



Horizon Telecom Acquisition

October 25, 2023

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 “pro-forma,” “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:

- The ability to obtain the required regulatory approvals and satisfy the closing conditions required for the Transaction
- Shentel's ability to obtain the financing for the Transaction
- The closing of the Transaction may not occur on time or at all
- The expected savings and synergies from the Transaction may not be realized or may take longer or cost more than expected to realize

The financial results for Horizon in this press release have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting polices and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material.

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

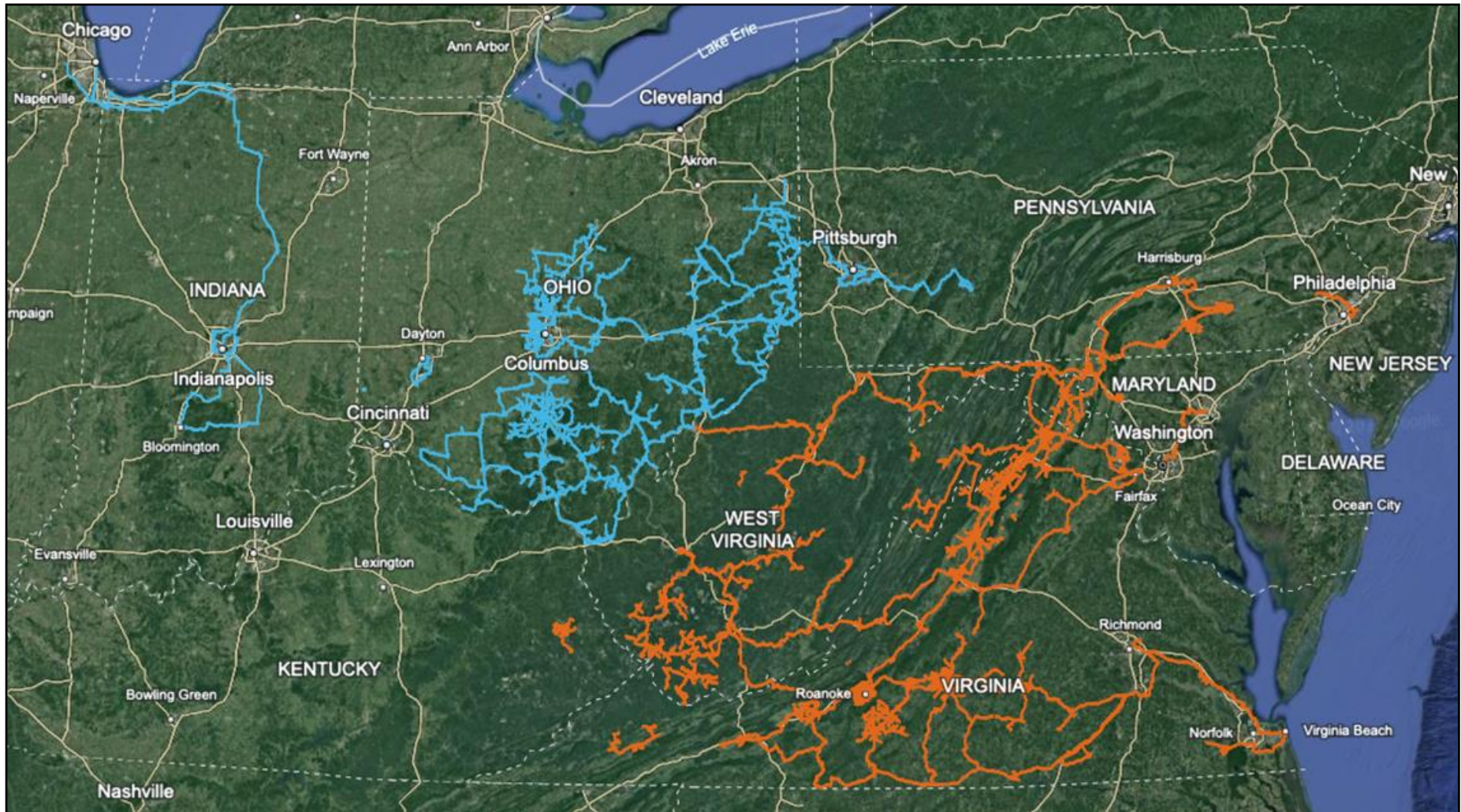
Transformative Transaction

- ✓ Accelerates our Fiber First strategy
 - Doubles the size of our commercial fiber business
 - Creates new beachhead for Glo Fiber expansion
- ✓ Expected to increase most key metrics by ~ 25%
- ✓ Combined company long-term growth rates expected to be among the leaders for publicly-traded broadband companies
- ✓ Diversifies Shentel geographically
- ✓ Provides sizeable expected synergy opportunity of \$10 million annually¹
- ✓ Improves operating scale driving margin expansion

