

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): April 29, 2016

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**Shenandoah Telecommunications Company**

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(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 April 29, 2016, Shenandoah Telecommunications Company held its first 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 First 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)

April 29, 2016

/s/ Adele M. Skolits

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

Exhibit 99.1



**1Q 2016  
Earnings Conference Call**

April 29, 2016

# 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 2016 Highlights (Q1'16 v. Q1'15)

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## ■ Net Income Growth

- Increased 35.0% to \$13.9 million

## ■ Adjusted OIBDA Growth

- Increased 12.8% to \$40.4 million

## ■ Revenue Growth

- Increased 9.8% to \$92.6 million

## ■ Customer Growth

	<u>3/31/15</u>	<u>3/31/16</u>	<u>Change</u>
Wireless	438,861	457,770	+18,909
Cable (RGUs)	123,328	131,527	+8,199

# Wireless Highlights

- **Postpaid Growth**

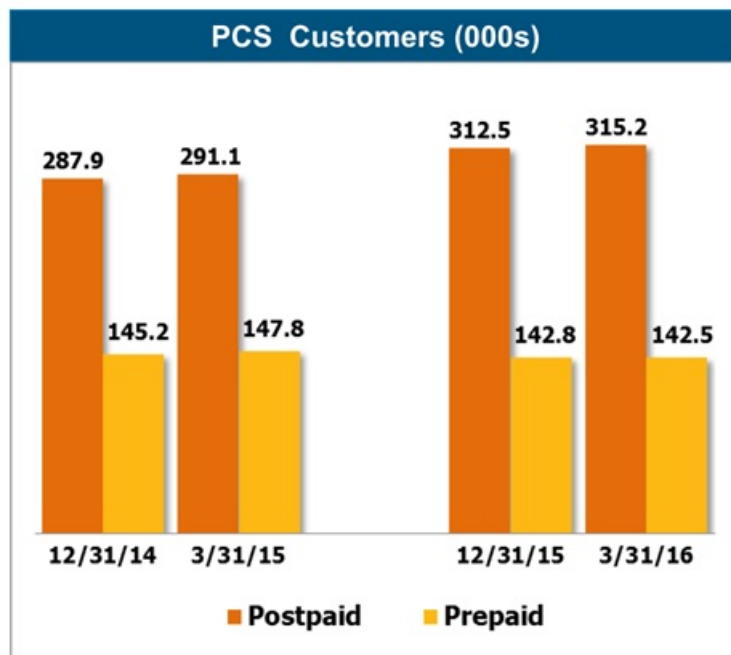
Postpaid customers up 8.3% over last 12 months

- **Prepaid Decline**

Prepaid customers down 3.5% over last 12 months

- **Operating Income**

An increase of \$0.5 million, or 2.5%

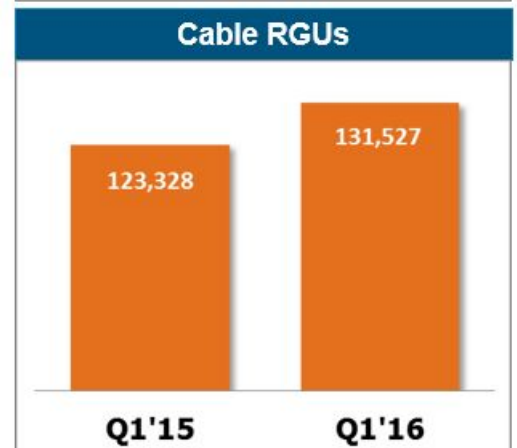
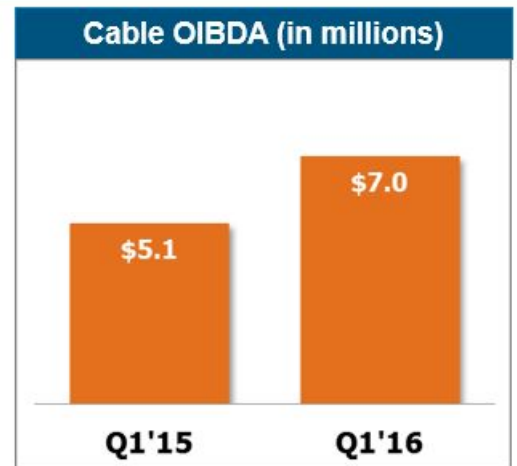
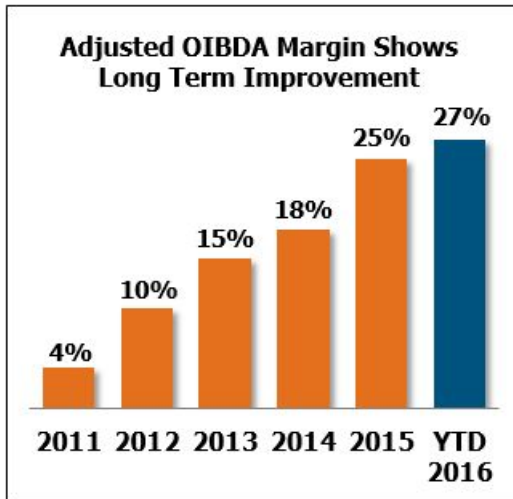




# Cable Highlights

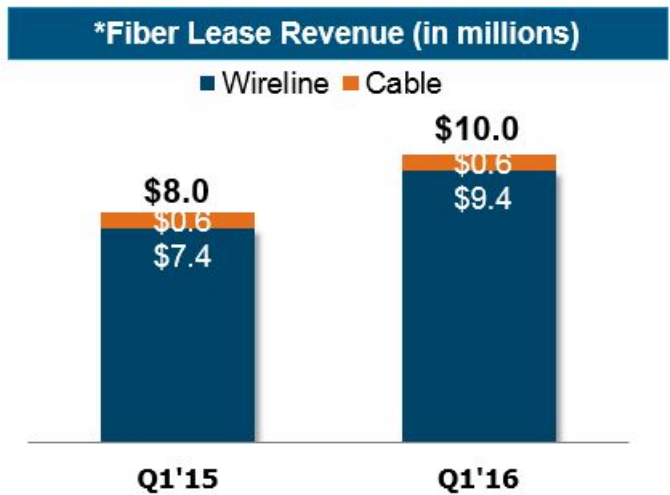
## ■ Revenue Growth

- Operating revenues \$26.4 million, growth of 13.4% over Q1'15
- Q1'16 Adjusted OIBDA \$7.0 million, up 38.6% from Q1'15
- 131,527 RGUs at Q1'16, up 6.6% over Q1'15



## Other Highlights

- Wireline and Cable - Fiber lease revenues of \$10.0 million, up 25.4% from Q1'15
- 157 towers generated \$1.9 million of OIBDA



\*Includes both Affiliate and Non-affiliate revenues

**Mobile Tower OIBDA (\$ thousands)**

<i>(in thousands)</i>	<b>Q1'15</b>	<b>Q1'16</b>
Operating Income	\$1,234	\$1,345
Deprec. and Amort.	442	482
Loss on Asset Disposals	7	13
Share Based Compensation	7	11
<b>Adjusted OIBDA</b>	<b>\$1,690</b>	<b>\$1,851</b>



