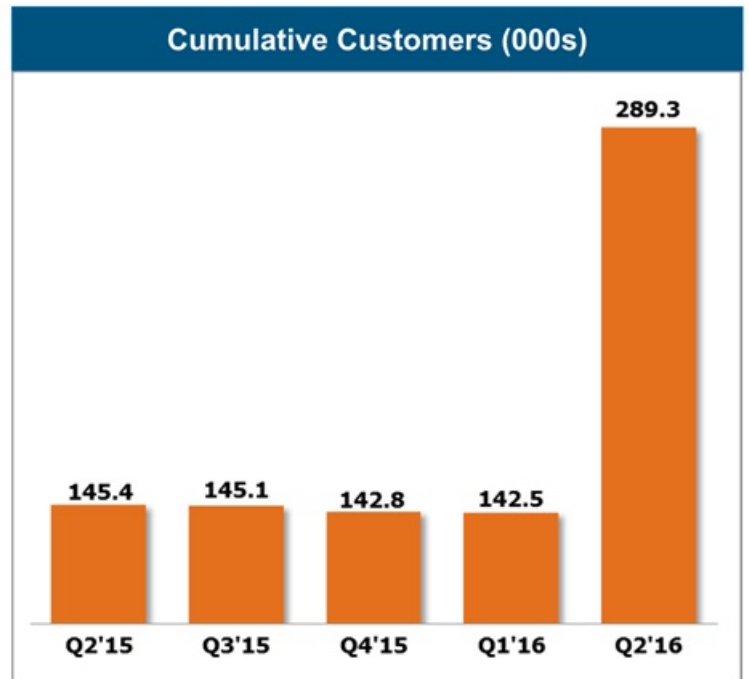
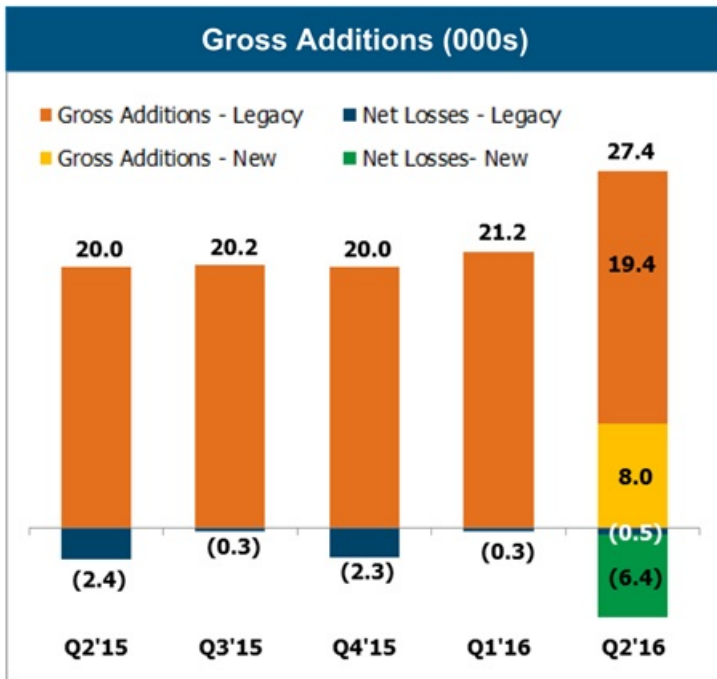
Billed Revenue per Customer Down; Data Usage Increasing