Notes

1. Includes \$9.6m of run-rate Opex synergies and \$0.6m of run-rate Capex synergies

Combination Creates Leading Super-Regional Network



— Horizon

— Shentel

Shentel + Horizon = Win Together

- Similar history and strategies
 - Investing in state-of-the-art communication services in rural markets
 - Providing outstanding local customer service
- Complementary core competencies
 - Shentel: residential focus and proven FTTH expansion platform
 - Horizon: advanced commercial fiber business



Jim Volk

SVP of Finance and CFO

Transaction Summary and Key Metrics

Transaction Overview	<p>Shentel to acquire Horizon Telcom for a purchase price of \$385 million</p> <ul style="list-style-type: none"> \$305 million payable in cash \$80 million in common shares to be issued to one of Horizon's equityholders <p>Transaction multiples (purchase price less tax assets):</p> <ul style="list-style-type: none"> 12.9x 2022 Adjusted EBITDA, net of synergies^{1,2} <ul style="list-style-type: none"> \$10 million expected annual run-rate synergies \$16 million of present value of tax benefits Approximately \$51,000 per fiber route mile
Financing	<ul style="list-style-type: none"> New incremental credit facility: \$225 million DDTL A-3, RCF increased by \$50 million to \$150 million \$81 million of 7% preferred equity,³ exchangeable at \$24.50 (3.3 million diluted common shares at transaction close) \$80 million of common shares issued to selling shareholder (4.1 million shares⁴) <ul style="list-style-type: none"> Brings fully diluted common shares at closing on an "as exchanged basis" to 58.1 million
Closing	<ul style="list-style-type: none"> Closing expected by first half 2024 Horizon to continue to invest in network between signing and close; Shentel to reimburse required capital

Transaction sources and uses (million)

Transaction sources	Amount	Transaction uses	Amount
Cash on balance sheet	\$77	Purchase of Horizon	\$385
Draw on revolver and incremental facility	158	Transaction and financing fees	11
Shentel common shares issued to selling Horizon shareholder	80		
New equity	81		
Total sources	\$396	Total uses	\$396

Notes

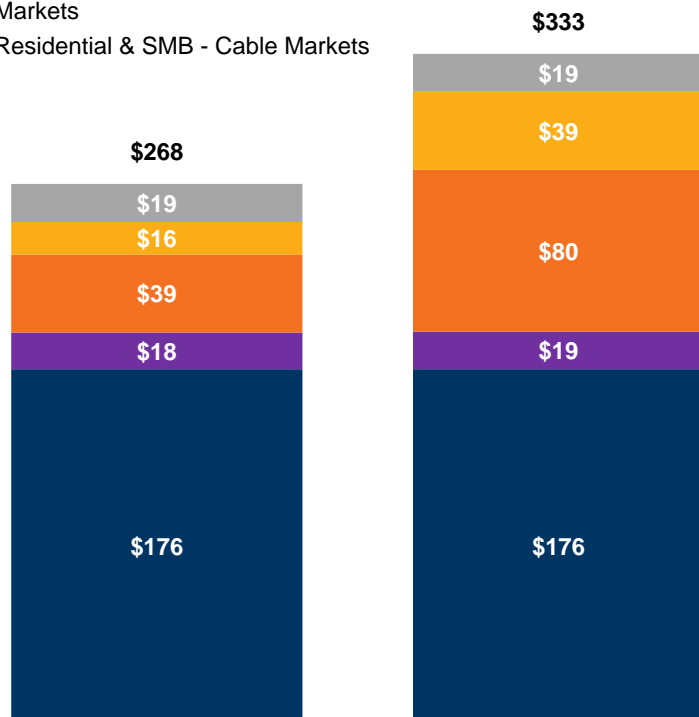
1. Includes \$9.6m of run-rate Opex synergies
2. A reconciliation of Horizon Net Income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Horizon Adjusted EBITDA and Horizon Adjusted EBITDA net of synergies can be found at the end of this presentation under the heading "Non-GAAP Financial Measures"
3. Dividend rate is subject to increase if investor's Independent Director is not seated on Shentel's Board after the next annual meeting; PIK dividend rate subject to increase after the fifth and seventh anniversaries of the closing date
4. Reference price of \$19.60 per share negotiated with selling equityholder based on Shentel's share price at time exclusivity entered with Horizon