# Adele Skolits

VP of Finance and CFO

# Profitability

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

	<b>For the Quarter Ended:</b>		
	<b>3/31/15</b>	<b>3/31/16</b>	<b>Change</b>
<b>Operating Income</b>	\$ 18,526	\$ 21,312	15%
<b>Net Income</b>	\$ 10,286	\$ 13,881	35%
<b>Earnings Per Share:</b>			
<b>Basic</b>	\$ 0.21	\$ 0.29	38%
<b>Diluted</b>	\$ 0.21	\$ 0.28	33%

# Profitability

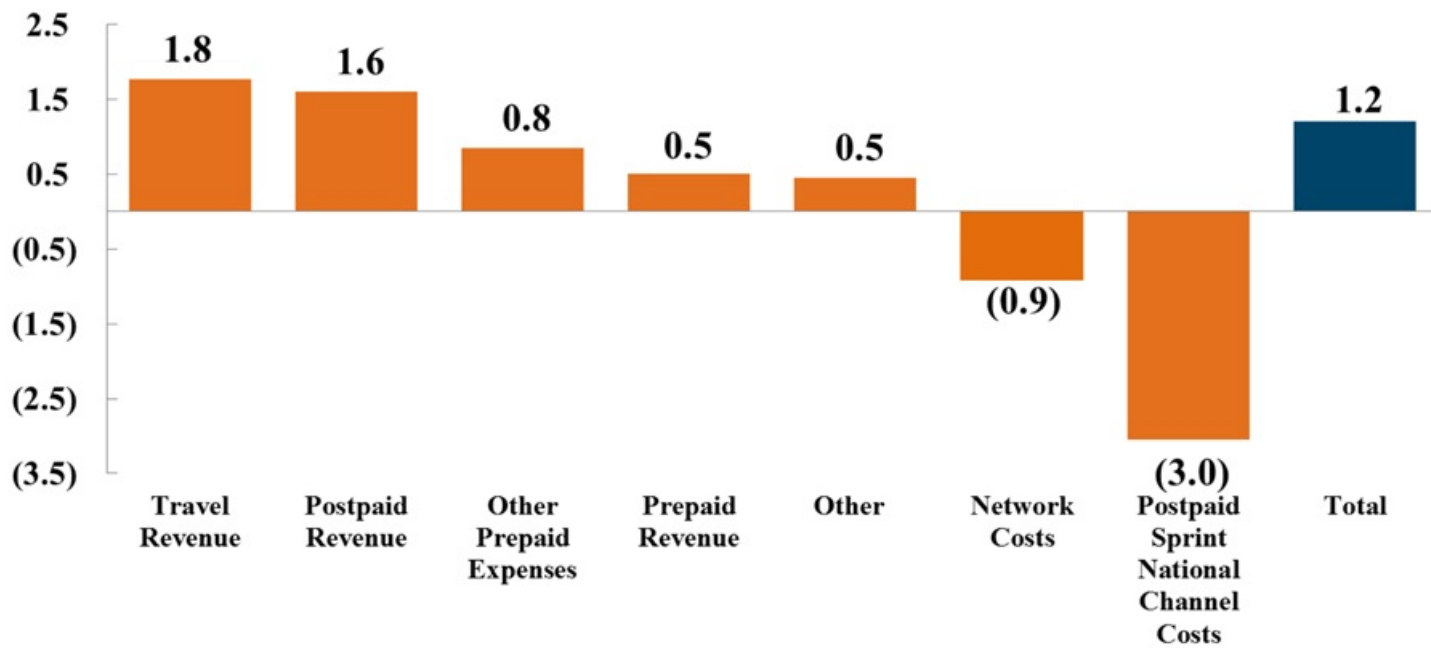
## Adjusted OIBDA (\$ thousands)

	<b>For the Quarter Ended:</b>		
	<b>3/31/15</b>	<b>3/31/16</b>	<b>Change</b>
Operating Income	18,526	21,312	15%
Depreciation and Amortization	16,337	17,739	9%
Share Based Compensation	825	1,048	27%
(Gain)/Loss on Asset Disposals	11	(15)	N.M.
nTelos Acquisition Related Expenses	140	332	N.M.
<b>Adjusted OIBDA</b>	<b>35,839</b>	<b>40,416</b>	<b>13%</b>

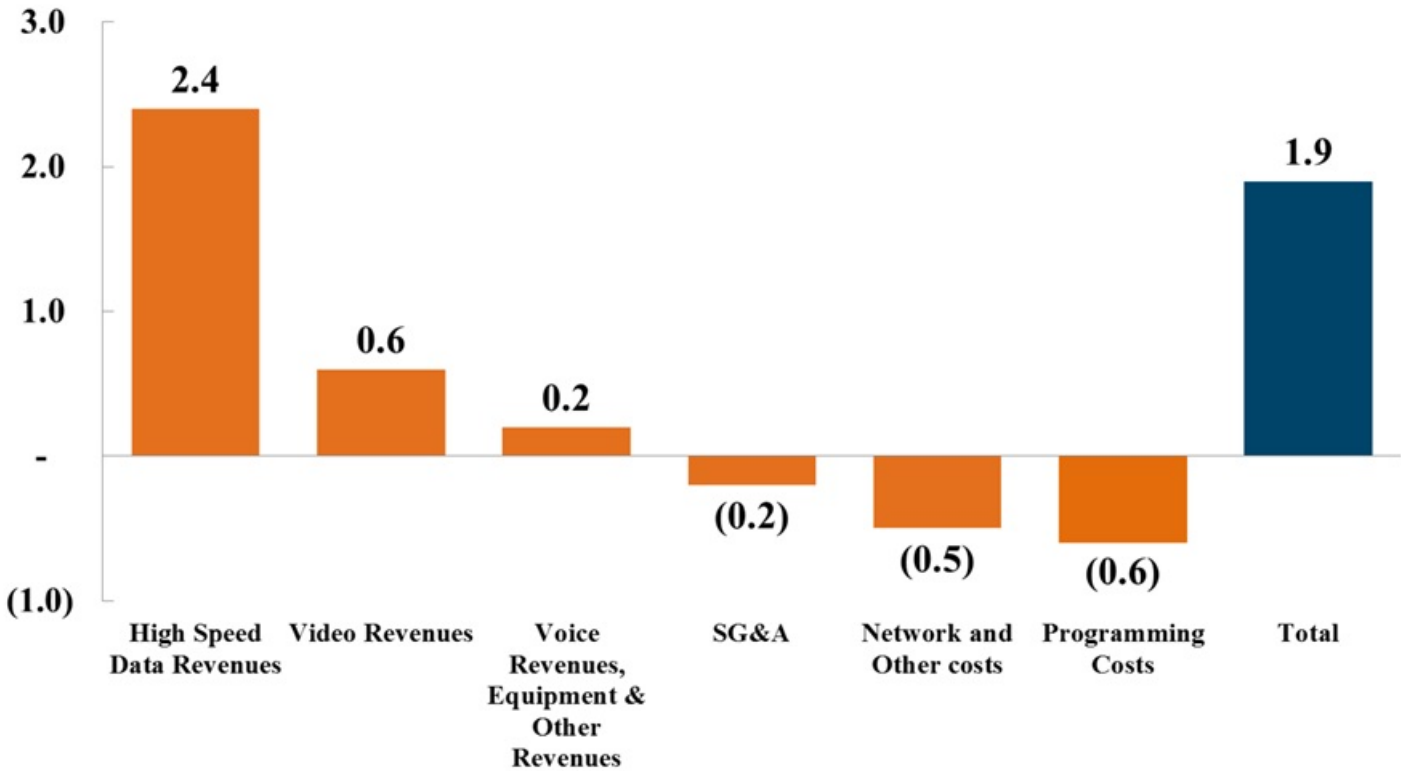
## Adjusted OIBDA by Segment (\$ millions)