Gross Billed Service Revenue per Postpaid User – Data & Voice ¹

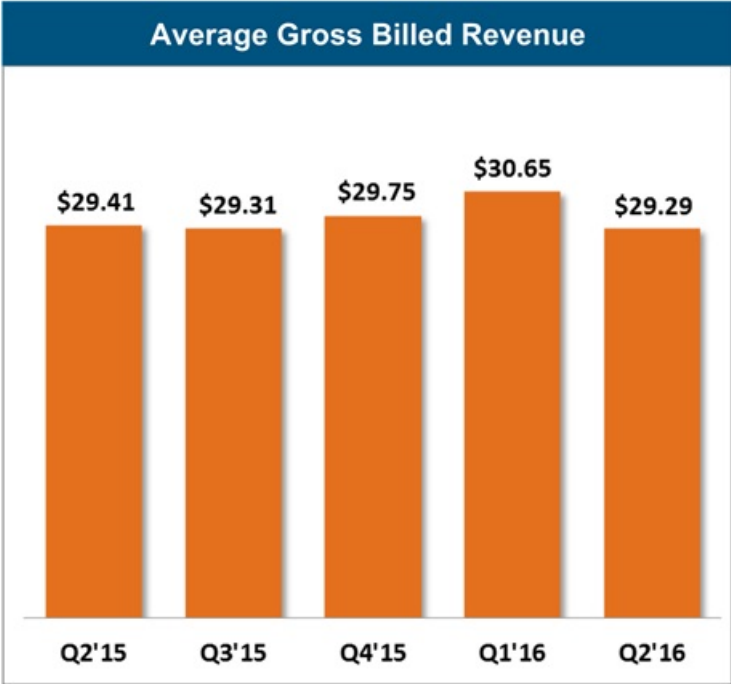
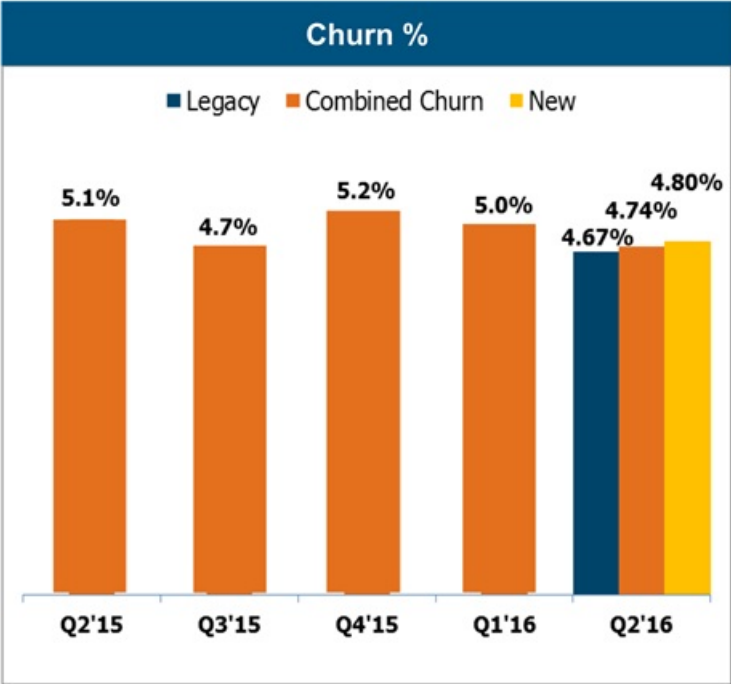


¹ – Before Service credits, bad debt, Sprint fees.