Pro-forma Financial Highlights

2022 Revenue (in millions)

- Tower
- RLEC & Other Broadband
- Commercial Fiber
- Residential & SMB - Glo Fiber Markets
- Residential & SMB - Cable Markets

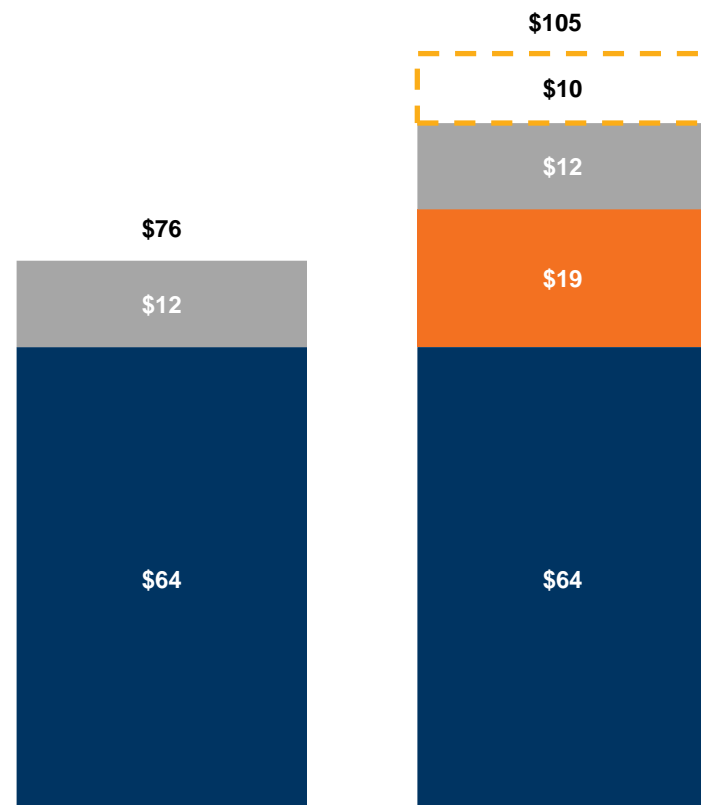


Shentel

Pro Forma³

2022 Adjusted EBITDA¹ (in millions)

- Shentel Broadband
- Horizon
- Tower
- Synergy²



Shentel

Pro Forma³

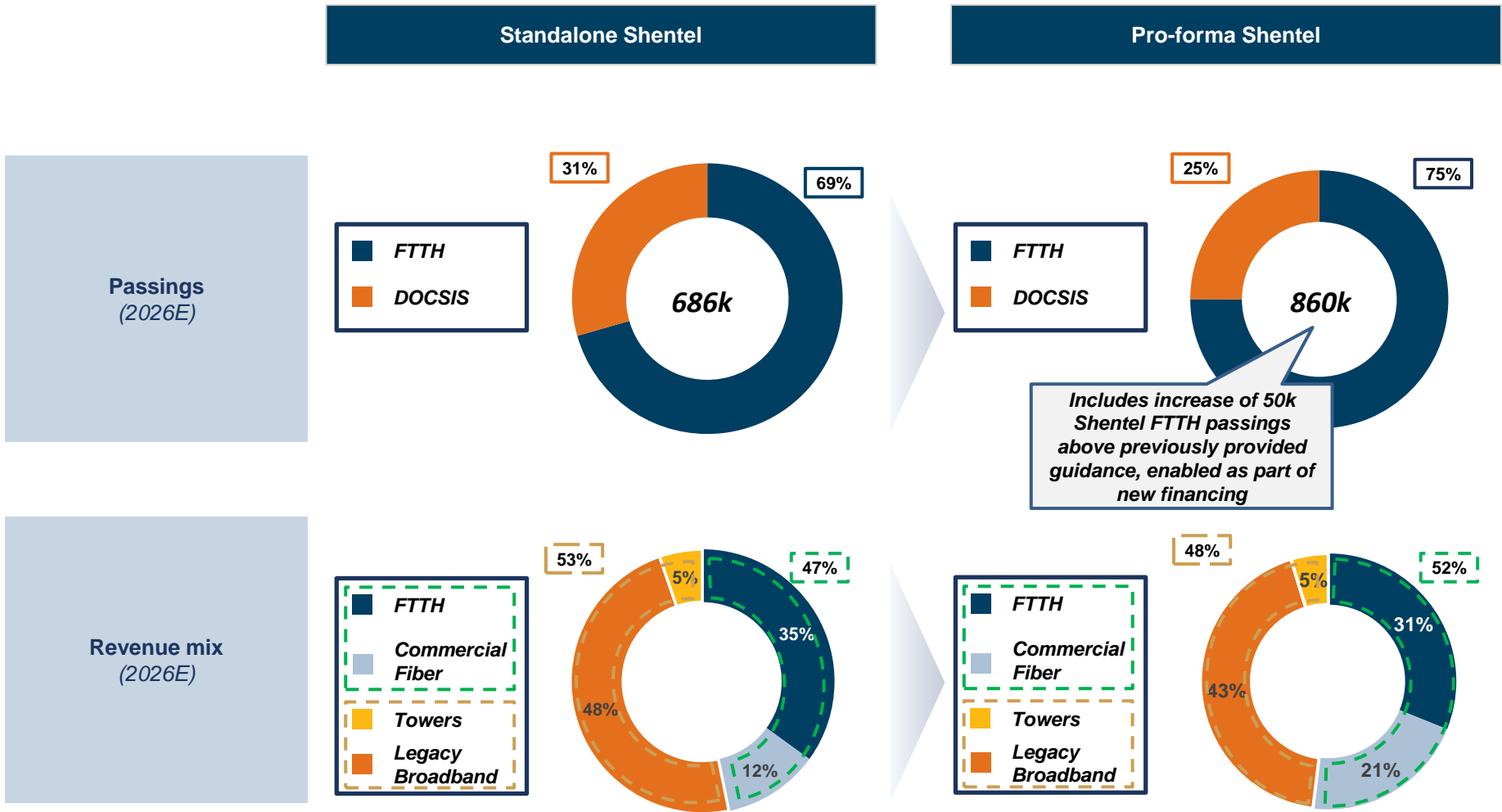
Notes

1. A reconciliation of Net Income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Adjusted EBITDA and Pro Forma Adjusted EBITDA with synergies can be found at the end of this presentation under the title "Adjusted EBITDA 2022 Results"
2. Includes \$9.6m of run-rate Opex synergies

3. The financial results for Horizon included in Pro Forma have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material