	<b>Wireless</b>		<b>Cable</b>		<b>Wireline</b>	
	<b>Q1'15</b>	<b>Q1'16</b>	<b>Q1'15</b>	<b>Q1'16</b>	<b>Q1'15</b>	<b>Q1'16</b>
Operating Income	\$ 19.4	\$ 19.9	\$ (0.7)	\$ 0.6	\$ 3.8	\$ 5.1
Depreciation and amortization	7.8	8.5	5.5	6.1	2.9	3.0
Plus (gain) loss on asset sales	0.1	-	-	(0.1)	0.1	-
Share based compensation	0.2	0.3	0.3	0.4	0.1	0.2
<b>Adjusted OIBDA</b>	<b>\$27.5</b>	<b>\$28.7</b>	<b>\$ 5.1</b>	<b>\$ 7.0</b>	<b>\$6.9</b>	<b>\$ 8.3</b>
Percent Change		4%		39%		20%
Adjusted OIBDA Margin	52%	51%	22%	27%	44%	45%

## Wireless Segment – Change in Adjusted OIBDA Q1'16 vs. Q1'15 (\$ millions)

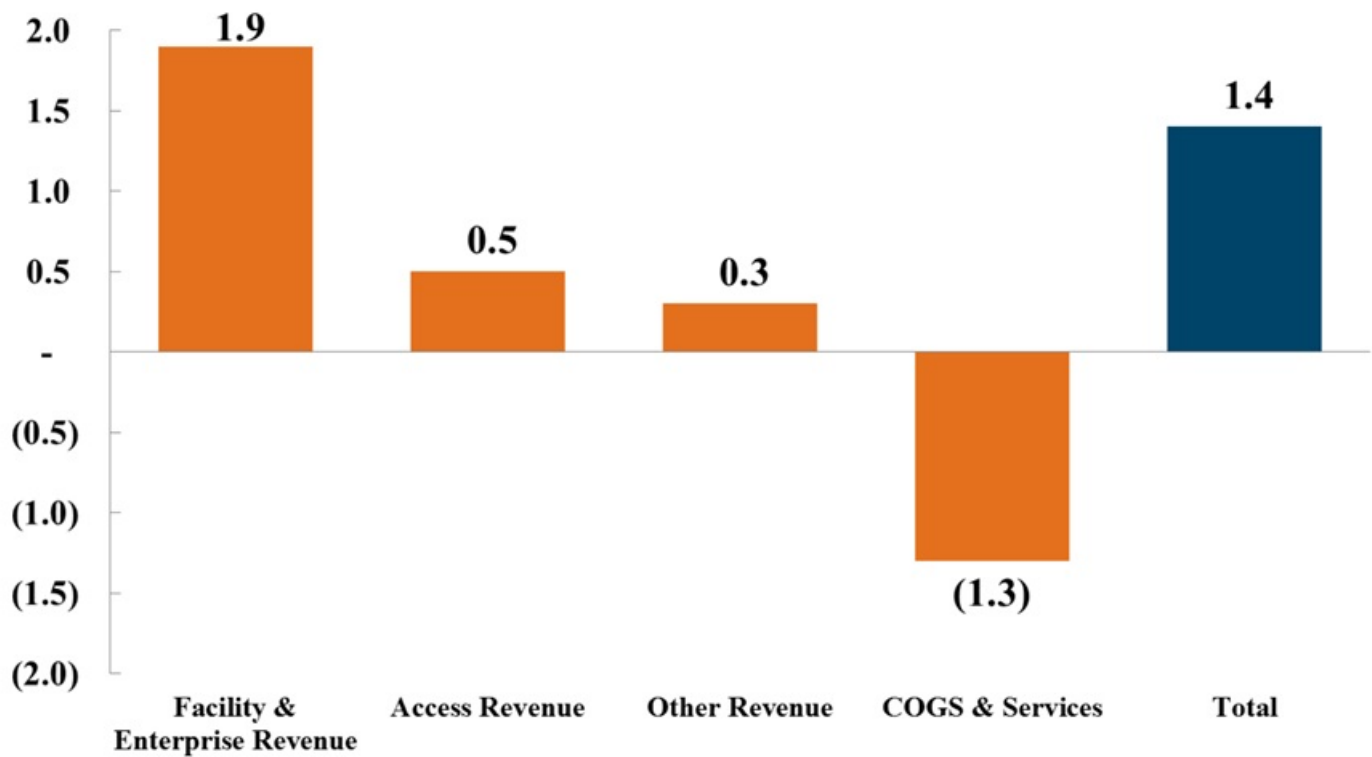