PCS Prepaid Statistics



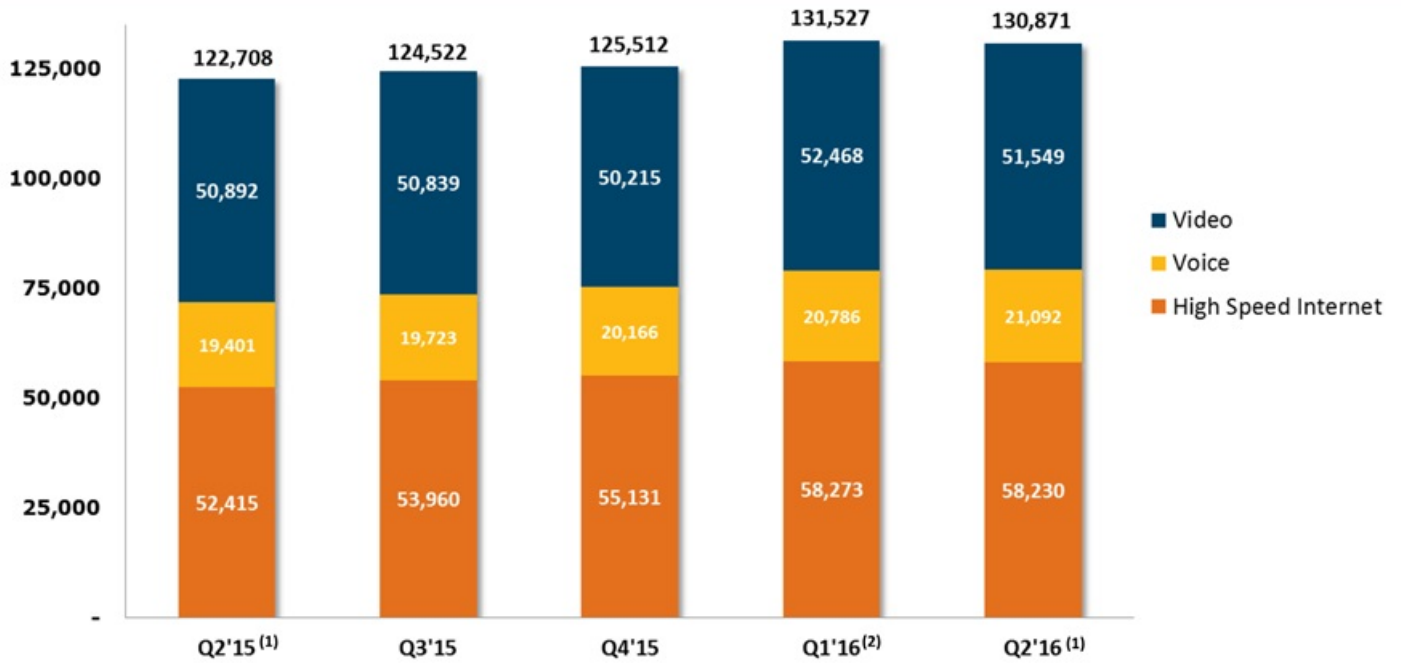
PCS Prepaid Statistics



Network Statistics at 6/30/16

Cell Sites	Legacy	New
Total PCS Sites	557	868
Sites still requiring upgrade	0	299
Sites with 2 nd LTE carrier	527	416
Sites with three carriers, including a 2 nd carrier @ 1900 MHz	195	98
Sites with 2.5 GHz LTE	69	154
Traffic		
% LTE traffic	94%	76%
Data usage increase (Q over Q)	10.7%	6.9%
Avg LTE speeds (Mbps)	5.21	5.82
Avg data usage per subscriber (Gb)	5.5	4.5
Dropped call rate	0.41%	0.67%
Blocked call rate	0.23%	0.47%

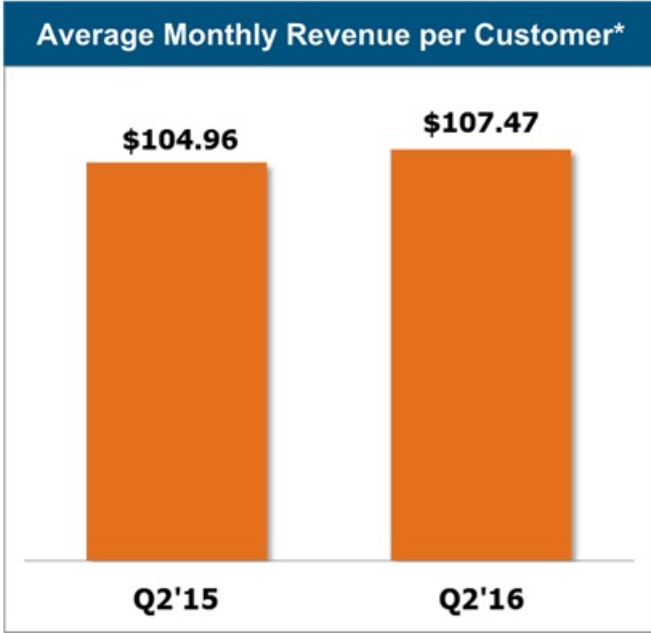
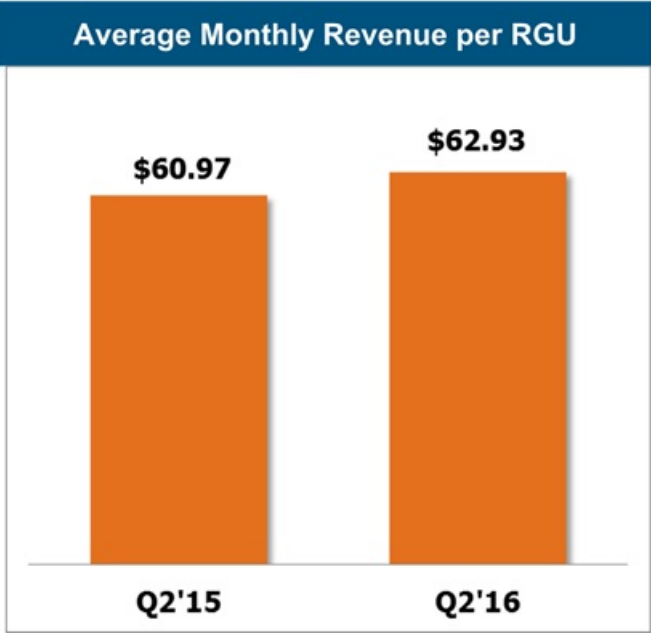
Cable - RGU Growth by Quarter



Customers	71,469	72,237	72,734	77,090	76,471
RGU's/Customer	1.72	1.72	1.73	1.71	1.71

1. College students disconnect during summer
2. Includes acquisition of Colane Cable (1/1/2016)

Increasing Average Monthly Cable Revenue



*Average monthly revenue per video subscriber was \$147.12 and \$158.71 for Q2 2015 and Q2 2016, respectively.