Business Mix



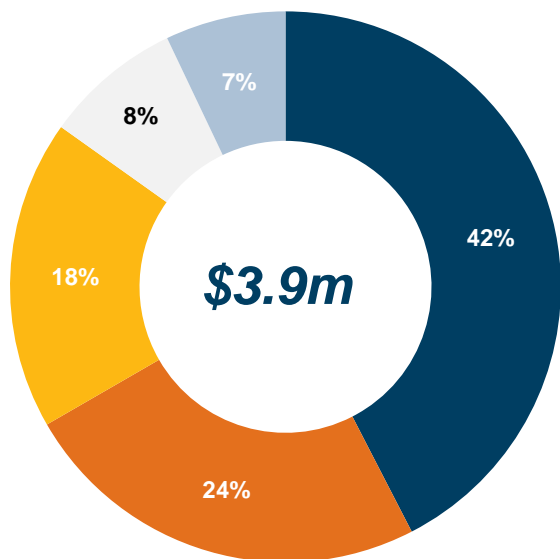


Ed McKay

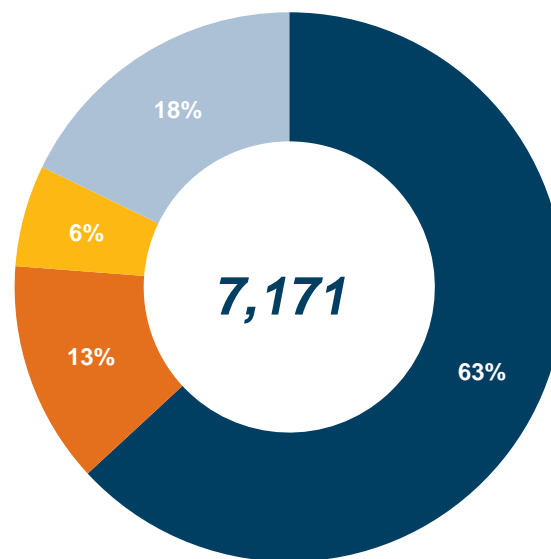
EVP and COO

Horizon Overview¹

MRR by customer segment²



Route miles by geography



Key Metrics

1,100+

Customers

~4.5 Years