# Cable Segment – Change in Adjusted OIBDA Q1'16 vs. Q1'15 (\$ millions)





## Wireline Segment – Change in Adjusted OIBDA Q1'16 vs. Q1'15 (\$ millions)

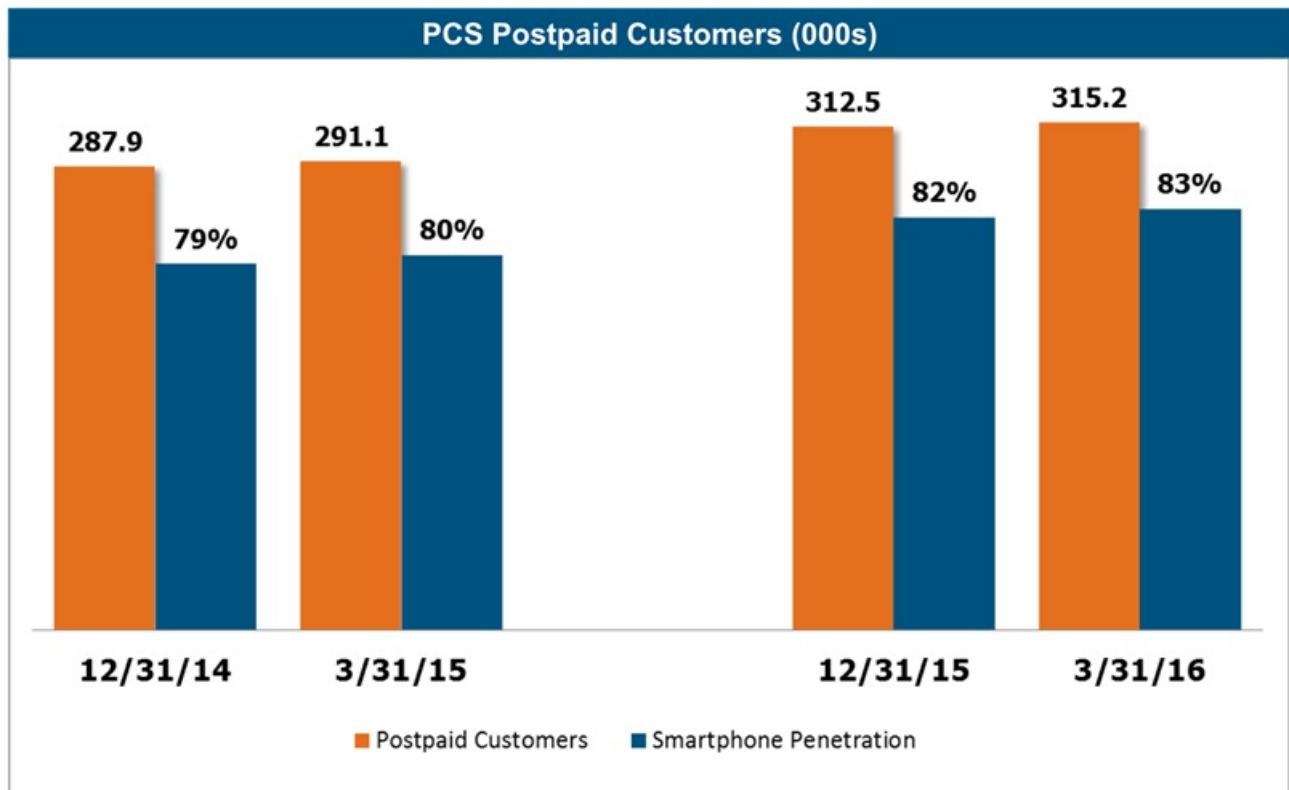




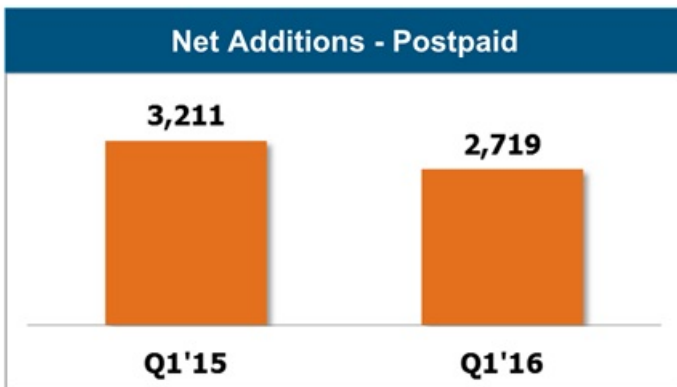
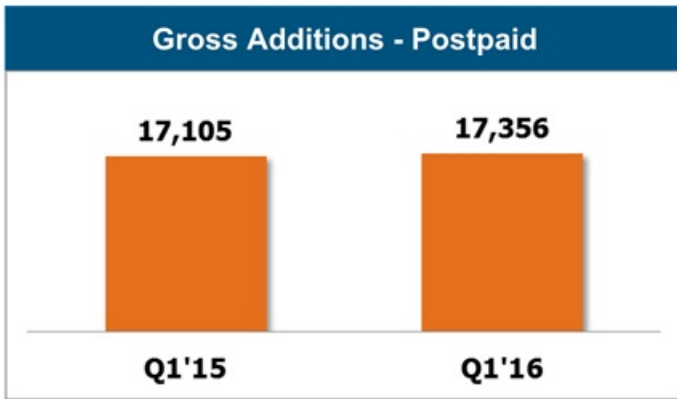
# Earle MacKenzie

EVP and COO

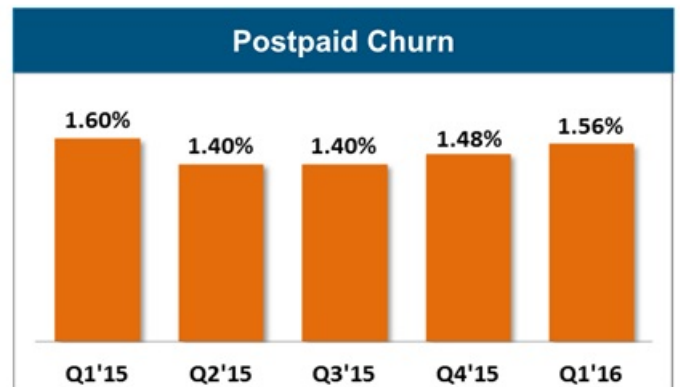
# Postpaid Customer Growth



# Postpaid Customer Additions

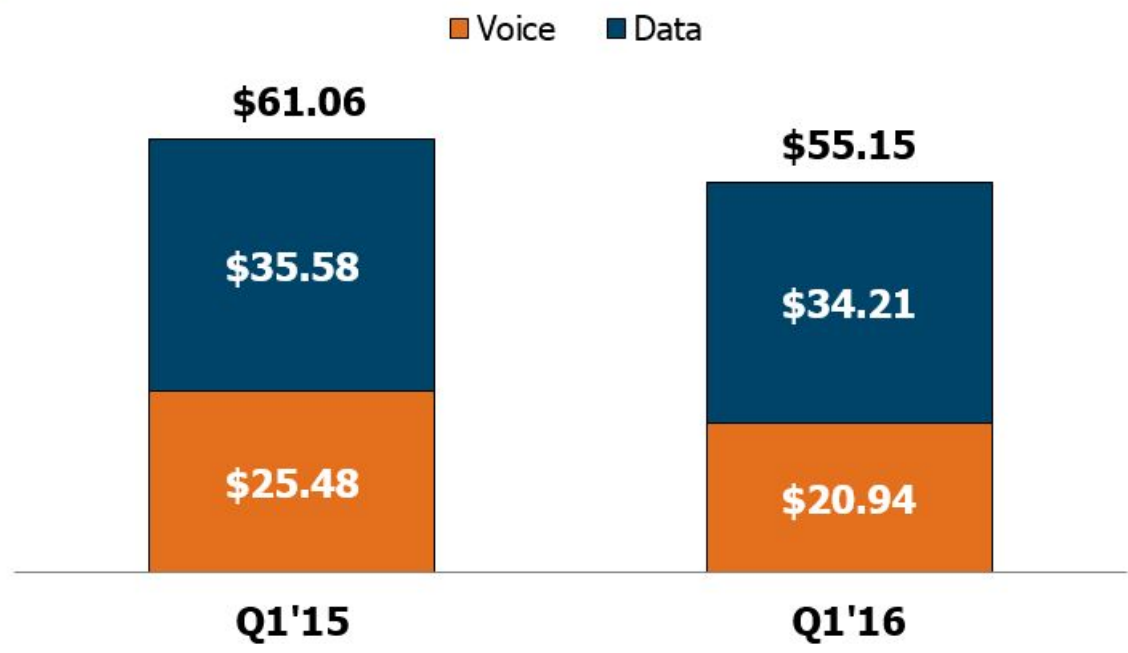


- Net adds of 2,719 in Q1 2016 versus 3,211 in Q1 2015
- Shentel-controlled channels produced 33% of gross adds in Q1 2016 and 39% in Q1 2015
- Q1 2016 churn of 1.56%, down from 1.60% in Q1 2015