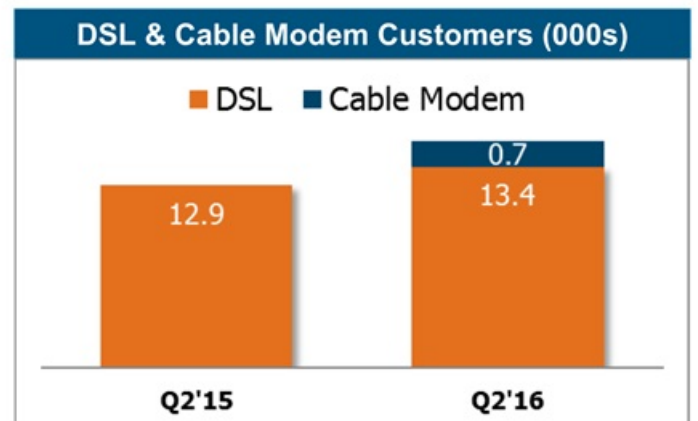
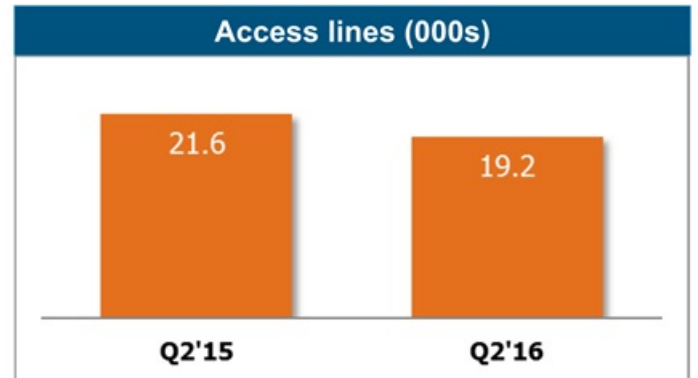
Key Operational Results – Cable

	Q2 2015	Q2 2016
Homes Passed	172,144	184,627 ⁽¹⁾
Total Revenue Generating Units	122,708	130,871
Customer Relationships	71,469	76,471
RGUs per Customer Relationship	1.72	1.71
Video		
Revenue generating units	50,892	51,549
Penetration	29.6%	27.9%
Digital video penetration	73.8%	75.3%
High-speed Internet		
Available Homes	172,144	183,743
Revenue generating units	52,415	58,230
Penetration	30.4%	31.7%
Voice		
Available Homes	169,407	181,006
Revenue generating units	19,401	21,092
Penetration	11.5%	11.7%