Avg. Remaining Term

\$218m

Contract Value

0.4%

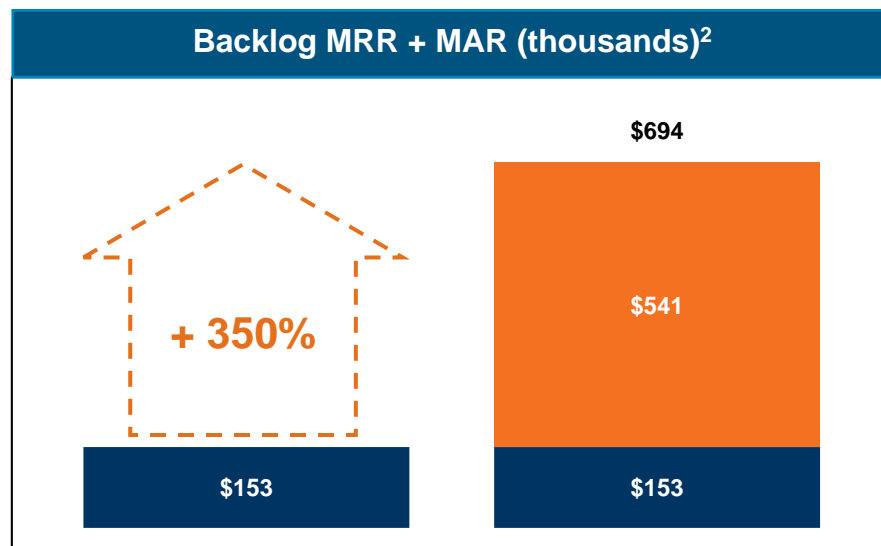
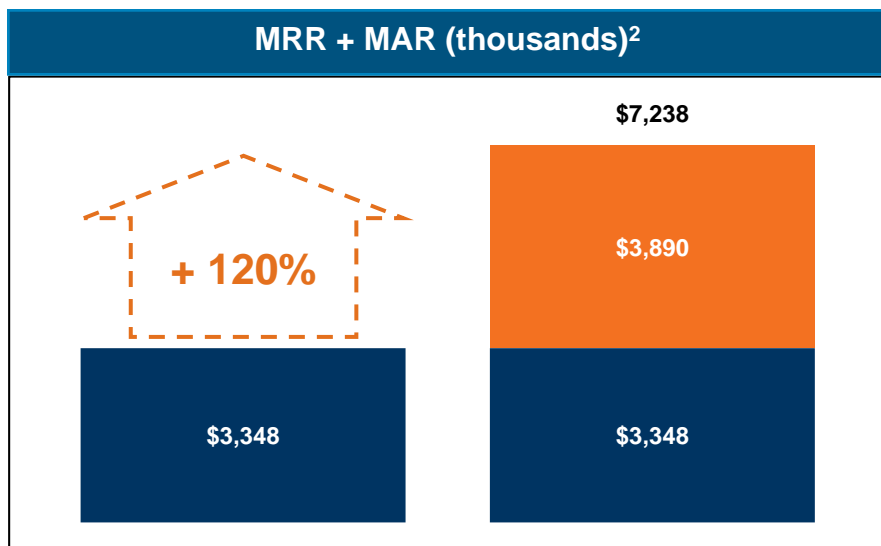
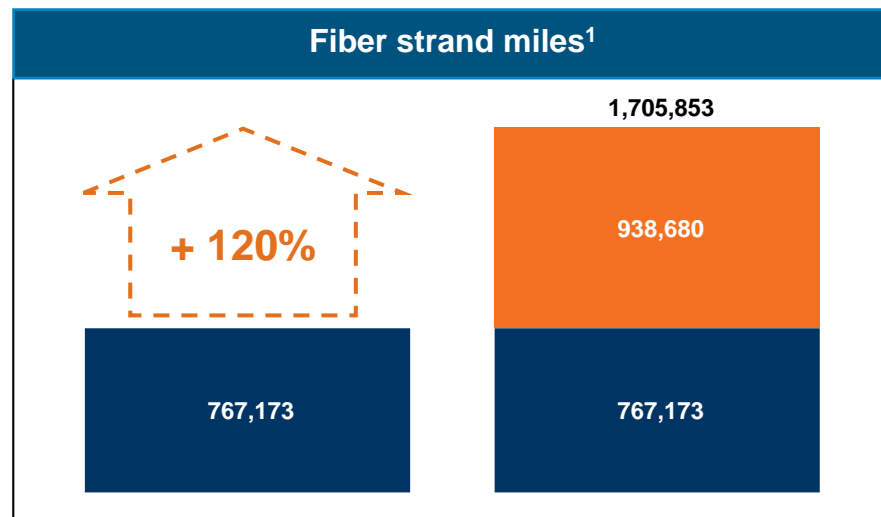
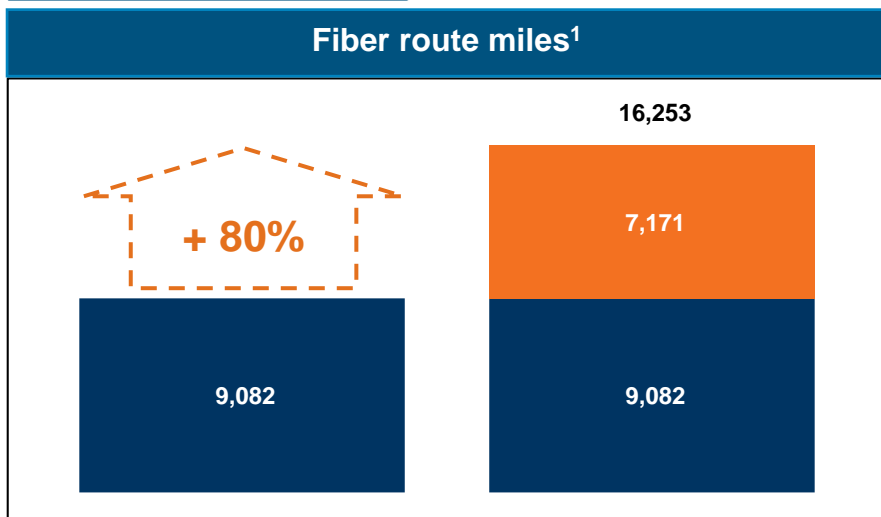
Avg. Monthly Churn