# Billed Revenue per Customer Down; Data Usage Increasing

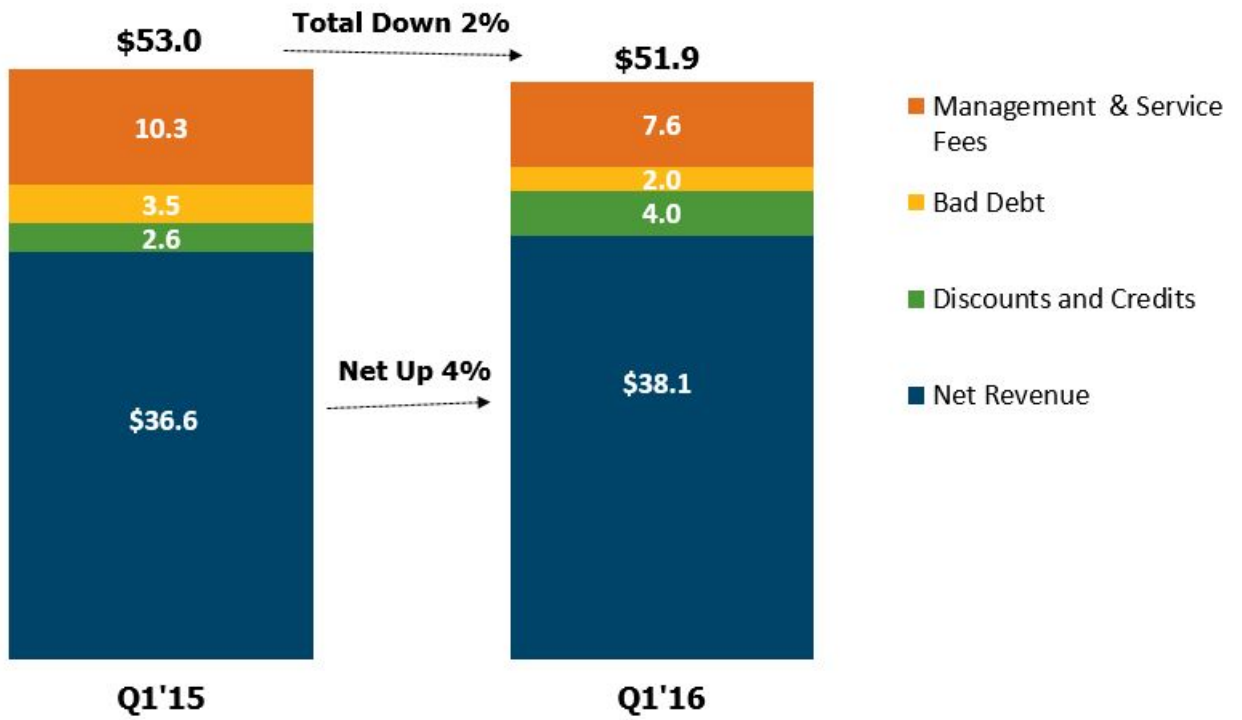
## Gross Billed Service Revenue per Postpaid User – Data & Voice <sup>1</sup>



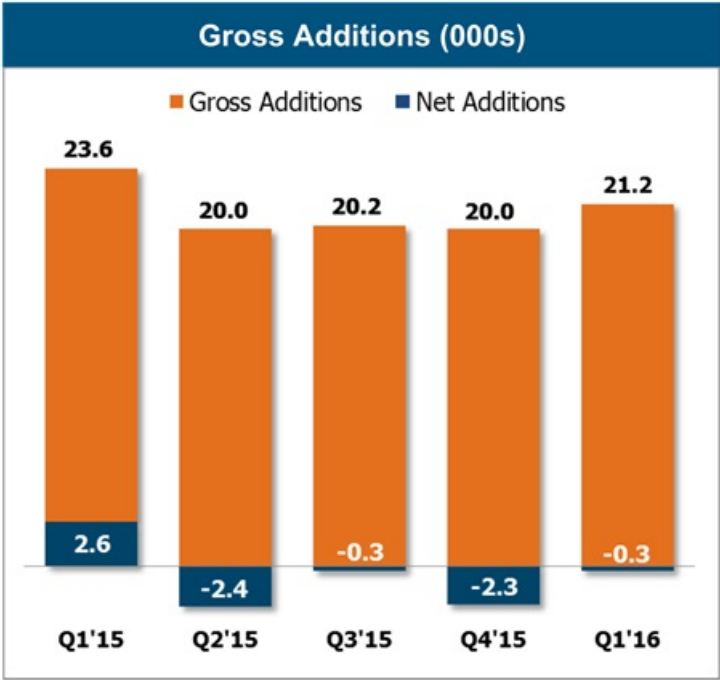
<sup>1</sup> – Before Service credits, bad debt, Sprint fees.

# PCS Revenues

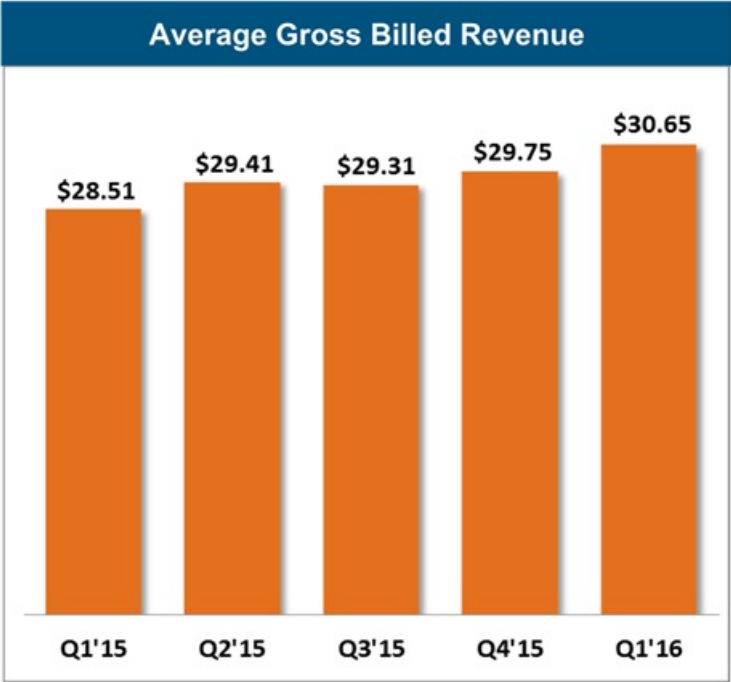
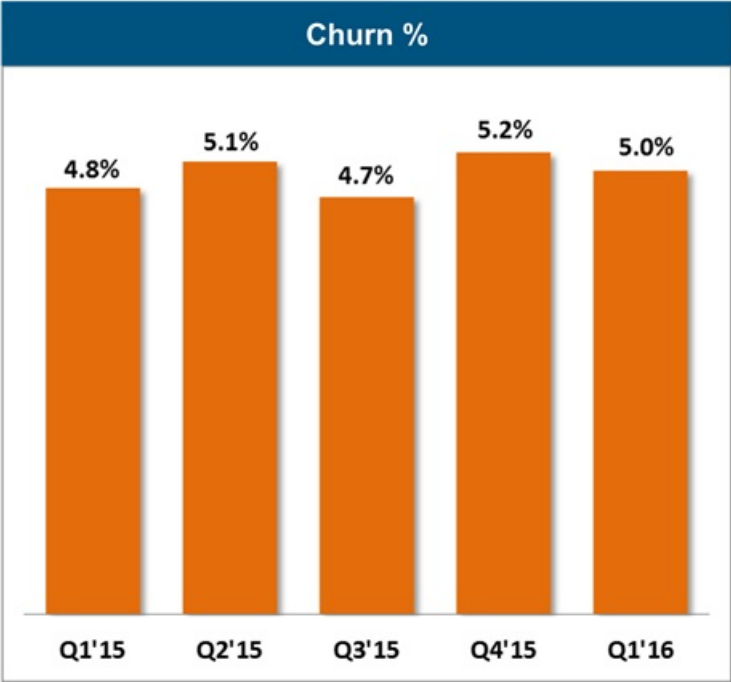
## Gross Billed Revenues - Postpaid (\$ millions)