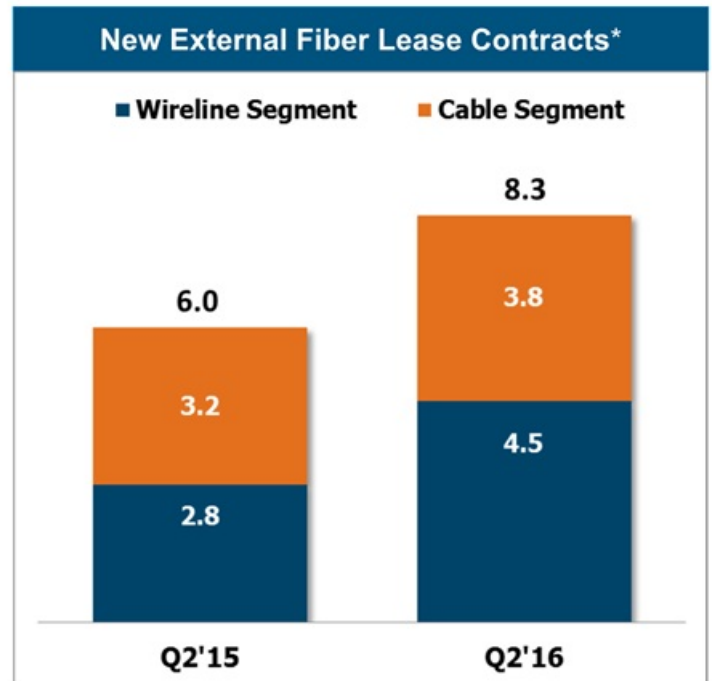
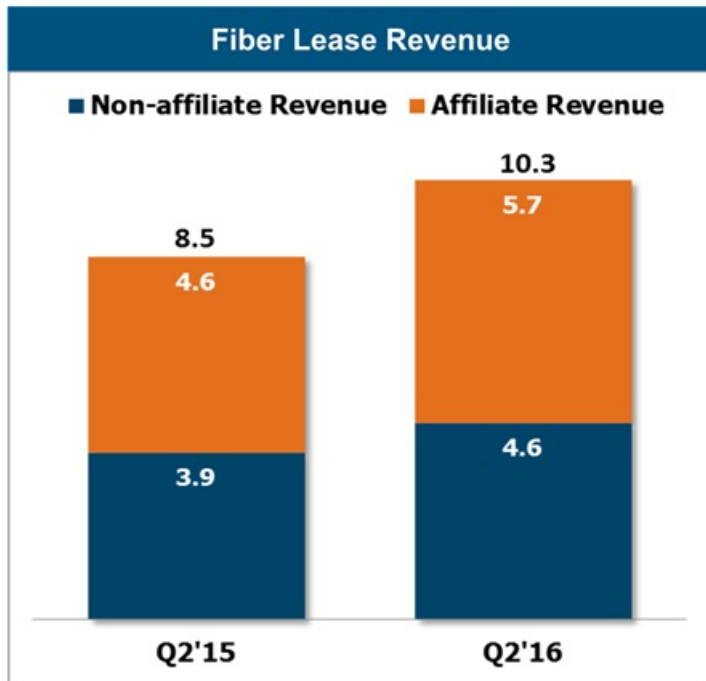
(1)- Excludes cable operations in Shenandoah County, VA which are included in the Wireline segment. (Wireline segment includes approximately 16k homes passed, 5.3k video customers, and 0.7k cable modem customers)

Key Operational Results - Wireline

- Access line loss of 11% 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
- 5,327 video subscribers at 6/30/16

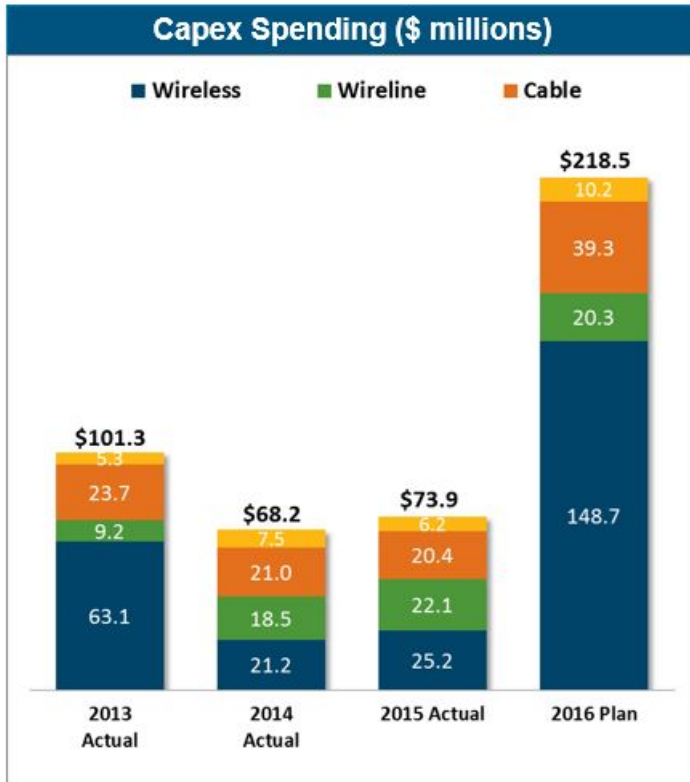


Wireline and Cable Fiber Sales (\$ millions)



* Amounts shown represent the total contract value. Contract Terms range from 36 to 120 months.