Notes

1. Detail as of June 2023 unless noted otherwise
2. % customer split as of October 2022; MRR as of June 2023

Combined Company Commercial Fiber Key Metrics






Notes

1. Horizon Fiber Route Miles and Fiber Strand Miles include 1,102 and 3,897, respectively, of IRU and leased miles



2. MRR = Monthly Recurring Revenue; MAR = Monthly Amortized Revenue, recurring revenues and backlog as of June 2023

Horizon FTTH Markets Consistent With Glo Strategy

 +
  +
  =
 Pro-forma Company

Target market dynamics	Market type	High density tier III / IV	Unserviced	High density tier III / IV	High density tier III / IV and unserved
	Homes Passed: Current 2026 Target	183k 500k	0 8k	18k 100k	201k 608k
	Competition	Incumbent cable and low-speed DSL; no fiber competition	Low-speed DSL or no competition	Incumbent cable and low-speed DSL; primarily no fiber competition	Incumbent cable and low-speed DSL; primarily no fiber competition
Offering and KPIs	Primary network technology	XGS-PON FTTH			
	Bandwidth speeds offered	Up to 5 Gbps			
	Government Grants Awards	n.a.	\$50m	n.a.	\$50m
	Cost per new passing ¹	\$1,000 - \$1,400	\$1,500	\$1,000 - \$1,400	\$1,000 - \$1,500
	Penetration: Current Terminal	18% 38%	0% 65%	5% 33%	17% 37%