# PCS Prepaid Statistics



# PCS Prepaid Statistics





# Network Statistics at 3/31/16

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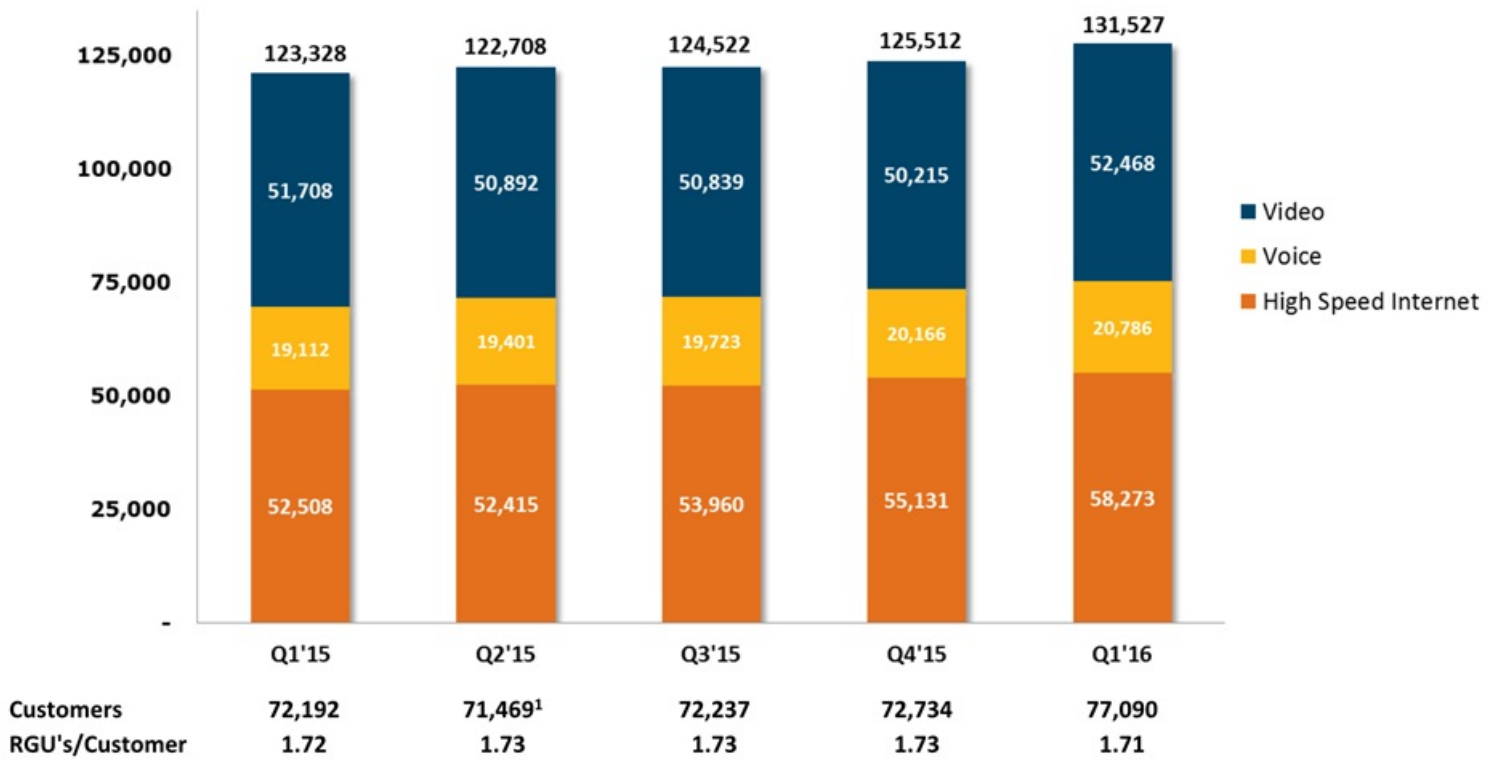
## ■ 556 Cell Sites

- 95% have a second LTE carrier at 800 MHz
- 193 sites have three carriers, including a second carrier at 1900 MHz
- 61 2.5 GHz sites

## ■ Traffic

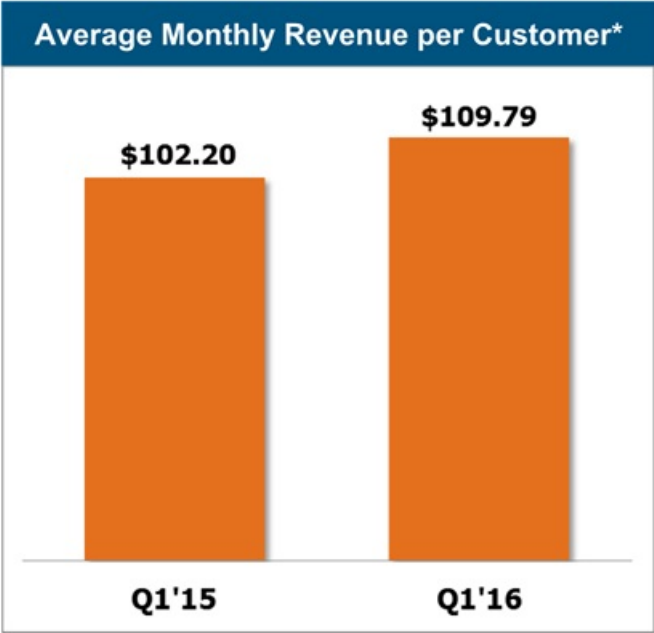
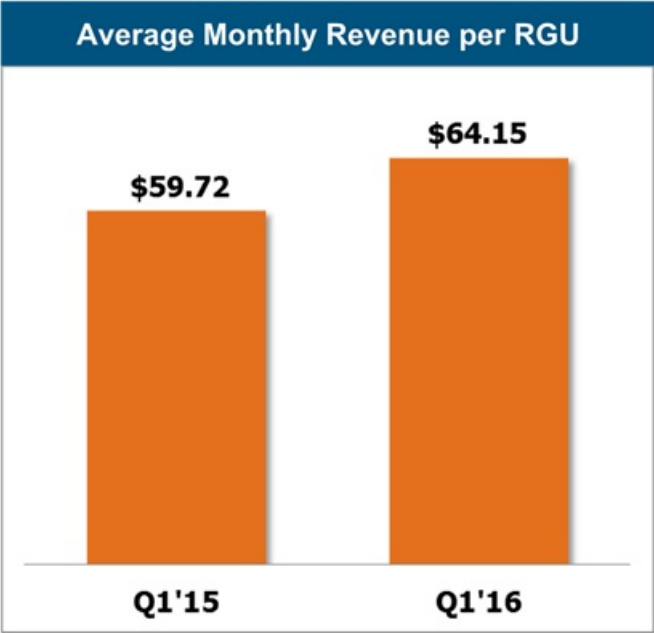
- 92% of data traffic is on LTE, with 30% on 800 MHz, 5% on 2.5GHz
- Data usage grew 19% in Q1'16
- Average speeds of approximately 5 Mbps
- Average customer uses approximately 5 GB per month
- Dropped calls - 0.4%
- Blocked calls - 0.3%

# Cable - RGU Growth by Quarter



1. College students disconnect during summer

# Increasing Average Monthly Cable Revenue



\*Average monthly revenue per video subscriber was \$141.46 and \$159.60 for Q1 2015 and Q1 2016, respectively.