Investing in the Future



■ 2016 Capex Spending:

- 56% Upgrades and Expansion of nTelos network
- 17% Network Expansion
- 11% Additional Network Capacity
- 10% Network Maintenance
- 6% Success-Based

Q&A

Appendix

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

<i>Dollars in thousands (except subscribers and revenue per subscriber)</i>	<u>2Q 2015</u>	<u>2Q 2016</u>
<u>Gross billed revenue</u>		
Wireless segment total operating revenues	\$ 52,702	\$ 94,294
Equipment revenue	(1,286)	(2,777)
Tower lease revenue	(2,592)	(2,812)
Gross billed revenue – prepaid	(12,945)	(20,504)
Sprint prepaid management fee	783	1,218
Sprint management fee waiver - prepaid	-	(966)
Travel revenue, net	(74)	(4,260)
Other revenue	(75)	(1,832)
Wireless service revenue – postpaid	36,513	62,361
Initial deferral	-	4,304
Discounts and adjustments	3,587	5,498
Write-offs	1,593	2,539
Sprint postpaid management fee	3,706	6,344
Sprint management fee waiver - postpaid	-	(5,129)
Straight line adjustment to Sprint management fee waiver	-	3,046
Amortization of expanded affiliate contract	-	3,290
Sprint net service fee	6,485	5,307
Gross billed revenue – postpaid	<u>\$ 51,884</u>	<u>\$ 87,560</u>
Average Prepaid subscribers	146,696	233,370
Billed revenue per Prepaid subscriber	\$ 29.41	\$ 29.29
Average Postpaid subscribers	293,488	559,895
Billed revenue per Postpaid subscriber	\$ 58.98	\$ 52.15



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

Non-GAAP Financial Measure – Average Monthly Cable Revenue

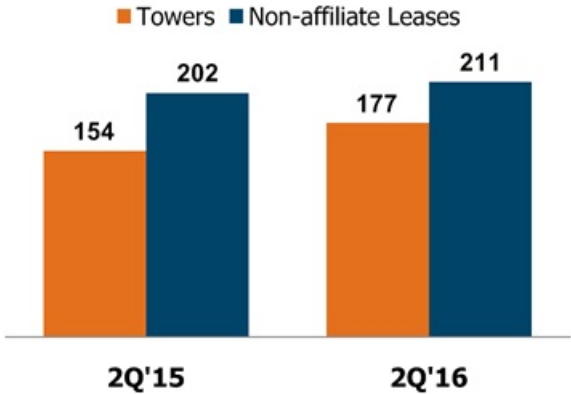
Dollars in thousands (except subscribers and revenue per user)

	<u>Q2 2015</u>	<u>Q2 2016</u>
Net Service Revenue	\$ 20,280	\$ 22,258
Set-top box rentals	1,963	2,119
FUSC and pass-through fees	410	426
Video, Internet & Voice Revenue	22,653	24,803
Other miscellaneous revenue	1,500	1,559
Total Operating Revenue	24,153	26,362
Video revenue	12,725	12,929
Internet revenue	8,123	9,959
Voice revenue	1,805	1,915
Video, Internet & Voice Revenue	\$ 22,653	\$ 24,803
<u>Average Subscribers</u>		
Video	51,327	52,093
Internet	53,239	58,355
Voice	19,280	20,937
Revenue Generating Units (RGUs)	123,845	131,385
Average Customer Relationships	71,940	76,929
<u>Average Revenue Per User (ARPU)</u>		
Revenue Generating Units (RGUs)	\$ 60.97	\$ 62.93
Customer Relationships	104.96	107.47
Video	147.12	158.71

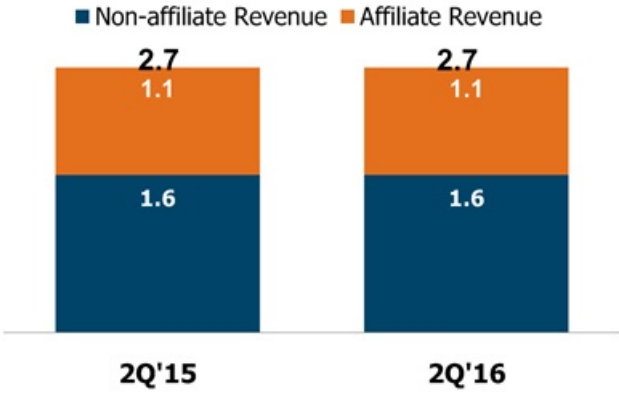


Key Operational Results – Mobile Company

Towers and Leases



Mobile Tower Revenue (\$ millions)



	<u>Q2'15</u>	<u>Q2'16</u>
<i>(in thousands)</i>		
Operating Income	\$1,201	\$1,121
Deprec. and Amort.	442	472
Loss on Asset Disposals	-	22
Share Based Compensation	5	7
Adjusted OIBDA	\$1,648	\$1,622