Incumbent Broadband Markets

		 Always connected to you (Incumbent cable)	+	Government subsidized	+	 (Incumbent fiber overbuild)	=	Pro-forma Company
Target market dynamics	Market type	Mostly rural		Unserved		Mostly rural		Mostly rural and unserved
	Homes Passed: Current 2026 Target	212k ¹ 214k		1k 24k		14k ² 14k		227k ³ 252k
	Competition	>75% low-speed DSL or no competition		Low-speed DSL or no competition		Incumbent cable		~75% low-speed DSL or no competition
Offering and KPIs ²	Network technology upgrade plan	DOCSIS 3.1 or 4.0 or XGS-PON FTTH		XGS-PON FTTH DOCSIS 3.1 or 4.0		G-PON FTTH and XGS-PON FTTH		DOCSIS 3.1 or 4.0 or XGS-PON FTTH
	Upgraded speeds offered	2 Gbps to 5 Gbps		Up to 5 Gbps		2 Gbps to 5 Gbps		2 Gbps to 5Gbps
	Government Grants Awards	n.a.		\$70m		n.a.		\$70m
	Incremental cost per new passing ⁴	n.a.		\$2,500 - \$3,000		n.a.		n.a.
	Penetration: Current Terminal	52% 54%		13% 62%		16% 40%		49% 54%

Notes

1. Incumbent cable only, excludes current ~7k DSL homes
2. Excludes ~16k DSL homes

3. Incumbent cable only, excludes current ~23k DSL homes
4. Net of grants where applicable

Q&A

Appendix

Pro-forma Capital Structure

Pro-forma credit facility		New preferred equity	
Tranche	Detail	Term	Detail
Term Loan A-1	\$150 million due June 2026	Dividend rate	7% per annum payable in cash or in-kind (PIK) at Shentel's option
Term Loan A-2	\$150 million due June 2028	Dividend rate increase	Subject to increase if investor's Independent Director not seated on Board after the next annual meeting <u>PIK dividend rate</u> subject to increase after the fifth and seventh anniversaries of the closing date
Term Loan A-3	\$225 million due June 2028	Exchange	Exchangeable into Shentel common shares at \$24.50 per Shentel share
Revolving Line of Credit	\$150 million due June 2026	Shares at close	3.3 million shares at close on an "as exchanged basis"
Peak net leverage of 4.0x expected in 2025		58.1 million fully diluted common shares at closing on an "as exchanged basis" ¹	



Notes

- Includes 50.7 million outstanding shares of Shentel common stock on a fully-diluted basis, 4.1 million shares issued to selling Horizon equityholder and 3.3 million common shares from the preferred equity on an "as exchanged basis"

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 EBITDA 2022 Results

Year Ended December 31, 2022

<i>(\$ in thousands)</i>	Shentel consolidated	Plus: Horizon ¹	Pro-forma combined
Net income (loss) from continuing operations	(\$8,379)	(\$12,038)	(\$20,417)
Depreciation and amortization	68,899	14,293	83,192
Impairment expense	5,241	-	5,241
Interest and Loss on extinguishment of debt	-	18,835	18,835
Other expense (income), net	1,348	(538)	810
Income tax expense (benefit)	(927)	(3,420)	(4,347)
Transaction, financing and restructuring fees	1,251	430	1,681
Settlement of legal dispute	-	396	396
Stock-based compensation	8,528	544	9,072
Shareholder management fees	-	511	511
Adjusted EBITDA	\$75,961	\$19,013	\$94,974
Expected synergies ²		9,600	9,600
Adjusted EBITDA, net of synergies	\$75,961	\$28,613	\$104,574

Notes

- The financial results for Horizon have been derived from audited financial statements prepared by Horizon, without adjustment to conform to the accounting principles and methodologies used by Shentel. The accounting policies and methodologies used by Horizon differ in certain respects from those used by Shentel, but Shentel does not believe these differences are material.
- The Company expects to realize synergy savings in overlapping back-office systems and resources, as well as excess office space, over the 18 months following closing. The expected savings and synergies are a forward-looking statement and may not be realized or may take longer or cost more than expected to realize.