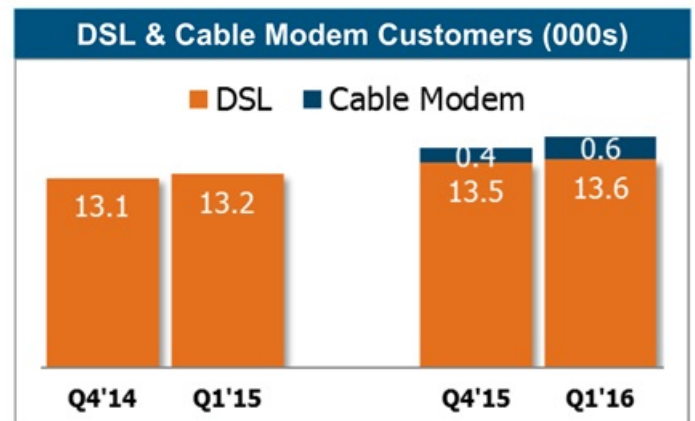
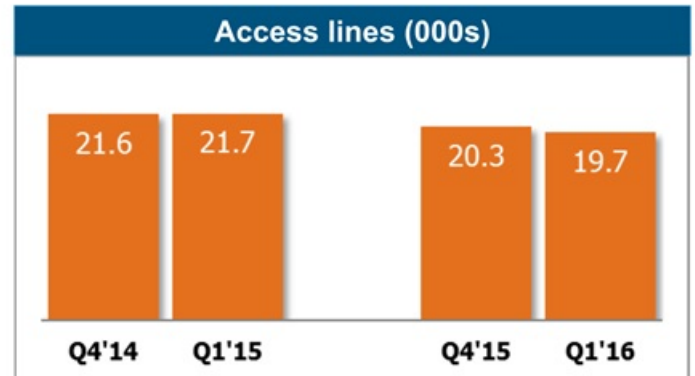
## Key Operational Results – Cable\*

	<b>Q1 2015</b>	<b>Q1 2016</b>
<b>Homes Passed</b>	<b>172,022</b>	<b>181,375</b>
<b>Total Revenue Generating Units</b>	<b>123,328</b>	<b>131,527</b>
<b>Customer Relationships</b>	<b>72,192</b>	<b>77,090</b>
<b>RGUs per Customer Relationship</b>	<b>1.71</b>	<b>1.71</b>
<b>Video</b>		
Revenue generating units	51,708	52,468
Penetration	30.1%	28.9%
Digital video penetration	69.9%	74.8%
<b>High-speed Internet</b>		
Available Homes	172,022	180,814
Revenue generating units	52,508	58,273
Penetration	30.5%	32.2%
<b>Voice</b>		
Available Homes	169,285	178,077
Revenue generating units	19,112	20,786
Penetration	11.3%	11.7%

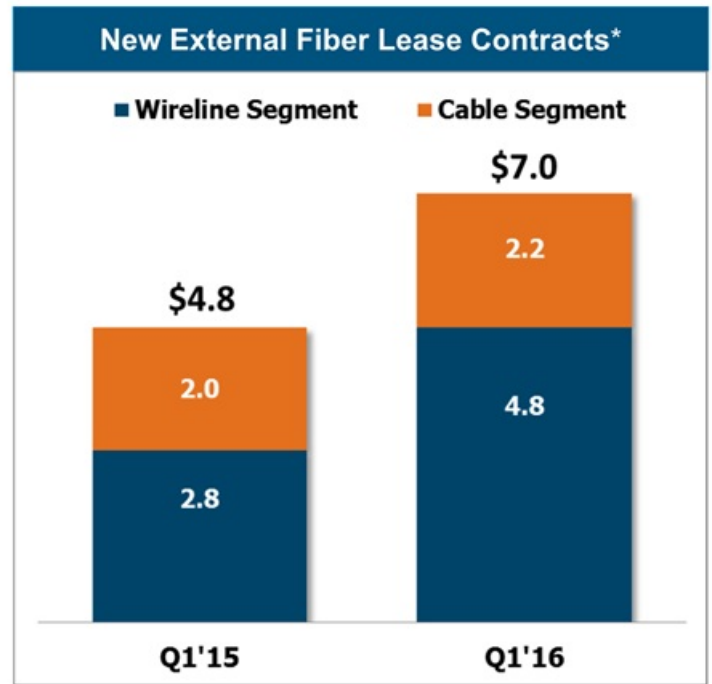
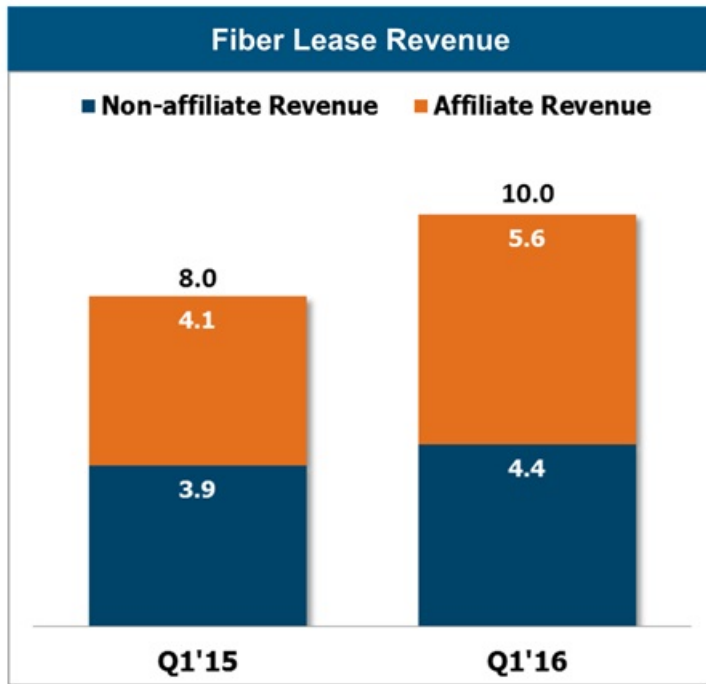
\*Excludes cable operations in Shenandoah County, VA which are included in the Wireline segment.

# Key Operational Results - Wireline

- Access line loss of 9.2% 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
- 5,232 video subscribers at 3/31/16

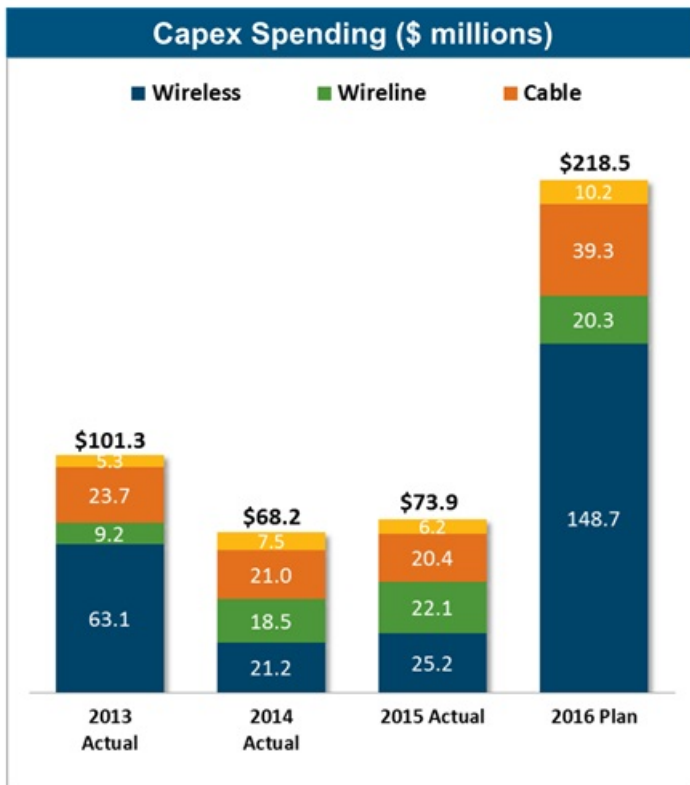


# Wireline and Cable Fiber Sales (\$ millions)



\* 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

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# Q&A



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# Appendix

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

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

	<b>1Q 2015</b>	<b>1Q 2016</b>
<b>Gross billed revenue</b>		
Wireless segment total operating revenues	\$ 52,509	\$ 56,517
Equipment revenue	(1,481)	(1,454)
Tower lease revenue	(2,570)	(2,750)
Gross billed revenue – prepaid	(12,549)	(13,083)
Prepaid service fee	756	785
Travel revenue, net	-	(1,767)
Other revenue	(83)	(195)
Wireless service revenue – postpaid	36,582	38,053
Service credits	3,503	4,056
Write-offs	2,616	2,195
Management fee	3,732	3,651
Net service fee	6,530	3,934
Gross billed revenue – postpaid	<u>\$ 52,963</u>	<u>\$ 51,889</u>
<b>Average Prepaid subscribers</b>	<b>146,736</b>	<b>142,274</b>
<b>Billed revenue per Prepaid subscriber</b>	<b>\$ 28.51</b>	<b>\$ 30.65</b>
<b>Average Postpaid subscribers</b>	<b>289,131</b>	<b>313,609</b>
<b>Billed revenue per Postpaid subscriber</b>	<b>\$ 61.06</b>	<b>\$ 55.15</b>

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



# Postpaid PCS Customers Top Picks Q1 2016

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## ■ Top Service Plans – 57% of Gross Adds

\$75 Unlimited Plan	15%
High Speed Data Share	15%
ATT Mobile Choice 50% OFF	11%
Unlimited Plan	8%
Tablet Plan	8%

## ■ Top Devices – New Activations – All Channels

iPhone	43%
Samsung Galaxy S	21%
Samsung Note 5	6%
Alcatel One Touch Pixi 3	5%
Samsung Grand Prime	3%

Smartphones made up 83% of the Postpaid base in Q1'16, up from 82% in Q4'15, and 80% in Q1'15.

## iPhone Statistics – Q1'16

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- 59% of Q4 Gross Adds
- 26% of iPhones were sold or upgraded in Shentel-controlled channels
- 50.1% of 3/31/16 Postpaid customers had the iPhone, up from 39.9% at 12/31/15 and 40.8% at 3/31/15.
- iPhone Base – 3/31/16
  - 69% iPhone 6, 6S, 6 Plus, 6S Plus
  - 24% iPhone 5, 5C & 5S
  - 7% iPhone 4 & 4S

# Non-GAAP Financial Measure – Average Monthly Cable Revenue

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

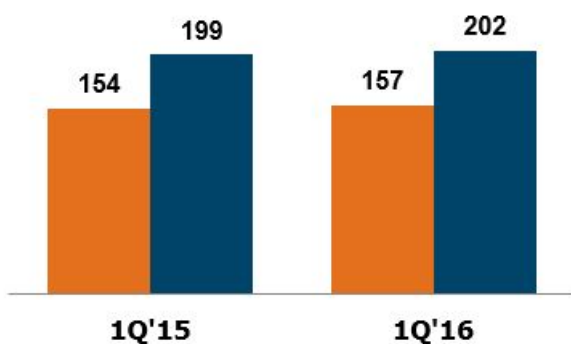
	<u>Q1 2015</u>	<u>Q1 2016</u>
Net Service Revenue	\$ 19,672	\$ 22,417
Set-top box rentals	1,911	2,099
FUSC and pass-through fees	395	425
<b>Video, Internet &amp; Voice Revenue</b>	<b>21,978</b>	<b>24,941</b>
Other miscellaneous revenue	1,333	1,505
<b>Total Operating Revenue</b>	<b>23,311</b>	<b>26,446</b>
Video revenue	12,582	13,262
Internet revenue	7,676	9,760
Voice revenue	1,720	1,919
<b>Video, Internet &amp; Voice Revenue</b>	<b>\$ 21,978</b>	<b>\$ 24,941</b>
<b><u>Average Subscribers</u></b>		
Video	51,787	52,092
Internet	52,230	56,994
Voice	18,658	20,518
Revenue Generating Units (RGUs)	122,675	129,604
Average Customer Relationships	71,686	75,725
<b><u>Average Revenue Per User (ARPU)</u></b>		
Revenue Generating Units (RGUs)	\$ 59.72	\$ 64.15
Customer Relationships	102.20	109.79
Video	141.46	159.60



# Key Operational Results – Mobile Company

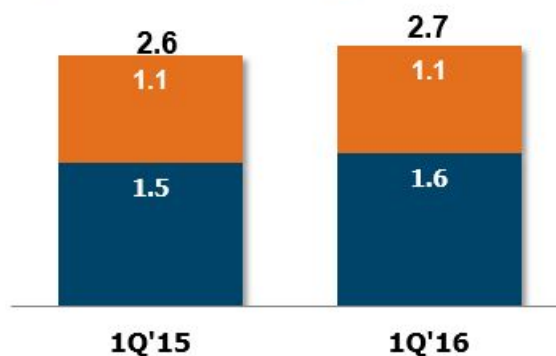
## Towers and Leases

■ Towers ■ Non-affiliate Leases



## Mobile Tower Revenue (\$ millions)

■ Non-affiliate Revenue ■ Affiliate Revenue



*(in thousands)*

	<u>Q1'15</u>	<u>Q1'16</u>
Operating Income	\$1,234	\$1,345
Deprec. and Amort.	442	482
Loss on Asset Disposals	7	13
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